Saxo Market Call

Slide deck

Friday, January 13, 2023

Questions and comments to marketcall@saxobank.com

Disclaimer
The slides here that accompany the podcast will occasionally mention financial instruments that are not tradable for all retail clients, depending on the relevant appropriateness test. Financial instruments mentioned can range from low to high risk, and our thoughts on the market should not be viewed as investment recommendations, but inspiration and information to gain a better understanding of current market dynamics.

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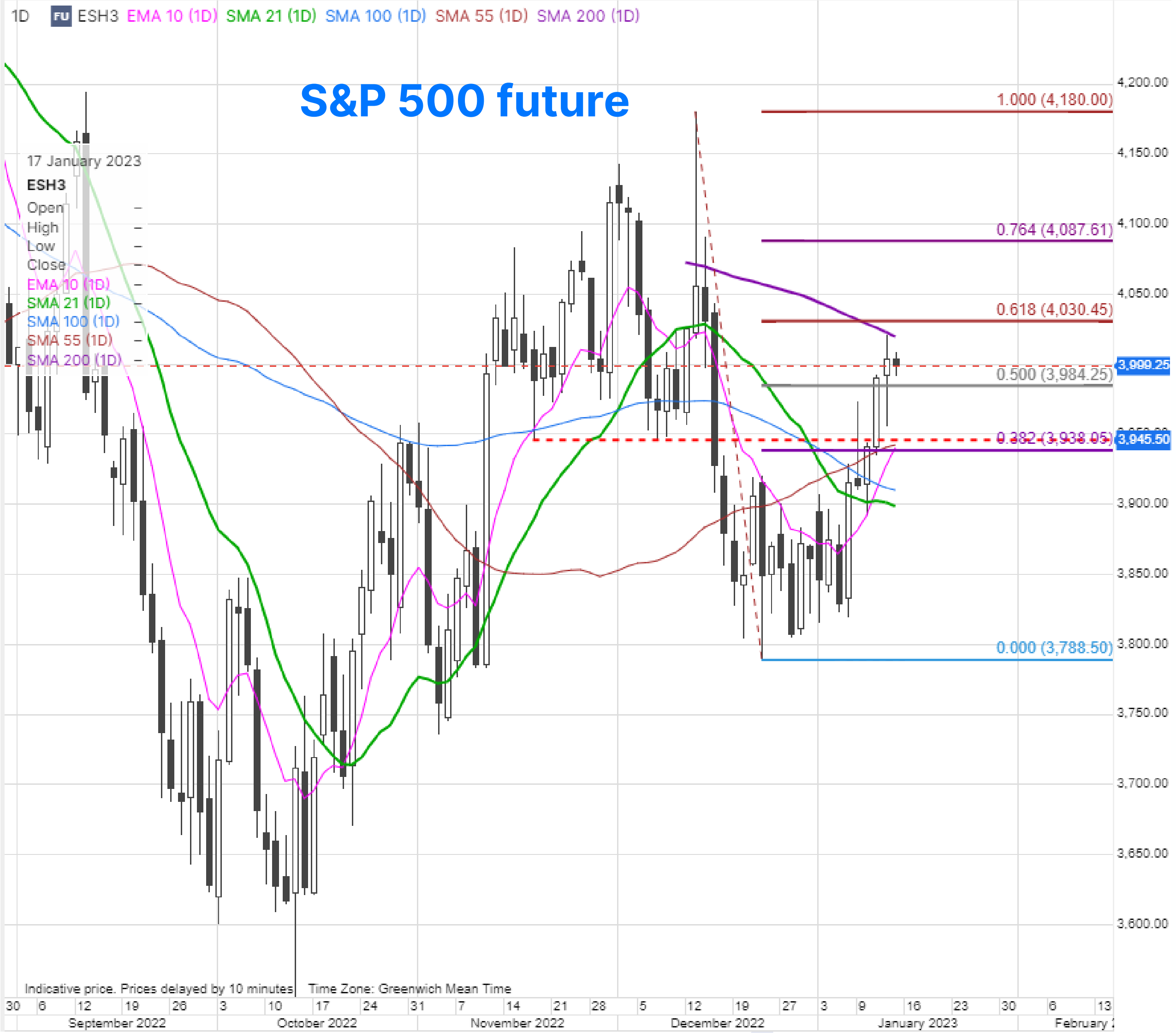
Equities hitting pivotal levels ahead of earnings season kicking off today



FX Board - Trend Evolution for G10 FX + CNH

Friday, January 13, 2023

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Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	2.4	-3.4	3.8	3.7	-1.0	-2.7	2.9	-0.7	-0.7	-2.2	-1.9	5.0	0.2
2D Change	0.7	-1.0	-0.3	3.1	-0.2	-1.5	0.3	-0.5	-0.7	-0.4	0.7	0.1	0.1
5D Change	2.1	-2.4	0.1	1.2	0.5	-2.8	0.3	-1.1	-0.3	0.8	1.7	-0.2	-1.4

↑ Momentum

Trend readings for last five weeks

Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
13-Jan	2.4	-3.4	3.8	3.7	-1.0	-2.7	2.9	-0.7	-0.7	-2.2	-1.9	5.0	0.2
12-Jan	2.2	-3.0	4.1	2.2	-0.9	-2.2	2.9	-0.6	-0.3	-2.1	-2.2	5.1	0.3
11-Jan	1.7	-2.4	4.1	0.6	-0.8	-1.2	2.6	-0.3	0.0	-1.8	-2.6	4.9	0.1
10-Jan	0.9	-2.5	3.8	1.0	-0.9	0.0	2.5	-0.2	-0.1	-1.7	-2.8	5.0	0.5
9-Jan	0.5	-2.1	3.8	1.6	-1.1	0.0	2.8	0.1	-0.3	-2.2	-2.9	4.9	1.0
6-Jan	0.3	-1.0	3.8	2.5	-1.5	0.1	2.6	0.3	-0.4	-3.0	-3.6	5.2	1.6
5-Jan	0.5	-0.2	3.6	3.4	-1.7	0.5	2.1	0.3	-1.0	-2.9	-4.4	4.9	1.6
4-Jan	0.5	-1.0	2.4	4.3	-1.6	0.4	2.0	-0.6	-0.9	-2.1	-3.2	4.9	2.7
3-Jan	0.9	-1.0	2.0	5.9	-2.1	0.5	0.8	-1.9	-0.9	-2.0	-1.8	3.8	3.4
2-Jan	1.6	-2.0	0.8	5.0	-2.4	1.1	1.0	-2.1	-0.5	-1.9	-0.3	2.0	2.9
30-Dec	1.9	-2.0	0.4	3.9	-2.3	1.3	0.7	-2.0	-0.1	-1.7	0.0	1.9	3.2
29-Dec	2.0	-1.4	0.0	2.9	-2.2	1.9	0.3	-1.4	0.1	-1.7	-0.2	1.9	3.3
28-Dec	2.1	-1.2	0.1	2.9	-2.2	1.4	-0.1	-1.4	-0.6	-1.7	0.5	2.1	4.1
27-Dec	2.4	-1.4	0.3	4.3	-2.2	1.0	-0.6	-1.3	-1.3	-2.1	1.0	1.6	3.8
26-Dec	2.5	-1.2	0.2	5.3	-1.8	0.9	-1.0	-2.0	-1.1	-2.4	0.7	1.9	4.0
23-Dec	2.4	-1.2	-0.1	5.9	-1.8	1.4	-1.5	-2.4	-1.2	-2.1	0.6	2.6	4.6
22-Dec	2.2	-1.4	-0.1	6.3	-1.6	2.0	-2.2	-3.1	-1.2	-1.3	0.9	2.1	4.1
21-Dec	2.0	-1.9	0.2	5.5	-1.1	2.3	-2.5	-3.5	0.0	-1.2	0.6	0.8	2.8
20-Dec	2.3	-2.0	0.5	4.2	-0.2	2.2	-2.9	-4.1	1.4	-1.0	0.2	0.8	3.5
19-Dec	2.6	-1.8	0.5	0.8	0.1	2.1	-2.2	-4.5	2.5	-0.1	0.4	0.2	4.2
16-Dec	2.6	-2.2	0.5	0.6	0.6	1.7	-2.0	-5.1	2.7	0.3	0.7	1.0	5.4
15-Dec	2.4	-3.0	-0.1	0.0	1.4	1.8	-1.0	-5.5	2.6	1.2	0.8	1.4	5.3
14-Dec	1.4	-4.0	-0.5	0.6	2.3	0.8	0.3	-6.2	3.6	1.7	0.5	1.1	5.1
13-Dec	1.3	-3.5	-0.1	0.6	2.3	0.7	0.2	-6.1	4.3	1.4	-0.6	1.8	5.0
12-Dec	1.4	-2.8	0.8	0.6	2.6	0.9	-0.4	-6.2	4.4	1.2	-1.9	1.3	4.1

Source: Saxo

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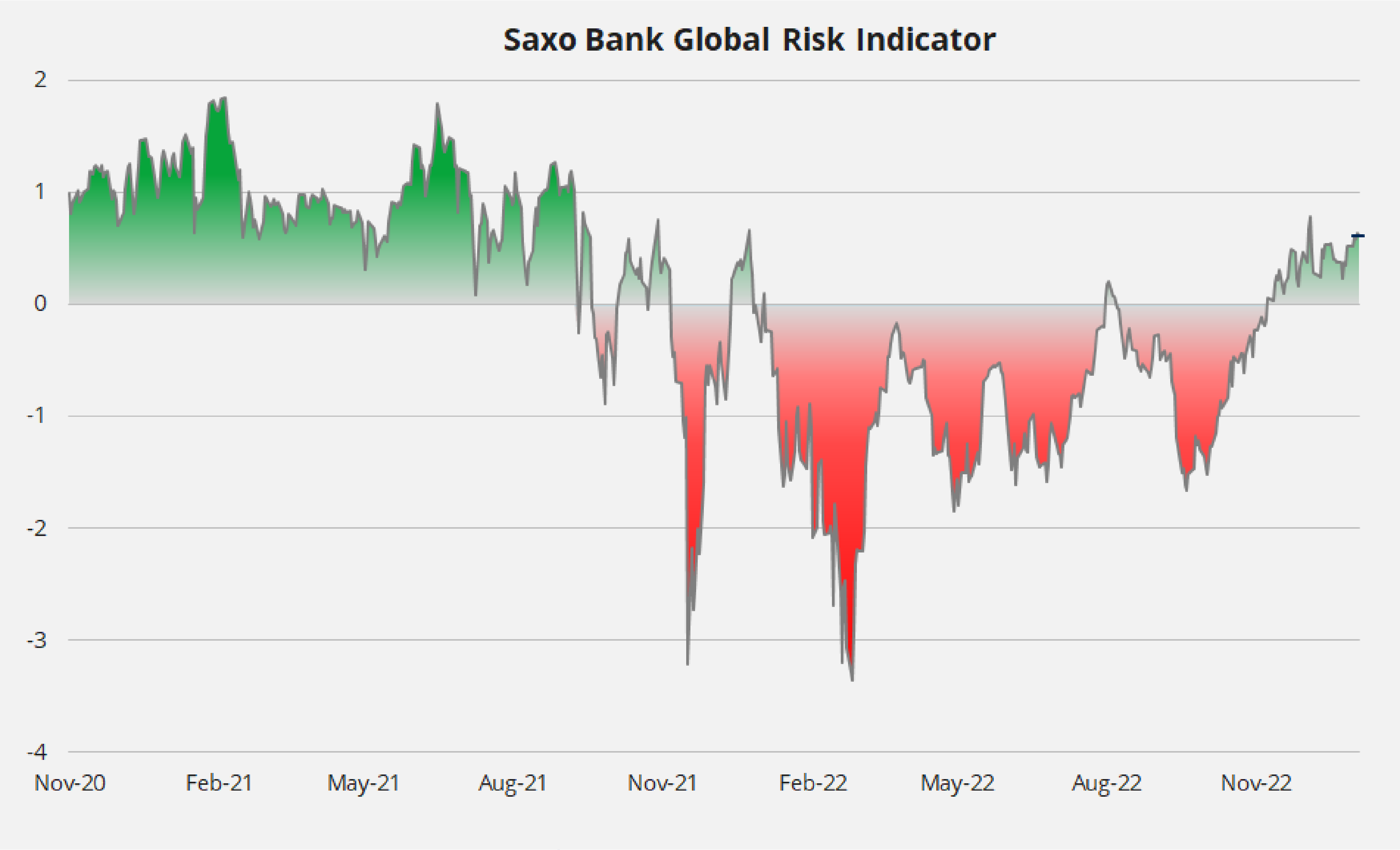
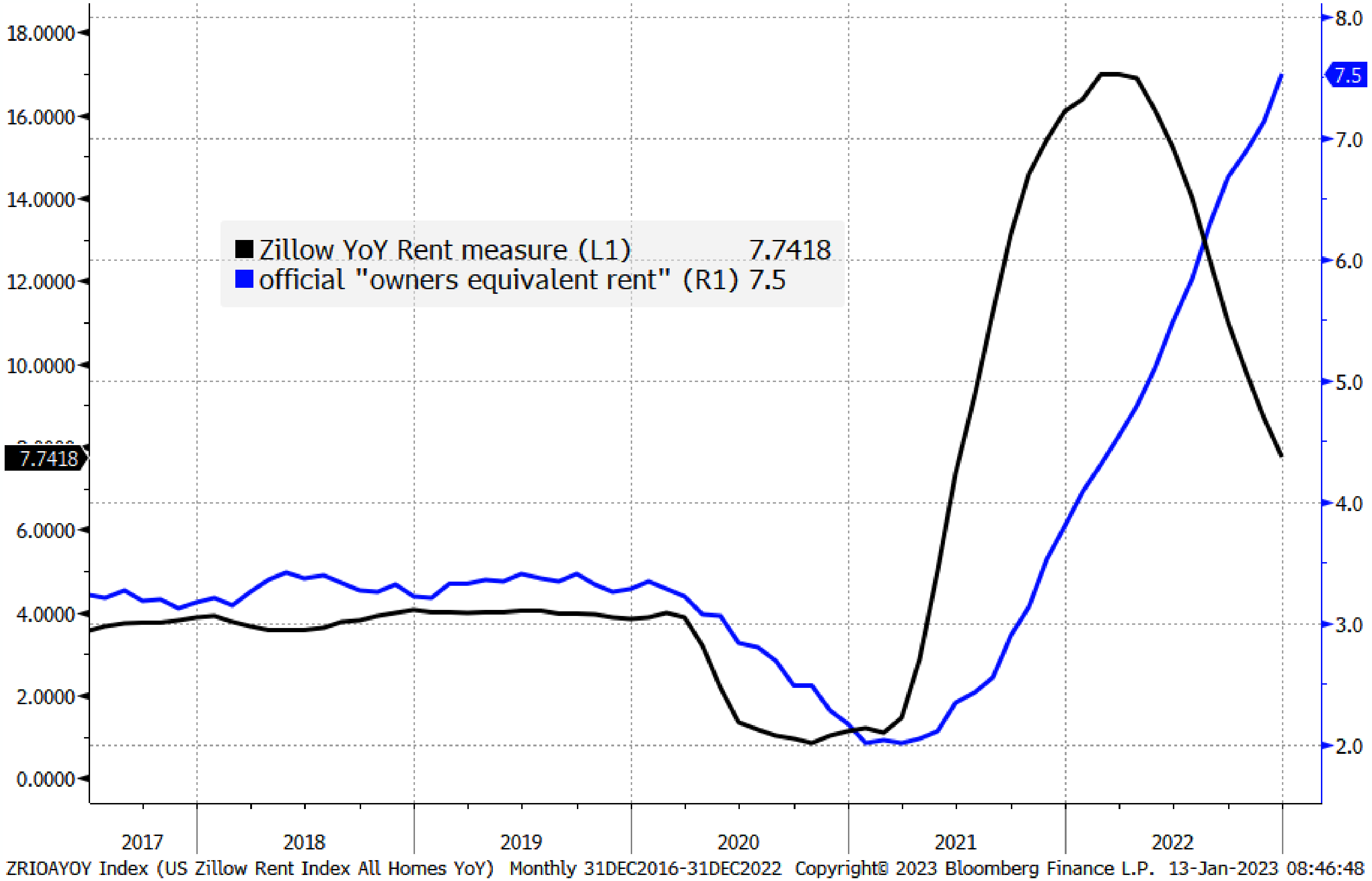
Risk indicator as market/financial conditions ease, ease, ease



Source: Saxo, Bloomberg

OER over-pumping current inflation levels – set to fall….

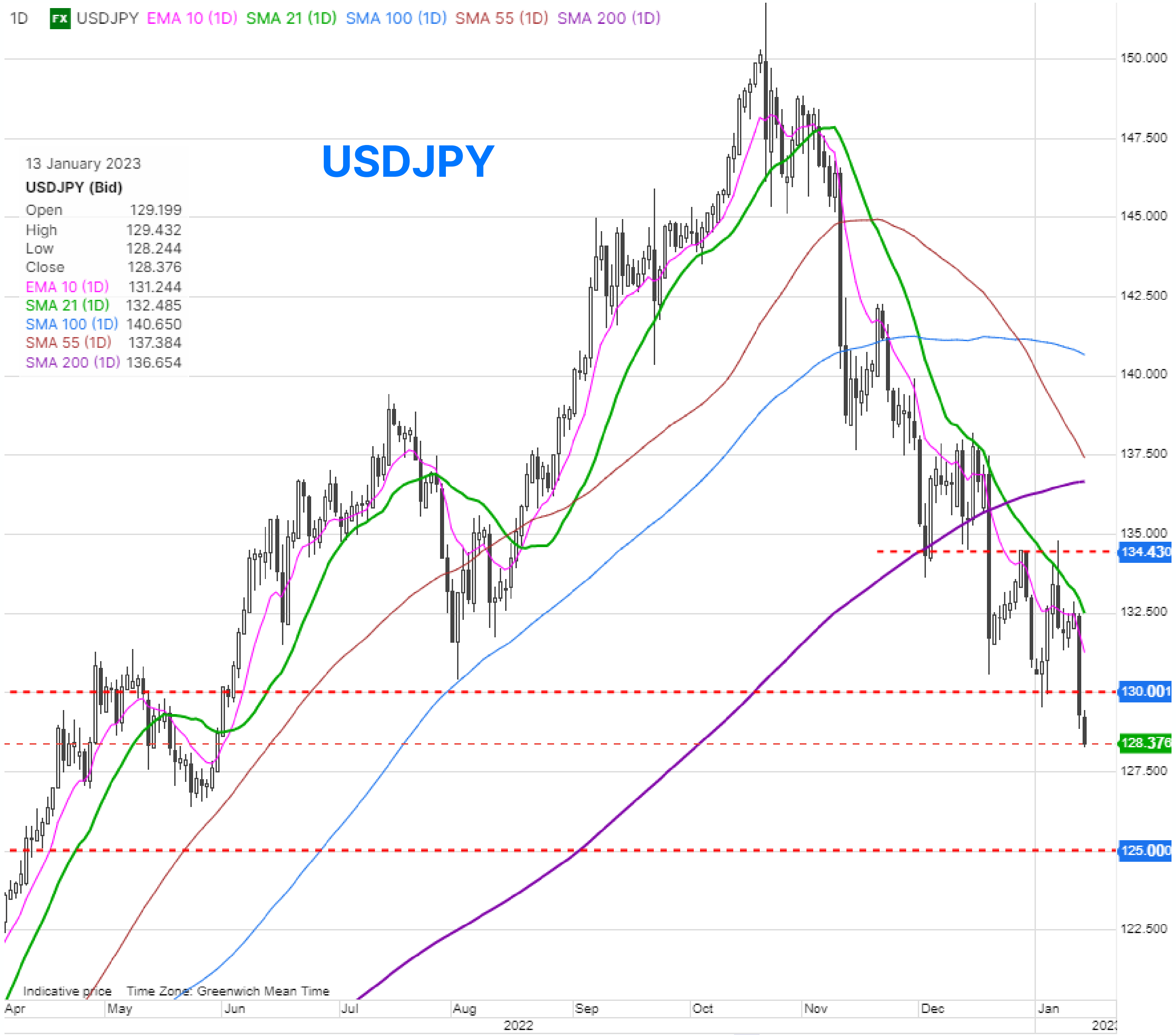


	Dec. 2022	Un-adjusted 12-mos. ended Dec. 2022
All items	-0.1	6.5
Food	0.3	10.4
Food at home	0.2	11.8
Food away from home[1]	0.4	8.3
Energy	-4.5	7.3
Energy commodities	-9.4	0.4
Gasoline (all types)	-9.4	-1.5
Fuel oil[1]	-16.6	41.5
Energy services	1.5	15.6
Electricity	1.0	14.3
Utility (piped) gas service	3.0	19.3
All items less food and energy	0.3	5.7
Commodities less food and energy commodities	-0.3	2.1
New vehicles	-0.1	5.9
Used cars and trucks	-2.5	-8.8
Apparel	0.5	2.9
Medical care commodities[1]	0.1	3.2
Services less energy services	0.5	7.0
Shelter	0.8	7.5
Transportation services	0.2	14.6
Medical care services	0.1	4.1

1 Not seasonally adjusted.

Source: Bloomberg

FX: JPY rips on BoJ expectations, collapsing yield spreads



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3-Jan	0.9	-1.0	2.0	5.9	-2.1	0.5	0.8	-1.9	-0.9	-2.0	-1.8	3.8	3.4
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22-Dec	2.2	-1.4	-0.1	6.3	-1.6	2.0	-2.2	-3.1	-1.2	-1.3	0.9	2.1	4.1
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Source: Saxo

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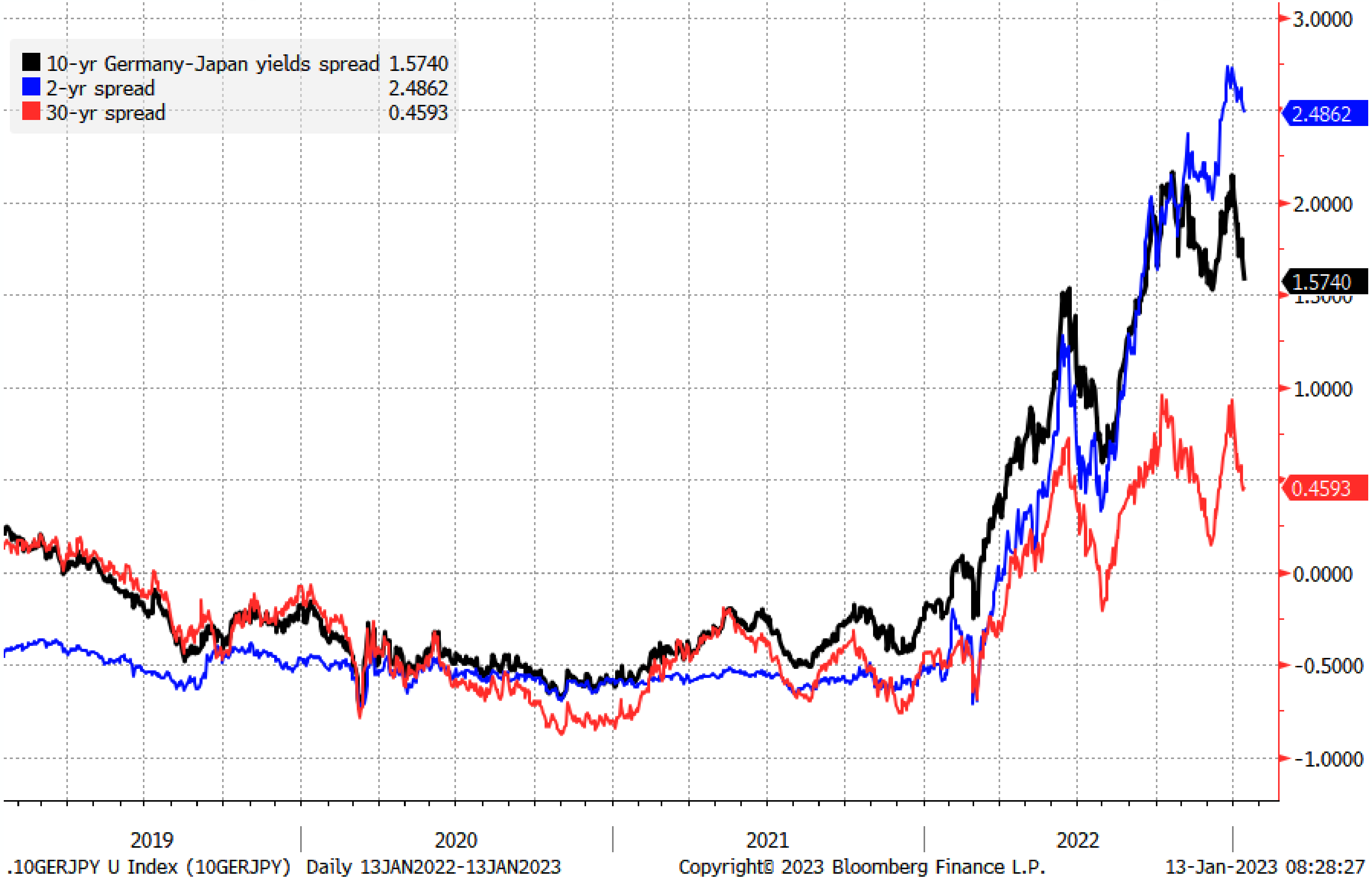
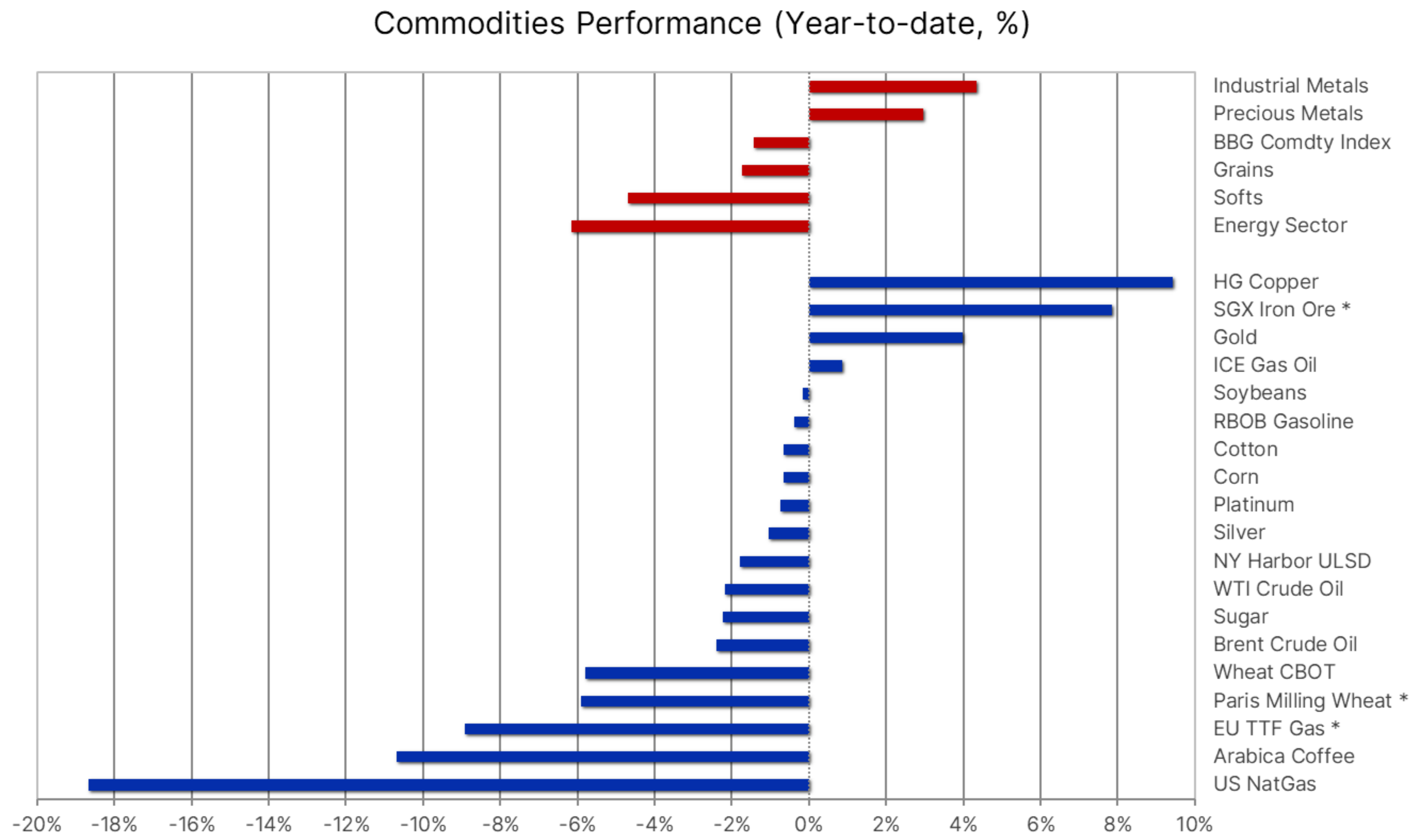
Hot anticipation of next Wednesday's Bank of Japan meeting



Source: Bloomberg

January gains led by metals but energy (ex natgas) catching a bid



Source: Bloomberg Commodity Subindices, Saxo Group

*** Not a BCOM member**

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Gold & copper see rising correction/consolidation risk

Source: Saxo

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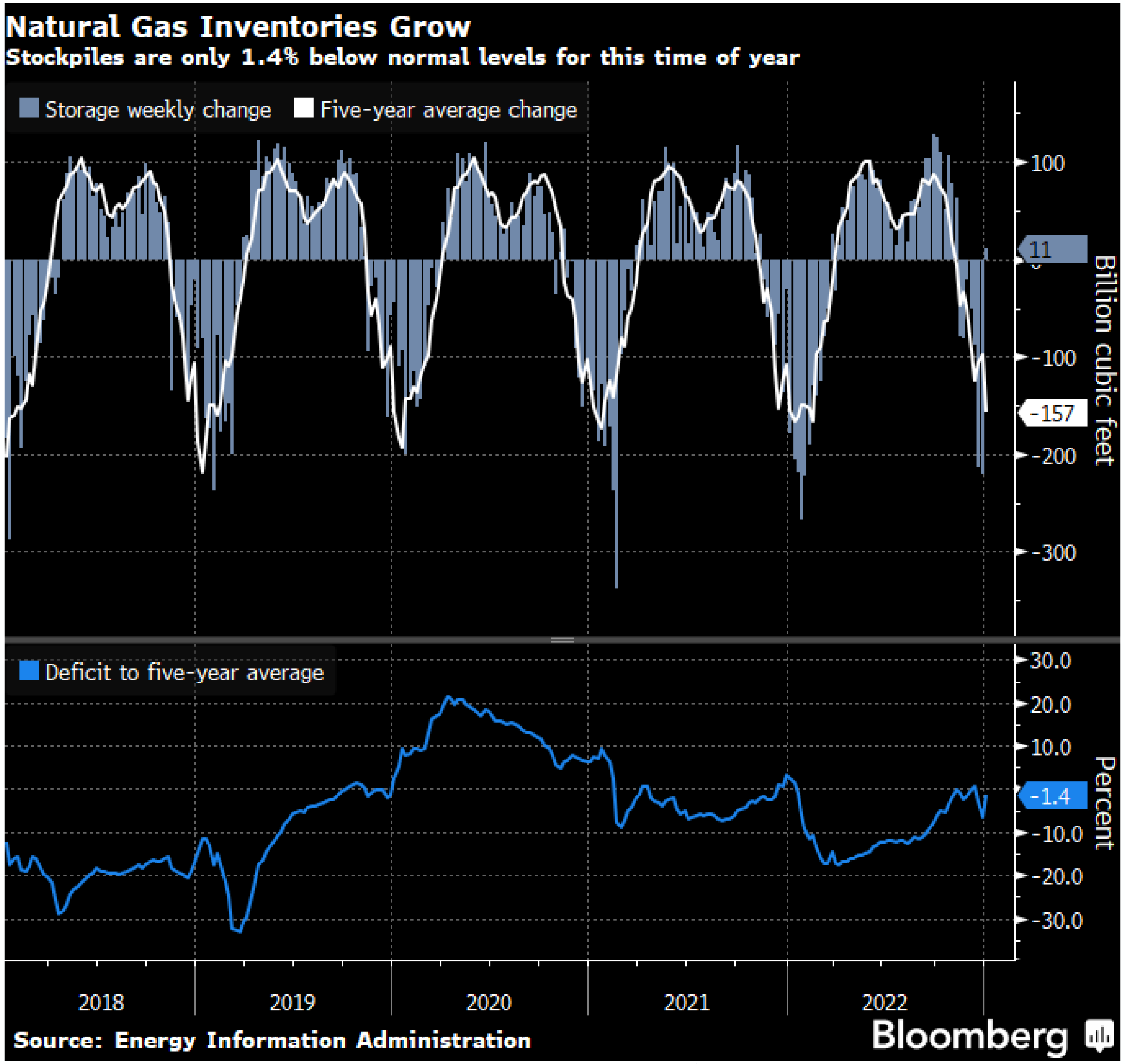
US natgas sees first ever January stock rise on warm weather



Source: Saxo

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WASDE drives up corn and soybeans on lower-than-expected production

2022/23 U.S. Ending Stocks (Million bushels)

	Avg. Trade estimates	USDA Dec	Avg trade v Prior %	Result	Result v Trade est
Corn	1,313.8	**1,257**	4.5%	**1,242**	-71.8
Soybeans	234.5	**220**	6.6%	**210**	-24.5
Wheat	580.4	**571**	1.6%	**567**	-13.4
Cotton	3.50	**3.50**	0.0%	**4.20**	0.7

Source: USDA, Bloomberg, Reuters, Saxo

US Quarterly Stocks (Million bushels)

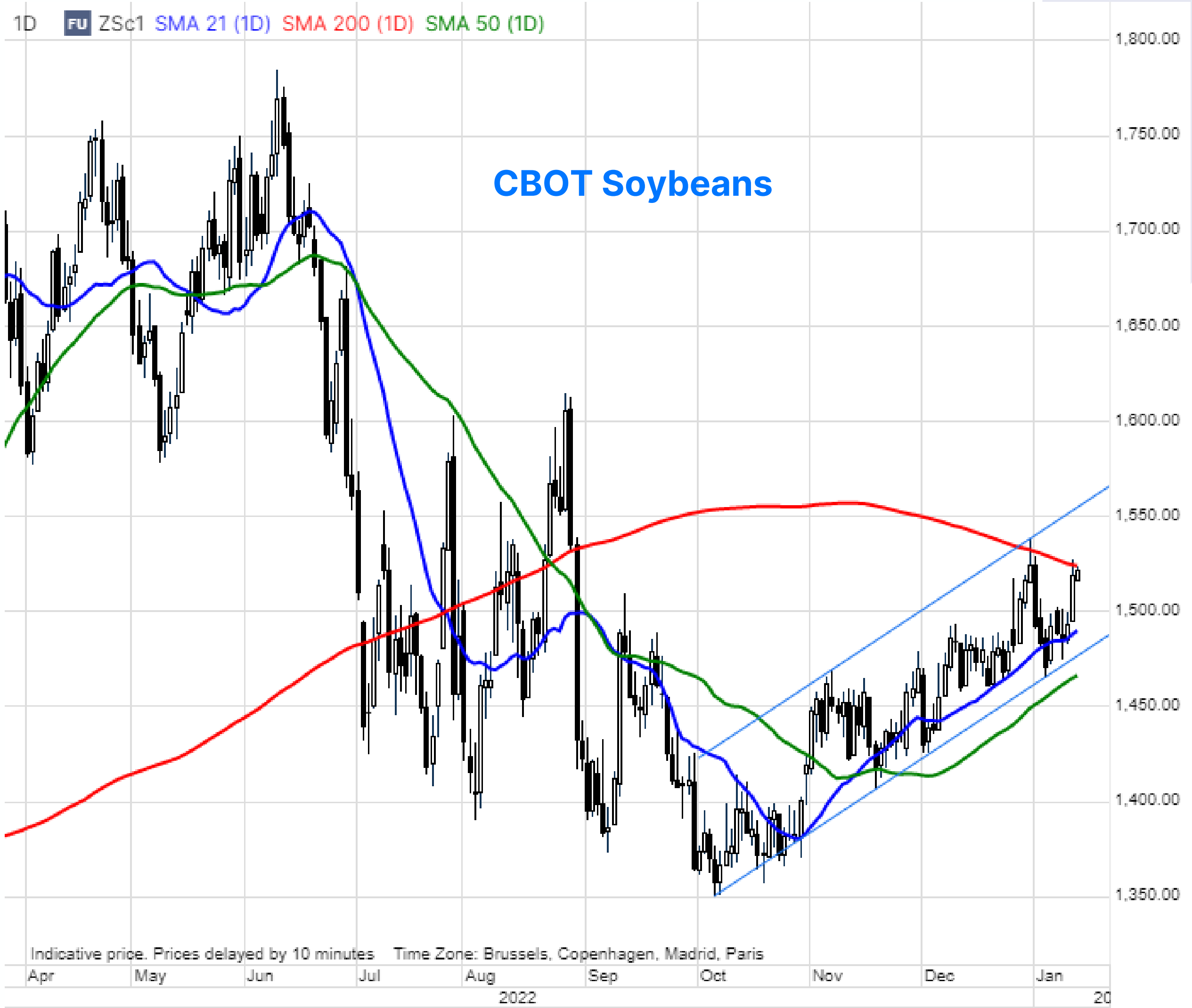
	Avg. Trade estimates	Q4-2021	Avg trade v Prior %	Result	Result v Trade est
Corn	11,163	11,642	-4.1%	**10,809**	-354.0
Soybeans	3,147	3,152	-0.2%	**3,022**	-125.0
All Wheat	1,342	1,378	-2.6%	**1,280**	-61.6

Source: USDA, Bloomberg, Reuters, Saxo

2022/23 U.S. Production (Million bushels)

	Avg. Trade estimates	USDA Dec	Avg trade v Prior %	Result	Result v Trade est
Corn	13,935	**13,930**	0.0%	**13,730**	-204.5
Soybeans	4,360	**4,346**	0.3%	**4,276**	-83.7
Cotton	14.14	**14.24**	-0.7%	**14.68**	0.5

Source: USDA, Bloomberg, Reuters, Saxo



Source: Saxo

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Earnings Watch

Today: DiDi Global, Aeon, Bank of New York Mellon, **Bank of America**, **JPMorgan Chase**, **Wells Fargo**, Citigroup, UnitedHealth, BlackRock, Delta Air Lines, First Republic

Tuesday: Morgan Stanley, Goldman Sachs, United Airlines

Wednesday: Kinder Morgan, Charles Schwab, Discover Financial Services EQT

Thursday: Netflix, Proctor & Gamble,

Friday: Ericsson, Sandvik, Schlumberger,

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Macro – calendar highlights

1000 – Eurozone Nov. Trade Balance

1000 – Euro zone Nov. Industrial Production

1330 – US Dec. Import Price Index

1500 – US Fed's Kashkari (Voter 2023) to speak

1500 – US Jan. Preliminary University of Michigan Sentiment

1520 – US Fed's Harker (Voter 2023) to speak

Upcoming Calendar Highlights (all times GMT)

MON: **US Market Holiday**

TUE: China Dec. Retail Sales/Industrial Production/GDP, UK Dec. Jobless Claims, US Jan. Empire Manufacturing, Canada Dec. CPI

WED: **Bank of Japan meeting**, UK Dec. CPI, US Dec. Retail Sales, US Dec. PPI, US Dec. Industrial Production, **US Jan. NAHB Housing Market Index**, US Fed Beige Book

THU: Australia Dec. Employment Data, **Norway Norges Bank**, ECB Meeting Minutes, US Jan. Philly Fed, US Dec. Housing Starts/Building Permits, **US Fed's Brainard to Speak**

FRI: Japan Dec. CPI, US Dec. Existing Home Sales

Longer term calendar highlights

Feb 1 – FOMC Meeting

Feb 2 – ECB Meeting, BoE Meeting

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Appendix: 5-year chart of S&P 500 Index

Source: Saxo

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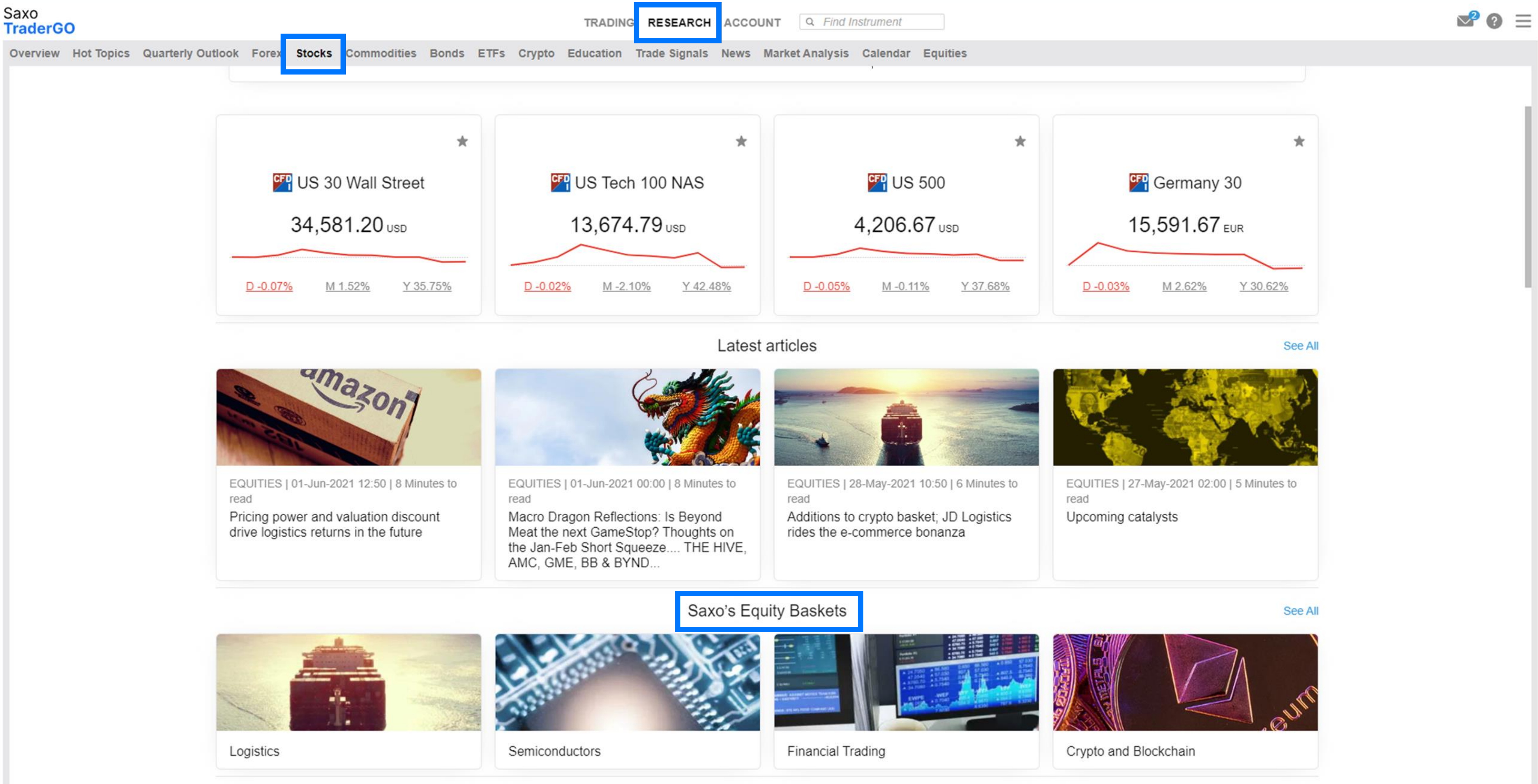
Appendix: Where do you find the equity theme baskets?



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