Saxo Market Call

Slide deck

Tuesday, March 21, 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.

Too early to expect normalcy. Big test over FOMC tomorrow.

Saxo equity themes performance overview

Sorted on one-day return (updated as of 20 March 2023)

Theme	1D	1W	MTD	YTD	1Y	5Y
Defence	2.1	-0.1	-0.4	11.1	18.6	67.1
Construction	1.5	-0.6	-2.0	8.4	2.9	63.1
Women in leadership	1.4	-0.2	-4.0	2.3	-14.0	81.1
Financial trading	1.3	2.8	-3.3	6.9	-11.5	78.2
Commodities	1.1	-2.6	-4.2	-2.9	-1.8	85.2
Luxury	1.0	0.6	-1.5	14.1	2.9	44.9
Renewable energy	1.0	-4.4	-3.7	-5.3	-7.9	244.9
MSCI World (USD)	0.8	1.4	-1.2	3.2	-9.5	38.2
Travel	0.8	-1.6	-5.5	9.8	-7.2	-12.5
Semiconductors	0.7	3.9	3.4	18.3	-6.4	132.7
China consumer & technology	0.6	1.1	-5.9	3.7	-26.2	33.1
Payments	0.4	2.7	0.3	9.8	-7.6	111.9
Mega Caps	0.2	-1.3	-4.3	-4.7	-8.7	120.1
Nuclear power	0.1	2.1	-0.9	8.3	-23.9	103.1
Cyber security	0.1	-4.2	-6.2	-3.1	-22.4	142.1
China's little giants	0.0	-0.2	-7.8	2.4	-45.2	156.3
Green transformation	-0.1	3.5	5.9	11.5	-10.4	78.5
Gaming	-0.3	-1.0	-0.7	2.5	-2.5	31.0
Transportation infrastructure	-0.5	-1.0	-7.0	-2.7	-25.3	129.1
NextGen medicine	-0.6	-5.8	-12.1	-1.6	-30.1	312.8
Energy storage	-0.7	0.1	-0.7	6.9	-1.5	119.3
Logistics	-0.8	0.3	-0.6	1.2	0.4	64.0
Bubble stocks	-0.8	-1.6	-6.4	7.1	-33.6	129.4
MSCI EM (USD)	-0.9	-1.8	-2.0	-1.1	-13.6	-12.0
E-commerce	-1.0	-1.0	-7.1	-0.4	-36.9	12.4
India (GDRs)	-1.3	-1.0	-2.6	-8.2	-14.7	43.6

Source: Bloomberg and Saxo

Source: Saxo

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Banks came back from AT1 abyss…

Saxo's banking monitor

Name	Country	G-SIB	Total assets (USD mn.)	Total deposits (USD mn.)	AT1 capital (USD mn.)	Total tier-1 capital / Total assets (%) *	Today 1D %	Yest. 1D %	1W%	CDS 5Y	20D Vol
Credit Suisse Group AG	Switzerland	Yes	576,373	252,994	15,984	9.4	NA	-55.7	-63.3	336	137.8
First Republic Bank/CA	US	No	212,639	176,437	NA	9.0	NA	-47.1	-69.3	NA	365.1
Standard Chartered PLC	UK	Yes	819,922	461,677	6,484	6.5	NA	-3.0	-11.7	97	41.4
Barclays PLC	UK	Yes	1,831,273	660,287	15,998	4.6	NA	-2.3	-10.3	116	35.6
Societe Generale SA	France	Yes	1,592,531	561,114	10,818	4.7	NA	-0.8	-14.1	98	44.3
Wells Fargo & Co	US	Yes	1,881,016	1,383,985	19,040	9.9	NA	-0.7	-6.7	105	32.9
ING Groep NV	Netherlands	Yes	1,036,630	686,328	6,807	6.6	NA	-0.7	-11.6	87	49.9
Charles Schwab Corp/The	US	No	551,772	464,162	NA	7.3	NA	-0.5	-1.0	109	79.8
Deutsche Bank AG	Germany	Yes	1,431,834	665,642	9,125	4.9	NA	-0.5	-12.2	172	53.0
Citigroup Inc	US	Yes	2,416,676	1,365,954	20,215	8.2	NA	-0.4	-7.0	118	30.6
Toronto-Dominion Bank/The	Canada	Yes	1,405,915	919,257	NA	5.6	NA	-0.2	-4.0	NA	21.2
Bank of Nova Scotia/The	Canada	No	989,382	671,736	NA	5.2	NA	-0.1	-0.4	NA	25.0
HSBC Holdings PLC	UK	Yes	2,966,530	1,570,303	19,776	5.5	NA	-0.1	-6.1	90	31.7
Bank of Montreal	Canada	No	835,251	564,175	NA	6.6	NA	0.1	-2.7	NA	22.1
Danske Bank A/S	Denmark	No	542,016	161,953	2,204	4.9	NA	0.4	-5.7	63	40.8
Erste Group Bank AG	Austria	No	346,892	239,897	2,356	8.1	NA	0.7	-9.7	52	44.0
Royal Bank of Canada	Canada	Yes	1,405,689	886,292	NA	4.9	NA	1.0	-3.2	NA	17.1
JPMorgan Chase & Co	US	Yes	3,665,743	2,340,179	26,697	7.6	NA	1.1	-5.6	98	28.2
UBS Group AG	Switzerland	Yes	1,104,364	525,051	12,864	5.5	NA	1.3	-5.5	175	62.9
Skandinaviska Enskilda Banken AB	Sweden	No	339,207	162,227	1,398	5.5	NA	1.4	-6.7	44	29.3
Bankinter SA	Spain	No	115,151	78,085	375	5.1	NA	1.5	-9.8	87	42.2
Commerzbank AG	Germany	No	510,915	273,233	3,928	7.2	NA	1.5	-10.3	100	63.3
Swedbank AB	Sweden	No	274,115	125,122	885	6.2	NA	1.7	-8.9	56	34.5
BNP Paribas SA	France	Yes	2,855,955	1,079,488	12,443	4.5	NA	1.7	-9.2	78	48.5
Morgan Stanley	US	Yes	1,180,231	572,780	8,521	7.3	NA	1.7	-4.8	116	27.7
Goldman Sachs Group Inc/The	US	Yes	1,441,799	648,710	10,502	8.6	NA	2.0	-3.9	119	25.2
DNB Bank ASA	Norway	No	329,720	142,285	1,463	7.2	NA	2.0	-3.4	50	25.4
UniCredit SpA	Italy	Yes	918,761	526,786	6,511	7.7	NA	2.4	-7.7	129	48.7
Nordea Bank Abp	Finland	No	637,137	227,570	3,515	5.1	NA	2.8	-6.6	42	33.1
Banco Santander SA	Spain	Yes	1,857,993	1,098,307	9,459	5.6	NA	2.8	-6.4	85	47.9
Banco Bilbao Vizcaya Argentaria SA	Spain	No	763,844	419,441	5,562	7.6	NA	3.2	-6.9	92	45.0
Intesa Sanpaolo SpA	Italy	No	1,045,054	566,392	7,712	5.8	NA	3.7	-5.5	121	41.5
US Bancorp	US	No	674,805	524,976	NA	8.7	NA	4.6	-8.2	112	46.5
Sum / median statistics			**38,557,134**	**21,002,825**	**240,643**	**6.5**	**#NUM!**	**1.0**	**-6.7**	**97.9**	**41.4**

Source: Bloomberg and Saxo

* This measure is the most conservative measure of a bank's leverage. A lower bound under in the assumption that Basel III risk-weightings do not apply well in a crisis.

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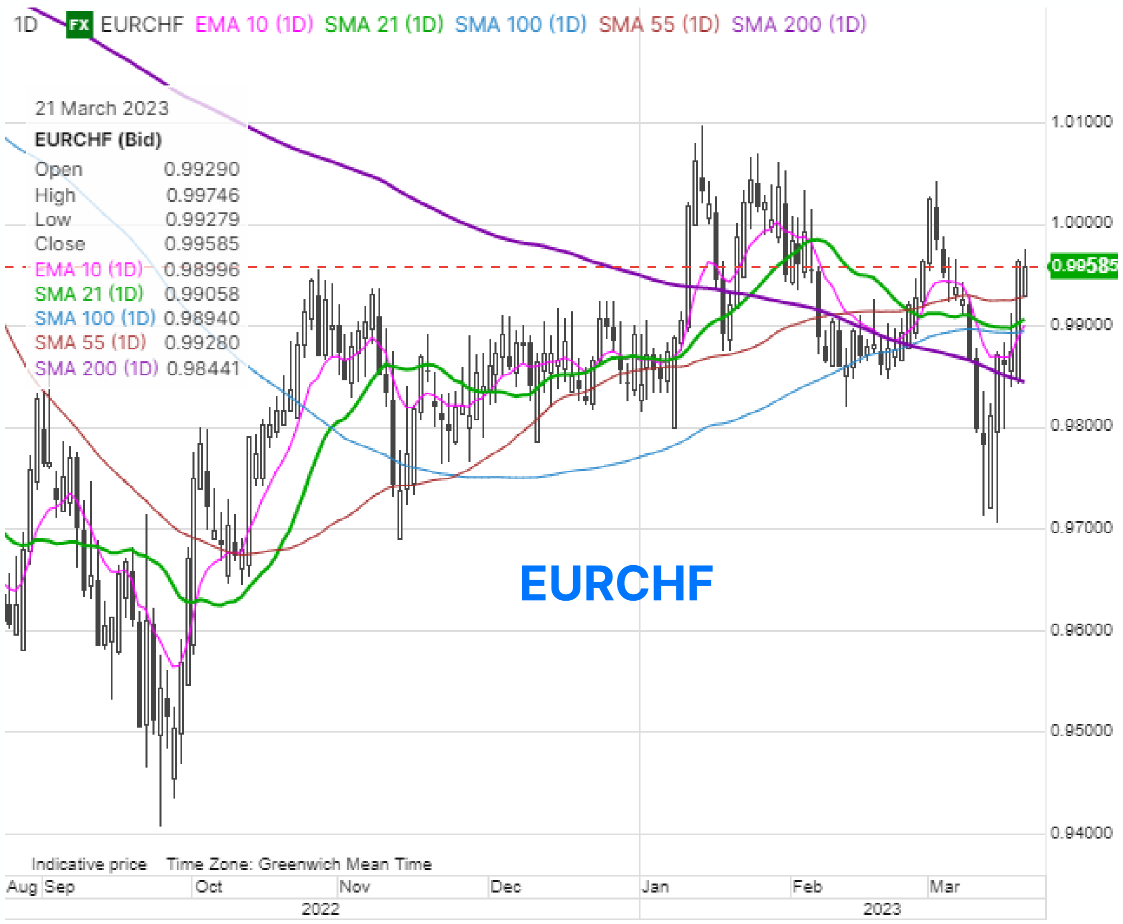
FX: Waiting for market read of FOMC for USD view. Swissie dips.



FX Board - Tren volution f G10 + CN

Tuesday, M 21, 2023

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Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	0.8	-0.6	0.3	3.5	3.5	-0.7	-2.0	-1.8	-0.2	2.0	-4.7	8.4	3.9
2D Change	0.6	-0.9	-0.6	0.2	0.8	-1.9	0.3	0.2	-1.2	1.5	0.9	-0.5	0.4
5D Change	-1.2	-0.9	-0.7	2.3	0.8	-6.1	2.2	1.0	0.1	2.8	-0.5	2.8	3.4

↑ Momentum

Trend readings for last five weeks

Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
21-Mar	0.8	-0.6	0.3	3.5	3.5	-0.7	-2.0	-1.8	-0.2	2.0	-4.7	8.4	3.9
20-Mar	0.5	-0.4	0.3	3.6	3.4	-0.1	-2.0	-1.9	0.7	1.3	-5.2	8.9	3.9
17-Mar	0.2	0.3	0.8	3.3	2.7	1.2	-2.3	-1.9	1.1	0.5	-5.7	8.9	3.5
16-Mar	0.3	0.9	1.4	2.6	2.7	2.0	-3.1	-1.5	0.1	0.5	-5.7	6.9	2.0
15-Mar	0.8	0.9	1.6	2.4	2.6	3.2	-3.8	-2.1	0.2	-0.3	-5.1	6.7	1.8
14-Mar	2.0	0.3	1.0	1.2	2.7	5.4	-4.3	-2.7	-0.2	-0.8	-4.2	5.6	0.6
13-Mar	2.4	1.4	1.5	1.9	2.8	5.8	-4.8	-3.0	-0.9	-2.2	-4.2	5.2	-1.0
10-Mar	2.8	3.3	1.1	1.0	2.1	5.2	-5.0	-2.1	-1.5	-2.1	-4.1	3.1	-4.1
9-Mar	2.7	4.3	1.1	0.1	1.1	3.4	-4.2	-1.0	-1.4	-1.6	-3.9	1.4	-5.1
8-Mar	2.6	4.4	1.3	-0.8	0.5	2.2	-3.9	-0.2	-1.0	-1.0	-3.7	0.7	-4.9
7-Mar	2.6	3.7	0.4	-1.1	0.6	1.8	-3.6	0.2	-0.9	-0.1	-3.2	1.1	-4.2
6-Mar	2.0	2.2	-0.1	-1.9	0.9	0.8	-2.4	-0.1	-0.6	1.3	-2.0	1.6	-2.8
3-Mar	1.2	2.4	1.0	-2.4	0.8	-0.6	-2.1	0.1	0.0	1.2	-2.0	1.5	-3.0
2-Mar	1.5	3.0	0.9	-2.7	0.7	-1.0	-2.6	0.5	0.3	1.6	-2.0	0.5	-3.9
1-Mar	1.4	2.8	0.5	-2.7	1.4	-1.0	-2.7	0.0	-0.3	2.2	-1.6	-0.3	-4.3
28-Feb	0.6	3.6	-0.8	-2.4	2.0	-0.4	-2.8	0.4	-1.7	2.8	-1.2	-1.1	-4.8
27-Feb	0.5	3.6	-1.3	-2.6	1.6	0.2	-2.7	0.9	-2.2	3.1	-1.2	-2.1	-5.3
24-Feb	0.0	3.7	-0.9	-2.2	0.8	0.3	-2.1	0.9	-1.7	2.4	-1.4	-2.1	-4.4
23-Feb	-0.3	2.8	-0.4	-1.9	0.8	0.6	-1.4	0.5	-1.7	2.6	-1.8	-2.2	-3.4
22-Feb	-0.1	2.6	-0.3	-2.4	1.0	1.3	-1.1	0.4	-2.2	2.9	-2.2	-2.0	-2.9
21-Feb	0.2	2.2	-0.3	-2.7	0.6	1.6	-0.2	0.5	-2.7	2.9	-2.0	-2.0	-2.8
20-Feb	0.3	1.9	-0.2	-2.5	-0.8	1.9	0.2	1.0	-2.4	2.4	-1.8	-2.1	-3.4
17-Feb	0.5	2.1	-0.2	-2.3	-0.8	1.9	-0.1	1.4	-2.2	1.6	-1.9	-2.2	-3.9
16-Feb	0.0	1.8	-0.3	-2.3	-1.2	1.7	0.1	1.8	-1.9	1.8	-1.6	-2.7	-4.4
15-Feb	-0.3	1.2	-0.5	-2.5	-0.8	1.5	0.5	2.1	-1.6	1.8	-1.4	-2.9	-4.5

Source: Saxo

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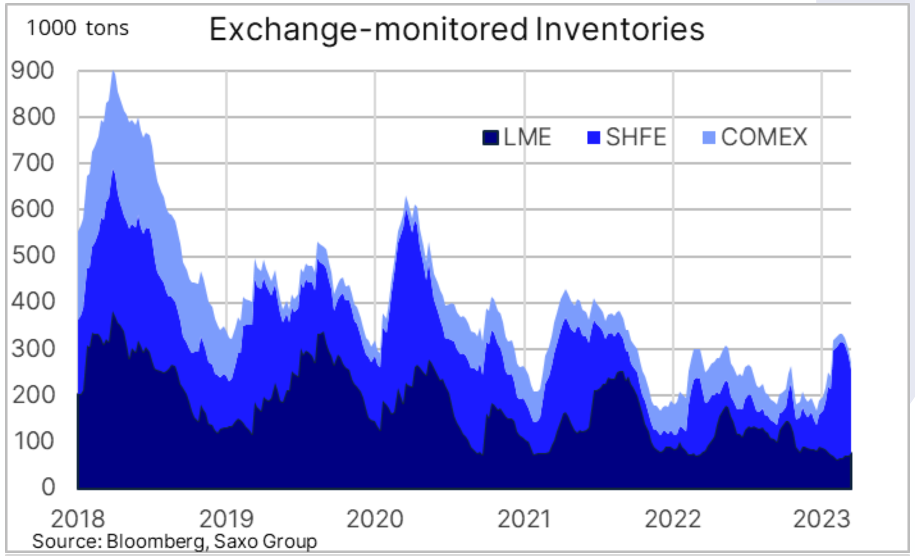
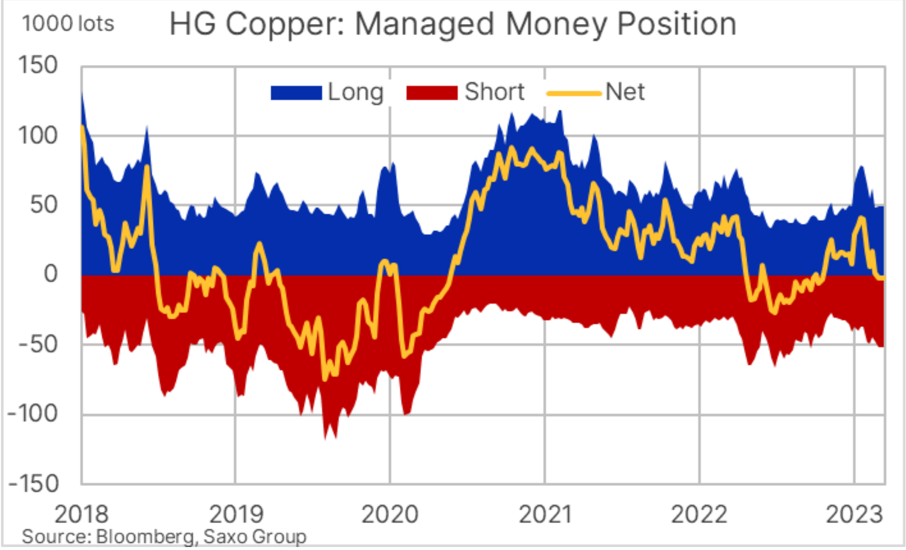
Copper's relatively small correction highlight China and electrification focus

Source: Saxo





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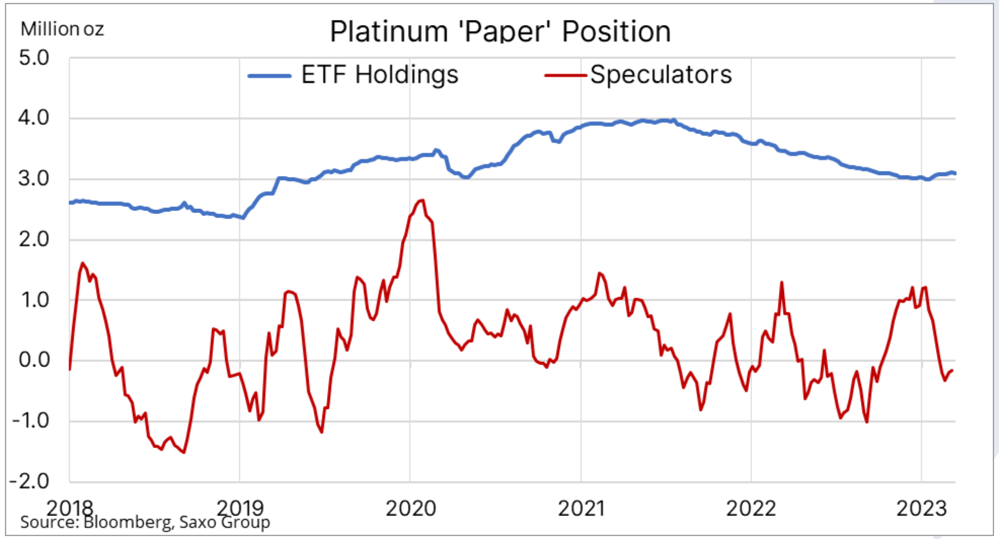
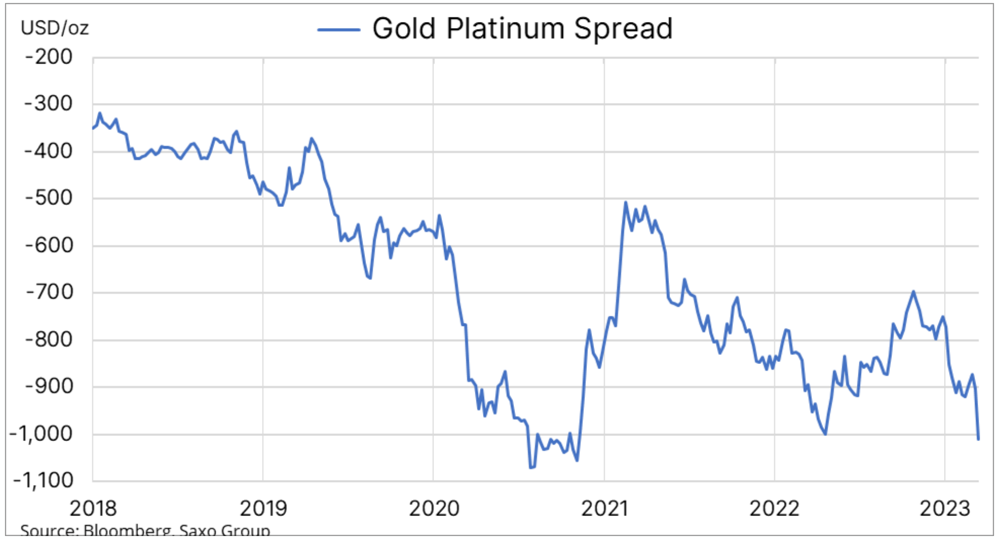
Platinum hits $1000 discount to gold (again)

Source: Saxo





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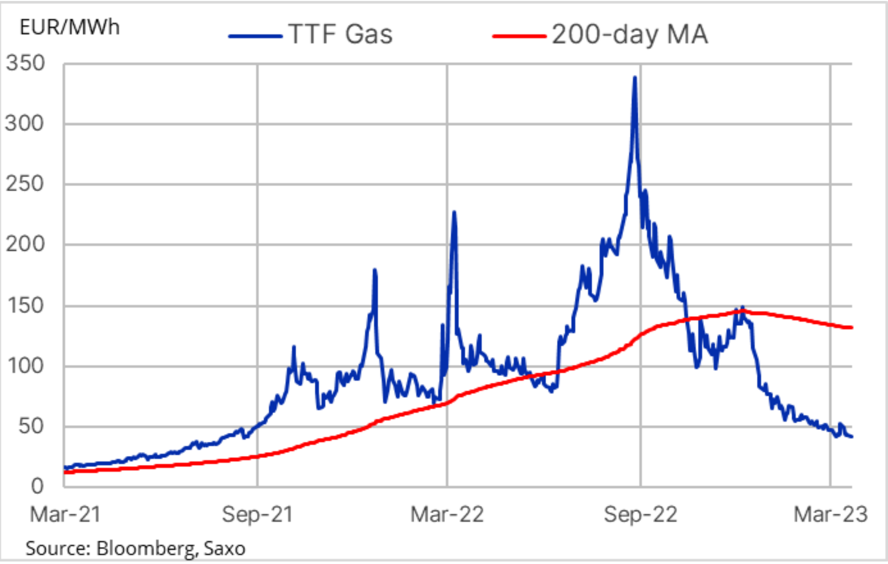
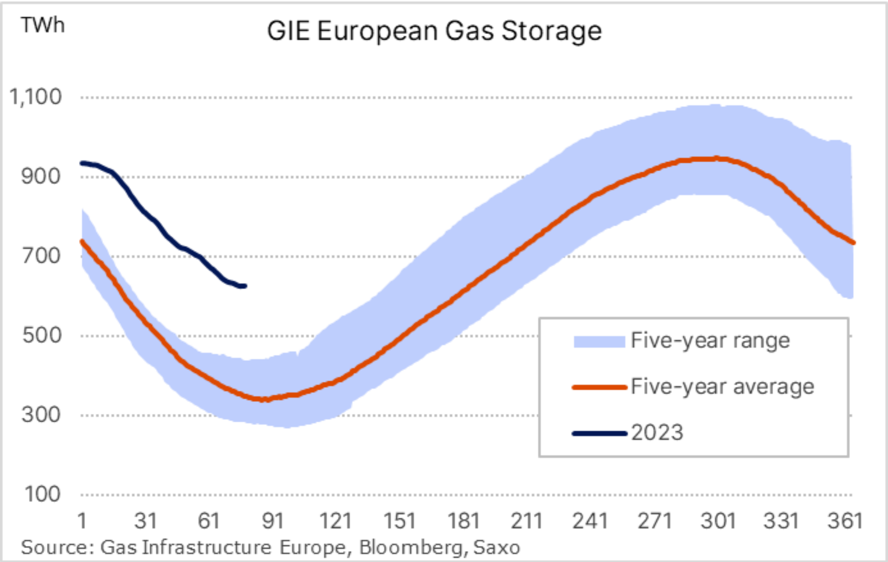
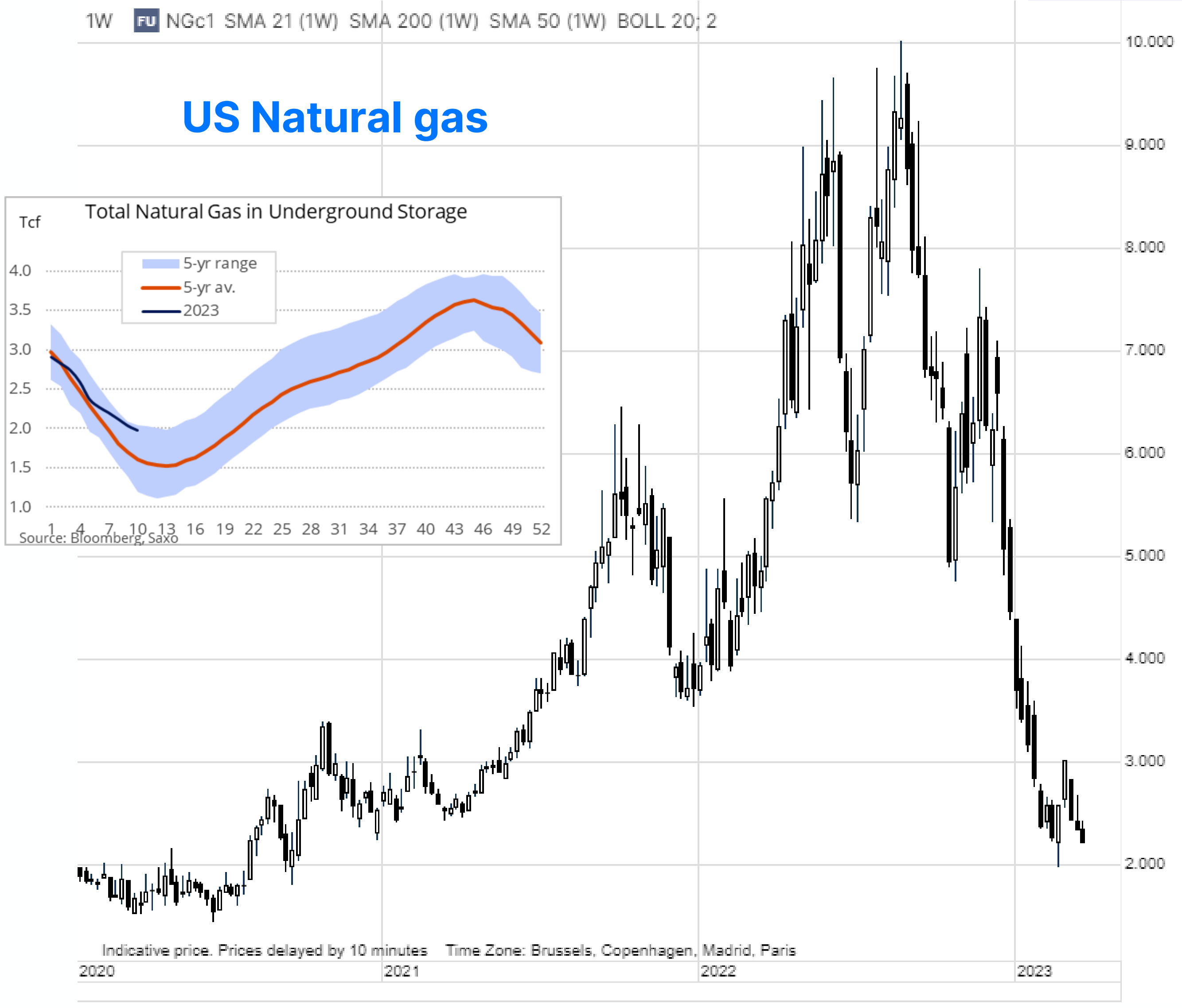
Gas: Above avg. temperatures driving down gas prices in NWE and the US







Source: Saxo

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Stocks to watch today…

- **RWE** – sees FY23 adjusted EBITDA €5.8-6.4bn vs est. €5.8bn driven by strong expectations in its solar and wind businesses.
- **Anta Sports** – shares up 9% on strong FY22 results beating expectations and raising dividends by 6%.
- **Amazon** – laying off another 9,000 employees to improve profitability.

Source: Saxo

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Earnings Watch

Today: RWE, **Anta Sports**, Partners Group, **Nike**

Wednesday: **Tencent**, China Telecom

Thursday: China Mobile, **Accenture**, General Mills, Darden Restaurants

Friday: China Merchants Bank, **Meituan**, China Petroleum & Chemical

Nike quarterly financials

In Millions of USD	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3 Est	2023 Q4 Est	2024 Q1 Est
3 Months Ending	02/28/2022	05/31/2022	08/31/2022	11/30/2022	02/28/2023	05/31/2023	08/31/2023
Market Capitalization	215,202.8	186,713.4	166,487.8	170,019.5			
- Cash & Equivalents	13,467.0	12,997.0	11,876.0	10,621.0			
+ Preferred & Other	0.0	0.0	0.0	0.0			
+ Total Debt	12,657.0	12,627.0	12,591.0	12,525.0			
Enterprise Value	214,392.8	186,343.4	167,202.8	171,923.5			
Revenue, Adj	10,871.0	12,234.0	12,687.0	13,315.0	11,521.2	12,529.3	13,629.1
Growth %, YoY	5.0	-0.9	3.6	17.2	6.0	2.4	7.4
Gross Profit, Adj	5,067.0	5,503.0	5,615.0	5,711.0	5,031.3	5,581.3	6,197.7
Margin %	46.6	45.0	44.3	42.9	43.7	44.5	45.5
EBITDA, Adj	1,809.0	1,647.0	1,864.0	1,760.0	1,192.9	1,773.9	2,128.1
Margin %	16.6	13.5	14.7	13.2	10.4	14.2	15.6
Net Income, Adj	1,396.0	1,439.0	1,468.0	1,331.0	860.5	1,246.0	1,647.0
Margin %	12.8	11.8	11.6	10.0	7.5	9.9	12.1
EPS, Adj	0.87	0.90	0.93	0.85	0.54	0.81	1.07
Growth %, YoY	-4.8	-3.2	-19.8	2.4	-37.6	-10.4	15.2
Cash from Operations	169.0	1,151.0	357.0	1,001.0			
Capital Expenditures	-154.0	-242.0	-264.0	-236.0	-265.3	-283.4	-296.1
Free Cash Flow	15.0	909.0	93.0	765.0	3,008.1	1,073.1	1,362.8

Source: Bloomberg

Source: Bloomberg

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Macro – calendar highlights (all times GMT)

1000 – Germany Mar. ZEW Survey

1230 – US Philly Fed Business Activity Survey

1230 – ECB's Lagarde, Villeroy to speak

1230 – Canada Feb. CPI

1400 – US Feb. Existing Home Sales

1700 – US 20-year Treasury Auction

2000 – New Zealand Q1 Westpac Consumer Confidence

2030 – API's Weekly Crude and Fuel Stock Report

Upcoming Calendar Highlights

WED: **UK Feb. CPI**, **US FOMC Meeting**

THU: **Switzerland SNB Meeting**, **Norway Norges Bank Meeting**, **UK Bank of England Meeting**

FRI: Japan Feb. CPI, **Eurozone Mar. Flash PMIs**

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Appendix: S&P 500 Index 5-year chart

Source: Saxo

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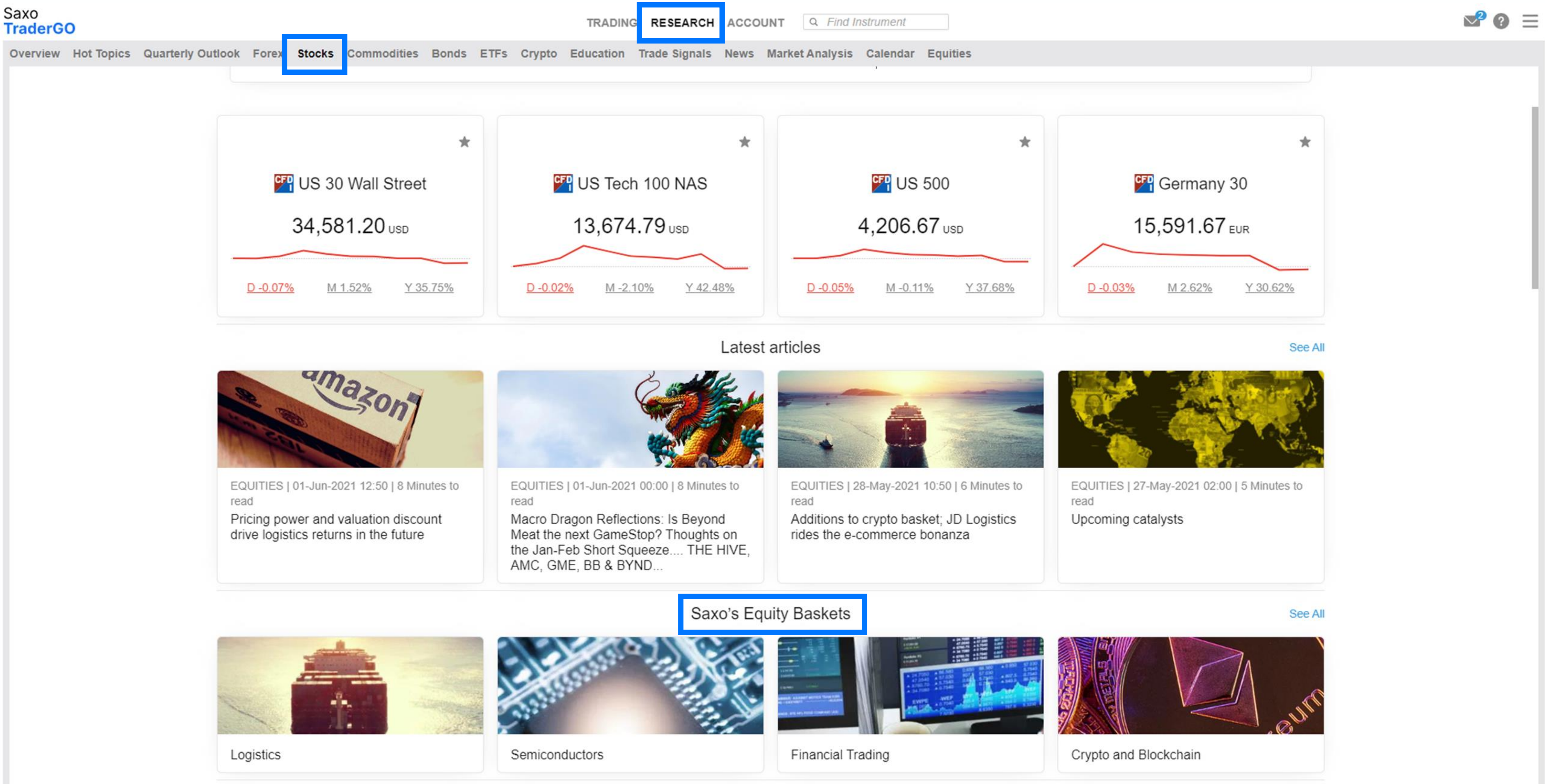
Appendix: Where do you find the equity theme baskets?



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