



# Saxo Market Call

## Slide deck

Friday, June 23, 2023

Questions and comments to [marketcall@saxobank.com](mailto: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.

**SAXO**  
BE INVESTED

# Asia craters after strong US session and more AI-linked hype



## Saxo equity themes performance overview

Sorted on one-day return (updated as of 22 Jun 2023)

Theme	1D	1W	MTD	YTD	1Y	5Y
E-commerce	3.1	0.3	11.3	12.4	4.4	8.9
Cyber security	0.8	-2.5	0.7	21.7	10.2	109.6
Mega Caps	0.6	-0.8	5.9	26.2	26.2	136.4
Semiconductors	0.3	-3.4	2.9	36.1	35.7	184.5
MSCI World (USD)	0.1	-1.2	4.7	13.7	17.5	50.5
Gaming	0.0	-3.6	7.4	18.9	14.7	64.4
Bubble stocks	0.0	-5.4	5.9	31.4	15.1	129.8
China consumer & technology	0.0	-3.9	8.9	-0.3	-2.0	62.3
China's little giants	0.0	-1.3	-1.9	-16.5	-28.4	127.0
Transportation infrastructure	-0.1	-0.5	2.4	4.2	7.0	29.6
Commodities	-0.1	-2.6	2.4	8.9	15.2	116.2
Logistics	-0.1	-1.5	4.1	18.7	39.2	33.2
Luxury	-0.2	-1.6	8.3	16.0	30.8	75.8
Construction	-0.2	-1.0	8.6	23.6	32.4	-3.6
Travel	-0.3	-2.1	4.8	5.9	3.8	4.5
MSCI EM (USD)	-0.3	-2.4	1.9	5.8	12.6	73.5
Financial trading	-0.4	-3.1	2.8	7.1	3.8	106.0
NextGen medicine	-0.5	-0.9	0.7	-3.4	4.5	53.0
India (GDRs)	-0.6	-5.9	6.9	8.6	-29.1	164.1
Green transformation	-0.7	-3.3	-0.5	-8.8	-3.5	224.3
Renewable energy	-0.7	-1.8	4.2	8.1	14.8	73.6
Women in leadership	-0.9	-2.4	7.2	3.0	13.8	92.2
Defence	-1.1	1.2	6.9	18.8	30.3	84.2
Nuclear power	-1.1	-1.0	8.8	3.1	18.2	120.5
Payments	-1.2	-2.7	3.4	10.3	5.1	32.2
Energy storage	-1.3	-5.2	7.1	-3.0	-16.5	364.4

Source: Bloomberg and Saxo

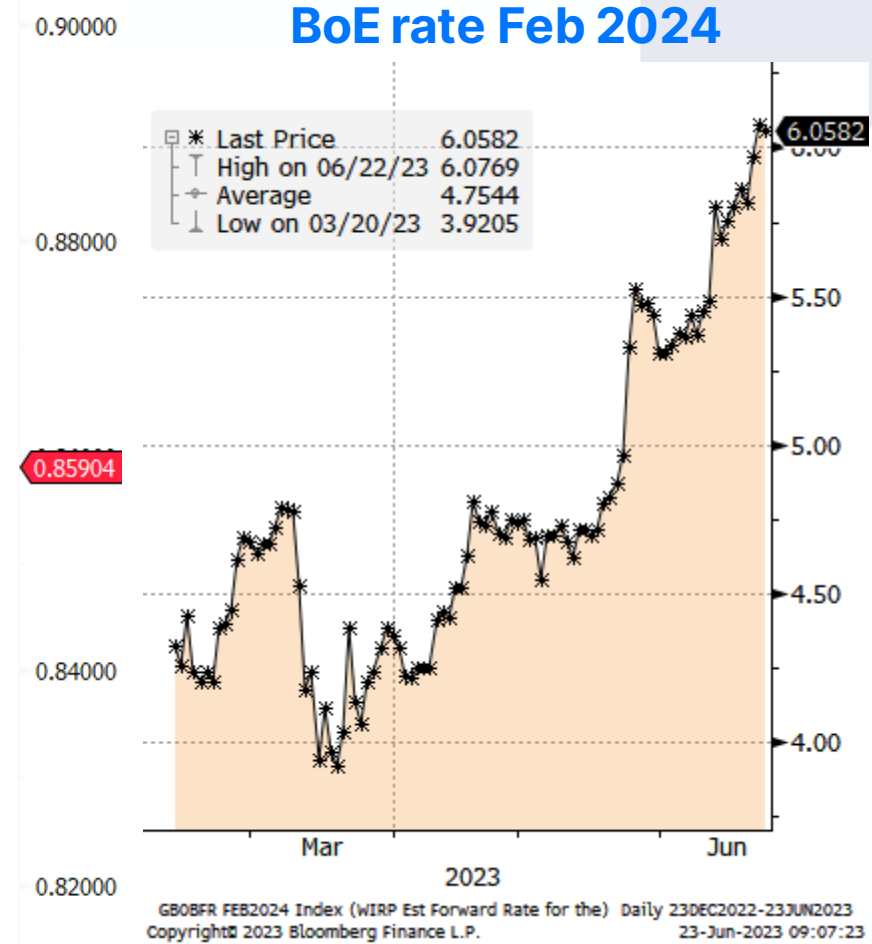
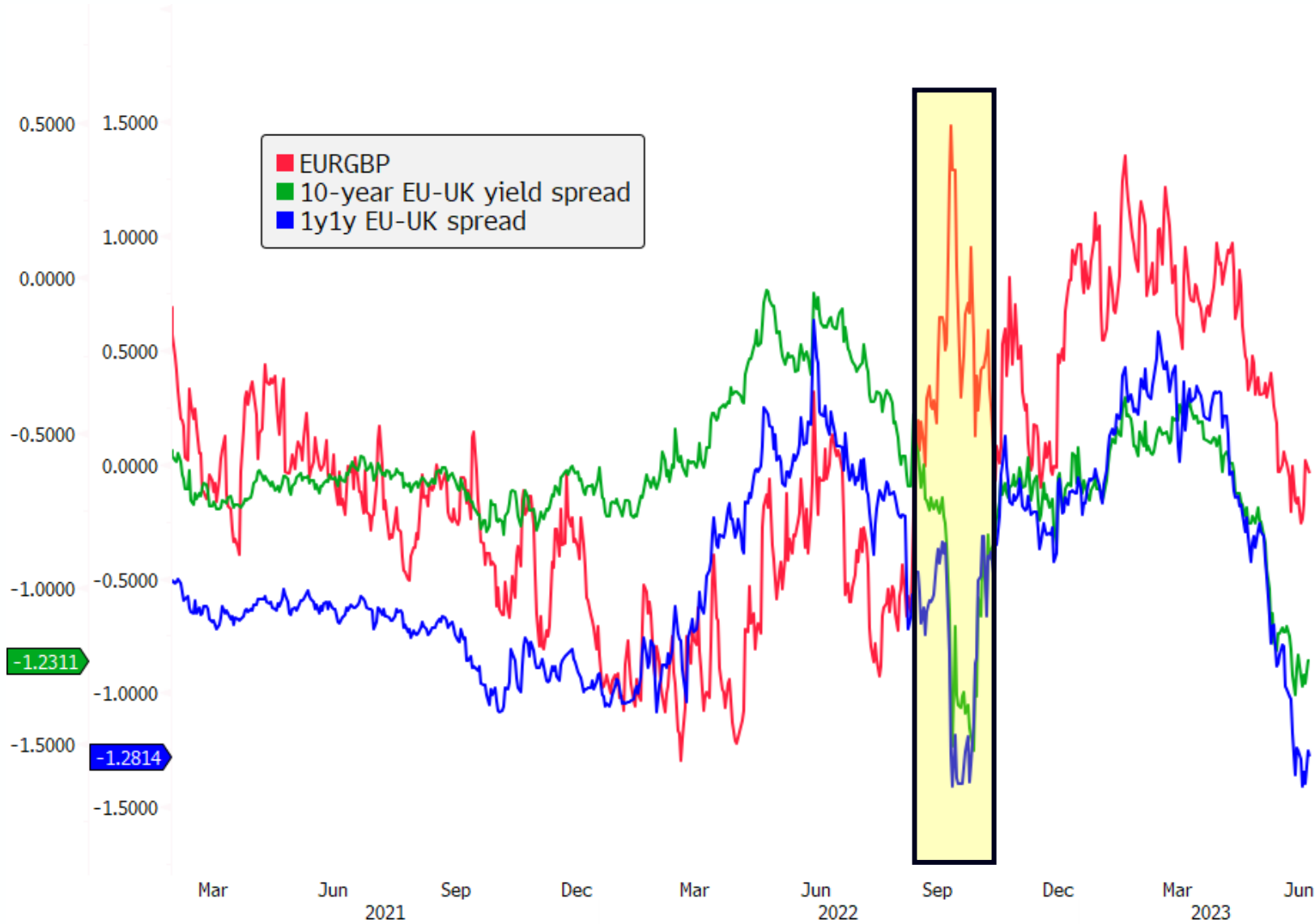
# FX: NOK and GBP fail to get boost from large rate hikes



**FX Board - Trend Resolution 10 FX + CNH** Friday, June 23, 2023

Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	3.2	-0.4	-5.5	-6.3	3.8	0.9	0.5	4.6	0.0	-1.2	1.1	-4.2	-6.3
2D Change	0.4	1.1	0.4	-0.4	-0.5	0.4	-2.4	1.2	-0.2	0.8	-0.4	-0.7	-2.2
5D Change	2.4	2.2	0.4	0.4	-0.6	1.2	-5.2	2.4	-1.0	0.6	-2.6	-1.2	-6.0
↑ Momentum													
Trend readings for last five weeks													
Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
23-Jun	3.2	-0.4	-5.5	-6.3	3.8	0.9	0.5	4.6	0.0	-1.2	1.1	-4.2	-6.3
22-Jun	3.1	-1.2	-5.8	-6.5	3.8	0.9	1.7	4.1	0.1	-1.4	1.7	-4.3	-5.9
21-Jun	2.9	-1.5	-5.9	-5.9	4.3	0.6	2.9	3.4	0.2	-2.0	1.5	-3.5	-4.2
20-Jun	2.1	-1.4	-5.7	-5.9	5.1	0.2	4.1	3.0	0.2	-2.9	1.8	-3.0	-2.0
19-Jun	1.4	-2.2	-5.9	-7.0	5.0	0.0	5.5	2.7	0.7	-2.2	2.8	-2.7	-0.4
16-Jun	0.8	-2.6	-5.9	-6.7	4.5	-0.2	5.7	2.1	1.0	-1.8	3.7	-3.0	-0.4
15-Jun	0.3	-2.2	-6.2	-5.1	3.6	-0.5	5.6	1.9	0.8	-1.8	4.0	-3.2	-1.0
14-Jun	-0.4	-0.8	-6.3	-3.8	3.3	-1.0	5.1	2.4	0.7	-2.2	3.4	-3.0	-0.2
13-Jun	-0.7	-0.2	-5.6	-3.2	2.8	-1.3	5.2	3.2	-0.5	-2.5	3.1	-2.1	0.0
12-Jun	-0.9	0.3	-4.6	-2.1	2.6	-0.8	5.3	3.5	-0.9	-4.0	1.9	-1.1	1.3
9-Jun	-1.1	0.4	-4.3	-2.0	3.2	0.3	4.7	4.0	-1.6	-4.5	1.2	-1.0	1.5
8-Jun	-0.7	1.1	-3.4	-1.6	2.9	0.6	4.4	4.6	-2.4	-4.5	-0.7	-0.7	0.7
7-Jun	-0.9	2.3	-2.7	-1.6	2.5	0.1	4.1	5.6	-2.5	-5.0	-1.7	-0.9	-0.7
6-Jun	-0.9	2.4	-2.3	-1.4	2.6	0.5	3.6	5.2	-2.0	-5.2	-2.2	0.2	-0.4
5-Jun	-0.6	2.6	-2.0	-1.5	3.3	0.6	2.0	4.8	-2.5	-4.5	-1.8	0.0	-0.5
2-Jun	-0.3	2.9	-1.8	-1.5	4.1	0.4	1.0	4.8	-3.0	-4.3	-2.2	0.1	-0.3
1-Jun	0.4	3.6	-1.5	-0.8	5.1	1.1	-0.4	4.1	-3.2	-5.0	-3.0	1.1	-0.3
31-May	0.5	4.8	-0.6	-1.1	4.6	1.7	-1.0	3.4	-3.4	-5.1	-3.3	0.7	-1.5
30-May	1.0	4.9	0.1	-2.1	3.7	2.8	-0.7	3.1	-2.9	-5.4	-4.0	-0.1	-2.5
29-May	0.6	5.1	0.3	-2.9	2.8	3.0	-0.6	3.1	-2.6	-5.0	-3.3	-0.8	-2.9
26-May	0.9	5.2	0.3	-2.9	2.6	2.9	-1.2	2.8	-2.2	-5.0	-3.0	-0.6	-3.4
25-May	0.6	5.0	-0.5	-2.6	2.3	2.6	-1.2	2.7	-1.0	-4.9	-2.7	-0.8	-4.5
24-May	-0.1	3.9	-1.2	-2.8	2.1	2.0	-0.6	2.8	1.0	-4.1	-2.8	-0.5	-3.9
23-May	-0.8	3.1	-2.2	-3.1	1.7	1.8	0.2	2.9	3.6	-3.6	-3.4	-0.6	-3.5
22-May	-0.9	2.7	-2.1	-3.4	1.6	1.7	0.6	2.6	3.8	-3.1	-3.2	-1.0	-3.2

# FX: Large BoE hike doesn't move the needle for UK rates further out curve...



CONCSIT Index (Conference Board Consumer Confidence Present Situation SA 1985=100) Multiline Saxo Template Daily 23JUN2022-23JUN2023

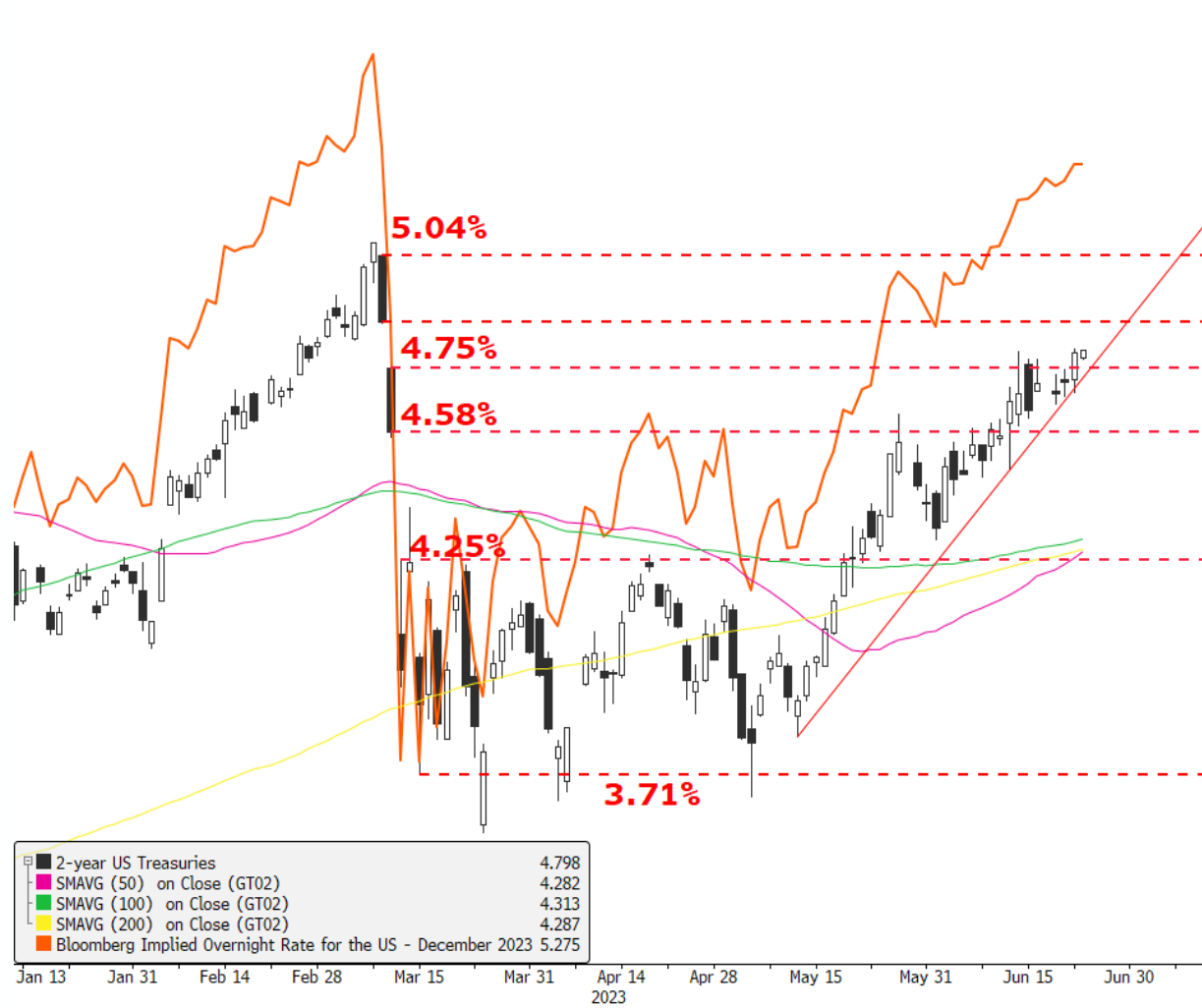
Copyright© 2023 Bloomberg Finance L.P.

23-Jun-2023 09:03:26

GBOBFR FEB2024 Index (WIRP Est Forward Rate for the) Daily 23DEC2022-23JUN2023  
Copyright© 2023 Bloomberg Finance L.P. 23-Jun-2023 09:07:23

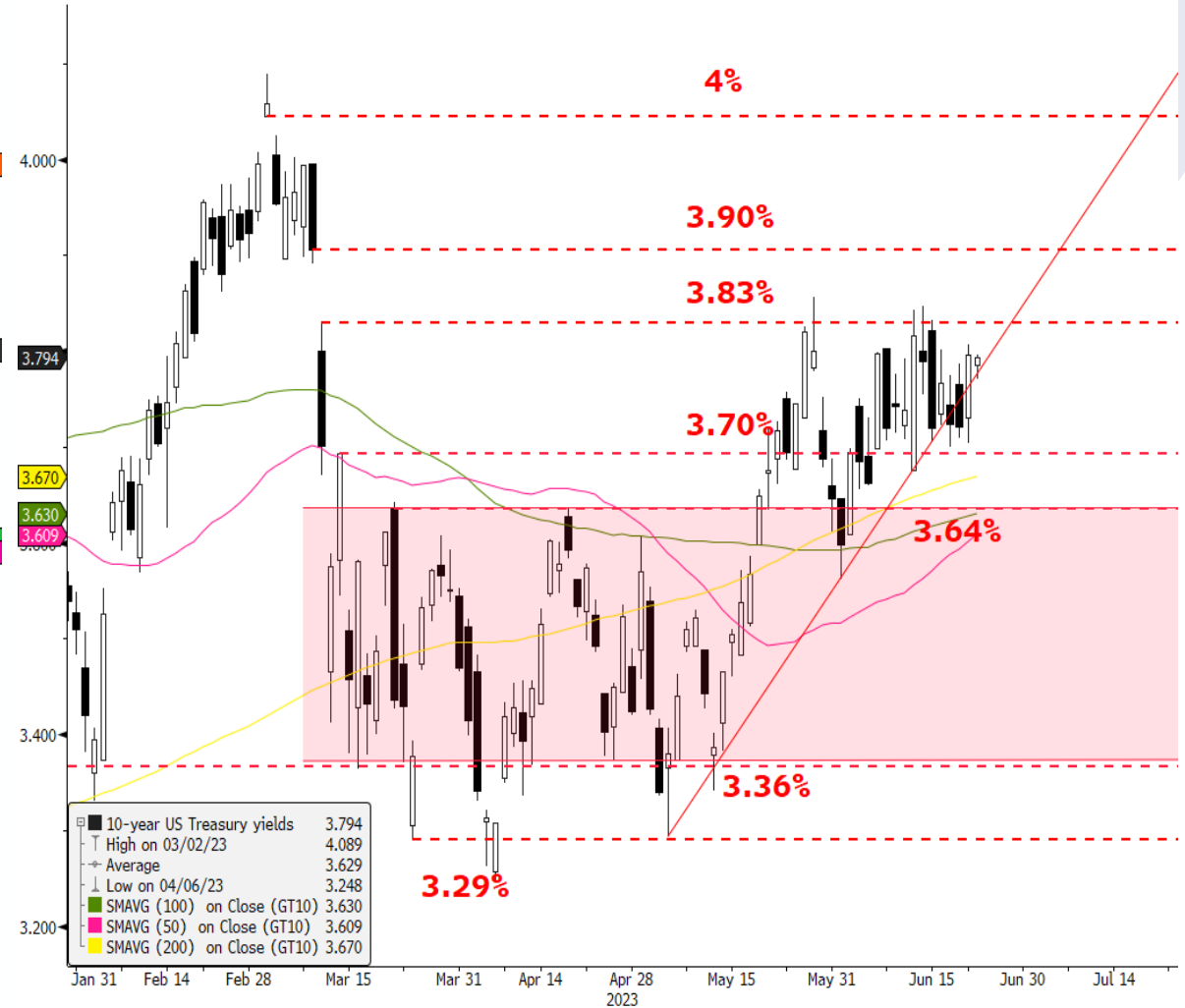
# Short-term yields, long-term yields remain on the rise

## Two-year yields are rising towards 5%



Source: Bloomberg.

## 10-year yields remain in an uptrend



Source: Bloomberg.

# When is the rotation to bond market starting?

## Investment Grade Corporate bonds

Maturity in years	United States			Europe			United Kingdom		
	Avg. yield offered	Avg. yield over past 15 years	Spread in bps (yield now - yield 15y avg)	Avg. yield offered	Avg. yield over past 15 years	Spread in bps (yield now - yield 15y avg)	Avg. yield offered	Avg. yield over past 15 years	Spread in bps (yield now - yield 15y avg)
1 - 3	5.04%	1.58%	346	4.43%	1.63%	280	6.25%	2.12%	413
3 - 5	4.64%	2.37%	227	4.35%	2.05%	230	6.49%	2.79%	370
5 - 7	4.55%	2.89%	166	4.30%	2.46%	184	6.23%	3.49%	274
7 - 10	4.61%	3.22%	139	4.21%	2.85%	136	6.23%	3.91%	232
10+	4.72%	4.01%	71	4.12%	3.01%	111	5.93%	3.97%	196

Source: Bloomberg Barclays Indexes, Saxo Group.

Source: Bloomberg.

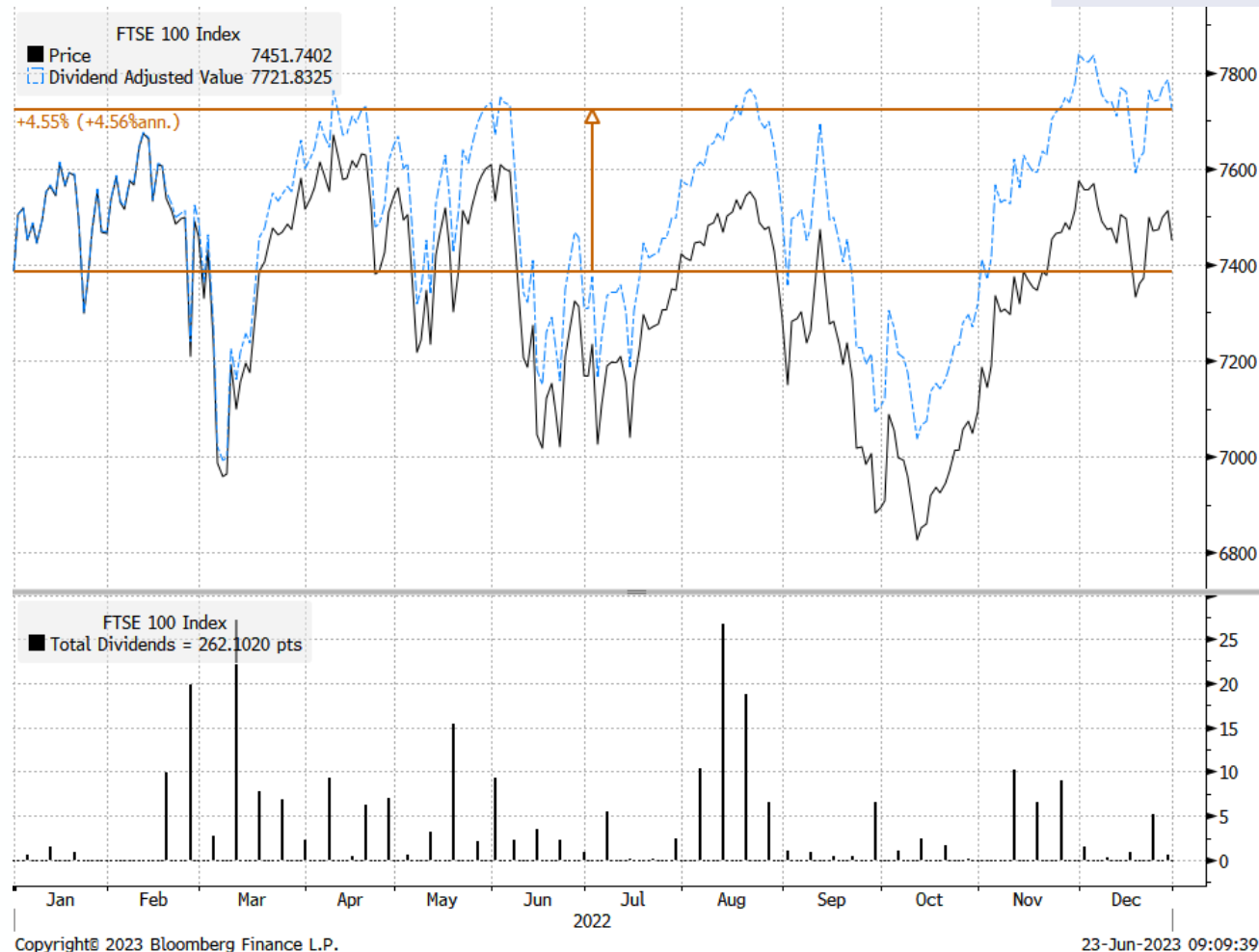
Source: Bloomberg.

# Rotation in the UK is a likely threat to stock market

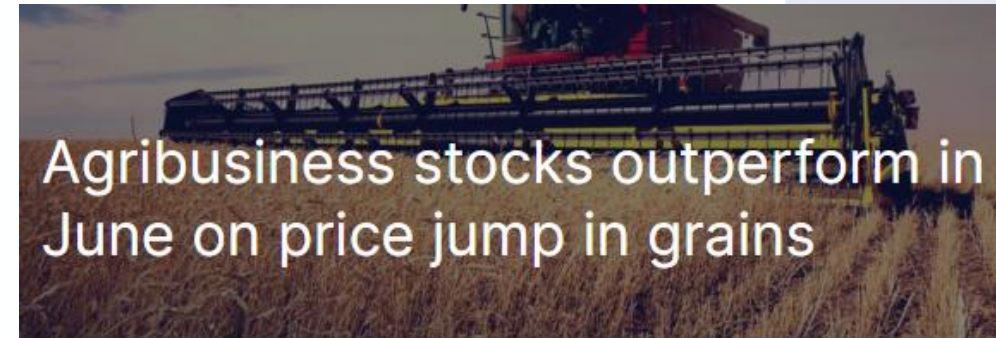
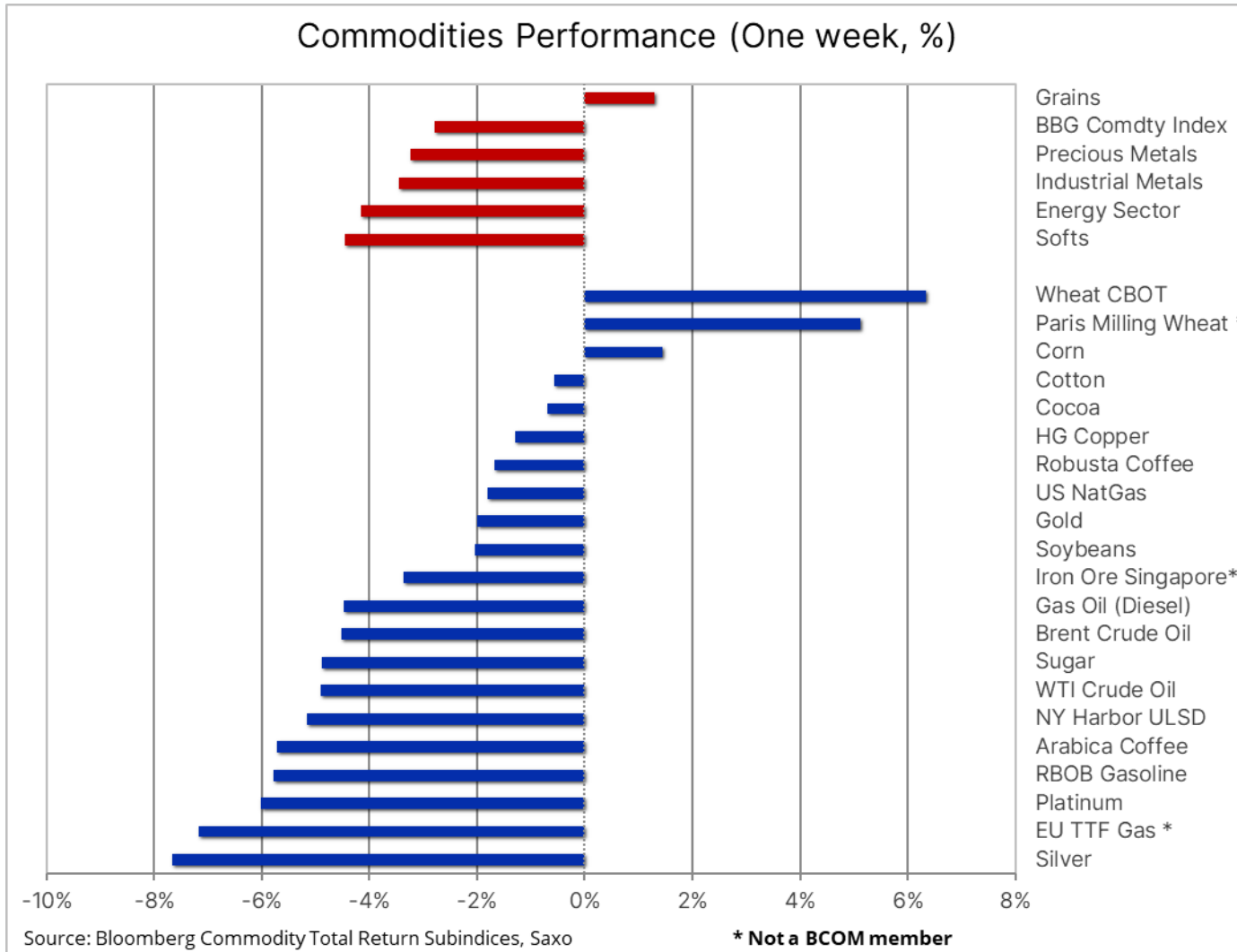
Issuer	Price	Currency	Maturity*	Rating	Coupon	Yield*	Duration	Minimum	Country	ISIN
ABN AMRO BANK NV	97.36	GBP	5/26/2026	A	5.250%	<b>6.2%</b>	2.60	100k	NL	XS2626254515
ANHEUSER-BUSCH INBEV SA/	103.82	GBP	7/30/2024	A-	9.750%	<b>5.9%</b>	0.95	75k	BE	BE0934986036
BANK OF SCOTLAND PLC	98.45	GBP	12/20/2024	AAA	4.875%	<b>5.9%</b>	1.36	50k	GB	XS0208653773
BANQUE FED CRED MUTUEL	96.42	GBP	1/19/2026	A+	5.000%	<b>6.4%</b>	2.27	100k	FR	FR001400F794
BANQUE FED CRED MUTUEL	96.30	GBP	9/25/2025	A+	4.875%	<b>6.6%</b>	1.99	100k	FR	FR001400E5E0
BG ENERGY CAPITAL PLC	98.02	GBP	12/1/2025	AA-	5.125%	<b>5.9%</b>	2.16	50k	GB	XS0564485273
CITIGROUP INC	97.24	GBP	5/21/2026	A-	5.150%	<b>6.1%</b>	2.59	50k	US	XS0168658853
ELECTRICITY NORTH WEST	106.25	GBP	3/25/2026	BBB+	8.875%	<b>6.2%</b>	2.37	50k	GB	XS0058957316
ENEL FINANCE INTL NV	99.49	GBP	8/14/2024	BBB+	5.625%	<b>6.0%</b>	1.02	50k	IT	XS0452188054
EUROPEAN INVESTMENT BANK	99.70	GBP	4/15/2025	AAA	5.500%	<b>5.6%</b>	1.66	50k	SNAT	XS0110373569
GOLDMAN SACHS GROUP INC	101.11	GBP	8/7/2025	A-	7.125%	<b>6.6%</b>	1.89	50k	US	XS0347920208
JOHNSON & JOHNSON	99.79	GBP	11/6/2024	AAA	5.500%	<b>5.6%</b>	1.24	50k	US	XS0329524457
KFW	99.63	GBP	6/18/2025	AAA	5.500%	<b>5.6%</b>	1.82	50k	DE	XS0138036842
LLOYDS BANK PLC	98.75	GBP	3/7/2025	AAA	5.125%	<b>5.8%</b>	1.56	100k	GB	XS0737747211
METLIFE INC	98.21	GBP	12/9/2024	A-	5.375%	<b>6.6%</b>	1.32	50k	US	XS0207636712
NATWEST MARKETS PLC	99.68	GBP	6/22/2026	A	6.625%	<b>6.6%</b>	2.63	100k	GB	XS2638487565
SANTANDER UK PLC	99.82	GBP	3/2/2026	AAA	5.750%	<b>5.7%</b>	2.38	100k	GB	XS0596191360
SOUTHERN WATER SERVICES	99.87	GBP	3/31/2026	BBB	6.640%	<b>6.6%</b>	2.42	50k	GB	XS0172992637

Source: Bloomberg, Saxo Group.

## FTSE 100 Tot return 2022



# Commodities ex grains: Rate hikes and growth concerns drive correction



Equities | 2023-06-22 14:30 | 4 minutes to read

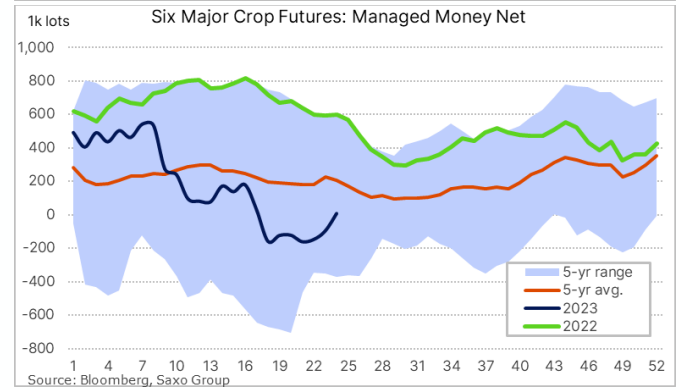
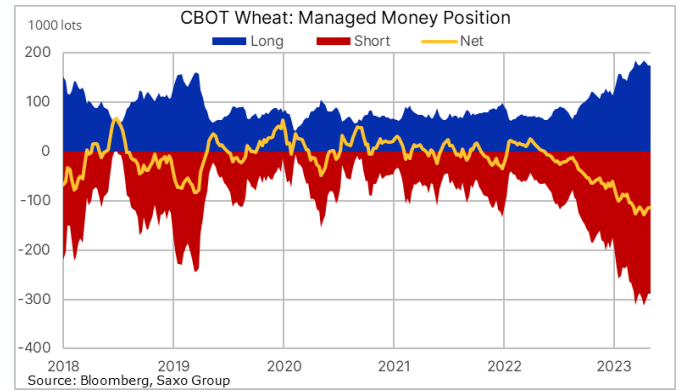
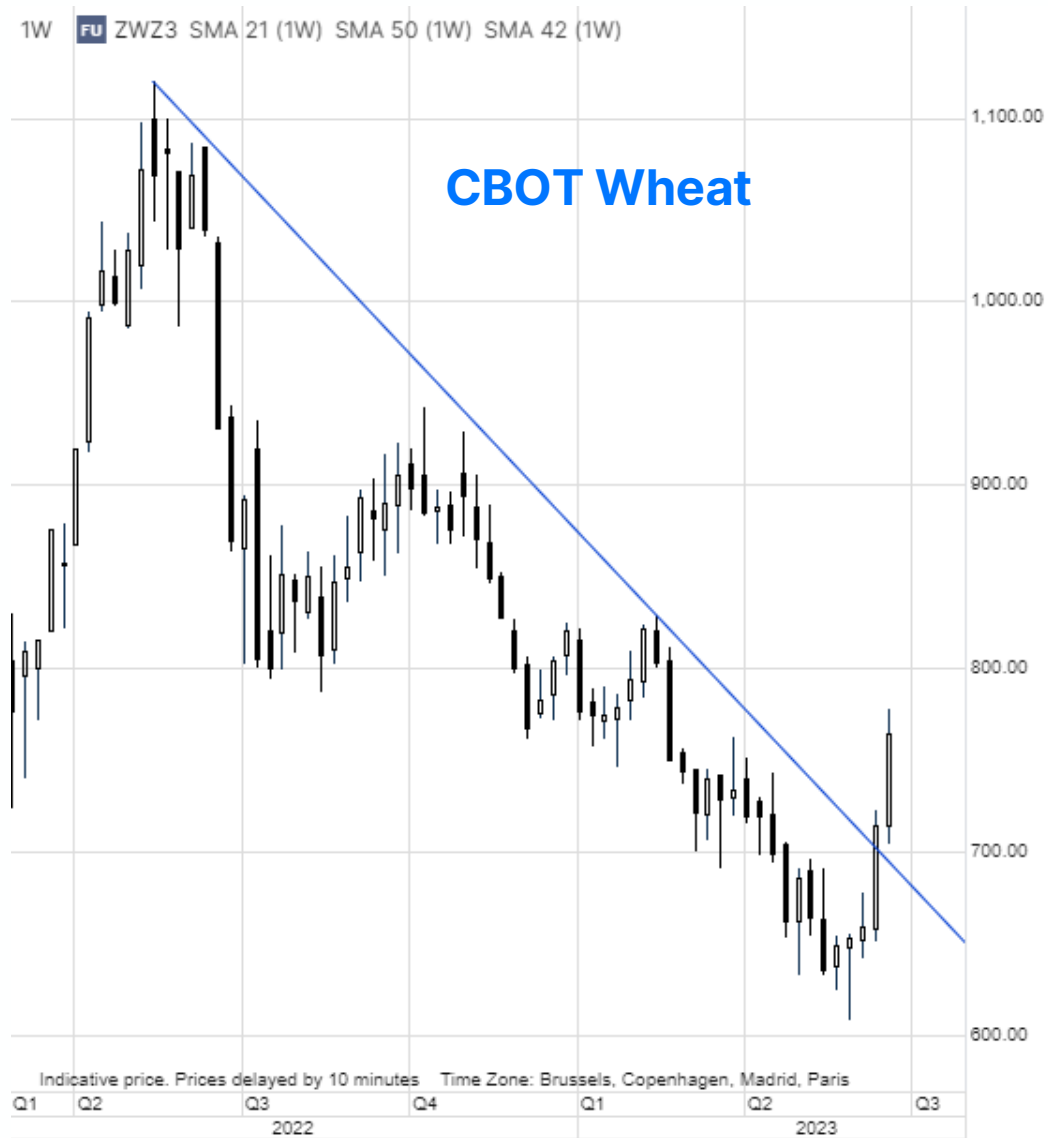


**Peter Garrny**  
Head of Equity Strategy



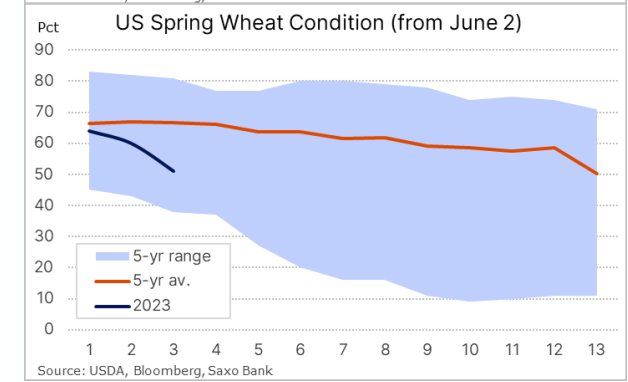
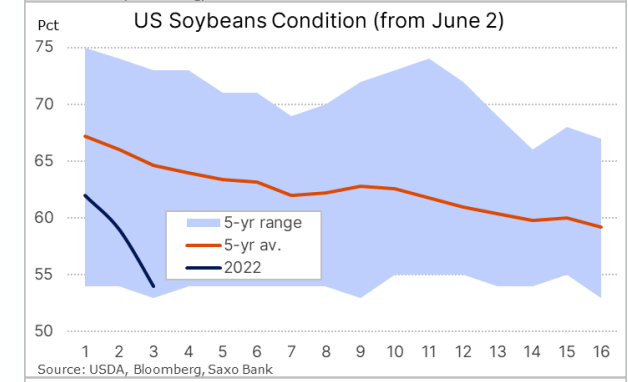
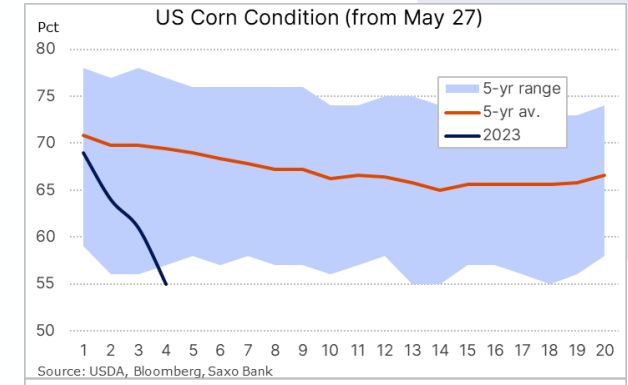
**Summary:** Agribusiness stocks are among the best performing segments of the equity market in June up 8.1% driven by strong gains across wheat and soybeans as droughts in the Northern Hemisphere are lowering the production outlook for these crops. The longer term outlook for agriculture looks attractive and it is driving more mergers and acquisitions which will drive better unit economics.

# Grain market rally pausing as spec buying slows; focus on wheat



23-Jun-23	RSI 9d	RSI 14d	RSI 30d
CBOT Soybeans	64.8	63.5	57.1
CBOT Soymeal	62.6	60.9	55.4
CBOT Bean Oil	56.2	57.2	53.5
CBOT Corn	73.5	71.2	63.9
CBOT Wheat	81.4	74.0	61.3
KCB Wheat	67.9	62.1	55.5
Paris Wheat	74.5	66.8	55.4

Source: Saxo



# Macro – calendar highlights (all times GMT)

0715-0800 – Eurozone Flash Jun. Manufacturing/Services PMI

1345 – US Flash Jun. S&P Global Manufacturing/Services PMI

1930 – Weekly COT Report from the US CFTC

## Upcoming Calendar Highlights

**MON:** Germany Jun. IFO Business Climate, US 2-year Treasury Auction

**TUE:** **ECB Sintra Conference**, Canada May CPI, US May Durable Goods Orders, US May New Home Sales, **US Jun. Consumer Confidence**, US 5-year Treasury Auction

**WED:** Australia May CPI, **ECB Sintra Conference**, US 7-year Treasury Auction

**THU:** **Germany CPI**

**FRI:** China Jun. Manufacturing/Non-manufacturing PMI, **Eurozone Jun. Flash CPI, US May PCE Inflation**, US Jun. Final University of Michigan Sentiment

## Longer Term Highlights

**July 28 – Bank of Japan meeting**

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

1W FU ESc1 SMA 200 (1W) SMA 40 (1W)



S&P 500 continuous future

20 June 2023

ESc1

Open 4,458.75  
High 4,462.00  
Low 4,393.00  
Close 4,405.00  
SMA 200 (1W) 3,819.20  
SMA 40 (1W) 4,019.97

Source: Saxo

# Appendix: Where do you find the equity theme baskets?

Saxo TraderGO

TRADING **RESEARCH** ACCOUNT

Overview Hot Topics Quarterly Outlook Forex **Stocks** Commodities Bonds ETFs Crypto Education Trade Signals News Market Analysis Calendar Equities

CFD US 30 Wall Street

34,581.20 USD

D -0.07% M 1.52% Y 35.75%

CFD US Tech 100 NAS

13,674.79 USD

D -0.02% M -2.10% Y 42.48%

CFD US 500

4,206.67 USD


D -0.05% M -0.11% Y 37.68%

CFD Germany 30

15,591.67 EUR


D -0.03% M 2.62% Y 30.62%

Latest articles [See All](#)




EQUITIES | 01-Jun-2021 12:50 | 8 Minutes to read

Pricing power and valuation discount drive logistics returns in the future




EQUITIES | 01-Jun-2021 00:00 | 8 Minutes to read

Macro Dragon Reflections: Is Beyond Meat the next GameStop? Thoughts on the Jan-Feb Short Squeeze.... THE HIVE, AMC, GME, BB & BYND...



EQUITIES | 28-May-2021 10:50 | 6 Minutes to read


Additions to crypto basket; JD Logistics rides the e-commerce bonanza




EQUITIES | 27-May-2021 02:00 | 5 Minutes to read

Upcoming catalysts


Saxo's Equity Baskets [See All](#)




Logistics



Semiconductors



Financial Trading



Crypto and Blockchain