



Saxo Market Call

Slide deck

Friday, June 2, 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.

SAXO
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US stocks post new local high despite well-advertised liquidity concerns

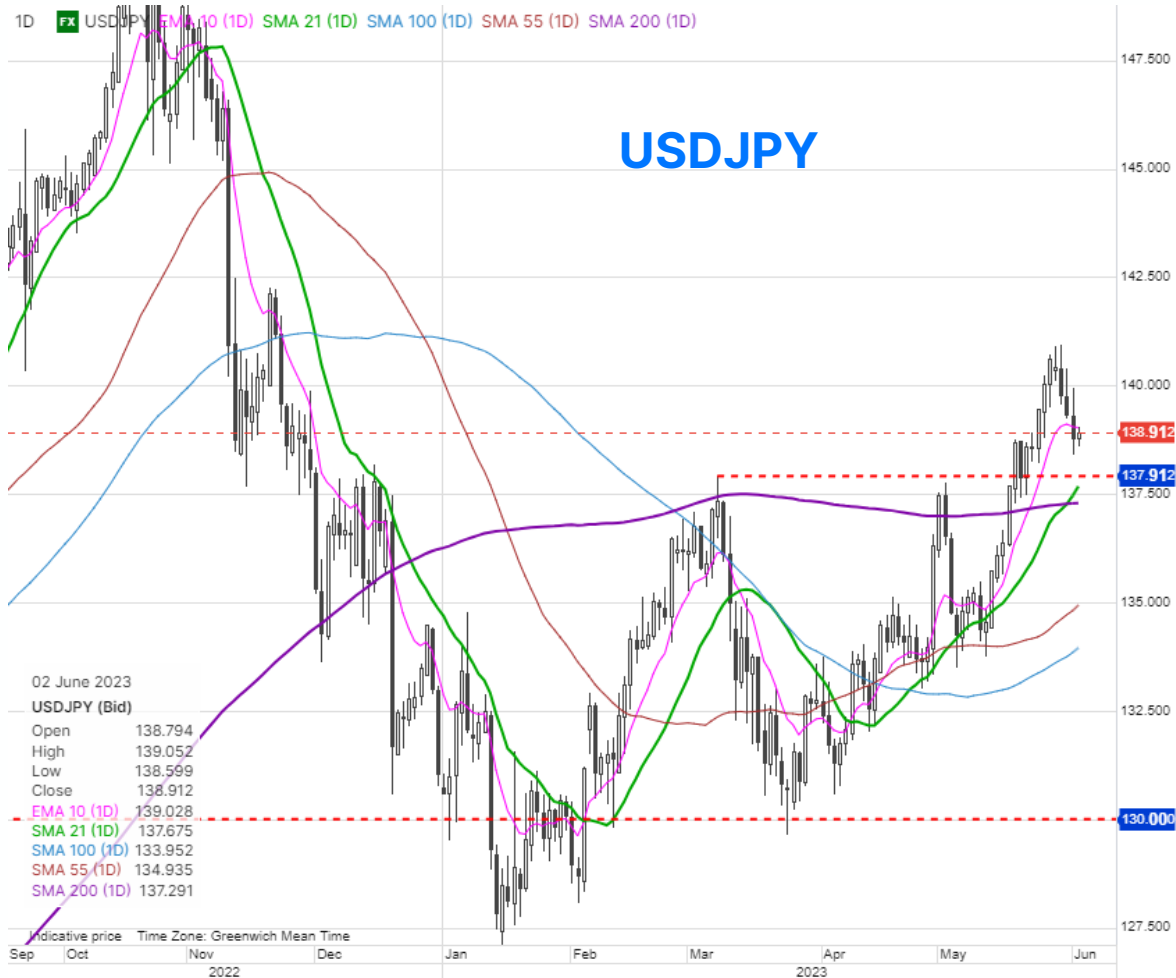


Saxo equity themes performance overview

Sorted on one-day return (updated as of 01 Jun 2023)

Theme	1D	1W	MTD	YTD	1Y	5Y
Nuclear power	3.9	2.7	3.9	-1.5	1.1	115.2
E-commerce	2.6	1.8	2.6	3.6	-13.2	12.1
Gaming	2.1	3.0	2.1	13.1	2.0	60.0
Defence	1.6	0.3	1.6	13.0	18.2	69.5
Construction	1.6	-0.3	1.6	8.7	8.3	60.5
China consumer & technology	1.6	-0.1	1.6	-7.1	-4.4	46.8
Mega Caps	1.4	1.8	1.4	20.8	12.9	130.4
Renewable energy	1.3	-0.5	1.3	-7.1	-4.8	231.2
Payments	1.3	0.9	1.3	8.0	-11.1	34.2
Semiconductors	1.3	4.5	1.3	33.9	17.6	171.0
Energy storage	1.3	1.0	1.3	5.5	8.5	119.6
NextGen medicine	1.2	-1.4	1.2	-2.8	-6.8	77.3
Commodities	1.1	1.3	1.1	9.7	4.0	46.0
MSCI World (USD)	1.1	1.1	1.1	15.1	7.1	-9.6
Travel	1.0	0.9	1.0	4.9	1.4	73.1
Women in leadership	1.0	4.4	1.0	25.4	8.6	136.3
Bubble stocks	0.9	0.7	0.9	4.8	3.3	68.8
Financial trading	0.8	1.4	0.8	2.5	-32.8	144.6
Green transformation	0.7	-0.4	0.7	7.1	2.5	110.7
Logistics	0.6	0.2	0.6	2.4	-1.7	26.4
Transportation infrastructure	0.6	1.4	0.6	-3.5	-3.4	52.6
India (GDRs)	0.5	0.2	0.5	-9.0	-23.1	301.7
China's little giants	0.5	-2.3	0.5	-14.5	-23.1	121.4
MSCI EM (USD)	0.3	-0.2	0.3	1.4	-7.4	-3.8
Luxury	-0.2	-1.1	-0.2	13.7	19.5	28.6
Cyber security	-0.7	3.5	-0.7	20.0	3.1	108.7

FX: USD weakens: is this a "sell the fact" on lifting of debt ceiling issue?



FX Board - Trend Evolution for G10 + CNH Friday, June 2, 2023

Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	0.2	2.4	-1.9	-1.0	4.8	0.7	0.5	4.3	-2.6	-4.6	-2.6	1.1	0.2
2D Change	-0.3	-2.3	-1.3	0.1	0.2	-1.1	1.5	0.9	0.7	0.5	0.7	0.3	1.7
5D Change	-0.7	-2.7	-2.1	1.9	2.2	-2.2	1.7	1.5	-0.4	0.4	0.4	1.7	3.6

↑ Momentum

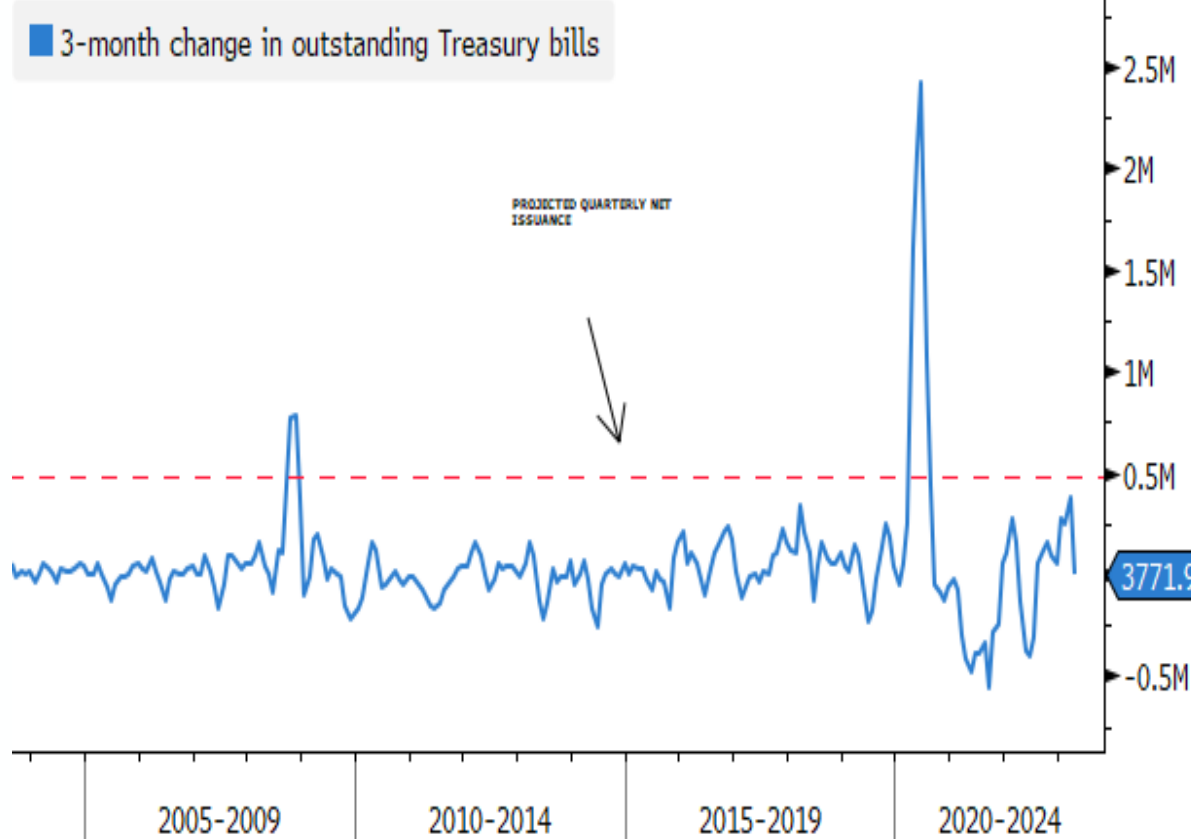
Trend readings for last five weeks

Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
2-Jun	0.2	2.4	-1.9	-1.0	4.8	0.7	0.5	4.3	-2.6	-4.6	-2.6	1.1	0.2
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
19-May	-1.2	2.8	-1.8	-3.2	1.7	1.2	0.4	2.8	3.2	-2.8	-3.0	-1.0	-3.3
18-May	-1.2	2.9	-1.9	-3.2	1.9	1.0	0.2	3.3	2.2	-2.4	-2.6	-1.1	-4.0
17-May	-1.3	1.8	-1.9	-2.6	1.8	1.2	0.1	2.5	1.6	-1.4	-1.7	-0.3	-3.9
16-May	-1.5	1.3	-1.8	-1.7	1.6	1.2	0.0	1.8	0.9	-0.9	-0.9	0.3	-3.8
15-May	-1.8	0.8	-1.4	-1.5	1.5	0.9	0.3	1.2	0.9	-0.5	-0.4	1.4	-3.1
12-May	-1.6	0.6	-1.7	-0.8	1.3	0.9	0.1	0.9	1.7	-0.1	-1.0	1.4	-2.5
11-May	-1.7	-0.8	-2.7	-1.0	1.5	0.5	0.8	1.0	3.5	0.0	-1.2	1.3	-0.9
10-May	-1.9	-1.9	-3.3	-2.2	2.0	0.4	1.3	1.3	3.8	1.0	-0.6	1.4	1.7
9-May	-1.5	-1.8	-2.9	-2.9	2.2	0.6	1.1	1.2	3.3	1.6	-1.2	1.6	2.4
8-May	-0.7	-1.9	-2.9	-2.8	2.2	1.0	0.9	0.8	2.8	1.9	-1.4	1.3	2.7
5-May	0.3	-1.4	-2.4	-2.2	2.8	2.0	0.0	0.0	2.0	1.9	-2.8	2.2	3.5
4-May	1.6	-0.6	-1.7	-2.0	2.8	3.7	-0.8	-1.7	1.7	1.4	-4.1	3.7	4.3
3-May	2.8	0.1	-1.5	-3.0	3.0	3.9	-0.9	-1.9	0.8	1.6	-4.7	3.0	3.4
2-May	2.7	0.8	-1.4	-4.3	3.1	3.2	-0.9	-0.8	0.3	1.8	-4.3	2.0	3.0
1-May	3.0	0.8	-1.8	-4.2	3.9	3.2	-2.1	-0.2	-0.8	2.0	-3.3	0.8	2.5

Liquidity squeeze: why and how

Unprecedented Flood

Net bill issuance projected to be biggest outside of a crisis

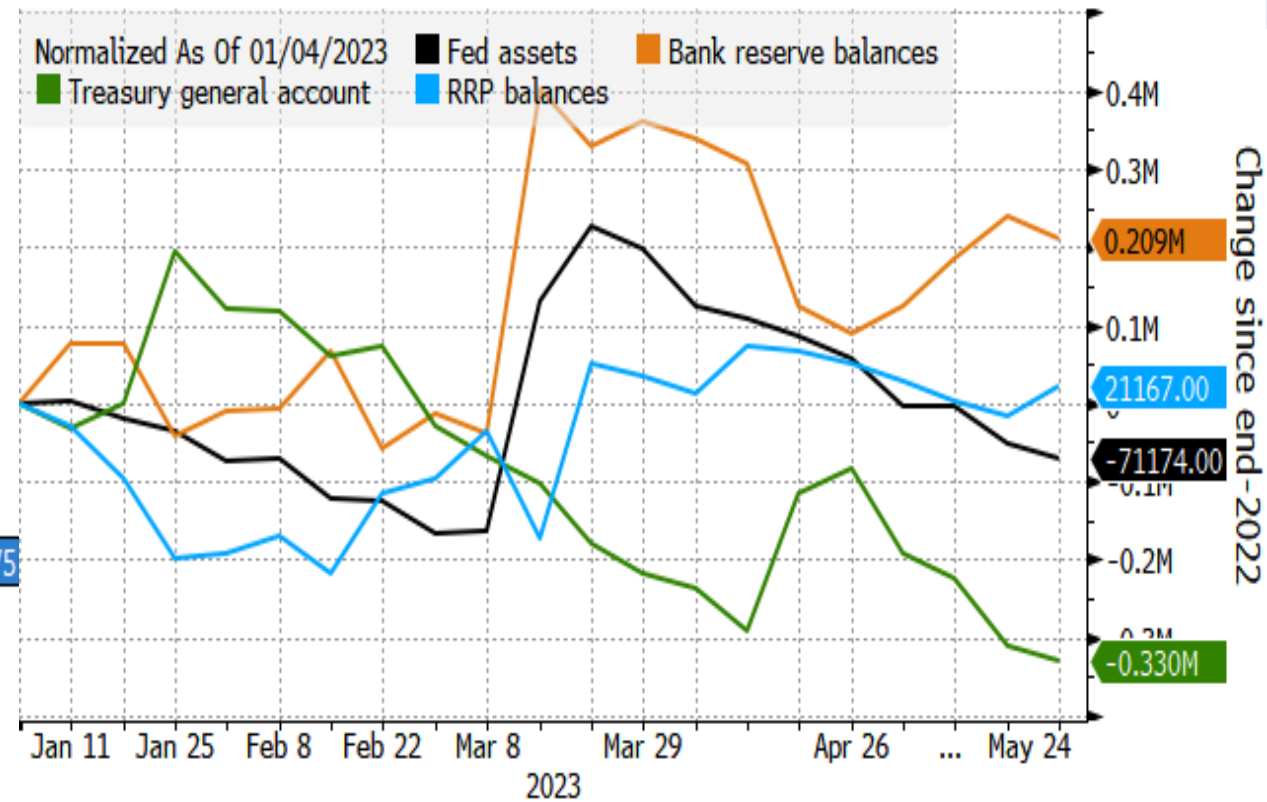


Source: Bloomberg

Bloomberg Source: Bloomberg

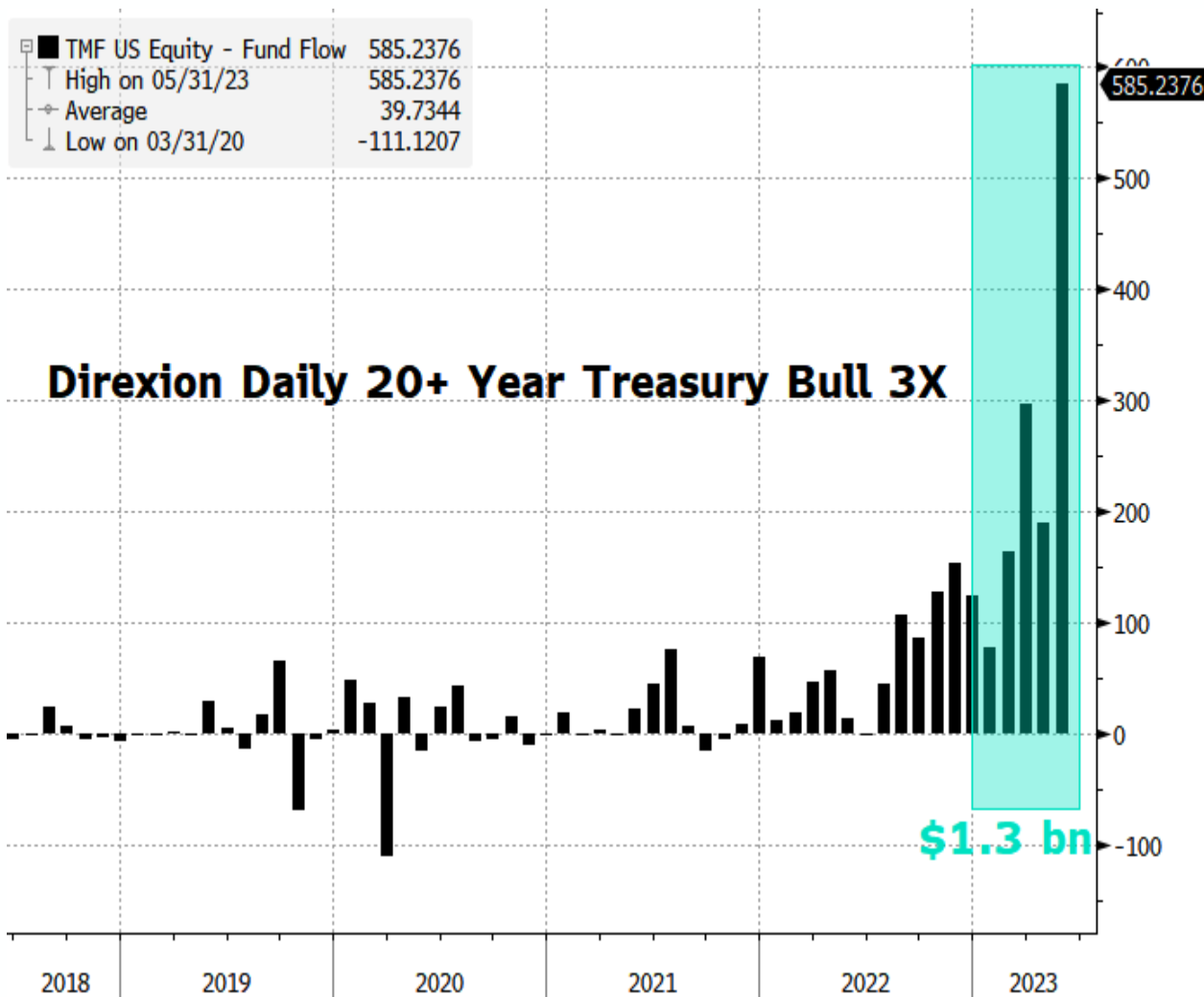
A Tale Of Four Balance Sheets

Fed liabilities have evolved very differently to assets

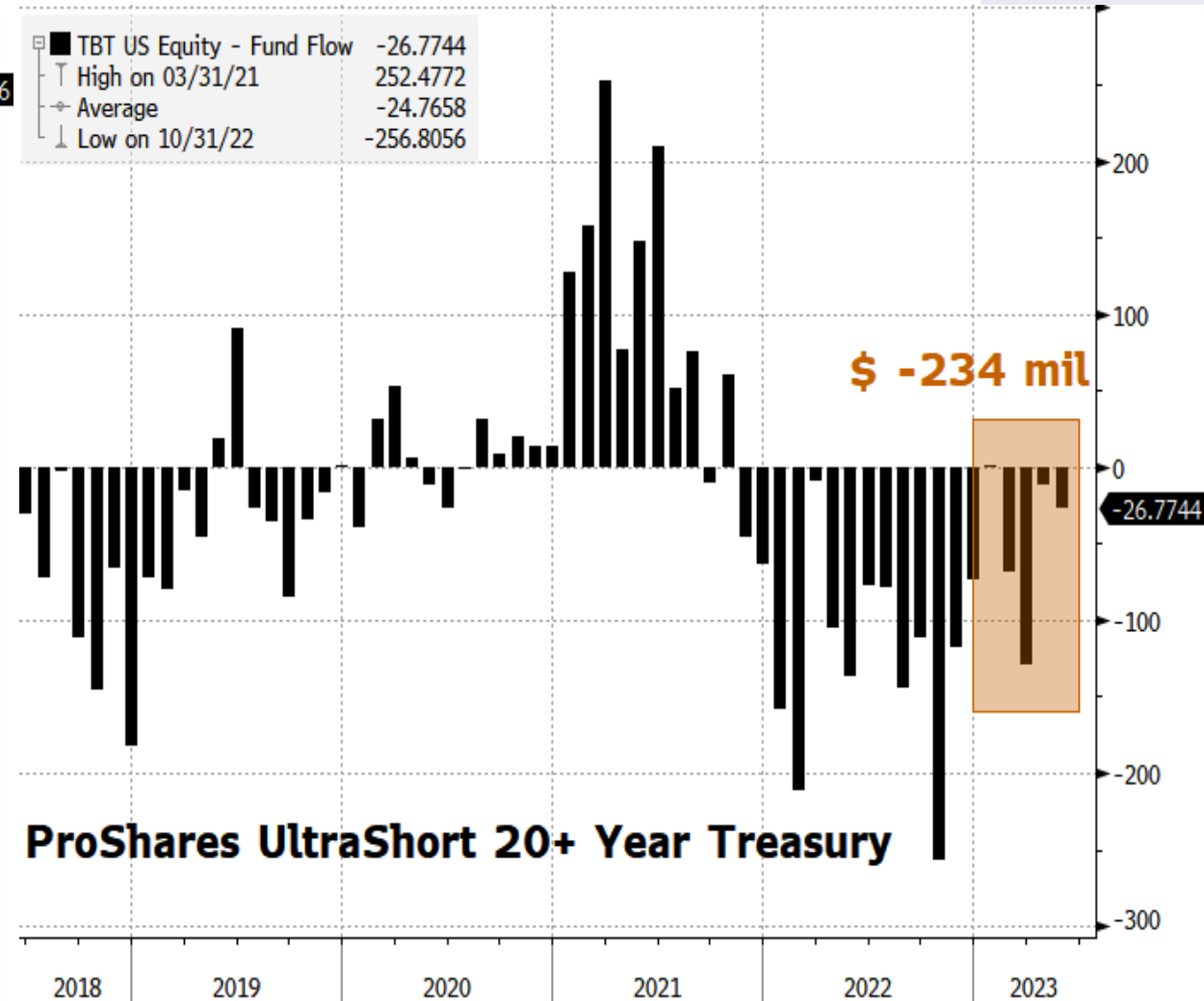


Bloomberg

Investors are positioning in the long part of the yield curve as Fed's hawkishness fades



Source: Bloomberg.



Source: Bloomberg.

European sovereign rally is unsustainable

The Bund rally is unsustainable

The front end of the yield curve is trading too rich when looking at the rating path



Source: Bloomberg.

*ECB'S LAGARDE: STILL HAVE GROUND TO COVER ON RATES

*ECB'S LAGARDE: CAN'T SAY WE'RE SATISFIED WITH INFLATION OUTLOOK

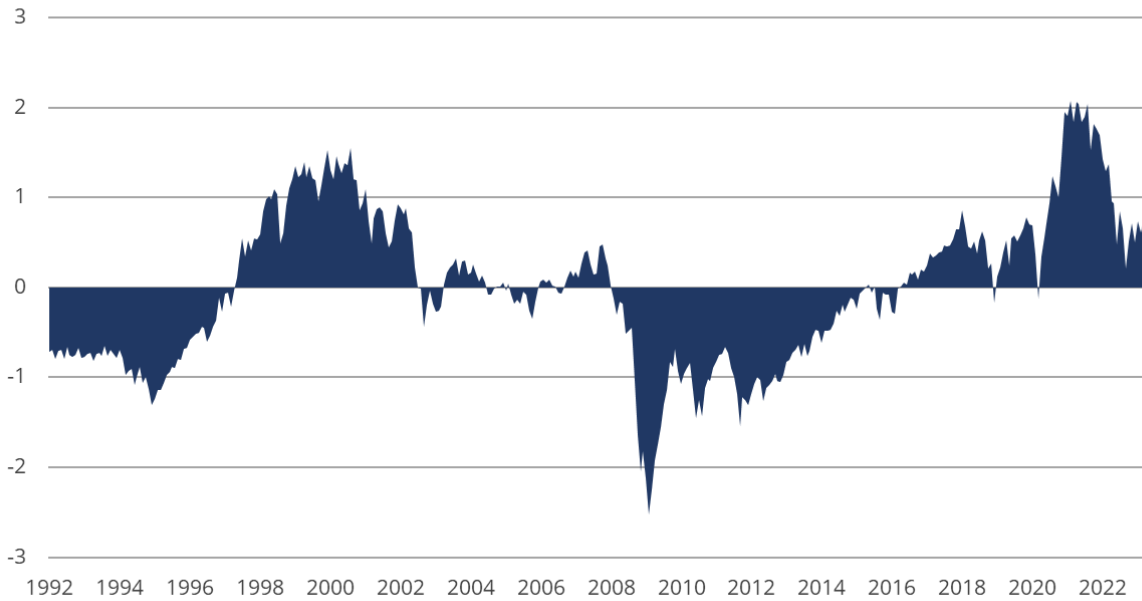
*ECB'S KAZAKS: RATES WILL STAY AT THEIR PEAK FOR A WHILE

*VILLEROY: WE WILL BRING INFLATION TO 2% BY 2025

*ECB'S GUINDOS: RATE HIKES ARE IN THE 'FINAL STRETCH'

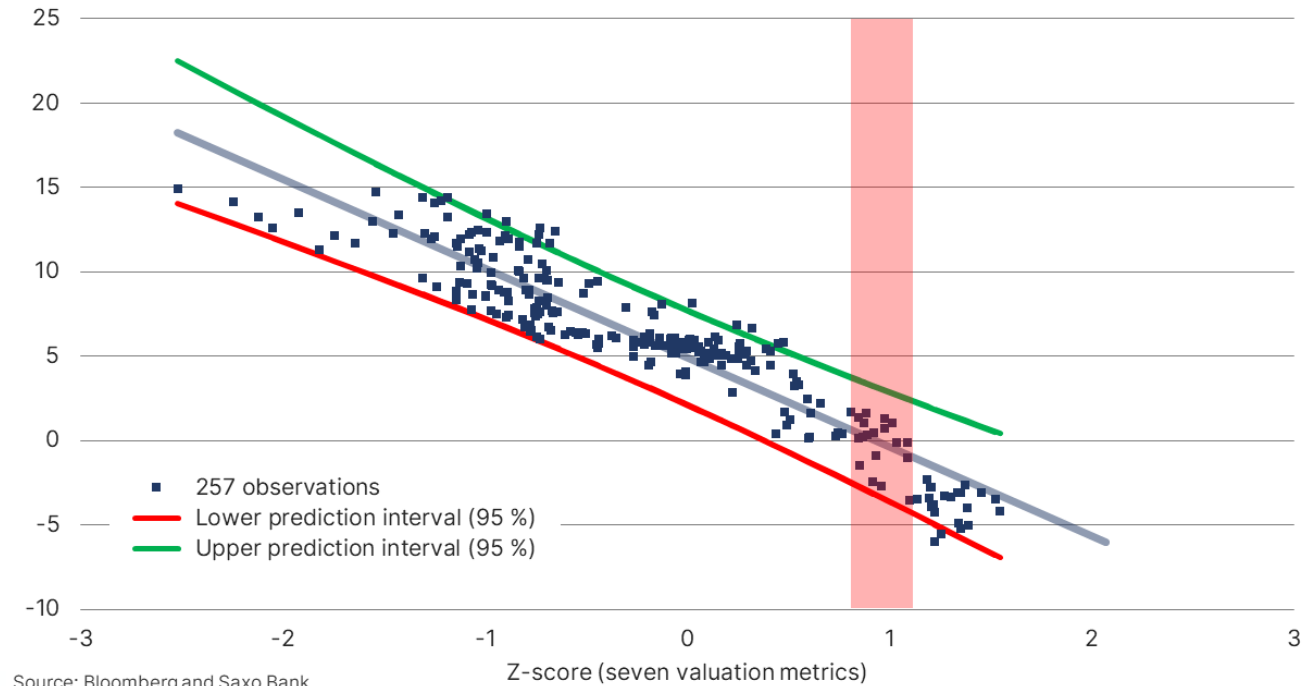
Expected returns on US equities are getting quite low

MSCI USA Index
Average Z-score across seven valuation metrics



Source: Bloomberg and Saxo Bank

MSCI USA Index
10-year annualised real return in % given valuation starting point (1992-2013)

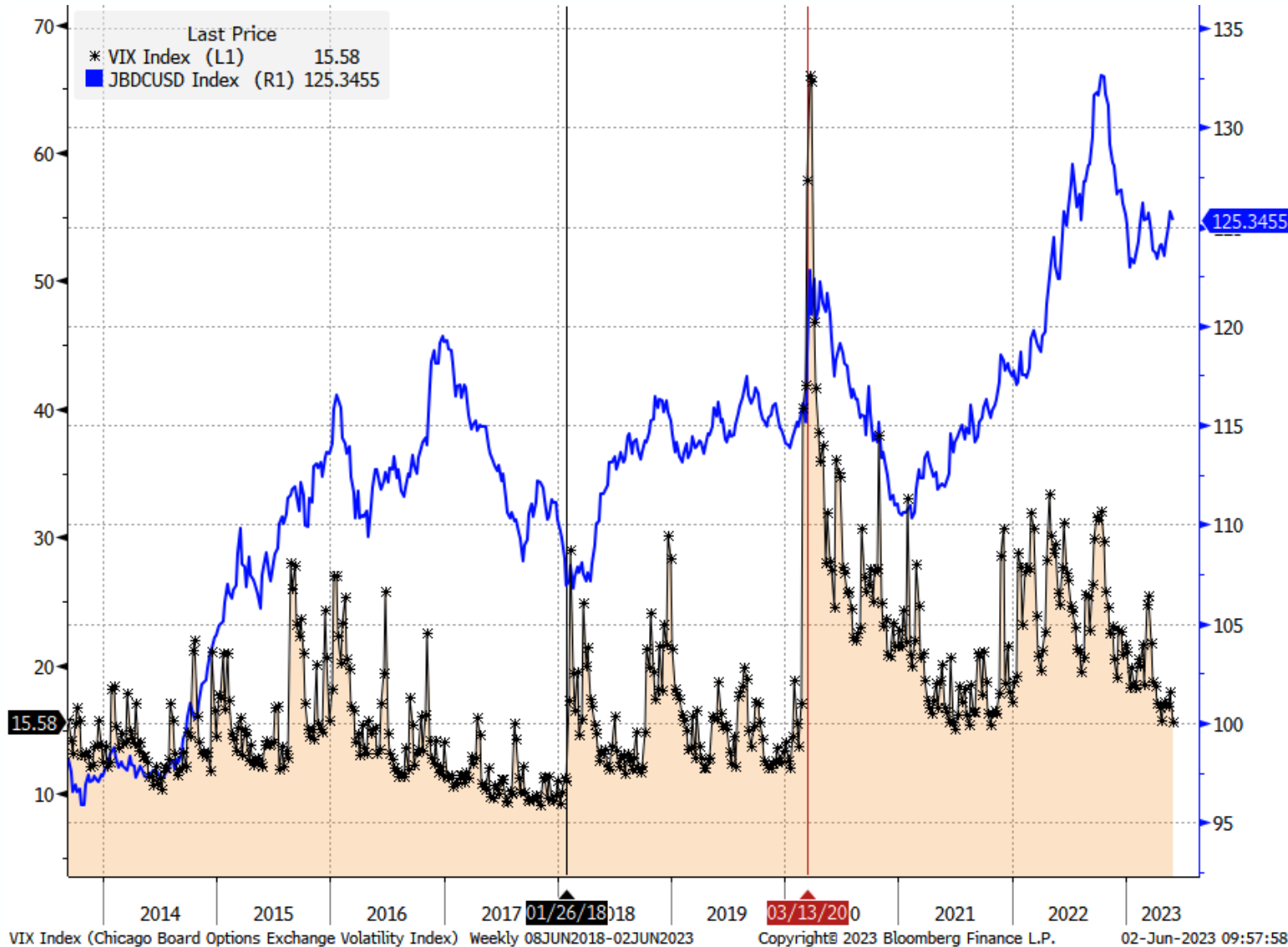


Source: Bloomberg and Saxo Bank

Source: Bloomberg

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Is there still a USD smile or only a USD "smirk"



SMC Listener Q:

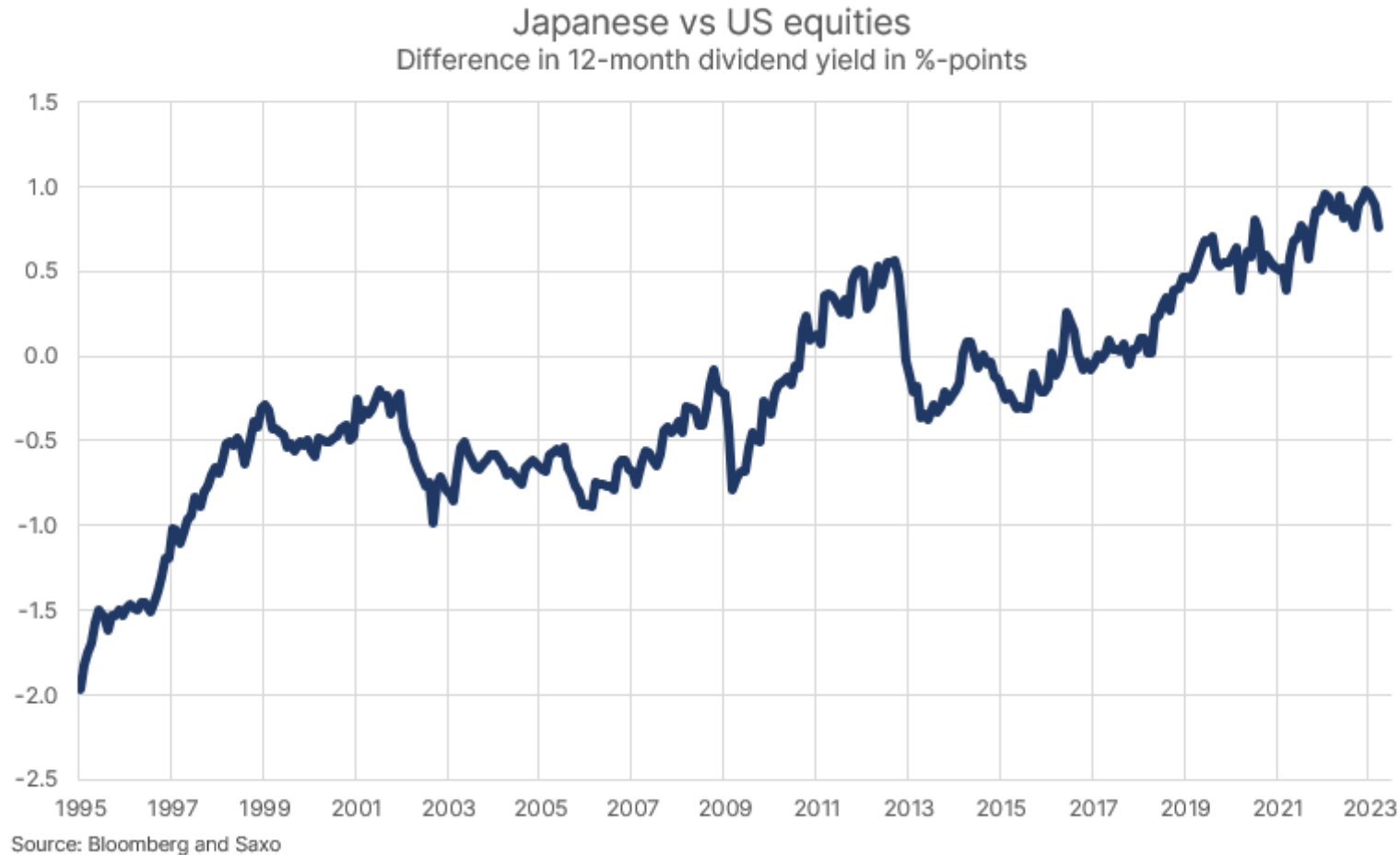
In the past, during risk off moments the USD used to rally among other reasons because of the tightening in USD funding. Since the GFC the Fed has swap lines with many CBs. Do you think that the USD would still rally against the majors as in previous cases in the case we have another major risk off move?

AI valuation risks are moving into red alert...



Source: Bloomberg and Saxo

Japan's equity market looks more interesting than in past 30 years



Uranium stocks surge as US looks to fast-track deployment of new reactors



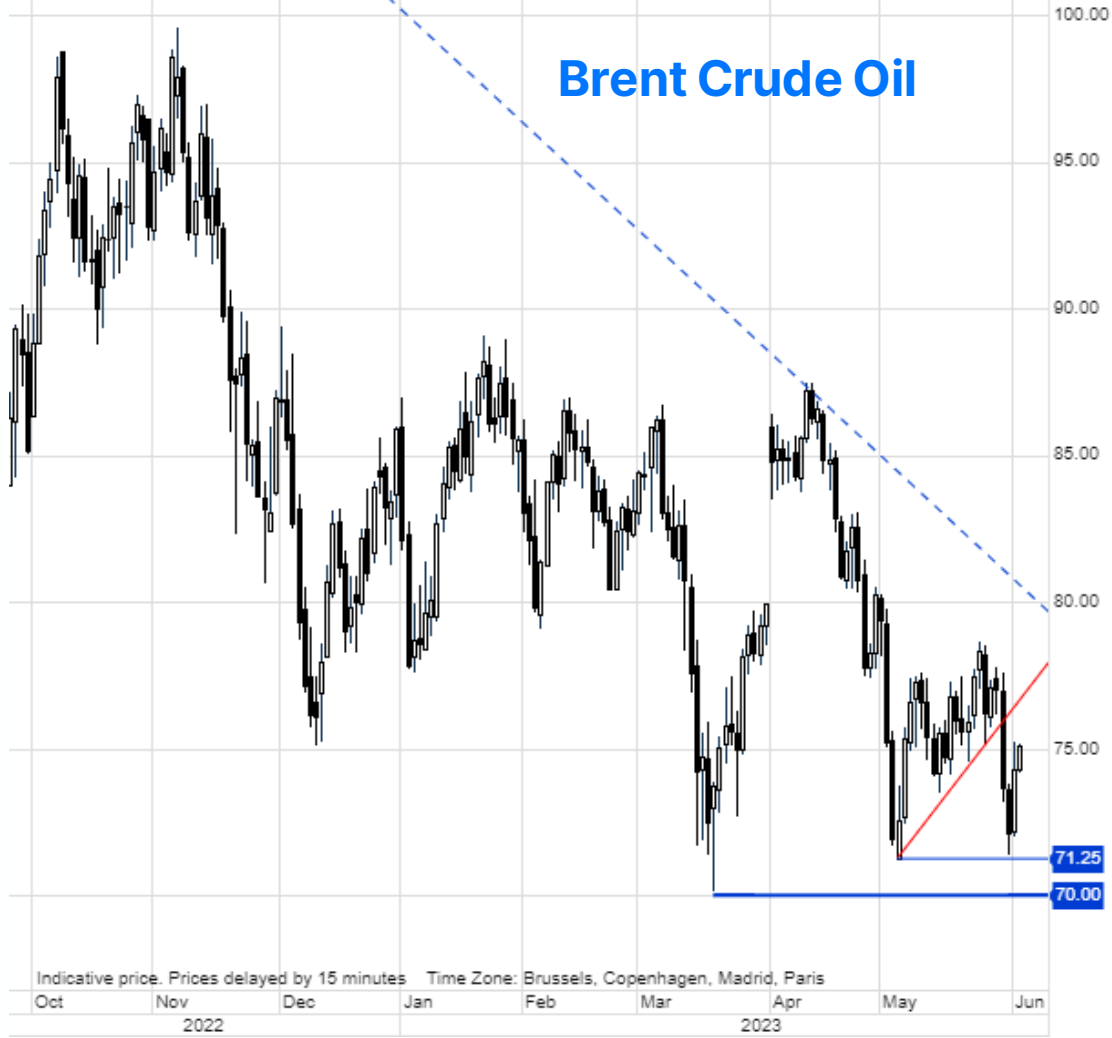
Uranium Market Monitor					
Uranium Market Monitor	Saxo Ticker	Country	Market Cap (Mio USD)	1 week (%)	1 yr (%)
CAMECO CORP	CCO:xtse	CA	17668	7.8	27.1
National Atomic Co Kazatomprom	KAP:xlon	KZ	6847	-4.0	-5.7
NEXGEN ENERGY LTD	NXE:xtse	CA	2816	11.8	-5.1
PALADIN ENERGY LTD	PDN:xasx	AU	1997	0.8	-8.8
ENERGY FUELS INC	EFR:xtse	CA	1350	5.0	0.8
DENISON MINES CORP	DML:xtse	CA	1320	10.5	-1.9
URANIUM ENERGY CORP	UEC:xase	US	1085	7.4	-31.0
BOSS ENERGY LTD	BOE:xasx	AU	1072	10.5	40.7
YELLOW CAKE PLC	YCA:xlon	UK	839	5.6	13.6
GLOBAL ATOMIC CORP	GLO:xtse	CA	565	6.4	-10.7
FISSION URANIUM CORP	FCU:xtse	CA	461	8.5	-22.0
UR-ENERGY INC	URE:xtse	CA	349	4.8	-20.0
ETFs & Trusts					
SPROTT PHYSICAL URANIUM TRUS	U-Un:xtse	CA	3738	9.8	12.6
GLOBAL X URANIUM ETF	URA:arcx	US	1466	5.1	-7.0
SPROTT URANIUM MINERS ETF	URNM:arcx	US	894	6.6	-7.0

Source: Bloomberg, Saxo

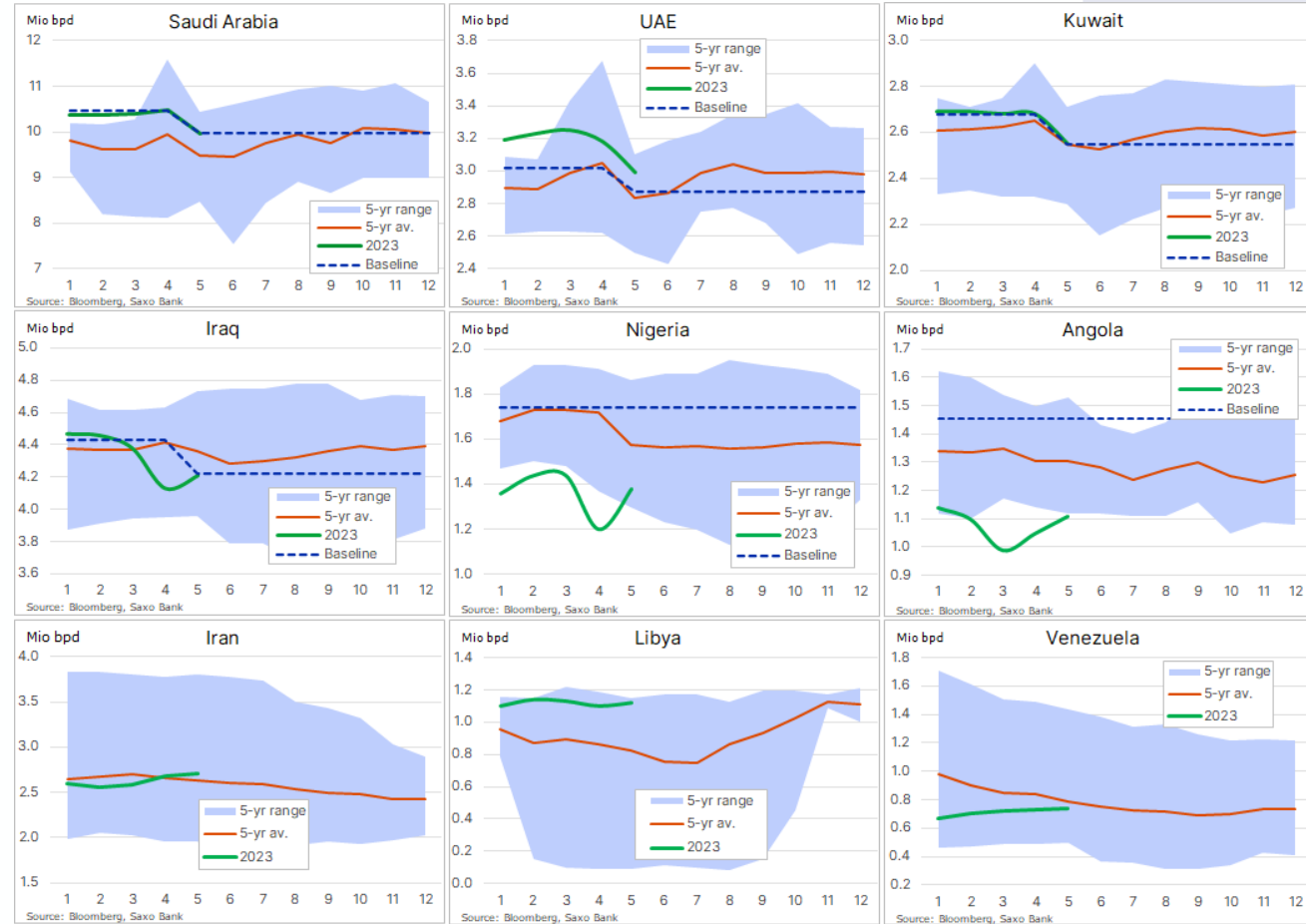
Source: Saxo

Crude oil bounces ahead of OPEC+ meeting

1D FU LCOc1 SMA 21 (1D) SMA 200 (1D) SMA 55 (1D)



Source: Saxo



Stocks to watch today...

- **Broadcom** – shares off despite guiding for doubling of AI-related demand in the coming year.
- **Tesla** – eyeing interesting levels if this rally extends. Cathie Wood missed NVDA, says Tesla “the most obvious play on AI”\$8-10 Trillion USD of autonomous mobility revenue by 2030



Source: Bloomberg

Earnings Watch

Tuesday: Ferguson
Wednesday: Brown Forman, [Trip.com](#),
Campbell Soup Company, Gamestop
Thursday: Docusign, Vail Resorts
Friday: [NIO](#)



Macro – calendar highlights (all times GMT)

1230 – US May Change in Nonfarm Payrolls

1230 – US May Average Hourly Earnings

1230 – US May Unemployment Rate

Longer Term Highlights

June 14 – FOMC Meeting

June 16 – Bank of Japan meeting

Upcoming Calendar Highlights

SUN: OPEC+ meeting

MON: China May Caixin Services PMI, **US May ISM Services**

TUE: **Australia RBA Cash Target**

WED: Australia Q1 GDP, US Apr. Trade Balance, **Canada Bank of Canada Rate Decision**

FRI: China May CPI/PPI, Norway May CPI, Canada May Employment Data

Appendix: S&P 500 Index 5-year chart

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

S&P 500 continuous future



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%

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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