



Saxo Market Call

Slide deck

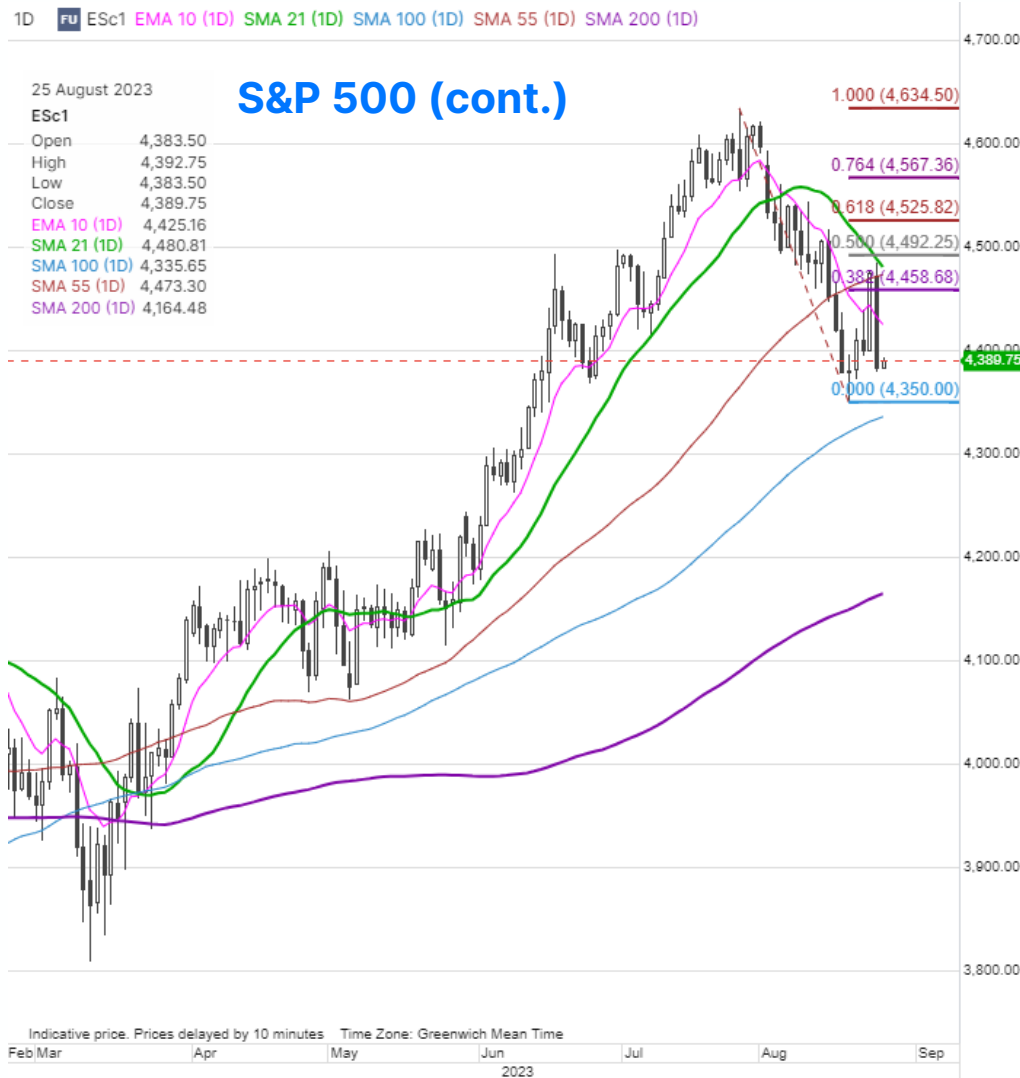
Friday, August 25, 2023

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.

Nvidia options at root of much of volatility?



Source: Saxo

Saxo equity themes performance overview

Sorted on month-to-date return (updated as of 24 Aug 2023)

Theme	1D	1W	MTD	YTD	1Y	5Y
Nuclear power	-1.0	3.5	1.5	9.2	8.6	121.7
Defence	-0.8	0.6	-2.8	18.7	28.0	79.2
Commodities	-0.5	-0.1	-4.6	5.0	7.3	99.1
MSCI World (USD)	-1.1	0.2	-5.0	13.0	8.0	46.1
Mega Caps	-0.8	0.1	-5.1	26.2	17.5	129.2
Cyber security	-1.4	2.5	-5.8	21.1	-1.0	92.3
MSCI EM (USD)	1.3	0.9	-6.0	4.8	2.4	5.8
Construction	-1.2	-1.3	-6.8	17.0	25.5	76.8
Logistics	-0.4	-0.9	-6.9	12.5	8.4	122.4
Transportation infrastructure	0.0	-1.2	-7.2	-2.0	-3.0	21.5
Travel	-1.3	-1.8	-8.0	23.9	22.7	-0.1
China consumer & technology	2.1	-0.4	-8.3	0.6	4.2	92.1
Luxury	-0.7	-3.7	-8.3	15.7	22.4	31.0
Semiconductors	-2.5	1.5	-8.6	33.4	20.7	190.3
Renewable energy	-0.8	-0.8	-10.7	-18.3	-25.9	193.5
Gaming	-1.5	0.0	-11.8	14.4	14.6	68.1
New biotech	-2.2	-0.8	-12.8	-5.9	-23.5	61.5
Payments	-1.6	-0.8	-13.2	5.5	-10.1	20.5
E-commerce	-1.1	-1.8	-13.7	12.0	1.1	10.5
Bubble stocks	-2.1	1.0	-17.7	19.9	-11.0	100.1
Energy storage	-1.2	-3.9	-18.9	-13.0	-38.7	316.3
Green transformation	-2.2	-4.0	-21.1	2.9	-36.1	139.5

Source: Bloomberg and Saxo

Nvidia and the options circus...



8) Column Selection

	Name	Last	PxChg	Px%C	
21)	NVDA 25Aug23 C500	0.260	-11.37	-97.	
22)	NVDA 25Aug23 C490	0.770	-14.13	-94.83	75,457
23)	NVDA 25Aug23 C480	2.450	-16.00	-86.72	58,340
24)	NVDA 25Aug23 C510	0.110	-8.89	-98.78	54,330
25)	NVDA 25Aug23 P480	10.750	-16.68	-60.81	47,516
26)	NVDA 25Aug23 C485	1.400	-15.40	-91.67	44,572
27)	NVDA 25Aug23 P470	4.500	-17.56	-79.60	42,670
28)	NVDA 25Aug23 P475	7.150	-17.65	-71.17	41,796
29)	NVDA 25Aug23 C520	0.060	-6.84	-99.13	35,834
30)	NVDA 25Aug23 C495	0.420	-12.74	-96.81	34,641
31)	NVDA 01Sep23 C500	4.050	-11.32	-73.65	33,657
32)	NVDA 15Sep23 C500	10.000	-10.44	-51.08	32,636
33)	NVDA 25Aug23 P450	0.460	-12.58	-96.47	31,444
34)	NVDA 25Aug23 P460	1.550	-15.55	-90.94	31,106
35)	NVDA 25Aug23 C550	0.030	-2.92	-98.98	26,496
36)	NVDA 25Aug23 P465	2.680	-16.81	-86.25	25,168
37)	NVDA 25Aug23 P490	18.850	-15.04	-44.38	22,147
38)	NVDA 25Aug23 P485	14.500	-16.18	-52.74	21,579
39)	NVDA 25Aug23 C505	0.140	-10.11	-98.63	21,488
40)	NVDA 25Aug23 C515	0.080	-7.87	-98.99	21,175
41)	NVDA 25Aug23 C530	0.030	-5.17	-99.42	20,720
42)	NVDA 25Aug23 C600	0.010	-0.74	-98.67	19,354
43)	NVDA 25Aug23 C470	6.400	-16.85	-72.47	18,777
44)	NVDA 25Aug23 C475	4.100	-16.65	-80.24	18,180
45)	NVDA 25Aug23 C487.5	1.040	-14.76	-93.42	17,559
46)	NVDA 25Aug23 P482.5	12.400	-17.60	-58.67	17,291
47)	NVDA 25Aug23 C492.5	0.580	-13.34	-95.83	17,239
48)	NVDA 15Sep23 P400	1.850	-4.35	-70.16	17,086

Jackson Hole...Jim Bianco research on Twitter/X



Jim Bianco
@biancoresearch

One thing that may come up tomorrow in Powell's speech is the often-heard idea that the Fed has to stop hiking and may even have to cut rates soon because interest expense on the debt outstanding is soaring (see the two charts attached).

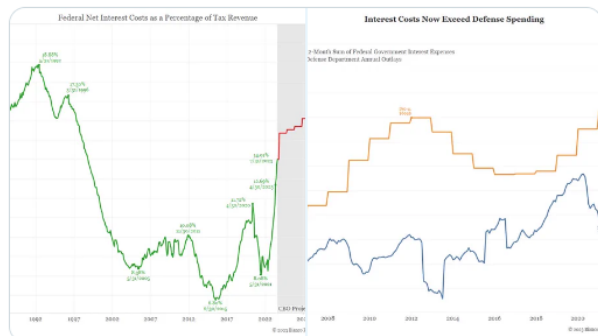
The idea that they need to change policy because of interest payments is called fiscal dominance.

If so, expect him to say that the Fed is independent and the amount of money it takes to service the debt plays no role in setting monetary policy. If rate hikes cause burdens on servicing debt, then it is up to Congress (or the business or household in the private sector) to figure out how to deal with it.

This is not dismissing the issue. It is an important issue. Rather, it is about who's problem it is. The Fed says it is not their problem, and the debt issuer (Congress) must address it, not them.

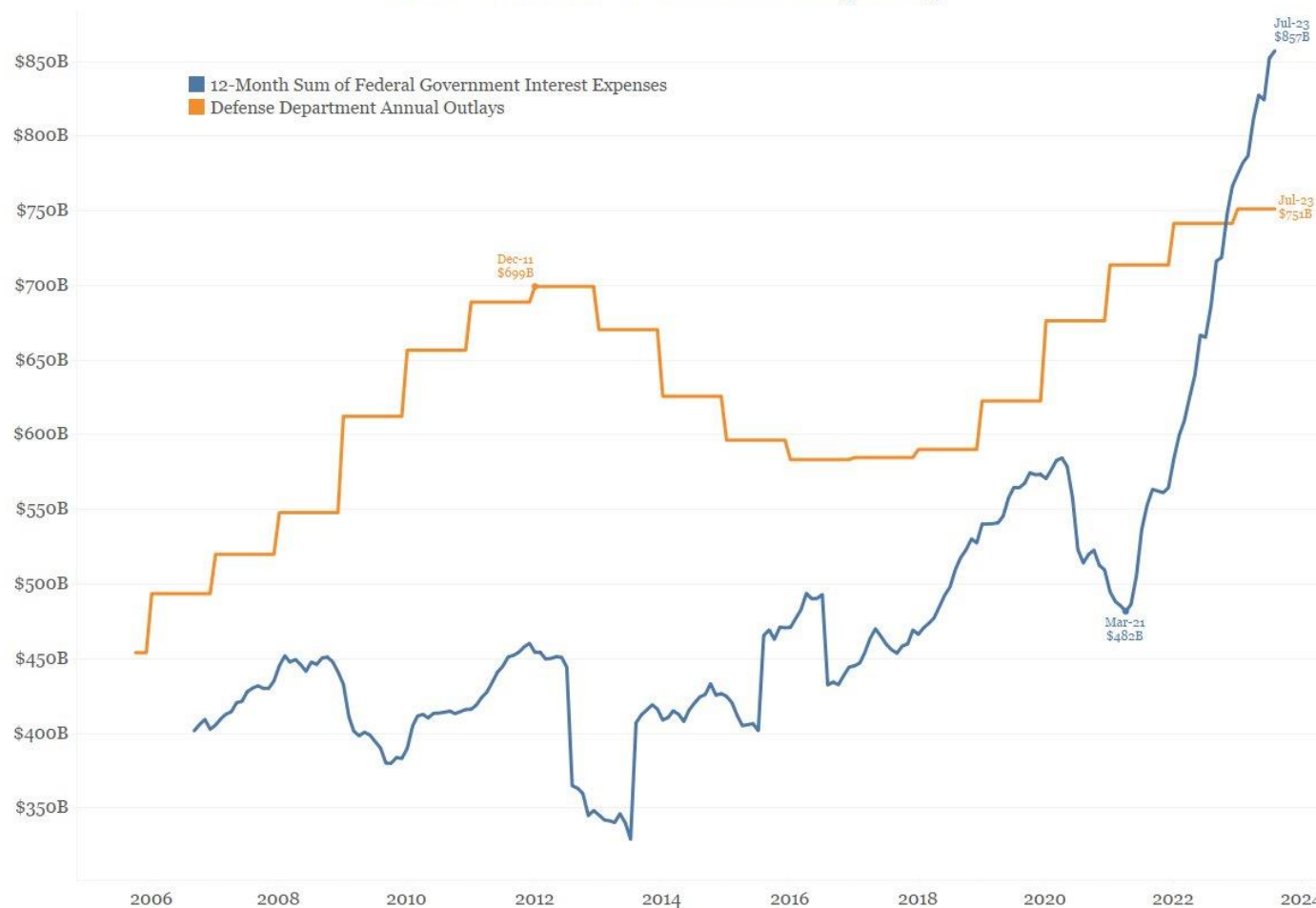
On this score, I agree with the Fed. They cannot let irresponsible government policy (or reckless private sector borrowing) prevent them from setting monetary policy.

If they decide to keep hiking and interest expense keeps rising, not only don't expect the Fed to address it, don't even ask. Congress and other overleveraged borrowers must deal with it, not the Fed.



5:26 PM · Aug 24, 2023 · 360.9K Views

Interest Costs Now Exceed Defense Spending



Source: U.S. Treasury

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FX: USD resurgent on swooning sentiment. Cue Powell/Lagarde

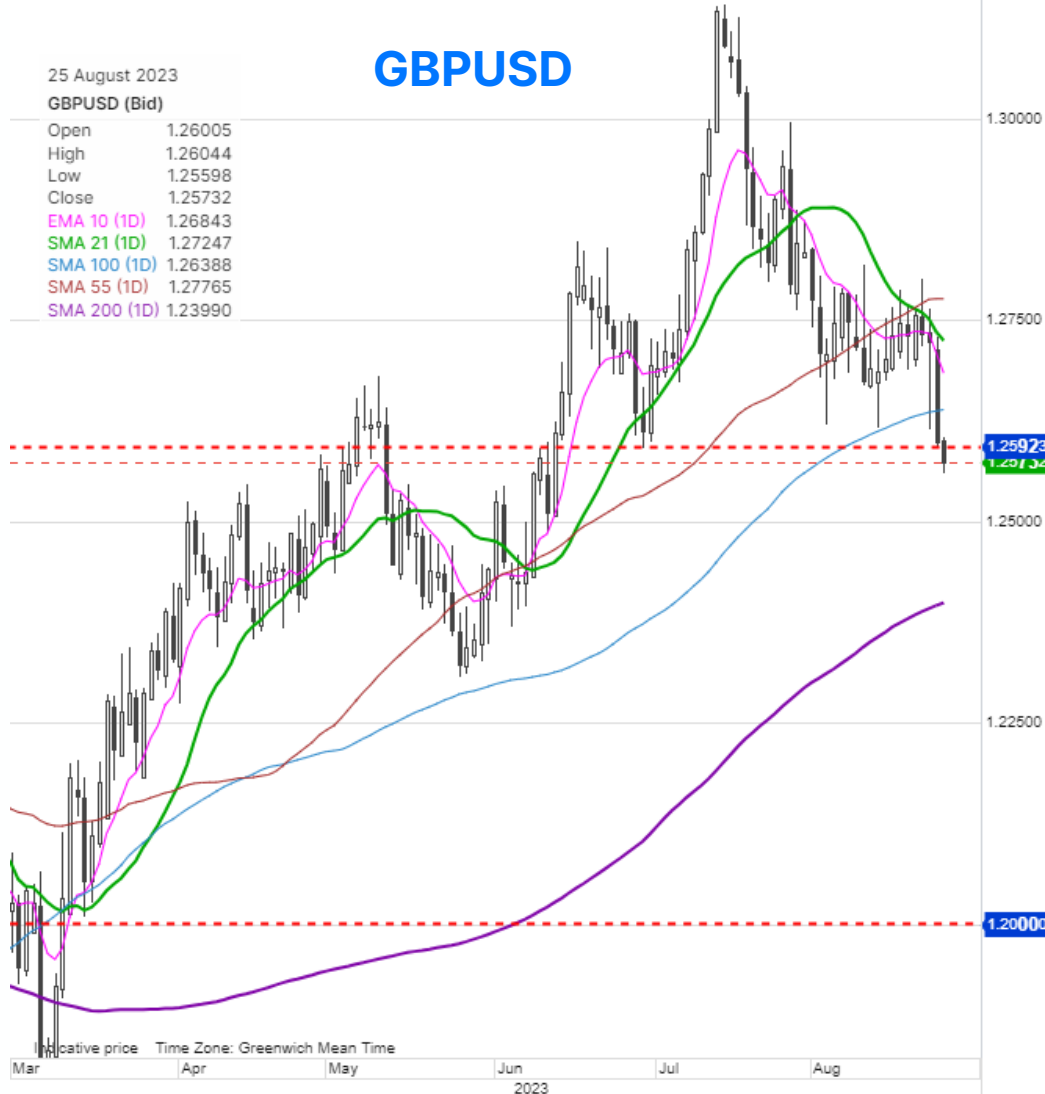
1D **FX** GBPUSD EMA 10 (1D) SMA 21 (1D) SMA 100 (1D) SMA 55 (1D) SMA 200 (1D)

GBPUSD

25 August 2023

GBPUSD (Bid)

Open 1.26005
High 1.26044
Low 1.25598
Close 1.25732
EMA 10 (1D) 1.26843
SMA 21 (1D) 1.27247
SMA 100 (1D) 1.26388
SMA 55 (1D) 1.27765
SMA 200 (1D) 1.23990



FX Board - Trend Evolution for G10 + CNH

Friday, August 25, 2023



Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	0.1	4.0	2.3	-0.3	0.6	1.8	-1.3	0.0	-2.0	-2.2	-2.8	2.5	5.4
2D Change	-0.2	0.8	1.6	0.3	-2.1	-0.7	0.5	0.5	-0.2	0.1	-0.5	2.1	1.5
5D Change	-1.6	-0.5	1.8	0.7	-3.5	-1.2	2.4	0.1	1.4	0.6	-0.3	3.9	7.3

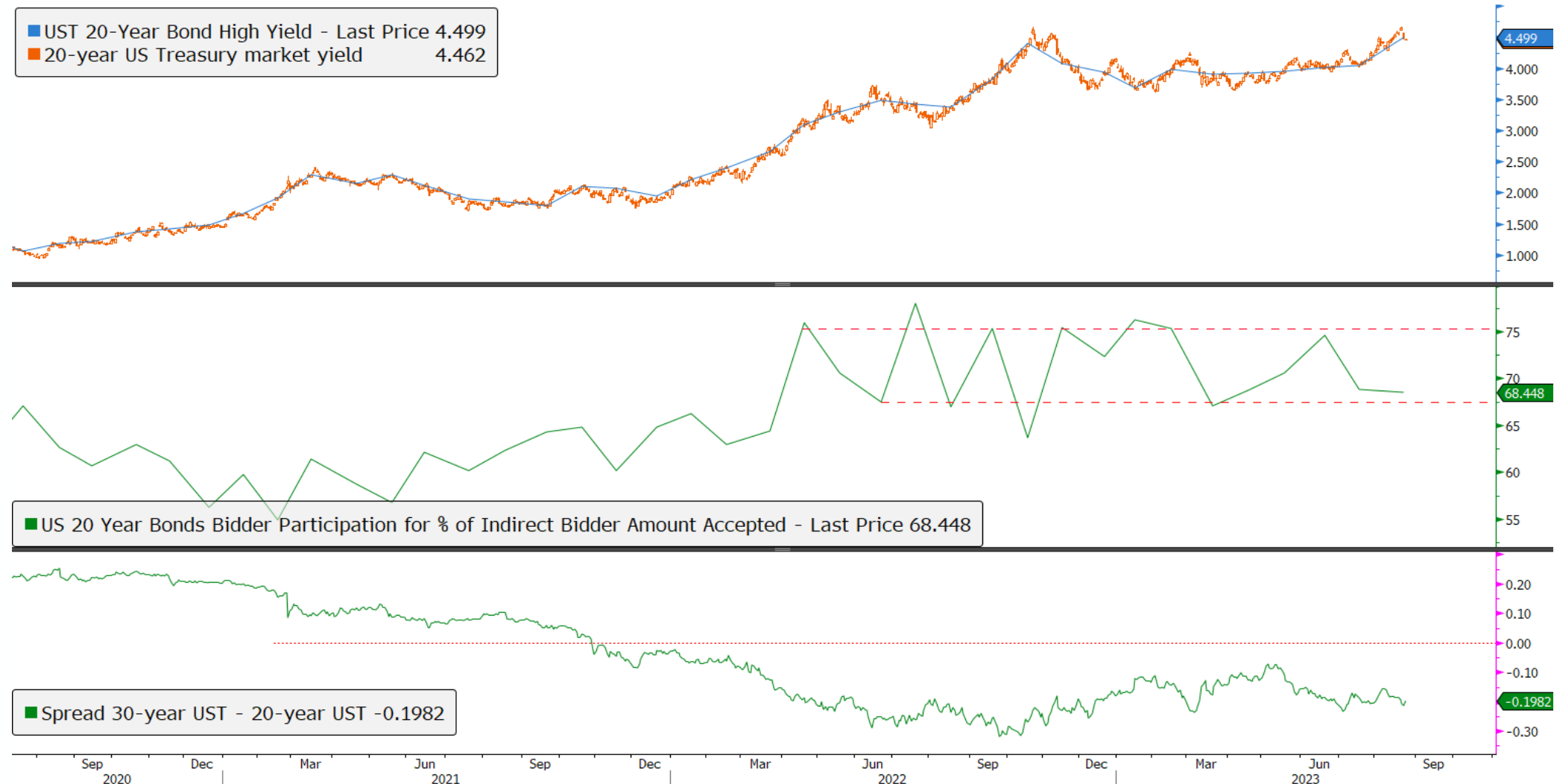
↑ Momentum

Trend readings for last five weeks

Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
25-Aug	0.1	4.0	2.3	-0.3	0.6	1.8	-1.3	0.0	-2.0	-2.2	-2.8	2.5	5.4
24-Aug	0.2	3.5	1.6	-0.3	1.4	2.1	-1.5	-0.3	-1.8	-2.2	-2.7	1.8	5.1
23-Aug	0.4	3.1	0.7	-0.6	2.7	2.5	-1.8	-0.5	-1.8	-2.3	-2.3	0.5	3.9
22-Aug	1.1	3.8	0.7	-1.3	3.7	2.8	-3.0	-0.3	-2.6	-2.4	-2.3	-0.7	1.2
21-Aug	1.9	4.1	0.9	-1.4	4.1	3.1	-3.5	-0.2	-3.3	-2.8	-2.4	-1.1	-0.1
18-Aug	1.7	4.5	0.5	-1.0	4.1	3.1	-3.7	-0.1	-3.4	-2.8	-2.5	-1.3	-1.9
17-Aug	1.7	4.5	0.0	-1.9	4.0	3.7	-3.7	0.0	-3.5	-2.4	-2.1	-1.4	-2.7
16-Aug	2.0	4.6	-0.6	-2.2	3.4	3.5	-3.1	0.2	-3.4	-2.0	-2.0	-1.1	-3.7
15-Aug	2.0	4.1	-0.3	-2.1	2.2	3.4	-2.8	0.2	-3.6	-1.6	-1.3	-0.8	-3.9
14-Aug	2.0	3.7	0.5	-2.3	1.4	3.1	-2.8	0.1	-3.5	-1.3	-0.6	-0.8	-4.1
11-Aug	2.4	3.1	0.6	-2.1	0.9	2.8	-3.0	-0.3	-3.3	-1.2	0.4	-0.8	-4.3
10-Aug	2.1	2.6	0.6	-2.0	0.4	2.3	-3.3	-1.0	-2.8	-0.6	1.8	-1.3	-4.7
9-Aug	1.4	2.4	0.6	-1.2	0.6	2.0	-3.7	-1.2	-2.5	-0.9	2.5	-1.1	-4.8
8-Aug	1.0	2.2	0.6	-0.8	0.6	2.3	-3.7	-1.3	-2.3	-1.0	2.4	-0.4	-4.0
7-Aug	0.8	1.6	1.0	-0.6	0.0	2.1	-4.0	-1.3	-2.3	-0.4	3.1	-0.2	-2.9
4-Aug	0.7	1.8	1.6	-0.4	-0.4	2.2	-4.3	-0.9	-2.5	-0.9	2.9	0.2	-1.5
3-Aug	0.3	2.3	2.2	-1.1	-0.3	2.4	-4.2	0.0	-2.3	-1.6	2.2	0.4	-0.8
2-Aug	0.1	1.9	1.8	-1.7	0.0	2.0	-3.7	0.3	-1.7	-1.4	2.3	0.6	0.4
1-Aug	-0.6	0.7	1.4	-2.0	-0.1	1.7	-2.6	0.3	-1.0	-0.7	2.8	0.7	1.7
31-Jul	-1.4	-0.3	1.2	-1.1	-0.3	1.9	-1.8	0.2	-1.2	-0.4	3.0	0.9	2.1
28-Jul	-1.3	-0.4	0.9	0.3	-0.3	2.7	-2.4	-0.3	-2.0	-0.2	3.1	0.5	1.4
27-Jul	-1.8	-1.2	0.0	0.5	-0.9	3.1	-1.2	-0.6	-1.9	0.6	4.1	-0.1	1.7
26-Jul	-1.1	-1.9	-0.5	-1.3	-0.4	3.7	-0.9	-1.0	-2.2	1.6	4.3	0.6	3.1
25-Jul	-1.0	-2.0	-0.7	-2.2	-1.3	3.2	-0.6	-0.5	-2.2	2.2	5.3	0.1	2.6
24-Jul	0.4	-1.8	-1.9	-2.2	-1.6	3.2	-1.4	-0.5	-2.5	2.5	6.0	0.1	2.7

Bad 20-year auction, good 30-year TIPS sale.

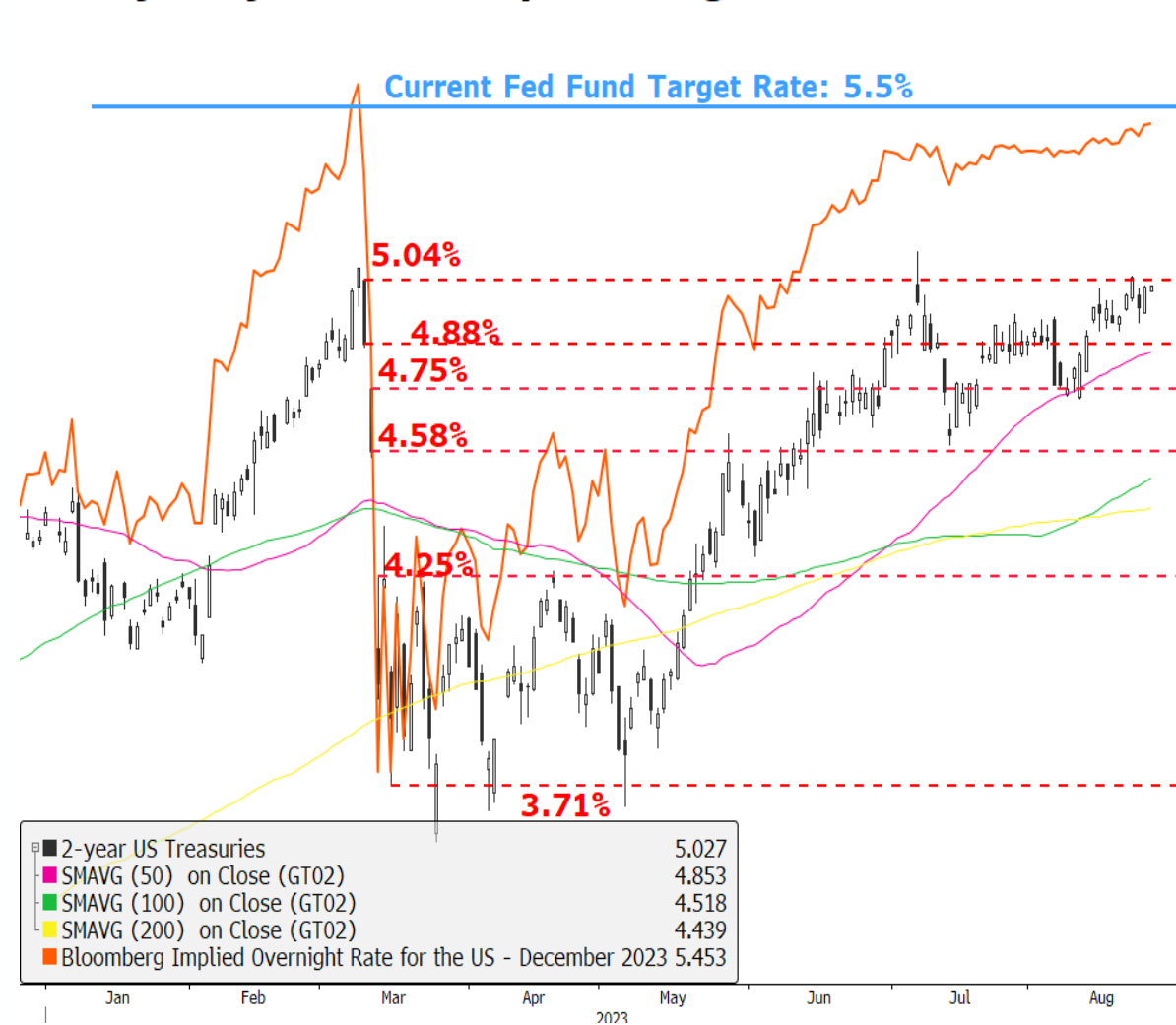
US 20-year auction: what to watch out for?



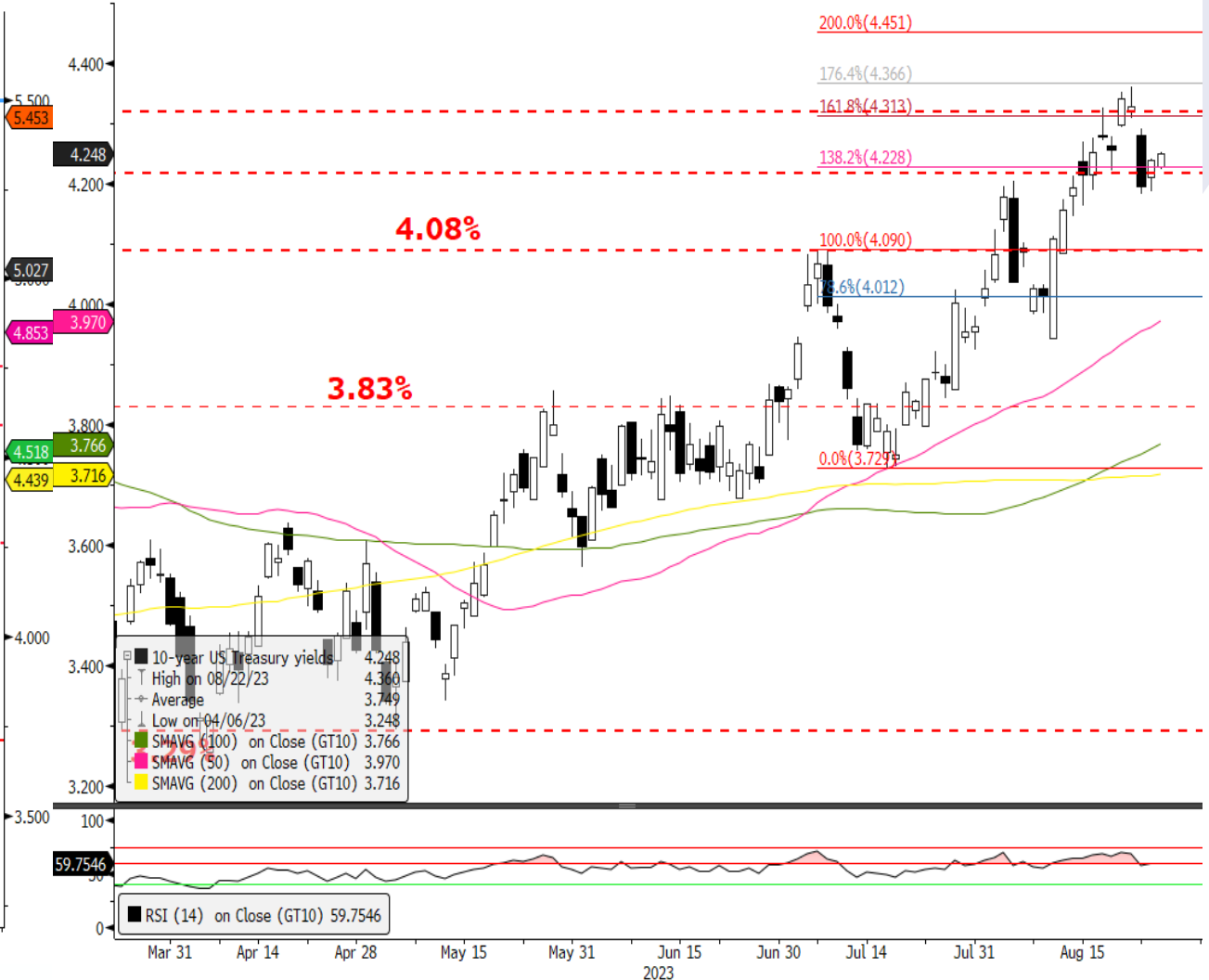
Source: Bloomberg.

Front-term yields remain supported in "higher for longer" sign

Two-year yields still uptrending



10-year USD yields still uptrending



Source: Bloomberg.

Stocks to watch today...

- **Advertising stocks** – the EU Digital Services Act goes into effect today forcing many advertising firms adjust their operating models dialing down on personal ads.



Source: Saxo

Earnings Watch

Next week's earnings releases

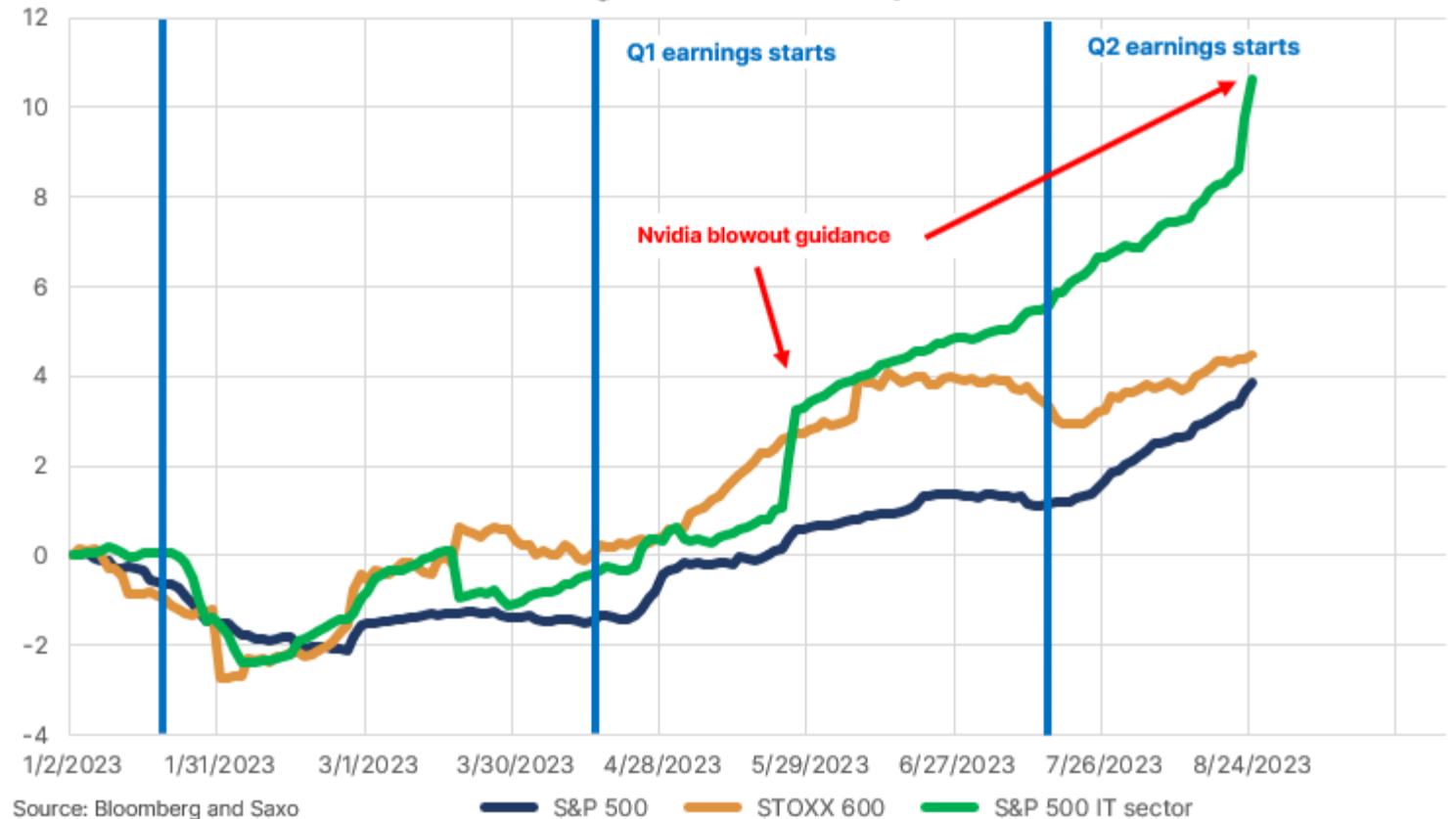
Monday: Fortescue Metals, HEICO

Tuesday: PDD Holdings, **HP**, Hewlett-Packard Enterprise, **NIO**

Wednesday: Prudential, **Salesforce**, **CrowdStrike**, **Pure Storage**

Thursday: **UBS**, **Broadcom**, VMware, **Lululemon Athletica**, Dell Technologies, Dollar General, MongoDB

12-month forward earnings estimates
Change in % since 1 January 2023



Macro – calendar highlights (all times GMT)

Today's Calendar Highlights

0800 – Germany Aug IFO

1400 – US Final University of Michigan Sentiment

1405 – Fed's Powell Speaks at Jackson Hole

1900 – ECB's Lagarde Speaks at Jackson Hole

US Jul Pending Home Sales, **THURS**: Jap Jul Retail Sales, Jap Jul Industrial Production, China Aug Mfg PMI, EU Aug CPI, Ger Job Report, Eurozone Aug CPI & Unemployment Rate, US Initial Jobless Claims, US Jul PCE Deflator, **FRI**: China Caixin PMI, UK Aug House Prices, US Aug Job Report

Upcoming Calendar Highlights

MON: AUS Jul Retail Sales, Dallas Fed Manufacturing Activity,

TUES: Japan Jul Jobless rate, US Conf. Board Consumer

Confidence, **WED**: Aus Jul Building Approvals, UK Jul

Mortgage Approvals, Eurozone Aug Consumer Confidence,

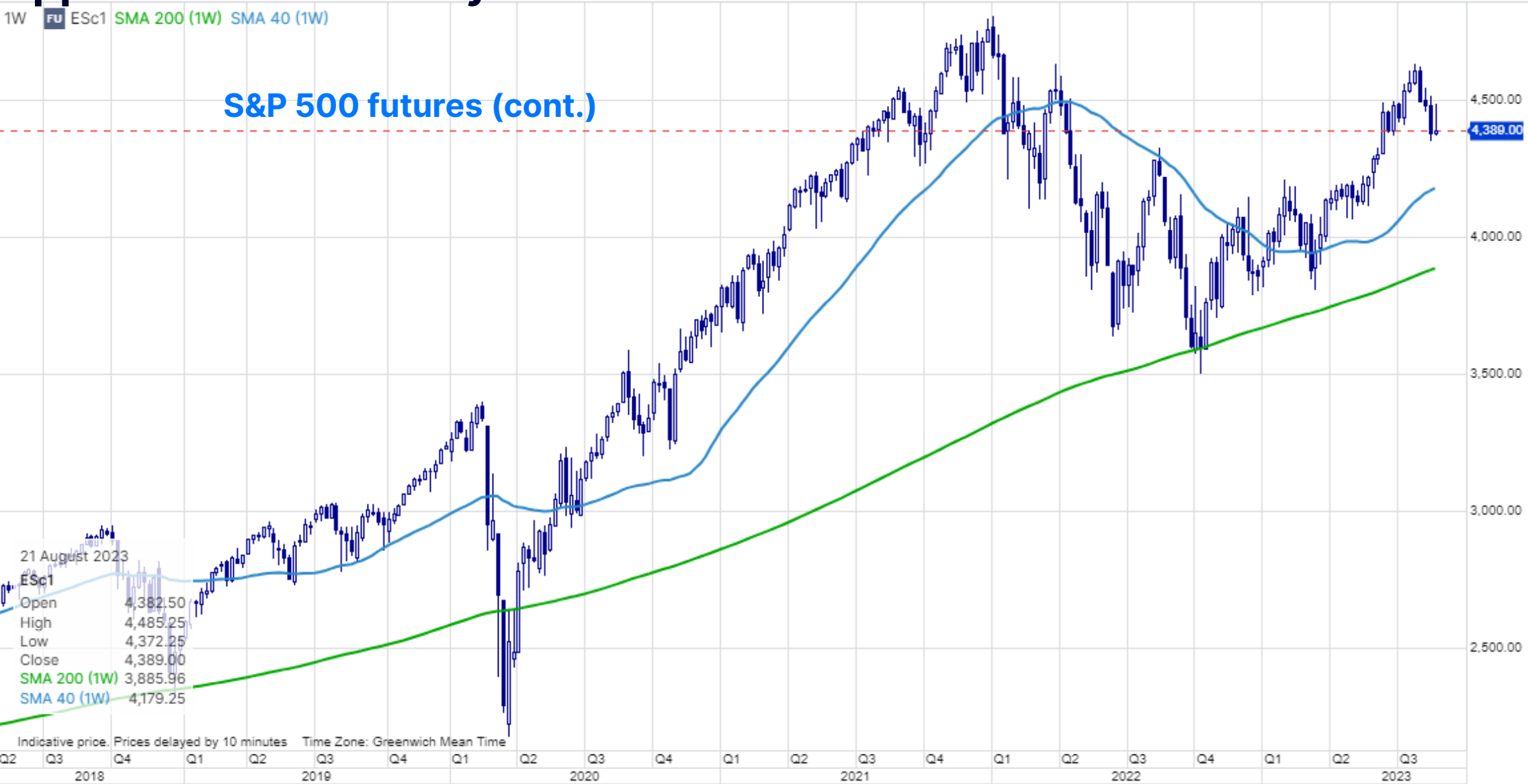
Ger Aug CPI, US Aug ADP Employment Change, US Q2 GDP,

Longer Term Highlights

Sep 14 – ECB Meeting

Sep 20 – FOMC Meeting

Appendix: S&P 500 5-year chart



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

US 30 Wall Street

34,581.20 USD

D -0.07% M 1.52% Y 35.75%

US Tech 100 NAS

13,674.79 USD

D -0.02% M -2.10% Y 42.48%

US 500

4,206.67 USD

D -0.05% M -0.11% Y 37.68%

Germany 30

15,591.67 EUR

D -0.03% M 2.62% Y 30.62%

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