



Questions and comments to Marketcall@SaxoBank.com

The Saxo Market Call podcast – Thursday, August 19, 2021

NOTE: 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.

Monthly commodities webinar today at 12:00 CET



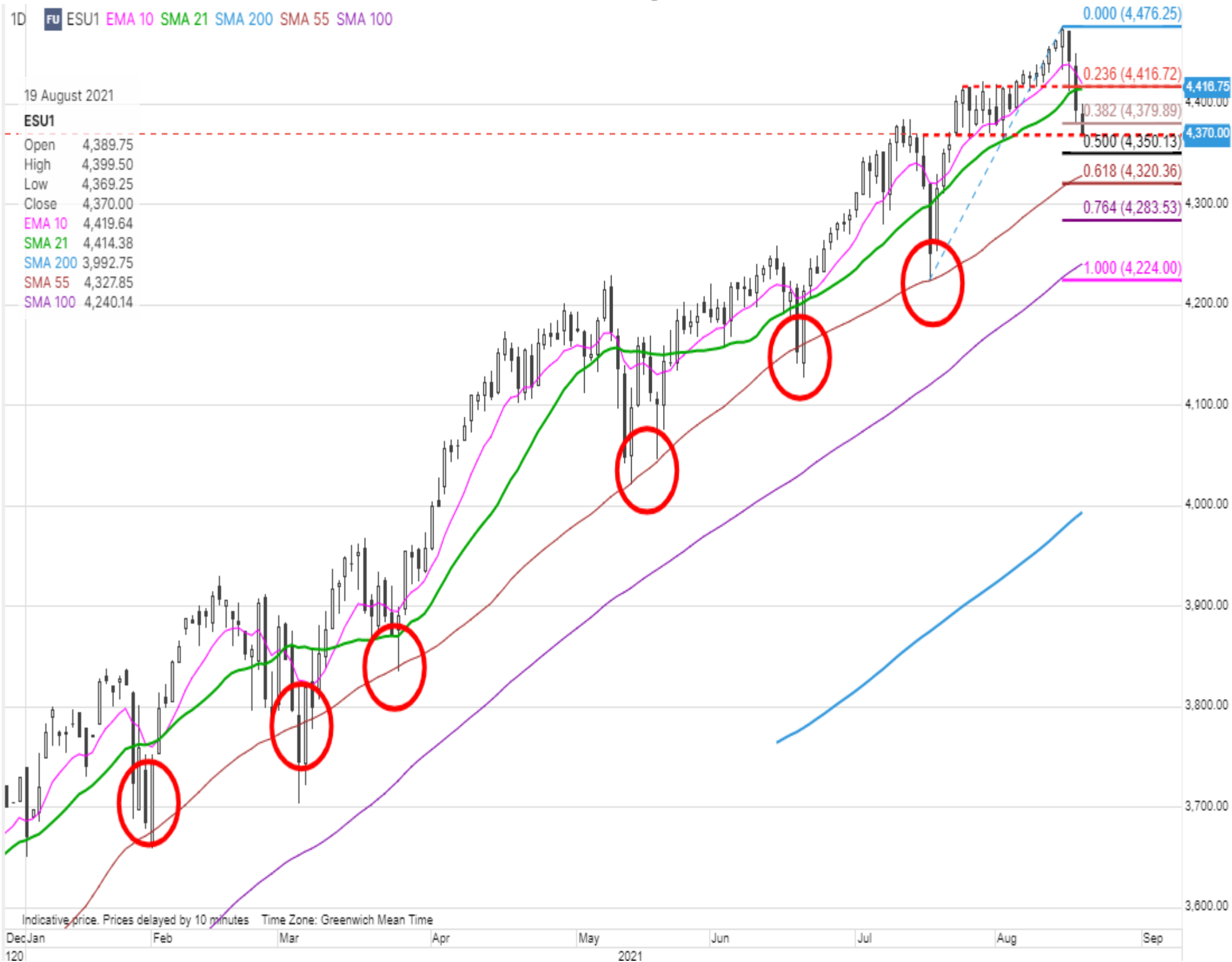
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 Webinar

Commodities Update

Oil, gold and other commodities are always on the move. Stay ahead of the curve with our regular Commodities Update and join Saxo's Head of Commodity Strategy, Ole Hansen, as he explores how fundamentals, geopolitics and other factors can influence commodity prices and looks at the latest market opportunities for traders and investors.

S&P 500 Index – breaking down – next key support 55-day SMA



Saxo equity themes performance overview

Sorted on one-day return

| Theme | 1D | MTD | YTD | 1Y | 5Y |
|-----------------------------|------|------|-------|-------|---------|
| Green Transformation | 1.8 | -1.4 | -2.6 | 88.9 | 811.6 |
| Cannabis | 1.5 | -1.4 | 39.7 | 97.9 | 1,188.4 |
| Crypto & Blockchain | 0.8 | 8.1 | 79.1 | 612.4 | NA |
| Travel | 0.8 | -3.4 | 0.2 | 38.9 | 46.7 |
| E-commerce | 0.6 | -3.0 | -6.6 | 23.9 | 598.1 |
| MSCI EM (USD) | 0.5 | -1.1 | -0.9 | 16.4 | 55.2 |
| China Consumer & Technology | 0.5 | -4.8 | -14.3 | 21.7 | 383.7 |
| Logistics | 0.3 | 3.2 | 32.0 | 63.2 | 182.7 |
| Battery | 0.1 | -1.5 | 10.5 | 117.0 | 486.2 |
| Bubble Stocks | -0.1 | -5.4 | -13.6 | 36.5 | 1,477.3 |
| 3D Printing | -0.1 | -6.1 | 10.9 | 73.1 | 98.4 |
| Gaming | -0.2 | -5.3 | -15.6 | 3.4 | 408.3 |
| Financial Trading | -0.4 | 2.0 | 25.5 | 47.3 | 237.4 |
| NextGen Medicine | -0.4 | -0.3 | 0.1 | 61.1 | 980.9 |
| Semiconductors | -0.6 | -4.7 | 13.7 | 49.1 | 437.5 |
| India (GDRs) | -0.6 | 1.2 | 29.6 | 66.9 | 106.5 |
| MSCI World (USD) | -0.7 | 0.4 | 15.5 | 30.1 | 94.2 |
| Mega Caps | -0.8 | -1.8 | 11.1 | 32.2 | 351.1 |
| Cyber Security | -0.8 | -2.2 | 10.9 | 41.2 | 304.9 |
| Commodity Sector | -1.5 | -2.6 | 15.6 | 38.6 | 125.6 |

Source: Bloomberg and Saxo Group

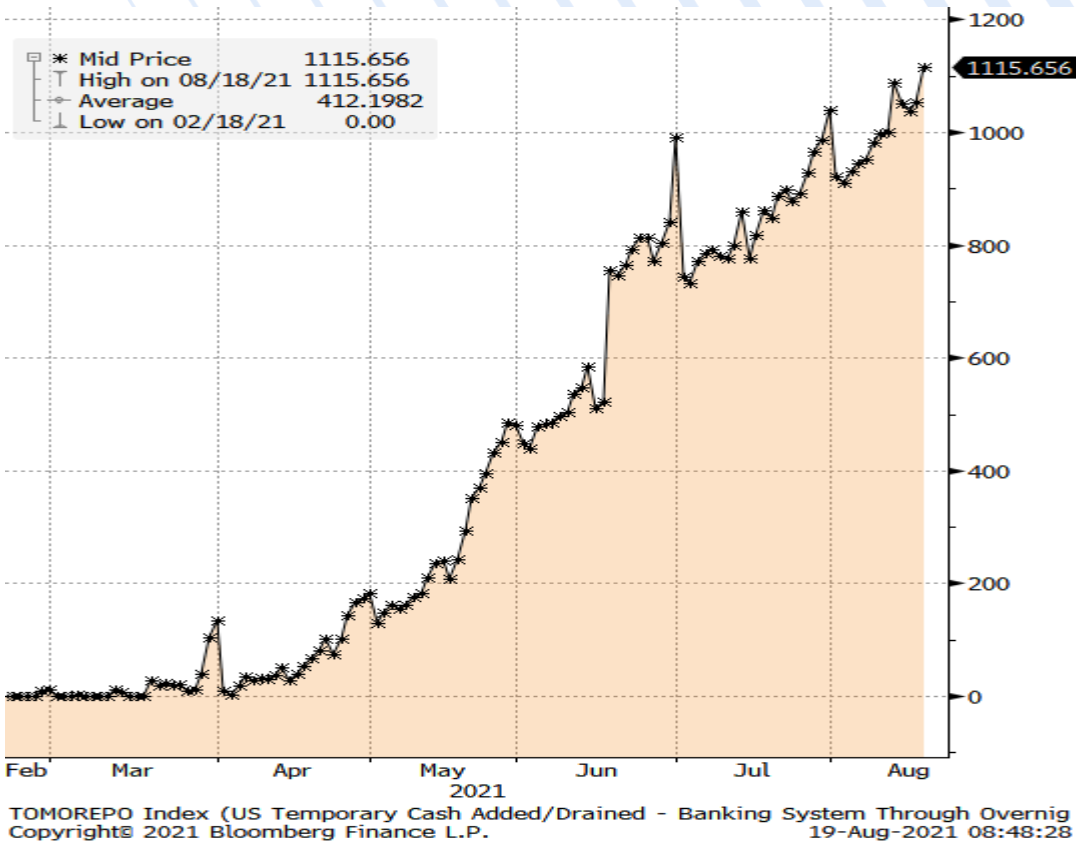
FOMC Minutes and Rosengren and Bullard

stability goal. A few participants noted, however, that the transitory nature of this year's rise in inflation, as well as the recent declines in longer-term yields and in market-based measures of inflation compensation, cast doubt on the degree of progress that had been made toward the price-stability goal since December. Looking ahead, most participants noted that, provided that the economy were to evolve broadly as they anticipated, they judged that it could be appropriate to start reducing the pace of asset purchases this year because they saw the Committee's "substantial further progress" criterion as satisfied with respect to the price-stability goal and as close to being satisfied with respect to the maximum-employment goal. Various participants commented that economic and financial conditions would likely warrant a reduction in coming months. Several others indicated,

Source: federalreserve.gov

the pace of tapering asset purchases once economic conditions satisfied the criterion laid out in the Committee's guidance. Many participants saw potential benefits in a pace of tapering that would end net asset purchases before the conditions currently specified in the Committee's forward guidance on the federal funds rate were likely to be met. At the same time, participants indicated that the standards for raising the target range for the federal funds rate were distinct from those associated with tapering asset purchases and remarked that the timing of those actions would depend on the course of the economy. Several participants noted that an earlier start to tapering could be accompanied by more gradual reductions in the purchase pace and that such a combination could mitigate the risk of an excessive tightening in financial conditions in response to a tapering announcement.

Participants exchanged views on what the composition



Source: Bloomberg

Top Fed official warns massive bond purchases are ill-suited for US economy

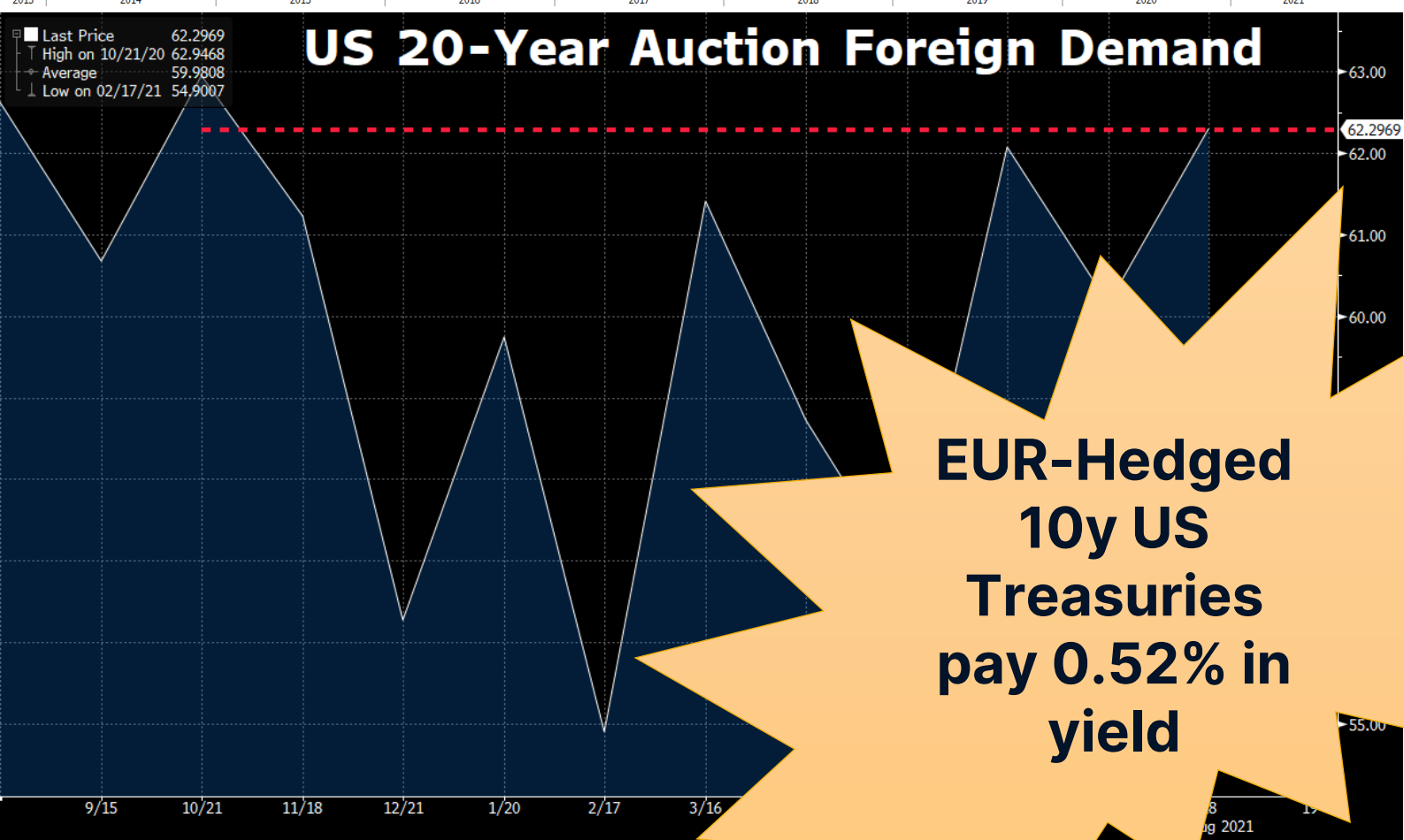
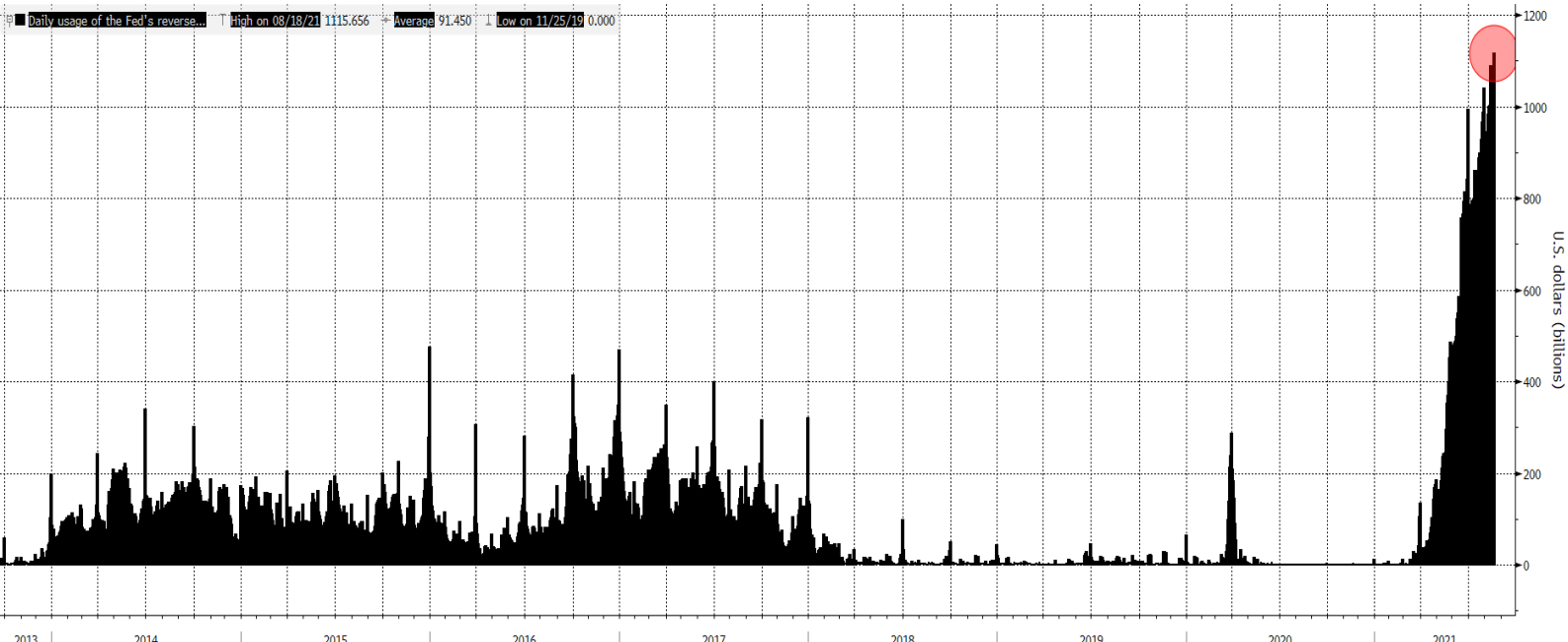
Boston's Eric Rosengren calls for speedy taper, arguing stimulus does not address supply shortages



Source: FT

FOMC Minutes: too much liquidity in the market, tapering is happening fast. Bonds enter in danger zone

The Fed's RRP facility receives highest demand on record



**EUR-Hedged
10y US
Treasuries
pay 0.52% in
yield**

Source: Bloomberg.

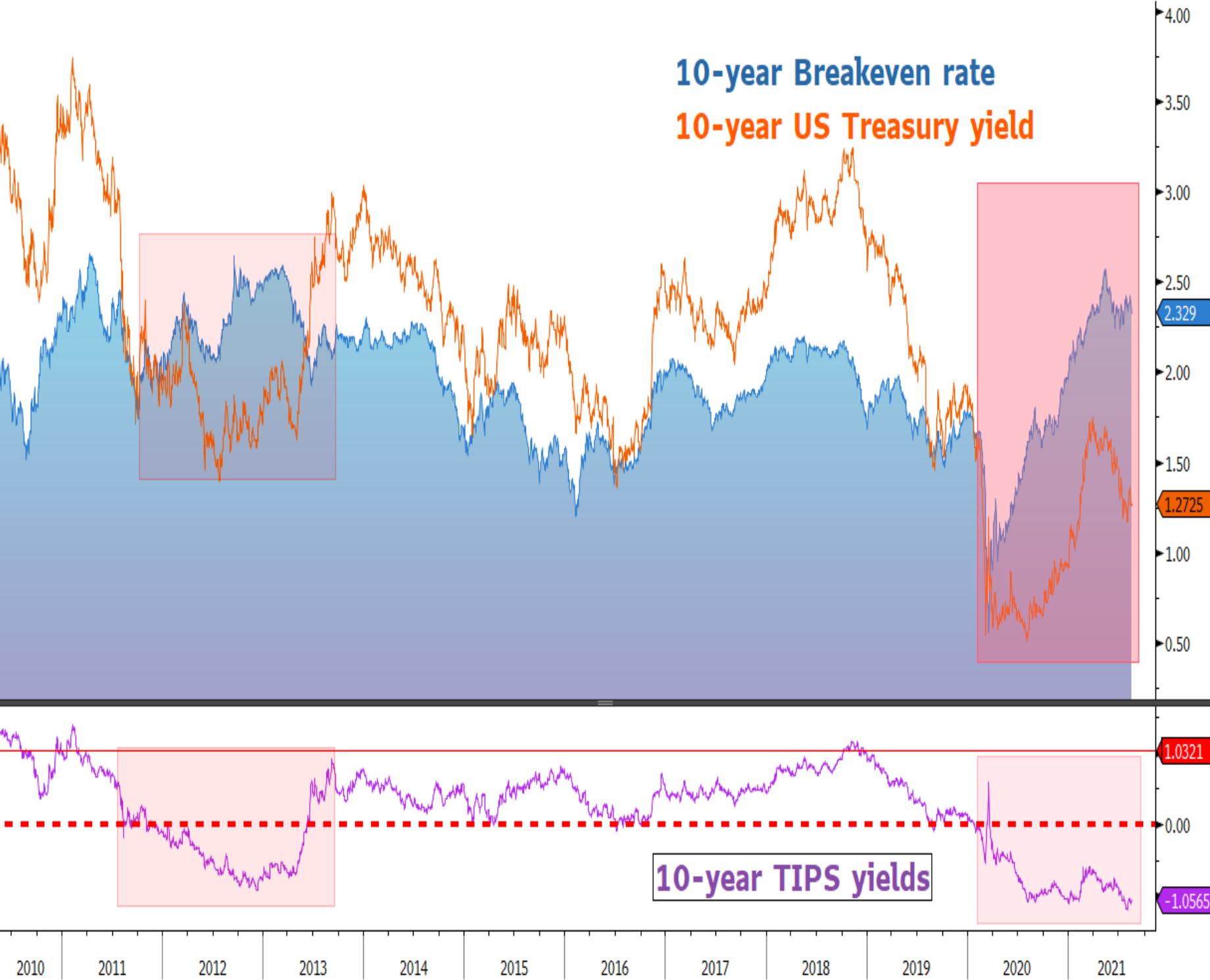
Ten-year yields



Source: Bloomberg.

Does it make sense to buy expensive inflation-linkers?

Real yields will inevitably rise



Source: Bloomberg.

INFLATION CONSENSUS

| | 2021 | 2022 | 2023 |
|--------------|-------|-------|-------|
| US CPI | 4.20% | 2.90% | 2.30% |
| UK RPI | 3.30% | 3.50% | 2.90% |
| Eurozone CPI | 2% | 1.50% | 1.50% |

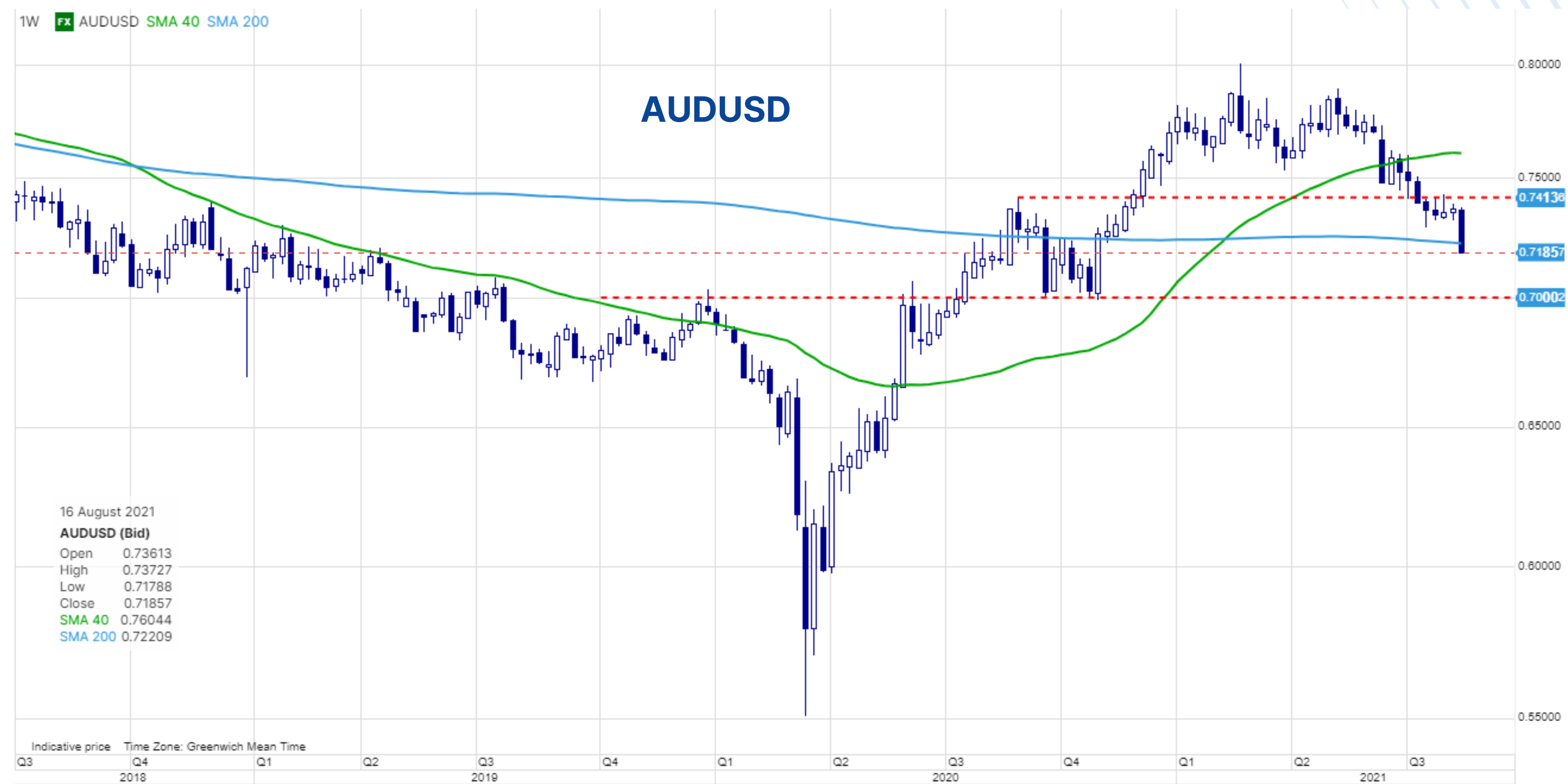
Source: Bloomberg.

| Country | ISIN | Maturity | Current Yield (as 18/08/21) | Required avg yearly inflation rate to breakeven* |
|----------------|--------------|------------|--------------------------------|---|
| United States | US91282CCA71 | 4/15/2026 | -1.81% | 1.70% |
| United States | US91282CCM10 | 7/15/2031 | -1.06% | 1% |
| United Kingdom | GB00BYY5F144 | 3/22/2026 | -3.17% | 3.20% |
| United Kingdom | GB00BNNGP551 | 8/10/2031 | -2.93% | 3% |
| Germany | DE0001030567 | 04/15/2026 | -2.06% | 2.20% |
| Germany | DE0001030559 | 4/15/2030 | -2.03% | 2.60% |
| Italy | IT0004735152 | 9/15/2026 | -1.40% | 1.55% |
| Italy | IT0005138828 | 9/15/2032 | -0.71% | 0.80% |

Source: Saxo Bank and Bloomberg.

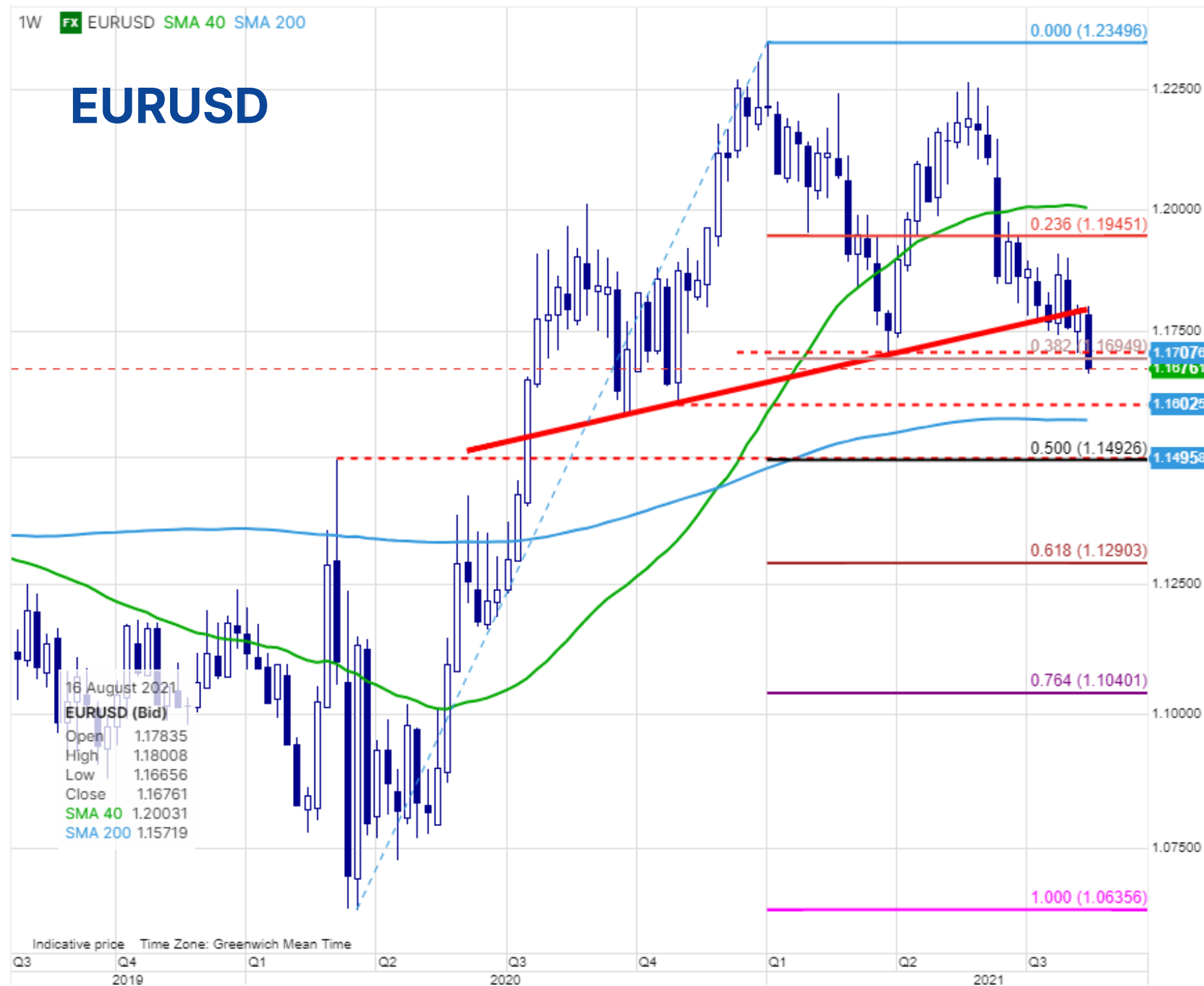
* Assuming the bond is held until maturity

USD takes charge. AUDUSD plunging to new lows – 0.7000 next step?



Source: Saxo Group

EURUSD breaks down as USD takes top spot on FOMC minutes, risk off



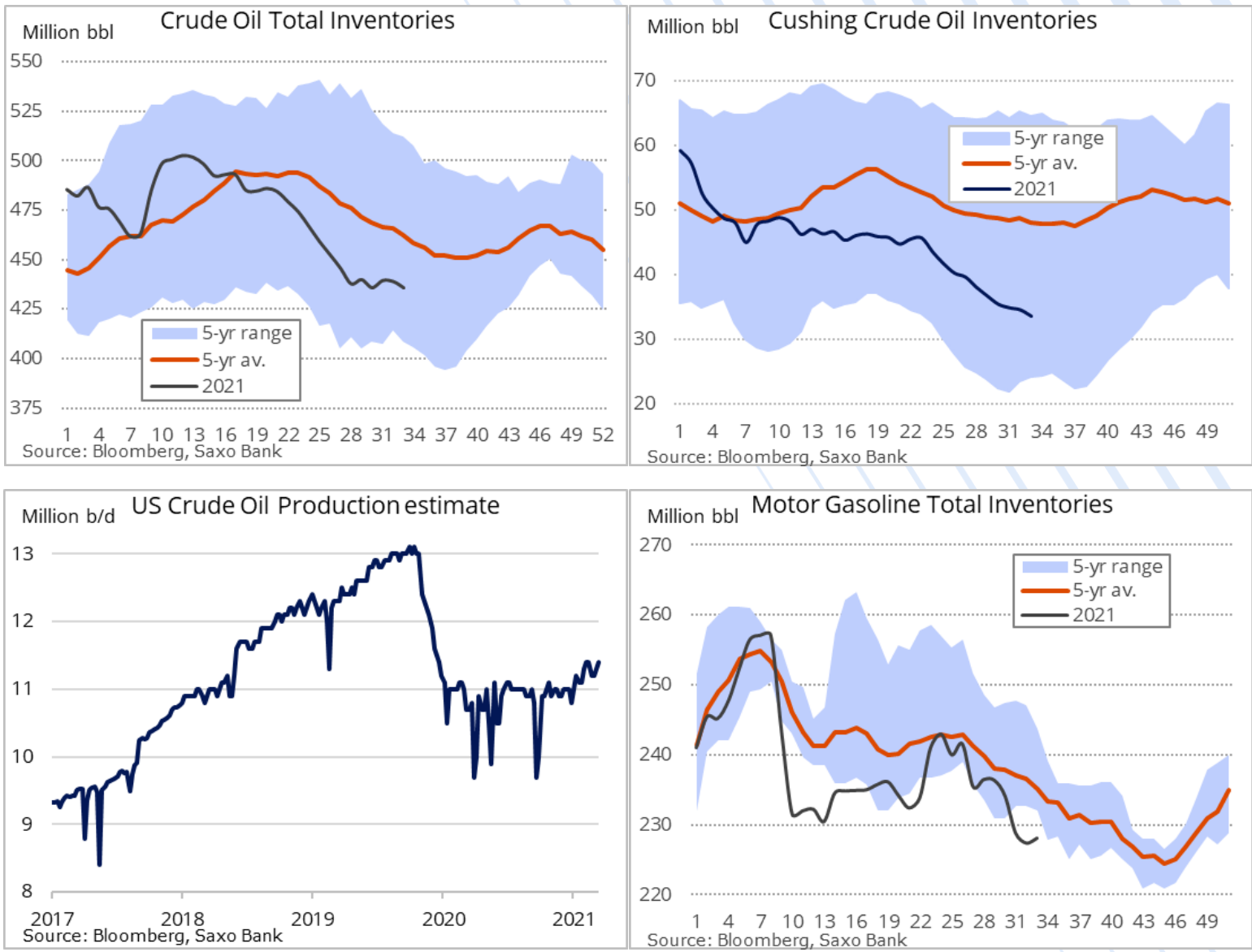
| FX Board - Trend Evolution for G10 FX + CNH | | | | | | | Thursday, August 19, 2021 | | | | | <div>SAXO BANK</div> | |
|---|------|------|------|-----|------|------|---------------------------|------|------|------|------|----------------------|------|
| Aggregate | EUR | USD | CNH | JPY | GBP | CHF | AUD | CAD | NZD | SEK | NOK | XAU | XAG |
| Trends -> | -0.6 | 3.3 | 2.3 | 3.5 | 0.2 | 2.5 | -4.9 | -1.3 | -2.8 | -1.2 | -0.6 | 1.3 | -4.8 |
| 2D Change | 0.5 | 1.6 | 1.3 | 0.3 | 0.2 | 0.7 | -1.6 | -0.6 | -2.7 | 0.6 | 0.0 | 1.1 | 0.1 |
| 5D Change | 1.3 | 1.4 | 0.7 | 3.4 | -0.9 | 4.8 | -3.4 | -2.6 | -4.9 | 0.4 | 0.4 | 5.4 | 3.2 |
| ↑ Momentum | | | | | | | | | | | | | |
| Trend readings for last five weeks | | | | | | | | | | | | | |
| Date | EUR | USD | CNH | JPY | GBP | CHF | AUD | CAD | NZD | SEK | NOK | XAU | XAG |
| 19-Aug | -0.6 | 3.3 | 2.3 | 3.5 | 0.2 | 2.5 | -4.9 | -1.3 | -2.8 | -1.2 | -0.6 | 1.3 | -4.8 |
| 18-Aug | -0.8 | 2.3 | 1.8 | 3.4 | 0.1 | 2.1 | -4.2 | -0.9 | -1.7 | -1.5 | -0.5 | 1.1 | -4.6 |
| 17-Aug | -1.1 | 1.6 | 1.1 | 3.2 | -0.1 | 1.8 | -3.4 | -0.7 | -0.1 | -1.8 | -0.6 | 0.3 | -4.8 |
| 16-Aug | -1.3 | 0.6 | 0.4 | 2.1 | 0.3 | 0.1 | -2.2 | -0.5 | 1.6 | -0.9 | -0.3 | -1.0 | -5.6 |
| 13-Aug | -1.4 | 1.0 | 0.7 | 0.9 | 0.6 | -1.4 | -1.6 | 0.6 | 2.0 | -1.1 | -0.3 | -2.5 | -6.8 |
| 12-Aug | -1.9 | 1.9 | 1.6 | 0.1 | 1.1 | -2.3 | -1.5 | 1.3 | 2.1 | -1.6 | -1.0 | -4.0 | -8.0 |
| 11-Aug | -2.1 | 1.8 | 1.4 | 0.0 | 1.8 | -1.9 | -1.1 | 1.2 | 2.7 | -2.1 | -1.9 | -4.9 | -7.6 |
| 10-Aug | -1.9 | 2.1 | 1.4 | 0.4 | 2.1 | -1.0 | -1.6 | 0.9 | 2.2 | -2.1 | -2.8 | -5.6 | -7.5 |
| 9-Aug | -1.6 | 1.6 | 1.2 | 0.7 | 2.1 | 0.4 | -2.0 | -0.1 | 2.0 | -1.7 | -2.8 | -4.7 | -6.4 |
| 6-Aug | -1.7 | 0.5 | 0.7 | 0.6 | 1.8 | 1.9 | -2.0 | -0.5 | 2.1 | -1.2 | -2.3 | -2.3 | -3.7 |
| 5-Aug | -1.2 | -0.5 | 0.2 | 1.0 | 1.5 | 3.2 | -2.2 | -1.0 | 2.1 | -0.9 | -2.1 | -0.4 | -1.8 |
| 4-Aug | -0.8 | -0.6 | 0.1 | 1.9 | 1.2 | 3.8 | -2.9 | -1.4 | 1.3 | -0.5 | -2.3 | 0.1 | -1.1 |
| 3-Aug | -0.3 | -0.7 | -0.1 | 2.3 | 1.5 | 4.3 | -3.4 | -1.0 | -0.1 | -0.3 | -2.1 | 0.1 | -1.2 |
| 2-Aug | 0.0 | -0.5 | 0.1 | 1.8 | 1.6 | 4.3 | -4.3 | 0.0 | -0.9 | 0.1 | -2.1 | 0.7 | -1.5 |
| 30-Jul | -0.1 | -0.4 | -0.1 | 1.2 | 2.2 | 4.0 | -4.5 | 0.3 | -0.8 | 0.3 | -1.8 | 0.9 | -1.8 |
| 29-Jul | -0.3 | -0.3 | -0.6 | 1.3 | 2.5 | 3.3 | -3.8 | -0.3 | -0.7 | 0.4 | -1.4 | 0.9 | -2.8 |
| 28-Jul | -0.2 | 1.1 | -0.7 | 1.7 | 2.5 | 3.1 | -3.5 | -0.8 | -0.7 | 0.1 | -2.4 | 0.1 | -4.1 |
| 27-Jul | -0.3 | 1.8 | -0.6 | 2.0 | 2.1 | 2.5 | -3.3 | -1.1 | 0.3 | -0.3 | -3.1 | 0.1 | -4.2 |
| 26-Jul | -0.7 | 2.1 | 1.3 | 1.4 | 0.7 | 2.0 | -3.2 | -0.6 | 1.0 | -1.0 | -2.9 | 0.2 | -3.1 |
| 23-Jul | -0.7 | 2.7 | 2.4 | 2.1 | 0.1 | 1.9 | -3.3 | -0.6 | 0.8 | -1.9 | -3.6 | 0.9 | -3.1 |
| 22-Jul | -0.4 | 2.9 | 2.6 | 3.1 | -0.2 | 2.3 | -3.5 | -1.1 | 0.6 | -2.0 | -4.2 | 1.3 | -3.0 |
| 21-Jul | 0.5 | 3.5 | 3.3 | 4.1 | -1.0 | 2.9 | -4.1 | -1.9 | 0.6 | -2.0 | -5.7 | 1.9 | -3.5 |
| 20-Jul | 1.0 | 4.2 | 3.1 | 5.9 | -1.0 | 3.1 | -3.9 | -3.6 | 0.4 | -1.8 | -6.7 | 3.0 | -3.6 |
| 19-Jul | 0.5 | 3.6 | 2.6 | 5.5 | -0.1 | 3.1 | -3.6 | -4.4 | 1.1 | -2.3 | -5.8 | 2.9 | -2.4 |
| 16-Jul | -0.3 | 2.9 | 2.7 | 4.0 | 0.8 | 2.4 | -2.8 | -3.1 | 1.4 | -2.9 | -5.0 | 3.0 | -0.8 |

Source: Saxo Group

Crude oil drops to May low on China growth, virus and dollar strength



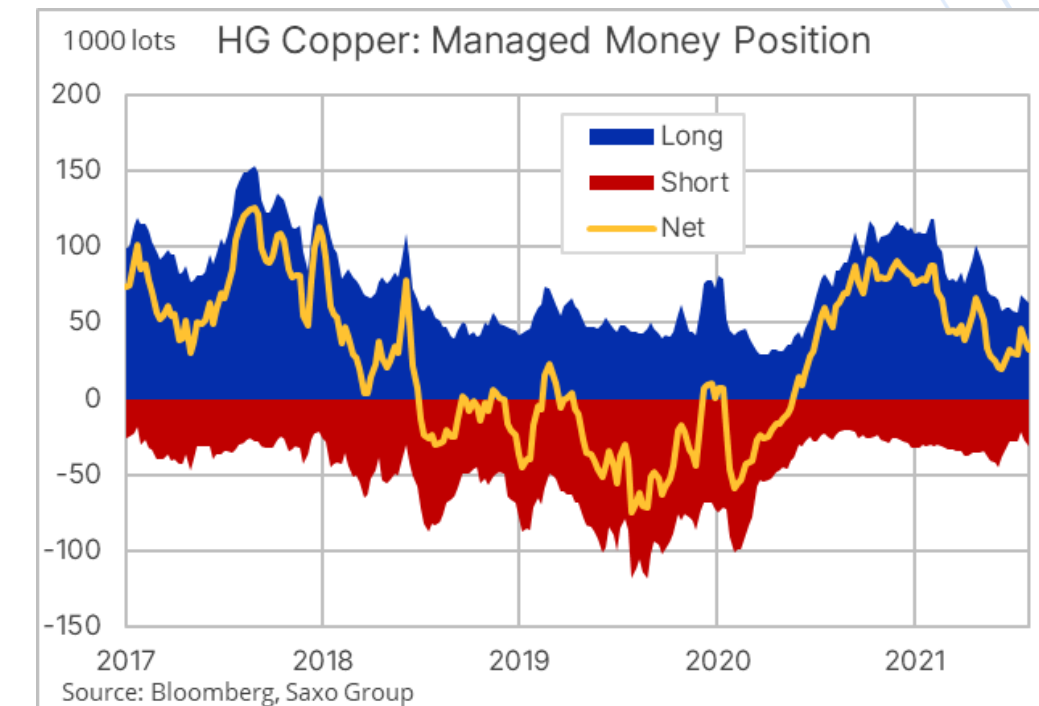
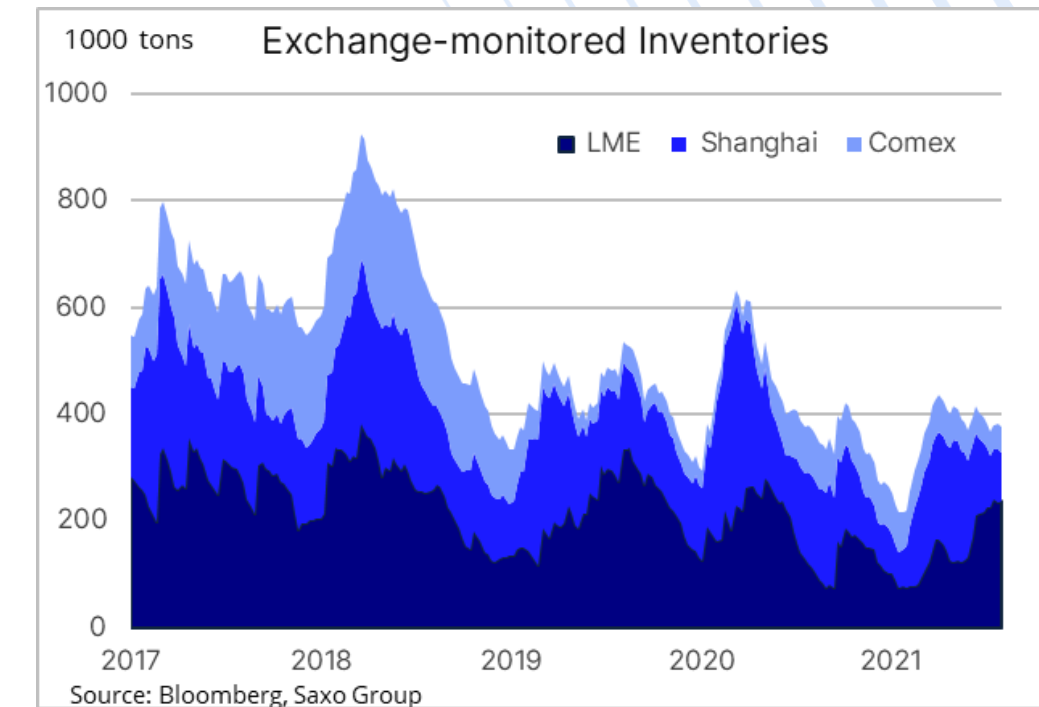
Source: Saxo Group



Copper: Short-term outlook deteriorating following trendline break



Source: Saxo Group



Earnings Watch – today's key focus is NVIDIA

Today: Geberit, Estee Lauder, Applied Materials, Ross Stores, **Bilibili**, CNOOC

Friday: Deere

Source: Saxo Group

Macro – Calendar Highlights

Today's Calendar Highlights (all times GMT)

0800 – Norway Norges Bank Rate Announcement

0830 – Norges Bank Governor Olsen to speak

1230 – Canada Jul. Home Price Index

1230 – US Weekly Initial Jobless Claims

1230 – US Aug. Philly Fed Survey

1430 – EIA's Weekly Natural Gas Storage Change

2305 – Australia RBA's Kent to speak

2330 – Japan Jul. National CPI

0130 – China PBOC Interest Rate Announcement

Upcoming Economic Calendar Highlights

FRI: UK Aug. GfK Consumer Confidence, Japan Jul. CPI, UK Jul. Retail Sales

August 26-28 – Fed Jackson Hole

September 22 – FOMC Meeting

September 26 – German federal election

October – OECD tax negotiations update (ahead of G20)

October 30-31 – G20 Summit

Appendix: 5-year chart of Nasdaq 100 futures



Appendix: Where do you find the equity theme baskets?

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Find Instrument

OverviewHot TopicsQuarterly OutlookForexStocksCommoditiesBondsETFsCryptoEducationTrade SignalsNewsMarket AnalysisCalendarEquities

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%


Latest articles




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




Logistics



Semiconductors



Financial Trading



Crypto and Blockchain

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