

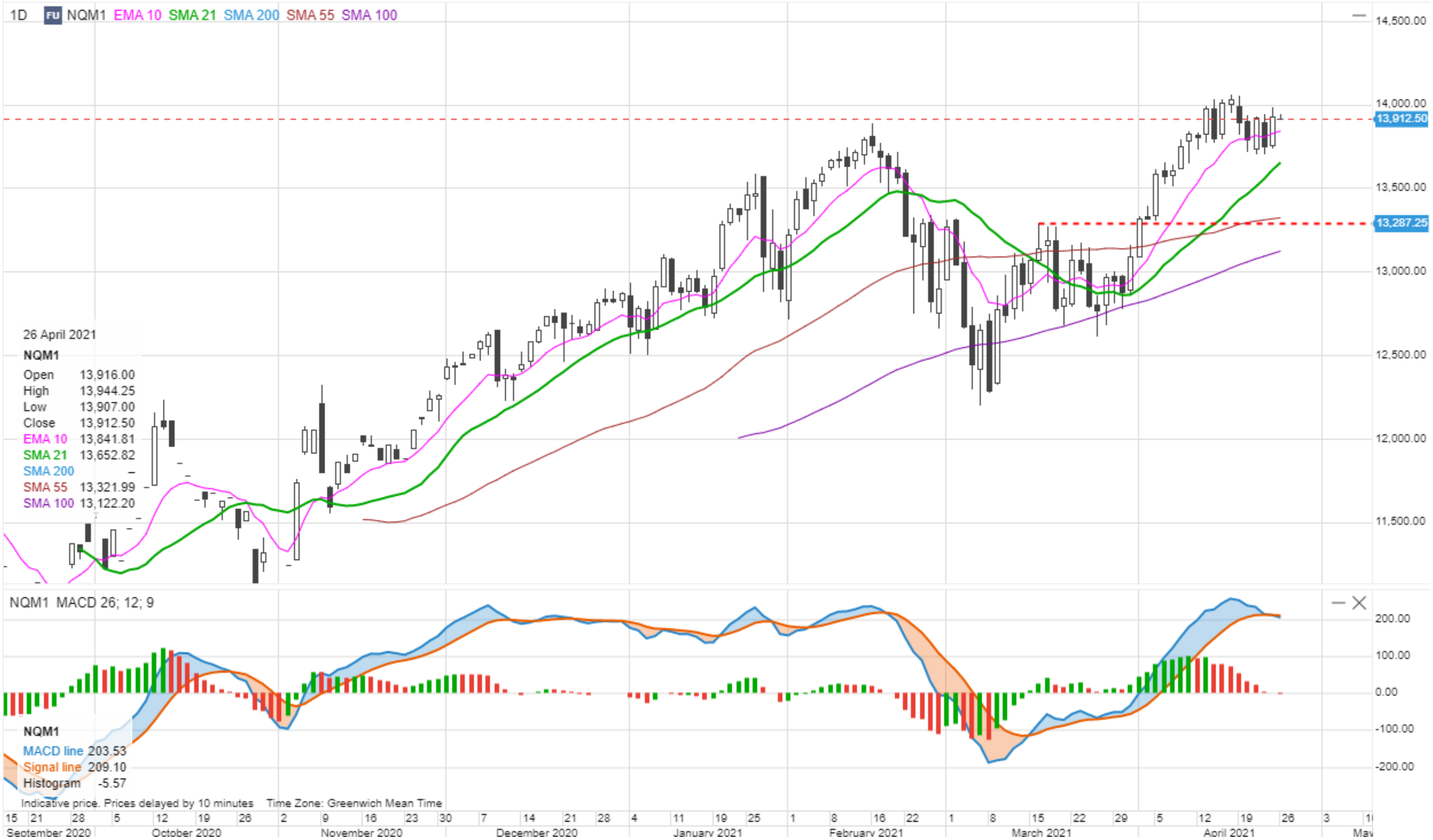


Questions and comments to Marketcall@SaxoBank.com

The Saxo Market Call podcast – Monday, April 26, 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.

US stocks ended last week on strong note ahead of earnings blitz this week



Source: Saxo Group

Bubble and green stocks comeback; EU momentum and regulation

Saxo equity themes performance overview

Theme	1D	MTD	YTD	1Y	5Y
Bubble Stocks	2.9	3.4	0.4	171.1	2,260.6
Green Transformation	2.2	3.3	-0.5	263.3	850.6
Battery	1.8	2.4	-7.2	145.5	303.0
E-commerce	1.6	5.5	6.1	176.3	849.6
Mega Caps	1.6	7.5	9.9	85.8	396.1
India (GDRs)	1.5	-5.0	11.1	95.0	95.1
China Consumer & Technology	1.4	3.3	0.2	128.0	521.2
Commodity Sector	1.1	2.4	17.1	77.7	141.7
Gaming	1.0	4.6	1.6	86.1	633.9
NextGen Medicine	0.9	5.1	-2.4	120.6	994.6
MSCI EM (USD)	0.9	2.9	5.2	54.8	77.7
MSCI World (USD)	0.8	4.9	10.0	51.5	91.3
Travel	0.8	0.4	15.5	79.8	56.5
Crypto & Blockchain	-0.1	-24.2	112.8	1,550.7	NA

Source: Bloomberg and Saxo Group



EU proposing to regulate the use of Bayesian estimation

Posted by [Bob Carpenter](#) on 22 April 2021, 3:00 pm

The European Commission just released their [Proposal for a Regulation on a European approach for Artificial Intelligence](#). They finally get around to a definition of "AI" on page 60 of the report (link above):

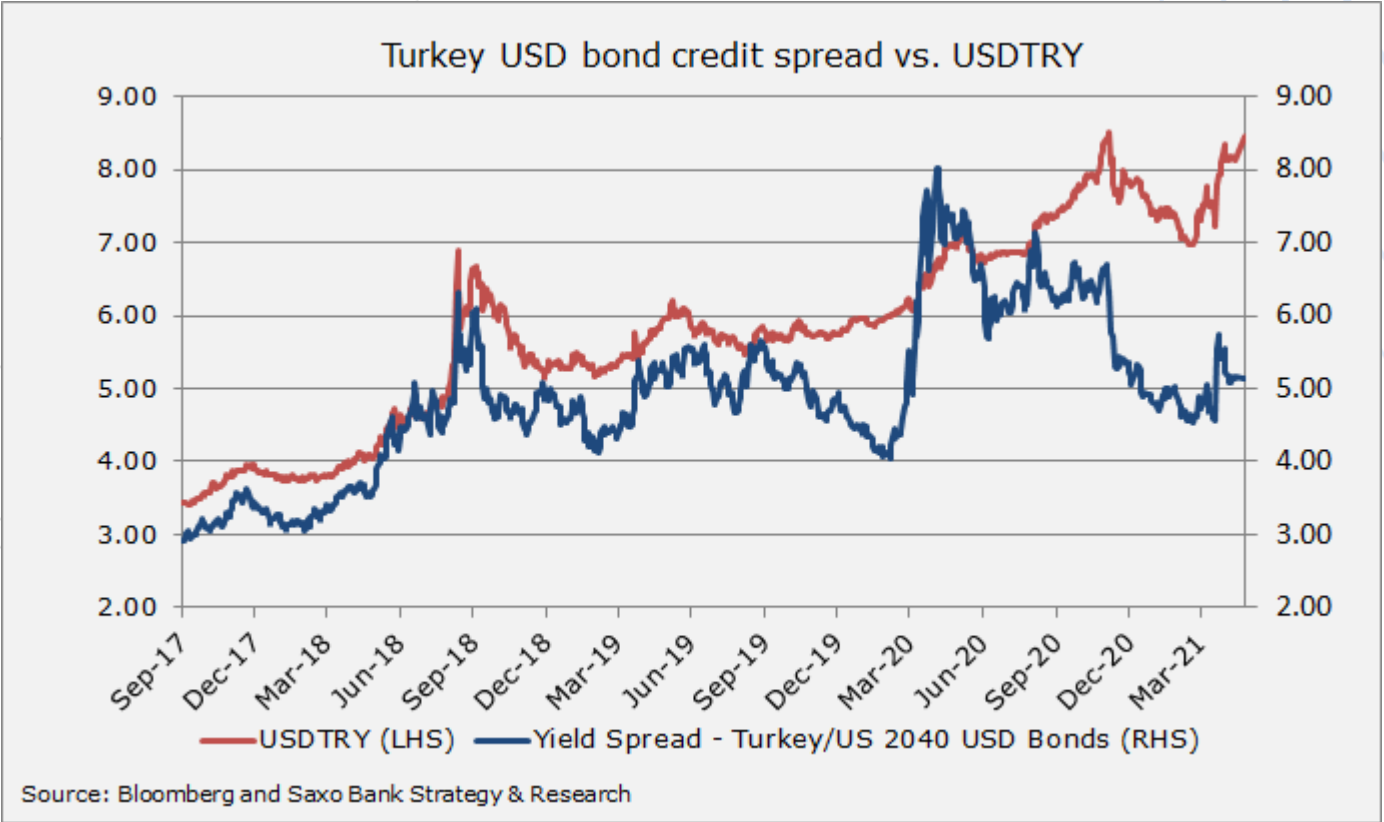
'artificial intelligence system' (AI system) means software that is developed with one or more of the techniques and approaches listed in Annex I and can, for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations, or decisions influencing the environments they interact with

Source: Saxo Group

USDTRY – reaching a big level – credit spreads not showing as much strain



Source: Saxo Group



AUDUSD – nominal yield spread, US real yields holding AUDUSD back



Source: Bloomberg

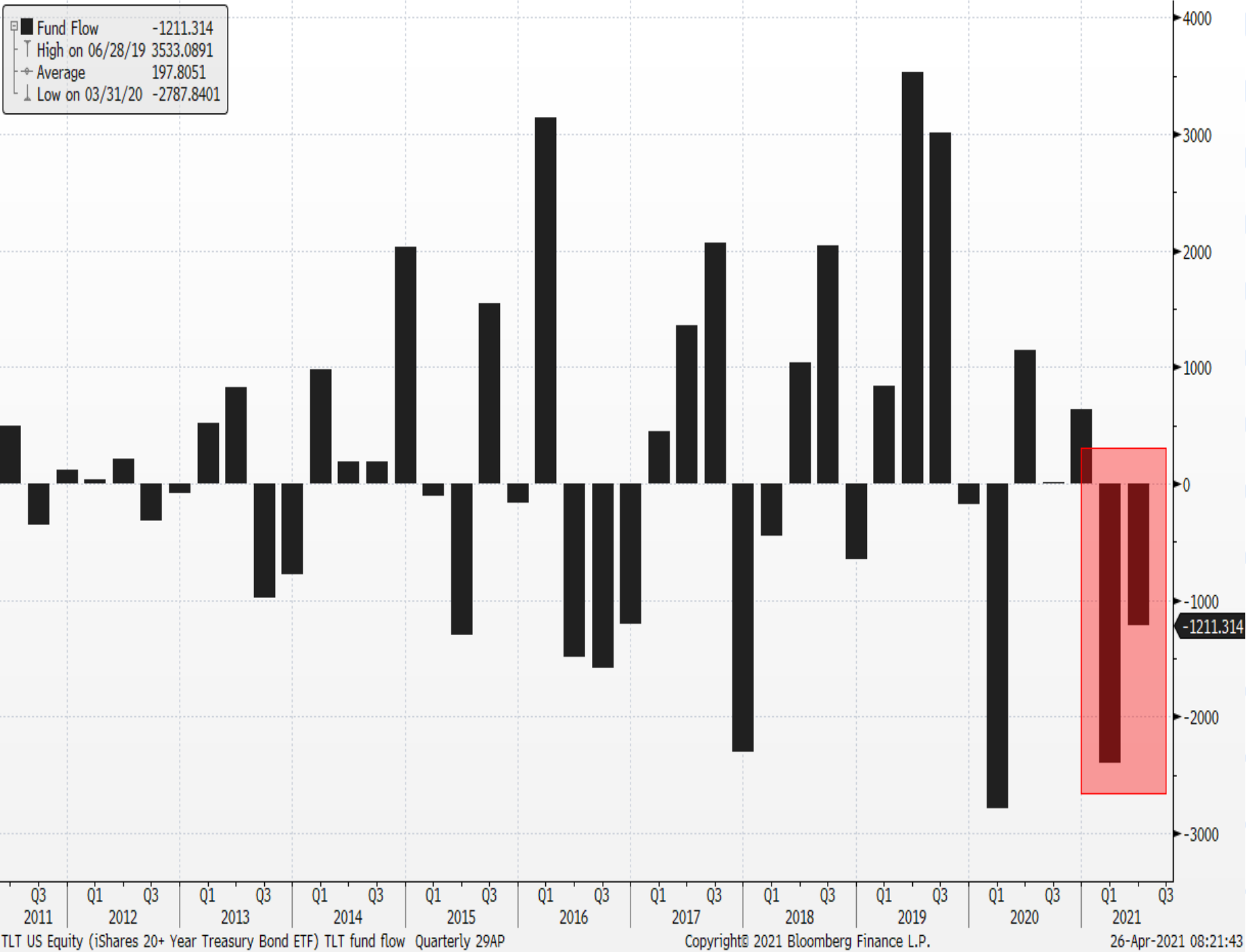
US 5- and 7-year T-note Auctions ahead of FOMC meeting

Sentiment is about to change in US Treasuries



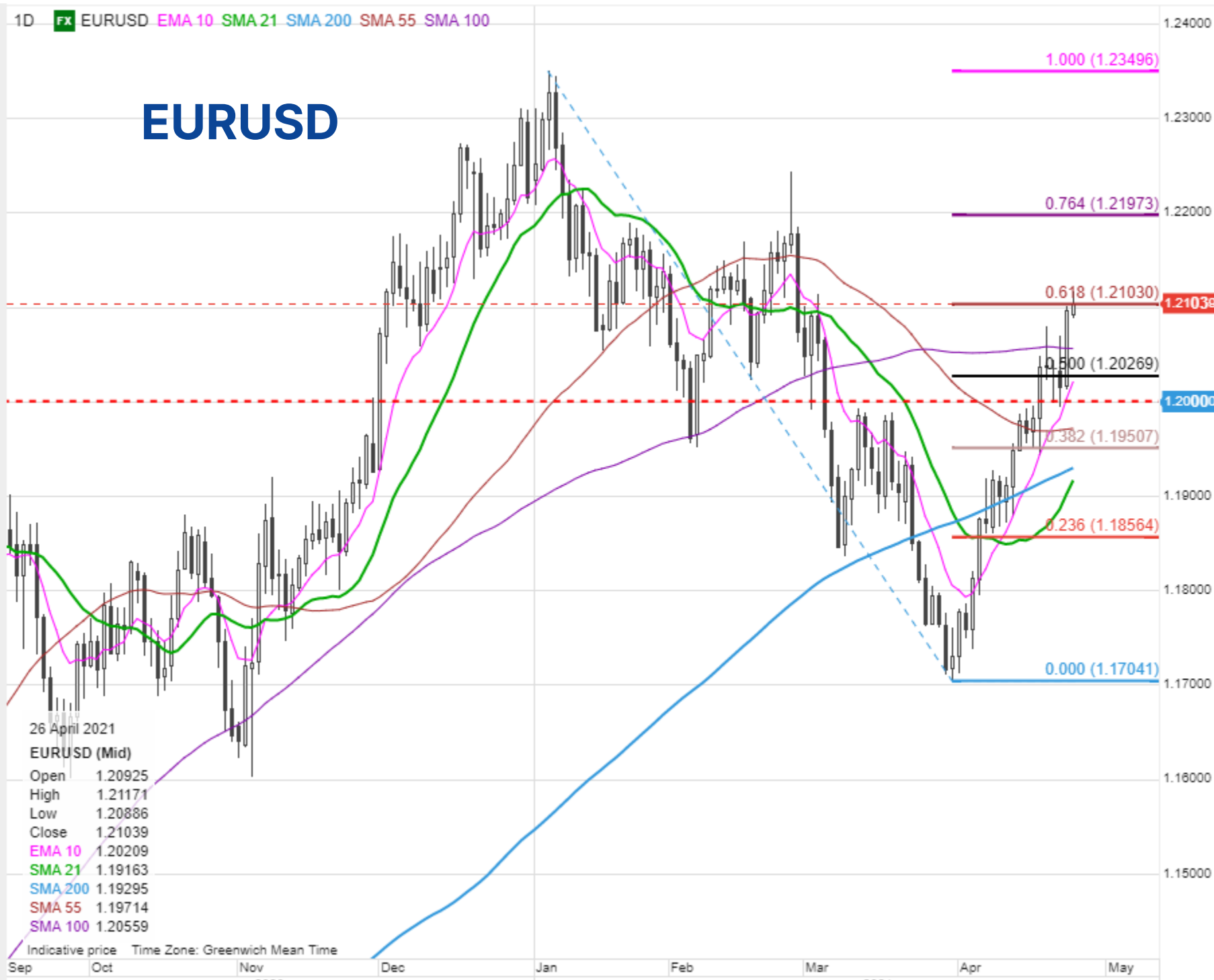
Source: Bloomberg.

Quarterly TLT ETF Inflows/Outflows



Source: Bloomberg.

FX Trend overview – EURUSD reaches key Fibo retracement milestone



Source: Saxo Group

FX Board - Trend Evolution for G10 FX + CNH							Monday, April 26, 2021					<div>SAXO BANK</div>	
Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	1.6	-3.4	-1.1	0.1	-1.6	0.7	-0.6	-1.0	1.0	2.0	2.3	1.0	0.6
2D Change	1.0	-0.6	-0.5	-0.4	-0.6	0.0	0.3	0.4	-0.3	0.2	0.6	-1.4	-1.2
5D Change	1.0	-0.4	1.0	0.8	-1.1	-0.2	-1.0	0.9	0.1	-0.6	-0.5	-0.4	-0.2
↑ Momentum													
Trend readings for last five weeks													
Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
26-Apr	1.6	-3.4	-1.1	0.1	-1.6	0.7	-0.6	-1.0	1.0	2.0	2.3	1.0	0.6
23-Apr	1.3	-3.1	-0.9	0.4	-1.5	0.8	-0.9	-1.1	1.1	1.9	2.1	1.6	1.3
22-Apr	0.6	-2.8	-0.6	0.5	-1.0	0.7	-0.8	-1.4	1.3	1.8	1.7	2.4	1.9
21-Apr	0.7	-3.1	-1.1	0.0	0.0	0.6	-0.2	-2.4	1.7	2.0	1.9	2.4	1.9
20-Apr	1.0	-3.0	-1.5	-0.1	0.1	1.1	-0.1	-3.2	1.2	2.2	2.3	1.6	0.8
19-Apr	0.5	-2.9	-2.1	-0.7	-0.5	0.8	0.4	-1.9	0.9	2.6	2.8	1.4	0.8
16-Apr	0.7	-2.0	-1.9	-1.0	-2.1	0.7	0.7	-0.8	1.0	2.7	2.2	1.5	1.1
15-Apr	0.9	-1.7	-1.7	-0.8	-2.6	0.7	0.7	-0.8	1.1	2.5	2.1	0.5	0.4
14-Apr	1.5	-1.1	-1.6	-0.9	-2.4	1.5	-0.5	0.0	-0.3	2.1	1.7	-0.5	-0.5
13-Apr	1.6	-0.1	-1.2	-0.7	-2.1	2.8	-1.7	0.7	-1.9	1.6	1.0	0.4	-0.8
12-Apr	1.4	0.3	-1.1	-1.1	-2.0	2.7	-1.7	1.0	-2.0	1.0	1.4	0.5	-1.2
9-Apr	1.3	0.5	-1.3	-1.5	-2.1	2.2	-1.5	1.2	-1.9	1.3	1.6	1.2	-0.4
8-Apr	1.2	0.7	-1.1	-1.5	-1.3	1.4	-1.0	0.7	-1.8	0.2	2.2	1.4	-0.4
7-Apr	0.9	1.4	-0.2	-2.3	0.2	0.4	-0.8	1.2	-1.9	-1.5	2.4	0.9	-1.0
6-Apr	0.1	1.7	-0.3	-3.0	1.8	-0.9	-0.2	2.3	-1.3	-2.6	2.0	0.8	-1.4
5-Apr	-0.7	2.7	-0.2	-3.6	3.2	-2.0	-0.2	3.6	-1.1	-4.2	2.2	0.4	-1.8
2-Apr	-0.9	3.7	0.1	-3.8	3.0	-2.6	-0.5	4.0	-1.7	-4.1	2.4	0.5	-1.9
1-Apr	-1.0	4.1	0.4	-3.6	2.8	-2.6	-0.5	4.5	-2.6	-4.2	2.6	-0.2	-2.7
31-Mar	-1.5	4.6	1.1	-3.1	2.3	-2.5	-0.3	4.4	-3.2	-4.2	2.4	-1.5	-3.8
30-Mar	-1.5	4.7	0.9	-2.2	1.9	-2.3	-0.1	3.8	-3.5	-4.0	2.1	-1.8	-3.9
29-Mar	-1.1	4.3	0.9	-1.5	1.7	-2.4	-0.2	4.1	-3.9	-3.3	1.4	-0.3	-2.9
26-Mar	-0.9	4.2	1.9	-1.0	1.4	-2.6	-0.8	4.4	-4.2	-2.4	0.6	0.7	-2.3
25-Mar	-0.8	4.4	2.1	0.2	0.7	-2.2	-1.6	4.5	-4.7	-2.1	0.0	0.7	-2.3
24-Mar	-0.4	3.7	2.1	0.0	0.0	-1.9	-1.3	4.6	-4.3	-1.7	0.0	0.5	-2.2
23-Mar	-0.5	2.8	1.5	-1.3	0.7	-1.9	-0.1	4.2	-2.9	-1.8	-0.4	0.0	-1.8

Source: Bloomberg and Saxo Group

EU sovereigns will remain sensitive to US Treasuries' trend until fall

Bund yields are heading towards 0%



Source: Bloomberg.

Source: Bloomberg.

Copper hits decade high with Iron ore right behind



Source: Saxo Group



Source: Saxo Group

Fading gold and oil momentum with focus on yields, dollar and India



Source: Saxo Group

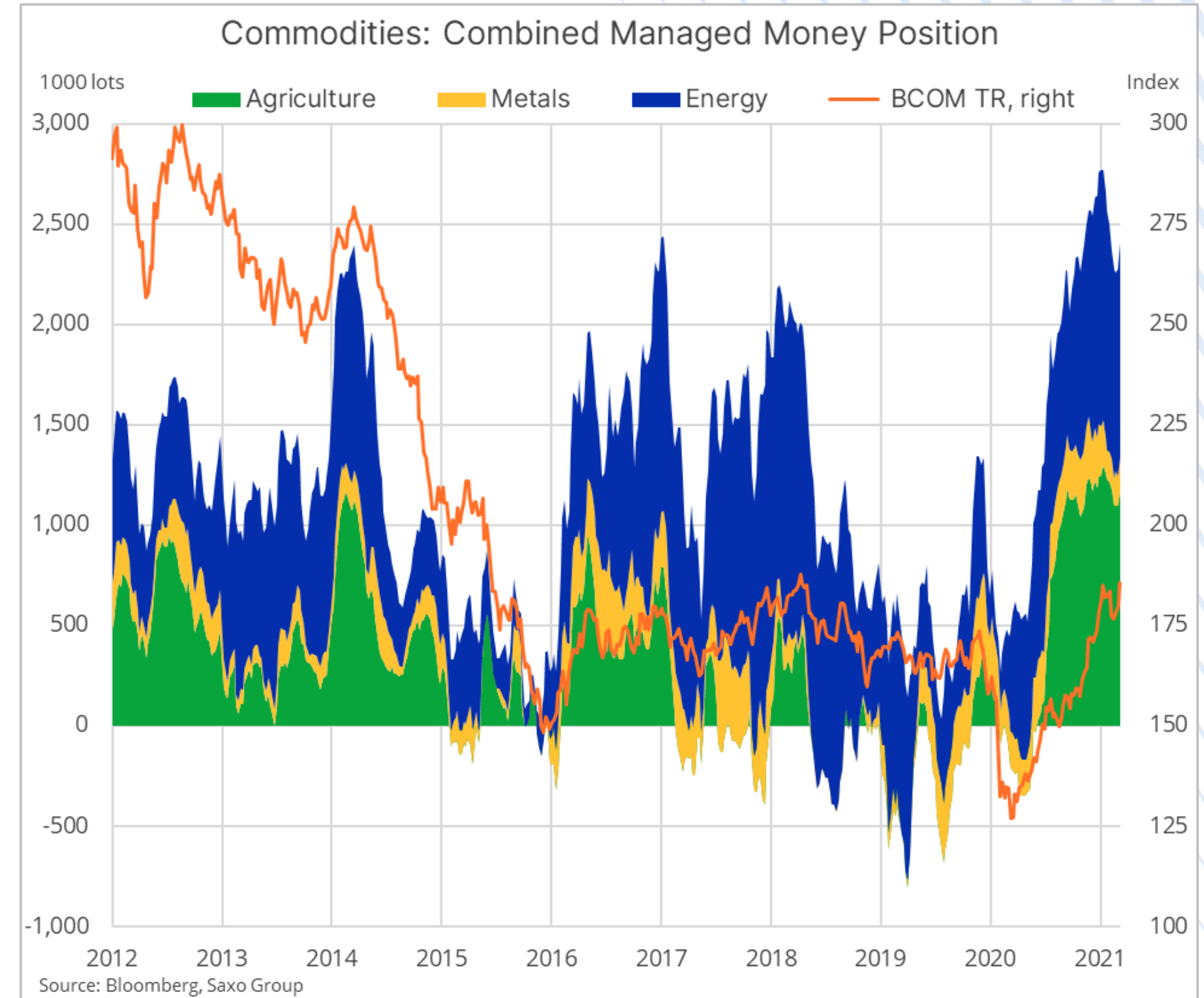


Source: Saxo Group

Money managers adding fresh length despite s/t covid worries

Week to Tuesday: 20-Apr-21		Leveraged Fund Positions						Trend
	Long	Change	Short	Change	Net	Change	Change Pct	
WTI Crude (CME)	411,861	6,100	47,395	10,555	364,466	-4,455	-1%	
Brent Crude (ICE)	387,074	15,862	81,330	2,273	305,744	13,589	5%	
Gas Oil (ICE)	120,283	448	17,633	861	102,650	-413	0%	
RBOB Gasoline	72,686	2,745	11,713	-2,271	60,973	5,016	9%	
NY Harbor ULSD	43,519	1,633	26,560	1,568	16,959	65	0%	
NatGas (4 contr.)	383,727	29	165,641	-22,631	218,086	22,660	12%	
Gold	130,031	6,665	60,731	2,131	69,300	4,534	7%	
Silver	62,350	5,957	27,945	437	34,405	5,520	19%	
Platinum	22,604	99	6,530	-997	16,074	1,096	7%	
Palladium	5,292	441	1,604	447	3,688	-6	0%	
HG Copper	82,691	6,524	37,608	-286	45,083	6,810	18%	
Soybeans	185,169	25,874	12,625	-4,412	172,544	30,286	21%	
Soybean Meal	58,438	-361	10,391	-4,578	48,047	4,217	10%	
Soybean Oil	111,746	7,168	21,754	-1,659	89,992	8,827	11%	
Corn	414,821	-14,133	30,823	3,862	383,998	-17,995	-4%	
Wheat (CBOT)	86,787	6,411	85,204	-8,389	1,583	14,800	-112%	
Wheat (KCBT)	52,515	1,260	33,768	-6,459	18,747	7,719	70%	
Sugar	248,708	36,277	25,406	-8,790	223,302	45,067	25%	
Cocoa	38,562	-1,235	23,876	-7	14,686	-1,228	-8%	
Coffee	42,448	3,779	24,159	-4,011	18,289	7,790	74%	
Cotton	55,810	1,572	3,918	-234	51,892	1,806	4%	
Live Cattle	92,571	-10,139	21,252	5,773	71,319	-15,912	-18%	
Feeder Cattle	12,577	-1,039	10,329	2,494	2,248	-3,533	-61%	
Lean Hogs	88,662	-4,909	15,416	-195	73,246	-4,714	-6%	
Total	3,210,932		803,611		2,407,321	131,546	6%	

Source: CFTC, ICE, Bloomberg and Saxo Group



Earnings preview from the big five

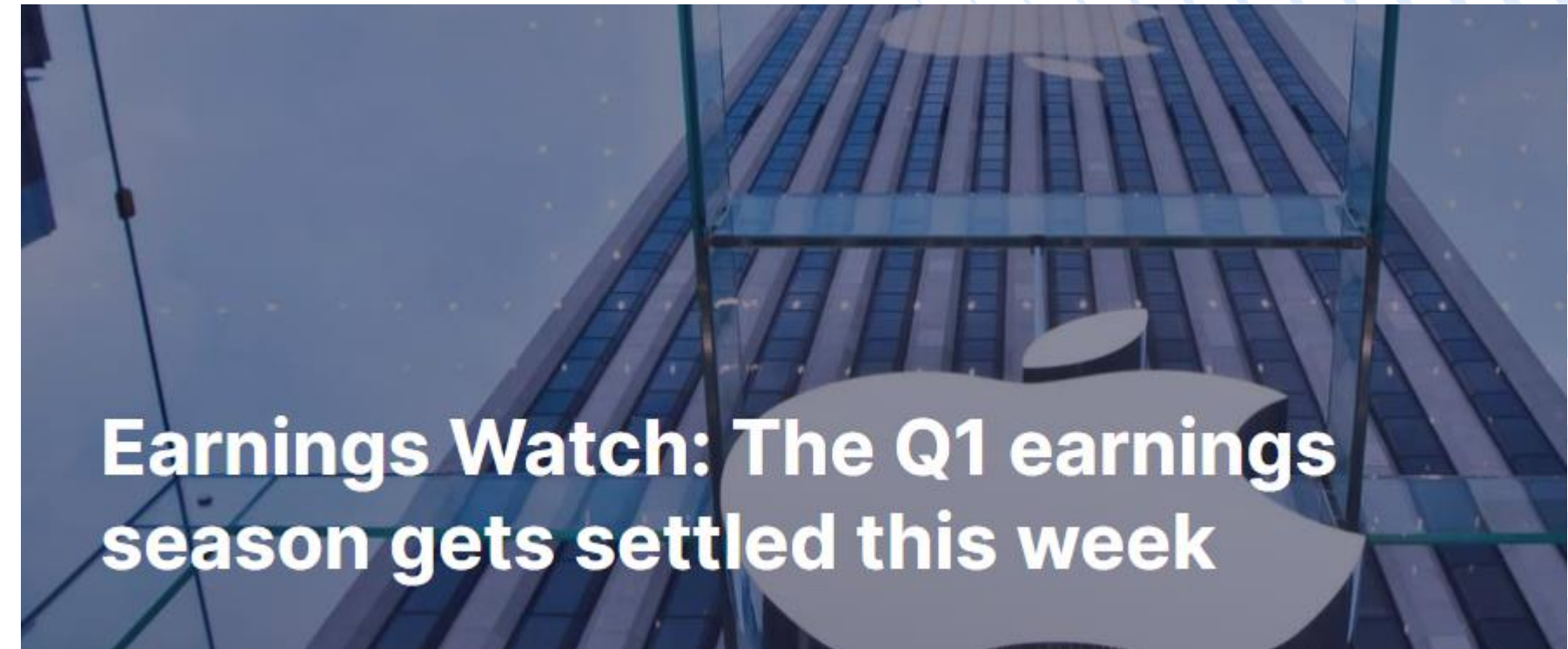
Tesla: expectations are high for Q1 results with revenue at \$10.4bn up 74% y/y, but down from Q4 2020, driven by strong demand for electric vehicles. Tesla's outlook is key, and investors will be looking at any signs of weakness from increased competition and pricing pressure in China. As Ford Motor and General Motors are selling more EVs the regulatory carbon credits that **earned \$1.6bn to Tesla in 2020** will slowly disappear creating earnings headwind.

Microsoft: analysts are expecting revenue for FY21 Q3 (ending 31 March) to show 17% growth y/y and EPS up 26% y/y driven by strong demand for cloud services and a rebound in IT spending. Work-from-home will also continue to underpin strong OS revenue and productivity applications. **The most interesting surprise to look for is any new guidance or strategic ambitions communicated around gaming.**

Alphabet (Google): earnings per share is expected at \$18.26 up 72% y/y as Google's advertising business has now fully recovered the initial hit during the first 3-4 months of the global pandemic. Google's advertising business will likely begin to accelerate on the travel rebound but **investors will nervously look for signs of whether Google's overall advertising business is losing out to more in-application advertising on Amazon, Facebook, Pinterest, and Snap.**

Apple: revenue expected at \$76.9bn up 32% y/y and EPS of \$0.99 up 54% y/y driven by **strong iPhone demand and Services segment** covering its online sales across its entire eco-system. However, the US Senate hearing last Wednesday had the company in the crosshair as companies such as Spotify testified about Apple's alleged market abuse due to its rules governing the App Store. As we wrote **on Friday**, this has the potential to severely impact the Apple growth story if US Congress and the FTC begins to regulate Apple's digital eco-system.

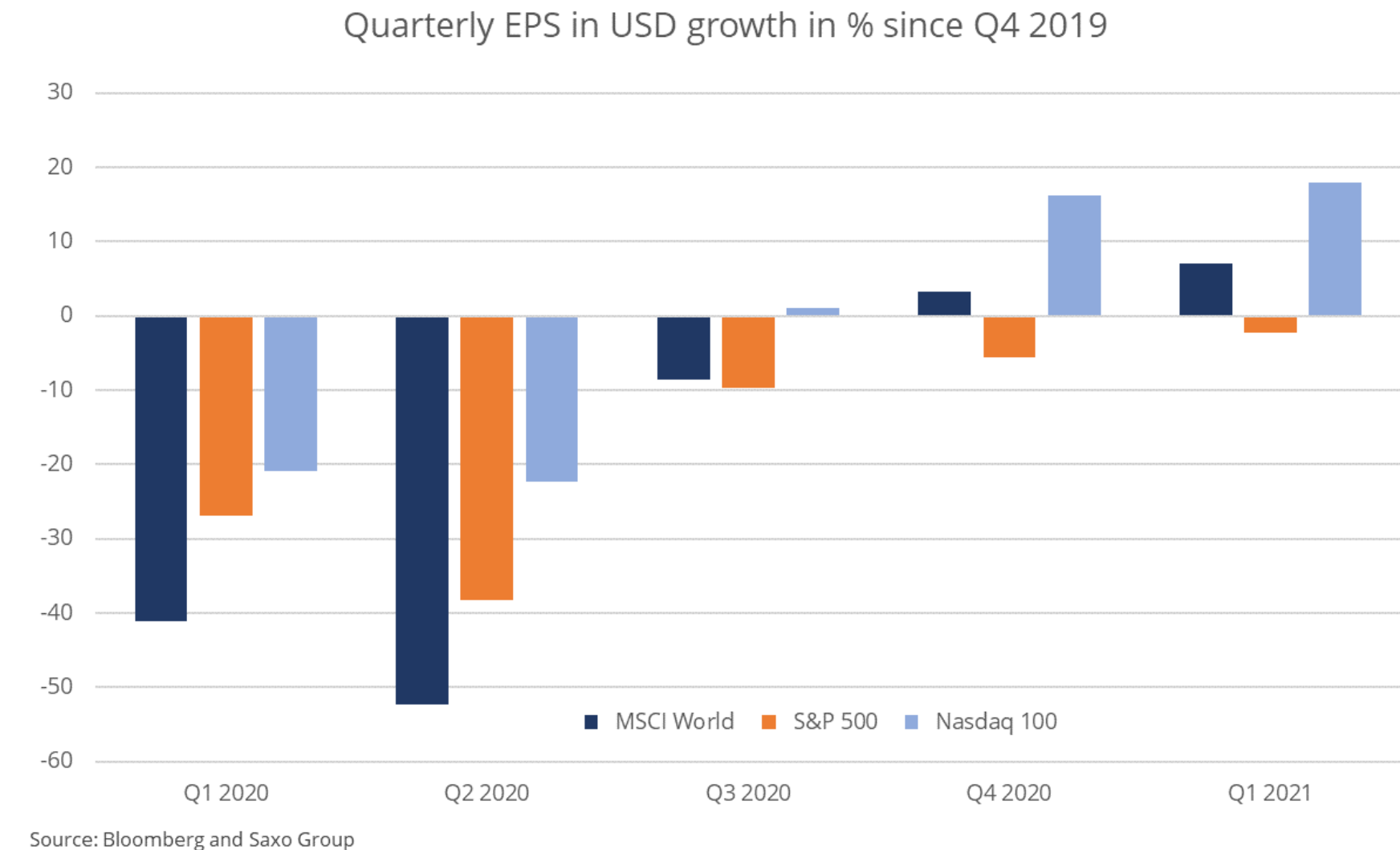
Amazon: revenue is expected to hit \$104.5bn up 39% y/y and EPS of \$12.64 up 152% y/y as the world's largest e-commerce and cloud infrastructure business is still enjoying the tailwind from the pandemic lockdowns around the world. However, despite these tailwinds Amazon is experiencing **rising logistics costs including last-mile delivery and increasing pressure to improve labour conditions at its fulfilment centers which could cause a negative surprise** on operating margins in its e-commerce business.



<https://www.home.saxo/content/articles/equities/earnings-watch-the-q1-earnings-season-gets-settled-this-week-25042021>

The Q1 earnings season gets settled this week...

- **Monday:** Canon, **Tesla**, Philips, NXP Semiconductors
- **Tuesday:** **DSV Panalpina**, FANUC, HSBC, BP, Atlas Copco, Novartis, ABB, UBS, **Microsoft**, **Alphabet (Google)**, **Visa**, Eli Lilly, Texas Instruments, **UPS**, Amgen, Starbucks, General Electric, 3M, AMD, Mondelez, Pinterest, Archer-Daniels-Midland
- **Wednesday:** **Shopify**, Kone, Sanofi, Dassault Systems, **Delivery Hero**, Deutsche Bank, China Construction Bank, China Life Insurance, **BYD**, Sony, Keyence, GlaxoSmithKline, Lloyds Banking Group, Banco Santander, **Apple**, **Facebook**, Qualcomm, **Boeing**, Spotify, Ford Motor, eBay
- **Thursday:** **Orsted**, Neste, Nokia, Total, **Airbus**, BASF, Agricultural Bank of China, Bank of China, PetroChina, Eni, **Royal Dutch Shell**, Equinor, Wilmar International, Nordea Bank, **Amazon.com**, Mastercard, Comcast, Merck & Co, McDonald's, **Caterpillar**, **NIO**, Twitter
- **Friday:** BNP Paribas, **AstraZeneca**, Barclays, BBVA, Siemens Gamesa Renewable Energy, DBS Group, **ExxonMobil**, Chevron, AbbVie, Colgate-Palmolive



Macro – Calendar Highlights

Today's Calendar Highlights (all times GMT)

0800 – Germany Apr. IFO Business Climate

1230 – US Mar. Preliminary Durable Goods Orders

1430 – US Apr. Dallas Fed Manufacturing Activity

1700 – US 2-year & 5-year Treasury Auctions

2000 – U.S. Crop Planting Progress Update

2300 – South Korea Q1 GDP Estimate

Bank of Japan meeting

Upcoming Economic Calendar Highlights

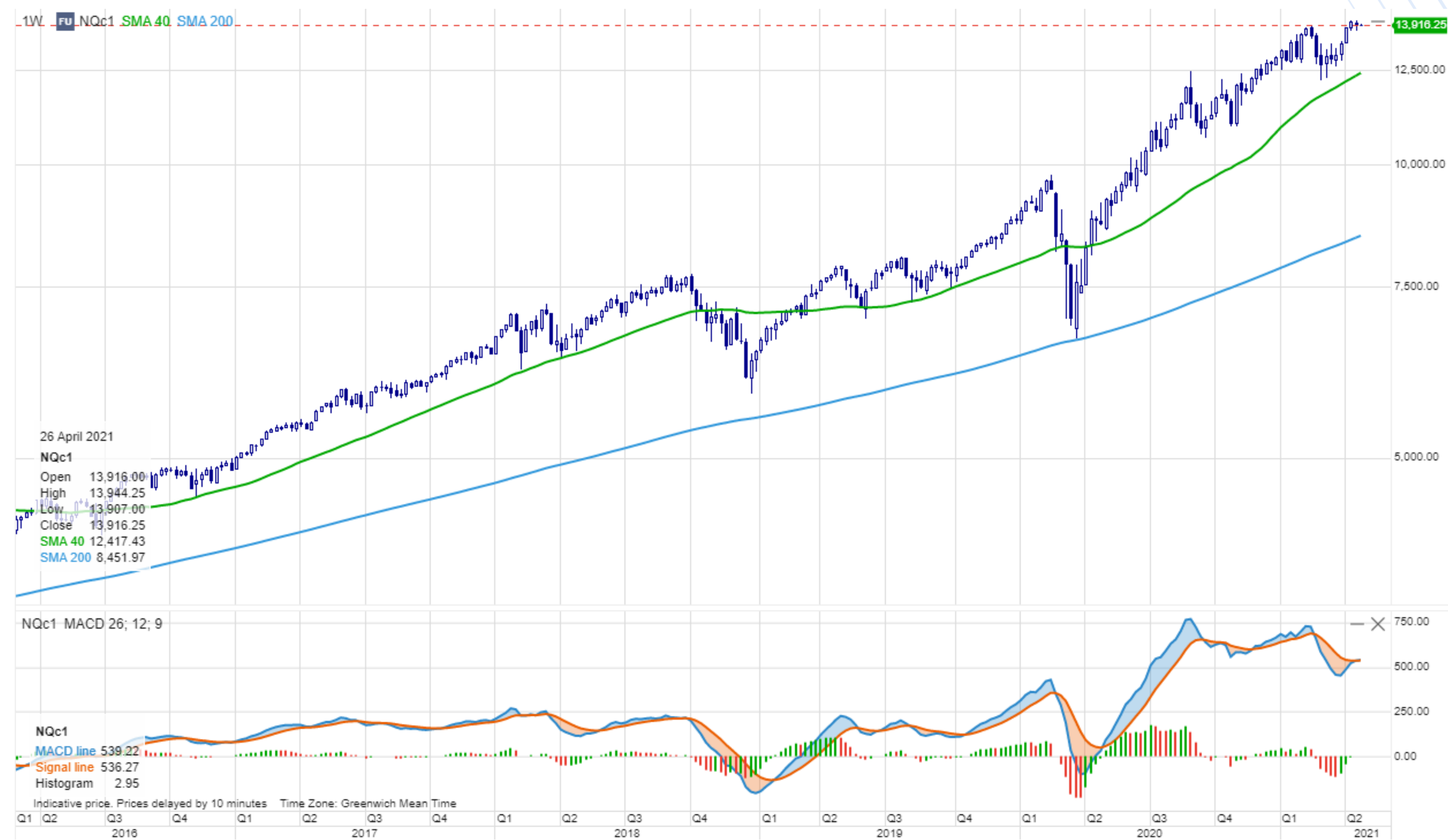
TUE: **Sweden Riksbank Interest Rate**, Hungary Interest Rate Decision, US Apr. Consumer Confidence, US 7-year Treasury Auction

WED: Australia Q1 CPI, **US Mar. Advance Trade Balance in Goods**, **US FOMC Meeting**

THU: Germany Apr. Flash CPI, US Weekly Initial Jobless Claims, US Q1 GDP Estimate

FRI: China Apr. Manufacturing and Non-manufacturing PMI, France Q1 GDP estimate, Germany Q1 GDP estimate, **Euro Zone Flash Apr. CPI**, Euro Zone Q1 GDP estimate, Canada Feb. GDP, **US Mar. PCE Inflation**

Appendix: 5-year chart of US Nasdaq 100 Index



Source: Saxo Group

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