Saxo Market Call

Slide deck

Wednesday, March 5, 2025



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.

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Europe/Germany fire twin fiscal bazooka in historic day

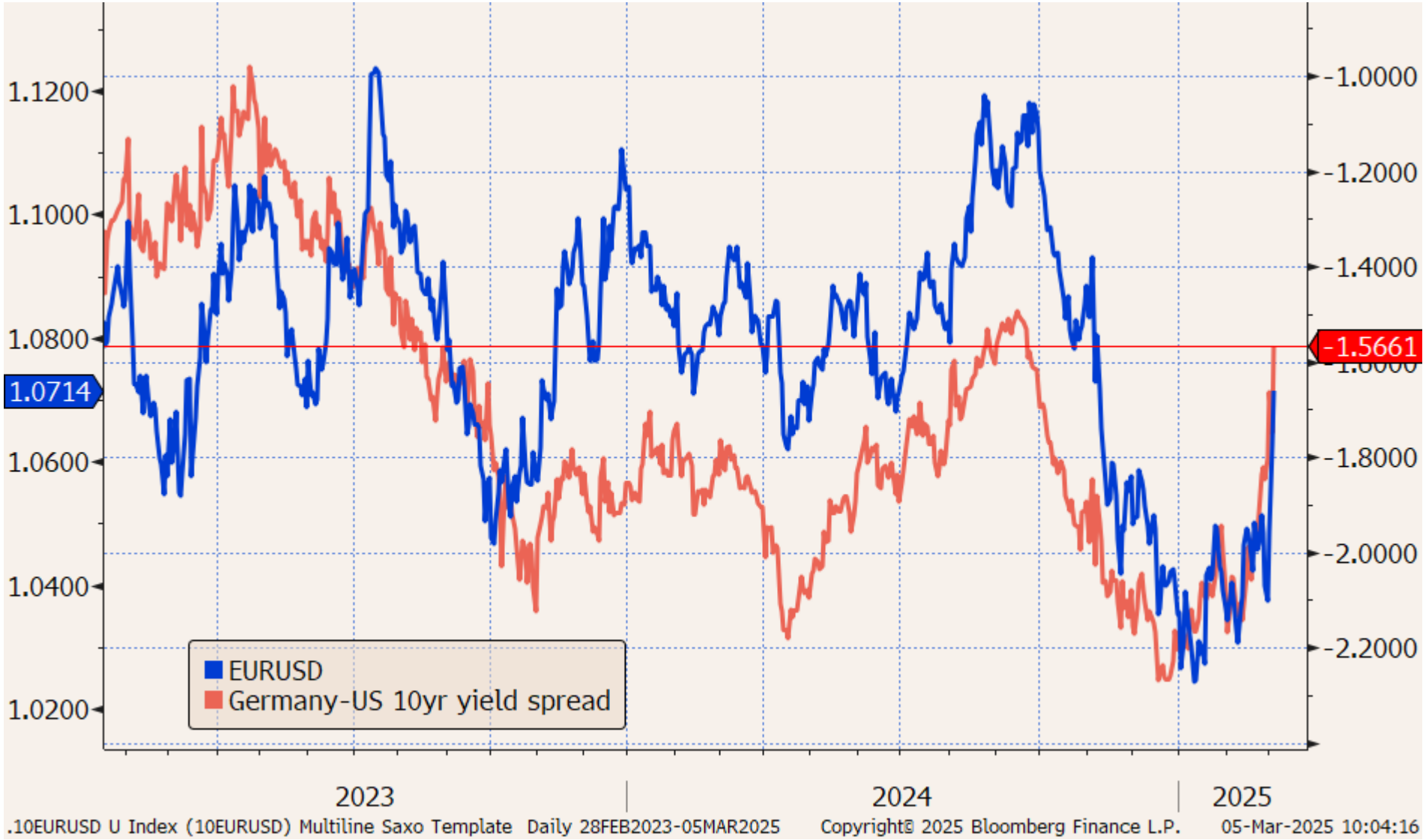
- **Historic day for Germany and Europe as twin fiscal bazooka unveiled.** Merz moves against debt brake with EUR 500 billion infrastructure fund, exception to debt brake rules on defense spending
- **Trump's speech a nothingburger** – Market reacted more to Commerce Secretary **Lutnick comments** on Canada and Mexico tariffs relief as sign of "Trump put" in action
- Trump moving to enable maximum grift ..but also geopolitical angle?
- **China** announces 5% target on growth and boost to consumer spending, will come at cost of high debt issuance.



Source: Bloomberg

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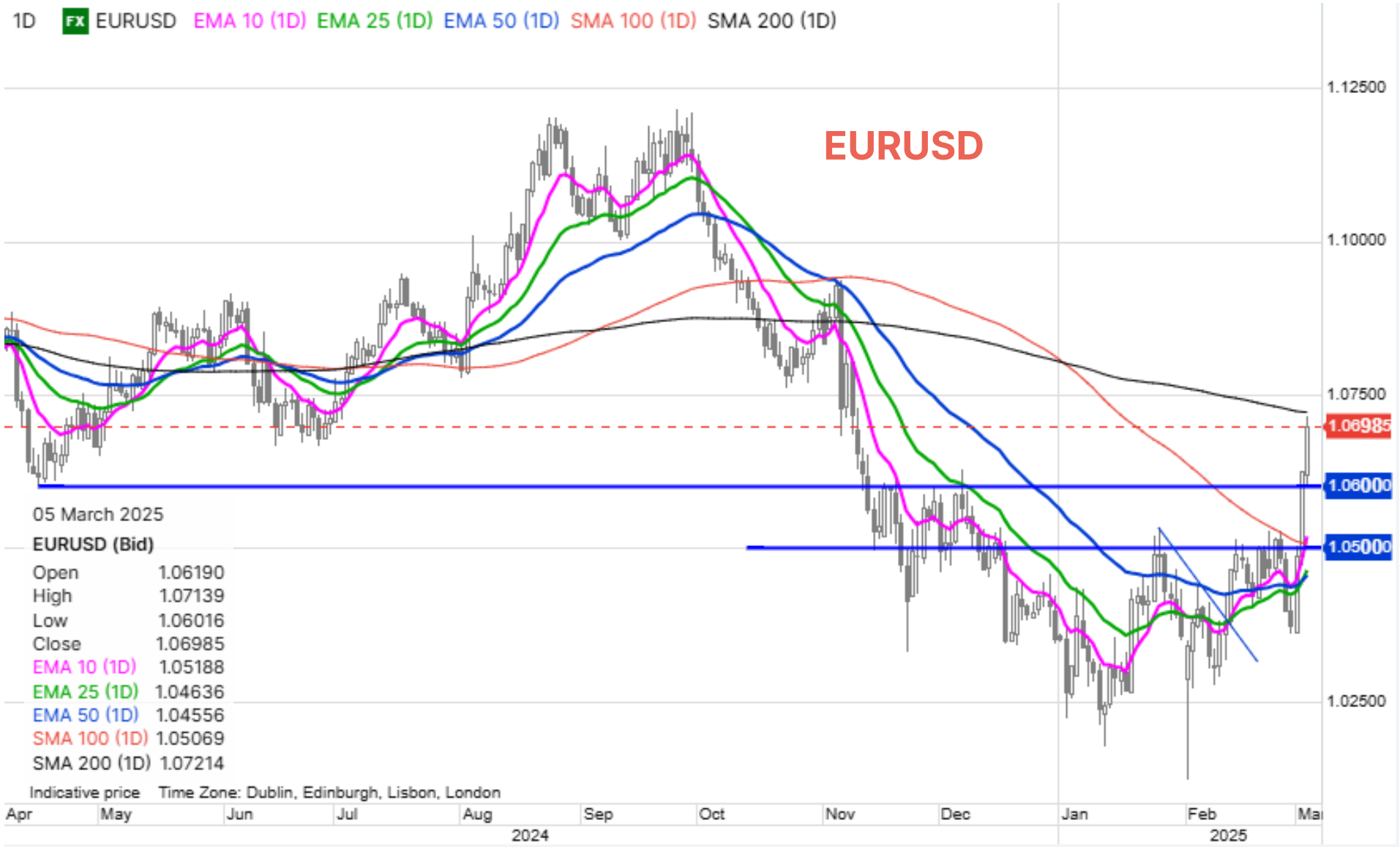
Europe-US 10-year yield spread



Source: Bloomberg

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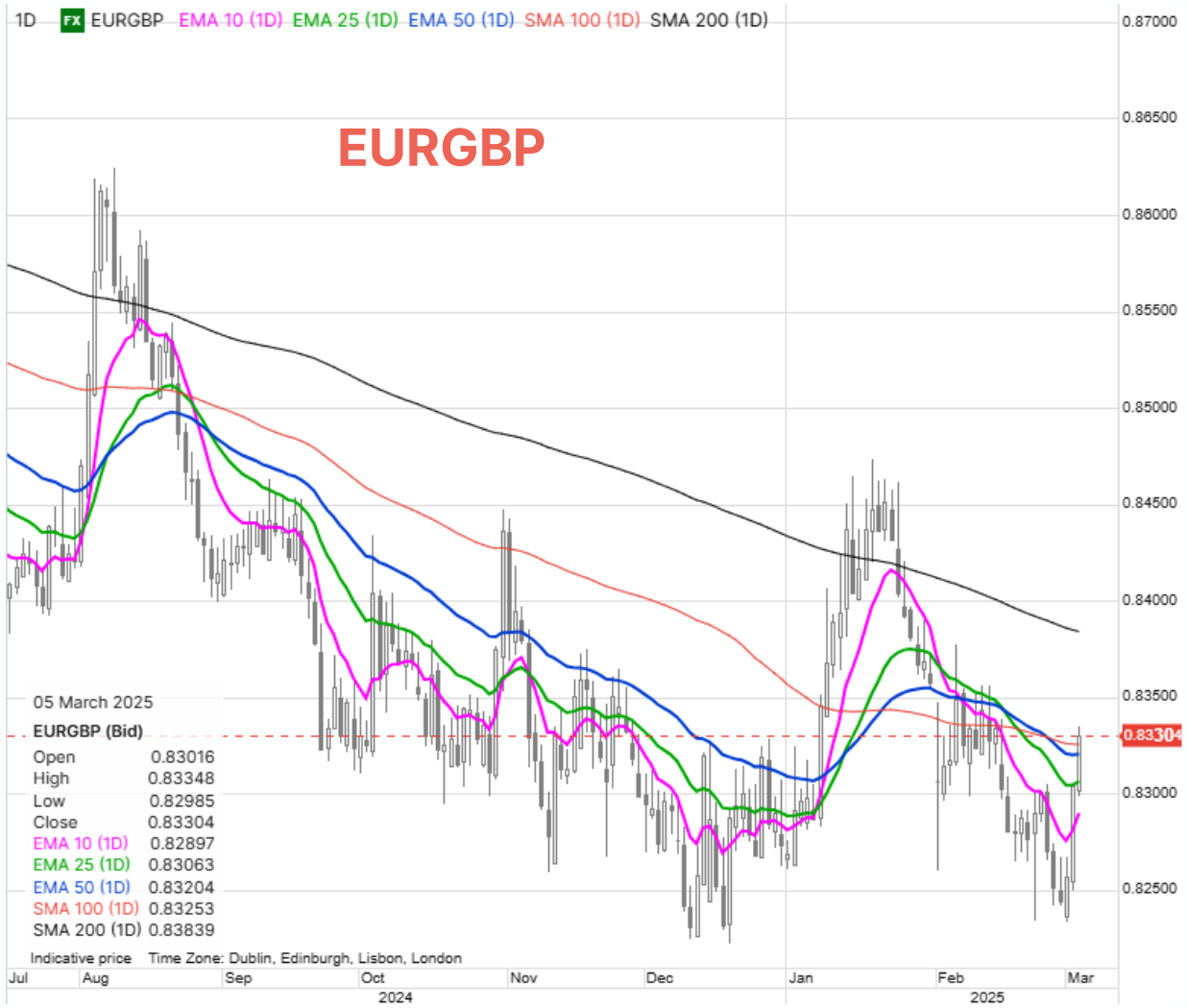
EURUSD rips higher – game changing breakout?

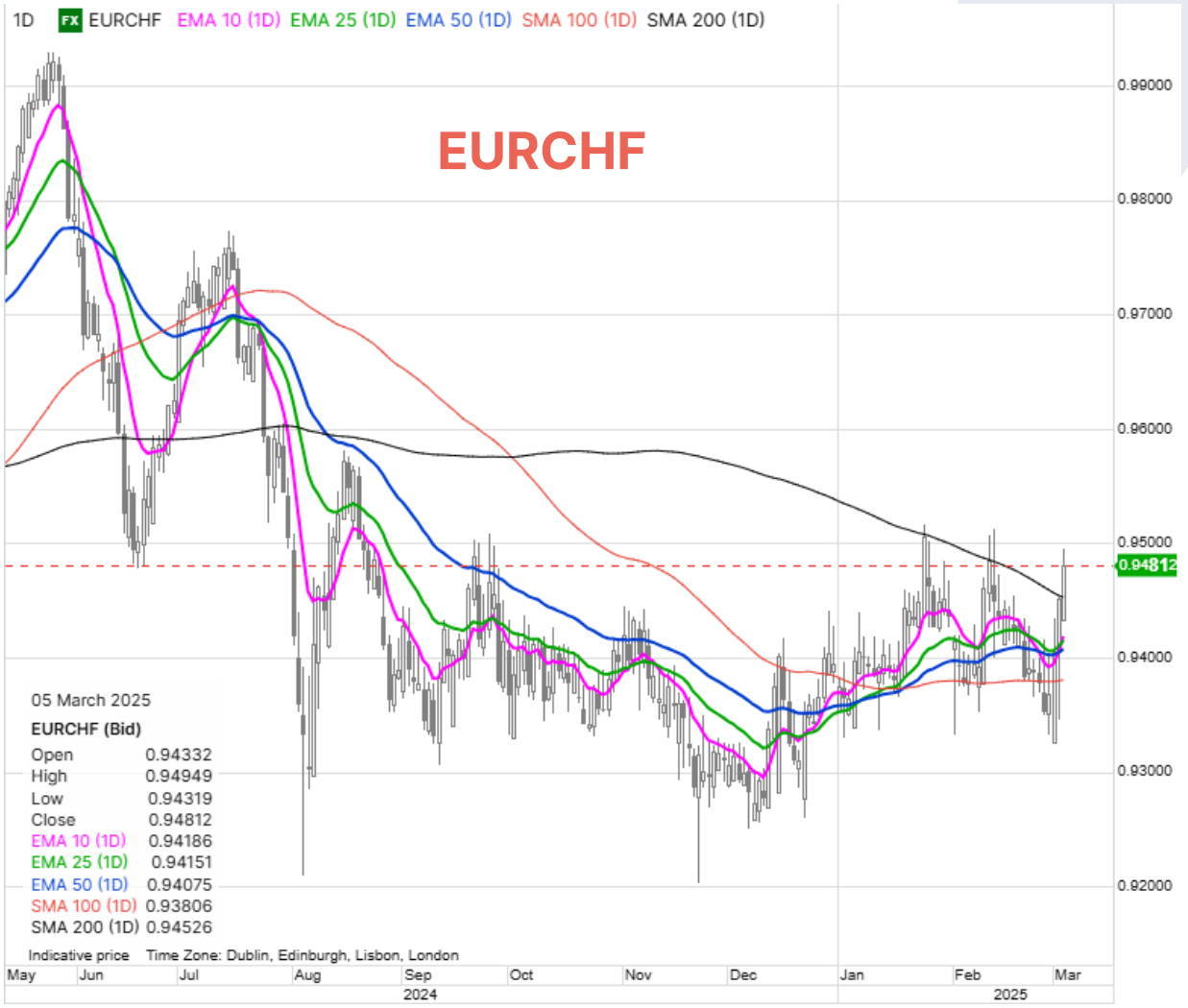


Source: Saxo

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Other euro crosses feel the fiscal





Source: Saxo

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Other euro crosses feel the fiscal

FX Board - Trend Status for G10 FX, CNH, Gold & Silver

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Average	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trend ->	3.5	-3.3	-2.9	2.7	2.4	1.2	-5.1	-5.7	-4.8	10.3	0.5	4.0	1.1
2D Change	3.6	-2.5	-1.1	-2.0	-0.2	0.6	0.0	-0.6	0.5	0.6	0.8	-0.4	0.9
5D Change	4.7	-1.0	-1.3	-2.5	1.1	0.9	-2.9	-2.1	-2.5	4.1	0.7	-1.9	0.5
ATR Ranking* ->	564	510	660	306	575	653	738	526	771	693	909	35	210

*Current average ranking of ATR of all G10 + CNH pairs, last 1,000 trading days

FX Board - Trend Scoreboard - Top Individual Pairs

Pair	Quote	Trend	Age(D)	Score	ATR*
AUDJPY	93.82	-1	27	-5.1	1.13
AUDNZD	1.1064	1	18	-0.2	0.0042
AUDUSD	0.6287	-1	2	-1.0	0.0057
EURAUD	1.7021	1	4	8.8	0.0107
EURCAD	1.5392	1	6	9.6	0.0099
EURCHF	0.9483	-1	7	2.6	0.0054
EURGBP	0.8332	-1	21	-0.2	0.0037
EURJPY	159.69	-1	24	-0.3	1.74
EURNOK	11.810	1	1	3.2	0.068
EURSEK	11.077	-1	64	-10.1	0.055

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Pair	Quote	Trend	Age(D)	Score	ATR*
EURUSD	1.07	1	14	6.2	0.0083
GBPJPY	191.66	-1	38	-0.2	2.03
GBPUSD	1.2844	1	16	6.5	0.0097
NZDUSD	0.5682	-1	3	-0.8	0.0053
USDCAD	1.4384	1	3	2.2	0.0098
USDCHF	0.8862	-1	12	-5.0	0.0061
USDCNH	7.259	-1	14	-1.4	0.031
USDJPY	149.23	-1	27	-5.2	1.50
XAGUSD	32.31	1	34	2.3	0.73
XAUUSD	2919.6	1	40	6.0	38.9

Source: Saxo

Appendix: Must reads / listens

Latest
Germany paradigm shift on fiscal just unfolded
Bloomberg: Germany Loosens Fiscal Chians to Transform European Defense
https://www.bloomberg.com/news/articles/2025-03-04/germany-will-set-up-500-billion-special-defense-fund?srnd=homepage-europe&sref=FAeeuM97

US economy tilting into recession
The great Steph Pomboy dissects economic risks in US and suggests stagflation risks rising
https://podcasts.apple.com/dk/podcast/stephanie-pomboy-signs-of-stagflation-are-multiplying/id1715910847?i=1000697519660

Trump supercharging the corruption train AND capital inflows regardless of dodginess of source to encourage capital inflows?
FT's Edward Luce (sorry, paywall): Trump's heist in broad daylight
https://www.ft.com/content/afe77c07-3f71-4b96-8c46-9cb4dc0b3fad

Pinned: Michael Every
Is a thought leader on our new geopolitical era and Trump 20. Follow on X.
His foundation piece on **Grand Macro Strategy**:
https://www.rabobank.com/knowledge/d011459811-macrostrategy-versus-grand-macro-strategy
Recent excellent podcast with Thoughtful Money:
https://www.youtube.com/watch?v=s7EwfjK0FP0
His daily news roundups also very much worth following:
https://www.rabobank.com/knowledge/global-economics

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Appendix: 5-year chart of Nasdaq 100 ETF QQQ



Source: Saxo

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