

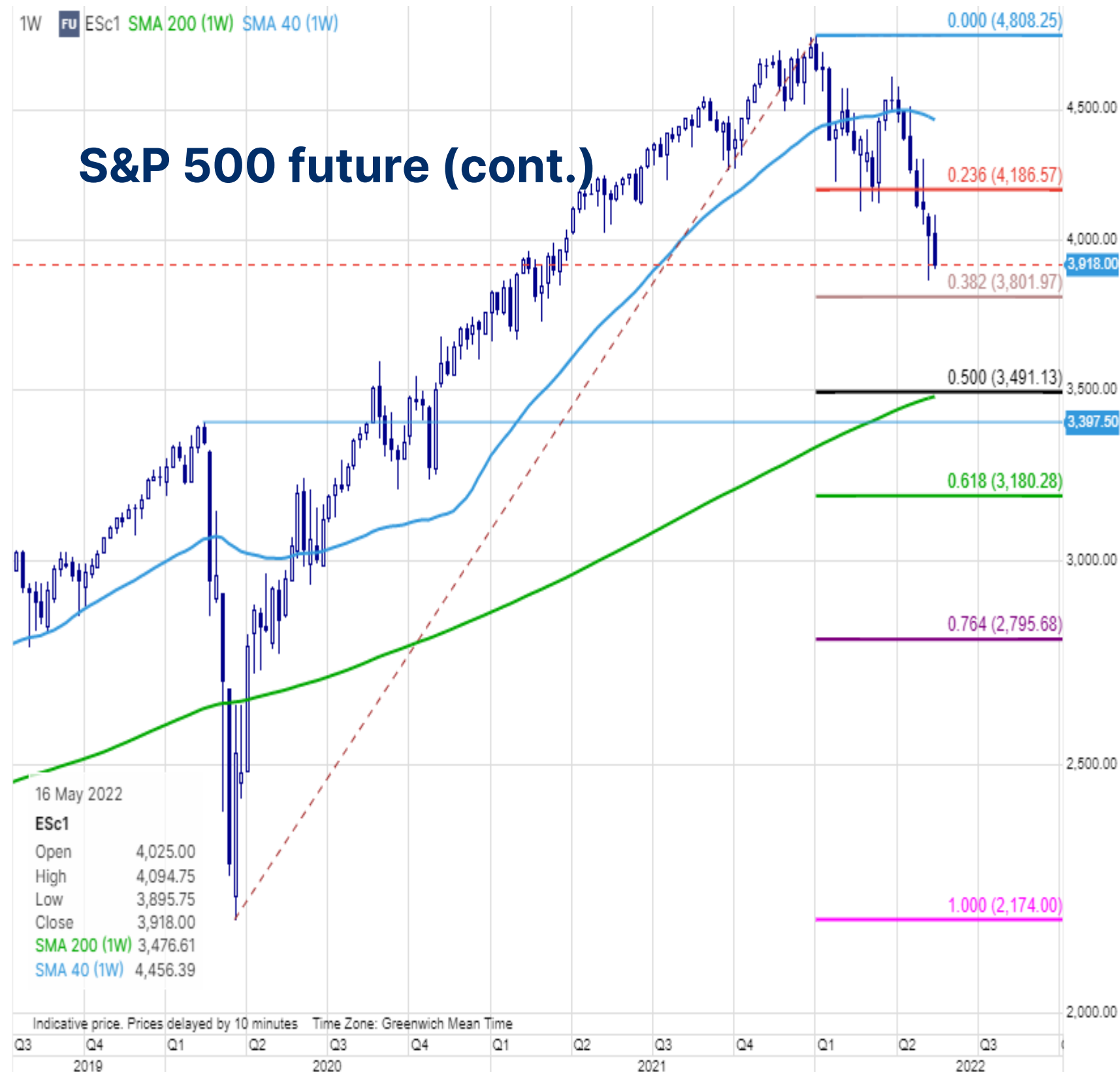


Questions and comments to [Marketcall@SaxoBank.com](mailto:Marketcall@SaxoBank.com)

# The Saxo Market Call podcast - Thursday, May 19, 2022

**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.**

# Worst day for US equities in over two years



## Saxo equity themes performance overview

Sorted on one-day return

Theme	1D	MTD	YTD	1Y	5Y
Renewable energy	0.6	-4.0	-11.4	2.6	474.5
MSCI EM (USD)	0.2	-3.9	-15.6	-20.8	16.4
China's little giants	0.2	5.8	-31.5	-9.5	0.0
China consumer & technology	-0.7	-4.0	-25.9	-35.5	143.6
Defence	-0.8	-2.7	13.1	9.8	60.1
Commodities	-0.8	-1.8	23.3	31.2	129.8
Gaming	-1.2	-1.3	-21.4	-31.0	171.2
Energy storage	-1.2	-3.1	-30.8	-11.8	660.4
3D Printing	-1.5	-9.2	-28.3	-43.5	-1.1
Women in leadership	-2.0	-6.5	-20.6	-17.4	144.5
Logistics	-2.0	-1.5	-7.1	4.7	148.7
Green transformation	-2.1	-5.8	-33.3	-29.8	325.5
Payments	-2.2	-9.5	-29.9	-40.0	120.1
Financial trading	-2.3	-10.4	-25.2	-19.5	140.4
Travel	-2.6	-9.9	-12.2	-18.5	3.0
India (GDRs)	-2.8	-8.3	-14.7	-6.1	66.2
MSCI World (USD)	-3.0	-4.5	-17.0	-7.7	53.2
NextGen medicine	-3.4	-5.7	-39.4	-43.3	395.2
Semiconductors	-3.4	0.6	-27.2	-7.0	208.0
Cyber security	-3.6	-17.2	-27.0	-9.3	184.8
Mega Caps	-3.7	-6.9	-20.2	-10.2	156.9
Bubble stocks	-3.8	-15.4	-49.6	-56.3	413.3
Crypto & blockchain	-5.1	-31.5	-58.6	-62.2	NA
E-commerce	-5.7	-12.6	-51.2	-63.5	89.7

Source: Bloomberg and Saxo Group

# Tesla is removed from S&P's ESG Index...the pressure is on!

1W EQ TSLA:xnas

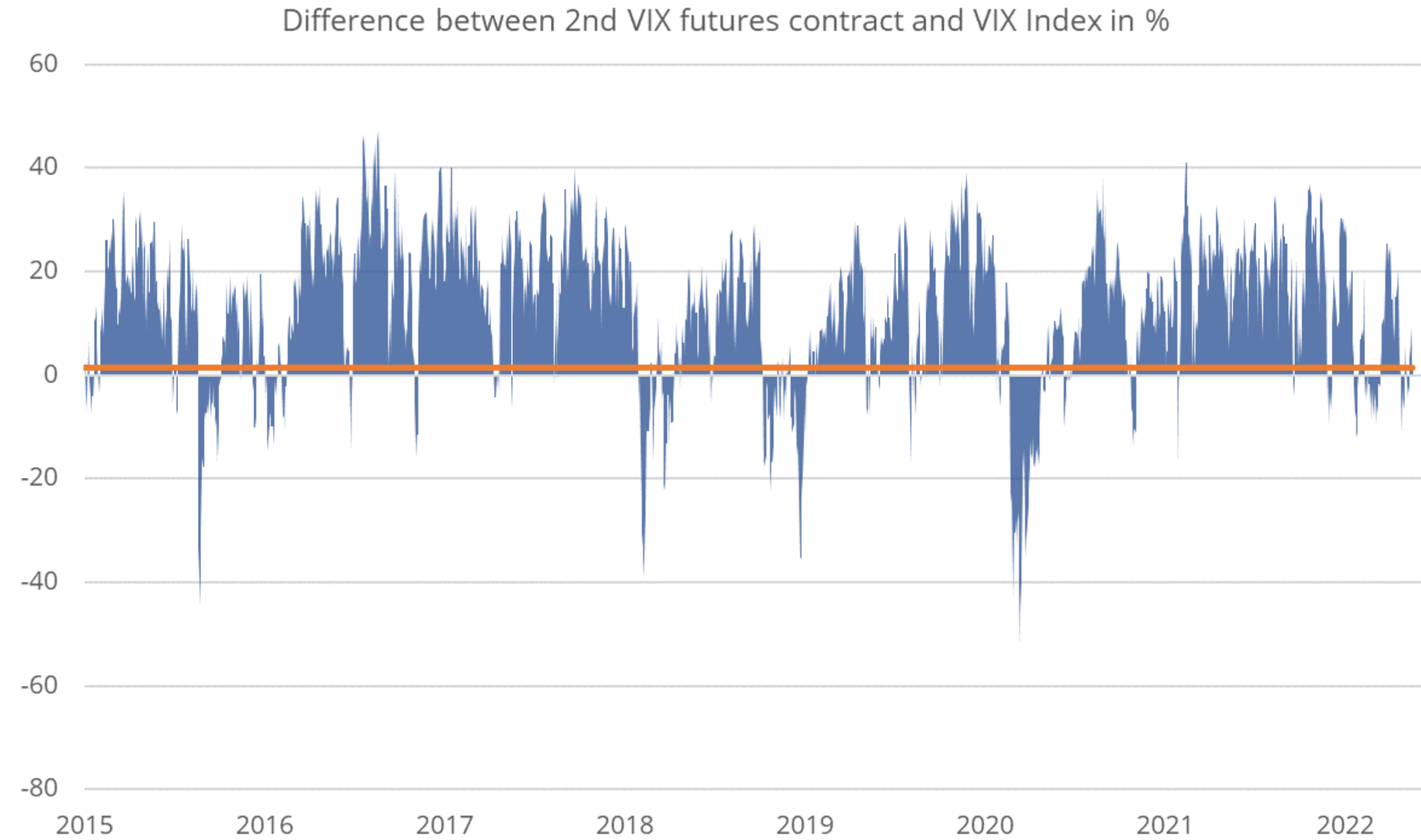
ESG INVESTING

## Tesla Got Kicked Out of the S&P 500 ESG Index. Elon Musk Calls ESG a 'Scam.'

By AI Root [Follow](#) Updated May 18, 2022 4:46 pm ET / Original May 18, 2022 11:13 am ET

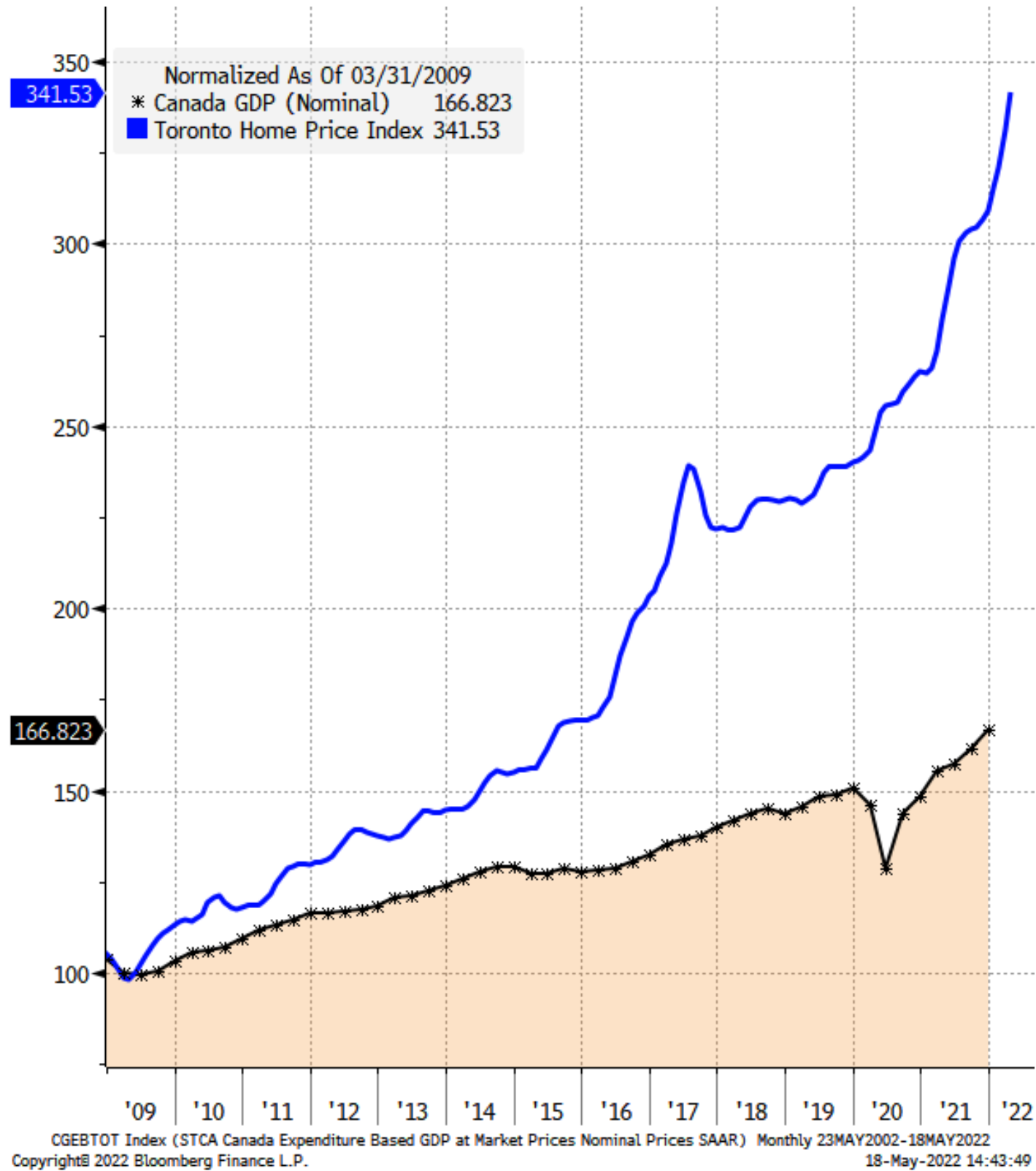


# US equities are far from capitulation...



Source: Bloomberg and Saxo Group

# Canada housing: construction some 75% larger as % of GDP than in US

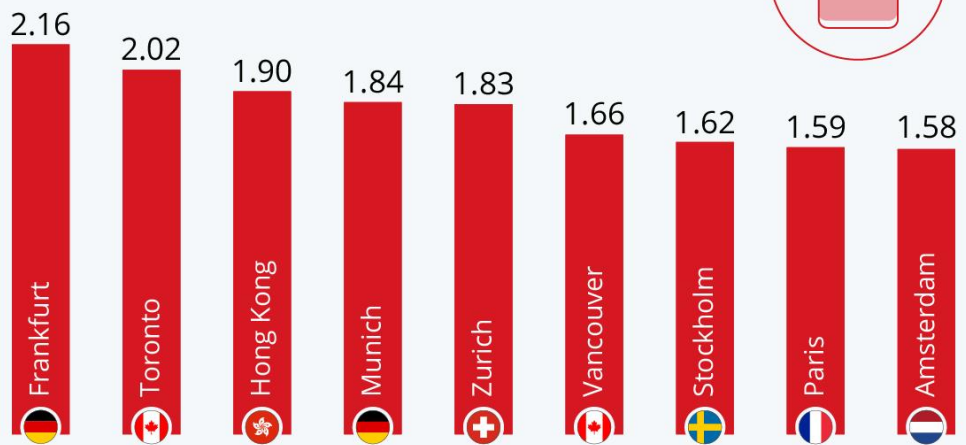


Source: Bloomberg



## Which Cities Have the Highest Risk of a Housing Bubble?

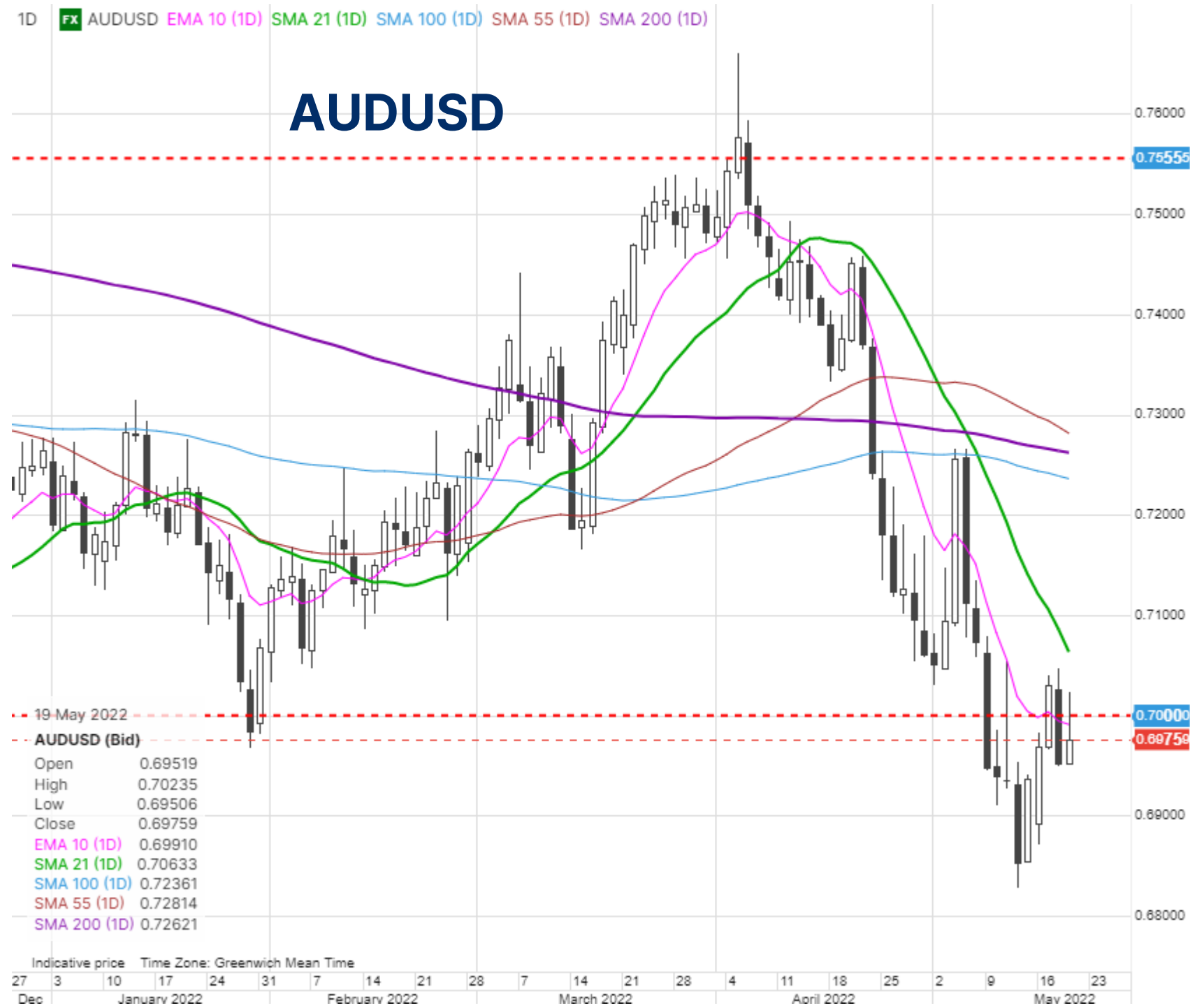
Index scores for housing bubble risk in selected cities in 2021 (>1.5=bubble risk)



Study of 25 cities taking into account housing price-to-income, price-to-rent, mortgage-to-GDP, construction-to-GDP and price-to-country ratios  
Source: UBS Global Real Estate Bubble Index



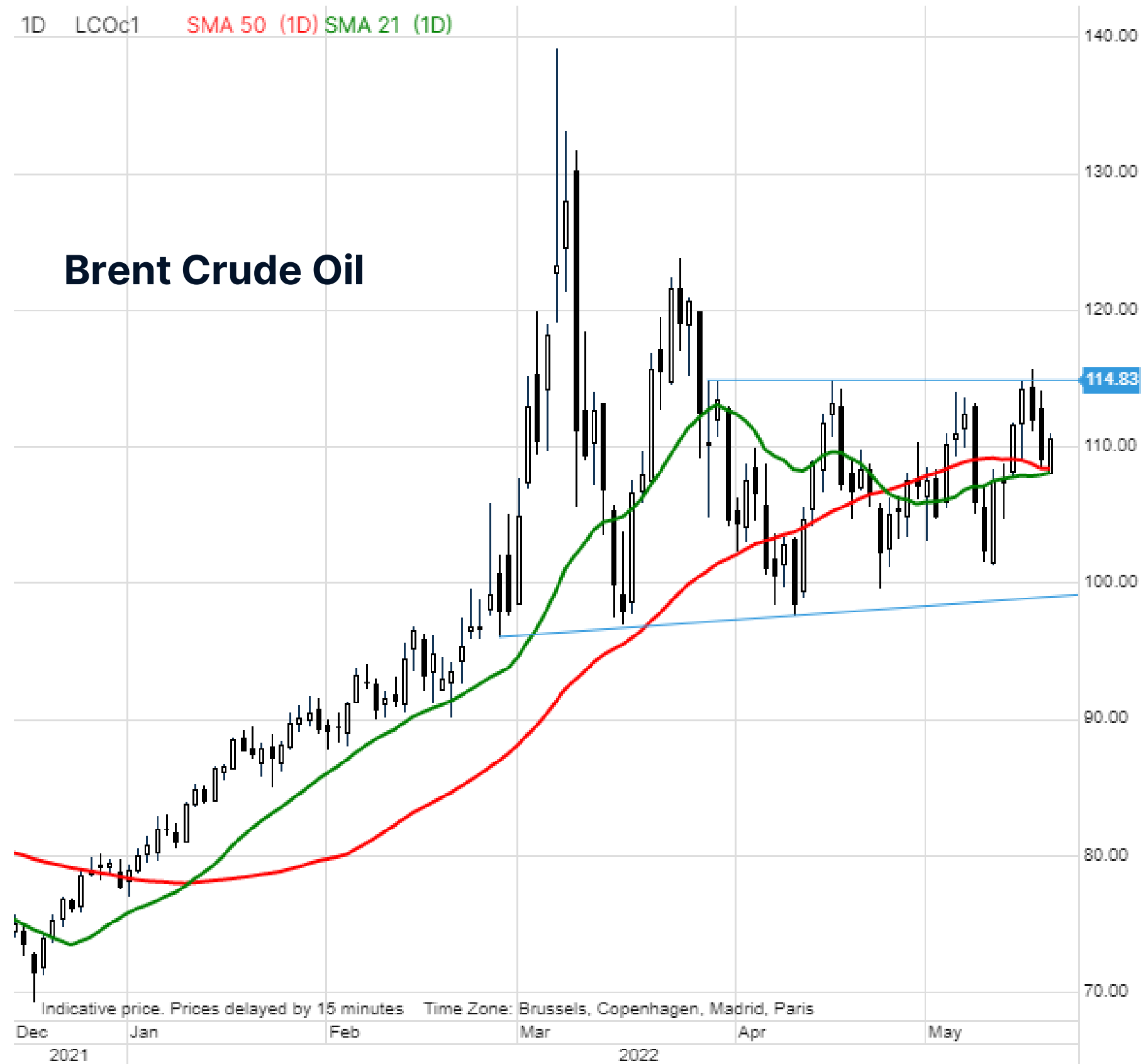
# FX: USD and JPY jockeying yesterday weakens USD impulsivity elsewhere?



**FX Board - Trend Evolution for G10 FX + CNH** May 19, 2022

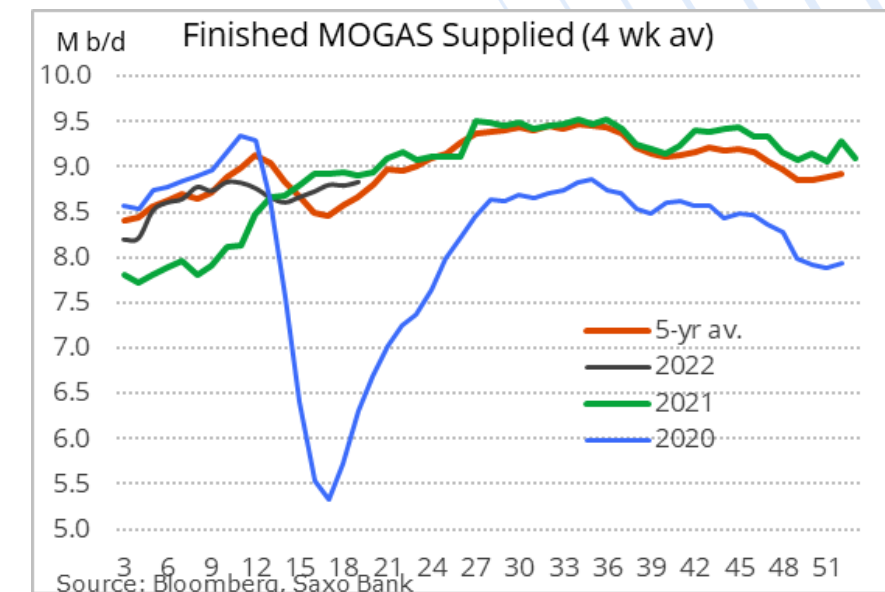
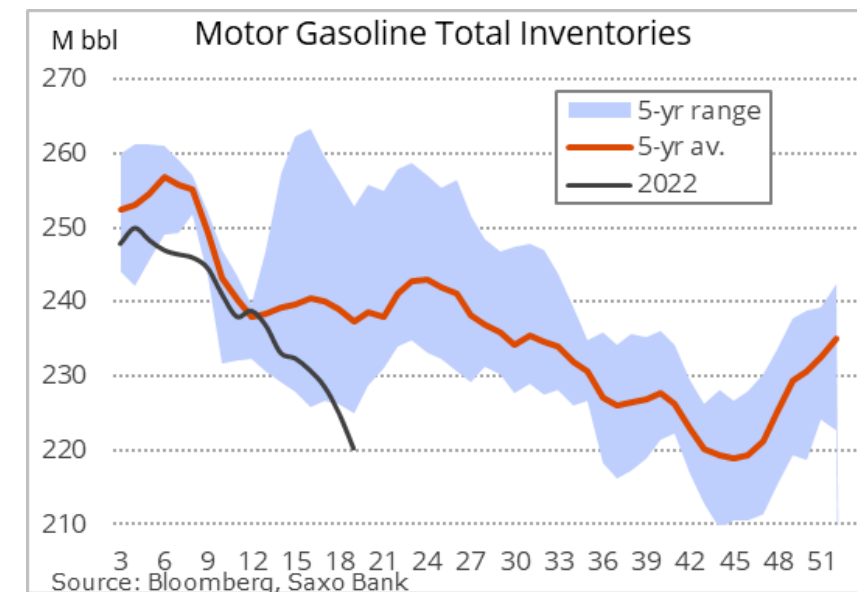
Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	0.8	4.0	-2.0	2.4	-0.2	0.0	-0.7	3.6	-2.5	-0.2	-5.7	-2.6	-3.9
2D Change	-0.3	-0.9	-0.1	0.6	-0.5	2.6	-0.1	-0.6	0.3	-0.4	-0.9	0.1	0.3
5D Change	-1.7	-4.4	-0.5	-1.5	1.3	1.6	1.5	0.4	1.6	0.7	0.3	-2.0	2.6
↑ Momentum													
<b>Trend readings for last five weeks</b>													
Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
19-May	0.8	4.0	-2.0	2.4	-0.2	0.0	-0.7	3.6	-2.5	-0.2	-5.7	-2.6	-3.9
18-May	1.0	4.5	-1.8	2.5	0.2	-1.0	-0.7	3.8	-2.8	0.0	-5.8	-2.6	-4.0
17-May	1.2	4.9	-1.9	1.8	0.4	-2.6	-0.6	4.2	-2.8	0.3	-4.8	-2.7	-4.2
16-May	1.0	6.7	-2.0	3.2	-0.9	-2.6	-1.1	4.7	-3.3	-0.4	-5.3	-2.0	-4.9
13-May	1.5	7.6	-1.7	3.7	-1.4	-2.1	-1.7	4.0	-3.8	-0.4	-5.6	-1.7	-6.3
12-May	2.5	8.3	-1.5	4.0	-1.5	-1.6	-2.2	3.2	-4.1	-0.8	-6.0	-0.6	-6.5
11-May	3.6	7.9	-1.1	1.6	-1.7	-1.5	-1.5	2.8	-3.9	-0.8	-5.5	-0.1	-5.5
10-May	3.9	8.2	-1.0	1.0	-1.3	-1.9	-1.3	2.7	-3.9	-1.0	-5.2	-0.2	-5.7
9-May	3.4	7.9	-1.5	0.3	-1.9	-2.0	-0.5	3.1	-3.3	-1.0	-4.4	0.6	-4.6
6-May	2.0	7.2	-1.5	-0.7	-2.7	-2.1	1.0	3.7	-2.7	-0.3	-3.5	0.8	-4.0
5-May	1.1	6.7	-1.2	-1.0	-2.4	-1.9	1.4	4.0	-2.8	-0.3	-3.6	-0.2	-3.8
4-May	0.4	6.4	-1.5	-1.5	-1.3	-1.6	1.3	3.6	-2.9	0.3	-3.2	-0.8	-4.1
3-May	0.5	8.5	-1.0	-1.4	-1.3	-0.9	-0.7	4.1	-3.7	0.0	-4.1	-0.4	-4.5
2-May	0.5	9.1	-1.4	-1.4	-1.3	-0.3	-1.5	4.1	-3.5	0.0	-4.4	0.1	-4.3
29-Apr	0.2	9.0	-1.2	-1.7	-1.7	-0.1	-1.6	4.3	-3.2	0.3	-4.4	1.2	-3.8
28-Apr	0.0	9.4	-1.3	-1.8	-2.9	0.1	-1.1	4.7	-2.3	-0.2	-4.6	0.7	-3.2
27-Apr	0.3	8.4	-1.0	-0.6	-2.7	-0.3	-1.6	3.6	-2.0	-0.6	-3.9	0.2	-3.1
26-Apr	1.2	7.6	-1.8	-1.3	-2.1	-0.1	-1.9	3.3	-2.0	-0.2	-2.7	0.5	-2.7
25-Apr	1.3	6.4	-2.2	-4.0	-0.6	-0.9	-1.3	3.4	-2.0	1.2	-1.2	0.4	-2.2
22-Apr	1.0	5.0	-1.8	-6.2	0.3	-1.8	0.0	3.3	-1.9	2.2	0.2	1.7	-0.9
21-Apr	0.0	3.6	-1.3	-7.5	1.3	-2.4	1.6	3.9	-1.0	1.8	0.4	2.0	0.5
20-Apr	-0.9	3.3	0.0	-8.0	1.0	-2.2	1.9	3.8	-0.9	1.5	0.9	2.4	1.9
19-Apr	-1.3	3.9	2.1	-8.0	1.0	-1.6	1.1	3.0	-1.7	0.5	1.2	3.4	3.0
18-Apr	-1.7	3.3	2.6	-6.7	1.0	-0.8	0.8	2.6	-1.9	-0.2	1.1	4.4	4.1
15-Apr	-1.8	2.8	1.9	-6.8	1.0	-0.8	1.5	2.2	-1.5	0.0	1.5	4.0	3.5

# US crude: Headwinds from stock market rout and China, but...



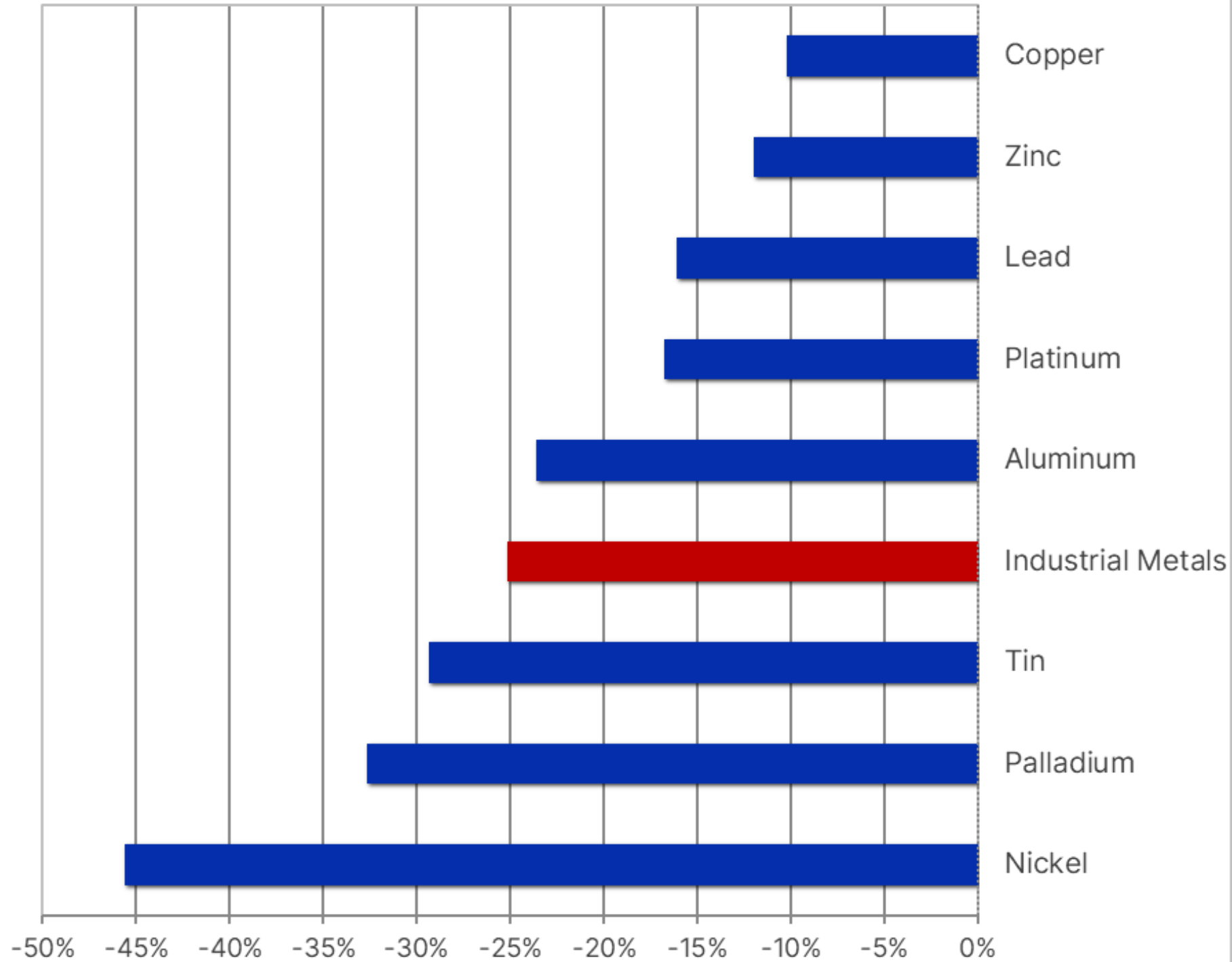
Source: Saxo Group

- Pioneer CEO expects Permian break-even to rise to by \$10 to \$40/\$45 (CLM7 at \$67/b)
- Saudi Arabia & UAE only producers left in the world with spare capacity (S&P GCI)
- US gasoline and jet fuel demand showing no signs of slowing
- Slowing Russian production due to shortage of equipment as int service companies depart



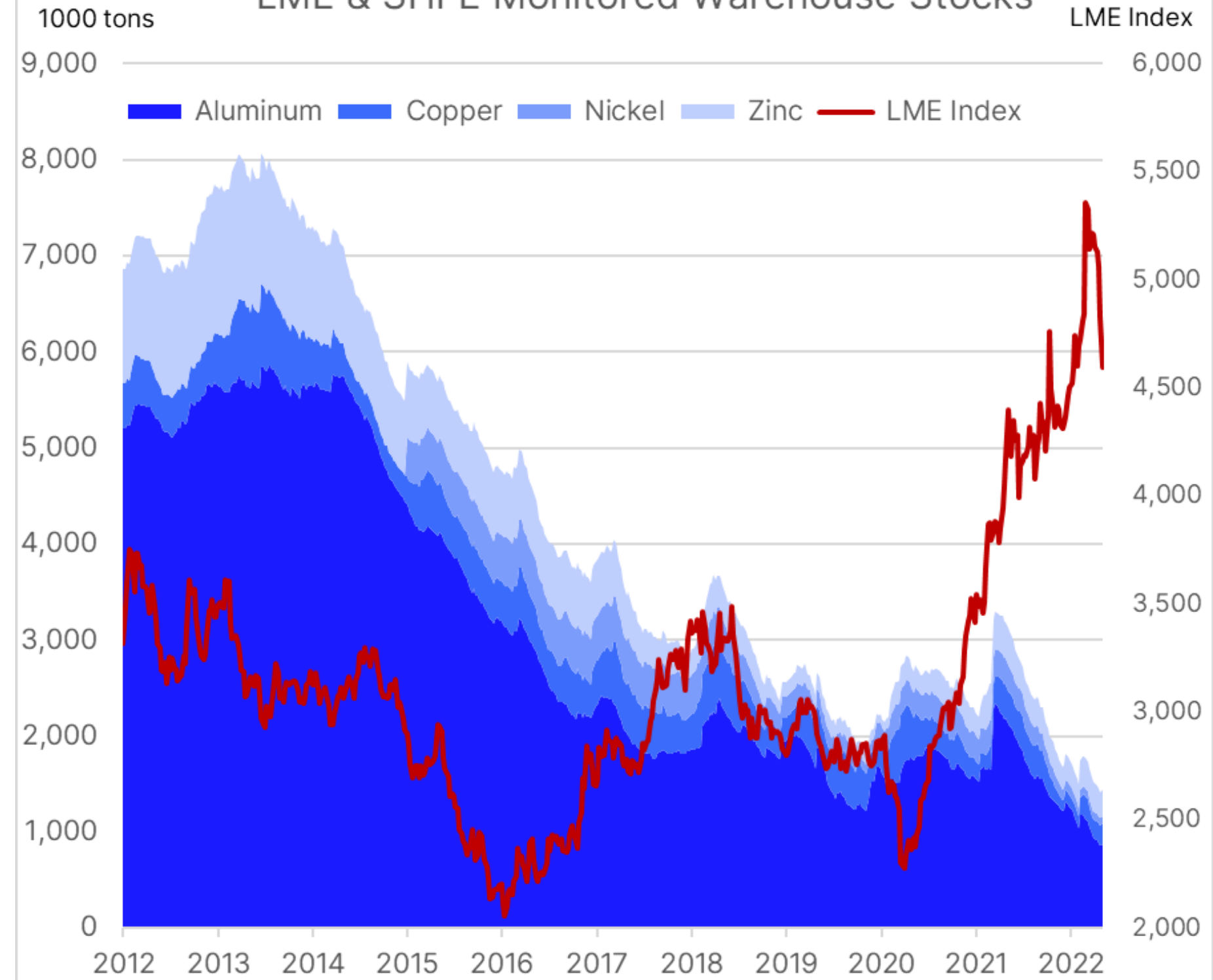
# Industrial metals demand slowing, but stocks are not rising

Industrial Metals since March 7 Peak(%)



Source: Bloomberg & Saxo Group

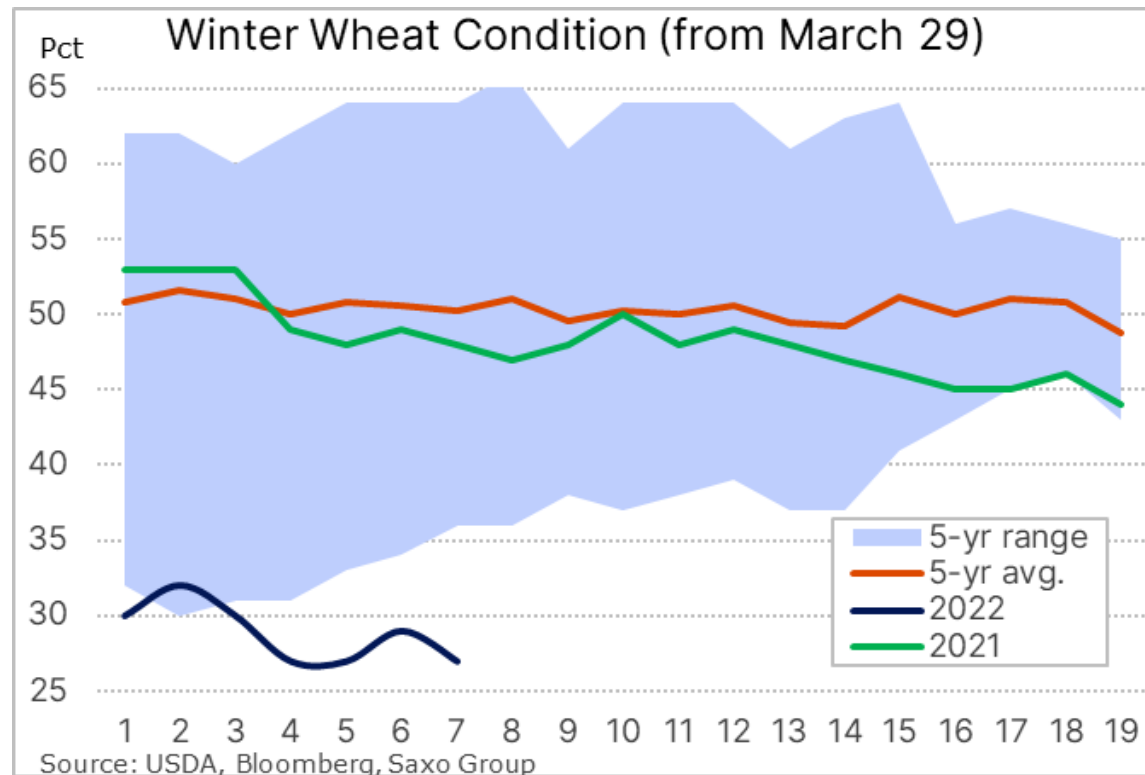
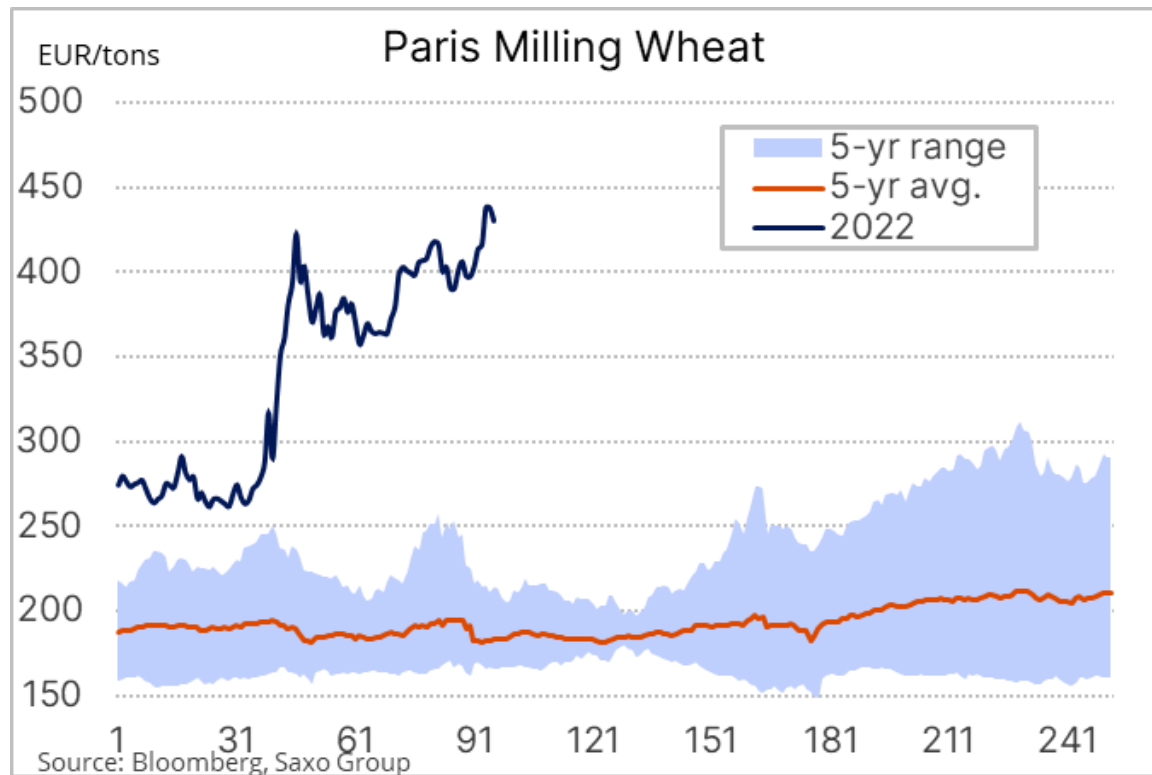
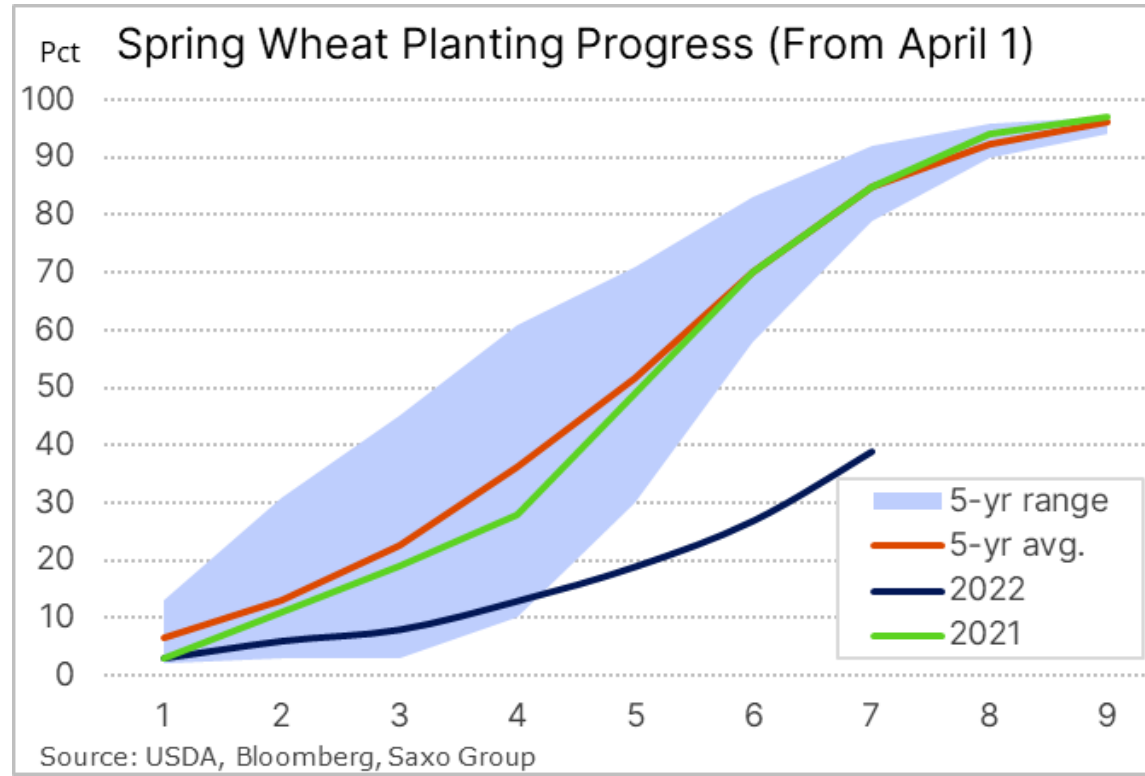
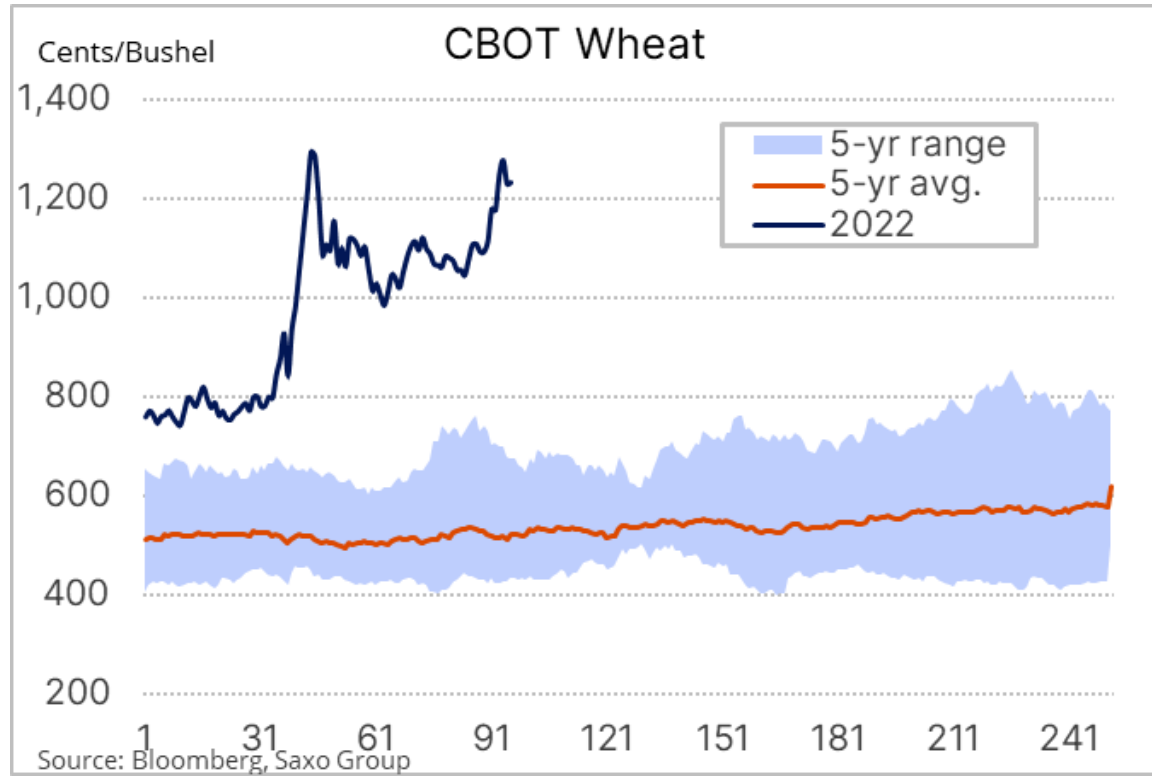
LME & SHFE Monitored Warehouse Stocks



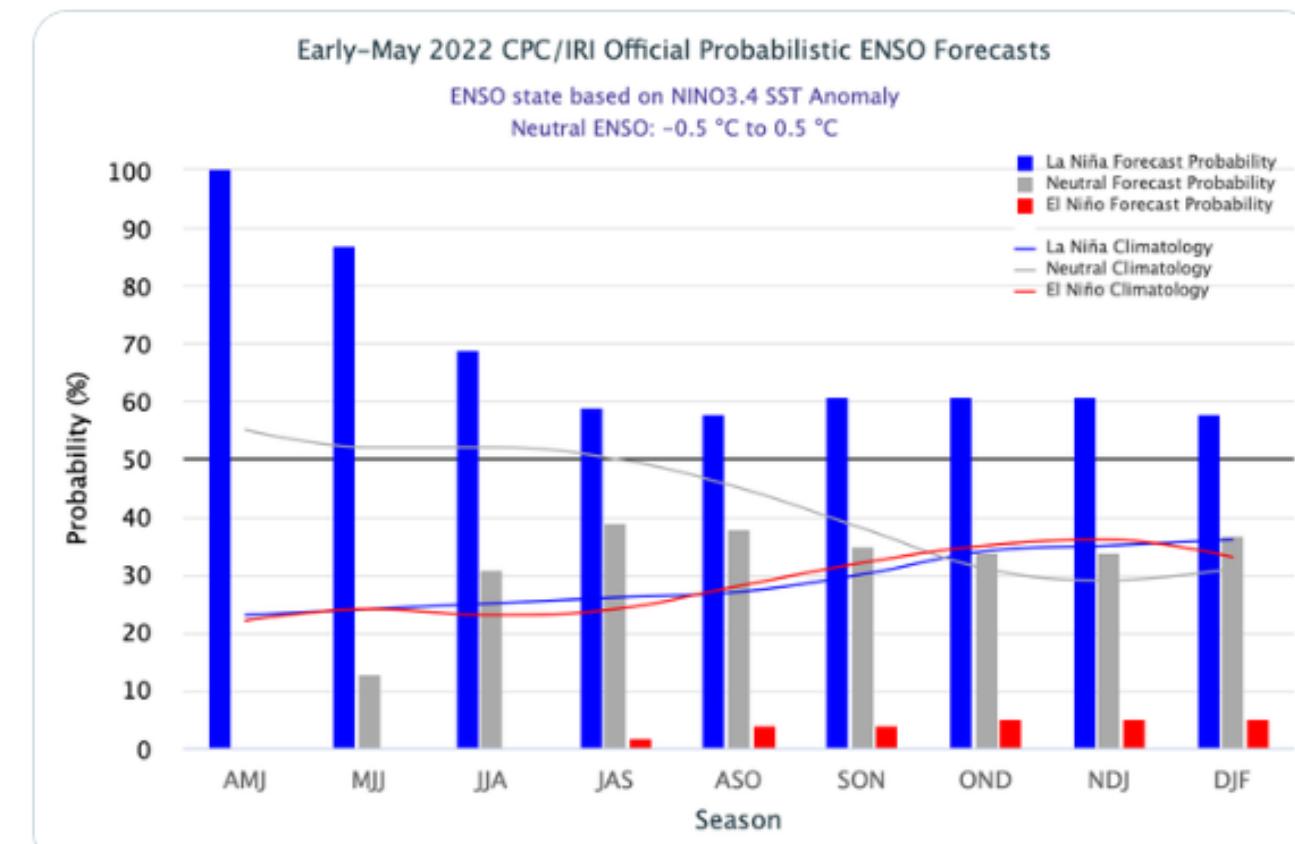
Source: Bloomberg, Saxo Group



# Wheat remains a key concern

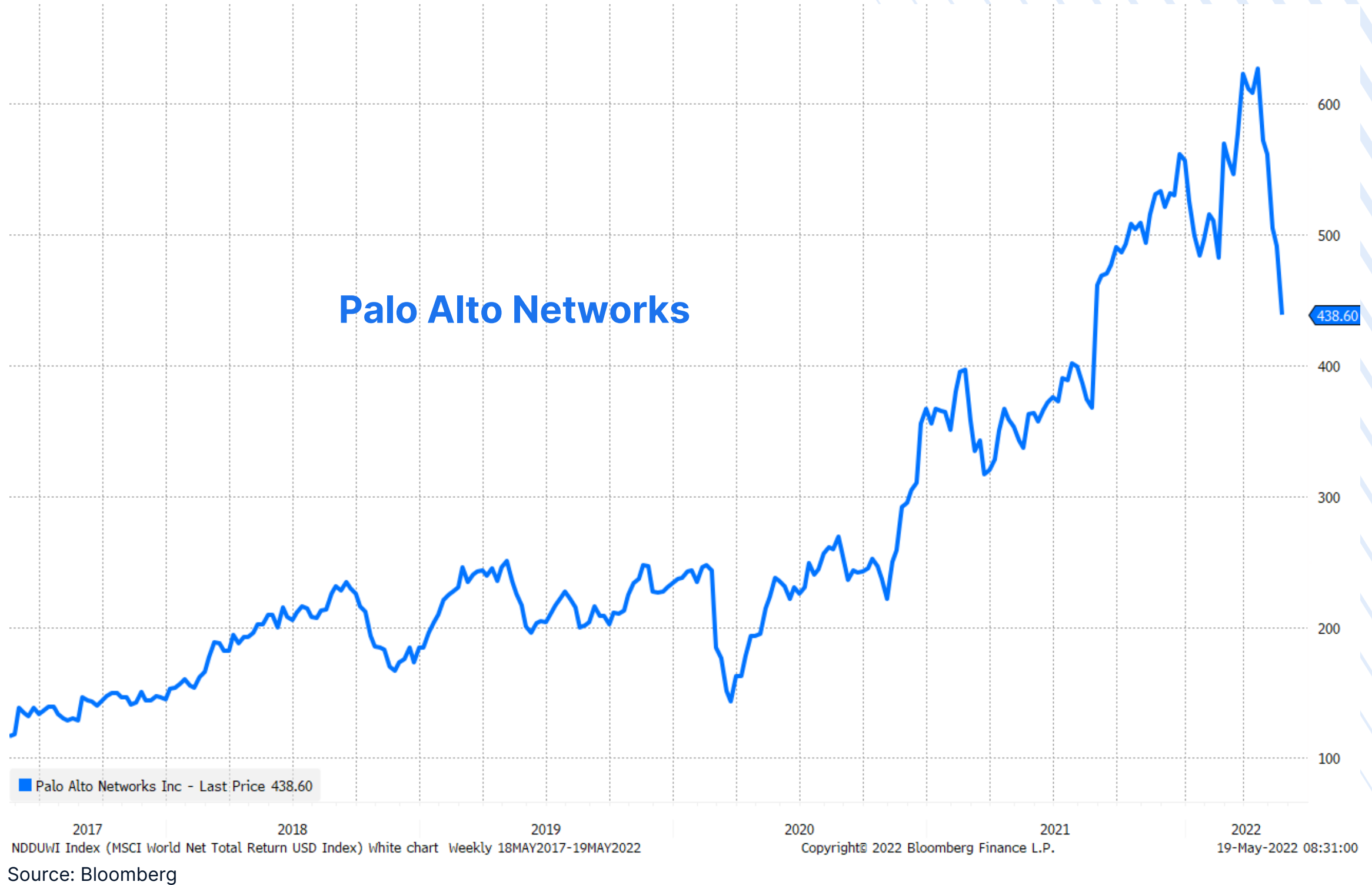


Forecasters believe La Nina is the most likely ENSO state through the end of 2022 into early 2023. #LaNina has been present since mid-2020 and has caused crop problems in Argentina, southern Brazil and the southern U.S. Plains.



# Can Palo Alto Networks continue to deliver +25% y/y?

Today: **Xiaomi**, Generali, National Grid, Applied Materials, **Palo Alto Networks**, Ross Stores, **DiDi Global**



# Macro – Calendar Highlights

## Today's Calendar Highlights (all times GMT)

1000 – UK May CBI Trends Total Orders and Selling Prices

**1130 – ECB publishes minutes of April ECB meeting**

1230 – ECB's Guindos to speak

South Africa SARB rate announcement

1230 – US May Philadelphia Fed survey

**1230 – US Weekly Initial Jobless Claims**

1400 – US Apr. Existing Home Sales

1430 – Weekly US Natural Gas Storage Change

1500 – Sweden Riksbank's Floden to speak

1630 – ECB's de Cos to speak

2000 – US Fed's Kashkiri (non-voter) to speak

2245 – New Zealand Apr. Trade Balance

**2301 – UK May GfK Consumer Confidence**

2330 – Japan Apr. National CPI

0115 – China Policy rate announcement

## Upcoming Calendar Highlights (all times GMT)

**FRI:** UK Apr. Retail Sales, Germany Apr. PPI, UK Bank of England's Pill to speak

**SAT: Australia Election**

## Upcoming Economic Calendar Highlights

**June 9: ECB Meeting**

**June 15: FOMC Meeting**

**June 16: Bank of England Meeting**

# 5-year chart of S&P 500 future (cont.)



# Appendix: Where do you find the equity theme baskets?

The screenshot displays the SaxoTraderGO interface. At the top, the navigation bar includes 'TRADING', 'RESEARCH', and 'ACCOUNT'. The 'RESEARCH' tab is highlighted with a red box. Below the navigation bar, a secondary menu lists various market categories: Overview, Hot Topics, Quarterly Outlook, Forex, Stocks, Commodities, Bonds, ETFs, Crypto, Education, Trade Signals, News, Market Analysis, Calendar, and Equities. The 'Stocks' category is highlighted with a red box.

The main content area features four equity baskets, each with a line chart and performance metrics:

- US 30 Wall Street**: 34,581.20 USD. Daily: -0.07%, Monthly: 1.52%, Yearly: 35.75%.
- US Tech 100 NAS**: 13,674.79 USD. Daily: -0.02%, Monthly: -2.10%, Yearly: 42.48%.
- US 500**: 4,206.67 USD. Daily: -0.05%, Monthly: -0.11%, Yearly: 37.68%.
- Germany 30**: 15,591.67 EUR. Daily: -0.03%, Monthly: 2.62%, Yearly: 30.62%.

Below the baskets is a section titled 'Latest articles' with a 'See All' link. It contains four article cards:

- Amazon**: EQUITIES | 01-Jun-2021 12:50 | 8 Minutes to read. Pricing power and valuation discount drive logistics returns in the future.
- Dragon**: 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...
- Ship**: EQUITIES | 28-May-2021 10:50 | 6 Minutes to read. Additions to crypto basket; JD Logistics rides the e-commerce bonanza.
- Map**: EQUITIES | 27-May-2021 02:00 | 5 Minutes to read. Upcoming catalysts.

At the bottom is a section titled 'Saxo's Equity Baskets' with a 'See All' link. It features four theme baskets:

- Logistics**: Represented by an image of a cargo ship.
- Semiconductors**: Represented by an image of a microchip.
- Financial Trading**: Represented by an image of a computer monitor displaying a stock market chart.
- Crypto and Blockchain**: Represented by an image of a Bitcoin coin.