



# Saxo Market Call

## Slide deck

Monday, January 2, 2023

Questions and comments to [marketcall@saxobank.com](mailto: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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# Reminder: Have a listen to our Special Edition podcasts from last 2 weeks



## Special Edition: The Listeners' Podcast

3 days ago

Link to slide deck: <https://bit.ly/3Cbk2jQ>

In this Special Edition of the podcast, the Saxo Market Call crew reveal our Listeners' predictions for the S&P 500, Fed Funds and the US 10-year yield in 2023. We also offer our thoughts on the same and run down a whole bevy of questions our listeners sent, including on our energy future, whether fossil fuel, alternative or nuclear, geopolitics of trade and currencies, investment themes and market returns, scenarios for inflation and more. We also highlight some recommended reading (lots more in the slide deck) and even reveal some of our personal interests in our downtime. A huge thank you to all of the listeners who responded and made 2022 a great year for the Saxo Market Call podcast! On this special edition of the podcast were Peter Garrny on equities, Ole Hansen on commodities and John J. Hardy hosting and on FX.

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Intro and outro music by AShamaluevMusic

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## Special Edition: A look ahead at 2023 with Steen Jakobsen

5 days ago

This Special Edition of the podcast features an interview with Saxo CIO Steen Jakobsen on the outlook for 2023 after a remarkably brutal year for investors in 2022 on the double whammy of bear markets in both bonds and equities. In particular, the conversation looks at the misguided optimism for next year that is ironically based on a base case of disinflation, recession and an eventual return of central bank easing, the impact of China coming back online, and where investors should focus their efforts for achieving returns in coming years. John J. Hardy hosts.

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## Special Edition: Equity Outlook 2023

6 days ago

Slide deck for this episode: <https://bit.ly/3PukShj>

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In this special edition podcast we outline our equity outlook for next year. We come around a wide range of topics such as recession, inflation, China, Tesla, energy sector, Europe, earnings, margin compression, and equity valuation. Today's podcast features Peter Garrny on equities and Kim Cramer Larsson on technical analysis.

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## Special Edition: Commodity Outlook for 2023

7 days ago

Link to slide deck: <https://bit.ly/3HTYTTX>

In this Special Edition of the Saxo Market Call podcast, host John J. Hardy discusses the wild year of 2022 for commodities and what may be in store for the commodities markets in 2023 with Saxo's Head of Commodity Strategy, Ole Hansen. We delve into what the forward curve is telling us, market positioning in commodities and zero in on Crude Oil, copper and the precious metals and Natural Gas.

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## Special Edition: Investors' Wish List for 2023

Friday Dec 23, 2022

Link to slide deck: <https://bit.ly/3vfDR5X>

In this Special Edition of the podcast, we discuss what investors are hoping to see in 2023 after the most traumatic year for "balanced" portfolios in modern memory. Items on the Wish List include hopes for a soft landing, easing pressure from central banks as inflation fades, a weaker US dollar, Chinese demand returning and more. But is this what investors will get? Discussing these pressing wish list items for the New Year on this special edition podcast are Peter Garrny on equities, Ole Hansen on commodities and John J. Hardy hosting and on FX.

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## Special Edition: Saxo Outrageous Predictions for 2023

Thursday Dec 22, 2022

Slide deck for this episode: <https://bit.ly/3HSUsUw>

[Saxo Outrageous Predictions 2023: The War Economy PDF](#)

[Saxo Outrageous Predictions Webinar with the strategy team](#)

In this Special Edition of the podcast, we discuss the Saxo 2023 Outrageous Predictions for 2023, based on the theme of The War Economy. Our Outrageous Predictions are a yearly exercise in looking at possible, if improbable events that may unfold in the year ahead and will alter the investment landscape if they do come to pass. This Special Edition podcast features Editor-in-Chief of the 2023 Outrageous Predictions John J. Hardy and major contributor Peter Garrny.

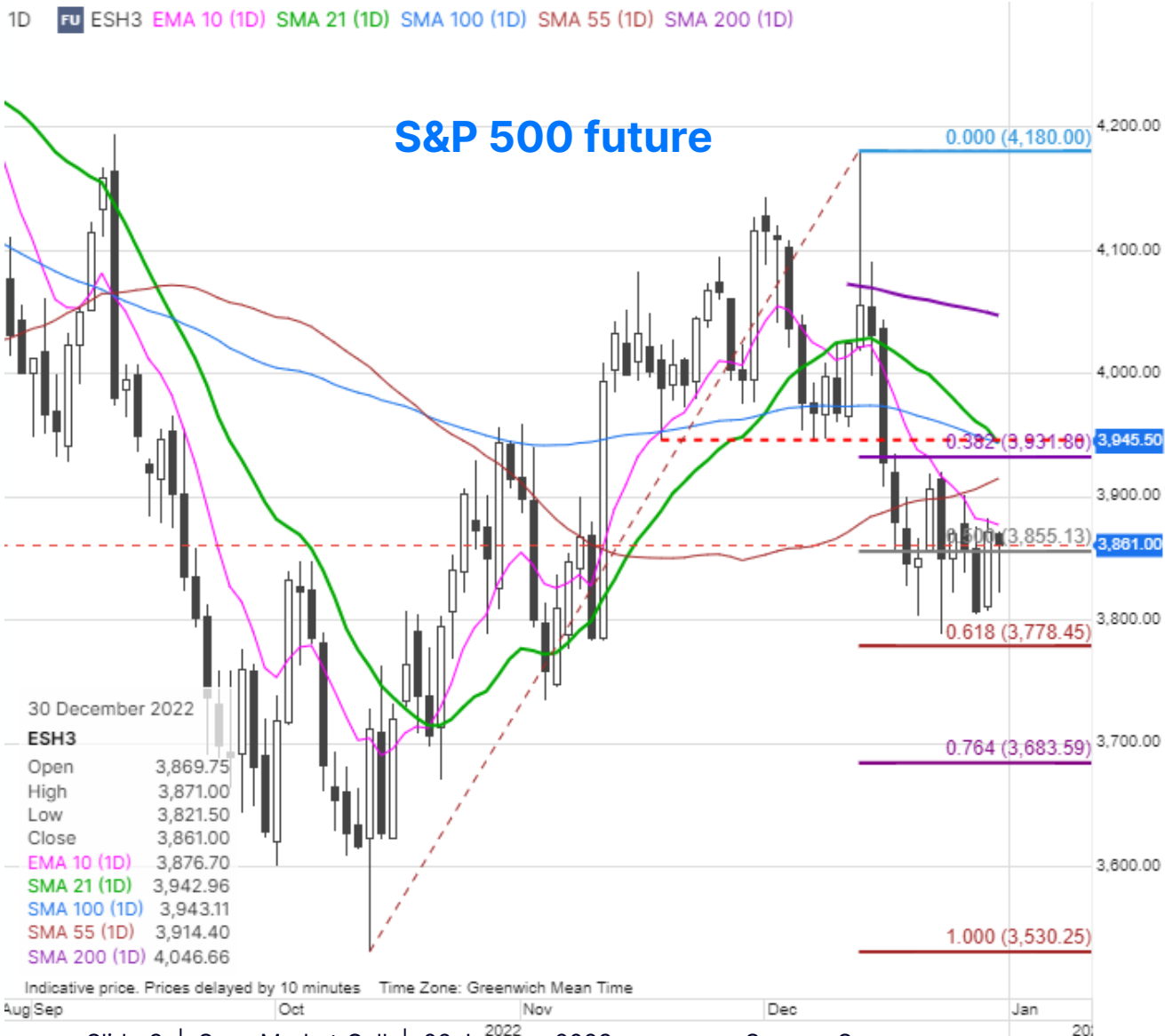
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# Markets stabilize after recent slide, mini-trauma from BoJ move



## Saxo equity themes performance overview

Sorted on year-to-date return (updated as of 30 December 2022)

Theme	1D	1W	MTD	YTD	1Y	5Y
Commodities	-0.3	-0.5	-2.0	24.4	24.4	94.1
Defence	-0.5	0.3	2.6	22.3	22.3	60.2
Nuclear power	0.1	0.4	-1.0	1.9	1.9	142.8
Renewable energy	-0.2	-1.2	-2.3	-2.1	-2.1	344.7
Logistics	-0.6	-1.2	-2.6	-6.7	-6.7	102.1
India (GDRs)	-0.3	2.0	-4.6	-8.8	-8.8	49.5
Travel	0.0	-0.7	-5.2	-16.3	-16.3	-15.9
MSCI World (USD)	-0.4	-0.1	-4.2	-18.1	-18.1	33.9
MSCI EM (USD)	-0.1	0.3	-1.4	-20.1	-20.1	-8.3
China consumer & technology	0.1	0.4	6.0	-20.1	-20.1	75.9
Women in leadership	-0.5	-0.2	-5.3	-20.8	-20.8	91.1
Financial trading	-0.9	0.0	-4.1	-22.3	-22.3	96.8
Mega Caps	-0.3	0.2	-5.2	-22.5	-22.5	99.8
Gaming	-0.3	1.3	2.3	-26.7	-26.7	80.0
Cyber security	0.1	1.7	-4.6	-33.0	-33.0	126.5
Semiconductors	-0.2	0.6	-8.4	-33.0	-33.0	117.9
China's little giants	0.8	6.1	0.3	-34.5	-34.5	155.8
Energy storage	0.0	0.0	-13.7	-37.7	-37.7	319.2
Payments	-0.2	2.1	-8.5	-38.3	-38.3	46.1
NextGen medicine	0.3	-0.1	-9.5	-39.8	-39.8	198.0
Green transformation	0.5	0.1	-15.9	-53.5	-53.5	142.7
Bubble stocks	0.5	1.3	-6.6	-54.5	-54.5	131.2
E-commerce	-1.7	-1.1	-4.7	-56.1	-56.1	27.7

Source: Bloomberg and Saxo

# Cluster of FT front page article shows the dilemma for energy markets



## Energy crisis

Brussels plans energy market overhaul to curb cost of renewables

2 HOURS AGO



## Oil & Gas industry

Exxon and Chevron share \$100bn in profit after surge in oil prices

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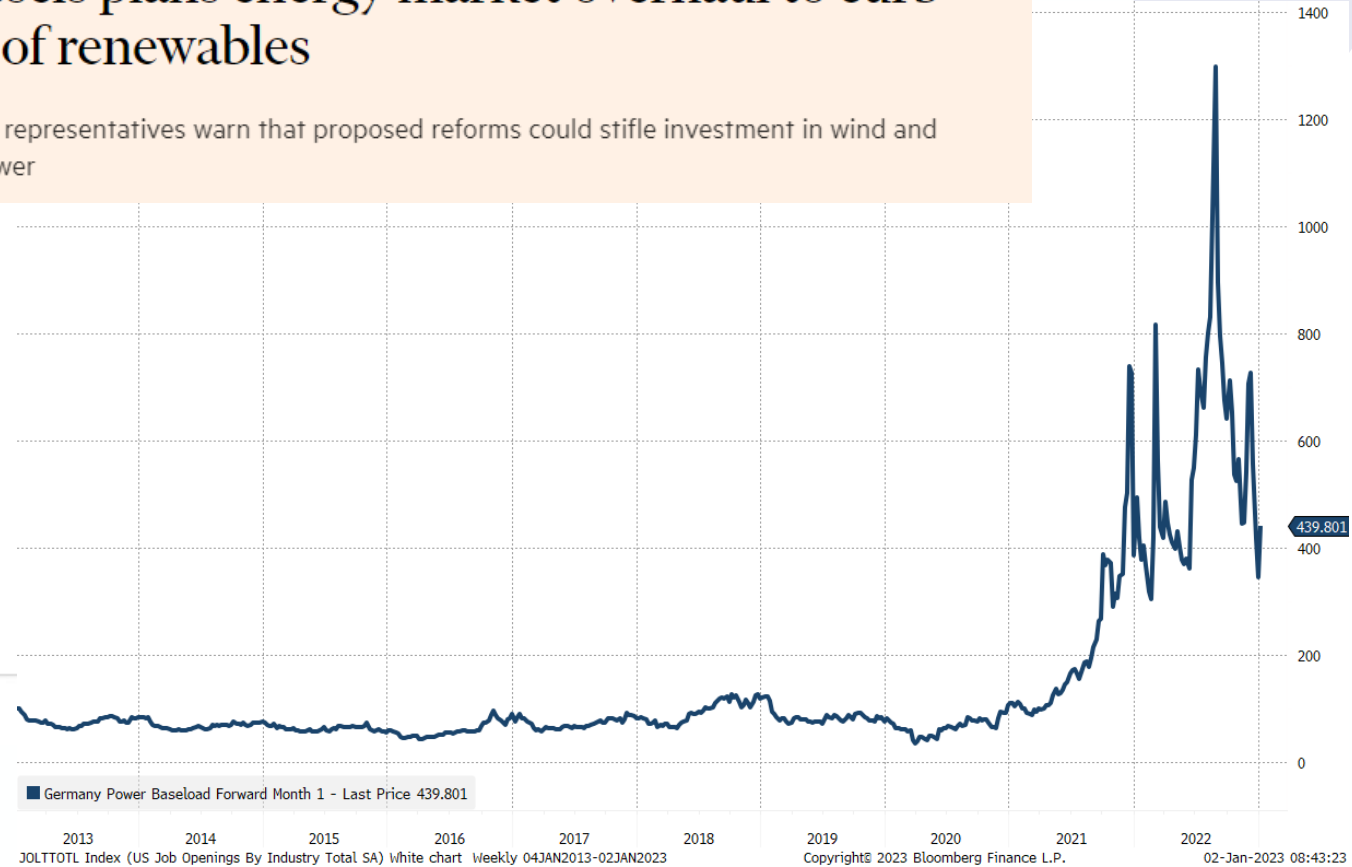
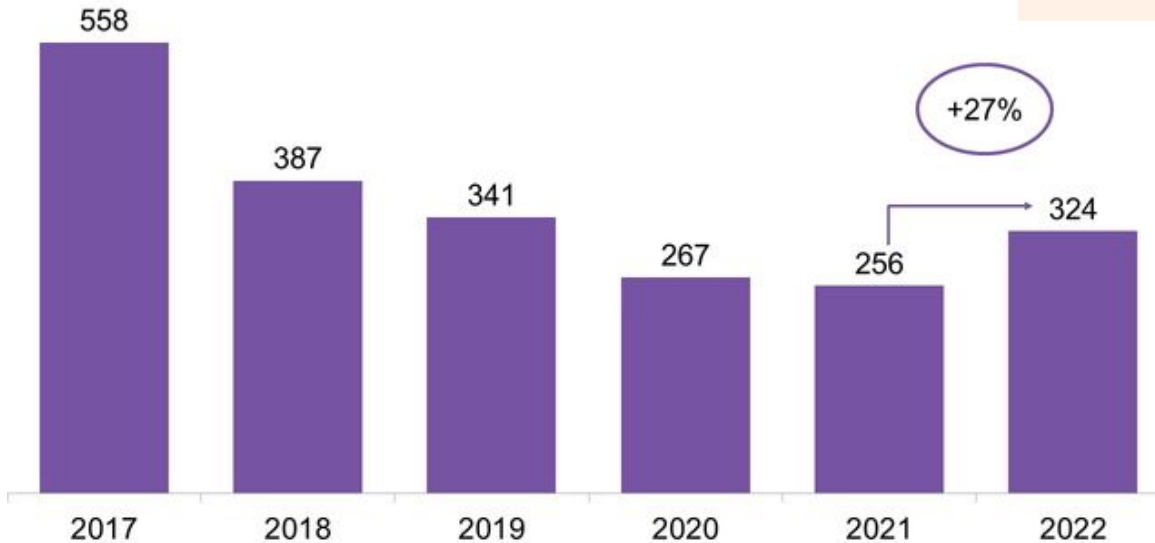
US nuclear enjoys revival as public and private funding pours in

# When does the EU recognise the system costs of renewables?

## Brussels plans energy market overhaul to curb cost of renewables

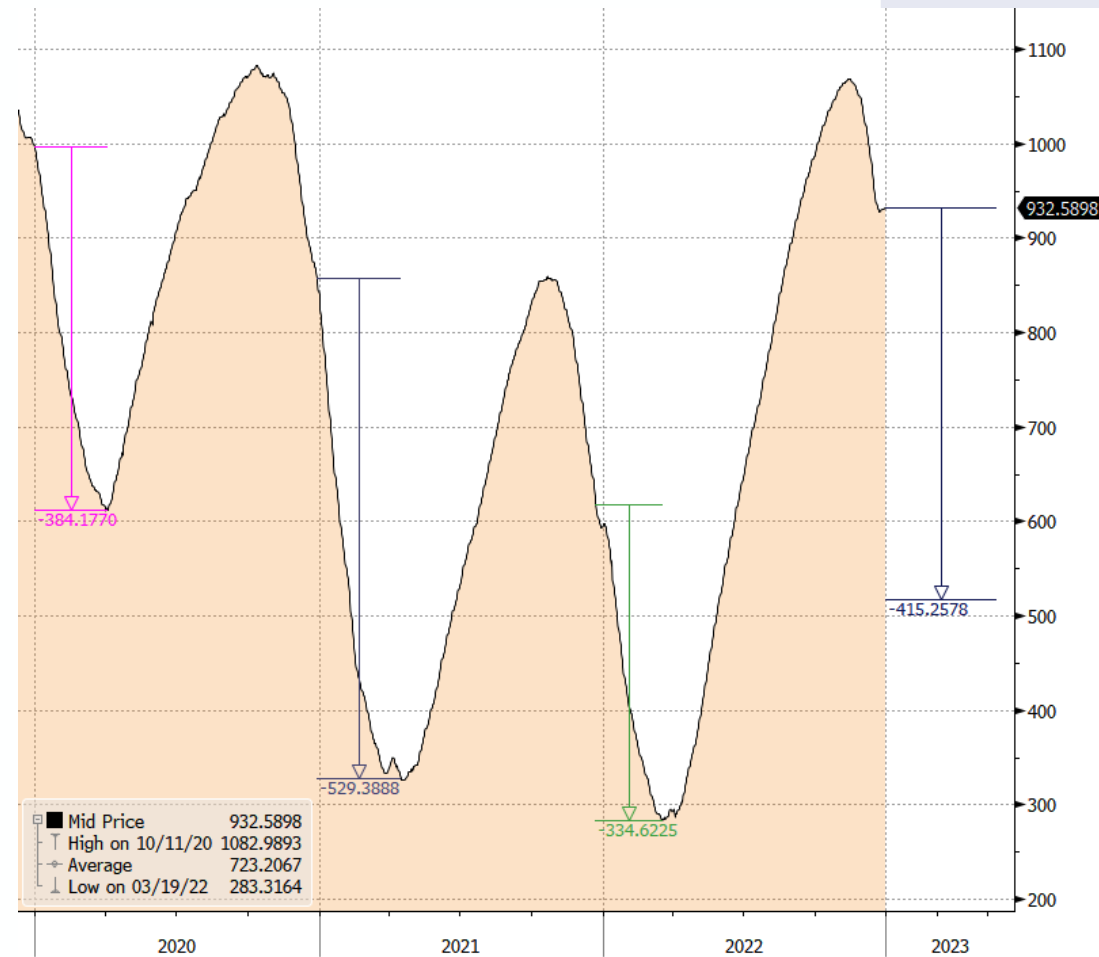
Industry representatives warn that proposed reforms could stifle investment in wind and solar power

Real 2022 \$/kWh, usable



Source: Bloomberg

# EU gas slumps further on warm weather



Source: Saxo

# FX: JPY strength in anticipation of BoJ shift, but note US yields



USDJPY Curncy (USD-JPY X-RATE) Daily 02JAN2022-02JAN2023 Copyright© 2023 Bloomberg Finance L.P. 02-Jan-2023 08:34:41

X Board - Treasury Resolution 719 → CNH

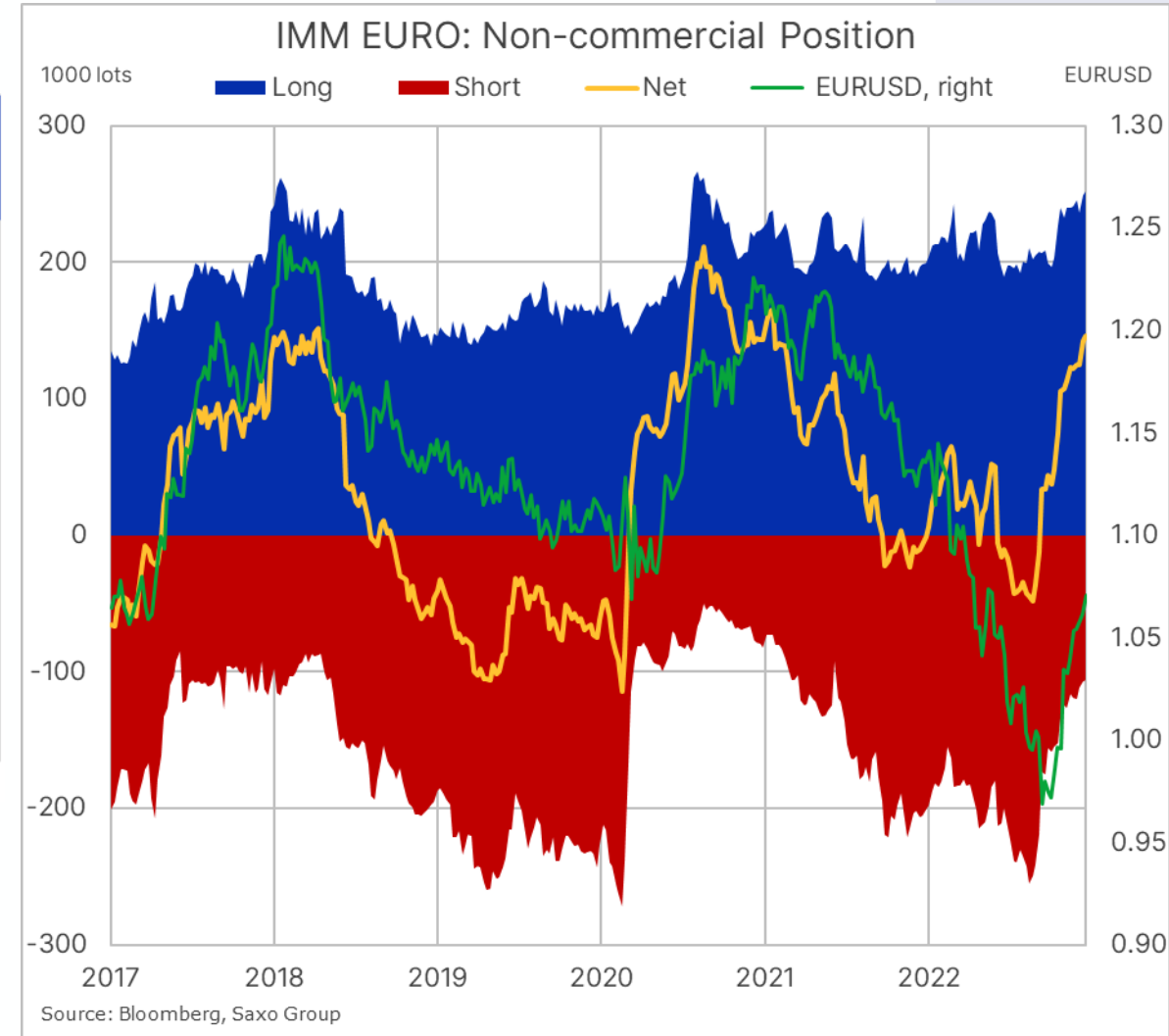
Monday, January 2, 2023

Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
End readings ->	1.7	-2.1	0.7	4.7	-2.3	1.0	0.9	-2.0	-0.3	-1.8	-0.1	2.0	2.9
Change	-0.3	-0.7	0.7	1.8	-0.1	-0.9	0.7	-0.6	-0.4	0.0	0.1	0.1	-0.4
Change	-0.8	-0.9	0.5	-0.7	-0.6	0.1	2.0	0.0	0.7	0.6	-0.8	0.1	-1.1
↑ Momentum													
End readings for last five weeks													
Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
2-Jan	1.7	-2.1	0.7	4.7	-2.3	1.0	0.9	-2.0	-0.3	-1.8	-0.1	2.0	2.9
30-Dec	1.9	-2.0	0.4	3.9	-2.3	1.3	0.7	-2.0	-0.1	-1.7	0.0	1.9	3.2
29-Dec	2.0	-1.4	0.0	2.9	-2.2	1.9	0.2	-1.4	0.1	-1.7	-0.2	1.9	3.3
28-Dec	2.1	-1.2	0.1	2.9	-2.2	1.4	-0.2	-1.4	-0.6	-1.7	0.5	2.1	4.1
27-Dec	2.4	-1.4	0.3	4.3	-2.2	1.0	-0.7	-1.3	-1.3	-2.1	1.0	1.6	3.8
26-Dec	2.5	-1.2	0.2	5.3	-1.8	0.9	-1.1	-2.0	-1.1	-2.4	0.7	1.9	4.0
23-Dec	2.4	-1.2	-0.1	5.9	-1.8	1.4	-1.5	-2.4	-1.2	-2.1	0.6	2.6	4.6
22-Dec	2.2	-1.4	-0.1	6.3	-1.6	2.0	-2.2	-3.1	-1.2	-1.3	0.9	2.1	4.1
21-Dec	2.0	-1.9	0.2	5.5	-1.1	2.3	-2.5	-3.5	0.0	-1.2	0.6	0.8	2.8
20-Dec	2.3	-2.0	0.5	4.2	-0.2	2.2	-2.9	-4.1	1.4	-1.0	0.2	0.8	3.5
19-Dec	2.6	-1.8	0.5	0.8	0.1	2.1	-2.1	-4.5	2.5	-0.1	0.4	0.2	4.2
16-Dec	2.6	-2.2	0.5	0.6	0.6	1.7	-1.8	-5.1	2.7	0.3	0.7	1.0	5.4
15-Dec	2.4	-3.0	-0.1	0.0	1.4	1.8	-0.9	-5.5	2.6	1.2	0.8	1.4	5.3
14-Dec	1.4	-4.0	-0.5	0.6	2.3	0.8	0.4	-6.2	3.6	1.7	0.5	1.1	5.1
13-Dec	1.3	-3.5	-0.1	0.6	2.3	0.7	0.2	-6.1	4.3	1.4	-0.6	1.8	5.0
12-Dec	1.4	-2.8	0.8	0.6	2.6	0.9	-0.5	-6.2	4.4	1.2	-1.9	1.3	4.1
9-Dec	1.4	-3.1	1.1	1.4	2.2	0.7	-0.4	-6.7	4.6	1.0	-2.1	1.2	3.5
8-Dec	1.6	-3.1	1.5	1.7	2.2	0.4	-1.1	-6.5	4.3	1.0	-1.8	0.7	3.2
7-Dec	1.4	-3.0	1.7	2.4	2.4	0.3	-1.8	-6.8	4.4	0.8	-1.6	0.7	3.9
6-Dec	1.2	-3.2	1.3	2.7	2.3	0.2	-1.9	-6.6	4.2	0.7	-0.8	1.5	4.7
5-Dec	1.0	-3.9	0.3	3.3	2.5	-0.3	-1.4	-6.4	4.4	0.5	0.4	1.4	3.5
2-Dec	0.4	-4.5	-1.5	4.0	2.3	-0.4	-0.3	-6.1	4.9	0.5	1.5	0.2	2.2
1-Dec	0.4	-4.1	-1.7	2.9	1.9	-0.2	0.3	-5.4	4.3	0.4	1.9	0.0	0.8
30-Nov	0.4	-3.1	-1.7	2.1	1.5	0.0	0.6	-4.5	3.9	-0.3	1.4	-0.5	0.7
29-Nov	0.9	-2.5	-3.3	2.6	2.0	0.5	0.0	-4.6	3.4	0.4	0.9	-0.6	1.8

# Specs begin 2023 with biggest EUR long in 23 months

27-Dec-22	Long	Change	Short	Change	Net (lots)	Change (lots)	Net bn USD	Change bn USD	Change Pct.
EUR	251,887	2,738	105,725	-1,152	146,162	3,890	19.6	0.5	3%
CHF	3,929	-1,072	8,060	-1,005	-4,131	-67	-0.6	-0.0	2%
GBP	40,585	5,301	51,472	10,585	-10,887	-5,284	-0.8	-0.4	94%
JPY	29,685	-4,001	67,415	-7,152	-37,730	3,151	-3.6	0.3	-8%
CAD	28,879	-10,826	58,912	-7,754	-30,033	-3,072	-2.2	-0.2	11%
AUD	32,955	1,176	69,746	3,852	-36,791	-2,676	-2.5	-0.2	8%
NZD	15,576	2,190	8,669	1,617	6,907	573	0.4	0.0	9%
MXN	125,891	1,417	177,617	-1,953	-51,726	3,370	-1.3	0.1	-6%
BRL	32,677	9,994	25,262	4,815	7,415	5,179	0.1	0.1	232%
\$ Index	33,142	415	16,227	241	16,915	174	1.8	0.0	1%
USD							-7.4	-0.2	3%

Source: Bloomberg, Saxo



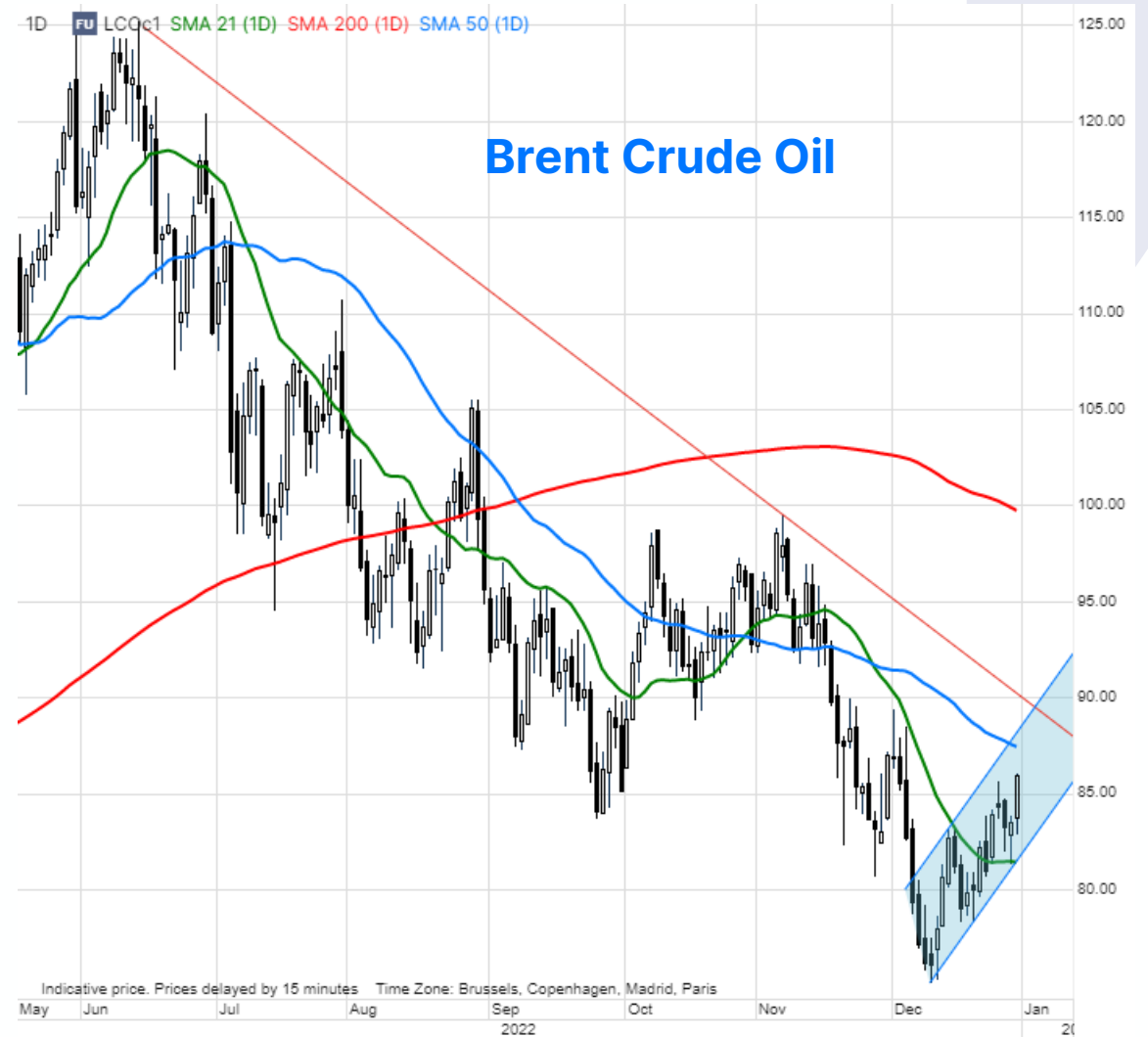
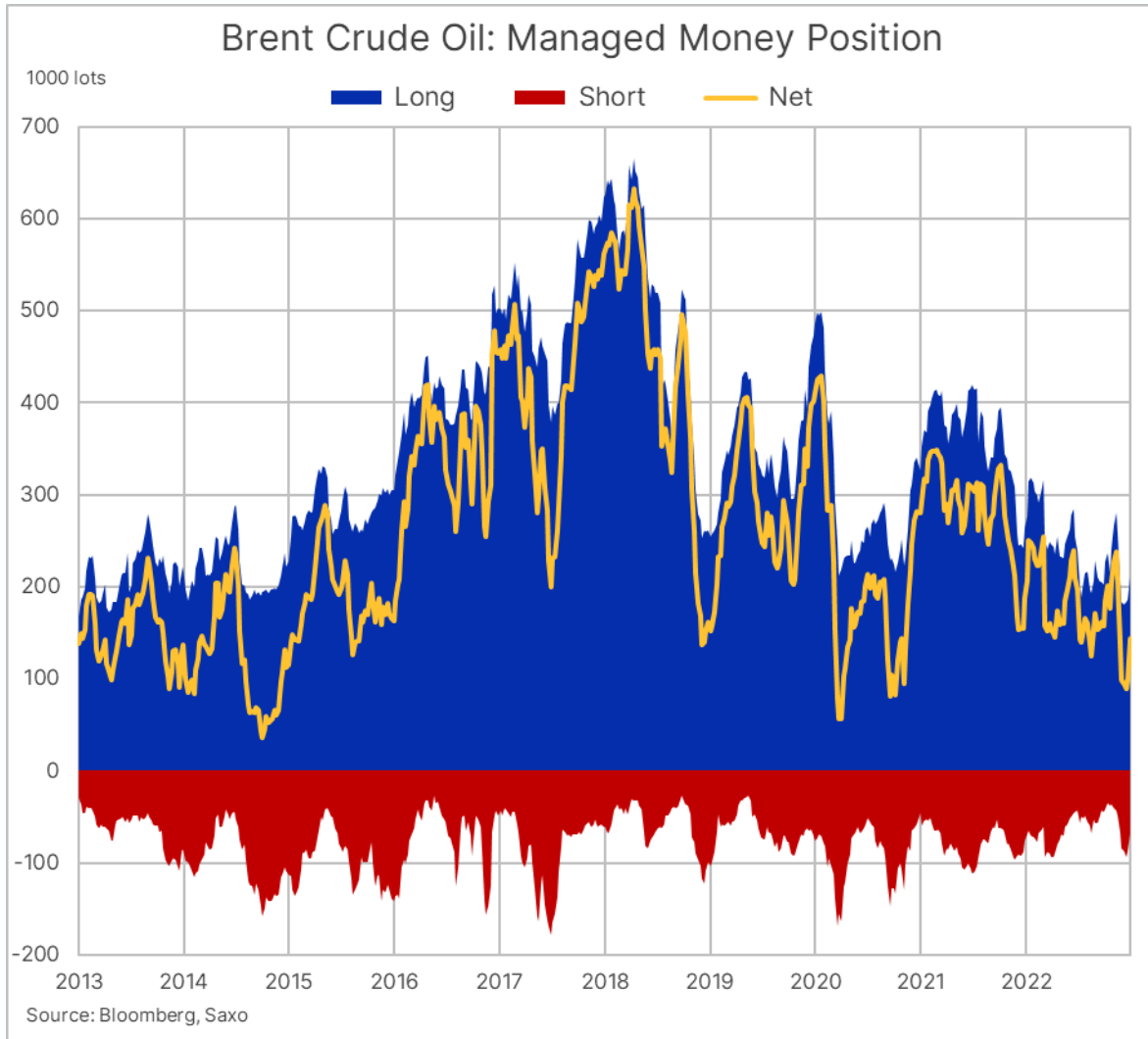
Source: Bloomberg, Saxo Group

# Hedge funds loaded up on commodities ahead of yearend

Week to Tuesday: 27-Dec-22	Leveraged Fund Positions							Trend	One-year Position Extremes			Price change Pct
	Long	Change	Short	Change	Net	Change	Change Pct		High	Low	Relative to max	
WTI Crude (CME)	231,788	-33	36,379	-6,859	195,409	6,826	4%		311,596	153,403	63%	4.3%
Brent Crude (ICE)	211,159	25,306	67,456	-18,864	143,703	44,170	44%		254,794	89,393	56%	5.2%
Gas Oil (ICE)	73,109	8,283	15,393	-1,287	57,716	9,570	20%		147,973	38,039	39%	11.8%
RBOB Gasoline	54,103	-1,729	3,204	-2,433	50,899	704	1%		81,140	45,486	63%	6.1%
NY Harbor ULSD	30,506	1,064	10,359	438	20,147	626	3%		34,234	8,809	59%	9.4%
NatGas (4 contr.)	170,243	-2,250	229,057	20,534	-58,814	-22,784	63%		201,000	-85,849	-69%	-1.9%
Gold	123,337	-684	56,005	-9,564	67,332	8,880	15%		175,694	-41,300	38%	-0.1%
Silver	45,725	-1,068	15,538	-1,260	30,187	192	1%		49,248	-24,632	61%	-0.2%
Platinum	27,617	-504	9,427	-1,146	18,190	642	4%		26,076	-20,296	70%	1.2%
Palladium	1,928	113	3,351	-317	-1,423	430	-23%		895	-2,826	-50%	5.4%
HG Copper	49,927	2,964	34,933	2,359	14,994	605	4%		42,249	-26,497	35%	1.1%
Soybeans	151,222	5,215	22,606	168	128,616	5,047	4%		180,334	65,738	71%	0.6%
Soybean Meal	133,536	9,146	3,547	420	129,989	8,726	7%		129,989	35,923	100%	-0.3%
Soybean Oil	77,360	3,882	11,773	-3,575	65,587	7,457	13%		110,371	14,908	59%	2.4%
Corn	214,313	34,077	54,998	-11,423	159,315	45,500	40%		384,101	113,815	41%	3.5%
Wheat (CBOT)	55,456	-519	111,668	-3,618	-56,212	3,099	-5%		26,586	-63,382	-89%	3.2%
Wheat (KCBT)	28,963	-60	27,112	-666	1,851	606	49%		51,813	1,245	4%	3.8%
Sugar	298,551	16,070	40,535	-913	258,016	16,983	7%		258,016	-22,228	100%	-1.3%
Cocoa	67,243	12,203	48,600	-6,924	18,643	19,127	-3952%		42,254	-44,435	44%	5.4%
Coffee	31,424	757	44,772	-636	-13,348	1,393	-9%		60,133	-22,491	-59%	-0.5%
Cotton	37,457	-590	21,476	-4,067	15,981	3,477	28%		80,862	5,443	20%	-4.1%
Live Cattle	106,434	9,628	26,683	-4,658	79,751	14,286	22%		86,061	12,085	93%	1.5%
Feeder Cattle	10,092	500	10,378	-852	-286	1,352	-83%		7,326	-9,796	-3%	0.2%
Lean Hogs	63,284	7,976	11,036	-7,886	52,248	15,862	44%		79,242	10,563	66%	8.6%
<b>Total</b>	<b>2,294,777</b>		<b>916,286</b>		<b>1,378,491</b>	<b>192,776</b>	<b>16%</b>		<b>2,233,521</b>	<b>848,638</b>	<b>62%</b>	

Source: CFTC, ICE, Bloomberg and Saxo Group

# Brent crude length jumped the most in 17 months



# Earnings Watch

**Thursday: Walgreens Boots Alliance**, Conagra Brands, Lamb Weston, Constellation Brands, RPM International

**Friday: Naturgy Energy**

In Millions of USD	2019 Y	2020 Y~	2021 Y	2022 Y	Current/LTM	2023 Y Est	2024 Y Est
12 Months Ending	08/31/2019	08/31/2020	08/31/2021	08/31/2022	08/31/2022	08/31/2023	08/31/2024
Market Capitalization	45,834.9	32,910.2	43,917.7	30,314.3	32,216.8		
- Cash & Equivalents	1,023.0	469.0	1,193.0	2,472.0	2,472.0		
+ Preferred & Other	639.0	498.0	721.0	5,133.0	5,133.0		
+ Total Debt	18,240.0	40,635.0	34,402.0	36,413.0	36,413.0		
Enterprise Value	63,690.9	73,574.2	77,847.7	69,388.3	71,290.8		
Revenue, Adj	120,074.0	121,982.0	132,509.0	132,703.0	132,703.0	133,359.1	139,083.9
Growth %, YoY	-8.7	1.6	8.6	0.1	0.1	0.5	4.3
Gross Profit, Adj	28,275.0	26,151.0	28,077.0	28,265.0	28,264.0	28,086.8	28,967.0
Margin %	23.5	21.4	21.2	21.3	21.3	21.1	20.8
EBITDA, Adj	7,547.0	8,984.0	8,894.0	8,631.0	8,899.0	6,059.0	6,640.7
Margin %	6.3	7.4	6.7	6.5	6.7	4.5	4.8
Net Income, Adj	4,582.4	3,248.7	2,737.9	4,380.5	3,558.1	3,872.5	4,119.2
Margin %	3.8	2.7	2.1	3.3	2.7	2.9	3.0
EPS, Adj	4.97	3.69	3.17	5.06	4.11	4.48	4.77
Growth %, YoY	-7.2	-25.6	-14.3	59.8	13.8	-11.5	6.5
Cash from Operations	5,594.0	5,484.0	5,555.0	3,899.0	3,899.0		
Capital Expenditures	-1,702.0	-1,374.0	-1,379.0	-1,734.0	-1,734.0	-1,696.7	-1,676.1
Free Cash Flow	3,892.0	4,110.0	4,176.0	2,165.0	2,165.0	2,905.7	3,419.7



Source: Bloomberg

Source: Saxo

# Macro – calendar highlights

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

0815-0900 – Eurozone Final Manufacturing PMI

**UK Markets Closed**

**US Markets Closed**

0145 – China Dec. Caixin Manufacturing PMI

## Upcoming Calendar Highlights (all times GMT)

**TUE:** Germany Dec. CPI

**WED:** US Dec. ISM Manufacturing, **US FOMC Minutes**

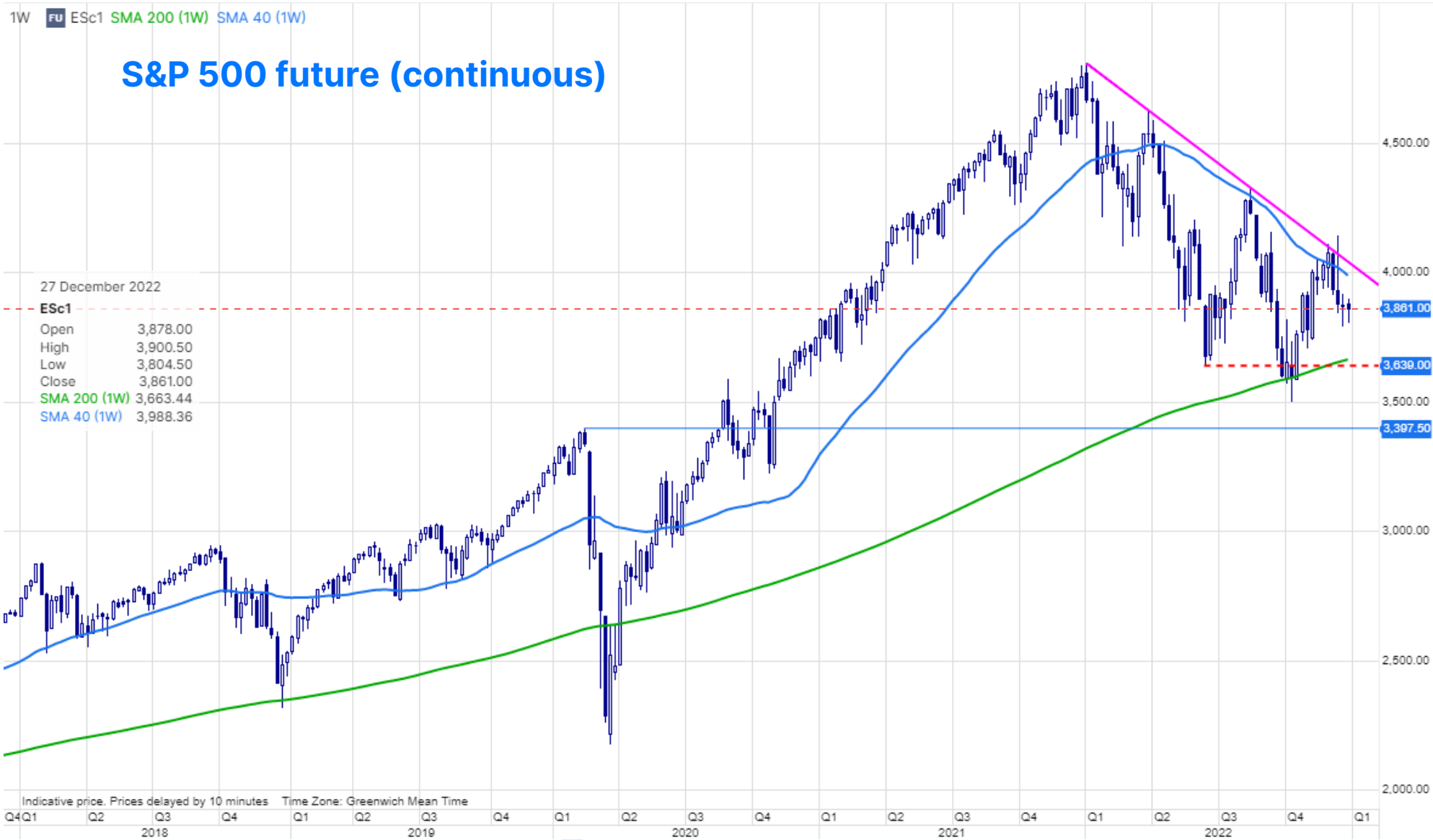
**THU:** China Dec. Caixin Services PMI, US Dec. ADP Payrolls Change, US Nov. Trade Balance

**FRI:** Eurozone Dec. CPI, Canada Dec. Employment Data,

**US Dec. Average Hourly Earnings, US Dec. Nonfarm Payrolls Change, US Dec. Unemployment Rate, US Dec. ISM Services**



# Appendix: 5-year chart of SPY (S&P 500 index ETF)



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

Saxo TraderGO

TRADING **RESEARCH** ACCOUNT

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CFD US 30 Wall Street

34,581.20 USD

D -0.07% M 1.52% Y 35.75%

CFD US Tech 100 NAS

13,674.79 USD

D -0.02% M -2.10% Y 42.48%

CFD US 500

4,206.67 USD


D -0.05% M -0.11% Y 37.68%

CFD Germany 30

15,591.67 EUR


D -0.03% M 2.62% Y 30.62%

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