The Saxo Market Call podcast - Tuesday, February 22, 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.

Join our fixed income webinar today at 13:00 CET

Webinar

Fixed Income Update and Federal Reserve Take-aways

Want to learn more about the latest moves in global bond markets? Timed to coincide with announcements from the Federal Reserve, join our Senior Fixed Income Strategist, Althea Spinozzi, as she explores bond market trends across developed and emerging markets, the read-across to other asset classes, as well as different strategies you can use to trade both corporate and government bonds.

Date:	**Tue, 22 Feb 2022**
Your time:	**13:00 (UTC+01)**
Host:	**Althea Spinozzi, Saxo**

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Putin recognizes self-proclaimed republics in Eastern Ukraine....

Source: Saxo Group

Saxo equity themes performance overview

Sorted on one-day return

Theme	1D	MTD	YTD	1Y	5Y
China Consumer & Technology	1.9	0.7	-4.0	-29.5	282.2
Bubble Stocks	0.3	-5.2	-24.7	-55.7	772.9
Cyber Security	0.1	-1.5	-11.7	2.3	256.0
Cannabis	0.0	4.4	-13.4	-61.3	143.1
Logistics	-0.2	3.1	-3.7	24.1	160.9
MSCI World (USD)	-0.3	-2.6	-7.8	7.5	76.6
India (GDRs)	-0.3	-1.5	-2.3	6.0	104.7
Payments	-0.3	-10.0	-17.1	-34.6	171.5
Mega Caps	-0.4	-3.5	-6.8	7.2	232.2
NextGen Medicine	-0.5	-8.1	-23.9	-42.4	509.8
Commodity Sector	-0.5	2.6	5.6	13.9	126.8
Women in Leadership	-0.6	-1.9	-8.9	-5.9	202.7
Travel	-0.6	6.6	7.6	3.4	44.7
3D Printing	-0.6	1.3	-5.1	-47.7	57.1
Financial Trading	-0.7	-2.3	-9.2	1.7	198.7
Semiconductors	-0.8	-2.7	-14.5	1.5	310.7
Defence	-1.0	2.4	0.1	8.3	59.7
MSCI EM (USD)	-1.0	1.0	-0.9	-12.9	46.0
E-commerce	-1.0	-13.4	-26.0	-55.9	262.3
Gaming	-1.1	-2.2	-5.9	-33.0	283.5
Green Transformation	-1.1	-2.0	-16.8	-22.9	699.9
Crypto & Blockchain	-1.3	0.2	-23.5	-57.7	NA
Battery	-1.4	-0.5	-9.8	-10.6	421.1

Source: Bloomberg and Saxo Group

Stocks to watch today…

- **HSBC** – Q4 earnings disappoint a bit and the bank is increasing provisions on Chinese real estate loans. Sees significant wage pressures.
- **Russian exposure** – companies with high degree of revenue exposure to Russia could see downward pressure today.
- **Alibaba** – under pressure in HK trading on news that Chinese banks must report exposure to Ant Group.

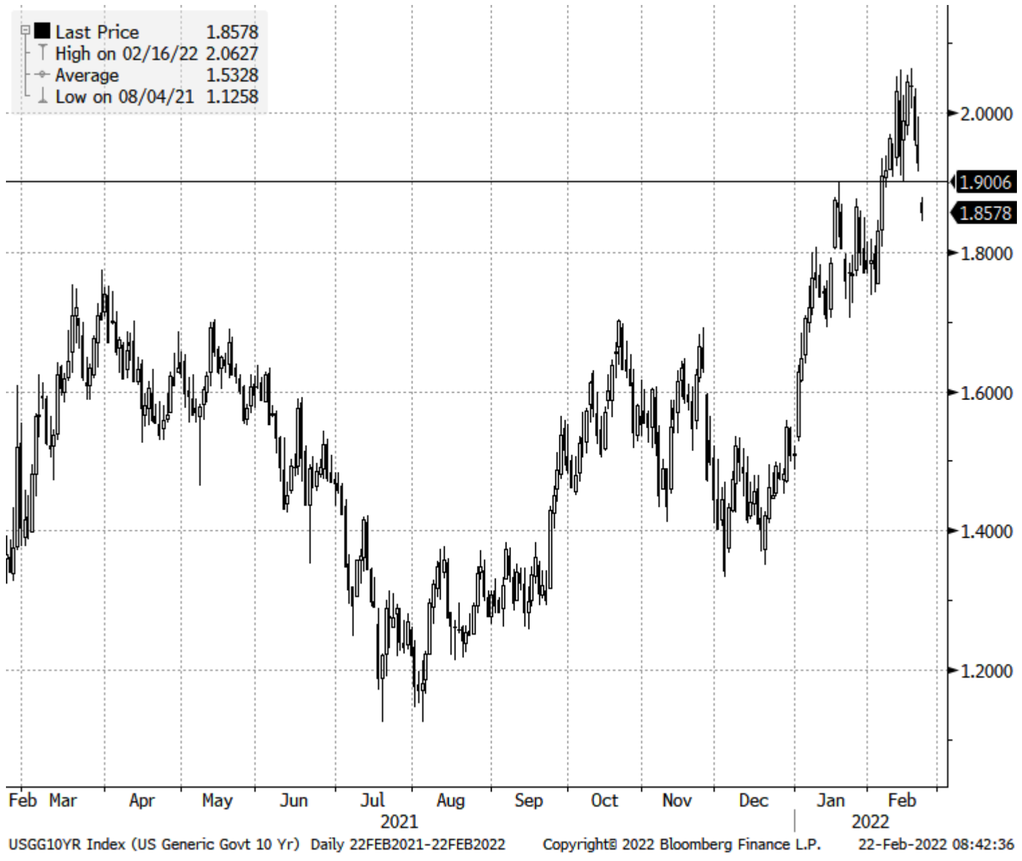
Companies with high exposure to Eastern Europe →

Name	Wgt	Market Cap↓	Eastern Europe Geo Seg Rev %:Y
		<Enter Filter>	
Investable Universe (44)	100.0%	37.48B	38.63
AIRBUS SE	10.8%	88.15B	37.37
GAZPROM PJSC-SPON ADR	9.2%	75.04B	52.54
ROSNEFT OIL CO PJSC-REGS …	6.8%	55.31B	31.52
SBERBANK PJSC -SPONSORE…	6.2%	51.03B	96.56
LUKOIL PJSC-SPON ADR	5.7%	46.78B	18.48
NOVATEK PJSC-SPONS GDR R…	5.7%	46.37B	46.11
HENKEL AG & CO KGAA	3.7%	30.63B	15.25
HENKEL AG & CO KGAA VOR-…	3.7%	30.63B	15.25
TESCO PLC	3.2%	26.42B	18.52
CARLSBERG-A	2.4%	19.98B	25.01
CARLSBERG AS-B	2.4%	19.98B	25.01
POLYUS PJSC-REG S-GDR	2.4%	19.63B	100.00
FERROVIAL SA	2.2%	17.94B	29.60
OMV AG	2.1%	17.25B	23.59
NORSK HYDRO ASA	1.9%	15.84B	10.14
SEVERSTAL - GDR REG S	1.8%	14.40B	65.94
STORA ENSO OYJ-A SHS	1.7%	14.20B	13.36
STORA ENSO OYJ-R SHS	1.7%	14.20B	13.36
TELIA CO AB	1.7%	14.17B	11.56
STORA ENSO OYJ-A SHS	1.7%	14.17B	13.36
STORA ENSO OYJ-R SHS	1.7%	14.17B	13.36
JERONIMO MARTINS	1.5%	12.33B	69.79
SURGUTNEFTEGAS-SP ADR	1.5%	12.22B	26.03
TATNEFT PAO-SPONSORED AD…	1.4%	11.39B	55.87
MONDI PLC	1.4%	11.17B	34.50
TELE2 AB-B SHS	1.0%	8.36B	20.01
TELE2 AB -A SHS	1.0%	8.36B	20.01
HELLENIC TELECOMMUN ORGA…	1.0%	8.02B	10.75
KINGFISHER PLC	1.0%	8.01B	16.05
ROCKWOOL INTL A/S-B SHS	0.9%	7.59B	18.20
ROCKWOOL INTL A/S-A SHS	0.9%	7.59B	18.20
MAGNITOGORS-SPON GDR RE…	0.9%	7.13B	83.00
PHOSAGRO PJSC-GDR REG S	0.8%	6.94B	29.16
ACRON JSC-SPONS REG S GDR	0.8%	6.49B	21.40
WAREHOUSES DE PAUW SCA	0.8%	6.35B	16.37
POLYMETAL INTERNATIONAL …	0.7%	6.10B	42.41
EN+ GROUP INTERNA- GDR R…	0.7%	5.82B	49.89
MAGNIT PJSC-SPON GDR RE…	0.7%	5.63B	100.00

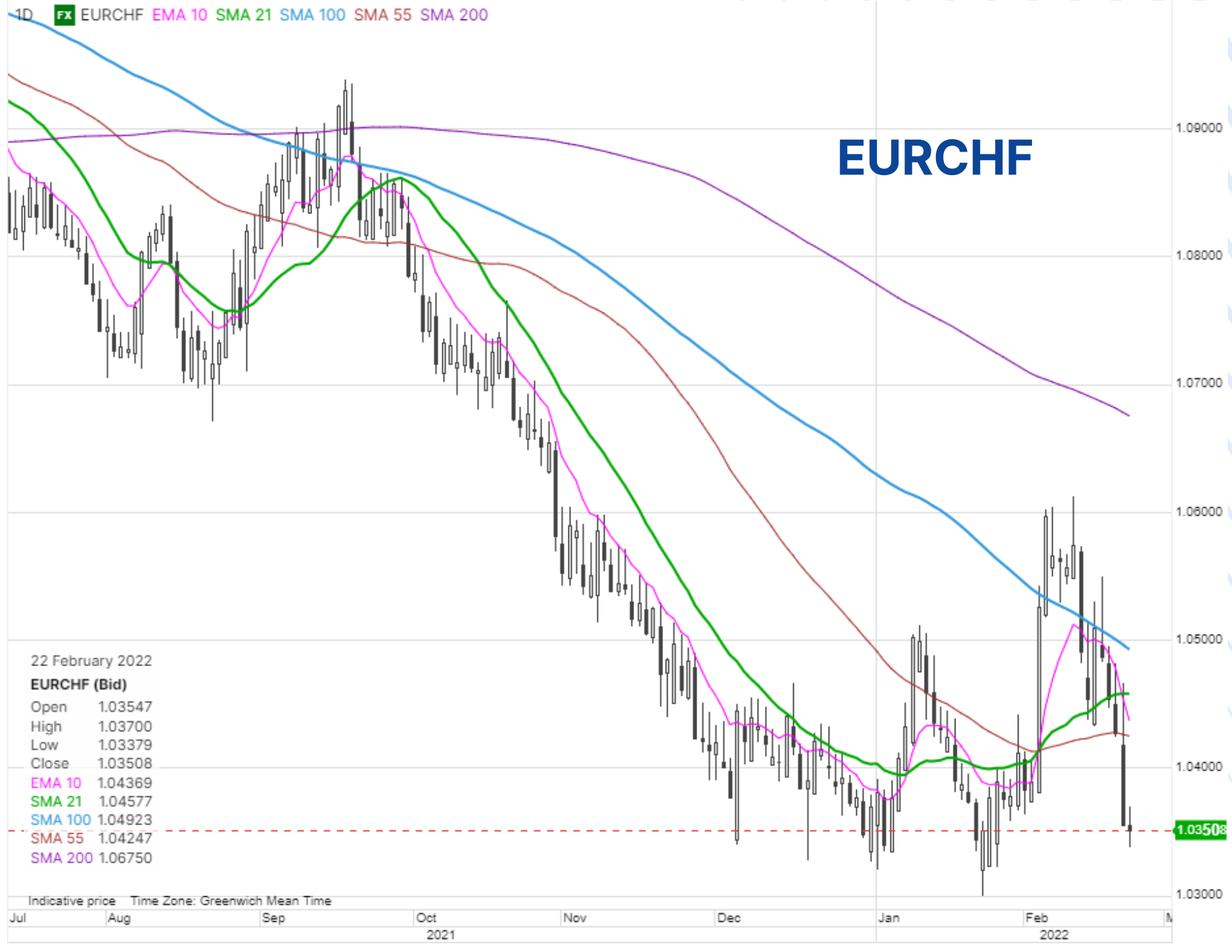
Source: Bloomberg

Safe haven seeking in US treasuries…EURCHF…..

US 10-yr Treasury yield



Source: Bloomberg



Source: Saxo Group

Credit markets are signaling problems

The HY-IG spread remains within pre-pandemic levels

Source: Bloomberg Barclays indexes and Saxo group.

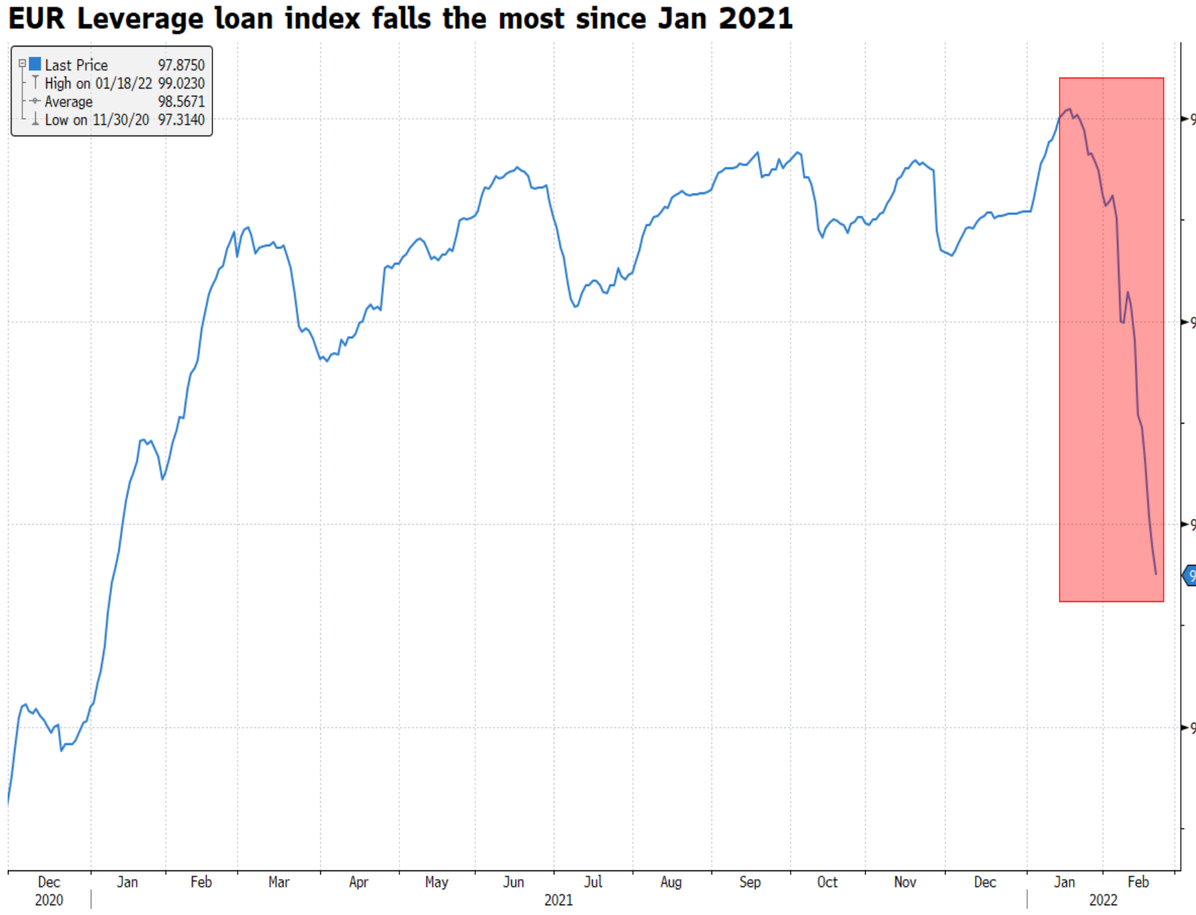
***Junk Bond Issuance Drought Stretches On**

*** Volatility Spills Into CLOs as Junk Coupons Rise, Deal Pulled**

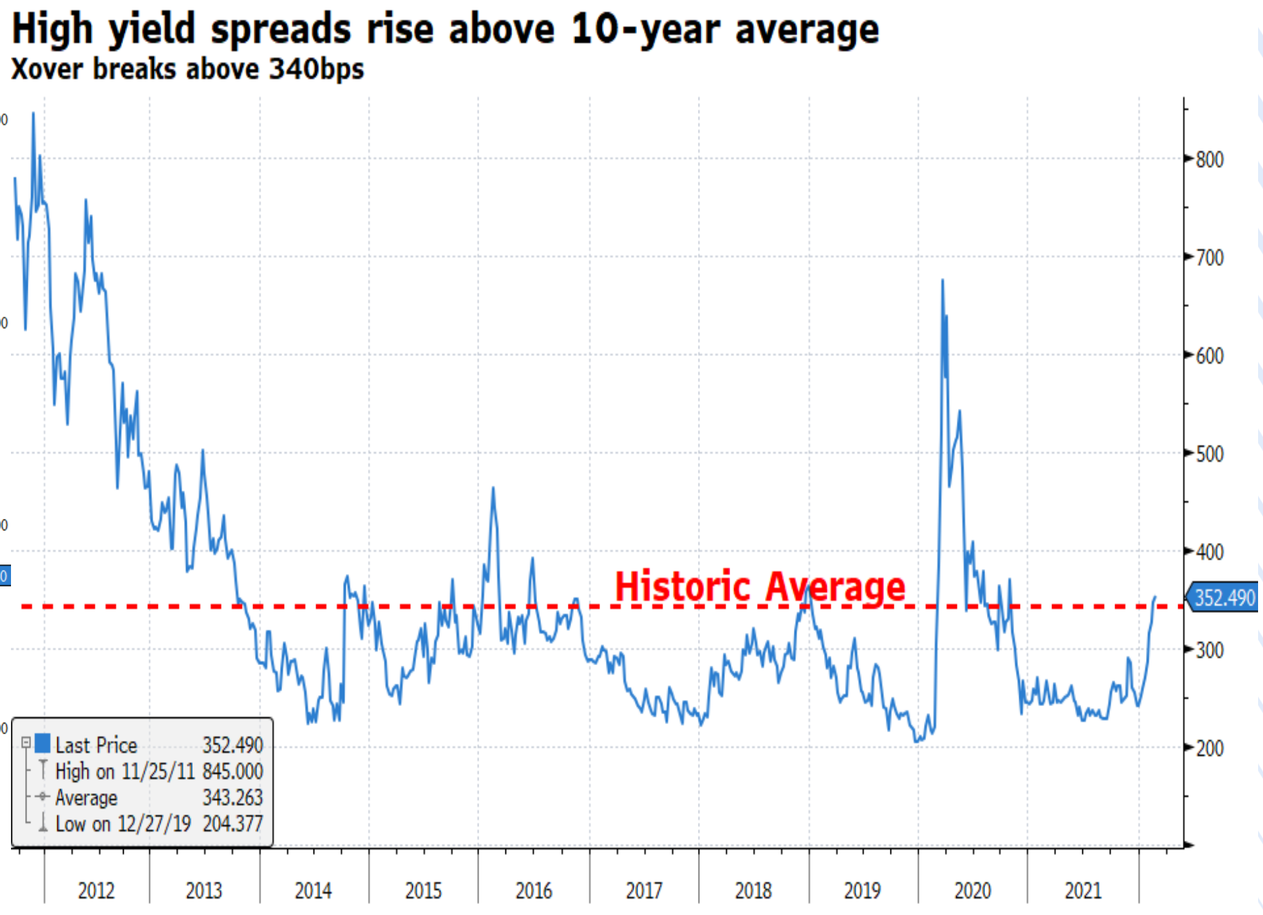
Leverage Loan US index fall to lowest since August 2021

Source: Bloomberg Barclays indexes and Saxo group.

Credit risk is rising also in the euro area despite deeply negative real yields



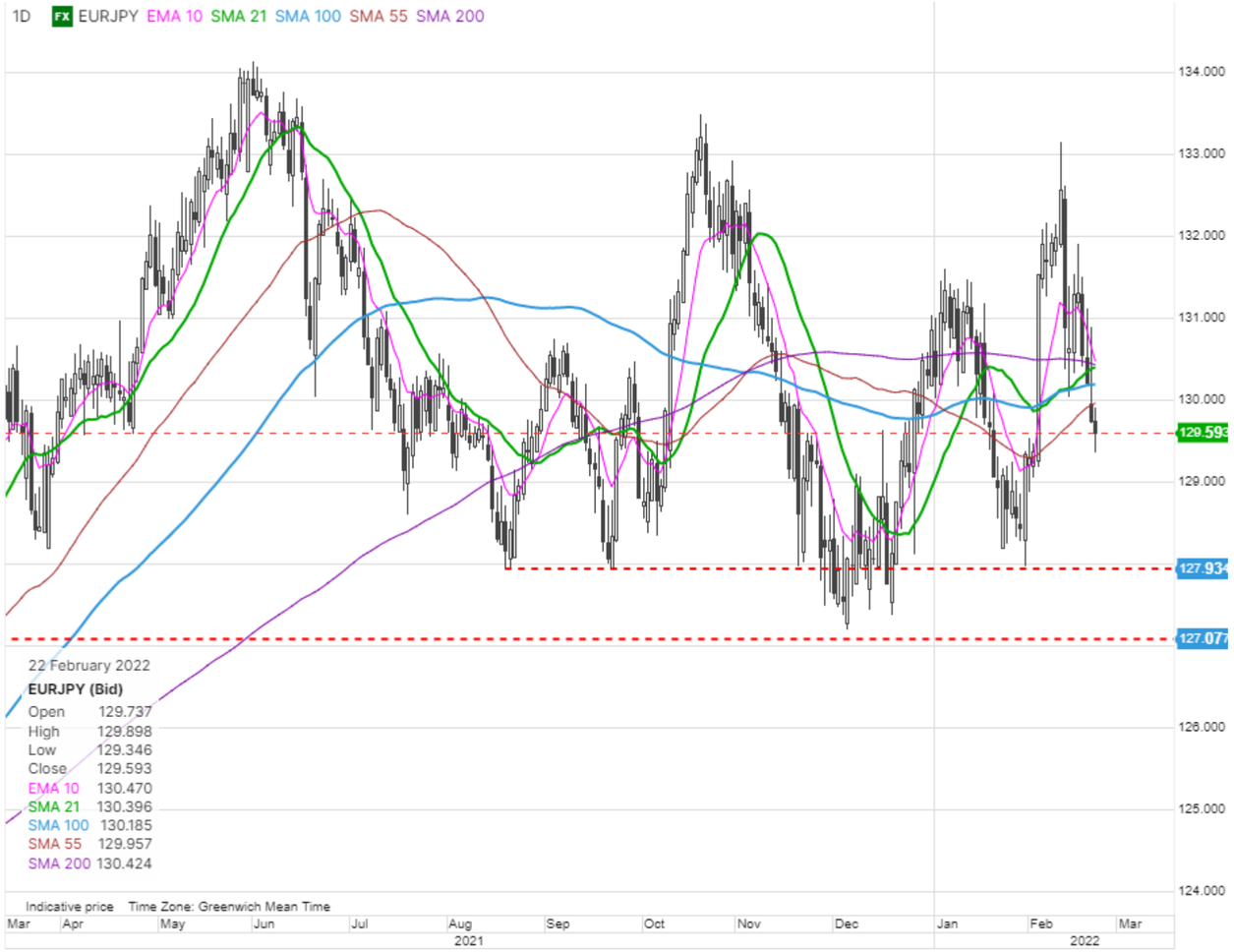
Source: Bloomberg Barclays indexes and Saxo group.



Source: Bloomberg Barclays indexes and Saxo group.

FX: Why is EURJPY not trading 125.00?

EURJPY



Source: Saxo Group

FX Board - Trend Evolution for G10 FX + CNH

Tuesday, February 22, 2022

Aggregate	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trends ->	-0.9	0.0	1.7	1.1	1.8	2.2	2.2	-1.4	1.6	-5.2	-3.5	7.4	3.9
2D Change	-0.9	0.1	-0.5	1.2	-0.2	1.9	0.4	-0.5	0.8	-1.5	-1.0	0.7	0.8
5D Change	-2.0	-0.8	-0.2	2.1	0.3	2.6	1.3	-1.1	3.1	-2.3	-3.0	2.5	1.5
↑ Momentum													

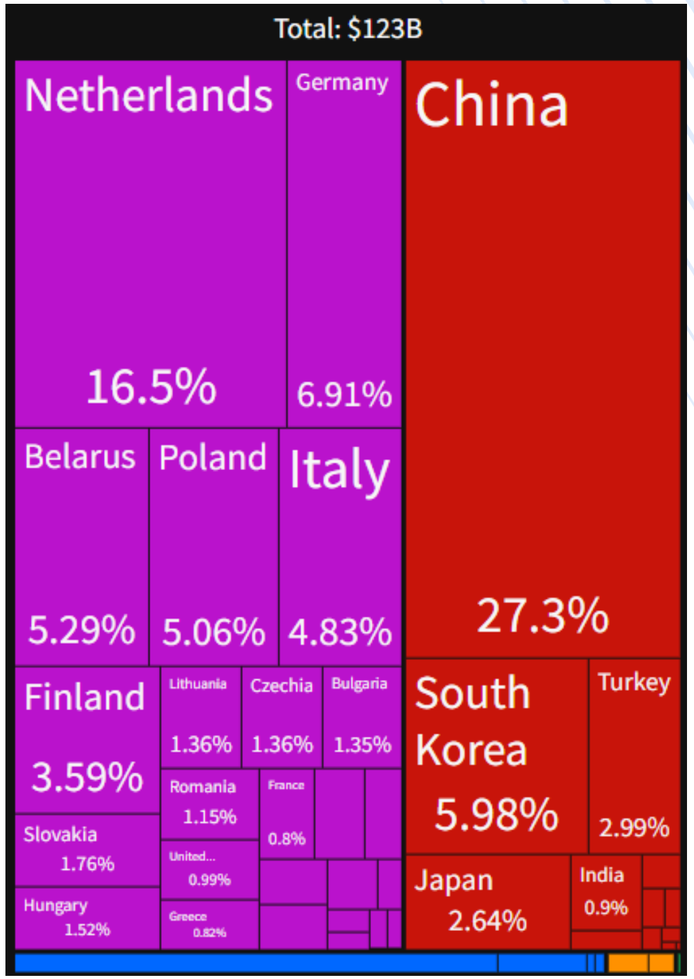
Trend readings for last five weeks

Date	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
22-Feb	-0.9	0.0	1.7	1.1	1.8	2.2	2.2	-1.4	1.6	-5.2	-3.5	7.4	3.9
21-Feb	-0.4	-0.1	2.2	0.6	2.1	1.4	2.0	-1.3	1.2	-4.7	-3.2	7.0	3.3
18-Feb	0.0	-0.1	2.2	-0.1	2.0	0.3	1.8	-1.0	0.7	-3.8	-2.5	6.7	3.1
17-Feb	0.5	-0.2	1.7	-0.6	1.9	0.1	1.7	-0.6	-0.2	-3.1	-1.5	6.1	2.6
16-Feb	0.9	0.2	1.9	-1.2	1.5	-0.3	1.5	-0.3	-0.9	-2.5	-0.9	4.8	2.2
15-Feb	1.2	0.9	1.9	-0.9	1.5	-0.4	0.9	-0.3	-1.5	-2.9	-0.5	4.9	2.4
14-Feb	1.3	1.1	1.3	-0.9	1.9	-0.3	0.8	-0.3	-1.5	-3.7	0.2	5.4	3.2
11-Feb	2.4	0.7	0.5	-1.7	1.8	-1.1	0.9	-0.7	-1.0	-2.6	0.6	3.7	2.0
10-Feb	3.6	0.2	0.0	-2.8	1.1	-1.5	1.1	-0.8	-1.1	-1.1	1.0	1.9	1.0
9-Feb	3.4	0.0	-0.3	-2.2	0.5	-1.5	0.4	-0.7	-2.0	1.4	0.9	1.6	0.6
8-Feb	3.9	0.2	-0.1	-1.8	1.0	-1.4	-0.6	-0.9	-3.1	1.3	1.5	1.0	-0.2
7-Feb	4.3	0.1	0.0	-1.2	1.0	-1.2	-1.6	-0.9	-3.8	1.4	2.3	0.2	-1.4
4-Feb	3.9	0.3	0.3	-1.0	1.6	-0.9	-2.1	-1.5	-4.0	1.0	2.6	-0.8	-2.8
3-Feb	1.9	0.0	0.2	-0.6	1.9	-0.2	-1.2	-0.7	-4.1	0.2	2.7	-1.3	-3.1
2-Feb	0.1	1.1	1.0	0.8	2.0	0.4	-1.0	0.2	-4.6	-1.6	1.8	-0.8	-2.3
1-Feb	-0.1	2.4	1.9	1.1	1.6	0.2	-1.5	0.8	-4.7	-2.9	1.3	-0.5	-2.2
31-Jan	-0.2	3.7	3.5	1.5	1.6	-0.2	-2.5	1.6	-5.5	-3.9	0.7	0.1	-2.0
28-Jan	-0.9	4.3	4.6	2.1	1.6	0.0	-3.1	1.8	-5.2	-4.9	0.2	0.8	-0.9
27-Jan	-1.0	3.2	4.4	2.0	0.9	0.0	-1.9	1.9	-4.5	-4.7	-0.3	1.7	1.0
26-Jan	-0.4	1.5	4.2	2.3	0.7	0.7	-1.1	1.8	-4.0	-4.6	-1.2	3.0	3.2
25-Jan	0.0	0.7	3.4	3.0	0.6	1.6	-1.0	1.9	-3.8	-4.6	-1.9	4.3	4.4
24-Jan	0.0	0.2	2.8	2.6	0.7	2.2	-1.0	2.2	-3.6	-4.7	-1.7	3.7	5.4
21-Jan	-0.7	-0.5	1.6	2.0	1.5	1.5	-0.4	3.2	-3.3	-4.3	-0.8	2.9	6.3
20-Jan	-1.3	-0.8	0.9	0.9	2.1	0.1	0.0	4.1	-2.4	-4.2	0.4	2.7	5.9
19-Jan	-0.9	-1.1	0.4	0.1	2.2	0.1	-1.1	3.8	-2.1	-2.5	1.0	1.9	4.0

Crude oil jumps as sanctions threat drives supply concerns

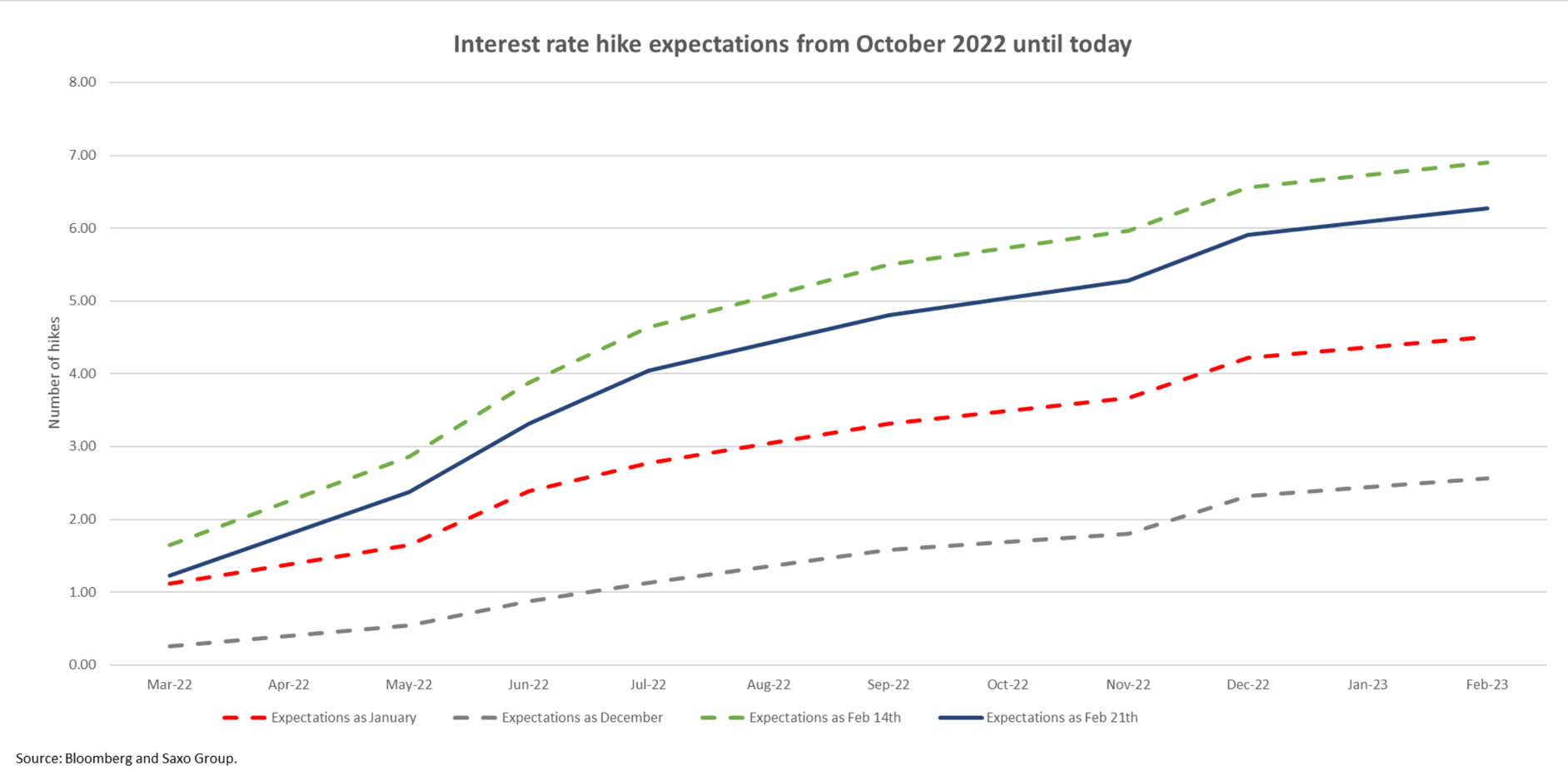
Source: Saxo Group

Russia's crude oil export (2019)



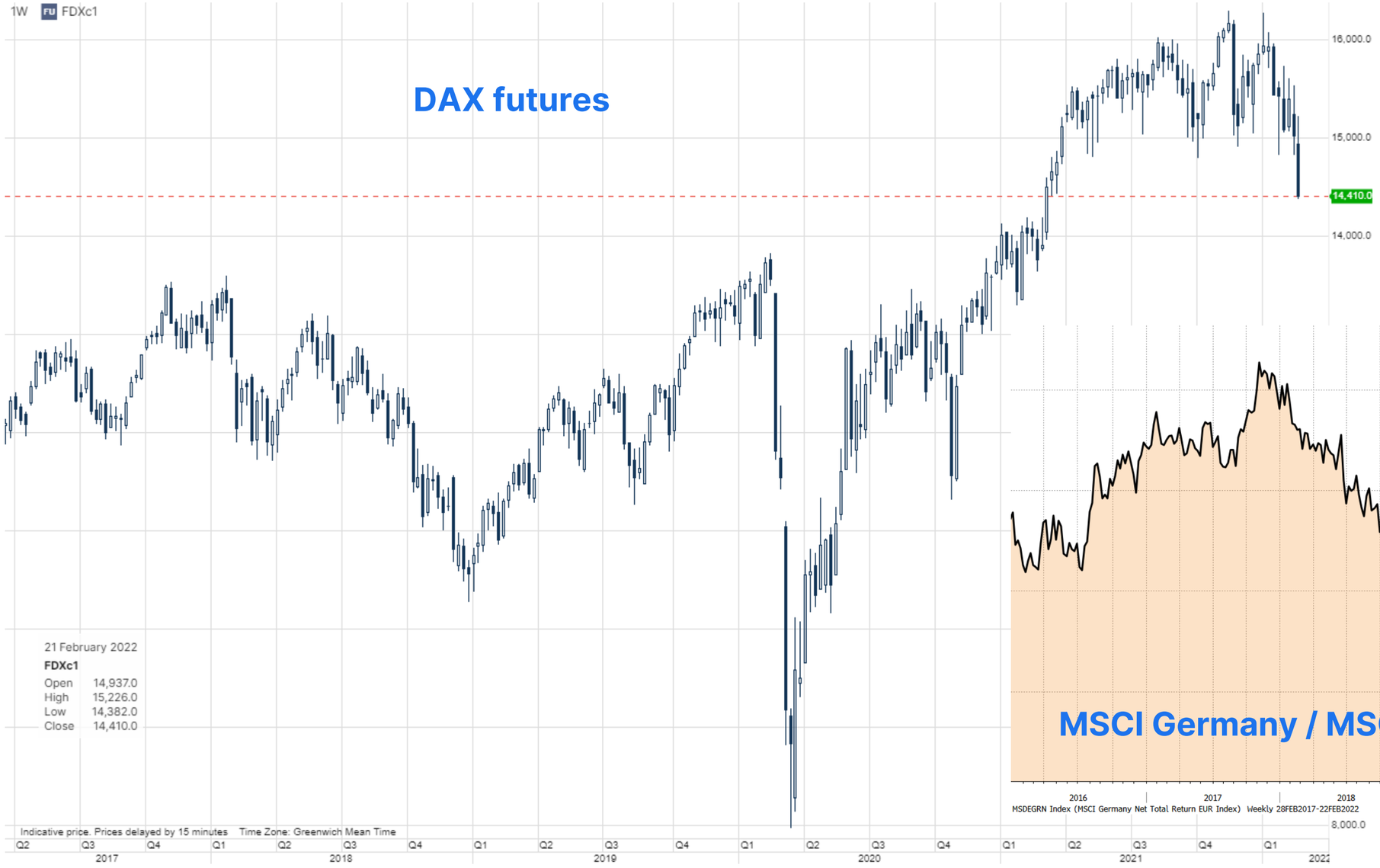
Source: OEC.World

Will the FED hike by 25bps or 50bps in the March meeting? It depends on market's expectations.



Source: Bloomberg and Saxo Group.

Germany’s position is bad news for German equities



Source: Saxo Group

Source: Bloomberg

Home Depot is expected to post solid Q4 earnings

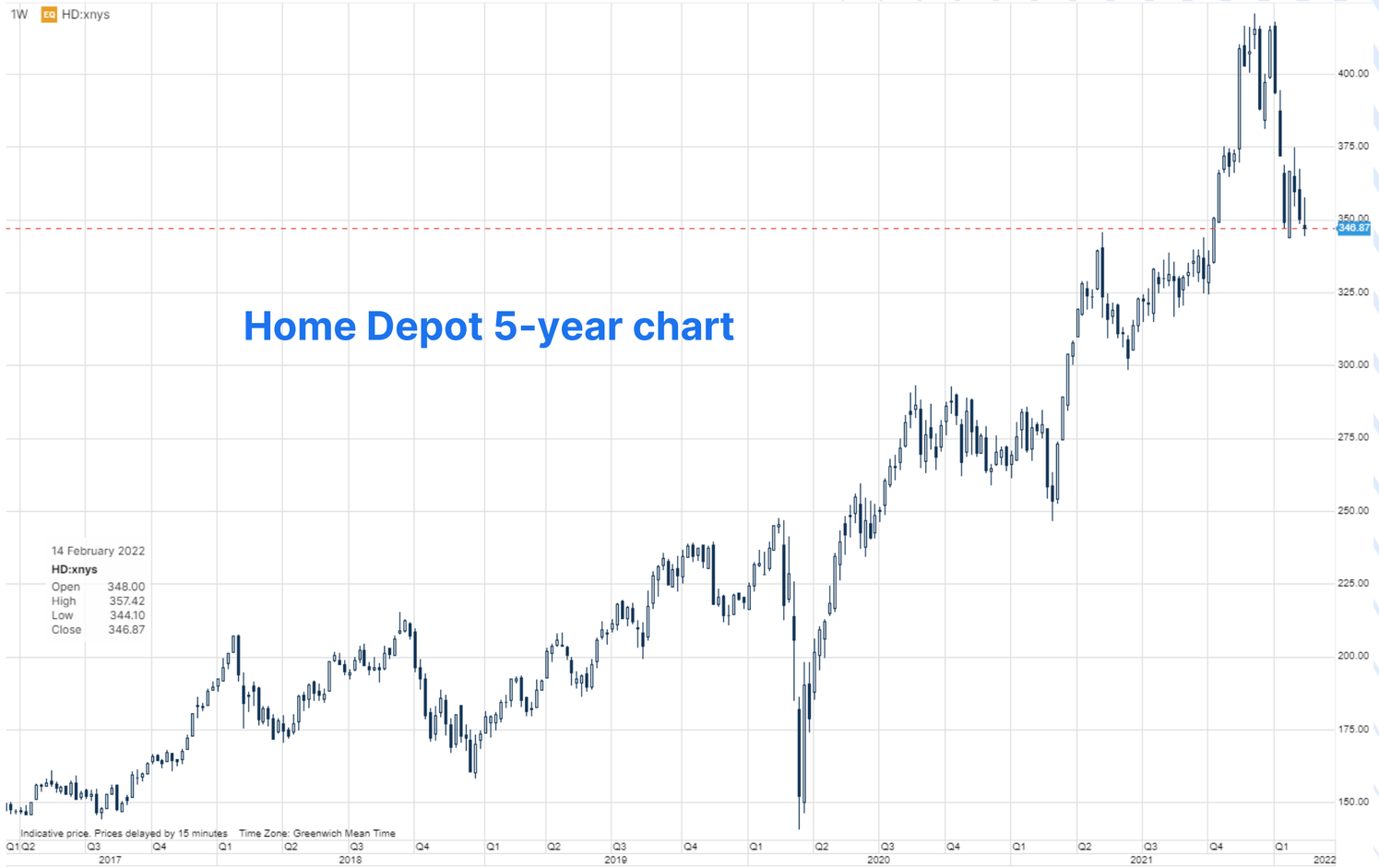
Today: Hang Seng Bank, **HSBC**, ASM International, Norsk Hydro, **Home Depot**, Medtronic, **MercadoLibre**, **Palo Alto Networks**, Agilent Technologies, Mosaic

Wednesday: **Rio Tinto**, **Danone**, Munich Reinsurance, **Barclays**, JDE Peet's, Iberdrola, Oversea-Chinese Banking, Lowe's, Booking, TJX, **Stellantis**, eBay

Thursday: Anheuser-Busch InBev, Royal Bank of Canada, Canadian Imperial Bank of Commerce, AXA, Safran, **Saint-Gobain**, Deutsche Telekom, Sun Hung Kai Properties, Hong Kong Exchanges & Clearing, Anglo American, Lloyds Banking Group, **BAE Systems**, **Alibaba Group**, **Intuit**, **NetEase**, EOG Resources, **Block** (formerly Square), **Moderna**, **Newmont**, Keurig, VMware, Autodesk, Dell Technologies, Monster Beverage, **Coinbase**, Zscaler

Friday: **BASF**, **Amadeus IT**, Holcim, Swiss Re, Sempra Energy, **Li Auto**

Saturday: **Berkshire Hathaway**



Macro – Calendar Highlights

Today's Calendar Highlights (all times GMT)

0900 – Germany Feb. IFO Survey

1300 – Hungary Central Bank Decision

1300 – Norway Norges Bank Governor Olsen to speak

1400 – US Dec. S&P CoreLogic House Price Index

1445 – US Feb. Preliminary Markit Manufacturing & Services PMI

1500 – US Feb. Conference Board Consumer Confidence

1500 – US Feb. Richmond Fed Manufacturing Survey

2030 – US Fed's Bostic (non-Voter) to speak

0030 – Australia Q4 Wage Price Index

0100 – RBNZ Official Cash Rate

0200 – RBNZ Governor Orr press conference

Upcoming Economic Calendar Highlights

WED: UK Bank of England Governor Bailey to testify

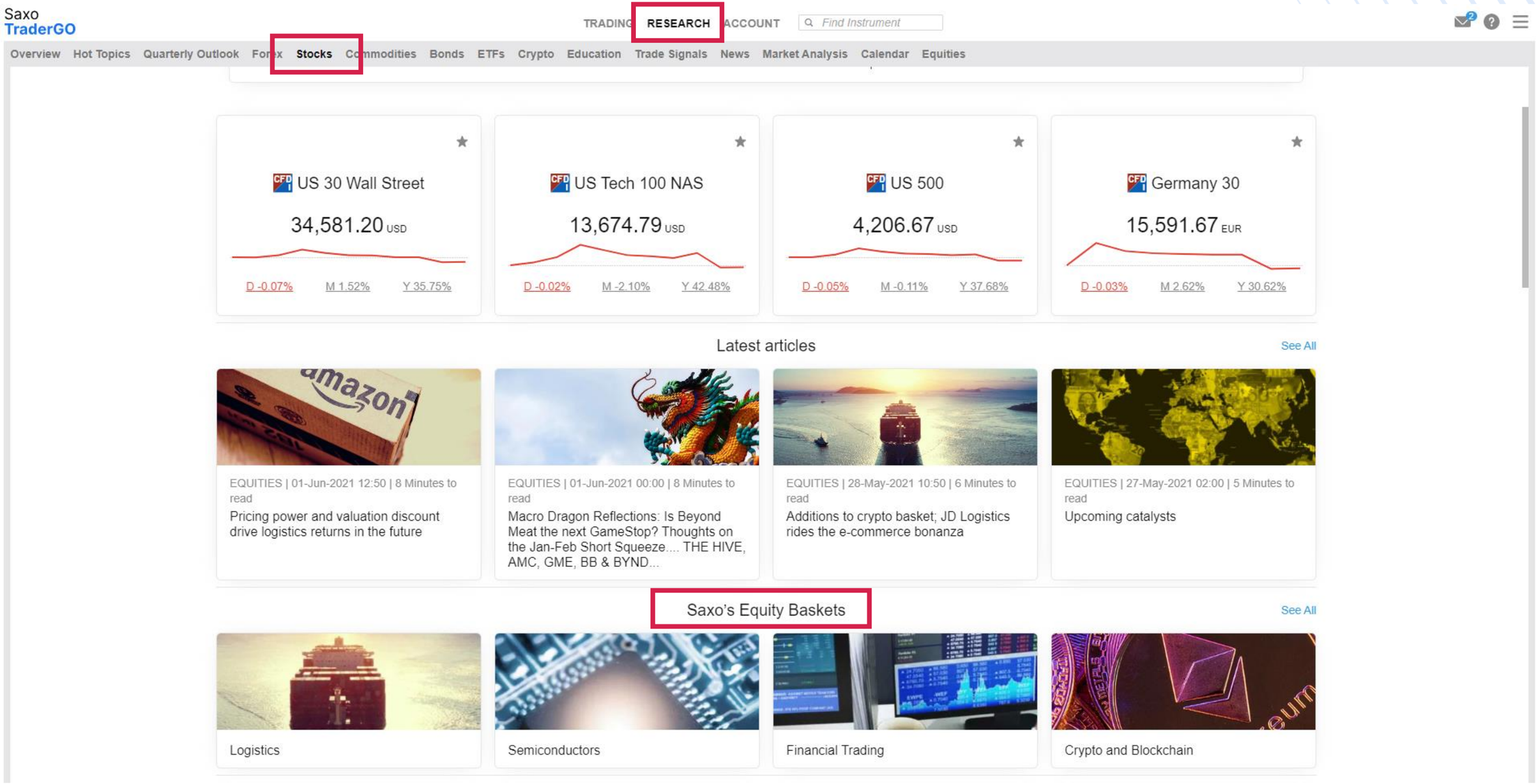
THU: US Q4 GDP Revision, US Jan. New Home Sales, US Fed's Mester (voter) to speak, UK Bank of England's Pill to speak

FRI: Euro zone Feb. Confidence Surveys, US Jan. Durable Goods Orders, **US Jan. PCE Inflation**, US Feb. Final University of Michigan Confidence

Appendix: 5-year chart of Nasdaq 100 futures

Source: Saxo Group

Appendix: Where do you find the equity theme baskets?



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