Saxo Market Call

Slide deck

Friday, April 4, 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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Ugly day for stocks as investors brace for recession

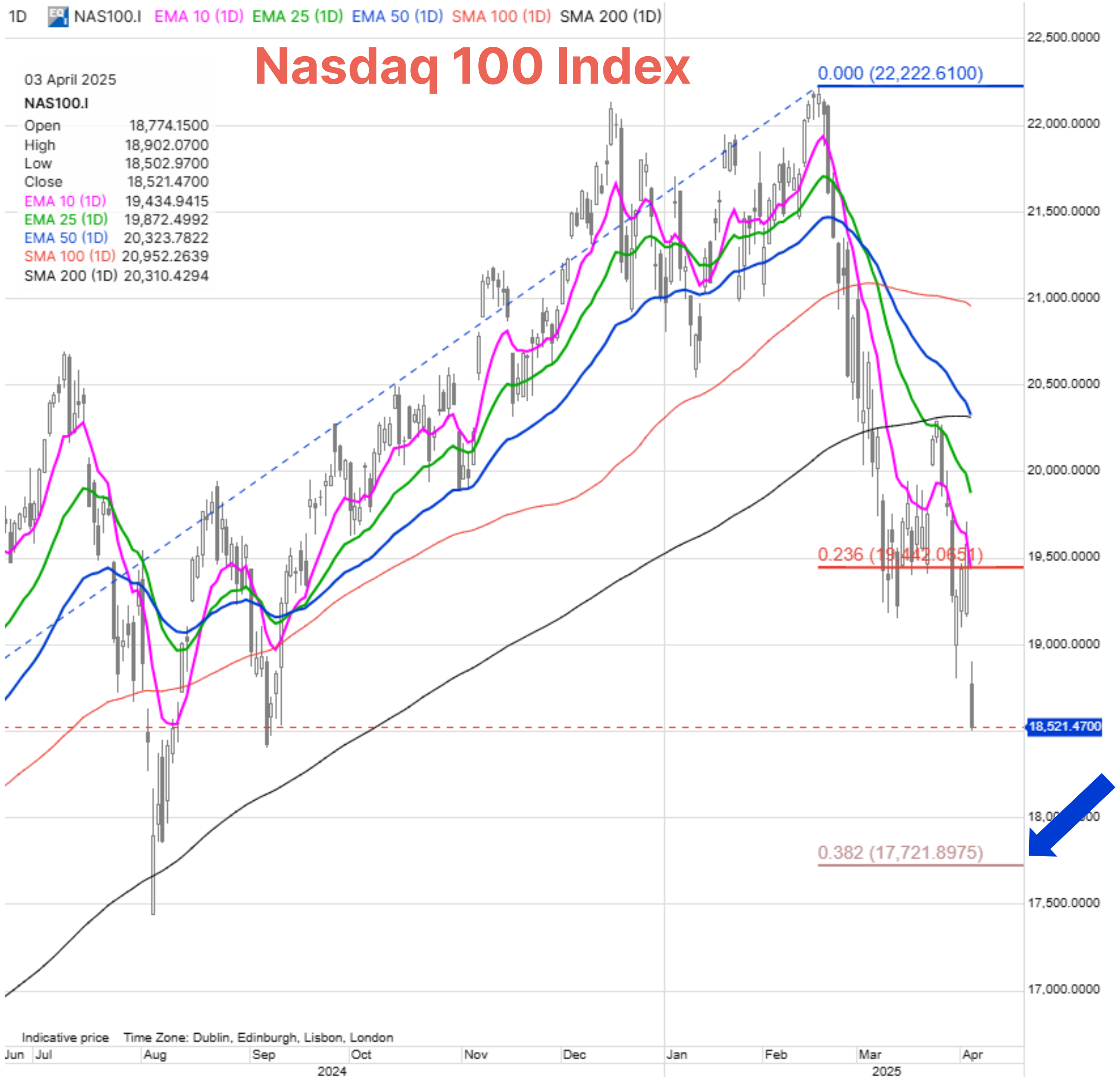
- **US suffers one of worst single trading days after Trump Liberation Day tariff announcements**

- **Market pricing four cuts from Fed this year. US 10-year slips below 4.00%**

- **Global yields crushed as US recession risks seeing some contagion.** UK 2-year yield fell 16 basis points yesterday, Japan's 2-year yield dropped 15 bps

- **Tariff-exposed US companies come in for a drubbing.** Dell down 19%, Nike down 14%, Apple down 9%, Amazon down 9%, Meta down 9% Restoration Hardware down 40%

- **Junk bonds:** 52 bps spread widening in Junk bonds vs. treasuries to 387 bps – worse than early Aug meltdown.



Source: Saxo

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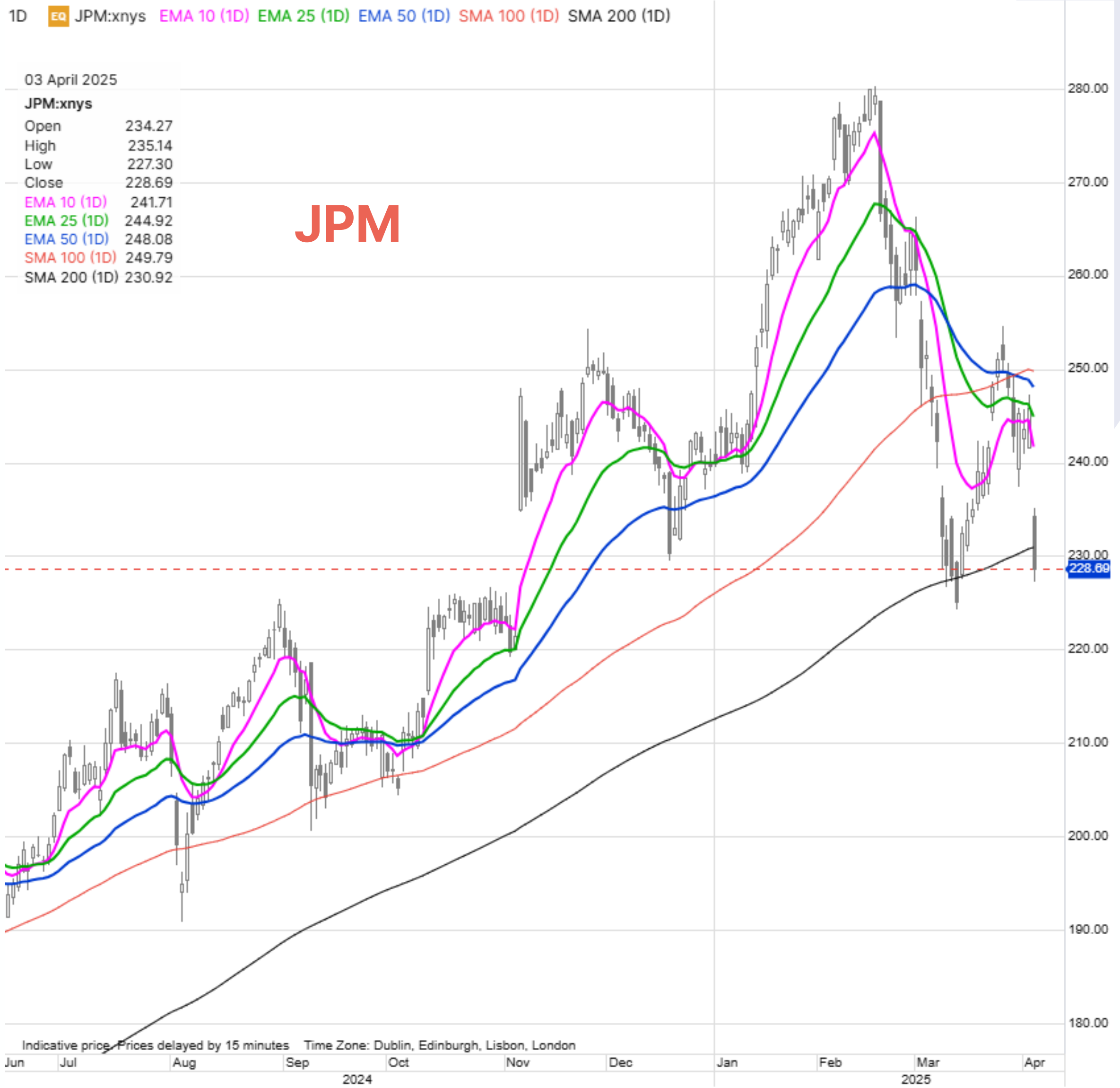
European stocks: overbaked for a global recession/strong EUR?

Source: Saxo

Earnings incoming this week...

This week

- **Wednesday**: Delta Airlines
- **Thursday**: Tesco, Progressive Corporation
- **Friday**: JP Morgan, Wells Fargo, Morgan Stanley, Blackrock, Bank of New York Mellon, Fastenal



Source: Saxo

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FX: Risk aversion showing up in AUD and SEK

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

Friday, April 4, 2025

Average	EUR	USD	CNH	JPY	GBP	CHF	AUD	CAD	NZD	SEK	NOK	XAU	XAG
Trend ->	4.1	-5.7	-5.9	1.8	-0.8	4.9	-8.5	-1.4	-5.0	8.8	6.2	6.0	-4.9
2D Change	2.9	-2.1	-0.3	2.9	-1.0	5.8	-3.7	1.0	-2.5	-0.7	-2.1	-3.2	-7.2
5D Change	2.5	-2.3	-1.7	3.3	-1.1	4.7	-3.7	1.8	-1.7	0.0	-2.1	-2.0	-9.0
ATR Ranking* ->	342	433	397	238	406	436	442	334	448	428	648	14	162

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

FX Board - Trend Scoreboard - Top Individual Pairs

Friday, April 4, 2025

Pair	Quote	Trend	Age(D)	Score	ATR*
AUDJPY	91.13	-1	49	-6.4	1.18
AUDNZD	1.0914	-1	22	-5.2	0.0045
AUDUSD	0.6241	-1	5	-1.7	0.0061
EURAUD	1.7727	1	26	12.2	0.0131
EURCAD	1.5610	1	28	5.5	0.0125
EURCHF	0.9459	1	22	-0.8	0.0063
EURGBP	0.8458	1	20	5.0	0.0042
EURJPY	161.54	1	19	1.1	1.76
EURNOK	11.479	-1	17	-3.2	0.082
EURSEK	10.851	-1	86	-7.5	0.073

Pair	Quote	Trend	Age(D)	Score	ATR*
EURUSD	1.1064	1	36	8.9	0.0093
GBPJPY	190.98	1	17	-1.3	1.97
GBPUSD	1.308	1	38	7.1	0.0092
NZDUSD	0.5719	1	21	0.5	0.0059
USDCAD	1.411	-1	9	-4.4	0.0103
USDCHF	0.855	-1	34	-11.0	0.0065
USDCNH	7.249	1	5	-0.8	0.028
USDJPY	146.01	-1	49	-6.5	1.49
XAGUSD	31.52	1	56	-2.5	0.78
XAUUSD	3103.9	1	62	9.3	40.5

Source: Saxo and Bloomberg

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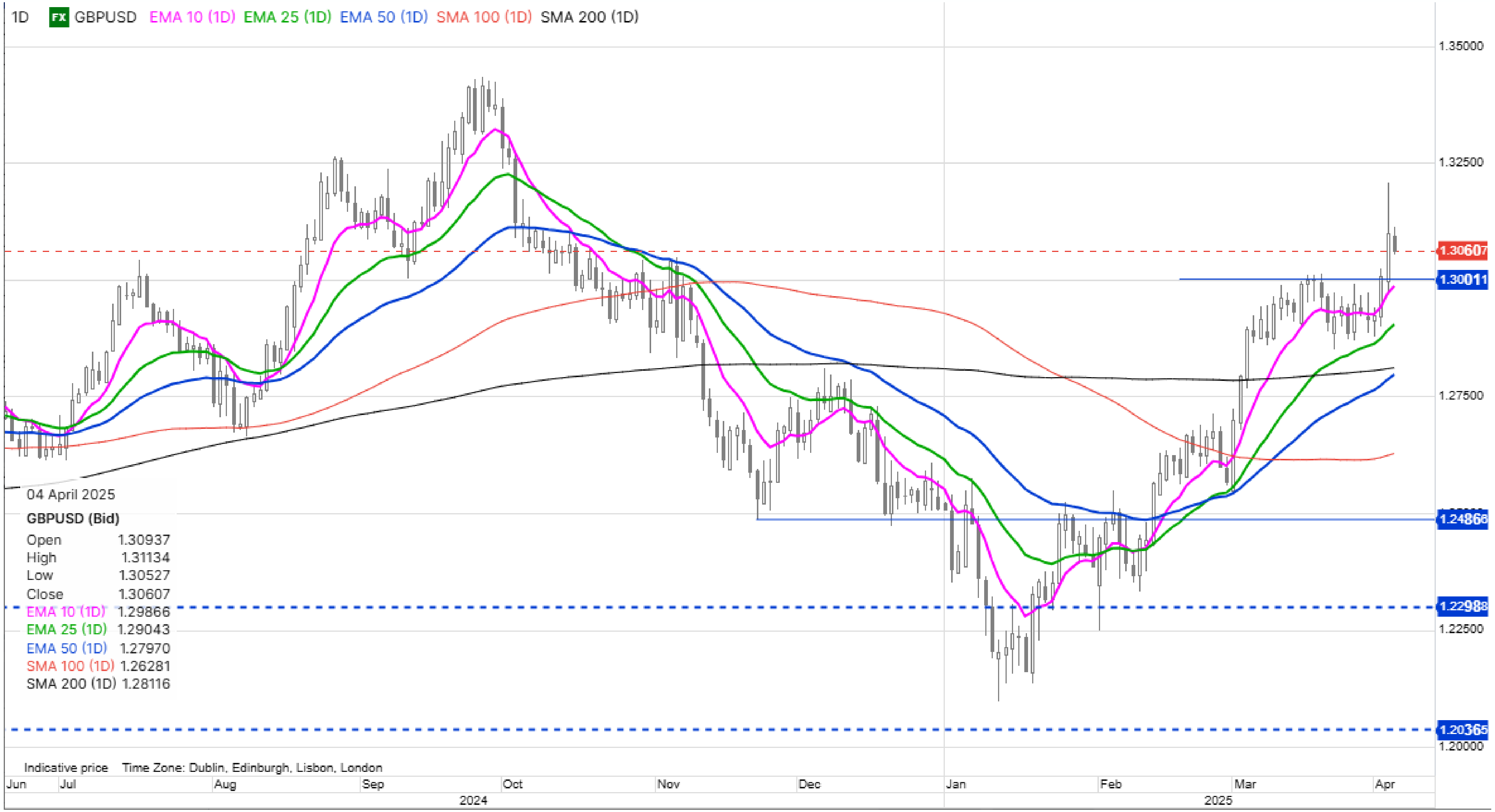
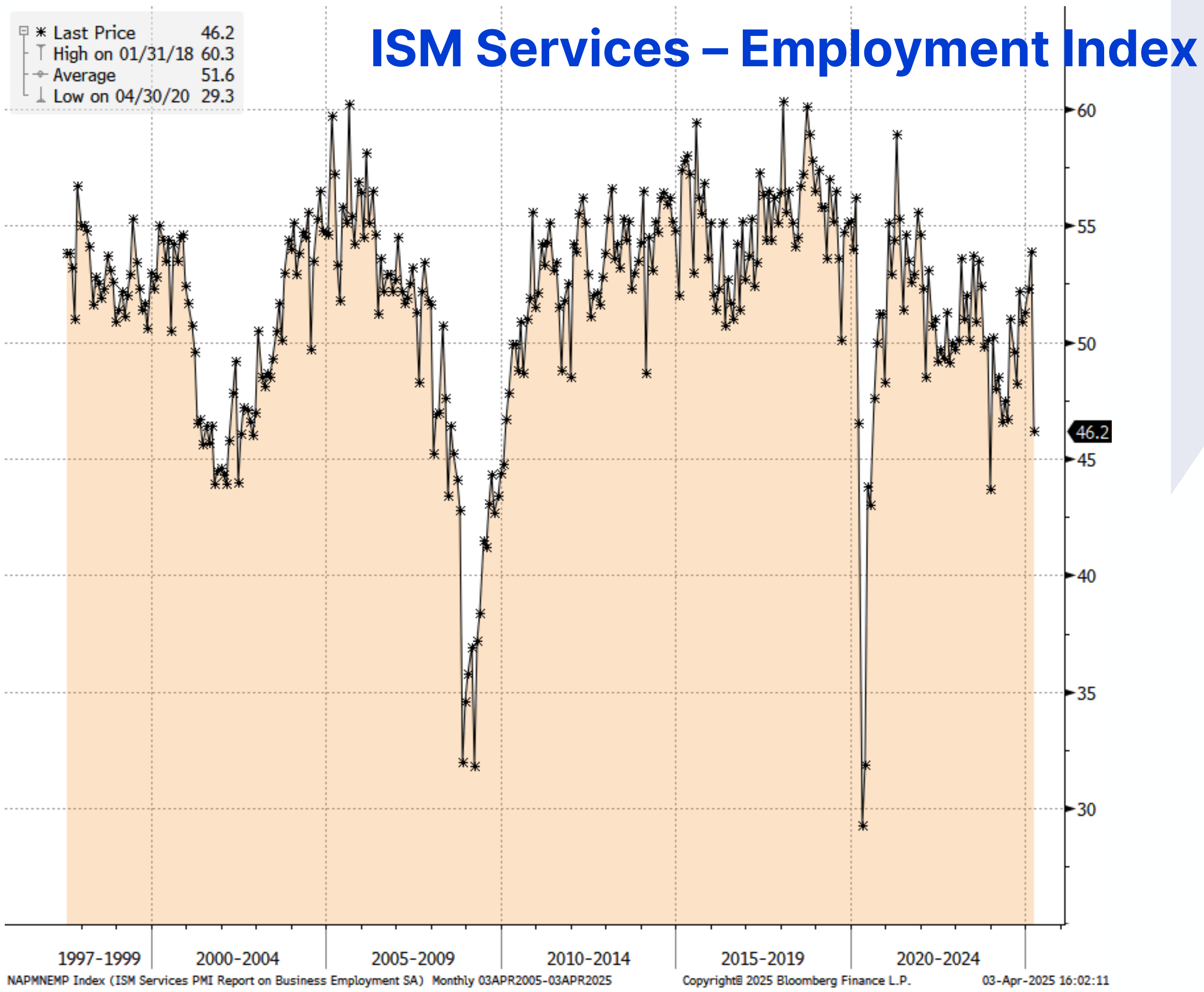
GBPUSD – reversal risk if risk deleveraging continues?



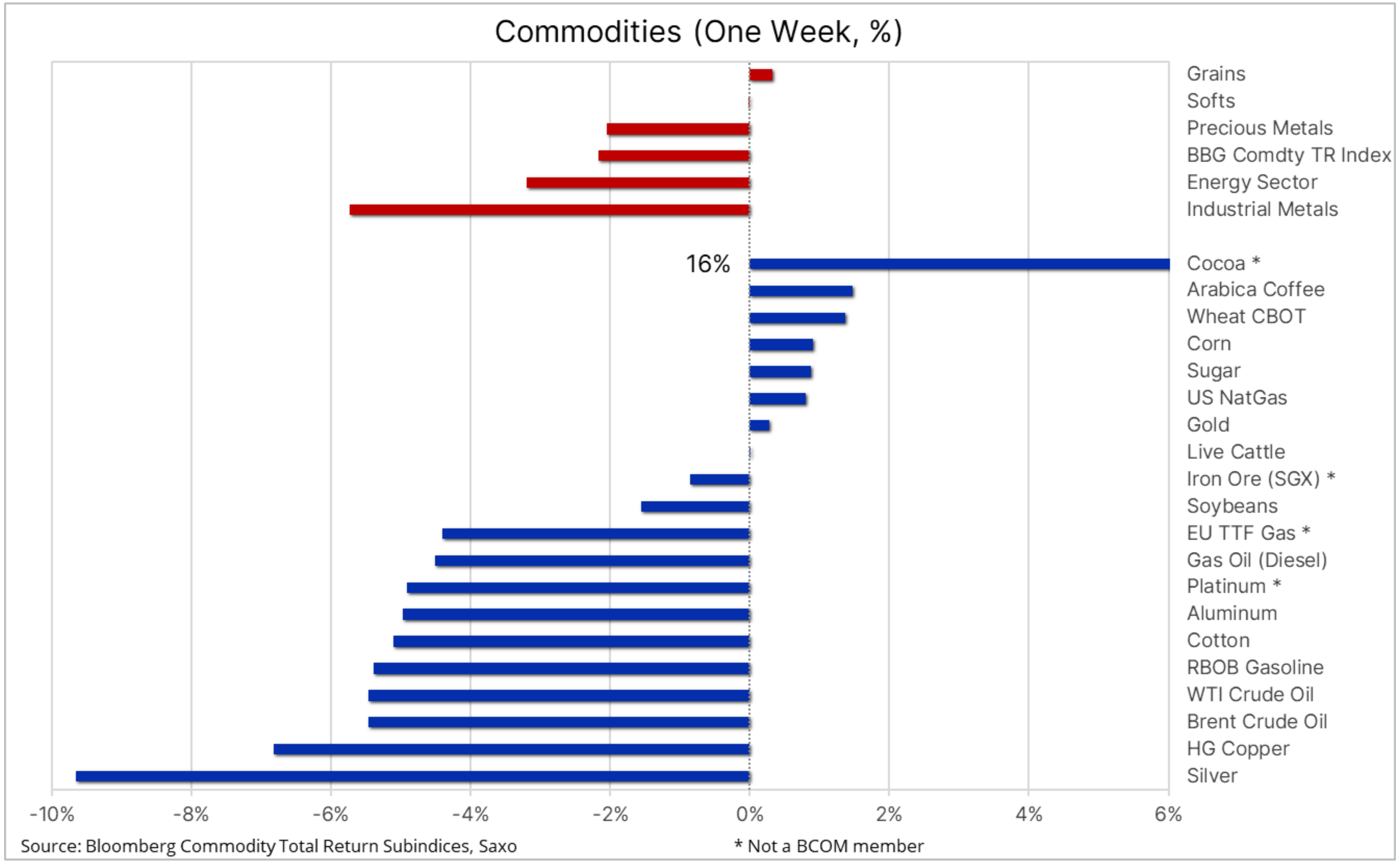
Source: Saxo

US Challenger Job cuts – worst since 2000 save for pandemic



Source: Bloomberg

Commodities slump on tariff-led demand worries



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Silver hardest hit as COMEX premium evaporates

Source: Saxo

Source: Bloomberg

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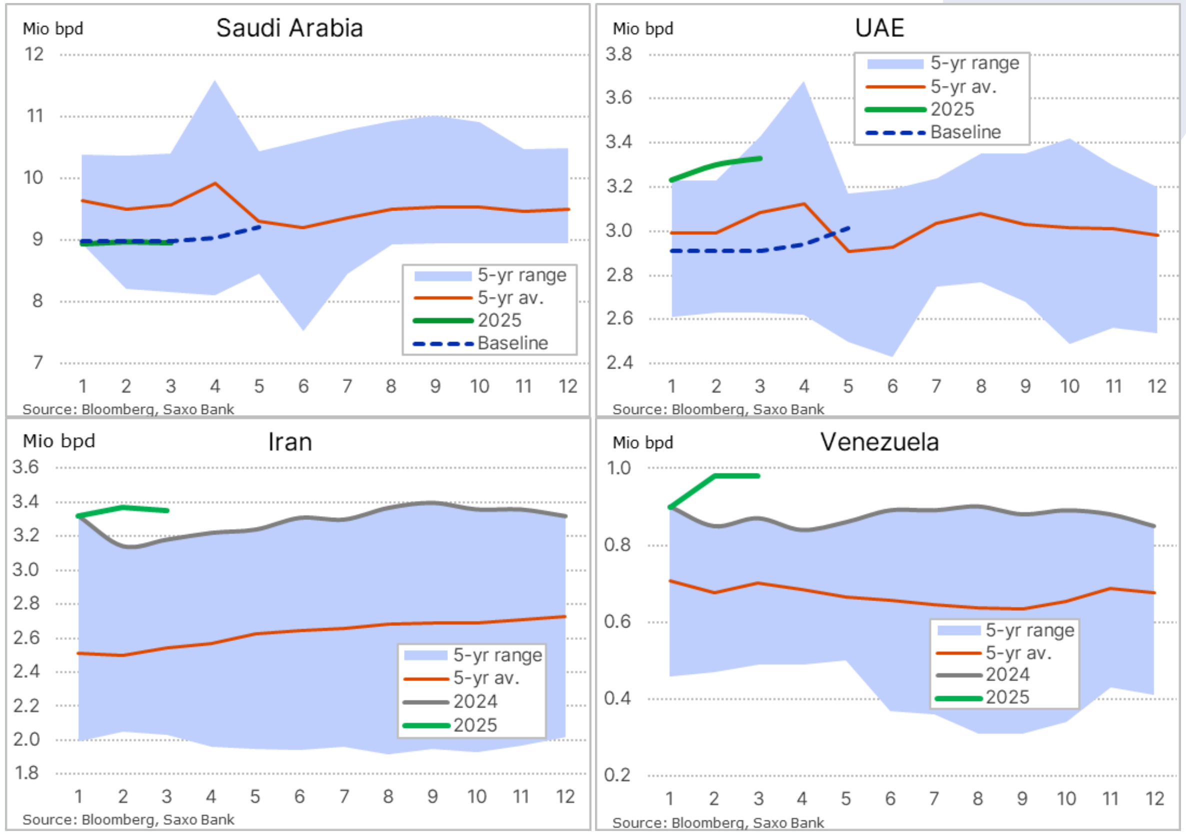
Crude slumps on tariff and OPEC+ double blow

Source: Saxo



Macro – calendar highlights

Today's Calendar Highlights (all times GMT)

1230 – US Mar. Nonfarm Payrolls Change

1230 – US Mar. Unemployment Rate

1230 – US Mar. Average Hourly Earnings

1230 – Canada Mar. Employment Data

1525 – US Fed Chair Powell to speak on economic outlook

Upcoming Calendar Highlights (all times GMT)

Mon: Japan Feb. Labor Cash Earnings, Germany Feb. Industrial Production,
Tue: Australia Mar. NAB Business Confidence, US Feb. NFIB Small Business Optimism, Canada Mar. Ivey PMI, US Treasury 3-year auction
Wed: **New Zealand RBNZ Official Cash Rate, US Treasury 10-year auction**, **US FOMC Meeting Minutes**
Thu: China Mar. CPI/PPI, Norway Mar. CPI, Sweden Feb. Industrial Orders, **US Mar. CPI**, Us Weekly Jobless Claims, US 30-year T-Bond auction,
Fri: UK Feb. Manufacturing Production, US Mar. PPI, **US Preliminary University of Michigan Sentiment**

Longer Term Calendar Highlights

April 17 – ECB Meeting

April 28 – Canada election

May 1 – Bank of Japan Meeting

May 7 – US FOMC Meeting

Appendix: Must reads / listens

Wolfgang Münchau – End of Globalization & Europe can't fight a trade war
https://unherd.com/2025/04/trumps-tariffs-are-the-end-of-globalisation/

Marcus Ashworth: Growth worries not just in the US – beware risks in Europe – also from strong FX
https://www.bloomberg.com/opinion/articles/2025-04-03/trump-s-tariffs-us-poised-to-sneeze-brace-for-flu-elsewhere?sref=FAeeuM97

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
And on MacroVoices:
https://www.macrovoices.com/1398-macrovoices-470-michael-every-a-week-where-decades-happen
His daily news roundups also very much worth following:
https://www.rabobank.com/knowledge/global-economics
EU economic statecraft update: it's for real
A thorough look at what EU has declared it wants to do and whether the backdrop (global world order shift, EU divisions) will allow it
https://media.rabobank.com/m/2317b4a69c70b1e/original/EU-economic-statecraft-it-s-for-real-and-for-realpolitik.pdf

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Appendix: 5-year chart of Nasdaq 100 index

Source: Saxo

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Appendix: 5-year chart of Stoxx Europe 600 index

Source: Saxo

Appendix: 5-year chart of JP Morgan

Source: Saxo

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