



# Technical overview

## G7 & BRICS

Interest Rates, Fx, Equity Indices & Commodities

8 September 2024

**The charts never lie. You just have to be willing to accept their truth.**

Charts are a trading tool, not a means for price forecasting; they should be used for timing transactions, not for formulating fundamental opinions.

# “The Dominate Theme”

When do bull markets end?

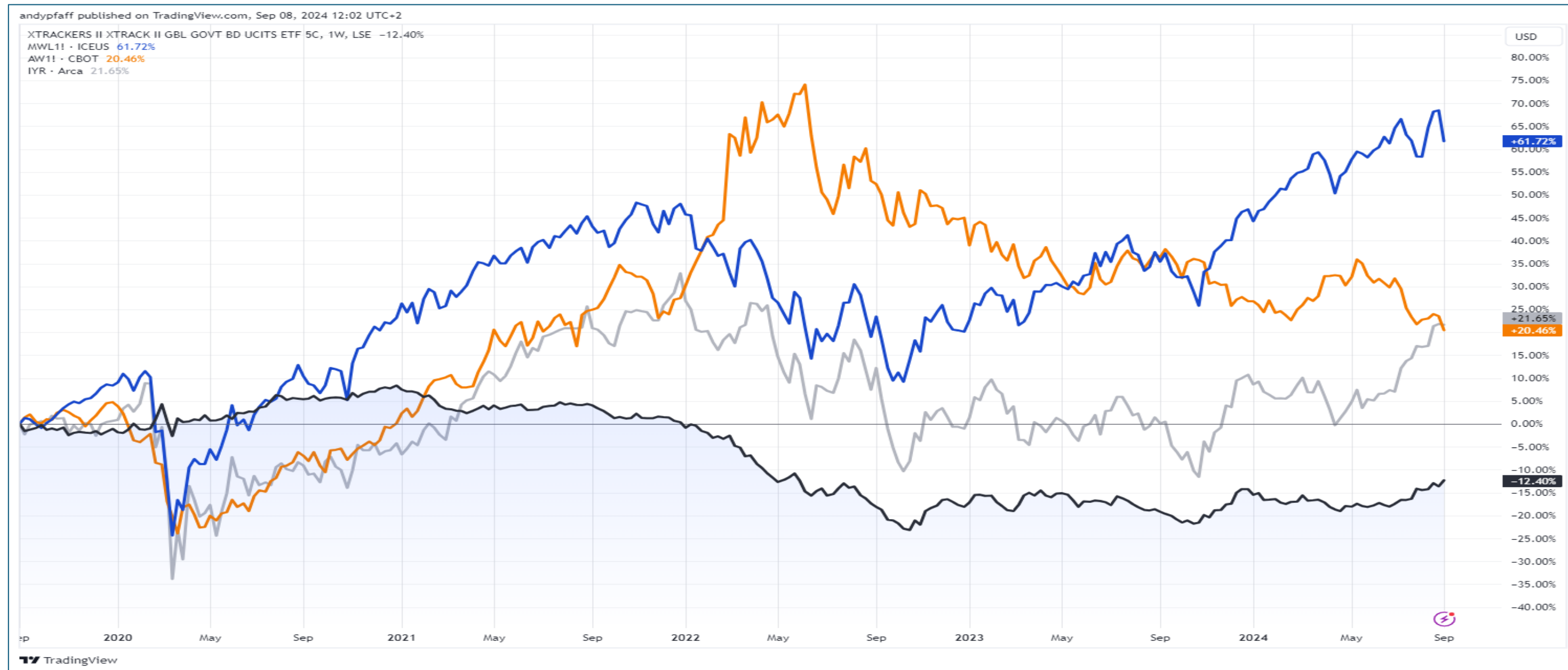
A bull market does not end when there is no more good news.

A bull market ends when prices no longer rise on good news.

# Market cycle

- **Global Asset classes**

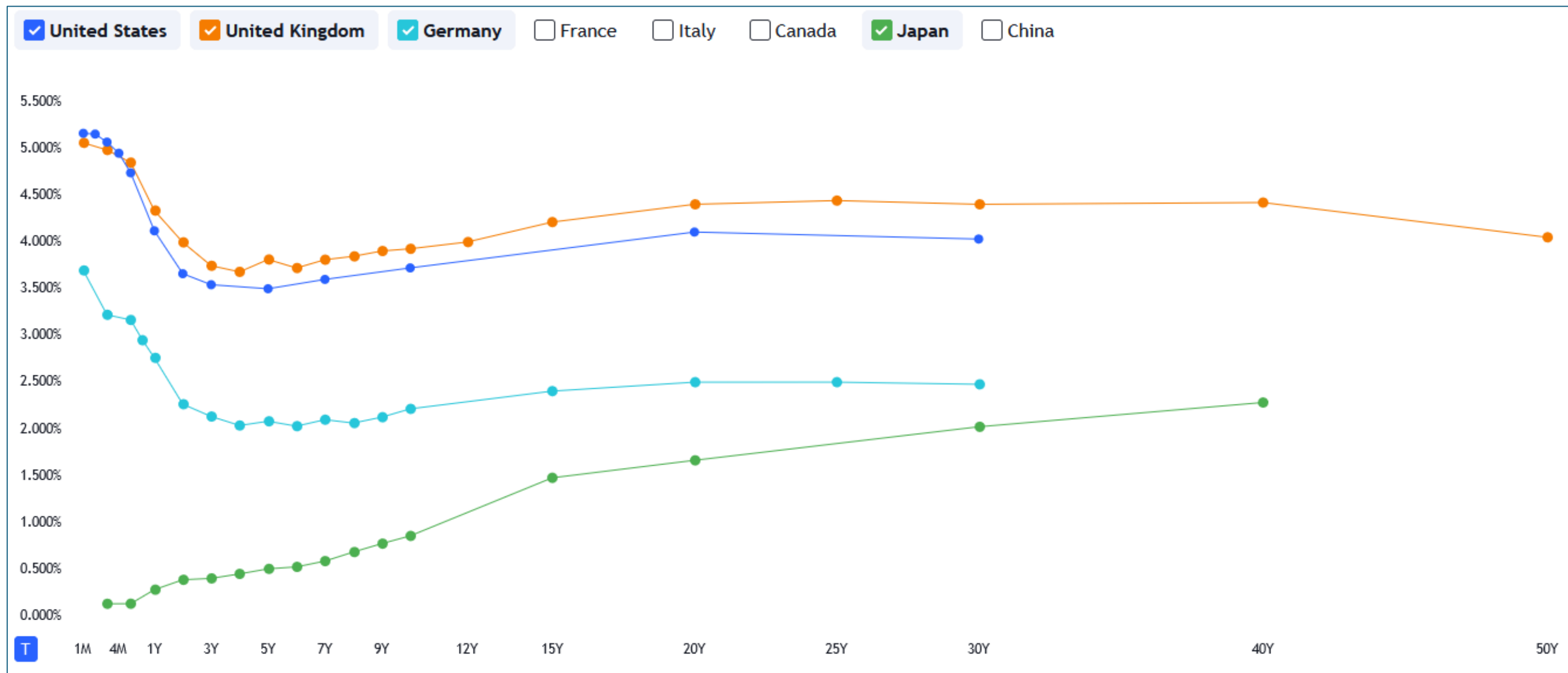
- All aboard ?
- Interest rate sensitive financial asset classes thrive on “the time has come” but
- It’s all about positioning on the yield curve ie short or long duration payoff profiles (bonds & equities & commodities)



# Market cycle

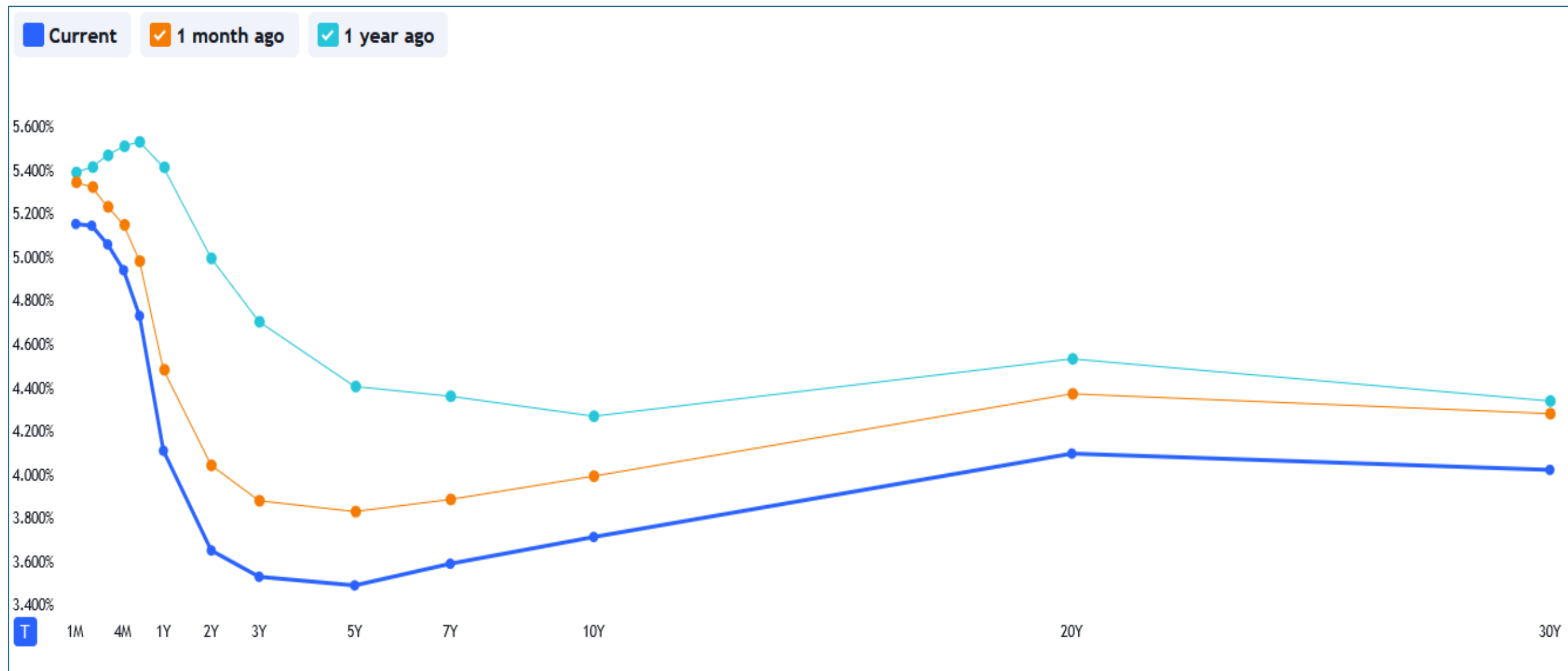
- **Government Bond yield curves**

- Bond market vigilantes bullying the central banks?
- 3yr rates well below 3-month rates, implying that the monetary authorities will have to cut more aggressively than they are currently communicating (except Japan)



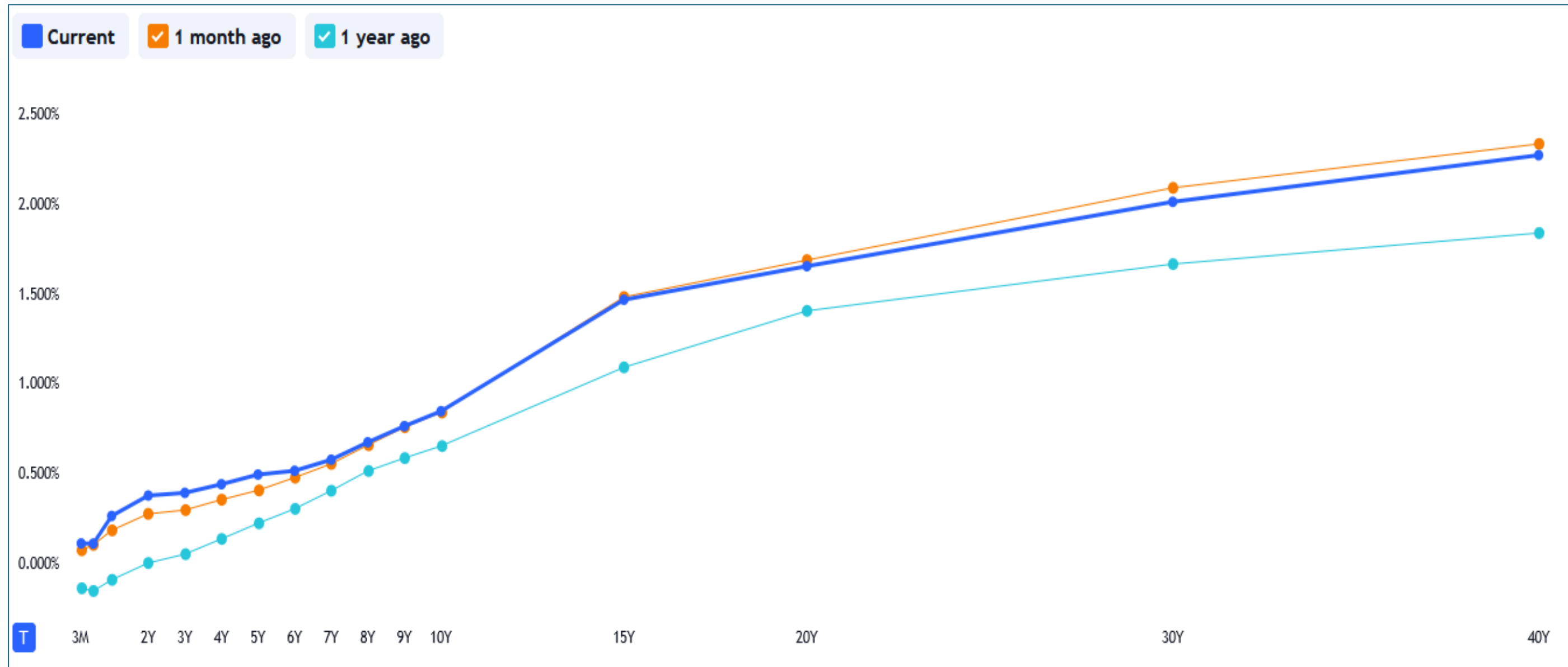
# Market cycle

- **US Government Bond yield curve**
  - Bond market vigilantes bullying the central banks?



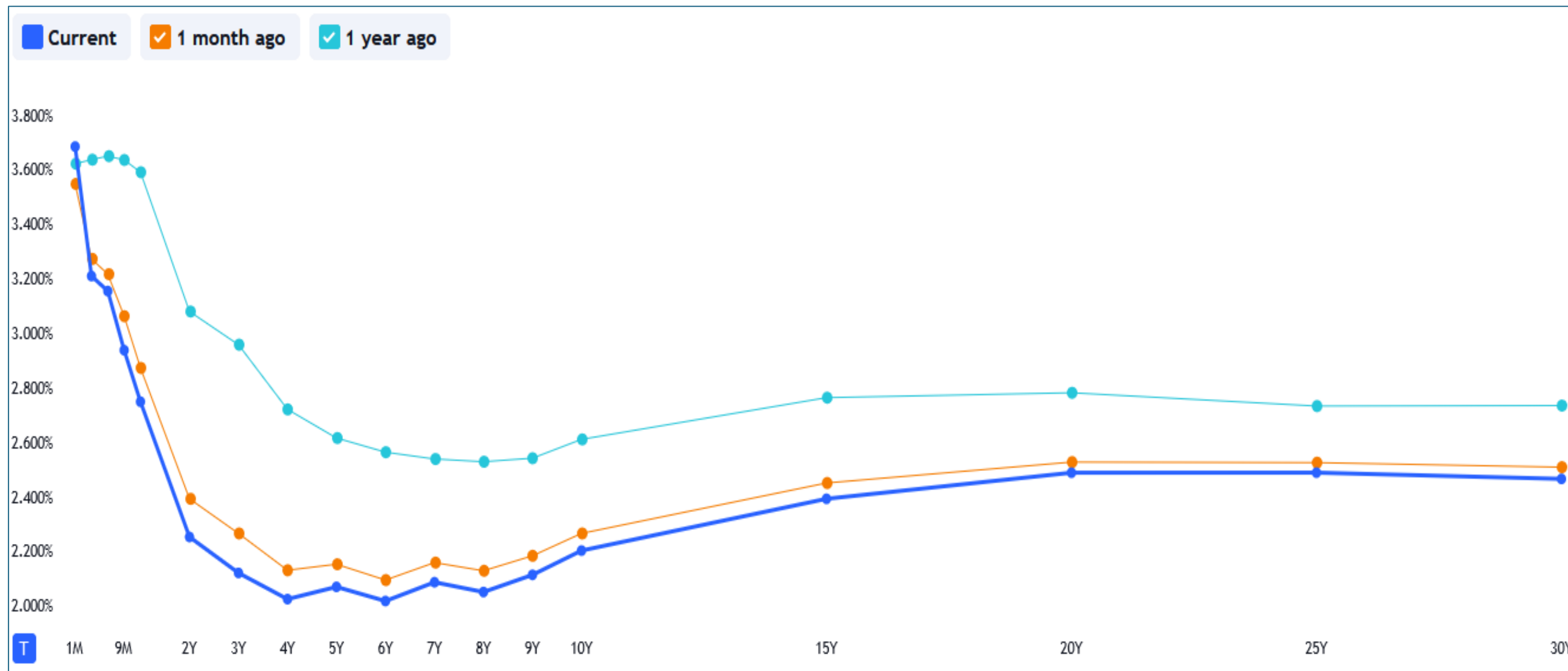
# Market cycle

- Japan Government Bond yield curve



# Market cycle

- German Government Bond yield curve



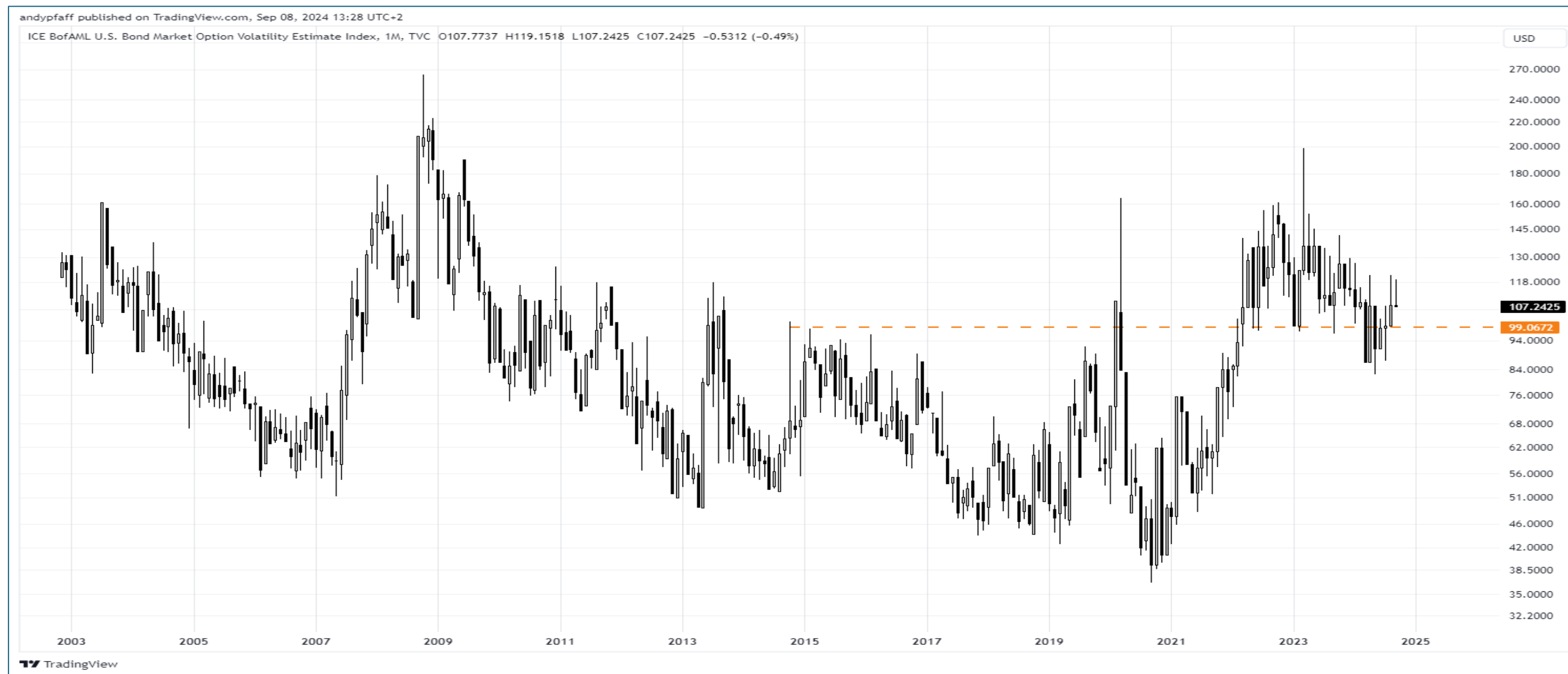
Asset class/ Sector	Tickers		Px_Settle	Trailing stop	Volatility (ATR)	Risk (ATR/price)	Setup		Entry			Model result	Distance from trigger	Trigger levels			Bullish/ Bearish breaks
	IB	TradingView					Trend score	KAMA1 fast	KAMA2 slow	KAMA3 x-over	Lower			Upper	Distance from trigger		
<b>1 Financials_Bonds</b>																	
1	iShares Core 1-5 USD Bnd	ISTB	48.5000	47.6700	0.33	0.7%	1.0	1.0	1.0	0.5	83%	3.3%	46.90	47.60	1.9%	broken higher	
2	iShares TreasBnd 7-10	IBTM-USD IEF	98.3600	94.6800	1.59	1.6%	1.0	1.0	1.0	1.0	100%	5.7%	92.80	96.49	1.9%	broken higher	
3	iShares 20+ TBond ETF	TLT TLT	99.5600	91.7900	3.15	3.2%	1.0	1.0	1.0	1.0	100%	5.5%	94.10	99.44	0.1%	broken higher	
4	R2035	R2035 ZA10Y	8.9900	9.7700	0.32	3.6%	(1.0)	(1.0)	(1.0)	(1.0)	100%	(6.8%)	9.60	10.00	(11.2%)	broken lower	
<b>2 Financials_Fx</b>																	
1	USD Index	DXY DX1!	101.1450	104.4700	1.52	1.5%	(1.0)	(1.0)	(1.0)	(1.0)		0.7%	100.49	101.97	(0.8%)		
2	USD-ZAR	USDZAR USDZAR	17.8520	18.7300	0.46	2.6%	(1.0)	(1.0)	0.0	0.0	33%	(4.6%)	18.68	18.10	(1.4%)	broken lower	
3	GBP-ZAR	GBPZAR GBPZAR	23.4570	24.0400	0.54	2.3%	(0.5)	0.0	0.0	0.0	0%	2.1%	22.95	23.74	(1.2%)		
4	EURZAR	EURZAR EURZAR	19.8029	20.6400	0.46	2.3%	(1.0)	0.0	0.0	0.5		1.4%	19.53	20.01	(1.0%)		
<b>3(a) Financials_Equity Indices_DM</b>																	
1	MSCI World	MXWO FMWO1! /MWL1!	11 106.00	11 339.00	402.00	3.6%	0.5	(1.0)	(1.0)	(1.0)		1.0%	10 991.00	11 400.00	(2.6%)		
2	iShares MSCI total Intl	IXUS IXUS	68.28	68.86	2.88	4.2%	0.5	(1.0)	(1.0)	(1.0)		2.0%	66.92	70.25	(2.9%)		
3	Nikkei 225	JAPAN NKD1! /NUI1!	35 820.00	43 035.00	3 455.00	9.6%	(1.0)	(1.0)	(1.0)	(1.0)		(3.4%)	37 030.00	38 775.00	(8.2%)	broken lower	
4	iShares EUROSTOXX 50	CSSX5E CSSX5E	174.82	189.45	8.12	4.6%	(1.0)	(1.0)	(1.0)	(1.0)		(1.7%)	177.86	186.60	(6.7%)	broken lower	
5	FTSE 100 index	FTSE Z1! (future)	8 183.00	7 956.00	224.50	2.7%	0.5	(1.0)	(1.0)	(1.0)		0.7%	8 124.00	8 406.00	(2.7%)		
6	DJIA	DOWJON DJI	40 345.00	38 397.00	1 329.00	3.3%	1.0	(1.0)	(1.0)	(1.0)		6.4%	37 755.00	39 872.00	1.2%	broken higher	
7	S&P 500	SP500 MES1! (future)	5 419.00	5 296.00	234.00	4.3%	0.5	(1.0)	(1.0)	(1.0)		1.8%	5 324.00	5 660.00	(4.4%)		
8	iShares Russell 2000	IWM IWM	207.90	195.83	13.66	6.6%	0.5	(1.0)	(1.0)	(1.0)		5.0%	197.60	210.12	(1.1%)		
9	iShares Russell 1000 Val	IWD RUI	3 011.00	2 877.00	121.07	4.0%	0.5	(1.0)	(1.0)	(1.0)		4.2%	2 886.00	3 080.00	(2.3%)		
10	Nasdaq 100	NAS100 NDX/ NQ1!	18 421.00	18 545.00	1 163.00	6.3%	0.5	(1.0)	(1.0)	(1.0)		5.3%	17 448.00	19 895.00	(8.0%)		
<b>3(b) Financials_Equity Indices_EM</b>																	
1	iShares Core MSCI EM ETF	IEMG IEMG/MME1!	52.53	51.49	2.16	4.1%	0.5	(1.0)	(1.0)	(1.0)		1.0%	52.00	54.99	(4.7%)		
2	iShares EM Value \$	EMVL EMVL	48.48	47.92	2.35	4.8%	0.5	(1.0)	(1.0)	(1.0)		(0.4%)	48.66	51.05	(5.3%)	broken lower	
3	MSCI SA Equity index	FMZA1! FMZA1!	570.30	499.11	39.60	6.9%	1.0	0.0	0.0	0.0	0%	5.3%	540.00	562.50	1.4%	broken higher	
4	Satrix Capped ALSI	STXCAP STXCAP	4 113.00	3 883.00	177.00	4.3%	0.5	(1.0)	(1.0)	(1.0)		5.2%	3 900.00	4 148.00	(0.9%)		
5	JSE Top40	J200 J200	73 874.00	71 434.00	2 606.00	3.5%	0.5	(1.0)	(1.0)	(1.0)		3.3%	71 434.00	74 013.00	(0.2%)		
6	JSE MidCap	FNBMID	849.00	795.26	44.00	5.2%	0.5	(1.0)	(1.0)	(1.0)		4.1%	814.00	860.00	(1.3%)		
7	JSE Resi 10	J210 STXRES	5 567.00	5 756.00	394.00	7.1%	(1.0)	(1.0)	(1.0)	(1.0)		(8.2%)	6 026.00	6 450.00	(15.9%)	broken lower	
8	JSE Indi 25	J211 STXIND	11 120.00	10 460.00	421.00	3.8%	0.5	(1.0)	0.0	(1.0)		4.4%	10 635.00	11 048.00	0.6%	broken higher	
9	JSE Fini 15	J212 STXFIN	2 080.00	1 830.00	105.00	5.0%	1.0	0.0	0.0	(0.5)		10.8%	1 856.00	1 950.00	(6.3%)	broken higher	
<b>4 Financials_Property</b>																	
1	iShares US Real Estate ETF	IYR IYR	99.40	90.30	3.76	3.8%	1.0	0.0	0.0	0.5	17%	8.8%	90.64	94.25	5.2%	broken higher	
2	INVEST SA Property	ETFSAP	4 010.00	3 458.00	189.00	4.7%	1.0	1.0	1.0	1.0	100%	10.2%	3 600.00	3 702.00	(7.7%)	broken higher	
<b>5 Commodities_BCOM Indices</b>																	
1	BCOM Index	- AW1!	93.72	101.01	2.81	3.0%	(1.0)	(1.0)	(1.0)	(1.0)		(1.1%)	94.73	97.00	(3.5%)	broken lower	
2	BCOM Agriculture	- FCAG1!	54.73	56.29	1.60	2.9%	(0.5)	1.0	1.0	0.5		(5.3%)	57.63	62.16	(13.6%)	broken lower	
3	BCOM Livestock	- FCLI1!	23.51	23.96	0.56	2.4%	(0.5)	(1.0)	0.0	0.0		2.7%	22.88	24.07	(2.4%)		
4	BCOM Energy	- FCEN1!	27.07	31.35	1.50	5.5%	(1.0)	(1.0)	(1.0)	(1.0)		(11.1%)	30.07	33.14	(22.4%)	broken lower	
5	BCOM Industrial Metals	- FCIN1!	138.42	151.77	6.89	5.0%	(1.0)	(1.0)	(1.0)	(0.5)		1.8%	135.89	149.93	(8.3%)		
6	BCOM Precious Metals	- FCPR1!	261.12	247.21	7.54	2.9%	0.5	0.0	(1.0)	0.5		5.3%	247.35	264.75	(1.4%)		



# Financials\_Bonds\_Volatility

- **Move index** (monthly)
  - ""Do I stay, or do I go now? ""

The Clash 1981



# Financials\_Bonds\_G7 bonds

- **iShares 1-5 year USD Bond ETF** (weekly)
  - Full bull



# Financials\_Bonds\_G7 bonds

- **iShares 7-10 year Treasury Bond ETF** (weekly)
  - Broke bullish, consolidated at breakout level, and follows through



# Financials\_Bonds\_G7 bonds

- **iShares 7-10 year Treasury Bond ETF** (daily)
  - Broke bullish, consolidated at breakout level, and follows through



# Financials\_Bonds\_G7 bonds

- **iShares 20+ Year Treasury Bond ETF (TLT)** (weekly)
  - Treasury Yields Plunge, TLT ETF Tops \$100, VIX Spikes As 50-Basis-Point Rate Cut Odds Soar In Response To Jobs Data



# Financials\_Bonds\_BRICS

- **SA 10 Year Government Bond** (yield) (ZAR)(weekly)
  - Yields break bullish and follow through



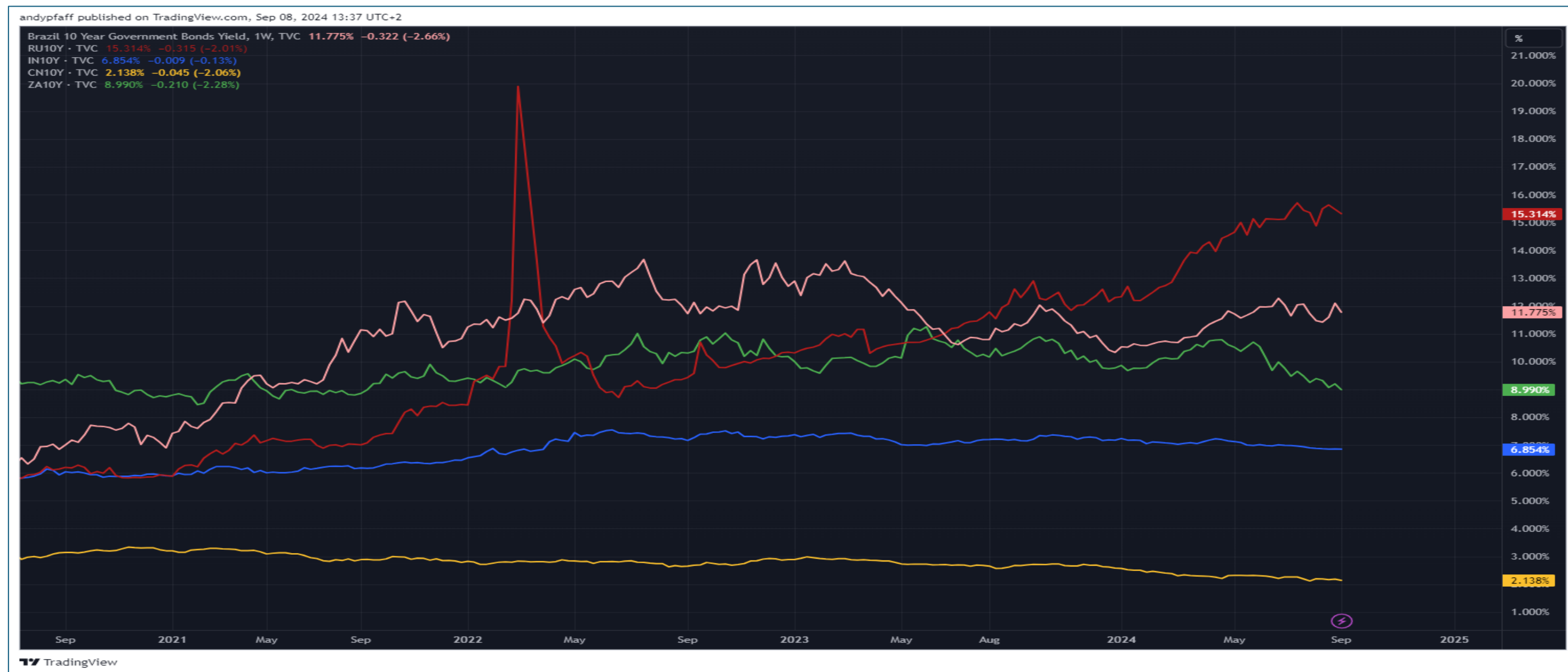
# Financials\_Bonds\_BRICS

- **SA 10 Year Government Bond** (yield) (ZAR)(daily)
  - Yields break bullish and follow through



# Financials\_Bonds\_BRICS

- **BRICS**\_Government bond 10yr yields (local currency)
  - (Peer group context)
  - GNU ZAR & SA bonds still outrunning the herd





# Financials\_Fx

- **US \$ index (DXY)** (weekly)
  - At bearish support



# Financials\_Fx

- **US \$ JPY** (weekly)
  - JPY poised on bearish support



# Financials\_Fx

- **EUR USD** (monthly)
  - Mid-range



# Financials\_Fx\_BRICS

- **BRICS fx vs US \$ (5yr) (% change)(weekly)**
  - (Are SA moves are in sync with global peer group, or driven by SA-specific factors)
  - SA the new beneficiary of the carry trade, or is domestic asset allocation driving this ?



# Financials\_Fx\_BRICS

- **BRICS fx\_ZAR/ US \$** (monthly)
  - *"The dollar-rand exchange rate is not a mystery:*
  - *The best prediction for tomorrow's exchange rate is today's rate, but with a high level of variance that increases with time."*

(Brian Kantor and David Holland)



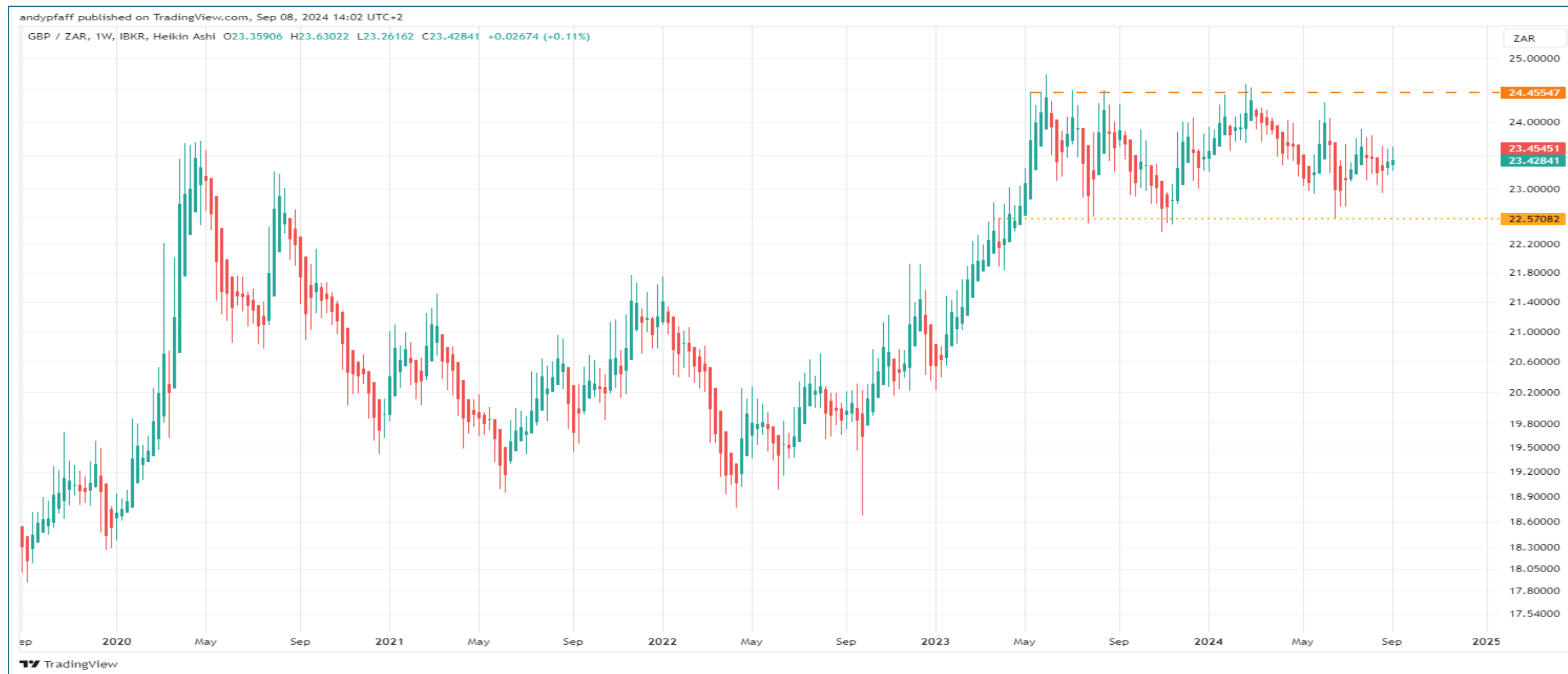
# Financials\_Fx\_BRICS

- **BRICS fx\_ZAR/ US \$** (daily)
  - ZAR consolidates recent gains vs US \$



# Financials\_Fx\_BRICS

- **BRICS fx\_ZAR/ GBP** (weekly)
  - Mid-range



# Financials\_Fx\_BRICS

- **BRICS fx\_ZAR/ EUR** (weekly)
  - ZAR poised to break bullish





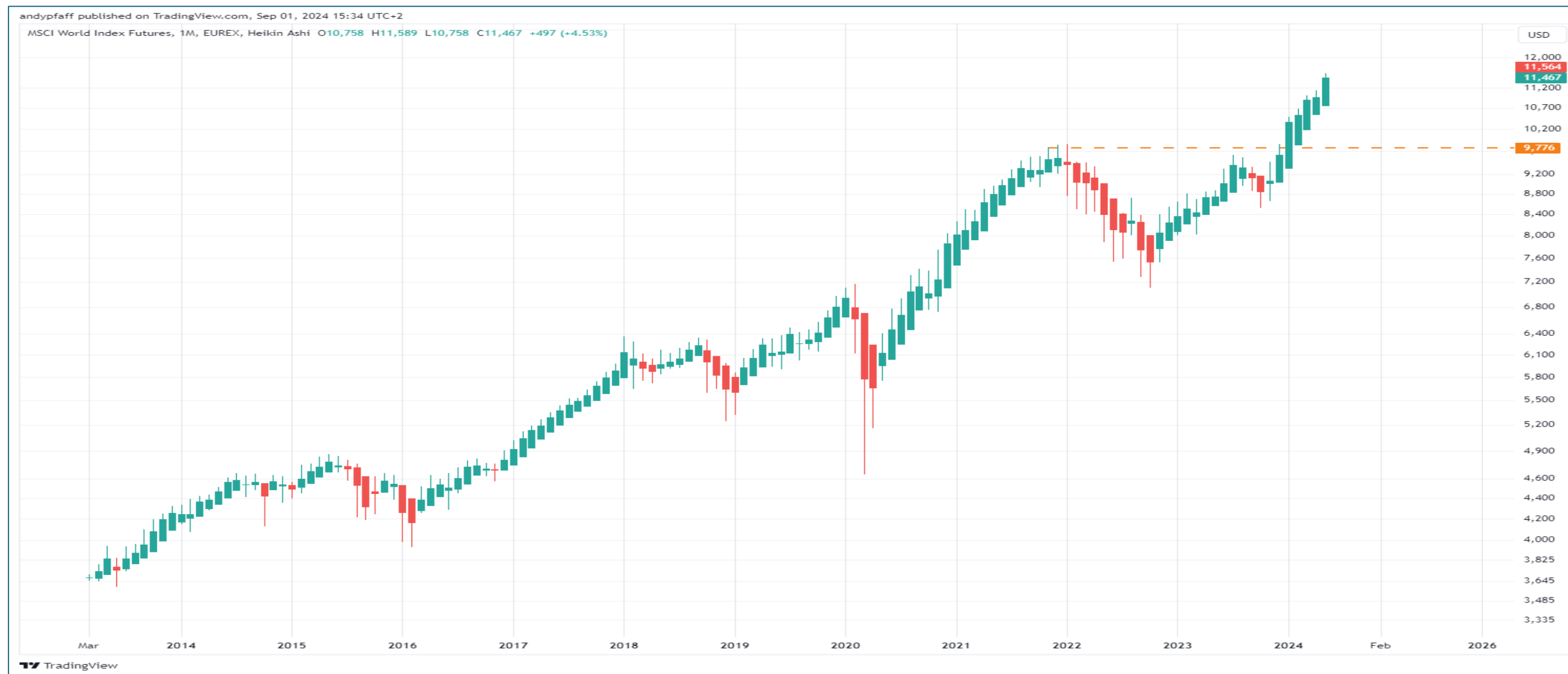
# Financials\_Equity Indices\_Vix (daily)

- **VIX** ... the Vix is right ... volatility always is 😊
  - Vix waking up again?



# Financials\_Equity Indices\_G7

- **MSCI World** (Eurex futures)(DM; free-float weighted)(monthly)
  - All aboard?



# Financials\_Equity Indices\_G7

- **MSCI World** (Eurex futures)(DM; free-float weighted)(**daily**)
  - All aboard?
  - What was that story about the market and maximum pain?



# Financials\_Equity Indices\_G7

- **iShares Core MSCI Total International Stock ETF (weekly)(excl. USA)**
  - Bounces straight up through recent high, only to roll over



# Financials\_Equity Indices\_G7

- **Japan/ Nikkei** (weekly)
  - Fails at first overhead resistance



# Financials\_Equity Indices\_G7

- **EU/ Euro Stoxx 50 index futures** (daily)
  - Fails without making new highs



# Financials\_Equity Indices\_G7

- UK/ FTSE 100 (weekly)
  - Bullish consolidation range still holding



# Financials\_Equity Indices\_G7

- USA/ Dow Jones Industrial Average index (weekly)
  - Breaking bullish





# Financials\_Equity Indices\_G7

- **USA/ SP 500 index** (weekly)
  - Momentum dwindling



# Financials\_Equity Indices\_G7

- **USA/ SP 500 index** (daily)
  - Momentum dwindling



# Financials\_Equity Indices\_G7

- USA/ iShares Russell 2000 ETF (small cap) (weekly)
  - Consolidation area still holds



# Financials\_Equity Indices\_G7

- **USA/ iShares Russell 1000 Value ETF** (weekly)
  - Broken bullish



# Financials\_Equity Indices\_G7

- USA/ Nasdaq Composite index (monthly)
  - Bulls' first blink



# Financials\_Equity Indices\_G7

- **USA/ Nasdaq Composite index** (daily)
  - Bulls' first blink, but
  - Momentum dwindling for bullish bounce



# Financials\_Equity Indices\_EM

- **Ishares Core MSCI EM ETF (\$)**(weekly)
  - Still no escape velocity



# Financials\_Equity Indices\_EM

- **Ishares Core MSCI EM ETF (\$)**(daily)
  - Testing support again





# Financials\_Equity Indices\_EM

- **Ishares MSCI EM Value ETF (\$)(weekly)**
  - Testing bullish break again



# Financials\_Equity Indices\_BRICS (local crncy)(weekly 5 yrs)

- ~~Capitalists strong, Communists weak?~~
- Everyone weakening



# Financials\_Equity Indices\_BRICS (US \$) (weekly 5 yrs)

- ~~Capitalists strong, Communists weak?~~
- Everyone weakening



# Financials\_Equity Indices\_BRICS (weekly) (US \$)

- South Africa\_MSCI SA Index

- Escape velocity  $\checkmark$



# Financials\_Equity Indices\_BRICS (daily) (US \$)

- South Africa\_MSCI SA Index

- Escape velocity 📄



# Financials\_Equity Indices\_BRICS (weekly) (local currency)

- South Africa\_Satrix Capped All Share (Swix)
  - Escape velocity?



# Financials\_Equity Indices\_BRICS (weekly) (local currency)

- South Africa\_Top 40
  - Escape velocity?



# Financials\_Equity Indices\_BRICS (daily) (local currency)

- South Africa\_Top 40
  - A week can be a long time in the market





# Financials\_Equity Indices\_BRICS (daily)

- South Africa\_JSE FNB MidCap
  - A week can be a long time in the market



# Financials\_Equity Indices\_BRICS (weekly)

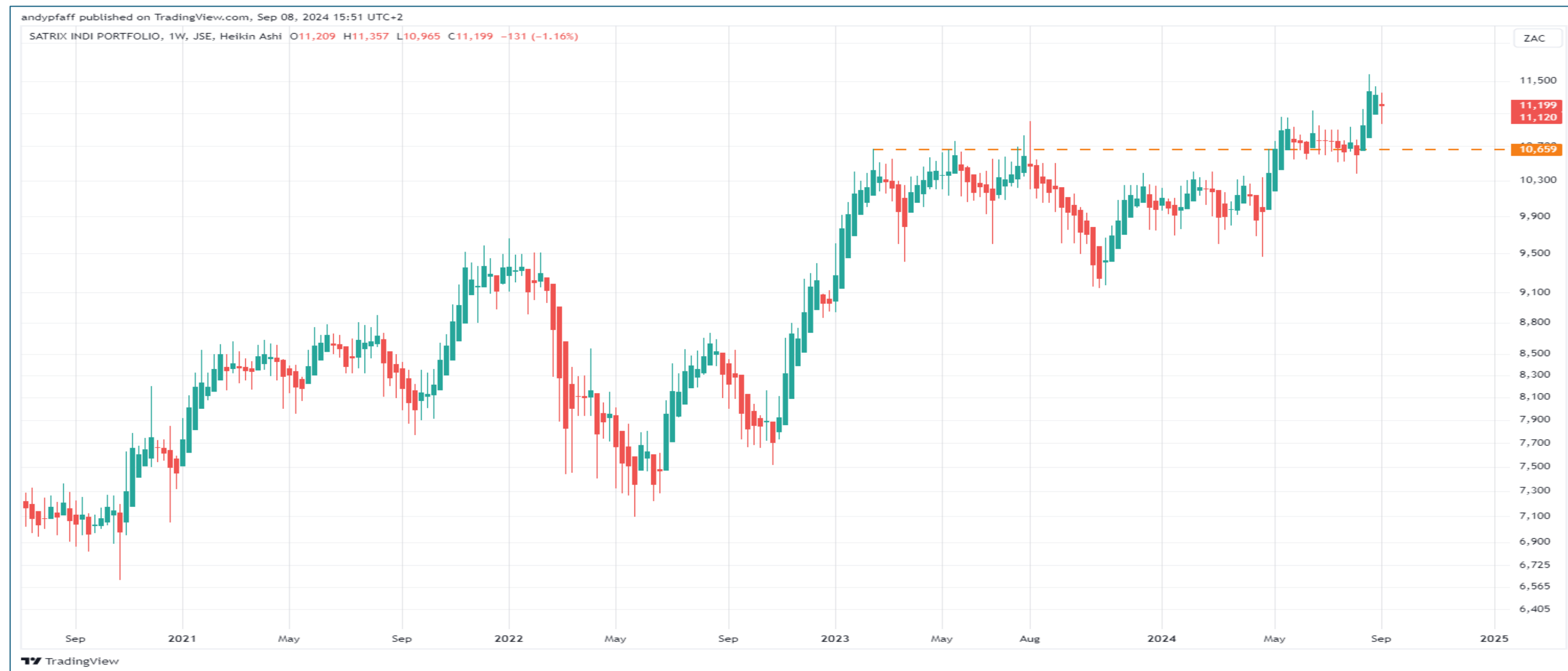
- South Africa\_JSE Resi 10

- Precarious



# Financials\_Equity Indices\_BRICS (weekly)

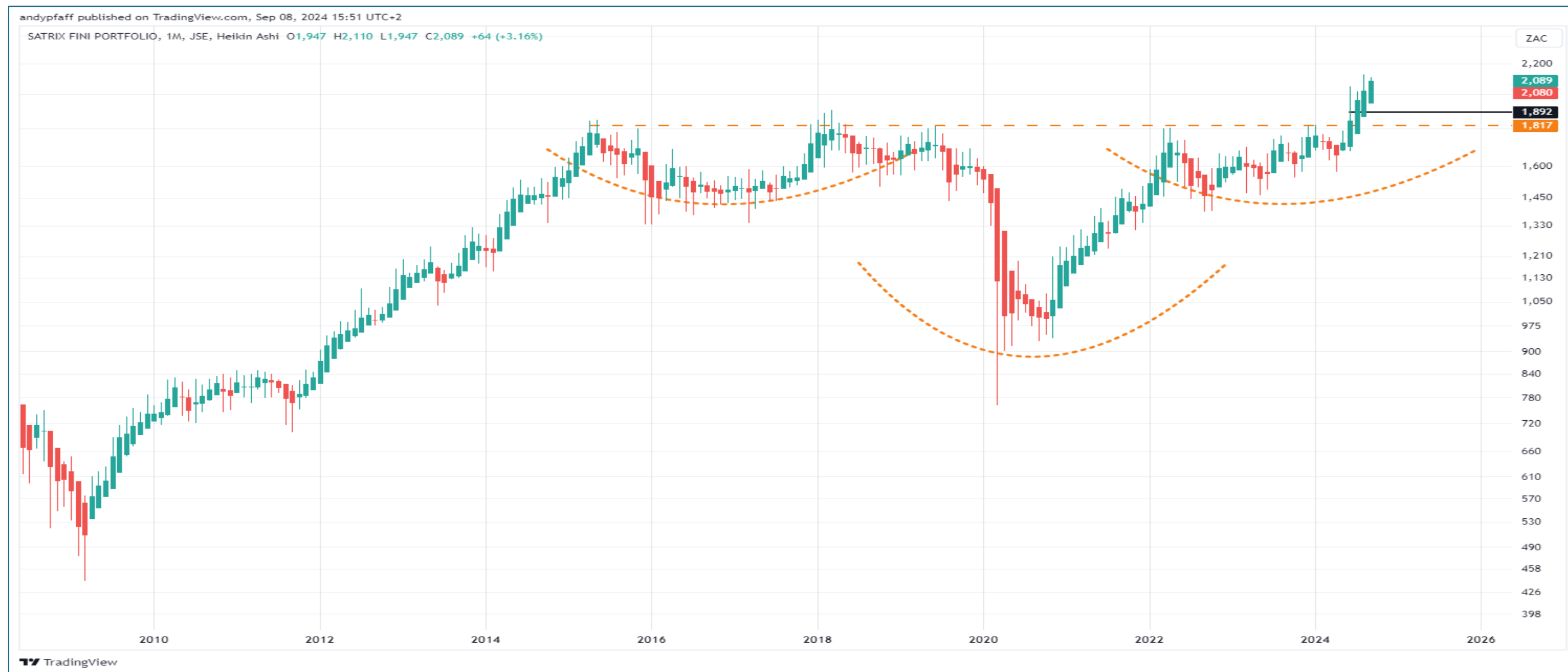
- South Africa\_JSE Indi 25
  - Support holds and new ATH established



# Financials\_Equity Indices\_BRICS (monthly)

- **South Africa\_JSE Fini 15**

- Big inverse H&S bullish break
- Still leveraging off the bullish bonds?



# Financials\_Property

- **iShares U.S. Real Estate ETF** (weekly)
  - Interest rate sensitive assets still benefitting



# Financials\_Property

- **SATRIX Property ETF (SA)**<sub>(weekly)</sub>
  - Interest rate sensitive assets still benefitting



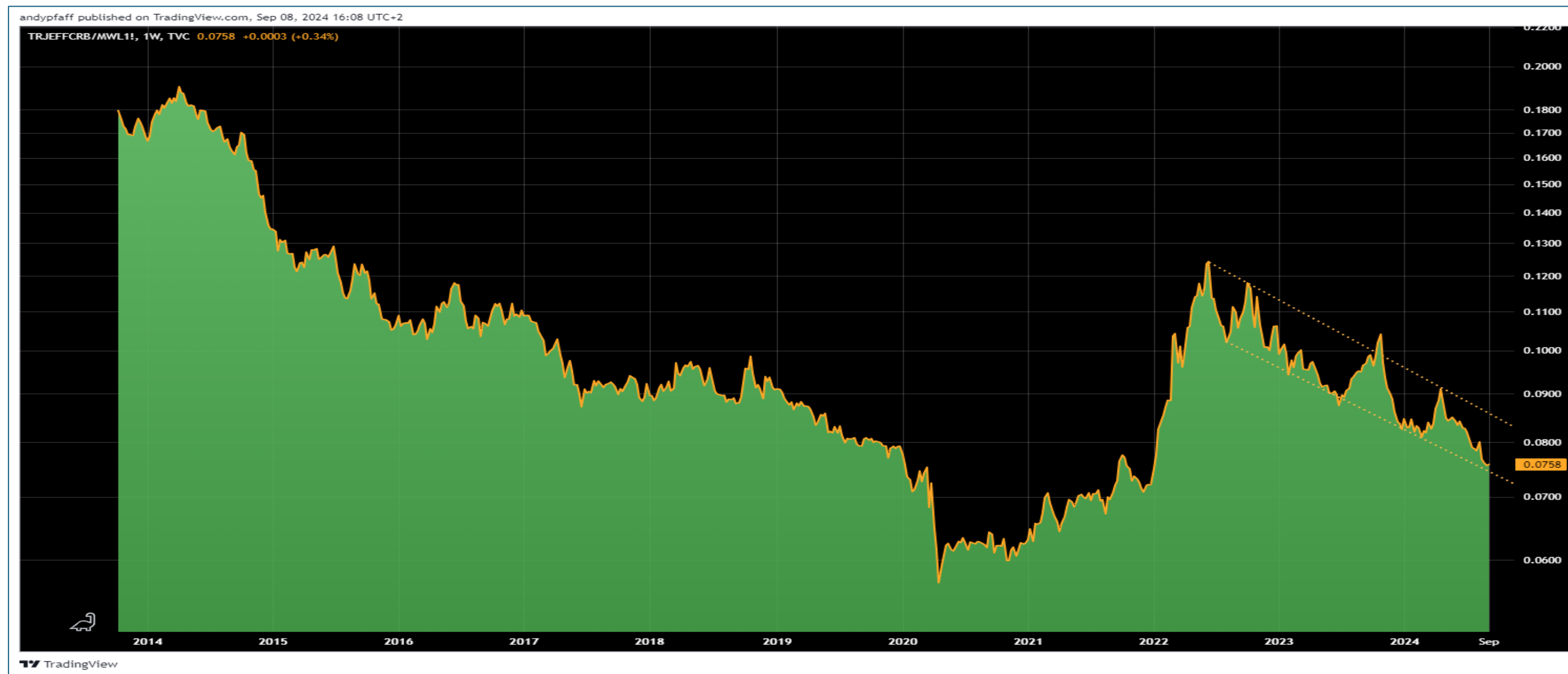
# Commodities\_BCOM index \$ (weekly)

- Approaching overhead resistance
  - Fishing for support



# Commodities indices\_\$

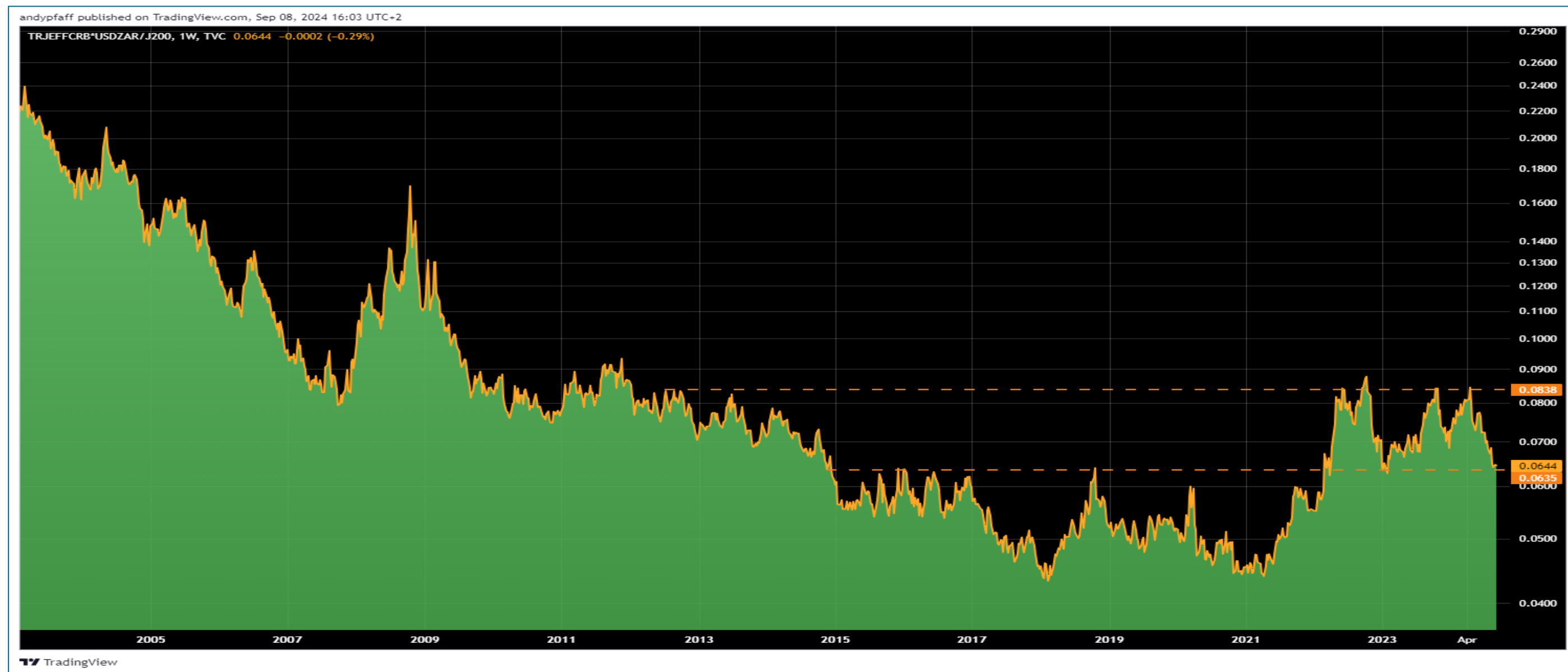
- **CRB / ACWI** (2010 - 2024)(commodity index/equity index ratio)(weekly)
  - This relative ratio is about to get interesting





# Commodities indices\_\$

- **CRB (zar) / JSE Top40 Equity Index** (2014 - 2022)(commodity index/equity index ratio)
  - (more data than BCOM index)
  - This relative ratio is about to get interesting



# Commodities\_\$

- **BCom\_Agriculture** sub-index (weekly)
  - Green shoots?



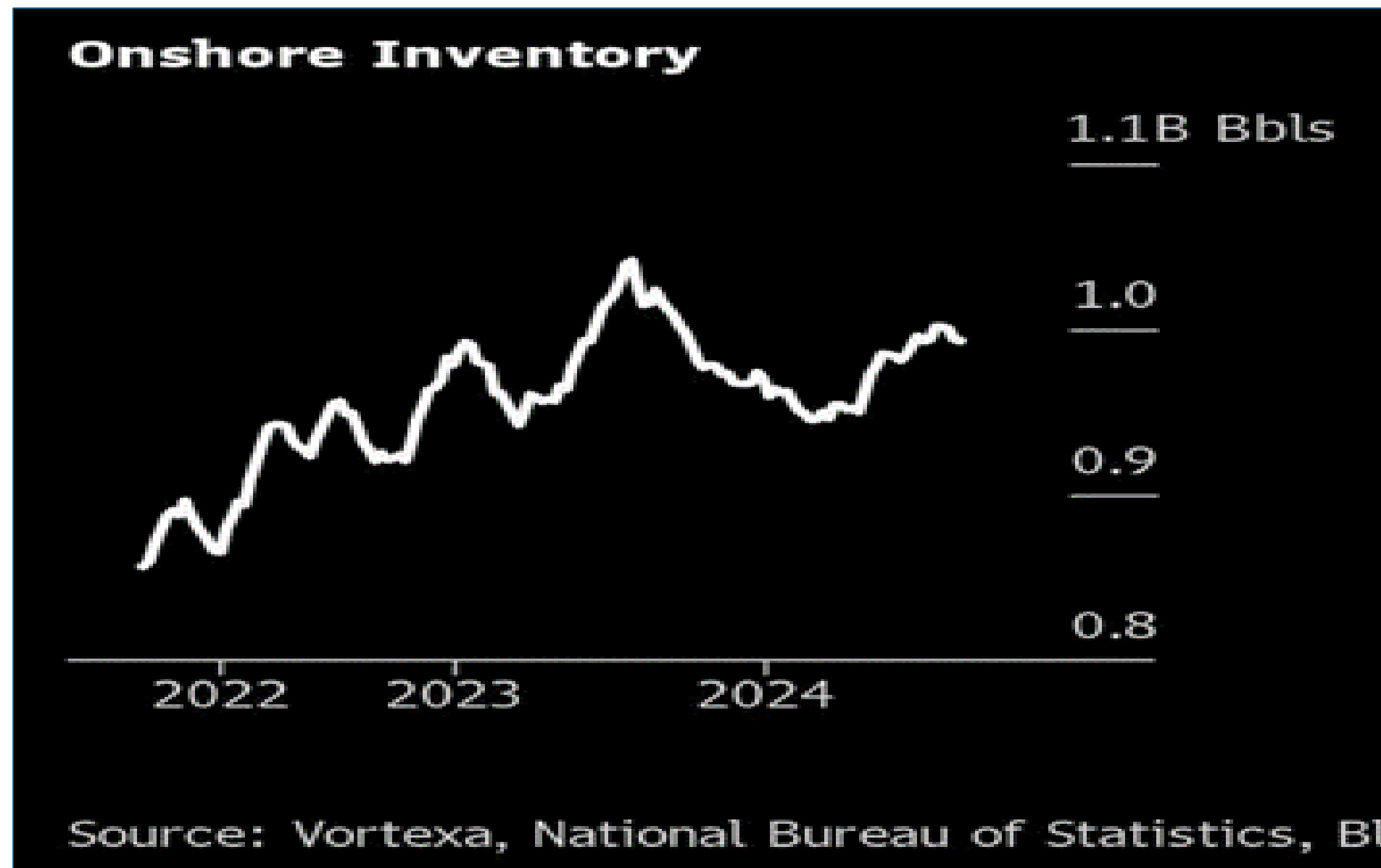
# Commodities\_\$

- **BCom\_Energy** sub-index\_Brent (monthly)
  - Market intimidated by the returning supply
    - OPEC+ due to review previous production cuts in October; lost Libya supply returning; Chinese weakness; US driving season demand disappoints



## Commodities\_\$

- **BCom\_Energy** sub-index\_Brent (monthly)
  - Market intimidated by the returning supply
    - OPEC+ due to review previous production cuts in October; lost Libya supply returning; Chinese weakness; US driving season demand disappoints



# Commodities\_\$

- **BCom\_Industrial Metals sub-index** (weekly)
  - Assertive bounce after
    - pricing in weakness in China's property demand, and
    - Adjusting for US \$ weakness



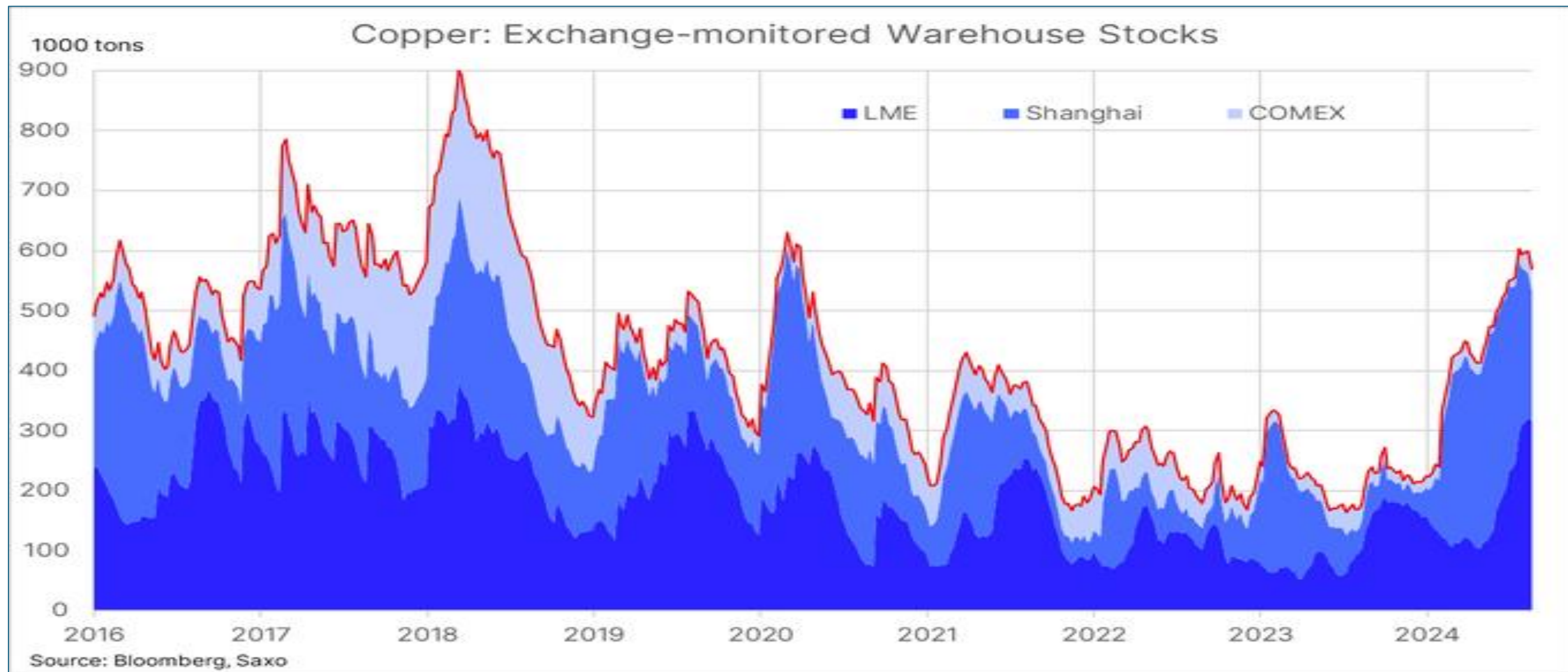
# Commodities\_\$

- **BCom\_Industrial Metals sub-index\_Copper** (monthly)
  - When do bear markets end?
  - Technical support holding for now



## Commodities\_\$

- **BCom\_Industrial Metals sub-index\_Copper** (monthly)
  - Copper stocks at warehouses monitored by the three major futures exchanges see the biggest one-week fall in a year



## Commodities\_\$

- **BCom\_Industrial Metals sub-index\_Copper** (monthly)
  - Copper stocks at warehouses monitored by the three major futures exchanges see the biggest one-week fall in a year





# Commodities\_\$

- **BCom\_Precious Metals sub-index\_Gold (\$)** (weekly)
  - Don't watch so closely!



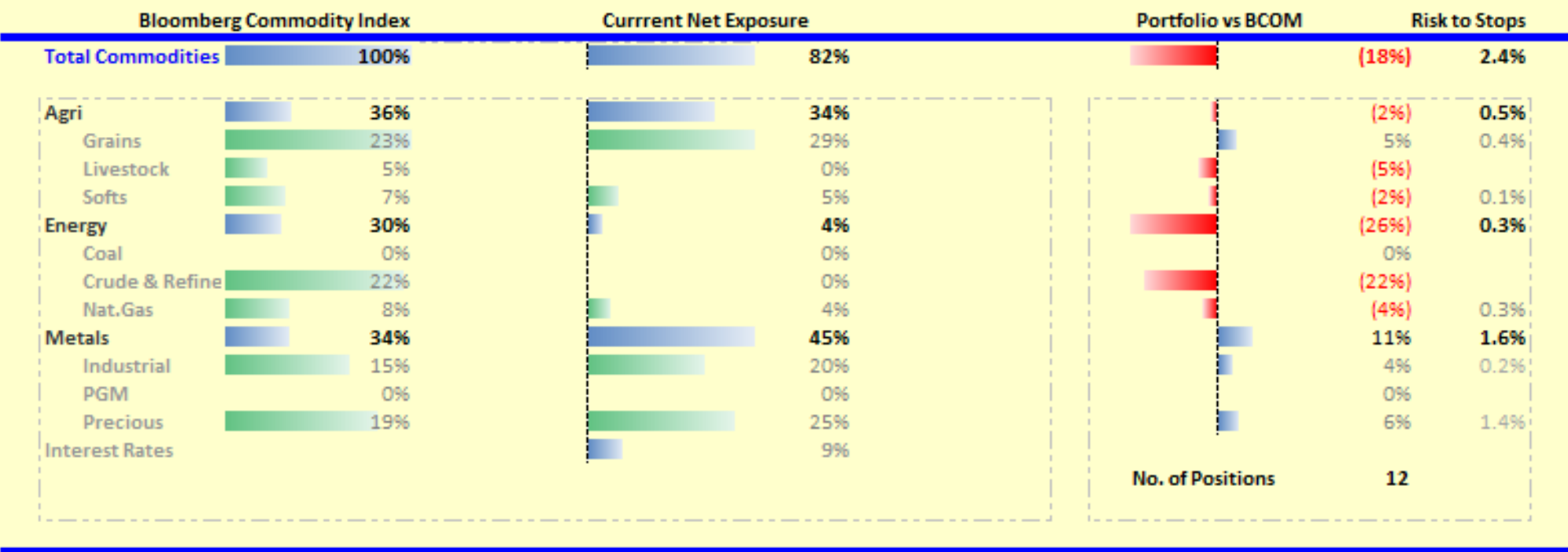
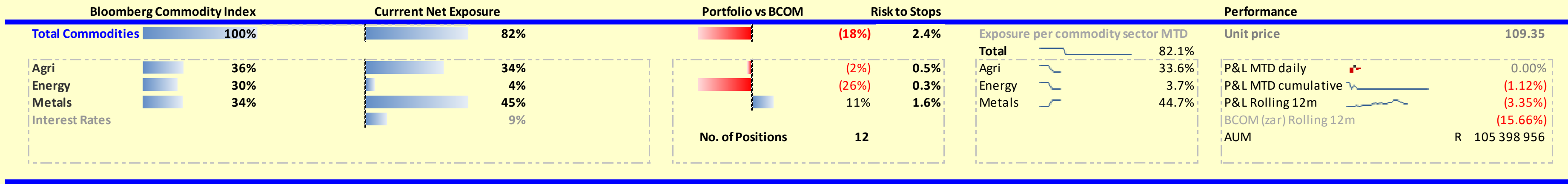
# Crypto \$

- **Bitcoin** (weekly)
  - Hanging on by fingertips

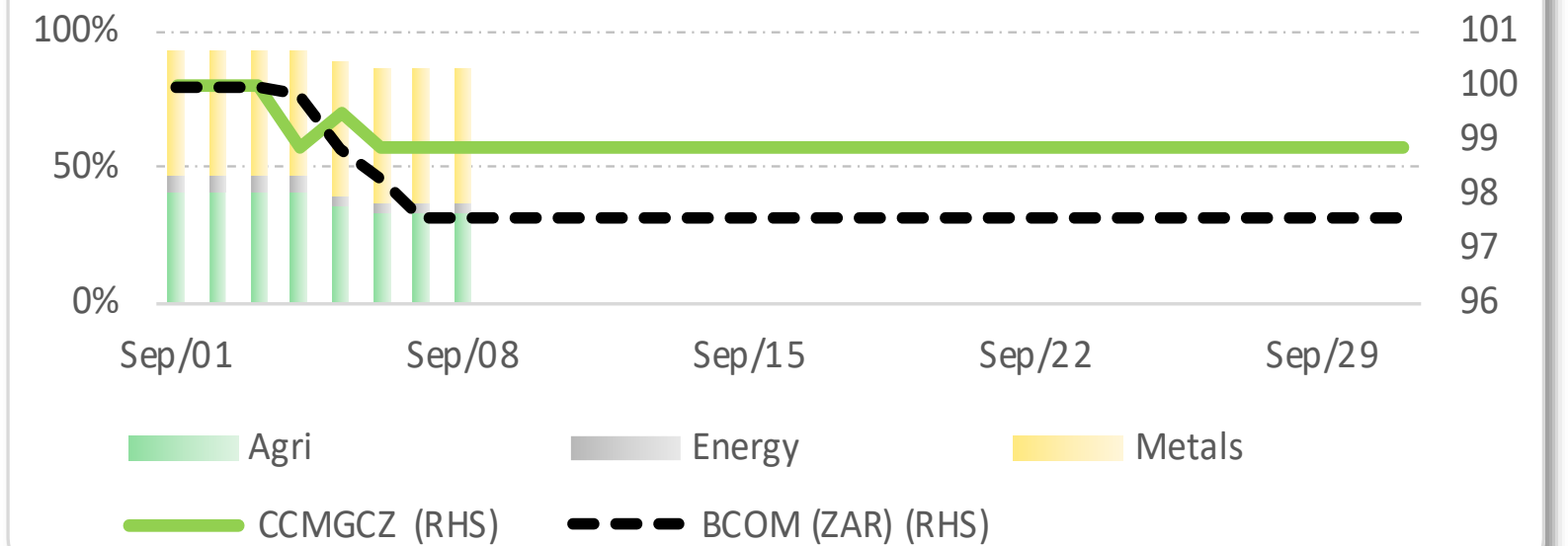


# Executive Overview:

- **Bonds 10yr**
  - **G7** bond market vigilantes bullying the Fed ?
  - **BRICS** ZA bond yields continue bullish march
- **Fx**
  - **G7** US \$ poised on NB support
  - **BRICS** ZAR continues recent advance
- **Equity indices**
  - **G7** failing at lower highs?
  - **BRICS** caught in the risk-off malaise
- **Property**
  - **Global** interest rate sensitives hanging in for now
  - **SA** interest rate sensitives hanging in for now
- **Commodities**
  - **Agri** green shoots?
  - **Energy** OPEC+ struggling to contain the supply side
  - **Metal sub-indices**
    - Ind metal Chinese strategic inventories rise, but exchange warehouse inventories fall
    - PGM: testing support absent Chinese demand
    - Prec metal full bull; central banks take up the slack left by retail investors scared off by new highs
- **Crypto**
  - Lower lows, lower highs



### Coherent Commodity Portfolio (ZAR) (CCMGCZ) (daily)



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