



Saxo Market Call

Slide deck

Friday, August 18, 2023

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.

Risk-off accelerates; next week is critical on Nvidia and China



Source: Saxo

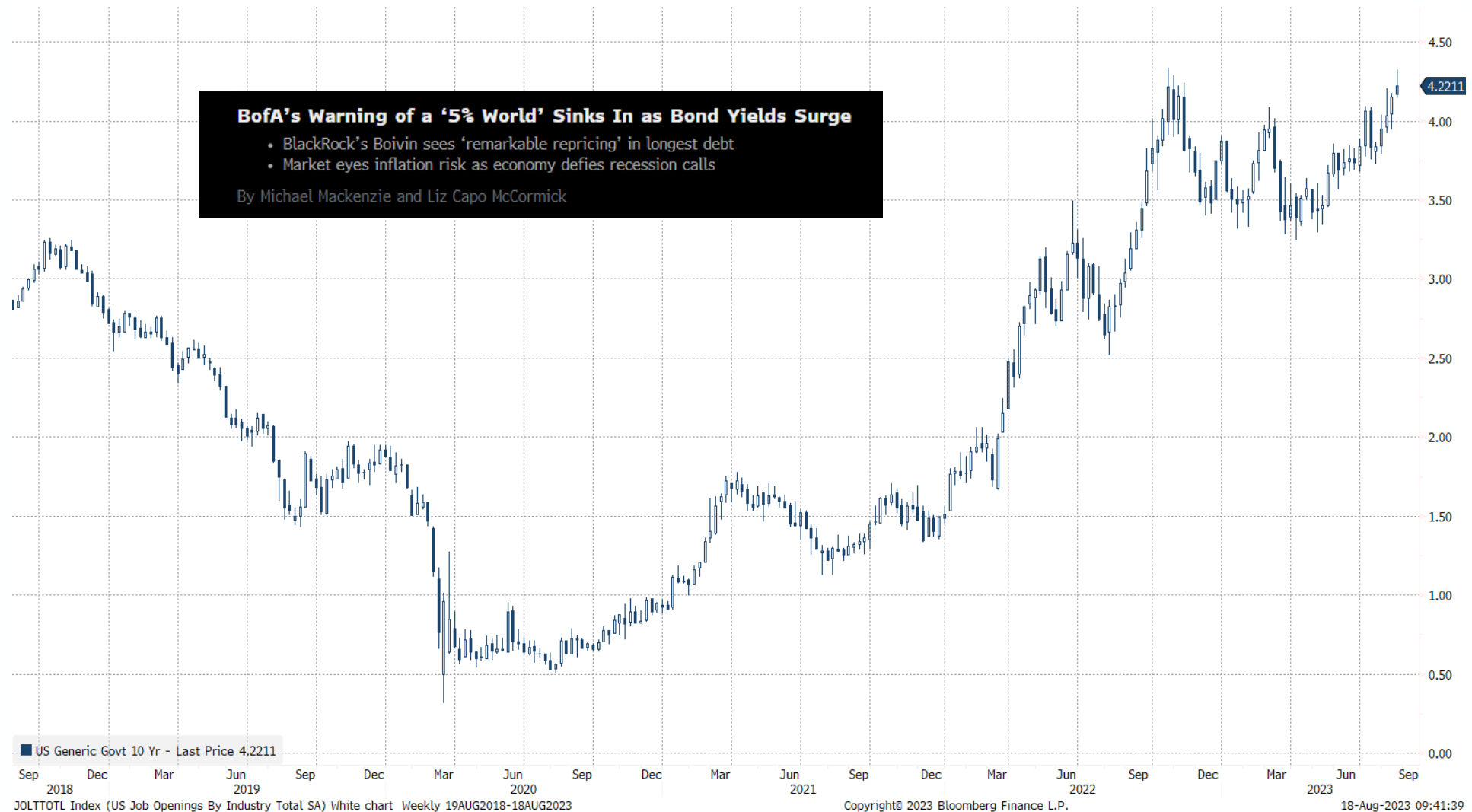
Saxo equity themes performance overview

Sorted on month-to-date return (updated as of 17 Aug 2023)

| Theme | 1D | 1W | MTD | YTD | 1Y | 5Y |
|-------------------------------|------|------|-------|-------|-------|-------|
| Nuclear power | -0.6 | -1.9 | -1.9 | 5.5 | 9.2 | 118.7 |
| Defence | -1.2 | -4.1 | -3.4 | 18.0 | 22.6 | 81.9 |
| Commodities | 0.5 | -3.4 | -4.5 | 5.1 | 11.6 | 102.9 |
| Luxury | -1.4 | -4.4 | -4.8 | 20.2 | 22.4 | 41.9 |
| MSCI World (USD) | -0.8 | -2.7 | -5.2 | 12.8 | 4.6 | 47.5 |
| Mega Caps | -0.7 | -3.1 | -5.2 | 26.1 | 13.3 | 133.4 |
| Construction | -1.5 | -3.9 | -5.6 | 18.5 | 21.7 | 82.7 |
| Transportation infrastructure | -0.7 | -3.6 | -6.0 | -0.7 | -3.7 | 25.0 |
| Logistics | -0.5 | -3.6 | -6.0 | 13.5 | 6.8 | 127.5 |
| Travel | -1.7 | -4.9 | -6.3 | 26.1 | 20.4 | 3.5 |
| MSCI EM (USD) | -0.2 | -3.4 | -6.8 | 3.8 | -1.5 | 7.7 |
| China consumer & technology | 0.9 | -5.6 | -7.9 | 1.0 | 1.8 | 99.9 |
| Cyber security | -1.9 | -3.3 | -8.1 | 18.1 | -6.0 | 99.3 |
| Renewable energy | -1.2 | -5.7 | -10.0 | -17.7 | -27.2 | 207.6 |
| Semiconductors | -0.9 | -4.0 | -10.0 | 31.5 | 14.0 | 198.4 |
| Gaming | -0.2 | -4.7 | -11.8 | 14.5 | 7.2 | 77.4 |
| New biotech | -0.8 | -4.3 | -12.1 | -5.1 | -25.7 | 73.3 |
| E-commerce | -1.5 | -7.3 | -12.1 | 14.1 | -6.3 | 16.2 |
| Payments | -3.4 | -6.4 | -12.5 | 6.3 | -13.9 | 26.3 |
| Energy storage | -0.9 | -7.9 | -15.6 | -9.5 | -37.5 | 351.5 |
| Green transformation | -1.4 | -7.9 | -17.8 | 7.2 | -37.7 | 157.7 |
| Bubble stocks | -2.4 | -6.0 | -18.5 | 18.7 | -15.2 | 117.2 |

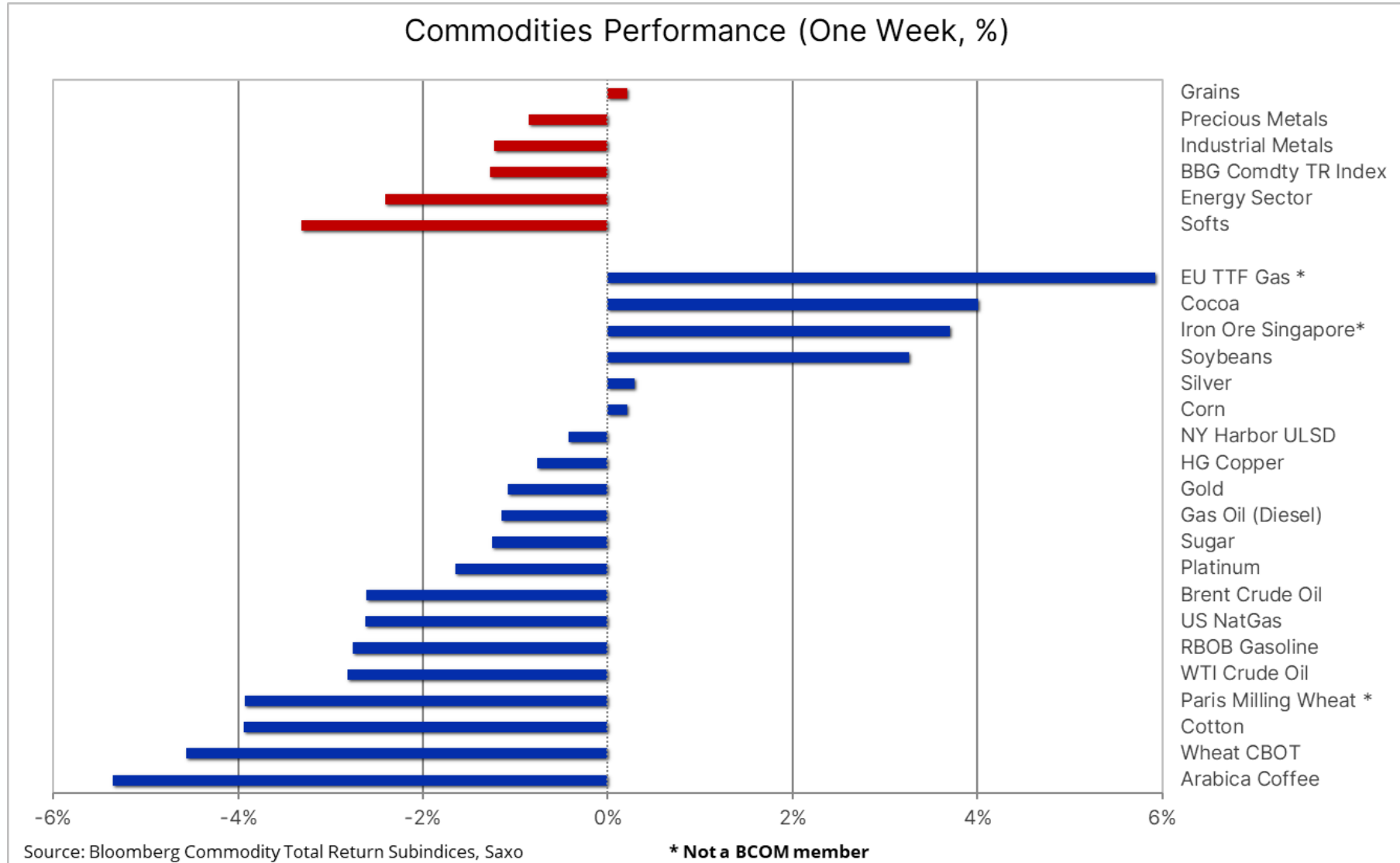
Source: Bloomberg and Saxo

Are sticky inflation and stagflation finally arriving?

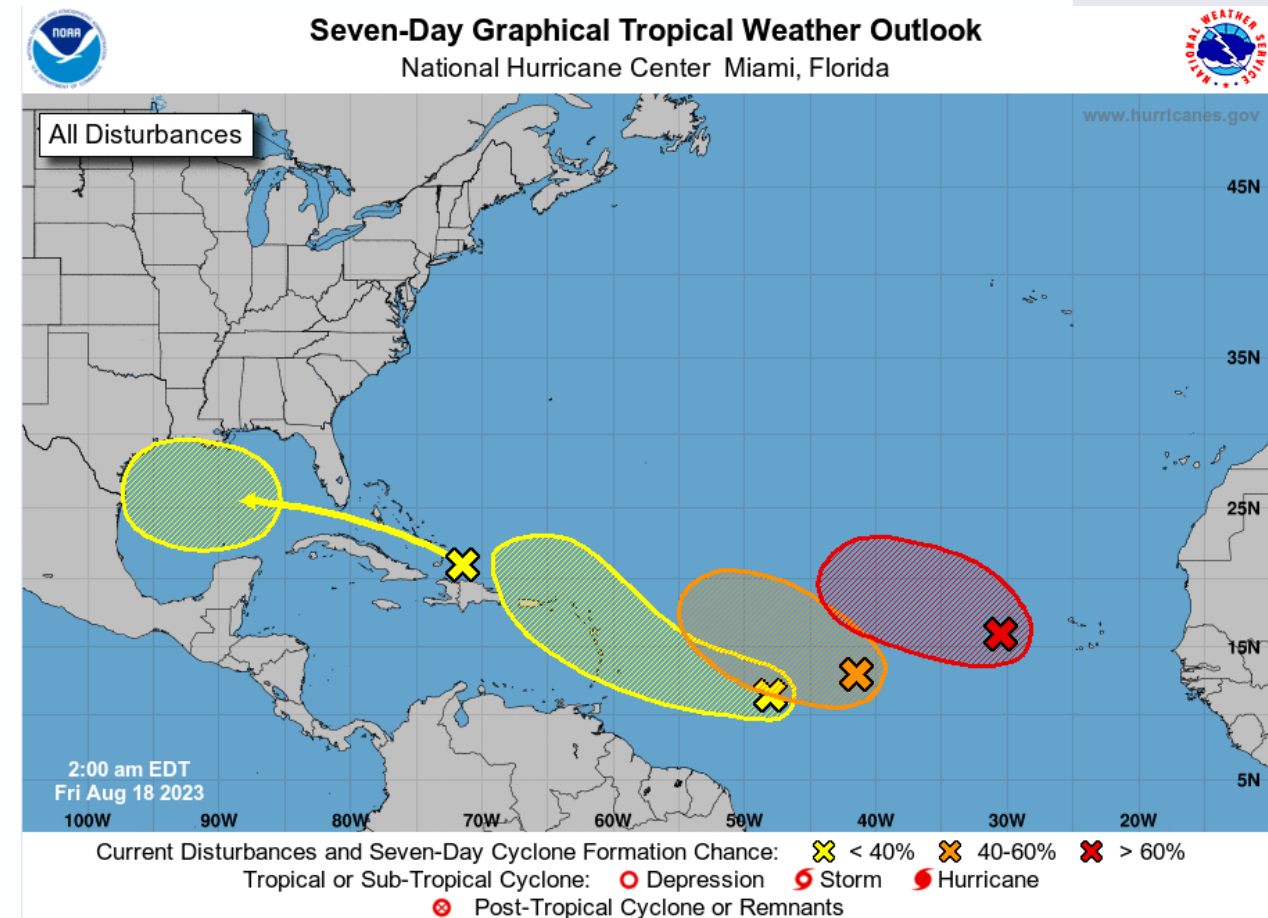
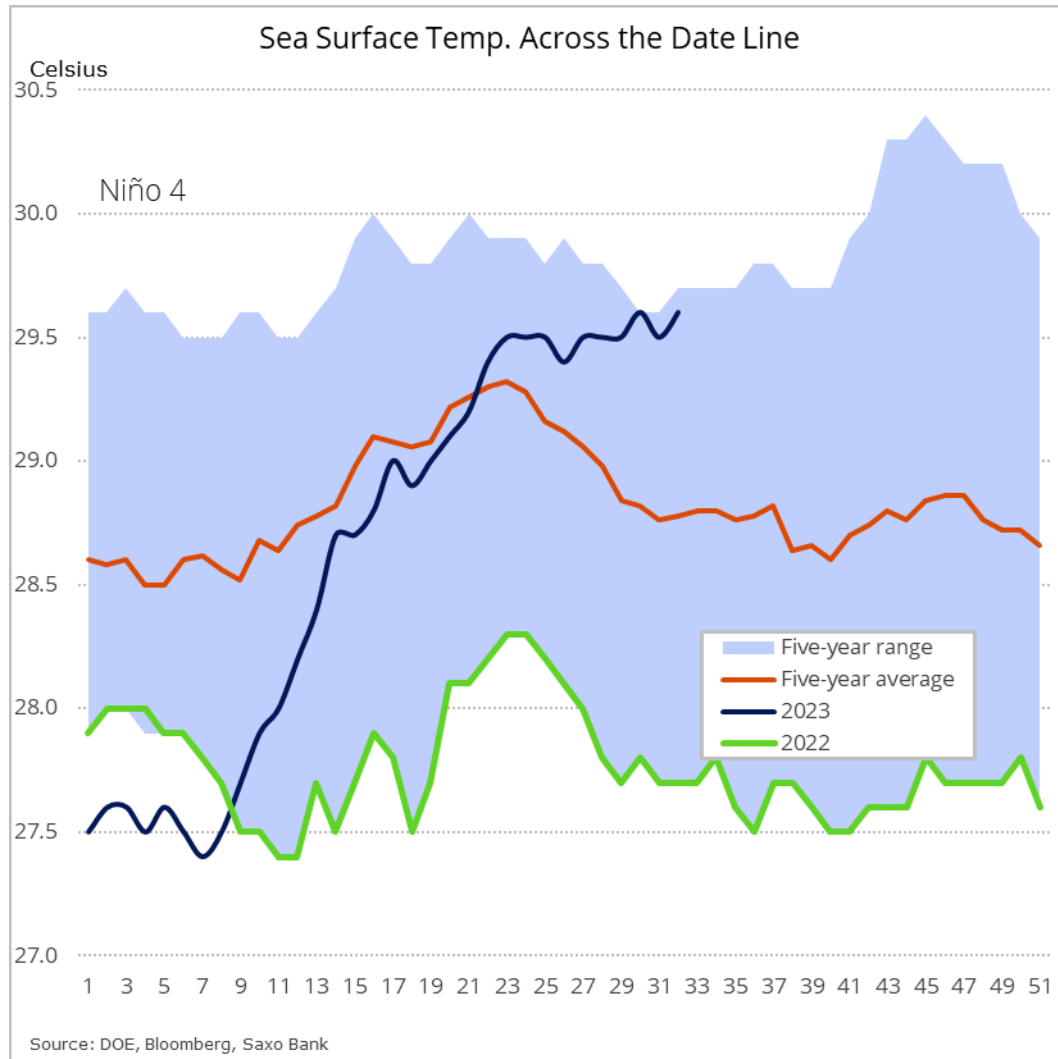


Source: Bloomberg

Friday bounce after tough week driven by rising yields and China concerns



NOAA predicts a busy hurricane season, partly due to warming ocean waters



Stocks to watch today...

- **Adyen** – shares down 39% yesterday on its big miss on 1H processed volume and operating margin. Shares down additionally 2% in today's session.
- **Walmart** – lifts fiscal year guidance for earnings and comparable sales underscoring the ongoing substitution effects by US consumers which is a signal of stagflation. Shares were down 2%.



Source: Saxo

Earnings Watch

Friday: Kingspan, **Deere**, **Palo Alto Networks**, Estee Lauder, Xpeng

Next week's releases













Monday: **BHP Group**, KE Holdings, Zoom Video

Tuesday: Woodside Energy, Kuaishou Technology, **ANTA Sports**, Lowe's, **Medtronic**, **Baidu**

Wednesday: **Nvidia**, Analog Devices, **Snowflake**, Autodesk, Splunk

Thursday: Royal Bank of Canada, Toronto-Dominion Bank, **Meituan**, **CRH**, Intuit, NetEase, Workday, Marvell Technology

Deere quarterly financials

| In Millions of USD | 2022 Q3 | 2022 Q4 | 2023 Q1 | 2023 Q2 | 2023 Q3 Est | 2023 Q4 Est | 2024 Q1 Est |
|---|------------|------------|------------|------------|-------------|-------------|-------------|
| 3 Months Ending | 07/31/2022 | 10/30/2022 | 01/29/2023 | 04/30/2023 | 07/31/2023 | 10/31/2023 | 01/31/2024 |
|  Market Capitalization | 103,578.5 | 118,567.6 | 123,916.0 | 110,832.5 | | | |
|  - Cash & Equivalents | 5,078.0 | 5,508.0 | 4,828.0 | 6,123.0 | | | |
|  + Preferred & Other | -40,640.0 | -41,771.0 | -42,691.0 | -46,406.0 | | | |
|  + Total Debt | 51,228.0 | 52,503.0 | 54,064.0 | 58,099.0 | | | |
|  Enterprise Value | 109,088.5 | 123,791.6 | 130,461.0 | 116,402.5 | | | |
|  Revenue, Adj | 14,102.0 | 15,536.0 | 12,652.0 | 17,387.0 | 14,113.8 | 13,809.9 | 11,190.7 |
|  Growth %, YoY | 22.3 | 37.2 | 32.2 | 30.0 | 0.1 | -11.1 | -11.5 |
|  Gross Profit, Adj | 4,591.0 | 5,322.0 | 4,718.0 | 6,657.0 | 4,490.0 | 4,257.7 | 3,486.0 |
|  Margin % | 32.6 | 34.3 | 37.3 | 38.3 | 31.8 | 30.8 | 31.2 |
|  EBITDA, Adj | 3,385.0 | 3,452.0 | 3,466.0 | 5,091.0 | 3,199.1 | 2,988.7 | 2,485.4 |
|  Margin % | 24.0 | 22.2 | 27.4 | 29.3 | 22.7 | 21.6 | 22.2 |
|  Net Income, Adj | 1,915.6 | 2,061.1 | 1,959.0 | 2,996.7 | 2,397.8 | 2,193.9 | 1,752.5 |
|  Margin % | 13.6 | 13.3 | 15.5 | 17.2 | 17.0 | 15.9 | 15.7 |
|  EPS, Adj | 6.26 | 6.82 | 6.55 | 10.11 | 8.19 | 7.52 | 6.03 |
|  Growth %, YoY | 19.3 | 65.5 | 107.9 | 44.7 | 30.7 | 10.2 | -7.9 |
|  Cash from Operations | 2,180.0 | 4,281.0 | -1,246.0 | 1,099.0 | | | |
|  Capital Expenditures | -963.0 | -1,475.0 | -812.0 | -1,001.0 | -354.3 | -505.8 | -332.9 |
|  Free Cash Flow | 1,217.0 | 2,806.0 | -2,058.0 | 98.0 | 2,609.9 | 3,087.8 | 100.9 |

Source: Bloomberg

Macro – calendar highlights (all times GMT)

Today's Calendar Highlights

0900 – Eurozone July CPI

1930 – CFTC's Weekly COT Report

Upcoming Calendar Highlights

MON: UK Aug Rightmove House Prices, Ger Jul PPI

TUE: US Jul Existing Home Sales, Richmond Fed Manufacturing Index

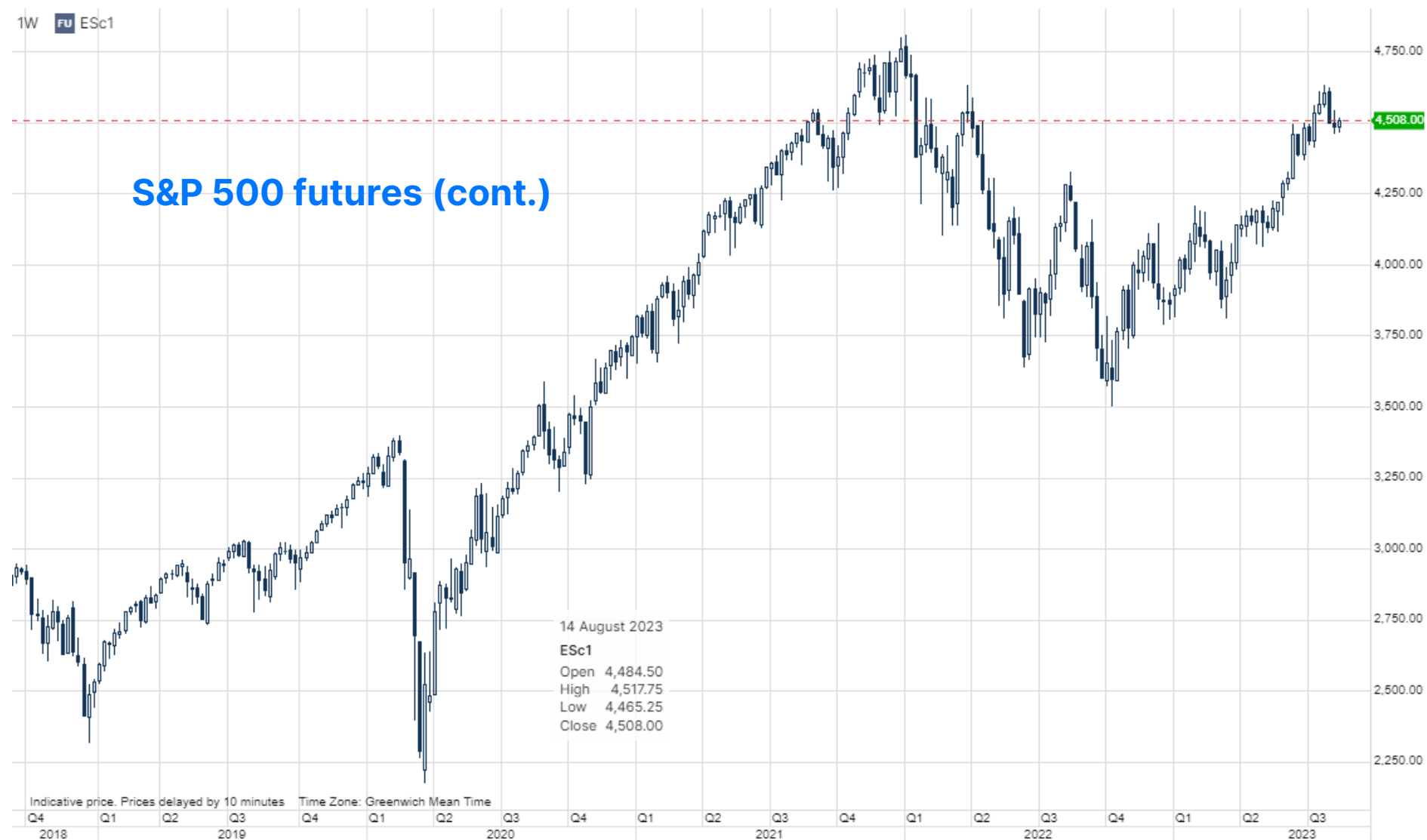
WED: Eurozone Aug PMI, **UK Aug PMI**, **US Aug PMI**, US Jul New Home Sales, Eurozone Aug Consumer Confidence

THU: **US Initial Jobless Claims**, US Jul Durable Goods Orders

FRI: Tokyo Aug CPI, Ger 2Q GDP, **Ger Aug IFO**, US Aug U. of Michigan Sentiment, **Fed's Powell Speaks at Jackson Hole Economic Policy Symposium**,

Longer Term Highlights

Appendix: S&P 500 5-year chart



Appendix: Where do you find the equity theme baskets?

Saxo
TraderGO

TRADING **RESEARCH** ACCOUNT

Overview Hot Topics Quarterly Outlook Forex **Stocks** Commodities Bonds ETFs Crypto Education Trade Signals News Market Analysis Calendar Equities

US 30 Wall Street

34,581.20 USD

D -0.07% M 1.52% Y 35.75%

US Tech 100 NAS

13,674.79 USD

D -0.02% M -2.10% Y 42.48%

US 500

4,206.67 USD

D -0.05% M -0.11% Y 37.68%

Germany 30

15,591.67 EUR

D -0.03% M 2.62% Y 30.62%

Latest articles [See All](#)

EQUITIES | 01-Jun-2021 12:50 | 8 Minutes to read
Pricing power and valuation discount drive logistics returns in the future

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...

EQUITIES | 28-May-2021 10:50 | 6 Minutes to read
Additions to crypto basket; JD Logistics rides the e-commerce bonanza

EQUITIES | 27-May-2021 02:00 | 5 Minutes to read
Upcoming catalysts

Saxo's Equity Baskets [See All](#)

Logistics

Semiconductors

Financial Trading

Crypto and Blockchain