



QUARTERLY MARKET UPDATE

30 June 2022

"Predicting rain doesn't count: building arks does"

Noah's Rule Scoring

- 6 elements
- Each element scored between -1 and +1
- Summed together for score between -6 and 6
- Score represents an indication of trend
- Scores at extremes indicate possible extension

Objective, non-emotional lens in decision-making process

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This time last quarter

- USD higher **still** / LT DT in question, **WS +ve**
 - Yen back to extreme negative scoring.
 - EUR with negative Daily & Weekly Score
 - AUD / NZD / CAD / ZAR / BRL all with positive Daily & Weekly Score
- Precious scores **holding positive**
 - AUD & USD gold +ve DS & WS
- Base holding positive WS
- Energy **holding** positive
- **Broad themes mostly continue but balance is increasingly positive in the commodity (and commodity currency) space**
- **Increased inflation risk priced into most markets**
 - GSCI no longer Extended but holding +ve Weekly Score
 - GSCI vs. Equities +ve and above 200 WMA for first time since 2009 – Secular change?



Now:

- USD higher **still** / LT DT broken, **WS +ve**
 - Yen remains in extreme negative scoring.
 - EUR now with extreme negative Weekly Score
 - **AUD / NZD / CAD / ZAR / BRL have all lost positive Daily & Weekly Score**
- Precious scores **holding positive**
 - AUD & USD gold +ve WS but both are lower. **USD gold –ve DS and below 200dma**
- Base metals dropped to extreme –ve DS Most now –ve WS
- Energy still **holding** positive and extremes (Oil)
- **ST reversal of commodity, commodity currency and equity market sentiment!!**
- **Increased inflation risk priced into most markets**
 - GSCI Extended +ve Weekly Score but rolling over?
 - GSCI vs. Equities more +ve but driven as much by equity weakness as commodity strength.



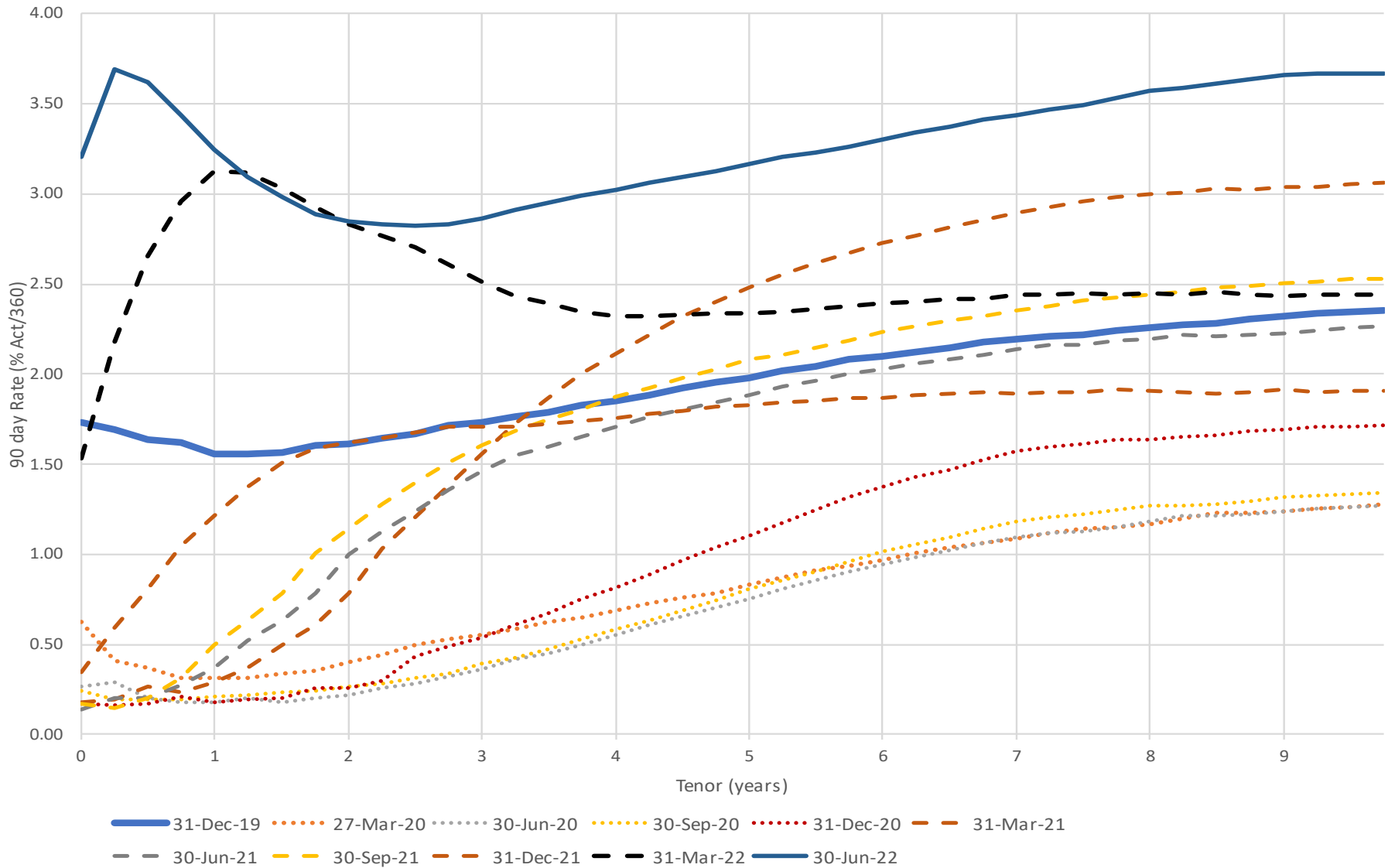
Market Summary

	31-Dec-21				31-Mar-22				30-Jun-22			
	Price	Δ Price since last qtr	Daily	Weekly	Price	Δ Price since last qtr	Daily	Weekly	Price	Δ Price since last qtr	Daily	Weekly
Precious												
Gold	1829	4.11%	2.6	2.3	1937	5.92%	3.3	4.3	1807	-6.72%	-1.5	1.5
AUDGold	2521	3.66%	3.6	4.0	2590	2.76%	0.6	3.5	2618	1.08%	1.7	2.8
Base												
Copper	9721	8.77%	-0.1	2.7	10375	6.73%	2.8	2.9	8258	-20.40%	-6.0	-1.5
AUDCopper	13384	8.23%	1.5	3.5	13867	3.61%	0.0	3.2	11963	-13.73%	-5.8	-1.1
AUDZinc	4866	17.69%	3.9	3.8	5578	14.64%	4.5	4.8	4573	-18.01%	-3.5	1.9
AUDNickel	28579	15.15%	3.9	4.1	42912	50.15%	2.8	4.1	32881	-23.38%	-2.4	1.0
AUDIronOre	165	2.23%	0.2	-1.0	212	28.25%	0.7	1.2	177	-16.82%	-0.6	-0.6
Energy												
Coal	352	1.15%	2.6	3.6	521	48.22%	2.2	4.0	302	-41.97%	-4.9	0.9
SGO	85.85	3.53%	-0.9	2.0	141.71	65.07%	3.7	5.7	176.80	24.77%	4.2	5.9
Currencies												
AUDUSD	0.7263	0.50%	-2.4	-1.4	0.7482	3.02%	3.5	0.9	0.6903	-7.74%	-3.3	-2.0
NZDUSD	0.6826	-1.06%	-3.6	-1.6	0.6947	1.77%	2.3	0.5	0.6244	-10.12%	-4.1	-2.8
CADUSD	0.7913	0.34%	-2.4	0.4	0.7997	1.06%	2.0	1.3	0.7768	-2.86%	-2.5	-0.9
EURUSD	1.1370	-1.81%	-2.7	-2.7	1.1067	-2.66%	-3.3	-3.7	1.0484	-5.27%	-3.4	-4.7
ZARUSD	0.0627	-5.45%	-3.4	-3.1	0.0684	9.07%	3.0	0.3	0.0614	-10.24%	-2.6	-2.0
BRLUSD	0.1767	-5.49%	0.2	-3.3	0.2070	17.19%	5.3	1.9	0.1920	-7.28%	-2.3	-0.1
JPYUSD	0.0087	-3.29%	-2.9	-5.7	0.0082	-5.44%	-5.0	-6.0	0.0074	-10.33%	-4.3	-6.0
DX	95.67	1.53%	2.9	2.2	98.31	2.76%	3.8	3.3	104.69	6.48%	3.7	5.0
Indices												
DOW	36338	7.37%	1.9	3.6	34678	-4.57%	0.2	1.3	30775	-11.25%	-4.7	-1.0
ALLORDS	7779	1.96%	2.0	3.4	7790	0.13%	2.3	1.6	6663	-14.46%	-5.7	-2.0
GDX	32.03	8.69%	-2.0	0.0	38.35	19.73%	4.8	4.1	30.39	-20.76%	-2.5	0.0
GSCI	561	0.62%	-0.2	3.3	724	29.05%	3.3	5.6	754	4.06%	2.2	4.7

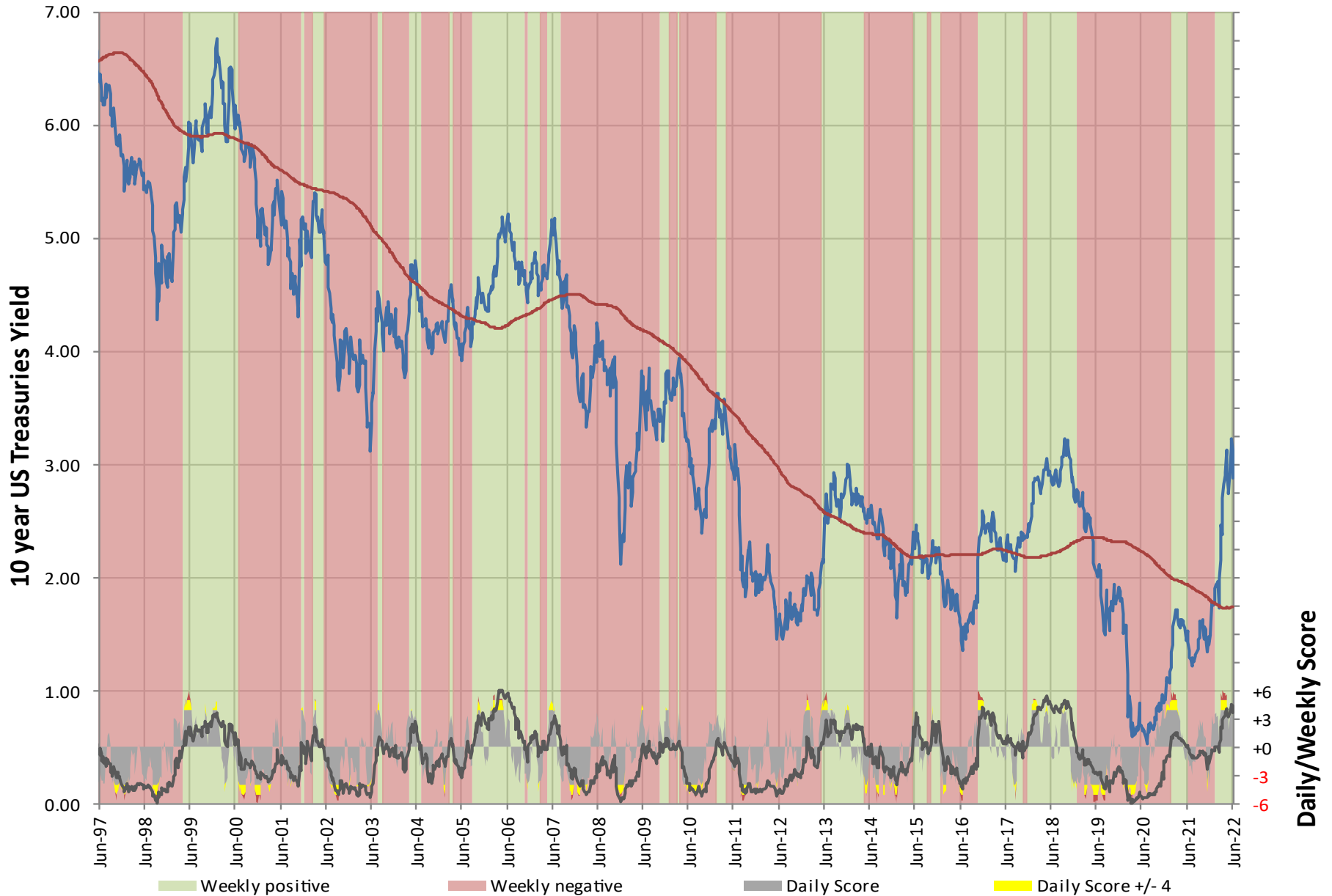


The Changing Shape of the US Interest Rate Curve

EURO Futures



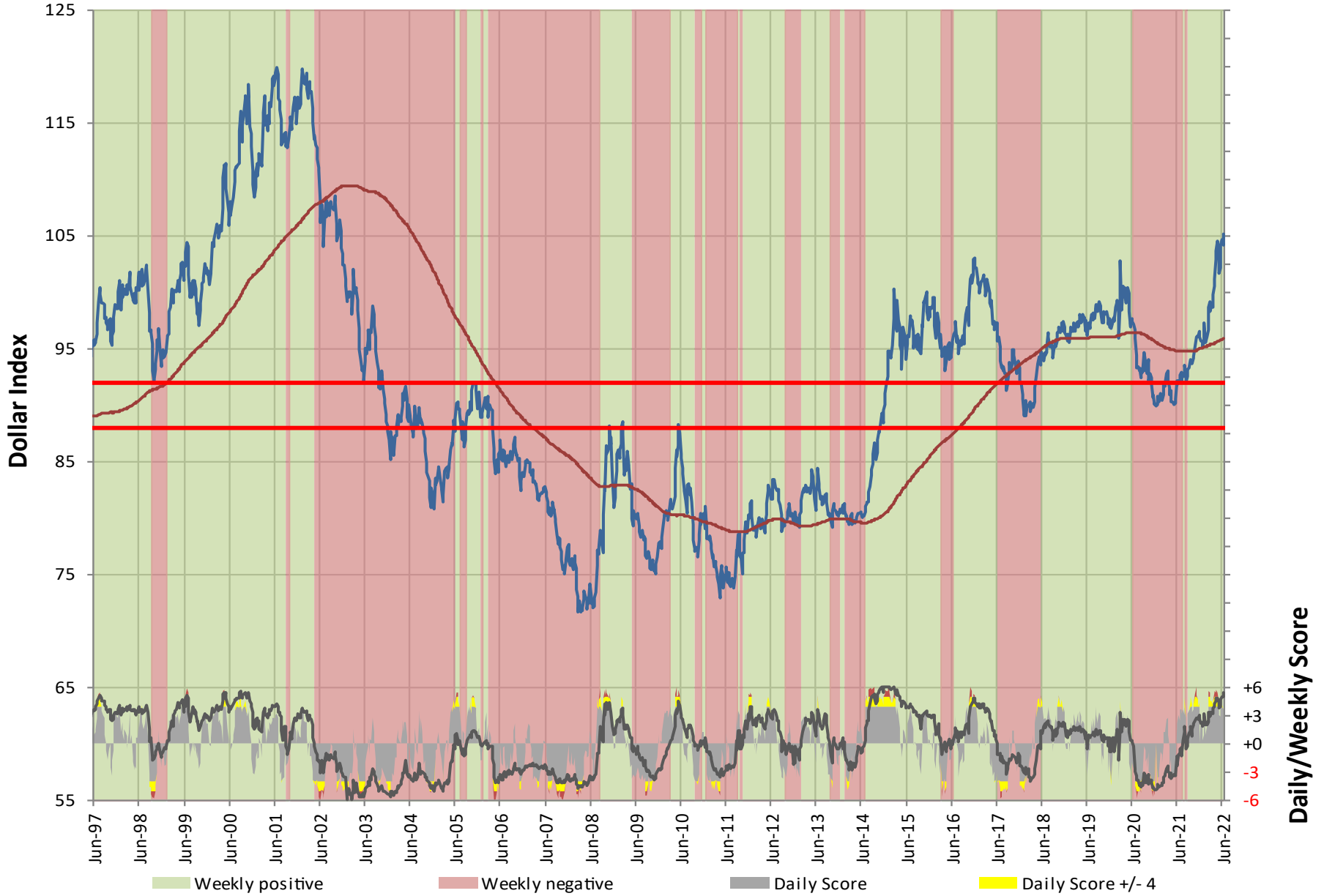
10 year US Treasuries Yield



Note: Background colour does not change until there has been three consecutive weeks of positive or negative



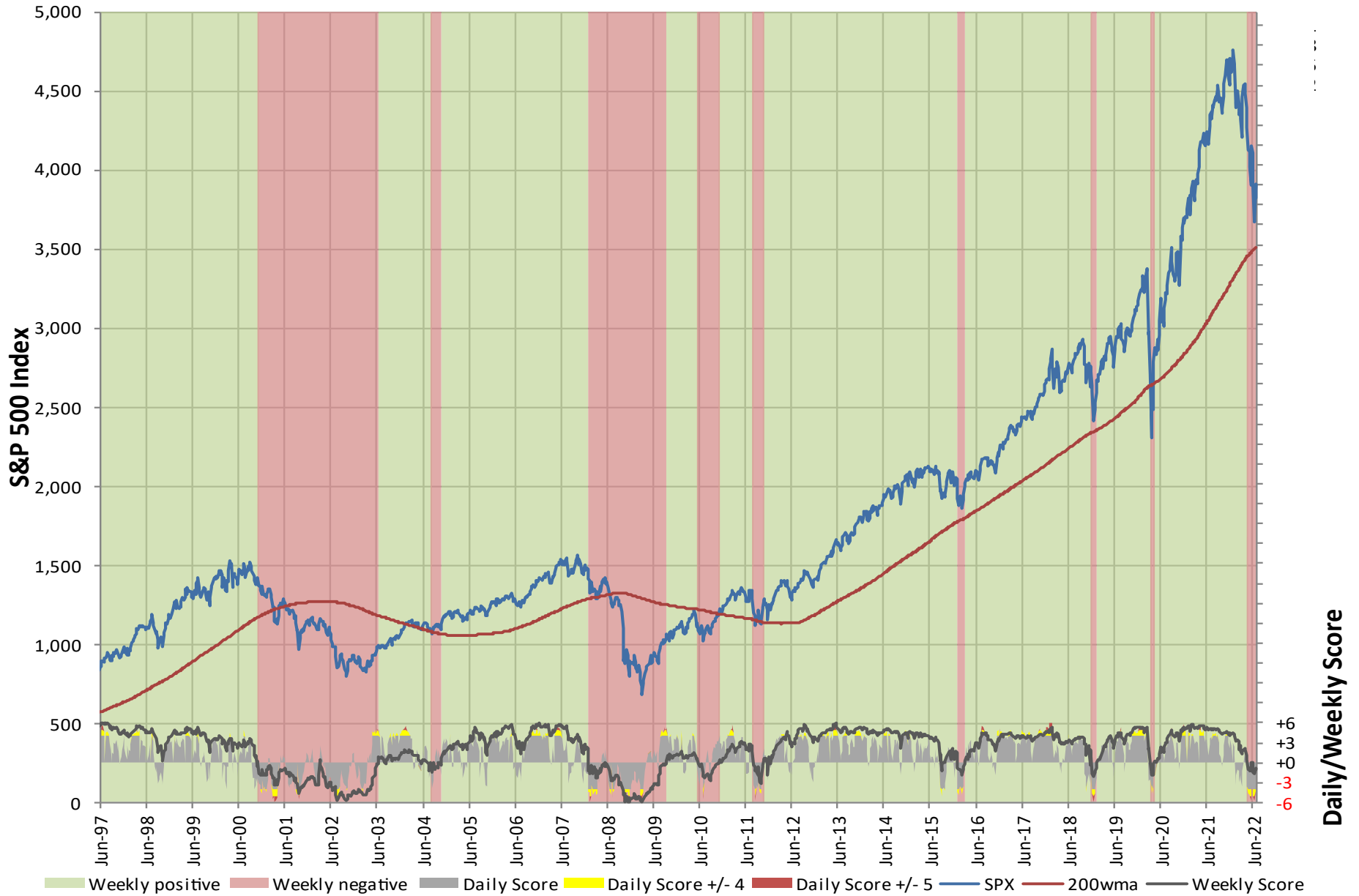
USD Index – DXY



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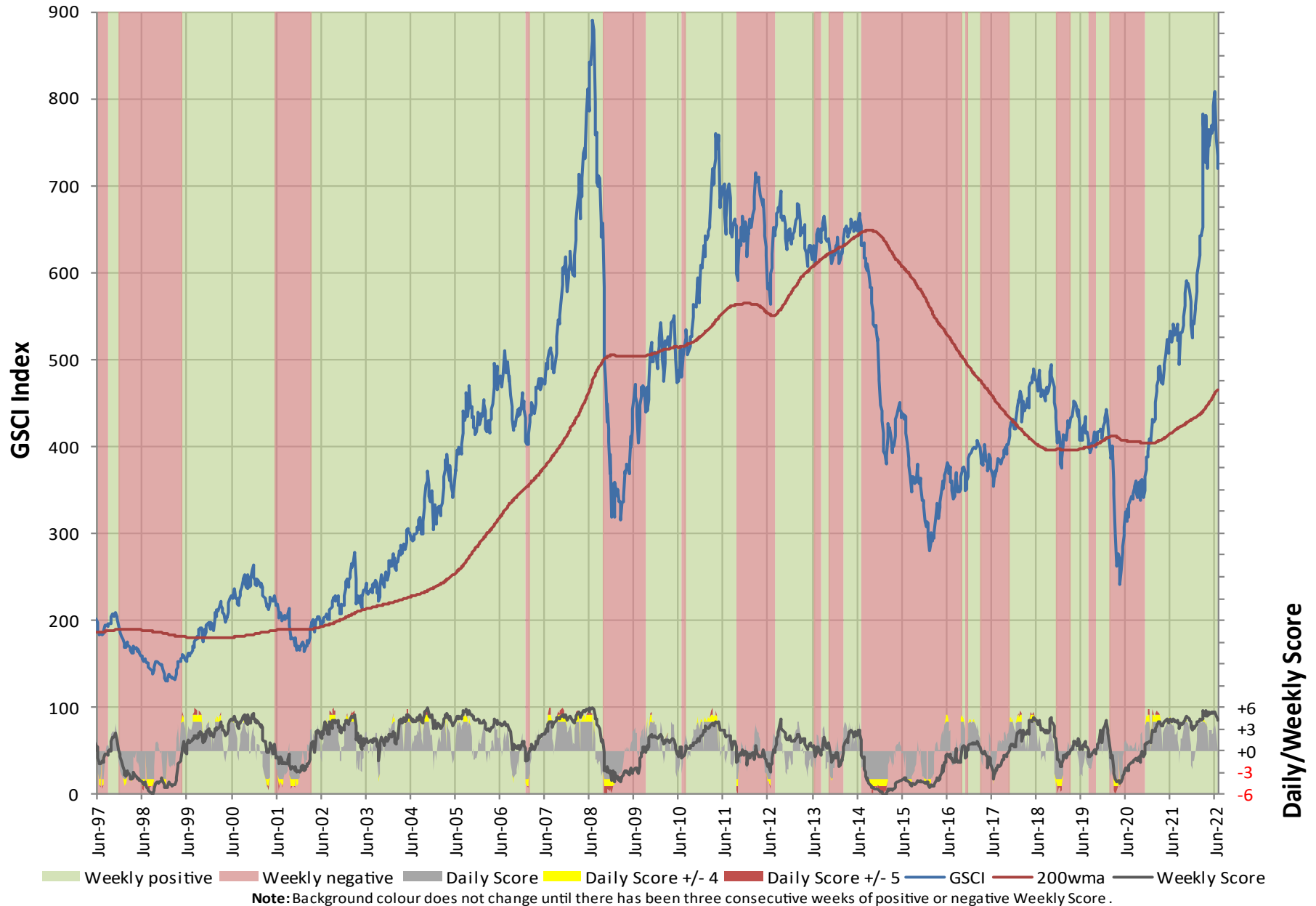
S&P 500 Index



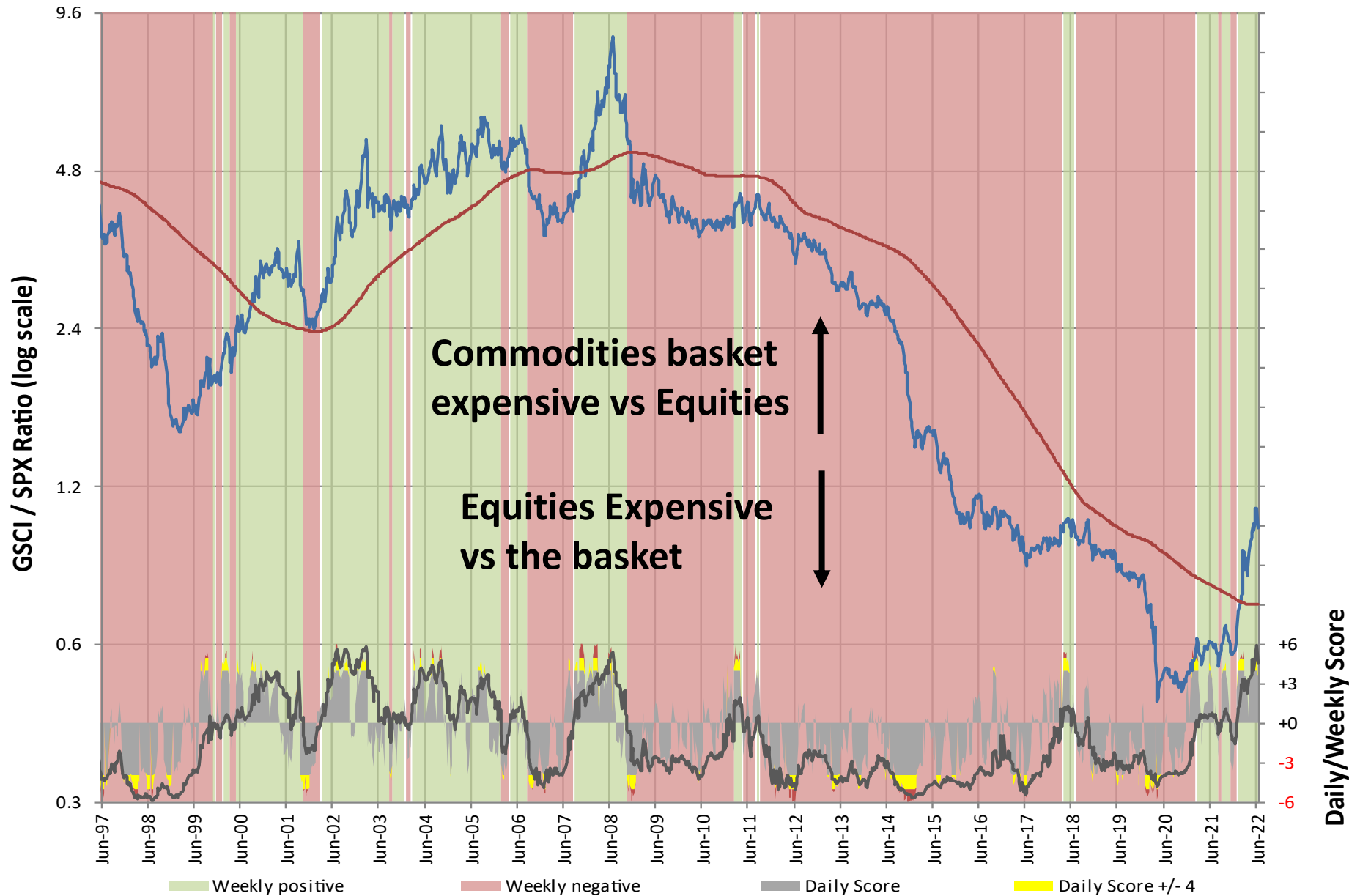
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Goldman Sachs Commodity Index – GSCI



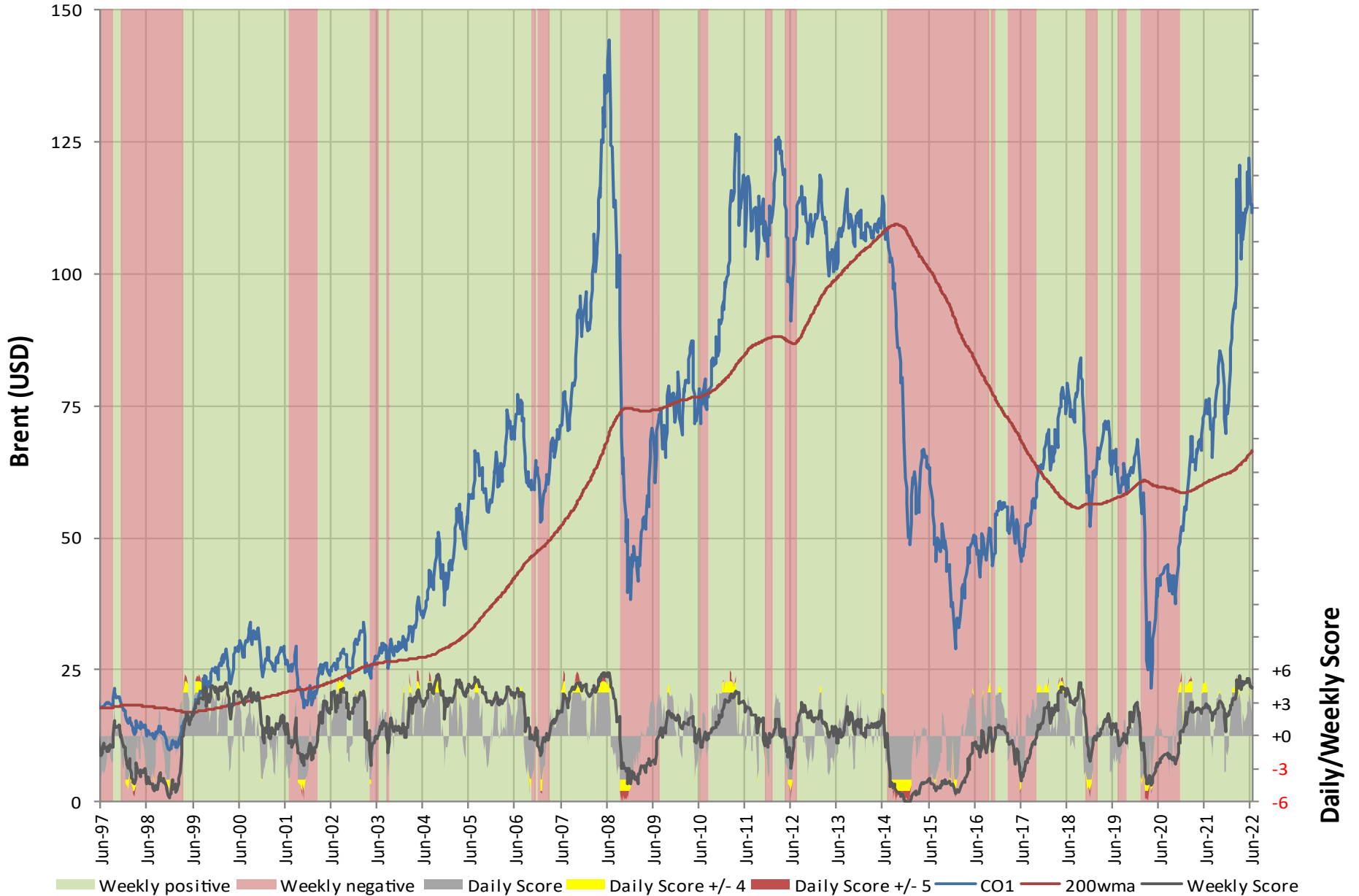
GSCI / S&P Ratio (log scale)



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USD Brent

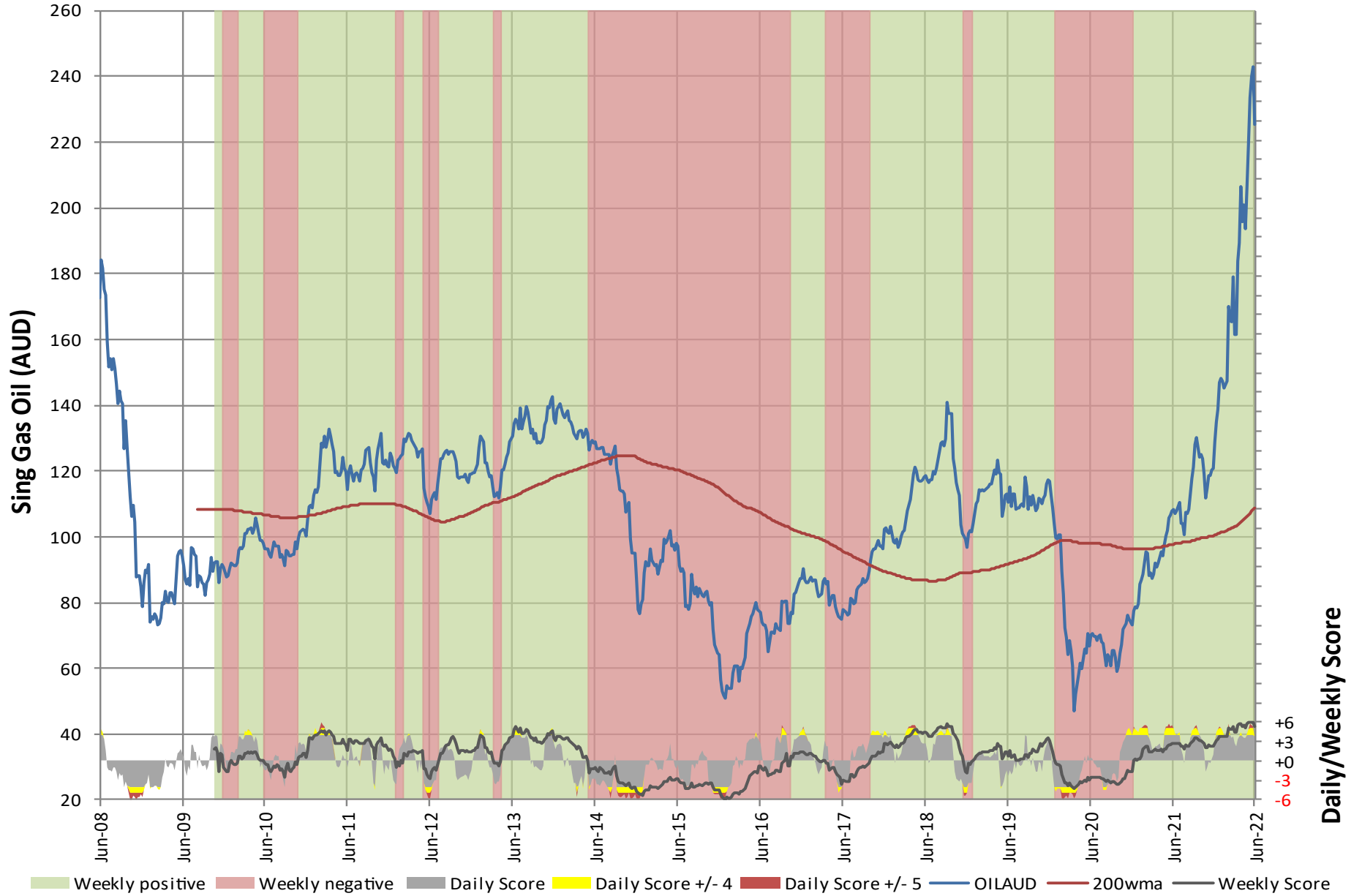


Weekly positive Weekly negative Daily Score Daily Score +/- 4 Daily Score +/- 5 CO1 200wma Weekly Score

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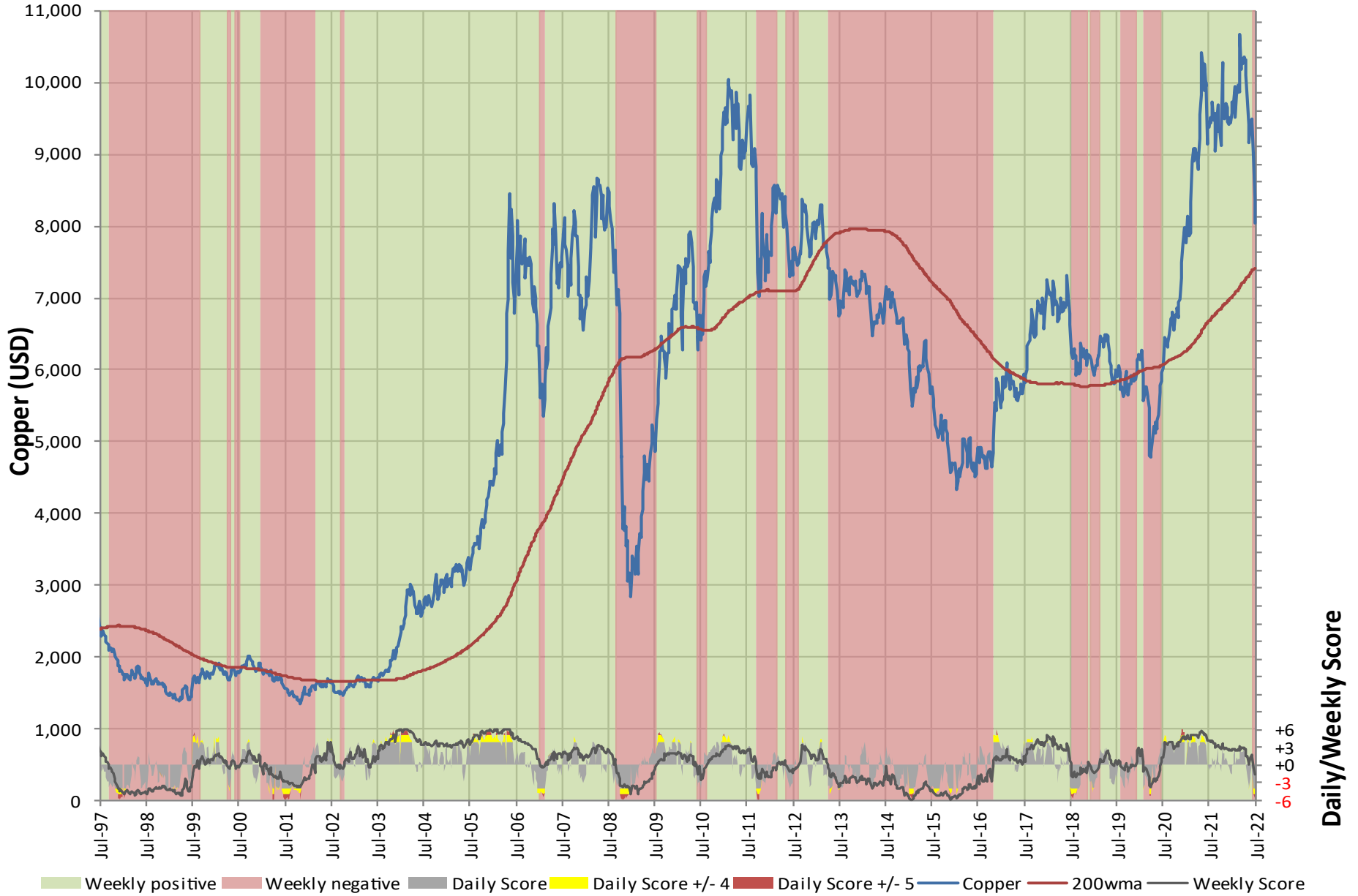
AUD SGO



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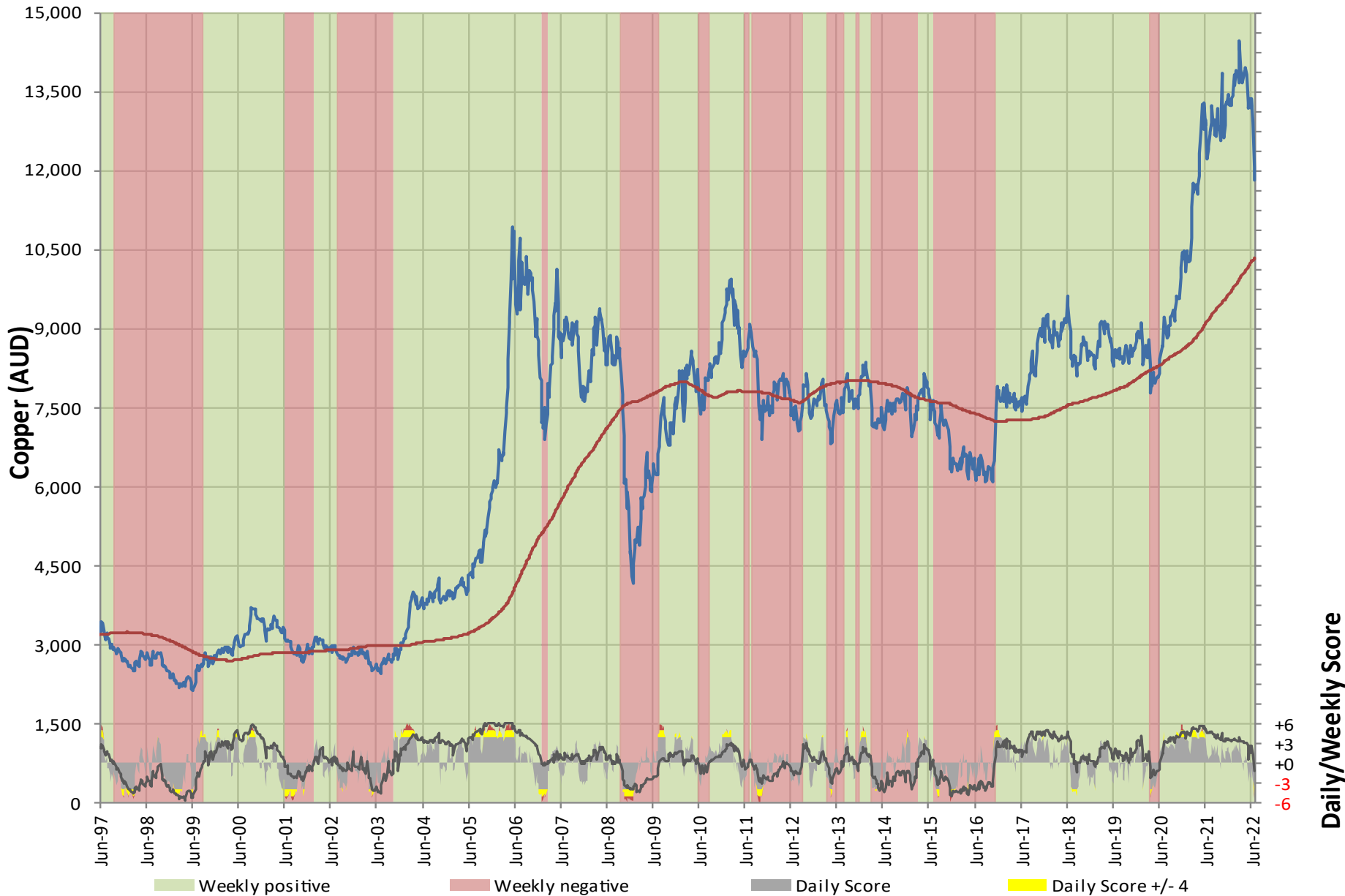
USD Copper



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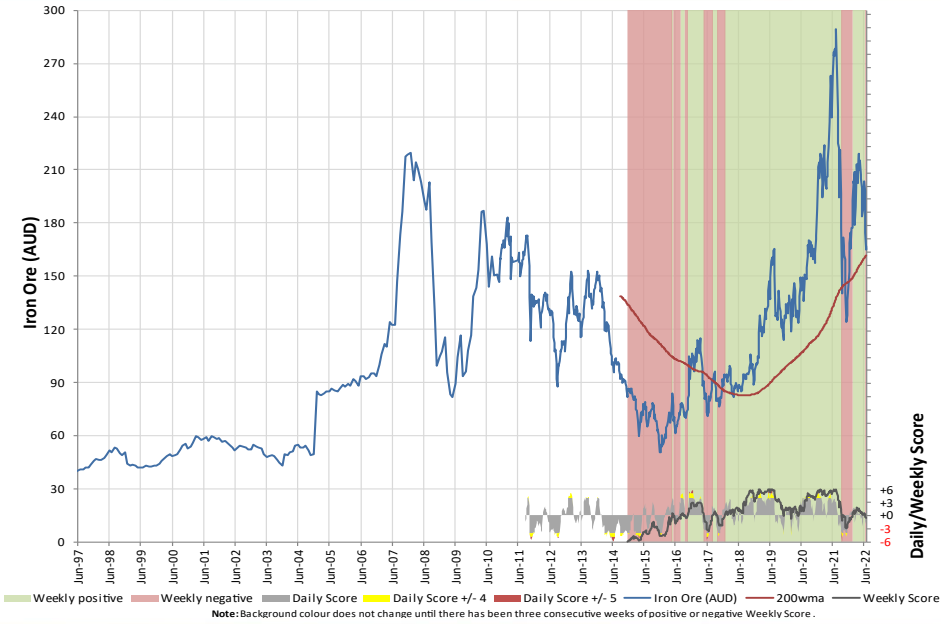
AUD Copper



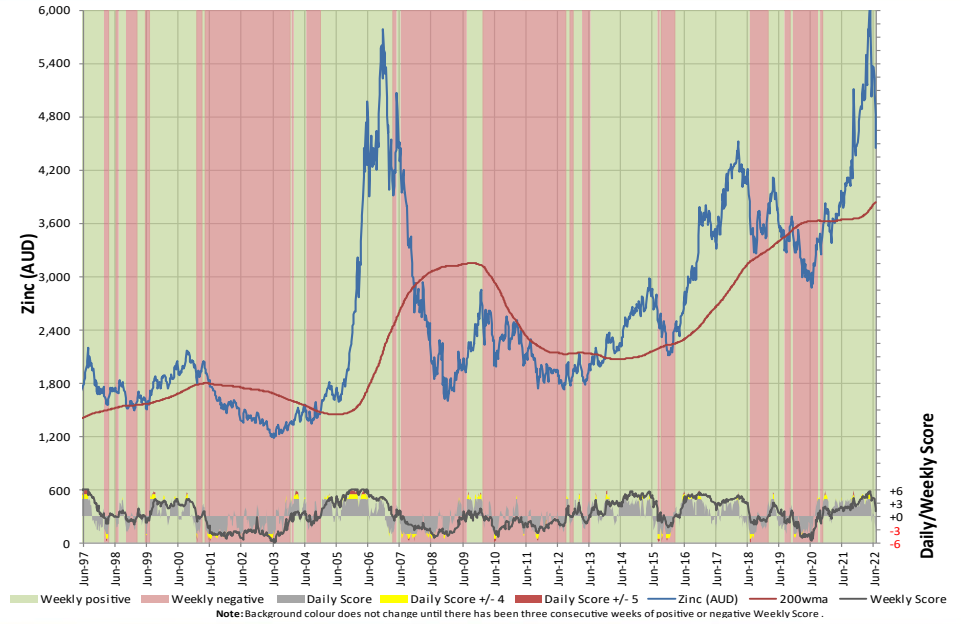
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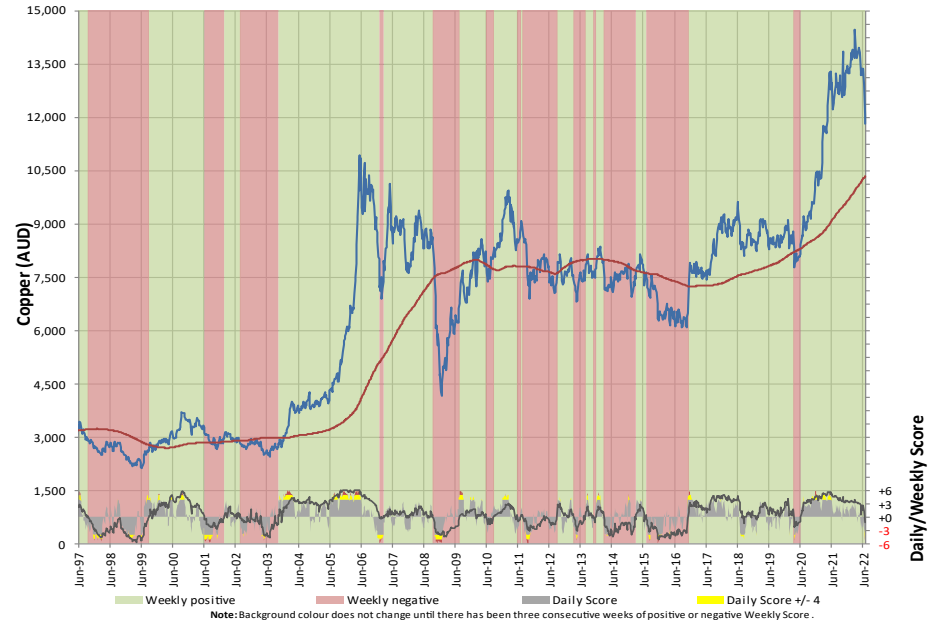
AUD Iron Ore



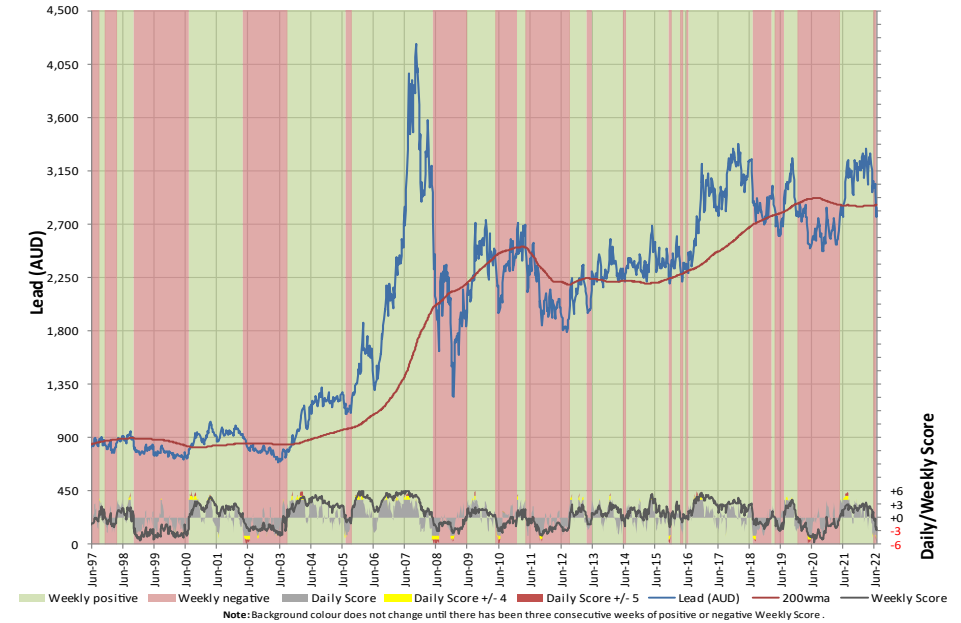
AUD Zinc



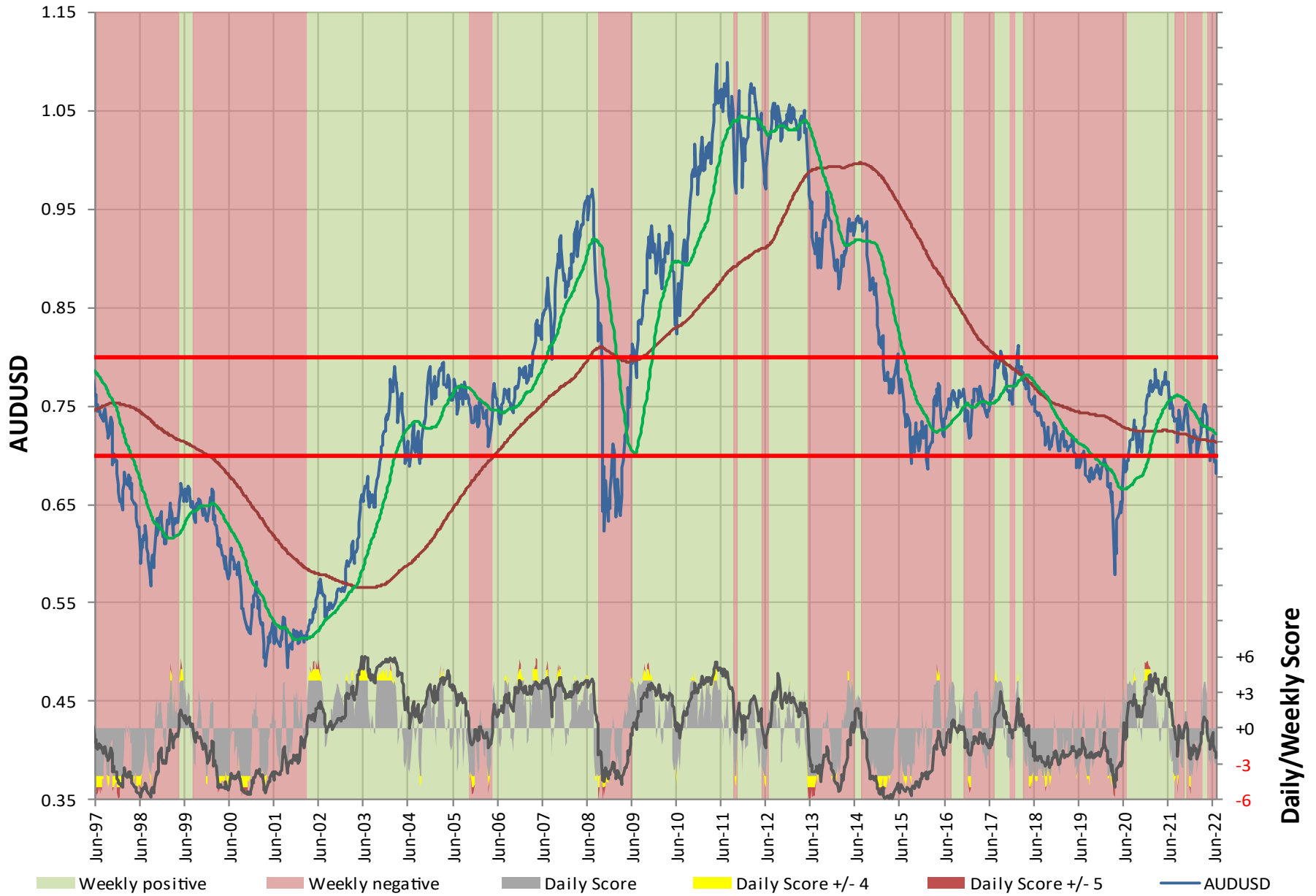
AUD Copper



AUD Lead



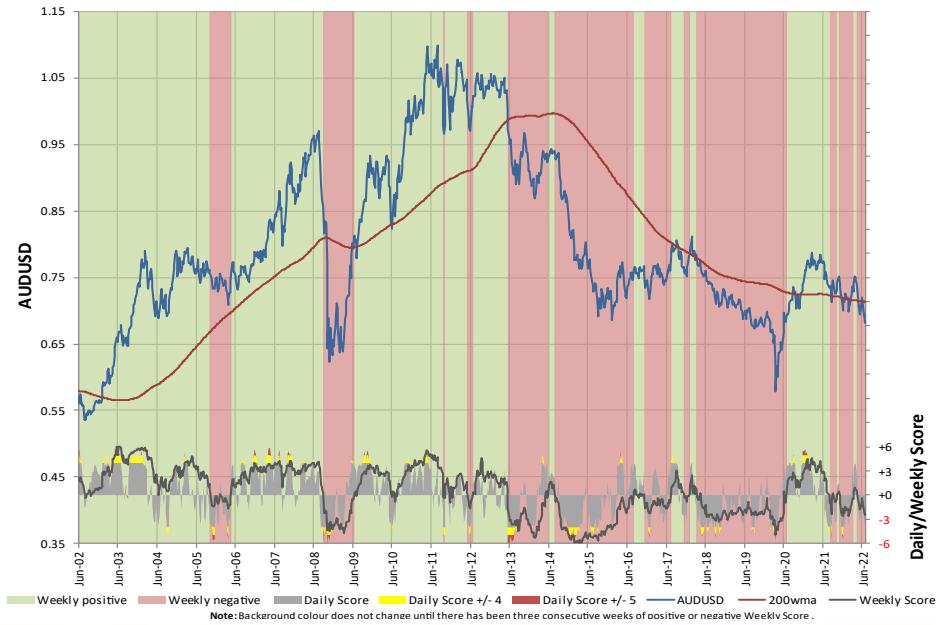
AUD USD – 25 years



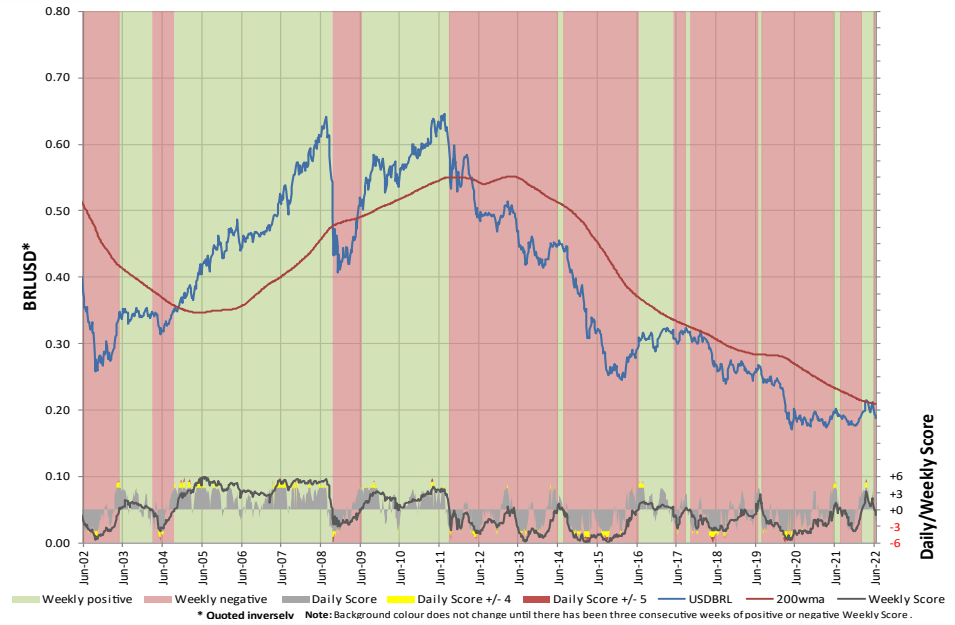
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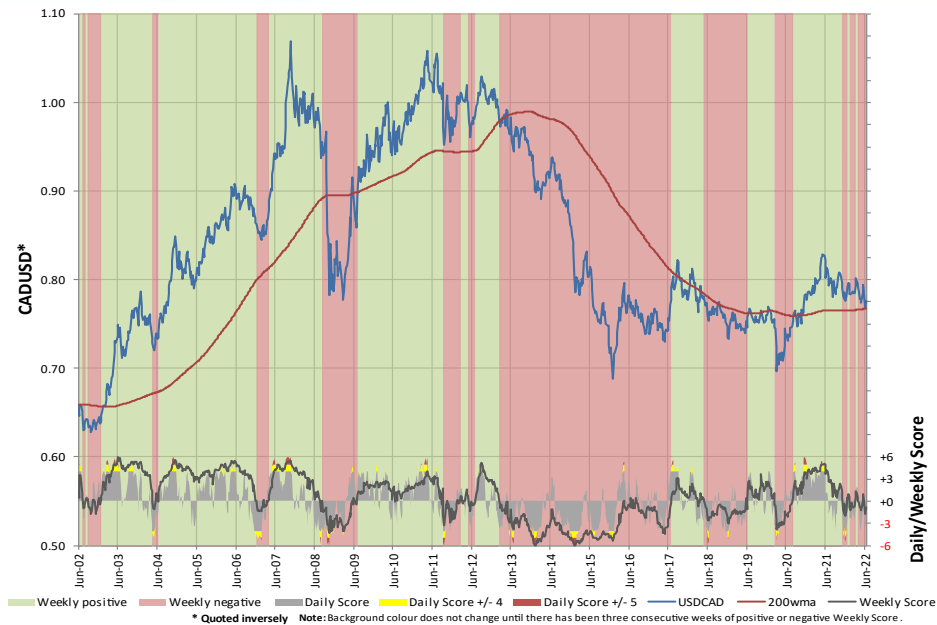
AUD



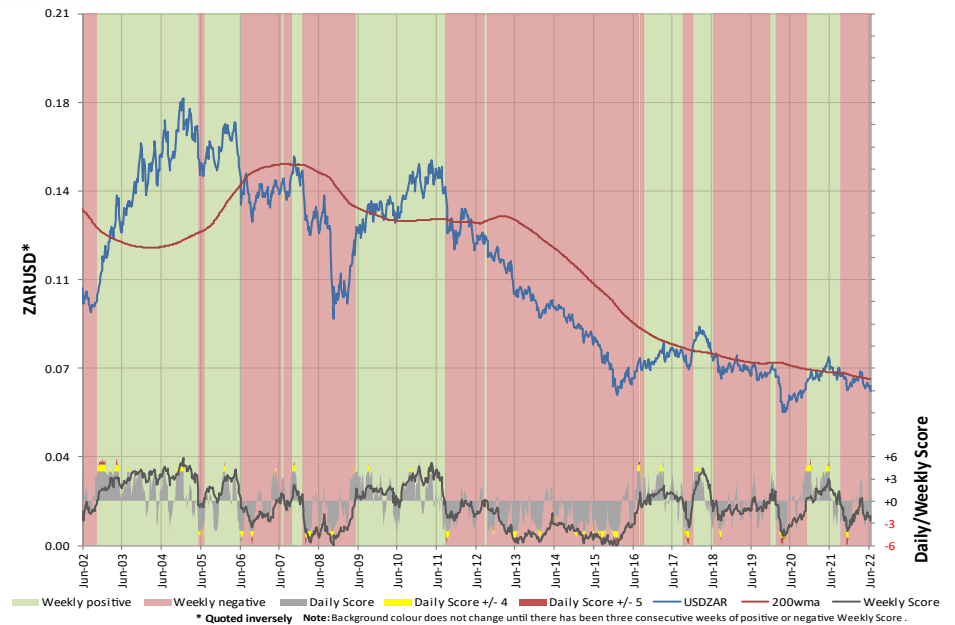
BRL (quoted inversely)



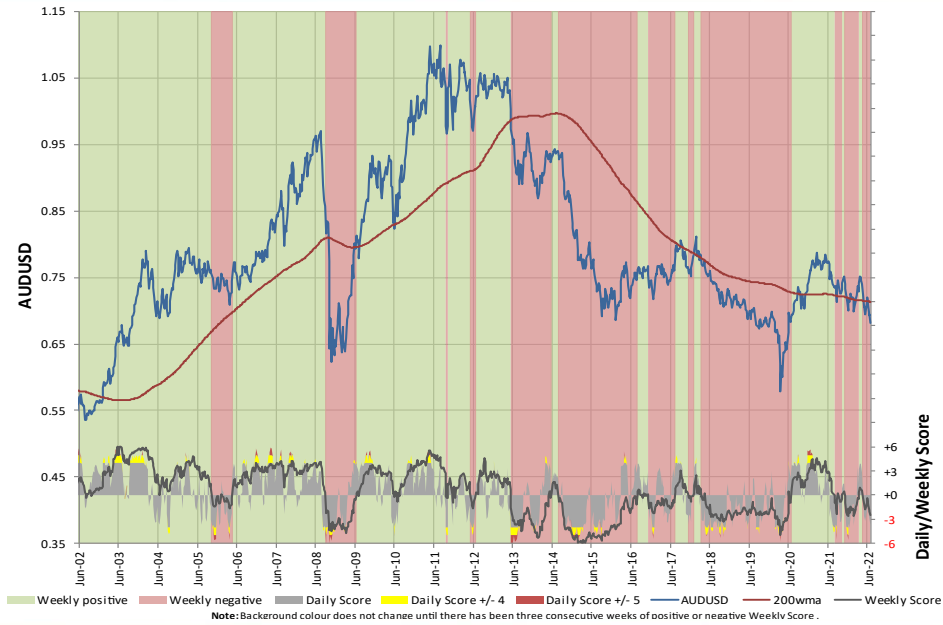
CAD (quoted inversely)



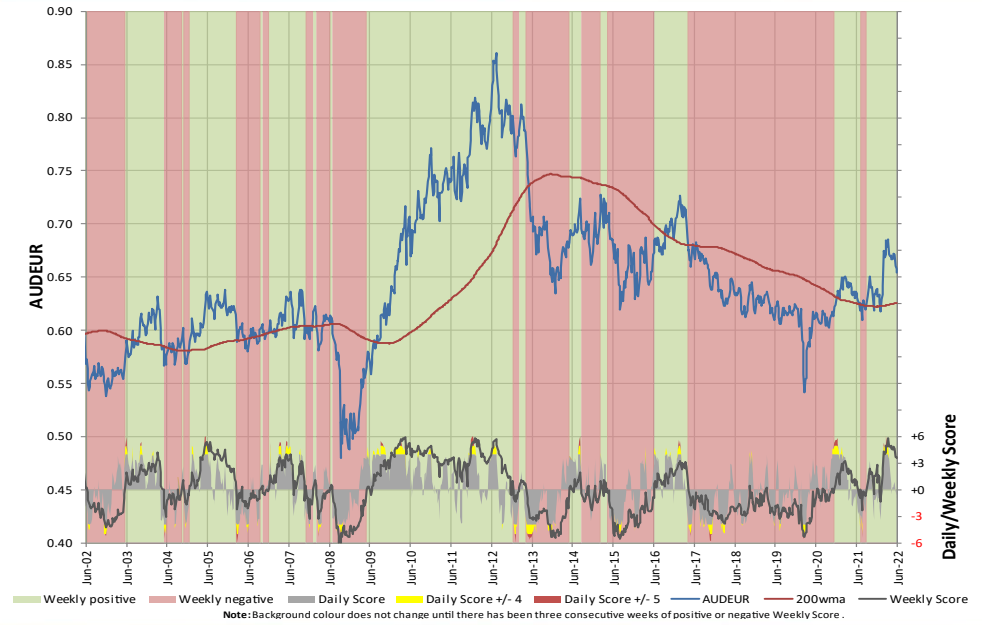
ZAR (quoted inversely)



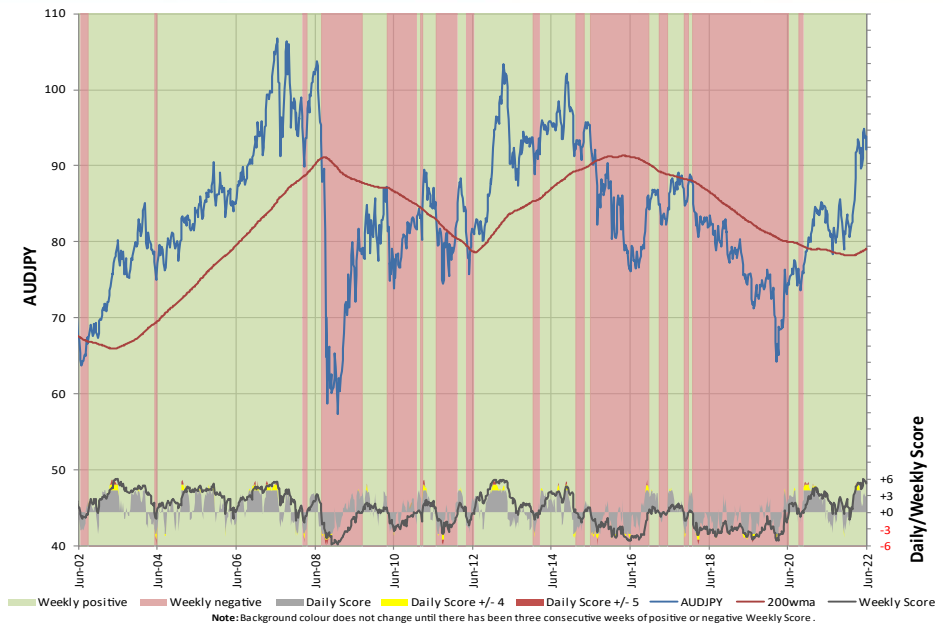
AUD



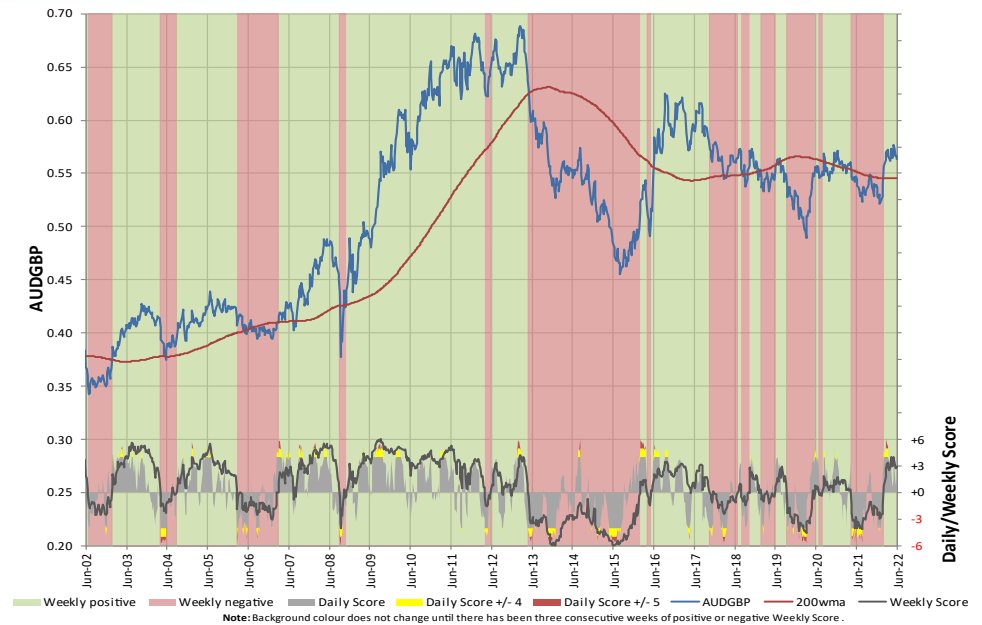
AUD EUR



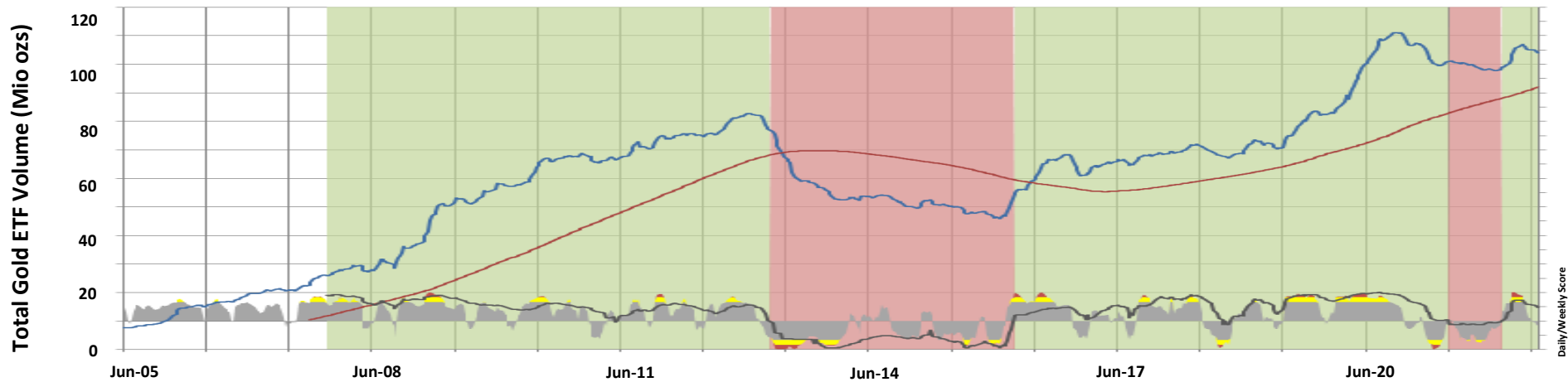
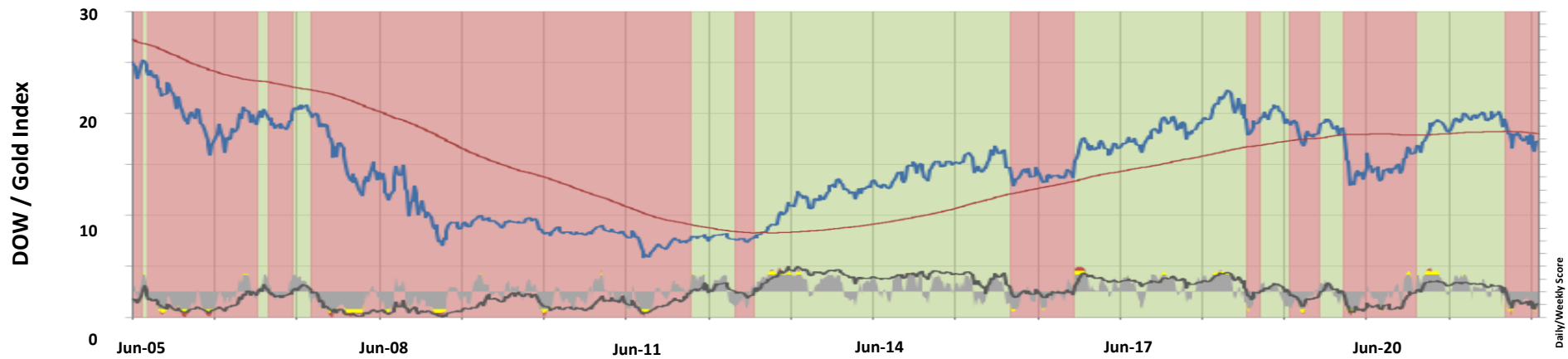
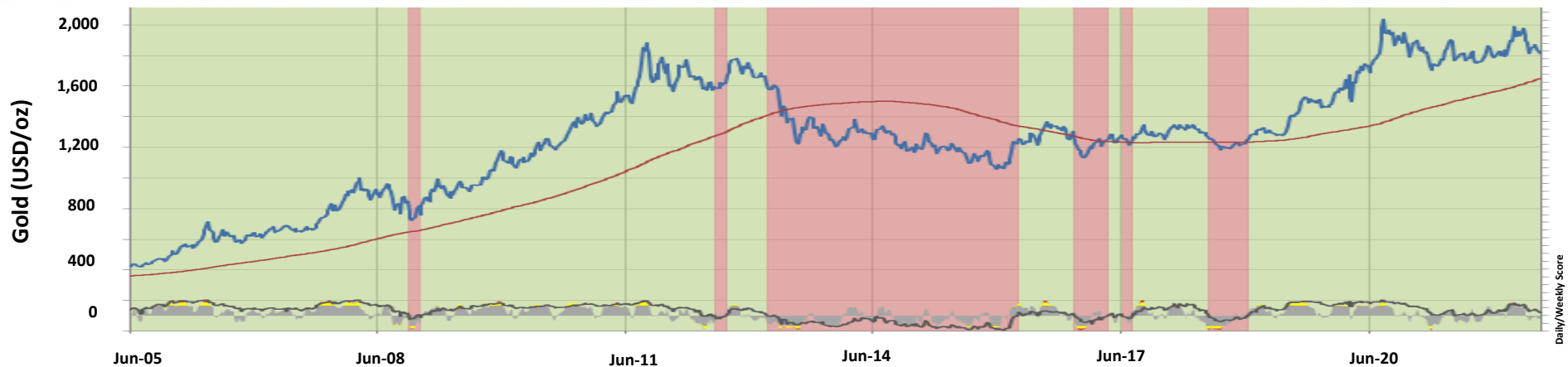
AUD JPY



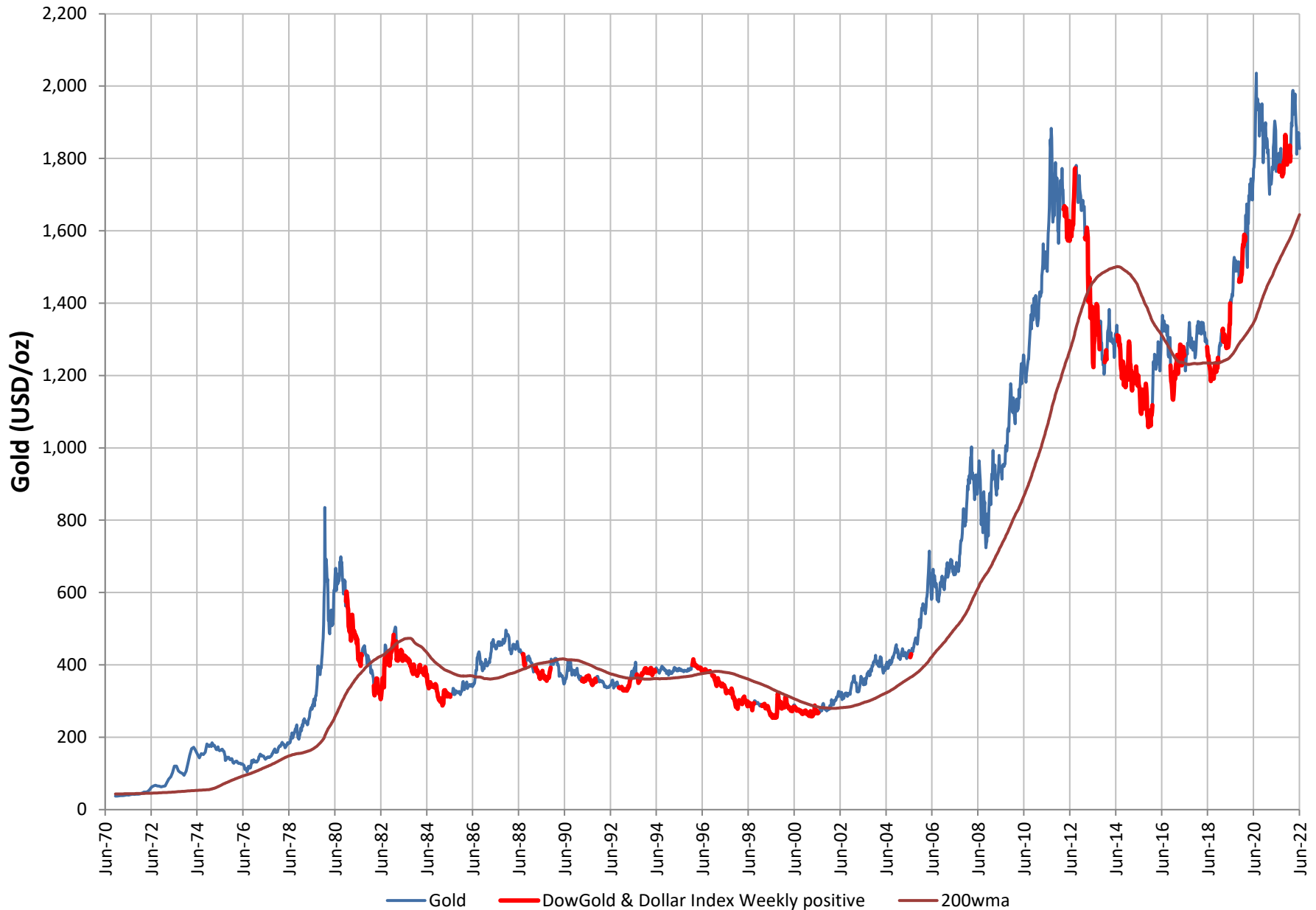
AUD GBP



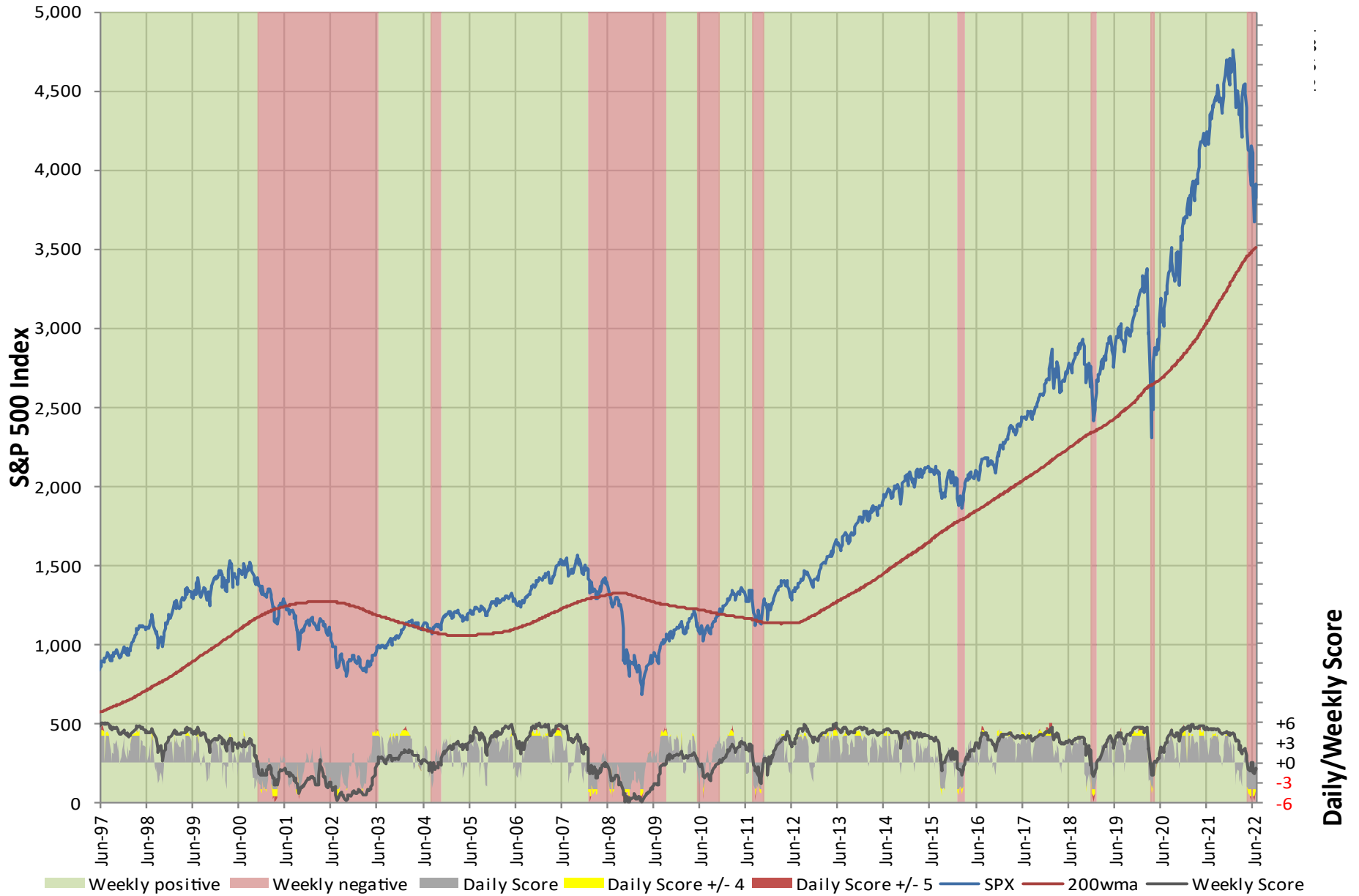
USD Gold – DOW / Gold Ratio – Gold ETF



USD Gold – highlighted when DowGold & DXY Noah’s Rule Weekly Score was positive



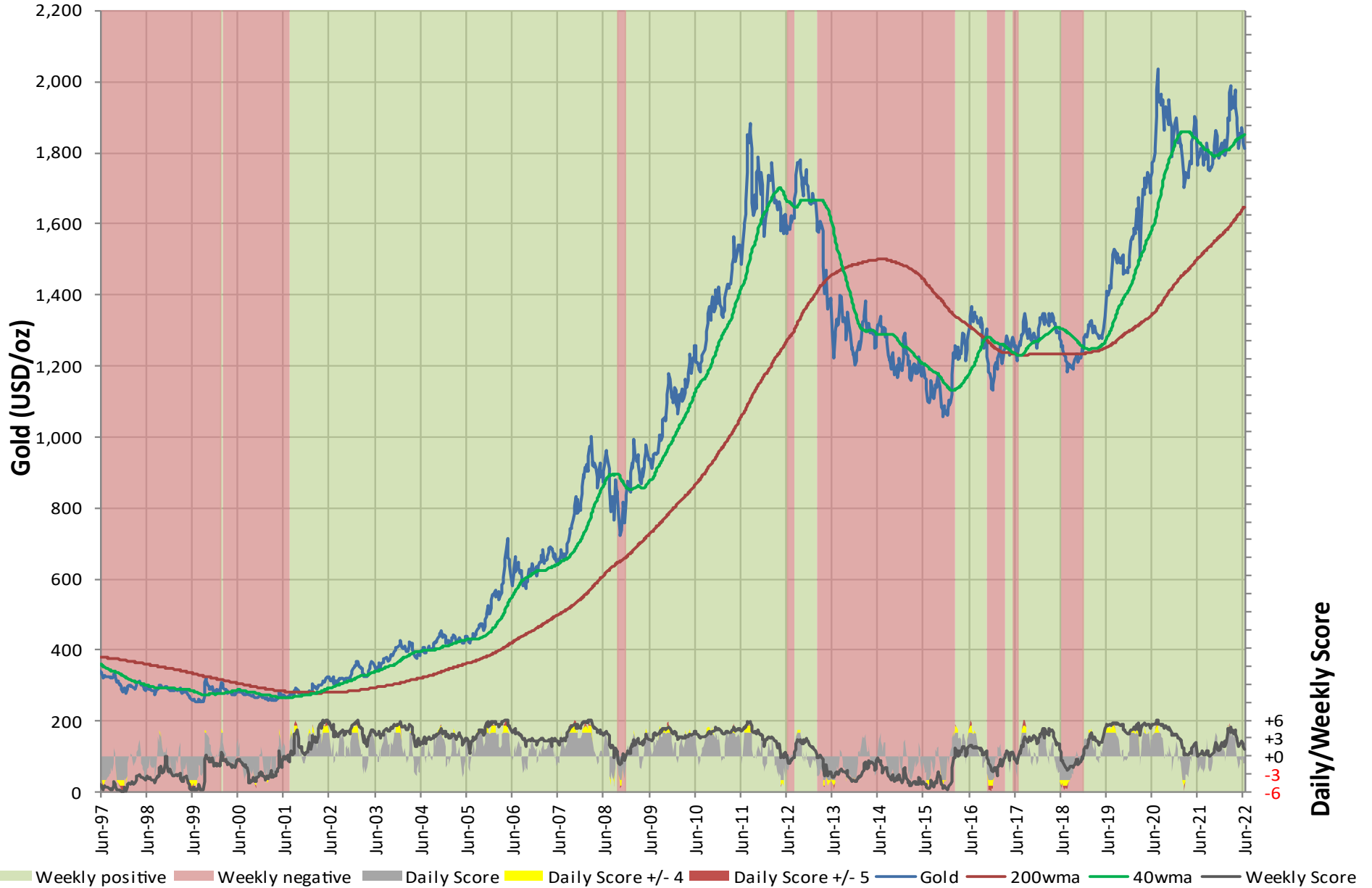
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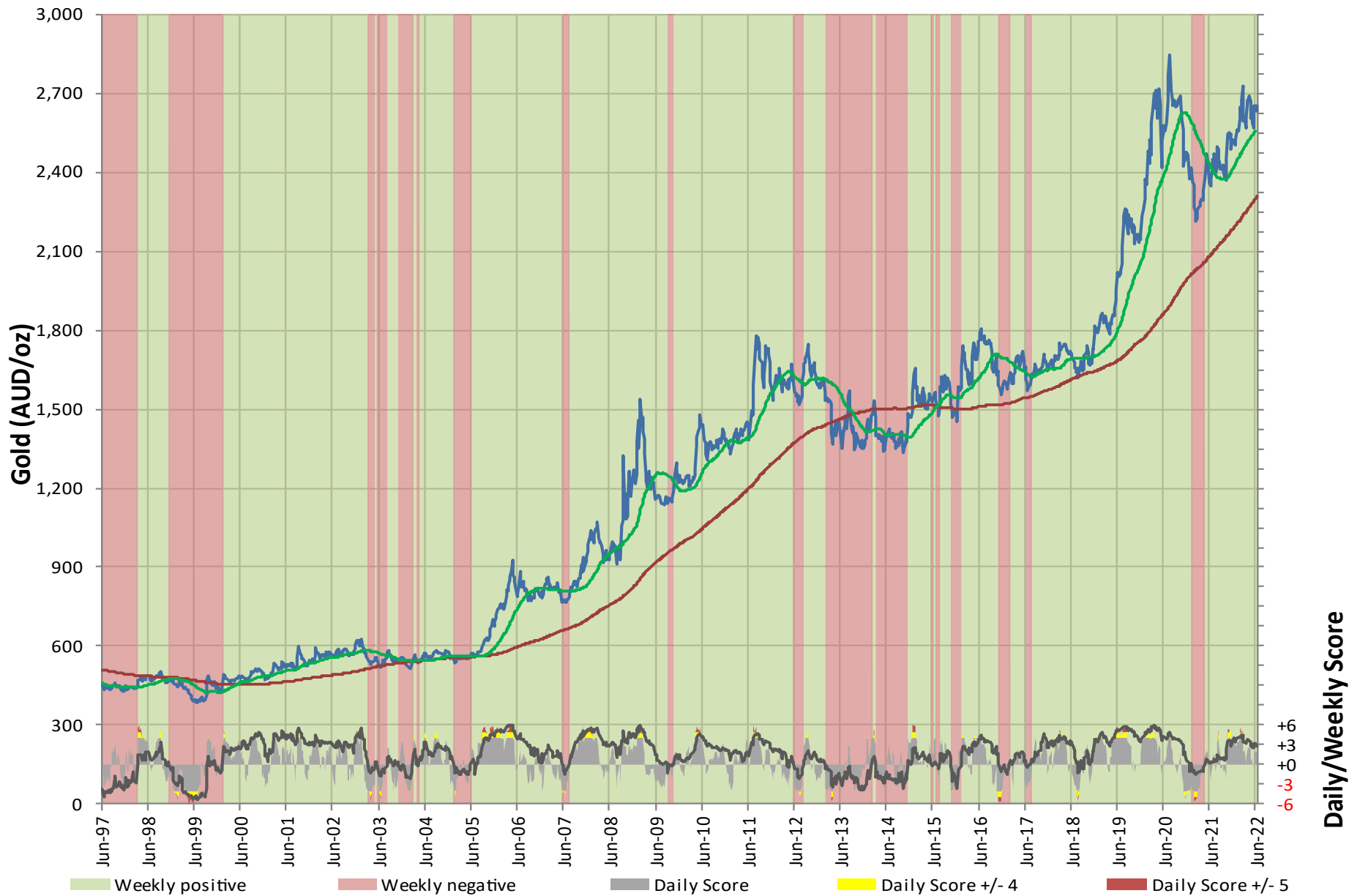
USD Gold – 25 years



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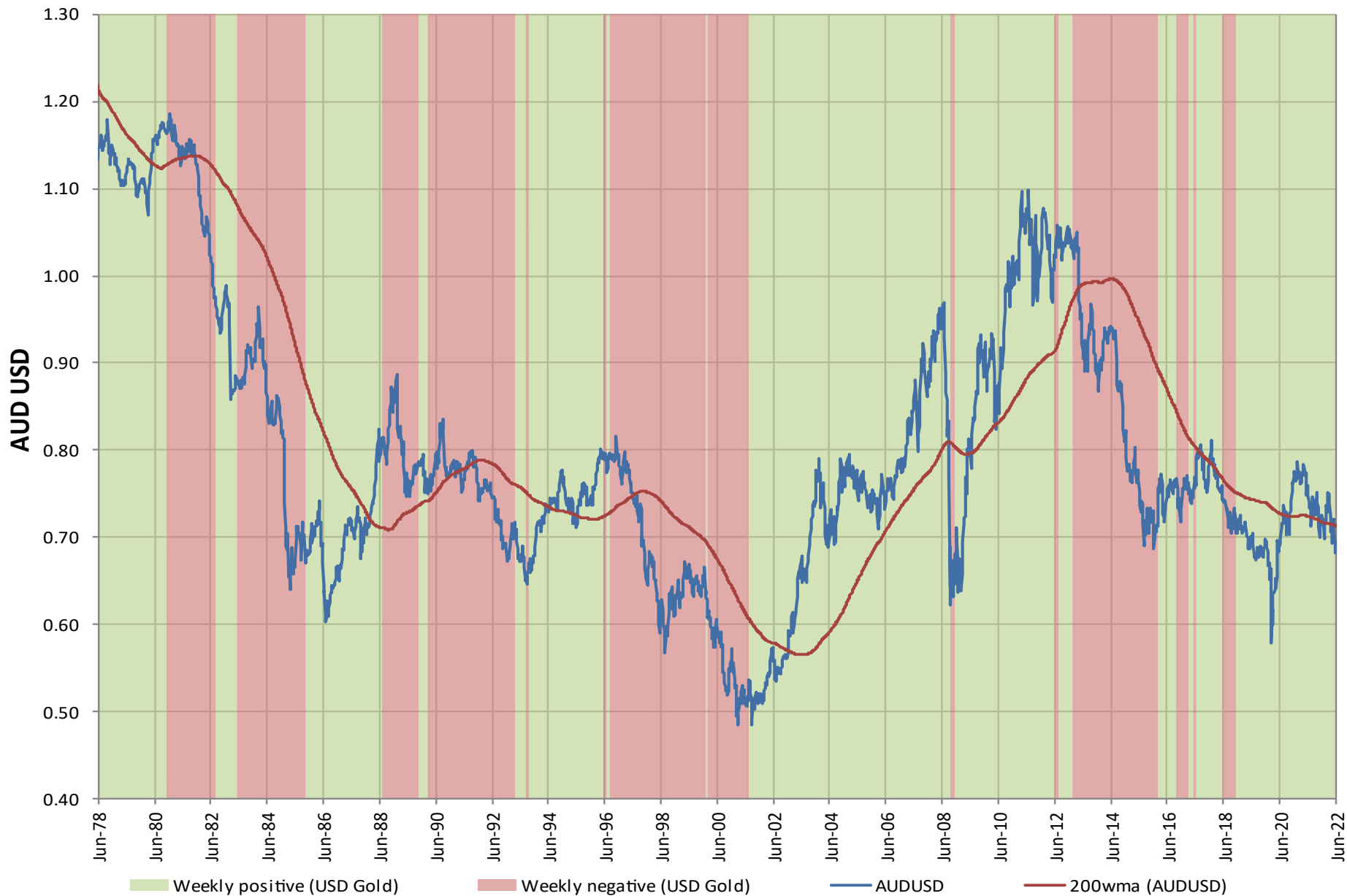
AUD Gold – 25 years



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AUD USD with USD Gold Weekly Score Background

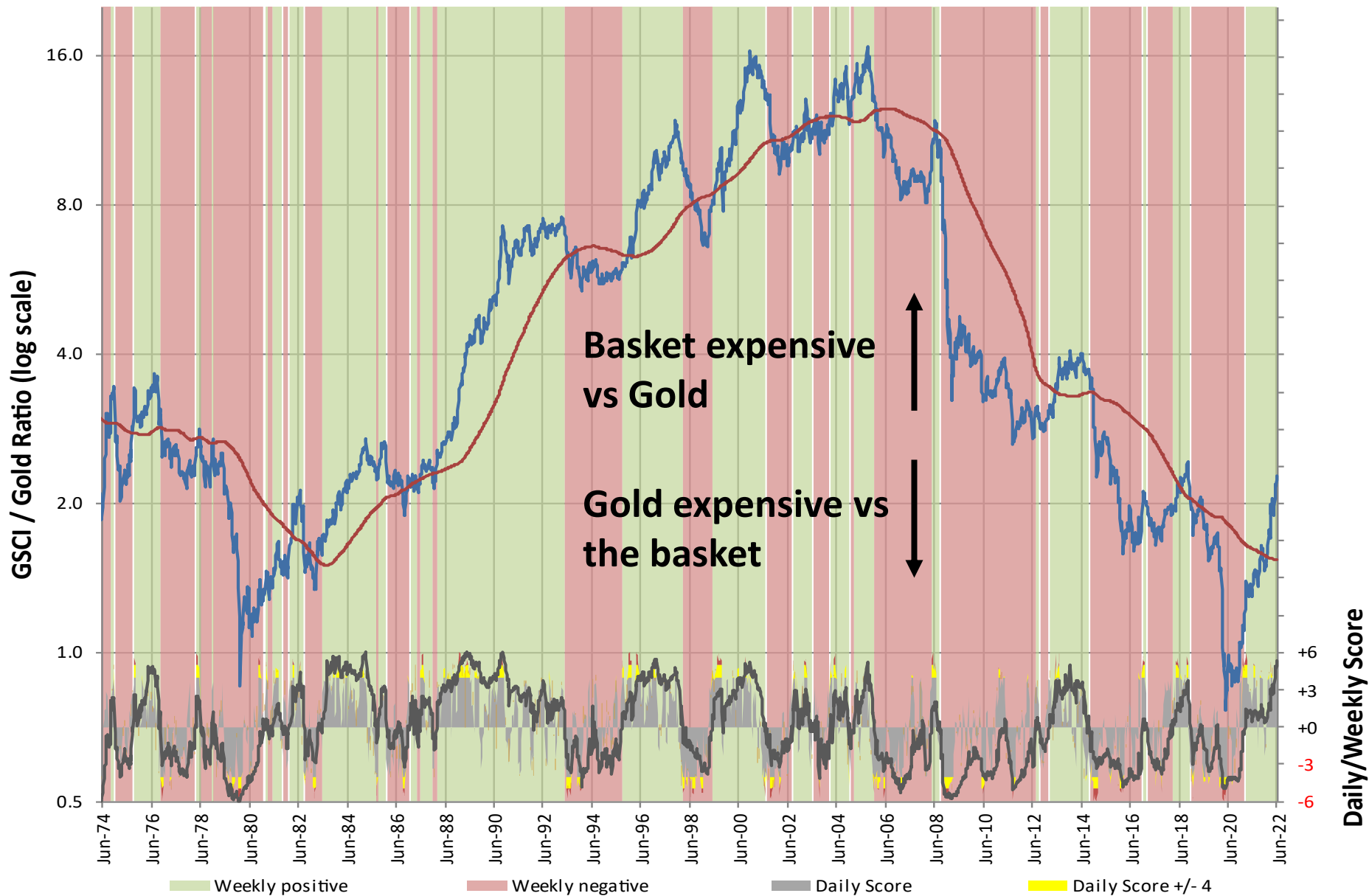


Weekly positive (USD Gold) Weekly negative (USD Gold) AUDUSD 200wma (AUDUSD)

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GSCI / USD Gold Ratio (log scale)



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