



QUARTERLY MARKET UPDATE

30 September 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 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.

Now:

- **USD much higher/ LT DT broken, WS Extreme +ve**
 - Yen remains in extreme negative scoring (extremes that are rarely seen)
 - EUR now with extreme negative Weekly Score
 - **AUD / NZD / CAD / ZAR / BRL all deeper into -ve Daily & Weekly Score**
- **Precious scores reversed in most cases**
 - AUD & USD gold both -ve WS. USD below 200 dma and 200 wma
- **Base metals dropped to extreme -ve DS All now -ve WS**
- **Energy still holding positive WS off extremes (Oil)**
- **Commodity, commodity currency and equity market sentiment remains mixed!!**
- **Increased inflation risk giving way to “Recession Fears”**
 - GSCI dropped from Extended +ve WS to -ve WS over quarter.
 - GSCI vs. Equities stalled as both fell.



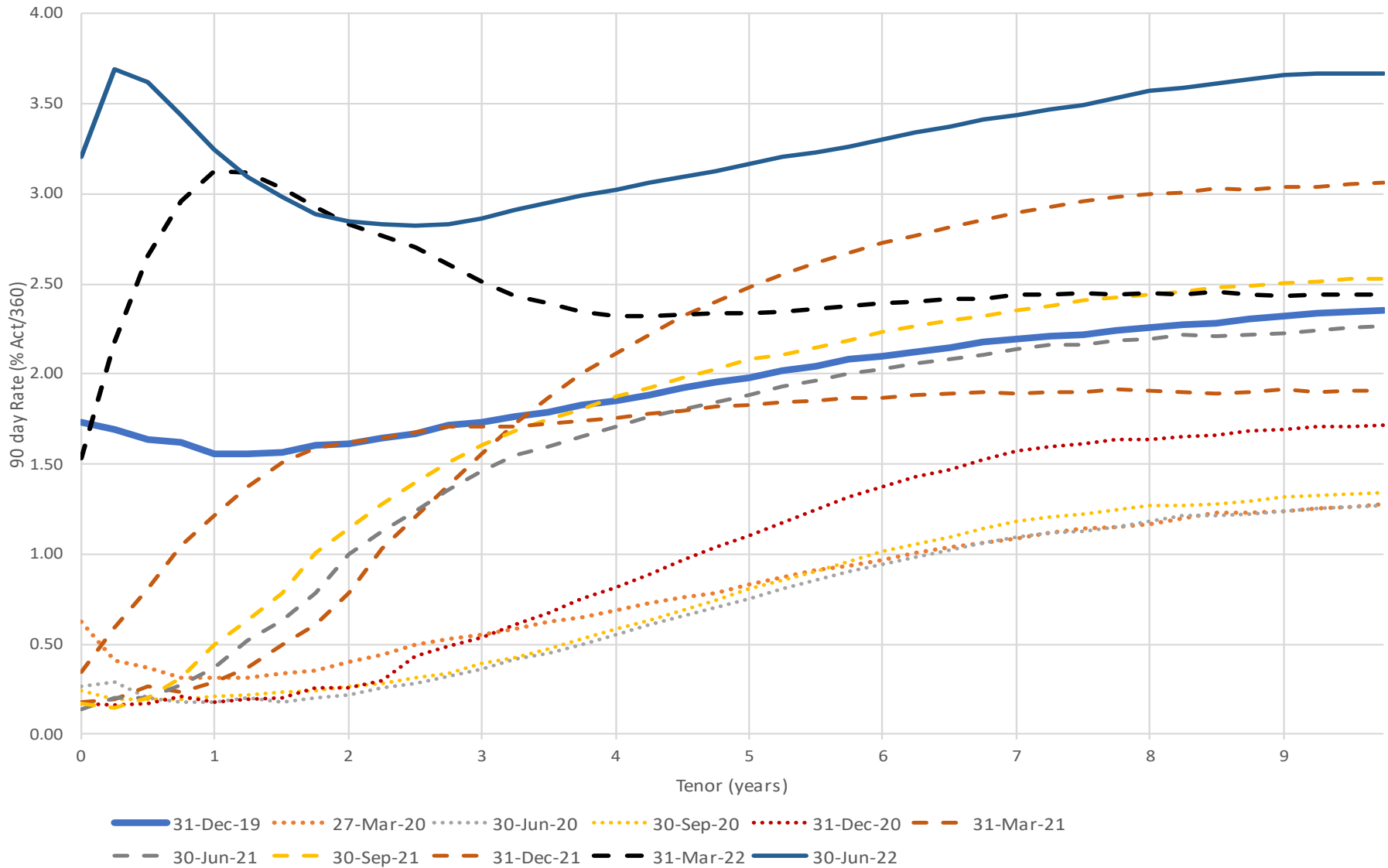
Market Summary

	31-Mar-22				30-Jun-22				30-Sep-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	1937	5.92%	3.3	4.3	1807	-6.72%	-1.5	1.5	1661	-8.12%	-4.6	-2.4
AUDGold	2590	2.76%	0.6	3.5	2618	1.08%	1.7	2.8	2596	-0.86%	2.3	0.8
Base												
Copper	10375	6.73%	2.8	2.9	8258	-20.40%	-6.0	-1.5	7560	-8.45%	-2.1	-1.7
AUDCopper	13867	3.61%	0.0	3.2	11963	-13.73%	-5.8	-1.1	11813	-1.26%	0.5	-0.6
AUDZinc	5578	14.64%	4.5	4.8	4573	-18.01%	-3.5	1.9	4638	1.40%	-1.5	-0.4
AUDNickel	42912	50.15%	2.8	4.1	32881	-23.38%	-2.4	1.0	32980	0.30%	-0.3	0.5
AUDIronOre	212	28.25%	0.7	1.2	177	-16.82%	-0.6	-0.6	149	-15.66%	-0.8	-1.2
Energy												
Coal	521	48.22%	2.2	4.0	302	-41.97%	-4.9	0.9	272	-9.92%	-0.4	-1.2
SGO	141.71	65.07%	3.7	5.7	176.80	24.77%	4.2	5.9	129.10	-26.98%	-1.6	2.4
Currencies												
AUDUSD	0.7482	3.02%	3.5	0.9	0.6903	-7.74%	-3.3	-2.0	0.6400	-7.29%	-6.0	-4.1
NZDUSD	0.6947	1.77%	2.3	0.5	0.6244	-10.12%	-4.1	-2.8	0.5600	-10.31%	-6.0	-5.2
CADUSD	0.7997	1.06%	2.0	1.3	0.7768	-2.86%	-2.5	-0.9	0.7231	-6.91%	-6.0	-3.6
EURUSD	1.1067	-2.66%	-3.3	-3.7	1.0484	-5.27%	-3.4	-4.7	0.9802	-6.51%	-4.6	-5.7
ZARUSD	0.0684	9.07%	3.0	0.3	0.0614	-10.24%	-2.6	-2.0	0.0553	-9.99%	-5.4	-4.6
BRLUSD	0.2109	17.59%	5.3	1.9	0.1902	-9.80%	-2.3	-0.1	0.1847	-2.93%	-0.9	-1.3
JPYUSD	0.0082	-5.44%	-5.0	-6.0	0.0074	-10.33%	-4.3	-6.0	0.0069	-6.23%	-5.4	-5.8
DX	98.31	2.76%	3.8	3.3	104.69	6.48%	3.7	5.0	112.12	7.10%	5.0	5.7
Indices												
DOW	34678	-4.57%	0.2	1.3	30775	-11.25%	-4.7	-1.0	28726	-6.66%	-5.5	-2.1
ALLORDS	7790	0.13%	2.3	1.6	6746	-13.39%	-5.1	-1.7	6679	-1.01%	-5.0	-1.5
GDX	38.35	19.73%	4.8	4.1	27.38	-28.60%	-4.4	-0.7	24.12	-11.91%	-3.2	-3.3
GSCI	724	29.05%	3.3	5.6	709	-2.07%	-1.2	4.3	608	-14.31%	-3.3	0.0

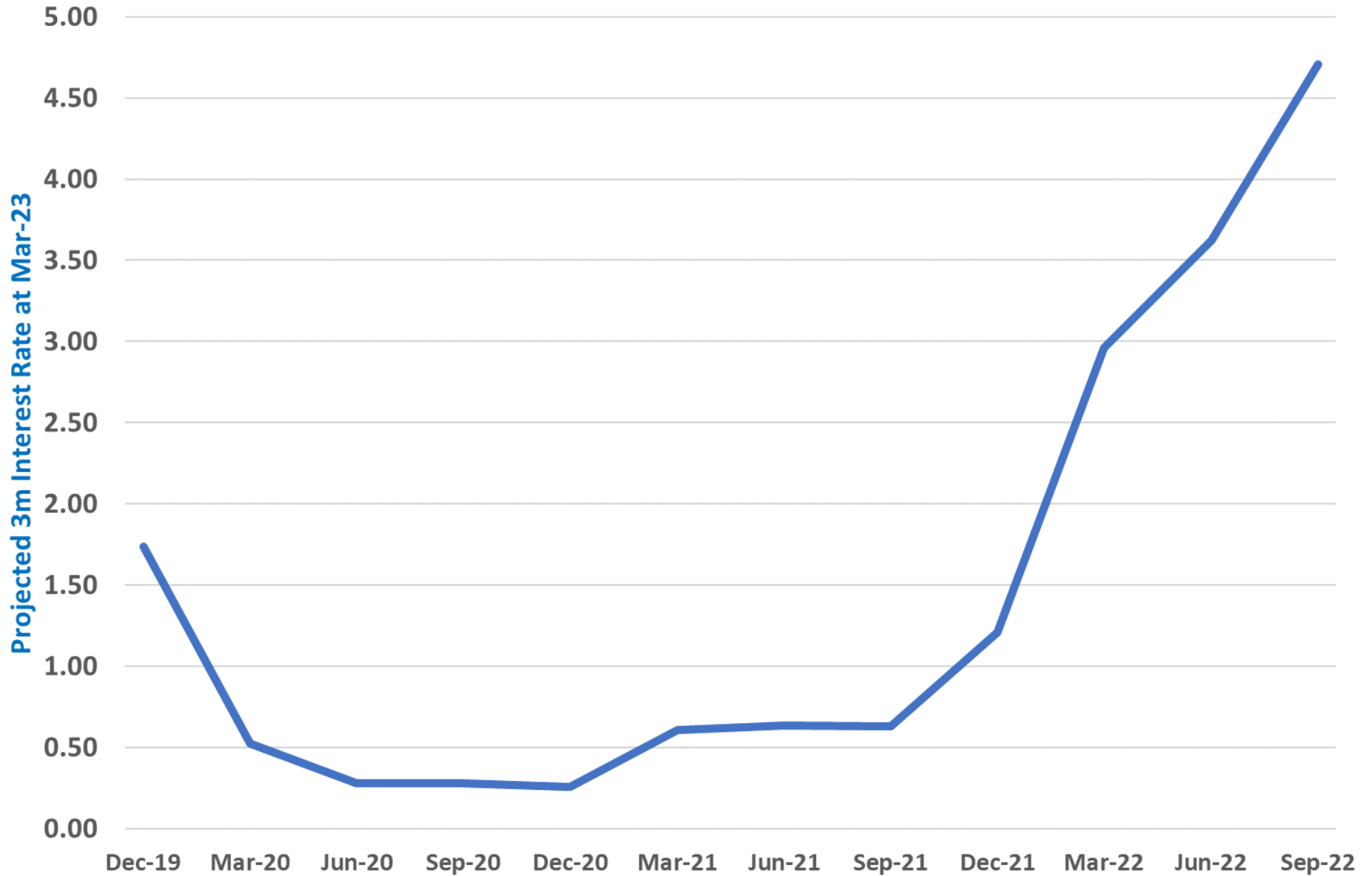


The Changing Shape of the US Interest Rate Curve

EURO Futures

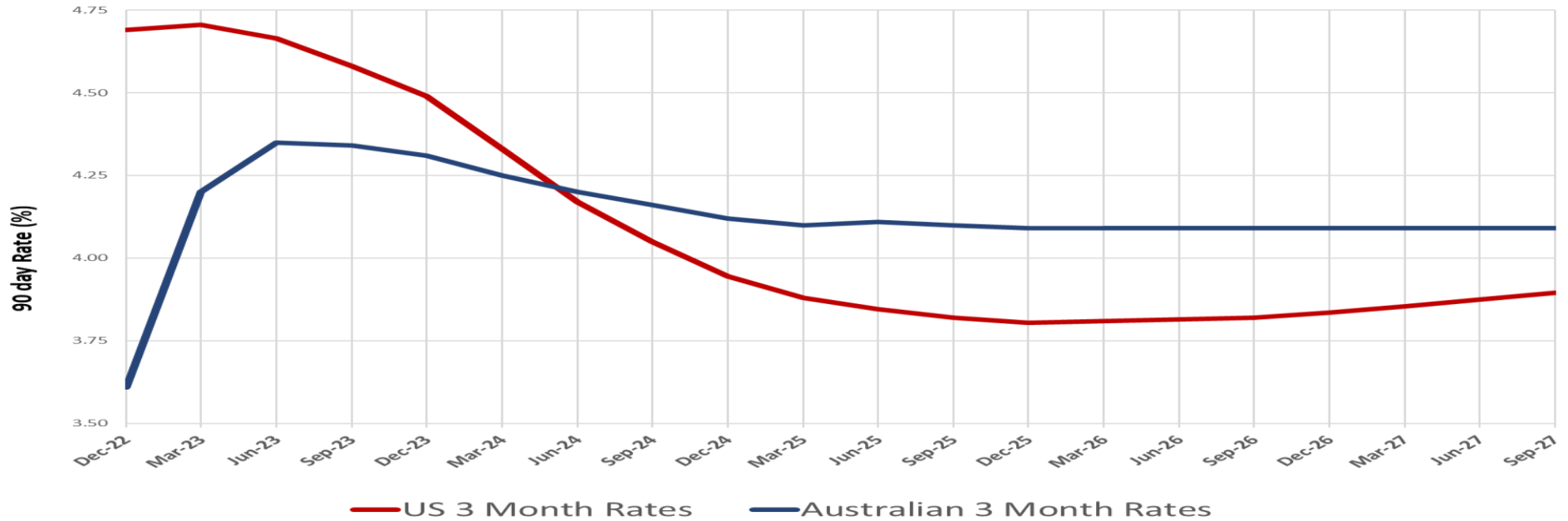


The Changing Shape of the US Interest Rate Curve

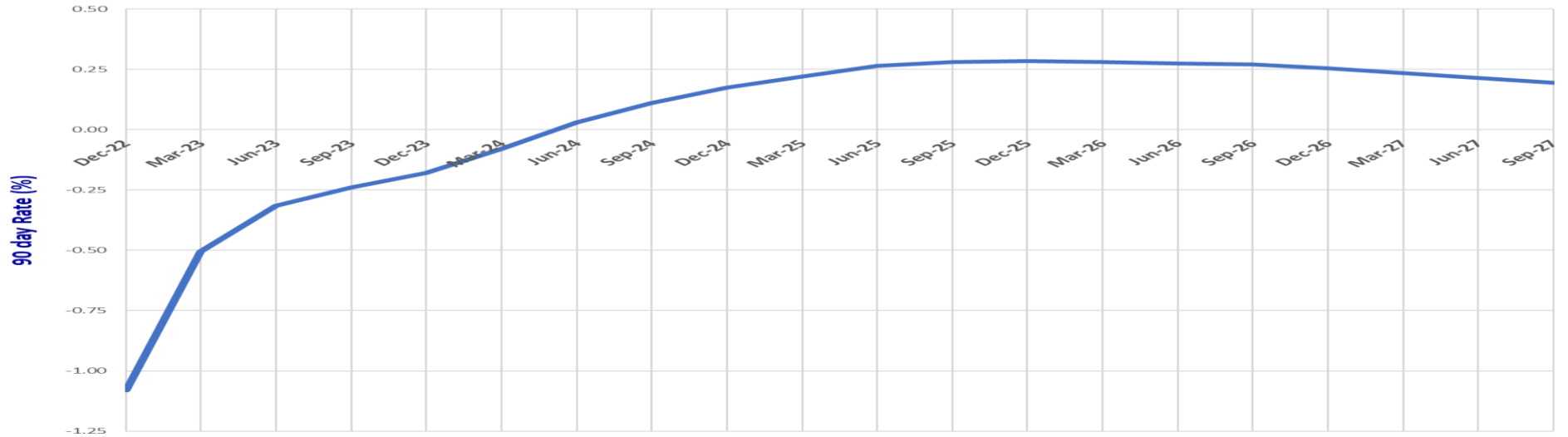


The Australian Dollar Curve compared to the US Curve

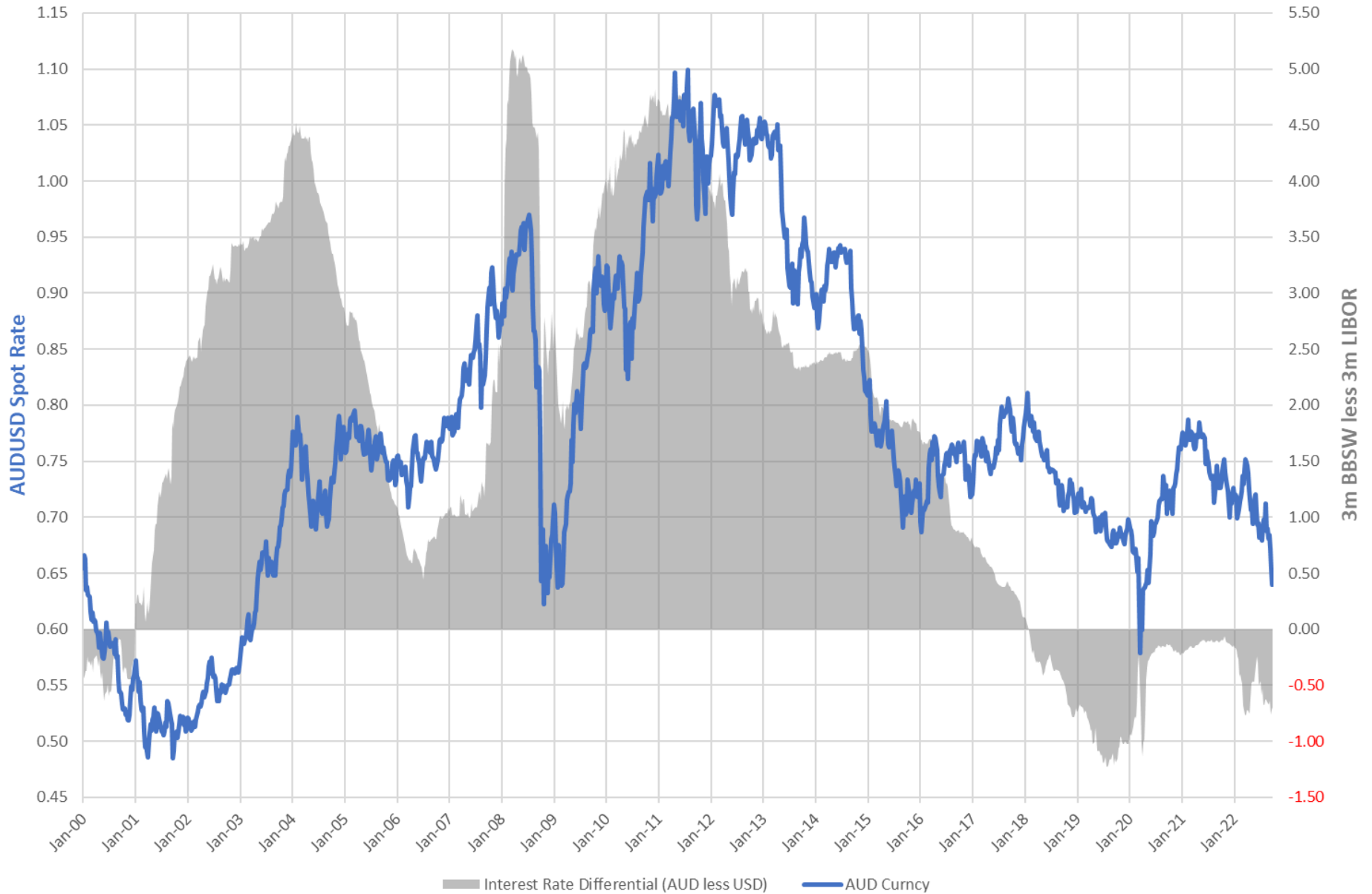
Bank Bill Futures (A\$) and Euro Futures (US\$)



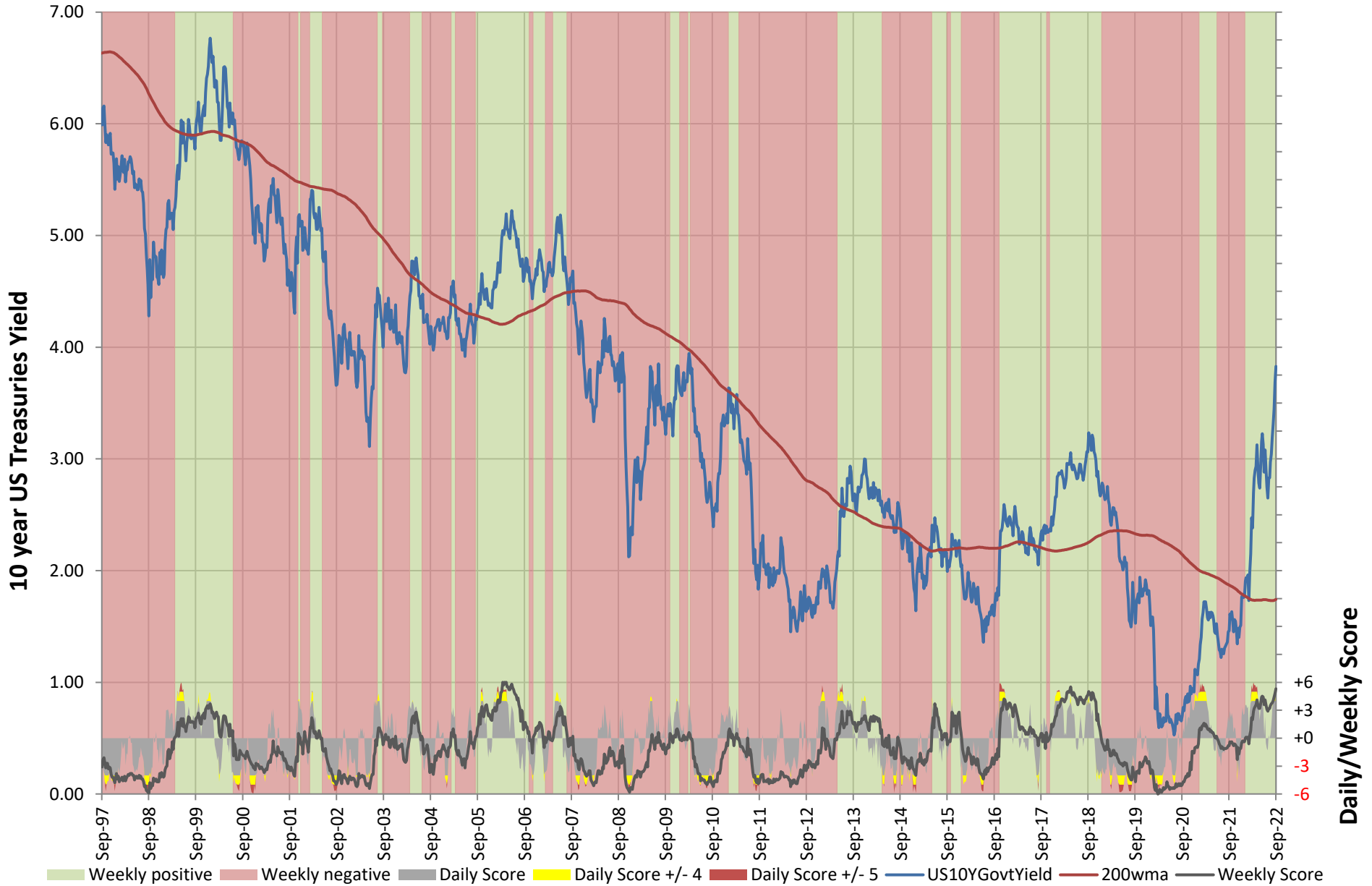
Bank Bill Futures (A\$) over Euro Futures (US\$)



The Australian Dollar and the Interest Rate Differential



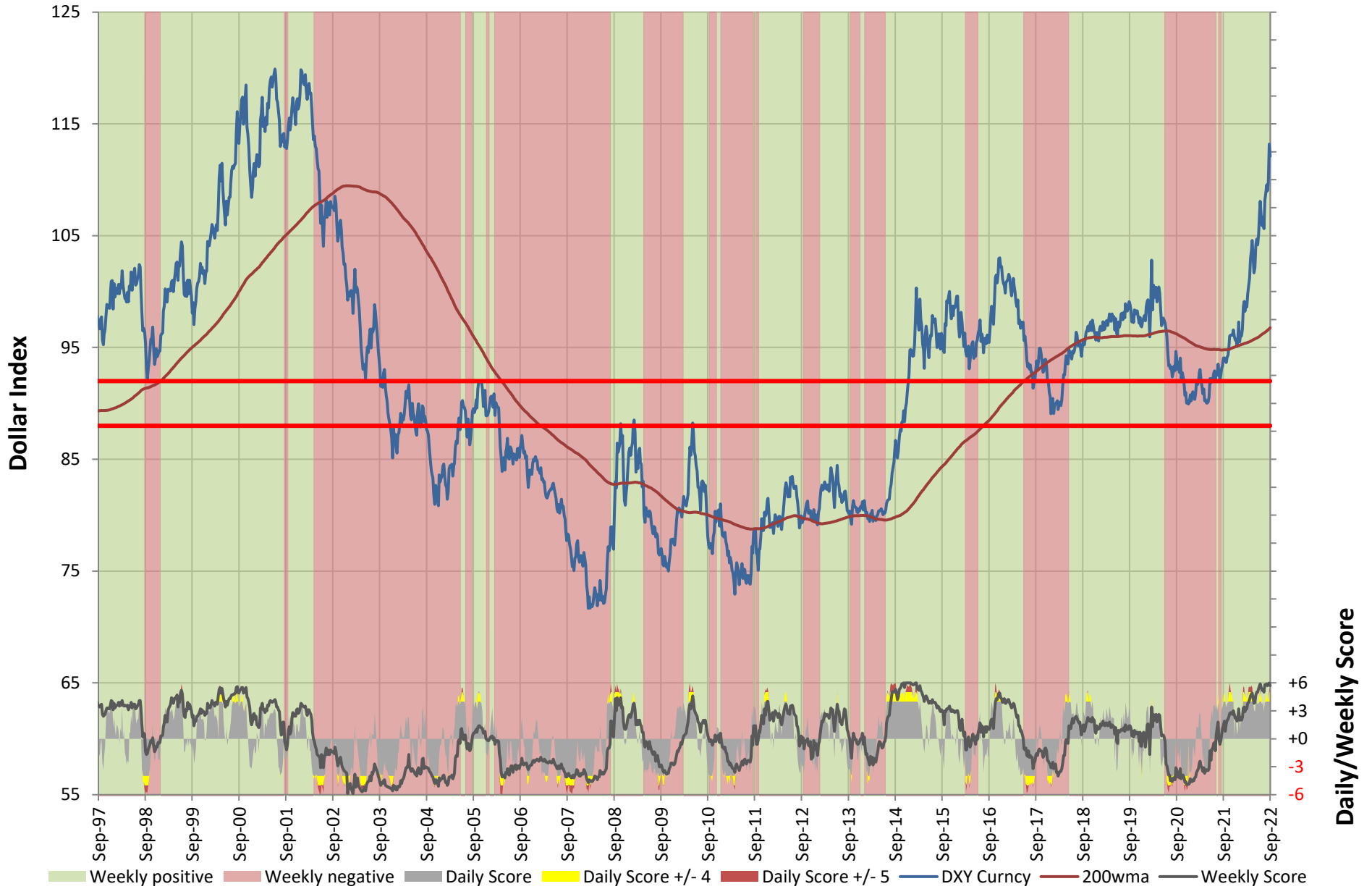
10 year US Treasuries Yield



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



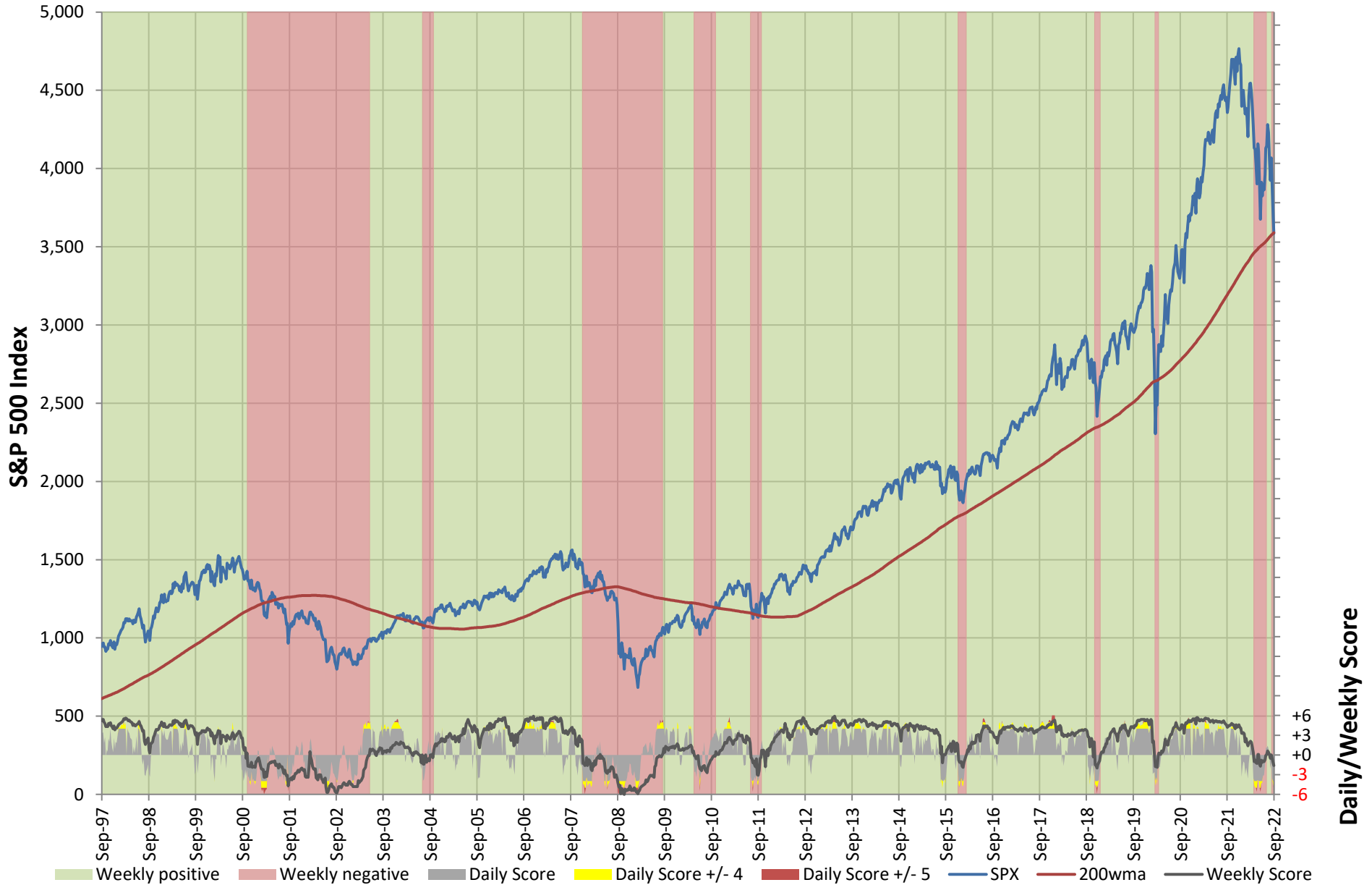
USD Index – DXY



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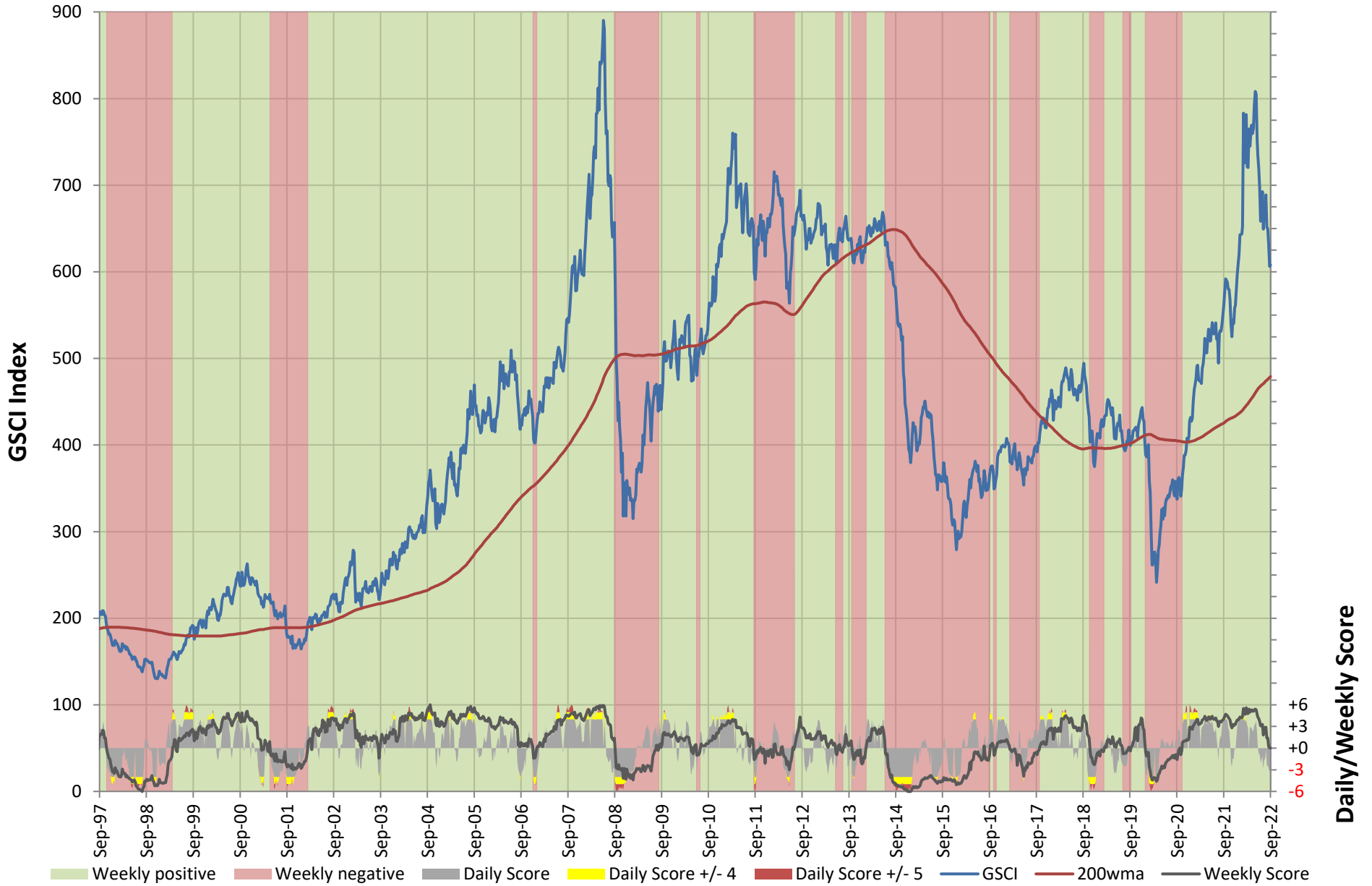
S&P 500 Index



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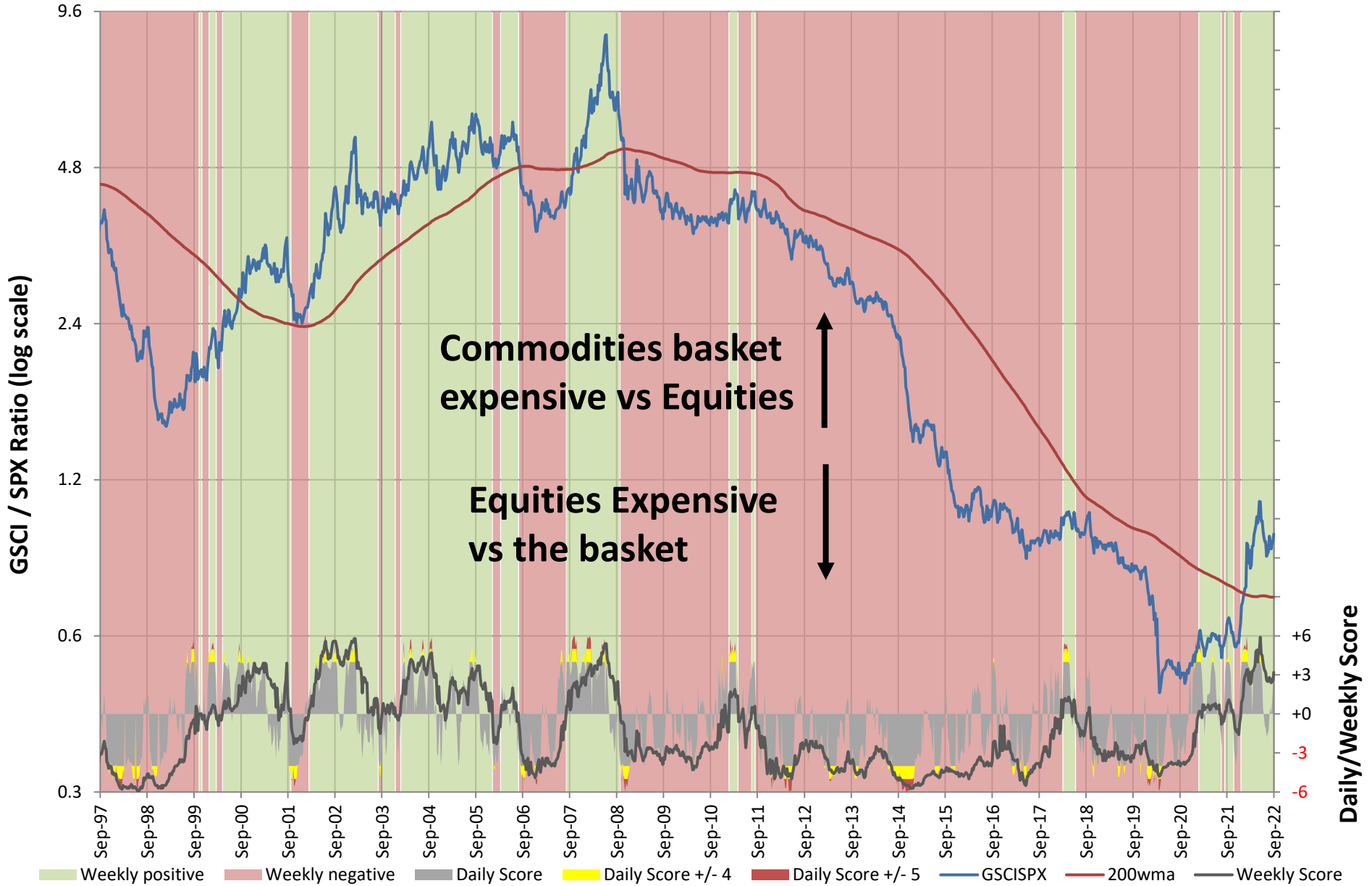
Goldman Sachs Commodity Index – GSCI



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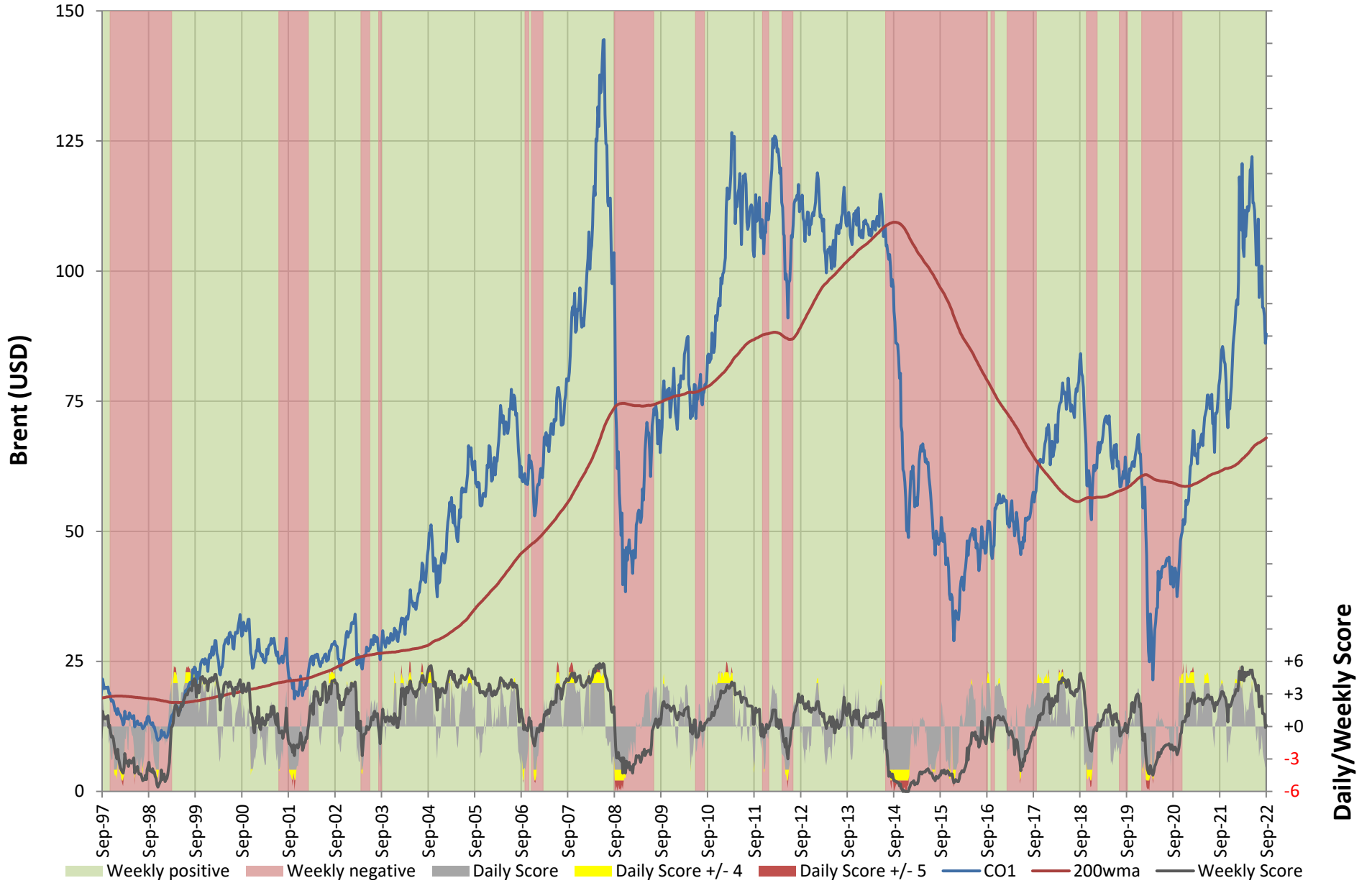
GSCI / S&P Ratio (log scale)



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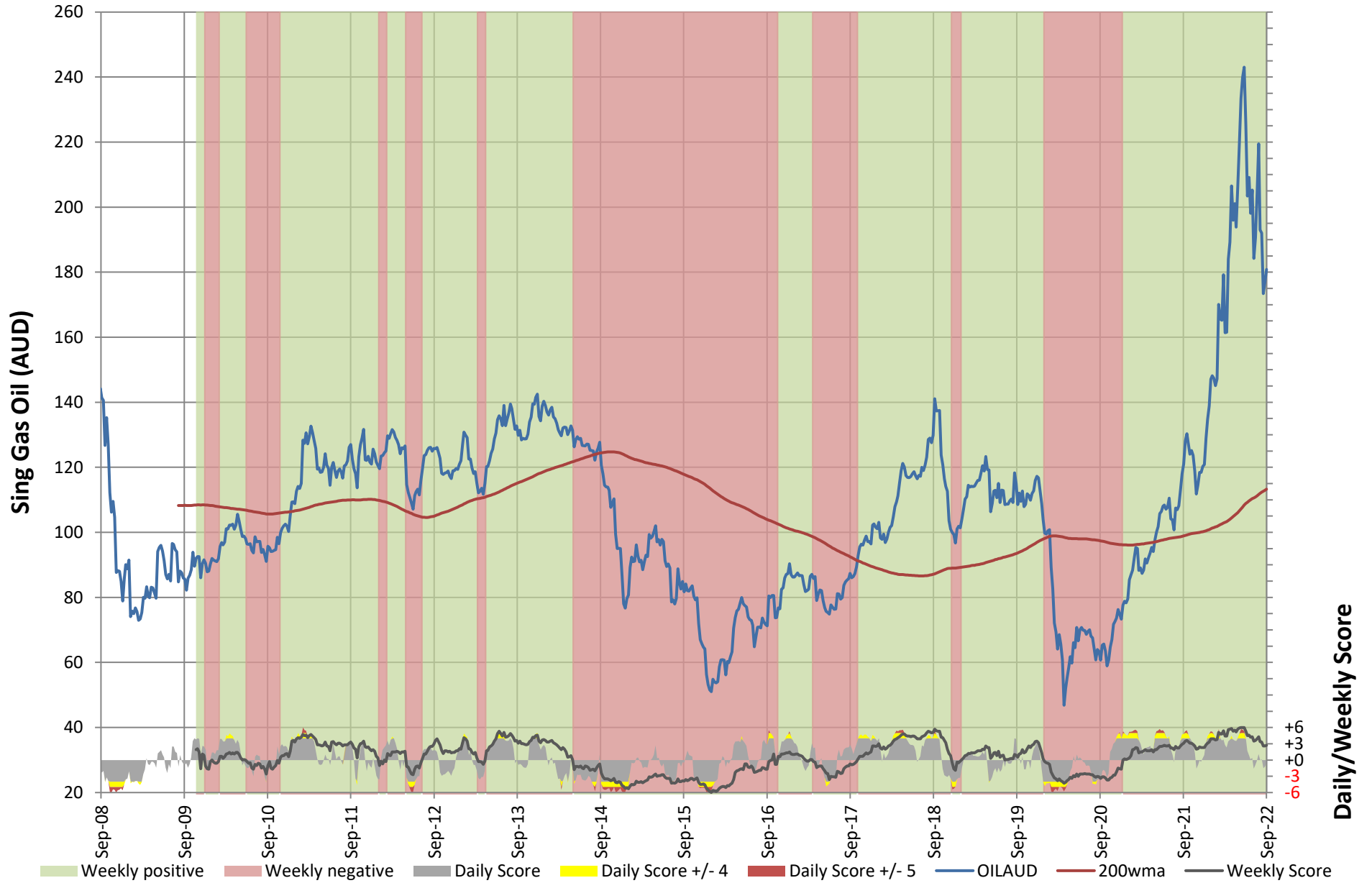
USD Brent



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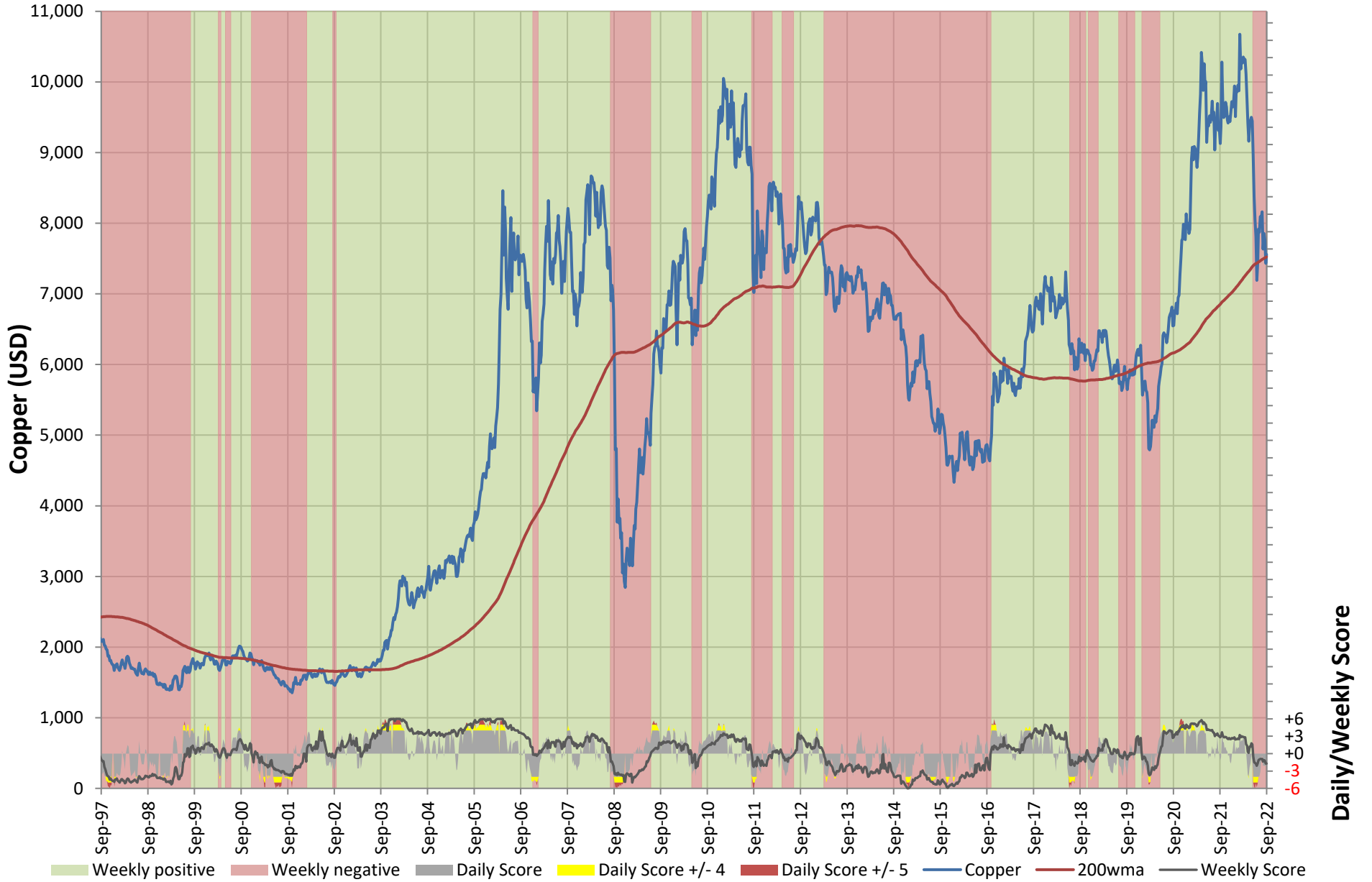
AUD SGO



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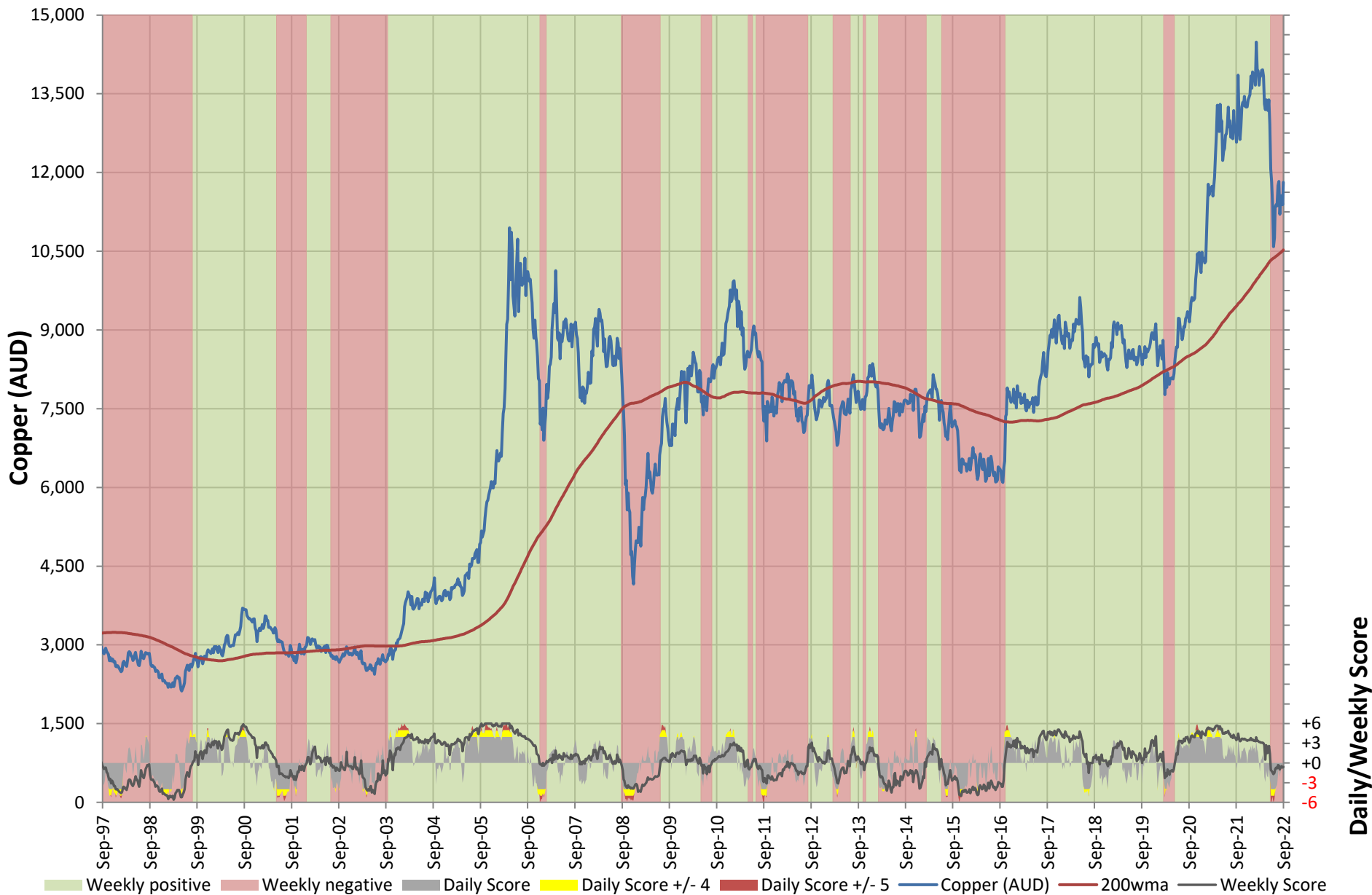
USD Copper



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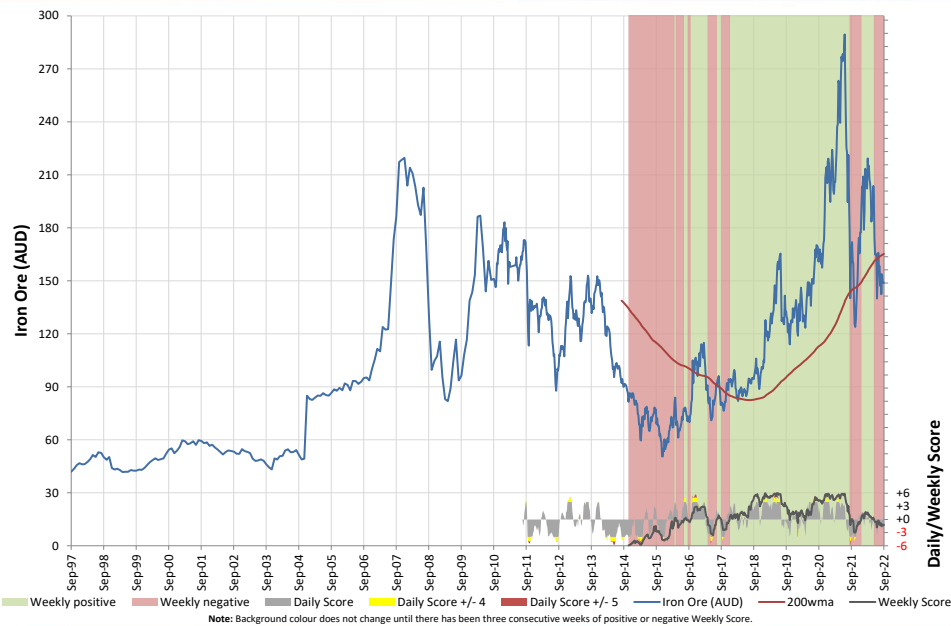
AUD Copper



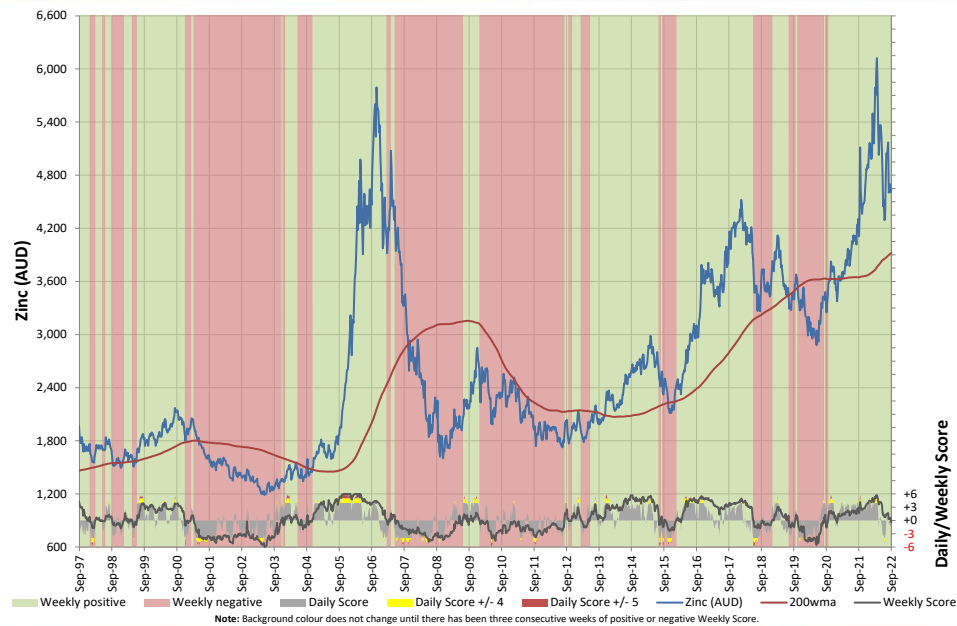
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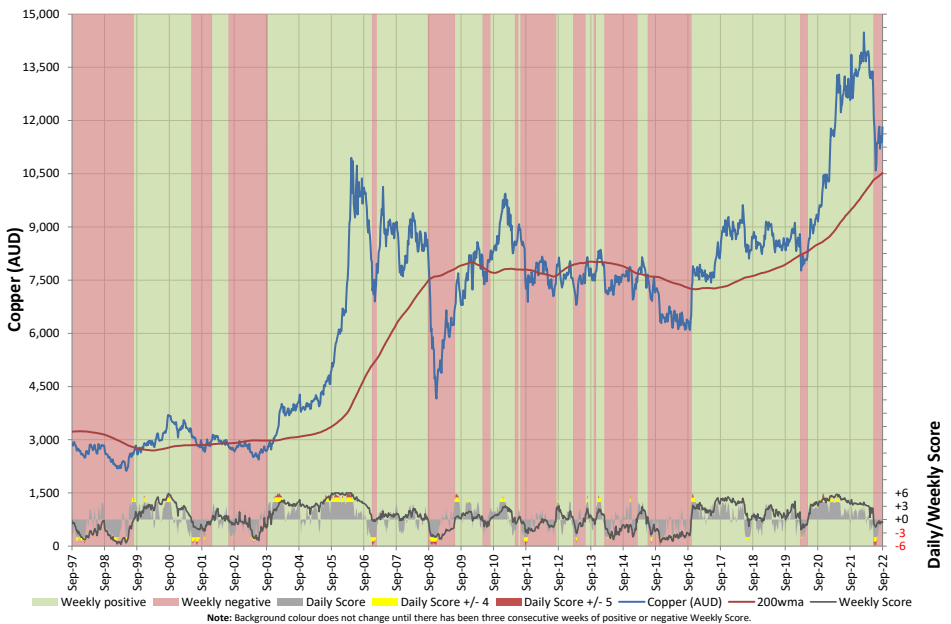
AUD Iron Ore



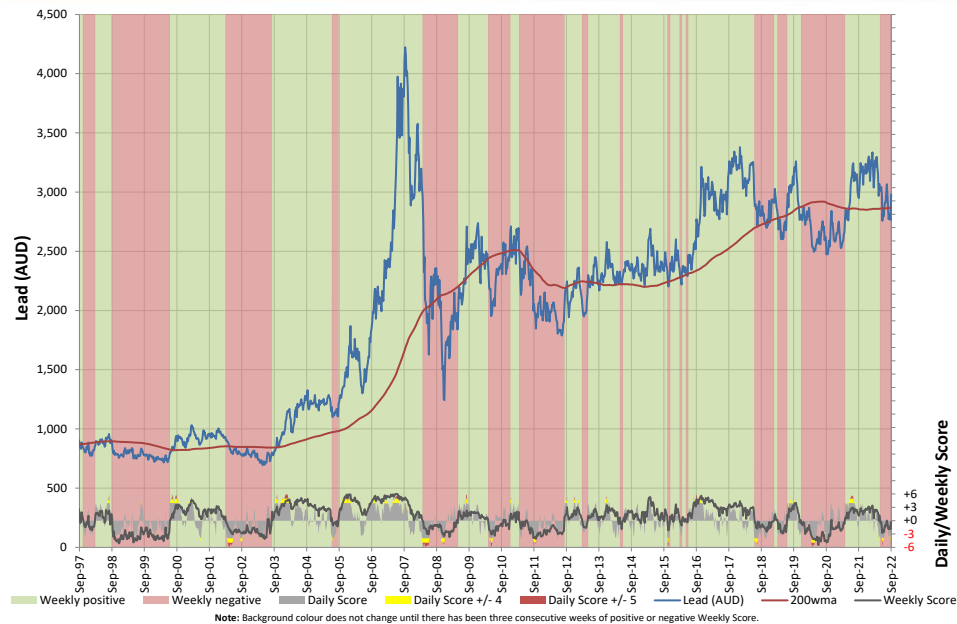
AUD Zinc



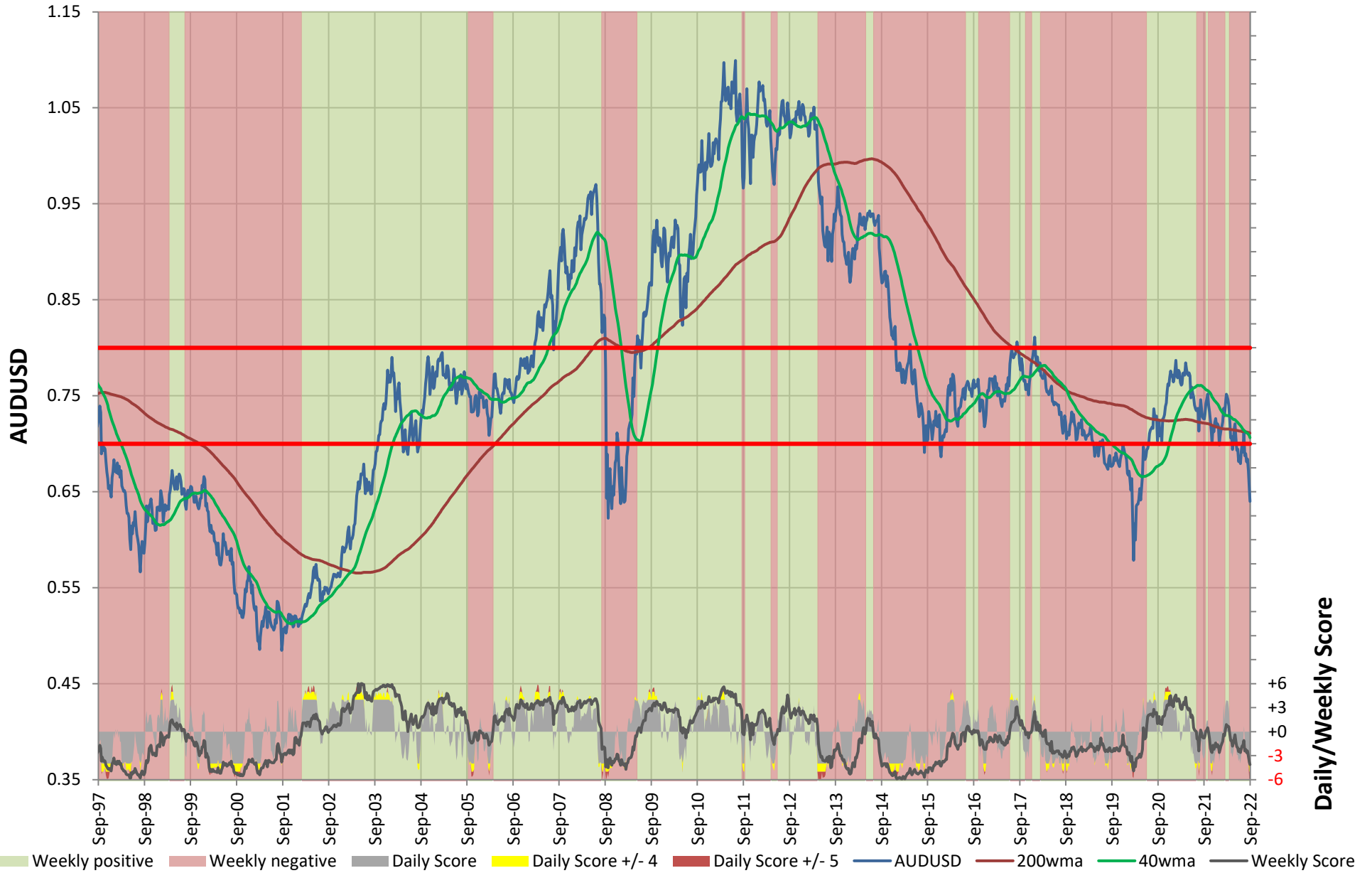
AUD Copper



AUD Lead



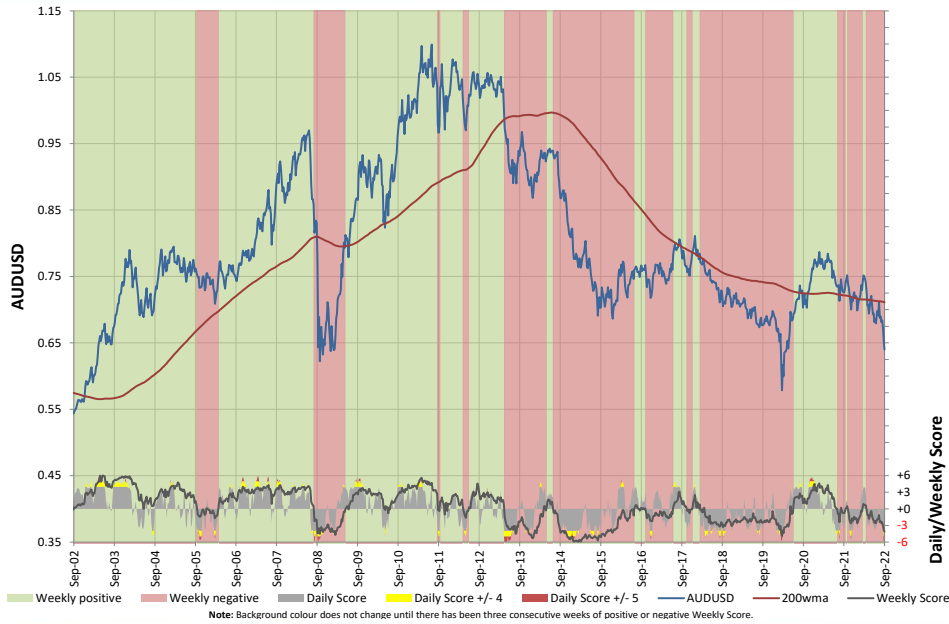
AUD USD – 25 years



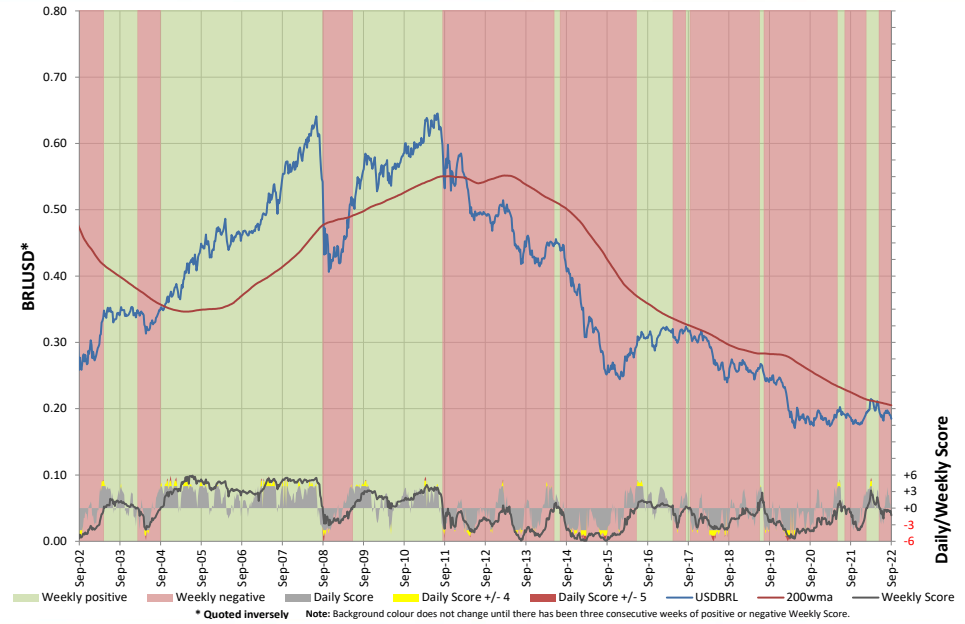
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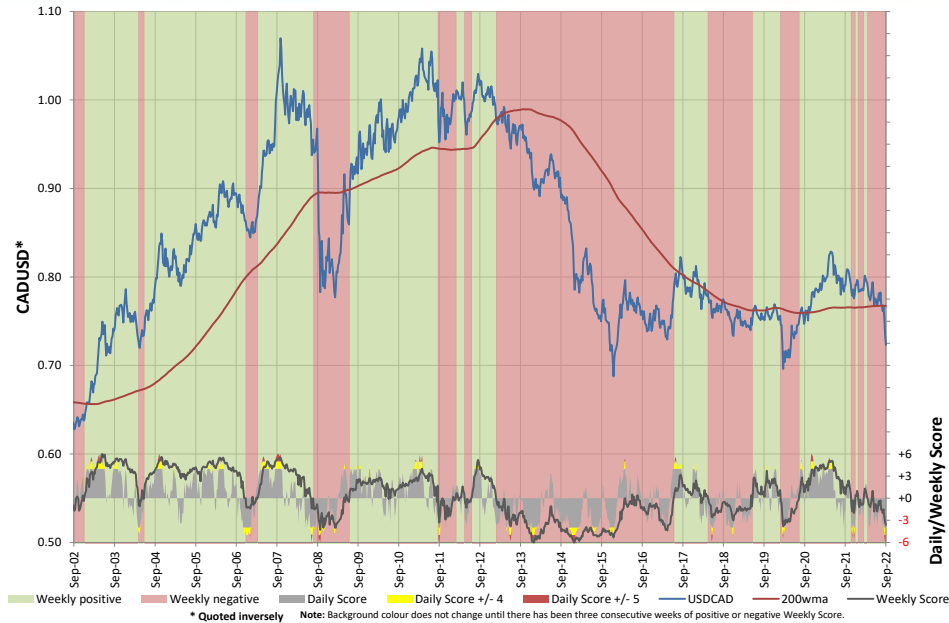
AUD



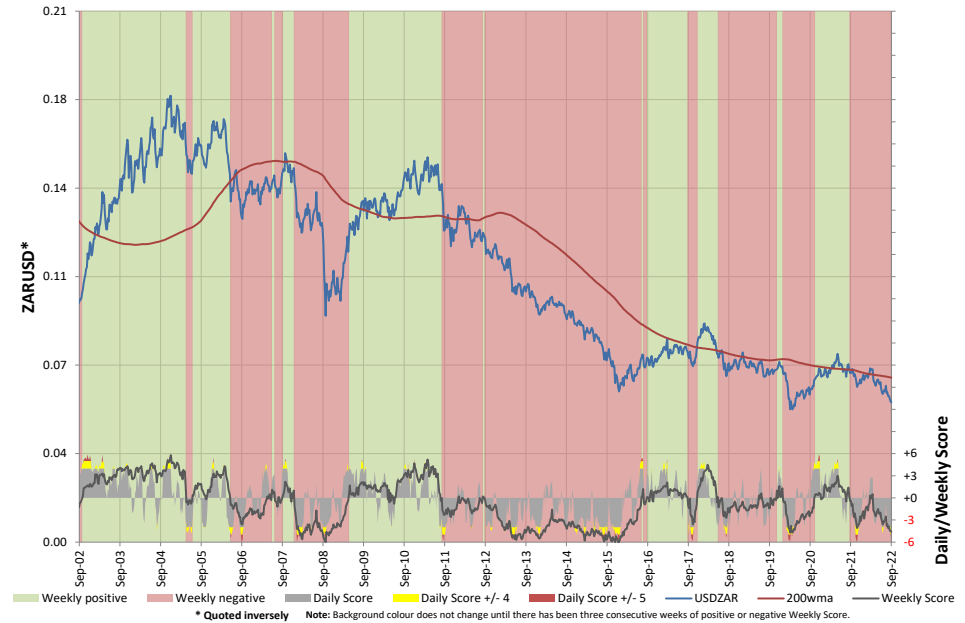
BRL (quoted inversely)



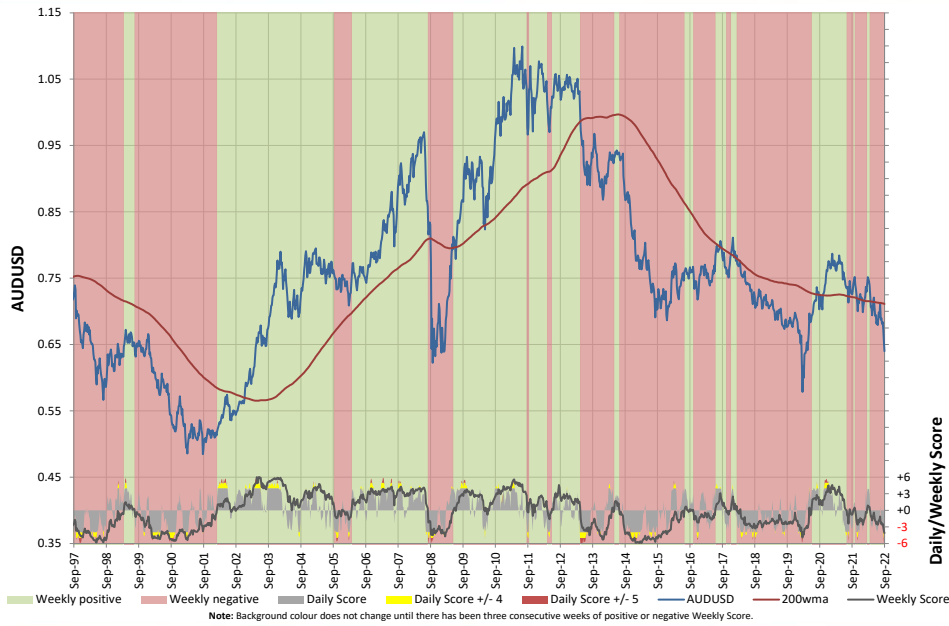
CAD (quoted inversely)



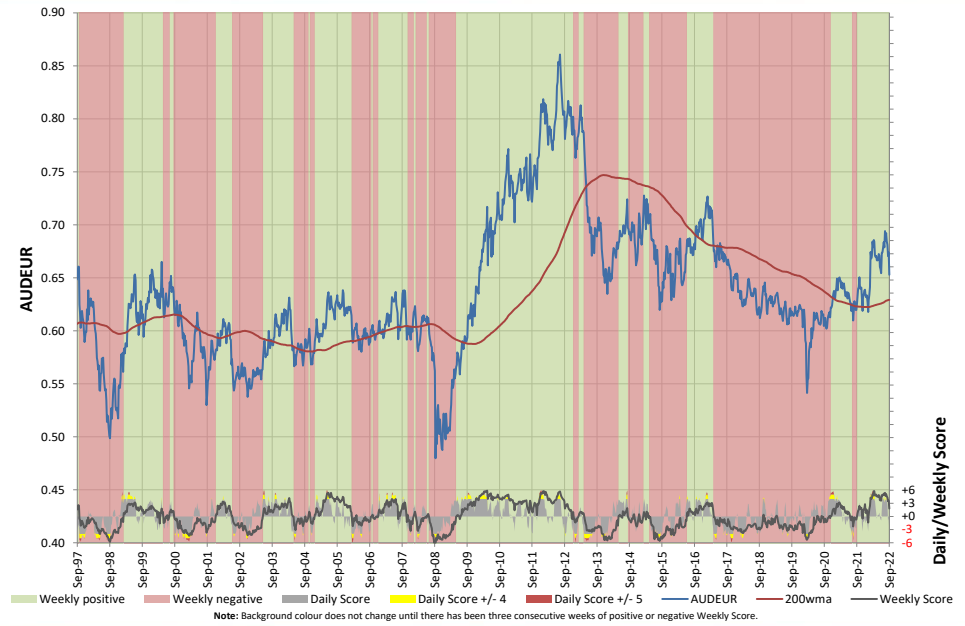
ZAR (quoted inversely)



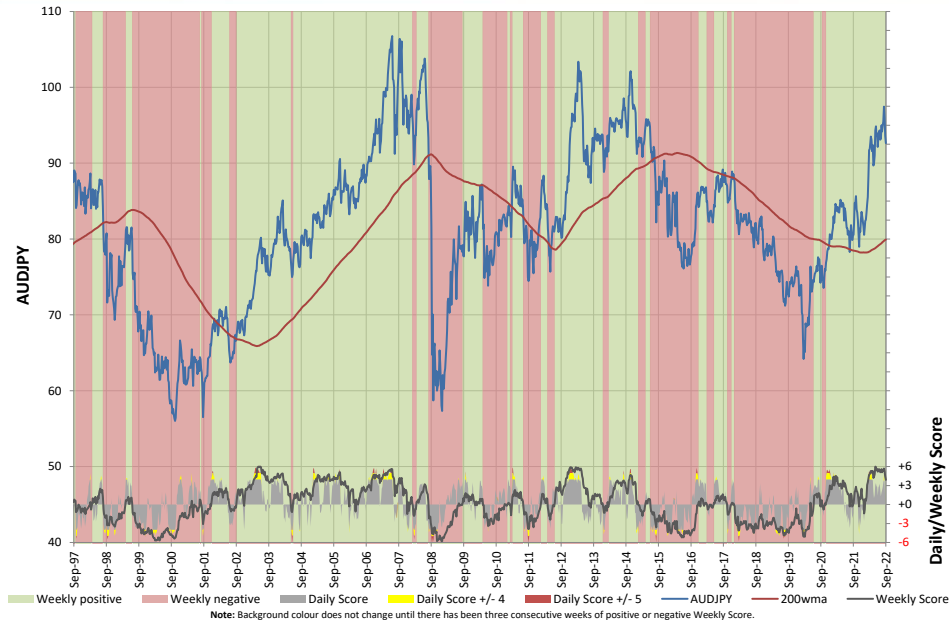
AUD



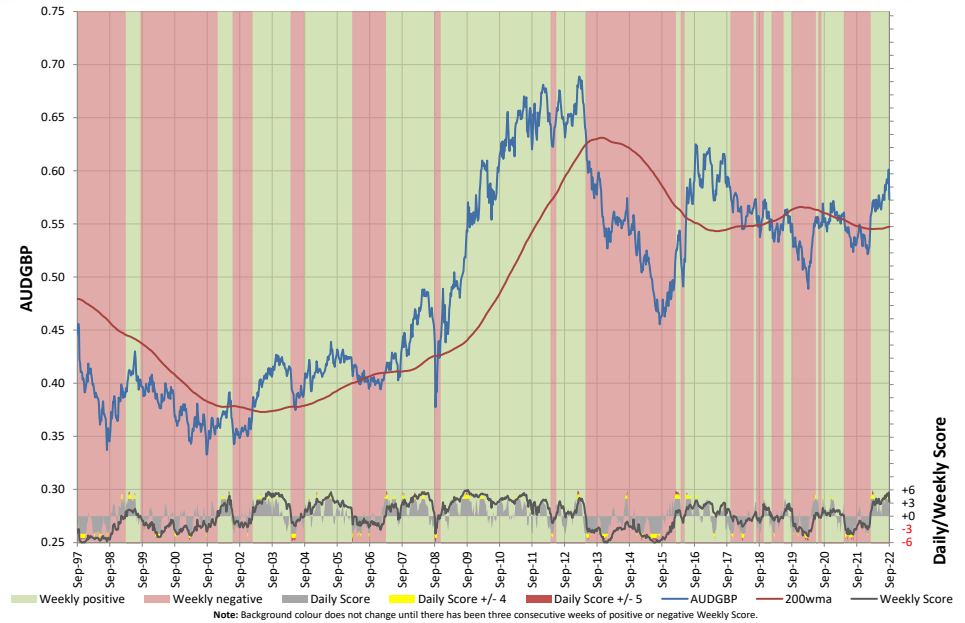
AUD EUR



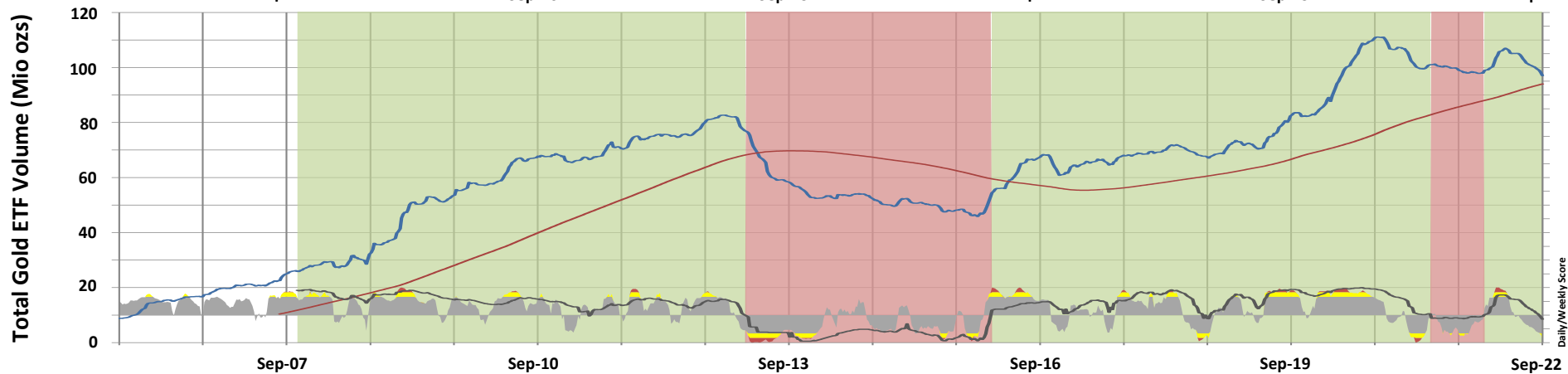
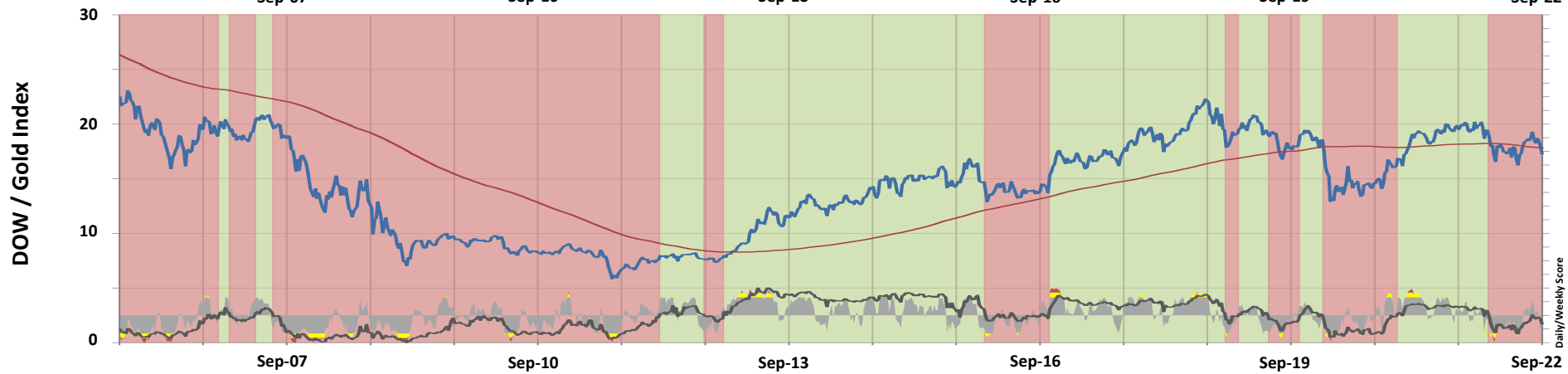
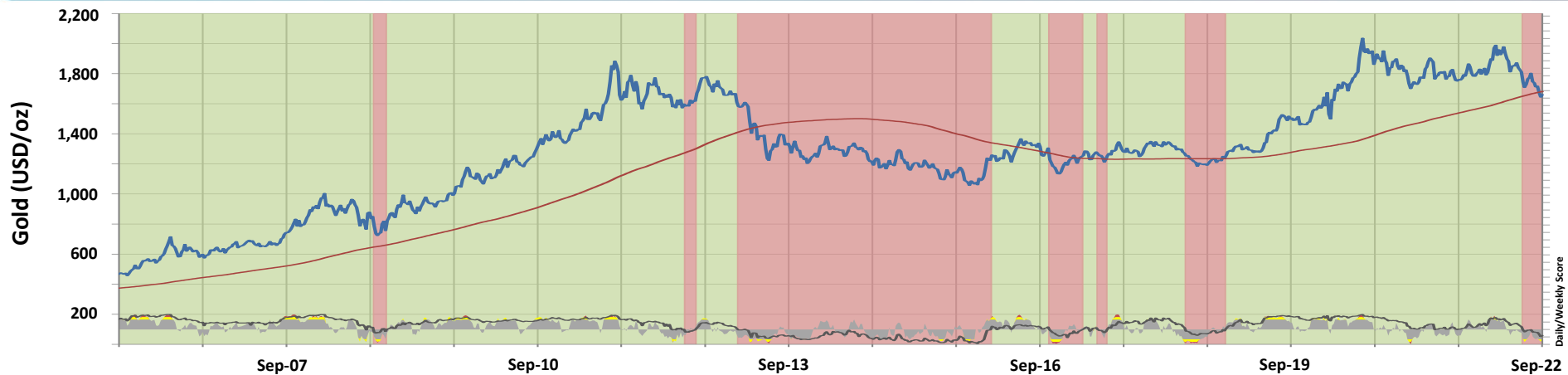
AUD JPY



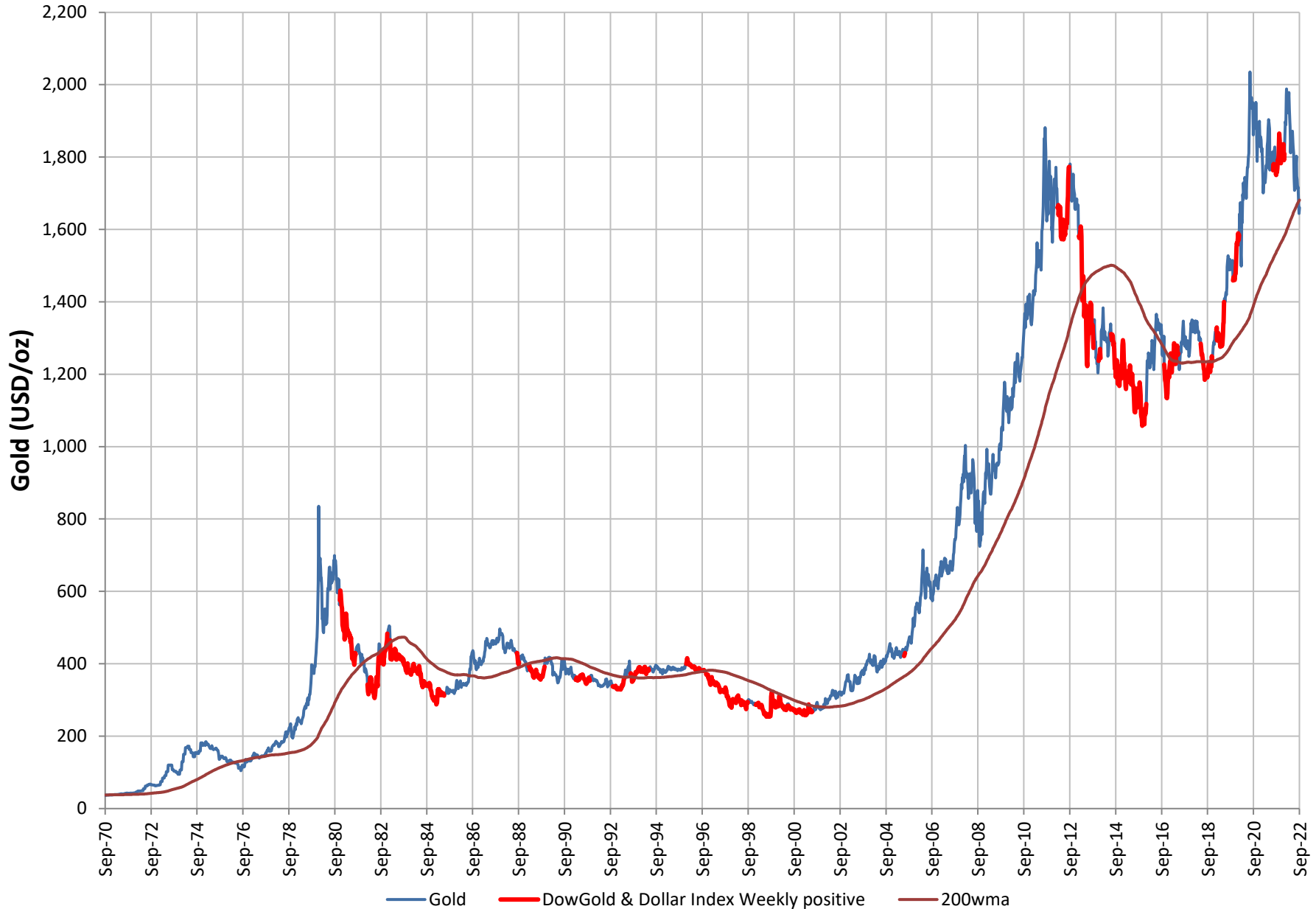
AUD GBP



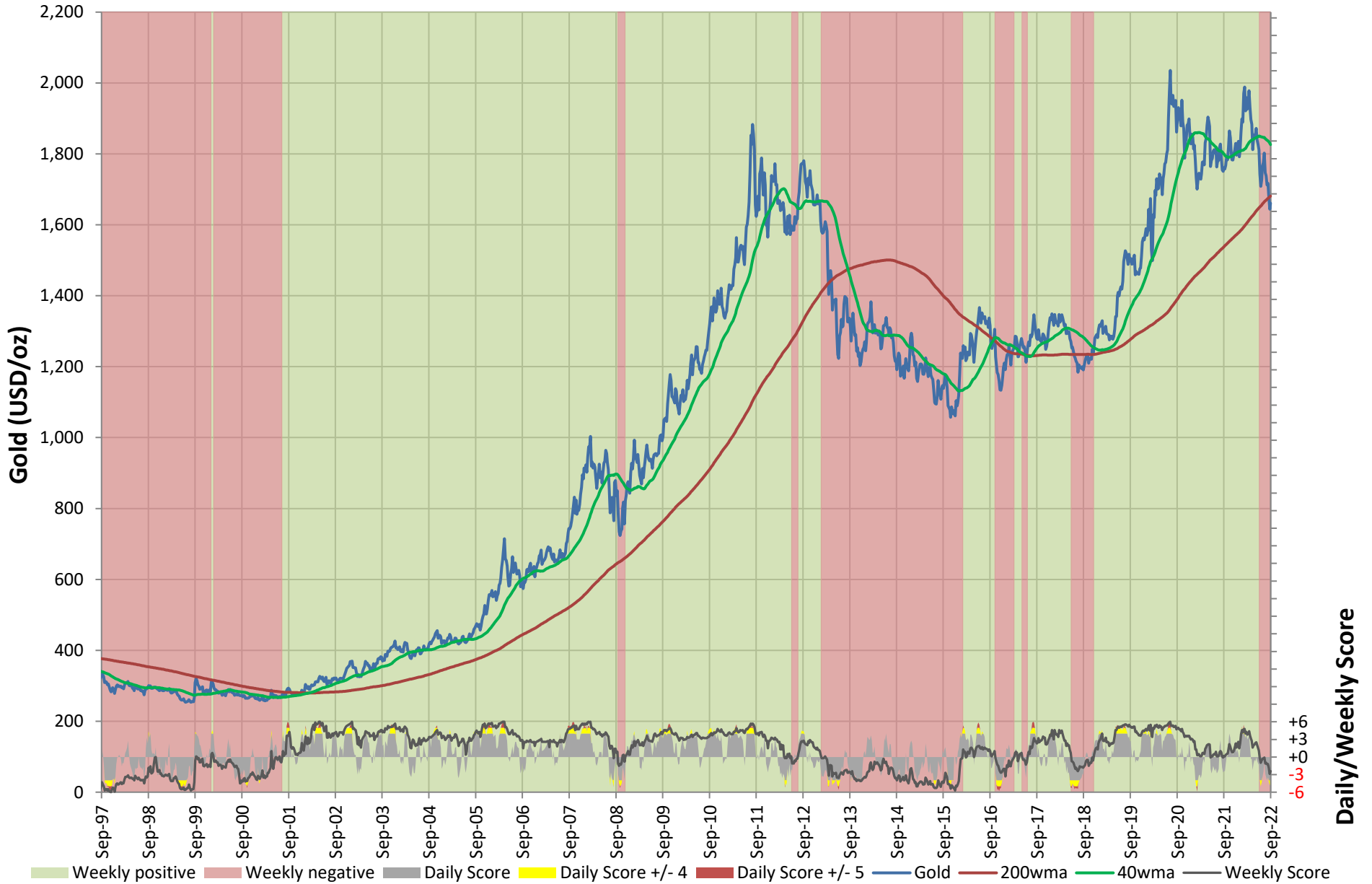
USD Gold – DOW / Gold Ratio – Gold ETF



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



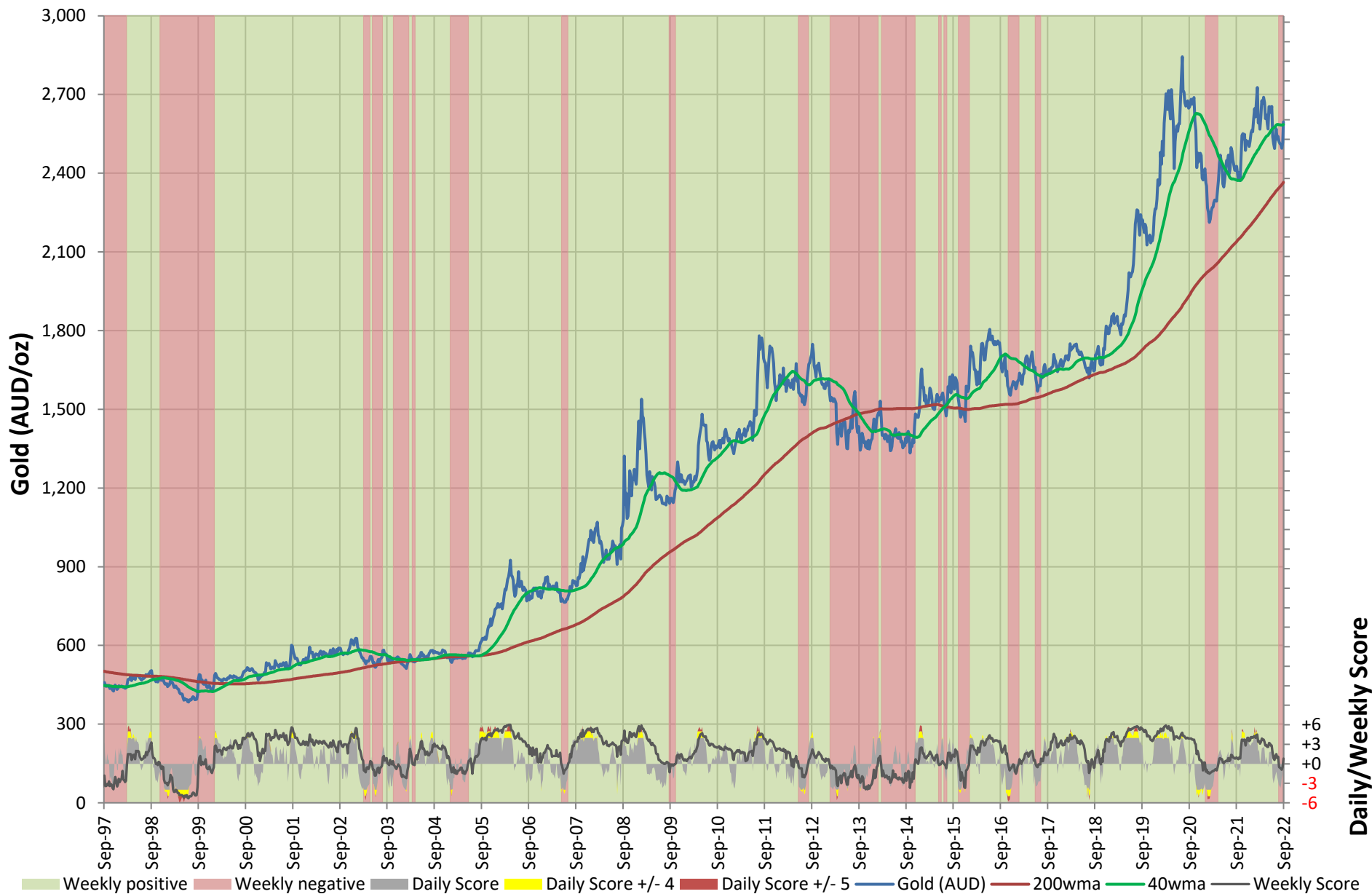
USD Gold – 25 years



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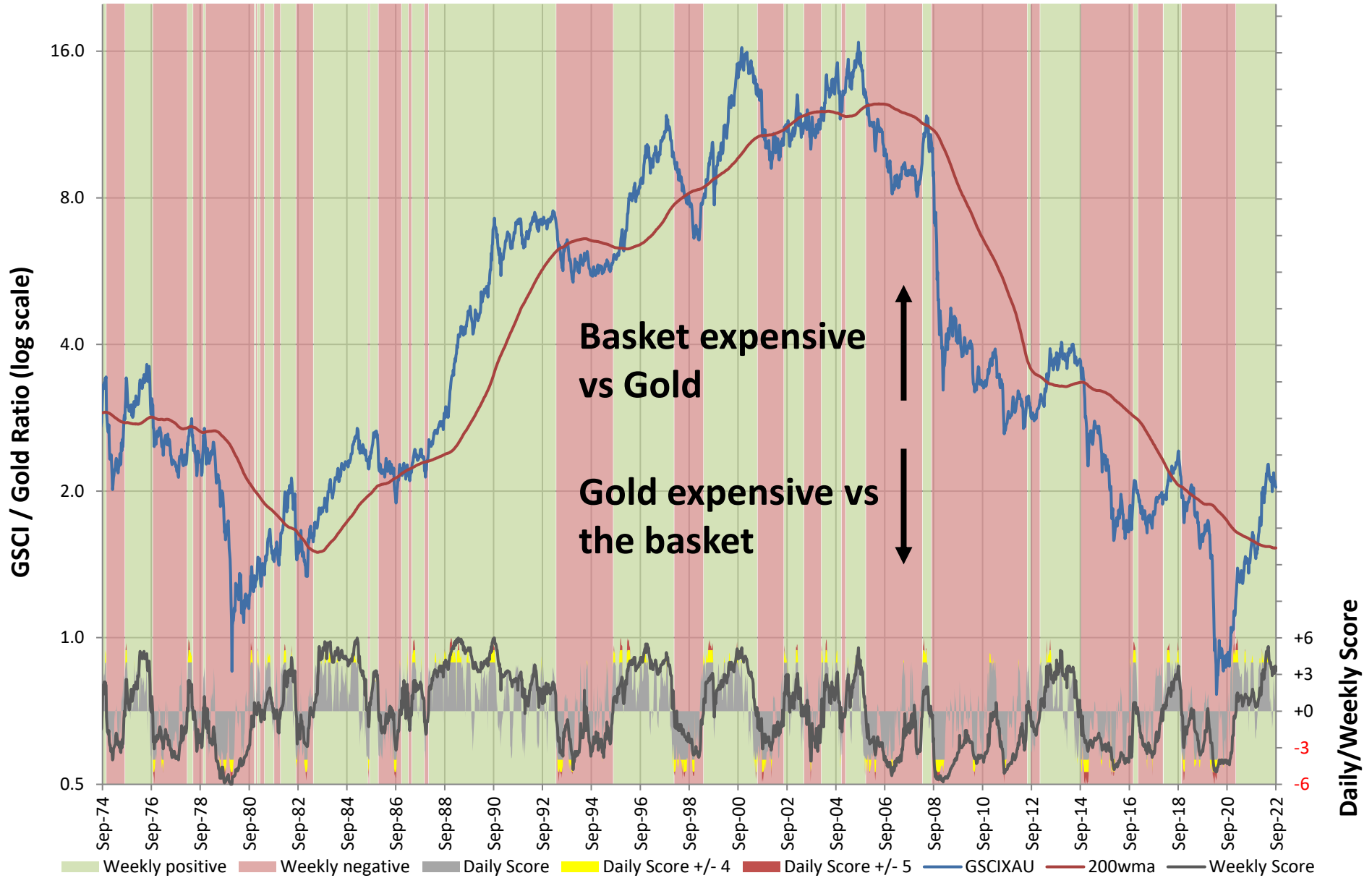
AUD Gold – 25 years



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GSCI / USD Gold Ratio (log scale)



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