



QUARTERLY MARKET UPDATE

31 December 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 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.



Now:

- **USD uptrend strength lost, rare WS Extreme +ves gone**
 - Yen bottom found between 1998 and 1990 lows! Both of those were created under conditions of WS extremes. Both led to LT halving of rate!
 - EUR lost extreme negative Weekly Score. Last 2 similar extremes stood for 7 and 15 years!
 - AUD / NZD / CAD / ZAR / BRL all stronger but all still in -ve Weekly Score
- **Precious scores reversed to positive**
 - AUD & USD gold both +ve WS. Both prices above 200 dma and 200 wma
- Base metals improved but mixed. All above rising 200wma
- Energy weaker and still trending lower in ST/MT
- **Commodity, commodity currency and equity market sentiment remains mixed but is improving**
- **Increased inflation risk still giving way to “Recession Fears”**
 - GSCI held price and improved Score.
 - GSCI vs. Equities consolidated.



Market Summary

	30-Jun-22				30-Sep-22				30-Dec-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	1807	-6.72%	-1.5	1.5	1661	-8.12%	-4.6	-2.4	1824	9.84%	1.9	0.7
AUDGold	2618	1.11%	1.8	2.8	2595	-0.89%	2.4	0.8	2677	3.18%	2.7	1.8
Base												
Copper	8258	-20.40%	-6.0	-1.5	7560	-8.45%	-2.1	-1.7	8372	10.74%	0.6	-0.2
AUDCopper	11963	-13.73%	-5.8	-1.1	11813	-1.26%	0.5	-0.6	12288	4.03%	0.0	0.5
AUDZinc	4573	-18.01%	-3.5	1.9	4638	1.40%	-1.5	-0.4	4363	-5.92%	-3.4	-1.7
AUDNickel	32881	-23.38%	-2.4	1.0	32980	0.30%	-0.3	0.5	44104	33.73%	1.9	2.2
AUDIronOre	177	-16.82%	-0.6	-0.6	149	-15.66%	-0.8	-1.2	172	15.48%	2.3	-0.4
Energy												
Coal	302	-41.97%	-4.9	0.9	272	-9.92%	-0.4	-1.2	290	6.30%	-2.3	-0.9
SGO	176.80	24.77%	4.2	5.9	129.10	-26.98%	-1.6	2.4	113.94	-11.74%	-3.8	-0.1
Currencies												
AUDUSD	0.6903	-7.74%	-3.3	-2.0	0.6400	-7.29%	-6.0	-4.1	0.6813	6.45%	0.5	-1.6
NZDUSD	0.6244	-10.12%	-4.1	-2.8	0.5600	-10.31%	-6.0	-5.2	0.6350	13.39%	1.4	-1.5
CADUSD	0.7768	-2.86%	-2.5	-0.9	0.7231	-6.91%	-6.0	-3.6	0.7378	2.03%	-1.9	-2.5
EURUSD	1.0484	-5.27%	-3.4	-4.7	0.9802	-6.51%	-4.6	-5.7	1.0705	9.21%	4.1	-1.2
ZARUSD	0.0614	-10.24%	-2.6	-2.0	0.0553	-9.99%	-5.4	-4.6	0.0587	6.15%	0.4	-2.5
BRLUSD	0.1902	-9.80%	-2.3	-0.1	0.1847	-2.93%	-0.9	-1.3	0.1894	2.56%	-1.2	-0.7
JPYUSD	0.0074	-10.33%	-4.3	-6.0	0.0069	-6.23%	-5.4	-5.8	0.0076	10.39%	3.3	-1.8
DX	104.69	6.48%	3.7	5.0	112.12	7.10%	5.0	5.7	103.52	-7.67%	-3.0	1.4
Indices												
DOW	30775	-11.25%	-4.7	-1.0	28726	-6.66%	-5.5	-2.1	33147	15.39%	1.6	1.7
ALLORDS	6746	-13.39%	-5.1	-1.7	6679	-1.01%	-5.0	-1.5	7222	8.13%	0.8	0.6
GDX	27.38	-28.60%	-4.4	-0.7	24.12	-11.91%	-3.2	-3.3	28.66	18.82%	0.3	-1.7
GSCI	709	-2.07%	-1.2	4.3	608	-14.31%	-3.3	0.0	610	0.38%	-2.7	0.2

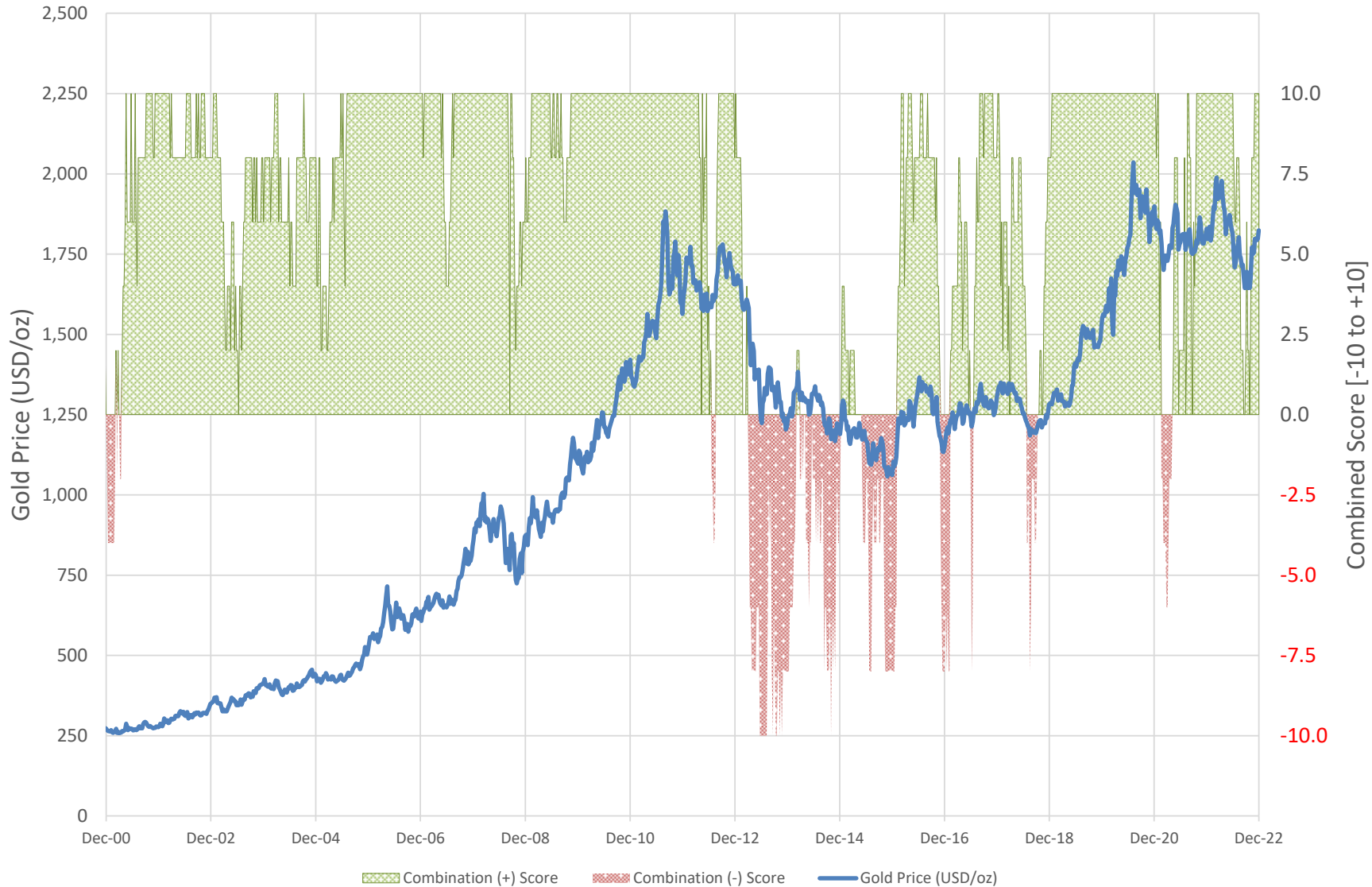


Market Summary

	31-Dec-21				30-Dec-22			
	Price	Δ Price YoY	Daily	Weekly	Price	Δ Price YoY	Daily	Weekly
Precious								
Gold	1829	-3.64%	2.6	2.3	1824	-0.28%	1.9	0.7
AUDGold	2519	2.07%	3.5	3.9	2677	6.30%	2.7	1.8
Base								
Copper	9721	25.17%	-0.1	2.7	8372	-13.87%	0.6	-0.2
AUDCopper	13384	32.60%	1.5	3.5	12288	-8.18%	0.0	0.5
AUDZinc	4866	36.09%	3.9	3.8	4363	-10.33%	-3.4	-1.7
AUDNickel	28579	32.36%	3.9	4.1	44104	54.32%	1.9	2.2
AUDIronOre	165	-19.49%	0.2	-1.0	172	3.90%	2.3	-0.4
Energy								
Coal	352	226.22%	2.6	3.6	290	-17.64%	-2.3	-0.9
SGO	85.85	54.94%	-0.9	2.0	113.94	32.72%	-3.8	-0.1
Currencies								
AUDUSD	0.7263	-5.60%	-2.4	-1.4	0.6813	-6.20%	0.5	-1.6
NZDUSD	0.6826	-4.98%	-3.6	-1.6	0.6350	-6.97%	1.4	-1.5
CADUSD	0.7913	0.70%	-2.4	0.4	0.7378	-6.77%	-1.9	-2.5
EURUSD	1.1370	-6.93%	-2.7	-2.7	1.0705	-5.85%	4.1	-1.2
ZARUSD	0.0627	-7.80%	-3.4	-3.1	0.0587	-6.46%	0.4	-2.5
BRLUSD	0.1793	-6.77%	0.2	-3.3	0.1894	5.59%	-1.2	-0.7
JPYUSD	0.0087	-10.28%	-2.9	-5.7	0.0076	-12.23%	3.3	-1.8
DXY	95.67	6.37%	2.9	2.2	103.52	8.21%	-3.0	1.4
Indices								
DOW	36338	18.73%	1.9	3.6	33147	-8.78%	1.6	1.7
ALLORDS	7779	13.55%	2.0	3.4	7222	-7.17%	0.8	0.6
GDX	32.03	-11.08%	-2.0	0.0	28.66	-10.52%	0.3	-1.7
GSCI	561	37.05%	-0.2	3.3	610	8.71%	-2.7	0.2



USD Gold Price and Combination Scores

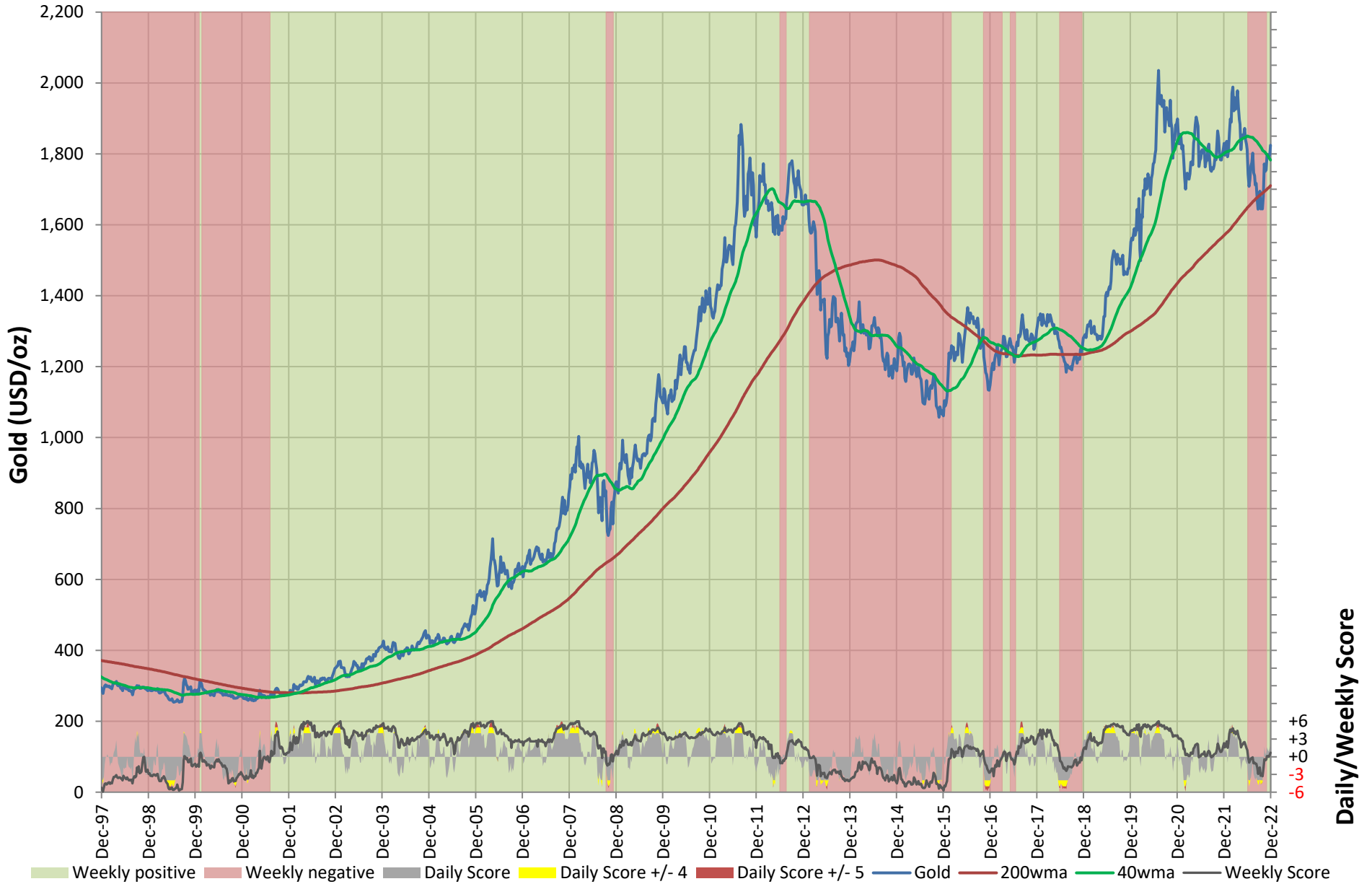


Currency Golds

1. USD
2. EUR
3. AUD
4. GBP
5. ZAR
6. IDR
7. INR
8. CNY
9. CAD
10. JPY



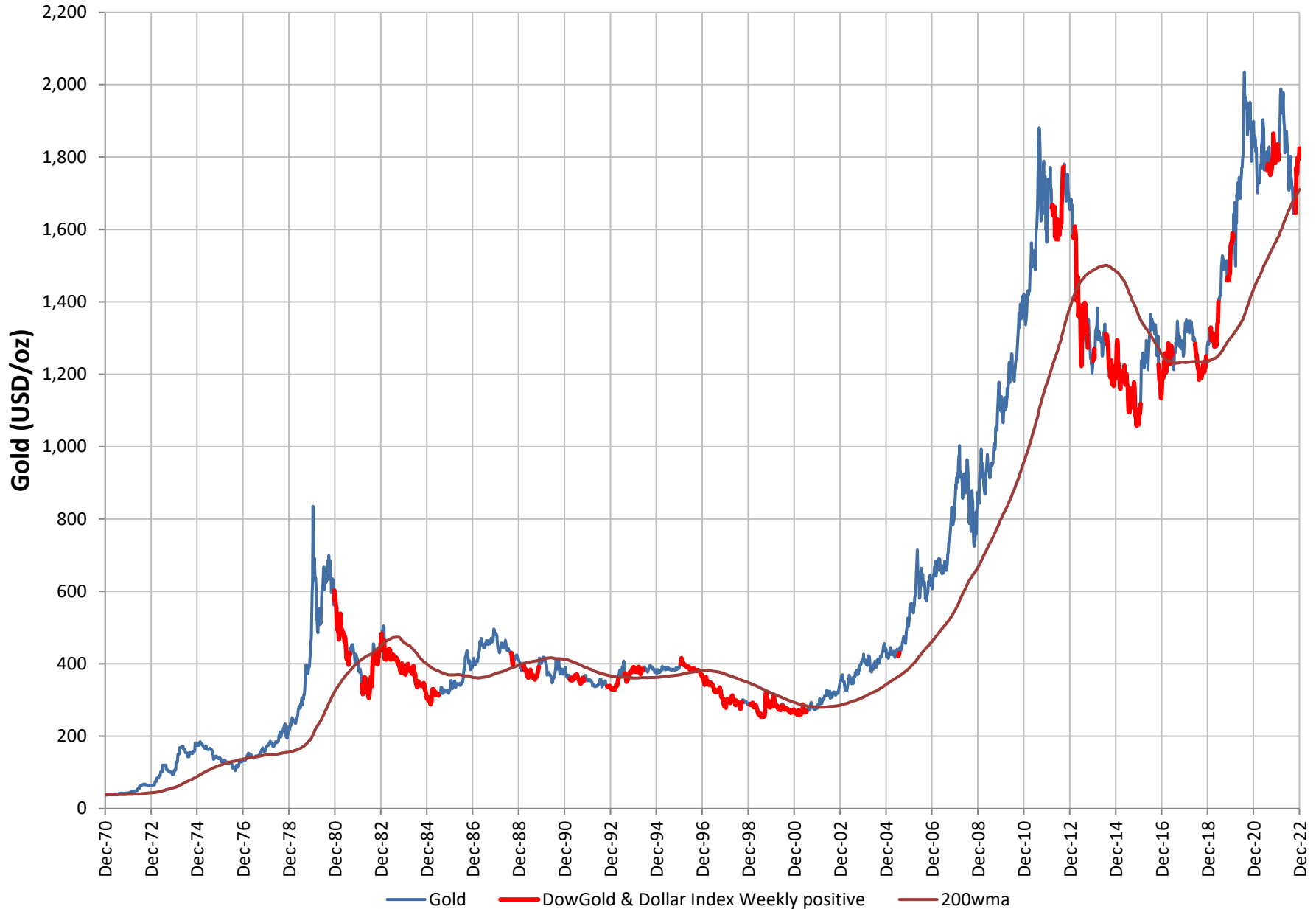
USD Gold – 25 years



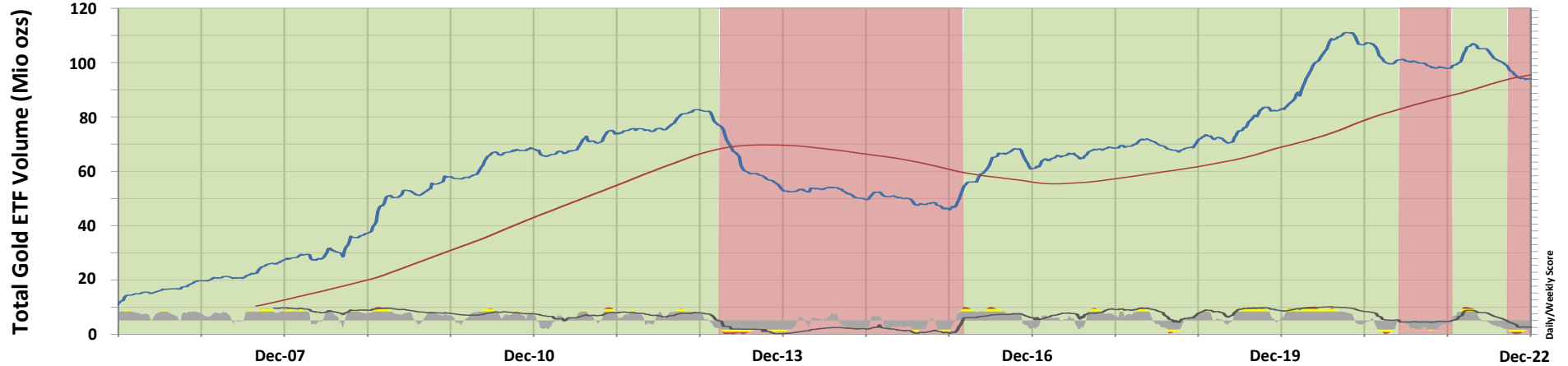
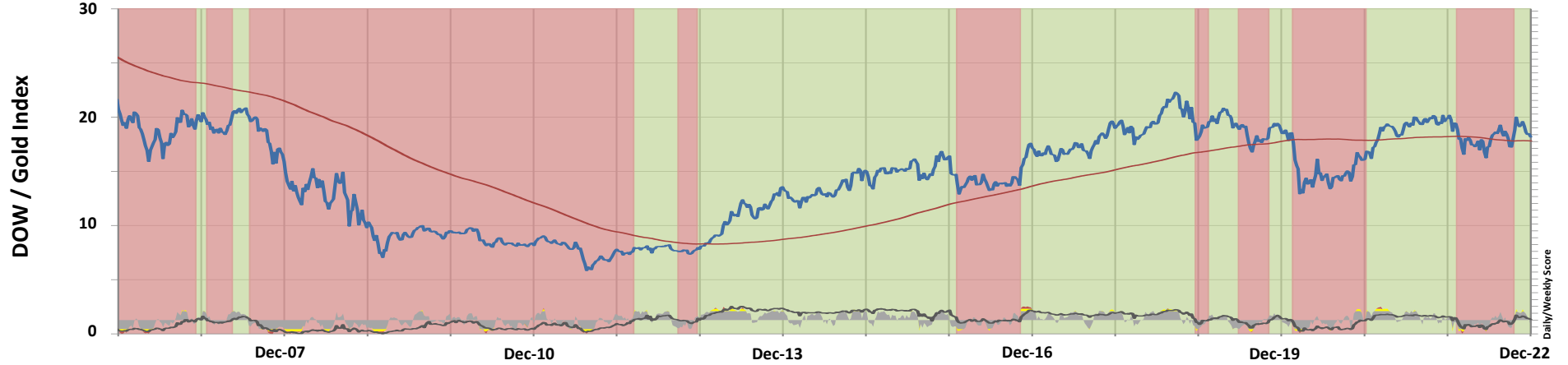
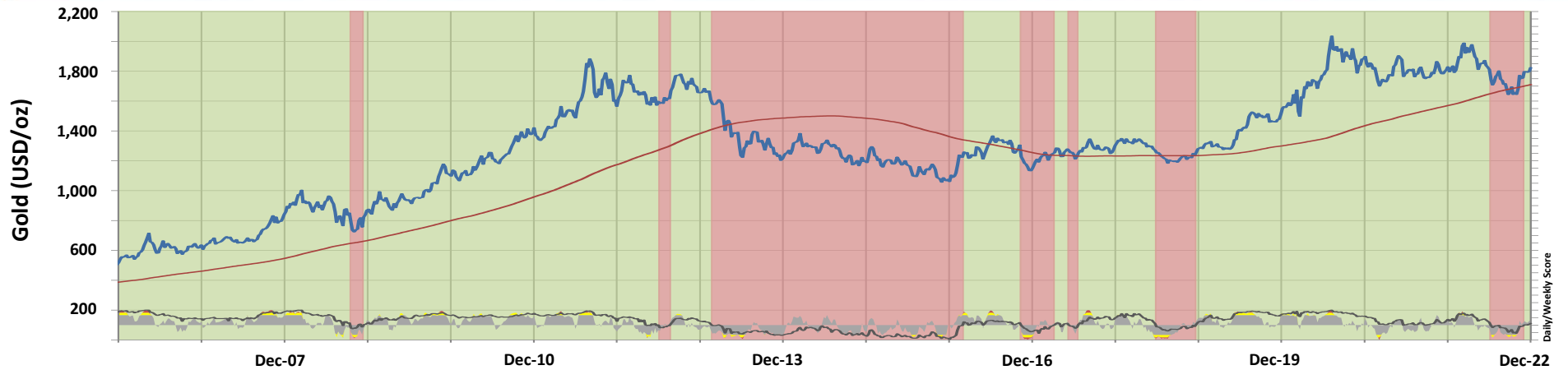
Note: Background colour does not change until there has been three consecutive weeks of positive or negative Weekly Score.



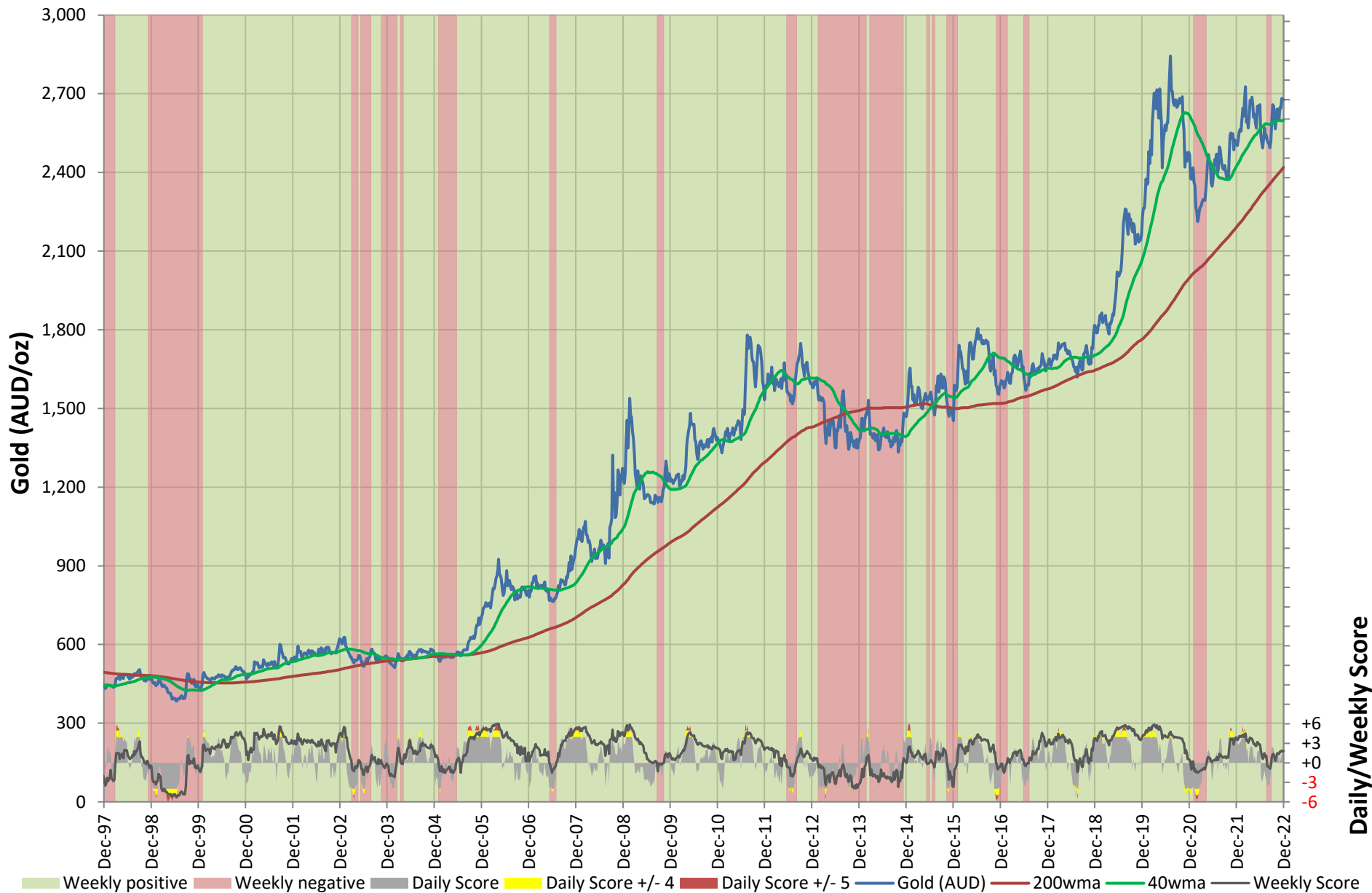
USD Gold – highlighted when DowGold & DXY Noah's Rule Weekly Score was positive



USD Gold – DOW / Gold Ratio – Gold ETF



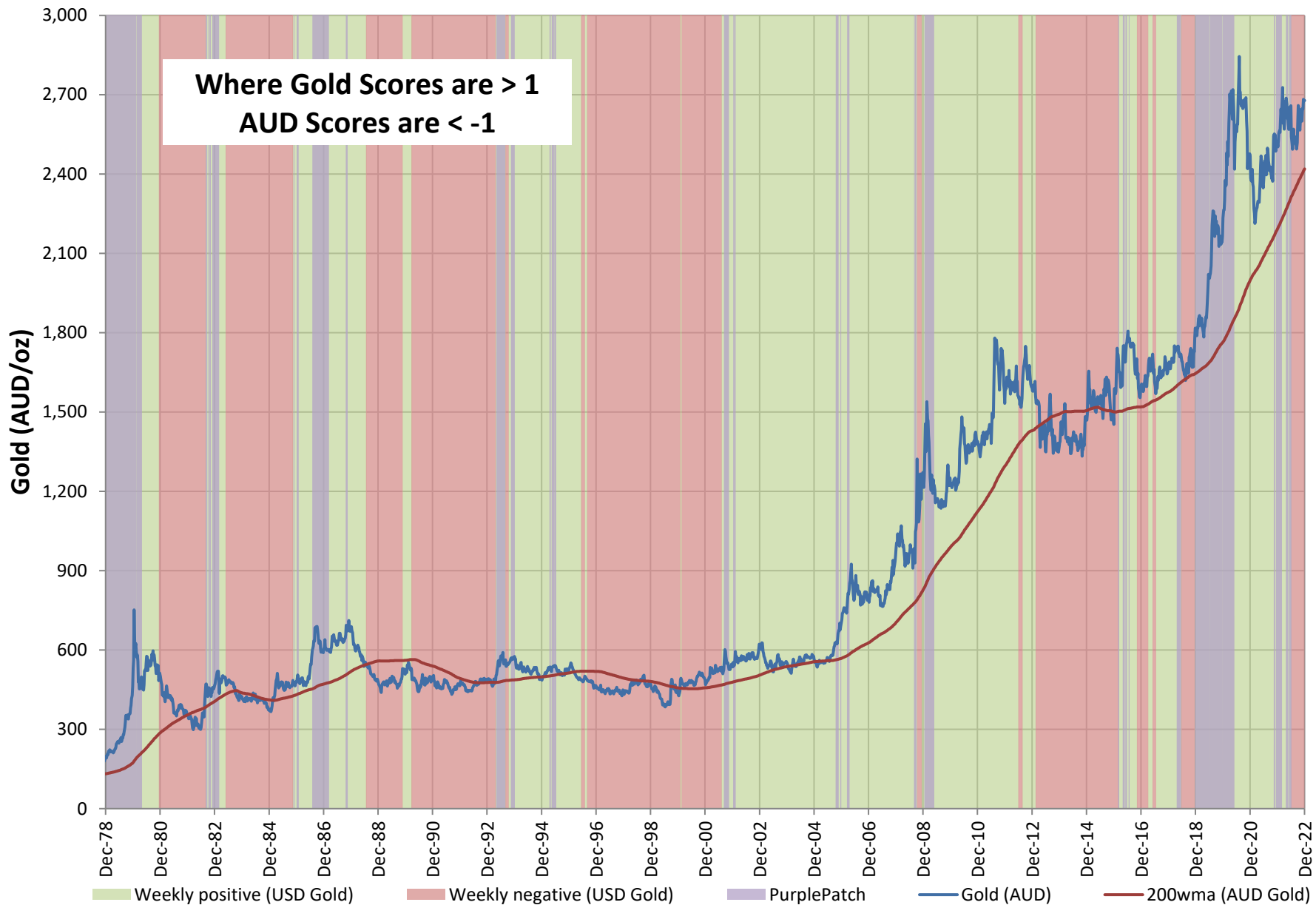
AUD Gold – 25 years



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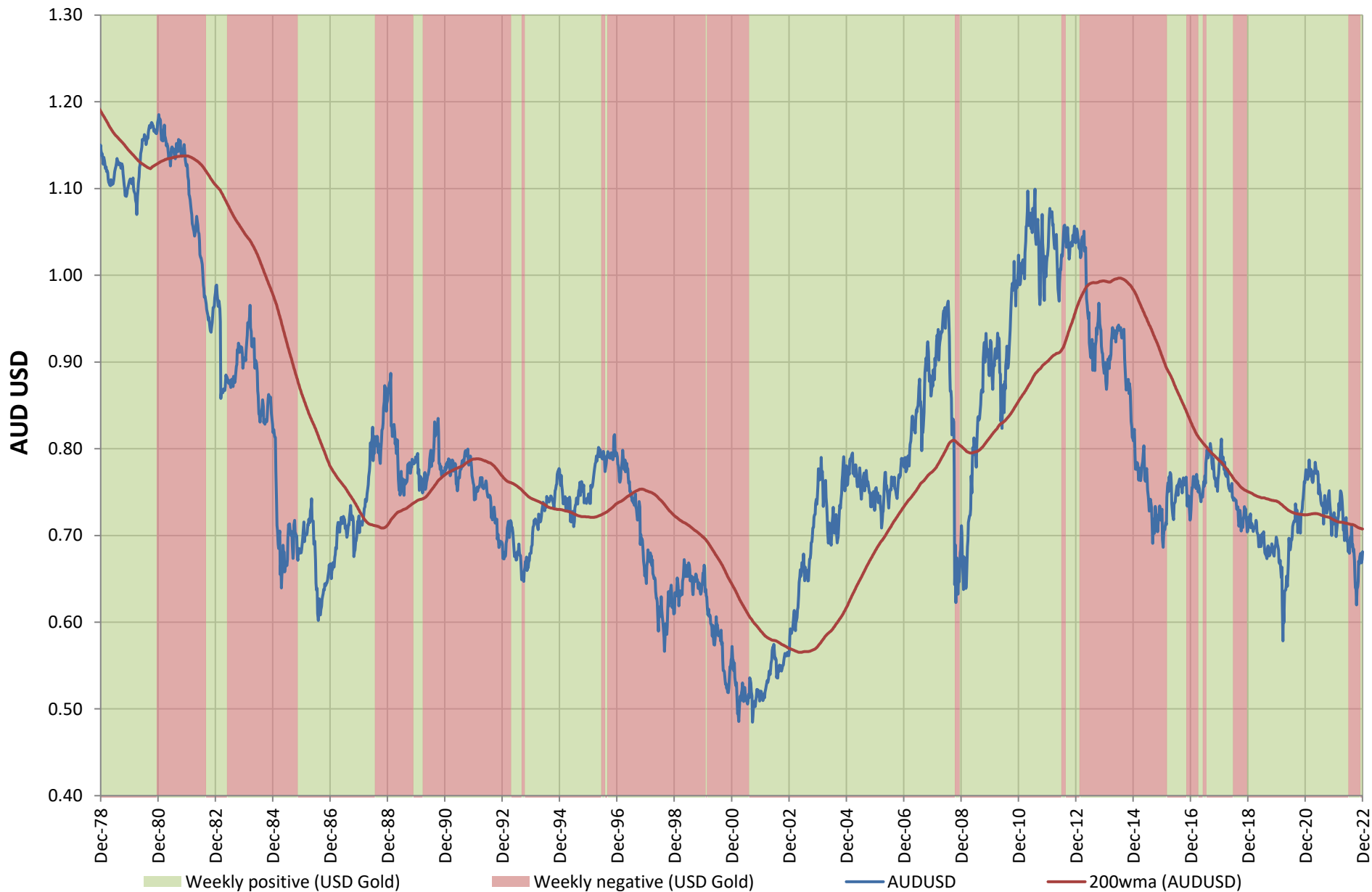
AUD Gold with USD Gold Weekly Score Background w/ PurplePatch



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



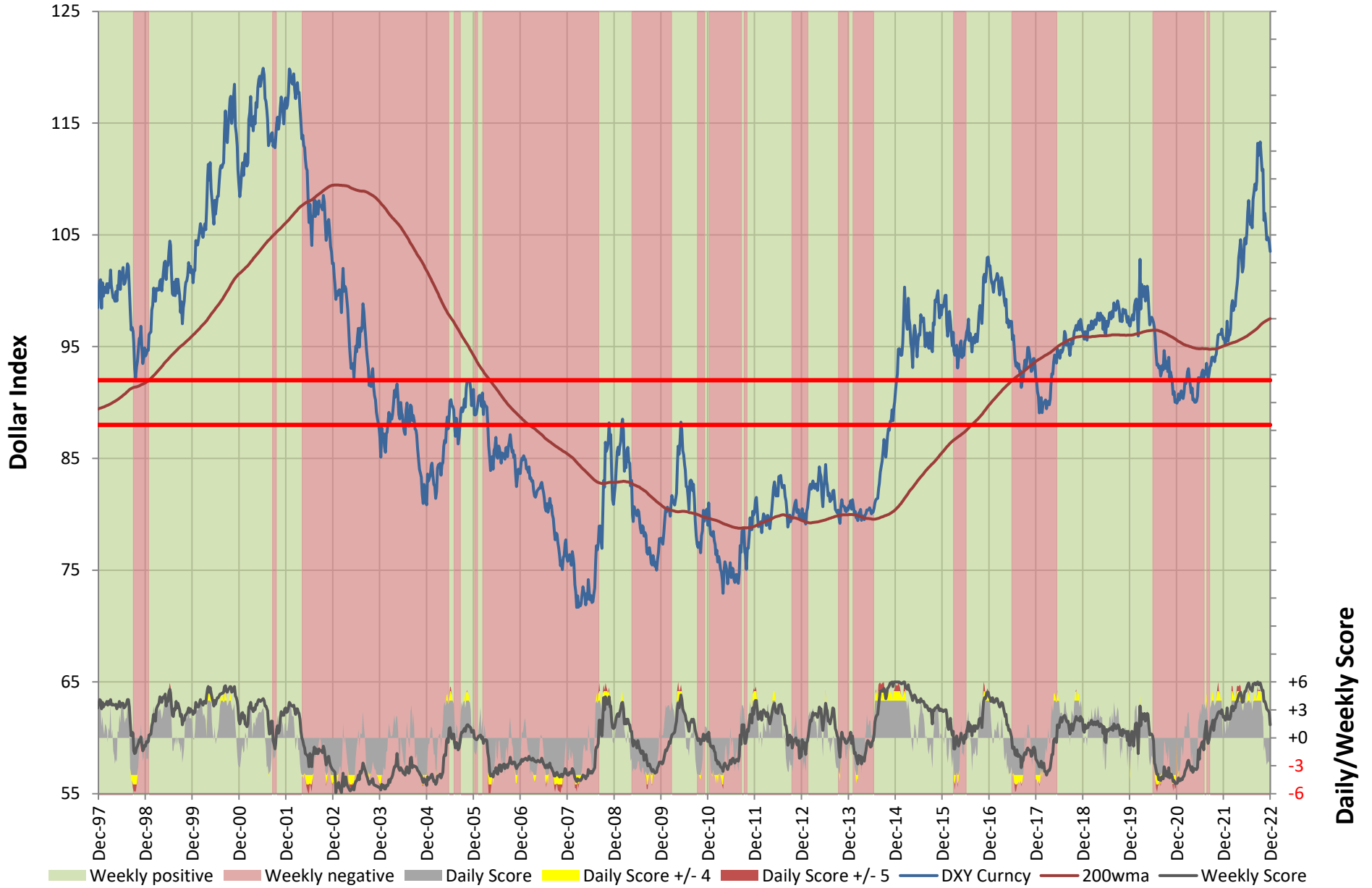
AUD USD with USD Gold Weekly Score Background



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



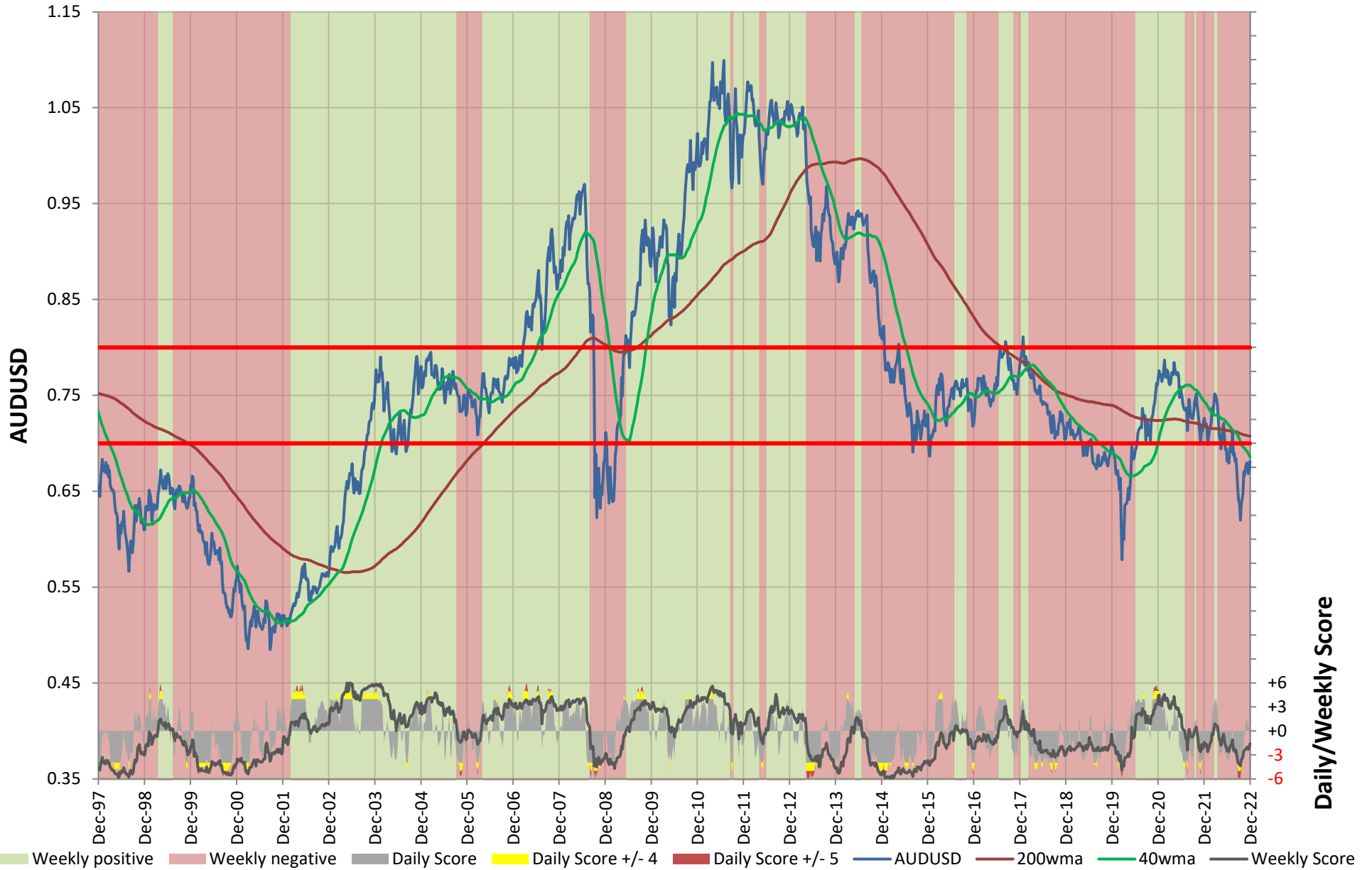
USD Index – DXY



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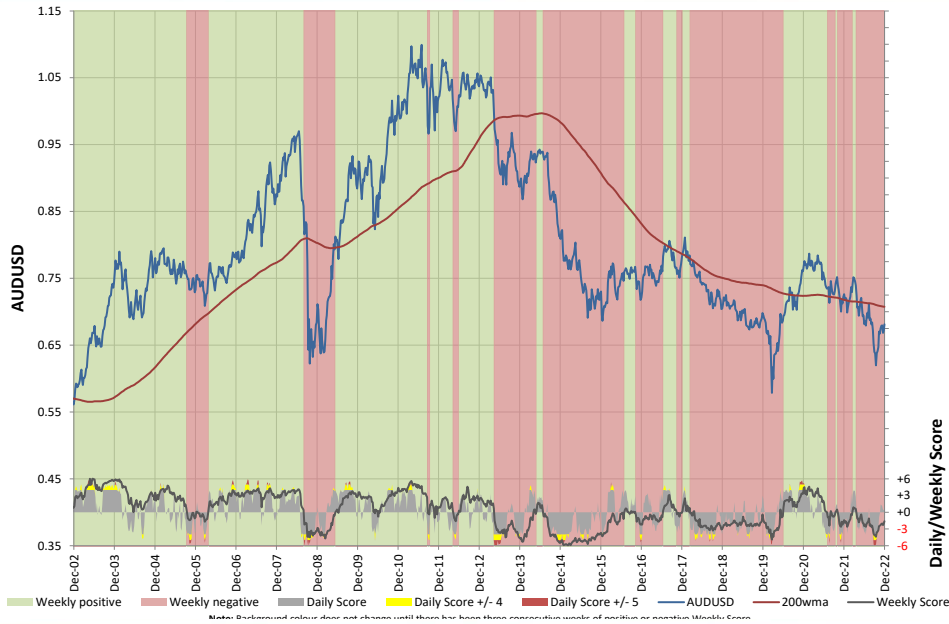
AUD USD – 25 years



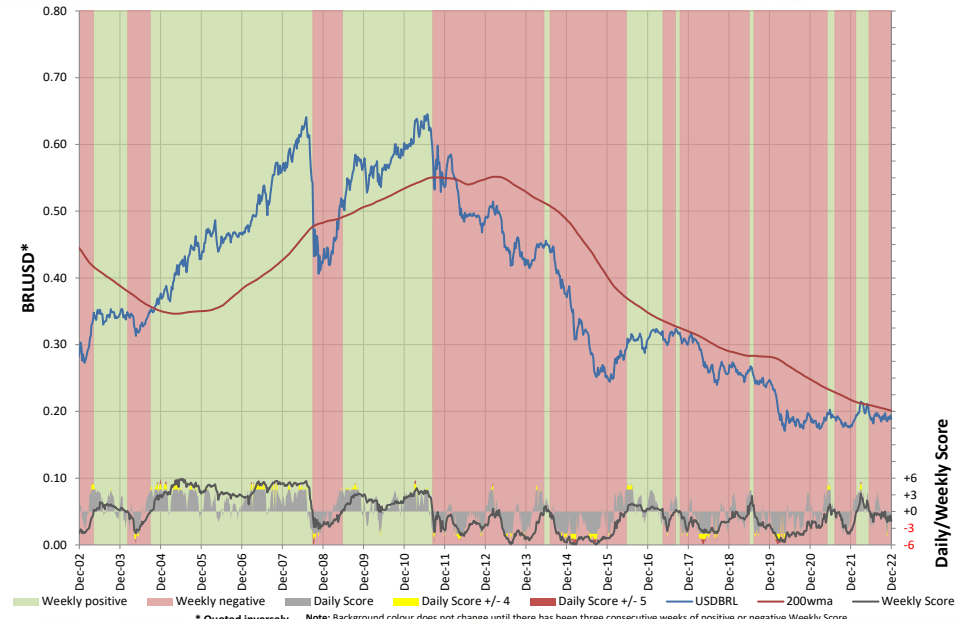
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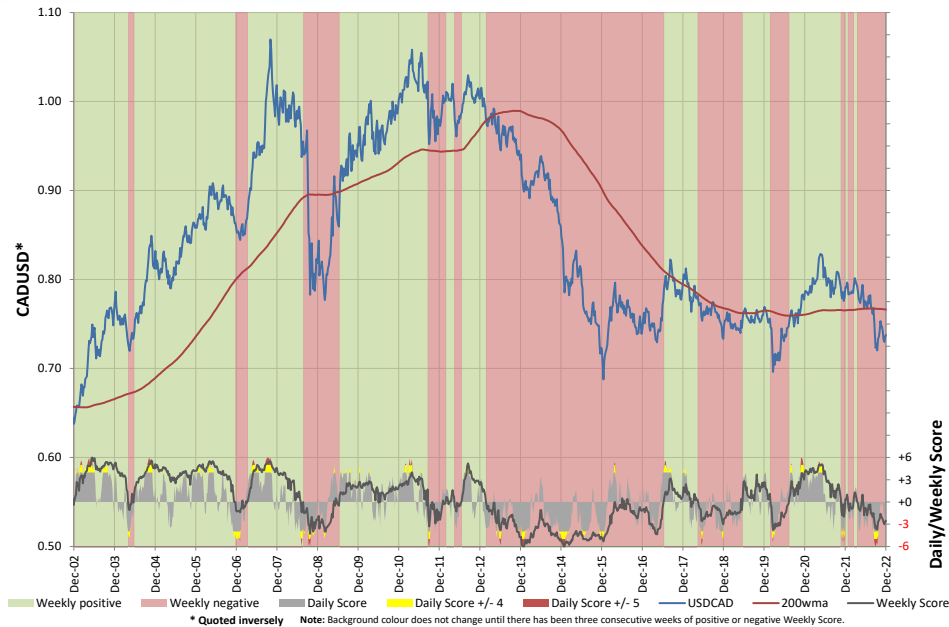
AUD



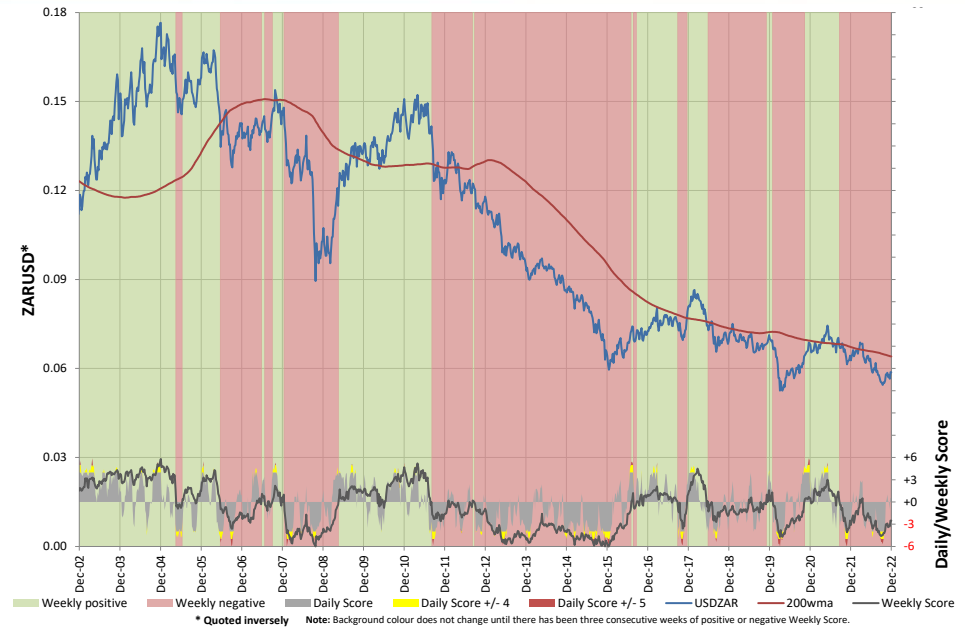
BRL (quoted inversely)



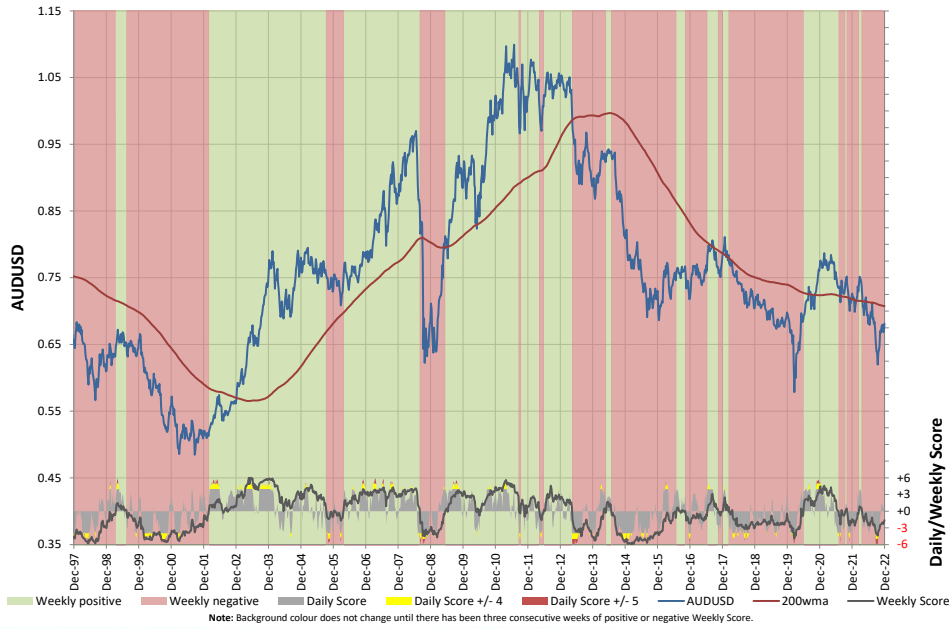
CAD (quoted inversely)



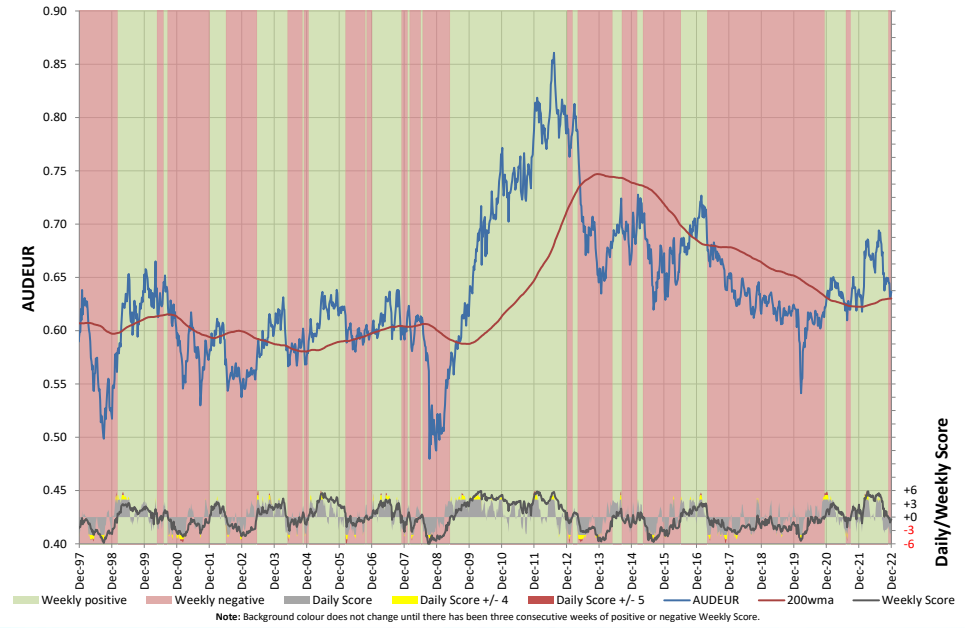
ZAR (quoted inversely)



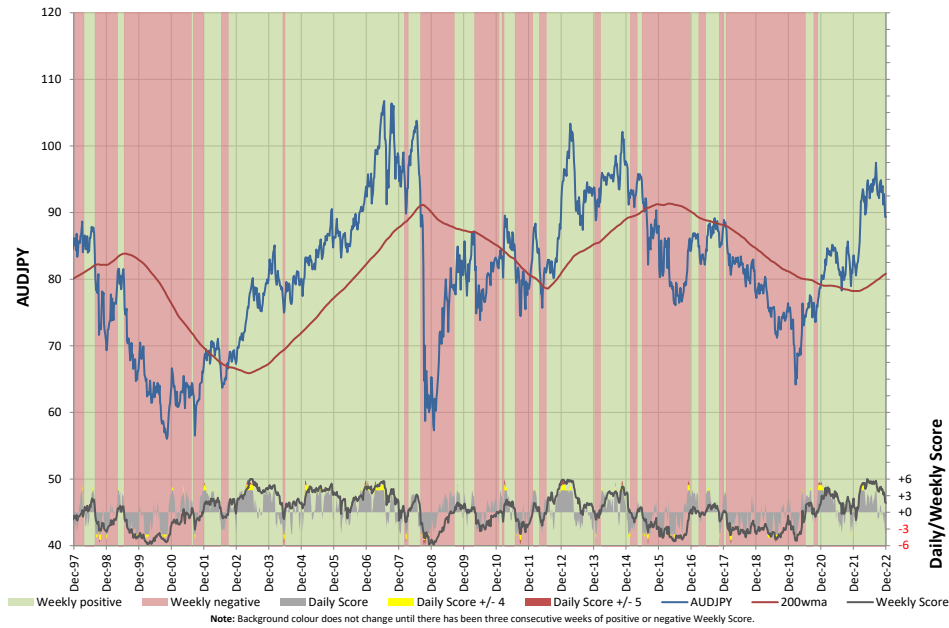
AUD



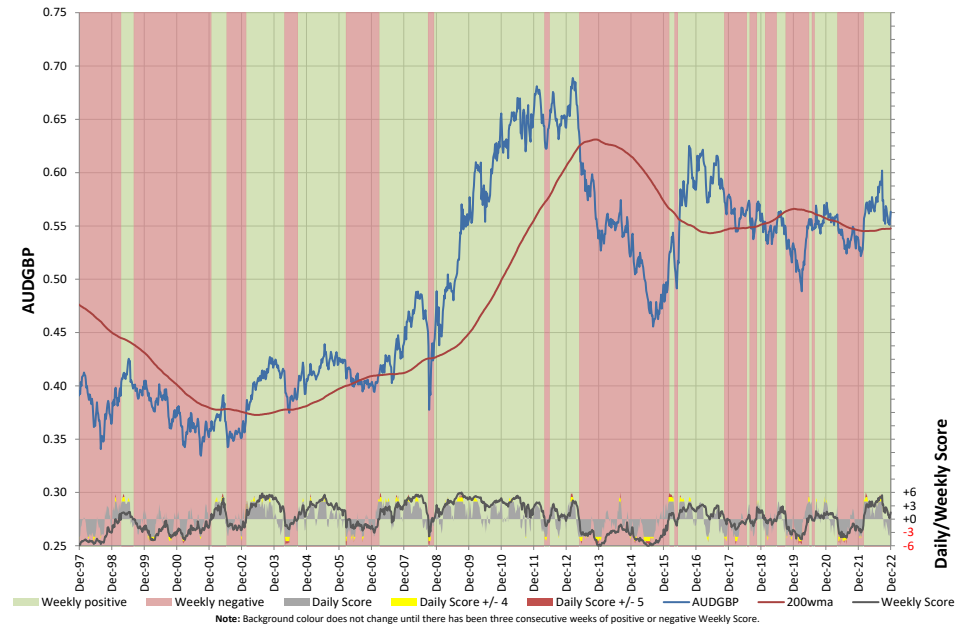
AUD EUR



AUD JPY

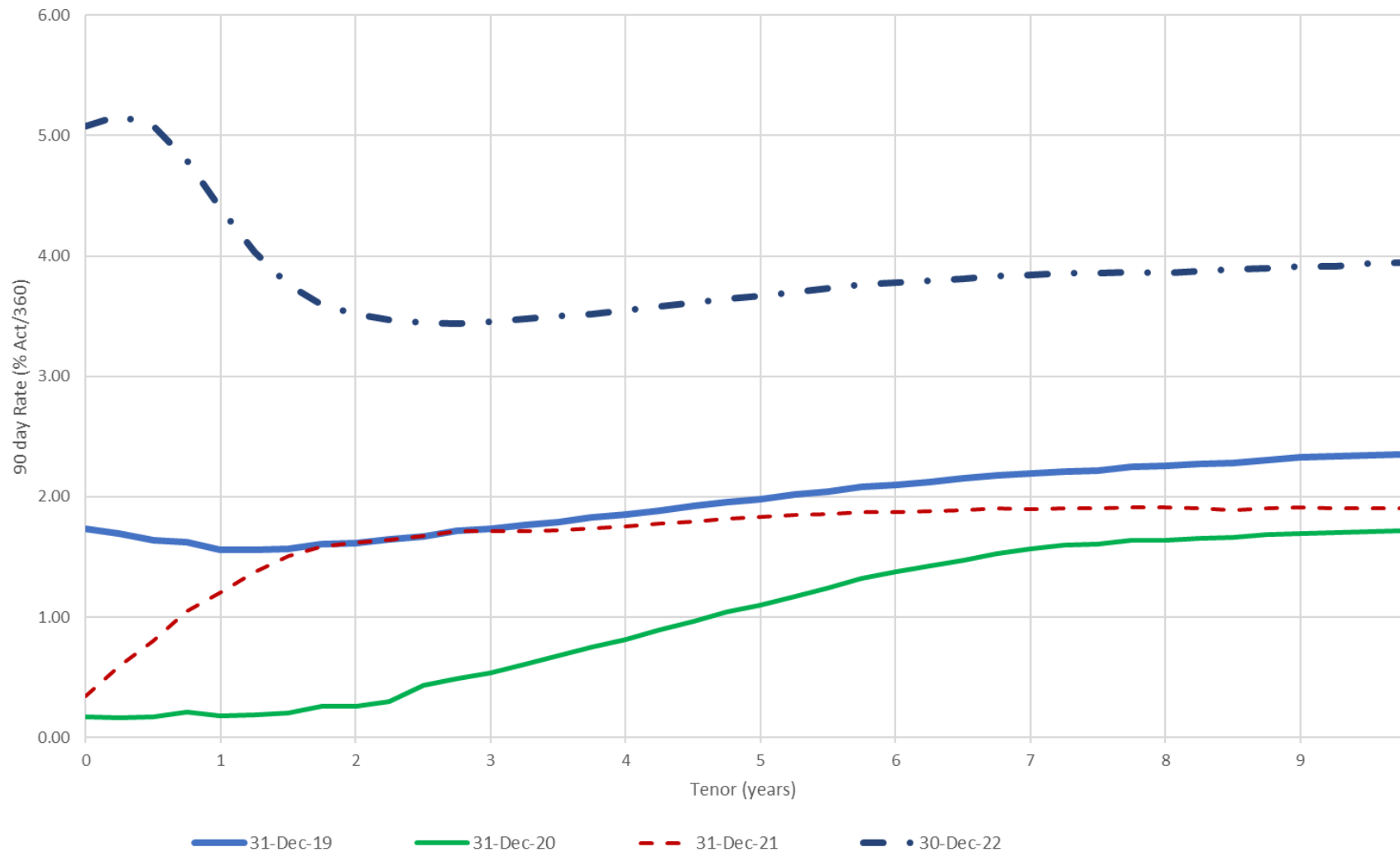


AUD GBP

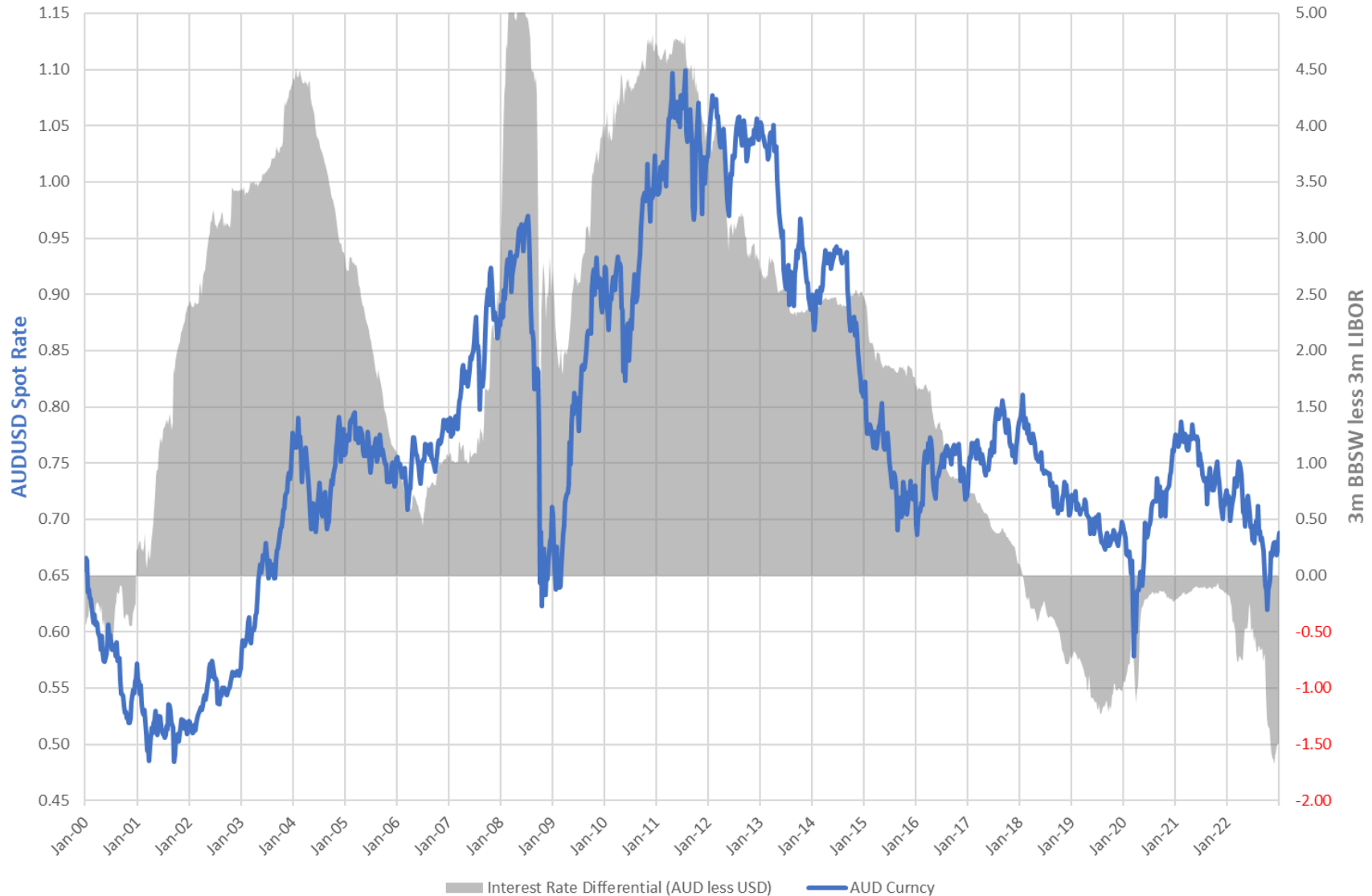


The Changing Shape of the US Interest Rate Curve

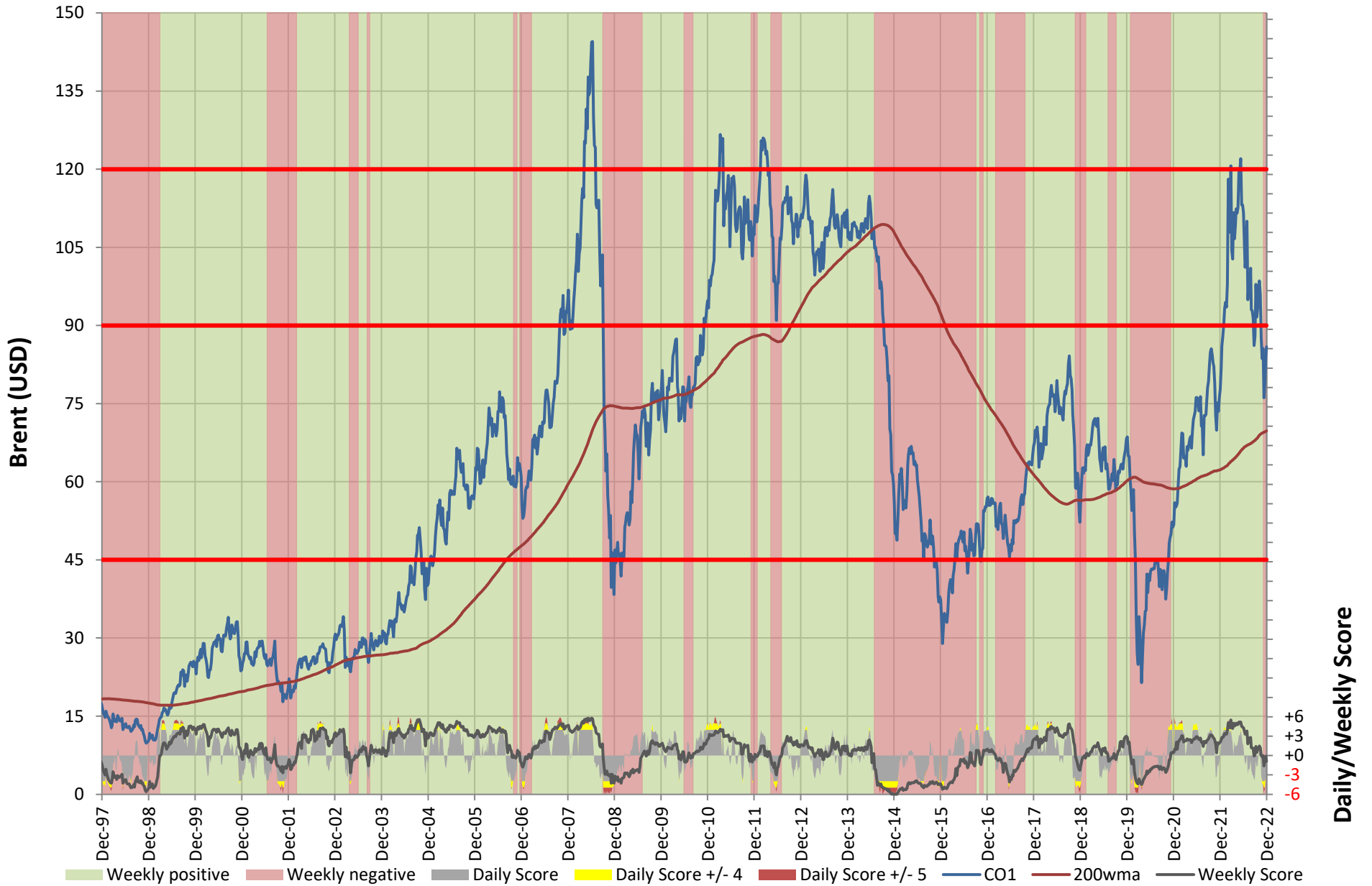
EURO Futures



The Australian Dollar and the Interest Rate Differential



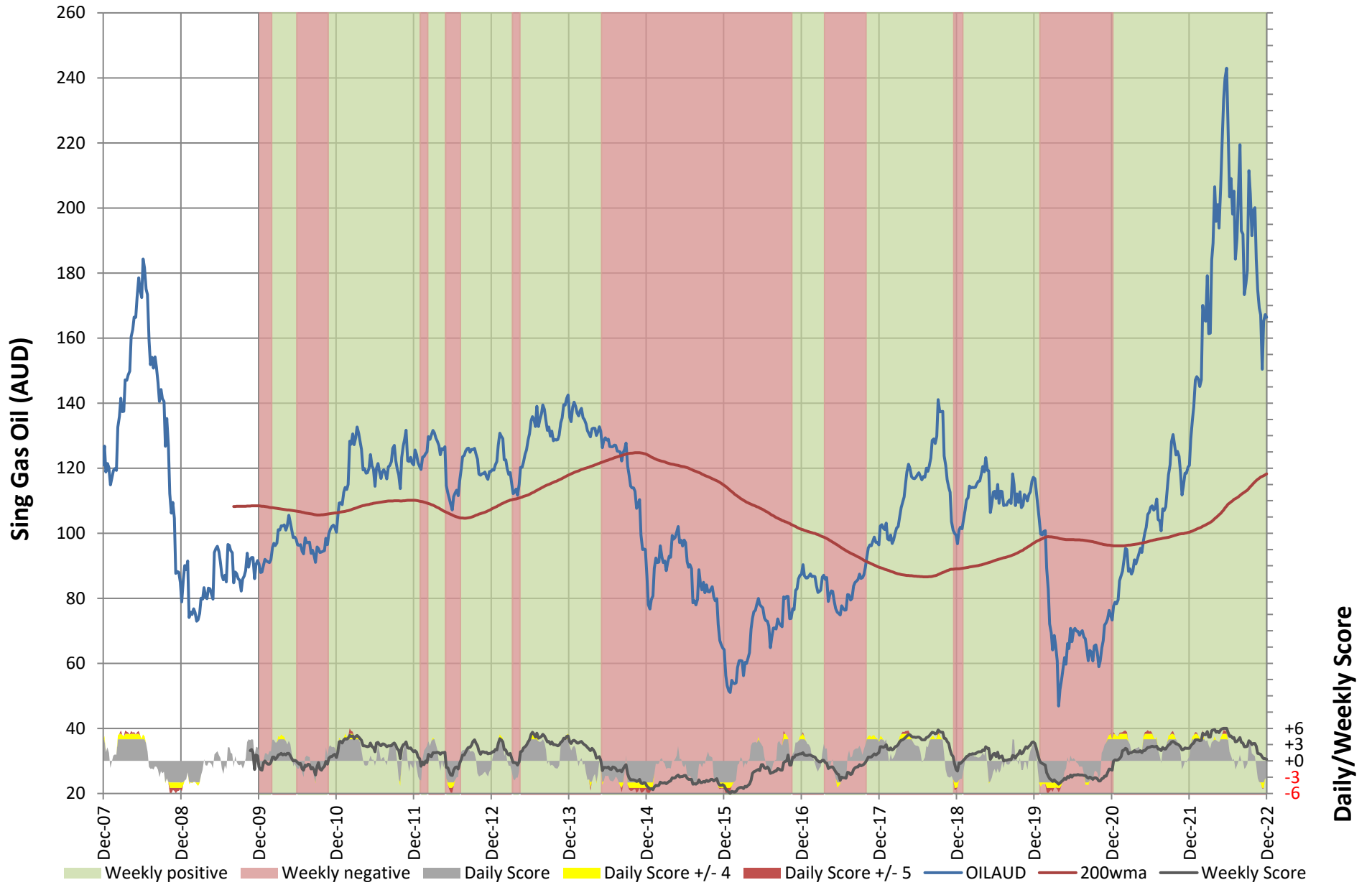
USD Brent



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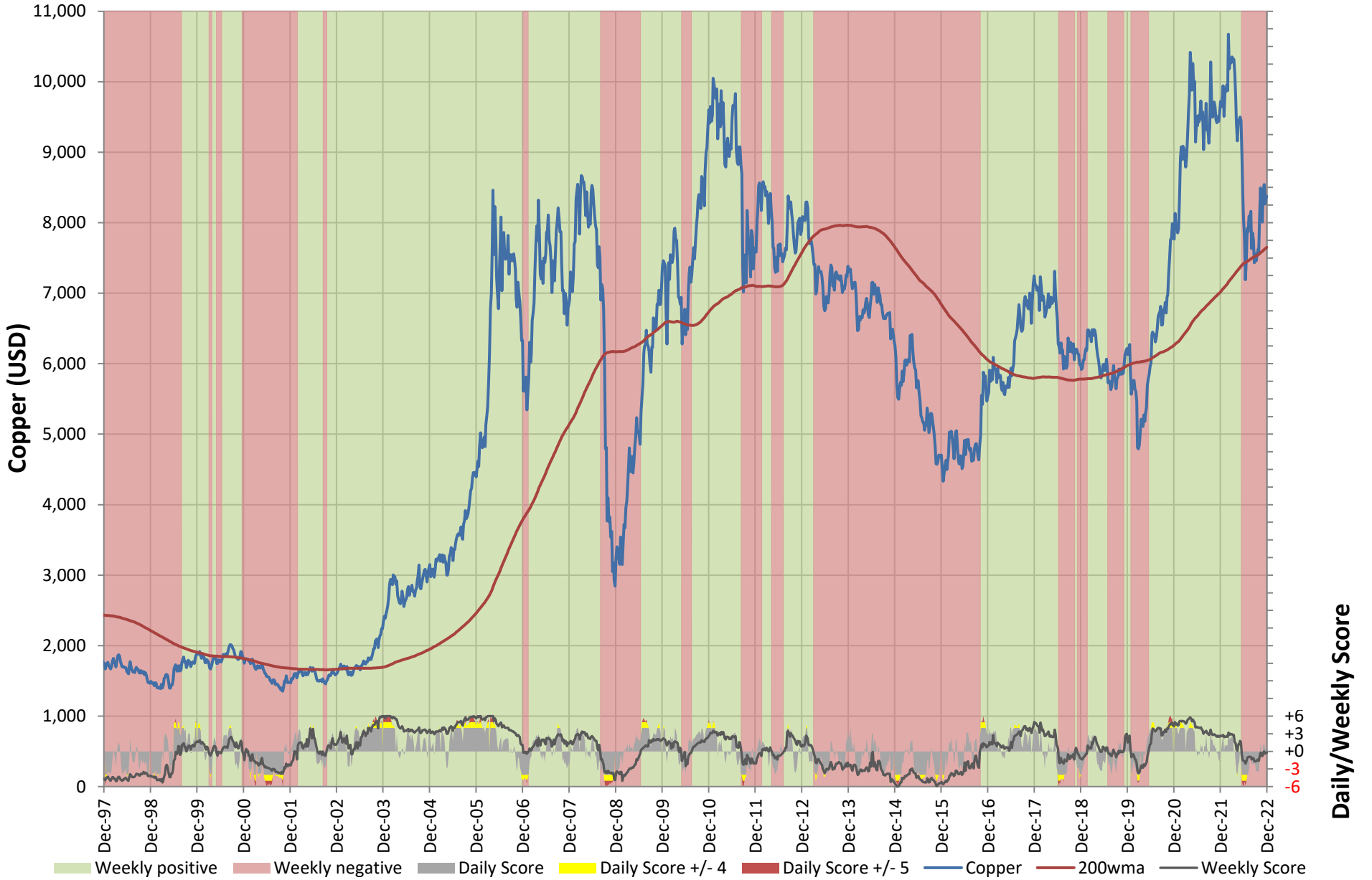
AUD SGO



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



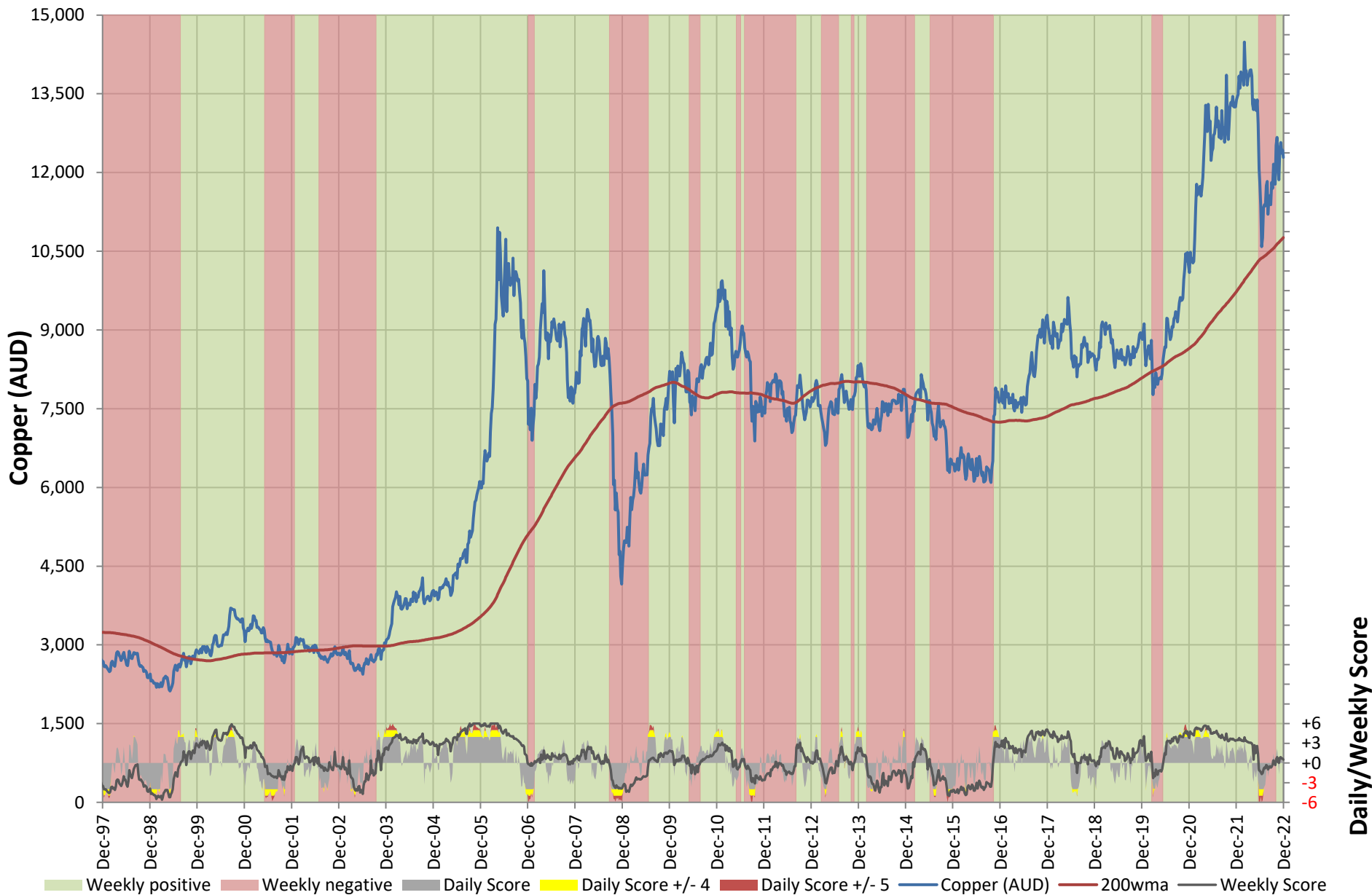
USD Copper



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



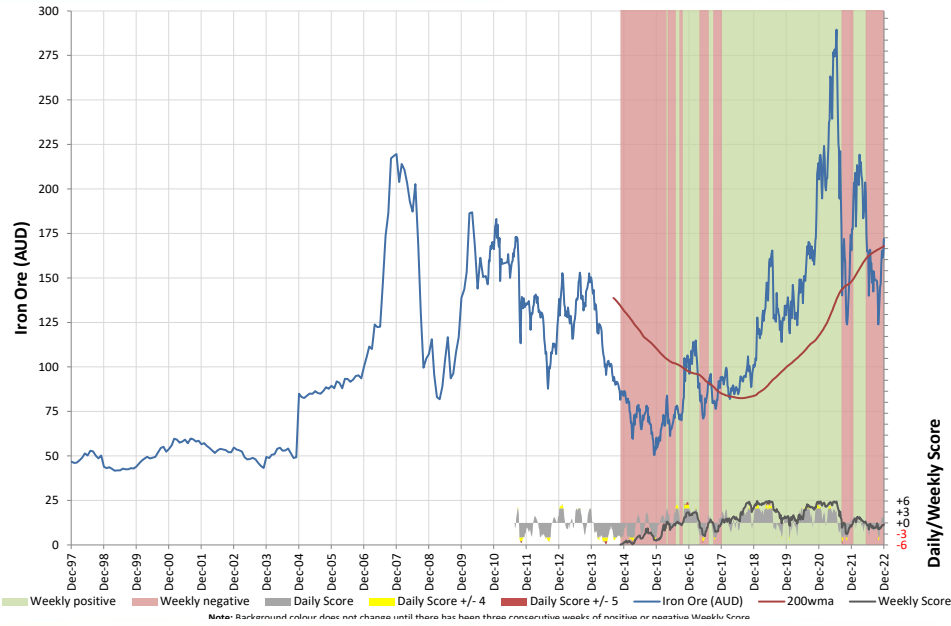
AUD Copper



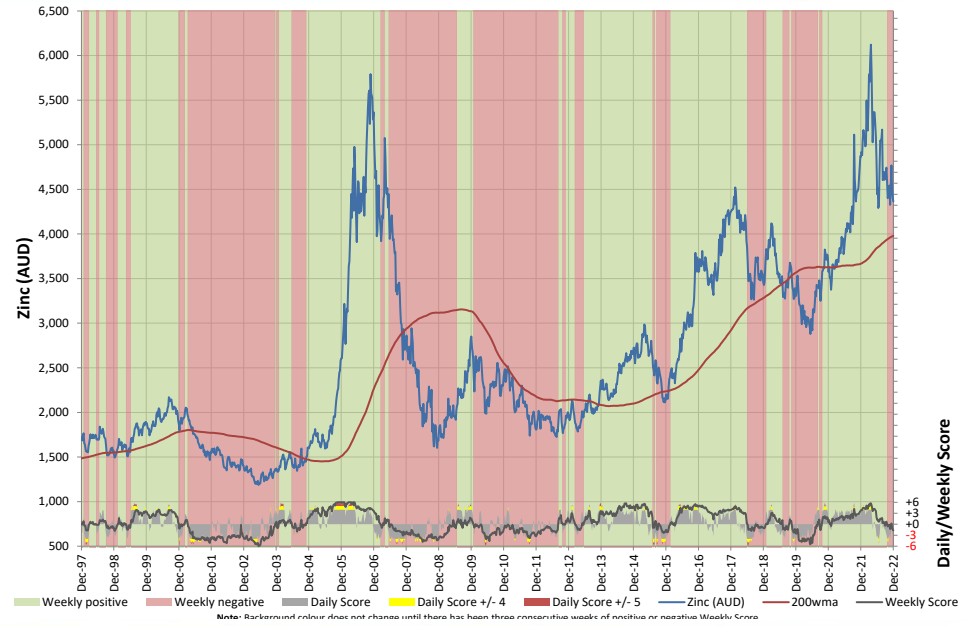
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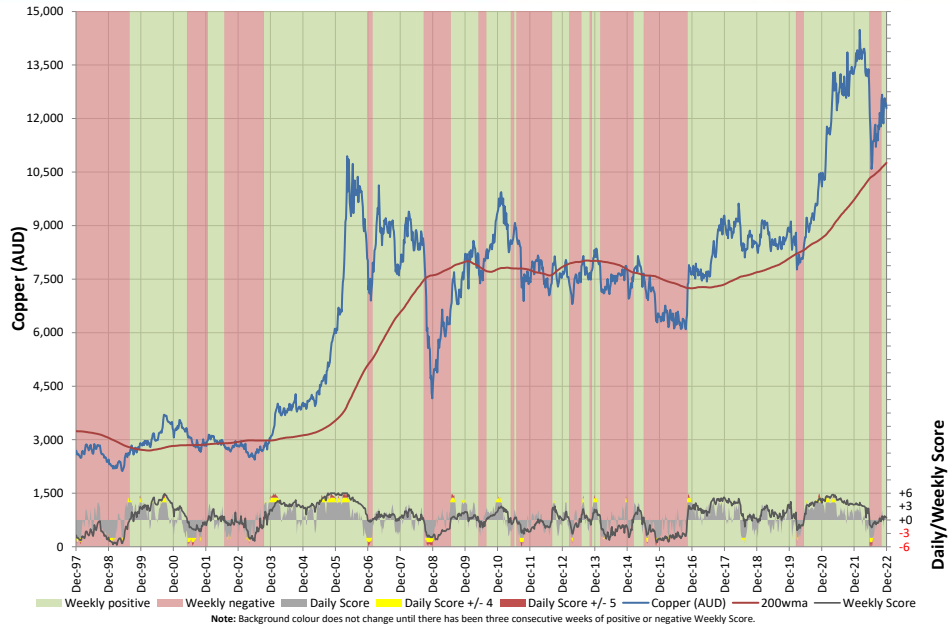
AUD Iron Ore



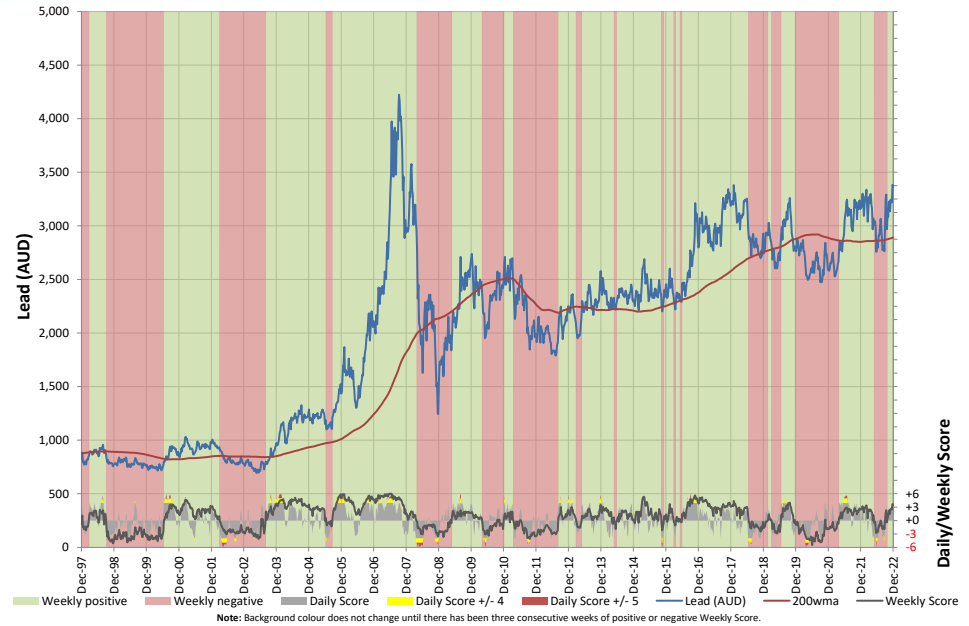
AUD Zinc



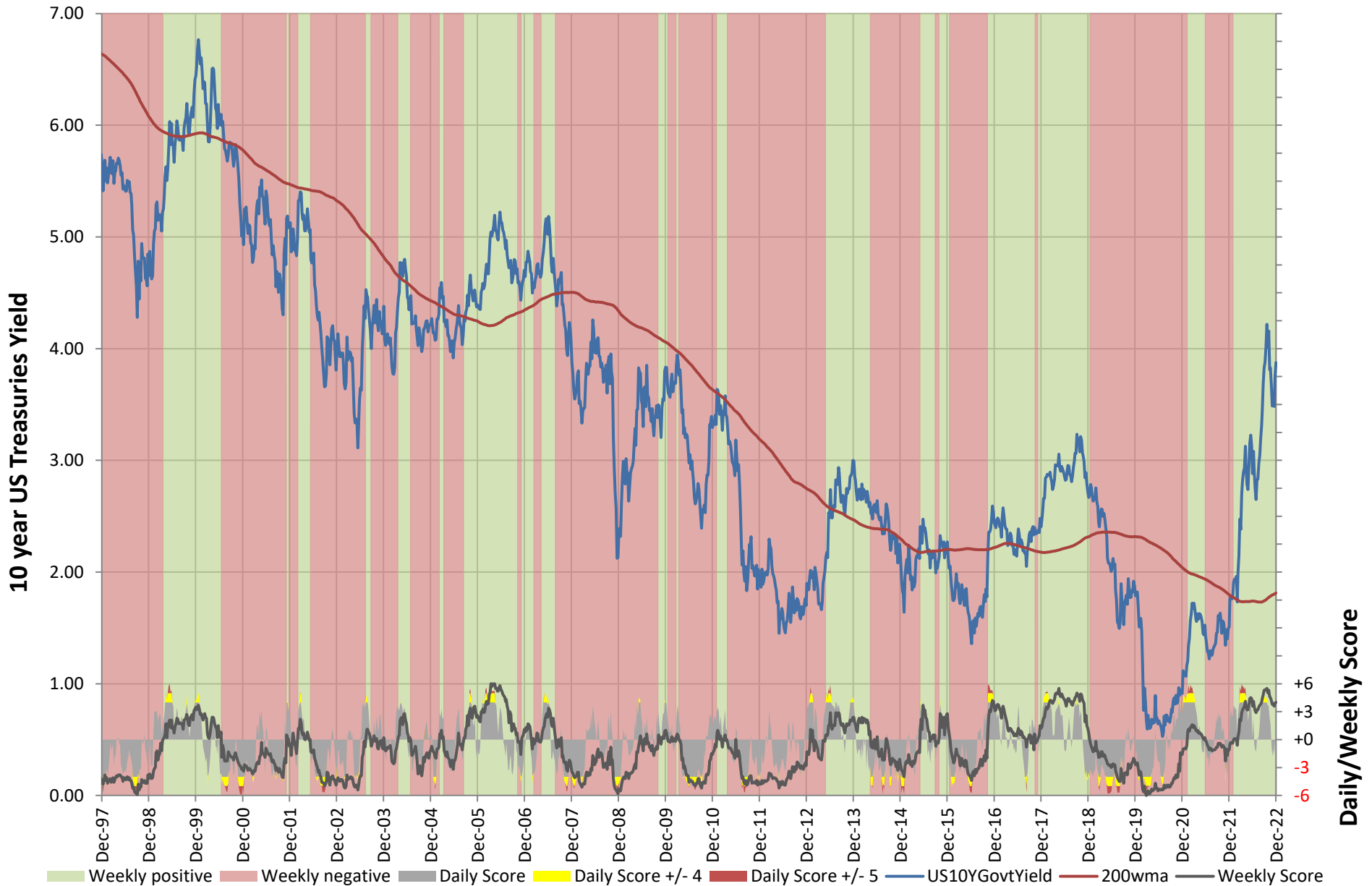
AUD Copper



AUD Lead



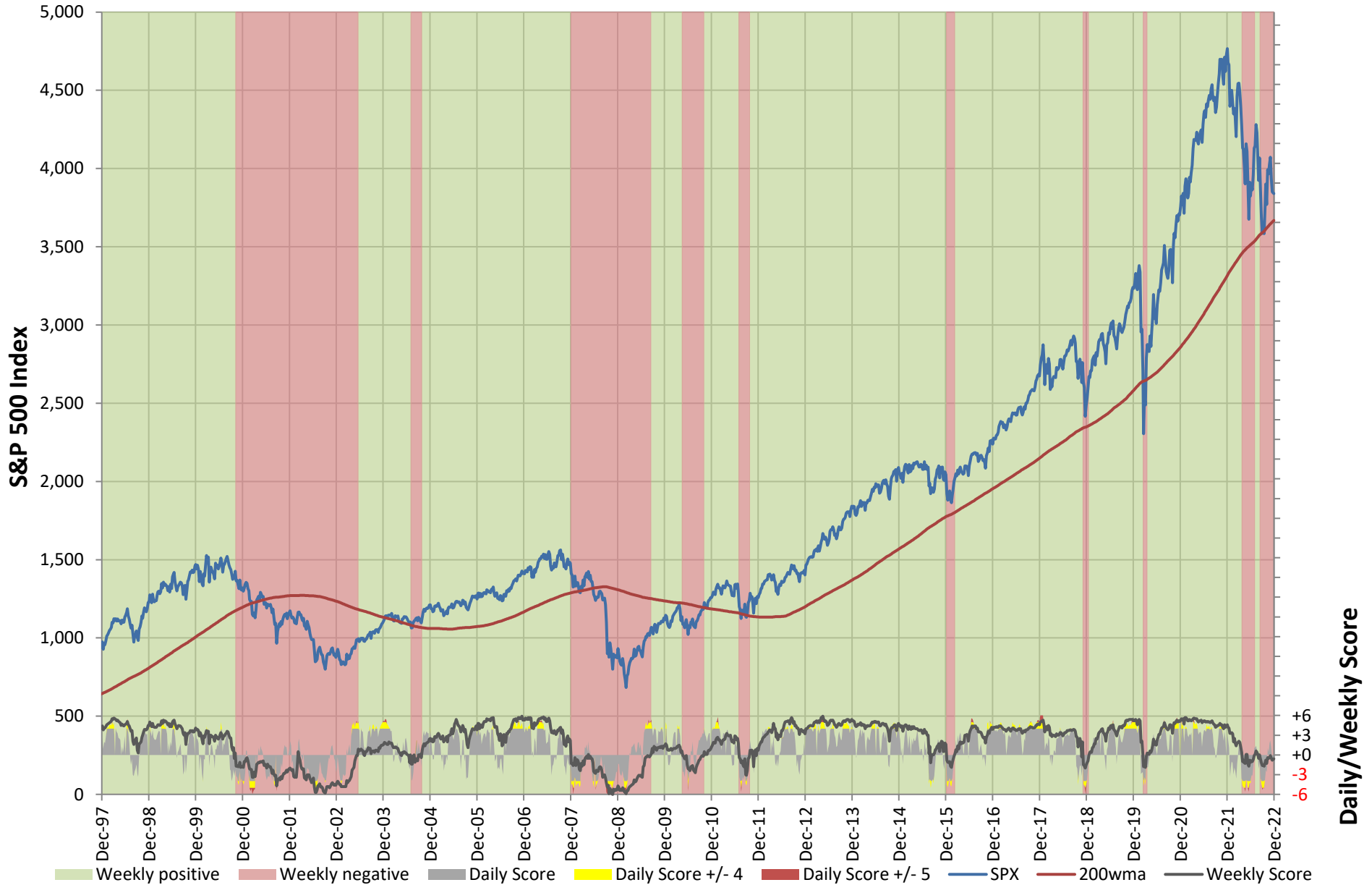
10 year US Treasuries Yield



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



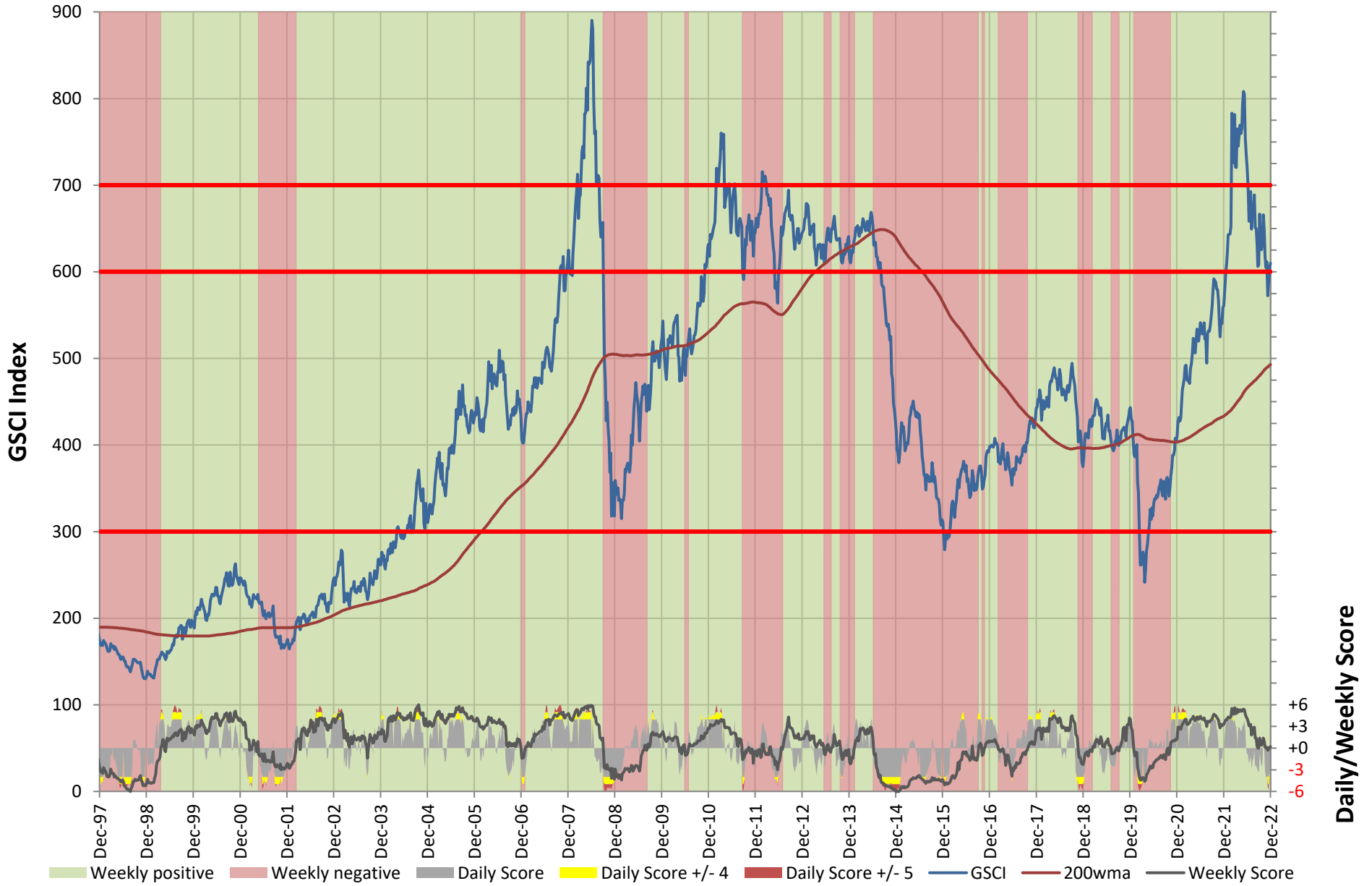
S&P 500 Index



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



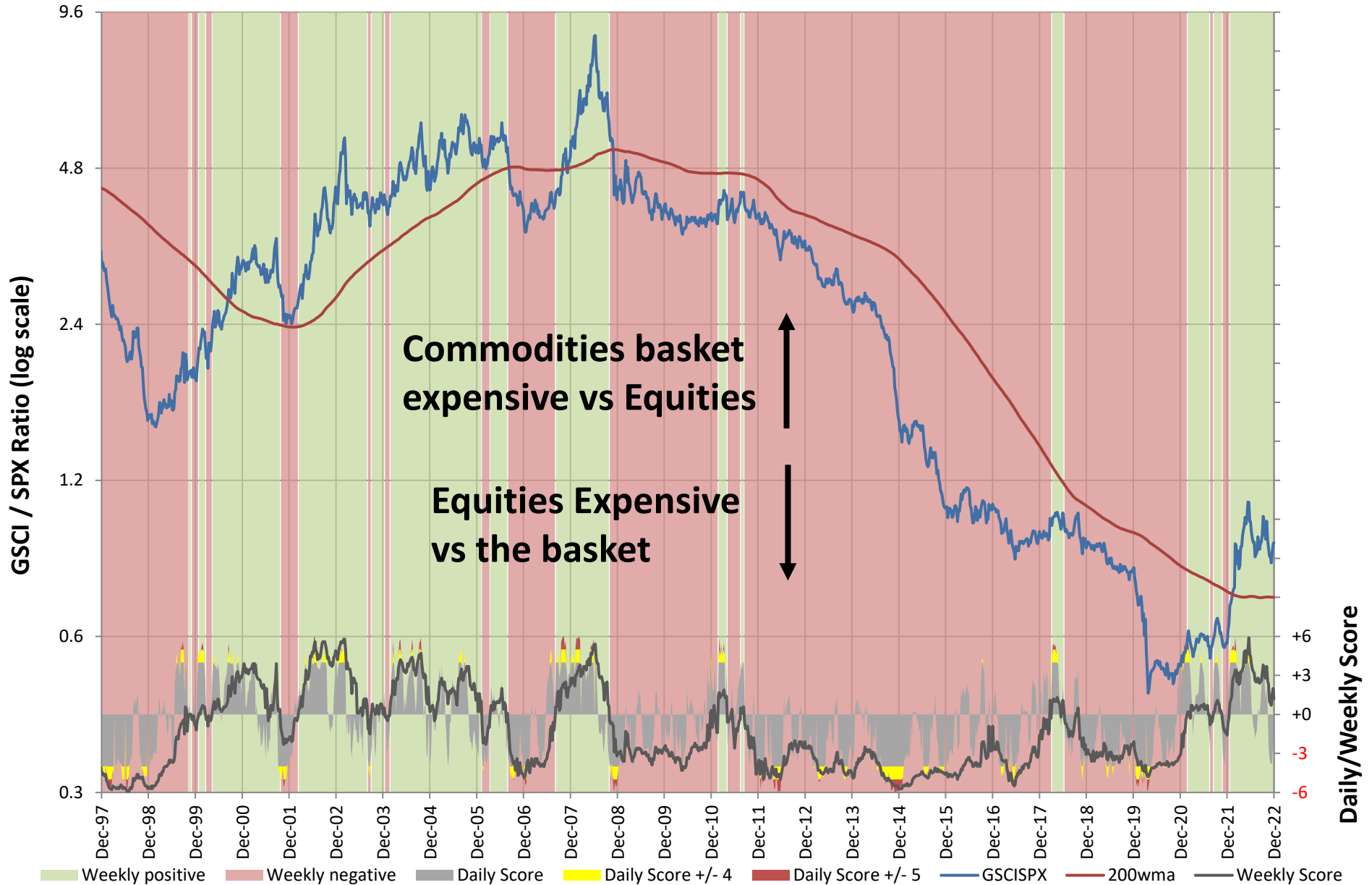
Goldman Sachs Commodity Index – GSCI



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



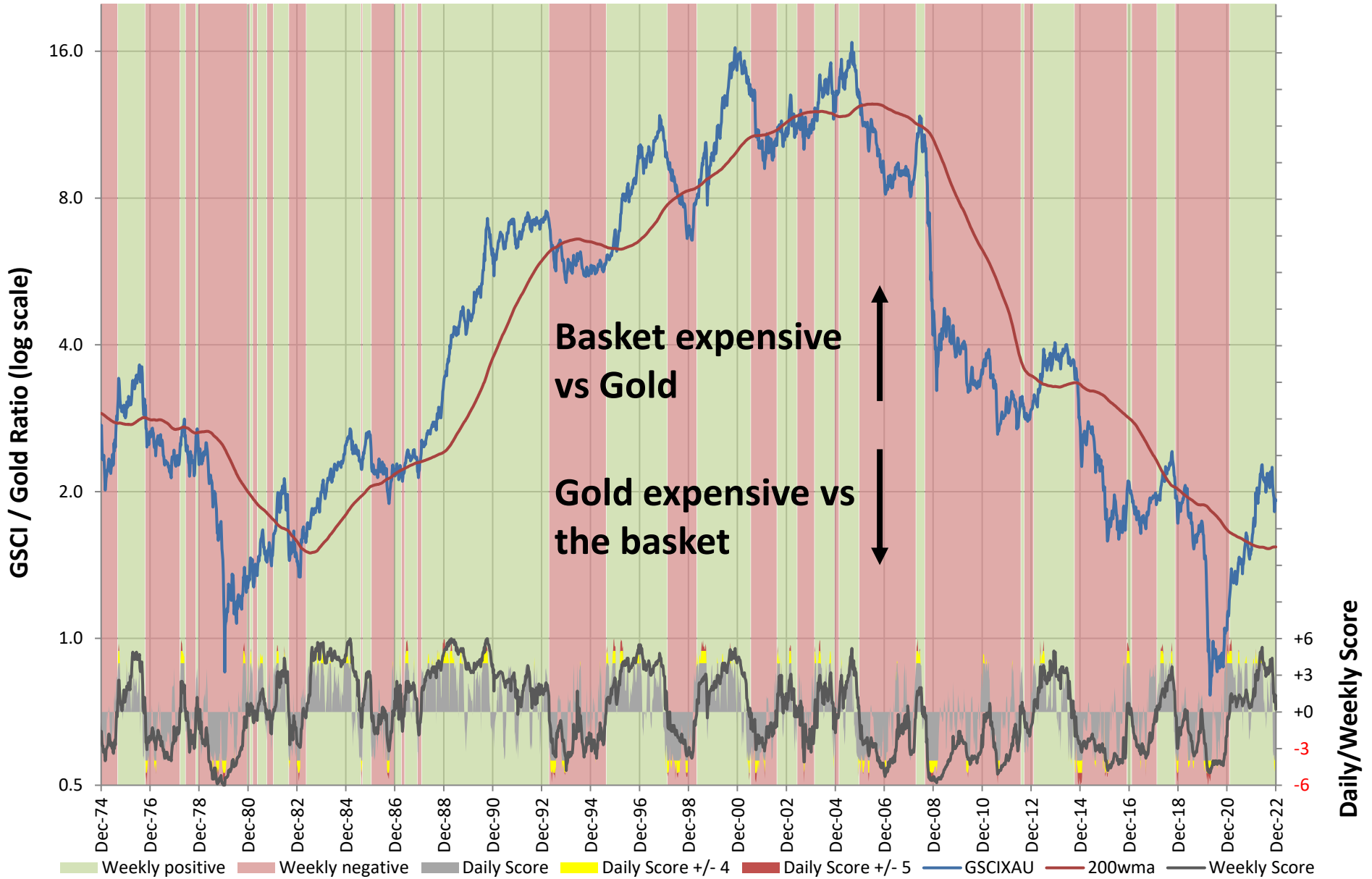
GSCI / S&P Ratio (log scale)



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



GSCI / USD Gold Ratio (log scale)



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