



Moomoo Market Outlook Chartpack

Q2 2024 Global Market Outlook

Major Themes this quarter:

1. THE NEW MACRO - STICKY INFLATION, STRUCTURALLY HIGHER RATES AND RESILIENT GROWTH

As central banks around the world continue their fight against inflation, at least in the US, Q1 2024 has shown us that the economy has been pretty much robust with unemployment numbers drifting lower and non-farm payroll numbers consistently beating estimates. With that, the Fed has been slow to cutting rates. Further, US treasury yields continue to climb higher, which makes any delay in the Fed rate cut less impactful.

2. COMMODITIES, THE BULL IN A CHINA SHOP

While the majority of the retail crowd are fixated on the meteoric rise and bull run in the stock markets, cryptocurrencies and gold, there are other commodities that also offer cheaper alternatives and have yet to take off. Further it remains to be seen if the current commodities bull run is because of the anticipated interest rate cuts or it is a sinister hint of a recessionary environment with elevated interest rates.

3. US 2024 PRESIDENTIAL MARATHON - FIRST ELECTION REMATCH IN 50 YEARS

The 2024 US presidential race starts much earlier this year as the republican party very quickly rallied behind their candidate, ex-president Donald Trump. With both presidential candidates decided earlier than usual, investors can expect more crossing of swords between incumbent President Biden and his predecessor Trump. The markets will have to deal with more volatility as sentiment starts swinging between Trump's protectionist and "America First" policies against Biden's more open and liberal policies. All these against a backdrop of a more polarizing geo-political climate.

Key Calls

Some Trade Ideas we Like:

- US and Japan Equities**
We still favour US and Japan equities. However, between the two, Japan is preferred due to lesser concentration risk and lower comparative volatility.
- Commodities**
While Gold is a good asset to hold and focus on, Silver is definitely catching up. We prefer Silver as a diversification play along with a risk hedge.
- Fixed Income**
We favour the short-term bonds at least for this quarter as inflation and interest rates remain elevated. Yield curve remains inverted for now.

Equities At A Glance

EQUITIES					
ASSET	LAST PRICE	% TO TARGET	TIMEFRAME	DIRECTION	CONVICTION
S&P 500 Futures	5255.75	13.25%	3M	↗	☆☆
NASDAQ 100 Futures	18108.46	12.55%	3M	↗	☆
RUSSELL 2000 Futures	2083.20	9.87%	3M	↗	☆☆
NIKKEI 225	38992.08	13.05%	3M	↗	☆☆

HANG SENG INDEX	16723.92			< >	
STRAITS TIMES INDEX	3218.26			< >	

Date: 7th April 2024, Sunday

Key Themes for Equities:

1. DEVELOPED MARKETS STILL IN THE LEAD.
- EM still expected to underperform against DM. Especially with Chinese markets still yet to recover from their lows. Even with China removed from the picture, investors should not expect to see outperformance of EM ex-China anytime soon.
2. JAPAN LOOKS SET TO OUTPERFORM AGAINST US.
- While the BOJ has just recently raised the interest rates, they made it clear that they will still keep an accomodative stance. The bullish reaction of the NIKKEI225 index following the announcement was very telling of investors' sentiment.
3. BECAREFUL OF THE OLD ADAGE - SELL IN MAY AND GO AWAY.
- With such a stellar performance in Q1 and equities market barely made any significant pullbacks, the risk of a deeper pullback has increased. Analysts are saying that markets have gone too fast, too far and in a scenario of any pullback, we may see equities drop by 7-10%.

S&P 500 Futures



S&P500 Futures (Weekly Chart) - [BULLISH ↗ **] S&P futures is pushing higher and has recently made a new all time high. We stay bullish on this chart, expecting the price to pause above 5035.00 support before shaping a new push higher towards 5520.00 resistance. Technical indicators are bullish as well. Price is holding above 21 week EMA and MACD indicator shows bullish momentum as well.

Alternatively: A weekly candlestick close below 5035.00 support will open deeper correction towards next support at 4720.00

NASDAQ 100 Futures



NASDAQ 100 Futures (Weekly Chart) - [BULLISH ↗ *] NASDAQ futures pushed higher, and also recently shaping an all-time high. We stay bullish on this chart, expecting the price to hold above 17500.00 support before shaping a new push higher towards 19700.00 resistance. Technical indicator remains bullish with price holding above 21 weeks EMA.

Alternatively: A weekly candlestick close below 17500.00 support will open a deeper correction towards the next support at 16300.00

RUSSELL 2000 Futures



RUSSELL 2000 Futures (Weekly Chart) - [BULLISH ↗ **] Russell futures broke out of wedge consolidation to the upside. We stay bullish on this chart, expecting the price to hold above 1960.00 support before shaping a push higher towards 2250.00 resistance. Technical indicators are advocating for a bullish scenario as well with the price holding above 34 weeks EMA.

Alternatively: A weekly candlestick close back below 1960.00 will see price re-integrate wedge pattern and drop towards 1800.00 support next.

NIKKEI 225



NIKKEI 225 (Weekly Chart) - **[BULLISH ↗ **]** NIKKEI is consolidating sideways above 38100.00 support. We stay bullish on this chart, expecting price to shape a new bounce towards 44000.00 resistance. Technical indicators are bullish as well, with prices holding above 34 week EMA and MACD above 0 as well.

Alternatively: A weekly candlestick close below 38100.00 support will open a deeper correction towards 35600.00 support next.

HANG SENG INDEX



HANG SENG INDEX (Weekly Chart) - **[NEUTRAL]** HSI is expected to trade sideways within a consolidation zone. As such, we maintain our neutral stance on this chart. A weekly candlestick close above 18250.00 resistance will open further recovery towards the next resistance at 20200.00. Technical indicators are mixed for now. Price is holding below both short term 34 weeks and 144 weeks EMA with MACD showing a slow build up in bullish momentum.

Alternatively: A weekly candlestick close below 14850.00 support will open a deeper correction towards next support at 13200.00.

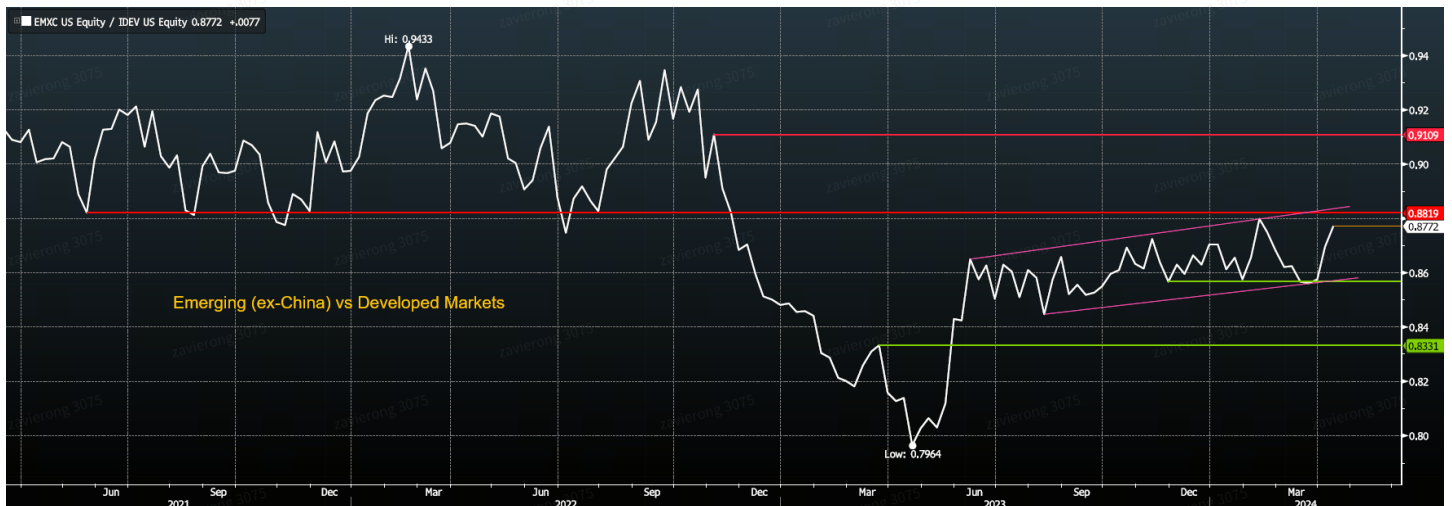
STRAITS TIMES INDEX



STRAITS TIMES INDEX (Weekly Chart) - [NEUTRAL] STI is trading sideways within a broad wedge pattern. We stay neutral on this chart, expecting the price to consolidate further as indicators are mixed with no clear directional bias. A weekly candlestick close above 3285.00 resistance will open further rise towards next resistance at 3380.00.

Alternatively: A weekly candlestick close below 3125.00 support will open a deeper correction towards next support at 3020.00.

Emerging Markets (ex-China) vs Developed Markets



EMXC vs IDEV (Weekly Chart) - Ratio of EMXC against IDEV is drifting higher and is now coming into resistance at 0.8819. As long as the ratio holds below this level, EMXC underperformance against IDEV is expected towards 0.8580 support.

Alternatively: A close above 0.8819 will see EMXC outperform IDEV towards 0.9109 resistance.

FX and Rates At A Glance

FX AND RATES					
ASSET	LAST PRICE	% TO TARGET	TIMEFRAME	DIRECTION	CONVICTION
US Dollar Index (DXY)	104.290			< >	
USDJPY	151.624	3.39%	2M	↗	★
USDCNH	7.24747	0.83%	2M	↗	★
USDSGD	1.34865			< >	
US10Y	4.398	14.00%	3M	↗	★★
US10Y-US02Y (Spread)				↘	★

Date: 7th April 2024, Sunday

Key Themes for FX and Rates:

- DOLLAR VOLATILITY AND INTEREST RATE STORY WILL MAKE FX TRICKY TO NAVIGATE.**

As we near the proverbial rate cut window in June, traders can expect more volatility to hit the USD as it continues to consolidate between 107.350 resistance and 99.370 support. Inflation is still persistent and the US Fed continues to stay in their "observation" mode. If inflation stays high, the chances of the US Fed cutting rates in June may very well be lowered.
- YIELD CURVE STILL REMAINS INVERTED WITH NO CLEAR SIGN OF BEAR STEEPENING.**

Bear steepening happens when the yield curve starts steepening, however, the long term yields are rising at a faster rate compared to the shorter term yield. This normally occurs when markets are concerned about inflation or a bearish market. However, the yield curve still remains inverted and does not look like it would flatten anytime soon as investors are still expecting the US Fed to cut rates.

US Dollar Index (DXY)



USDJPY



USDCNH



USDSGD



US 10 Year Yield (US10Y)



US 10-2 Yield Curve Spreads



Commodities At A Glance

COMMODITIES					
ASSET	LAST PRICE	% TO TARGET	TIMEFRAME	DIRECTION	CONVICTION
Gold Futures	2349.10	9.75%	2M	↑	☆☆☆
Silver Futures	27.600	28.8%	3M		

				↗	★ ★
Copper Futures	4.2405	12.15%	3M	↗	★
Brent Crude Oil Futures	90.93	14.00%	3M	↗	★
BTCUSD	69550.55			< >	
BBG Commodity Index	102.90			↗	★ ★

Date: 7th April 2024, Sunday

Key Themes for Commodities:

1. REMINISCENT OF 2007, GOLD HAS MADE NEW HIGHS WITH SILVER YET TO FOLLOW:

Year-to-date, Gold has gained at least +15% and has also shaped a new all time high.

However, silver, which is a very positively correlated to gold, has yet to shape a new all time high. Similar to 2007, when gold prices made an all time high then, silver followed and made a new all time high a year later. At present, we see the same thing where gold closed and made an all time high in Nov 2023. And timewise, we can expect Silver to follow.

2. GEOPOLITICS, GLOBAL WARMING AND SUPPLY SHOCK CATALYSTS

Long running wars being fought in Middle-East, Eastern Europe have been putting the energy and soft commodity markets on tenterhooks for quite sometime now. Coupled with global warming, we see cocoa and coffee bean prices rise astronomically year-to-date. Should there be any fresh supply shock catalysts or natural disasters, such as disruption of major shipping lanes (e.g. Baltimore bridge accident and Red Sea Houthi rebel attacks) and Taiwanese earthquake, we can expect oil prices to cross the US\$100 per barrel.

Gold Futures



Silver Futures



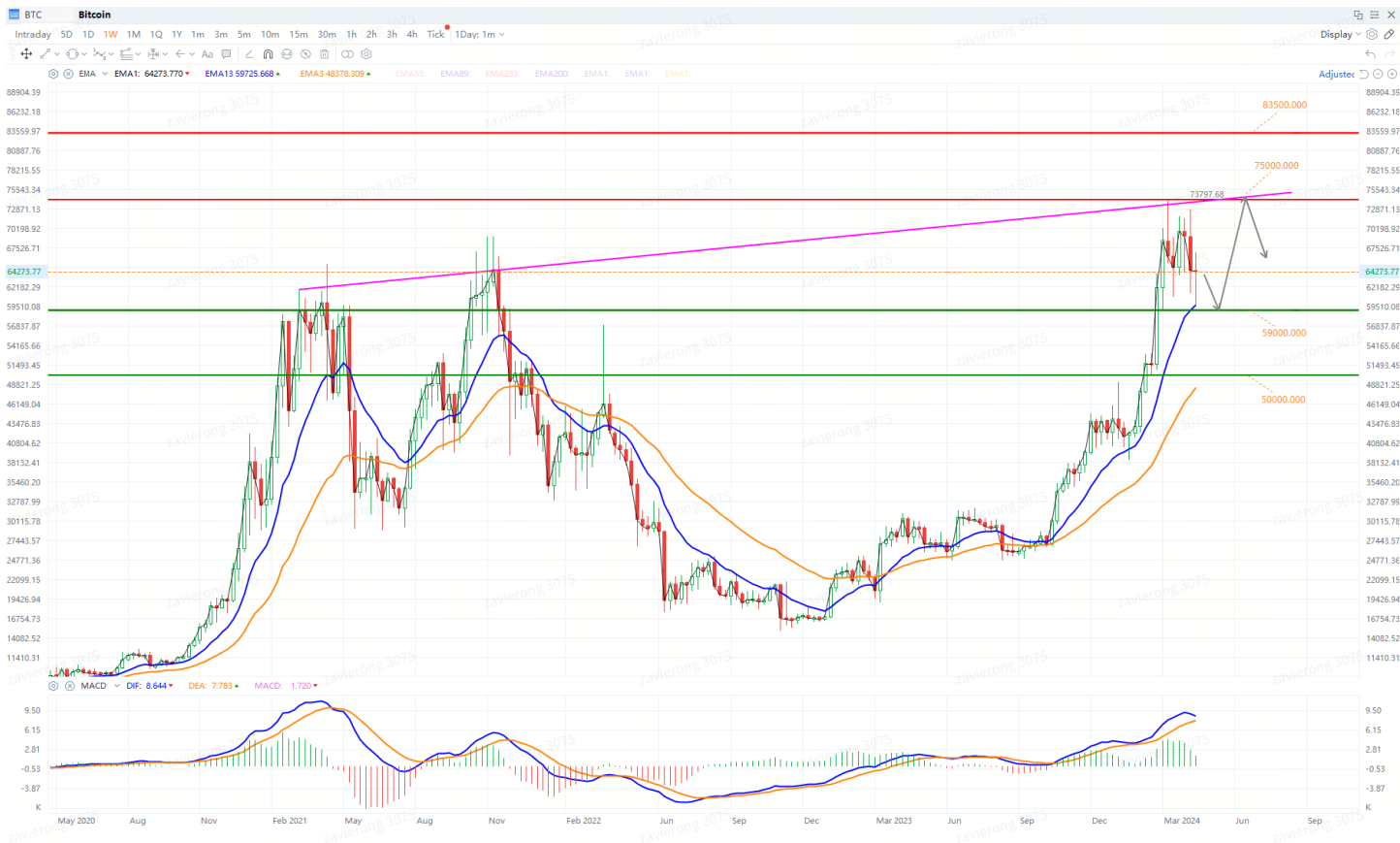
Copper Futures



Brent Crude Futures



BTCUSD



BBG Commodity Index

