

Aquila Dashboard 02 July 2020

07:00 GMT 02Jul20	Level	RSI	Day %	Week %	Month %	YTD %	Performance relative to SP500		
							Weekly %	Monthly %	YTD %
S&P 500	3115.86	56	0.5%	1.0%	-0.2%	-3.6%			
S&P 500 VIX	28.62	44	0.0%	-11.2%	11.5%	107.7%			
US Dollar Index	97.05	43	-0.2%	-0.4%	-0.2%	0.7%			
Euro Stoxx 50	3267.65	56	1.2%	1.5%	-0.1%	-12.8%	0.5%	0.2%	-9.2%
German Dax	12420.05	56	1.3%	2.0%	-0.5%	-6.3%	1.0%	-0.3%	-2.7%
Hong Kong Hang Seng	25005	51	2.4%	0.9%	2.8%	-11.3%	-0.1%	3.0%	-7.7%
ALL-World EX-US ETF	47.85	54	0.5%	-0.3%	-1.5%	-11.0%	-1.4%	-1.3%	-7.4%
MSCI Emerging Markets	40.44	58	1.1%	0.0%	0.0%	-9.9%	-1.0%	0.2%	-6.3%
UK FTSE 100	6206.75	51	0.8%	1.0%	-2.8%	-17.7%	-0.1%	-2.5%	-14.2%
Japan Nikkei 225	22145.96	51	0.1%	-0.5%	-2.1%	-6.4%	-1.6%	-1.9%	-2.8%
Nasdaq 100	10279.25	64	1.2%	1.8%	5.9%	17.7%	0.7%	6.1%	21.3%
China A-50	21314.05	78	2.2%	3.4%	4.7%	-0.2%	2.4%	4.9%	3.4%
HYG US high yield ETF	81.53	45	0.3%	-0.7%	-2.9%	-7.3%	-1.8%	-2.6%	-3.7%
TLT US bond 20+Year ETF	163.42	52	-0.2%	-0.1%	2.4%	20.6%	-1.1%	2.7%	24.2%
Crude Oil WTI	40.16	60	0.9%	3.7%	7.7%	-34.2%	2.7%	7.9%	-30.7%
Copper	2.744	56	0.4%	3.0%	10.3%	-2.5%	2.0%	10.5%	1.1%
Bitcoin	9217	46	0.7%	-0.4%	-4.7%	27.9%	-1.5%	-4.5%	31.4%
Silver	17.92	57	-0.6%	0.1%	1.3%	0.4%	-1.0%	1.5%	3.9%
Gold	1769.43	61	-0.1%	0.4%	4.2%	16.6%	-0.6%	4.4%	20.2%
AUD/USD	0.6924	58	0.1%	0.5%	0.0%	-1.4%	10.41%	-0.31	0.75%
EUR/USD	1.1268	57	0.1%	0.4%	0.3%	0.5%	6.77%	-0.18	1.32%
GBP/USD	1.2488	53	0.1%	0.6%	-0.7%	-5.8%	8.56%	-0.35	0.64%
NZD/USD	0.6502	61	0.4%	1.1%	1.2%	-3.5%	9.73%	-0.32	1.10%
USD/CAD	1.3595	47	0.1%	-0.3%	0.7%	4.7%	6.83%	-0.26	0.31%
USD/CHF	0.9454	39	0.0%	-0.3%	-1.7%	-2.3%	5.84%	-0.27	1.84%
USD/CNH	7.0677	43	0.0%	-0.2%	-0.7%	1.5%	4.28%	-0.17	-0.92%
USD/JPY	107.55	50	0.1%	0.3%	-1.3%	-1.0%	5.67%	-0.28	2.50%
USD/MXN	22.6242	49	-0.2%	-0.2%	3.9%	19.5%	18.30%	-1.13	-4.22%

Source : Aquila Markets 2020

- Strong day for risk assets with overseas equities keeping pace with US. Nasdaq to new highs, VIX lower and testing our pivot at 29
- Rotation from Gold in base metals speaks to rebalancing, rather than outright sales. Bitcoin bid on offered USD tone
- Fx vol remains weak in sympathy with VIX lower – there is diminishing sense of panic in the overall market.
- As per yesterday Journal, USDMXN and USDCAD breaking out. AUDUSD and SP500 join as Nasdaq breaks to new highs – Live opportunities here.
- On Radar – Eurostoxx and FTSE yet to break.



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Aquila Sector Dashboard 02 July 2020

07:00 GMT 02Jul20		Level	RSI	Performance relative to SP500						
Code				Day %	Week %	Month %	YTD %	Weekly %	Monthly %	YTD %
SPY	SP500 SPY ETF	310.52	56	0.7%	1.0%	-0.5%	-3.5%			
RSP	SP500 equal-weight	101.62	47	-0.1%	1.1%	-4.1%	-12.2%	0.1%	-3.6%	-8.7%
SPYG	SP500 Growth	45.36	51	1.0%	1.4%	2.6%	8.2%	0.3%	3.2%	11.8%
SPYV	SP500 Value	29.01	45	0.1%	0.6%	-4.9%	-16.9%	-0.4%	-4.3%	-13.4%
QQQ	Nasdaq QQQ ETF	250.49	64	1.2%	1.8%	5.8%	17.8%	0.8%	6.4%	21.3%
QQEW	Nasdaq equal-weight	80.22	53	0.4%	1.8%	2.0%	8.7%	-0.1%	-3.9%	-9.1%
IWM	Russell 2000	141.82	52	-1.0%	1.0%	-2.1%	-14.4%	-0.1%	-1.5%	-10.9%
HYG	HYG US high yield ETF	81.53	45	0.3%	-0.7%	-2.9%	-7.3%	-1.8%	-2.3%	-3.8%
LQD	IG Inv Grade Credit ETF	134.72	66	0.4%	1.0%	2.1%	5.3%	0.0%	2.6%	8.8%
EEM	MSCI Emerging Markets	40.44	58	1.1%	0.0%	0.0%	-9.9%	-1.0%	0.5%	-6.4%
VEU	All World Ex-US ETF	47.85	54	0.5%	-0.3%	-1.5%	-11.0%	-1.4%	-1.0%	-7.5%
FXI	MSCI China	40.16	51	1.2%	-1.0%	-2.5%	-8.0%	-2.0%	-1.9%	-4.4%
EFA	iShares MSCI EAFE	61.1	52	0.4%	-0.5%	-3.0%	-12.0%	-1.5%	-2.5%	-8.5%
EWJ	MSCI Japan	54.81	46	-0.2%	-2.1%	-3.7%	-7.5%	-3.2%	-3.1%	-4.0%
XLU	US - Utilities	57.75	49	2.3%	3.6%	-6.1%	-10.6%	2.5%	-5.6%	-7.1%
IYR	US - Real Estate	80.58	54	2.3%	3.3%	-2.1%	-13.4%	2.2%	-1.6%	-9.9%
XLY	US - Consumer Discr	129	57	1.0%	1.8%	0.1%	2.9%	0.8%	0.7%	6.4%
XLV	US - Healthcare	100.84	53	0.8%	2.2%	-1.5%	-1.0%	1.1%	-1.0%	2.5%
IBB	US - Biotechnology	137.37	58	0.5%	-0.4%	3.6%	14.0%	-1.4%	4.1%	17.5%
XRT	US - Retail	43.06	57	0.4%	3.0%	-0.3%	-6.4%	2.0%	0.3%	-2.9%
XLB	US - Materials	56.47	55	0.2%	2.2%	-2.9%	-8.1%	1.2%	-2.3%	-4.5%
XLK	US - Technology	104.66	61	0.2%	1.0%	5.1%	14.2%	0.0%	5.6%	17.7%
XLP	US - Consumer Staples	58.69	49	0.1%	0.6%	-2.0%	-6.8%	-0.4%	-1.5%	-3.3%
IYT	US - Transports	162.16	52	-0.3%	1.7%	-3.3%	-17.1%	0.6%	-2.8%	-13.6%
GDX	Gold Miners	36.56	48	-0.3%	4.6%	11.4%	24.9%	3.6%	11.9%	28.4%
XLI	US - Industrials	68.39	50	-0.5%	1.5%	-4.2%	-16.1%	0.5%	-3.7%	-12.5%
IYZ	US - Telecommunications	27.36	48	-0.7%	0.3%	-4.9%	-8.4%	-0.7%	-4.4%	-4.9%
XLF	US - Financials	22.94	45	-0.9%	-2.8%	-7.4%	-25.5%	-3.8%	-6.8%	-22.0%
SMH	US - Semiconductors	151.06	56	-1.1%	0.2%	2.3%	4.5%	-0.8%	2.9%	8.0%
XHB	US - Homebuilders	43.25	53	-1.5%	1.9%	-2.3%	-5.0%	0.8%	-1.7%	-1.5%
XME	US - Metals and Mining	20.73	48	-2.2%	-0.6%	-4.5%	-29.2%	-1.6%	-3.9%	-25.7%
XLE	US - Energy	36.93	42	-2.4%	-2.4%	-11.5%	-38.5%	-3.4%	-11.0%	-35.0%
XOP	US - Oil and Gas	50.66	43	-2.9%	-3.0%	-10.1%	-46.6%	-4.1%	-9.5%	-43.0%
KRE	US - Regional Banks	36.79	45	-4.2%	-3.8%	-9.5%	-36.8%	-4.8%	-9.0%	-33.3%

Source : Aquila Markets 2020

Note : Nasdaq equal-weight shows relative performance to Nasdaq QQQ

- Big cap tech drives the recovery in equities as momentum starts to build back to topside – shown by equal weight ETF underperformance
- Broad global strength; in US a mixed picture across sectors as utilities and real estate lead. Russel small cap underperforms.
- Energy, mining and regional banks continue to underperform.
- The theme of “winners continuing to win” starts to reassert as Nasdaq trades to new highs.



VIX –Breaking below Trendline, testing 29 “pivot”

AquilaMarkets published on TradingView.com, July 02, 2020 08:10:44 BST
 TVC:VIX, 1D 28.6 ▼ -1.8 (-5.95%) O:31.0 H:31.8 L:28.2 C:28.6



- The bounce in the VIX during the June risk selloff paused ahead of the initial target zone at 47.
- We had marked a range of 29-37 as pivotal into the potential month end equity sell rebalance flow; we have broken to the rising trendline at 31.5 and are testing 29.00 pivot.
- We continue to see VIX downside supported as rallies in equities are likely to remain volatile, but a VIX of 25 equates to daily ranges of 41 SP500 handles per day (roughly 1.3% daily ranges)
- The 20day correlation with SP500 futures has remained negative all year and has become more negative through June.



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SP500 futures – UPSIDE BREAK IN FORCE

AquilaMarkets published on TradingView.com, July 02, 2020 08:38:55 BST

CME_MINI_DL:ES1!, 1D 3113.25 ▲ +10.25 (+0.33%) O:3101.75 H:3117.00 L:3095.50 C:3113.25



- SP500 futures break above trendline resistance but recognise potential for volatility give US employment report today.
- Targets remain 3155, 3230 bounce back high, then on to 3395 ALL TIME HIGH
- We view 3060 as pivotal, but stoploss for longs remains below 2960 (sell off low and 13 wma)
- Yesterday we highlighted the following trade : GLOBEX : 21 Aug 3400-3500 Call Spread cost 5.7 Handles for a max gain of 100 (17.5:1 return profile)
- This is marked at 6.0mid (7.30 GMT London) – we continue to view this as a strong risk reward play.



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DXY update – break? Approaching pivots

AquilaMarkets published on TradingView.com, July 02, 2020 08:37:11 BST
 TVC:DX, 1D 96.95 ▼ -0.20 (-0.2%) O:97.15 H:97.19 L:96.95 C:96.95



- Potential double top 97.75/80 – failing again at 97.75/98.25 key resistance zone.
- Candle pattern showing indecision – but no upside momentum
- Stochastics showing signs of turning lower
- 96.90 DOWNSIDE PIVOT – trendline support which offers test of 95.80 and on to March low at 94.64
- The “trend” of DXY we view as critical for potential rallies in equities and EM – we view the USD NOT getting stronger as crucial for equities to perform to upside



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USDMXN – bear in force

AquilaMarkets published on TradingView.com, July 02, 2020 08:44:45 BST
 FX:USDMXN, 1D 22.59429 ▼ -0.07972 (-0.35%) O: 22.67401 H: 22.74146 L: 22.59363 C: 22.59429



- 01/Jul : USDMXN June paused at 50DMA and 38.2% retracement as technical indicators show upside momentum gradually dropping. Potential double top on candles suggest set up for a selling opportunity, but a break below 22.70 trend line support (similar to USDCAD) would open up clearer downside. A short term opportunity exists to sell USDMXN at 23.00 with Stop loss above 23.30 (tight); 23.65(wider, preferred). A break below 22.70 presents opportunity to add.
- UPDATE 02/07 : USDMXN broken down to low 22.5950. Upside pivot 22.75. Core play now is stop at 23.30 (and not 23.65) given the "strong bar down" price action.



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