

Aquila Dashboard 17 Nov 2020

17 November 2020 08:30GMT	Level	RSI	Day %	Week %	Month %	YTD %	Performance relative to SP500		
							Weekly %	Monthly %	YTD %
S&P 500	3626.91	67	1.2%	2.3%	4.1%	12.3%			
S&P 500 VIX	22.84	35	1.7%	-7.9%	-16.7%	65.8%			
US Dollar Index	92.56	42	-0.1%	-0.2%	-1.2%	-4.0%			
Euro Stoxx 50	3463.19	68	0.0%	0.7%	6.8%	-7.5%	-1.6%	2.7%	-19.7%
German Dax	13130.35	60	0.0%	-0.2%	1.8%	-0.8%	-2.5%	-2.3%	-13.1%
Hong Kong Hang Seng	26414.45	60	0.1%	0.4%	8.3%	-6.3%	-1.9%	4.2%	-18.6%
ALL-World EX-US ETF	55.58	72	1.2%	2.1%	7.8%	3.4%	-0.2%	3.7%	-8.9%
MSCI Emerging Markets	48.92	69	1.2%	2.5%	7.4%	9.0%	0.2%	3.3%	-3.2%
UK FTSE 100	6408.16	71	-0.1%	1.9%	8.4%	14.9%	-0.4%	4.3%	-27.2%
Japan Nikkei 225	26014.62	82	0.4%	4.5%	11.1%	10.0%	2.2%	7.0%	-2.3%
Nasdaq 100	12013.39	57	0.6%	3.4%	1.4%	37.6%	1.1%	-2.8%	25.3%
China A-50	23144.81	56	0.2%	-1.3%	3.5%	8.4%	-3.6%	-0.6%	-3.8%
HYG US high yield ETF	85.91	60	0.6%	0.2%	1.5%	2.3%	-2.1%	-2.6%	-14.6%
TLT US bond 20+Year ETF	157.78	45	-0.2%	1.7%	-2.2%	6.5%	-0.6%	-6.4%	4.2%
Crude Oil	41.39	58	0.2%	0.2%	1.4%	-32.1%	-2.1%	-2.7%	-44.4%
Copper	3.2178	65	-0.1%	2.0%	4.9%	14.4%	-0.3%	0.8%	2.1%
Bitcoin	16721	72	3.1%	9.2%	45.2%	132.0%	6.9%	41.1%	119.8%
Silver	24.54	51	-0.9%	1.4%	1.6%	37.5%	-0.9%	-2.6%	25.3%
Gold	1887.09	47	-0.1%	0.6%	-0.6%	24.4%	-1.7%	-4.7%	12.1%
							1m Implied Vol	1m Vol day chg	1m Real-Imp
AUD/USD	0.731	63	-0.1%	0.3%	3.2%	4.1%	9.52%	0.00	0.36%
EUR/USD	1.1862	56	0.1%	0.4%	1.2%	5.8%	6.17%	-0.15	0.95%
GBP/USD	1.3211	58	0.1%	-0.5%	2.3%	-0.4%	10.44%	0.03	-1.37%
NZD/USD	0.6885	66	-0.3%	0.8%	4.3%	2.2%	9.30%	0.02	1.21%
USD/CAD	1.3077	44	0.0%	0.4%	-0.8%	0.7%	7.02%	-0.01	2.09%
USD/CHF	0.9121	51	-0.1%	-0.4%	-0.3%	-5.8%	5.98%	-0.10	0.93%
USD/CNH	6.5580	29	-0.1%	-0.6%	-2.0%	-5.7%	5.76%	0.10	-0.35%
USD/JPY	104.39	47	-0.2%	-0.9%	-1.0%	-3.9%	6.20%	-0.17	2.11%
USD/MXN	20.304	34	0.3%	0.0%	-3.8%	7.3%	16.26%	-0.36	-0.72%

Source : Aquila Markets 2020

- Issue of thematic sequencing remains front and centre.
- Whilst equity long positioning stretched, what risk environment persists?
- Lower vol typically means risk seeking and larger positions.
- We see VIX support at 20-24 as CRITICAL short term indicator.
- Lower VIX + stable US rates and dollar could see US stock meltup.
- Equity rotation plays working well – XOP, but FX remaining “tellingly” rangebound.



Please view our disclaimers and terms and conditions at www.aquilamarkets.com

Aquila Sector Dashboard 17 Nov 2020

Code	17 November 2020		Level	RSI	Day %	Week %	Month %	YTD %	Performance relative to SP500		
	08:30GMT								Weekly %	Monthly %	YTD %
SPY	SP500 SPY ETF	362.43	67	1.2%	2.4%	4.4%	12.6%				
RSP	SP500 equal-weight	122.57	70	2.1%	2.5%	8.1%	5.9%	0.2%	3.7%	-6.7%	
SPYG	SP500 Growth	53.26	61	0.9%	2.6%	2.6%	27.1%	0.2%	-1.8%	14.5%	
SPYV	SP500 Value	33.56	70	1.7%	1.9%	7.1%	-3.9%	-0.4%	2.7%	-16.5%	
QQQ	Nasdaq QQQ ETF	293.2	57	0.8%	3.5%	1.6%	37.9%	1.1%	-2.7%	25.3%	
QQEW	Nasdaq equal-weight	93.8	70	0.7%	3.6%	3.8%	27.1%	0.2%	2.2%	-10.8%	
IWM	Russell 2000	177.59	71	2.4%	2.8%	9.4%	7.2%	0.5%	5.0%	-5.4%	
HYG	HYG US high yield ETF	85.91	60	0.6%	0.2%	1.5%	-2.3%	-2.2%	-2.9%	-14.9%	
LQD	IG Inv Grade Credit ETF	136.2	59	0.3%	1.0%	0.6%	6.4%	-1.3%	-3.7%	-6.2%	
EWJ	MSCI Japan	64.29	74	1.4%	1.9%	9.2%	8.5%	-0.5%	4.8%	-4.1%	
VEU	All World Ex-US ETF	55.58	72	1.2%	2.1%	7.8%	3.4%	-0.3%	3.4%	-9.2%	
EEM	MSCI Emerging Markets	48.92	69	1.2%	2.5%	7.4%	9.0%	0.2%	3.0%	-3.6%	
EFA	iShares MSCI EAFE	70.11	71	1.1%	2.0%	8.3%	1.0%	-0.4%	3.9%	-11.6%	
FXI	MSCI China	47.69	67	0.5%	1.2%	8.1%	9.3%	-1.2%	3.8%	-3.3%	
XHB	US - Homebuilders	56.93	58	1.6%	4.0%	-0.7%	25.1%	1.6%	-5.0%	12.5%	
XLP	US - Consumer Staples	68.15	67	0.9%	2.9%	3.0%	8.2%	0.5%	-1.4%	-4.4%	
XOP	US - Oil and Gas	51.66	68	5.7%	6.2%	18.6%	-45.5%	3.8%	14.2%	-58.1%	
IYR	US - Real Estate	86.69	64	0.9%	2.9%	6.2%	-6.9%	0.6%	1.8%	-19.5%	
XME	US - Metals and Mining	28.99	70	4.5%	6.5%	15.0%	-1.0%	4.1%	10.6%	-13.6%	
IYZ	US - Telecommunications	29.7	71	0.8%	2.5%	7.1%	-0.6%	0.2%	2.7%	-13.2%	
XLE	US - Energy	36.14	70	6.7%	5.9%	19.7%	-39.8%	3.5%	15.4%	-52.4%	
IBB	US - Biotechnology	141.08	57	0.0%	2.4%	1.0%	17.1%	0.1%	-3.4%	4.5%	
XLI	US - Industrials	87.89	69	2.5%	2.7%	7.7%	7.9%	0.3%	3.4%	-4.7%	
IYT	US - Transports	218.67	64	2.5%	2.4%	4.4%	11.8%	0.1%	0.0%	-0.8%	
XLU	US - Utilities	66.78	63	1.0%	0.8%	4.3%	3.3%	-1.6%	0.0%	-9.3%	
XLV	US - Healthcare	111.95	61	-0.2%	0.6%	3.7%	9.9%	-1.8%	-0.6%	-2.7%	
SMH	US - Semiconductors	201.71	66	2.8%	6.8%	8.2%	39.4%	4.4%	3.9%	26.8%	
XLY	US - Consumer Discr	155.51	58	1.3%	2.5%	1.7%	24.0%	0.1%	-2.6%	11.4%	
XRT	US - Retail	56.06	63	2.7%	2.5%	3.3%	21.8%	0.2%	-1.1%	9.2%	
XLK	US - Technology	122.42	58	1.0%	3.4%	1.1%	33.5%	1.0%	-3.3%	20.9%	
XLF	US - Financials	27.65	68	2.3%	1.8%	10.6%	-10.2%	-0.5%	6.3%	-22.8%	
XLB	US - Materials	70.38	63	2.0%	0.0%	6.2%	14.6%	-2.3%	1.8%	2.0%	
KRE	US - Regional Banks	49.19	68	4.3%	1.8%	24.8%	-15.5%	-0.6%	20.5%	-28.2%	
GDX	Gold Miners	37.75	70	-0.7%	0.5%	-5.2%	28.9%	-1.9%	-9.6%	16.3%	

Source : Aquila Markets 2020

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

- The key question is whether the now sustained performance of value is a catch up trade, or a genuine rotation.
- We believe the latter but recognise this will take time and remains a long term play.



VIX – testing 20/24 zone – critical juncture

AquilaMarkets published on TradingView.com, November 17, 2020 07:23:21 GMT
 CBOE:VIX, 1D 22.45 ▼ -0.65 (-2.81%) O:23.66 H:24.08 L:22.43 C:22.45



- 20/24 zone has been the pivotal support since the February risk off moves...
- A break below 20.0 could see a stronger more euphoric rally in US equities across the board driven we believe by momentum and FOMO.
- The reality of economic weakness is being hidden behind the extraordinary levels of monetary debasement from central banks.
- We continue to consider owning VIX call spreads again but we view this as a longer term hedge play – increasingly we see the sell of being a Q1 2021 move.



Please view our disclaimers and terms and conditions at www.aquilamarkets.com

The selloff in Vol is synchronous across markets

AquilaMarkets published on TradingView.com, November 17, 2020 07:31:20 GMT
CBOE:VIXN, 1D 27.37 ▼ -1.66 (-5.72%) O:29.98 H:30.04 L:27.29 C:27.37



- Index, ETF and single stock vol, in line with FX and commodities – continues to move lower at a time when “risks” are perceived to be increasing.
- This dissonance is very notable and echoes past periods before an impending vol event.
- Risk typically needs a reason to sell off – typically pain on liability side of the balance sheet.
- Instead – the “retail” army in US stocks seem resilient – mainly due to high levels of premium paid call buying.
- Plus – Financial conditions indices at extreme lows.



Please view our disclaimers and terms and conditions at www.aquilamarkets.com

Nikkei – leader but reaching overdone territory

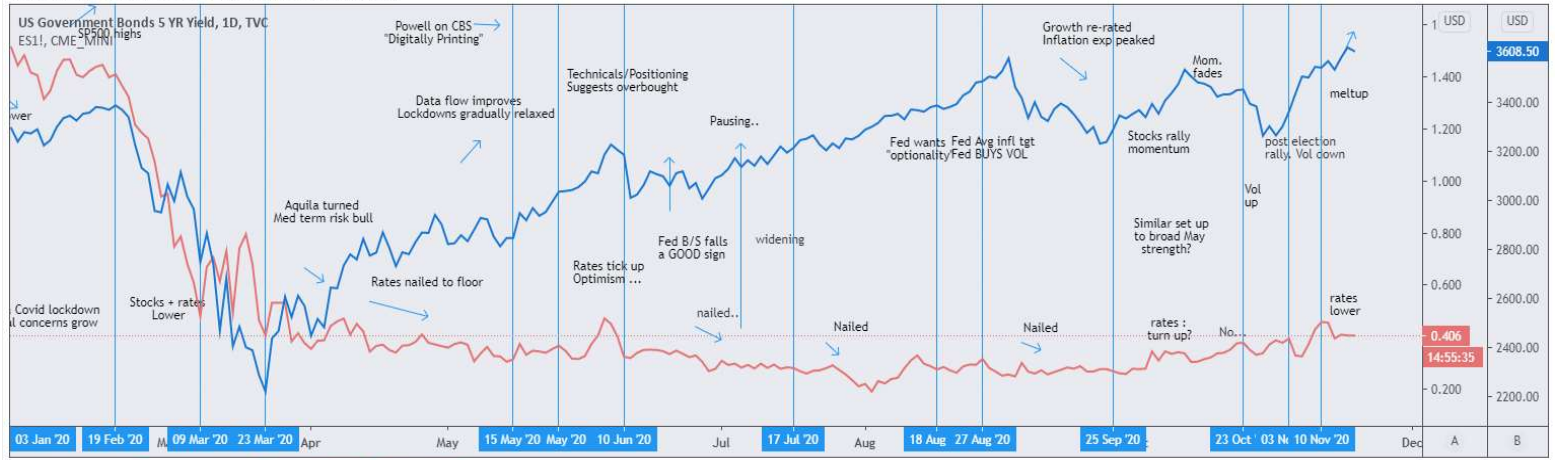
AquilaMarkets published on TradingView.com, November 17, 2020 07:44:28 GMT
INDEX:NKY, 1D 25906.93 ▲ +521.06 (+2.05%) O:25652.69 H:25928.18 L:25640.29 C:25906.93



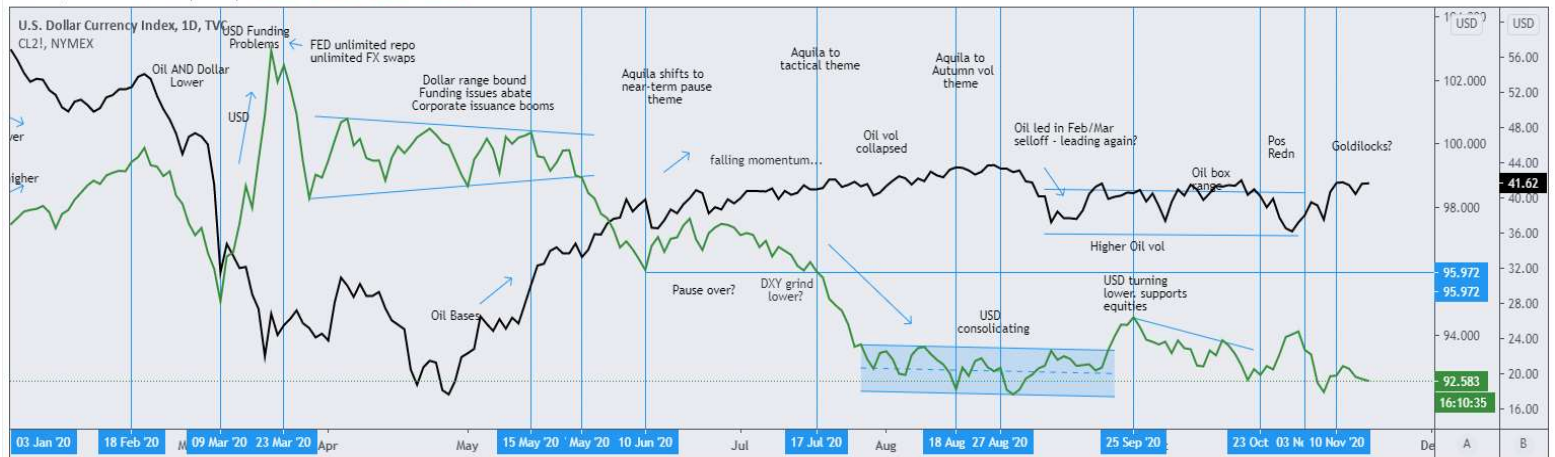
- The extraordinary rally in November – along with the FTSE – has been poster child for the value rotation theme.
- Recognise we have reached a period where a pause could be quite likely – OR a catch up in US equities too.

XOP – Oil / Gas Exploration ETF – upside potential

AquilaMarkets published on TradingView.com, November 17, 2020 07:49:26 GMT
 TVC:US05Y, 1D 0.406 0.000 (0%) O:0.406 H:0.414 L:0.400 C:0.406



TVC:DX1, 1D 92.583 ▼ -0.059 (-0.06%) O:92.494 H:92.593 L:92.458 C:92.583



TradingView

- Market Map illustrates the potential for US equity "Goldilocks"
- But at stressed points turns can happen quickly.
- The real economic divergence becomes increasing hard to rationalise with financial markets.
- Classically the play is to own vol – but this is being pushed lower.
- A time to be prudent with capital remains our central case.

Please view our disclaimers and terms and conditions at www.aquilamarkets.com



Radar Screen 17 Nov 2020

Open Trade Opportunities															17/11/2020	
Status	Rank	Asset	Market	Direction	Trade	Entry	Reval	PnL (%)	Comment	Target	S-loss	R/Rwd (!)	Down pivot	Up pivot	Date open	
Live	2	XOP	51.62	Bullish	Long 18Jun 60.00 calls	2.2	4.02	82.7%	Long term call expression	100			40	55	15-Oct	
Live	2	USDJPY	104.55	Bullish	Long 04jun21 113.50 (6.65vol)	0.24	0.06	-75.0%	Long term rate proxy						07-Oct	
Live	2	GBPUSD	1.321	Bearish	Long 08Jan 1.25/1.20 put spread	0.31	0.2	-35.5%	Brexit tail risk hedge						09-Nov	
Live	2	USDCNH	6.561	Bullish	Long 16dec 6.80 (7.6vol)	0.037	0.005	-86.5%	tail risk hedge						28-Oct	
Live	1	EURUSD	1.1855	Bearish	Long 05Feb 1.10 EURUSD live 8.45vol	0.0021	0.0007	-66.7%	Long term USD call hedge	1.15					21-Aug	
Rank 1 high conviction; Rank 2 low conviction					Option trade PnL is % of premium paid			Cash trade PnL is % of potential Stop-Loss				R/Rwd (!) - max trade return per unit of initial risk				
Radar Screen - Trade and level watchlist																
Status	Rank	Asset	Market	Direction	Potential Trade / rationale	Key level	Down pivot	Up Pivot	Comment	Distance	Date open					
Alert	3	Bund-BTP	-1.20%	wait	10yr spread as sign of EU stress	-1.5	-1.5	-1.2	Wider Italy "spread" indicator		16-Oct					
Alert	2	USDMXN	20.30	Bullish	potential base / risk barometer	20.25	20.25	21.25	Near term base ?		27-Oct					
Alert	2	RINF	26.29	wait	Inflation expectations to define	25.4	25.4	26.5	PEAKING ?		01-Oct					
Alert	2	VIX	22.45	wait	20/24 KEY SUPPORT	20	20	24	POSS BUY OPP		09-Nov					
Alert	2	SP500	3610	Bullish	fib 3498 / 3445 / 3392	3500	3520	3585			09-Nov					
Alert	2	US 30yrs	1.66	Wait	Signs of inflation pickup	1.55	1.32	1.6	ABOVE PIVOT		01-Oct					
Alert	2	Nas100	12015	Wait	11600/50 to support - FIBS	12,000	12,000	12,475	above up pivot		22-Sep					
Alert	3	VXTLT	13.3	Wait	12-15 potential support zone - IN	12	15	18.5	HIGHER - with HIGHER RATES		18-Aug					
Alert	3	DXY	92.55	Wait	91.70 Sep low	92.7	92	94.05	Breaking lower	0.16%	24-Jul					
Pivots can be support/resistance, or action-reaction levels																

Please view our disclaimers and terms and conditions at www.aquilamarkets.com