

Macro Monday

TD Ameritrade Institutional Trading Services

TD Ameritrade

Institutional

April 4 - 8

2022

Key Market Levels:

	Fri 4pm ET	YTD	S&P500 Sector	3 Month
S&P 500	4,546	-4.62%	Communications	-9.35%
NASDAQ COMPOSITE	14,262	-8.84%	Discretionary	-7.14%
DJIA	34,818	-4.18%	Energy	+25.63%
Russell 2000	2,091	-6.87%	Financials	-7.17%
Int'l Emerging	1,146	-7.01%	Health Care	+2.77%
VIX	19.52	16.3Lo/38.9Hi	Industrials	-4.07%
Oil	99.55	+31.88%	Materials	-0.25%
Gold	1,927	+5.30%	Real Estate	+0.02%
Bitcoin	46,383	-0.14%	Staples	-0.99%
US 10 yr	2.38%	+87 bps	Technology	-4.50%
US 30 yr	2.42%	+51 bps	Utilities	+7.21%

Recapping Last Week

U.S. equities faded into the weekend to finish little changed as another solid jobs report was checked by **yield curve** concerns. The S&P500 Index was flat, while the Nasdaq Composite and Russell 2000 each gained 0.6%. Sector performance was mixed, with real estate (+4.5%) and utilities (+3.7%) the biggest winners, while **financials** dropped 3%+. **Crude oil** slumped 11%+ after the U.S. and other western nations announced plans to release oil from **strategic reserves** in an effort to cool soaring fuel costs. The closely watched 2yr-10yr Treasury yield spread flirted with **inversion** throughout the week, heightening fears that a **recession** may be on the horizon. Friday's **NFP report** came in slightly below expectations at +431K, but strong revisions to prior months and the unemployment rate ticking down to 3.6% only reinforced the case for a 50bps **rate hike** at the May FOMC meeting. Demand for workers has leveled off and quits are no longer rising, according to the **JOLTS report**. Price pressures continued to intensify as February's **Core PCE Index** increased 5.4% YoY and dented consumer spending for the month. Consumer confidence remained uneasy in March as Americans predicted **inflation** will rise 7.9% over the next year. In other news, March's **ISM Manufacturing PMI** slipped to 57.1 as prices paid rose sharply and new orders dropped precipitously. Wholesale inventories advanced 2.1% in February as the U.S. **trade deficit** declined for the first time in 3 months. Internationally, **Eurozone inflation** hit a record 7.5% YoY in March, further pressuring ECB policy. In Germany, March CPI rose 7.3% YoY, sending the **consumer sentiment** index tumbling to a 14-month low. Canada's economy grew in January despite headwinds, raising expectations that the **BOC** will hike by 50bps on April 13. Finally, China's manufacturing and services activity **contracted** in March at the steepest rate in 2 years, reflecting recent pains to control **virus outbreaks**.

The Week Ahead

Optimism for a **ceasefire** in Ukraine has faded as Russian forces appear to be repositioning rather than withdrawing. Russia's demands that natural gas payments be made in **rubles** may exert additional pressure on energy costs in Europe and the UK. In the U.S., equity markets look to rebound after their first **quarterly loss** since the beginning of the pandemic. The economic calendar is light as it typically is following the monthly employment report, with **central bank** activity the main draw. Late today the **RBA** will meet, but Australia is not expected to raise rates until at least June despite rising wages and inflation. The **FOMC** will release minutes from the March meeting on Wednesday, perhaps providing additional insight on just how **aggressive** the committee plans to be in May and beyond. Additionally, several Fed governors will deliver speeches throughout the week. Thursday the **ECB's minutes** will drop, and recent comments suggest that European policymakers feel they may be behind the curve on rates. Other U.S. releases of note include **ISM Services PMI** on Tuesday and consumer credit numbers on Thursday. The U.S. **crude oil inventories** account on Wednesday may be worth watching now that President Biden plans to release 1M barrels per day from the strategic reserve. **Service PMIs** will feature internationally, along with factory orders and industrial production figures from Germany.

Chart of the Week: Is Bitcoin Back?

Bitcoin futures (/BTC) have had a rough go since printing an all-time high last November, with prices cut in half in the subsequent three months. The **downward momentum** receded after the January low, as the **MACD** reversed course well before price. The \$45,000 level has been significant technical **resistance** ever since, holding on five occasions before finally breaking last week. Prices surged over 7% Monday, staying above former resistance and new **support** for most of the week. It appears the trend is pointing higher in the near term but watch for a break above last week's high for **confirmation**. Click here to view [chart](#).



Source: thinkorswim

Monday:

EU German Trade Balance
11.3B exp, 9.4B prior

BOE Gov Bailey Speaks

Canada BOC Business Outlook Survey

Australia RBA Rate Statement

Tuesday:

EU German Final Services PMI
55.0 exp, 55.0 prior

U.S. ISM Services PMI
58.6 exp, 56.5 prior

U.S. FOMC Member Brainard Speaks

China Caixin Services PMI
49.9 exp, 50.2 prior

Wednesday:

EU German Factory Orders m/m
-0.2% exp, 1.8% prior

U.S. FOMC Meeting Minutes

U.S. Crude Oil Inventories
-3.4M prior

Canada Ivey PMI
62.3 exp, 60.6 prior

Thursday:

EU German Industrial Production m/m
0.4% exp, 2.7% prior

EU Retail Sales m/m
0.6% exp, 0.2% prior

EU ECB Monetary Policy Minutes

U.S. Unemployment Claims
201K exp, 202K prior

U.S. FOMC Member Bullard Speaks

U.S. Consumer Credit m/m
16.9B exp, 6.8B prior

Friday:

U.S. Final Wholesale Inventories m/m
2.1% exp, 2.1% prior

Canada Employment Change
65.5K exp, 336.6K prior

Source: forexfactory.com

Questions or comments?
Want to subscribe?

Contact our Strategy Desk:

✉ inststrategydesk@tdameritrade.com
strategydesk@schwab.com

☎ 1-800-227-0816

Hungry for more?

- Follow us on Twitter!  [@MikeTurvey_TDA](#) >>
[@MFollett_TDA](#) >>
- Earn CE credits at our **weekly webcasts** >>