



Multi-Asset Essentials

12 Key Charts to Watch in H2

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Risks skewed towards continuation of equity bear market in H2 (p2-3)

For MSCI AC World, the 50% retracement of the post-March 2020 rally is 4.5% below Friday's close. We suspect the 61.8% retracement (12% down from here) might be tested in H2. No strong signs of investor capitulation are evident yet.

Breakevens may prove a sticking point for bond rally near-term (p3-4)

The recent rally in government bonds should have further to go in H2. Near-term, however, US breakevens are 'oversold' from a sentiment angle. Any bounce should aid Global Cyclical vs. Defensives – also stretched and at a key level – near-term.

Credit concerns (p4-5)

Three China charts feature in our twelve to watch: CNY, 10-year yield & HY credit. The latter is back in 'stretched pessimism' territory. In the Eurozone, HY under-performance vs. IG may soon pause, given an extreme SBI, before resuming later.

SENTIMENT WATCH:

EQUITIES: Global Cyclical vs. Defensives in 'stretched pessimism' zone (p4 & 11); Germany, Australia & Korea also stretched (p9-10)

FX: Stretched pessimism on GBP vs. EUR & USD (p16-17)

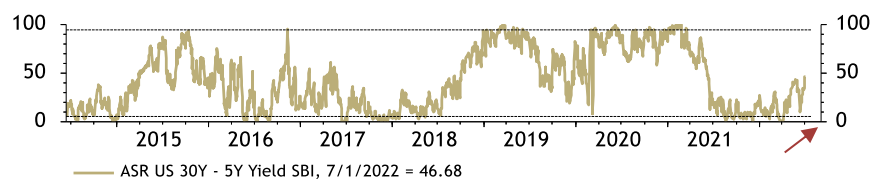
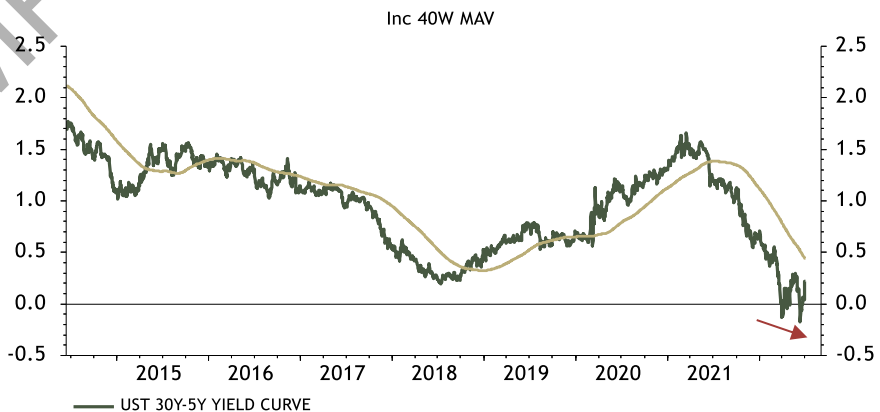
CREDIT: Sentiment back to extreme for China HY (p5)

SBI Summaries:
Updated Daily [here!](#)

*SBI Methodology

Sentiment Barometer Indicators (SBIs) use behavioural biases to create series that have the same dynamics as survey-based indices. Independent analysis showed how SBIs can add alpha - see [here](#).

Key Chart: UST 5s-30s yield curve shows bullish price/SBI divergence



Source: ASR Ltd./Refinitiv Datastream