

**TRADING ANALYSIS**  
PLAN YOUR TRADE, TRADE YOUR PLAN

## MACRO MASH MONDAY UPDATE

[www.TradingAnalysis.com](http://www.TradingAnalysis.com)

October 9, 2023





# DISCLOSURES

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The information within this report was researched by Inside Edge Capital with the tools available to the Inside Edge Capital from DTN IQ, Optuma, YCharts, CNBC, TD Ameritrade, Schwab.

Various indexes were chosen that are generally recognized as indicators or representation of the stock market in general. Indices are typically not available for direct investment, are unmanaged and do not include fees or expenses. Some indices may also not reflect reinvestment of dividends.

## Macro Events

- Hamas surprise attack on Israel Saturday morning in a time of extremely heightened geo-politics
- US political system in a state of disarray after the US house ousted speaker McCarthy and is actively seeking to replace, or re-instate him this week. International funding for defense may be held in the balance
- Crude oil and US bond markets are rallying in a risk-off manner in response as November FOMC rate hike prospects decline
- State of US consumer and housing markets
- Equity markets showing impressive relative strenght despite these horrific events

*To view the livestream video for this presentation click the player below*















<https://my.tradinganalysis.com/video-of-the-day/ta-macro-mash-october-9th-2023-1200pm-edt/>

























# THE STARTING GATE





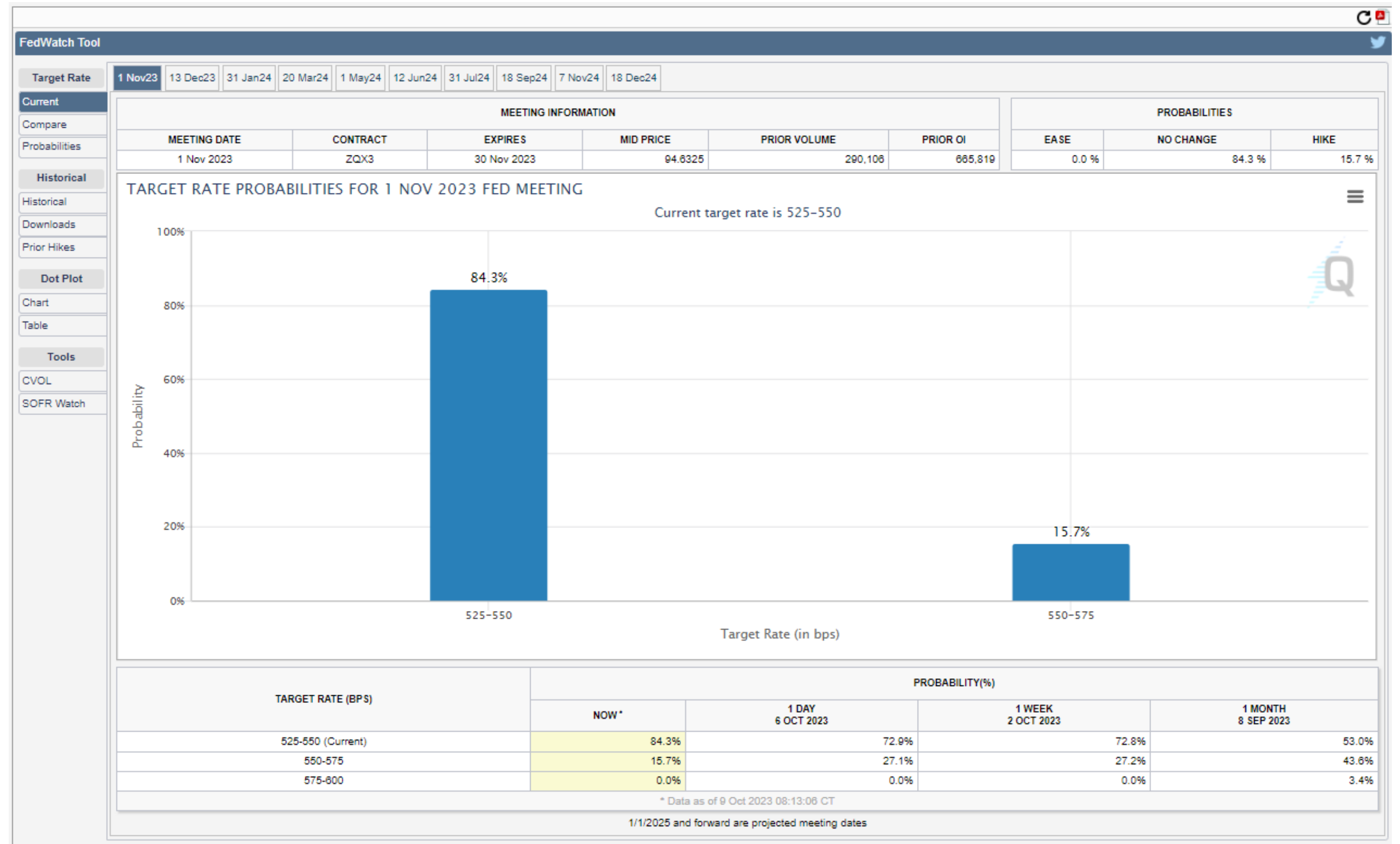
Tuesday, October 10, 2023					
09:30	 USD	★ ★ ☆	FOMC Member Bostic Speaks		
13:00	 USD	★ ★ ☆	3-Year Note Auction	4.660%	
13:00	 USD	★ ★ ☆	Fed Waller Speaks		
15:00	 USD	★ ★ ☆	FOMC Member Kashkari Speaks		
18:00	 USD	★ ★ ☆	FOMC Member Daly Speaks		
Wednesday, October 11, 2023					
04:15	 USD	★ ★ ☆	FOMC Member Bowman Speaks		
08:30	 USD	★ ★ ☆	Core PPI (MoM) (Sep)	0.2%	0.2%
08:30	 USD	★ ★ ★	PPI (MoM) (Sep)	0.3%	0.7%
10:15	 USD	★ ★ ☆	Fed Waller Speaks		
12:00	 USD	★ ★ ☆	EIA Short-Term Energy Outlook		
12:15	 USD	★ ★ ☆	FOMC Member Bostic Speaks		
13:00	 USD	★ ★ ☆	10-Year Note Auction	4.289%	
14:00	 USD	★ ★ ★	FOMC Meeting Minutes		
16:30	 USD	★ ★ ☆	API Weekly Crude Oil Stock	-4.210M	

Thursday, October 12, 2023					
04:00	 USD	★ ★ ☆	IEA Monthly Report		
07:00	 USD	★ ★ ☆	OPEC Monthly Report		
08:30	 USD	★ ★ ☆	Core CPI (YoY) (Sep)	4.1%	4.3%
08:30	 USD	★ ★ ★	Core CPI (MoM) (Sep)	0.3%	0.3%
08:30	 USD	★ ★ ★	CPI (YoY) (Sep)	3.6%	3.7%
08:30	 USD	★ ★ ★	CPI (MoM) (Sep)	0.3%	0.6%
08:30	 USD	★ ★ ★	Initial Jobless Claims	210K	207K
11:00	 USD	★ ★ ★	Crude Oil Inventories		-2.224M
11:00	 USD	★ ★ ☆	Cushing Crude Oil Inventories		0.132M
12:00	 USD	★ ★ ☆	WASDE Report		
13:00	 USD	★ ★ ☆	FOMC Member Bostic Speaks		
14:00	 USD	★ ★ ☆	Federal Budget Balance (Sep)		89.3B
16:30	 USD	★ ★ ☆	Fed's Balance Sheet		7,956B
Friday, October 13, 2023					
08:30	 USD	★ ★ ☆	Export Price Index (MoM) (Sep)	0.5%	1.3%
08:30	 USD	★ ★ ☆	Import Price Index (MoM) (Sep)	0.5%	0.5%
09:00	 USD	★ ★ ☆	FOMC Member Harker Speaks		
10:00	 USD	★ ★ ☆	Michigan 1-Year Inflation Expectations (Oct)		3.2%
10:00	 USD	★ ★ ☆	Michigan 5-Year Inflation Expectations (Oct)		2.8%
10:00	 USD	★ ★ ☆	Michigan Consumer Expectations (Oct)	65.5	66.0
10:00	 USD	★ ★ ☆	Michigan Consumer Sentiment (Oct)	67.4	68.1
13:00	 USD	★ ★ ☆	U.S. Baker Hughes Oil Rig Count		497
13:00	 USD	★ ★ ☆	U.S. Baker Hughes Total Rig Count		619

# ECONOMIC CALENDAR - BUSY CALENDAR THIS WEEK



Nov 1st - 15.7%  
probability of hiking  
another 25 bps in  
November, down from  
43.6% prior month



# NOVEMBER '23 TARGET RATE PROBABILITIES



## FED FUND FUTURES

ZQV3	ZQX3	ZQZ3	ZQF4	ZQG4	ZQH4	ZQJ4	ZQK4	ZQM4	ZQN4	ZQQ4	ZQU4	ZQV4
94.6713	94.6325	94.6050	94.5875	94.6075	94.6325	94.6750	94.7825	94.8625	94.9125	95.0525	95.1125	95.2000

## MEETING PROBABILITIES

MEETING DATE	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575	575-600
11/1/2023			0.0%	0.0%	0.0%	0.0%	0.0%	85.0%	15.0%	0.0%
12/13/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	69.0%	28.1%	2.8%
1/31/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.7%	65.7%	26.0%	2.6%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	21.9%	55.0%	19.7%	1.9%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.7%	10.4%	36.3%	39.6%	11.9%	1.1%
6/12/2024	0.0%	0.0%	0.0%	0.3%	5.5%	23.2%	37.9%	25.9%	6.6%	0.5%
7/31/2024	0.0%	0.0%	0.2%	3.3%	15.8%	31.7%	31.0%	14.7%	3.1%	0.2%
9/18/2024	0.0%	0.1%	2.0%	10.7%	25.2%	31.3%	21.4%	7.8%	1.4%	0.1%
11/7/2024	0.1%	1.2%	6.7%	18.5%	28.5%	25.9%	14.0%	4.3%	0.7%	0.0%
12/18/2024	0.8%	4.7%	14.3%	24.9%	26.8%	18.3%	7.9%	2.0%	0.3%	0.0%

## TOTAL PROBABILITIES

MEETING DATE	DAYS TO MEETING	EASE	NO CHANGE	HIKE
11/1/2023	23	0.00 %	85.01 %	14.99 %
12/13/2023	65	0.00 %	69.05 %	30.95 %
1/31/2024	114	5.71 %	65.67 %	28.63 %
3/20/2024	163	23.44 %	54.97 %	21.59 %
5/1/2024	205	47.45 %	39.57 %	12.99 %
6/12/2024	247	67.02 %	25.90 %	7.09 %
7/31/2024	296	82.00 %	14.70 %	3.30 %
9/18/2024	345	90.67 %	7.84 %	1.49 %
11/7/2024	395	94.92 %	4.35 %	0.73 %
12/18/2024	436	97.70 %	2.01 %	0.29 %

**The chances of another rate hike has been pushed into Dec and beyond are less than 31% now and the first rate cut still rests into June of '24**

**FORECAST RATE PROBABILITIES**



## Speaker of the House

- Speaker McCarthy removed as Speaker leaving the position vacant
- House Republicans expected to hear from speaker candidates behind closed doors Tues / Wed to choose the next speaker.
- Decision next week?
- In 2016 US pledged \$3.8B in annual funding to Israel under Obama for a total of \$38B over 10 years
- Will these funds continue to be dispersed ?

World

## Israel war adds urgency to US Republican House speaker crisis

By Joey Roulette and David Morgan

October 8, 2023 2:43 PM EDT · Updated 21 hours ago



[1/2] An Israeli tank drives on a road following a mass infiltration by Hamas gunmen from the Gaza Strip, near Sderot in southern Israel October 8, 2023. REUTERS/Ronen Zvulun/File Photo [Acquire Licensing Rights](#)



WASHINGTON, Oct 8 (Reuters) - Republicans in the U.S. House of Representatives face new pressure to select a speaker after [Israel declared war](#) on Sunday, following a rare attack by Hamas militants that has prompted calls for more U.S. military aid.

Some Republicans, including Representative Jim Jordan, a [top candidate](#) for the job, also want lawmakers to agree on how to move forward on the thorniest issue the House faces – federal spending for the current year – when they choose a new speaker.

# US HOUSE OF REPRESENTITIVES



## Geo-political tensions

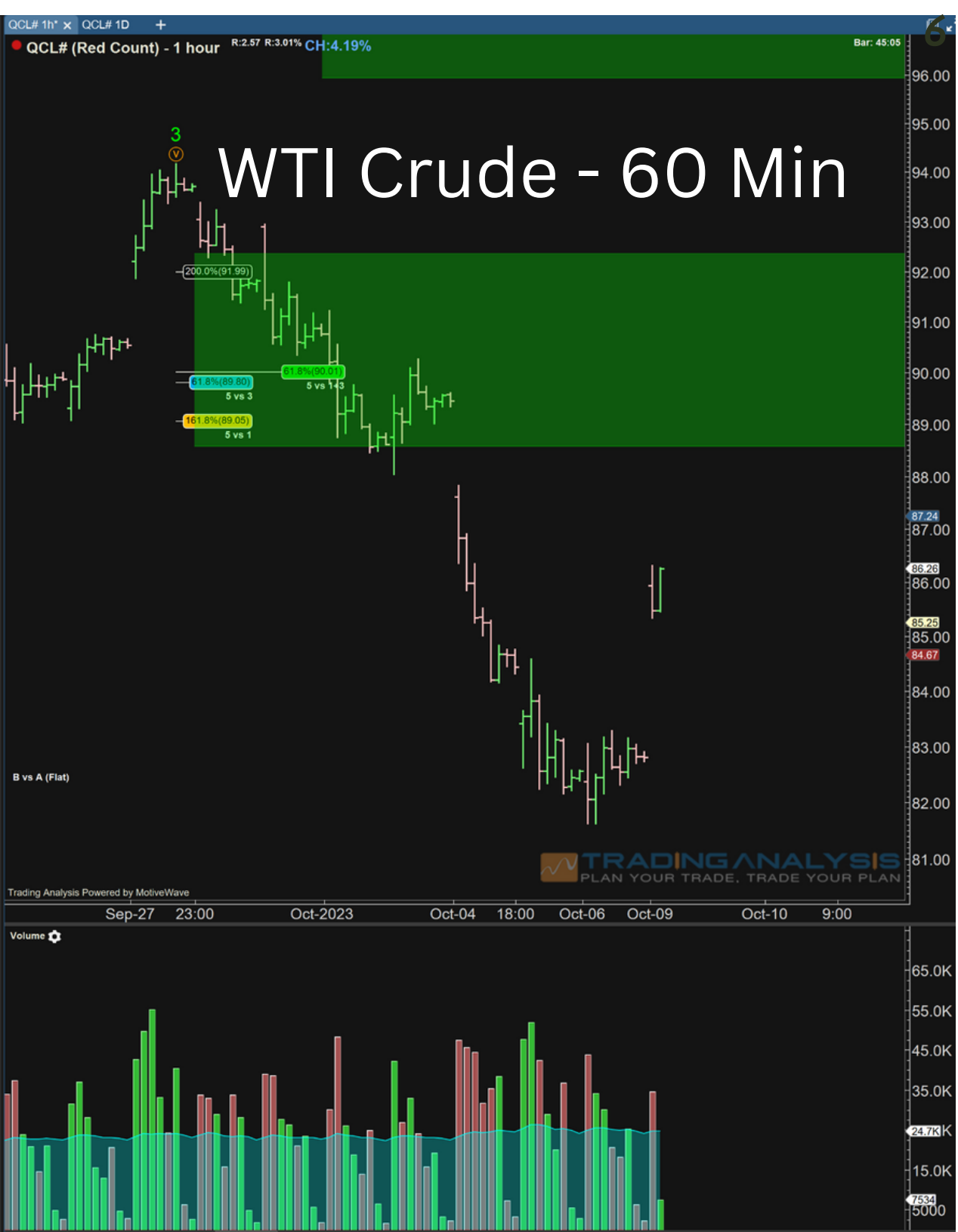
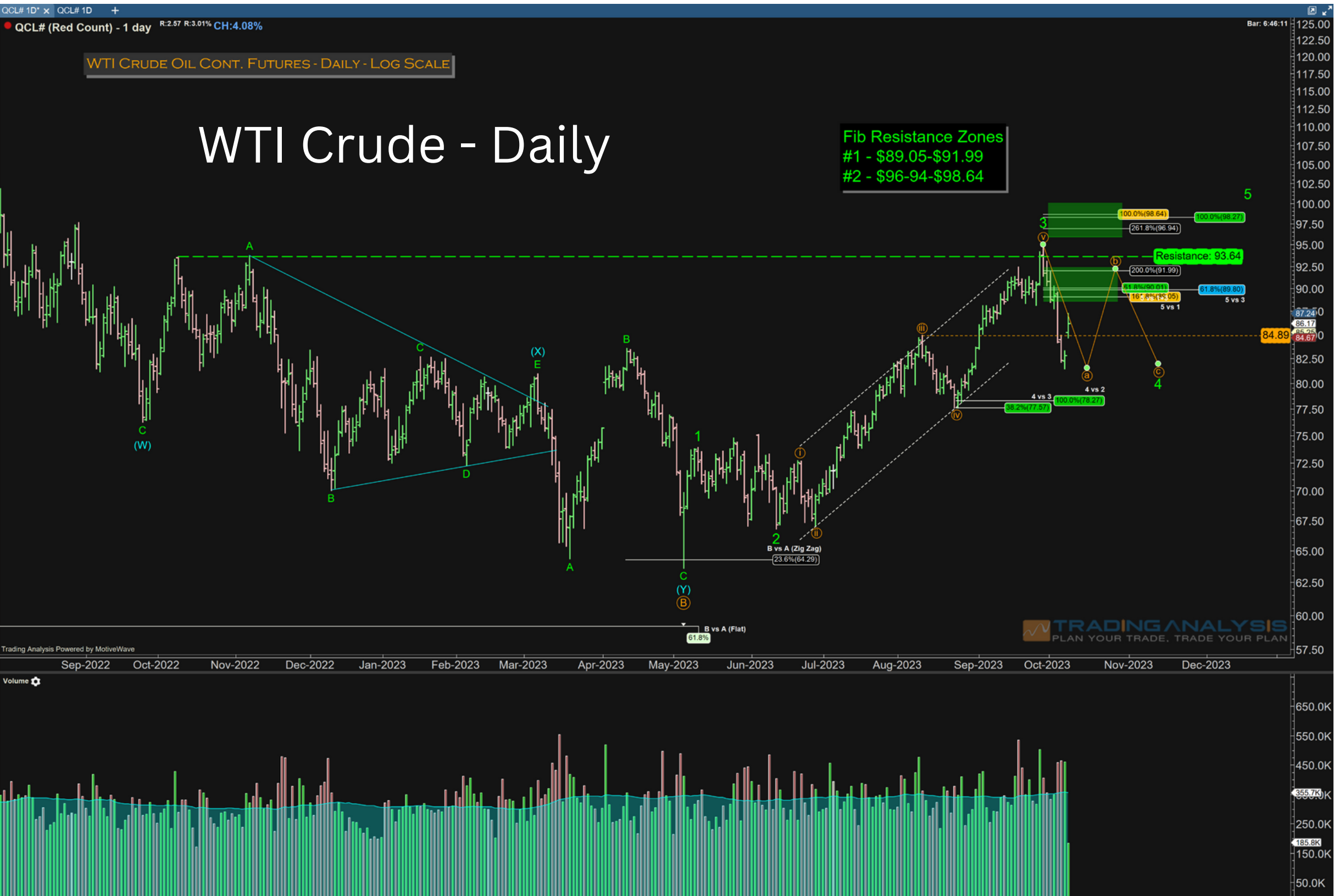
- Crude oil prices spiked higher after a massive Hamas attack on Israel
- Global benchmark Brent crude futures jumped as much as 4.1% in early Asian trade on Monday, reaching a high of \$88.15 a barrel, up from the close of \$84.58 on Oct. 6.
- The jump still leaves Brent contracts under the levels that prevailed for most of last week and below the recent one-year high of \$97.69 a barrel, reached on Sept. 28.



Smoke rises in the aftermath of rocket barrages that were launched from Gaza, in Ashkelon, Israel October 7, 2023. REUTERS/Amir

# CRUDE OIL





CRUDE OIL RISES FOLLOWING HAMAS ATTACKS

# OPEC hikes long-term oil demand outlook

**WORLD**  
OPEC Member Countries

## KEY TAKEAWAYS

- OPEC and the IEA, both big names in the energy industry, are currently locked in a war of words over peak oil demand.
- In its 2023 World Oil Outlook, OPEC said it expected world demand to reach 116 million barrels per day (bpd) by 2045, roughly 6 million more barrels per day than it predicted this time last year.
- OPEC's forecasts contrast starkly with those of the IEA, which said last month that the world was now at the “beginning of the end” of the fossil fuel era.



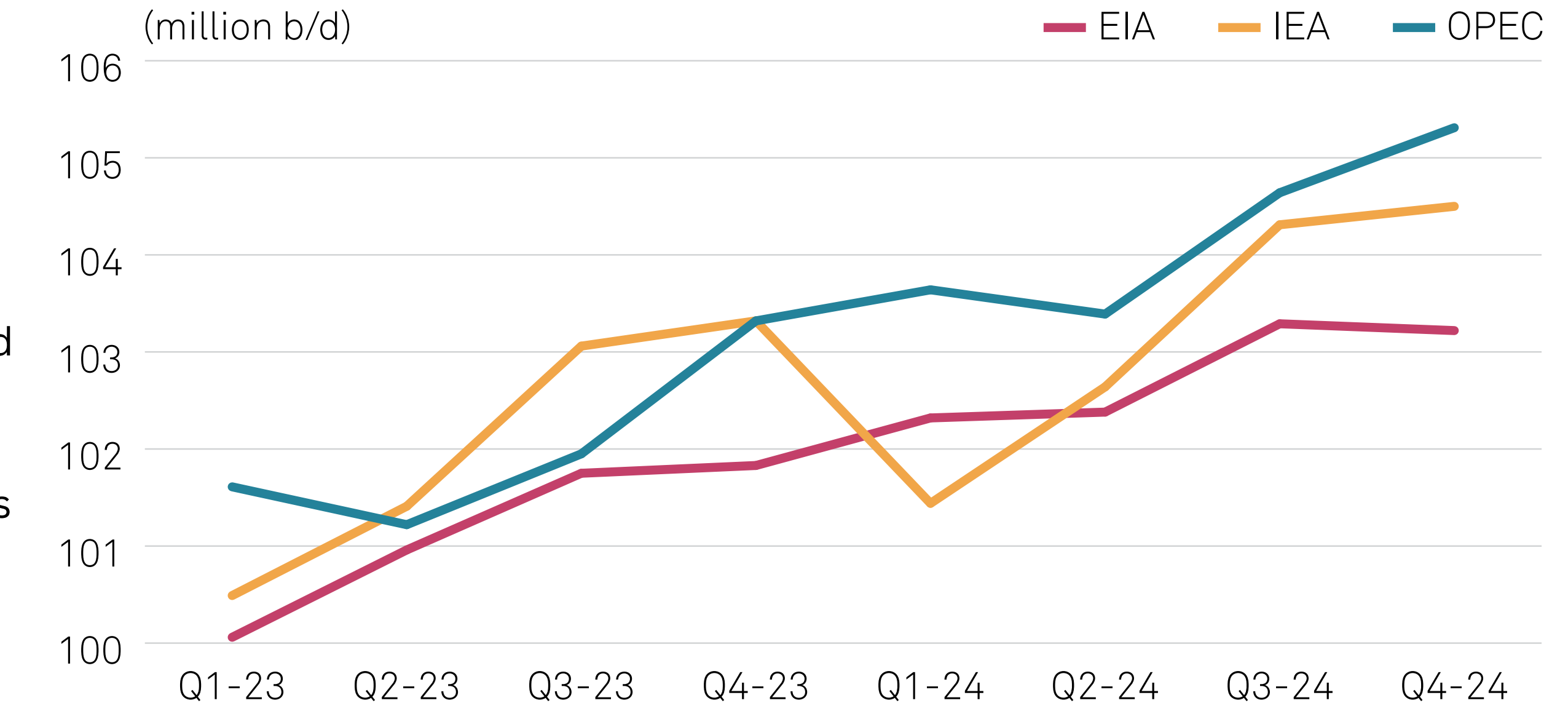
## WORLD OIL DEMAND FORECAST



## World Crude Demand Forecast

- The 2023 demand forecast was revised up 90,000 b/d from OPEC's last analysis in June, with total world oil demand expected to hit 102.0 million b/d.
- For 2024, demand is set to reach 104.25 million b/d, an increase of 2.25 million b/d, with China expected to contribute 580,000 b/d -- or 26% -- of total consumption growth.
- On the supply side, US production is forecast to rise 1.08 million b/d in 2023, making up 77% of global non-OPEC liquids growth for the year, and more than offsetting the expected 750,000 b/d decline in Russian output.

## OPEC sees more 2024 oil demand growth than IEA, EIA



Source: OPEC, IEA, EIA










# WORLD OIL DEMAND FORECAST

## World Crude Production in 2022

includes crude oil, all other petroleum liquids, and biofuels.

Country	Million barrels per day	Share of world total
United States	20.30	21%
Saudi Arabia	12.44	13%
Russia	10.13	10%
Canada	5.83	6%
Iraq	4.61	5%
China	4.45	5%
United Arab Emirates	4.23	4%
Iran	3.67	4%
Brazil	3.17	3%
Kuwait	3.01	3%
Total top 10	71.83	74%
World total	97.70	

## Crude Only (July 2023 figures)

	Country	Oil production July 2023 (bbl/day)
1	 United States	12,800,000 <sup>[8]</sup>
2	 Russia	9,400,000 <sup>[9]</sup>
3	 Saudi Arabia (OPEC)	9,060,000 <sup>[9]</sup>
4	 Brazil	4,480,000 <sup>[10]</sup>
5	 Iraq (OPEC)	4,270,000 <sup>[9]</sup>
6	 China	4,249,809 <sup>[11]</sup>
7	 Iran (OPEC)	3,300,000 <sup>[12]</sup>
8	 United Arab Emirates (OPEC)	3,240,000 <sup>[9]</sup>
9	 Kuwait (OPEC)	2,550,000 <sup>[9]</sup>

# WORLD OIL PRODUCTION



**On news of a potential merger Thursday, Pioneer's stock popped +10% Friday while ExxonMobil shares declined over -1%.**

## KEY TAKEAWAYS

- Pioneer Natural Resources shares soared following reports that the shale oil driller was in advanced talks to be purchased by Exxon Mobil.
- Exxon Mobil is reportedly offering \$60 billion for Pioneer, which would be the biggest acquisition for the oil giant since it bought Mobil in 1999.
- If a deal is finalized, it would give Exxon Mobil a larger presence in the highly sought-after Permian Basin oil field.

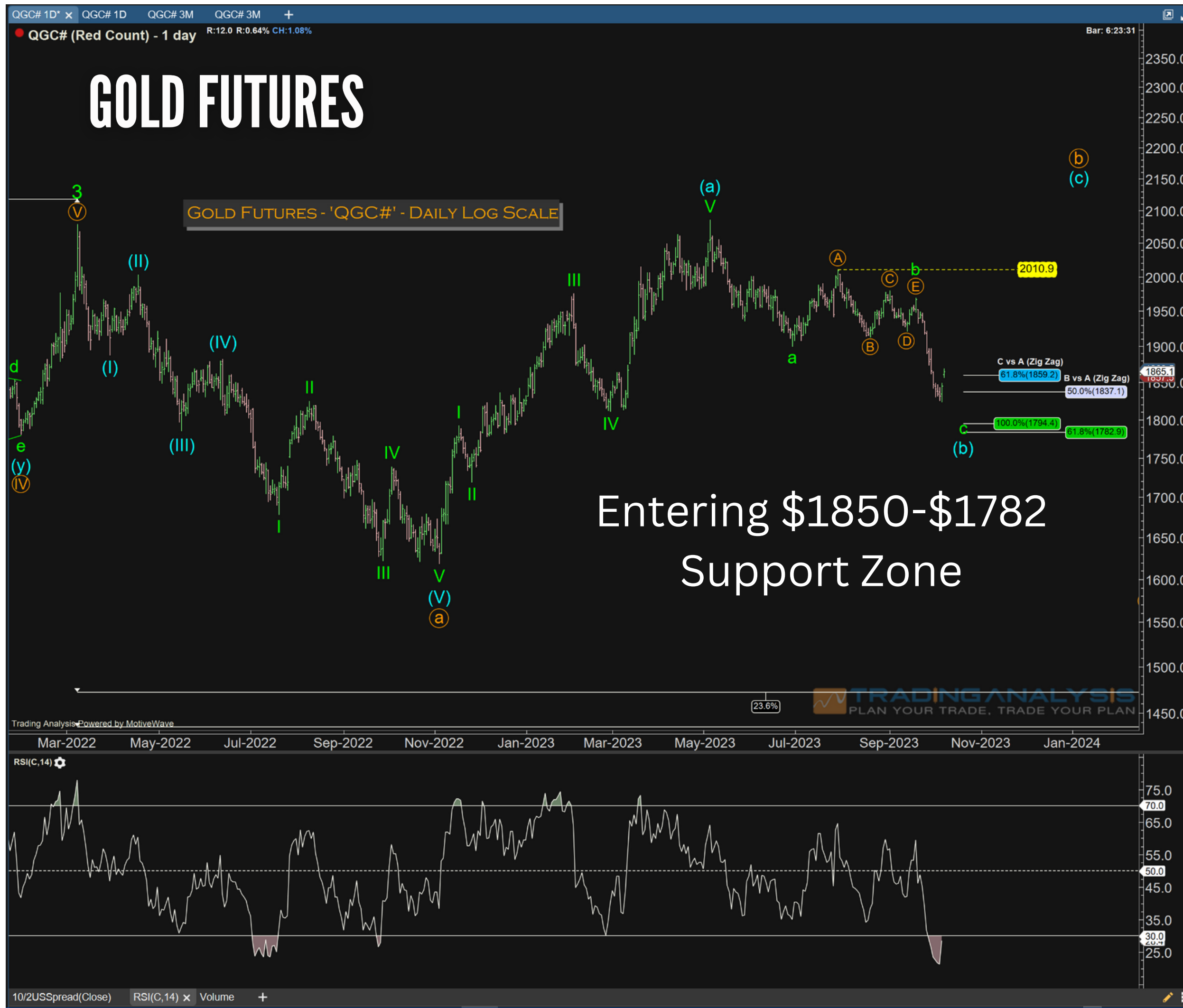
bmccoll published on TradingView.com, Oct 06, 2023 15:38 UTC-4



# XOM AND PXD MERGER



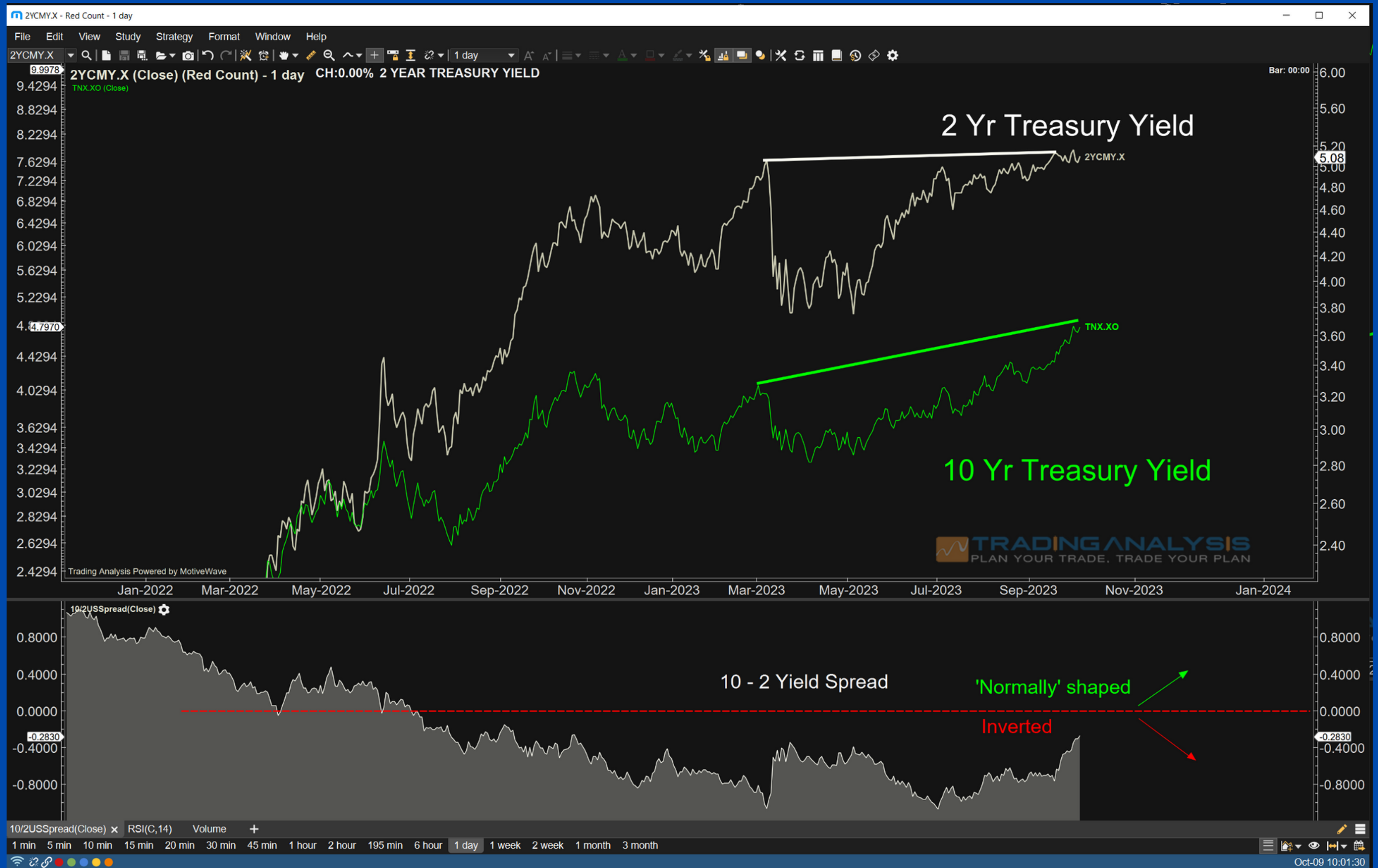




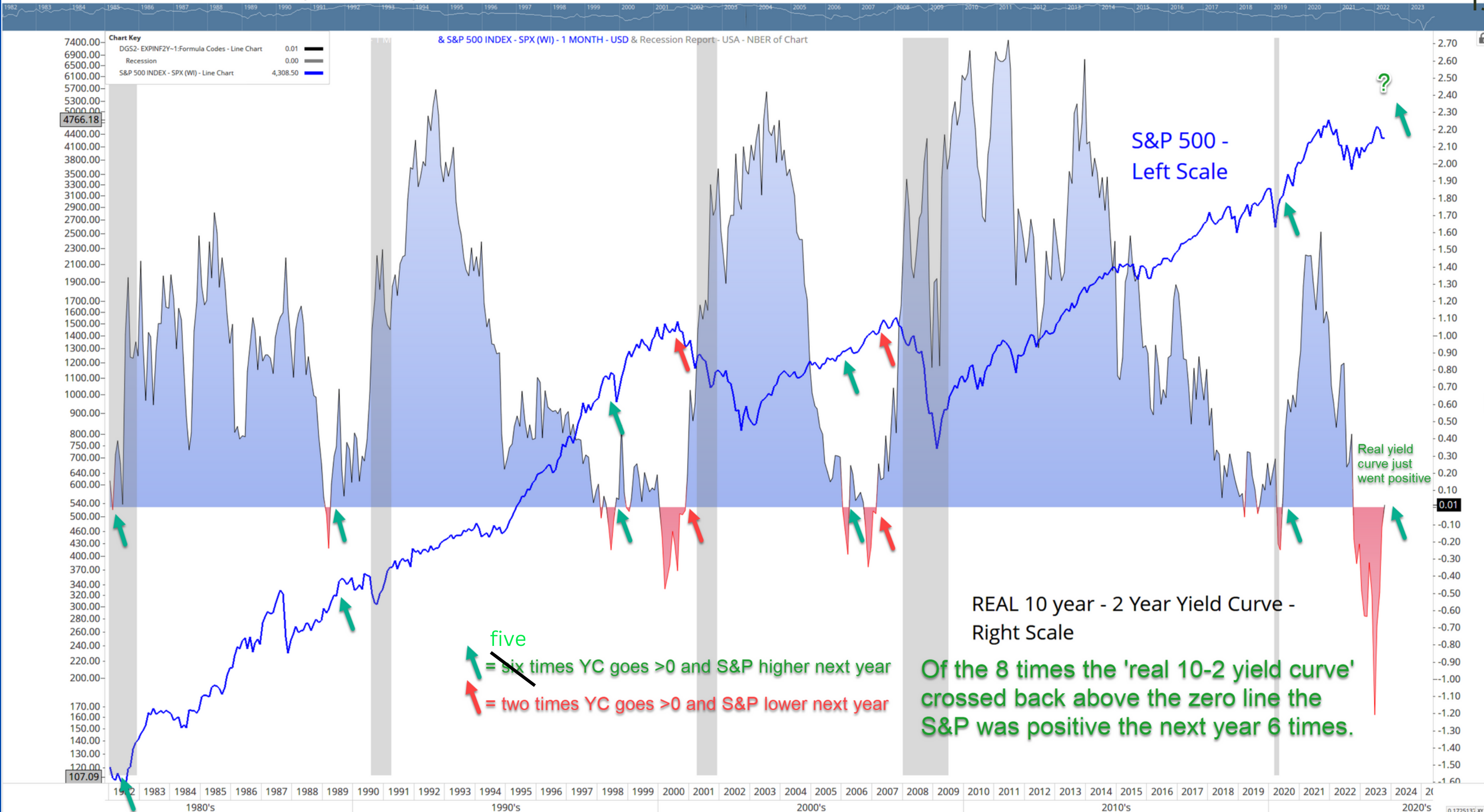


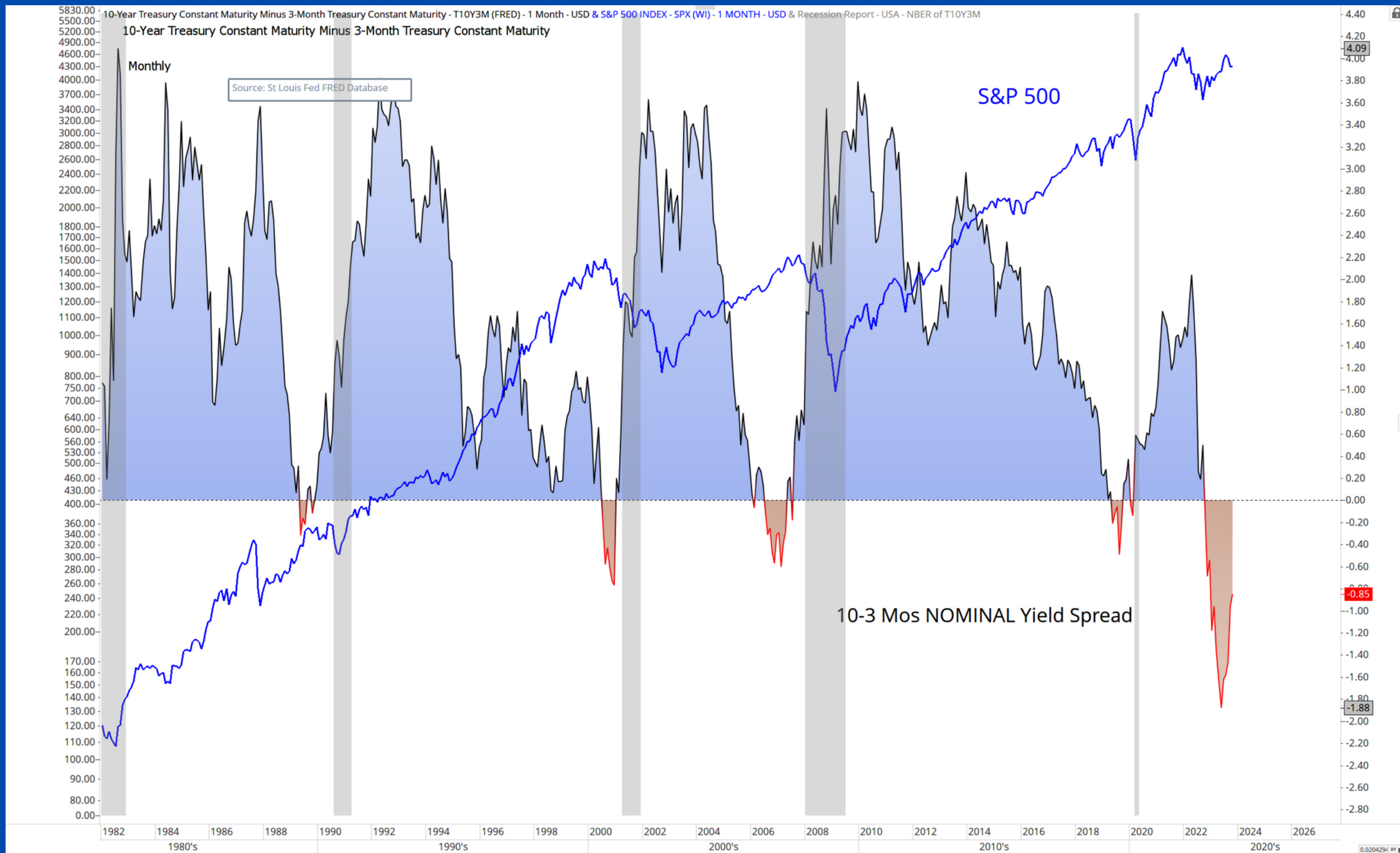




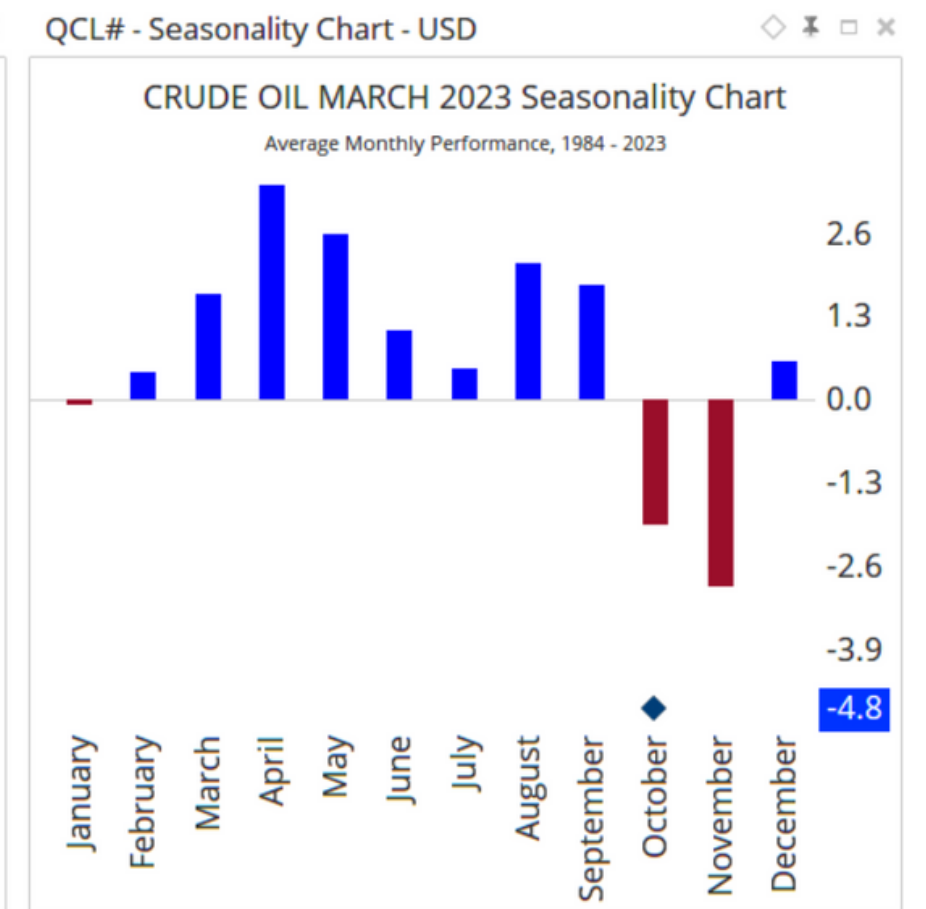
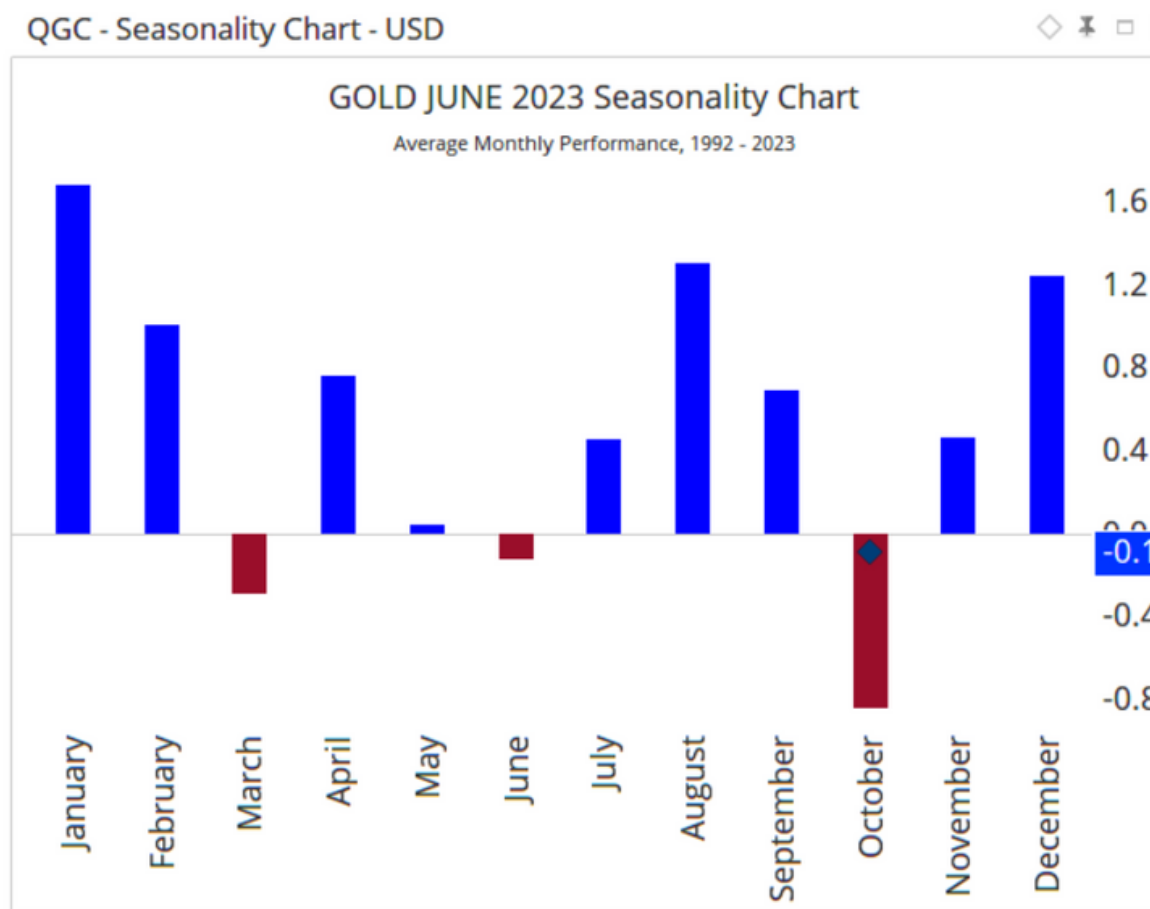
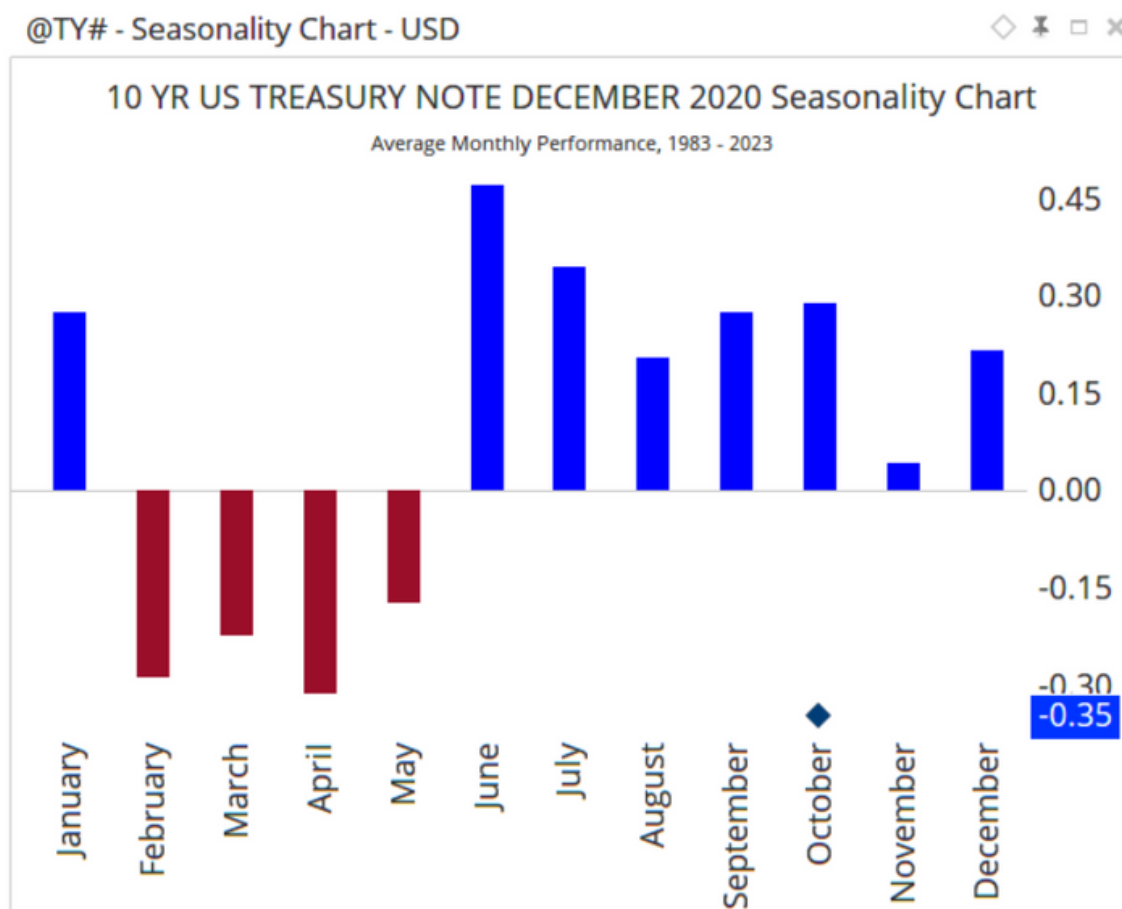
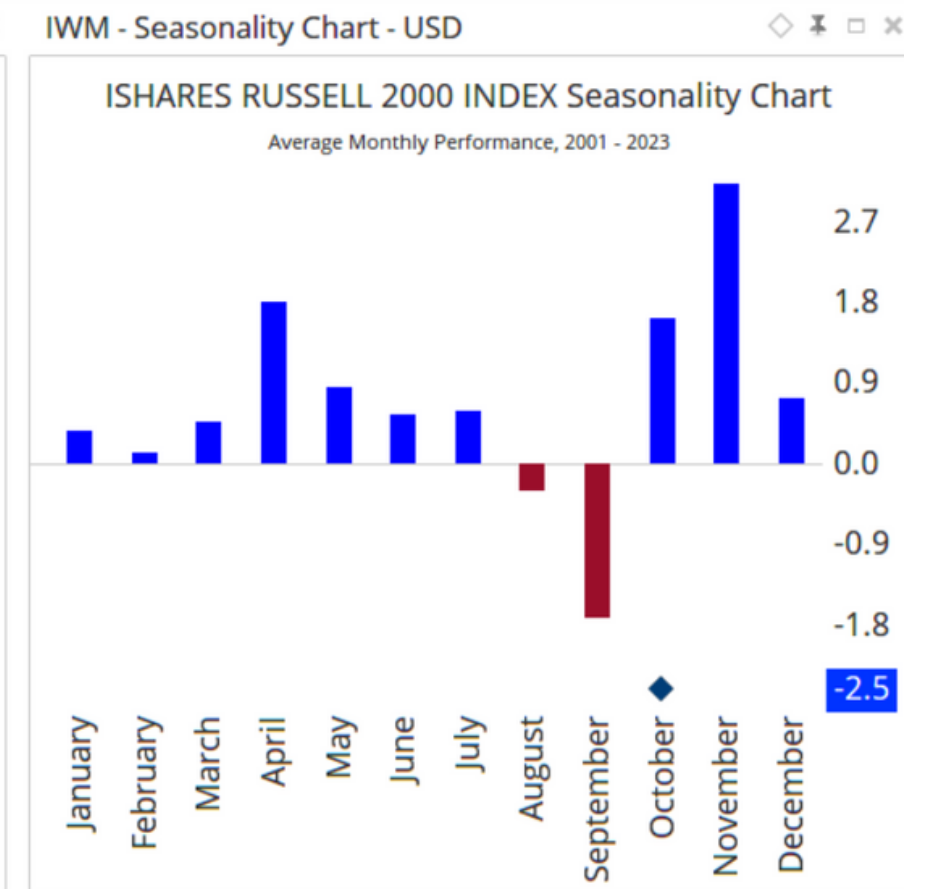
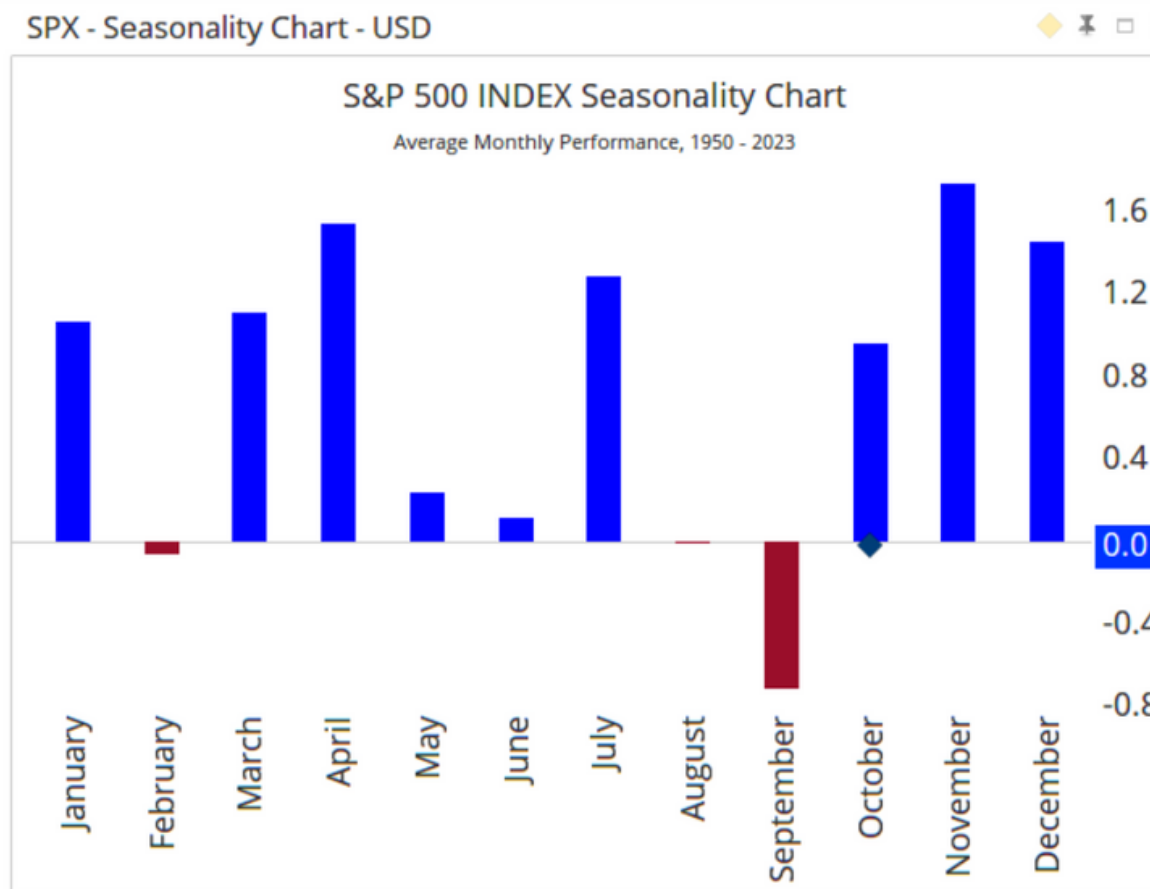
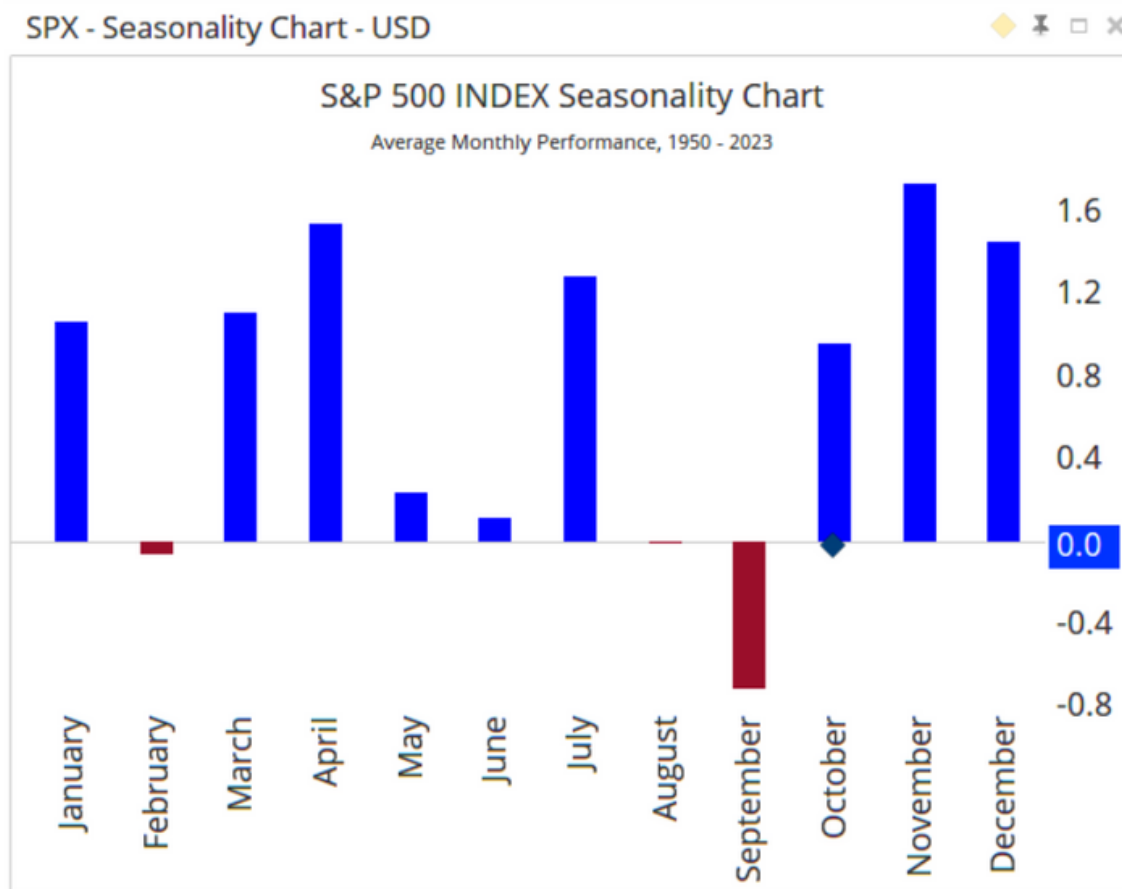




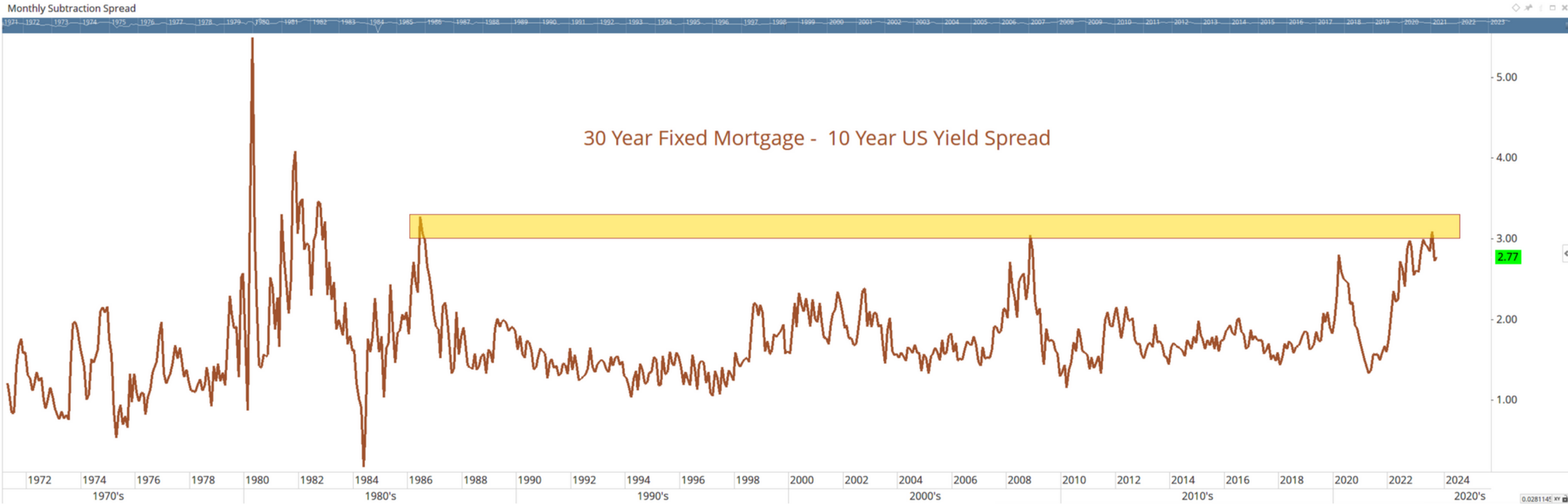
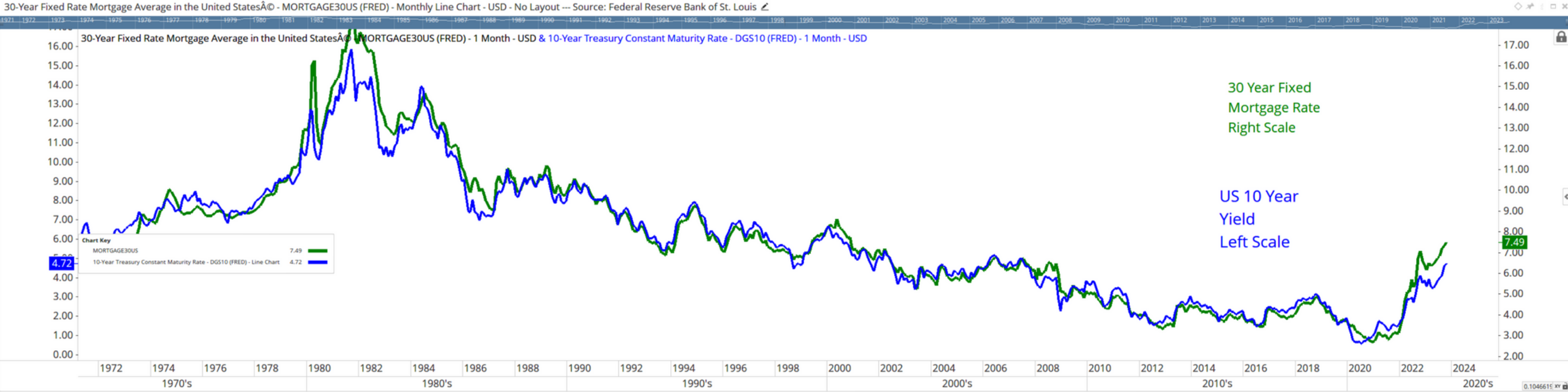






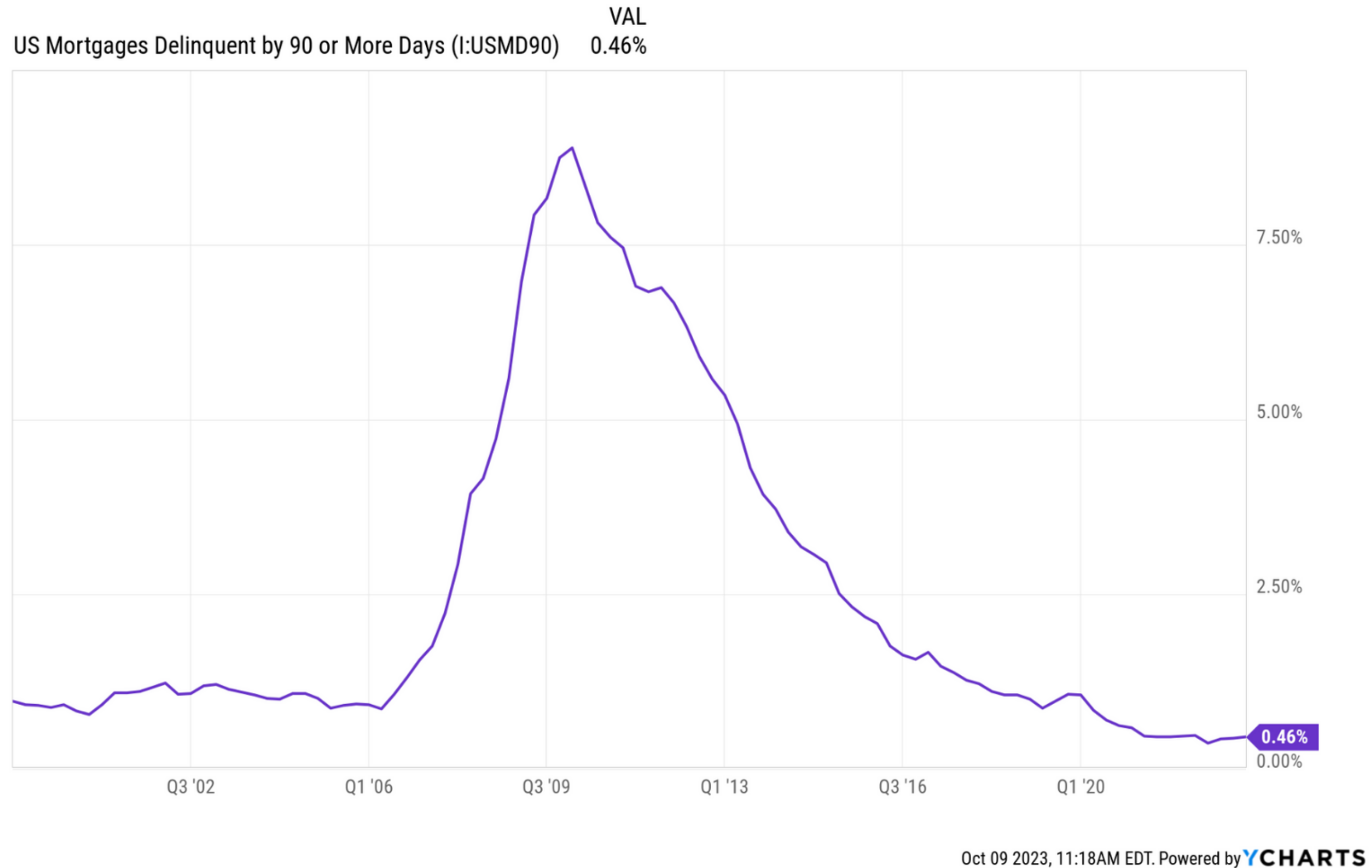


# SEASONALITY

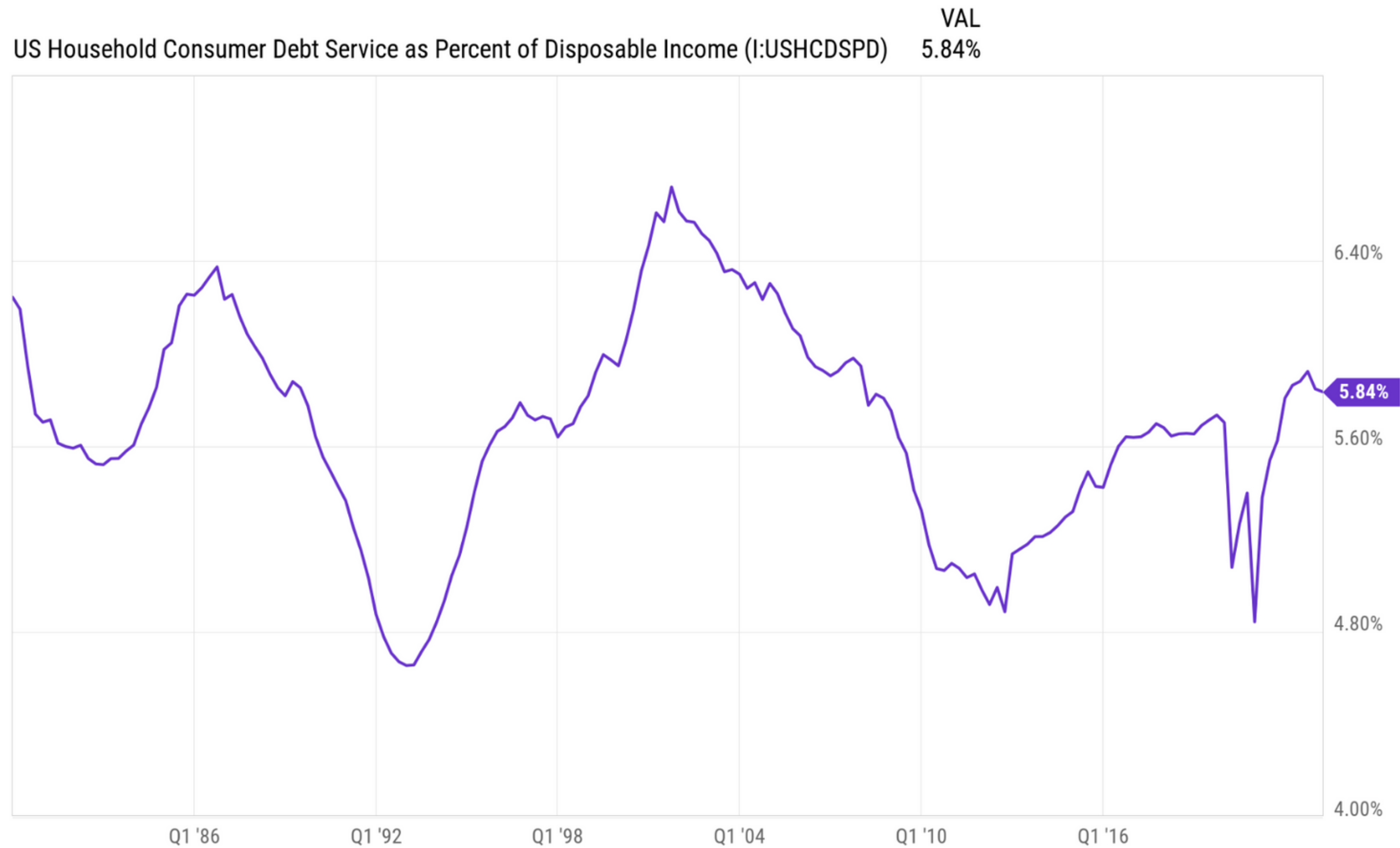


# 30 YEAR FIXED MORTGAGE - 10 YEAR US YIELD SPREAD





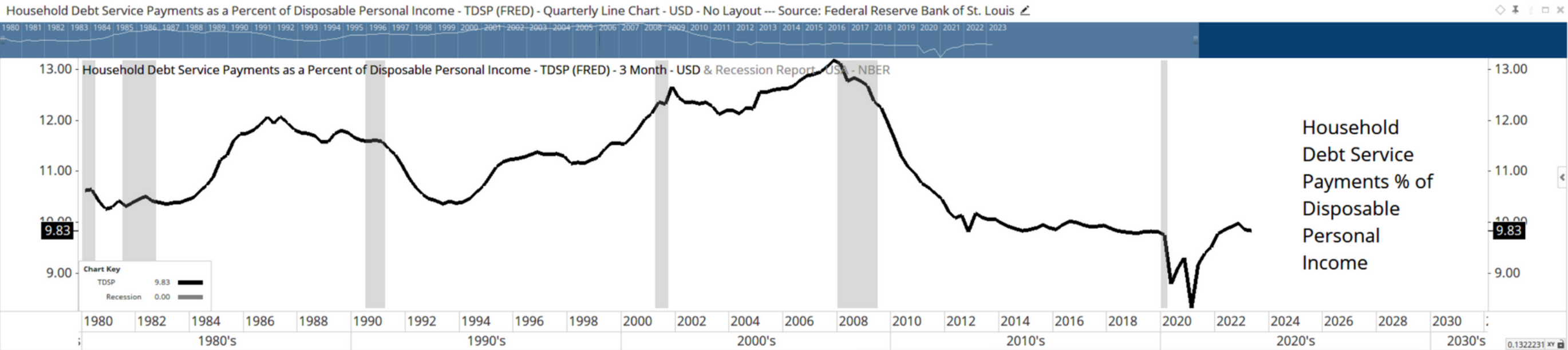
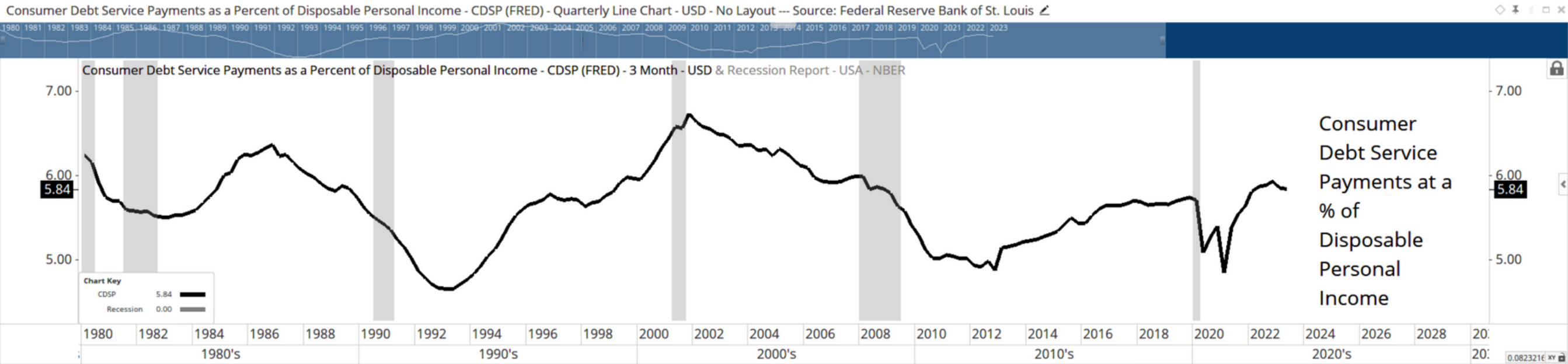
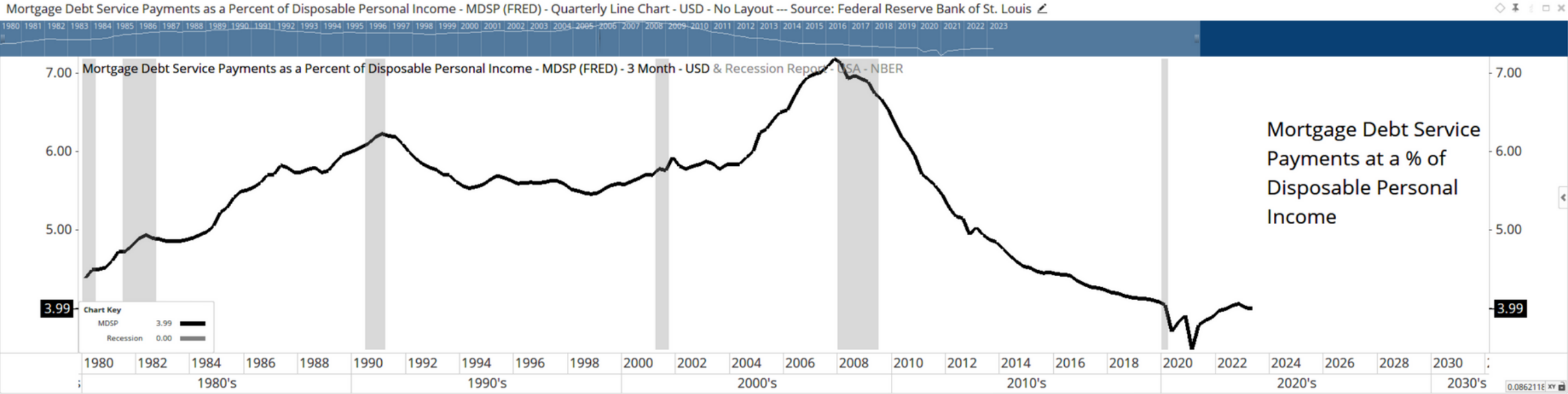
# US MORTGAGES DELINQUENT BY 90 OR MORE DAYS (I:USMD90)

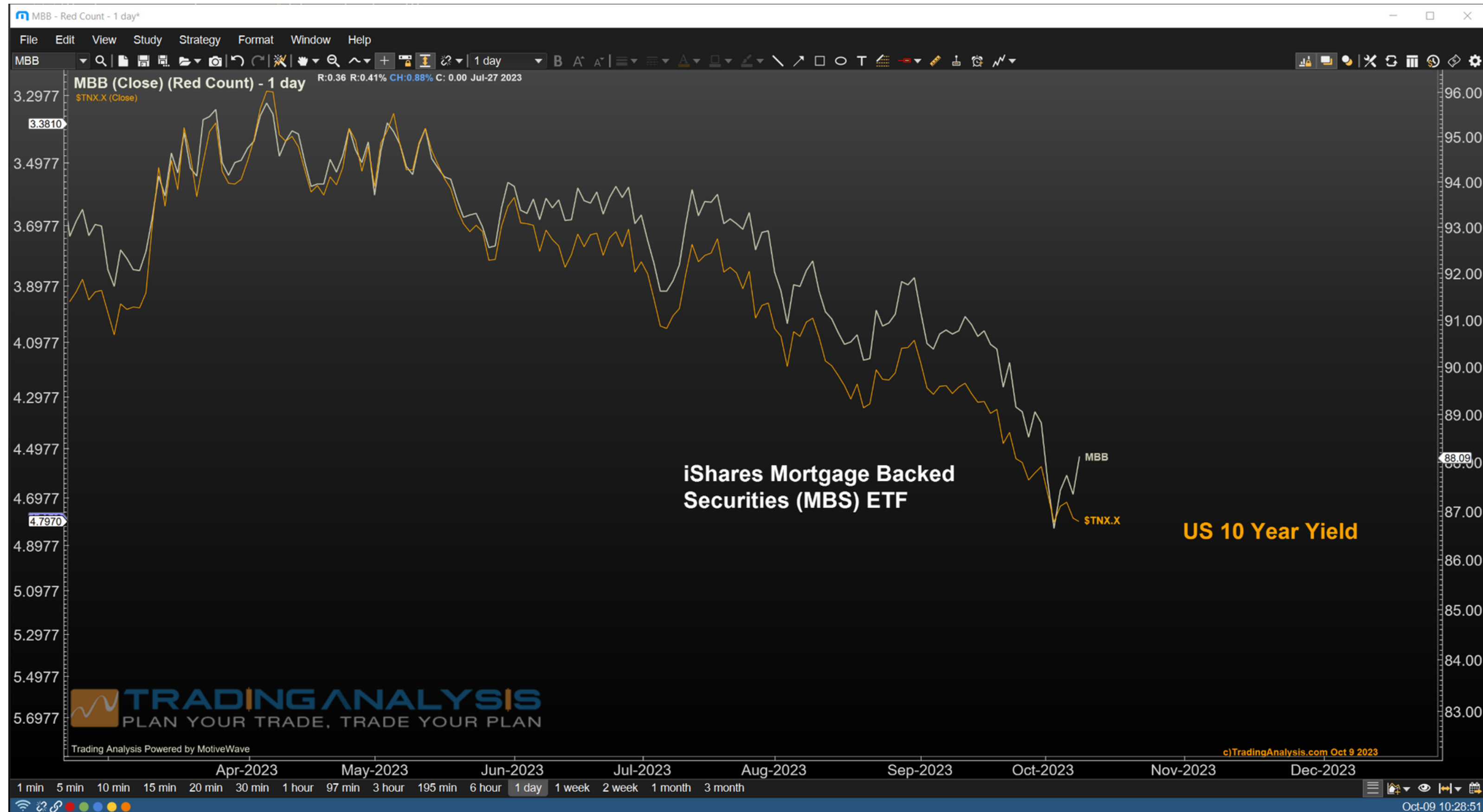


Oct 09 2023, 11:20AM EDT. Powered by **YCHARTS**

**US HOUSEHOLD CONSUMER DEBT SERVICE AS PERCENT OF DISPOSABLE INCOME (I:USHCDSPD)**







# MBS - MORTGAGE BACKED SECURITIES ETF / 10 YEAR YIELD



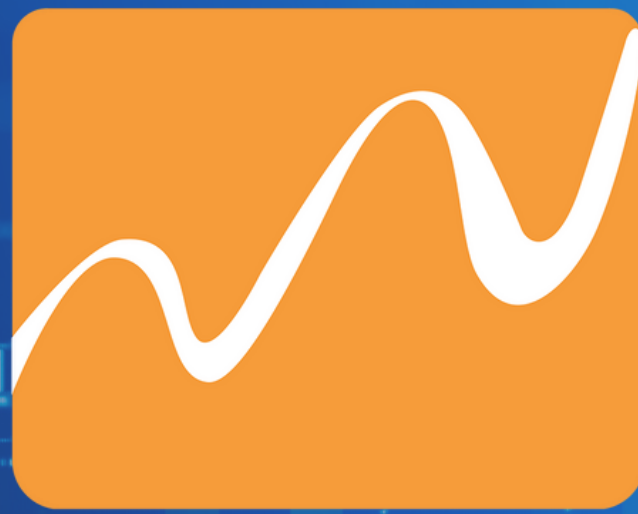


# XHB - HOMEBUILDERS ETF - INTO WAVE (4) SUPPORT ZONE?



# XHB - HOMEBUILDERS ETF - INTO WAVE (4) SUPPORT ZONE?





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