Market Briefing: Key Macro Correlations

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thinking outside the box
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Trade-Weighted Dollar & Commodities

Figure 1.

INDUSTRIALS COMMODITY PRICE INDEX & TRADE-WEIGHTED DOLLAR

CRB Raw Industrials Spot Price Index* (1967=100)

JP Morgan Nominal Broad Effective Exchange Rate**
(inverted scale)

* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wood tops, hides, rosin, rubber, and tallow.

** Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: Commodity Research Bureau and JP Morgan.

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Figure 2.

BRENT CRUDE OIL PRICE & TRADE-WEIGHTED DOLLAR

Brent Crude Oil Futures Price* (dollars per barrel)

JP Morgan Nominal Broad Effective Exchange Rate**
(inverted scale)

* Nearby futures price.

** Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: JP Morgan and Haver Analytics.
Figure 3. **RELATIVE PERFORMANCE OF US MSCI & TRADE-WEIGHTED DOLLAR** (daily)

US MSCI (in US$) Divided by All Country World ex US MSCI (in local currencies)

![Graph showing relative performance of US MSCI and trade-weighted dollar](yardeni.com)

* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: MSCI and JP Morgan.

Figure 4. **EMERGING MARKETS MSCI STOCK PRICE INDEX & TRADE-WEIGHTED DOLLAR**

Emerging Markets MSCI Stock Price Index (in local currencies)

JP Morgan Nominal Broad Effective Exchange Rate* (inverted scale)

![Graph showing emerging markets MSCI stock price index and trade-weighted dollar](yardeni.com)

* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: JP Morgan and Morgan Stanley Capital International.
Figure 5.

**EMERGING MARKETS MSCI STOCK PRICE INDEX (in dollars) & INDUSTRIALS COMMODITY PRICE INDEX**
(daily)

Emerging Markets MSCI Stock Price Index (in dollars)

CRB Raw Industrials Spot Price Index*

* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.


Figure 6.

**CHINA MSCI & INDUSTRIALS COMMODITY PRICE INDEX**

China MSCI Share Price Index (in dollars)

CRB Raw Industrials Spot Index (1967=100)

S&P 500 Sectors & Commodities

Figure 7.

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Figure 8.

S&P 500 MATERIALS & INDUSTRIALS COMMODITY PRICE INDEX

* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.

Source: Standard & Poor’s and Commodity Research Bureau.
Figure 9.

INDUSTRIALS COMmodity PRICE INDEX & COPPER FUTURES PRICE

* CRB Raw Industrials Spot Price Index (1967=100)
** Copper Futures Price (cents per pound)

Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.

Source: Commodity Research Bureau and Haver Analytics.

Figure 10.

GOLD SPot PRICE & INDUSTRIALS COMMODITY PRICE INDEX

* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.

Source: Haver Analytics and Commodity Research Bureau.
Figure 11.

INDUSTRIALS COMMODITY PRICE INDEX & EXPECTED INFLATION IN 10-YEAR TIPS

Expected Inflation in 10-Year TIPS*
CRB Raw Industrials Spot Price Index


Figure 12.

TRADE-WEIGHTED DOLLAR & EXPECTED INFLATION

JP Morgan Nominal Broad Effective Exchange Rate** (inverted scale)
Expected Inflation in 10-Year TIPS*

* Yield spread between 10-year US Treasury bond and comparable TIPS.
** Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: Commodity Research Bureau and JP Morgan.
Figure 13.

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Figure 14.

Emerging Markets MSCI Stock Price Index (local currency)
JP Morgan Nominal Broad Effective Exchange Rate*
(inverted scale)

* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States.

EMERGING MARKETS MSCI STOCK PRICE INDEX (in local currencies) & INDUSTRIALS COMMODITY PRICE INDEX

Emerging Markets MSCI Stock Price Index (local currencies)

CRB Raw Industrials Spot Price Index*

* Includes copper scrap, lead scrap, steel scrap, tin, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.