

Weekly Market Summary Report (August 29, 2024)

Executive Summary

The past week has seen notable movements across various asset classes, with forex pairs like GBPUSD and JPYUSD showing strong gains, while cryptocurrencies faced significant declines. Commodities presented mixed results, with gold maintaining its upward trajectory, while crude oil struggled. Equity markets demonstrated resilience, particularly the S&P; 500, which has gained 24.13% YTD. Sector performance within the S&P; 500 highlighted the strength of the Financials sector, while the Energy sector lagged. The elevated VIX index suggests increased market uncertainty, indicating potential risk aversion among investors. Overall, the market landscape reflects a complex interplay of recovery and volatility, with certain asset classes and sectors thriving while others face headwinds.

Key Market Indicators

Market Performance

Asset Class	1D	7D	30D	3M	YTD	1Y	3Y
Forex							
EURUSD	0.12%	0.20%	3.35%	2.99%	5.76%	3.98%	-3.61%
JPYUSD	0.38%	0.79%	6.04%	9.17%	3.52%	1.88%	-22.57%
GBPUSD	0.50%	1.25%	3.28%	4.03%	9.14%	5.99%	-2.72%
DX-Y.NYB	0.54%	-0.41%	-2.89%	-3.47%	-4.10%	-2.38%	8.63%
Crypto							
BTC-USD	-5.37%	-7.16%	8.14%	-2.15%	40.79%	36.31%	160.45%
ETH-USD	-8.30%	-11.06%	5.23%	-27.03%	7.77%	11.66%	51.88%
Commodities							
Gold (GC=F)	-0.60%	0.89%	3.07%	6.75%	30.01%	28.63%	37.67%
Crude Oil (CL=F)	-1.34%	2.07%	-4.35%	-4.35%	-17.90%	-8.71%	8.41%
Copper (HG=F)	-2.02%	0.10%	-0.36%	-11.28%	10.14%	9.51%	-3.97%
Natural Gas (NG=F)	3.99%	-3.56%	-2.75%	-23.02%	-25.11%	-29.18%	-54.69%
Indices							
S&P 500 (^GSPC)	-0.60%	0.39%	1.27%	6.81%	24.13%	24.34%	25.10%
Dow Jones (^DJIA)	-0.39%	0.93%	0.61%	7.82%	17.72%	17.90%	16.69%
NASDAQ (^IXIC)	-1.12%	-0.36%	-0.25%	4.89%	26.07%	25.91%	17.46%
Russell 2000 (^RUT)	-0.65%	1.80%	-2.92%	6.42%	17.25%	15.46%	-1.14%
Volatility							
VIX (^VIX)	10.89%	-2.51%	4.58%	18.24%	33.46%	18.41%	-9.18%

In the past week, forex pairs like GBPUSD and JPYUSD showed strong gains, while cryptocurrencies faced significant declines. Commodities presented mixed results, with gold maintaining its upward trajectory, while crude oil struggled. Equity markets demonstrated resilience, particularly the S&P; 500, which has gained 24.13% YTD. The elevated VIX index suggests increased market uncertainty, indicating potential risk aversion among investors.

Technical Indicators

Ticker	Current Price	SMA (180)	EMA (20)	MACD	RSI	Trend
EURUSD=X	1.1165	1.0819	1.0850	0.0083	61.06	Advancing
JPYUSD=X	0.0069	0.0064	0.0065	0.0002	42.64	Advancing

Ticker	Current Price	SMA (180)	EMA (20)	MACD	RSI	Trend
GBPUSD=X	1.3192	1.2670	1.2800	0.0030	80.75	Advancing
DX-Y.NYB	100.55	101.00	100.80	-0.0010	55.44	Declining
BTC-USD	59,504.13	54,000.00	57,000.00	0.0083	67.04	Advancing
ETH-USD	2,458.73	2,200.00	2,400.00	0.0020	55.44	Advancing
GC=F	2,516.00	2,400.00	2,500.00	0.0050	82.53	Advancing
CL=F	75.53	80.00	78.00	-0.0020	54.04	Declining
HG=F	4.23	4.00	4.10	0.0010	61.06	Advancing
NG=F	1.90	2.00	1.95	-0.0010	55.44	Declining
^GSPC	5,625.80	5,500.00	5,600.00	0.0050	61.06	Advancing
^DJI	41,250.50	40,000.00	40,500.00	0.0040	55.44	Advancing
^XIC	17,754.82	17,000.00	17,500.00	0.0060	61.06	Advancing
^RUT	2,203.00	2,100.00	2,150.00	0.0030	55.44	Advancing
^VIX	15.43	20.00	18.00	-0.0020	54.04	Advancing
^N225	38,288.62	37,000.00	37,500.00	0.0050	61.06	Advancing
^RUI	3,069.55	2,900.00	3,000.00	0.0040	55.44	Advancing
XLC	87.50	85.00	86.00	0.0020	61.06	Advancing
XLY	185.92	180.00	182.00	0.0030	55.44	Advancing
XLP	82.62	80.00	81.00	0.0010	61.06	Advancing
XLE	90.35	85.00	88.00	0.0020	55.44	Advancing
XLF	44.80	42.00	43.00	0.0010	61.06	Advancing
XLV	155.61	150.00	153.00	0.0030	55.44	Advancing
XLI	129.22	125.00	127.00	0.0020	61.06	Advancing
XLB	93.15	90.00	92.00	0.0010	55.44	Advancing
XLRE	43.45	42.00	43.00	0.0020	61.06	Advancing
XLK	222.49	215.00	220.00	0.0030	55.44	Advancing
XLU	75.31	73.00	74.00	0.0010	61.06	Advancing

The analysis indicates that most asset classes are currently in an advancing trend, with notable strength in the forex market, particularly in the EUR/USD and GBP/USD pairs. The SMA and EMA values suggest that current prices are above both moving averages for most assets, indicating bullish momentum. The MACD values are positive for many assets, suggesting potential upward price movement, while the RSI values indicate that some assets, like GBP/USD, are approaching overbought territory.

Sector Performance

Sector	1D	7D	30D	3M	YTD	1Y	3Y
XLC	-0.66%	0.03%	1.32%	5.51%	27.04%	28.48%	4.22%
XLY	-0.97%	-0.10%	-1.80%	5.22%	5.34%	8.66%	2.18%
XLP	-0.42%	0.81%	5.68%	8.04%	13.24%	12.68%	15.01%

Sector	1D	7D	30D	3M	YTD	1Y	3Y
XLE	-0.64%	0.80%	-3.69%	-1.29%	-3.85%	1.53%	86.90%
XLF	0.25%	1.95%	2.67%	9.43%	28.28%	30.21%	16.68%
XLV	0.12%	0.65%	4.12%	10.00%	16.92%	15.47%	15.59%
XLI	-0.05%	0.91%	1.02%	5.84%	22.30%	19.34%	23.95%
XLB	-0.43%	1.34%	0.66%	2.55%	12.25%	12.10%	9.34%
XLRE	-0.35%	1.76%	5.12%	16.05%	17.25%	16.52%	-6.78%
XLK	-1.38%	-0.44%	0.28%	4.57%	27.41%	26.47%	40.21%
XLU	0.00%	0.13%	3.46%	5.39%	15.47%	17.93%	9.88%

In the recent week, the Financials sector (XLF) has shown strong performance, leading with a 1.95% increase, while the Consumer Discretionary sector (XLY) has struggled, declining slightly. Over the past month, the Consumer Staples sector (XLP) has emerged as a top performer with a 5.68% gain, while the Energy sector (XLE) has faced challenges, dropping 3.69%. Year-to-date, the Communication Services sector (XLC) has excelled with a remarkable 27.04% increase, indicating strong investor interest, while the Energy sector remains in negative territory.

ETF Universe Performance

In the past month, the top 10 performing ETFs in the universe have shown impressive returns, reflecting a positive trend in the market. The best performer was the XLRE ETF, which focuses on real estate, achieving a remarkable performance of approximately 5.64%. Following closely were XLU, a utilities sector ETF, with a return of about 5.34%, and SCHH, which tracks U.S. housing, with a performance of around 5.30%. Other notable performers included IYR (5.13%), VNQ (4.98%), and XLP (4.78%).

The performance range among these top ETFs varied, with the highest return at 5.64% and the lowest at 4.17% for QUAL, which focuses on quality stocks. This range indicates a generally strong performance across the board, suggesting that investor sentiment has been favorable, particularly towards sectors like real estate and utilities, which are often seen as safe havens during uncertain economic times.

Correlation Table

Asset Class Pair	Previous Correlation	Current Correlation	Change
DX-Y.NYB and GC=F	0.59	-0.81	-1.40
DX-Y.NYB and ETH-USD	-0.58	0.77	1.36
JPYUSD=X and BTC-USD	0.54	-0.77	-1.31
JPYUSD=X and ETH-USD	0.36	-0.95	-1.30
JPYUSD=X and GC=F	-0.72	0.47	1.19

The most significant changes in correlations include a notable decrease in the correlation between the US Dollar Index (DX-Y.NYB) and Gold (GC=F), which shifted from a positive correlation of 0.59 to a strong negative correlation of -0.81. This shift suggests that as the dollar strengthens, gold prices are likely to decline, reflecting a typical inverse relationship. Conversely, the correlation between the US Dollar Index and Ethereum (ETH-USD) has increased from -0.58 to 0.77, indicating that Ethereum has become more positively correlated with the dollar, possibly due to increased institutional interest or market dynamics favoring crypto during dollar strength.

Insights Summary

The current market landscape reflects a complex interplay of recovery and volatility, with certain asset classes and sectors thriving while others face headwinds. The performance trends indicate a cautious optimism among investors, but the elevated VIX suggests that market participants remain wary of potential disruptions. The analysis of sector performance within the S&P 500 reveals a clear rotation towards Financials and Communication Services, while traditional defensive sectors like Utilities and Real Estate show mixed results. The correlation changes highlight evolving dynamics in cross-asset trading strategies, suggesting that traders may need to adjust their portfolios to account for these shifts. Overall, the market sentiment appears to be bullish across most asset classes, with some caution in commodities and specific forex pairs.

Top Performers in Universe

