



Technical Analysis Chart Pack

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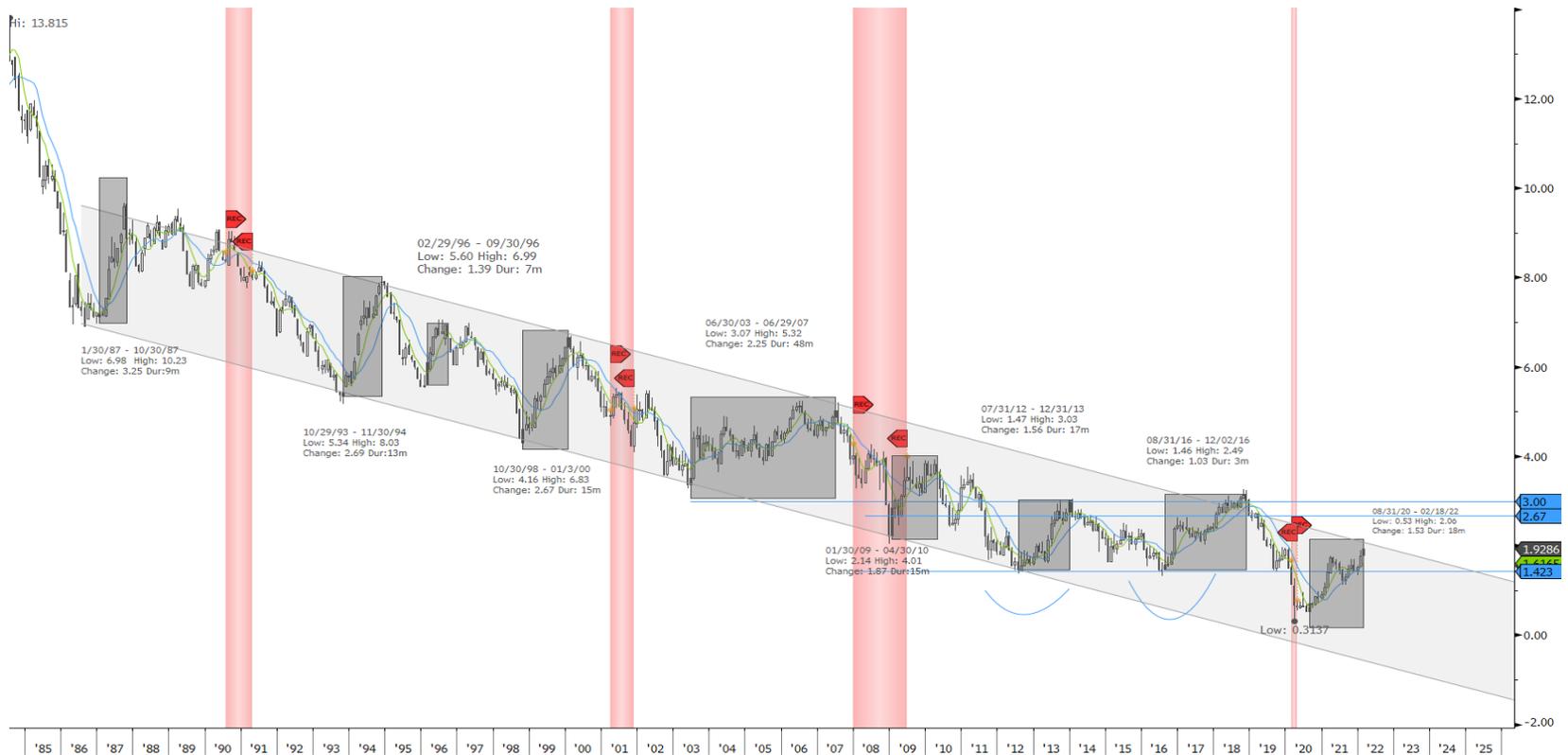
Key Market Themes

G4 government bond yields continue surging. U.S. IG and HY spreads bottomed, which confirms the equity market's correction but does not signal a market-wide risk-off. The greenback continues its uptrend, benefiting from the higher yields. The uptrend for the commodity prices remains, while the copper price is consolidating.

- U.S. 10 Yr Yield: The Secular Downtrend Remains in Play
- U.S. 10 Yr Yield: Is the Inflation Driver Losing Steam?
- U.S. 2s10s Yield Curve: The Bear Flattening Trend Continues
- Gilts 10 Yr Yield: Rising to Five-Year Highs
- Bunds 10 Yr Yield: Climbed Above Zero
- JGBs 10 Yr Yield: Approaching the BOJ's Yield Curve Control "ceiling"
- U.S. HY Spread: Bottomed
- U.S. IG Spread: Bottomed and Widening
- S&P 500: The Short-Term Trend Has Turned Downward
- EM Equity: The Medium-Term Downtrend Remains
- DXY Dollar Index: Reached the Target of the Double-Bottom Pattern
- WTI Crude Oil: Heading To \$100 Per Barrel?
- Copper: Peaking?
- Gold: A Continued Upside Move

U.S. 10 Yr Yield: The Secular Downtrend Remains in Play

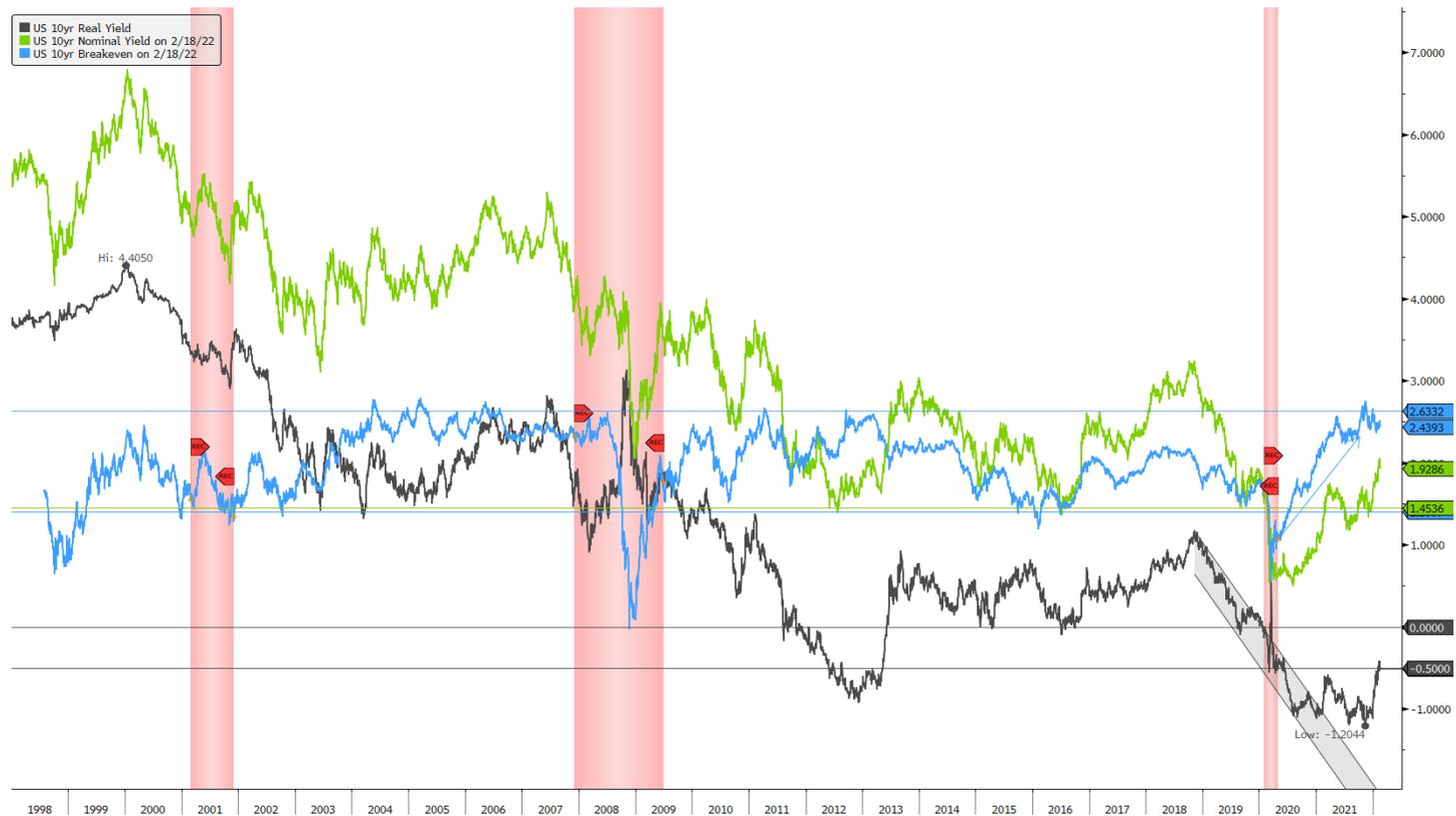
- The yield has increased about 153bps since the beginning of the current uptrend, which began in August 2020.
- The yield is approaching the upper bound of the trading channel.
- However, the yield remains capped by the upper bound of the secular downward trading channel.
- Until there is a clear break above the upper bound, we believe that the secular downtrend remains in play.



Source: Bloomberg and MIM

U.S. 10 Yr Yield: Is the Inflation Driver Losing Steam?

- The trend for the 10-year breakeven rate remains upward, but the pace has slowed.
- The 10-year breakeven rate is capped by the key resistance level, 2.63, which has been held for 20+ years.
- The real yield bounced off record-low levels, but remains in the negative regime.
- The short- and medium-term trends for the U.S. 10yr yield remain upward.



Source: Bloomberg and MIM

U.S. 2s10s Yield Curve: The Bear Flattening Trend Continues

- The 2-year yield increased at a faster pace than the 10-year yield, which drove the curve flattening.
- The trend for the 2s10s yield spread remains downward.
- It is about 46bps before the curve becomes inverted, which we believe is a key level to monitor.



Source: Bloomberg and MIM

Gilts 10 Yr Yield: Rising to Five-Year Highs

- The yield broke above the trading zone of 0.7% and 1%.
- The short- and medium-term trends remain upward.
- we feel that the next key support level is around 1.5%.



Source: Bloomberg and MIM

Bunds 10 Yr Yield: Climbed Above Zero

- The uptrend for Bunds 10-year yield continues.
- The yield finally became positive, after having been below zero for 3 years.
- The next support is at about 0.49% in our view.



Source: Bloomberg and MIM

JGBs 10 Yr Yield: Approaching the Ceiling of BOJ's YCC

- The yield is approaching to 0.25%, which is the upper-bound target of the Bank of Japan's Yield Curve Control (YCC).
- The global yield surge and the potential for policy rates from other central banks to increase are putting upward pressure on the JGBs 10 yr yield.
- As the BOJ remains committed to its YCC policy, we do expect a consolidation around 0.25%.



Source: Bloomberg and MIM

U.S. HY Spread: Bottomed

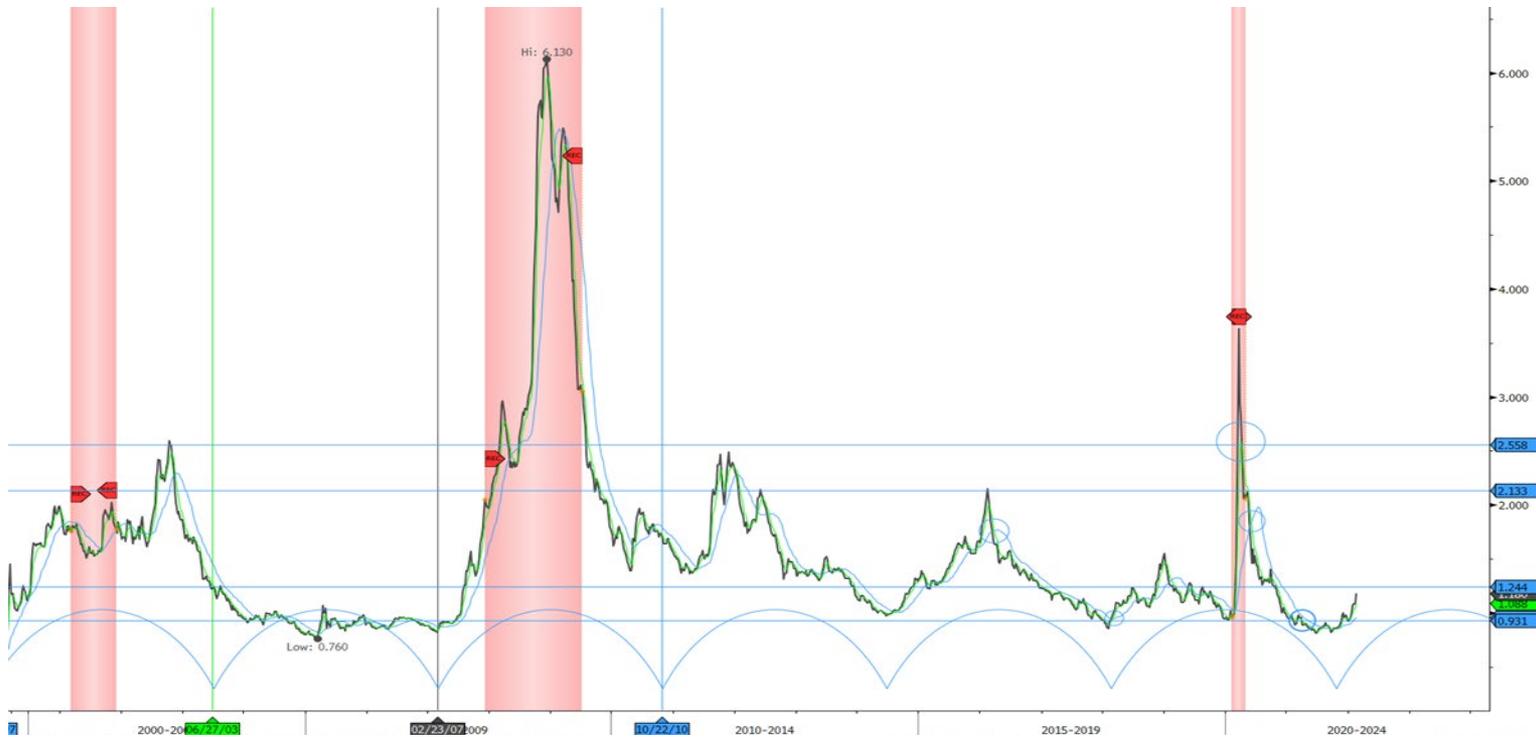
- The spread seems to have formed a bottom.
- The spread widened about 90 bps from the beginning of this year, which confirms the equity correction.
- However, the current spread level remains relatively low compared to the pre-pandemic levels, and doesn't suggest a major risk-off movement, in our opinion.
- We believe that the solid economic outlook and the strong corporate fundamentals are supportive for the HY spread.



Source: Bloomberg and MIM

U.S. IG Spread: Bottomed and Widening

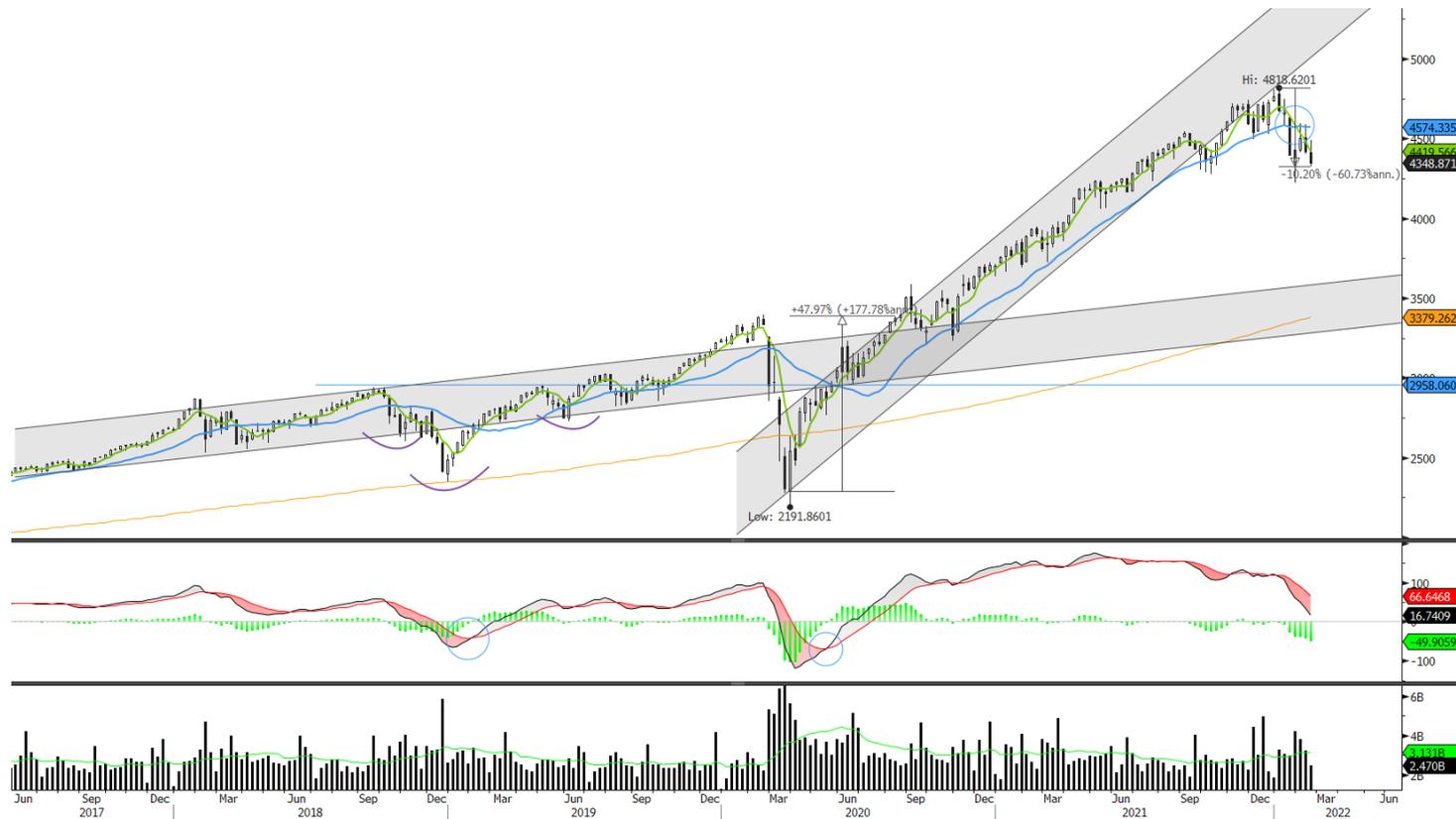
- The U.S. IG spread has a similar pattern and trend as that for the U.S. HY spread.
- The short-term trend has turned upward, but remains relatively low compared to the longer history.
- The cycle indicator, at the bottom, shows that IG credit seems following a 4-year cycle.
- The indicator did a decent job of capturing the peaks and troughs in the last few cycles.
- The cycle indicator signals that the IG spread may have formed a bottom in the current cycle.



Source: Bloomberg and MIM

S&P 500: The Short-Term Trend Has Turned Downward

- The index broke below the lower bound of the upward trading channel in December 2021, and failed to resume that uptrend.
- Subsequently, the short-term moving average crossed below the medium-term moving average, which signals that the current correction may have more room to run.
- The index has dropped about 10% from the all-time highs since the beginning of this year.
- The MACD indicator, in the second panel, shows that the momentum continues decreasing.



Source: Bloomberg and MIM

EM Equity: The Medium-Term Downtrend Remains

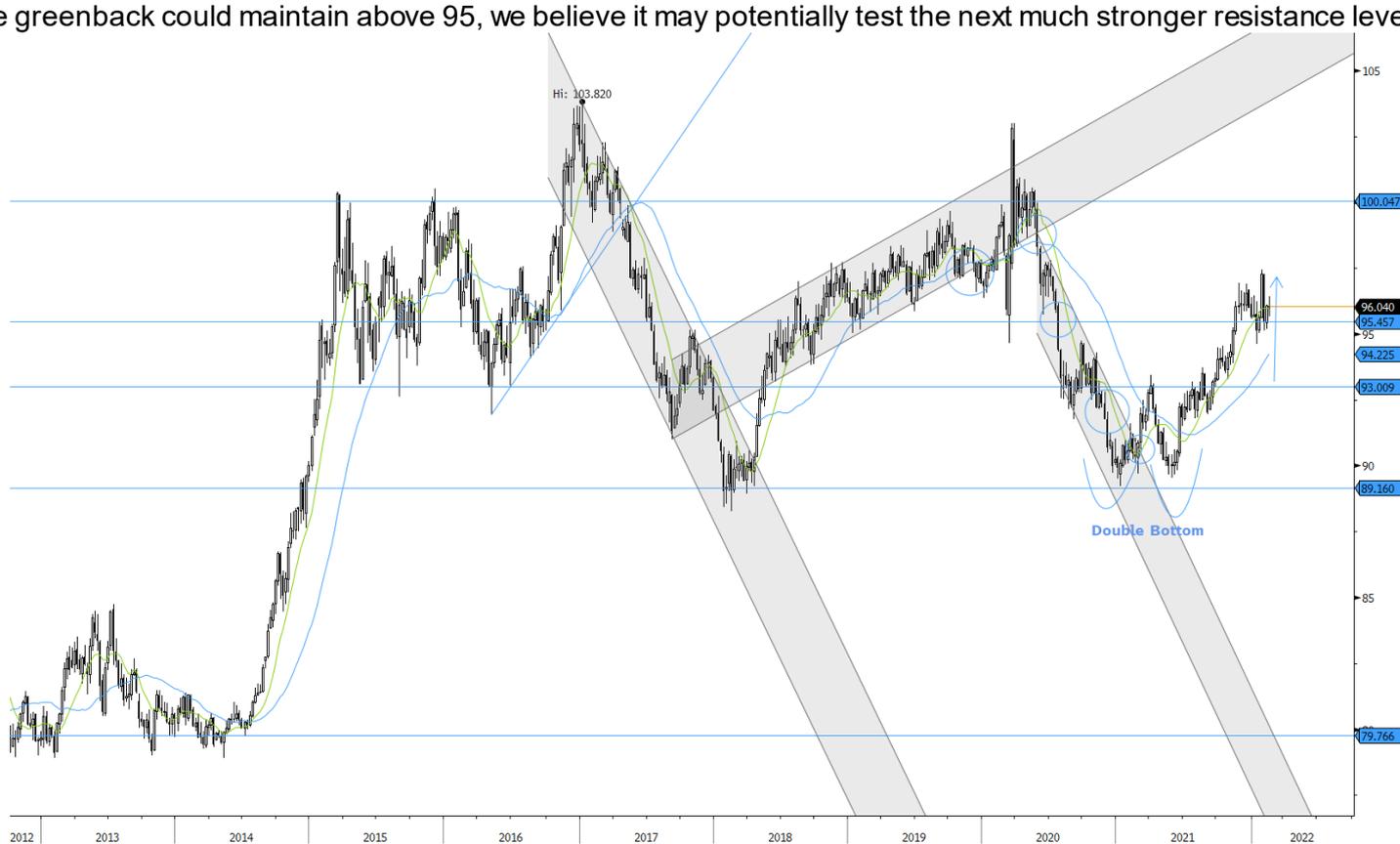
- The medium-term trend remains downward, well within the downward trading channel.
- The Stochastic indicator, in the third panel, shows that the index briefly touched the oversold regime, which signals a rebound could be becoming more likely, but that has not been confirmed by the price action.
- The index is currently testing the support of 1200.



Source: Bloomberg and MIM

DXY Dollar Index: Reached the Target of the Double-Bottom Pattern

- The greenback broke above the key resistance of 95.
- Then, the greenback reached 97, which is the implied price target of the double-bottom pattern.
- The short- and medium-term trends remain upward.
- If the greenback could maintain above 95, we believe it may potentially test the next much stronger resistance level of 100.



Source: Bloomberg and MIM

WTI Crude Oil: Heading To \$100 Per Barrel?

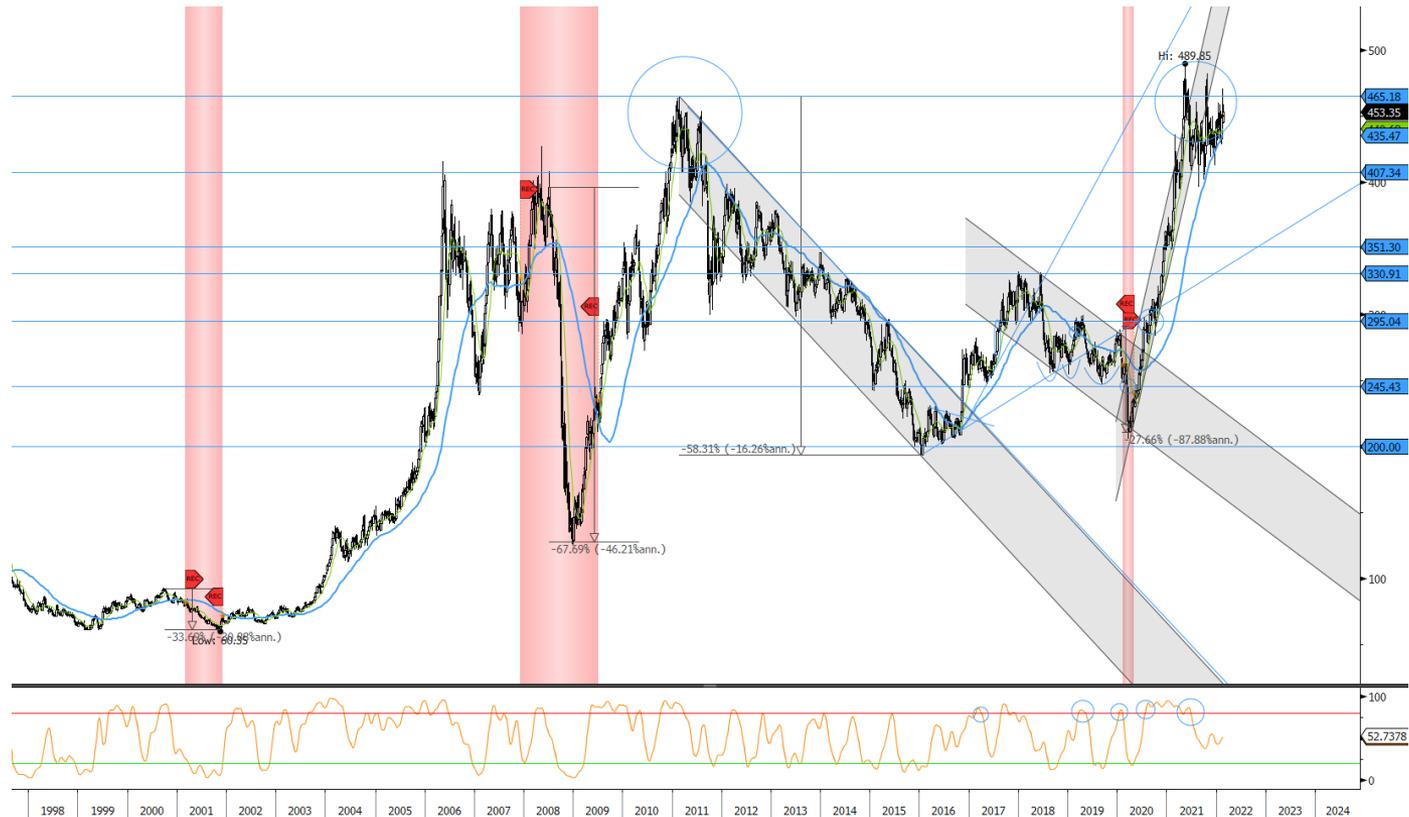
- The price broke above the key resistance of \$80.
- The trend remains upward in our view.
- There is no meaningful resistance between \$80 and \$100, except the upper bound of the upward trading channel, in our opinion.
- We believe that the current economic backdrop, supply chain issues, higher inflation, and Ukraine crisis support the higher oil prices.



Source: Bloomberg and MIM

Copper: Peaking?

- It seems that the copper price has been consolidating around the prior peaks and the 2011 highs, although the long-term trend remains intact.
- If the copper price fails to break above the prior peaks, it may suggest that the economic activities could slow down a bit in next couple of quarters.
- The next key support is around 407, in our view.



Source: Bloomberg and MIM

Gold: A Continued Upside Move Is Likely

- The Gold price broke above the upper side of the symmetric triangle pattern, which suggests a potential upward move.
- We think that the next immediate resistance is about 1900, then the next stronger resistance is about 2000, which is around both the lower bound of the upward trading channel and the prior peak formed in August 2020.



Source: Bloomberg and MIM

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Jun Jiang is a Market Strategist in Global Economic & Market Strategy team, where he helps to develop and communicate the firm's global macro-economic outlook and market views as well as assisting in the overall asset allocation and portfolio management process. Previously, Mr. Jiang was in the Global Portfolio Strategy unit, where he worked on portfolio strategy and portfolio analytics. Mr. Jiang joined MetLife in 2011. Prior to joining MetLife, Mr. Jiang was a Credit & Portfolio Risk Management Analyst at Citigroup.

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