

2024 FICC Technical Advantage

Flying near the hard deck

Key takeaways

- Rates: A cyclical bull market began in Q4 & implies US10Y can decline to 3.30%. Buy 10Y dip in H1 as a larger yield top forms
- Gold: No such thing as a quadruple top. Bull flag still favors new all-time highs such as \$2150, possibly \$2300s if > \$1900
- DXY trending lower (100 maybe 97.50) but USD/EM is still supported. The higher the US U-rate trends the lower USD & yields go

Rates: Cyclical bull = Lower yields & steeper curves

US treasuries started a cyclical bull trend in 4Q23 when the 10Y touched our secular target area of 5.00-5.50%. In summary, US 10Y yield's "wave 5" peaked at 5.02% ([Oct 25](#)). Then the daily chart of 10Y yield formed a head and shoulders top confirming downside to +/- 4% ([Nov 15](#)). However the weekly chart has not topped yet and may do so in 1H24 (Chart 4). This means yield might bounce back to a lower or equal high providing a buying opportunity. A cyclical bull trend tends to mean a 38.2% Fibonacci retracement of the secular trend. A synchronized global retracement implies US 10y to 3.32%, Bund to 1.52%, OATs to 2.05% and Aussie to 3.30%. We still see US 2s10s steepening to +20 and maybe +50 bps. US 5s30s to +60 and maybe +85 bps. A head and shoulders bottom says steeper Schatz-Buxl and a top says US-Bund 10y spread declines.

FX: 2024's first green is gold.

DXY topped in 4Q23 just like it did in 4Q22 setting up another USD bear theme in/into 2024. While the initial target in the low 103s was already reached ([Nov 10](#)), it's possible this double top is the start of a larger decline in our weekly chart to 100. A proper DXY bear market reaches the bottom of the 15 year long uptrend channel at 97.50. The extent of DXY downside depends on three things. 1) Gold breaking higher in line with the bull flag ([Nov 19](#)) and under the guise that there is no such thing as a quadruple top. 2) Our weekly charts show many medium-term USD/EM charts are supported so the burden is on the bulls to buy EMFX, break supports and reveal a weaker USD. And 3) We don't receive any more bullish snapback signals like we did last [February](#) and [April](#).

Macro: Bonds over BCOM and the U-rate uptrend is young

Bonds vs Commodities has been building a base since 2H22 and remains in favor of long bonds / short commodities. BBDXY vs Bonds peaked in 2023 completing five waves up like the 10Y yield. Three waves lower should follow with the first wave underway, the second a bounce in 1H24 and the third lower in 2H24. The US U-rate confirmed a double bottom in the 2H23. We studied ten technical bottoms in the U-rate since 1950 and found the average and median change after a technical bottom was confirmed is up 1.8% in 10-11 months. If history tracks average, then the U-rate may be >=5% in 2024. This should favor lower yields, lower USD and higher gold as markets react dovishly.

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Refer to important disclosures on page 26 to 28. Analyst Certification on page 25. 12631966

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FICC Technical Strategy
Global



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This report expands on our technical views discussed in our Global FICC year ahead reports last month:

BofA Global Research Reports

Title: Subtitle	Primary Author	Date Published
Global Macro Year Ahead: Hope for the best, prepare for the worst	Global Rates & Currencies Research	19 November 2023
Global Rates Year Ahead: 2024: Cloudy with a chance of landing	Global Rates Research	19 November 2023
FX Viewpoint: G10 FX Year Ahead: The year of the landing	G10 FX Strategy	20 November 2023

SMA: Simple Moving Average

Golden Cross: When the 50 day SMA crosses above the 200 day SMA

RSI: Relative Strength Index

U-rate: US unemployment rate

For more on technical, please see [Technicals Explained: Get to know technical strategy 23 January 2023](#)

Rates Technical Strategy

- Our Elliott wave trend following process suggests the global cycle of rising yields during the last four years (since 1H2020) likely reached a major turning point in Q4, or the end of wave 5. Typically, three corrective waves lower in 2024 should follow.
- US treasuries = Cyclical bull. US 10Y yield peaked in Q4 and then formed a head and shoulders top to signal downside to the 200-day SMA at 4%. A weekly chart top remains on deck to signal lower targets such as 3.3%. US 2s10s steepening to 20 and maybe 50 bps. US 5s30s to 60 and maybe 85 bps.
- 10Y Bunds and OATs yield have rising wedge top patterns ending wave (5). Head and shoulder patterns favor a steeper Schatz-Buxl and lower US-Bund 10y yield spread. Australia 10y yield reached peak at 5% with a blow-off top.

This is an update of the Technicals section in the Global Rates Year Ahead: 2024: Cloudy with a chance of landing 19 November 2023.

US 10Y: Cyclical bull = Lower yields & steeper curves

10Y yield topped in Q4 and is headed to 4%, cyclical bull means 3.32% possible

US treasuries started a cyclical bull trend in 4Q23 when the 10Y touched our secular target area of 5.00-5.50%. In summary, US 10Y yield's "wave 5" peaked at 5.02% ([Oct 25](#)). Then the daily chart of 10Y yield formed a head and shoulders top confirming downside to +/- 4% ([Nov 15](#)). However the weekly chart has not topped yet and may do so in 1H24 (Chart 4). To top, yield must bounce back to a lower or equal high providing markets with a buying opportunity. A cyclical bull trend tends to mean a 38.2% Fibonacci retracement of the secular trend. A synchronized global retracement implies US 10y to 3.32%, Bund to 1.52%, OATs to 2.05% and Aussie to 3.30%. We still see US 2s10s steepening to +20 and maybe +50 bps. US 5s30s to +60 and maybe +85 bps.

Bund, OATs and Australia 10Y yields topped, turning lower

The highs in 10Y bund yield above 3% can qualify as wave (5) up as a rising wedge top forms. Three waves lower in 2024 should follow with initial downside of 2.35%. The French 10Y yield (OATs) is tracking bund yield patterns with initial downside of 2.75%. Australia's 10y yield extended past its typical wave (5) target of 4.52% with a blow-off peak at 5%. It has an identifiable wave v of (5) up pattern to say yield peaked and is turning lower to 4%, possibly 3.73%.

Head & shoulders favor steeper Ger 5-30, lower US-Bund

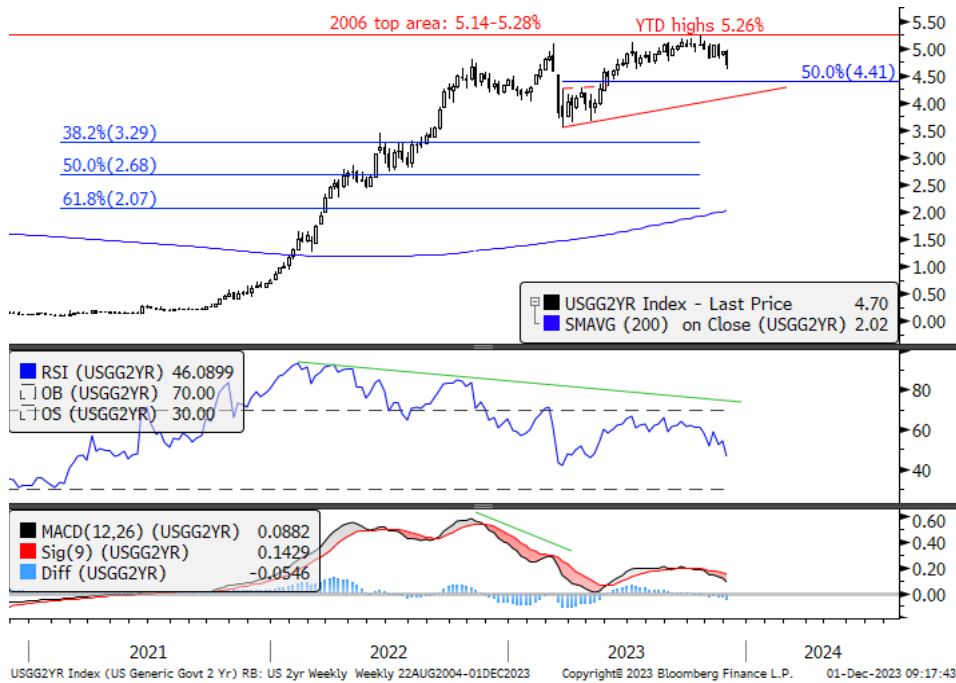
The Schatz-Buxl spread (5s30s) has formed a head and shoulders base that favors steepening to 65bps. The US-Bund 10y spread formed a head and shoulders top that favors a decline to 155bps while below 200bps.

Rates Chart Appendix

US 2Y Yield

Chart 1: US 2 Year Yield – Weekly Chart (G681)

Failure at 2006 yield highs and bullish RSI diverge says yield falls in 2024 with 4.41%, 4.00% and 3.55% a starting point. A 38.2% retracement would mean 3.29% and still well above the rising 200wk SMA in the 2s.



Source: BofA Global Research, Bloomberg

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US 5Y Yield

Chart 2: US 5Y yield – weekly Chart (G 690)

A wave (5) peak at 5% in 4Q23 marked the beginning of a cycle turn and mean reversion.



Source: BofA Global Research, Bloomberg

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US 10Y Yield

Chart 3: US 10Y yield – Daily Chart (G 691)

In 4Q23, a head and shoulders top signaled a decline to 4.34%, 4.13% and possibly the 200d SMA at 4%. This has mostly worked and longs may reduce/flip short in the 4.25-4.00% area.

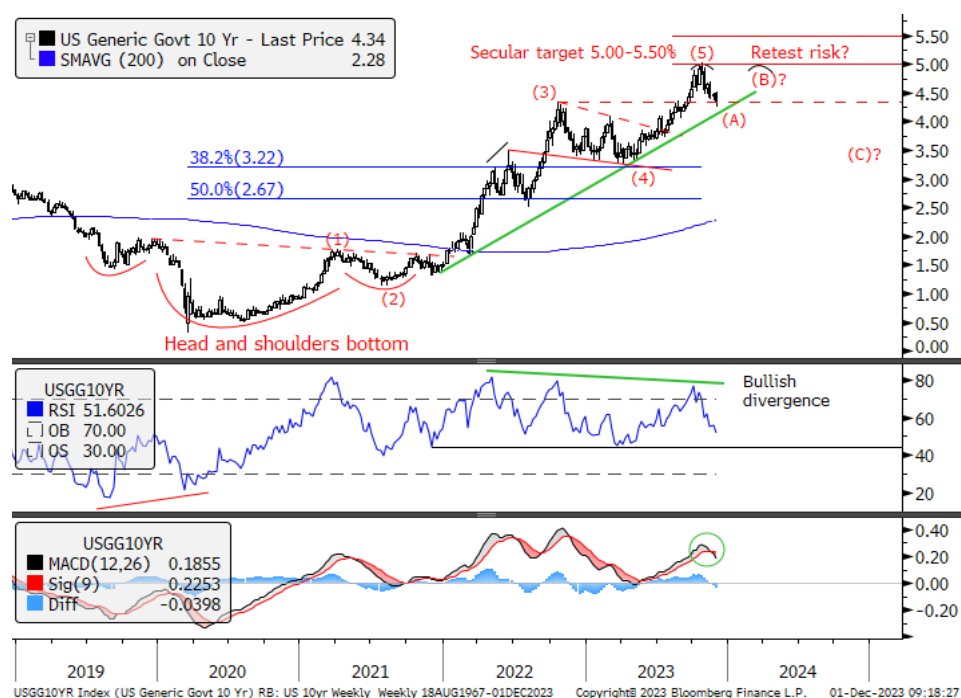


Source: BofA Global Research, Bloomberg, DeMark Analytics

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Chart 4: US 10Y yield – Weekly Chart (G 692)

Wave 5 up ended at 5.02% in 4Q23. Three waves lower should follow toward 3.22%. While there is a daily chart top (head and shoulders) there is no weekly chart top. A risk is yield bounces back in 1H24 to form wave "B" up as a lower high or double top, then wave "C" down follows in mid/late 2024 to 3.22%.



Source: BofA Global Research, Bloomberg

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Chart 5: US 10Y yield – Monthly Chart (G 1203)

Secular target area of 5.00-5.50% narrowly reached in 2023. This is the buy zone for wave V ending and a major pivot area in history. Three waves down from here could test point IV, or +/- 3.25%. A mean reversion to the 200m SMA would mean below 3%. If we're wrong that a cyclical bull market is underway in 2024 or it is shallow such as 4% and then the bear market resumes, we can see 5.5% and possibly 6.25%.



Source: BofA Global Research, Bloomberg

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US 30Y Yield

Chart 6: US 30Y yield – weekly Chart (G 694)

RSI divergence suggests wave 5 ended near target of 5.22% in 4Q23. Three down waves should follow with the first wave underway in 4Q23.



Source: BofA Global Research, Bloomberg

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US 2s10s to steepen, un-invert and see +20bps, possibly 50bps

Chart 7: US 2s10s – Weekly Chart (G 696)

Five wave wedge bottom and double bottom signal wave III up underway to +20, possibly 50bps in 2024.



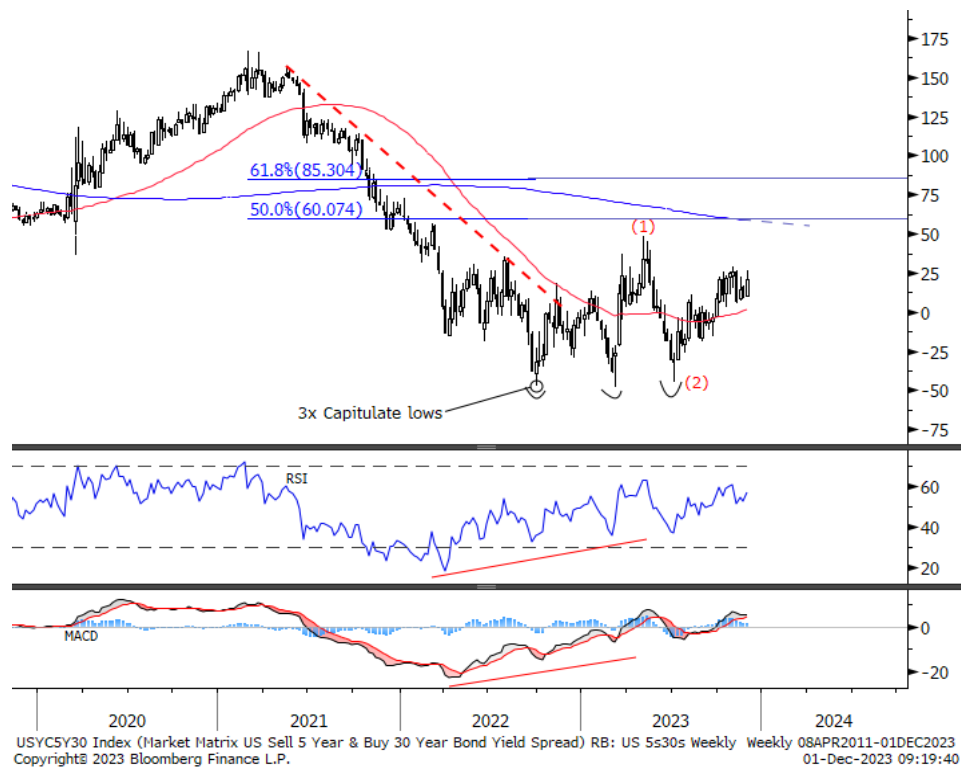
Source: BofA Global Research, Bloomberg

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US 5s30s to steepen to 60, maybe 85, basis points

Chart 8: US 5s30s - Weekly Chart (G 698)

Triple bottom building with wave (3) up underway to 60-85bps in 2024.



Source: BofA Global Research, Bloomberg

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Bund yield formed rising wedge top ending wave 5

Chart 9: German 10Y Bund Yield – Weekly Chart (G 744)

Wave 5 up a "rising wedge" pattern which suggests bund yield likely peaked in 4Q23 and downtrend in 2024 to, for example, 2.35%, 2.00% and possibly the cyclical bull target of 1.52%.



Source: BofA Global Research, Bloomberg

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OATs and Australia 10Y yields ended wave 5 with tops, heading lower too

Chart 10: France 10Y OATs yield – Weekly Chart (G 337)

Rising wedge top pattern, initial downside 2.75%. Cyclical bull target 2.05%.



Source: BofA Global Research, Bloomberg

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Chart 11: Australia 10Y yield – weekly Chart (G 810)

Blow-off peak to 5% ending wave v of 5 up. Three waves lower beginning to 4% / 3.73%. Cyclical bull target 3.30%



Source: BofA Global Research, Bloomberg

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Steeper Schatz-Buxl spread; Tighter US-Bund 10y spread

Chart 12: German 5s30s yield spread – Weekly Chart (G 404)

Head and shoulders bottom pattern favors 2024 steepening to 65bps.



Source: BofA Global Research, Bloomberg

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Chart 13: US-Bund 10y yield spread – Daily Chart (G 747)

Head and shoulders top favors drop to +/- 155bps while below 200.



Source: BofA Global Research, Bloomberg

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FX Technical Advantage

- DXY topped in 4Q23 just like in 4Q22 setting up a repeat USD bear theme in 2024. Initial target already reached (103.50). Sell the bounce for 100.
- Downside conviction in DXY is limited until gold breaks higher and USD/EM breaks lower. Gold's bull flag, relative strength and no such thing as a quadruple top favor higher. This means higher euro to 1.12/1.15 and higher AUDUSD back near .70.
- Bigger USD bear only if bullish USD/EM charts break down. For example, USDPLN still supported at 3.90, USDZAR at 18.10, USDKRW at 1275, USDMXN at 17.00, USDBRL in 4.80s, USDCOP at 3875. We could argue buying these now as a tactical Dec-Jan trade provided support continues to hold.

We expand on the Technicals section of the [G10 FX Year Ahead](#)

DXY double top in 4Q23 started bearish wave C down

DXY repeating 4Q22 in 4Q23 and, if that continues, it heads lower in 2024

DXY formed a double top in the 107s which was confirmed by US NFP data on Nov 3 and saw follow through after US CPI data on Nov 14. This was the start of a turn down in/into 1Q24 with initial target in 103s already reached. This top has potential to represent the end of wave B up in the weekly chart which precedes the start of wave C down to 100 and possibly 97.50 (Chart 15). The risk is a base at 103 and a retest of 2023 highs. Consider higher euro while above 1.0450 for 1.1150 (200wk SMA), retest of YTD highs at 1.1276. And if gold breaks higher and USD/EM lower we'll see 1.15. The risk we see in the weekly euro chart is if the right shoulder of a speculative head and shoulders top forms which drastically changes this narrative as it could imply parity.

Gold: Bull flag says 2024 next best chance for new highs

Bull flag breakout in late October measures higher to \$2145, possibly \$2300s

In May through Oct 2023 the weekly chart of spot gold prices formed a bull flag pattern. This pattern, which tends to form in the middle of an uptrend, suggests gold can rally to \$2145 and possibly into the \$2300s in 2024. We present a wave count that supports an uptrend that labels Q4 the end of wave ii down and the start of wave iii up. A risk is if gold never breaks \$2067-2079 and a sideways to lower wave "Y" persists. We like long gold while above \$1900/1920 supports. A golden cross on the daily charts, or when the 50d SMA crosses above the 200d SMA, supports this. (Chart 16)

But breadth of USD charts mixed and supported in EM

While the prior two paragraphs cast a bearish USD / bullish gold bias for 2024, we'd be remiss to not mention a scenario where euro is rangebound (1.05-1.12), that GBPUSD hasn't broken its downtrend since 2008 yet and many USD/EM charts are still in supported uptrends. These trends must change to say a larger USD bear develops in 2024 than realized in 2023. Otherwise, it's selective USD bear or choppy year in FX.

FX Trade Radar

1. With GBPUSD in a downtrend since 2008 and AUDUSD forming a triangle base, we still like lower GBPAUD and show EURAUD recently broke down with room to trend. We like lower USDJPY, EURNOK and EURSEK, too.
2. With USDMXN holding long term trend line support and EURMXN having formed a wedge bottom, we're bearish MXN. A head and shoulders top is bearish MXNCLP.
3. USD bounce back in Dec-Jan? USDPLN, USDZAR and USDKRW are all holding trend line support levels as December begins. In a rules-based process, one could be long USDPLN while above 3.90, long USDZAR while above 18.10 and long USDKRW while above 1275/1270. If they break, longs get stopped and shorts may press more.

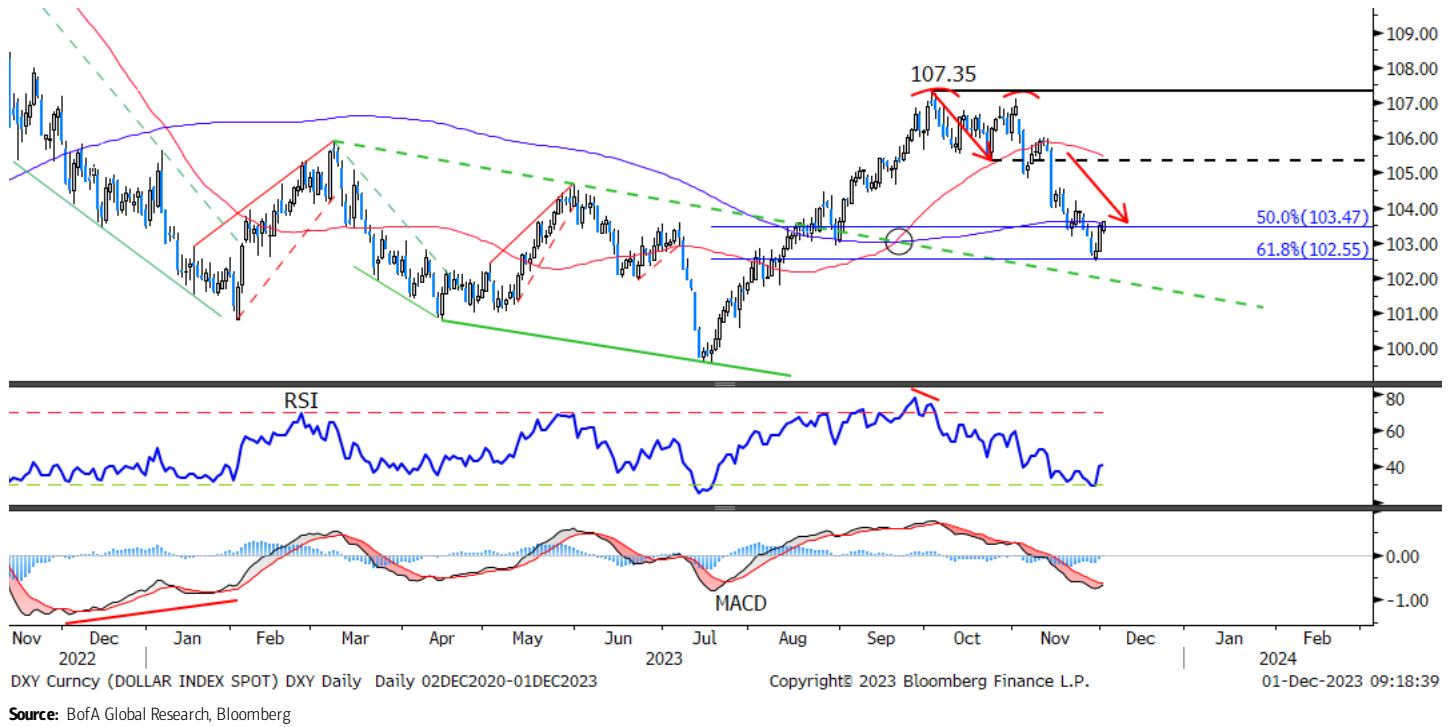


FX Chart Appendix

DXY doubled topped in Q4, already dropped, sell the bounce

Chart 14: DXY - Daily Chart

DXY double top is bearish, favors selling strength in Q4 for continued downside in Q1 should bearish weekly chart patterns prevail.



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DXY medium term may be turning down for its wave C decline in 2024

Chart 15: DXY - US dollar index – weekly Chart (G 411)

Small double top in the 107s suggests end of wave B up and wave C down for 1H24 USD weakness. Initial downside to 103. Wave C lower means it is reasonable to expect 100 and possibly 97.50. The risk is a correction to the 103s and retest of the 2023 highs. Then DXY turns lower in mid-2024 to bottom of channel.



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Gold: Bull flag breakout is bullish for new all-time highs in 2024

Chart 16: Gold Weekly – (G 585)

Potential for wave iii up to new all-time highs due to Q4 bull flag (channel) breakout. The risk is a longer range/consolidation if no new high is seen creating a sideways wave "V". Bullish while above 1900.



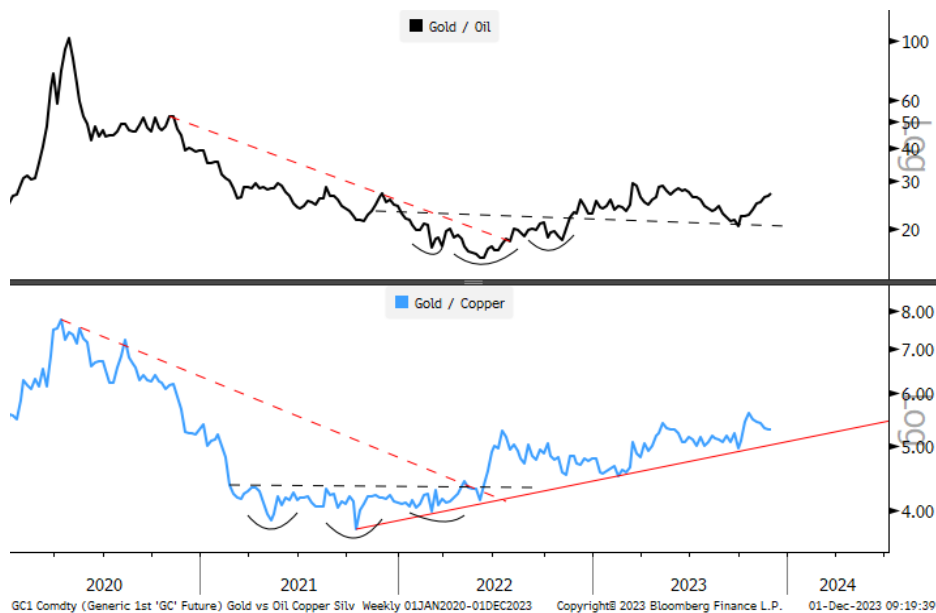
Source: BofA Global Research, Bloomberg

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Gold outperforming oil and copper

Chart 17: Gold vs Oil (top) and Gold vs Copper (bottom) – weekly Chart

Gold vs Oil and Gold vs Copper previously bottomed and remain in uptrends



Source: BofA Global Research, Bloomberg

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G10 FX Charts

Euro grinding higher to top of range, 1.05-1.15, risk of a right shoulder

Chart 18: EURUSD – Weekly Chart

Euro rangebound. MACD favors rally to 1.12/1.15. Resistance line and speculative right shoulder a risk.



Source: BofA Global Research, Bloomberg, DeMark Analytics

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GBPUSD: Long term downtrend intact...a contrarian USD long while below 1.30

Chart 19: GBPUSD – Weekly Chart (G 542)

The long-term downtrend in GBPUSD remains and the next sell point is near 1.30.



Source: BofA Global Research, Bloomberg

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GBPAUD: Bearish head and shoulders top pattern**Chart 20: GBPAUD – Weekly Chart (G 954)**

Head and shoulders top and “C” wave down expected with downside target about 1.84/1.82. Ideally spot remains below 1.94 (right shoulder high). Risk is wave B extends to long term resistance trend line at 1.98.



Source: BofA Global Research, Bloomberg

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AUDUSD: Triangle bottom almost complete, buy the dip for 1H24 upside**Chart 21: AUDUSD – Weekly Chart (G 545)**

Triangle pattern coming to an end where the fifth wave is a 1Q24 dip to be bought for rally to .6900.



Source: BofA Global Research, Bloomberg

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AUDNZD: Still supported in an uptrend with triangle pattern forming**Chart 22: AUDNZD – Weekly Chart (G 914)**

Triangle consolidation within an ongoing uptrend while above 1.0625

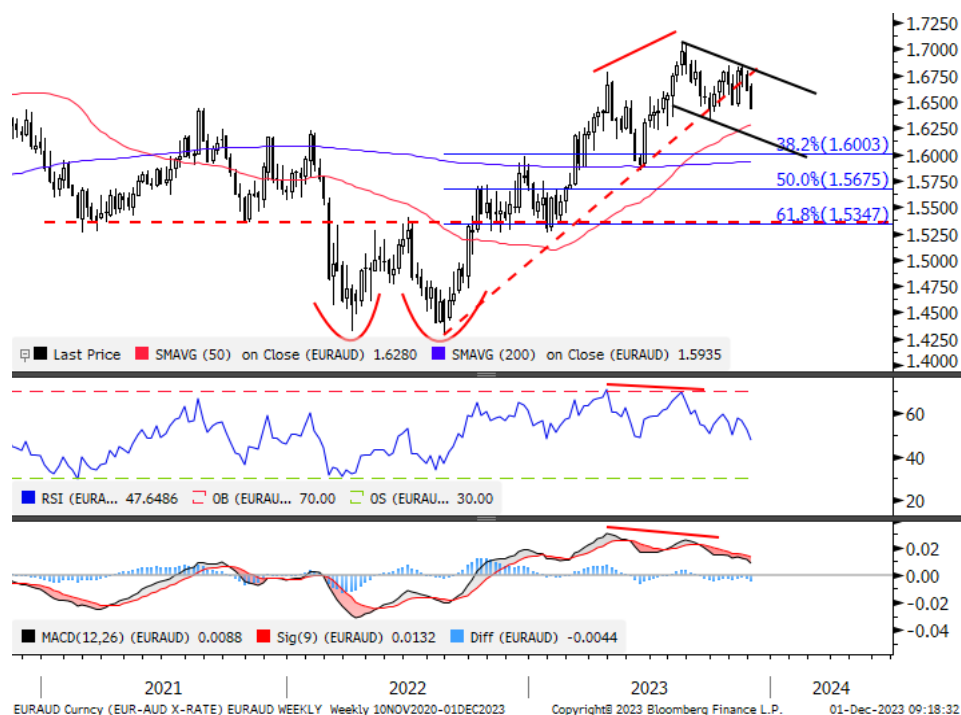


Source: BofA Global Research, Bloomberg

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EURAUD breaking lower**Chart 23: EURAUD – Weekly Chart (G 1011)**

EURAUD breaking trend line support and could be headed to 1.60/1.57 while below 1.6841.



Source: BofA Global Research, Bloomberg

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EURNOK: Systematic sell signal is bearish**Chart 24: EURNOK – Weekly Chart (G 1004)**

Systematic sell signal says resistance at 12.00-12.11 holds and decline to bottom of range follows in 1H24. Early to say double top and even lower lows, but on radar. New highs stop the setup.

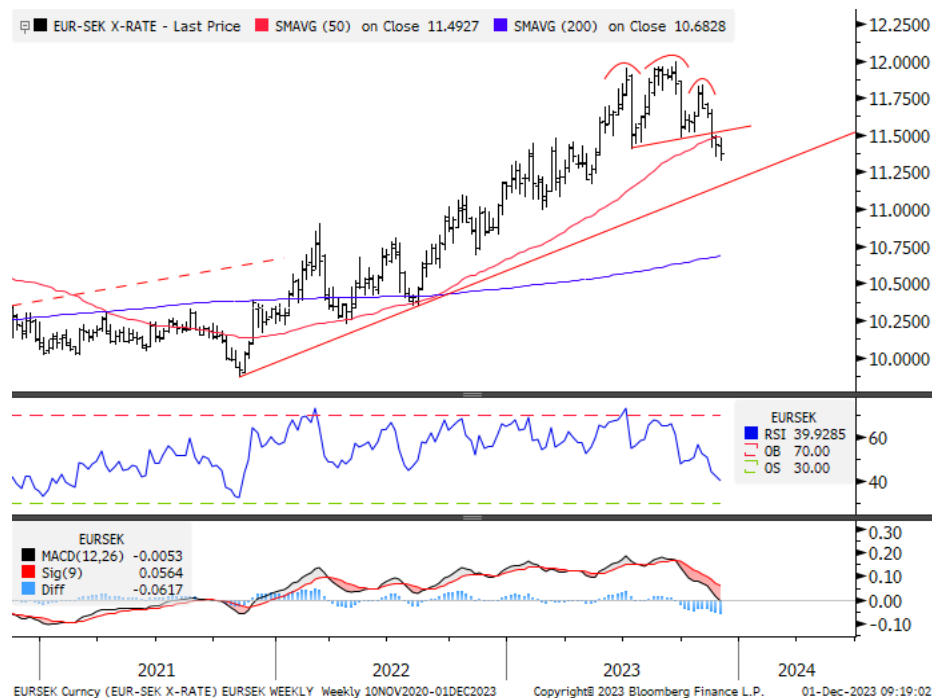


Source: BofA Global Research, Bloomberg, DeMark Analytics

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EURSEK: Head and shoulders top is bearish**Chart 25: EURSEK – Weekly Chart (G 1008)**

A head and shoulders top pattern implies 1H24 downside to at least 11.25, potentially 11.00.

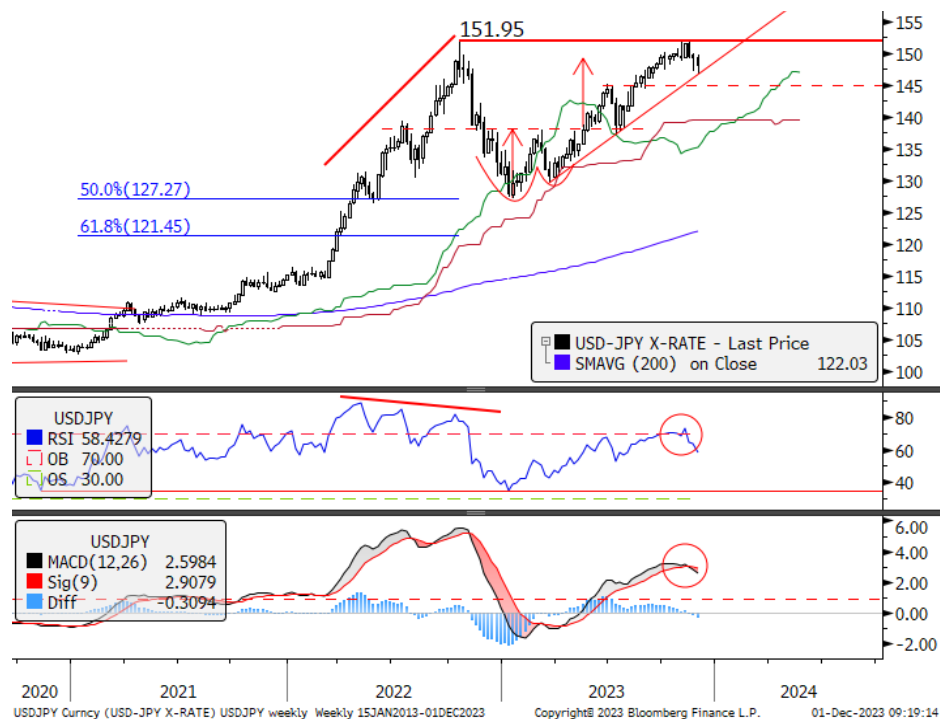


Source: BofA Global Research, Bloomberg

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USDJPY: No breakout and oscillators rolling over suggest lower in 1H24**Chart 26: USDJPY – Weekly Chart (G 544)**

No breakout to new highs (above 151.95) and turn down in spot, RSI and MACD suggest cyclical correction to at least 145, potentially near 140 (cloud lines) in 1H24.



Source: BofA Global Research, Bloomberg

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EMFX Charts

USDPLN testing uptrend support in the 3.90s

Chart 27: USDPLN – Weekly Chart (G 1118)

USDPLN's long term uptrend is being tested for the second time this year with a support line at 3.90 still holding the uptrend.



Source: BofA Global Research, Bloomberg

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USDZAR testing uptrend support at 18.10

Chart 28: USDZAR – Weekly Chart (G 1126)

USDZAR uptrend still supported at about 18.10 ending 2023.



Source: BofA Global Research, Bloomberg

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USDKRW testing and still holding uptrend support at about 1275

Chart 29: USDKRW – Weekly Chart (G 567)

Uptrend still supported by trend lines beginning in 2021. A persisting trend goes backup to 1360/1380. However below 1275 to signal downtrend to 1200.



Source: BofA Global Research, Bloomberg

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USDBRL testing and still holding trend line support in the 4.80s

Chart 30: USDBRL – Weekly Chart

Narrowing range still supported in the 4.80s with relatively long BRL positions according to CFTC data.



Source: BofA Global Research, Bloomberg

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USDMXN turned up from and is still holding trend line support at 17.00

Chart 31: USDMXN – Monthly Chart

Secular turning point at trend line support of 17.00. Rally up to 20.00 still possible.



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USDCOP still holding trend line support at 3875-3900

Chart 32: USDCOP – Weekly Chart (G 1091)

Decade long uptrend remains while above 3875-3900.



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MXNCLP: Head and shoulders top says drop to 47.50/47.00**Chart 33: MXNCLP – Weekly Chart (G 1768)**

A head and shoulders top suggests a drop to 47.50/47.00



Source: BofA Global Research, Bloomberg

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EURMXN wedge bottom suggests a rally is coming in 2024**Chart 34: EURMXN – Weekly Chart (G 1023)**

A five wave wedge bottom is complete and suggests a rally in 2024 to +/- 20.75.



Source: BofA Global Research, Bloomberg

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Macro Technical Advantage

- Bonds vs Commodities has been building a base since 2H22 and remain in favor of long bonds / short commodities bias. BBDXY vs Bonds peaked in 2023 completing five waves up like the 10Y yield. Three waves lower should follow with the first wave underway, the second a bounce higher in 1H24 and the third lower in 2H24.
- The US U-rate confirmed a double bottom in the 2H23. Average and median change after ten technical bottom were confirmed since 1950 is up 1.8% in 10-11 months. If history repeats, then the U-rate may be $\geq 5\%$ around July-Sept 2024.

The following updates the FICC Technicals section of the Global Macro Year Ahead: Hope for the best, prepare for the worst 19 Nov 2023

Bonds vs commodities are supported, probably bottoming.

Chart 35: Bonds vs Commodities (US1 / BCOM) – Weekly Chart (G 261)

Potential base in Bonds vs Commodities and transition to upside in 2024. In other words, bonds outperform commodities



Source: BofA Global Research, Bloomberg

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Chart 36: Bonds vs Metals (US1 / BCOMIN) – Weekly Chart (G 253)

Triangle pattern could be a base which precedes a higher ratio.



Source: BofA Global Research, Bloomberg

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BBDXY vs bonds peaked = Sell USD rallies and buy bond dips

Chart 37: BBDXY / US1 – Weekly Chart (G 779)

USD vs Bonds may have peaked in 4Q23 and so USD underperforms bonds



Source: BofA Global Research, Bloomberg

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History suggests U-rate could $\geq 5\%$ in 2024

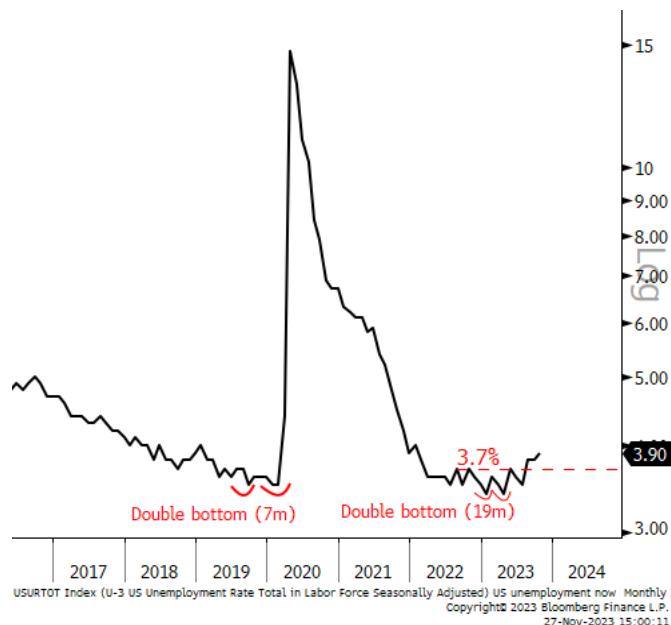
Rising U-rate favors bonds, gold and risk-averse cross asset FICC relationships

A risk to the US soft-landing consensus scenario is if the US labor market begins to weaken faster than expected. If history rhymes, after the U-rate bottoms like it did in 2023 it rises on average 1.87% in 10-11 months. This would mean the U-rate is above 5% in 2024. If it follows average or the median, then it may see $\pm 5.6\%$ in July-Sept 2024. We think this correlates with our lower yields, lower USD and higher gold views.

Goldilocks landing at risk if US labor market unwinds more/faster, as it tends to

Chart 38: US Unemployment rate (G 1642)

The US unemployment rate has double bottomed with two consecutive prints above 3.7% breaking the neckline of the bottom.

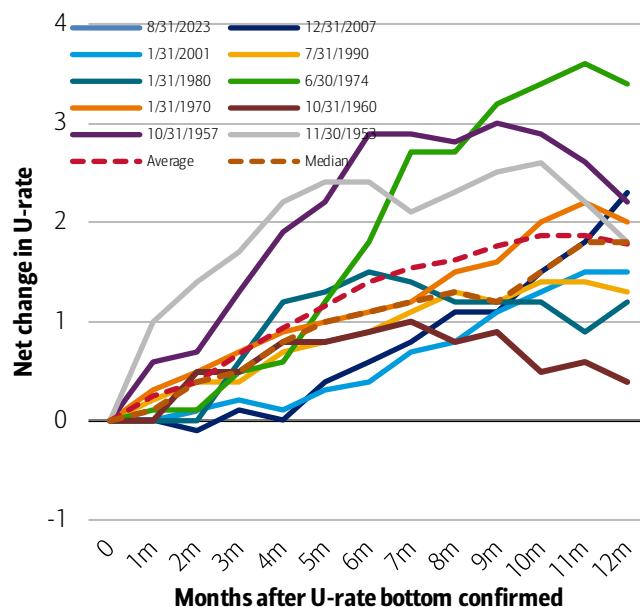


Source: BofA Global Research, Bloomberg

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Chart 39: Net change in US Unemployment rate after a technical bottom was confirmed (excluding 2020 COVID spike)

History says the U-rate rises, on average, 1.87% in 10-11m (end 3Q24?).



Source: BofA Global Research, Bloomberg

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Exhibit 1: Monthly net change in US Un-employment rate after technical bottoms confirmed

Average and median change in the u-rate after a technical bottom is 1.8% higher in 11 months. Average and median calculation excludes the COVID period, however 11 months after the U-rate double bottom in March 2020 the U-rate was 1.8% higher eleven months later.

U-Rate level		0	1m	2m	3m	4m	5m	6m	7m	8m	9m	10m	11m	12m
3.7	8/31/2023	0	0	0.1	?	?	?	?	?	?	?	?	?	?
4.4	03/31/2020	0	10.3	8.8	6.6	5.8	4	3.5	2.5	2.3	2.3	1.9	1.8	1.7
5	12/31/2007	0	0.00	-0.10	0.10	0.00	0.40	0.60	0.80	1.10	1.10	1.50	1.80	2.30
4.2	1/31/2001	0	0.00	0.10	0.20	0.10	0.30	0.40	0.70	0.80	1.10	1.30	1.50	1.50
5.5	7/31/1990	0	0.20	0.40	0.40	0.70	0.80	0.90	1.10	1.30	1.20	1.40	1.40	1.30
6.3	1/31/1980	0	0.00	0.00	0.60	1.20	1.30	1.50	1.40	1.20	1.20	1.20	0.90	1.20
5.4	6/30/1974	0	0.10	0.10	0.50	0.60	1.20	1.80	2.70	2.70	3.20	3.40	3.60	3.40
3.9	1/31/1970	0	0.30	0.50	0.70	0.90	1.00	1.10	1.20	1.50	1.60	2.00	2.20	2.00
6.10	10/31/1960	0	0.00	0.50	0.50	0.80	0.80	0.90	1.00	0.80	0.90	0.50	0.60	0.40
4.5	10/31/1957	0	0.60	0.70	1.30	1.90	2.20	2.90	2.90	2.80	3.00	2.90	2.60	2.20
3.5	11/30/1953	0	1.00	1.40	1.70	2.20	2.40	2.40	2.10	2.30	2.50	2.60	2.20	1.80
	Average	0	0.24	0.40	0.67	0.93	1.16	1.39	1.54	1.61	1.76	1.87	1.87	1.79
	Median	0	0.1	0.4	0.5	0.8	1	1.1	1.2	1.3	1.2	1.5	1.8	1.8

Source: BofA Global Research, Bloomberg

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Chart Alpha Trades

In this report, we open two new trades. A tactical long USDKRW as a way to catch a year-end 2023 bounce back and short MXN/CLP for a decline in the 1H24.

Exhibit 2: Open trades

Open technical trades and cross strategy alpha trades including technicals

Report	Trade	Entry / revise date	Entry Level	Option expiry	Spot target 1	Spot target 2	Spot target 3	Spot stop	Rationale / time horizon	Risks
2024 FICC Technical Advantage	Buy USDKRW +1m NDF	01-Dec-23	1293	-	1315	1327	1340	1270	USD/EM charts supported, potential for year end 2023 bounce back, USDKRW charts are all supported with bullish oscillator divergence and potential for a small double bottom.	Slower US econ data resulting in an immediate continuation of the USD selloff.
2024 FICC Technical Advantage	Short MXN/CLP	01-Dec-23	49.85	-	48.25	47.50	46.10	52.20	Head and shoulders top, USDMXN and EURMXN still supported, bearish weekly MACD trend signal.	A loss of capital if the stop were reached.
Global Macro Year Ahead	US 5s30s steepener	19-Nov-23	15	-	35	55	80	-5	5s30s and 2s10s curve already bottomed and is in wave 3 steeper. Triple bottom in 5s30s in 2023 suggests steeper in 2024.	A macro risk off causing bull flattening.
Global Macro Year Ahead	Short GBPAUD via 3m 1.90-1.86 GBP/AUD put spread	19-Nov-23	s/r 1.9192	19-Feb-24	1.86	1.84	-	Loss of premium	Expiry 19 Feb 2024. s/r 1.9192, vol refs 7.207 and 7.007. Initial premium 0.6806% GBP. Fiscal, current account and NIIP divergences compensate for the small negative carry; China recovery would help, head and shoulders top and bearish wave count.	Further deterioration of China risk to weigh on the AUD rebound
Global Macro Year Ahead	Sell EUR/NOK via 6m risk reversal	19-Nov-23	s/r 11.8623	19-May-23	11.35	11.22	11.1	12.2	Buy 6-month 11.35 put and sell 12.20 call (s/r 11.8623, vol refs 8.929 and 9.108. Expiry 15 May 2024. Initial premium is receiving 0.7307% EUR. Trade supported by constructive oil outlook, expectation for improved risk sentiment in 2024 on Fed cuts, and mean reversion for the oversold NOK vs EUR, systematic technical sell signals	Lower NOK on weaker than expected risk sentiment

Note: Bid/offer spreads accounted for in initiation and closing levels. Does not reflect tax withholdings or any investment advisory fees. Past performance is no guarantee of future results. A complete performance record is available on request. Inception date - 10/16/2015. Initiation and closing prices are priced/used for trade rules and publication. For additional discussion on baseline views, valuation and risks to open trades, please see reports. DC = Daily close.

Source: BofA Global Research, Bloomberg

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Exhibit 3: Closed trades

Approximately two years of closed technical trades and cross strategy alpha trades including technicals

Report	Trade description	Entry date	Entry level	Spot target 1	Spot target 2	Spot target 3	Stop	Close date	Level closed
EM Alpha	Buy EURZAR	10/2/2023	20.15	20.75	-	-	19.60	11/1/2023	19.60
FX Alpha	Buy CADMXN	10/23/2023	13.3338	14.00	-	-	13.00	10/31/2023	13.00
FX Alpha	Buy EURSEK 3m zero-cost collar spot ref 11.5456	10/13/2023	3m 11.8380 call for 0.5676% EUR, vol 7.394%; sell 3m 11.3143, vol 6.701%, zero-cost	11.84	-	-	-	10/30/2023	1.12%
FX Alpha	Buy GBPAUD 6m put seagull	9/8/2023	0.3827% GBP (long 6m put spread, 1.94 / 1.90)	1.94	1.90	-	2.05	9/22/2023	1.2341% GBP
FX Technical Advantage	Short USDCAD	8/29/2023	1.3570	1.3497	1.346	1.335	1.3725	9/13/2023	1.3550
Commodities Technical Advantage	Buy CTZ3	9/5/2023	89.0600	94.60	96.5	100	86.3	9/7/2023	86.30
FX Alpha	Sell 2m 25-delta OTM EUR/GBP put	6/24/2023	0.31% EUR (strike ref: 0.8472, spot ref: 0.8592, vol ref: 5.584)	24-Aug-23	-	-	-	8/3/2023	Spot ref 0.86470, vol ref: 4.214)
FX Alpha	Buy USDSEK via 3m collar (spot ref is 10.2724)	7/19/2023	Buy 3m 10.73 call for 0.7795% USD (vol ref: 12.296%) and sell 3m 9.8960 put for the same price (vol ref: 10.202%).	10.5	10.7	-	9.896	8/1/2023	1.3316% USD with spot ref 10.6109
Technical Advantage	Buy USDMXN	6/27/2023	17.10	17.50	18.00	-	16.90	7/12/2023	16.90
FX Technical Advantage	Short GBPUSD	4/25/2023	1.2420	1.2367	1.223	1.216	1.255	4/28/2023	1.255
FX Alpha	Buy 3m USDSEK call spread	1/20/2023	1.4689% USD strikes 10.2466 & 10.70, spot ref 10.2971, vol refs 12.752/13.307)	10.25	10.5	10.7	-	3/7/2023	.82% USD (spot ref 10.7008, vol refs 12.18/11.943)
Rates Technical Advantage	5s30s steepener	2/12/2023	-12	0	10	20	-25	2/24/2023	-25
Rates Technical Advantage	Short US 10Y	1/22/2023	3.48%	3.70%	3.82%	3.90%	3.30%	2/17/2023	3.82%
2023 FICC Technical Views	Short USDCAD via 6m 1.33/1.30 put spread	12/2/2022	65 USD pips (Spot ref: 1.3489, vol: 7.668%/8.035%)	1.33	1.319	1.30	-	2/1/2023	74.53 USD pips (spot ref: 1.33, vol: 6.893% / 7.237%)
EM Alpha	Long USDZAR	1/19/2023	17.23	-	17.46	17.75	17.86	2/1/2023	17.40
Global Rates, FX, EM 2023 Year Ahead	Short 10Y UST	11/20/2022	3.75%	3.60%	4.00%	4.25%	3.40%	1/18/2023	3.40%
FX Technical Advantage	Buy USD/CLP	11/20/2022	925	898	980	1000	865	12/12/2022	865
FX Technical Advantage	Buy DXY dip	9/12/2022	108.33	110.35	112.1	115	105	11/4/2022	110.87
Chart Alpha	Buy USD/ZAR	11/15/2022	17.30	18.00	18.50	-	<16.90	12/1/2022	17.90
Technical Advantage	Sell gold's bounce	10/3/2022	1702.00	1615.00	1560.00	1440.00	1740	11/10/2022	1760
Rates Technical Advantage	Short 10Y > 3.1%	8/31/2022	3.16%	3.38%	3.50%	3.96%	<2.95%	10/11/2022	3.94%
Technical Advantage	Buy USDKRW	6/12/2022	1279.04	1321	1374	1400	1210	10/6/2022	1406
Commodities Technical Advantage	Buy USDCLP breakout	6/24/2022	917	920	945	985	872.75	07/15/2022	985.00
Commodities Technical Advantage	Sell HG1 breakdown	6/22/2022	394.4	350	335	314	421.9	7/15/2022	323.40
Commodities Technical Advantage	Buy crude oil	6/2/2022	116.87	130.3	140	-	111.2	6/17/2022	109.56
Chart Alpha	Buy Euro	5/4/2022	1.0610	1.0800	1.0850	-	-	5/12/2022	1.0470
Chart Alpha	Sell USDCHF	5/4/2022	0.9740	0.9602	0.9525	-	-	5/5/2022	0.9825
Rates Alpha	Buy 10Y UST	4/14/2022	2.83%	3.05%	2.56%	2.40%	2.25%	1/0/1900	3.10%
FX Alpha	Buy AUD/NZD by owning a 6m call spread	1/27/2022	0.7764% (Spot: 1.069, 1.0753 (atmf) and 1.0944	1.0743	1.0817	1.0944	-	4/22/2022	1.2168% AUD
Global Rates, FX, EM Year Ahead	Buy USD/MXN	11/23/2021	20.70	20.50	21.93	22.67	-	3/9/2022	21.25

Exhibit 3: Closed trades

Approximately two years of closed technical trades and cross strategy alpha trades including technicals

Report	Trade description	Entry date	Entry level	Spot target 1	Spot target 2	Spot target 3	Stop	Close date	Level closed
2022 FICC Technical Advantage	Sell AUD/USD by owning a 3m .69/.65 put spread	12/3/2021	74 USD pips, spot ref: .7020, vol: 10.74%/12.32%	0.718	0.69	0.65	-	3/3/2022	0.00
FX Alpha	Buy USD/JPY	11/23/2021	112.60 (Raised stop loss, spot ref 115)	114.5	117	-	112.6	2/24/2022	115.40
Global Rates, FX, EM Year Ahead	Buy USD/CHF 3m .94/.97 call spread, expiry Feb 21 2022	11/23/2021	Spot ref: .9258, vol ref: 6.839%/6.949% for 0.5359% USD	0.9259	0.94	0.97	-	2/23/2022	0.00
Chart Alpha	Buy EUR/ZAR (Raise stop)	2/4/2022	17.20 (Raise stop to 17.25, spot ref: 17.73)	17.82	18.25	18.5	17.25 (raised from 16.70)	2/10/2022	17.25
Chart Alpha	Buy EUR/ZAR	1/25/2022	17.20	17.82	18.25	18.5	16.7	2/4/2022	17.73

Source: BofA Global Research, Bloomberg

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