J.P.Morgan | Data Assets & Alpha Group

US MARKET INTELLIGENCE: MORNING BRIEFING

MARCH 18, 2025

TOP OF THE AGENDA

- **SPX -0.0%, NDX -0.1%, RTY -0.2%.** WTI +157bps at $68.64, NatGas -107bps to $3.98, UK NatGas -50bps to £1.0044, Gold +68bps to $3,021, Silver +70bps to $34.10, 10Y @ 4.316%, and VIX @ 20.57.
- **US:** Futs are flat following yesterday's rally. Pre-mkt, Mag7 names are mixed with TSLA lagging on BYD news of a 5-min full charge, increasing substitution risk. Bond yields are flat to +2bps as the curve twists steeper and USD starts the day flat. Cmdtys are being led higher by Energy and Precious Metals, potentially driven by escalation in the ME (oil) and general de-risking/USD diversification (precious). Trump/Putin are supposed to speak today on a ceasefire. Today's macro data focus is on Import/Export prices, Industrial Prod'n, and Housing Data; however, none are expected to be market moving given the Fed tmrw.
- **EMEA:** Major markets are higher, with multiple up more than one std deviation, as we wait for German fiscal vote expected ~8.30am EST. Semis, Energy, GLP-1, Aero/Def are among the best performing baskets, but the region is seeing a risk-on rally. Vol/Yield Winners are leading, Momentum/Quality are lagging; Value over Growth; Cyclicals over Defensives. EUR500bn fund with no cap on Defense spending. UKX +0.5%, SX5E +1.0%, SXXP +0.8%, DAX +1.1%.
- Additional color from **International Market Intel** is here.
- **US MACRO DATA:** Housing Starts, Building Permits, Import Price, Export Price, and NY Fed Services Business Activity at 8:30am ET. Industrial Production, Capacity Utilization, and Mfg Production at 9:15am ET.
- **US EARNINGS:** KRMN, MRVI, SNDK, TRVI
- **GLOBAL MACRO DATA:** (Japan) Tertiary Industry Index at 12:30am ET. (Germany) ZEW Survey Expectations and Current Situation at 6am ET. (Eurozone) ZEW Survey Expectations at 6am ET. **(Canada) CPI at 8:30am ET.** (Japan) Trade Balance, Core

Machine Orders at 7:50pm ET.

- **US MKT INTEL** turned **tactically bearish** (here); *initially published on March 4, 2025.*
- **US MKT INTEL'S *Week Ahead*** is here.
- **JPM RESEARCH MACRO PUBLICATIONS**: A copy of the JP Morgan Economics team's ***Global Data Watch*** can be found **here** (Kasman, et. al. Mar 14). A copy of JPM US Economics team's ***US Weekly Prospects*** can be found **here** (Feroli, et. al. Mar 14). A copy of the ***US Fixed Income Markets Weekly*** can be found **here** (Barry, et. al. Mar 14). A copy of the ***Treasuries Weekly*** can be found **here** (Barry, et. al. Mar 14). A copy of the ***TIPS Strategy Weekly*** can be found **here** (White, et. al. Mar 14). A copy of ***The Week in Commodities*** can be found **here** (Kaneva, et. al. Mar 14). A copy of ***FX Markets Weekly*** can be found **here** (Chandan, et. al. Mar 14).

Source: Both charts sourced from Bloomberg

MARKET SUMMARY

EQUITY AND MACRO NARRATIVE: The following is from yesterday's Afternoon Briefing, "Equities staged a relief rally, continuing the recovery since last Friday. We saw a broad equities outperformance across the globe with 10 out of 11 sectors in SPX all finishing in the green. What drove today's outperformance? We think this is a combination of: (i) the lack of Trump/tariffs headlines over the weekend and this Monday; (ii) a relief rebound given the near 10% selloff in equities; (iii) better-than-feared macro data. In fact, we think the first two probably play a bigger role than fundamental catalysts. While today's Retail Sales still showed resilient consumer spending, we need to see further clarity on trade policies to assess future economic outlooks." Ultimately, we learned little new information as the market clearly sees a stronger outlook for non-US stocks. The USD is not behaving as a safety haven which hastens the rotation out of the US. The ultimate anchor for the US market, Mag7, which at times exhibited characteristics of multiple Factors appears to have lost its credibility with investors, led by TSLA. Where from here for US Equities? We think this current bounce has more room to move higher given the potential for Powell to assuage some fears combined with positive seasonality and rebalancing; but, there is more left in this trade war and until that is solved the US is likely to underperform. Currently, we think the timing on gaining full clarity is late in 25Q2.

DELTA ONE POSITIONING & FLOWS – Bram's full note is here

- **FUTURES FLOWS:** Last week we saw large net buying (>1.5z) in China A50, SSE50, Canada/UK 10y, Euribor and Heating Oil futures, but large net selling (<-1.5z) in Brent and Bitcoin futures.
- **CTAs:** Based on key momentum signals, CTAs are likely short US and most of Asia ex-China Equities, but likely remain long in Europe and China. CTAs have mixed exposure in rates: likely long US front-end, short in EMEA, and mixed exposures in APAC. CTAs likely remain short Oil & Ags, long Metals, and in FX are long EUR, GBP, and JPY but short CAD and AUD.
- If prices are unchanged over the next week, CTA signals are expected to turn incrementally negative in US/GEM/Japan/Korea/Taiwan/S.Africa Equities, UST 10y, Natgas, Nickel, Corn, and USD/CNH futures, and incrementally positive in UST Ultra Bond, Australia/Korea 10y, EUR and CHF futures.
- **CFTC POSITIONING:** Asset managers significantly reduced US equity longs, while leveraged funds were large buyers last week. Dealers' net shorts increased, suggesting demand for equity financing remains high. Managed Money increased longs in Silver and cut longs in Corn and Gasoline w/w.
- **ETF FLOWS:** Last week we saw near-average inflows into Equities ($15.6Bn, 0z), below-average inflows into Fixed Income ($3.4Bn, -1z), strong inflows into Commodities ($2.5Bn, 2.4z), and the 5th straight week of outflows from Currency/Multi-asset funds (-$1Bn, -1.4z).
- **REGIONALLY**, US equity funds ($11.6Bn, -0.1z) accounted for the majority of inflows. Europe saw continued strong inflows ($2Bn, 3.3z), and EAFE/World ex-US funds also recorded notable inflows. Meanwhile, Latam (-1.6z) and developed Asia (-1.4z) saw outflows last week.
- **LEVERED ETFS** recorded their strongest weekly inflows in 1Y, led by TQQQ and TSLL. We saw a ~$20Bn switch from IVV to VOO (Tables 22 & 23).
- **IN EQUITY STYLES**, we saw a rotation from Momentum (-1.9z) to Low Vol (3.7z) and

Dividends (0.8z) last week.

- **IN EQUITY SECTORS**, Comm. Services and Industrials saw ~2z outflows last week, while Health Care and Financials recorded inflows.
- We saw a large rotation in **BOND ETFS** last week, with significant outflows from Loans (-3.5z), Gov't Bond (-2.2z, led by GOVT) and Mortgage (-1.8z) funds, and strong inflows to Money Market (3.3z) and Inflation (3z).
- **PRECIOUS METALS** saw strong inflows ($2.4Bn, 2.3z), while Crypto funds saw continued outflows last week (-$1.1Bn, -1.4z).

BULLISH BRAZIL CALL

- **JPM RESEARCH (Emy Shayo; full note is here)** – Last week, Emy & team upgraded Brazil to OW while downgrading Mexico to Neutral following Mexico's 15.4% outperformance since late November. While both countries have attractive valuation and light positioning, Brazil will see stronger performance due to (i) global macro environment benefits Brazil as long as US does not fall into recession; (ii) Brazil's hiking cycle is closer than expected which is a strong tailwind for their Equities; (iii) China's reboot will help EM but with material amount of AUM preferring China proxies, Brazil is on the list of beneficiaries.
- **JPM TRADING DESK (Cem Turgut, James Murphy, Lorenzo Zenone)** – The squeeze in Brazil is underway with two important catalysts due this week: Fed and BCB. We would stay long into those, as any dovish tilt from either would be enough to keep this pain trade tactically going, before the focus eventually shifts back to reciprocal tariff risks ahead of the 01-April 'America First Trade Policy' report. On positioning, overall short-interest has only declined by 30bps to 3.40% from its 05-March peak (vs 3% at the start of the year), leaving room for further covering. To preview both aforementioned events:
    - **BCB** – For many months now we have held the view that the BCB had little choice other than to be max hawkish, which is also what the market wanted from them. That setup appears to be changing in the face of activity misses, BRL strength, oil weakness, declining CPI expectations. For this Weds, JPM economists are looking for tweaks in language as the BCB prepares to reduce the pace of tightening in subsequent meetings. Both the market and JPM are expecting c200bps of cumulative hikes, but the risks are dovishly skewed towards less.
    - **FOMC** – JPM economists think the post-meeting statement will note moderating growth but stay away from discussing trade-related risks to the outlook. For subsequent meetings however JPM strategists see risks around the Fed turning more proactive should US data continue to weaken.
    - All in, no changes to the thesis laid out below with IBOV +7% in USD terms since (we have refreshed the short interest table). Recall Emy Shayo tactically upgraded to OW

last Monday.

EEM vs. FXI vs. EWZ vs. SPX

RETAIL SALES POST-MORTEM

- **JPM ECON (Abiel's full note is here)** – Retail sales for February was mixed, with total retail sales advancing only 0.2%m/m after falling 1.2% the prior month, though the control group increased 1.0%m/m after a 1.0% drop the prior month. That suggests real consumer spending grew around 0.2%m/m in February, and if it rose at the average of the past year (0.25%) in February than the first quarter would be up 0.9%q/q saar, near our 1.0% forecast. Of course, with slumping sentiment there might be some pullback in spending in March, so risks could be slightly to the downside. Headline sales were dragged down by a 0.4%m/m fall in motor vehicle sales (despite unit auto sales rising 3%), and restaurants plunged 1.5%, the largest drop since January 2024.
- **US MKT INTEL** – Growth is weakening but not quickly enough to change Fed behavior given upside inflation risks. The data does not suggest that we would see the bottom fall out of the economy. Fed retail sales was $722.7bn vs. $721.3bn in January compared to 2024, Jan 2024 was $694.1bn and Feb 2024 was $700.9bn. 2019 average was ~$500bn per month. Sentiment continues to deteriorate more rapidly than hard data. We think there is enough cash in household and corporate balance sheet to revitalize growth, with fiscal stimulus, even in the event of a 1-2 quarter decline in growth. BUT. We need clarity in trade policy. We caution against thinking Apr 2 will be a clearing event. The Bessent interview yesterday pointed toward (i) trade negotiations which presumably includes retaliation, escalation, and hopefully reconciliation and (ii) the Trump Put does not exist. We will continue to fade all rallies into April

but still think there is a tradeable bounce before month-end. We prefer international equities (China, Japan, and Europe) with Brazil call spreads (we like this as the way to play shorter duration tariff policy). Any bounce is likely led by TMT (Mag7, Semis, and ARKK) but think you want to own Defensives on the move lower.

Retail sales

Month/month % change	Nov 24	Dec 24	Jan 25	Feb 25
Total retail sales	0.7	0.7	-1.2	0.2
EX auto sales	0.1	0.6	-0.6	0.3
Vehicle dealers and parts	3.1	1.3	-3.7	-0.4
Furniture	0.9	2.1	-1.2	0.0
Electronics and appliance	0.5	-0.4	-1.1	-0.3
Building materials	-0.7	-1.3	-1.9	0.2
Food and beverage	-0.1	0.9	-0.1	0.4
Health and personal care	0.3	0.6	-1.1	1.7
Gasoline stations	0.2	2.0	1.3	-1.0
Apparel	-0.6	1.2	-0.7	-0.6
Sporting goods	-0.8	3.1	-3.1	-0.4
General merchandise	0.1	0.5	0.5	0.2
Miscellaneous retailers	-3.2	5.1	0.8	-0.3
Nonstore retailers	0.4	0.5	-2.4	2.4
Food services	0.5	-0.7	0.0	-1.5
GM and clothing	-0.1	0.7	0.2	0.0
EX auto ex gas	0.0	0.4	-0.8	0.5
"Control retail sales"[1]	0.1	0.9	-1.0	1.0
Ex. autos and building mat.	0.2	0.7	-0.6	0.4

1. Total ex. gasoline, automotive dealers, building materials, and food serv.
Source: Census Bureau

IN DATA

		PERCENT RETURN		
	LEVEL	1D	5D	YTD
SPX	5,675.12	0.6%	-2.3%	-3.5%
NDX	19,812.24	0.5%	-2.5%	-5.7%
R2K	2,068.33	1.2%	-1.5%	-7.3%
S&P 400 (MID CAP)	2,969.87	1.5%	-2.0%	-4.8%
S&P 600 (SML CAP)	1,293.88	1.1%	-2.7%	-8.1%
R2K - GROWTH	1,350.87	1.4%	-1.2%	-8.1%
R2K - VALUE	2,309.96	1.0%	-1.8%	-6.3%
R1K - GROWTH	3,724.18	0.2%	-2.6%	-7.9%
R1K - VALUE	1,850.72	1.3%	-1.9%	1.5%
RUSS MIDCAP	3,433.66	1.5%	-2.3%	-2.8%

		PERCENT RETURN		
	LEVEL	1D	5D	YTD
SPX	5,675.12	0.6%	-2.3%	-3.5%
COMM SRVCS	330.33	0.1%	-3.5%	-3.3%
CONS DISC	1,571.11	-0.4%	-3.7%	-14.2%
CONS STPLS	879.80	1.6%	-4.3%	3.1%
ENERGY	691.62	1.6%	2.6%	5.6%
FINANCIALS	814.73	1.2%	-1.3%	1.3%
HEALTHCARE	1,704.96	1.1%	-3.0%	6.2%
INDUSTRIALS	1,122.31	1.3%	-2.4%	0.6%
MATERIALS	545.56	1.1%	-2.2%	3.0%
REAL ESTATE	263.87	1.6%	-2.6%	3.1%
TECH	4,181.66	0.2%	-2.1%	-9.3%
UTILITIES	399.86	0.4%	1.9%	3.9%

Source: Bloomberg. *Data as of* *3/17/2025*

MEGACAP TECH STOCKS

	PRICE		%1D	%5D	%1M	%3M	%6M	%YTD
AAPL	$	214.00	0.24%	-10.70%	-12.51%	-15.58%	-1.31%	-14.54%
AMZN	$	195.74	-1.12%	-0.65%	-14.40%	-15.32%	7.06%	-10.78%
GOOG	$	166.57	-0.63%	-4.63%	-10.86%	-15.50%	5.43%	-12.53%
MSFT	$	388.70	0.04%	-1.21%	-4.83%	-14.47%	-9.92%	-7.78%
META	$	604.90	-0.44%	-2.89%	-17.89%	-2.35%	13.94%	3.31%
NFLX	$	950.02	3.49%	3.02%	-10.26%	3.36%	31.80%	6.59%
NVDA	$	119.53	-1.76%	7.97%	-13.91%	-8.33%	4.19%	-10.99%
TSLA	$	237.92	-4.83%	-4.83%	-33.14%	-50.42%	10.23%	-41.09%
Source: Bloomberg			*data as of*	*3/17/2025*				

SECTOR & THEMES

For Information on the following Bloomberg Component from our JP Morgan Delta-One team and our other custom baskets, please contact D1_NA@jpmorgan.com.

Ticker	%1D	Pct Chg on Day (Z-Score)	%5D	%1M	%YTD	Chg Pct 2024
Equities (3)						
Macro (4)						
NEW PURE (12)						
PURE Momentum (i)	-1.44%	-0.92	+5.87%	-5.94%	-1.1%	38.37%
PURE Beta (i)	+0.61%	0.40	+4.19%	-12.06%	-9.3%	-6.30%
PURE Inflation Sensitive	+0.04%	0.06	+2.93%	+3.84%	+4.3%	-2.16%
PURE Commodities (i)	+0.33%	0.37	+2.32%	+6.86%	+8.9%	9.70%
PURE Res Vol (i)	-0.44%	-0.38	+1.84%	-1.91%	+1.9%	18.87%
PURE Rates Sensitive	-0.15%	-0.16	+0.55%	-6.38%	-6.5%	13.33%
PURE Growth (i)	--	0.00	-0.38%	-3.18%	+2.6%	3.20%
PURE Size (i)	-0.36%	-0.60	-0.41%	+1.99%	+7.1%	0.79%
Short Term Momentum	-0.31%	-0.23	-1.46%	-12.61%	-15.1%	9.76%
PURE Value (i)	-0.49%	-0.74	-1.61%	+0.17%	-2.5%	-3.03%
PURE Quality (i)	-0.74%	-1.07	-2.99%	-2.07%	-1.9%	4.10%
Recession L/S (i)	-0.84%	-0.68	-4.56%	+3.06%	-1.7%	8.61%
Crowding and Squeeze (7)						
Crowded Longs	+1.17%	0.59	+6.22%	-15.74%	-5.9%	43.08%
Crowding ex. TMT, HC, Consume	+1.26%	0.65	+5.33%	-10.63%	-0.9%	30.14%
TMT Crowded Longs	+0.84%	0.48	+3.39%	-15.08%	-5.0%	45.99%
Potential Squeeze (i)	+3.10%	1.80	+2.76%	-4.07%	+0.5%	-18.98%
Healthcare Crowded Longs	+1.45%	1.19	+2.18%	-2.92%	+8.2%	2.79%
Consumer Crowded Longs	+1.40%	1.21	+1.26%	-10.89%	-6.4%	21.94%
Crowded Shorts (i)	+2.58%	1.45	+0.61%	-10.61%	-8.0%	-7.83%
Tariffs (6)						
US Macro/Thematic (43)						
Quantum Computing	+7.84%	1.01	+36.81%	+8.11%	-8.9%	455.70%
High Retail Activity	+1.87%	0.64	+13.11%	-15.60%	-21.6%	18.15%
Crypto Exposure	+1.32%	0.24	+12.91%	-26.27%	-13.8%	62.60%
Nuclear Energy	+1.94%	0.52	+11.56%	-21.10%	-7.2%	54.02%
Meme Stocks	+1.61%	0.45	+9.86%	-24.41%	-13.0%	56.00%
High Short Interest	+2.88%	1.12	+8.30%	-15.59%	-9.8%	2.96%
PURE Momentum Winners (i)	+1.14%	0.55	+7.07%	-13.44%	-6.4%	39.47%
Cyclicals (r)	+1.58%	0.76	+6.91%	-17.94%	-10.9%	29.24%
AI Data Centers & Power	+1.25%	0.57	+5.94%	-8.05%	-5.4%	39.20%
Credit Laggards	+2.59%	1.44	+5.78%	-11.30%	-4.8%	7.00%
AI TMT	+0.19%	0.09	+5.63%	-15.80%	-7.7%	38.23%
PURE Beta Winners (i)	+2.08%	1.03	+4.68%	-16.27%	-8.1%	10.94%
Recent IPOs	+1.80%	1.17	+4.65%	-13.16%	-11.3%	18.83%
Emerging Mkt Exposure	+2.12%	1.84	+4.58%	-1.93%	+3.6%	20.16%
Inflation Winners	+1.83%	1.15	+4.14%	-10.90%	-3.3%	7.34%
Domestic Exposure (r)	+1.41%	0.90	+4.00%	-12.93%	-4.0%	22.04%
Recession Laggards (i)	+2.20%	1.12	+3.83%	-13.16%	-6.8%	-1.81%
Deregulation Agenda (r)	+1.40%	0.92	+3.62%	-10.56%	-5.0%	20.89%
Renewable Energy	+2.17%	1.08	+3.21%	-3.58%	-3.0%	-22.26%
Magnificent 7	-1.22%	-0.63	+3.09%	-15.82%	-13.5%	60.86%
Rising Rate Winners (i)	+1.68%	1.29	+3.06%	-10.77%	-6.5%	23.84%
Infrastructure	+1.32%	0.95	+2.94%	-8.85%	-7.6%	15.41%
AI ex-TMT	+1.92%	1.36	+2.85%	-9.51%	-4.3%	29.82%
China Exposure (r)	+0.98%	0.58	+2.78%	-9.93%	-6.4%	7.26%
Potential Squeeze	+3.10%	1.80	+2.76%	-4.07%	+0.5%	-18.98%
Government Efficiency (r)	+1.57%	1.10	+2.30%	-3.07%	-8.7%	15.40%
Stagflation Short	+1.31%	1.15	+2.12%	-4.54%	-0.6%	2.80%
Inflation Laggards	+2.03%	1.68	+1.88%	-9.16%	-4.8%	10.37%
Republican Long	+1.10%	0.92	+1.55%	-6.79%	-3.1%	15.21%
Rising Rate Laggards (i)	+1.32%	0.93	+1.29%	-6.32%	+0.1%	11.09%
PURE Momentum Laggards (i)	+2.58%	1.66	+1.11%	-7.90%	-5.2%	-0.85%
Tariffs Short	+1.51%	1.06	+1.07%	-9.91%	-5.7%	8.63%
Custom S&P ex-Mag. 7 (i)	+1.39%	1.57	+.99	-5.07%	+.5%	13.99%
EU Exposure	+1.39%	1.65	+0.54%	-4.40%	+0.2%	7.23%
PURE Beta Laggards (i)	+1.46%	1.76	+0.51%	-4.54%	+1.7%	19.75%
Republican Short	+1.54%	1.49	+0.35%	-6.28%	-3.7%	2.05%
Domestic Manufacturing Tax Cu	+0.99%	1.02	+0.30%	-2.34%	-1.7%	7.80%
Recession Winners (i)	+1.36%	1.31	-0.82%	-9.97%	-7.3%	11.40%
Defensives (r)	+1.17%	1.50	-0.89%	+4.89%	+8.8%	3.93%

NEWS LINKS

- Trump Trade Chief Pushes for Order After Rocky Tariff Rollout (BBG)
- Trump Forces Carmakers to Game Out Calculus on American Plants (BBG)
- Americans See Growing Risk They'll Get Turned Down for Loan (BBG)
- Trump Team Unveils Plans to Build Housing on Federal Land (BBG)
- Trump economic advisor Kevin Hassett warns of more uncertainty over tariffs (CNBC)
- Trump economic advisor Kevin Hassett warns of more uncertainty over tariffs (CNBC)
- Oil rises as Trump says Iran will be held responsible for any future Houthi attacks (CNBC)
- Demand remains high for skilled foreign workers, as U.S. faces critical shortage (CNBC)
- US retail sales rise slightly as economic uncertainty mounts (RTRS)
- Trump trade war to sap Canadian, Mexican and US growth, OECD says (RTRS)
- What happened the last time Trump imposed tariffs on steel and aluminum (RTRS)
- Brazil's Haddad sees proposed tax exemption having $4.75 billion fiscal impact (RTRS)
- Trump Wants to Build Homes on Federal Land. Here's What That Would Look Like. (WSJ)
- A Secret Mortgage Blacklist Is Leaving Homeowners Stuck With Unsellable Condos (WSJ)
- Trump Lays Groundwork for Investigating People Pardoned by Biden (WSJ)
- The Collateral Damage of Trump's Firing Spree (WSJ)

WEEKLY ECONOMIC DATA / EARNINGS

US CALENDAR

ECONOMICS

- **MAR 17** – Empire Mfg and **Retail Sales** at 8:30am ET. Business Inventories and NAHB Housing Market Index at 10am ET.
- **MAR 18** – Housing Starts, Building Permits, Import Price, Export Price, and NY Fed Services Business Activity at 8:30am ET. Industrial Production, Capacity Utilization, and Mfg Production at 9:15am ET.
- **MAR 19** – Mortgage Applications at 7am ET. **FOMC Rate Decision** at 2pm ET. TIC Flow at 4pm ET.
- **MAR 20** – Current Account Balance, Initial/Continuing Jobless Claims, and Philly Fed Business Outlook at 8:30am ET. Leading Index and Existing Home Sales at 10am ET.
- **MAR 21** – N/A

EARNINGS

JPM US Earnings Calendar here

US Analyst Focus List here

- **MAR 17** – BCAT, HIT
- **MAR 18** – KRMN, MRVI, SNDK, TRVI
- **MAR 19** – FIVE, GIS, SIG, TSVT
- **MAR 20** – ASO, **DRI, FDX**, JBL, LEN, **MU, NKE**, QUBT
- **MAR 21** – CCL, CKPT, LUNR

GLOBAL CALENDAR

- **MAR 17** – (Canada) Housing Starts at 8:15am ET.
- **MAR 18** – (Japan) Tertiary Industry Index at 12:30am ET. (Germany) ZEW Survey Expectations and Current Situation at 6am ET. (Eurozone) ZEW Survey Expectations at 6am ET. **(Canada) CPI at 8:30am ET.** (Japan) Trade Balance, Core Machine Orders at 7:50pm ET.
- **MAR 19 –** (Japan) IP (revision) at 12:30am ET. (Eurozone) CPI (revision) at 6am ET. (China) Loan Prime Rates at 9pm ET.
- **MAR 20 –** (Germany) PPI at 3am ET. (UK) Average Weekly Earnings, ILO Unemployment Rate, Claimant Count Rate, and Jobless Claims Change at 3am ET. (UK) Bank of England Bank Rate at 8am ET. (Japan) National CPI at 7:30pm ET.
- **MAR 21 –** (UK) Public Finances at 3am ET. (France) Manufacturing Confidence at 3:45am ET. **(Eurozone) Consumer Confidence at 11am ET.**

NEAR TERM CATALYSTS – CPI (Apr 10, May 13), ISM-Mfg (Apr 1, May 1), ISM-Srvcs (Apr 3, May 5), PMI-Mfg (Mar 24, Apr 23), PMI-Srvcs (Mar 24, Apr 23), NFP (Apr 4, May 2), PCE (Mar 28, Apr 30), Retail Sales (Mar 17, Apr 12). **FED DATES**: Mar 19, May 7. **FED MINUTES**: Apr 9 (for Mar 19 mtg).

POLITICAL CATALYSTS

- **APR 1 –** Federal agencies will report back to Trump on a number of tariffs study.
- **APR 2 –** Proposed date for reciprocal tariffs
- **APR TBD** – Trump may meet Xi in China as soon as April (SCMP)
- **JUN TBD** – Potential Trump-Xi Summit ("U.S., China Discuss a Trump-Xi Summit for June" WSJ)
- **OCT 18 – JCPOA** (Iran nuclear deal) is set to expire.

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- **CROSS-ASSET: THE JPM VIEWS (Bassi; March 7, 2025)** – Tactically cautious on risk assets with room for US underperformance on valuations and investor rotation to China/Europe; see further upside on China AI and tech complex; in DM rates turn neutral on Germany on fiscal impulse; in US bias for more Fed easing to be priced in 2H25 and 1H26; turn bullish on EUR/USD; move to UW EM Sovereigns and stay long gold. German fiscal “whatever it takes” plans and EU defense spending deliver a historic U-turn mitigating the cyclical concerns of the Euro area, giving a boost to Euro, upward pressure to long end German yields and support to European Equities, turn OW CE3 FX (PLN, CZK and HUF). China NPC’s targets in line with forecast: 5% growth, 4% deficit, 2tn yuan expansion, 2% inflation, modest consumption support; China’s reactions to tariffs are asymmetric, targeted, and constrained.

Table 1: Core recommendations by asset class

Equities	**Country:** OW Japan, **range bound US, turning positive on Eurozone**, Neutral UK. Prefer DM vs EM. **Sector:** OW Comm Services, Healthcare, Real Estate, **Aerospace & Defence**; Neutral Technology, Financials, Utilities; UW Materials, Cons. Disc. **Style:** OW Small cap; N Growth, Value; UW Quality.
Bonds	**DM Duration:** Long Euro duration; Neutral US and UK; Mild short bias in Japan. **EM Duration:** OW Thailand, India, Czechia, Turkey; UW Indonesia, Poland, Chile.
Credit	**US HG:** Modest narrowing. OW Financials, Insurance, Telcos, Autos, US Banks; UW Energy, Basic Industries, Yankee Banks, Retail and Technology. **Euro HG:** Modest Widening. OW single-A, non-cyclicals, Bank T2 and off-benchmark AT1; UW to BBBs and cyclicals. **EM: UW sovereigns**; UW corporates.
Currencies	**DM: Neutralize EUR/USD short. Bullish EUR/USD**. Bearish GBP, NZD, **USD** vs. JPY, Scandis.Unwind EUR / CHF shorts. **Stay short CHF/JPY in cash.** **EM:** MW with UW in EM Asia vs OW EMEA EM. Neutral LatAm majors.
Commodities	**Long:** Gold, Silver, and Platinum. **Short:** Oil, Industrial and Base metals.

Source: J.P. Morgan. New recommendations in bold.

- **EQUITIES (Dubravko; March 6, 2025) – *Market Update, Momentum Crash, Positioning Still a Risk, Fundamentals Remain Supportive:*** “Expecting stronger performance in back-end of the year driven by a policy pivot, while growth tailwinds remain intact. In our view, the probability of this growth scare turning into a recession remains a low risk for several reasons. Firstly, markets are responding to policy induced growth fears and quickly readjusting lower borrow rates, oil, and USD, all of which should be supportive for risk assets and help release pent up demand (e.g. housing, retail, autos, etc). Just one month ago, an increasing number of investors were voicing concern that rising rates and strengthening USD were becoming a headwind. If the outlook were to significantly worsen (e.g., consecutive big payroll misses), the market may begin to reopen the door for the Fed to do even more aggressive easing (current expectation of 2.75 rate cuts by Dec 2025). This policy easing would be in line with the Treasury Secretary's goal of reducing rates, promoting growth without increasing inflation, and reducing the budget deficit. Additionally, growing probability of a Russia / Ukraine deal and lower commodity prices would be another driver of lower inflation/yields. Secondly, corporates and consumers are relatively in good position to absorb short-term shocks with solid earnings growth and labor market. Balance sheets remain healthy with ample credit availability. Based on history, when credit markets are as resilient as they are now, the cycle is unlikely to rollover (HG & HY credit spreads have only widened slightly during this sell-off and remain well below last summer's levels). Thirdly, the recent flurry of headlines around capital spending plans from the private sector into the US, new infrastructure and defense spending announcements by Europe, ongoing easing by China, and pro-growth reforms by Japan imply significant tailwinds for forward demand and earnings. Lastly, in the background, the AI cycle continues to accelerate, innovate, and broaden out both in the US and abroad (i.e. China). In our view, the Street is under appreciating the earnings growth potential from cost savings via productivity gains in the coming quarters—which is becoming apparent in some of the hyperscalers and software names."

- **EQUITIES (Mislav) – *March Chartbook:*** "Certain activity indicators are softening – consumer confidence, retail sales, services PMIs, among other, as is the performance of US Cyclicals vs Defensive sectors, and bond yields are lower – pages 6 and 7. The risk is of a broadening air pocket in activity, where more aggressive trade, immigration and fiscal consolidation policies could increase uncertainty, and ultimately affect payrolls. At the same time, CPI has been rather hot, which could constrain Fed's response. This in turn leads to curve flattening initially, as Fed is seen not to respond at first to data softness. Ultimately, the activity air pocket could lead to more forceful Fed support, drive the re-steepening of the yield curve, and bullish equity market behavior, likely in 2H, but not in the first instance. Defensives should be doing well in the interim. We have been arguing that there are clear differences from 2017 reflation template, and still think so. Starting positioning, policies sequencing and the pace of activity momentum, among other, are what is leading to digestion S&P500 phase this time around, contrasted to the uninterrupted S&P500 rally in 2017 – page 26. It is premature to believe that tariffs uncertainty has already peaked, and interestingly, even if not many sticks, the adverse impact on sentiment could still be the end result."
- **FIXED INCOME CROSS SECTOR (Barry; March 14, 2025)** – "Spreads have widened amid an equity market sell-off, with growth concerns fueled by potential recession warnings and new tariffs. We revise down our 2025 GDP forecast. We remain neutral on duration and hold longs in energy-hedged 2-year inflation swaps. Stay positioned for narrower swap spreads and a flatter swap spread curve. Yields remaining high should support demand for credit, but more

clarity on the growth trajectory will be key for spreads."

- **HG (E. Beinstein, S. Doctor, N. Rosenbaum, S. Mantri)** - HG bond spreads widened 10bp this week but in an orderly way with little dispersion by sector or ratings bucket, suggesting recession risk not the primary driver. Yields remaining high should keep demand solid. The extent of the expected growth slowdown will be key for spreads.
- **HY** (**Jantzen, T. Linares) -** High-yield bond spreads widened 33bp to a 6-month-high 372bp over the past week led by lower-rated credits, while loan prices fell by the largest margin since March 2023 and the % of loans trading above par receded to a 13-month-low 11%. We expect HY spreads to remain biased wider due to an unpredictable macro (trade, inflation, etc.), elevated volatility, and rising growth concerns; somewhat offset by robust underlying fundamentals, limited net issuance activity, and low default risk.

- **FLOWS AND LIQUIDITY (Nikos; March 12, 2025) –** ***WILL CREDIT MARKETS BE PROVEN RIGHT AGAIN?: "***Echoing the recession scares of the previous two years, credit markets are once again more dismissive of US recession risks than equity or rate markets. The recent US equity market correction appears to be more driven by equity quant fund position adjustments and less driven by fundamental or discretionary managers reassessing US recession risks. We estimate the potential equity buying from month-end rebalancing by balanced mutual funds as well as quarter-end rebalancing by US defined benefit pension funds and Norges Bank/GPIF/SNB at around $135bn. On our momentum traders/CTA framework, the short momentum on 10y Bunds is in extreme territory both on an outright basis and in particular relative to 10y USTs, suggesting some risk of mean reversion signals being triggered. Publicly listed bitcoin miners to continue to gain share in the overall bitcoin network hashrate during 2025."
- **HIGHLIGHTED RESEARCH (Azzarello; February 28, 2025) -** US Macro & Market Update

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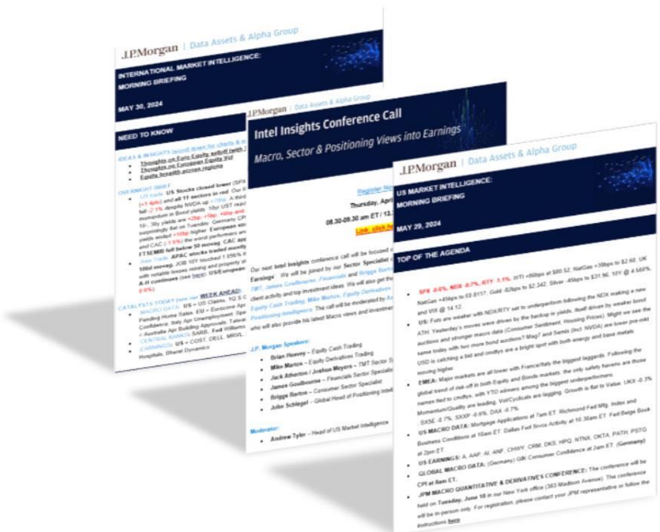

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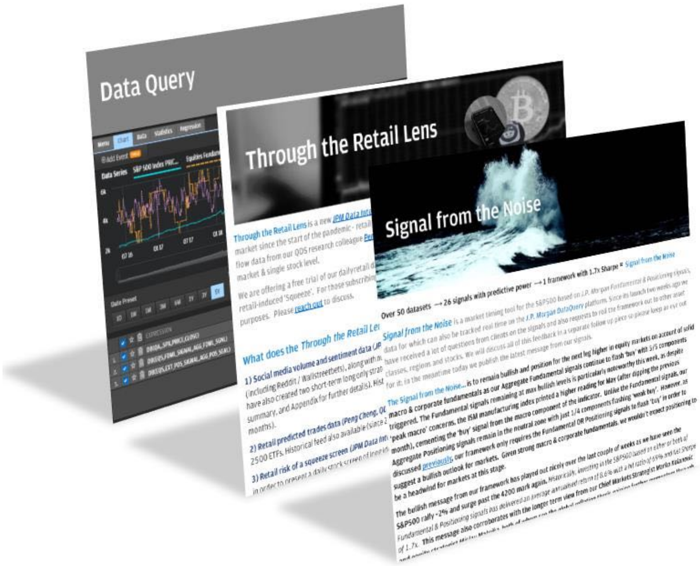

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Our data toolkit

By leveraging proprietary data and signals from our industry-leading Markets business, we utilize a combination of tools to inform our insights and trade ideas including equity market timing indicators, positioning, flows and sentiment. ***These toolkits are available to our institutional clients via written and audio content, automated daily emails and via API feed from the J.P. Morgan DataQuery application & Fusion platform.***

More details on our flagship datasets ***Signal from the Noise****,* ***Tactical Positioning Monitor****,* ***Through the Retail Lens, Strategic Index Fundamental Toolkit (SIFT)*** *and* ***Quantitatively Selected Themes (QUEST)*** *are shown below. Contact us here if you would like access to the datasets or to learn more.*

Signal from the Noise

Signal from the Noise reflects market timing signals for the US equity market (S&P 500) based on fundamental and (externally derived) positioning data. For the framework to be bullish on the S&P500, either the Positioning or Fundamental signals need to be flashing ‘Strong Buy’ (and likewise for a low conviction bullish view). The ‘Strong Buy’ strategy demonstrated an 8.6% annual return and 1.7x Sharpe ratio (69% per trade hit ratio) from 2010 to 2021.

Tactical Positioning Monitor

Tactical Positioning Monitor (TPM) reflects the level of broader positioning data. For the framework to be bullish on the S&P500, short-term positioning data points either need to be very light (-1.5z), or rising (+1.5z) but with markets below peaks. The strategy demonstrated an 8.9% annual return and 1.0x Sharpe ratio (69% per trade hit ratio) from 2015 to 2021.

Through the Retail Lens

Through the Retail Lens focuses on US retail trading activity and social media sentiment. The product combines proprietary and high frequency retail flow data from our *QDS Research* colleague *Peng Cheng*, with sentiment analysis of retail social media activity, at a market, sector, thematic basket, and single stock level.

Bull / Bear Buzz

Bull / Bear Buzz *data set shows market sentiment across web & social media sources, leveraging an extensive pre-defined 'bag of words' for market sentiment, and aggregated using big data techniques.*

Strategic Indices: Fundamental Toolkit (SIFT)

SIFT (Strategic Indices: Fundamental Toolkit) is a proprietary toolkit of 21,000 aggregate global equity indices with an extensive cross section of 46 different metrics including risk, valuation, debt, profitability, and investment, across each index from the 1960s – created by our colleagues in the *J.P. Morgan Equities Structuring team.* With its comprehensive metrics and long history, the database can be used for a variety of investment analyses for the market, sectors & factors.

QUEST (Quantitatively Selected Theme)

QUEST (Quantitatively Selected Themes) is a proprietary NLP-based JPM toolbox used for identifying & screening for topical and structural investment themes in the market – created by our colleagues in the *J.P. Morgan Equities Structuring team*, in partnership with the *J.P. Morgan Chief Markets Strategist team*. The database is comprehensive and customizable, and allows clients to screen for themes at a granular level across a wide universe of stocks.

Access all of this and more through J.P. Morgan's *DataQuery* application and *Fusion*

platform.

DataQuery application allows investors to develop, back-test and validate new investment ideas with 500+ datasets, integrated analysis tools, and advanced analysis & visualization. The application offers an extensive data history, broad asset coverage and integrated analysis and visualization tools.

Fusion delivers end-to-end data management and reporting solutions, enabling investors to leverage the power of clean, interoperable data to maximize operational efficiencies. The platform allows clients to seamlessly integrate and combine data from multiple sources into a single data model that delivers the benefits of scale and reduced costs, along with the ability to more easily unlock timely analysis and insights.