J.P.Morgan | Data Assets & Alpha Group

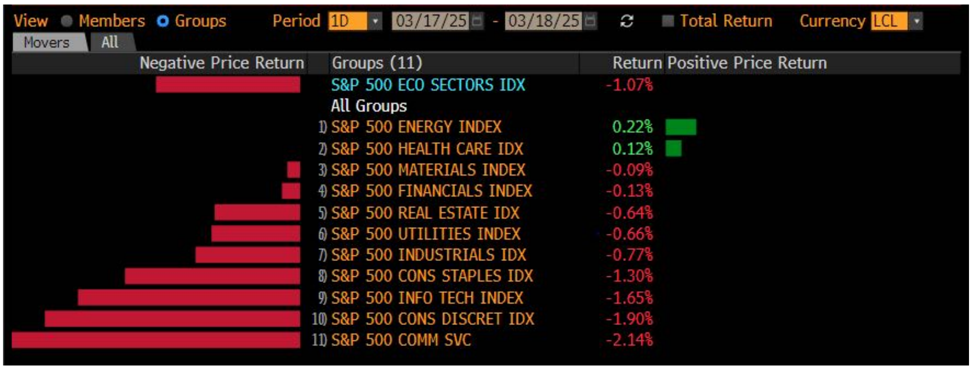
US MARKET INTELLIGENCE: MORNING BRIEFING

MARCH 19, 2025

TOP OF THE AGENDA

- **SPX +0.2%, NDX +0.3%, RTY +0.2%.** WTI -93bps at $66.28, NatGas +96bps to $4.09, UK NatGas +370bps to £1.0371, Gold -19bps to $3,029, Silver -116bps to $33.62, 10Y @ 4.289%, and VIX @ 21.59.
- **US:** Futs are higher into Fed Day with both NDX/RTY outperforming. Pre-mkt, Mag7 are all higher led by TSLA (+.%) and NVDA (+1%), both saw heavy retail inflows recently. KWEB is outperforming QQQ pre-mkt on China Tech earnings. Financials are also catching a bid with bond yields flat and the USD higher for the first time in 4 sessions. Cmdtys are weaker as 3 complexes are under pressure; WTI had reversed lower on RU/UKR energy-based de-escalation. Reuters is reporting that the US is suspending some multi-agency and multi-country efforts to counter Russian sabotage, potentially to help a deal move through (article is here). Today's pre-mkt rally may gain strength depending on Powell's press conference and any adjustments to QT.
- THE VOICE: ***Equity Market Update: Factors, Positioning, Trading Color, Tariffs, and Market Outlook.*** Speakers include **Bhupinder Singh** (Senior US Equity Strategist), **Bram Kaplan** (Head of Americas Equity Derivatives Strategy), **John Schlegel** (Head of Positioning Intelligence), **Manish Sinha** (JPMorgan Delta 1), and **Aaron Glover** (US Equity Franchise Sales). The call will be **TODAY, March 19, at 10:30AM ET/2:30PM UK**. You may register **here**. No replay will be available.
- **EMEA:** Major markets are mixed with Italy leading and Germany lagging. Domestics, Energy, and Semis are among the strongest performers with Alt Energy and Trade-sensitive names under pressure. Momentum/Quality are leading, Value/Vol are lagging; Cyclicals flat to Defensives. UKX -0.3%, SX5E +0.1%, SXXP -0.0%, DAX -0.4%.
- Additional color from **International Market Intel** is **here**.

- **US MACRO DATA:** Mortgage Applications at 7am ET. **FOMC Rate Decision** at 2pm ET. TIC Flow at 4pm ET.
- **US EARNINGS:** FIVE, GIS, SIG, TSVT
- **GLOBAL MACRO DATA:** (Japan) IP (revision) at 12:30am ET. (Eurozone) CPI (revision) at 6am ET. (China) Loan Prime Rates at 9pm 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: This week, there have not been significant enough catalysts to warrant the magnitude of moves that we have experienced. There is a roughly consensus view that Equities were due for a bounce, partly due to the speed of the move lower but also the lack of moves from other asset classes such as Credit. Mag7 has failed to find support and NVDA's GTC was unable to provide a level. Some of the Mag7 names now appear cheap, e.g., NVDA trading at a multi-year low.

Now, we move into Fed day where expectations are low but Powell reinforcing economic strength may be received positively by risk assets similar to what happened on Friday, March 7; Powell's comments that day triggers ~1.8% reversal in the SPX pushing the index to a +55bps closing level. NDX/SOX outperformed while EEM/Mag7/RTY underperformed. That said the more important action from the Fed would be whether they address changes to QT. The SPX is 8.6% off its Feb 19 highs and the 10Y yield has fallen 25.2bps; MTD, the SPX is -5.7% and the 10Y yield is higher by 7.3bps. Separately, CBS news is reporting that more than 24,000 fired federal workers are set to be rehired while DOGE activities relating to USAID have been declared unconstitutional (mainly due to Musk circumventing Senate Confirmation as de facto head of a gov't agency), though Congress could codify into law those cuts, making them permanent (CBS; Politico). This development may assuage growth concerns though may not alleviate wage-induced inflationary pressure.

NVDA: FIRST TAKE FROM JOSH MEYERS

- NVDA GTC First Reaction: All About the Token... [**Josh**] Wanted to share a quick recap of Jensen Huang's NVDA keynote, which I liveblogged on IB.
- What NVDA is doing is obviously incredible when you really stop to look at it, and there were the standard number of chuckles in Jensen's presentation, but …
- … overall, this was a yawn-inducing affair that involved a lot more history and context than this audience needed – and more subtlety than I would have advised (in particular: Jensen's casual choice of DeepSeek as the reference Chain of Thought model throughout the presentation, and his almost comical parenthetic comment that R1 is "not a small model"). *side eye*
- And the parts that mattered for us had been well-telegraphed. Blackwell Ultra, Vera Rubin, CPO… nearly everything was in-line with what **Samik** and **Gokul** had previewed… with just the one obvious exception being that Spectrum-X CPO will be launched a year later than some expected (incrementally +ve for the transceiver names).
- A few things worth just highlighting…
  - Re-orienting people to tokens was a key goal of the presentation. NVDA wants us to understand that Chain of Thought models require "dramatically" more inference compute. The "simple problem" Jensen gave showed Llama LLM getting the wrong answer with only 439 tokens, versus using DeepSeek to get the right one with 8,559. The point here is that we need "a hundred times more" compute for inference than we

thought we would last year at this time.

    - NVDA continues to be a business that's focused on anticipating problems and making this easy.

- Expansion of the CUDA-X library makes it easy for every industry to use (Jensen provided Communications & Autos use cases).
- TOKEN RATE matters in an AI factory. Operators are balancing quality of response with speed of response and revenue maximization. To this end, NVDA launched the open source Dynamo, the "Operating system of an AI factory." Dynamo improves the amount of compute/Watt, and allows operators to manage tokens per second per MW. You can manage intelligence versus throughput along a spectrum.
- Robots! In a world with a severe shortage of workers, this is "the next trillion dollar opportunity," and NVDA has tools (Omniverse & Cosmos) to help robots create high-quality synthetic training data, and (Mega) to work together as a unit and see the results of their actions. GR00T N1 is a generalist foundation model for humanoid robots.
    - The hardware outlook is largely as expected.
- In 2H, NVDA will "easily transition" to Blackwell Ultra NVL72, which provides 1.5x more flops & memory, and 2x more networking bandwidth. "We have the same architecture, so we'll gracefully glide into that."
- Vera Rubin NVL144 net year will be a bigger lift, but no surprises in terms of the very vague specs: "Everything is brand new." CX-9 NIC, HBM 4, etc.
- Then in 2H27: Vera Rubin Ultra NVL576… Each rack 600kW. 15 exaFLOPS.
- CPO: Jensen reaffirmed that "we should use Copper as far as we can" on scale up, but introduced Quantum-X (InfiniBand) to launch 2H25 and Spectrum X 2H26 for scale-out
- In terms of investor feedback, most folks seemed to view the event as largely in-line with expectations. There was some question about why LITE performed so poorly throughout the event (I didn't hear a good answer) and also a lot of questions about whether to read anything into META being listed as a CPO partner (**Samik's** view is that one customer to back a technology approach is not new, and does not assure large deployments). There were questions about how to read the GM partnership announcement (especially with MBLY hit on the news). A few noted that the CPO timeline is slower than they expected.
- **Harlan** will be joining the investor meeting at GTC tomorrow. Let me know if there's anything you want him to prioritize asking, or share in terms of takeaways.

CENTRAL BANK PREVIEWS

- **FED (MARCH 19; Mike Feroli's note is here)** – At the conclusion of next week's FOMC meeting we and consensus look for no change in the funds rate target of 4.25-4.5%. We expect that the post-meeting statement will note moderating growth but stay away from discussing trade-related risks to the outlook. We look for the statement to continue to note that growth and inflation risks are "roughly in balance" and that they are considering the "extent and timing of additional adjustments" to the funds rate. In the Summary of Economic Projections (SEP) we expect that median GDP growth expectations for this year will be revised down and for core PCE inflation will be revised up. Given this, we expect no change in the median interest rate forecast "dot" for this year, still looking for two 25-basis point cuts. We think there's a good chance the longer-run median dot could revise up an eighth to 3.1%, and we still see the '26 and '27 path gradually returning to this estimate of neutral. Last Friday Chair Powell likely gave a preview of the themes that will come up in the press conference. Namely, that they are not prejudging the outcome of trade deliberations and they don't need to be in a hurry to respond to these developments.

- The actual policy decision at next week's meeting appears obvious enough—no Fed speakers have been advocating a near-term change in policy. We expect no dissents to a decision to keep policy on hold. Turning to the statement, the January communique noted that "economic activity has continued to expand at a solid pace"; this looks a little upbeat compared to hard activity data and we think this could get revised to something like 'activity growth has moderated.' Monday's retail sales report could color the way this first sentence is worded. We look for no changes to the description of a solid labor market and somewhat elevated inflation. In the discussion of the outlook, we don't expect any explicit mention of trade policy. Even in 2019, when rates were cut in response to the US-China trade war, the statement only mentioned "global economic and financial developments." As the FOMC awaits greater clarity on government policy, we think they retain the risk assessment of "roughly in balance" and the forward guidance as "considering the extent and timing of additional adjustments" to the funds rate.
- We suspect that recent trade actions have been more aggressive than most FOMC participants assumed at the last forecast round in December. This, as well as a weaker tracking of 1Q, implies that the Committee's latest median growth expectation of 2.1% for this year looks a little optimistic by a few tenths and should be revised lower. We also think the 2.5% core PCE projection for this year is now looking too low and could get revised up by perhaps two tenths. The 4.3% unemployment projection might move up a tenth. We don't expect meaningful changes in the outlook for '26 and beyond, though growth could return to trend faster than in the December projections. The lower growth and higher inflation forecasts for '25 present a quandary for the Fed, though we expect the median participant will still look for two cuts this year. Governor Waller offered two to three cuts this year, though he has lately been drifting to the more dovish side of the center. Most other Fed speakers haven't expressed a big change in

the outlook for policy this year. In the December SEP the median dot gradually returned close to the longer run dot over the course of ’26 and ’27. The longer run dot has been drifting higher since early last year. We don’t think that process is done, and it is easy for the median to drift up another eighth next week to 3.125%.

  - Fed Chair Powell has done a good job since Inauguration Day in staying out of the news cycle. We suspect he will hope this continues next week, mostly by avoiding offering particularly strong (or informative) views on trade, immigration, or fiscal policies. While market pricing for a May cut has been moving up lately, we think he will continue to say that the Fed doesn’t need to be in a hurry.

- **BOJ (MARCH 19; Ayako Fujita’s note is here)** – We [Ayako and team] expect the BoJ to keep the policy rate unchanged at next week’s monetary policy meeting, in line with market consensus. The focus will be on the conditions for implementing an additional rate hike, a crucial factor in determining the timing of the next move. Governor Ueda is likely to outline these conditions during the post-meeting press conference. Since the January rate hike, communication from the BoJ regarding upside inflation risks has increased, which we interpret as a signal for a potential move earlier than the six-month base case. While the BoJ likely prefers a data-dependent approach, we expect they will provide guidance that could allow for a rate hike at the April/May meeting, as the earliest. Recent data indicate that Japan’s reflation is progressing, even amid rising uncertainties in the global economy. In response to heightened awareness of upside inflation risks, the market has priced in a higher terminal rate since late January, pushing up 10Y JGB yields to over 1.5% and bringing USDJPY below 150. As the BoJ has long been perplexed by the market’s skepticism on their rate hike policy, we believe that the BoJ views these moves as desirable. We have long expected the policy rate to reach 1.5% by end-2026, but we do not necessarily see this as the terminal rate. If the global economic cycle continues, the BoJ is likely to continue raising rates, and with an increased awareness of upside risks to inflation, such communication from the BoJ will also be forthcoming. In light of this background, we don’t think the recent market movements will make the BoJ more cautious about rate hikes. The BoJ likely will continue expressing its intention to implement gradual rate hikes.
  - The new US administration’s opposition to a weak yen may also support the acceleration of the BoJ’s policy normalization. While this may not directly influence the BoJ’s decisions, it at least reduces the likelihood of the BoJ being held back by domestic political pressure in its efforts to normalize policy. This could potentially lead to a slightly faster pace of rate hikes relative to their base case in the near term.
- **BOE (MARCH 20; Allan Monk’s preview is here)** – We [Allan and team] look for the BoE to hold rates at 4.5% next week, in a 7-2 vote with 50bp dissents from Mann and Dhingra. There is a debate about whether both members will still want to argue for another 50bp cut at this

meeting, but both continue to make arguments that would be consistent with this approach, notably Mann's recent comment from 6th March that "the founding premise for a gradualist approach to monetary policy is no longer valid". There has also been a separate debate this year about whether the MPC could speed up its quarterly pace of cuts or instead pause early. Events since February have not tilted clearly enough in either direction to change the outlook just yet. We hence look for a continued quarterly cutting pace, implying a hold next week. Employment indicators have been somewhat more mixed over the past week or so, but nevertheless remain weak. Our nowcast continues to flag a stall in job growth. We are, however, treating this with some caution at present because of the risk of an exaggerated sentiment-driven move down due to tax increases announced in the Budget. The NI tax hike doesn't come into effect until April, and how the jobs data behave then will probably be the key test for the MPC

IN DATA

		PERCENT RETURN		
	LEVEL	1D	5D	YTD
SPX	5,614.66	-1.1%	0.8%	-4.5%
NDX	19,483.36	-1.7%	0.5%	-7.3%
R2K	2,049.94	-0.9%	1.3%	-8.1%
S&P 400 (MID CAP)	2,946.61	-0.8%	1.3%	-5.6%
S&P 600 (SML CAP)	1,284.15	-0.8%	0.6%	-8.8%
R2K - GROWTH	1,334.68	-1.2%	1.2%	-9.2%
R2K - VALUE	2,296.82	-0.6%	1.4%	-6.9%
R1K - GROWTH	3,659.63	-1.7%	0.1%	-9.5%
R1K - VALUE	1,843.58	-0.4%	1.6%	1.1%
RUSS MIDCAP	3,404.32	-0.9%	1.5%	-3.7%

		PERCENT RETURN		
	LEVEL	1D	5D	YTD
SPX	5,614.66	-1.1%	0.8%	-4.5%
COMM SRVCS	323.27	-2.1%	-1.3%	-5.4%
CONS DISC	1,541.33	-1.9%	-1.8%	-15.8%
CONS STPLS	868.39	-1.3%	-2.2%	1.7%
ENERGY	693.17	0.2%	4.4%	5.9%
FINANCIALS	813.66	-0.1%	3.0%	1.1%
HEALTHCARE	1,706.98	0.1%	0.5%	6.4%
INDUSTRIALS	1,113.64	-0.8%	1.3%	-0.2%
MATERIALS	545.05	-0.1%	1.8%	2.9%
REAL ESTATE	262.19	-0.6%	0.4%	2.5%
TECH	4,112.83	-1.6%	1.3%	-10.8%
UTILITIES	397.24	-0.7%	1.5%	3.2%

Source: Bloomberg. *Data as of* *3/18/2025*

MEGACAP TECH STOCKS

	PRICE	%1D	%5D	%1M	%3M	%6M	%YTD
AAPL	$ 212.69	-0.61%	-3.69%	-13.00%	-14.26%	-3.62%	-15.07%
AMZN	$ 192.82	-1.49%	-1.89%	-14.93%	-12.56%	3.45%	-12.11%
GOOG	$ 162.67	-2.34%	-1.99%	-12.45%	-14.45%	1.16%	-14.58%
MSFT	$ 383.52	-1.33%	0.81%	-6.38%	-12.32%	-10.98%	-9.01%
META	$ 582.36	-3.73%	-3.85%	-18.71%	-2.48%	8.26%	-0.54%
NFLX	$ 929.98	-2.11%	3.90%	-10.22%	4.55%	34.69%	4.34%
NVDA	$ 115.43	-3.43%	6.22%	-17.20%	-10.46%	1.90%	-14.04%
TSLA	$ 225.31	-5.34%	-2.29%	-36.37%	-48.81%	-0.83%	-44.21%
Source: Bloomberg		*data as of*	*3/18/2025*				

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 Commodities (i)	+1.04%	1.14	+2.50%	+7.96%	+10.1%	9.70%
Recession L/S (i)	+0.85%	0.69	-2.25%	+3.93%	-0.8%	8.61%
PURE Rates Sensitive	+0.83%	1.10	+0.58%	-5.61%	-5.7%	13.33%
PURE Inflation Sensitive	+0.75%	1.12	+3.05%	+4.61%	+5.1%	-2.16%
PURE Value (i)	+0.62%	1.03	+0.13%	+0.80%	-1.9%	-3.03%
PURE Quality (i)	+0.03%	0.05	-2.19%	-1.58%	-1.9%	4.10%
PURE Size (i)	-0.14%	-0.27	+0.14%	+1.47%	+7.0%	0.79%
PURE Growth (i)	-0.39%	-0.69	-1.20%	-3.56%	+2.2%	3.20%
Short Term Momentum	-0.41%	-0.36	-2.06%	-12.97%	-15.5%	9.76%
PURE Momentum (i)	-1.00%	-0.64	+1.33%	-6.87%	-2.1%	38.37%
PURE Res Vol (i)	-1.18%	-1.00	-0.17%	-4.69%	+0.7%	18.87%
PURE Beta (i)	-1.23%	-0.83	+1.54%	-13.12%	-10.5%	-6.30%
Crowding and Squee						
Healthcare Crowded Longs	-0.52%	-0.43	+1.54%	-3.43%	+7.6%	2.79%
Crowding ex. TMT, HC, Consume	-1.60%	-0.86	+2.37%	-12.06%	-2.5%	30.14%
TMT Crowded Longs	-1.71%	-0.98	+1.75%	-16.53%	-6.6%	45.99%
Crowded Shorts (i)	-1.93%	-1.10	+0.93%	-12.33%	-9.8%	-7.83%
Consumer Crowded Longs	-2.03%	-1.75	-0.53%	-12.70%	-8.3%	21.94%
Potential Squeeze (i)	-2.06%	-1.20	+1.79%	-7.44%	-1.5%	-18.98%
Crowded Longs	-2.12%	-1.10	+2.09%	-17.53%	-7.9%	43.08%
Tariffs (6)						
US Macro/Thematic						
Government Efficiency (r)	+0.13%	0.09	+3.11%	-1.80%	-8.6%	15.40%
Deregulation Agenda (r)	-0.22%	-0.16	+2.82%	-10.81%	-5.2%	20.89%
Defensives (r)	-0.22%	-0.29	+0.38%	+4.35%	+8.5%	3.93%
Emerging Mkt Exposure	-0.45%	-0.39	+3.76%	-3.23%	+3.1%	20.16%
US Housing (i)	-0.63%	-0.47	+0.17%	-10.12%	-8.1%	12.65%
Domestic Manufacturing Tax Cu	-0.67%	-0.71	+0.29%	-3.22%	-2.4%	7.80%
Republican Long	-0.68%	-0.64	+1.34%	-8.19%	-3.8%	15.21%
Custom S&P ex-Mag. 7 (i)	-0.68%	-0.77	+1.50	-6.49%	-.2%	13.99%
PURE Beta Laggards (i)	-0.74%	-0.89	+0.76%	-5.89%	+1.0%	19.75%
International Exposure (r)	-0.74%	-0.78	-0.18%	-2.83%	-0.4%	8.15%
EU Exposure	-0.75%	-0.90	+1.02%	-5.88%	-0.6%	7.23%
Stagflation Short	-0.78%	-0.69	+1.66%	-5.29%	-1.4%	2.80%
Republican Short	-0.80%	-0.78	+0.91%	-7.84%	-4.5%	2.05%
Infrastructure	-0.84%	-0.65	+1.87%	-10.00%	-8.3%	15.41%
Tariffs Short	-0.93%	-0.67	+1.78%	-11.84%	-6.6%	8.63%
Recession Winners (i)	-0.97%	-0.93	-0.24%	-10.84%	-8.2%	11.40%
Rising Rate Winners (i)	-0.98%	-0.75	+2.14%	-11.64%	-7.4%	23.84%
Bird Flu	-0.98%	-1.07	-1.72%	-1.58%	-0.9%	7.21%
China Exposure (r)	-1.01%	-0.61	+2.99%	-12.03%	-7.3%	7.26%
Rising Rate Laggards (i)	-1.05%	-0.74	+1.25%	-7.31%	-1.0%	11.09%
Inflation Winners	-1.11%	-0.70	+2.56%	-12.95%	-4.4%	7.34%
US Importers (r)	-1.16%	-1.01	-2.50%	-9.57%	-6.5%	0.77%
PURE Momentum Laggards (i)	-1.22%	-0.79	+1.57%	-9.03%	-6.3%	-0.85%
Credit Laggards	-1.29%	-0.73	+3.82%	-12.44%	-6.1%	7.00%
AI ex-TMT	-1.35%	-0.97	+1.84%	-10.73%	-5.6%	29.82%
AI Data Centers & Power	-1.81%	-0.82	+2.93%	-10.77%	-7.1%	39.20%
Recession Laggards (i)	-1.81%	-0.93	+1.94%	-15.73%	-8.5%	-1.81%
Inflation Laggards	-1.88%	-1.60	+0.29%	-10.87%	-6.6%	10.37%
Recent IPOs	-1.93%	-1.27	+1.57%	-14.25%	-13.0%	18.83%
PURE Beta Winners (i)	-1.97%	-0.97	+2.25%	-17.92%	-9.9%	10.94%
Renewable Energy	-2.03%	-1.05	-1.30%	-7.31%	-5.0%	-22.26%
Nuclear Energy	-2.04%	-0.55	+4.93%	-22.33%	-9.1%	54.02%
Potential Squeeze	-2.06%	-1.20	+1.79%	-7.44%	-1.5%	-18.98%
Domestic Exposure (r)	-2.08%	-1.37	+1.71%	-14.64%	-6.0%	22.04%
High Retail Activity	-2.11%	-0.72	+7.94%	-17.48%	-23.3%	18.15%
PURE Momentum Winners (i)	-2.22%	-1.07	+2.87%	-15.36%	-8.4%	39.47%
AI TMT	-2.51%	-1.23	+1.15%	-17.91%	-10.0%	38.23%
Magnificent 7	-2.74%	-1.43	-0.37%	-17.58%	-15.8%	60.86%
Cyclicals (r)	-2.87%	-1.39	+2.58%	-21.16%	-13.5%	29.24%
Quantum Computing	-3.46%	-0.44	+30.98%	+5.18%	-12.0%	455.70%

NEWS LINKS

- Putin Agrees to Limit Ukraine Attacks But Won't Commit to Truce (BBG)
- Putin Wants All Arms to Ukraine Halted for Trump Truce (BBG)
- Tesla Stock Slapped Down by Chinese Rival's 'Game Changer' Tech (BBG)
- RFK Jr.'s Next Targets Are Companies Making Baby Formula (BBG)
- Slower economic growth is likely ahead with risk of a recession rising, according to the Fed Survey (CNBC)
- German parliament passes historic debt reform, paving the way for higher defense spend (CNBC)
- A look at the history of market corrections and where this one stacks up (CNBC)
- Baidu, once China's generative AI leader, is battling to regain its position (CNBC)
- US homebuilding, manufacturing surge; tariffs cast pall over recovery (RTRS)
- German parliament approves Merz's spending surge as allies cheer (RTRS)
- US manufacturing output accelerates in February (RTRS)
- Canada's inflation jumps to eight-month high as sales tax break ends (RTRS)
- Trump Escalates Push Against Legal Norms (WSJ)
- China's Xi Is Angered by Panama Port Deal That Trump Touted as a Win (WSJ)
- Trump Team Explored Simplified Plan for Reciprocal Tariffs (WSJ)
- Here's Where to Look for Early Signs of a Recession (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.

SELECT JPM RESEARCH – MARKET INTELLIGENCE IS NOT A PRODUCT OF RESEARCH

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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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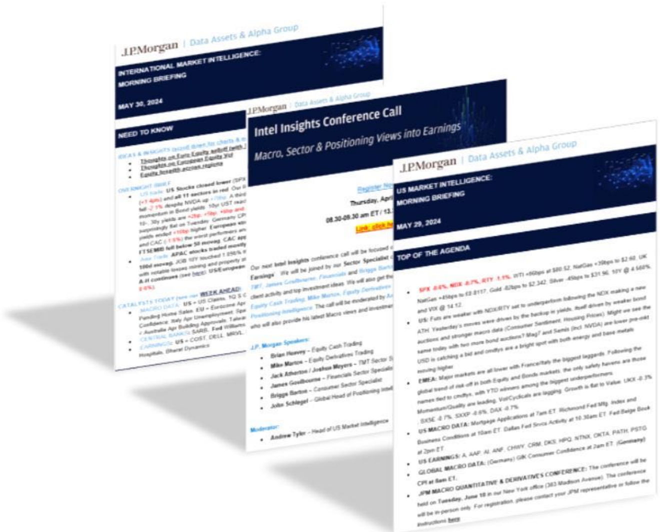

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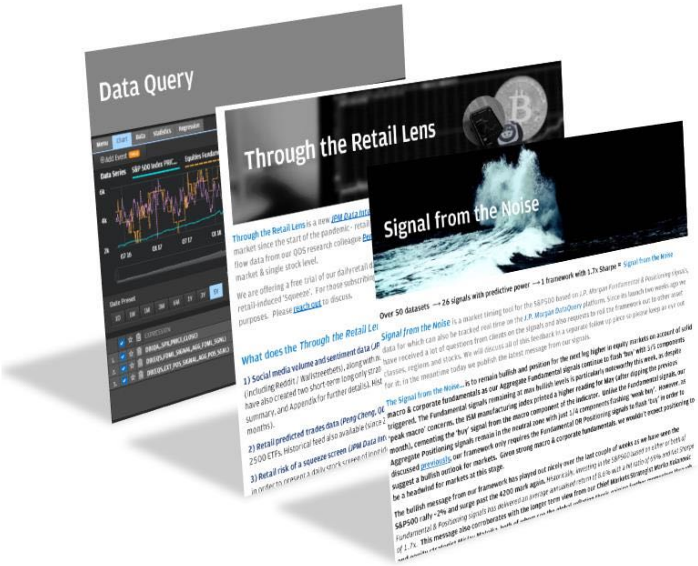

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Our data toolkit

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.