MacroVantage scans all asset classes globally, looking for timely observations from Qi's AI driven framework.

Where an asset price has become divorced from macro fundamentals and offers a potential trade opportunity; where factor leadership may be changing or regimes shifting; employing Qi factor sensitivities to run scenario analysis on critical themes.

Topical, timely, machine-driven signals and observations.

1 European equities - momentum waning?

Looking under the hood of European equity markets we note that Autos are 1.8 sigma rich to Utilities. This RV pair has been a reasonable barometer of risky asset sentiment.

Auto's outperformed in the 2020/21 post Covid rally, and again over the last few months since the Fed's policy pivot. A higher SXAP / SX6P ratio moved in lockstep with rallying Euro Stoxx 600. Until the end of last month.
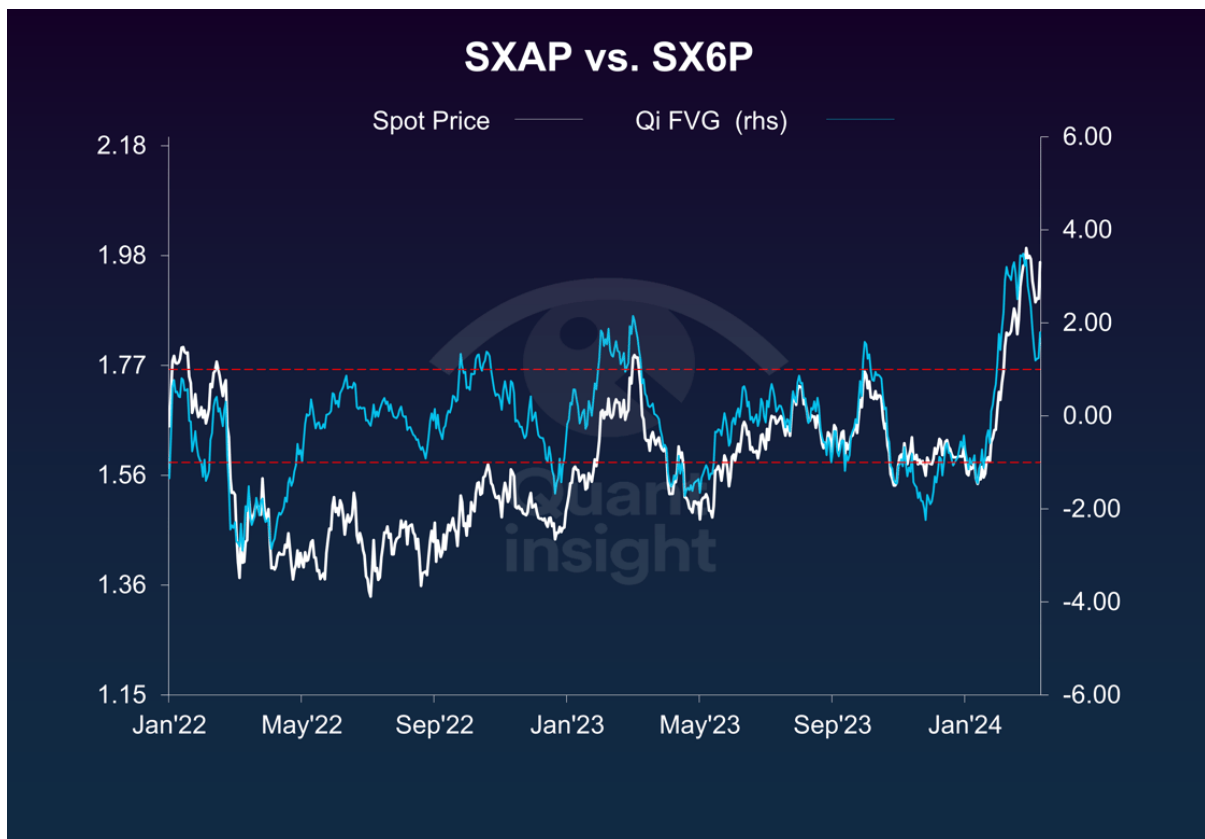
If the early signs of Utilities outperforming gathers momentum, that could serve as an early warning sign for broader caution.

The chart above shows the high correlation between this RV pair's FVG and spot price relative. The table below shows the historical efficacy of using a +1.5 sigma FVG as a sell signal - an 87.5% hit rate.

```
FVG_Back_Test(['SXAP vs. SX6P'],1.5,0.25,65,'2009-01-01','2024-03-12',['Short'],'Long Term')
```

|	Results
Hit Rate	87.500000
Avg. Rtrn	1.344783
Ann. Rtrn	15.947566
Median Rtrn	2.495731
Avg. Max Gain	3.559939
Avg. Max loss	-4.311041
Avg. Holding Period	22.750000
Median Holding Period	26.000000
No. of Trades	8.000000
Avg. Win	3.233125
Avg. Loss	-11.873612
Win/Loss	0.272295

2 AUDJPY - an efficient hawkish BoJ play

Screening Yen G10 crosses in Qi reveals AUDJPY as the biggest outlier. It's in regime (69% model confidence) and is 0.8 sigma (1.26%) rich to macro-warranted fair value.

History shows the FVG can become very (3 sigma) extended. But, that said, right now it looks the most efficient way to express Yen upside if you believe next week's BoJ produces a hawkish surprise.
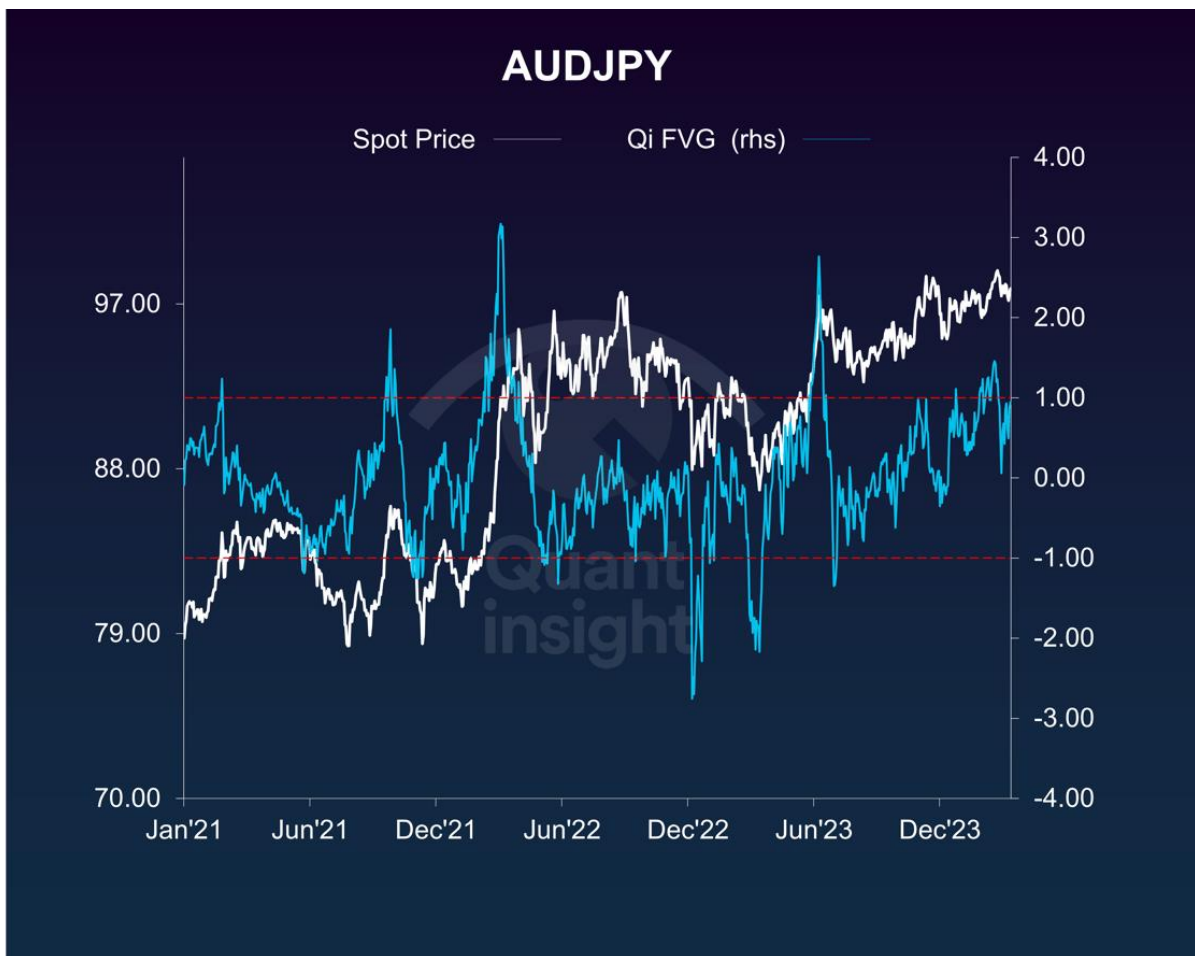
The AUDJPY fx cross is often viewed as a barometer for broader risk appetite - a high beta China play versus a safe haven asset.

How could lower AUDJPY influence equity markets? One impact could be an end to the Nikkei's spectacular run of outperformance.
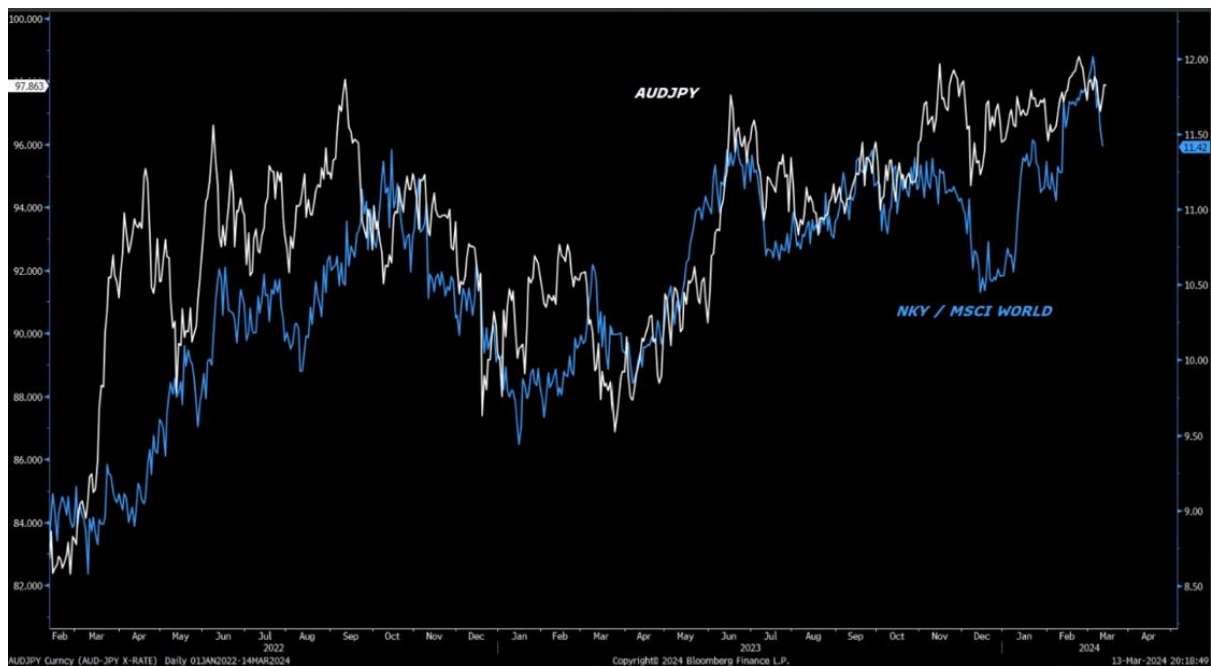
3 Qi's L/S equity tracker pricing HY credit spreads back at post-Covid tights

Qi's out of sample equity tracker for HY credit spreads is back at its 2021 lows.

This basket by construction has a strong defensives vs. cyclicals bias. This has aligned closely with HY credit spreads which can be seen as a good proxy for risky appetite.

With this basket pricing credit spreads at its tights, any vulnerability to the prevailing growth optimism would likely see this basket start to turn.

4 Software > Semiconductors

A comparatively protected RV pair trade that speaks to the anti-momentum theme.

IGV, the iShares Expanded Tech Software ETF is 1.9 sigma cheap relative to SOXX, the iShares Semiconductor ETF.
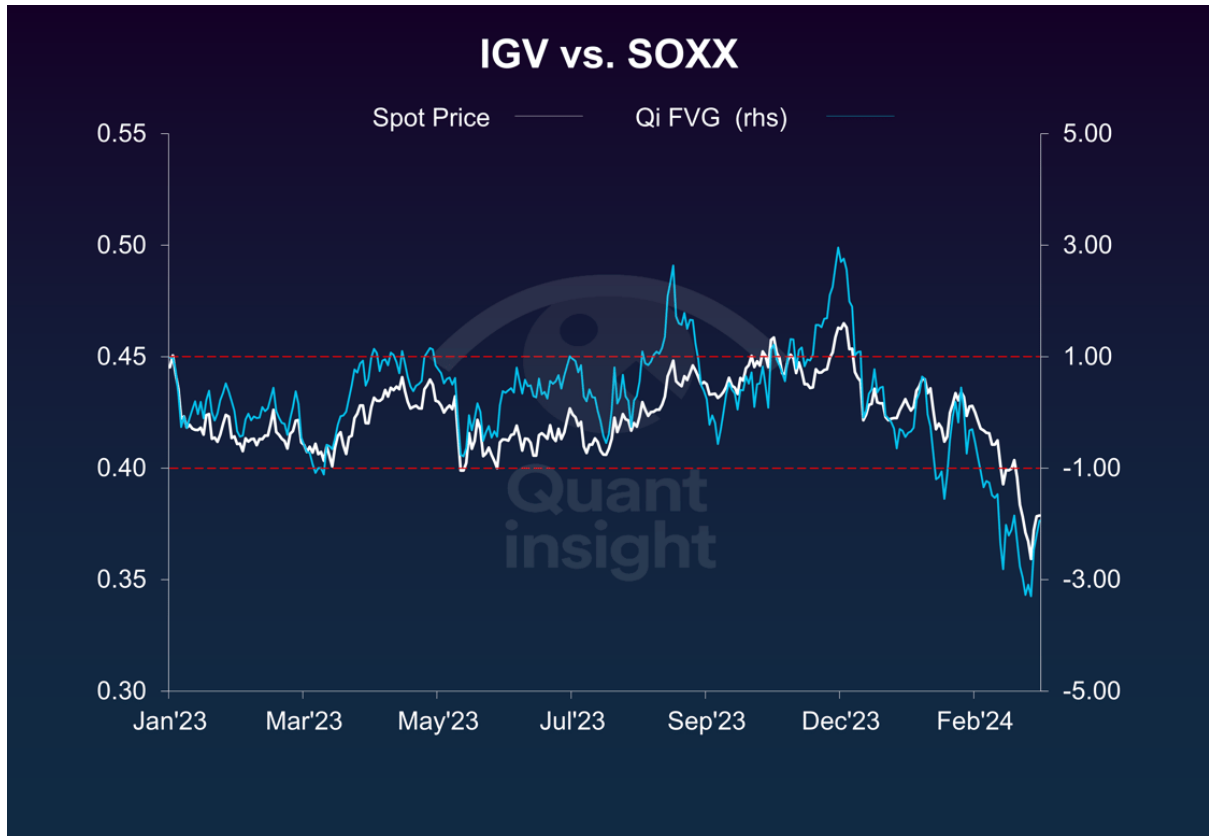
5 Long Brazil - IBOV

Last week's "*Value in Value*" insight flagged Brazil's Ibovespa as an efficient Value catch-up play.

Recent history shows a fairly tight relationship between Qi's FVG and the spot price. Conviction levels are aided by decent back test results.
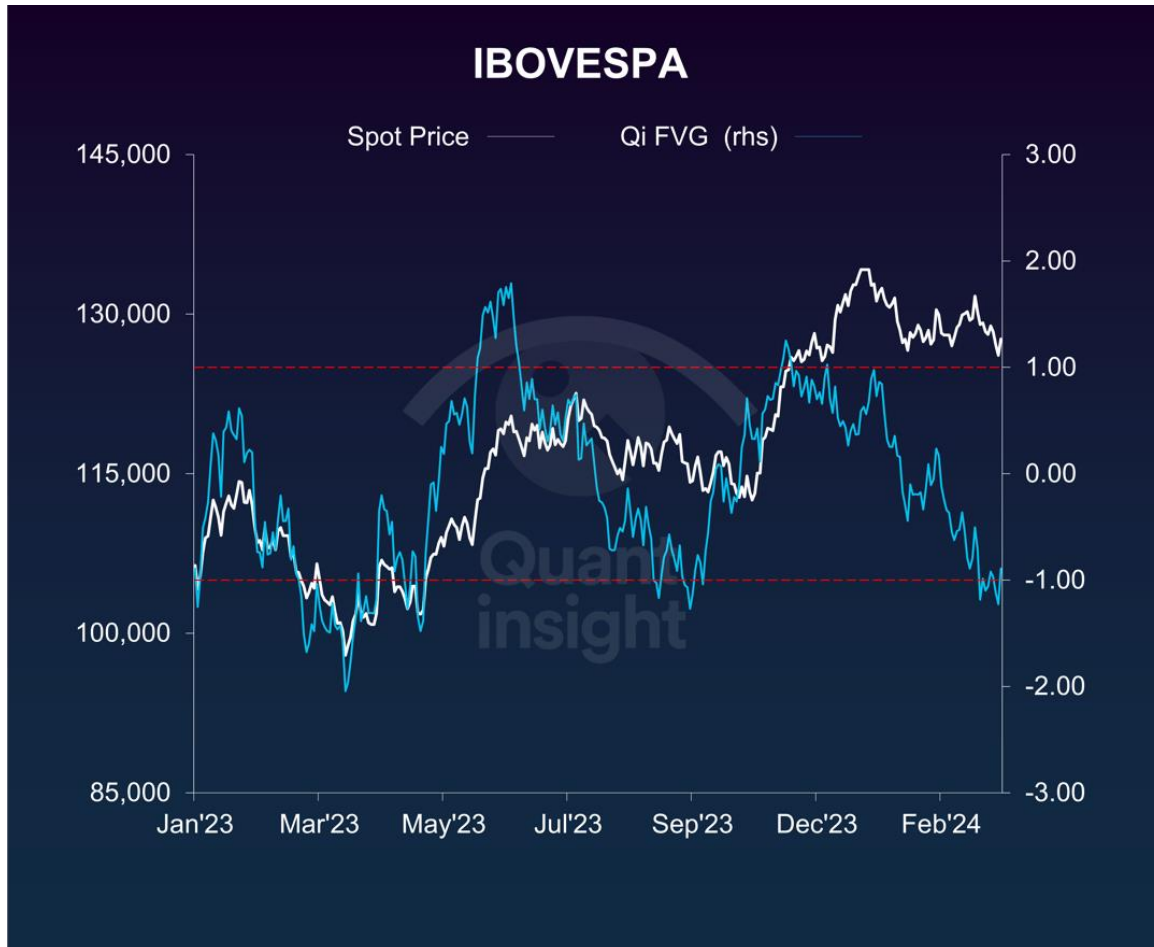
```
FVG_Back_Test(['Brazil IBOV'],1.0,0.25,50,'2020-01-01','2024-03-12',['Long'],'Long Term')
```

	Results
Hit Rate	71.428571
Avg. Rtrn	3.481068
Ann. Rtrn	38.825999
Median Rtrn	5.335349
Avg. Max Gain	6.554838
Avg. Max loss	-3.994051
Avg. Holding Period	26.285714
Median Holding Period	15.000000
No. of Trades	7.000000
Avg. Win	6.150805
Avg. Loss	-3.193276
Win/Loss	1.926174

6 Long Brazil - Real

This week we also note that Qi has USDBRL as 1.4 std dev (2.4%) rich to macro conditions.

The pattern shows more of a "drift" than a sharp divergence. However, it is notable that Qi's macro-warranted model value is threatening to make new lows. A stronger Real would be supportive to Brazilian equities.