Saxo Market Call
Slide deck
Wednesday, August 16, 2023

Questions and comments to marketcall@saxobank.com

Disclaimer
The slides here that accompany the podcast will occasionally mention financial instruments that are not tradable for all retail clients, depending on the relevant appropriateness test. Financial instruments mentioned can range from low to high risk, and our thoughts on the market should not be viewed as investment recommendations, but inspiration and information to gain a better understanding of current market dynamics.
Broad selloff in equities on Fitch bank warning and China weakness

S&P 500 (cont.)

Source: Saxo
China is the key risk looming for markets...

Fragmentation game
Relative equity performance (%): China vs winner countries (*)

China's four largest banks vs US six largest banks
Market cap to total assets in %

Source: Bloomberg and Saxo Bank
* China vs Mexico, South Korea, India, Malaysia, Japan, Indonesia, and Vietnam using MSCI net total return USD indices.
Crude oil correction extends on China growth concerns
Gold sees repeat interest below $1900
Stocks to watch today...

- **Home Depot** – better than expected comparative revenue at -2% y/y vs est. -4% y/y in addition to maintaining FY23 outlook and announcing $15bn buyback. Shares up 0.7%.

- **Nubank** – significant beat on net income and net revenue as credit conditions are not deteriorating in Brazil and higher interest rates are flowing through to the bottom line. Shares up 4% in aft-mkt.

Source: Saxo
Earnings Watch

Today: Tencent, JD Health, JD Logistics, Cisco, TJX, JD.com, Target

Thursday: Telstra, Coloplast, CNOOC, Adyen, Nibe Industrier, Geberit, Walmart, Applied Materials, Ross Stores

Friday: Kingspan, Deere, Palo Alto Networks, Estee Lauder, XPeng

Cisco quarterly financials

<table>
<thead>
<tr>
<th>Revenue, Adj (in millions USD)</th>
<th>2022 Q4</th>
<th>2023 Q1</th>
<th>2023 Q2</th>
<th>2023 Q3</th>
<th>2023 Q4 Est</th>
<th>2024 Q1 Est</th>
<th>2024 Q2 Est</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Months Ending</td>
<td>07/30/2022</td>
<td>10/29/2022</td>
<td>01/28/2023</td>
<td>04/29/2023</td>
<td>07/31/2023</td>
<td>10/31/2023</td>
<td>01/31/2024</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>186,470.7</td>
<td>187,250.9</td>
<td>186,642.3</td>
<td>192,543.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Profit, Adj</td>
<td>8,049.0</td>
<td>8,348.0</td>
<td>8,429.0</td>
<td>9,233.0</td>
<td>9,801.5</td>
<td>9,427.5</td>
<td>9,278.7</td>
</tr>
<tr>
<td>Margin %</td>
<td>61.4</td>
<td>61.2</td>
<td>62.0</td>
<td>63.4</td>
<td>65.1</td>
<td>64.7</td>
<td>65.1</td>
</tr>
<tr>
<td>EBITDA, Adj</td>
<td>4,024.0</td>
<td>4,126.0</td>
<td>4,120.0</td>
<td>4,542.0</td>
<td>5,591.6</td>
<td>5,121.2</td>
<td>5,126.0</td>
</tr>
<tr>
<td>Margin %</td>
<td>30.8</td>
<td>30.3</td>
<td>30.2</td>
<td>31.9</td>
<td>35.6</td>
<td>35.6</td>
<td>35.1</td>
</tr>
<tr>
<td>Net Income, Adj</td>
<td>2,866.9</td>
<td>2,948.3</td>
<td>2,977.2</td>
<td>3,427.5</td>
<td>4,313.7</td>
<td>4,026.3</td>
<td>3,869.9</td>
</tr>
<tr>
<td>Margin %</td>
<td>21.9</td>
<td>20.9</td>
<td>21.9</td>
<td>23.5</td>
<td>28.8</td>
<td>27.6</td>
<td>27.9</td>
</tr>
<tr>
<td>EPS, Adj</td>
<td>0.69</td>
<td>0.69</td>
<td>0.72</td>
<td>0.83</td>
<td>1.06</td>
<td>0.99</td>
<td>0.98</td>
</tr>
<tr>
<td>Growth %, YoY</td>
<td>-4.0</td>
<td>1.8</td>
<td>0.8</td>
<td>16.1</td>
<td>52.9</td>
<td>42.9</td>
<td>36.2</td>
</tr>
<tr>
<td>Cash from Operations</td>
<td>3,577.0</td>
<td>3,962.0</td>
<td>4,776.0</td>
<td>5,232.0</td>
<td>-199.4</td>
<td>-193.8</td>
<td>-183.8</td>
</tr>
<tr>
<td>Capital Expenditures</td>
<td>-139.0</td>
<td>-176.0</td>
<td>-170.0</td>
<td>-270.0</td>
<td>-199.4</td>
<td>-193.8</td>
<td>-183.8</td>
</tr>
<tr>
<td>Free Cash Flow</td>
<td>3,538.0</td>
<td>3,786.0</td>
<td>4,606.0</td>
<td>4,982.0</td>
<td>3,609.7</td>
<td>4,481.7</td>
<td>4,408.2</td>
</tr>
</tbody>
</table>

Source: Bloomberg
Macro – calendar highlights (all times GMT)

Today's Calendar Highlights
0900 – Eurozone 2Q GDP
1230 – US Jul Housing Starts
1315 – US Jul Industrial Production
1430 – EIA's Weekly Crude and Fuel Stock Report
1800 – FOMC Meeting Minutes

Upcoming Calendar Highlights
THU: US Jobless Claims, US Philadelphia Fed Outlook,
FRI: Japan Jul CPI, UK Jul Retail Sales, Eurozone Jul CPI

Longer Term Highlights
August 24-26 Fed Jackson Hole Symposium “Structural Shifts in the Global Economy”.
Appendix: S&P 500 5-year chart

S&P 500 futures (cont.)

Source: Saxo
Appendix: Where do you find the equity theme baskets?