

## US data doubles forecast, Gold, Oil steady, UST yields jump

Good morning Traders,

### 1, US retail sales smash forecast

US retail sales for September increased by 0.7%, easily beating the forecast of 0.3% while the August data was also revised higher to 0.8% from 0.6%, showing incredible strength in consumer spending in the US.

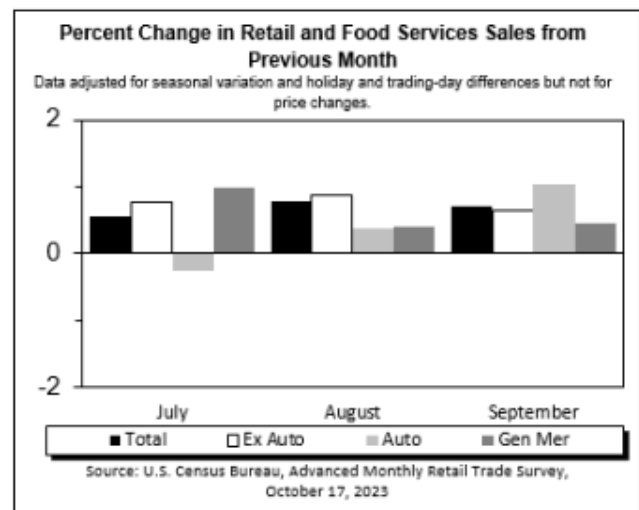
**FOR IMMEDIATE RELEASE: TUESDAY, OCTOBER 17, 2023**

## Advance Monthly Sales for Retail and Food Services

OCTOBER 17, 2023

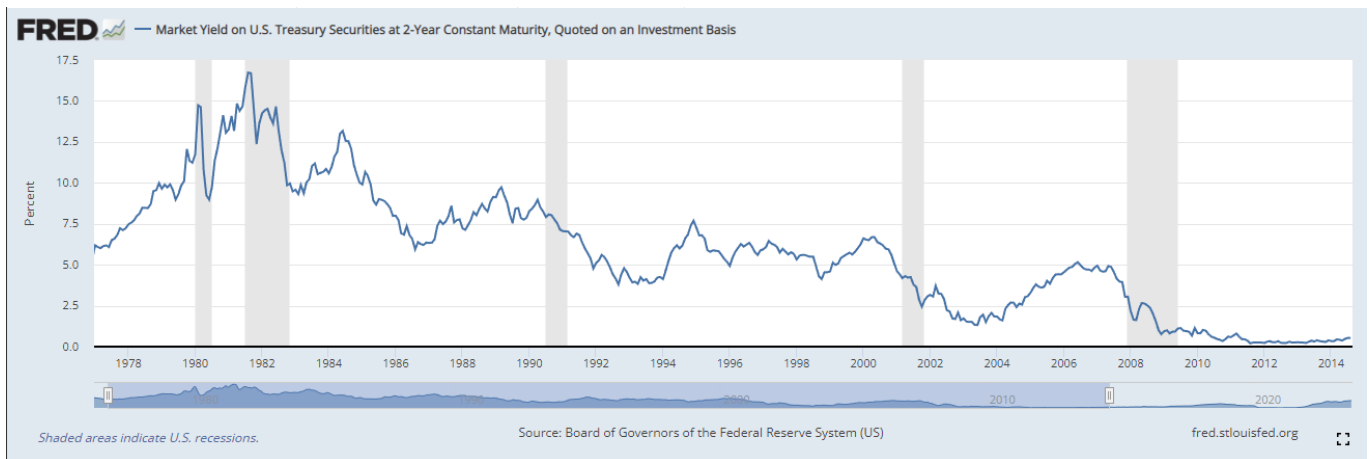
CB23-169

ADVANCE MONTHLY SALES		
September 2023	\$704.9 billion	0.7%
August 2023 (revised)	\$699.9 billion	0.8%
Next release: November 15, 2023		
<small>* The 90 percent confidence interval includes zero. There is insufficient statistical evidence to conclude that the actual change is different from zero. Data adjusted for seasonal variation and holiday and trading-day differences but not for price changes. Source: U.S. Census Bureau, Advanced Monthly Retail Trade Survey, October 17, 2023</small>		



### 2, Another recession is near?

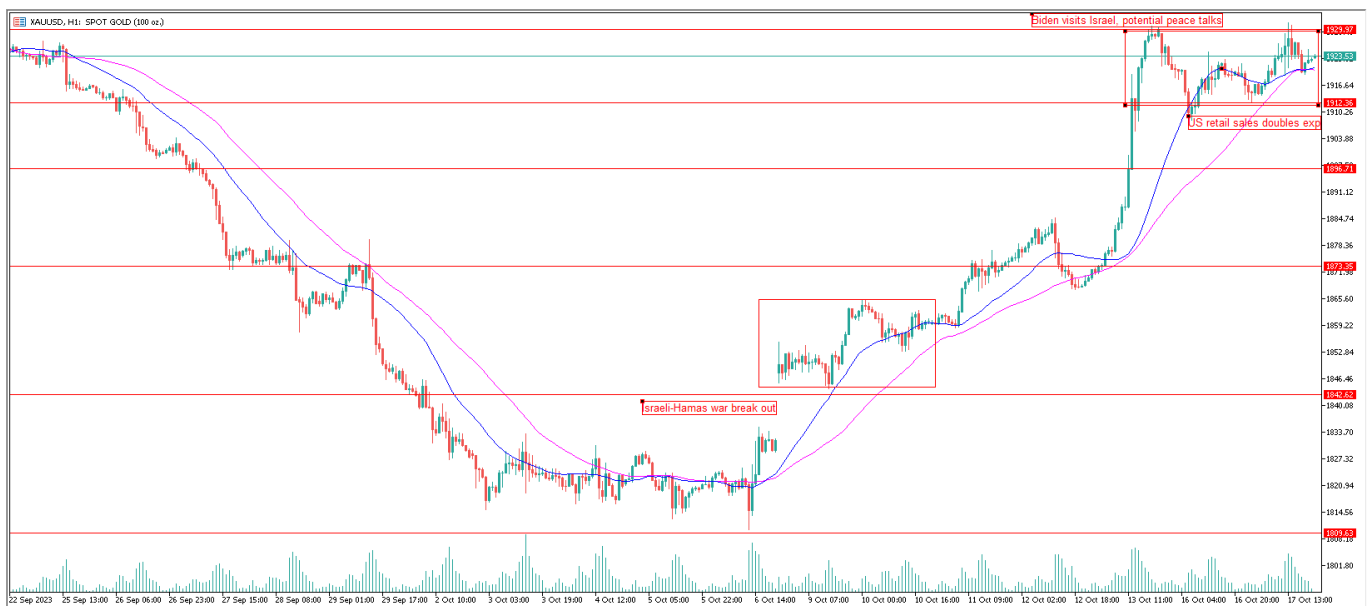
US 2Y Treasury yields jumped to 5.2%, reaching its highest levels since June 2006 and then the GFC followed. If you scroll back on the US2Y historical chart, you would also notice yields dropping sharply during the 2000 tech bubble crisis, early 1990s recession and the 1979~1982 recessions caused by energy crisis.



Is another one coming?

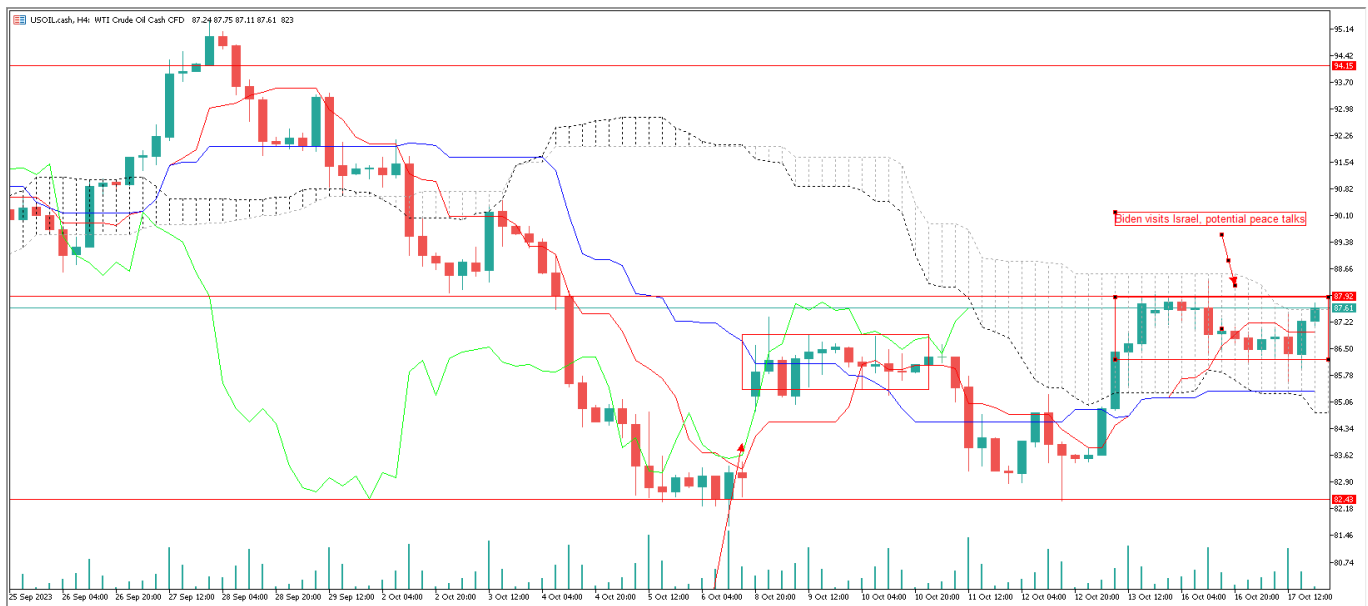
### 3, Gold and Oil

Gold (XAUUSD) continued to consolidate between \$1,912 and \$1,929 per ounce as pointed out on Monday. Although the precious metal did not receive more upward momentum, it's worth noting it has held its ground rather well given the massive upside surprise in retail sales data.

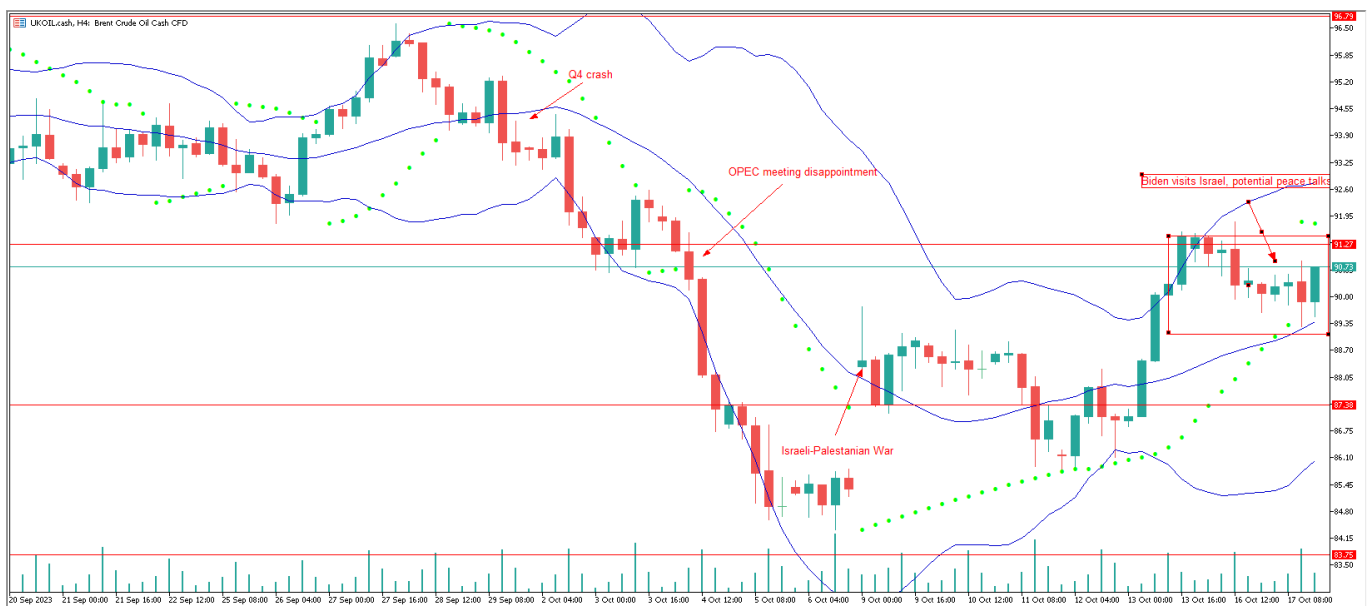


#### XAUUSD H1

Oil (USOIL/UKOIL) both remained in their respective Darvas Box patterns. This is understandable as US President Joe Biden is visiting Israel today and markets are closely monitoring any potential peace talks which could take away elements of fear that has been driving oil prices higher.



**USOIL.cash H4**



**UKOIL.cash H4**

#### 4, BoJ Ninjas strike again?

USDJPY fell sharply on Tuesday night (AEDT), the pair dropped rapidly from 149.755 to 148.747 before quickly recovering to 149.835. Although this move is similar to the suspected BoJ/Ministry of Finance intervention in early October, the current volume and magnitude are much smaller.



### USDJPY H1

Having said this, shorting USDJPY remains my personal favourite trade.

*Head of Research and Analysis*  
*Glenn Yin*

## **Risk Disclaimer**

The information above is of general nature only and does not take into consideration your objectives, financial situation or investment needs. The financial products are issued by AETOS Capital Group Pty Ltd (AFSL: 313016, ACN: 125113117). Trading margin Forex and CFDs carries a high level of risk. Retail clients could sustain a total loss of deposited funds but are not subject to subsequent payment obligation beyond the deposited funds. You are strongly recommended to seek advice from independent financial advisors before you make an investment decision. Please refer to our Product Disclosure Statement and Target Market Determination which you can obtain from our website for more details.

AETOS has the ownership of the contents of this market commentary. Copying, reprinting, publishing or distributing to a third party is not permitted.