

Technical Analysis Chart Pack

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Key Market Themes

Overall, we feel markets are in their inflection points and overbought. The current medium to long-term trends are intact, given the recent correction. A breakout or breakdown is needed for a clearer indication of the next short-term move.

- **Interest Rate:**

- US 10 Yr Yield: Is Trying To Establish A Base
- US 2s10s Curve: Is Likely To Steepen More
- Policy Rates: Cheapest Money Ever, Globally

- **Credit:**

- US IG & HY Spreads: The Tightening Trend Remains

- **Equity:**

- S&P 500: The Beautiful “V” Shape Recovery Trend Remains
- EM Equity: Not Out of The Range

- **FX:**

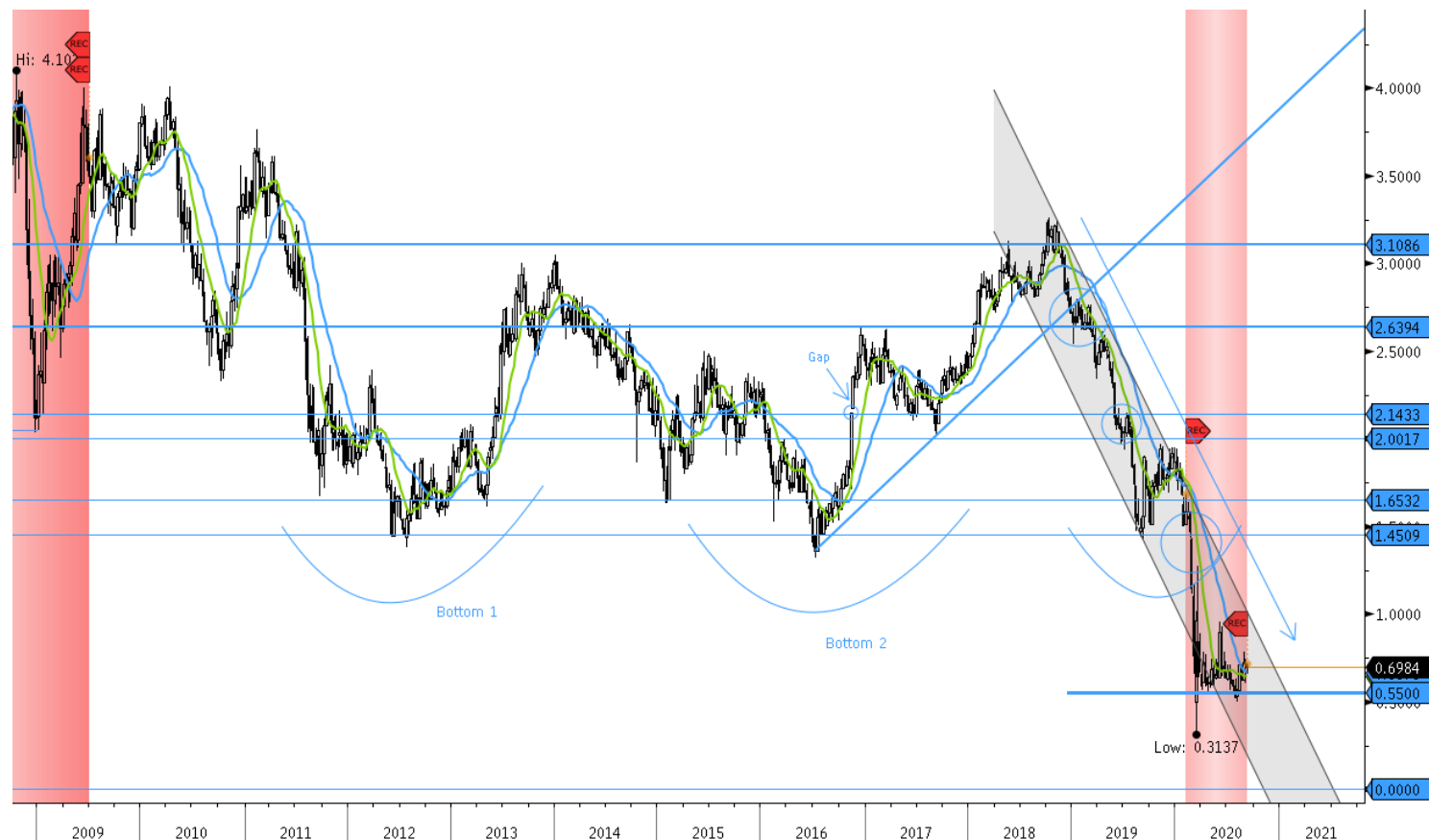
- DXY Dollar Index: The Downtrend Hits The Support

- **Commodity:**

- WTI Crude Oil: The Uptrend Is Losing Its Momentum
- Gold: The Uptrend Is Intact
- Copper: The Uptrend Continues

US 10 Yr Yield: Is Trying To Establish A Base

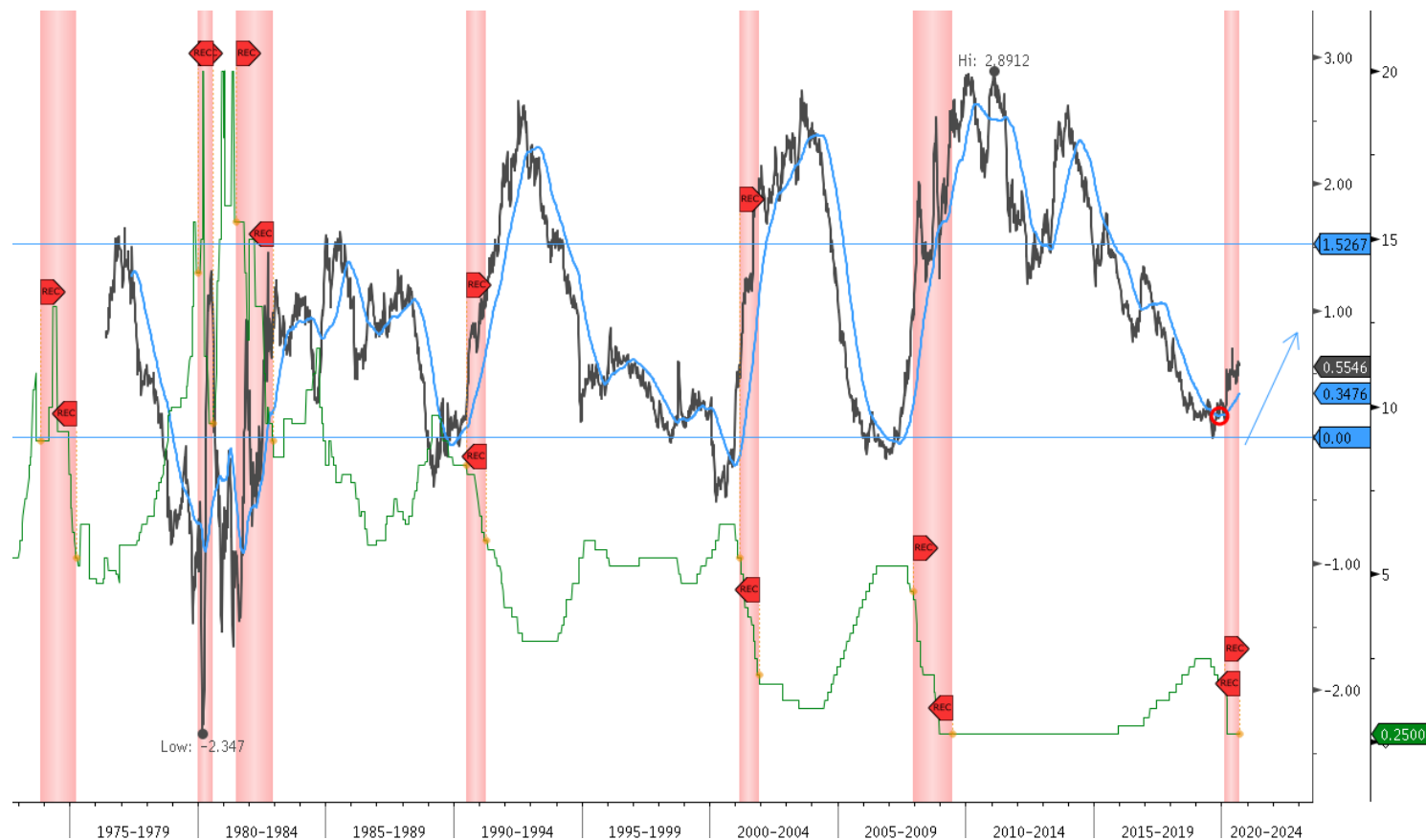
- The yield has been able to hold above the key resistance level of 0.55% for last six months, while the medium and long-term trends remain downward.
- If there is a break above the upper bound of the downward trading channel, that would indicate a change of the medium-term downtrend.



Source: Bloomberg and MetLife Investment Management (MIM)

US 2s10s Curve: Is Likely To Steepen More

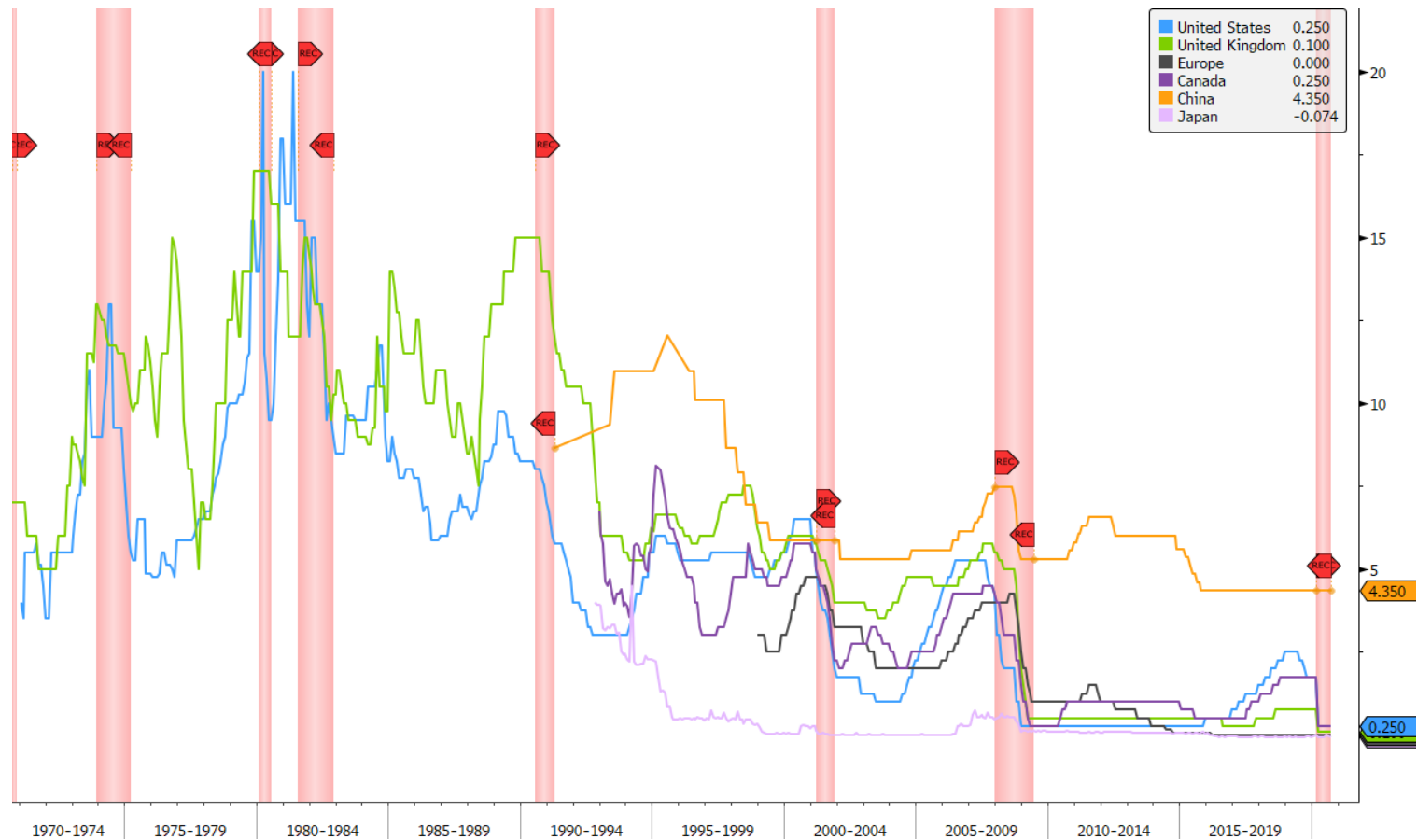
- Historical patterns suggest that the yield curve could steepen more from the current level, after it reached the bottom right before the current pandemic recession.
- 1% is the initial target; if that is cleared, 1.5% is the next level in our view.



Source: Bloomberg and MIM

Policy Rates: Cheapest Money Ever, Globally

- Major central banks have lowered their policy rates, in response to the ongoing pandemic recession.
- The central banks may keep their policy rates at this low level for an extended period of time.



Source: Bloomberg and MIM

US HY Spreads: The Tightening Trend Remains

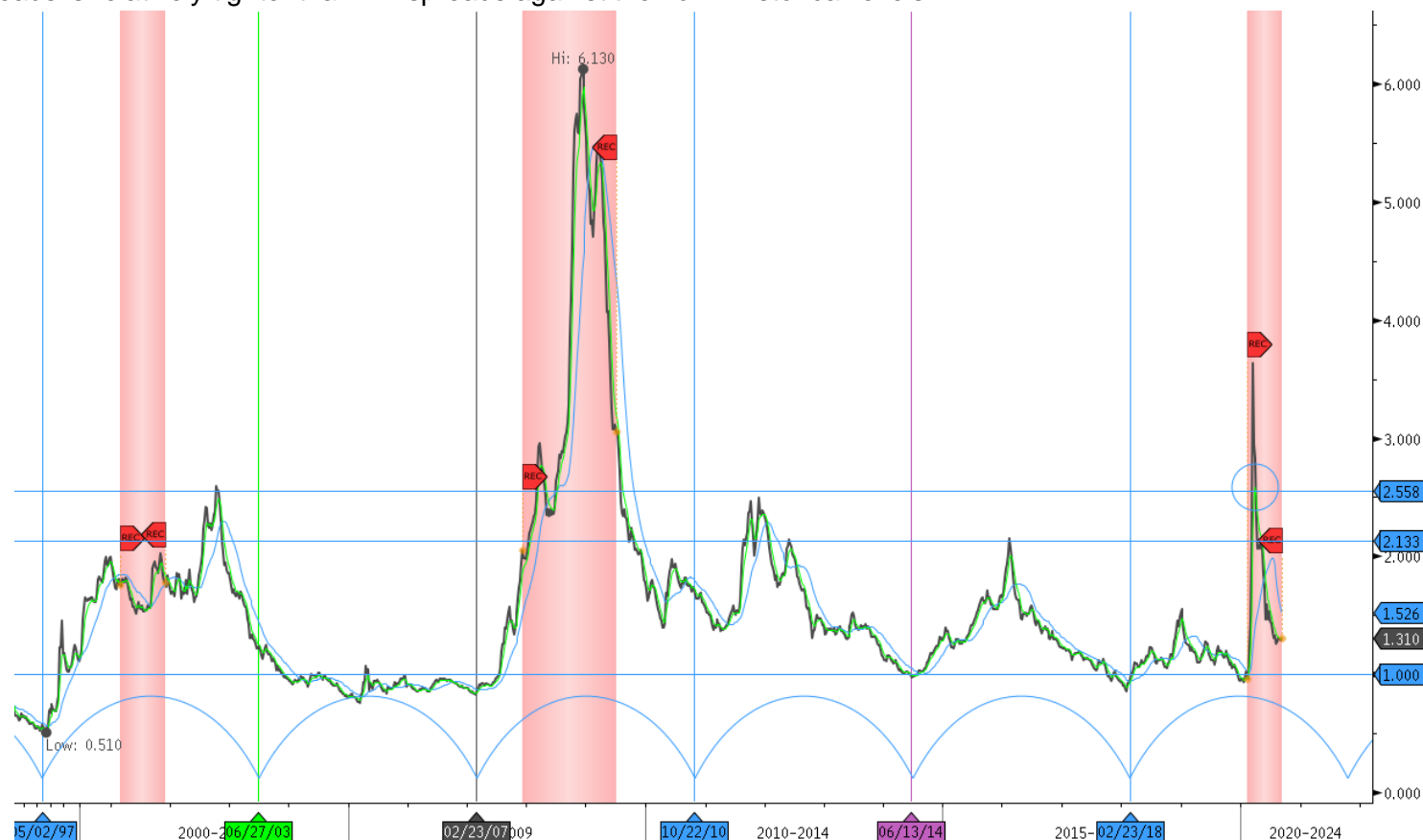
- The medium to long-term downtrend remains.
- We feel the spreads have been back to a fair value range, not so cheap any more.



Source: Bloomberg and MIM

US IG Spreads: The Same Story As HY Spreads

- The medium to long-term downtrend remains.
- We feel the spreads have been back to fair value range, not so cheap any more.
- IG spreads is relatively tighter than HY spreads against their own historical levels.



Source: Bloomberg and MIM

- We feel The index is currently overbought, but the uptrend is intact.
- The index is at an inflection point, i.e., the upper bound of the upward trading channel.
- We expect a consolidation or correction.
- We believe 3500 is the next resistance (a psychological one); next support is about 3200 (the lower bound of the trading channel).



Source: Bloomberg and MIM

EM Equity: Not Out of The Range

- The index fully recovered from the march crash.
- We feel that, while the uptrend remains, it is sitting right at the upper bound of the well-tested trading range, which is a strong resistance level.
- We believe that the index is overbought, and the momentum is deteriorating.



Source: Bloomberg and MIM

DXY Dollar Index: The Downtrend Hits The Support

- The index failed to stay above the key resistance of 100 and broke below the lower bound of the upward trading channel.
- While the downtrend is intact, the index has reached the key support of 92.
- We believe that the index is currently oversold.



Source: Bloomberg and MIM

WTI Crude Oil: The Uptrend Is Losing Its Momentum

- WTI Crude Oil failed to stay above the key resistance of 42.
- It broke below the medium-term uptrend.
- The momentum has been deteriorating, which suggests to us that a deeper correction is likely, but not confirmed.



Source: Bloomberg and MIM

Gold: The Uptrend Is Intact

- The recent price drop is being seen as a healthy consolidation, because the speed of the rally is not sustainable in our view.



Source: Bloomberg and MIM

Copper: The Uptrend Continues

- It broke above the key resistance of 295, which suggests that the current trend may continue.
- The stochastic indicator in the second panel indicates that copper is currently overbought.



Source: Bloomberg and MIM

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Jun Jiang is a Market Strategist in Global Economic & Market Strategy team, where he helps to develop and communicate the firm's global macro-economic outlook and market views as well as assisting in the overall asset allocation and portfolio management process. Previously, Mr. Jiang was in the Global Portfolio Strategy unit, where he worked on portfolio strategy and portfolio analytics. Mr. Jiang joined MetLife in 2011. Prior to joining MetLife, Mr. Jiang was a Credit & Portfolio Risk Management Analyst at Citigroup.

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