

Analysis By: Dr. Okan Aybar, CTA  
11 September 2024

### Forecast

Day	Flat
Week	Flat
Month	Down
1 Year +	Down

Okan Aybar  
@okanaybar  
aybar@anatoliacapital.com  
+90 532 354 5938

### Evaluation of Risks in Stock Markets From USDJPY Perspective

- It seems that the rises in the VIX index generally remain limited and weak in periods when the annual inflation differential announced from the US and Japan (yellow line) rises while the expected real interest yield differential between the US and Japan (blue line) falls.
- On the other hand, the compatibility of the USDJPY pair with the expected real interest yield spread between the US and Japan, shown by the blue line, shows that the USDJPY pair will continue to retreat.
- The fact that this situation is often associated with a decline in stock markets may perhaps create the impression that the SP500 index may fall. However, the fact that inflation pressures in the US can develop more easily than in Japan indicates that the expected decline in the USDJPY pair may not be rapid.
- The sudden rise in the net long positions of funds trading on the Chicago Commodity Exchange also points to this. The net long positions shown with the red line in the second chart also have the ability to increase the VIX index. However, the VIX index declined after the net long positions reached their highest level.
- Likewise, the fact that the one-month implied volatility of USDJPY, which is shown with the grey line in the second chart, has reached one of its highest levels and that the VIX index has generally declined afterwards may be a harbinger of a positive stock process in the near future.

**Conclusion:** We will inevitably witness fluctuations in equity markets in the near future. However, I believe that this situation will soon be replaced by a secular and solid rise.

For today's session, if the inflation data to be announced from the US comes above expectations, this may cause divergence in the monetary policies of the US and other central banks, which may lead to an increase in exchange rate risk volatility. This will cause a short-term pressure on equity markets. However, following this, possible pullbacks that may be experienced in stock markets either at the end of the session or tomorrow can be considered as buying opportunities.

Chart #1

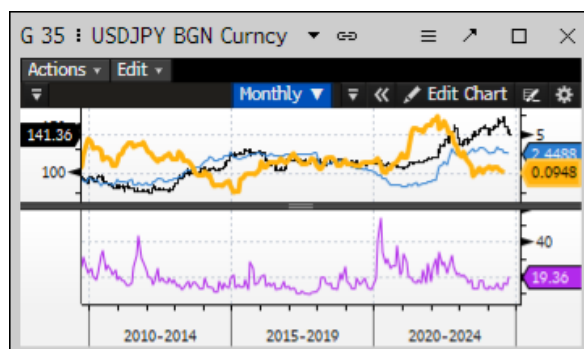


Chart #2

