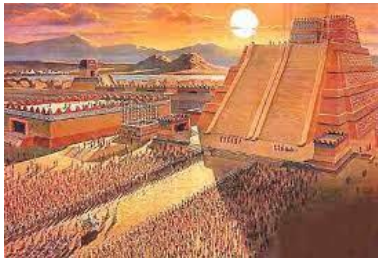


am FX

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Which is older, the Aztec civilization, or Oxford University?



Current Views

Short EURJPY @ 139.55

Stop loss 141.11
Take profit 136.66

Short USDJPY @ 136.11

Stop loss 137.15
Take profit 133.15

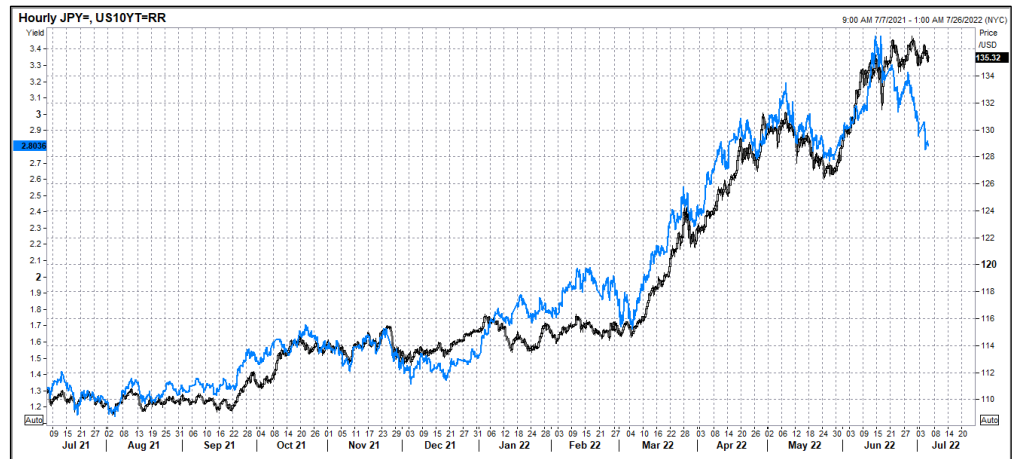
JPY Narrative in Flux

EURUSD has turned into a pure momentum play as the break of the 20-year support at 1.0330/50 triggers model and spec selling. Interesting to see that whatever mutant force was buying USDJPY at 4am NY every day for most of June seems to have switched to selling EURUSD now.

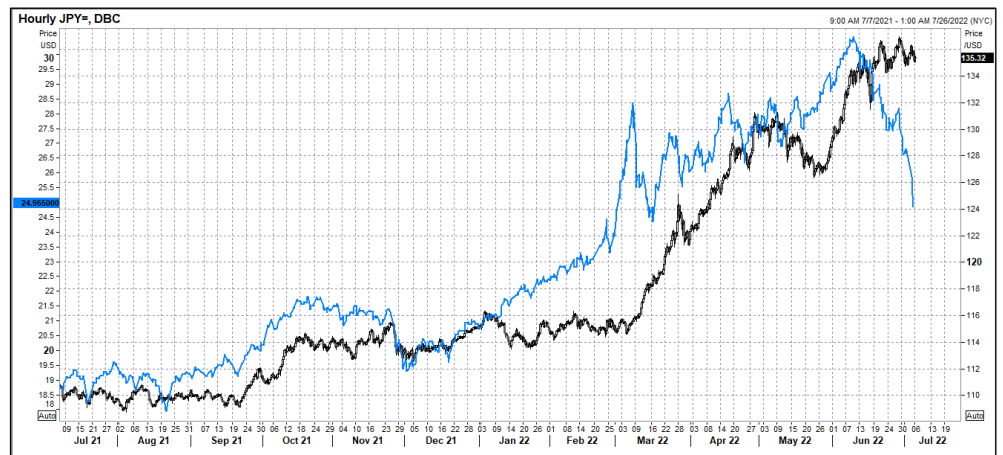
Speaking of USDJPY, the two biggest drivers of the rally have been the rise in global yields (and the concomitant pressure on the BOJ to buy infinite 10-year bonds), and the terms of trade shock from oil and other commodities. It is safe to say that both of these pressures are mostly in the rearview for now.

As such, USDJPY vs. rates and commodities looks like this:

USDJPY vs. US 10-year yield



USDJPY vs. DBC (Deutsche commodity ETF)



I doubled down on my bullish JPY view with the EURJPY short yesterday and generally feedback has been like: "It's a beachball underwater" and "BOJ still capping yields." To me it feels like a market that is anchored on an old story (BOJ YCC pressure) and hasn't yet pivoted to the new, stronger narrative (commodity and yield collapse). I'm waiting for the beach ball to hit a sea urchin.

While oil is the main number people watch for USDJPY, it's worth noting that Japan imports other things too. HG, ZN, XAU, and XAG all making new multi-month lows. Ags, same story, with wheat now completing the Ukraine war round trip (800 to 1300 to 800).

Women in trading

I have always done my best to be an advocate for women in trading, as I believe mixed teams deliver more diverse points of view. I also believe diversity of socioeconomic and other factors is important and that's why I never believed in the "Ivy League Only" recruiting policies of some of the banks I worked at. This article I stumbled on has some interesting insights and links to other papers that are worth a peek.

<https://hbr.org/2020/12/how-the-gender-balance-of-investment-teams-shapes-the-risks-they-take>

Final thoughts

If you are interested in the nuances and dangers of short selling individual stocks (and when and why options are better, or not better), check out my latest my educational piece on the [Fifty Trades in Fifty Weeks Substack](#).

Have an old school day.

good luck ↑↓ be nimble



Aztecs: 1300-1520



University of Oxford, founded 1096



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