

# Predicting the Markets: Chapter 12 Charts: Predicting Currencies

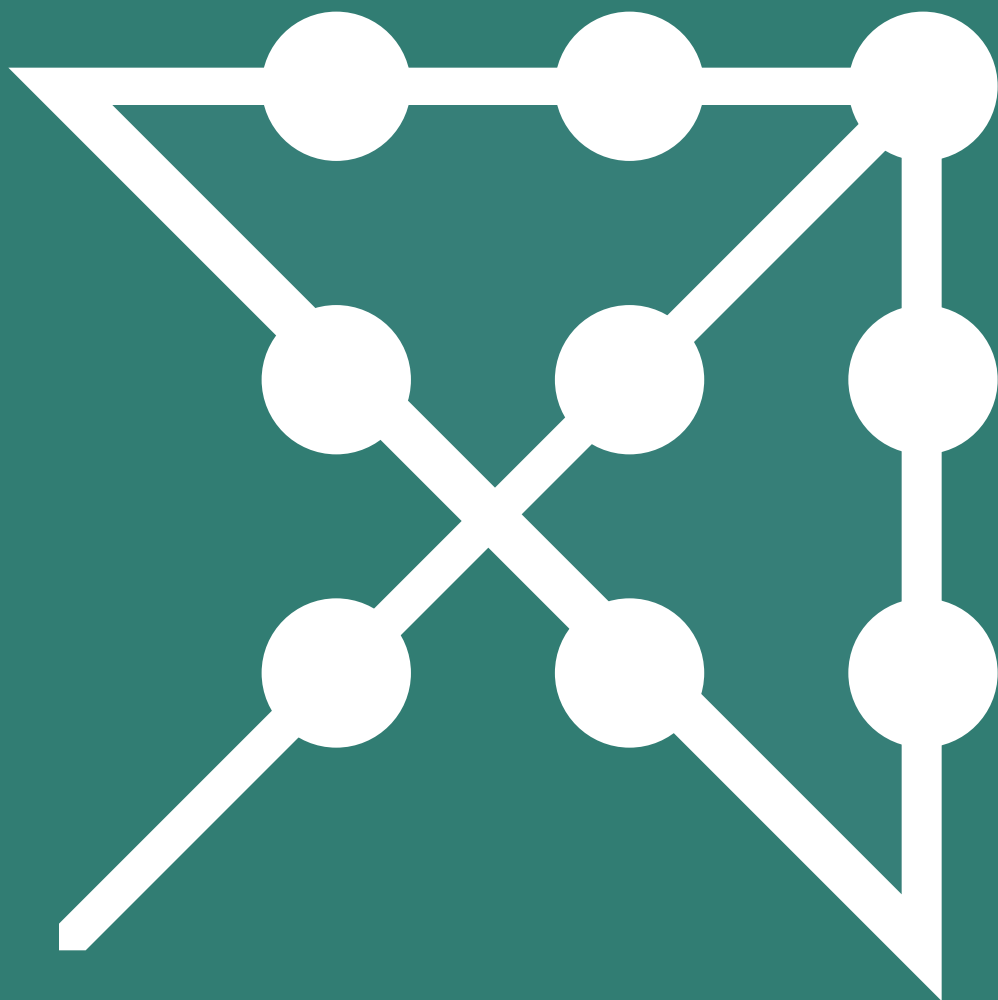
Yardeni Research, Inc.

*December 7, 2023*

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*thinking outside the box*

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# *Table Of Contents*

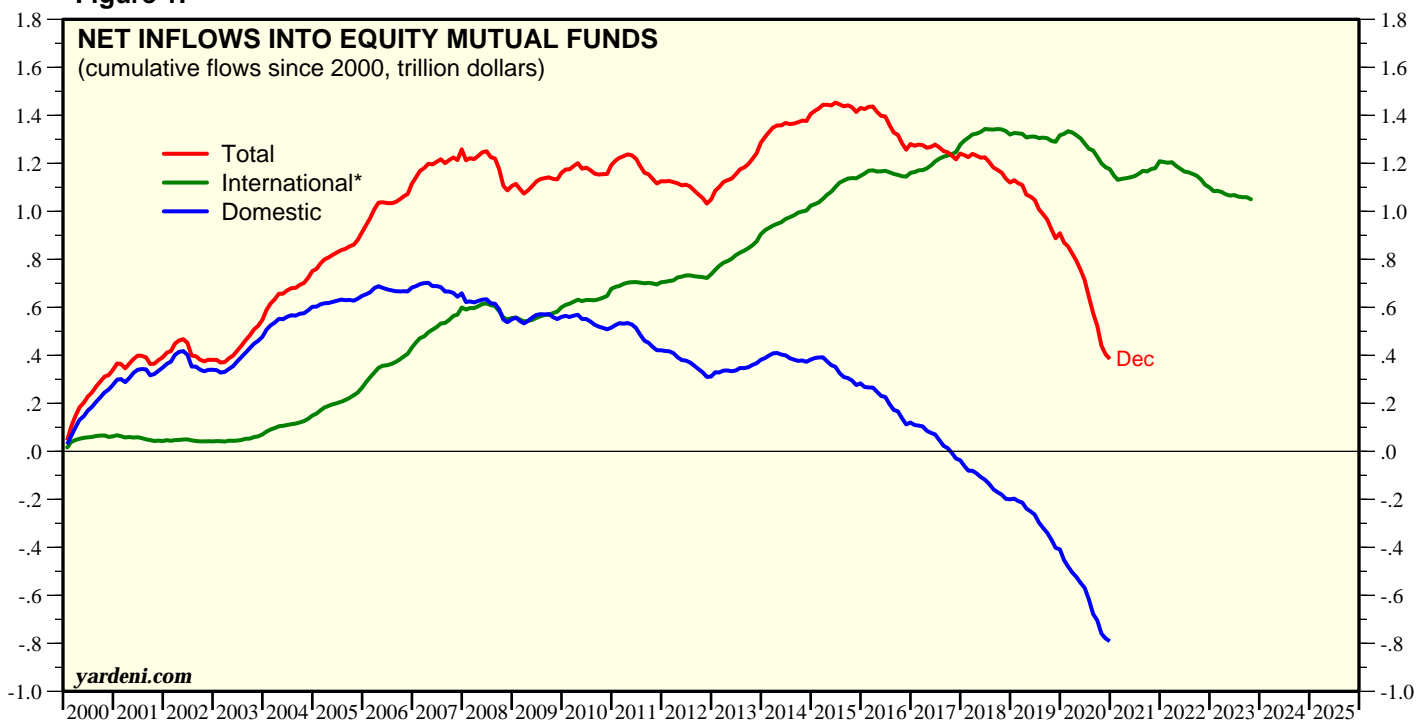
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Predicting Currencies

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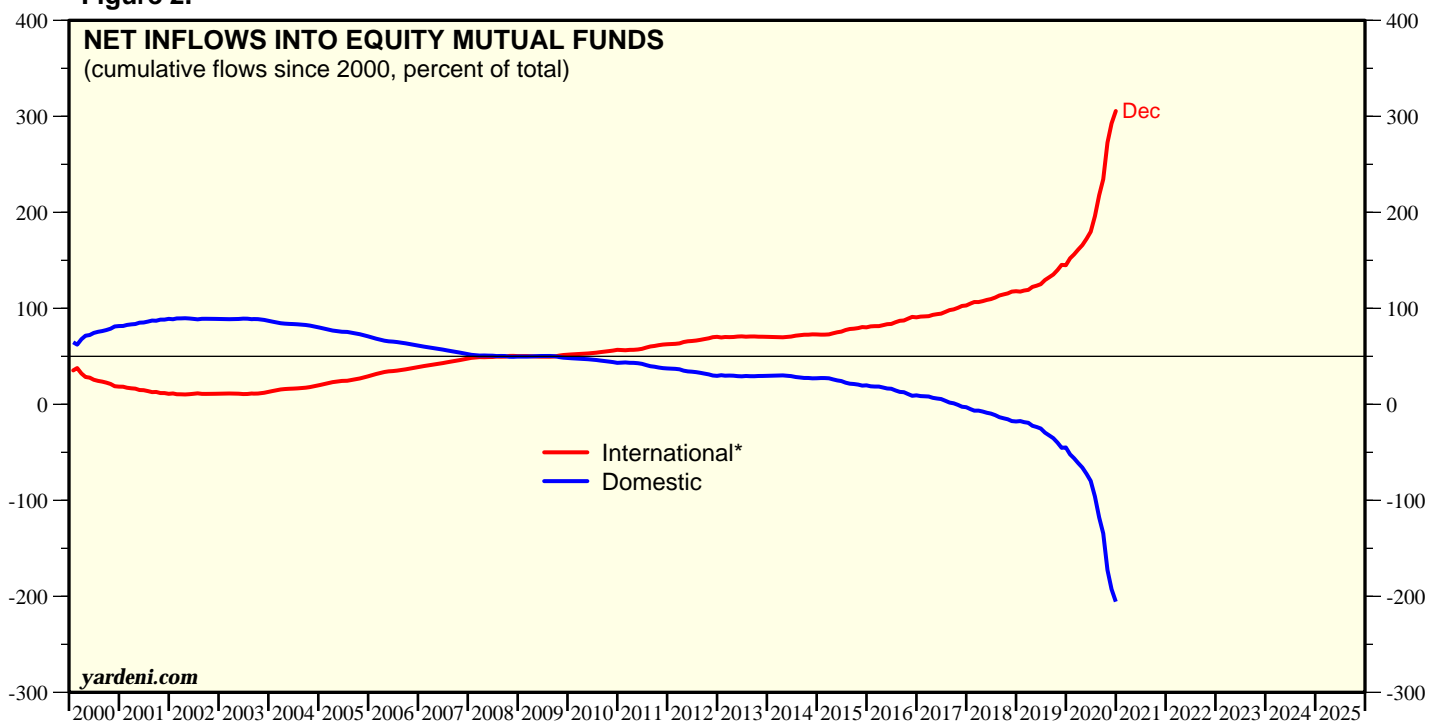
# Predicting Currencies

Figure 1.



\* Includes Global & International, Emerging Markets, and Regional Funds.  
Source: Investment Company Institute.

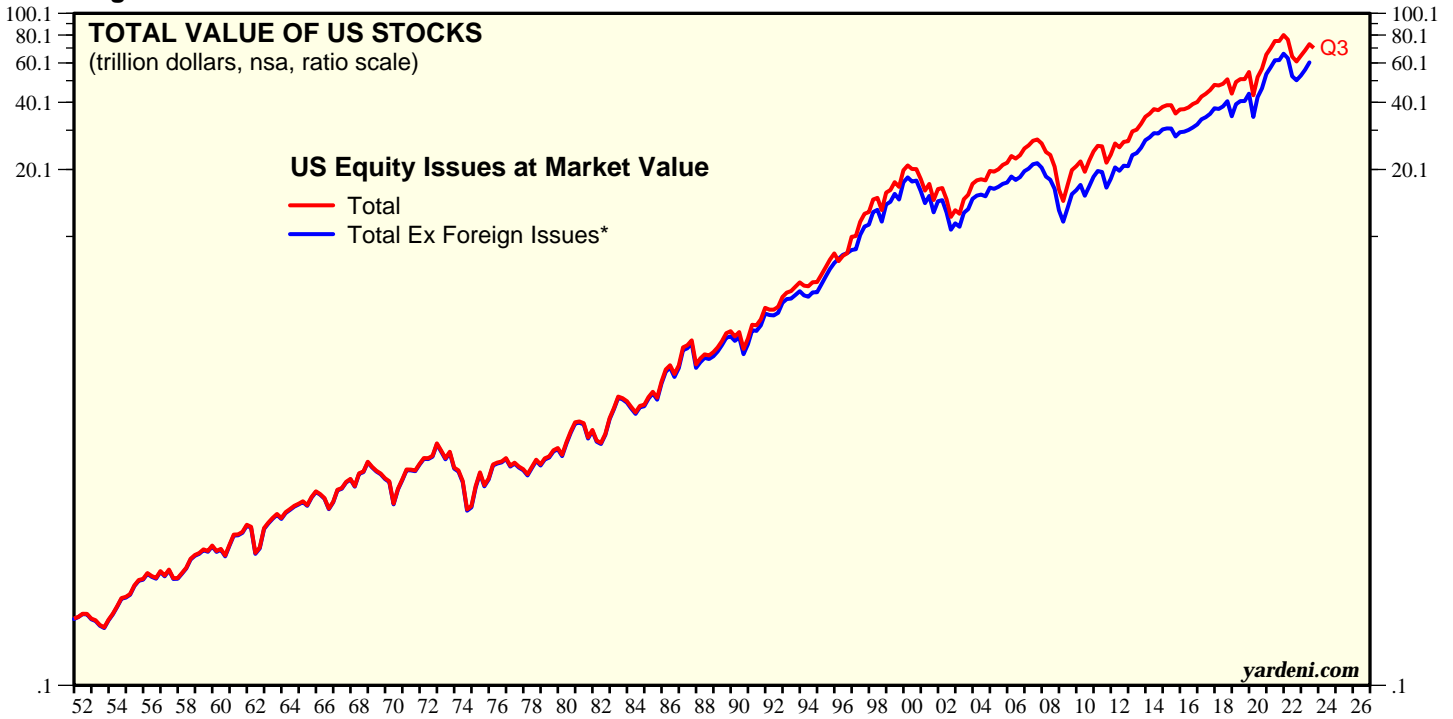
Figure 2.



\* Includes Global & International, Emerging Markets, and Regional Funds.  
Source: Investment Company Institute.

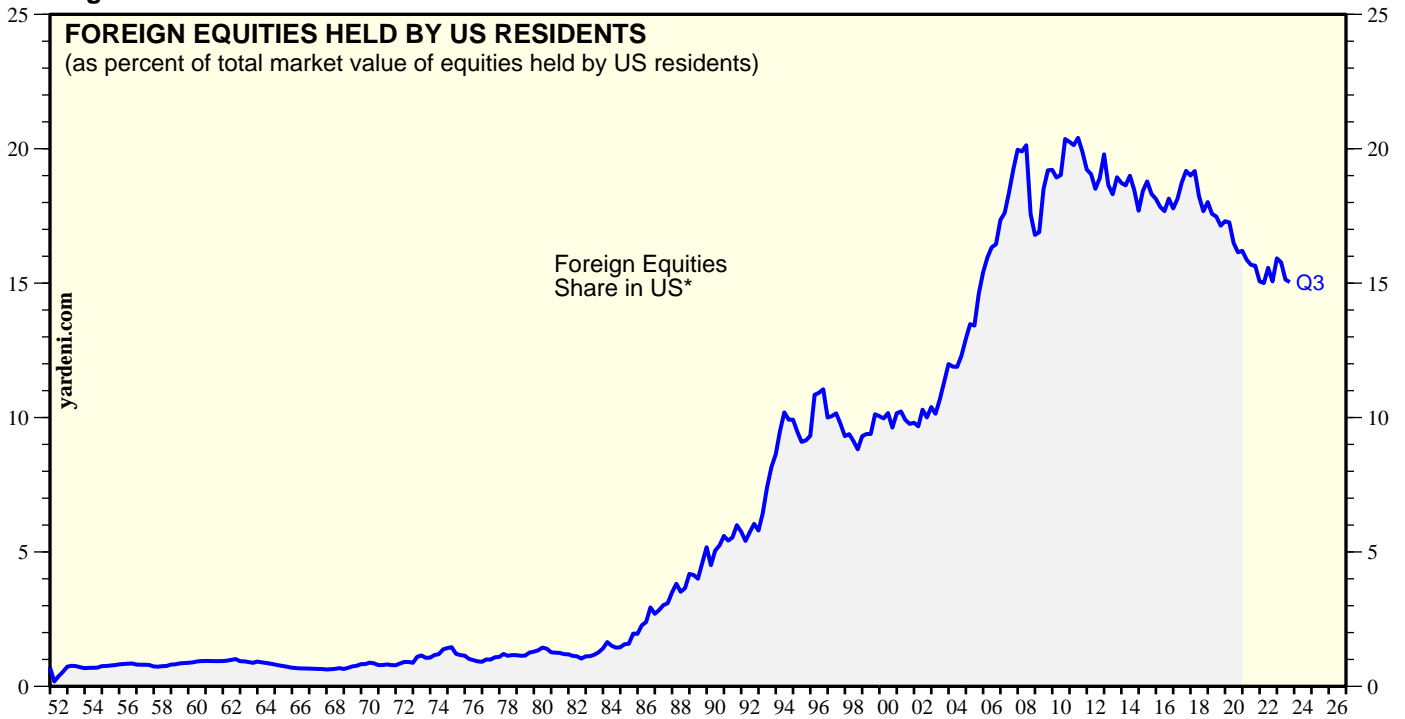
# Predicting Currencies

Figure 3.



\* Total excluding market value of holdings of foreign corporate equities, investment fund shares, and American Depositary Receipts (ADRs) by US residents.  
Source: Federal Reserve Board, Financial Accounts of the United States.

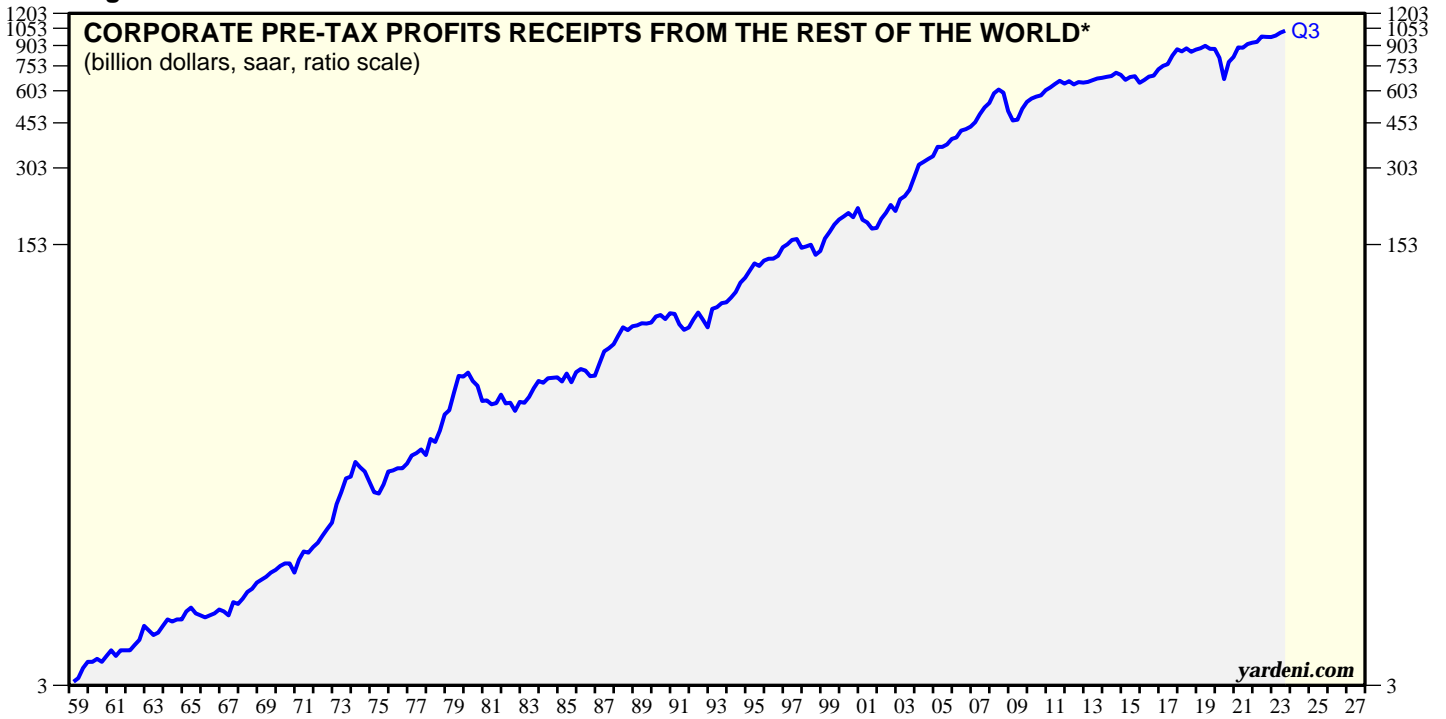
Figure 4.



\* Market value of holdings of foreign corporate equities, investment fund shares, and American Depositary Receipts (ADRs) by US residents as a percent of the market value of their total equity holdings.  
Source: Federal Reserve Board, Financial Accounts of the United States.

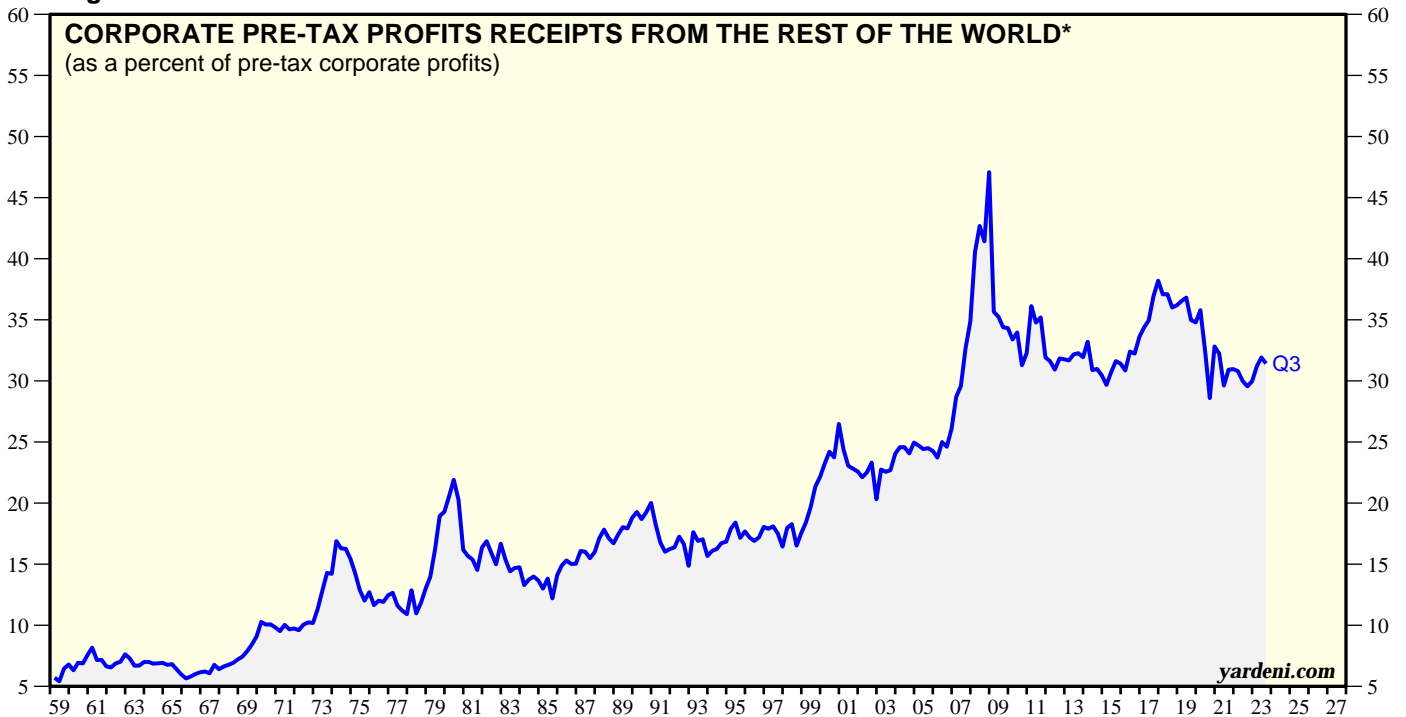
# Predicting Currencies

Figure 5.



\* Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
Source: Bureau of Economic Analysis.

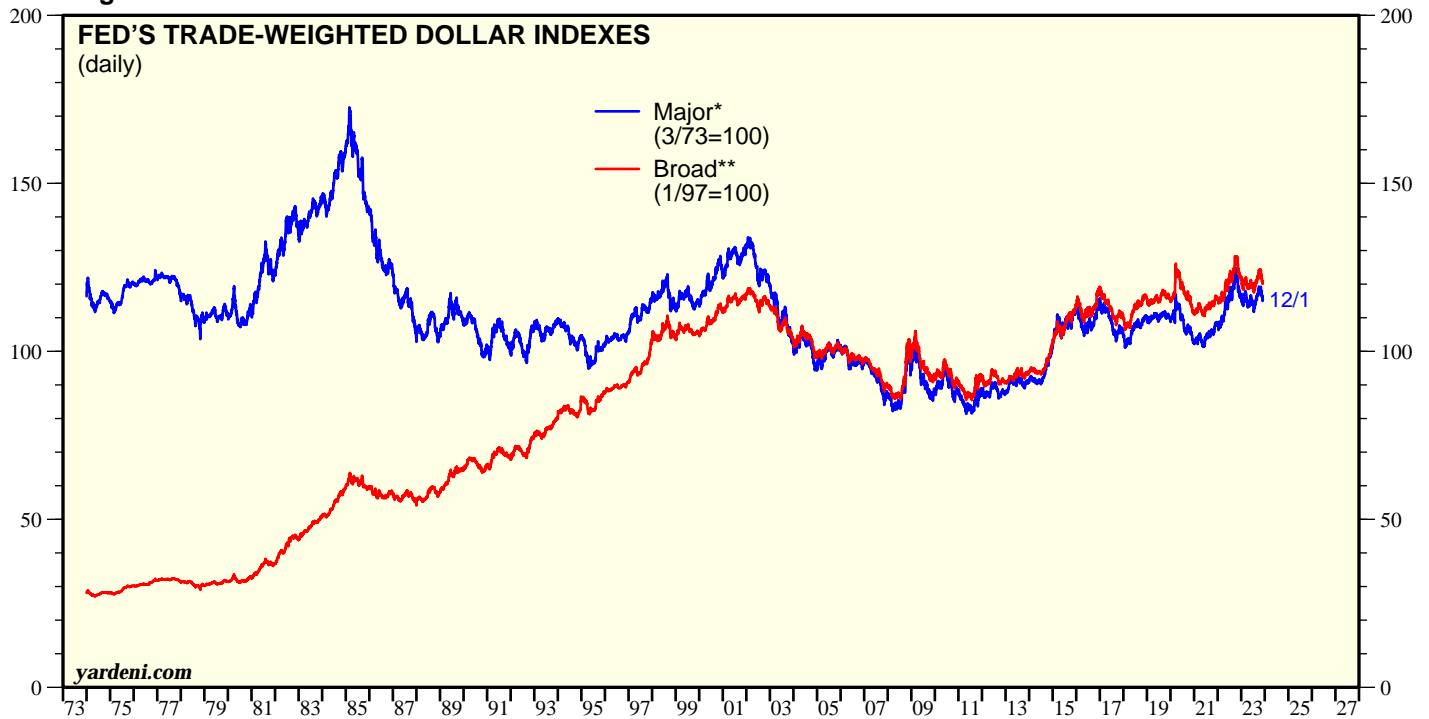
Figure 6.



\* Including Inventory Valuation Adjustment (IVA) and Capital Consumption Adjustment (CCAdj), which restate the historical cost basis used in profits tax accounting for inventory withdrawals and depreciation to the current cost measures used in GDP.  
Source: Bureau of Economic Analysis.

# Predicting Currencies

Figure 7.



\* Countries included in the Advanced Foreign Economies (AFE) index: Australia, Canada, Euro Area, Japan, Sweden, Switzerland, and the United Kingdom.

\*\* Countries included in the Broad Dollar Index: Argentina, Australia, Brazil, Canada, Chile, China, Colombia, Euro Area, Hong Kong, India, Indonesia, Israel, Japan, Korea, Malaysia, Mexico, Philippines, Russia, Saudi Arabia, Singapore, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, and Vietnam.  
Source: Federal Reserve Board.

Figure 8.

\*\*\*\*\* Chart Not Available \*\*\*\*\*

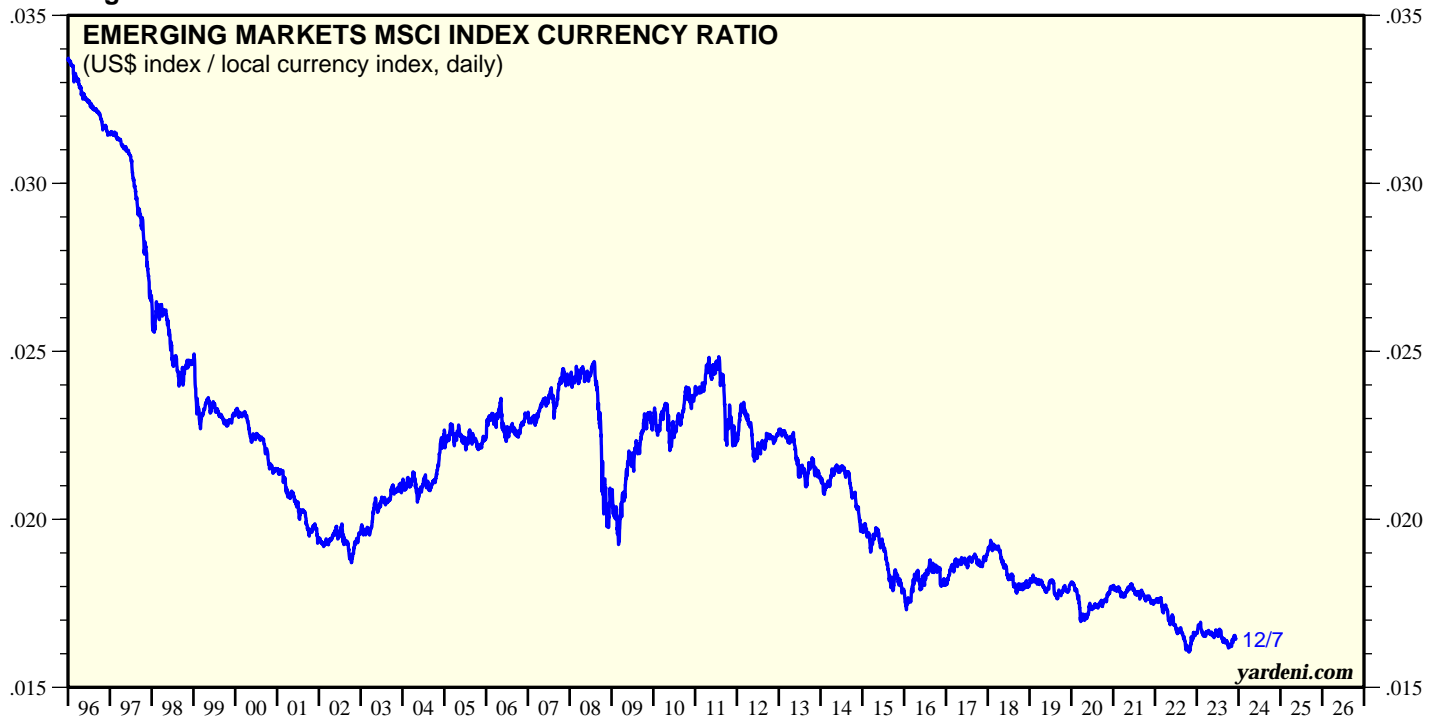
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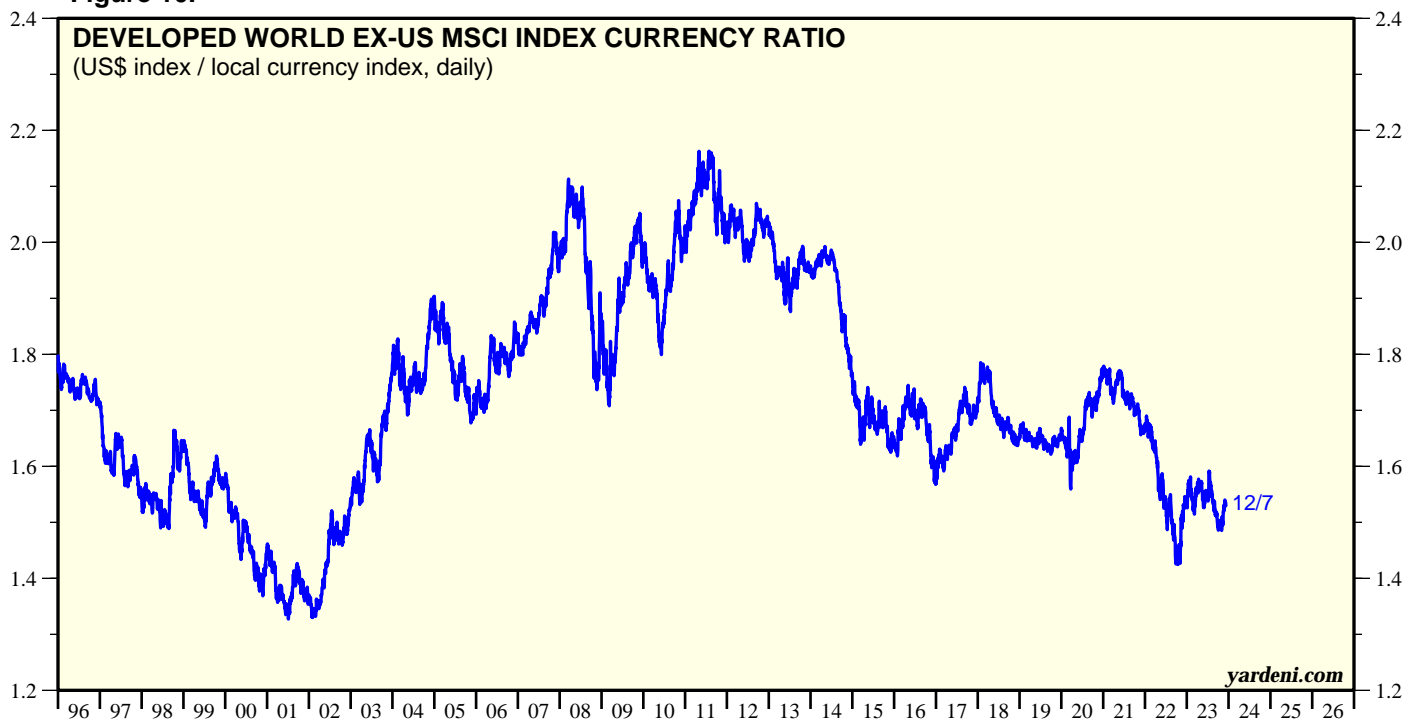
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Figure 9.



Source: MSCI.

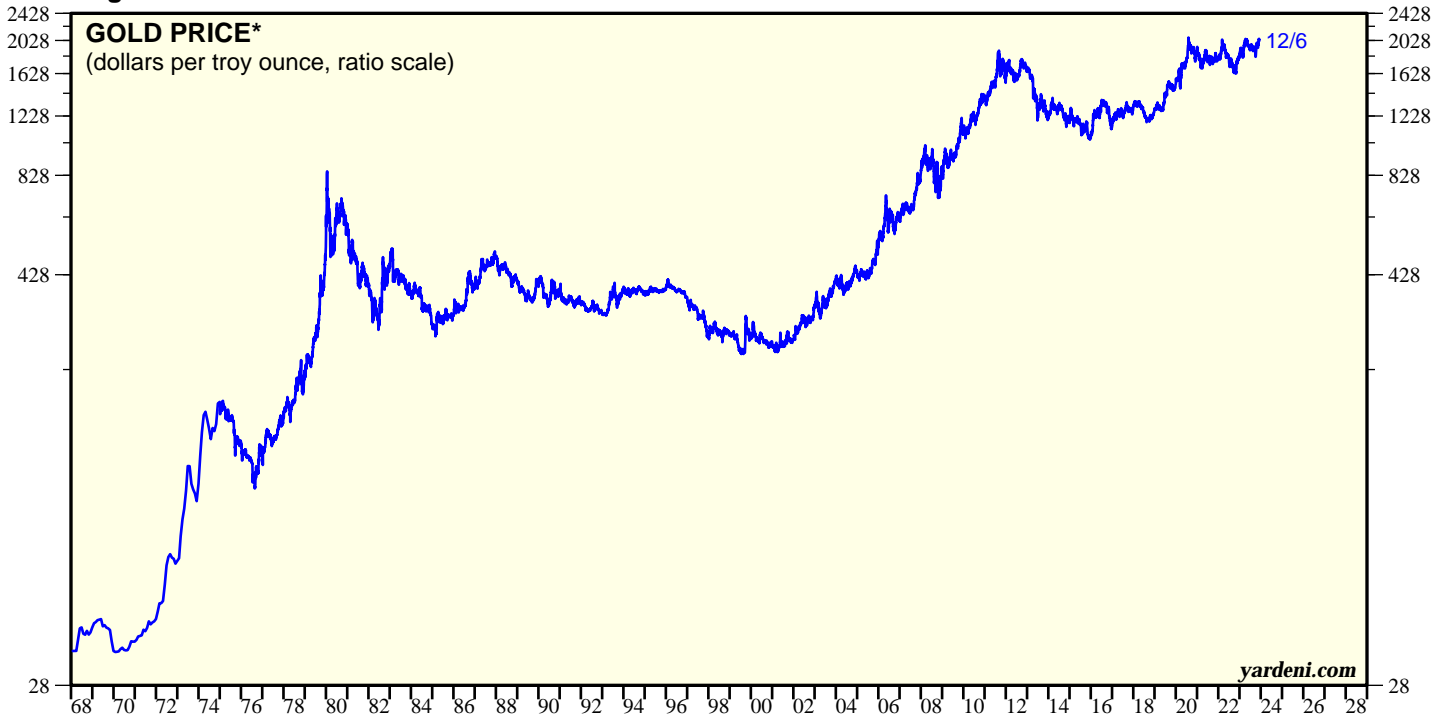
Figure 10.



Source: MSCI.

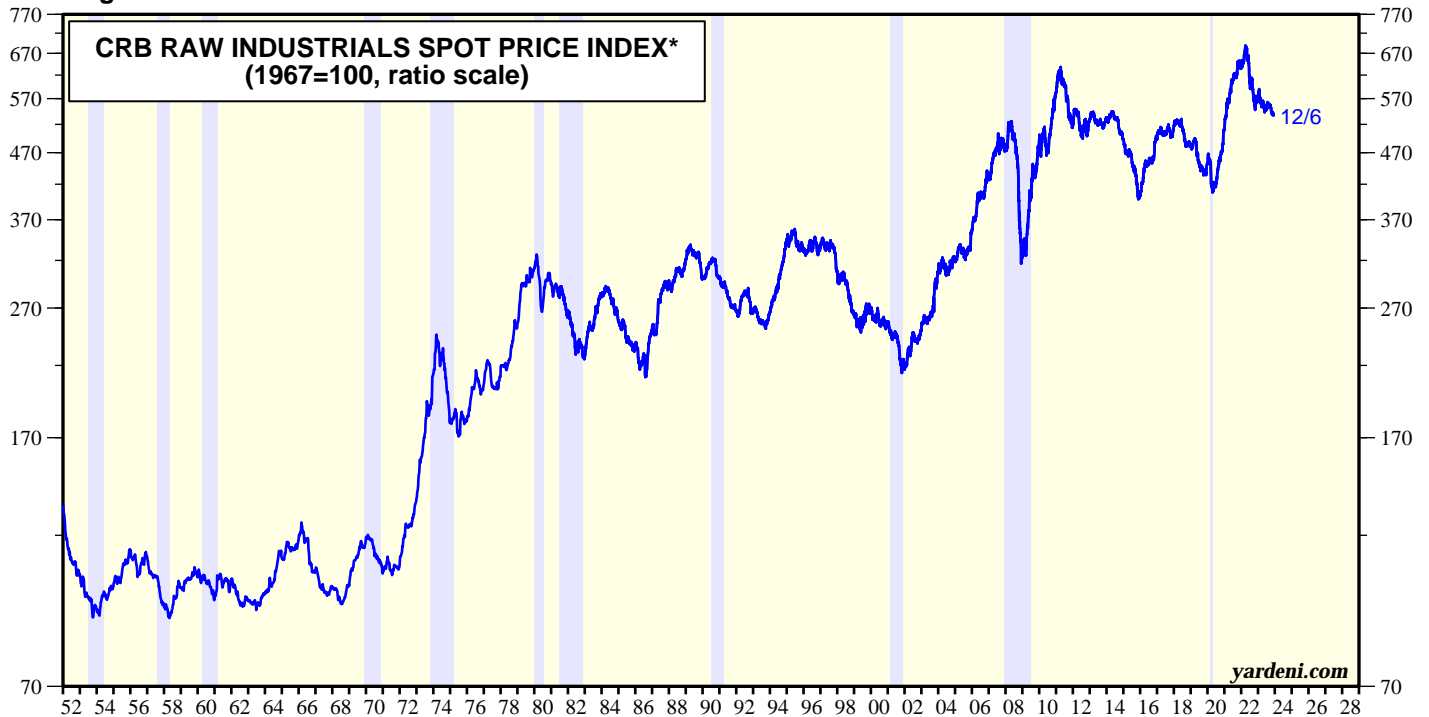
# Predicting Currencies

Figure 11.



\* Cash price. London gold bullion, PM Fix. Monthly from 1968 through 1974, then daily.  
Source: Wall Street Journal and Haver Analytics.

Figure 12.

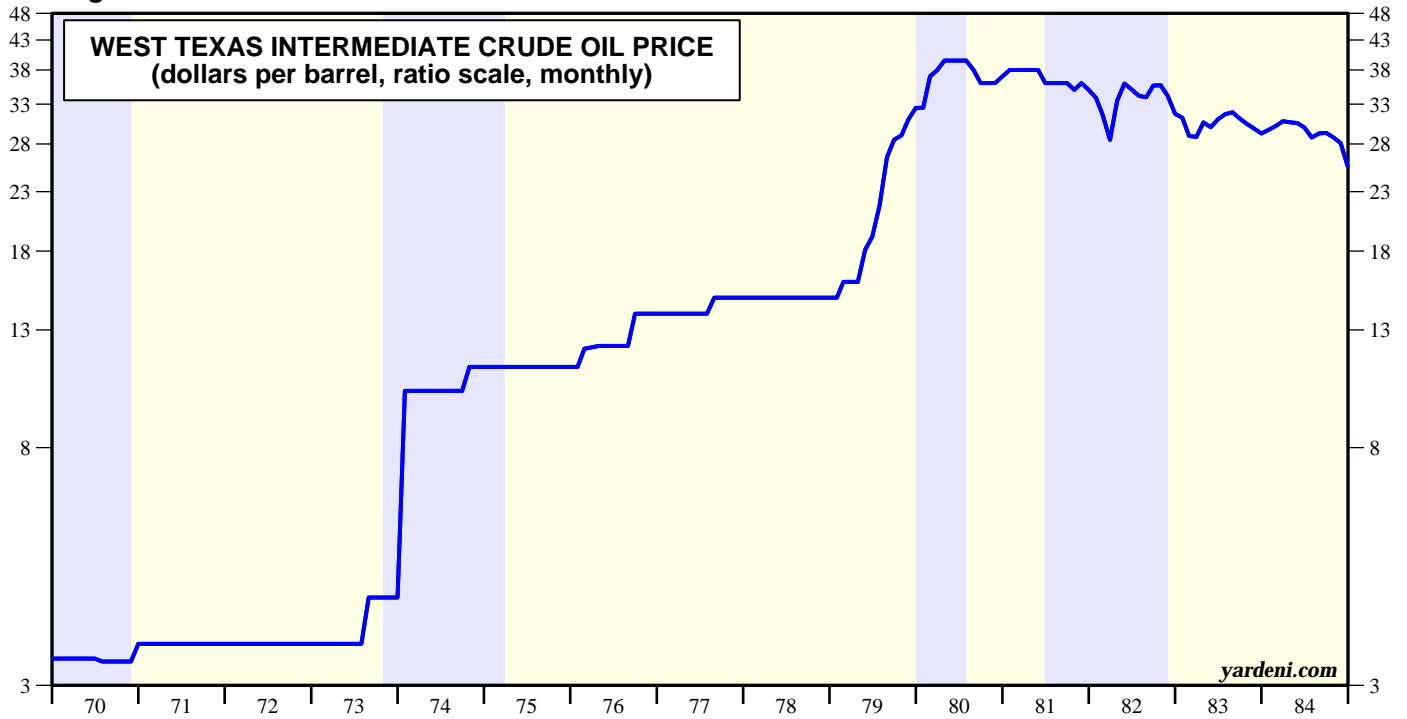


\* Weekly from January 9, 1951 to May 26, 1981, then daily. Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.  
Note: Shaded areas are recessions according to the National Bureau of Economic Research.  
Source: Commodity Research Bureau.



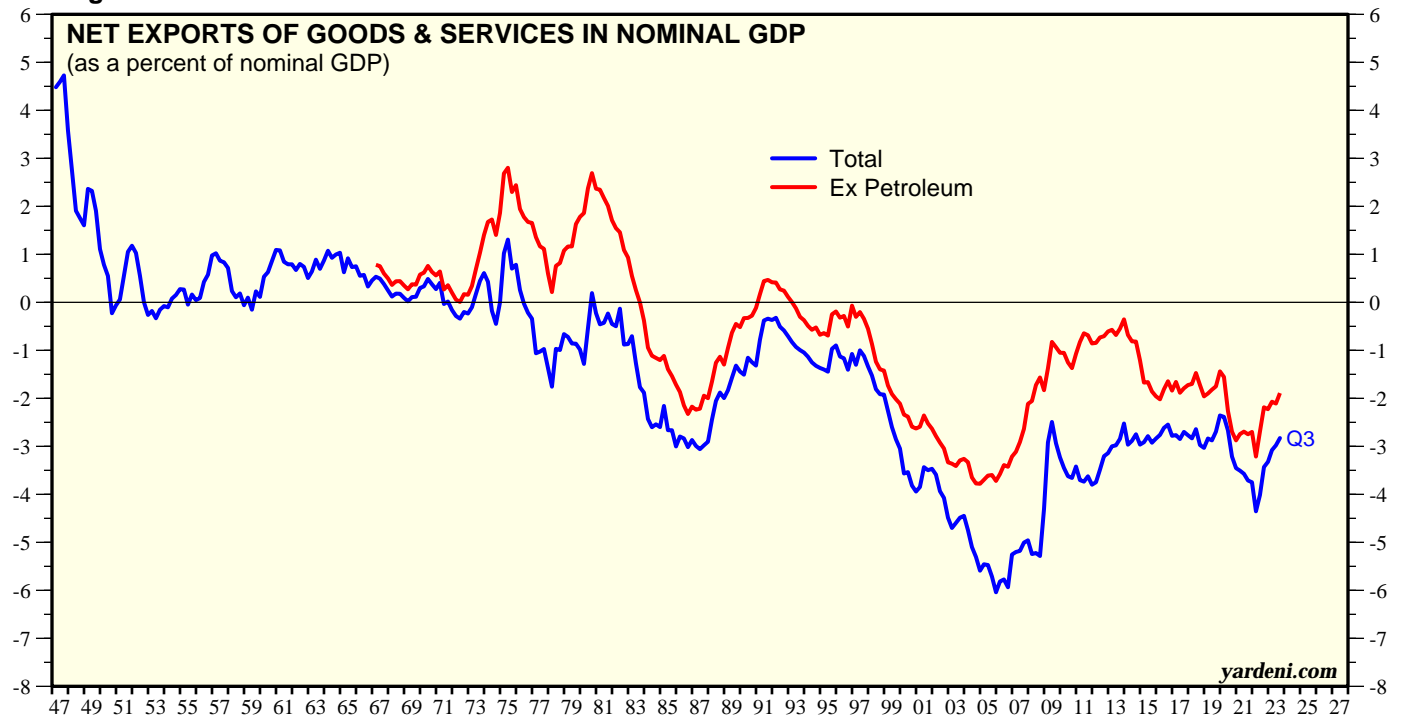
# Predicting Currencies

Figure 13.



Note: Shaded areas denote recessions according to the National Bureau of Economic Research.  
Source: Haver Analytics.

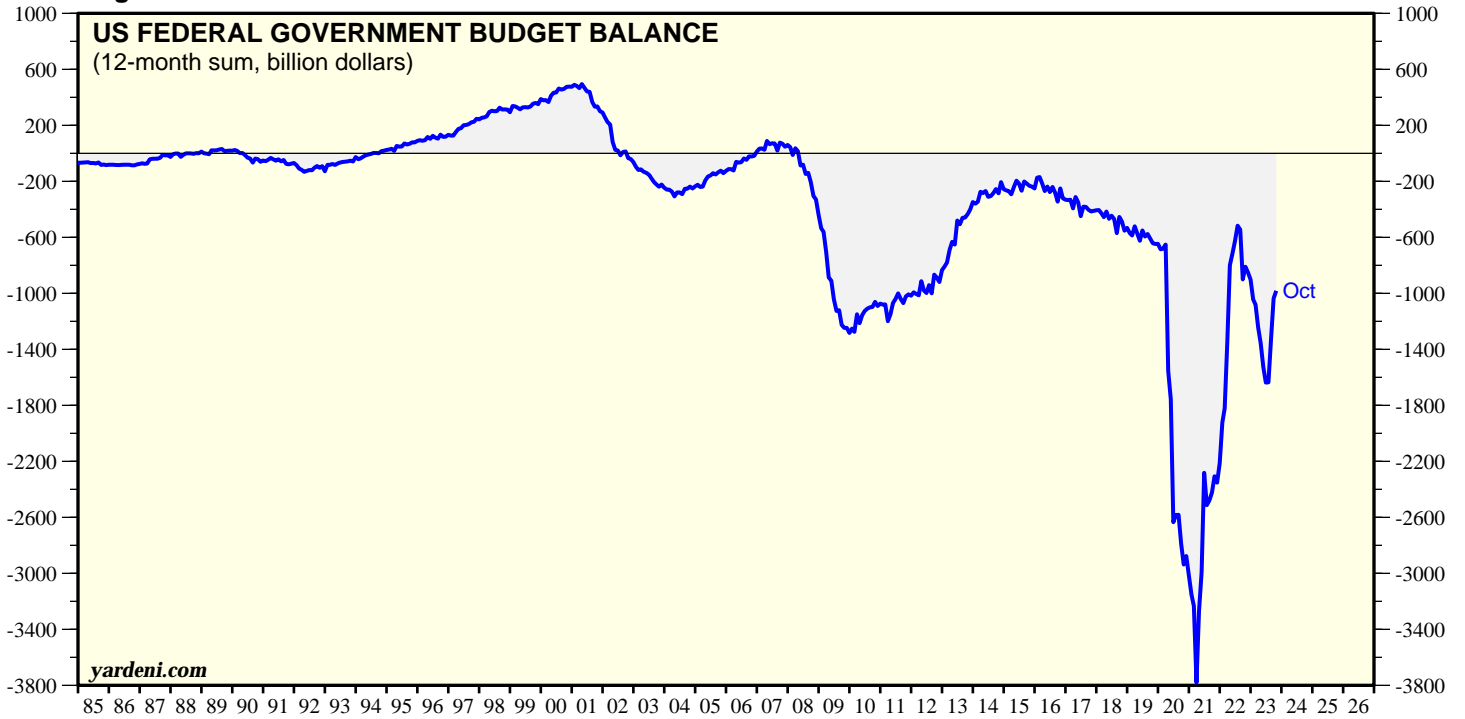
Figure 14.



Source: Bureau of Economic Analysis.

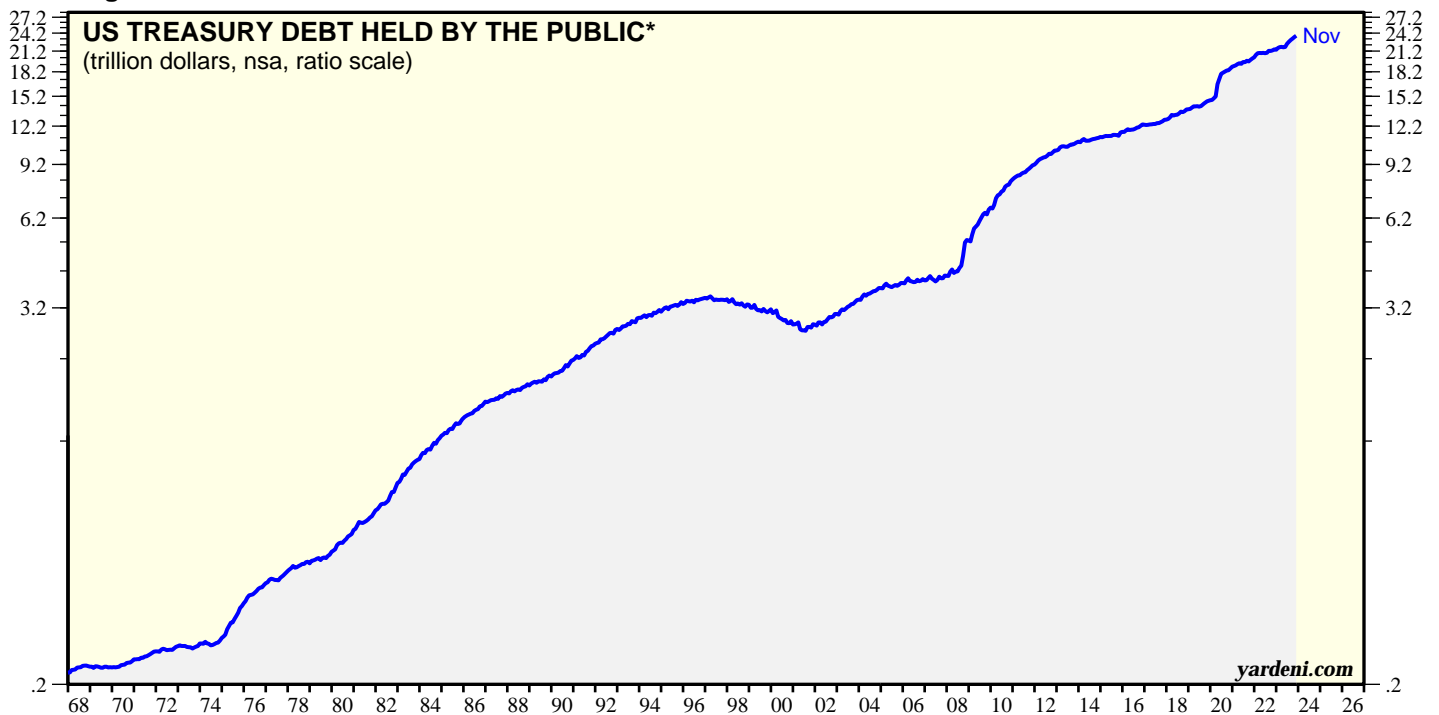
# Predicting Currencies

Figure 15.



Source: US Treasury Department.

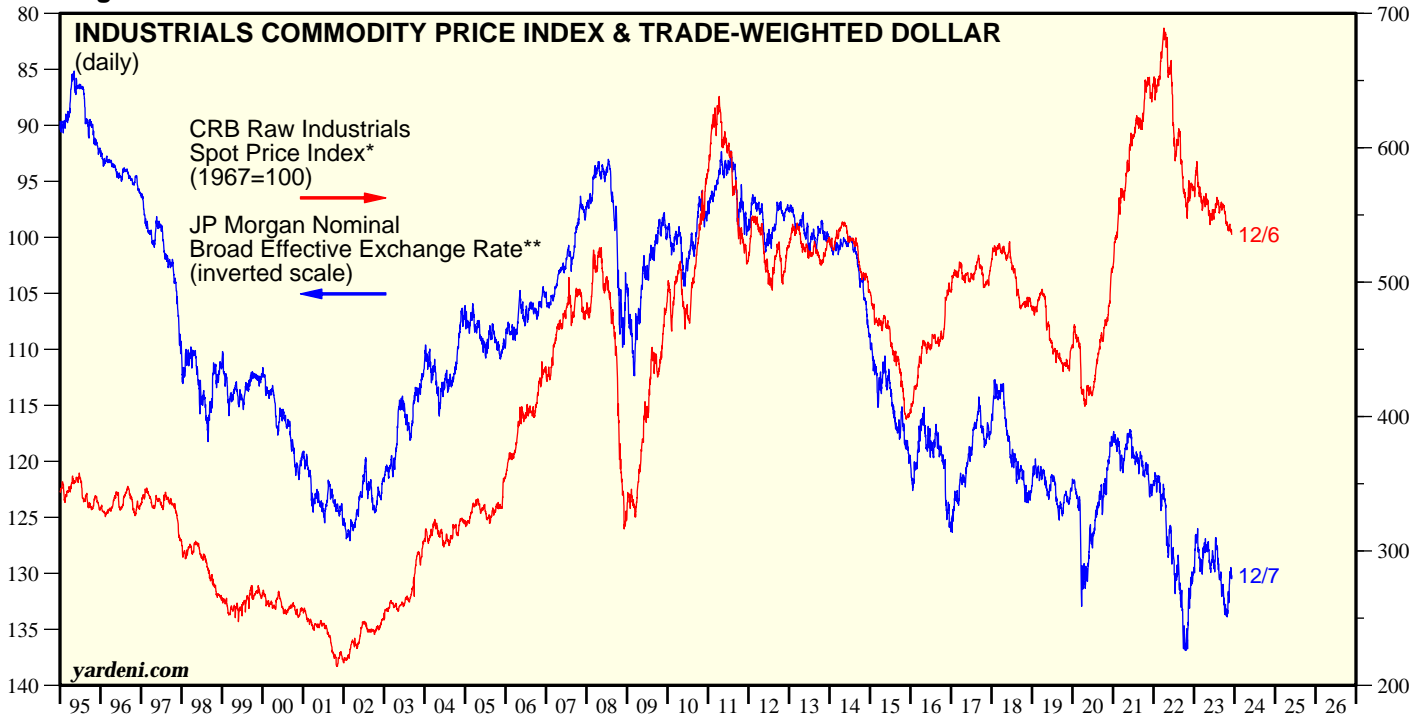
Figure 16.



\* Marketable interest-bearing bills, notes, and bonds.  
Source: US Treasury Department, Monthly Statement of the Public Debt of the United States.

# Predicting Currencies

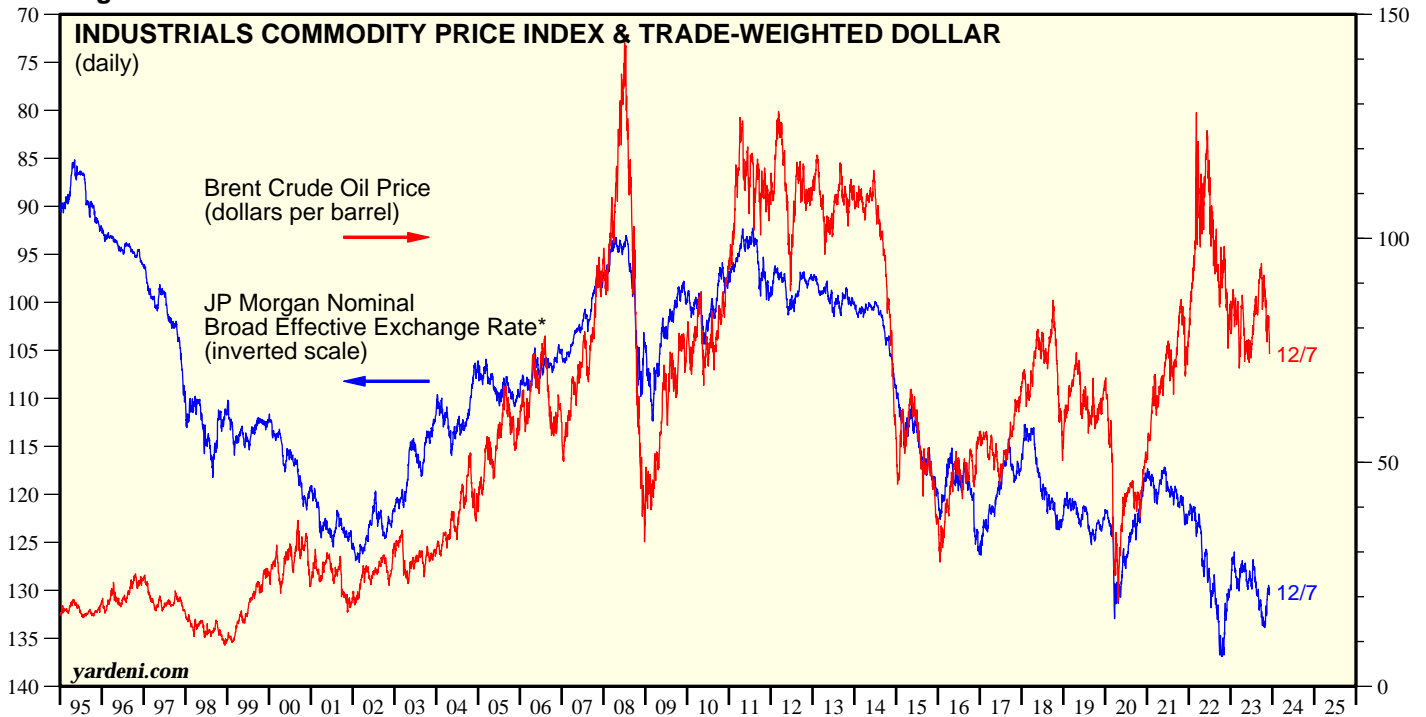
Figure 17.



\* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.

\*\* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: Commodity Research Bureau and JP Morgan.

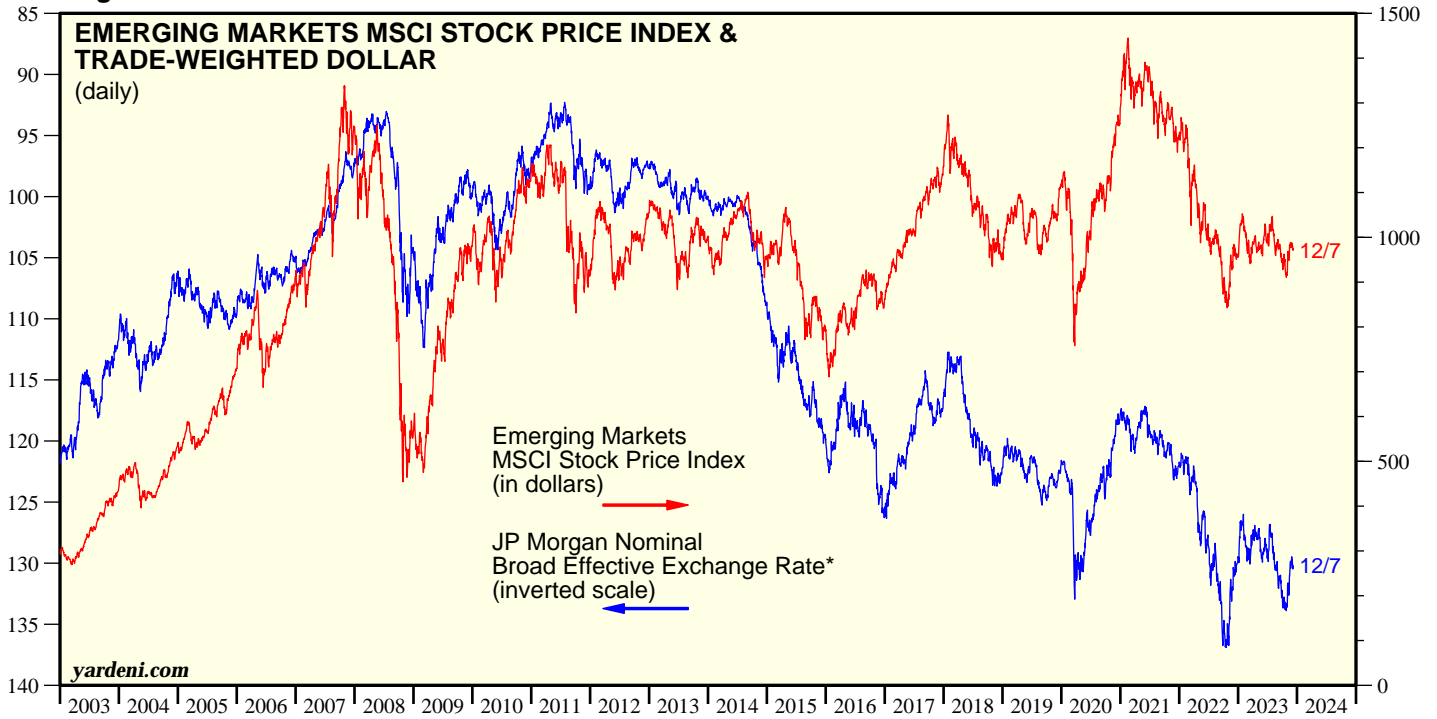
Figure 18.



\* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: JP Morgan and Haver Analytics.

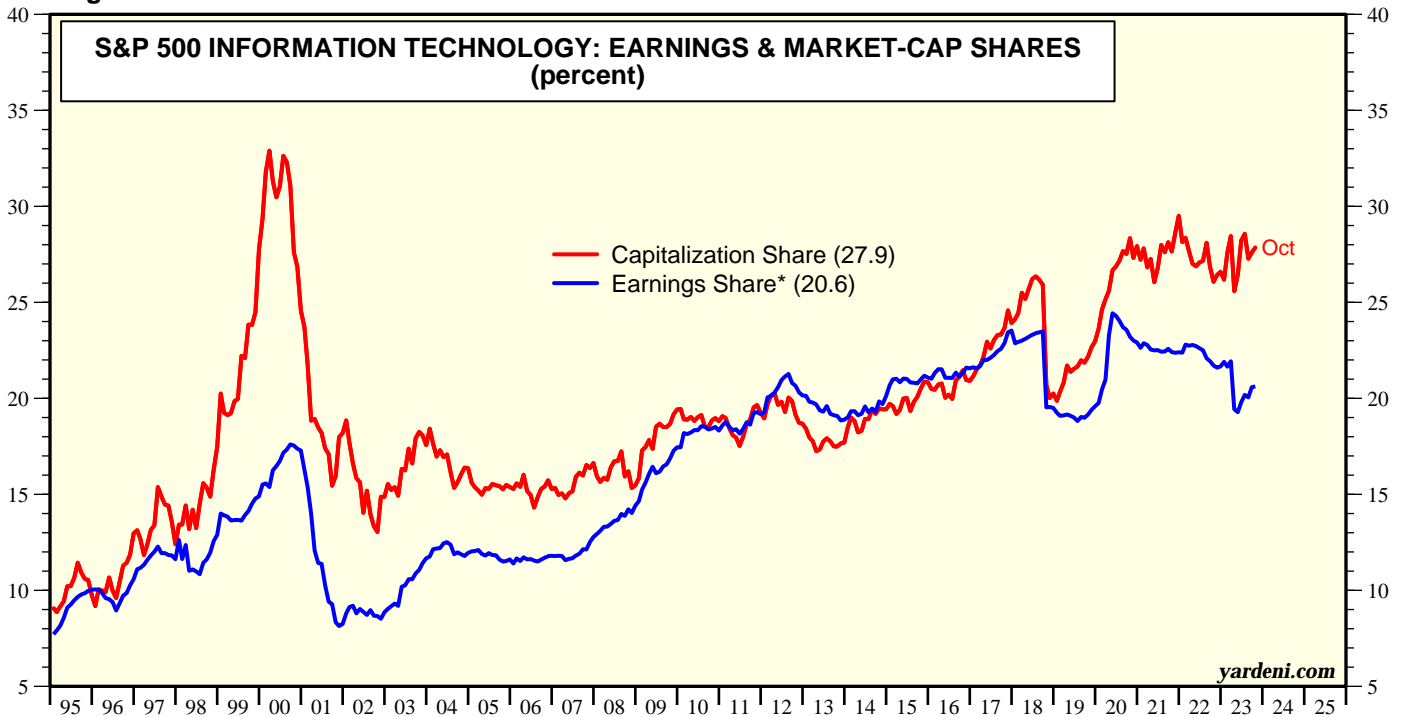
# Predicting Currencies

Figure 19.



\* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States.  
Source: JP Morgan and Morgan Stanley Capital International.

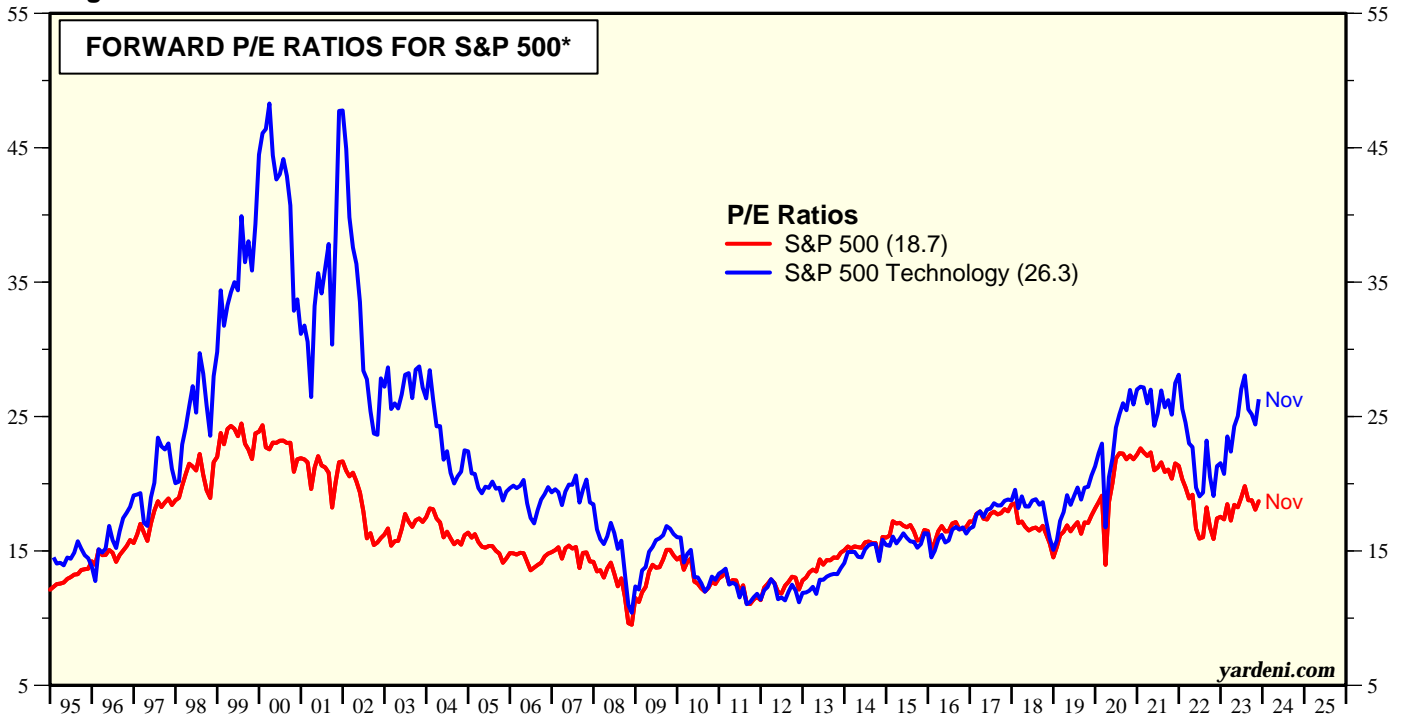
Figure 20.



\* Using S&P 500 12-month forward consensus expected operating earnings.  
Source: Thomson Reuters I/B/E/S.

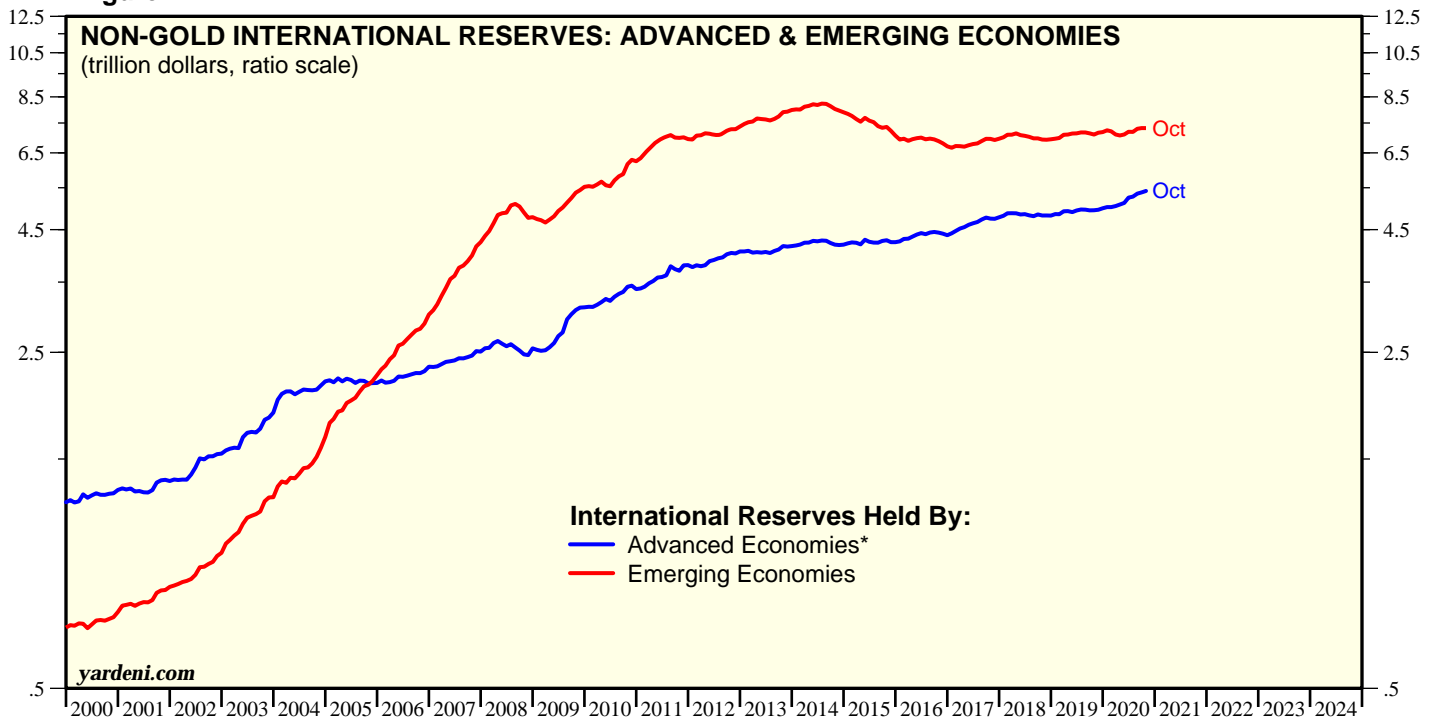
# Predicting Currencies

Figure 21.



\* S&P 500 stock price index divided by S&P 500 12-month forward consensus expected operating earnings per share.  
Source: Thomson Reuters I/B/E/S.

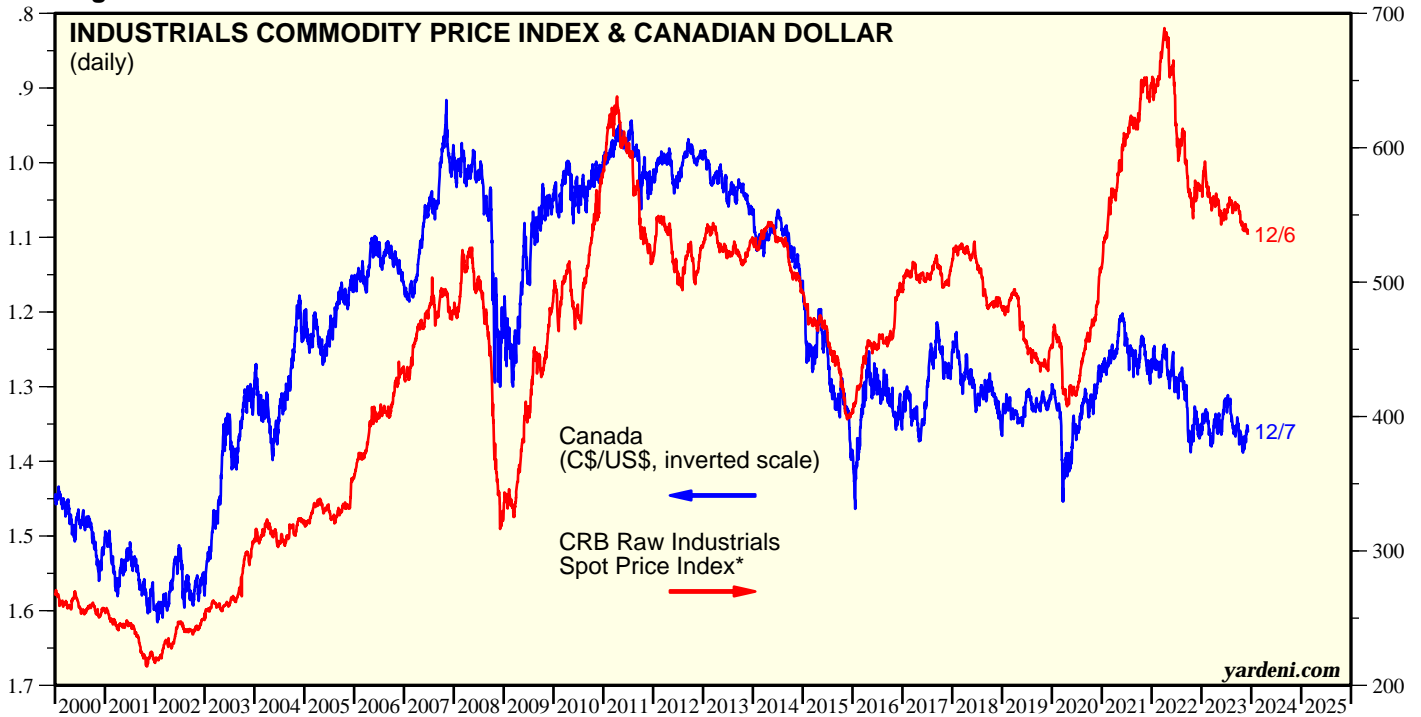
Figure 22.



\* Includes United States, Canada, Australia, Japan, New Zealand, Austria, Belgium, Luxembourg, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and United Kingdom.  
Source: IMF and Haver Analytics.

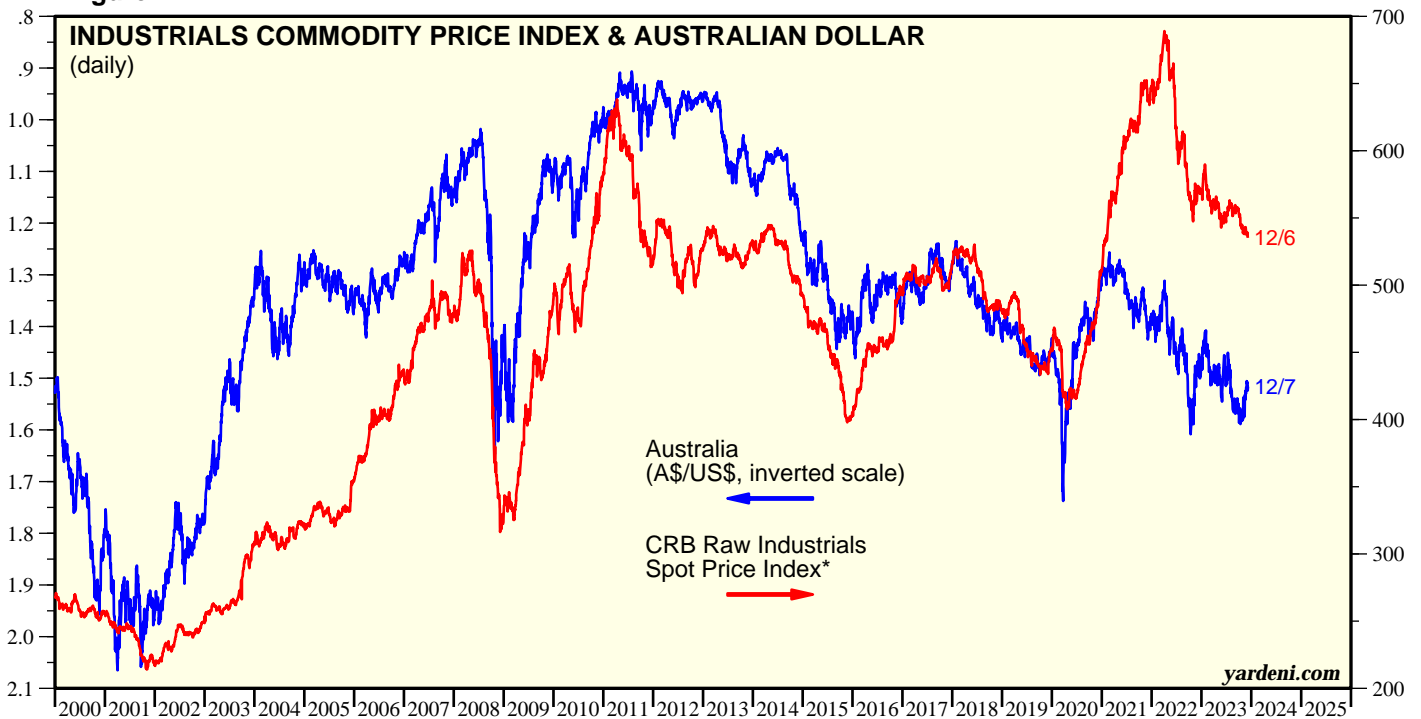
# Predicting Currencies

Figure 23.



\* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.  
Source: Haver Analytics.

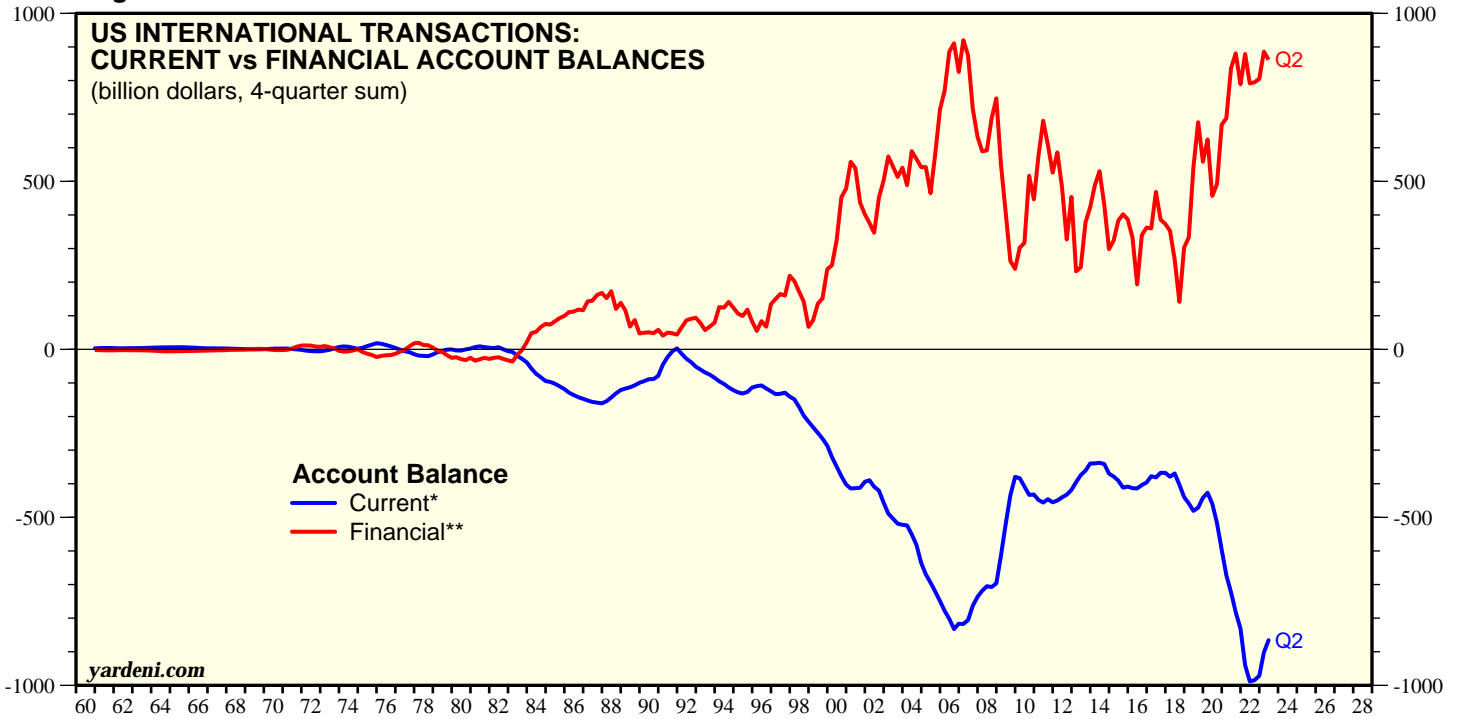
Figure 24.



\* Includes copper scrap, lead scrap, steel scrap, tin, zinc, burlap, cotton, print cloth, wool tops, hides, rosin, rubber, and tallow.  
Source: Haver Analytics.

# Predicting Currencies

Figure 25.

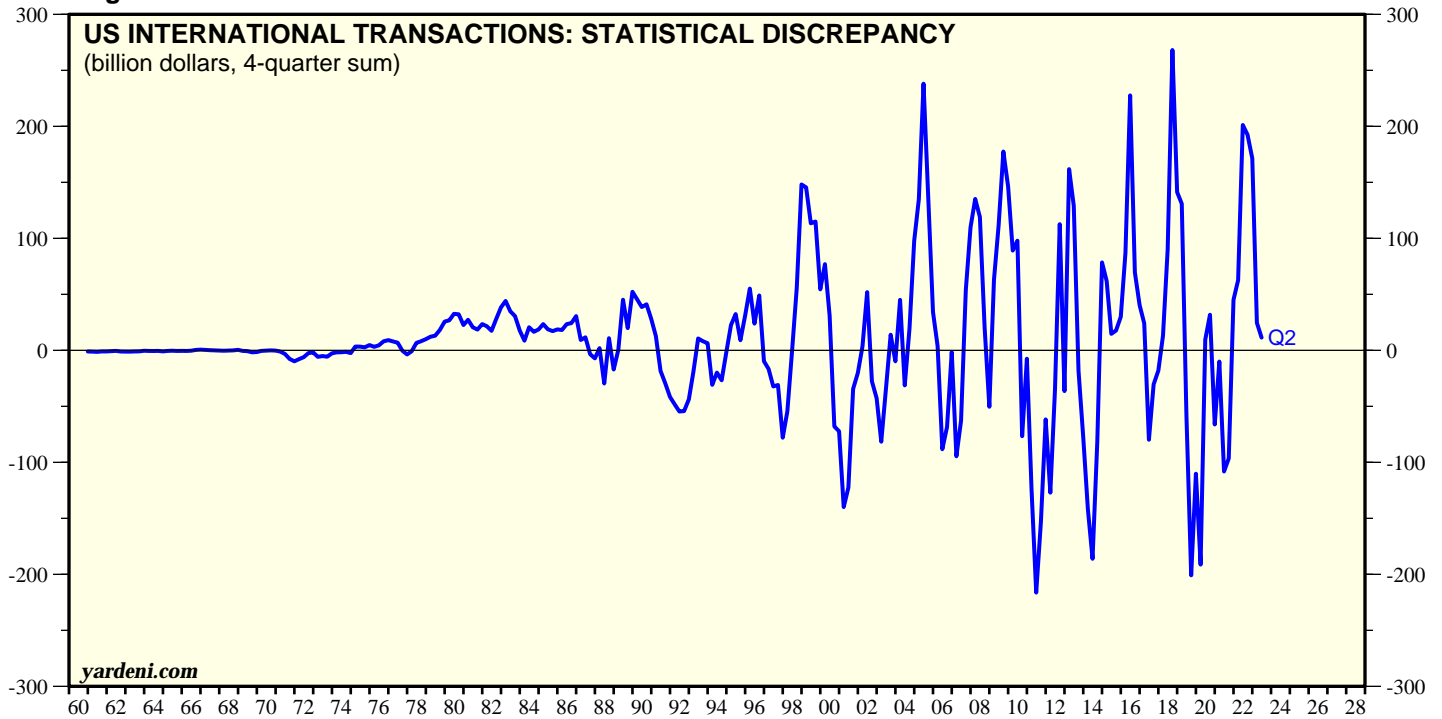


\* US exports less imports of goods and services plus net income from abroad.

\*\* Net incurrence of liabilities less net acquisition of financial assets.

Source: Bureau of Economic Analysis.

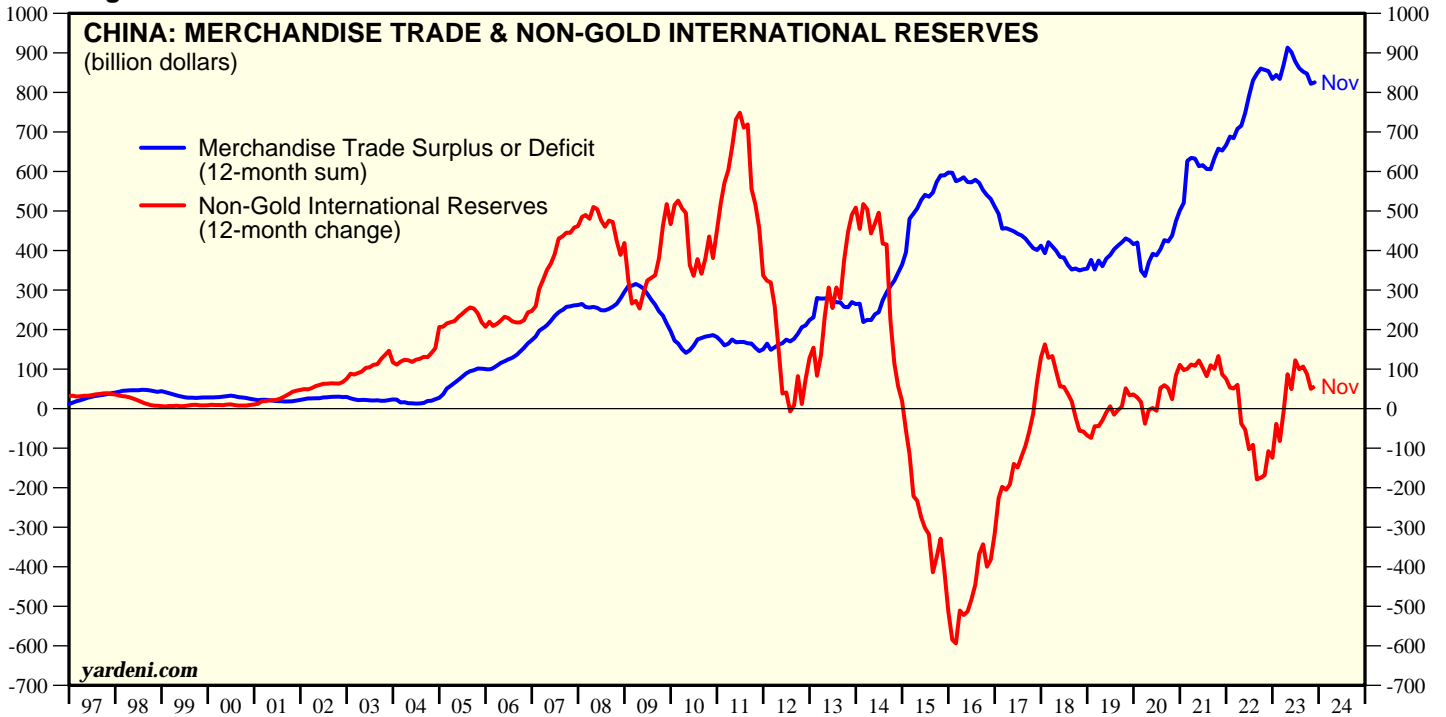
Figure 26.



Source: Bureau of Economic Analysis.

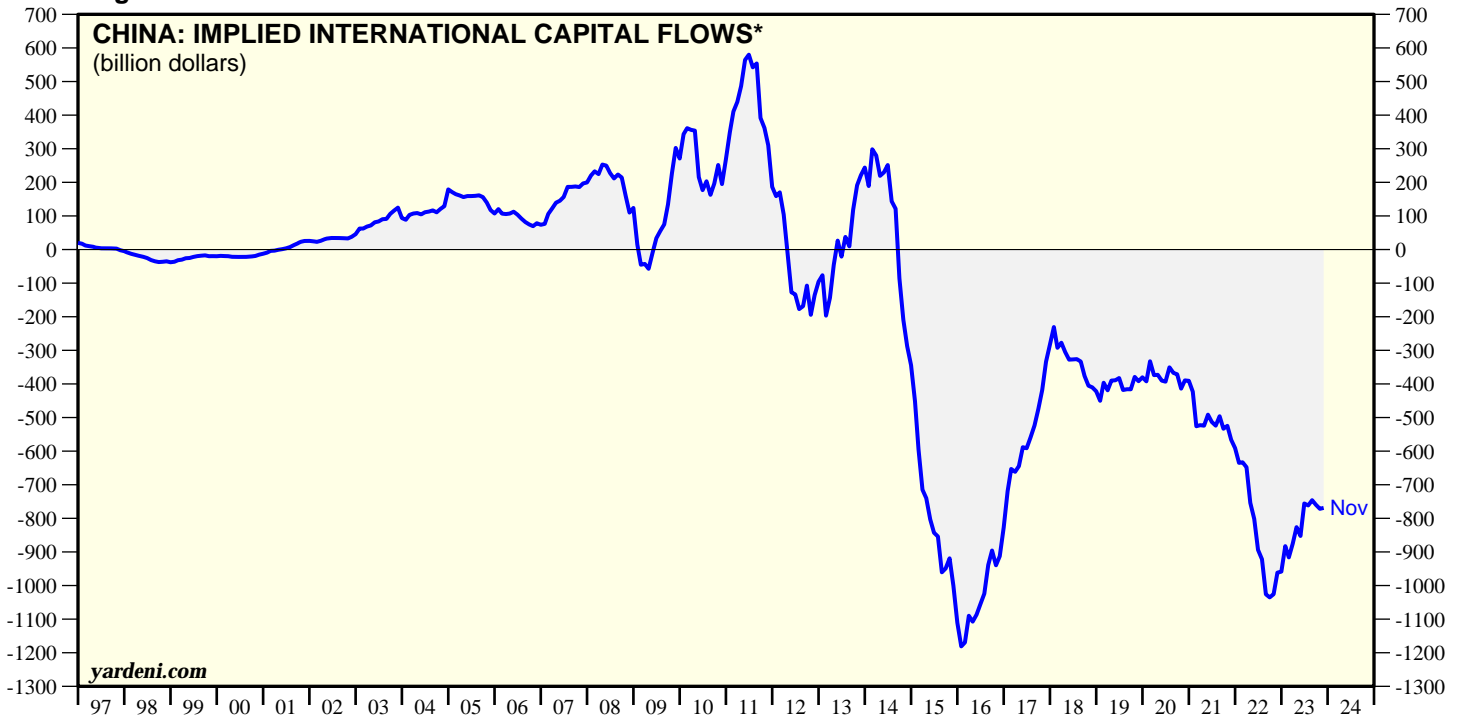
# Predicting Currencies

Figure 27.



Source: China Customs and Haver Analytics.

Figure 28.

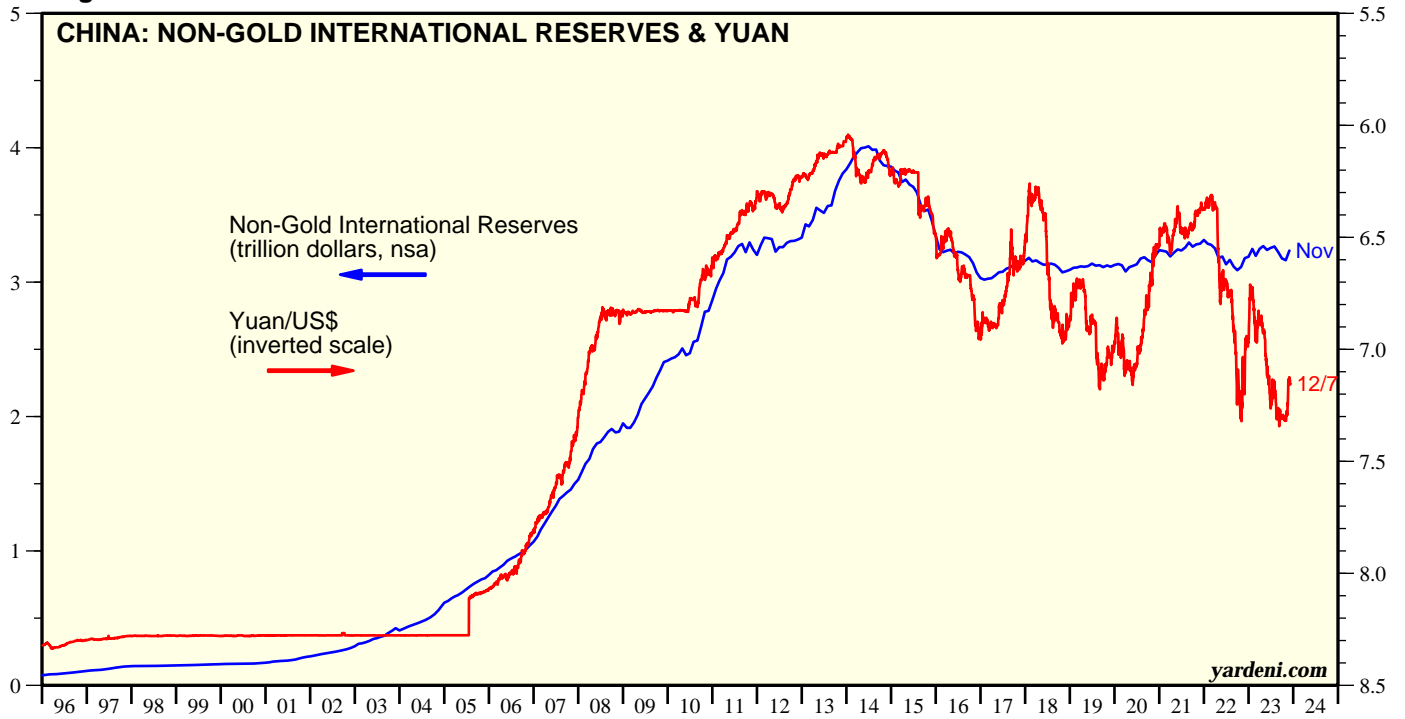


\* 12-month change in non-gold international reserves minus 12-month sum of the merchandise trade surplus (deficit).  
Source: China Customs and Haver Analytics.



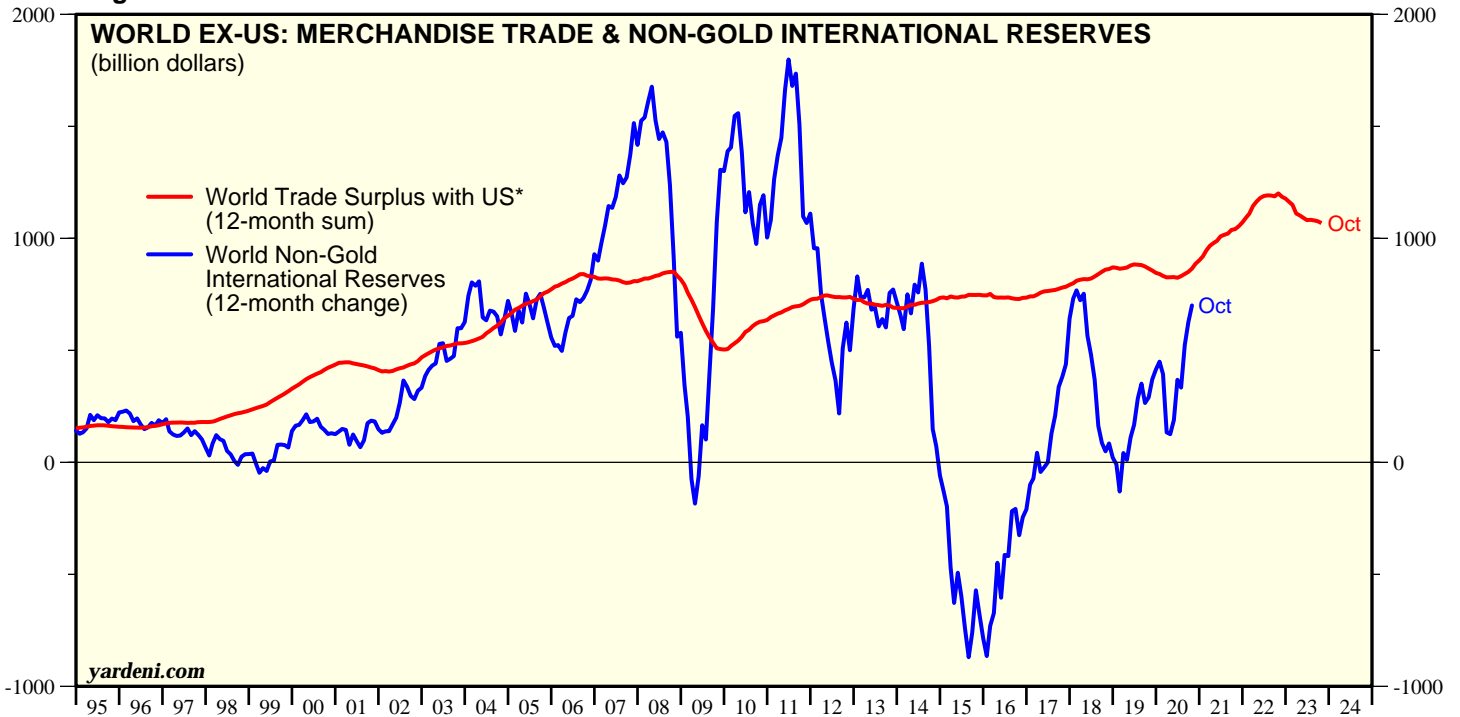
# Predicting Currencies

Figure 29.



Source: IMF and Haver Analytics.

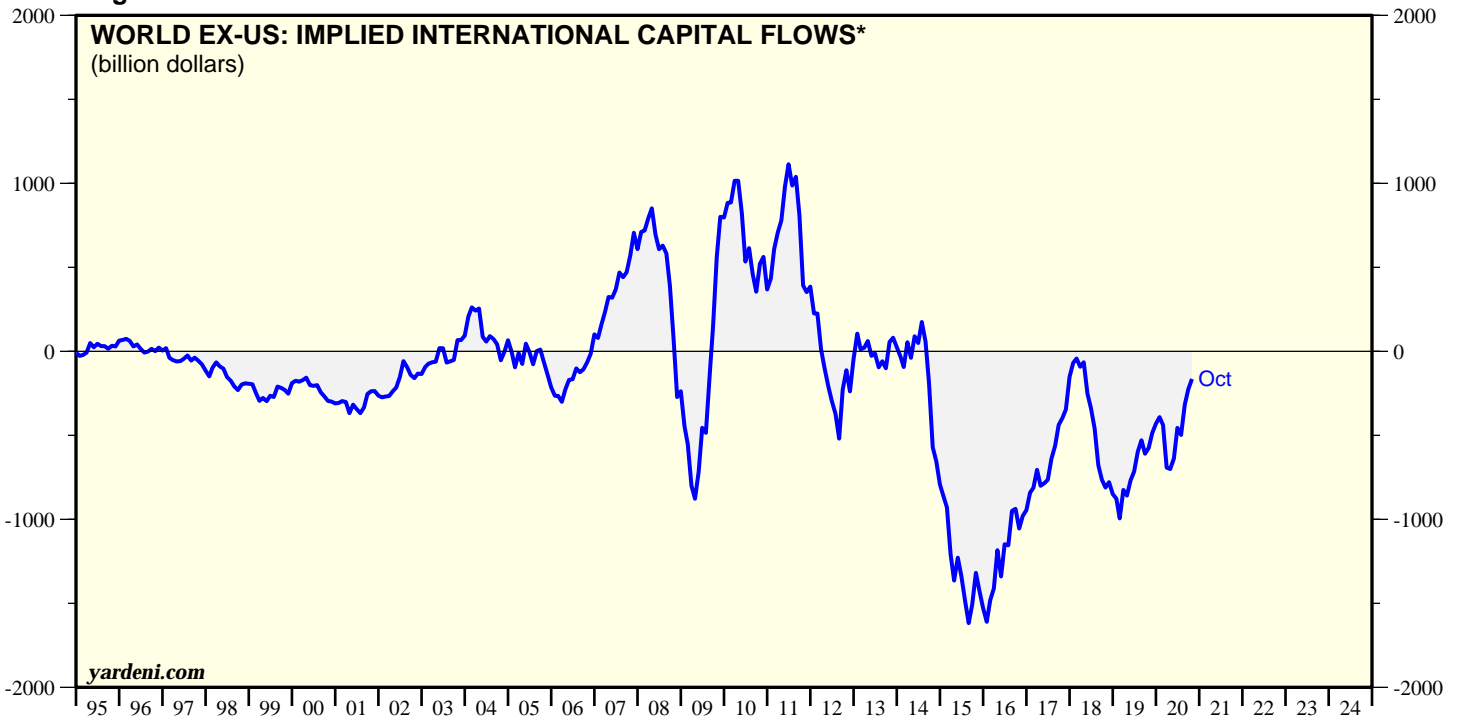
Figure 30.



\* US trade deficit multiplied by -1.0.  
Source: IMF and Haver Analytics.

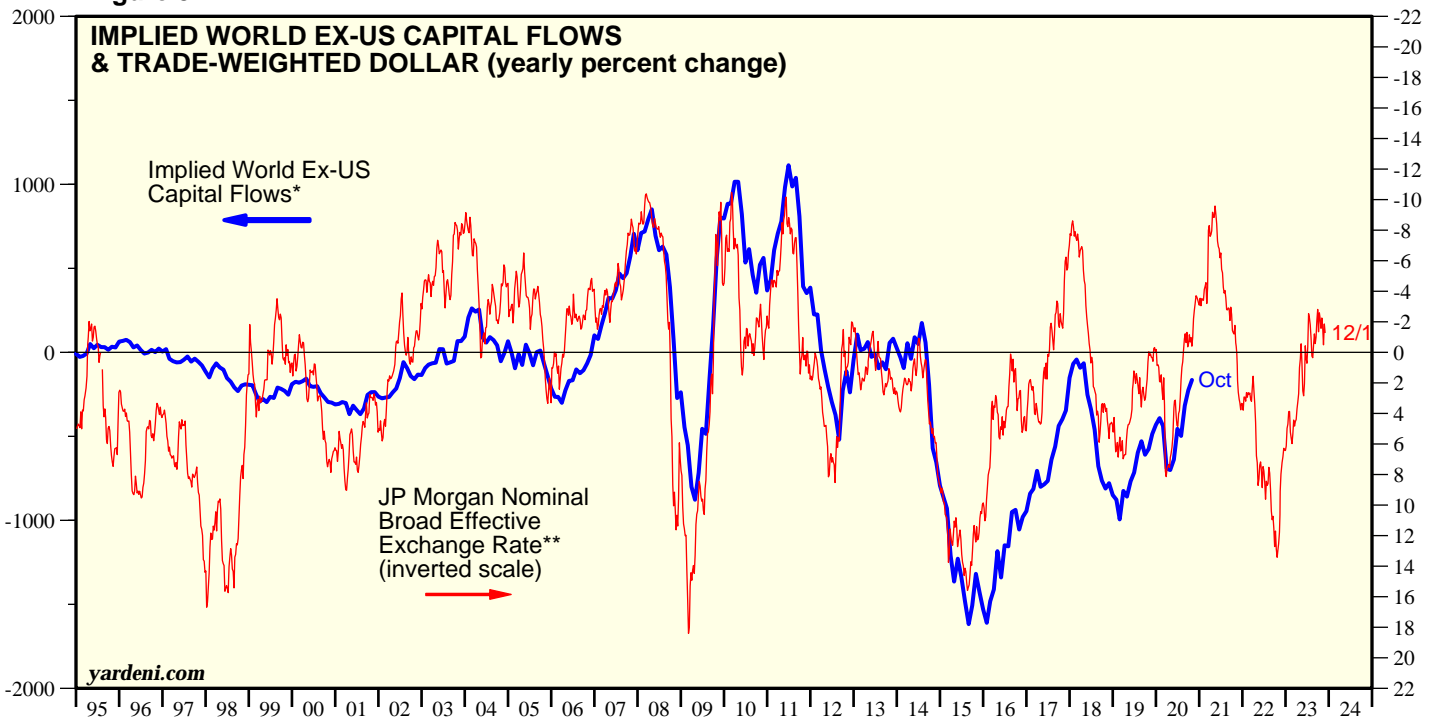
# Predicting Currencies

Figure 31.



\* 12-month change in non-gold international reserves minus 12-month sum of the merchandise trade surplus with US (i.e., US trade deficit multiplied by -1.0).  
Source: IMF and Haver Analytics.

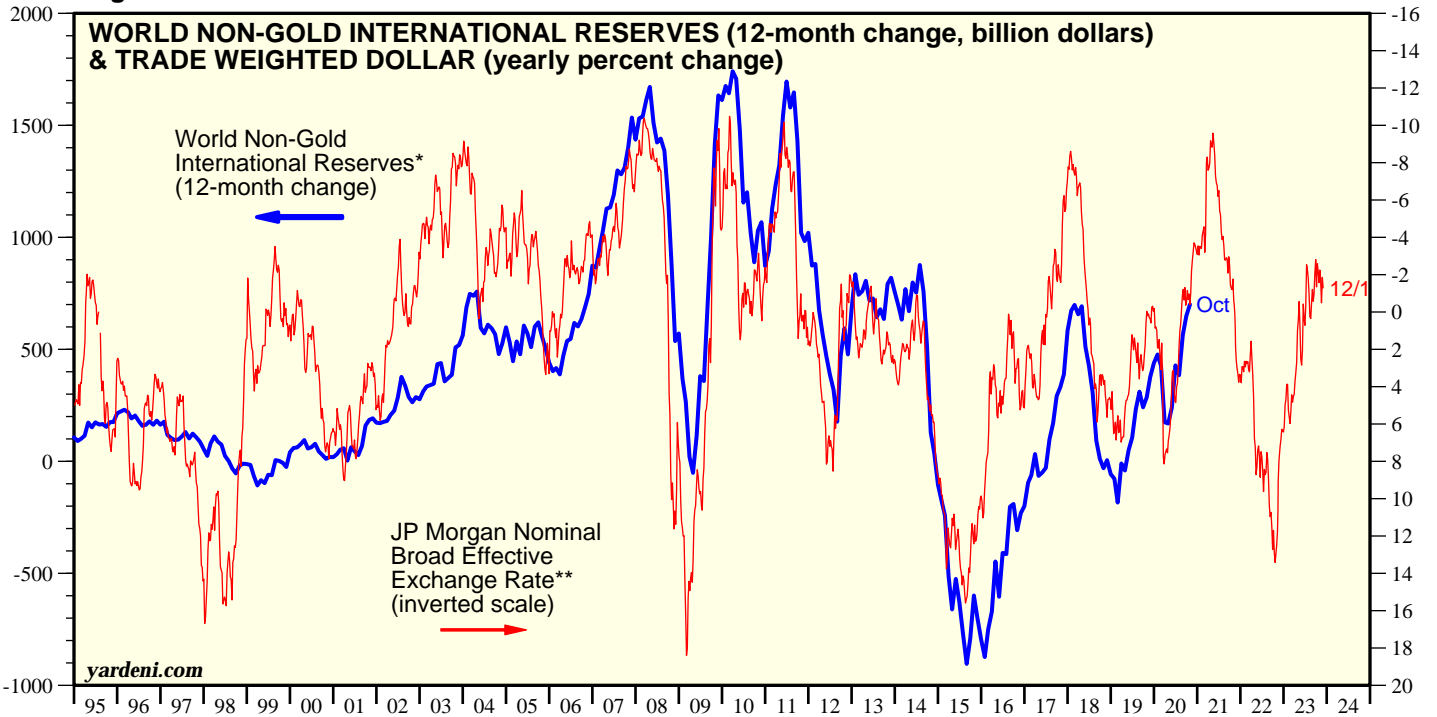
Figure 32.



\* 12-month change in non-gold international reserves minus 12-month sum of the merchandise trade surplus (deficit). US trade deficit multiplied by -1.0.  
\*\* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: IMF and JP Morgan.

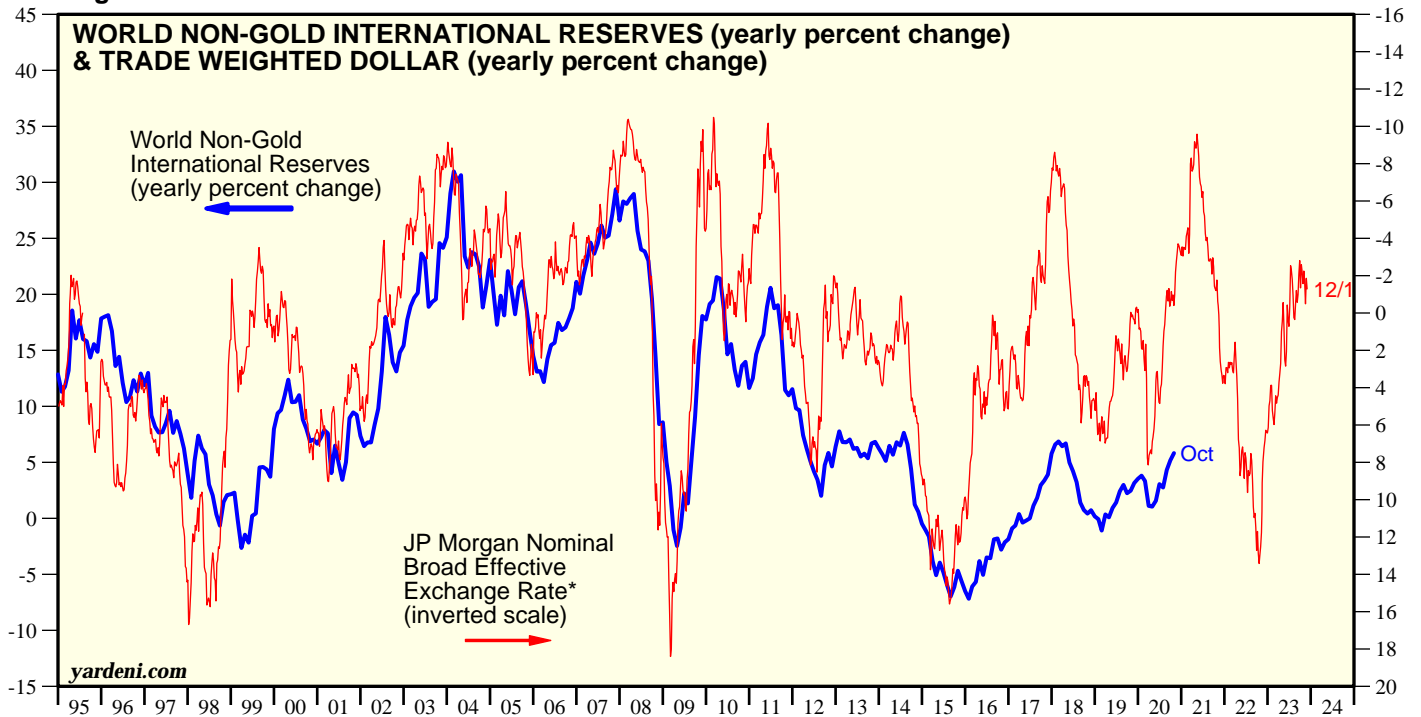
# Predicting Currencies

Figure 33.



\* 12-month change in non-gold international reserves minus 12-month sum of the merchandise trade surplus (deficit). US trade deficit multiplied by -1.0.  
 \*\* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States. Source: IMF and JP Morgan.

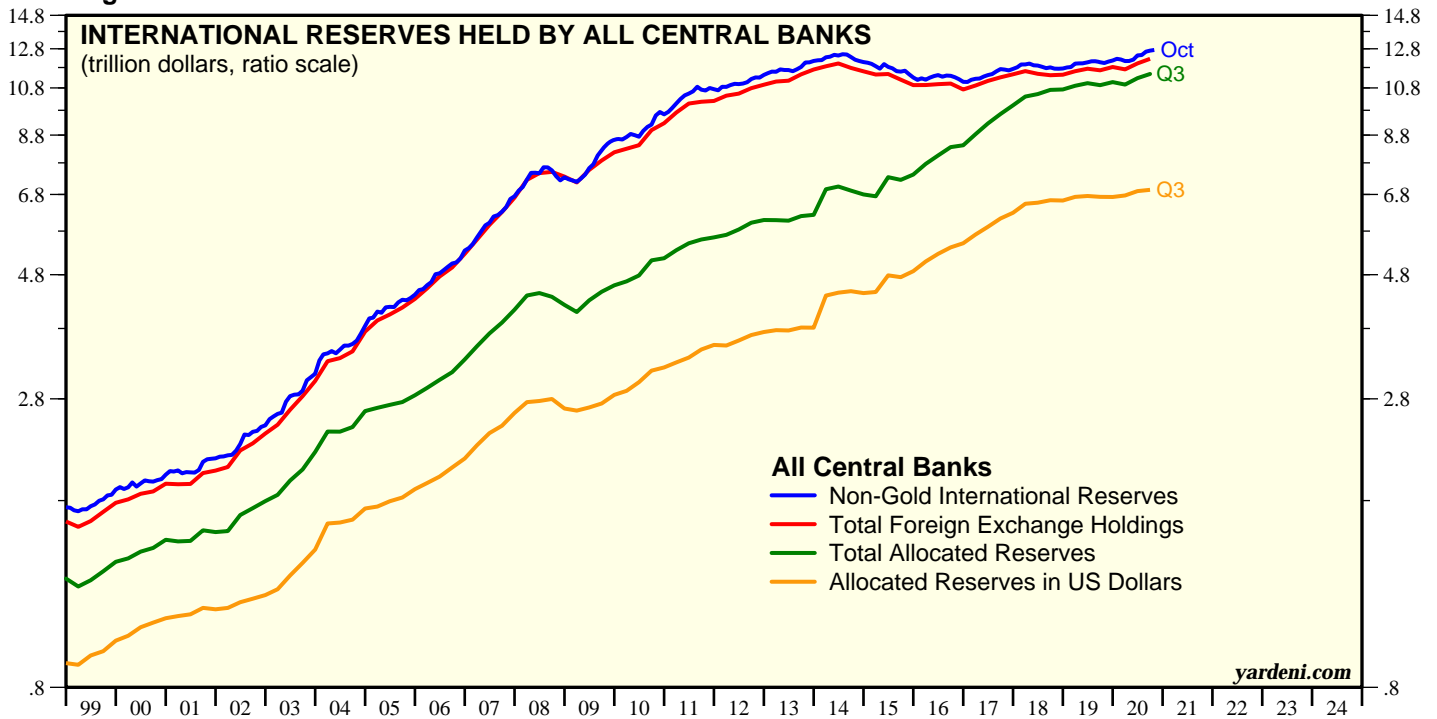
Figure 34.



\* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Republic, Denmark, Ecuador, Egypt, France, Germany, Hong Kong, Hungary, Japan, India, Indonesia, Israel, Italy, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, United Kingdom, Ukraine, Uruguay, Venezuela, Vietnam, and United States.  
 Source: IMF and JP Morgan.

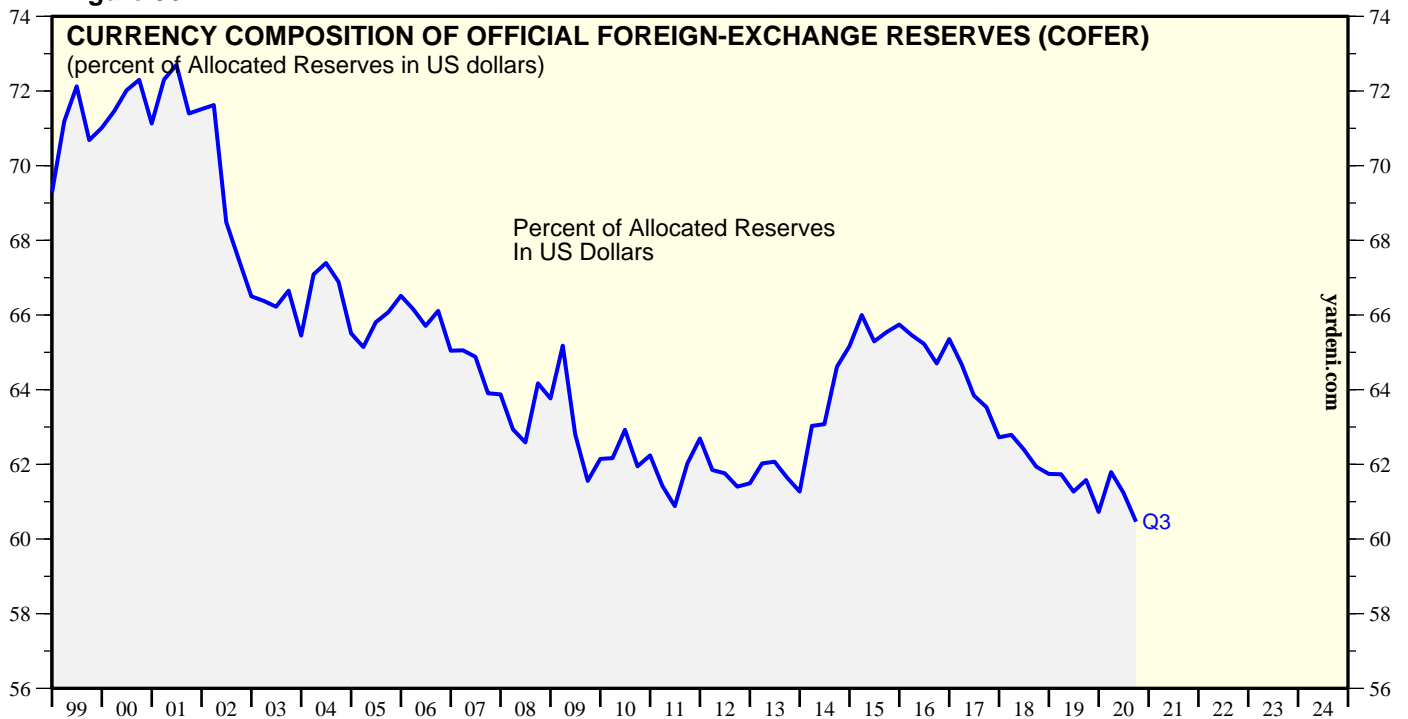
# Predicting Currencies

Figure 35.



Source: IMF.

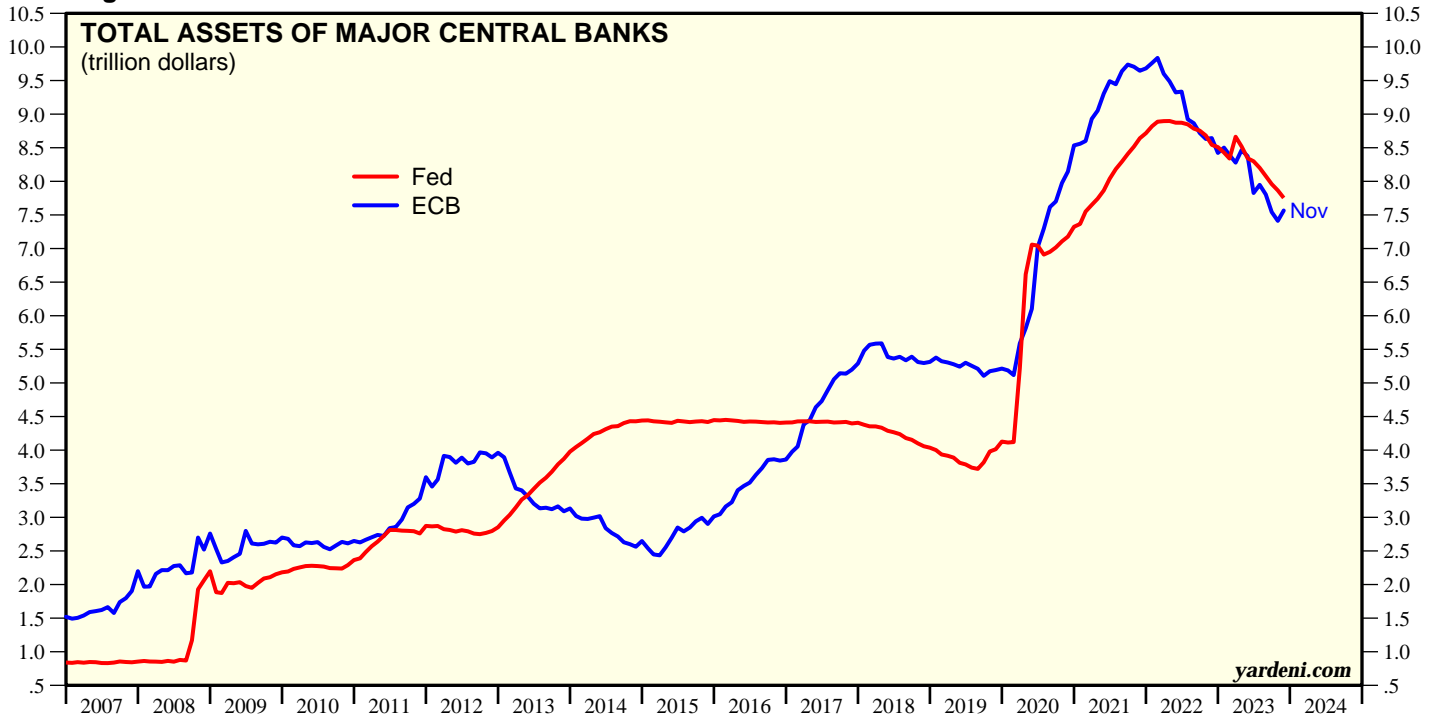
Figure 36.



Source: IMF.

# Predicting Currencies

Figure 37.



Source: Haver Analytics.

Figure 38.



\* Argentina, Australia, Brazil, Bulgaria, Canada, Chile, China, Colombia, Croatia, Czech Rep., Denmark, Ecuador, Egypt, Hong Kong, Hungary, India, Indonesia, Israel, Japan, Korea, Kuwait, Malaysia, Mexico, Morocco, New Zealand, Nigeria, Norway, Pakistan, Panama, Peru, Philippines, Poland, Romania, Russia, Saudi Arabia, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, Turkey, Ukraine, UK, Uruguay, US, Venezuela, Vietnam, & Euro Area.  
Source: JP Morgan.

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