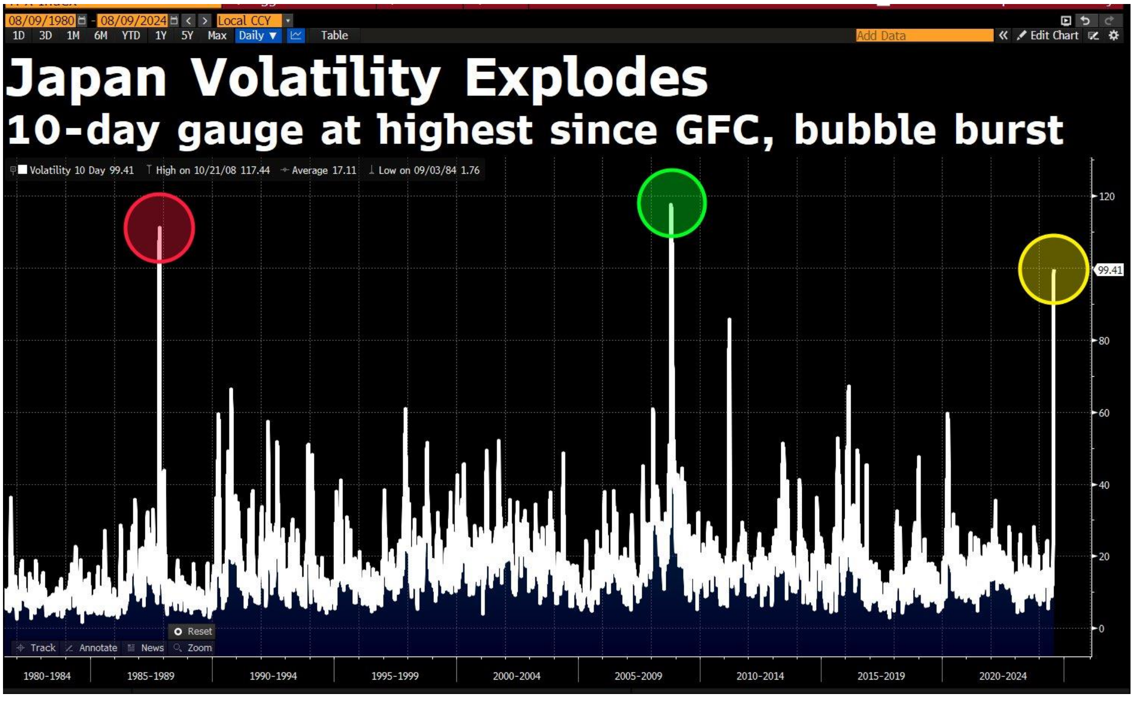
Chart of the week

What a week in Japan !

To underscore how wild the market's behaved recently, the only other two times stock swings were comparable was during the global financial crisis (green) and during the early 90s bubble burst (red).



Source: David Ingles, Bloomberg

PRIVATE BANKING

US equities flattish despite huge swings in volatility

The major US equity indexes closed modestly lower for the week after recovering from the biggest sell-off in nearly two years. The S&P 500 Index neared correction territory (down over 10% from its peak) on Monday morning while the Nasdaq was down 15.8% from its peak. Even more pronounced were the swings in the CBOE Volatility Index (VIX) – the fear gauge - which briefly spiked Monday to 65.7, its highest level since late March 2020, before falling back to end the week at 20.6. A recent increase in Japanese short-term interest rates, albeit modest, seemed to result in a partial unwind in the so-called carry trade. A sharp rise in the yen over the preceding few weeks made the trade unprofitable, causing many investors to pull out of their positions. On the macro side, several major companies reported signs of weakening consumer demand during earnings call. However, S&P's gauge of services sector activity remains solidly in expansion territory at 55.5. A reassuring drop in weekly jobless claims on Thursday seemed partly responsible for a bounce-back rally, with the S&P 500 scoring its best daily gain since November 2022. Japan's stock markets started the week with the most severe one-day sell-off in decades (-12%). By the end of the week, Japan's markets had recouped much of the lost ground, however, with the Nikkei 225 Index down 2.5%. The dollar ended lower on the week while Gold ended marginally lower on the week. In Fixed Income, the US 10-year Treasury yield increased over the week. Cryptos rebounded.

#markets

#weekly #stats

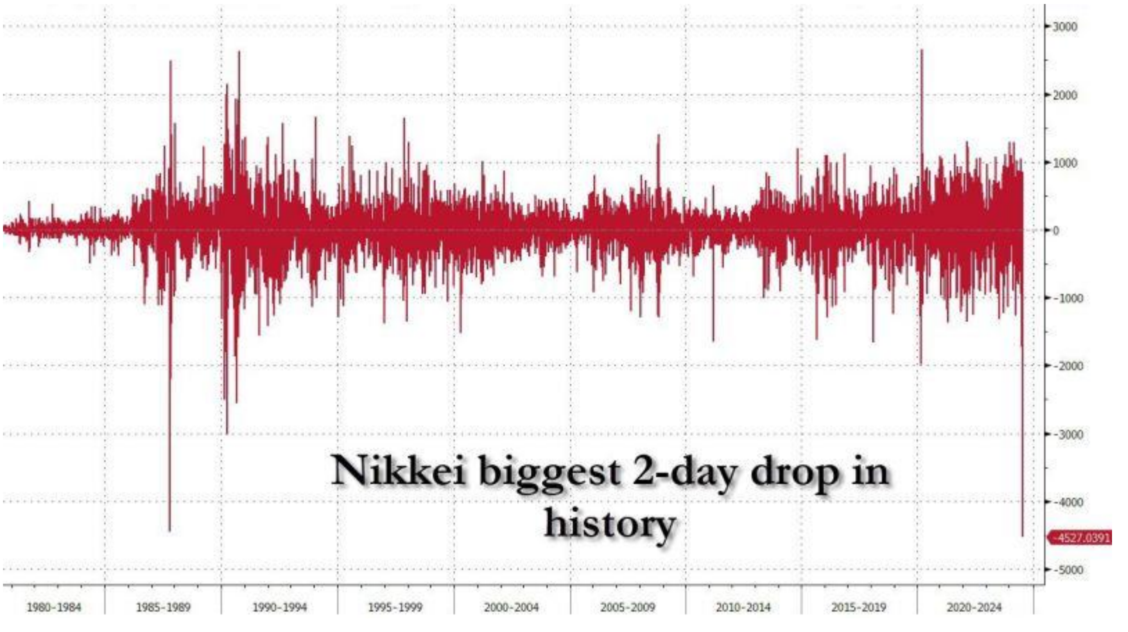
INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	39,498	-0.6%	4.8%
S&P 500 Index	5,344	0.0%	12.0%
NASDAQ	16,745	-0.2%	11.6%
MSCI EAFE*	2,264	-1.2%	1.2%
10-yr Treasury Yield	3.94%	0.1%	0.1%
Oil ($/bbl)	$77.08	4.8%	7.6%
Bonds	$99.53	-0.8%	2.0%

Source: Edward Jones

#markets

#nikkei #performance

This is the biggest 2-day drop for the Nikkei in history, surpassing Black Monday



Source: www.zerohedge.com, Bloomberg

#markets

#nikkei #performance

Japan Equities Crash, how significant? Nikkei 225 lost 20% or more within a 3-week period? 1. 1990: -21%, (February 14 - March 7), asset price bubble plunge in Japan. 2. 2008: -23%, (September 26 - October 16) post the Lehman collapse. 3. 2013: -21%, (May 22 - June 13), economic stimulus panic. 4. 2020: -23%, (February 21 - March 13), the COVID pandemic panic of 2020.

Source: Lawrence McDonald, Bloomberg

#markets

#nikkei #performance

The Nikkei's 12.4% decline today was the 2nd largest in its history, trailing only the 14.9% fall during the October 1987 crash. What happened in the year after the 1987 crash? The Nikkei 225 rose 26.5%. Those who embraced panic were rewarded.

Nikkei 225 Index: Largest 1-day % Declines (1949 - 2024)

Rank	Date	Prior Close	Close	1-Day % Change	% Change 1-Year Forward
1	10/20/1987	25747	21910	-14.9%	26.5%
2	**8/5/2024**	**35910**	**31458**	**-12.4%**	**?**
3	10/16/2008	9547	8458	-11.4%	16.9%
4	3/15/2011	9620	8605	-10.6%	17.7%
5	3/5/1953	378	340	-10.0%	2.6%
6	10/10/2008	9157	8276	-9.6%	25.2%
7	10/24/2008	8461	7649	-9.6%	28.2%
8	10/8/2008	10156	9203	-9.4%	11.6%
9	4/30/1970	2315	2114	-8.7%	17.4%
10	3/30/1953	348	319	-8.5%	1.6%

CREATIVE PLANNING @CharlieBilello

Source: Charlie Bilello

#markets

#nikkei #stocks

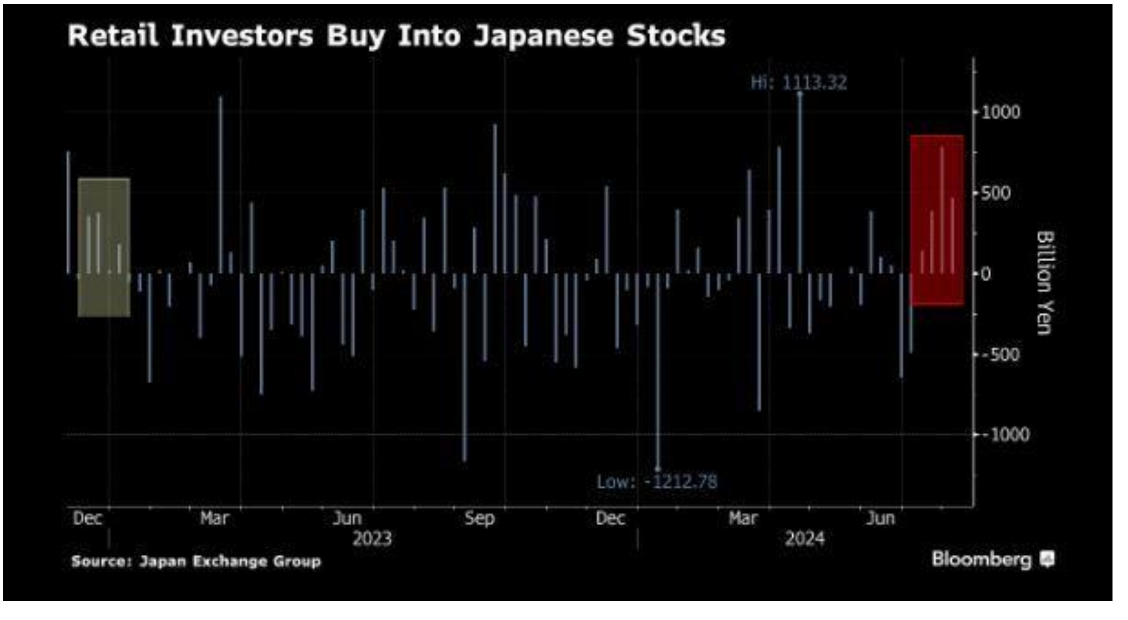
Japanese stocks are now up 9.4% overnight. They are on track for biggest gain since October 2008.

Source: Markets & Mayhem, CNBC

#markets

#japan #stocks

Retail Investors Bought Japanese Stocks for Fourth Straight Week. That's the fourth straight week of net buying, the longest such streak since the beginning of January 2023. They purchased net ¥469.21 billion ($3.2 billion) combining cash and futures transactions, according to data from Japan Exchange Group Inc.



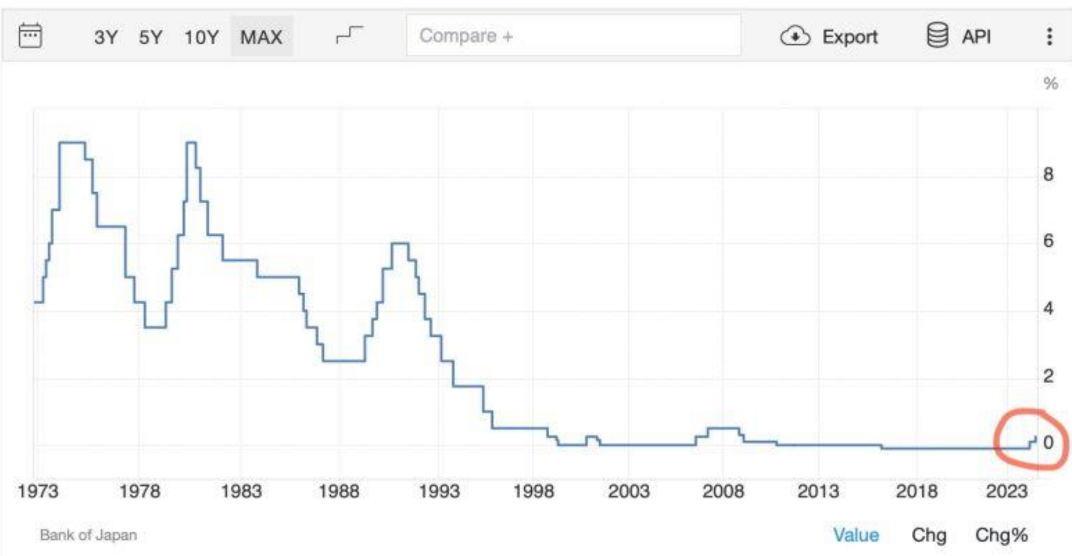
Source: Markets & Mayhem, CNBC

PRIVATE BANKING

#markets

#yen #carrytrade #unwinding

This is what triggered a global-scale sell-off of every major asset class... A harsh remainder how shaky the global financial system is...



Source: Bank of Japan, Sina 🔑 ⚡ 21st Capital on X

#yen #carrytrade #unwinding

This is the most important chart in the world today: the Japanese Yen vs the USD. Why is it so important? 1. For 30 years Japan has 0% interest on their currency. 2. As a result for 30 years investor borrowed YEN at no cost and invested it globally. They invested in T-Bills abroad and a basket of risk assets including the Nasdaq. 3. For the first time in many year the BOJ increased interest rates this week by 0.25%. This was almost unprecedented. 4. As a result of the increased interest rates and the signal to the market, investors are now concerned that the money they borrowed for free is no longer free and therefore they are unwinding their trades and sending the funds back to Japan. 5. The estimated quantum of this trade is over $4 trln!!

Source: Ran Neuner on X, Bloomberg

#yen #carrytrade #unwinding

The ultimate carry trade, the Aussie/Yen pair, gave up the whole years gain... As a remainder, here's how it works: 1) Borrowing in Yen: Investors borrow Japanese yen at low interest rates because Japan's interest rates are very low. 2) Converting to Australian Dollars: They then exchange the yen for Australian dollars. 3) Investing in Australia: They invest these Australian dollars in assets like bonds or stocks in Australia, where the interest rates are higher, so they can earn more. 4) Profiting from the Difference: The profit comes from the difference between the low interest rates they pay on the yen they borrowed and the higher returns they get from their investments in Australia.

Source: Jason on X, Bloomberg

#yen #carrytrade #unwinding

The Japanese Yen Carry Trade unwinding is only 50% complete warns JP Morgan.

JPMorgan Says Unraveling of Carry Trade Is Only Half Complete

- We aren't done by any stretch, says global FX strategy co-head
- The moves comes amid fears of US recession, Japan rate hike

Yen carry trades were among the most popular as volatility remained low. *Photographer: Shoko Takayasu/Bloomberg*

By Matthew Burgess

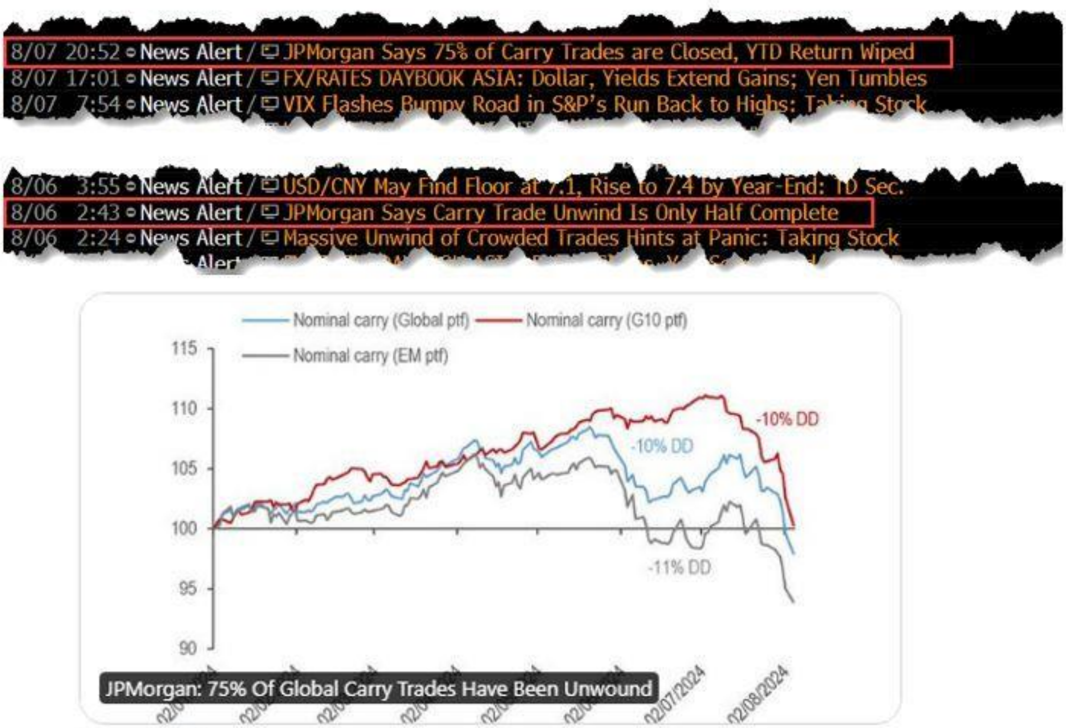
August 6, 2024 at 1:34 AM CDT

Source: Win smart

#markets

#yen #carrytrade #unwinding

JPMorgan: 75% Of Global Carry Trades Have Been Unwound (yesterday they said that the unwinding was only half completed...)



From zerohedge.com

Source: www.zerohedge.com

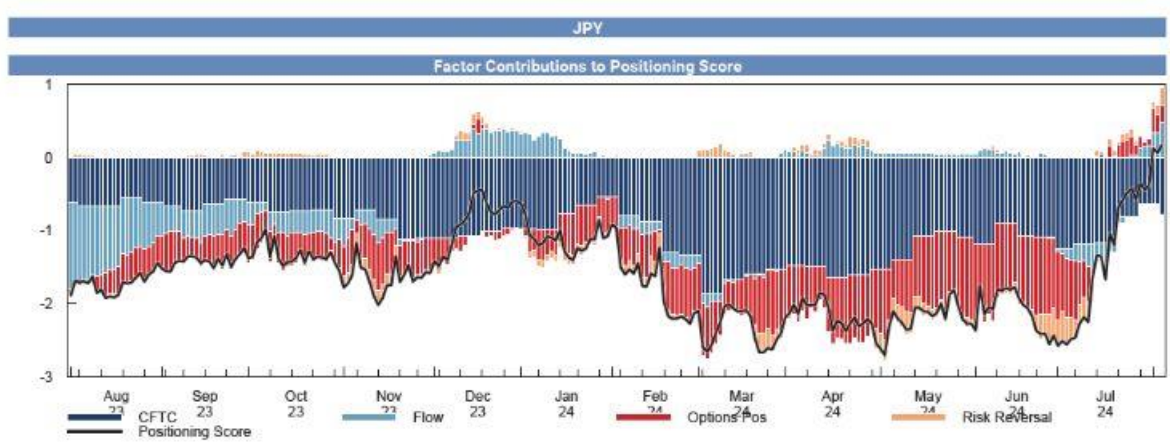
PRIVATE BANKING

#markets

#yen #carrytrade #unwinding

JPY FX positioning is finally NET LONG (per GS). The yen is now free to crash again...

Our positioning indictor shows that JPY FX positioning has finally flipped net long after the largest 1mth short unwind since our records began in 2015.



Source: GS MarketStrats (FICC and Equities) as of 2Aug2024. Past performance is not indicative of future results.

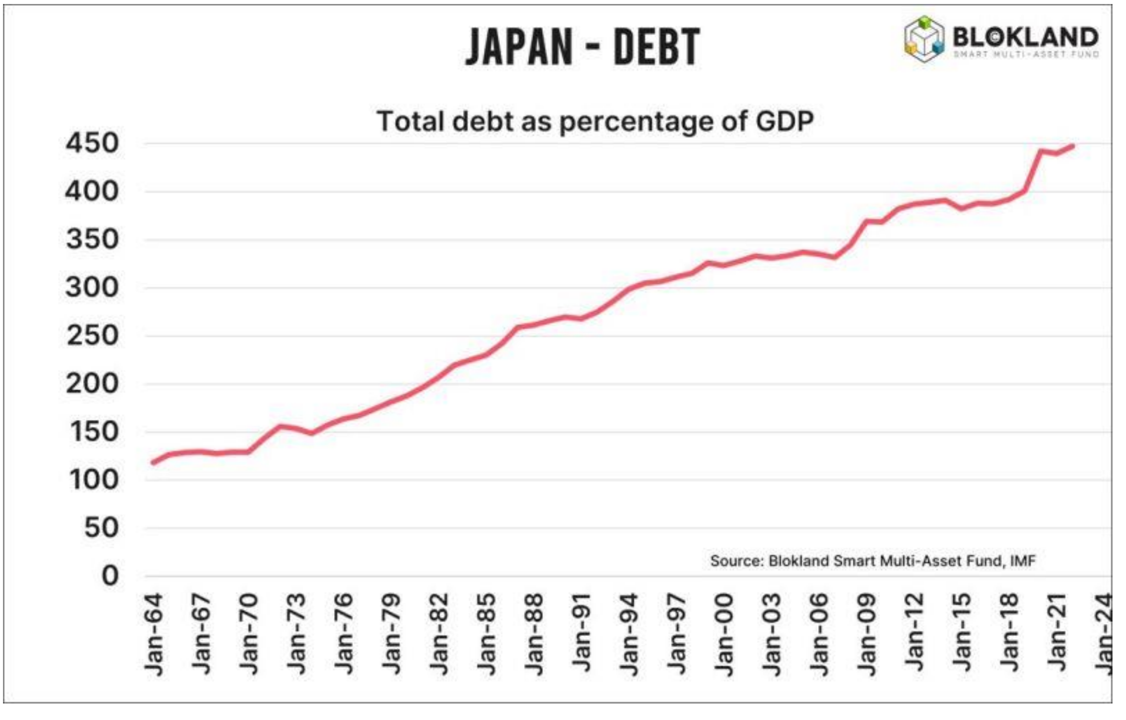
Source: www.zerohedge.com, Goldman Sachs

PRIVATE BANKING

#markets

#yen #carrytrade #unwinding

This is the ultimate reason why the Bank of Japan 'needs to maintain monetary easing.' DEBT i.e the yen carrytrade is likely to resume sooner rather than later.



Source: Jeroen Blokland

PRIVATE BANKING

#yen #carrytrade #boj #balance-sheet

Deutsche Bank: "Why the BOJ has no choice and is merely prolonging the inevitable: "at a gross balance sheet value of around 500% GDP or $20 trillion, the Japanese government's balance sheet is, simply put, one giant carry trade."

Figure 1: Japanese Government Consolidated Balance Sheet, % GDP

Assets		Liabilities	
Currency	19%	Currency	23%
Domestic Loans	73%	Bank Reserves	102%
Domestic Securities	14%	Bonds & T-bills	144%
Domestic Equities	33%	Loans	38%
Foreign Securities	54%	Deposits FILF	5%
Total	194%	Total	311%

Net balance sheet: **-117%**

Gross size of balance sheet: **505%**

Source : Deutsche Bank, Federal Reserve Bank of t Louis WP 2023-028B

Source: Deutsche Bank

#markets

#yen #carrytrade #boj

Is the BoJ capitulating? The Bank of Japan Deputy Governor says they WON'T raise rates when the market is unstable. The Yen is getting absolutely destroyed...and the Nikkei is up nearly +3%, Nasdaq Futures is up +1.2%. A wild start of August...

Source: TradingView

#markets

#usd #yen #correlation

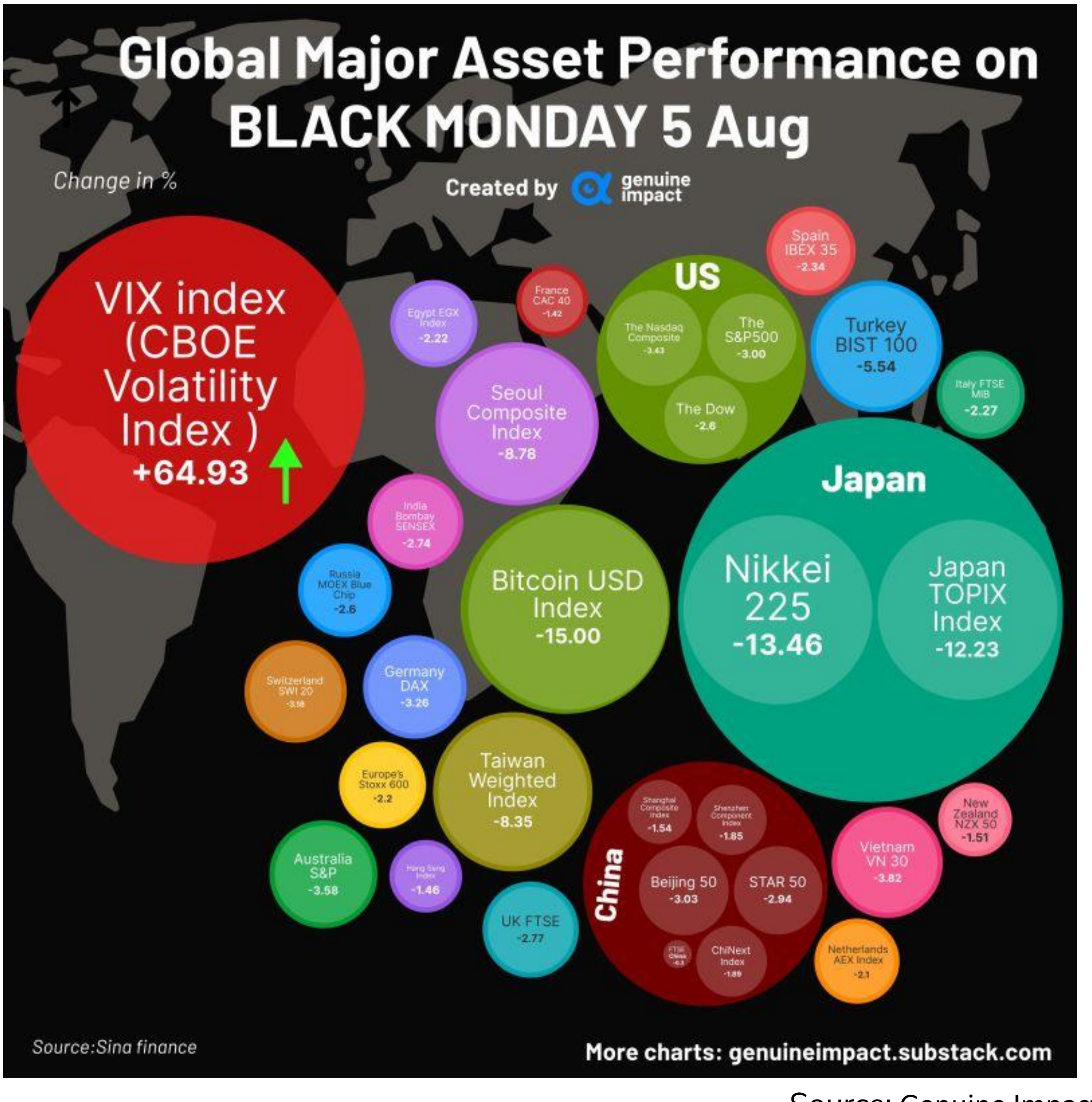
Correlation. This year, the Japanese currency is more correlated with the Philadelphia Stock Exchange Semiconductor Index than the country's own Topix.

Source: Bloomberg

#markets

#global #performance

A historical market session summarized in one chart by Genuine Impact.



Source: Genuine Impact

#markets

#sp500 #performance

On Thursday, the S&P 500 officially posted its best day since November 2022.

Source: Bloomberg, The Kobeissi Letter

PRIVATE BANKING

#markets

#vix #performance #monday

The $VIX spiked 65% higher on Monday, the 2nd largest 1-day % increase in history (note: $VIX data goes back to 1990).

Volatility Index: Largest 1-day % Increases (1990 - 2024)

Rank	Date	Prior Close	Close	% Change
1	2/5/2018	17.31	37.32	115.6%
2	8/5/2024	23.39	38.57	64.9%
3	2/27/2007	11.15	18.31	64.2%
4	1/27/2021	23.02	37.21	61.6%
5	11/26/2021	18.58	28.62	54.0%
6	11/15/1991	13.96	21.18	51.7%
7	7/23/1990	15.63	23.68	51.5%
8	8/8/2011	32.00	48.00	50.0%
9	6/24/2016	17.25	25.76	49.3%
10	6/11/2020	27.57	40.79	48.0%
11	2/24/2020	17.08	25.03	46.5%
12	8/21/2015	19.14	28.03	46.4%
13	5/17/2017	10.65	15.59	46.4%
14	8/24/2015	28.03	40.74	45.3%
15	8/10/2017	11.11	16.04	44.4%
16	10/10/2018	15.95	22.96	43.9%
17	4/15/2013	12.06	17.27	43.2%
18	3/16/2020	57.83	82.69	43.0%
19	2/27/2020	27.56	39.16	42.1%
20	2/4/1994	10.75	15.25	41.9%

CREATIVE PLANNING @CharlieBilello

Source: Charlie Bilello

#markets

#vix #performance #tuesday

On Tuesday, the $VIX fell 41% from its high (65.73) to its close (38.57) yon Tuesday the largest % move lower on record.

Volatility Index (VIX): Largest % Declines (Intraday High to Close, 2003 - 2024)

Rank	Date	High	Close	% Change
1	8/5/2024	65.73	38.57	-41.3%
2	2/6/2018	50.30	29.98	-40.4%
3	11/9/2016	21.48	14.38	-33.1%
4	10/30/2013	19.53	13.65	-30.1%
5	10/23/2008	96.40	67.80	-29.7%
6	2/9/2018	41.06	29.06	-29.2%
7	8/9/2011	47.56	35.06	-26.3%
8	9/12/2016	20.51	15.16	-26.1%
9	3/13/2020	77.57	57.83	-25.4%
10	3/2/2018	26.22	19.59	-25.3%
11	2/14/2018	25.72	19.26	-25.1%
12	6/15/2006	21.14	15.90	-24.8%
13	10/20/2008	70.40	52.97	-24.8%
14	6/29/2017	15.16	11.44	-24.5%
15	3/2/2020	43.77	33.42	-23.6%
16	8/24/2015	53.29	40.74	-23.6%
17	1/24/2022	38.94	29.90	-23.2%
18	10/13/2008	71.42	54.99	-23.0%
19	3/6/2020	54.39	41.94	-22.9%
20	6/15/2020	44.44	34.40	-22.6%

CREATIVE PLANNING @CharlieBilello

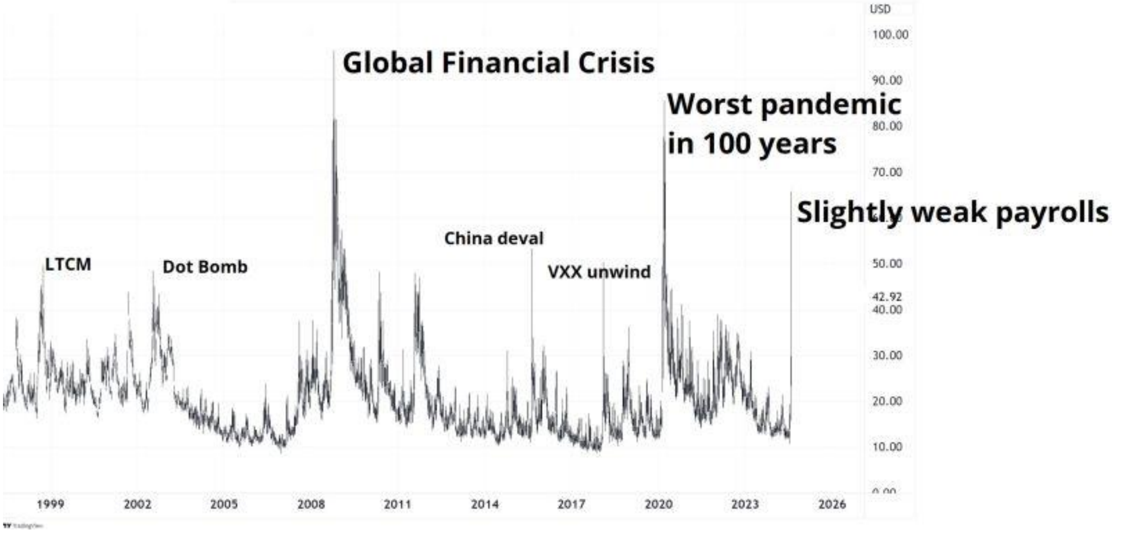
Source: Charlie Bilello

Syz PRIVATE BANKING

#markets

#vix #performance

Putting yesterday's VIX intra-day high at 65 into historical perspective...

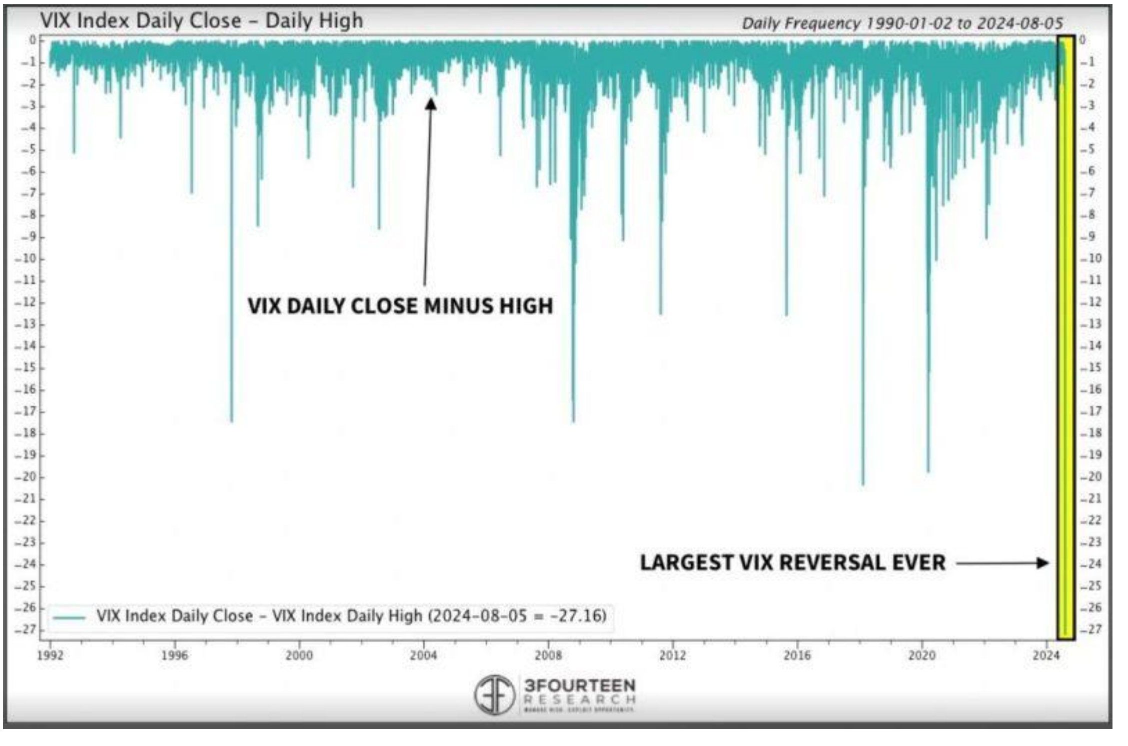


Source: Bloomberg, RBC

#markets

#vix #performance #monday

Historic day in volatility | The difference between the VIX's intra-day high (65) and close (38) was the highest EVER.



Source: 3Fourteen Research thru Octavian Adrian Tanase

#markets

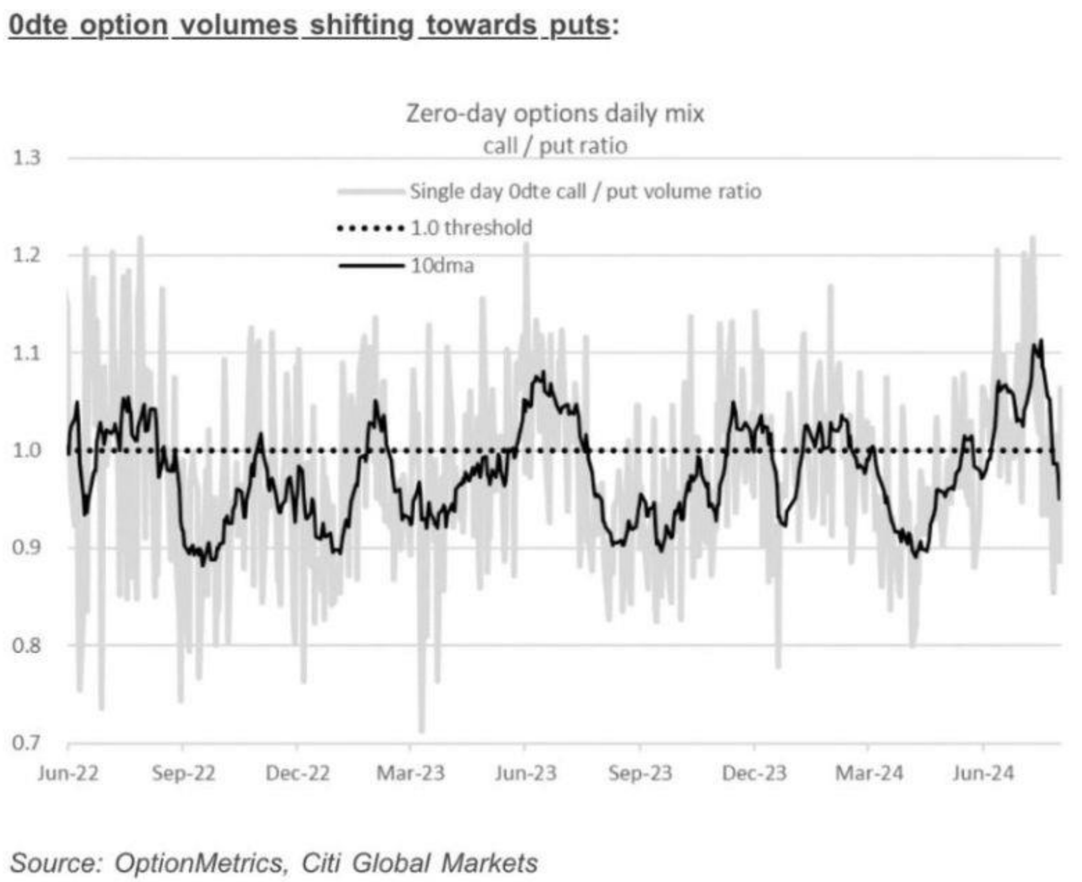
#vix

Big swings on the VIX this week.

Source: www.zerohedge.com, Bloomberg

#options #volume

Odte Option Volumes Shifting Towards Puts



Source: Citi

#markets

#hedging

Cost of hedging using outright puts nears YTD highs

Exhibit 8: Cost of hedging using outright puts nears YTD highs
Cost of 1 month ATM S&P 500 puts in 2024

Source: BofA Global Research. Data from 2-Jan-24 to 2-Aug-24.

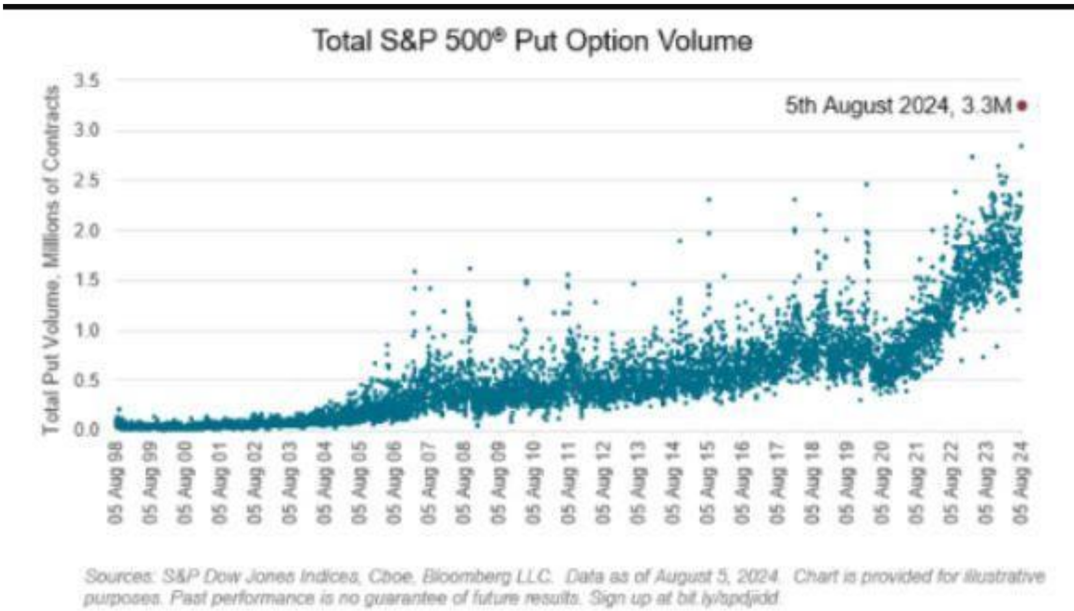
BofA GLOBAL RESEARCH

Source: BofA, Mike Z.

#markets

#sp500 #options

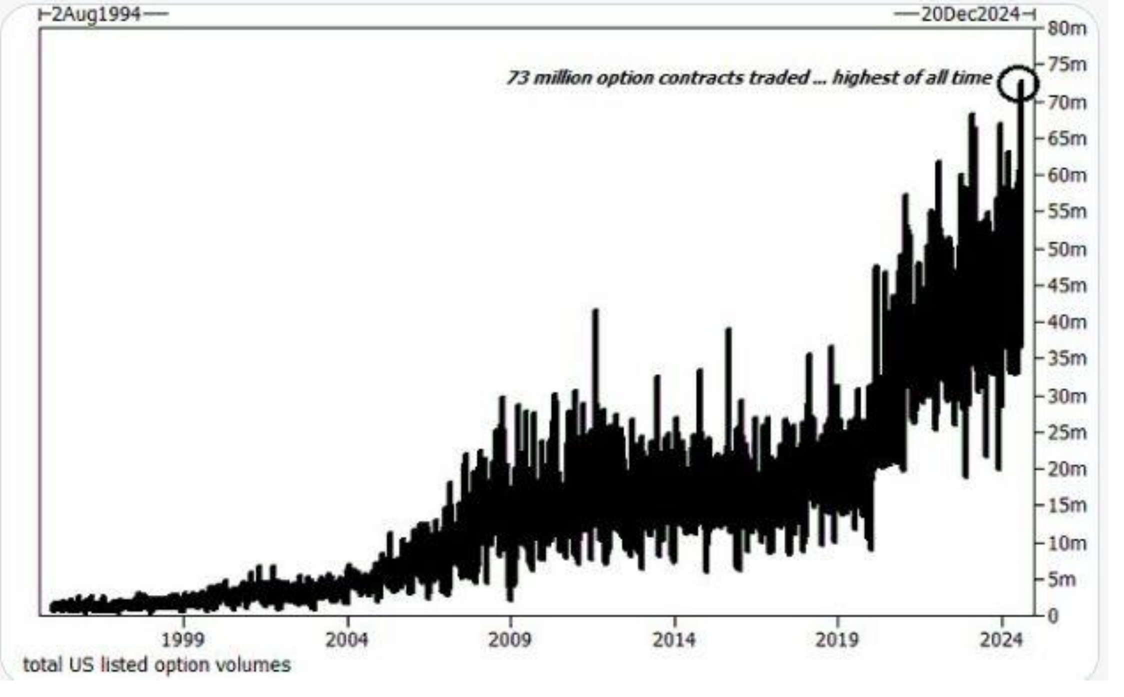
3.3 million S&P 500 Put Options traded on Monday, a New-All-Time Record.



Source: barchart

#options #volume

Daily options volume hits new all-time record of 73 million

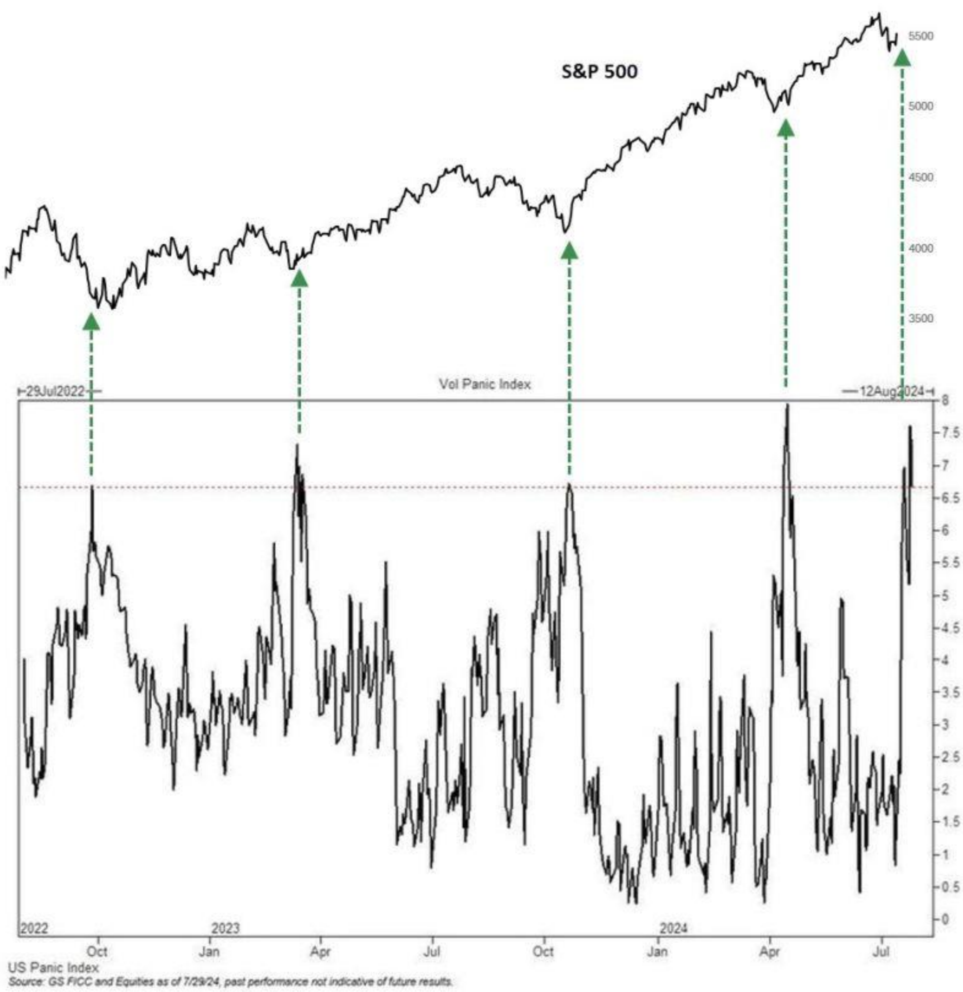


Source: barchart

#markets

#us #panic-index

The Goldman US panic index is calculated as a rolling percentile of four equity volatility metrics. It spiked to one of the highest levels in two years in recent sessions...



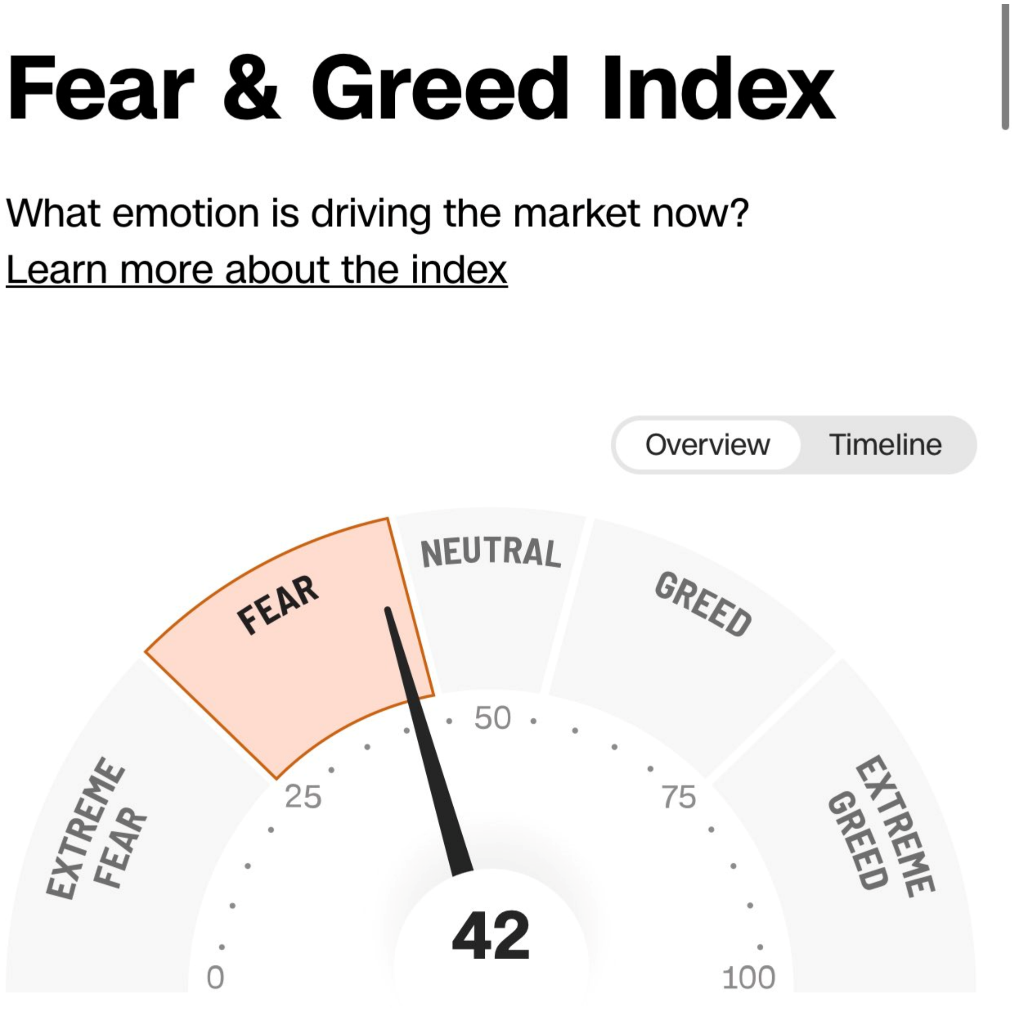
Source: Jason Goepfert on X

PRIVATE BANKING

#markets

#fear #greed #index

Fear is back (was extreme fear at some point this week).

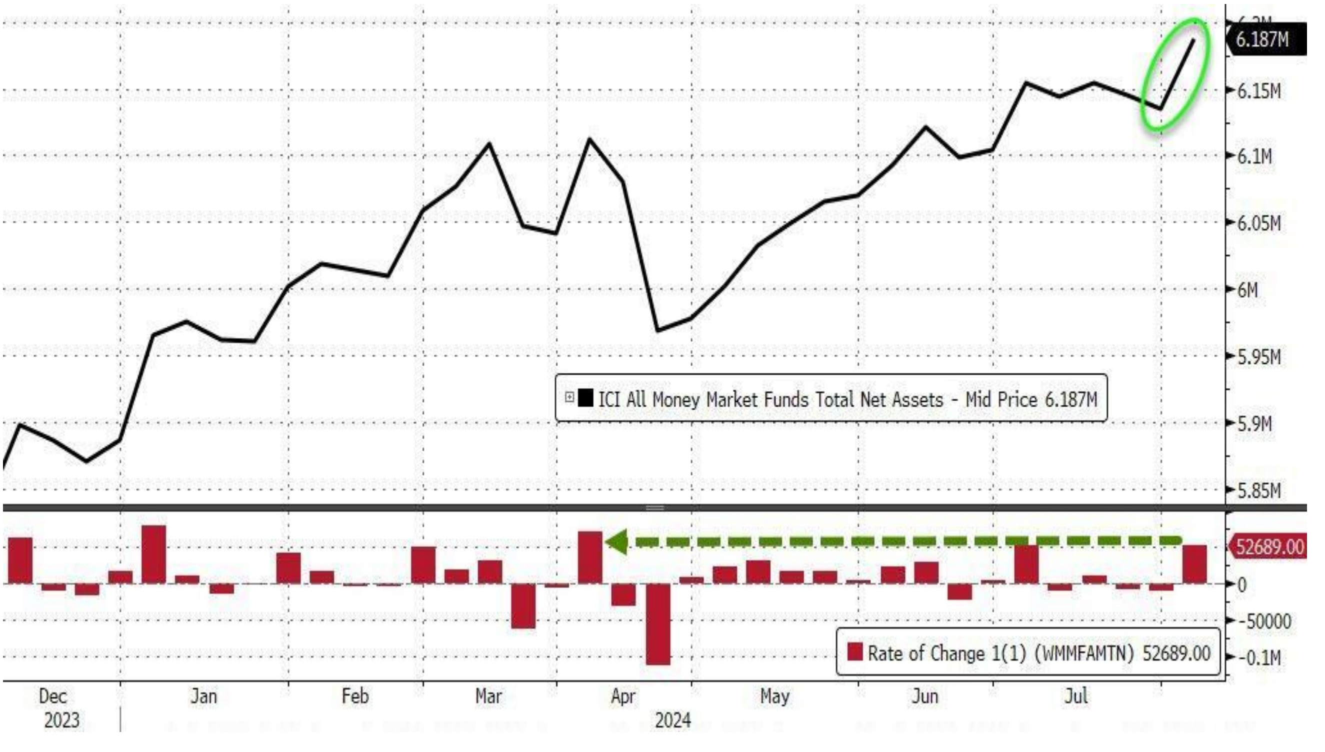


Source: WinSmart

#markets

#money-markets #assets-under-management

amid the carnage of the last week, money market fund total assets soared to a new record high..



Source: www.zerohedge.com, Bloomberg

PRIVATE BANKING

#markets

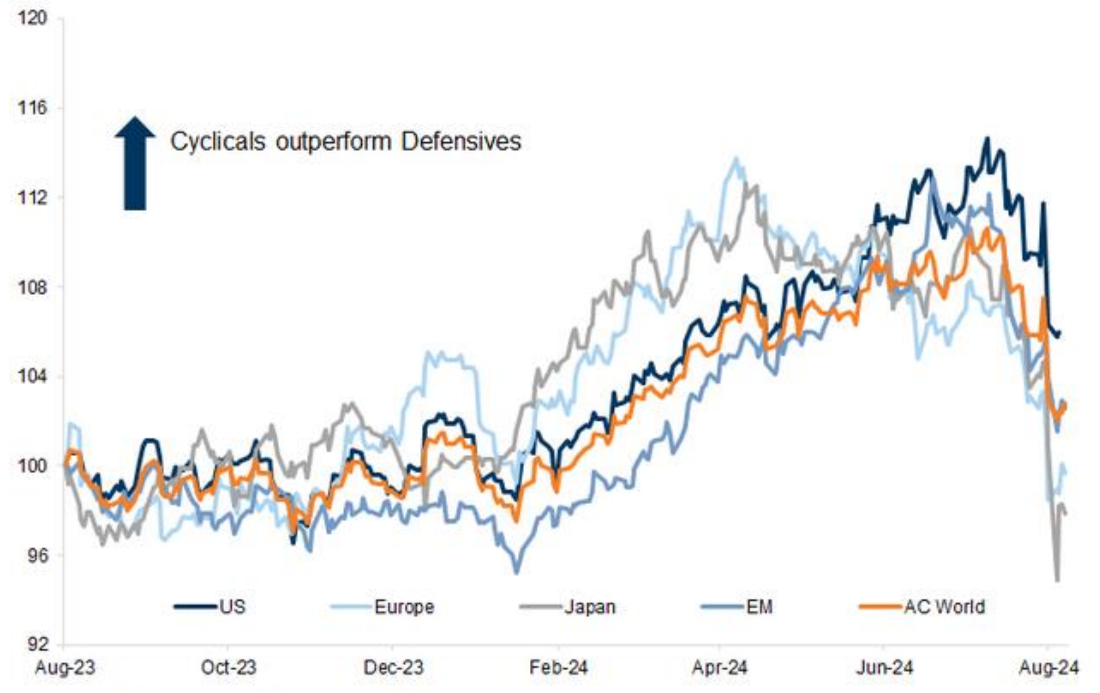
#market #sentiment

The market is now interpreting ‘bad news as bad news’

The market is now interpreting ‘bad news as bad news’ ...

Exhibit 6

MSCI Indices relative price return (USD)



For details on the construction of the indices, please see: Cyclicals vs. Defensives: A global implementation

Source: Datastream, Worldscope, Goldman Sachs Global Investment Research

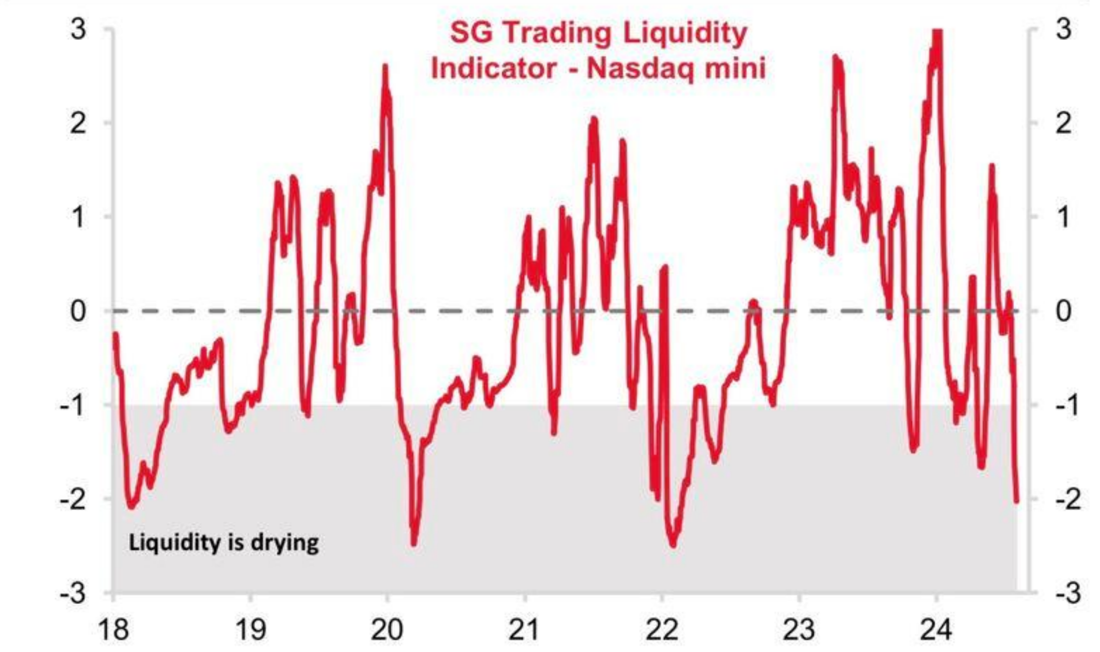
Source: MikeZ

PRIVATE BANKING

#nasdaq #liquidity

Liquidity has been deteriorating in August, which is known to be the largest month of the year for outflows.

Nasdaq-100 Trading liquidity indicator shows liquidity is extremely low in the futures market



Source: Bloomberg, SG Cross Asset Research/Quant. SG Quant data – Quant Alpha lab

Source: David Marlin, Soc Gen

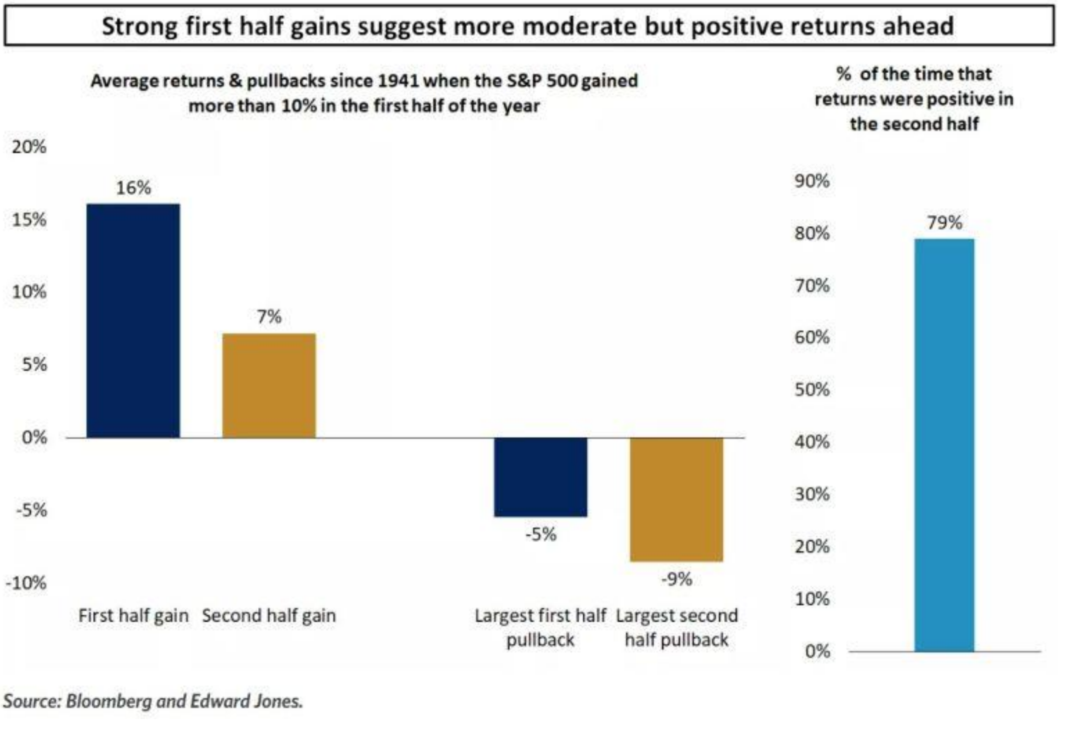
#vix #volatility

TS Lombard: "Our analysis of past volatility bouts shows that equities take 4-5 weeks, on average, before a sustained recovery begins. Markets tend to rebound on oversold conditions such as the current ones, but investors often sell into that strength, which can lead to a relapse. This is what happened, for instance, in 2018, an episode that bears strong similarities to the current one."

Source: TS Lombard, The Market Ear

#sp500 #volatility

Even as volatility is picking up, the bull market could stay intact. Going back to 1941, whenever the S&P 500 rose by 10% or more in the first six months of the year, it has risen by 7% on average in the second half. And the percentage of time that returns were positive in the second half of the year was almost 80% vs. 66% for any given period. The one caveat is that pullbacks in the second half tend to be deeper than the first half, averaging 9%.



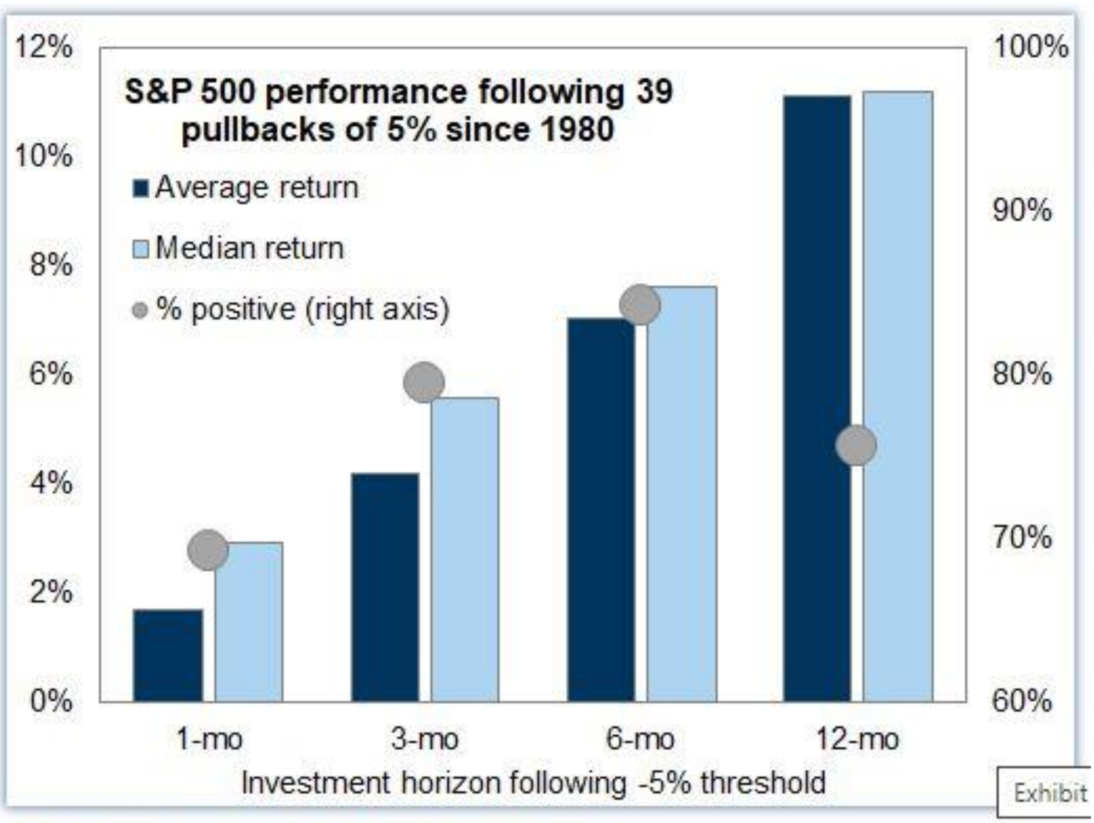
Source: Edward Jones, Bloomberg

#markets

#sp500 #performance

Buying the dip often pays off... Since 1980, an investor buying the sp500 index 5% below its recent high would have generated a median return of 6% over the subsequent 3 months, enjoying a positive return in 84% of episodes.

Exhibit 2 : S&P 500 returns following 5% pullbacks



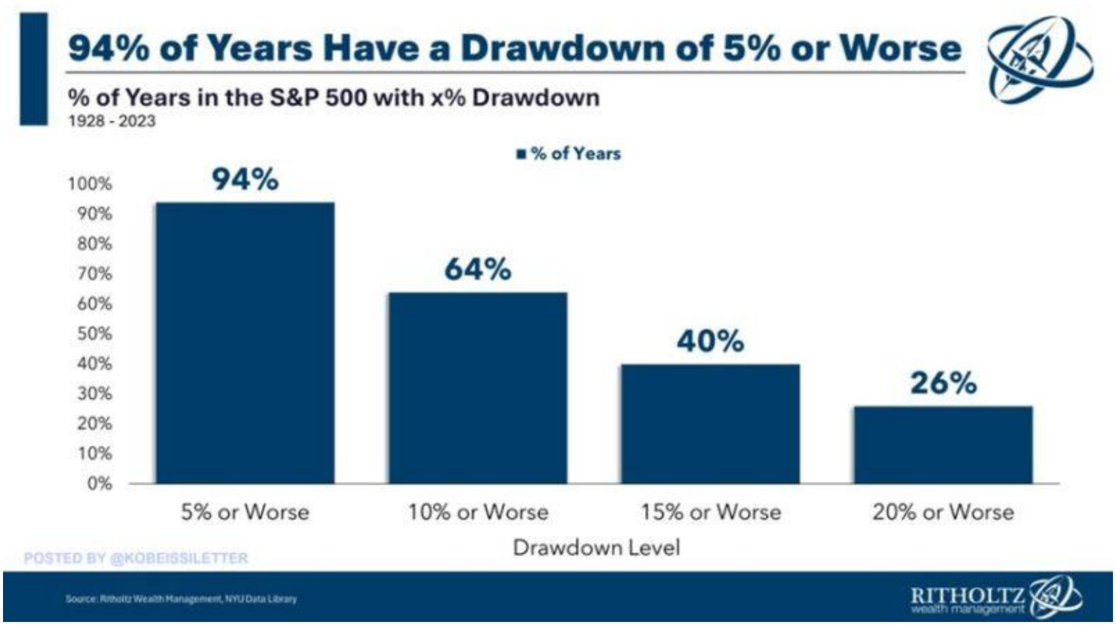
Source: Goldman Sachs Global Investment Research

Source: Goldman Sachs, Mike Z.

#markets

#sp500 #performance

Stock market corrections are a common occurrence: Since 1928, the S&P 500 has experienced a decline of 5% or more in 94% of years. A correction of 10% or more happened in 61 out of the last 96 years. A larger drawdown of 15%+ was seen in 40% of the years in the 1928-2023 timeframe. Finally, a bear market with a 20% drop or more took place in 25 out of the last 96 years. Stock market pullbacks are normal.



Source: Ritholtz Financial, The Kobeissi Letter

PRIVATE BANKING

#markets

#sp500 #rate-cuts

The market is pricing in a 50-basis point rate cut next month. Market returns following rate cuts have been positive except for periods when the market is generally in crisis.

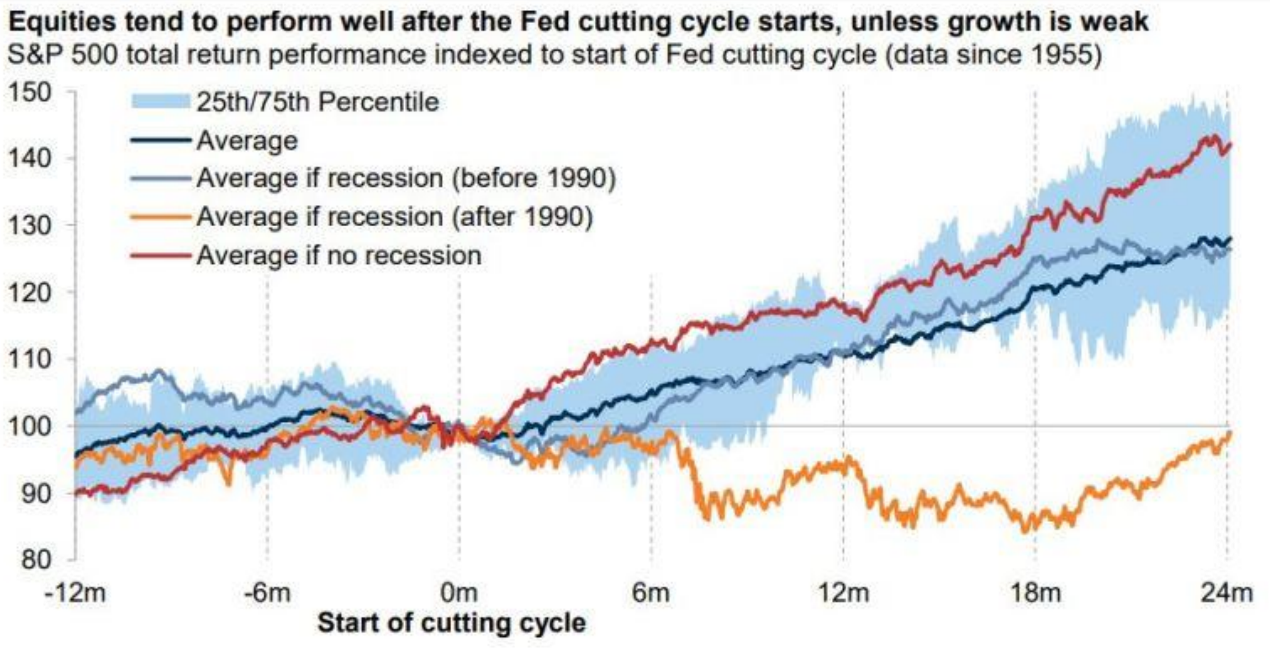
First Fed Rate Cut After a Hiking Cycle			S&P 500 Forward Total Returns				
First Fed Rate Cut	Move	Fed Funds Rate after Cut	1-Year	2-Year	3-Year	4-Year	5-Year
8/1/2019	25 bps cut	2.00% - 2.25%	13.0%	54.1%	46.6%	65.7%	100.1%
9/18/2007	50 bps cut	4.75%	-18.9%	-26.3%	-20.7%	-12.6%	7.2%
1/3/2001	50 bps cut	6.00%	-12.4%	-30.6%	-13.7%	-4.8%	2.3%
9/29/1998	25 bps cut	5.25%	22.5%	40.4%	3.0%	-16.9%	3.0%
7/6/1995	25 bps cut	5.75%	21.5%	72.9%	121.7%	169.6%	186.4%
Average All Periods (1995 - 2024)			11.6%	23.6%	36.3%	48.8%	59.4%
CREATIVE PLANNING			@CharlieBilello				

Source: Charlie Bilello, Peter Mallouk

#markets

#sp500 #rate-cuts

Equities tend to perform well after the Fed cutting cycle starts, unless growth is weak

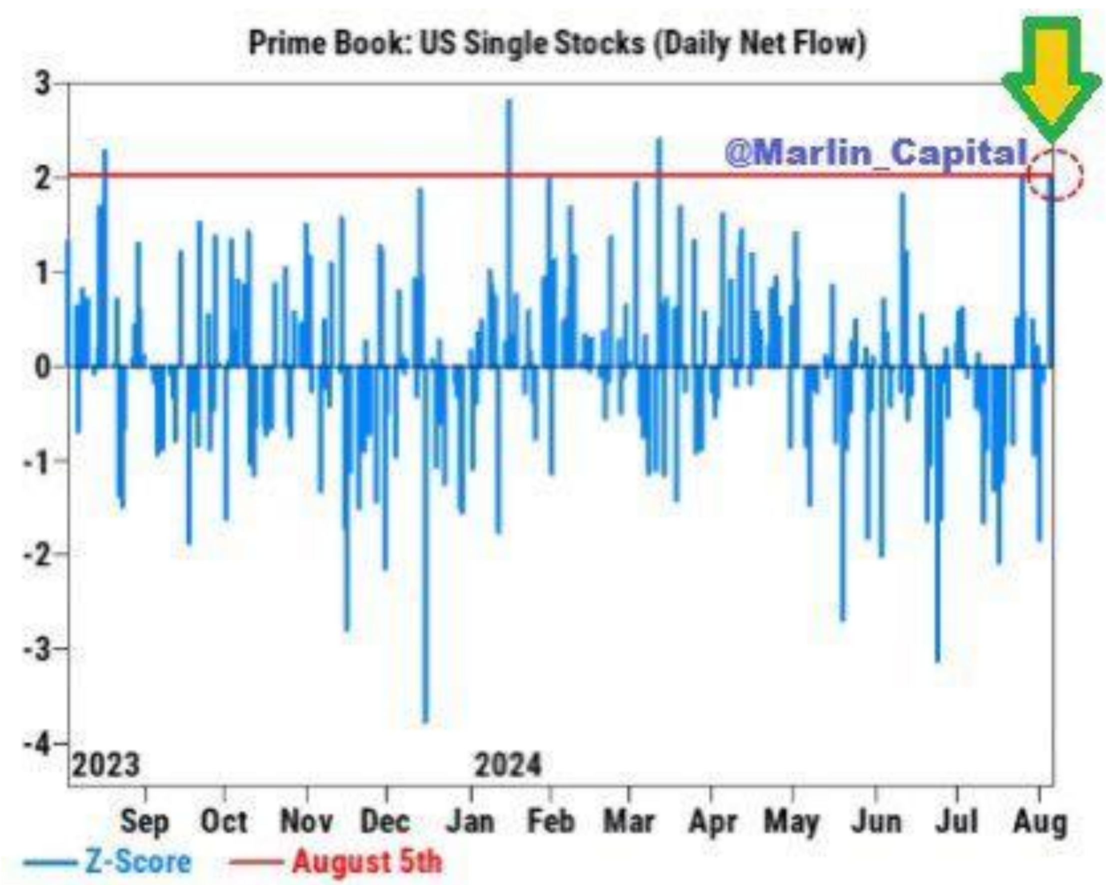


Source: Mike Z, GS

#markets

#us #equities #hedge-funds

Hedge Funds bought the panic dip yesterday. US stocks saw their largest 1-day net buying in 5 months, according to GS Prime. 8 of 11 sectors were net bought, led by Tech and Defensives. $SPY $QQQ $IWM

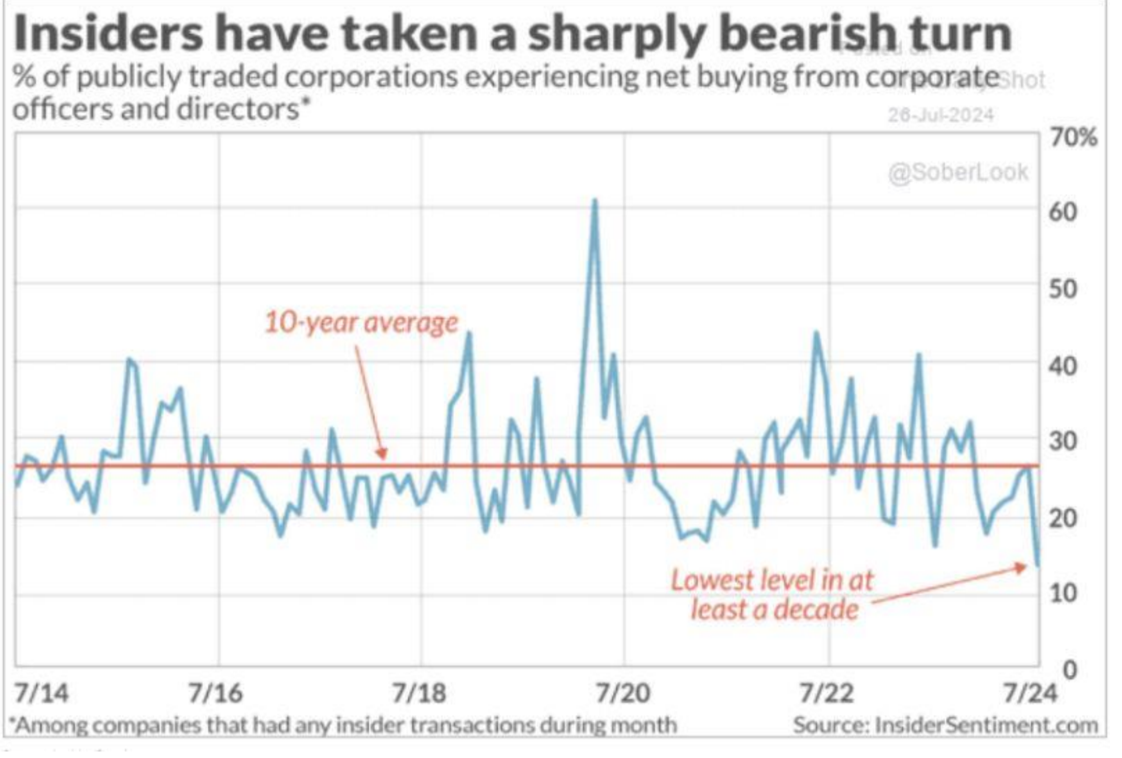


Source: David Marlin

#markets

#us #equities #insiders

Interesting to see insiders with the most bearish flows in a decade. Maybe just profit taking, or maybe they realize that current pricing is extreme relative to conditions.

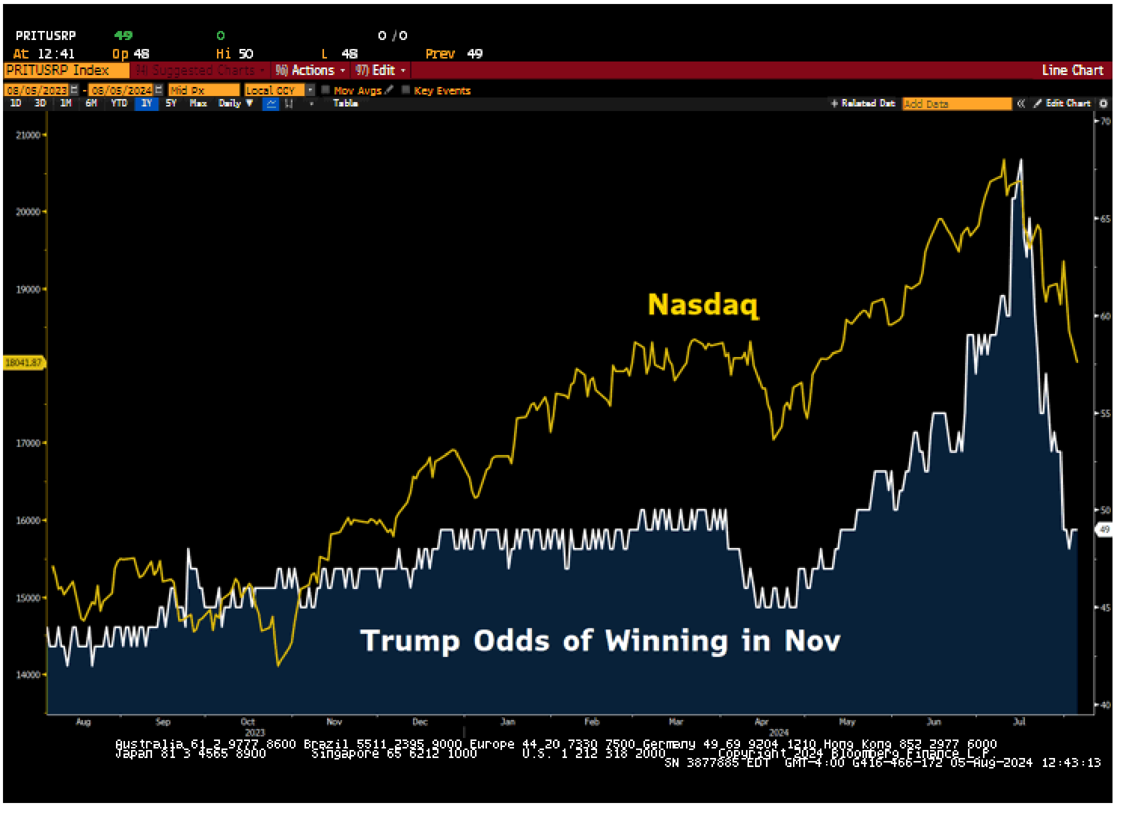


Source: Bob Elliott

#markets

#nasdaq #trump

Coincidence or not?



Source: Bastien Chenivesse, Bloomberg

PRIVATE BANKING

#markets

#earnings-call #fed

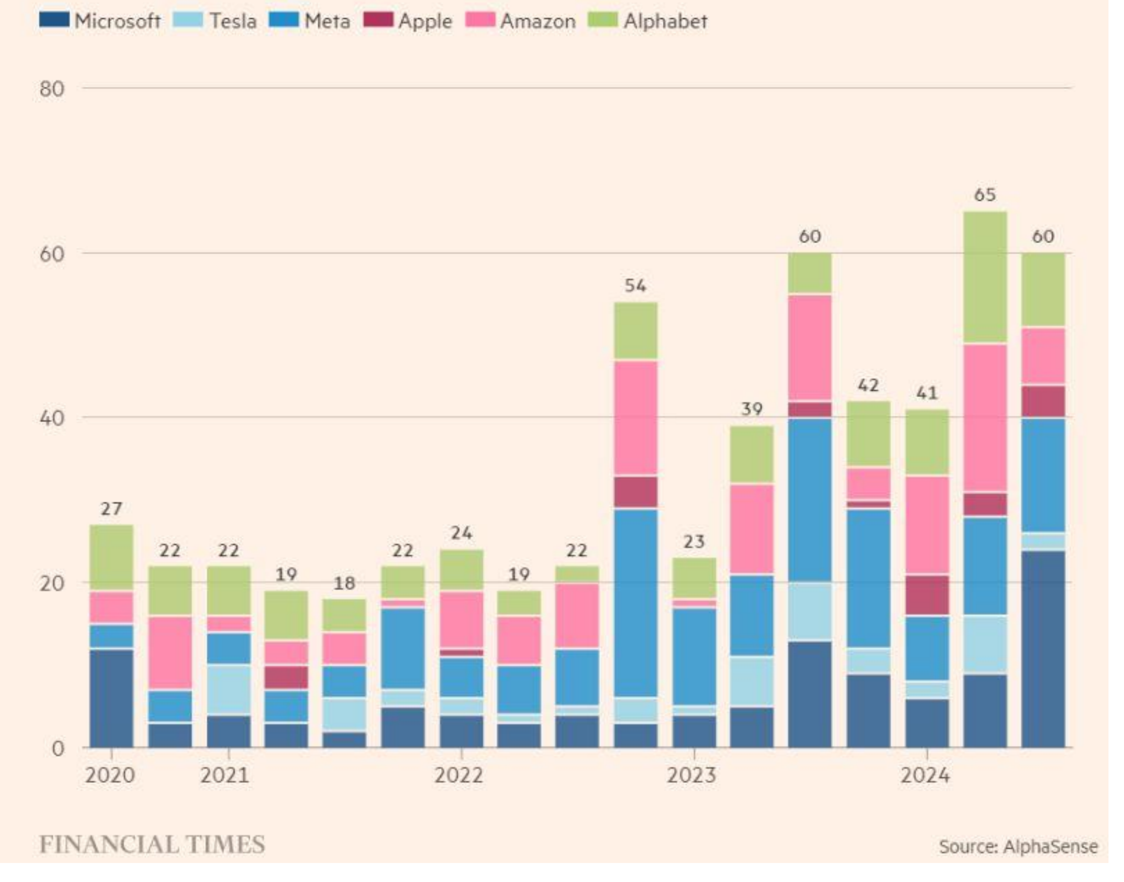
It seems that many companies are in desperate need for rate cuts...

Source: Bloomberg

#markets

#ai #stocks

AI was discussed hundreds of times during this quarter's Big Tech earnings calls.



Source: ft

#markets

#smci #stocks

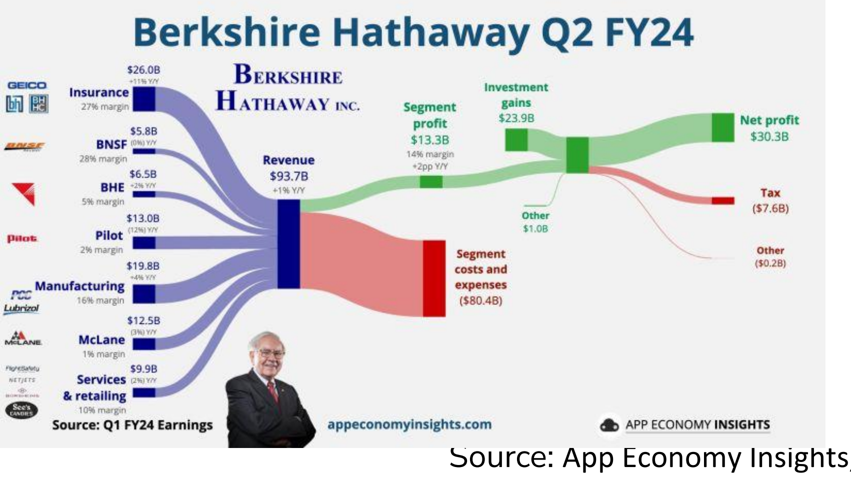
Super Micro Computer stock, $SMCI, just swung from UP +20% to DOWN -20% in 24 hours. The stock rose to an after hours high of $729.00 yesterday and is trading at $486.00 in after hours today. $SMCI is now down 60% from its high seen just 5 months ago.

Source: The Kobeissi Letter

#markets

#berkshire-hathaway #cash

Berkshire Hathaway's cash pile swelled to a record $276.9 billion last quarter as Warren Buffett sold big chunks in stock holdings including Apple. Berkshire has been a seller of stocks for seven quarters straight, but that selling accelerated in the last period with Buffett shedding more than $75 billion in equities in the second quarter. That brings the total of stocks sold in the first half of 2024 to more than $90 billion. The selling by Buffett has continued in the third quarter in some areas with Berkshire trimming its second biggest stake, Bank of America, for 12 consecutive days, filing this week showed. For the second quarter, Berkshire's operating earnings, which encompass profits from the conglomerate's fully-owned businesses, enjoyed a jump thanks to the strength in auto insurer Geico. Operating earnings totaled $11.6 billion in the second quarter, up about 15% from $10 billion a year prior.

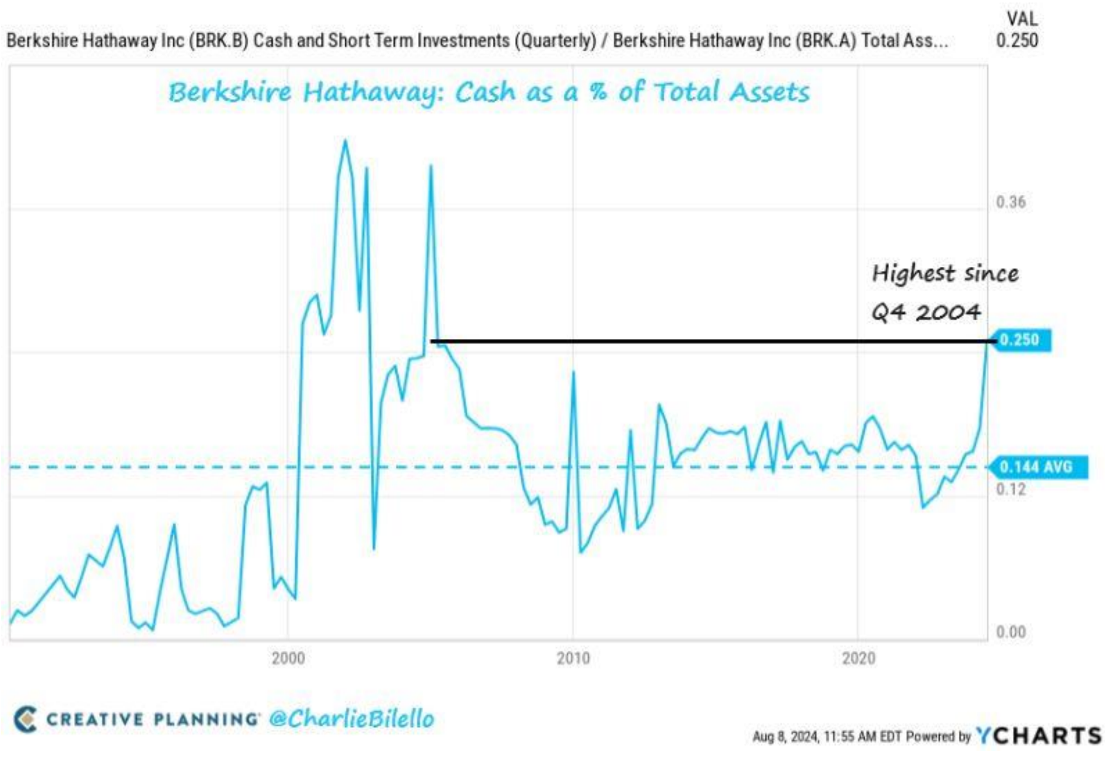


Source: App Economy Insights, CNBC

#markets

#berkshire-hathaway #cash

Berkshire Hathaway is now holding 25% of their Assets in Cash, the highest % since 2004. Historical average cash position: 14%. $BRK.B



Source: Charlie Bilello

SYZ PRIVATE BANKING

#markets

#apple #buffett

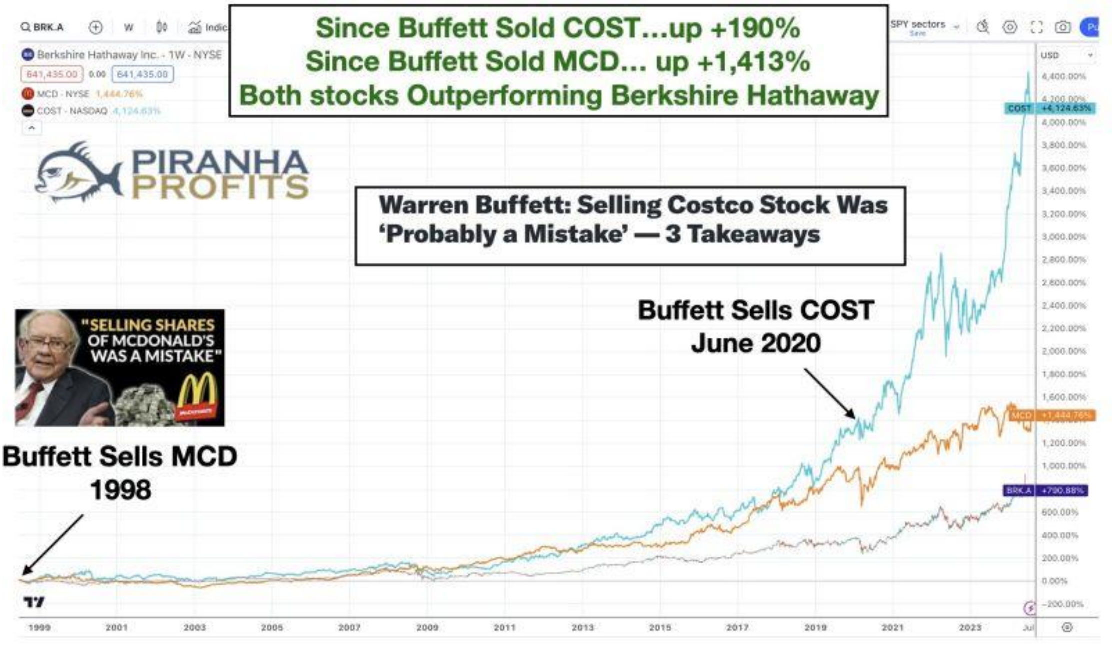
The Biggest Story Here

Source:zéro hedge

PRIVATE BANKING

#apple #buffett

Should you sell your apple because Buffet has been selling 50% of his Apple ($AAPL) shares. ? Well, think twice. Buffett sold his entire Mcdonalds ($MCD) stock in 1998. Since then, MCD has increased +1,413%, outperforming Berkshire Hathaways returns.



Source: Adam Khoo on X

#markets

#us #fixedincome #weekly

Treasury yields were up on the week (with the short-end underperforming - 2Y +18bps, 30Y +12bps on the week), but including Friday's post-payrolls plunge, yields are still down with the short-end outperforming...

Source: www.zerohedge.com, Bloomberg

PRIVATE BANKING

#markets

#us #fixedincome

US bond vigilantes managed to turn the stock market around. Investors shunned a $42bn auction of benchmark 10-year US securities, which drew a yield that was well above the pre-sale indicative level. That horrible bond auction pushed stocks lower.

Source: Bloomberg, @johnauthers, HolgerZ

PRIVATE BANKING

#markets

#us #yield-curve

The yield curve (2s10s) briefly disinverted on Monday, but was flatter (more inverted) by the end of the week...

Source: www.zerohedge.com, Bloomberg

#markets

#commodities #gold

Gold rebounded yesterday and today, back above $2400 but ended marginally lower on the week...

Source: www.zerohedge.com, Bloomberg

PRIVATE BANKING

#commodities #gold #monday

You might wonder why gold was down on Monday? Diversification does not always work. When margin calls happen, everything gets liquidated...

Genevieve Roch-Decter, CFA
@GRDecter

MARGIN CALLS HAPPENING.

"Margin calls ahead of the New York opening have forced traders to liquidate winning positions in gold to cover their losses on stocks," according to Adrian Ash, director of research at BullionVault, a trading platform for precious metals.

3:57 PM · Aug 5, 2024 · **28.8K** Views

Source: Geneviève Roch-Decter, CFA

#commodities #oil

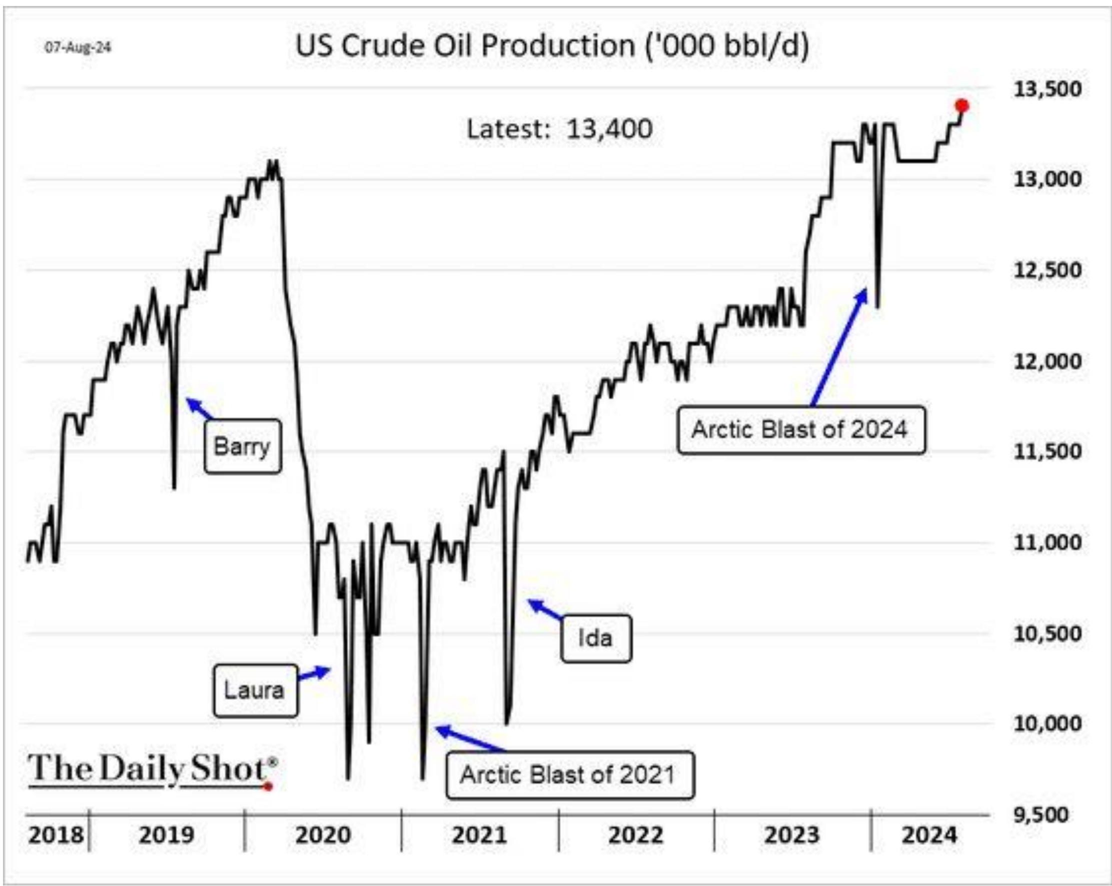
Oil prices had a big week, with WTI ripping back from 6-month lows around $72 to $77 by the end of the week (making it back to pre-payrolls levels)...

Source: www.zerohedge.com, Bloomberg

#markets

#commodities #oil

US crude oil production hit a record high.



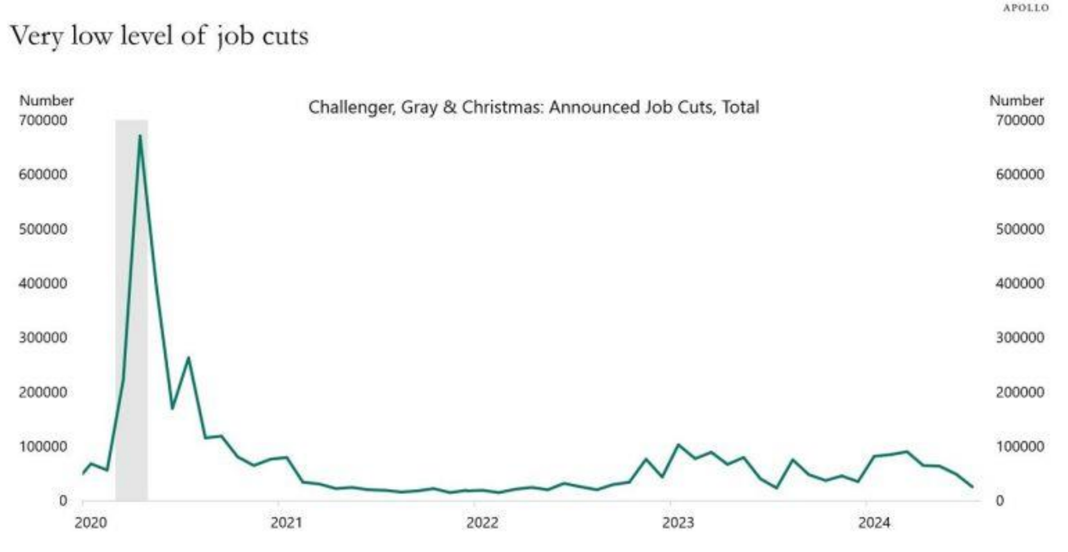
Source: The Daily Shot

PRIVATE BANKING

#macro

#sahm-rule #job-cuts

A very important chart which goes AGAINST hard landing scenario =>"The source of the rise in the us unemployment rate is not job cuts but a rise in labor supply because of rising immigration. That is the reason why the Sahm rule doesn't work. The Sahm rule was designed for a decline in labor demand, not a rise in immigration." - Torsten Slok (Apollo)



Source: Mike Z. on X

#macro

#sahm-rule #recession

The Sahm Rule that is designed to signal the start of a recession has officially been triggered. Since 1953, the Sahm Rule has NEVER been wrong!

Table 3: Triggering of Sahm indicator coincides with recession

Dates Sahm indicator triggered, US unemployment rate & recession

Sahm >0.50...	Sahm	U-rate %	Recession starts...	
Nov 1953	0.63	3.50%	Jul 1953	4 months prior
Oct 1957	0.50	4.50%	Aug 1957	2 months prior
Nov 1959	0.60	5.80%	Apr 1960	5 months later
Mar 1970	0.77	4.40%	Dec 1969	3 months prior
Jul 1974	0.60	5.50%	Nov 1973	8 months prior
Feb 1980	0.53	6.30%	Jan 1980	1 month prior
Nov 1981	0.60	8.30%	Jul 1981	4 months prior
Oct 1990	0.53	5.90%	Jul 1990	3 months prior
Jun 2001	0.50	4.50%	Mar 2001	3 months prior
Feb 2008	0.53	4.90%	Dec 2007	2 months prior
Apr 2020	4.00	14.80%	Feb 2020	2 months prior
Aug 2024	0.40	4.10%	-	-

Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

Source: Barchart

#macro

#us #ism #services

A solid rise in ISM Service dampens growth scare in markets a bit and is another sign that we are currently facing a technical / positioning driven correction instead of one led by hard landing fears. The main ISM services index and orders recorded solid bounce. Meanwhile, the Employment Index is up to highest level for the year. Note that the ISM has been quite volatile and should this not be overemphasized. Nevertheless, it seems premature to call a recession at this stage. Consider that earnings are up 12% YOY vs consensus of 9%.

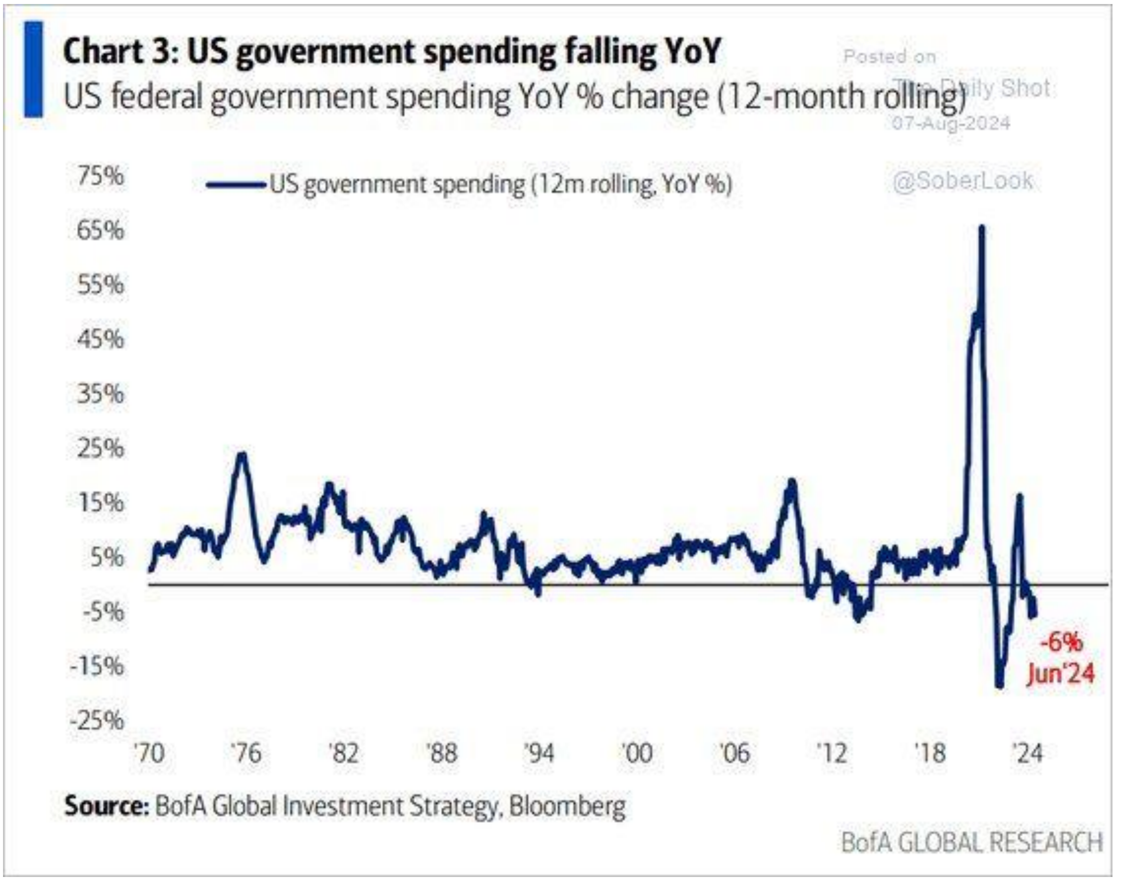
	July 2024	6-mo Avg
Composite Index	51.4	51.2
Business Activity	54.5	55.1
Prices Paid	57.0	57.1
New Orders	52.4	52.8
Backlog of Orders *	50.6	48.6
Supplier Deliveries*	47.6	49.2
Inventory Change *	49.8	48.5
Inventory Sentiment*	63.2	60.1
Employment	51.1	47.8
New Export Orders *	58.5	54.0
Imports*	53.3	50.1

Source: Investopedia, Nasdaq.com

#macro

#us #government #spending

The main reason the economy has been able to avoid a recession over the last 2-years was due to the massive spending from the inflation reduction and CHIPs Acts. However, the rate of that spending is declining which could potentially weigh on economic growth going forward.

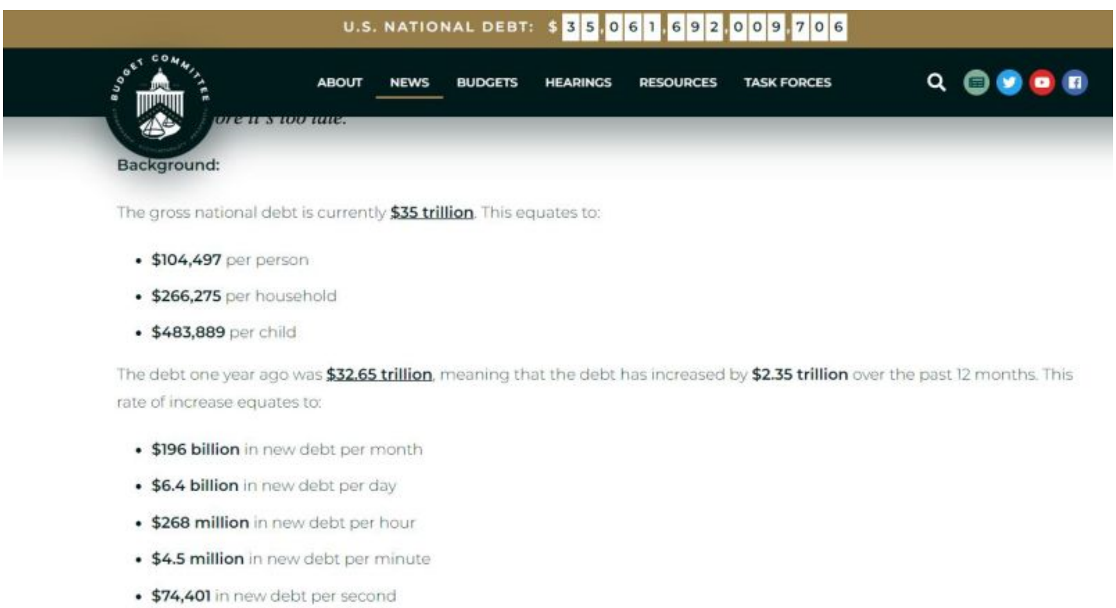


Source: BofA, The Daily Shot, Lance Roberts

#macro

#us #debt

US NATIONAL DEBT : The House Budget Committee released some numbers about how rapidly our debt has been growing over the last 12 months. $196 billion in new debt per month, $6.4 billion in new debt per day, $268 million in new debt per hour, $4.5 million in new debt per minute, $74,401 in new debt per second



Background:

The gross national debt is currently $35 trillion. This equates to:

- **$104,497** per person
- **$266,275** per household
- **$483,889** per child

The debt one year ago was $32.65 trillion, meaning that the debt has increased by **$2.35 trillion** over the past 12 months. This rate of increase equates to:

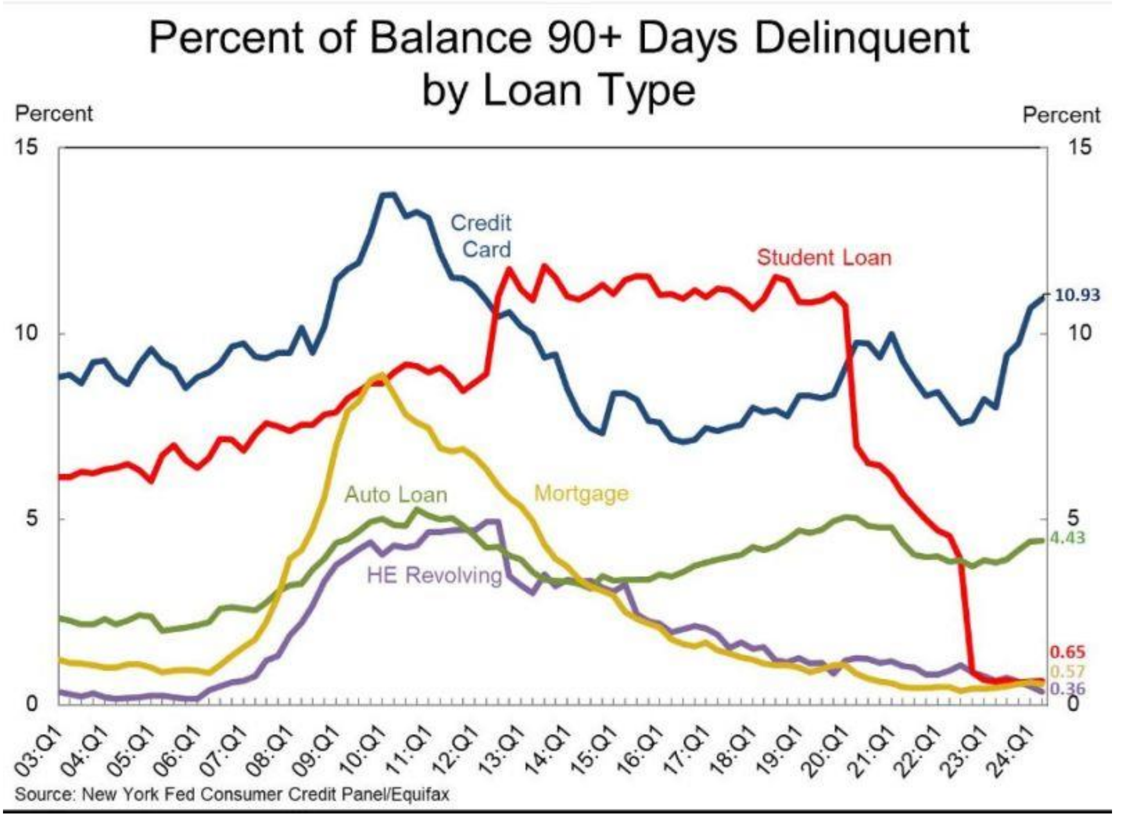
- **$196 billion** in new debt per month
- **$6.4 billion** in new debt per day
- **$268 million** in new debt per hour
- **$4.5 million** in new debt per minute
- **$74,401** in new debt per second

Source: budget.house.gov

#macro

#us #household #debt

11% of credit card balances in the US are now 90+ days delinquent, the highest since 2012.

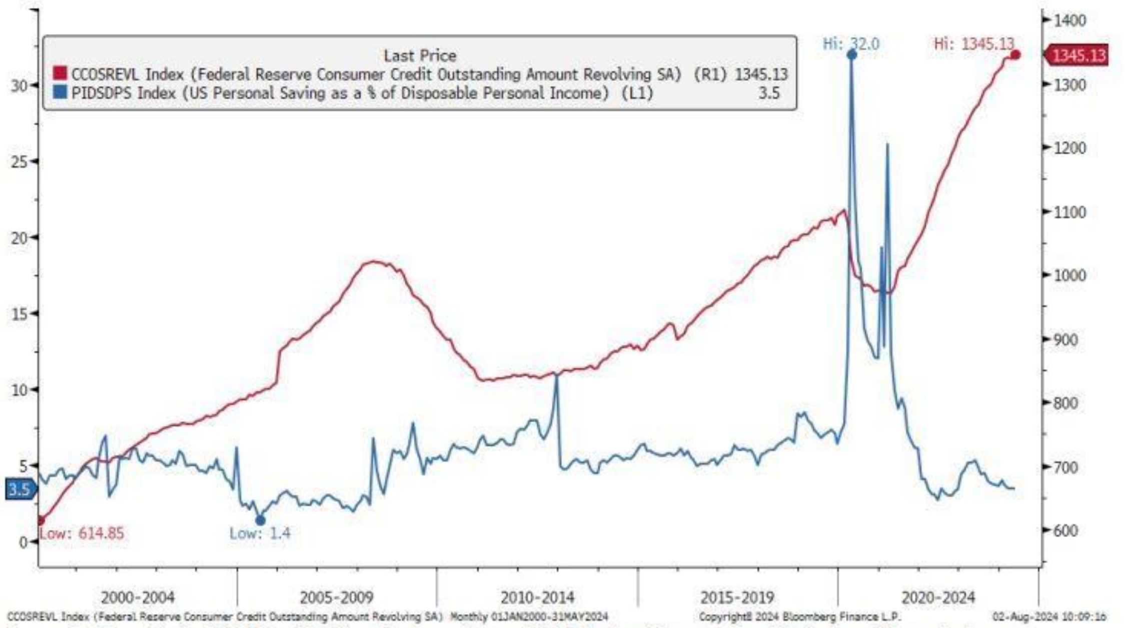


Source: charliebilello, nyfc consumer credit

#macro

#us #household #savings

US household savings are at an all-time low and US credit card outstanding debt is at an all-time high since 2010...



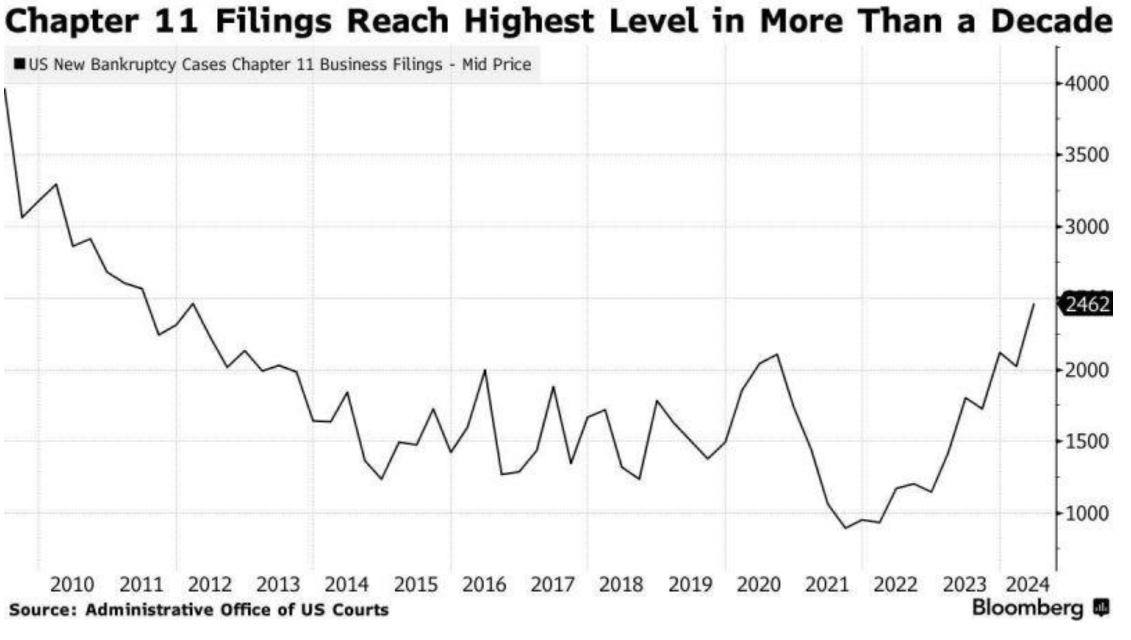
Source: Goldman Sachs FICC & Equities, Bloomberg, as of August-2024. Past performance is not indicative of forward returns.

Source: gs

#macro

#us #bankruptcies

U.S. Bankruptcies jump to highest level in more than 12 years



Source: Barchart, Bloomberg

#macro

#china #exports

China's imports grew faster-than-expected in July, while export growth came in below forecasts, according to customs data released Wednesday. U.S. dollar-denominated imports rose in July by 7.2%, far more than the forecast of 3.5%, according to the poll. China's imports from the U.S. surged by 24% year-on-year in July, according to CNBC calculations of official data.

CHINA ECONOMY

China's exports miss expectations in July, while imports pick up with growth of 7.2%

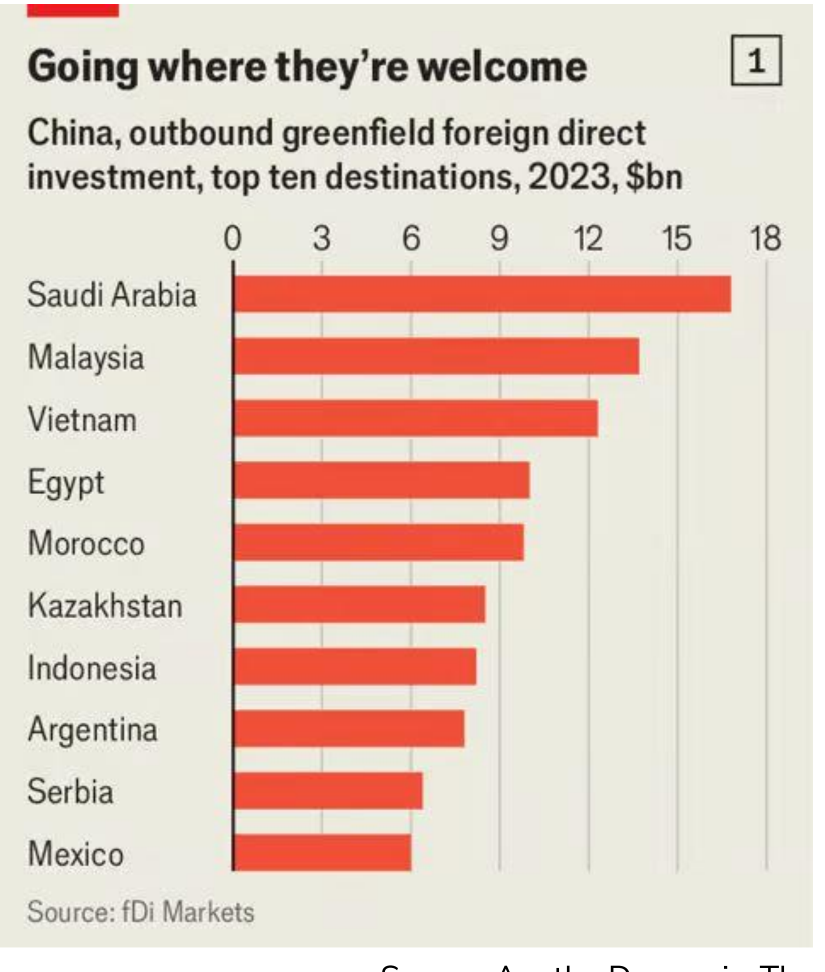
Source: CNBC

PRIVATE BANKING

#macro

#china #fdi

Chinese firms are fast turning away from US and Europe for greenfield FDI. • China is de-risking, too, by reducing reliance on western markets for trade and investment. • In countries below, imports from China of intermediate goods used in manufacturing have tripled since 2013.



Source: Agathe Demarais, The Economist

#macro

#italy #tax

Italy has doubled the flat tax on foreign income for wealthy new residents who have been flocking here to take advantage of it. The €100,000 a year payment — which exempts people moving to the country from taxes on overseas earnings, gifts, and inheritance for 15yrs — will rise to €200,000.

Italy to Double Flat Tax for Wealthy New Residents

By Donato Paolo Mancini and Sonia Sirletti

August 7, 2024 at 1:48 PM GMT+2

Updated on August 7, 2024 at 3:17 PM GMT+2

Source: Bloomberg, HolgerZ

#geopolitics

#us #elections

A tectonic shift in Predict Presidential election odds

Source: Predict It

#geopolitics

#us #elections #fed

Donald Trump said the Fed has "gotten a lot wrong," and "US Presidents should have a say in Fed actions." “I think I have a better instinct than, in many cases, people that would be on the Federal Reserve or the chairman" 🗣️ What do you think?

Source: Stocktwits

#centralbanks

#us #rate-cuts #expectations

Rate cut expectations tumbled from the initial surge on Monday with most of the swing in pricing concentrated in 2024...

Source: www.zerohedge.com, Bloomberg

PRIVATE BANKING

#centralbanks

#us #fed #repos

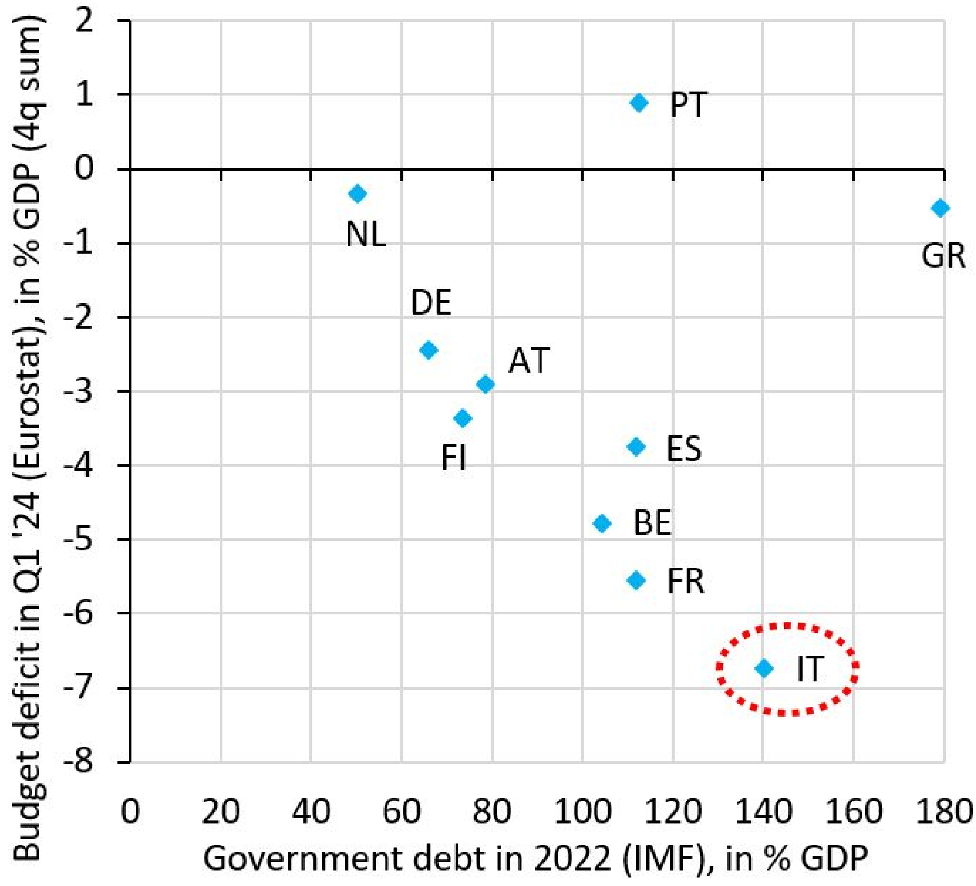
Use of Fed's Reverse Repo Facility Falls to Lowest Since 2021 Analysts said investors may have pulled their money from the reverse repo market and placed cash in the overnight repo market, where banks and financial firms such as hedge funds borrow short-term cash using Treasuries or other debt securities as collateral. In addition, a large rise in the supply of Treasury bills on Tuesday and Thursday, is likely to further drain cash from the RRP facility, analysts said.

Source: Robin Brooks

#centralbanks

#ecb #eurozone

Why the ECB should keep interest rates at the lowest level possible explained in one chart -> The Euro zone is an equilibrium where high debt countries like Italy, France and Spain run big deficits. The ECB enables this by capping yields when these spike like they did in 2022. This policy is an implicit subsidy of high debt countries by low debt ones...



Source: Robin Brooks

#cryptos

#bitcoin #weekly

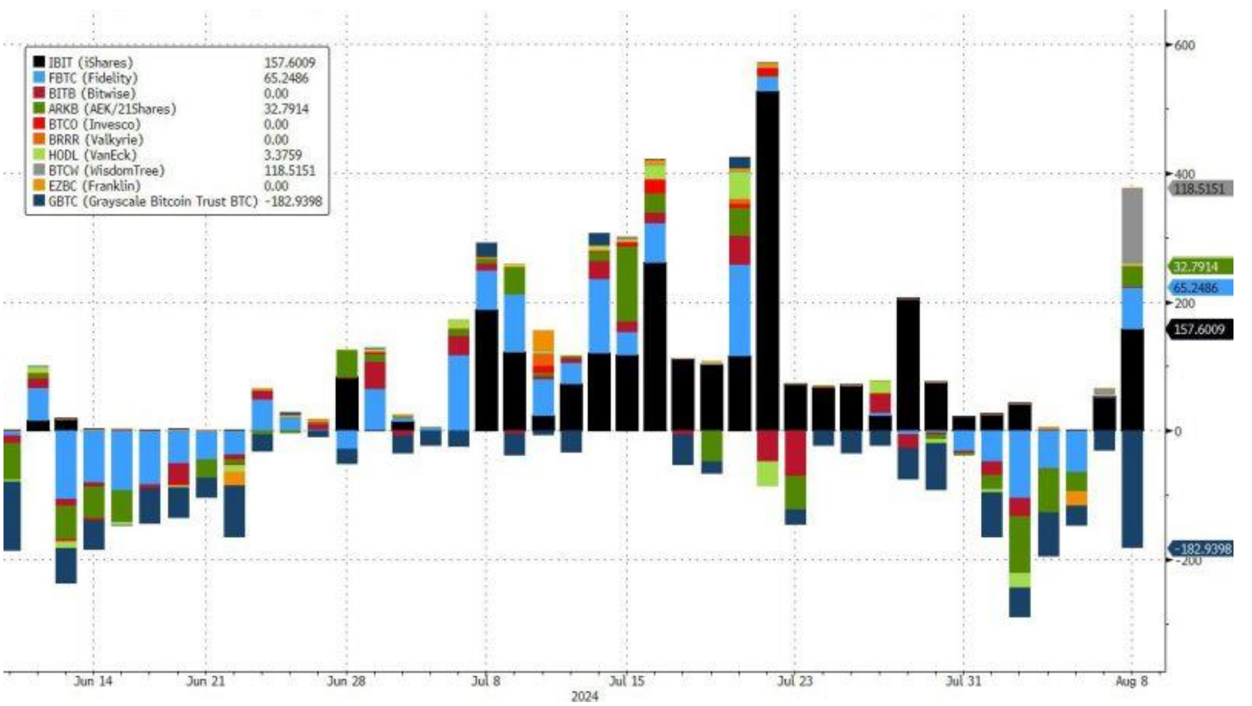
Bitcoin also had a wild week only to end approximately unchanged. Having puked from $62k to $50k, it rebounded all the way back to $62k overnight (before finding support at $60k)...

Source: www.zerohedge.com, Bitcoin

#cryptos

#bitcoin #etfs #flows

This week we've seen the biggest bitcoin fund inflows since July 22. Meanwhile Larry Fink just keeps waving it in...

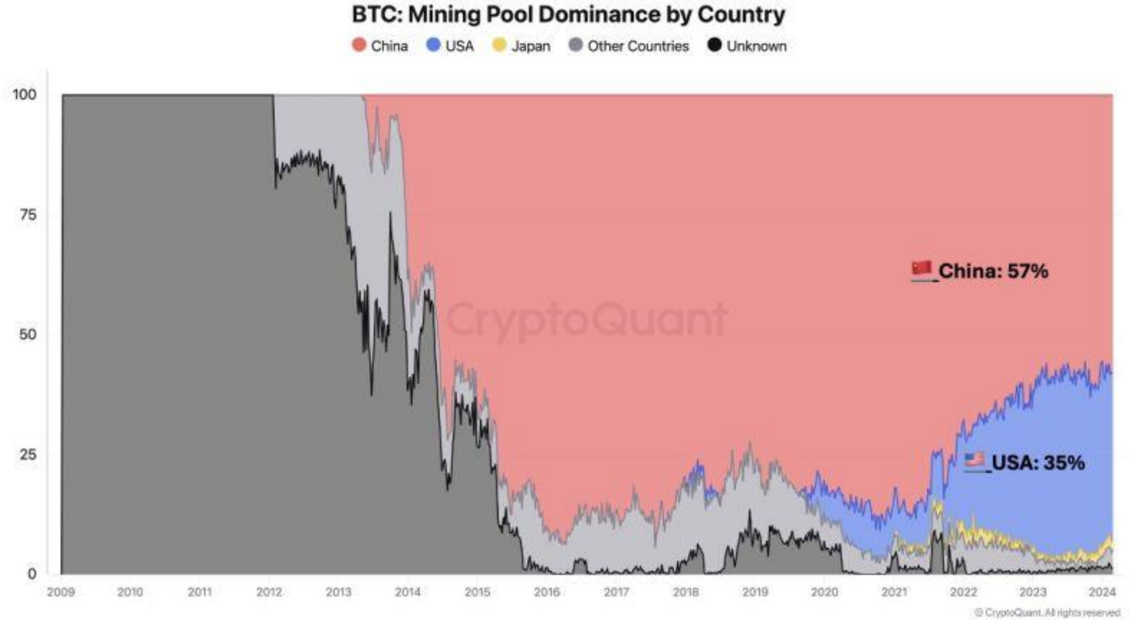


Source: Bloomberg, www.zerohedge.com

#cryptos

#russia #btc #mining

JUST IN: President Putin signs law legalizing Bitcoin and crypto mining in Russia. Russia seems to be acting to keep up with the US. Nation-level as Bitcoin FOMO is heating up. Their entry will boost the hash rate, strengthen network fundamentals, and diversify miner politics. Chinese mining pools control 57% of the BTC hash rate, while the usUS has 35%.



Source: Cryptoquant

#cryptos

#ethereum #etf #trading #options

BlackRock, Nasdaq make the push for options on spot Ethereum ETF. In a filing posted Tuesday to the U.S. Securities and Exchange Commission's site, BlackRock and Nasdaq ISE, LLC proposed a rule change to list and trade options on the iShares Ethereum Trust (ticker ETHA).

Source: theblock

PRIVATE BANKING

#food-for-thought

#nasdaq #circuit-breaker

Market Circuit Breaker : Circuit breakers are temporary measures that halt trading to curb panic-selling on stock exchanges. - U.S. regulations have three levels of a circuit breaker, which are set to halt trading when the S&P 500 Index drops 7%, 13%, and 20%. - Circuit breakers for individual securities are triggered whether prices move up or down. - The current system of circuit breakers has been revised several times based on feedback from past crises. - The first circuit breaker was put into place after the Dow Jones Industrial Average dropped nearly 23% on Oct. 19, 1987.

Nasdaq

Market Wide Circuit Breaker

The U.S. equity, options and futures exchanges have established procedures for coordinated cross-market trading halts in the event of a severe market price decline. These procedures, known as market wide circuit breakers, may halt trading temporarily or, under extreme circumstances, close the markets before the normal close of the trading session.

The SEC recently approved a joint exchange plan to modify the market wide circuit breaker rules in the following manner:

- Reduce the market decline percentage thresholds needed to trigger a circuit breaker to 7%, 13% and 20% from the prior day's closing price, rather than declines of 10, 20 or 30 percent.
- Simplify the market circuit breaker rules by reducing the number of relevant trigger time periods and trading halt durations.
- Use the broader S&P 500 Index (rather than the Dow Jones Industrial Average) as the pricing reference to measure a market decline and require that the trigger thresholds be recalculated daily (rather than quarterly).

The revised Market Wide Circuit Breaker rule 2013 was implemented Monday, April 8, 2013. For messaging details, refer to the approval order on the SEC website.

Market Wide Circuit Breaker Trigger Points

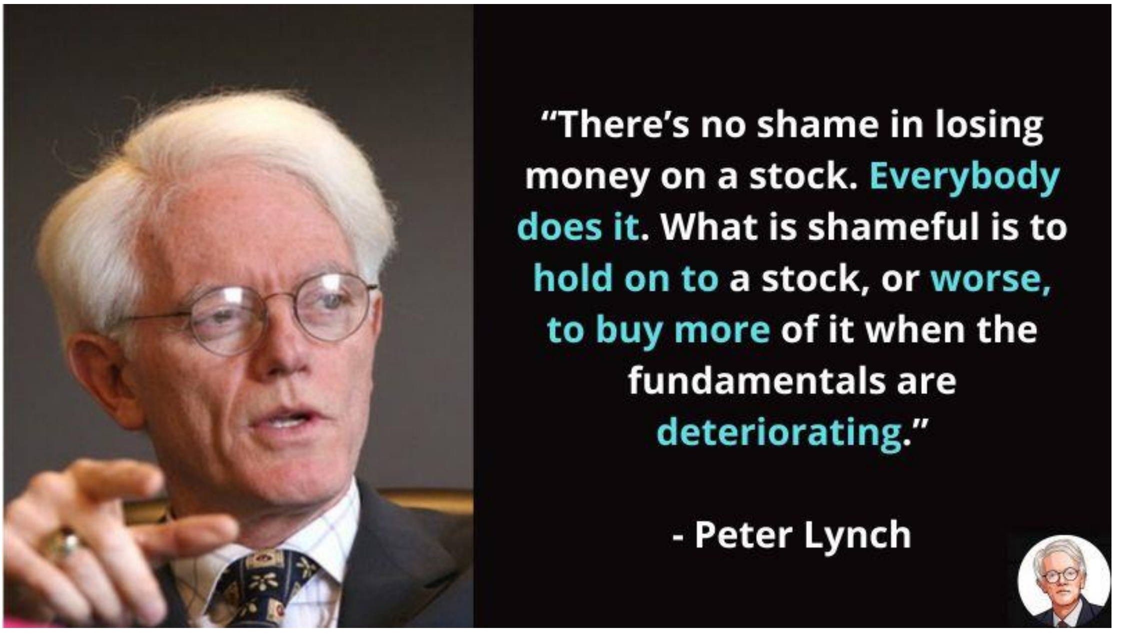
Trigger Value	S&P 500 Index Breach Thresholds for Today	TIME	ACTION
MWCB Level 1: (7% decline)	4972.3	Before 3:25 p.m. At or after 3:25 p.m.	Halt 15 minutes. Trading continues, unless there is a Level 3
MWCB Level 2: (13% Decline)	4651.5	Before 3:25 p.m.. At or after 3:25 p.m.	Halt 15 minutes. Trading continues, unless there is a Level 3
MWCB Level 3: (20% Decline)	4277.24	Any time	Halt remainder of Day

Source: Investopedia, nasdaq.com

PRIVATE BANKING

#food-for-thought

#investment #lynch



Source: Invest in Assets

#food-for-thought

#buffett #investing

"Investors produce outstanding long-term results primarily by avoiding dumb decisions, rather than by making brilliant ones."
— Warren Buffett

Source: InvestingCanons

PRIVATE BANKING

#food-for-thought

#buffett #investing

"The ideal business is one that earns very high returns on capital and that keeps using lots of capital at those high returns. That becomes a compounding machine."

– Warren Buffett

Source: The Investing for Beginners Podcast

PRIVATE BANKING

#food-for-thought

#munger #investing

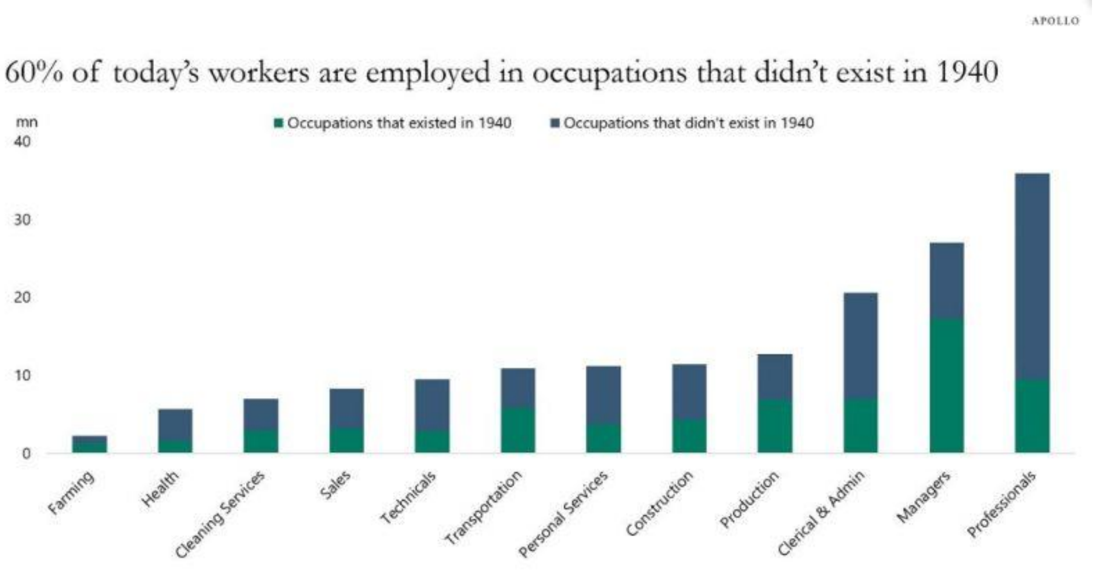
"What I needed to get ahead was to compete against idiots. Luckily, there's a large supply." — Charlie Munger

Source: InvestingCanons

#food-for-thought

#work #employment

60% of Today's Workers are employed in occupations that didn't exist in 1940

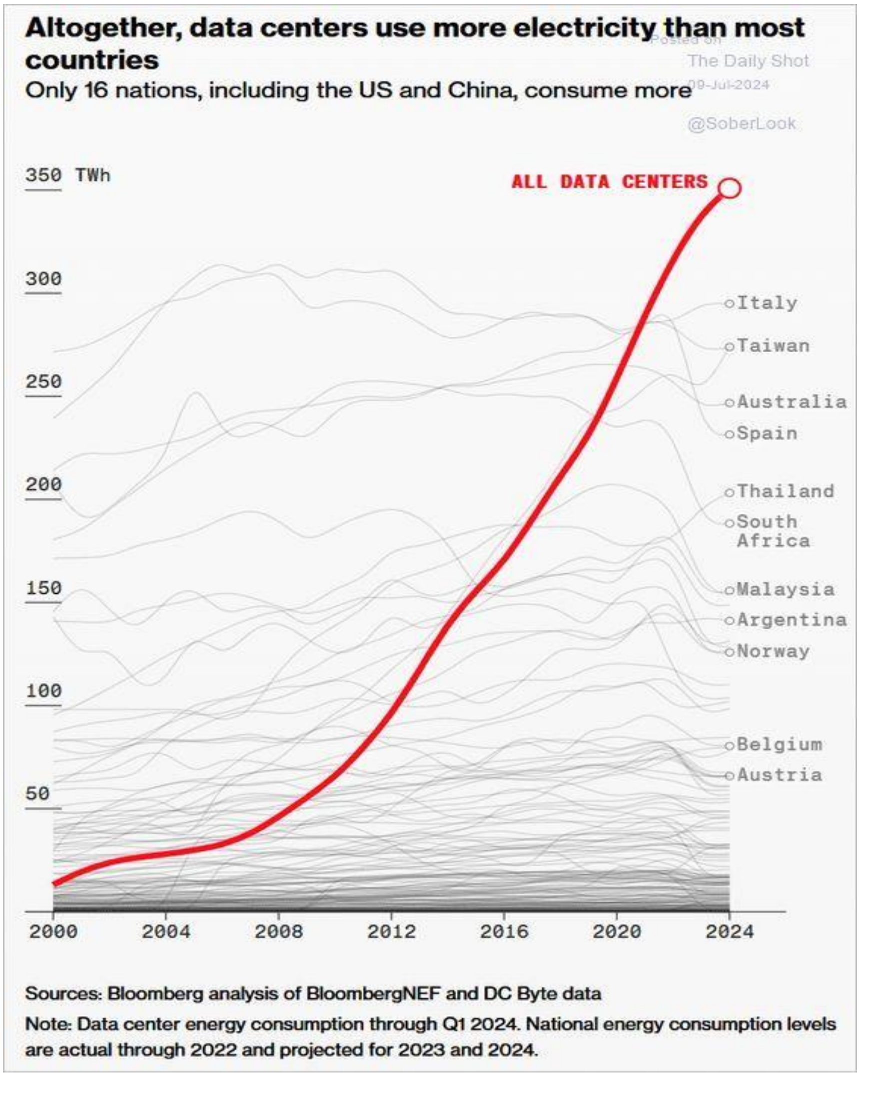


Source: David autor from MIT, apollo

#food-for-thought

#global #electricity

Data centers altogether use more electricity than most countries.



Source: Bloomberg via The Daily Shot thru Tilo Marotz

PRIVATE BANKING

#food-for-thought

#china #coffee

China's rise in coffee consumption. Bullish cocoa ?

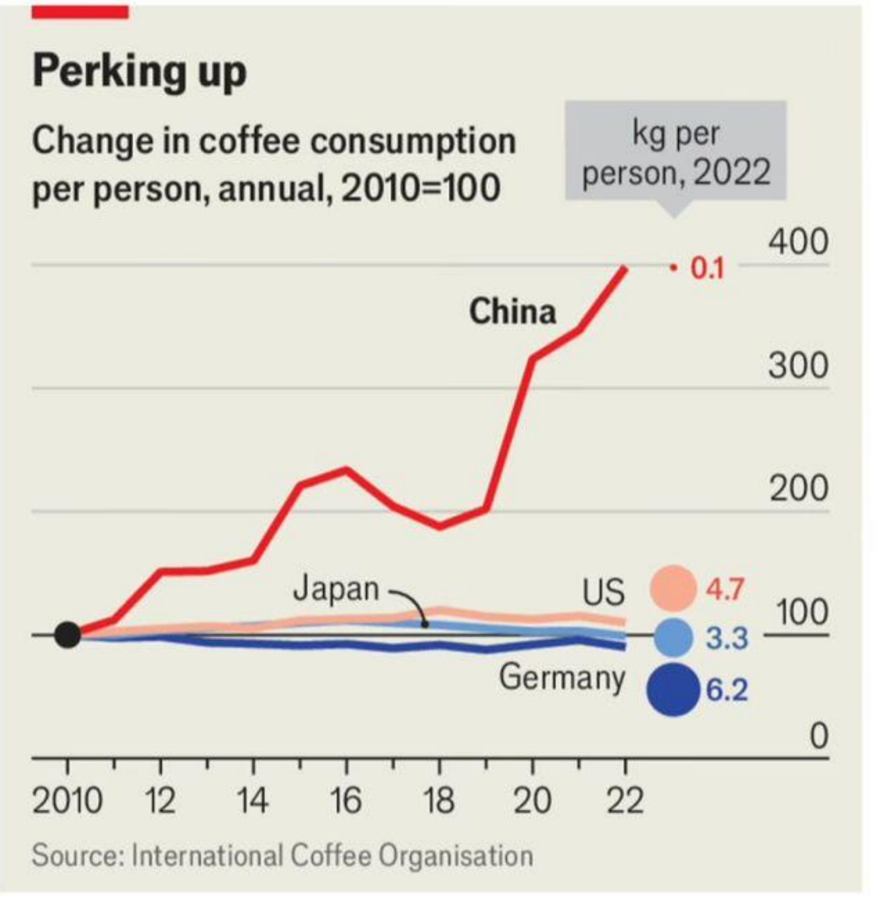


CHART: THE ECONOMIST

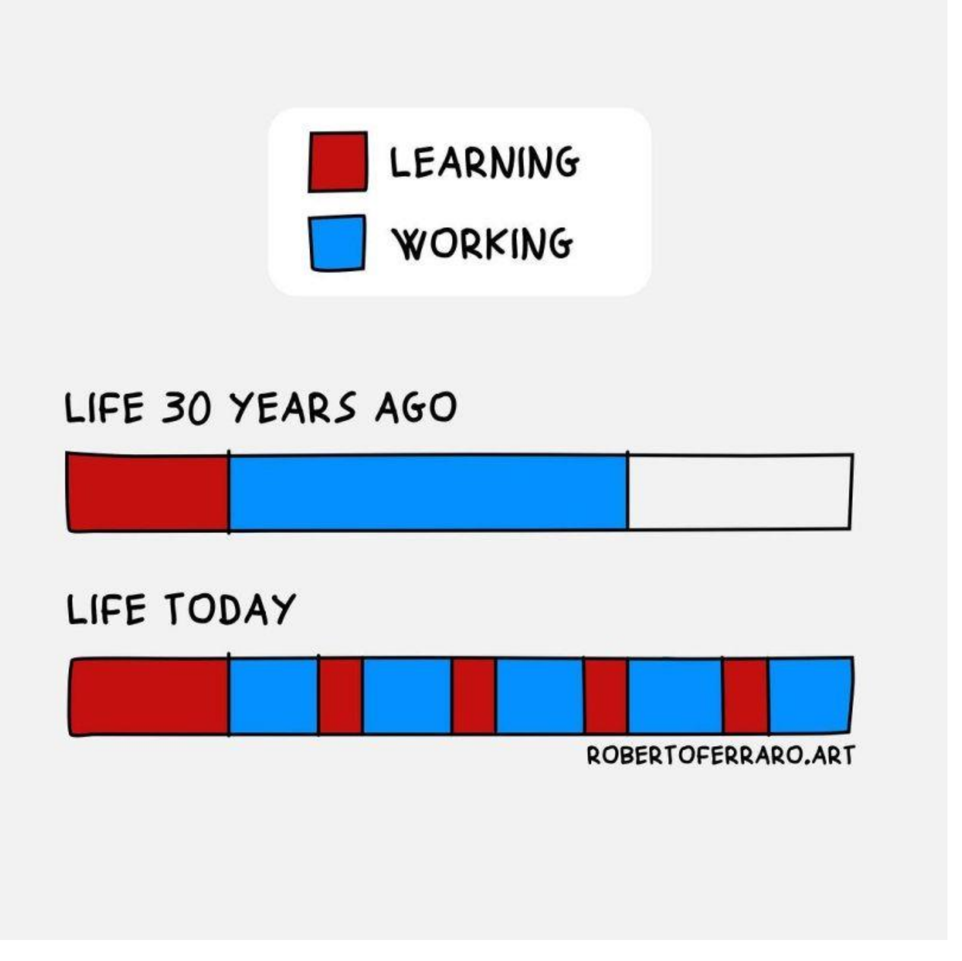
Source: Investopedia, nasdaq.com

SYZ PRIVATE BANKING

#food-for-thought

#career #work

30 years ago, careers were a straight line: Get an education ➡️ Secure a job ➡️ Climb the ladder ➡️ Retire. Today? It's a loop: Learning ➡️ Working ➡️ Learning ➡️ Working ➡️ Repeat. To thrive in this cycle, you should embrace lifelong learning and stay flexible.



Source: Corporate Rebels

#food-for-thought

#consistency

Consistency !

Success doesn’t come from what you do **occasionally**, it comes from what you do ***consistently***.

@MARIEFORLEO

Source: Leadership First

PRIVATE BANKING

#food-for-thought

#superpower #naval

Source: Compounding Quality

#food-for-thought

#olympics

How much athletes receive from their country for winning an Olympic medal…

Olympic medal bonuses

Here's how much money athletes get for finishing on the podium.

Country	Gold	Silver	Bronze
Hong Kong	$768,000	$384,000	$192,000
Singapore	$745,000	$373,000	$186,000
Indonesia	$300,000	$150,000	$60,000
Israel	$271,000	$216,000	$135,000
Republic of Kazakhstan	$250,000	$150,000	$75,000
Malaysia	$216,000	$65,000	$22,000
Spain	$102,000	$52,000	$33,000
France	$87,000	$43,000	$22,000
South Korea	$45,000	$25,000	$18,000
United States	$38,000	$23,000	$15,000
Japan	$32,000	$13,000	$6,000
Poland	$25,000	$19,000	$14,000
Germany	$22,000	$16,000	$11,000
Australia	$13,000	$10,000	$7,000

Note: All figures are converted to USD and rounded up to the nearest 10,000 and 1,000 where appropriate.

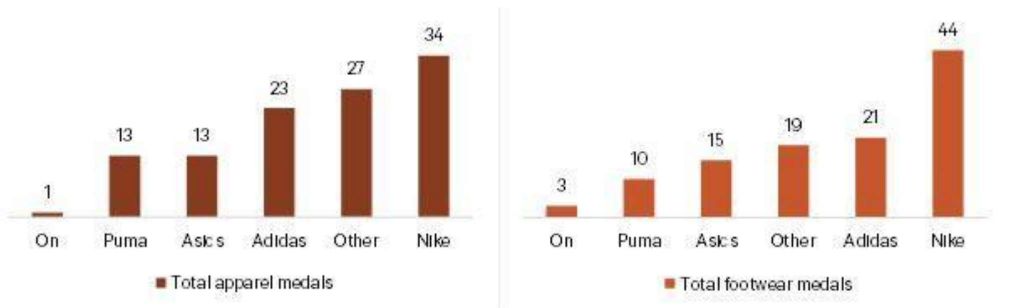
Source: National Olympic Committees, local reports • Created with Datawrapper

Source: Charlie Bilello

#food-for-thought

#olympics #brand

Berenberg has analysed the brands worn by Olympic medal winners in athletics, basketball, tennis, and triathlon races as of the 6th of August. The findings show that Nike-sponsored athletes continue to win the most medals across both apparel and footwear categories, with adidas placing second



Source: berenberg

#food-for-thought

#presentation #rule

The 10/20/30 Rule by Guy Kawasaki. You can use it to ace your next presentation...

Source: Eric Partaker

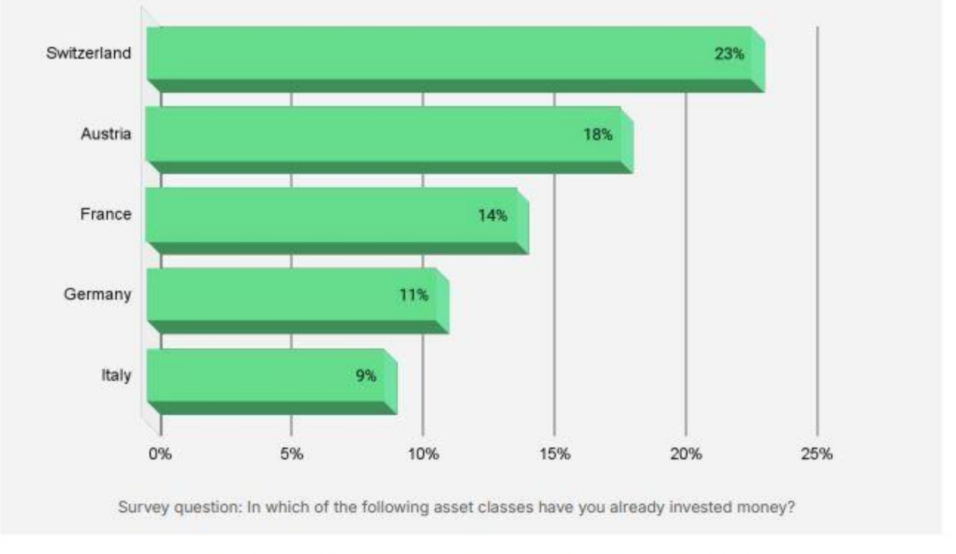
#food-for-thought

#crypto #switzerland

Swiss Millennials Lead the Charge as Young Europeans Embrace Crypto. A survey by Bitpanda and YouGov shows that young Europeans, particularly in Switzerland and Austria, are enthusiastically entering the crypto space. Despite market volatility, the pursuit of financial freedom and significant returns continues to make crypto attractive to the younger generation.

Switzerland leads the way in crypto adoption

Switzerland has emerged as the European frontrunner in crypto adoption, according to the study. 23% of the Swiss population already owns cryptocurrencies, outpacing traditional investments like exchange-traded funds (ETFs) and precious metals like gold.



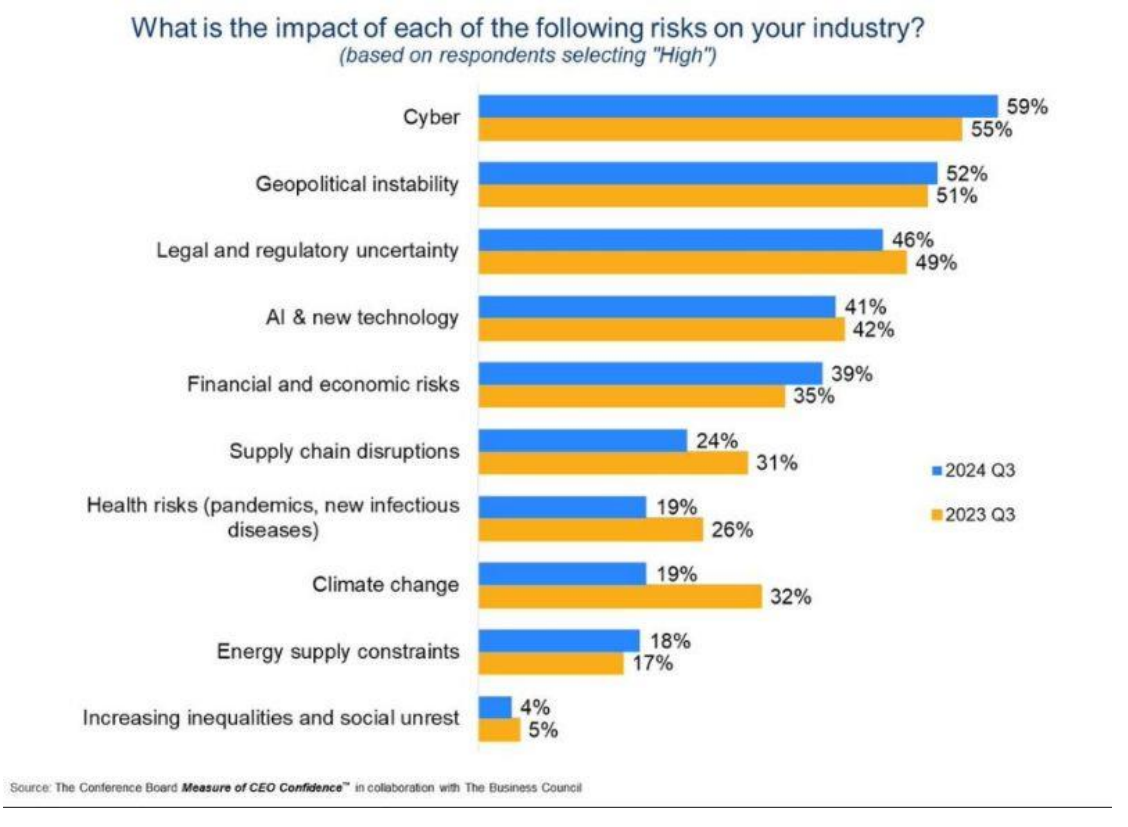
Total population invested in cryptocurrency by country in %. Source: Bitpanda x YouGov

Source: cryptonews

#food-for-thought

#risks #industry

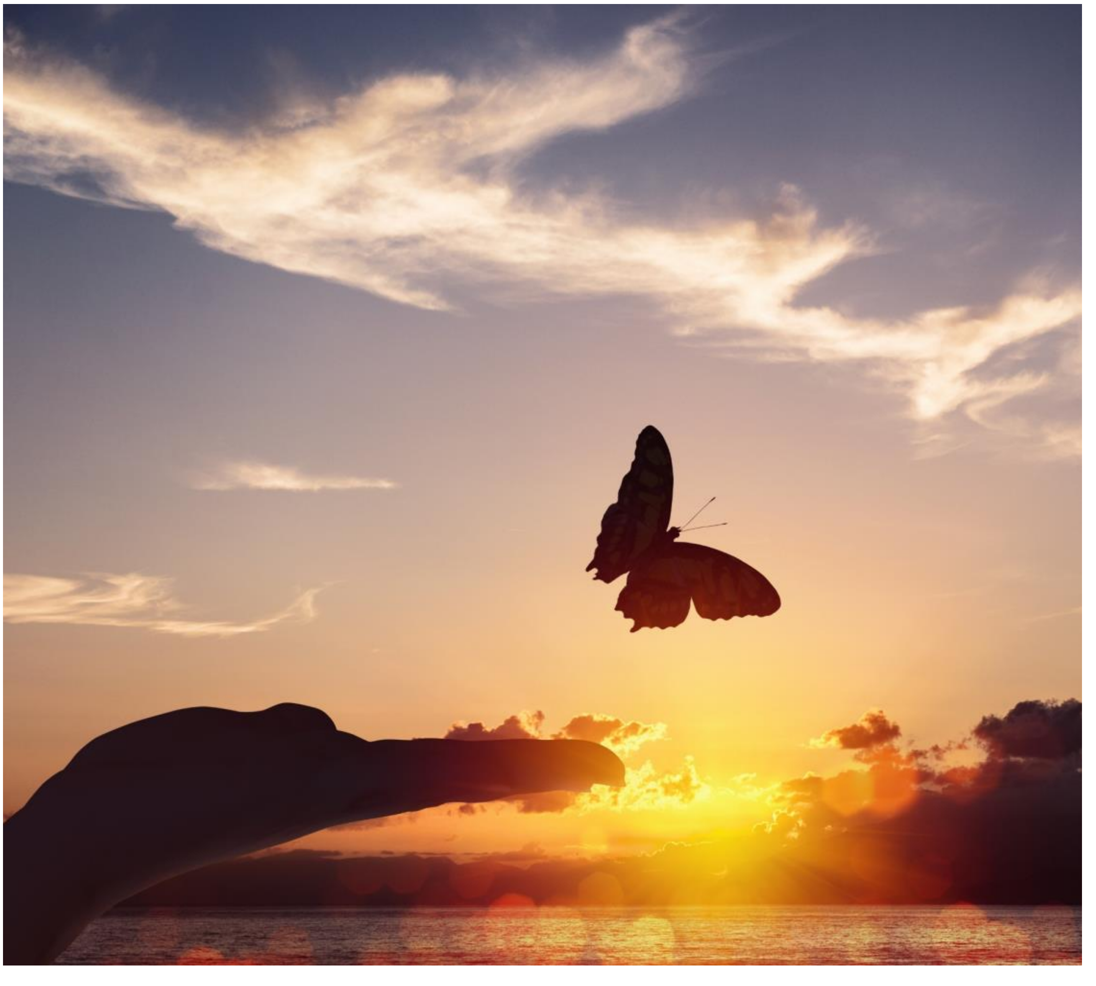
Among the risks affecting their industries, CEOs continue to place cyber threats at the top of their concerns, followed closely by geopolitical instability and legal and regulatory uncertainty.



Source: conference board

Subscribe to the newsletter

syzgroup.com/newsletter



For the future...