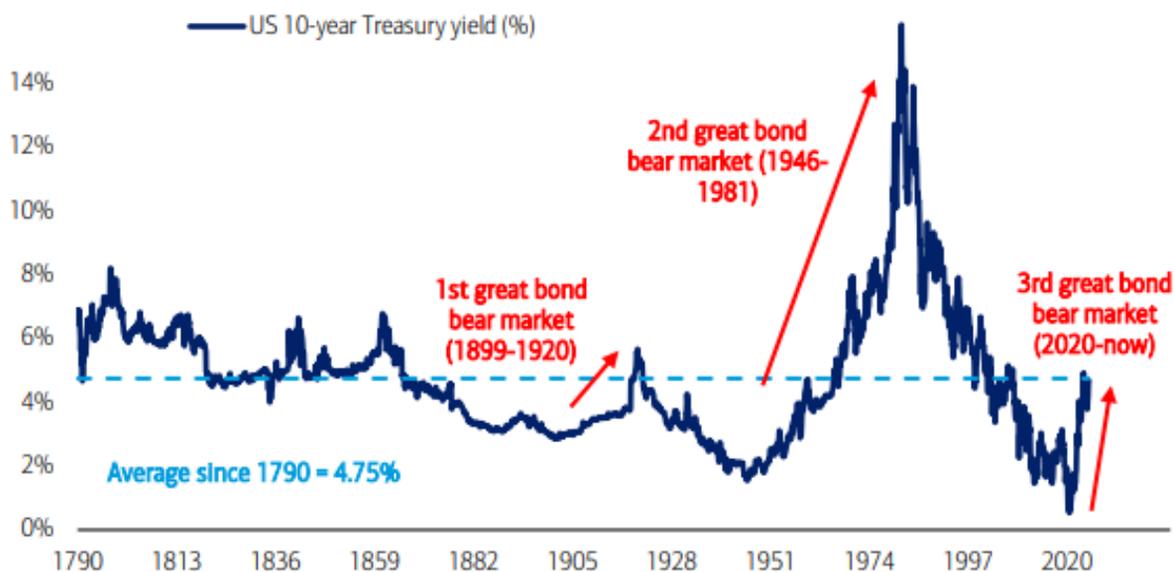


Chart of the week

THE GREAT BOND BEAR MARKET

BoA (Hartnett): "US Treasuries are entering the 6th year of the 3rd Great Bond Bear Market of the past 240 years [due to] global shift to populism, rising US government debt, inflationary central banks. Recession and/or default needed to reverse the secular bond bear of the 2020s."

Chart 2: US Treasuries entering 6th year of 3rd great bond bear market of past 240 years
US 10-year Treasury yield since 1790



Source: BofA Global Investment Strategy, Bloomberg, GFD

BofA GLOBAL RESEARCH

Source: BofA



Good macro news is bad news for bonds & stocks

U.S. equities declined during the week. Small-cap stocks underperformed their large-cap peers for the fifth week in the past six weeks, as the Russell 2000 Index dipped into correction territory. Value stocks held up better than their growth counterparts. The Nasdaq Composite fell 2.34%, its biggest weekly drop since mid-November. The week started on a positive note following a report that the incoming Trump administration's proposed stance on tariffs was likely to be softer than previously indicated. However, optimism faded throughout the week after President-elect Donald Trump refuted these reports and several pieces of economic data fueled concerns about stubborn inflation. On Friday, monthly nonfarm payrolls report for December showed that the U.S. economy added 256,000 jobs during the month, well ahead of consensus expectations for 155,000. Stocks turned sharply lower on Friday following the data release, solidifying the major indexes' losses for the week. U.S. Treasury yields were higher heading into Friday and jumped following the blowout jobs report, with the benchmark 10-year U.S. Treasury note yield touching its highest intraday level since November 2023. Oil was the week's biggest winner, soaring on Friday on the heels of additional Russian sanctions and colder temperatures. The pan-European STOXX Europe 600 Index was 0.65% higher on the week while the Nikkei 225 Index fell 1.8%. Despite the dollar's strength, gold surged this week - back up near \$2700. Bitcoin was volatile.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

JANUARY 11, 2025

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	41,938	-1.9%	-1.4%
S&P 500 Index	5,827	-1.9%	-0.9%
NASDAQ	19,162	-2.3%	-0.8%
MSCI EAFE*	2,271	0.7%	0.4%
10-yr Treasury Yield	4.76%	0.2%	0.9%
Oil (\$/bbl)	\$76.67	3.7%	6.9%
Bonds	\$95.95	-0.9%	-0.4%

Source: Edward Jones

#GLOBALMARKETS WEEKLY WRAP-UP

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JANUARY 11, 2025



#sp500 #weekly #heatmap

RED LIGHTS FLASHING ON WALL STREET

\$SPY -1.93% ■

\$QQQ -2.19% ■

\$DJI -1.86% ■

\$IWM -3.37% ■

Here's a final weekly heatmap of S&P 500



Source: Wall St Engine @wallstengine





#us #equities #sp500

Why you shouldn't be afraid of allocating to equities even after two back-to-back years of strong returns explained in one chart. The average year for the S&P 500 since 1950 has gained 9.5% and was higher 72% of the time.

After a 20% year? It jumped to 10.6% and higher 81.0% of the time.

After back-to-back 20% years? 20% on average and never lower.



Source: Mike Zaccardi, CFA, CMT, MBA, Carson Investment Research

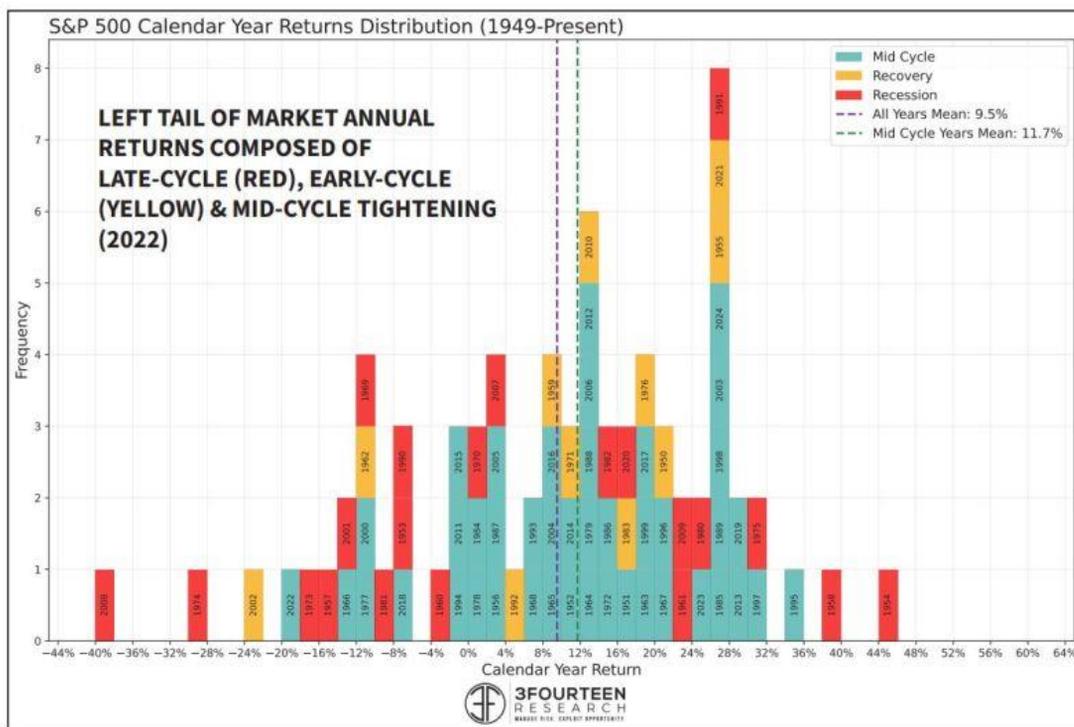




#us #equities #sp500 #market-cycles

IF 2025 is a "Mid-Cycle" year, SP500 returns should be higher than average and drawdowns shallower...especially when the Fed is not hiking.

Mid-cycle (in green) means the economy is NOT entering a recession (late-cycle - in red), or emerging from a recession (early-cycle - yellow).



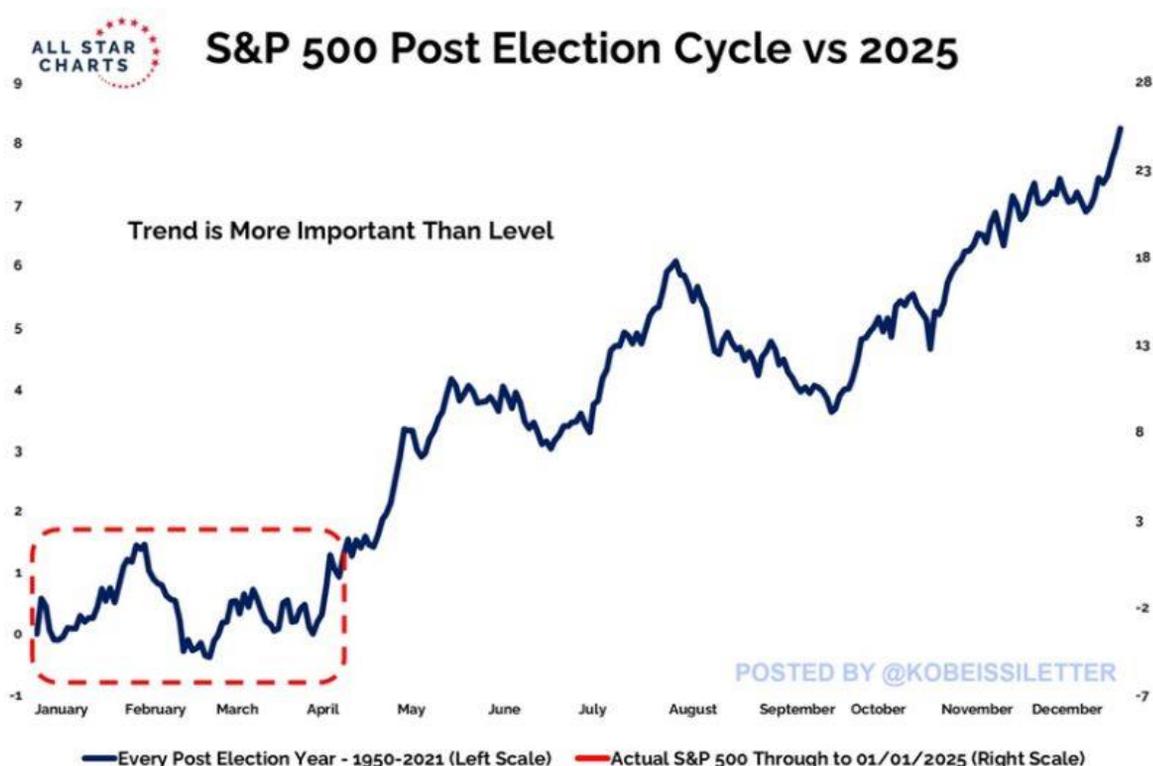
Source: Warren Pies, 3FOURTEENRESEARCH





#us #equities #sp500 #presidential-election

Should we get prepared for a choppy quarter??? The S&P 500 has gained ~1.0% on average in the first quarter after a US presidential election since 1950. It also historically comes with elevated volatility as market swings widen to both directions. On average, the first year of a new presidential cycle has seen an 8.2% average return.



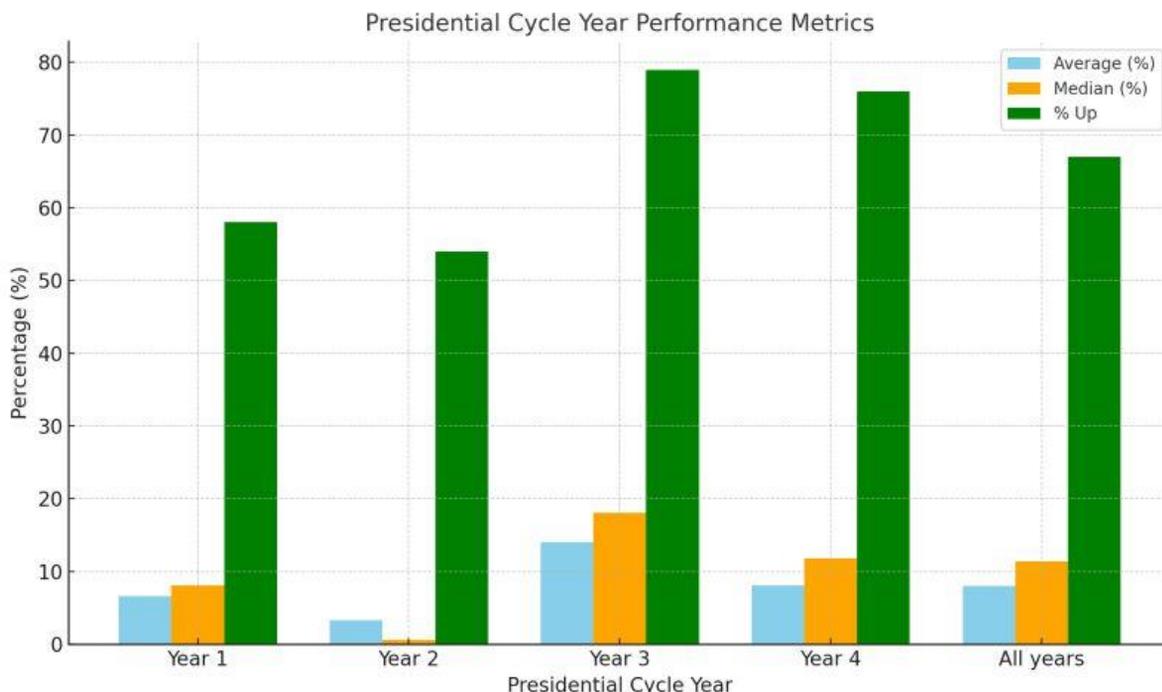
Source: The Kobeissi Letter, J-C Parets



#us #equities #sp500 #presidential-election

Year 1 of the presidential election cycle is not that great, but still decent.

1928-2024 \$SPX



Source: Mike Zaccardi, CFA, CMT, MBA





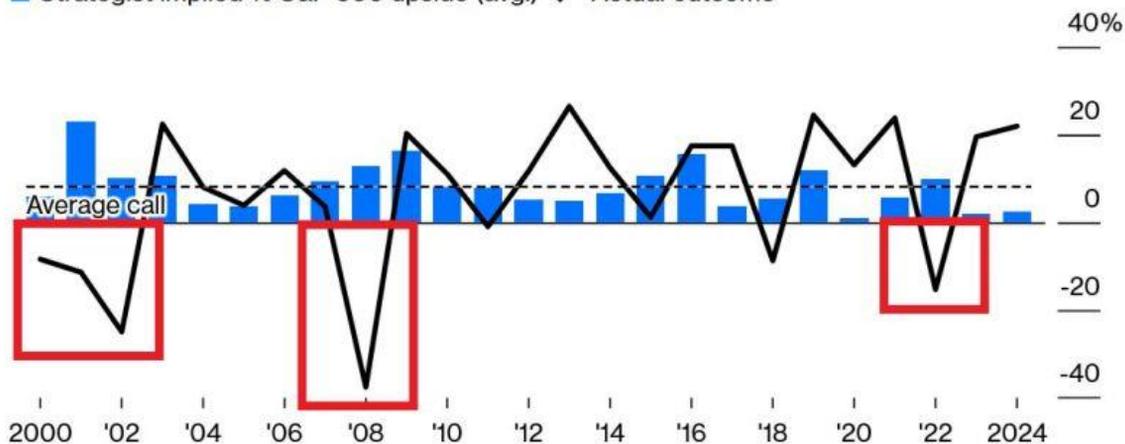
#us #equities #sp500 #forecasts

WALL STREET ANALYSTS' S&P 500 MEDIAN TARGET FOR 2025 IS 6,600. Wall Street expects a 12% increase in the S&P 500 in 2025. As shown by blue bars, Wall Street always projects positive years. This is despite declines in 2000-2002, the 2008 Financial Crisis or 2022.

Not Very Predictive

Strategist target prices usually don't tell us much about market outcomes

■ Strategist implied % S&P 500 upside (avg.) / Actual outcome



Source: Bloomberg

Note: "Upside" is how much strategists thought the index would rise from the day of the call through Dec. 31; 2024 realized performance is measured through 12/19/24.

Source: Global Markets Investor, Bloomberg

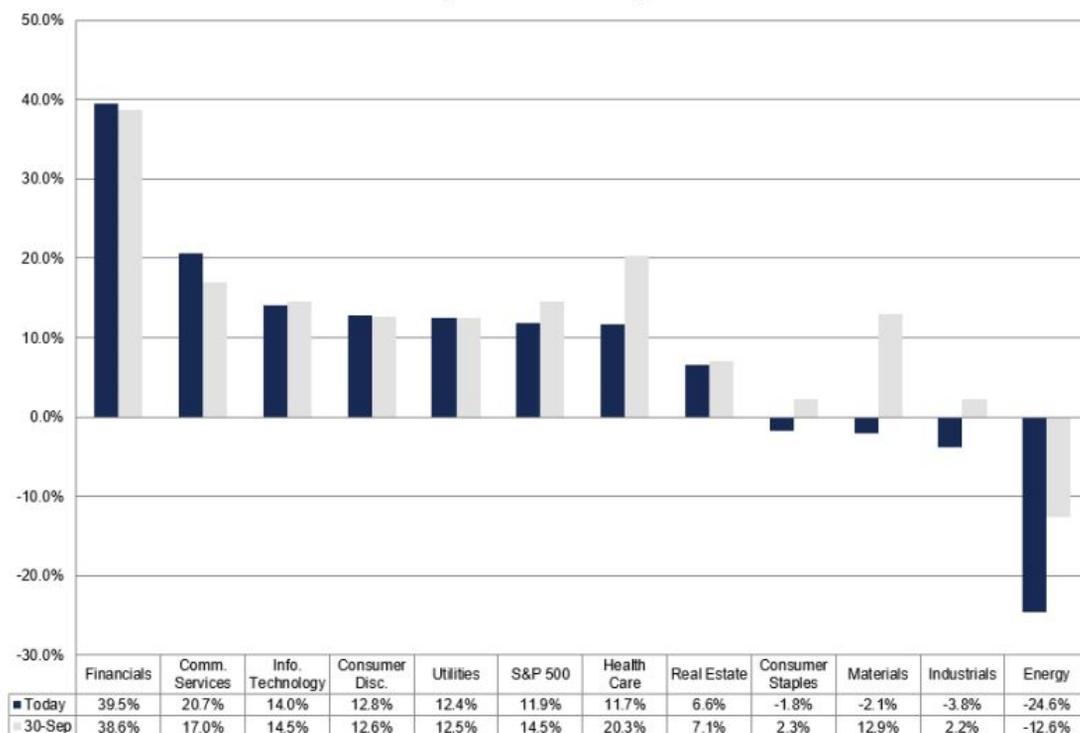




#us #equities #sp500 #earnings

\$SPX is expected to report Y/Y earnings growth of 11.9% for Q4 2024, which is below the estimate of 14.5% on September 30.

S&P 500 Earnings Growth (Y/Y): Q4 2024
(Source: FactSet)



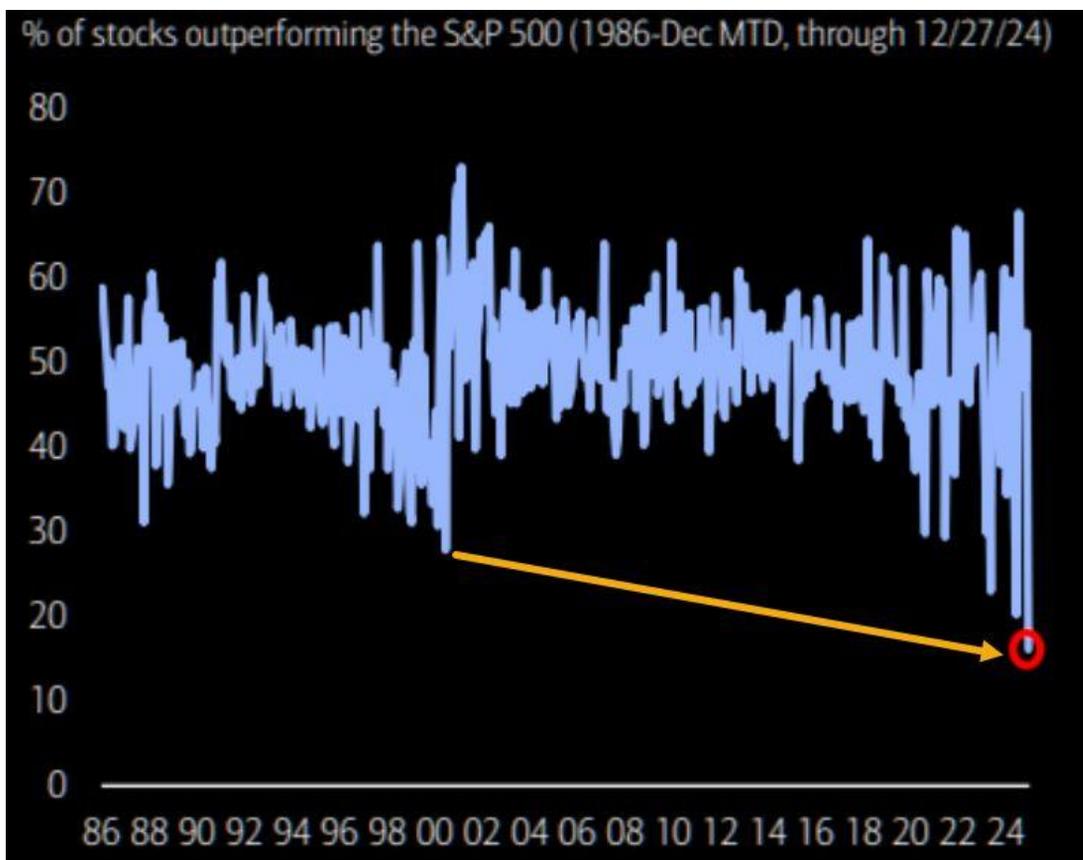
Source: Factset





#us #equities #sp500 #outperforming

Breadth matters. And what we currently see on equities does not look healthy. Here is a visual of the % of stocks outperforming the S&P500: ALL TIME LOWS. In other words, concentration risk measured in this way beats 2000 lows.



Source: Samantha LaDuc on X, GS

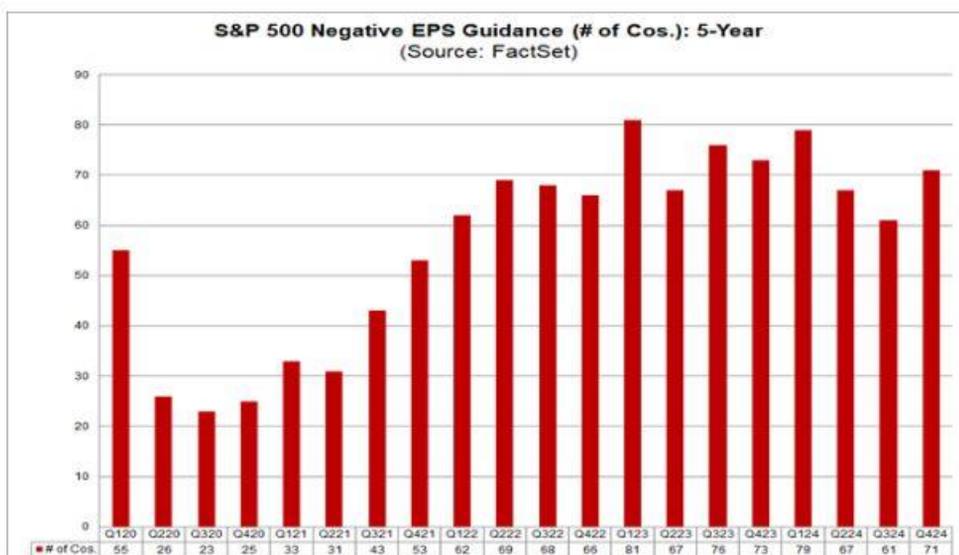




#us #equities #sp500 #eps #companies #sectors

More S&P 500 Companies Issuing Negative EPS Guidance For Q4 Than Average

Overall, 106 S&P 500 companies have issued quarterly EPS guidance for the fourth quarter. Of these companies, 71 have issued negative EPS guidance and 35 have issued positive EPS guidance. At the sector level, the Information Technology, Industrials, and Consumer Discretionary sectors have the highest number of companies issuing negative EPS guidance of all 11 sectors. These three sectors also have the largest increases in the number of companies issuing negative EPS guidance for Q4 relative to their 5-year averages.



Source: facstet





#us #equities #sp500 #nasdaq100

Some improvement in market breadth for US equities >>> Both the S&P500 & Nasdaq100 made lower lows on the 2nd of January, but the % of NYSE stocks above their 200 day moving average was simultaneously making new 2-wk highs. The % above the 20 day moving average was also hitting new 2-week highs. Breadth is improving across timeframes.



Source: J-C Parets



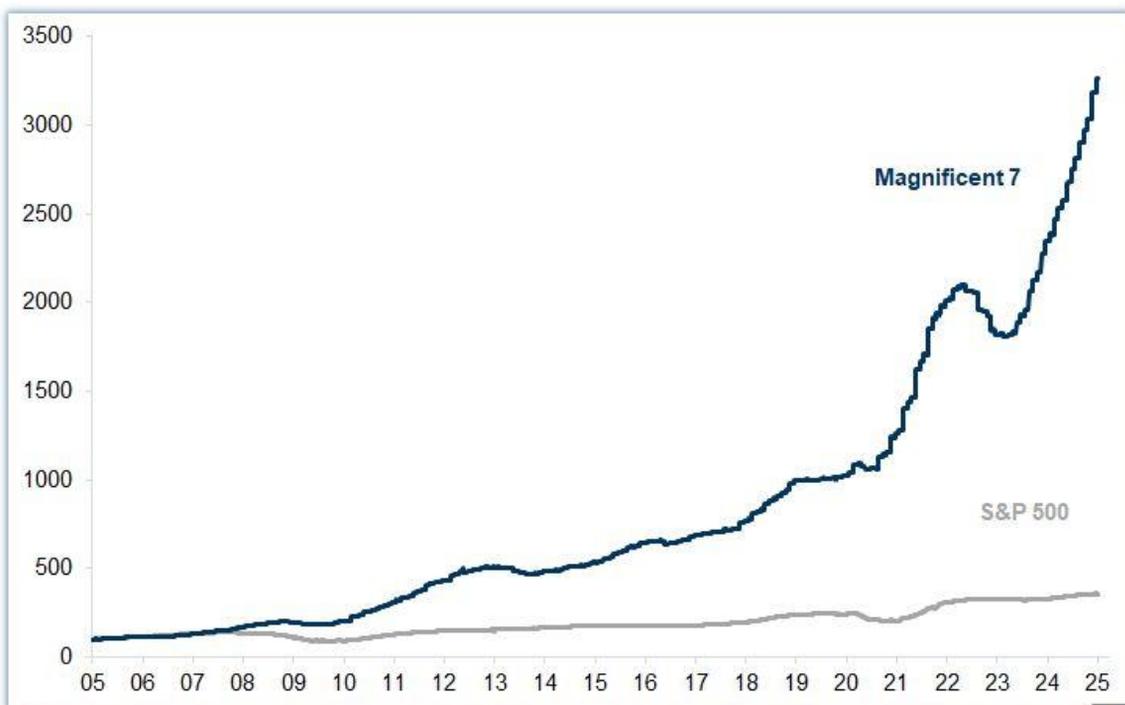


#us #equities #sp500 #mag7

Mag 7 EPS vs SPX last 20 years

Exhibit 10: Encouragingly, the dominance of the largest US technology companies has reflected powerful fundamental growth rather than irrational exuberance

Magnificent Seven and S&P 500, 12m trailing EPS



Magnificent 7 is a list of companies that includes Meta, Amazon, Apple, Microsoft, Alphabet, Tesla, NVIDIA

Exhibit 10

Source: Datastream, Goldman Sachs Global Investment Research

Source: GS, Mike Zaccardi, CFA, CMT, MBA



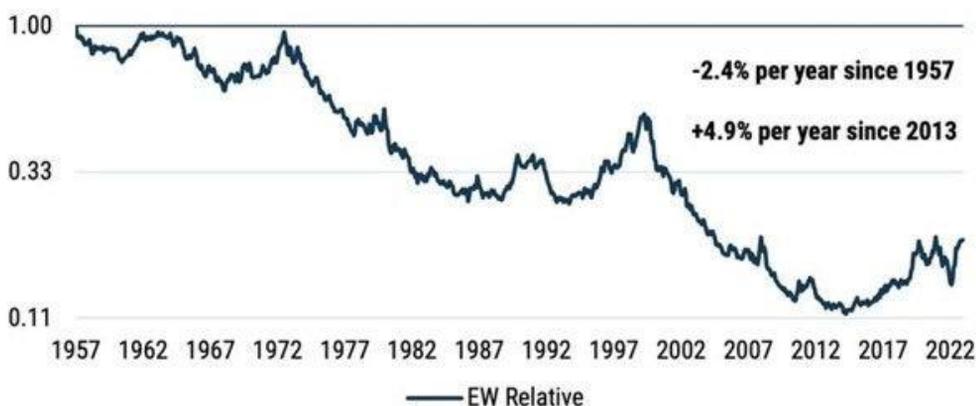


#us #equities #sp500 #equal-weighted

Interesting observation from GMO thru Callum Thomas: "Since 1957, the 10 largest stocks in the S&P 500 have underperformed an equal-weighted index of the remaining 490 stocks by 2.4% per year. But the last decade has been a very notable departure from that trend, with the largest 10 outperforming by a massive 4.9% per year on average."

It's rare and bubbly for the top stocks to outperform like this!

EXHIBIT 2: S&P500 – TOP 10 VS. 490 EQUAL WEIGHTED



Data from 1957-2023 | Source: Compustat, Standard & Poors

Source: Thomas Callum, GMO

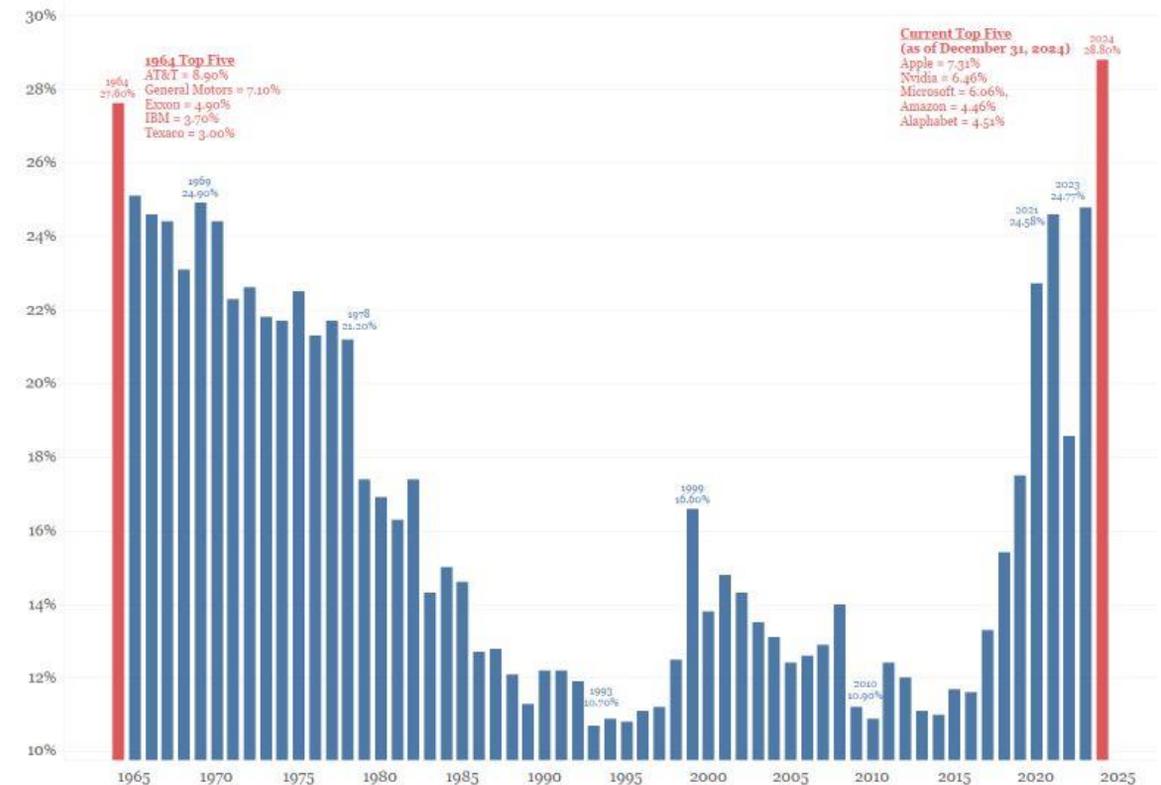




#us #equities #sp500 #largest-stocks

Probably nothing

The Five Largest Stocks in the S&P 500



Source: S&P, Dow Jones, Bloomberg

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<https://www.biancoresearch.com/>

Source: Bianco Research L.L.C.





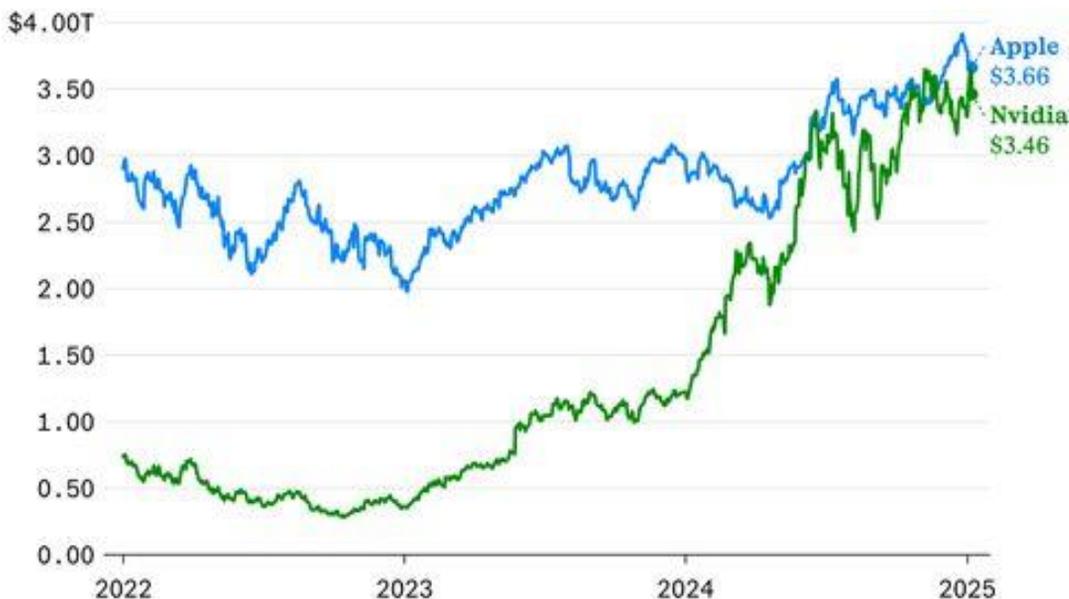
#us #equities #apple #nvidia #trillion #race

Who will be first to \$4 trillion?

The race to become the first \$4 trillion company has tightened considerably since Christmas, as Apple shares have sputtered and Nvidia has been boosted by the resumption of the AI trade in early 2025.

Neck and neck

Daily market value



Source: investing



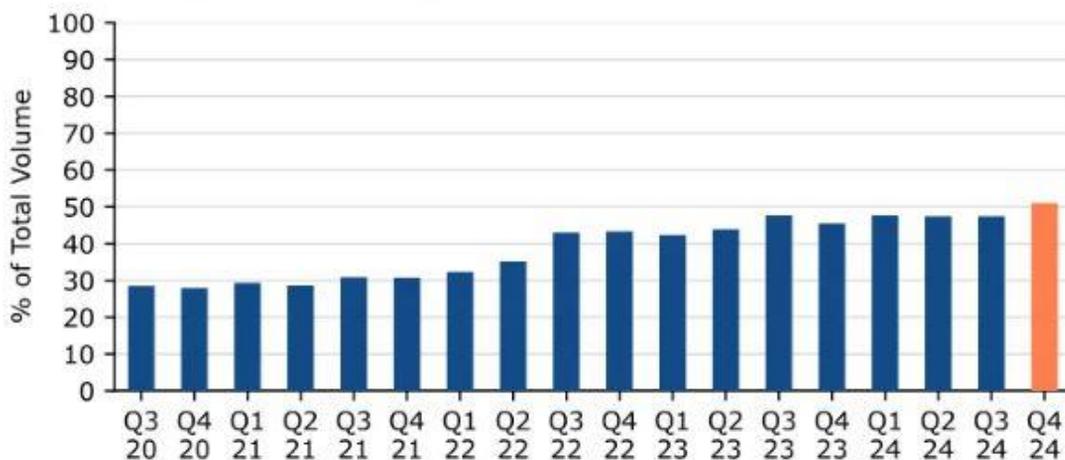
#us #equities #sp500 #zero-day-options

Zero-day options on the S&P 500 Index surpassed all other expirations combined in the fourth quarter for the first time ever!!

ODTE contracts made up 51% of S&P Index's options volume in Q4

ODTE: 51% of SPX option volume in Q4

Percent of SPX option volume that is ODTE (zero days to expiry, i.e. expiring the same day)



Sources: Asym 500, Cboe

Zero-day options on the S&P 500 were a majority of volume in 4Q for the first time Source: Asym 500

Source: Ryan Detrick, CMT @RyanDetrick





#us #equities #sp500 #dividend-yield

The S&P 500's Dividend Yield has moved down to 1.27%, tied with Q4 2021 for the lowest yield since 2000.

S&P 500 Dividend Yield (TTM Dividends, 1988 - 2024)



Source: Charlie Bilello





#us #equities #market-correction #howard-marks

Howard Marks, Co-Chairman of Oaktree Capital and one of the world's most respected value investors, is cautioning about froth in the market and believes we are due for either: 1) a large correction in the market OR 2) 10-year returns of between +2 and -2%

Howard Marks sees cautionary signs of a bubble, says investors shouldn't ignore today's high market valuation

PUBLISHED TUE, JAN 7 2025-2:14 PM EST UPDATED TUE, JAN 7 2025-3:49 PM EST



Yun Li
@YUNLI626

WATCH LIVE

In this article

.SPX -66.35 (-1.11%)



Howard Marks, Co-Chairman, Oaktree Capital
David A. Grogan | CNBC

Source: Barchart





#equities #tech #quantum-computing #bubble

Quantum computing stocks crash after AI godfather Jensen Huang exploded the quantum computing bubble with 3 lines: "If you said 15 years for very useful quantum computers, that would probably be on the early side. If you said 30 is probably on the late side. But if you picked 20, I think a whole bunch of us would believe it."



Source: HolgerZ, Bloomberg



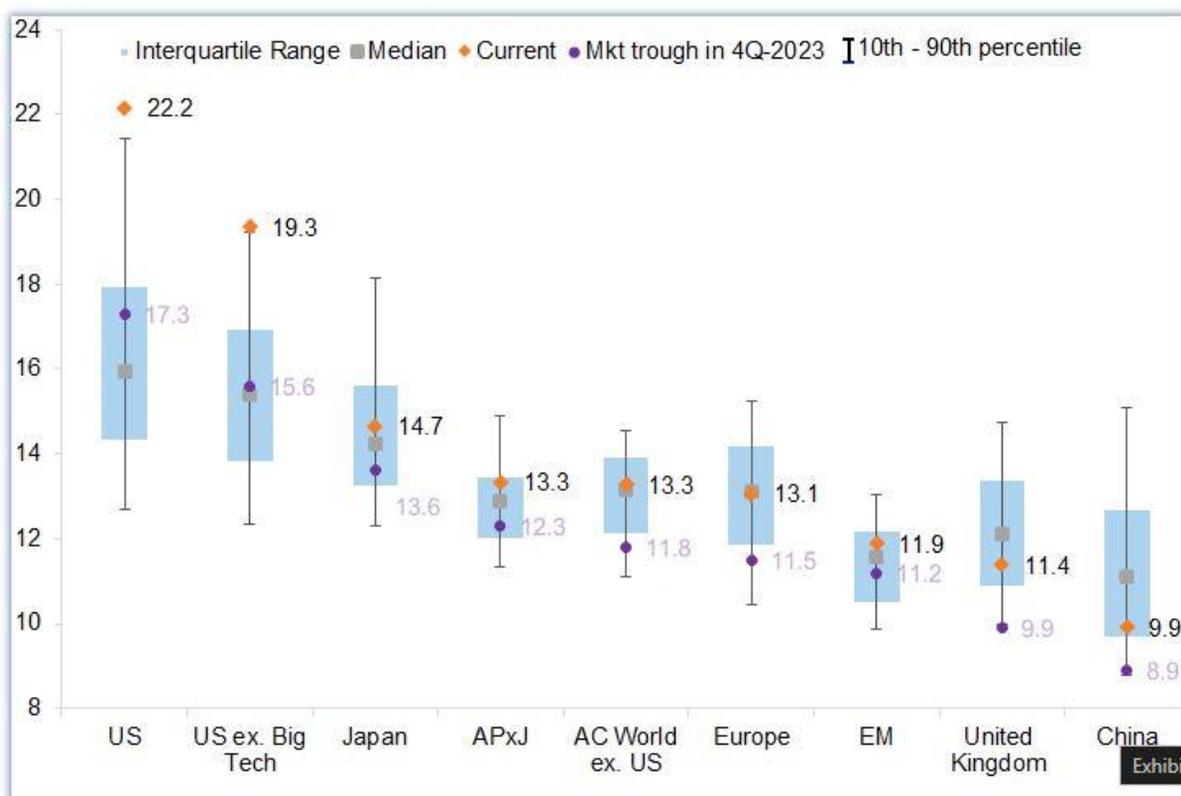


#global #equities #valuations

GS: The US has a valuation at its 20-year peak and this remains true even if we exclude the largest technology companies

Exhibit 4: The US has a valuation at its 20-year peak and this remains true even if we exclude the largest technology companies

12m fwd P/E, MSCI regions; data since 2003



Source: FactSet, Goldman Sachs Global Investment Research

Source: Mike Zaccardi, CFA, CMT, MBA





#eurozone #stocks #sp500

Take Nvidia out of the S&P 500 and its total returns underperform the eurozone's stock benchmark since this bull market began in late 2022. There are a few interpretations of this datapoint. First, the S&P 500's bull run mostly reflects a bet on AI (particularly Nvidia). Second, despite less tech exposure and a slow-growing economy, eurozone stocks have actually performed quite well".



Source: FT, Charles Schwab, Macrobond



#eurozone #stocks #valuations

European stocks trade at over 40% discount versus the US stock market, the biggest in at least 35 YEARS! This comes as Europe's forward P/E ratio is ~13x, way below the S&P 500 P/E of 22x.

Europe has rarely been so cheap on a relative basis. This is also valid on a sector-adjusted basis.

Europe relative to US 12m forward P/E



Source: Datastream, STOXX, Worldscope, Goldman Sachs Global Investment Research

Source: Goldman Sachs, Global Markets Investor, Datastream



#GLOBALMARKETS WEEKLY WRAP-UP

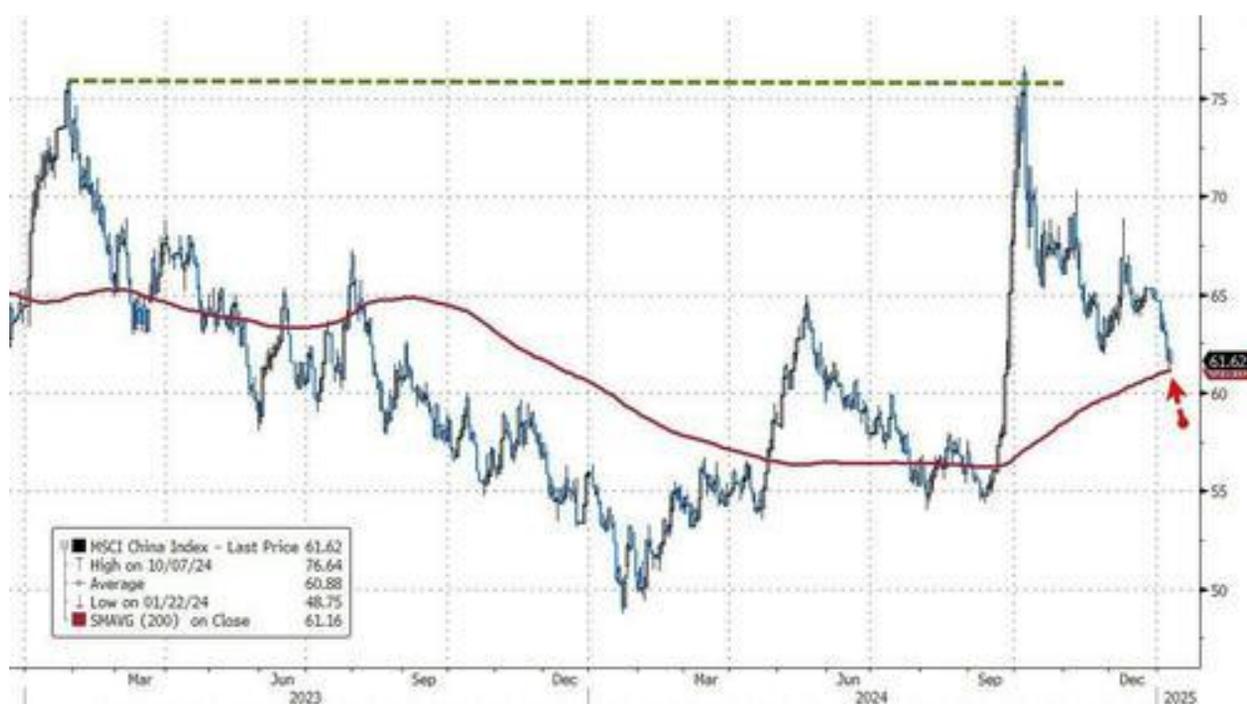
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#markets

#china #equities

China just hit a bear market as the MSCI China Index tumbled over 20% from its recent highs, testing the 200DMA...

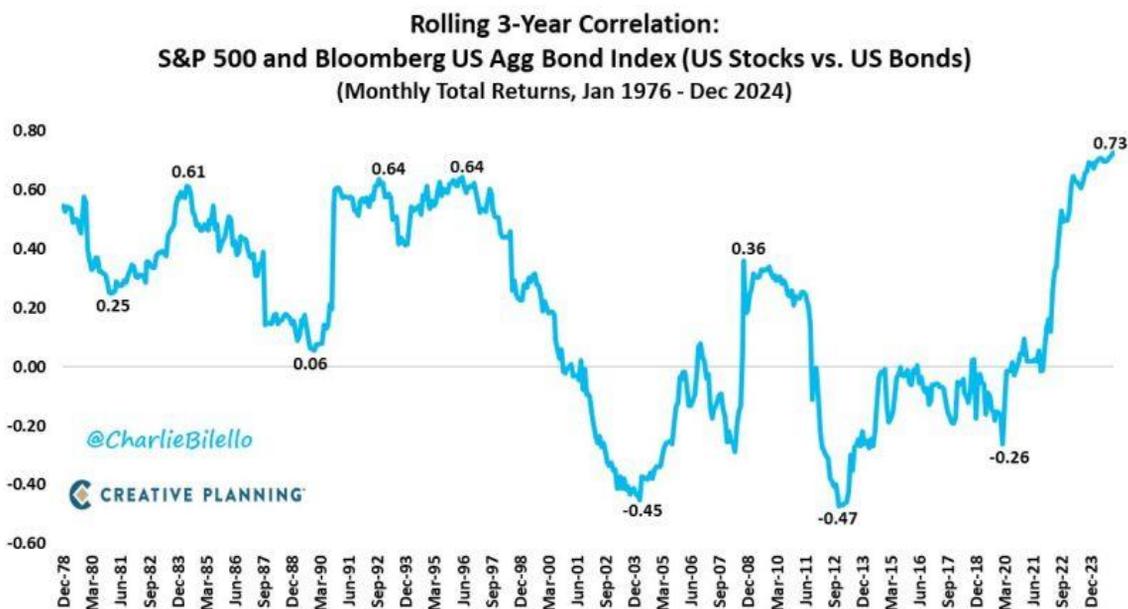


Source: www.zerohedge.com, Bloomberg



#us #bonds #stocks #correlation

The correlation between US stocks and bonds over the last 3 years (0.73) is the highest on record.



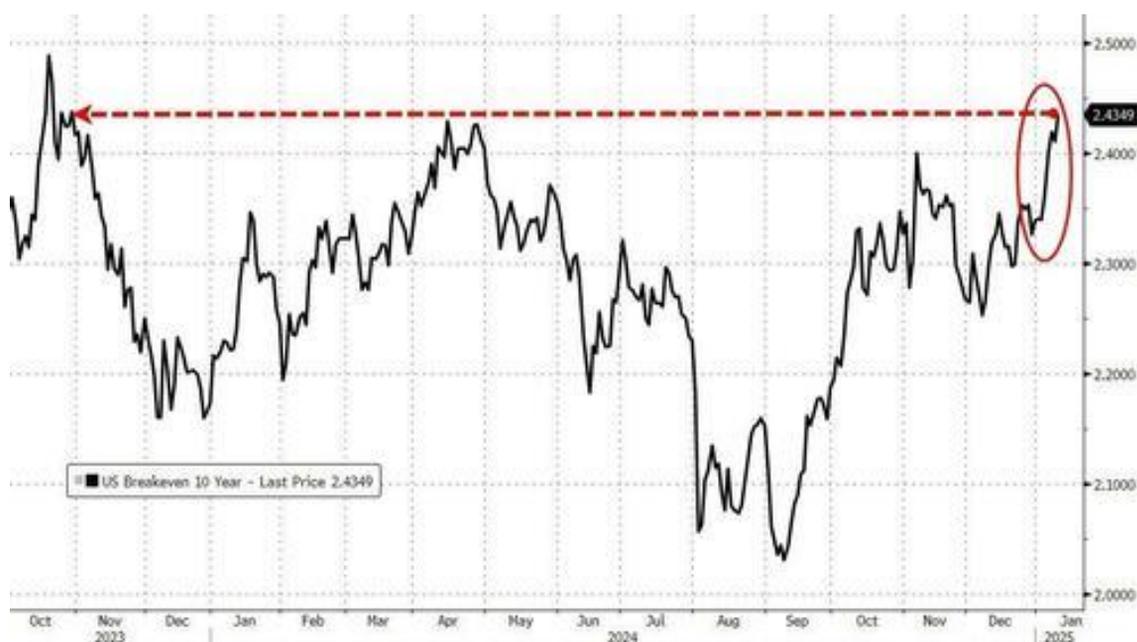
Source: Charlie Bilello





#us #inflation #10y #breakeven

Inflation expectations are soaring with 10Y breakeven at its highest since Oct 2023)...

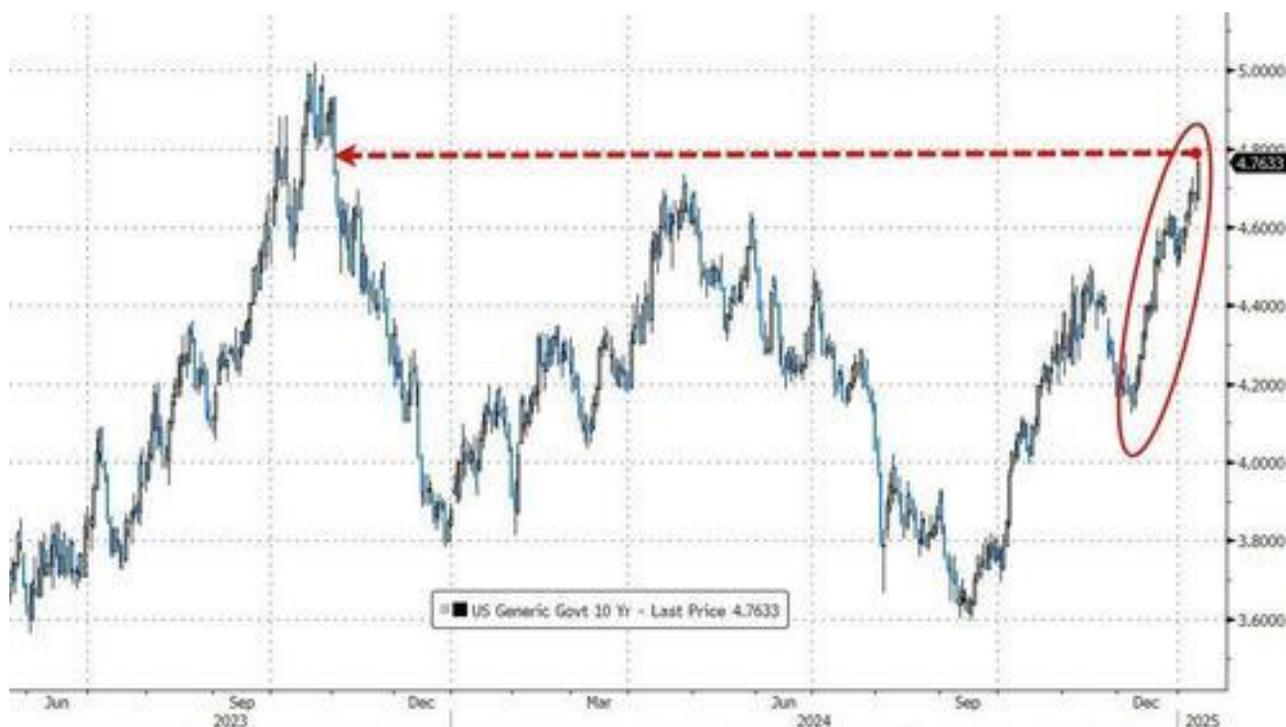


Source: www.zerohedge.com, Bloomberg



#us #10y #yield

As breakevens have spiked so have Treasury yields (10Y +66bps in last 23 days)...



Source: www.zerohedge.com, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

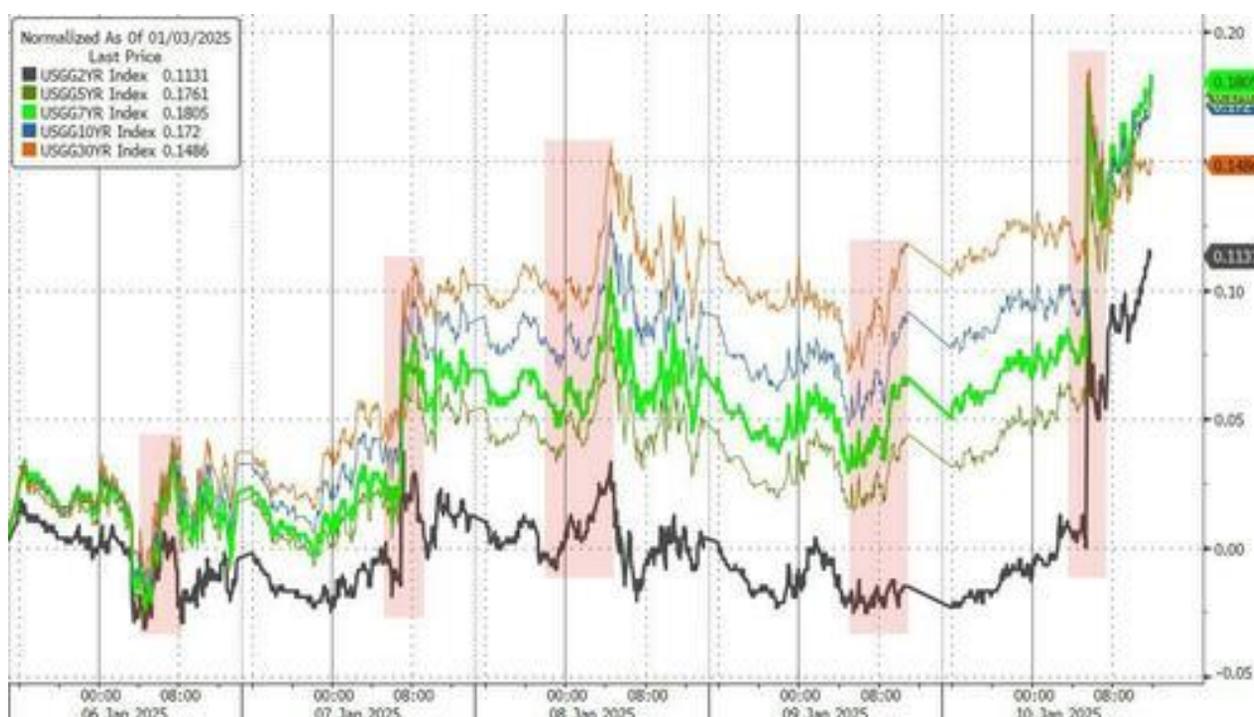
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#markets

#us #treasuries #yields #weekly

Friday was a bloodbath in bond-land with the short-end clubbed like a baby seal (2Y-5Y +13-15bps), leaving the belly worst on the week...

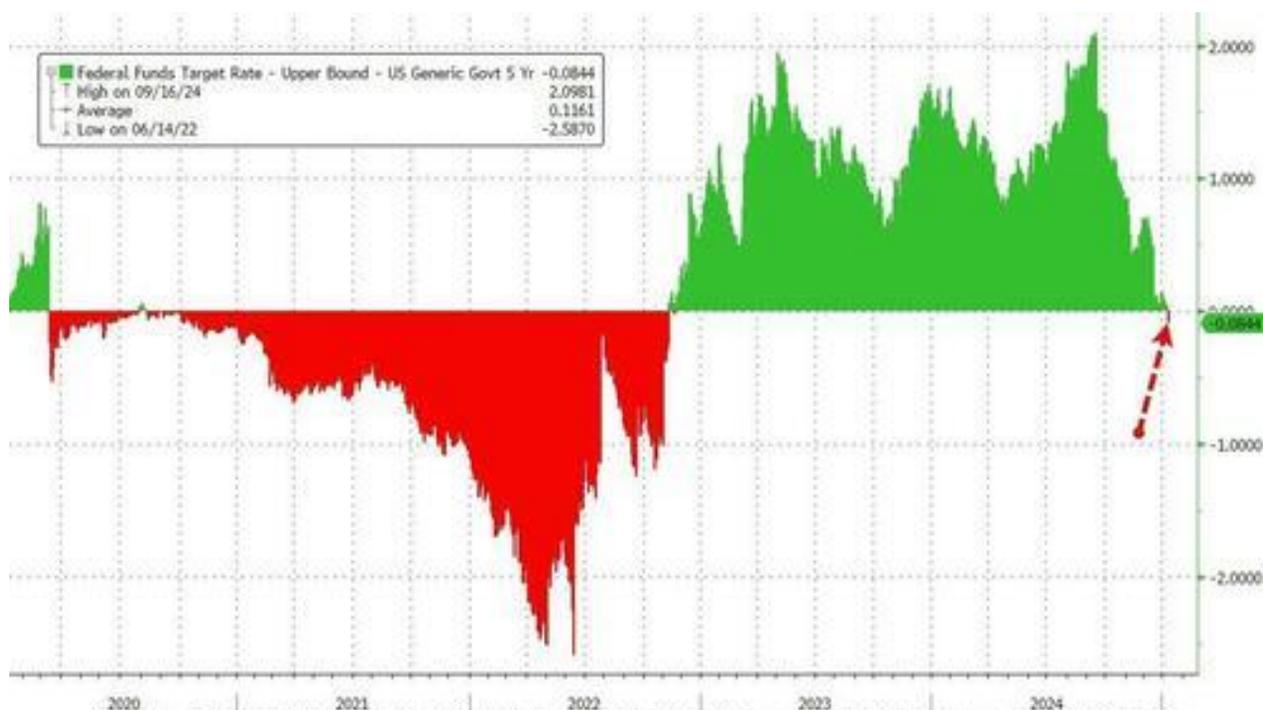


Source: www.zerohedge.com, Bloomberg



#us #treasuries #5y #fed #yield

Today's shift in yields moved the 5Y above Fed Funds for the first time since November 2022...



Source: www.zerohedge.com, Bloomberg



#markets

#us #treasuries #auction #yield

10-Year Treasury Auction was awarded a 4.68% yield, the highest since 2007 🚨

Treasury Auction Draws Highest Yield Since 2007 in Bond Selloff

- Sale of 10-year notes is awarded at 4.68% after strong data
- Traders lose faith that Fed will cut interest rates again soon



By [Elizabeth Stanton](#) and [Ye Xie](#)

January 7, 2025 at 8:16 AM CST

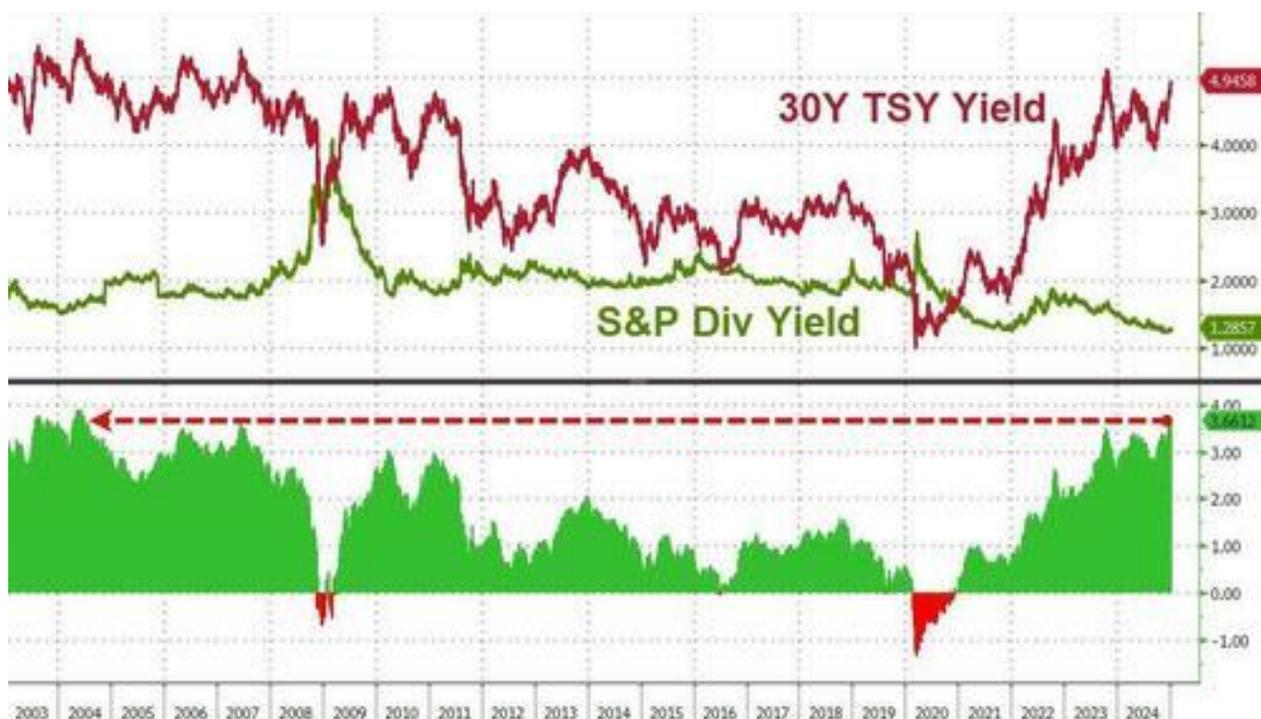
Updated on January 7, 2025 at 3:06 PM CST

Source: Barchart



#us #treasuries #30y #yield #sp500 #dividend-yield

The US 30Y Treasury now yields 366bps more than the S&P 500 - the widest gap since 2004..

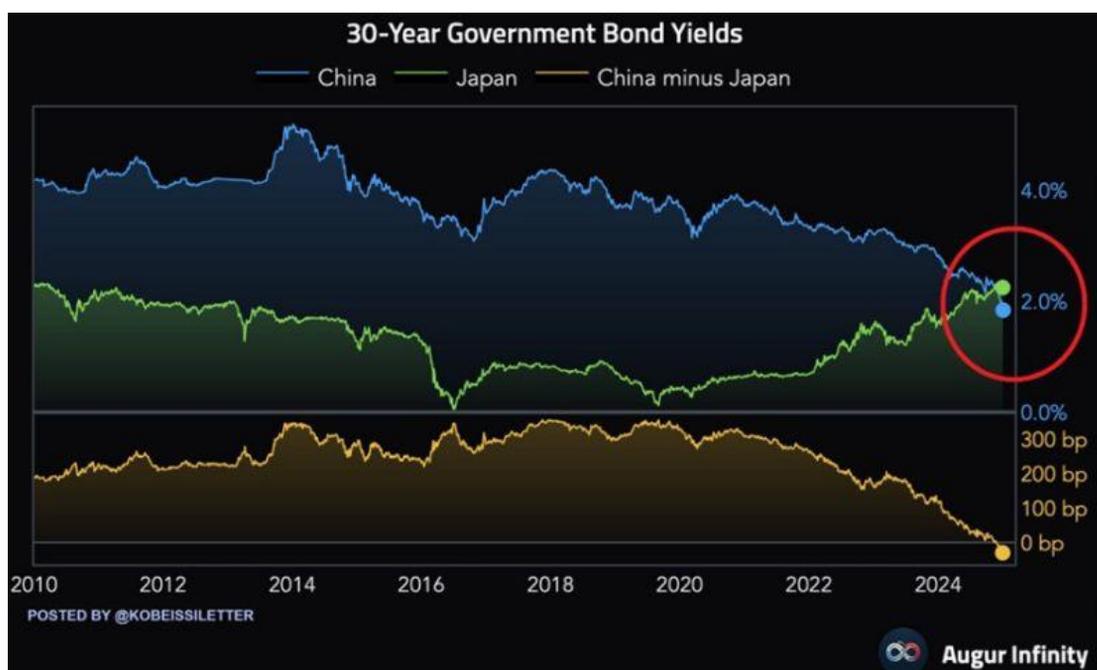


Source: www.zerohedge.com, Bloomberg



#china #Japan #30y

This is truly historic: China's 30-year government bond yield has dropped below Japan's 30-year yield for the first time ever. Over the last 4 years, China's bond yield has declined by a whopping 215 basis points. This comes as China's economy has slowed and experienced 6 straight quarters of deflation, the longest streak since 1999. At the same time, Japan's bond yield has risen 160 basis points as inflation has picked up in the country. In the past, Japan had seen 3 decades of economic stagnation and had suffered 25 years of deflation starting in the 1990s. Is China entering its own "japanification" economic phase?



Source: The Kobeissi Letter, Augur Infinity

#GLOBALMARKETS WEEKLY WRAP-UP

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JANUARY 11, 2025

#markets

#uk #gilts #10y #yields

OUCH! UK 10y yields rose as much as 14bps to 4.82%, highest since Aug. 2008

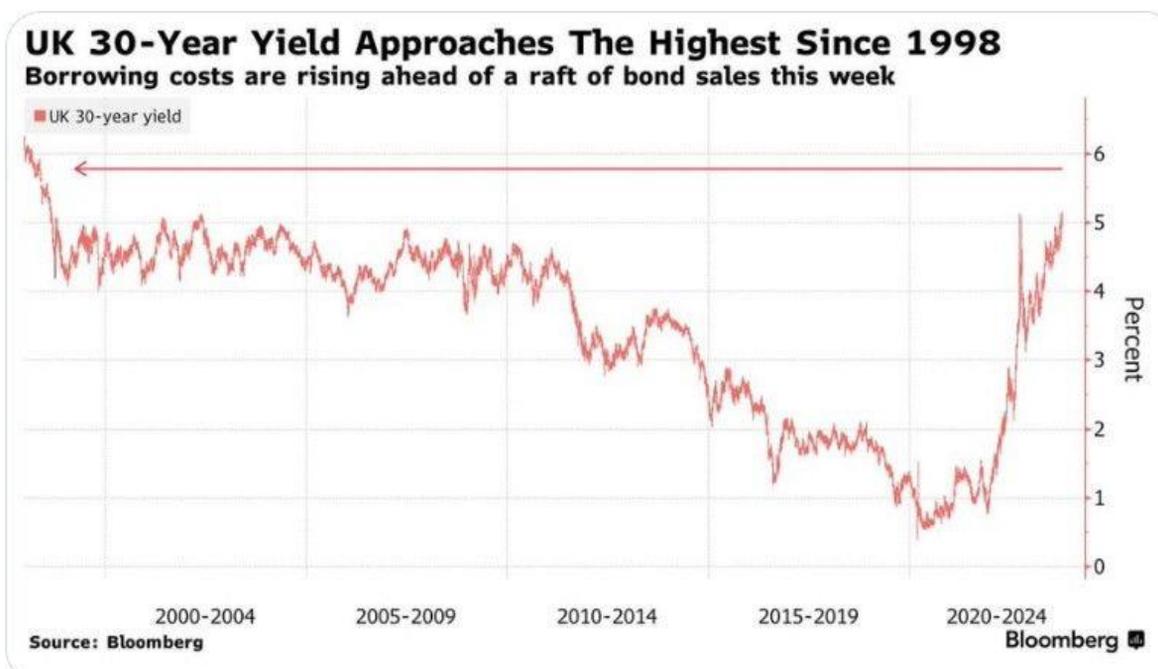


Source: HolgerZ, Bloomberg



#uk #gilts #30y #yields

UK 30-Year Yield approaching levels not seen since 1998



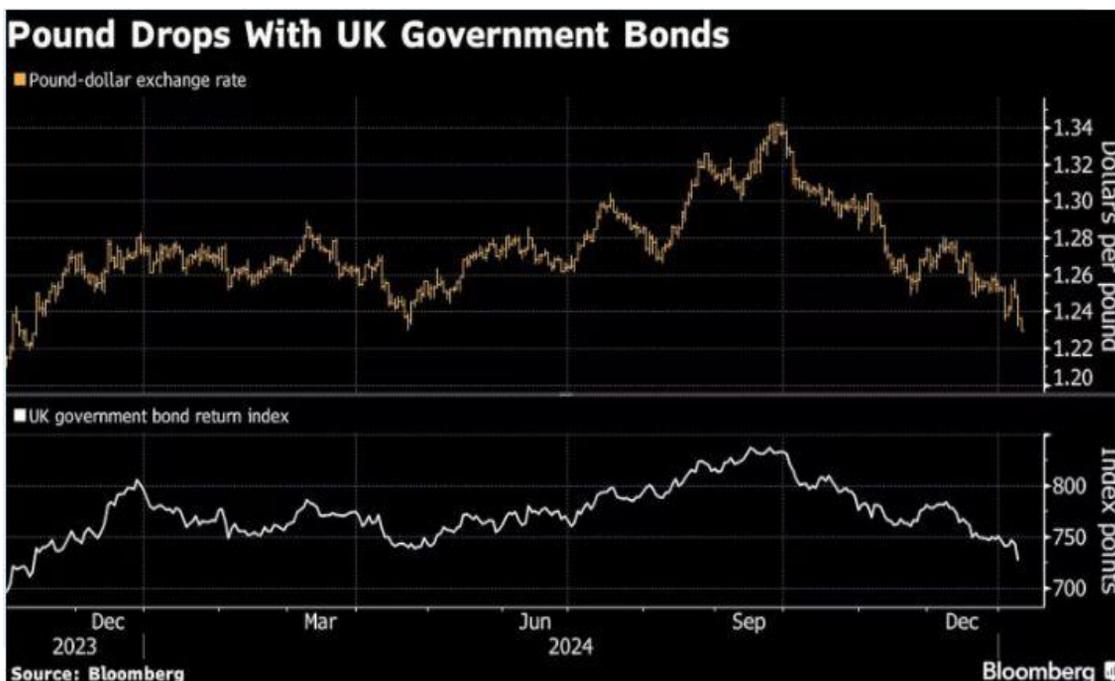
Source: bloomberg





#forex #gbp #gilts

The pound tumbled to its weakest level against the US dollar in over one year as investors' concerns over the UK fiscal and inflation outlook send the nation's assets into a tailspin. Sterling fell as much as 0.6% to \$1.2294, the lowest level since November 2023. Options traders see volatility in the currency remaining elevated in the coming days, with a gauge of long-term market sentiment toward the pound hitting the most bearish level in 14 months.



Source: bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

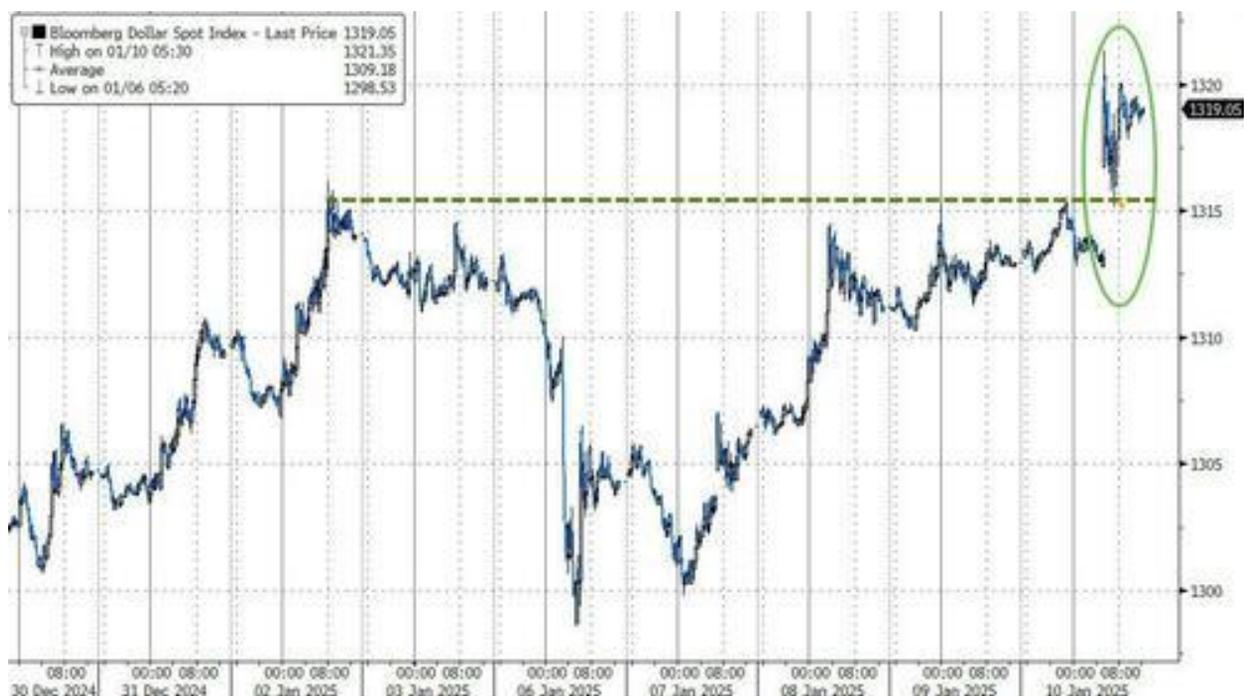
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#forex #dollar #weekly

The dollar continued its strong post-election gains (up for 4 straight days to Nov 2022 highs)...



Source: www.zerohedge.com, Bloomberg



#GLOBALMARKETS WEEKLY WRAP-UP

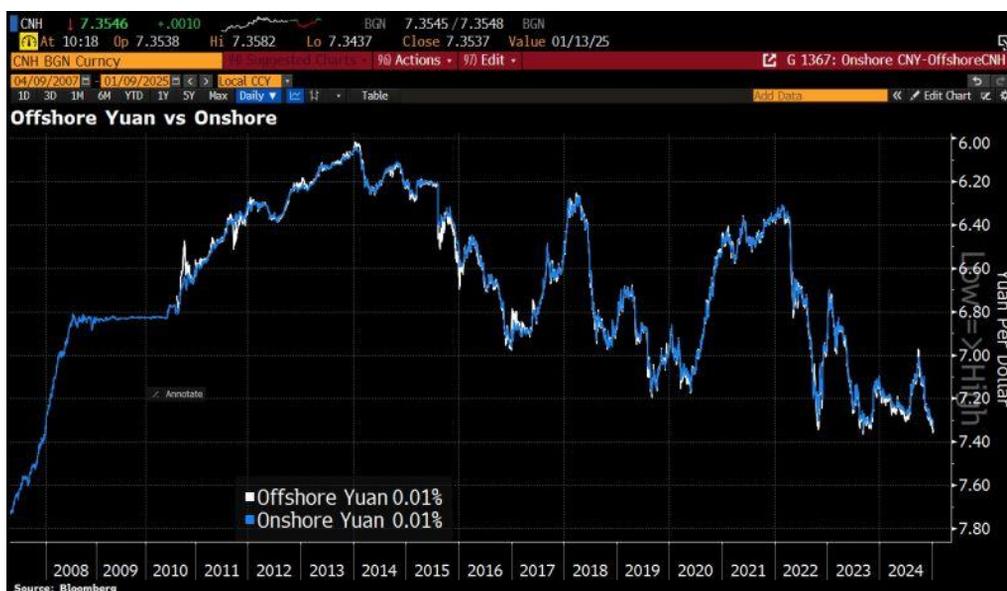
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#forex #china #yuan #usd

China Yuan has weakened to lowest level in 16 months vs dollar due to deflationary pressures. CPI rose by only 0.1% in December YoY. Factory deflation extended into a 27th month, PPI dropped 2.3% YoY



Source: HolgerZ, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

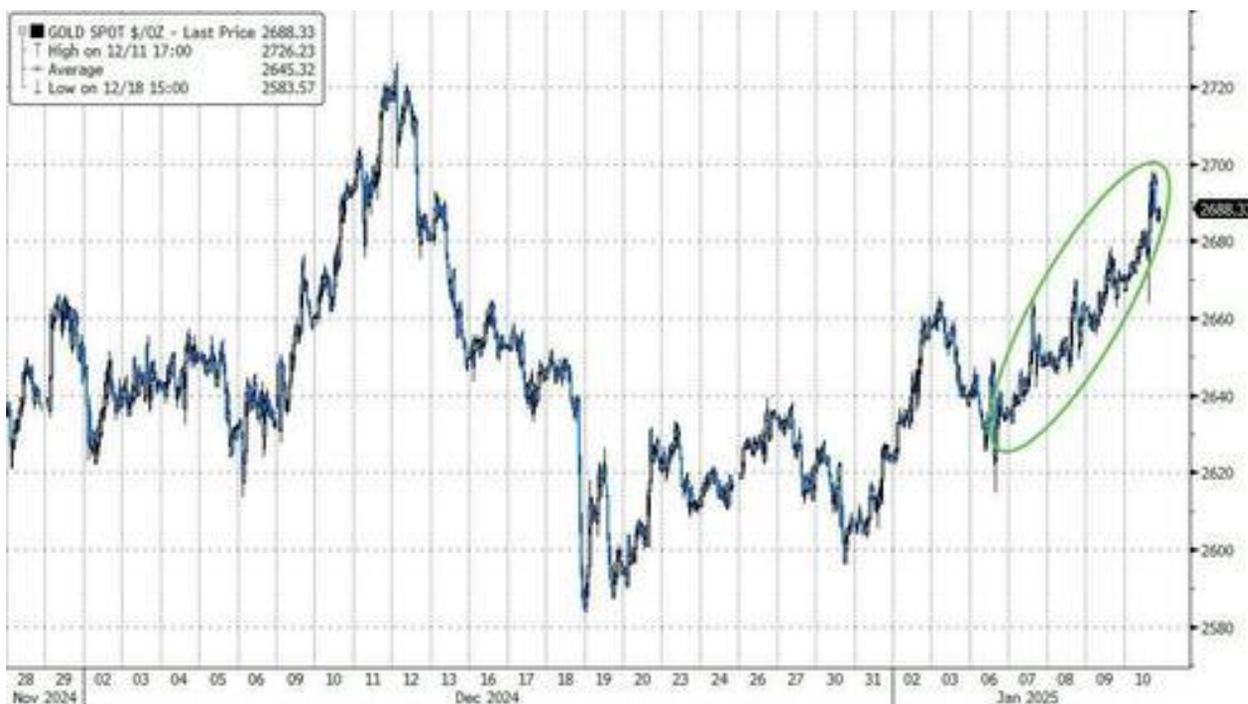
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JANUARY 11, 2025



#gold #weekly

Despite the dollar's strength, gold also surged this week - back up near \$2700, one-month highs...



Source: www.zerohedge.com, Bloomberg





#gold #etfs #flows

This is interesting: Total gold ETF holdings fell 3% year-over-year in 2024, marking the 4th consecutive yearly decline.

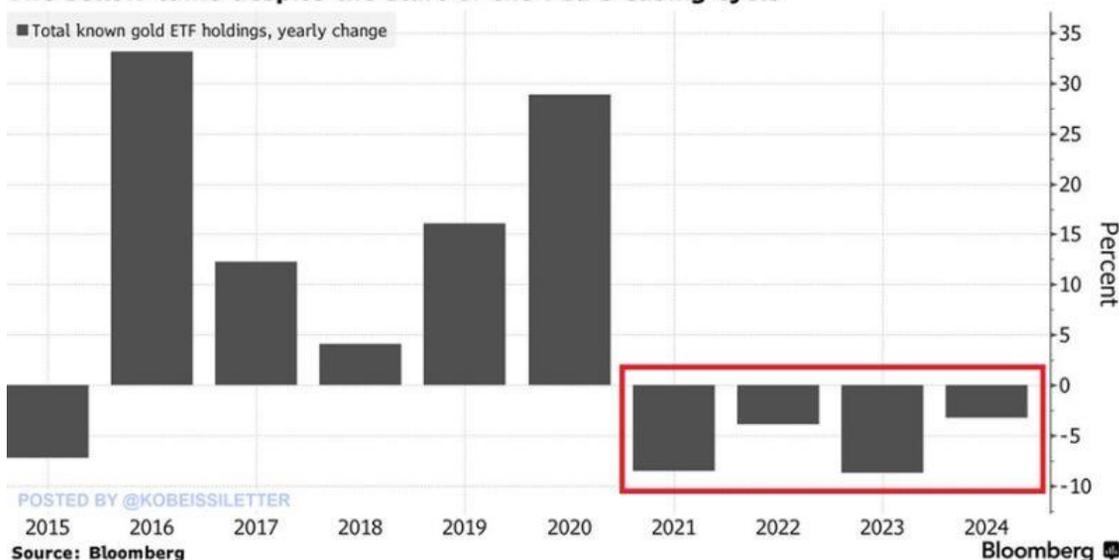
This is despite record physical gold demand which surpassed 1,300 tonnes in Q3 2024.

This comes as physical gold has been the preferred form of gold, especially in China and India.

Since 2022, central banks have purchased a record ~2,800 tons of gold.

As a result, gold prices rallied 27.2% in 2024, posting the 3rd best year in over 40 years.

Investors Sold Gold ETFs for a Fourth Straight Year in 2024 The selloff came despite the start of the Fed's easing cycle



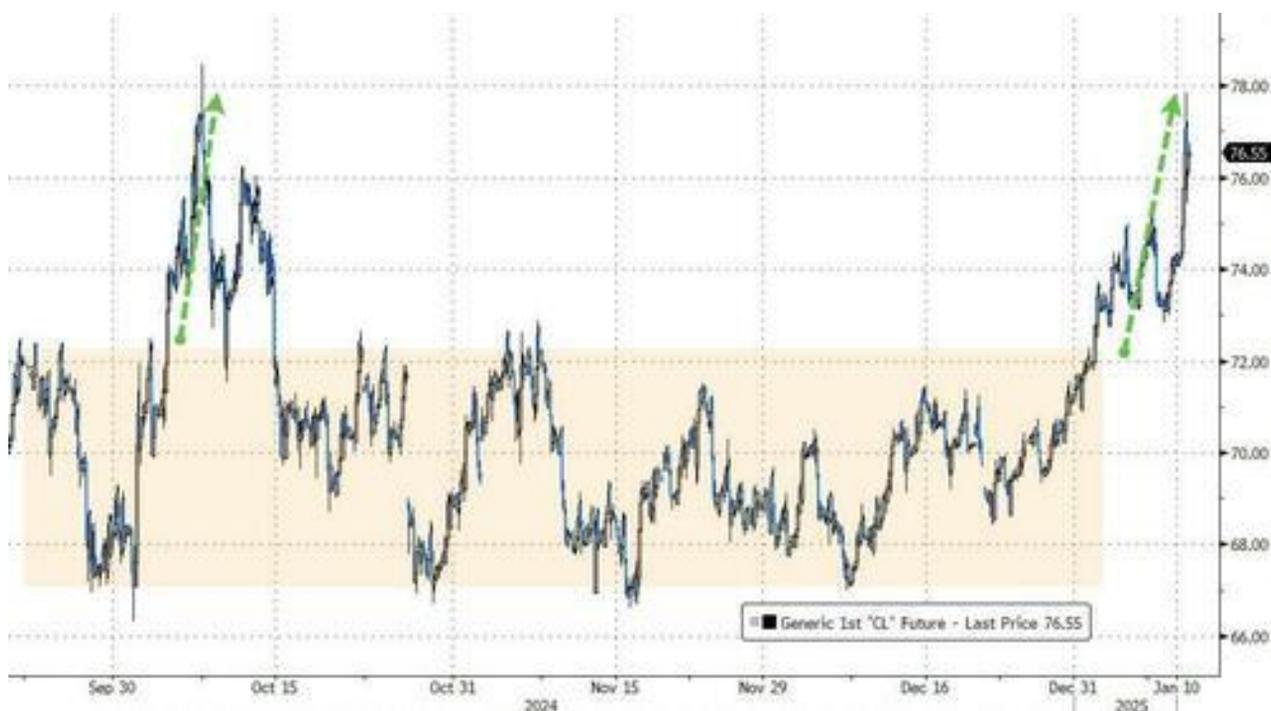
Source: Bloomberg, The Kobeissi Letter



#markets

#oil #weekly

Oil was the week's biggest winner, soaring today on the heels of additional Russian sanctions and colder temperatures. WTI broke above its 200DMA for the first time since October 2024 today, closing above it for the first time since Aug 2024..

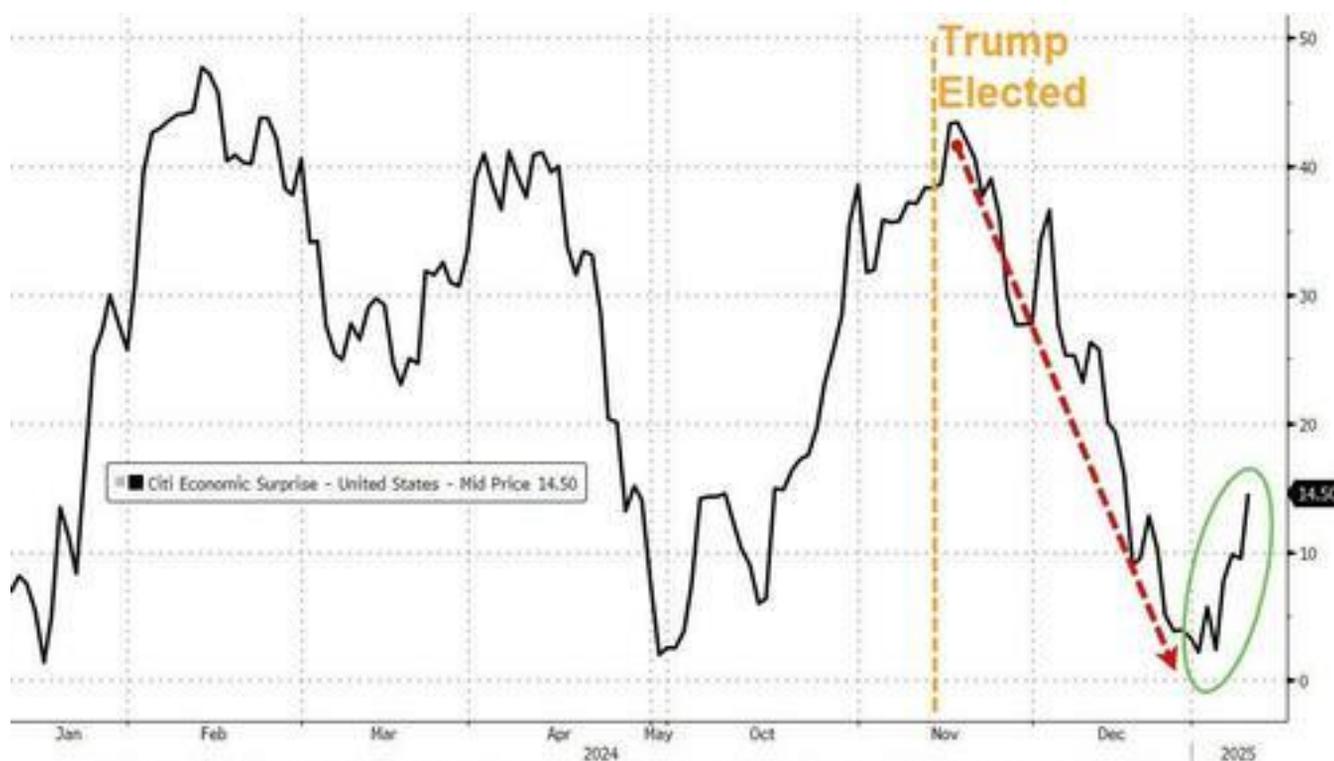


Source: www.zerohedge.com, Bloomberg

#macro

#us #macro #surprises

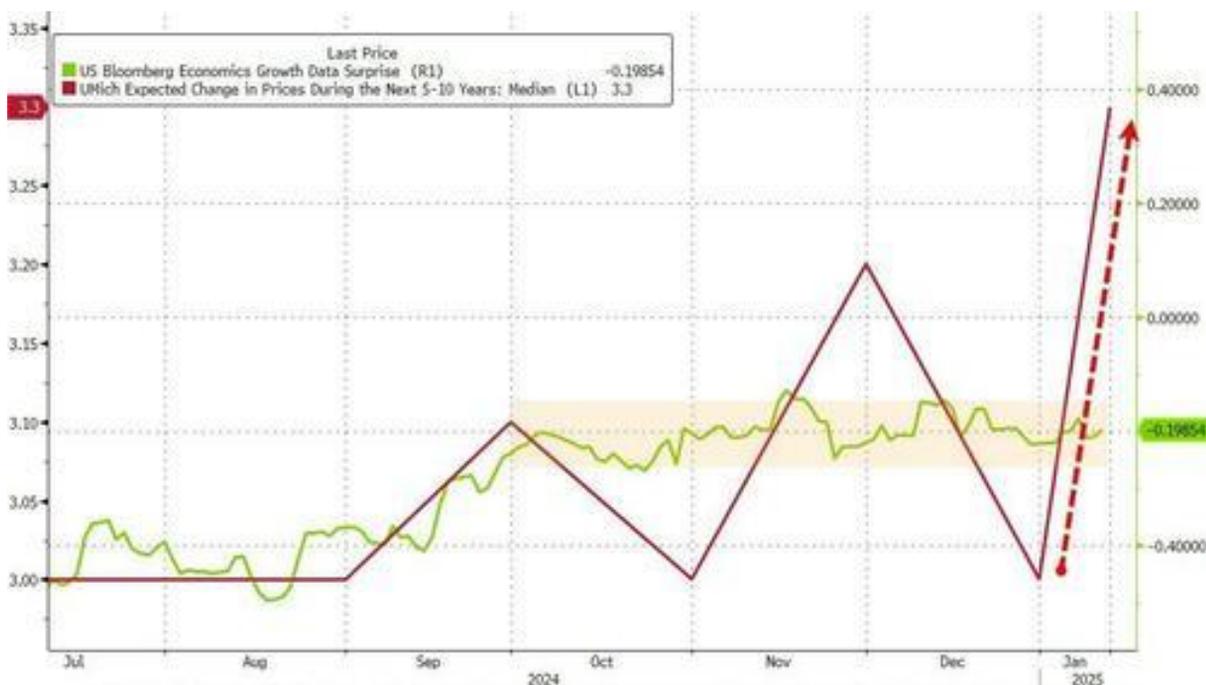
Overall, macro data surprised to the upside this week...



#macro

#us #macro #surprises

Positive surprises are driven by inflation surprising on the upside while growth data continue to disappoint. This sounds like “stagflation” and markets don’t like this.





#us #inflation #expectations #2025

Thursday: Prediction markets now see inflation rising as high as 4.1% in 2025.

Heading into 2025, expectations showed the inflation rate peaking at 3.6% in 2025.

Prediction markets are saying inflation is back.

Kalshi @Kalshi

Prediction traders are forecasting inflation to get to a high of 4.1% this year

That's up from 3.6% yesterday

It appears inflation is still not under control...

How high will the inflation level get in 2025?

4.1 forecast ↑2

Date	Inflation Forecast (%)
Nov 18	2.5
Dec 13	3.6
Jan 8	4.1



#us #payrolls

Another blowout US jobs report: Non-Farm-Payrolls rose 256k in December vs +165k expected. Private sector payrolls +223 k vs +140k expected,

Household survey saw a +478k job addition, so the unemployment rate dropped to 4.1% vs unchanged 4.2% expected.

But wages a bit below expectations: Average Hourly Earnings rose 3.9% YoY vs. 4% expected.

Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	01/10 14:30				Change in Nonfarm Payrolls	Dec	165k	256k	227k	212k
22)	01/10 14:30				Two-Month Payroll Net Revision	Dec	--	-8k	56k	--
23)	01/10 14:30				Change in Private Payrolls	Dec	140k	223k	194k	182k
24)	01/10 14:30				Change in Manufact. Payrolls	Dec	5k	-13k	22k	25k
25)	01/10 14:30				Average Hourly Earnings MoM	Dec	0.3%	0.3%	0.4%	--
26)	01/10 14:30				Average Hourly Earnings YoY	Dec	4.0%	3.9%	4.0%	--
27)	01/10 14:30				Average Weekly Hours All Employees	Dec	34.3	34.3	34.3	--
28)	01/10 14:30				Annual Revisions: Household Survey Data					
29)	01/10 14:30				Unemployment Rate	Dec	4.2%	4.1%	4.2%	--
30)	01/10 14:30				Labor Force Participation Rate	Dec	62.5%	62.5%	62.5%	--
31)	01/10 14:30				Underemployment Rate	Dec	--	7.5%	7.8%	7.7%



Source: Bloomberg



#us #households #optimism

☀️ Optimism on the Rise ☀️

The latest data reveals that U.S. households have grown increasingly optimistic about the economic outlook in recent months.

US households are very optimistic about the US economy

APOLLO



Source: Technometrica Market Intelligence/RealClearMarkets, Apollo Chief Economist

Source : apollo



#macro

#us #spending #holiday-season

US Online Shopping Hit Record \$282B During This Holiday Season, Salesforce Says

👉 Online spending this November and December hit a record \$282 billion in the U.S., up 4% from last holiday season, Salesforce said.

👉 Sales grew as more consumers found items on TikTok, Instagram and with aid from AI agents, the software firm said.

👉 Still, products are being sent back at high rates, and Salesforce estimates that about 11% of global holiday spending will wind up returned.

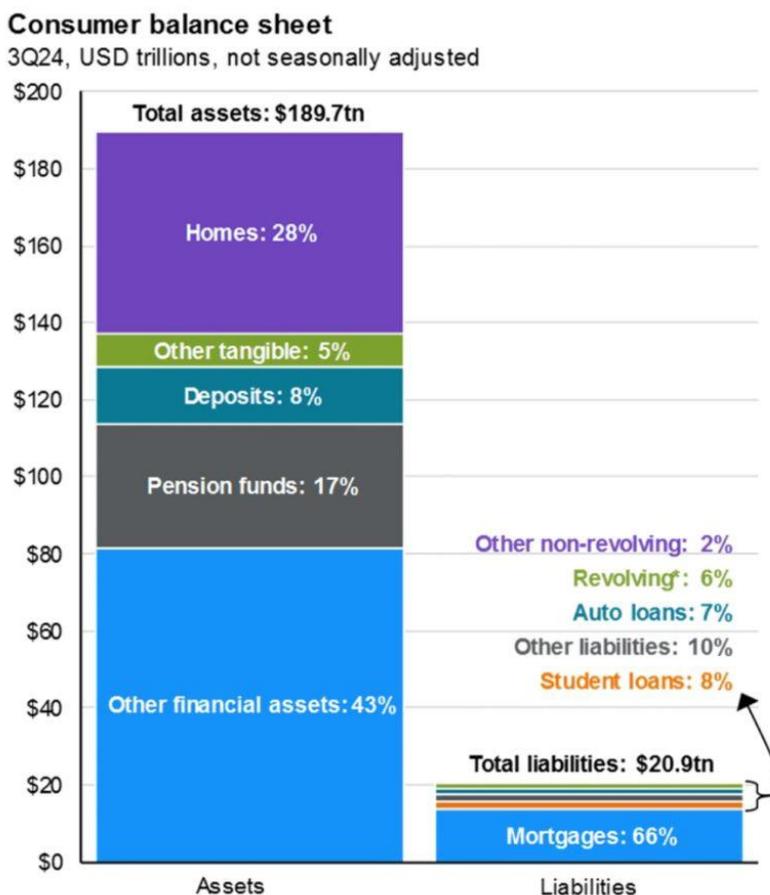


Source: investopedia, salesforce



#us #consumer

According to this chart by JP Morgan, the US consumer seems to be in great shape thanks mainly to the "everything bull market". However, it is very likely that this balance sheet skews heavily to top decile of households and gets progressively worse...

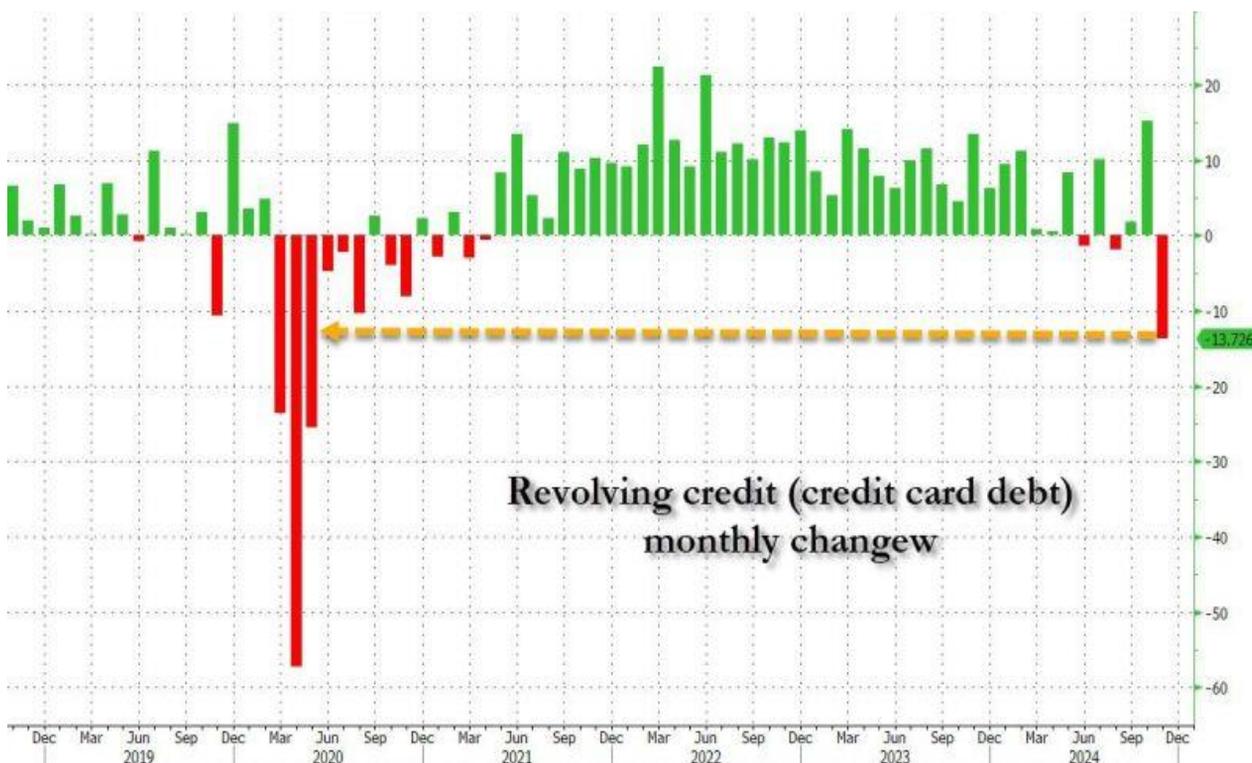


Source: RBC, JP Morgan



#us #consumer #debt

"Klarnageddon": Consumer credit card debt just plunged the most since covid; these prints are usually negative just ahead or inside of deep recessions. According to the Fed's latest consumer credit data, in November consumer credit across US households tumbled by \$7.5 billion to \$5.102 trillion, a 1.8% annual rate of contraction and usually something one only sees in the middle of recessions (or worse).



Source: Bloomberg, www.zerohedge.com

#macro

#us #federal-finances

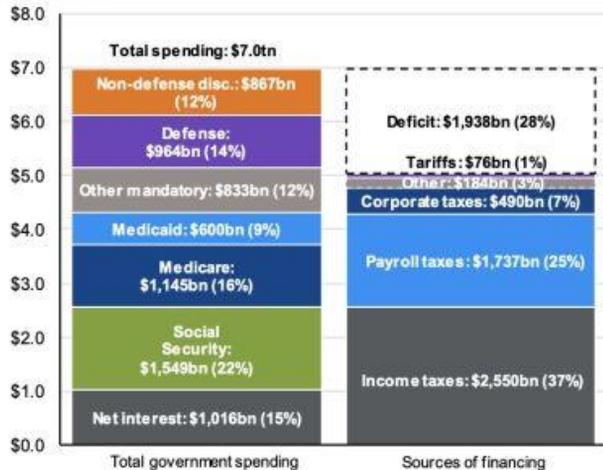
US Federal finances illustrated in one chart

Federal finances

GTM U.S. 22

The 2025 federal budget

USD trillions

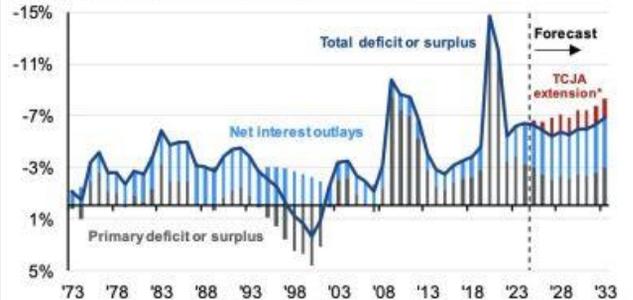


CBO's Baseline economic assumptions

	2024	'25-'26	'27-'28	'29-'34
Real GDP growth	2.9%	2.0%	1.7%	1.8%
10-year Treasury	4.5%	4.0%	3.6%	4.0%
Headline inflation (CPI)	3.2%	2.4%	2.2%	2.2%
Unemployment	3.8%	4.0%	4.3%	4.5%

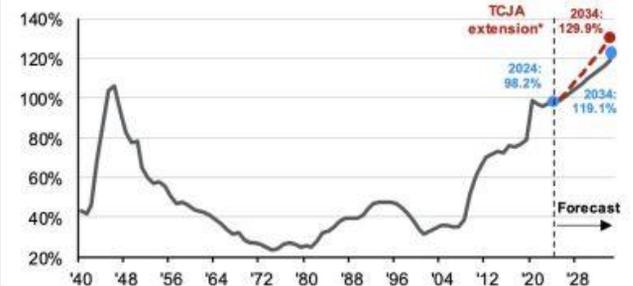
Federal deficit and net interest outlays

% of GDP, 1973-2034, CBO Baseline Forecast



Federal net debt (accumulated deficits)

% of GDP, 1940-2034, CBO Baseline Forecast, end of fiscal year



Source: CBO, J.P. Morgan Asset Management; (Left) Numbers may not sum to 100% due to rounding; (Top and bottom right) BEA, Treasury Department. Estimates are from the Congressional Budget Office (CBO) June 2024 An Update to the Budget Outlook: 2024 to 2034. "Other" spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Years shown are fiscal years. All CBO estimates are adjusted by JPMAM to reflect GDP revisions resulting from the 2024 annual update of the National Economic Accounts. *Adjusted by JPMAM to include estimates from the CBO May 2024 report "Budgetary Outcomes Under Alternative Assumptions About Spending and Revenues" on the extension of TCJA provisions. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated. Guide to the Markets - U.S. Data are as of December 31, 2024.

J.P.Morgan
ASSET MANAGEMENT

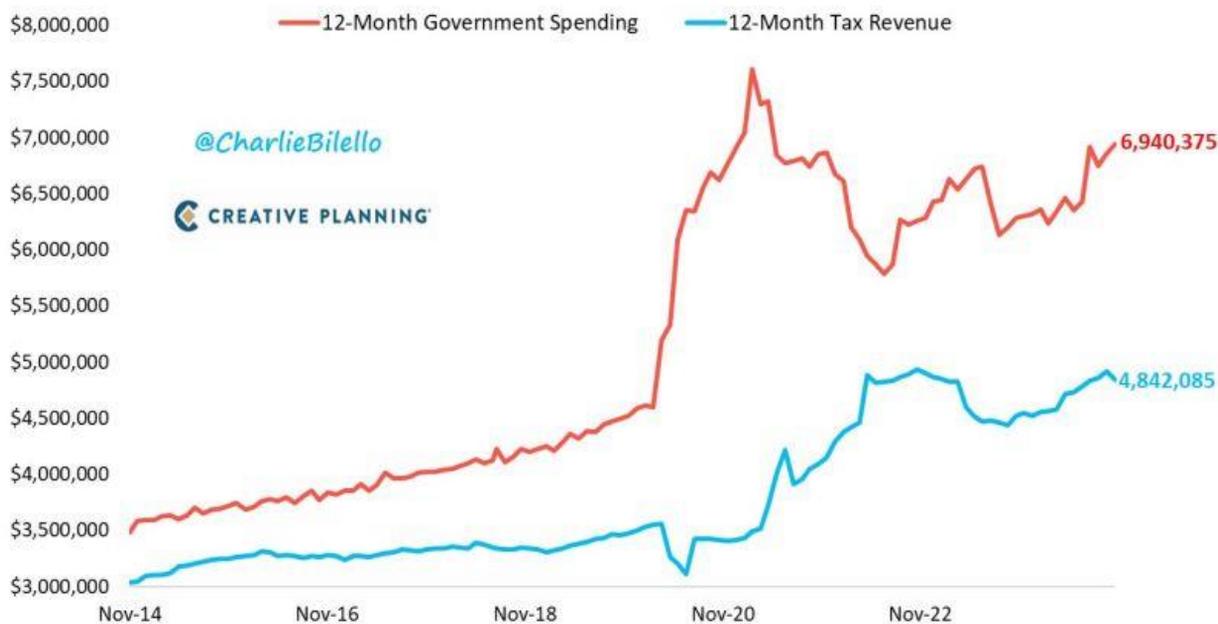


#us #government #deficit

Over the last 10 years, US Federal Government Tax Revenue has increased 60% while Government Spending has increased 99%.

Does the US need higher taxes or less spending to balance the \$2.1 trillion budget deficit?

US Federal Government Spending vs. Tax Revenue (November 2014 - November 2024)



Source: Charlie Bilello

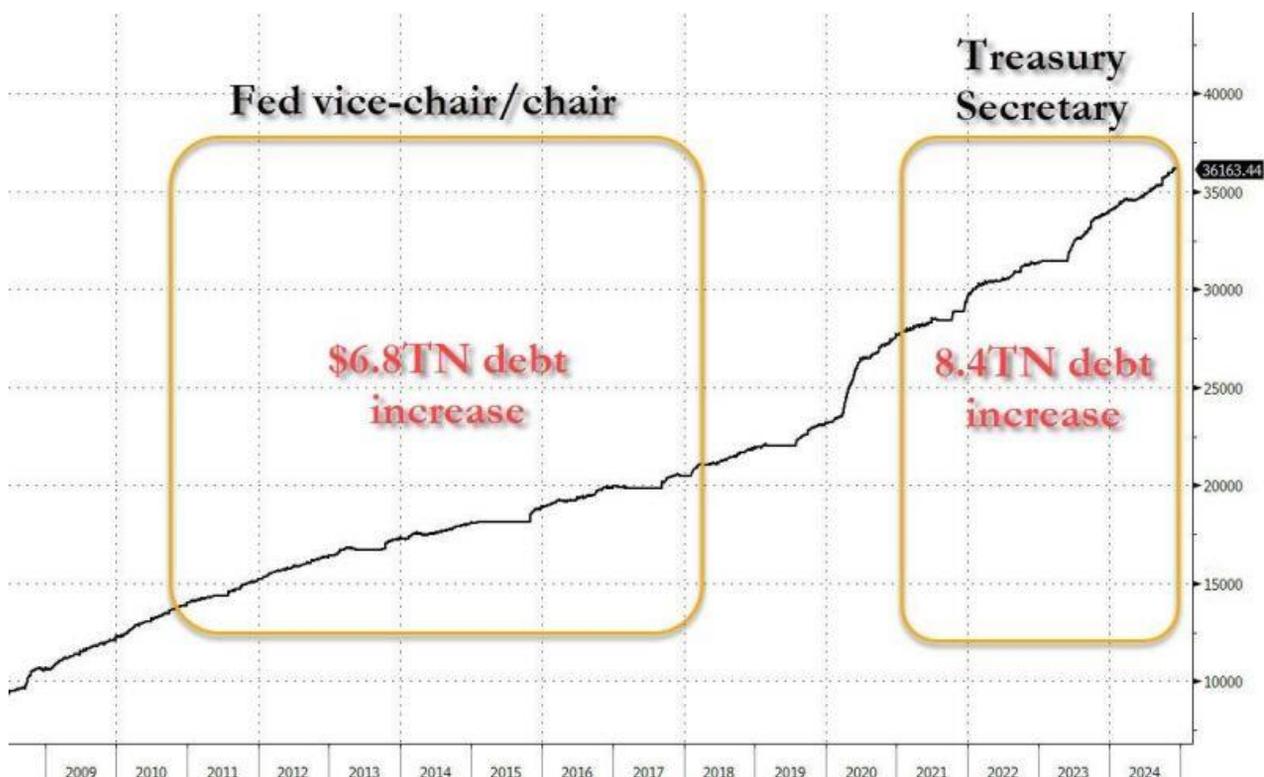


#us #fed #debt #fiscal-policy

YELLEN: "FISCAL POLICY NEEDS TO BE PUT ON A SUSTAINABLE COURSE".

As a reminder, Mrs Yellen was Fed vice chair and chair from 2010 to 2018 and has been treasury secretary since 2021.

On an aggregate basis, she has been directly overseeing and presiding over a \$15 TRILLION increase in US debt...



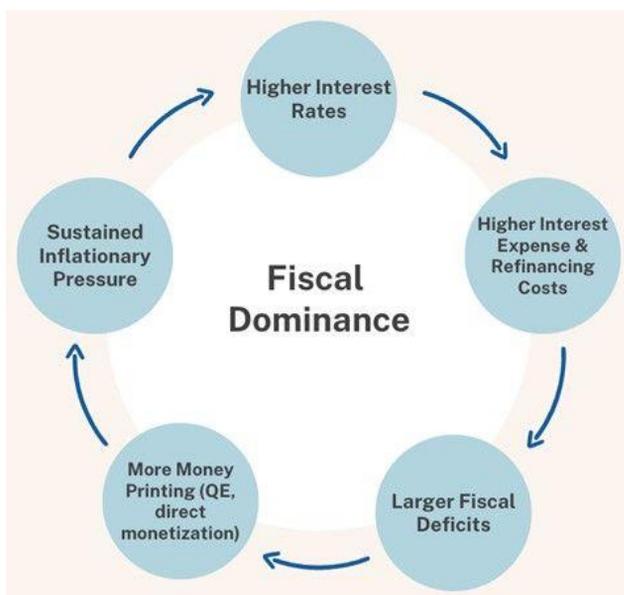
Source: www.zerohedge.com



#fiscal-dominance #deficit

There have been many definitions of fiscal dominance over the years, but one that explains it well comes from Daniel J. Ford: "Fiscal dominance is an economic condition that occurs when a country's debt and deficit levels are sufficiently high that monetary policy ceases to be an effective tool for controlling inflation. In fact, persistently high interest rates in an environment of perpetually large deficits actually risk exacerbating inflation".

Another definition: "Fiscal dominance occurs when fiscal deficits become as significant as, or more important than, private sector lending and monetary policy in driving economic activity".

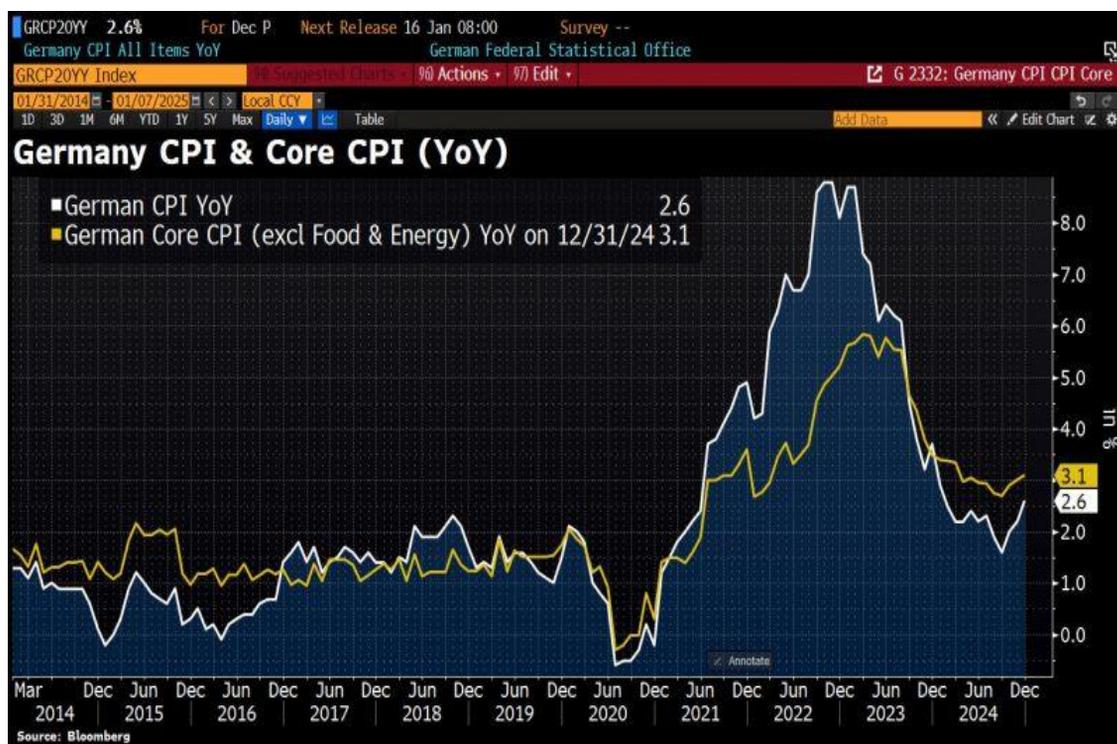


Source: Lyn Alden



#europe #germany #inflation

In Germany, inflation has jumped noticeably, rising from 2.2% to 2.6% in December. The core inflation rate has climbed >3%. However, this sharp increase might partially be due to changes in the basket of goods used by Destatis to calculate inflation.



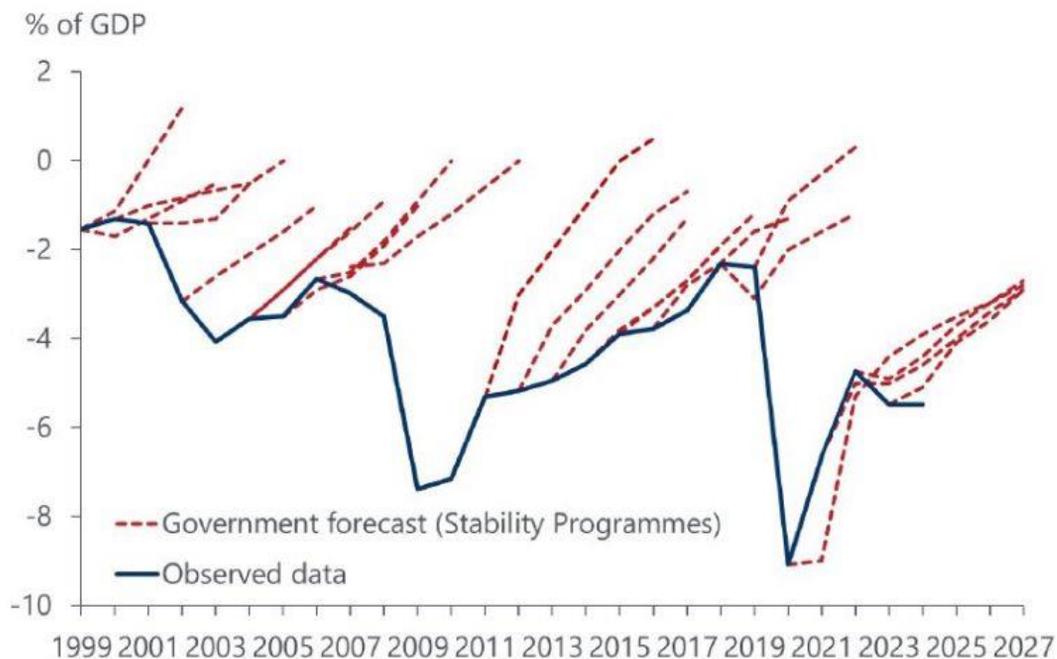
Source: HolgerZ, Bloomberg



#europe #france #deficit

France has always missed its deficit forecasts, always. It runs 6% fiscal deficit during good times. With the current political paralysis there will be no long overdue structural reforms, especially of pensions. It will miss current forecasts as well. Could the next Euro crisis start in France?

France: Government balance - Historical data and previous government forecasts



Source: Oxford Economics/European Commission/Haver Analytics

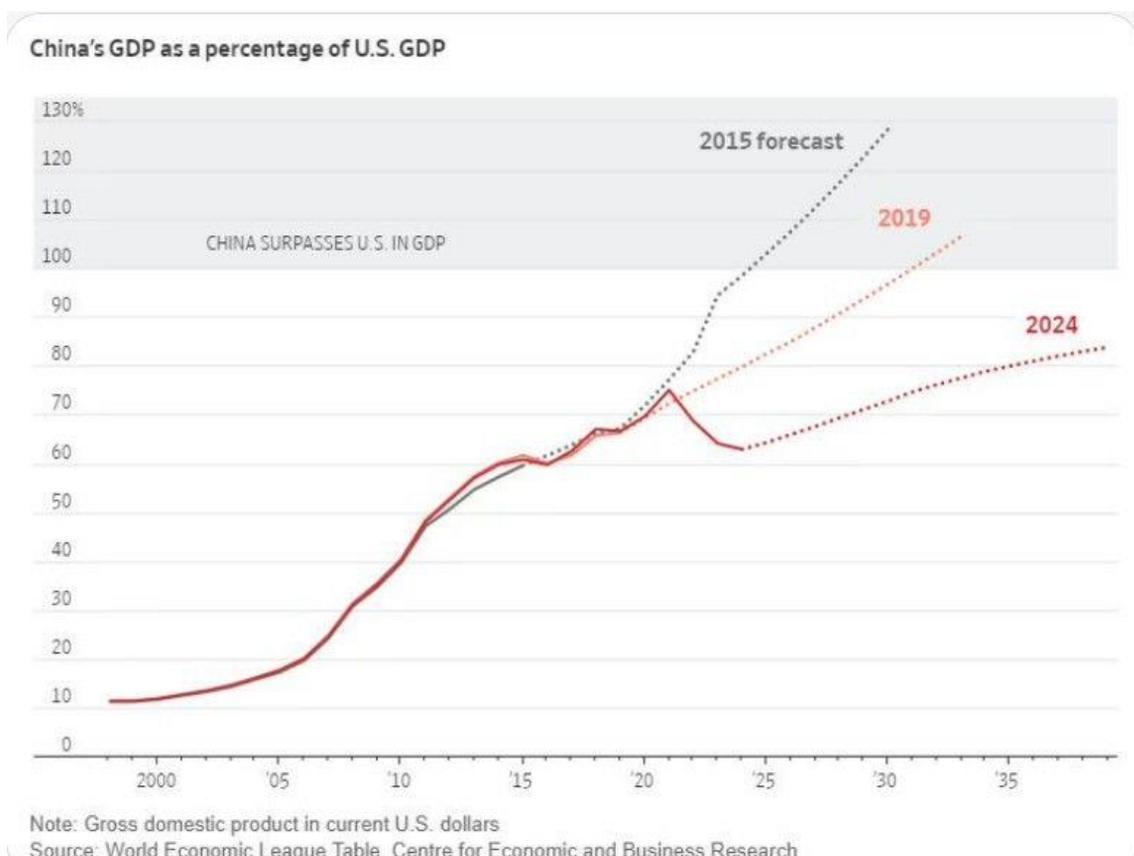


Source: Michel A.Arouet, Chart @OxfordEconomics

#macro

#china #us #prediction #gdp

China was expected to surpass the US in GDP this year based on forecasts in 2015...



#geopolitics

#canada #resignation #trudeau

Tuesday: Justin Trudeau's popularity has been at a historic low after voters and members of his own party turned against him following a turbulent period of speculation about his ability to govern the G7 country.



#geopolitics

#us #trump #data-center

President-elect Donald Trump on Tuesday announced a \$20 billion FOREIGN investment to build new data centers ACROSS THE UNITED STATES, according to CNBC.

Emirati billionaire Hussain Sajwani, a Trump associate and founder of the property development company DAMAC Properties, is pledging “at least” that amount, the president-elect said at his Florida home Mar-a-Lago. “They may go double, or even somewhat more than double, that amount of money,” Trump said of Sajwani’s company. The “first phase” of the plan will take place in Texas, Arizona, Oklahoma, Louisiana, Ohio, Illinois, Michigan and Indiana, Trump said.



Source: Stocktwits, CNBC

#geopolitics

#us #tech #ai #chips

👉 The US wants to curb the sale of AI chips used in data centers on both a country and company basis, with the goal of concentrating AI development in friendly nations and getting businesses around the world to align with American standards

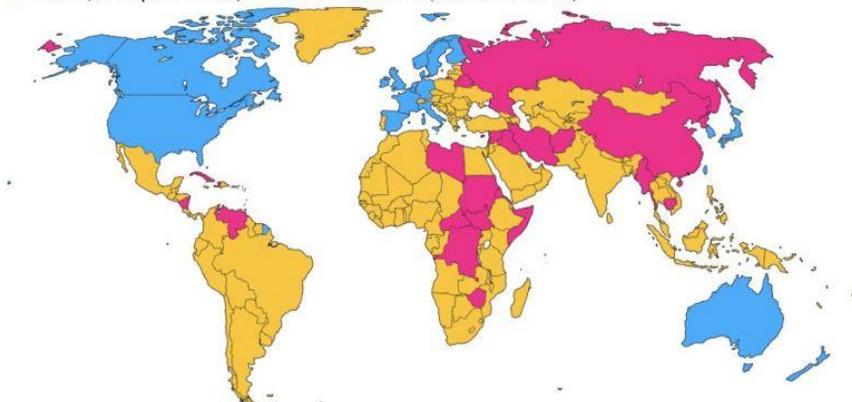
👉 The result would be an expansion of semiconductor caps to most of the world

👉 At the top level, a small number of US allies would maintain essentially unmitigated access to American chips. A group of adversaries, meanwhile, would be effectively blocked from importing the semiconductors. And the vast majority of the world would face limits on the total computing power that can go to one country.

US to Curb Global Chip Shipments

Most markets will face new restrictions on data center development

■ Tier 1 (Most permissive) ■ Tier 2 ■ Tier 3 (Most restrictive)



Source: Bloomberg reporting

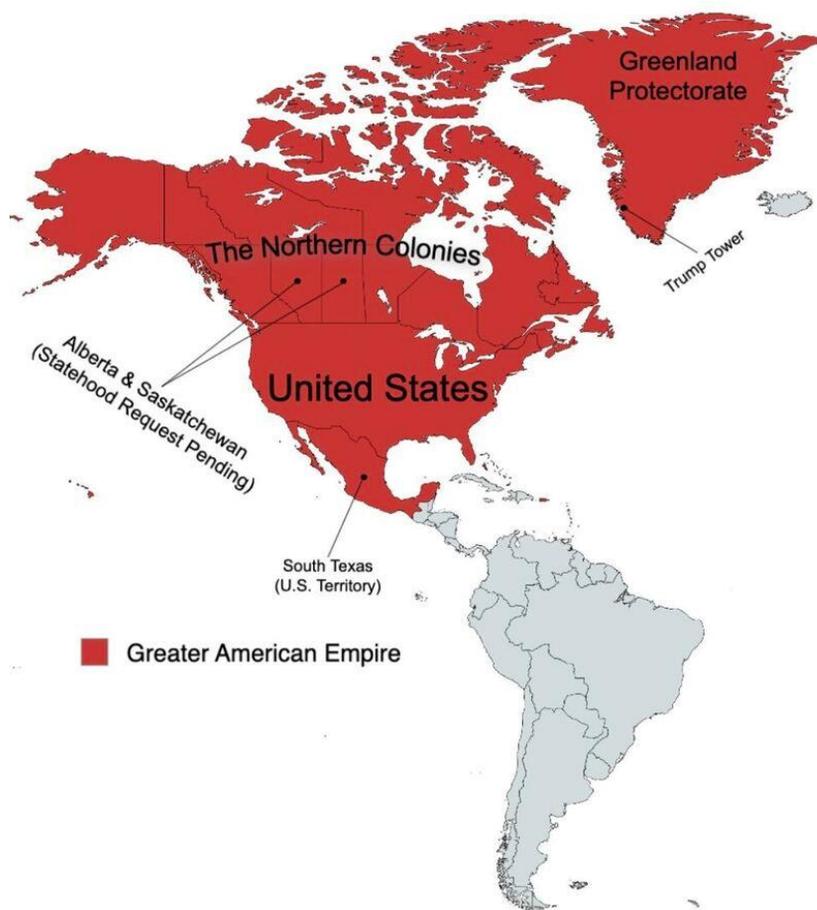
Note: Mapped data show level of restrictions on chip shipments for distinct markets

Source: Bloomberg thru Evan on X

#geopolitics

#north-america #us #trump #imperialism

American "Expansion" Plans?

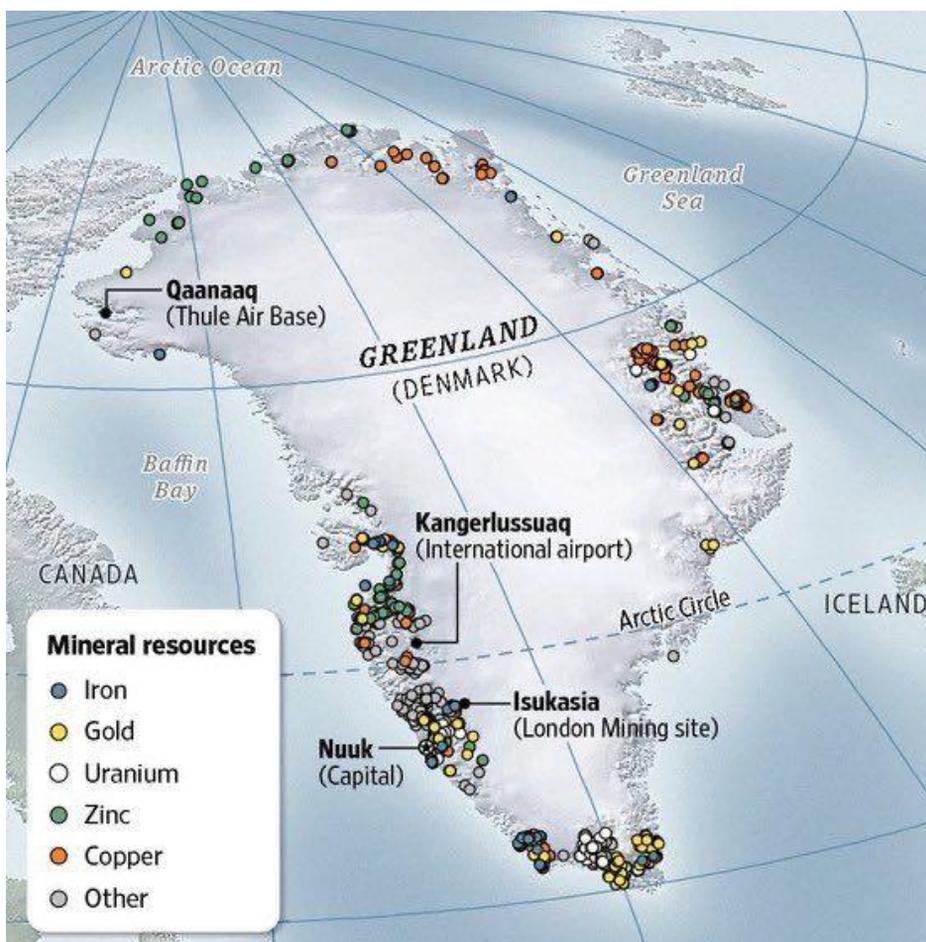


Source: Mario Nawfal

#geopolitics

#us #denmark #greenland

Tuesday; during a press conference, Donald Trump said: “We need Greenland for national security purposes” and would not commit to not using military force to acquire it or the Panama Canal. The most important category in the chart below is „Other“. It’s mainly rare earths. Trump probably seeks to solve some strategic problems for the US.



#geopolitics

#us #europe #france #greenland

Wednesday: The EU "won't tolerate" a takeover of Greenland by the US. France says Europe is a strong continent and won't be intimidated. It's warning Trump against threatening the bloc's "sovereign borders"

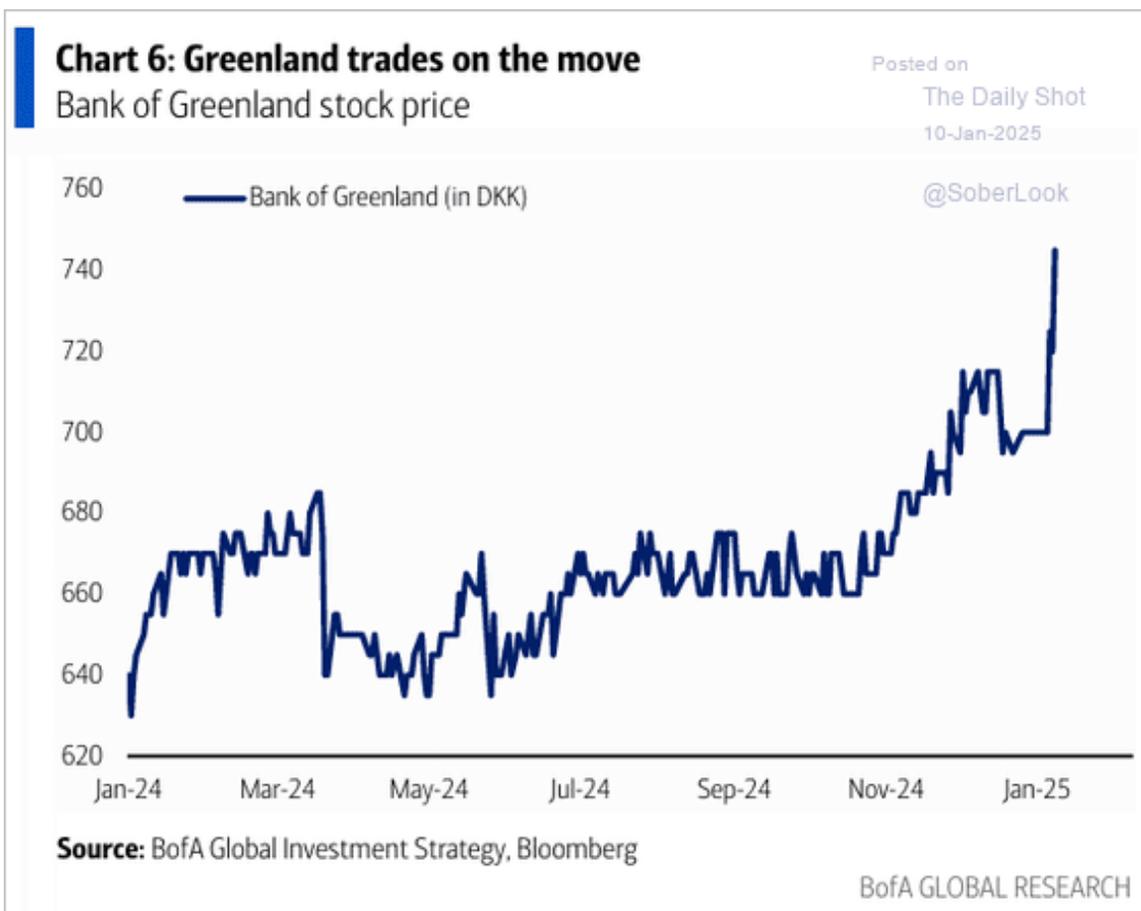


Source: AF Post

#geopolitics

#greenland

Bank of Greenland stock soared on speculation about US interest in the territory.



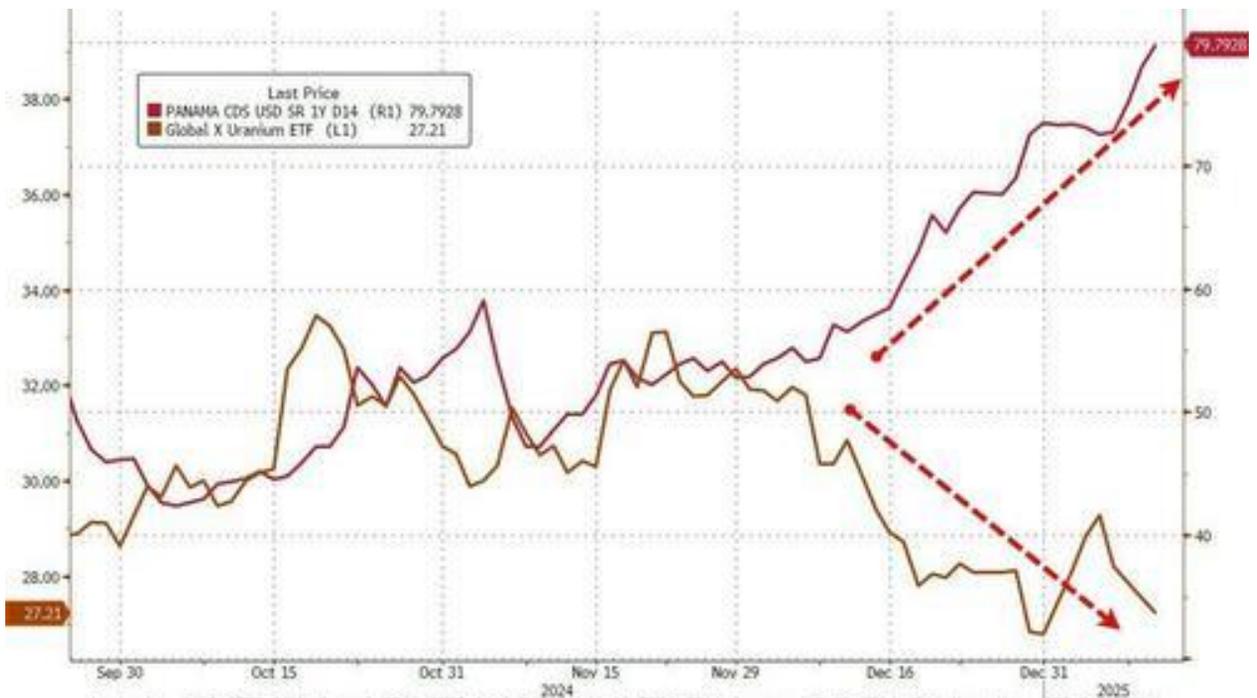
Source: BofA, The Daily Shot



#geopolitics

#panama #cds #uranium

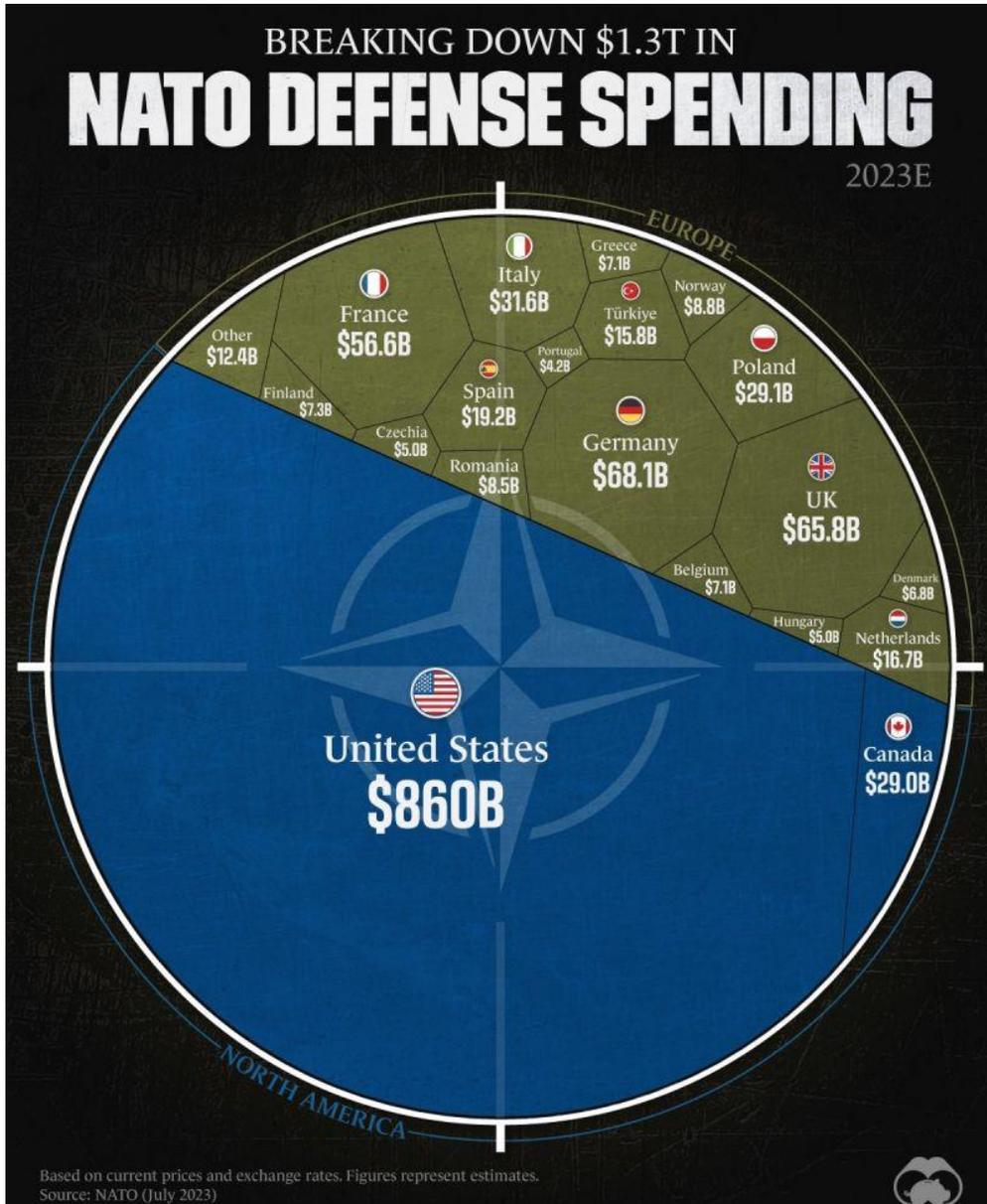
It seems that markets are taking Trump seriously. Panama CDS are surging higher and Global X Uranium ETF (URA) (which has been noted to include Greenland Minerals and Energy among its holdings) has been puking since Trump started to discuss his various expansionist possibilities...



Source: www.Bloomberg, www.zerohedge.com

#geopolitics

#nato #defense #spending



Based on current prices and exchange rates. Figures represent estimates.
Source: NATO (July 2023)

#geopolitics

#europe #russia #gas

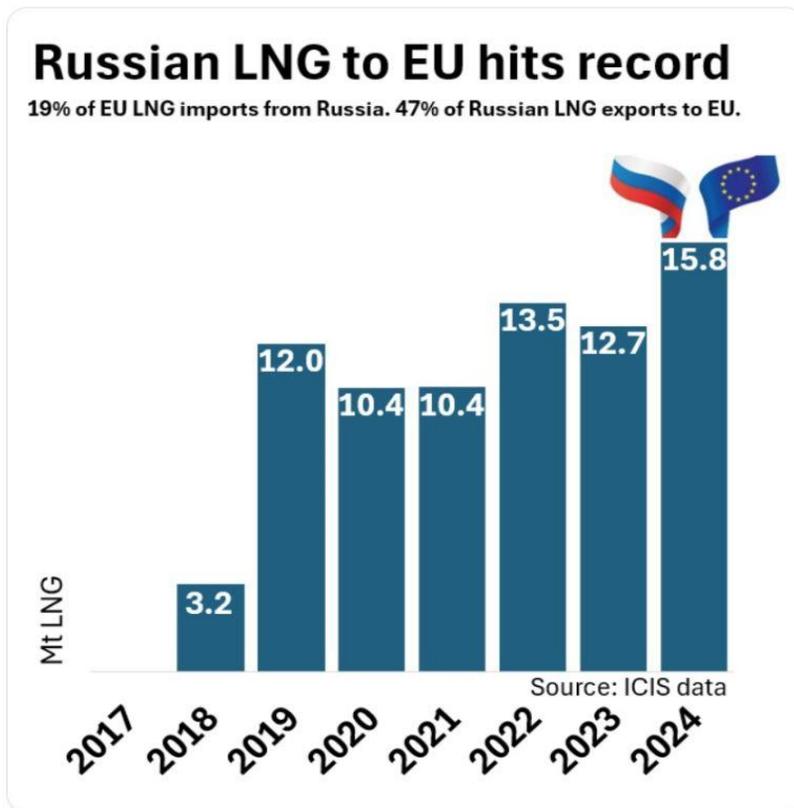
A shocking chart: The European Union imported last year more Russian LNG than ever. Do as I say, not as I do



Andreas Schroeder
@A_Schroeder1985

x1 ...

Russia-EU Hard time for #natgas pipes but open gates for #LNG. Transshipment sanctions start March 2025 but direct imports remain legal. As @POLAND25EU takes over, @EUCouncil / @EU_Commission other measures might follow. @ICISOfficial LNG Edge has the data.



Source: Javier Blas on X

#geopolitics

#china #ev #europe #germany

This could be "game over" for European, especially German carmakers. Too much dependence on not reliable supplier is not a sustainable supply chain strategy.

China to choke West's supply of electric car battery parts

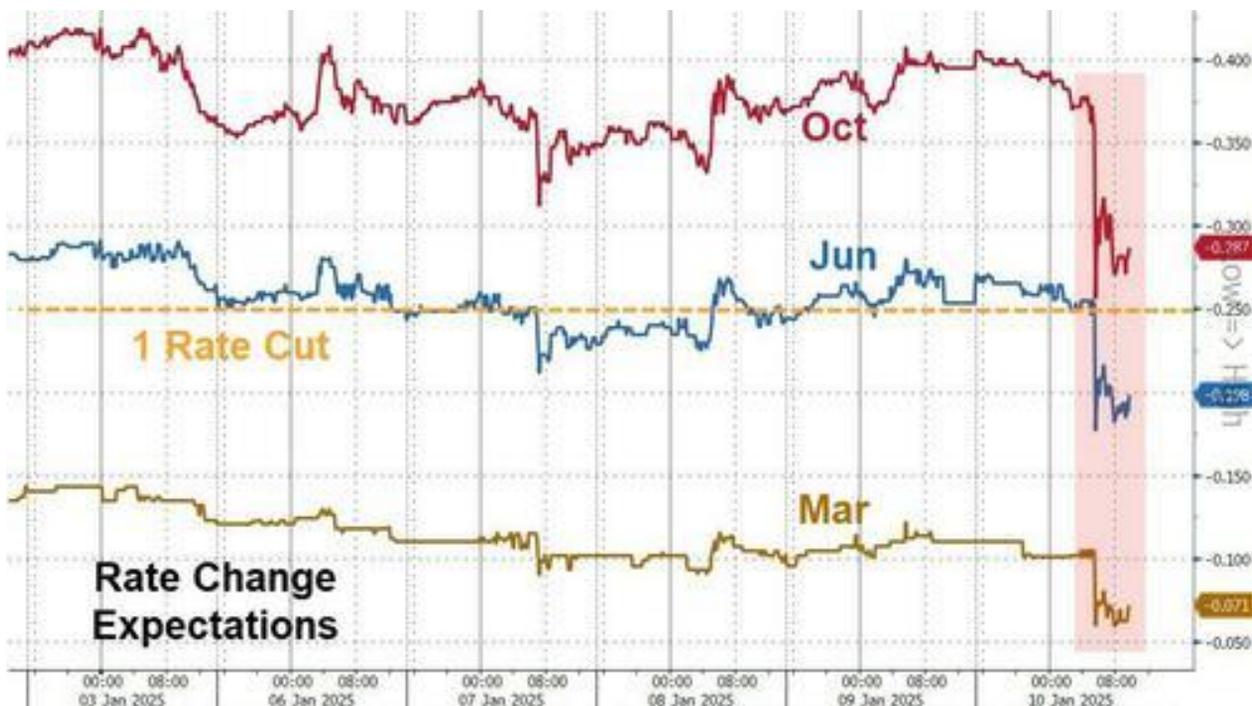
Beijing considers export restrictions as it prepares for the threat of a US trade war

Source: Michel A.Arouet

#centralbanks

#us #fed #rate #expectations

Rate-cut hopes have been revised lower (reinforced by Friday's big payrolls beat)...



Source: www.zerohedge.com, Bloomberg

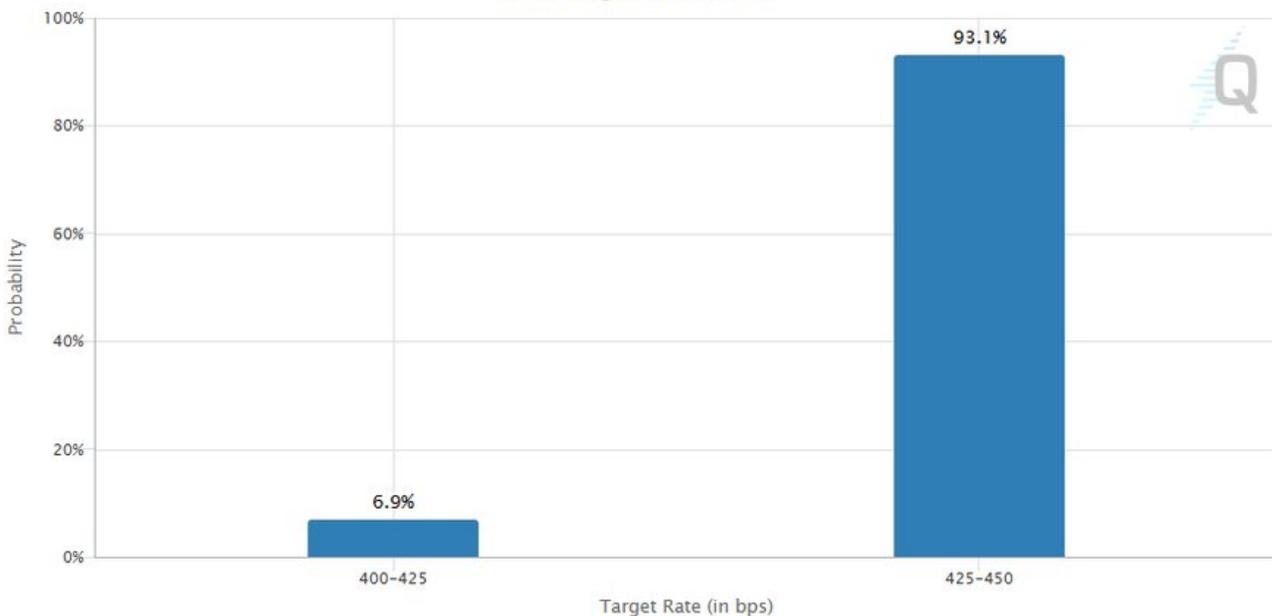
#centralbanks

#us #fed #rate #expectations

FedWatch is now showing a 93% chance the Federal Reserve leaves rates unchanged at the January FOMC meeting. \$SPY

TARGET RATE PROBABILITIES FOR 29 JAN 2025 FED MEETING

Current target rate is 425-450



Source: Trend Spider

#centralbanks

#fed #inflation

FOMC Minutes Show 'Almost All' Fed Members See Higher Inflation Risks, Cite Trump. 👉 RATE POLICY:

- A 25bps rate cut was broadly supported, with the majority favoring a cautious approach to further easing.
- Many participants suggested that a variety of factors underlined the need for a careful approach to monetary policy decisions over coming quarters

👉 RISK OUTLOOK:

- Inflation risks remain balanced, though higher-than-expected recent readings warrant close monitoring.
- Labor market risks were deemed manageable, with no rapid deterioration expected.

👉 ECONOMIC CONTEXT:

- Inflation progress has slowed but remains on a downward path; core PCE inflation was noted at 2.8% in October.
- Labor market conditions have eased slightly, but unemployment remains low at 4.2%.
- Participants expect solid GDP growth to continue, though some noted financial strains for lower-income households.



Source: Wall St Engine @wallstengine

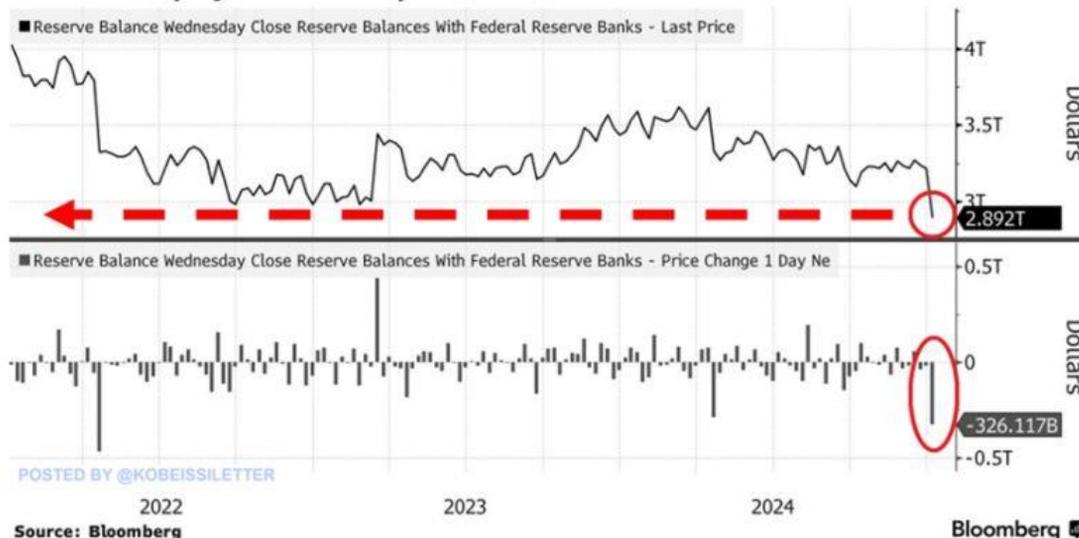
#centralbanks

#fed #reserves

Bank reserves dropped by \$326 billion in the week ending January 1st, to \$2.9 trillion, the lowest since October 2020. This marks the largest weekly decline since April 2022. Since the September 2021 peak, reserves have declined by a whopping \$1.3 trillion. According to the Fed, the level of ample reserves when the financial market can smoothly function is \$2.8-\$3.4 trillion. Some Wall Street strategists estimate the comfortable level is \$3.0-\$3.3 trillion. Meanwhile, the Fed is shrinking its balance sheet (QT) at an average pace of \$60 billion PER MONTH.

Is the end of QT coming soon?

Bank Reserves Fall Below \$3 Trillion
Reserves drop by most since April 2022



Source: The Kobeissi Letter, zerohedge



#centralbanks

#reserves #usd #gold

Dollar's Share Of Global Reserves Hits 30-Year-Low As Central Banks Pile Into Gold

US Dollar % Share of Global Reserve Currencies, Quarterly



Source: Wolfstreet.com



#centralbanks

#switzerland #inflation #snb #rates

Swiss inflation falls again

Swiss inflation slowed in December, supporting the case for more easing in interest rates. Consumer prices rose 0.6% from a year ago, Switzerland's statistics office said. That matches the median estimate in a Bloomberg survey of economists and is down from November's reading of 0.7%. The weakening inflation was driven by a range of factors including cheaper international package holidays, medicines and vegetables. The core gauge — which excludes fresh and seasonal products as well as energy — also slowed. Following the data, market expectations for a 25 basis point cut by the SNB in March, from the current 0.5% level, rose to 98.4% from 91% previously



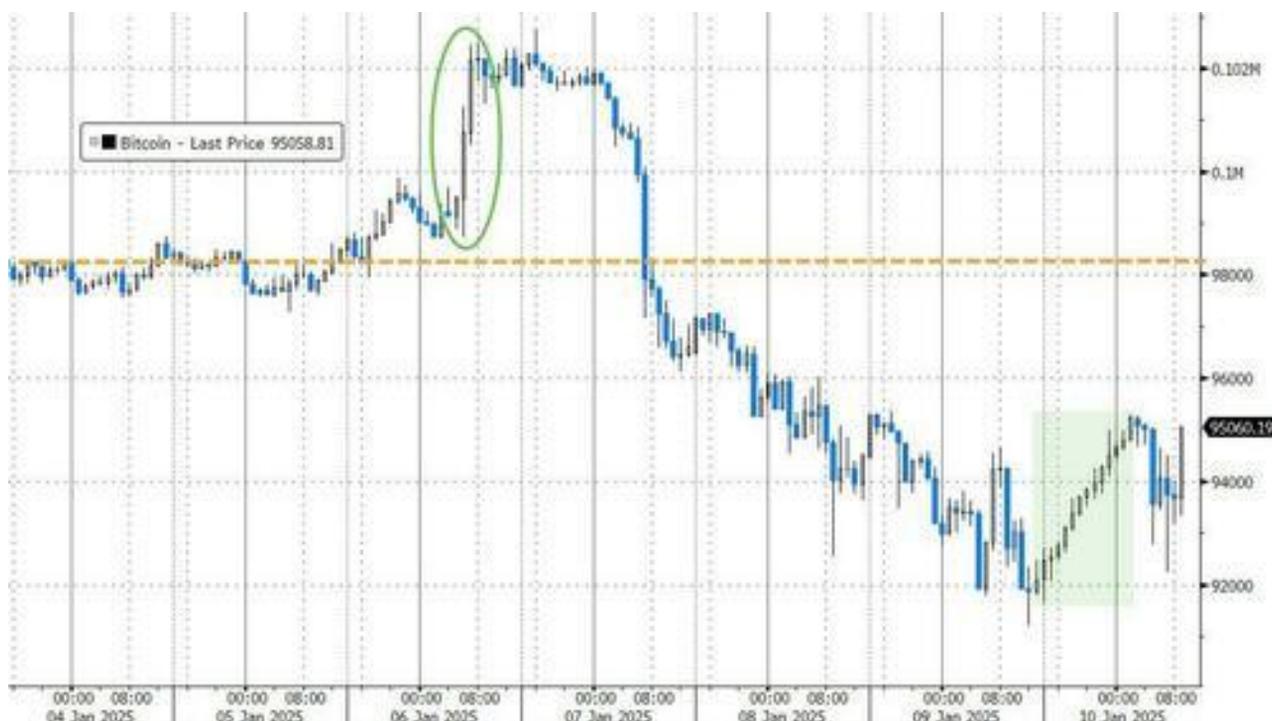
Swiss inflation falls again, pointing to more central bank rate cuts

Source: swissinfo



#bitcoin #weekly

Bitcoin rallied back overnight with a very unusual 14 green hourly bars in a row during the Asia session, but ended the week lower after testing above \$100k...



Source: www.zerohedge.com, Bloomberg

#cryptos

#us #bitcoin

The US Government has been given the greenlight to liquidate 69,000 bitcoin \$BTC (\$6.5B) from Silk Road, an official confirmed to DB News today

Interesting situation less than 2 weeks away from the new administration who vowed to not sell...

DOJ Cleared to Sell \$6.5 Billion in Bitcoin Seized From Silk Road

- A federal judge ruled December 30 that the DOJ can sell 69,370 Bitcoin seized from the Silk Road darknet marketplace, officials confirmed.
- A years-long ownership dispute over the seized Bitcoin ended after Battle Born Investments lost its bid to delay the sale. The group had claimed ownership through a bankruptcy estate and recently lost a related FOIA case seeking to reveal the identity of "Individual X" who originally surrendered the Bitcoin.
- Battle Born's attorney called it "another egregious example of the DOJ's abuse of the Civil Asset Forfeiture process," claiming the government "relied on procedural trickery to make sure the facts are never heard."
- The DOJ cited Bitcoin's price volatility in pushing for permission to sell the assets. When asked about next steps, a DOJ spokesperson said "The Government will proceed further consistent with the judgment in this case."
- The seized Bitcoin is currently valued at approximately \$6.5 billion.

09/01/2025 02:07:33 DB

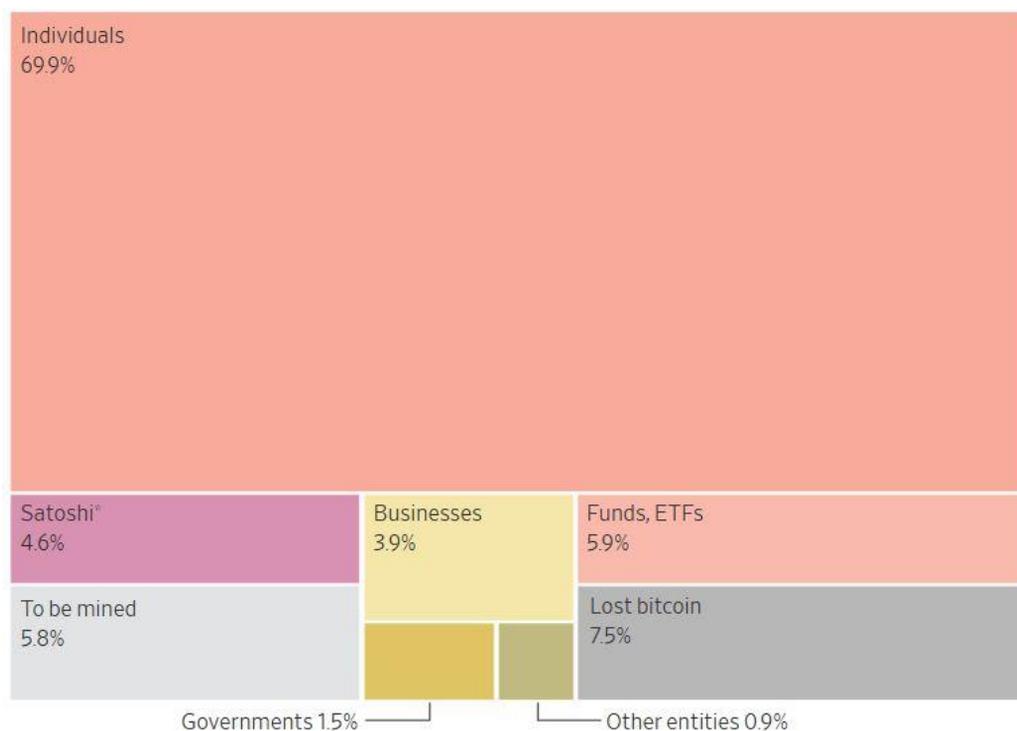
Source: @tier10kon X



#bitcoin #distribution

Who owns Bitcoin? Estimated distribution... \$BTC

Estimated distribution of bitcoin supply



*Satoshi Nakamoto, pseudonymous bitcoin creator
Source: River

Source: @tier10kon X

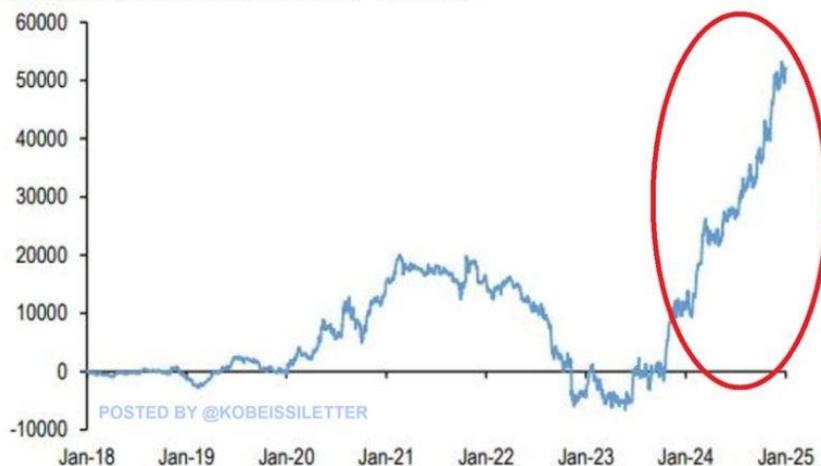


#trading #bitcoin

Bitcoin trading activity has never been greater: Open interest in Bitcoin futures contracts on CME is now at a record 51,000. The number of active positions held by market participants has risen 5 TIMES since the beginning of 2024. This coincided with the launch of spot Bitcoin ETFs which began trading on January 11th, 2024. Since then, Bitcoin funds have attracted a massive ~\$44 BILLION in cumulative inflows.

Chart A35: Our Bitcoin position proxy based on open interest in CME Bitcoin futures contracts

In number of contracts. Last obs. for 2nd Jan 2025.



Source: Bloomberg Finance L.P., J.P. Morgan

Source: The Kobeissi Letter, Bloomberg, JP Morgan

#cryptos

#bitcoin #microstrategy

From JPM's Global Markets Strategists research note that observed that 28% of 2024's record capital inflow into crypto markets was MicroStrategy's buying of BTC. 🤔

- A record capital inflow into crypto markets in 2024 suggest that bitcoin is also becoming a more important component of investors' portfolios. Helped by the Trump win, 2024 was a pivotal year for digital assets with a record \$78bn entering crypto markets on our estimates. This capital inflow comprises several key components: a \$27bn net inflow into crypto funds (this number is reduced by \$17bn to reflect a shift from digital wallets on centralized exchanges to more cost-effective and liquid spot bitcoin ETFs), \$14bn invested into CME futures, another \$14bn raised by crypto venture capital funds, \$22bn of bitcoin purchases by MicroStrategy and another \$1bn of bitcoin purchases by bitcoin miners. In other words, MicroStrategy's bitcoin purchases alone accounted for 28% of last year's record capital inflow into crypto markets.

Source: JP Morgan

#cryptos

#sec #bitcoin #fork

Wolf_FINANCIAL on X highlighted an interesting feature of the SEC filing prospectus for the iShares Bitcoin Trust in case of a bitcoin fork.

1) In the event of a hard fork, the version of Bitcoin Blackrock sides with is UP TO THE SPONSOR (i.e Blackrock)

2) The prospectus says that

Blackrock is a for-profit company. They have a fiduciary responsibility to make their clients money. Why would they ever choose to adopt the less valuable fork? That would result in less profit for their ETF. Maybe this is merely providing reasonable disclosure in case of a hard fork. Still, this is something \$IBIT investors should be aware of.

In the event of a hard fork of the Bitcoin network, the Sponsor will, if permitted by the terms of the Trust Agreement, use its discretion to determine which network should be considered the appropriate network for the Trust's purposes, and in doing so may adversely affect the value of the Shares.

In the event of a hard fork of the Bitcoin network, the Sponsor will, as permitted by the terms of the Trust Agreement, use its sole discretion to determine, in good faith, which peer-to-peer network, among a group of incompatible forks of the Bitcoin network, is generally accepted as the Bitcoin network and should therefore be considered the appropriate network for the Trust's purposes. The Sponsor will base its determination on whatever factors it deems relevant, including but not limited to, the Sponsor's beliefs regarding expectations of the core developers of bitcoin, users, services, businesses, miners and other constituencies, as well as the actual continued acceptance of, mining power on, and community engagement with, the Bitcoin network, or whatever other factors it deems relevant. **There is no guarantee that the Sponsor will choose the digital asset that is ultimately the most valuable fork,** and the Sponsor's decision may adversely affect the value of the Shares as a result. The Sponsor may also disagree with Shareholders, the Bitcoin Custodian, other service providers, the Index Administrator, cryptocurrency exchanges, or other market participants on what is generally accepted as bitcoin and should therefore be considered "bitcoin" for the Trust's purposes, which may also adversely affect the value of the Shares as a result.

Source: Wolf_FINANCIAL / X



#debasement-trade #bitcoin #gold

🚀 JPMorgan analysts said the "debasement trade" is far from a passing trend, with both gold and bitcoin gaining structural importance in investor portfolios.

🔔 "The gold price appreciation over the past year has gone well beyond the moves implied by dollar and real bond yield shifts and likely reflects the re-emergence of this 'debasement trade,'" JPMorgan analysts led by Nikolaos Panigirtzoglou wrote in a report on Friday.

👉 The debasement trade refers to a strategy where investors turn to assets like gold and bitcoin to hedge against the devaluation of fiat currencies, often driven by factors such as inflation, rising government debt and geopolitical instability.

🔴 Last October, the analysts expressed bullishness on crypto heading into 2025, citing factors such as the debasement trade and growing institutional adoption, among others

Disclaimer: These are not investment recommendations. Cryptoasset investments can be complex and high risk.



Source: The Block





#investing #strategies #bitcoin

If you started dollar cost averaging in 2017 with just \$25 a week, your \$10,450 invested would have returned:

- 🔨 Gold: \$16,770.50
- 🏠 Stocks: \$15,339.39
- 🔥 Bitcoin: \$123,386.57

Disclaimer: Past results do not guarantee future returns

Bitcoin Dollar Cost Average Strategies

CHART OF THE DAY

Enter your purchase amount, frequency, and time period.

Purchase Amount: \$ 25

Repeat Purchase: Weekly

Start Date: 8 Years Ago

Asset	Value (as of Sunday, Jan 05 2025 23:59 UTC)
Bitcoin (BTC)	\$123,387
Gold	\$16,771
DJI	\$15,339
USD Invested	\$10,450

Bitcoin Magazine PRO

Orange pill the world!

LIKE & SHARE THIS CHART

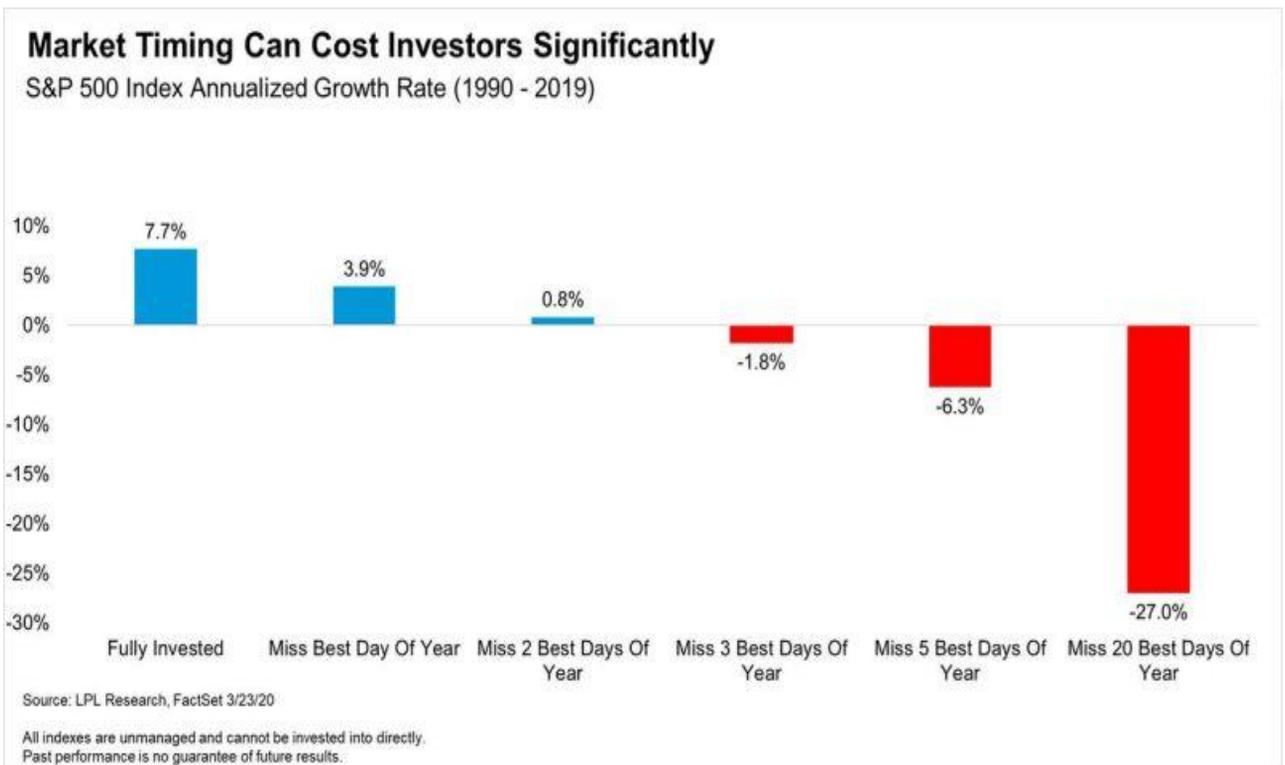
Source: Bitcoin Magazine



#food-for-thought

#market-timing #investing

Don't try to time the market:

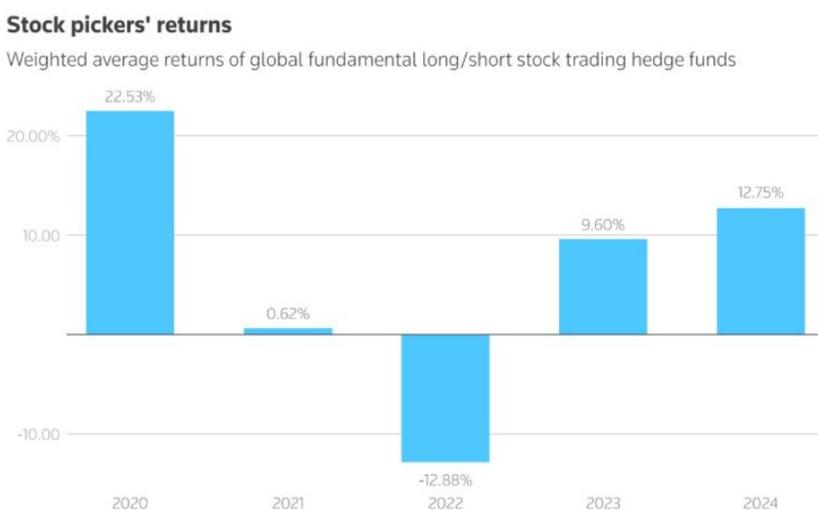


Source: LPL research through Brian Feroldi

#food-for-thought

#hedge-funds #stock-picking

Stock-picking hedge funds post highest average returns since 2020, says Goldman Sachs. Global hedge funds delivered their highest average returns since 2020, with weighted average performance reaching 12.75% in 2024, according to Goldman Sachs. While these returns trailed benchmarks like the S&P 500's 20% surge, hedge funds stood out for their creative shorting strategies and effective use of leverage, with gross leverage rising to 190%. Systematic equity funds led the way, achieving a 20% return—their best since 2022—by leveraging algorithms and market signals. In contrast, fundamental equity managers navigated volatile markets with both long and short positions.



Source: Goldman Sachs notes from 2024, 2022 | Chart by Nell Mackenzie
Weighted average returns of global fundamental long/short stock trading hedge funds

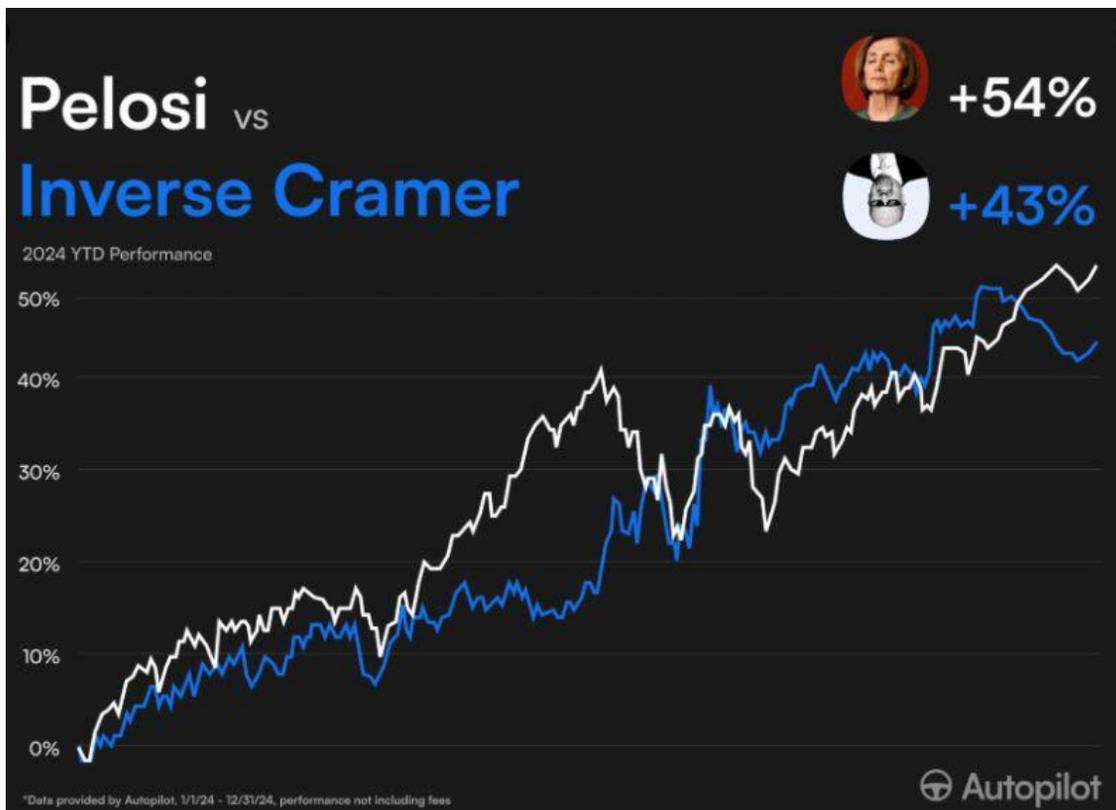
Source: gs, reuters

#food-for-thought

#nancypelosi #investing #2024

🌟 She Did It !

Nancy Pelosi officially finishes 2024 up 54% and beat out Inverse Cramer for the top portfolio on Autopilot



Source: Autopilot

#food-for-thought

#world #companies #walmart

Collectively, the top 10 companies by revenue generate \$4.6 trillion in annual sales, exceeding Japan’s GDP. Walmart is the largest company in 2024 and has maintained its position for 12 consecutive years 💰



Source: Visual Capitalist

#food-for-thought

#world #unicorns #market-value



Source: Genuine impact

#food-for-thought

#valuation #tech #openai

Openai's valuation in context

OpenAI's \$157 Billion Valuation, In Context

OpenAI Latest Valuation:
\$157 billion

10 Selected Companies Valuation:
~\$158 billion



Source: Various reports, companiesmarketcap.com | As of Dec 17th

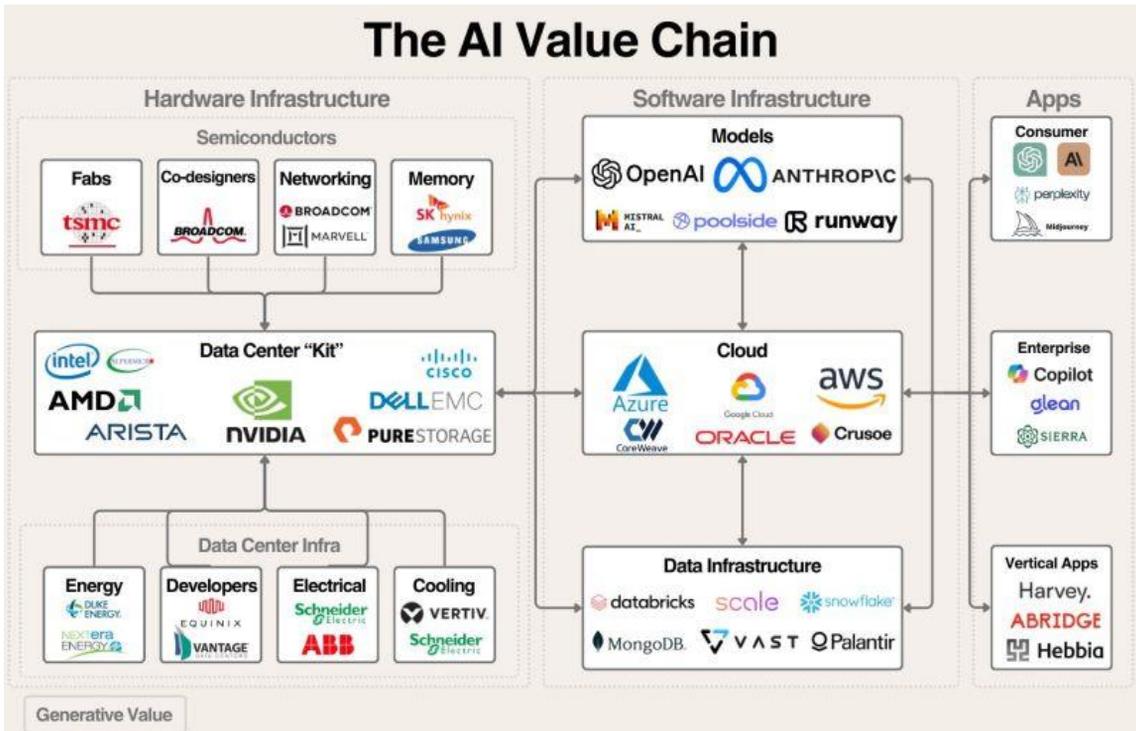
Source: Chartr



#food-for-thought

#tech #ai

The AI value chain



Source: Oguz O. | X Capitalist

#food-for-thought

#us #blackrock #climate

Investment titan BlackRock exits Net Zero Asset Managers initiative ahead of Trump's return to office.

CEO Larry Fink's climate commitment crumbles under "legal inquiries from public officials."

Wall Street's green retreat accelerates as Trump promises to ban ESG investing.

House Republicans previously branded BlackRock part of "climate cartel."

Looks like going green is out, staying in the black is in.

BlackRock departs climate investment group

BY RACHEL FRAZIN - 01/09/25 4:52 PM ET



Michael Nagle/Bloomberg via Getty Images

Asset management firm BlackRock is leaving a climate-focused investing group, the group confirmed.

"We are disappointed to see any investor withdraw, but as a voluntary initiative, we respect any individual decisions signatories take," said a spokesperson for the Net Zero Asset Managers initiative in an emailed statement to The Hill.

"Climate risk is financial risk. NZAM exists to help investors mitigate these risks and to realise the benefits of the economic transition to net zero," the group said.

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Source: The Hill, Tony Heller



#food-for-thought

#private-banking #revolut #competition

Revolut is making a push into private banking for wealthy clients, putting it in direct competition with big incumbents like UBS and Morgan Stanley.

Now the UK’s leading fintech is developing a private banking service for high net worth individuals (HNWIs), typically defined as people who hold liquid assets of over \$1m, according to three job listings on its website.

The new product offering for the wealthy will feature both investment services and other “private banking style services” that its neobank rivals such as Monzo and Starling are yet to offer.

It will compete with lesser known fintechs providing private banking services at more accessible price points such as Swiss neobank Alpien and London wealthtech Sidekick — both of which raised funding last year.



News January 8, 2025

Revolut targets wealthy clients with move into private banking

The financial superapp is planning to build personalised financial services for the rich

Tom Matsuda 3 min read

Revolut is making a push into private banking for wealthy clients, putting it in direct competition with big incumbents like UBS and Morgan Stanley.

In a bid to become the go-to financial superapp, Revolut is gradually expanding its offering, which now includes business banking, travel insurance and stock trading, while increasing investments in AI.



Source: Sifted

#food-for-thought

#stats #pages #wikipedia #politics

The Most Viewed Wikipedia Pages in 2024.



#food-for-thought

#stats #pages #wikipedia #politics

TRUMP'S NEW CABINET: A DIVERSE MIX OF POLITICS AND BUSINESS. Trump's second administration introduces a cabinet of varied backgrounds, including former Democrats and business leaders. Robert F. Kennedy Jr., a former Democrat, joins after endorsing Trump and navigating political backlash from his family. Tulsi Gabbard, once a progressive Democrat, now champions conservative causes alongside the administration. This team blends political outsiders with seasoned operatives, shaping a cabinet that reflects Trump's unconventional approach.



#food-for-thought

#us #tiktok #polymarket #ban

Polymarket currently has the odds at 63% that TikTok gets banned before May 2025



#food-for-thought

#italy #spaceX

Italy is in advanced talks with Elon Musk's SpaceX for a deal to provide secure telecommunications for the nation's government — the largest such project in Europe, people with knowledge of the matter said Sunday.

Discussions are ongoing, and a final agreement on the five-year contract hasn't been reached, said the people, who asked not to be identified citing confidential discussions. The project has already been approved by Italy's Intelligence Services as well as Italy's Defense Ministry, they said.

The negotiations, which had stalled until recently, appeared to move forward after Italian Prime Minister Giorgia visited President-elect Donald Trump in Florida on Saturday.

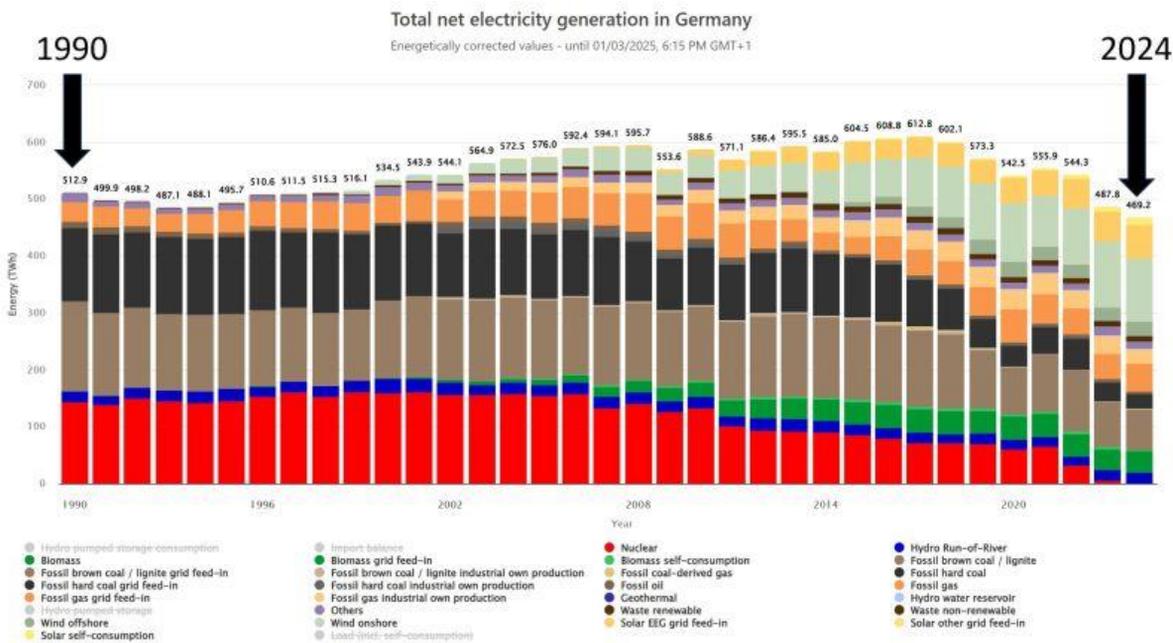


Source: Sunday

#food-for-thought

#europe #germany #energy

Germany's electricity production is falling. Electricity production is a useful proxy for economic health. Generation in 2024 was lower than any year since reunification. Germany claims it plans to electrify the economy, but it's making and using less electricity, not more.



Source: Mark Nelson @energybants on X

#food-for-thought

#chart #tiny-gains

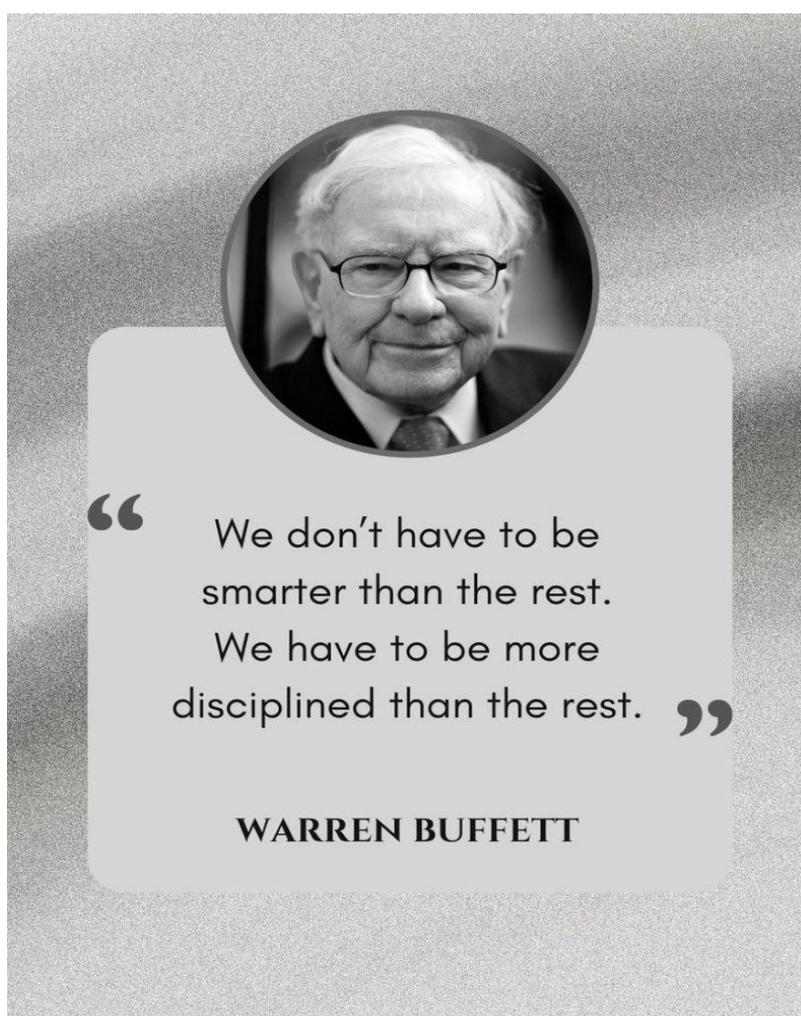
The power of tiny gains illustrated in one chart



#food-for-thought

#warren-buffet #patience

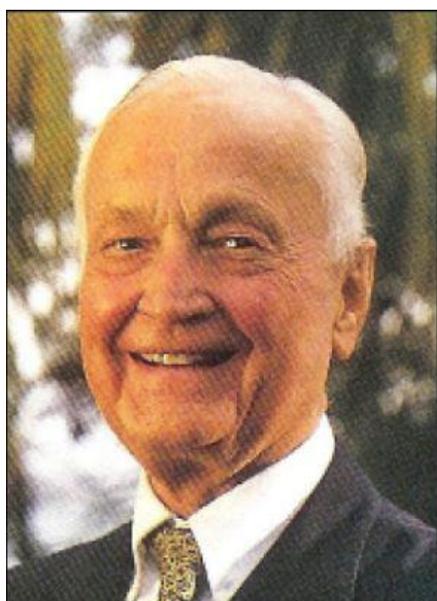
“We don’t have to be smarter than the rest”



Source: Arjun goel (@arjungoel77) / X

#food-for-thought

#quote #bull-markets



*“Bull markets are born on pessimism, grow on skepticism, mature on optimism, and **die of euphoria.**”*

Sir John Templeton

Source: Brian Feroldi

#food-for-thought

#jpmorgan #work-from-home

\$JPM JPMorgan is preparing to tell all its employees to return to the office 5 days a week

JPMorgan Planning to Bring Staff Back to Office Five Days a Week

- Expanded policy expected to return bank to pre-pandemic rules
- CEO Jamie Dimon has been critical of remote-working policies

By Todd Gillespie and Sridhar Natarajan
01/07/2025 10:26:06 [BN]

(Bloomberg) -- JPMorgan Chase & Co. is preparing to tell all its employees to return to the office five days a week, ending a hybrid-work option for thousands of staff and returning to the attendance policy that was in place before the pandemic.

The largest US bank, which employs more than 300,000 people globally, is expected to announce the change in coming weeks, replacing an existing three-day mandate for many of its workers, according to people familiar with the matter, who asked not to be named discussing unannounced plans.

Source: Bloomberg

#food-for-thought

#happy-new-year

Your two greatest assets in life:

1. Health
2. Time

Invest in your health.
It will buy you more time.

Source:

#food-for-thought

#success #quote

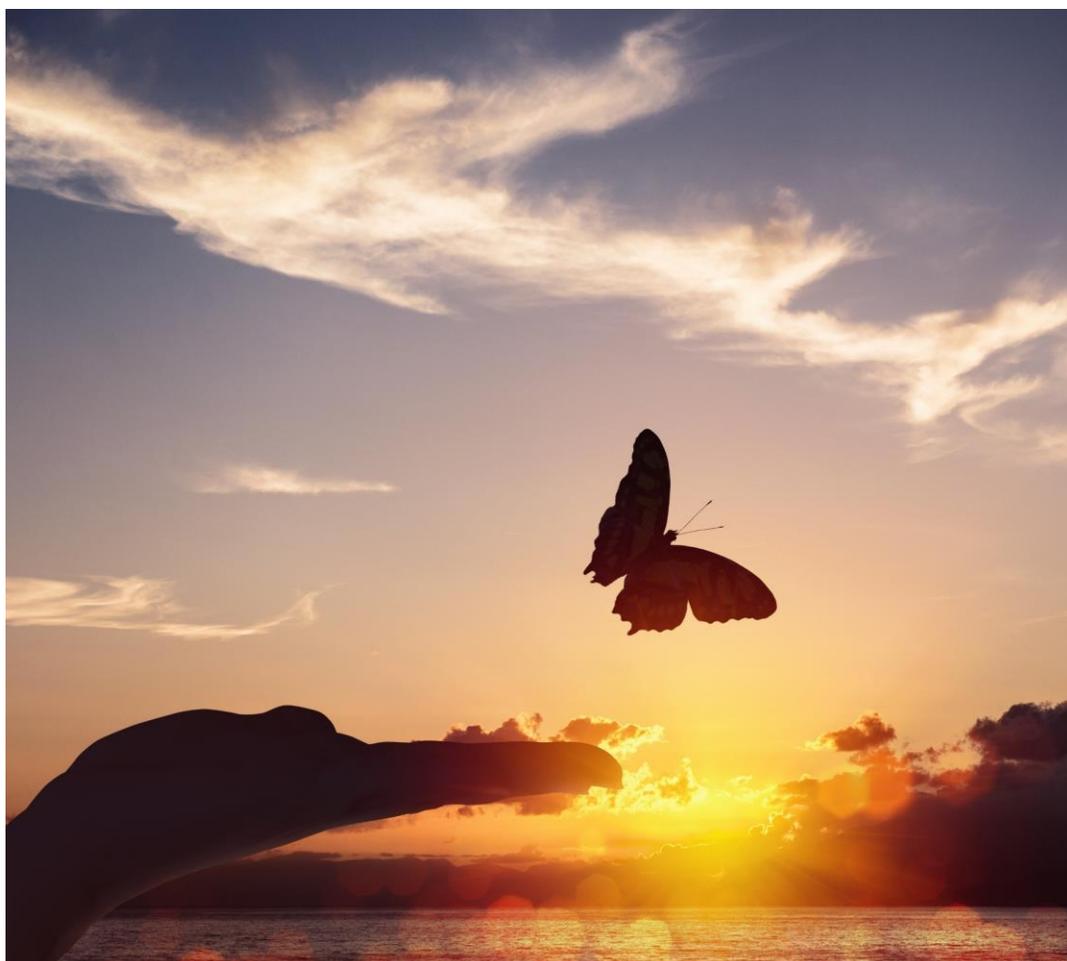
“Slow success builds character. Fast success builds ego.”

Slow success builds character.
Fast success builds ego.

Source: @thedailyshot, Lance Roberts @LanceRoberts

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