

Chart of the week

Is the “rates gap” starting to close?

It looks like the last move in rates has started to spill over to tech. Below the NASDAQ (yellow) vs US 10-year yield inverted (purple).

That rates gap



Source: Refinitiv

Source: TME, Refinitiv

S&P 500 winning streak stopped; Bitcoin hit \$52k

Some favorable earnings surprises balanced against discouraging inflation data left the major US equities indices mixed, with the S&P 500 Index recording its first weekly decline since the start of the year. The declines were concentrated in large-cap growth stocks, however, with an equally weighted version of the S&P 500 reaching a record intraday high on Thursday. Investors digested several upside inflation surprises during the week. On Tuesday, stocks sold off after US CPI data, up 0.3% MoM in January (vs. 0.2% expected). Core CPI rose 0.4% MoM, up 3.9% yoy, nearly double the Fed's 2.0% target. Stock fell again on Friday as PPI increased 0.3% in January—the most in five months—after falling 0.1% in December. Core prices rose 0.5%, well above expectations of around 0.1%. Stagflation fears reappeared on Thursday as retail sales plummeted 0.8% in January. Futures market ended the week pricing in only a 10.5% chance of a rate cut in March compared with a 65.1% chance a month earlier. The 10-year U.S. Treasury also surged to an intraday high of 4.33% on Friday, its highest level since December 1. The STOXX Europe 600 Index ended the week 1.39% higher as signs of cooling inflation and a better outlook for interest rate cuts cheered investors. In Japan, the Nikkei 225 Index gained 4.3% over the week. Financial markets in mainland China were closed for the week. Oil prices rallied for the 4th week of the last 5, with WTI back above \$79 and its highest close since November...Bitcoin hit \$52,000, its highest since November 2021.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

17 FEBRUARY 2024

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	38,628	-0.1%	2.5%
S&P 500 Index	5,006	-0.4%	4.9%
NASDAQ	15,776	-1.3%	5.1%
MSCI EAFE*	2,238	0.6%	0.1%
10-yr Treasury Yield	4.28%	0.1%	0.4%
Oil (\$/bbl)	\$78.25	1.8%	9.2%
Bonds	\$97.10	-0.5%	-1.6%

Source: FactSet, 2/16/2024. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. *4-day performance ending on Thursday.

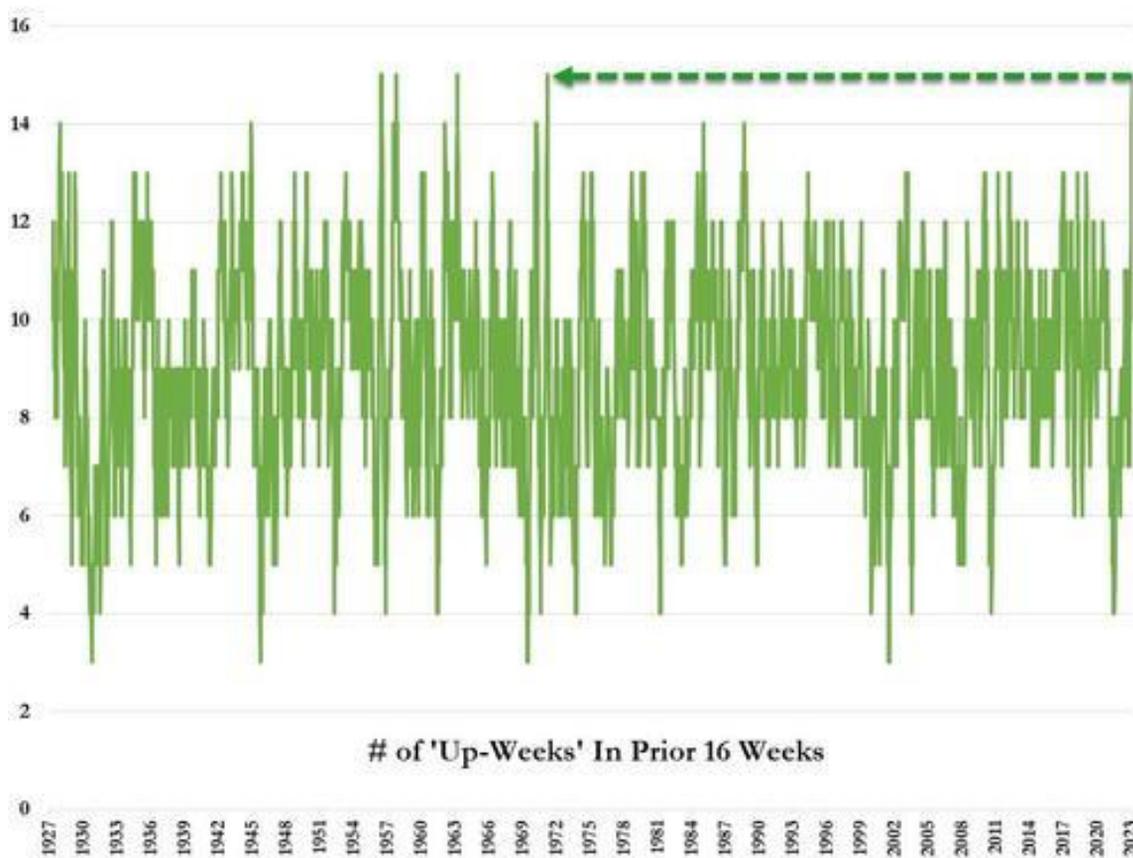
Source: Edward Jones, Bloomberg





#sp500 #weekly

The S&P 500 was on course for its 15th positive week of the last 16, but a late-day sell-off spoiled the historic streak which hasn't happened since March 1972.



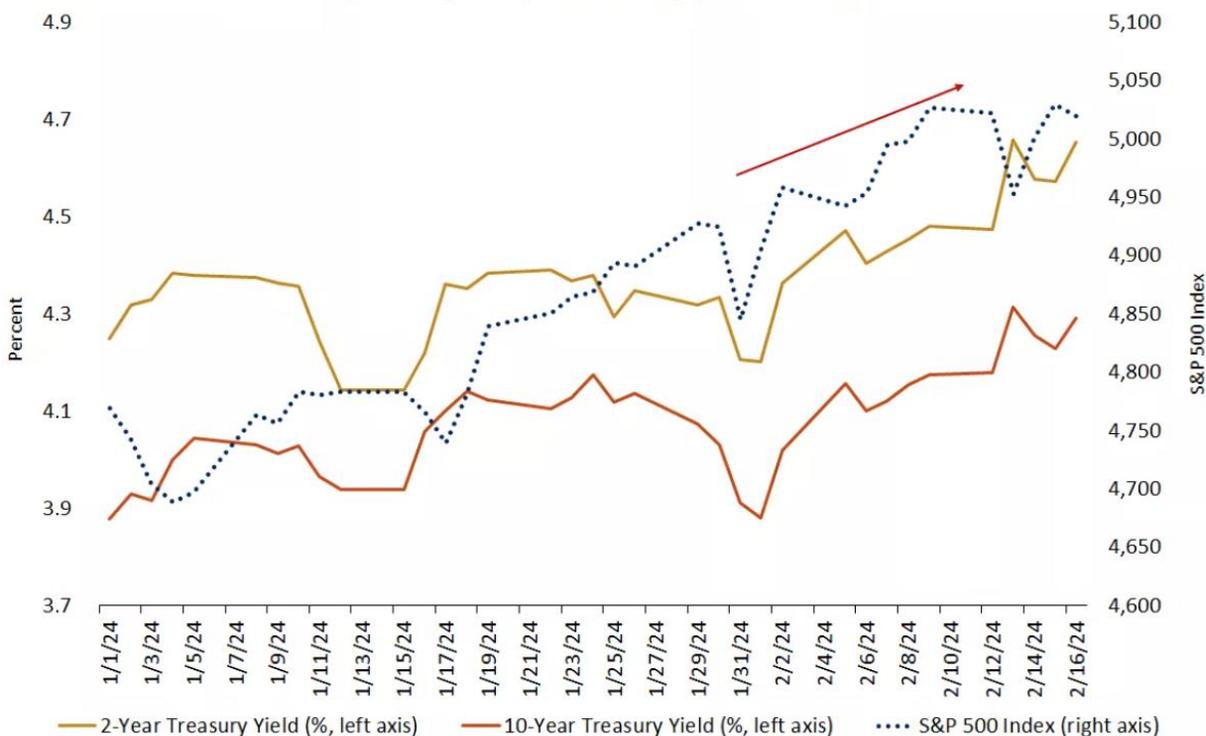
Source: www.zerohedge.com, Bloomberg



#us #equities #trend

Putting things into perspective: Despite rising yields and hotter-than-expected inflation, the S&P 500 has continued higher in 2024.

S&P 500 climbs toward highs, despite higher Treasury yields and hotter inflation



Source: Bloomberg.

Source: Edward Jones, Bloomberg



#markets

#us #equities #breadth

BofA Hartnett: "top 5 stocks = 75% of S&P500 YTD gain, top 3 tech stocks = 90% of tech sector YTD gain, US equity "breadth" currently worst since Mar'09".

Great, but not for everybody



Source: BofA

Source: TME, BofA



#nasdaq #stagnation

NASDAQ has basically done nothing for weeks. Unchanged compared to Jan 24. Sure doesn't "feel" that way.

How bullish is bullish?



Source: Refinitiv

Source: TME

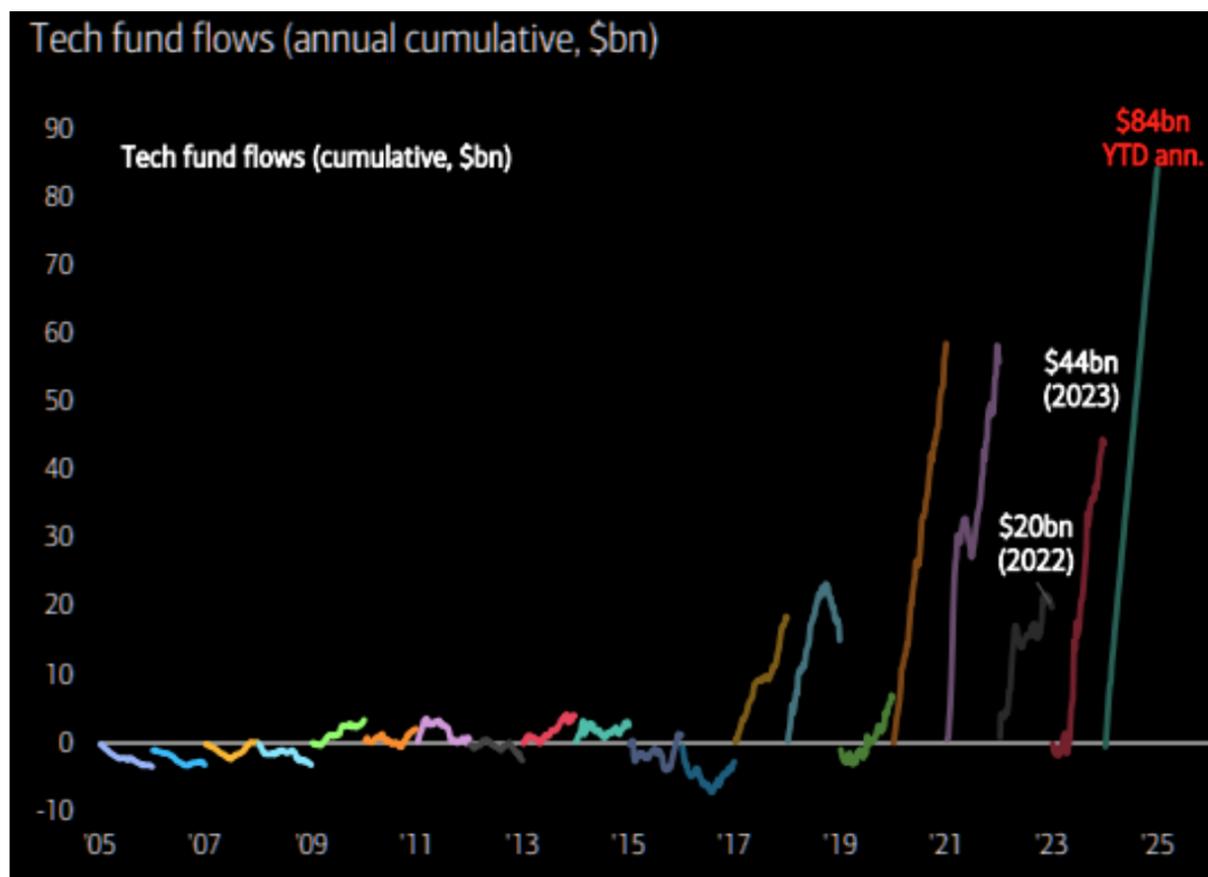


#markets

#tech #inflows

Inflows to tech on course for ~85bn in 2024...

Tech inflow mania



Source: BofA

Source: www.zerohedge.com, Bloomberg



#ai #baby-bubble

A history of bubbles from BofA shows we may still be in the very early stages of an AI bubble.

Chart 3: AI “baby bubble” maturing

History of asset bubbles



Source: BofA Global Investment Strategy, Bloomberg

Source: BofA



#markets

#ai #baby-bubble

History shows that the 'tech bubble' has a little more room to run, per BofA

History Shows Tech Bubble Has a Little More to Run, BofA Says

"Bubble"	Index	Trough-to-Peak Rise	Peak Valuation (P/E)
Japanese stocks, 1986-1989	Nikkei 225	 149%	 67
Dotcom bubble, 1998-2000	Nasdaq Composite	 192%	 65
FAANG stocks, 2020-2021	NYSE FANG+ Index	 229%	 60
Magnificent 7, December 2022-	Magnificent 7	 139%	 45

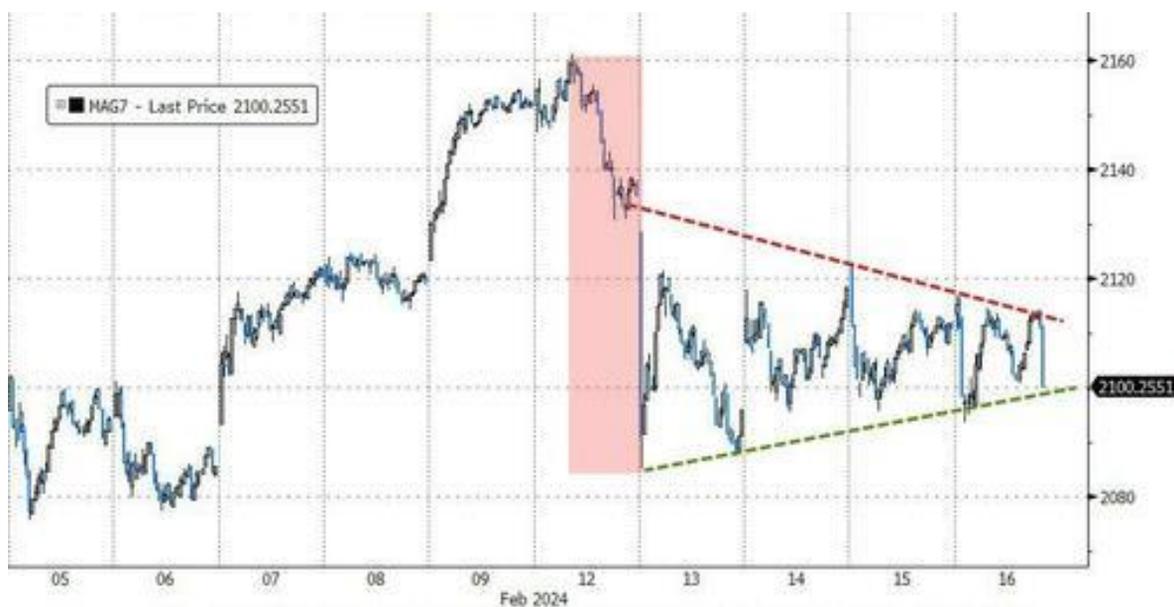
Source: Bank of America, Bloomberg

Source: BofA, Bloomberg



#mag7 #weekly

MAG7 stocks ended the week lower, unable to re-gather any momentum from the CPI-spill...



Source: www.zerohedge.com, Bloomberg

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#apple #technicals

Apple \$AAPL with a weekly close under its 200D moving average 🤖



Source: www.zerohedge.com, Bloomberg



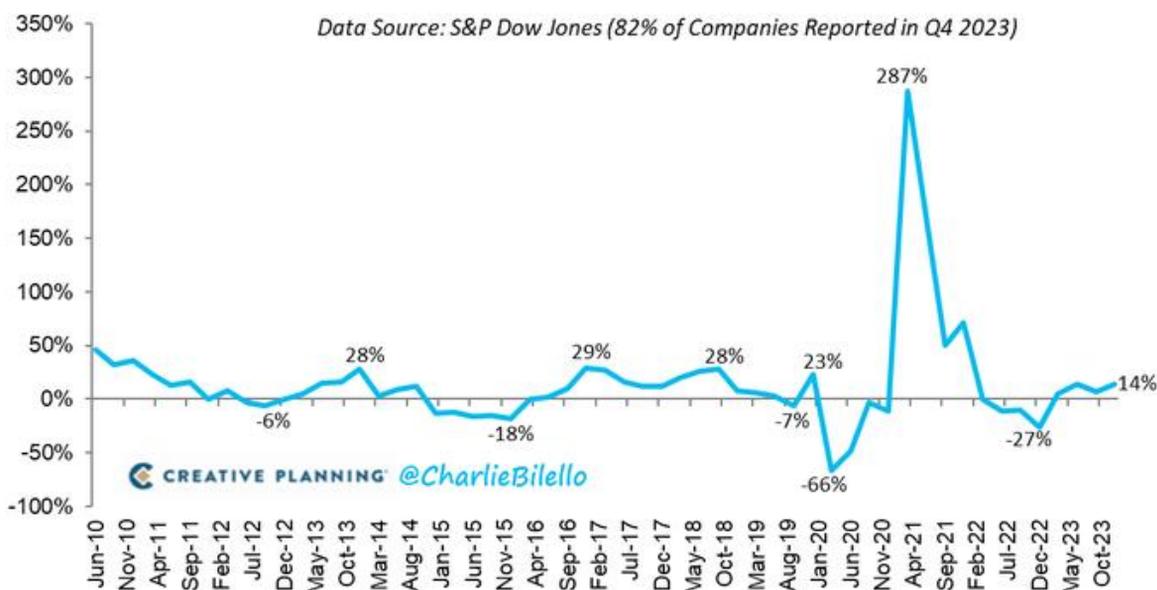


#sp500 #earnings

With 82% of companies reported, S&P 500 Q4 GAAP earnings per share are up 14% over the prior year, the 4th straight quarter of positive YoY growth and highest growth rate since Q4 2021. \$SPX

S&P 500 As Reported (GAAP) EPS Growth (Quarterly, YoY %)

Data Source: S&P Dow Jones (82% of Companies Reported in Q4 2023)



CREATIVE PLANNING @CharlieBilello

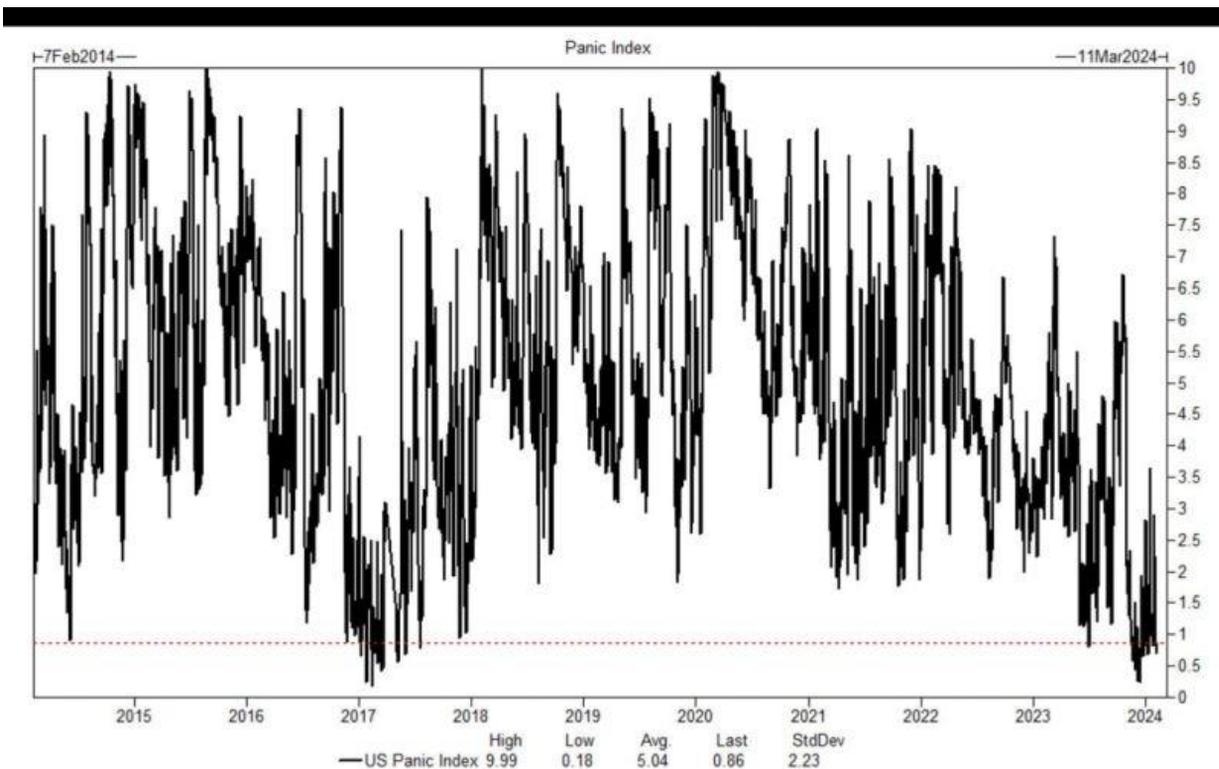
Source: Charlie Bilello





#panic-index #complacency

Has the market become too complacent? Goldman Sachs Panic Index is near decade lows



Source: Win Smart



#sp500 #seasonality #volatility

Will the seasonality of volatility matter this year? 🤔
If so, we may be at the trough before a fairly significant rise into mid-March.



Source: Markets & Mayhem





#sp500 #returns

S&P 500 \$SPX is now entering the worst 2-week period of the year based on data going back almost 100 years.



Past performance is not indicative of future results / charts sourced from Goldman Sachs FICC and Equities, GS Research, and Bloomberg as of Jan 25th 2024

Source: barchart, Bloomberg





#sp500 #great-depression

Fasten your seat belt? Strange similarities between today's environment and the period leading up to the Great Depression.



Source: crescat capital



#markets

#us #global #equities #weighting

The rally on Wall Street has meant that US equities now have a weighting of ~70% in the popular MSCI World index. That is a record. The risk is correspondingly high if US equities go out of fashion.



Source: Bloomberg, HolgerZ



#us #equity #concentration

The US equity market is rivalling 2000 and 1929 in terms of being its most concentrated in history, DB has calculated. The top 5 stocks Microsoft, Apple, Nvidia, Alphabet & Amazon account for 25% of market cap of the S&P 500.



Source: holgerz

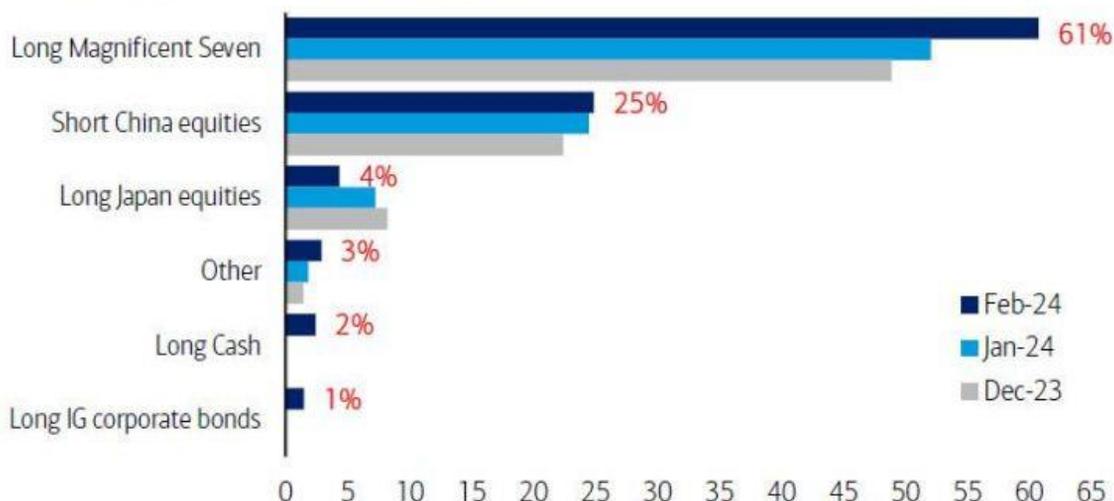


#us #tech #positioning

According to latest BofA fund managers survey, investors go all-in on US tech (this is probably the only thing we agree with as we first pointed it out this past weekend); in fact according to the latest report, a mind blowing 61% say that long Mag7 is the most crowded trade. We wish everyone the best of luck as they form a line and stay cool, calm and collected as they wait for their turn to come to liquidate their positions in the "most crowded trade."

Chart 6: "Long Magnificent 7" the most crowded trade

What do you think is currently the most crowded trade?



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Source: BofA, www.zerohedge.com



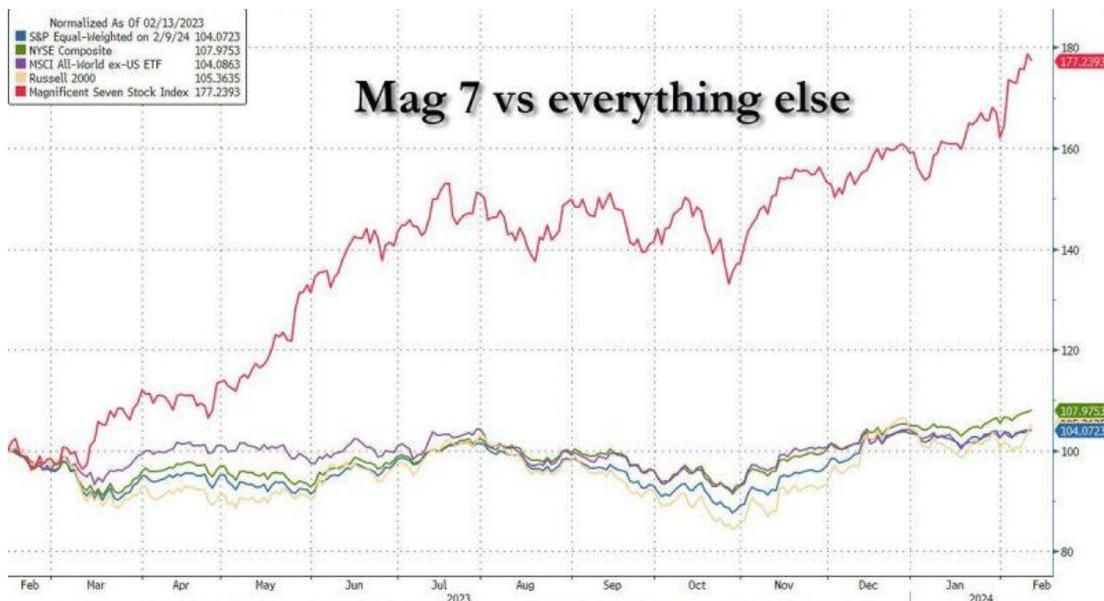


#mag7 #equities #performance

Since February 2023:

- 1. Magnificent 7: +77%
- 2. S&P 500: +20%
- 3. Russel 2000: +5%
- 4. S&P 500 Equal Weight: +4%

If you remove the Magnificent 7 from the S&P 500, the index is barely up 5% over the last year.



Source: The Kobeissi Letter

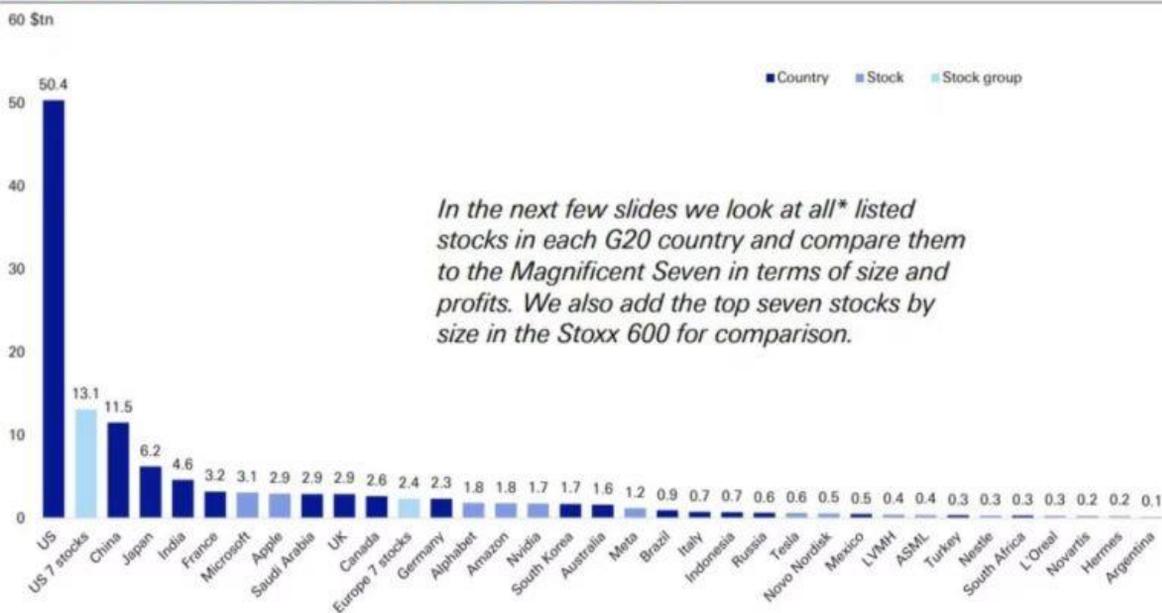




#mag7 #market-cap #comparison

The Magnificent Seven now have a higher market cap than the entire stock markets of Japan, France, the United Kingdom and Mexico COMBINED!

Market Cap (USD) of listed equities* in G20 countries by domicile, plus the Mag 7 and 7 largest stocks in Europe for comparison



In the next few slides we look at all listed stocks in each G20 country and compare them to the Magnificent Seven in terms of size and profits. We also add the top seven stocks by size in the Stoxx 600 for comparison.*

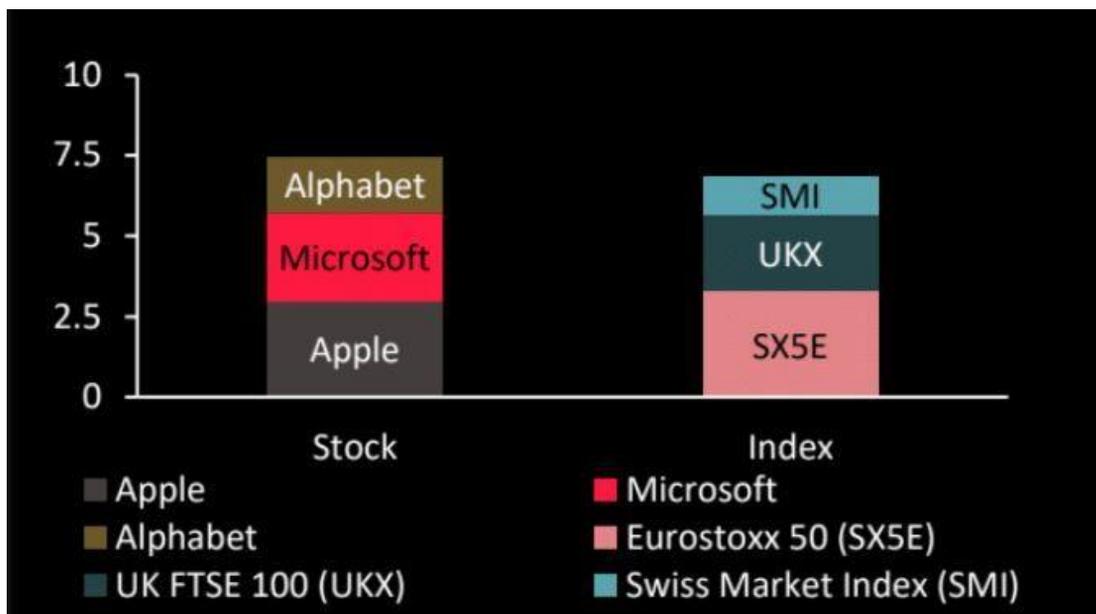
Source: Bloomberg Finance LP, Deutsche Bank. *Note: aggregates are a sum of current market cap of common and preference stocks domiciled in a particular country, excluding stocks with a market cap below \$200m.

Source: barchart



#us #equities #market-cap

Terrific threes. Just 3 stocks together are now bigger than the whole of EuroStoxx50, FTSE 100 and the SMI20.



Source: tme



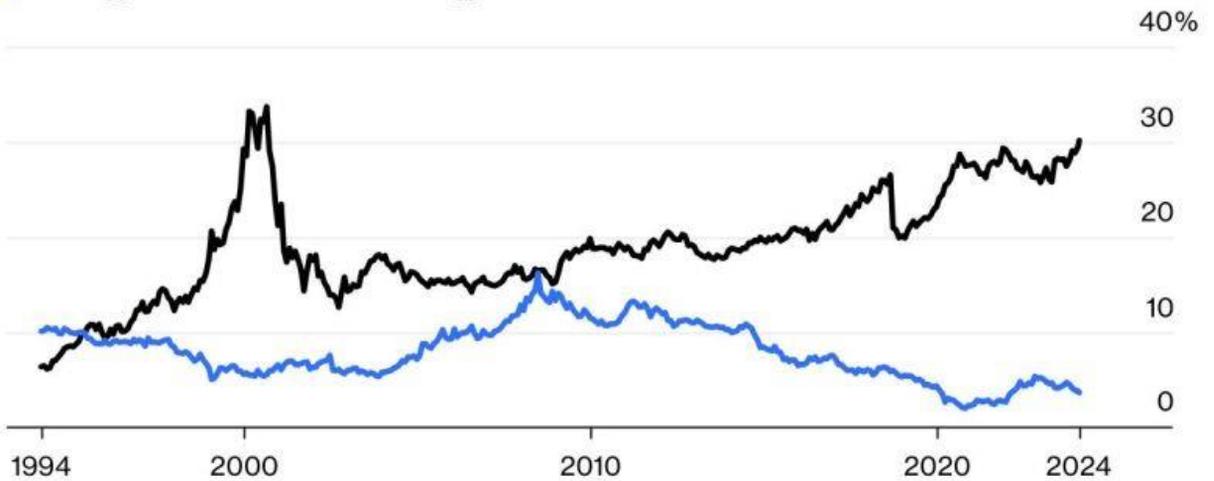
#sp500 #tech #energy #sectors

The big crocodile jaw... No need for energy anymore?

Turn Of The Century

Sector weights in the S&P 500 Index

Energy Information Technology



Source: Bloomberg



#nvidia #market-cap

Nvidia, \$NVDA, is now the 4th most valuable public company in the world, worth \$1.84 trillion. Today, Nvidia's market cap passed both Google and Amazon for the first time in history. Since January 1st, Nvidia has officially added \$650 BILLION in market cap. That's more than the entire value of Tesla in less than 6 weeks.



Source: The Kobeissi Letter





#nvidia #performance

There seems to be no stopping Nvidia's scorching rally. The day after surpassing the market value of Amazon, the chip giant has now overtaken Alphabet as well. Nvidia's stock has climbed ~49% YTD and added some \$602bn in value, BBG has calculated.



Source: holgerz



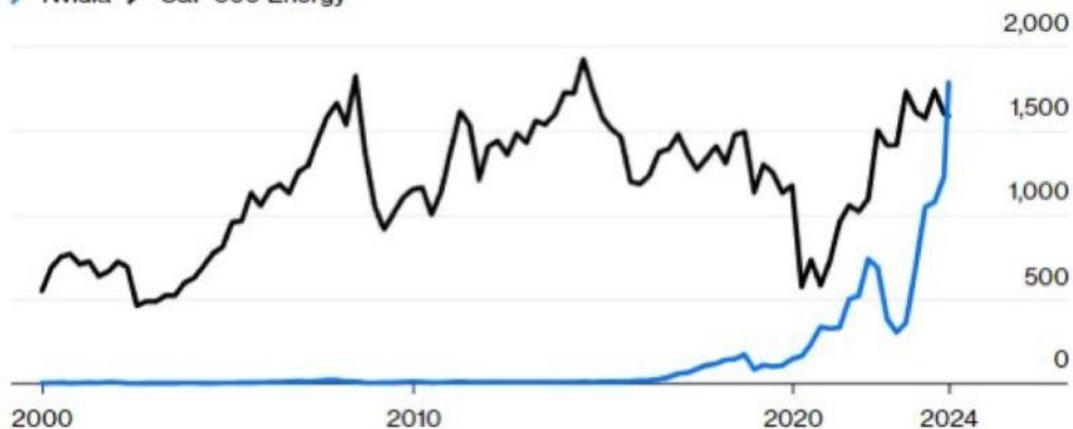
#nvidia #energy #market-cap

NVIDIA is now bigger than the entire energy sector. This makes sense because one is needed to get through everyday life.

The Chips Are Up

Stock and sector market capitalization, quarterly, in billions of dollars

Nvidia S&P 500 Energy



Source: Bloomberg

Source: Bloomberg





#nvidia #performance

Nvidia's red-hot rally to start 2024 has pushed many Wall Street analysts to adjust their targets; at least 5 firms hiking price targets on the artificial intelligence-darling this month. This week, UBS lifted its target to \$850 from \$580, Mizuho raised its target to \$825 from \$625. Demand for Nvidia's H100 AI accelerators continues to outstrip supply, Mizuho's Vijay Rakesh wrote in a client note, calling the stock the best AI play.



Source: Bloomberg, HolgerZ



#ai #hype #supermicro

AI hype has hit a whole new level: Super Micro Computer is now the 161st largest public company in the United States. One year ago, Super Micro Computer stock, \$SMCI, was worth less than \$5 billion. Today, it is worth \$55 billion and up over 1000% from its 2023 low. Since January 1st, the stock is up a massive 230% adding ~\$30 billion in market cap...



Source: The Kobeissi Letter



#ai #hype #supermicro

Note that SMCI entered a bear market at the end of the week, down over 25% from its highs on Friday ...



Source: www.zerohedge.com, Bloomberg



#amazon #google #dividends

Alphabet \$GOOGL and Amazon \$AMZN likely to follow Meta's lead by announcing their first ever dividend payments this year according to Goldman Sachs

Alphabet, Amazon likely to follow Meta by introducing first-ever dividends in 2024

Published: Feb. 12, 2024 at 9:38 a.m. ET

By Joseph Adinolfi (Follow)



Goldman Sachs is raising its forecast for how much S&P 500 companies will pay out in dividends this year

Potential impact of largest, non-dividend paying S&P 500 stocks initiating a dividend in 2024

Exhibit 5: List of 20 largest non-dividend paying S&P 500 stocks and potential impact on S&P 500 DPS from a dividend initiation as of February 8, 2024; * META announced a dividend initiation with an implied payout ratio of 10%

Ticker	Name	Sector	Weight in S&P 500	Consensus 2024 EPS	Hypothetical payout	Hypothetical DPS	Implied increase in 2024 S&P 500 DPS	
							\$	%
GOOGL	Alphabet Inc.	Communication Services	3.8 %	57	10%	\$0.7	\$0.88	1.2%
AMZN	Amazon.com, Inc.	Consumer Discretionary	3.7	4	10	0.4	0.44	0.6
META*	Meta Platforms Inc	Communication Services	2.5	20	10	2.0	0.53	0.7
BRK.B	Berkshire Hathaway Inc.	Financials	1.7	18	10	1.8	0.38	0.5
TSLA	Tesla, Inc.	Consumer Discretionary	1.2	3	10	0.3	0.10	0.1
CRM	Salesforce, Inc.	Information Technology	0.7	10	10	1.0	0.11	0.1
ADBE	Adobe Inc.	Information Technology	0.7	18	10	1.8	0.10	0.1
AMD	Advanced Micro Devices, Inc.	Information Technology	0.7	4	10	0.4	0.07	0.1
NFLX	Netflix, Inc.	Communication Services	0.6	17	10	1.7	0.09	0.1
NOW	ServiceNow, Inc.	Information Technology	0.4	13	10	1.3	0.03	0.0
UBER	Uber Technologies, Inc.	Industrials	0.4	1	10	0.1	0.03	0.0
ISRG	Intuitive Surgical, Inc.	Health Care	0.3	6	10	0.6	0.03	0.0
BKNG	Booking Holdings Inc.	Consumer Discretionary	0.3	177	10	17.7	0.07	0.1
BA	Boeing Company	Industrials	0.3	4	10	0.4	0.03	0.0
PANW	Palo Alto Networks, Inc.	Information Technology	0.3	6	10	0.6	0.02	0.0
VRTX	Vertex Pharmaceuticals Incorporated	Health Care	0.3	17	10	1.7	0.05	0.1
REGN	Regeneron Pharmaceuticals, Inc.	Health Care	0.2	46	10	4.6	0.06	0.1
BSX	Boston Scientific Corporation	Health Care	0.2	2	10	0.2	0.04	0.1
SNPS	Synopsys, Inc.	Information Technology	0.2	14	10	1.4	0.02	0.0
FI	Fiserv, Inc.	Financials	0.2	9	10	0.9	0.06	0.1

GS top-down DPS estimate

\$74.4

GOLDMAN SACHS

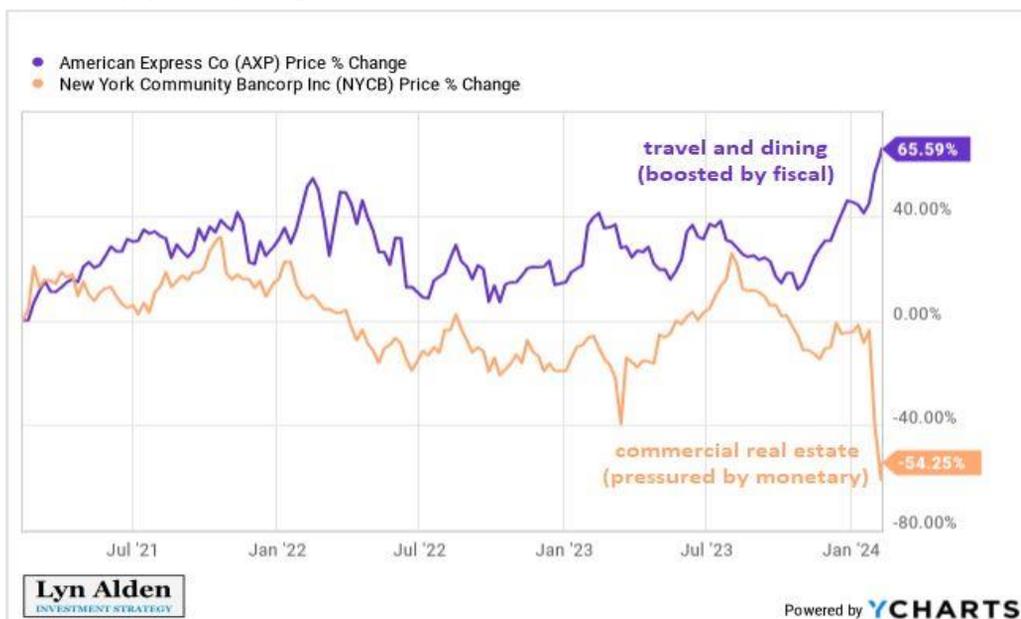
Source: Barchart





#us #equities #fiscal-dominance

Bottom-line: go LONG Fiscal deficits receivers and go SHORT Fiscal deficit payers (i.e interest-rate sensitive sectors). "The wider-than-normal divergence between loose fiscal policy (which is stimulating) and tight monetary policy (which slows things down) contributes to wider-than-normal divergence between the performance of different economic sectors. In particular, it results in a wider-than-normal gap between sectors that are directly or indirectly on the receiving side of the deficits (eg business that rely on spending from upper and upper-middle class spenders) vs those that are the most sensitive to interest rates and thus are the most hurt by tight monetary policy (eg commercial real estate).

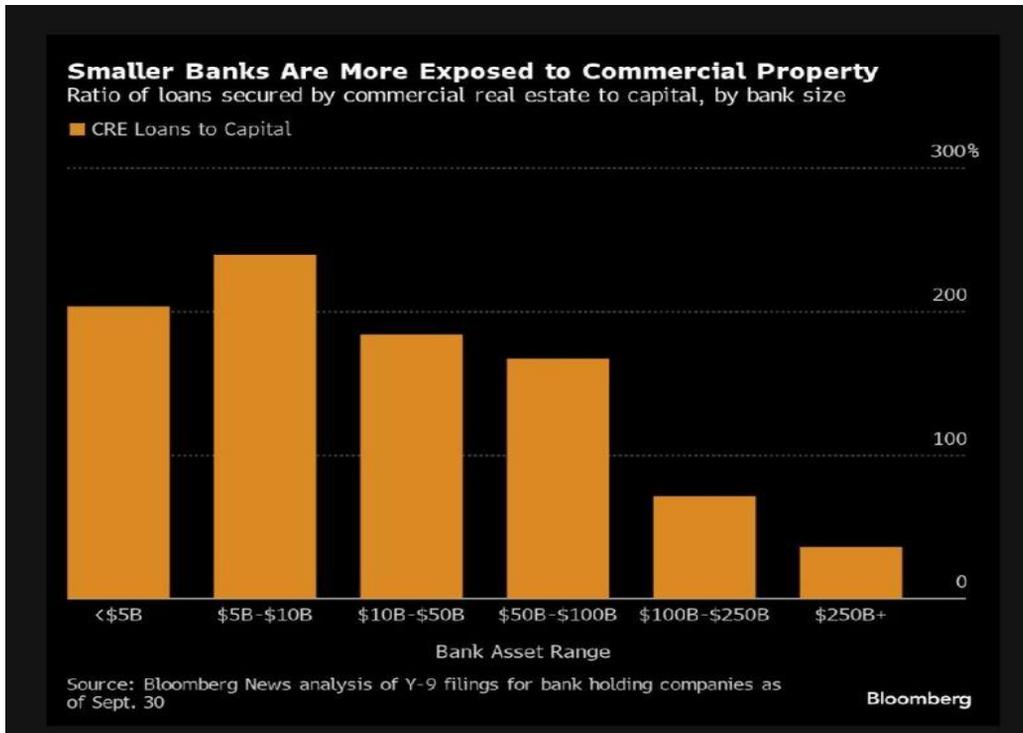


Source: Lyn Alden



#us #banks #real-estate

From The Markets article on US banks’ portfolios of commercial real estate: “Bloomberg’s review found 22 banks with \$10 billion to \$100 billion of assets hold commercial property loans three times greater than their capital. Half of those firms had growth rates surpassing the thresholds laid out by regulators. The tally was even higher among banks with less than \$10 billion of assets: 47 had outsize portfolios, of which 13 had swelled rapidly. The analysis excludes loans for nonresidential buildings that are occupied by their owners.”





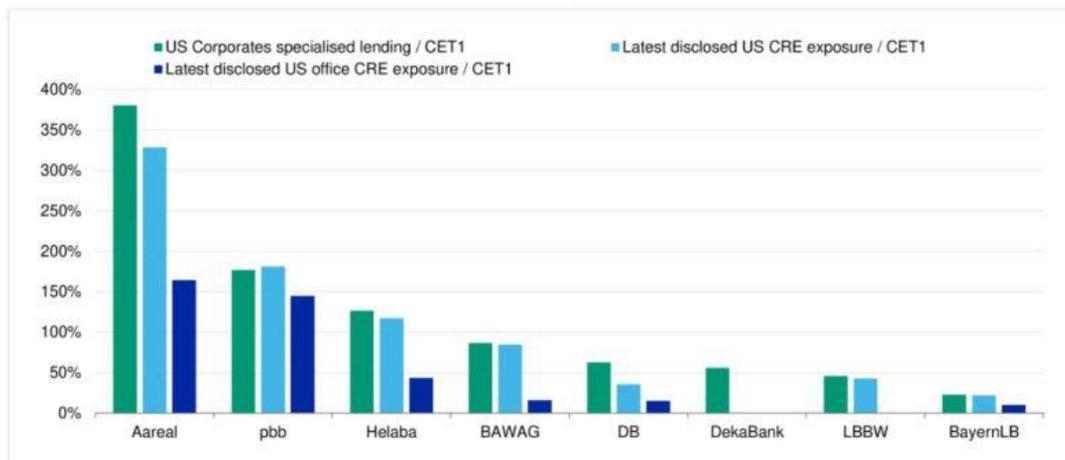
#germany #banks #real-estate

What is the exposure of German banks to US commercial real estate? According to Moody's, Aareal Bank & Deutsche Pfandbriefbank have the largest exposure compared w/their capital levels. The shares of Deutsche Pfandbriefbank, which is the most shorted in Germany, have recently lost a quarter of their value. In case of Deutsche Bank, there is a gap between banks' exposure to US specialised lending and exposure to banks' US CRE book as DB engages to a material extent in other asset-based or project lending that would also qualify as specialised lending, according to Moody's.

EXHIBIT 1

German specialized lenders and some Landesbanks are strongly exposed to CRE in the US

Exposure as a percent of CET1 capital, based on EBA (green) and company disclosures (light and dark blue)



Note: DekaBank has not disclosed its US CRE exposure, LBBW has not disclosed its US office exposure. Helaba's and LBBW's CRE exposures relate to the North America region. Latest company disclosures are either for Q2, Q3 or Q4 2023. Despite EBA-data based ratios for US specialised lending / CET1 are higher than 20%, we exclude ING Groep, Societe Generale and NORD/LB because we consider their CRE exposure small relative to their overall specialised lending portfolios.

Sources: EBA Transparency Exercise 2023, company reports and presentations

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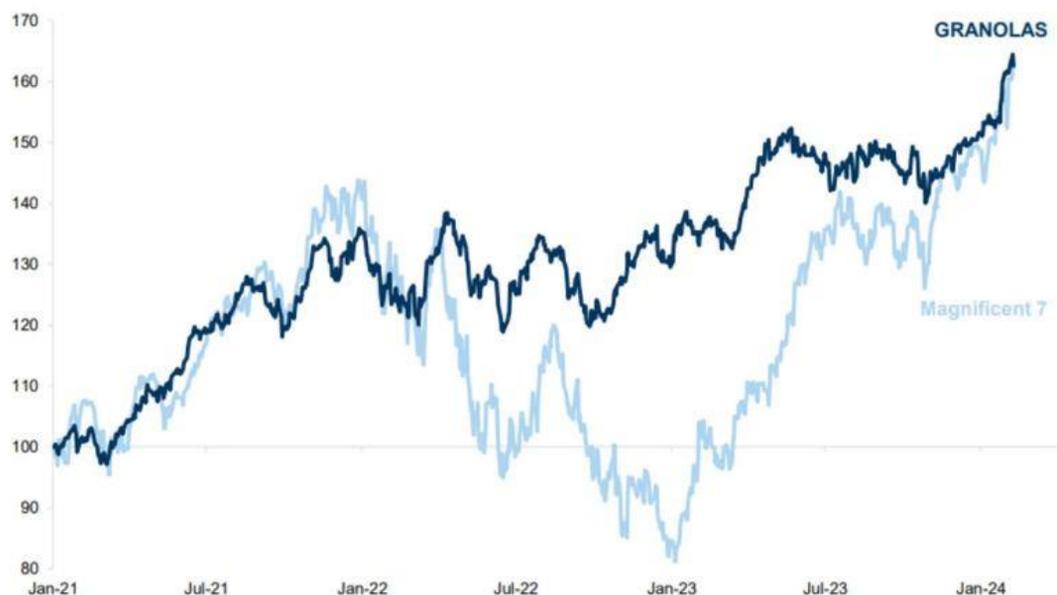
Source: Dekabank, HolgerZ



#europe #granolas #mag7

Did you know that there's another group of stocks that has kept pace with the Mag 7? The largest companies in Europe have staged a rather impressive rally over the last three years as well!

Exhibit 1: The GRANOLAS has kept pace with the so-called Magnificent 7 in the US for a 63% return since January 2021
Total Return (%)



Granolas = GSK, Roche, ASML, Nestle, Novartis, Novo Nordisk, L'Oreal, LVMH, Astrazeneca, SAP and Sanofi. Magnificent-7 = Amazon, Apple, Alphabet, Meta, Microsoft, Nvidia and Tesla.

Source: Datastream, Goldman Sachs Global Investment Research

Source: Markets & Mayhem



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#markets

#germany #thyssenkrupp #performance

This chart shows either total management failure or how dismal things are in Germany as a business location with high electricity prices. Thyssenkrupp's stocks have fallen by 62% over the past 5 years, while the competition, particularly from the US, has made strong gains.

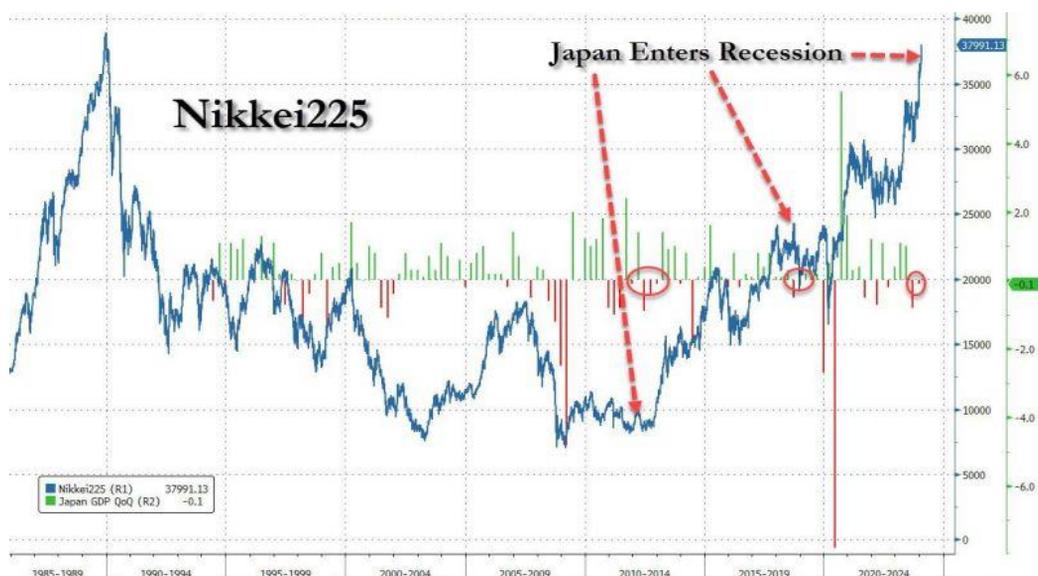


Source: Bloomberg, HolgerZ



#japan #nikkei225

Japan enters recession with Nikkei about to hit All Time High as the yen trades at 150. The Nikkei has more than doubled from the covid lows and is about to breach its all-time bubble highs set in in the last days of 1989... and moments ago Japan entered a recession. From its generational low set a decade ago, the Nikkei has almost quadrupled even as Japan's economy has slumped into recession three times! Once the second largest economy in the world, Japan reported two consecutive quarters of contraction on Thursday — falling 0.4% on an annualized basis in the fourth quarter after a revised 3.3% contraction in the third quarter. Fourth quarter GDP sharply missed forecasts for a 1.4% growth in a Reuters poll of economists.



Source: CNBC, www.zerohedge.com



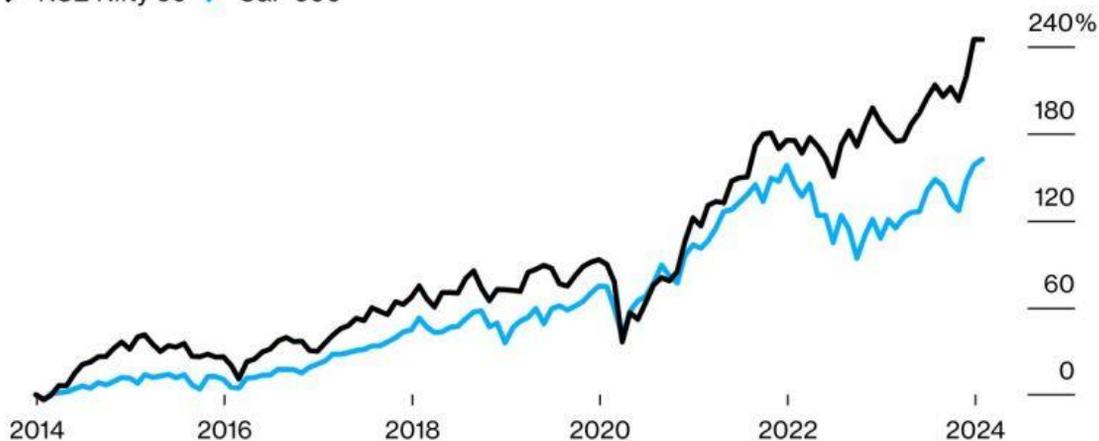
#india #performance

India is one of the few markets that is outperforming the US rather handily

India Beats the US

Change in index since Dec. 31, 2013

▄ NSE Nifty 50 ▄ S&P 500



Source: Bloomberg

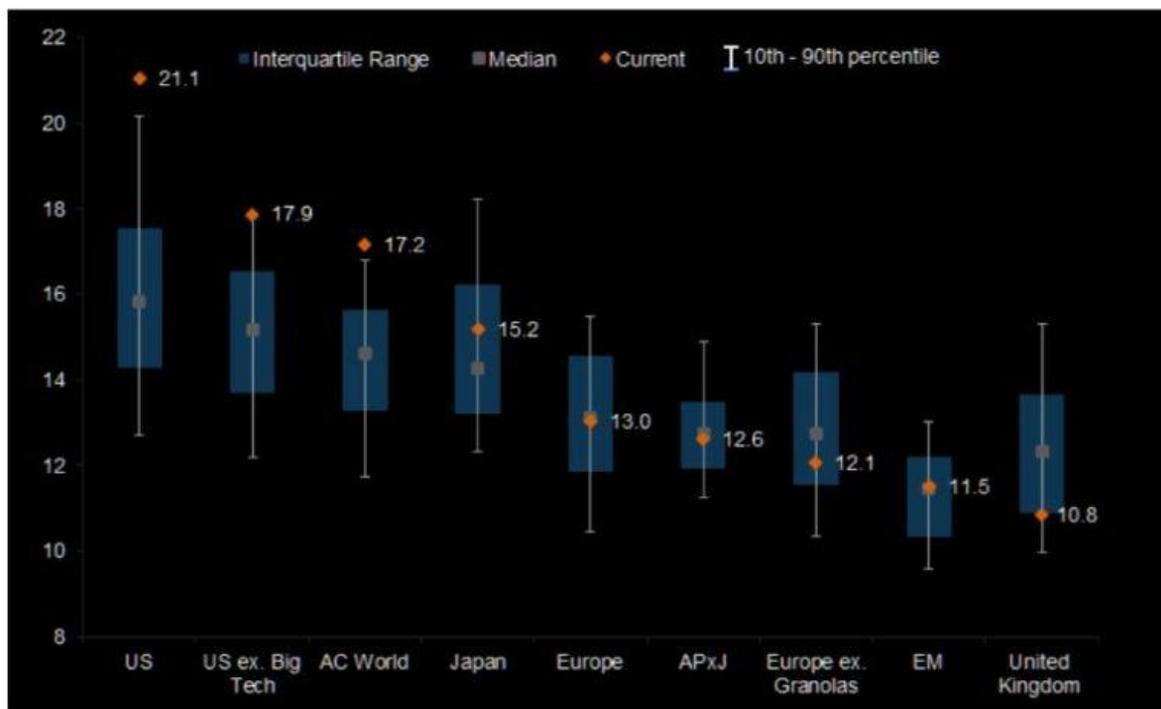
Source: Bloomberg



#global #equities #valuations

The geographical spread of valuations across regions remains significant. 12m forward P/E multiple. MSCI Regions. Data for the last 20 years.

World valuations



Source: FactSet

Source: TME, Factset



#markets

#us #treasuries #friday

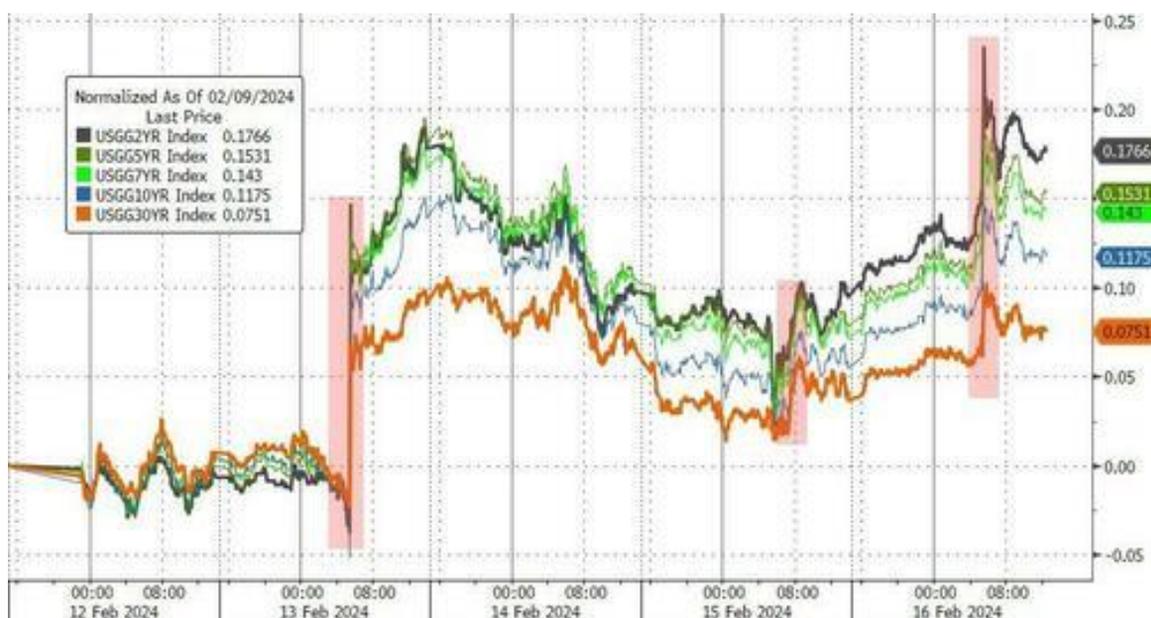
Yields on US government bonds have surged higher on the PPI inflation news.

Benchmarks				
T 4 1/4 01/26	2Y	4.684	+11.0	
T 4 1/8 02/27	3Y	4.466	+11.1	
T 4 01/31/29	5Y	4.318	+10.4	
T 4 01/31/31	7Y	4.336	+9.8	
T 4 02/15/34	10Y	4.317	+8.7	
T 4 3/4 11/43	20Y	4.594	+7.0	
T 4 1/4 02/54	30Y	4.471	+6.2	



#us #treasuries #weekly

Treasury yields were higher across the curve this week after hotter than expected CPI, jobless claims, and then PPI...



Source: www.zerohedge.com, Bloomberg



#us #treasuries #yield-curve

The short-end notably lagged over the week, leaving the yields curve to a bear flattener. The 2s30s curve is back at its most inverted in 2024...



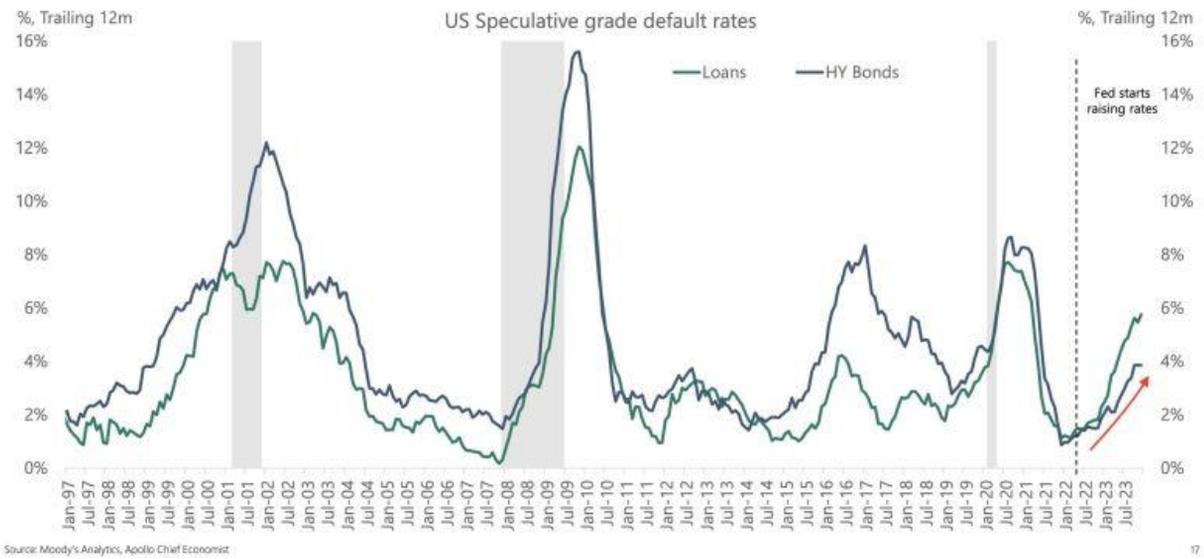
Source: www.zerohedge.com, Bloomberg



#us #default #rates

Has a default cycle started?

A Default Cycle Has Started



Source: Moody's Analytics, Apollo Chief Economist



Source: Game of Trades, Apollo



#oil #technicals

Oil is owing above the range highs. Oil hasn't closed here since early November and nobody is talking about it

Forgotten oil...



Source: Refinitiv

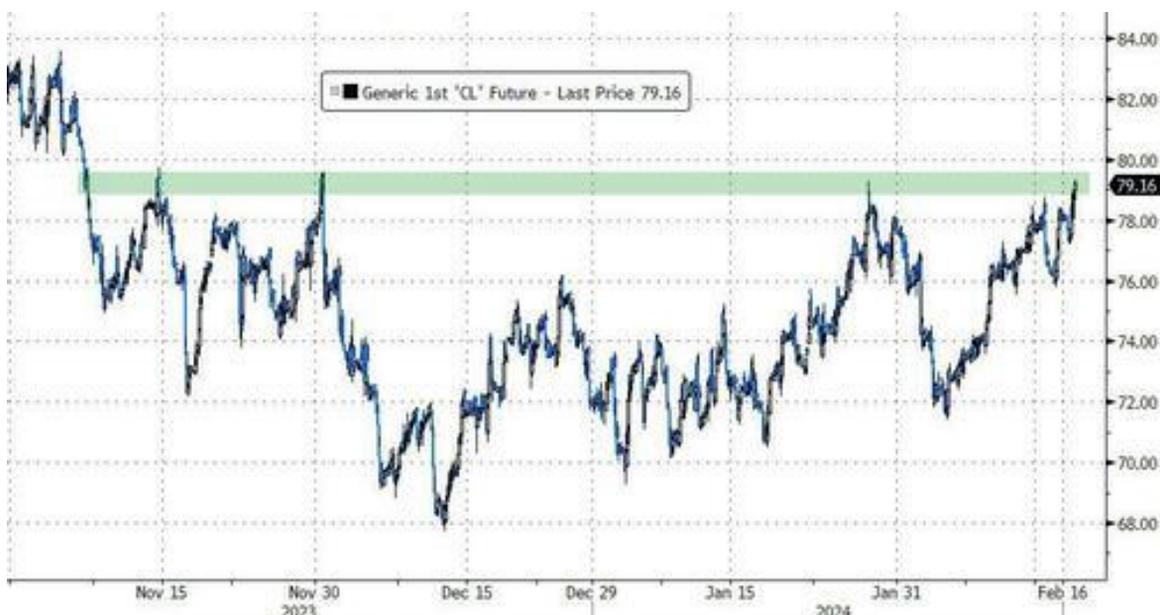
Source: TME



#markets

#oil #weekly

Oil prices rallied for the 4th week of the last 5, with WTI back above \$79 and its highest close since the first week of November...

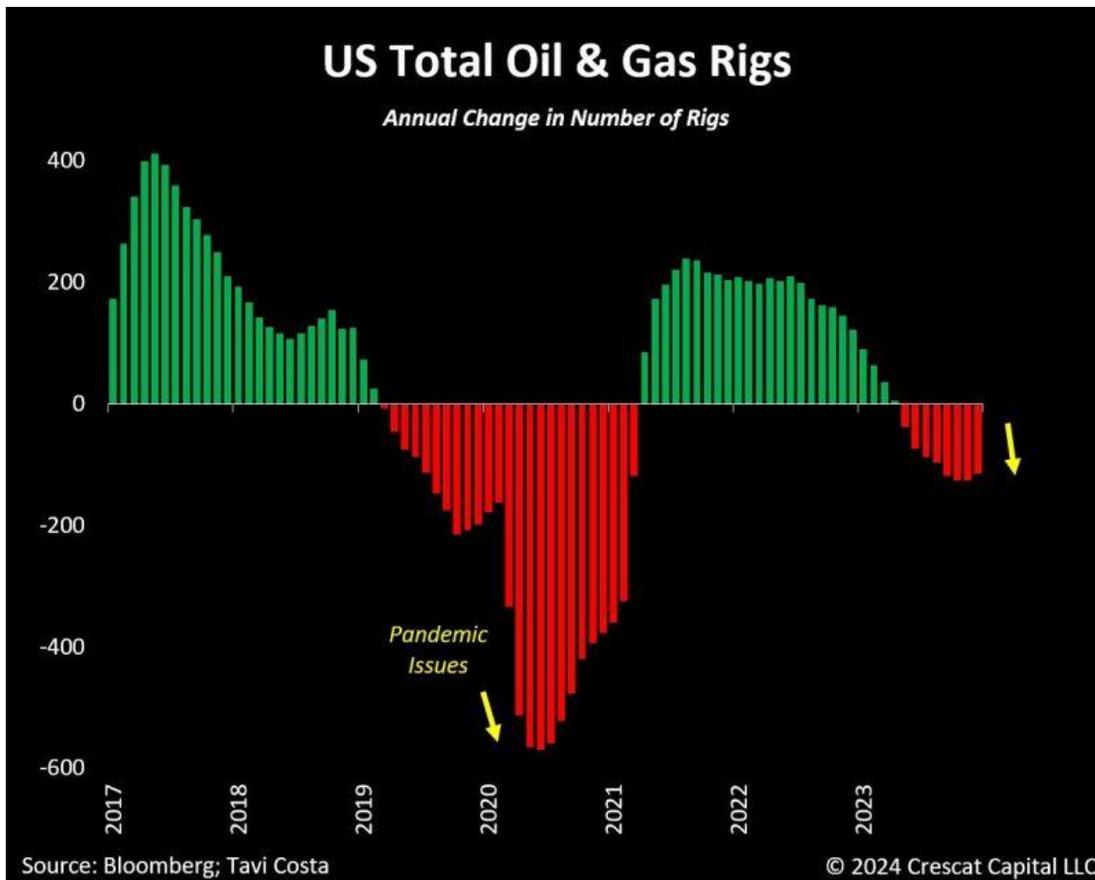


Source: www.zerohedge.com, Bloomberg



#us #oil #rig-count

Oil rigs are now contracting the most since the pandemic issues. As highlighted by Tavi Costa -> US GDP is nearly 30% higher than pre-pandemic levels, while oil production remains at approximately the same level as it was in early 2020.



Source: Bloomberg, Crescat Capital



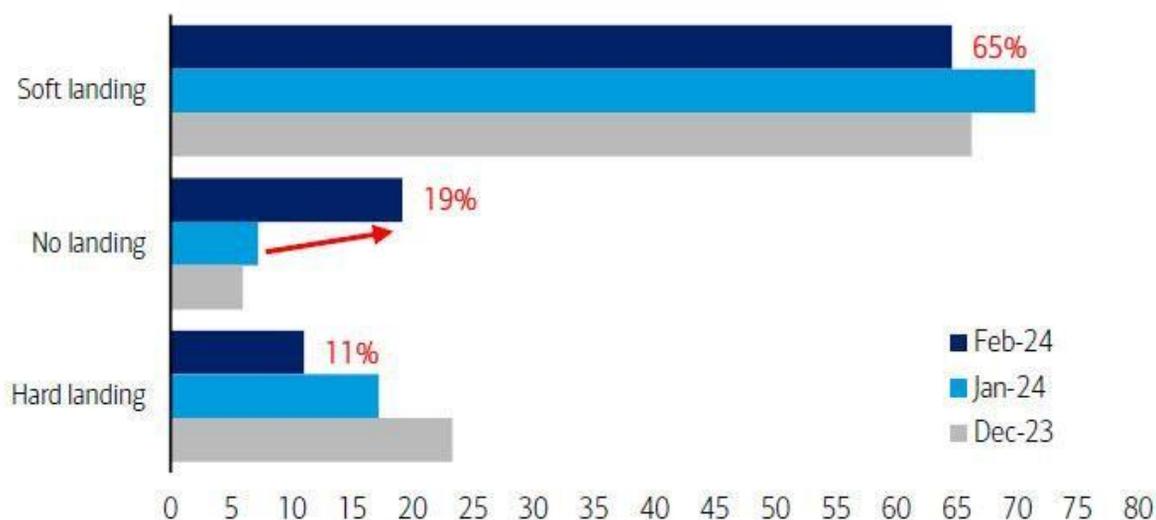


#us #economy #sentiment

In the latest BofA fund managers survey, when asked for the path of the US economy this year, 2/3 of investors say "soft landing," 1/5 say "no landing," 1/10 say "hard landing" (again, guaranteeing a "hard landing")...

Chart 4: "Soft landing" still the base case, "no landing" probability rising

What is the most likely outcome for the global economy in the next 12 months?



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH



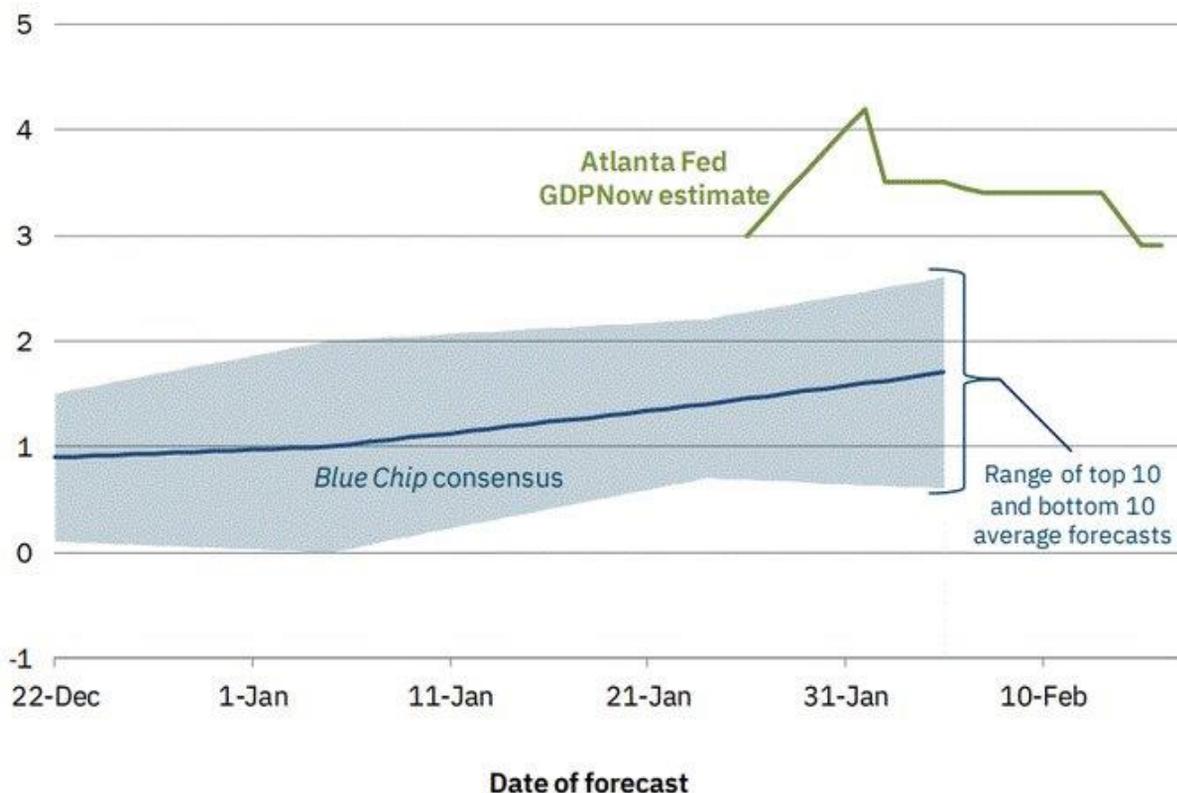
Source: BofA



#us #gdp #growth #q1

On February 16, the GDPNow model nowcast of real GDP growth in Q1 2024 is 2.9%.

Evolution of Atlanta Fed GDPNow real GDP estimate for 2024: Q1
Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.



Source: Atlanta Fed



#us #retail-sales

US Retail Sales fell 0.2% over the last year, the first YoY decline since May 2020. On an inflation-adjusted basis sales were down 3.2%.



CREATIVE PLANNING @CharlieBilello

Feb 15, 2024, 8:37 AM EST Powered by YCHARTS

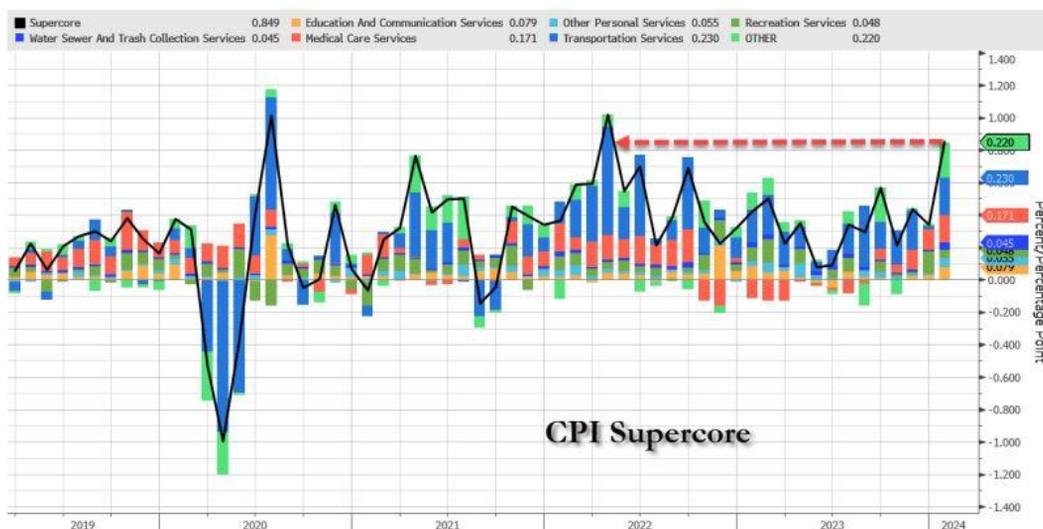


Source: Charlie Bilello



#us #cpi #inflation

Headline CPI and Core CPI came out hotter than expected. SuperCore is the hottest since May 2023 -> Headline CPI: Consumer prices rose 0.3% MoM (more than the 0.2% expected), driving the YOY change to 3.1% YoY versus 2.9% expected. Still, the decline from the +3.4% shows the disinflation trend is in place. Under the hood, food and Energy services costs jumped MoM along with transportation services -> Core CPI: The index for all items less food and energy rose 0.4% MoM in January, the biggest jump since April 2023. The shelter index increased 0.6% MoM in January and was the largest factor in the monthly increase in the index for all items less food and energy. Core CPI fell below 4.00% YoY for the first time since May 2021, but the +3.86% YoY print was hotter than the 3.7% expected.



Source: Bloomberg, www.zerohedge.com



#us #inflation

Another look at yesterday's inflation report by MacroAlf. This chart shows supercore inflation - a measure of sticky inflationary pressures Powell & Co often refer to:

- 1) It slowed down vertically towards ~3% until the end of last year
- 2) But since then it has now accelerated rapidly to 5.5%!



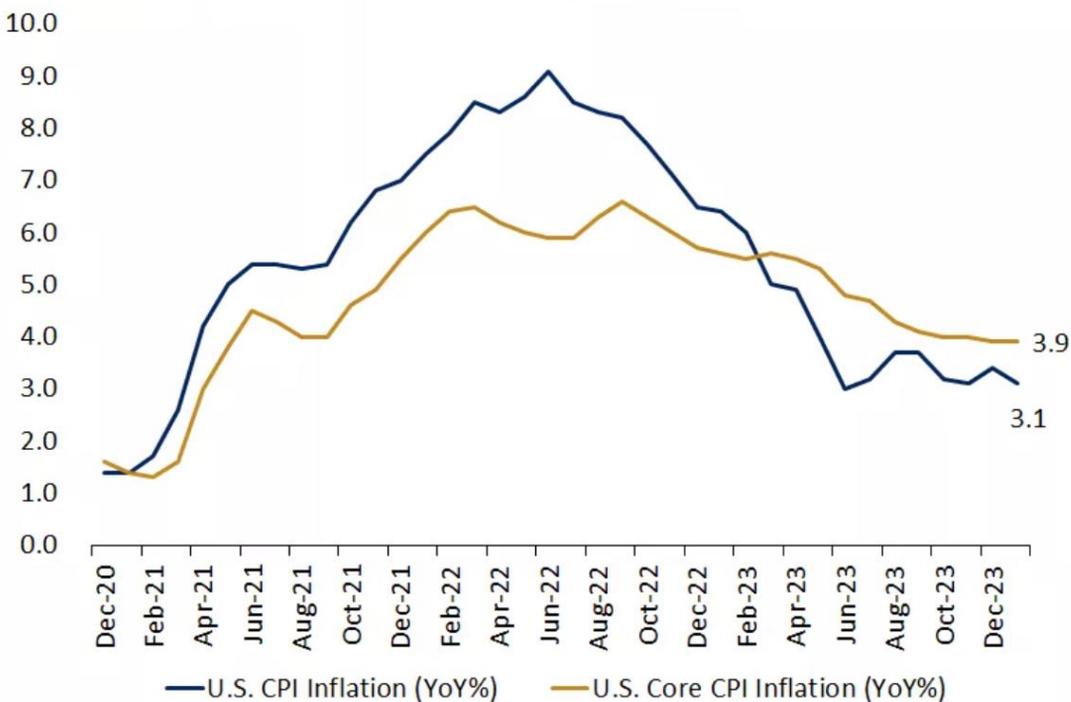
Source: MacroAlf



#us #cpi #inflation

This chart shows the year-over-year percentage change in U.S. headline and core CPI. Headline CPI rose by 3.1% year-over-year in January while core CPI rose by 3.9%.

Despite coming in hotter than expected in January, CPI inflation has been trending in the right direction



Source: Bloomberg.

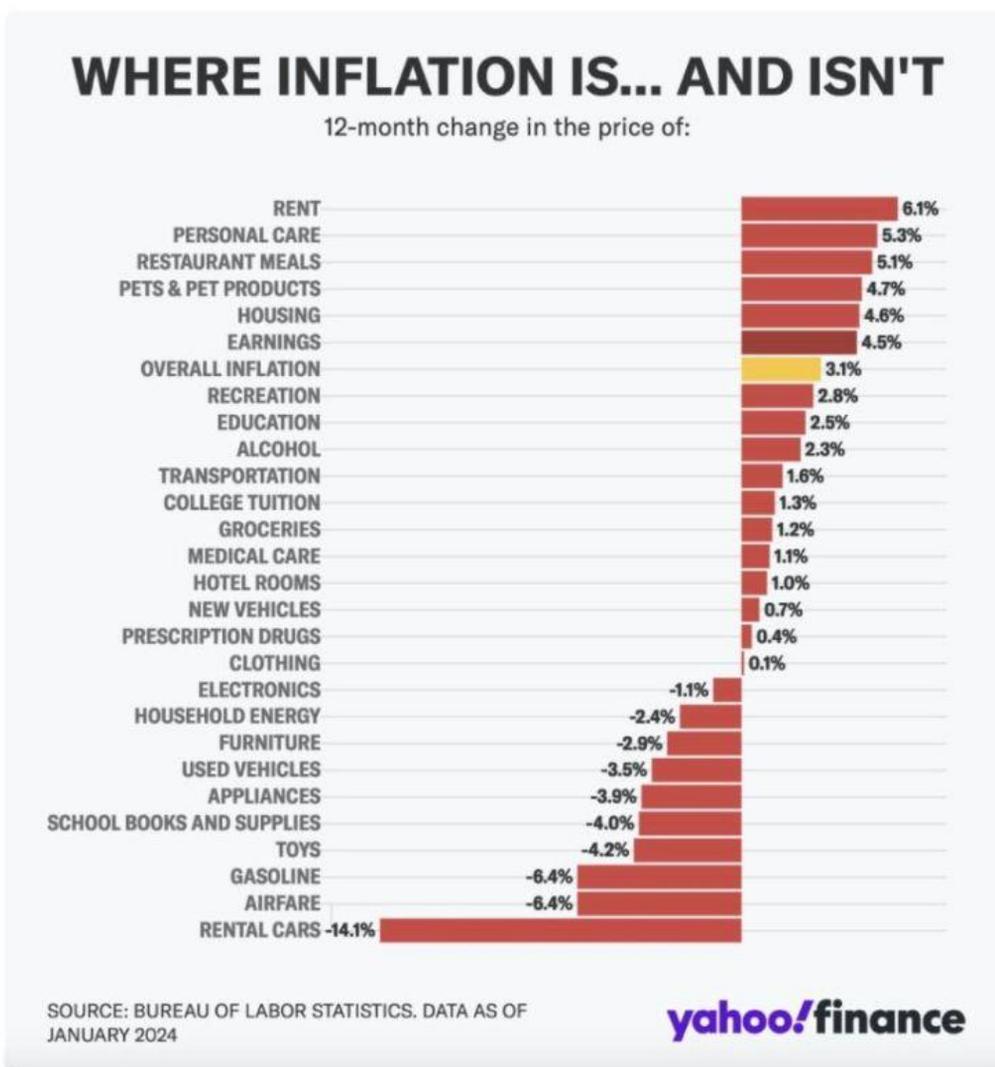


Source: Edward Jones



#us #inflation

US Inflation – Where It Is And Isn't



For more graphics like this, follow Yahoo Finance on Instagram.



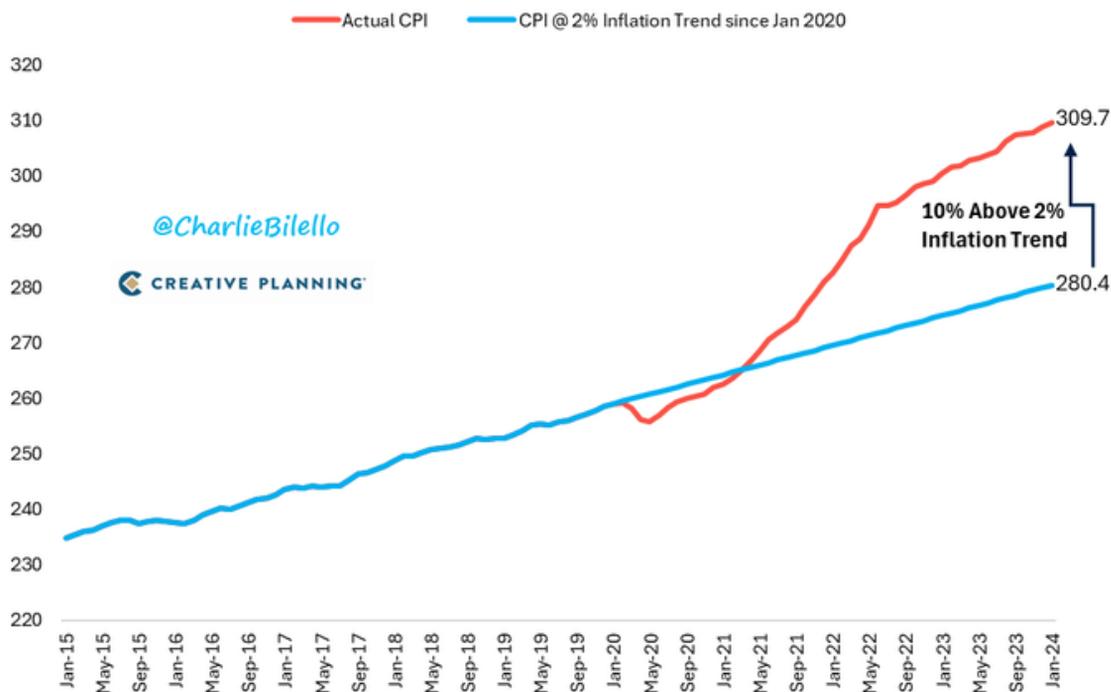
Source: Yahoo Finance



#us #inflation #trend

The Fed keeps saying it wants to get inflation back to 2%, but why is that the benchmark instead of 1% or 3%? And why not keep monetary policy tight until the 10% additional inflation we've had since Jan 2020 above the 2% trendline is erased?

US Consumer Price Index (Jan 2015 - Jan 2024)



Source: Charlie Bilello



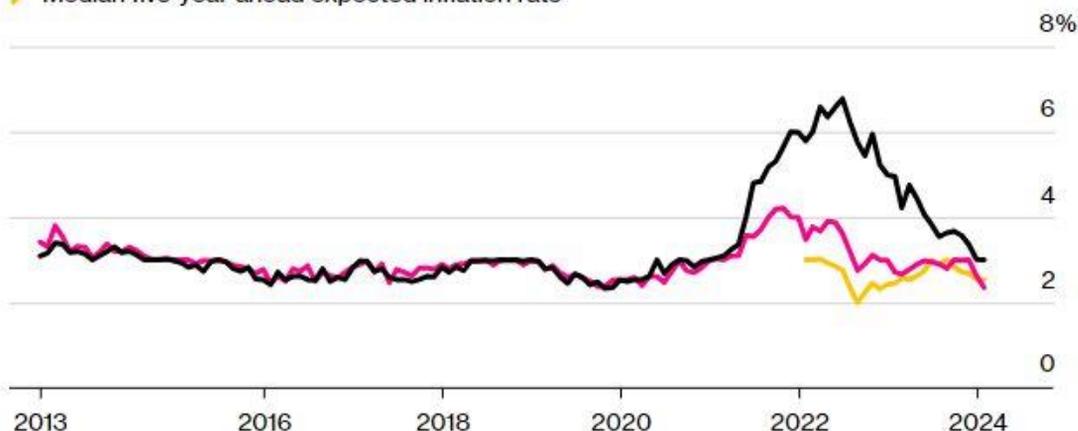
#us #inflation #expectations

Has the FED won the party? us US Medium-Term Inflation Expectations Lowest in 11 Years of Data

Inflation Expectations

Expectations at the lowest on record for the medium-term horizon

- Median one-year ahead expected inflation rate
- Median three-year ahead expected inflation rate
- Median five-year ahead expected inflation rate

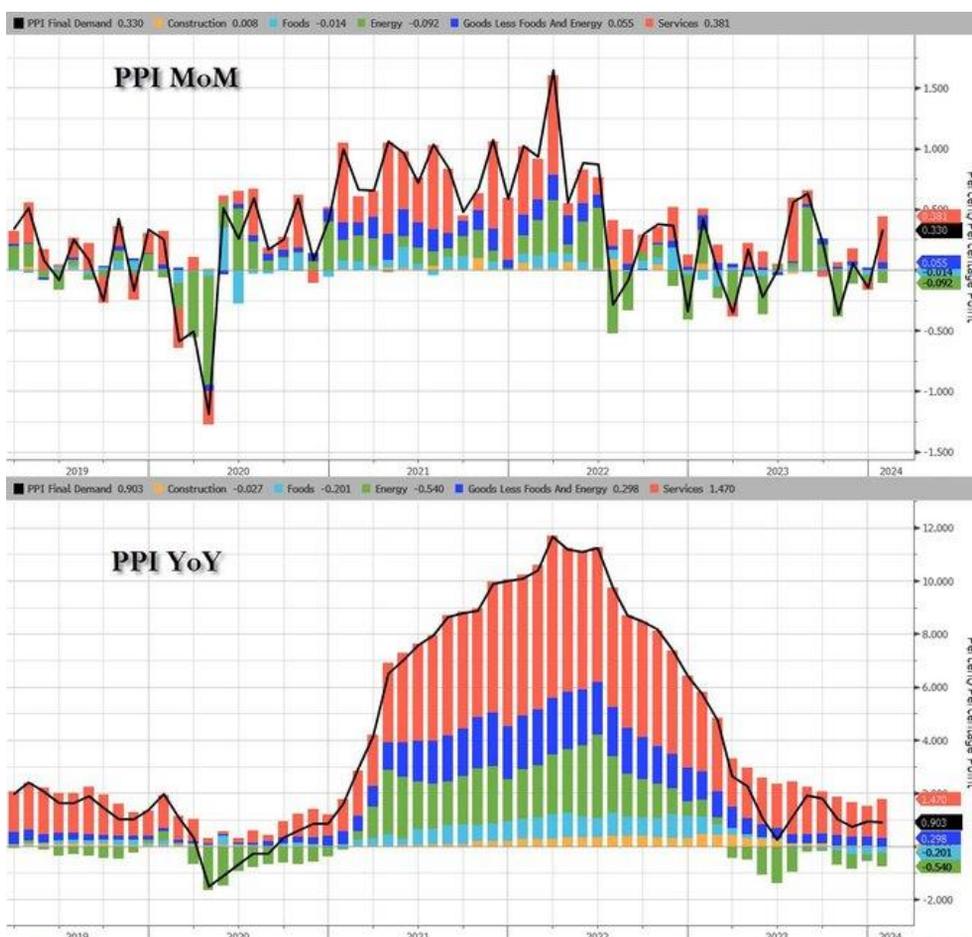


Source: Survey of Consumer Expectations, Federal Reserve Bank of New York



#us #ppi

January PPI inflation hits 0.9%, above expectations of 0.6%. Core PPI inflation JUMPED to 2.0%, above expectations of 1.6%. PPI surge is driven entirely by services (via ECAN). Both CPI and PPI inflation have come in above expectations in January. Disinflation seems to be slowing.



Source: www.zerohedge.com

#macro

#us #jamie-dimon #debt

Jamie Dimon believes U.S. debt is the ‘most predictable crisis’ in history—and experts say it could cost Americans their homes, spending power and national security - Fortune





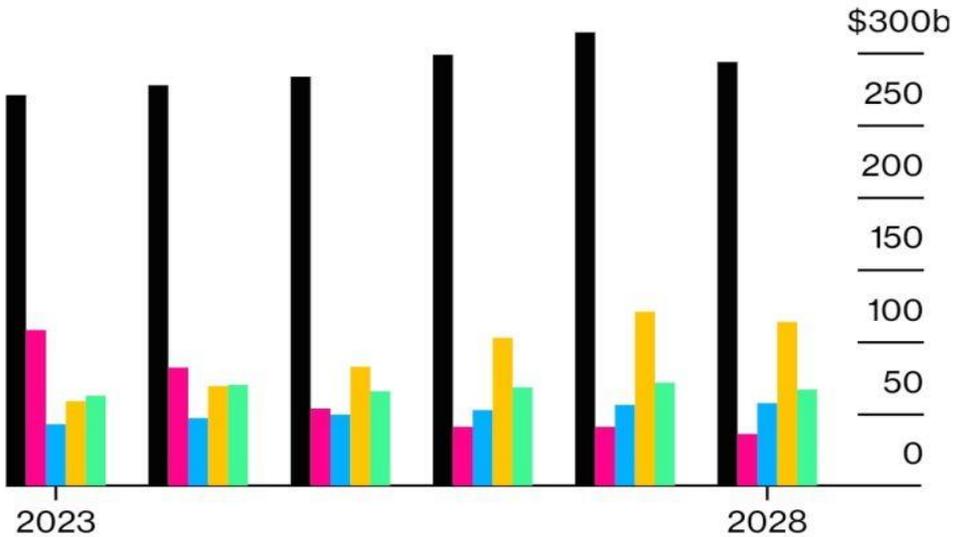
#us #cre #debt

On CRE

Almost \$3 Trillion of US CRE Debt Matures Through 2028

Banks have the biggest exposure to commercial real estate lending

- Banks
- CMBS
- Life Companies
- Government Sponsored Enterprises
- Other



Source: Trepp Inc., Federal Reserve
CRE lending numbers include multifamily. GSE includes Fannie Mae and Freddie Mac.

Bloomberg

Source: Bloomberg



#centralbanks

#fed #rate-cuts #expectations

Rate-cut odds fell (hawkishly) this week with even June now only a 60% chance of being the first cut... The market is pricing a 50-50 chance of 3 or 4 rate-cuts for the year, sliding less-dovishly this week... Futures market ended the week pricing in only a 10.5% chance of a rate cut in March compared with a 65.1% chance a month earlier.



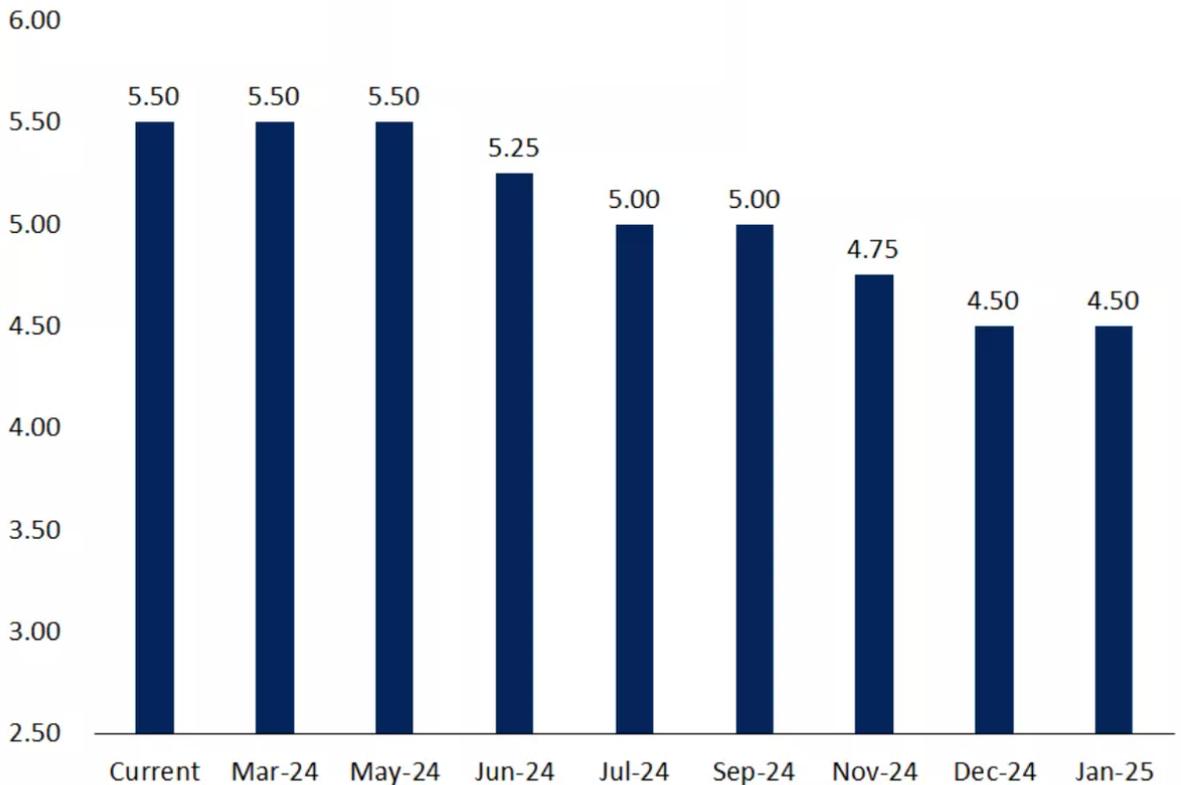
Source: www.zerohedge.com

#centralbanks

#fed #rate-cuts #expectations

This chart shows market expectations for the fed funds rate at upcoming FOMC meetings. Markets are now expecting the Fed to deliver its first rate cut in June.

Markets now expect rate cuts to start in June 2024



Source: CME FedWatch Tool.

Source: Edward Jones



#us #elections #employment

In an US election year, the spread between “Job Creation” and job “approval rating on the economy” has NEVER been wider...



Mohamed A. El-Erian 
@elerianm



The @FT’s lead headline (below).

Given the number of #jobs created and the US #growth out-performance relative to both other countries and the consensus forecasts, many would have expected the management of the #economy to be a plus for the Administration. Instead, voters continue to see it as a relative weakness due to two main factors: the persistent pain of higher prices (real and perceived #inflation); and the lack of consistent economic communication on the part of the Administration.

Trump has 11-point polling lead over Biden on handling of economy

FT-Michigan Ross survey shows voters are not crediting president even as their finances improve

#geopolitics

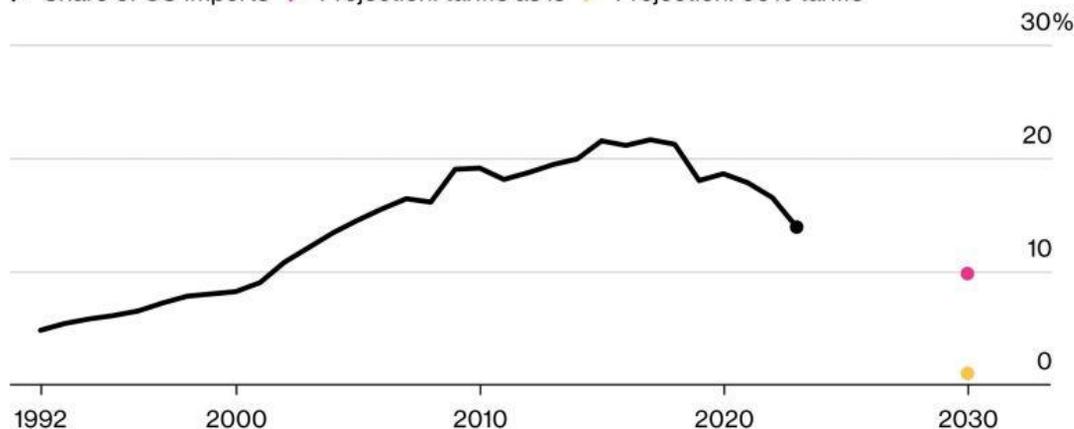
#trump #china #tariffs

Donald Trump is pitching a 60% tariff on all Chinese imports. That would shrink a \$575bn trade pipeline to practically nothing, Bloomberg analysis shows. For China’s economy and its slumping stock market — down >40% from its 2021 high — that’s bad news. Worse, Trump’s rhetoric may add pressure on Biden to take harsher measures in the run-up to election day

Trump's 60% Tariff Would Take China Imports Close to Zero

Imports from China as share of US total, historic data and model estimates

Share of US Imports Projection: tariffs as is Projection: 60% tariffs



Source: Bloomberg Economics

Note: 60%-tariff projection assumes implementation of levies in 2025

Source: HolgerZ, Bloomberg

#geopolitics

#trump #fine

In an US election year, the spread between “Job Creation” and job “approval rating on the economy” has NEVER been wider...



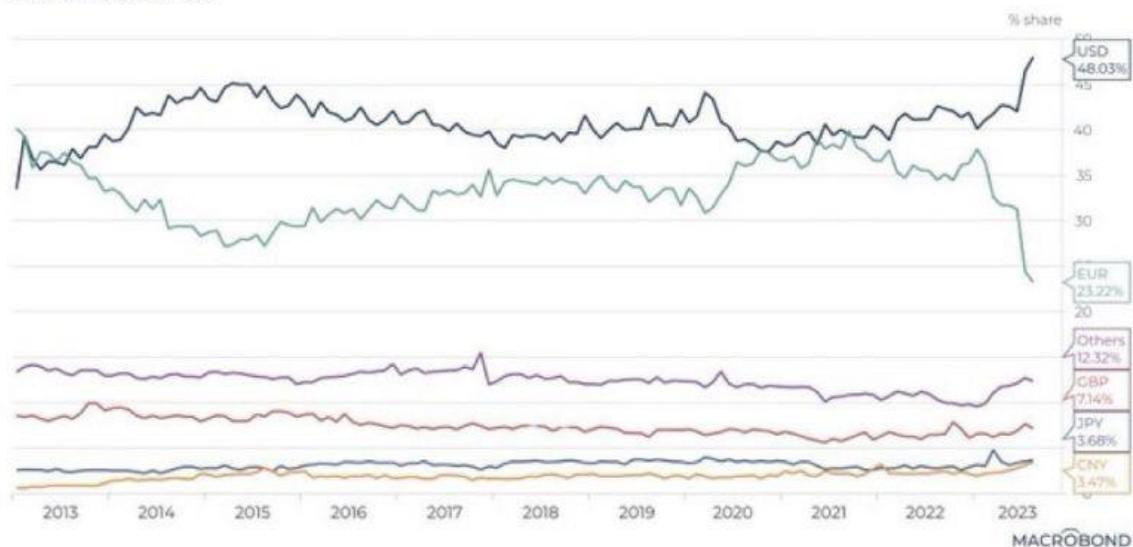


#us #dollar #transactions

The U.S. Dollar is currently used in more than 48% of international payment transactions, the highest level in more than a decade. USD isn't going away anytime soon us.

Currency used for global payments through SWIFT system

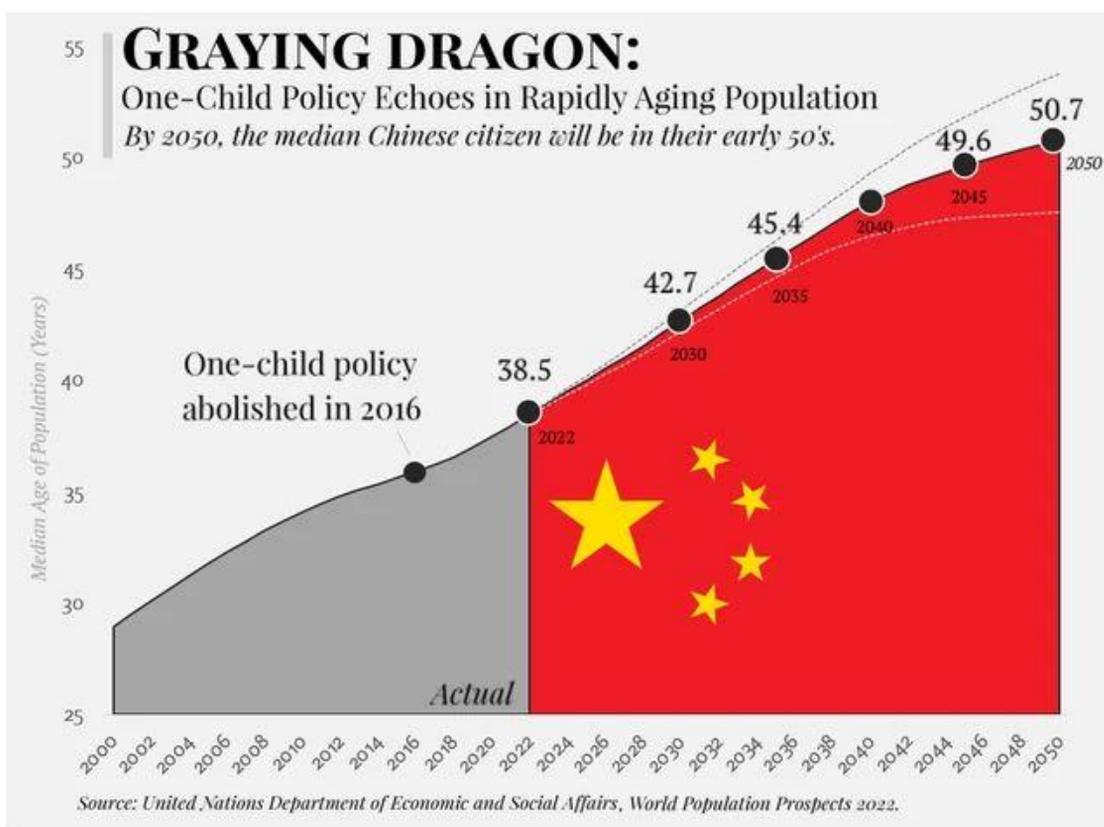
Source: SWIFT, based on value





#china #population #demographics

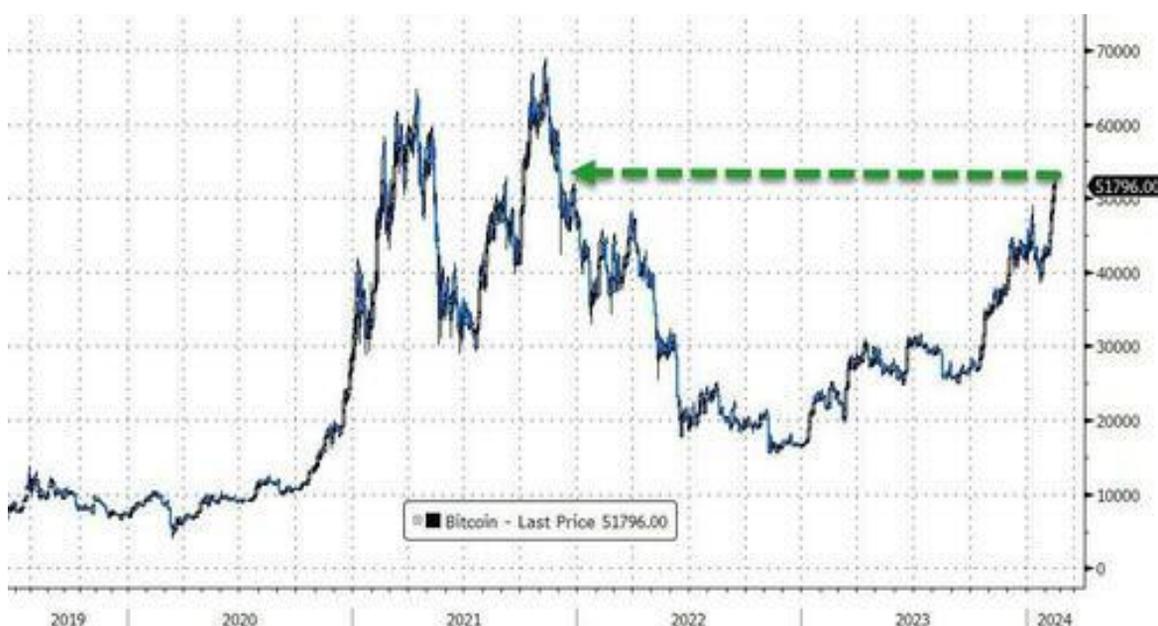
China's aging population: by 2050 the median age will be 50.7





#bitcoin #weekly

Bitcoin rallied (8%) back above \$52,500 this week (its highest since Nov 2021), the fourth straight week of gains for the largest crypto currency...



Source: www.zerohedge.com, Bloomberg



#bitcoin #market-cap #performance

BREAKING: Bitcoin has officially crossed above \$1 trillion in market cap for the first time since December 2021. Since December 2022, Bitcoin has added ~\$700 billion in market cap. For the first time since April 2022, the total market cap of crypto is above \$2 trillion.



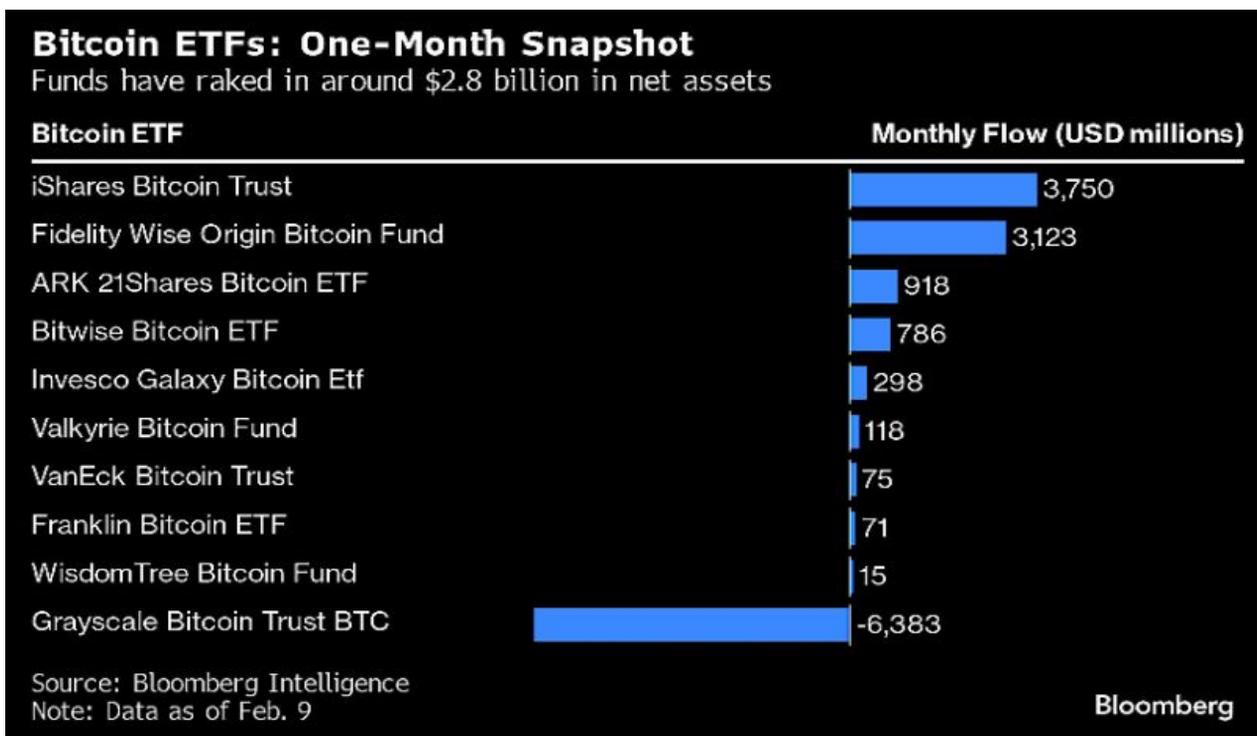
Source: Kobeissi Letter, Barchart





#bitcoin #etf

Bitcoin spot ETF launch will be remembered as a major commercial success. There's been over 5500 ETF launches in history. NEVER before has an ETF reached \$3 Billion AUM in less than 30 days... until now. Both Blackrock and Fidelity's Bitcoin spot ETFs have just done it. A month after the SEC approval, investors have poured a net \$2.8bn into Bitcoin ETFs.

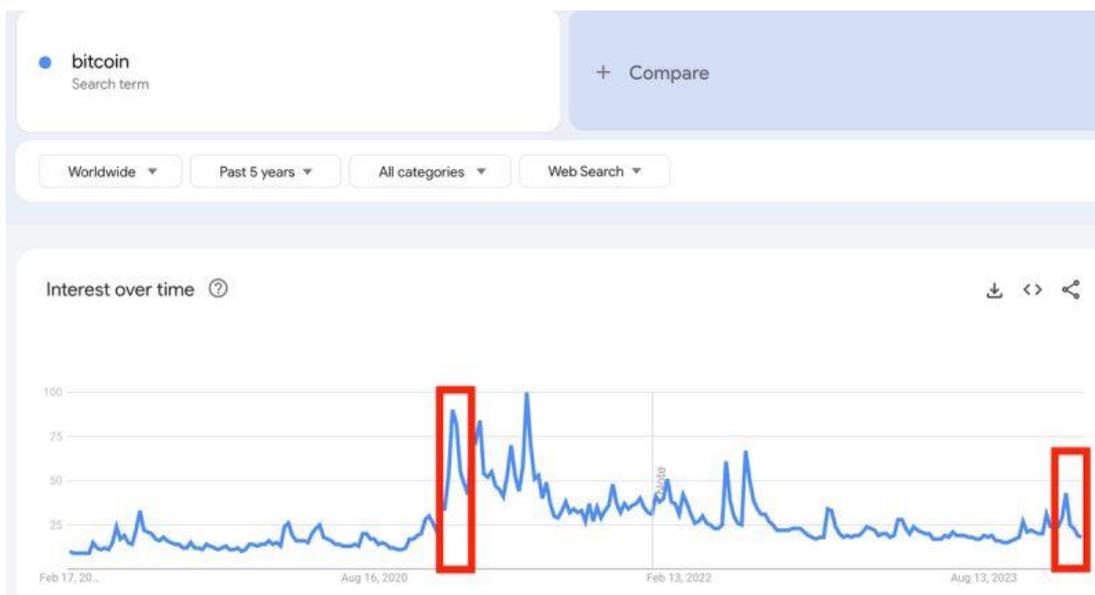


Source: Bloomberg, HolgerZ



#bitcoin #searches

The last time bitcoin was at \$50k google search trends was above 90. Today Bitcoin is RIPPING through \$52k & google search trends are BELOW 20. Retail is still sleeping - which is rather a good sign from a contrarian point of view

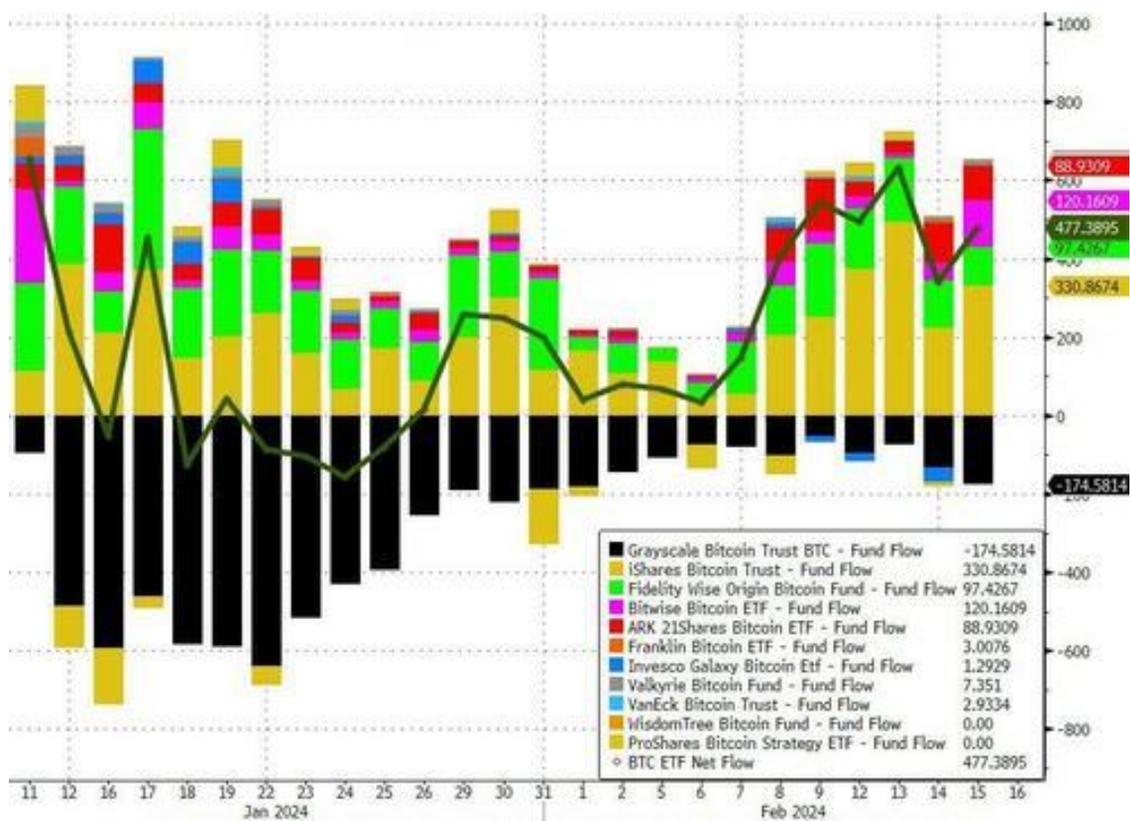


Source: Luke Mikic



#bitcoin #etf #weely #flows

On the heels of over \$2BN of net inflows into spot bitcoin ETFs this week...



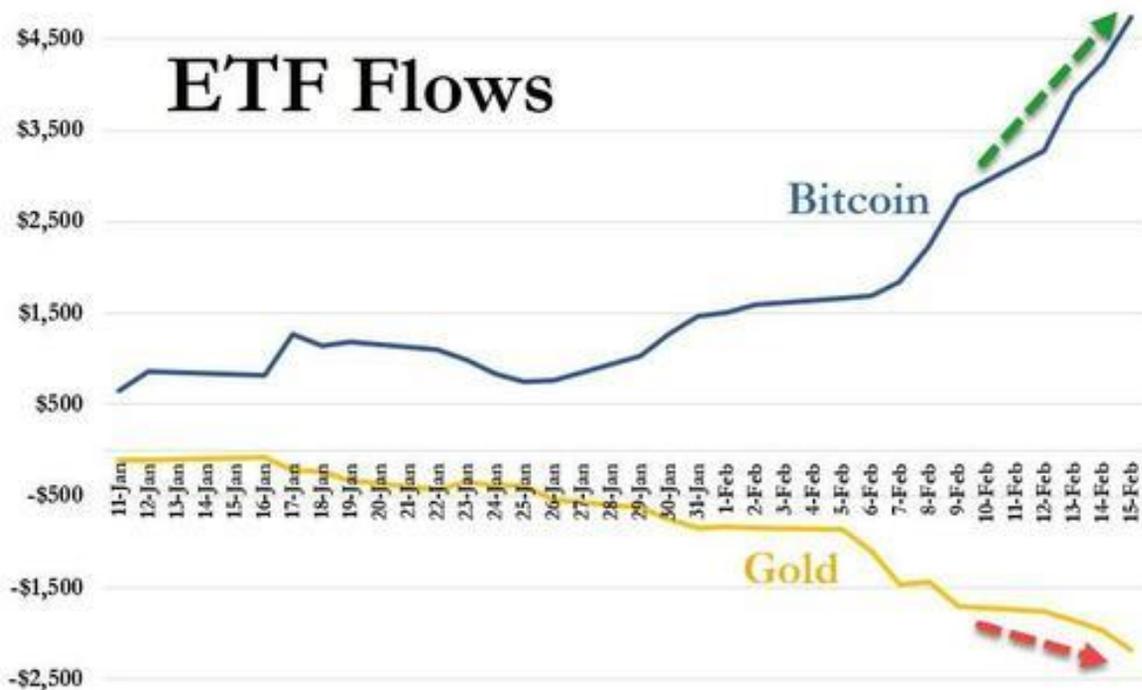
Source: www.zerohedge.com, Bloomberg





#gold #bitcoin #etfs

Boomers are selling Gold ETFs, buying Bitcoin ETFs... Bitcoin ETFs have seen almost \$5BN of net inflows since inception and during that time, Gold ETFs have seen net outflows of over \$2BN.



Source: Asher Hopp

#cryptos

#etf #bitcoin #supply-demand

BREAKING: ETFs are buying 12.5x more bitcoin per day than \$BTC network can produce

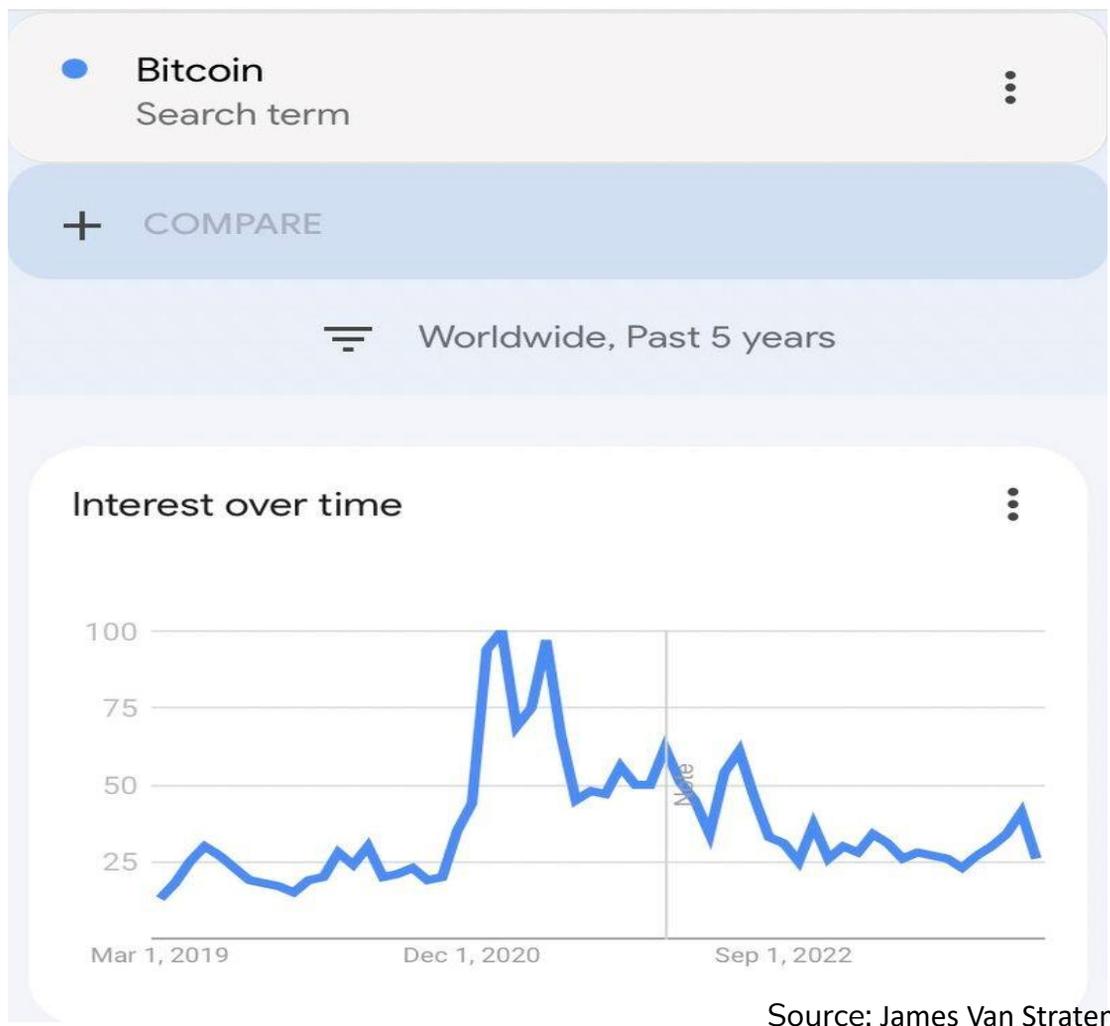


Source image: Motley Fool, BITCOINLFG



#google #bitcoin #interest

Google trends is without a doubt one of the best retail indicators. We are a 25% of the interest of 2021, but only 30% off the all time high for Bitcoin. FOMO may not even begin until ATH.



Source: James Van Straten



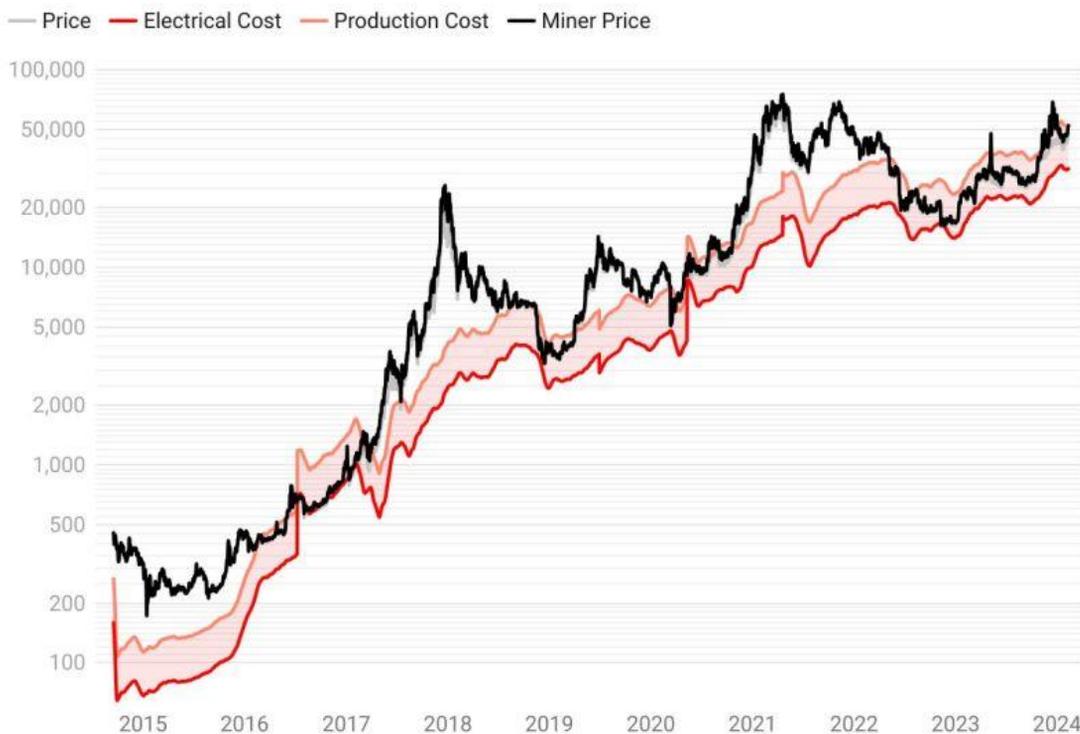


#bitcoin #production-cost

Bitcoin' Electrical Cost, the rock solid historical price floor for Bitcoin, is at \$31.6K today. It will double in 63 days.

Bitcoin Production Cost

Read more: capriole.com/bitcoins-production-cost



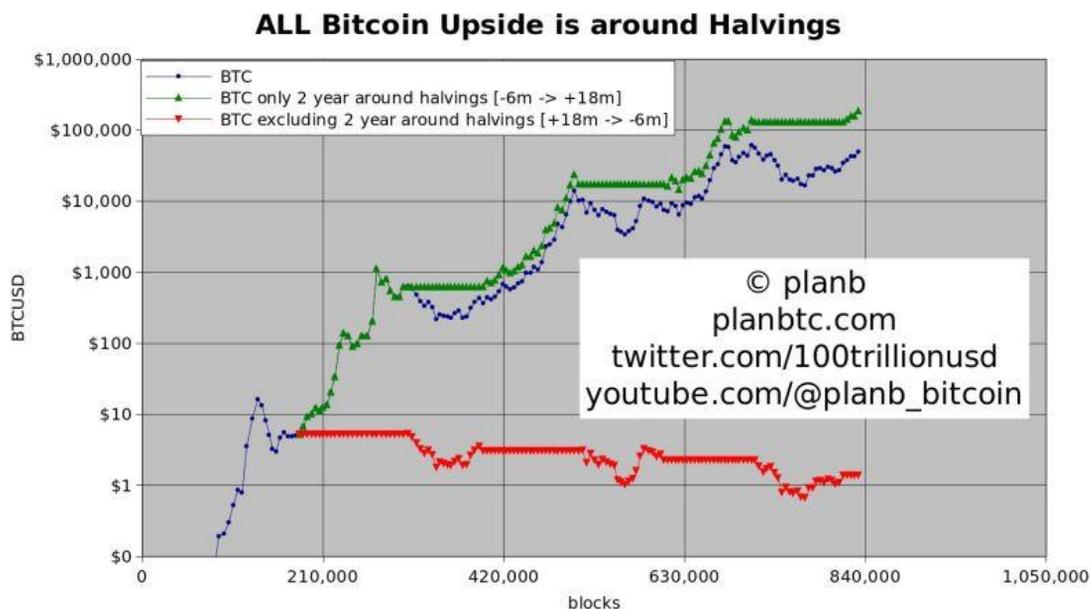
Source: Capriole • Created with Datawrapper

Source: Capriole, Charles Edwards



#bitcoin #halving #performance

Stock-to-Flow (S2F) simplified: ALL bitcoin upside is around halvings. If you split BTC price in 2 parts, one around halvings (green) and one between halvings (red), then you see that ALL gain is around halvings. Ergo: halvings/S2F/scarcity is the root cause of BTC value.



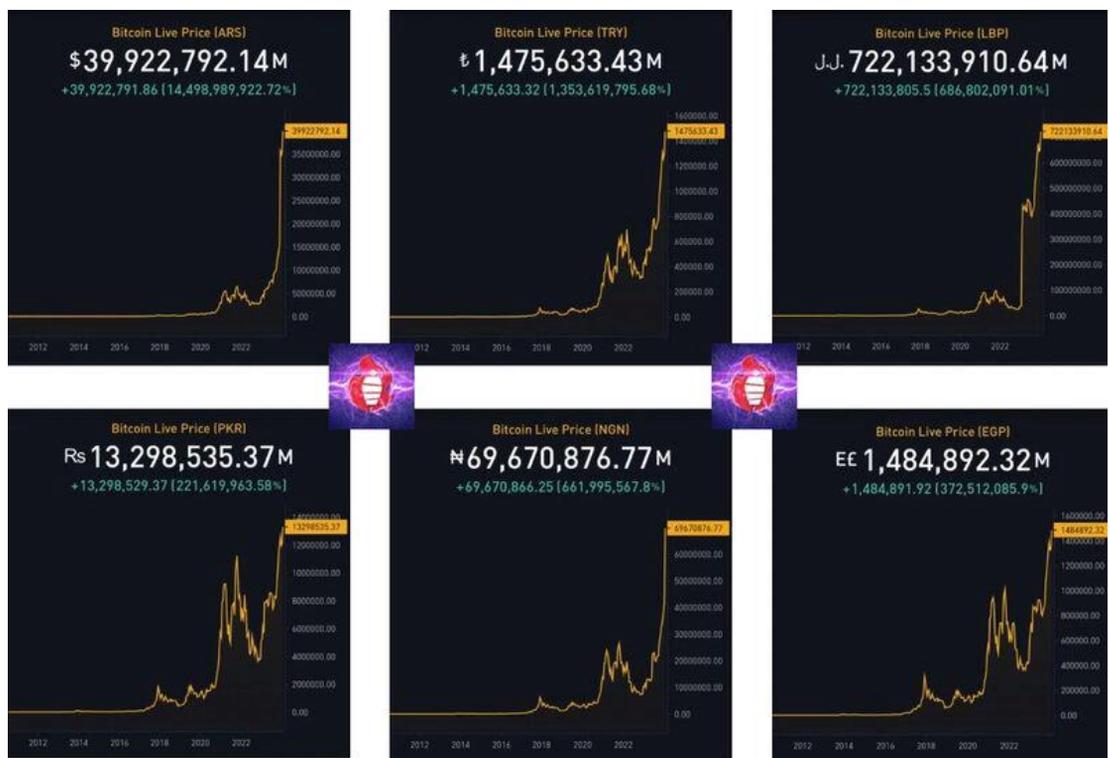
Source: PlanB @100trillionUSD





#bitcoin #emerging-markets

This is what Bitcoin looks like for the citizens of Turkey, Egypt, Nigeria, Argentina, Lebanon and Pakistan. A combined population of 725 MILLION people. Nigeria and Argentina price more than doubled over the last 2 months ago



Source: The Real Tahinis, Andrea Lisi



#bitcoin #egyptian-pound

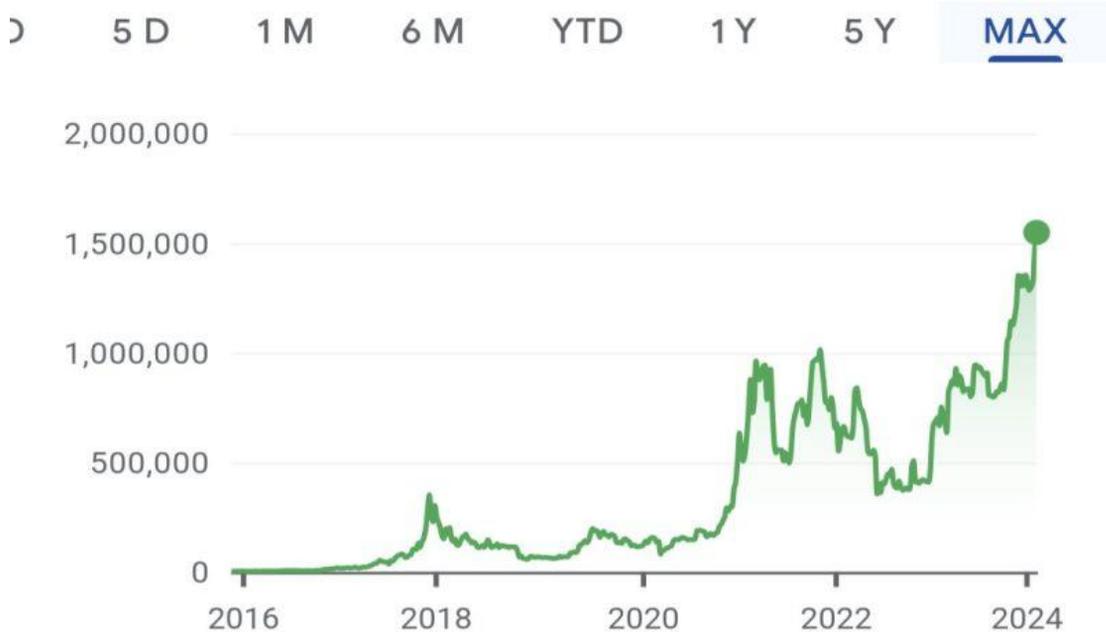
What's the craziest Bitcoin chart in the world right now?
Answer: \$BTC in Egyptian Pound \$EGP ...

Bitcoin (BTC / EGP)

1,547,881.66

↑ 61,266.72% +1,545,359.31 Max

13 Feb, 07:30:00 UTC · Disclaimer



Source: Erik Dale





#bitcoin #us-dollar

In just 5 years, the US dollar has plummeted by a staggering 92% when measured against Bitcoin...



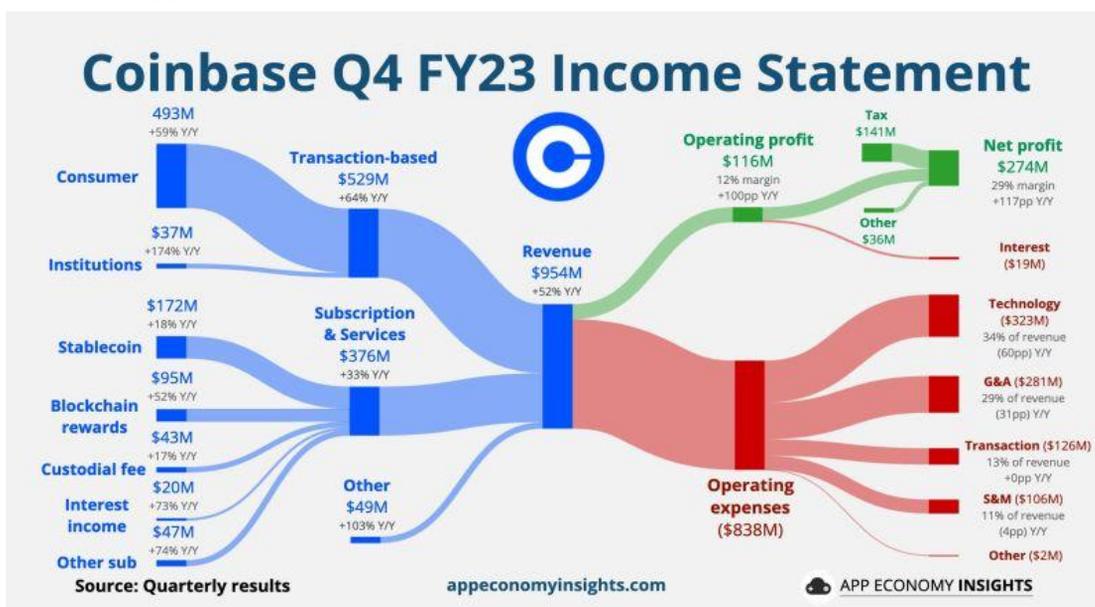
Source: [Loïc Staub](#)





#coinbase #earnings #performance

Coinbase Global Inc. shares jumped 14% in the extended session Thursday after the crypto-trading platform swung to a quarterly profit and reported revenue well above Wall Street expectations, saying it benefited from “risk on” activity in the markets. Coinbase \$COIN earned \$273 million, or \$1.04 a share, in the fourth quarter, versus a loss of \$557 million, or \$2.46 a share, in the year-ago quarter. Sales rose to \$954 million from \$629 million a year ago. Analysts polled by FactSet expected Coinbase to report earnings of 2 cents a share on sales of \$826 million. In a letter to shareholders, Coinbase executives said that they saw “a sharp increase in crypto asset volatility,” akin to early 2023, and in crypto asset prices.

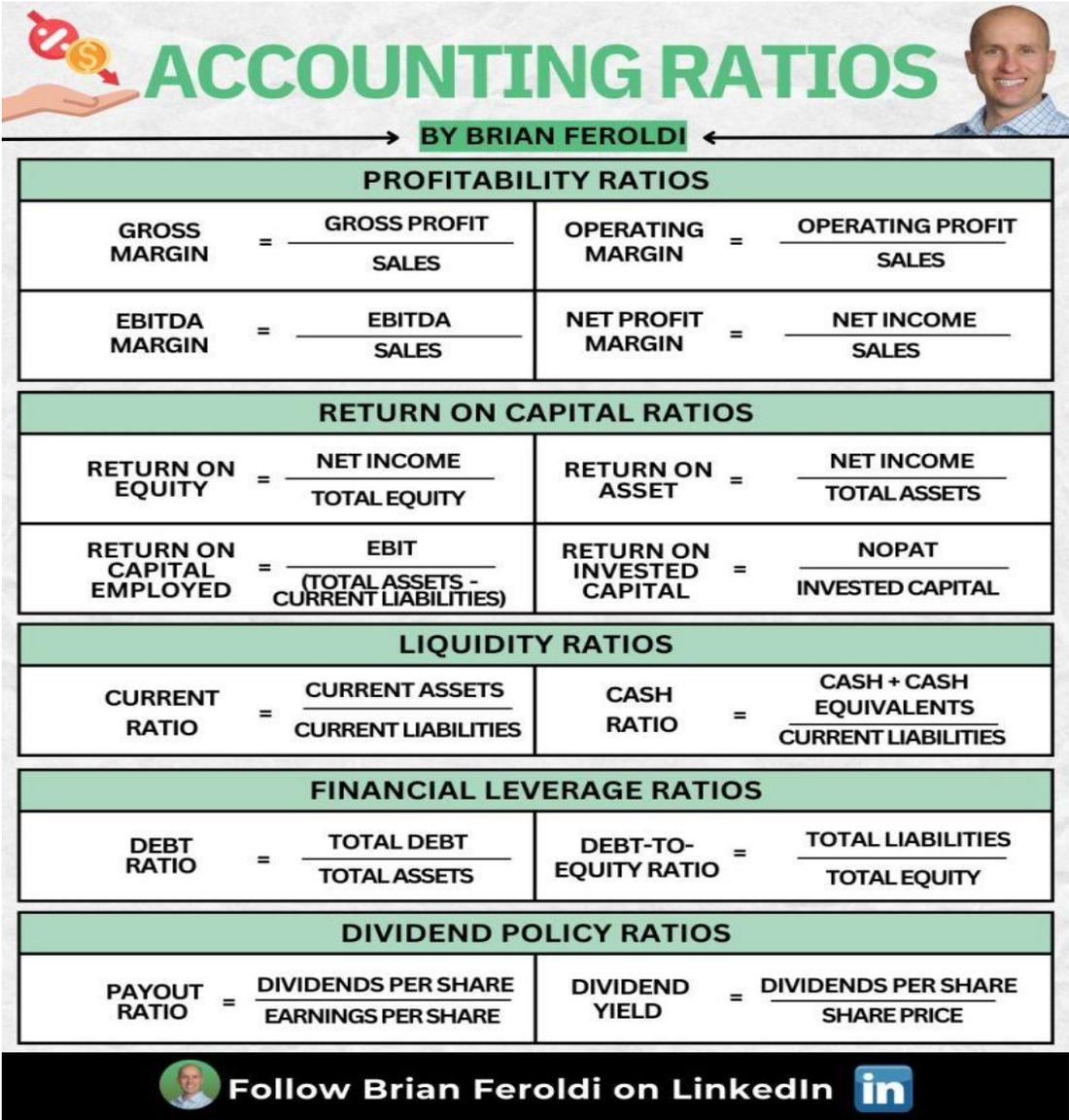


Source: App Economy Insights, Market Watch

#food-for-thought

#accounting #cheat-sheet

How to analyze a business, FAST



ACCOUNTING RATIOS
BY BRIAN FEROLDI

PROFITABILITY RATIOS			
GROSS MARGIN	=	$\frac{\text{GROSS PROFIT}}{\text{SALES}}$	OPERATING MARGIN = $\frac{\text{OPERATING PROFIT}}{\text{SALES}}$
EBITDA MARGIN	=	$\frac{\text{EBITDA}}{\text{SALES}}$	NET PROFIT MARGIN = $\frac{\text{NET INCOME}}{\text{SALES}}$

RETURN ON CAPITAL RATIOS			
RETURN ON EQUITY	=	$\frac{\text{NET INCOME}}{\text{TOTAL EQUITY}}$	RETURN ON ASSET = $\frac{\text{NET INCOME}}{\text{TOTAL ASSETS}}$
RETURN ON CAPITAL EMPLOYED	=	$\frac{\text{EBIT}}{\text{(TOTAL ASSETS - CURRENT LIABILITIES)}}$	RETURN ON INVESTED CAPITAL = $\frac{\text{NOPAT}}{\text{INVESTED CAPITAL}}$

LIQUIDITY RATIOS			
CURRENT RATIO	=	$\frac{\text{CURRENT ASSETS}}{\text{CURRENT LIABILITIES}}$	CASH RATIO = $\frac{\text{CASH + CASH EQUIVALENTS}}{\text{CURRENT LIABILITIES}}$

FINANCIAL LEVERAGE RATIOS			
DEBT RATIO	=	$\frac{\text{TOTAL DEBT}}{\text{TOTAL ASSETS}}$	DEBT-TO-EQUITY RATIO = $\frac{\text{TOTAL LIABILITIES}}{\text{TOTAL EQUITY}}$

DIVIDEND POLICY RATIOS			
PAYOUT RATIO	=	$\frac{\text{DIVIDENDS PER SHARE}}{\text{EARNINGS PER SHARE}}$	DIVIDEND YIELD = $\frac{\text{DIVIDENDS PER SHARE}}{\text{SHARE PRICE}}$

Follow Brian Feroldi on LinkedIn 

Source: [Brian Feroldi](#)

#food-for-thought

#investing #rules

The best investors

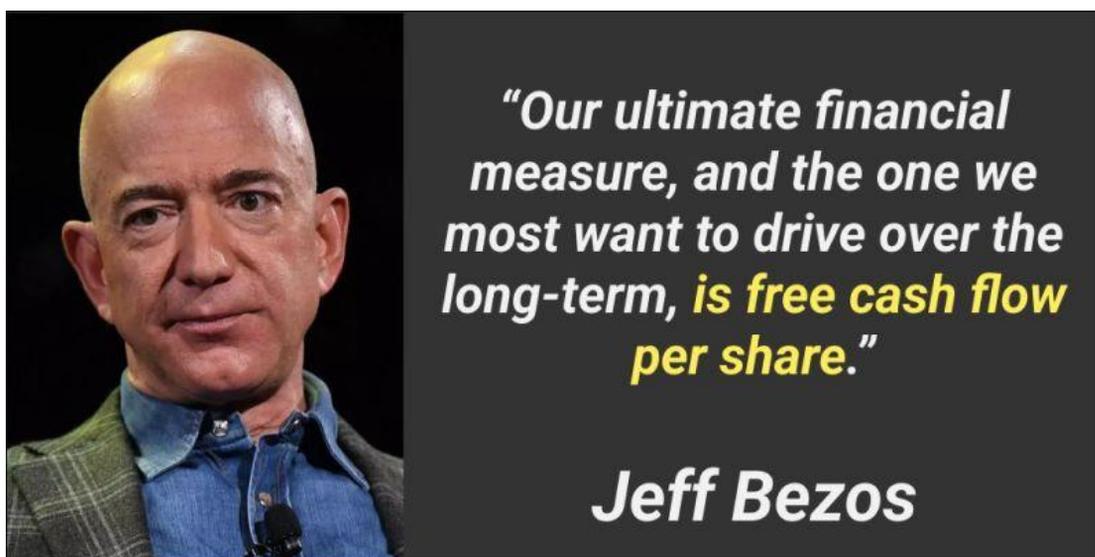
- Diversify
- Read all the time
- Don't use leverage
- Keep their fees low
- Know what they own
- Let their winners run
- Never time the market
- Invest in great companies
- Make their own homework
- Always keep things simple
- Don't overcomplicate things
- Take advantage of Mr. Market
- Stay within their circle of competence

Source: Compounding Quality

#food-for-thought

#bezos #amazon

Jeff Bezos never focused on earnings, EPS, or "profit". Why? He knows those numbers are flawed.

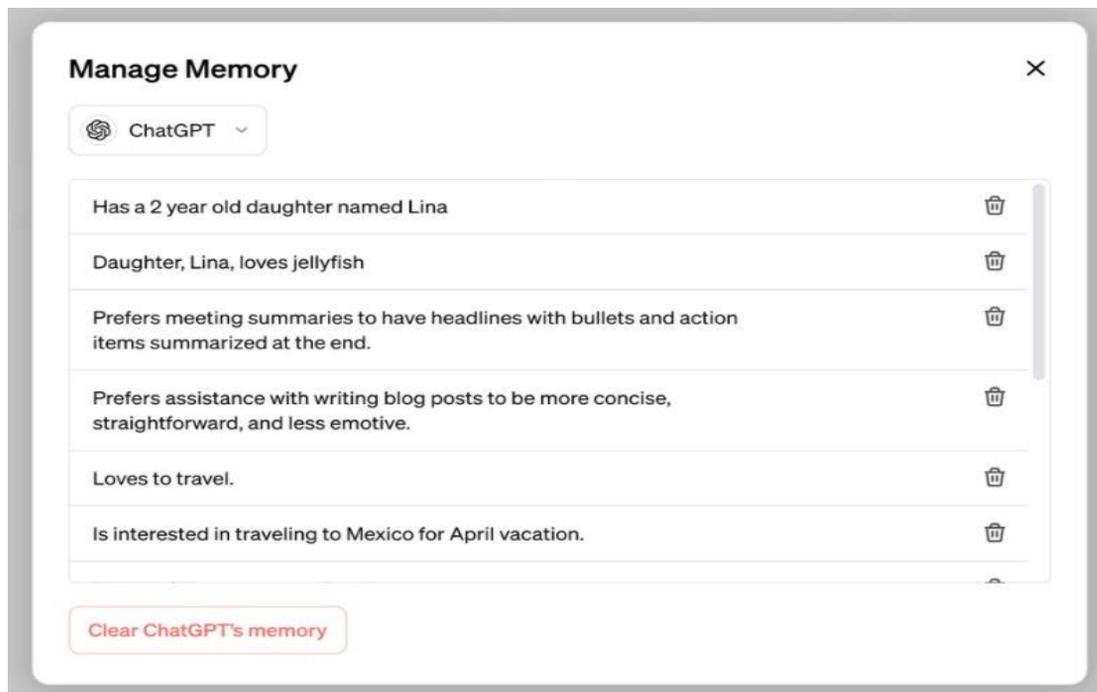


Source: [Brian Feroldi](#)

#food-for-thought

#chatgpt #memory

ChatGPT will create a digital memory to help personalize its responses. OpenAI is adding a feature that will allow ChatGPT to remember both information about individual users and how they want the chatbot to respond to different types of queries. The feature is rolling out to a small number of free and paid ChatGPT Plus subscribers. OpenAI says the memory feature will be made available to business customers once the company is ready to broadly release the feature. An incognito-like mode will be available allowing people to conduct queries without drawing on memories.

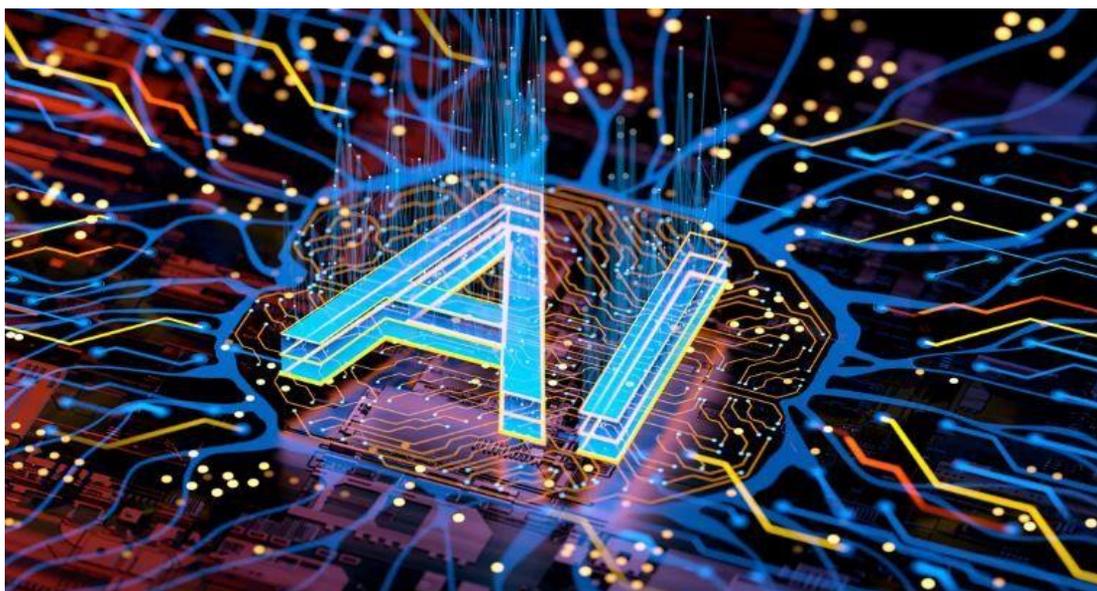


Source: axios

#food-for-thought

#google #ai #europe

Google pledges 25 million euros to boost AI skills in Europe. Google opens new tab has pledged 25 million euros (\$26.98 million) to help people in Europe learn to use artificial intelligence (AI). Announcing the funding on Monday, the tech giant said it had opened applications for social enterprises and nonprofits that could help reach those most likely to benefit from training. The firm will also run a series of “growth academies” to support companies using AI to scale their companies and has expanded its free online AI training courses to 18 languages. The data centre will be located in the town of Waltham Cross, about 15 miles (24.14 km) north of central London.



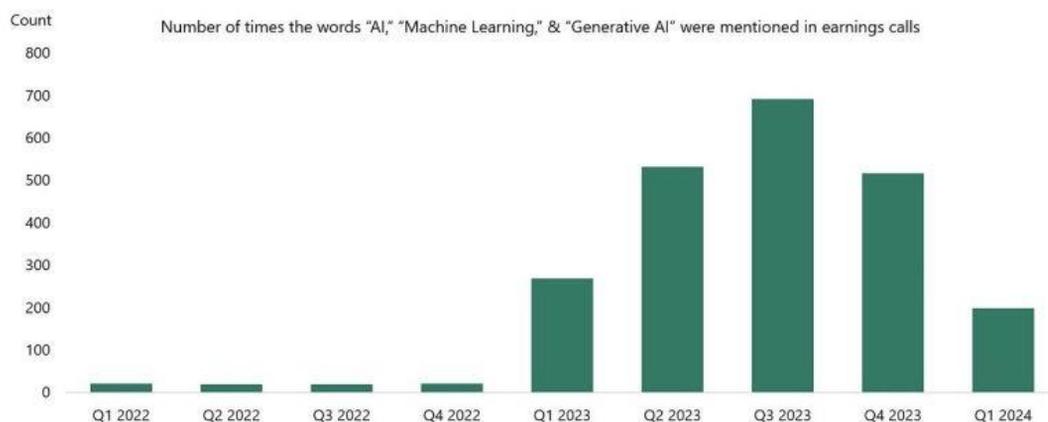
Source: reuters

#food-for-thought

#ai #earnings-calls

Is AI losing traction?

The rise and fall of AI



Source: Michael A. Arouet

#food-for-thought

#sam-altman #semiconductors

In Case You Missed It: On February 8th the Wall Street Journal reported that OpenAI CEO Sam Altman wants to raise up to \$7 trillion for a “wildly-ambitious” tech project to boost the world’s chip capacity, funded by investors including the U.A.E. — which in turn will vastly expand its ability to power AI models. To put numbers in perspective: \$7 TRILLION is around ~10% of global GDP...Or the combined market cap or BOTH Microsoft & Apple. That means he want to totally reshape the global semiconductor industry. By the way, where will all the energy needed come from?

THE WALL STREET JOURNAL.

TECHNOLOGY | ARTIFICIAL INTELLIGENCE

Sam Altman Seeks Trillions of Dollars to Reshape Business of Chips and AI

OpenAI chief pursues investors including the U.A.E. for a project possibly requiring up to \$7 trillion

By Keach Hagey

and Asa Fitch

Feb. 8, 2024 9:00 pm ET

Source: VB, Creative Capital, WSJ



#food-for-thought

#x #everything-app

Video Spaces with Screen Sharing' coming soon on X.
X is becoming the everything app

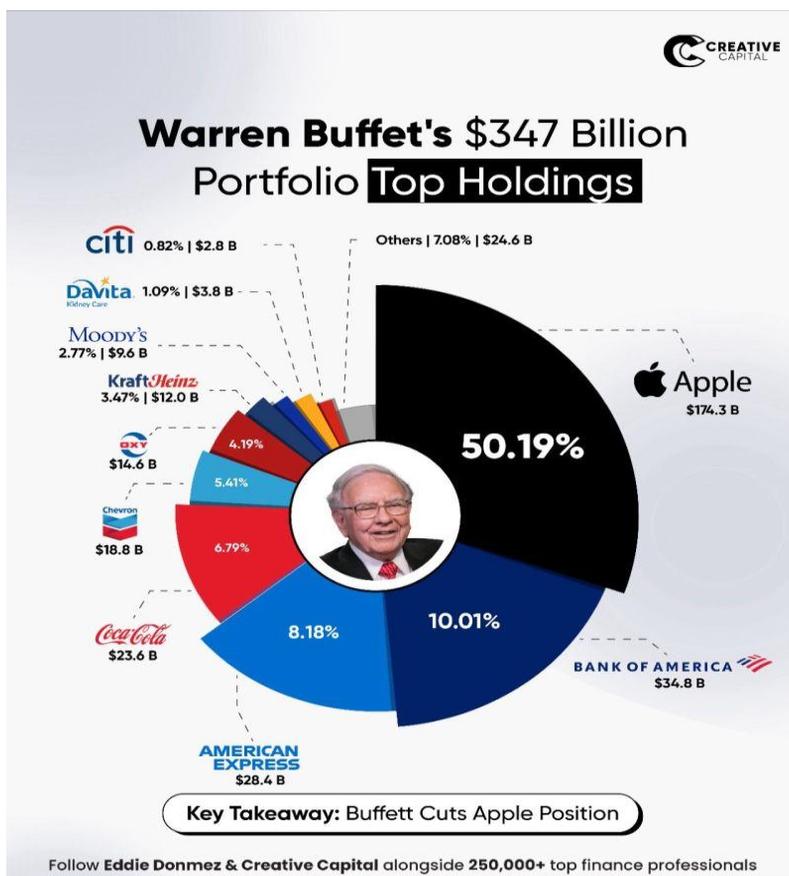


Source: dogedesigner, wallstreet silver

#food-for-thought

#warren-buffet #portfolio

Legendary Investor Warren Buffet's Updated \$347 BILLION Portfolio - sold some Apple shares. Warren Buffett's Berkshire Hathaway sold off about 10 million shares or almost \$2 billion of Apple stock in the final quarter of 2023, according to the firm's 13-F filing. Berkshire also sold off the majority of its position in HP and about half of its shares of Paramount Global. The firm boosted its positions in Chevron and Occidental Petroleum, as well as Sirius XM Holdings.

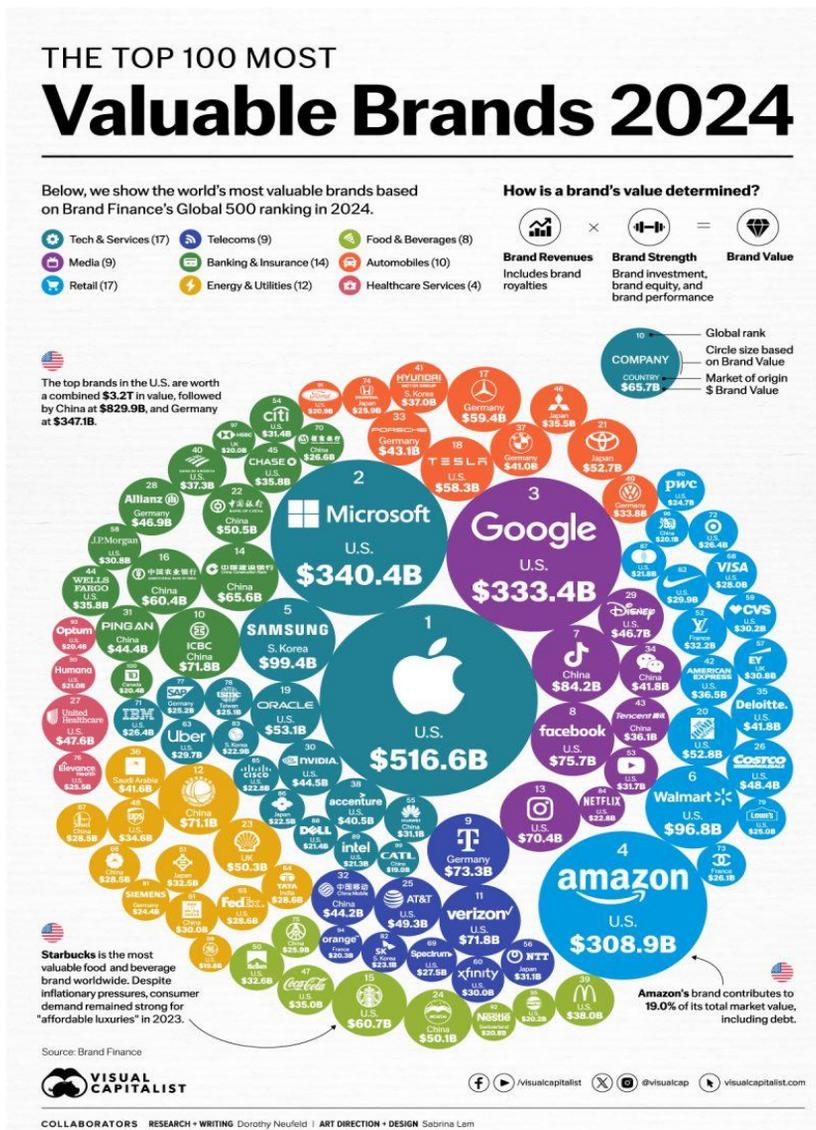


Source: Creative Capital

#food-for-thought

#brands #value

The 100 Most Valuable Brands in the World are Worth more than \$5 Trillion.



Source: Visual Capitalist

#food-for-thought

#scarcity #profitability

When your business is built on scarcity and desirability, LESS IS MORE. In 2023, Volvo Cars sold ~52 times as many cars as Ferrari, 709K vs. 13.7K units. Looking at revenue, Volvo Cars generated €35.3B, which is ~6x more than Ferrari's €6B. Interestingly enough, despite the company's scale, \$VOLCAR "only" generated €1.8B in EBIT (5%), compared to \$RACE's €1.6B (27%).



Source: [Quatr](#)

#food-for-thought

#stock-market #weightings

Ranked: The Largest Stock Markets Over Time, by Country (1970-Today)



Source: Visual Capitalist

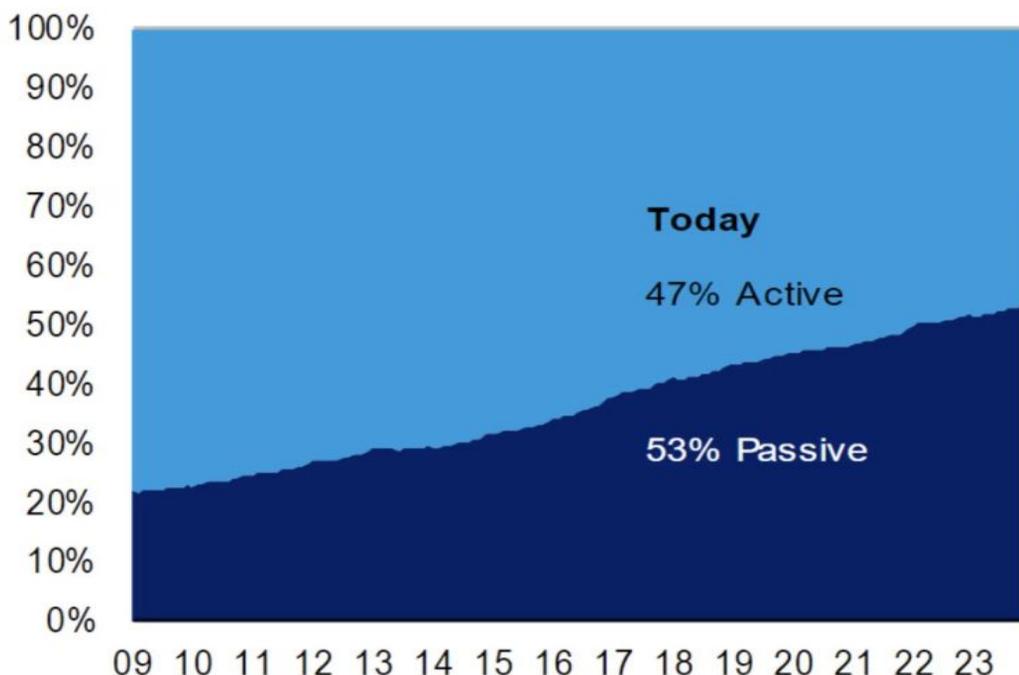
#food-for-thought

#passive-funds #aum

Passive funds have overtaken active. That's changed a lot because the number of active managers is down a lot, David Einhorn says in MIB podcast: "There's entire segments now mostly in the smaller part of the market where there's literally nobody paying any attention...I view the markets as fundamentally broken".

Exhibit 2: Passive is >50% of US domiciled AUM

US AUM allocation active vs. passive (as of 12/23)



BOFA GLOBAL RESEARCH

Source: HolgerZ, BofA



#food-for-thought

#jpm #state-street #climate-action

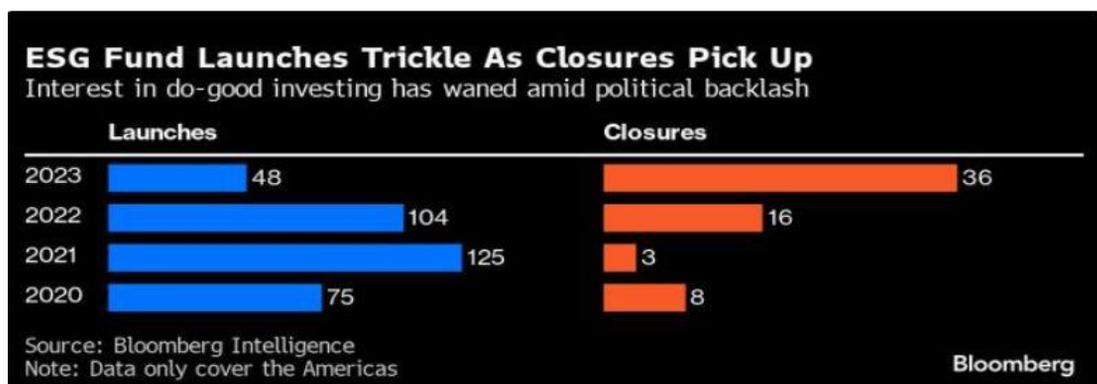
Two of the world's biggest asset managers are quitting Climate Action 100+, an investor group set up to prod companies over global warming. Two of the world's biggest asset managers are quitting an investor group set up to prod companies over global warming and a third is scaling back its participation, in a major setback to the ambitions of Climate Action 100+. JPMorgan Asset Management and State Street Global Advisors both confirmed they were leaving Climate Action 100+. BlackRock, the world's largest money manager, is pulling out as a corporate member and transferring its participation to its smaller international arm.



#food-for-thought

#wall-street #esg #etf

The ESG Backlash on Wall Street Spurs a Jump in ETF Closures. The dwindling demand is evident in the Americas from the slowdown in sales of new exchange-traded funds and the pickup in fund closures and outflows, according to senior ESG strategist at Bloomberg Intelligence. In 2023, the region saw just 48 new ETFs introduced, down from 104 in 2022 and 125 in 2021, data compiled by Bloomberg Intelligence show. A net \$4.3 billion was pulled last year from ESG-focused ETFs in the US, marking the first-ever annual outflows. The \$13 billion iShares ESG Aware MSCI USA ETF (ticker ESGU), the largest ESG-focused ETF, is seeing continued outflows this year, with \$809 million yanked from the fund after a \$9 billion exodus last year. Meanwhile, 36 ESG-labeled ETFs were liquidated in the Americas during 2023, more than double the prior year, data from Bloomberg Intelligence show. Almost 60% of the funds that were closed were actively managed.



Source: yahoo!finance, bloomberg

#food-for-thought

#france #mrna #control

BREAKING: Critics of mRNA could be jailed for up to 3 years in France under new law.

politics

France: Criticism of mRNA will be punishable in the future

February 15, 2024

4.6 minutes reading time

by Thomas Oysmüller

A new criminal offense in France could in future land people in prison who encourage people to withhold appropriate medical treatment (according to “science”). The law was pushed through the National Assembly on Wednesday. Critics call the law “Article Pfizer.”

Without much attention, a law was passed in France on Wednesday that could criminalize resistance to mRNA treatment. Anyone who advises against mRNA or other “medical treatments” that are “obviously suitable” for treatment based on the current state of medical knowledge can in future be imprisoned in France for up to three years or receive a fine of up to 45,000 euros.

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#economist #xi

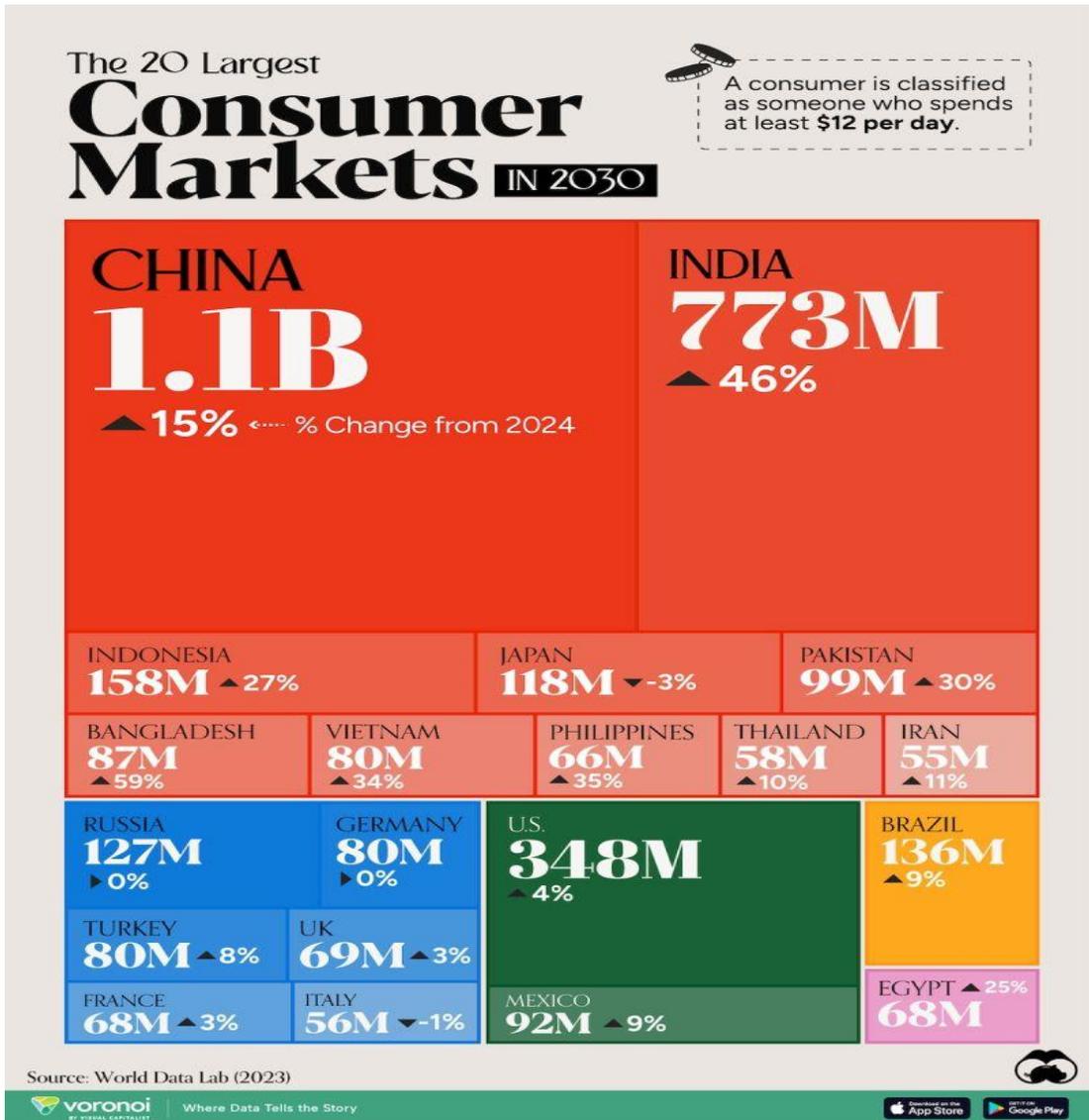
The Economist cover



#food-for-thought

#consumer-markets

The World's Largest Consumer Markets in 2030 



Source: Visual Capitalist

#food-for-thought

#superbowl #ticket-price

This is out of this world...



Not Jerome Powell

@alifarhat79

Subscribe

Just locked in a \$325,000 20-year loan at 17.50% for 2 Superbowl tickets. Going to take my wife to the game finally!

The screenshot shows a stadium seating chart with various sections highlighted. Below the chart are three buttons: 'Filters 2', 'Zones', and 'Hide Map'. Two ticket listings are visible:

Section	Price
Section C133	\$177,188
Section C113	\$149,625

Additional text in the listing for C113: 'Last tickets remaining in Section C113'

12:06 AM · Feb 12, 2024 · 79.5K Views

#food-for-thought

#quotes #decision-making

**“If you cannot
decide, the
answer is no.”**

-Naval Ravikant

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#speaking #listening

SPEAK IN SUCH A WAY
THAT OTHERS LOVE TO
LISTEN TO YOU.

LISTEN IN SUCH A WAY
THAT OTHERS LOVE
TO **SPEAK** TO YOU.

#food-for-thought

#career #advice



LEADERSHIP RIGHT

My best career advice:
At every job you should
either **learn or earn.**
Either is fine. Both is best.
But if it's neither, quit.

Garry Tan

LeadershipRight.com

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For the future...