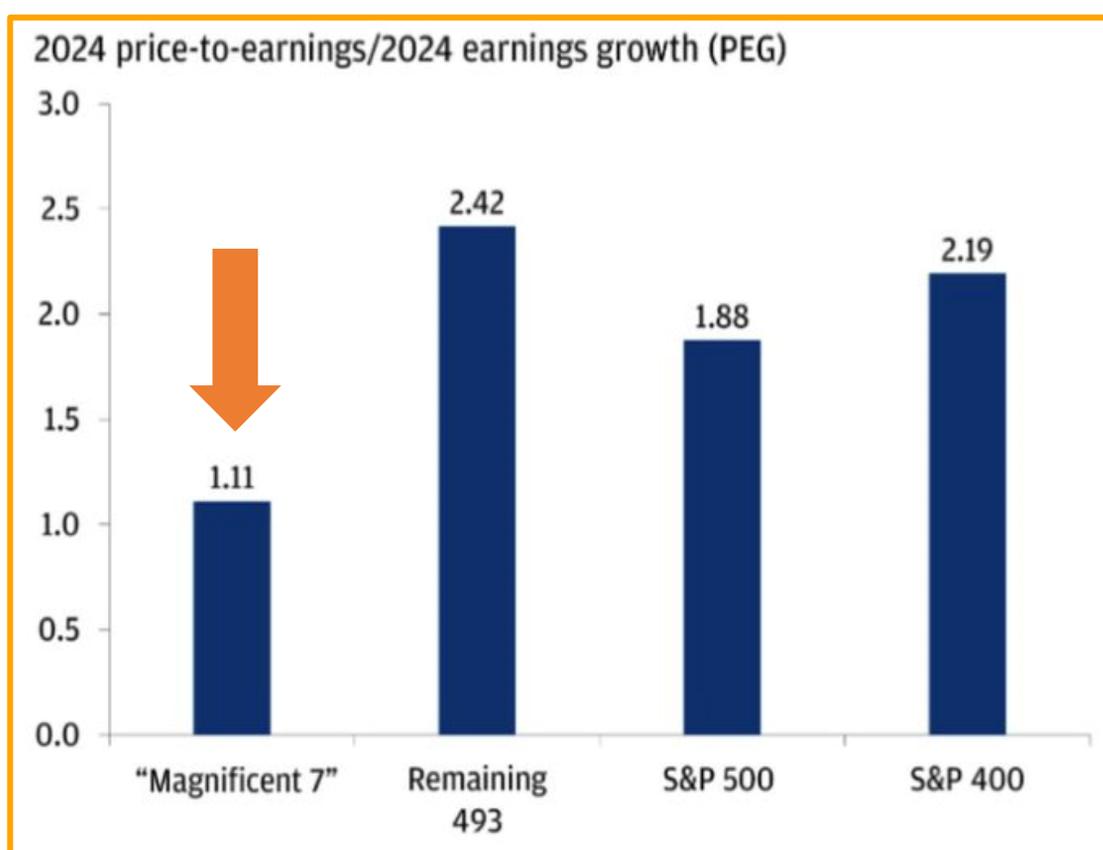


Chart of the week

Where are the cheap stocks?

Believe it or not, on a Price-to-Earnings-to-Growth (PEG) Ratio, Magnificent 7 valuations are still significantly lower than the rest of the S&P 500.



US, European and Japan equities hit new ATHs

The S&P 500 Index hit new intraday highs, as did the Nasdaq Composite Index, which posted its biggest daily gain in about a year on Thursday, when NVIDIA added a record USD 277 billion to its market capitalization. The chipmaker reported strong quarterly revenue and earnings that topped Wall Street estimates. The pan-European STOXX Europe 600 Index climbed to a record level, ending the week 1.15% higher. Japanese equities ended Thursday at a new all-time high, with the Nikkei 225 Index breaking the previous record set more than 30 years ago in 1989. Chinese equities rallied as recovery hopes rose following buoyant holiday spending during the prior week's Lunar New Year holiday. The Shanghai Composite Index rose 4.85%. In Fixed income, US Treasuries were bid with the long-end outperforming overall. Gold gained during 6 of the last 7 days to close at the highs since the start of the month. Oil prices tested up to January's highs (WTI \$79) before fading. On the economic side, US initial and continuing jobless claims both came in below consensus estimates, suggesting that the labor market remained tight. The S&P Global manufacturing activity unexpectedly rose to 51.5, its highest level in 17 months. The services PMI reading remained above 50. In the Eurozone, early PMI data for February suggested that the economy could be stabilizing, helped by a recovery in the services sector. Separately, final data confirmed Germany's economy contracted 0.3% in the fourth quarter.

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#markets

#weekly #stats

Weekly market stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	39,132	1.3%	3.8%
S&P 500 Index	5,089	1.7%	6.7%
NASDAQ	15,997	1.4%	6.6%
MSCI EAFE*	2,280	1.0%	1.9%
10-yr Treasury Yield	4.25%	0.0%	0.4%
Oil (\$/bbl)	\$76.55	-2.4%	6.8%
Bonds	\$97.34	0.2%	-2.0%

Source: FactSet, 2/23/2024. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. *4-day performance ending on Thursday.



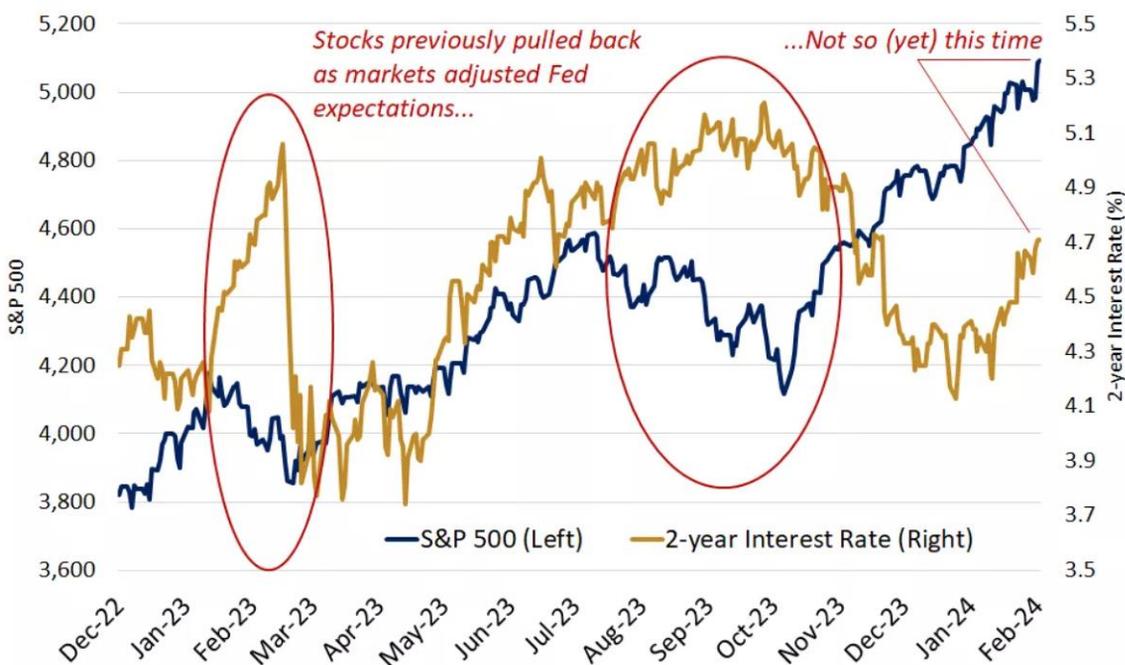
Source: Edward Jones



#sp500 #rates

This chart shows the level of the S&P 500 Index and the 2-year U.S. Treasury yield. Yields have risen in 2024 but unlike prior episodes of rising yields last year, the S&P 500 has moved higher as well. Past performance does not guarantee future results.

S&P 500 and Interest Rates



Source: FactSet. S&P 500 Index and 2-year U.S. Treasury Yield.



Source: Edward Jones

#sp500 #all-time-high

All-time highs are not the finish line. The stock market surged to a record high last week, having eclipsed the previous high in January 2022 on the back of a new bull market that has delivered a 45% return since October 2022.¹ The upshot is that bull markets do not tend to reach exhaustion upon hitting new highs. In fact, history shows that the initial breach of an all-time high tends to be more of a mile marker on the way to further gains

New All-time High	Additional Gain Beyond New High	Time From New High to Eventual Peak (# of Trading Days)
Aug. 2020	42%	347
Mar. 2013	116%	1735
May 2007	2%	92
Jul 1989	352%	2709
Nov 1982	137%	1215

Source: Bloomberg, Edward Jones. Price return of the S&P 500 Index.



#us #equities #weekly #sector

The best-performing sector of the week was NOT tech but Consumer Staples. Energy was the worst (but green), and Technology middle of the pack...



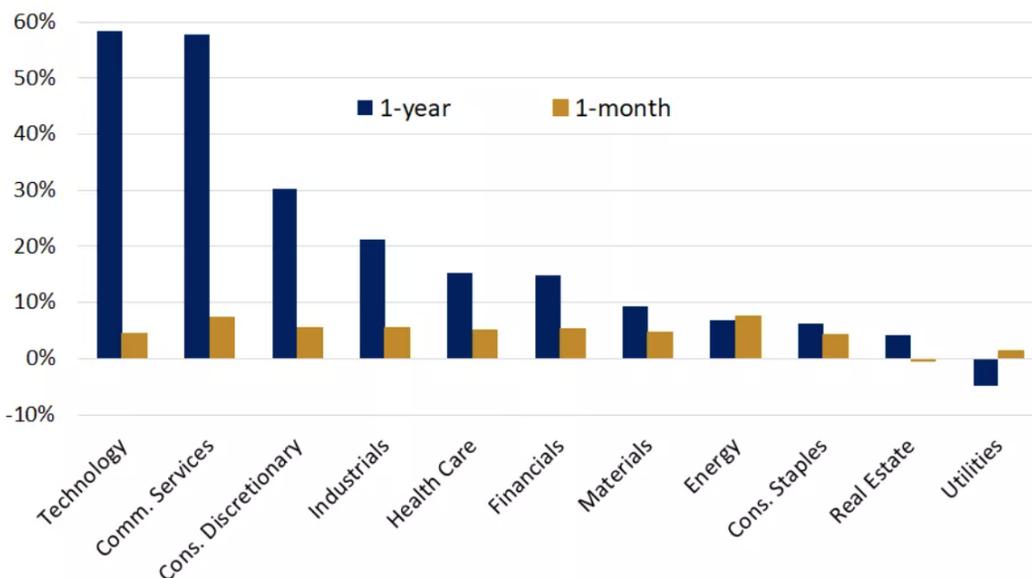
Source: Bloomberg, www.zerohedge.com



#us #equities #sector #performance

It's positive to see the recent broadening out of sector performance. Over the past year, the technology and communication services sectors are the runaway leaders, each gaining more than 57%, with the next closest being consumer discretionary (30%) and industrials (21%).¹ However, over the last month, leadership has been more balanced, with energy, communication services, consumer discretionary, industrials and financials representing the top-five performers.

S&P 500 Sector Performance
1-year and 1-month Total Returns



Source: FactSet. S&P 500 GICS level 1 sectors.



Source: Edward Jones

#GLOBALMARKETS WEEKLY WRAP-UP

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#us #sp500 #market-breadth

Market Breadth continues to look strong! More than 72% of SP500 stocks are now trading above their 200D moving average.



Source: barchart



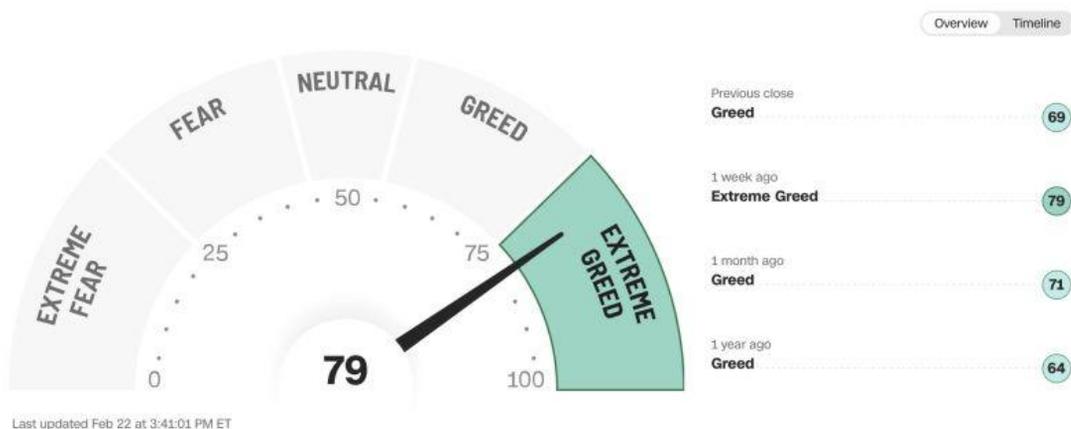


#us #equities #sentiment

Extreme Greed returns to the stock market!

Fear & Greed Index

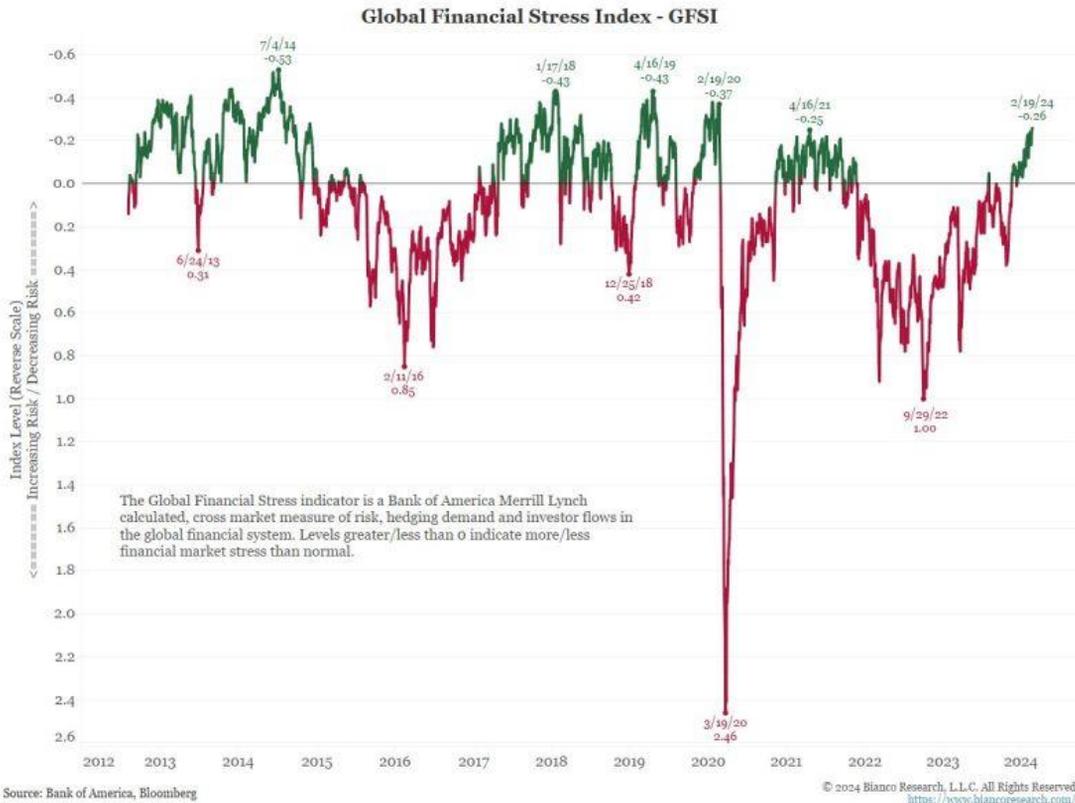
What emotion is driving the market now?
[Learn more about the index](#)





#us #financial-stress

Below is the BofA Global Financial Stress Indicator. It just exceeded its April 2021 extreme, showing the LEAST amount of financial stress since the Pandemic (February 2020).



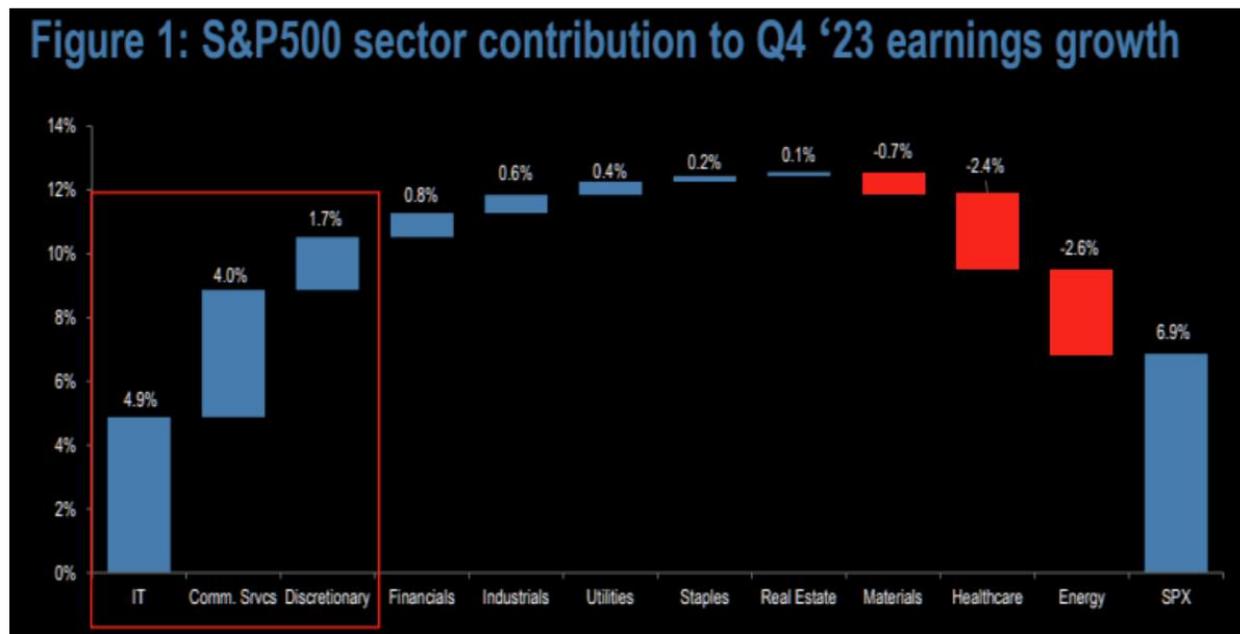
Source: Bianco Research



#sp500 #q4 #earnings #growth

77% of S&P500 companies that have reported beat EPS estimates. With the exception of Tesla, Magnificent 7 stocks have had another stellar quarter.

Solid



Source: JPM Mislav



Source: JP Morgan



#sp500 #earnings #estimates

This chart shows that consensus estimates for S&P 500 earnings have trended higher over the past year.

Forward Twelve-Month Consensus Earnings Estimate for the S&P 500



Source: Bloomberg, consensus estimates.



Source: Edward Jones



#us #equity #risk-premium

U.S. equity risk premium has fallen to its lowest level since the aftermath of the Dot Com Bubble. This is the premium that investors receive to compensate them for taking on additional risk in the stock market instead of treasuries.

Chart 5: US equity risk premium at 23-year low

S&P 500 earnings yield - US 3-month T-bill yield (%)



Source: BofA Global Investment Strategy, Bloomberg

Source: Barchart, BofA





#us #equities #overvaluation

This chart vividly shows the pronounced overvaluation of US equities versus the rest of the world. It's important to emphasize that price-to-book is just one metric for comparison.



Source: Bloomberg, Tavi Costa





#insider-transaction #smart-money

Smart money has been selling like NEVER before... The insider transaction ratio spiked to levels unseen since 2023. When this ratio hits is at 20 or above, it's bearish as insiders sell.

Corporate Insider Transaction Ratio



Ratio of Insider Sales to Buys. Readers Under 12:1 are Bullish. Those over 20:1 are Bearish according to Thomson Reuters



Dates: 2023 Through January 15th 2024.
Source: Thomson Reuters, Game of Trades.
Ratio of insiders' sales to buys.

Source: Win Smart



#insider-transaction #smart-money



Genevieve Roch-Decter, CFA @GRDecter · 5h



Recent Insider Selling:

- Jeff Bezos \$8.5 billion of [\\$AMZN](#)
- Mark Zuckerberg \$428 million of [\\$META](#)
- Jamie Dimon \$150 million of [\\$JPM](#)

The Bill & Melinda Gates foundation have also been selling a lot of stocks.

Do they know something we don't?



#markets

#insider-transaction #smart-money



GURGAVIN  @gurgavin · 6h



JUST IN : JP MORGAN CEO JAMIE DIMOM JUST SOLD \$150 MILLION DOLLARS WORTH OF HIS JP MORGAN SHARES

THIS IS THE FIRST TIME IN HISTORY HE HAS SOLD ANY OF HIS JP MORGAN SHARES

[\\$JPM](#)





#bubbles #history #mag7

Is this time different?

Table 1: A Short History of Bubbles

Bubbles in Price, Velocity, Valuation, Yield

Bubble	Peak	Rise	Decline	Velocity	Valuation	Yield
Mississippi Co.	1720	2955%	-95%	73%	n/a	↑
South Sea Co.	1720	707%	-89%	188%	n/a	↑
Roaring 20s	1929	153%	-53%	21%	19x	↑
Nifty Fifty	1972	153%	-53%	9%	54x	→
Gold	1980	428%	-65%	142%	n/a	↑
Black Monday	1987	111%	-41%	21%	19x	↑
Japan	1989	149%	-64%	12%	67x	↑
Dotcom	2000	192%	-73%	55%	65x	↑
Saudi Arabia	2006	316%	-67%	28%	124x	↑
China	2007	513%	-73%	37%	53x	↑
Govt bonds	2020	+\$18.4tn	-\$18.3tn	33%	n/a	→
Tech Disruptors	2021	384%	-82%	62%	n/a	↑
FAANG	2021	229%	-49%	15%	60x	↑
Crypto	2021	1662%	-78%	49%	n/a	↑
Magnificent 7	-	139%	-	20%	45x	↑

Source: BofA Global Investment Strategy, Frehen (2012), Bloomberg, Global Financial Data, Refinitiv Datastream; velocity: price vs 200dma (%) at peak; valuation: trailing P/E; yield: direction of bond yields 3-6 months prior to peak.

Source: Markets & Mayhem, BofA



#markets

#bubbles #tech

If history is any indication, and if we are in a tech bubble, then we still have room left to run, according to Bank of America

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, barchart

#markets

#nasdaq #performance

The Nasdaq doesn't care about rate cuts expectations. The Nasdaq (green line) continues to move higher despite rate cut expectations (red line) moving down... Will the gap get ultimately closed?



Source: Bloomberg, www.zerohedge.com



#tech #concentration

Big Tech Concentration in one chart -> the spread of Nasdaq 100 over Nasdaq Composite is near ATH!



Source: Bloomberg, HolgerZ

#markets

#mag7 #equities #performance

Thursday was one of the most distorted markets we've seen yet. Just 2% of the index contributed over 60% of the bullish momentum. That means ONLY TEN companies were the cause of well over half of the move in \$SPX yesterday. \$NVDA single handedly contributed an additional 50bps to the return in \$SPX.

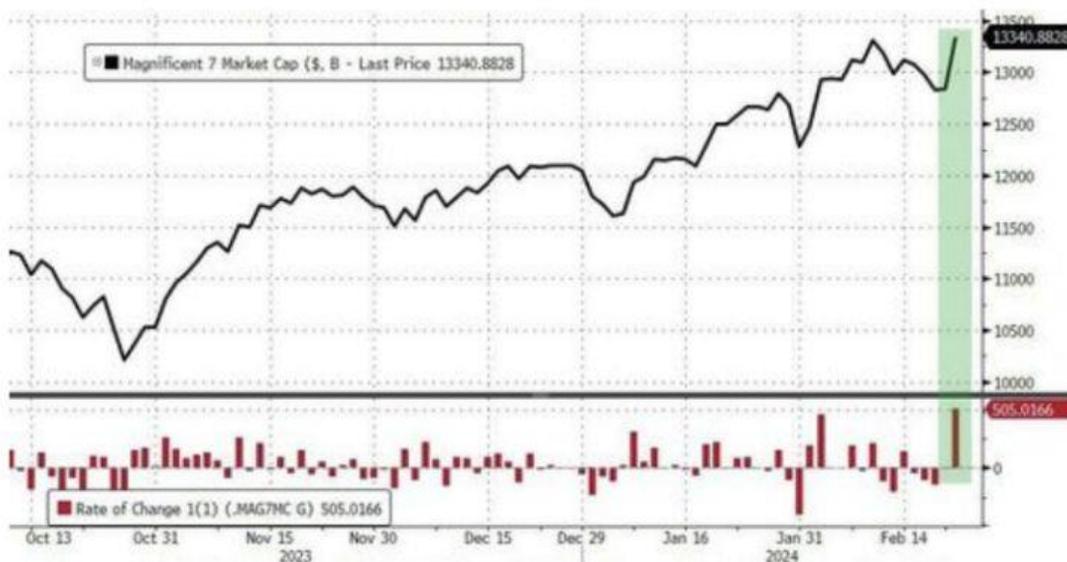


Source: Hedgeye



#mag7 #equities #market-cap

Thursday was a record day on Wall Street: MAG7 stocks added over \$500BN today to a new record high, second only to 11/10/22's explosion higher driven by AAPL... And all that market cap gain was driven by a \$2.1BN 'guide-up' on Nvidia Q1 revenue... \$NVDA stock is up +\$277BN today, adding the most market cap in a single-day ever - up \$277BN...That is 2 Goldmans, half a JPMorgan, or a whole Netflix or Adobe added in a day...And as goes NVDA, so goes the entire stock market with Nasdaq leading the charge (up 3%) and the S&P up over 2%. Small Caps lagged with a mere 0.75% gain...



Source: Bloomberg



Source: www.zerohedge.com



#nvidia #2-trillion-dollars

BREAKING: Nvidia, \$NVDA, has officially hit \$2 trillion in market cap for the first time in history. It is now the 3rd public US company to hit a market cap of \$2 trillion or more. Just 4 years ago, Nvidia was a \$100 billion company and barely in the top 30 largest in the world. It is now bigger than the entire South Korean stock market. Since October 2023, Nvidia has added \$1 trillion in market cap. What's next?



Source: The Kobeissi Letter



#nvidia #technicals

It is almost impossible to have a "serious" opinion about one of the largest stocks in the world as the moves are more something you see in small cap names. Anyway, we could be looking at a shooting star candle in the making

NVDA - shooting star?



Source: Refinitiv

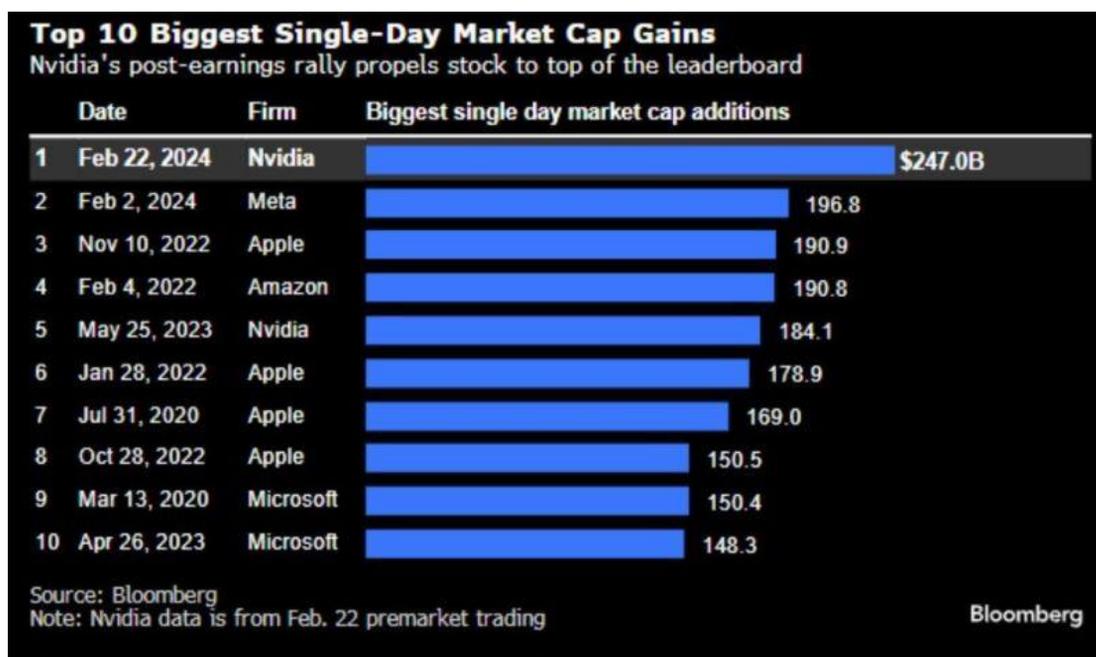


Source: TME



#nvidia #marketcap

Nvidia has added nearly \$250 billion in market cap so far today. This puts the stock on track to post the biggest single-day market cap gain in stock market history. The previous record? -) Meta, 20 days ago ...



Source: The Kobeissi Letter, bloomberg

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#nvidia #dax #marketcap

Nvidia has now surpassed Germany's DAX in market capitalization. Valued at just under \$2 trillion, the chip company, established in 1993, now exceeds the total value of the DAX, which includes 40 companies, some over 130 years old.



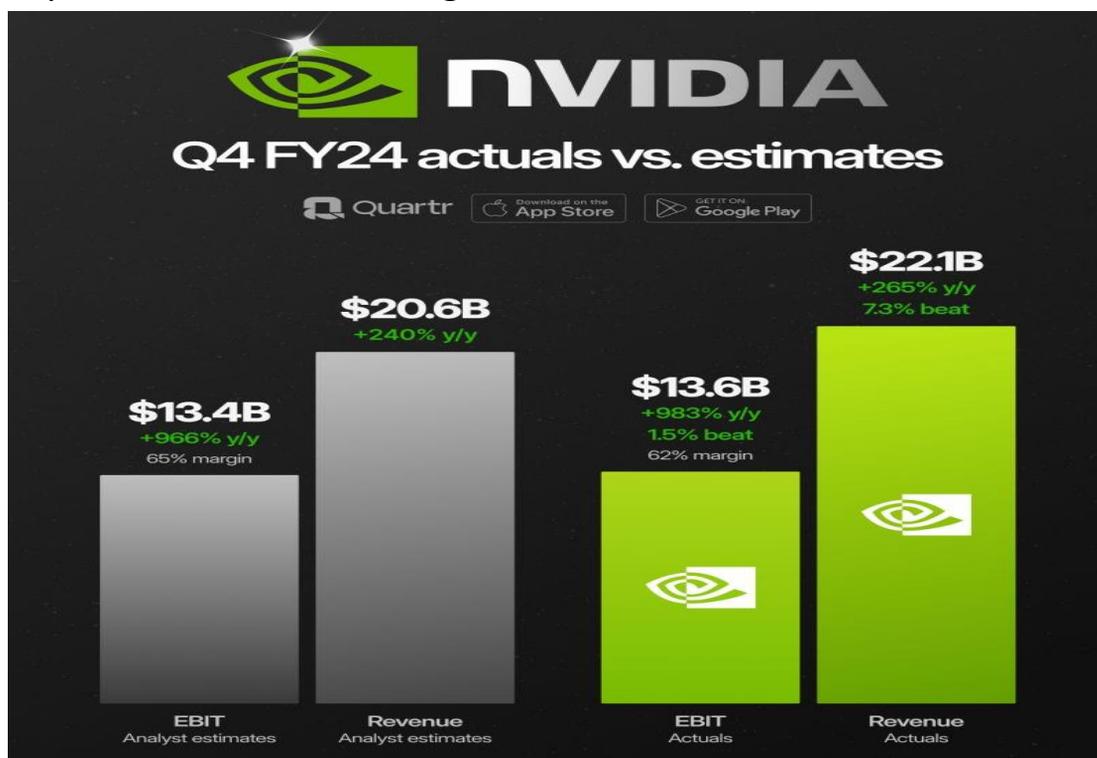
Source: HolgerZ





#nvidia #earnings

Nvidia results are out - \$NVDA beats in revenue & earnings - the stock is up more than 8% after hours. "Accelerated computing and generative AI have hit the tipping point. Demand is surging worldwide across companies, industries and nations." – Co-founder & CEO, Jensen Huang. Nvidia reported fourth fiscal quarter earnings that beat Wall Street's forecast for earnings and sales, and said that revenue during the current quarter would be better than expected, even against elevated expectations for massive growth.



Source: Quartr



#nvidia #earnings

Nvidia Had Only Seen a Downside Surprise in Earnings vs. Expectations Three Times in the Last Ten Years. NVDA, Earnings Call : Nvidia says demand still far exceeds supply for its products. Conditions are "excellent" for continued growth into 2025. Nvidia spent \$9.2 billion in cash on share buybacks. Data Center revenue of \$18.4 billion is a new record and above expectations. Nvidia has not received licenses to ship restricted chips to China. Nvidia stock surged 8% in after-hours trading.

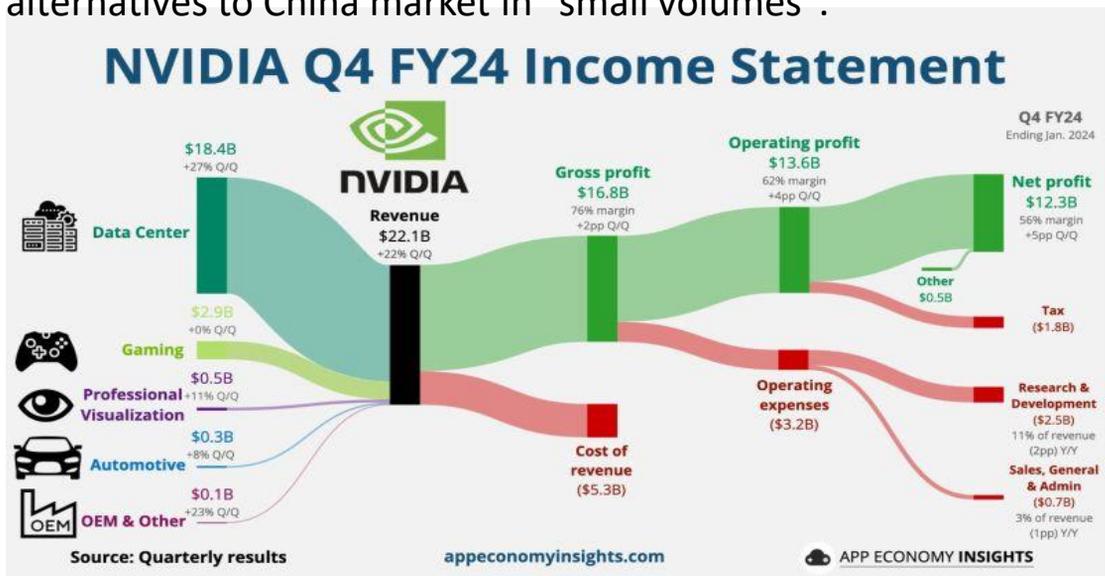


Source: koyfin



#nvidia #income-statement

“Accelerated computing and generative AI have hit the tipping point.” ~ Jensen Huang. Nvidia crushed already high expectations: Revenue +22% Q/Q to \$22.1B (\$1.6B beat). Gross margin 76% (+2pp Q/Q). Operating margin 62% (+4pp Q/Q). Non-GAAP EPS \$5.16 (\$0.52 beat). Q1 FY25 guidance: Revenue ~\$24.0B (\$2.0B beat). SUMMARY OF NVIDIA, \$NVDA, EARNINGS CALL: 1. Nvidia says demand still far exceeds supply for its products. 2. Conditions are "excellent" for continued growth into 2025. 3. Nvidia spent \$9.2 billion in cash on share buybacks. 4. Data Center revenue of \$18.4 billion is a new record and above expectations. 5. Nvidia has not received licenses to ship restricted chips to China. 6. Started to ship alternatives to China market in "small volumes".

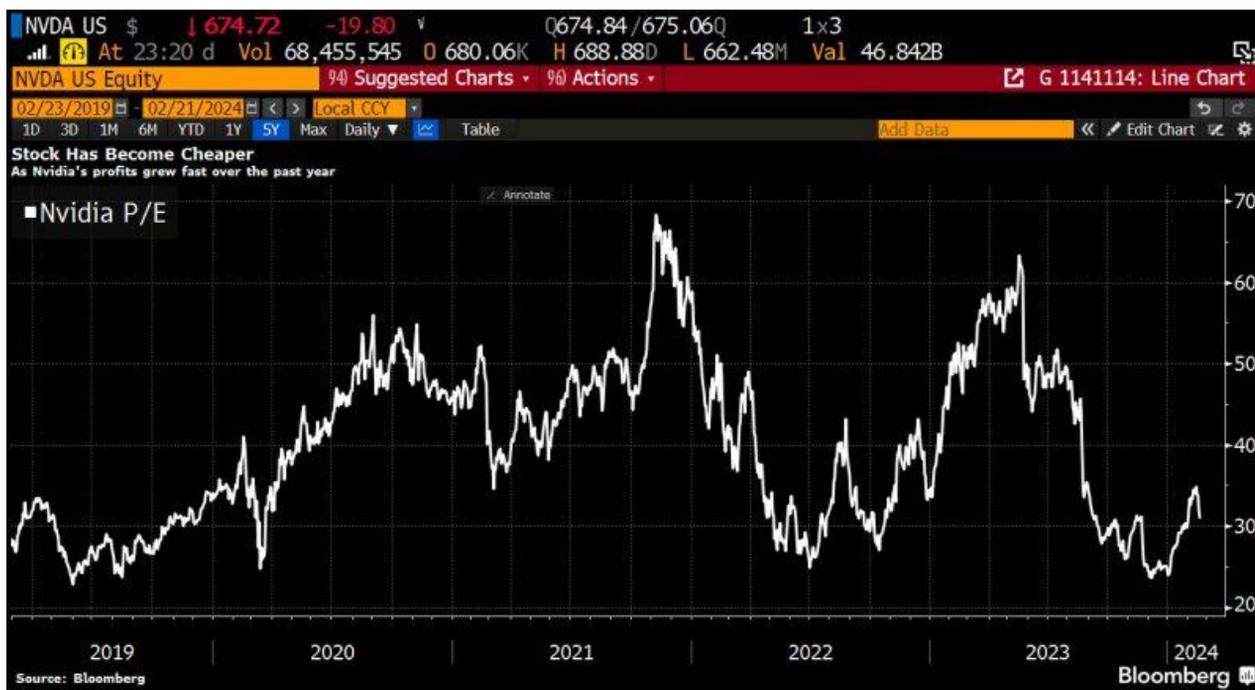


Source: App Economy Insights, The Kobeissi Letter



#nvidia #p/e

To put things into perspective. As Nvidia's profits have risen faster than its share price in recent years, share is trading at a P/E ratio of ~30. But of course, this is also due to the high margins. If they were to be disrupted at some point due to increasing competition, the low valuations would be over.



Source: Bloomberg, HolgerZ

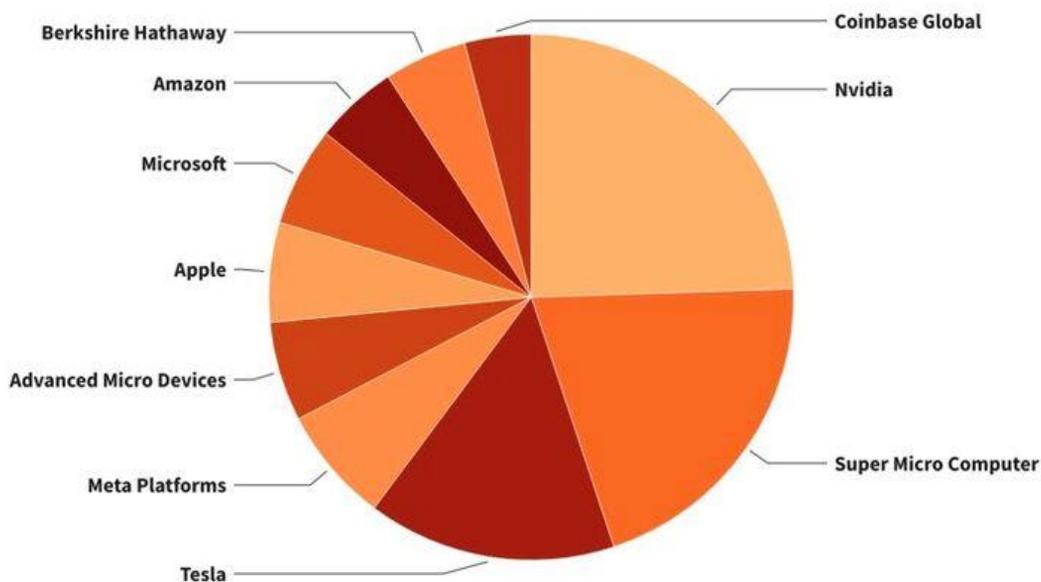


#nvidia #super-micro #ai

Nvidia \$NVDA and Super Micro \$SMCI accounted for more than \$4 of every \$10 traded among the top 10 most traded companies on Friday.

Wall Street's favorite AI plays dominate trading

Nvidia and Super Micro Computer accounted for more than \$4 out of every \$10 worth of shares exchanged among Wall Street's most traded companies on Friday



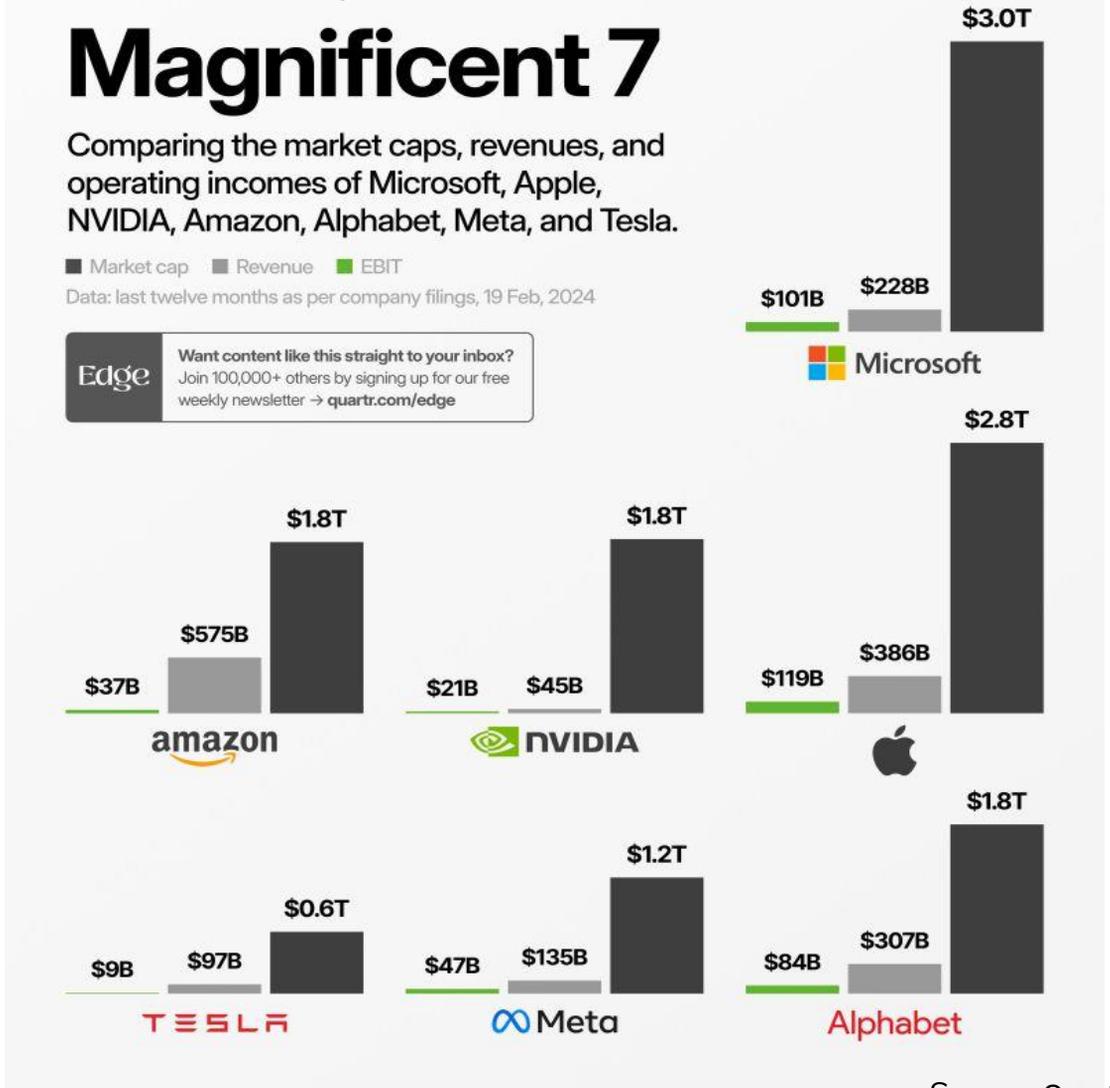
Created by Thomson Reuters / Noel Randewich
Source: LSEG

Source: Bloomberg, Beth Kindig



#mag7 #marketcap #revenue

Visually comparing the market caps, revenues, and operating incomes of the so-called "Mag 7". Looking at these numbers, what stands out to you the most?



Source: Quartr



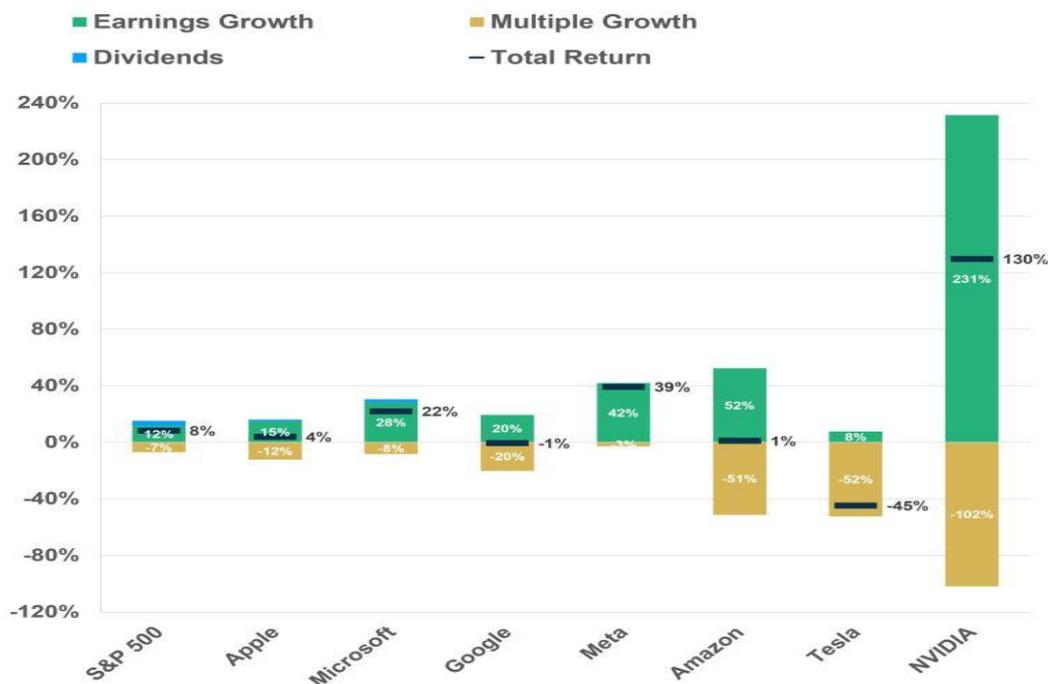


#mag7 #fundamentals

Are Mag7 stocks in a bubble? No doubt, in some ways they are really pricey BUT as shown by this work from Sonus Varghese on this important question, fundamentals justify to some extent their dominance. Since 2021, NVDA stock is up 130%, yet earnings are up 231%. And other Mag 7 names are similar...

In a class of its own: NVIDIA (and it's not about valuations)

Drivers of Return (Jan 1, 2022 - Feb 21, 2024)



Data source: Carson Investment Research, Factset 2/21/2024

Next 12-month data used for earnings and multiples

@sonusvarghese



Source: Carson, Ryan Detrick



#mag7 #profits

Magnificent 7 profits now exceed almost every country in the world. The so-called “Magnificent 7” now wields greater financial might than almost every other major country in the world, according to new Deutsche Bank research. The meteoric rise in the profits and market capitalizations of the Magnificent 7 U.S. tech behemoths - Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia and Tesla — outstrip those of all listed companies in almost every G20 country, the bank said in a research note Tuesday. Of the non-U.S. G20 countries, only China and Japan (and the latter, only just) have greater profits when their listed companies are combined.

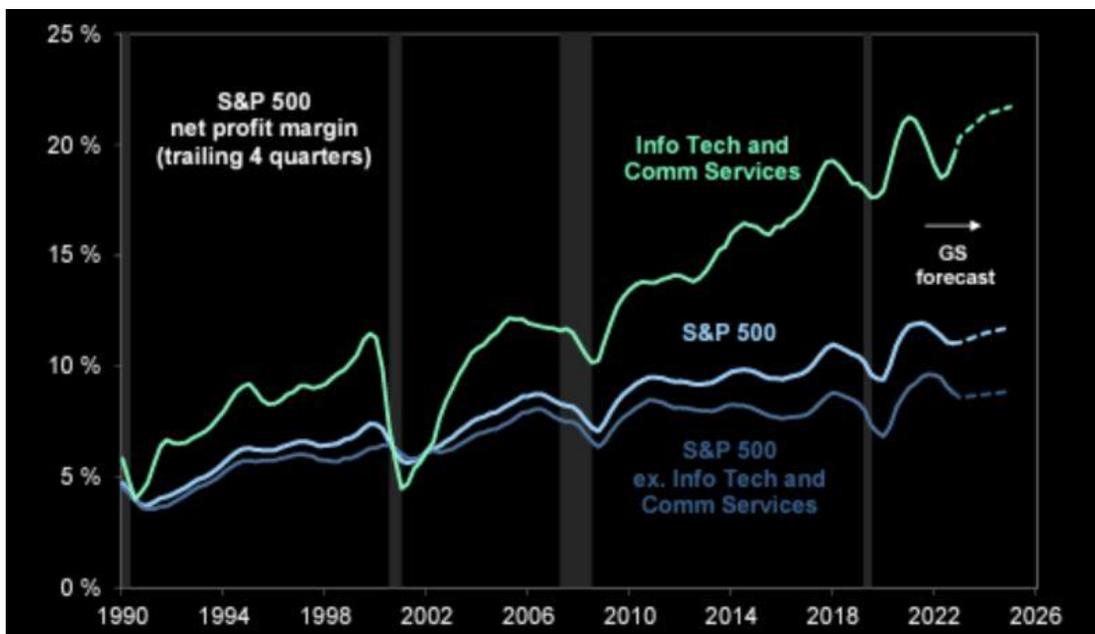


Source: cnbc



#us #tech #margins #forecasts

According to GS, Index margins excluding “Tech” will only expand modestly in 2024 while Tech margins will expand substantially.



Source: gs, tme



#mag4 #equities #performance

The Magnificent 7 is becoming the Magnificent 4



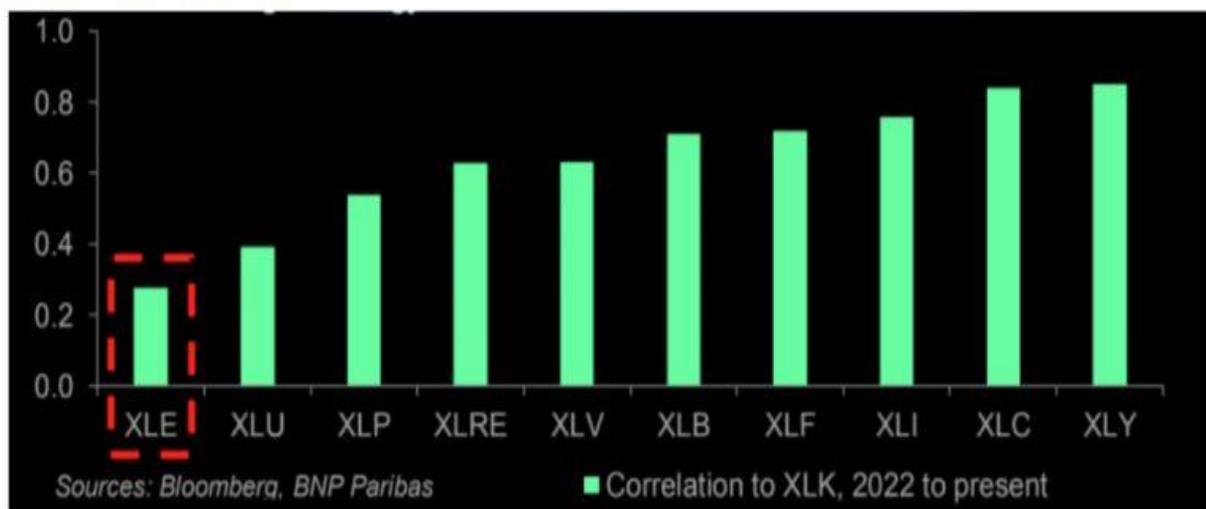
Source: Beth Kindig



#energy #tech #correlation

Energy is the most de-correlated sector to Tech.

If you are tired of tech



Source: BNP

Source: BNP





#intuitive-machines #performance

To the Moon: Intuitive Machines successfully landed its Odysseus lunar lander, at 6:11 p.m. ET on Feb. 22, making it the first privately (non-government) built spacecraft to achieve this feat. The US hasn't had a moon landing — manned or unmanned — since 1972.



Source: Bloomberg, HolgerZ



#abercrombie #nvidia #performance

Hmmmm... Observations that provoke thought ? One of these companies sells chips that power the world and the other sells sweatshirts to teenagers and young adults.



Source: kofin, tme



#walmart #earnings

Walmart beats Wall Street’s holiday expectations as e-commerce sales soar. Walmart shares closed 3% higher Tuesday to a new record high. Share are up more than 11% this year. Walmart said Tuesday that quarterly revenue rose 6%, as shoppers turned to the big-box retailer throughout the holiday season and the company’s global e-commerce sales grew by double digits. The retail giant also announced Tuesday that it would acquire smart TV maker Vizio to accelerate growth of its advertising business. Walmart is acquiring the company for \$2.3 billion, or \$11.50 per share.



Source: CNBC, Bloomberg





#eli-lilly #pharma #performance

Mag 8: Could Eli Lilly \$LLY be the first trillion dollar pharma stock? \$LLY price performance has significantly outpaced the Mag 7 YTD.



Source: FactSet

Source: Factset, TME

#markets

#nestle #obesity-drugs

Nestle Chief Executive Officer Mark Schneider said GLP-1 obesity drugs like Wegovy will probably increase demand for a range of food products that can help avoid nutrient deficiencies...

Bloomberg



Markets

Nestle Sees Obesity Drugs Raising Demand for Nutrition Products

#reddit #ipo

Reddit made its IPO filing public ahead of a planned stock market debut in March. It also disclosed \$90.8 million in losses and revenue growth of roughly 21% in 2023.

REDDIT IPO STATS:

Ticker: \$RDDT

Exchange: NYSE

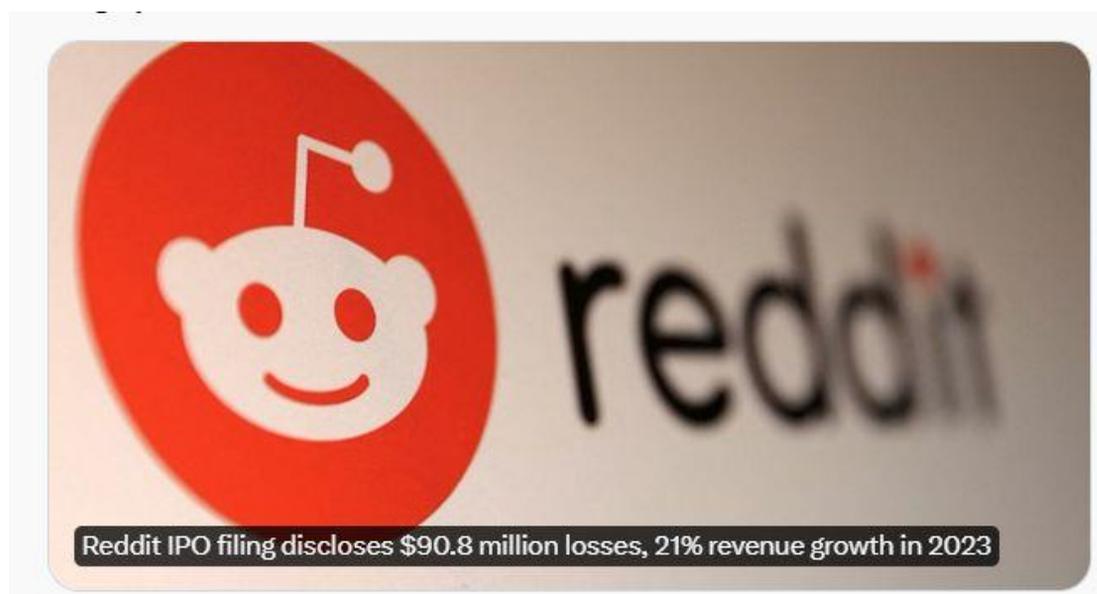
Deal size: \$100m (we est. \$750m)

Mkt Cap: Est. ~\$5+ billion

Annual Sales: \$804m

Net Loss: -\$91m

IPO Timing: Est. mid-March





#us #small-caps #sp500 #divergence

Despite the surge in market-cap indices, small-cap stocks remain deeply entrenched in a bear market, now down 27% from their recent peak.



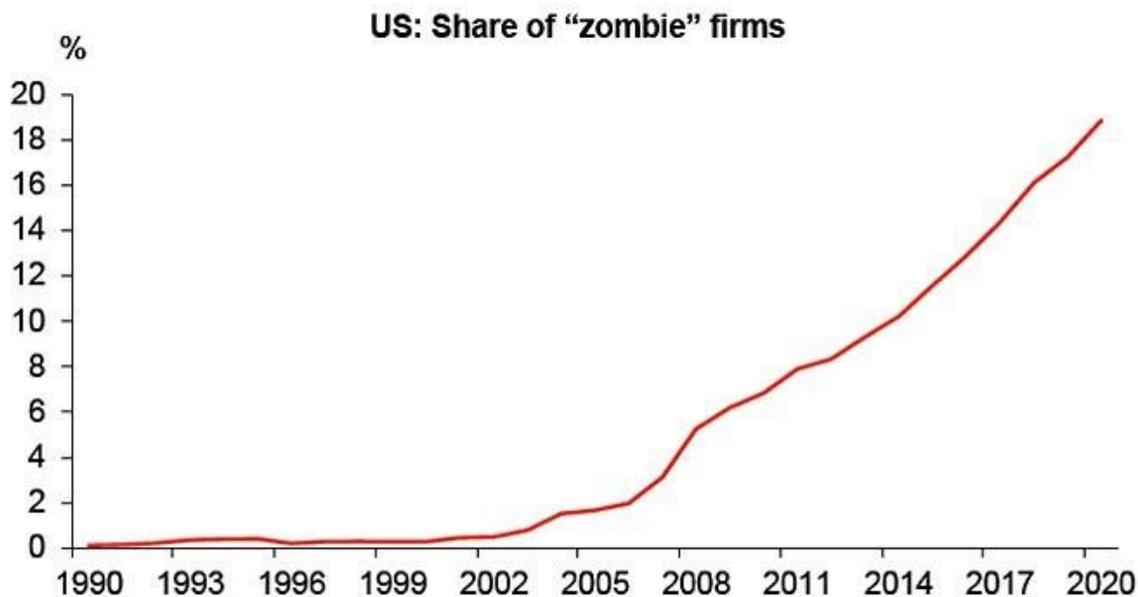
Source: Bloomberg



#us #zombies

The number of unprofitable companies that are also heavily leveraged and dependent on debt issuance to stay afloat (a.k.a. Zombies) keeps rising. The chart below shows the percentage of US companies with debt servicing costs which are higher than profits.

US: Rising share of companies with debt servicing costs that are higher than profits



Note: Firm-level data is used to calculate the share of listed firms that are more than ten years old with an interest coverage ratio less than one for three years in a row.

Source: Datastream, Worldscope, DB Global Research

Source: DB





#black-swan #etf #performance

BREAKING 🚨 : Black Swan ETFs. Black Swan ETFs have plunged 99% after doomsday dream scenario fails to play out.

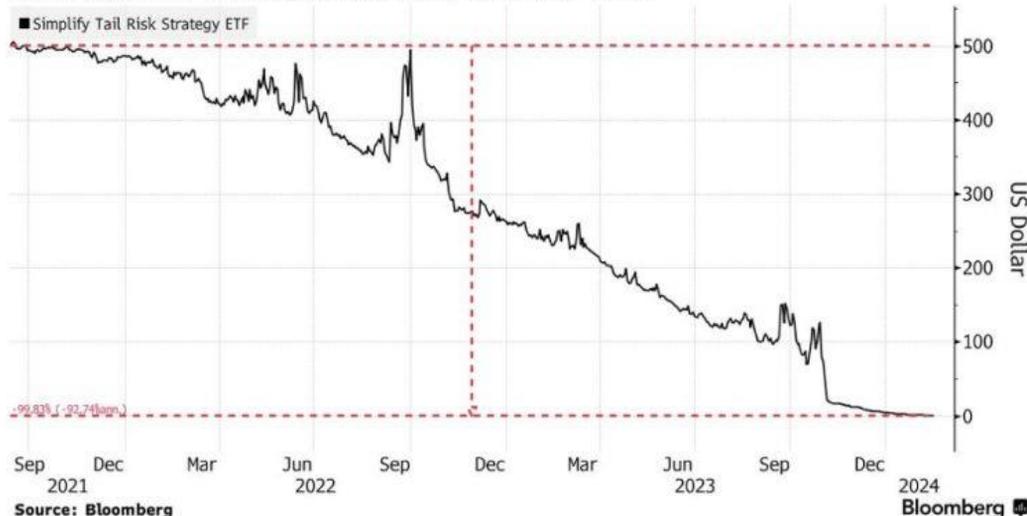
Black-Swan ETFs Are Facing Their Own Doomsday After a 99% Plunge

- Stock rebound deals hit to funds set up to profit on calamity
- Big losses pile up as economy, markets defy once-dour outlook

By Denitsa Tsekova

February 16, 2024 at 3:53 PM CST

Tail-Risk Fund Struggles Black Swan ETF has wiped out nearly its entire value

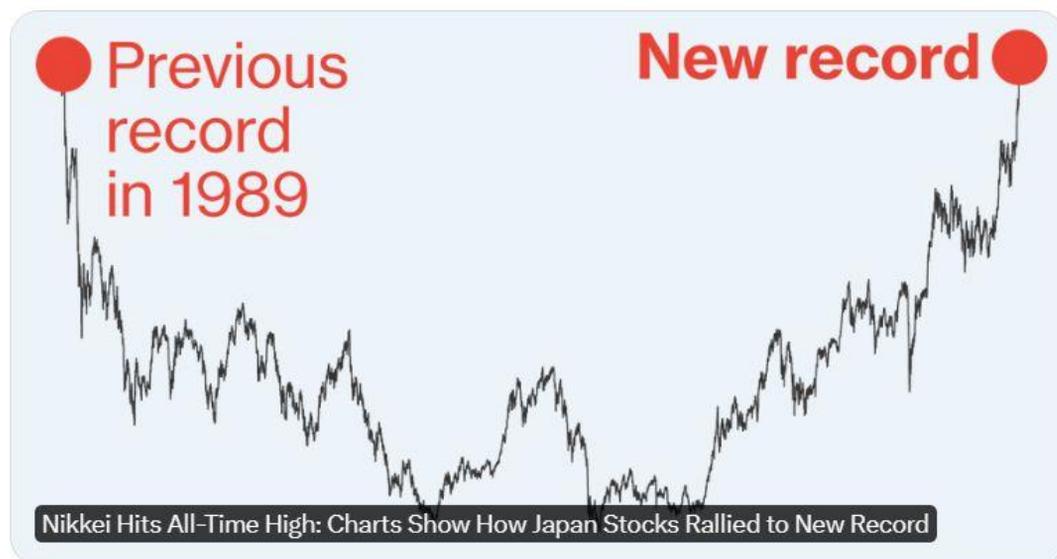


Source: Barchart, Bloomberg



#japan #nikkei #performance

Japan's Nikkei has hit a historic high not seen since 1989, marking an epic come-back for the country's stock market. The Nikkei 225 hit an all-time high of 38,924.88 as robust corporate earnings and steps aimed at boosting investor returns fuel a blistering rally in Japanese equities this year. Nikkei and Topix have been standout outperformers in Asia Pacific, up more than 10% in 2024 after surging more than 25% in 2023 — their respective best annual gain in at least a decade.



From bloomberg.com

Source: Bloomberg, CNBC

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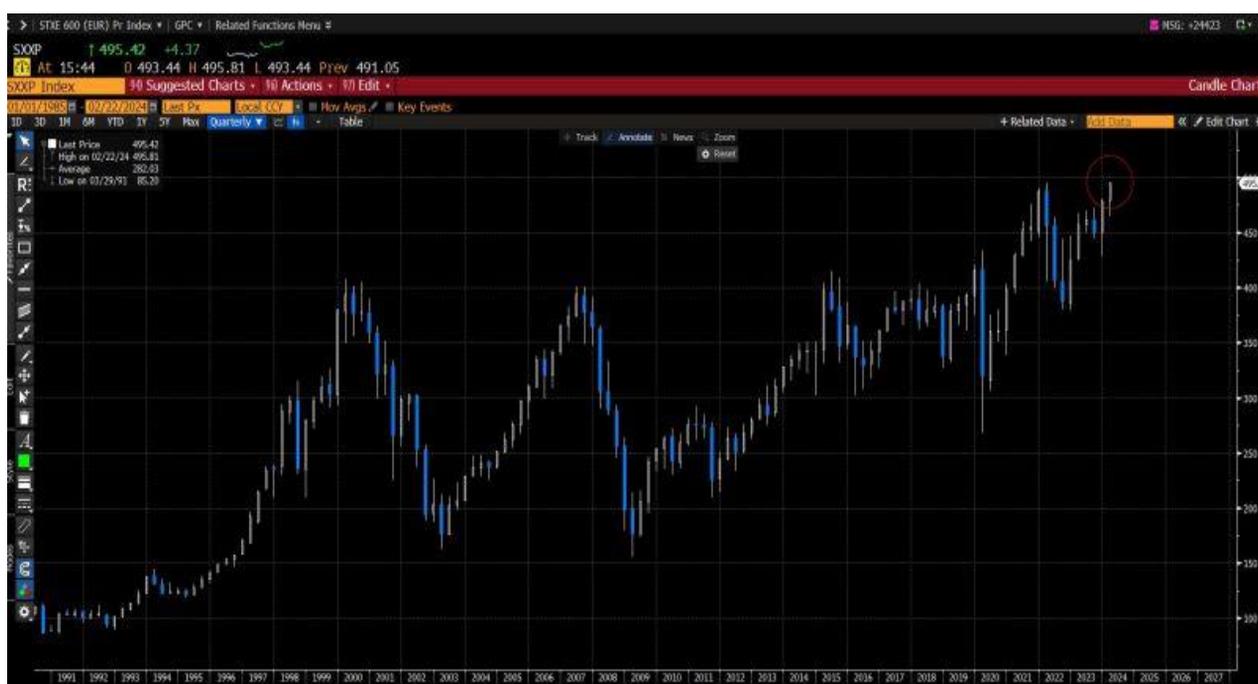
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#markets

#european #equities #ath

European stocks are hitting all-time highs, following Japan!



Source: bloomberg



#european #equities #nasdaq

Yes, the Eurostoxx 50 is beating NASDAQ YTD.

Hotter than NASDAQ



Source: Refinitiv



Source: TME



#european #equities #granolas #performance

The trend is your friend...

To be the best you need to buy the best



Source: Goldman

Source: Goldman Sachs, TME





#csi300 #performance

CSI 300 is up some 11% from early Feb lows. The index is well above the 50 day, and touched the 100 day for the first time since last summer.

The mighty China bounce



Source: Refinitiv

Source: TME



#GLOBALMARKETS WEEKLY WRAP-UP

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24 FEBRUARY 2024



#china #equities #performance

In case you missed it. Chinese stocks have now fully recovered from all year-to-date losses and are now green on the year.



Source: Barchart

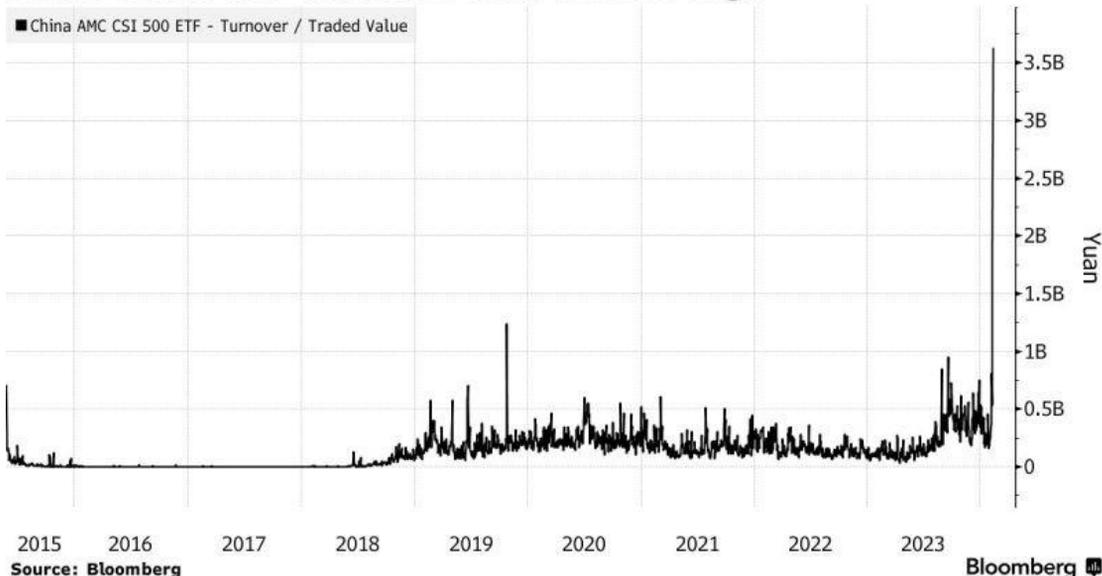




#china #equities #etf

China’s National Team Is Back at Work as Stock Trading Resumes – Bloomberg. Several exchange-traded funds in China tracking the nation’s stocks saw a surge in turnover on the first trading day after the Lunar New Year holiday, a likely sign that state-backed funds continue to support the market. Traded values of China AMC CSI 500 ETF and Harvest CSI 500 ETF both surged to records, while those of Tianhong CSI 500 ETF, BOC International CSI 500 ETF and CIB CSI 500 ETF were higher than their average levels.

Some China ETF Turnover Hits Record High



#china #equities #hedge-funds #jd.com

BREAKING: LEGENDARY HEDGE FUNDS MILLENNIUM MANAGEMENT AND TWO SIGMA HAVE MASSIVELY INCREASED THEIR JD.com \$JD STAKES. THEY NOW OWN TOGETHER \$275M IN THE STOCK

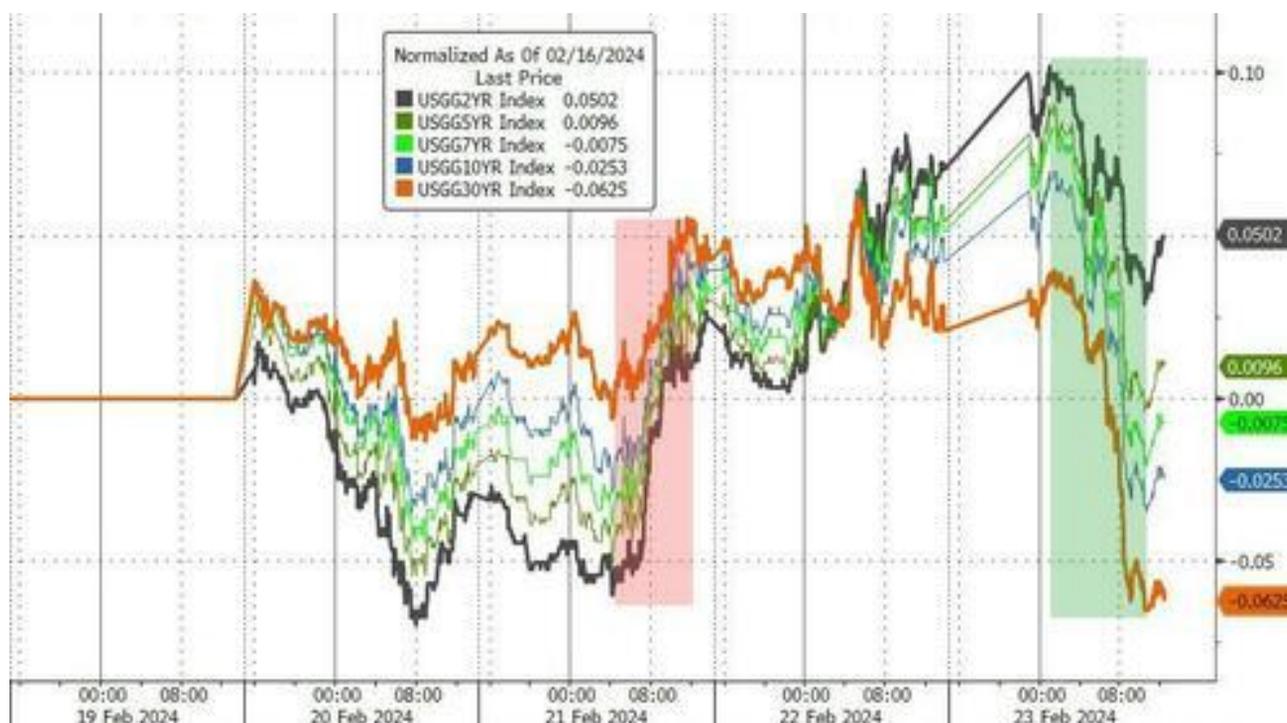


Source: Bloomberg, HolgerZ



#us #bonds #weekly

Bonds were bid to end the week with the long-end outperforming overall and the curve flattening around the 5Y...



Source: Bloomberg, www.zerohedge.com



#us #yield-curve

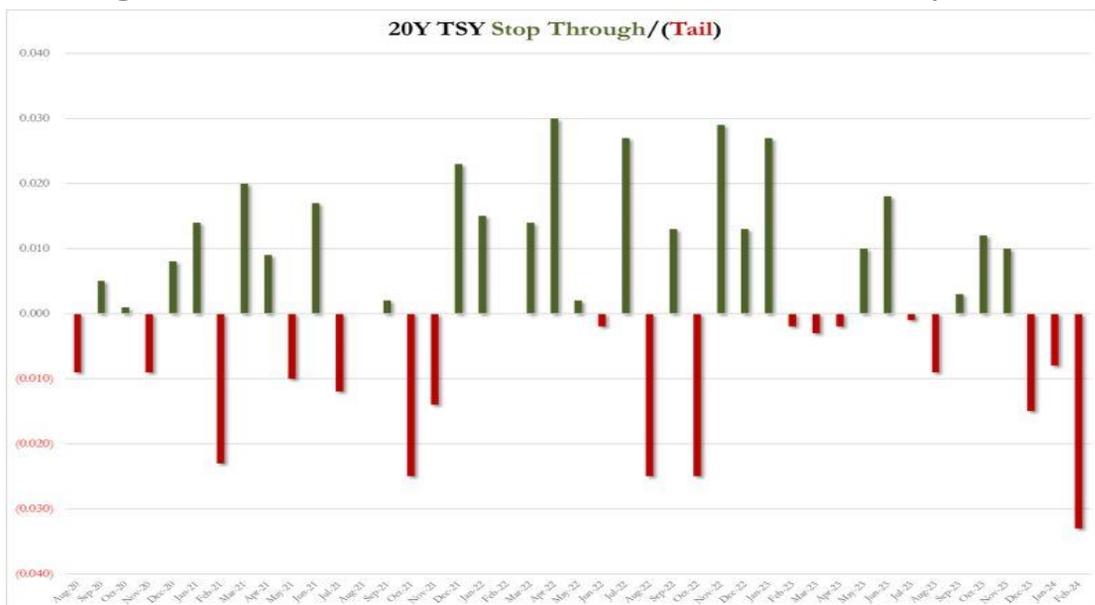
The yield curve (2s30s) flattened bigly on the week to its most inverted since 2023...





#us #yields #20y

US yields surged after terrible 20Y Auction with biggest tail on record. The high yield of 4.595% was well above last month's 4.423% but worse, it tailed the yields that prevailed when it was issued (4.562%) by a whopping 3.30bps, which was the biggest tail on record for the tenor since the 20Y auction was introduced in May 2020. The bid to cover tumbled to 2.39, down from 2.53, well below the 2.59 six-auction average, and was the lowest since August 2022. The internals were even uglier, with Indirects awarded just 59.08%, lower than last month's 62.16%, sharply lower than recent average of 68.2% and the lowest since May 2021. And with Directs taking down 19.7%, Dealers were left holding 21.2%, the most since May 2021.



Source: www.zerohedge.com





#oil #weekly

Oil prices tested up to January's highs (WTI \$79) before fading back lower today and lower on the week...



Source: Bloomberg, www.zerohedge.com

#GLOBALMARKETS WEEKLY WRAP-UP

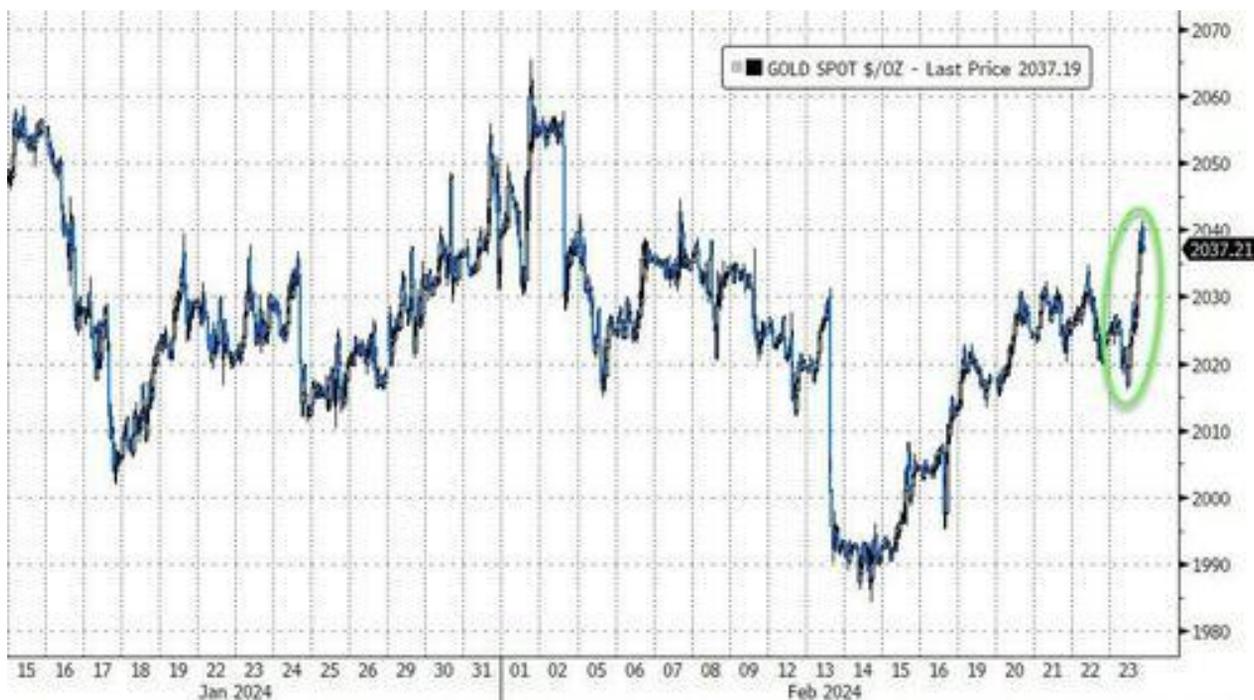
Hand-curated selection of the best charts & news flow

24 FEBRUARY 2024



#gold #weekly

Gold ended the week with its best day in February, up 6 of the last 7 days to close at the highs since the start of the month...



Source: Bloomberg, www.zerohedge.com

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

24 FEBRUARY 2024



#cocoa #6,000

Cocoa Hits 6,000 🚨 For the first time in history, Cocoa closes above 6,000. This thing just doesn't stop!



Source: Barchart



#forex #pound #performance

Pound Bulls Stand Their Ground

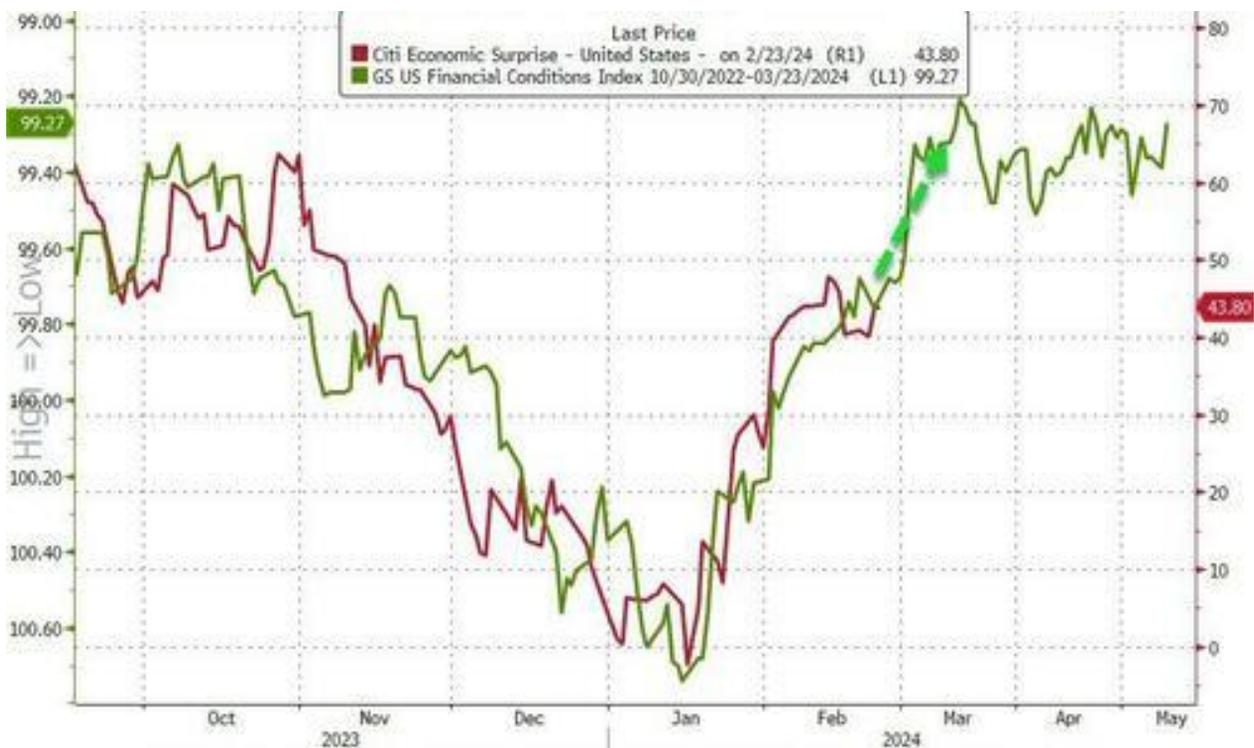


Source: bloomberg



#us #economic-surprises

Macro data continued to strengthen - just as we said it would given the lagged impact of the massive loosening of financial conditions.



Source: Bloomberg, www.zerohedge.com

#macro

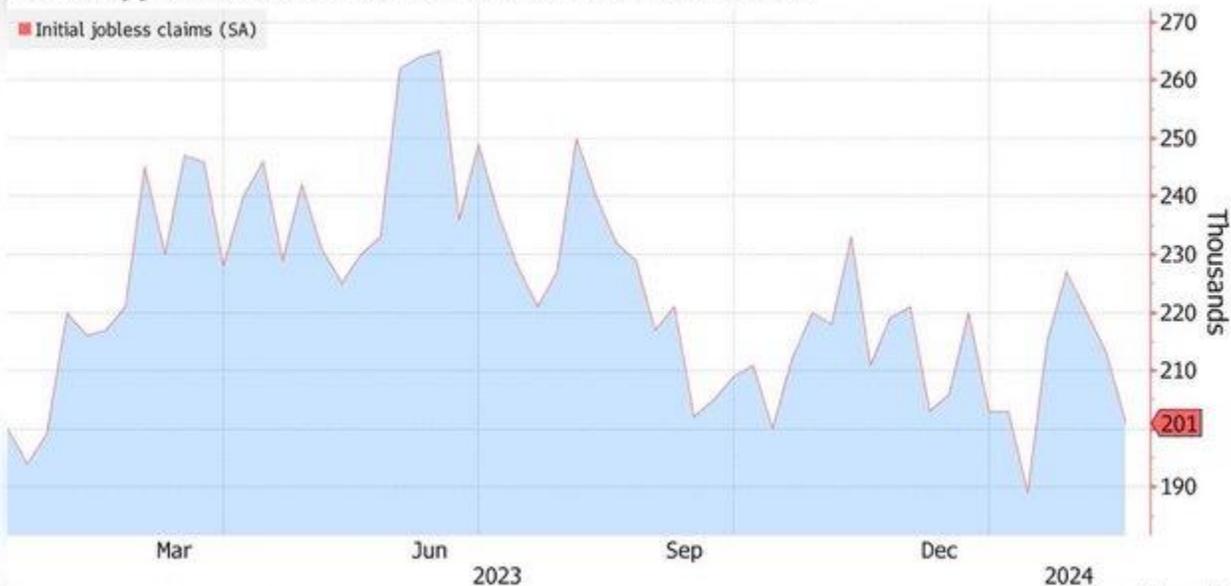
#us #jobless-claims

US Jobless Claims Unexpectedly Fall to Lowest Level in a Month - the labor market is strong.

 LiveSquawk  @LiveSquawk · Feb 22

US Initial Jobless Claims Feb 17: 201K (est 216K; prev 212K)
- Continuing Claims Feb 10: 1862K (est 1884K; prev 1895K)

US Jobless Claims Unexpectedly Fall to Lowest in a Month Initial applications decrease for the third week in a row



Source: Labor Department

Bloomberg 

Source: Bloomberg



#germany #france #manufacturing #pmi

Germany’s manufacturing downturn unexpectedly deepens amid falling demand at home and abroad. S&P Global’s PMI for the country’s industrial sector dropped to 42.3 from 45.5 the previous month – well below any economist estimate in a Bloomberg survey. The picture was brighter in France, where the contraction eased much more than analysts had predicted. Companies reported improving demand while expanding their workforce.



Source: Bloomberg, HolgerZ

#macro

#europe #real-estate

Bloomberg city tracker European major cities -> Berlin's housing slump is over as shortage lures investors. The prospect of higher rents in the German capital is countering the downward pull of financing costs. Berlin rents jumped 20% YoY in Q4, faster than national average of 7.7%. As a side note, Athens' price jump is quite interesting.

Bloomberg City Tracker: Snapshot of City Prices

Prices in euros per square meter. Changes calculated in local currency

City	Price	MoM Chg. %	YoY Chg. %
Berlin	5,007	-0.1 ▼	-1.2 ▼
London	8,421	-0.4 ▼	-0.5 ▼
Dublin	5,613	-0.9 ▼	+1.5 ▲
Milan	5,377	+0.2 ▲	+3.7 ▲
Paris	10,386	-0.7 ▼	-7.0 ▼
Vienna	7,517	-2.1 ▼	-3.3 ▼
Zurich Canton	10,179	-0.6 ▼	+1.0 ▲
Stockholm	6,994	-0.5 ▼	+1.0 ▲
Madrid	4,190	+1.7 ▲	+8.2 ▲
Lisbon	3,949	+1.4 ▲	+4.2 ▲
Athens	2,621	+0.5 ▲	+10.7 ▲

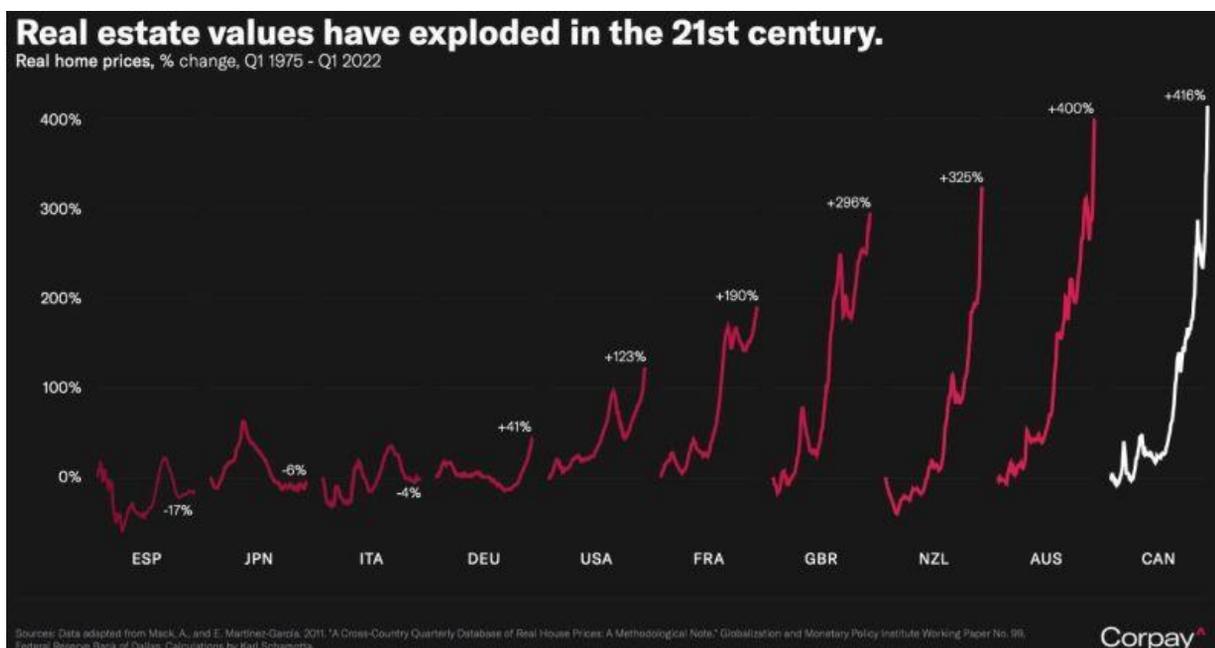
Sources: Immowelt (Berlin), Idealista (Madrid, Lisbon), Svensk Mäklarstatistik (Stockholm), Rightmove (London), Immobiliare (Milan), Immopreise (Vienna), Le Figaro (Paris), Properstar (Zurich District), Properstar (Zurich Canton), Central Statistics Office CSO (Dublin), Spitogatos (Athens), Bloomberg calculations.

Bloomberg



#global #real-estate #performance

House prices adjusted for inflation since 1975. The charts for Canada, Australia, New Zealand, and the UK look like a s**tcoin during a pump. The Japanese real estate bubble of the 1990s is barely visible as a comparison...

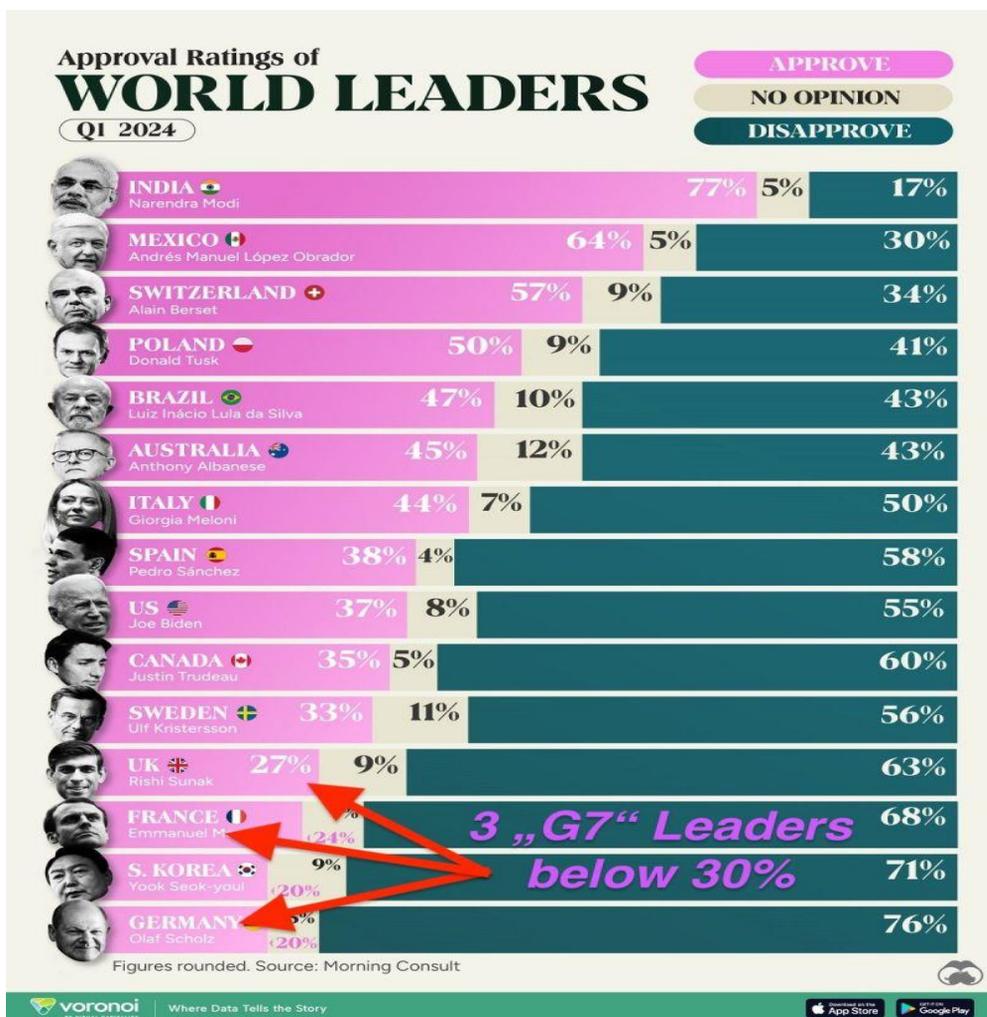


Source: HolgerZ, Bloomberg



#leaders #approvals

Worldwide leaders approval rating thru Thomas Wille. G7 leaders rating looks miserable. (NB: The President of Switzerland is no longer Alain Berset - Viola Amherd now holds this for the year 2024).

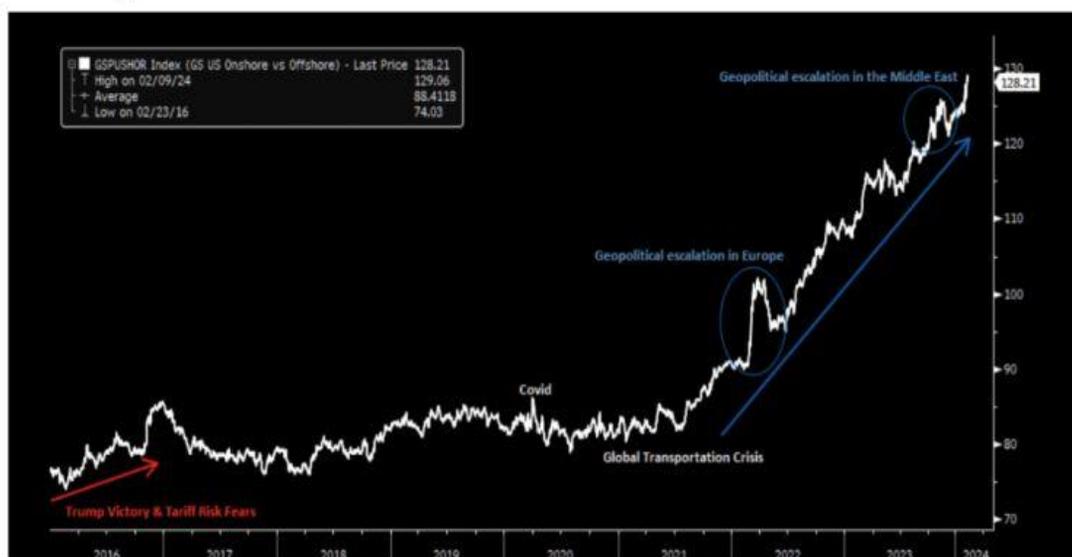


#geopolitics

#onshoring

China and US elections reiterate the durability of the onshoring theme.

Onshoring



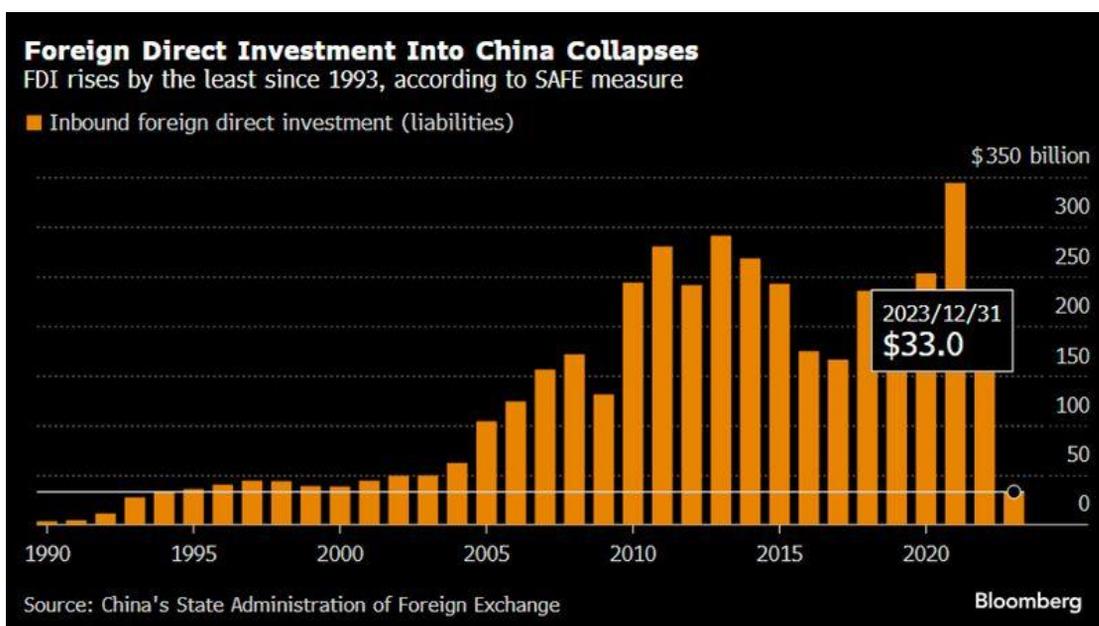
Source: Goldman

Source: Goldman Sachs

#geopolitics

#china #foreign-investment

Direct foreign investment into China slumps to 30y low. Foreign firms only added \$33bn to their FDI liabilities, the lowest since 1993, indicating a lack of confidence.



#geopolitics

#us #china #pandas

China to send more pandas to US. China's Wildlife Conservation Association is working with the National Zoo in Washington in an arrangement that could bring more pandas back to the United States, signalling improving diplomatic relations between the two superpowers. China has lent its beloved bears to zoos in various countries over the years as goodwill animal ambassadors and also fostered a modern Sino-U.S. "panda diplomacy" with the gesture. Back in November, the National Zoo in Washington returned three pandas to China as part of a more than 50-year-old legacy, leaving Georgia's Zoo Atlanta as the only one in the U.S. with a giant panda program.

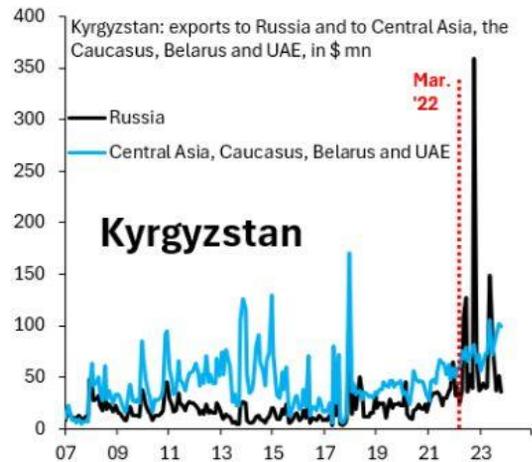
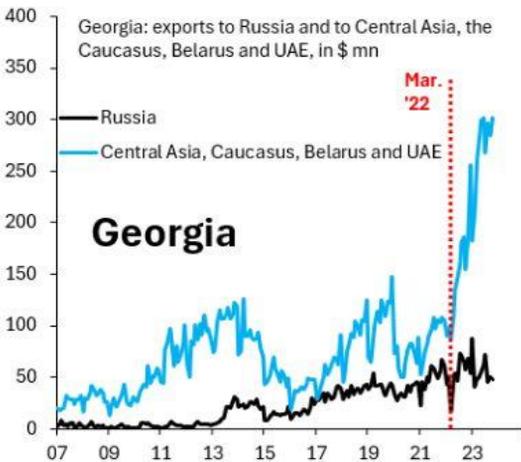
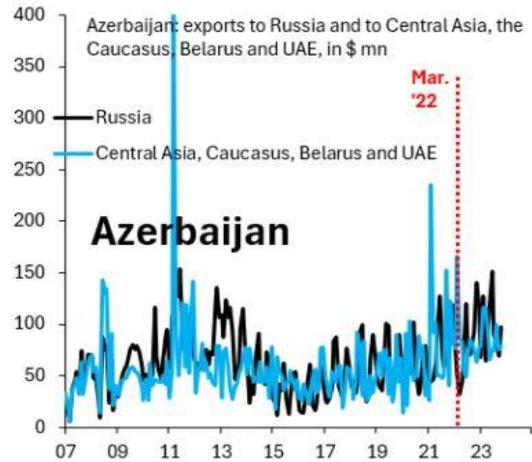
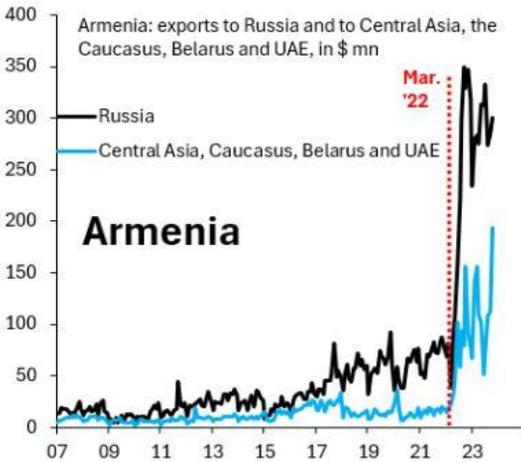


Source: reuters



#exports #russia #central-asia

There's two hotbeds for re-export of western goods to Russia in Central Asia and the Caucasus: Armenia (top left) and Georgia (bottom left). Armenia stands out for massive direct exports to Russia (black), Georgia for a huge surge in exports to Russia's satellite economies blue).



Source: Robin Brooks

#centralbanks

#fomc #minutes

FOMC Minutes Show 'Most Officials Fear Risk Of Cutting Too Quickly'. The discussion came as policymakers not only decided to leave their key overnight borrowing rate unchanged but also altered the post-meeting statement to indicate that no cuts would be coming until the rate-setting Federal Open Market Committee held "greater confidence" that inflation was receding. The meeting summary indicated a general sense of optimism that the Fed's policy moves had succeeded in lowering the rate of inflation, which in mid-2022 hit its highest level in more than 40 years. However, officials noted that they wanted to see more before starting to ease policy while saying that rate hikes are likely over. Members cited the "risks of moving too quickly" on cuts.



Source: CNBC



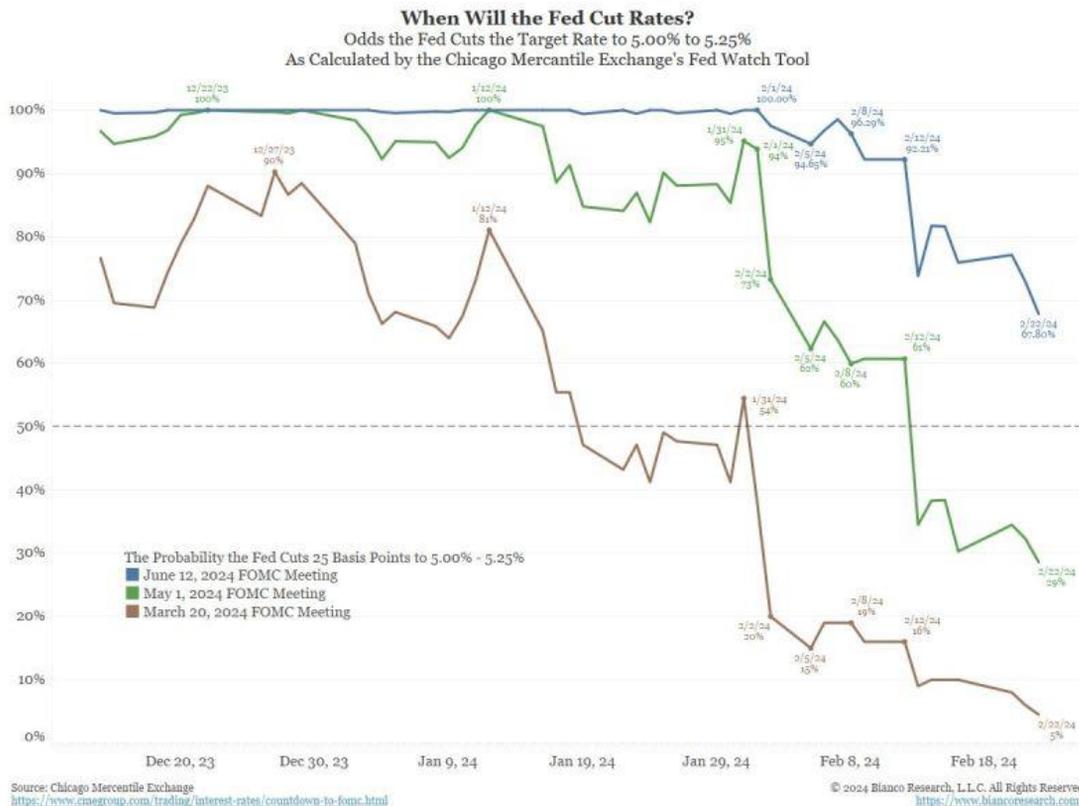
#fed #rates #expectations

This chart shows the market pricing of a rate cut over the next three FOMC meetings.

March probability = 5% (was 80% at the start of the year)

May probability = 29% (was 100% at the start of the year)

June probability = 67% (was 100% at the start of the year)



Source: Bianco Research



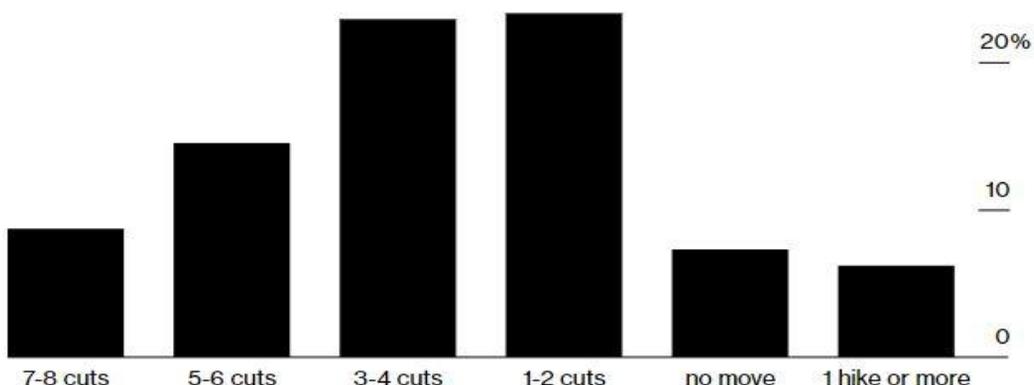
#centralbanks

#fed #rates #options

US markets start to speculate if the next Fed move is up, not down – Bloomberg. Investors are beginning to war-game how the Federal Reserve can manage a US economy that just won't land, with some even debating whether interest-rate hikes will be needed only weeks after a steady run of reductions appeared all but certain. Bets on lower rates coming soon were so prevalent a few weeks ago that Fed Chair Jerome Powell publicly cautioned that policymakers were unlikely to be in position to cut as of March. Less than three weeks later, traders have not only removed March as a possibility, but May also looks improbable, and even conviction about the June Fed meeting is wavering, swaps trading shows.

Option Markets See Small Chance of Rate Hike

Implied probability of Fed policy path by December based on SOFR options

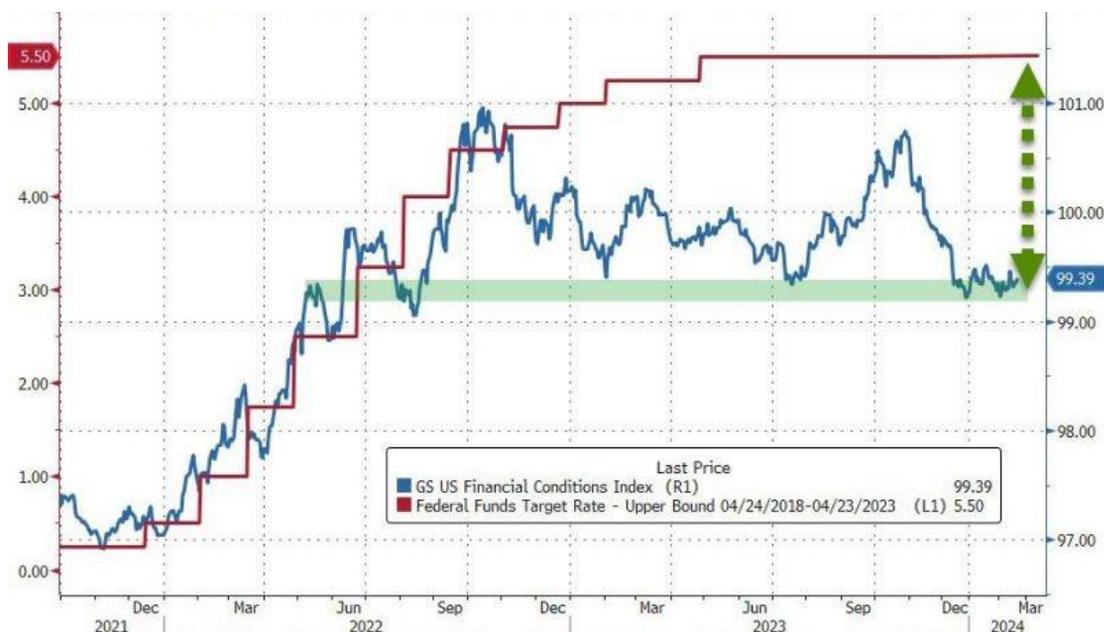


Source: Atlanta Fed's Market Probability Tracker
Note: data as of Feb. 15

#centralbanks

#us #fed #fomc

US financial conditions are very easy compared to Fed Funds... Too easy? Bear in mind what the FOMC said in the Minutes on Wednesday: "Several participants mentioned the risk that financial conditions were or could become less restrictive than appropriate, which could add undue momentum to aggregate demand and cause progress on inflation to stall." Could this lead the FED to keep rates higher for longer? How long will the market be able to shrug off high rates and higher bond yields?

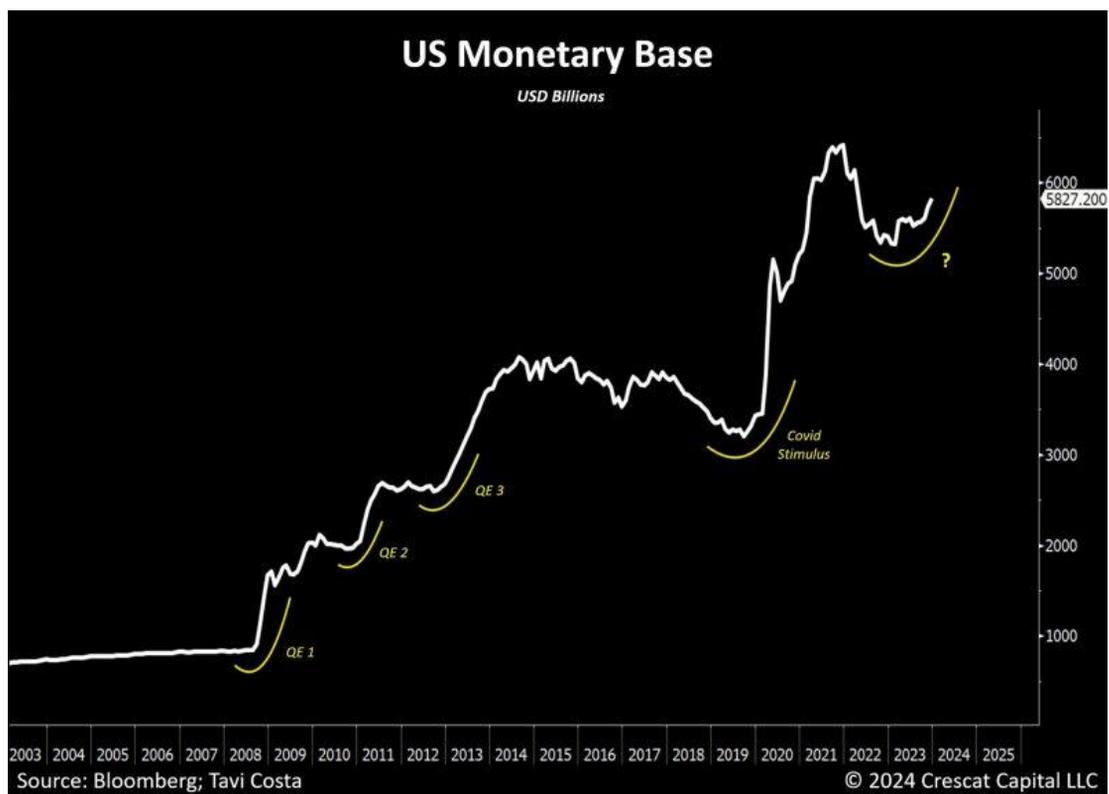


Source: www.zerohedge

#centralbanks

#us #monetary-base

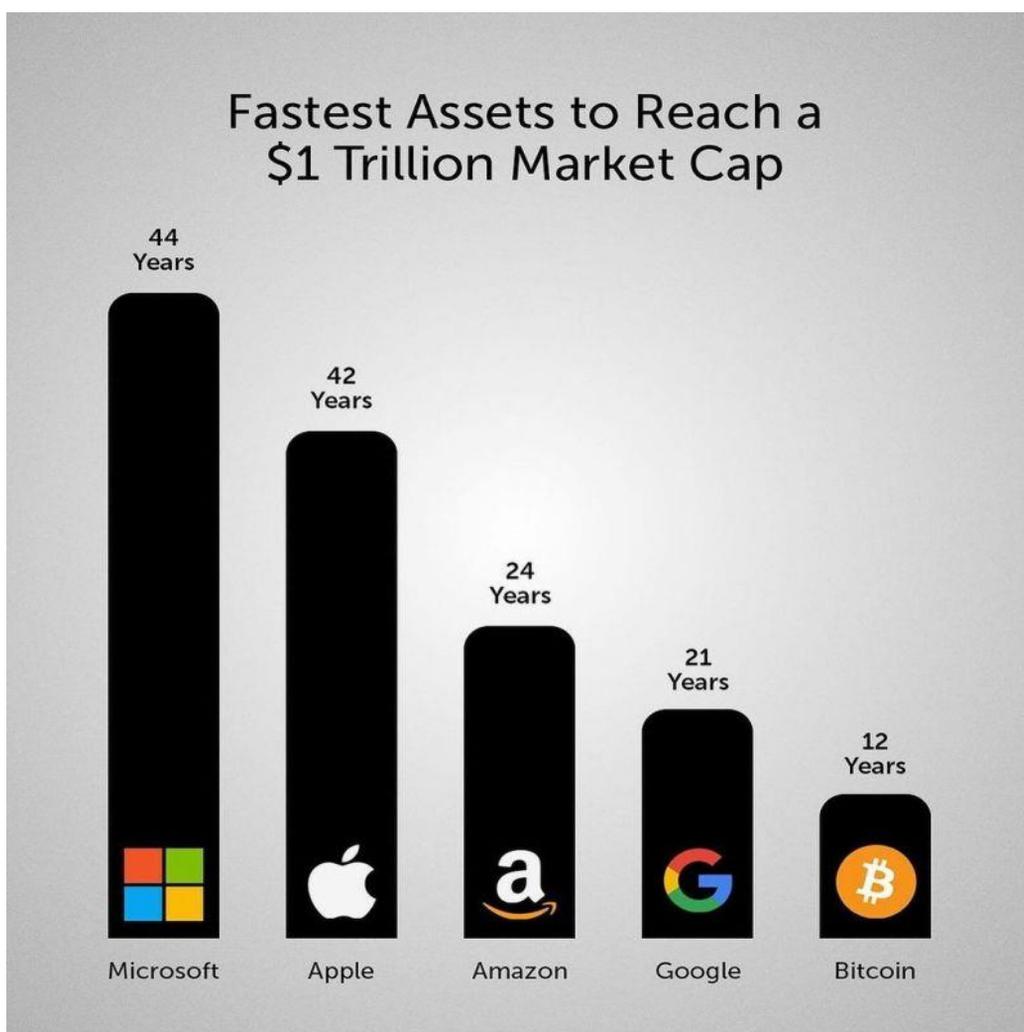
The US monetary base has been rising significantly recently. In the last 12 months alone, there has been a rise of \$420 billion, primarily fueled by bank reserves. While the Fed should not classify this as QE due to mechanical differences, it seems to echo the patterns of previous periods of monetary stimulus following the Global Financial Crisis. The economy (and markets) are addicted to liquidity.





#bitcoin #market-cap

Bitcoin became fastest assets to reach a \$1 Trillion Market Cap 🚨

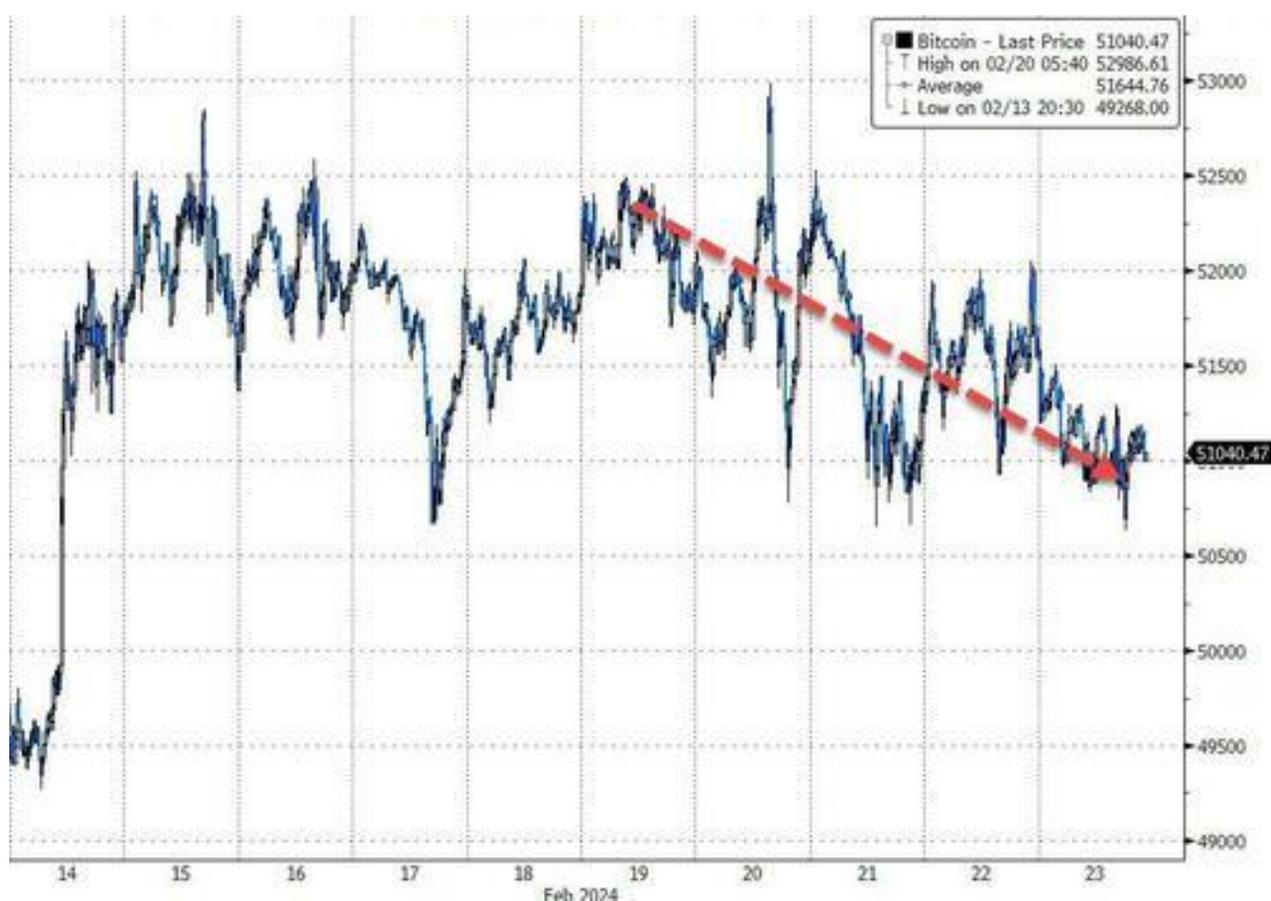


Source: bitcoinlfgo



#bitcoin #weekly

Bitcoin drifted lower this week...

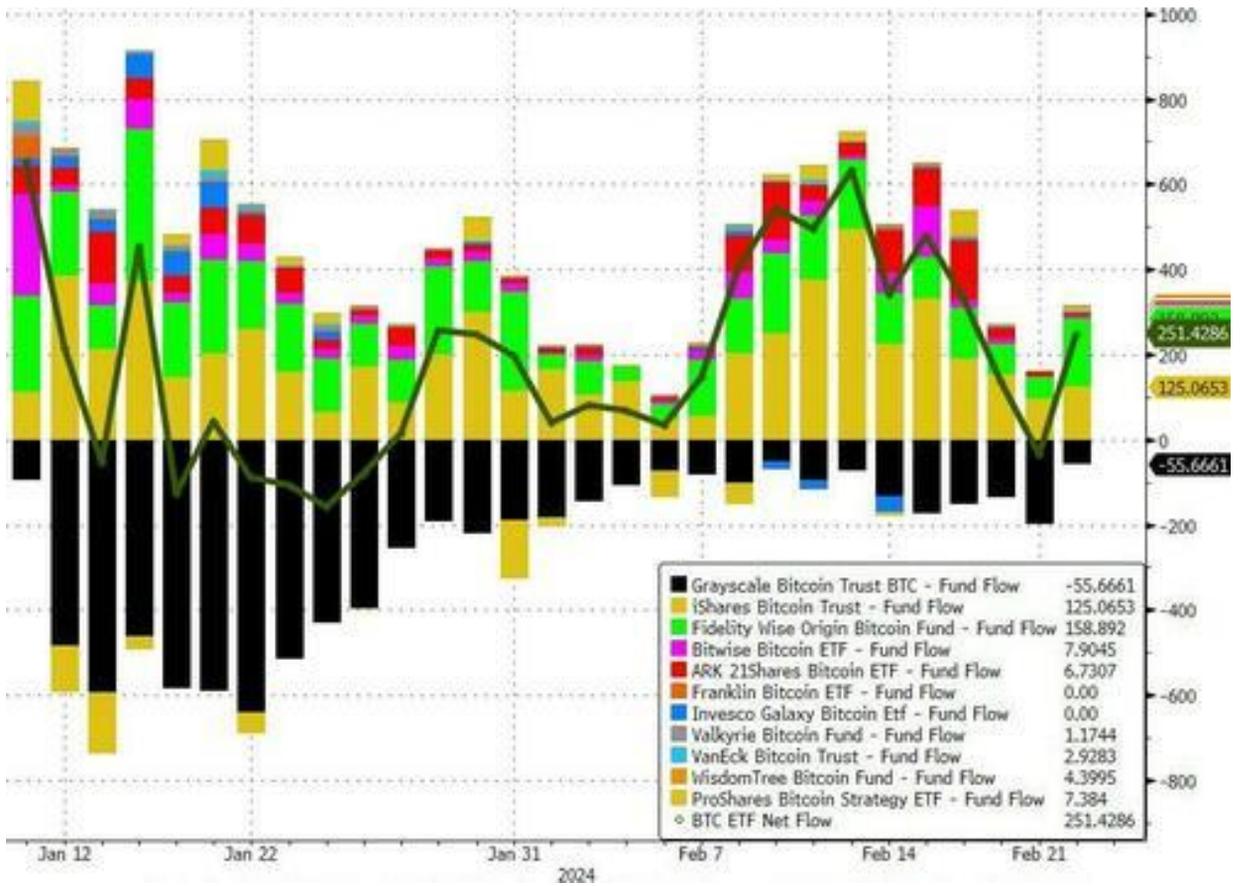


Source: Bloomberg, www.zerohedge.com



#bitcoin #etf #flows

Net inflow from Bitcoin spot ETFs remain solid



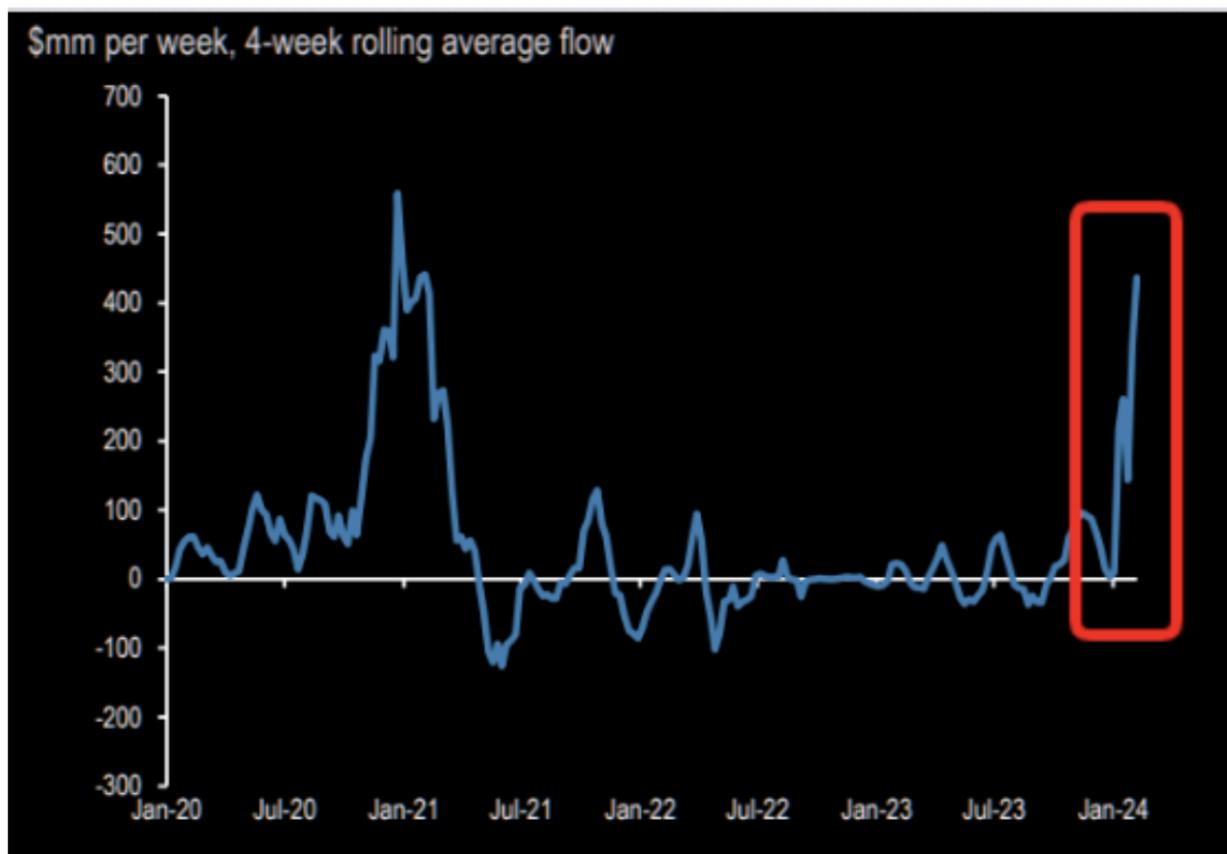
Source: Bloomberg, www.zerohedge.com



#bitcoin #etf #flows

Finally the "institutional" bid decided to wake up...

The bitcoin bid



Source: JPM

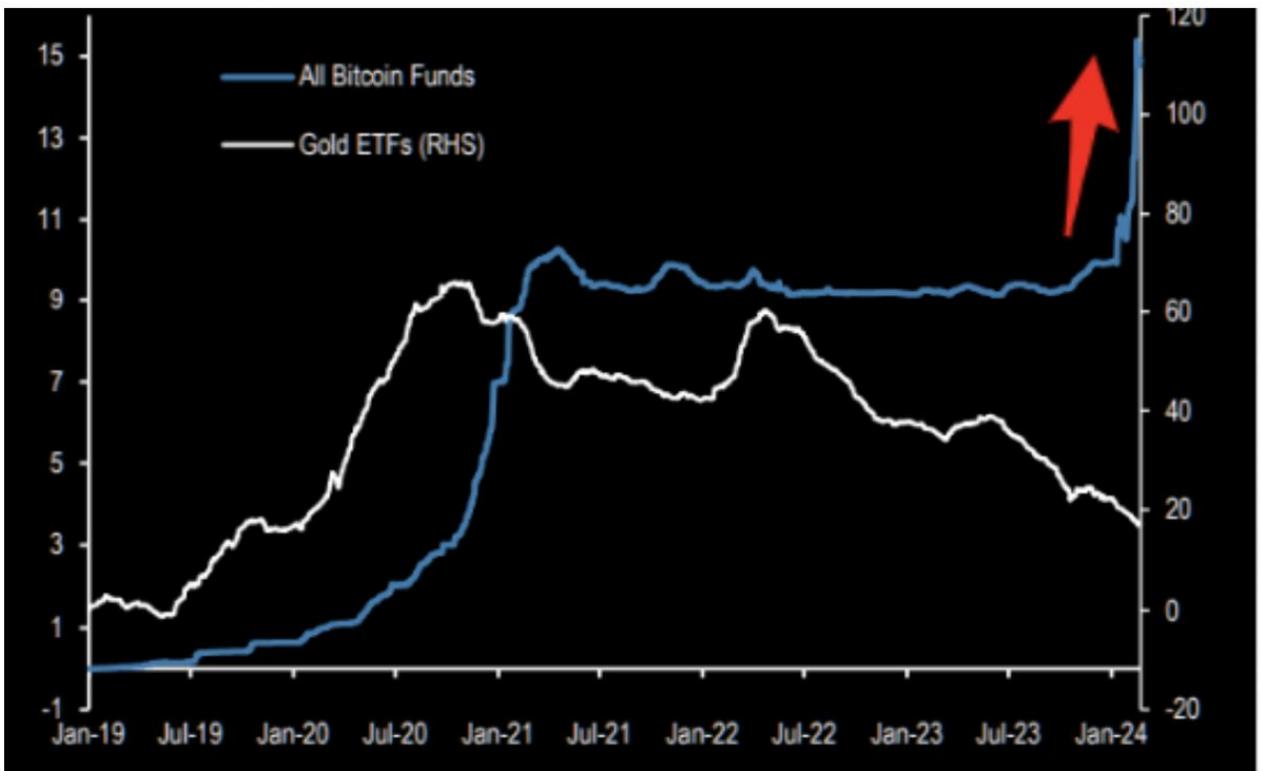
Source: JP Morgan

#cryptos

#bitcoin #etfs #flows

Cumulative Flows in all Bitcoin funds and Gold ETF holdings .

Digital is all the rage



Source: JPM

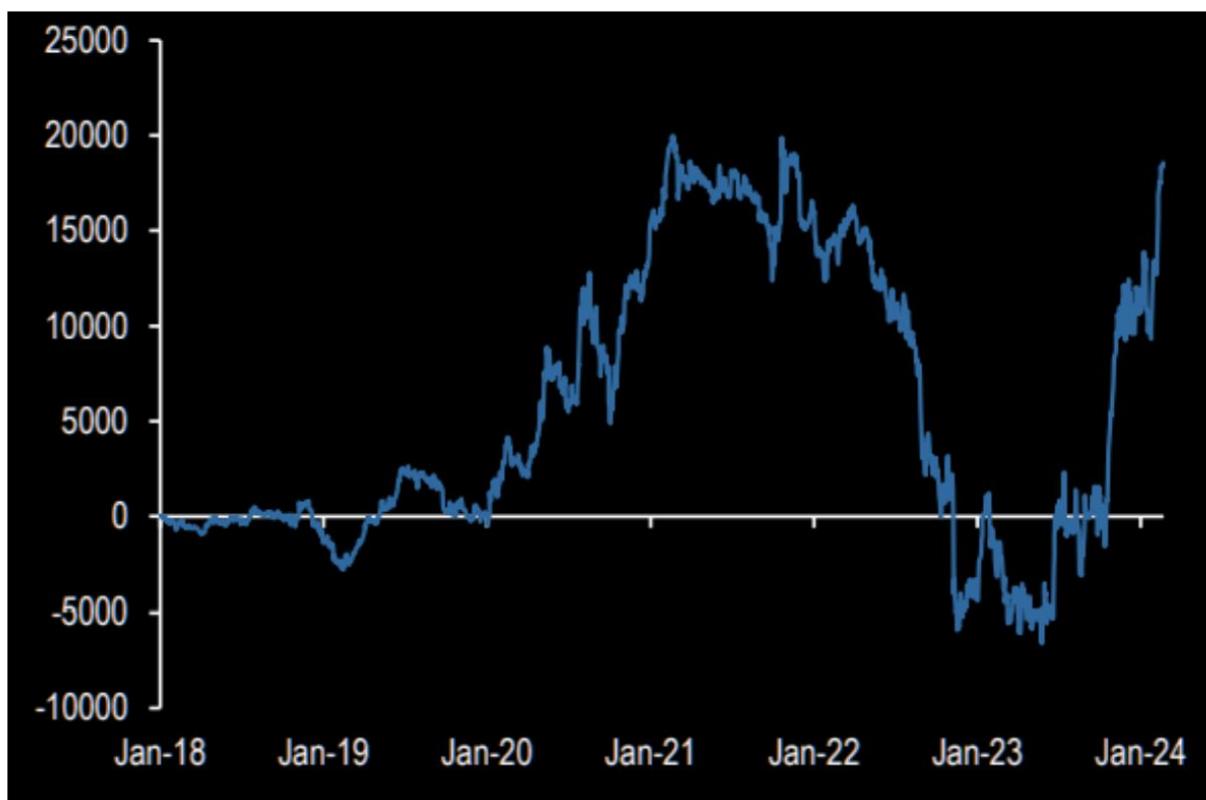
Source: JPM

#cryptos

#bitcoin #futures #positioning

JPM's positioning proxy based on open interest in CME Bitcoin futures contracts at highest levels in a long time.

The Bitcoin bull



Source: JPM

Source: JPM

#cryptos

#cme #bitcoin #futures

CME Group Debuts Bitcoin, Ethereum Futures For Europe. The CME Group will be launching euro-denominated micro Bitcoin and Ethereum futures next month, answering surging demand in the derivatives market. The Chicago-based trading firm announced on Tuesday that it would launch the crypto futures for the European market due to the popularity of U.S. dollar-denominated counterparts. The futures will launch on March 18, pending regulatory review.

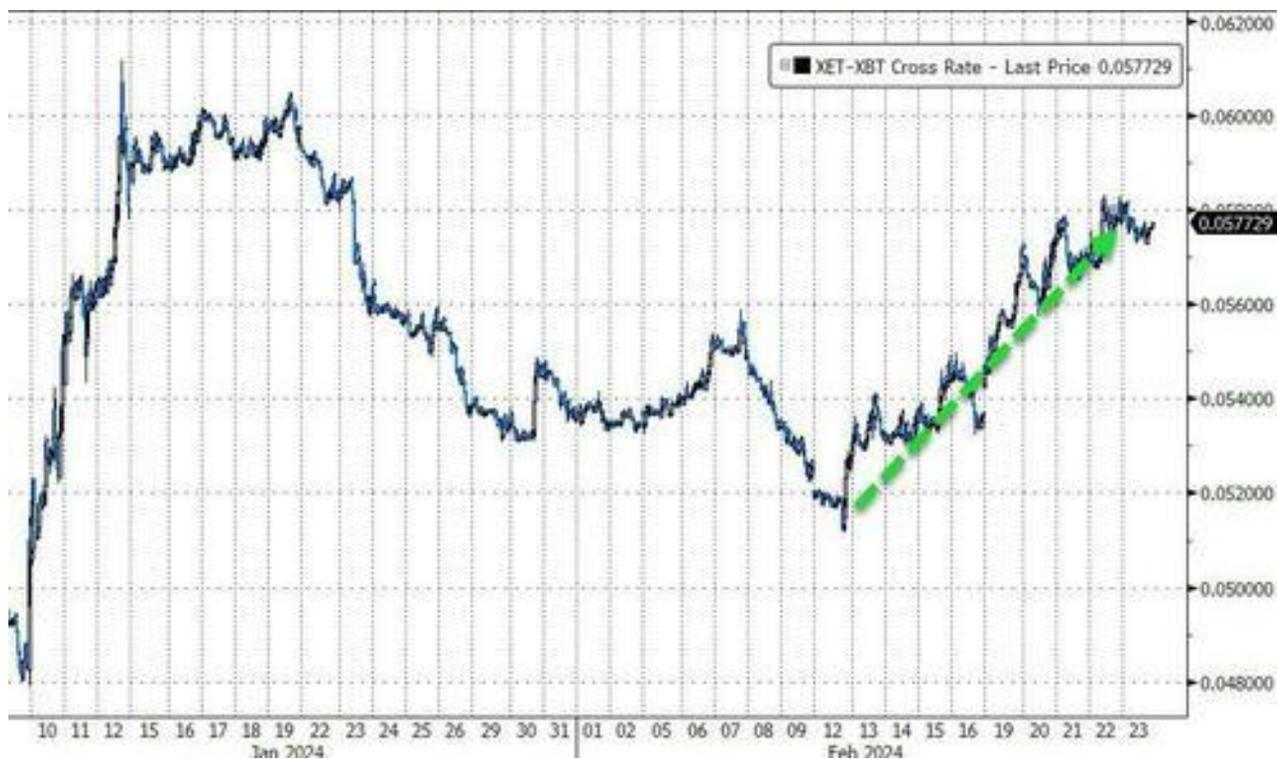


Source: decrypt



#ether #weekly

While bitcoin was down over the week, ether significantly outperformed, topping \$3,000 during the week. This dragged ETH up to one-month highs relative to BTC...



Source: Bloomberg, www.zerohedge.com





#reddit #bitcoin #ether

JUST IN: Reddit converted its excess cash into Bitcoin \$BTC and Ethereum \$ETH



Crypto News > News > BREAKING: Reddit Announced That It Converted Its Excess Cash into Bitcoin...

News

BREAKING: Reddit Announced That It Converted Its Excess Cash into Bitcoin and Ethereum!

Author: Mete Demiralp

22.02.2024 - 20:31 Update: 1 second ago

Source: Barchart



#food-for-thought

#russell1000 #performance

Four Years Since COVID. Sunday, 2/19/24 marked the four-year anniversary of the US stock market's peak closing level just before COVID hit in 2020. Below is a list of the best performing stocks in the Russell 1,000 since then. At the top of the list is energy-drink maker Celsius (CELH), which is far ahead of the pack with a gain of 3,030%.

Best Performing Russell 1,000 Stocks Since 2/19/20

Stock	Company	Sector	Price	% Chg Since 2/19/20	Mkt Cap (\$, Bln)	Post-COVID Mkt Cap Chg (\$, Bln)
CELH	Celsius	Cons. Staples	63.50	3,031.8	14.9	14.5
GME	GameStop	Cons. Discret.	13.56	1,261.0	4.3	4.0
AR	Antero Resources	Energy	23.62	1,231.7	7.3	6.8
RRC	Range Resources	Energy	30.54	870.8	7.4	6.6
NVDA	NVIDIA	Technology	691.15	826.5	1,793.5	1,600.9
BLDR	Builders FirstSource	Industrials	183.19	557.3	22.7	19.4
SWAV	Shockwave Medical	Health Care	259.93	513.8	9.7	8.4
EQT	EQT	Energy	33.69	509.4	15.3	13.8
LLY	Eli Lilly	Health Care	765.46	486.6	742.4	607.7
SAIA	Saia	Industrials	526.35	457.6	14.4	11.8
NET	Cloudflare	Technology	95.28	447.0	33.3	27.8
PWR	Quanta Services	Industrials	207.87	441.3	30.7	25.1
X	United States Steel	Materials	45.78	412.2	10.3	8.7
CRWD	CrowdStrike	Technology	321.61	398.6	79.1	65.0
VRT	Vertiv	Industrials	61.46	368.9	24.0	19.6
MRNA	Moderna	Health Care	87.76	367.1	33.7	26.9
ANET	Arista Networks	Technology	258.35	365.3	81.8	64.6
STLD	Steel Dynamics	Materials	123.12	362.0	20.0	13.7
DKS	Dick's Sporting Goods	Cons. Discret.	167.55	349.5	13.8	10.0
AVGO	Broadcom	Technology	1224.35	348.5	583.1	457.0
PANW	Palo Alto Networks	Technology	366.06	342.0	115.5	91.2
URI	United Rentals	Industrials	642.67	330.6	43.7	32.3
DECK	Deckers Outdoor	Cons. Discret.	862.18	329.1	22.2	16.5
NUE	Nucor	Materials	184.86	323.5	45.6	31.2
AM	Antero Midstream	Energy	12.38	305.1	6.0	3.6
KLAC	KLA Corp	Technology	653.64	304.6	89.4	62.3
MPWR	Monolithic Power Systems	Technology	712.00	301.3	35.1	26.9

Source: bespoke

#food-for-thought

#investing #equities #timing

Should you exit equities (or avoid investing into equities) when they hit all-time high? The answer is 'NO'. Returns have been higher than average, following all-time highs. More importantly, exiting at all-time highs is disastrous for your return!

Chart 2: Growth of \$100 invested in the US stock market from 1926-2023 (inflation-adjusted terms)



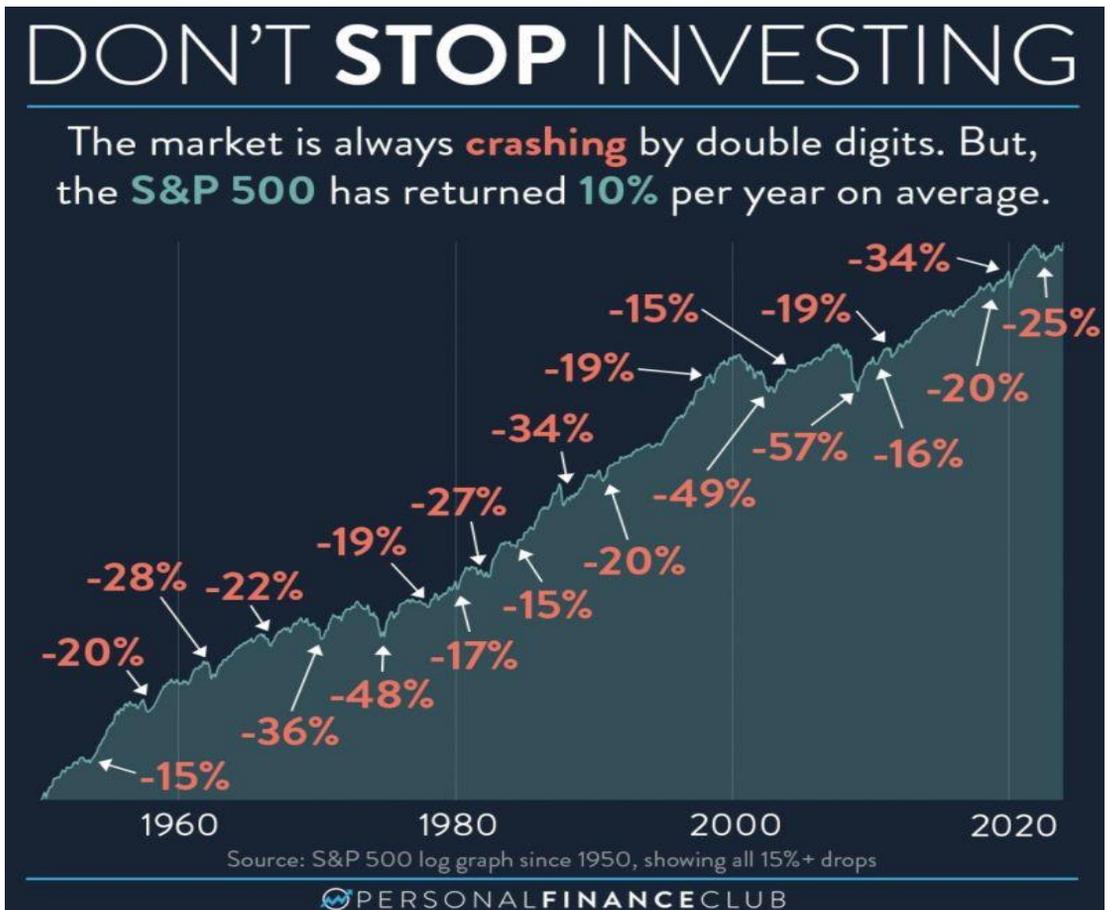
Past performance is not necessarily a guide to the future and may not be repeated.
Data: January 1926 – December 2023. Switching strategy moves into cash for the next month whenever the previous month-end was a nominal all-time high, and is invested in stocks whenever it wasn't. A switching strategy based on inflation-adjusted all-time highs would have resulted in a final value of \$15,135, 80% below the fully invested strategy. Results exclude transaction costs.
Source: CFA Institute Stocks, Bonds, Bills, and Inflation (SBBBI®) database, and Schrodgers. 611664

Source chart: Duncan Lamont / Schrodgers thru Jeroen Blokland.

#food-for-thought

#investing #equities

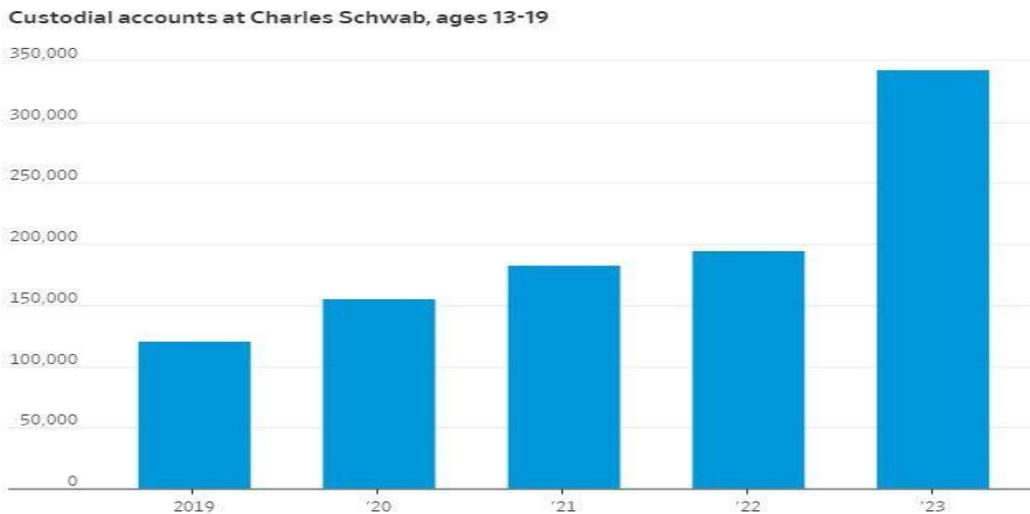
The chart is a log graph of \$1 invested in the S&P 500 in the year 1950 by Personal Finance Club. They listed all of the market crashes that were 15% or more. They removed the Y-axis, but it shows \$1 growing to over \$1,000! Note that there were many -10% corrections over the period but that only -15% and worse are listed below



#food-for-thought

#us #teens #investing

Teenagers are jumping into the U.S. stock market. A Fidelity study on teens and money recently estimated that about a quarter of teenagers in the U.S. have started investing, based on an online survey of 2,081 respondents ages 13 to 17. Trades placed using Fidelity’s Youth app, an account opened by parents but owned by teens, jumped in the fourth quarter. Many young investors are starting to invest earlier than previous generations did. Almost two-thirds of Gen Z investors said they first started learning about investing in high school or middle school, compared with about 38% of millennials in a 2023 Bank of America survey of affluent individuals. Some are introduced to stocks through family members or teachers, while others have turned to social media.



Note: 2023 includes accounts converted from TD Ameritrade integration
Source: the company

Source: wsj

#food-for-thought

#rules #investing

10 Golden rules for investing by Peter Lynch



Peter Lynch: 10 golden rules for investing

- ① You have to know what you own, and why you own it.
- ② Never invest in a company without understanding its finances. The biggest losses in stocks come from companies with poor balance sheets. Always look at the balance sheet to see if a company is solvent.
- ③ Everyone has the brainpower to make money in stocks. Not everyone has the stomach. If you are susceptible to selling everything in a panic, you ought to avoid stocks and stock mutual funds altogether.
- ④ Your investor's edge is not something you get from Wall Street experts. It's something you already have. You can outperform the experts if you use your edge by investing in companies or industries you already understand.
- ⑤ Over the past 3 decades, the stock market has come to be dominated by a herd of professional investors. Contrary to popular belief, this makes it easier for the amateur investor. You beat the market by ignoring the herd.
- ⑥ There is no correlation between success of a company's operations and the success of its stock over a few years. In the long term, there is 100% correlation between the success of the company and the success of the stock.
- ⑦ Long shots almost always miss the mark.
- ⑧ Owning stock is like having children - don't get involved with more than you can handle. There don't have to be more than five companies in the portfolio at any one time.
- ⑨ If you can't find any companies that you think are attractive, put your money in the bank until you discover some.
- ⑩ Time is on your side when you own shares of superior companies.

Source: [Compounding Quality](#), Pieter Slegers

#food-for-thought

#ray-dalio #principles

10 things learned from principles by Ray Dalio.

10 Things I Learned from Principles by Ray Dalio

- 1 Think of life as a game**
 - Every challenge or setback you encounter presents an opportunity to unravel a puzzle
 - By successfully resolving these puzzles, you acquire valuable principles, which, in turn, equip you to prevent comparable issues and failures in the future
- 2 Be radically open minded**

Look for the truth, even if it's tough to accept

 - What have I overlooked?
 - What's not right with my work?
 - Do I have sufficient knowledge about this topic to form an opinion?

Put aside your pride and use feedback for personal growth
- 3 Pain + Reflection = Progress**
 - Mistakes help you create a stronger set of principles
 - This paves the way for a smoother journey to success
- 4 Use root-cause analysis**
 - Every problem stems from its underlying causes
 - If you struggle with time management and find yourself consistently late for meetings or appointments, it's essential to understand scheduling principles to prevent such tardiness
- 5 Write down your principles**

Keep a record of every experience you face:

 - Job loss
 - Personal conflicts
 - Being late for meetings

Document your actions and reflect on how you handled each situation
- 6 Build your machine**

Achievers create a system to achieve their goals
To optimize your system, split your roles into two:

 1. The Designer - responsible for organizing and planning the system
 2. The Doer - executes tasks based on the designer's plan
- 7 Find your weaknesses**

Identifying a weakness is akin to discovering a leaky pipe in your house:

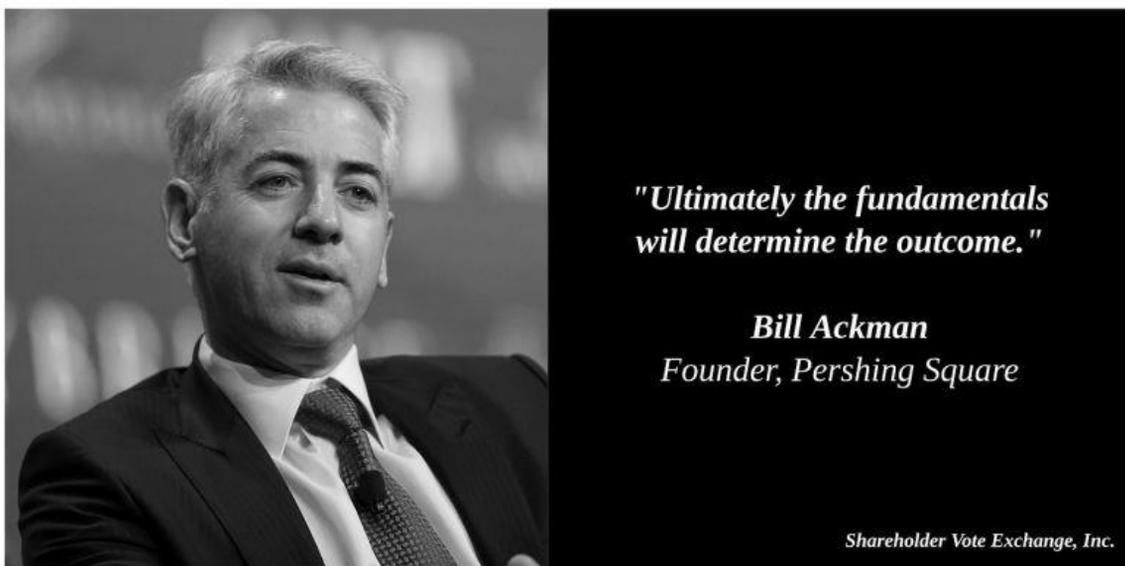
 - Find a temporary solution - like using a bucket to collect the water
 - Escape - consider selling the house.
 - Establish a principle - learn how to fix the pipe
- 8 Remember the 80/20 rule**
 - 80% of results stem from 20% of efforts
 - This approach prevents you from getting overwhelmed by unnecessary specifics
 - Once you've gathered the key information for a sound decision, don't linger. Move forward
- 9 Push through**
 - You can achieve greatness, but you must take action to achieve greatness
 - There will be moments when you can either continue with the usual pace or push forward to reach your goal
 - The right choice should be clear
- 10 One + One = Three**
 - Working with someone else makes you three times more efficient than working alone
 - Each person can spot what the other might overlook, and you can inspire each other to maintain higher standards

Follow Compounding Quality for more investing content : @QCompounding

Source: [Compounding Quality](#)

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#fundamentals #investing

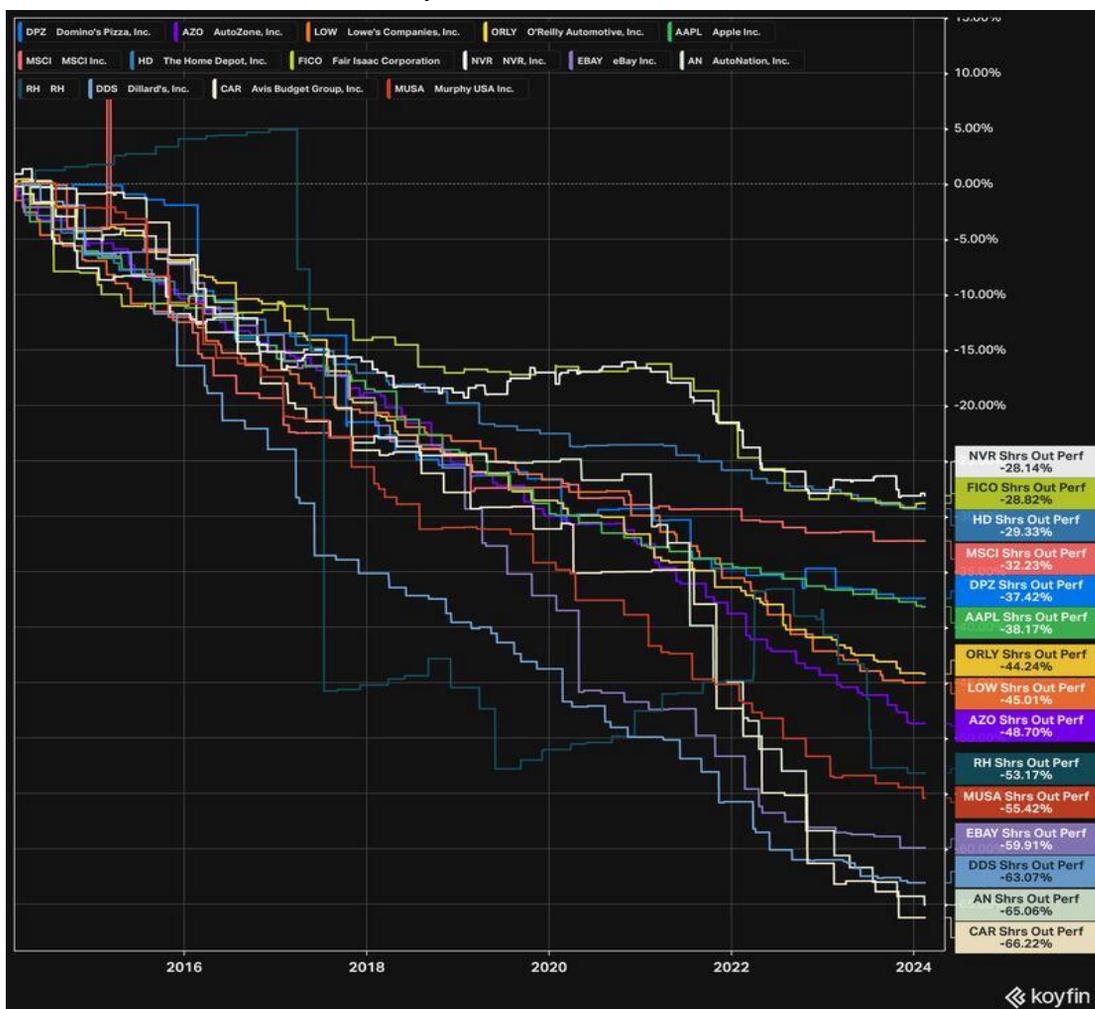


Source: [Compounding Quality](#)

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#warren-buffett #share-buybacks

Warren Buffett loves share cannibals. "The math isn't complicated. When the share count goes down, your interest in the businesses goes up. Every small bit helps if repurchases are made at value-accretive prices".



Source: Koyfin Charts

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#corporate #strategies

Five Forms of Increasing Returns by MJ Mauboussin - Morgan Stanley

- 1) Economies of Scale
- 2) International Trade
- 3) Learning by Doing
- 4) Positive Feedback/Network Effects
- 5) Recombination of Ideas

Exhibit 6: Forms of Increasing Returns

Form	People	Key Idea	Relevance
Economies of Scale	Adam Smith Alfred Marshall John Stuart Mill	A company can perform essential tasks at a lower cost per unit as volume increases.	One company gains scale at the expense of its competitors and keeps expanding until it becomes a monopoly.
International Trade	David Ricardo Paul Krugman	Firms create many products that are differentiated and achieve economies of scale through trade.	This combines traditional comparative advantage with monopolistic competition to explain increasing returns.
Learning by Doing	Ken Arrow Paul Romer Robert Lucas Jr. T.P. Wright	Cost per unit drops by about 20% for every doubling of cumulative output.	Companies can gain a cost advantage by generating higher cumulative output than their competitors.
Positive Feedback and Network Effects	W. Brian Arthur Paul David Carl Shapiro	Positive feedback can lead to one product dominating others, thus locking in customers. Network effects exist when the value of a good or service increases as more people use the good or service.	Positive feedback leads to outcomes where the winners take all. This results in increasing returns when combined with economies of scale and network effects.
Recombination of Ideas	Paul Romer Robert Solow John Holland	Innovation is the result of recombining ideas to allow inputs of the production process to be transformed into greater output.	The more ideas there are as building blocks for innovation, and the ability to manipulate them computationally, lead to the potential for faster growth and increasing returns. Some ideas can be "partially excludable," allowing for companies to profit from them.

Source: Counterpoint Global.

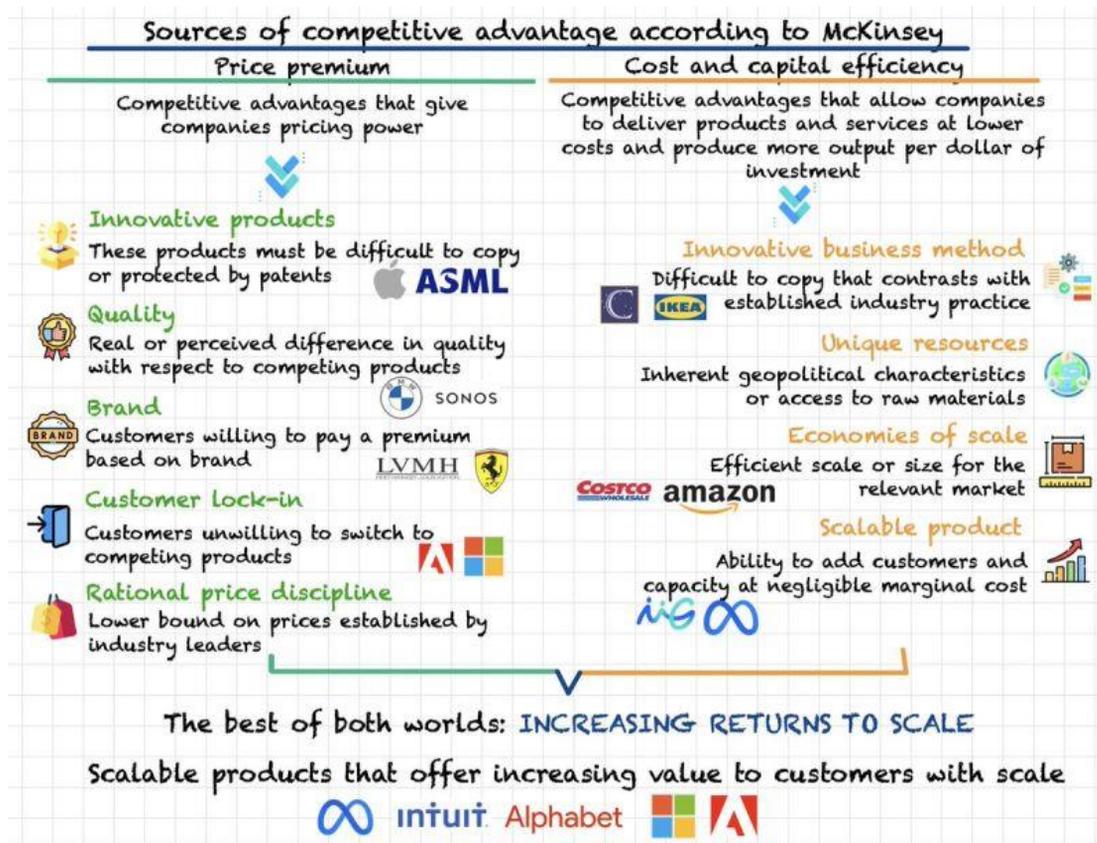
Source: Brandon Beylo on X



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#competitive-advantage

Types of competitive advantage.



Source: Investquotes thru Brian Feroldi

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#brands #value

Visualizing the Most Valuable Brands in 12 Countries



Source: visualcapitalist

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#switzerland #watch #exports

Monthly exports increased 3.1% to 1.9 billion Swiss francs (\$2.2 billion) by value, the Federation of the Swiss Watch Industry said Tuesday. Growth was as high as 11.8% in the first half of last year. The number of timepieces exported rose 2.9% to 1.2 million as shipments of the Swatch brand's Blancpain and Omega collaborations drove demand at the low end. The number of exported watches priced above 3,000 francs fell 4.5% in January, even as their value rose 4.3%, the Federation said in a statement. At the same time, the number of watches exported with a wholesale price of less than 200 francs surged 5.5% driven by the Swatch Group AG's namesake brand. Exports to the US, the biggest market for Swiss timepieces, rose by a modest 2.2% by value.



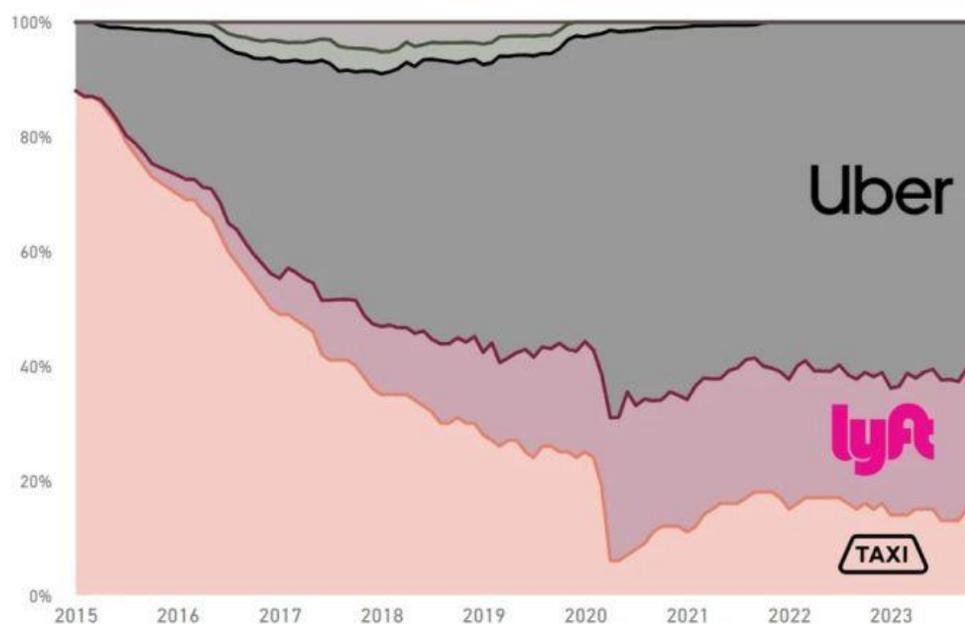
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#taxi #uber #market-share

In less than a decade, Uber and Lyft destroyed NYC Taxis

In less than a decade, Uber and Lyft crushed Taxis in NYC

Market share of ride hailing apps and traditional taxis in New York City, % of all trips



Source: NYC Taxi and Limousine Commission

fetcharts

Source: Markets & Mayhem

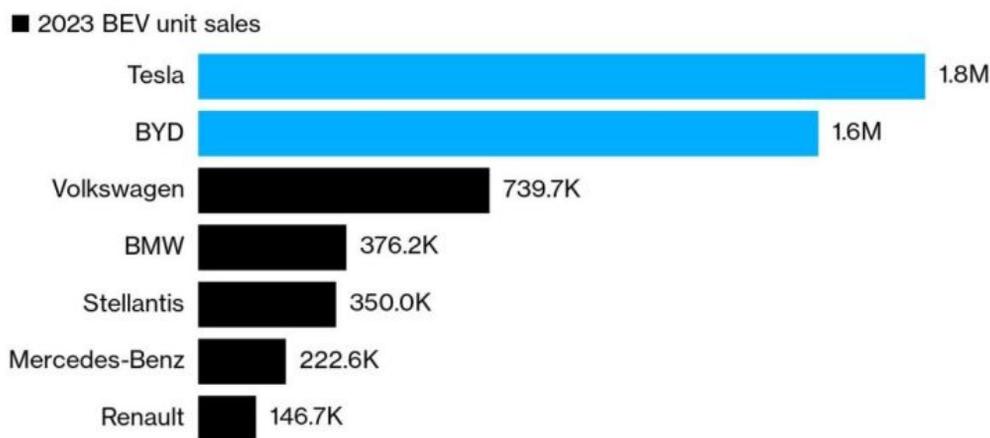
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#europe #ev

What's wrong with Europe in one chart. These European companies have been in the automotive business for decades. Why are they so painfully slow to adapt to new reality?

Europe's Automakers Are Trailing on EVs

Tesla and BYD sold more BEVs last year than all of them combined



Source: Company filings
Note: Figures for passenger cars, where possible

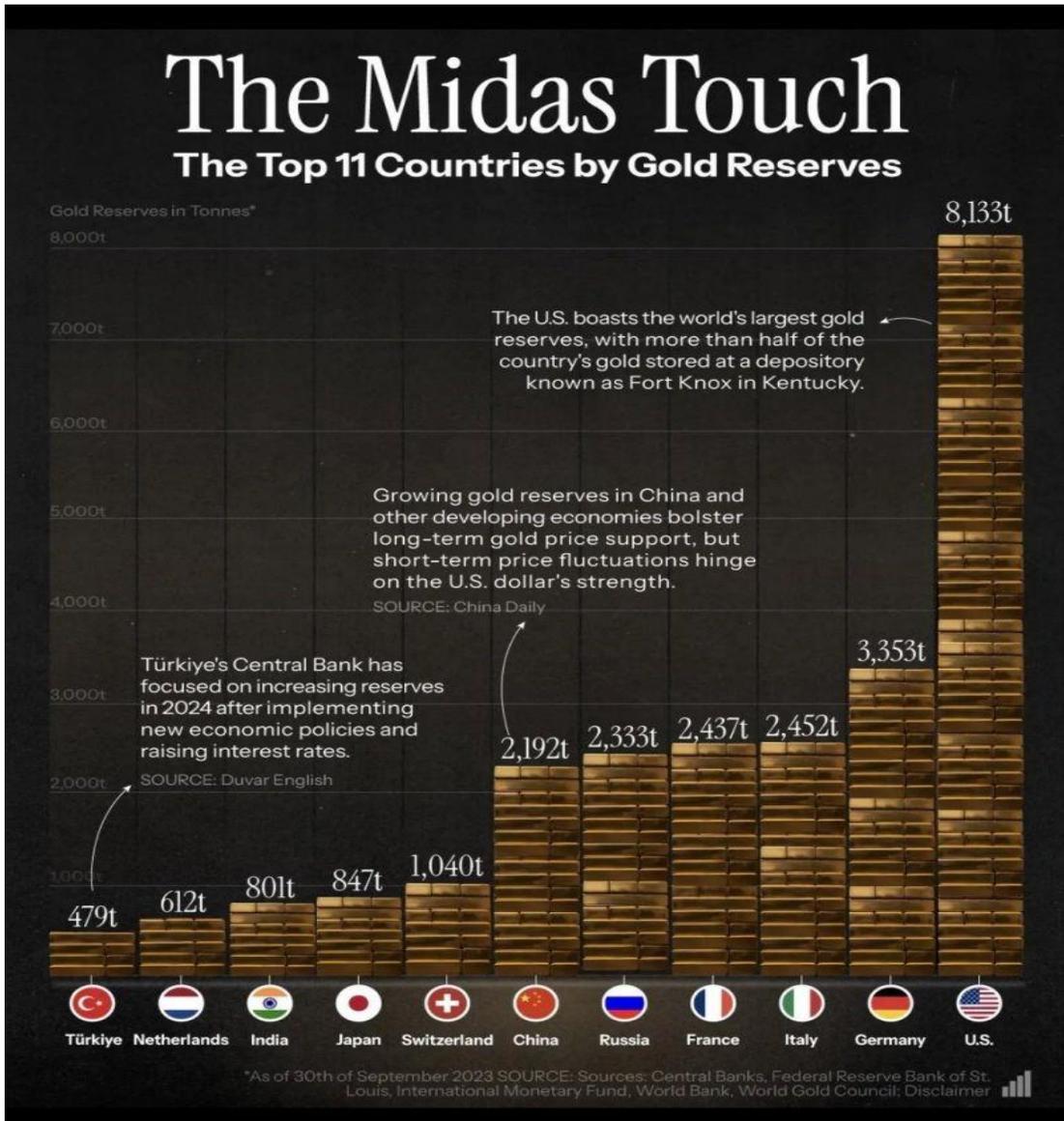
Bloomberg

Source: Michel A.Arouet, Bloomberg

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#gold #reserves

Top 11 Countries by Gold Reserves



Source: Visual Capitalist, Win Smart

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#fear #courage

F-E-A-R has 2 meanings

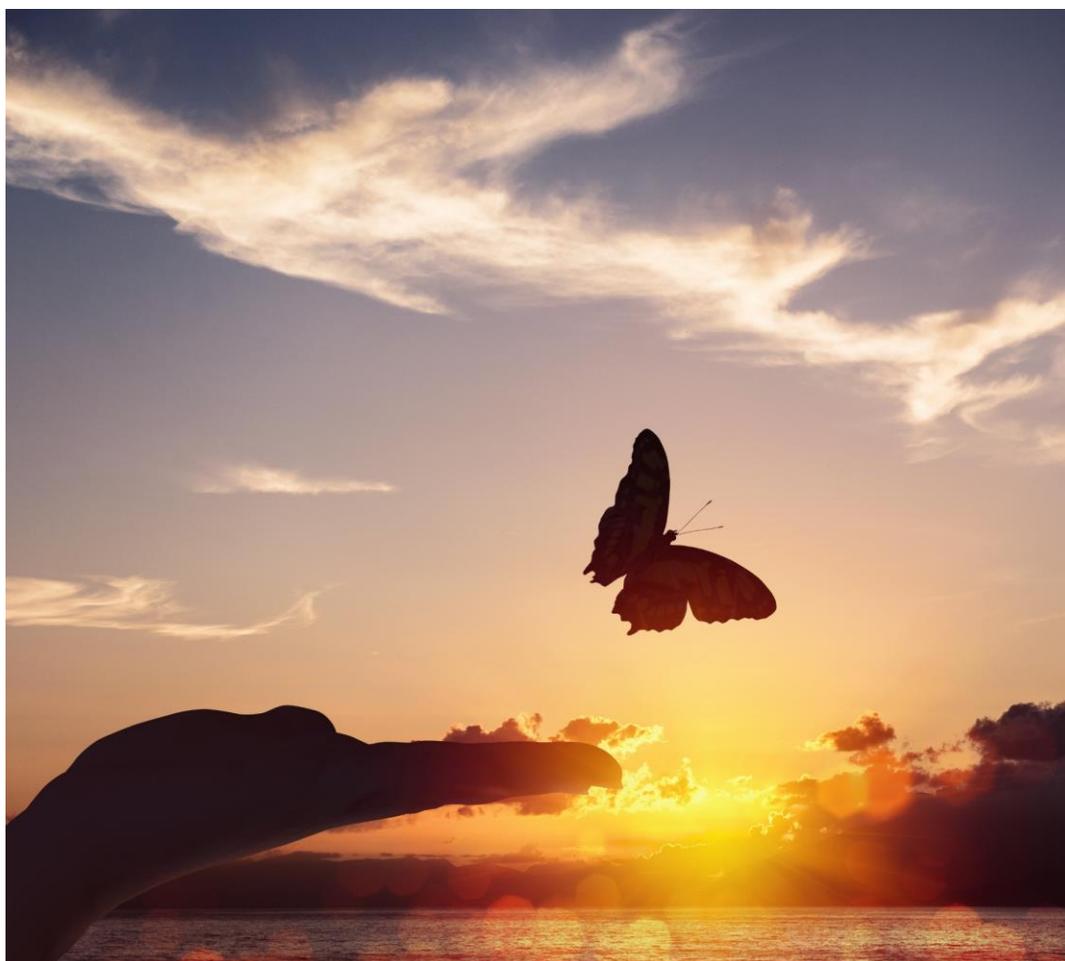
F-E-A-R has two meanings:
'Forget Everything And Run'
or 'Face Everything And Rise.'
The choice is yours.

Zig Ziglar

Source: Seek Wiser

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For the future...