Chart of the week

Inverse Santa?

The S&P 500 has failed at the negative trend line (again) and is trading below the 200 days moving average. Clearly, the technical set up does not look as good than few weeks ago. As pointed out by Goldman derivatives desk, Macro shorts have covered but remain bearish (and waiting until 2023). Meanwhile, systematic funds are long (so beware of trade reversal if sell-off intensifies) and buybacks are slowing.

Source: The Market Ear, Refinitiv

Stocks, Bonds, & Oil Battered Ahead Of Fed

Stocks gave back much of the previous two weeks' gains, as some surprisingly strong economic data (ISM services, Michigan Consumer Sentiment, PPI) dampened hopes that the Fed might soon be able to curb its program of raising interest rates to cool inflation. The S&P 500 Index recorded its worst return in five weeks and was unable to stay above its 200-day moving average following the recent rally. Within the S&P 500, defensive sectors (health care, consumer staples, and utilities) fared best. Energy shares fell sharply as oil prices tumbled to their lowest level since January. The yield on the 10-year U.S. Treasury note touched a nearly three-month intraday low on Wednesday but edged higher to end the week. In Europe, stocks (STOXX 600 Index) fell -1% on renewed fears of a recession as central banks tighten monetary policy in an effort to quell inflation. Revised data showed that the eurozone economy expanded 0.3% sequentially in Q3 —up from a first estimate of 0.2%—boosted by increases in household spending and business investment. Eurozone retail sales in October posted their biggest monthly drop this year, while German industrial production weakened that month, albeit less than expected. Chinese stock markets rose as Beijing's rapid easing of coronavirus pandemic restrictions bolstered investor sentiment. The dollar ended the week higher while cryptocurrencies were broadly unchanged with Bitcoin trading slightly above $17k.

#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,476	-2.8%	-7.9%
S&P 500 Index	3,934	-3.4%	-17.5%
NASDAQ	11,005	-4.0%	-29.7%
MSCI EAFE	1,962	-1.1%	-16.0%
10-yr Treasury Yield	3.59%	0.1%	2.0%
Oil ($/bbl)	$71.48	-10.6%	-5.0%
Bonds	$98.86	-0.4%	-11.1%

Source: Edward Jones

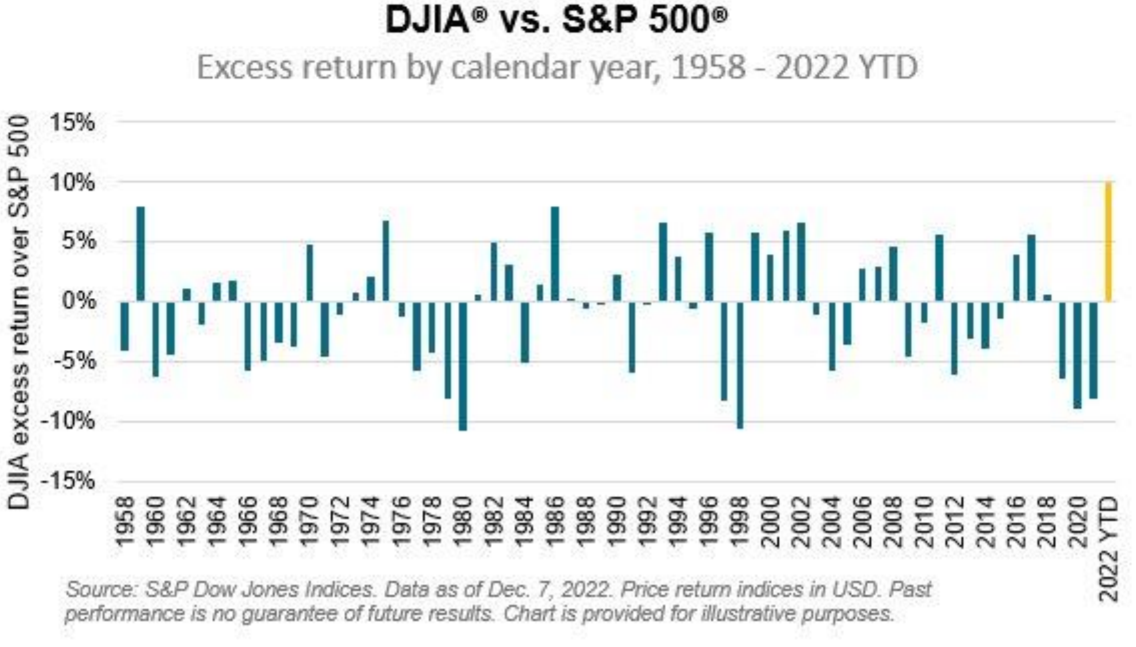
#markets

#cross-assets #ytd #returns

Source: The Economist

#us #equities

Thanks to higher exposure to industrials, plus being price- not cap-weighted, granddaddy of all indices (Dow) now leads S&P 500 by 10% YTD, on track for largest annual outperformance since inception of modern version of latter in 1957.

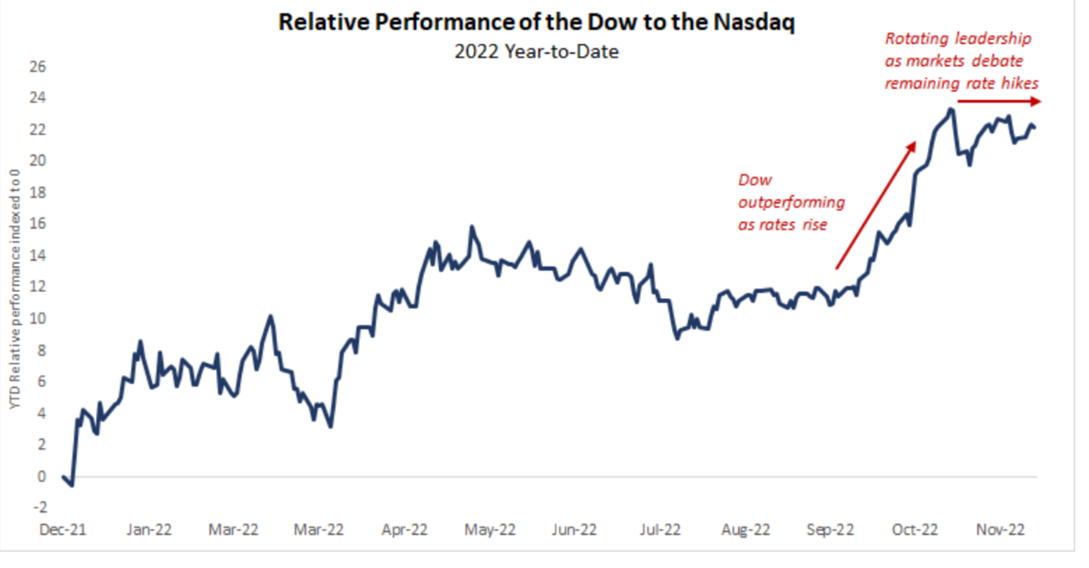


Source: Li Ann Sonders

#markets

#us #equities

Relative performance of Dow vs. Nasdaq has been more level since early November, despite the meaningful pullback in interest rates during that time, suggesting to us that there is not yet consensus around the Fed's ability to ratchet back on rate hikes in the coming months. .



Source: Edward Jones

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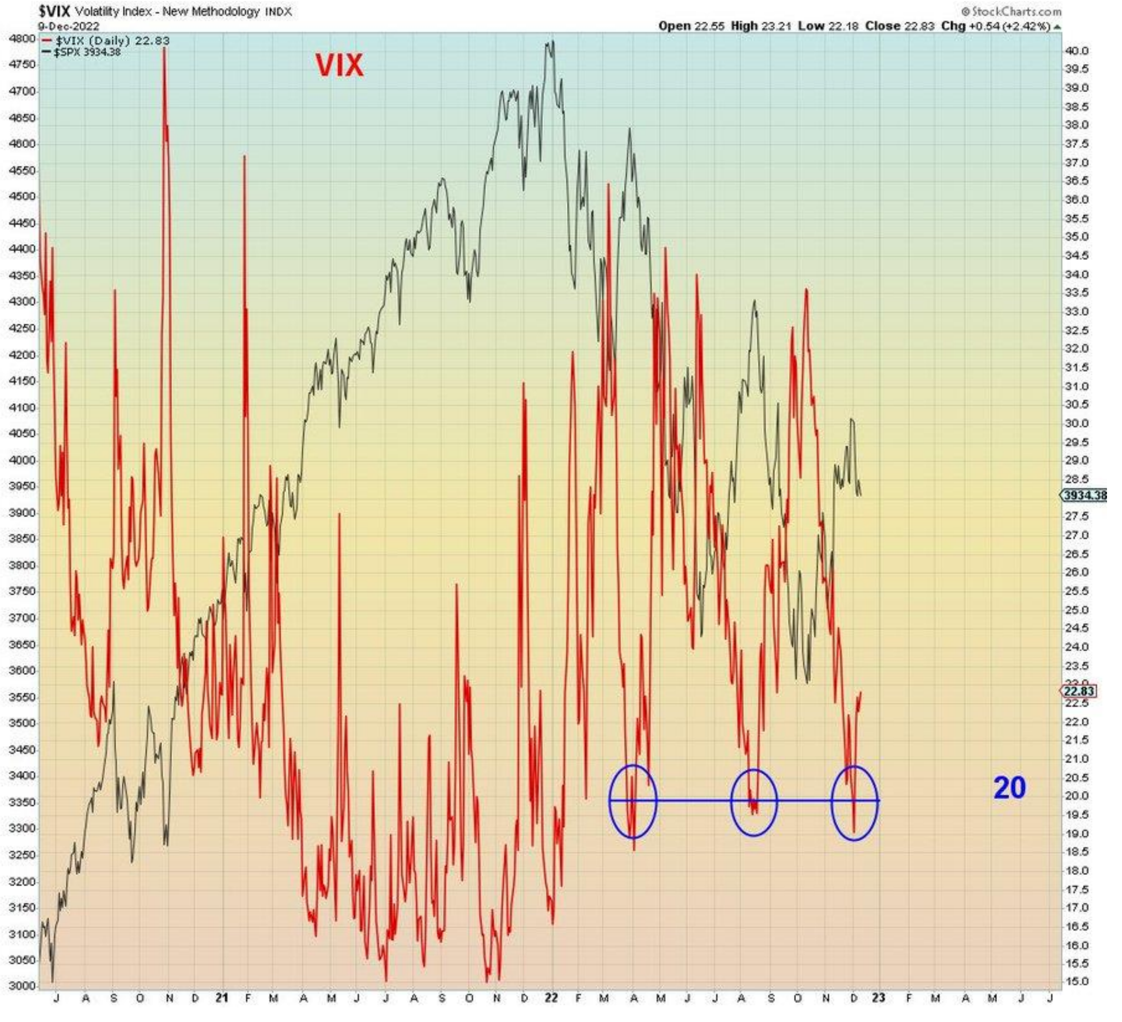
#vix

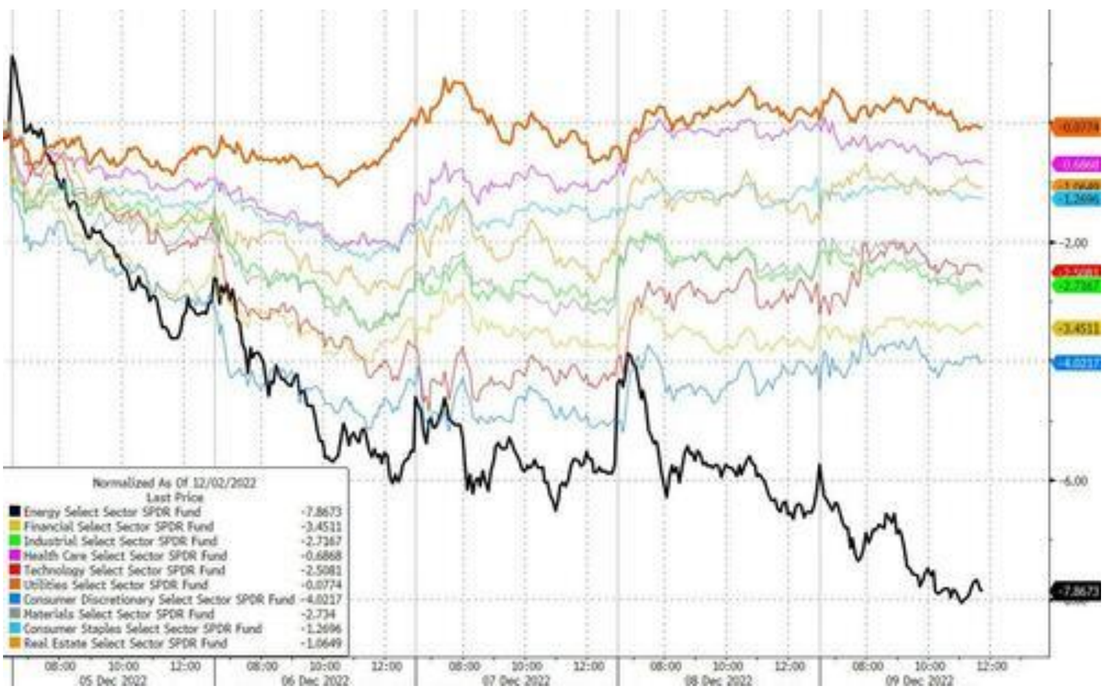
Having rinsed bears below 20 for the third time this year, the VIX gained 20%, closing on the highs of the week.



Source: Mac10

#us #equities #sectors

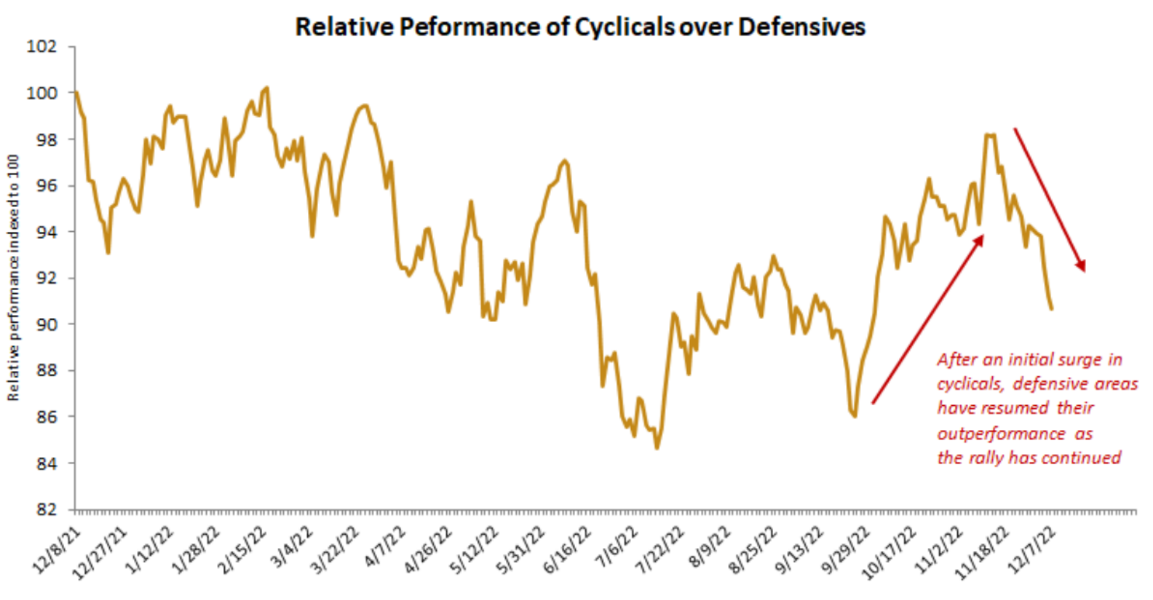
All sectors ended the week in the red with Energy by far the worst. Utilities outperformed with a very small loss on the week.



Source: www.zerohedge.com, Bloomberg

#us #equities #sectors

A durable bull market need to be confirmed by a shift toward more sustained leadership from the cyclical sectors. We are not there yet.

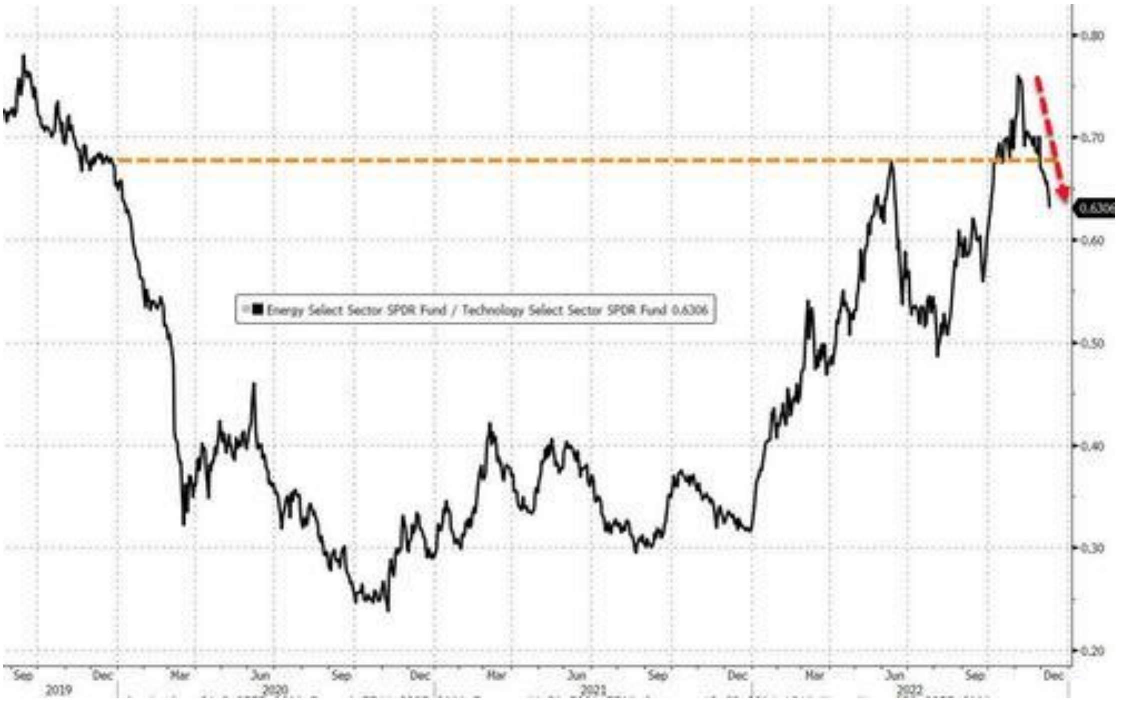


Source: Edward Jones

#markets

#technology #energy

Tech has been outperforming energy stocks since the start of November...



Source: www.zerohedge.com, Bloomberg

#markets

#energy #stocks #oil

XLE has come down recently, but the gap vs oil remains huge.

Source: The Market Ear

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#markets

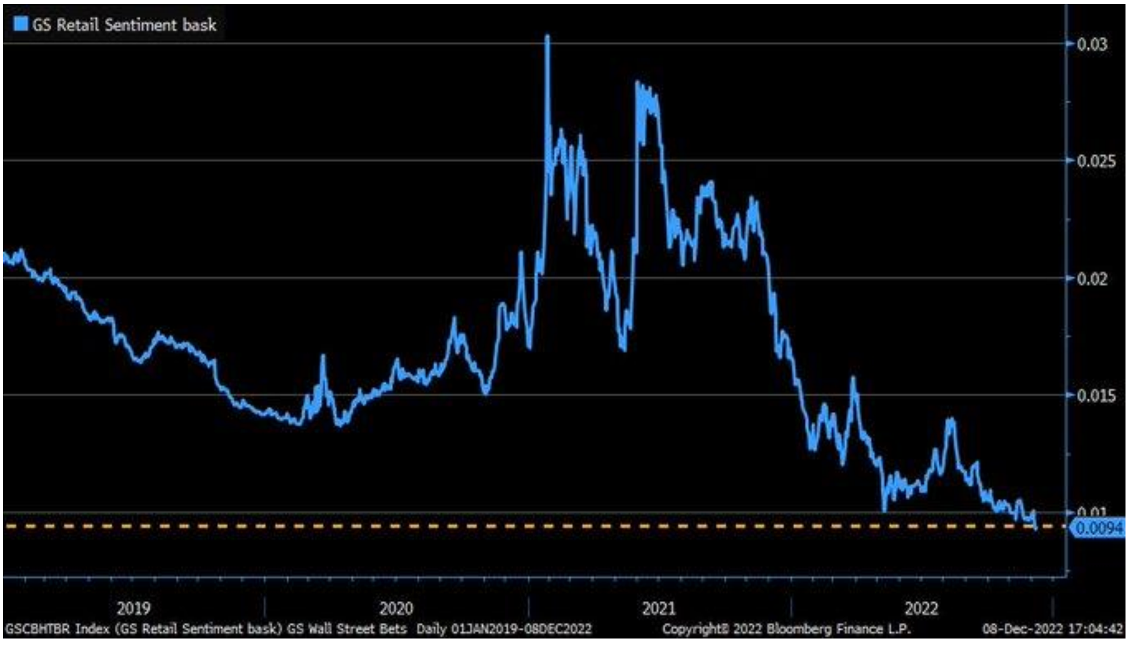
#cyclicals #stocks

Despite recessionary problems in the west, maybe it’s not all gloom for cyclical assets.

Source: Albert Edwards, The Market Ear

#us #equities #meme

Meme craze continues to fade considerably as basket of stocks most followed by Reddit WallStreetBets continues to tank relative to S&P 500.



Source: Liz Ann Sonders, Bloomberg

#us #equities #ceo #confidence

CEO business confidence seems to be reliable contrarian indicator. Let see if it's different this time…

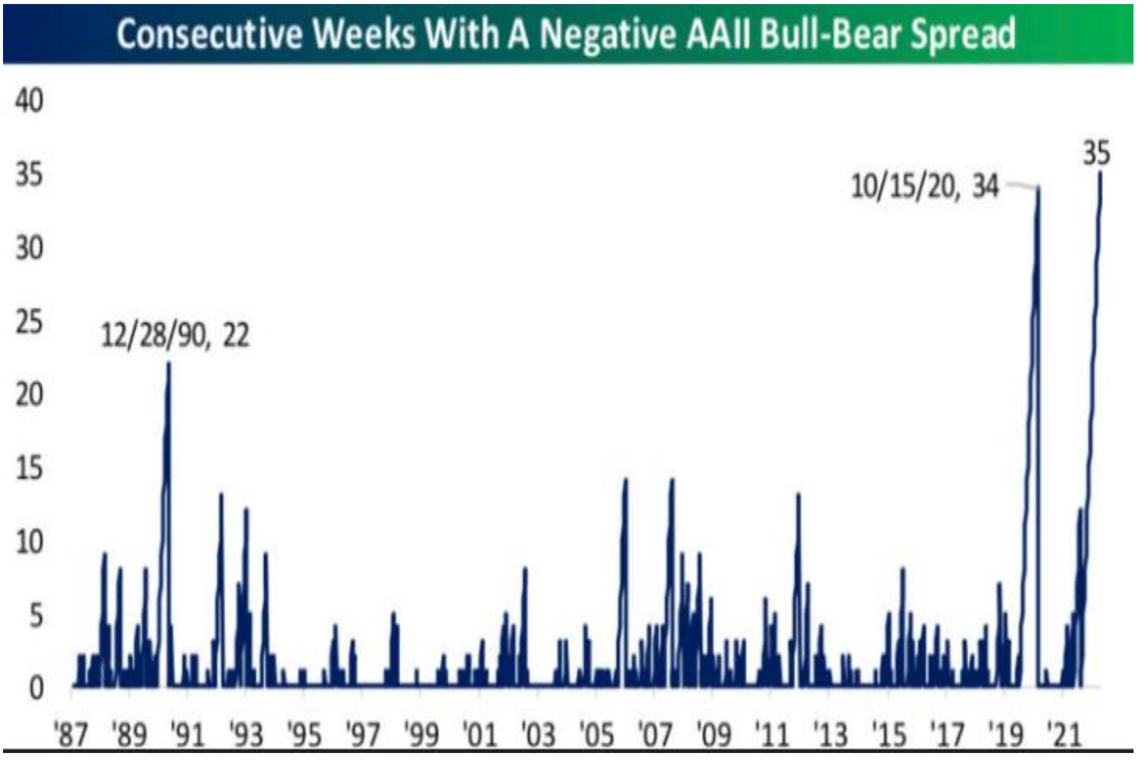
Source: The Conference Board, Goldman Sachs Global Investment Research

Source: Goldman Sachs, Michel Arouet

#markets

#us #equities #sentiment #bull-bear

AAII's weekly investor sentiment reading has had more bears than bulls for a record 35 weeks in a row

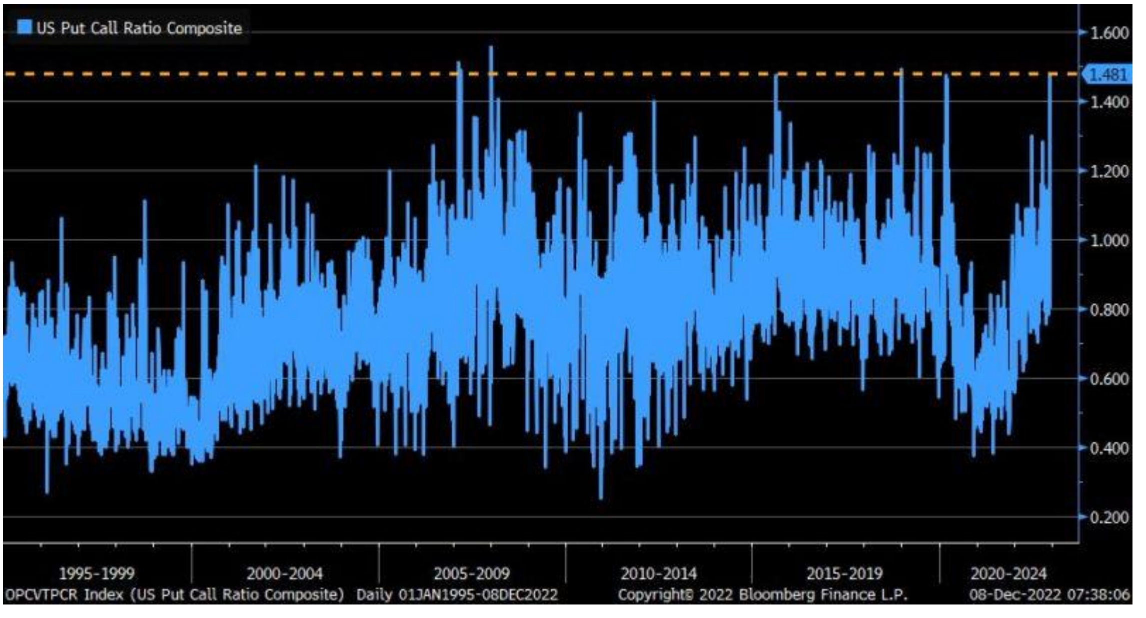


Source: bespoke

#markets

#us #equities #sentiment #put-to-call

Composite (not equity-only) U.S. put/call ratio spiked yesterday to highest since December 2018 … now in the vicinity of spikes in March 2020, August 2015, and early/late 2007…



Source: Bloomberg, Liz Ann Sonders

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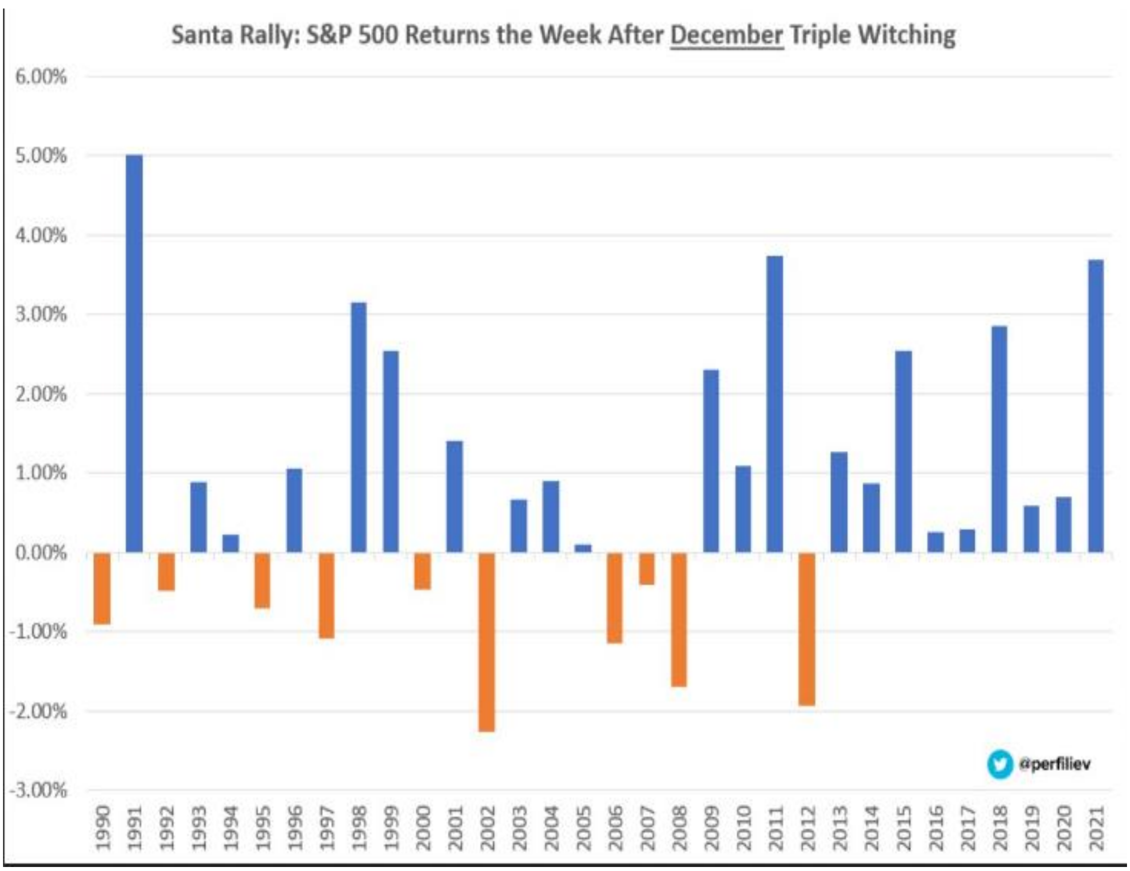
#markets

#witching-week

Next week marks the so-called triple-witching when SPX, SPY and ES options all expire. Around $2.5T of options are set to expire next Friday, and like other December expirations, it will be the largest this year.



Source: perfiliev

#us #equities #earnings #p/e #valuations

S&P 500 price sensitivity to EPS and P/E valuation -> P/E (2023) is currently at 17x which is not cheap. But 2023e EPS are still at risk as the +4% consensus number looks optimistic. In a recession the S&P 500 could through between 3000 and 3400, which is between -24% and -14% from current levels. So in case of recession, there is indeed some downside risk, especially if the #fed does not pivot aggressively.

Goldman Sachs

S&P 500 price sensitivity to EPS and P/E valuation

In a recession the S&P 500 would trough at 3150, -21% from current levels

		2023 EPS scenarios		
		Consensus	GS baseline	GS recession
Growth vs. 2022		*$231* (*+4%*)	*$224* (*+0%*)	*$200* (*-11%*)
Forward P/E	19x	4400	4250	3800
	18x	4150	4050	3600
Current	17x	3950	3800	3400
	16x	3700	3600	3200
	15x	3450	3350	3000
	14x	3250	3150	2800
Mar. '20	13x	3000	2900	2600
	12x	2800	2700	2400

Source: Goldman Sachs Global Investment Research. As of December 1, 2022.

Global Investment Research 45

Source: Goldman Sachs

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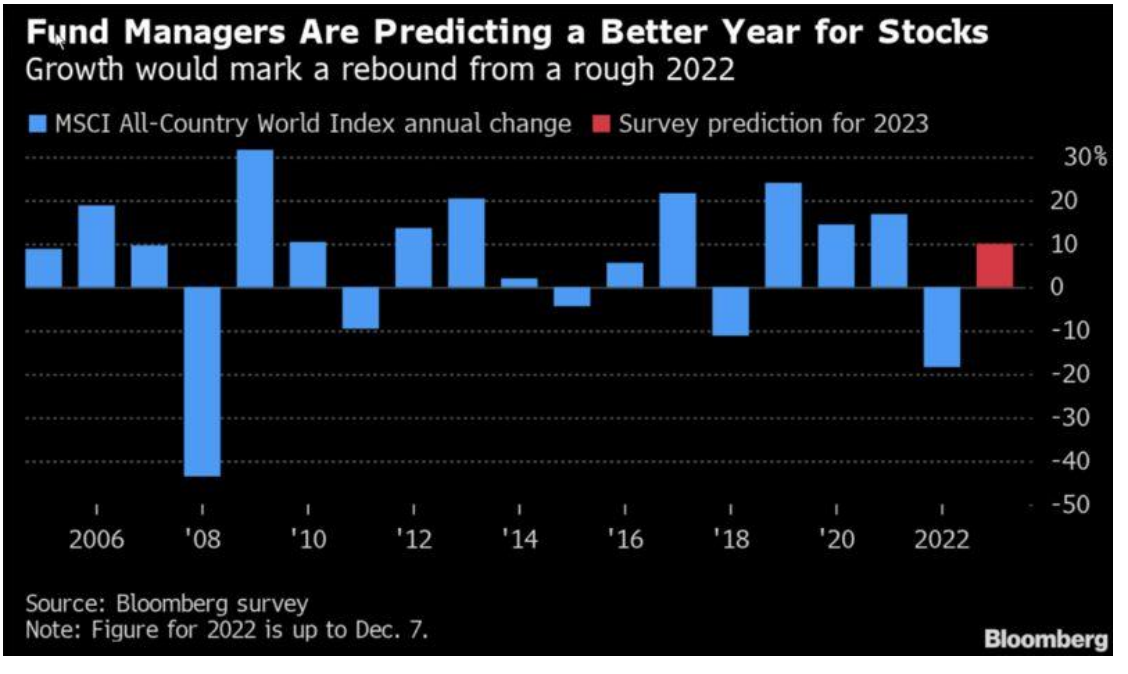
#markets

#global #equities #funds #sentiment

Double-digit gains for world #equity index in 2023? At least that's what a recent Bloomberg survey of major money managers reveals with 71% of the respondents expecting equities to rise on average 10% next year! The optimism is based on the assumption that inflation has picked (at least in the US) and the Fed may soon change its tone (but don't mention the P word).

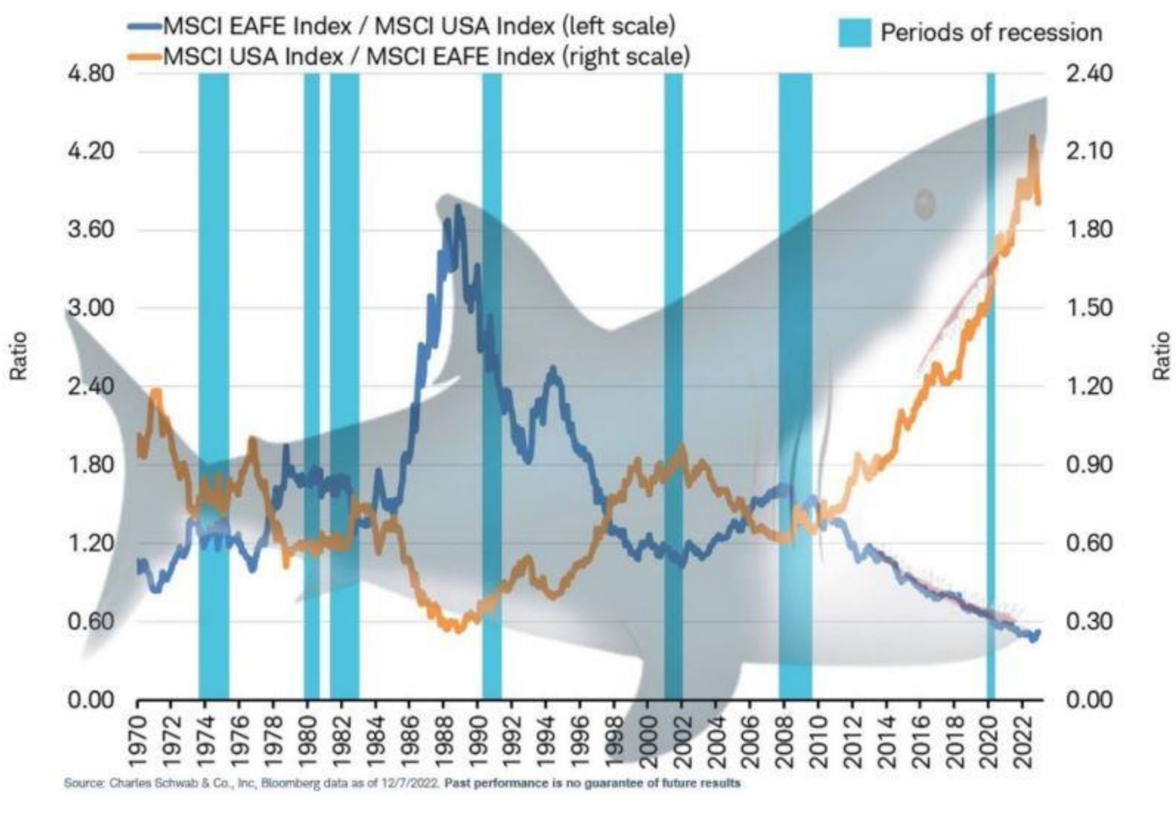


Source: Bloomberg

#markets

#international #stocks

International stocks are outperforming US stocks this year as the jaws begin to bite down. After a decade of US outperformance, International stocks might have some room for catching up.



Source: Charles Schwab

#markets

#international #stocks

Did 15 years of US outperformance vs. Rest-of-the-World come to an end?

Chart 6: 15 year bull market of US over RoW likely reverses in '23
US vs RoW equities price relative

Source: BofA Global Investment Strategy, Global Financial Data, Bloomberg
BofA GLOBAL RESEARCH

Source: BofA

#dax #index

Index Changes : STOXX Ltd. has announced changes to the DAX index family, which will become effective on 19 December 2022.

Changes in DAX:

Addition	Deletion
Porsche AG	Puma SE

Changes in MDAX:

Addition	Deletion
Puma SE	Varta AG
VERBIO Vereinigte BioEnergie AG	Deutsche Wohnen SE

Changes in SDAX:

Addition	Deletion
Varta AG	ABOUT YOU Holding SE
Deutsche Wohnen SE	VERBIO Vereinigte BioEnergie AG
Elmos Semiconductor SE	Instone Real Estate Group
ADVA Optical Networking SE	Medios AG

Source: qonitgo

#markets

#china #equities

China tech stocks jumped on hopes that Beijing and US regulators were close to an audit-inspection deal and as the nation's government officials curtailed many of its zero-Covid controls that stalled the world's 2nd-largest economy.

Source: Bloomberg, HolgerZ

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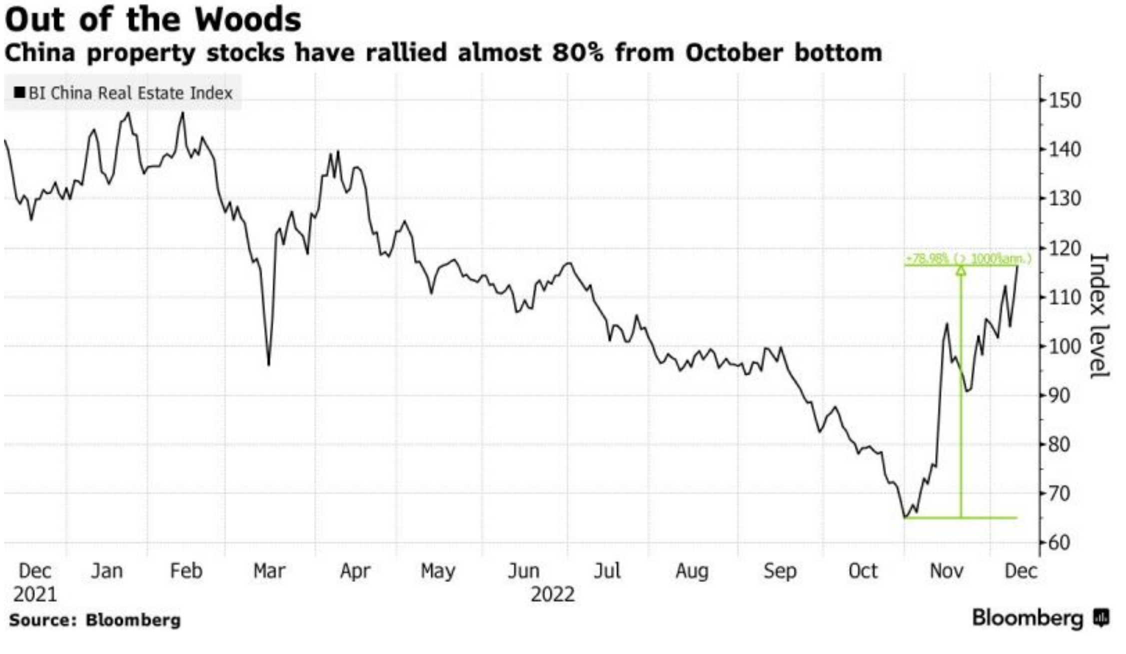
#markets

#china #equities

Chinese Developer Shares Rally as More Property Easing in Sight – Indeed, China mulls more property easing at Economic Meeting next Week. Officials may declare focus is now on boosting #consumer demand. China's central economic work conference to start on Dec. 15.



Source: Bloomberg

#china #equities

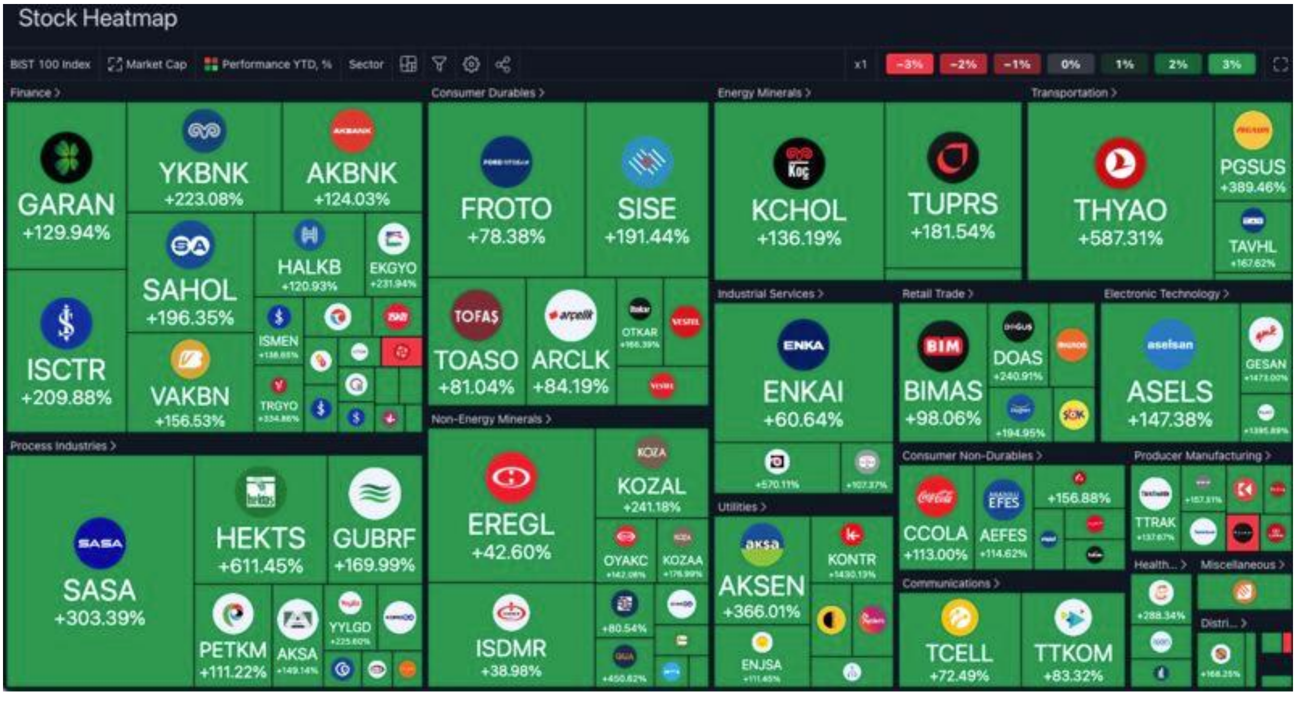
Since beginning of November, Hang Sang Index (orange) has decisively outperformed other international peers; S&P 500 (blue) is up marginally in absolute and relative sense

Source: Bloomberg, Liz Ann Sonders

#markets

#turkish #equities

In Turkish Lira terms, the main local index - BIST 100 - is up over 150% (!) this year. Why's that? Turkey's interest rate stands at 9% - while inflation is around 85% this year. The disconnect has left Turkish citizens with few options to obtain a return on their money. So locals are turning to the capital markets for a haven that keeps their cash from eroding. Equity trading accounts have risen by 33% this year. Also, (nominal) company profits are absolutely soaring on the back of higher prices: Up 234% during the first nine months of this year.



Source: Leveraged Shares

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#markets

#60-40 #returns

Worst years for a US 60/40 portfolio through November...

Worst US 60/40* Returns Through November (1976 - 2022)		
Rank	Year	Total Return
1	2008	-23.7%
2	2022	-12.6%
3	2002	-7.3%
4	2001	-4.0%
5	1977	-3.4%
6	2000	-2.0%
7	1994	-1.5%
8	1990	-0.5%
9	1987	0.5%
10	2015	2.4%

*60/40 = 60% S&P 500/40% Bloomberg US Agg

COMPOUND @CharlieBilello

Source: Charlie Bilello

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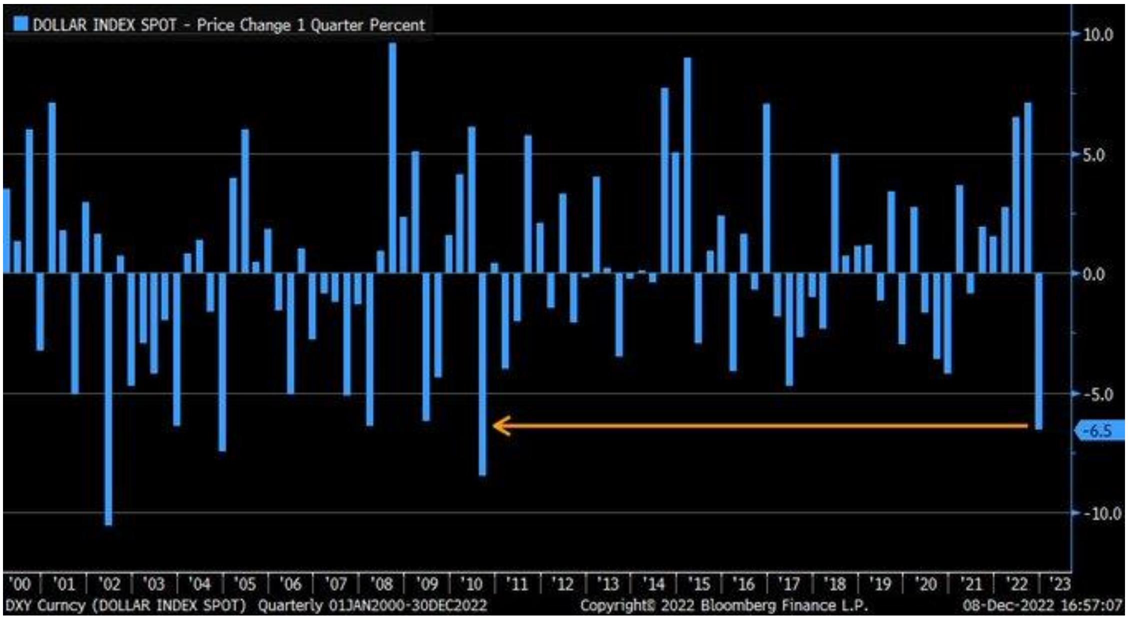
#markets

#dollar #returns

Quarter-to-date performance for U.S. dollar is worst since 3Q2010.



Source: Bloomberg, Liz Ann Sonders

#markets

#fixed-income #us

November was the best month for US bonds (+3.7%) since December 2008. The driver: falling long-term interest rates, with the 10-Year Treasury Yield moving from 4.10% down to 3.68%.

Bloomberg US Aggregate Bond Index, Best Months (1976 - 2022)		
Month	Bloomberg US Aggregate Index TR (Bonds)	S&P 500 Index TR (Stocks)
Apr-80	11.3%	4.6%
Nov-81	8.5%	4.1%
Oct-81	5.9%	5.4%
Aug-82	5.5%	12.1%
Oct-82	5.3%	11.5%
May-85	5.2%	5.8%
May-80	4.7%	5.1%
Jul-84	4.5%	-1.2%
Jul-82	4.3%	-1.8%
Oct-84	4.2%	0.4%
Sep-82	4.0%	1.2%
Feb-86	3.9%	7.5%
May-95	3.9%	4.0%
Dec-08	3.7%	1.1%
Nov-22	**3.7%**	**5.6%**
May-81	3.6%	0.3%
Oct-87	3.6%	-21.5%
Jan-88	3.5%	4.2%
Sep-83	3.3%	1.4%
Nov-08	3.3%	-7.2%
COMPOUND	@CharlieBilello	

Source: Charlie Bilello

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#fixed-income #us

After the rally, the US bond market is still on pace for its worst year in history with a loss of 12.6%. This is >4x larger than the previous worst year back in 1994 (-2.9%).

Bloomberg US Aggregate, Total Return (1977 - 2022) - As of 11/30/22

Year	Return	Year	Return	Year	Return
1977	3.0%	1993	9.7%	2009	5.9%
1978	1.4%	1994	-2.9%	2010	6.5%
1979	1.9%	1995	18.5%	2011	7.8%
1980	2.7%	1996	3.6%	2012	4.2%
1981	6.2%	1997	9.7%	2013	-2.0%
1982	32.6%	1998	8.7%	2014	6.0%
1983	8.4%	1999	-0.8%	2015	0.6%
1984	15.1%	2000	11.6%	2016	2.7%
1985	22.1%	2001	8.4%	2017	3.5%
1986	15.3%	2002	10.3%	2018	0.0%
1987	2.8%	2003	4.1%	2019	8.7%
1988	7.9%	2004	4.3%	2020	7.5%
1989	14.5%	2005	2.4%	2021	-1.5%
1990	9.0%	2006	4.3%	2022 YTD	-12.6%
1991	16.0%	2007	7.0%		
1992	7.4%	2008	5.2%		

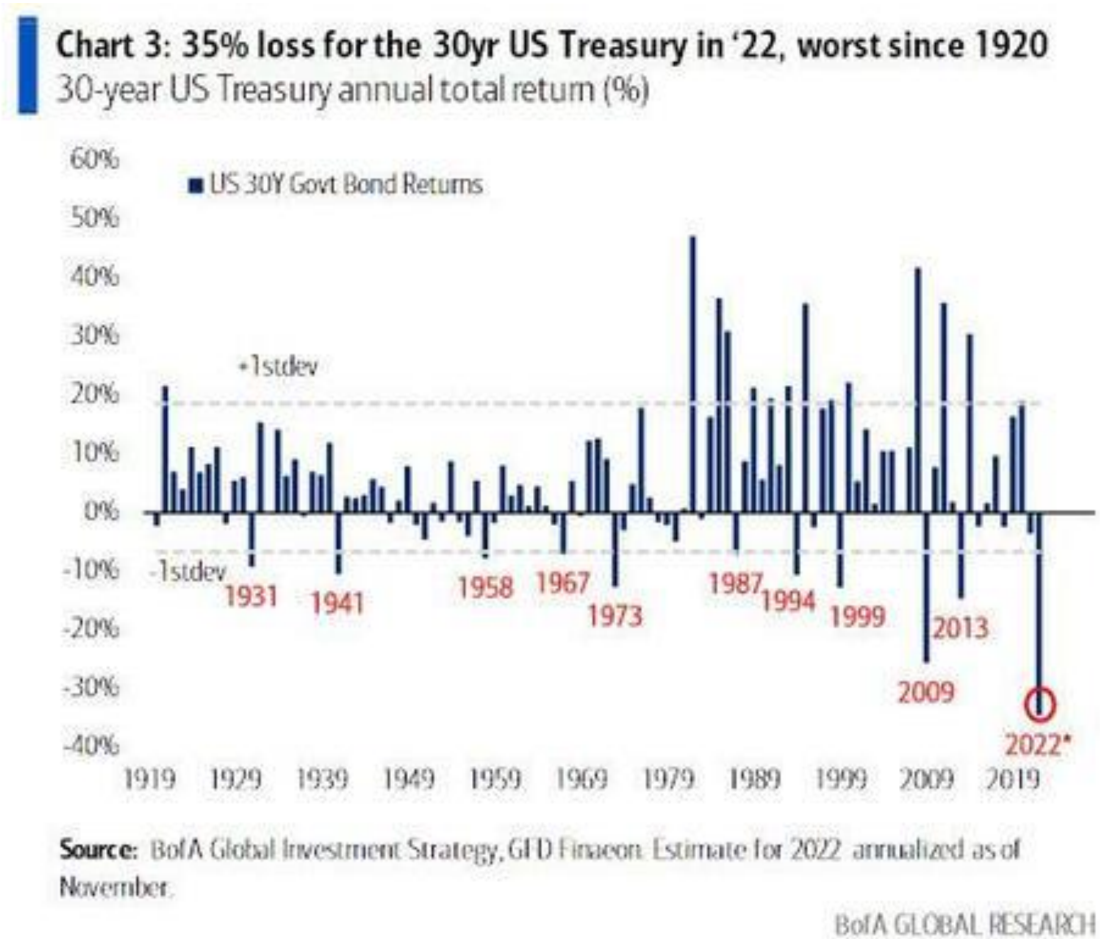
COMPOUND @CharlieBilello

Source: Charlie Bilello

#markets

#fixed-income #us

The 30-year TSY yield is -100bps in the past 6 weeks, and follows the biggest loss since 1920.



Source: BofA

#markets

#us #10y #terminal-rate

Terminal rate looks unchanged while 10 year has been moving lower.

Source: Liz Ann Sonders, Bloomberg

#markets

#fixed-income #us

Bonds have their meme moment.

Wealth | Investing

Bonds Get a Meme Moment as Reddit Crowd Drifts Over From Stocks

After upending equities and crypto, retail investors who have been burned by other assets are turning to debt.

Source: : bqprime

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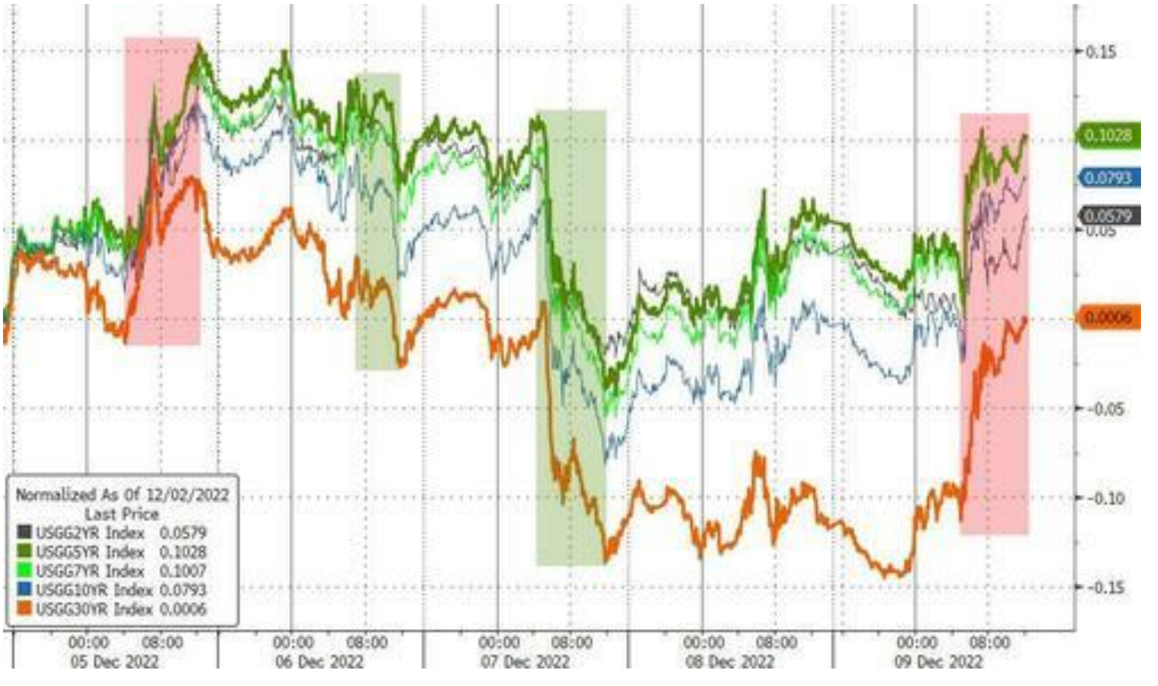
#markets

#fixed-income #us

The long end of the curve ended the week unchanged while the rest of the curve finished the week notably higher in yield (with the belly underperforming).

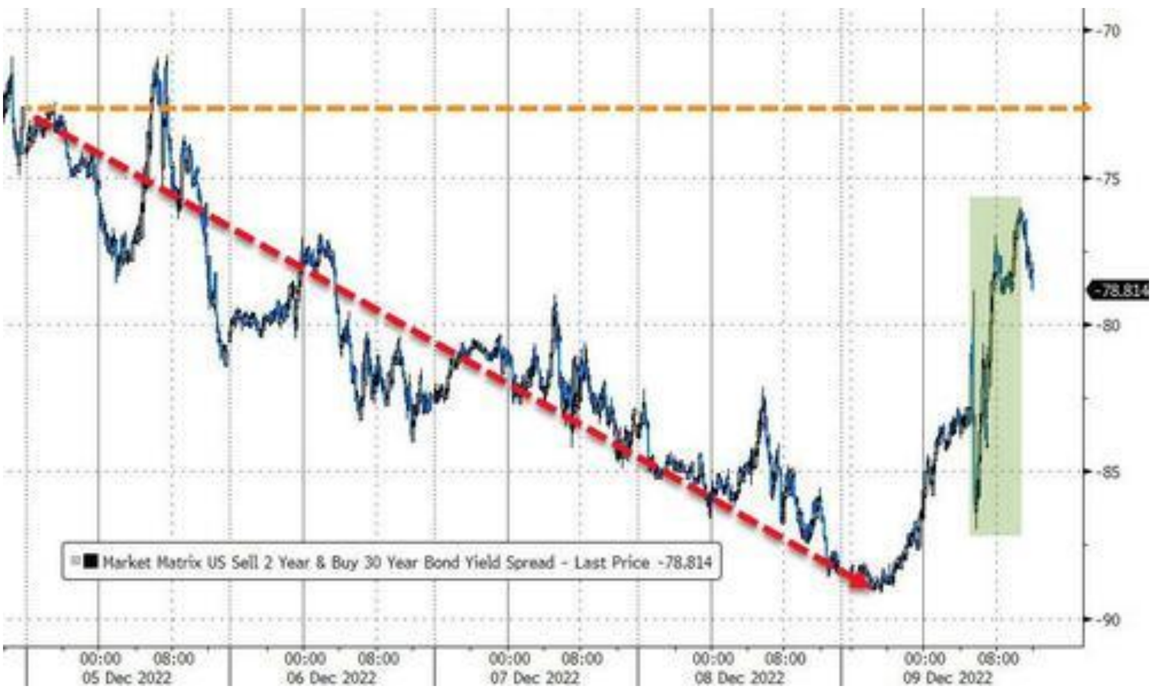


Source: Bloomberg, www.zerohedge.com

#markets

#yield-curve #us

The yield curve (2s30s) ended flatter (more inverted) on the week, but barely after a big steepening day today post-PPI...



Source: www.zerohedge.com, Bloomberg

#markets

#oil

Oil prices are down 6 straight days, with WTI ending the week down over 12% with a $70 handle - its worst week since the first week of April - and back at one-year lows (-2% YoY, first decline since Jan 2021)...

Source: Bloomberg, www.zerohedge.com

#oil

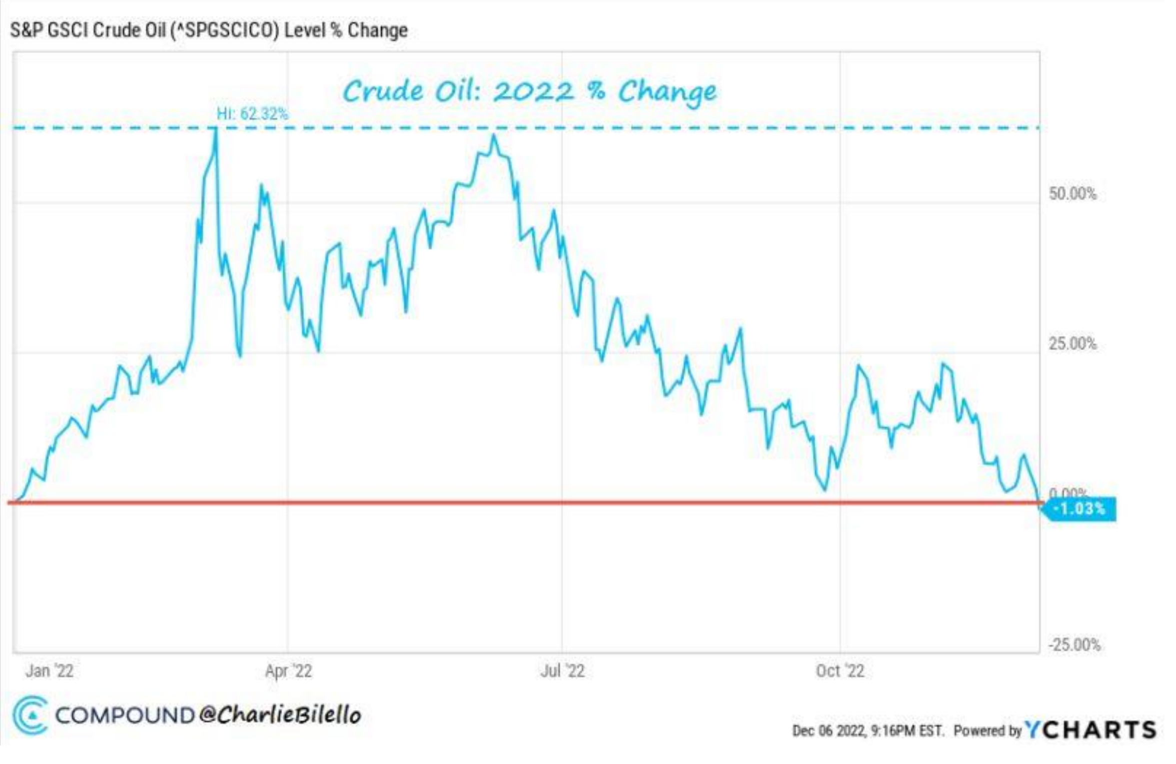
30-day loss for Brent crude is hovering near its worst since December 2021...

Source: Bloomberg, Liz Ann Sonders

#markets

#oil

Crude oil is now down 1% on the year after being up over 60% at its peak in March. Sharp reversal that is mirroring the back half of 2008 when #commodity prices plummeted as the global recession deepened.

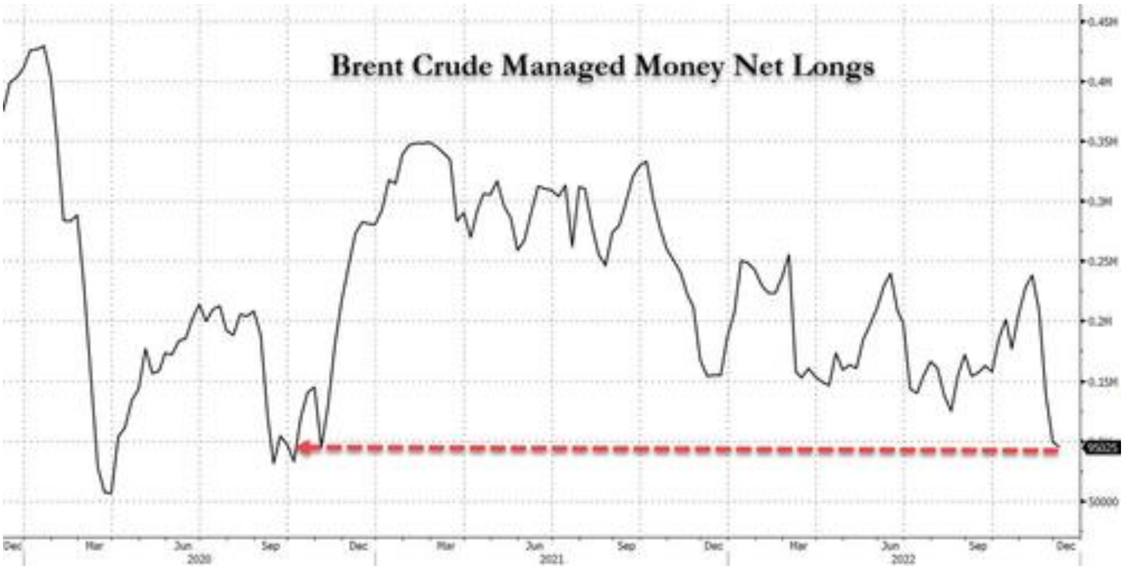


Source: Charlie Bilello

#markets

#oil

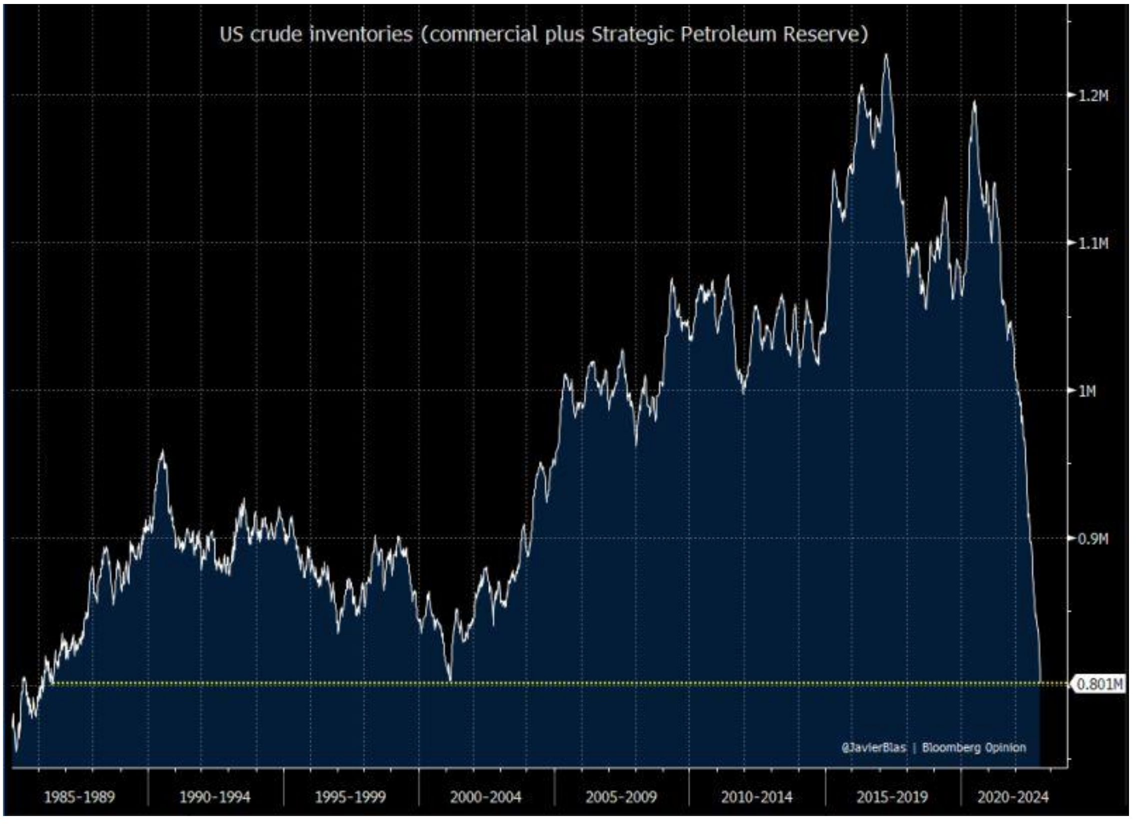
Fund managers abandon black gold...



Source: www.zerohedge.com, Bloomberg

#oil #inventories

US total crude oil inventories (both commercial and the Strategic Petroleum Reserve) have fallen to a 36-year low, dropping below the previous bottom set in 2001. Note that The US Strategic Petroleum Reserve moved down for the 65th consecutive week to its lowest level since 1984. The 35% decline in reserves this year is the largest on record by a wide margin.

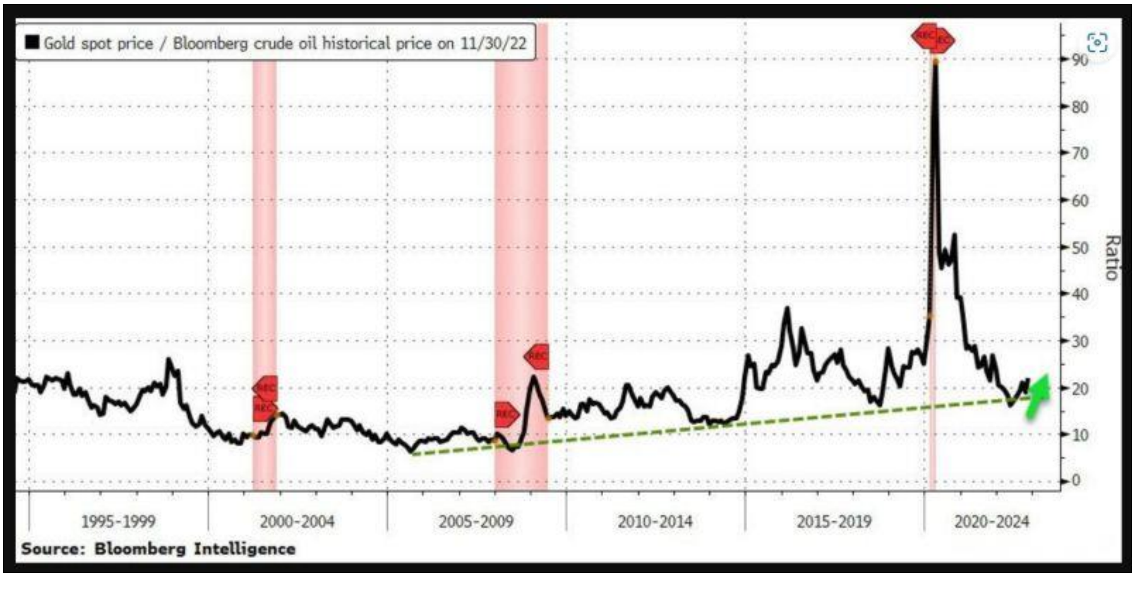


Source: Javier Blas, Bloomberg, Charlie Bilello

#gold #oil

Bloomberg notes that concerns over a global recession may be rekindling haven demand, with gold starting to rise against crude oil, which has stalled on the possibility that demand will weaken as economies waver.

The gold-to-crude ratio could favor bullion in 2023, particularly if the global economy continues to deteriorate and central banks ditch campaigns to tighten monetary policy, Mike McGlone, a senior macro strategist at Bloomberg Intelligence, said in a note Wednesday.



Source: Bloomberg, www.zerohedge.com

#silver

Silver price continues breakout.

50 day moving average about to cross the 200 day moving average ... Golden Cross

Bullish or Fake Breakout and going back down?

Source: Wall Street Silver

#silver

Peru is the 2nd or 3rd largest producer of silver in the world.

Socialist Peruvian President Pedro Castillo removed from office after trying to dissolve Congress to avoid impeachment, taken into custody…

Source: Wall Street Silver

#markets

#lumber

Lumber prices are at their lowest levels since June 2020, down 78% from the peak in May 2021. Not a great sign for the housing market.

Source: Charlie Bilello

#markets

#forex #swap #debt

The Bank for International Settlements (BIS) has warned that pension funds and other 'non-bank' financial firms now have more than $80 trillion of hidden, off-balance sheet dollar debt in the form of FX swaps…

BIS warns of $80 trillion of hidden FX swap debt

By Marc Jones

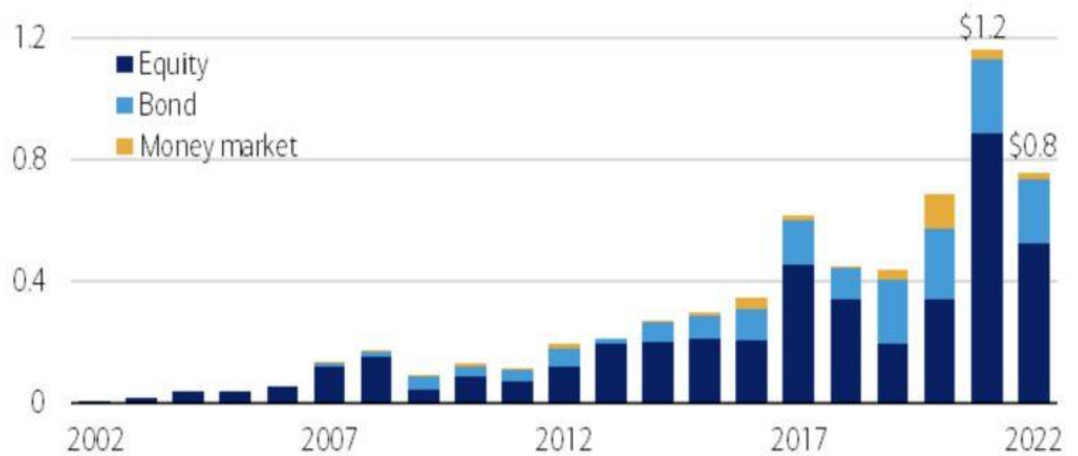
Source: Wall Street Silver

#etfs #flows

Despite this year’s bear market, BofA points out investors bought $800bn of ETFs, 2nd most on record. Equity ETFs have added $7tn in assets since 2000 as transaction costs have fallen 60%.

Exhibit 1: 2022 on track to be 2nd best year for ETFs with >$750bn of inflows

Total US ETF flows by asset class, $tn



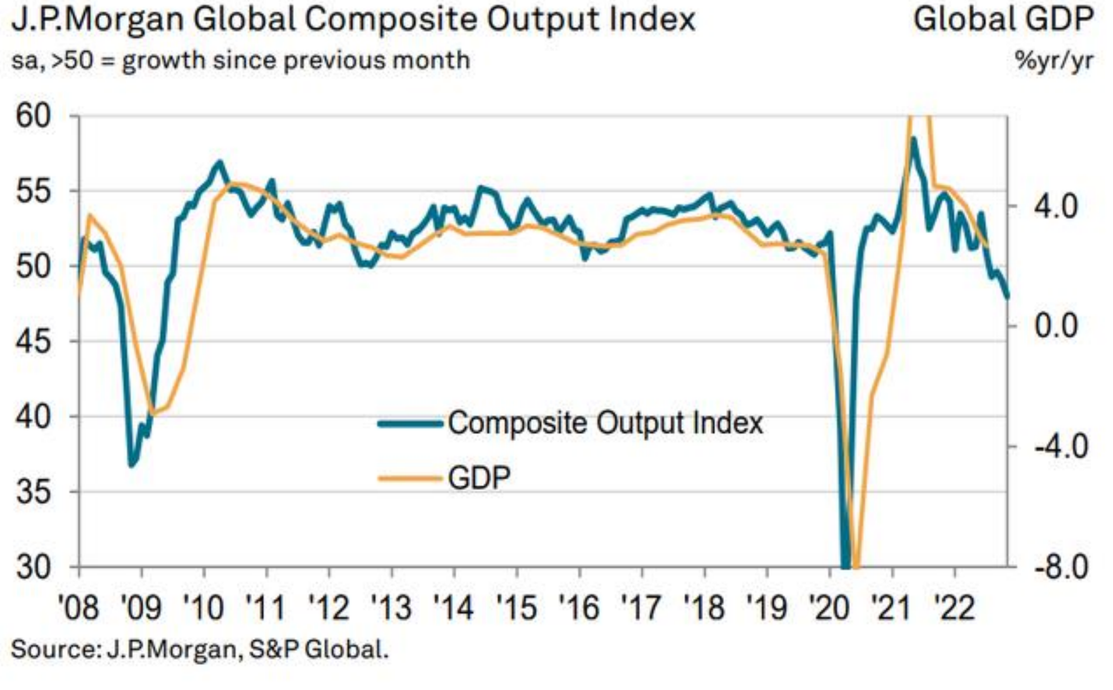
Source: BofA ETF Research, EPFR Global

Source: BofA

#macro

#global #soft-data

Global PMI Output hit a 29-month low in November, with manufacturing output & service sector business activity falling at the fastest rates since June 2020. Not anywhere near 2008 trough levels but heading in the wrong direction w/ a high probability of slower growth to come.

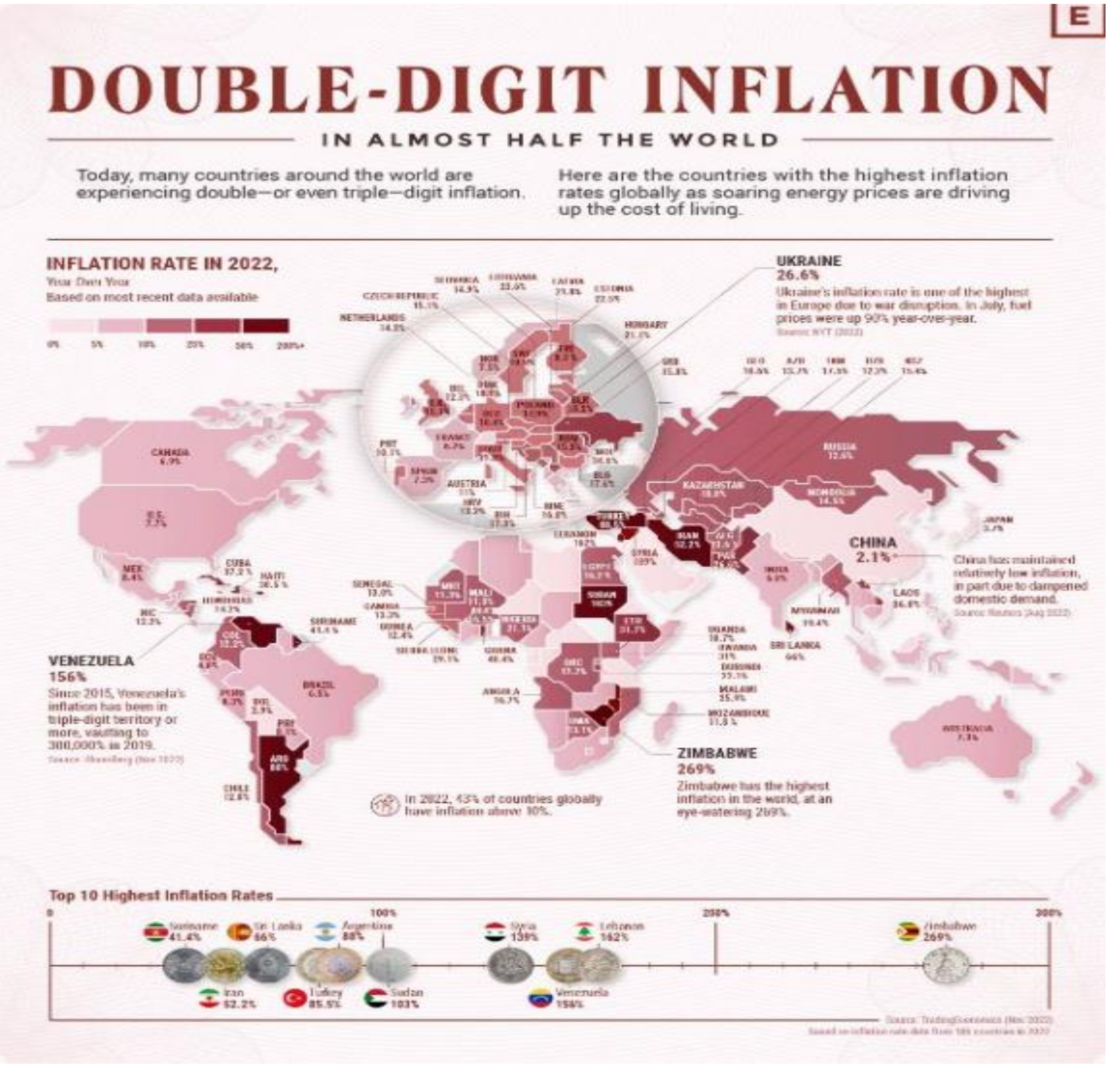


Source: JP Morgan

#macro

#inflation

Which Countries Have the Highest Inflation?

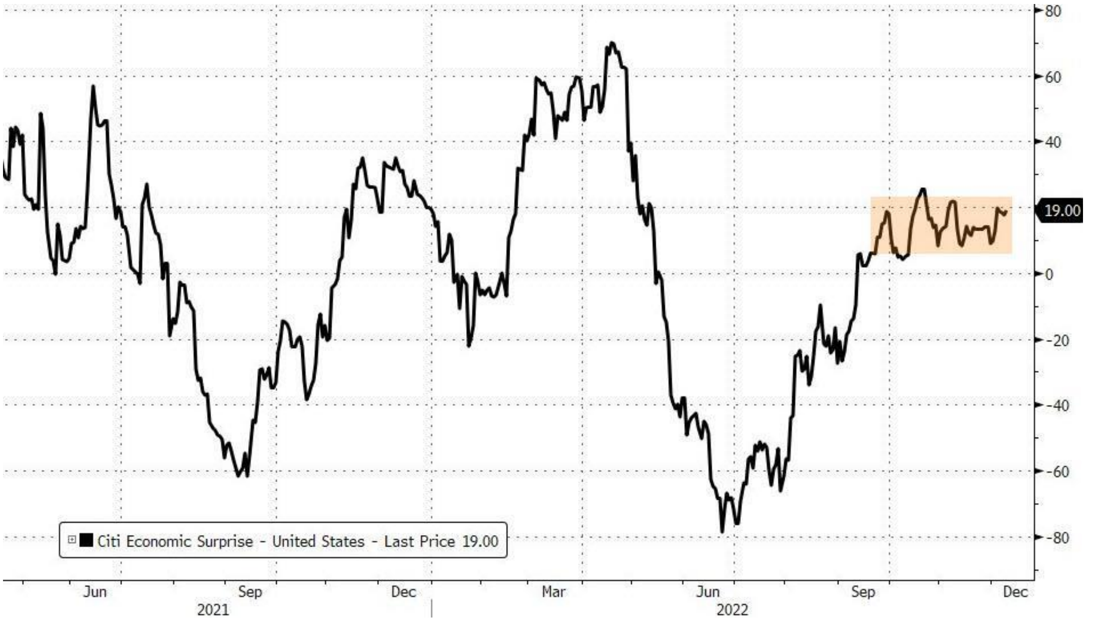


Source: visualcapitalist

#macro

#us #macro #surprises

US Macro Surprise data has drifted sideways for almost three months now…

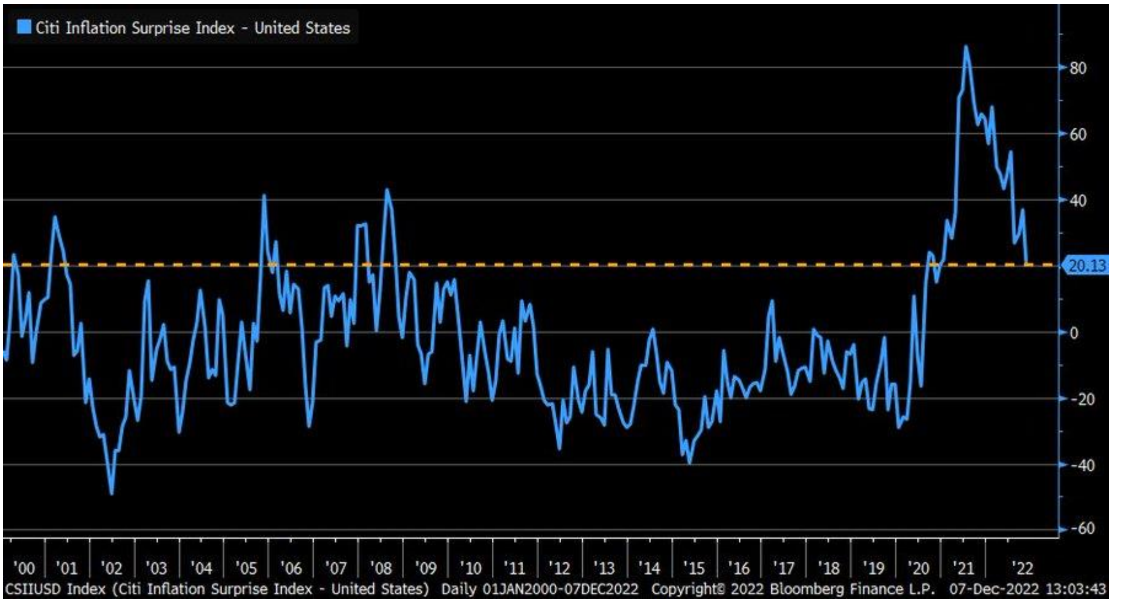


Source: www.zerohedge.com, Bloomberg

#macro

#us #macro #surprises

US Inflation Surprise data continue to drift lower…



Source: Liz Ann Sonders, Bloomberg

#macro

#us #soft-data

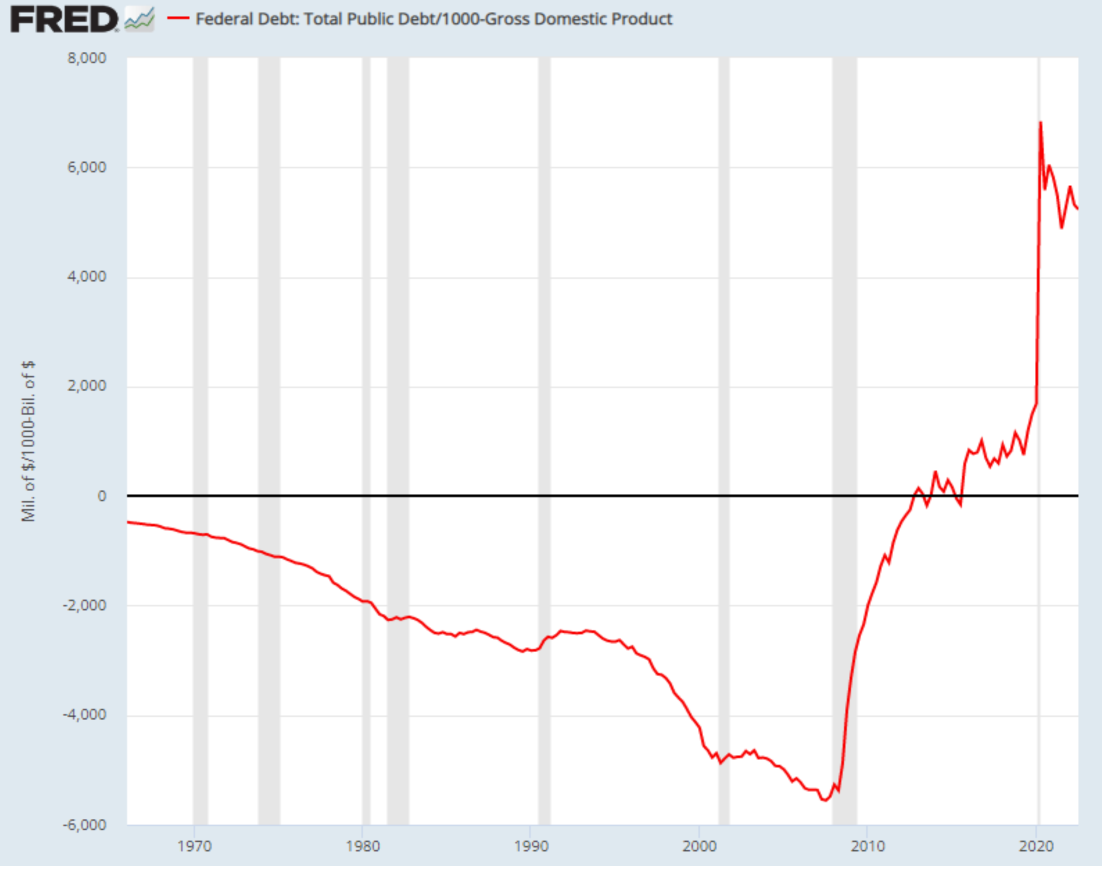
December University of Michigan Consumer Sentiment Index (blue) up to 59.1 vs. 57 est. & 56.8 prior; current conditions up to 60.2 vs. 58.8 prior; expectations (orange) up to 58.4 vs. 55.6 prior.

Source: Liz Ann Sonders, Bloomberg

#macro

#us #debt

This chart is Federal Debt - GDP (billions). It shows that until 2008, debt was growing slower than the economy. Since 2008, debt is growing faster than the economy and accelerating with each bailout. In today's lexicon, Debt = "GDP". And the fiscal multiplier is collapsing.

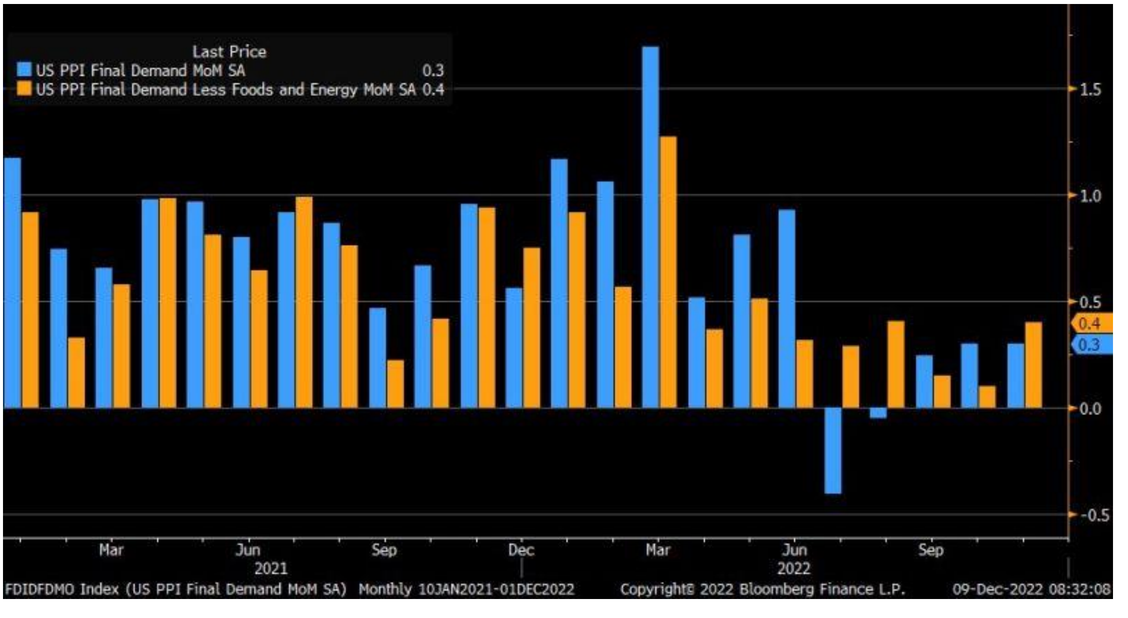


Source: FRED, Mac10

#macro

#us #inflation #ppi

US INFLATION: WE ARE NOT OUT OF THE WOODS YET...
November US PPI inflation came out at +7.4% y/y vs. +7.2% est. & +8.1% prior (revised up from +8%); core PPI +6.2% vs. +5.9% est. & +6.8% prior (rev up from +6.7%).
On s sequential basis (see chart below) : November PPI +0.3% m/m vs. +0.2% est. & +0.3% in prior month (rev up from +0.2%); core +0.4% vs. +0.2% est. & +0.1% prior (rev up from 0%) … notable that trend for core was moving down from August thru October, but reversed higher in November



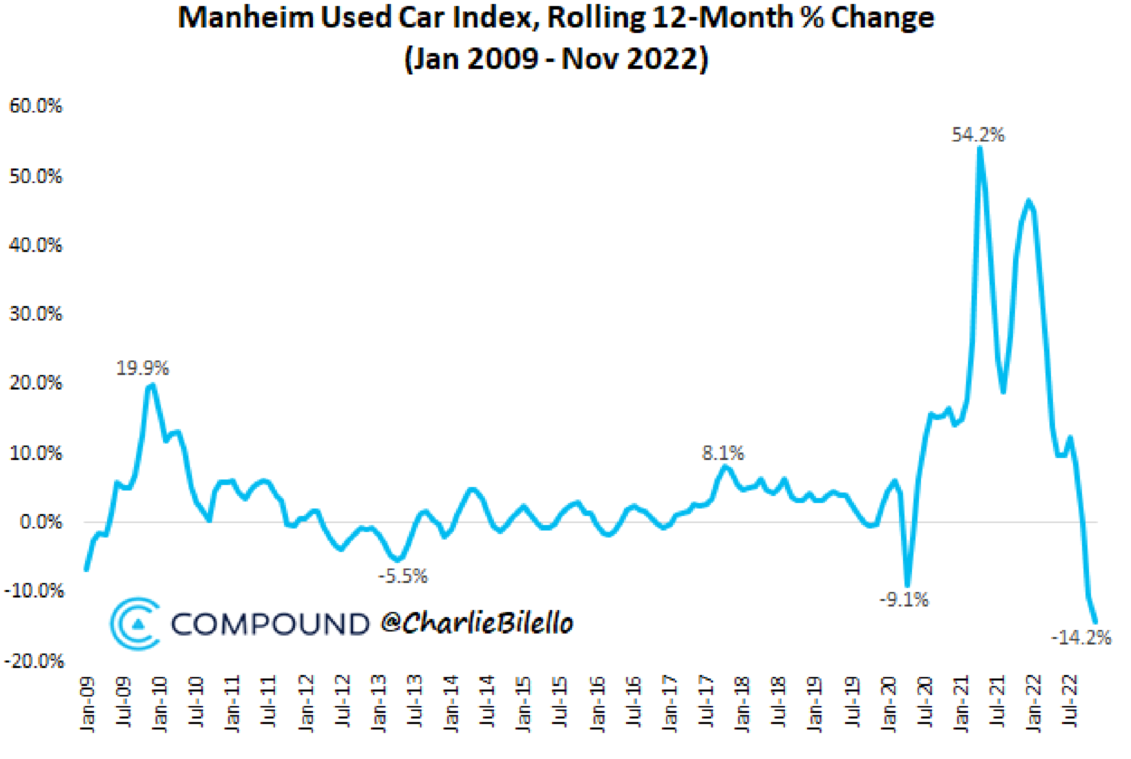
Source: Liz Ann Sonders, Bloomberg

PRIVATE BANKING

#macro

#us #goods #inflation

Used car prices are now down over 14% in the past year, the largest YoY decline on record with data going back to 2009. This was a leading indicator of higher inflation rates in 2020 and the recent downturn is likely a leading indicator of lower inflation rates to come.

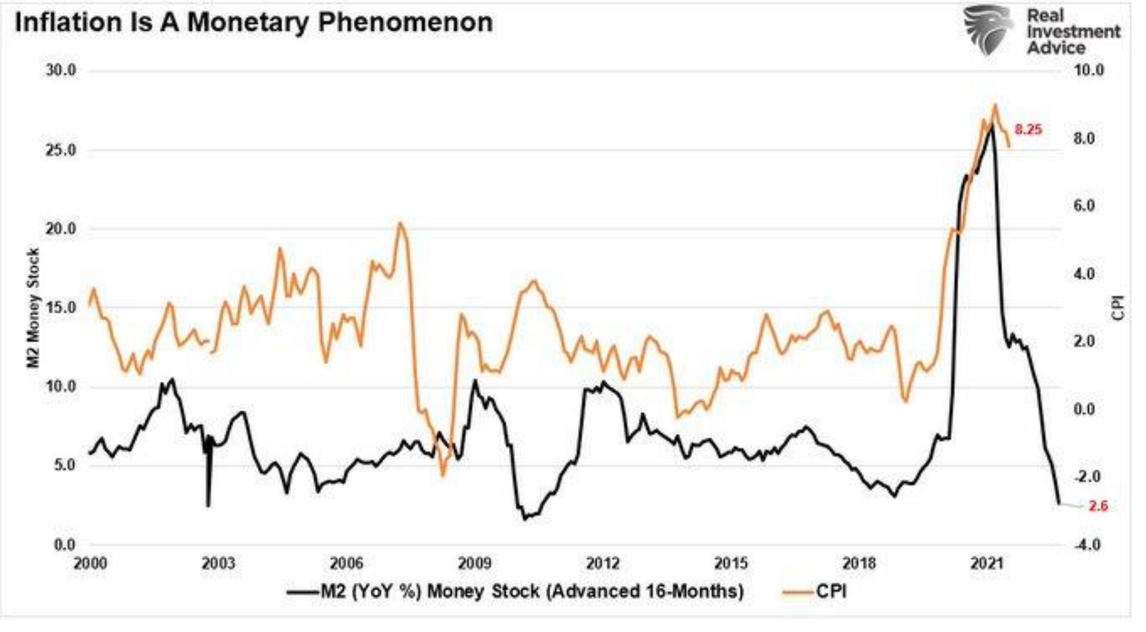


Source: Charlie Bilello

#macro

#us #inflation #m2

What if Inflation fall much faster than most economists predict next year as the monetary impulse fades and the lag effect catches up?

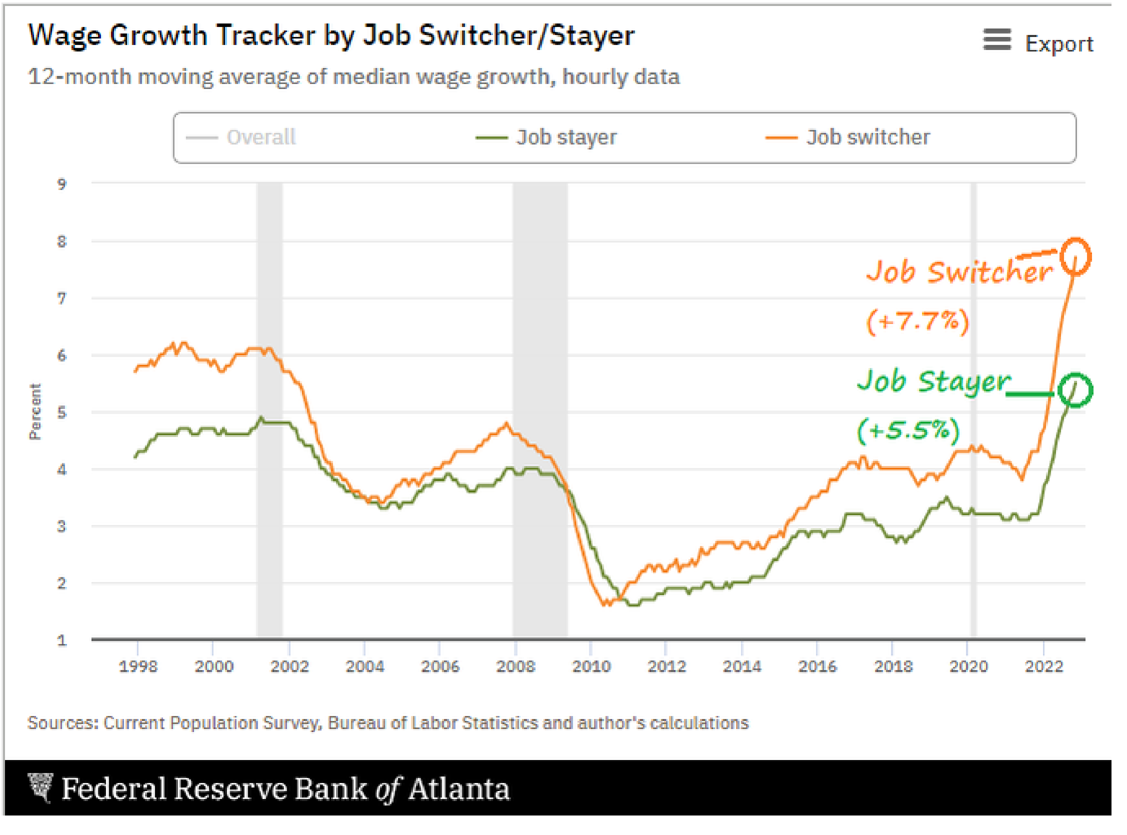


Source: Real Investment Advice

#macro

#us #wages

US workers who switched jobs received pay increases of 7.7% over the last year vs. 5.5% for those who stayed at their jobs. With data going back to 1997, this is the widest gap we've ever seen.

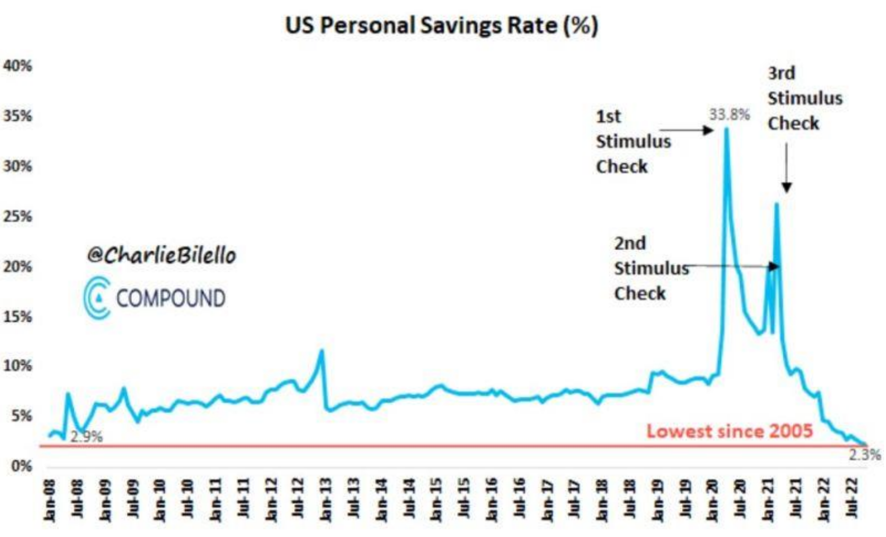


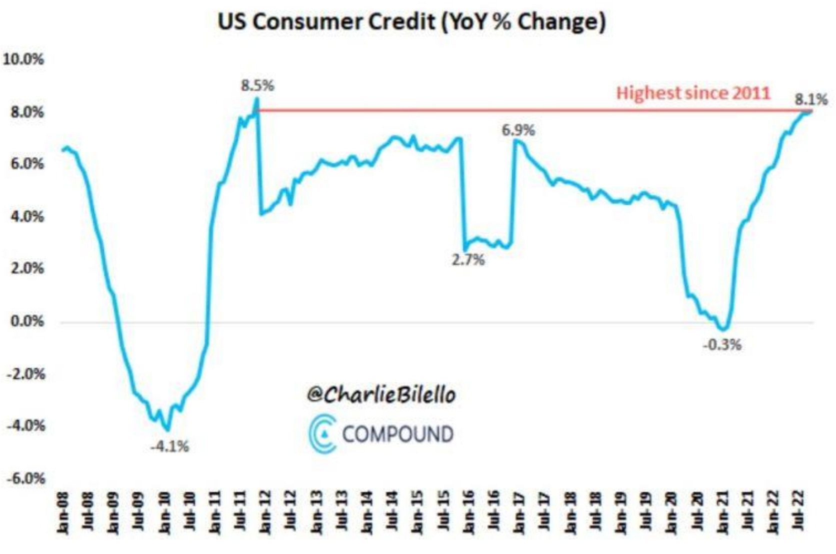
Source: Charlie Bilello

#macro

#us #consumer #savings #credit

How is the American consumer spending more money over the last year despite inflation outpacing their wages for 20 consecutive months? They're saving less and borrowing more.



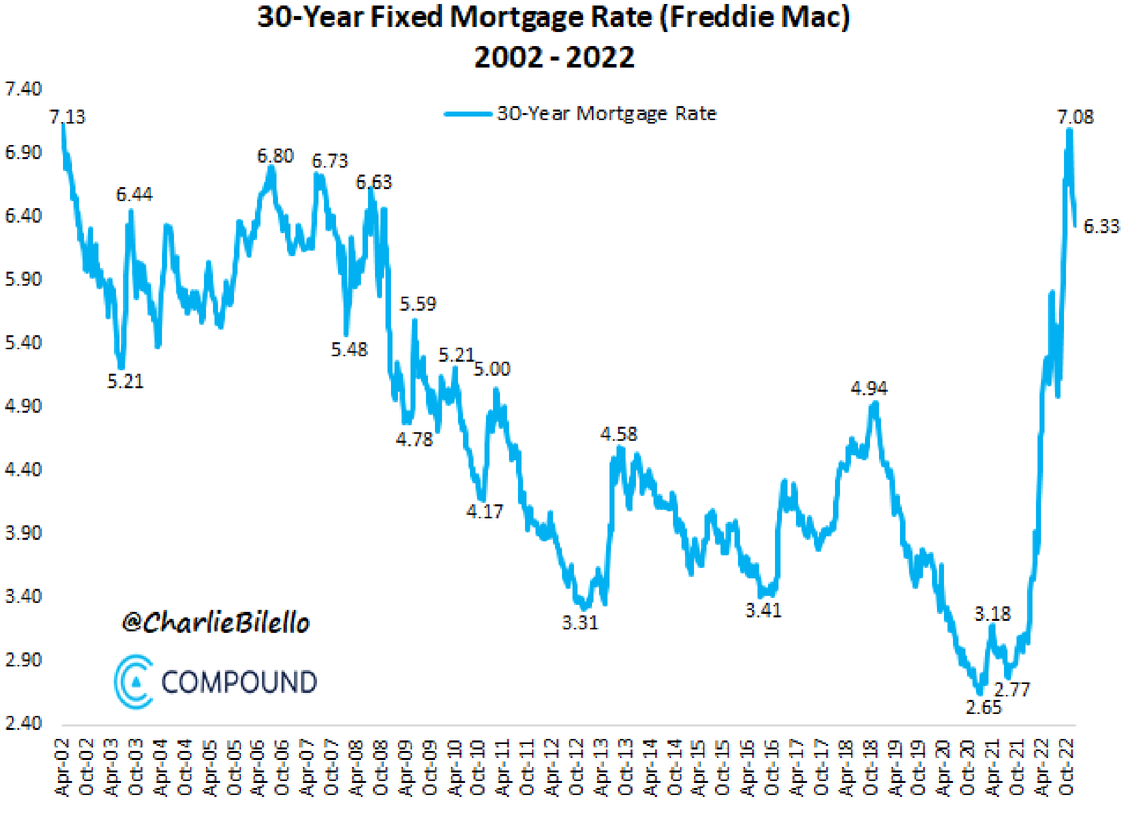


Source: Charlie Bilello

#macro

#us #housing #mortgages

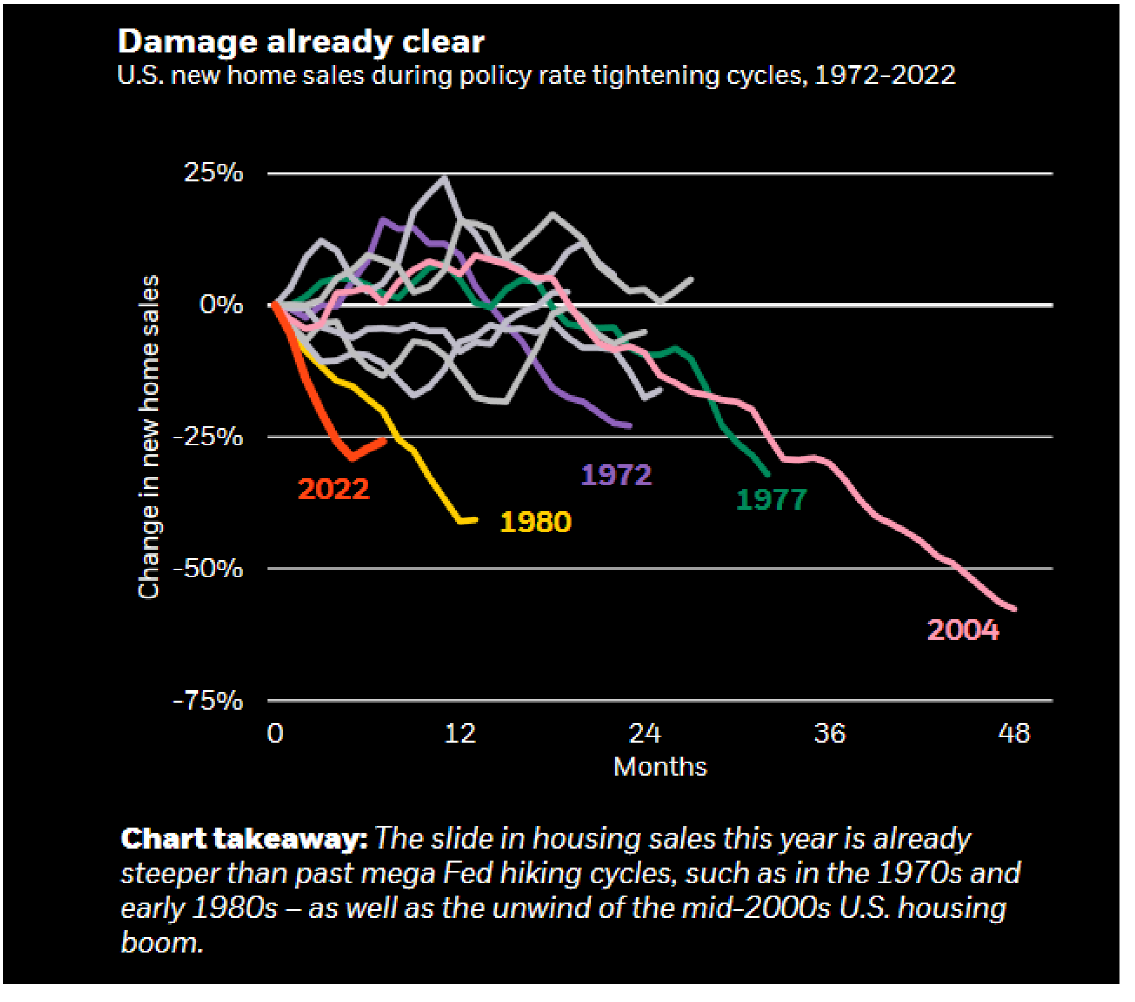
The 30-year US mortgage rate has moved from 7.08% to 6.33% over the last 4 weeks, the largest 4-week decline (-75 bps) in rates since December 2008.



Source: Charlie Bilello

#macro

#us #housing



Source: Blackrock

#macro

#global #housing

Source: BofA

#macro

#china #manufacturing

STATE OF FREIGHT

U.S. manufacturing orders from China down 40% in unrelenting demand collapse

- U.S. manufacturing orders in China are down 40% in what a logistics manager described to CNBC as an unrelenting demand collapse.
- Asia-based shipping firm HLS recently told clients it is a "very bad time for the shipping industry."
- Chinese factories are shutting down two weeks earlier than usual ahead of Chinese New Year.
- As the Federal Reserve and other central banks around the world attempt to fight inflation by raising interest rates and cooling the economy, there is significant risk that a slowdown in demand turns into a recession.

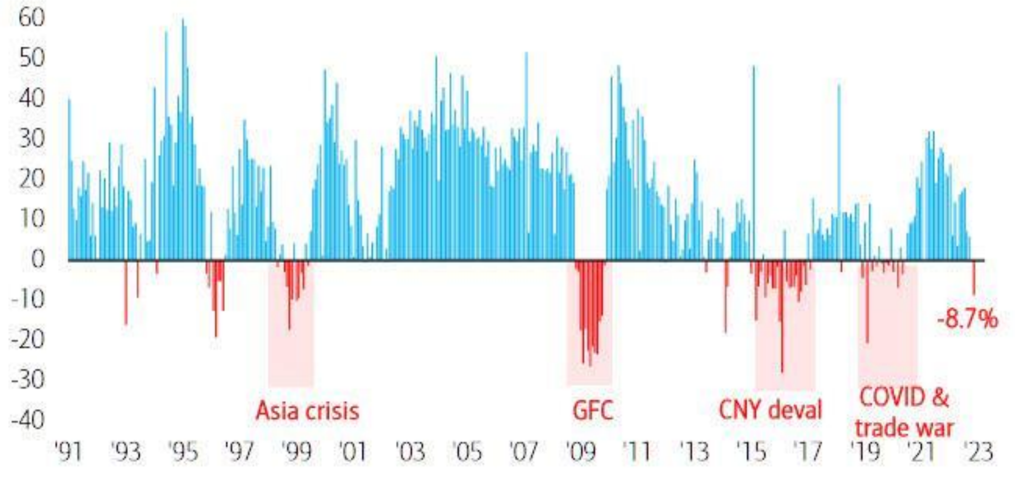
Source: CNBC

#macro

#china #exports

Here’s why China is reopening its economy…
BofA: “China exports plunge -8.7% in Nov, ending 2 strong years of sole growth spot (no supply chain issues here) for China economy...no surprise China reopening to tap excess savings, quell civil unrest, reduce 18% youth unemployment."

Chart 2: Here’s the reason China is reopening its economy
China annual $-denominated export growth, %



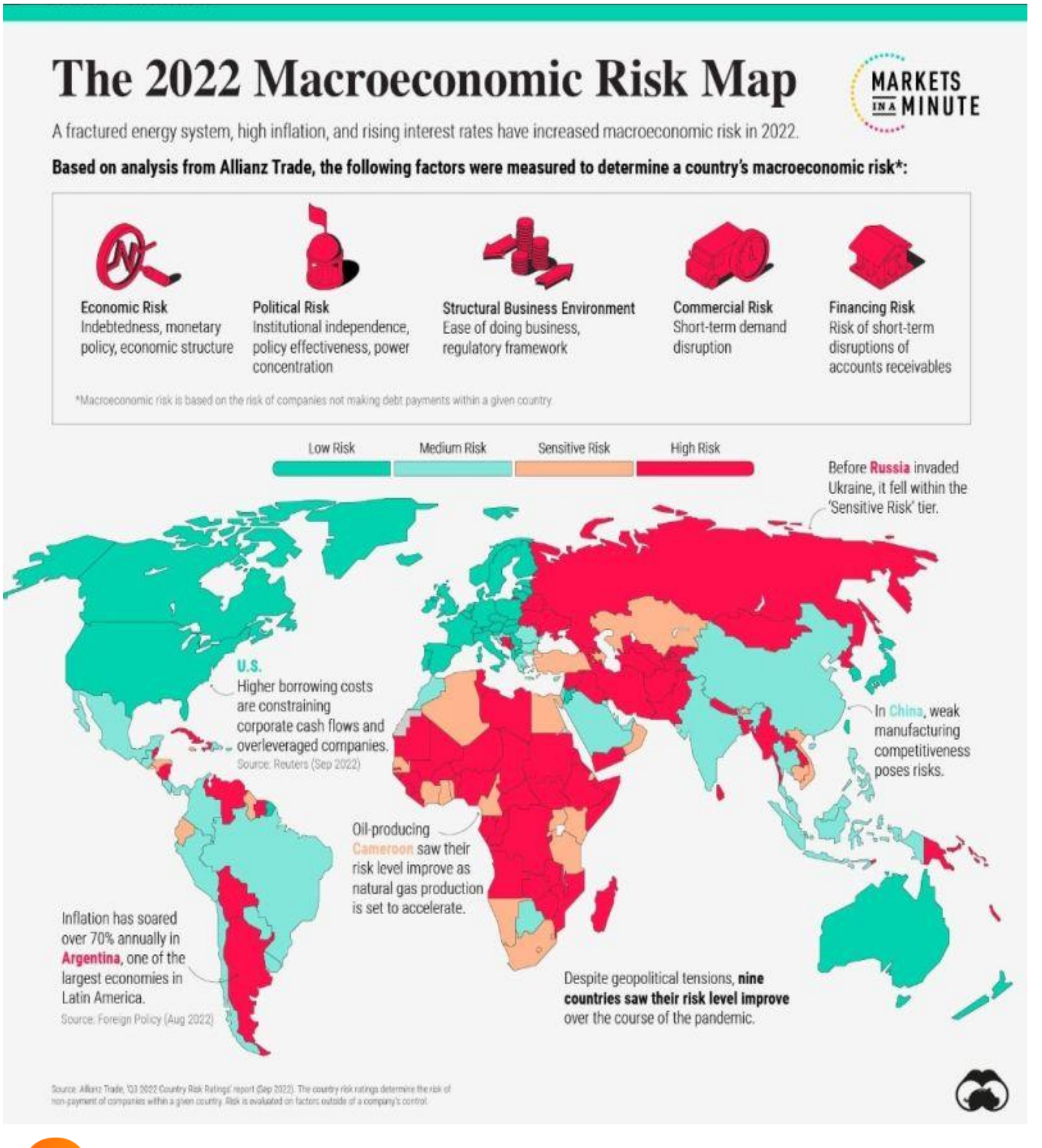
Source: BofA Global Investment Strategy, Bloomberg.

BofA GLOBAL RESEARCH

Source: BofA

#macro

#macroeconomic #risk



Source: The Visual Capitalist

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#global #central-banks #rates

Peru hiked rates for the 17th time, 25 bps increase to 7.50%.

Global Central Bank Policy Rates

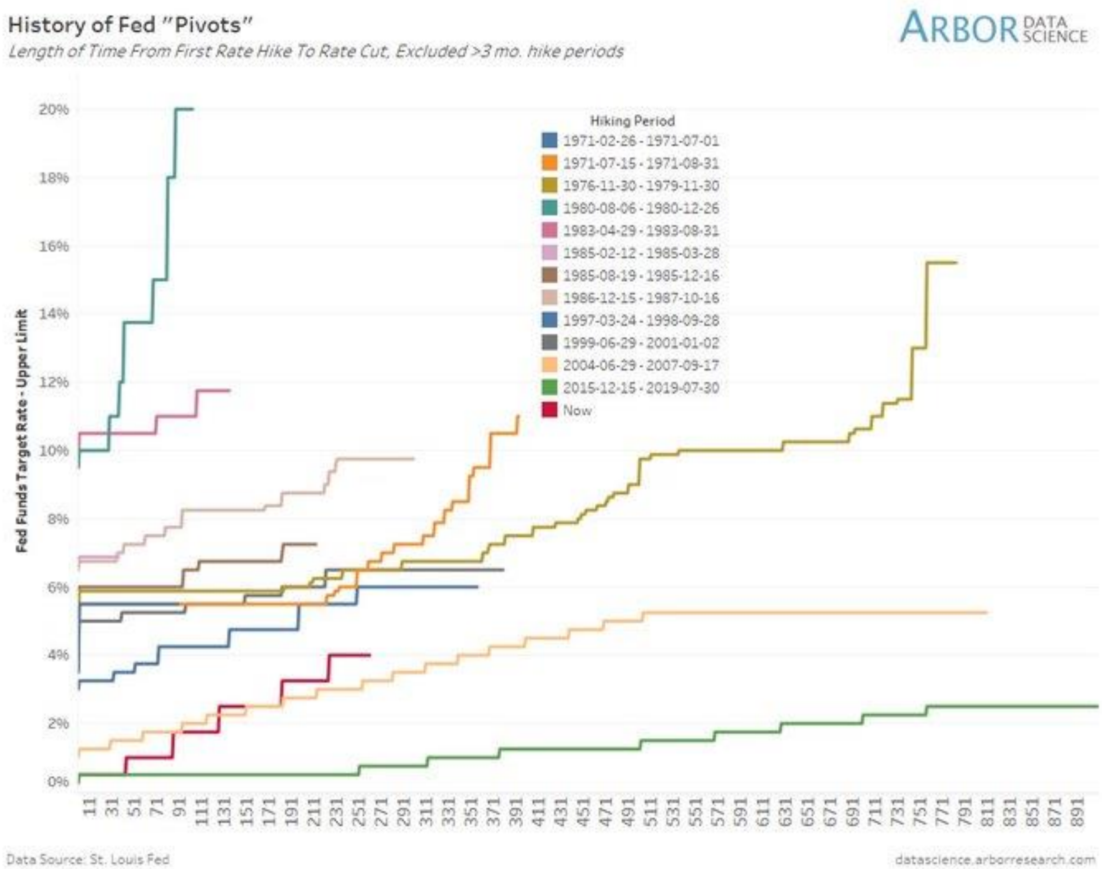
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	3.7%	-3.8%	Cut	Jan-16
Switzerland	Target Rate	0.50%	3.0%	-2.5%	Hike	Sep-22
Thailand	Policy Rate	1.25%	5.6%	-4.3%	Hike	Nov-22
Denmark	Deposit Rate	1.25%	10.1%	-8.9%	Hike	Oct-22
Eurozone	Deposit Rate	1.50%	10.0%	-8.5%	Hike	Oct-22
Taiwan	Discount Rate	1.63%	2.4%	-0.7%	Hike	Sep-22
Sweden	Repo Rate	2.50%	10.9%	-8.4%	Hike	Nov-22
Norway	Deposit Rate	2.50%	7.5%	-5.0%	Hike	Nov-22
Malaysia	Policy Rate	2.75%	4.0%	-1.3%	Hike	Nov-22
UK	Bank Rate	3.00%	11.1%	-8.1%	Hike	Nov-22
Australia	Cash Rate	3.10%	6.9%	-3.8%	Hike	Dec-22
South Korea	Repo Rate	3.25%	5.0%	-1.8%	Hike	Nov-22
China	Loan Prime Rate	3.65%	2.1%	1.6%	Cut	Aug-22
US	Fed Funds	3.88%	7.7%	-3.8%	Hike	Nov-22
Canada	Overnight	4.25%	6.9%	-2.7%	Hike	Dec-22
New Zealand	Cash Rate	4.25%	7.2%	-3.0%	Hike	Nov-22
Hong Kong	Base Rate	4.25%	1.8%	2.5%	Hike	Nov-22
Saudi Arabia	Repo Rate	4.50%	3.0%	1.5%	Hike	Nov-22
Philippines	Key Policy Rate	5.00%	8.0%	-3.0%	Hike	Nov-22
Indonesia	Repo Rate	5.25%	5.4%	-0.2%	Hike	Nov-22
India	Repo Rate	6.25%	6.8%	-0.5%	Hike	Dec-22
Poland	Repo Rate	6.75%	17.9%	-11.2%	Hike	Sep-22
South Africa	Repo Rate	7.00%	7.6%	-0.6%	Hike	Nov-22
Czech Republic	Repo Rate	7.00%	15.1%	-8.1%	Hike	Jun-22
Peru	Policy Rate	7.50%	8.5%	-1.0%	Hike	Dec-22
Russia	Key Policy Rate	7.50%	12.6%	-5.1%	Cut	Sep-22
Turkey	Repo Rate	9.00%	84.4%	-75.4%	Cut	Nov-22
Mexico	Overnight Rate	10.00%	7.8%	2.2%	Hike	Nov-22
Colombia	Repo Rate	11.00%	12.5%	-1.5%	Hike	Oct-22
Chile	Base Rate	11.25%	13.3%	-2.1%	Hike	Oct-22
Brazil	Target Rate	13.75%	6.5%	7.3%	Hike	Aug-22
Argentina	Benchmark Rate	75.00%	88.0%	-13.0%	Hike	Sep-22

COMPOUND @CharlieBilello

Source: Charlie Bilello

#fed #rates #hiking #cycle

Going back to early 1970s, Fed hiking cycles have lasted an average of 219 days (from first hike to first cut); we're currently just beyond 260

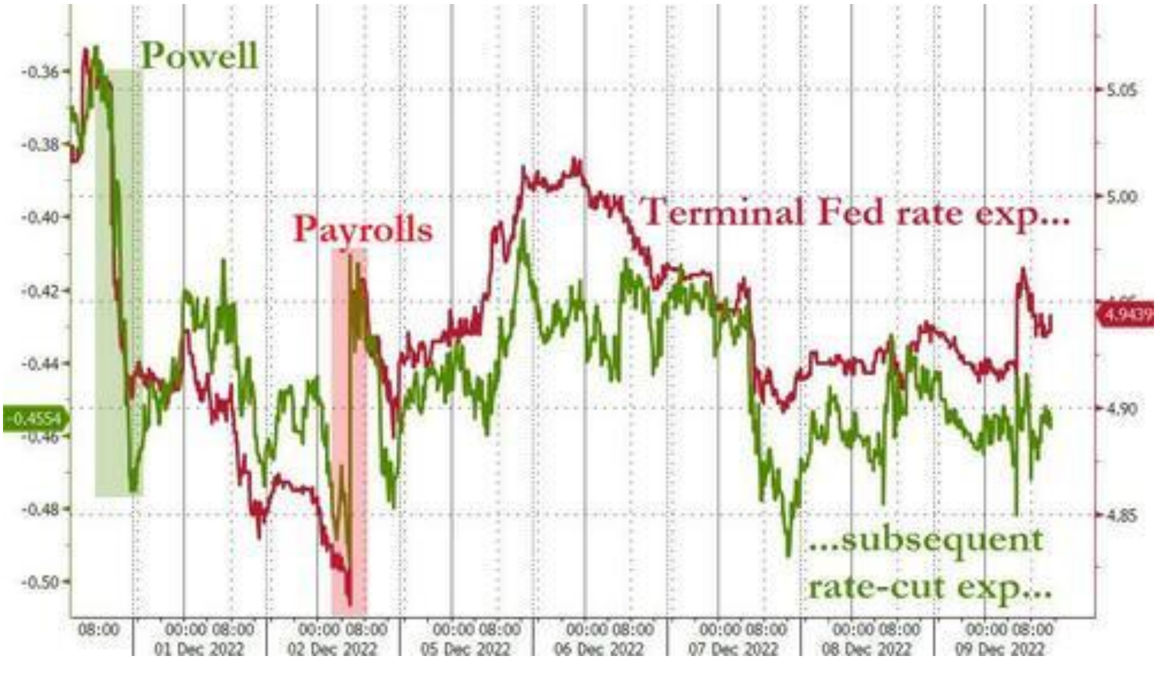


Source: Arbor Research

#centralbanks

#fed #rates #expectations

Amid the sparse macro data (claims, PPI etc), the market's expectations for The Fed's terminal rate was unchanged and the market's expectations for rate-cuts in H2 2023 also ended unchanged.

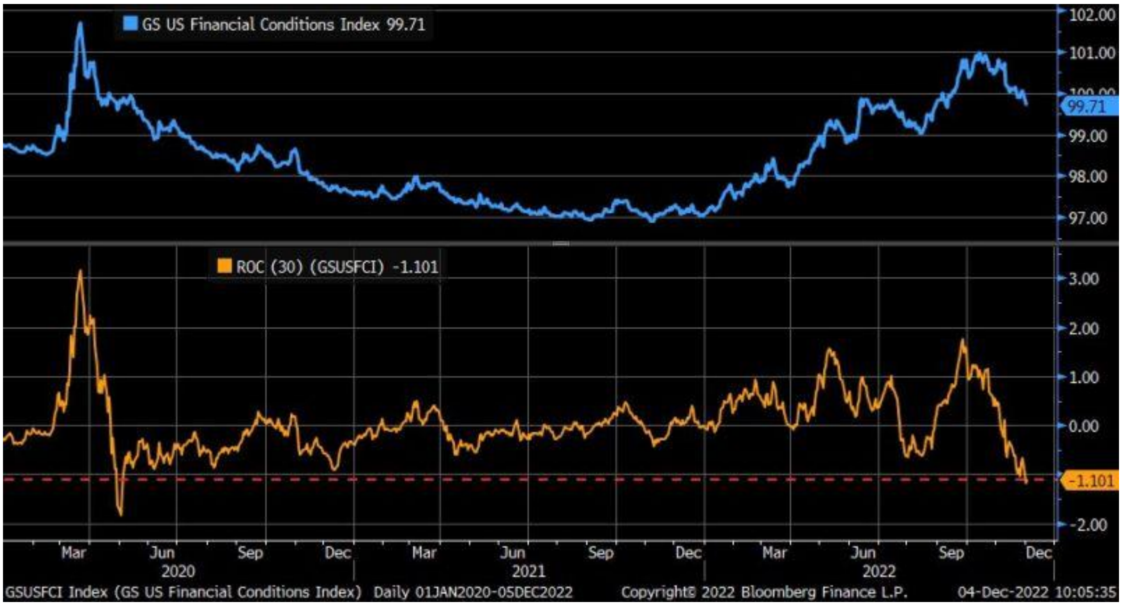


Source www.zerohedge.com, Bloomberg

#us #financial-conditions

US financial conditions easing are easing to a level which is not comfortable for the Fed: the 30-day rate of change for Goldman Sachs.

US Financial Conditions Index shows easing in conditions at fastest pace since May 2020...

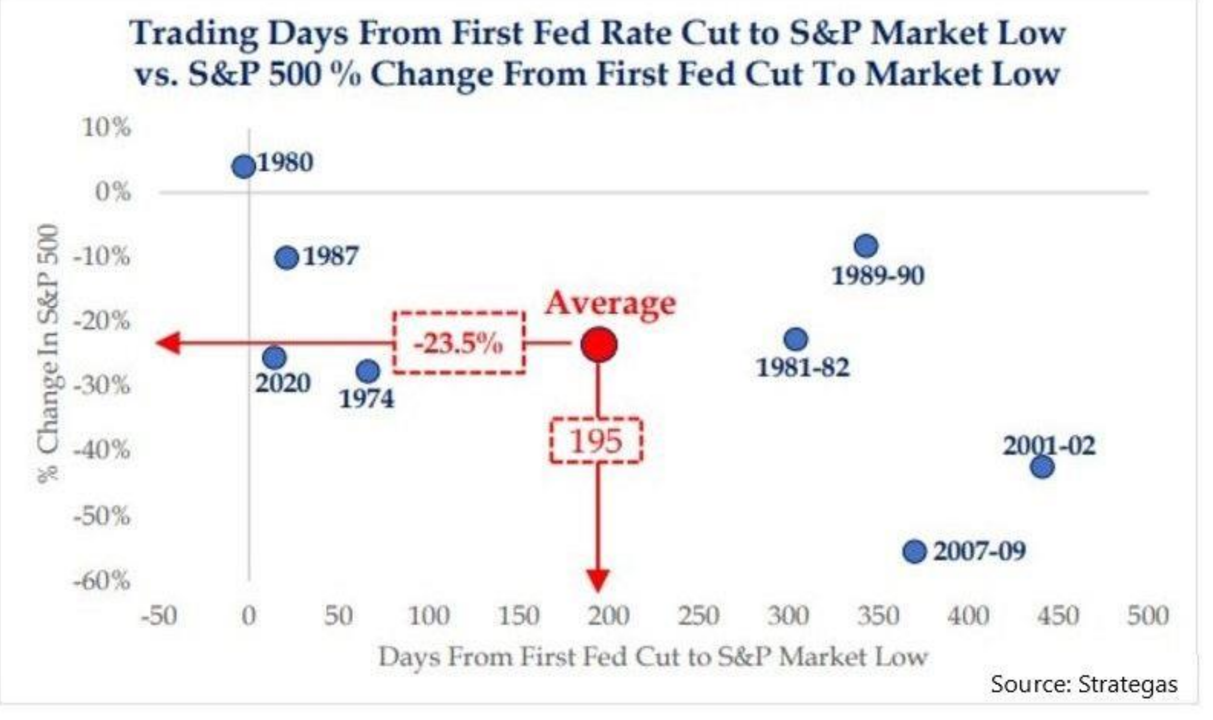


Source: Bloomberg, Liz Ann Sonders

#fed #pivot #returns

Here's What Happens After A Fed "Pivot".

Stocks tend to fall after the Fed cuts interest rates, often for some time. So be careful what you wish for.

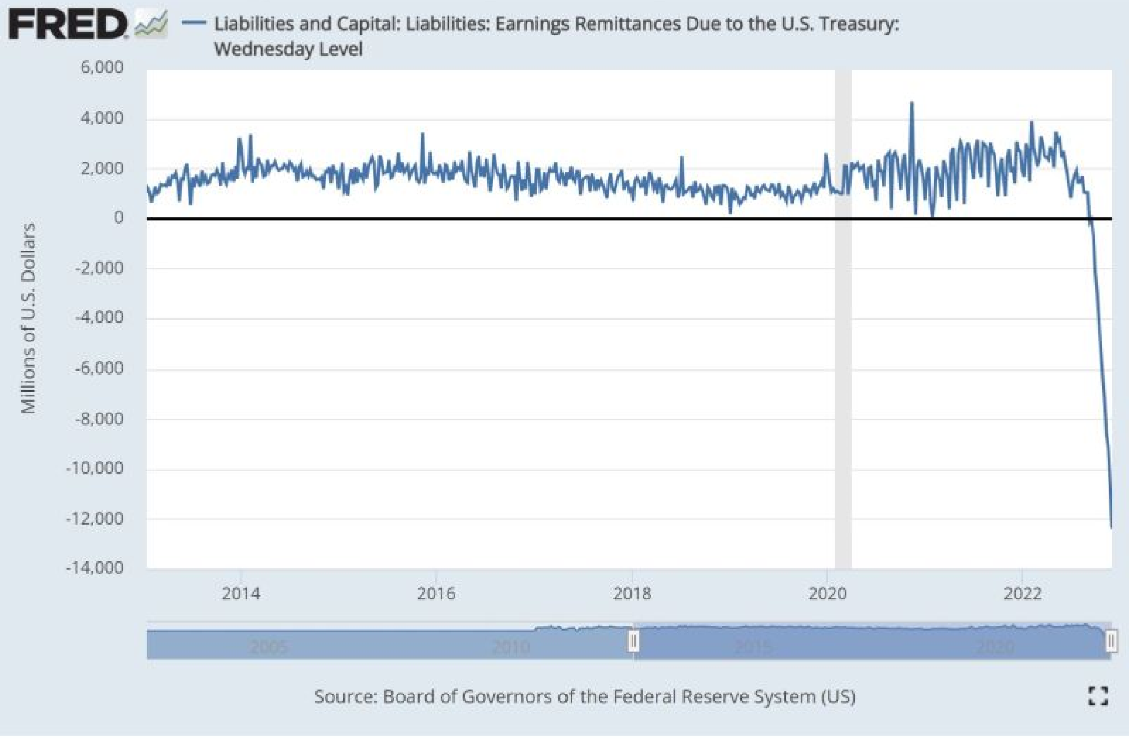


Source: Strategas

#centralbanks

#fed #remittances

Weekly remittances from the Fed to the US Treasury. Is this the most underreported #chart in global macro right now?



Source: FRED, Andreas Steno Larsen

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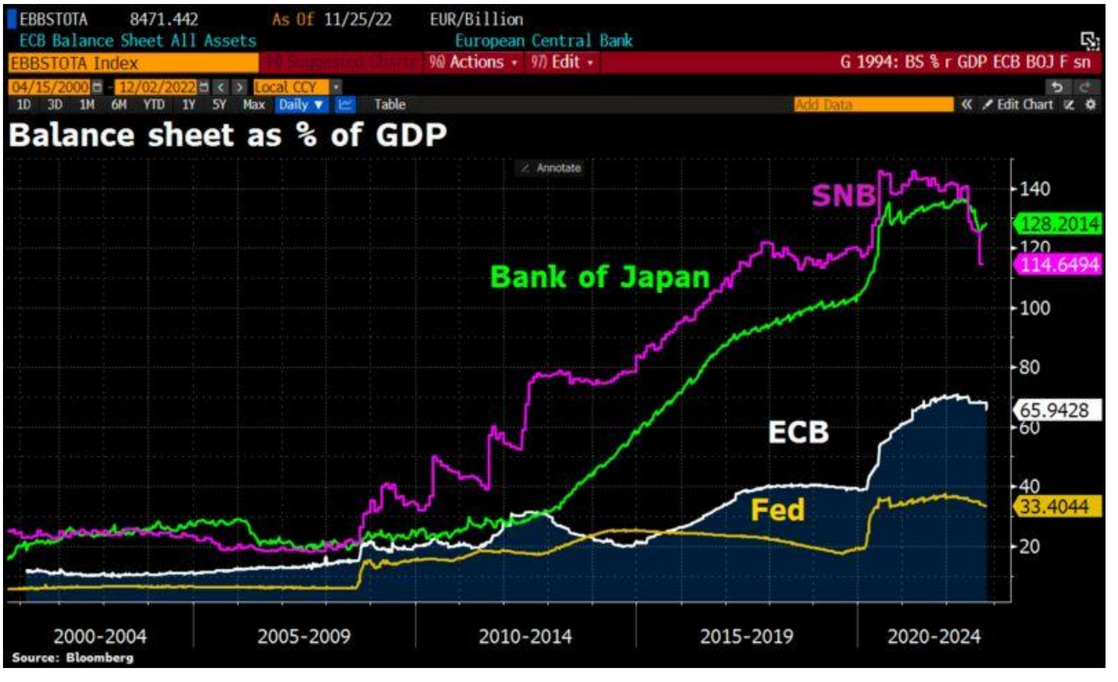
#centralbanks

#central-banks #balance-sheet

Central banks balance sheet as a % of GDP - an update



Source: Bloomberg

#ecb #balance-sheet

ECB deleveraging continues In December, banks voluntarily repaid another ~€450bn of #ECB TLTRO borrowing (upper end of forecast range). Since November, ~€800bn in excess liquidity has been withdrawn via TLTRO unwind. Barclays thinks balance-sheet clean-up considerations ahead of year-end reporting drove repayments.. ECB total assets now stand at €8,470.9bn, equal to 66% of Eurozone GDP vs Fed's 33% and BoJ's 128% ...

Source: HolgerZ, Bloomberg

#china #liquidity #boost

🇨🇳 #China to Sell 750 Billion Yuan in Special #Bonds to Boost Economy - Bloomberg

bloomberg.com

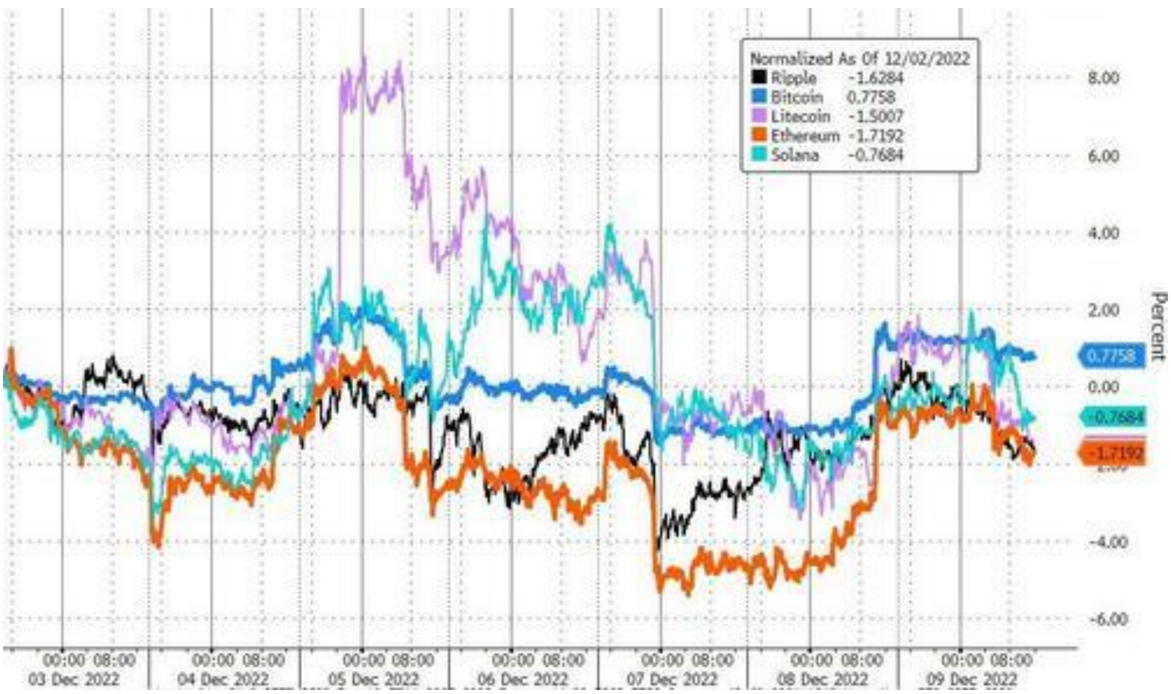
China to Sell 750 Billion Yuan in Special Bonds to Boost Economy

China will sell 750 billion yuan ($108 billion) worth of special sovereign bonds next Monday to "support economic and social" development, th...

Source: Bloomberg

#cryptos #weekly #performance

Cryptos were broadly unchanged on the week, despite some intraday volatility (BTC up marginally, ETH down marginally)...

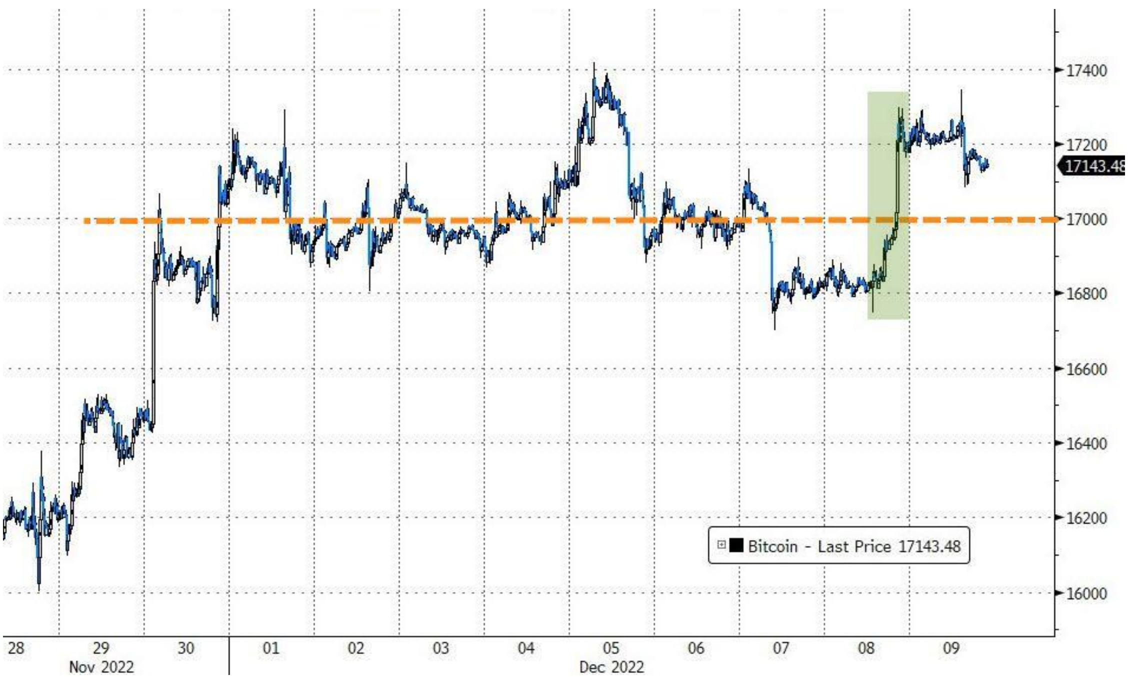


Source: www.zerohedge.com, Bloomberg

#cryptos

#bitcoin

Bitcoin ended the week back above $17,000...



Source: www.zerohege.com, Bloomberg

PRIVATE BANKING

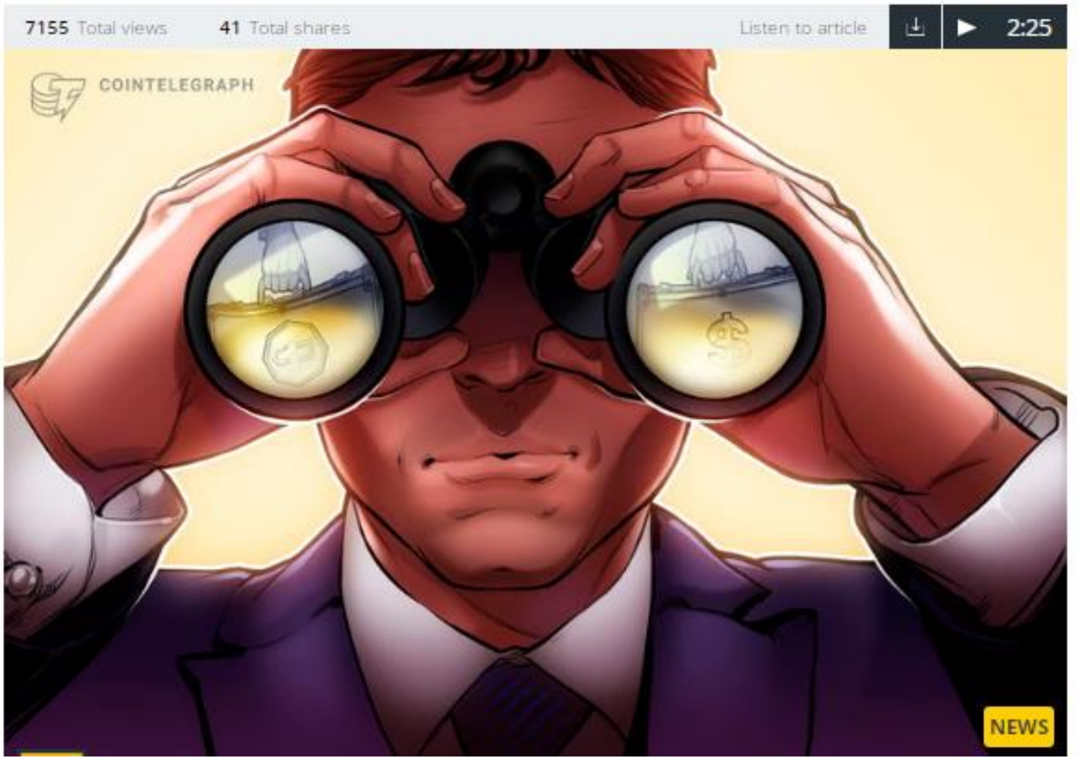
#cryptos

#institutional #trading

Data from crypto exchange Bitstamp shows that institutional registrations on the trading platform increased by 57% in November.

Institutional investors still eye crypto despite FTX collapse

Data from crypto exchange Bitstamp shows that institutional registrations on the trading platform increased by 57% in November.



Source: www.cointelegraph.com

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#cryptos

#miners #bitcoin

Bitcoin miners have clearly been capitulating their BTC holdings over the last week.

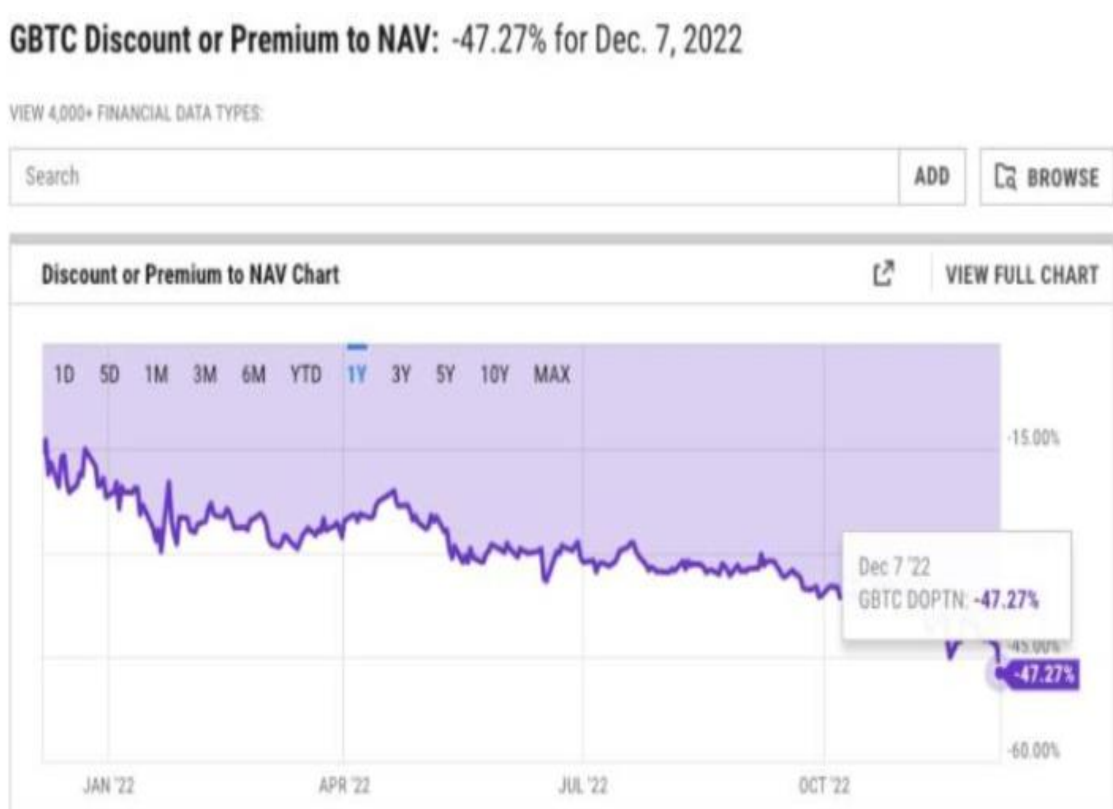
The interesting thing to note here is that while this is true -- price has been flat/grinding slightly up.

Source: glassnode

#cryptos

#bitcoin #gbtc #crypto

Shares of the world's largest bitcoin fund, Grayscale Bitcoin Trust (GBTC), hit a record-high discount rate of 47.3%, according to data from crypto index provider TradeBlock. GBTC shares haven't traded at a premium to bitcoin since March 2021.



Source: Tradeblock

#cryptos

#uk #crypto #regulation

The UK government today announced a package of more than 30 reforms to financial regulation, including the extension of tax breaks for investment managers to cover crypto assets. Dubbed the "Edinburgh Reforms," the measures are designed to replace EU regulation covering areas such as disclosure for financial products and include relaxing ring-fencing capital rules to lighten the burden on smaller banks.

UK Includes Crypto Assets in Financial Services Reform Package

Rishi Sunak's government is pushing forward with plans to turn the United Kingdom into a global hub for crypto assets.

By Andrew Asmakov

Dec 9, 2022

3 min read

Source: Decrypt

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#crypto #disclosures #sec

The Securities and Exchange Commission (SEC) has unveiled new guidelines for companies making financial disclosures, which call on them to provide a more detailed record of their exposure to the crypto industry in the wake of recent market chaos. The guidelines, which are outlined in a sample letter, go beyond simply the amount of cryptocurrencies held on the balance sheet.

SEC Urges Firms to Disclose Crypto Exposure in New Letter

Citing securities law, the SEC is now asking firms about any relevant exposure to the chaotic crypto industry.

By Will McCurdy

Dec 9, 2022

2 min read

Source: Decrypt

#cryptos

#tether

Coinbase takes a shot at Tether, encourages users to switch to USDC. Coinbase's request comes just a couple of months after Binance ceased support for USDC.

Coinbase takes a shot at Tether, encourages users to switch to USDC

Coinbase's request comes just a couple of months after Binance ceased support for USDC.

4072 Total views 134 Total shares Listen to article 3:11

Own this piece of crypto history Collect this article as NFT

Source: www.cointelegraph.com

#cryptos

#sbf

Sam Bankman-Fried, the former chief executive of bankrupt crypto exchange FTX, has said he'll testify at a December 13 meeting of the House Financial Services Committee. Bankman-Fried Friday tweeted he was "willing" to testify in response to requests from committee chair Maxine Waters (D-CA) who had said his attendance was "imperative."

Sam Bankman-Fried Agrees to Testify in Front of US House Financial Committee

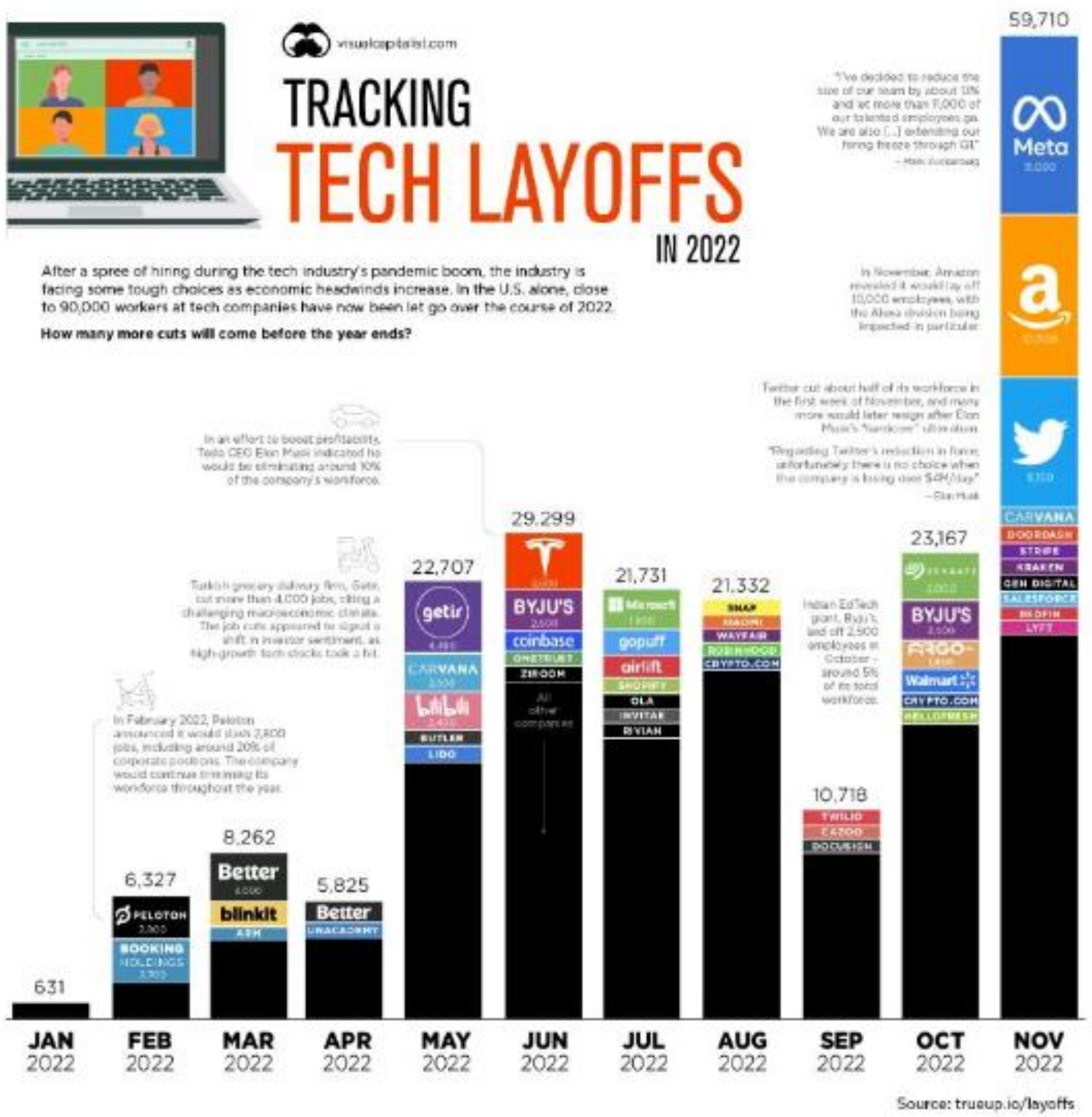
The chair of the House Financial Services Committee, Maxine Waters, said SBF's attendance was "imperative."

Source: www.coindesk.com

#food-for-thought

#jobs #techs

How many more cuts will come before the year ends ?



Source: The Visual Capitalist

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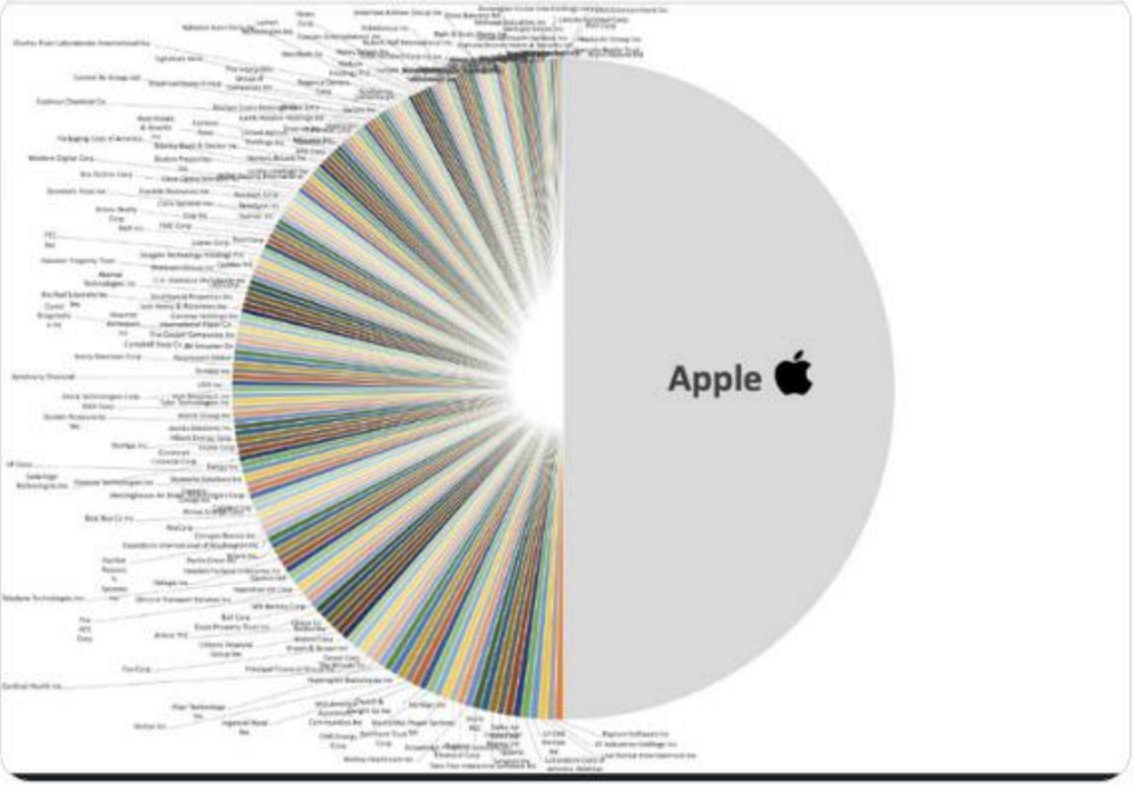
#food-for-thought

#apple

Apple's market cap alone is equal to the sum of the bottom 180 companies within the S&P 500.

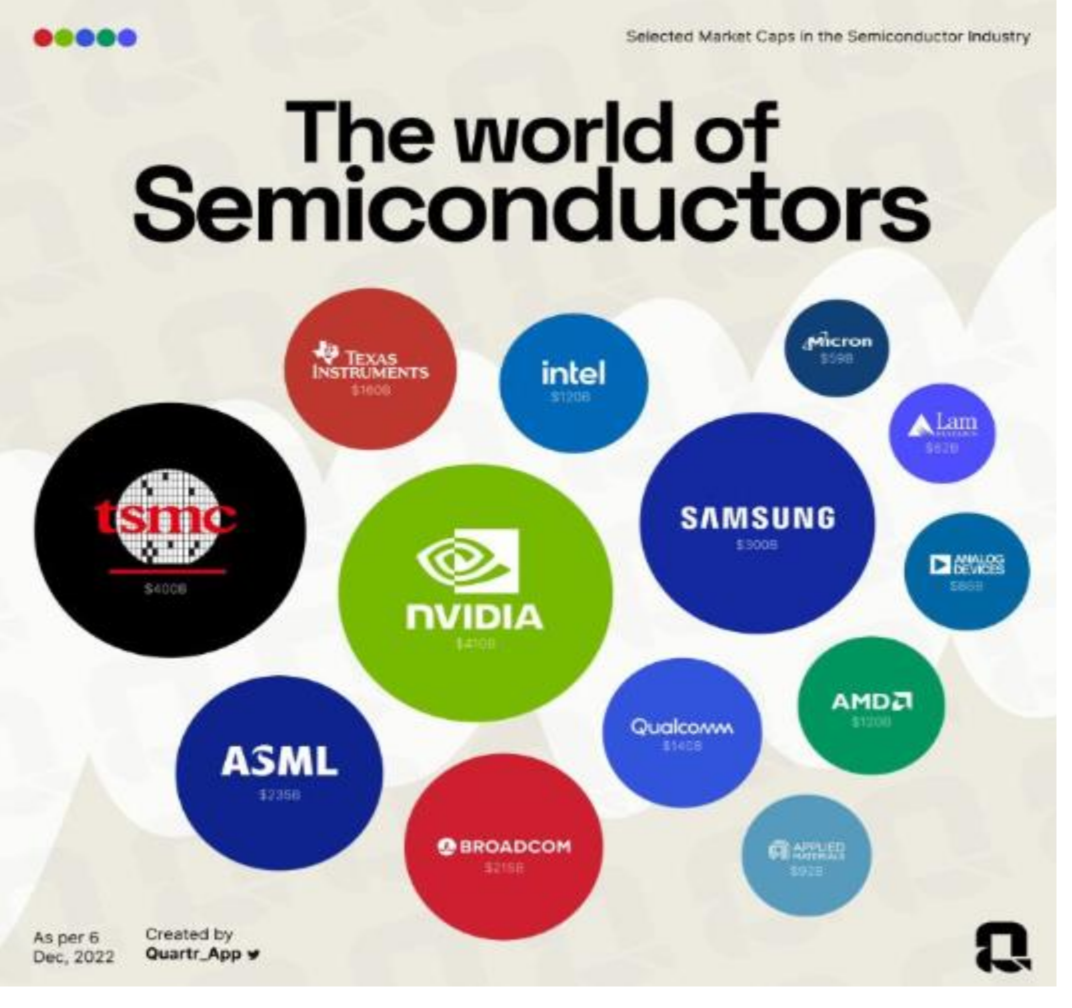


Source: MacroAlf

#food-for-thought

#semiconductors

The world's largest Semiconductor companies by Market Cap



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#food-for-thought

#world #economy

The Five World's Largest Economies By 2050 according to Goldman:
1) China; 2) United States; 3) India; 4) Indonesia and 5) Germany. Note that China, India and Indonesia are massively UNDER-PRESENTED in most global portfolios.

Exhibit 4: Our Projections Imply that China, the United States, India, Indonesia, and Germany Will be the World's Five Largest Economies in 2050
World's largest economies (measured in USD)

Ranking	1980	2000	2022	2050	2075
1	United States	United States	United States	China	China
2	Japan	Japan	China	United States	India
3	Germany	Germany	Japan	India	United States
4	France	United Kingdom	Germany	Indonesia	Indonesia
5	United Kingdom	France	India	Germany	Nigeria
6	Italy	China	United Kingdom	Japan	Pakistan
7	China	Italy	France	United Kingdom	Egypt
8	Canada	Canada	Canada	Brazil	Brazil
9	Argentina	Mexico	Russia	France	Germany
10	Spain	Brazil	Italy	Russia	United Kingdom
11	Mexico	Spain	Brazil	Mexico	Mexico
12	Netherlands	Korea	Korea	Egypt	Japan
13	India	India	Australia	Saudi Arabia	Russia
14	Saudi Arabia	Netherlands	Mexico	Canada	Philippines
15	Australia	Australia	Spain	Nigeria	France

Source: Goldman Sachs Global Investment Research

Source: Goldman Sachs

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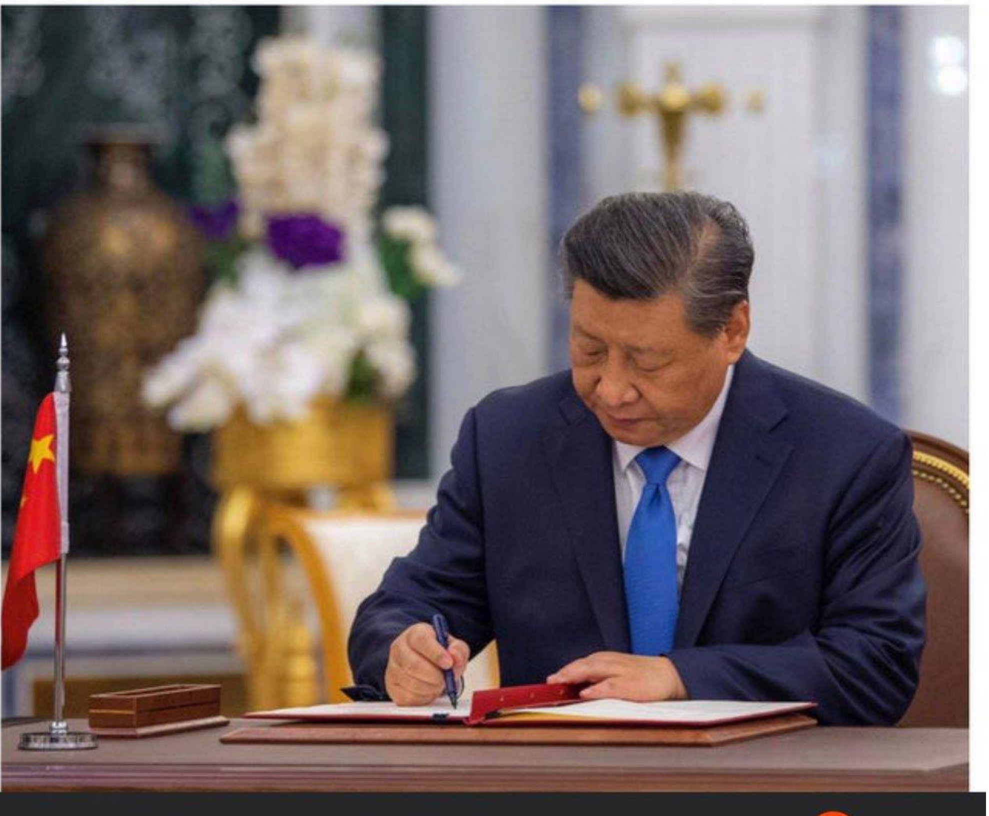
#food-for-thought

#petroyuan

2 minute read · December 9, 2022 9:17 AM EST · Last Updated 7 hours ago

China to use Shanghai exchange for yuan energy deals with Gulf nations - Xi

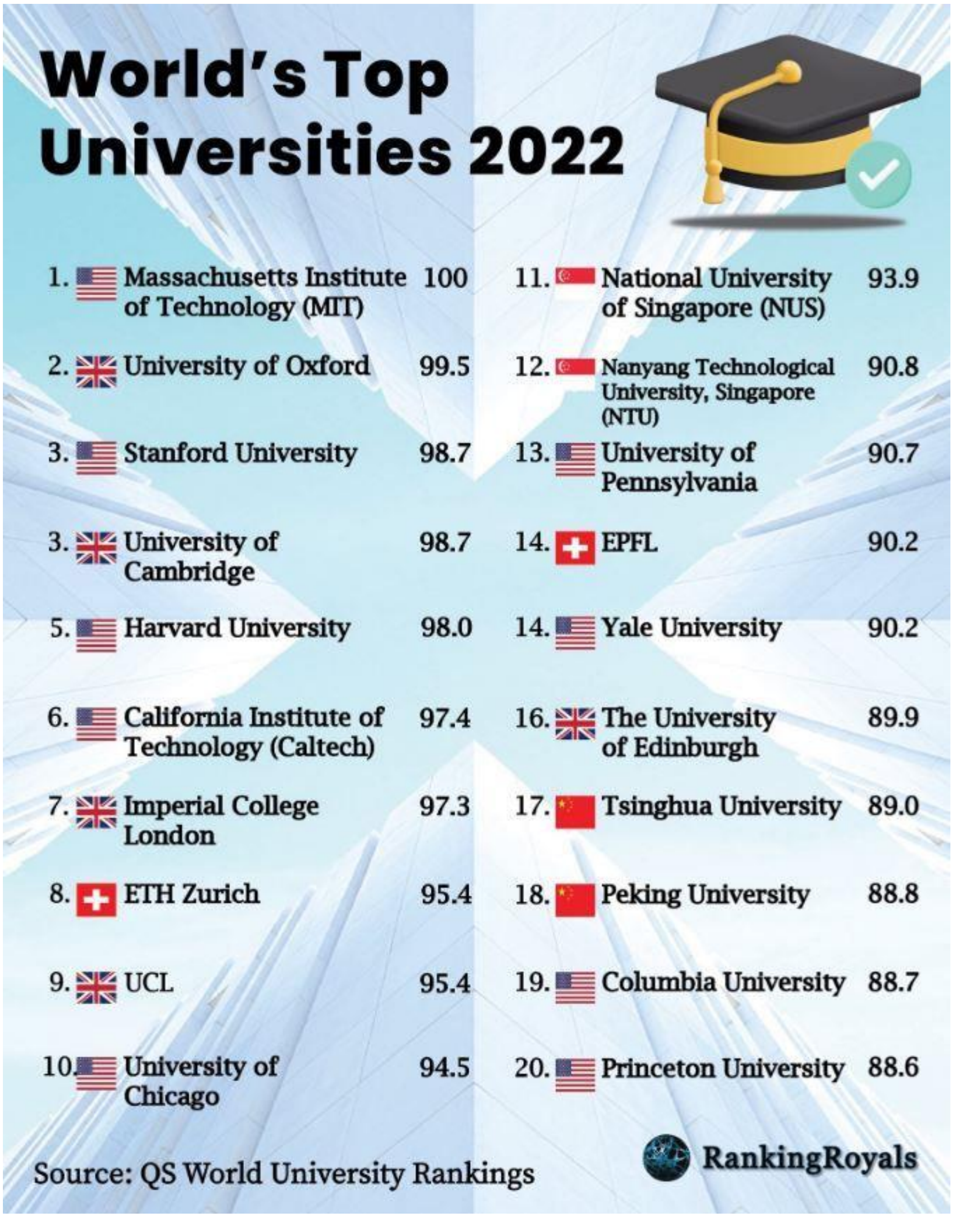
Reuters



Posted in r/Wallstreetsilver by u/silvertomars reddit

#food-for-thought

#education



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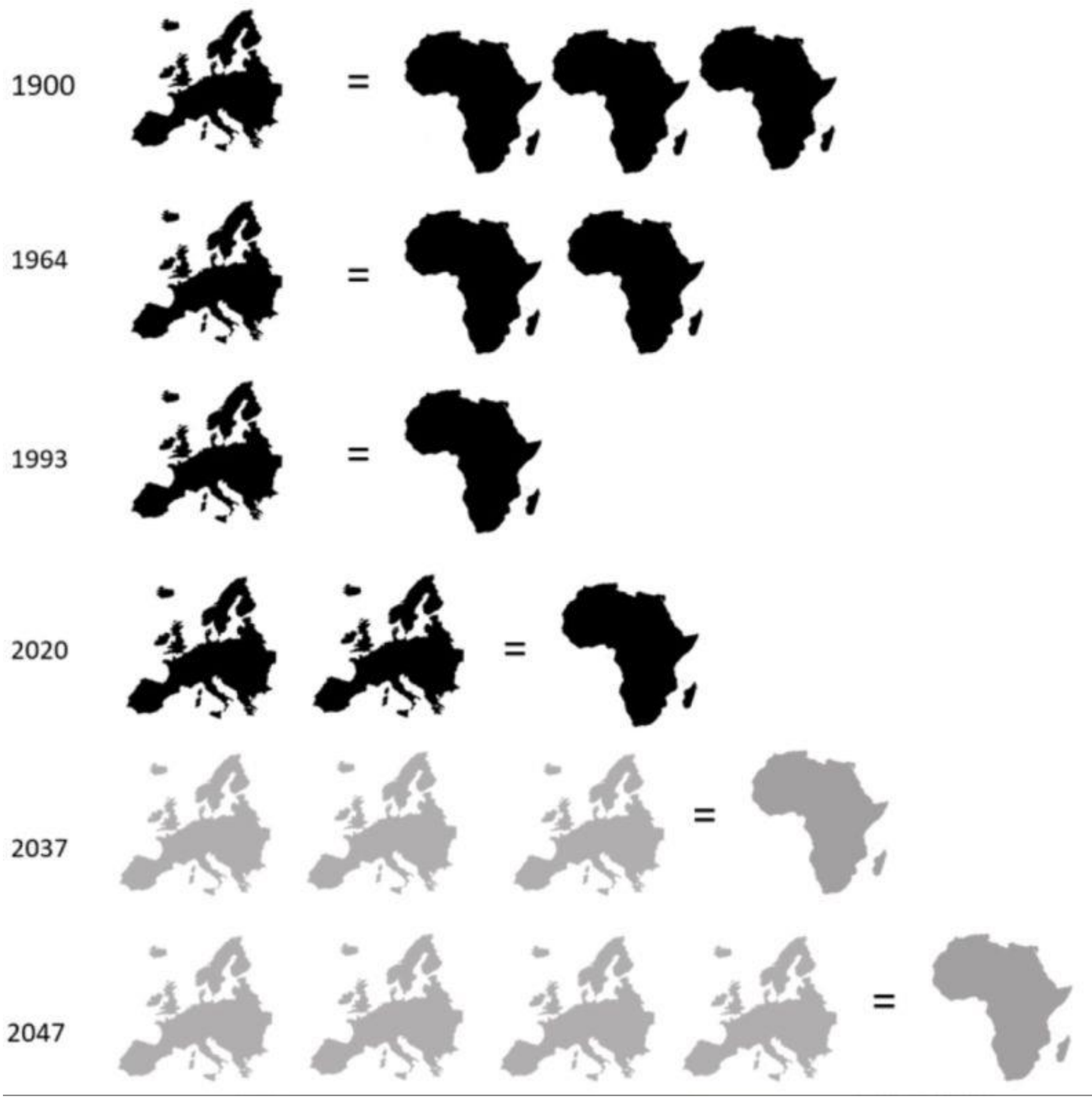
#food-for-thought

#africa #demographics

Population comparison between Europe and Africa



Source: Onmaps

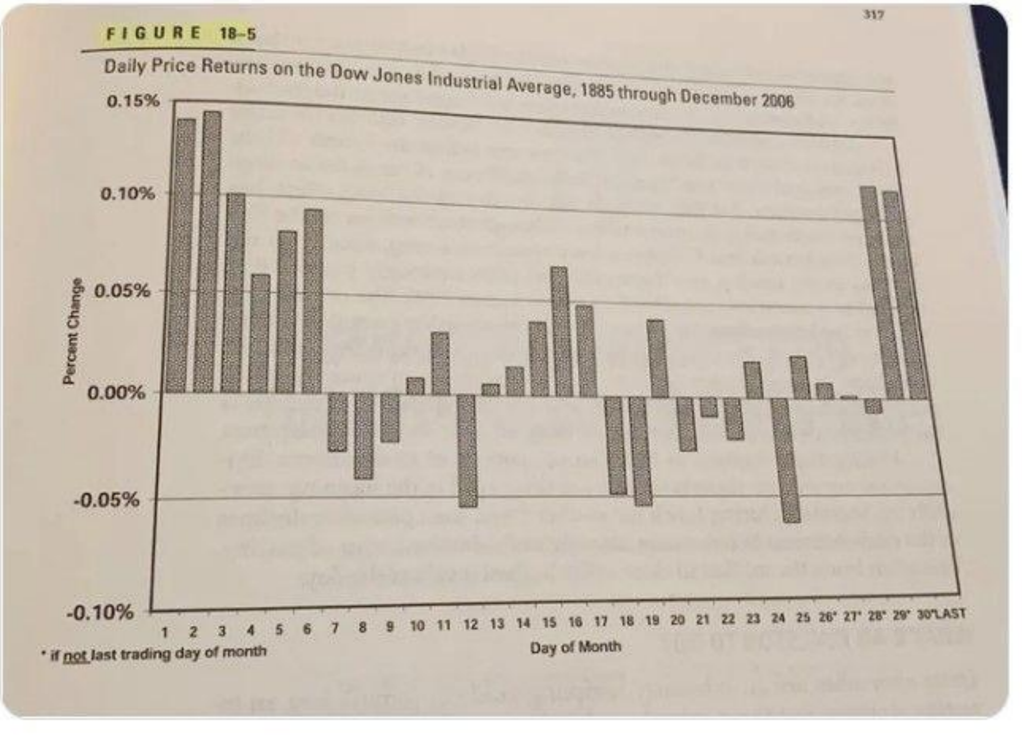
#food-for-thought

#market-timing

Compounding Quality
@QCompounding

If you want to invest periodically, the best moment to do this is in the middle of the month.

The reason for this is that at the beginning and end of each month, institutional investors are receiving inflows which they invest, resulting in higher stock prices.



#food-for-thought

#cash-flows

Investment Books (Dhaval)
@InvestmentBook1

"Earnings don't repay loans, Cash flow does"

Let's take a simplified example to show how this happens. Say a company makes a sale of $1 million and a profit of $300,000 on that sale. For purposes of accounting, it books the $300,000 as earnings (as it should), even though the company has not collected any cash.

This is common in business. You make a sale like that and you give terms. Maybe you get paid in ten days, which is great, but there is still a window during which you've booked a sale and profits and haven't collected any cash. Now, multiply this by the millions of sales the company makes in a year.

A business will always have an amount piled up in "money to be collected." This is called accounts receivable, and you can easily find it on a company's balance sheet.

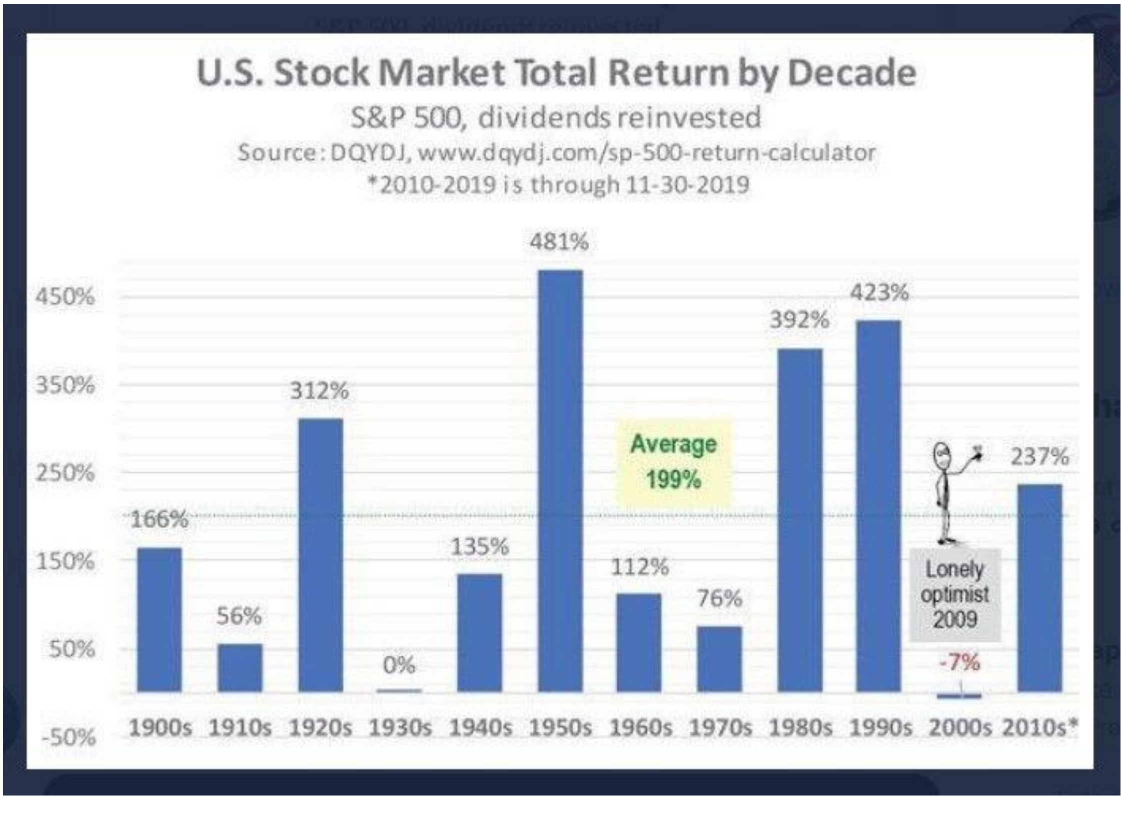
In my banking career, we were acutely aware of the difference between earnings and cash flow. We had a saying: "Earnings don't repay loans—cash flow does." It was a reminder to always look beyond earnings and figure out the cash flow—the cycle of collections and disbursements. At times those cycles can vary widely; in fact, a company that otherwise appears profitable can suddenly find itself in a cash crunch.

Worse, you could end up like Lucent Technologies. Lucent made lots of sales and gave generous terms so it could keep booking those

#food-for-thought

#us #equities #returns

S&P 500 total return by decade. What should we expect for the 2020s?.

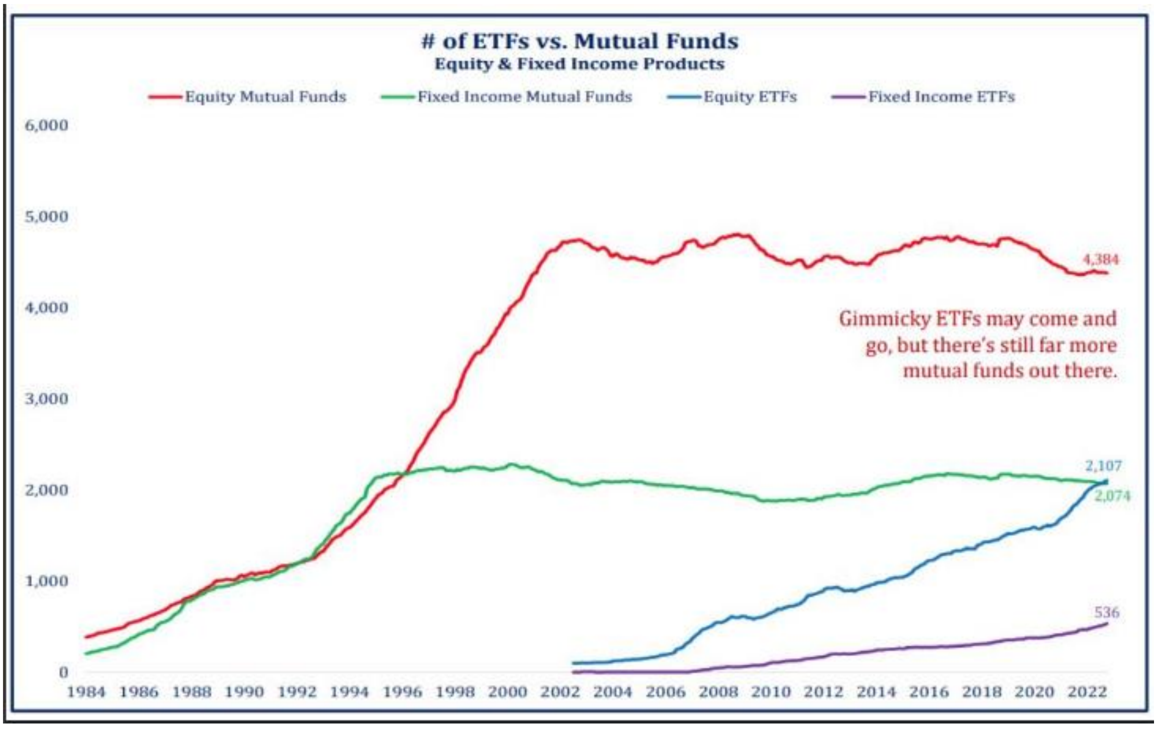


Source: WallStreetSilver

#food-for-thought

#etfs #mutual funds

Number of ETFs vs mutual funds

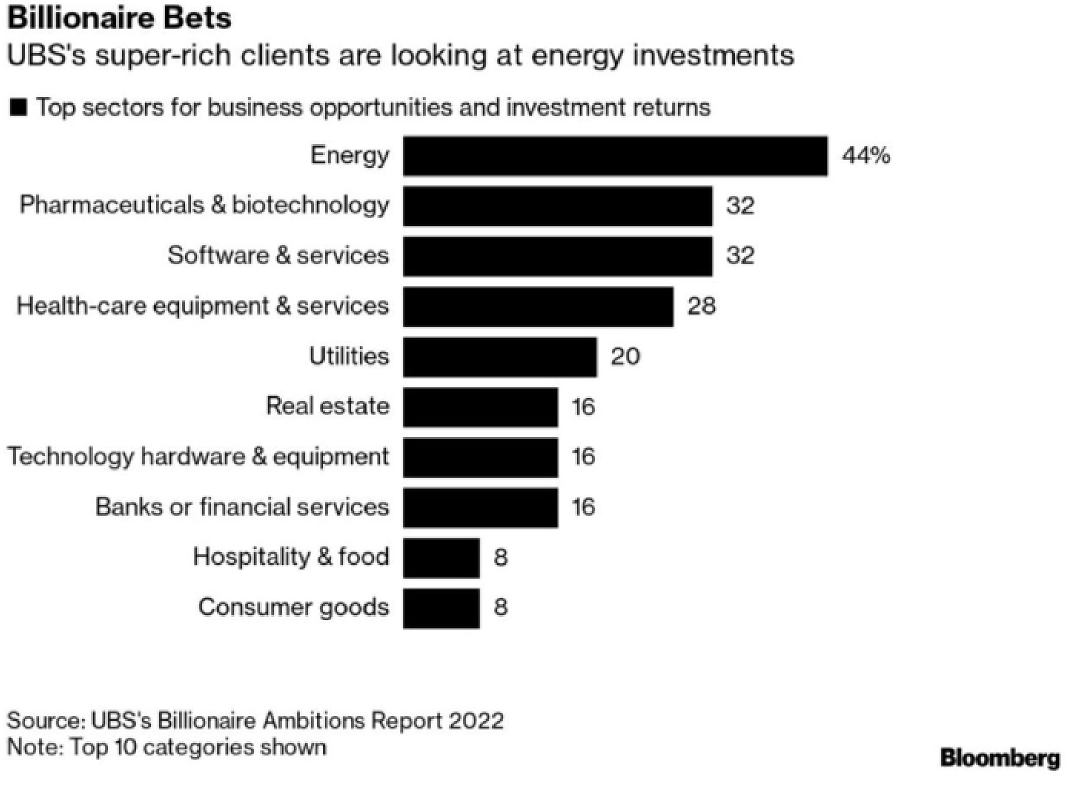


Source: nategeraci

#food-for-thought

#billionaire #investing

Almost half of the super-rich clients the bank surveyed said energy was attractive for future investment returns and business, the most among 21 categories overall, according to a report published. About a third of the 50 billionaires polled also viewed biotechnology, pharmaceuticals and software as attractive areas.



Source: bloomberg

#food-for-thought

#hedge-funds

100 BIGGEST HEDGE FUNDS RANKED BY EQUITY ASSETS.

Institution Name	Equity Assets ($ Billions)	Institution Name	Equity Assets ($ Billions)
Millennium Management LLC	$88	Trian Fund Management LP	$5
Renaissance Technologies LLC	78	Maverick Capital Ltd.	5
Citadel Advisors LLC	60	Zimmer Partners LP	5
D. E. Shaw & Co. LP	54	RTW Investments LP	5
AQR Capital Management LLC	51	Avidity Partners Management LP	5
Adage Capital Management LP	44	Southpoint Capital Advisors LP	5
Two Sigma Advisers LP	37	Altimeter Capital Management LP	5
Two Sigma Investments LP	29	Glazer Capital LLC	4
Acadian Asset Management LLC	28	Pentwater Capital Management LP	4
Point72 Asset Management LP	27	Himalaya Capital Management LLC	4
Balyasny Asset Management LP	26	Glenview Capital Management LLC	4
Viking Global Investors LP	24	Armistice Capital LLC	4
Icahn Associates Holding LLC	23	Skye Global Management LP	4
Voloridge Investment Management LLC	21	Tudor Investment Corp.	4
Holocene Advisors, LP	18	Rock Springs Capital Management LP	4
Numeric Investors LLC	17	Weiss Multi-Strategy Advisers LLC	4
Baker Bros. Advisors LP	16	Whale Rock Capital Management LLC	4
Cubist Systematic Strategies LLC	15	Junto Capital Management LP	4
Farallon Capital Management LLC	15	Stockbridge Partners LLC	4
Pershing Square Capital Management LP	13	Laurion Capital Management LP	4
Schonfeld Strategic Advisors LLC	13	Steadfast Capital Management LP	4
Echo Street Capital Management LLC	12	Kayne Anderson Capital Advisors LP	4
Lone Pine Capital LLC	12	Ecor1 Capital LLC	4
Squarepoint OPS LLC	12	Abrams Capital Management LP	4
Tiger Global Management LLC	11	Route One Investment Co. LP	4
Soroban Capital Partners LP	10	The WindAcre Partnership LLC	4
Alyeska Investment Group LP	10	Knighthead Capital Management LLC	3
Coatue Management LLC	10	UBS O'Connor LLC	3
ValueAct Capital Management LP	9	Davidson Kempner Capital Management LP	3
Hudson Bay Capital Management LP	8	Deerfield Management Co. LP	3
ExodusPoint Capital Management LP	8	AltaRock Partners LLC	3
Oaktree Capital Management LP	8	GMT Capital Corp.	3
Mirova US LLC	7	Twin Tree Management LP	3
Woodline Partners LP	7	Parallax Volatility Advisers LP	3
The Baupost Group LLC	7	Camber Capital Management LP	3
SRS Investment Management LLC	7	Sachem Head Capital Management LP	3
Sculptor Capital LP	7	Gotham Asset Management LLC	3
Third Point LLC	7	Trexquant Investment LP	3
IndexIQ Advisors LLC	7	Perceptive Advisors LLC	3
Saba Capital Management LP	7	CNH Partners LLC	3
Magnetar Financial LLC	7	SCGE Management LP	3
Matrix Capital Management Co. LP	6	Redmile Group LLC	3
Verition Fund Management LLC	6	Weiss Asset Management LP	3
Avoro Capital Advisor LLC	6	Meritage Group LP	3
BlueSpruce Investments LP	5	Moore Capital Management LP	3
Samlyn Capital LLC	5	Senvest Management LLC	3
Aristeia Capital LLC	5	Highbridge Capital Management LLC	3
Eminence Capital LP	5	HMI Capital LLC	3
Starboard Value LP	5	PAR Capital Management, Inc.	3
RA Capital Management LP	5	Atreides Management LP	3

	Equity Assets ($ Billions)	As a % of Total
Largest 50	$918	61%
Largest 100	1,103	73
Total 786	$1,506	100%

Source: Goldman Sachs

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#competitive-advantage

COMPETITIVE ADVANTAGES FRAMEWORK

BARRIERS TO ENTRY // BARRIERS TO ENTRY // BARRIERS TO ENTRY

The existence of barriers to entry means that incumbent firms are able to do what potential rivals cannot. Being able to do what rivals cannot is the definition of a competitive advantage

Strategic Key Questions	1) In the market in which the firm currently competes or plans to enter, do any competitive advantages actually exist? 2) And if they do, what kind of advantages are they?
Return on Invested Capital | ROIC	• ROIC in excess of the cost of capital • ROIC higher than the average of its competitors

ASSESSING COMPETITIVE ADVANTAGE: THREE STEPS

[1] Develop an industry map	• Identify individual market segments • Identify competitors in each segment
[2] Test for the existence of competitive advantages	• Market-share stability, dominant firm, low entries exits • Sustained high profitability

[3] Look for sources of competitive advantage

SUPPLY	*Cost advantages*
Cost structure that cannot be duplicated by potential entrants that allows a company to produce and deliver its products or services more cheaply than competitors	• Superior production technology • Privileged access to crucial input (cheap resources)
DEMAND	*Customer captivity*
Access to market demand and customers that rivals cannot match	• Habit • Swithing costs • Search costs
ECONOMIES OF SCALE	*Scale advantages*
Costs per unit decline as volume increases (fixed costs a large share of total costs), then even with the same basic technology an incumbent firm operating at large scale will enjoy lower costs than its competitors	• Research & development • Purchasing • Marketing • Distribution

The truly durable competitive advantages arise from the interaction of supply-and-demand advantages, from the linkage of economies of scale with customer captivity

GOVERNMENT INTERVENTION	• Licenses • Tariffas and quotas • Authorized monopolies • Direct subsidies • Various kinds of regulation

COMPETITIVE ADVANTAGES FRAMEWORK

Source: Compounding Quality

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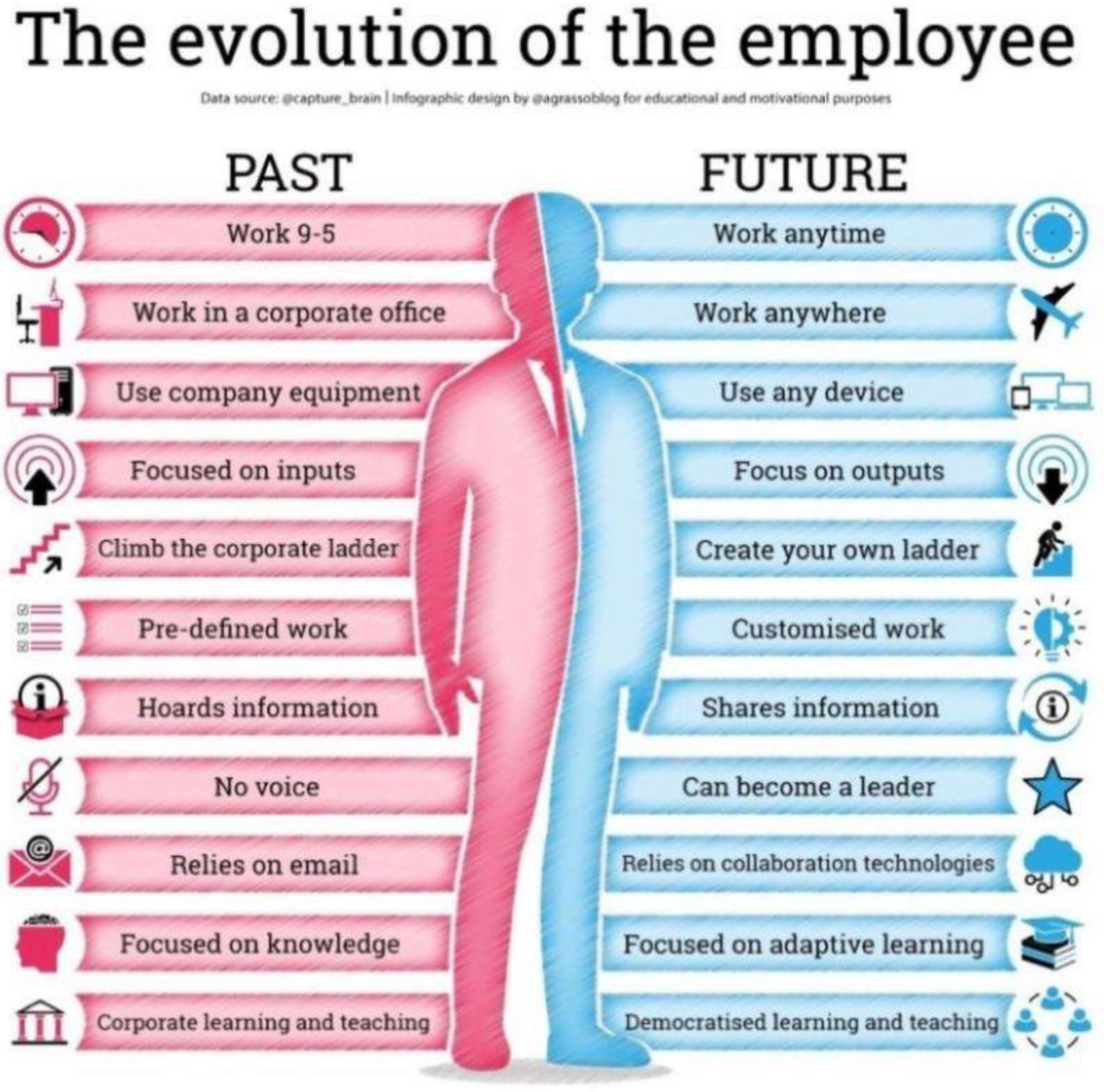
#leadership



Source: European Leadership

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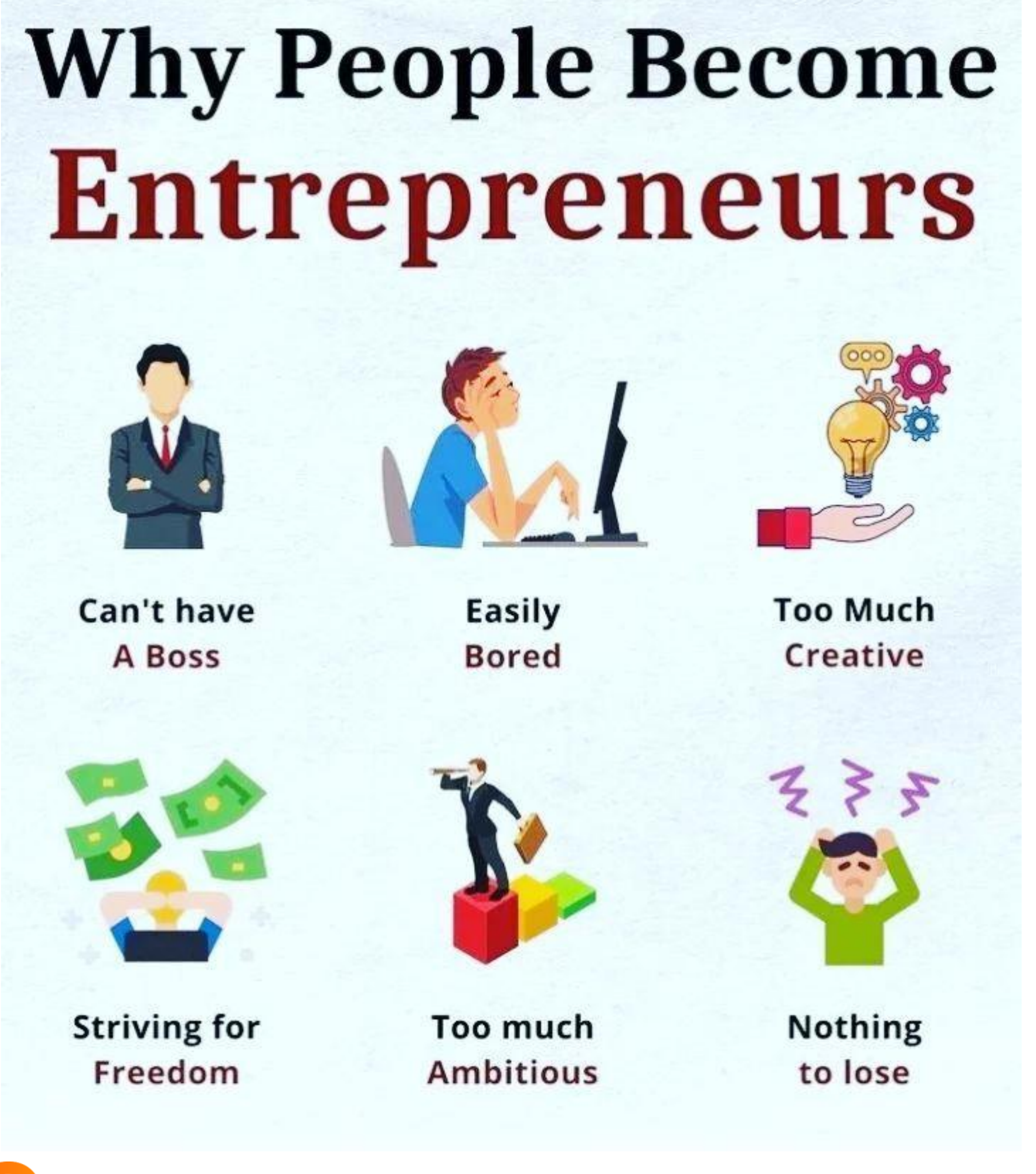
#entrepreneurship



Source: European leadership

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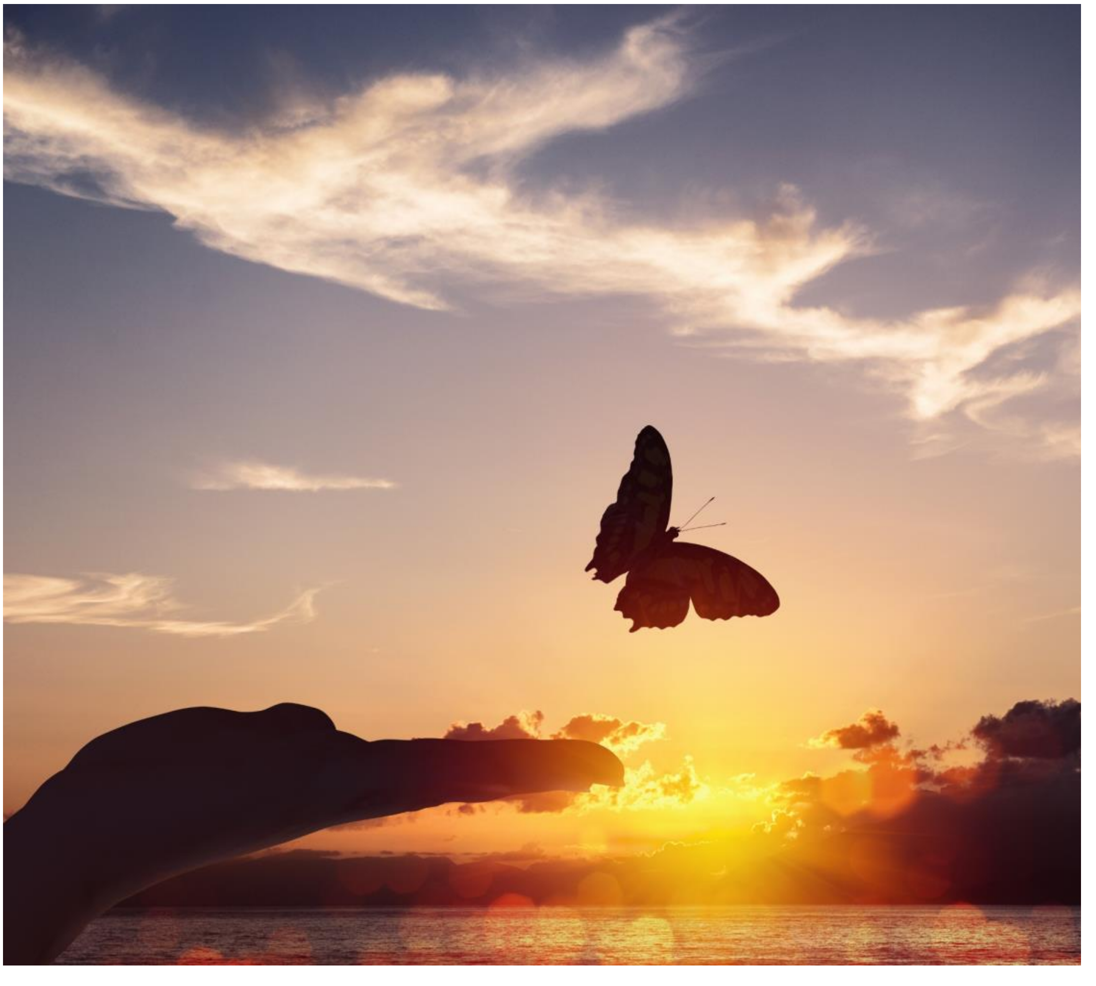

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For the future…