

9<sup>th</sup> of October 2021

## #globalmarkets weekly wrap-up

### Chart of the week

#### “KNOW YOUR DURATION...”

Austrian 100 year bond has gone from 108 to 85 since early August, down 21%. Looking at the loss since December highs, the loss is 38%...



Source: The Market Ear, Refinitiv

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## #globalmarkets weekly wrap-up

### Stocks recover, NatGas at record high, BTC hits \$56k

Most of the major equity indices recorded gains this week, with the S&P 500 index recovering a portion of the previous week's losses. Energy stocks outperformed as natural gas prices reached record highs in Europe and major oil exporters decided not to increase production more than previously agreed, sending crude oil prices to a 7-year high. Worries over the debt ceiling were alleviated late in the week, at least temporarily. However, debt limit headlines continued to cause distortions in the Treasury Bill market. Shares in Europe ended higher despite significant volatility. Financials outperformed. On Friday, US 10-year yields topped 1.6% for the 1<sup>st</sup> time since June after a "stagflationary" US jobs report. Non-farm payrolls number came out at +194k, way below expectations (+500k) but there are signs of tightness in the labor market (wages up +0.6% MoM vs +0.4% expected). Cryptos surged as Bitcoin topped 56k for the 1<sup>st</sup> time since May.

## #qe #tapering

The November 3<sup>rd</sup> taper is only 17 sessions away and the rotation from QE winners to QE losers has already begun. Is this just the start?

**Table 2: QE-era winners vs QE-era losers**

CAGR since Nov 25<sup>th</sup> 2008 (%) by asset

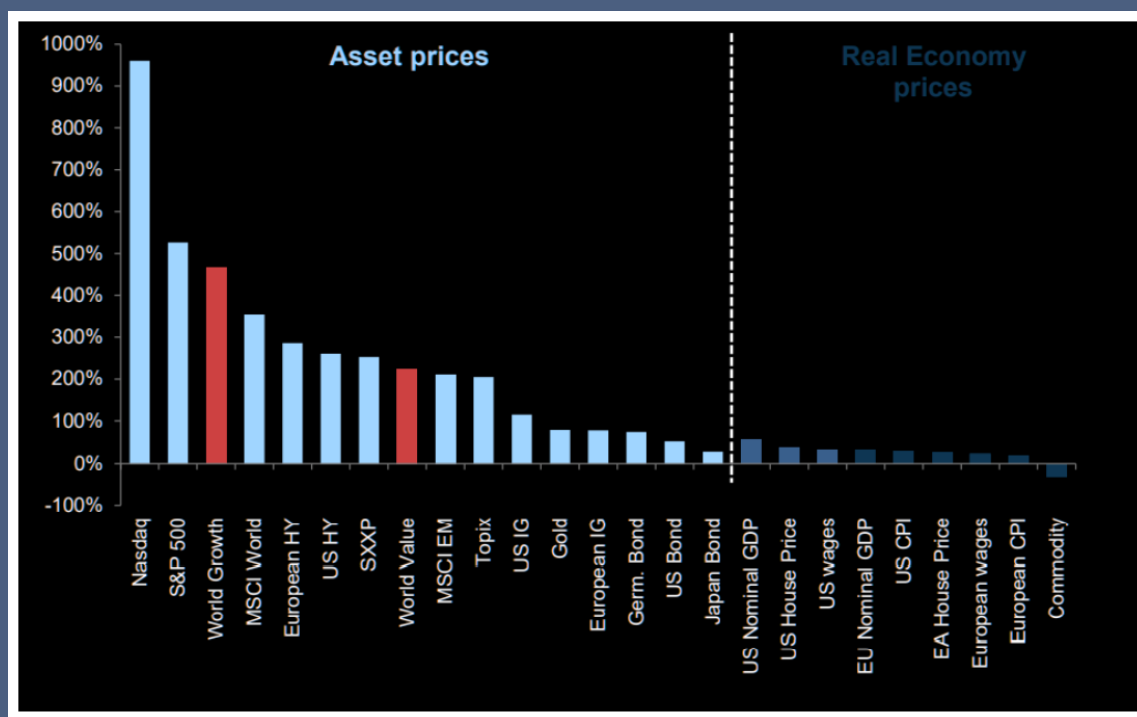
Asset	CAGR since Nov 25th 2008 (%)
Nasdaq	22%
Private Equity	20%
Risk Parity	19%
Growth stocks	14%
S&P500	14%
HY bonds	11%
EM stocks	7%
IG bonds	7%
Value stocks	7%
Gold	6%
Global Stocks	6%
Banks	5%
Oil	4%
Commodities	1%
Cash	0%
Volatility	-8%

Source: BofA Global Investment Strategy, Bloomberg

Source: The Market Ear

## #asset #inflation

There is a wide dispersion between asset price inflation and 'real economy' inflation. See the chart below showing total return performance in local currency since January 2009 for selected asset classes (on the left) and real economy indicators (on the right) .



Source: The Market Ear

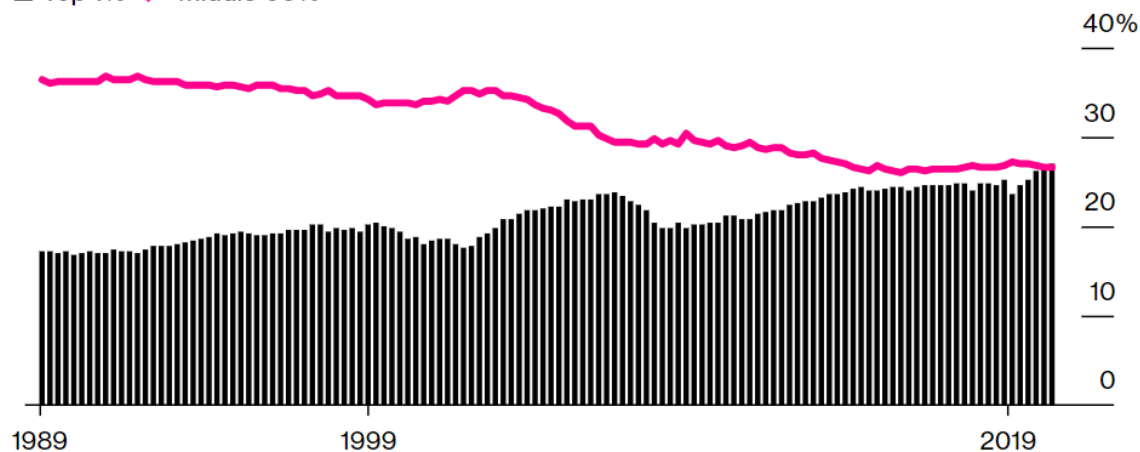
## #wealthinequality

America's middle class now holds a smaller share of US wealth than the top 1%. Middle-class financial security has been eroded in past decades. They saw their combined assets drop to 26.6% of national wealth while the top 1%'s wealth jumped to record 27% of total.

### Rise of the Super Rich

Middle-class Americans now hold less wealth than the top 1% by income

■ Top 1%    / Middle 60%



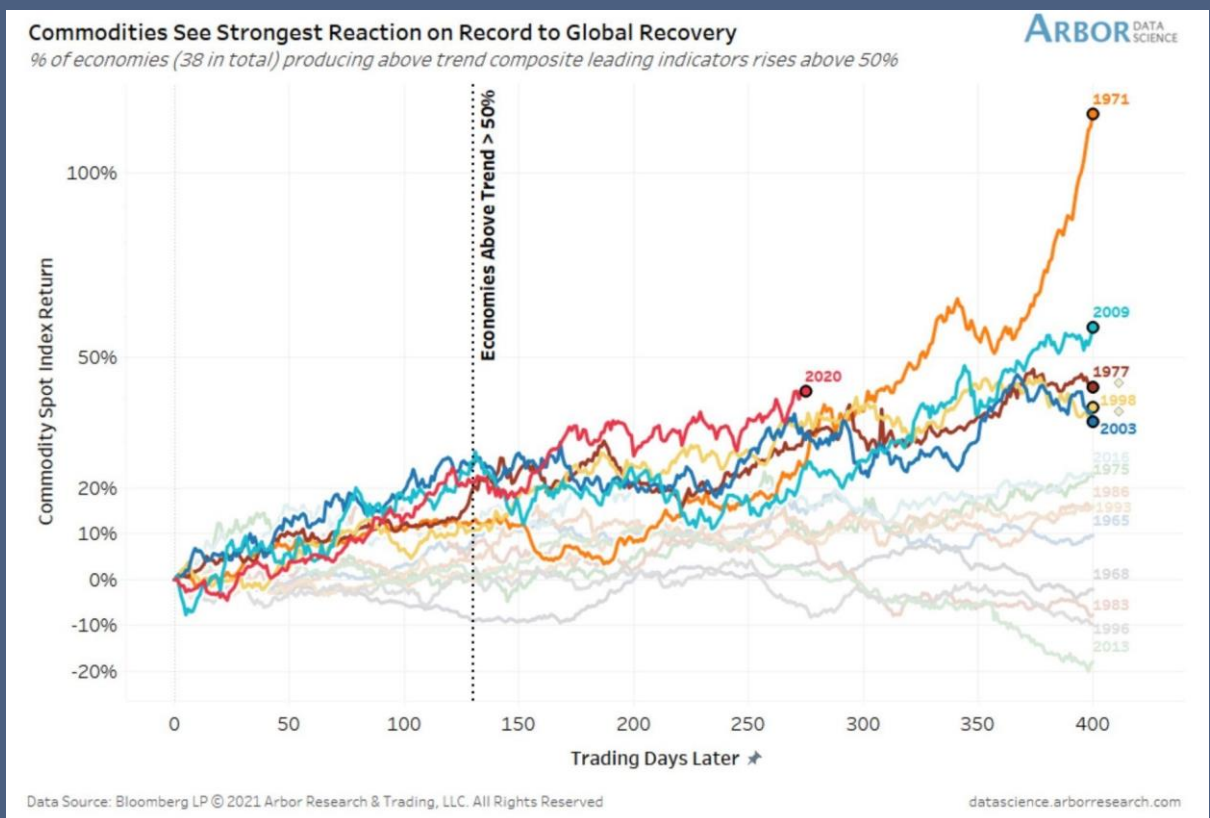
Source: Federal Reserve

Source: Bloomberg

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## #commodities

Commodities see strongest reaction on record to global recovery.



Source: Arbor Research

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## #oil

WTI Crude Oil surged to a new multi-year high.

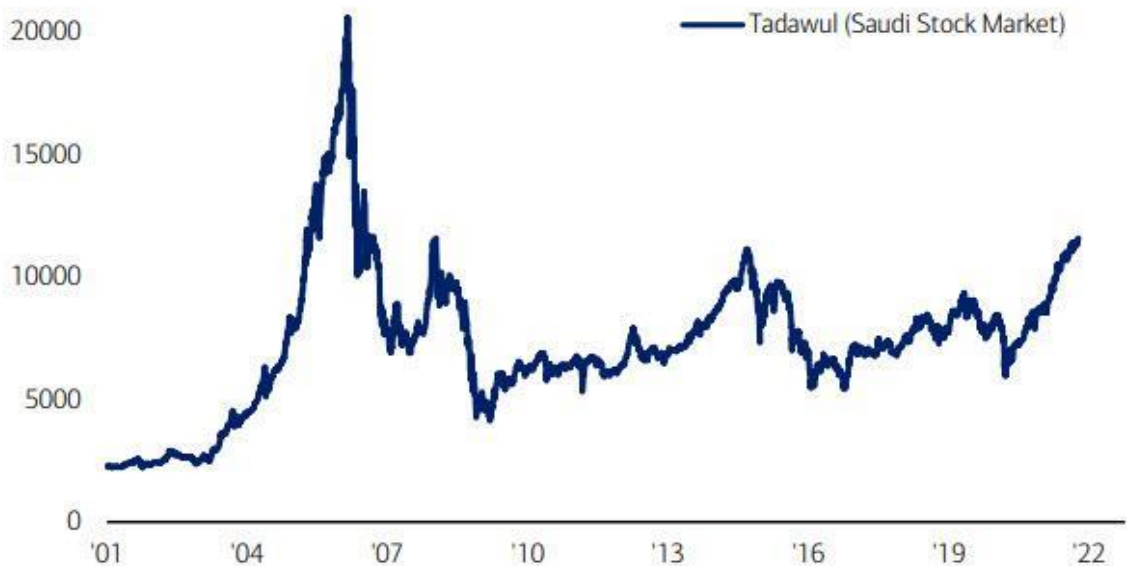


Source: [zerohedge.com](https://www.zerohedge.com), Bloomberg

## #oil #saudi #equities

The Saudi stock market - a proxy for oil - is up 33% YTD making it one of the world's best performers...

**Chart 2: Saudi Arabia stock market since 2001...YTD one of world's best performers**  
New highs in Saudi stock market...energy shock not over



Source: BofA Global Investment Strategy, Bloomberg

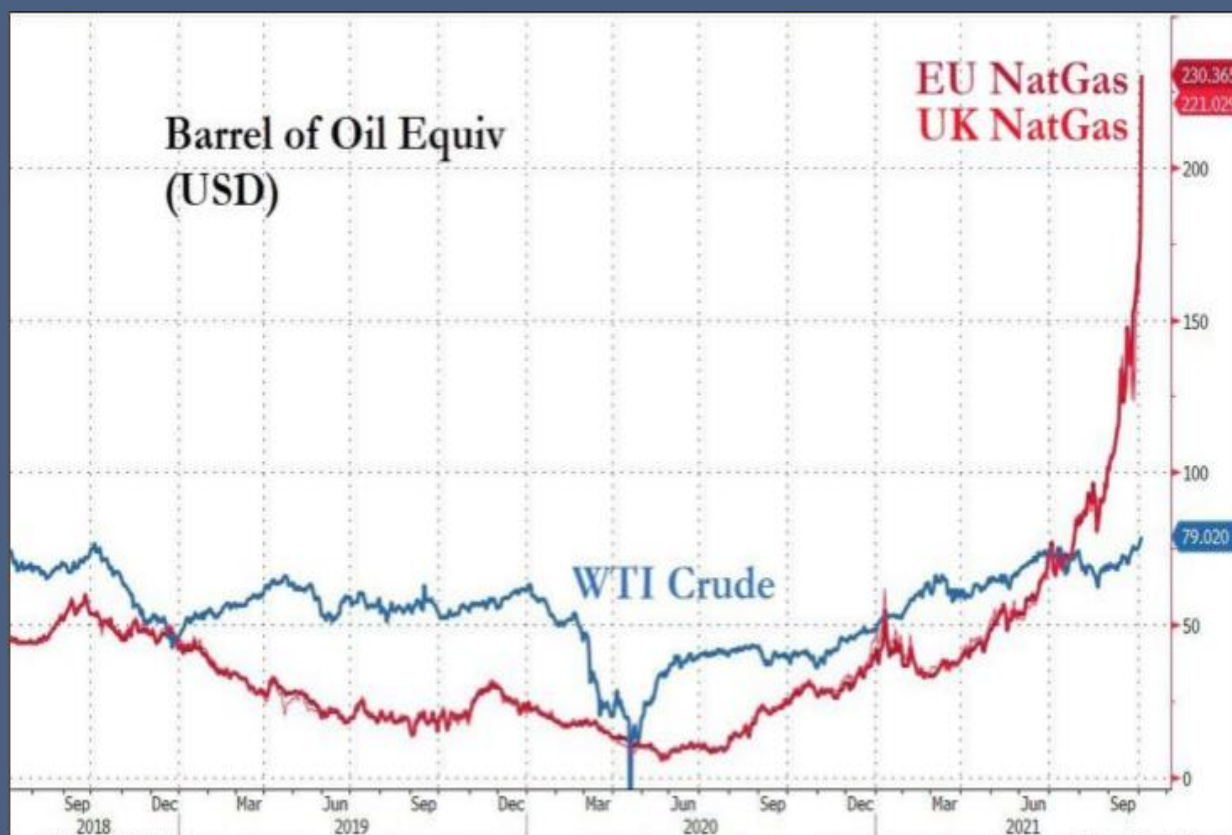
BofA GLOBAL RESEARCH

Source: BofA



## #naturalgas

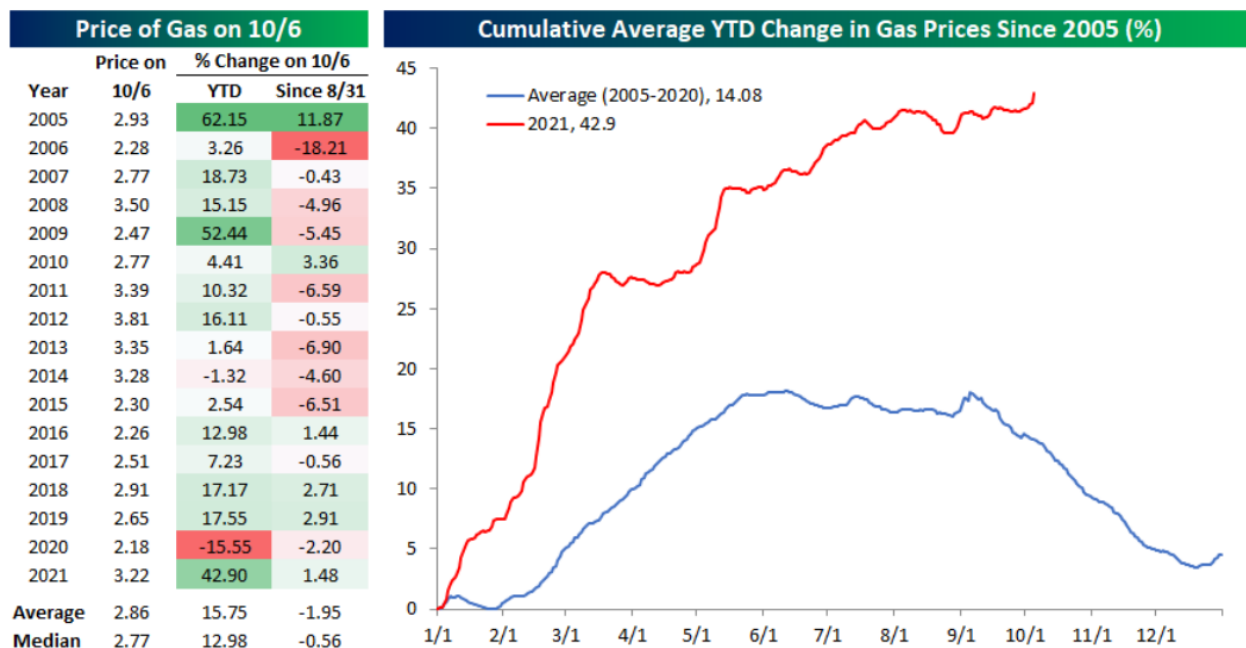
Benchmark European gas prices continued their rally this week, surging to new record highs on Tuesday to an equivalent of \$230 a barrel oil, amid a wider energy commodity rally driven by supply concerns ahead of the winter.



Source: zerohedge

## #naturalgas

The recent move higher in gas prices again goes against the historical seasonal average since 2005, but it is not exactly unheard of for prices to rise slightly from the end of August to the first week of October, and that's even more true in recent years.

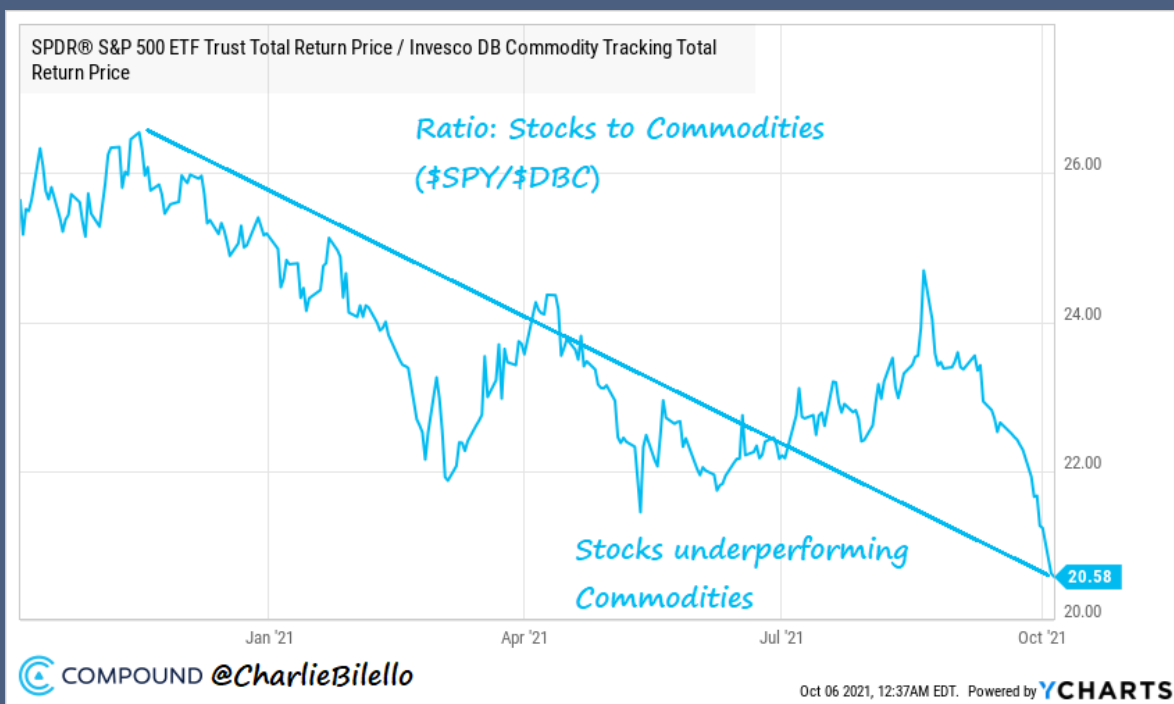


Source: bespoke

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## #crossassets #commodities #equities

US equities have underperformed commodities since the start of the year.



Source: Charlie Biello

## #global #equities #performance

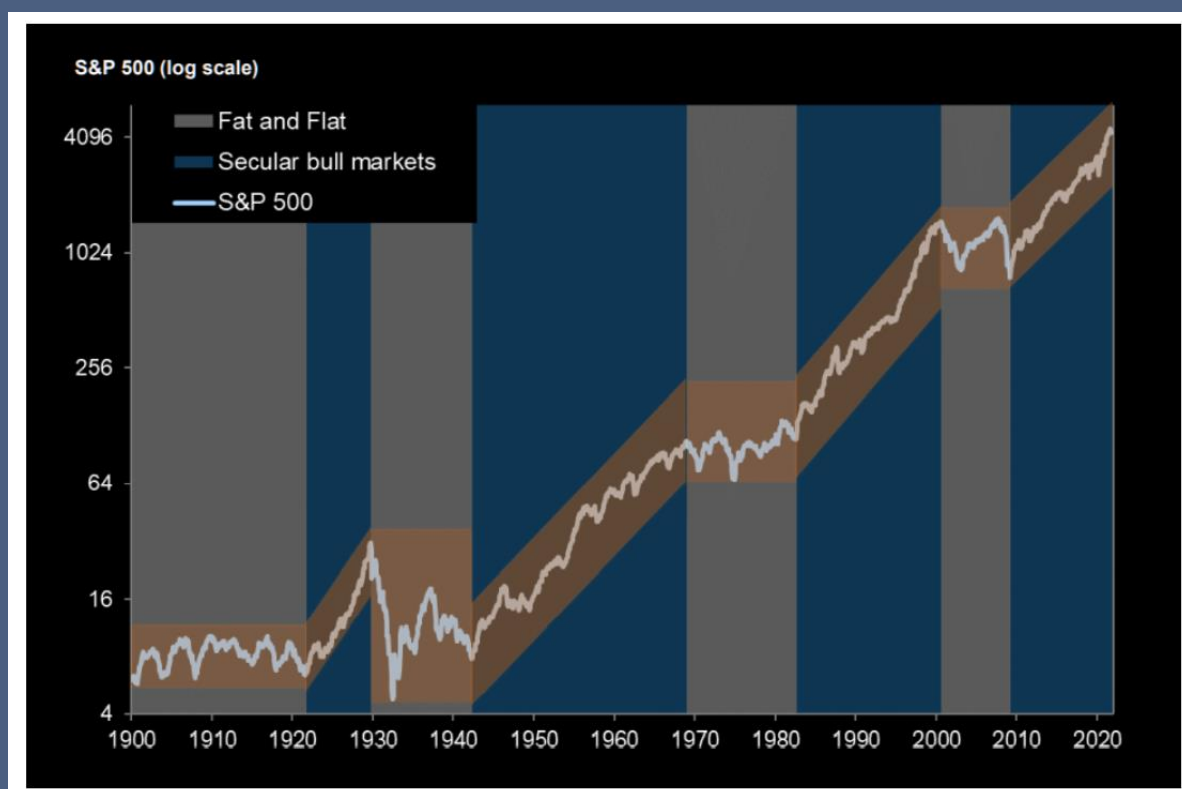
US equities are up 14.4% on an annualized basis since 2011 vs. -5.5% for Brazil.

@CharlieBilello		Country ETF Total Returns Since 2011 (in US \$, As of 10/5/21)											Data Source: YCharts	
ETF	Country	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 YTD	2011-21 Cumulative	2011-21 Annualized
SPY	USA	1.9%	16.0%	32.3%	13.5%	1.3%	12.0%	21.7%	-4.6%	31.2%	18.4%	17.0%	324.6%	14.4%
EWN	Netherlands	-16.0%	22.1%	28.7%	-5.8%	1.5%	4.1%	33.8%	-15.4%	32.5%	23.2%	20.0%	191.3%	10.5%
EWT	Taiwan	-21.9%	18.7%	7.8%	6.9%	-12.9%	17.7%	26.8%	-9.9%	33.3%	31.5%	14.4%	151.2%	8.9%
EWL	Switzerland	-7.9%	21.9%	25.7%	-1.7%	0.3%	-2.5%	23.4%	-9.2%	31.6%	11.8%	6.8%	138.4%	8.4%
EWQ	France	-17.7%	24.4%	24.1%	-10.8%	0.2%	4.9%	29.1%	-12.9%	26.7%	2.9%	14.5%	100.1%	6.7%
EWJ	Japan	-14.8%	9.2%	26.0%	-6.2%	9.2%	2.8%	24.3%	-14.1%	19.3%	15.4%	1.9%	84.9%	5.9%
EWG	Germany	-17.6%	32.4%	30.8%	-12.0%	-2.8%	3.6%	27.4%	-21.4%	19.2%	10.6%	4.8%	75.1%	5.3%
EWK	Hong Kong	-16.2%	29.4%	9.5%	3.3%	-1.2%	1.3%	36.5%	-8.7%	10.7%	4.2%	-1.2%	74.3%	5.3%
EWA	Australia	-11.7%	24.1%	1.8%	-4.7%	-10.0%	11.1%	19.9%	-12.0%	22.4%	8.3%	7.2%	59.5%	4.4%
PIN	India	-35.9%	14.0%	-3.5%	20.4%	-6.5%	-0.1%	38.5%	-7.5%	4.8%	18.5%	25.9%	58.9%	4.4%
EWY	South Korea	-13.5%	21.9%	3.5%	-13.5%	-8.0%	8.4%	45.0%	-20.4%	7.9%	39.4%	-8.3%	50.1%	3.8%
EWZ	Canada	-12.4%	9.1%	5.3%	1.1%	-23.9%	23.8%	15.7%	-17.2%	27.6%	5.5%	20.4%	48.9%	3.8%
EWU	UK	-4.0%	15.3%	19.5%	-7.6%	-7.0%	-1.2%	21.6%	-14.3%	21.3%	-11.8%	13.4%	42.0%	3.3%
ERUS	Russia	-20.1%	16.2%	-4.6%	-44.7%	0.7%	54.6%	3.9%	-3.9%	49.3%	-8.7%	35.9%	41.2%	3.3%
EWI	Italy	-24.1%	15.4%	19.1%	-10.9%	3.1%	-8.6%	28.7%	-17.2%	27.0%	1.7%	10.4%	33.1%	2.7%
EWS	Singapore	-18.7%	31.8%	0.0%	2.7%	-18.3%	0.7%	34.8%	-11.3%	14.5%	-8.5%	7.7%	22.1%	1.9%
EWP	Spain	-10.1%	5.4%	31.9%	-6.3%	-15.5%	-1.8%	27.0%	-15.3%	11.9%	-4.0%	3.2%	15.9%	1.4%
FXI	China	-17.6%	19.2%	-2.2%	11.4%	-12.9%	1.1%	36.2%	-13.3%	14.9%	8.9%	-17.5%	15.0%	1.3%
EZA	South Africa	-15.7%	21.1%	-7.5%	2.7%	-26.0%	16.8%	36.0%	-25.2%	9.6%	-5.2%	8.6%	-3.9%	-0.4%
EWZ	Brazil	-24.2%	0.4%	-17.5%	-15.5%	-41.7%	64.5%	23.7%	-2.6%	27.7%	-20.3%	-12.7%	-45.6%	-5.5%
Highest Return		SPY	EWG	SPY	SPY	EWJ	EWZ	EWY	EWZ	ERUS	EWY	ERUS	SPY	SPY
Lowest Return		PIN	EWZ	EWZ	ERUS	EWZ	EWI	ERUS	EZA	PIN	EWZ	FXI	EWZ	EWZ
% of Countries Positive		5%	100%	70%	40%	35%	75%	100%	0%	100%	70%	80%	90%	90%

Source: Charlie Bilello

## #us #equities

The power of secular bull markets: Secular & non-trending bull markets

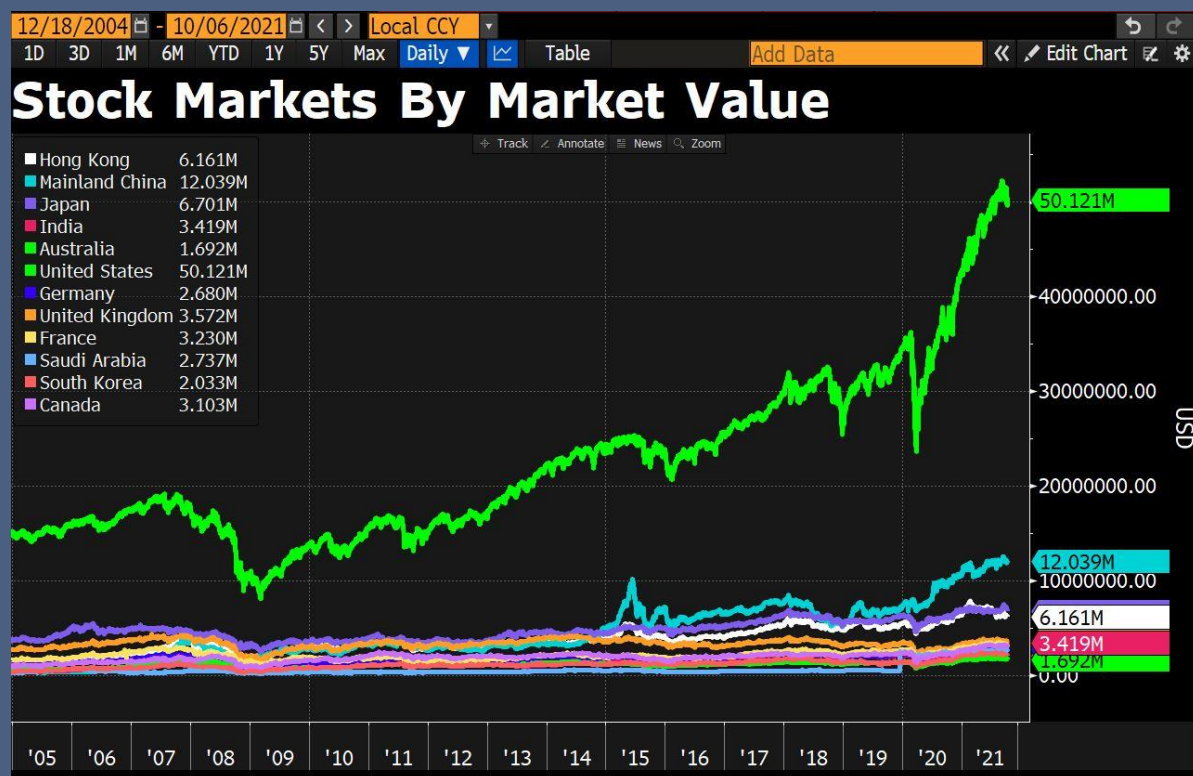


Source: Goldman Sachs

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## #us #global #equities

The US stock market is larger than the next 11 combined.



Source: Bloomberg, David Ingles

## #us #equities #performance

Best and Worst performing S&P 500 stocks in 2021.

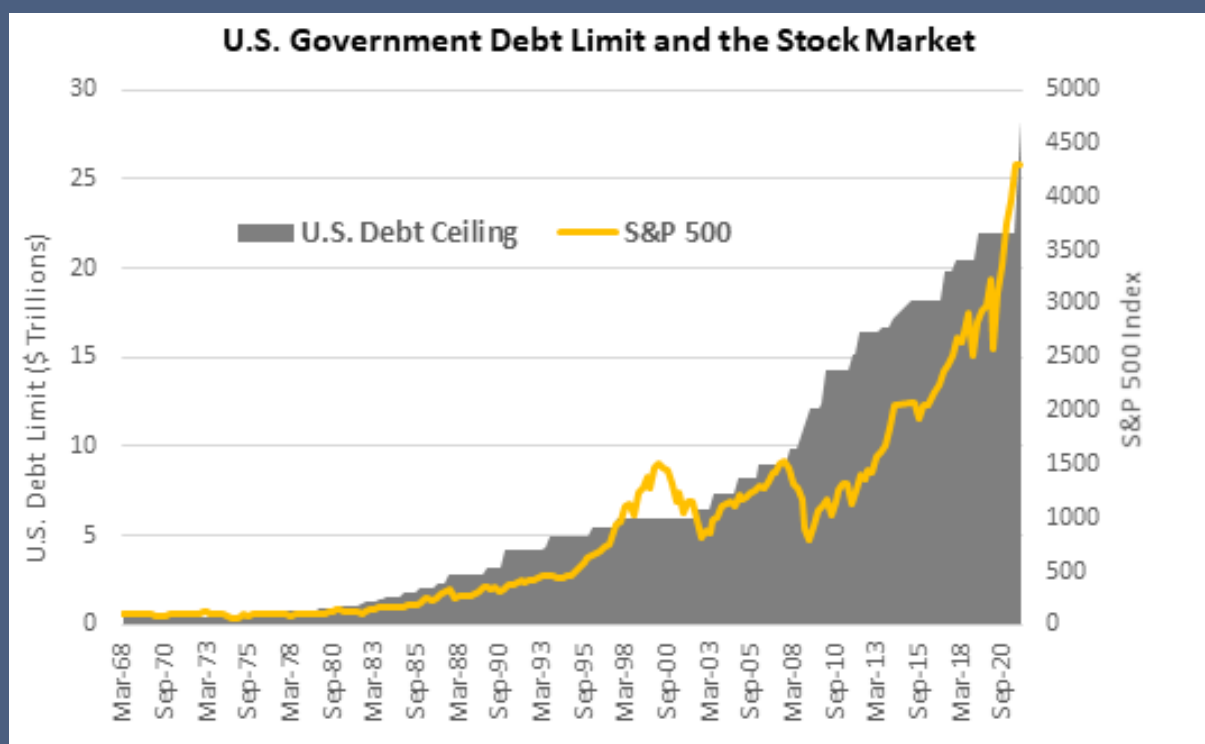
20 Best Performing S&P 500 Stocks YTD					
Ticker	Name	Sector	Price	Market Cap (bn)	YTD % Chg
MRNA	Moderna	Health Care	304.52	124.87	196.12
DVN	Devon Energy	Energy	39.83	26.00	146.74
MRO	Marathon Oil	Energy	15.99	12.11	130.28
FANG	Diamondback Energy	Energy	109.46	19.03	124.87
BBWI	Bath & Body Works	Cons. Discret.	63.72	16.85	110.85
FTNT	Fortinet	Technology	308.66	50.57	106.60
OXY	Occidental Petroleum	Energy	33.67	30.33	92.43
IT	Gartner	Technology	305.13	25.54	90.94
NUE	Nucor	Materials	97.64	29.06	84.88
GNRC	Generac Holdings	Industrials	408.96	26.36	78.83
COP	ConocoPhillips	Energy	74.69	95.76	78.82
EOG	EOG Resources	Energy	90.12	50.09	77.98
RHI	Robert Half International	Industrials	109.10	12.00	74.06
F	Ford Motor	Cons. Discret.	15.11	59.48	72.41
MOS	Mosaic	Materials	40.30	15.02	71.84
SIVB	SVB Financial Group	Financials	666.26	37.78	71.61
COF	Capital One Financial	Financials	169.29	74.89	69.83
APA	APA	Energy	24.05	8.62	69.09
PXD	Pioneer Natural Resources	Energy	192.01	45.05	68.11
CRL	Charles River Laboratories Int'l	Health Care	410.31	20.99	66.72

Source: Bespoke



## #us #equities #debtceiling

Senate Minority Leader Mitch McConnell on Wednesday offered a short-term suspension of the US debt ceiling to avert a national default. Note that despite a never-ending rise in the US government debt ceiling since the 1960's, the S&P 500 has grown throughout the period.



Source: Edward Jones



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## #us #equities #breadth

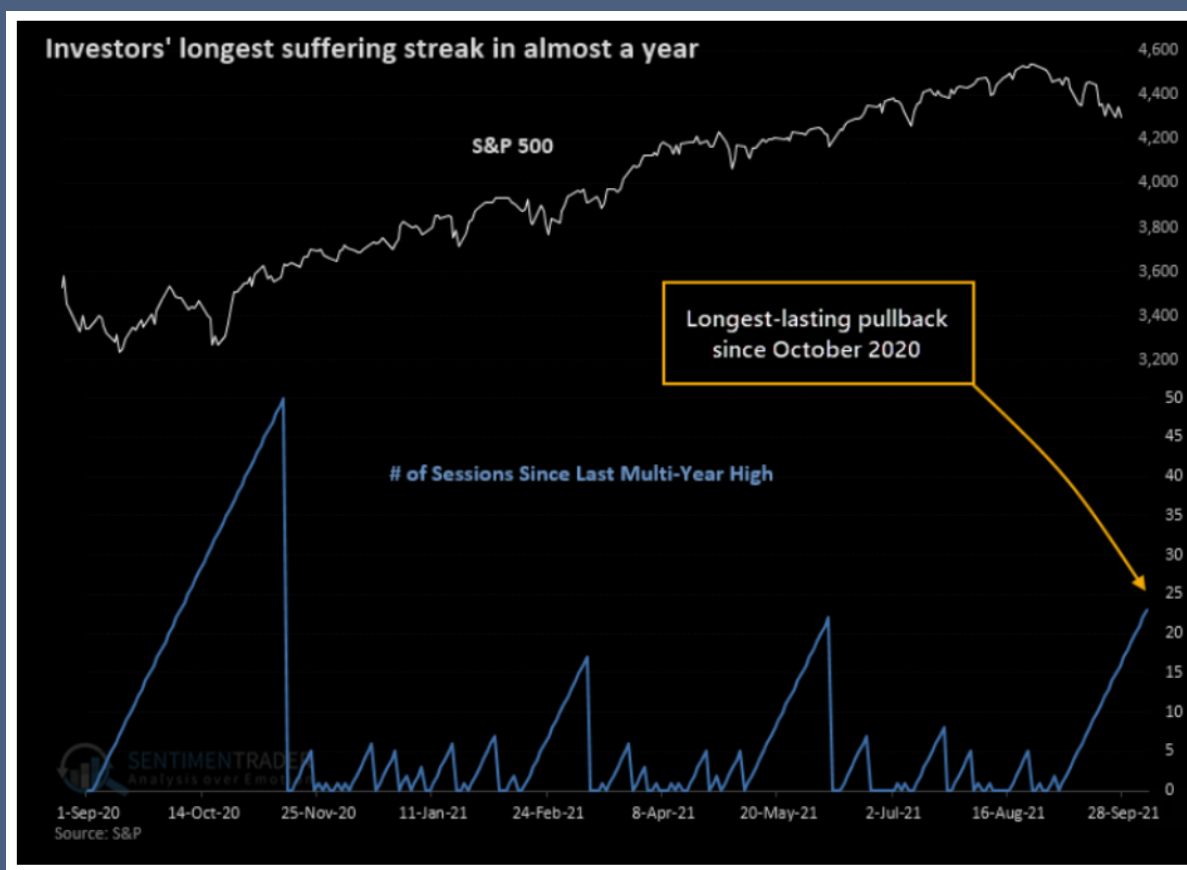
S&P 500 index and breadth negative divergence.



Source: [zerohedge.com](https://www.zerohedge.com), Bloomberg

## #us #equities #pullback

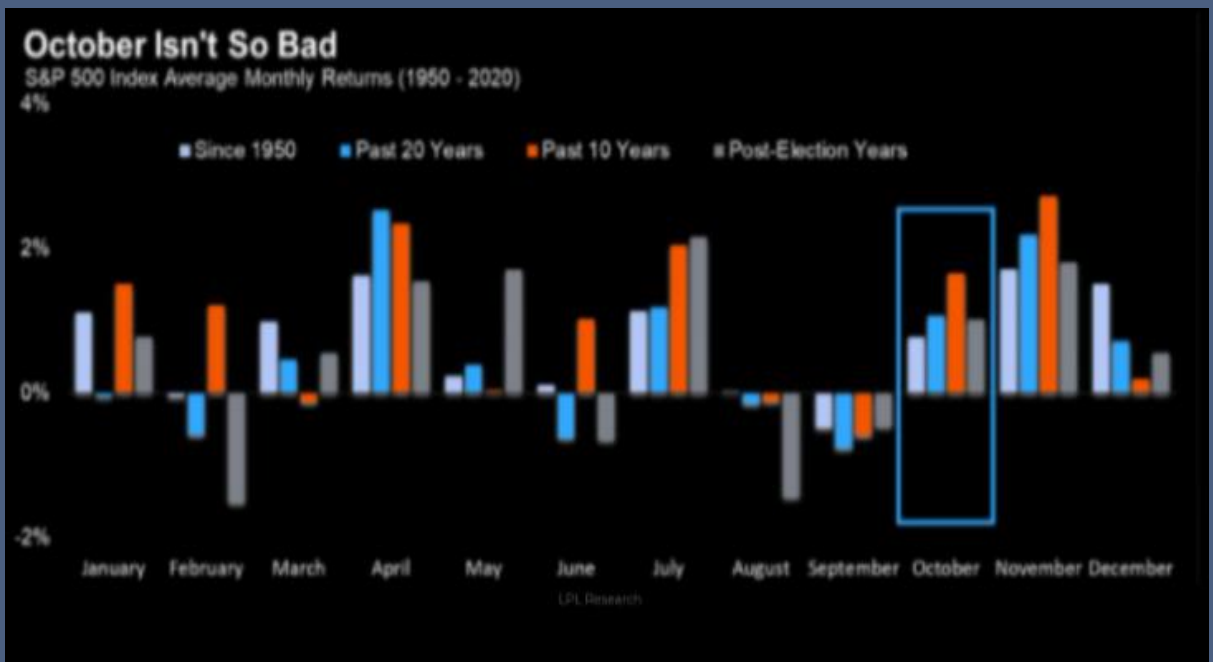
Sentiment trader: "The most protracted pullback that investors suffered was 22 days in June. Until now." Time to reach all time highs again soon?



Source: The Market Ear

## #us #equities #seasonality

Since 1950, October ranks as the 7th best month, while in the past 10 and 20 years it ranks as the 4th best month. October clearly isn't one of the best months of the year, but by no means is it the worst either.

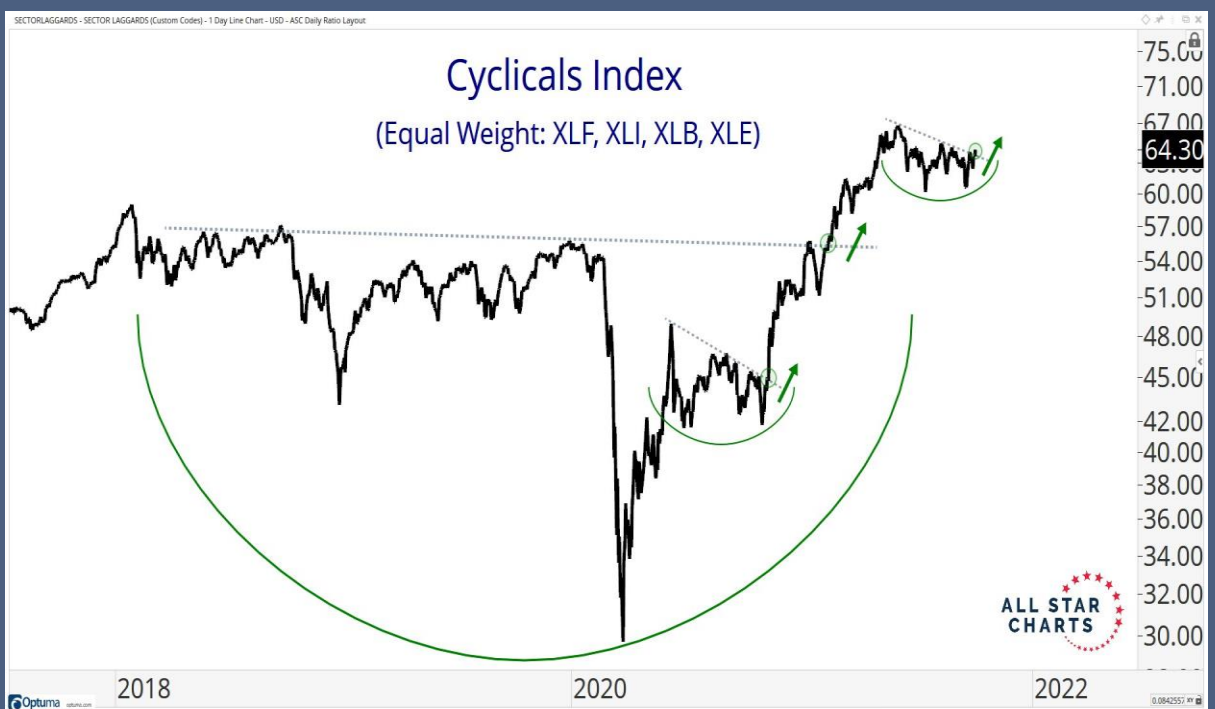


Source: LPL Research

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## #us #equities #cyclicals

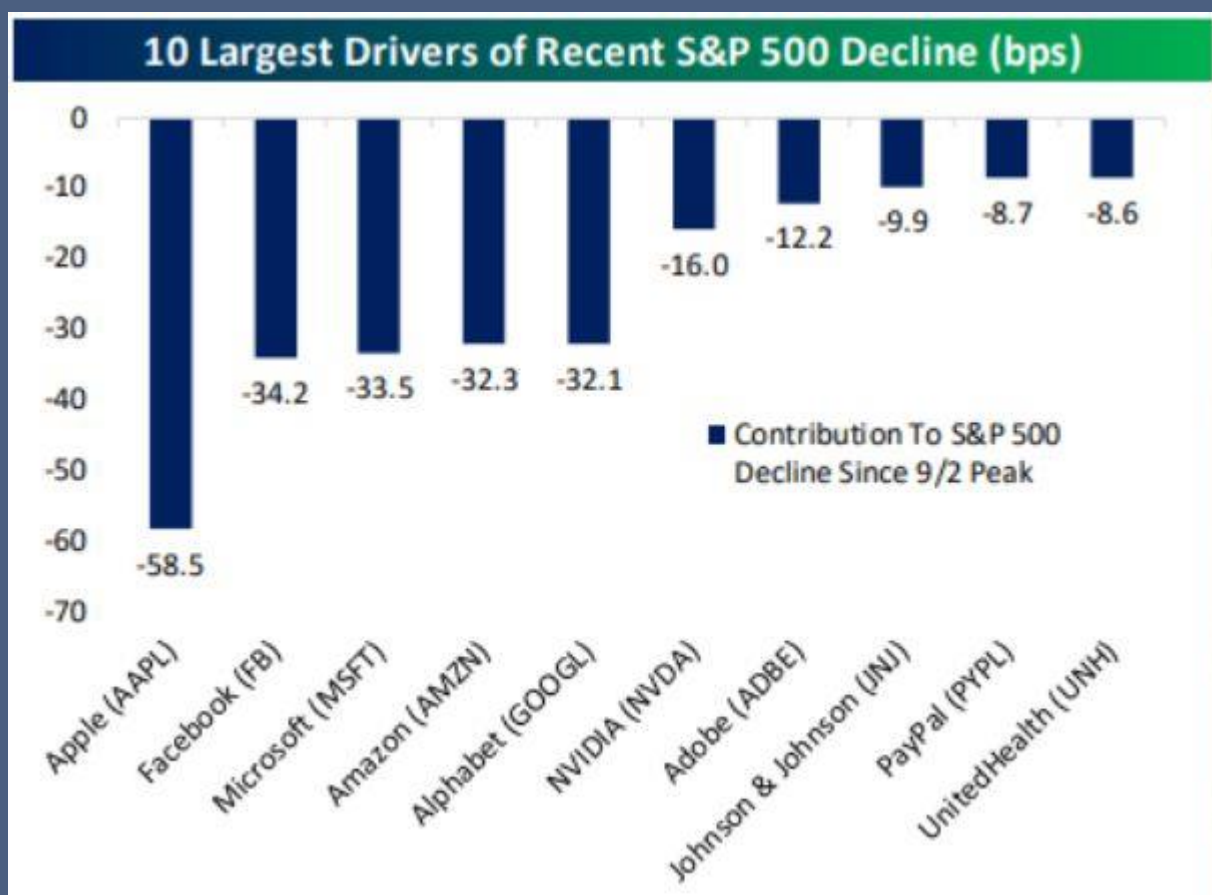
Time for cyclicals to lead again?



Source: All Star charts

## #us #equities #faamg

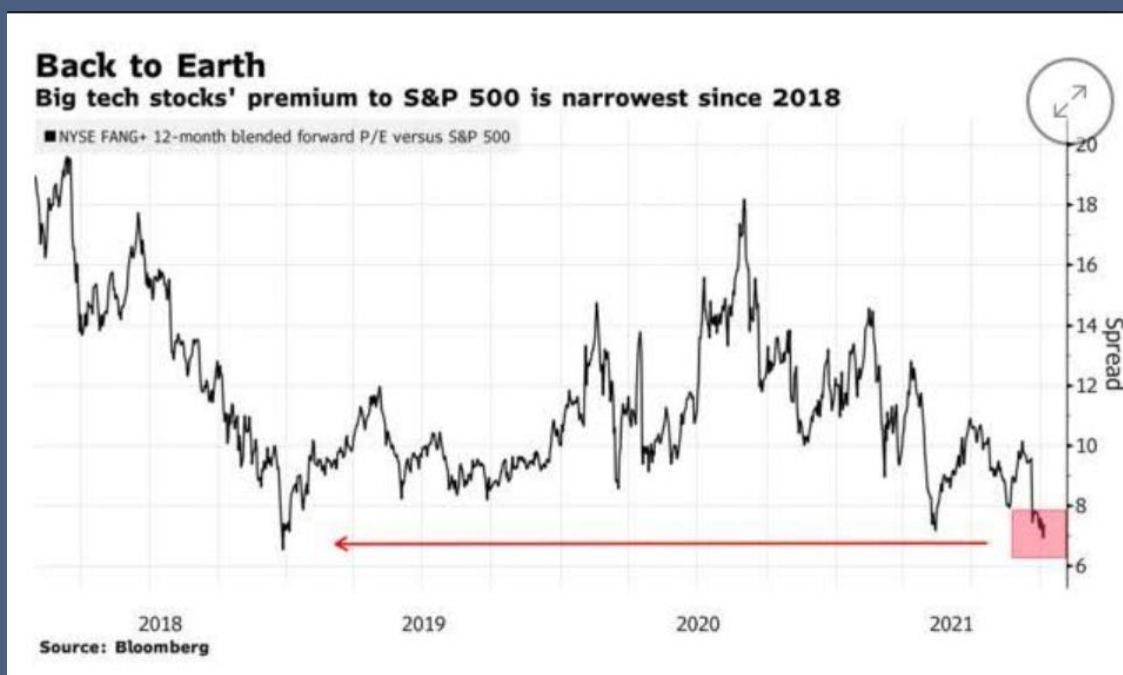
The 5 "FAAMG" stocks have accounted for more than a third of the S&P 500's drop since its 9/2 closing high.



Source: bespoke

## #tech #stocks

After a month-long selloff, large-cap US technology stocks are now less expensive versus the broader market than it's been in almost three years. According to Bloomberg, the NYSE FANG+ Index is priced at about 27.6x estimated earnings for the coming year versus 20.2x for the S&P 500 index. That's the narrowest premium since December 2018, when markets slumped because of the US-China trade war, a hawkish Fed and falling earnings expectations.



Source: Bloomberg

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## #china #internet #stocks

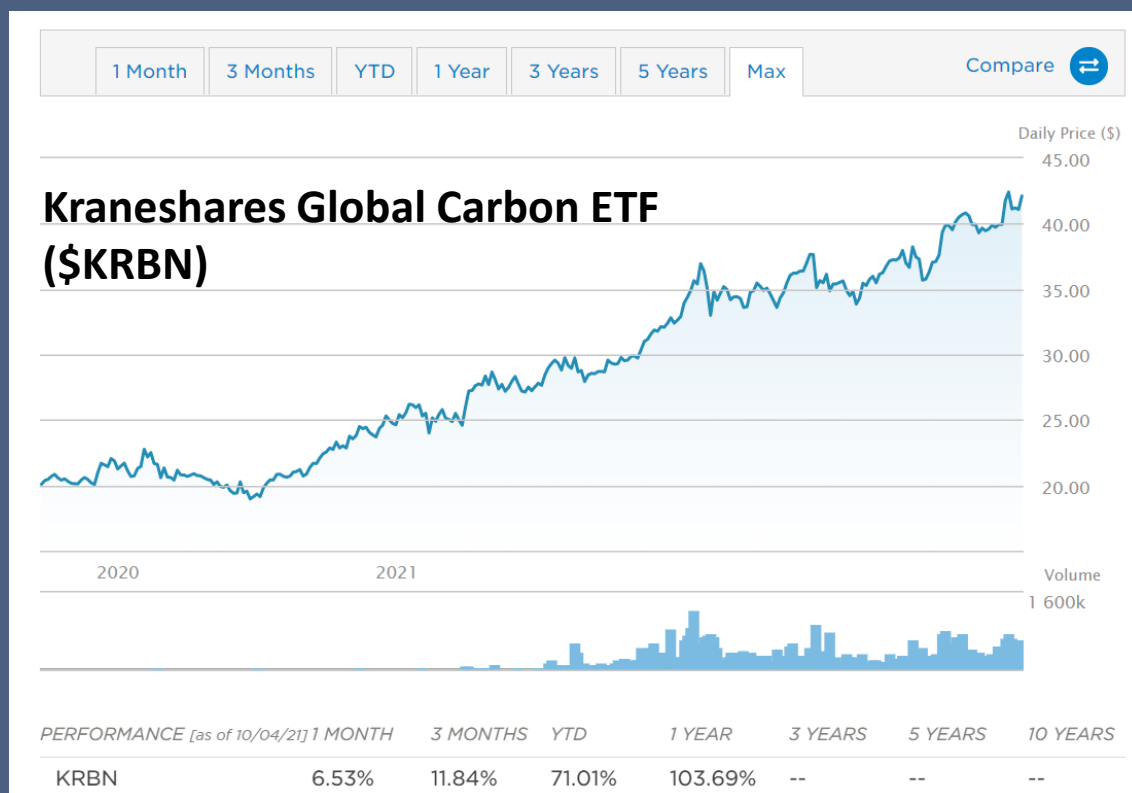
KWEB ETF NOT A FALLING KNIFE ANYMORE?  
The China Internet ETF just broke out of its downward trending line just at the time we heard that US billionaire investor Charlie Munger doubled down on his Alibaba position in the third quarter, according to an SEC filing.



Source: The Market Ear

## #carbonallowances

The Glasgow conference is coming up shortly, and with everything going on in the energy space, the bull market in “green asset” is getting stronger. Among them, the KraneShares Global Carbon ETF (\$KRBN), which is the 1<sup>st</sup> US-listed ETF to provide access to the carbon allowances futures market. The fund is benchmarked to the IHS Markit’s Global Carbon Index.

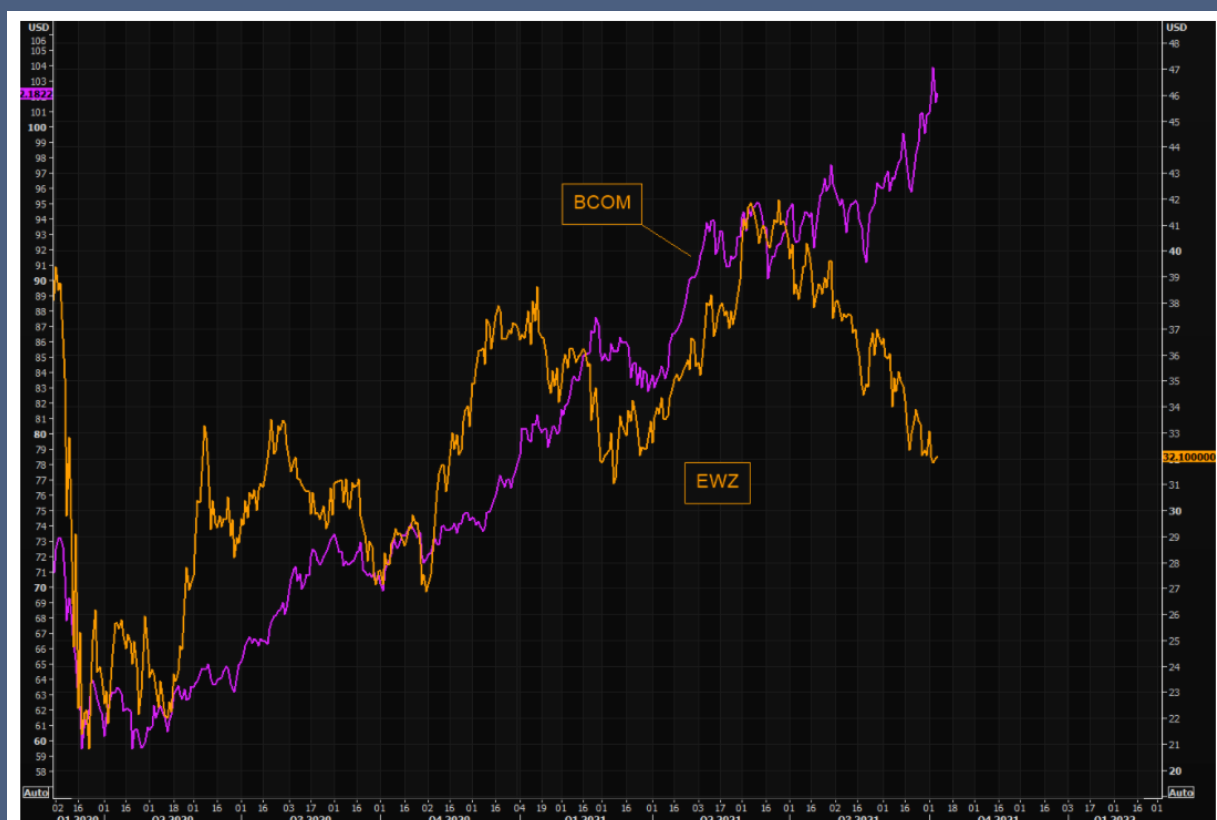


Source: [etf.com](https://www.etf.com)



## #brazil #equities #commodities

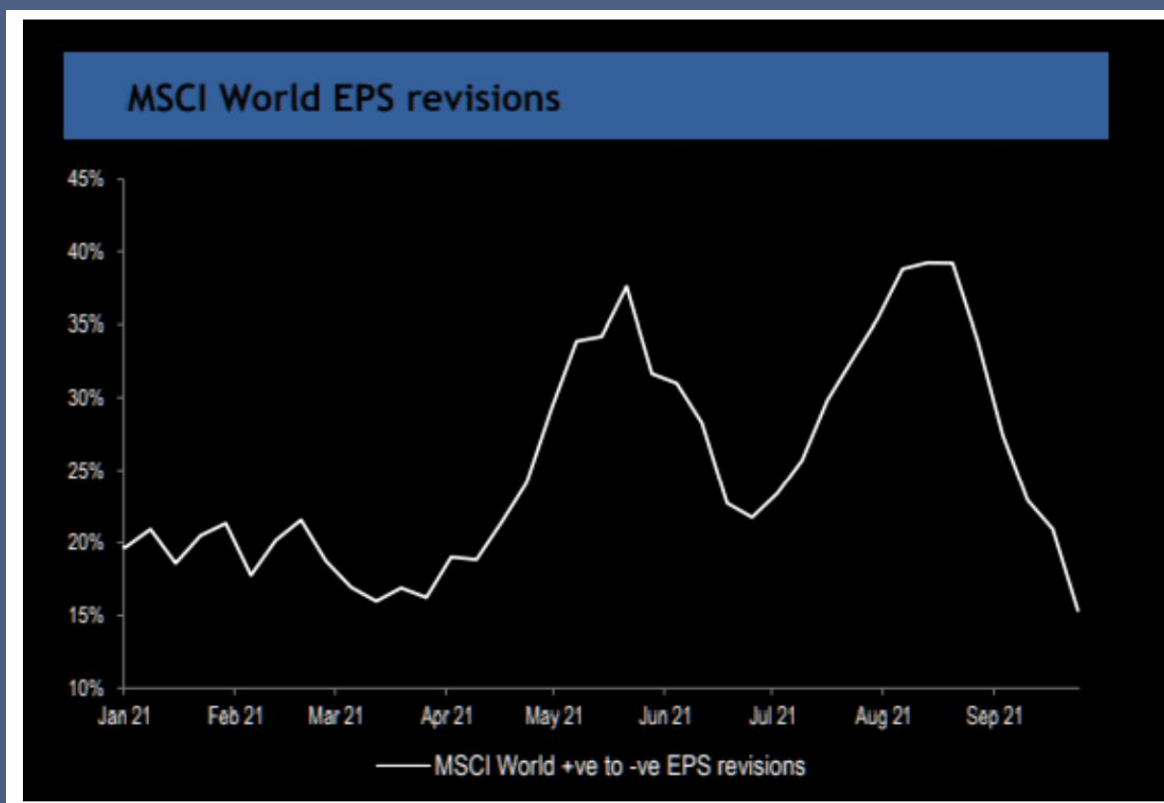
Is it time to prepare for the samba in Brazil? Brazilian assets have performed extremely poorly over past months. The country has many problems, but is the commodities connection totally broken? The EWZ has lost the commodities connection.



Source: The Market Ear, Refinitiv

## #global #earnings

Global EPS revisions have come off the highs, but still remain positive.



Source: The Market Ear

## #us #earnings

Below consensus Q3 earnings expectations for the S&P 500 by sector.

**Exhibit 1: Consensus forecasts S&P 500 EPS to grow by 27% year/year in 3Q**  
as of September 30, 2021

Sector	3QE 2021 Consensus Bottom-up				
	EPS	Sales	Margin		Median stock EPS growth
	Growth	Growth	Level	Change	
Materials	90 %	26 %	14.1 %	475 bp	15 %
Industrials	71	17	8.9	278	15
Info Tech	28	16	23.9	218	19
Communication Services	25	21	15.1	40	2
Financials	15	NM	NM	NM	15
Real Estate	13	NM	NM	NM	24
Health Care	13	8	10.8	46	8
Consumer Discretionary	4	13	6.8	(61)	9
Consumer Staples	2	6	7.5	(36)	2
Utilities	1	NM	NM	NM	(1)
Energy	NM	45	8.1	880	327
<b>S&amp;P 500</b>	<b>27 %</b>				<b>12 %</b>
<i>ex. Financials and Utilities</i>	<b>32</b>	15 %	11.6 %	146 bp	12
<i>ex. Energy</i>	<b>20</b>	13	12.0	99	11

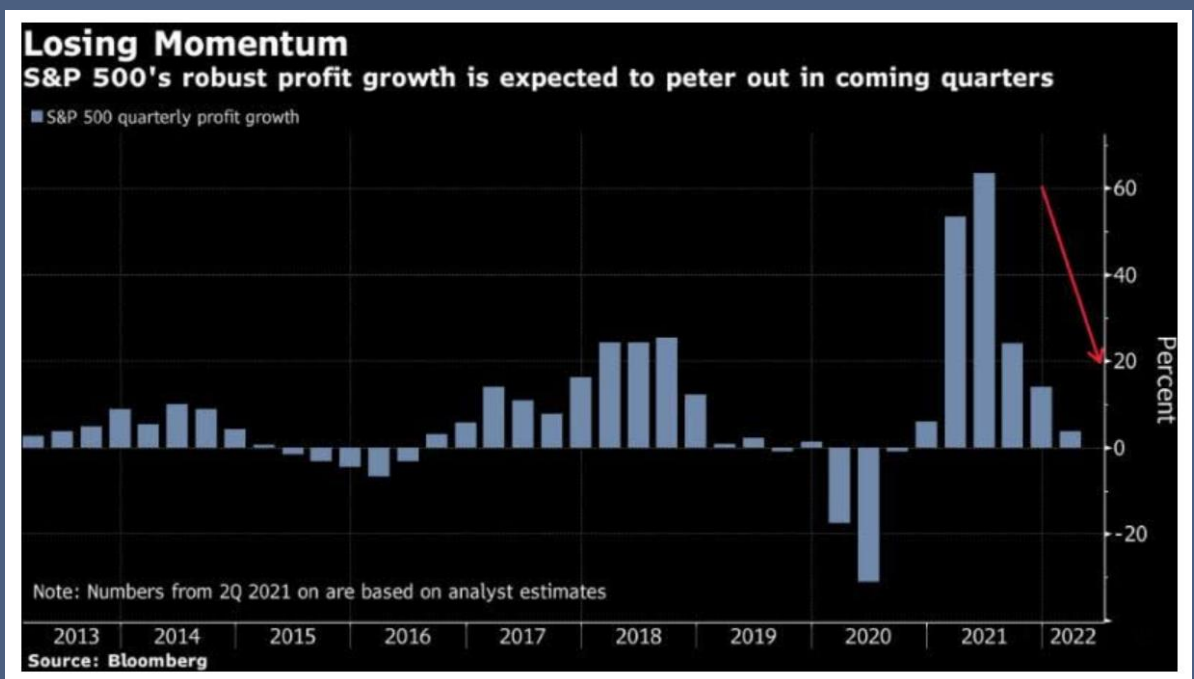
Source: FactSet, Goldman Sachs Global Investment Research

Source: Factset, Goldman Sachs

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## #us #earnings

Earnings momentum to slow in the coming quarters.

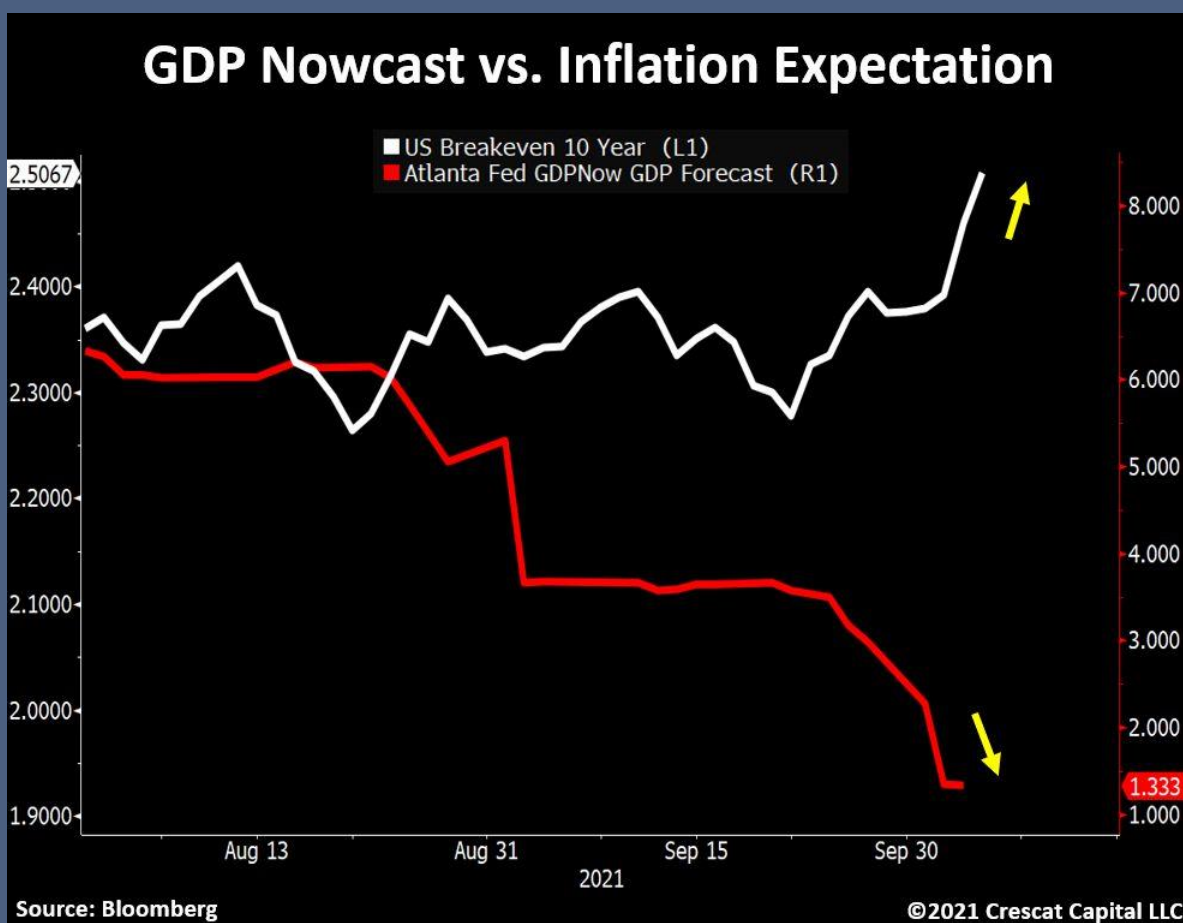


Source: Bloomberg

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## #stagflation

US breakeven 10 year is surging while GDP Nowcast Q3 GDP forecast is plunging.



Source: Crescat Capital, Bloomberg

## #stagflation

Global google search trends for “stagflation” keep surging.

### Global Google search trends for "stagflation"

Search interest over time: 100 represents peak popularity

— Searches for "stagflation" — Google estimate



Quartz | qz.com | Data: Google

Source: FT

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## #inflation

Wholesale used car prices rose to an all-time high in September as inventories at dealerships remain at historically low levels, given the strong demand for vehicles coupled with ongoing supply chain challenges. The Manheim U.S. Used Vehicle Value Index increased 5.3% month-over-month in September, the most significant monthly rise since April. From a year ago, the index is up 27.1%.



Source: zero hedge, Bloomberg

## #food #inflation

Global food prices hit fresh decade high. The FAO Food Price Index (FFPI), a measure of the monthly change in international prices of a basket of food commodities (including cereals, vegetable oils, dairy, meat, and sugar), rose 1.2% in September to 130 points and 32.8% higher than in September 2020.



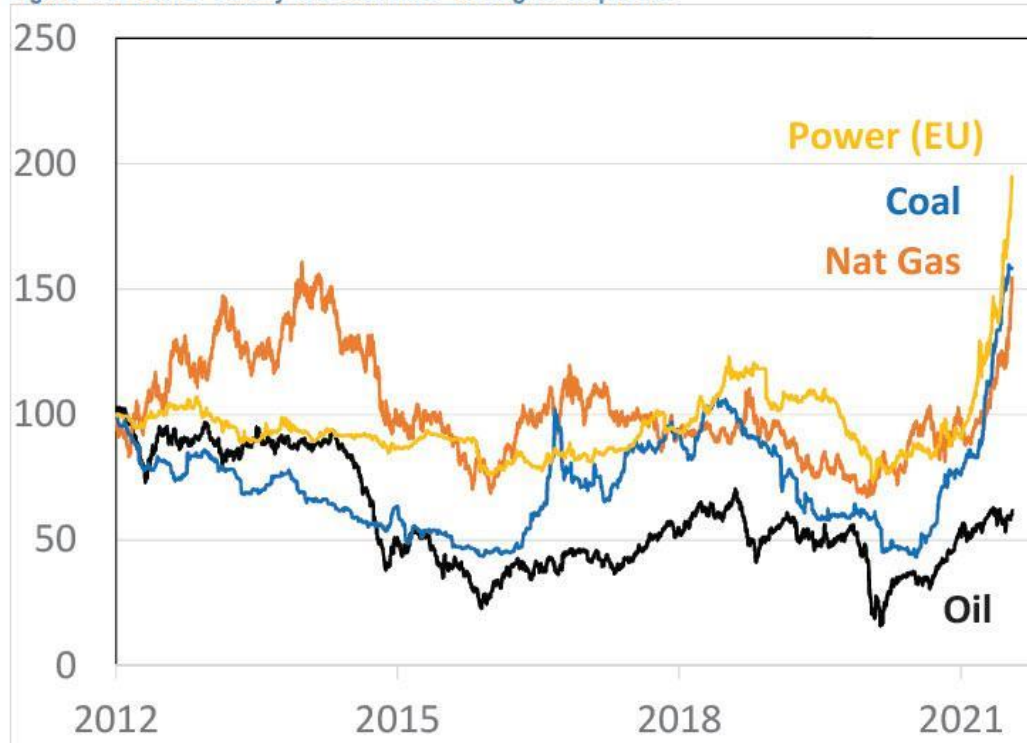
Source: zerohedge, Bloomberg



## #energycrisis #china #coal

Will oil catch-up with the surge of other energy commodities? “Laws of physics (would indicate that various forms of energy are interchangeable, as we are seeing currently with some oil for gas substitution, or firing up of coal plants above certain thresholds of electricity prices, private power generation, etc.”

Figure 1: Is coal a “canary in a coal mine” for higher oil prices?

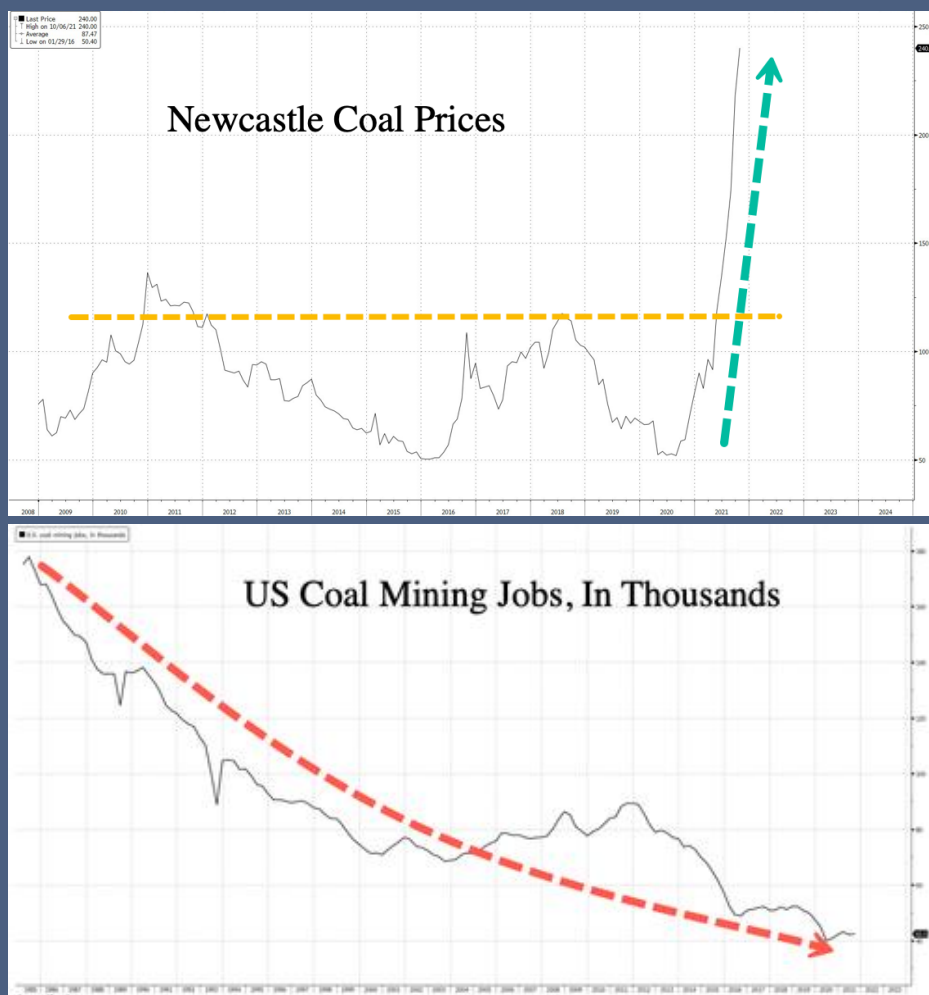


Source: J.P. Morgan Global Markets Strategy.

Source: JP Morgan

## #energycrisis #coal

Coal prices are soaring to all-time highs ahead of winter as China and Europe scramble for supplies. In the US, the coal industry is failing to find new miners willing to do the dirty work as demand soars.



Source: zerohedge, Bloomberg

## #energycrisis #china

In recent weeks Chinese officials have begun an aggressive power rationing program, with factories in some provinces now seeing only 1-2 days per week of power use allowed. Overall industrial power use could be cut by 10% to 15% in November and December, which would potentially translate into a 30% slowdown in activity in the most energy-intensive sectors like steel, chemicals and cement-making, according to UBS.



Source: Bloomberg, C. Barraud

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## #energycrisis #china #coal

5 reasons why the European gas spike should begin to subside over the coming weeks:

1) Russia's excess gas production is currently being reinjected into domestic storages. The deadline to complete this process is late October, which means excess supply into Europe should free up by November, at the latest...

2) Gazprom's maintenance season typically eases significantly by November...

3) Gazprom began filling one string of its Nord Stream 2 pipeline yesterday, which should ease supply constraint concerns...

4) The price spike has prompted some demand destruction, with inventories currently building at a normal pace...

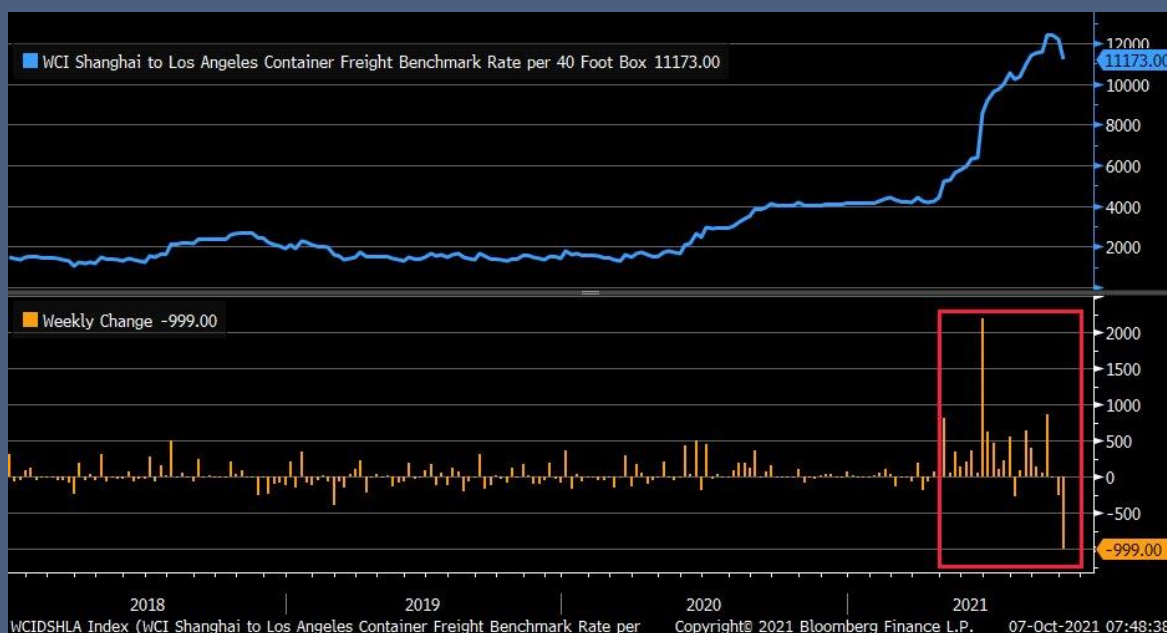
5) European gas storage levels are close to historical averages, ex-record '19-'20 gas glut, which implies sufficient storage to cover the heaviest draw seen in the last decade. MS' 4Q and '22 forecasts are -56% and -40% below current spot, respectively.

Source: Morgan Stanley

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## #supplychain

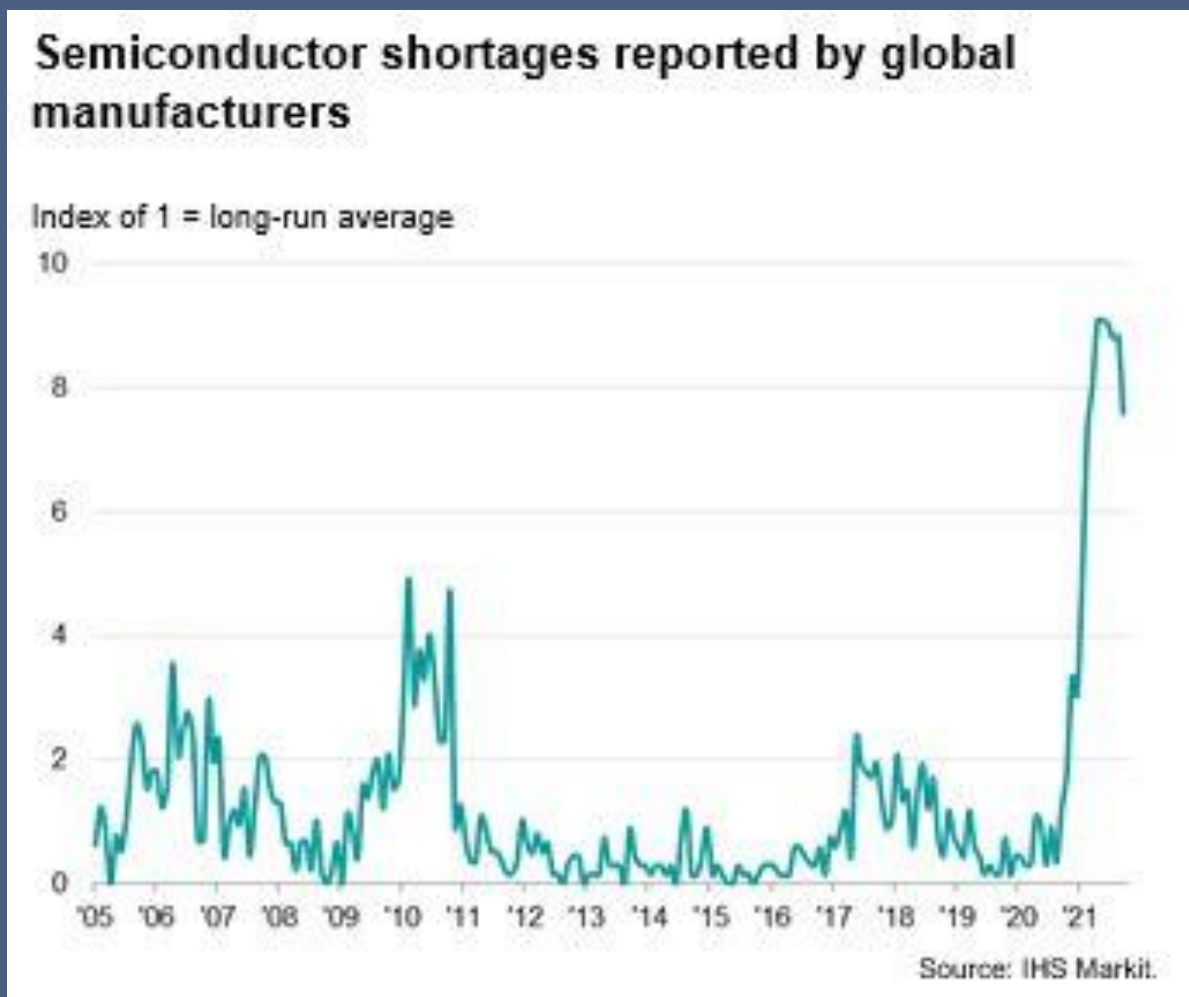
Finally some relief: another drop in cost to ship 40ft container from Shanghai to Los Angeles ... still elevated but largest weekly drop by far this year



Source: Bloomberg

## #supplychain

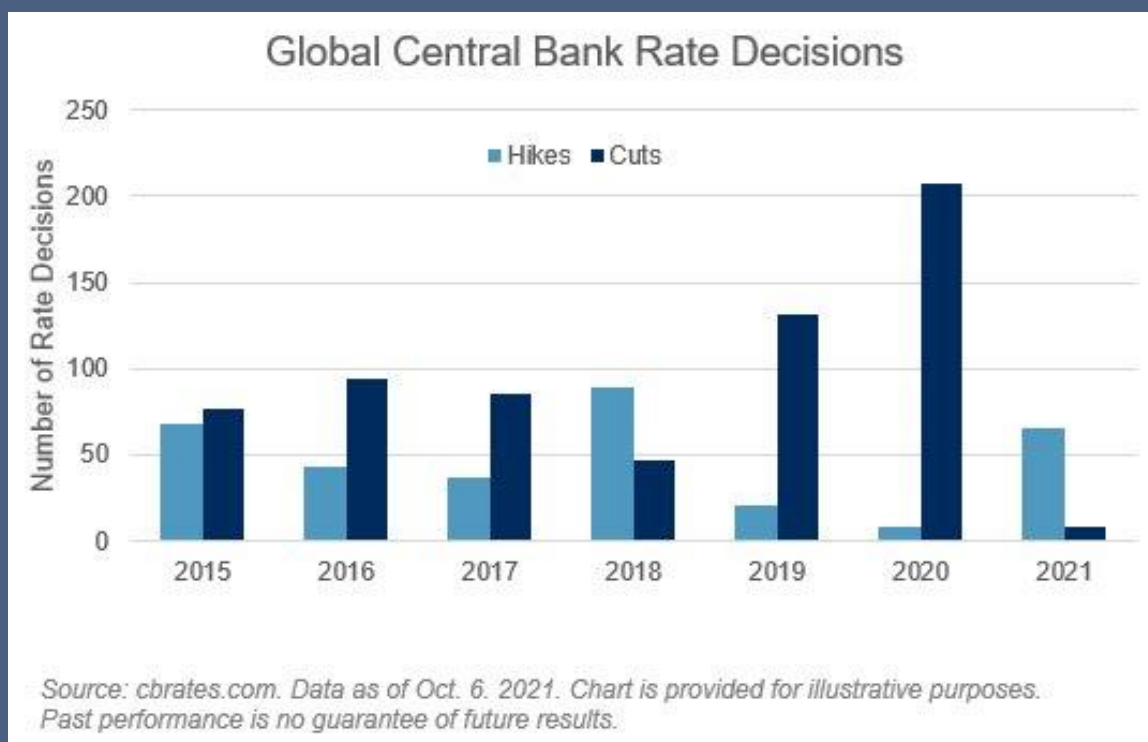
There is some light appearing on the semiconductor shortage issue.



Source: HIS Markeit

## #global #centralbanks

Across world's central banks, a definite trend of tightening: so far in 2021, there have been 65 rate increases vs just 9 last year, while number of rate cuts has plummeted from 207 last year to just 9 so far in 2021



Source: [cbrates.com](https://cbrates.com)

## #global #centralbanks

Poland hikes rates for the first time in over 9 years, 40 bps increase to 0.50%. Its 5.8% inflation rate is the highest in two decades.

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Date
Switzerland	Target Rate	-0.75%	0.9%	-1.7%	Cut	Jan-15
Denmark	Deposit Rate	-0.60%	1.8%	-2.4%	Cut	Sep-21
Eurozone	Deposit Rate	-0.50%	3.4%	-3.9%	Cut	Sep-19
Japan	Policy Rate Bal	-0.10%	-0.4%	0.3%	Cut	Jan-16
Sweden	Repo Rate	0.00%	2.1%	-2.1%	Hike	Dec-19
Australia	Cash Rate	0.10%	3.8%	-3.7%	Cut	Nov-20
UK	Bank Rate	0.10%	3.2%	-3.1%	Cut	Mar-20
US	Fed Funds	0.13%	5.3%	-5.2%	Cut	Mar-20
Canada	Overnight	0.25%	4.1%	-3.9%	Cut	Mar-20
Norway	Deposit Rate	0.25%	3.4%	-3.2%	Hike	Sep-21
Poland	Repo Rate	0.50%	5.8%	-5.3%	Hike	Oct-21
New Zealand	Cash Rate	0.50%	3.3%	-2.8%	Hike	Oct-21
Thailand	Policy Rate	0.50%	1.7%	-1.2%	Cut	May-20
South Korea	Repo Rate	0.75%	2.5%	-1.8%	Hike	Aug-21
Hong Kong	Base Rate	0.86%	1.6%	-0.7%	Cut	Mar-20
Peru	Policy Rate	1.00%	5.2%	-4.2%	Hike	Sep-21
Saudi Arabia	Reverse Repo	1.00%	0.3%	0.7%	Cut	Mar-20
Taiwan	Discount Rate	1.13%	2.6%	-1.5%	Cut	Mar-20
Chile	Base Rate	1.50%	4.8%	-3.3%	Hike	Aug-21
Czech Republic	Repo Rate	1.50%	4.1%	-2.6%	Hike	Sep-21
Malaysia	Policy Rate	1.75%	2.0%	-0.3%	Cut	Jul-20
Philippines	Key Policy Rate	2.00%	4.8%	-2.8%	Cut	Nov-20
Colombia	Repo Rate	2.00%	4.5%	-2.5%	Hike	Sep-21
South Africa	Repo Rate	3.50%	4.9%	-1.4%	Cut	Jul-20
Indonesia	Repo Rate	3.50%	1.6%	1.9%	Cut	Feb-21
China	Loan Prime Rate	3.85%	0.8%	3.1%	Cut	Apr-20
India	Repo Rate	4.00%	5.3%	-1.3%	Cut	May-20
Mexico	Overnight Rate	4.75%	5.6%	-0.8%	Hike	Sep-21
Brazil	Target Rate	6.25%	9.7%	-3.4%	Hike	Sep-21
Russia	Key Policy Rate	6.75%	6.7%	0.1%	Hike	Sep-21
Turkey	Repo Rate	18.00%	19.6%	-1.6%	Cut	Sep-21
Argentina	Benchmark Rate	38.00%	51.4%	-13.4%	Hike	Nov-20



COMPOUND

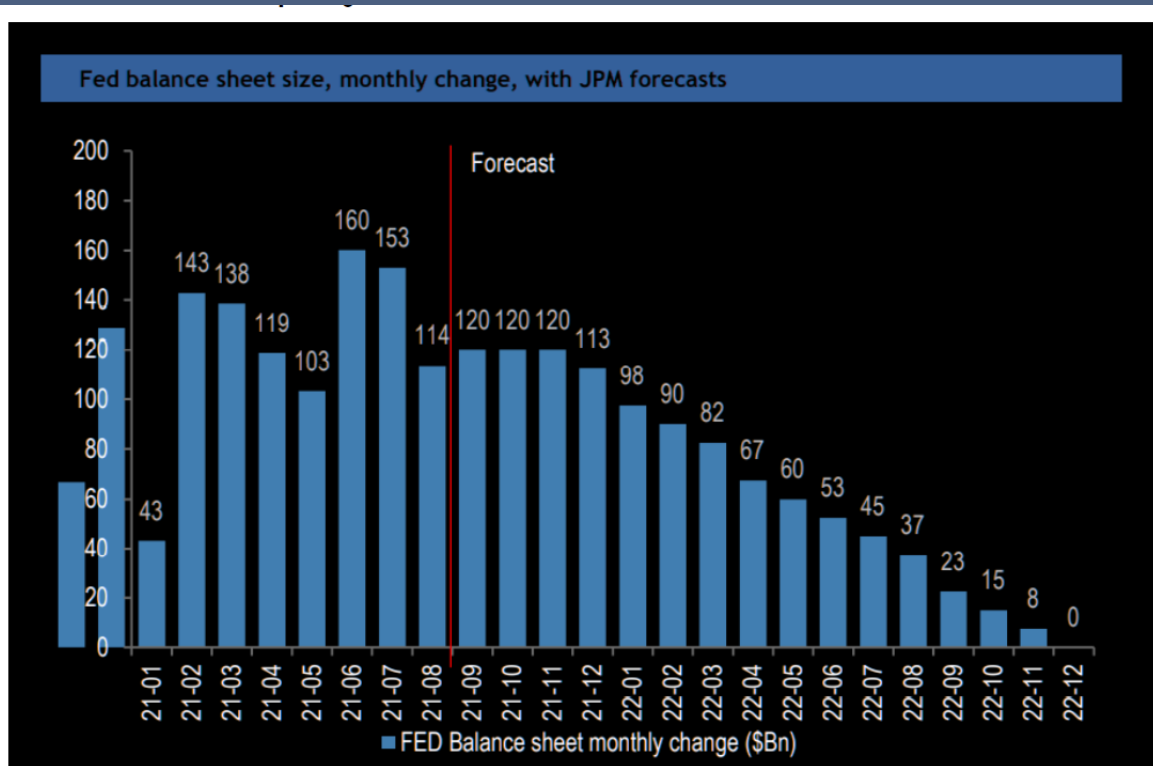
@CharlieBilello

Source: Charlie Bilello



## #us #centralbank

FED tapering starts soon. Slope is pretty aggressive from January....

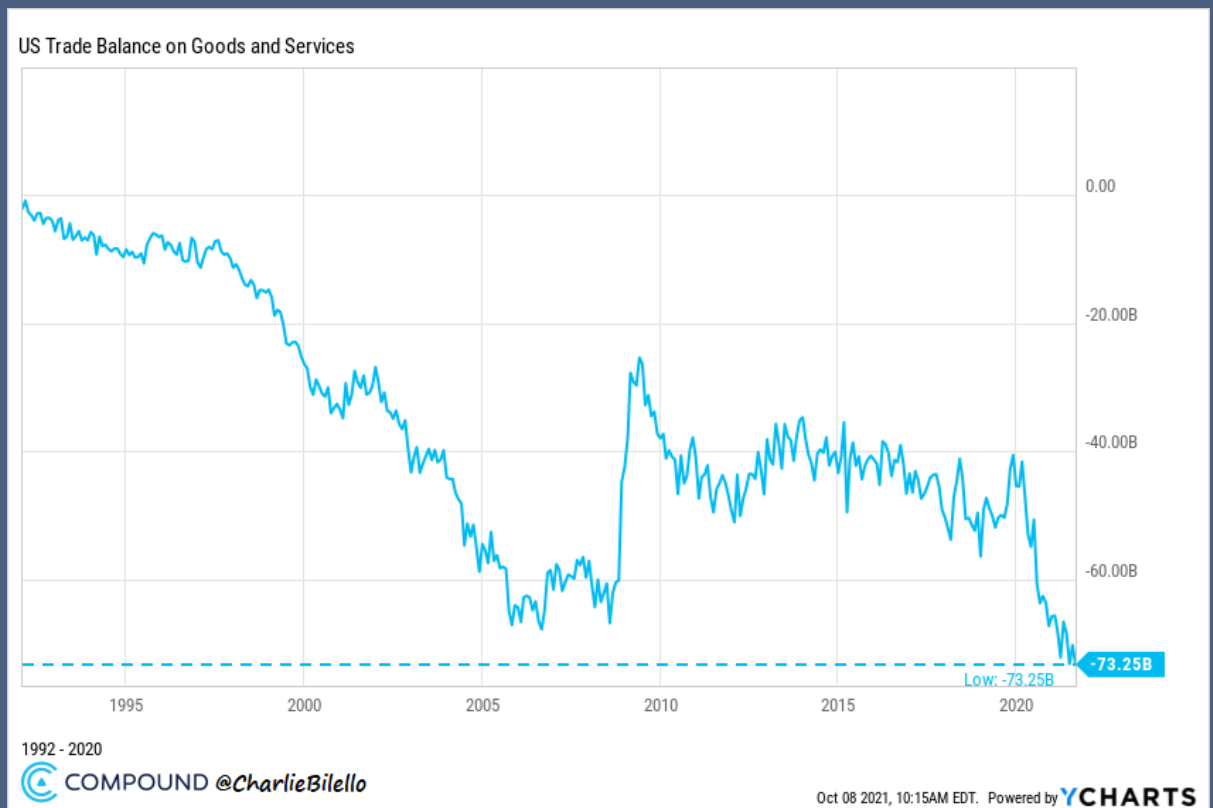


Source: The Market Ear

9<sup>th</sup> of October 2021

## #us #macro

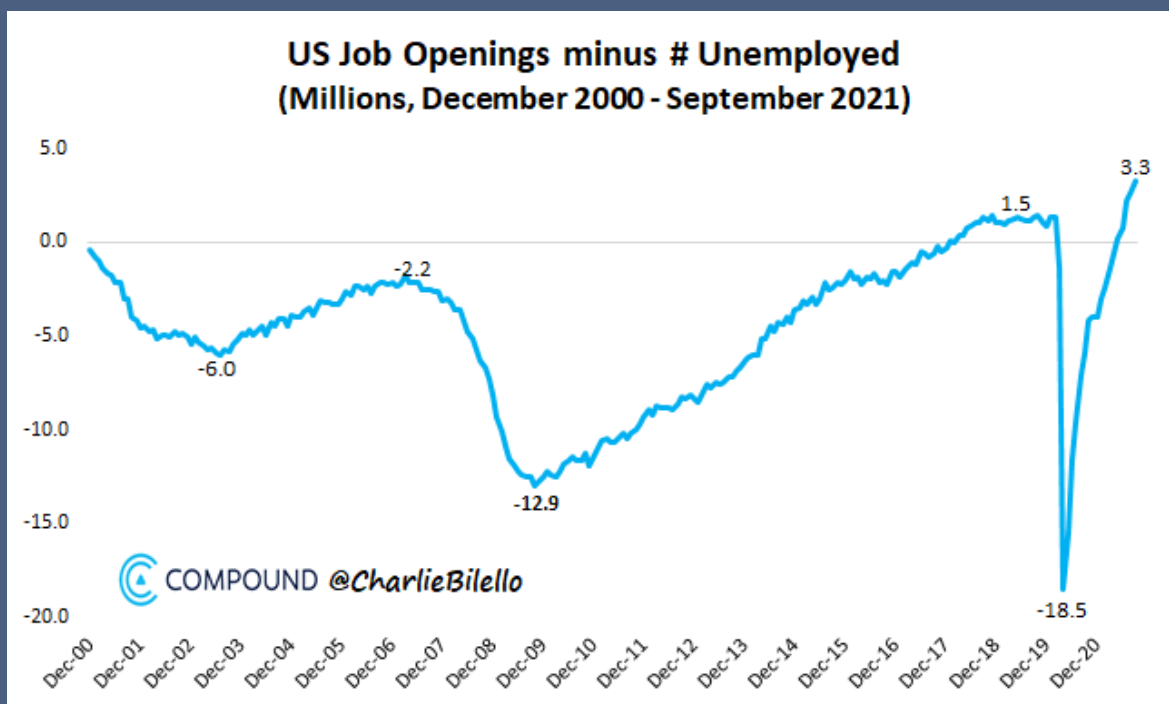
The difference between what America buys from abroad and what it sells to other countries has never been higher. \$73 billion trade deficit last month...



Source: Charlie Bilello

## #us #macro

There are now 3.3 million more job openings than unemployed people in America. That's a new record.



Source: Charlie Bilello

## #us #macro


A huge miss for US payroll numbers: just 194K jobs were added in September. Are these numbers bad enough to avoid tapering? Well, there were numerous silver linings: upward revisions of 169k over past 2 months, unemployment rate dipped to 4.8% vs 5.1% partly a function of participation falling unexpected to 61.6%.

1) Calendars ▾

2) Alerts ▾

3) Export ▾

4) Settings ▾

 United States

6) Browse

14:31:28

10/08/21 - 10/15/21

Economic Releases ▾

All Economic Releases ▾

View ☒ Agenda ☐ Weekly ☐

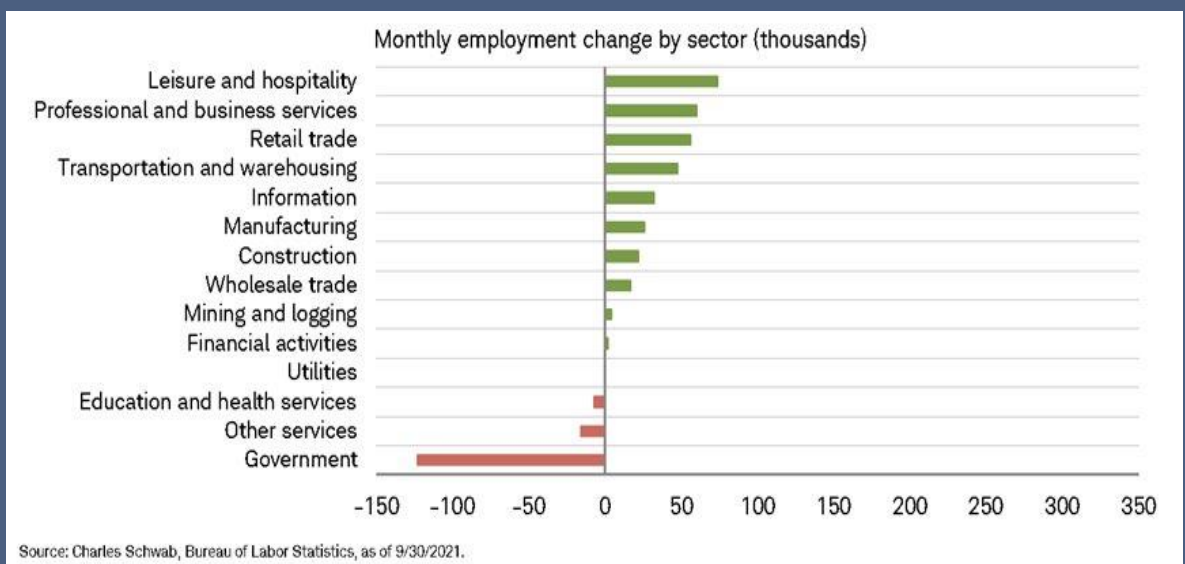
	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	10/08	14:30				Change in Nonfarm Payrolls	Sep	500k	194k	235k	366k
22)	10/08	14:30				Two-Month Payroll Net Revision	Sep	--	169k	--	--
23)	10/08	14:30				Change in Private Payrolls	Sep	450k	317k	243k	332k
24)	10/08	14:30				Change in Manufact. Payrolls	Sep	25k	26k	37k	31k
25)	10/08	14:30				Unemployment Rate	Sep	5.1%	4.8%	5.2%	--
26)	10/08	14:30				Average Hourly Earnings MoM	Sep	0.4%	0.6%	0.6%	0.4%
27)	10/08	14:30				Average Hourly Earnings YoY	Sep	4.6%	4.6%	4.3%	4.0%
28)	10/08	14:30				Average Weekly Hours All Emp...	Sep	34.7	34.8	34.7	34.6
29)	10/08	14:30				Labor Force Participation Rate	Sep	61.8%	61.6%	61.7%	--
30)	10/08	14:30				Underemployment Rate	Sep	--	8.5%	8.8%	--

Source: Bloomberg

9<sup>th</sup> of October 2021

#us #macro

Payrolls sector highlights (prior month):



Source: Liz Ann Sonders

9<sup>th</sup> of October 2021

## #us #treasuries

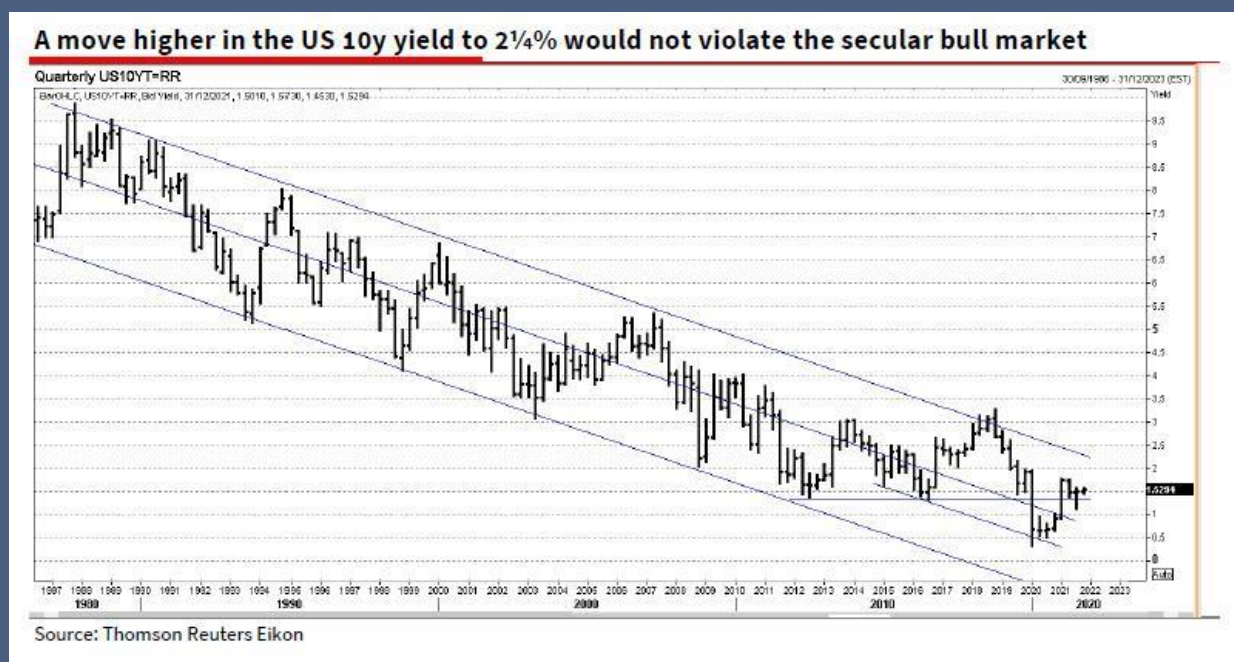
US 10y yields top 1.6% for the first time since June after stagflationary US jobs report. Non-farm-payroll headline number was +194k way below expectations for a 500k gain. BUT with tightness in the labor market, wages were solid, rising 0.6% MoM vs 0.4% expected.



Source: The Economist

## #us #treasuries

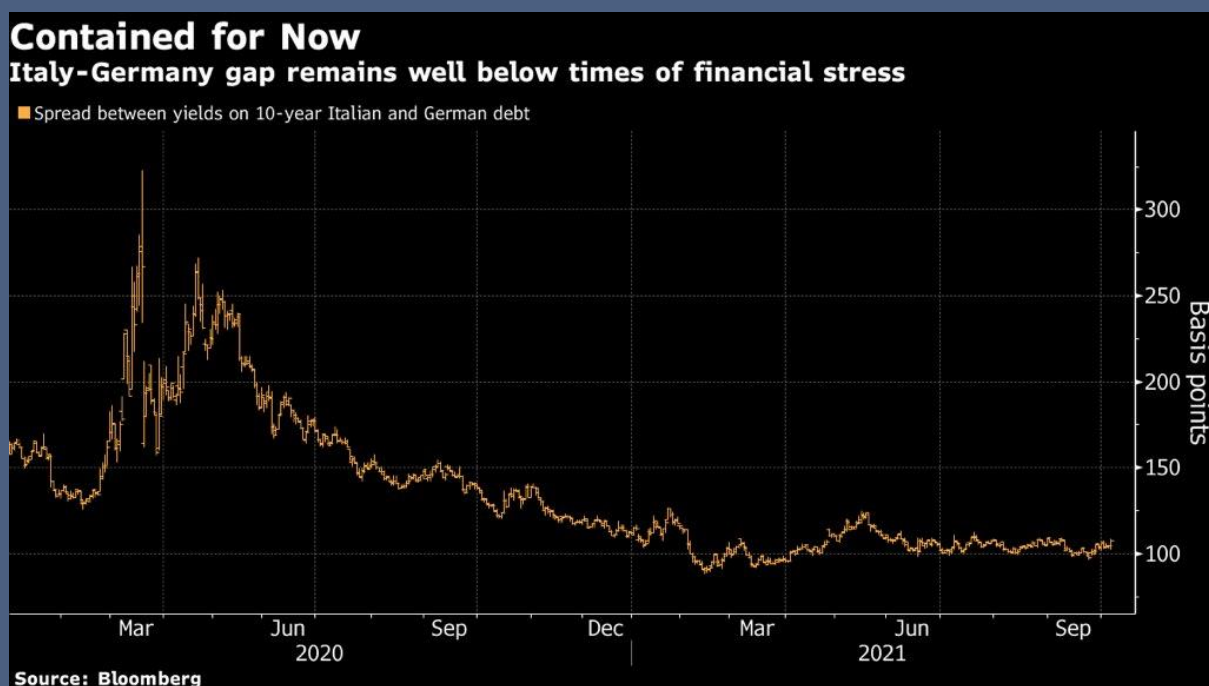
As the evidence shifts, Albert Edwards (SocGen) expects 10y yields to attempt to reach 2-2¼% - the upper bound of the long-term secular Ice Age downtrend.



Source: [zerohedge.com](https://www.zerohedge.com)

## #ecb #eurobonds

The ECB is studying a new bond-buying plan to control spreads. The new program would complement the 2015 quantitative easing scheme. ECB programs remain a strong tailwind for euro peripherals spreads.



Source: Bloomberg



9<sup>th</sup> of October 2021

## #bitcoin

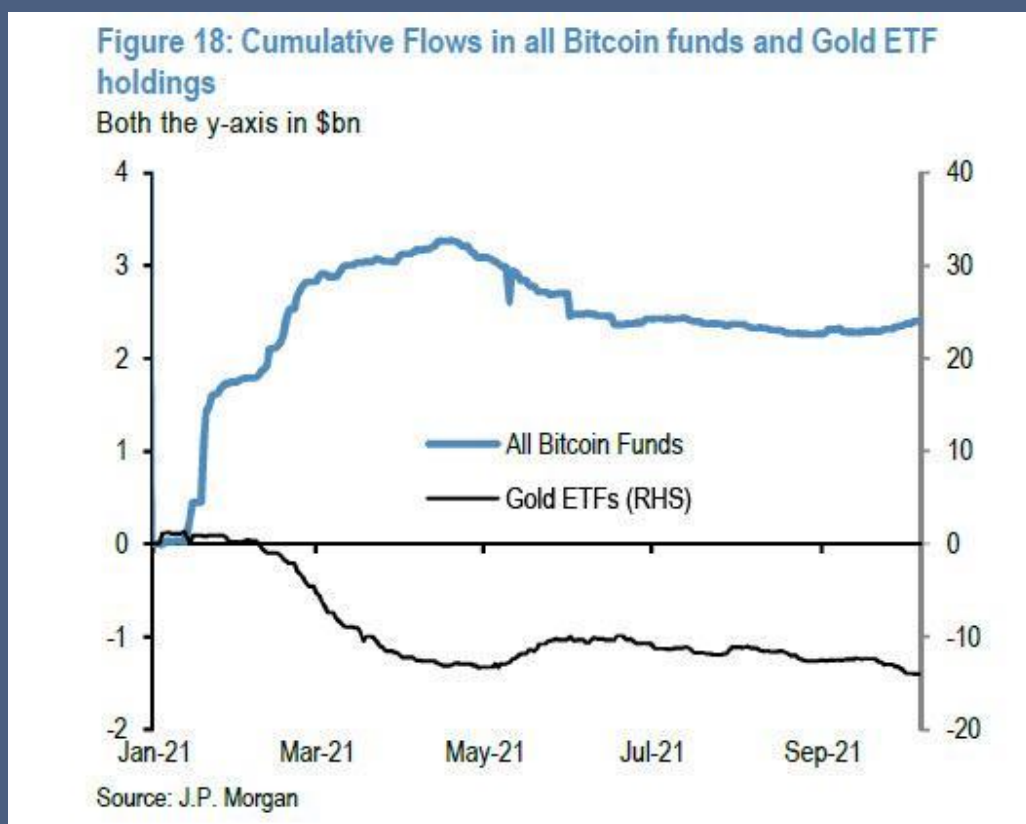
Bitcoin traded back above \$56k for the first time since May.



Source: [zerohedge.com](https://www.zerohedge.com)

## #bitcoin

According to JP Morgan, Bitcoin is recovering in part due to the reemergence of inflation concerns among investors has renewed interest in the usage of bitcoin as an inflation hedge: "tentative signs that the previous shift away from gold into bitcoin seen during most of Q4 2020 and the beginning of 2021 has started re-emerging in recent weeks."



Source: zerohedge, JPM

9<sup>th</sup> of October 2021

## #bitcoin #china

### China Headlines and Their Impact on BTC

Date	News Announcement	1D Return	7D Return	30D Return	90D Return
12/5/13	China bans banks from handling BTC trades and declares BTC illegal tender	-18%	-14%	-19%	-35%
3/21/14	A false report stating that the PBoC will halt all BTC transactions is released	-1%	-12%	-13%	4%
4/3/14	BTC38, one of China's biggest BTC exchanges, closes its doors to new deposits following the PBoC's clampdown on crypto	0%	-19%	-2%	45%
4/28/14	BTC China suspends yuan deposits from the China Merchant Bank amid pressures from the PBoC	1%	-2%	31%	34%
9/4/17	China bans ICOs and financial institutions from providing crypto-related services	3%	-2%	-2%	160%
9/11/17	Reports from Chinese media surface that the government plans to close down crypto exchanges	0%	-3%	14%	258%
1/4/18	China clamps down on preferential treatment for BTC miners	12%	-13%	-39%	-55%
4/8/19	China's state planner says they want to eliminate BTC mining	-2%	-5%	13%	117%
5/18/21	China reiterates its 2013 & 2017 stance that financial institutions can't provide crypto-related services	-14%	-11%	-11%	22%
5/21/21	China announces a crackdown on BTC miners and trading	0%	-4%	-5%	25%
5/25/21	Inner Mongolia announces 8 proposed measures to restrict BTC mining	2%	-4%	-10%	28%
6/9/21	Baidu, Zhihu, & Weibo censor keywords related to major crypto exchanges, BTC miners in Xinjiang and Qinghai are ordered to shut down operations	-2%	3%	-1%	58%
6/18/21	Sichuan orders state-owned energy suppliers to cut power to 26 local mining farms	-1%	-12%	-17%	26%
9/24/21	China's central bank says all crypto-related transactions are illegal, according to a Q&A statement on PBOC's website	N/A	N/A	N/A	N/A
Average:		-2%	-8%	-5%	53%
Median:		0%	-5%	-5%	28%

Source: Kraken

## #cryptocurrencies

### Biden Plans Executive Order to Crack Down on Crypto: Report

A rumored executive order on crypto from the Biden White House is just one part of a larger effort by the U.S. government to get its arms around the sector.

By [Decrypt Staff](#)

2 min read • Oct 8, 2021



JOE BIDEN SPEAKING IN 2020. IMAGE: SHUTTERSTOCK.

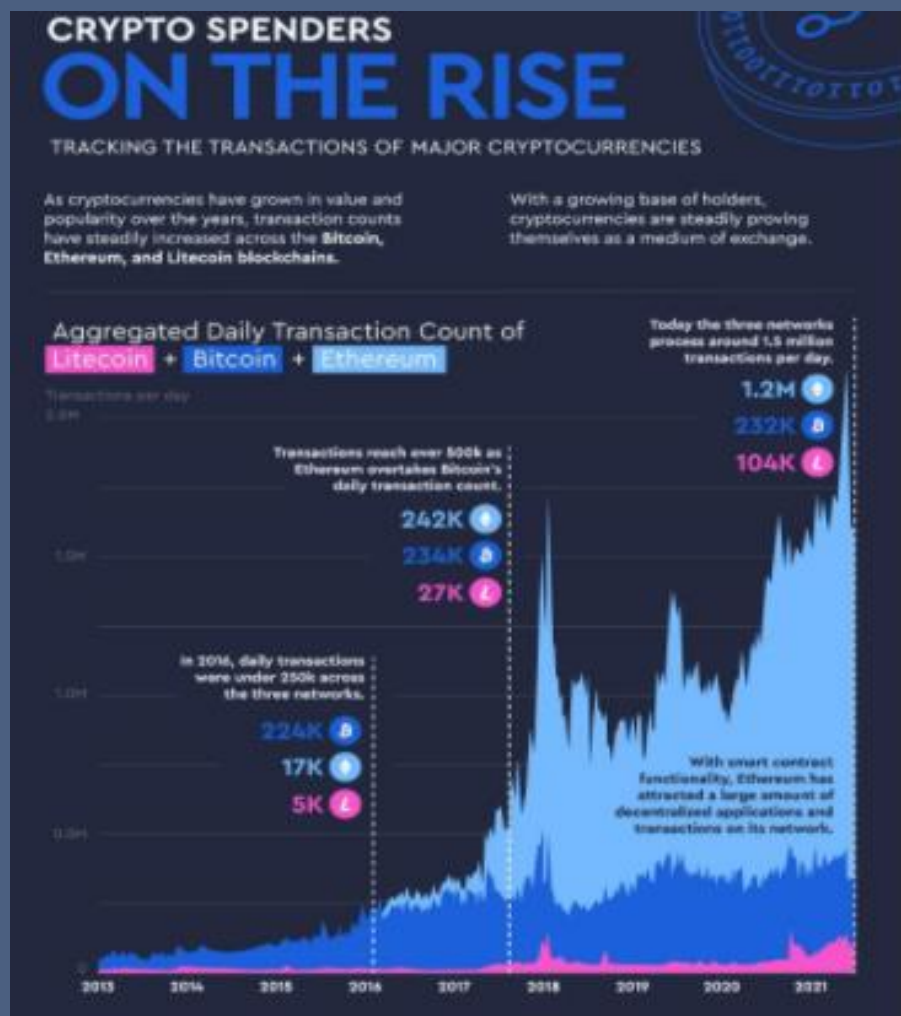
#### In brief

- Few details have emerged about the rumored executive order.
- A report suggests the order would instruct various agencies to study crypto and issue recommendations.

Source: Decrypt

## #cryptocurrencies

Approximately \$12 billion are transferred across the Bitcoin, Ethereum, and Litecoin blockchains, with millions of people using cryptocurrency for payments daily.



Source: Visual Capitalist



9<sup>th</sup> of October 2021

## #cryptocurrencies

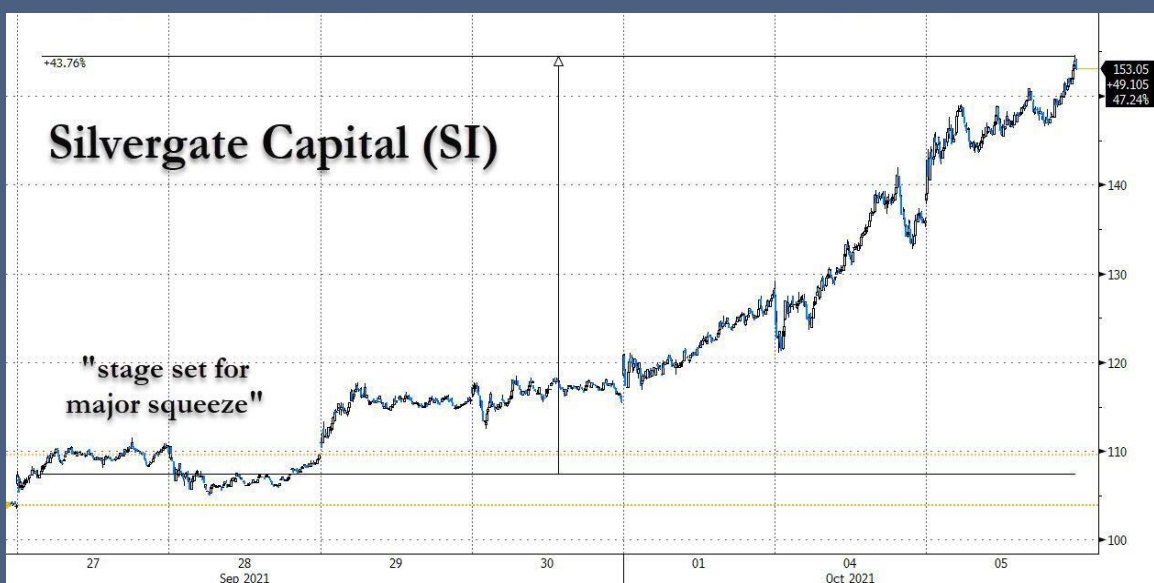
32 have a positive stance towards cryptos, 61 companies remain neutral and 7 companies have a negative stance...



Source: blockdata.com

## #cryptocurrencies #silvergate

The “crypto-bank” Silvergate Capital (\$SI) is up 43% in one week after Morgan Stanley initiated coverage of the stock with an overweight rating. Silvergate will be the issuer of Facebook's upcoming stablecoin, Diem, and some speculate that the company could one day be acquired by either its JV partner Facebook or some other major bank at multiples of its current market value. The stock has a market cap of \$3.6bn and with 10% of the float in the hands of short sellers, the short squeeze is accelerating.



Source: [zerohedge.com](https://www.zerohedge.com), Bloomberg

## #etfs

THE ETF FRENZY... Since the start of the year, there are roughly 7 new #etfs launched every day! There's been 1,327 ETF launched this year globally. If we use business days, that translates to roughly 7 new ETFs per day (or one every trading hour...). The number of new launches is up 33% over last year. At this pace, the total number of #etfs should hit 10k before year end...

Selected Screening Criteria	Matches
Universe Criteria	1075664
11) Market Status: Active	419809
12) Fund Primary Share Class = Yes	139300
13) Fund Type: Exchange Traded Products	9653
14) 12/31/2020 <= Inception Date <= 10/7/2021	1327

Source: Eric Balchunas, Bloomberg



## #etfs

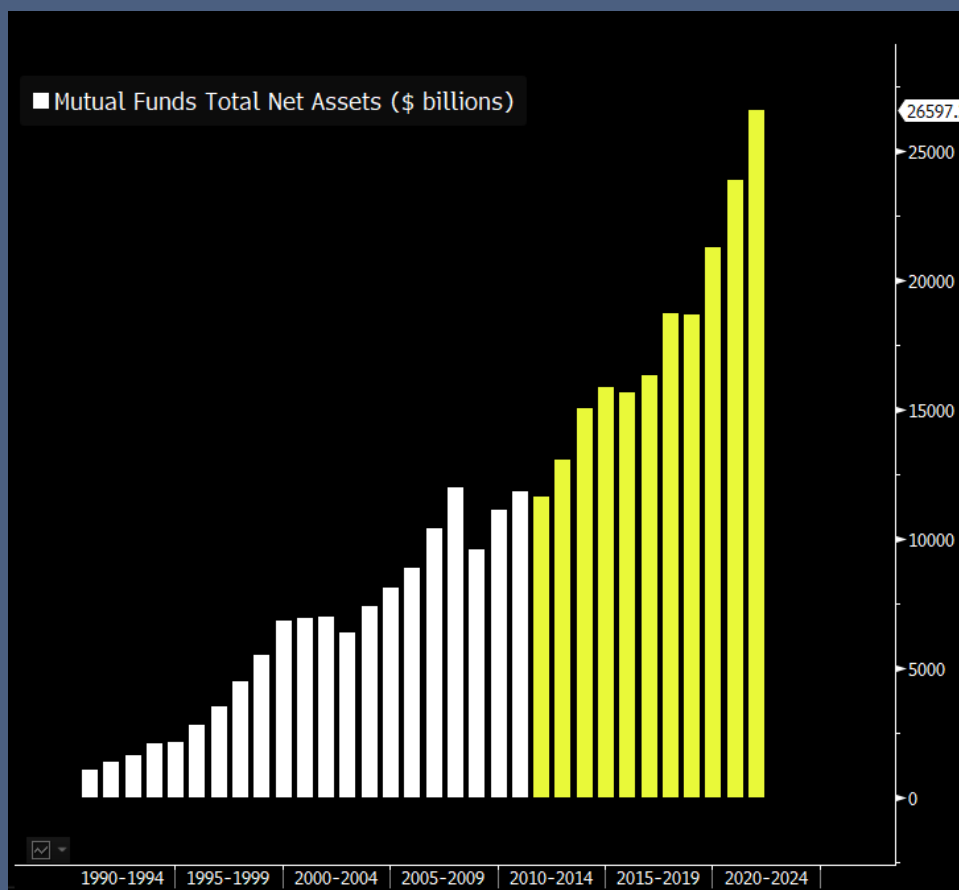
A new ETF filed this week is looking to cater to the values and preferences of Gen Z investors by choosing stocks that went public in 1997 or later, according to SEC filings



Source: businessinsider

## #mutualfunds

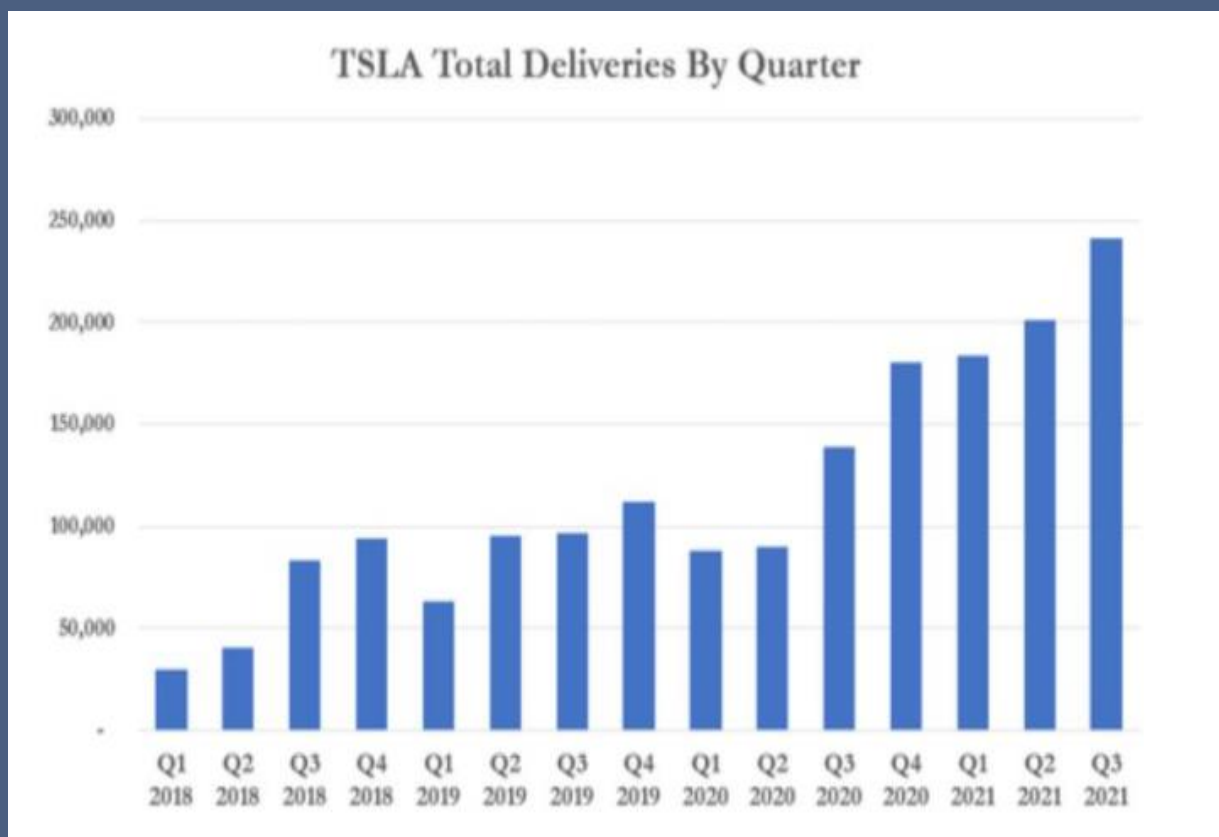
Mutual funds have grown assets by \$13T in the past ten years (that's two ETF industries). And this is with basically no net new inflows. They're going to grow by \$3T this year alone, which is more than 5yrs of ETF flows. Whenever I look at this data, it blows my mind.



Source: Eric Balchunas, Bloomberg

## #tesla

Tesla posts record 241,300 deliveries in Q3 beating both the company's previous record of 201,250 and consensus estimates for the quarter.



Source: [zerohedge.com](https://www.zerohedge.com)

## #apple

The Big Tech giant is reportedly looking to launch a feature which will allow users to control their car's air conditioning, seats, radio, and other functions directly from their phone

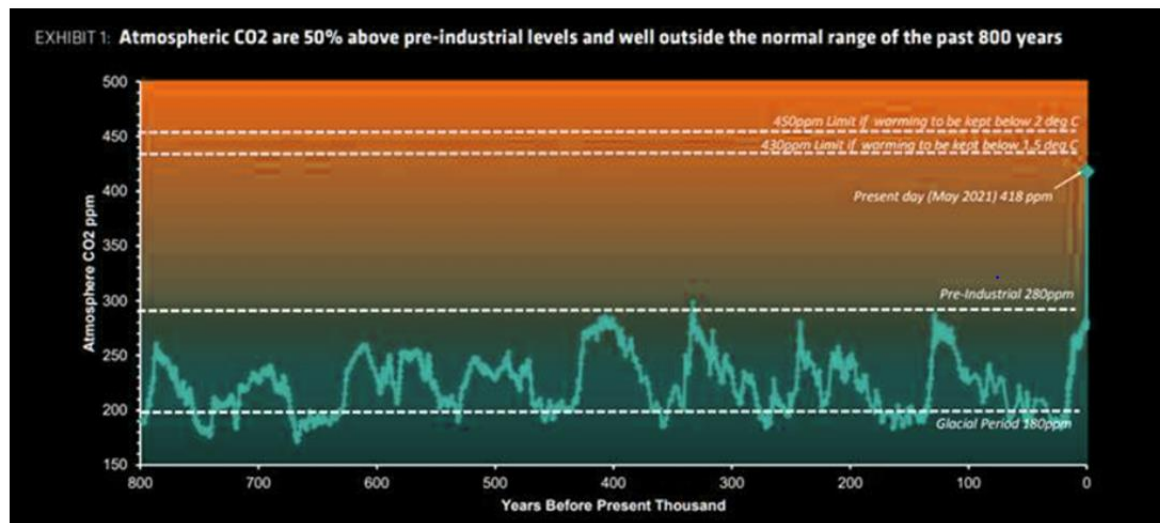


Source: bloomberg

## #cop26

Sanford Bernstein discusses COP26, which will start in Glasgow in 3 weeks' time. Bernstein: "We expect to see specific dates for the complete phasing out of coal, an acceleration of the timeline for reaching 100% zero emission vehicles, additional funding for developing countries to combat climate change and global standards for the reporting of carbon emissions.

### CO2: the 800 year perspective

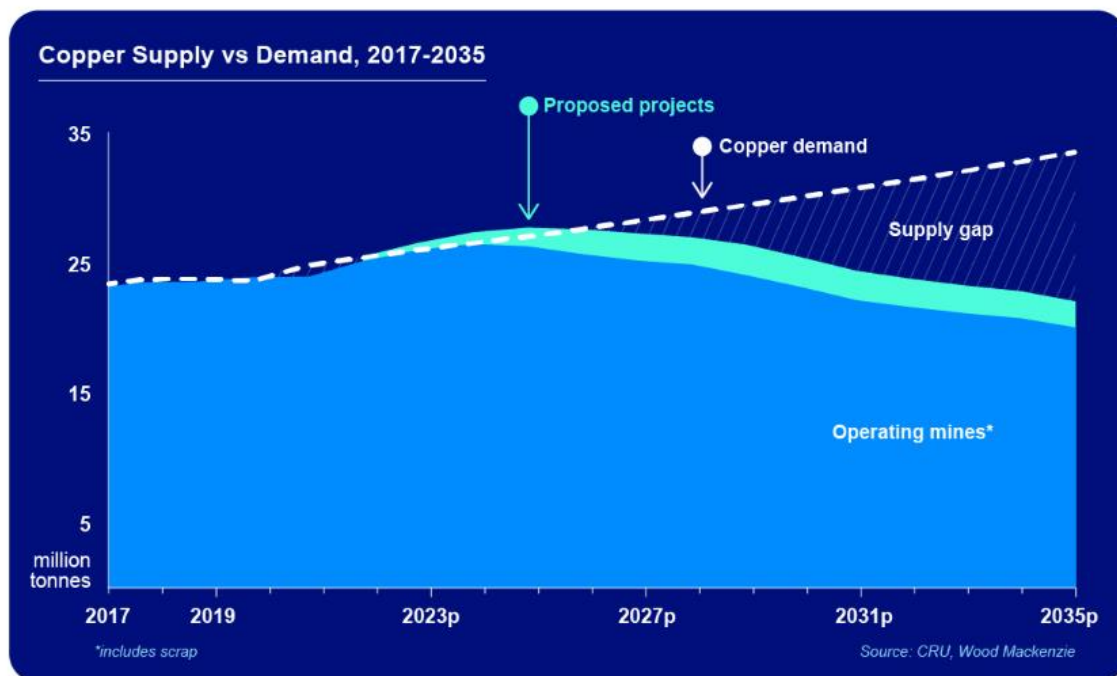


Source: The Market Ear

## #food-for-thought

### The Race for Copper

Operating mines and proposed projects are not meeting projected demand and the supply scenario looks quite constrained over the medium term.



As the world moves towards renewable energy technologies, copper will remain the most widely used metal.

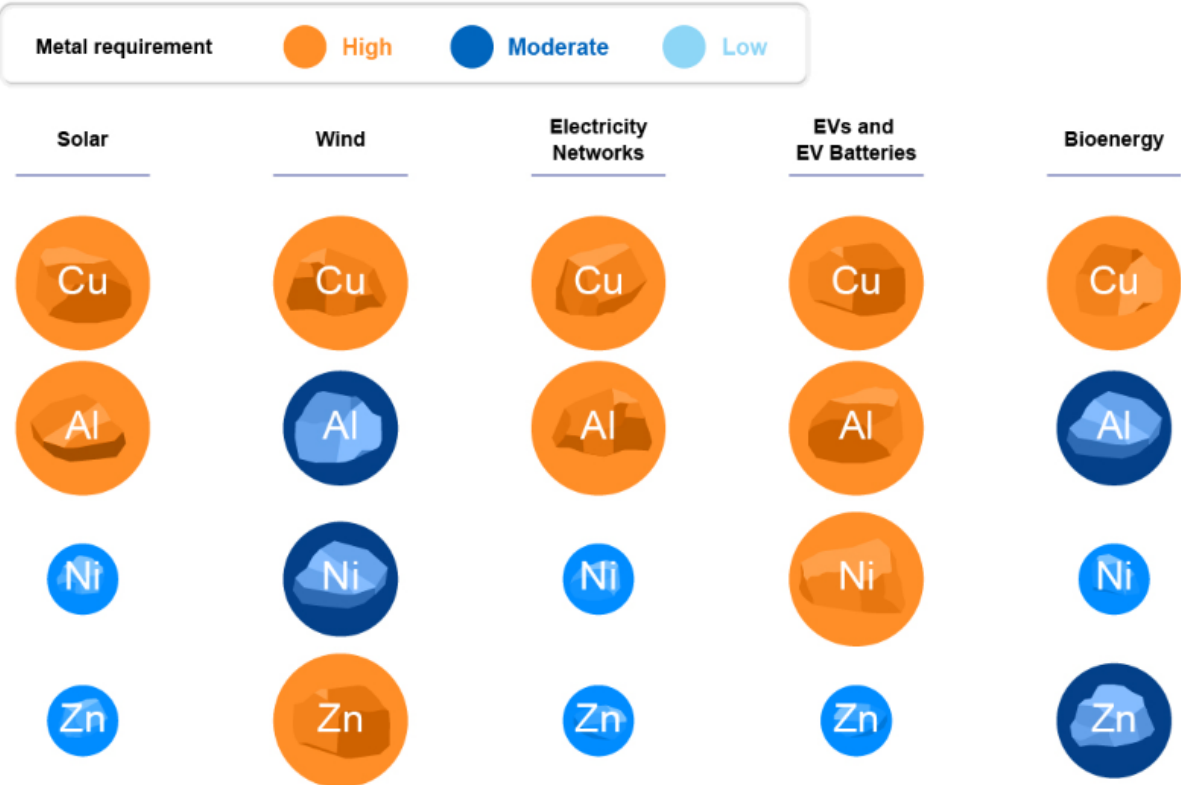
Source: The Visual Capitalist

#food-for-thought

Copper is the Most Needed Mineral for Clean Energy Technologies

Copper helps reduce CO<sub>2</sub> emissions and lowers the amount of energy needed to produce electricity.

Renewable energy systems can require up to 12x more copper compared to traditional energy systems.

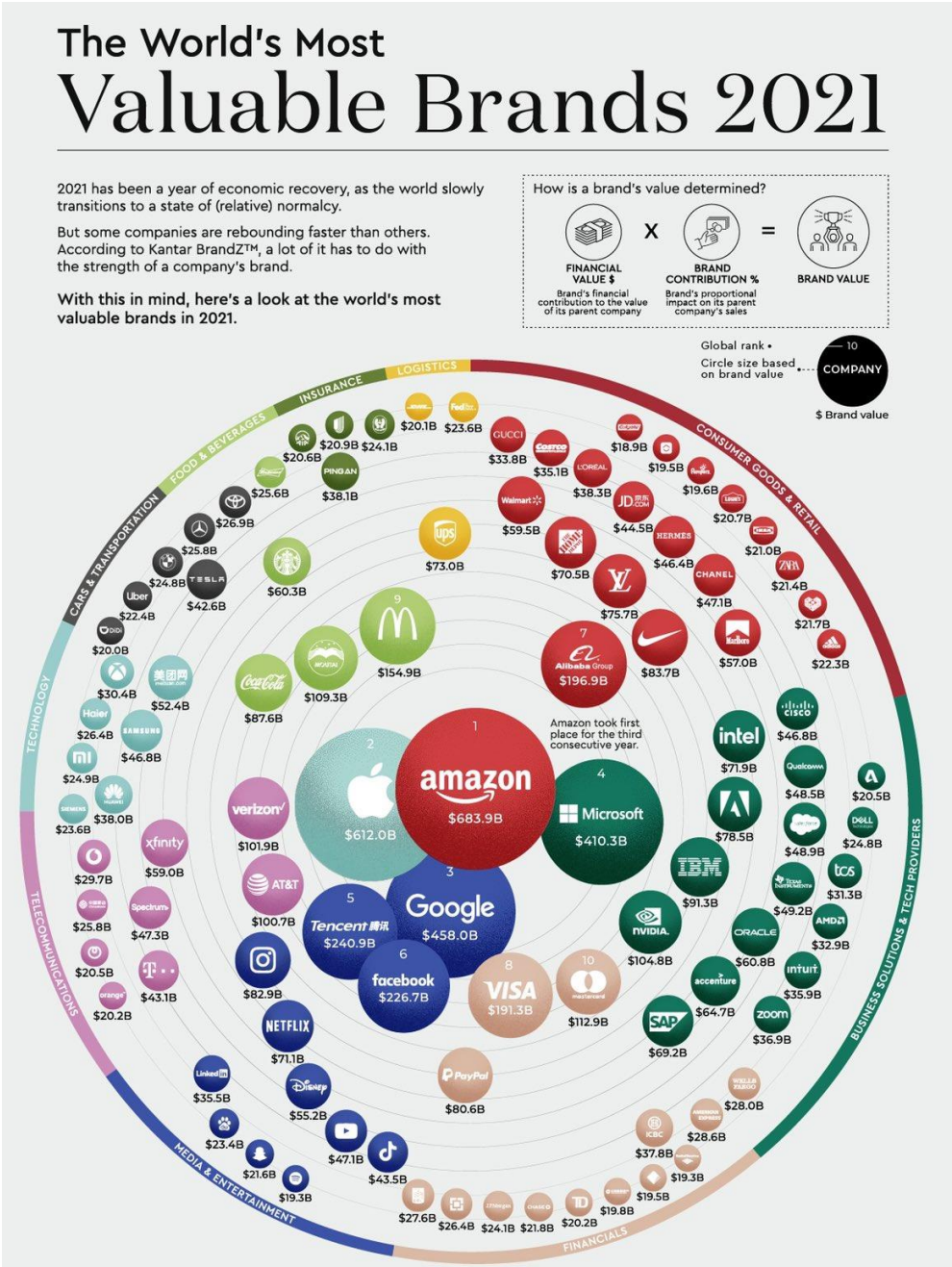


Source: International Energy Agency

Source: The Visual Capitalist



#food-for-thought



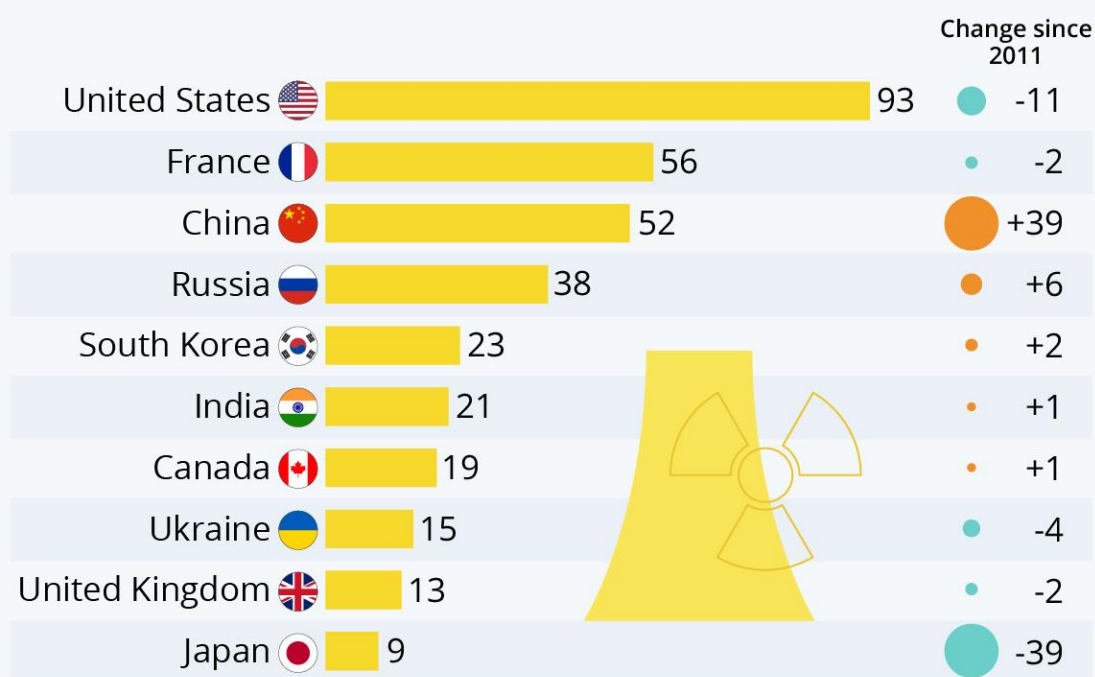
Source: The Visual Capitalist



## #food-for-thought

### The Countries With the Most Nuclear Reactors

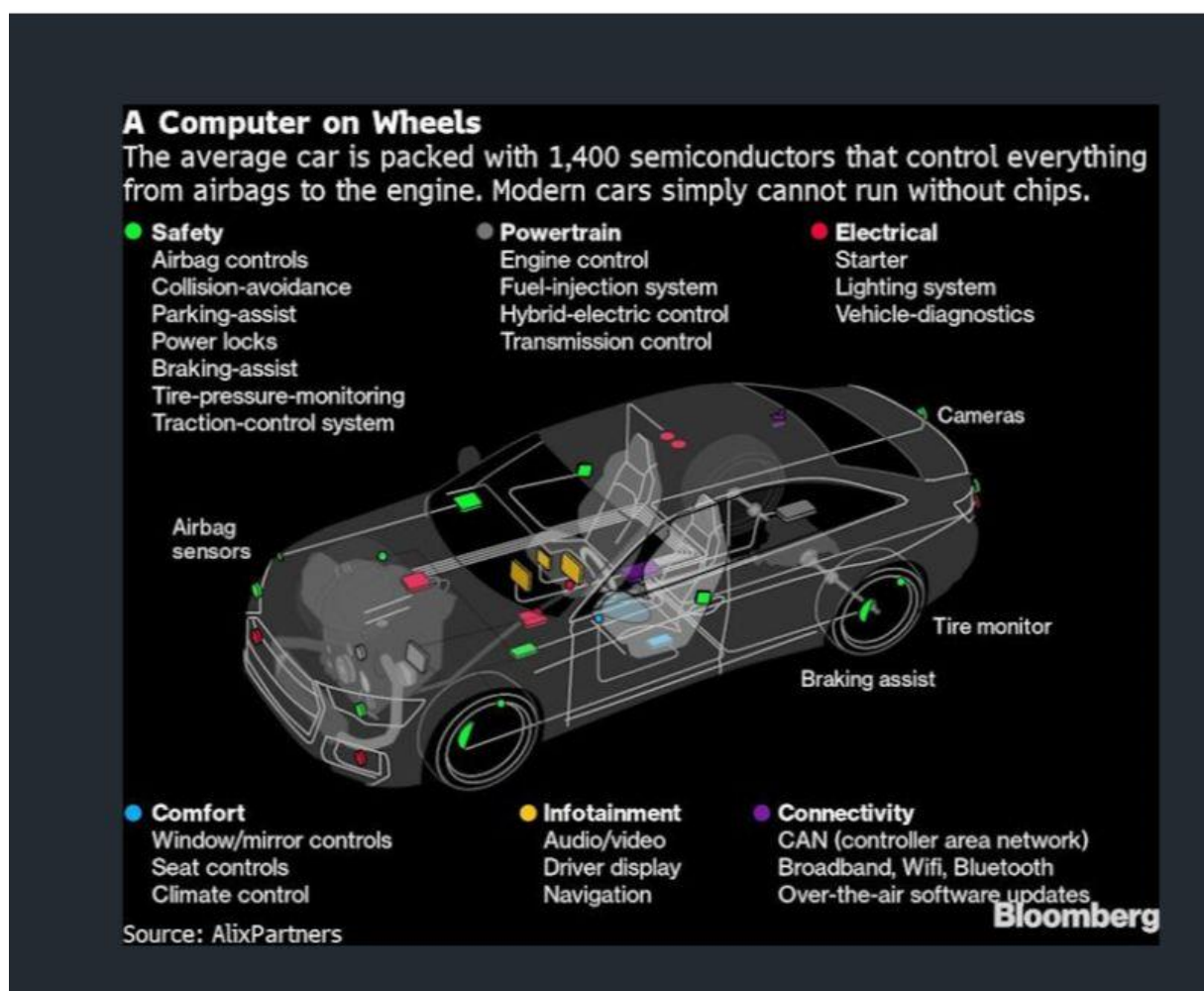
Number of operational reactor units by country in 2021



Source: World Nuclear Industry Status Report 2021



## #food-for-thought



Source: Bloomberg

9<sup>th</sup> of October 2021

## #food-for-thought



9<sup>th</sup> of October 2021



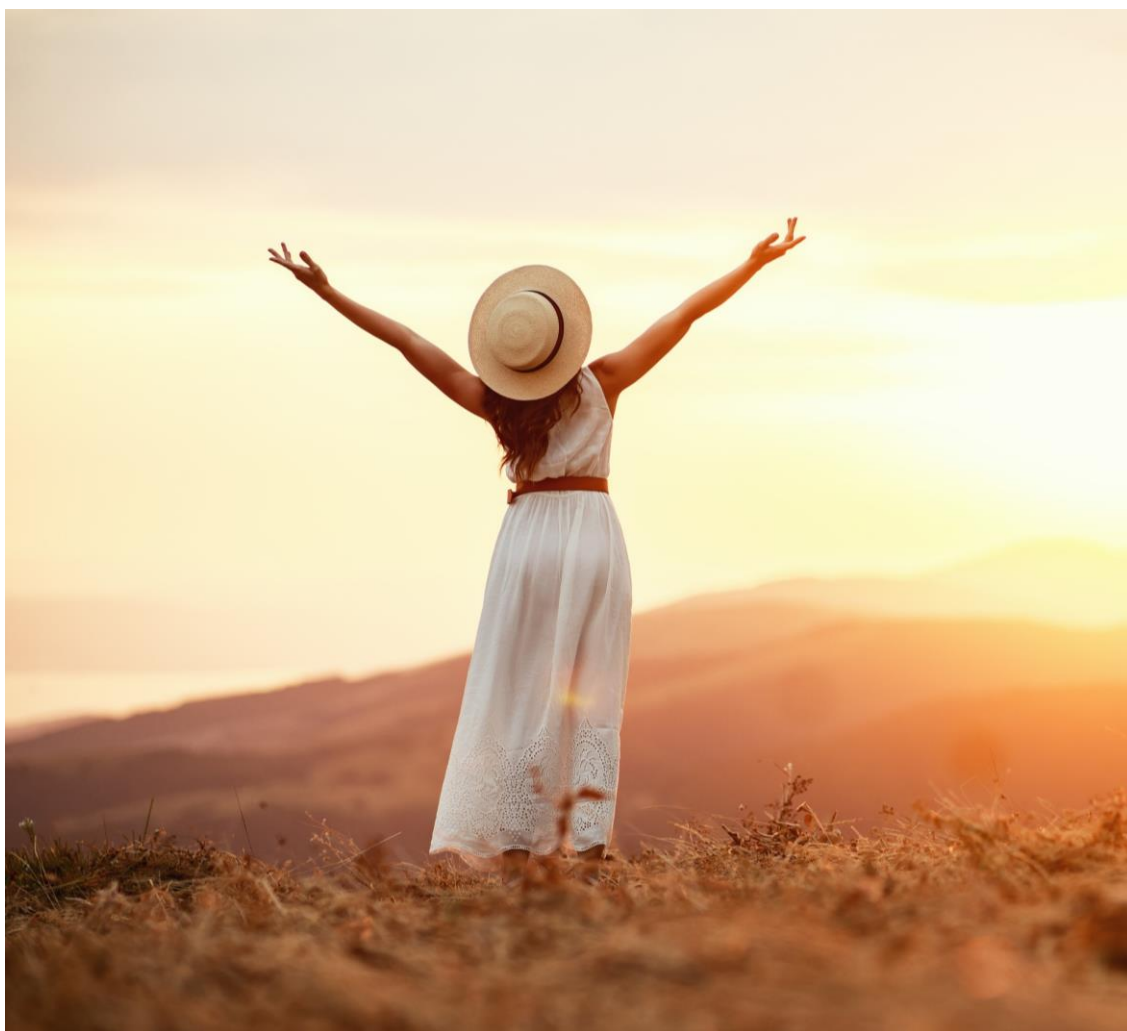
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**For the future...**