

2021 Yearly review



#globalmarkets weekly wrap-up

A Santa Claus rally pushed the S&P 500 to new highs

The S&P 500 recorded its best December since 2010 as a “Santa Claus rally” lifted US stocks to record highs while trading activity was exceptionally light. Despite daily coronavirus cases rising to record highs, fears over the omicron variant seem to be waning. Hospitalization rates remained contained and a South Africa study showed that omicron appeared to strengthen immunity against the more severe delta strain of the virus. European shares rose in holiday-thinned trade as investor optimism about the economic recovery strengthened and despite record numbers of covid cases. In Asia, Japan’s stock market returns were muted while Chinese markets ended a tumultuous year with modest losses for the week. In regulatory news, the country’s securities industry watchdog CSRC published draft rules on IPOs. Although they stopped short of banning IPOs by companies using the VIE structure, the draft rules signaled Beijing’s continued scrutiny of overseas listings under the name of data security. In Fixed Income, the 10-year U.S. Treasury note yield reached an intramonth high of 1.55% on Wednesday before retreating back to roughly 1.50% by Friday.

#risk-assets #2021

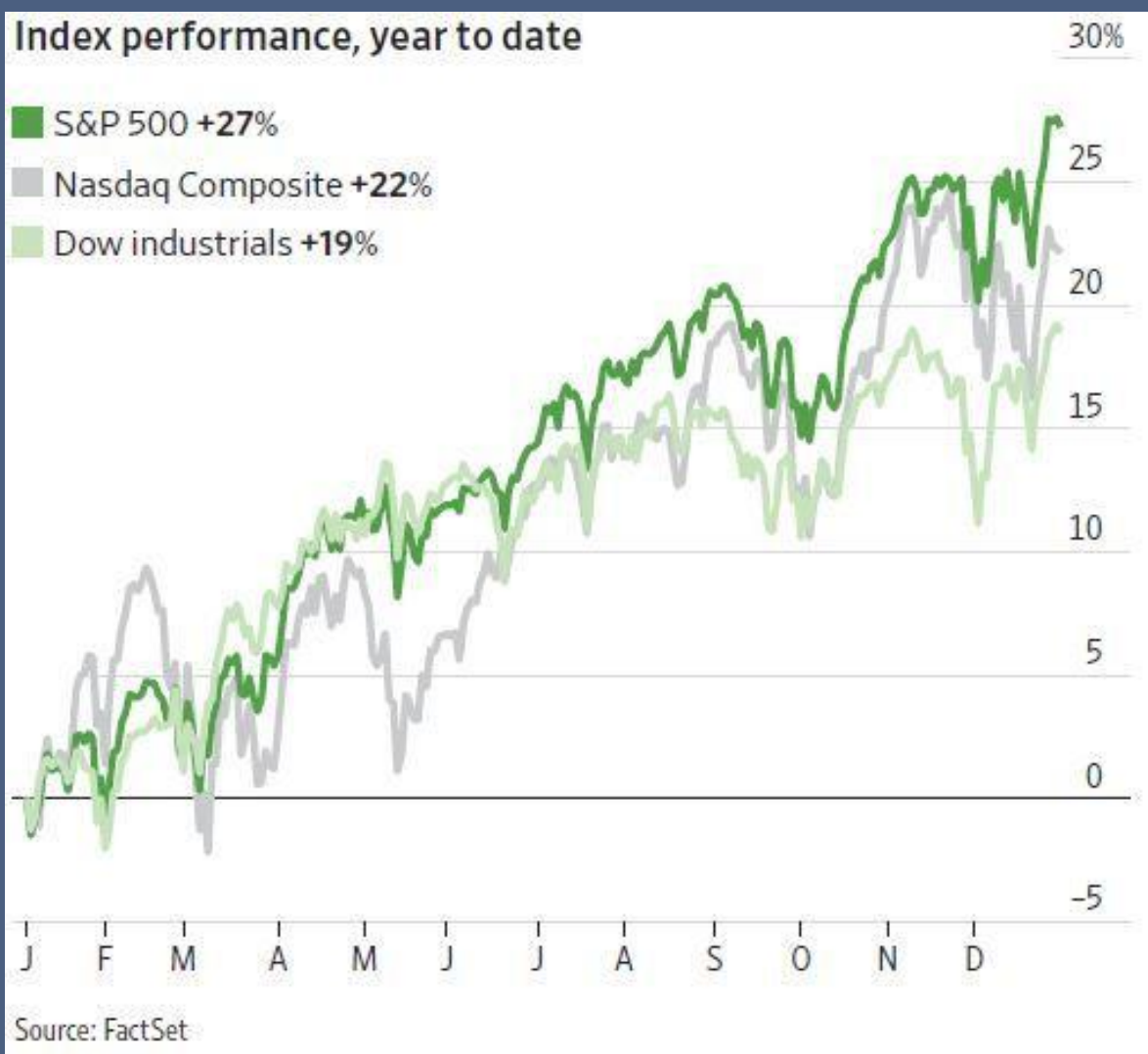
2021 was another good year for the bulls as negative real bond yields, strong global growth and positive earnings revision pushed investors into risky assets.



Source: Hedgeye

1st of January 2022

#us #equities



Source: Factset

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#us #equities

The S&P 500 ends the year up 28.7% (total return). It has finished higher in 12 out of the last 13 years and 17 out of the last 19. Over the last 3 years, the S&P 500 has more than doubled (+100%), its highest 3-year return since 1997-1999.

S&P 500: Total Returns (1928 - 2021 YTD)									
Year	Return	Year	Return	Year	Return	Year	Return	Year	Return
1928	43.8%	1947	5.2%	1966	-10.0%	1985	31.2%	2004	10.9%
1929	-8.3%	1948	5.7%	1967	23.8%	1986	18.5%	2005	4.9%
1930	-25.1%	1949	18.3%	1968	10.8%	1987	5.8%	2006	15.8%
1931	-43.8%	1950	30.8%	1969	-8.2%	1988	16.6%	2007	5.5%
1932	-8.6%	1951	23.7%	1970	3.6%	1989	31.7%	2008	-37.0%
1933	50.0%	1952	18.2%	1971	14.2%	1990	-3.1%	2009	26.5%
1934	-1.2%	1953	-1.2%	1972	18.8%	1991	30.5%	2010	15.1%
1935	46.7%	1954	52.6%	1973	-14.3%	1992	7.6%	2011	2.1%
1936	31.9%	1955	32.6%	1974	-25.9%	1993	10.1%	2012	16.0%
1937	-35.3%	1956	7.4%	1975	37.0%	1994	1.3%	2013	32.4%
1938	29.3%	1957	-10.5%	1976	23.8%	1995	37.6%	2014	13.7%
1939	-1.1%	1958	43.7%	1977	-7.0%	1996	23.0%	2015	1.4%
1940	-10.7%	1959	12.1%	1978	6.5%	1997	33.4%	2016	12.0%
1941	-12.8%	1960	0.3%	1979	18.5%	1998	28.6%	2017	21.8%
1942	19.2%	1961	26.6%	1980	31.7%	1999	21.0%	2018	-4.4%
1943	25.1%	1962	-8.8%	1981	-4.7%	2000	-9.1%	2019	31.5%
1944	19.0%	1963	22.6%	1982	20.4%	2001	-11.9%	2020	18.4%
1945	35.8%	1964	16.4%	1983	22.3%	2002	-22.1%	2021	28.7%
1946	-8.4%	1965	12.4%	1984	6.1%	2003	28.7%		



@CharlieBilello

Source: Charlie Bilello

#us #equities

The S&P 500 posted its 7th double-digit gain in the last 10 years...



Source: Bloomberg

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The S&P 500 closed at 70 all-time highs in 2021, the 2nd most of any year in history (1995 had 77).

S&P 500: Number of All-Time Highs (1929 - 2021)									
Note: Closing Prices, as of 12/21/21									
Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH
1929	45	1948	0	1967	14	1986	31	2005	0
1930	0	1949	0	1968	34	1987	47	2006	0
1931	0	1950	0	1969	0	1988	0	2007	9
1932	0	1951	0	1970	0	1989	13	2008	0
1933	0	1952	0	1971	0	1990	6	2009	0
1934	0	1953	0	1972	32	1991	22	2010	0
1935	0	1954	27	1973	3	1992	18	2011	0
1936	0	1955	49	1974	0	1993	16	2012	0
1937	0	1956	14	1975	0	1994	5	2013	45
1938	0	1957	0	1976	0	1995	77	2014	53
1939	0	1958	24	1977	0	1996	39	2015	10
1940	0	1959	27	1978	0	1997	45	2016	18
1941	0	1960	0	1979	0	1998	47	2017	62
1942	0	1961	53	1980	24	1999	35	2018	19
1943	0	1962	0	1981	0	2000	4	2019	36
1944	0	1963	12	1982	2	2001	0	2020	33
1945	0	1964	65	1983	30	2002	0	2021	70
1946	0	1965	37	1984	0	2003	0		
1947	0	1966	9	1985	43	2004	0		



@CharlieBilello

Source: Charlie Bilello

#us #equities

The Nasdaq 100 Index ends 2021 up 27%, its 13th straight positive year (total return)...

2009: +55%

2010: +20%

2011: +4%

2012: +18%

2013: +37%

2014: +19%

2015: +10%

2016: +7%

2017: +33%

2018: +0.04%

2019: +39%

2020: +49%

2021 YTD: +27%

Source: Charlie Bilello

#us #equities #valuation

On a price-to-sales basis, US stocks trade at their most expensive ever...

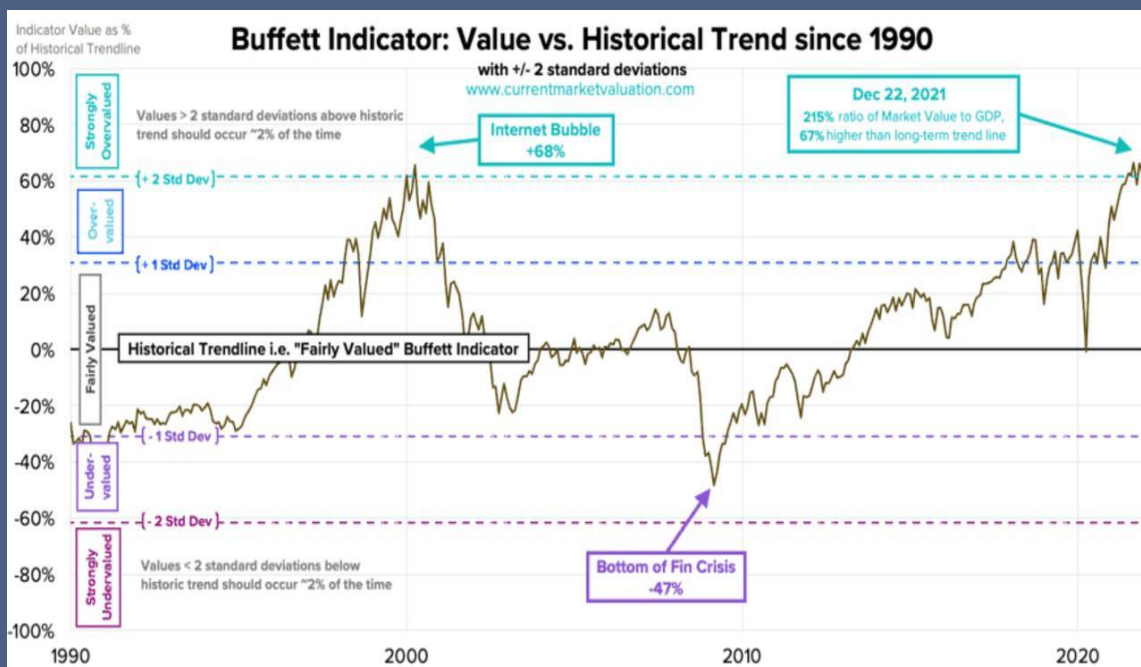


Source: www.zerohedge.com

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#us #equities #valuation

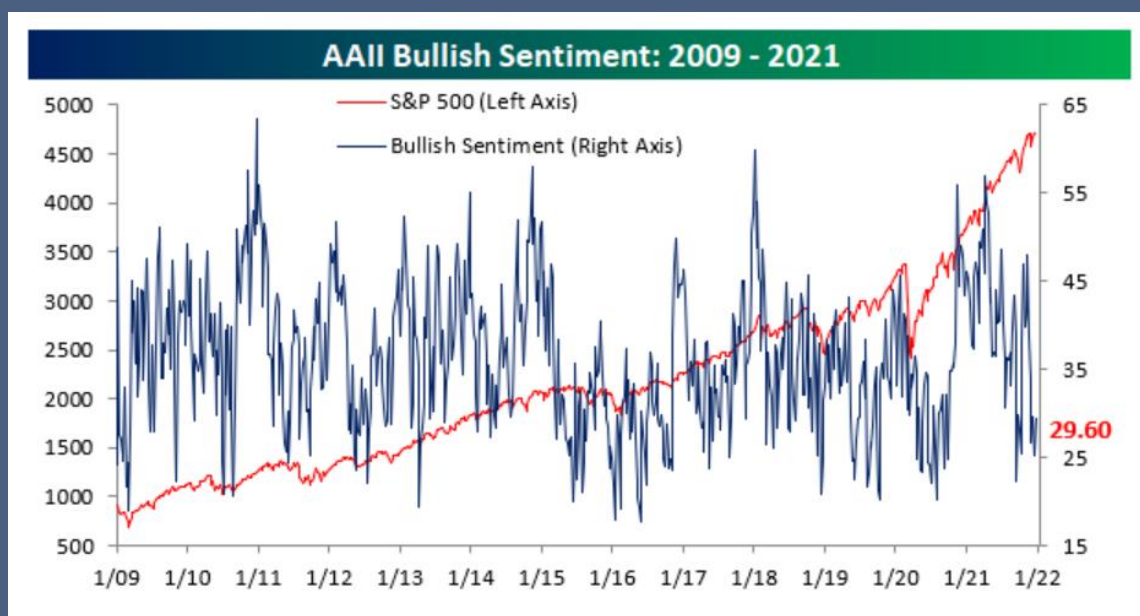
The "Buffett Indicator" has never been higher...



Source: www.zerohedge.com

#us #equities #sentiment

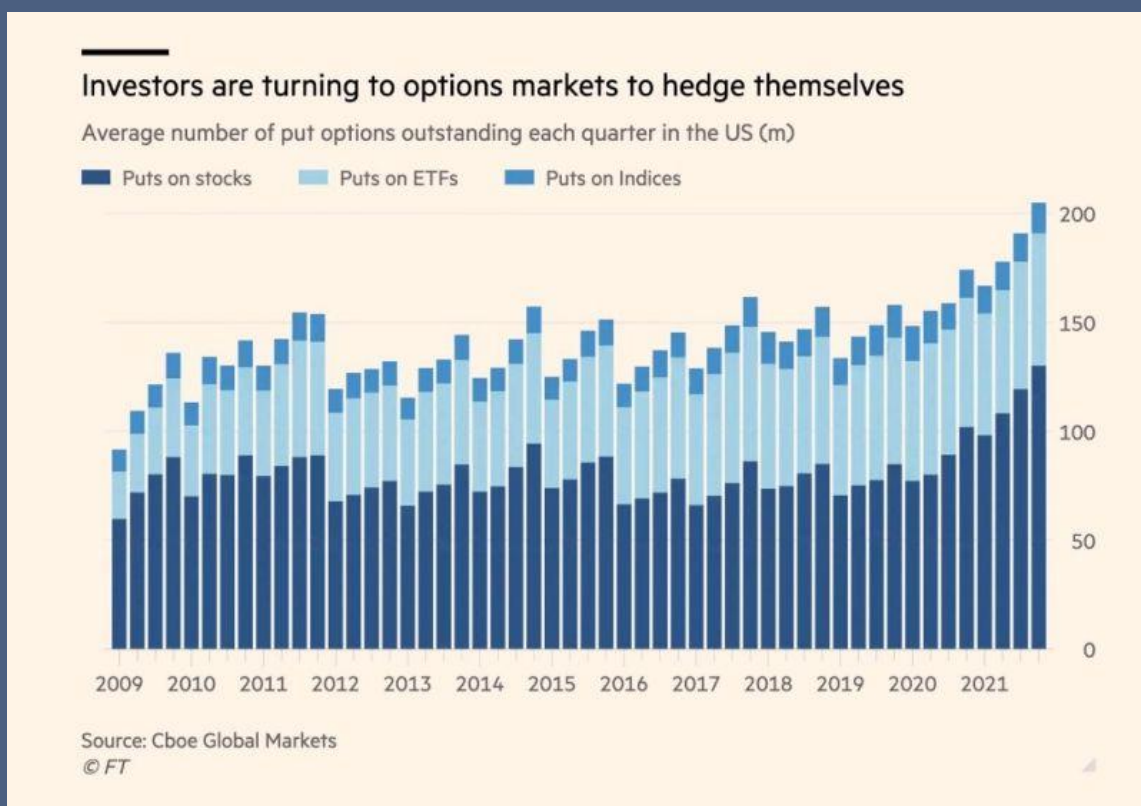
The paradox: Bears still outnumber Bulls despite the rally. The S&P 500 is currently at record highs, but recent sentiment readings are still relatively bearish. However, this isn't necessarily negative for markets, as it gives the opportunity for bears to shift their position, which would likely be accompanied by an increase in equity purchases. AII's reading on bullish sentiment moved from 25.2% last week to 29.6% this week. This week's reading is still 6.7 percentage points below the average since 2009.



Source: Bespoke

#us #equities #sentiment

A little more hedging currently than usual. Contrarian ("Wall of worry") or real signal?

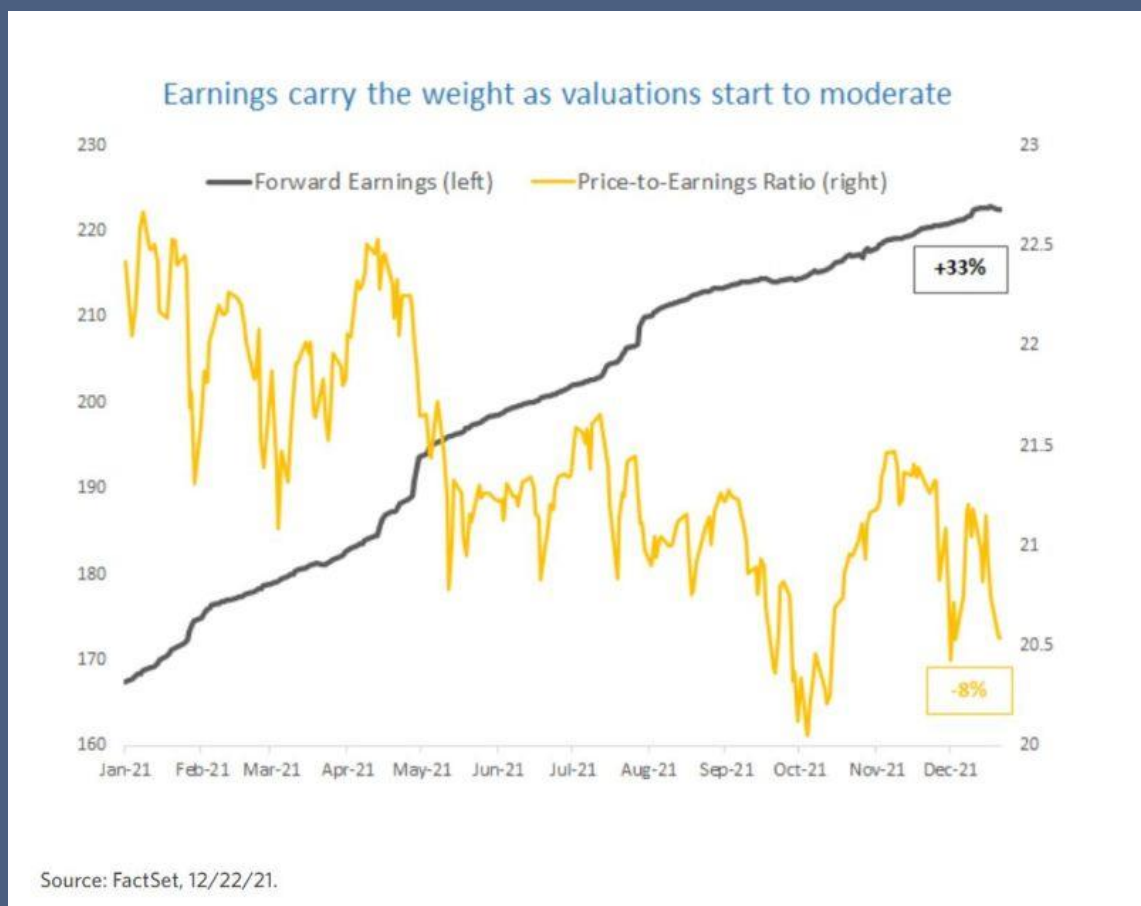


Source: FT

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Despite conventional wisdom, strong gains (+25%) by the S&P 500 in 2021 is not just about Fed money printing and speculation. As highlighted by Edward Jones, a key underpinning behind the 2021 bull run has been the strong cyclical rebound in corporate earnings, which has more than offset a small decline in valuations.

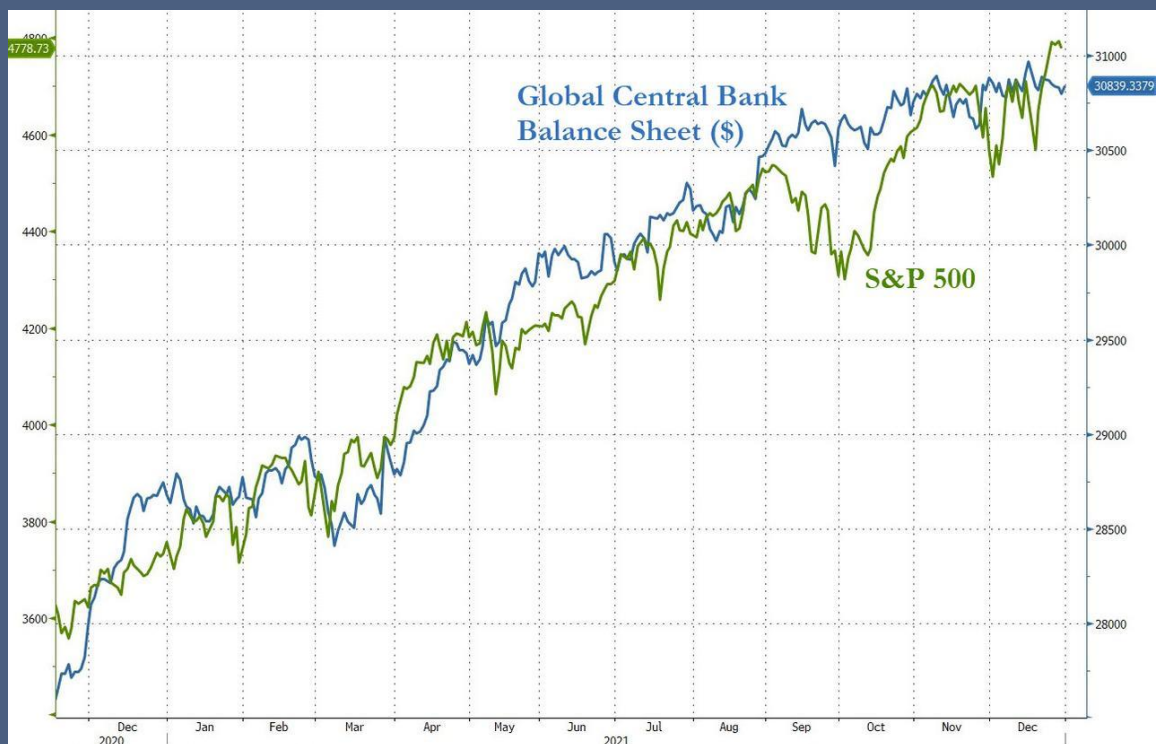


Source: Edward Jones

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Global central banks added over \$2 trillion to their balance sheets in 2021. This seems to have helped US equities as well.



Source: www.zerohedge.com

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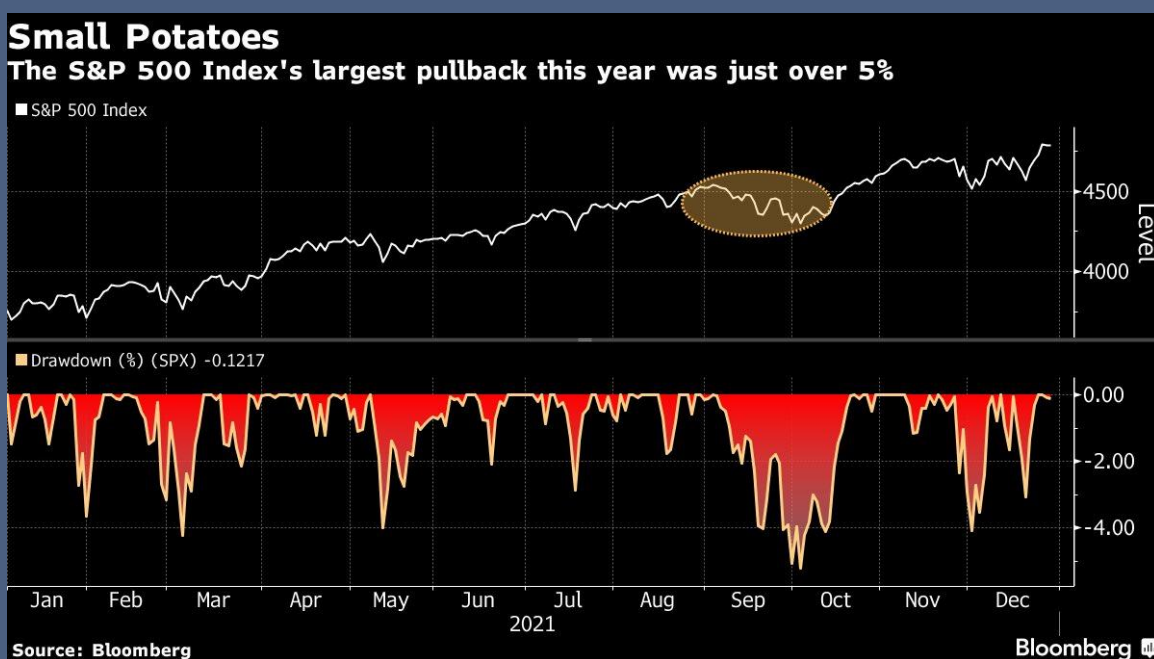
Earnings and central banks helped US stocks to shrug off some (relative) macro economic disappointments.



Source: www.zerohedge.com

#us #equities

S&P500's largest pullback in 2021 was just over 5%.

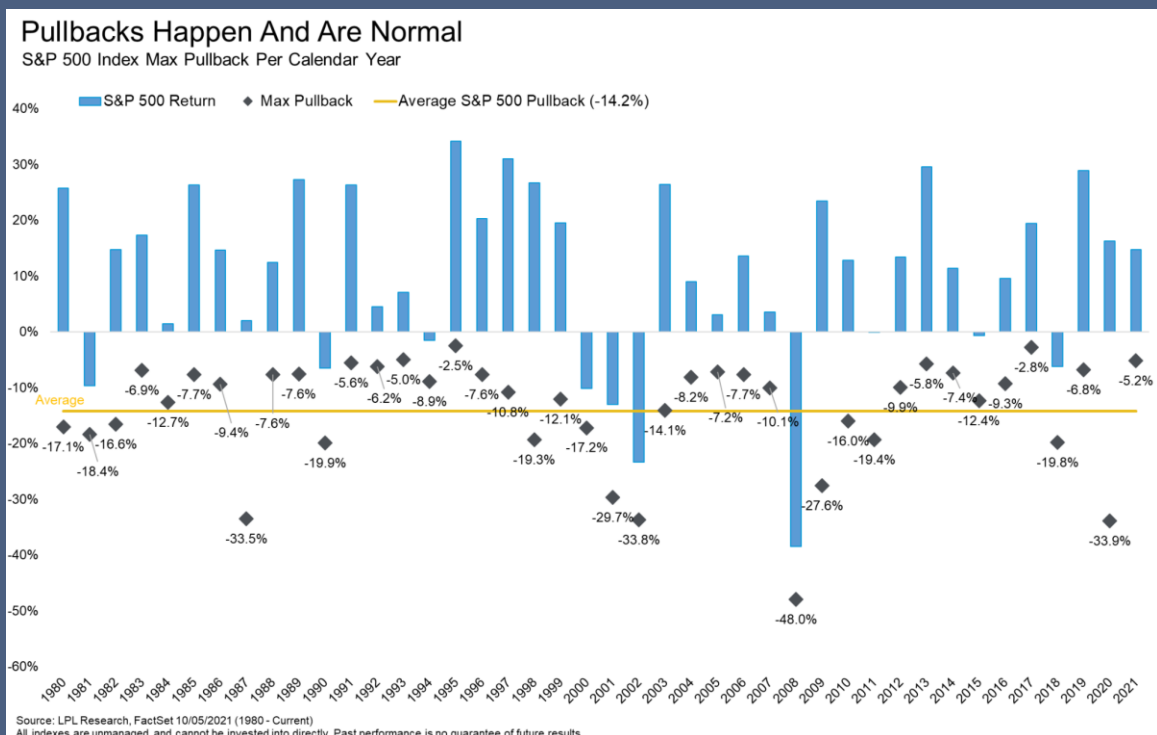


Source: Bloomberg

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As shown in the LPL Chart of the Day, since 1980, stocks experience a 14.2% peak-to-trough pullback on average during the year, putting the recent 5% pullback in perspective. In fact, 21 out of the past 41 years saw at least a 10% correction.



Source: LPL Financial

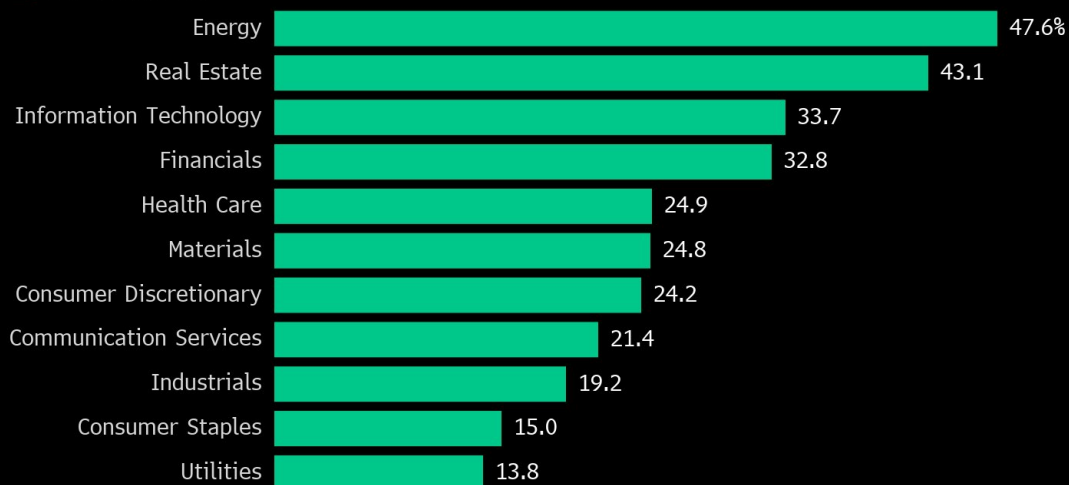
#us #equities #sectors

For 1st time, all 11 S&P 500 sectors in double digits, according to data compiled by Bloomberg going back to 2001. S&P 500 Energy Index is the year's biggest winner, advancing >47% after being the worst performer in 2020 w/a loss of more than 37%.

Green Across the Board

All 11 S&P 500 sector groups are poised for double-digit gains in 2021, a first

■ 2021 annual return



Source: Bloomberg

Note: Data as of 1 p.m. New York time on Dec. 31

Bloomberg

Source: Bloomberg, HolgerZ

#us #equities

Despite the strong gains by the S&P 500, 2021 wasn't that easy for US equities.



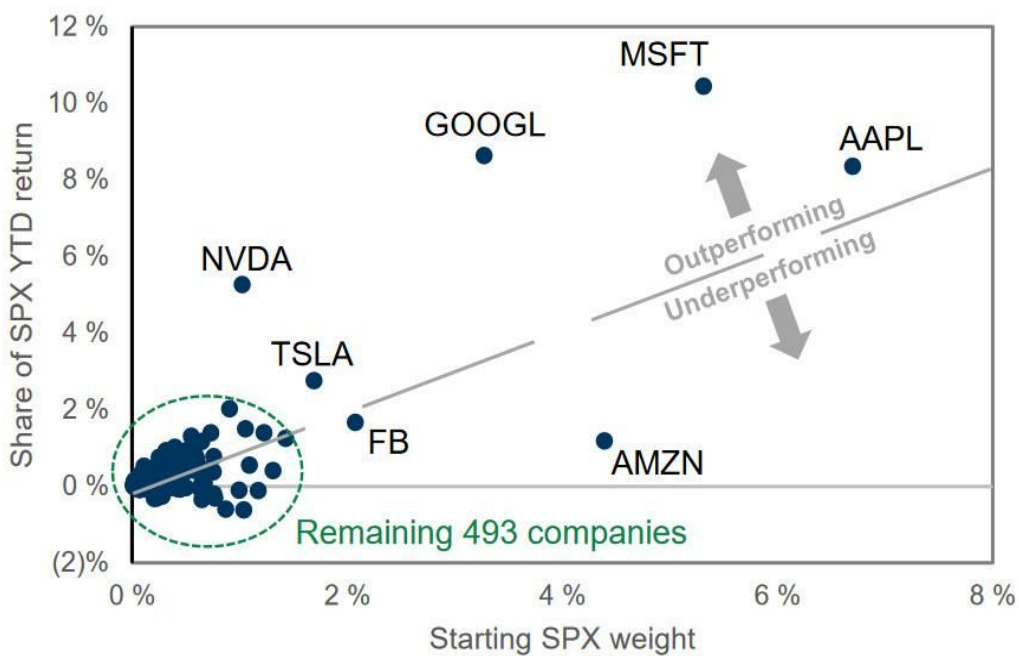
Source: Ian McMillan, CMT

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#us #equities

35% of the S&P's Year-to-date return has come from five stocks.

Exhibit 2: 35% of the S&P 500's YTD return has come from five stocks
as of December 9, 2021



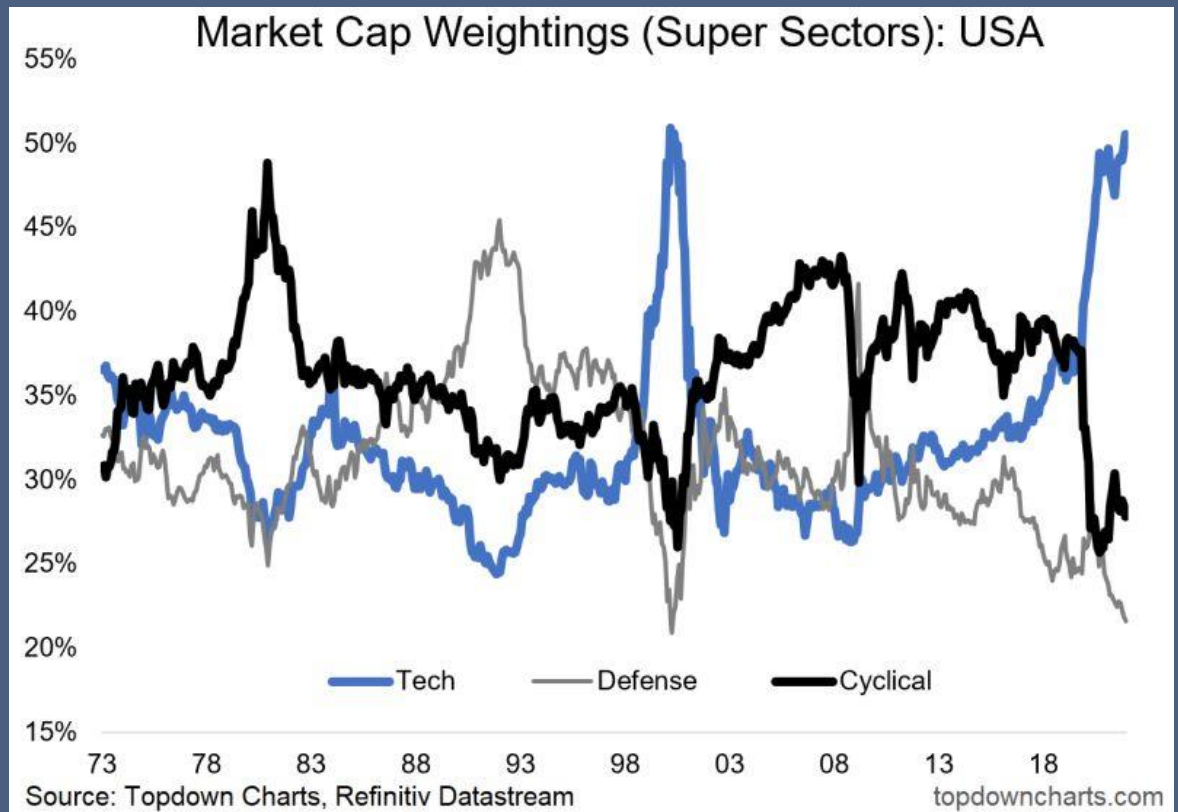
Source: Goldman Sachs Global Investment Research

Source: Goldman Sachs

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#us #equities #sectors

US equities are heavily skewed to Tech. Interestingly this has left the US market with a historically low weighting to defensives and old cyclicals...



Source: Bloomberg

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#us #equities #alpha

85% of active managers underperformed the S&P 500 in 2021.

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Stock Pickers Are Struggling to Beat the Market

Some 85% of active U.S. stock funds were on pace to underperform the S&P 500 this year



S&P 500 market data displayed at the New York Stock Exchange. Many stock pickers find themselves trailing the S&P 500 to close out 2021.
PHOTO: MICHAEL NAGLE/BLOOMBERG NEWS

By [Justin Baer](#)
Dec. 28, 2021 7:03 am ET

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MOST POPULAR OPINION

Source: WSJ

#us #equities

S&P 500 index weight concentration is much higher than it used to be 10 years ago.

Concentration			
Weight of top 5 companies in S&P 500 has increased			
	Index weight 2021		Index weight 2011
Apple	6.9%	Exxon Mobil	3.6%
Microsoft	6.3	Apple	3.3
Alphabet	4.3	IBM	1.9
Amazon	3.7	Chevron	1.9
Tesla	2.2	Microsoft	1.7
Total	23.3	Total	12.3

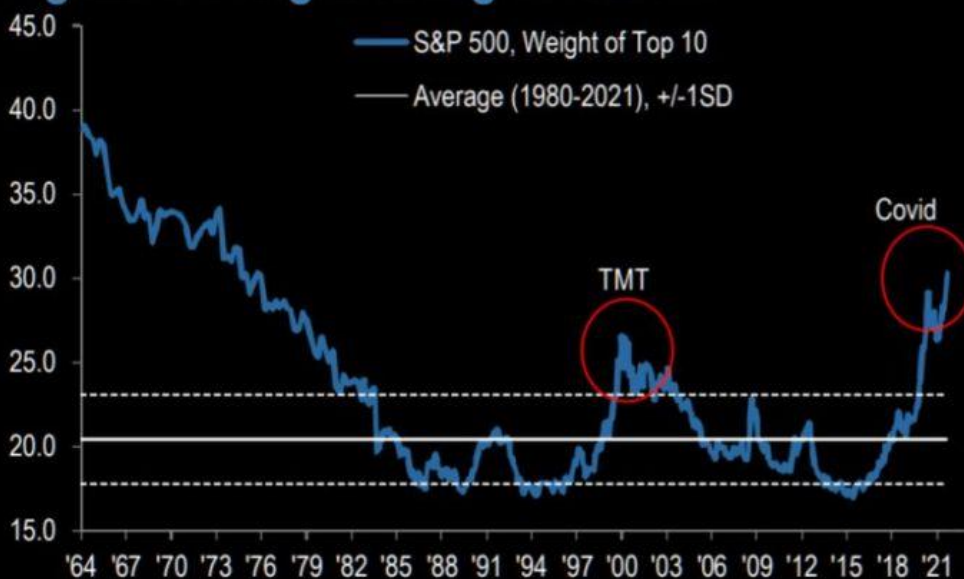
Source: Bloomberg

#us #equities

The top 10 companies' weight in the S&P 500 is at the highest level since mid 70's.

The mighty big 10

Figure 2: Weight of Big 10 Stocks



Source for above figures: J.P. Morgan Equity Macro Research

Source: JPM

Source: JP Morgan, TME

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#fangman

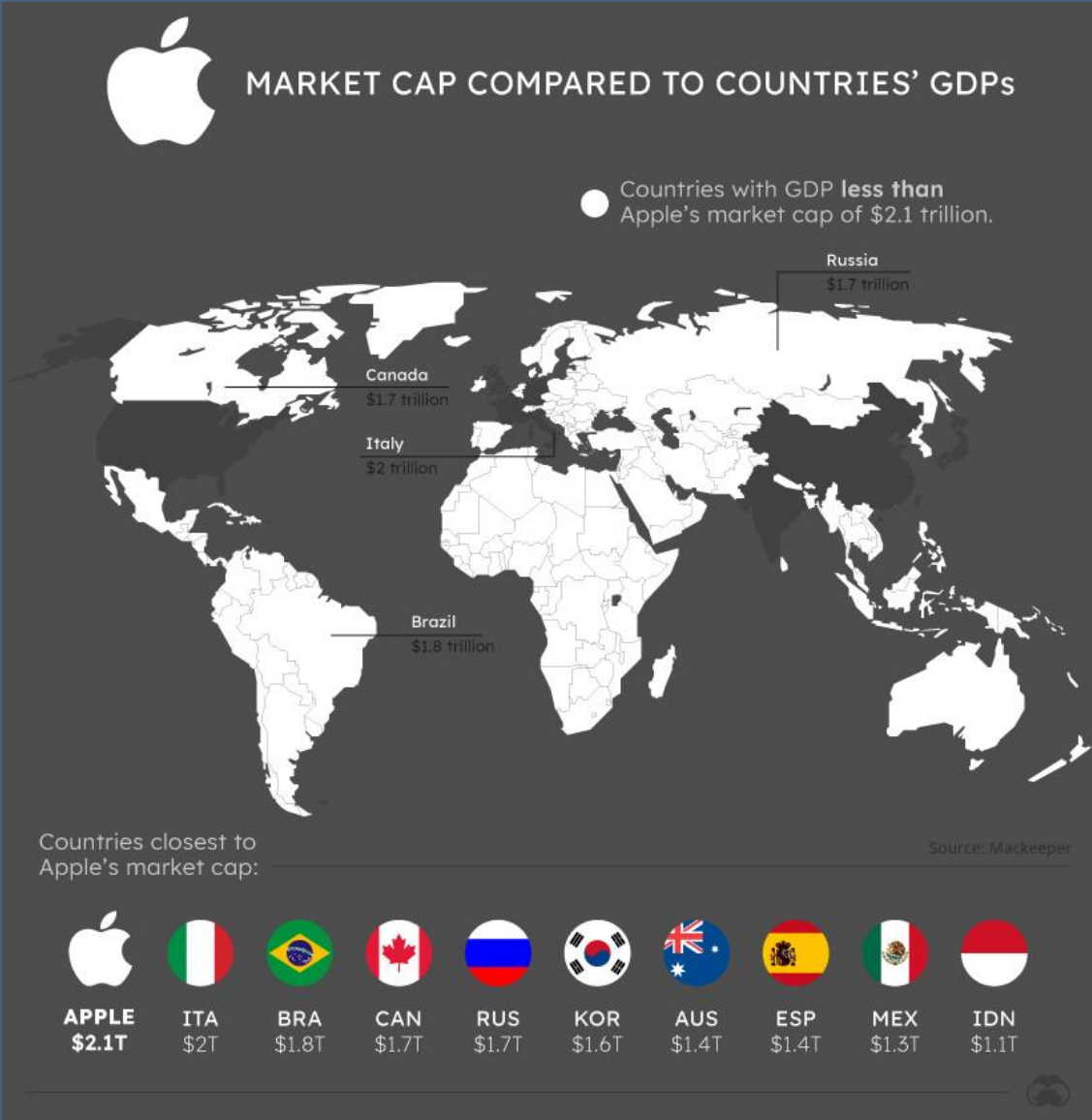
Big Tech is eating the world: Combined market cap of FANGMAN has hit fresh all-time-high at \$11.2tn. In 2021, FANGMAN has gained >\$3tn in market cap. There seems no reversion to the mean for tech margins as these companies have economic moat and competitive positions in ways we haven't seen before in economic history.



Source: Bloomberg, HolgerZ

#apple

If Apple’s market capitalization was equal to a country’s annual GDP, it might just be in the G7.



Source: Visual Capitalist

#us #equities



Stock Market News

@StockMKTNewz

With just 1 week left here are the current Worst performing large cap stocks of 2021

Peloton **\$PTON** -75%

QuantumScape **\$QS** -71%

\$BEKE -69%

Pinduoduo **\$PDD** -68%

Tencent Music **\$TME** -66%

\$DIDI -60%

Lufax **\$LU** -59%

Zillow **\$ZG** -54%

Coupa **\$COUP** -53%

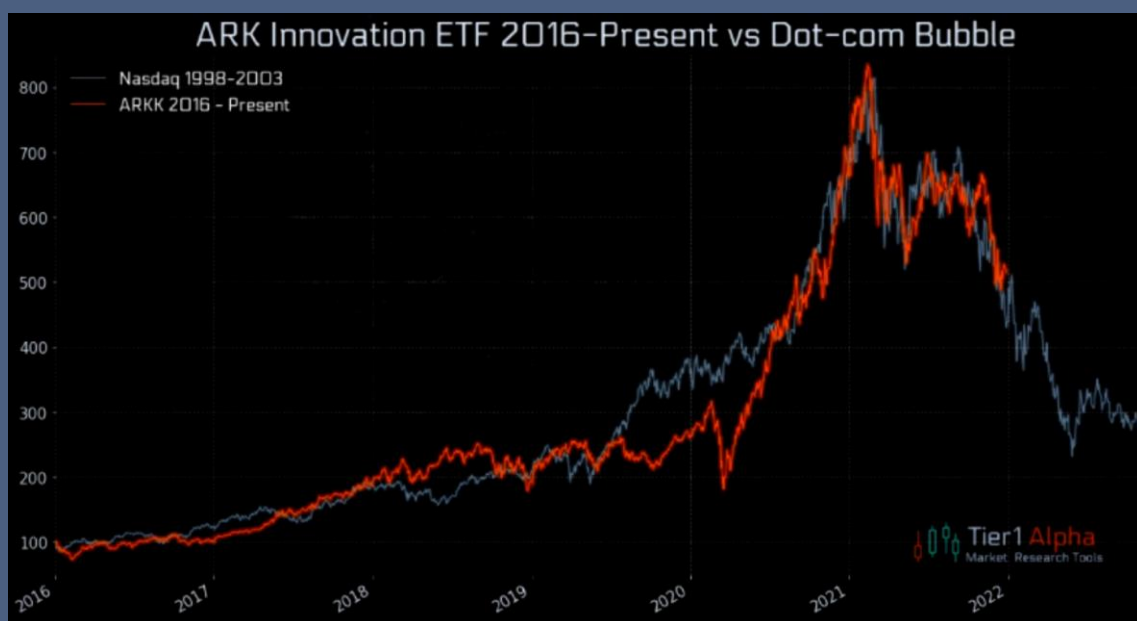
Teladoc **\$TDOC** -52%

Just Eat **\$GRUB** -52%

12:55 PM · 25 Dec 21 · [Twitter Web App](#)

#ark-innovation #etf

Is ARKK still trying to tell us something? Maybe this time is different and there is no bubble to consider, but just imagine the "if"...?



Source: The Market Ear

#electricvehicles #mania

Tesla (\$TSLA) and Lucid Group (\$LCID) – among other Electric vehicles stocks – made the headlines in 2021. The point of view below looks extreme but the numbers are worth being highlighted.



Endless Capital

@endless_frank

Biggest fraud in history is **\$TSLA** 11x'ing the last 2 years with revenue up 25%, but the 2nd biggest fraud in history is **\$LCID** being added to the Nasdaq 100 at a 70-80b mkt cap when they had \$200,000 in revenue since inception.

The insanity of this market blows 2000 away by far.

3:38 PM · 29 Dec 21 · [Twitter for iPhone](#)

#us #ipos

More than 1,000 companies made their US trading debut in 2021. Total issuance is \$316 billion, a record that will be hard to surpass for some time.

Wheeling and Dealing

More than 1,000 companies made their trading debut in the U.S. this year

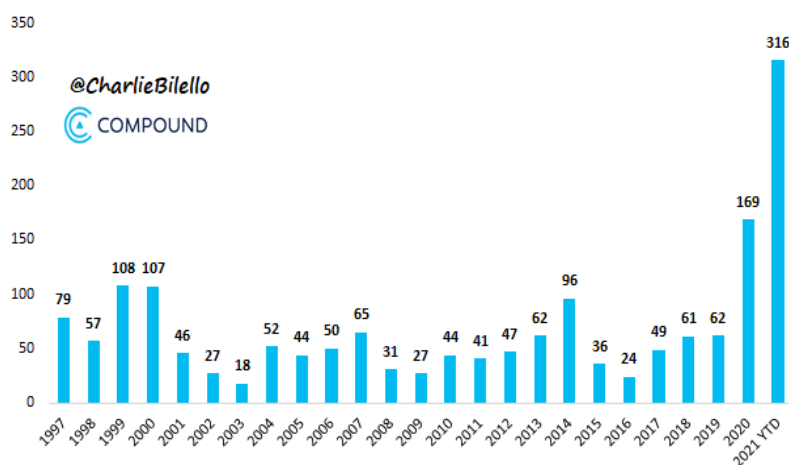


Source: Bloomberg

Bloomberg

US IPO Issuance in \$Billions

(Sources: WSJ, Dealogic, SPAC Research)



Source: Bloomberg, Charlie Bilello

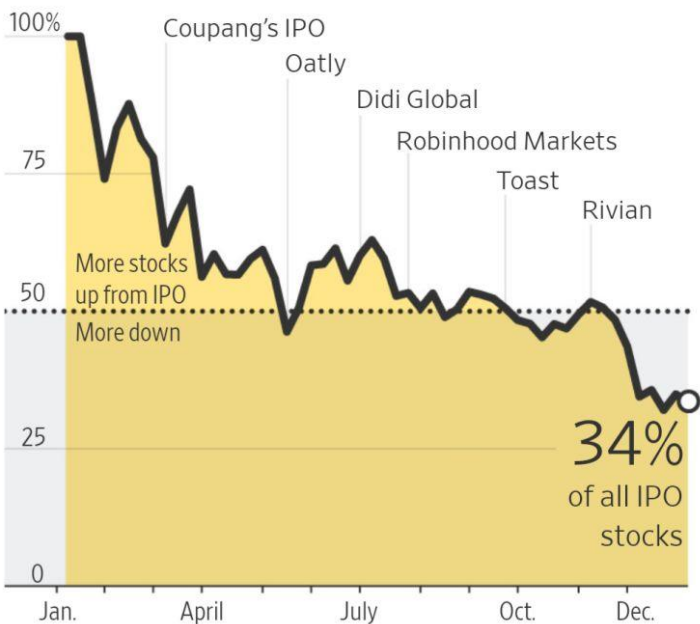
#us #ipos

IPOs Had a Record 2021. Now They Are Selling Off Like Crazy.

Threats of higher rates are driving down prices of high-growth stocks; two-thirds of 2021 IPOs now sit below their offer prices

Percentage of all 2021 IPO stocks trading above their initial offer price, weekly

With timing of some notable IPOs



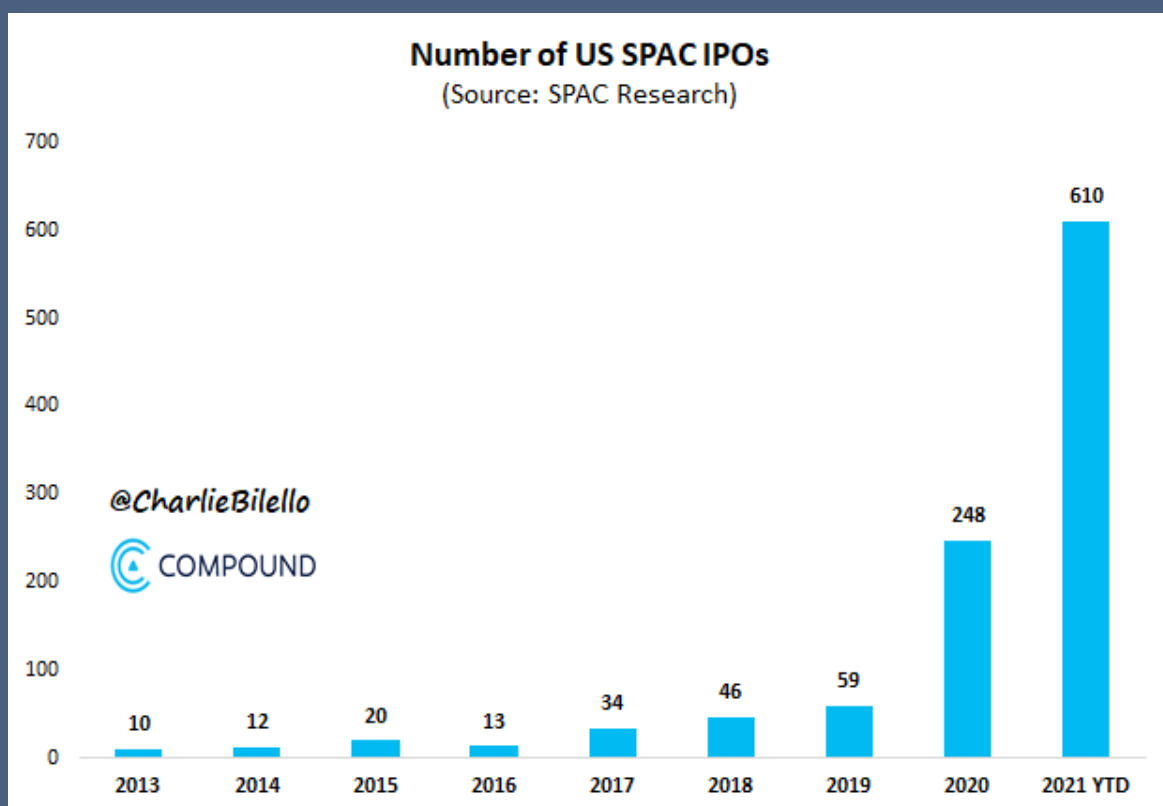
Source: Dow Jones Market Data analysis of FactSet data

Source: Bloomberg

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#spacs

Number of SPACs by year...

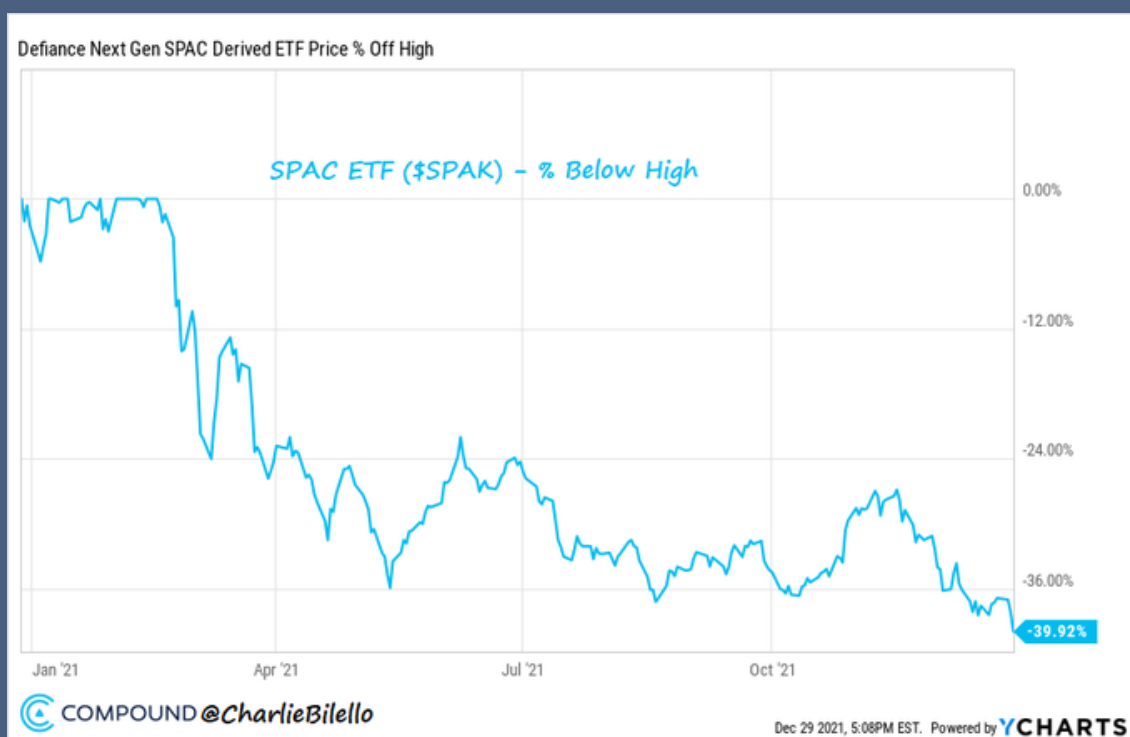


Source: Charlie Bilello

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#spacs

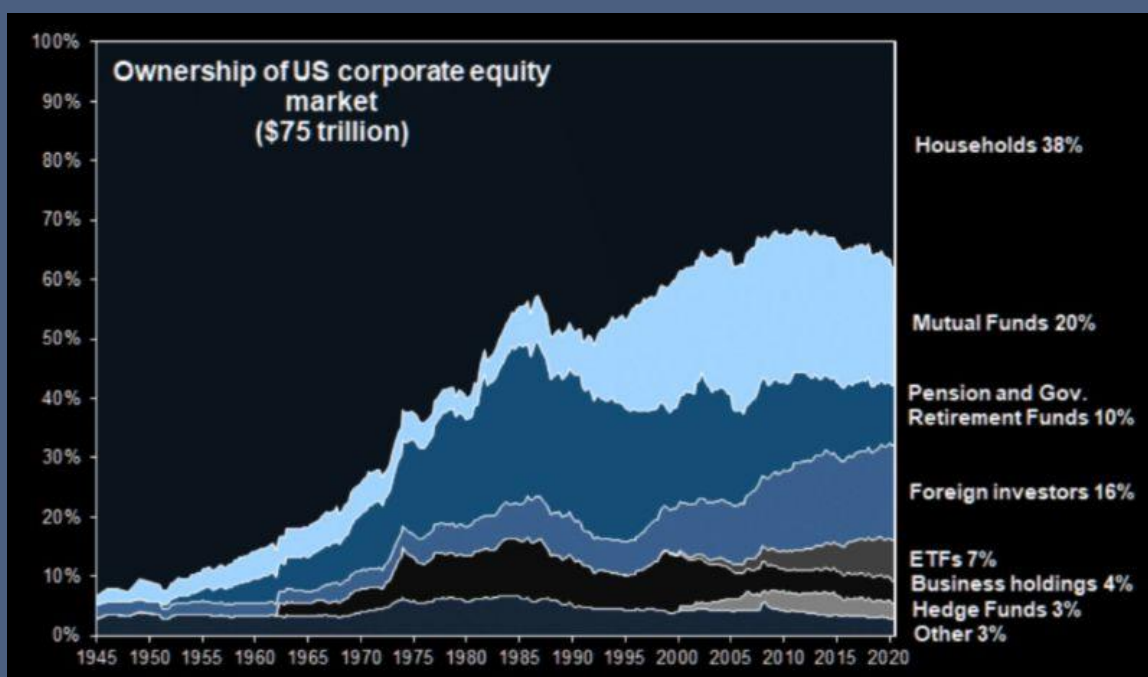
The SPAC ETF is down 40% from its high in February.



Source: Charlie Bilello

#us #equities #ownership

US households are the biggest owners of US equities and their share of the stock market is at the highest level since 1999...

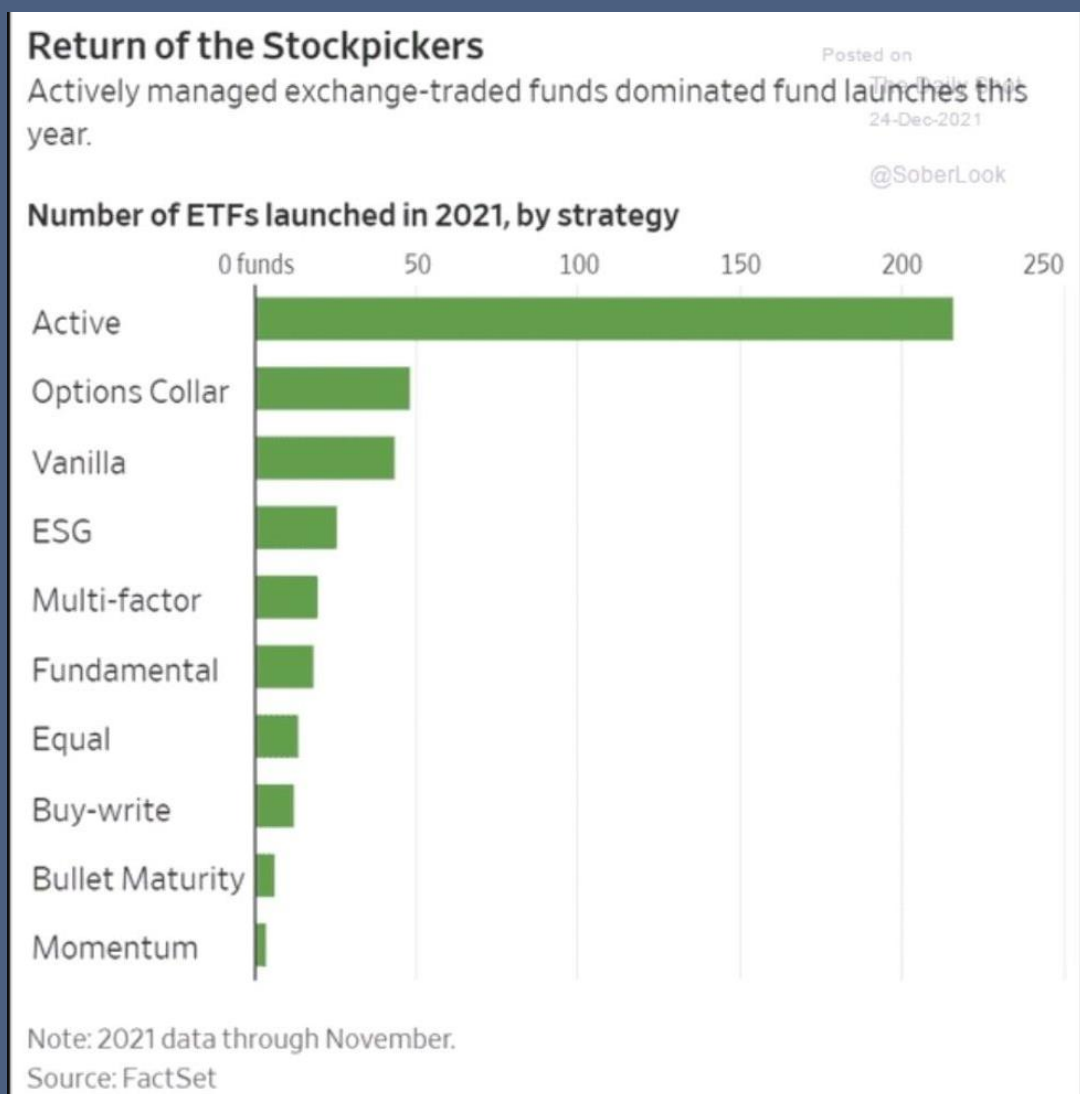


Source: Goldman Sachs

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#etfs

ETFs were created to be "passive" index-tracking alternatives to actively managed funds. 2021 offers a different perspective...

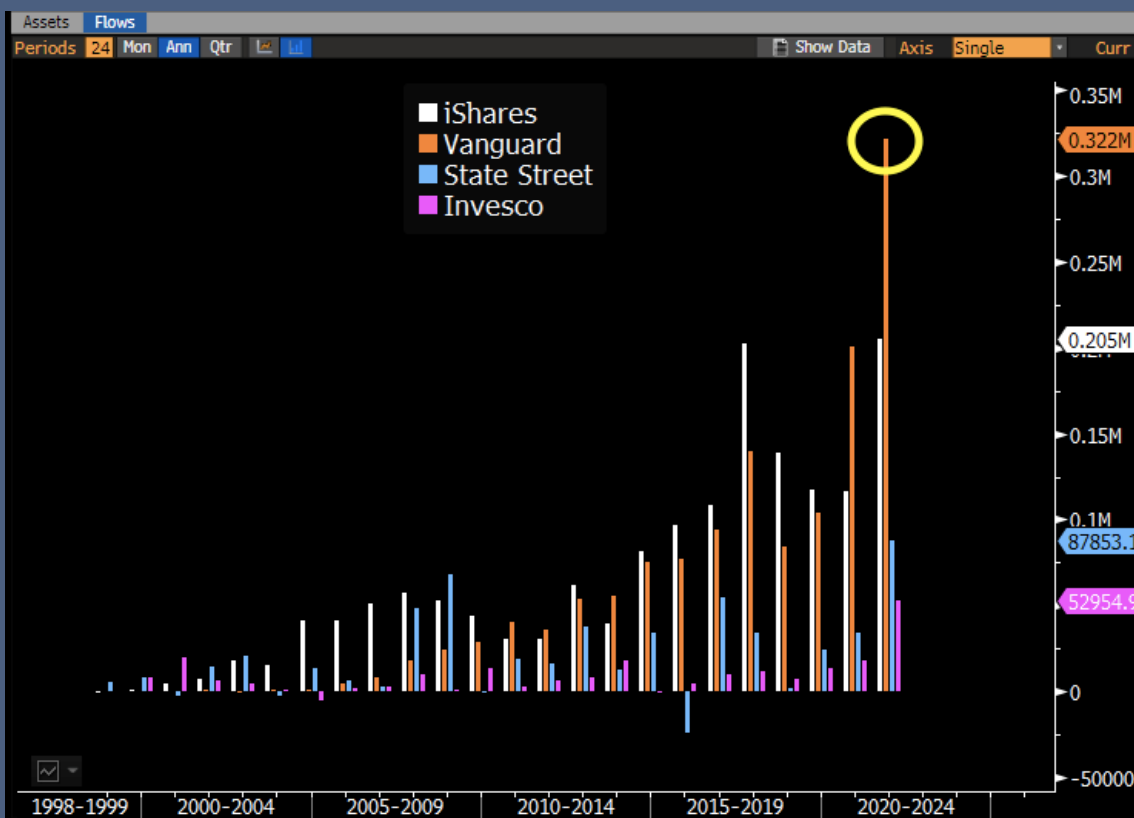


Source: Factset

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#etfs

Vanguard ETFs took in \$322b in AuMs this year. That's \$1.3b/day and about 60% beyond the old record for an issuer (albeit with a portion coming from internal migration from Mutual Funds to ETFs). Here's how it looks vs big issuers historically.

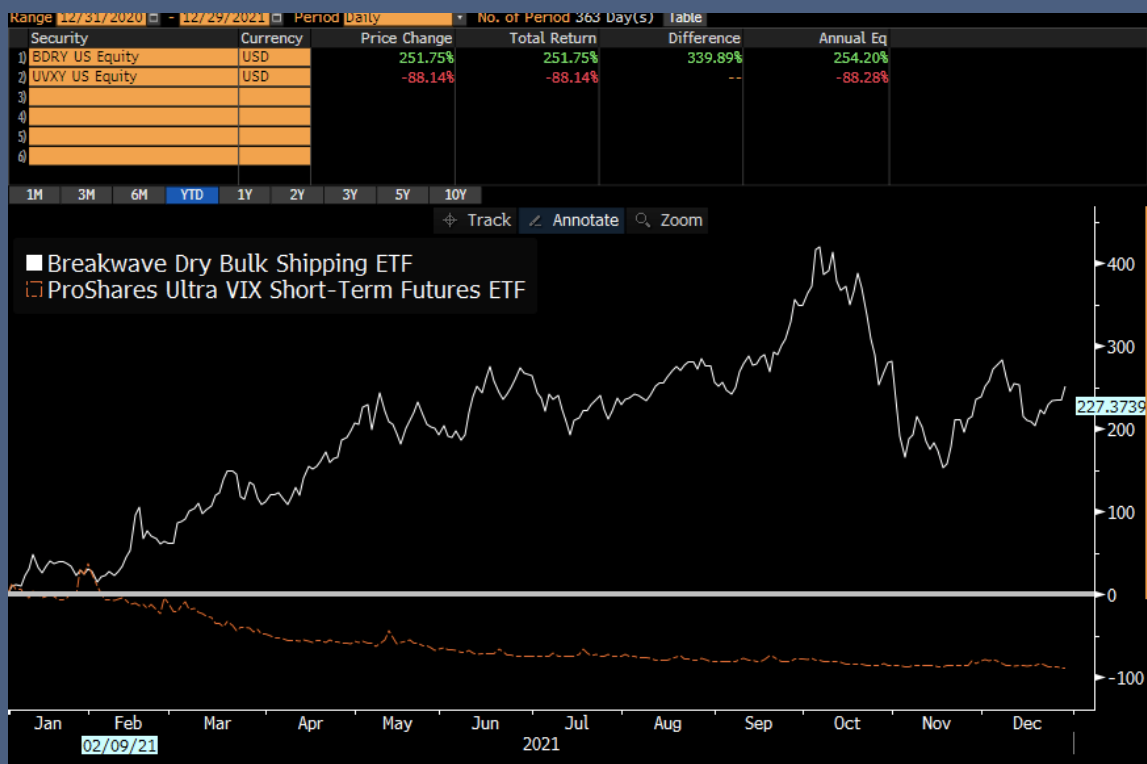


Source: Bloomberg, Eric Balchunas

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#etfs

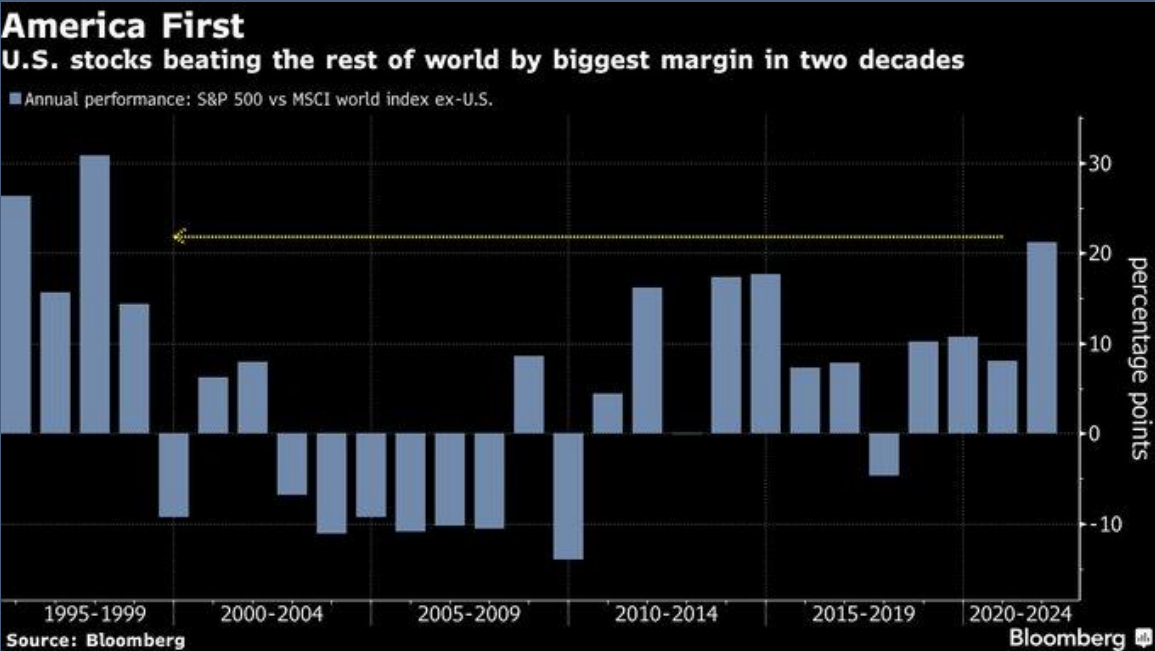
Best performing ETF of 2021 was \$BDRY (Dry bulk freight futures) with +251% and the worst was \$UVXY (1.5x VIX futures) with -88%.



Source: Bloomberg, Eric Balchunas

#global #equities

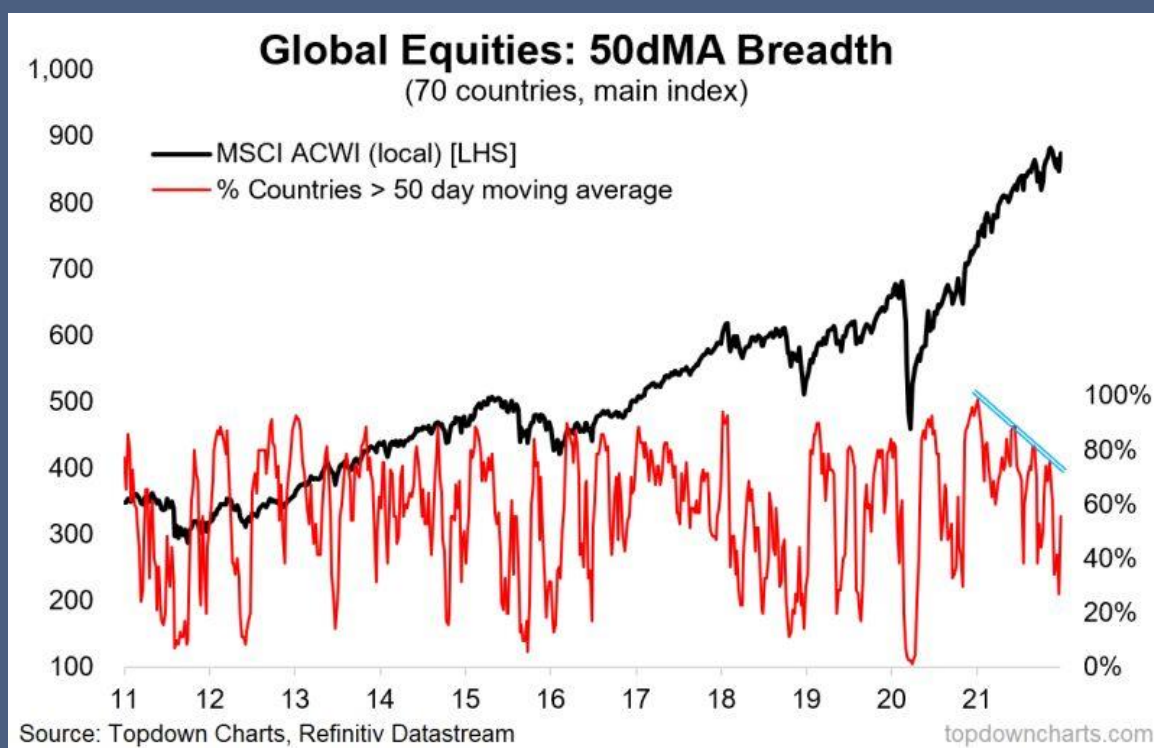
Just to put things into perspective: US stocks beating rest of world by most in 2 decades. The S&P 500 has surged 25% YTD compared with 3% gain from the MSCI All-Country World ex-US Index, BBG has calculated.



Source: Bloomberg

#global #equities

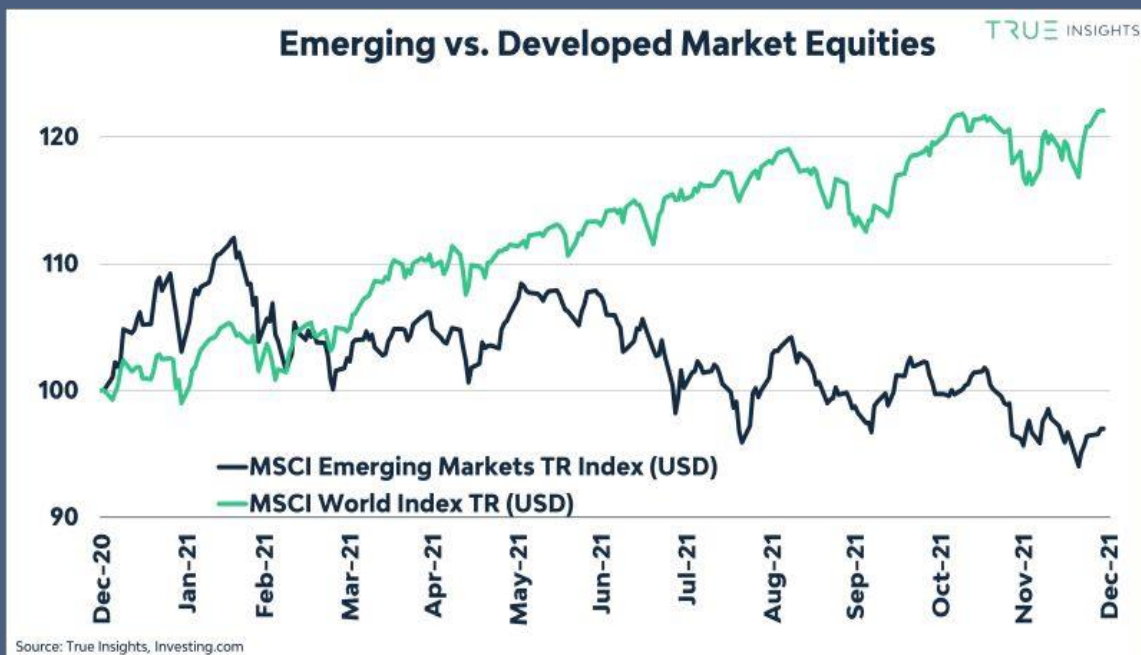
A strong year for Global equities but market breadth keeps deteriorating.



Source: Topdown charts

#emerging-markets #equities

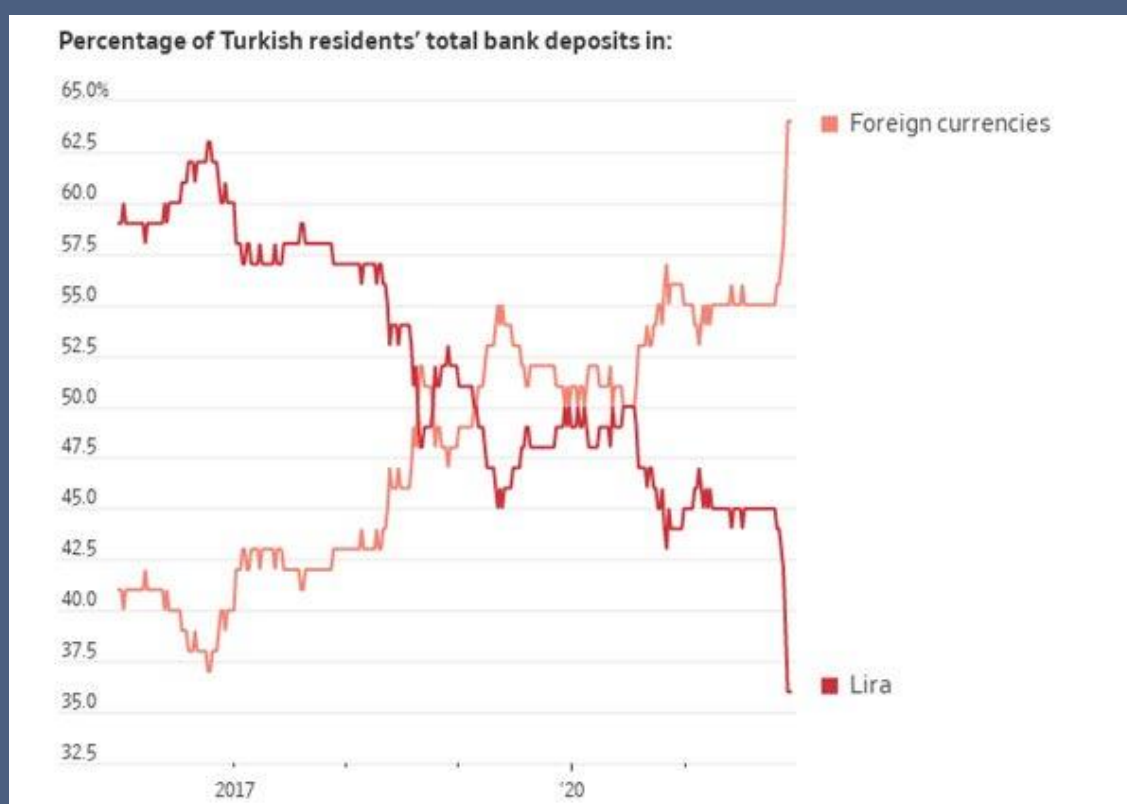
Emerging Market equities have severely underperformed their Developed Market counterparts this year. While the MSCI World Index is up more than 20%, Emerging Market equities are down almost 4%. Slowing Chinese GDP growth, a stronger US dollar, a majority of Emerging Market #centralbanks tightening monetary policy, and a range of idiosyncratic factors. There are many reasons why Emerging Market Equities once again trailed.



Source: True Insights

#turkish-lira

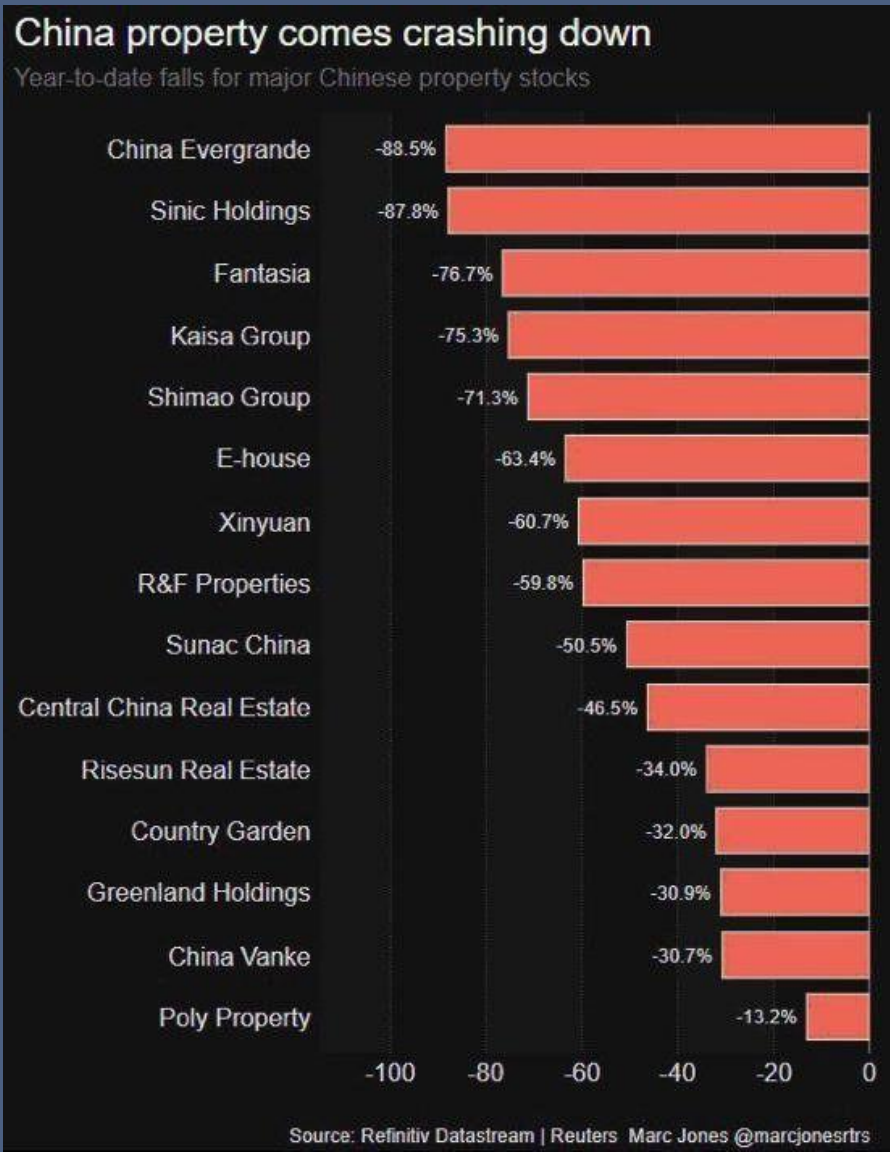
This is what happens when citizens lose faith in their currency.



Source: WSJ

#china #property #sector

Evergrande gets the headlines over in China, but property developers all over the country are in rough shape.



Source: Refinitiv

#commodities



Charlie Bilello ✓
@charliebilello

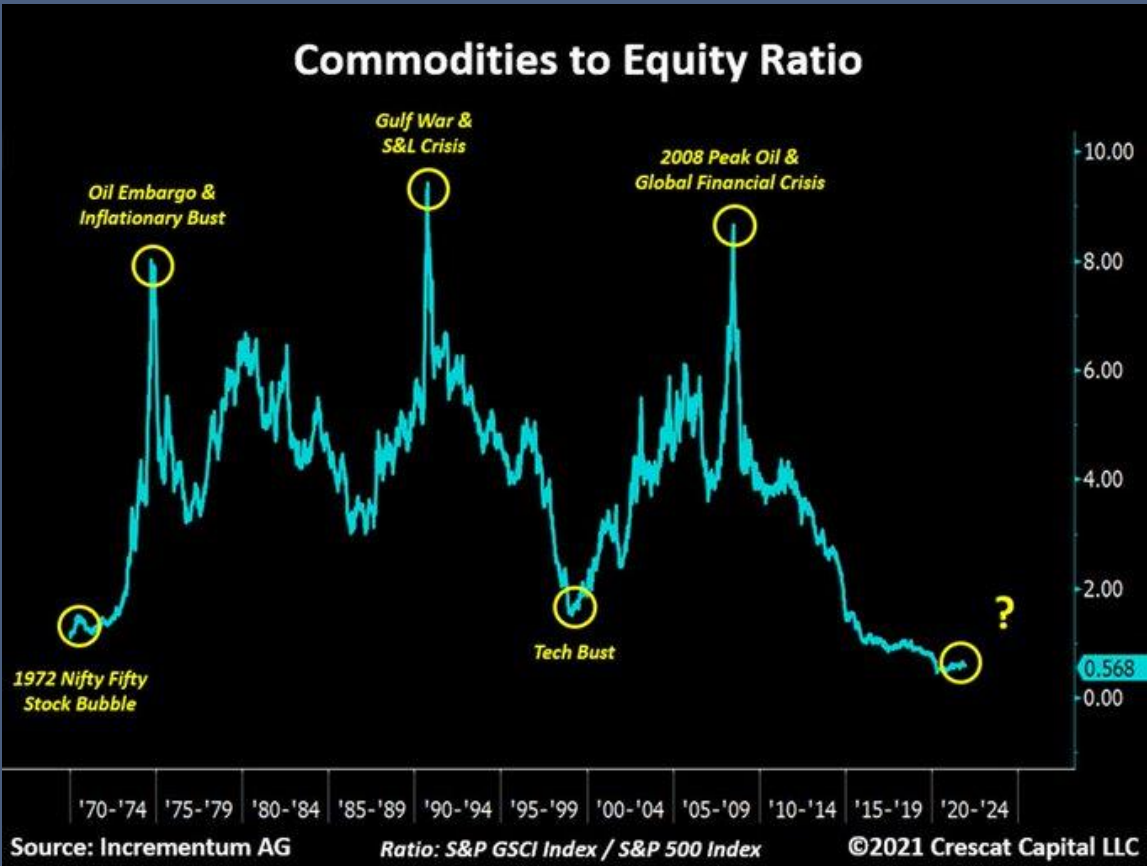
2021 Commodity Returns...

Coffee: +76%
Gasoline: +59%
Heating Oil: +59%
Lumber: +58%
WTI Crude: +57%
Natural Gas: +53%
Brent Crude +52%
Aluminum: +43%
Cotton: +41%
Zinc: +29%
Copper: +26%
Corn: +25%
Sugar: +22%
Wheat: +22%
US CPI: +6.8%
Soybeans: +4%
Gold: -4%
Silver: -12%

5:26 PM · Dec 29, 2021 · Twitter Web App

#commodities

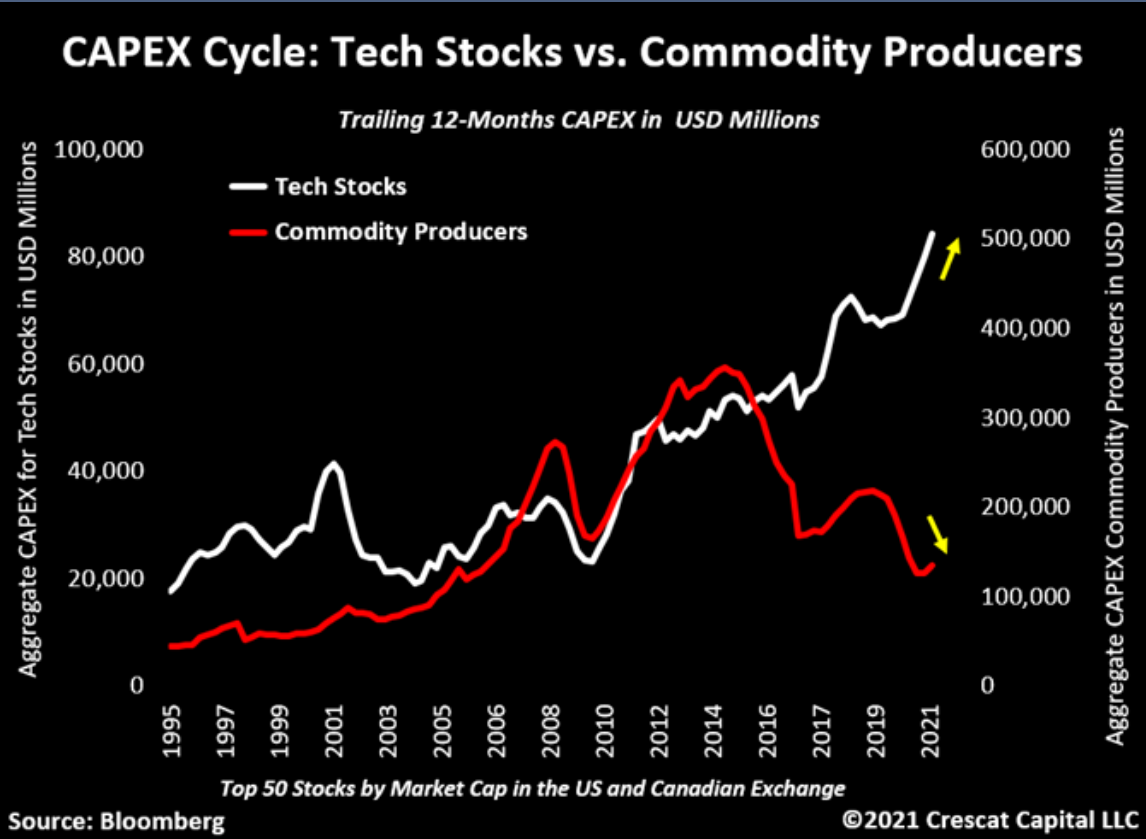
The commodities-to-equity ratio is now at even lower levels than at other times when we experienced other major macro regime changes, such as the early 1970s and 2000s. Both times we had the stock market trading at excessive valuations while commodities were at depressed levels.



Source: Crescat Capital

#commodities

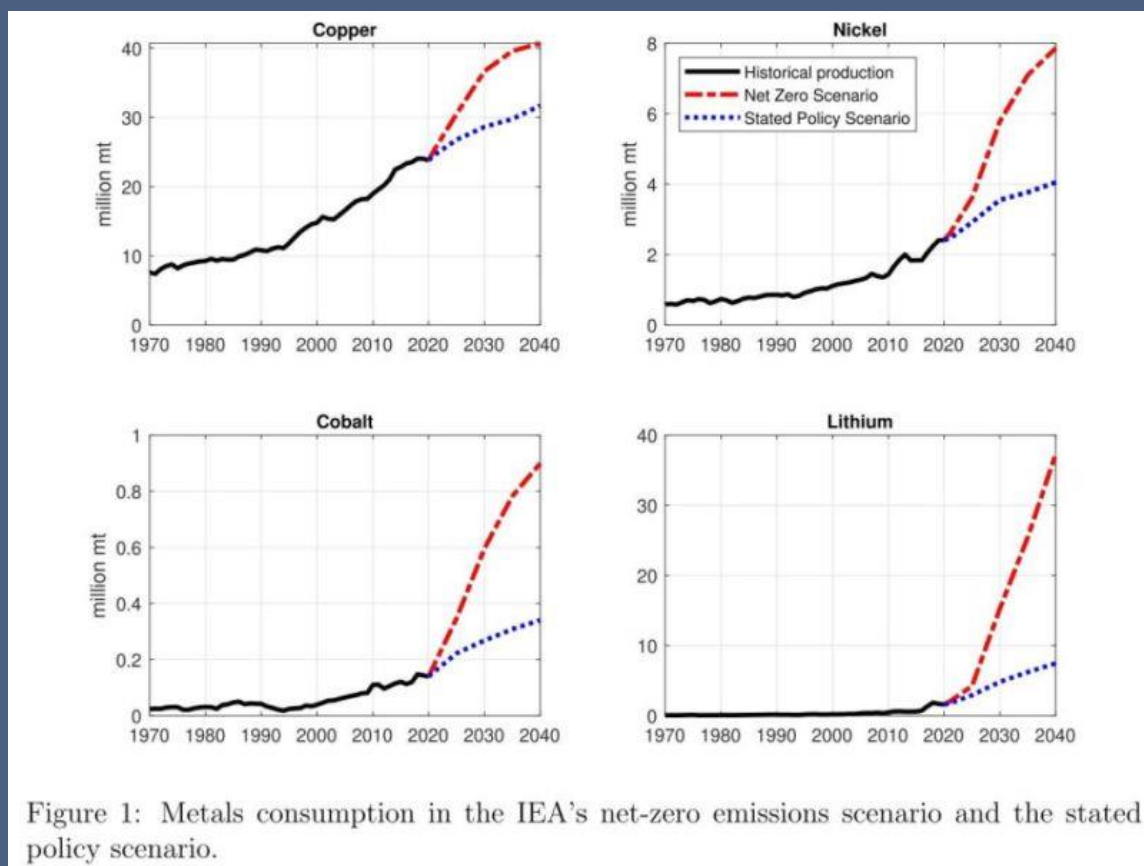
Massive dichotomy between Tech stocks capex and commodity producers capex.



Source: Crescat Capital

#commodities #metals

Under a net zero scenario, consumption of industrial metals such as Copper, Nickel, Lithium and Cobalt is likely to be much higher than the stated policy scenario - see below chart by the IEA. This scenario is very bullish for these commodities.



Source: IEA

#commodities #coffee

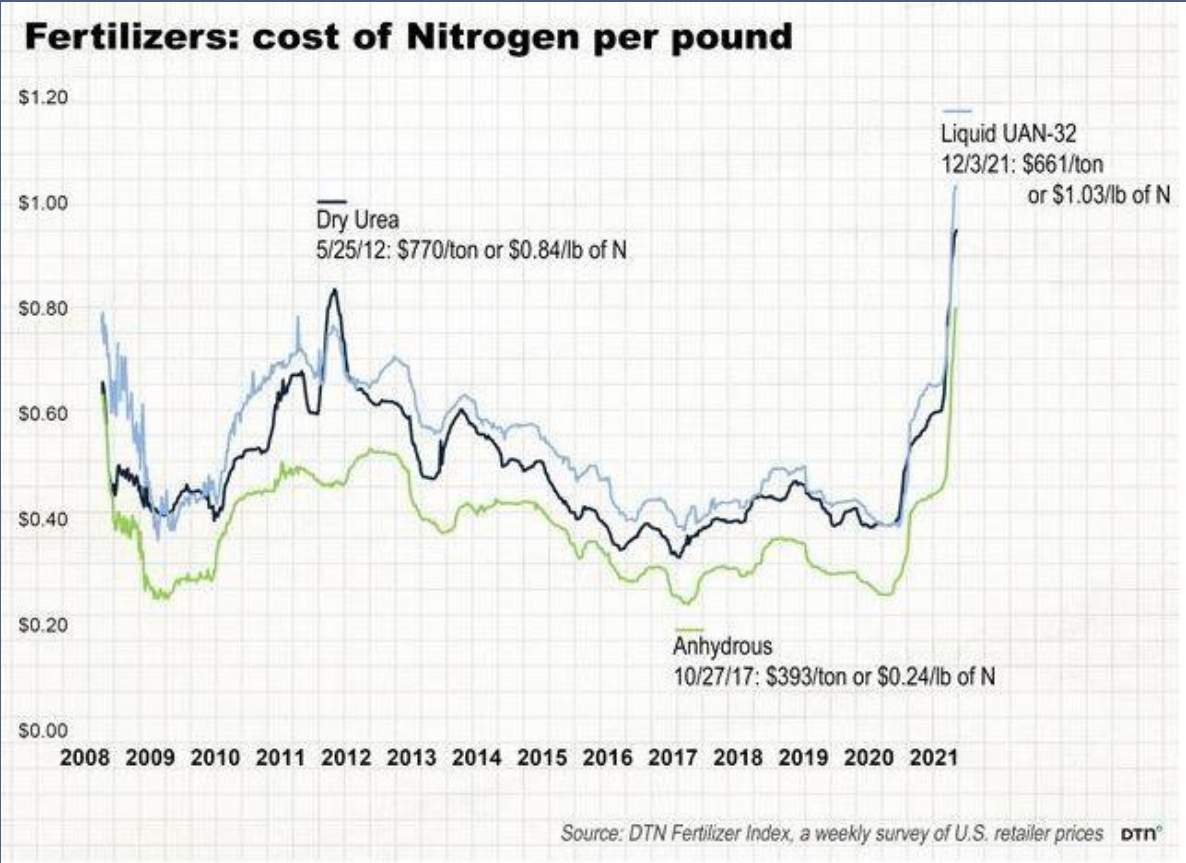
Coffee registered its best year in more than a decade. Benchmark arabica coffee futures have surged 76% to about \$2.25 a pound this year due to tightening global supply & shipping constraints.



Source: Bloomberg

#fertilizers

More food inflation on the way ...?



Source: DTN Fertilizer

#energy-crisis

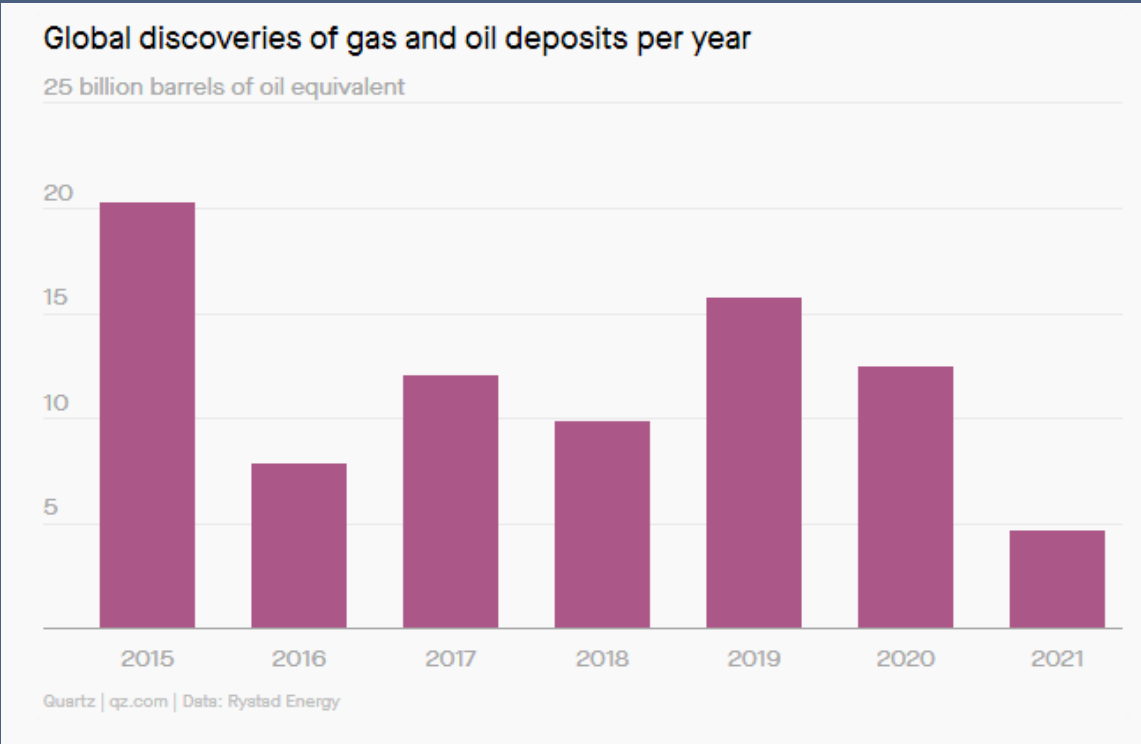
One of the biggest stories of the year was European NatGas prices, but the last week of the year has seen an armada of LNG vessels heading across the Atlantic to solve Europe's demand and EU gas prices have crashed back to reality. The following chart compares apples to apples across us/uk/eu energy prices (in oil barrel equivalents).



Source: www.zerohedge.com

#energy #crisis

As far as energy is concerned, everyone has been focused on demand, but recently it's a matter of supply.



Source: Lyn Alden

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#gold

Gold lagged inverted US 10 year real yield chart.



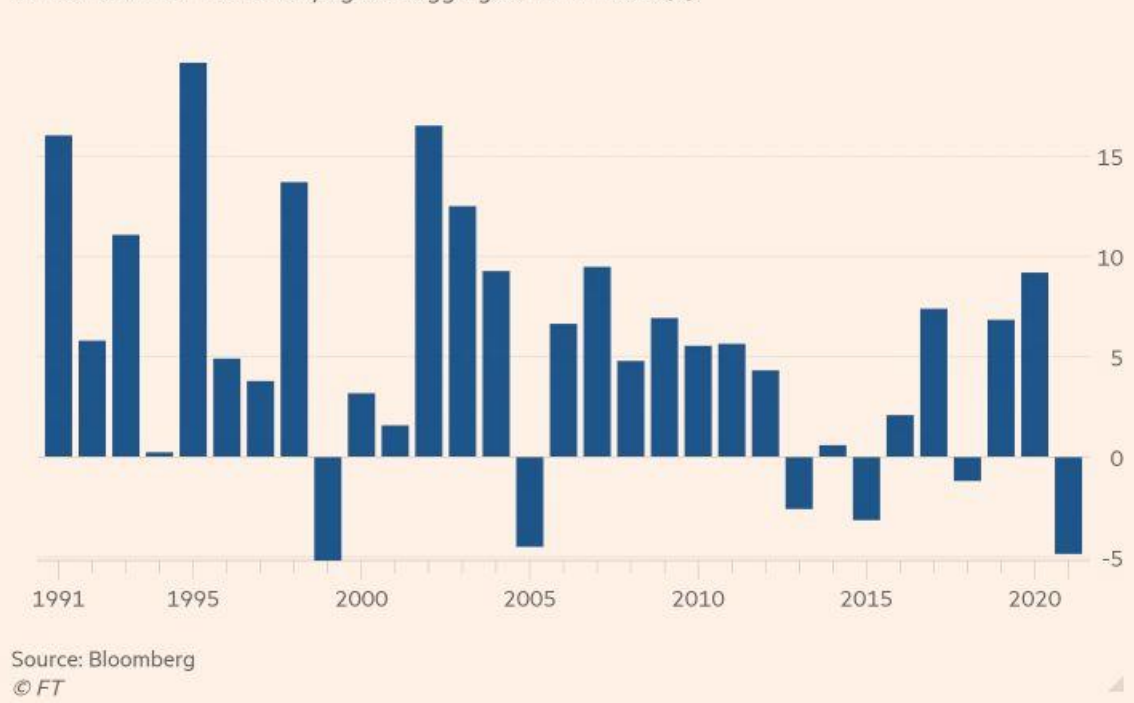
Source: www.zerohedge.com

#fixed-income

2021 is the worst year for Global bond markets since 1999.

A bad year for bonds

Annual return of the Barclays global aggregate bond index (%)



Source: FT

1st of January 2022

#us #treasuries

The market is now pricing 1 full rate-hike priced in by May 2022 and 3 full hikes by Dec 2022.



Source: www.zerohedge.com

#us #reasuries

Treasury yields were all higher on the year but the last few months, since The Fed shifted tone towards hawkish, has seen the belly underperforming as the long-end rallied.

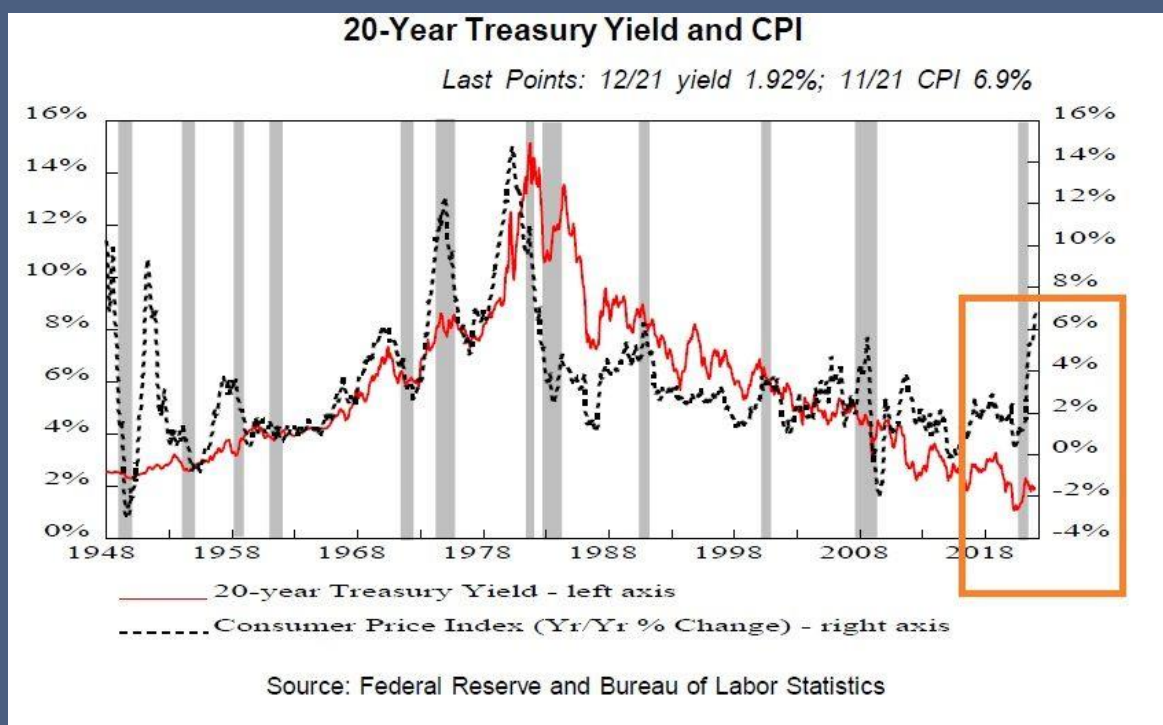


Source: www.zerohedge.com

1st of January 2022

#us #treasuries

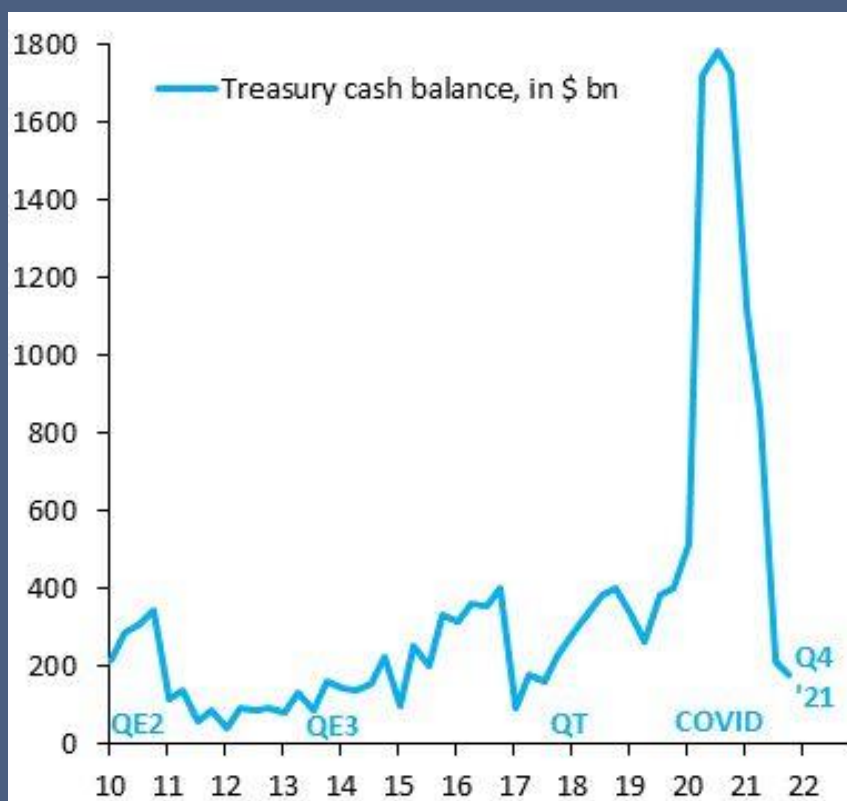
Rising CPI, falling US 20-year yield...



Source: Fed and Bureau of Labor Statistics

#us #treasuries

The US Treasury's cash balance played a big role in depressing 2021 debt issuance and thus keeping #yields low (US 10 year below 1.5% despite inflation at a 39y high...). The Treasury cash balance is now down to pre-pandemic levels. Going into 2022, will yields start to better reflect the supply & demand balance, i.e lots of supply but less demand side (as no more QE - or at least much less so)?



Source: RobinBrooksIIF

1st of January 2022

#us #treasuries

The US yield curve flattened on the year with 2s30s down around 35bps.



Source: www.zerohedge.com

1st of January 2022


#dollar

The Dollar ended 2021 higher, but faded back below its 50 day moving average on the last day of the year (and below 2019's closing price).



Source: www.zerohedge.com

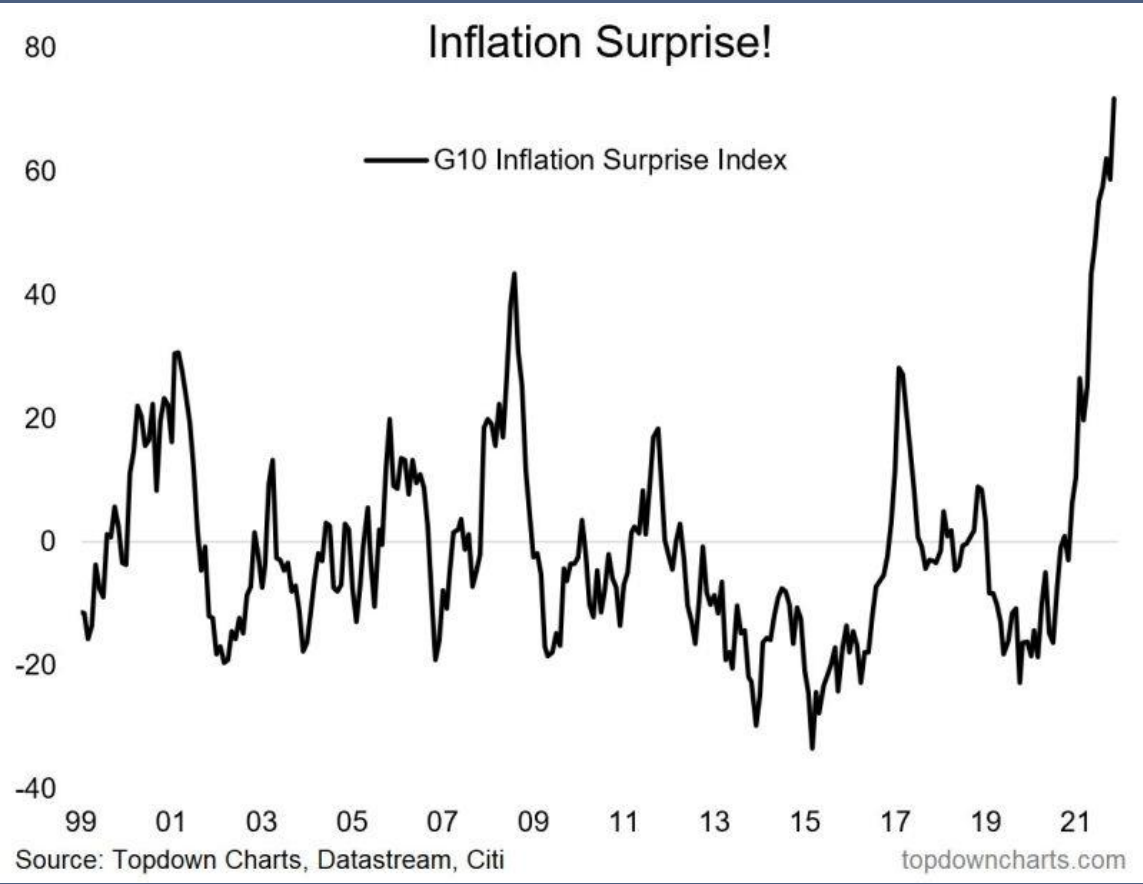
#inflation #global

Global Inflation Rates			
Country	CPI end of 2020 (YoY % Change)	CPI end of 2021 (YoY % Change)	CPI Change (2021 vs. 2020)
SAUDI ARABIA	5.8%	1.1%	-4.7%
INDIA	6.9%	4.9%	-2.0%
INDONESIA	1.6%	1.8%	0.2%
PHILIPPINES	3.3%	4.2%	0.9%
JAPAN	-0.9%	0.6%	1.5%
HONG KONG	-0.2%	1.8%	2.0%
SWITZERLAND	-0.7%	1.5%	2.2%
AUSTRALIA	0.7%	3.0%	2.3%
SOUTH AFRICA	3.2%	5.5%	2.3%
FRANCE	0.2%	2.8%	2.6%
PORTUGAL	-0.2%	2.6%	2.8%
CHINA	-0.5%	2.3%	2.8%
SWEDEN	0.2%	3.3%	3.1%
SOUTH KOREA	0.6%	3.7%	3.1%
FINLAND	0.2%	3.7%	3.5%
NEW ZEALAND	1.4%	4.9%	3.5%
CANADA	1.0%	4.7%	3.7%
ITALY	-0.2%	3.7%	3.9%
SINGAPORE	-0.1%	3.8%	3.9%
RUSSIA	4.4%	8.4%	4.0%
MEXICO	3.3%	7.4%	4.1%
UK	0.3%	5.1%	4.8%
POLAND	3.0%	7.8%	4.8%
GERMANY	-0.3%	5.2%	5.5%
US	1.2%	6.8%	5.6%
SPAIN	-0.8%	6.7%	7.5%
IRELAND	-1.1%	5.3%	6.4%
BRAZIL	4.3%	10.7%	6.4%
TURKEY	14.0%	21.3%	7.3%
ARGENTINA	36.1%	51.2%	15.1%
MEDIAN	0.7%	4.5%	3.5%
 COMPOUND @CharlieBilello			

Source: Charlie Bilello

#inflation #global

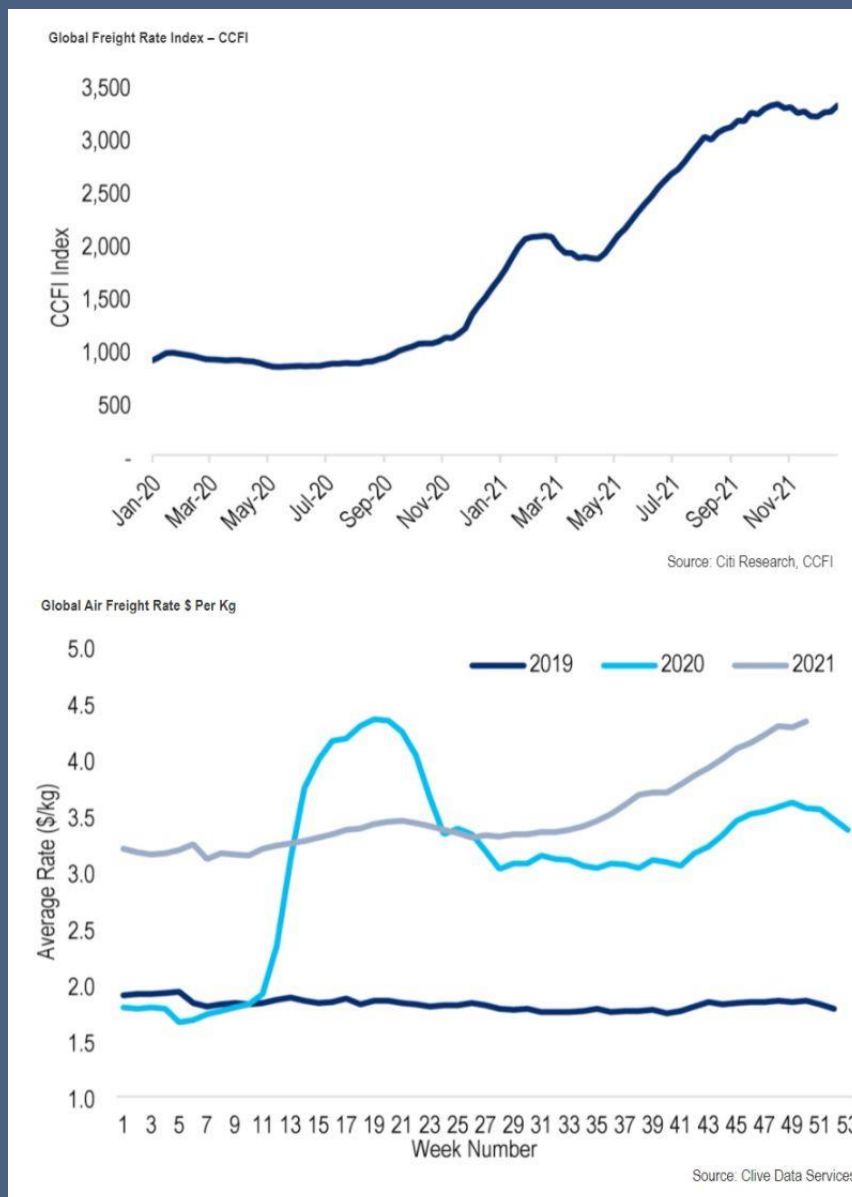
Global inflation has been surprising on the upside throughout the whole year.



Source: Topdown charts

#inflation #supply-chain

Global Supply Chain Congestion Tracker: no signs of easing ...

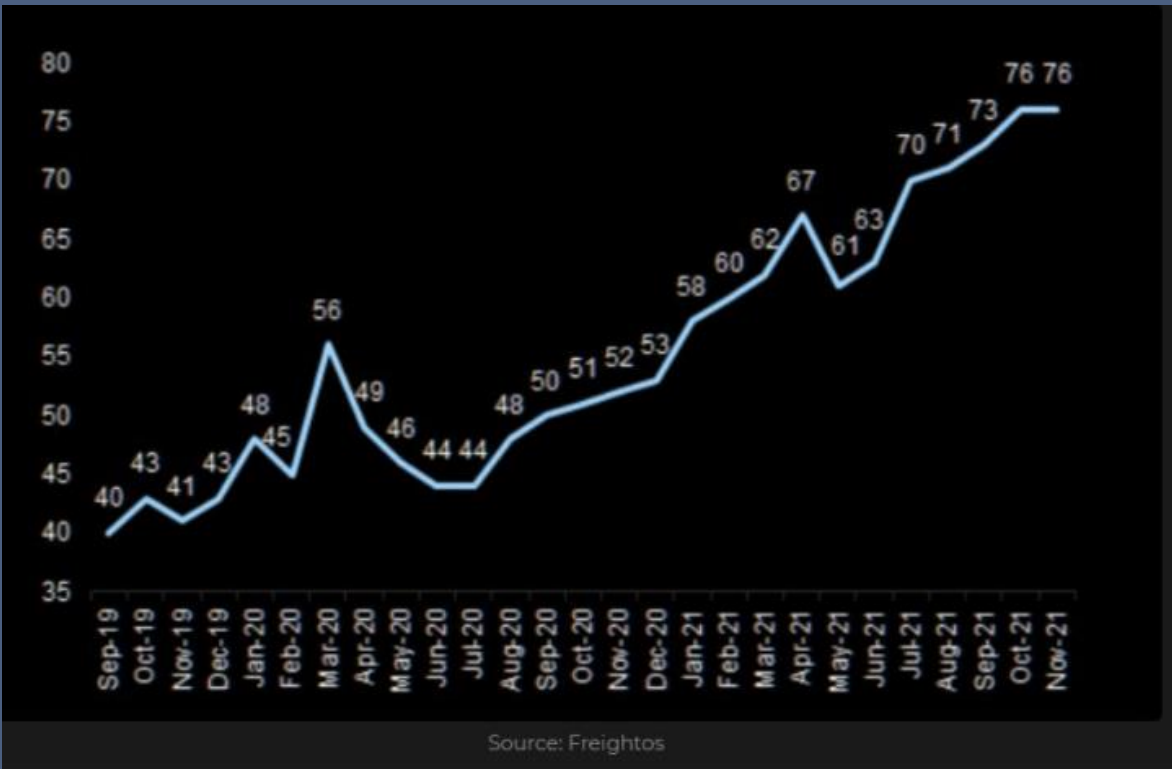


Source: Clive Data Services

1st of January 2022

#inflation #shipping

Door-to-door shipping Days : China to U.S. is flat-lining at a high level.



Source: Freightos

1st of January 2022

#inflation #us

The US PCE Price Index rose 9.2% y/y in November, the highest US inflation rate since 1982. Core PCE was 7.2%.



Source: Bloomberg

1st of January 2022

#inflation #us

US consumer might ultimately take the hit if inflation proves to not “transitory”.




Source: The Wall Street Journal

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#global #macro

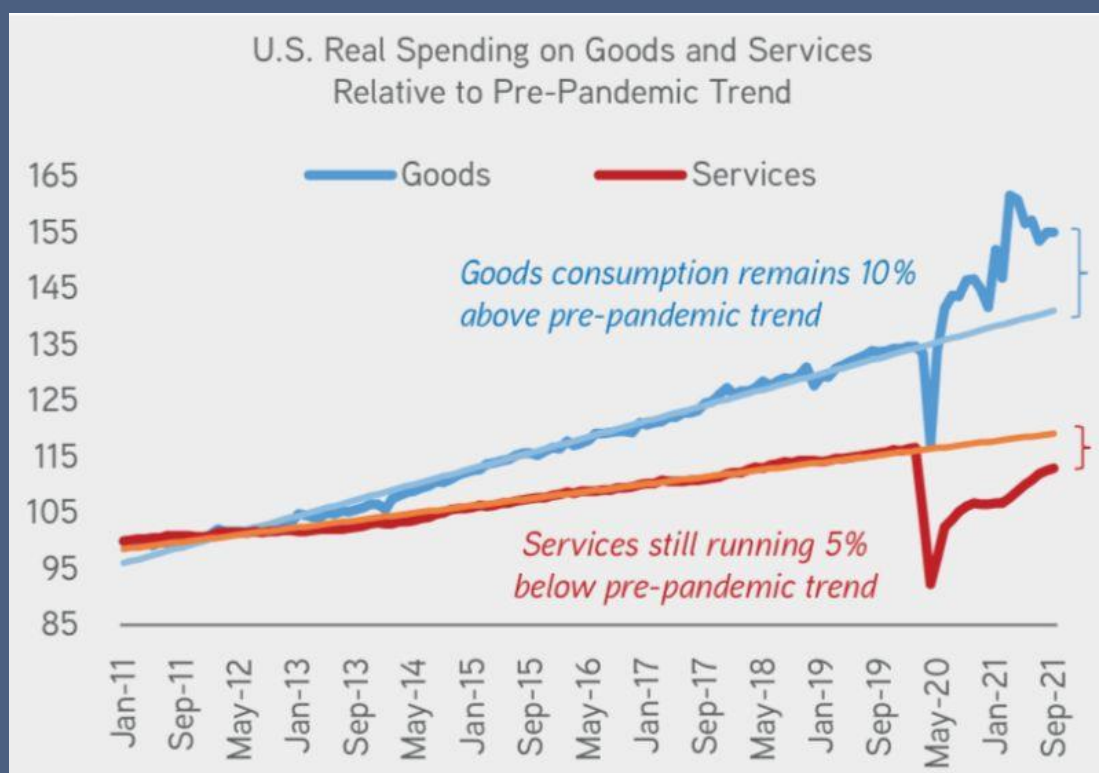
2020-21 Global Growth Rates (Real GDP YoY% Change)									
Country	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020 Average	Q1 2021	Q2 2021	Q3 2021	2021 Average (Q1-3)
ARGENTINA	-5.2%	-19.0%	-10.2%	-4.3%	-9.7%	2.9%	17.9%	11.9%	10.9%
AUSTRALIA	1.6%	-6.0%	-3.5%	-0.8%	-2.2%	1.4%	9.5%	3.9%	4.9%
BRAZIL	-0.1%	-10.7%	-3.7%	-0.9%	-3.9%	1.3%	12.3%	4.0%	5.9%
CANADA	-0.4%	-12.6%	-5.1%	-3.1%	-5.3%	0.3%	11.8%	4.0%	5.4%
CHINA	-6.8%	3.2%	4.9%	6.5%	2.0%	18.3%	7.9%	4.9%	10.4%
FINLAND	-0.1%	-7.1%	-2.7%	-1.5%	-2.9%	-1.5%	7.5%	4.2%	3.4%
FRANCE	-5.4%	-18.6%	-3.6%	-4.3%	-8.0%	1.5%	18.8%	3.3%	7.9%
GERMANY	-1.9%	-11.3%	-3.7%	-2.9%	-5.0%	-2.9%	9.8%	2.5%	3.1%
HONG KONG	-9.1%	-9.0%	-3.6%	-3.0%	-6.2%	8.0%	7.6%	5.4%	7.0%
INDIA	3.0%	-24.4%	-7.4%	0.5%	-7.1%	1.6%	20.1%	8.4%	10.0%
INDONESIA	3.0%	-5.3%	-3.5%	-2.2%	-2.0%	-0.7%	7.1%	3.5%	3.3%
IRELAND	6.5%	1.4%	10.8%	4.5%	5.8%	11.7%	21.1%	11.4%	14.7%
ITALY	-5.8%	-18.2%	-5.2%	-6.5%	-8.9%	-0.7%	17.0%	3.8%	6.7%
JAPAN	-2.1%	-10.1%	-5.5%	-0.9%	-4.7%	-1.3%	7.6%	1.4%	2.6%
MEXICO	-1.3%	-18.7%	-8.7%	-4.5%	-8.3%	-3.6%	19.6%	4.6%	6.9%
NEW ZEALAND	0.1%	-10.2%	1.4%	0.1%	-2.2%	2.9%	17.9%	-0.3%	6.8%
PHILIPPINES	-0.7%	-17.0%	-11.6%	-8.3%	-9.4%	-3.9%	12.0%	7.1%	5.1%
POLAND	2.2%	-8.2%	-1.5%	-2.5%	-4.1%	-0.8%	11.2%	5.3%	5.2%
PORTUGAL	-2.6%	-17.9%	-6.3%	-6.8%	-8.4%	-5.7%	16.1%	4.2%	4.9%
RUSSIA	1.4%	-7.8%	-3.5%	-1.8%	-2.9%	-0.7%	10.5%	4.3%	4.7%
SAUDI ARABIA	-1.1%	-7.2%	-4.5%	-3.8%	-4.2%	-2.6%	1.9%	7.0%	2.1%
SINGAPORE	0.0%	-13.3%	-5.8%	-2.4%	-5.4%	1.5%	15.2%	6.5%	7.7%
SOUTH AFRICA	0.5%	-16.8%	-5.8%	-3.5%	-6.4%	-2.6%	19.1%	2.9%	6.5%
SOUTH KOREA	1.5%	-2.6%	-1.0%	-1.1%	-0.8%	1.9%	6.0%	4.0%	4.0%
SPAIN	-4.3%	-21.5%	-8.7%	-8.8%	-10.8%	-4.2%	17.5%	2.7%	5.3%
SWEDEN	0.2%	-8.1%	-2.0%	-1.9%	-3.0%	-0.2%	9.7%	4.7%	4.7%
SWITZERLAND	0.0%	-6.7%	-1.4%	-1.5%	-2.4%	0.3%	8.6%	4.1%	4.3%
TURKEY	4.4%	-10.4%	6.3%	6.2%	1.6%	7.2%	21.7%	7.4%	12.1%
UK	-2.2%	-21.4%	-8.5%	-7.3%	-9.9%	-6.1%	22.2%	6.6%	7.6%
US	0.3%	-9.0%	-2.8%	-2.4%	-3.5%	0.5%	12.2%	4.9%	5.9%


COMPOUND
@CharlieBilello

Source: Charlie Bilello

#us #macro

Assuming we are slowly/painfully progressing through the typical stages of a pandemic, the ongoing recovery in US service sector growth (accounting for 70% of the economy) should act as a solid bid underpinning robust, albeit slower, economic growth in 2022. Barring a massive policy mistake by the Fed, the recovery still has plenty of room to run...

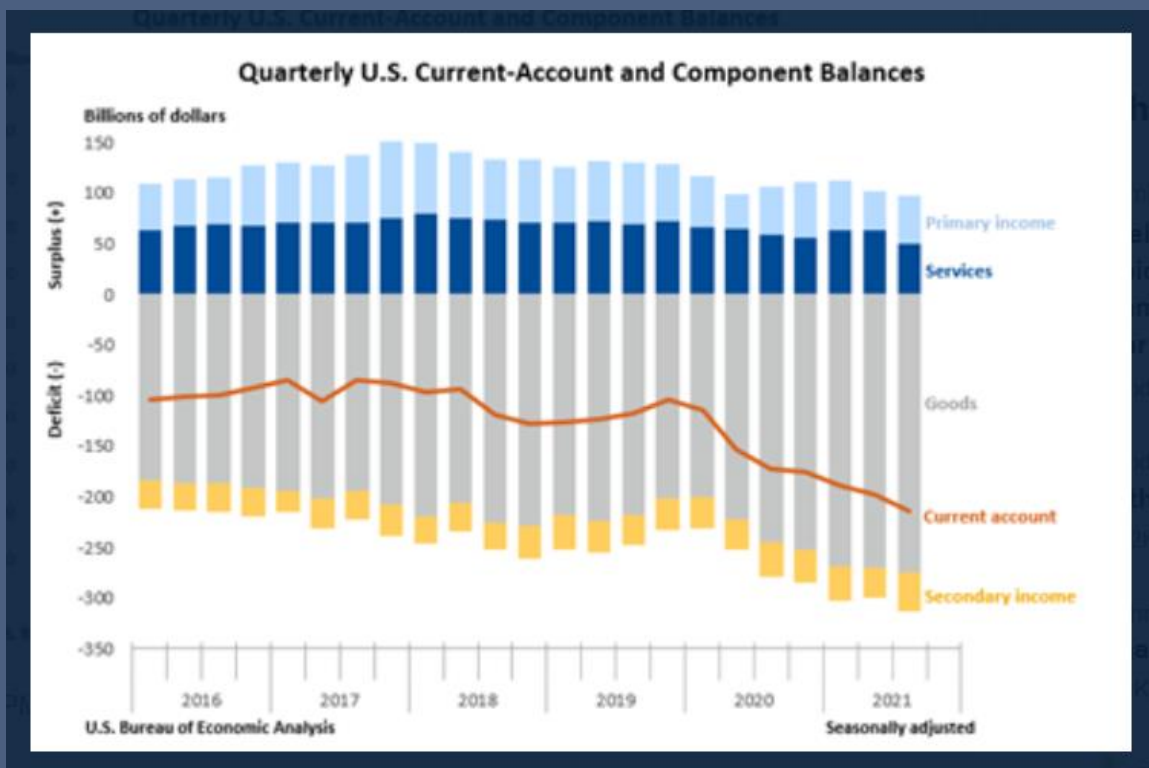


Source: Santiago E. Gomez

1st of January 2022

#us #macro

The US current-account deficit grew by \$16.5 billion, or 8.3 percent, to \$214.8 billion in the third quarter of 2021.

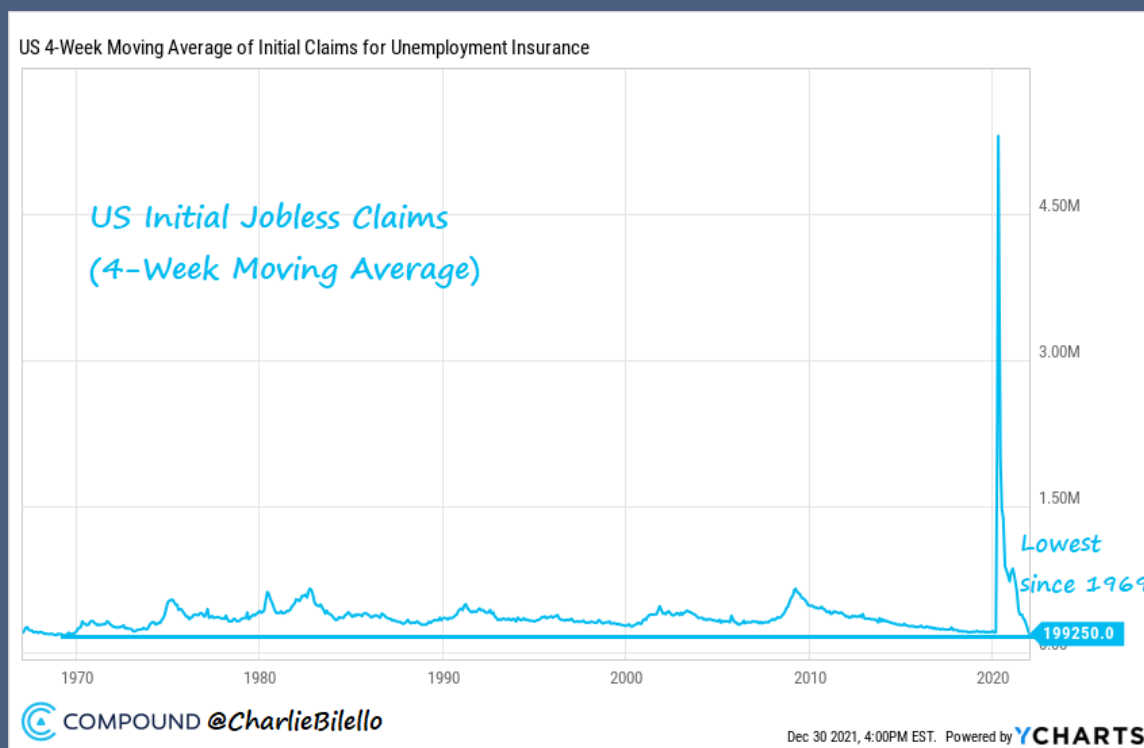


Source: US Bureau of Economic Analysis (BEA)

1st of January 2022

#us #macro

A 4-week moving average of US Jobless Claims hit their lowest levels since 1969. The US population in 1969 was 203 million. Today it's 333 million. If you adjust for this population increase, jobless claims have never been lower than they are today.

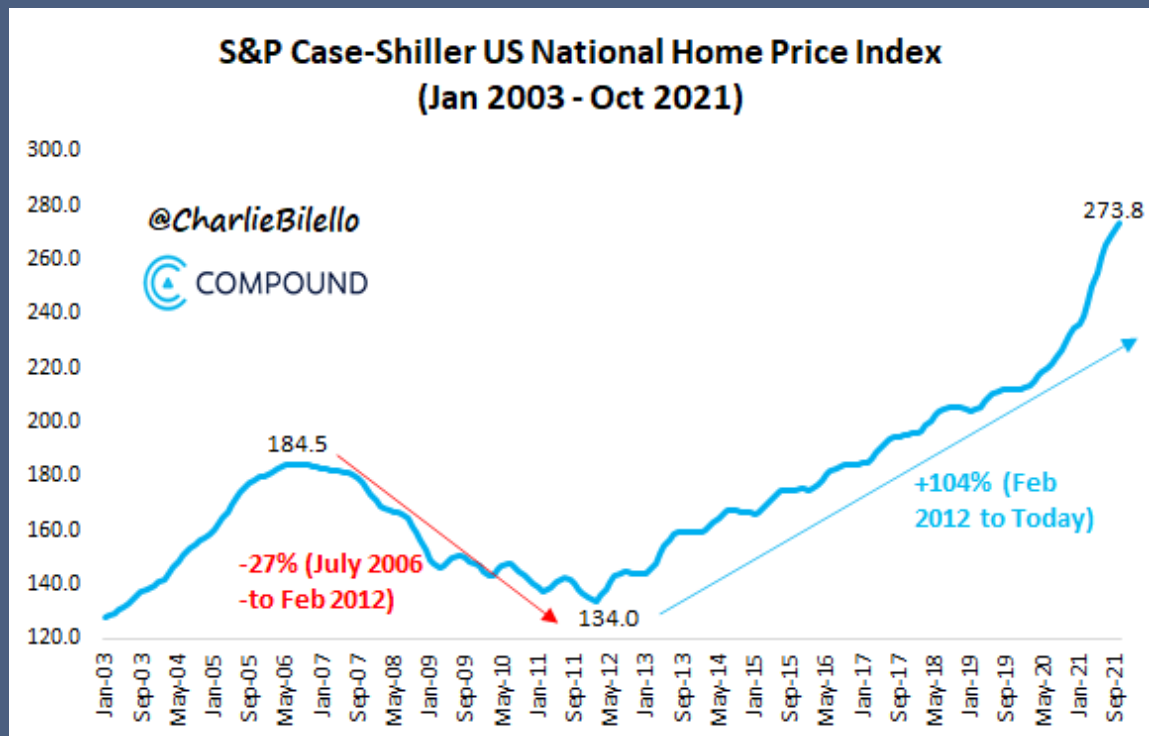


Source: Charlie Bilello

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#us #macro

The housing boom continues with US Home Prices hitting all-time highs again, up 19% over the past year. Home prices in the US have more than doubled from the lows in 2012.



Source: Charlie Bilello

1st of January 2022

#fed

Fed balance sheet on course to \$9tn. Fed's total assets now equal to 38% of US's GDP vs ECB's 82% and BoE's 133%.

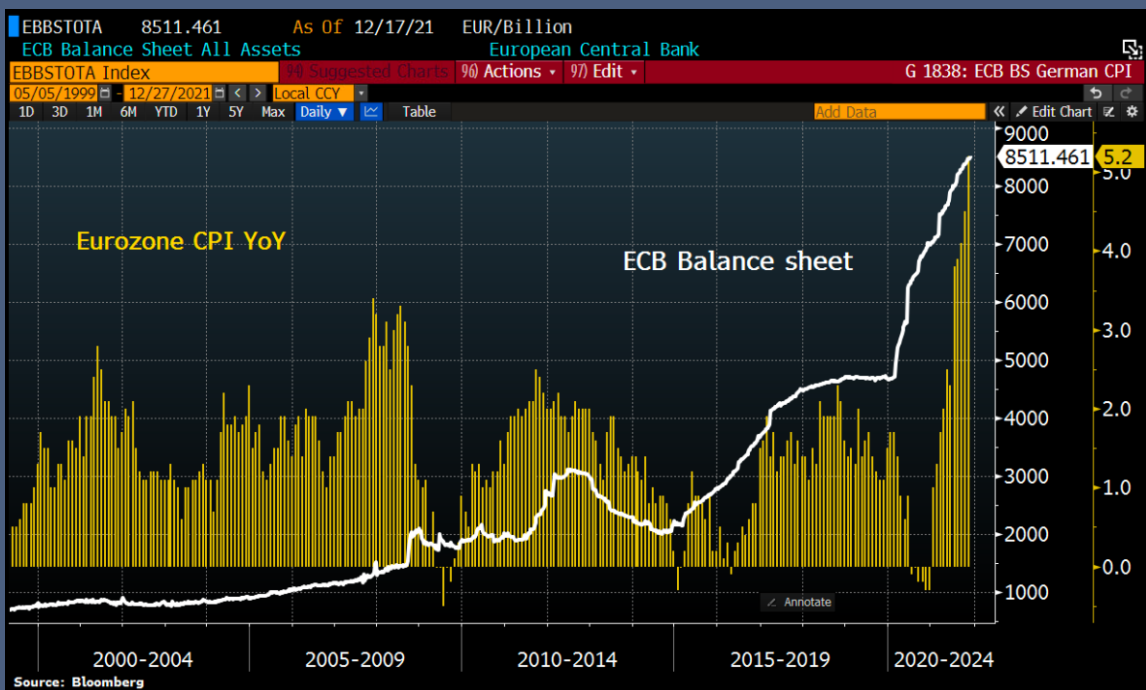


Source: Bloomberg

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#ecb

ECB keeps the printing press rumbling, although inflation in Eurozone has jumped >5%.



Source: Bloomberg

#cryptocurrencies #performance

Cryptos had another big year. Bitcoin ended the year up 65% while Ethereum rose over 400%.



Source: www.zerohedge.com

#cryptocurrencies #performance

Cryptocurrencies returns far exceeded traditional assets in 2021.



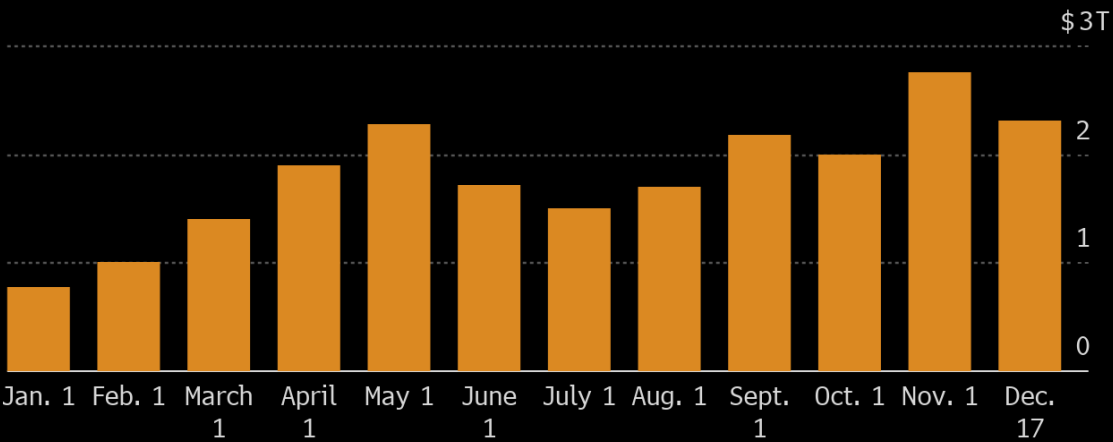
Source: Bloomberg

#cryptocurrencies

Total Market Cap for cryptos went from less than \$800B at the end of 2020 to nearly \$2.4T (with a peak close to \$3T).

Adding \$1.5 Trillion

Crypto market cap roughly tripled in 2021, at one point nearing \$3 trillion



Source: CoinGecko, Bloomberg

Bloomberg

Source: Bloomberg, CoinGecko

#bitcoin



Charlie Bilello 
@charliebilello

Returns vs. US \$ in 2021...

Bitcoin: +67%

Canadian \$: -0.4%

British Pound: -1%

Indian Rupee: -2%

Swiss Franc: -3%

Mexican Peso: -3%

Gold: -5%

Aussie \$: -6%

Euro: -7%

S. African Rand: -8%

Brazil Real: -9%

Japan Yen: -10%

Colombian Peso: -15%

Argentine Peso: -18%

Turkish Lira: -44%

Source: Charlie Bilello

1st of January 2022

#bitcoin #tesla

Bitcoin and Tesla - what do they have in common? Both remain one of the more "emotional assets" out there.



Source: Refinitiv, The Market Ear

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#bitcoin #etf

The first Bitcoin futures ETF in the US was a dud, at least this year. The ProShares Bitcoin Strategy ETF is trading 28% below its starting price and, above all, has performed significantly worse than #Bitcoin



Source: Bloomberg

#bitcoin

MicroStrategy now owns 1 out of every 170 Bitcoin that will ever exist. As of Dec. 29 MicroStrategy held about 124,391 bitcoins purchased at an average price of \$30,159.. The company has a market value of \$6.1 billion, according to Bloomberg data.



Source: coindesk

#altcoins

Bitcoin's crypto market dominance shrank in 2021.

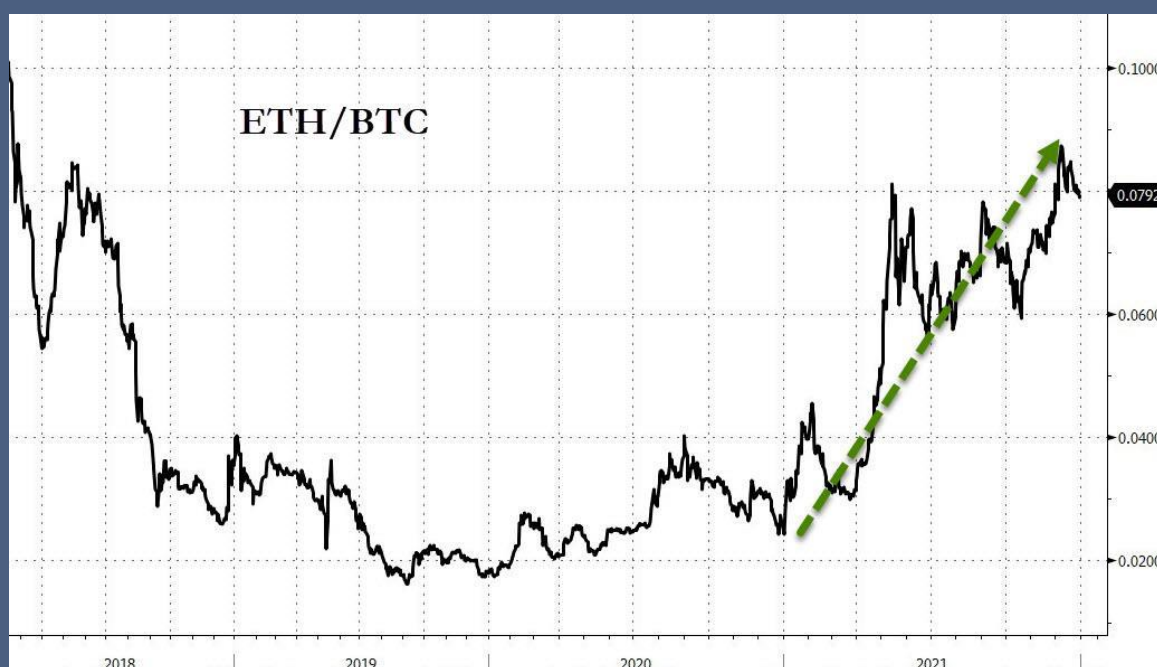


Source: Bloomberg, Coingecko

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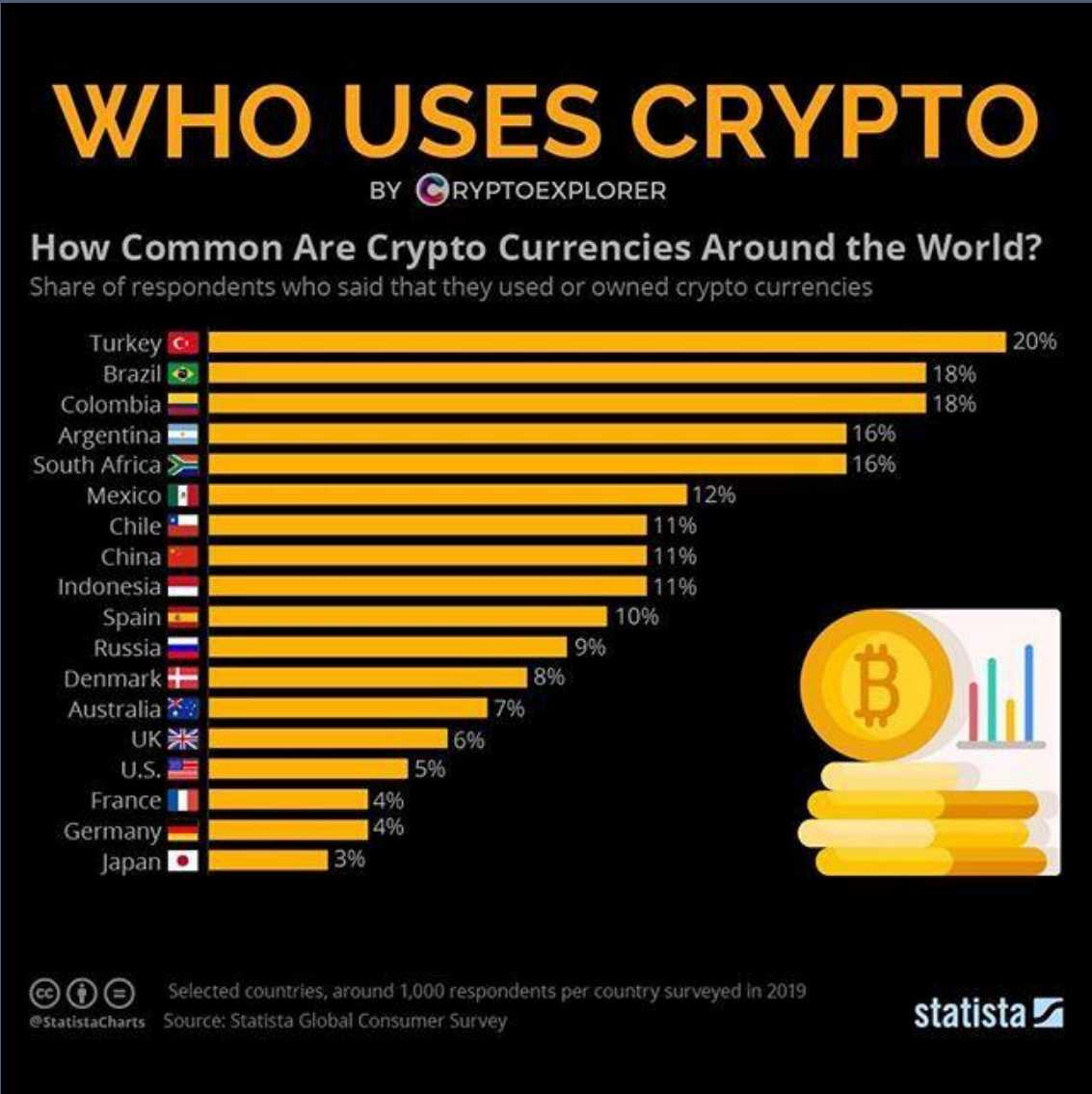
#ethereum

Ethereum's major outperformance pushed it to the strongest relative to Bitcoin since early 2018.



Source: www.zerohedge.com

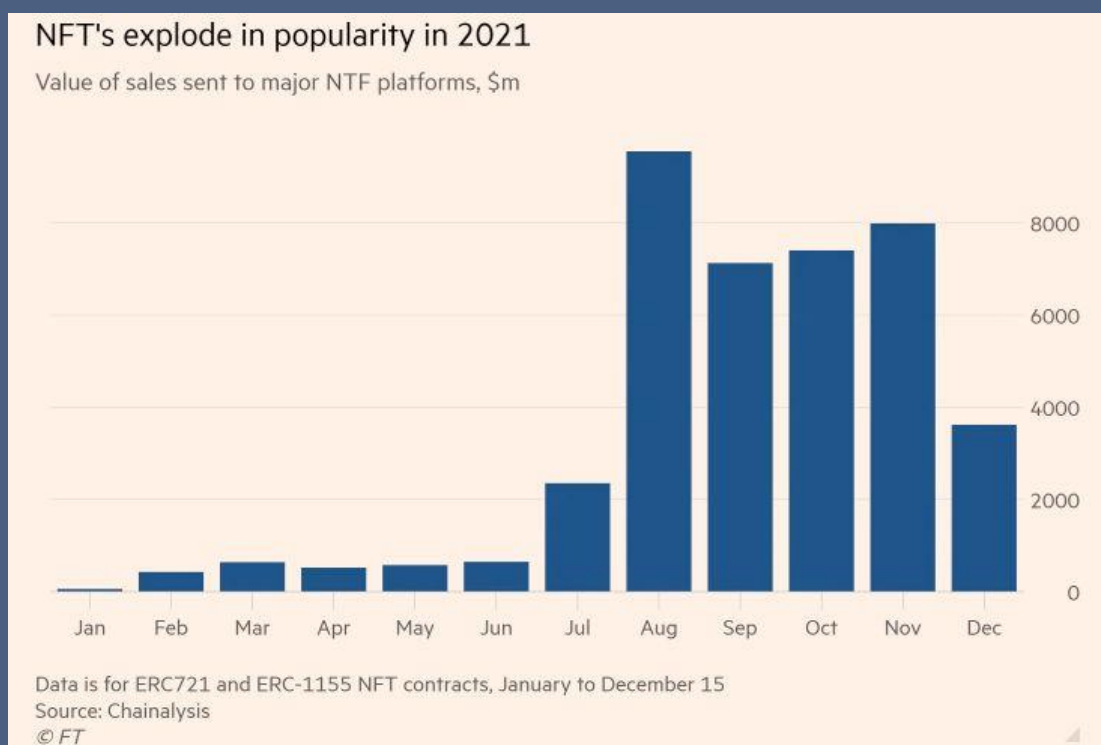
#cryptocurrencies #usage



Source: Statista

#nfts

At the beginning of 2021, only a niche group of crypto enthusiasts knew what non-fungible tokens (NFT) were. By the end of the year, however, nearly \$41bn had been spent on NFTs, according to the latest data, making the market for digital artwork and collectibles almost as valuable as the global art market.



Source: FT

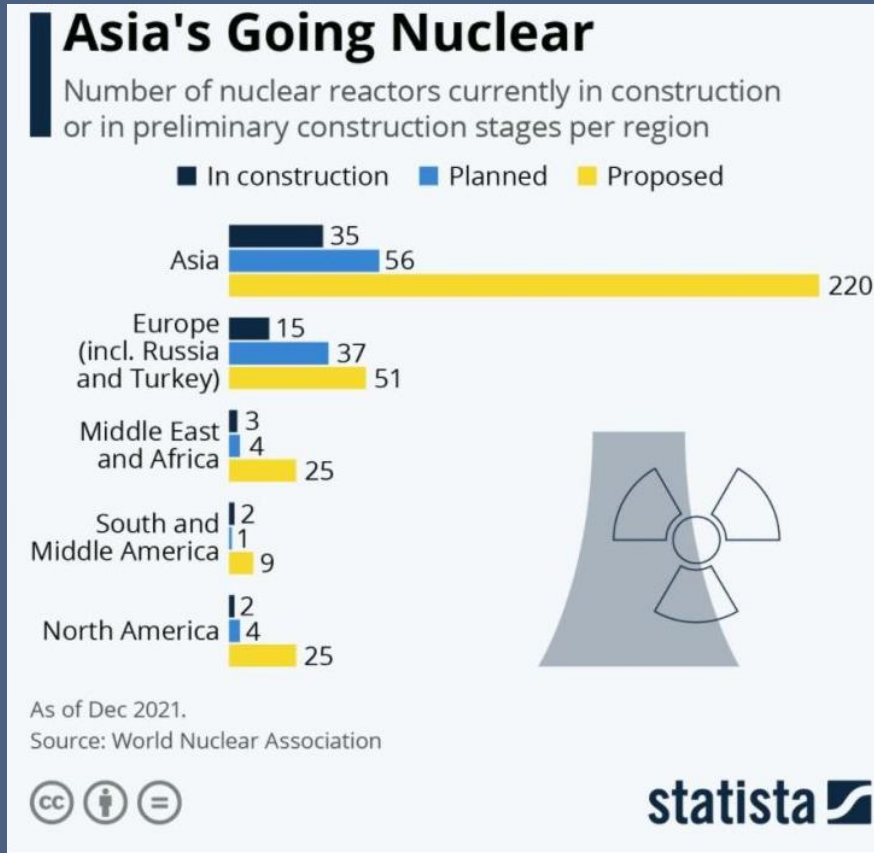
#nfts



Source: @wallstbets

#nuclear-power

Asia is going big on nuclear power. Japan still has 33 reactors in commission while proposals, planning or construction have started on an additional eleven according to data by the World Nuclear Association. India plans to triple its number of nuclear power plants to 72 in total, while China has proposed the construction of 168 new reactors in addition to 18 being built and 37 being planned, which would amount to an increase of 337 %.



Source: Statista

#m&a

Global M&A frenzy took place in 2021.

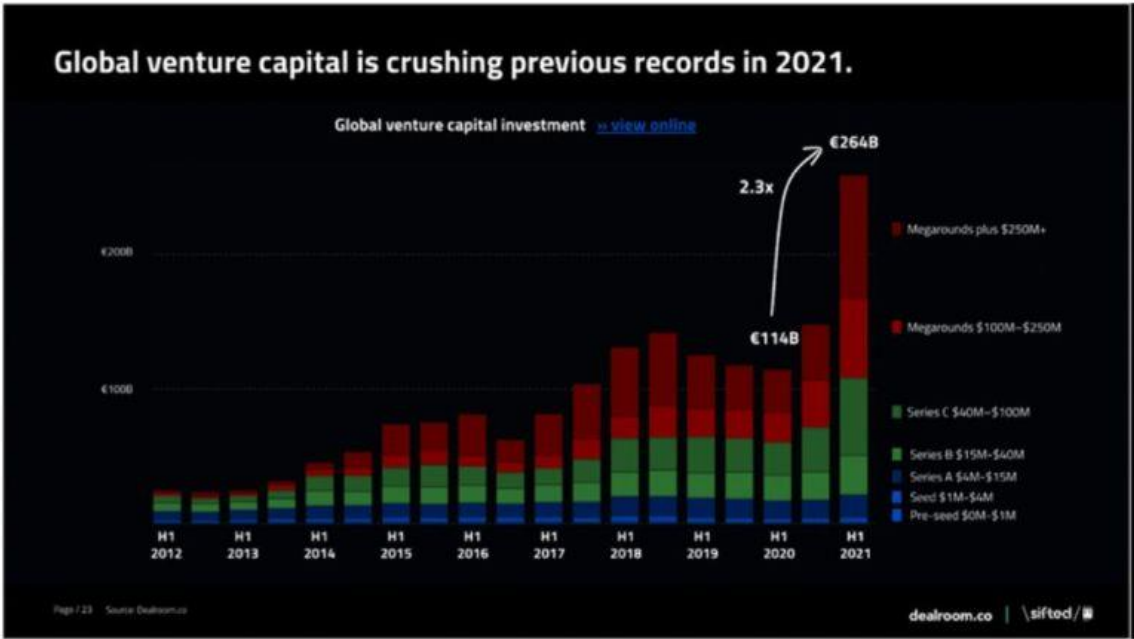


Source: FT

#venture-capital

The numbers for global venture capital in 2021 were off the charts.

VC funding: crushing it



Source: Dealroom

Source: Dealroom

1st of January 2022

#hedge-funds

Out of this hedge fund list, only 3 of them beat the S&P 500 in 2021...

Fund	Strategy	YTD
Senvest	Equity	75%
Impala**	Equity	55.5%
SRS	Equity	46%
Third Point	Event driven	25.7%
Citadel Wellington***	Multistrategy	24.3%
Heard Capital	Equity	23%
Pershing Square	Equity	20.1%
Voleon Investors*	Quant	19%
Citadel Tactical Trading	Multistrategy	18.1%
D1 Capital	Equity	17%
Hudson Bay International	Multistrategy	14.1%
Renaissance Institutional Equities*	Quant	13.7%
Schonfeld Strategic Partners	Multistrategy	12.6%
Millennium Management	Multistrategy	12.1%
Renaissance Institutional Diversified Alpha*	Quant	11.3%
Voleon Institutional Strategies International*	Quant	11%
Carlson Double Black Diamond	Multistrategy	10.1%
Two Sigma Compass	Macro	8.8%
Coatue Qualified Partners	Equities	8.8%
Verition*	Multistrategy	8%
Point72	Multistrategy	7.4%
Renaissance Institutional Diversified Global Equities*	Quant	7.4%
Balyasny Atlas Enhanced	Multistrategy	7.3%
Carlson Black Diamond Arbitrage	Event driven	7%
Voloridge Trading Aggressive	Quant	5.9%
Sculptor Master	Multistrategy	4.8%
ExodusPoint	Multistrategy	3.2%
Tiger Global	Equity	3%
Two Sigma Spectrum	Quant	3%
Bridgewater Pure Alpha II	Macro	0.3%
Lone Pine Cypress	Equity	-1.9%
Voloridge	Quant	-3.9%
Viking Global Equities	Equity	-6.1%
Brevan Howard AS	Macro	-7.4%
Element	Macro	-8.1%
Alphadyne	Macro	-22%
Rokos	Macro	-25%
Melvin Capital	Equity	-41.5%

Note: Returns through November, unless indicated. *Through 12/17. **Through 12/23. ***Through 12/27

Source: Bloomberg

#thematic #investing

Investors surveyed by FactSet/Forbes report holding (on average) 28% of their total portfolios in thematic instruments or strategies. In fact, within 18 months, investors expect that their total investment in thematic strategies will rise to an average of 35% and within three years, they expect it to climb to 42%, which is an additional 20% growth.

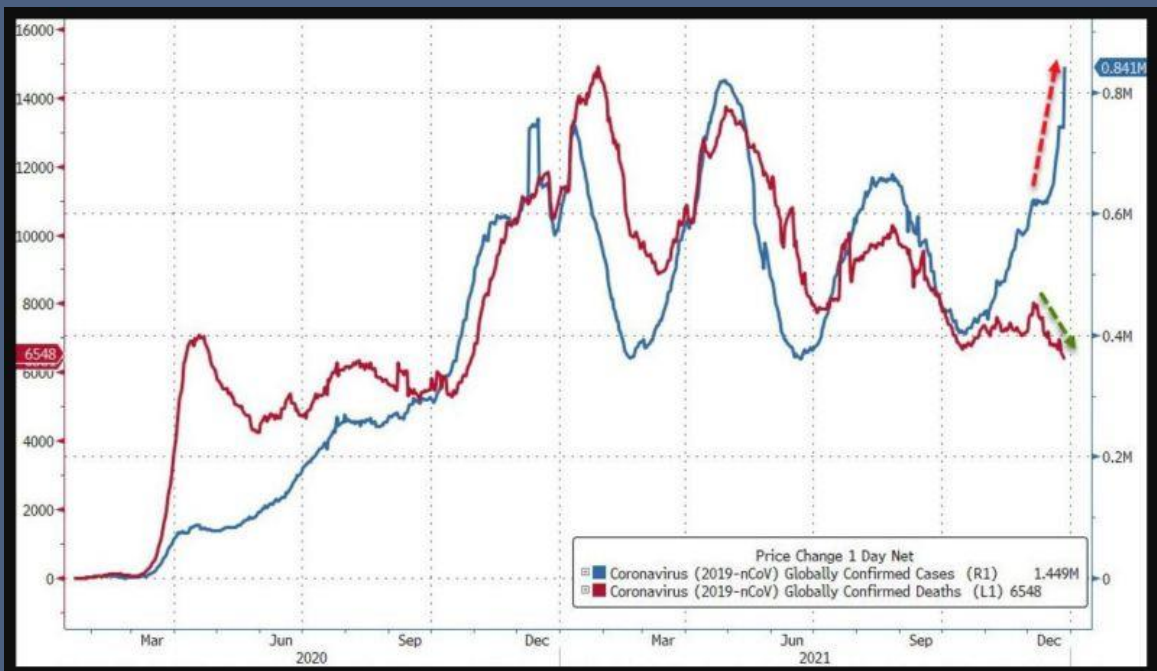


Source: Factset / Forbes

1st of January 2022

#covid

Record number of covid cases but lower covid deaths



Source: www.zerohedge.com

#asset-allocation

The asset allocation quilt

The table ranks 10 asset classes in order of their return performance—from the highest to lowest—for each calendar year in the 10-year period from 2012 to 2021. For example, mid-caps delivered 38.52% in 2012 and small-caps gave a return of 36.45% in the same year. The absence of any pattern in the returns of asset classes from one year to the next reinforces the importance of asset allocation to build a portfolio against trying to consistently predict the next winning asset class. A diversified portfolio of stocks, bonds, and physical assets is key to steering through every market condition. Such a portfolio may not deliver the highest return in any given year but will perform competitively across market cycles.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mid-cap 38.52	International 29.60	Small-cap 62.91	Credit risk 10.00	G-sec 15.00	Small-cap 59.64	Gold 8.00	International 27.31	Small-cap 30.75	Small-cap 58.96
Small-cap 36.45	Large-cap 8.98	Mid-cap 54.69	Corporate bond 9.00	Corporate bond 12.00	Mid-cap 48.13	G-sec 8.00	Gold 18.00	Gold 27.11	Mid-cap 37.02
Large-cap 25.70	Real estate 7.46	Large-cap 29.89	Mid-cap 7.43	Credit risk 12.00	Large-cap 27.91	Large-cap 5.91	Large-cap 12.65	Mid-cap 18.83	International 26.51
Real estate 17.07	Credit risk 7.00	G-sec 17.00	G-sec 7.00	Gold 11.00	International 19.42	Corporate bond 5.00	G-sec 12.00	International 14.66	Large-cap 21.26
International 13.40	Corporate bond 6.00	Credit risk 14.00	Small-cap 6.10	Real estate 9.63	Credit risk 8.00	Credit risk 5.00	Corporate bond 10.00	Large-cap 14.64	Credit risk 8.4
G-sec 13.00	T-Bill bond 5.50	Corporate bond 13.00	T-Bill 5.38	International 9.54	Corporate bond 7.00	Real estate 4.83	Credit risk 8.00	G-sec 12.83	Corporate bond 3.66
Gold 12.00	G-sec 2.00	Real estate 11.91	Real estate 4.52	Mid-cap 7.97	Real estate 6.40	T-Bill 4.08	T-Bill 4.20	Corporate bond 12.26	Real estate 2.6
Credit risk 11.00	Mid-cap -5.73	International 11.39	International -0.73	T-Bill 4.73	Gold 6.00	International -6.24	Real estate 4.20	Credit risk 11.36	G-sec 2.48
Corporate bond 11.00	Small-cap -9.67	T-Bill 5.72	Large-cap -5.03	Large-cap 1.95	T-Bill 4.03	Mid-cap -13.38	Mid-cap -4.01	T-Bill 3.06	T-Bill 2.01
T-Bill 5.59	Gold -18.00	Gold 2.00	Gold -8.00	Small-cap 1.77	G-sec 2.00	Small-cap -23.53	Small-cap -8.98	Real estate 1.20	Gold -1.65

Returns as of 27 December, 2021; T-Bill: treasury bills; G-secs: government securities; For large-cap, we have used S&P BSE Sensex data; For mid-cap, S&P BSE Midcap data; For small-cap, S&P BSE Smallcap data; For T-Bills, CCIL T-Bill Liquidity Weight data; For G-secs, CCIL All Sovereign Bond Index data; For corporate bonds, Crisil Corporate Bond Composite Index data; For credit risk, Crisil Composite Credit Risk data; For international S&P 500 in USD; For gold, prices as per World Gold Council; For real estate, RBI House Price Index available only upto Q2 of FY2021-22

Source: Mint research

#cryptos



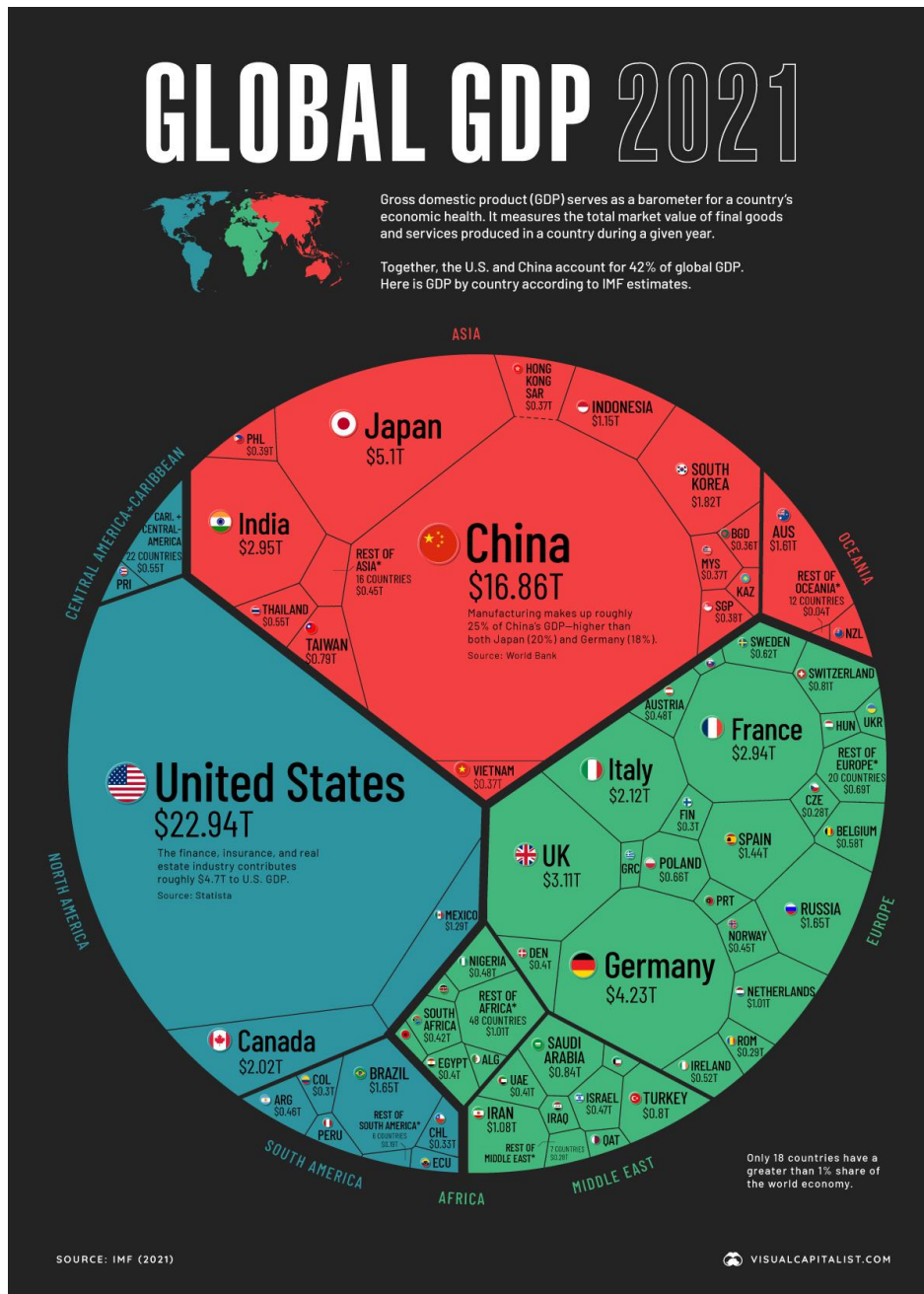
if you put \$1,000 into any of these, what would you have gotten back?

Name	Total Investment	Price on Jan 1, 2021 (\$)	Price on Dec 31, 2021 (\$)	Investment value on Dec 31, 2021 (\$)	Return
Near	\$ 1,000.00	\$ 1.39	\$ 15.49	\$ 11,143.88	1,014%
Avalanche	\$ 1,000.00	\$ 3.21	\$ 100.86	\$ 31,420.56	3,042%
Solana	\$ 1,000.00	\$ 1.52	\$ 171.19	\$ 112,625.00	11,163%
Fantom	\$ 1,000.00	\$ 0.02	\$ 2.09	\$ 130,625.00	12,963%
Luna	\$ 1,000.00	\$ 0.65	\$ 85.64	\$ 131,753.85	13,075%
Polygon	\$ 1,000.00	\$ 0.02	\$ 2.52	\$ 132,631.58	13,163%
Sandbox	\$ 1,000.00	\$ 0.04	\$ 5.94	\$ 156,315.79	15,532%
Axie Infinity	\$ 1,000.00	\$ 0.59	\$ 94.33	\$ 159,881.36	15,888%
Shiba Inu	\$ 1,000.00	\$ 0.000000000077	\$ 0.000034	\$ 440,519,480.52	44,051,848%

Source: coingecko.com

Source: Coingecko

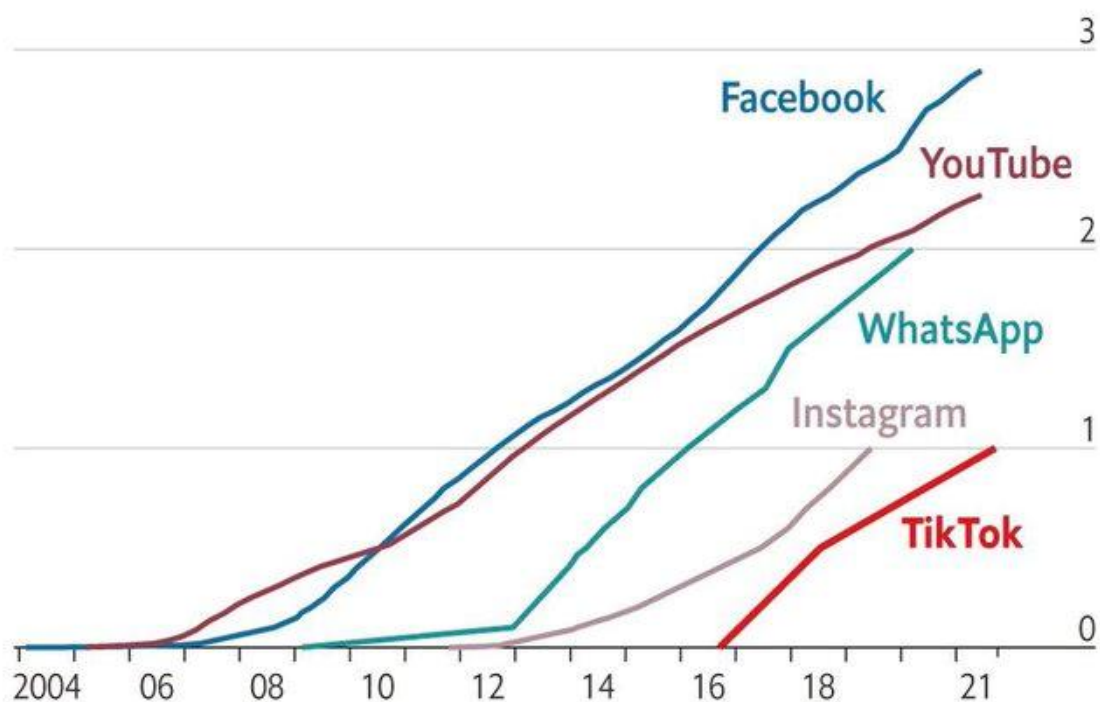
#2021



Source: The Visual Capitalist

#2021

Social media platforms, monthly active users, bn



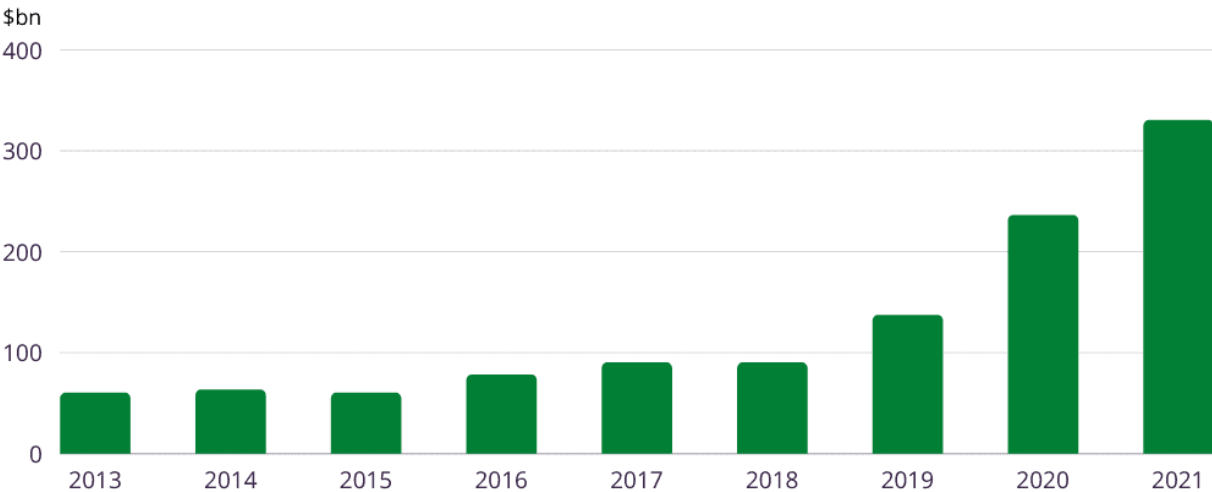
Sources: Statista; *The Economist*

The Economist

#2021

ESG funds gain momentum

U.S. sustainable fund assets grew to \$330 billion in September 2021

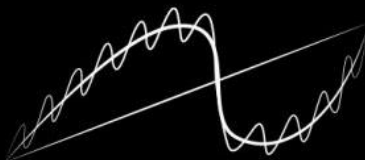


Source: Morningstar Direct

Source: The Visual Capitalist

#food-for-thought

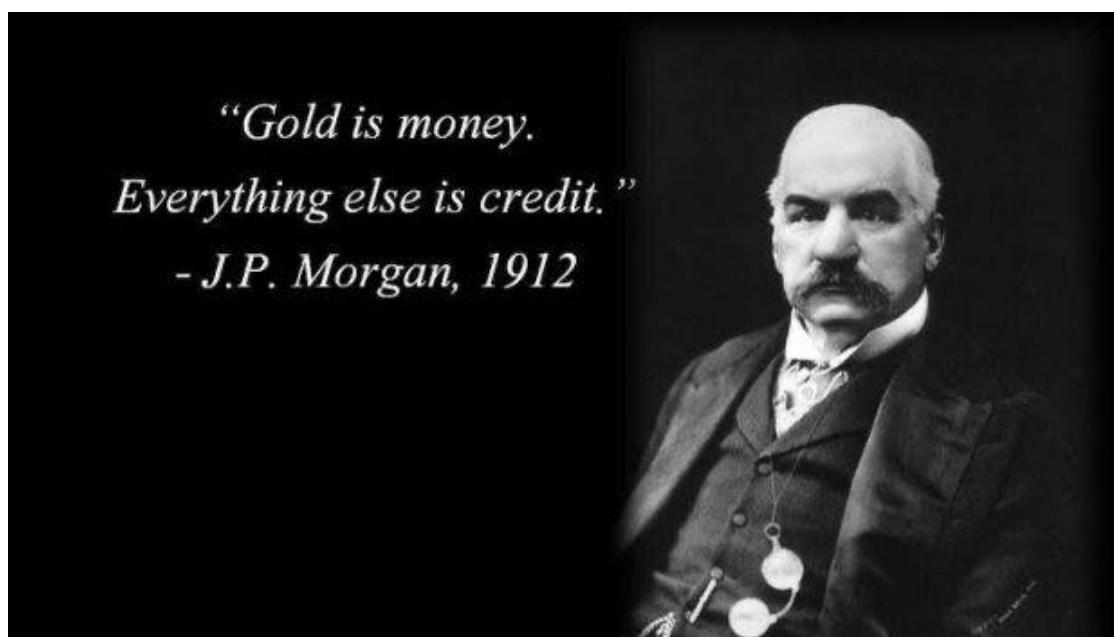
**WHEN ONE CAN MANUFACTURE
MONEY AND CREDIT AND PASS
THEM OUT TO EVERYONE TO MAKE
THEM HAPPY, IT IS VERY HARD TO
RESIST THE TEMPTATION TO DO SO.**



**PRINTING MONEY IS THE
MOST EXPEDIENT, LEAST
WELL-UNDERSTOOD, AND
MOST COMMON BIG WAY
OF RESTRUCTURING DEBTS.**

RAY DALIO

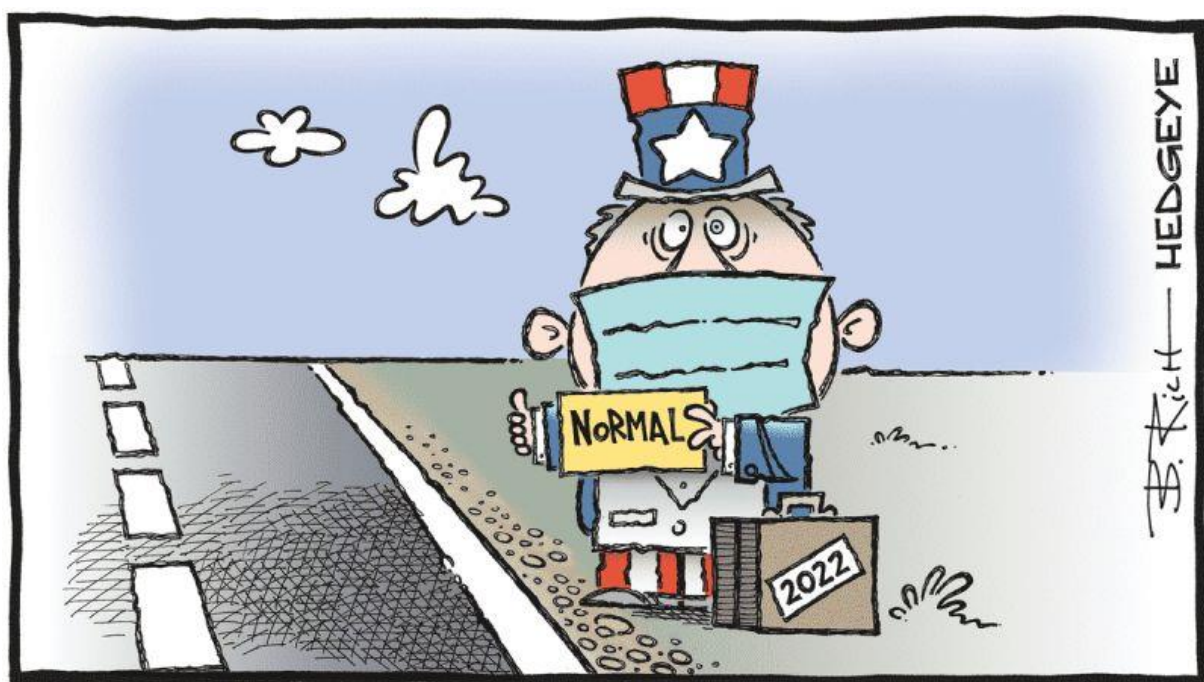
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1st of January 2022

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