

Chart of the week

STAGFLATION WINNERS & LOSERS

Ukraine war could mean bigger inflation shock, smaller rates shock, bigger recession shock. Fed/ECB are trapped between deflation on Wall Street & inflation on Main Street. During Yom Kippur War/oil shock of '73, only commodities outperformed inflation while S&P 500 dropped -40% peak-to-trough.

Chart 2: Winners & Losers during War/Oil Shock/Stagflation of 1973/74

Cross-asset and sector annualized returns (1973-1974)



Source: BofA Global Investment Strategy, Bloomberg, Ibbotson, Fama-French growth/value, Case-Shiller, Bureau of Economic Analysis, Homer & Svila, A History of Interest Rates
Note: Prior to 1990 Energy = Oil, Gas & Consumable Fuels; Telecoms = Integrated Telecoms

BofA GLOBAL RESEARCH

Stocks & credit get crushed as commodities soar

It was another volatile week with US stocks ending lower as investors continued to weigh developments in the Russia-Ukraine war. Tech, financials, consumer discretionary, and communication services sectors dragged the S&P 500 lower. The energy sector performed best, as oil prices soared as nearly USD 120 per barrel on Thursday before news of a possible Iran nuclear deal caused them to retreat a bit. The VIX index reached its highest point in over a year. The ruble plunged on international currency markets despite the Russian Central Bank's move to raise the policy rate from 9.5% to 20%. The ruble continued to move lower throughout most of the week, pushing its value under USD 0.01, a record low. The risk-off environment due to the Ukraine crisis and Powell's comments pushed the yield on the benchmark 10-year U.S. Treasury note to its lowest intraday level in two months. Credit spreads widened. Shares in Europe fell sharply, as investors weighed the possible implications of Russia's ongoing invasion of Ukraine. The pan-European STOXX Europe 600 Index lost 7% over the week. Chinese markets retreated as the war in Ukraine and disappointing economic data dampened risk appetite. On the monetary policy front, Fed Chair Powell also said that he was inclined to stick with a 25 basis points increase in the Fed funds rate in March, dispelling fears of a 50-basis-point increase. ECB officials signal cautious stance while eurozone inflation hits record level. Dollar soared while eur/chf came closer to parity.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

5 March 2022

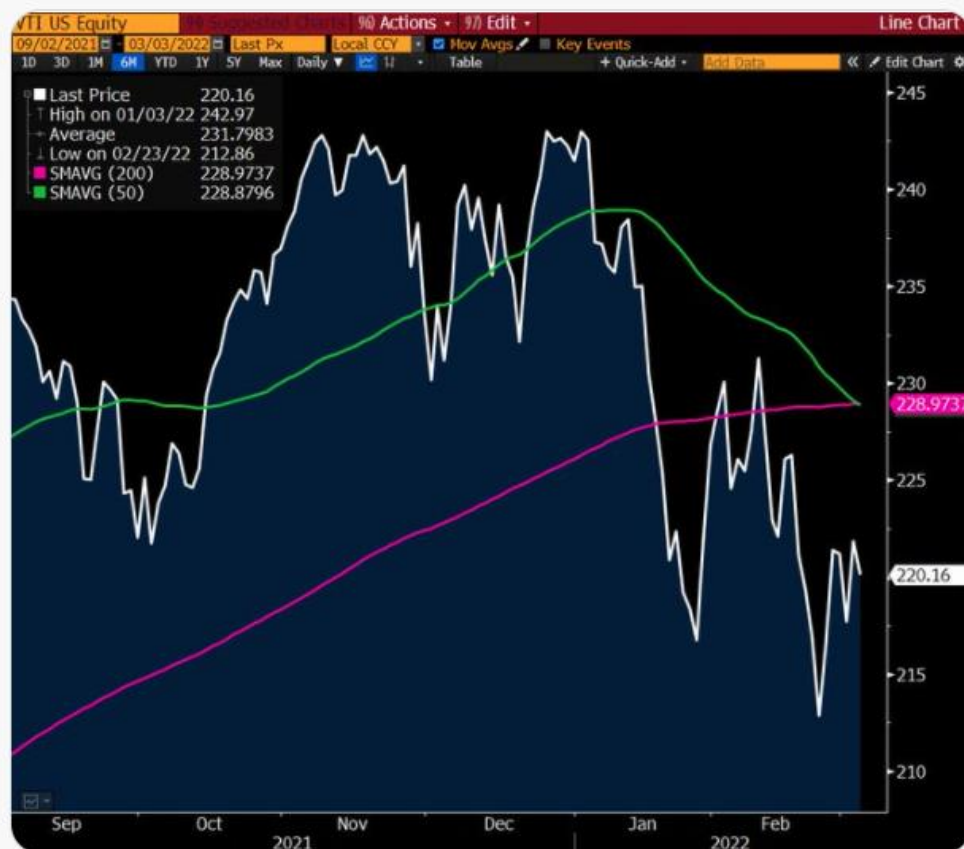
#markets

#global #equities



Eric Balchunas ✓ @EricBalchunas · 23h

Death cross in effect for the Total Market ETF \$VTI



#markets

#sentiment

This is the most fearful the market has been since the cratering lows of the March/April 2020 collapse...

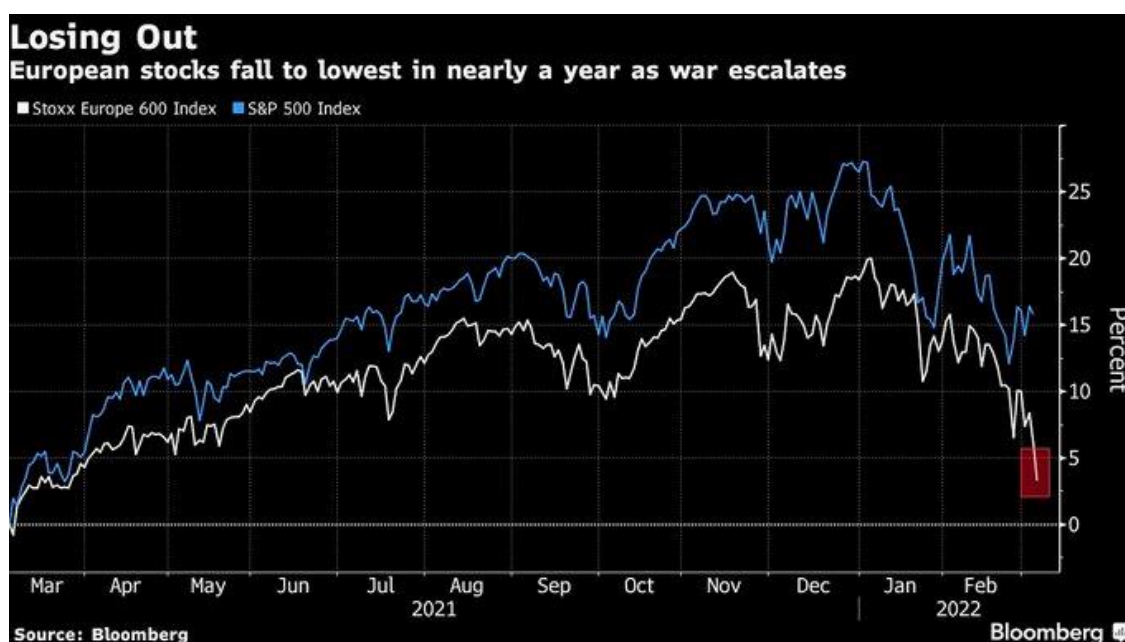
Fear & Greed Index

What emotion is driving the market now?



#european #equities

Stoxx Europe 600 fell to 52 week low, a sharp contrast with US peers, which have a more limited exposure to Russia & Ukraine. This is a major shift from expectations at beginning of the year when strategists said that European stocks would outperform the US in 2022.

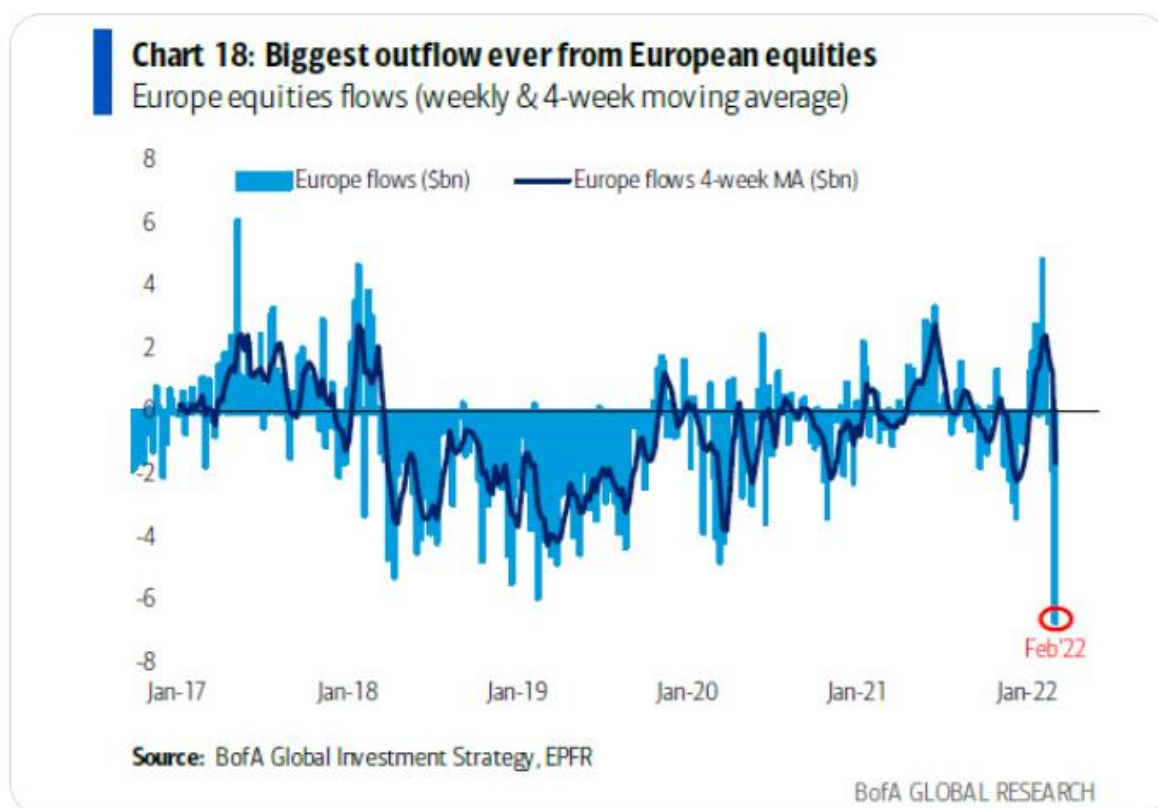


Source: Bloomberg, HolgerZ

#markets

#european #equities

European stocks just suffered their largest outflows on record in the week to March 2



Source: BofA

#markets

#german #equities

Germany's DAX plunged 10.1% this week, most since March 2020. VW crashed 22% on parts shortage due to Ukraine war and after car comp decided to halt production at its Russian production sites in Kaluga and Nizhny Novgorod and stop vehicle exports to Russia with immediate effect..



Source: Bloomberg, HolgerZ

#markets

#russian #equities

Russian stocks in London have seen 98% of their value wiped out in two weeks.



Source: Bloomberg

#russian #equities

Russia's largest companies over the last month:

Polyus (gold mining): -74%

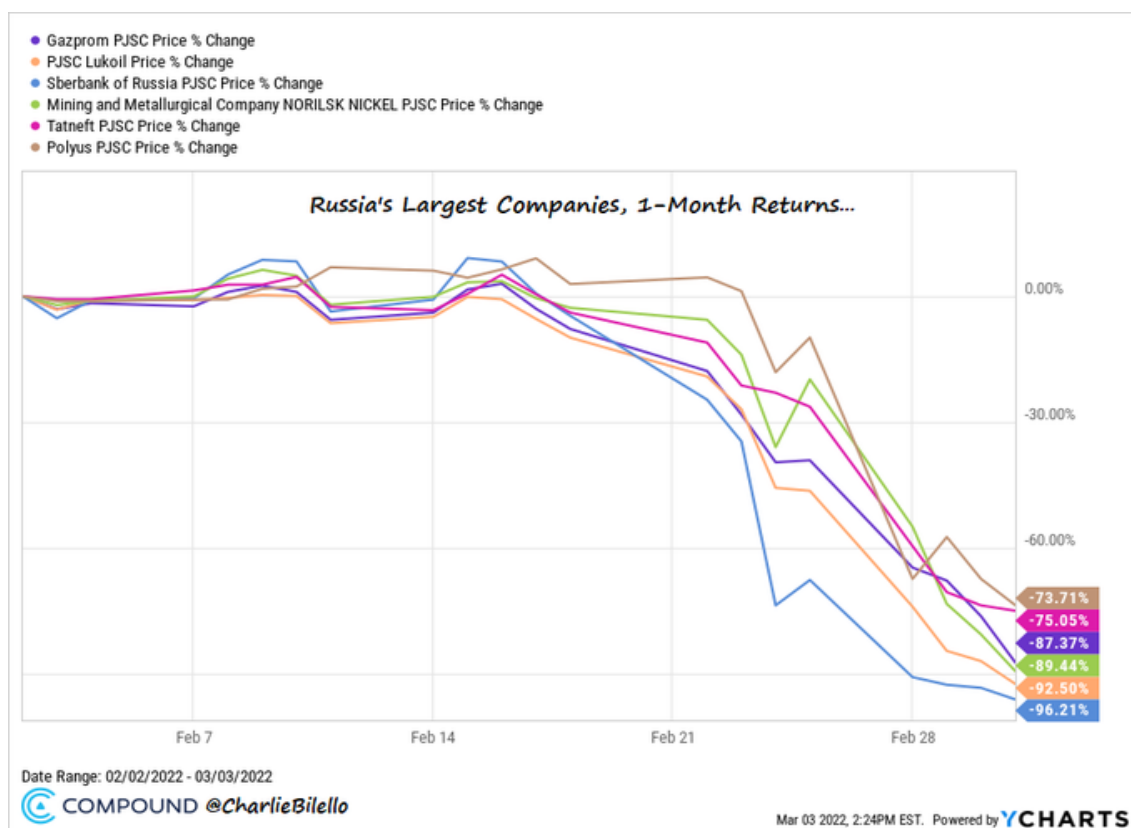
Tatneft (oil & gas): -75%

Gazprom (oil & gas): -87%

Norilsk Nickel (nickel & palladium mining): -90%

Lukoil (oil & gas): -93%

Sberbank (banking): -96%.



#russian #equities #etf

MSCI says removing Russia from indexes would be a "natural next step". More than \$920bn is in EM ETFs alone. Russia has a weighting of 2.7% in EM ETFs and 3.24% in MSCI's emerging market benchmark and a weighting of around 30 bps in the index provider's global benchmark.

Top Geographic	02/25/22
China	29.55%
Taiwan	15.86%
India	12.25%
South Korea	12.07%
Brazil	4.86%
Saudi Arabia	3.80%
South Africa	3.52%
Russia	2.66%
Hong Kong	2.08%
Mexico	2.01%

Source: TME

#markets

#russian #equities #etf



Eric Balchunas ✓ @EricBalchunas · 8h

...

NYSE has halted the trading of [\\$ERUS](#) which BlackRock says it “strongly supports”

BlackRock Says Trading of iShares MSCI Russia ETF Halted

(Bloomberg) -- BlackRock said NYSE Arca halted trading of the iShares MSCI Russia ETF (ERUS) at 4 a.m. New York time.

- “Due to ERUS’ concentrated exposure to Russian equities, the closure of the Russian stock market and MSCI’s decision to remove Russian securities from its Emerging Markets Indexes, BlackRock strongly supports NYSE Arca’s decision,” release says

#emerging-markets #equities

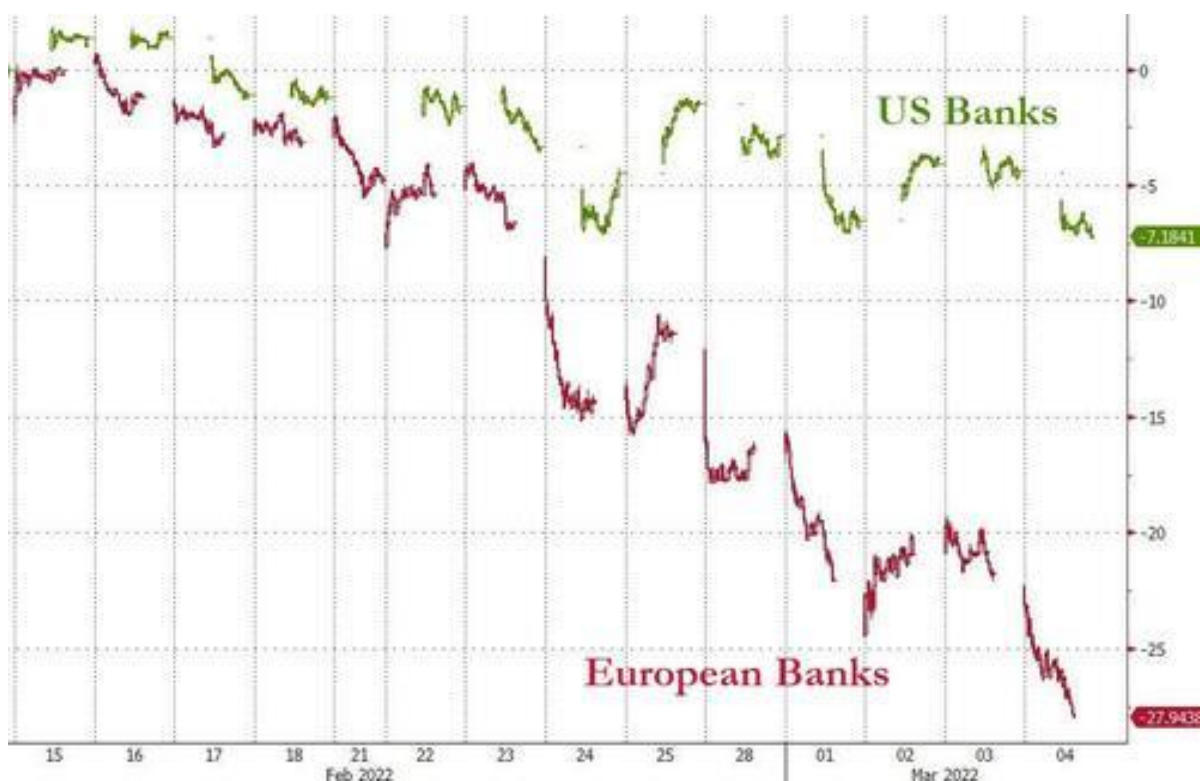
The \$FRDM / \$EEM Ratio (which basically isolates the 'freedom factor' in EM) is surging, keeps getting stronger each year..



#markets

#eu #us #financials

While US financials were ugly, European financials were even worse.



Source: Bloomberg

#markets

#bubble #markets

Bubble markets continued to blow up - with SPACs, ARKK, and Unprofitable Tech just getting destroyed...



Source: Bloomberg

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#markets

#us #tech #stocks

The Boom (2020) and Bust (2021/22) in high growth stocks...

The High Growth Boom (2020) & Bust (2021-2022)							
Company	Ticker	2020 Return	2021-2022 Return	Company	Ticker	2020 Return	2021-2022 Return
NIO Inc.	NIO	1112%	-53%	Redfin Corp	RDFN	225%	-68%
QuantumScape	QS	753%	-81%	FuboTV Inc	FUBO	214%	-69%
Workhorse Group Inc	WKHS	551%	-84%	Chewy Inc	CHWY	210%	-48%
Farfetch Ltd.	FTCH	517%	-70%	DocuSign Inc	DOCU	200%	-47%
Peloton Interactive Inc	PTON	434%	-81%	Zillow Group Inc	Z	183%	-56%
Pacific Biosciences Inc	PACB	405%	-54%	Five9 Inc	FIVN	166%	-37%
Sunrun Inc.	RUN	402%	-61%	CRISPR Therapeutics AG	CRSP	151%	-60%
Zoom Video Communications Inc	ZM	396%	-61%	Wayfair Inc	W	150%	-38%
Pinduoduo Inc	PDD	370%	-71%	Roku Inc	ROKU	148%	-58%
Fate Therapeutics	FATE	366%	-62%	Teladoc Health Inc	TDOC	139%	-62%
FuelCell Energy	FCEL	345%	-46%	Chegg Inc	CHGG	138%	-65%
Fastly	FSLY	335%	-79%	GSX Techedu Inc.	GOTU	137%	-97%
DraftKings Inc	DKNG	335%	-49%	Palantir Technologies Inc	PLTR	136%	-50%
Appian Corp	APPN	324%	-62%	Coupa Software Inc	COUP	132%	-64%
Lemonade	LMND	322%	-79%	Stitch Fix Inc	SFIX	129%	-79%
ChargePoint Holdings	CHPT	309%	-64%	Elastic NV	ESTC	127%	-41%
Ontrak Inc.	OTRK	279%	-96%	RingCentral	RNG	125%	-65%
Tupperware Brands	TUP	278%	-44%	PayPal Holdings Inc	PYPL	117%	-52%
Pinterest Inc	PINS	254%	-59%	Spotify Technology SA	SPOT	110%	-50%
iRhythm Technologies	IRTC	248%	-46%	StoneCo Ltd	STNE	110%	-87%
Block Inc	SQ	248%	-41%	Opendoor Technologies Inc	OPEN	110%	-63%
Twilio Inc	TWLO	244%	-48%	Virgin Galactic Holdings Inc	SPCE	105%	-59%
Penn National Gaming Inc	PENN	238%	-41%	Wix.com Ltd	WIX	104%	-63%
C3.ai Inc	AI	230%	-84%	Lordstown Motors Corp	RIDE	102%	-87%



COMPOUND

Data via YCharts as of 2/28/22

@CharlieBilello

Source: Charlie Bilello

#markets

#alcoa

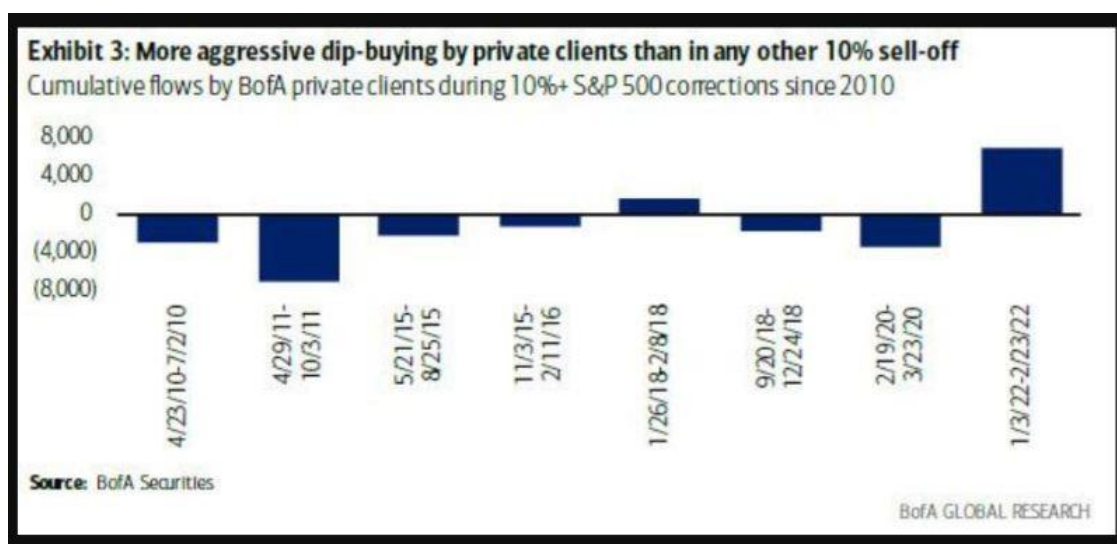
As commodity prices have soared in recent weeks, aluminum-maker Alcoa (AA) is now up a remarkable 1,460% since its COVID Crash low in March 2020..



Source: Bespoke

#us #equities #buy-the-dip

HNWIs, INSTITUTIONAL AND HEDGE FUNDS ARE BUYING THE DIP. Despite Ukraine-Russia war and equity markets correction, Ultra Wealthy Investors Plow Into Stocks In Record Numbers. According to Bank of America, during the current 10% correction which started in early January and continues to this date, ultra high net worth, or "private" clients, have allocated the most "dip buying" capital on record. Last week was no different: indeed, BofA bank's clients returned to buying US equities (\$4.6B) after selling the prior week. All three major client groups - institutional clients, hedge funds, private clients - were buyers, led by institutional clients after the group sold equities the prior week.



Source: BofA, www.zerohedge.com

#us #equities #hedge-funds #positioning

HEDGE FUNDS ARE BULLISH! Despite the war and upcoming rate hike cycle, hedge funds have ramped up their exposure to equities as positioning in S&P 500 futures has risen to HIGHEST NET LONG SINCE OCTOBER 2018.

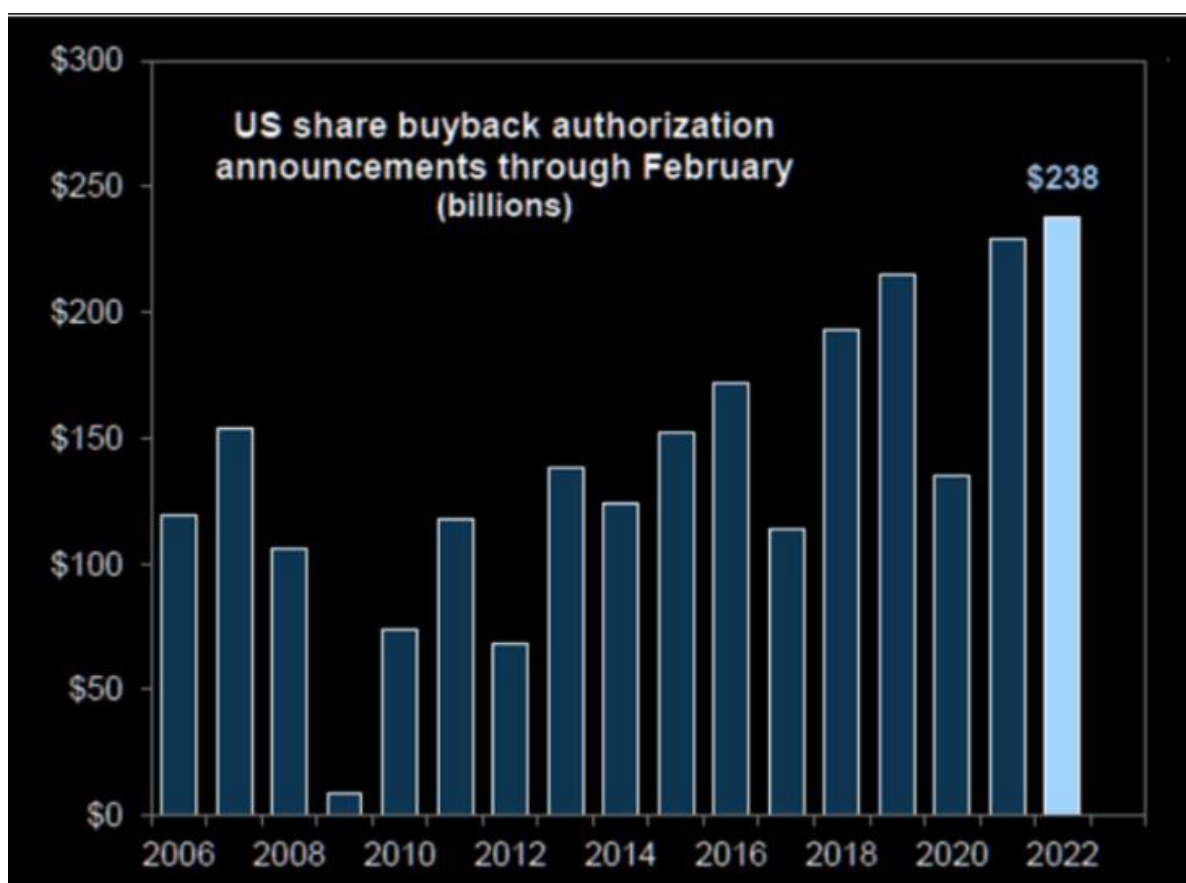


Source: Bloomberg, Liz Ann Sonders

#markets

#us #equities #buybacks

US Buybacks off to a massive 2022. Buyback authorizations are at ATHs (through February).



Source: Goldman Sachs, TME

#markets

#brazil #equities #valuation

Dividing various markets profitability (RoE) by their valuation (forward P/E) makes #brazil appealing: high #profitability with super low P/E. Brazil benefits from #commodities bull market and the #inflation pick-up..

Country	Profitability ROE (%)	Valuation P/E (fwd)	ROE Divided by P/E	
Brazil	26.8	6.9	3.86	<div>HIGH PROFITABILITY IN THE CONTEXT OF VALUATION</div> <div>↑</div> <div>↓</div> <div>LOW PROFITABILITY IN THE CONTEXT OF VALUATION</div>
Australia	15.2	13.8	1.10	
South Korea	9.1	9.0	1.00	
Germany	12.4	13.3	0.93	
United States	18.4	21.1	0.87	
United Kingdom	10.6	12.7	0.84	
Canada	12.3	14.7	0.84	
China	11.2	13.6	0.82	
Switzerland	15.4	19.1	0.81	
France	10.9	15.3	0.71	
Japan	9.9	14.2	0.69	
India	15.0	25.5	0.59	

Source: WisdomTree, as of 1/31/2022, using MSCI country indexes and S&P 500 for the US. File #0613.

@JeffWeniger

Source: WisdomTree, Jeff Weniger

#markets

#russian #bonds

Russian bonds became "worthless" collateral...



Source: Bloomberg

#markets

#us #yield-curve

The yield curve collapsed this week.

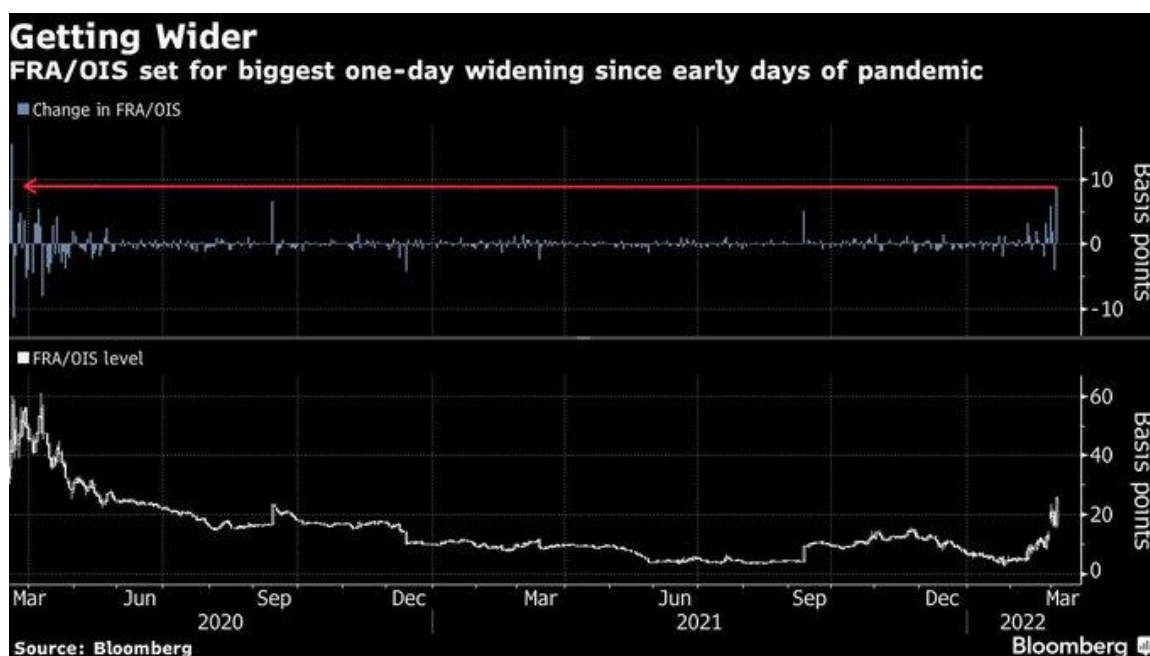


Source: Bloomberg

#funding #risk

Stresses are starting to show in the financial system with FRA/OIS spreads blowing out to the widest levels since May 2020. The FRA-OIS spread provides a snapshot of how the market is viewing credit conditions because of the fact that traders are betting on where Libor-OIS - its underlying spread - will be. As a reminder, there are typically 3 reasons why it would blow out:

- 1) the risk premium for uncertainty of US monetary policy,
- 2) recently elevated credit spreads (CDS) of banks, and
- 3) demand for funds in preparation for market stress.



Source: Bloomberg

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#markets

#us #euro #bond #yields

THE GAP BETWEEN GERMAN AND US 2-YEAR YIELDS IS AT THE WIDEST SINCE EARLY 2020.



Source: Bloomberg

#euro #bond #yields

European sovereign yields collapsed this week as safe-haven flows hit - erasing the hawkish ECB spike...



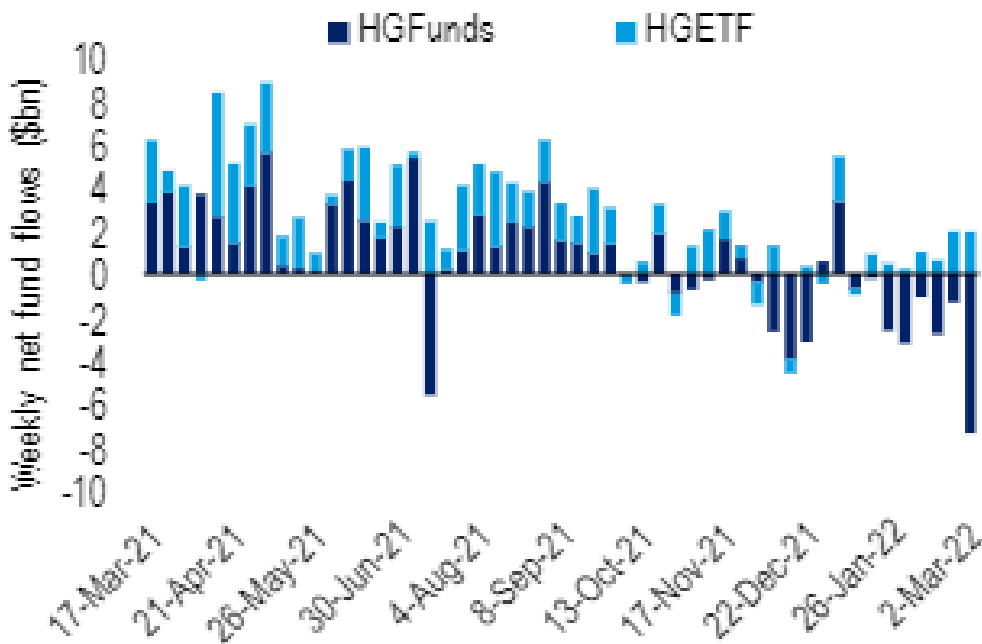
Source: Bloomberg

#markets

#us #investment-grade #flows

U.S. investment-grade funds saw the biggest outflow in the past week since March 2020, reporting \$5.4 billion of withdrawals.

Figure 1: High grade fund and ETF flows, \$bn
IG ETFs +\$1.95bn, IG funds -\$7.35



Source: EPFR Global. Note: data are for US-domiciled funds only.

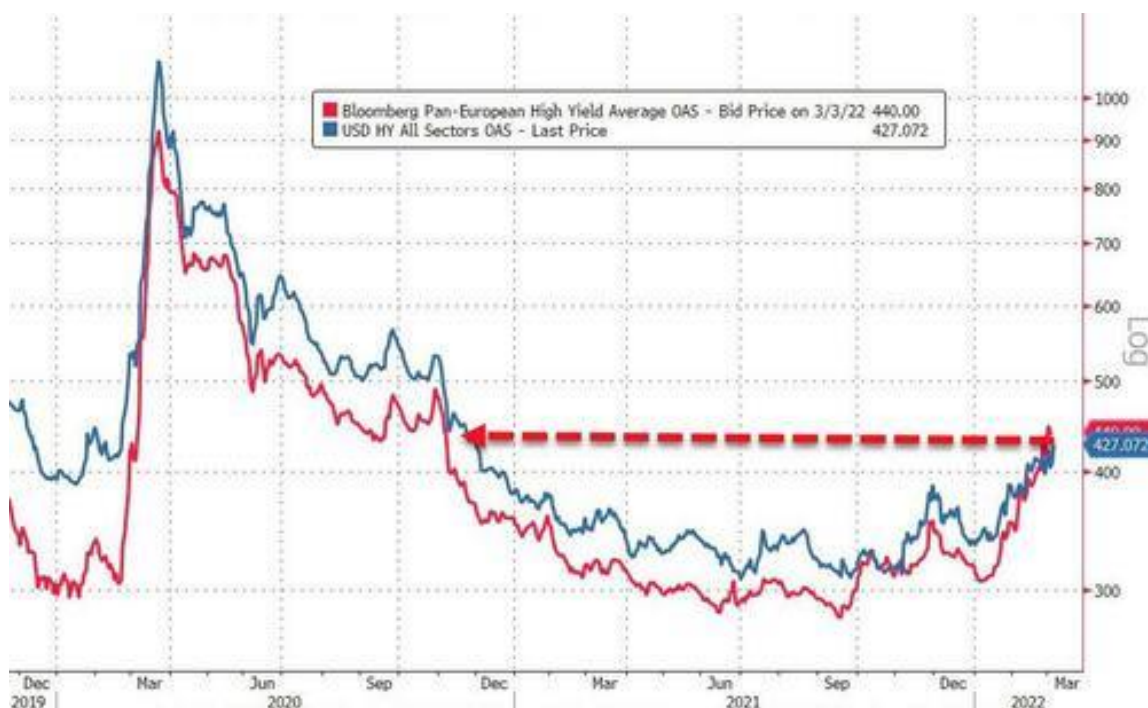
BofA GLOBAL RESEARCH

Source: BofA

#markets

#high-yields #spreads

Credit markets are starting to crack hard with HY spreads at their widest since Nov 2020...



Source: Bloomberg

#markets

#financials #credit #spreads

Global financial credit risk is starting to blow out too, with Credit Suisse getting hit the hardest...

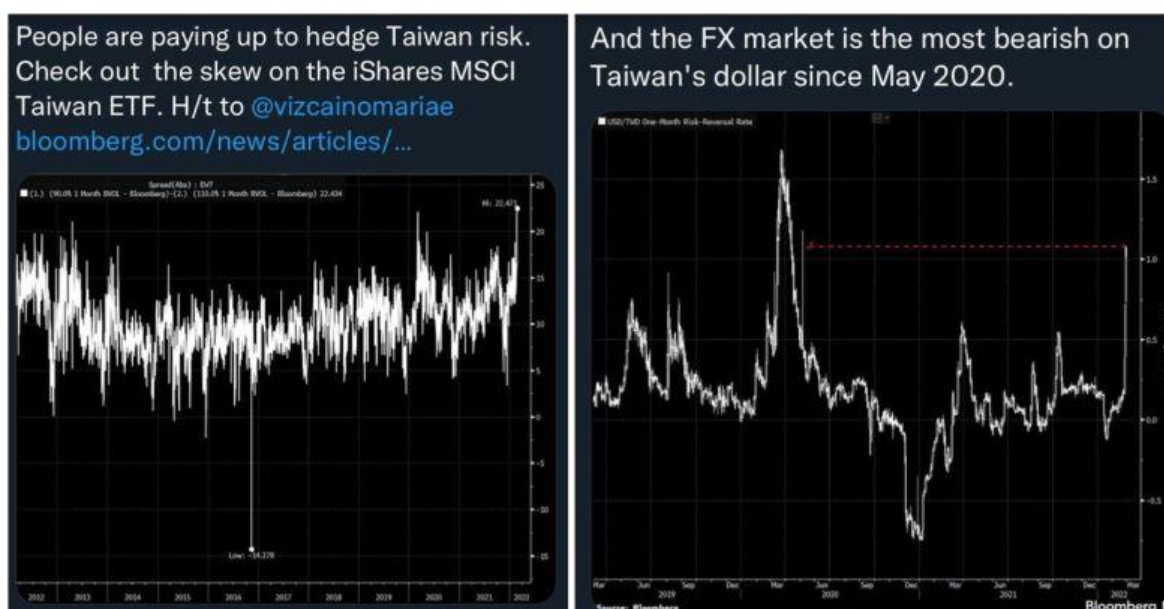


Source: Bloomberg

#markets

#taiwan #risk

Investors are starting to hedge against Taiwan risk. On the left, the skew on the iShares MSCI Taiwan ETF is surging. On the right, TWD is the most bearish since May 2020.



Source: Bloomberg

#markets

#commodities

Commodity prices saw the biggest one-day gain in 13 years on Tuesday.



Source: Bloomberg

#markets

#commodities



Charlie Bilello  @charliebilello · Mar 3

Commodity price changes over the last year...

Heating Oil: +90%

WTI Crude: +80%

Brent Crude +79%

Coffee: +73%

Gasoline: +70%

Aluminum: +70%

Nat Gas: +69%

Wheat: +59%

Corn: +35%

Cotton: +34%

Lumber: +34%

Soybeans: +18%

Sugar: +15%

Copper: +13%

Gold: +12%

CPI: +7.5%

Silver: -4%

#markets

#commodities

This one is a no brainer: we have seen the strongest start to any year since 1915 for commodity prices.

Chart 5: Strongest start to any year since 1915 for commodity prices
CRB Commodity Index Total Return (annual)



Source: BofA Global Investment Strategy, Bloomberg, Datastream

*2022 YTD annualized

BofA GLOBAL RESEARCH

Source: BofA

#stagflation

Regime Change: BofA summarizes the present "militant" situation as follows: War on COVID, War on Inequality, War in Ukraine, which leads to a secular regime change from globalization to inflationary isolationism (human, social, regional)...

Chart 7: The Big Change

Big Themes in the 2010s vs 2020s

<u>2010s</u>		<u>2020s</u>
1%		99%
Wall Street		Main Street
Maximizing Wealth		Maximizing Health
QE		QT
Deregulation		Intervention
Globalization		Nationalism
Corporate Buybacks		Wealth Taxation
Inequality		Inclusion
EPS		ESG
Credit		Commodities
Tech		Energy
US Treasuries		Chinese Bonds
Bitcoin		Fedcoin
Democracies		Dictatorships
Peace		War
Deflation		Inflation

Source: BofA Global Investment Strategy

BofA GLOBAL RESEARCH

Source: BofA

#wheat

HAVE YOU EVER SEEN SOMETHING LIKE THIS? Below are the charts of the Teucrium Wheat (\$WEAT) ETF price (upper chart) and turnover/traded value (lower chart). Russia is the world's number-one wheat exporter. Ukraine is among the top five wheat exporters worldwide.



Source: Bloomberg, Eric Balchunas

#markets

#natural-gas #europe

Europe Natural Gas Futures rise to a record €198/MWh as the market continues to focus on sanctions on #Russia in response to its invasion of Ukraine. In the meantime, German power price for next day jumps another 28% to €395/MWh. As a remainder, Energy price variation accounted for more than 50% of last year jump in #eurozone #cpi last year.



Source: Bloomberg

#markets

#natural-gas #europe

EU NatGas is trading at an equivalent \$370 barrel of oil...



Source: Bloomberg

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#markets

#oil

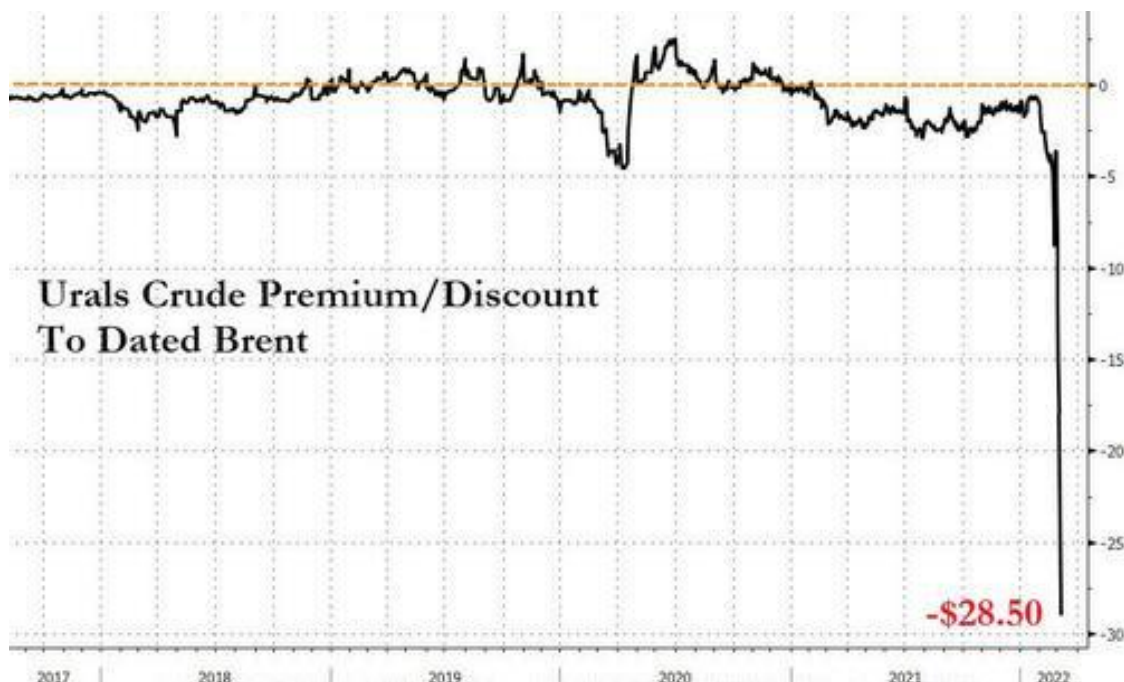
Remember this? From minus \$40 to \$115 a barrel in less than 2 years...



Source: Trading view

#oil #brent #urals

RUSSIAN OIL TRADING AT STEEP DISCOUNT. The importance of Russia's energy industry - exporter of about 7.5% of the world's oil - to the global economy led Western governments to carve oil and gas out of their sanctions. However, traditional Russian oil buyers are already acting as if sanctions are also applied to Russian oil. Indeed, oil refiners are being reluctant at buying Russian oil as banks are refusing to finance shipments of Russian commodities. On Friday, traders offered Urals Brent at a record discount of \$28.50.



Source: Bloomberg, www.zerohedge.com

#markets

#oil #ruble

The oil price in Russian rubles has doubled in the past 12 months.

Chart 4: Oil price in Russian rubles 2x in past 12 months
Oil price in rubles



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

Source: BofA

#GLOBALMARKETS WEEKLY WRAP-UP

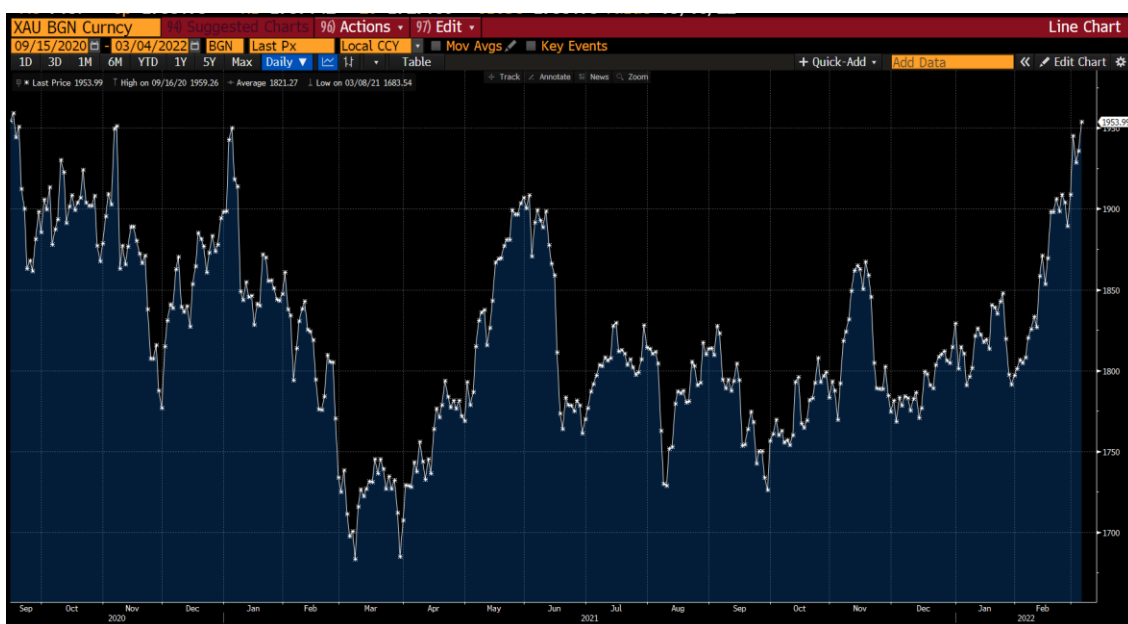
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#markets

#gold

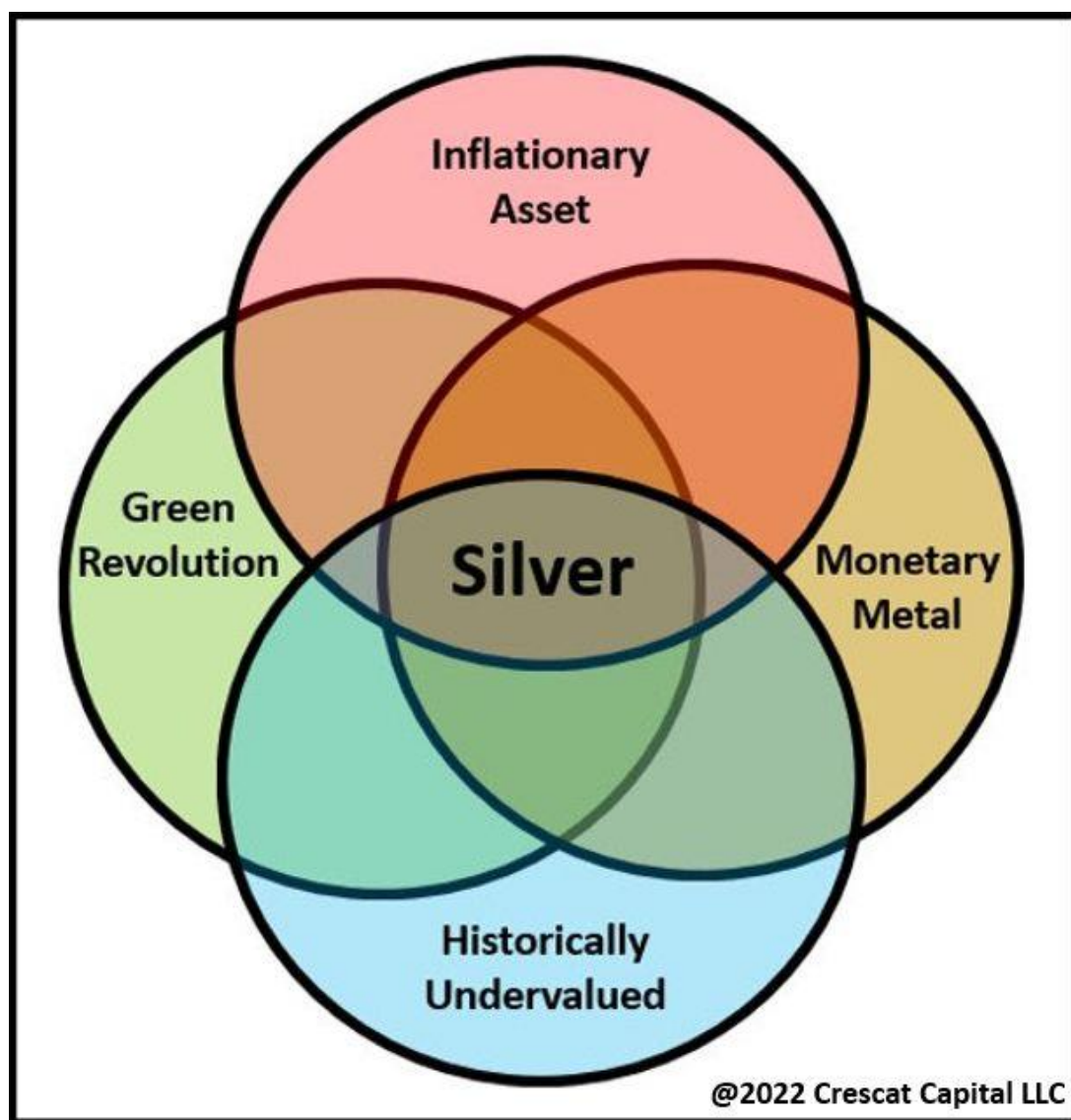
Gold gained over the week and now trades at the strongest level since September 2020.



Source: Bloomberg

#silver

Is Silver the most attractive metal on earth?

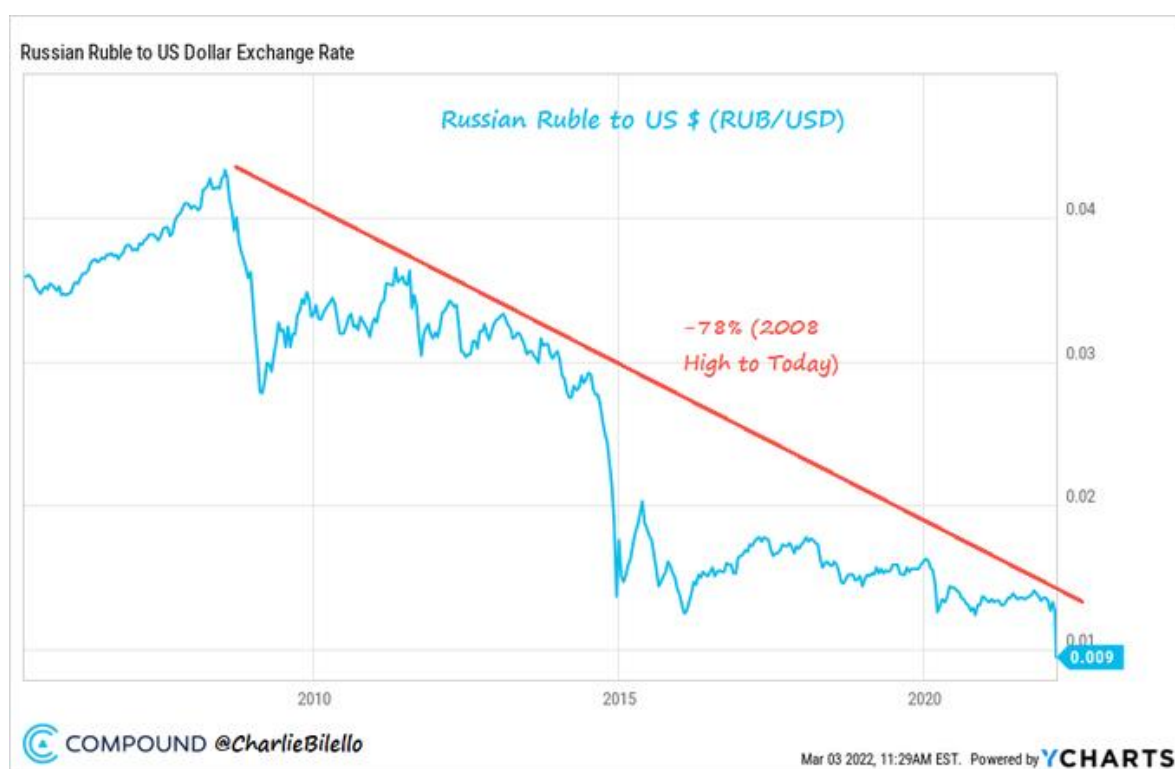


Source: Crescat Capital

#markets

#ruble

The Russian Ruble has lost 78% of its value against the US Dollar since its peak in 2008.



Source: Charlie Bilello

#ruble

Since 1993, the ruble has lost more than 99% against US dollar...The Russian ruble has a long history of crisis. The Russian currency lost much of its value in early 1990s after end of Soviet Union. Further drop took place in 1998 crisis & and in 2014. The ruble is down another 30% year-to-date..

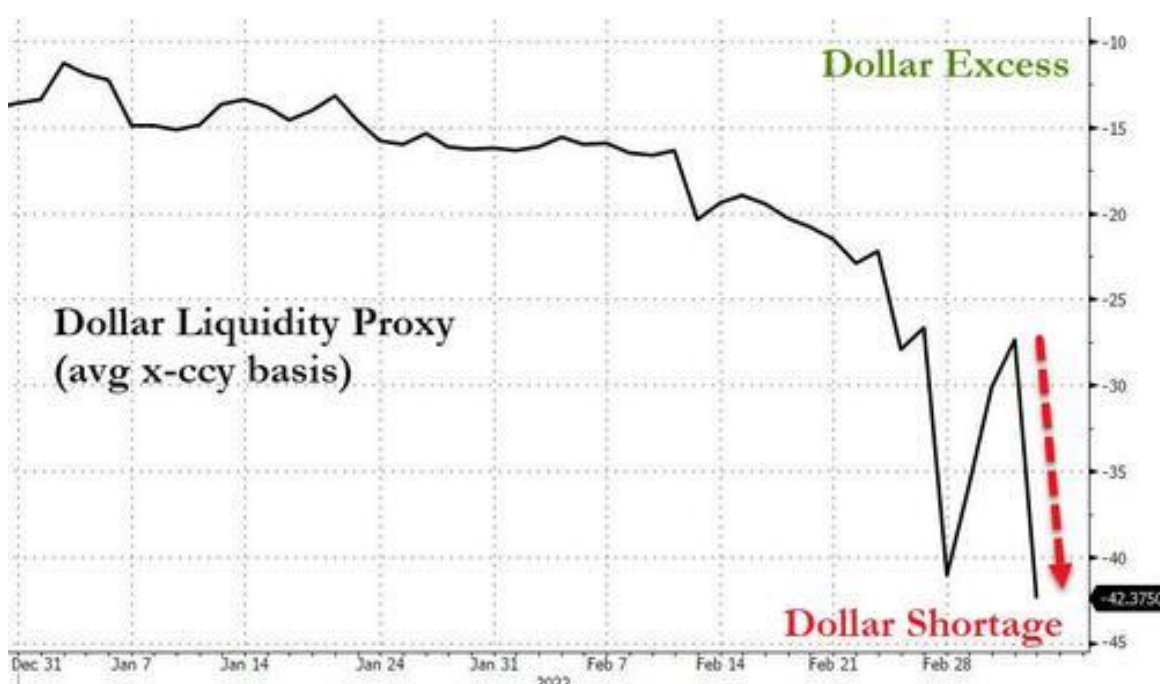


Source: Bloomberg, HolgerZ

#markets

#liquidity #stress

Dollar liquidity is becoming a problem.

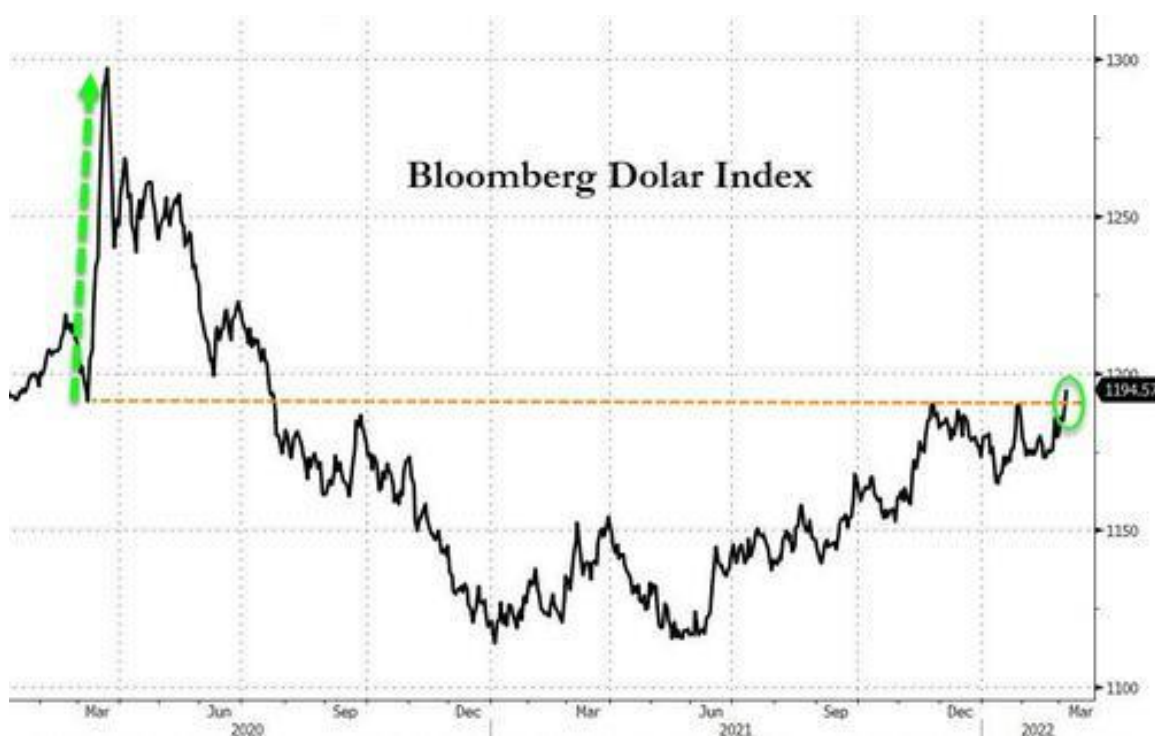


Source: Bloomberg

#markets

#dollar #forex

The dollar surged this week, breaking out of the recent range to a key level from pre-COVID-lockdown panic...



Source: Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

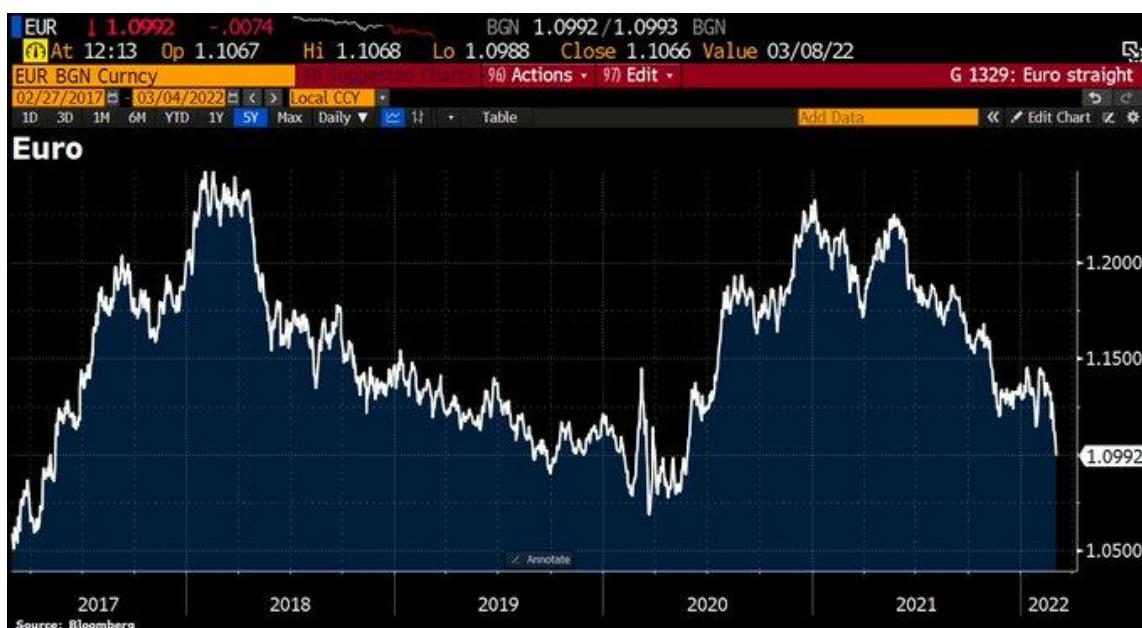
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#markets

#eurusd #forex

Euro drops <\$1.10 for 1st time since 2020 as global investors flee Europe.



Source: Bloomberg, HolgerZ

#markets

#eurchf #forex

EUR / CHF IS CLOSE TO PARITY AS EURO FALLS MORE THAN 3% VS SWISS FRANC THIS WEEK SET FOR BIGGEST WEEKLY DROP SINCE JANUARY 2015.



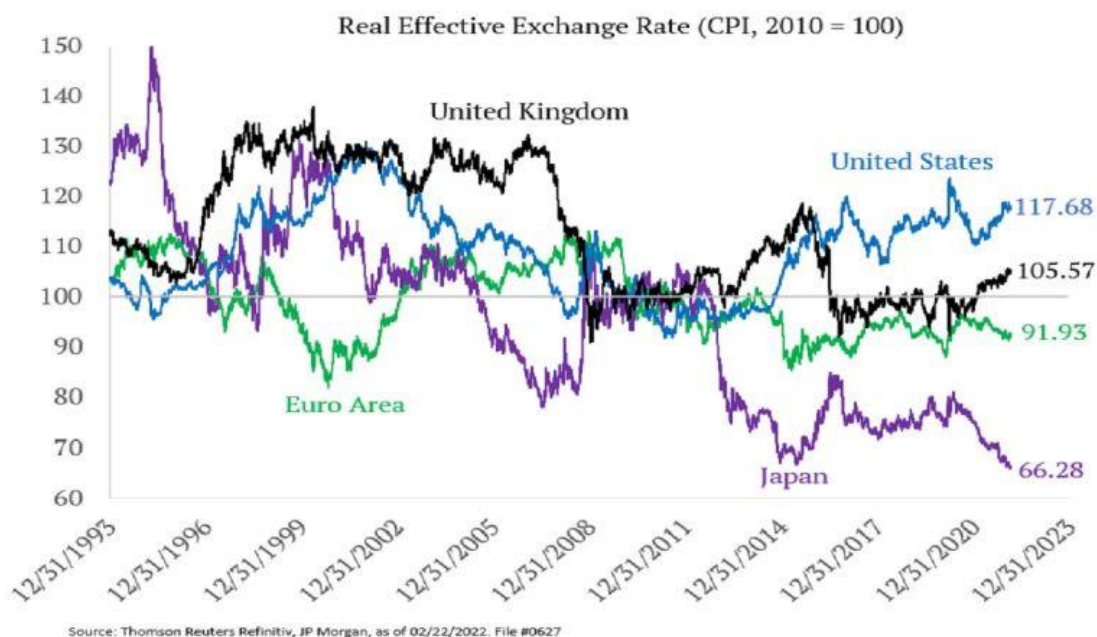
#forex #fair-valuation

Looking at Real Effective Exchange Rates (REER), the Japanese yen is remarkably cheap. This gives Japan a big trade advantage versus competitors (and hardly anyone is talking about this). If you're at 100 on this chart, your currency is fairly valued.

Expensive: USD & GBP (both > 100)

Cheap: EUR & JPY (both < 100)

That's the lowest reading on the yen since the data series started in '93..

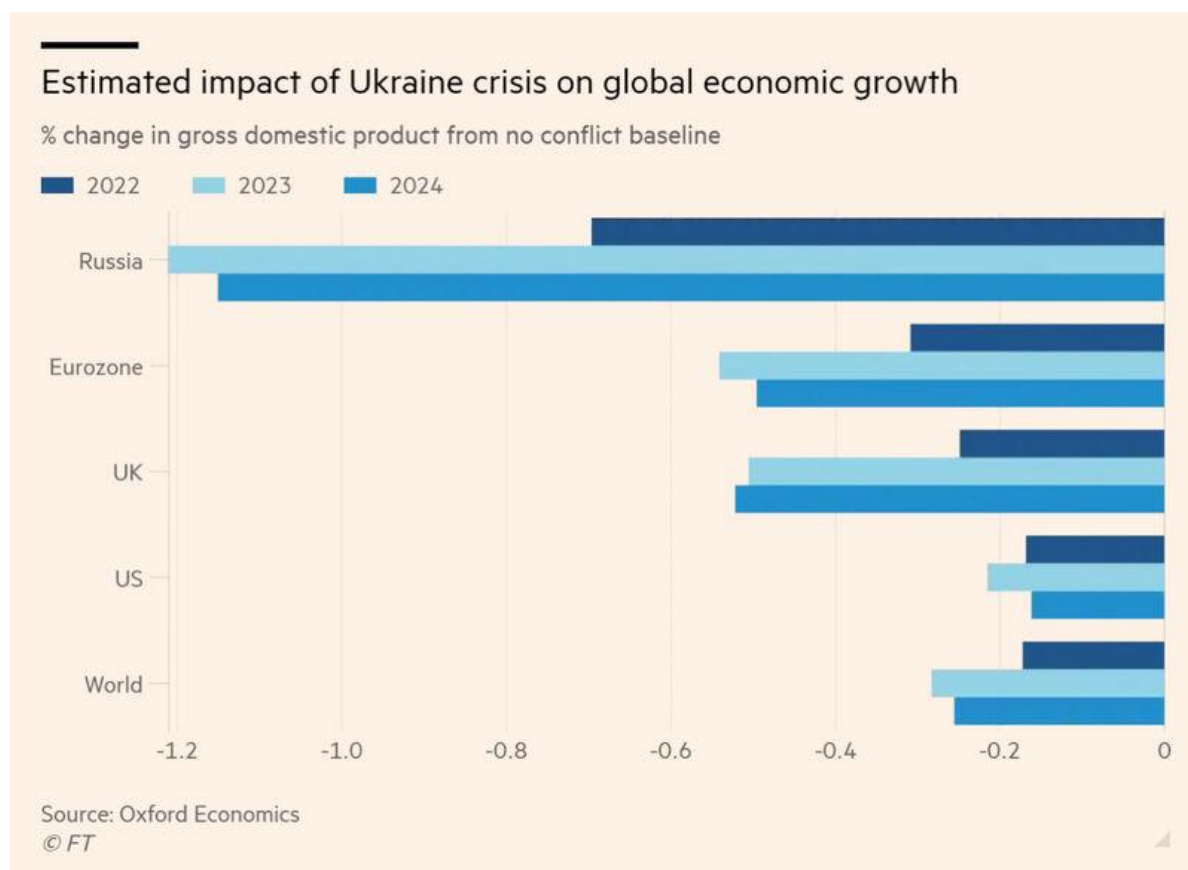


Source: Jeff Weniger

#macro

#global #growth #ukraine-russia-crisis

Invasion of Ukraine is expected to hit Russian economy harder than Eurozone, UK, US, and rest of world; but deterioration in GDP still expected everywhere nonetheless.



Source: FT

#macro

#recession #risk #oil

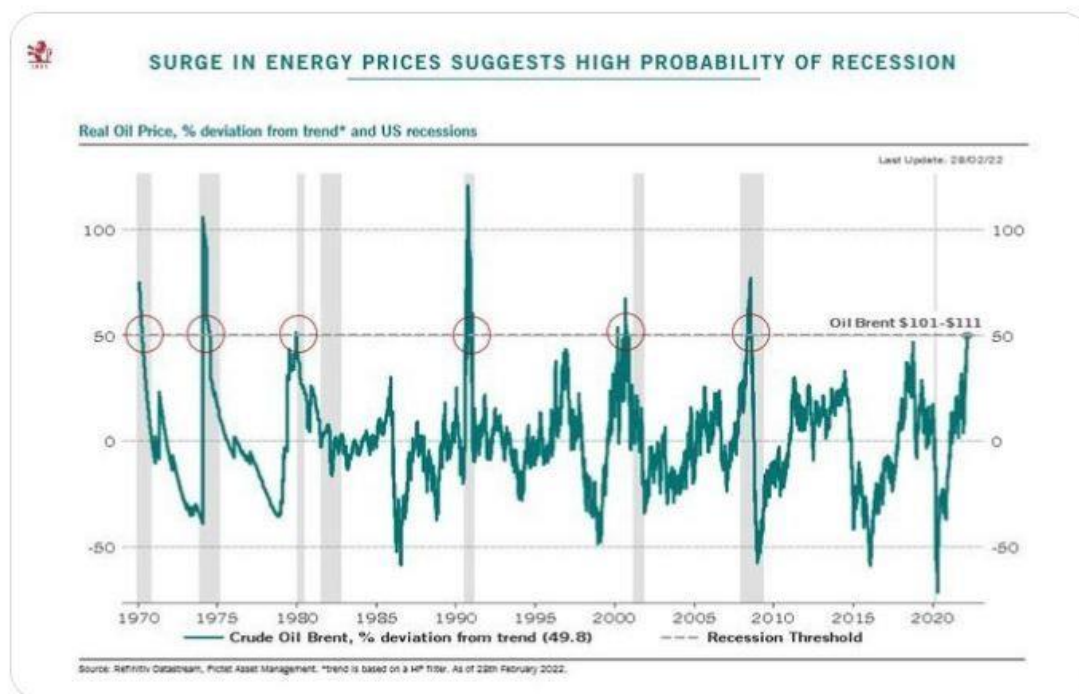
Not every recession was led by a 50% rise in #oil but every 50% rise in crude has led to a recession....



Jim Bianco [biancoresearch.eth](#)
[@biancoresearch](#)

Not every recession is led by a 50% rise in crude.

But every 50% rise in crude has led a recession.



Source: Pictet Asset Management, Bianco Research

#macro

#macro #us #jobs

US payroll growth tops forecast w/678k jobs added vs 423k expected. UR at 3.8% vs 3.9% expected. BUT AHE misses at 5.1%YoY vs 5.8% forecast.

United States

Browse

14:38:50

03/04/22

-

03/11/22

Economic Releases

All Economic Releases

View

Agenda

Weekly

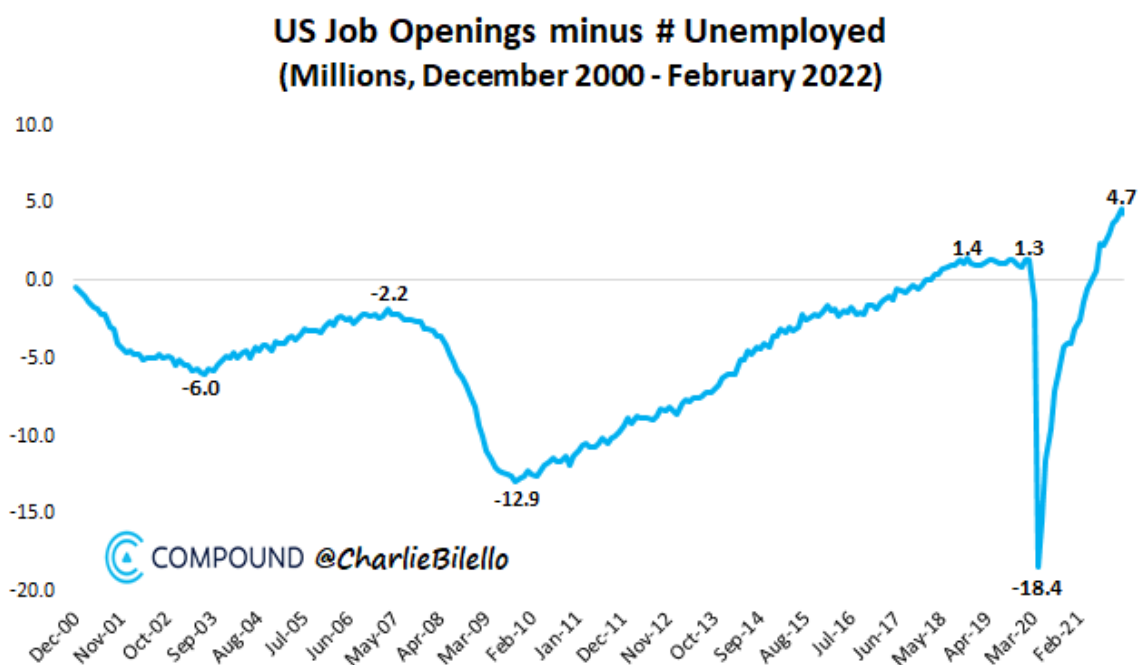
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	03/04 14:30				Two-Month Payroll Net Revisi...	Feb	--	92k	--	--
22)	03/04 14:30				Change in Nonfarm Payrolls	Feb	423k	678k	467k	481k
23)	03/04 14:30				Change in Private Payrolls	Feb	413k	654k	444k	448k
24)	03/04 14:30				Change in Manufact. Payrolls	Feb	24k	36k	13k	16k
25)	03/04 14:30				Unemployment Rate	Feb	3.9%	3.8%	4.0%	--
26)	03/04 14:30				Average Hourly Earnings MoM	Feb	0.5%	0.0%	0.7%	0.6%
27)	03/04 14:30				Average Hourly Earnings YoY	Feb	5.8%	5.1%	5.7%	5.5%
28)	03/04 14:30				Average Weekly Hours All Emp...	Feb	34.6	34.7	34.5	34.6
29)	03/04 14:30				Labor Force Participation Rate	Feb	62.2%	62.3%	62.2%	--
30)	03/04 14:30				Underemployment Rate	Feb	--	7.2%	7.1%	--

Source: Bloomberg

#macro

#macro #us #jobs

There are now 4.7 million more job openings than unemployed people in America. That's a new record.

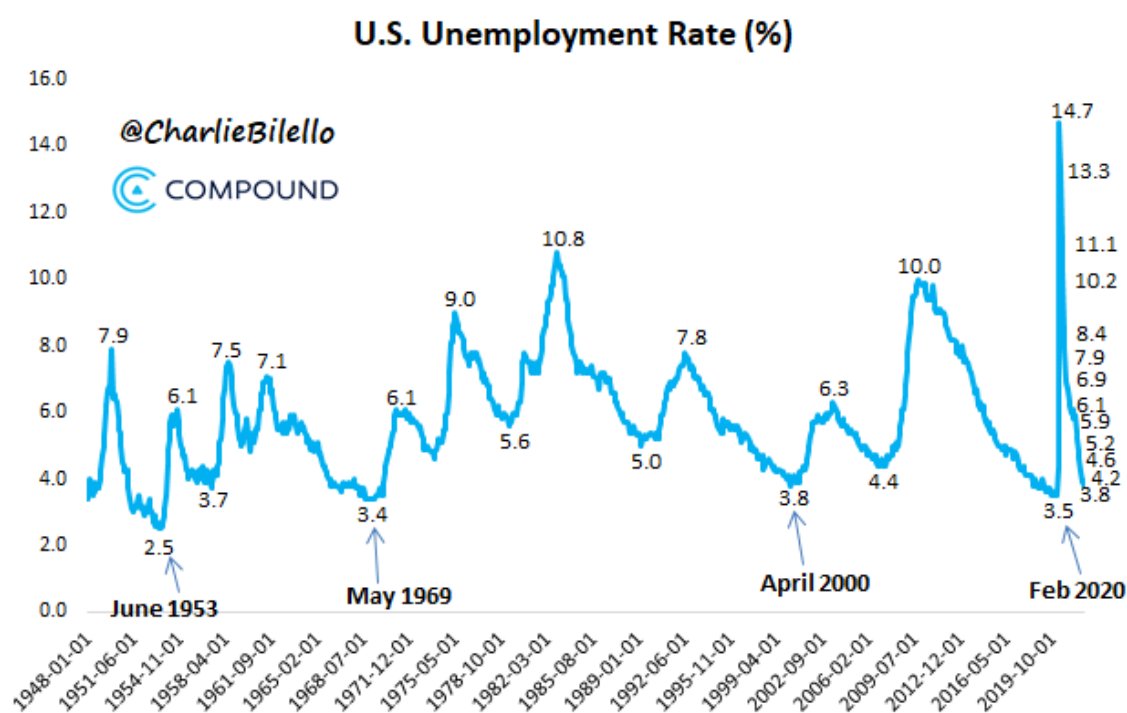


Source: Charlie Bilello

#macro

#macro #us #jobs

US Unemployment Rate moves down to 3.8%, the lowest level since the start of the pandemic. The historical average since 1948 is 5.8%.



Source: Charlie Bilello

#macro

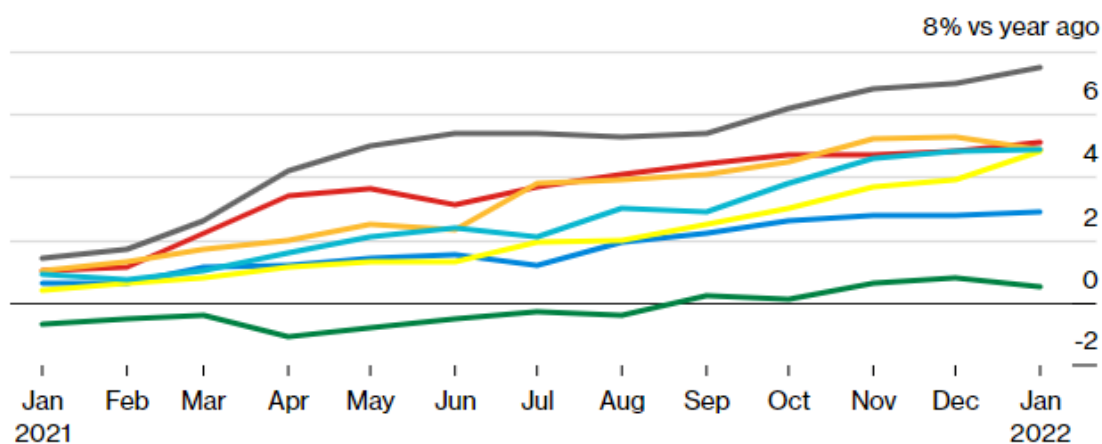
#g7 #inflation

G7 inflation is already on the rise. Russia invasion of Ukraine could trigger a new inflation shock.

G-7 Inflation

Consumer price indexes across major economies are already on the rise

Canada France Germany Italy Japan Germany U.S.



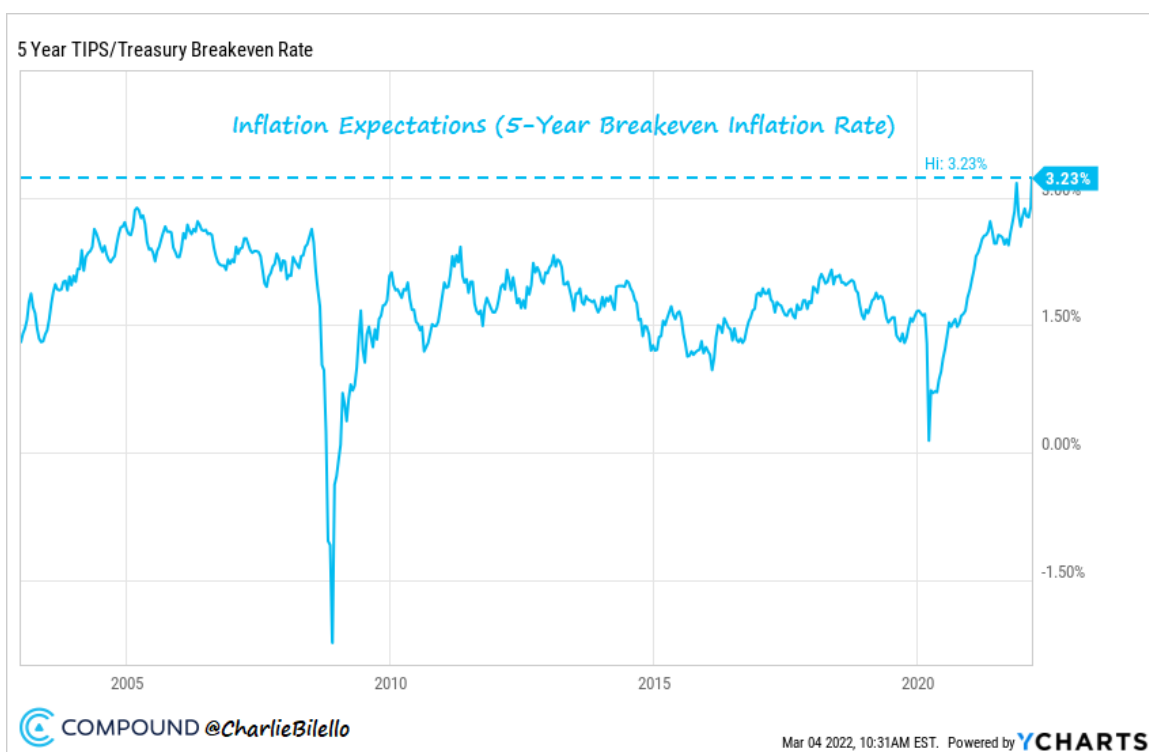
Source: OECD
*

Source: Bloomberg

#macro

#us #inflation #expectations

US 5-year breakeven rate of 3.23% is the highest reading ever (since 2003).



Source: Charlie Bilello, YCharts

#macro

#eurozone #inflation

Eurozone inflation hits yet another All-Time-High as it unexpectedly accelerates to 5.8% YoY in Feb, up from 5.1% in January and more than the 5.6% median economist estimate in a Bloomberg survey. The spike in energy prices is not going to help as more than 50% of EU inflation is coming from energy. Central banks are in a corner..



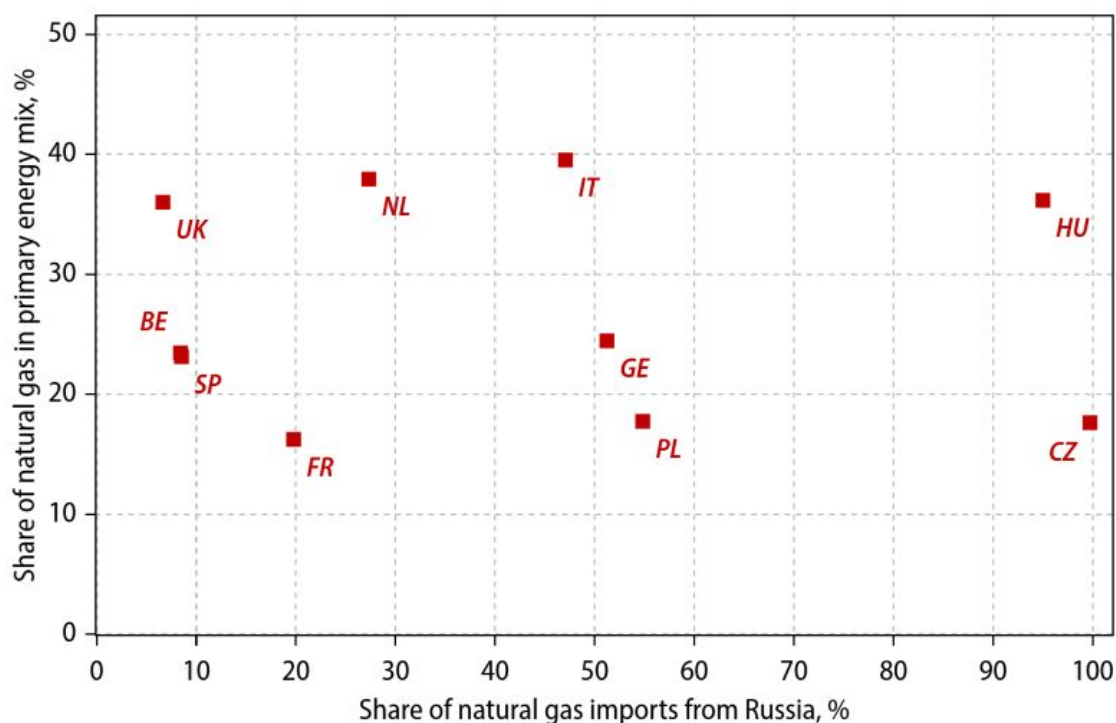
Source: Bloomberg, HolgerZ

#macro

#eu #inflation #natgas

Since the invasion of Ukraine, German natural gas prices have doubled to €166/MWh, equivalent to an oil price of US\$307/bbl. With flows of Russian gas to Europe already down 45% from late 2019 before the war, there are fears of a sudden stop in the flow of Russian gas

Dependence on Russian gas varies widely among European countries



Gavekal Research/Macrobond

Source: Gavekal

#centralbanks

#global #centralbanks

Global Central Bank Update: Canada hikes rates for the first time since 2018, 25 bps increase to 0.50%.

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%	1.6%	-2.4%	Cut	Jan-15
Denmark	Deposit Rate	-0.60%	4.3%	-4.9%	Cut	Sep-21
Eurozone	Deposit Rate	-0.50%	5.8%	-6.3%	Cut	Sep-19
Japan	Policy Rate Bal	-0.10%	0.5%	-0.6%	Cut	Jan-16
Sweden	Repo Rate	0.00%	3.7%	-3.7%	Hike	Dec-19
Australia	Cash Rate	0.10%	3.5%	-3.4%	Cut	Nov-20
US	Fed Funds	0.13%	7.5%	-7.4%	Cut	Mar-20
Canada	Overnight	0.50%	5.1%	-4.6%	Hike	Mar-22
UK	Bank Rate	0.50%	5.5%	-5.0%	Hike	Feb-22
Thailand	Policy Rate	0.50%	3.2%	-2.7%	Cut	May-20
Norway	Deposit Rate	0.50%	3.2%	-2.7%	Hike	Dec-21
Hong Kong	Base Rate	0.86%	1.2%	-0.3%	Cut	Mar-20
New Zealand	Cash Rate	1.00%	5.9%	-4.9%	Hike	Feb-22
Taiwan	Discount Rate	1.13%	2.8%	-1.7%	Cut	Mar-20
Saudi Arabia	Reverse Repo	1.20%	1.2%	0.0%	Cut	Mar-20
South Korea	Repo Rate	1.25%	3.6%	-2.4%	Hike	Jan-22
Malaysia	Policy Rate	1.75%	2.3%	-0.6%	Cut	Jul-20
Philippines	Key Policy Rate	2.00%	3.0%	-1.0%	Cut	Nov-20
Poland	Repo Rate	2.75%	9.2%	-6.5%	Hike	Feb-22
Peru	Policy Rate	3.50%	6.2%	-2.7%	Hike	Feb-22
Indonesia	Repo Rate	3.50%	2.1%	1.4%	Cut	Feb-21
China	Loan Prime Rate	3.70%	0.9%	2.8%	Cut	Jan-22
Colombia	Repo Rate	4.00%	6.9%	-2.9%	Hike	Jan-22
South Africa	Repo Rate	4.00%	5.7%	-1.7%	Hike	Jan-22
India	Repo Rate	4.00%	6.0%	-2.0%	Cut	May-20
Czech Republic	Repo Rate	4.50%	9.9%	-5.4%	Hike	Feb-22
Chile	Base Rate	5.50%	7.7%	-2.2%	Hike	Jan-22
Mexico	Overnight Rate	6.00%	7.1%	-1.1%	Hike	Feb-22
Brazil	Target Rate	10.75%	10.4%	0.4%	Hike	Feb-22
Turkey	Repo Rate	14.00%	48.7%	-34.7%	Cut	Dec-21
Russia	Key Policy Rate	20.00%	8.7%	11.3%	Hike	Feb-22
Argentina	Benchmark Rate	42.50%	50.7%	-8.2%	Hike	Feb-22



COMPOUND

@CharlieBilello

PRIVATE
BANKING

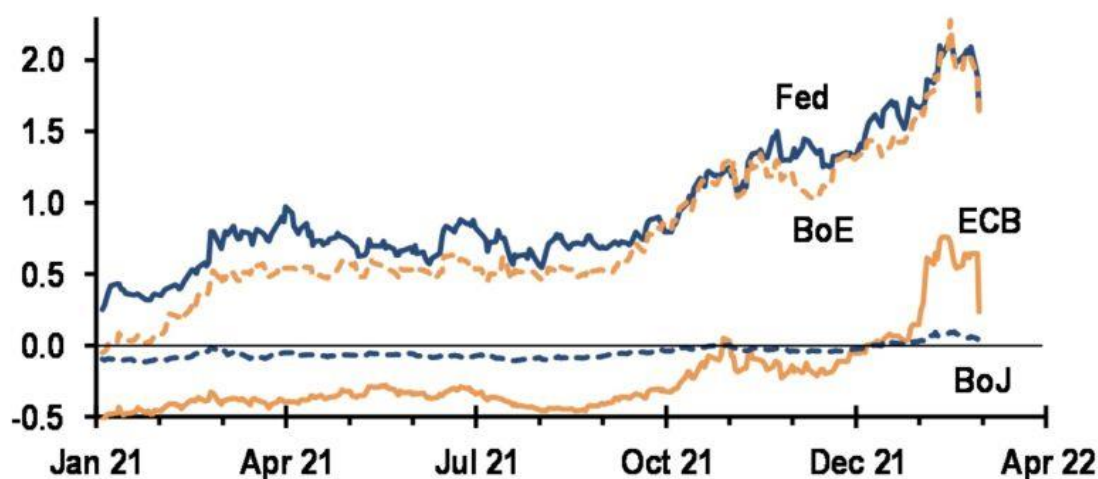
#centralbanks

#g4 #rate-hikes

On the back of the Russia/Ukraine war, markets have been pricing less cumulative hiking by G4 central banks over the past several days. For#ecbE, interest rate expectations were lowered the most although the inflation has hit fresh all-time-high at 5.8%.

Market pricing for G-4 central bank policy rates at end-2023

%p.a. Data through Mar 1.

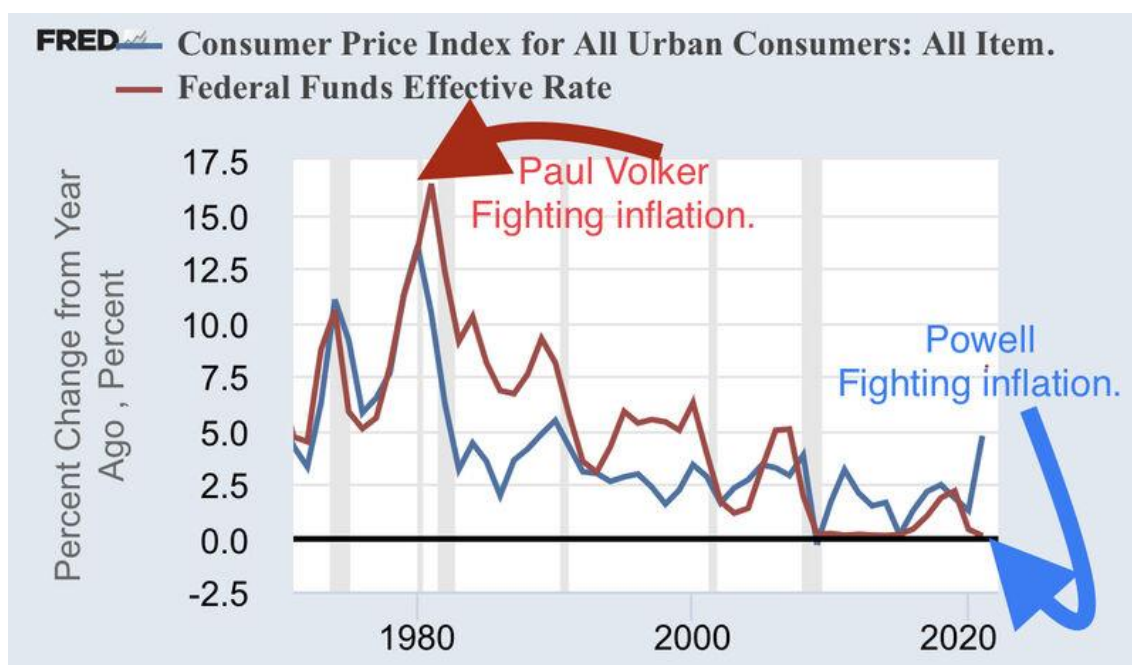


Source: J.P. Morgan

Source: JP Morgan

#fed #bidenflation

Jerome Powell told Congress on Thursday that if he needed to be Paul Volker to fight inflation that no doubt in his mind he will go Volker on Bidenflation



Source: FRED, Golden Coast Consultants

#centralbanks

#fed #bidenflation

While Powell jawboned expectations for a 50bps hike in March down to 25bps, the market is still expecting 6 rate-hikes this year... (and QT).



Source: Bloomberg

#centralbanks

#centralbanks #reserves

MIND THE GAP... Russia (orange) doesn't come close to China (blue) or Japan (white) in terms of holdings of U.S. Treasury securities. Will they start to offload?



Source: Liz Ann Sonders, Bloomberg

#centralbanks

#ecb

The ECB keeps its electronic printing press running ...

Balance sheet of the Eurosystem in €bn



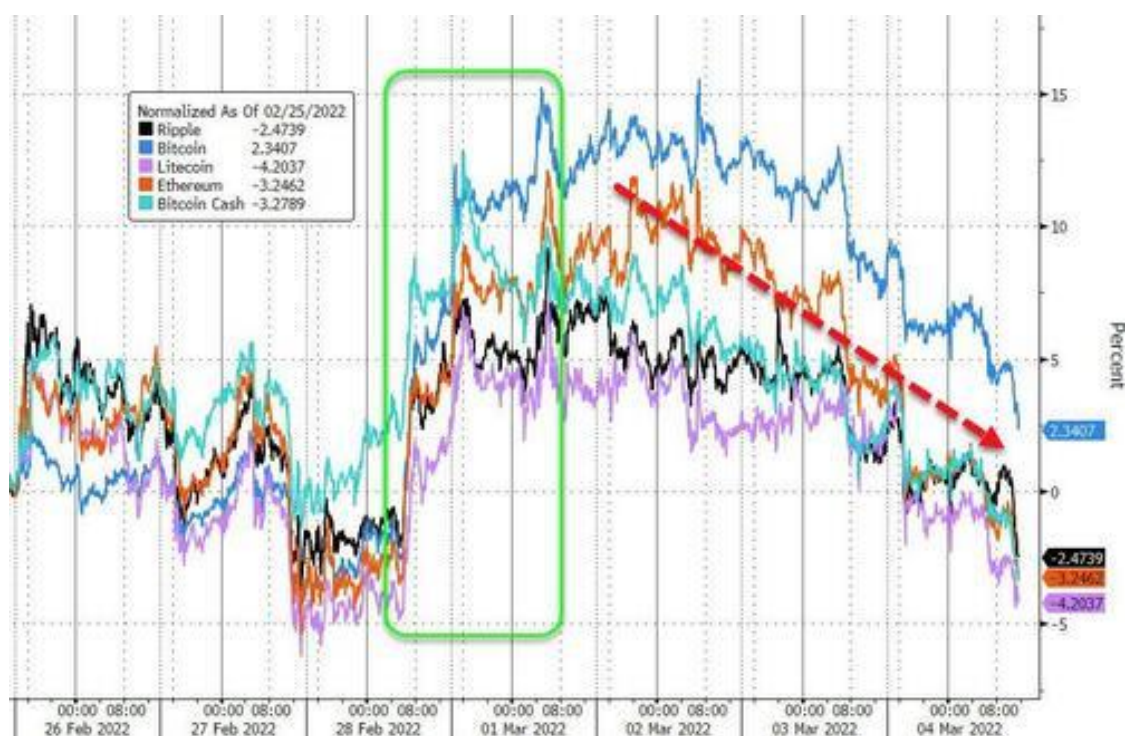
Source: Refinitiv; graph Degussa.
Consolidated numbers.
Eurosystem: ECB plus national central banks.

Source: Degussa

#cryptos

#cryptocurrencies

Cryptos had a roller-coaster week with Bitcoin managing to cling to some of the post-Putin gains (but fell back below \$40k).

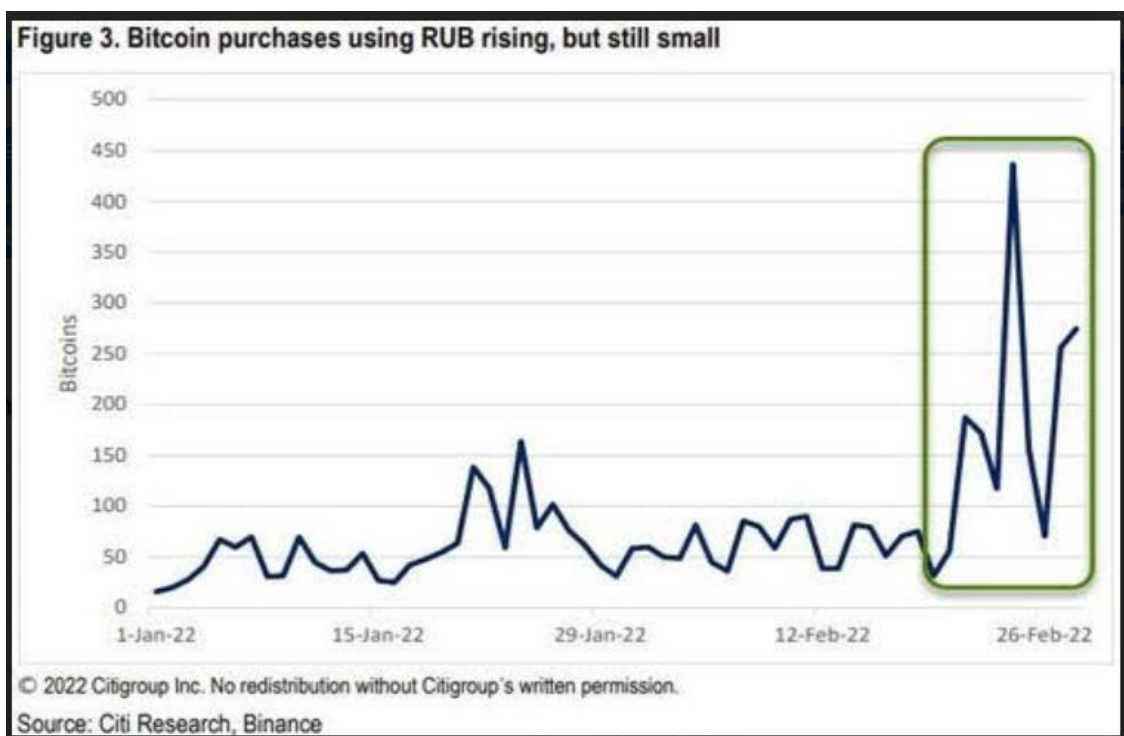


Source: Bloomberg

#cryptos

#bitcoin #russia

While the potential for capital flight is high, Russian volumes have been relatively small in absolute terms so far (around 210 bitcoin per day on average), suggesting that THE PRICE ACTION IS MORE DUE TO INVESTORS POSITIONING FOR AN INCREASE IN BITCOIN BUYING RATHER THAN RUSSIAN DEMAND ITSELF. This is important as in case of these expectations not being followed by true buying, the correlation between bitcoin and tech stocks might reassert itself.

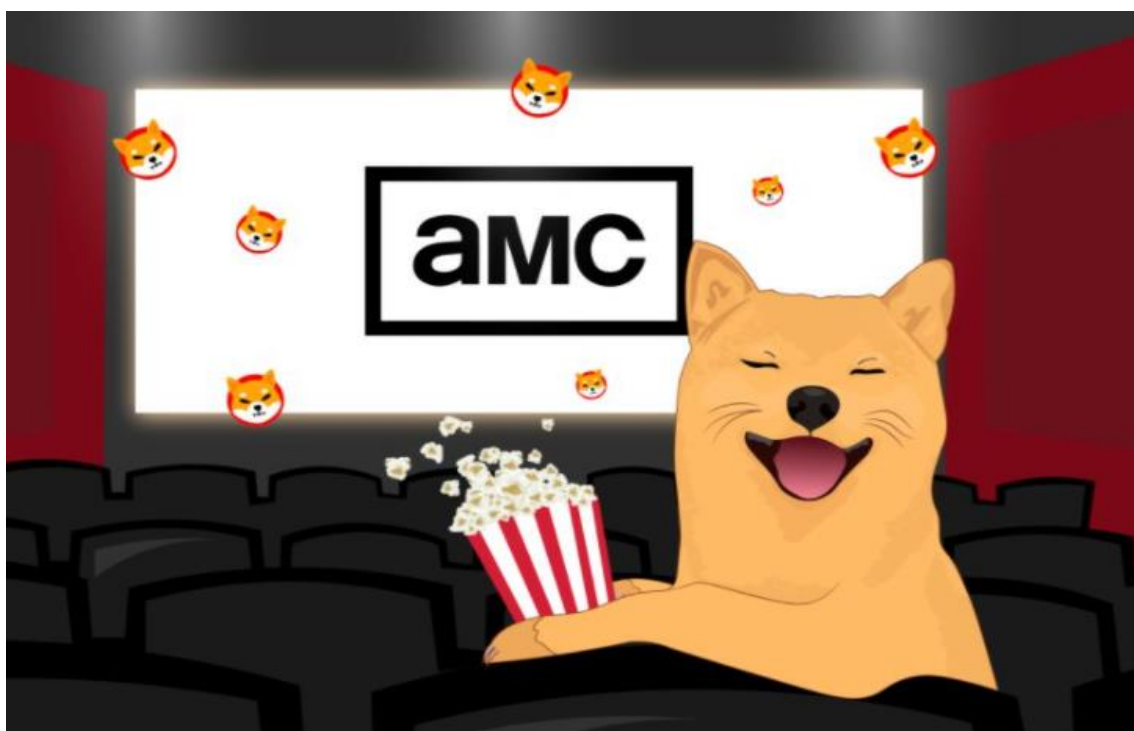


Source: Citi Research

#cryptos

#cryptocurrencies #adoption

AMC already allows bitcoin and ether, among other cryptocurrencies, to be used for payments. AMC Theatres customers next month will be able to pay with memecoins Dogecoin (DOGE) and Shiba Inu (SHIB) using crypto payments provider BitPay. “BitPay will be live for AMC online payments on our website by March 19, and live on our mobile apps by April 16, possibly a few days earlier,” tweeted AMC CEO Adam Aron a short time ago.



Source: Binance

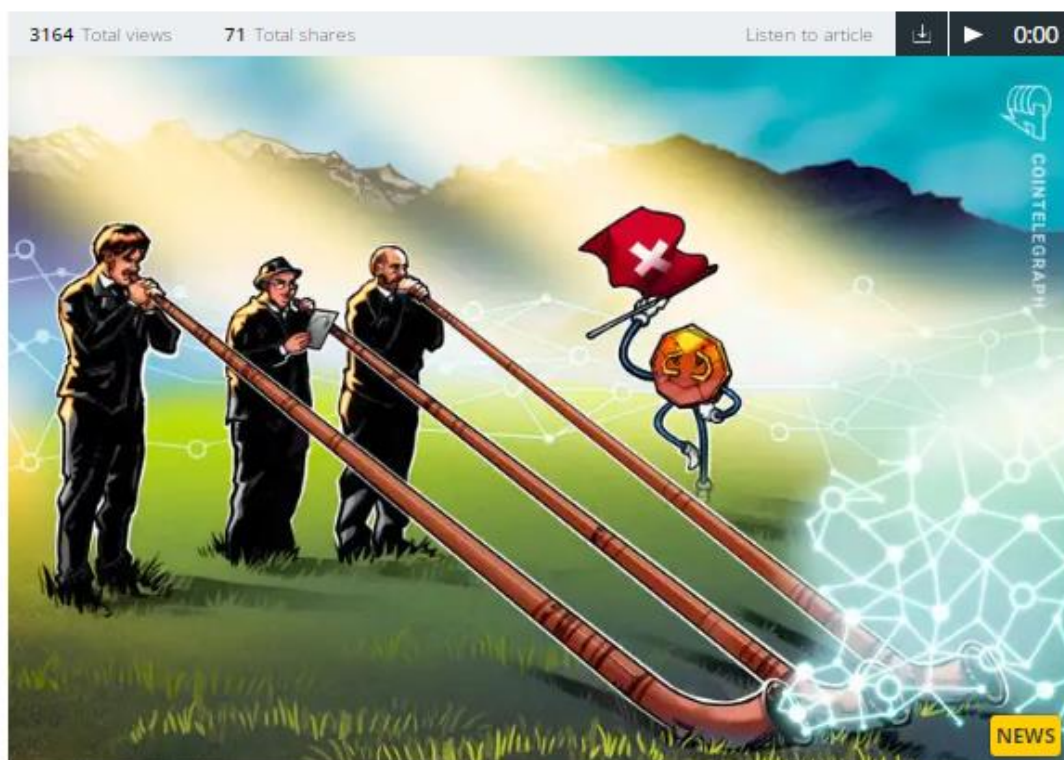
#cryptos

#cryptocurrencies #adoption

The city of Lugano is adopting cryptocurrencies for tax payments as part of a new collaboration with the provider of the Tether (USDT) stablecoin.

Swiss city of Lugano to pay taxes in crypto via Tether partnership

The ultimate goal is to accept crypto for payment of all goods and services in the city of Lugano, the city administration said.



Source: www.cointelegraph.com

#cryptos

#cryptocurrencies #adoption

Ukraine Passes Bill Legalizing Cryptocurrency

The virtual assets market in Ukraine has a significant turnover.

Legalizing digital assets would help Ukrainians protect their assets from abuse and fraud.

Monday, 21/02/2022 | 07:36 GMT+1 by Nicholas Otieno

CryptoCurrency ➤ crypto



Source: www.financemagnates.com

#cryptos

#defi

Decentralised Finance (DeFi) - Overview



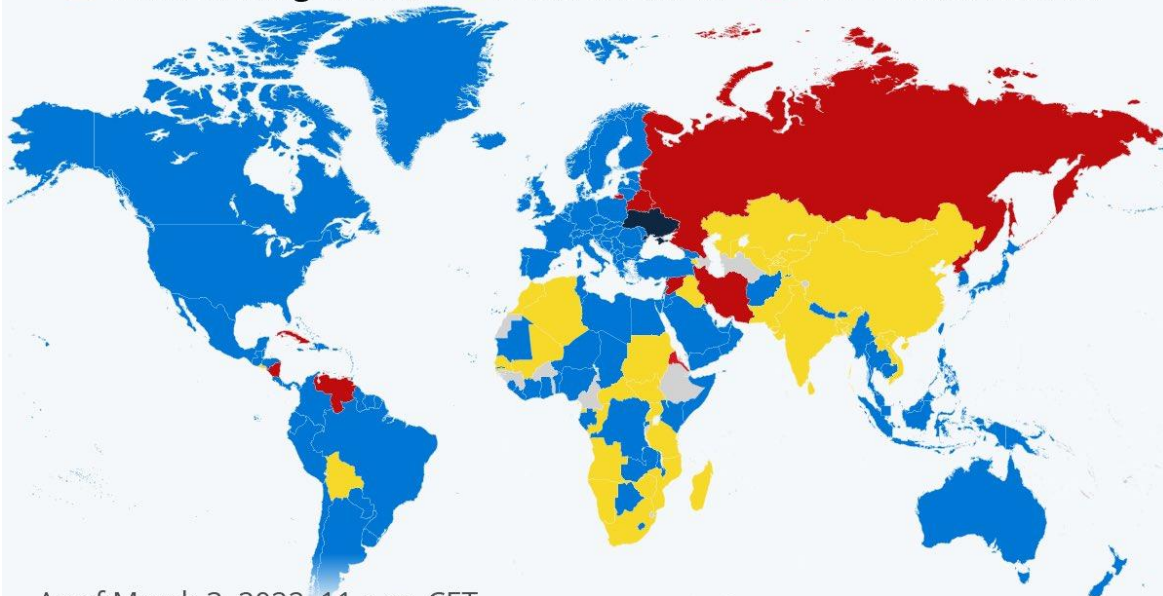
#food-for-thought

#russia

Where Russia's Attack on Ukraine Was Condemned

Countries/regional economies by official stance on Russian invasion of Ukraine

■ Condemning attack ■ Neutral stance ■ Pro-Russian stance



As of March 3, 2022, 11 a.m. CET

Sources: UN, media reports, Statista research



statista

Source: Statista

#food-for-thought

#russia #swiss #sanctions

Switzerland Implements Further Sanctions Against Russia

By Corinne Gretler

(Bloomberg) -- The newly adopted measures come into effect Friday at 6pm CET, Swiss govt says in statement.

- The following will be prohibited:
 - Export of goods that could contribute to Russia's military, defense and security sector
 - Providing technical assistance, brokering services or financing
 - Export of certain goods and services in the oil sector
 - Export of certain goods and technology that can be used in aviation and space industry
 - Providing public financing or financial assistance for trade with or investment in Russia
 - Other restrictive measures in the financial sector concern securities, loans and the acceptance of deposits
 - Transactions with the Russian Central Bank
- Swiss govt imposes sanctions in financial sector that the EU adopted on March 1, in particular with regard to SWIFT. Also expands list of sanctioned individuals to freeze assets of further persons with close ties to Russian President Vladimir Putin
- Swiss govt is looking to secure gas supply for winter 2022/23
- Swiss govt is considering special protection for Ukrainian refugees, which would fast-track right of residence

Source: Bloomberg

#food-for-thought

#sec #regulation

SEC proposes new rule requiring short-sellers to disclose their positions monthly. Proposed Rule 13f-2 would make aggregate data about large short positions available to the public for individual equity securities. It further would make daily short sale activity data available to the public, also on an aggregated basis.



Source: sec.gov

#food-for-thought

#etf

It looks like the “Night” ETF’s are coming...
New filing for some “Night” ETFs which only hold stocks overnight. Buy at close. Sell at open..

LOGO

AlphaTrAI Large Cap Night ETF [•]
AlphaTrAI Mid Cap Night ETF [•]
AlphaTrAI Small Cap Night ETF [•]

Primary Listing Exchange for the Funds: NYSE Arca, Inc.

Prospectus

[May 18], 2022

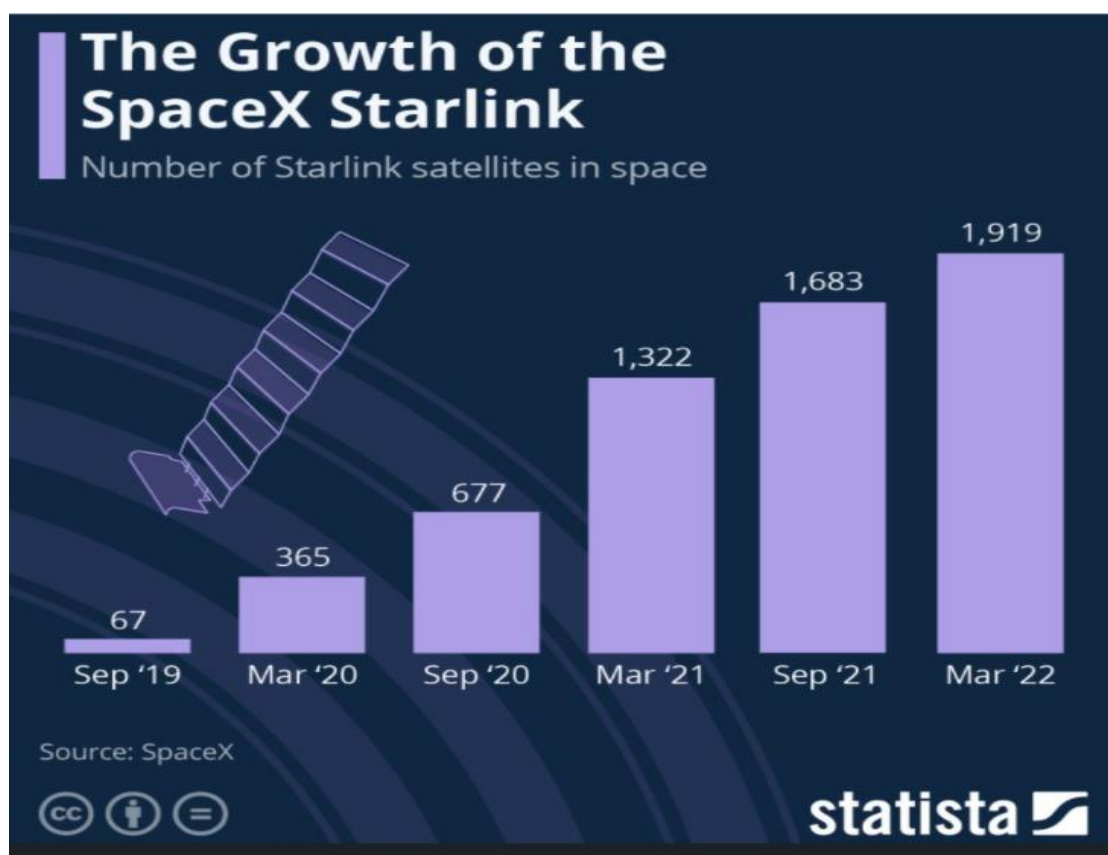
AlphaTrAI Funds, Inc.
500 Tamal Plaza
Corte Madera, CA 94925

Source: Eric Balchunas

#food-for-thought

#spacex #elonmusk

1919 Starlink satellites are currently orbiting the Earth, according to the site SpaceXstats which uses SpaceX API data. This means that SpaceX has increased the number of its internet satellites by over 185% in the past 18 months.



Source: Statista

#food-for-thought

#military-spending

WORLDWIDE MILITARY SPENDING (in 2020).



Source: The Visual Capitalist

#food-for-thought

#quote

*The world destroys the thing
that it needs the most:*

**PEOPLE WITH
BIG HEARTS.**

— ANTHONY GUCCIARDI

AG ANTHONY
GUCCIARDI &
CO

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For the future...