

Chart of the week

S&P 500 vs. US 2s30s YIELD CURVE

US stocks and the US yield curve are diverging meaningfully as the 2-year - 30-year Treasury Bond yield curve just inverted for the 1st time since late 2007 while the S&P 500 trades within 5% of its all-time-high.



Source: Bloomberg, www.zerohedge.com

Worst quarter since early 2020 for the S&P 500

It was a mixed week for the major US equity indexes as the S&P 500 Index closed out its best month since December but its worst quarter since early 2020. Cyclical stocks underperformed over the week, with financials and industrials sectors being among the losers. Stock prices fluctuated over the week in apparent response to the evolving situation in the war in Ukraine. After rising briefly on renewed Russia-Ukraine tensions, oil prices resumed their decline following the Biden administration's announcement of an extended release from the nation's Strategic Petroleum Reserve to combat inflationary pressures. On the macro front, most US reports came in roughly in line with consensus expectations. US job gains fell somewhat below expectations at 431k versus 490k, but the unemployment rate fell a bit more than expected, to 3.6%. U.S. Treasuries 10-year yield fell slightly, but the Bloomberg U.S. Aggregate Bond Index recorded its worst quarter since late 1980. Portions of the Treasury yield curve inverted over the week. European stocks gained in a choppy week of trading, as higher-than-expected inflation data boosted expectations for further interest rate increases and drove bond yields higher. Chinese markets advanced, as investors anticipated that Beijing would step in to support the country's economy and markets.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

2 APRIL 2022

#q1 #returns #cross-assets

Asset Class Performance March, Q1, and Last 12 Mths - Total Return (%)									
US Related					Global				
ETF	Description	March	Q1	Last 12 Mths	ETF	Description	March	Q1	Last 12 Mths
SPY	S&P 500	3.76	-4.62	15.47	EWA	Australia	9.90	6.44	12.04
DIA	Dow 30	2.43	-4.11	6.84	EWZ	Brazil	14.96	34.70	23.49
QQQ	Nasdaq 100	4.67	-8.76	14.15	EWG	Canada	5.21	4.63	20.36
IJH	S&P Midcap 400	1.30	-4.91	4.45	ASHR	China	-9.69	-15.35	-13.56
IJR	S&P Smallcap 600	0.31	-5.64	0.90	EWQ	France	0.00	-9.13	5.41
IWB	Russell 1000	3.35	-5.14	13.04	EWG	Germany	-2.37	-13.39	-12.91
IWM	Russell 2000	1.16	-7.54	-6.20	EWJ	Hong Kong	-0.49	-2.67	-12.92
IWV	Russell 3000	3.31	-5.18	11.84	PIN	India	1.81	-3.25	12.80
IVW	S&P 500 Growth	4.45	-8.56	17.95	EWI	Italy	-2.38	-10.00	-3.79
IJK	Midcap 400 Growth	0.39	-9.20	-0.81	EWJ	Japan	-2.11	-7.99	-8.22
IJT	Smallcap 600 Growth	0.13	-9.71	-1.74	EWJ	Mexico	9.20	8.64	28.19
IVE	S&P 500 Value	3.02	-0.13	12.35	EWP	Spain	-0.47	-3.08	-4.06
IJJ	Midcap 400 Value	2.27	-0.57	9.41	EIS	Israel	0.03	-4.74	16.32
IJS	Smallcap 600 Value	0.50	-1.74	3.17	EWU	UK	0.45	1.51	12.26
DVY	DJ Dividend	4.21	5.25	15.84	EFA	EAFE	0.52	-6.46	0.27
RSP	S&P 500 Equalweight	2.67	-2.69	12.86	EEM	Emerging Mkts	-3.38	-7.57	-13.70
FXB	British Pound	-2.17	-2.91	-5.07	IOO	Global 100	3.27	-2.51	17.09
FXE	Euro	-1.41	-3.00	-6.63	BKF	BRIC	-7.73	-14.43	-25.26
FXF	Yen	-5.67	-5.58	-9.65	CWI	All World ex US	-0.15	-6.11	-2.28
GBTC	Bitcoin Trust	3.91	-10.83	-38.97	DBC	Commodities	9.17	25.41	56.89
ETHE	Ethereum Trust	16.97	-16.72	50.64	DBA	Agric. Commod.	4.54	10.78	29.16
XLY	Cons Disc	4.43	-9.37	10.74	USO	Oil	9.84	36.35	82.88
XLP	Cons Stap	1.78	-1.14	13.80	UNG	Nat. Gas	27.55	57.89	105.85
XLE	Energy	9.30	39.00	62.88	GLD	Gold	1.27	5.67	12.93
XLF	Financials	-0.13	-1.49	14.48	SLV	Silver	1.15	6.37	0.79
XLV	Health Care	5.74	-2.46	19.05	SHY	1-3 Yr Treasuries	-1.40	-2.50	-3.11
XLI	Industrials	3.44	-2.35	6.02	IEF	7-10 Yr Treasuries	-4.06	-6.37	-3.99
XLB	Materials	6.12	-2.35	13.85	TLT	20+ Yr Treasuries	-5.45	-10.63	-0.95
XLK	Technology	3.35	-8.42	20.55	AGG	Aggregate Bond	-2.81	-5.85	-4.28
XLC	Comm Services	0.74	-11.23	-5.43	BND	Total Bond Market	-2.75	-5.85	-4.11
XLU	Utilities	10.34	4.71	19.77	TIP	T.I.P.S.	-1.88	-3.07	4.18

Source: Bespoke

#markets

#q1 #returns #global #equities #countries

Russia's stock exchange is only 2nd weakest among stock exchanges year-to-date, with a drop of 36%. Sri Lanka fared even worse, w/its stock market nearly halving in dollar terms. Stock markets from commodity-rich countries such as Brazil, Peru & the Saudi Arabia were main beneficiaries this year.

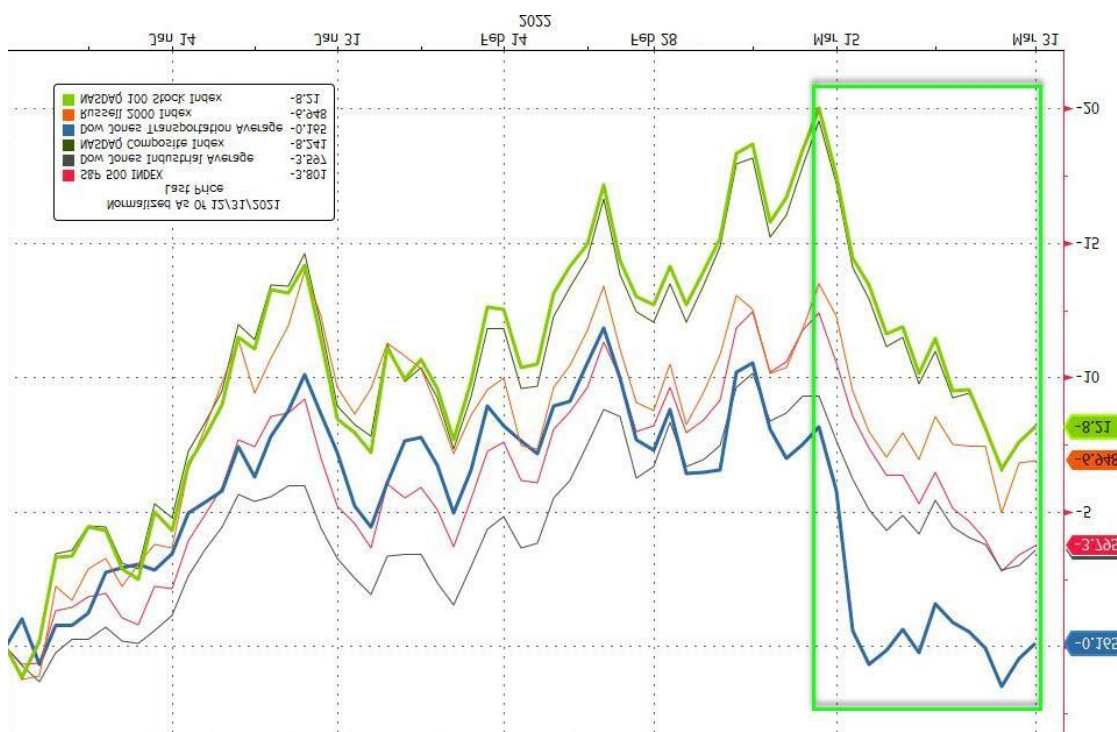


Source: Bloomberg, HolgerZ

#markets

#q1 #returns #us #equities

In US equity-land, the Dow Transport ended Q1 unchanged while the Nasdaq ended down around 8%, despite March's surge higher. This is the 2nd worst start to a year for stocks still since 2008 (with only the COVID crash worse).



Source: Bloomberg, www.zerohedge.com

#markets

#q1 #returns #us #equities #style

Value stocks outperformed growth in Q1, but having reached up to the May 2021 relative highs, Growth stocks started to outperform and have shone in March



Source: Bloomberg, www.zerohedge.com

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#markets

#q1 #returns #us #equities #sectors

From a sector standpoint, Energy stocks were Q1's massive winner with Utilities the only other sector to end in the green. Consumer Discretionary and Tech were the quarter's biggest laggards...



#markets

#us #energy #weight

To put things into perspective. The oil sector made only a mini-comeback. The stock market cap of oil comps measured against the entire S&P 500 market cap rose from just under 2% to just under 4%. At their peak, the oil giants accounted for almost 16% of the S&P 500.



Source: Bloomberg

#markets

#q1 #returns #bonds

The global bond market just suffered its greatest drawdown on record....

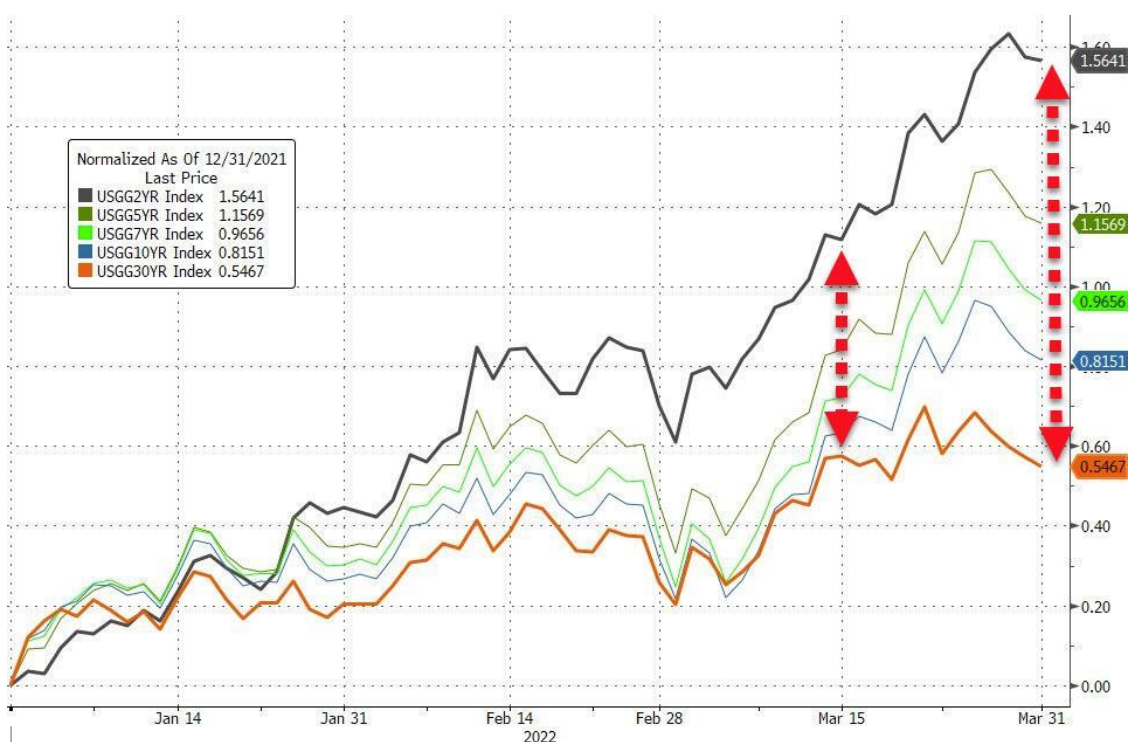


Source: Bloomberg, www.zerohedge.com

#markets

#q1 #returns #bonds

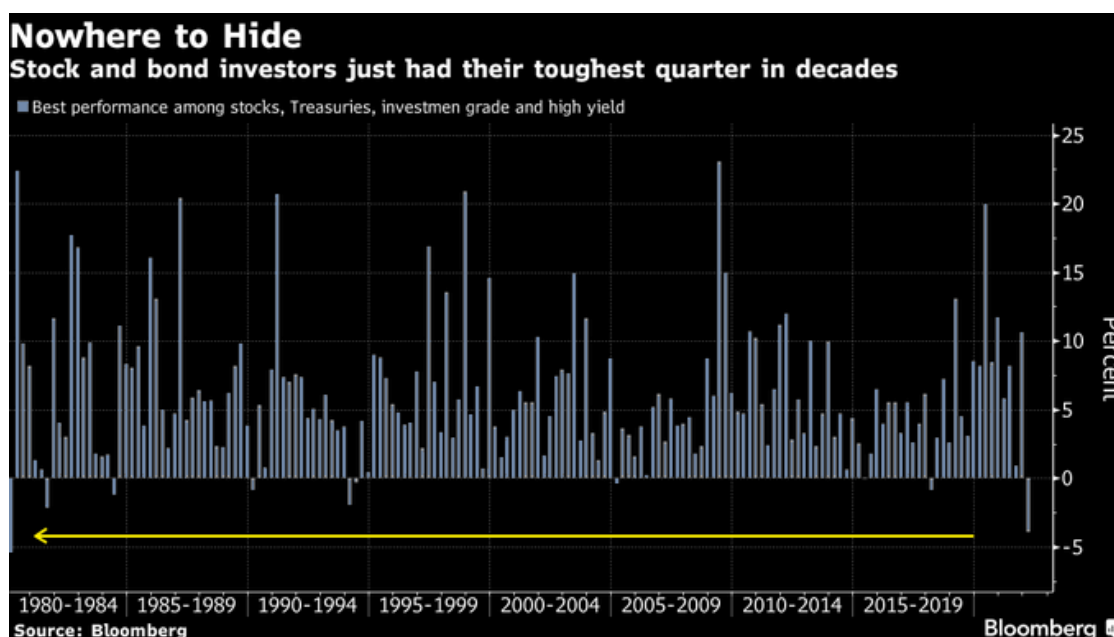
In Q1, US 2Y yields soared 156bps (while the long-end also rose, but 'just' 55bps)...(the last couple of days have seen bonds bid into the quarter-/month-end as funds likely rebalanced)...



#markets

#q1 #returns #multi-assets

Across equity & fixed-income markets broadly, the least-bad quarterly performance among US assets were declines of 4.9% in S&P 500. They were followed by a 5.6% fall in Treasuries. Not since 1980 has best return among those four categories been so paltry

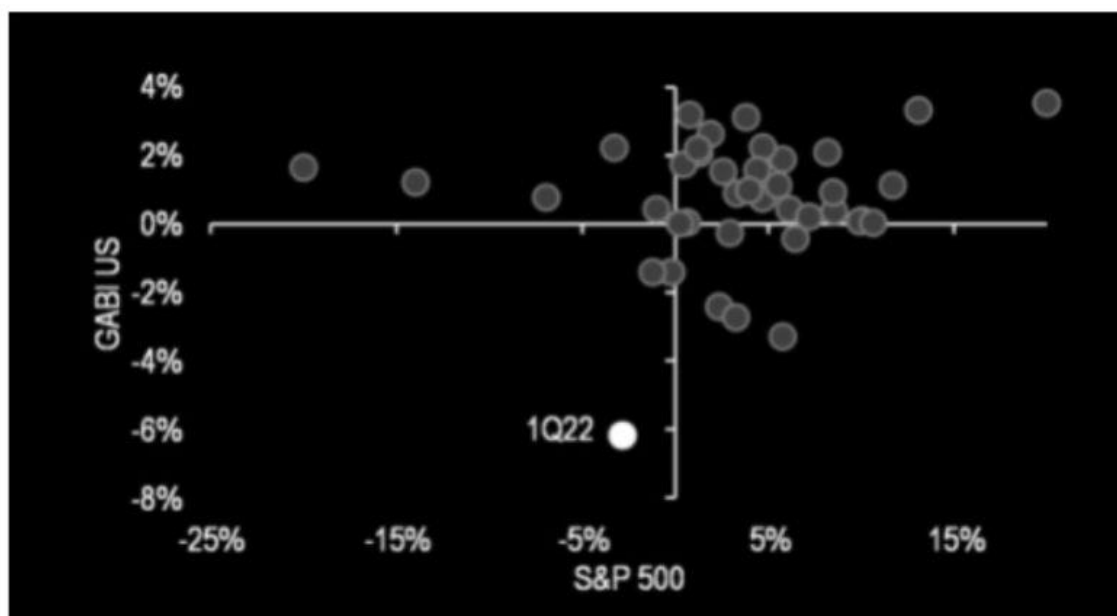


Source: Bloomberg, HolgerZ

#markets

#q1 #returns #multi-assets

This quarter's combination of negative returns in both equities and fixed income is fairly atypical. See below Quarterly performance of Global Aggregate bond index versus S&P 500 over last 10 years; %.



Source: JPM

Source: JPM

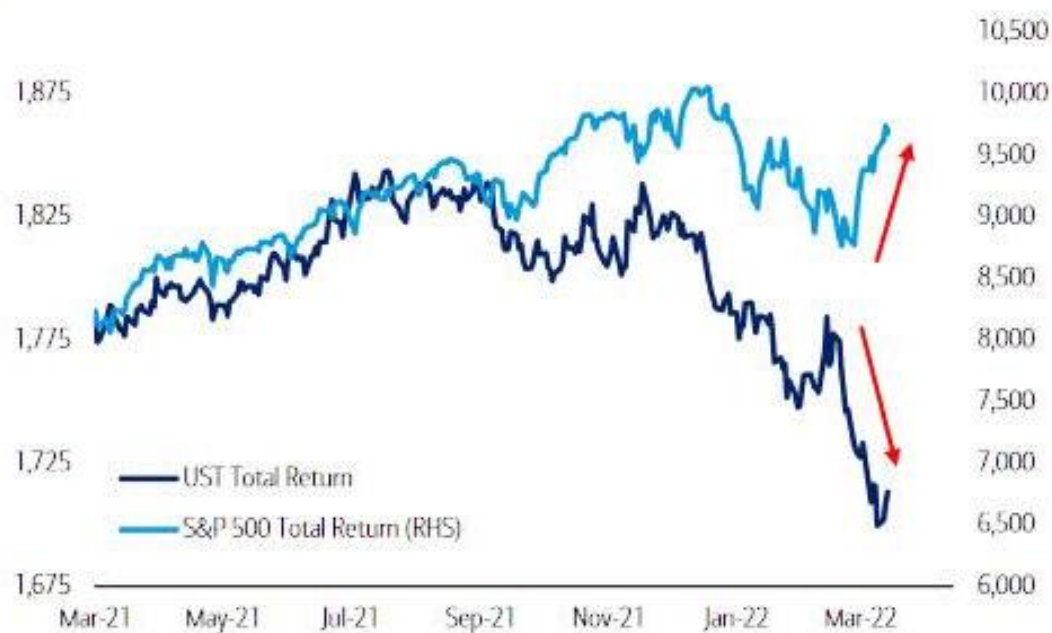
#markets

#march #returns #multi-assets

The March "pain trade" was up-in-yields, up-in-stocks...

Chart 4: March "pain trade" was up-in-yields, up-in-stocks

US Treasury return vs S&P 500 return



Source: BofA Global Investment Strategy, Bloomberg

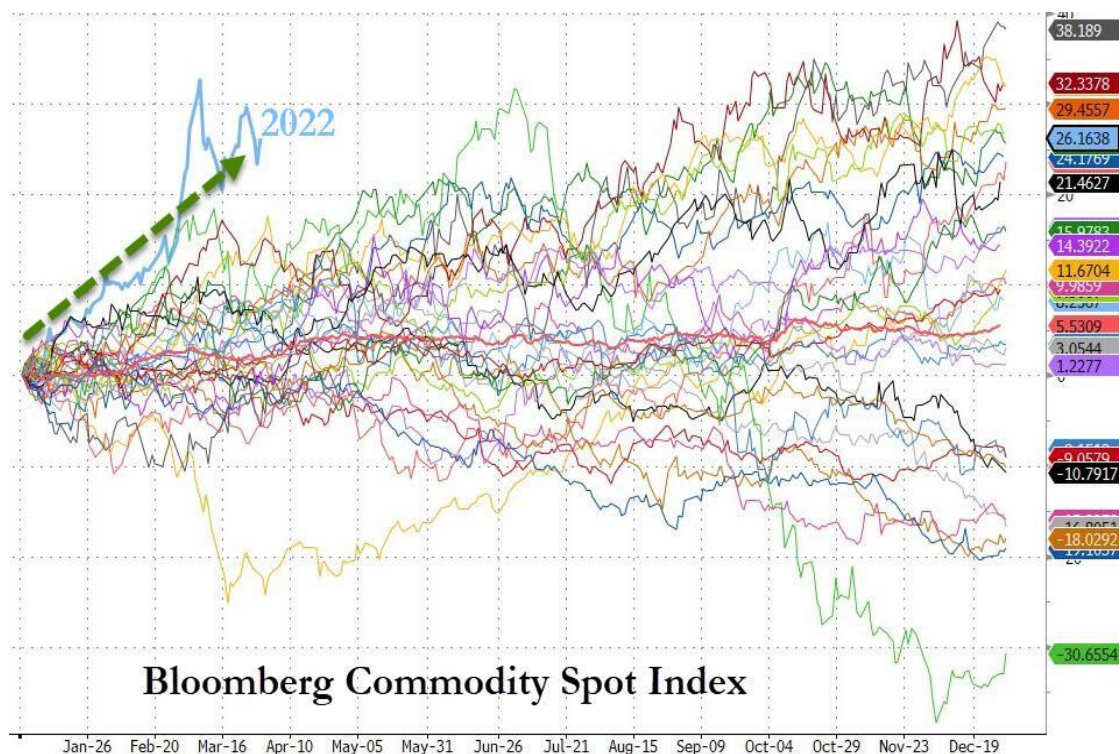
BoFA GLOBAL RESEARCH

Source: BofA

#markets

#q1 #returns #commodities

Commodities were all up in Q1 with Bloomberg's Commodity Spot Index having its best start to a year ever, up 26% in Q1...



Source: Bloomberg, www.zerohedge.com

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#markets

#q1 #returns #forex

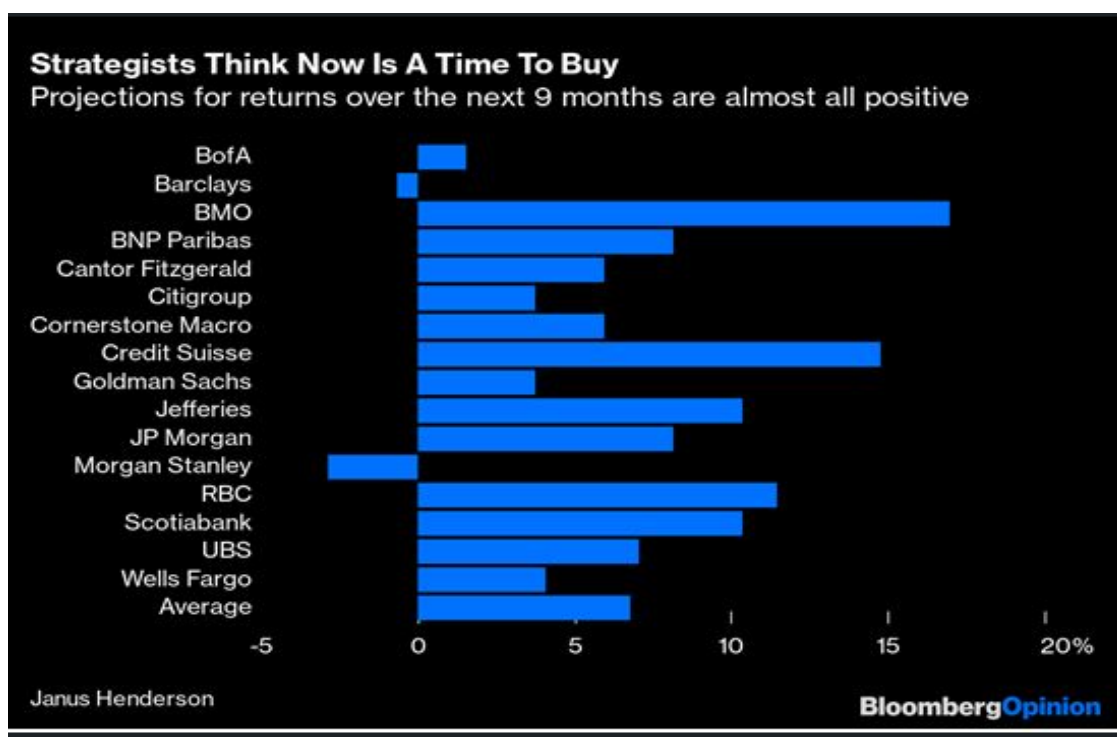
FX markets once again reflect the rise and fall of nations. Ruble not weakest currency year-to-date, but once again Turkey Lira. Appreciation of Brazil Real and South-Africa Rand remarkable in the year of the start of Fed-rate-hike cycle. Europe's decline is reflected in Euro's loss vs the Dollar.



Source: Bloomberg

#strategists #sentiment

After the events of the last 90 days, three strategists have seen fit to increase their estimates for the market level Dec. 31. From where the market closed Thursday, only two houses — Barclays and Morgan Stanley — think there will be a negative return by year-end. And both believe the market will only be slightly lower.



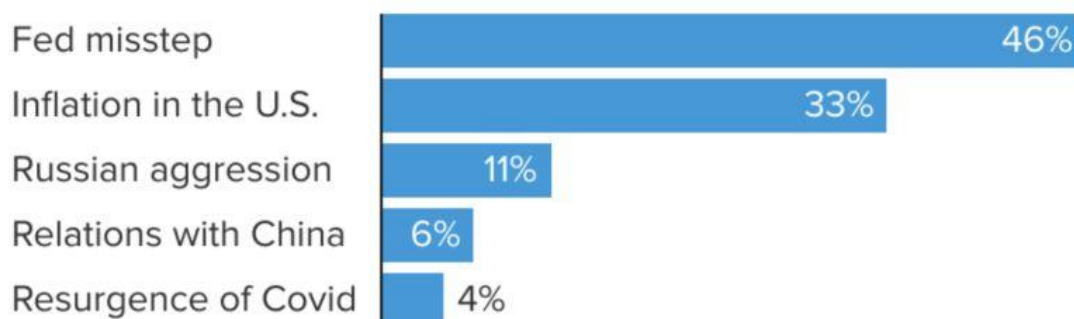
Source: Bloomberg

#markets

#investors #sentiment

Investors believe the biggest threat to the markets now is a Fed misstep. CNBC Delivering Alpha investor survey polled about 400 chief investment officers, equity strategists, portfolio managers and CNBC contributors who manage money about where they stood on the markets for the rest of 2022. The survey was conducted this week. The majority of them said the biggest threat facing the markets right now is a policy error by the Federal Reserve.

What is the biggest threat to the markets?



Source: Delivering Alpha investor survey



Source: CNBC



#investors #sentiment

According to BofA indicator, the "Buy" zone of Bank of America's Bull and Bear Indicator

BofA Bull & Bear Indicator (B&B)

Our BofA Bull & Bear Indicator is at 2.1, signal is Neutral.

Chart 36: BofA Bull & Bear Indicator
Rises to 2.1 from 2.0



Table 6: BofA B&B Indicator
BofA Bull & Bear current component readings

Components	Percentile	Sentiment
HF positioning	51%	Neutral
Credit mkt technicals	37%	Neutral
Equity market breadth	22%	Neutral
Equity flows	70%	Bullish
Bond flows	5%	V Bearish
I.O positioning	14%	Neutral

Source: BofA Global Investment Strategy, Bloomberg, EPFR Global, Lipper FMI, Global FMS, CFTC, MSCI
BofA GLOBAL RESEARCH

Source: BofA

#us equities #yield-curve-inversion

Yield Curve Inversions: Looking at the previous 4 times the 2/10 year yield curve inverted shows the S&P 500 rallied for another 17 months and gained 28.8% until the ultimate peak.

2 year/10 year Yield Curve Inversions

Date of Inversion	Bull Market Peak Date	S&P 500 Index Return	Months Till Bull Market Peak
12/13/1988	7/16/1990	33.2%	19.1
5/26/1998	3/24/2000	39.6%	22.0
12/27/2005	10/9/2007	24.6%	21.4
8/27/2019	2/19/2020	18.0%	5.8
Average		28.8%	17.1
Median		28.9%	20.2

Source: LPL Research, St. Louis Fed 03/30/2022 (Last Four Inversions)

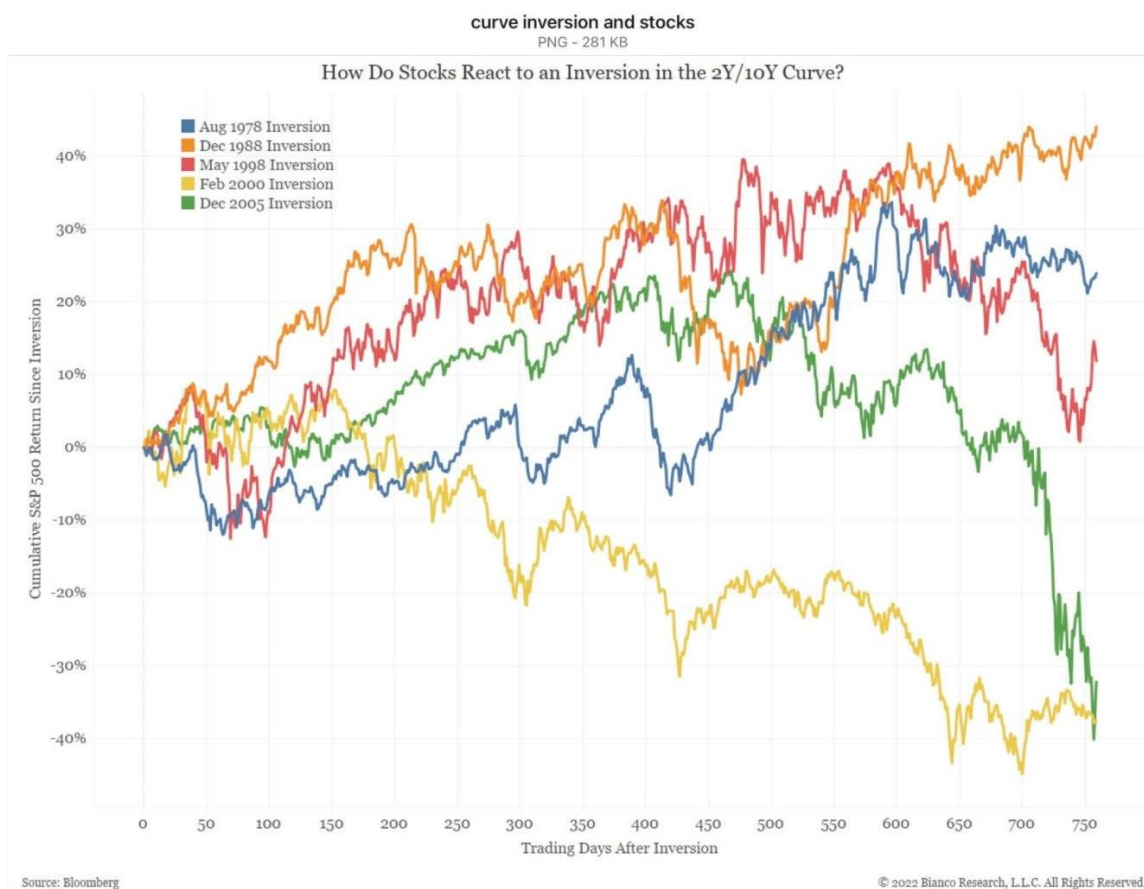
All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

Source: Bespoke

#markets

#us #equities #yield-curve-inversion

S&P 500 performance following most recent five 10s2s yield curve inversions

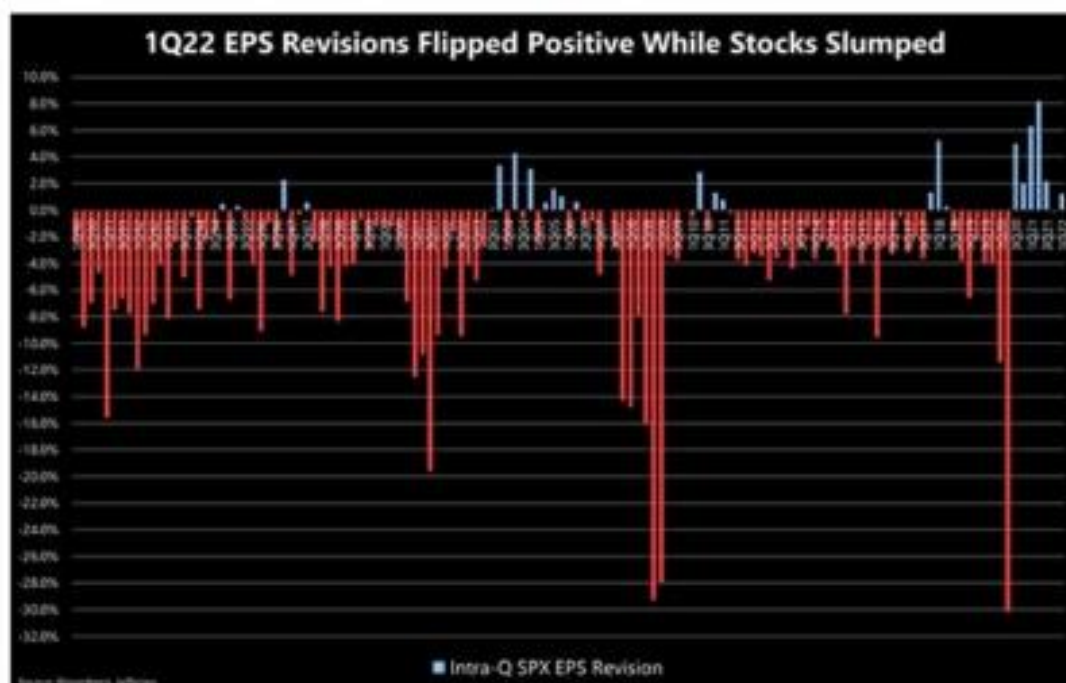


Source: Bianco Research

#us #earnings #revision

Jefferies 1Q eps revisions for the S&P 500 (lower chart) are back to being positive, a feature that tends to be followed by strong S&P 500 returns in the 3 months that follow.

Bullish! 1Q EPS revisions are back to being positive



Source: Jefferies

Source: Jefferies

#markets

#us #equities #onshoring

This Goldman long/short equity basket goes LONG the beneficiaries of US onshoring / SHORT the traditional offshoring plays. Recent outperformance has been massive as the theme of “supply chains coming home” is not lost on "Mr. Market".

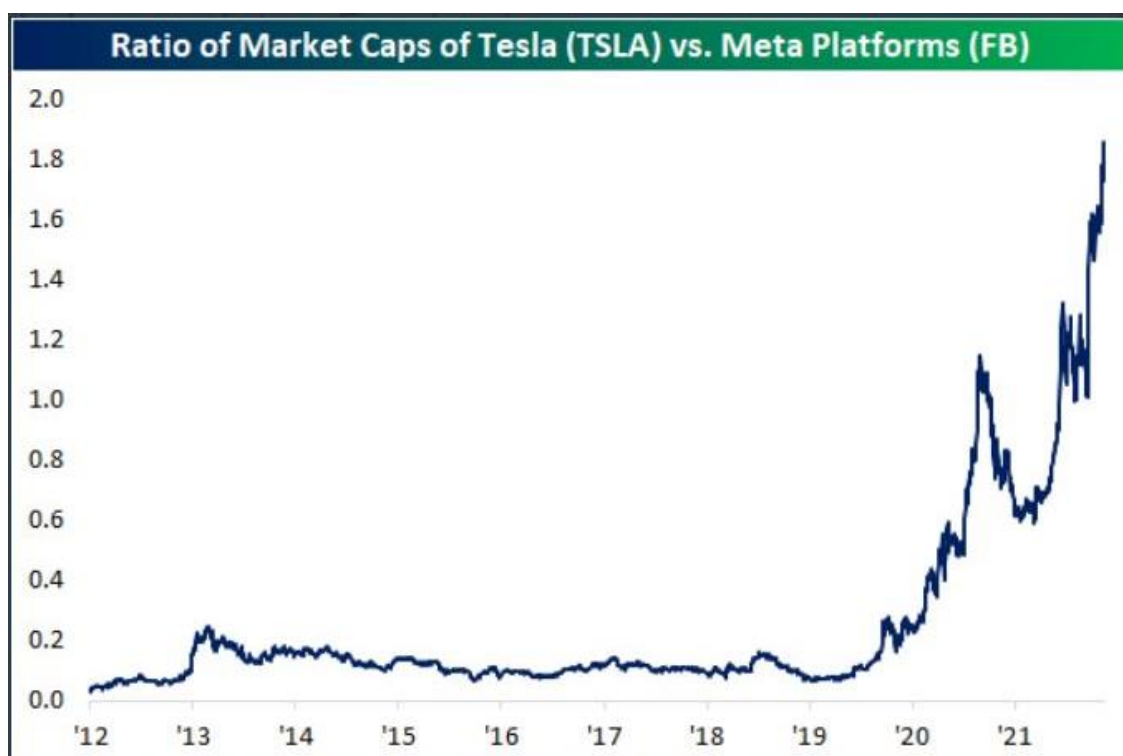


Source: Bloomberg

#markets

#tesla #facebook

With a \$1.15 trillion market cap, Tesla TSLA is closing in on being worth two Facebooks.

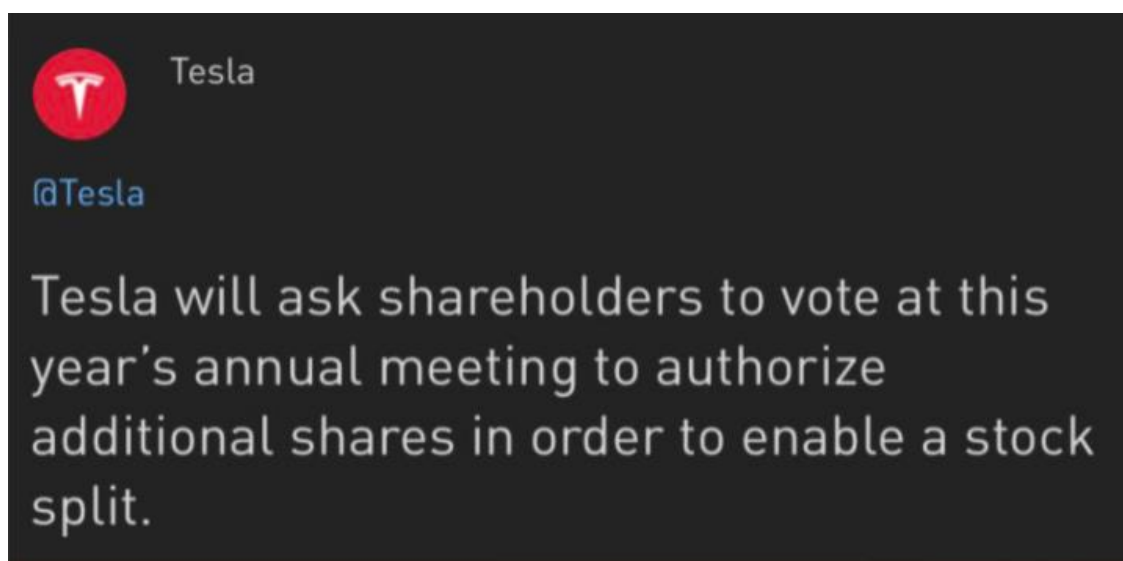


Source: Bespoke

#markets

#tesla

Tesla will ask shareholders to vote at this year's annual meeting to authorize additional shares in order to enable a stock split, company says in a Twitter post.



Source: tesla, twitter

#memestock

Meme Stock returns over the last 10 trading days...



Gamestop	\$GME	+143%
AMC	\$AMC	+116%
Koss	\$KOSS	+67%
Kodak	\$KODK	+67%
Tilray	\$TLRY	+64%
Virgin Galactic	\$SPCE	+44%
Tesla	\$TSLA	+43%
Bed Bath	\$BBBY	+37%
Clover Health	\$CLOV	+36%
Beyond Meat	\$BYND	+36%
Blackberry	\$BB	+29%

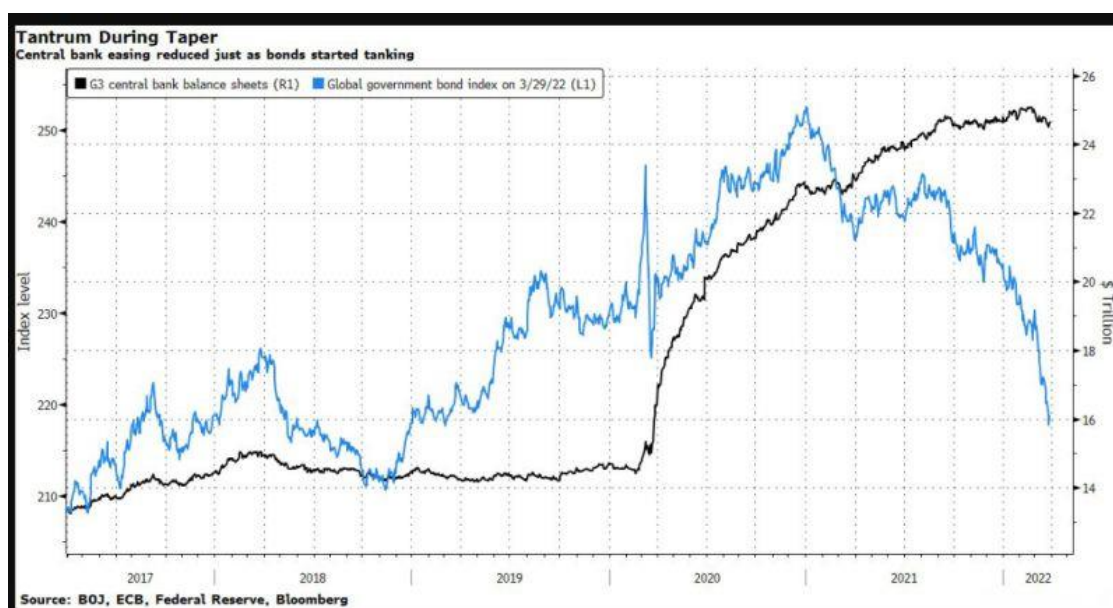
Source: Bilello

Source: Charlie Bilello

#markets

#bonds #global

A perfect storm for bond markets? Central banks are rushing to end quantitative easing just at the time the bond market needs to price in the fact that #inflation is non-transitionary. As shown by the black line, the size of the G3 central bank balance sheet has just started to shrink.




Source: Bloomberg



#bonds #us

The US bond market is down 8.7% from its peak in August 2020. This is now the longest (596 days) and largest correction in bonds that we've seen in recent history.

Bloomberg Barclays US Aggregate: Corrections >3% (1996 - 2022)					
Start Date	End Date	# Days	Agg High	Agg Low	% Decline
8/6/2020	3/25/2022	596	2401	2193	-8.7%
3/9/2020	3/19/2020	10	2360	2211	-6.3%
9/7/2017	5/17/2018	252	2054	1986	-3.3%
7/8/2016	12/16/2016	161	2044	1955	-4.4%
5/2/2013	9/5/2013	126	1864	1773	-4.9%
11/4/2010	12/15/2010	41	1677	1622	-3.3%
9/9/2008	10/31/2008	52	1430	1358	-5.1%
3/17/2004	5/13/2004	57	1195	1140	-4.6%
6/13/2003	8/14/2003	62	1171	1116	-4.6%
11/7/2001	12/17/2001	40	1035	998	-3.6%
10/5/1998	8/10/1999	309	847	816	-3.7%
<div><div>COMPOUND</div><div>@CharlieBilello</div><div>Data via YCharts</div></div>					

Source: Charlie Bilello

#markets

#us #yield-curve

The big story of the week is likely to be the carnage in the yield curve with everything from 2Y out now inverted....

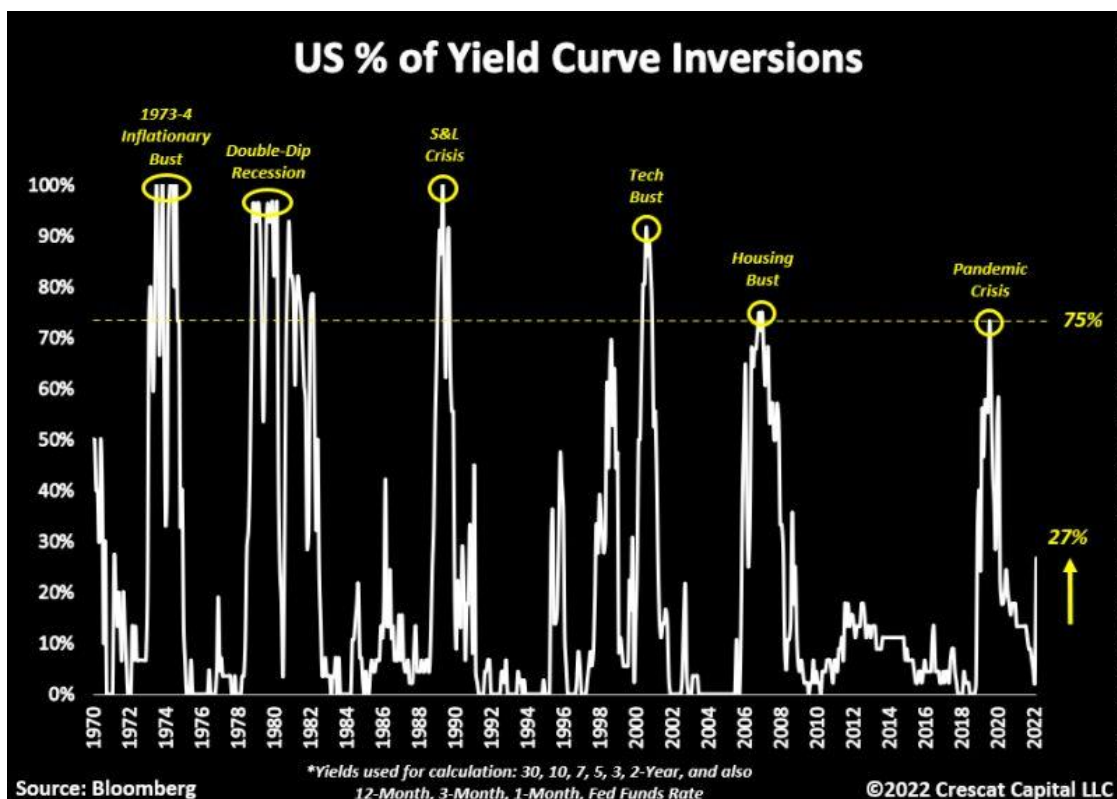


Source: Bloomberg, www.zerohedge.com

#markets

#us #yield-curve

30% of the Treasury curve is now inverted...

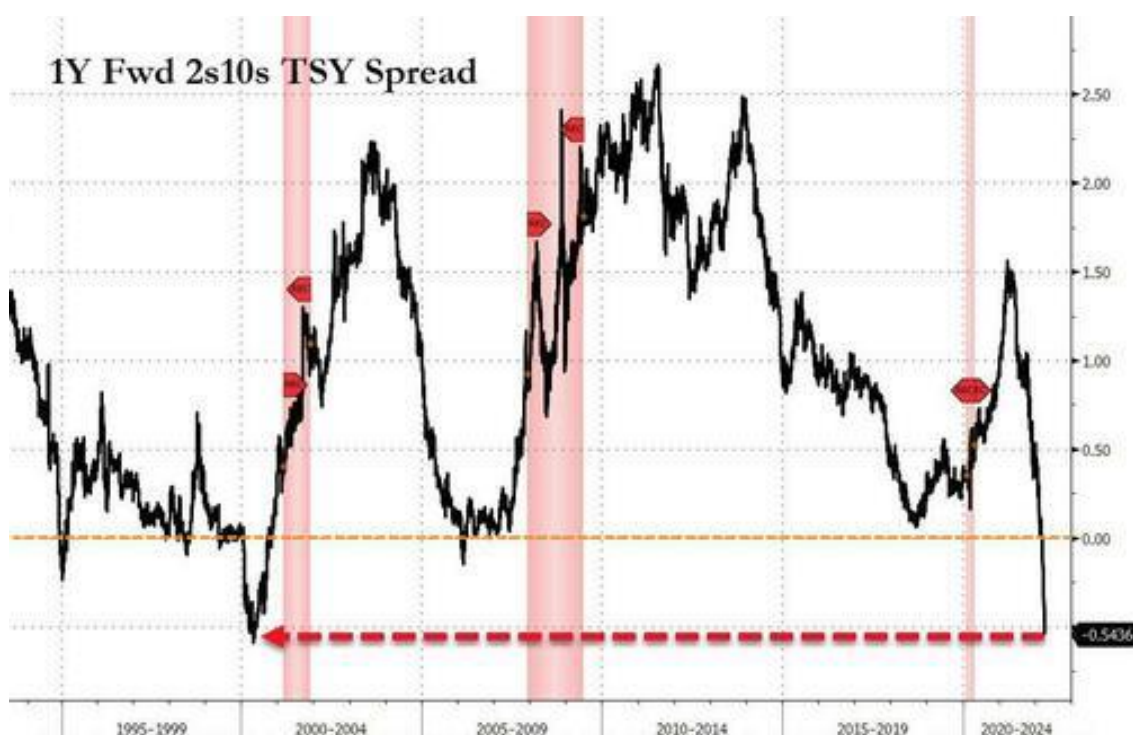


Source: Bloomberg, Crescat Capital

#markets

#us #yield-curve

The forward curve is pricing in an almost unprecedented amount of inversion.



Source: Bloomberg, www.zerohedge.com

#markets

#real #bond #yields #germany

FINANCIAL REPRESSION INTENSIFIES IN GERMANY. Real bund yields (10y Bunds - inflation) collapsed to All-Time Low of -6.65% despite 10 year yields having turned positive as inflation has accelerated to 7.3% in March, highest level since 1981. Real yields have now being NEGATIVE for 71 consecutive months.



Source: Bloomberg, HolgerZ

#markets

#inflation-linked #bonds #germany

German 10y inflation expectations – measured by inflation-linked bonds – hit another ATH at 2.73%.



Source: Bloomberg

#markets

#austria #100y

THE BOND CRASH IN ONE CHART: The Austria 100 years bond price is down almost 50% from its 2020 all-time-high...



Source: Bloomberg

#markets

#jgb #boj

Bank of Japan has intervened twice on Monday to cap the rise in Japan's yields amid the global #bond rout. In other words, the BoJ balance sheet will have to grow further as bond yields rise... What will happen when the Fed will need to cap long-term yields? Expand its balance sheet further as well?



Source: Bloomberg

#markets

#oil #us #spr

If the U.S. goes through with releasing 180 million barrel release of crude, that'll amount to nearly one third of the nation's strategic petroleum reserve.



Source: Bloomberg

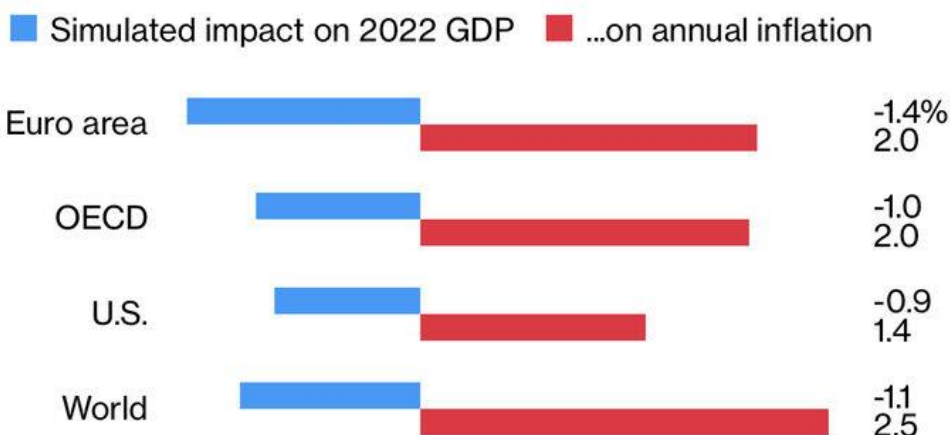
#macro

#war #macro

War impact on growth and inflation.

Possible Fallout

Repercussions of war are already weakening global growth, adding to inflation



Source: Organization for Economic Cooperation and Development

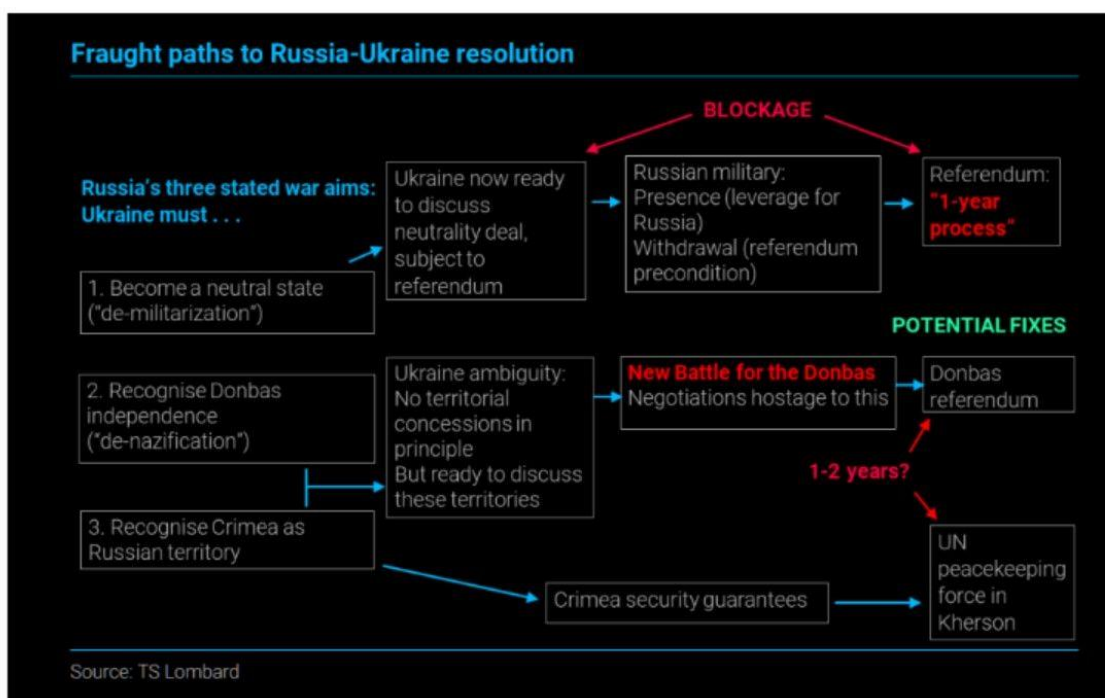
Bloomberg

Source: Bloomberg

#macro

#ukraine-russia-crisis

DESPITE ONGOING NEGOTIATIONS BETWEEN RUSSIA AND UKRAINE, TS LOMBARD SEES A STALEMATE WITH PROLONGED ECONOMIC IMPACTS. TS Lombard writes: "...an early end to the global economic shock from this war and sanctions crisis is unrealistic." There is still a lot of uncertainty regarding the entire situation..



Source: TS Lombard

Source: TS Lombard

#macro

#us #jobs

Another strong US jobs report in March. Aside from the modest miss in the headline 431k vs 490k expected – which overcompensated by 2mth revisions – US job market remains hot. Unemployment rate drops to 3.6% near pre-pandemic low. Average Hourly Earnings rose more than exp. Job openings outnumber unemployed.

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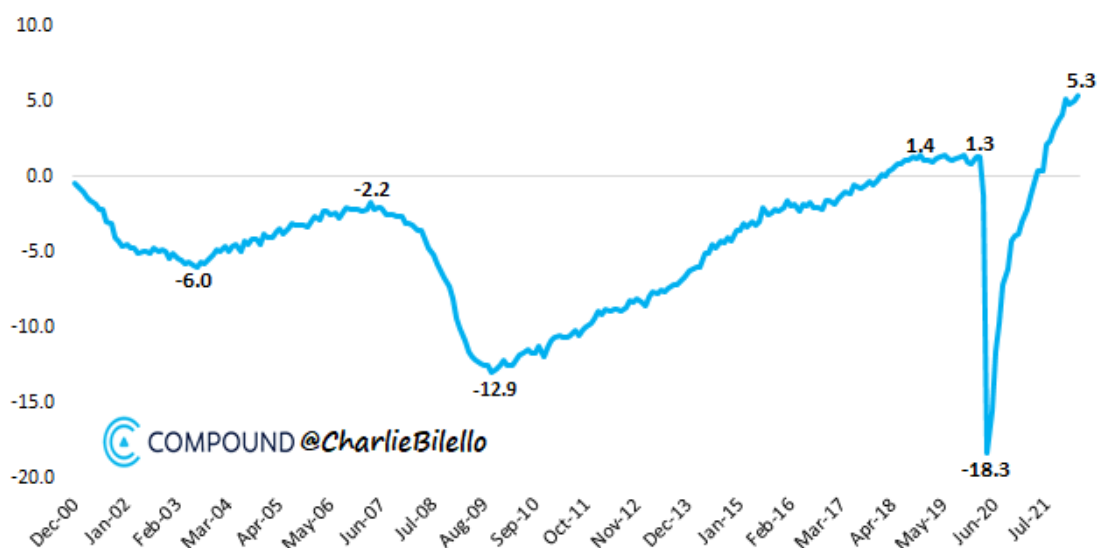
Source: Bloomberg

#macro

#us #jobs

There are now 5.3 million more job openings than unemployed people in America. That's a new record.

US Job Openings minus # Unemployed
(Millions, December 2000 - March 2022)

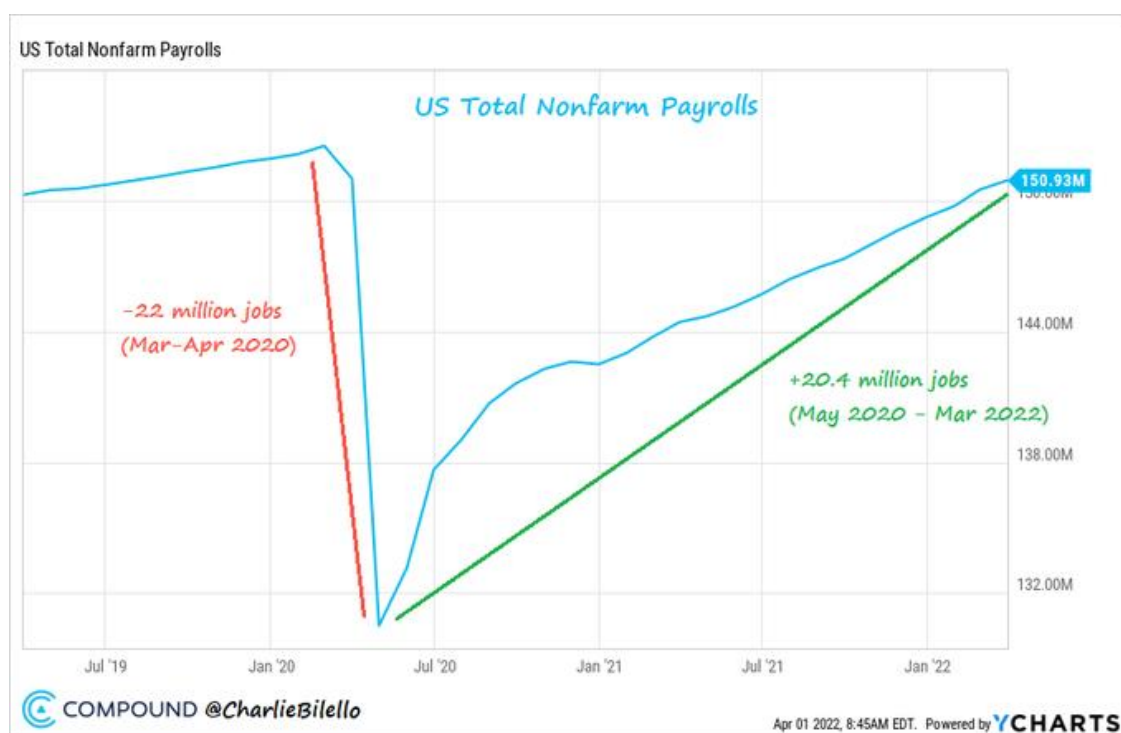


Source: Charlie Bilello

#macro

#us #jobs

22 million US jobs were lost in March-April 2020. 20.4 million jobs have since been added back. The greatest jobs comeback in history is nearly complete.

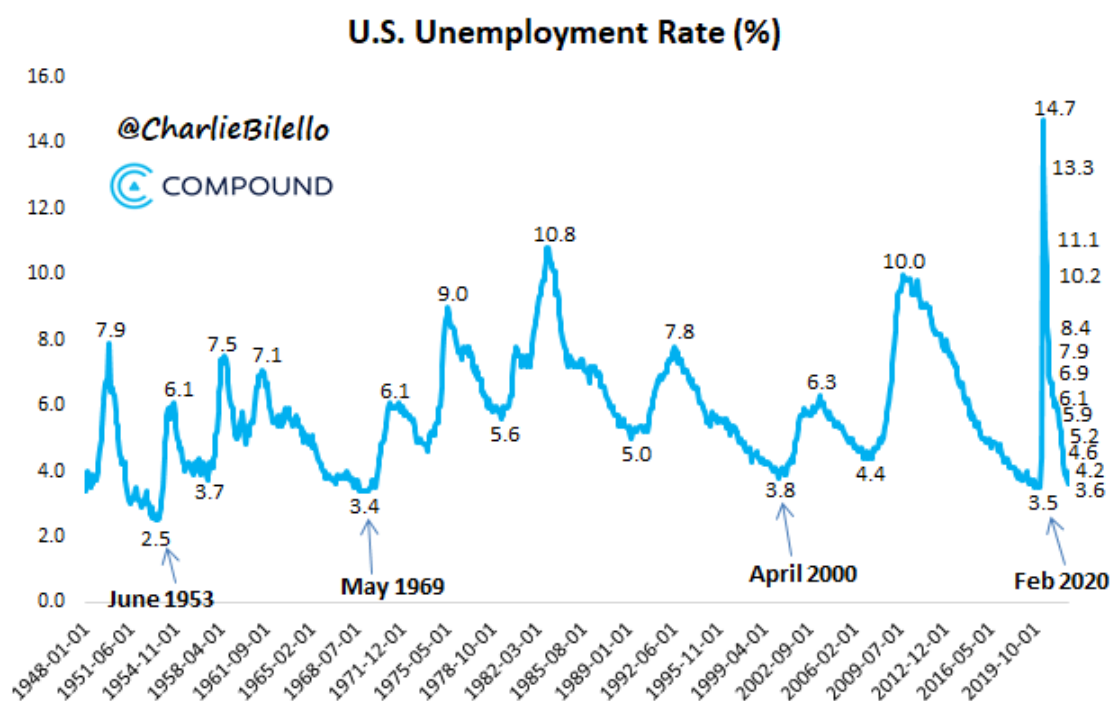


Source: Charlie Bilello

#macro

#us #jobs

The US Unemployment Rate moves down to 3.6%, the lowest level since the start of the pandemic and only 0.1% above the 50-year low we saw in February 2020 (3.5%).

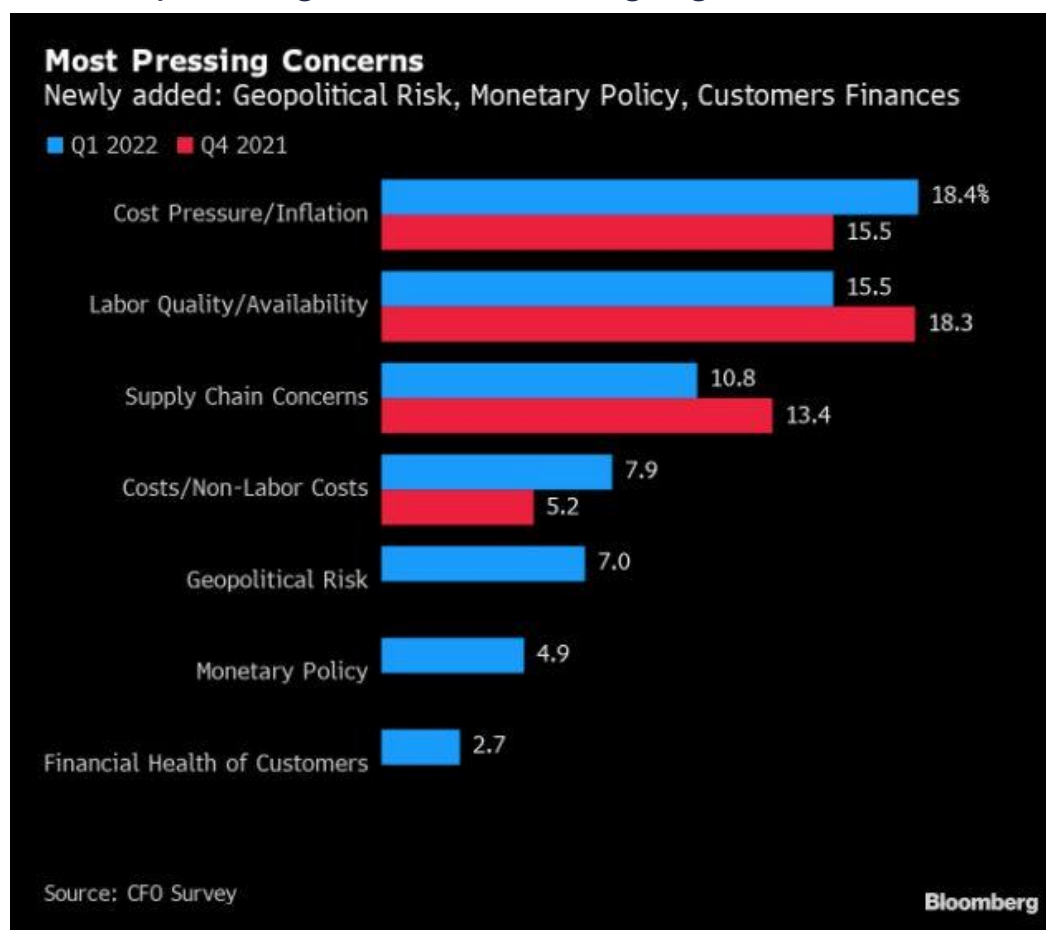


Source: Charlie Bilello

#macro

#us cfos #concerns

MOST PRESSING CONCERNS FOR US BASED CFOs. Optimism about the US economy decreased in 1Q to the lowest level since early 2020, according to a survey of chief financial officers conducted between Mar. 7 and Mar. 18. Most pressing concerns are highlighted below.



Source: Bloomberg

#macro

#inflation #us

Hedge Fund Giant Brevan Howard has warned of a dramatic 1970's style inflation shock..

Brevan Howard Sees Rising Risk of a 1970s-Style Inflation Shock

- The hedge fund firm says the Fed is behind the curve
- The firm's \$8.5 billion flagship fund returned 6.6% in March

By Nishant Kumar

(Bloomberg) -- Global price rises risk turning into 1970s-style inflation shock, which eventually led to recession and high unemployment, according to hedge fund giant Brevan Howard Asset Management.

The macro trading firm, which is off to one of its best gains in nearly two decades of trading, said the current macro environment is as complicated as at any time during the last 75 years, according to its annual outlook.

"This combination of high inflation, tight labour markets, and uncertain inflation expectations introduces the prospect of a 1970's style wage-price spiral which proved very costly to reverse during the Volcker Era," according to the note to shareholders of a listed fund, which it manages.

Brevan Howard, one of the best-known macro hedge fund firms with about \$19 billion in assets, invoked a period of crippling inflation decades ago when former Federal Reserve Chairman Paul Volcker delivered the so-called Saturday Night Special, a radical -- and unexpected -- tightening of monetary policy on an October weekend in 1979. Volcker's tightening of monetary policy led to a recession and high unemployment but ultimately reined in spiraling inflation.

Right now, the Fed is "significantly" behind the curve in raising rates, which should be between 4% to 6% based on traditional approaches to monetary policy, the firm said in a rare comment on the market outlook, adding that both risk assets and fixed income tend to underperform in such an environment.

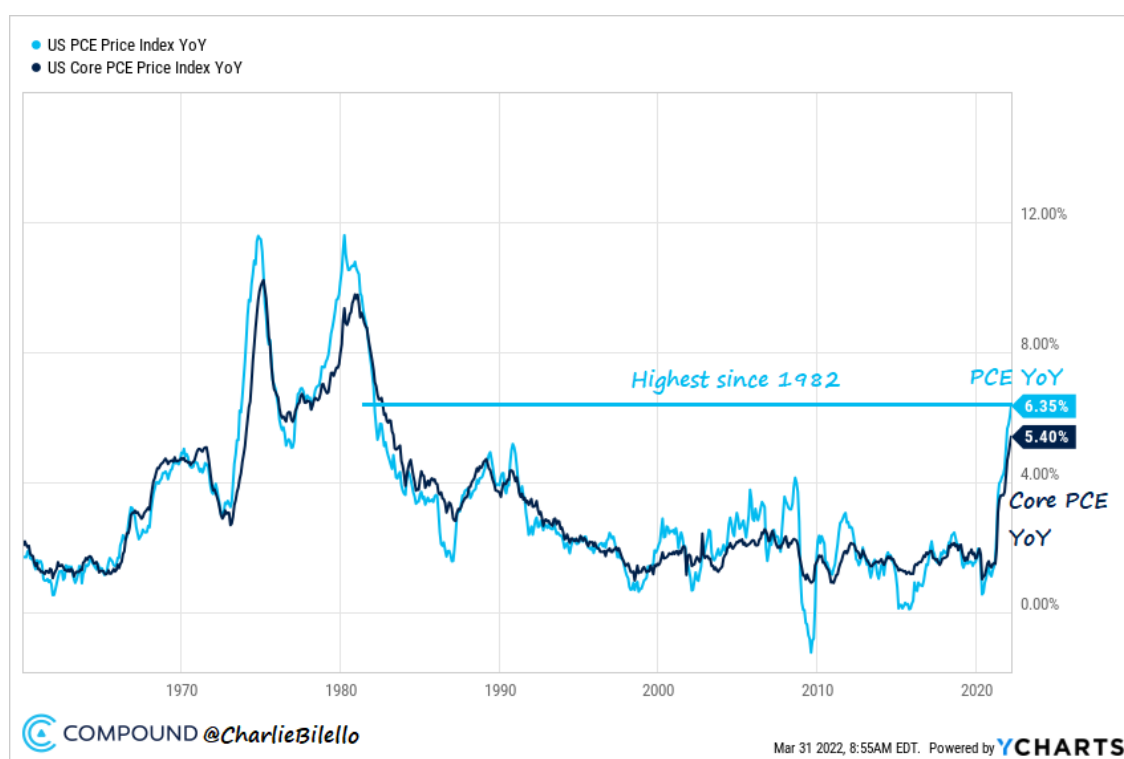
Brevan Howard echoes comments from veterans such as Man Group Plc's Chief Executive Officer Luke Ellis and Henry Kaufman who have flagged the risks of spiraling inflation and questioned whether the Fed will do enough to combat it.

Source: Bloomberg

#macro

#inflation #us

The PCE Price Index rose 6.4% over the last year, the highest US inflation rate since 1982.

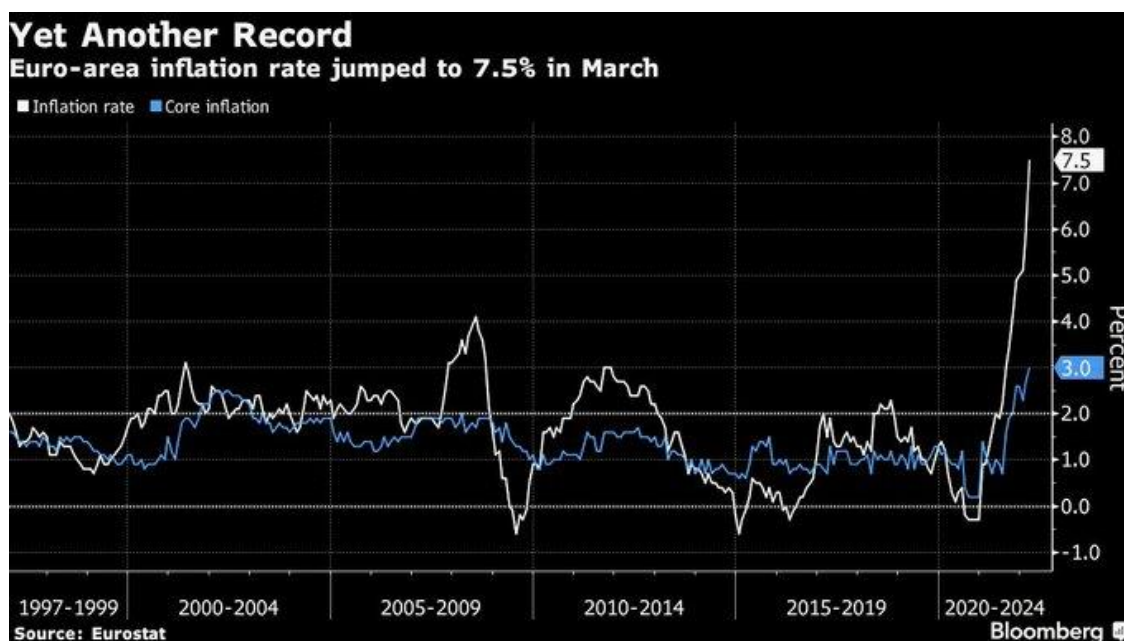


Source: Charlie Bliello

#macro

#inflation #eurozone

Eurozone inflation accelerates to another all-time high. March consumer prices jumped 7.5% YoY vs 6.7% expected. Overshoots in Spain and Germany have spurred rate-hike bets as even core inflation tops 2% target by 50%.



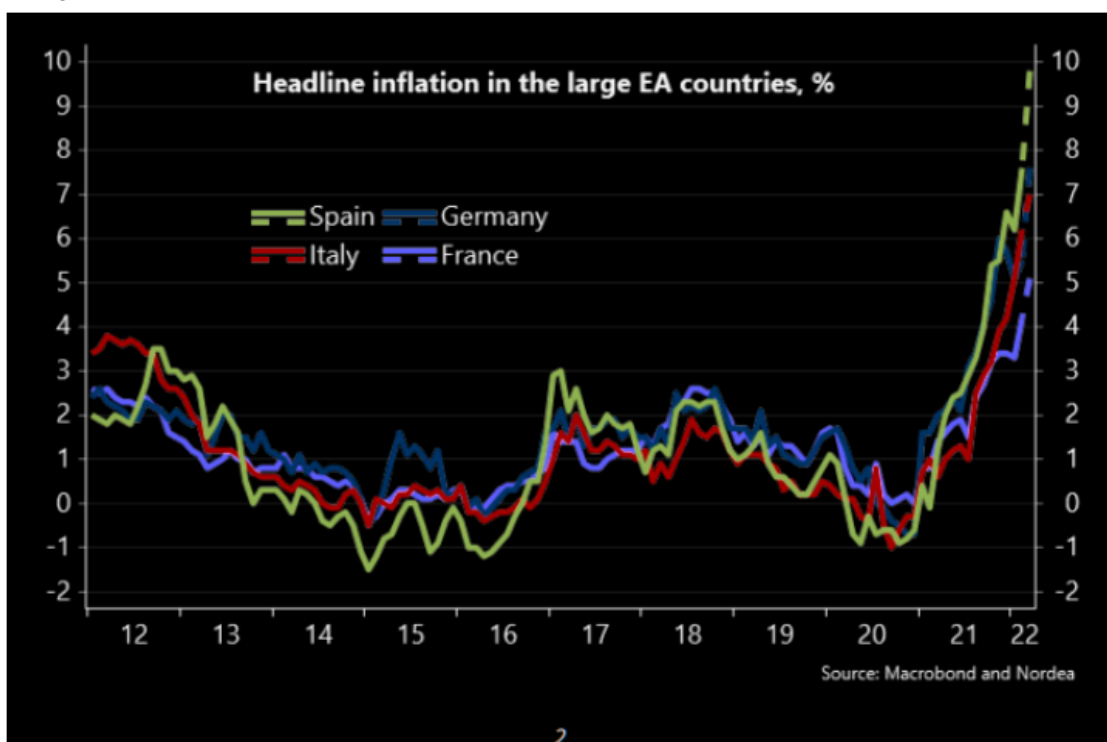
Source: Bloomberg

#macro

#inflation #eurozone

Things are getting serious and somebody needs to pay the bill....

Europe's inflation horror



Source: Nordea/Macrobond

Source: Nordea/Macrobond

#macro

#inflation #germany

PUTTING THINGS IN HISTORICAL PERSPECTIVES...
The last time inflation was 7.3% in Germany (November 1981), the Bundesbank key interest rate was 11.4%.
Today, ECB's main rate remains pegged at 0%.



Source: Bloomberg

#macro

#consumer #confidence #germany

Consumer confidence in Germany is in free fall as inflation & Ukraine war darken households' expectations about econ & personal finances. GfK consumer index dropped to -15.5 in Apr, 14mth low, from -8.5 in Mar. Income expectations fell to -22.1, lowest since GFC



Source: Bloomberg

#macro

#stagflation #germany

ANOTHER STAGFLATION WARNING! German government economic advisers cut their 2022 GDP forecast to 1.8%, way below the consensus forecast of 2.7%. Government advisers raise their 2022 inflation forecast to 6.1%, way above the consensus forecast of 5.45%.

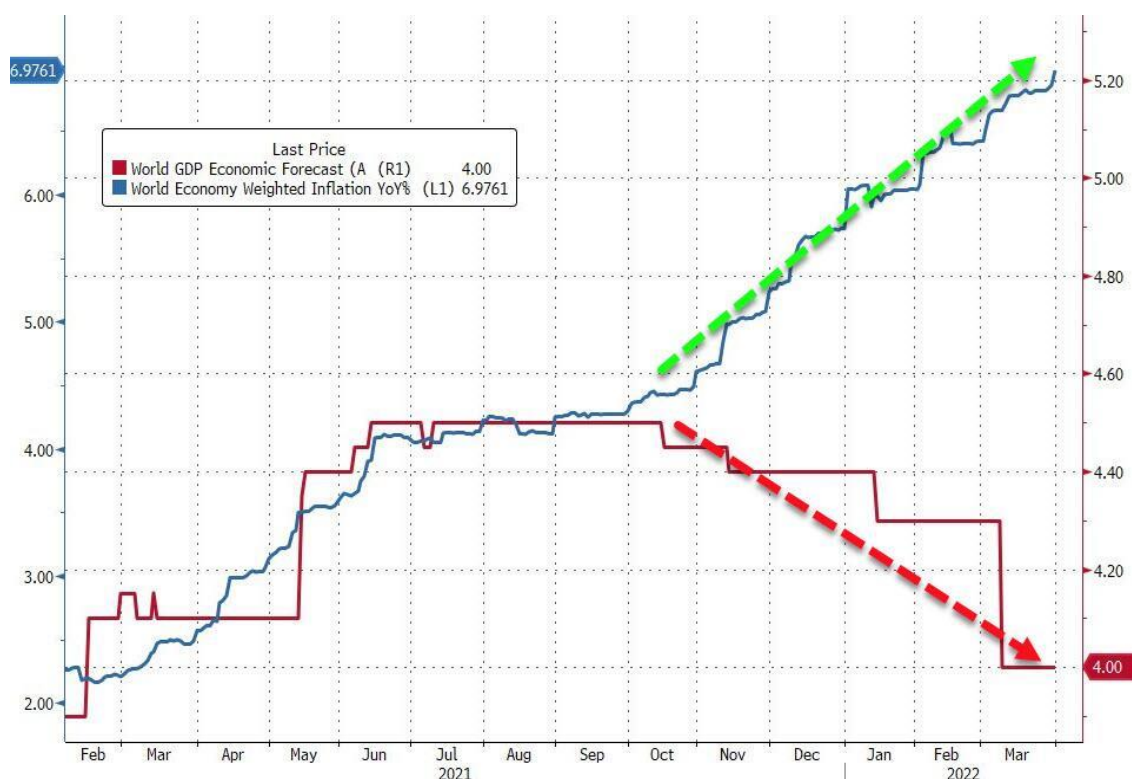


Source: Bloomberg

#macro

#world #stagflation

World GDP forecast (red line) and World Economic Weighted Inflation (green line).



Source: Bloomberg, www.zerohedge.com

#centralbanks

#global #rates

Global Central Bank Update: Colombia hiked rates for the 5th time in the last year. Czech republic hiked rates for the 7th time in the last year.

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%	2.2%	-3.0%	Cut	Jan-15
Denmark	Deposit Rate	-0.60%	4.8%	-5.4%	Cut	Sep-21
Eurozone	Deposit Rate	-0.50%	5.9%	-6.4%	Cut	Sep-19
Japan	Policy Rate Bal	-0.10%	0.9%	-1.0%	Cut	Jan-16
Sweden	Repo Rate	0.00%	4.3%	-4.3%	Hike	Dec-19
Australia	Cash Rate	0.10%	3.5%	-3.4%	Cut	Nov-20
US	Fed Funds	0.38%	7.9%	-7.5%	Hike	Mar-22
Canada	Overnight	0.50%	5.7%	-5.2%	Hike	Mar-22
Thailand	Policy Rate	0.50%	5.3%	-4.8%	Cut	May-20
UK	Bank Rate	0.75%	6.2%	-5.5%	Hike	Mar-22
Norway	Deposit Rate	0.75%	3.7%	-3.0%	Hike	Mar-22
Hong Kong	Base Rate	0.86%	1.6%	-0.7%	Cut	Mar-20
New Zealand	Cash Rate	1.00%	5.9%	-4.9%	Hike	Feb-22
South Korea	Repo Rate	1.25%	3.7%	-2.5%	Hike	Jan-22
Saudi Arabia	Repo Rate	1.25%	1.6%	-0.4%	Hike	Mar-22
Taiwan	Discount Rate	1.37%	2.4%	-1.0%	Hike	Mar-22
Malaysia	Policy Rate	1.75%	2.2%	-0.5%	Cut	Jul-20
Philippines	Key Policy Rate	2.00%	3.0%	-1.0%	Cut	Nov-20
Poland	Repo Rate	3.50%	8.5%	-5.0%	Hike	Mar-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
Peru	Policy Rate	4.00%	6.2%	-2.2%	Hike	Mar-22
India	Repo Rate	4.00%	6.1%	-2.1%	Cut	May-20
South Africa	Repo Rate	4.25%	5.7%	-1.5%	Hike	Mar-22
Colombia	Repo Rate	5.00%	8.0%	-3.0%	Hike	Mar-22
Czech Republic	Repo Rate	5.00%	11.1%	-6.1%	Hike	Mar-22
Mexico	Overnight Rate	6.50%	7.3%	-0.8%	Hike	Mar-22
Chile	Base Rate	7.00%	7.8%	-0.8%	Hike	Mar-22
Brazil	Target Rate	11.75%	10.5%	1.2%	Hike	Mar-22
Turkey	Repo Rate	14.00%	54.4%	-40.4%	Cut	Dec-21
Russia	Key Policy Rate	20.00%	9.2%	10.8%	Hike	Feb-22
Argentina	Benchmark Rate	44.50%	52.3%	-7.8%	Hike	Mar-22

COMPOUND

@CharlieBiello

#centralbanks

#fed

HOW LONG WILL THE CURRENT RATE HIKE CYCLE LAST? "It took markets at least 9 months after the first hike to reach peak Fed pricing in each of the last four hiking cycles. In the case of 2015, it took nearly 3 years to get there".

It is premature to call the peak in Fed pricing

Exhibit 8: It took markets at least 9 months after the first hike to reach peak Fed pricing

Based on 2Yx3M rates in the last four hiking cycles

First Fed hike	Peak in Fed pricing*	# months after first hike
2/4/1994	Nov-94	9
6/30/1999	May-00	11
6/30/2004	Jun-06	24
12/16/2015	Oct-18	34

* As measured by 2Yx3M OIS (or swap) rate in the US

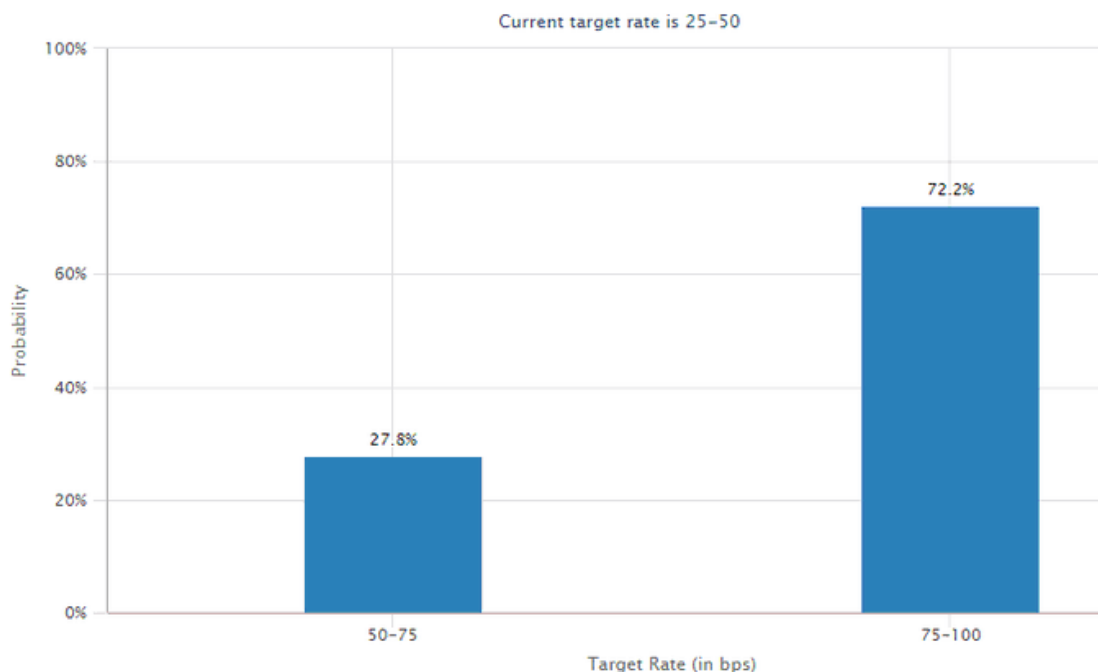
Source: JPM

Source: JP Morgan

#fed #expectations

The market is now pricing in a 72% chance of a 50 bps hike at the next Fed meeting on May 4. Fed Funds Futures are projecting a year-end Fed Funds Rate of 2.50%-2.75%, up from 0.25%-0.50% today.

TARGET RATE PROBABILITIES FOR 4 MAY 2022 FED MEETING

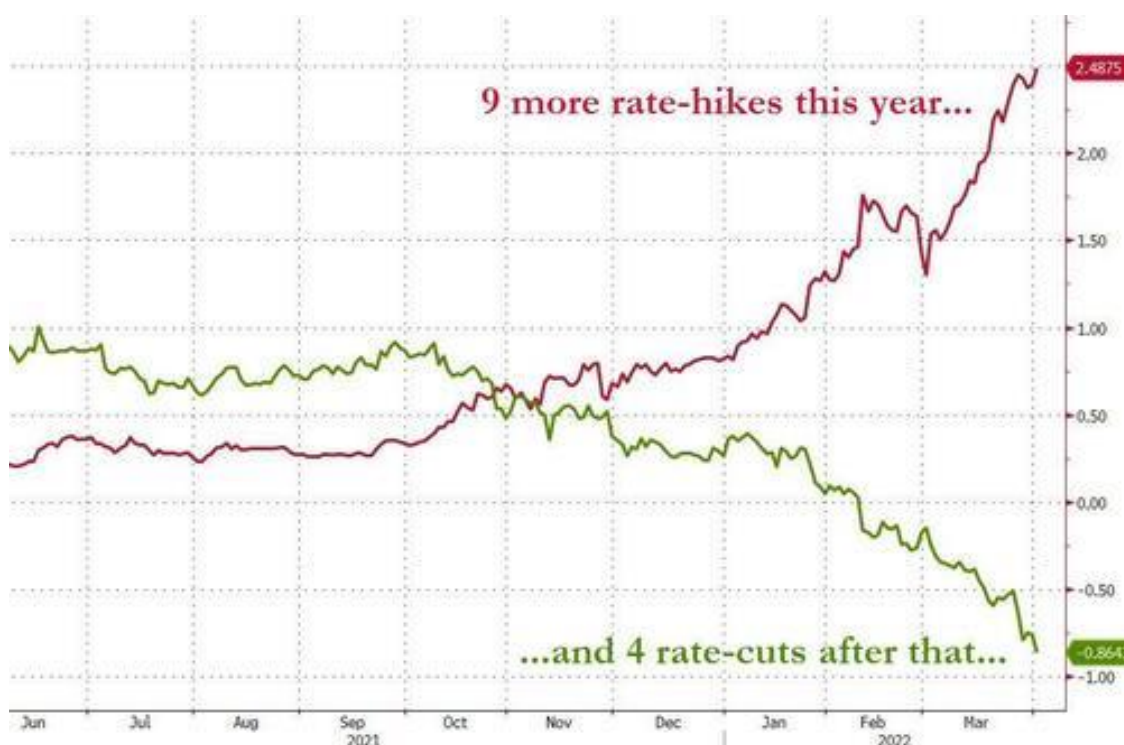


Source: Charlie Bilello

#centralbanks

#fed #expectations

FOMC rates expectations in 2022 (red line) vs. 2023/2024 rate expectations (green line)

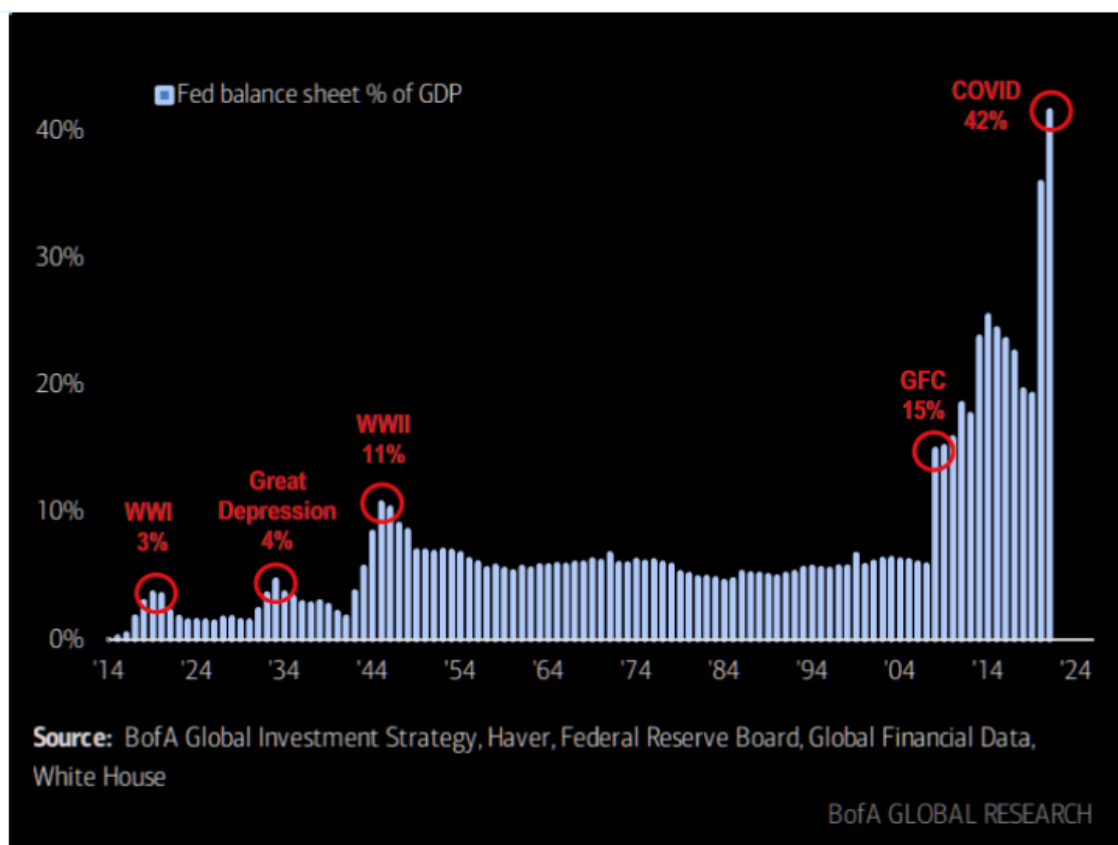


Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #balance-sheet

Fed balance sheet as a % of GDP over time.



Source: BofA

#centralbanks

#ecb #balance-sheet

ECB balance sheet on course €9tn? Total assets rose by another €10bn in the past week to hit a fresh ATH at €8,710.6bn as ECB continues to buy bonds despite record inflation. ECB balance sheet is now equal to 82.4% of Eurozone GDP vs Fed's 37.3% and BoJ's 136.4%.

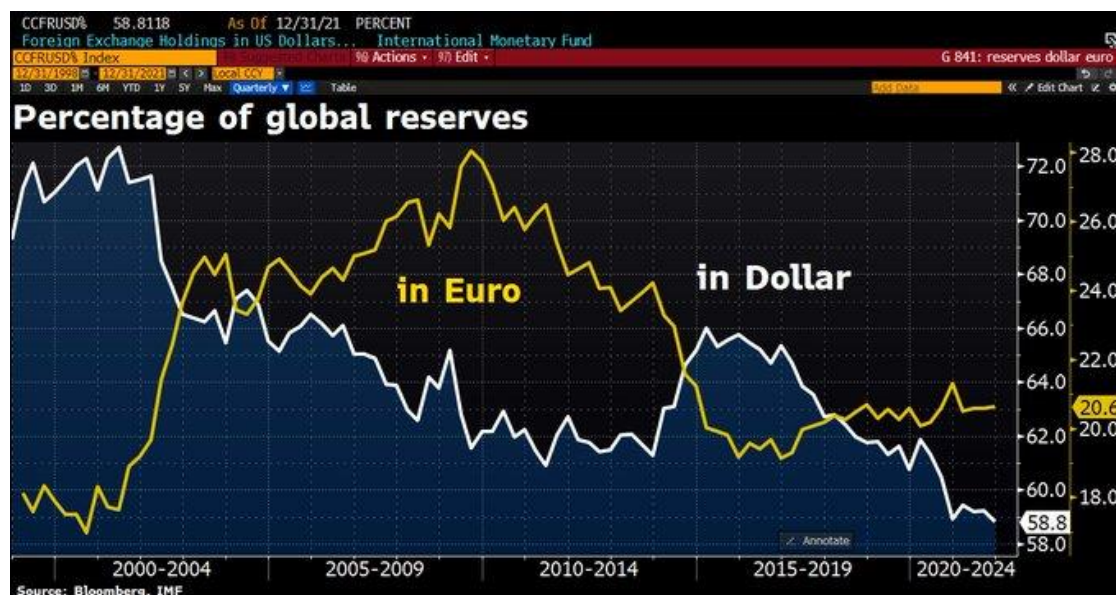


Source: Bloomberg

#centralbanks

#dollar #reserves

IMF warns Russia sanctions threaten to chip away at Dollar dominance as the Dollar's share of global FX reserves has dropped to 58.8%, a fresh All-Time Low, at end-2021 and so even before the war in Ukraine and the Western sanctions.



Source: Bloomberg

#cryptos

#bitcoin

Cryptos rallied on Friday as the threat of more QE (post-recession) began to leak into traders' minds with Bitcoin back in the green for the year, and back above \$46000...



Source: Bloomberg, www.zerohedge.com

#cryptos

#cryptocurrencies #etps

CRYPTOCURRENCIES ETPs: IS THERE A FEE WAR ONGOING IN EUROPE? As highlighted by Eric Balchunas, WisdomTree is launching Solana, Cardano and Polkadot ETPs in Europe with management fees of 0.95%, severely undercutting similar products which charge 2.5%.



Source: Eric Balchunas

#cryptos

#bitcoin #etf #sec

SEC Rejects Spot Bitcoin ETF Application From Ark 21Shares. The move continues a recent string of denials by the SEC of applications for spot bitcoin ETFs.. No surprise. Death toll up to about 10 now. No approval until SEC has control of the exchanges

SEC Rejects Spot Bitcoin ETF Application From Ark 21Shares

By Michael Bellusci

(CoinDesk)

The U.S. Securities and Exchange Commission (SEC) has rejected an application for a spot bitcoin exchange-traded fund (ETF) from Ark 21Shares, according to a [filing](#), citing a lack of investor protections. Ark is run by star investor Cathie Wood.

The application was filed on behalf of the Cboe BZX Exchange to change the rules and allow for the listing of the Ark 21Shares offering.

Source: Coindesk

#cryptos

#bitcoin #reserve-assets

VanEck says Bitcoin could hit \$4.8M if it became the global reserve asset

The investment firm made a very high valuation for BTC and gold based on the extreme case that either becomes the reserve global currency.



Source: www.cointelegraph.com

#cryptos

#bitcoin #supply

The 19th million bitcoin has just been mined, leaving less than two million BTC remaining for miners until it reaches the 21 million supply limit. 90.47% of supply are in circulation!



Source: xxx

#food-for-thought

#history

March 30th, 1999 the Dow Jones closed above 10,000 for the first time ever.



Source: WSJ

#food-for-thought

#market #humor



Source: Hedgeye

#food-for-thought

#market #humor



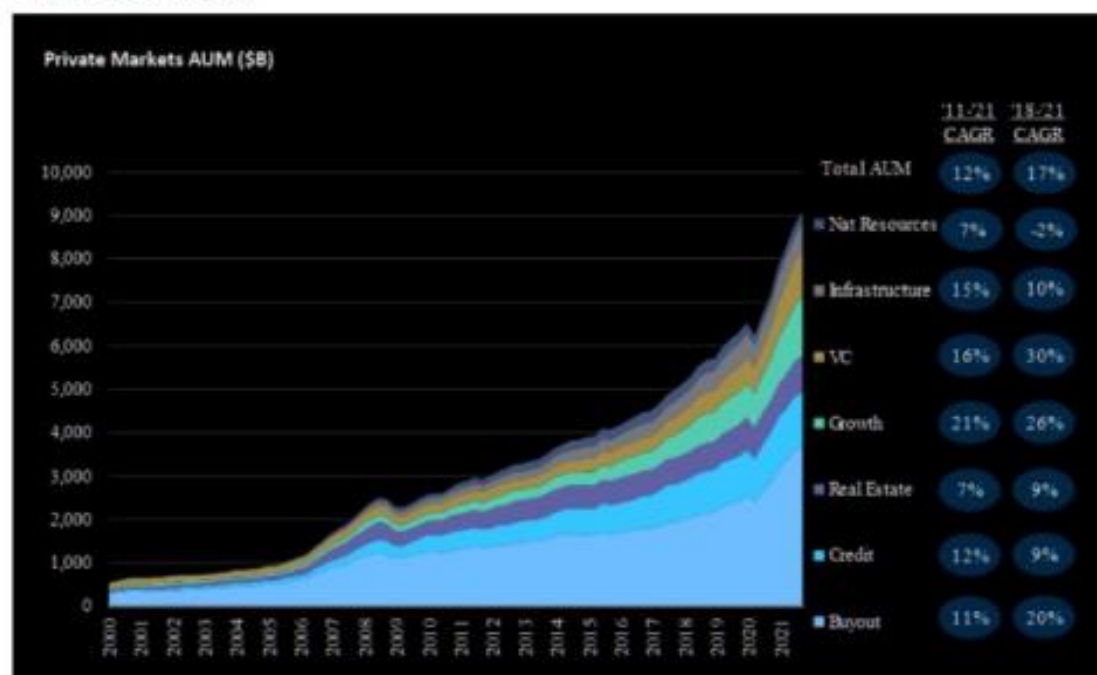
Source: Hedgeye

#food-for-thought

#private-markets

PRIVATE MARKETS ASSETS UNDER MANAGEMENT STANDS AT \$9 TRILLION, having grown ~17% CAGR over the last 3 years and ~15% CAGR the last 5 years. Dry powder levels reached a record ~\$2.5 trillion while the fair value of investments reached ~\$6.5 trillion (at 9/30/21).

Private Markets AUM



Source: TME, Morgan Stanley

#food-for-thought

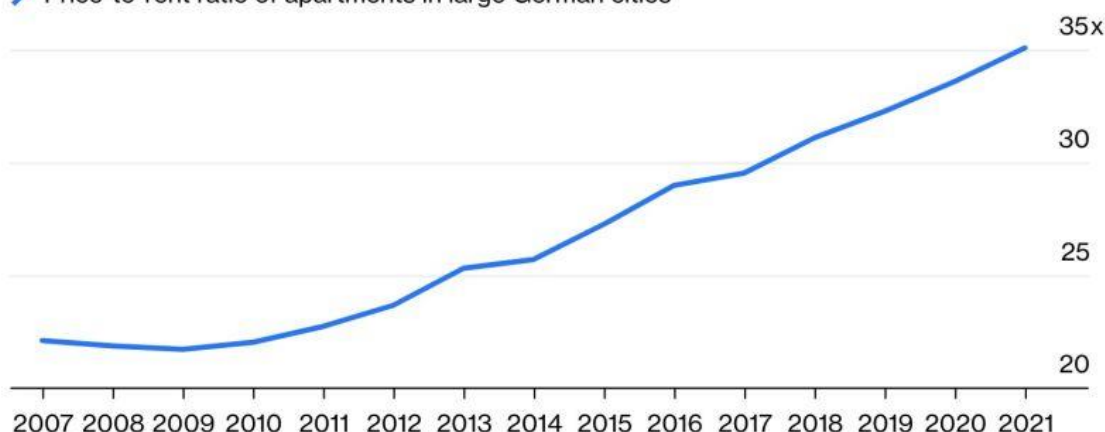
#real-estate #germany

German Real estate prices keep going up... The rise in German apartment prices has far outpaced rent increases. With Price-to-rent ratio of 35, real estate is more than twice as expensive as stocks. DAX trades at a P/E of 15..

Overpriced Flats?

The rise in German apartment prices has far outpaced rent increases

Price-to-rent ratio of apartments in large German cities



Source: Bundesbank

Transaction-weighted ratio of apartment prices and new lettings for 7 large German cities

Source: Bloomberg, Bundesbank

#food-for-thought

#real-estate #global

Home Price changes since 2000...

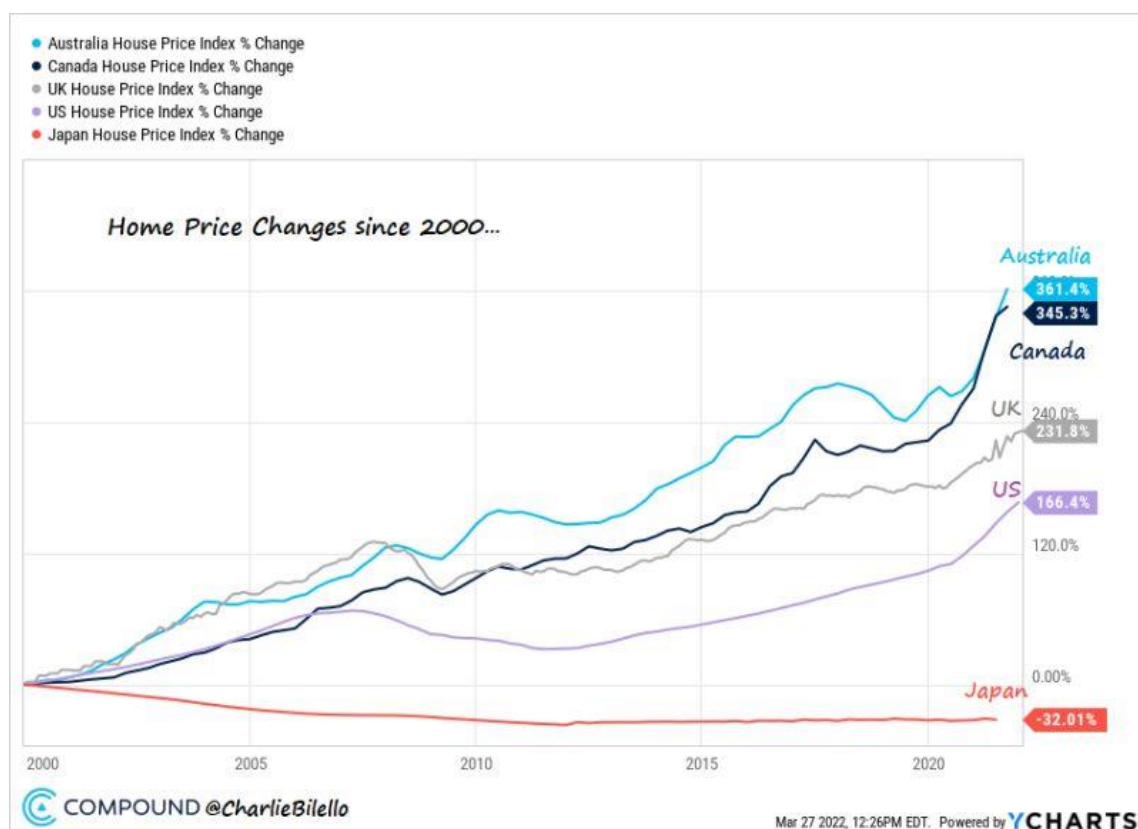
Australia: +361%

Canada: +345%

UK: +232%

US: +166%

Japan: -32%.



Source: Charlie Bilello

#food-for-thought

#apple



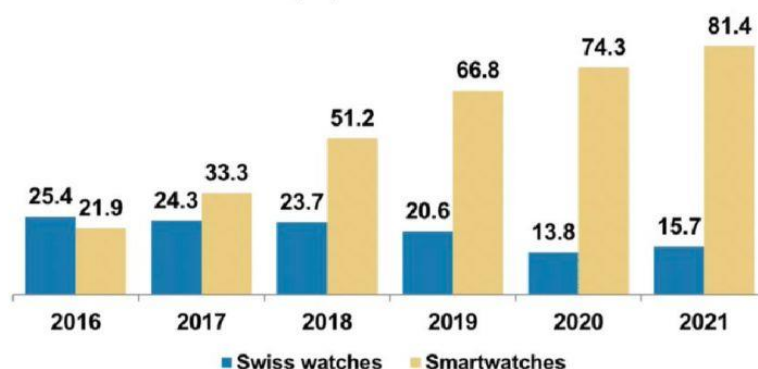
Carl Quintanilla

@carlquintanilla

Last year, “Apple by itself shipped approximately 38.9m watches, about 2.5 times the entire Swiss watch exports.”

- Morgan Stanley [\\$AAPL](#)

Exhibit 1: Swiss watches vs Smartwatches: annual number of units sold (m) since 2016



Source: IDC, FHS, Morgan Stanley Research

10:52 AM · 30 Mar 22 · [Twitter for iPhone](#)

#food-for-thought

#apple-pay



Linas Beliūnas • 1st

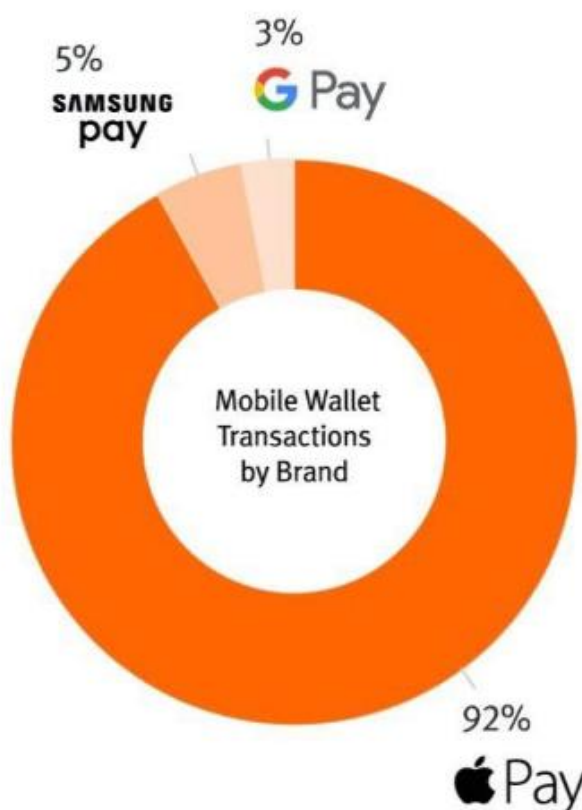
Reinventing Finance 1% at a Time 🌱 | Leading & Scaling Payments Unicorn in Eu...
2d • 🌐

Apple is just dominating mobile wallet payments.

And that's with less than 40% of iPhone users that have Apple Pay, little to no marketing, a small team and very limited product.

Pretty crazy when you think about it.

#finance #technology #fintech



#food-for-thought

#apple #weight #sp500

Apple's 7.1% weight in the S&P 500 today is the largest weighting we've seen for any individual company going back to 1980..

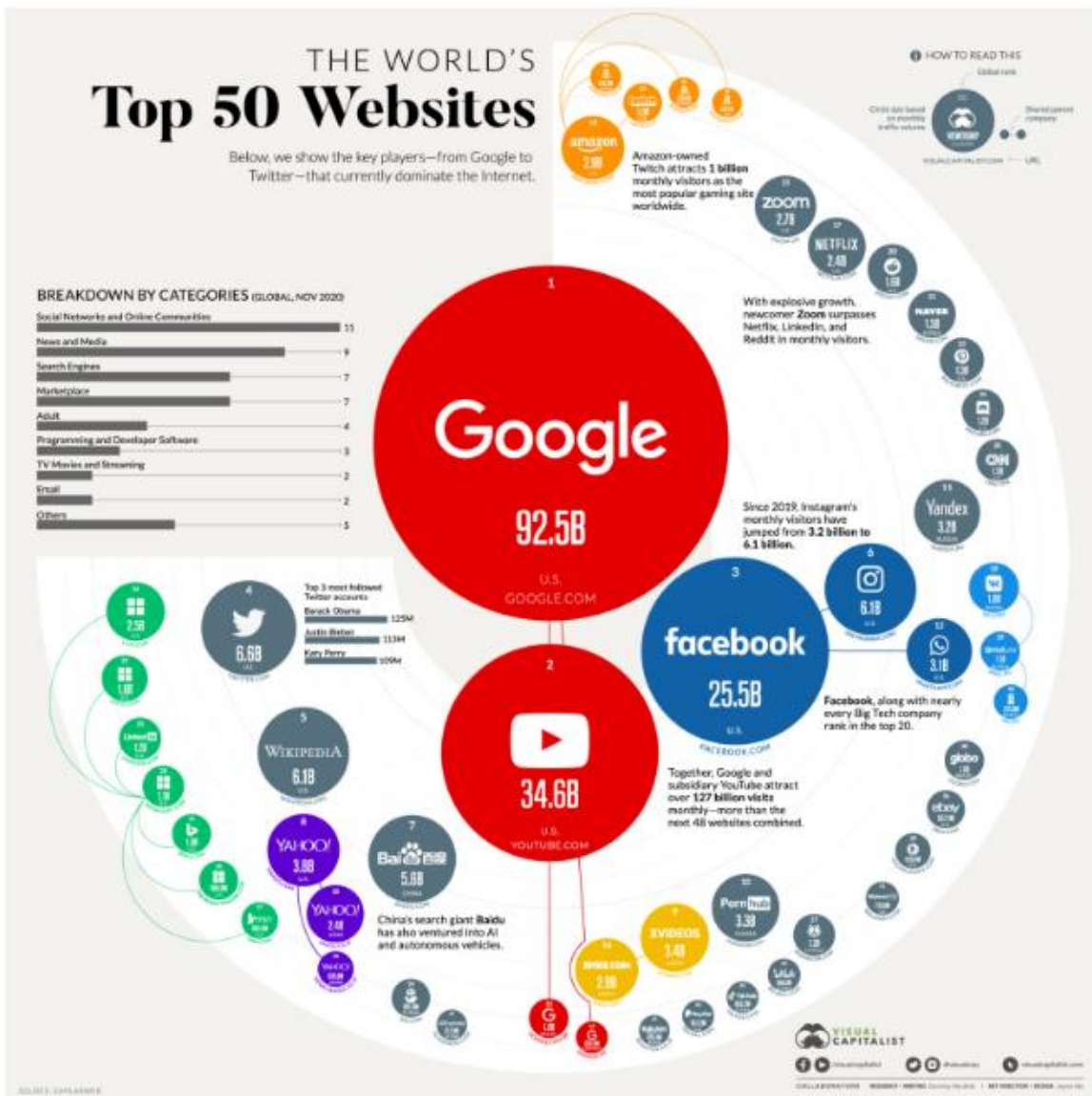


Source: Compound

Source: Charlie Bilello

#food-for-thought

#websites



#food-for-thought

#russia #companies

MARKETS

The Top 10 Biggest Companies in Russia



Published 4 months ago on December 14, 2021

By Omri Wallach Graphics Design: Pernia Jamshed Rosey Eason



Visual Capitalist

Source: Visual Capitalist

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

2 APRIL 2022

#food-for-thought

#product #name

Ikea named a few of their products like very high volume Google Searches.

The screenshot displays the IKEA website interface with three product listings. Each listing features a product image, a humorous title, a description, a price, and a 'Buy' button. The titles are: 'MY PARTNER SNORES' for a daybed, 'WHEN CHILDREN LEAVE HOME' for champagne flutes, and 'DATING THREE AT ONCE' for a wireless charging pad. The descriptions for each product include a reference to the product's real name and a playful explanation for the title.

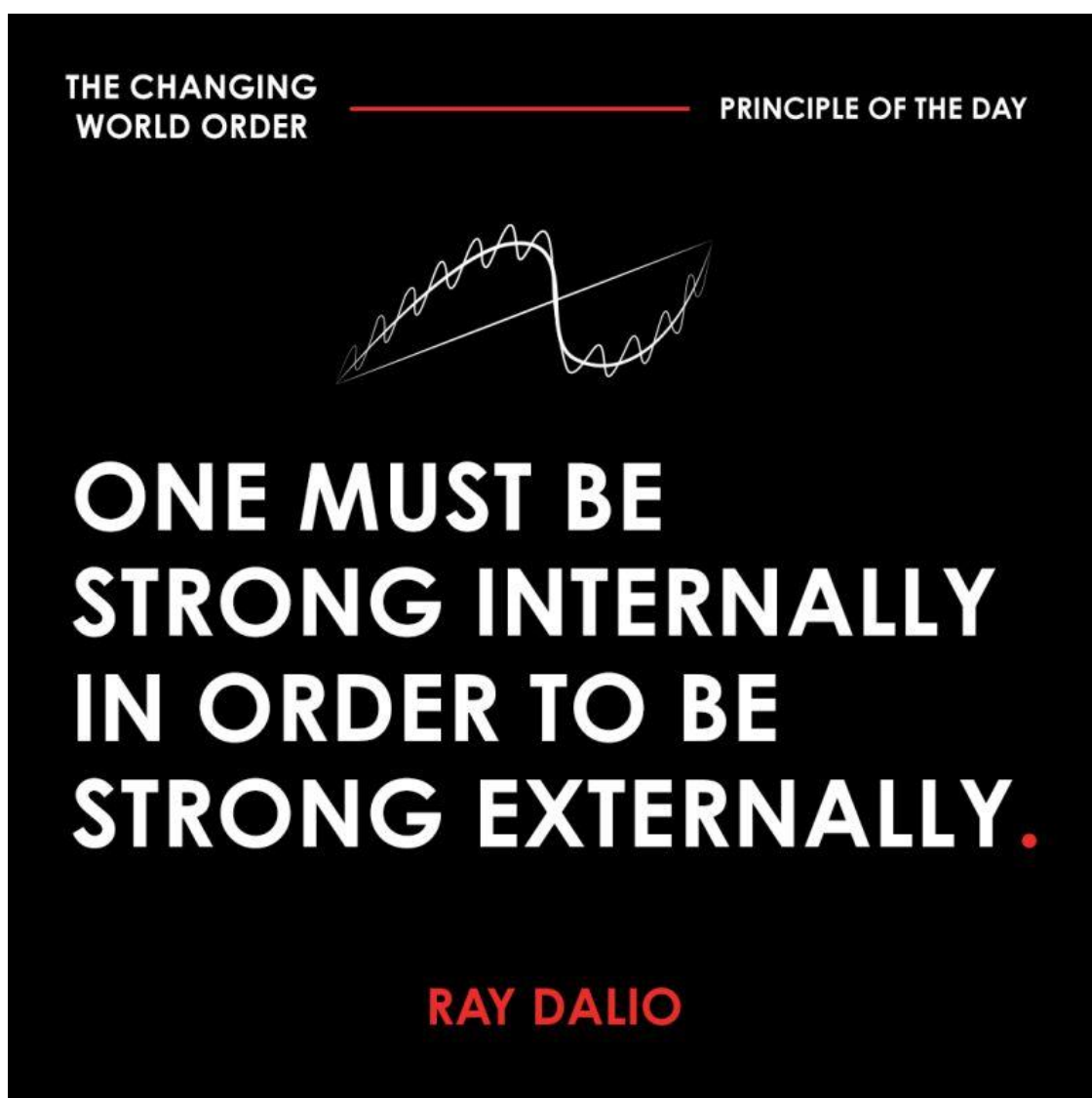
MY PARTNER SNORES
Daybed with 3 drawers/2 mattresses, white, Minnesund firm
\$507.00
Article Number: 291.299.17
IKEA is where life happens. This product's real name is **HEMNES**, but right now we have renamed it to the relationship problem you just googled. All to make life at home easier for you. Because life evolves every day and everything, yes everything, can get better.
[Buy HEMNES](#)
Democratic Design

WHEN CHILDREN LEAVE HOME
Champagne flute, clear glass
\$4.99
Article Number: 500.151.22
IKEA is where life happens. This product's real name is **SVALKA**, but right now we have renamed it to the relationship problem you just googled. All to make life at home easier for you. Because life evolves every day and everything, yes everything, can get better.
[Buy SVALKA](#)
Democratic Design

DATING THREE AT ONCE
Triple pad for wireless charging, white
\$69,99
Article Number: 702.702.702

#food-for-thought

#principle



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For the future...