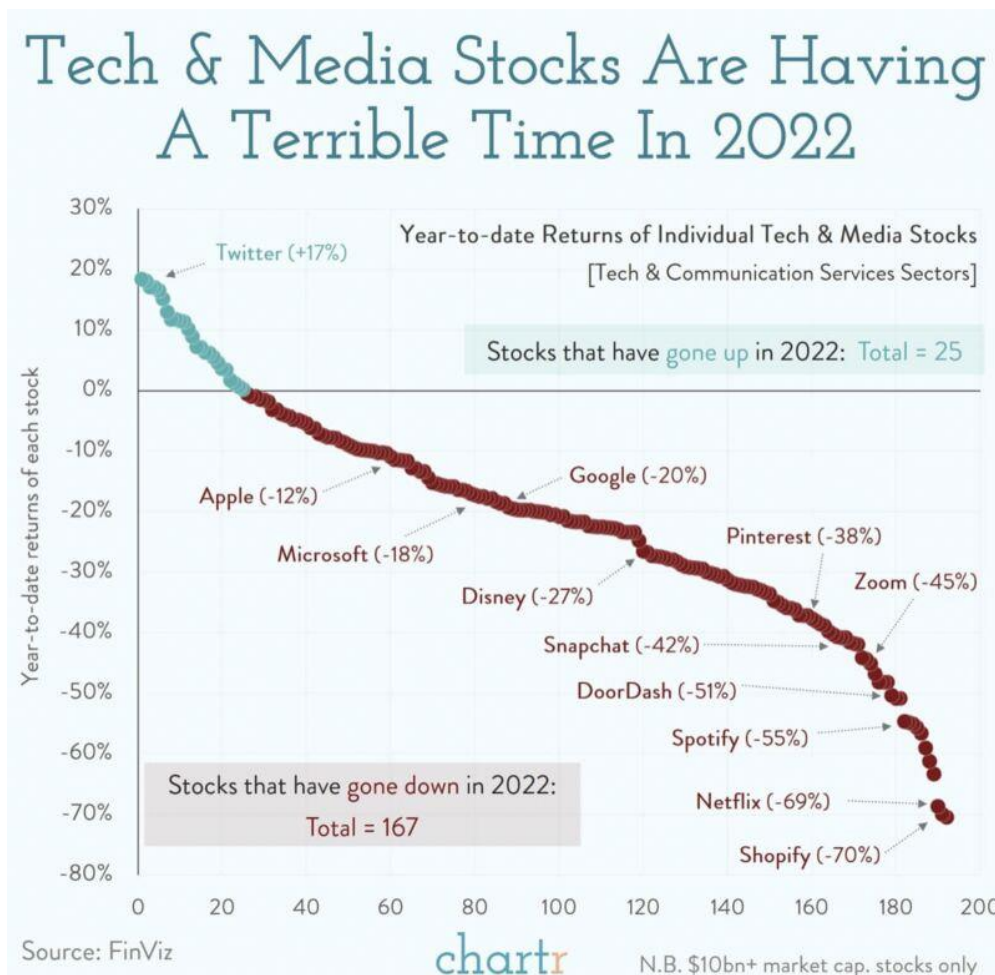


Chart of the week

TOUGH TIME FOR TECH & MEDIA STOCKS

Of the 192 large stocks in the Technology and Communication Services sectors, 167 are down this year. The only notable exception? Twitter



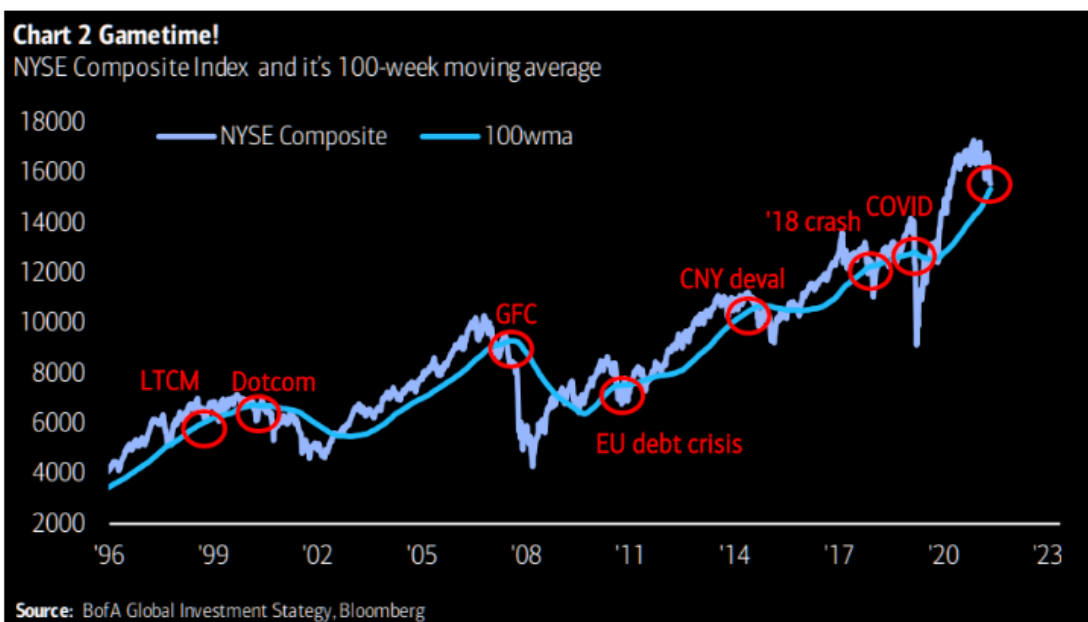
US stocks are down 5 weeks in a row

Interest rate and inflation worries continued to weigh on investors' sentiment, especially toward growth stocks. This week losses briefly pushed the Dow Jones into correction territory, down more than 10% from its recent highs. The Nasdaq Composite and the small-cap Russell 2000 ended the week firmly in bear markets, down more than 25%. On Wednesday, Fed policymakers announced a 50-basis-point rate increase, the largest since 2000. Officials also announced that the Fed would begin Quantitative Tightening in June at a monthly pace of USD 47.5 billion, stepping up over 3 months to USD 95 billion. At his post-meeting press conference, Fed Chair Powell said that a hike of 75 bps was "not something we are actively considering." His comments were generally perceived as more dovish than anticipated. Longer-term bond yields decreased, and equities rallied sharply in late Wednesday trading. The market's gains more than unwound on Thursday, however, as investors appeared to reconsider whether a 75 bps increase was in fact off the table. Some worrisome labor inflation data reinforced such concerns. The U.S 10-year yield climbed as high as 3.13% on Friday. Shares in Europe tumbled amid fears that central banks may have to step up their efforts to control inflation, potentially increasing the risk to economic growth. Chinese markets fell as Beijing showed no sign of relaxing its zero-tolerance approach to the coronavirus. The dollar rose while cryptocurrencies tumbled.



#us #equities

The NYSE index is down to the 100 week moving average. Hartnett from BofA wrote: " recession/crises in the past 25 years have always sees our favorite Wall St barometer break decisively below the 100 week moving average; every crisis/recession sees meaningful dip below the 100 week moving average..."



Source: BofA

Source: BofA, TME

#GLOBALMARKETS WEEKLY WRAP-UP

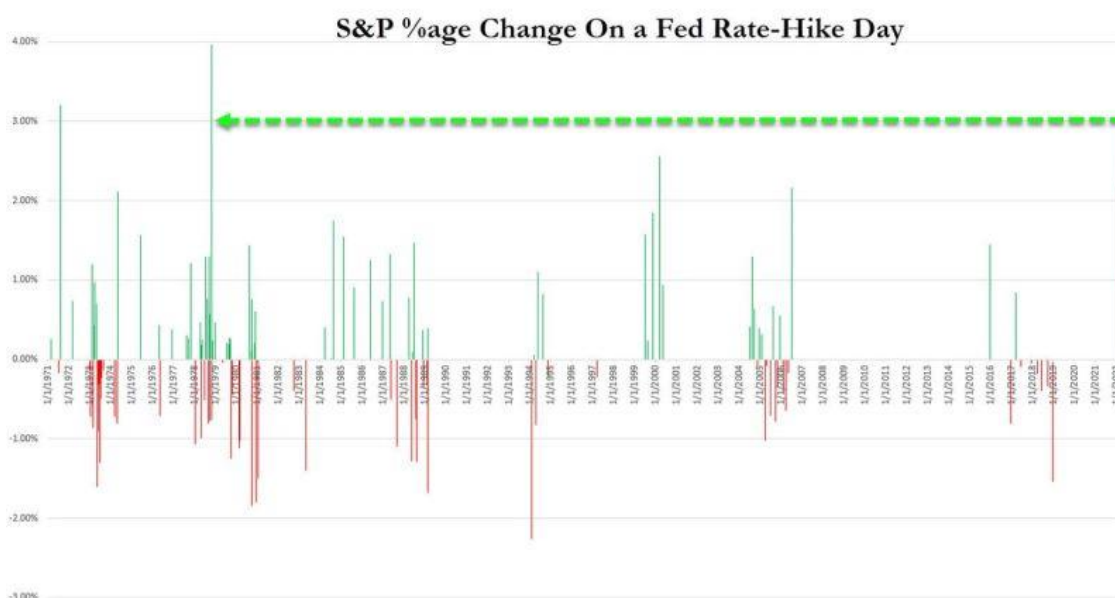
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#fed-day #us #equities #returns

FOMC meeting: This was the biggest gain on a Fed day since December 2008 (a rate-cut day), but this was the greatest upside-day for the S&P 500 on a Fed Rate-Hike day since November 1978...



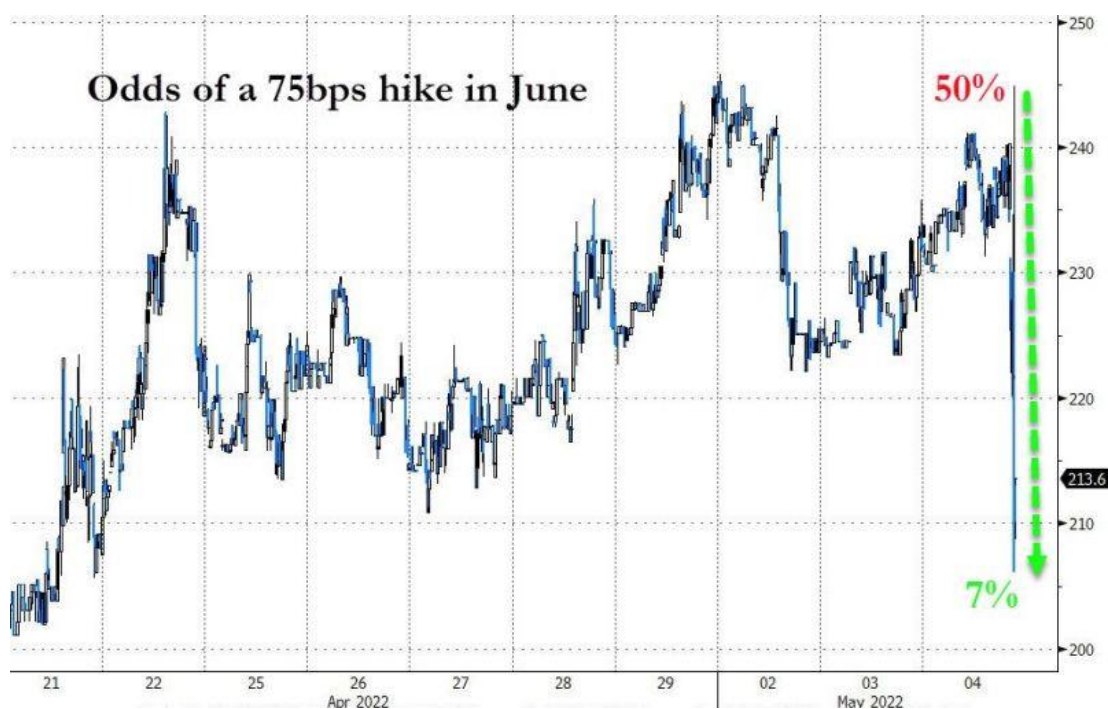
Source: Bloomberg, zerohedge.com



#markets

#fed-day #us #equities #returns

Here's the main reason why the Dow rallied 900 points on Wednesday (despite a 50bps hike by the Fed): Mr Powell is NOT considering 75bps hike in future meetings. As a consequence, odds of a 75bps hike in June dropped from 50% to just 7%. Another dovish news: QT starting in June will be capped at \$47.5B (market was expecting 2x this amount straight away). Fed says they will increase to \$95B in 3 months.



Source: Bloomberg, www.zerohedge.com



#post-fed #us #equities #returns

So the Fed did hike by 50bps Wednesday evening. Here are previous 50bps hikes and the corresponding market performance...

Here Comes The First 50 Basis Point Hike In More Than 20 Years						
50 Basis Point Or Greater Fed Rate Hikes And S&P 500 Index Returns						
Date	Fed Funds Rate Change	Fed Funds Rate Upper Range	S&P 500 Index Returns			
			3 Months	6 Months	12 Months	
5/16/2000	0.50%	6.50%	1.3%	-7.8%	-12.3%	
2/1/1995	0.50%	6.00%	10.6%	18.8%	35.2%	
11/15/1994	0.75%	5.50%	4.2%	13.3%	26.7%	
8/16/1994	0.50%	4.75%	0.2%	3.8%	20.1%	
5/17/1994	0.50%	4.25%	3.5%	3.7%	17.5%	
2/24/1989	0.50%	11.50%	11.2%	22.4%	12.9%	
2/10/1989	0.50%	11.00%	7.5%	18.1%	14.2%	
11/28/1988	0.50%	10.50%	7.5%	18.8%	28.7%	
8/11/1988	0.50%	10.00%	4.0%	12.7%	32.5%	
7/14/1988	0.50%	9.50%	1.4%	4.8%	22.1%	
5/11/1988	0.50%	9.00%	3.4%	8.6%	20.7%	
10/7/1987	0.50%	9.25%	-18.0%	-16.4%	-14.7%	
9/4/1987	0.50%	8.75%	-29.3%	-15.6%	-16.5%	
6/25/1984	0.50%	13.00%	7.3%	7.5%	22.8%	
5/8/1984	0.50%	12.50%	1.4%	5.0%	12.6%	
4/5/1984	0.50%	12.00%	-1.8%	5.1%	15.5%	
3/19/1984	0.50%	11.50%	-3.8%	7.0%	12.1%	
8/8/1983	0.50%	11.00%	2.0%	-0.7%	2.1%	
2/18/1982	0.50%	17.00%	0.9%	-4.6%	30.3%	
2/2/1982	0.75%	16.50%	-0.5%	-8.6%	23.1%	
7/8/1981	0.50%	20.50%	-7.0%	-7.1%	-16.4%	
5/22/1981	0.50%	20.50%	-1.6%	-8.1%	-12.5%	
5/19/1981	0.50%	20.00%	-1.5%	-9.0%	-12.3%	
5/11/1981	0.50%	19.50%	2.2%	-5.4%	-8.7%	
5/4/1981	1.00%	19.00%	-0.1%	-6.7%	-10.6%	
4/30/1981	0.50%	18.00%	-2.2%	-10.1%	-12.6%	
4/24/1981	0.50%	17.50%	-4.9%	-11.5%	-12.2%	
12/19/1980	0.50%	21.50%	1.5%	-1.3%	-7.3%	
12/16/1980	1.00%	21.00%	2.8%	2.1%	-5.8%	
12/10/1980	1.00%	20.00%	3.8%	4.3%	-2.2%	
12/5/1980	0.50%	19.00%	-2.2%	-1.3%	-5.8%	
12/2/1980	0.75%	18.50%	-4.5%	-4.6%	-7.9%	
11/26/1980	0.75%	17.75%	-6.3%	-5.4%	-11.5%	
11/21/1980	0.75%	17.00%	-8.4%	-4.6%	-12.5%	
11/17/1980	0.75%	16.25%	-6.7%	-4.1%	-12.7%	
11/6/1980	1.00%	15.50%	1.3%	2.1%	-4.2%	
10/29/1980	0.50%	14.50%	1.3%	3.8%	-6.9%	
10/17/1980	0.50%	14.00%	0.1%	2.1%	-9.5%	
10/1/1980	0.50%	13.50%	7.2%	7.2%	-7.9%	
9/26/1980	0.50%	13.00%	6.9%	6.3%	-8.6%	
9/8/1980	0.50%	12.00%	5.9%	5.8%	-4.3%	
4/2/1980	0.50%	20.00%	12.7%	23.8%	32.8%	
3/28/1980	0.50%	19.50%	15.2%	25.5%	33.4%	
3/19/1980	0.50%	19.00%	11.5%	23.5%	27.9%	
3/14/1980	0.75%	18.50%	9.8%	19.1%	27.7%	
3/7/1980	0.50%	17.75%	5.9%	16.8%	22.7%	
3/4/1980	0.50%	17.25%	-2.0%	9.7%	16.0%	
2/29/1980	0.37%	16.75%	-2.1%	7.4%	16.1%	
2/22/1980	0.63%	16.38%	-5.2%	9.1%	10.7%	
2/19/1980	0.50%	15.75%	-6.0%	7.7%	12.1%	
10/23/1979	0.50%	15.00%	13.4%	4.1%	31.6%	
10/9/1979	1.00%	14.50%	3.1%	-2.4%	23.5%	
9/7/1979	0.50%	12.75%	-0.1%	-1.1%	14.5%	
11/24/1978	0.50%	11.50%	2.0%	4.6%	9.3%	
Average			1.1%	3.7%	7.3%	
Median			1.1%	3.9%	7.6%	
% Positive			61.1%	61.1%	55.6%	

Source: LPL Research, Bloomberg 05/04/22



Source: LPL Research

#us #equities #returns

On Thursday, stocks reverted their gains from the previous day.



Equities

Nasdaq closes down 5% in sharpest fall since 2020

Heavy stock and bond sell-off erases prior day's gains as investors engage in 'capitulation trade'

Source: FT



#us #equities #returns

The S&P 500 fell 3.6% on Thursday, its 2nd decline of 3% or more this year. Summary of large down days by year going back to 1928...

S&P 500: Number of Large Down Days (1928 - 2022)											
Year	-1% Days	-2% Days	<-3% Days	Year	-1% Days	-2% Days	<-3% Days	Year	-1% Days	-2% Days	<-3% Days
1928	23	2	2	1960	16	1	0	1992	11	0	0
1929	19	10	19	1961	2	1	0	1993	6	1	0
1930	38	16	16	1962	28	4	2	1994	14	1	0
1931	42	28	27	1963	2	1	0	1995	4	0	0
1932	27	18	50	1964	3	0	0	1996	14	2	1
1933	33	15	27	1965	7	0	0	1997	25	5	1
1934	32	20	7	1966	22	3	0	1998	20	7	5
1935	31	8	1	1967	9	0	0	1999	31	9	0
1936	18	6	5	1968	9	0	0	2000	35	15	4
1937	28	17	17	1969	17	1	0	2001	41	9	4
1938	40	15	12	1970	29	4	0	2002	43	22	7
1939	29	15	8	1971	14	0	0	2003	32	4	1
1940	23	4	8	1972	6	0	0	2004	20	0	0
1941	23	3	3	1973	37	5	1	2005	17	0	0
1942	24	2	0	1974	52	13	2	2006	13	0	0
1943	13	1	3	1975	32	3	0	2007	23	10	1
1944	7	1	0	1976	14	0	0	2008	34	18	23
1945	14	7	0	1977	12	0	0	2009	27	16	12
1946	23	4	10	1978	23	1	0	2010	27	5	5
1947	25	3	2	1979	12	1	0	2011	27	15	6
1948	19	2	5	1980	30	6	1	2012	18	3	0
1949	12	3	0	1981	26	4	0	2013	15	2	0
1950	15	3	4	1982	32	5	1	2014	15	4	0
1951	16	1	0	1983	25	1	0	2015	25	4	2
1952	8	0	0	1984	16	0	0	2016	17	4	1
1953	14	1	1	1985	7	0	0	2017	4	0	0
1954	4	1	0	1986	19	4	2	2018	17	10	5
1955	14	4	1	1987	22	14	6	2019	10	5	0
1956	21	0	0	1988	26	3	2	2020	20	9	16
1957	20	5	0	1989	12	1	1	2021	16	5	0
1958	4	1	0	1990	34	7	1	2022 YTD	18	5	2
1959	13	1	0	1991	23	1	1				



Data as of 5/5/22

@CharlieBilello

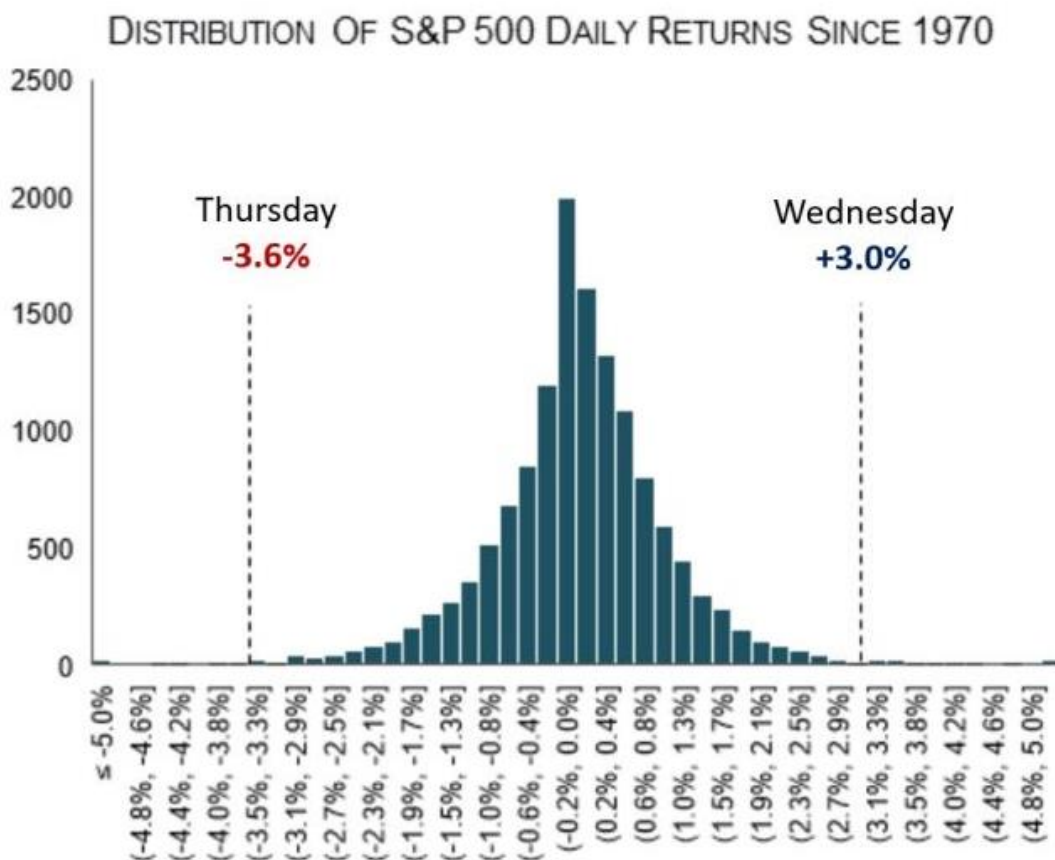
Source: Charlie Bilello





#us #equities #returns

A truly historic event in the stock market: Only 8 other times since 1970 (13662 trading days) has the S&P 500 swung as much as the last two days. All unleashed by Powell ruling out 75 basis points on Wednesday (prematurely?) and the release of unfriendly unit labor costs on Thursday.



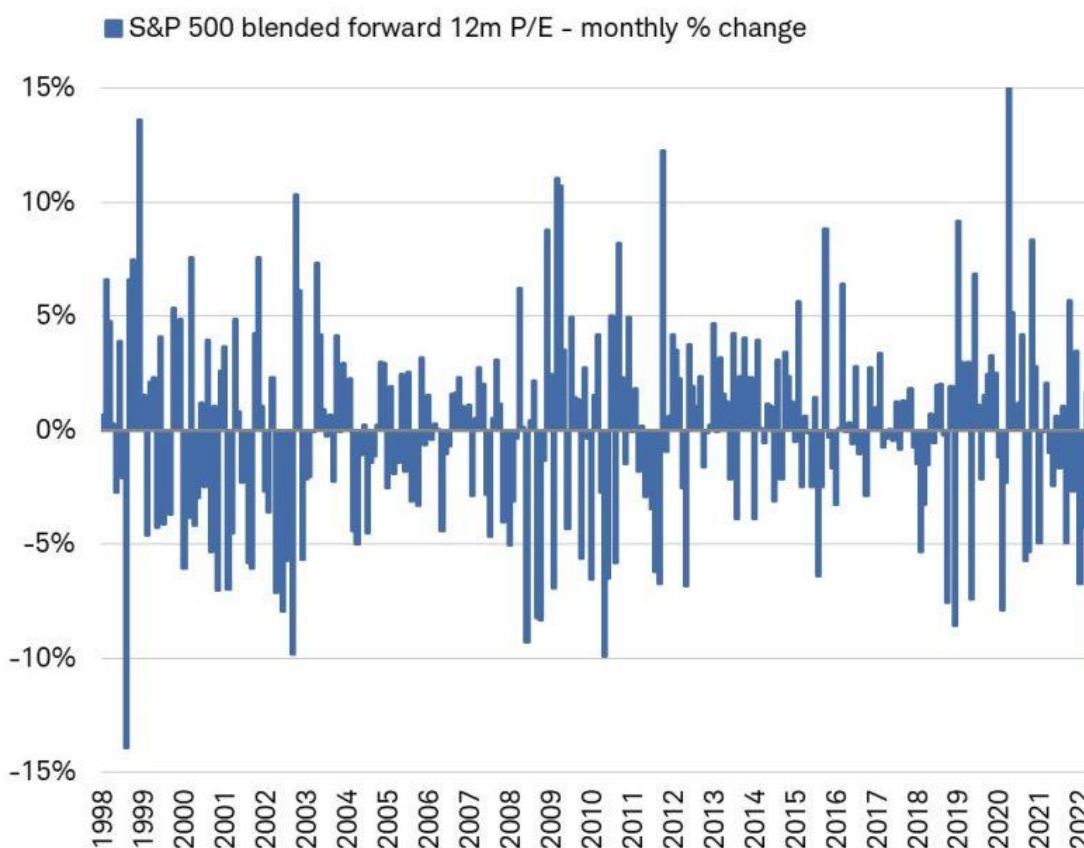
Source: Roberto Perli





#us #equities #valuation

US equities got cheaper...The S&P 500's forward P/E collapsed by 10.1% in April, the largest drop since August 1998 (slightly eclipsing declines seen during GFC and early 2000s).



Source: Charles Schwab, Bloomberg, as of 4/29/2022. Estimates are from Bloomberg. Y-axis truncated at +15%.

Source: Liz Ann Sonders, Bloomberg



#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

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#us #equities #contrarian-indicator

CNBC ran its "markets in turmoil" special on Thursday night, the only indicator with a perfect track record...

S&P 500 Forward Total Returns following CNBC "Markets in Turmoil" Specials											
Markets in Turmoil	S&P 500 Close	1-Year Forward Return	Total Returns Since	Markets in Turmoil	S&P 500 Close	1-Year Forward Return	Total Returns Since	Markets in Turmoil	S&P 500 Close	1-Year Forward Return	Total Returns Since
5/6/2010	1128	21%	367%	3/5/2020	3024	29%	42%	4/23/2020	2798	52%	53%
5/7/2010	1111	24%	374%	3/6/2020	2972	33%	44%	4/24/2020	2837	50%	51%
5/9/2010	1111	24%	374%	3/8/2020	2972	33%	44%	4/27/2020	2878	48%	49%
6/4/2010	1065	23%	393%	3/9/2020	2747	44%	56%	4/28/2020	2863	50%	49%
8/4/2011	1200	19%	328%	3/10/2020	2882	39%	49%	4/29/2020	2940	45%	45%
8/7/2011	1199	19%	328%	3/11/2020	2741	46%	56%	4/30/2020	2912	46%	47%
8/8/2011	1119	28%	359%	3/12/2020	2481	63%	73%	5/1/2020	2831	50%	51%
8/9/2011	1173	22%	338%	3/13/2020	2711	49%	58%	5/4/2020	2843	49%	50%
8/10/2011	1121	28%	358%	3/15/2020	2711	49%	58%	5/5/2020	2868	49%	49%
8/11/2011	1173	22%	338%	3/16/2020	2386	69%	80%	5/6/2020	2848	51%	50%
8/12/2011	1179	22%	335%	3/17/2020	2529	58%	69%	5/7/2020	2881	48%	48%
8/14/2011	1179	22%	335%	3/18/2020	2398	66%	79%	5/8/2020	2930	44%	46%
8/18/2011	1141	27%	350%	3/19/2020	2409	66%	78%	5/11/2020	2930	41%	46%
9/22/2011	1130	32%	353%	3/20/2020	2305	73%	86%	5/12/2020	2870	46%	49%
6/3/2012	1278	30%	294%	3/23/2020	2237	77%	91%	5/13/2020	2820	50%	52%
8/23/2015	1971	13%	139%	3/24/2020	2447	63%	75%	5/14/2020	2853	48%	50%
8/24/2015	1893	18%	149%	3/25/2020	2476	63%	73%	5/15/2020	2864	47%	49%
8/25/2015	1868	19%	152%	3/26/2020	2630	54%	63%	5/18/2020	2954	42%	45%
8/26/2015	1941	14%	142%	3/27/2020	2541	58%	69%	5/19/2020	2923	45%	46%
9/1/2015	1914	16%	146%	3/30/2020	2627	54%	63%	5/20/2020	2972	42%	44%
1/18/2016	1880	24%	148%	3/31/2020	2585	58%	66%	5/21/2020	2949	45%	45%
2/5/2018	2649	4%	69%	4/1/2020	2471	68%	73%	5/22/2020	2955	44%	44%
2/8/2018	2581	9%	73%	4/2/2020	2527	64%	69%	5/25/2020	2955	44%	44%
10/11/2018	2728	11%	62%	4/3/2020	2489	67%	72%	5/26/2020	2992	43%	43%
10/24/2018	2656	16%	66%	4/6/2020	2664	56%	61%	5/27/2020	3036	41%	41%
12/27/2018	2489	32%	76%	4/7/2020	2659	58%	61%	5/28/2020	3030	41%	41%
8/5/2019	2845	16%	53%	4/8/2020	2750	53%	56%	5/29/2020	3044	40%	40%
8/14/2019	2841	21%	53%	4/9/2020	2790	51%	53%	6/1/2020	3056	40%	40%
2/24/2020	3226	24%	33%	4/10/2020	2790	51%	53%	6/2/2020	3081	38%	38%
2/25/2020	3128	25%	37%	4/13/2020	2762	52%	55%	6/3/2020	3123	38%	37%
2/26/2020	3116	25%	38%	4/14/2020	2846	49%	50%	6/4/2020	3112	38%	37%
2/27/2020	2979	33%	44%	4/15/2020	2783	53%	54%	5/5/2022	4147	?	?
2/28/2020	2954	33%	45%	4/16/2020	2800	51%	53%				
3/1/2020	2954	33%	45%	4/17/2020	2875	46%	49%				
3/2/2020	3090	26%	39%	4/20/2020	2823	50%	52%				
3/3/2020	3003	28%	43%	4/21/2020	2737	54%	56%				
3/4/2020	3130	25%	37%	4/22/2020	2799	52%	53%				



Average 1-Year Return: 40%
% Positive 1-Year Returns: 100%

@CharlieBiello

@CNBC · 18h

TONIGHT on CNBC at 8p ET — A CNBC Special Report: Markets In Turmoil.

After the Dow plunged 1,000 points and the Nasdaq dropped 5%, what's next for your money? Our ...



Source: Charlie Biello



#ipos

New all-time low in relative performance for IPO stocks vs. the market.

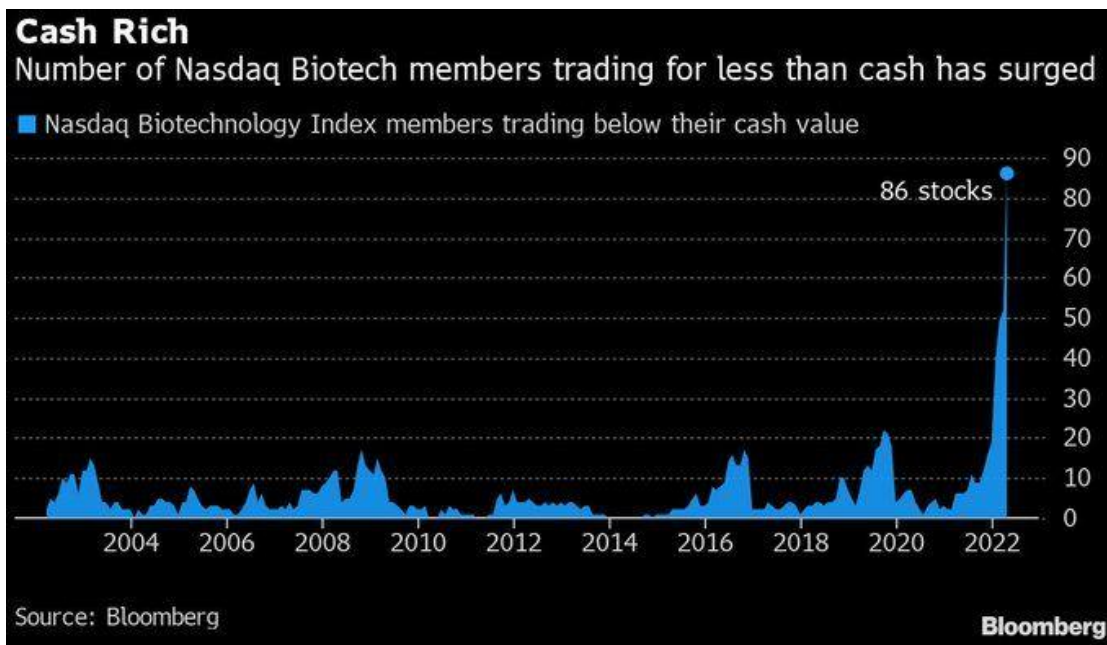


Source: Andrew Thrasher



#biotech

THE BIOTECH BLOODBATH. Biotech index is down 35% from September 2021 peak. More than 20% of NASDAQ Biotech Index’s members are TRADING FOR LESS THAN CASH ... figure like this hasn’t existed in data going back to 2002.



Source: Bloomberg, Liz Ann Sonders



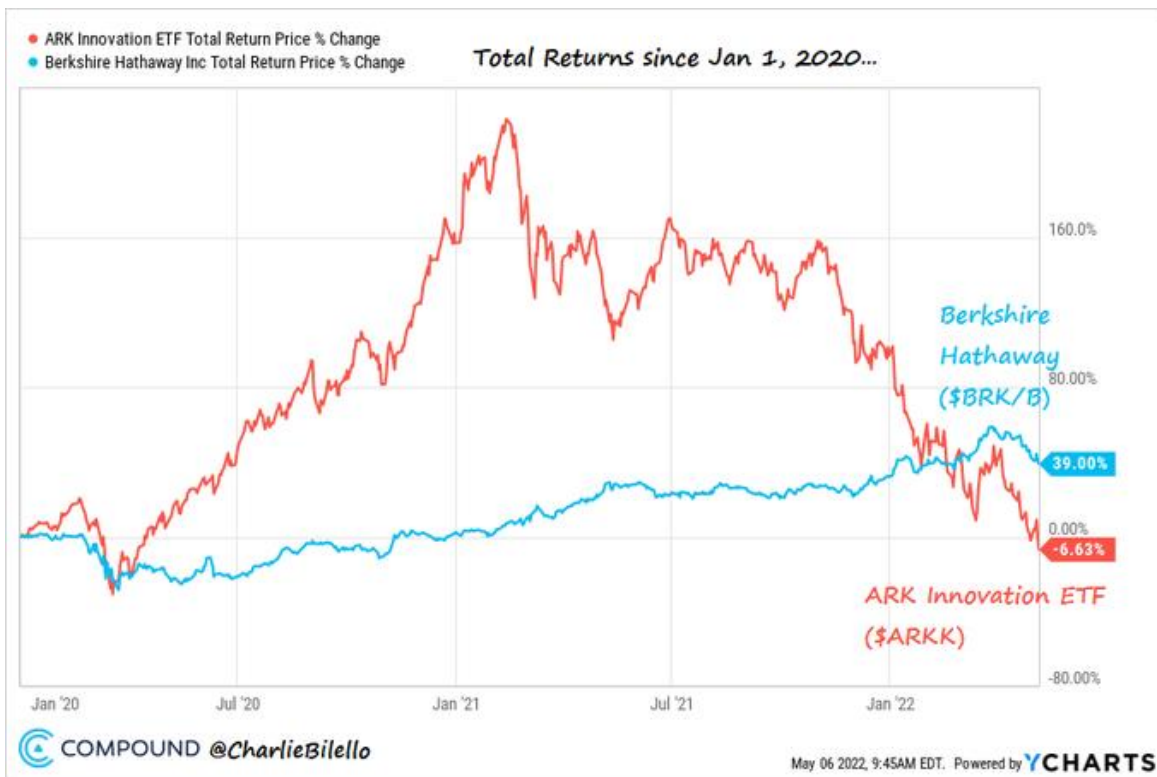
#berkshirehathaway

After a >70% decline, the ARK Innovation ETF has now given back all of its gains since the start of 2020.

Total returns since Jan 1, 2020:

Berkshire Hathaway \$BRKB: +39%

ARK Innovation \$ARKK: -7%

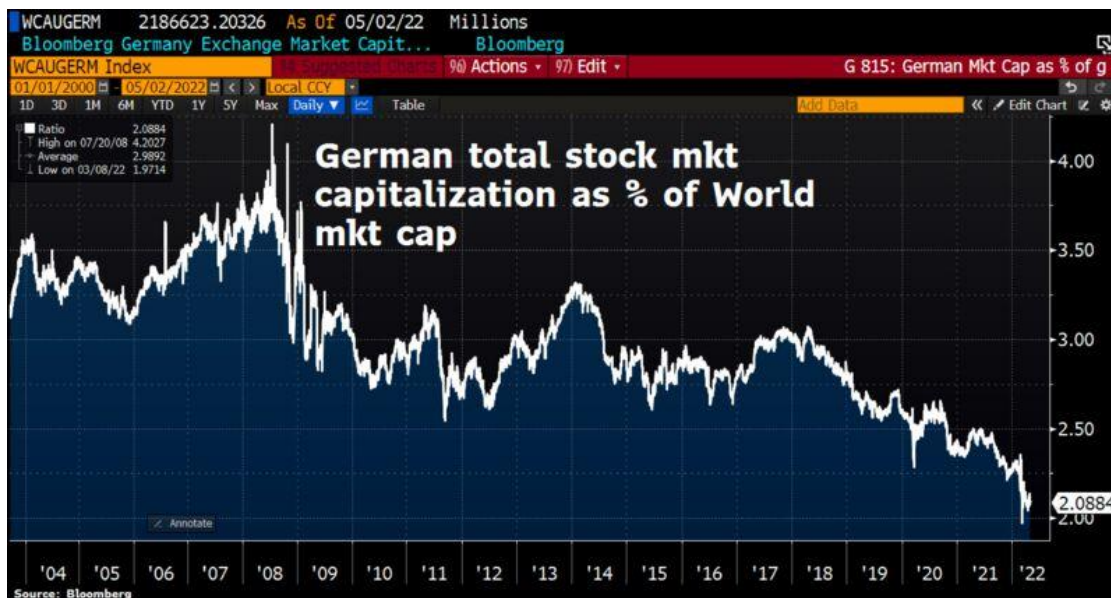


Source: Charlie Bilello



#german #equities

German stock market continues to underperform as recession fears hit cyclical stocks. German total market cap as % of global market cap is hovering around 2%. Only 2 German comps – Linde & SAP – among global Top100 when measured by market cap.



Source: Bloomberg, HolgerZ



#us #treasuries

The bond market saw a dramatic change of tone last week with the long-end battered and short-end bid. The entire yield curve is above 3.00% from 3Y out...



Source: www.zerohedge.com, Bloomberg



#us #treasuries

US 10y yields jump >3% after ugly US inflation data. Hourly US labor costs rose 3.2% in Q1 2022, but w/7.5% drop in productivity, unit labor costs climbed at a 11.6% rate in Q1 2022.



Source: www.zerohedge.com, Bloomberg

#markets

#us #treasuries

The US 10 year weekly logarithmic chart has broken above the trend line.

THE break out chart?



Source: Refinitiv

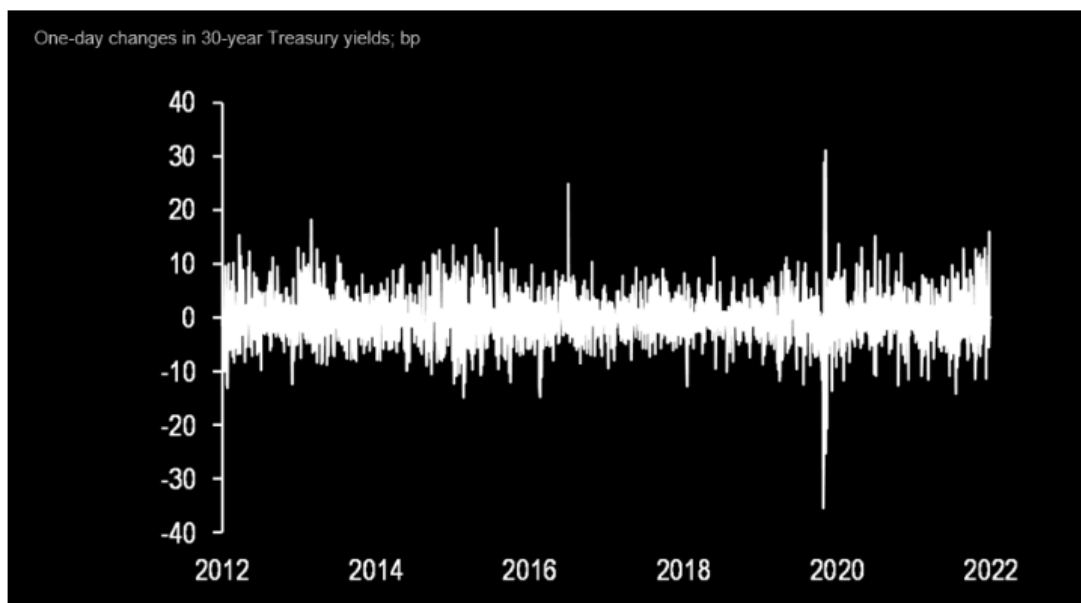
Source: TME, Refinitiv

#markets

#us #treasuries

Over the last decade, there have only been 6 instances in which 30-year bond yields rose more than on Thursday, and three of the occurred in mid-March 2020...

Historic



Source: JPM

Source: JPM, TME

#GLOBALMARKETS WEEKLY WRAP-UP

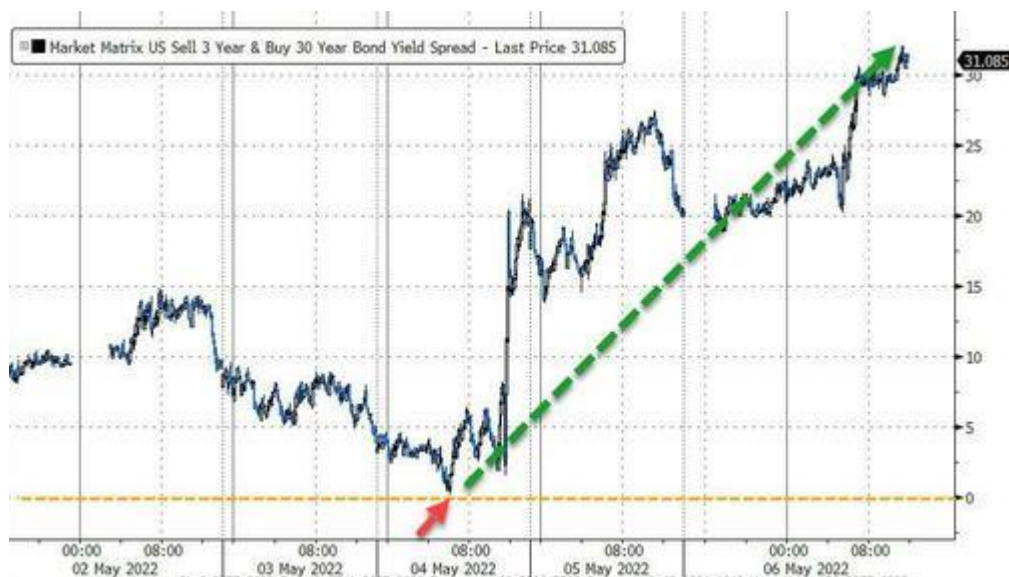
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#us #treasuries #yield-curve

The US yield curve steepened sharply.

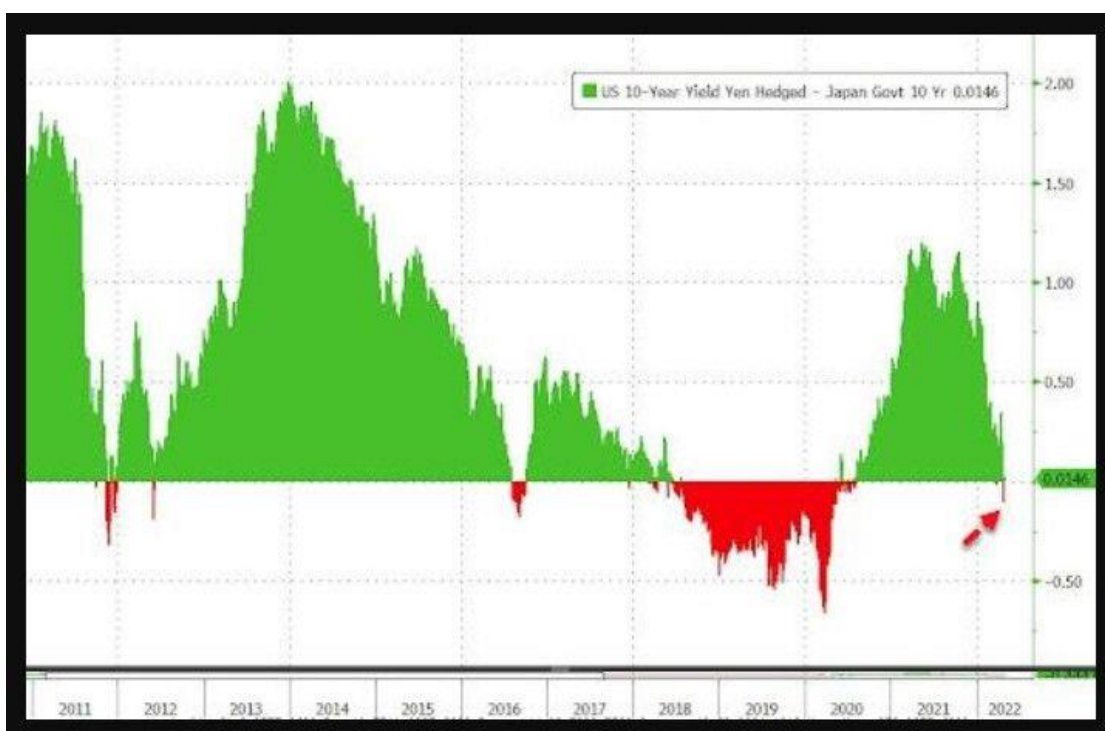


Source: www.zerohedge.com, Bloomberg



#us #treasuries #japanese #sell-off

Japanese institutional managers - which have been a large buyer U.S. debt over the last decades - are among the ones fueling the great bond selloff just as the Federal Reserve pares its \$9 trillion balance sheet. In fact, due to this higher hedging cost, near-zero-yielding JGBs look ever-more appealing even as U.S. debt offers some of the highest rates in years - see chart below.




Source: Bloomberg, www.zerohedge.com



#fixed-income #us #returns

If the year ended today, it would be the worst in history for the US Bond Market with a loss of 10.2%. Entering the year, the 2.9% decline for bonds in 1994 was the largest ever.

Bloomberg Barclays Aggregate, Total Return (1977 - 2022)					
Year	Return	Year	Return	Year	Return
1977	3.0%	1993	9.7%	2009	5.9%
1978	1.4%	1994	-2.9%	2010	6.5%
1979	1.9%	1995	18.5%	2011	7.8%
1980	2.7%	1996	3.6%	2012	4.2%
1981	6.2%	1997	9.7%	2013	-2.0%
1982	32.6%	1998	8.7%	2014	6.0%
1983	8.4%	1999	-0.8%	2015	0.6%
1984	15.1%	2000	11.6%	2016	2.7%
1985	22.1%	2001	8.4%	2017	3.5%
1986	15.3%	2002	10.3%	2018	0.0%
1987	2.8%	2003	4.1%	2019	8.7%
1988	7.9%	2004	4.3%	2020	7.5%
1989	14.5%	2005	2.4%	2021	-1.5%
1990	9.0%	2006	4.3%	2022 YTD	-10.2%
1991	16.0%	2007	7.0%		
1992	7.4%	2008	5.2%		

 COMPOUND @CharlieBilello



Source: Charlie Bilello



#mbs

Average 30-Year Mortgage Rate in the US...

1970s: 8.9%

1980s: 12.7%

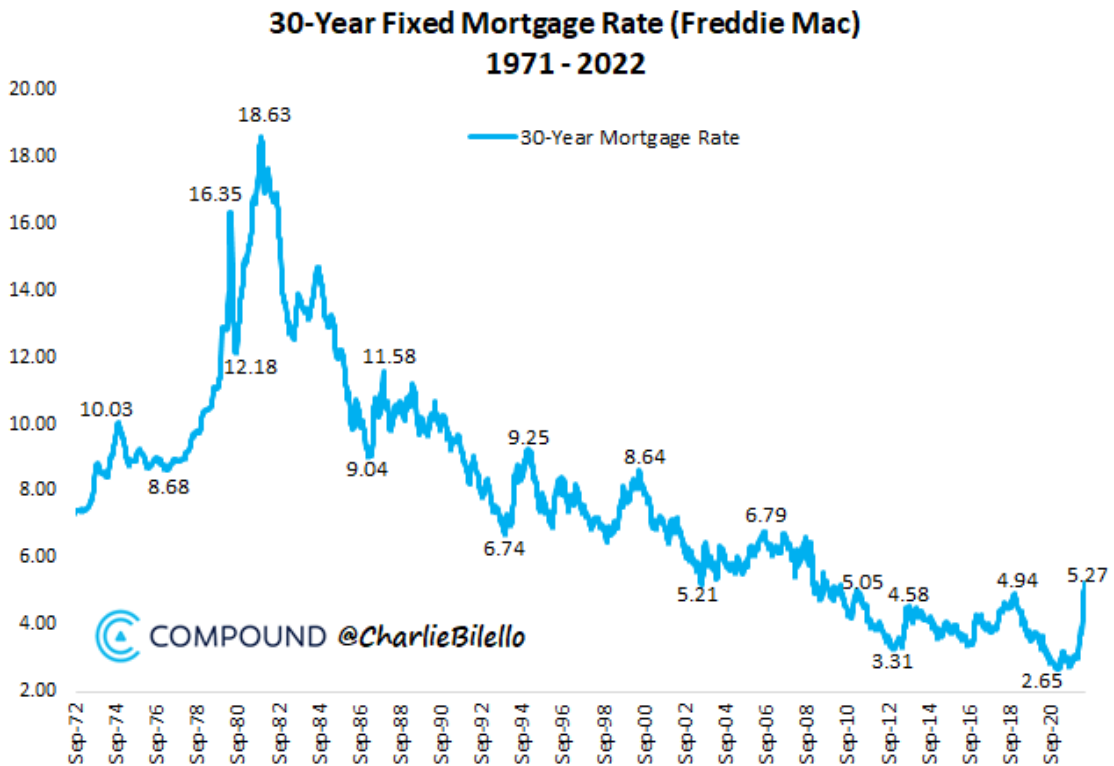
1990s: 8.1%

2000s: 6.3%

2010s: 4.1%

2020s: 3.2%

Rate Today: 5.3%



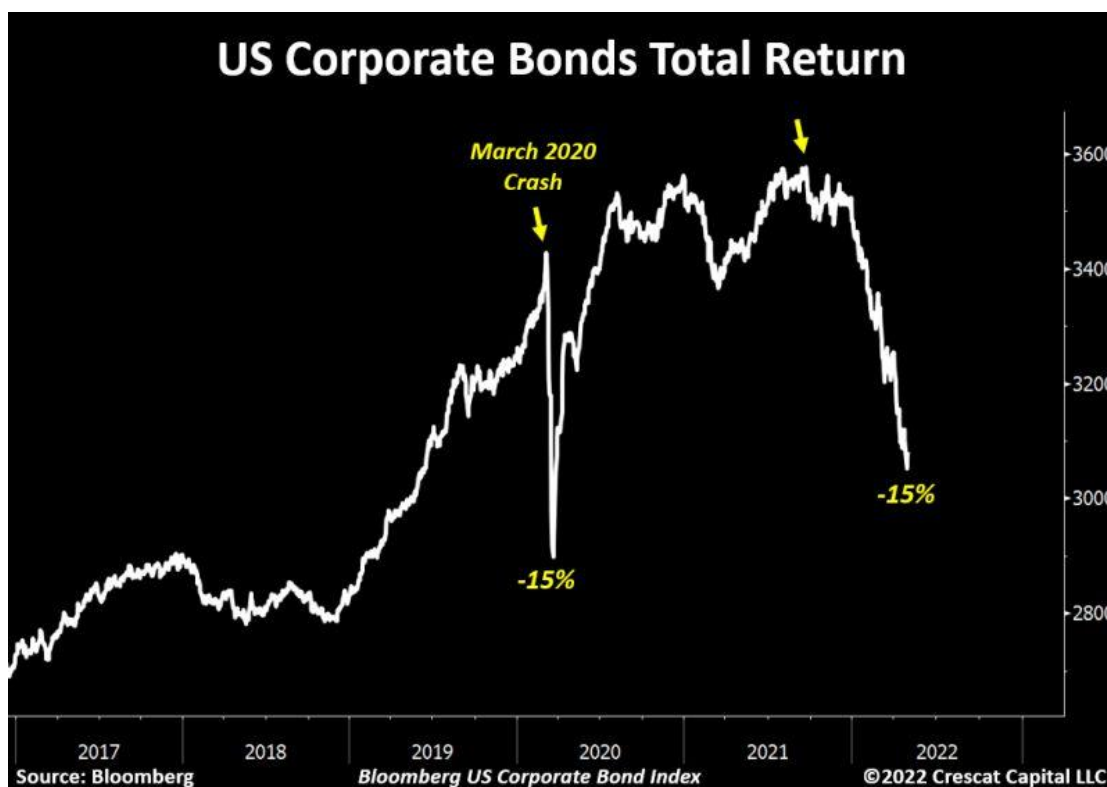
Source: Charlie Bilello





#us #corporate #bonds #returns

Corporate bonds now falling as much as they did in the March 2020 crash. Back then, the Fed was forced to step in. This time, all we hear is the opposite. If this decline continues, either the tightening cycle will need to be reversed or we're about to see some real issues.



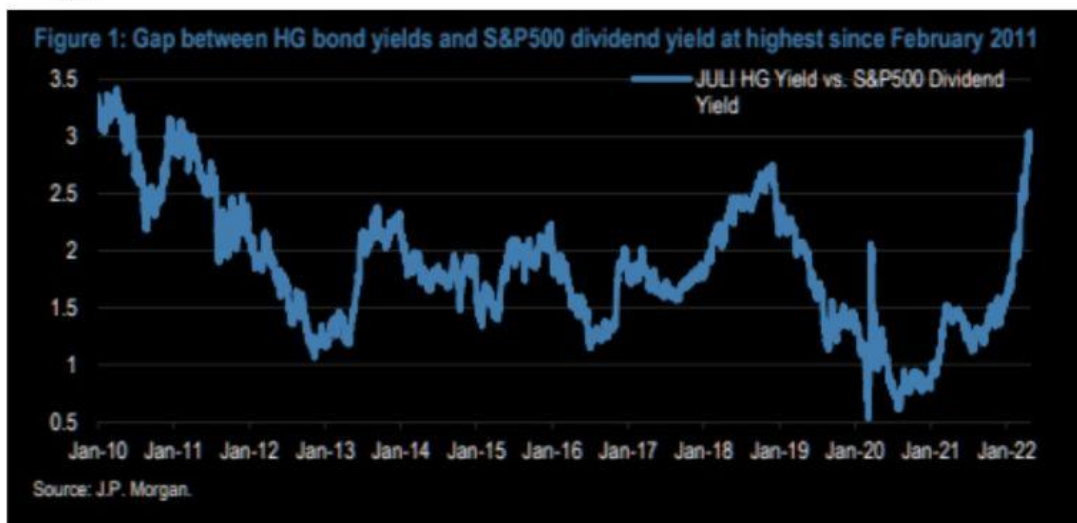
Source: Crescat Capital, Bloomberg



#us #corporate #bonds #spreads

The gap between US Investment Grade bond yields and the SPX 500 dividend yield is at highest since 2011. The repricing in bonds and spreads has been extreme this year. JPM writes: " To put this in historical context, in just four months Investment Grade bond yields have gone from the 13th percentile to the 99th percentile when looked at over the past 10 years."

The gap



Source: JPM

Source: JP Morgan

#GLOBALMARKETS WEEKLY WRAP-UP

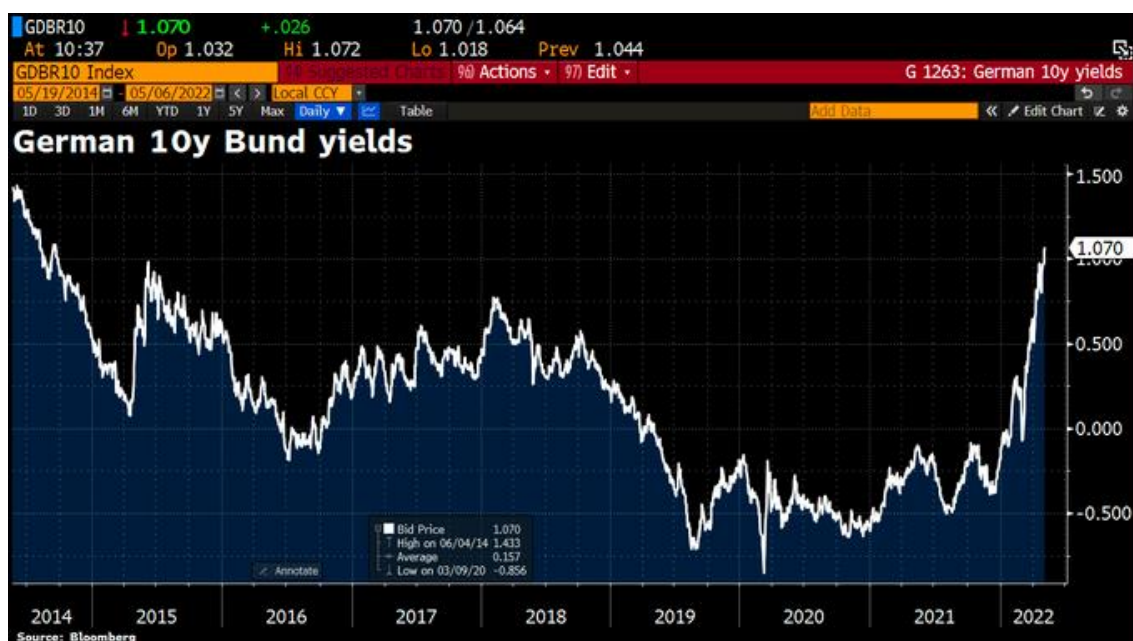
Hand-curated selection of the best charts & news flow

7 MAY 2022

#markets

#fixed-income #germany

German 10y yields jump to 1.07%, highest level since 2014.



Source: Bloomberg

#markets

#fixed-income #italy

Next shoe to drop? Italy 10 year risk spread over Germany jumps >200bps.




Source: HolgerZ, Bloomberg



#fixed-income #eu #periphery

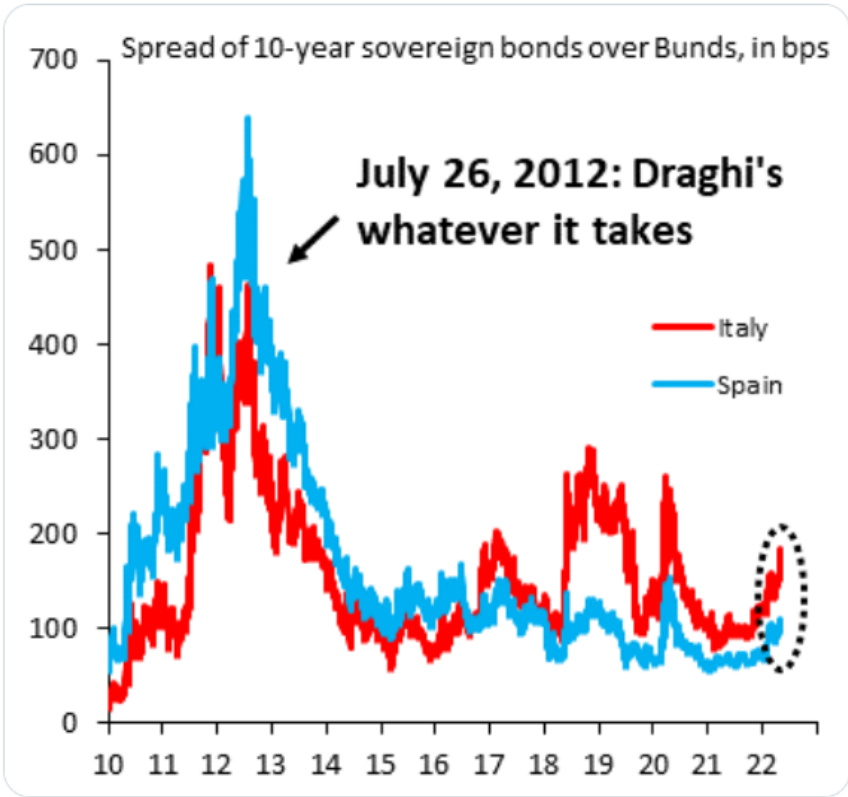
Lyn Alden Retweeted

 **Robin Brooks** @RobinBrooksIIF · May 5

Options facing the ECB

- A. Hike policy rate & end QE
- B. Hike policy rate & continue QE
- C. Don't hike & continue with QE

Problem with A: the Euro periphery blows up. Problem with B: it's totally incoherent. So C is the only option that makes sense as Europe goes into recession...

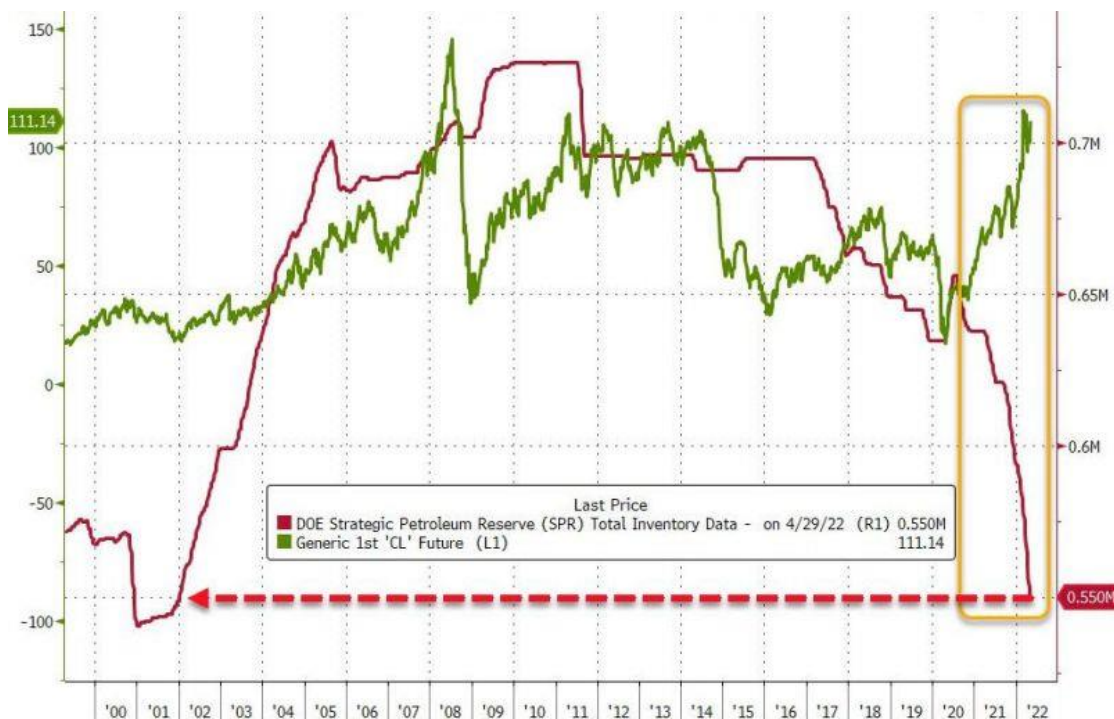


Year	Italy (bps)	Spain (bps)
2010	~50	~100
2011	~100	~200
2012	~450	~550
2013	~200	~300
2014	~150	~180
2015	~100	~120
2016	~100	~120
2017	~150	~120
2018	~100	~100
2019	~250	~120
2020	~100	~80
2021	~100	~80
2022	~150	~100



#oil #strategic #reserves

Just 6 weeks after President Biden unveiled its plan to release millions of barrels of oil from the Strategic Petroleum Reserve into the market to bring down the price of gasoline at the pump for Americans., CNN reports that the Biden administration plans to seek bids this fall to buy 60 million barrels of Crude Oil as the first step in a years-long process aimed at replenishing America's shrinking emergency oil reserve, an Energy Department official said.



Source: Bloomberg, www.zerohedge.com

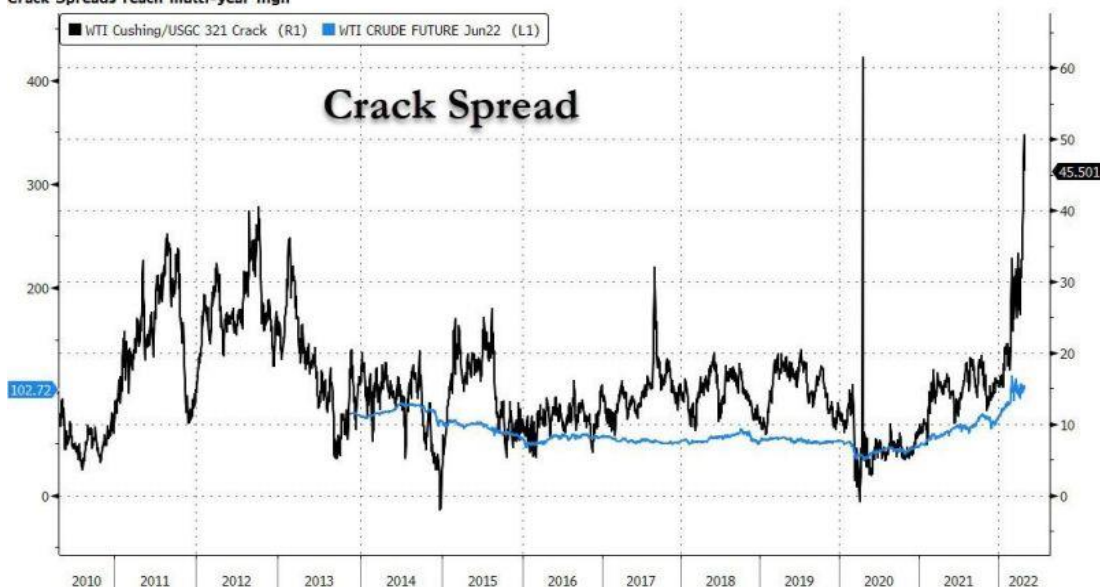


#us #diesel #prices

US diesel prices are surging due to massive shortage. Indeed, as Bloomberg observed, the crack spread - or profit margins from products such as gasoline, diesel and jet fuel - reached the highest since the freak oil collapse of April 2020, which seems to indicate that shortages in fuels like gasoline and diesel are greater than in crude oil. The spread could be indicating that demand for refined products, mostly diesel, is so strong that refiners have only limited spare capacity to meet it. Unless new capacity comes soon and/or high prices lead to demand destruction, diesel market could face a historic shock this Summer.

Soaring Margins

Crack Spreads reach multi-year high

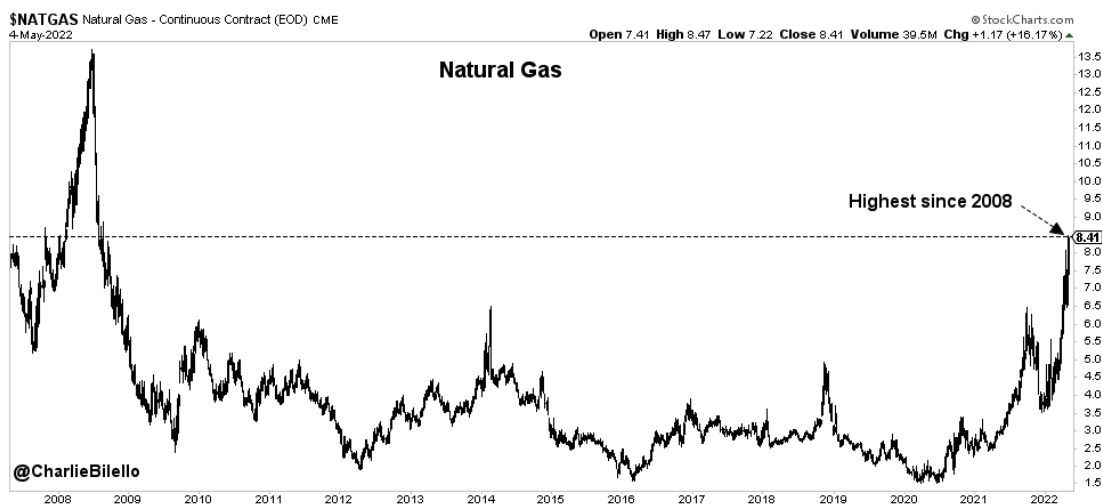


Source: www.zerohedge.com



#us #natural-gas

Natural Gas prices rise to their highest levels since 2008, increasing 186% over the last year...

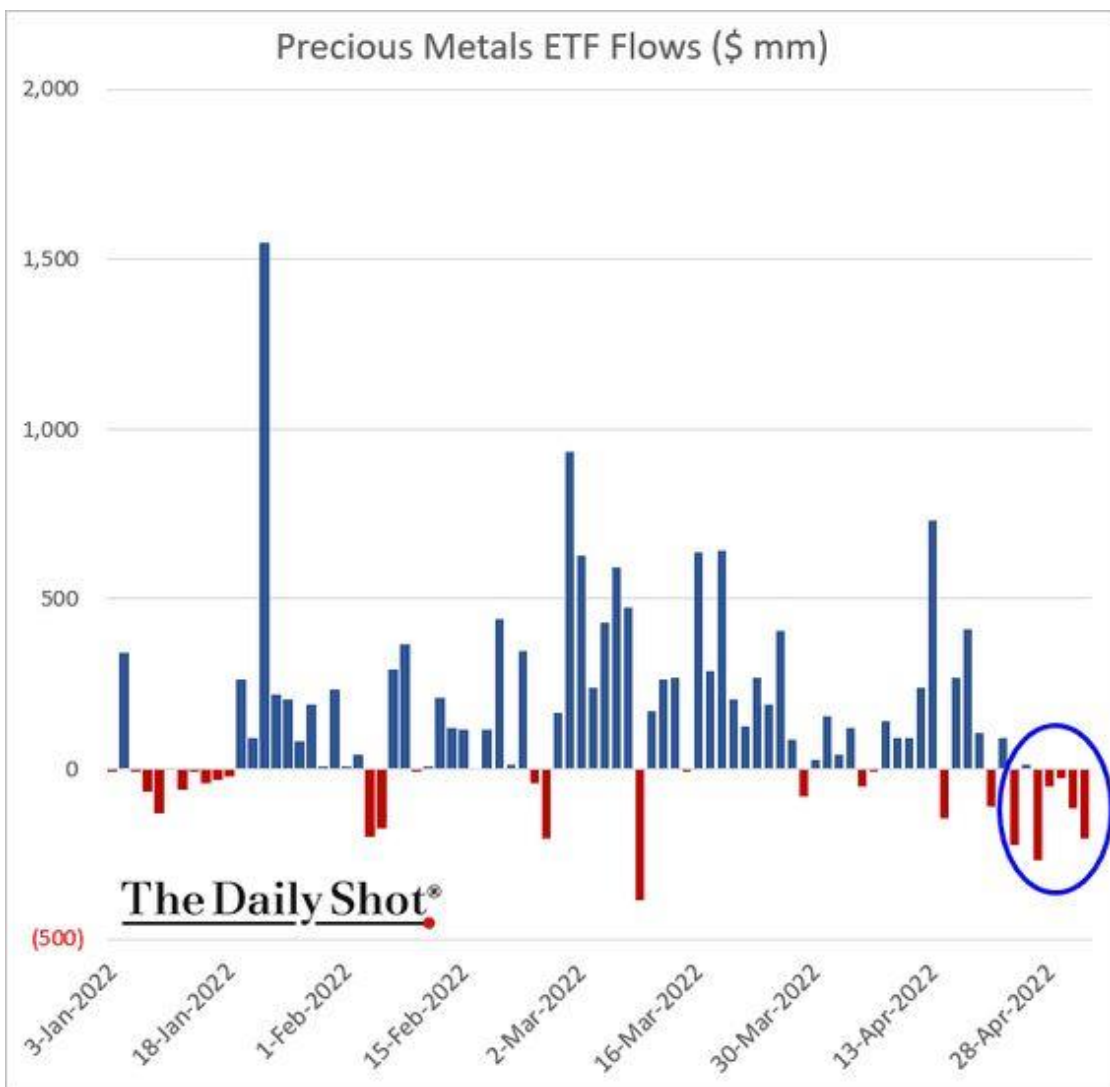


Source: Charlie Bilello



#precious-metals #etfs #flows

Precious metals and commodity ETFs are experiencing outflows.

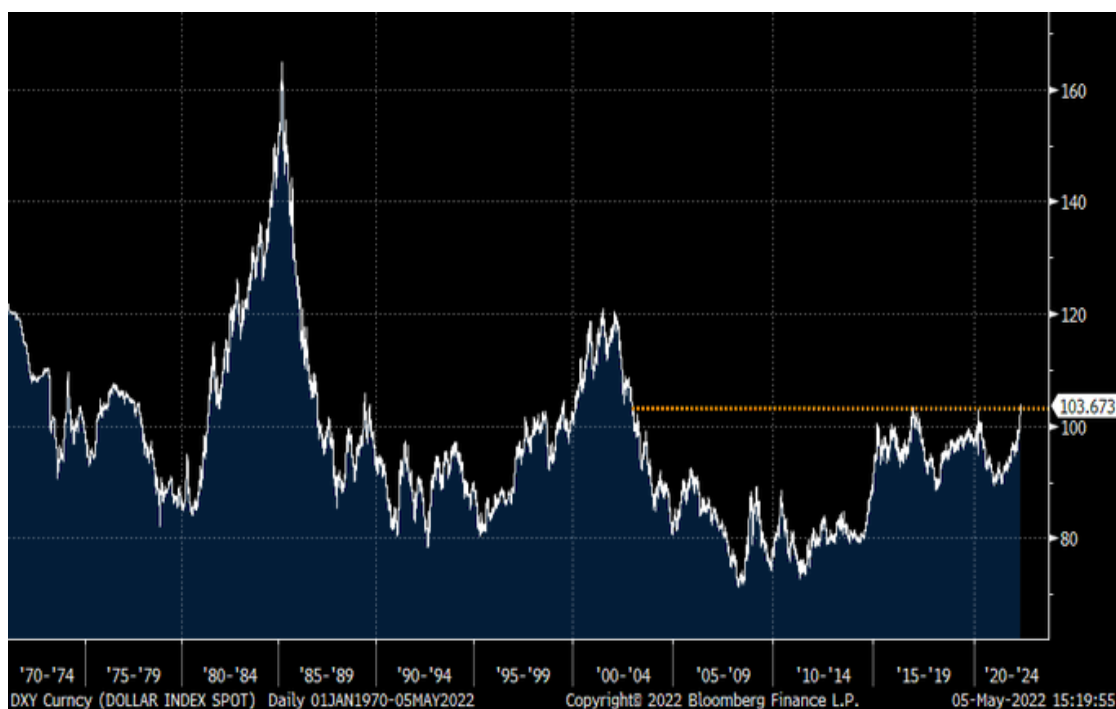


Source: The Daily Shot, Ingo Kürpick



#dollar

US dollar hit strongest level in 20 years today. Levels last seen during dot com bear market/recession 2000-02.



Source: Bloomberg



#chinese #yuan

The Chinese Yuan went from sleepy, doing nothing, to being the most volatile FX of the world. All in a few sessions basically.



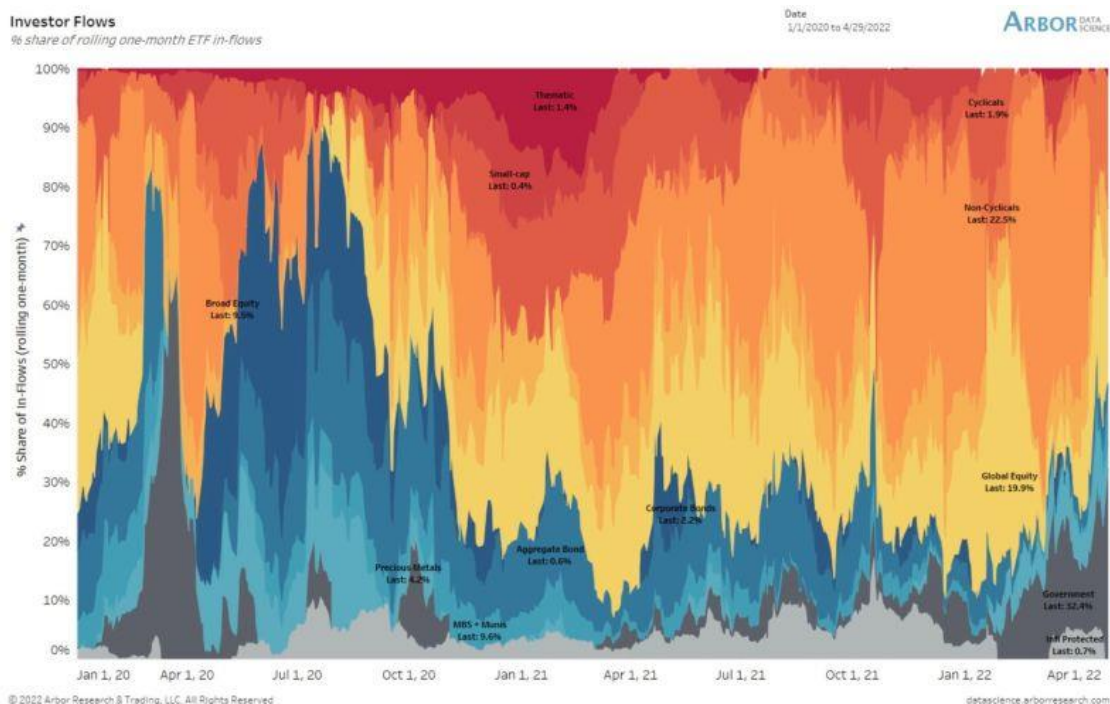
Source: Refinitiv

Source: TME, Refinitiv



#investors #positioning

Investors have turned increasingly defensive, with US Treasuries garnering most interest in terms of fund flows lately.

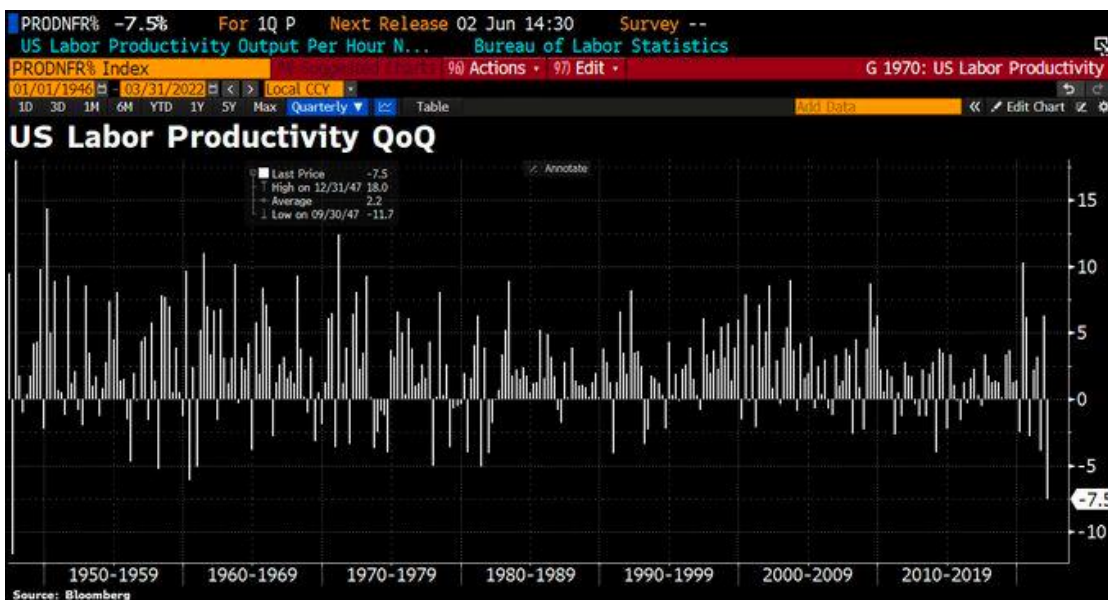


Source: Arbor Research



#us #labor #productivity

Some worrying US inflation numbers erase all post-FOMC gains. Hourly US labor costs rose 3.2% in Q1 2022. But with a 7.5% drop in productivity (biggest decline since 1947 - see chart below), unit labor costs climbed at a 11.6% rate in Q1 2022, bringing increase over past 4 quarters to 7.2%, biggest gain since Q3 1982.



Source: Bloomberg

#macro

#us #jobs

Unemployment rate unchanged at 3.6% in April

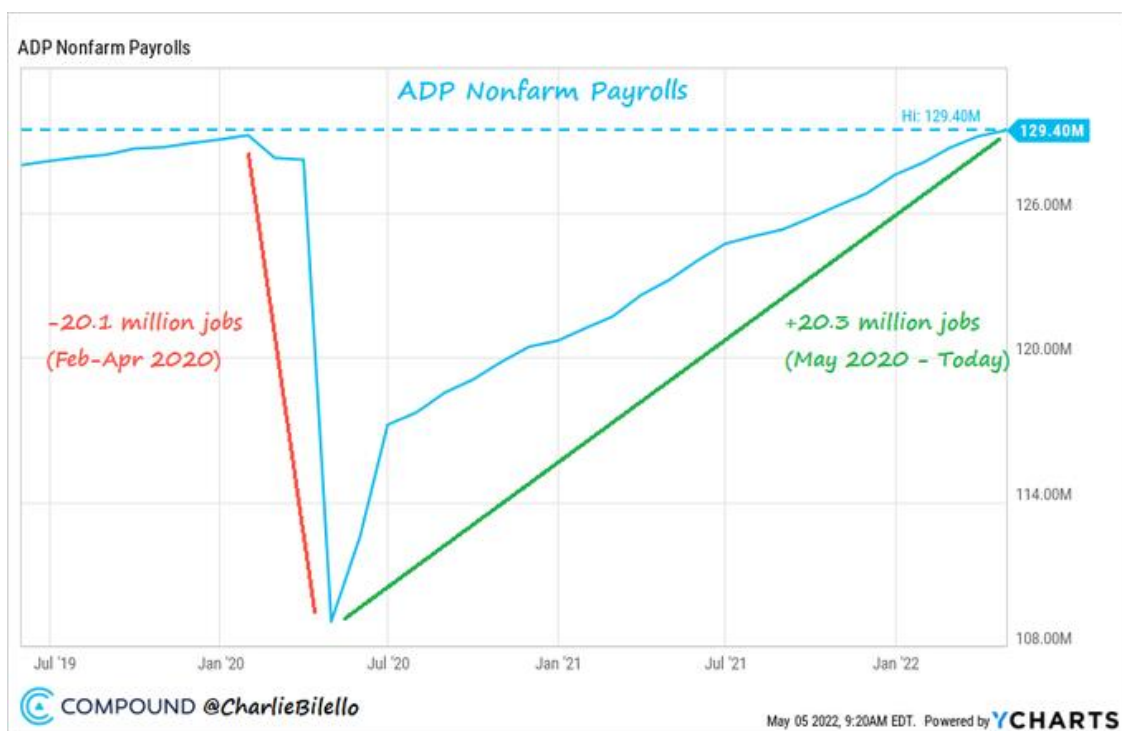
United States		Browse	17:23:32	05/06/22	-	05/13/22				
Economic Releases		All Economic Releases	View <input type="radio"/> Agenda <input checked="" type="radio"/> Weekly <input type="radio"/>							
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	05/06 14:30				Two-Month Payroll Net Revisi...	Apr	--	-39k	--	--
22)	05/06 14:30				Change in Nonfarm Payrolls	Apr	380k	428k	431k	428k
23)	05/06 14:30				Change in Private Payrolls	Apr	390k	406k	426k	424k
24)	05/06 14:30				Change in Manufact. Payrolls	Apr	35k	55k	38k	43k
25)	05/06 14:30				Unemployment Rate	Apr	3.5%	3.6%	3.6%	--
26)	05/06 14:30				Average Hourly Earnings MoM	Apr	0.4%	0.3%	0.4%	0.5%
27)	05/06 14:30				Average Hourly Earnings YoY	Apr	5.5%	5.5%	5.6%	--
28)	05/06 14:30				Average Weekly Hours All Emp...	Apr	34.7	34.6	34.6	--
29)	05/06 14:30				Labor Force Participation Rate	Apr	62.5%	62.2%	62.4%	--
30)	05/06 14:30				Underemployment Rate	Apr	--	7.0%	6.9%	--

Source: Bloomberg



#us #jobs

The greatest jobs comeback in history is complete... 20.1 million private sector jobs were lost in February through April of 2020. 20.3 million jobs have since been added back. New high in ADP Nonfarm Payrolls.



Source: Charlie Bilello

#macro

#us #inflation

Inflation is spreading as companies rush to raise prices while they still can (as raising prices are difficult to pass on to customers when there is a recession). Last example: AT&T is increasing prices on Wireless plans despite strong competition. Will others follow?.



Talk of a possible recession has prompted companies like Coca-Cola to increase prices before it becomes harder.

Bloomberg

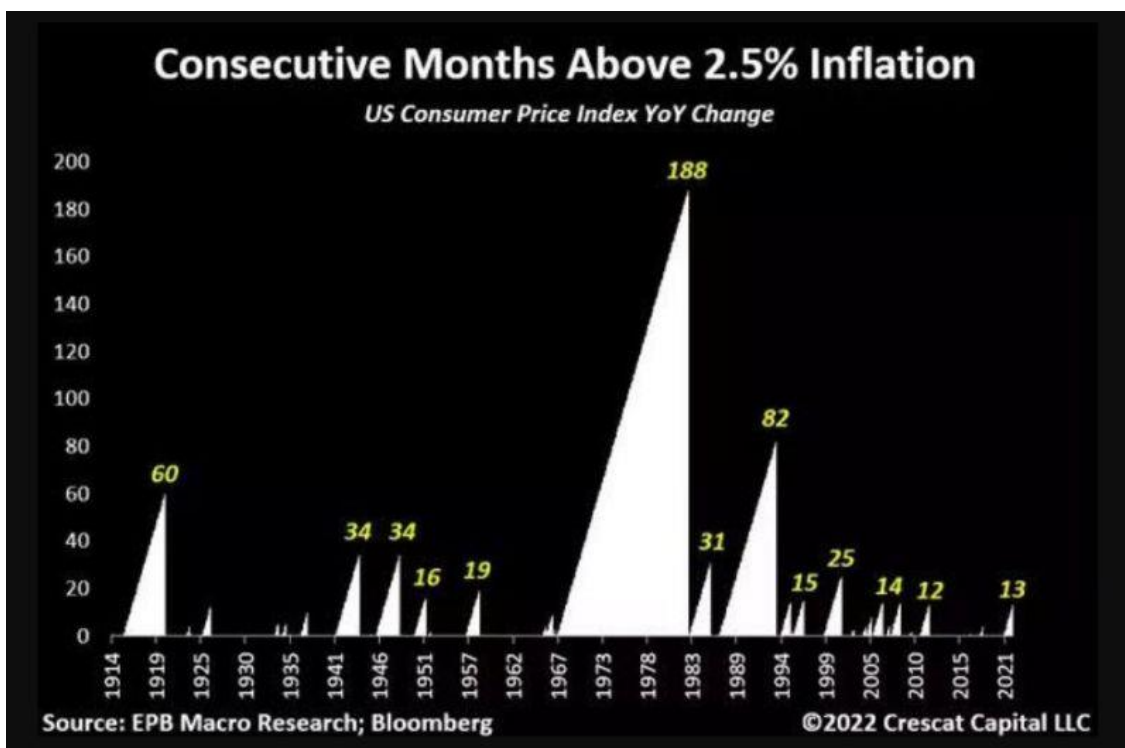
AT&T Raises Prices on Wireless Plans to Address Higher Costs

- Wage growth, spreading effects of inflation lead to increase
- Move will test customer loyalty, could leave rivals to follow

#macro

#us #inflation

As shown on this great chart by Crescat, we have only seen 13 consecutive months where UI CPI stayed above 2.5%. This measurement puts into perspective how much longer CPI stayed above such levels during other inflationary regimes that also experienced similar #macro forces serving as tailwinds for consumer prices..



Source: Crescat Capital



#us #consumer #purchasing-power

Why consumer confidence collapses in one chart!

Table 2: Households are experiencing a lot of sticker shock

Household expense	Change from a year ago
Mortgage payment on a median-priced existing home	Up \$4.4k per year as of April 1 or 33%
Median monthly rent	Up \$3k per year in Q4 or 14%
Average price for regular gasoline	Up \$1.39 per gallon as of March 28 or 47%
New and used cars	Up 24% as of February
Public transportation	Up 18% as of February
Food at home	Up 22% as of February
Food away from home	Up 20% as of February

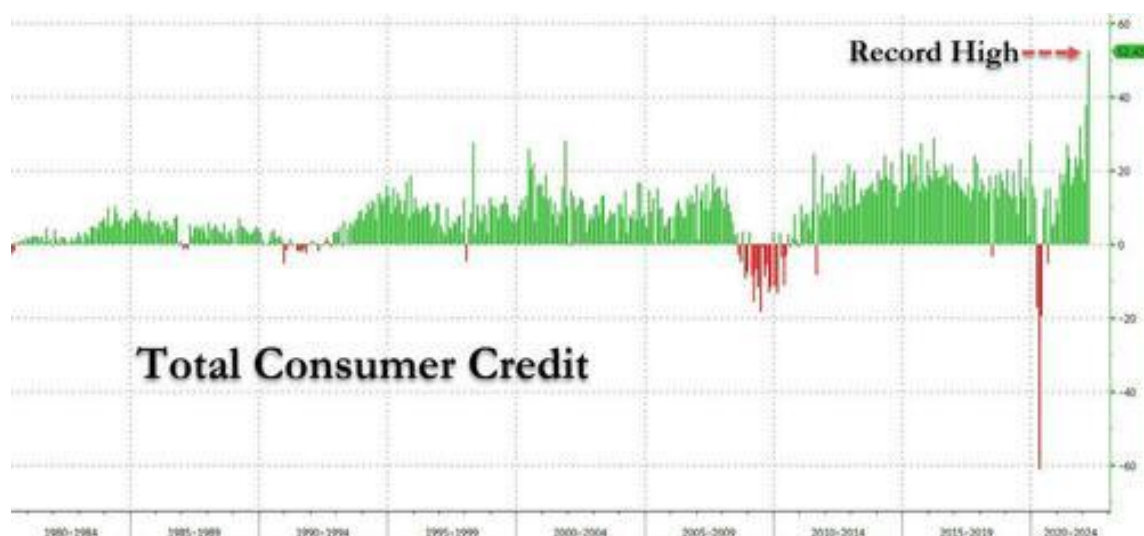
Source: Oxford Economics / Haver



#macro

#us #consumer #credit

In March, one month after the February print already came in more than double the \$18 billion expected, consumer credit exploded to an absolutely blowout \$52.435 billion, again more than double the expected \$25 billion print, and the highest on record!

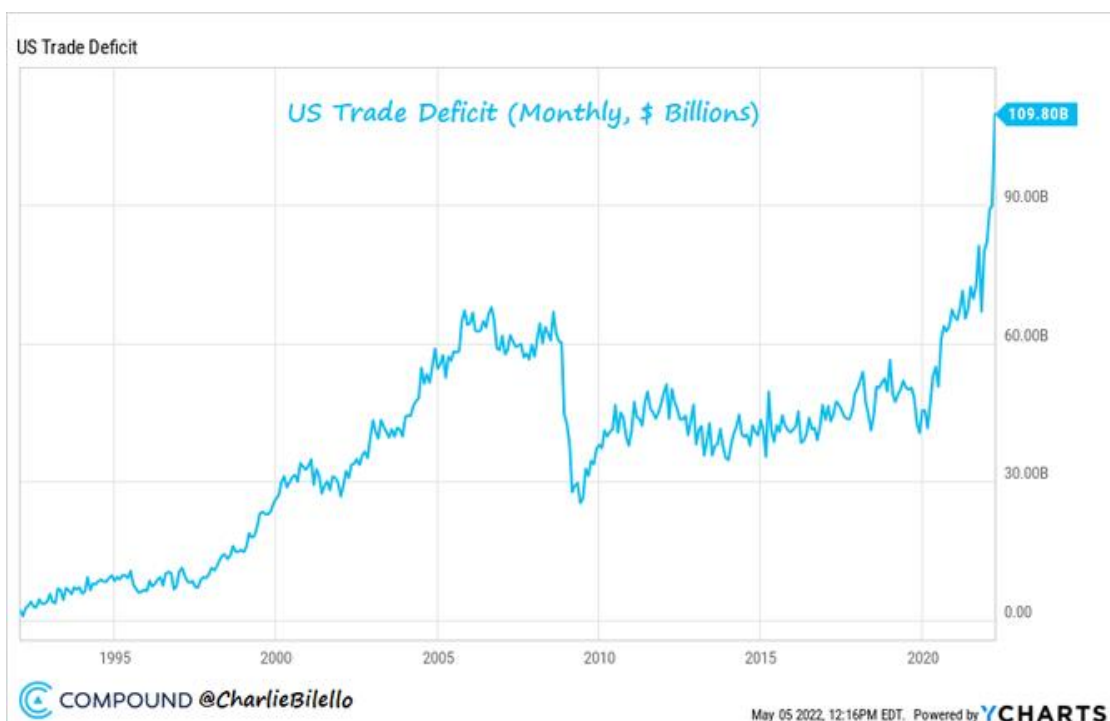


Source: www.zerohedge.com, Bloomberg



#us #trade-deficit

The difference between what America buys from abroad and what it sells to other countries has never been larger: \$110 billion monthly trade deficit....



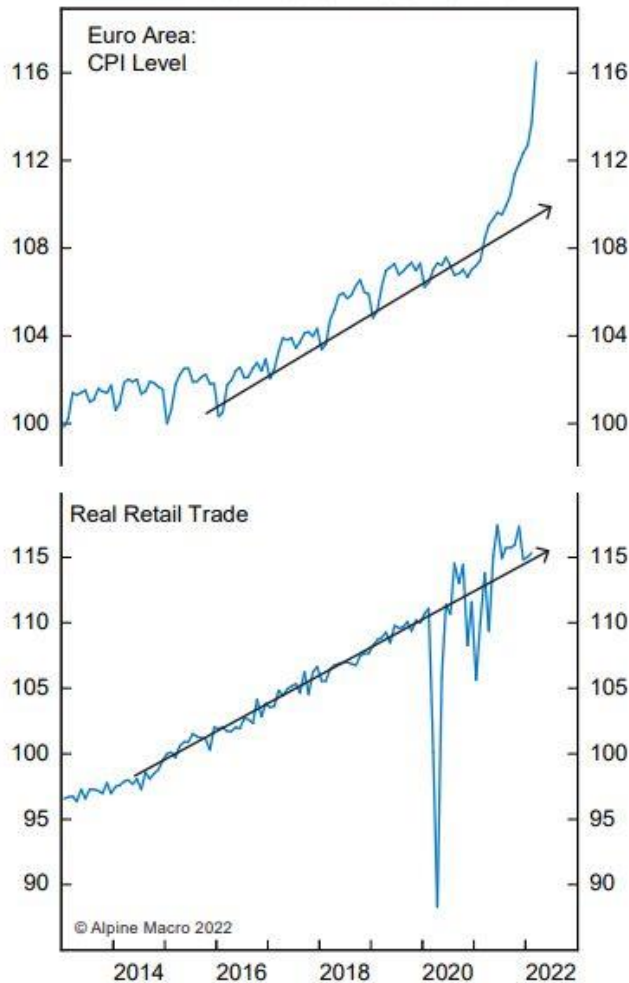
Source: Charlie Bilello



#europe #inflation

Europe injected much less monetary and fiscal stimulus than the U.S. did during the pandemic crisis, and has shown no sign of excess demand today. However, both the timing and magnitude of the inflation outbreak in Europe are almost identical to that in the U.S., as shown in this Alpine Macro chart.

Chart 3 European Inflation Is Soaring, But Where Is Excess Demand?



Note: Both series rebased to Jan 2015 = 100
Source: OECD, Eurostat

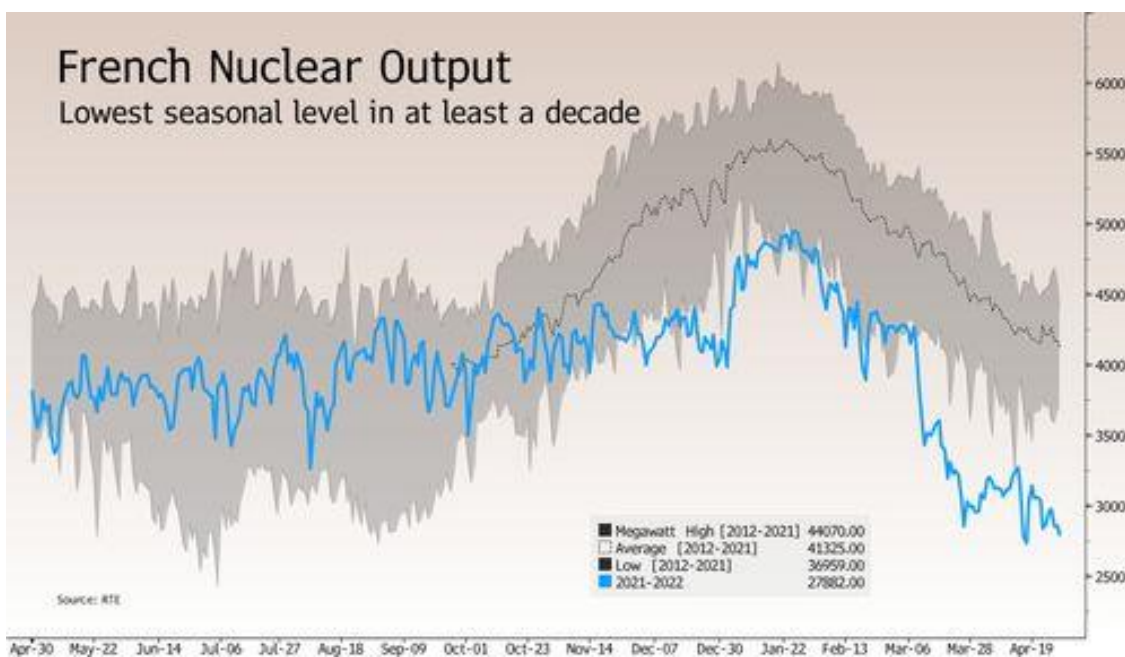


Source: Alpine Macro

#macro

#european #energy-crisis

THE NEVER ENDING EUROPEAN ENERGY CRISIS. Bloomberg reports energy supplier Electricité de France (EDF) is struggling with widespread outages after 28 of the country's 56 reactors are offline due to routine maintenance or defects, i.e 50% of France's nuclear power plants are offline. This news comes at a precarious time for energy and power markets across Europe as prices soar due to the Ukraine conflict. .



Source: www.zerohedge.com, Bloomberg



#china #sensitivity

Which countries' economies are most sensitive to China?

Country	Overall China Sensitivity ¹	Exports to China (% of GDP)	Imports From China (% of GDP)	Currency Beta	Equities Beta
South Korea	Red	Red	Red	Yellow	Red
Singapore	Red	Red	Red	Yellow	Red
Chile	Red	Red	Red	Red	Yellow
South Africa	Red	Red	Yellow	Red	Red
Russia	Red	Yellow	Yellow	Red	Red
Brazil	Yellow	Yellow	Green	Red	Red
Poland	Yellow	Green	Yellow	Red	Red
Mexico	Yellow	Green	Red	Red	Green
Thailand	Yellow	Red	Red	Green	Green
Philippines	Yellow	Yellow	Red	Green	Yellow
Peru	Yellow	Red	Green	Green	Yellow
Colombia	Yellow	Green	Yellow	Red	Green
Indonesia	Yellow	Yellow	Yellow	Yellow	Green
Turkey	Green	Green	Green	Yellow	Yellow
Israel	Green	Green	Green	Yellow	Green
India	Green	Green	Green	Green	Green

¹ Red indicates "Highly Sensitive"; Orange indicates "Moderately Sensitive"; Green indicates "Little Sensitivity"

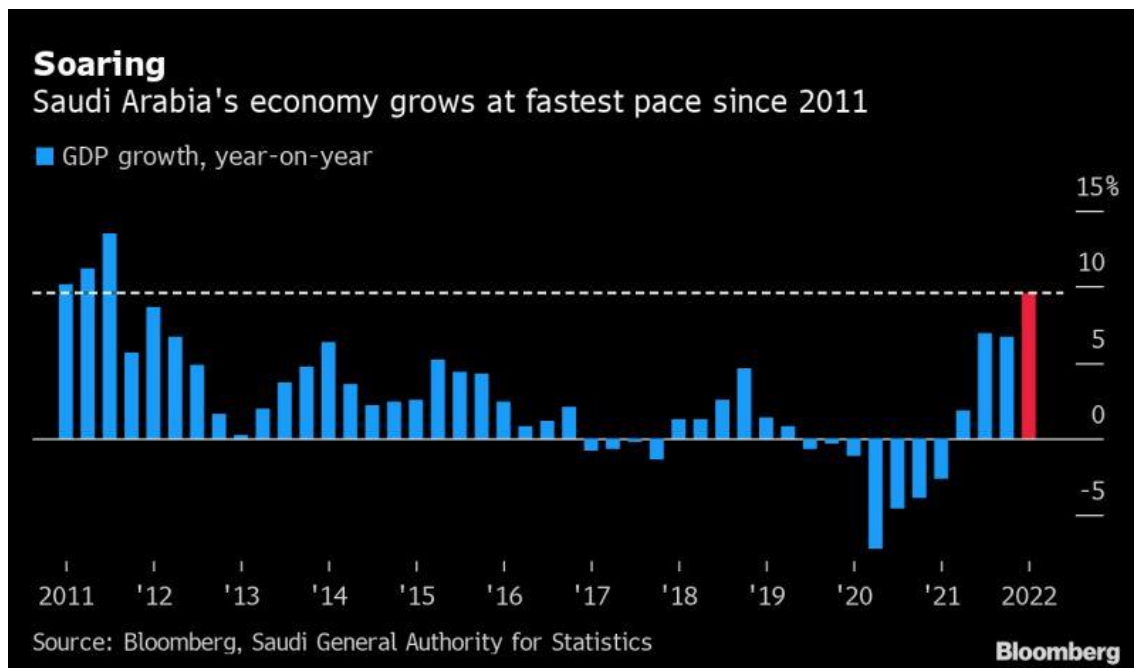
Source: Bloomberg Finance L.P. and Wells Fargo Economics

Source: Wells Fargo Economics, The Daily Shot

#macro

#saudiarabia #gdp #growth

Saudi Arabia's economy grew at the fastest pace in more than a decade in the first quarter, thanks largely to booming #oil prices & rising production. The Kingdom's GDP rose by 9.6% YoY in Q1 2022. Non-oil GDP expanded by 3.7%, compared with 4.7% in Q4 2021.

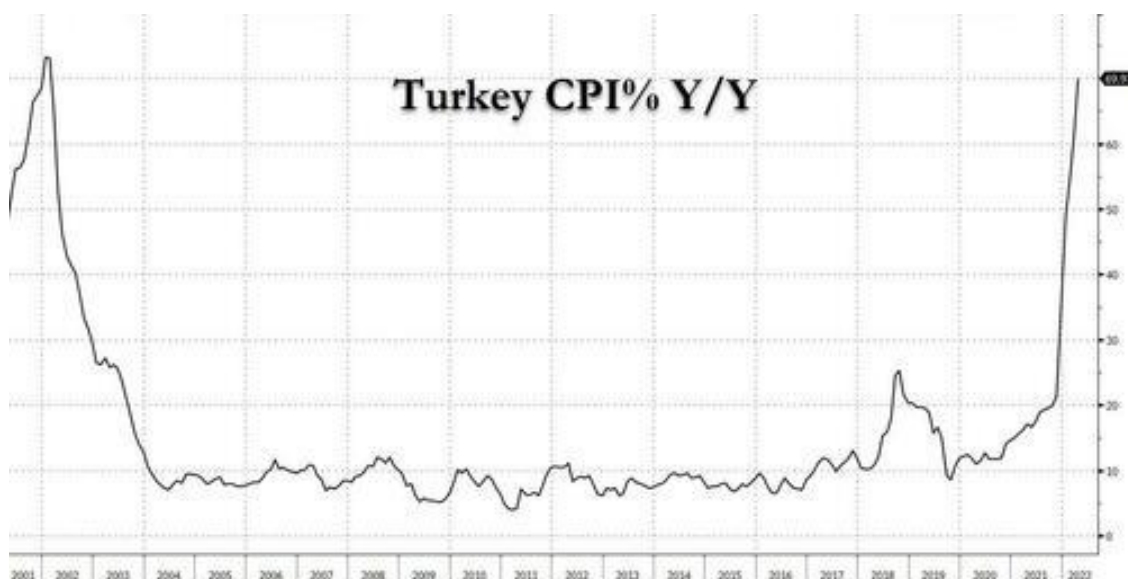


Source: Bloomberg

#macro

#turkey #inflation

Inflation in the Republic of Turkey rose from 61.1% Y/Y in March to 70.0% Y/Y in April, the highest print in 20 years, and above consensus expectation of "only" 68% y/y.



Source: www.zerohedge.com, Bloomberg

#centralbanks

#global #rates #hikes

Global Central Bank Update: UK: 25 bps hike to 1.00% / India: 40 bps hike to 4.40% / US: 50 bps hike to 0.75%-1.00% / Hong Kong: 50 bps hike to 1.25% / Saudi Arabia: 50 bps hike to 1.75% / Brazil: 100 bps hike to 12.75% / Poland: 75 bps hike to 5.25% / Czech Republic: 75 bps hike to 5.75% / Colombia: 100 bps hike to 6.0%

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%	2.5%	-3.3%	Cut	Jan-15
Denmark	Deposit Rate	-0.60%	5.4%	-6.0%	Cut	Sep-21
Eurozone	Deposit Rate	-0.50%	7.5%	-8.0%	Cut	Sep-19
Japan	Policy Rate Bal	-0.10%	1.2%	-1.3%	Cut	Jan-16
Sweden	Repo Rate	0.25%	6.0%	-5.8%	Hike	Apr-22
Australia	Cash Rate	0.35%	5.1%	-4.8%	Hike	May-22
Thailand	Policy Rate	0.50%	4.7%	-4.2%	Cut	May-20
Norway	Deposit Rate	0.75%	4.5%	-3.8%	Hike	Mar-22
US	Fed Funds	0.88%	8.5%	-7.6%	Hike	May-22
UK	Bank Rate	1.00%	7.0%	-6.0%	Hike	May-22
Canada	Overnight	1.00%	6.7%	-5.7%	Hike	Apr-22
Hong Kong	Base Rate	1.25%	1.7%	-0.5%	Hike	May-22
Taiwan	Discount Rate	1.37%	3.3%	-1.9%	Hike	Mar-22
South Korea	Repo Rate	1.50%	4.8%	-3.3%	Hike	Apr-22
New Zealand	Cash Rate	1.50%	6.9%	-5.4%	Hike	Apr-22
Saudi Arabia	Repo Rate	1.75%	2.0%	-0.3%	Hike	May-22
Malaysia	Policy Rate	1.75%	2.2%	-0.5%	Cut	Jul-20
Philippines	Key Policy Rate	2.00%	4.0%	-2.0%	Cut	Nov-20
Indonesia	Repo Rate	3.50%	2.6%	0.9%	Cut	Feb-21
China	Loan Prime Rate	3.70%	1.5%	2.2%	Cut	Jan-22
South Africa	Repo Rate	4.25%	5.9%	-1.7%	Hike	Mar-22
India	Repo Rate	4.40%	7.0%	-2.6%	Hike	May-22
Peru	Policy Rate	4.50%	8.0%	-3.5%	Hike	Apr-22
Poland	Repo Rate	5.25%	11.0%	-5.8%	Hike	May-22
Czech Republic	Repo Rate	5.75%	12.7%	-7.0%	Hike	May-22
Colombia	Repo Rate	6.00%	8.5%	-2.5%	Hike	Apr-22
Mexico	Overnight Rate	6.50%	7.5%	-0.9%	Hike	Mar-22
Chile	Base Rate	7.00%	9.4%	-2.4%	Hike	Mar-22
Brazil	Target Rate	12.75%	11.3%	1.5%	Hike	May-22
Turkey	Repo Rate	14.00%	70.0%	-56.0%	Cut	Dec-21
Russia	Key Policy Rate	17.00%	16.7%	0.3%	Cut	Apr-22
Argentina	Benchmark Rate	47.00%	55.1%	-8.1%	Hike	Apr-22

COMPOUND

@CharlieBilello



Source: Charlie Bilello

#centralbanks

#fed

Quite a warning by Ken Rogoff

(Bloomberg) -- The Federal Reserve will have to raise interest rates to as much as 5% to ease the hottest inflation in four decades just as the world faces a “perfect storm” of potential recessions in the U.S., European Union and China, former International Monetary Fund chief economist [Kenneth Rogoff](#) said.

The idea that increasing rates to just 2% or 3% will slow price growth “is really unlikely -- I think they’re going to have to raise interest rates to 4% or 5% to bring inflation down to 2.5% or 3%,” the Harvard University professor said in an interview on Bloomberg Television on Tuesday with [Lisa Abramowicz](#), [Jonathan Ferro](#) and [Tom Keene](#). “There’s just a lot of uncertainty. I’m not going to say I know exactly what needs to be done. But it’s clear that things are way out of control.”

#centralbanks

#fed

Goes counter to what Federal Reserve Chair Powell signaled yesterday. Particularly interesting as Rich Clarida, the former Vice Chair of the Fed, was viewed as very close to the Fed Chair.

(Bloomberg) -- The Federal Reserve will need to raise short-term interest rates to at least 3.5% to bring surging inflation under control, former Vice Chairman Richard Clarida said.

“Expediently ‘getting to neutral’ will not be enough this cycle to return inflation over the forecast horizon back to the 2% longer-run goal,” he said in remarks prepared for delivery to a Hoover Institution conference on Friday.

“The funds rate will I believe ultimately need to be raised well into restrictive territory, by at least a percentage point above the estimated nominal neutral rate of 2.5%.”



Source: Bloomberg

#centralbanks

#fed

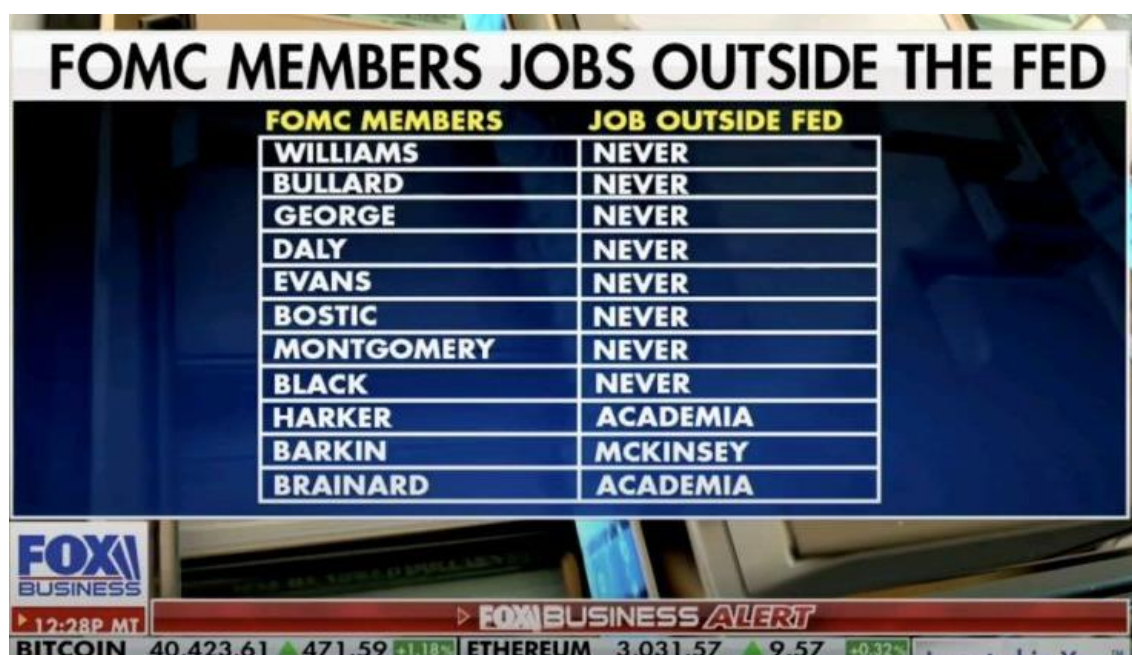
AT WHICH RATE LEVEL WILL SOMETHING BREAK? Over the last 2 decades, the peak in Fed Funds rate before the “something breaks” moment has been going lower and lower: 2000: 6.50% / 2008: 5.25% / 2018: 2.50% / 2022: ???



#centralbanks

#fed #members

It is always worth to remember the background of the responsible people...



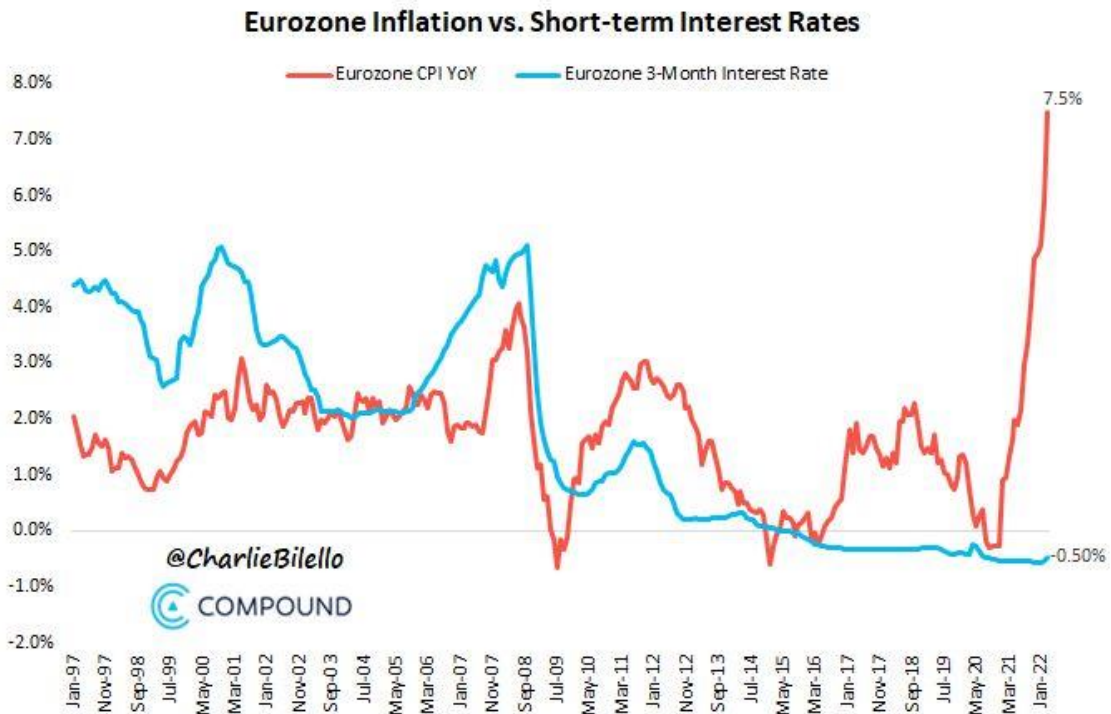
FOMC MEMBERS	JOB OUTSIDE FED
WILLIAMS	NEVER
BULLARD	NEVER
GEORGE	NEVER
DALY	NEVER
EVANS	NEVER
BOSTIC	NEVER
MONTGOMERY	NEVER
BLACK	NEVER
HARKER	ACADEMIA
BARKIN	MCKINSEY
BRAINARD	ACADEMIA

Source: Fox, Tilo Marotz

#centralbanks

#ecb

The ECB is still holding interest rates at negative levels. And unlike in US, this is not end of balance sheet expansion for the ECB as QE will continue until at least July. ECB balance sheet is close to its all-time-high at EUR 8.73 Trillion, which is equal to 82% of Eurozone GDP vs Fed's 37%. All of this despite the fact that Eurozone inflation has moved up to 7.5%, its highest level ever. This is perhaps the greatest disconnect between monetary policy and rising prices that the world has ever seen.



Source: Charlie Bilello

#centralbanks

#bank-of-england

“BOE RAISES RATE TO 1% WITH WARNING OF 10% INFLATION”

Summary

- Central bank sees economy shrinking in 2023
- BoE raises Bank Rate to 1.0% from 0.75%
- Rate-setters split over next moves
- BoE must balance fast inflation with slowdown worries
- MPC will consider gilt sales plan in August

LONDON, May 5 (Reuters) - The Bank of England sent a stark warning that Britain risks a double-whammy of a recession and inflation above 10% as it raised interest rates on Thursday to their highest since 2009, hiking by a quarter-point to 1%.

Source: Reuters



#cryptocurrencies #returns

Cryptos had another down week...



Source: www.zerohedge.com, Bloomberg



#bitcoin

Bitcoin is breaking below the big trend line that connects many important lows since late 2020. 36k is the line in sand, and a close below this would look very ugly. Note how far up the 200 day moving average is trading....

Bitcoin - broken dreams?



Source: Refinitiv

Source: The Market Ear, Refinitiv



#bitcoin #correlation

With Bitcoin leading the drop (back below \$36k), as the correlation between the major crypto and the big tech stock index has reached basically '1'...



Source: www.zerohedge.com, Bloomberg

#cryptos

#binance #musk #twitter

Major crypto exchange Binance has participated in Elon Musk's \$44 billion acquisition of Twitter, according to data filed with the US SEC.

Binance commits \$500M to co-invest in Twitter with Elon Musk

Binance is among 18 co-investors in Elon Musk's Twitter acquisition alongside firms like Sequoia Capital Fund and Fidelity Management and Research Company.



Source: www.cointelegraph.com

#cryptos

#crypto-adoption

Iconic fashion brand Gucci will begin accepting cryptocurrency in some of its U.S. locations later this month, with plans to roll out the program to other North American stores this summer.



#cryptos

#bitcoin #halving

Halvings occur every 210,000 blocks, and May 5 marks the cross-over point into the second leg of 105,000 blocks.

Bitcoin celebrates halfway to the halving with new hash rate record

The Bitcoin hash rate hit another all-time high and the 105,000th block since the last halving was mined, marking the halfway to the next halving.



Source: www.cointelegraph.com



#regulation

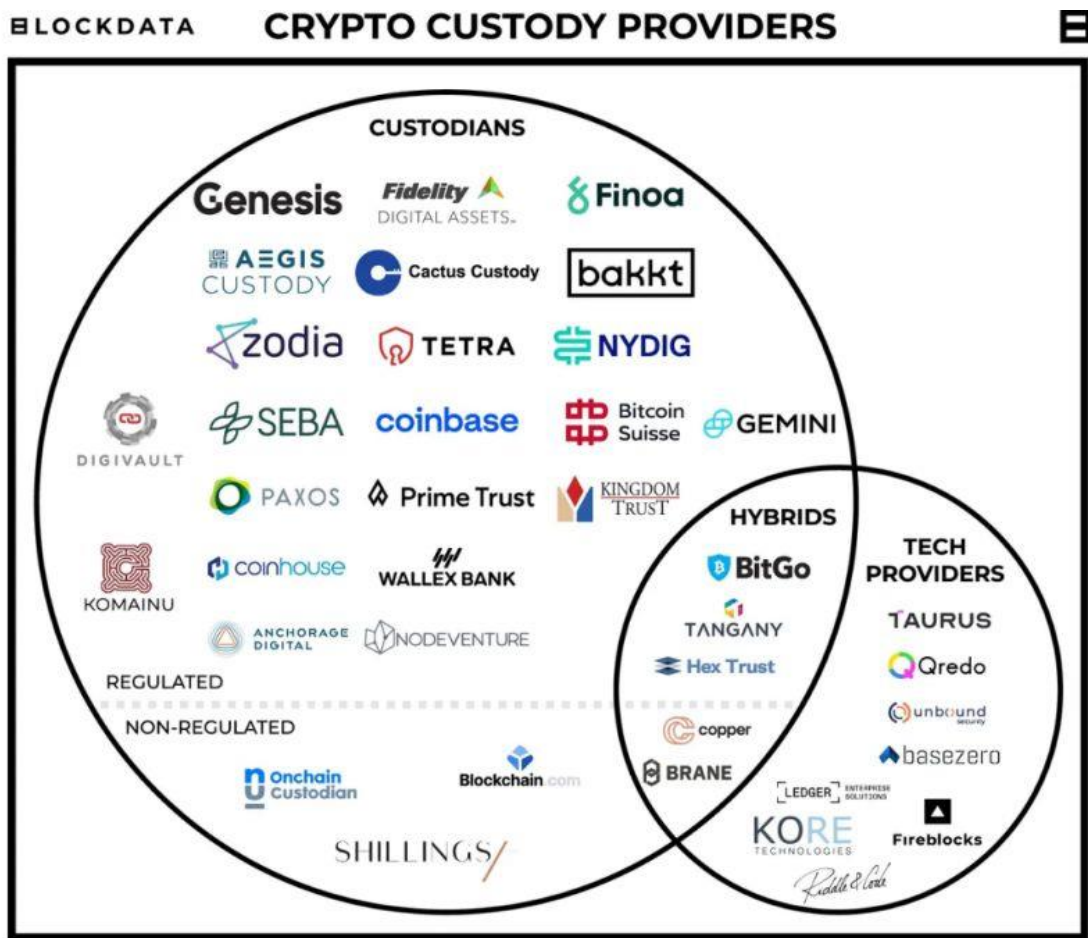
The Securities and Exchange Commission today announced the allocation of 20 additional positions to the unit responsible for protecting investors in crypto markets and from cyber-related threats.



#cryptos

#crypto-custody

A good overview of the crypto custody providers.



BLOCKDATA IS A CBINSIGHTS COMPANY

WWW.BLOCKDATA.TECH | INFO@BLOCKDATA.TECH

Source: blockdata

#food-for-thought

#stagflation #etf

The Merk Stagflation ETF (\$STGF) began trading on Thursday. This ETF will hold Gold, REITs, commodities and Treasuries.

STGF US \$ Pending Listing

STGF US Equity Export Page 1/5 Security Description: ETF

Profile Performance Holdings Allocations Organizational

MERK STAGFLATION ETF FIGI BBG0176HPLY8 Objective N.A.

Comparative Returns COMP »	Bloomberg Classification	Appropriations
	Fund Type ETF	Leverage No
		Actively Managed No
		Swap Based No
		Derivatives Based No
		Currency Hedged No
		Replication Strategy Full
		Securities Lending No

Source: Eric Balchunas, Bloomberg

#food-for-thought

#equity #etfs #performance

Global Equity ETF returns through April...

@CharlieBilello Data: YCharts			Country ETFs: 2022 Total Returns (in US \$) as of 4/30/22					
Country	Ticker	2022 YTD	Country	Ticker	2022 YTD	Country	Ticker	2022 YTD
Saudi Arabia	KSA	23.9%	Mexico	EWV	-2.3%	South Korea	EWY	-14.4%
Turkey	TUR	20.0%	United Kingdom	EWU	-2.5%	New Zealand	ENZL	-15.1%
Qatar	QAT	17.3%	Pakistan	PAK	-2.6%	France	EWQ	-15.3%
Brazil	EWZ	16.7%	Canada	EWC	-3.6%	Japan	EWJ	-15.4%
UAE	UAE	16.5%	Norway	NORW	-4.1%	Taiwan	EWT	-16.1%
Colombia	GXG	15.3%	India	INDA	-4.8%	Italy	EWI	-16.4%
Chile	ECH	10.0%	Portugal	PGAL	-4.8%	Ireland	EIRL	-18.6%
Indonesia	EIDO	9.8%	Spain	EWP	-6.5%	China	MCHI	-19.6%
Peru	EPU	7.9%	Hong Kong	EWH	-7.8%	Vietnam	VNM	-19.8%
Nigeria	NGE	5.4%	Singapore	EWS	-8.7%	Austria	EWO	-19.8%
South Africa	EZA	3.3%	Philippines	EPHE	-8.9%	Germany	EWG	-20.7%
Argentina	ARGT	1.5%	Belgium	EWK	-11.0%	Egypt	EGPT	-22.0%
Malaysia	EWM	-0.9%	Israel	EIS	-11.2%	Sweden	EWD	-22.5%
Australia	EWA	-1.0%	Switzerland	EWL	-12.0%	Netherlands	EWN	-23.5%
Greece	GREK	-1.2%	US	SPY	-13.0%	Poland	EPOL	-25.1%
Thailand	THD	-2.2%	Denmark	EDEN	-13.5%	Russia	ERUS	-99.8%

Source: Charlie Bilello, Ycharts

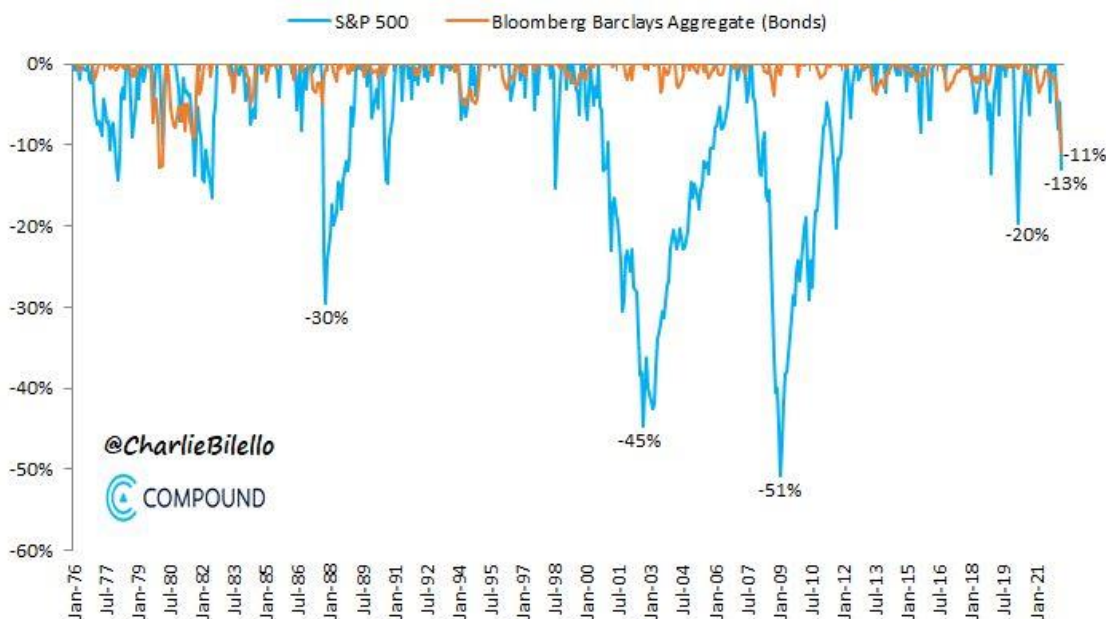
#food-for-thought

#multi-assets #investing

TOUGH TIME FOR MULTI-ASSETS INVESTING... With data going back to 1976, this is the first time ever that both US stocks and bonds are in a >10% drawdown at the same time. The S&P 500 is in a 13% drawdown while bonds are 11% below their 2020 high.

(note: using monthly total return data)

Historical Drawdowns (Monthly, 1976 - 2022)



Source: Charlie Bilello

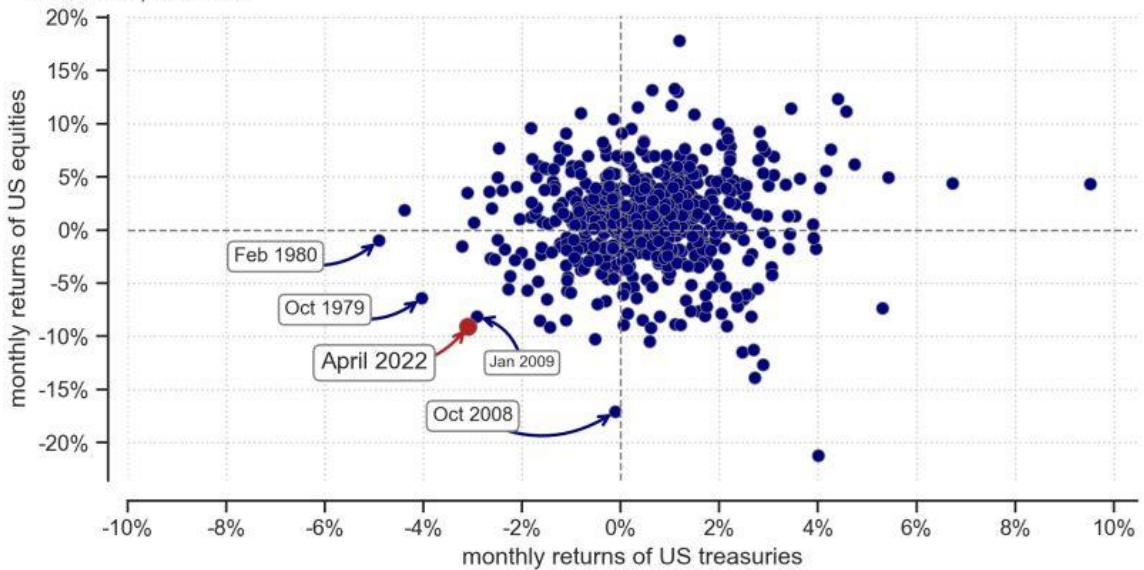
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##multi-assets #investing

Where is the diversification?

Monthly Returns of US Equities and US Treasuries

Scatterplot of monthly returns of U.S. Equities (MSCI USA Gross Total Return) and U.S. Treasuries (Bloomberg US Agg Total Return) since 1973.



Source: Allianz Global Investors

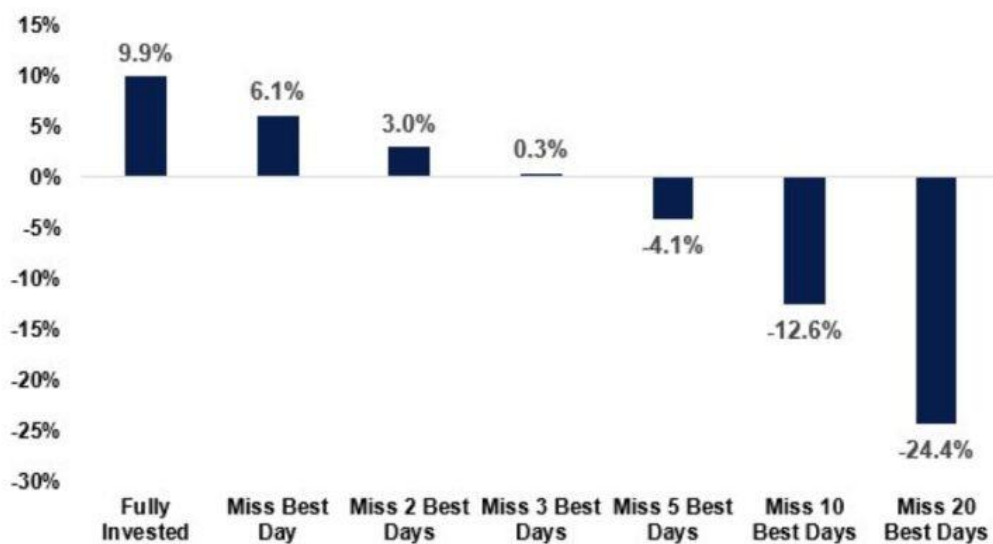
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#market-timing

Market Timing can be costly. When times get volatile, market timing can be quite costly. If you miss the best day of the year, the average annualized return goes from 9.9% to 6.1%. Miss the best 5 days? Down 4.1%.

Market Timing Can Be Costly

S&P 500 Index Annualized Performance (1990-2021)



Source: LPL Research, FactSet 4/28/22 (1990-2021 data)

Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results.

Source: LPL Research, Factset

#food-for-thought

#venture-capital

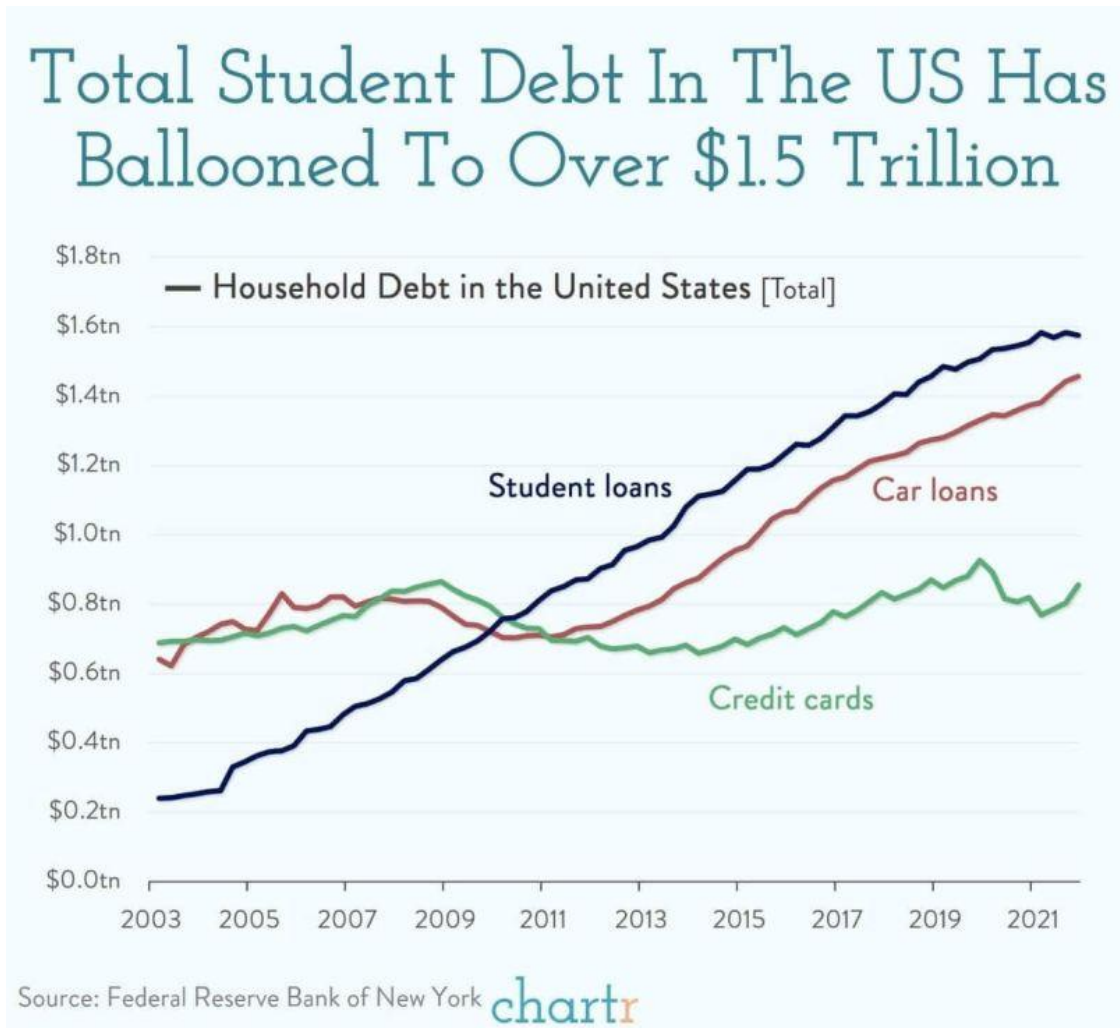
FT: But the danger is... a “Minsky Moment in Venture Capital”, where bad performance reverses investor inflows and both start feeding on each other."



Source: Crescat Capital

#food-for-thought

#us #student #debt #bubble

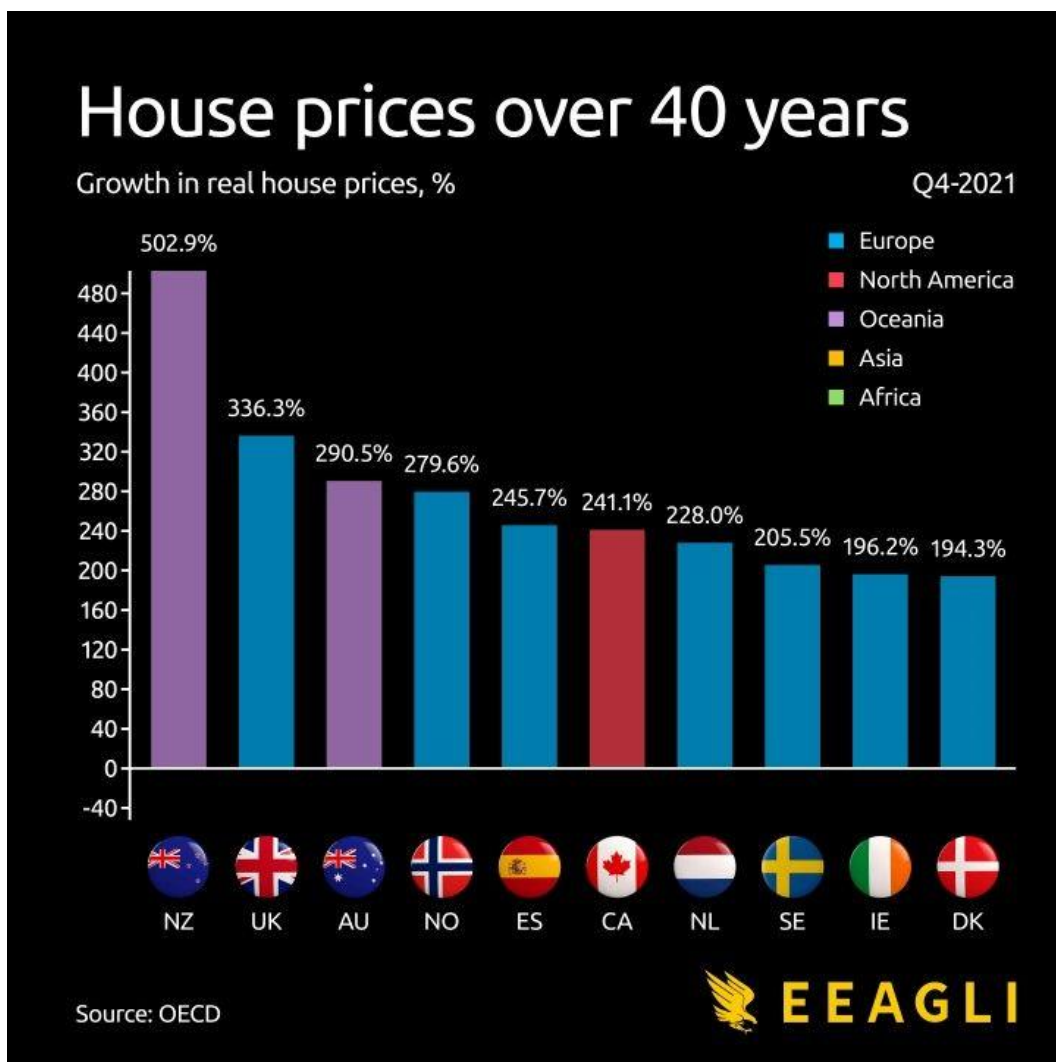


Source: charttr

#food-for-thought

#global #housing #prices

Housing prices continue to skyrocket around the world, with potential buyers feeling increasingly insecure about their personal finances.



Source: James Eagle

#food-for-thought

#twitter #musk



Linas Beliūnas 
@linas.beliunas

Elon Musk has secured more than \$7 billion from investors for his acquisition of Twitter.

Investors include:

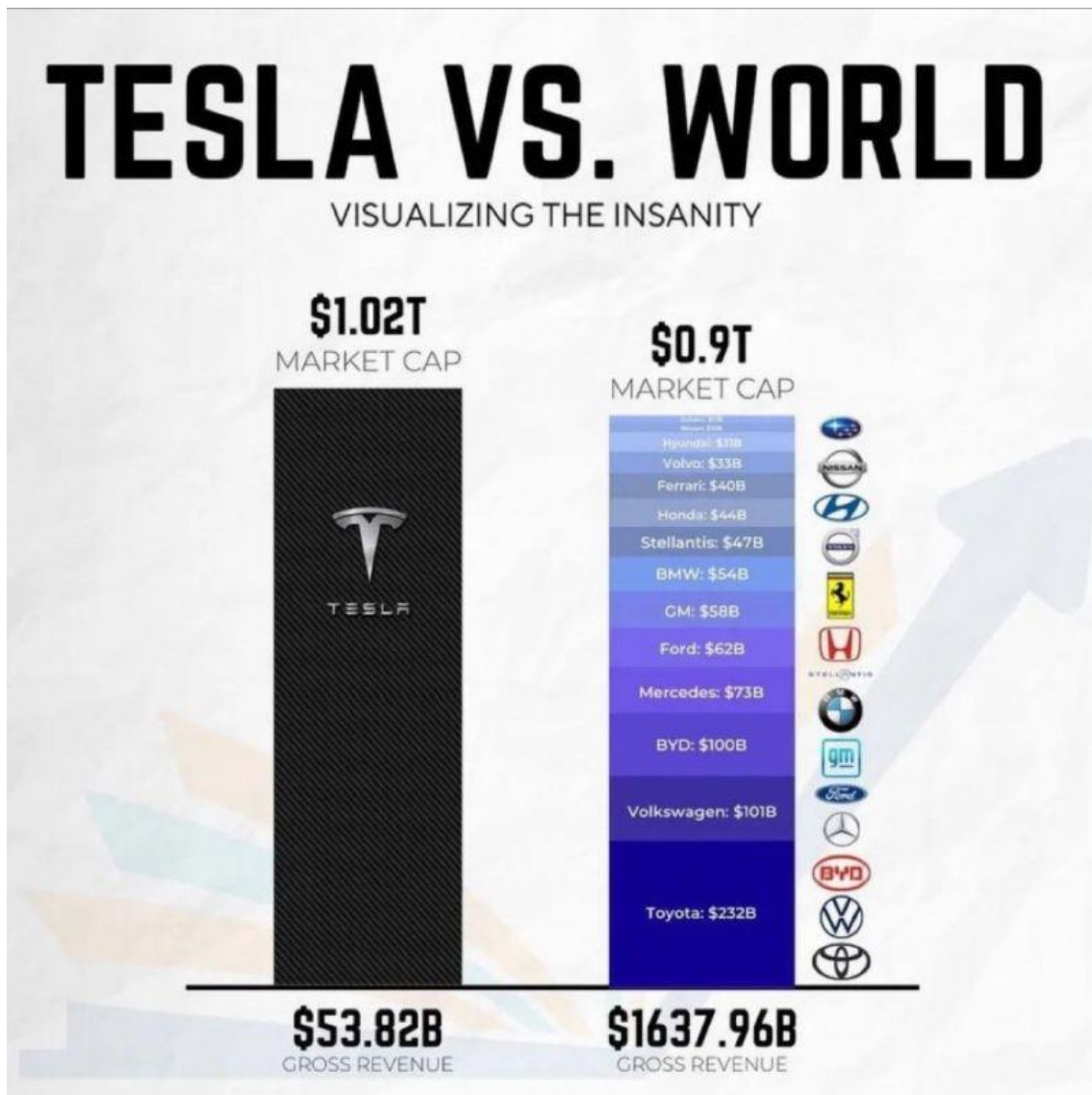
- Oracle's Larry Ellison: **\$1 billion**
- Sequoia Capital: **\$800 million**
- Binance: **\$500 million**
- Andreessen Horowitz: **\$400 million**
- Fidelity: **\$316 million**

It seems that having a strong personal brand does pay off.

Source: Linas Beliunas

#food-for-thought

#tesla

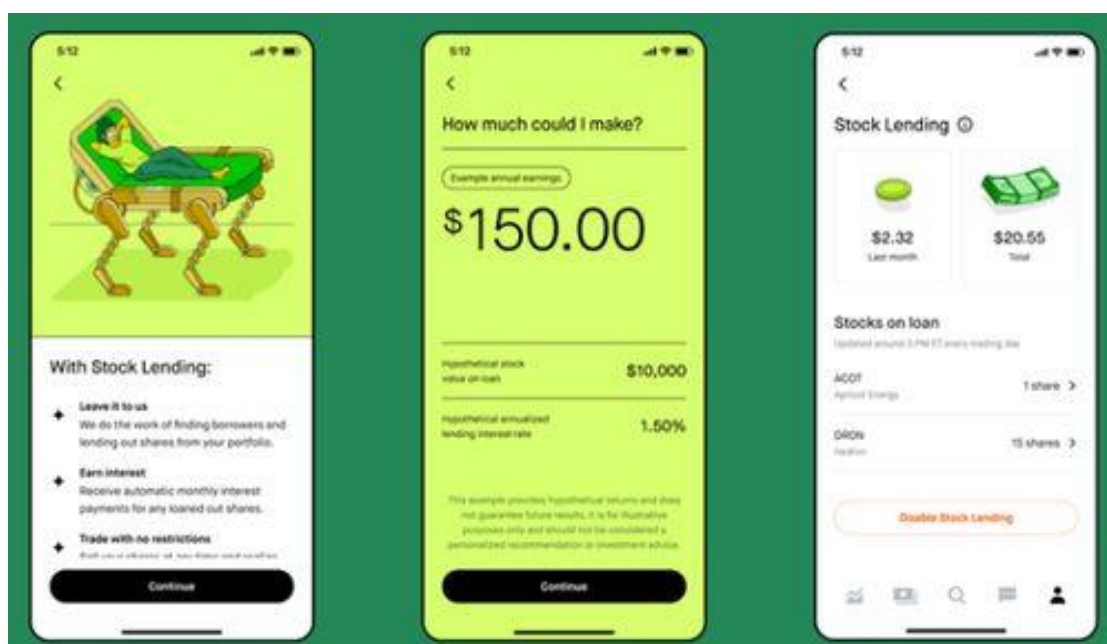


Source: James Wong

#food-for-thought

#robinhood #stock-lending

Just in time... In the middle of the current market meltdown, Robinhood has launched a new stock lending feature, which allows users to lend out their shares and receive proceeds for doing so. The company calls it an "opportunity to earn extra income on the #stocks you already own" and the company's "democratized approach to fully paid securities lending".

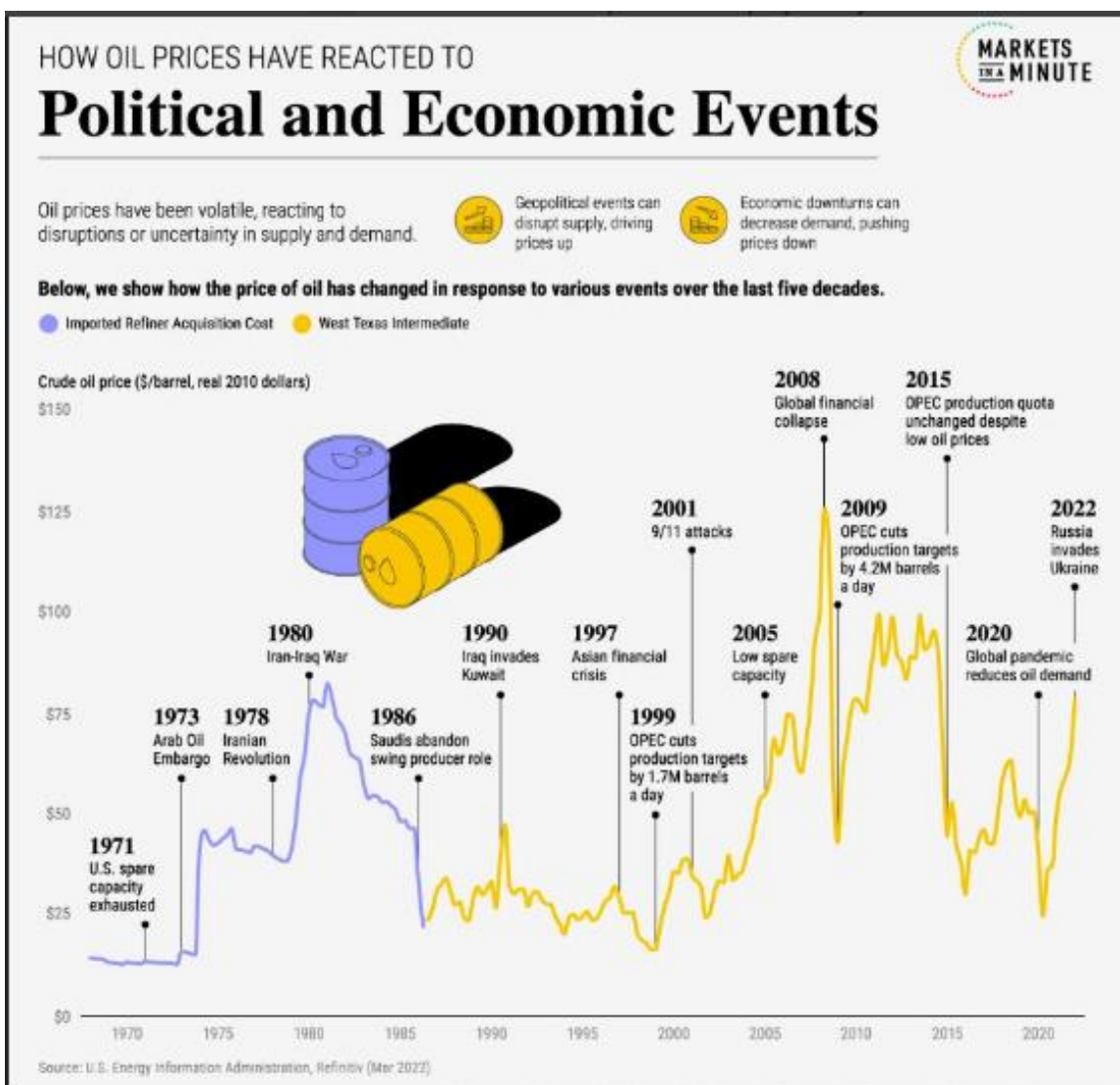


Source: www.zerohedge.com, WSJ

#food-for-thought

#oil-prices #history

Visualizing Historical Oil Prices (1968-2022)



Source: Markets in a minute

#food-for-thought

#brands

The World's Most Valuable Brands 2021

2021 has been a year of economic recovery, as the world slowly transitions to a state of (relative) normalcy.

But some companies are rebounding faster than others. According to Kantar BrandZ™, a lot of it has to do with the strength of a company's brand.

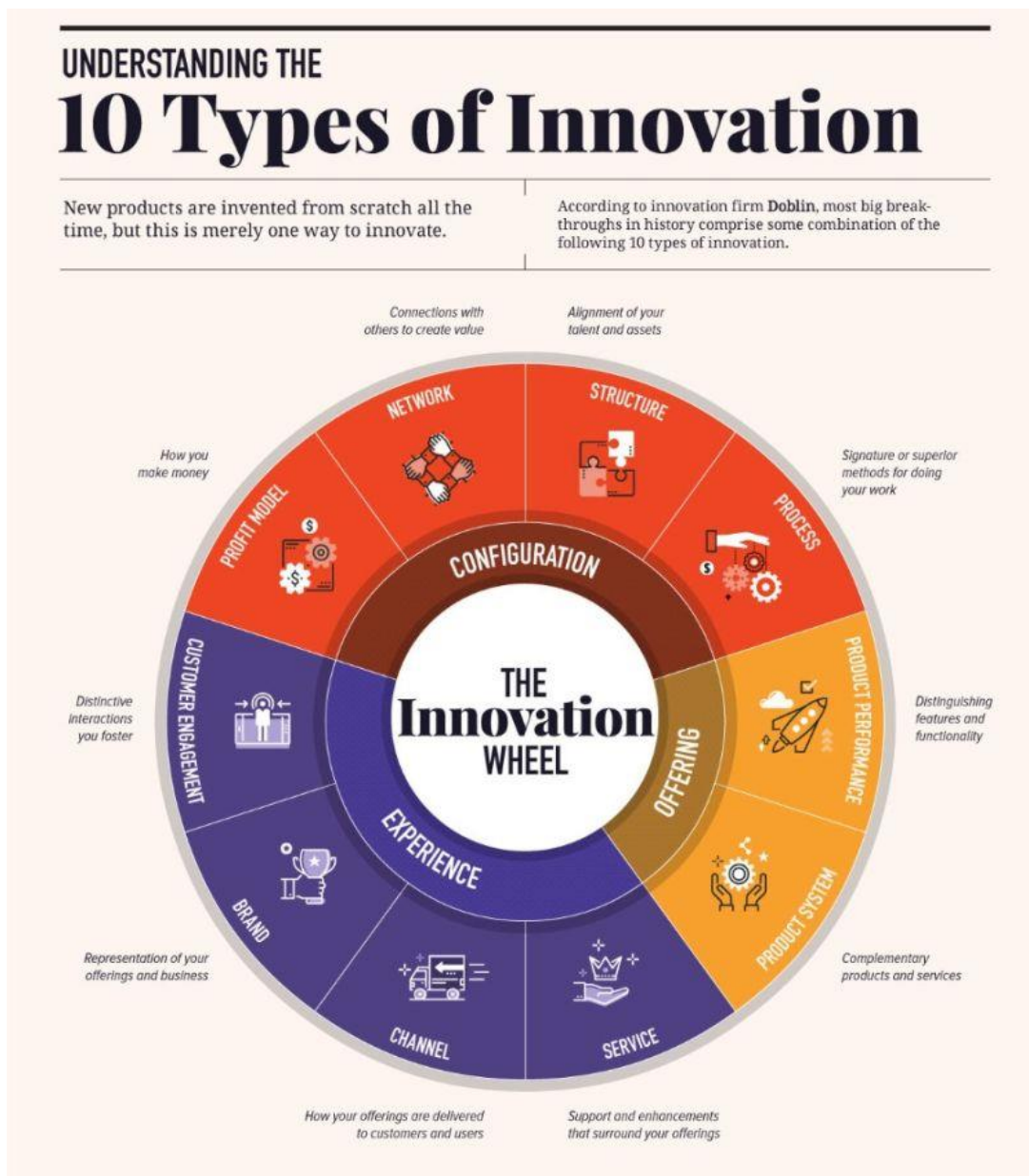
With this in mind, here's a look at the world's most valuable brands in 2021.

How is a brand's value determined?



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#innovation

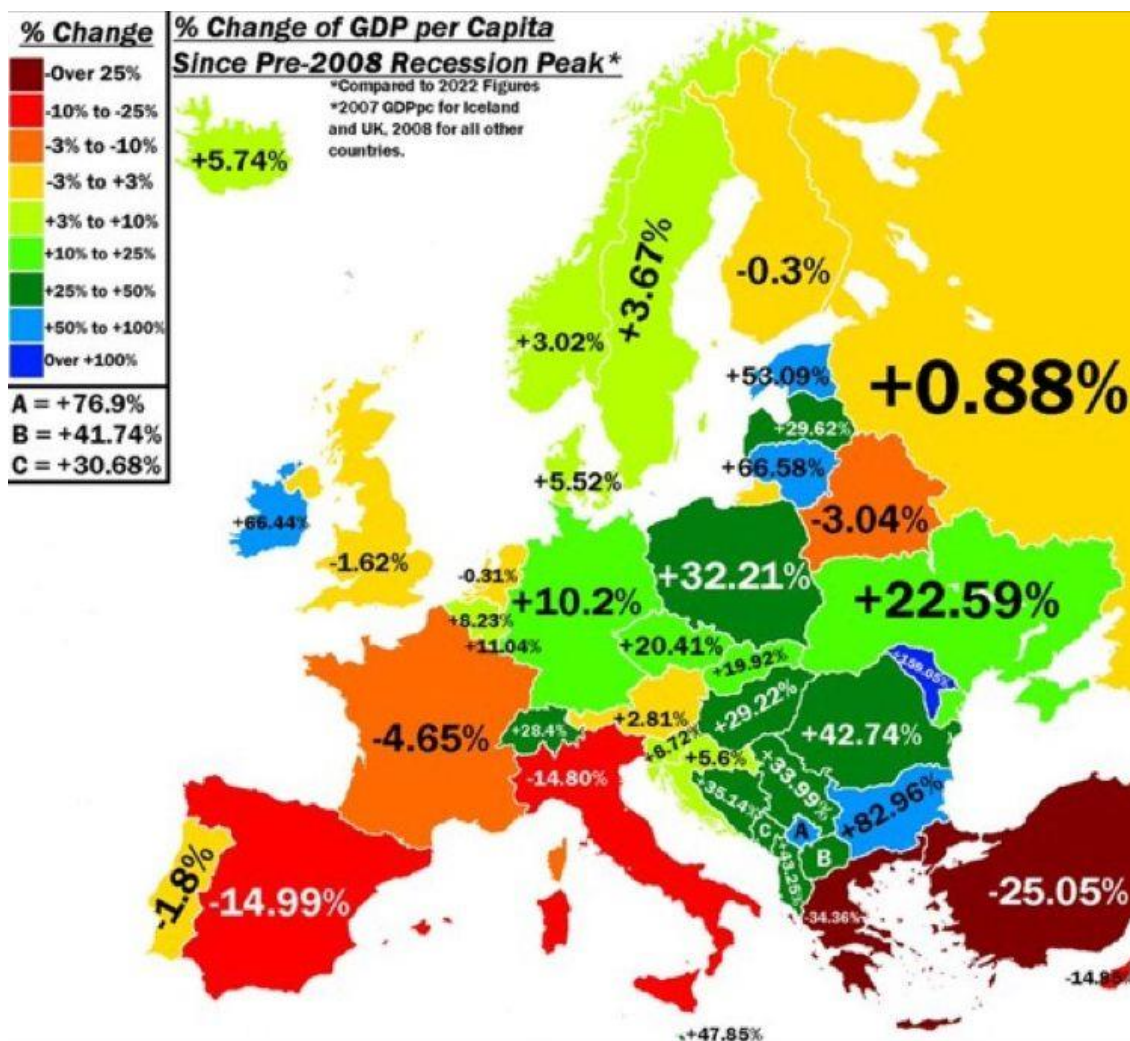


Source: Statista

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#europe

Change in GDP per capita by country since 2008 peak.



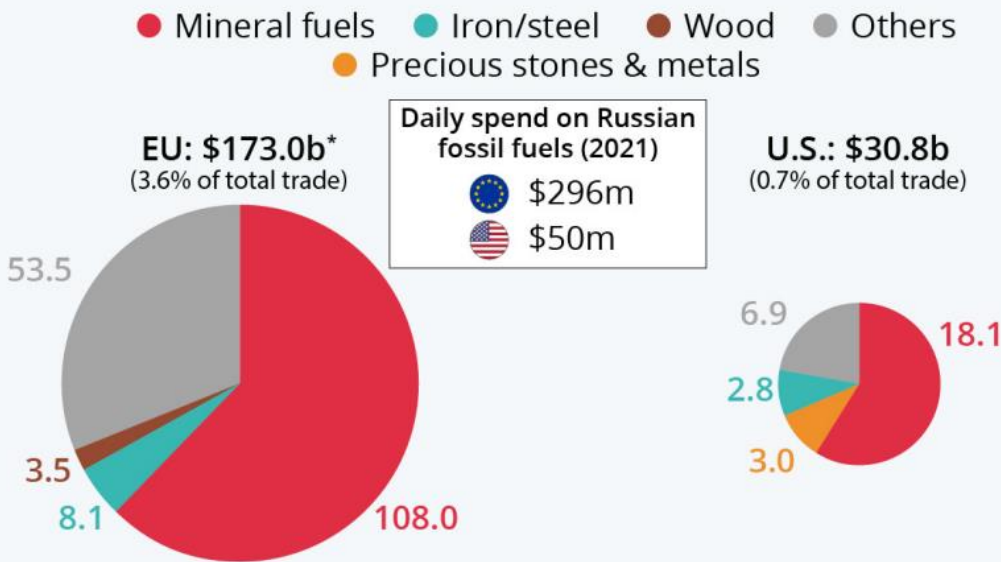
Source: Grzegorz E. Woźniak

#food-for-thought

#russia #eu

The EU's Energy Dependence on Russia Charted

EU and U.S. imports of goods from Russia in 2021, by category (in billion U.S. dollars)



* converted from Euros on April 7, 2022

Sources: European Commission, UN Comtrade via Trading Economics, U.S. Census Bureau



Source: Statista

#food-for-thought

#digital-gold

\$1.6B of Gold vs. \$1.6B of Bitcoin



Source: Dan Held

#food-for-thought

#cartoon



Source: Hedgeye

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For the future...