

Chart of the week

SMART MONEY POSITIONED FOR A BIG SQUEEZE IN US STOCKS?

Bloomberg's SMART Money Flow Indicator has been surging higher into this selloff in stocks.



Source: Bloomberg, www.zerohedge.com, Bloomberg

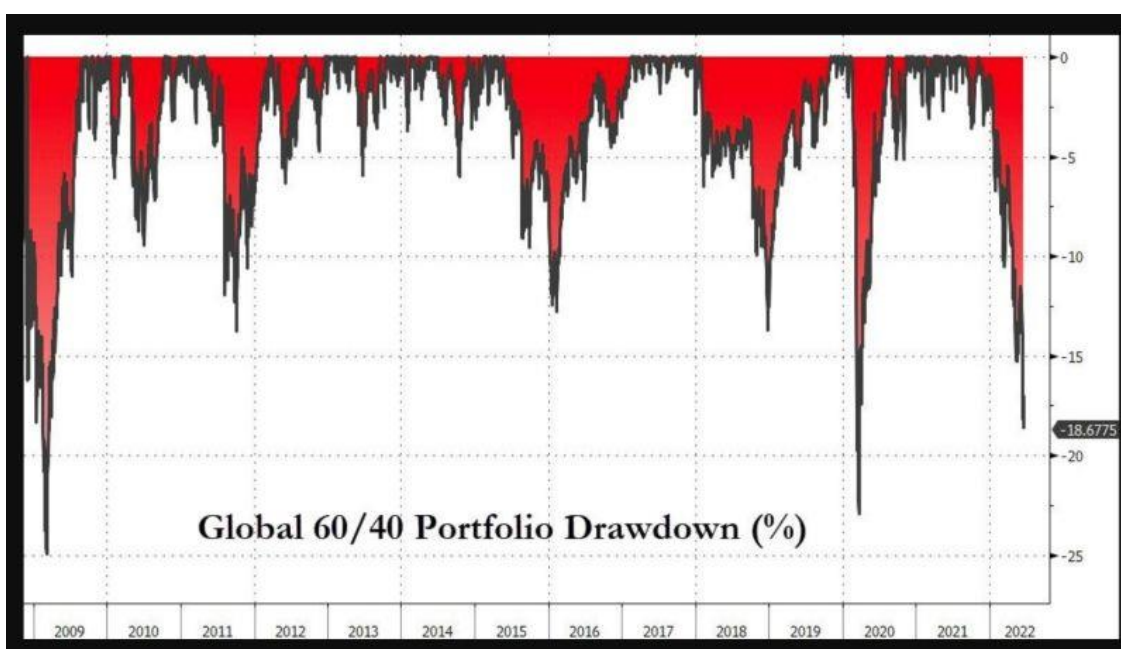
The Smart Money Flow Index is calculated according to a proprietary formula by measuring the action of the Dow during two periods: shortly after the opening and within the last hour. The first minutes represent emotional buying, driven by greed and fear on the part of the crowd, based on good and/or bad news.

Hawkish Fed Sparks Dow's Worst Streak Ever

The Fed's most aggressive rate hike (+75bp) since 1994 raised recession fears and sent stocks sharply lower for a 2nd consecutive week. The S&P 500 Index recorded its worst weekly decline since March 2020 and entered a bear market, ending the week nearly 24% below its January peak. Meanwhile, the Dow Jones has now had 11 down weeks out of the last 12. This has never happened before. While US stocks rallied after the FOMC rate decision, the mood on Wall Street worsened on Thursday on the back of weak macro numbers. Indeed, several reports (housing starts, building permits) indicated that the US housing sector was already feeling the impact of Fed tightening and the surge in mortgage rates. Moreover, US retail sales were lower than expected while weekly jobless claims came in higher than expected. Inflation and rate fears pushed the yield on the 10-year US Treasury briefly to 3.49% on Tuesday (highest in more than a decade) before retreating to 3.24% by the end of the week. Shares in Europe fell sharply on concerns that economic growth may stall after several central banks announced rate increases. The SNB unexpectedly raised interest rates for the 1st time in 15 years, by 50bps to -0.25%. The BoE raised rates to 1.25% (+25bps). Meanwhile, The ECB held an unscheduled meeting and indicated it would take action to stem the widening yield spreads between member states' sovereign bonds. Chinese stocks rallied. Cryptos had their worst week since March 2020.

#60-40 #portfolio

Diversification is tough if not impossible to achieve during stagflation. A Global 60/40 (stocks/bonds) index is down almost 20% from its all-time-highs with the pain being almost equally distributed among stocks and bonds.

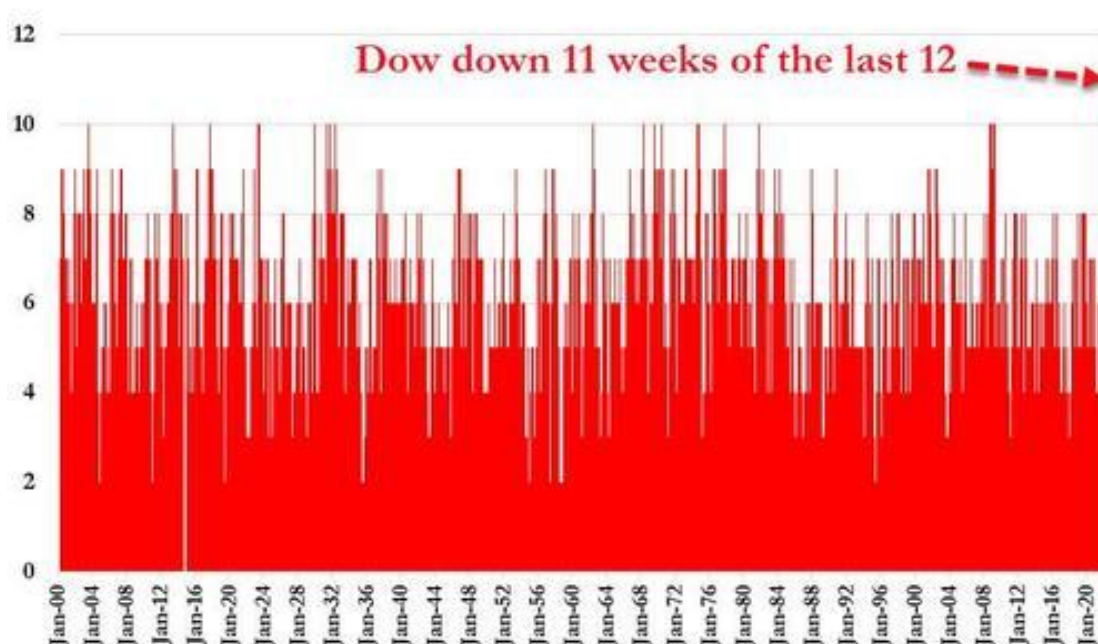


Source: www.zerohedge.com, Bloomberg

#markets

#us #equities #weekly #returns

The Dow has now had 11 down weeks out of the last 12. This has never happened before...



Source: Bloomberg, www.zerohedge.com



#us #equities #pullbacks

The S&P 500 closed down 3.25% today, its 6th daily decline of 3% or more this year. We've already seen more large down days in 2022 than all of 2021 and most other years in recent history (2012-2019)

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	21	7	6
1959	13	1	0	1991	23	1	1				



Data as of 6/16/22

@CharlieBilello



Source: Charlie Bilello

#markets

#us #equities #drawdown

Here's some more context for this slump in US stocks (courtesy of Saxo).



Source: www.zerohedge.com, Bloomberg

#markets

#us #equities #biden

While the stock market is still higher since Nov 2020's election date, the S&P 500 is now down since President Biden took office...



Source: www.zerohedge.com, Bloomberg

#markets

#us #equities #fed

This is the performance post the 3 FOMC days we have had this year:

1. 26th of January: SPX rallied 250 points over the following few sessions
2. 16th of March: SPX rallied >200 points over the following 2 weeks
3. 4th of May: SPX rallied 150 points over the 2 days of FED meeting (3-4th), but then crashed >300 points in the following week.

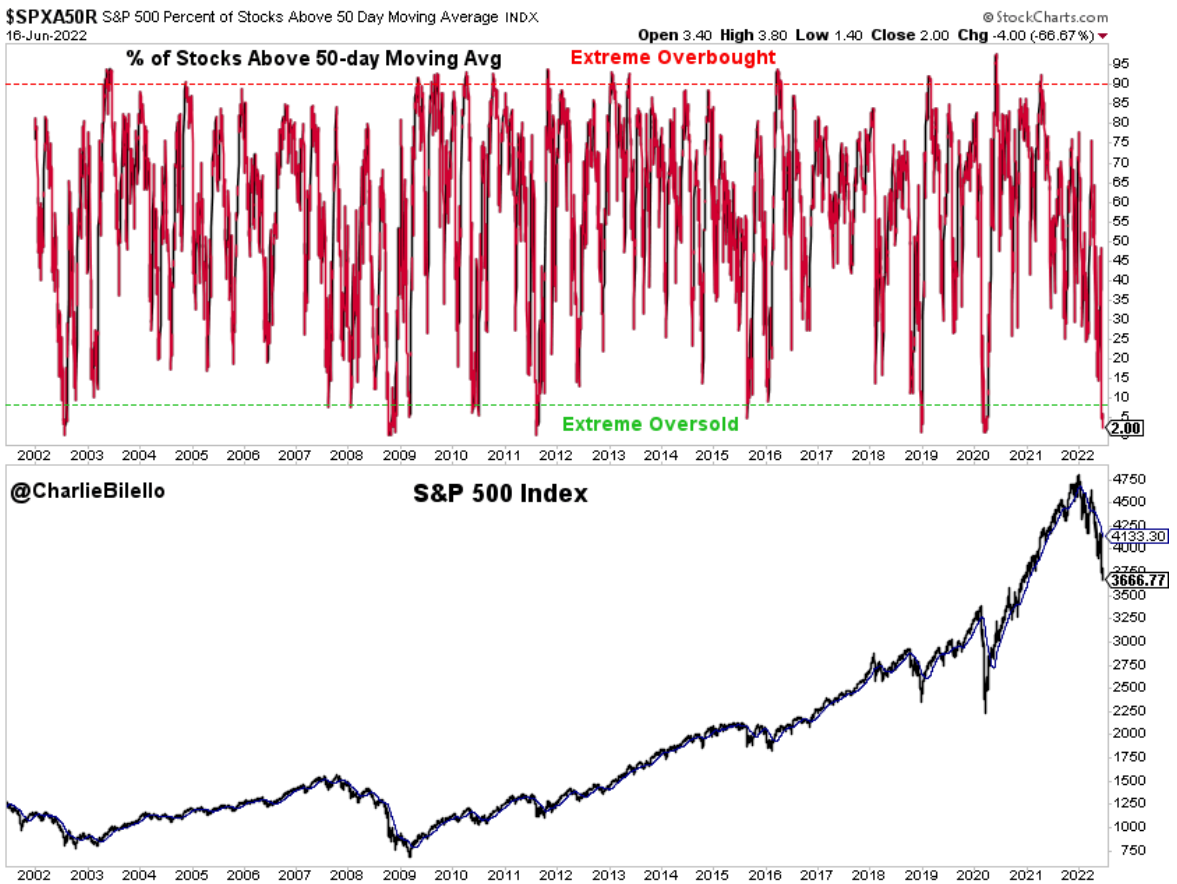


Source: The Market Ear



#us #equities #oversold

US equities are now in deep oversold territory.



Source: Charlie Bilello





#us #equities #put-ratio

The equity put-call volume ratio has shifted up to its highest since April 2020...



Source: www.zerohedge.com, Bloomberg

#markets

#us #equities #breadth

ONE PER CENT... Only 1% of members in S&P 500 Tech sector are trading above their 50d moving average (lowest since March 2020).

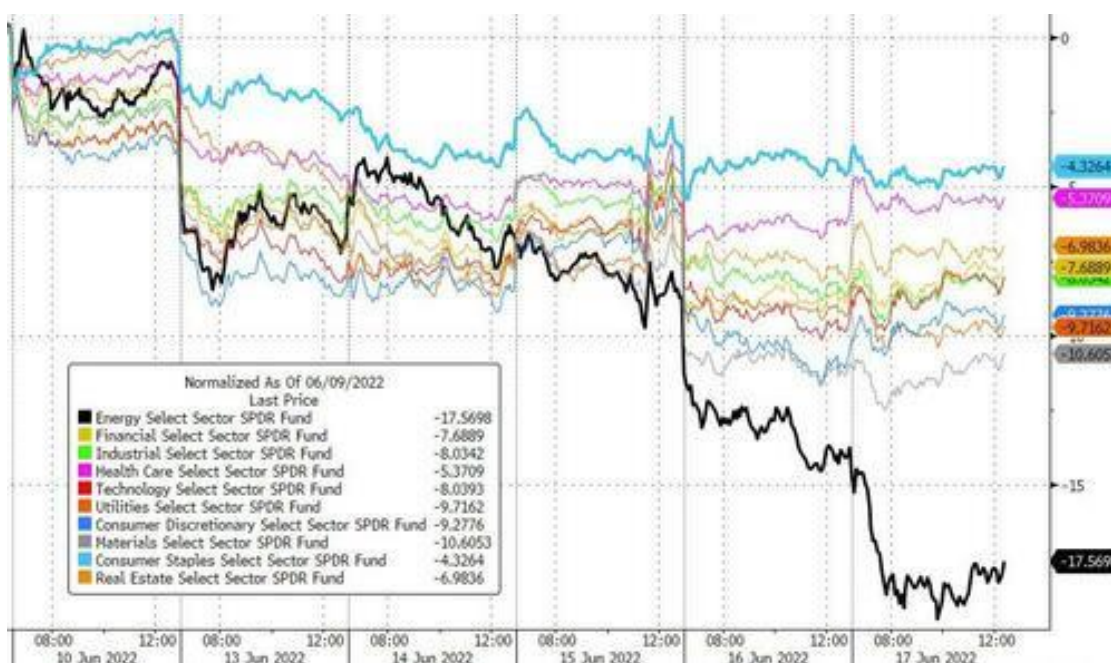


Source: Bloomberg



#us #equities #sectors #weekly #performance

Energy stocks have been hammered since CPI last week (with this week's losses the worst since March 2020) while Staples have been the best performer on a relative basis.



Source: Bloomberg, www.zerohedge.com



#bear-market #sectors

The S&P 500 is now in official bear market but many sectors have avoided that fate so far: 6/11 sectors are down less than 20% from all-time high, with Energy +49% since January 3; Consumer Discretionary is -35% over same period. Sector performance dispersion is very different than during covid bear market and the 2008/2009 bear market. In 2000-2002, defensive sectors did much better than the S&P 500.

Index Name	2022 Sell-Off	Shortest Bear	Financial Crisis	Dot-com Bubble
	Jan. 3, 2022 - Jun. 13, 2022	Feb. 19, 2020 - Mar. 23, 2020	Oct. 9, 2007 - Mar. 9, 2009	Mar. 24, 2000 - Oct. 9, 2002
S&P 500®	-21%	-34%	-55%	-47%
Energy	49%	-56%	-45%	-14%
Materials	-12%	-36%	-58%	-20%
Industrials	-16%	-42%	-64%	-36%
Consumer Discretionary	-35%	-32%	-57%	-40%
Consumer Staples	-9%	-24%	-29%	31%
Health Care	-12%	-28%	-38%	-4%
Financials	-20%	-43%	-82%	-22%
Information Technology	-29%	-31%	-52%	-82%
Communication Services	-31%	-29%	-48%	-73%
Utilities	-3%	-36%	-43%	-43%
Real Estate	-23%	-38%	-73%	N/A

Source: S&P Dow Jones Indices. Data as of Jun. 13, 2022. Chart is provided for illustrative purposes only. Past performance is no guarantee of future results. Sign up at bit.ly/spdjidd to receive index insights. *Sectoral Changes 2 – Telecommunication Services. In September 2018, the Telecommunication Services sector expanded to include several industries previously considered part of either Information Technology or Consumer Discretionary. The sector also was renamed Communication Services as part of the change.

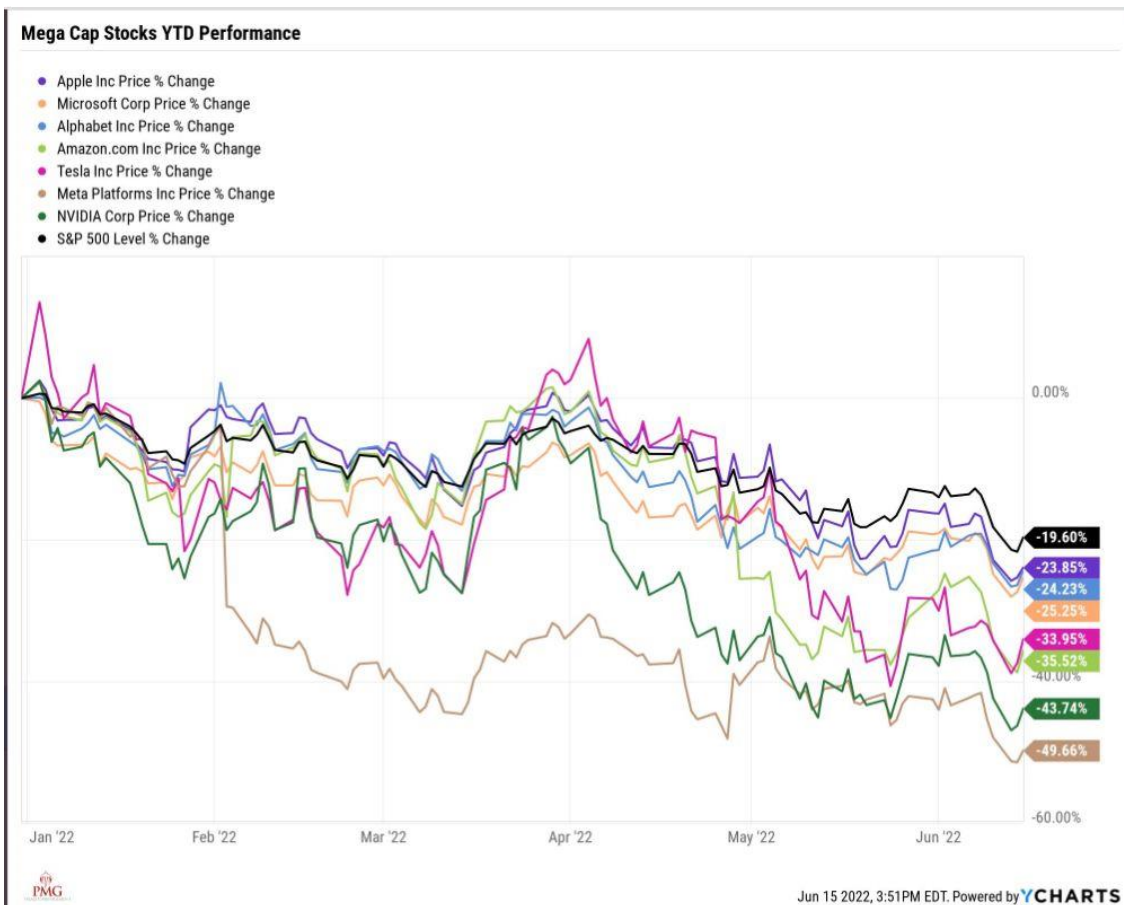


Source: Liz Ann Sonders



#mega #caps #drawdown

Mega Cap stocks Year-To-Date performance



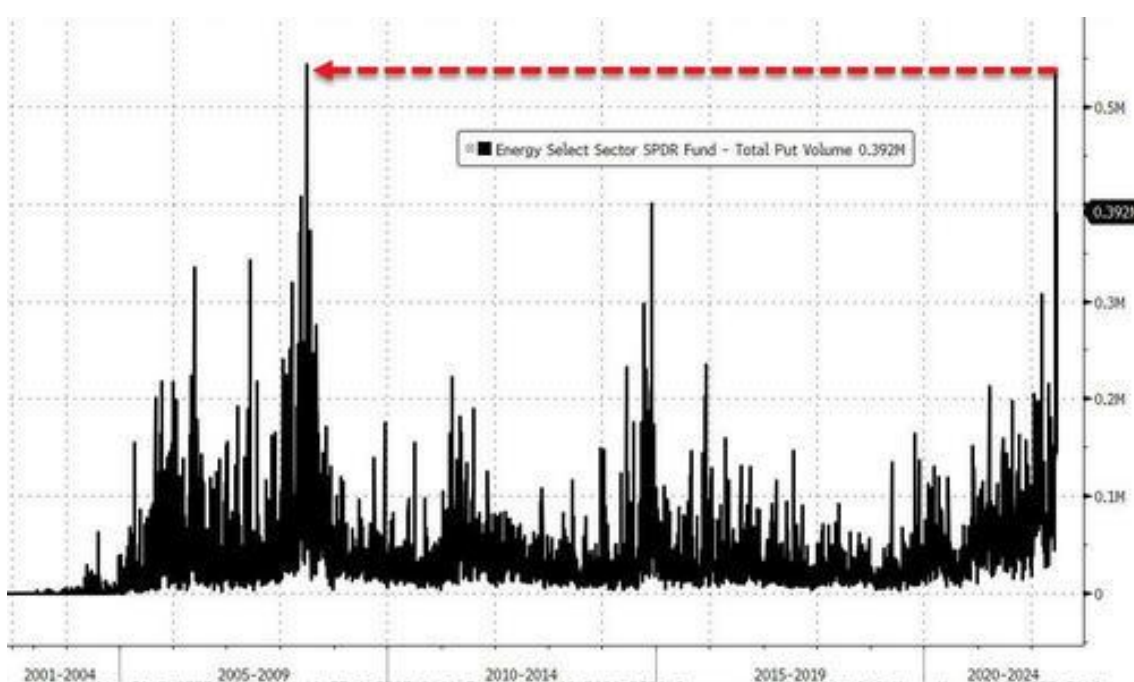
Source: PMG



#markets

#energy #etf #put-volume

XLE (Energy SPDR) Put volumes literally exploded this week, to their highest since June 2008 - which happens to be right before WTI's peak in July 2008 at \$145)...



Source: www.zerohedge.com, Bloomberg

#markets

#nasdaq100 #leveraged #etf

The ups and downs of leveraged returns...



Charlie Bilello  @charliebilello · 9h

3x Long Nasdaq 100 ETF Returns...

2010: +89%

2011: -8%

2012: +52%

2013: +140%

2014: +57%

2015: +17%

2016: +11%

2017: +118%

2018: -20%

2019: +134%

2020: +110%

2021: +83%

2022 YTD: -74%

[\\$TQQQ](#)



#ark-invest #drawdown

To put things into perspective: ARK Innovation ETF has crashed 77% from its all-time-high as the non-profitable #tech bubble has burst.



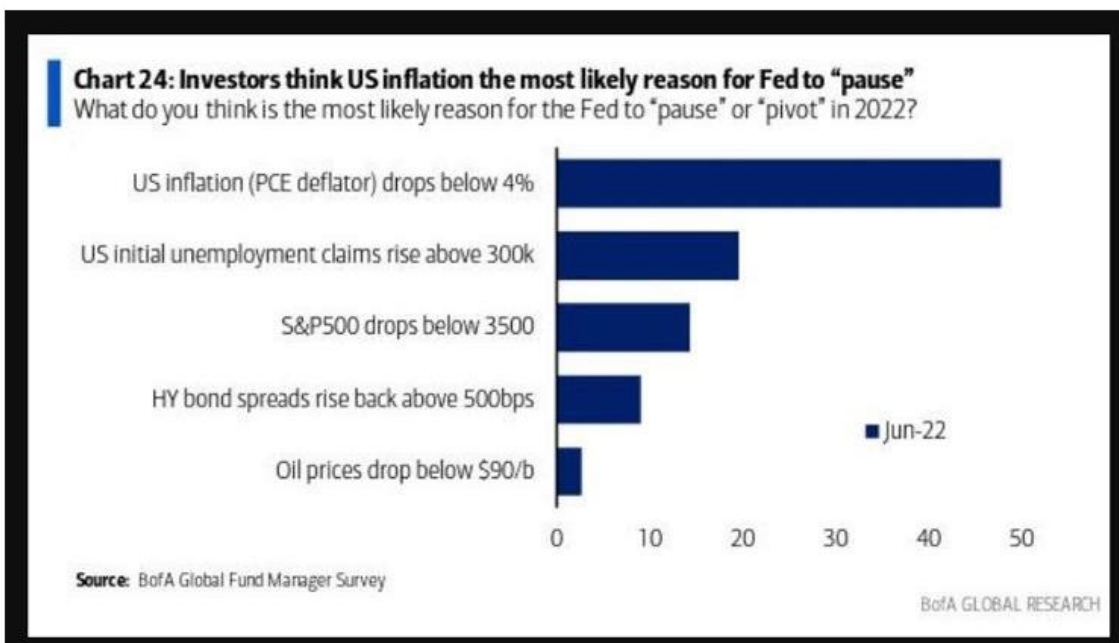
Source: www.zerohedge.com, Bloomberg



#market #sentiment

BofA Fund Manager Survey: What would be the condition for the Fed to pause?

Nearly 50% of respondents are saying that if inflation drops below 4% the Fed will pivot. Next, about 20% of respondents says that if claims rise above 300K the Fed could pivot, and about 15% say that the S&P dropping sliding the "Fed Put" level will force the Fed to pause; next, about 10% of respondents say junk bond spreads blasting off above 500bps would be sufficient to end the #Fed hikes, and finally, in 5th place, a handful of respondents think that #oil dropping below \$90 would be enough.



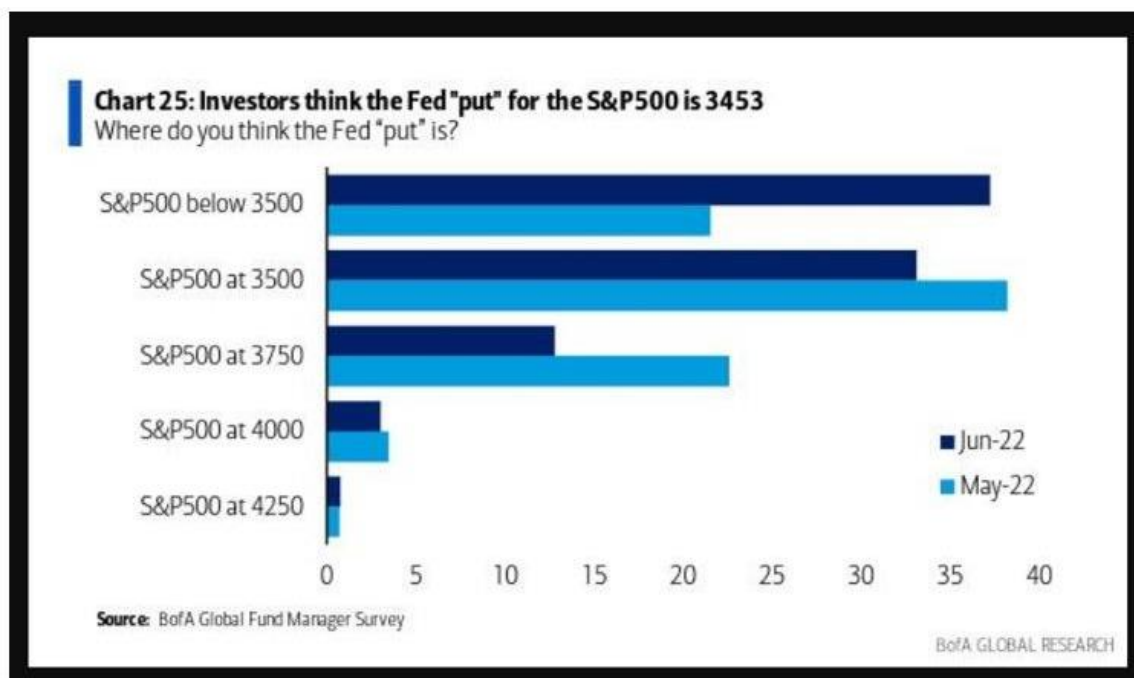
Source: BofA



#market #sentiment

BofA Fund Manager Survey: At which #sp500 will we get a “Fed put” ?

The average Fed Put is at 3,453, down almost 100 points from 3,529.



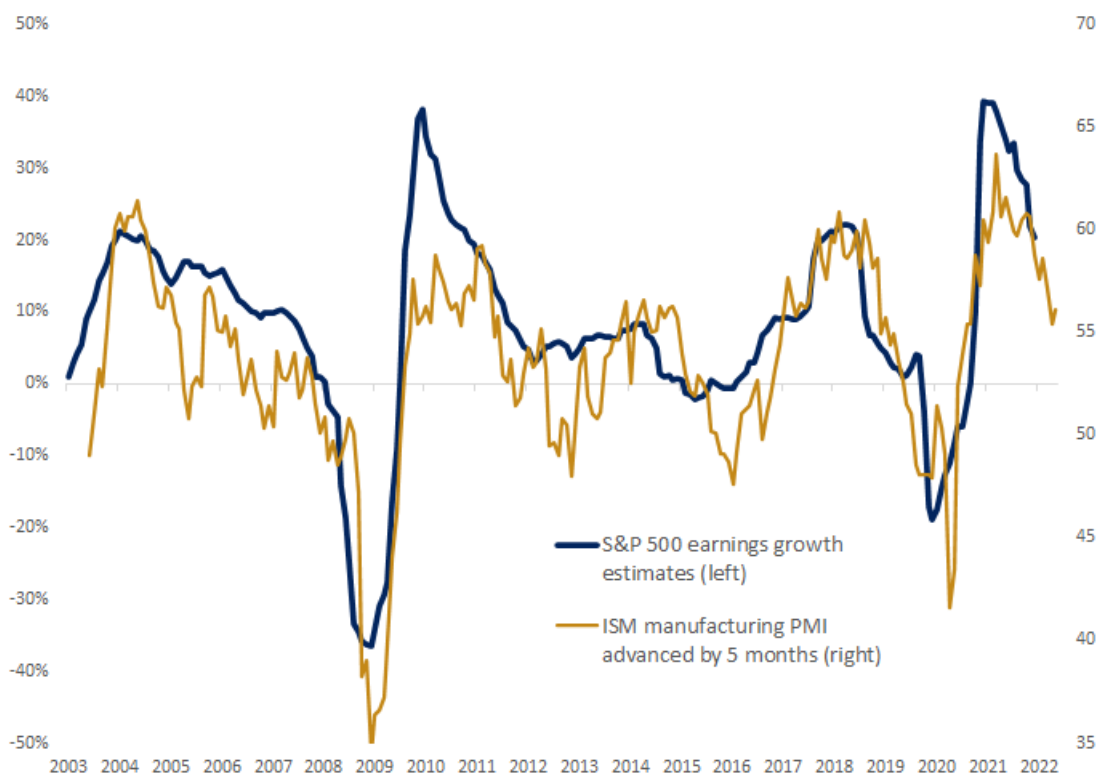
Source: BofA



#us #earnings

This chart shows connection between corporate earnings growth and the PMI index.

Earnings growth to remain positive but slow in the quarters ahead

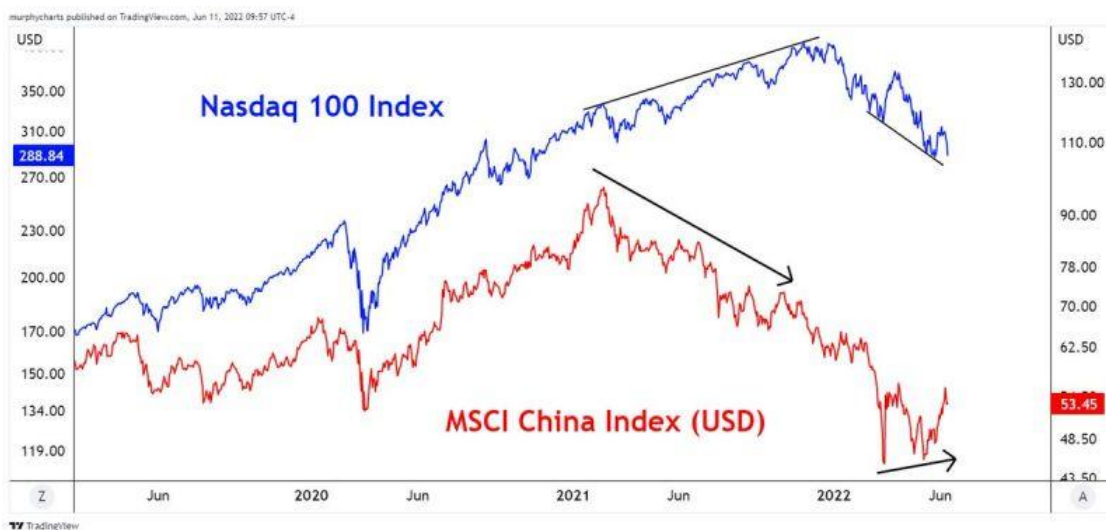


Source: Edward Jones



#china #equities

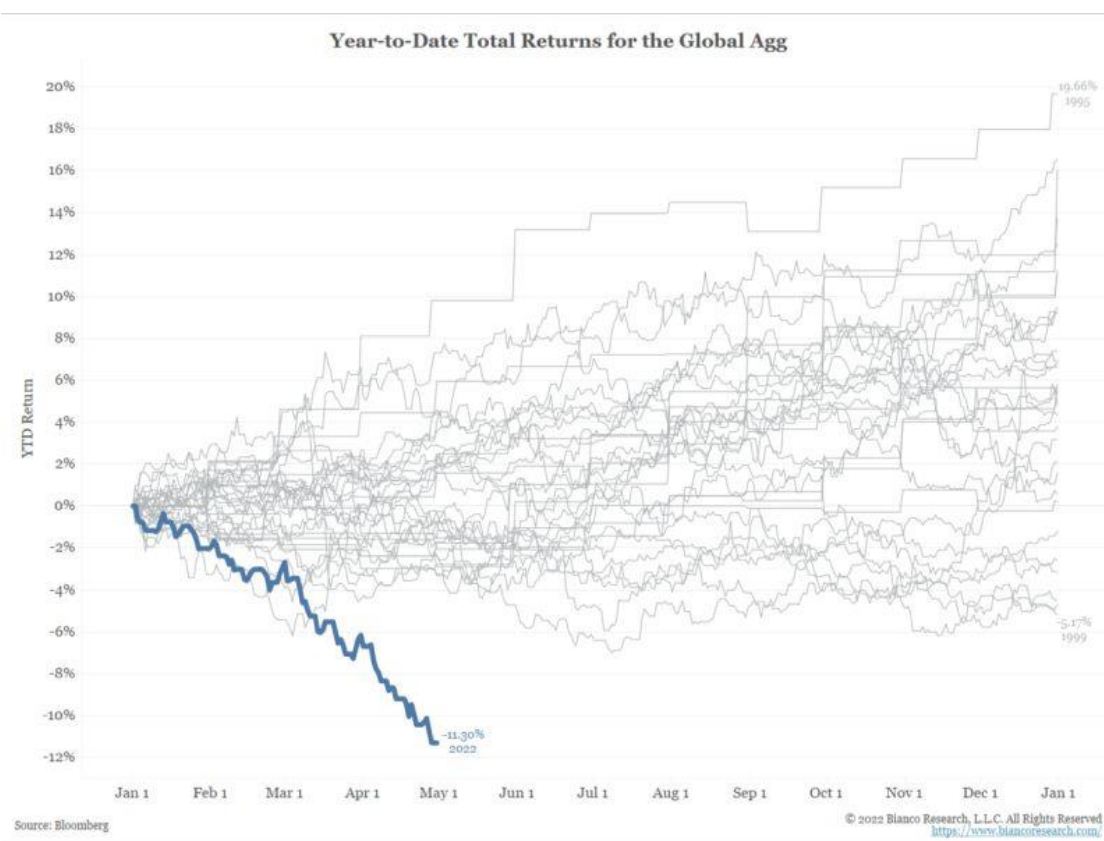
A silver lining on the horizon? FIFO, China "led" US equities by nearly 8 months. A "leading indicator", decoupling or at least a diversifier in the portfolio? Remember in Nov 2015, the stimulus turned global economy up from Jan 16. Thus we may avoid a deep recession...





#us #aggregate #bonds

Global Aggregate bonds (negative) yield-to-date return is second to none.

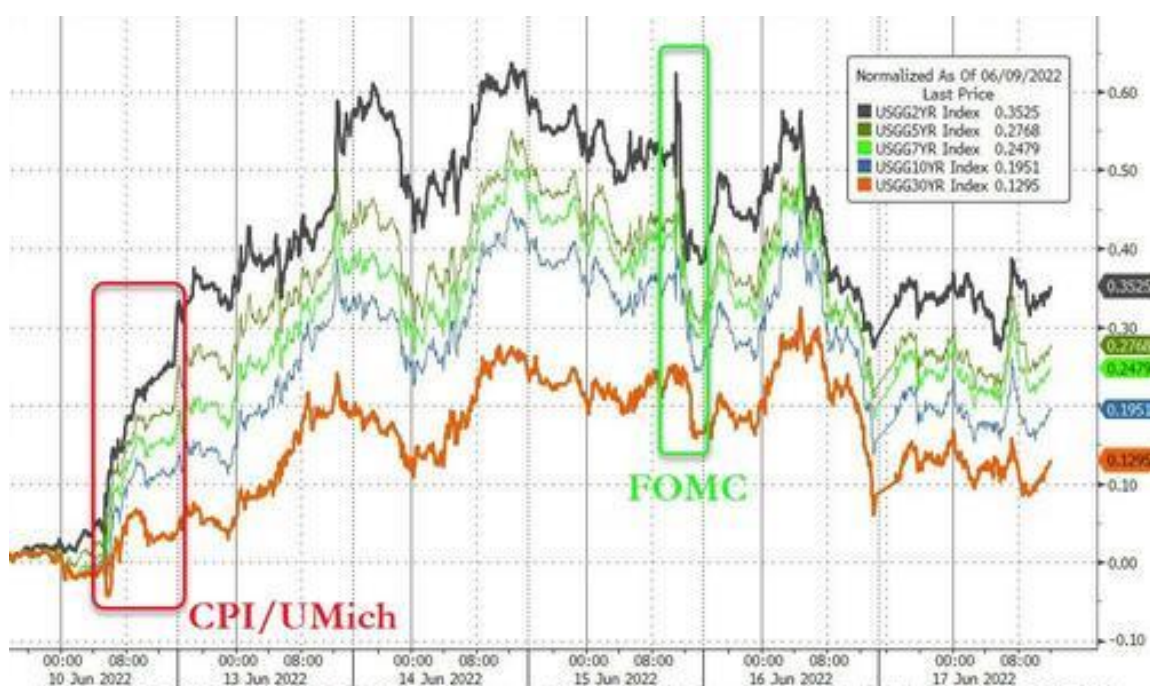


Source: Bianco Research

#markets

#us #treasuries #weekly

Treasury yields were up by a surprisingly uniform 5-7bps this week, but since last Friday's CPI, the curve is notably flatter with 2Y up over 30bps and 30Y up around 10bps...



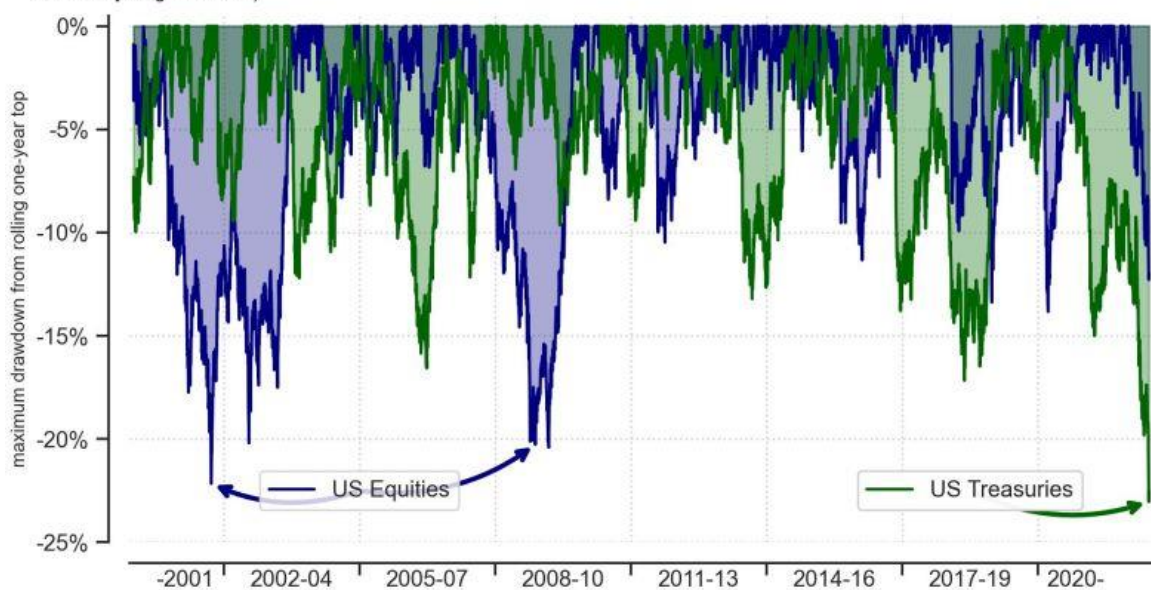
Source: www.zerohedge.com, Bloomberg

#us #treasuries #drawdown

Treasuries, but it feels like Equities....

Treasuries in 2022: It Feels like Equities (in 2001/2002 or 2008/2009)

Maximum drawdown from rolling one-year high of US equities and US treasuries - both adjusted for volatility (i.e. applying a volatility target of 10%).

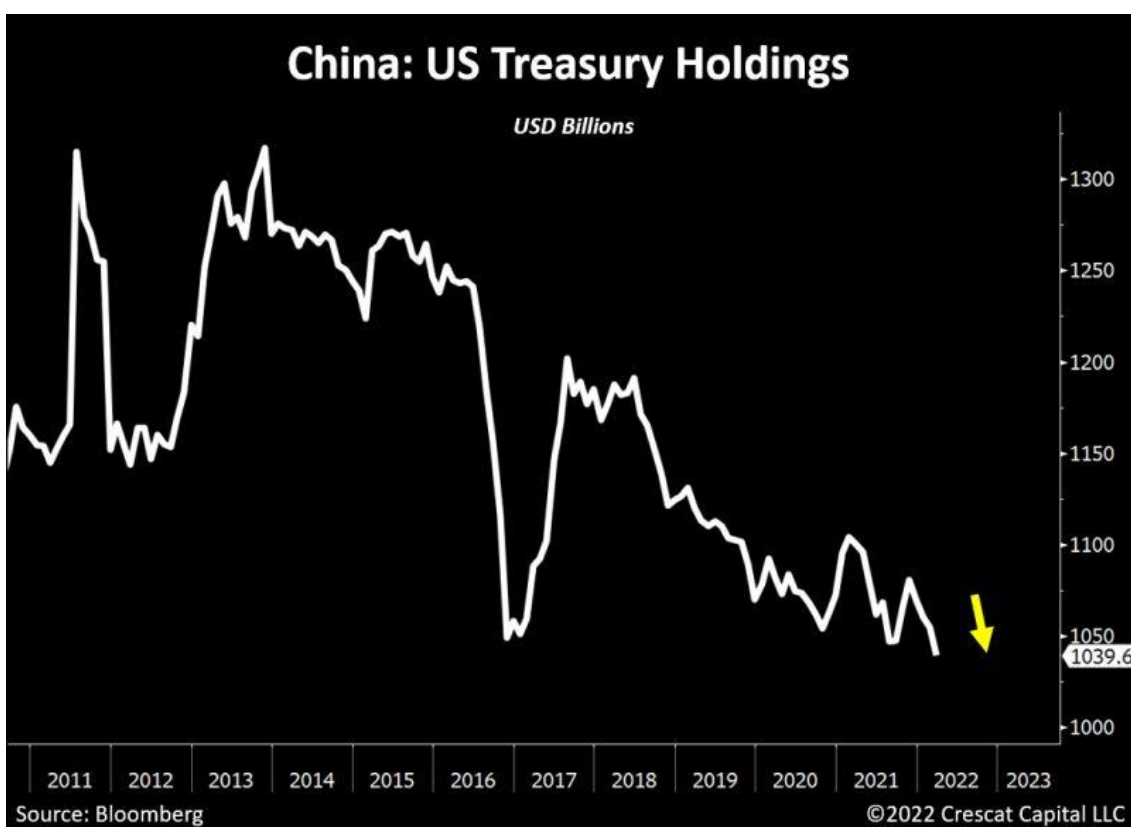


Source: Allianz



#us #treasuries

China continues to dump US Treasuries. Their holdings just reached new decade lows.

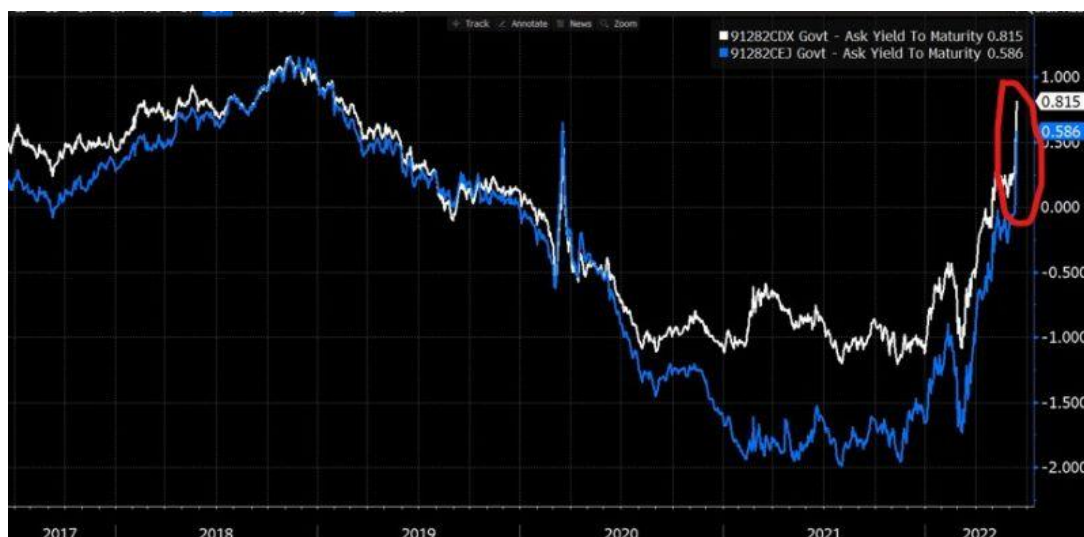


Source: Crescat Capital

#markets

#us #real #bond #yields

Over the last few days, we have witnessed a parabolic move in US real rates. 10-year reals (white) hit 0.81% while 5-year reals jump to 0.58%. A

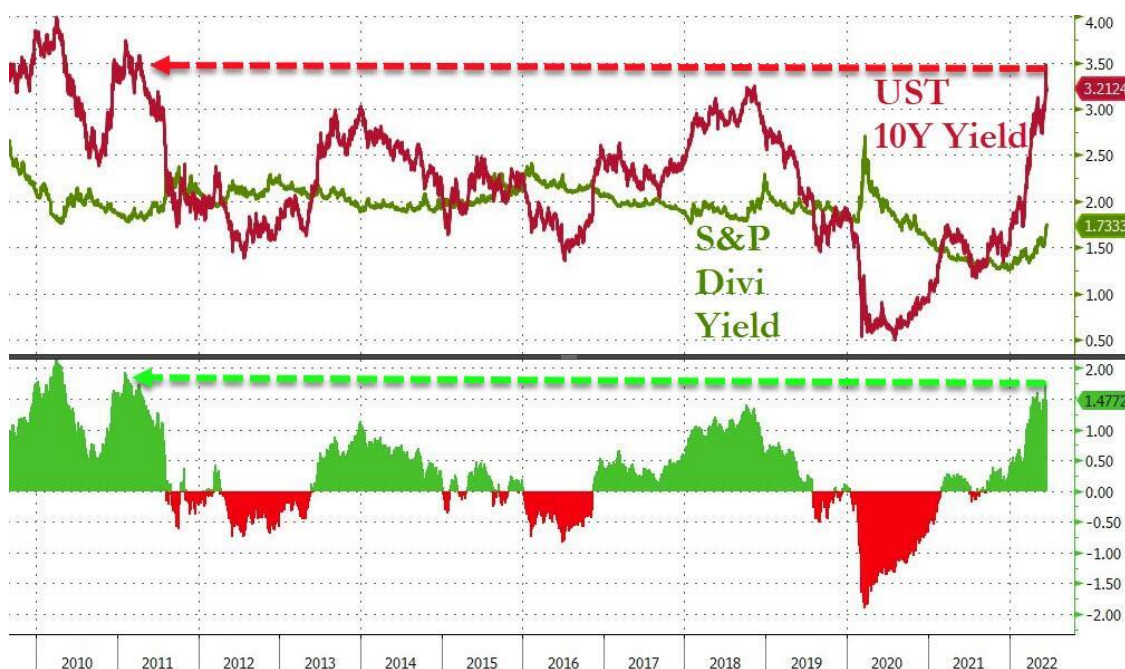


Source: Bloomberg



#us #treasuries #relative #valuations

US Treasuries now offer an 'alternative' to US stocks. In fact, as the chart below shows, bonds are at their 'cheapest' relative to stocks since Feb 2011...



Source: www.zerohedge.com, Bloomberg



#us #high-yield #bonds

Credit markets continued their collapse this week with HYG (HY Corporate Bond ETF) tumbling to its lowest level since The Fed started panic-buying HY debt in March 2020...

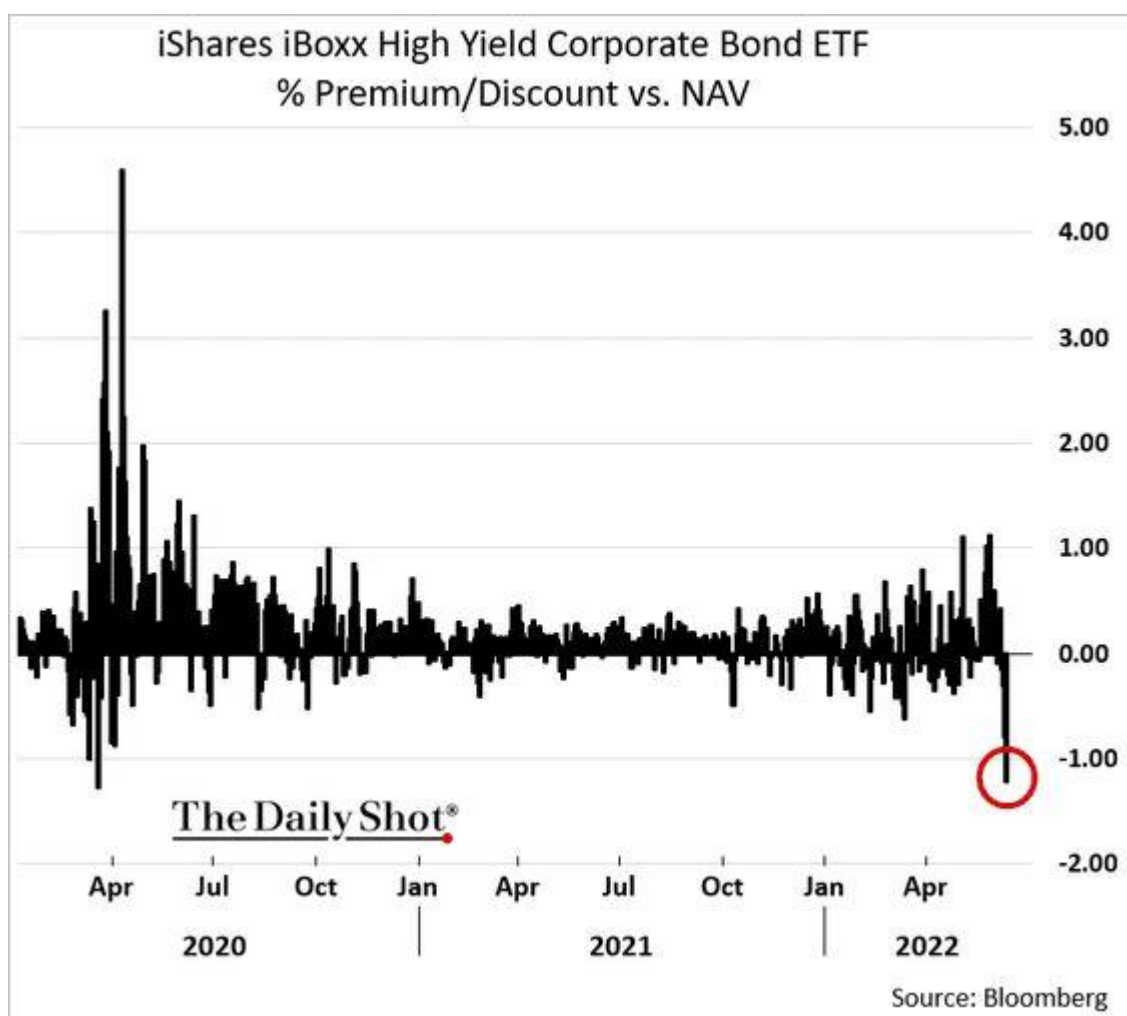


Source: Bloomberg, www.zerohedge.com



#us #high-yield #bonds

The HYG ETF (high-yield bonds) discount to NAV suggests that bonds are not getting marked down quickly enough.



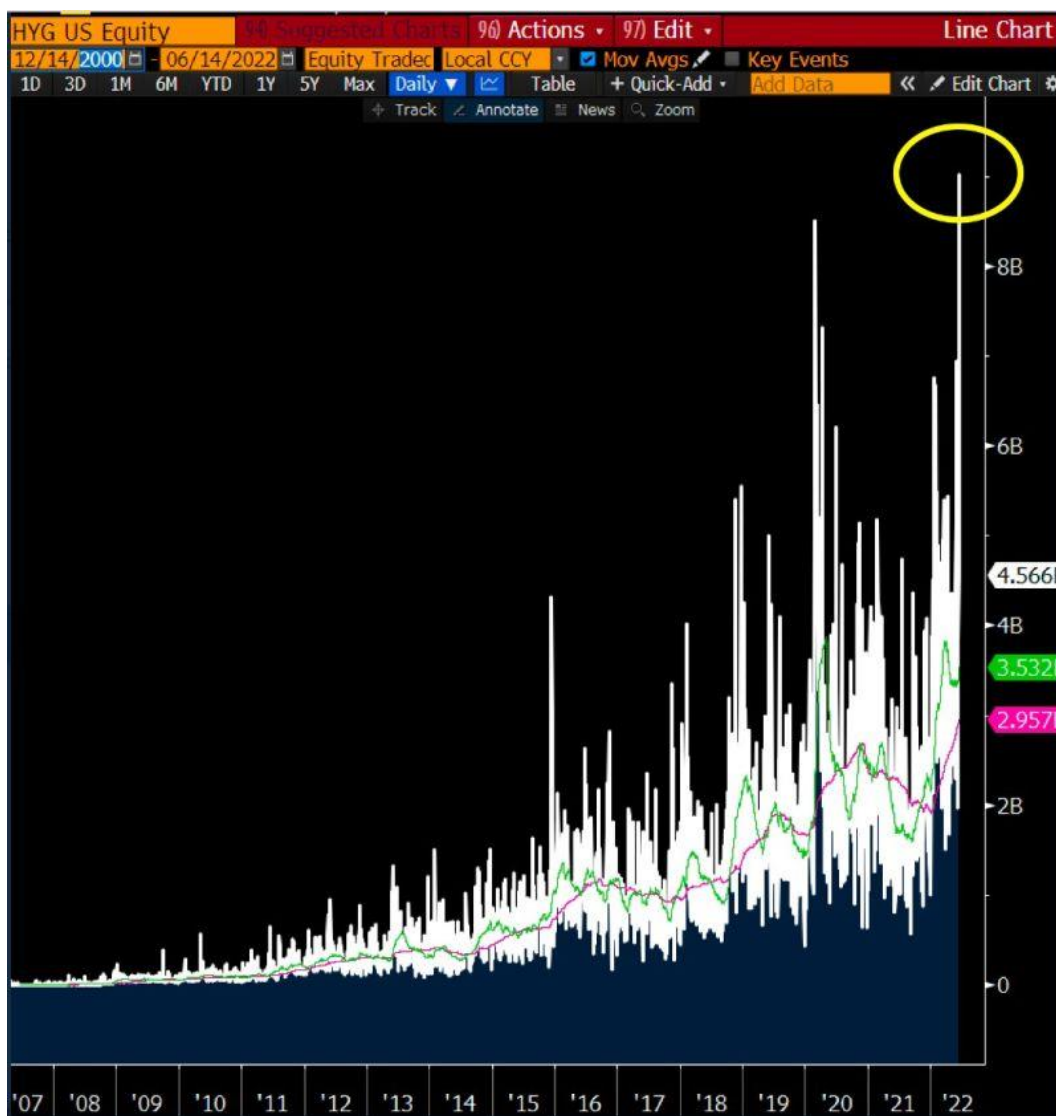
Source: The Daily Shot





#us #high-yield #bonds

The iShares iBoxx \$ High Yield Corporate ETF (\$HYG) recorded on Monday a massive volume of \$9b, the most ever.



Source: Bloomberg





#em #distressed #debt

Are Emerging Market(EM) distressed debt starting to look quite interesting...

Chart 6: Distressed EM bonds trading at the Lehman/GFC lows
ICE BofA Distressed EM Corp Index



Source: BofA Global Investment Strategy, Bloomberg

BoFA GLOBAL RESEARCH

Source: BofA



#eu #peripheral #bonds

European bonds were also at the center of chaos as The ECB was forced to address 'fragmentation'...



Source: Bloomberg, www.zerohedge.com



#italyrisk

It seems that Mrs Lagarde message on Wednesday produced some effects. The ECB emergency meeting led to 2 decisions: 1) ECB triggered flexible PEPP reinvestments; 2) ECB internal committees were tasked with accelerating the completion” of a new anti-fragmentation tool.

The Italy 10-year spread vs. Bund dropped by 25bps as a consequence.



Source: Bloomberg



#japan #jgbs

Japanese bond markets were making headlines this week as traders bet they could 'Soros' The BoJ's yield curve control limit and bet on a break at this week's BoJ meeting. For now they haven't and the bets have eased off but as the chart shows, futures are still trading well beyond the 25bps limit.

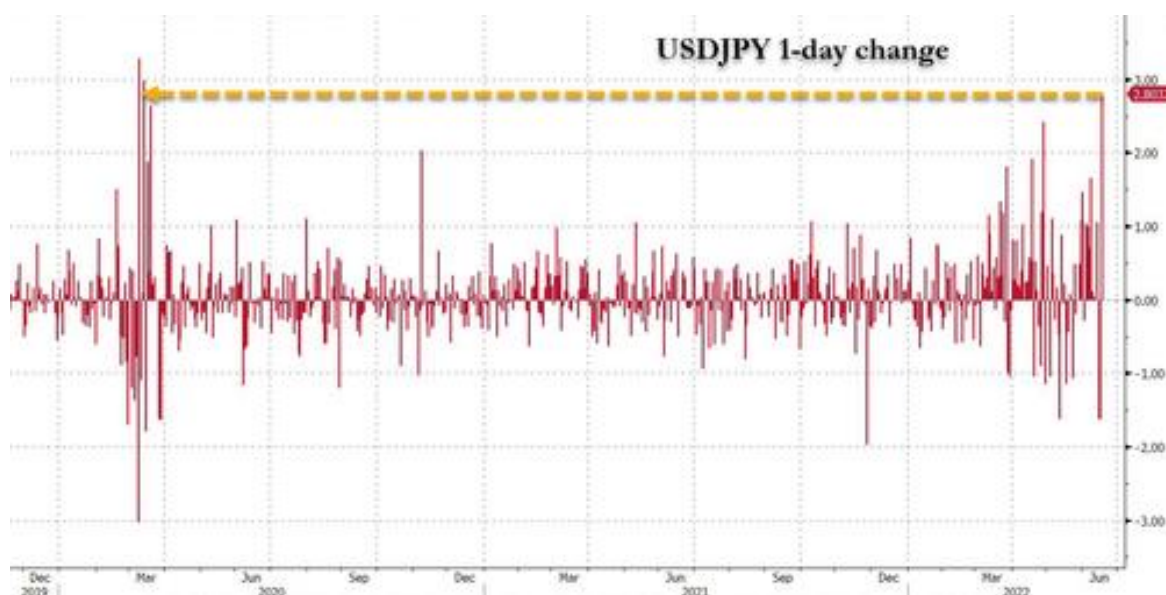


Source: Bloomberg, www.zerohedge.com

#markets

#forex #yen

Yen plunged by the most since March 2020 after trying to protect the yield curve...

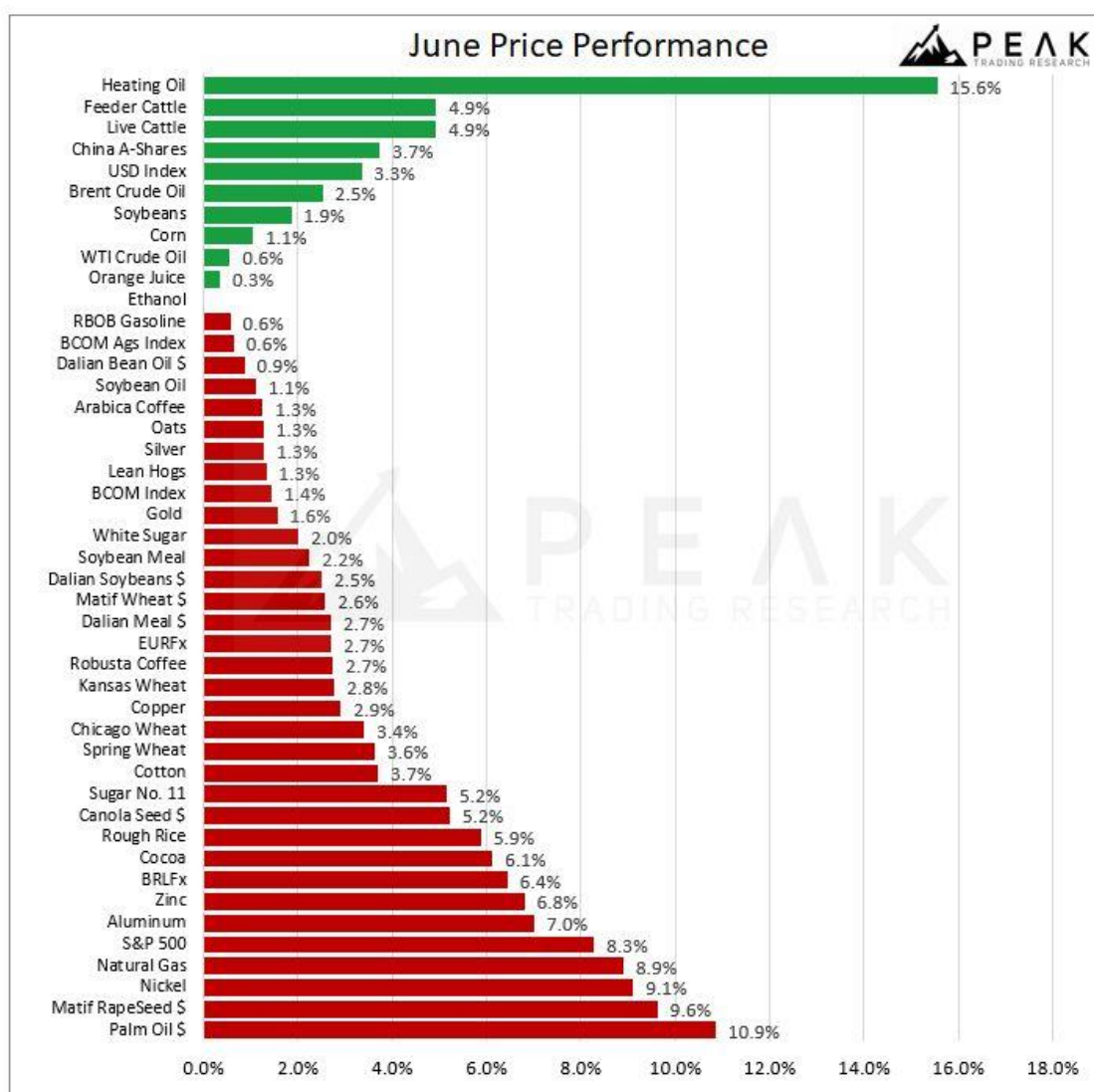


Source: Bloomberg, www.zerohedge.com



#commodities

The bearish macro environment has dragged most commodity markets lower this month.



Futures return calculation basis front-month roll-adjusted contract prices



Source: Peak Trading Research

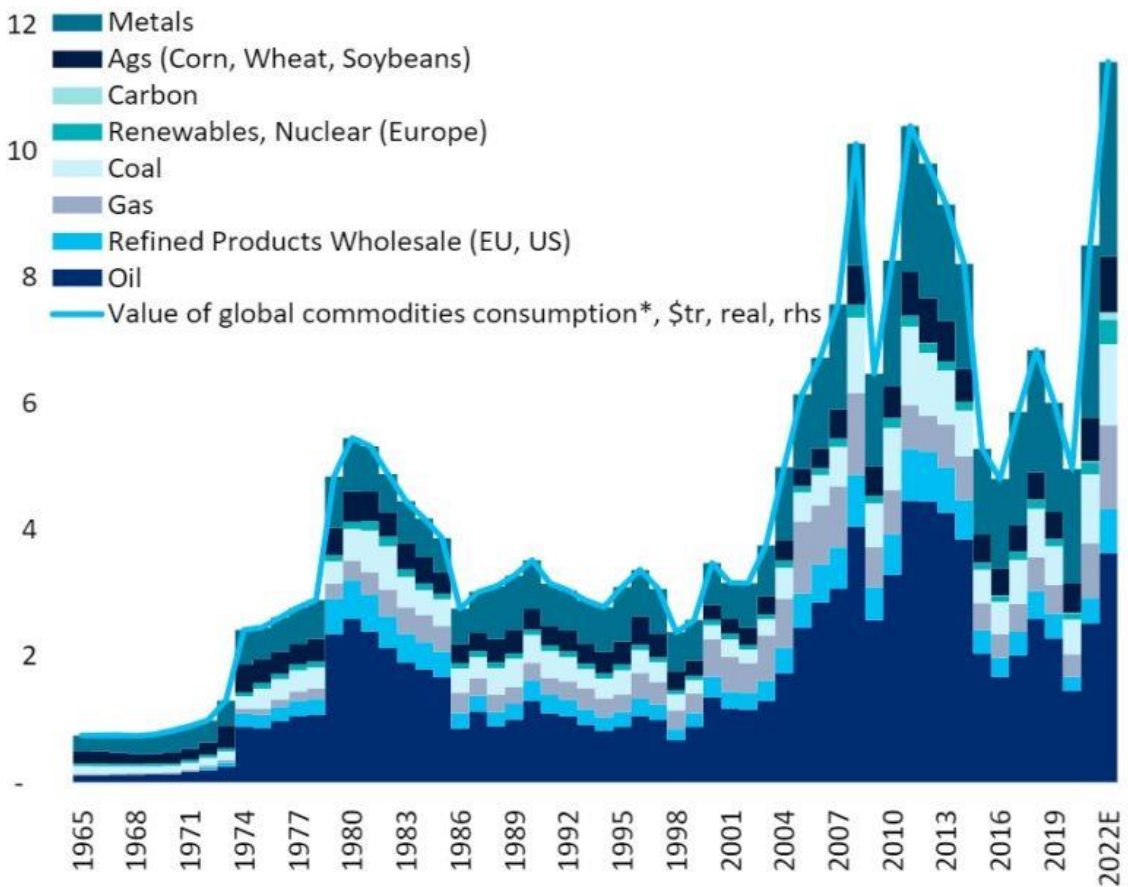


#commodities #consumption

Commodity price inflation ...

The value of global commodities consumption by sector

in \$tr, real terms (GDP deflated), assuming Citi forecasts for 2022 prices




(c) Citi

Source: Citi

#macro

#global #growth

2020-22 Global Growth Rates (Real GDP YoY% Change)			
Country	2020 Real GDP	2021 Real GDP	2022 Q1 Real GDP YoY
PORTUGAL	-8.4%	4.9%	11.9%
IRELAND	5.9%	13.5%	11.0%
SAUDI ARABIA	-4.1%	3.2%	9.6%
UNITED KINGDOM	-9.3%	7.4%	8.7%
POLAND	-2.5%	5.7%	8.5%
PHILIPPINES	-9.6%	5.6%	8.3%
TURKEY	1.8%	11.0%	7.3%
SPAIN	-10.8%	5.1%	6.4%
ITALY	-9.0%	6.6%	5.8%
FRANCE	-8.0%	7.0%	5.3%
INDONESIA	-2.1%	3.7%	5.0%
CHINA	2.2%	8.1%	4.8%
SWITZERLAND	-2.5%	3.7%	4.4%
FINLAND	-2.3%	3.3%	4.3%
INDIA	-6.6%	8.9%	4.1%
GERMANY	-4.6%	2.8%	3.8%
SINGAPORE	-4.1%	7.6%	3.7%
RUSSIA	-2.7%	4.7%	3.5%
UNITED STATES	-3.4%	5.7%	3.5%
AUSTRALIA	-2.2%	4.7%	3.3%
SOUTH KOREA	-0.9%	4.0%	3.1%
SOUTH AFRICA	-6.4%	4.9%	3.0%
SWEDEN	-2.9%	4.8%	3.0%
CANADA	-5.2%	4.6%	2.9%
MEXICO	-8.2%	4.8%	1.8%
BRAZIL	-3.9%	4.6%	1.7%
NEW ZEALAND	-2.1%	5.6%	1.2%
JAPAN	-4.5%	1.6%	0.2%
HONG KONG	-6.5%	6.4%	-4.0%

 @CharlieBilello

#macro

#global #inflation

Global Inflation Rates	
Country/Region	CPI Inflation (YoY %)
CHINA	2.1%
SAUDI ARABIA	2.3%
JAPAN	2.5%
SWITZERLAND	2.9%
TAIWAN	3.4%
INDONESIA	3.6%
AUSTRALIA	5.1%
FRANCE	5.2%
PHILIPPINES	5.4%
SOUTH KOREA	5.4%
SINGAPORE	5.4%
FINLAND	5.7%
SOUTH AFRICA	5.9%
SWEDEN	6.4%
CANADA	6.8%
ITALY	6.9%
NEW ZEALAND	6.9%
THAILAND	7.1%
MEXICO	7.7%
INDIA	7.8%
IRELAND	7.8%
GERMANY	7.9%
PORTUGAL	8.0%
US	8.6%
SPAIN	8.7%
NETHERLANDS	8.8%
UK	9.0%
EUROZONE	9.1%
BRAZIL	11.7%
POLAND	13.9%
RUSSIA	17.1%
ARGENTINA	58.0%
TURKEY	73.5%
VENEZUELA	222%

 @CharlieBilello

Source: Charlie Bilello

#macro

#us #macro

Which perhaps fits as US macro data is collapsing at an unprecedented pace (with University of Michigan sentiment at record lows)...

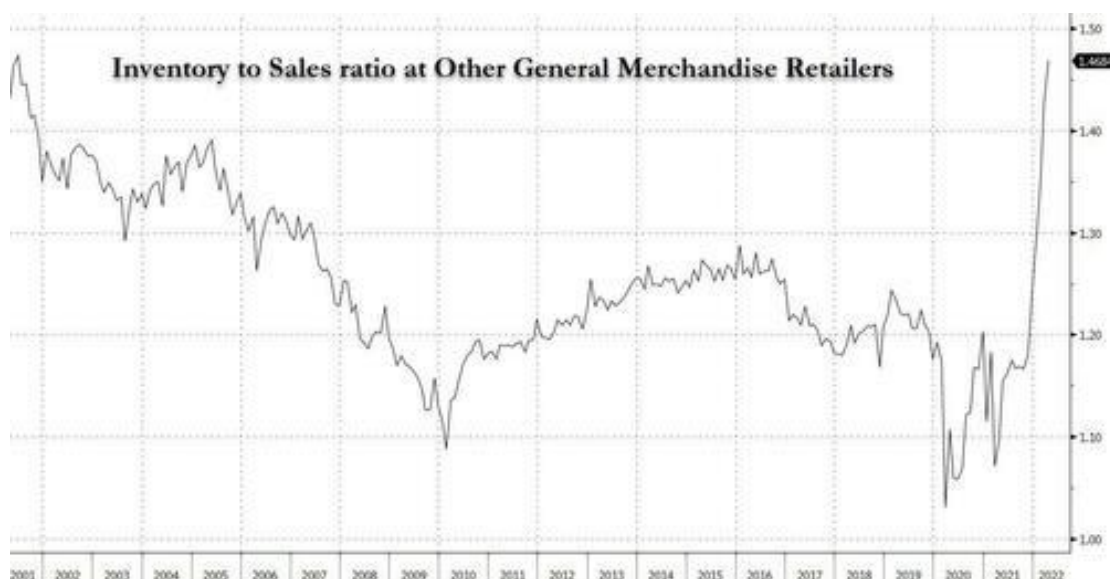


Source: www.zerohedge.com, Bloomberg

#macro

#us #retail

The "Inventory to Sales" ratio for a broad range of US retailers covering the furniture, home furnishings and appliances, building materials and garden equipment, and a category known as "other general merchandise," which includes Walmart and Target, is now at the highest level since the bursting of the dot com bubble!



Source: www.zerohedge.com, Bloomberg

#macro

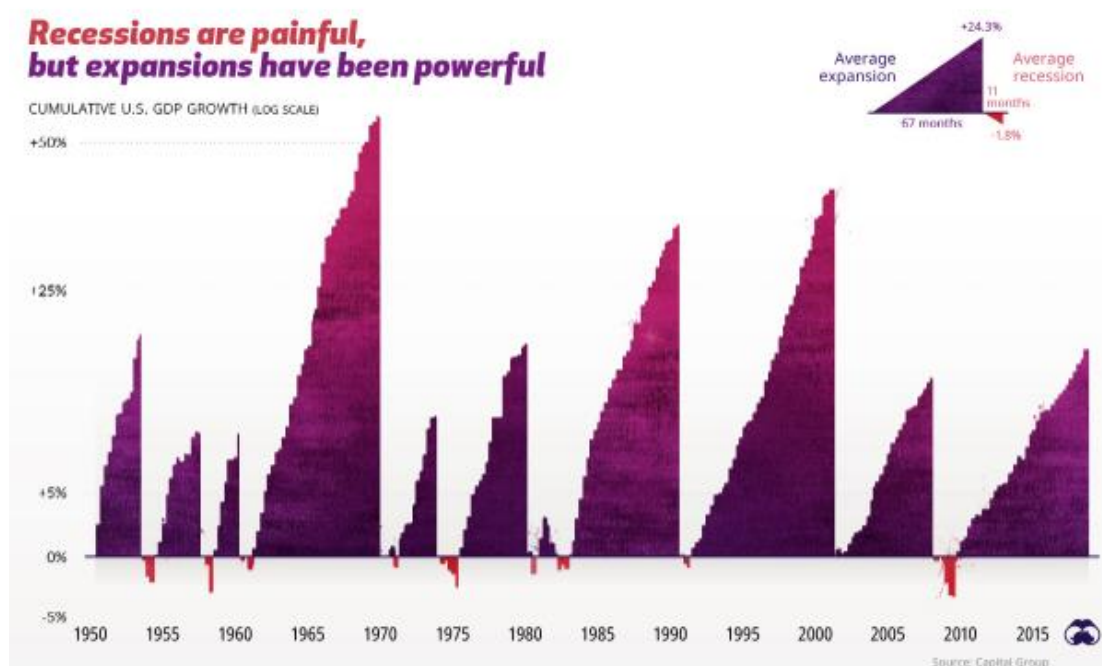
#us #recession



#macro

#us #recessions

Recessions generally do not last very long. According to Capital Group's analysis of 10 cycles since 1950, the average length of a recession is 11 months, although they have ranged from eight to 18 months over the period of analysis.



Source: Statista

#macro

#us #jobs

A TSUNAMI OF LAYOFFS IS COMING IN THE US...

Company Layoff Announcements				
	Announcement Date	Company	Sector	Estimated Number
1	2/8/2022	Peloton	Tech	2,800
2	4/19/2022	Better	Real Estate	3,000
3	4/19/2022	Blend	Real Estate	200
4	4/19/2022	Wells Fargo	Financial	N/A
5	4/26/2022	Robinhood	Tech	380
6	4/28/2022	Netflix/Tudum	Streaming	25
7	4/29/2022	GoPuff	Grocery	400
8	4/29/2022	Noom	Tech	495
9	5/3/2022	BizPay	Fintech	30% Staff
10	5/4/2022	Cameo	Tech	87
11	5/5/2022	Mainstreet	Fintech	50
12	5/5/2022	Meta	Tech	Hiring Freeze
13	5/5/2022	On Deck	Tech	72
14	5/10/2022	Thrasio	E-commerce	N/A
15	5/10/2022	Reef Technology	Tech/Grocery	750
16	5/10/2022	Sezzle	Fintech	20% of N. American Staff
17	5/11/2022	DataRobot	AI	70
18	5/12/2022	Carvana	Auto	2,500
19	5/12/2022	Twitter	Tech	Hiring Freeze
20	5/13/2022	Latch	Tech - SaaS	30
21	5/13/2022	Section4	Tech - Education	32
22	5/17/2022	Wayfair	E-commerce	Hiring Freeze (90 days)
23	5/17/2022	Scholar Rock	Biotech	25% of workforce
24	5/17/2022	Netflix	Tech - Streaming	150
25	5/20/2022	Exact Sciences	Biotech	3% Global Workforce
26	5/20/2022	Zulily	E-commerce	99 (10%)
27	5/20/2022	Vroom	Auto, E-commerce	270
28	5/20/2022	Outside Inc.	Media	15% of Workforce
29	5/20/2022	Skillz	Tech - Gaming	70
30	5/23/2022	PayPay	FinTech	83
31	5/23/2022	Klarna	FinTech	650 (10%)
32	5/23/2022	Pennymac	Financial - Mtg	207
33	5/24/2022	Gorillas	Tech - Grocery	300

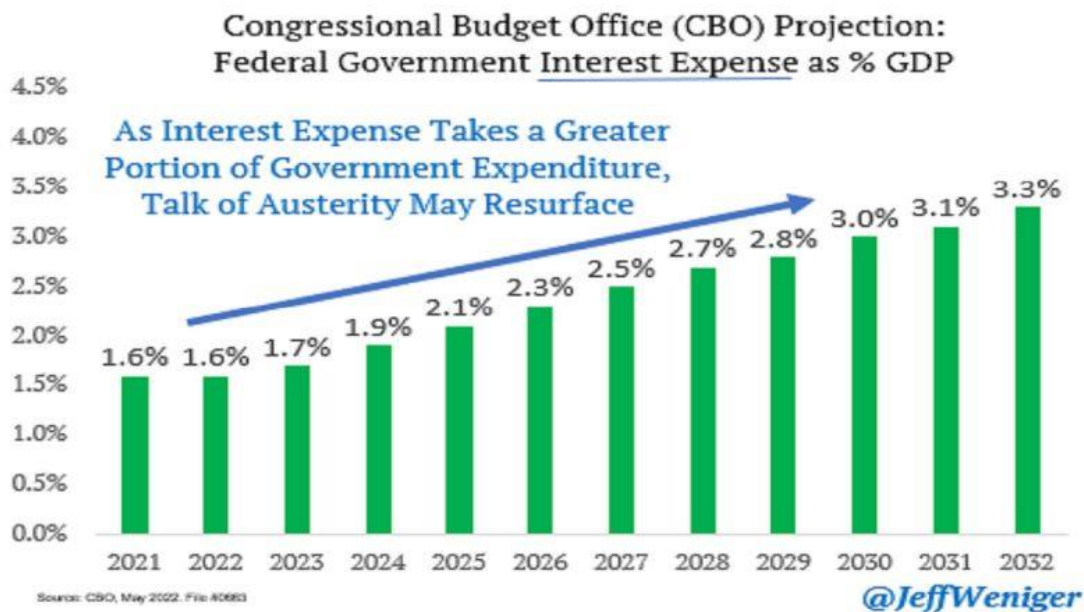


Source: www.zerohedge.com



#fiscal #policy

Will the word "austerity" soon take resurface in the market's list of concerns? With the rise of #bond #yields, the reality is that the US government's interest expense is rising and rising. Expenditures will thus need be cut, but which ones? Medicare? The military? Will this prevent fiscal policy to come as a support to the economy?



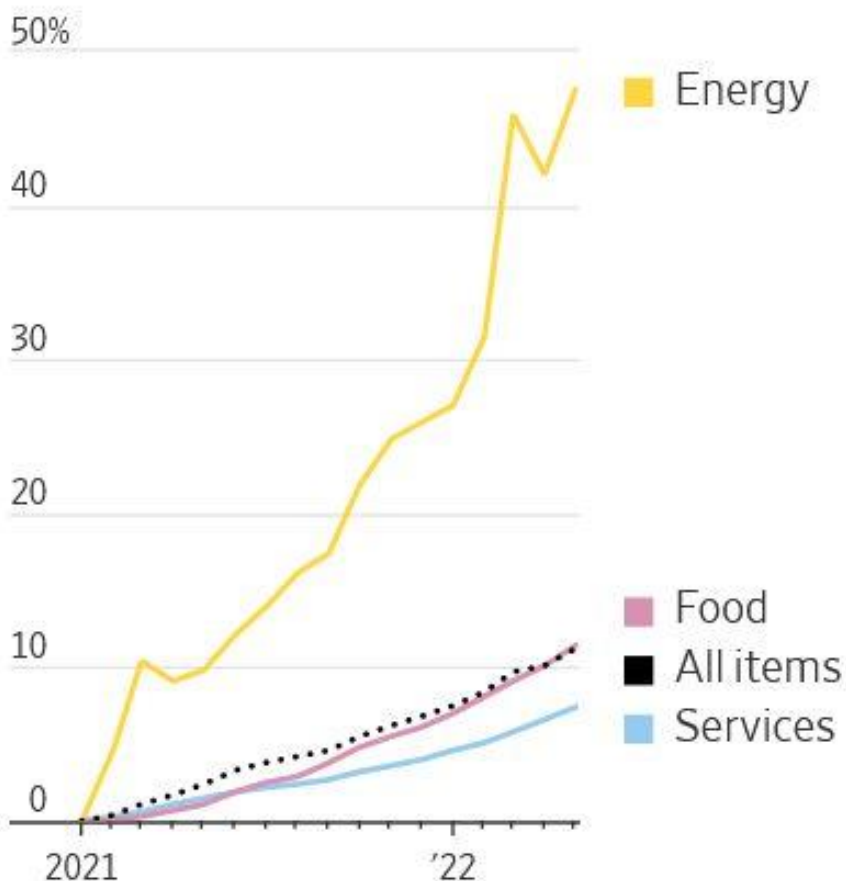
Source: Jeff Weniger

#macro

#us #inflation

May's 8.6% CPI result, the strongest since December 1981, while mainly driven by energy costs, was also pretty broad-based.

Consumer-price index, change since January 2021

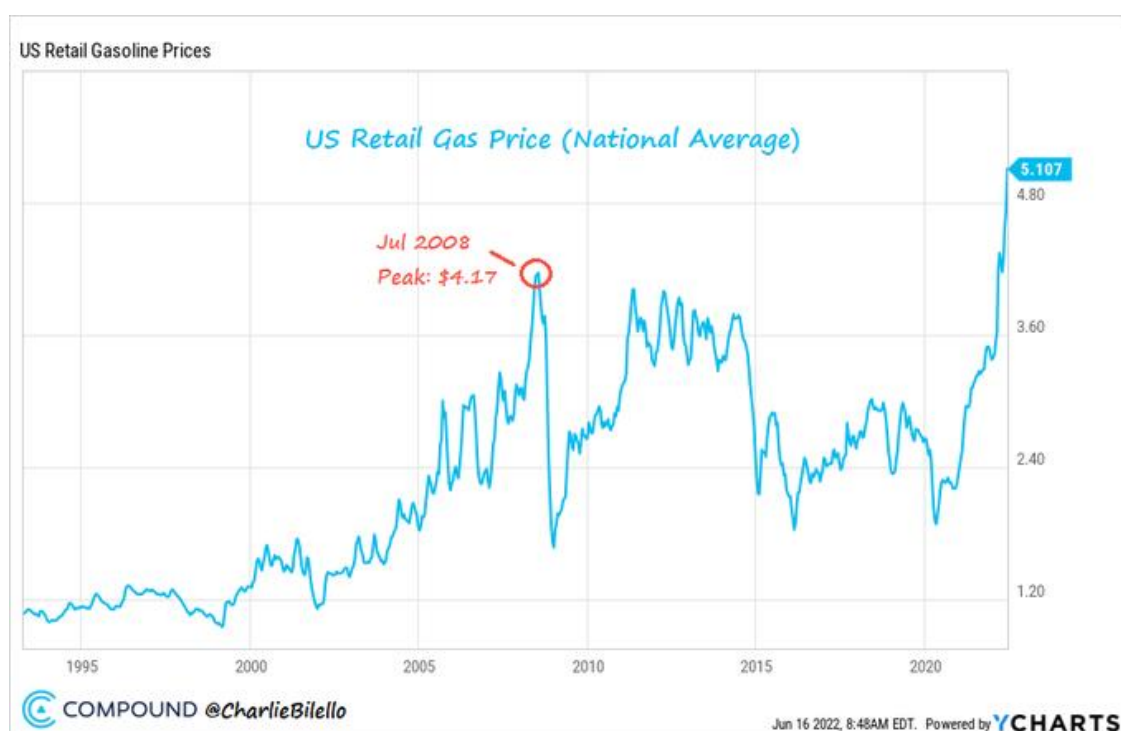


Source: WSJ

#macro

#us #gas #prices

Gas prices in the US hit another record high, rising to an average of \$5.11 per gallon. A year ago the average price was \$3.16 and two years ago the average price was \$2.19.



Source: Charlie Bilello



#us #mortgage-rates

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

1970s: 8.9%

1980s: 12.7%

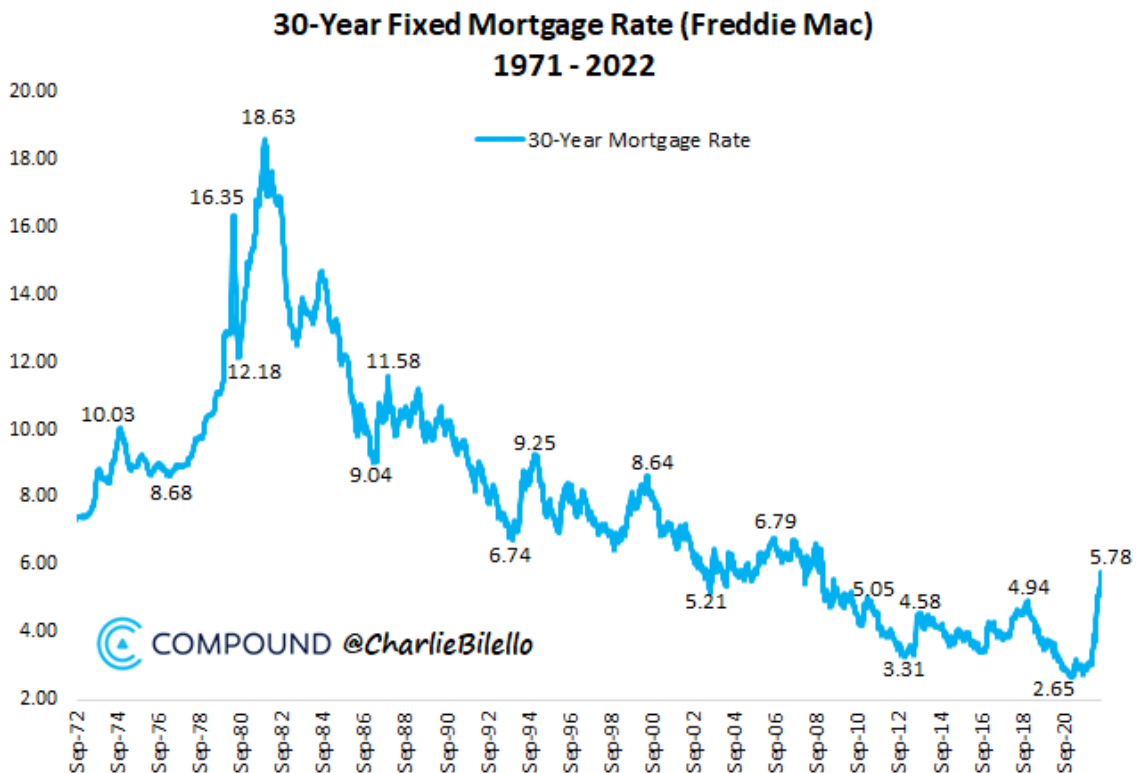
1990s: 8.1%

2000s: 6.3%

2010s: 4.1%

2020s: 3.3%

Rate Today: 5.8%



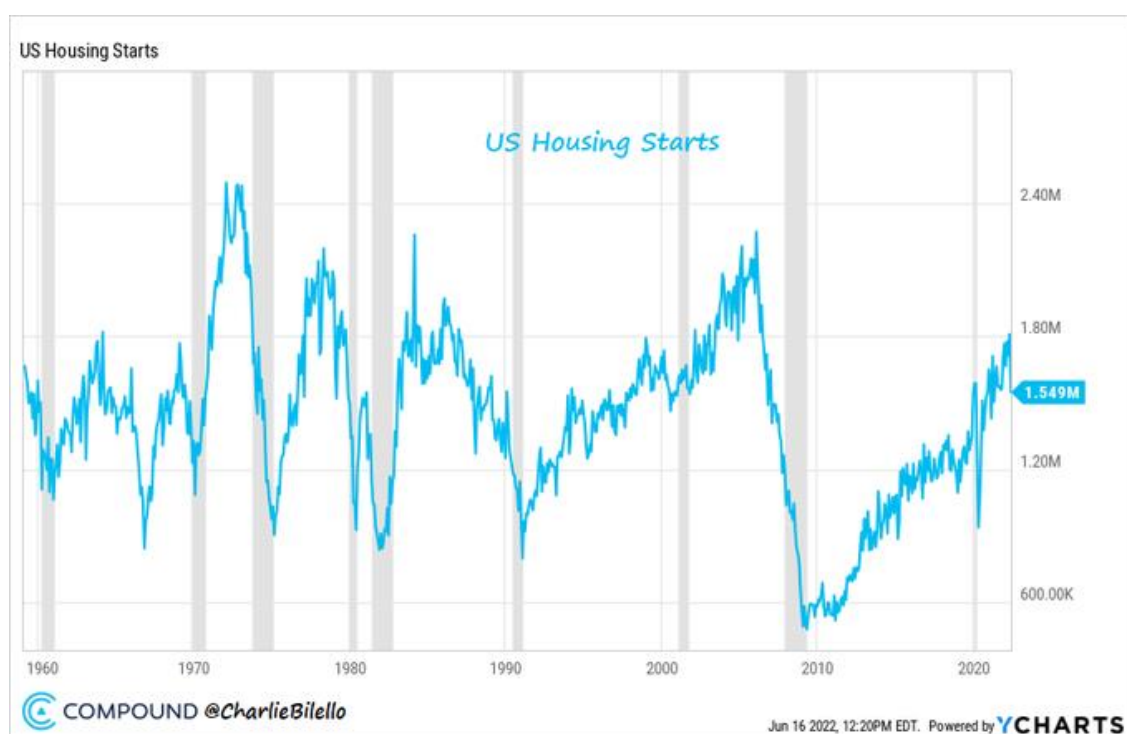
Source: Charlie Bilello



#macro

#us #housing

Housing starts fell 14% in May, the largest monthly decline since April 2020. Now down 3% year-over-year. Tends to be a leading indicator for the economy, recession odds rising.



Source: Charlie Bilello

#macro

#canada #housing

Canada has one of the biggest real estate bubble in the world.



THE STAR Election Sale

SOLD
by Chris Clarke
SOLD
OVER ASKING!

BUSINESS

Nearly one in four homeowners with a mortgage say they may have to sell if rates keep rising

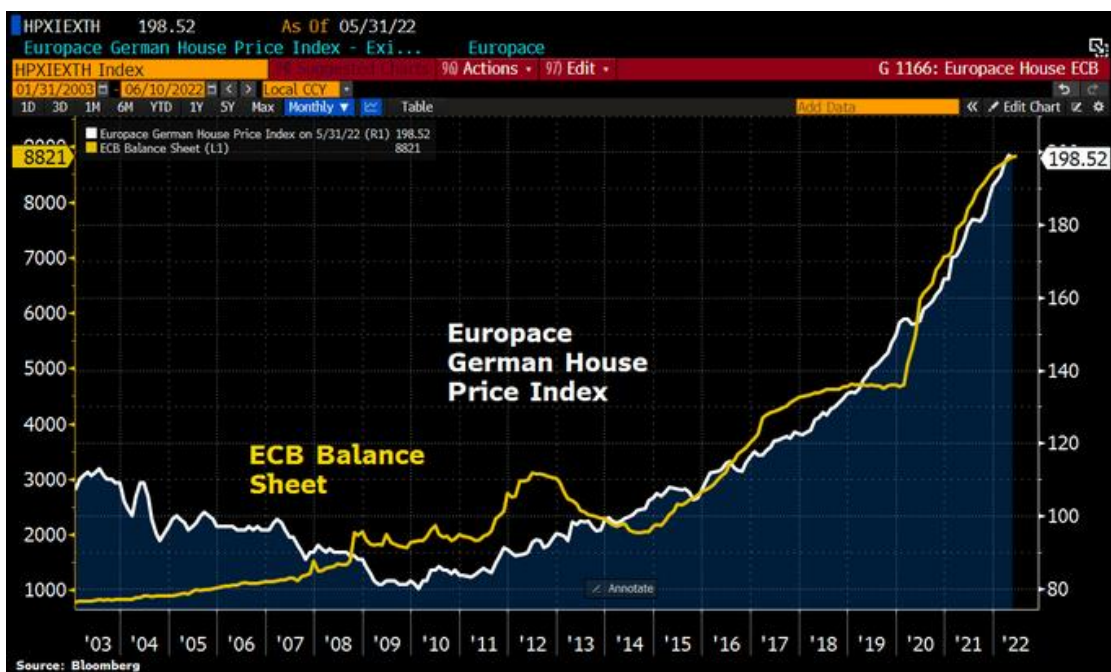
The Manulife Bank survey found Canadians' debt load is increasing, with 50% saying their spending is now outpacing their income, up from 35% a year ago.

Source: Bloomberg

#macro

#german #housing

The housing bubble is losing some air: Europace German House Price Index dropped 0.3% in May, most since April 2020 as mortgage rates have tripled since January and the #ECB has also announced that it will end its bond-buying program by end-June.



Source: Bloomberg, HolgerZ

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

18 JUNE 2022

#centralbanks

#global #central-banks

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Date
Denmark	Deposit Rate	-0.60%	7.4%	-8.0%	Cut	Sep-21
Eurozone	Deposit Rate	-0.50%	8.1%	-8.6%	Cut	Sep-19
Switzerland	Target Rate	-0.25%	2.9%	-3.2%	Hike	Jun-22
Japan	Policy Rate Bal	-0.10%	2.5%	-2.6%	Cut	Jan-16
Sweden	Repo Rate	0.25%	7.3%	-7.1%	Hike	Apr-22
Thailand	Policy Rate	0.50%	7.1%	-6.6%	Cut	May-20
Norway	Deposit Rate	0.75%	5.7%	-5.0%	Hike	Mar-22
Australia	Cash Rate	0.85%	5.1%	-4.3%	Hike	Jun-22
UK	Bank Rate	1.25%	9.0%	-7.8%	Hike	Jun-22
Hong Kong	Base Rate	1.25%	1.3%	0.0%	Hike	May-22
Taiwan	Discount Rate	1.50%	3.4%	-1.9%	Hike	Jun-22
Canada	Overnight	1.50%	6.8%	-5.3%	Hike	Jun-22
US	Fed Funds	1.63%	8.6%	-7.0%	Hike	Jun-22
South Korea	Repo Rate	1.75%	5.4%	-3.7%	Hike	May-22
New Zealand	Cash Rate	2.00%	6.9%	-4.9%	Hike	May-22
Malaysia	Policy Rate	2.00%	2.3%	-0.3%	Hike	May-22
Saudi Arabia	Repo Rate	2.25%	2.2%	0.1%	Hike	Jun-22
Philippines	Key Policy Rate	2.25%	5.4%	-3.2%	Hike	May-22
Indonesia	Repo Rate	3.50%	3.6%	0.0%	Cut	Feb-21
China	Loan Prime Rate	3.70%	2.1%	1.6%	Cut	Jan-22
South Africa	Repo Rate	4.75%	5.9%	-1.2%	Hike	May-22
India	Repo Rate	4.90%	7.0%	-2.1%	Hike	Jun-22
Peru	Policy Rate	5.50%	8.8%	-3.3%	Hike	Jun-22
Czech Republic	Repo Rate	5.75%	16.0%	-10.3%	Hike	May-22
Poland	Repo Rate	6.00%	13.9%	-7.9%	Hike	Jun-22
Colombia	Repo Rate	6.00%	9.1%	-3.1%	Hike	Apr-22
Mexico	Overnight Rate	7.00%	7.7%	-0.6%	Hike	May-22
Chile	Base Rate	9.00%	11.5%	-2.5%	Hike	Jun-22
Russia	Key Policy Rate	9.50%	17.1%	-7.6%	Cut	Jun-22
Brazil	Target Rate	13.25%	11.7%	1.5%	Hike	Jun-22
Turkey	Repo Rate	14.00%	73.5%	-59.5%	Cut	Dec-21
Argentina	Benchmark Rate	49.00%	60.7%	-11.7%	Hike	May-22

COMPOUND

@CharlieBilello



Source: Charlie Bilello

#centralbanks

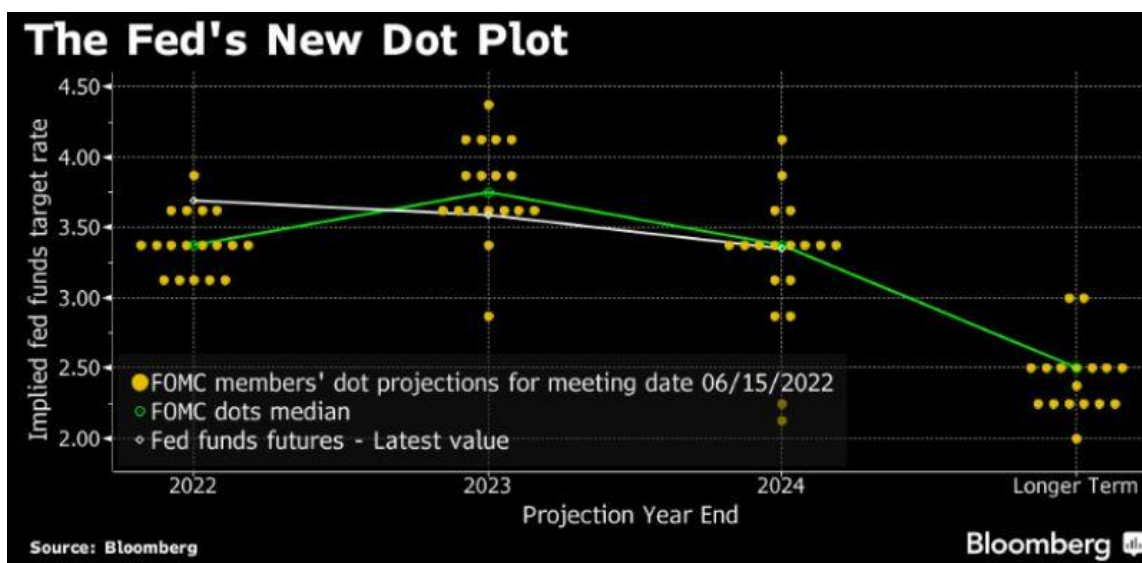
#fomc #decision

At first glance, the Fed decision is rather HAWKISH.:

- 75bps hike (that was expected since the last inflation figure was released last week).
- Change of language to "firmly committed to bringing inflation down to 2%";
- The Fed is signaling to the market that their goal is to be 100bps above "neutral" in the next 2 years.

There were a few elements seen as DOVISH by investors:

- i) the new 2022 dot is "only" 3.4%, less than the ~3.8% anticipated by investors.
- ii) The peak Funds Rate dot remains UNCHANGED at 3.8% (there was some concern this could have been hiked all the way to 4.8%)

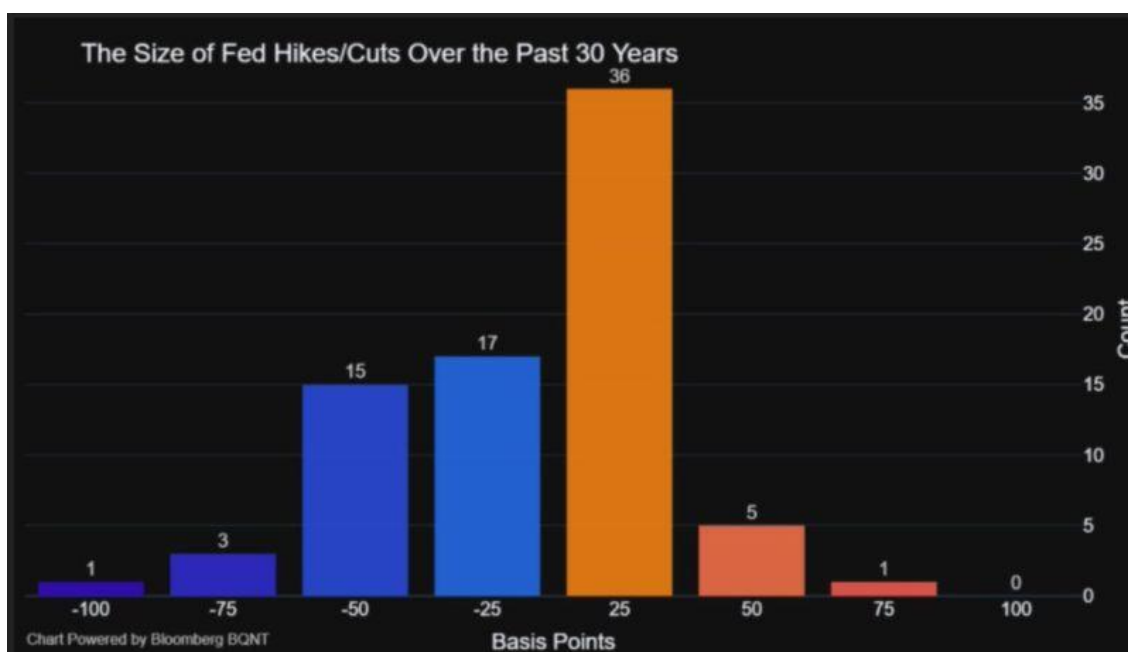


Source: Bloomberg

#centralbanks

#fed #rate #hikes

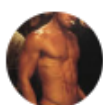
THE SIZE OF FED HIKES/CUTS OVER THE PAST 30 YEARS. Going back past 3 decades, most common move by the Fed has been to lift rates by 25bps; moves of greater magnitude have typically been cuts.



Source: Bloomberg

#centralbanks

#fed



zerohedge
@zerohedge



JPM head of trading desk, Elan Luger "I think we are past inflation at this point. The only thing confirmed yesterday is that the Fed will to do whatever it takes to get inflation back to target. If that means slowing the economy to a halt and crashing the stock market, so be it"

Source: www.zerohedge.com, JP Morgan

#centralbanks

#fed #balance-sheet

With inflation at a 40-year high, the Fed has increased their balance sheet by another 2% so far this year.

US Federal Reserve - Total Assets			
Year End	Assets (in Billions)	\$ Increase (in Billions)	% Change
2002	732		
2003	772	39	5.4%
2004	811	39	5.1%
2005	848	37	4.5%
2006	870	22	2.6%
2007	891	21	2.4%
2008	2,239	1,349	151.4%
2009	2,234	-5	-0.2%
2010	2,421	187	8.3%
2011	2,926	506	20.9%
2012	2,907	-19	-0.6%
2013	4,033	1,125	38.7%
2014	4,498	465	11.5%
2015	4,487	-11	-0.2%
2016	4,451	-35	-0.8%
2017	4,449	-3	-0.1%
2018	4,076	-373	-8.4%
2019	4,166	90	2.2%
2020	7,363	3,197	76.7%
2021	8,757	1,394	18.9%
2022 YTD	8,932	175	2.0%
	Period	\$ Increase (in Billions)	% Change
	2002-22	8,200	1120%

 COMPOUND

@CharlieBilello

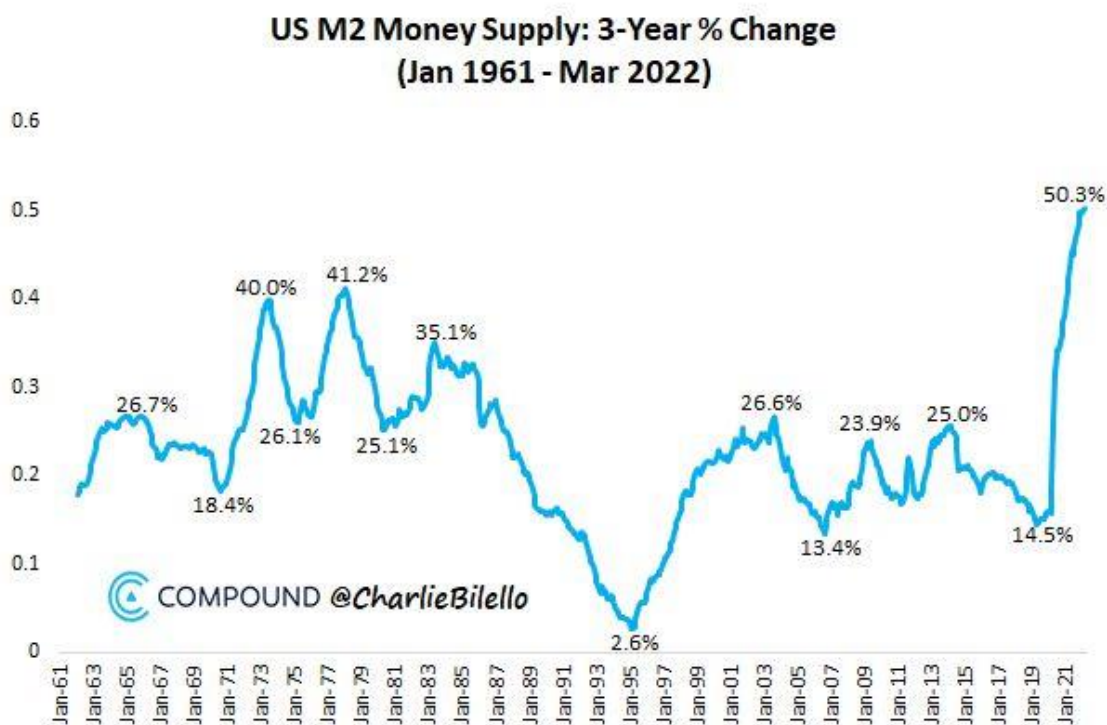
Source: Charlie Bilello

#centralbanks

#us #money-supply

As Milton Friedman once said: "Inflation is always and everywhere a monetary phenomenon, in the sense that it is and can be produced only by a more rapid increase in the quantity of money than in output".

But as rightly pointed out by Charlie Bilello, the huge rise (>50%) of US money supply over the last 3 years is never question marked when it comes to explain the surge in #inflation.

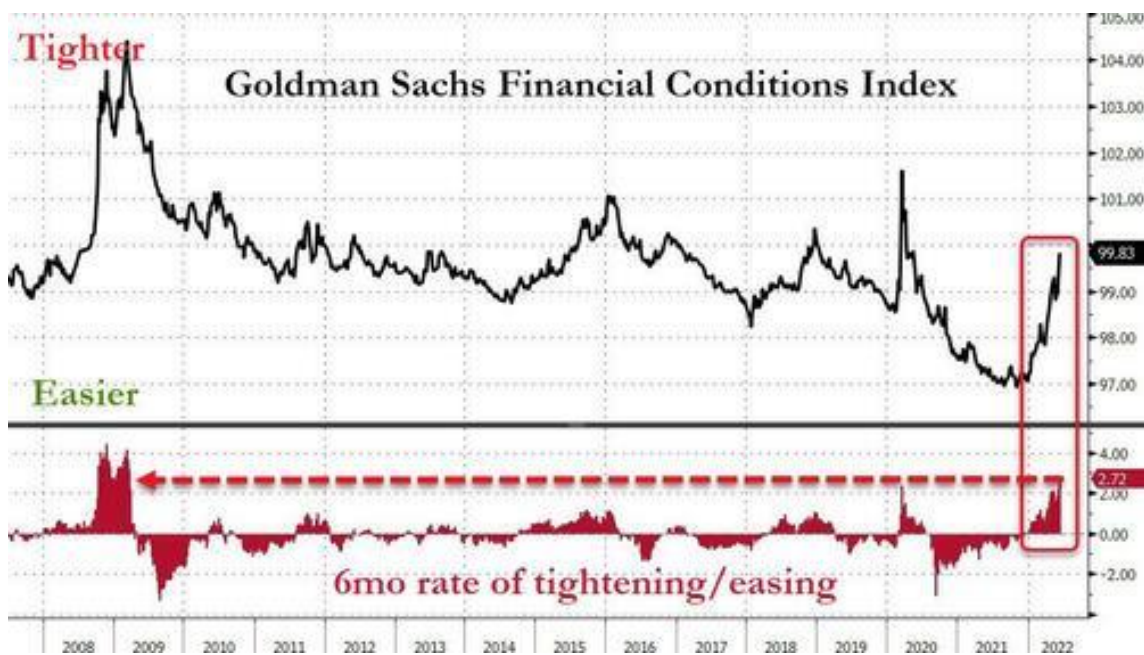


Source: Charlie Bilello

#centralbanks

#us #financial-conditions

The Fed balance sheet is shrinking and The Fed is hiking rates dramatically as financial conditions are tightening at their fastest pace since the Lehman collapse...



Source: Bloomberg, www.zerohedge.com

#centralbanks

#snb #rates-hike

SWISS NATIONAL BANK (SNB) UNEXPECTEDLY RAISES INTEREST RATE (+50 BPS !!!) FROM A RECORD LOW. Policy makers led by President Thomas Jordan opted to join the global bandwagon of monetary tightening on Thursday, lifting the policy rate by 50 basis points to -0.25%.



#centralbanks

#snb #assets

Not only the Swiss National Bank decided to hike rates by 50bps, they also warned it may SELL stocks. Indeed, The SNB has been diversifying FX reserves into equities and corporate bonds over the years and this trend may stand to reverse after today. The thinking is that they may dump U.S tech stocks, to raise USD, to buy Swiss Francs to keep CHF stronger in order to fight against rising inflation. The SNB holds ~\$177bn of US equities concentrated mainly in FAANG. They are one of the largest holders of Apple, Microsoft and Amazon stock in the world – see their top holdings below..

Security	Ticker	Source	Position	Pos Chg	% Out	Curr. MV	Filing Date
1) Apple Inc	AAPL US	13F	71,060,708	+8.23MLN	.44	9.62BLN	03/31/22
2) Microsoft Corp	MSFT US	13F	30,893,155	+3.76MLN	.41	7.78BLN	03/31/22
3) Amazon.com Inc	AMZN US	13F	39,539,440	+4.89MLN	.39	4.26BLN	03/31/22
4) Alphabet Inc Class A	GOOGL US	13F	1,302,890	+158,500	.43	2.86BLN	03/31/22
5) Alphabet Inc Class C	GOOG US	13F	1,238,537	+143,300	.40	2.73BLN	03/31/22
6) Tesla Inc	TSLA US	13F	3,697,259	+498,700	.36	2.58BLN	03/31/22
7) Johnson & Johnson	JNJ US	13F	11,402,516	+1.4MLN	.43	1.94BLN	03/31/22
8) UnitedHealth Group Inc	UNH US	13F	4,079,426	+495,300	.43	1.89BLN	03/31/22
9) NVIDIA Corp	NVDA US	13F	10,828,224	+1.33MLN	.43	1.79BLN	03/31/22
10) Exxon Mobil Corp	XOM US	13F	18,336,791	+2.25MLN	.44	1.74BLN	03/31/22
11) Meta Platforms Inc Class A	META US	13F	10,249,010	+1.19MLN	.45	1.74BLN	03/31/22
12) Visa Inc Class A	V US	13F	7,232,119	+817,500	.44	1.42BLN	03/31/22
13) Procter & Gamble Co/The	PG US	13F	10,481,473	+1.25MLN	.44	1.39BLN	03/31/22
14) Chevron Corp	CVX US	13F	8,349,332	+998,700	.42	1.37BLN	03/31/22
15) Home Depot Inc/The	HD US	13F	4,522,866	+511,600	.44	1.27BLN	03/31/22
16) Mastercard Inc Class A Common Stock	MA US	13F	3,799,557	+451,200	.39	1.24BLN	03/31/22
17) Pfizer Inc	PFE US	13F	24,310,941	+3MLN	.43		
18) Coca-Cola Co/The	KO US	13F	17,773,194	+2.17MLN	.41		
19) AbbVie Inc	ABBV US	13F	7,657,175	+940,300	.43		
20) Eli Lilly & Co	LLY US	13F	3,521,748	+431,200	.37		
21) PepsiCo Inc	PEP US	13F	5,988,604	+735,300	.43		
22) Broadcom Inc	AVGO US	13F	1,782,742	+223,400	.44		
23) Merck & Co Inc	MRK US	13F	10,940,532	+1.32MLN	.43	925.90MLN	03/31/22
24) Verizon Communications Inc	VZ US	13F	17,932,301	+2.2MLN	.43	881.37MLN	03/31/22
25) Thermo Fisher Scientific Inc	TMO US	13F	1,706,727	+211,400	.44	878.55MLN	03/31/22
26) Costco Wholesale Corp	COST US	13F	1,913,699	+233,400	.43	877.99MLN	03/31/22
27) Abbott Laboratories	ABT US	13F	7,658,965	+920,600	.44	802.66MLN	03/31/22
28) Cisco Systems Inc	CSCO US	13F	18,267,620	+2.25MLN	.44	800.12MLN	03/31/22
29) Walmart Inc	WMT US	13F	6,642,783	+784,900	.24	793.02MLN	03/31/22
30) Comcast Corp Class A	CMCSA US	13F	19,748,429	+2.34MLN	.44	792.50MLN	03/31/22
31) Adobe Inc	ADBE US	13F	2,060,789	+249,900	.44	776.75MLN	03/31/22
32) McDonald's Corp	MCD US	13F	3,236,557	+398,000	.44	773.21MLN	03/31/22
33) Accenture PLC Class A Ordinary Shares	ACN US	13F	2,735,838	+325,500	.43	769.29MLN	03/31/22
34) Walt Disney Co/The	DIS US	13F	7,872,771	+966,000	.43	754.84MLN	03/31/22
35) Salesforce Inc	CRM US	13F	4,240,331	+519,200	.43	714.71MLN	03/31/22
36) Bristol-Myers Squibb Co	BMJ US	13F	9,613,857	+1.17MLN	.45	702.00MLN	03/31/22

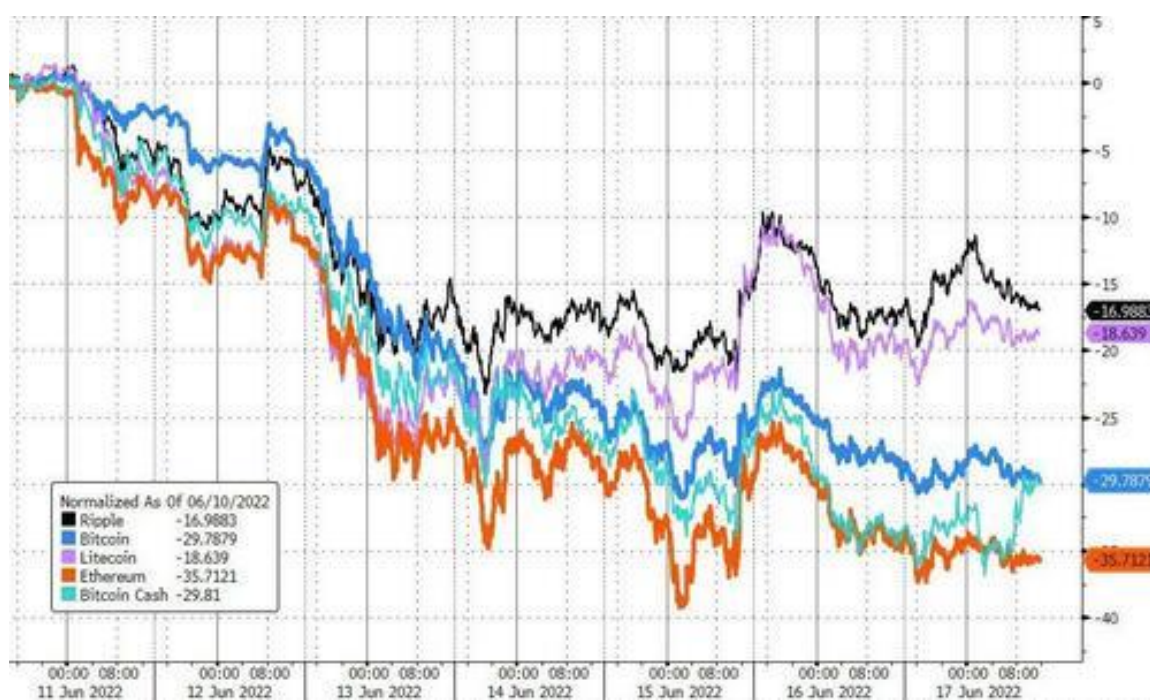
Source: Bloomberg





#cryptocurrencies #weekly

Worst week for bitcoin (down 30%) since March 2020, but Ethereum was down worse, losing 35% this week alone!



Source: Bloomberg, www.zerohedge.com



#ethereum-bitcoin #ratio

Amid crises at several crypto lenders, Ethereum (which formed the backbone of some of the contracts involved in these transactions), has been hammered (down to \$1050 at the lows) and has broken out to the downside relative to Bitcoin...



Source: Bloomberg, www.zerohedge.com



#bitcoin #oversold

Also note that on a weekly basis, Bitcoin has never been this oversold...



Source: Bloomberg, www.zerohedge.com

#cryptos

#cryptocurrencies #drawdown

Actual drawdowns are between -68% and -95%...

Current drawdowns of Cryptocurrencies...

(as of June 16, 2022)

Bitcoin	XBT-USD Cross Rate	-68.8%
Ethereum	XET-USD Cross Rate	-76.7%
Cardano	XAD-USD Cross Rate	-83.4%
XRP	XRP-USD Cross Rate	-82.6%
Decentraland	XMN-USD Cross Rate	-84.0%
Litecoin	XLC-USD Cross Rate	-87.8%
Chiliz token	CHZ-Dollar Settlement	-70.5%
Dash	XDH-USD Cross Rate	-94.1%
TRON	XTR-USD Cross Rate	-81.2%
IOTA	XIO-USD Cross Rate	-85.2%
OMG Network	OMG-Dollar Settlement	-90.5%
EOS	XEO-USD Cross Rate	-95.0%



#robinhood

Is Robinhood taking from the poor to give to the rich? It is early to judge, but it seems that retail investors have been providing liquidity to institutions dumping crypto-linked stocks and ETFs during the recent crypto selloff.



Retail purchases of crypto-linked stocks and ETFs

Source: VandaTrack

Source: The Daily Shot

#cryptos

#celsiusnetwork



Celsius 
@CelsiusNetwork



.@CelsiusNetwork is pausing all withdrawals, Swap, and transfers between accounts. Acting in the interest of our community is our top priority. Our operations continue and we will continue to share information with the community. More here:

#cryptos

#dogecoin

Elon Musk and two of his companies, Tesla and SpaceX, are facing a \$258 billion lawsuit, according to Thursday reports. Bloomberg reported that an American citizen is suing the world's richest man for allegedly pumping Dogecoin. The lawsuit alleges that Musk was part of a racketeering scheme to back the cryptocurrency.

Elon Musk, Tesla and SpaceX Hit With \$258 Billion Dogecoin Lawsuit

The lawsuit aims to represent a class of people who've lost money trading Dogecoin.

By [Mat Di Salvo](#)

Jun 16, 2022
2 min read



Tesla CEO Elon Musk. Image: Shutterstock

Source: Decrypt

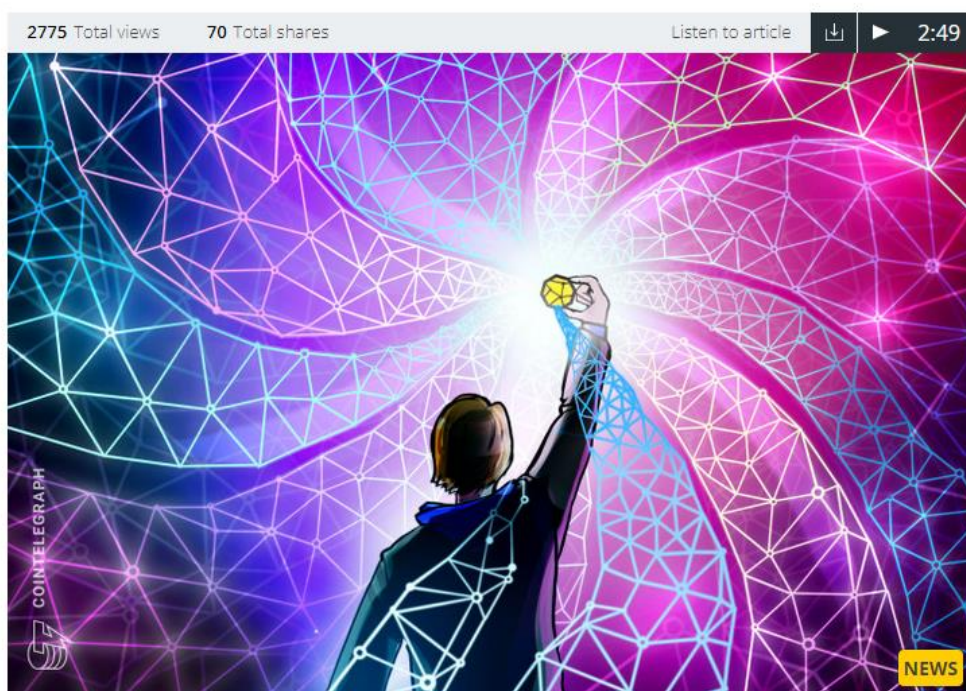


#circle #stablecoin

USD Coin (USDC) issuer Circle Internet Financial is launching a fully-reserved stablecoin pegged to the euro, signaling to the market that demand for crypto foreign exchange services remains high despite recent industry turmoil. Euro Coin, or EUROCOIN, will be available for trading on June 30, Circle said Thursday in a statement.

Circle launches euro-backed stablecoin EUROCOIN

Demand for stablecoins continues to rise as businesses look to on-chain liquidity to improve their operations.

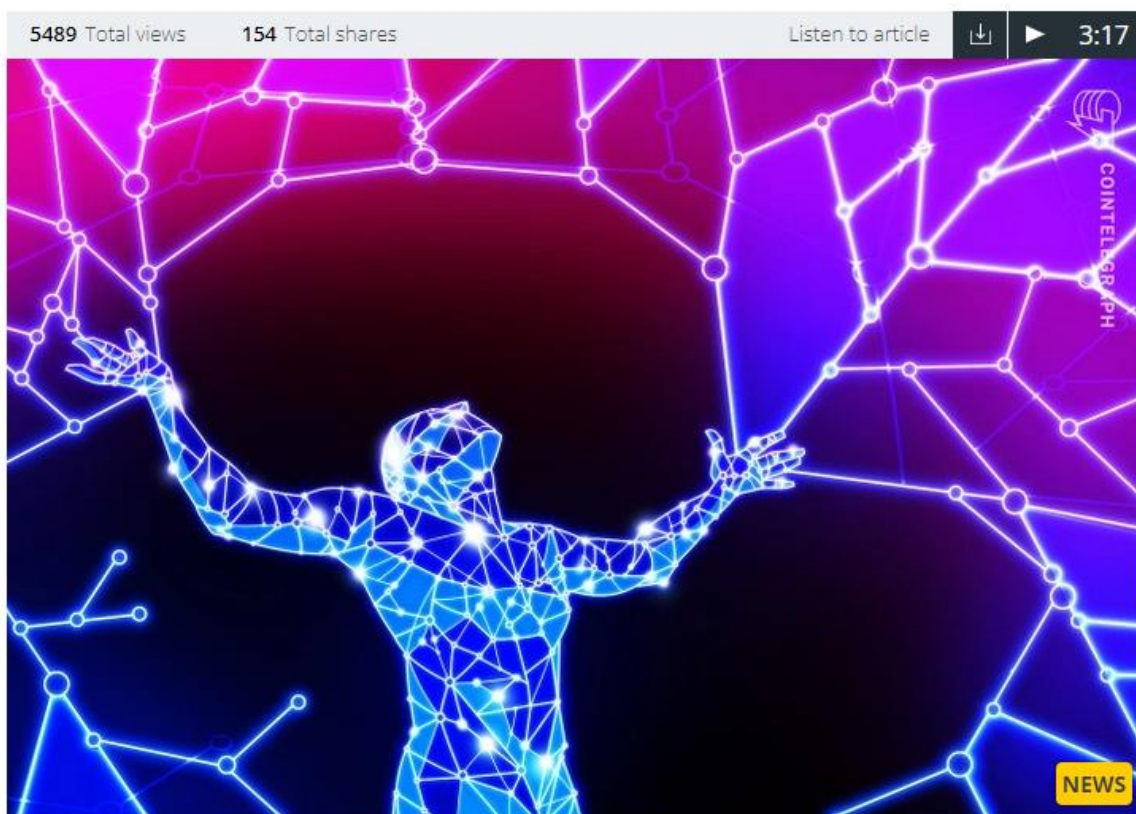


#cryptos

#metaverse

Metaverse could be worth \$5 trillion by 2030: McKinsey report

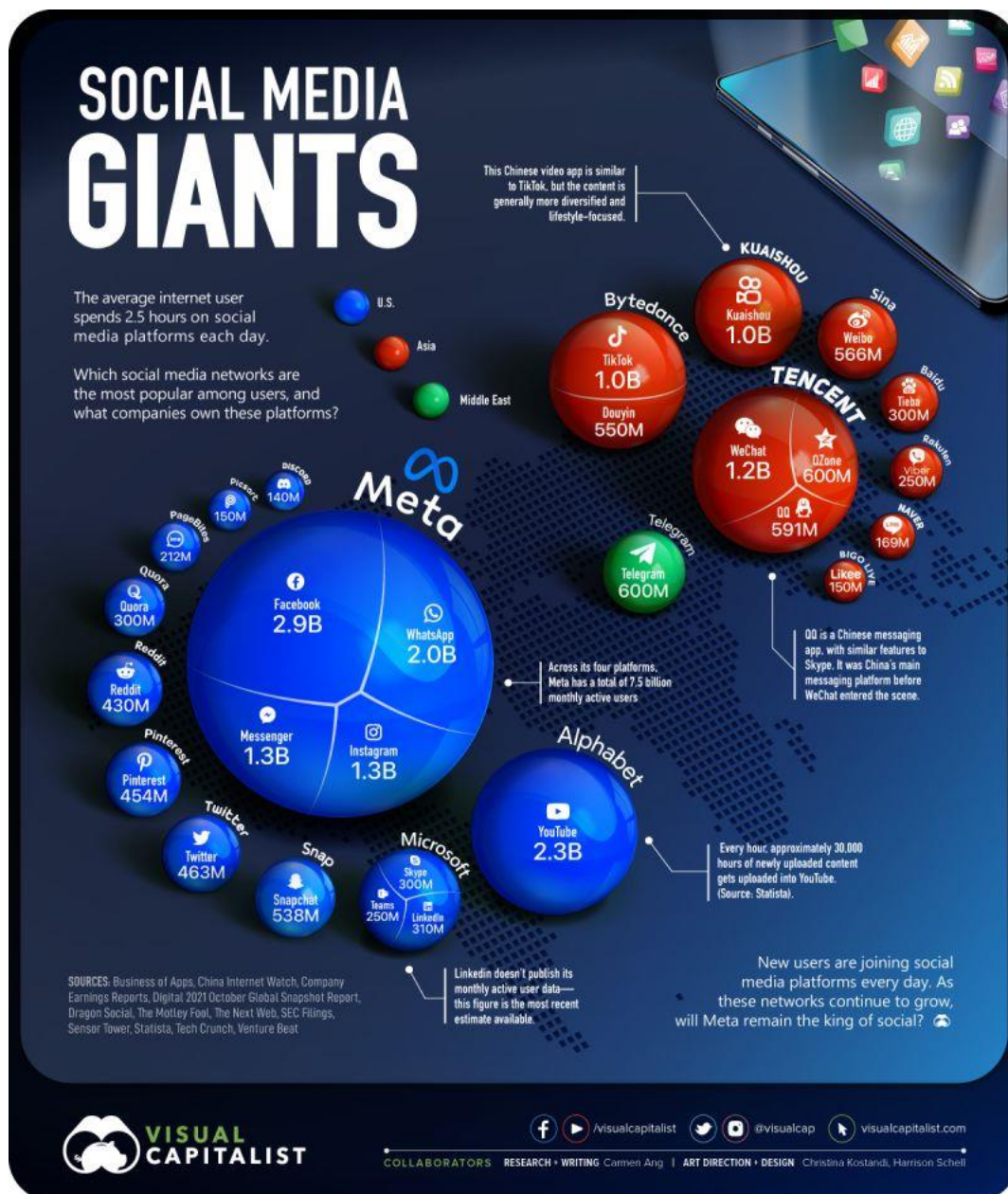
A new report from global consulting firm McKinsey found that the Metaverse could be worth \$5 trillion by 2030.



Source: www.cointelegraph.com

#food-for-thought

#social-media #giants



Source: The Visual Capitalist

#food-for-thought

#bear-markets

Length and depth of the latest S&P 500 bear markets.



#food-for-thought

#market-crash

The long-term, perspective

How a market crash looks...

...in real-time



...in perspective



Source: xxx

#food-for-thought

#etfs #closing

BlackRock is going to close 11 ETFs. Mostly hedged stuff and some of the “evolved” sectors ones.

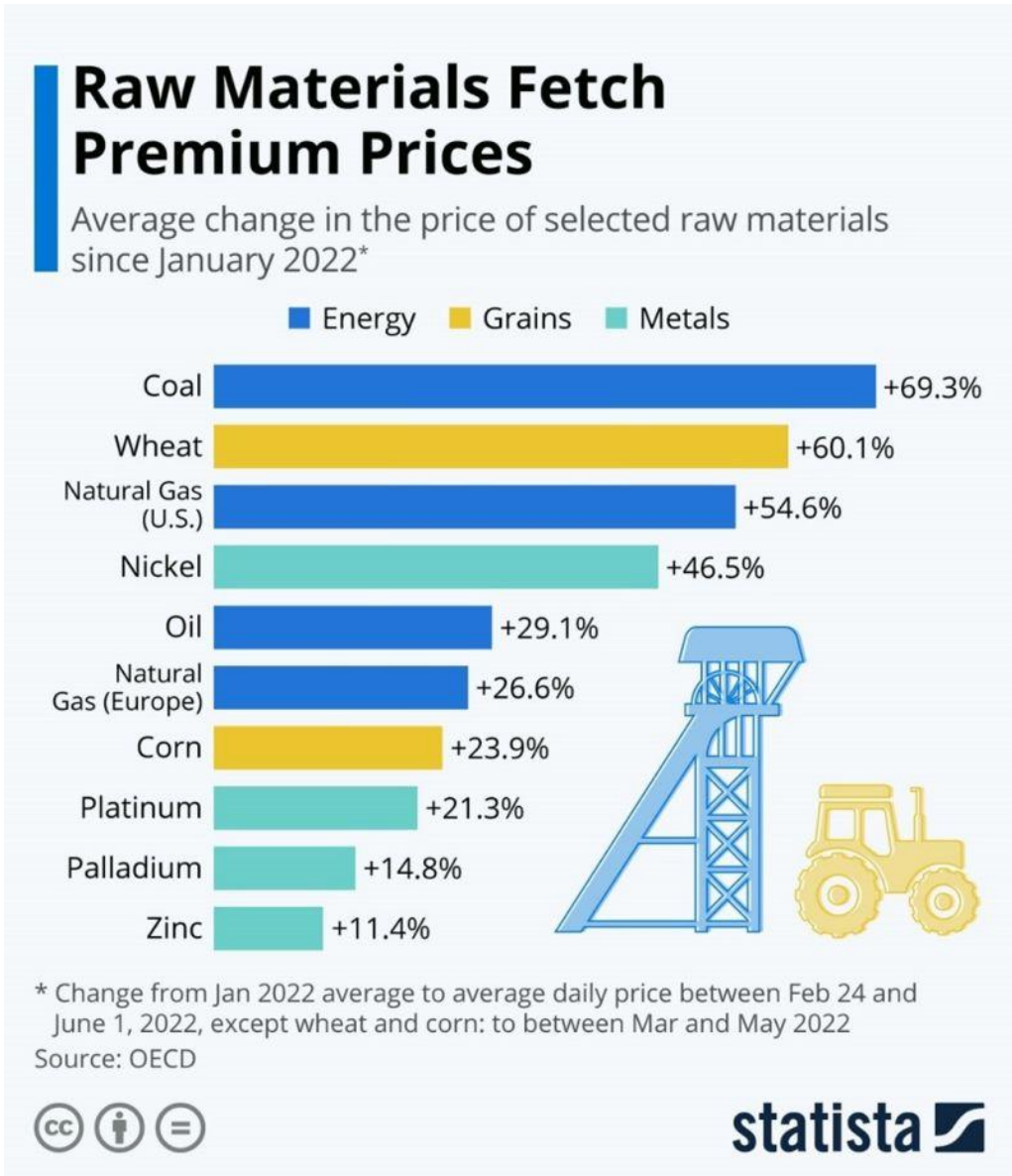
Ticker	Fund Name
AGT	iShares MSCI Argentina and Global Exposure ETF
EMBH	iShares Interest Rate Hedged Emerging Markets Bond ETF
EWJE	iShares MSCI Japan Equal Weighted ETF
HJPX	iShares Currency Hedged JPX-Nikkei 400 ETF
ICOL	iShares MSCI Colombia ETF
IECS	iShares Evolved U.S. Consumer Staples ETF
IEFN	iShares Evolved U.S. Financials ETF
IEHS	iShares Evolved U.S. Healthcare Staples ETF
IEIH	iShares Evolved U.S. Innovative Healthcare ETF
IEME	iShares Evolved U.S. Media and Entertainment ETF
MIDF	iShares MSCI USA Mid-Cap Multifactor ETF

Source: Bloomberg, Eric Balchunas

#food-for-thought

#commodities #performance #2022

Till the end of May.



Source: Statista

#food-for-thought

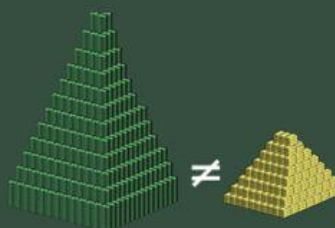
#gold

How the U.S. Ran Out of Money in 1971

1. Gold was used in transactions between countries



2. U.S. wrote more checks than it had gold in the bank



3. People and countries rushed to exchange their checks for gold



THE CHANGING
WORLD ORDER

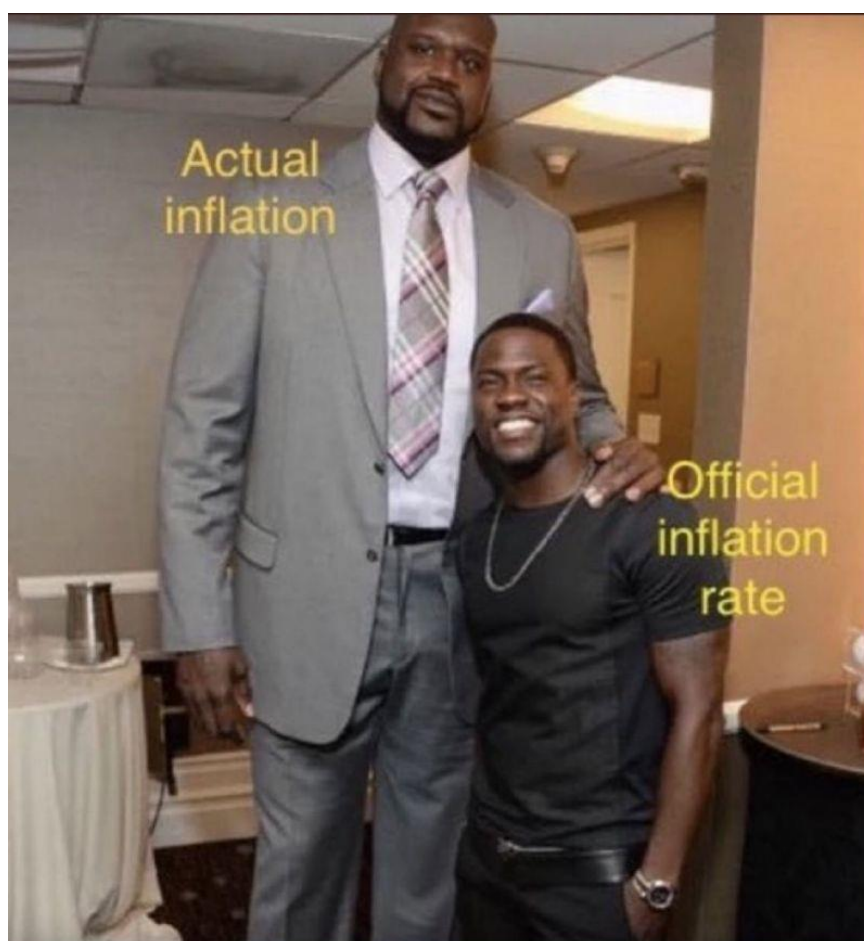
RAY DALIO

Source: Ray Dalio

#food-for-thought

#us #inflation

Owners Equivalent Rent was captured in latest US CPI report as increasing 5.4% YoY. This is captured using survey data which is used to estimate inflation in housing costs. But the real data already exists and are increasing at an eye-watering ~20% YoY in some locations, NOT the 5.4% as estimated by survey data.



Source: Amplify Trading

#food-for-thought

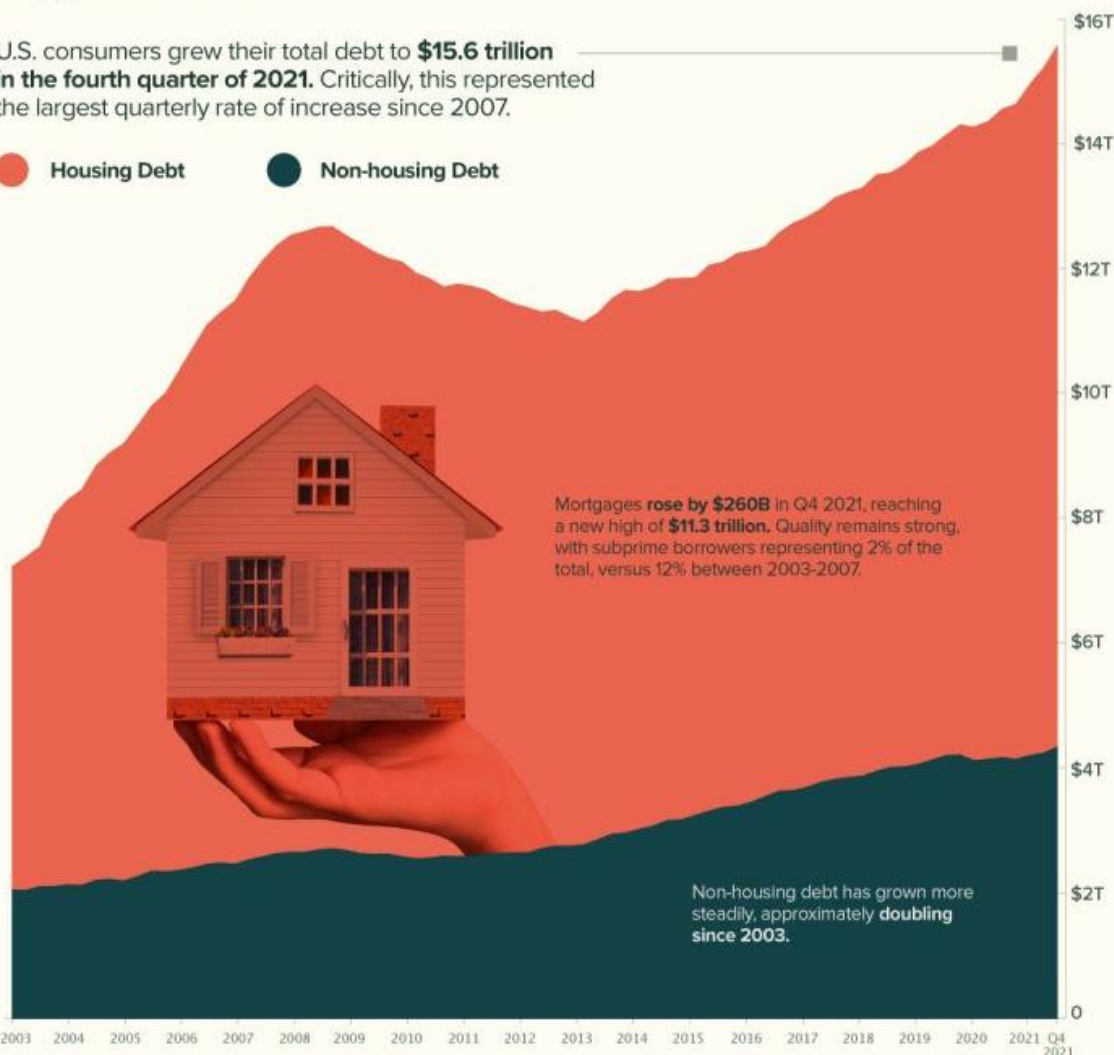
#us #consumer-debt

U.S. Consumer Debt

Approaches \$16 trillion

U.S. consumers grew their total debt to **\$15.6 trillion** in the fourth quarter of 2021. Critically, this represented the largest quarterly rate of increase since 2007.

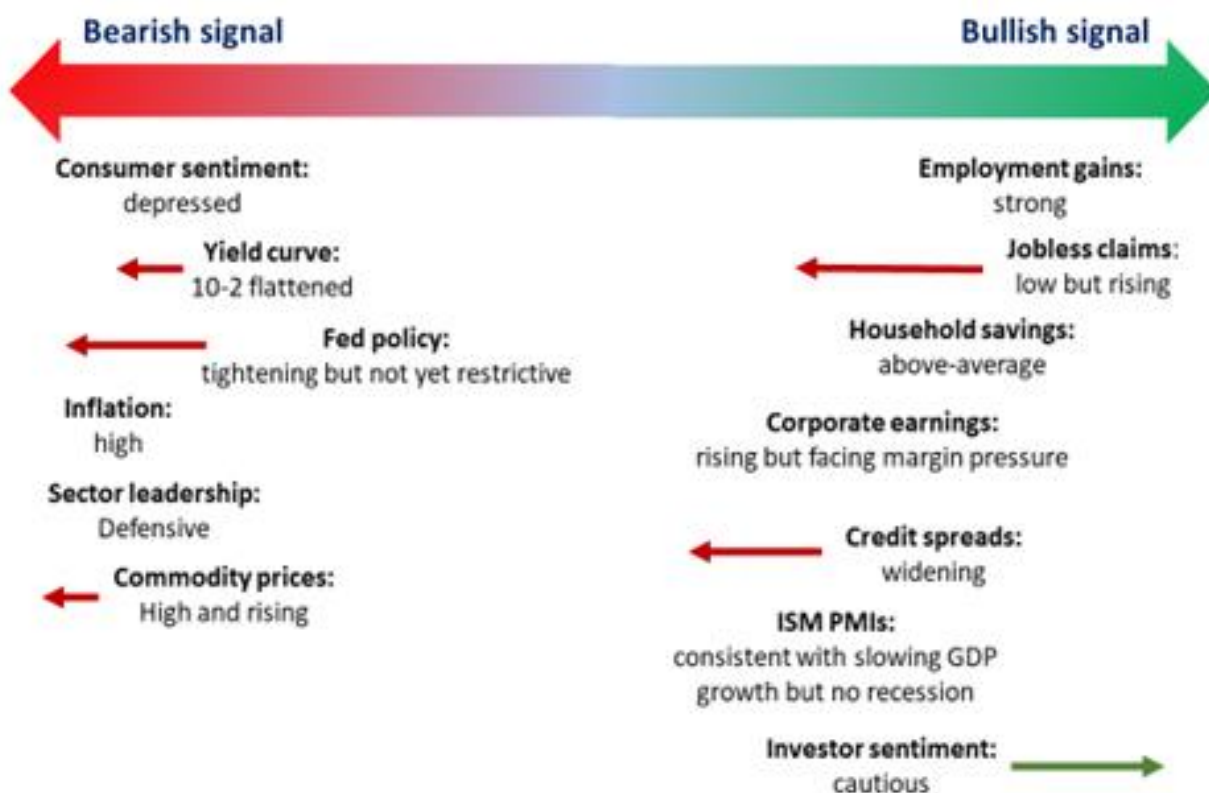
● Housing Debt ● Non-housing Debt



#food-for-thought

#market #indicators

Edward Jones Economic & Financial Indicator Scorecard



Source: Edward Jones

#food-for-thought

#mindset

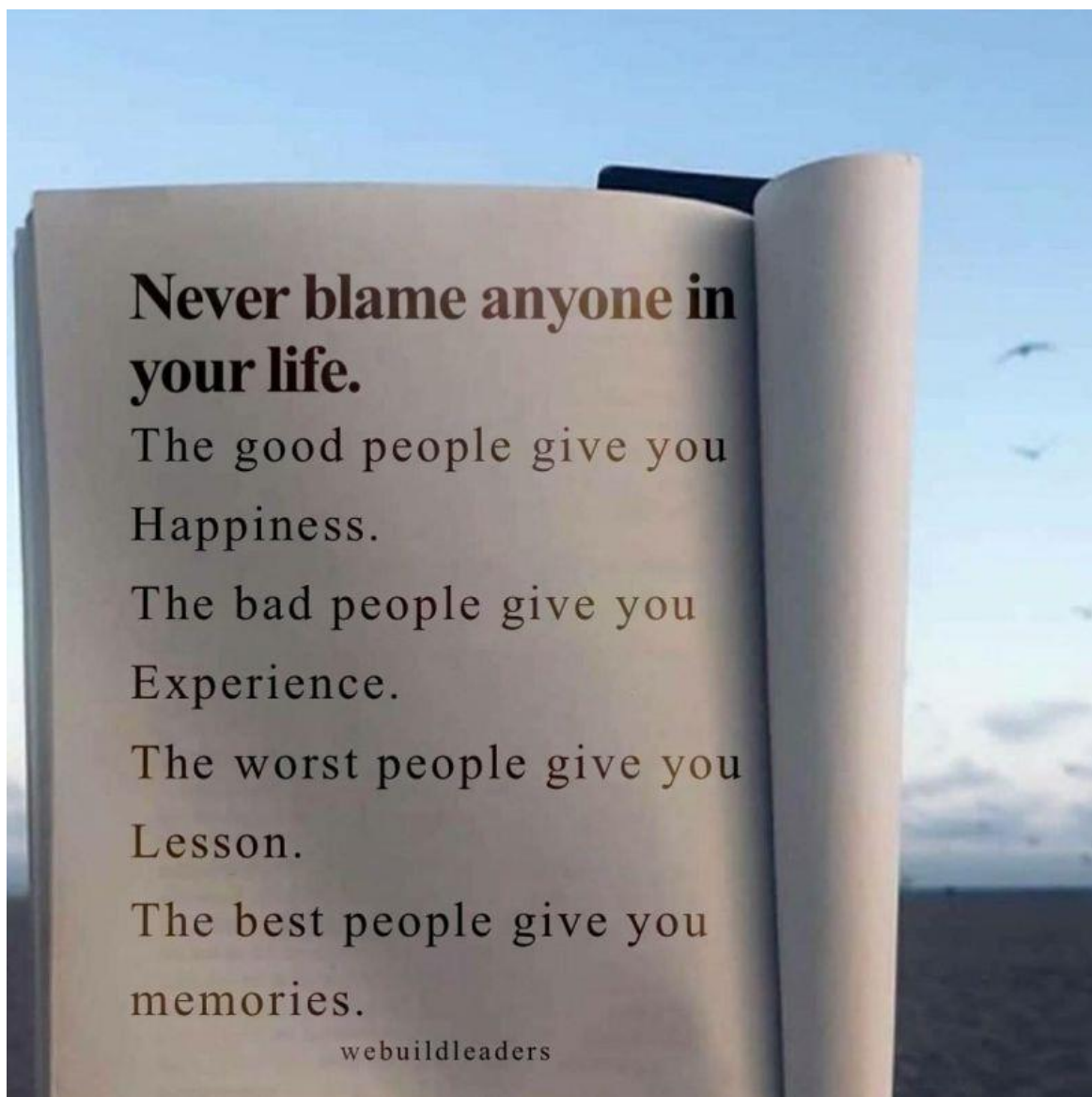


**THE BIGGEST ASSET IN THE WORLD
IS YOUR MINDSET!**

Source: European leadership

#food-for-thought

#motivation



Never blame anyone in your life.

The good people give you Happiness.

The bad people give you Experience.

The worst people give you Lesson.

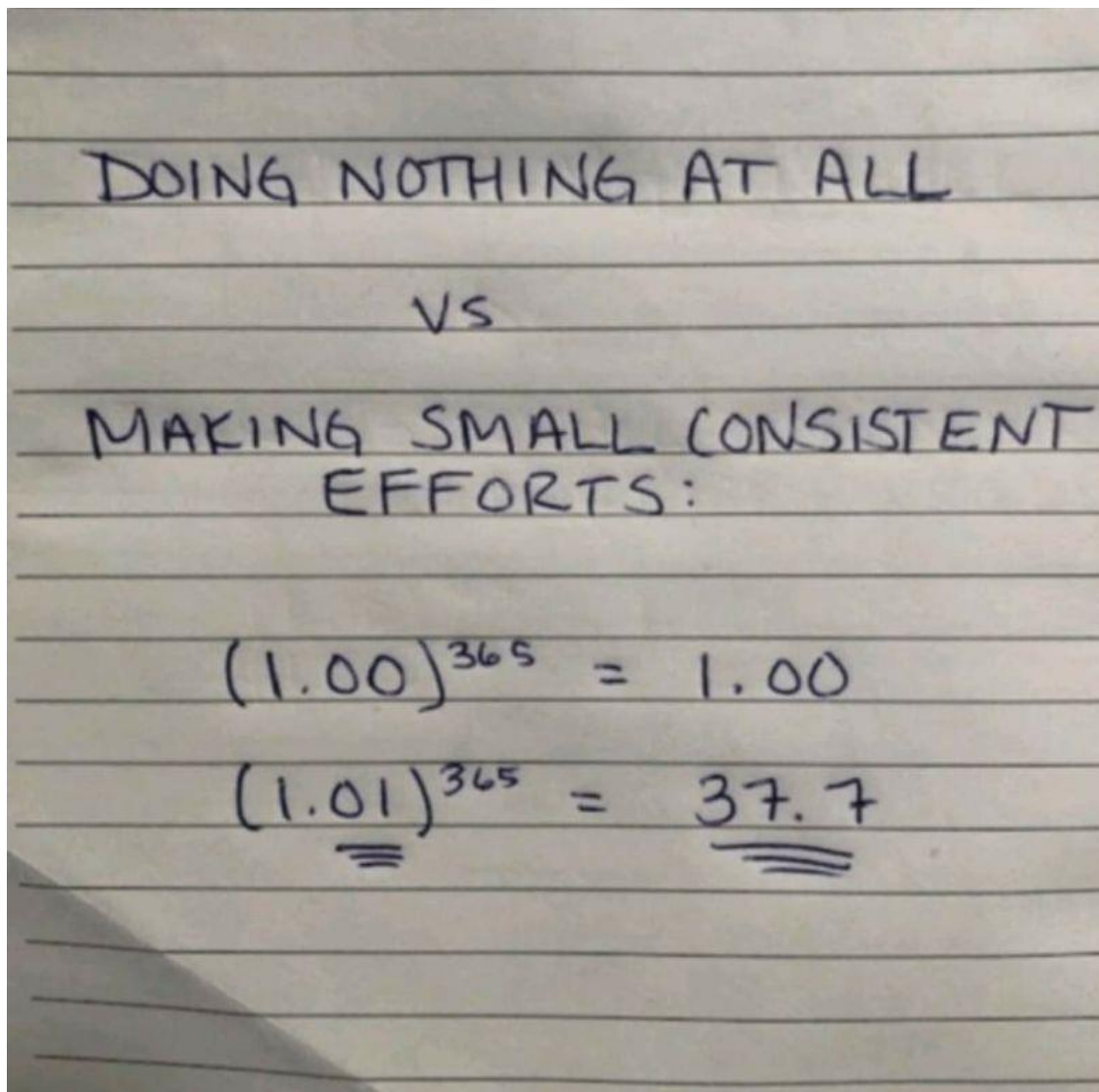
The best people give you memories.

webuildleaders

Source: UA Trendin

#food-for-thought

#1-percent



Source: Yasin Arafeh

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