

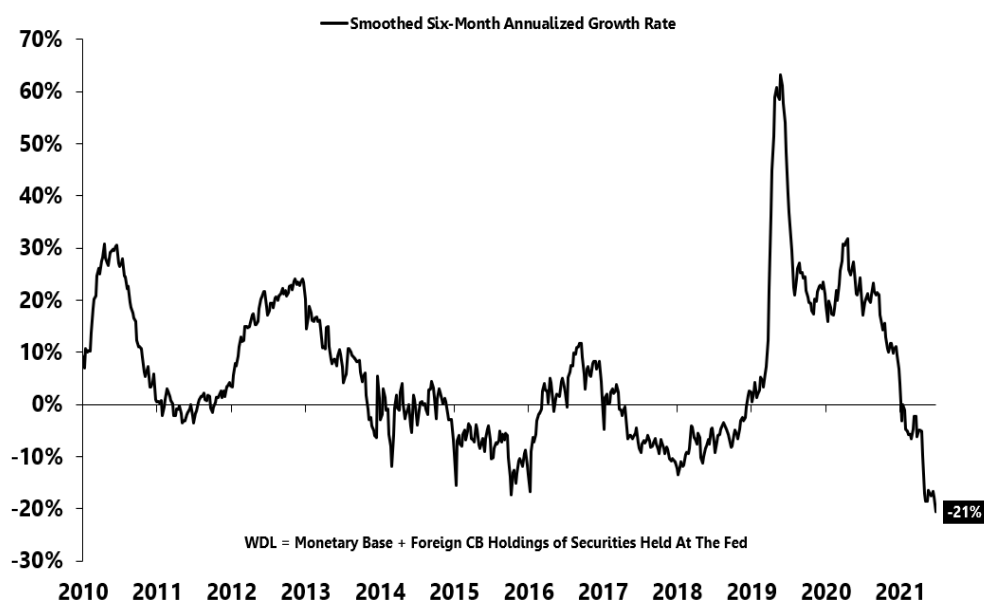
Chart of the week

World Dollar Liquidity is contracting at a record -21% annualized rate.

WDL = Monetary Base + Foreign CB Holdings of Securities Held at the Fed.

Executive Summary | Secular Trends (3-5+Yrs) | Cyclical Trends (6-18Mo) | Market Outlook

World Dollar Liquidity



Source: Federal Reserve, EPB Macro Research | Data As Of: June 2022

29

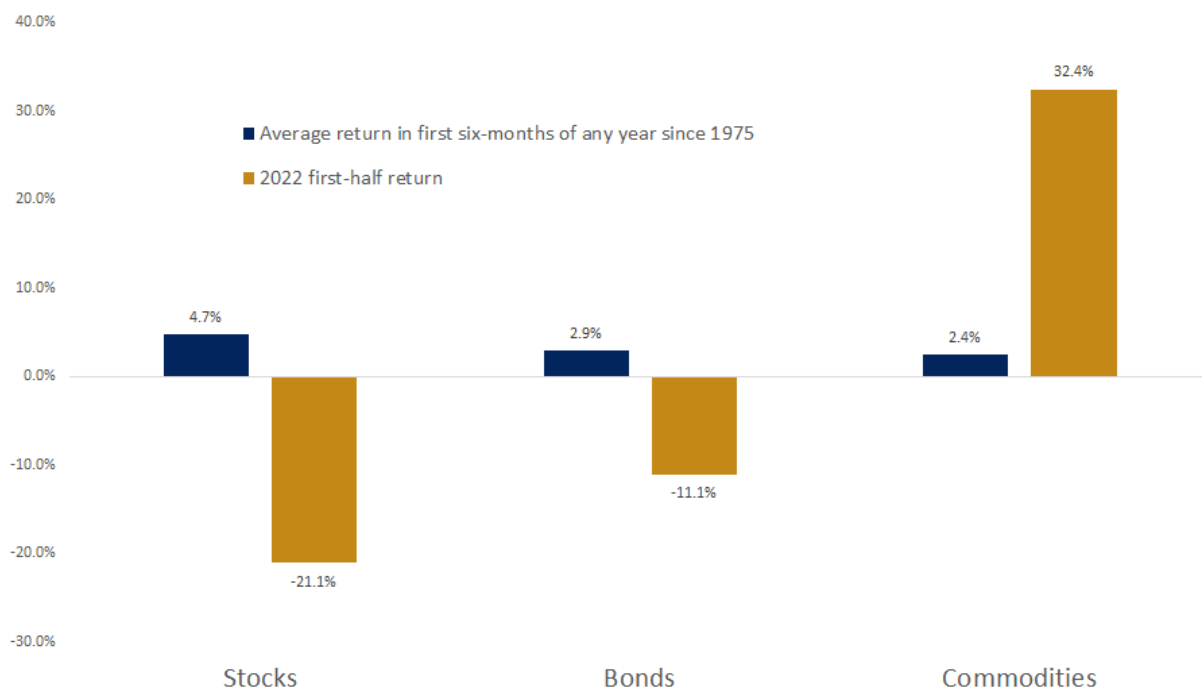
Source: EPB Research

Bad news for the economy is good news for stocks

Signs that growth and inflation might be moderating helped stocks rally sharply over the week, lifting the S&P 500 out of bear market territory. With the exception of energy, all sectors in the index recorded strong gains. Several economic data signaled that the Fed's monetary tightening was having the intended effect of slowing the US economy and moderating inflation. E.g US home sales fell to their lowest level in May since June 2020, the S&P Global's index of June manufacturing activity came in well below forecasts (52.4 versus roughly 56) while the University of Michigan's of June consumer sentiment was revised down to 50.0, its lowest level in records dating back over four decades. On Wednesday and Thursday, Fed Chair Powell testified before Congress that inflation expectations appeared to remain anchored. His comments, along with the weaker-than-expected economic readings, briefly pushed the yield on the benchmark 10-year Treasury note near 3.0%, down significantly from the previous week's peak of nearly 3.5%. Shares in Europe snapped three weeks of losses as signs that the economy is slowing cast doubt on whether central banks would seek to increase interest rates aggressively. Chinese stock markets advanced on stimulus hopes after President Xi Jinping pledged to roll out more measures to support the economy and minimize the impact of COVID-19. Cryptos have moved sharply higher, with bitcoin +20% and eth +40% from last Saturday's lows.

#cross-assets #h1 #performance

With just a few days away from the end of June, stocks gained some ground last week but remain down nearly 20%, their worst first six months of any year since 19701. Aggressive central-bank tightening, concerns around inflation, and the effect of these two factors on growth have led to a rapid adjustment in interest rates, valuations, and sentiment.

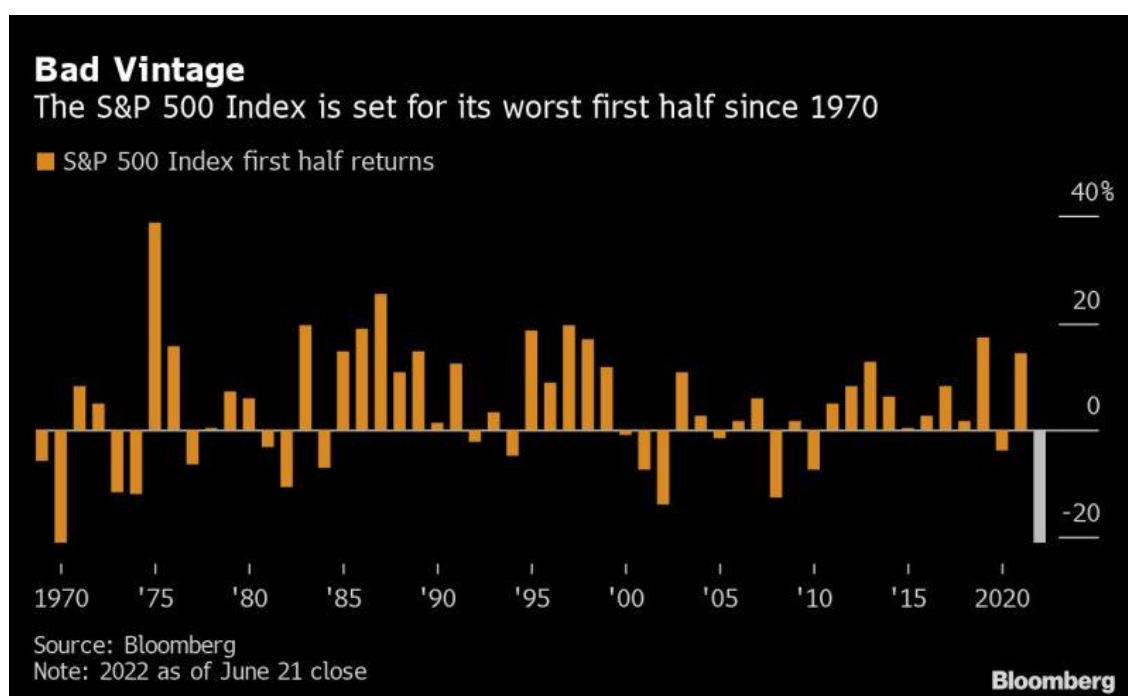


Source: Edward Jones

#markets

#us #equities #h1 #performance

To put things into perspective: The S&P 500 is set for the worst first half since the Nixon era in 1970, Bloomberg has calculated.

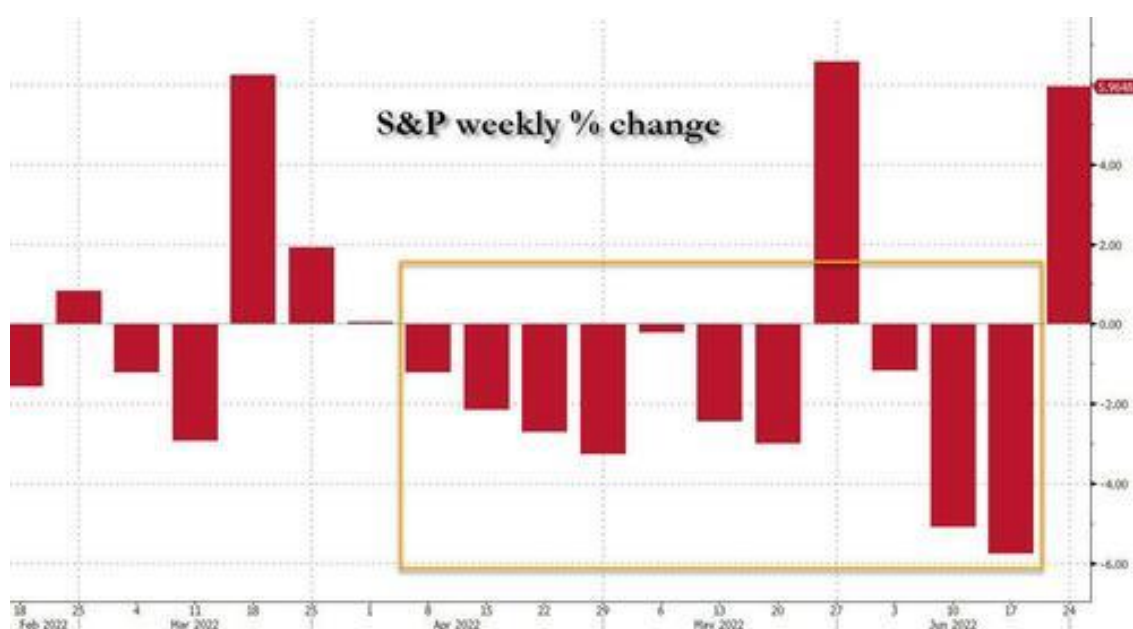


Source: HolgerZ, Bloomberg

#markets

#us #equities #weekly #performance

Finally a winning week for the S&P 500...



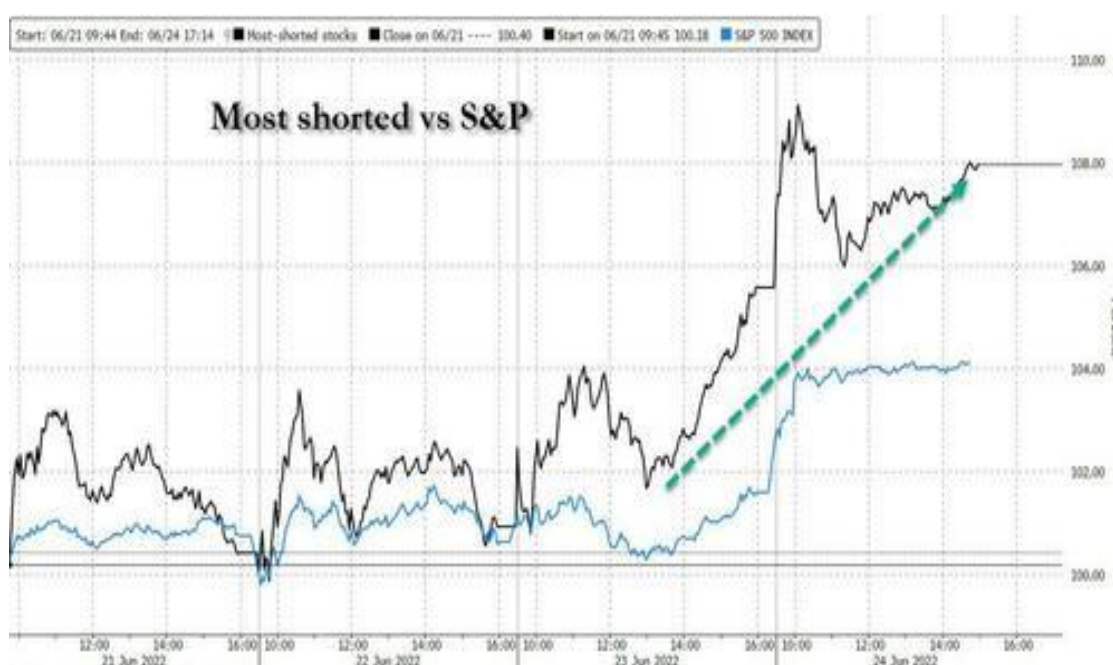
Source: www.zerohedge.com, Bloomberg

#markets

#us #equities #short-squeeze

A furious short squeeze is behind Friday's strong run...

Dow rallies 800 points on Friday to cap big comeback week for stocks



Source: www.zerohedge.com, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

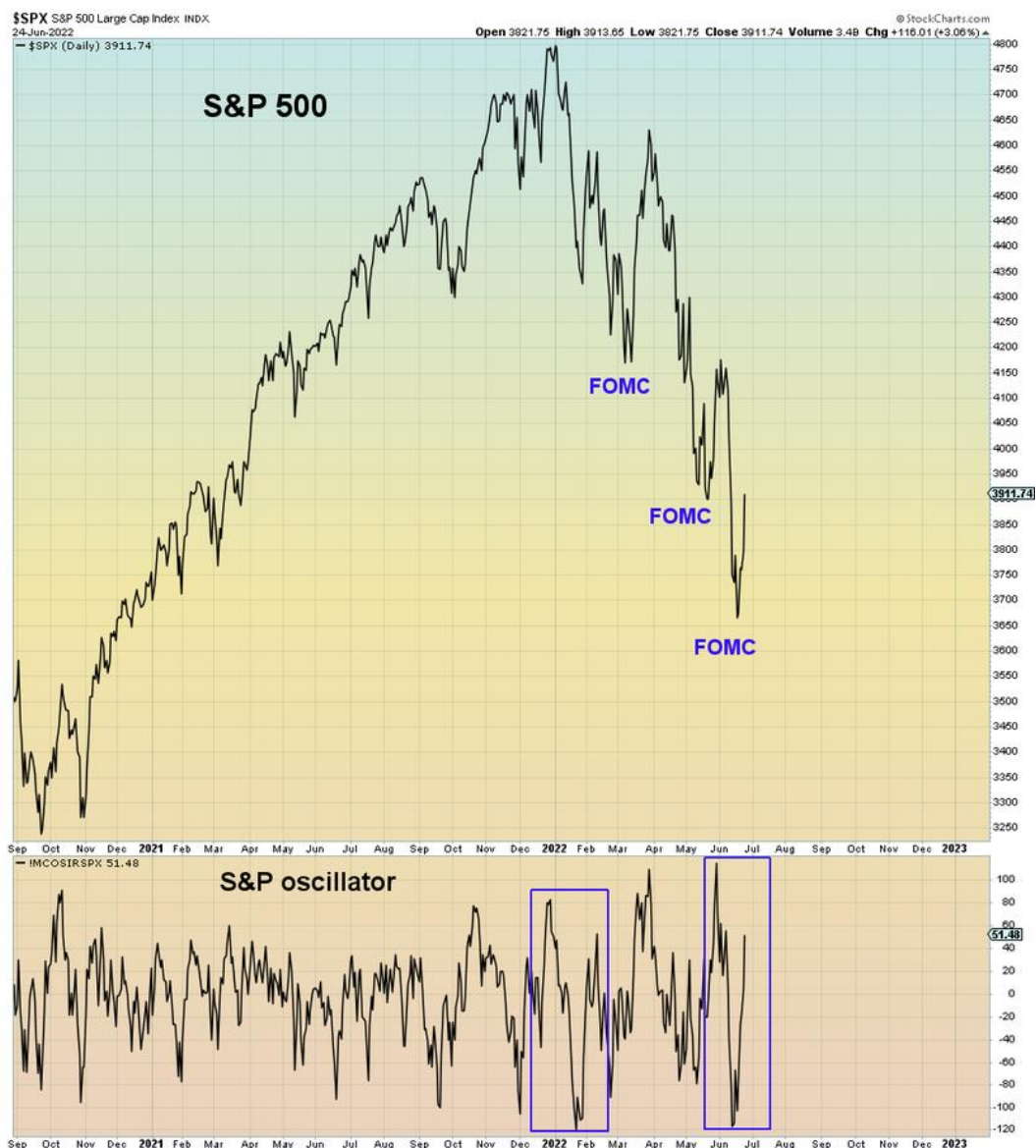
Hand-curated selection of the best charts & news flow

25 JUNE 2022

#markets

#us #equities #technicals

Overbought to end the week.



#markets

#us #equities #quarterly #performance

The chart below shows the QTD performance of the S&P 500 in Q1 versus Q2 of this year. In both quarters, the market started out with fleeting gains that quickly turned into steep losses with little relief throughout the quarter. The only relief in Q1 came in the second half of March when the S&P 500 rallied 11% off its lows in eleven trading days. This time around, the late quarter rally took longer to materialize, but in the five trading days since last Thursday's (6/16) close, the S&P 500 has rallied 6% with another four trading days left to go.

S&P 500 Quarter to Date Performance (%): Q1 vs Q2 2022

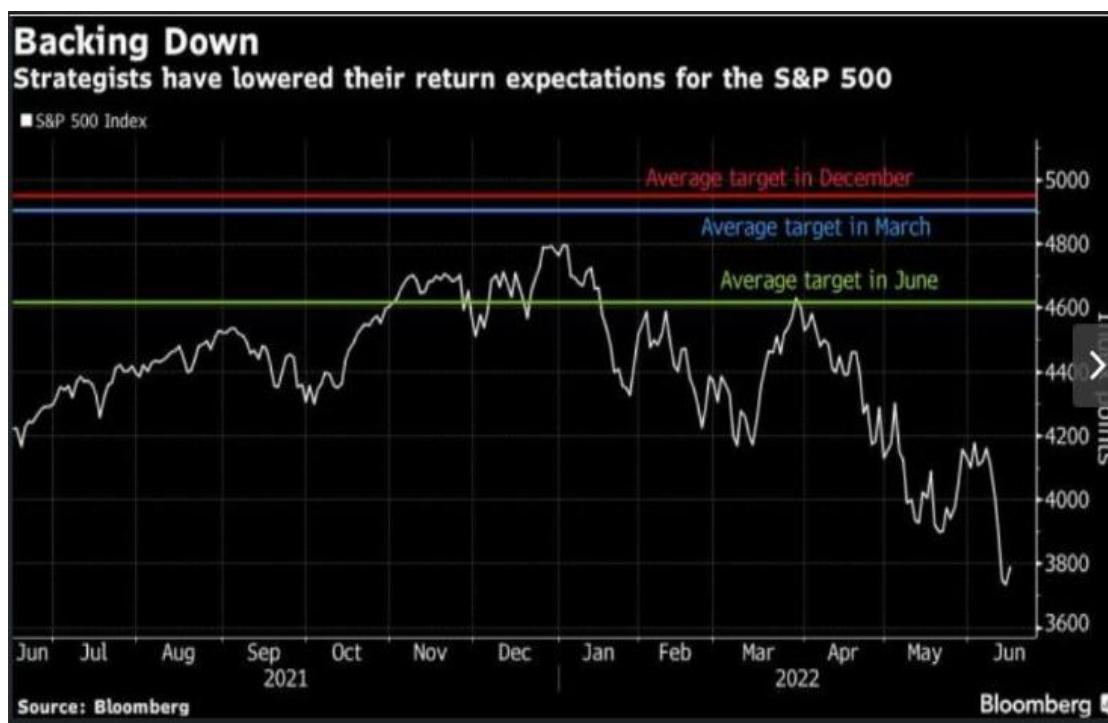


Source: Bespoke

#markets

#sp500 #target

Back in December, strategists predicted the S&P 500 would gain 5% in 2022. Six months later The S&P 500 is down 23%. Oppenheimer still sees the S&P 500 ending 2022 at 5,330 points, requiring a 45% rally in the next six months. JP Morgan and CS have targets that require the index to rally at least 30% to be met. Wall Street strategists, on average, see the S&P 500 gaining 22%.



Source: Bloomberg

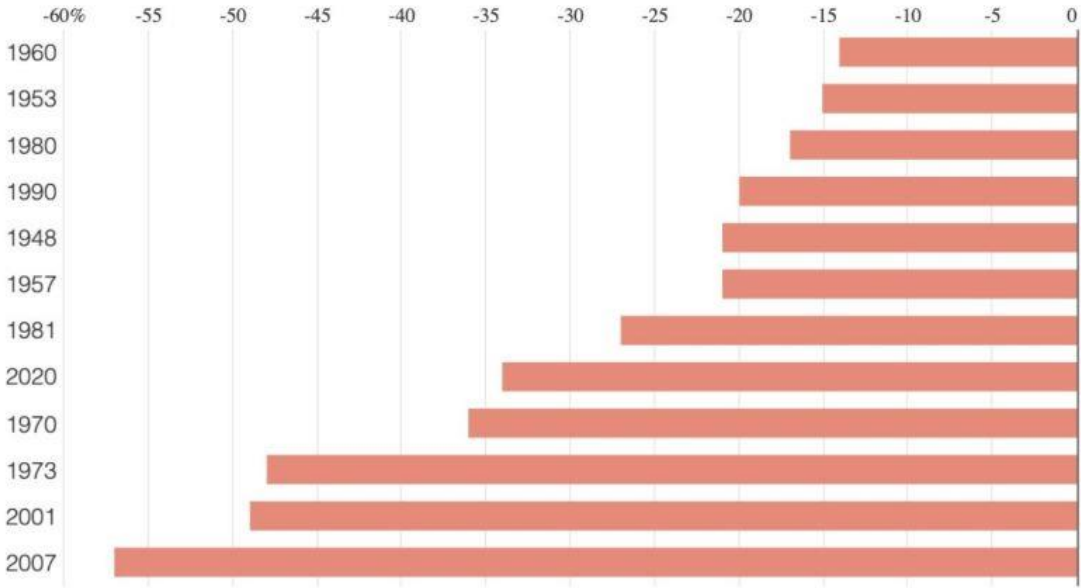


#sp500 #recession #performance

The median drawdown for the S&P 500 during a recession is 24%, which is the equivalent of the current decline of the main US equity benchmark since January peak, i.e markets are already pricing in the risk of a recession - at least to a certain extent.

Stocks have fallen a median of 24% in recessions since World War II. That makes stocks' current declines--happening in the absence of a recession--look particularly deep.

How much the S&P 500 fell during each recession



Source: Deutsche Bank

Source: DB

#markets

#sp500 #qe #qt #performance

S&P 500 performance during QE, QT and neither QE nor QT



Source: Bespoke

#markets

#sp500 #bull #bear #cycle

Bull and bear markets since the Great Depression.



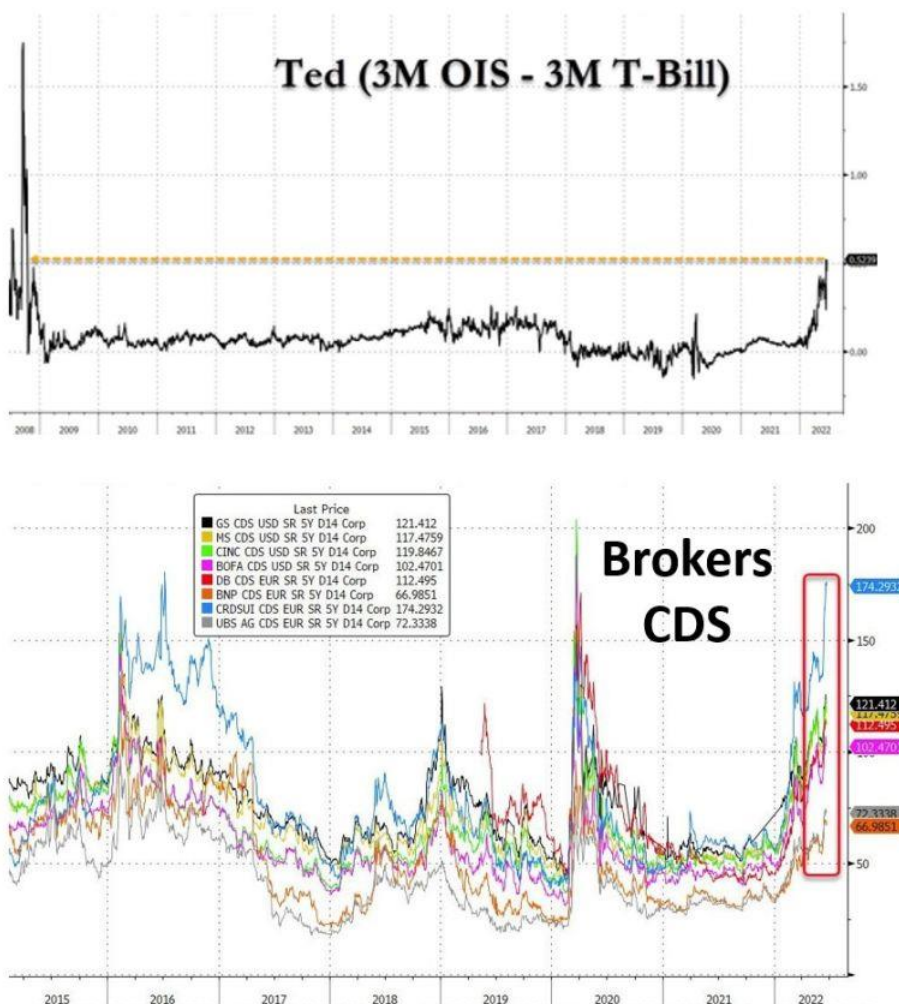
@mayhem4markets

Source: Stifel Investment Strategy data via Bloomberg, Strategas Research Partners, as of Jun 17, 2022 (intra-day)

Source: @mayhem4markets

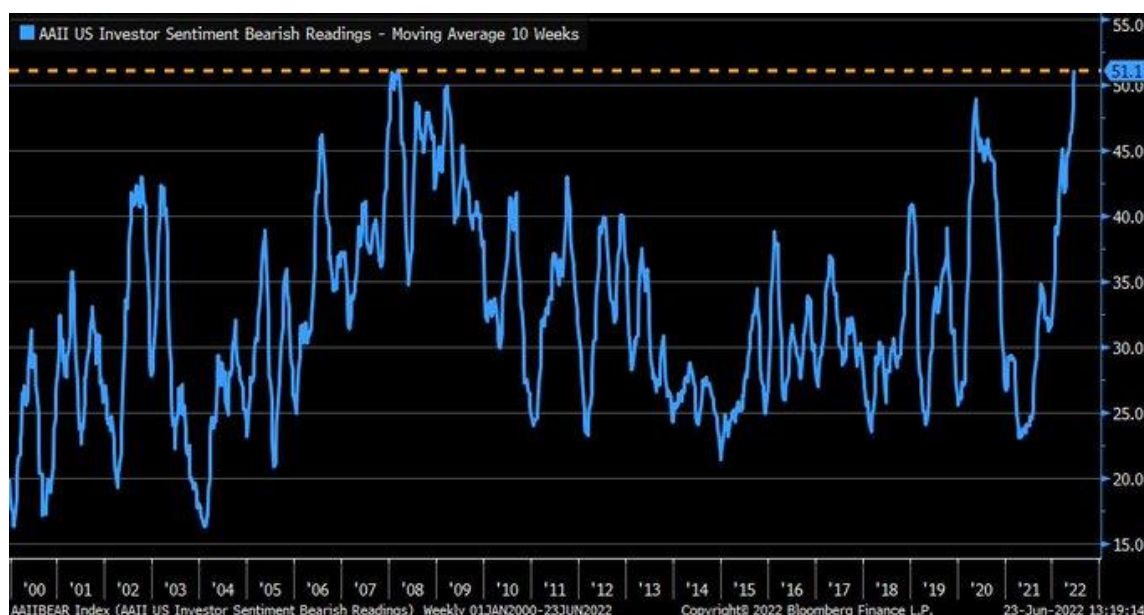
#fear #indicators

Two "fear indicators" to watch closely: 1) The US TED spread is blowing out ; 2) Broker credit spreads are exploding wider. They both raise fears that something is going on behind the scenes.



#us #equities #sentiment

AAII Sentiment bearish reading, on a 10w moving average basis, has shot up to its highest since, and same level seen in, March 2008 bearish reading, on a 10w moving average basis, has shot up to its highest since, and same level seen in, March 2008.

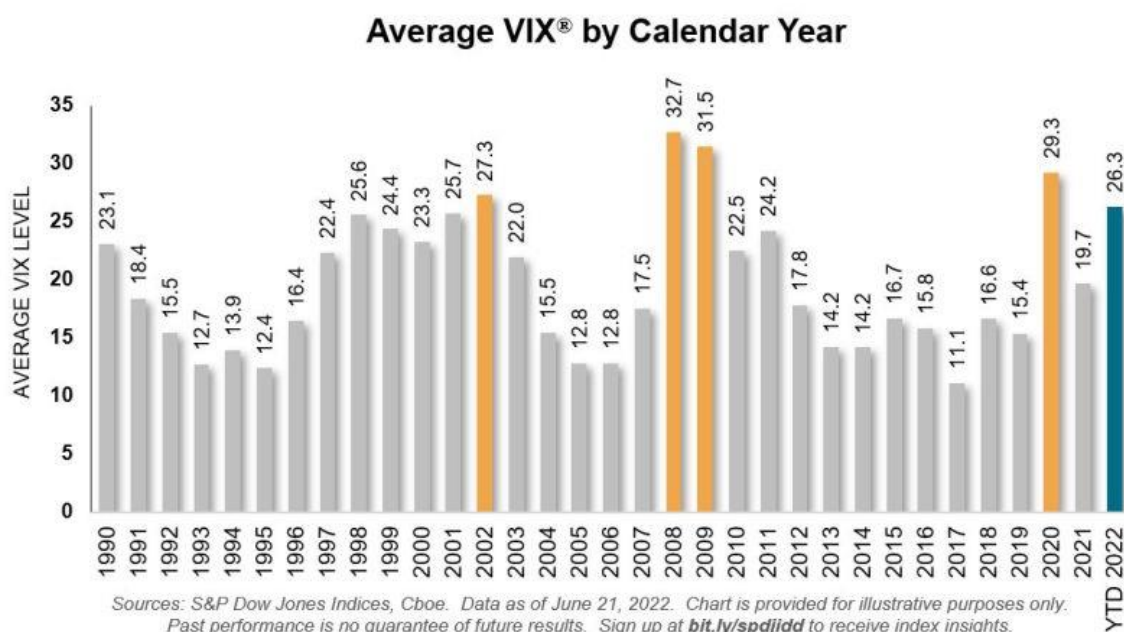


Source: Liz Ann Sonders

#markets

#us #equities #vix

So far in 2022, the "fear" index (aka the VIX) has recorded an average close of 26.3, on track for 5th highest annual average since index history began in 1990.



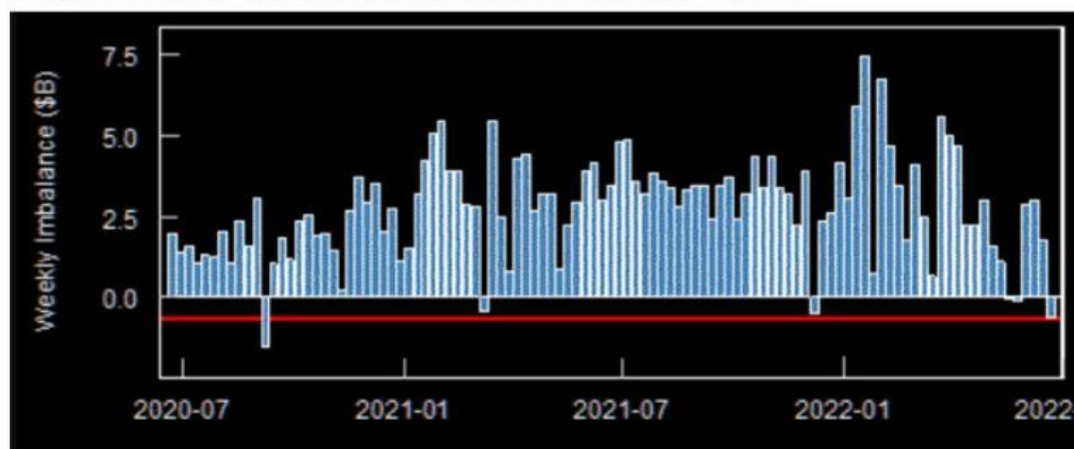
Source: Liz Ann Sonders

#markets

#us #equities #retail #investors

RETAIL INVESTORS ARE FINALLY THROWING THE TOWEL... retail #traders net sold -\$633MM this past week, -2.3 standard deviations below 1Y average. This was the heaviest week of selling since September 2020. At the single stock level, all sectors were aggressively sold. The order flow in the #options space was equally bearish. Retail traders net sold -\$1.9B of option delta and -\$415MM of gamma.

This past week was the heaviest week of retail selling since Sep 2020

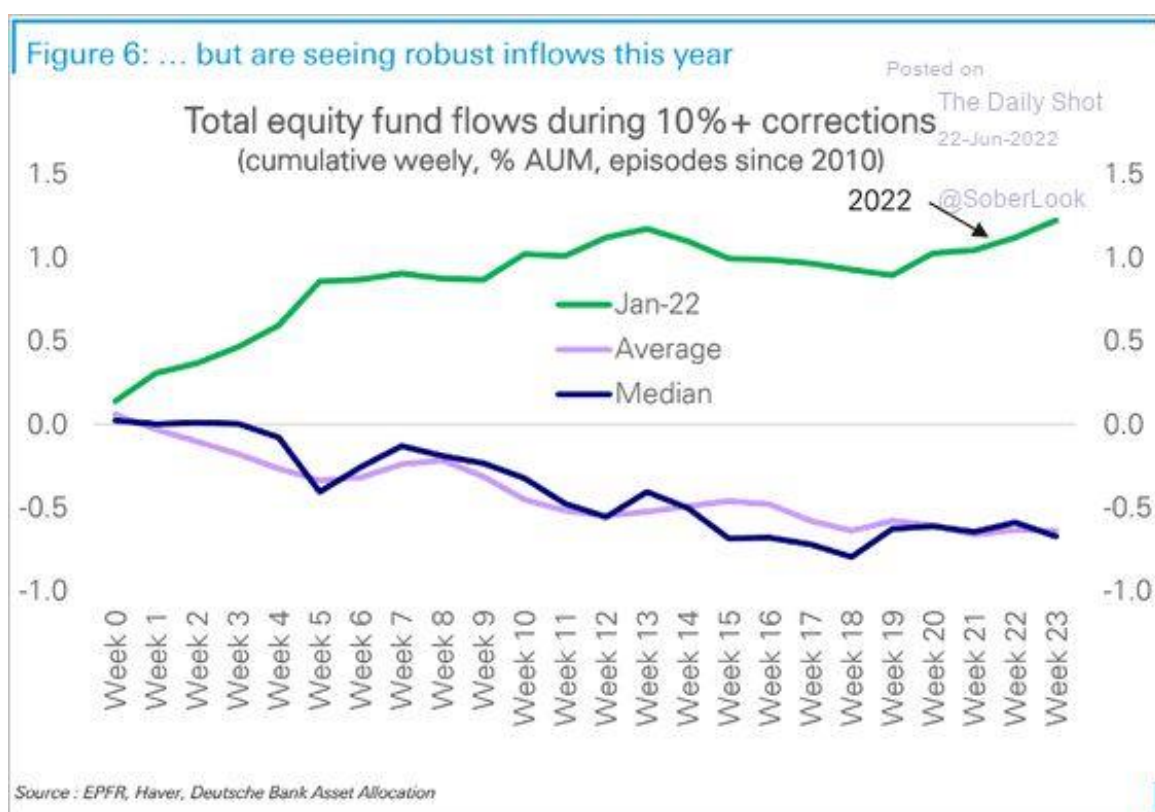


Source: JPM Retail Radar

Source: JPM

#us #equities #funds #flows

US fund flows are not showing market capitulation. This is not what we should expect in a correction.



Source: The Daily Shot

#markets

#us #energy #stocks

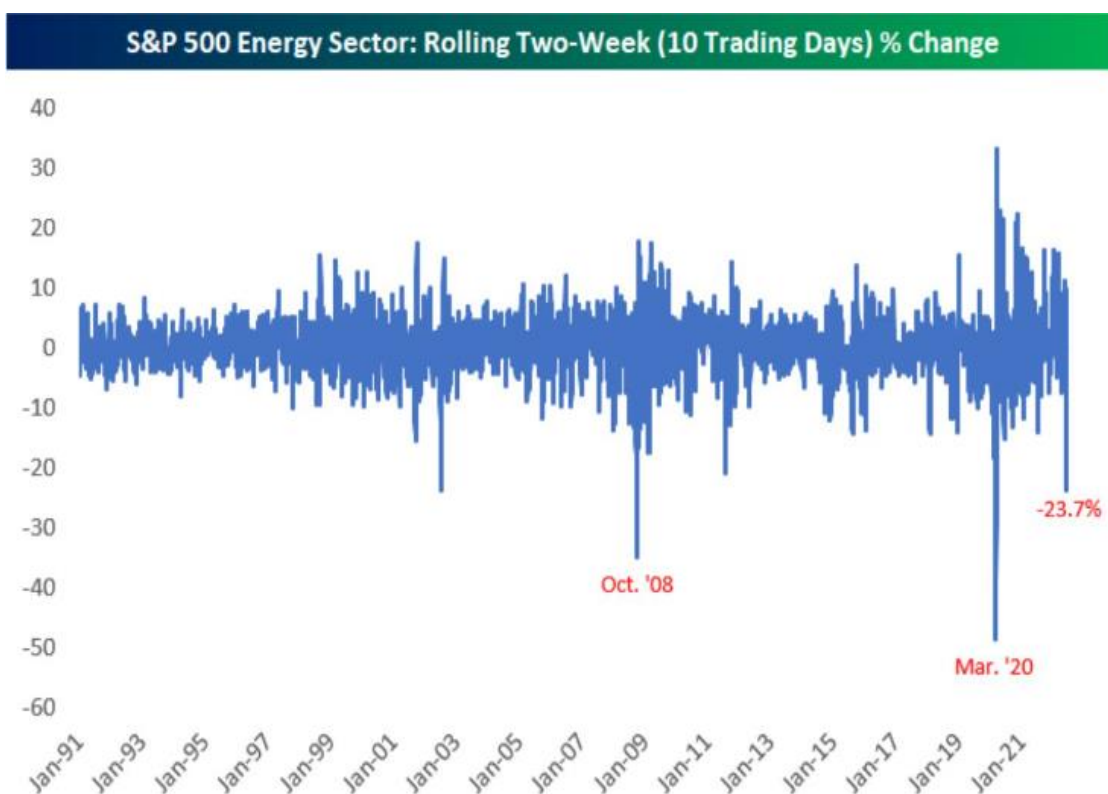
Energy sector's price swings have been erratic since start of pandemic ... not that uncommon to see 10% moves on rolling 10-day basis these days.



Source: Bloomberg, Liz Ann Sonders

#us #energy #stocks

-23.7%...This is the 3rd worst two-week (10 trading day) drop for the S&P 500 Energy sector over the last 40+ years. The only two-week stretches that saw bigger drops for the Energy sector came in October 2008 and March 2020...



Source: Bespoke

#sp500 #analysts #rating

Highest % of Buy Ratings in S&P 500: Top 10

As of today, there are 10,708 ratings on stocks in the S&P 500. Of these ratings, 56.9% are Buy ratings, 37.7% are Hold ratings, and 5.4% are Sell ratings.

COMPANY	BUY	HOLD	SELL
Signature Bank	100%	0%	0%
Alexandria Real Estate Equities, Inc.	100%	0%	0%
Assurant, Inc.	100%	0%	0%
Alphabet Inc. Class A	98%	2%	0%
Alphabet Inc. Class C	98%	2%	0%
Microsoft Corporation	95%	5%	0%
S&P Global, Inc.	95%	5%	0%
IQVIA Holdings Inc	95%	5%	0%
VICI Properties Inc	95%	5%	0%
T-Mobile US, Inc.	94%	3%	3%

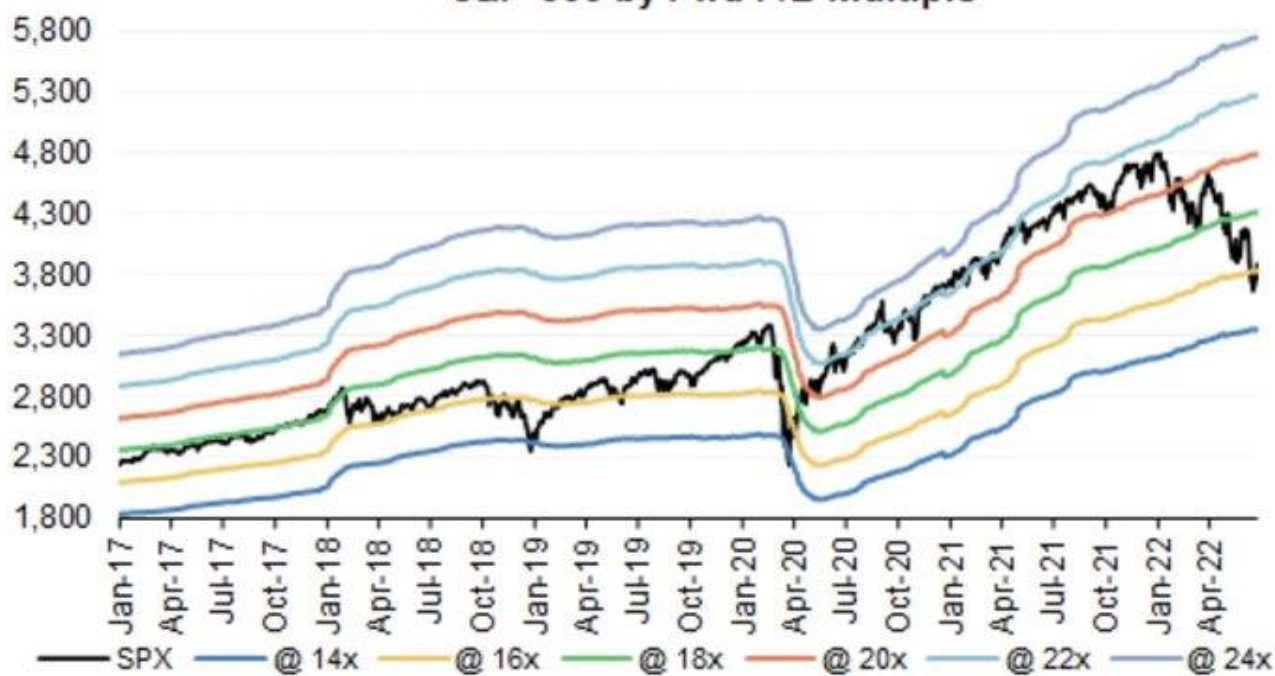
Source: Factset

#markets

#us #equities #valuations

S&P 500 Forward multiples:

S&P 500 by Fwd P/E Multiple



Source: Morgan Stanley QDS, Bloomberg

Source: The Long View

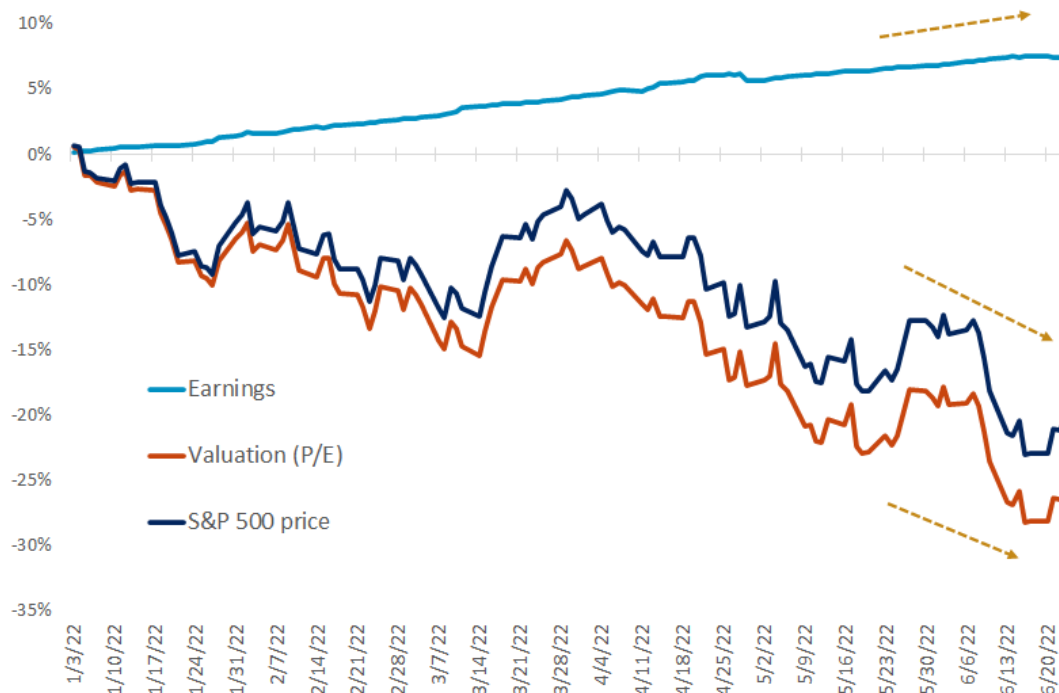
#markets

#us #equities #valuations

A breakdown of the market return into two components -- 1) change in valuations, and 2) change in corporate earnings -- reveals that this year's decline in stocks has so far been exclusively driven by a decline in valuations, with corporate earnings growth acting as a partial offset. Specifically, the S&P 500 price-to-earnings ratio has fallen 26% (from 21.3 to 15.7), while forward earnings have risen by 6%². For perspective, in the past five Fed-tightening cycles since 1985, valuations declined 20%

Valuation pressures have driven stocks lower, but will earnings hold?

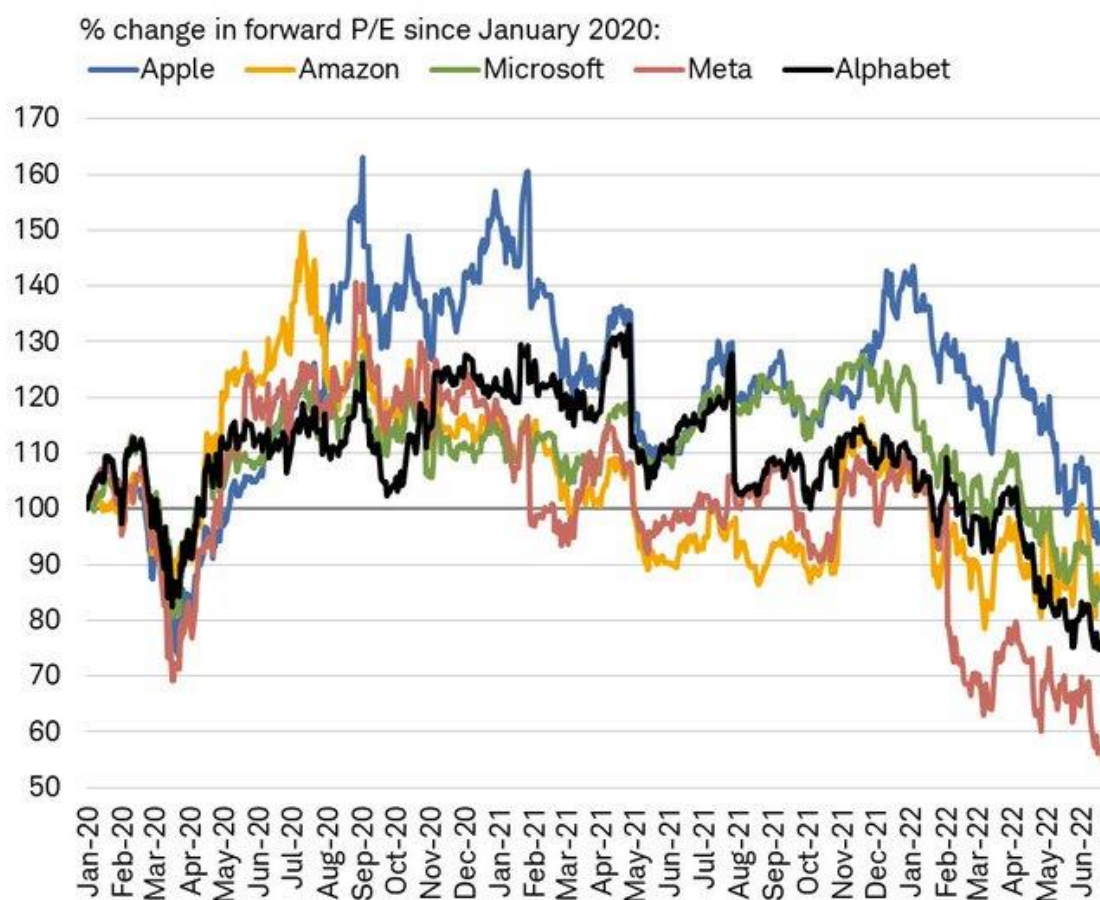
Percent change in S&P 500 price, forward earnings and valuations in the first six months of 2022



#markets

#us #equities #valuations

Among 5 largest stocks in S&P 500, none have forward P/Es above where they were in January 2020
(change from baseline 100 is % change)

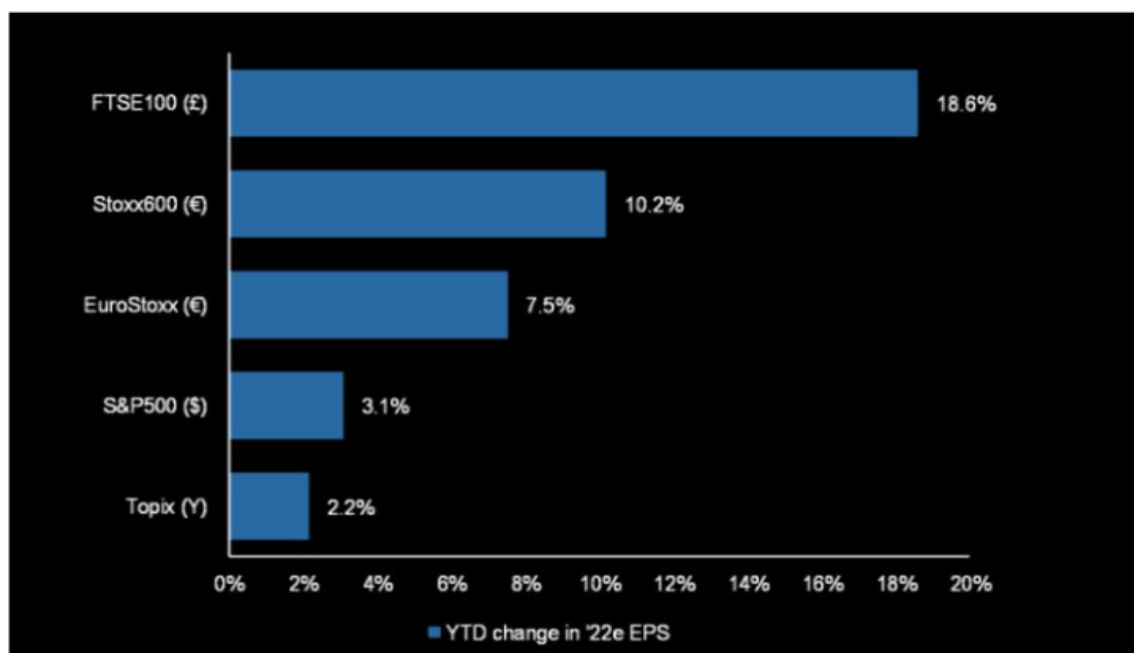


Source: Charles Schwab, Bloomberg, as of 6/22/2022. Data indexed to 100 at 1/1/2020.

Source: Liz Ann Sonders

#global #earnings #revisions

Earnings, in both the US and Europe have been very resilient so far ytd, with outright upgrades of 18.6% to 2022 EPS in the UK, 7.5% in the Eurozone, and 3.1% in the US.



Source: JPM

Source: JP Morgan

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

25 JUNE 2022

#markets

#eu #equities #shorts

Bridgewater doubles bet against European stocks to \$10.5bn. Short of Bayer has grown to 0.62% of Bayer stock, up from 0.51%. A rough estimate based on current mkt cap would value short position at €380mln. Similar increases were seen in its shorts of Allianz, Santander and BASF.

* Single Security Mode						Short Positions	
Country/Region	Germany	Source	All	Aggregation	Security-level		
Currency	USD	Name		View	Security Name		
Security Name		Mkt Val	Position	% Out	Latest Chg	# Holders	
1) SAP SE		-622.65M	-6.63M	-0.540	-6.63M	1	
2) ADIDAS AG		-535.08M	-3.09M	-1.610	-941.29k	2	
3) ALLIANZ SE-REG		-490.84M	-2.53M	-0.620	-449.3k	1	
4) SIEMENS AG-REG		-464.82M	-4.34M	-0.510	-4.34M	1	
5) DELIVERY HERO SE		-453.50M	-12.31M	-4.900	-4.29M	5	
6) BAYER AG-REG		-390.46M	-6.09M	-0.620	-1.08M	1	
7) DEUTSCHE LUFTHANSA-REG		-295.96M	-43.99M	-3.680	-15.9M	5	
8) BASF SE		-262.10M	-5.69M	-0.620	-1.01M	1	
9) HELLOFRESH SE		-240.10M	-7.71M	-4.430	-1.27M	3	
10) DEUTSCHE POST AG-REG		-231.63M	-6.2M	-0.500	-6.2M	1	
11) EVONIK INDUSTRIES AG		-229.62M	-10.07M	-2.160	139.8k	3	
12) INFINEON TECHNOLOGIES AG		-207.24M	-8.23M	-0.630	-1.57M	1	
13) VARTA AG		-204.07M	-2.3M	-5.680	-189.98k	5	
14) MUENCHENER RUECKVER AG-REG		-201.08M	-868.61k	-0.620	-168.12k	1	
15) DEUTSCHE BOERSE AG		-193.61M	-1.18M	-0.620	-209k	1	
16) ZALANDO SE		-188.71M	-6.95M	-2.650	-1.05M	3	
17) VONOVIA SE		-164.28M	-4.93M	-0.620	-955.02k	1	
18) HEIDELBERGCEMENT AG		-130.51M	-2.53M	-1.310	-1M	2	
19) COVESTRO AG		-105.23M	-2.92M	-1.510	-1.41M	2	
20) HUGO BOSS AG -ORD		-102.41M	-2.01M	-2.860	-56.32k	3	
21) RHEINMETALL AG		-100.29M	-435.59k	-1.000	-13.07k	1	

Source: Bloomberg

#german #banks

German banks are getting hammered due to rampant recession fears & lower bond yields. German 10y yields have dropped to 1.42% from 1.9% within 5 days. Deutsche Bank shares have now lost 40% from recent high. German Banks Index trading at levels similar to those of 1980s.



Source: Bloomberg, HolgerZ

#zalando

Unfashionable: Zalando profit warning sends shares briefly below 2014 listing price of €21.50. German online retailer slashes guidance as recession fears rise.



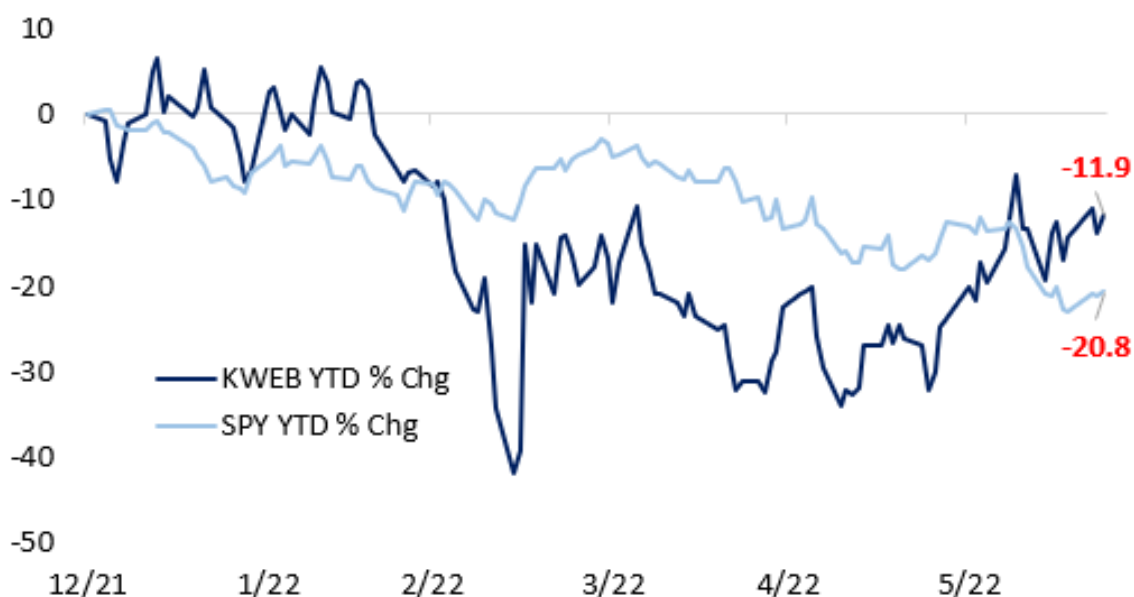
Source: FT, HolgerZ

#markets

#china #equities

On a year to date basis, both the S&P 500 (SPY) and the KraneShares China Internet ETF (KWEB) are well in the red. However, KWEB is now outperforming SPY (-11.9% vs. -20.8%) by a considerable margin after bouncing 50% off its lows in early March. Since late May (5/24), KWEB has gained 29.7% versus a decline of 4.5% for SPY.

KWEB vs SPY YTD Performance (%)



Source: Bespoke

#commodities

7 commodities in a bear market – The super-cycle is taking a break... In % terms :

<u>Commodities</u>	<u>Fall From 2022 High</u>
Nickel	-50.2
Aluminium	-36.4
Natural Gas	-33.3
Wheat	-26.4
Zinc	-22.4
Copper	-21.5
Iron Ore	-21.3
Corn	-14.5
Brent Oil	-14.1
Sugar	-9.4

Source: TME, Twitter

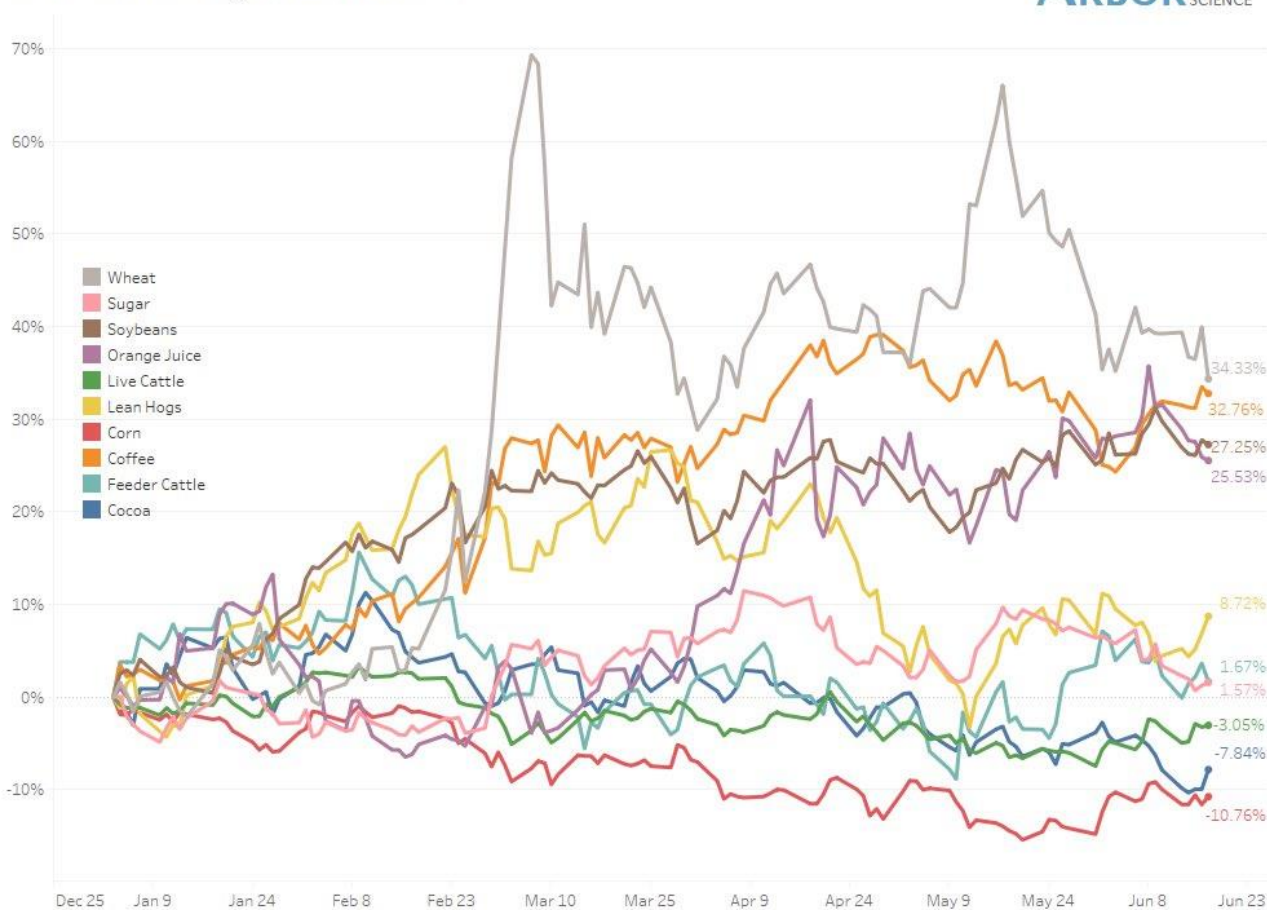
#markets

#food

7 commodities in a bear market – The super-cycle is taking a break... In % terms :

Year to Date Change in Food Index Prices

ARBOR DATA SCIENCE



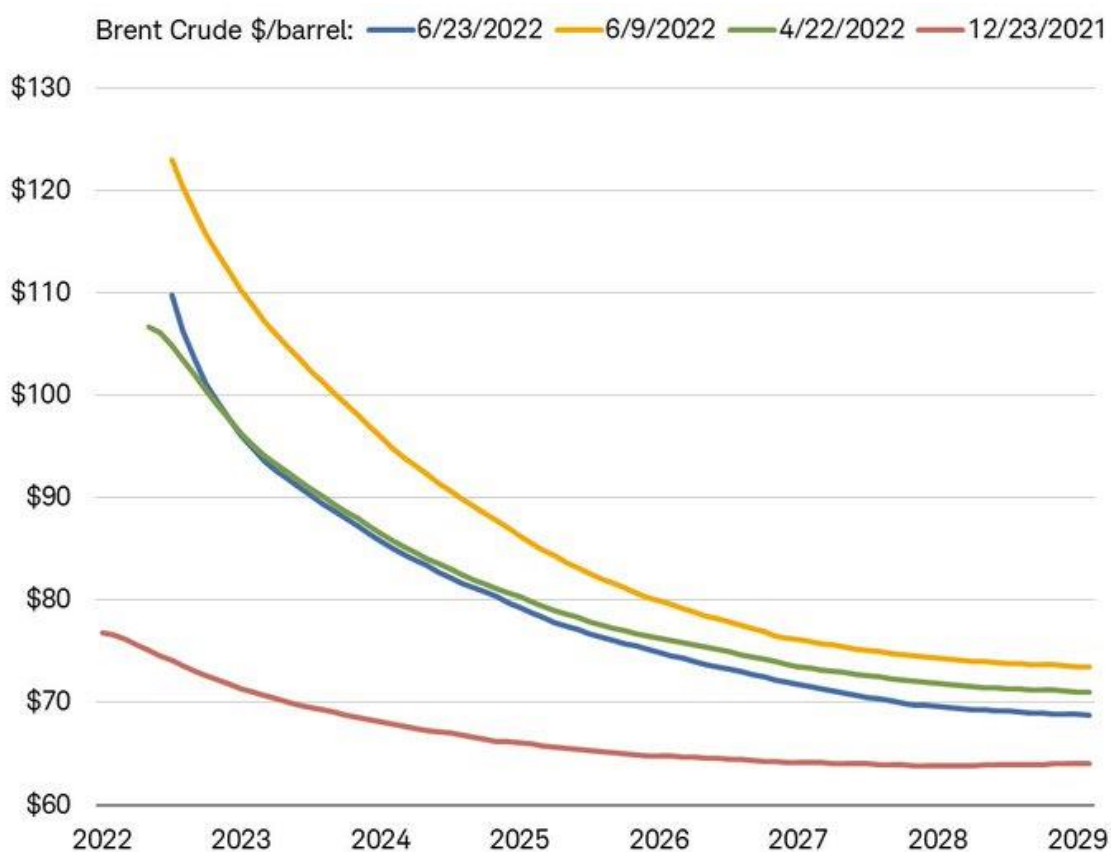
Data Source: Bloomberg

datascience.arborresearch.com

Source: Arbor Research

#energy

Brent crude continues to trade in backwardation ... though prices are way beyond where they were 6 months ago, they have come down over past couple weeks



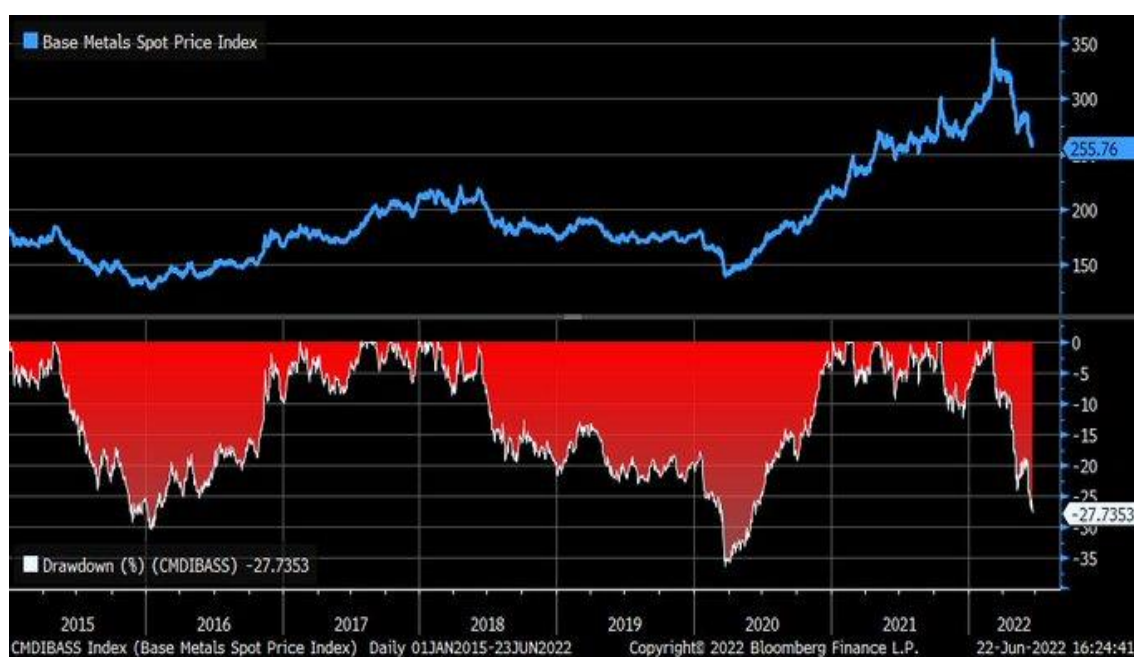
Source: Charles Schwab, Bloomberg, as of 6/23/2022.

Source: Liz Ann Sonders

#markets

#metals

Bloomberg Base Metals Spot Index has dropped 28% from its peak, the worst drawdown since summer 2020.



Source: Bloomberg

#markets

#us #treasuries #weekly

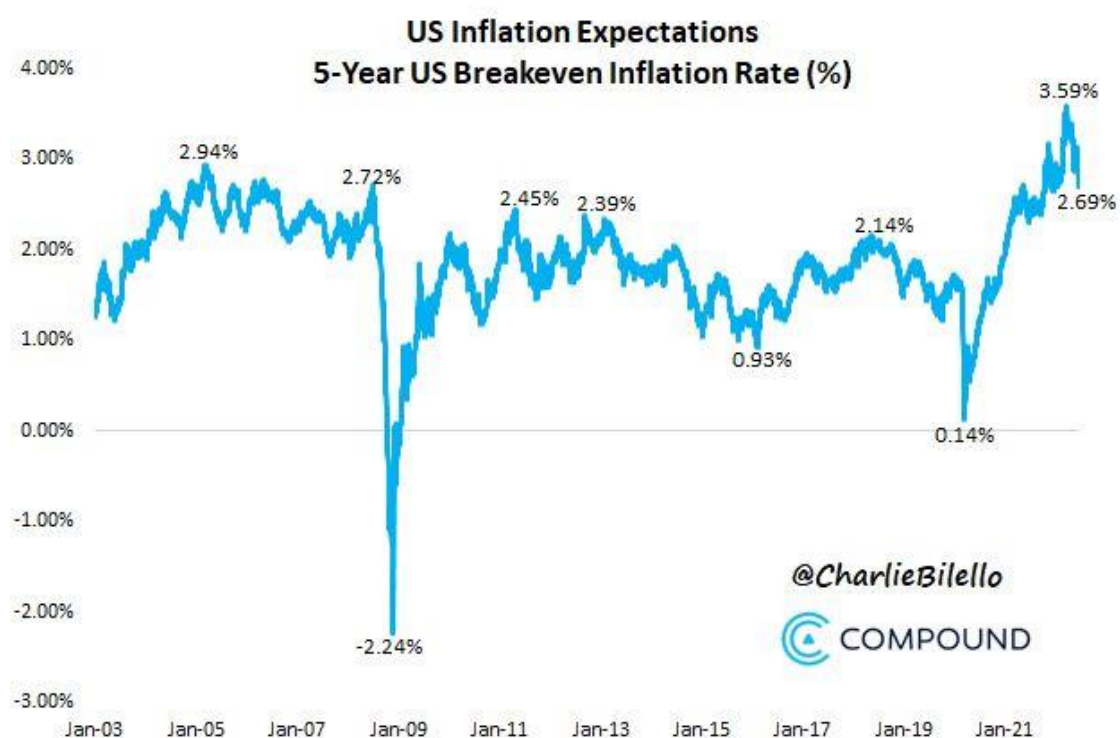
Following the CPI shock yields have drifted sharply lower and are now just fractionally higher compared to where they were before the "blackout period" CPI prompted Powell to panic.



#markets

#us #inflation #expectations

Market-based US inflation expectations have moved down to 2.69%, their lowest levels of the year (5-year breakeven rate).



Source: Charlie Bilello

#GLOBALMARKETS WEEKLY WRAP-UP

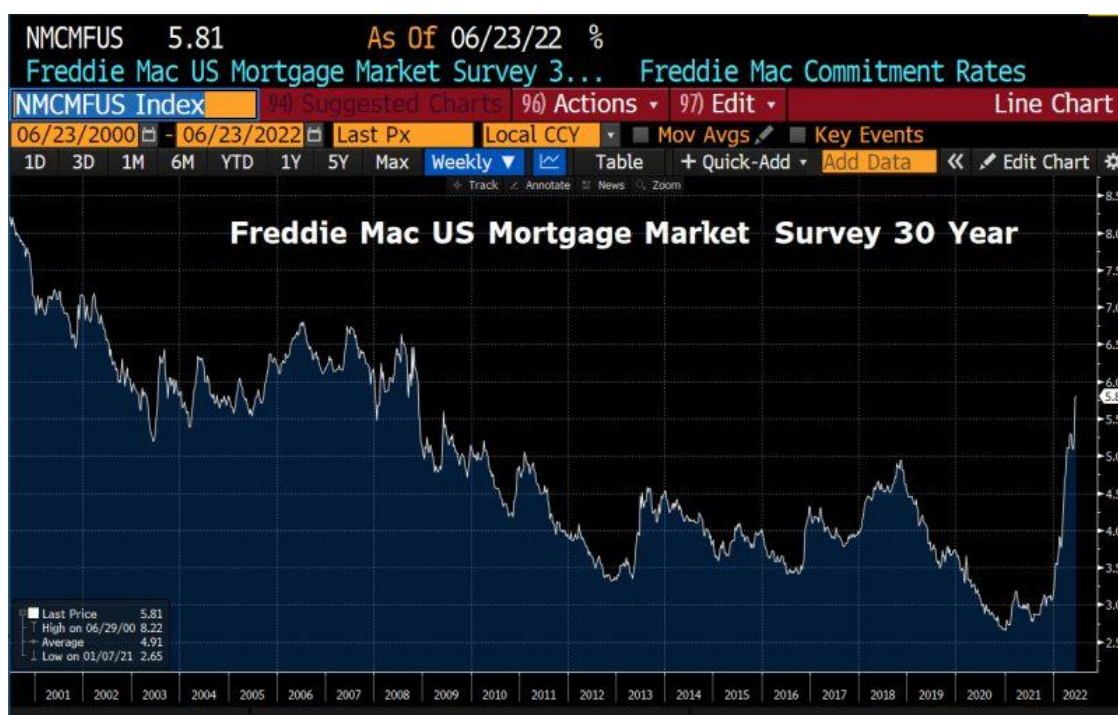
Hand-curated selection of the best charts & news flow

25 JUNE 2022

#markets

#us #mbs

Mortgage rates in the US rise to 5.81%, the highest level since November 2008.



Source: Bloomberg

#jgbs

The BOJ has its hands full on anchoring the 10Y Yield. During the last months the Central Bank had to print a huge amount of money to keep the 10Y at 25 BPs. The long end of the curve above 10Y have already widened considerably, but the 10Y Yield did not widen much in the last 30 Days, this is because the BOJ has printed money like there is no tomorrow.

Japan's 10-year yield capped as borrowing costs rise

Yields on Japanese bonds, by date of maturity (%)

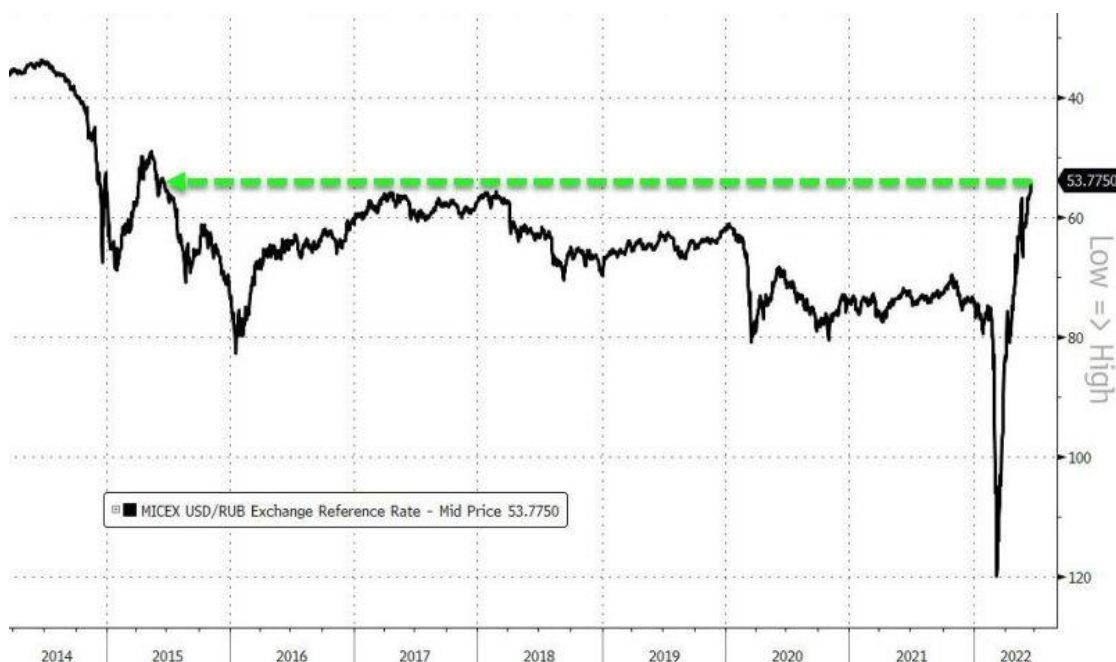


#markets

#ruble

The Russian ruble just hit a 7-year high against dollar. That took its advance to 35%, a world-beating gain that has continued unabated even after Russian policymakers lowered the benchmark rate by 1,050 basis points and relayed capital controls imposed in response to Western sanctions.

While that helped Russia avoiding a forex crisis, it became a worry for the central bank as it undercut export revenues in local-currency terms and made the country's goods more expensive abroad. The central bank responded with a flurry of easing measures.



Source: Bloomberg, www.zerohedge.com

#macro

#us #macro #surprises

Decisive move lower in Citi U.S. Economic Surprise Index (worst level since May 2020) underscores that data have been coming in much worse relative to expectations.

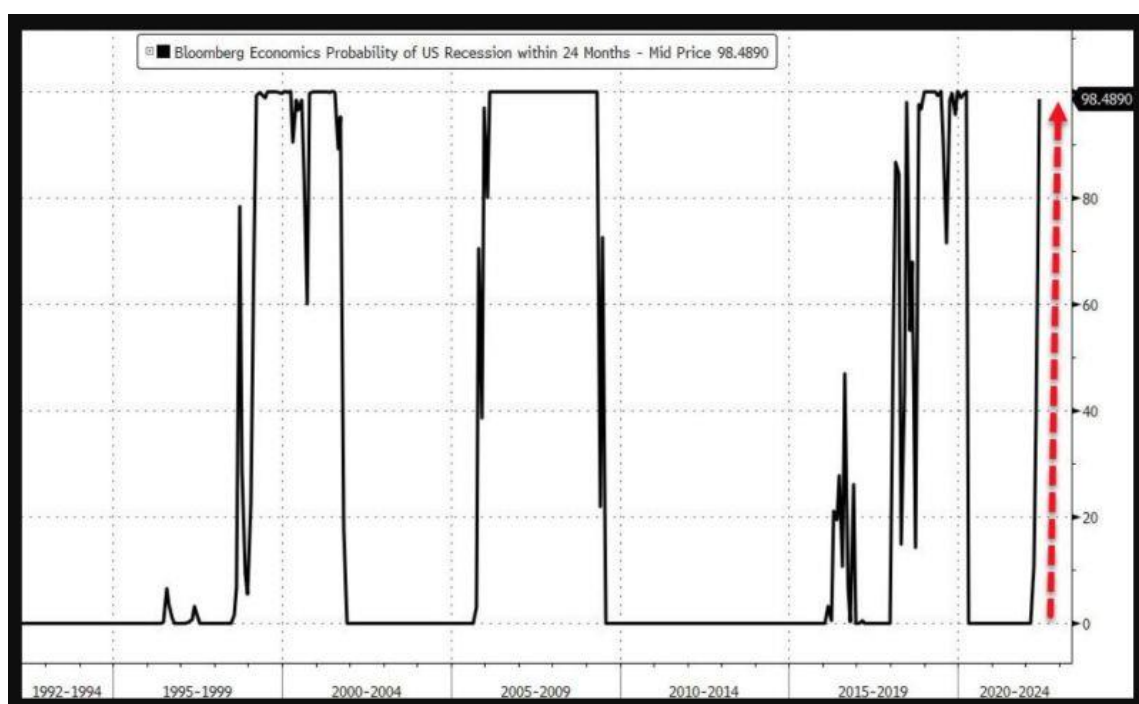


Source: Bloomberg

#macro

#us #recession #risk

According to Bloomberg Economics model, a recession - which until just a few weeks ago was seen as improbable - is now guaranteed.



Source: Bloomberg

#macro

#dr-copper

"Doctor Copper is off 2,000 points in 8 months, shouting economic weakness, release of price pressure in raw materials. Copper is just one of many prices buckling, like lumber"



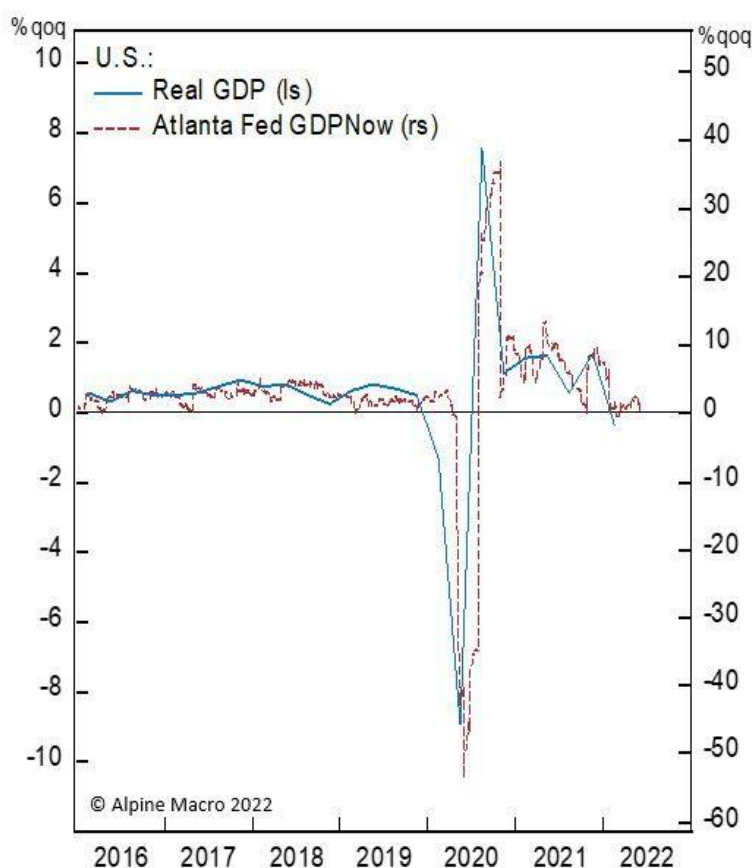
Source: Jeff Weniger

#macro

#us #gdp

The U.S. economy might have already slid into a technical recession. Q/Q annualized GDP growth was -1.3% in the first quarter. Based on Atlanta Fed GDPNow cast, the U.S. economy has either stagnated or contracted again in the second quarter. If so, the economy already fits the technical definition of a recession.

U.S.: Already In Technical Recession?



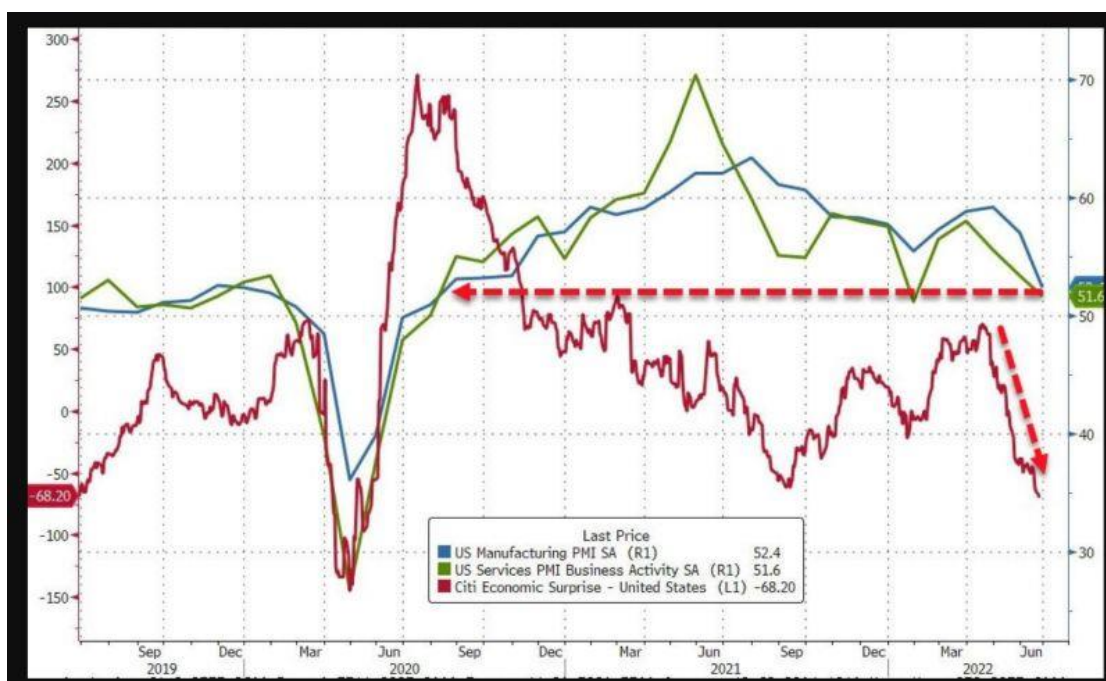
© Alpine Macro 2022

Source: Alpine Macro

#macro

#us #pmi

Cooling down inflation means cooling down demand and it seems that monetary policy tightening is already producing some effects on the US economy. Indeed, preliminary June US PMIs numbers published today were dramatically below expectations. US Manufacturing dropped from 57.0 to 52.4 (below 56.0 expectations) while US Services dropped from 53.4 to 51.6 (below 53.3 expectations). The manufacturing print is the weakest since June 2020, and Services at 5-month lows (but very close to two-year lows too).



Source: www.zerohedge.com, Bloomberg

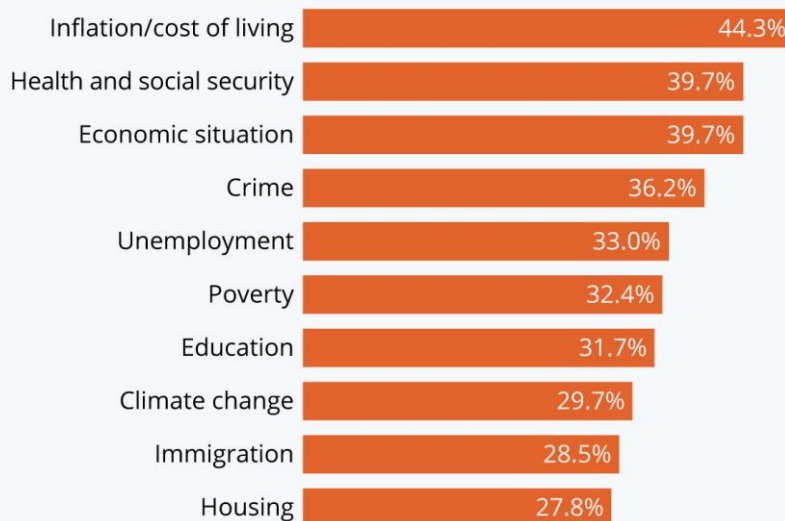
#macro

#us #inflation

Inflation sits atop the list of Americans' concerns above health / social security, the economic situation, crime and unemployment. The survey was conducted in three waves between April 2021 and March 2022, meaning that the number for inflation is probably lower than it would be if the same question would be asked today.

Inflation Is Americans' Top Concern

Share of U.S. adults saying the following are among the most important issues that need to be addressed in the U.S.



Based on a multipick survey of 45,650 U.S. adults (ages 18 to 64) conducted between April 2021 and March 2022

Source: Statista Global Consumer Survey



statista

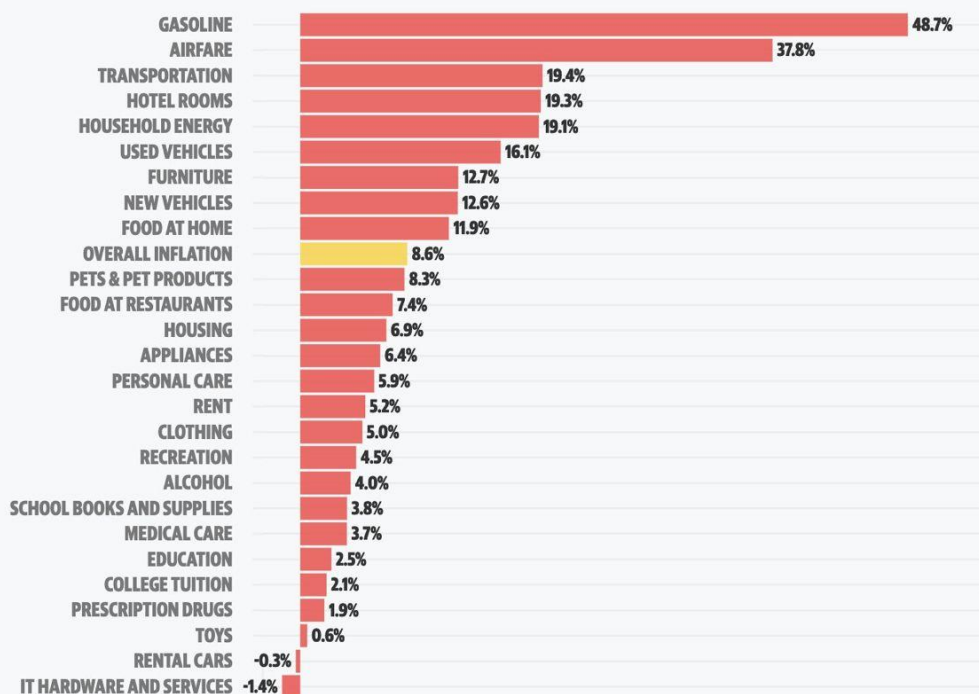
#macro

#us #inflation

Nice simple graphic showing where the inflation is... and where it isn't.

WHERE INFLATION IS... AND ISN'T

12-month change in the price of:



SOURCE: BUREAU OF LABOR STATISTICS. DATA AS OF MAY 2022

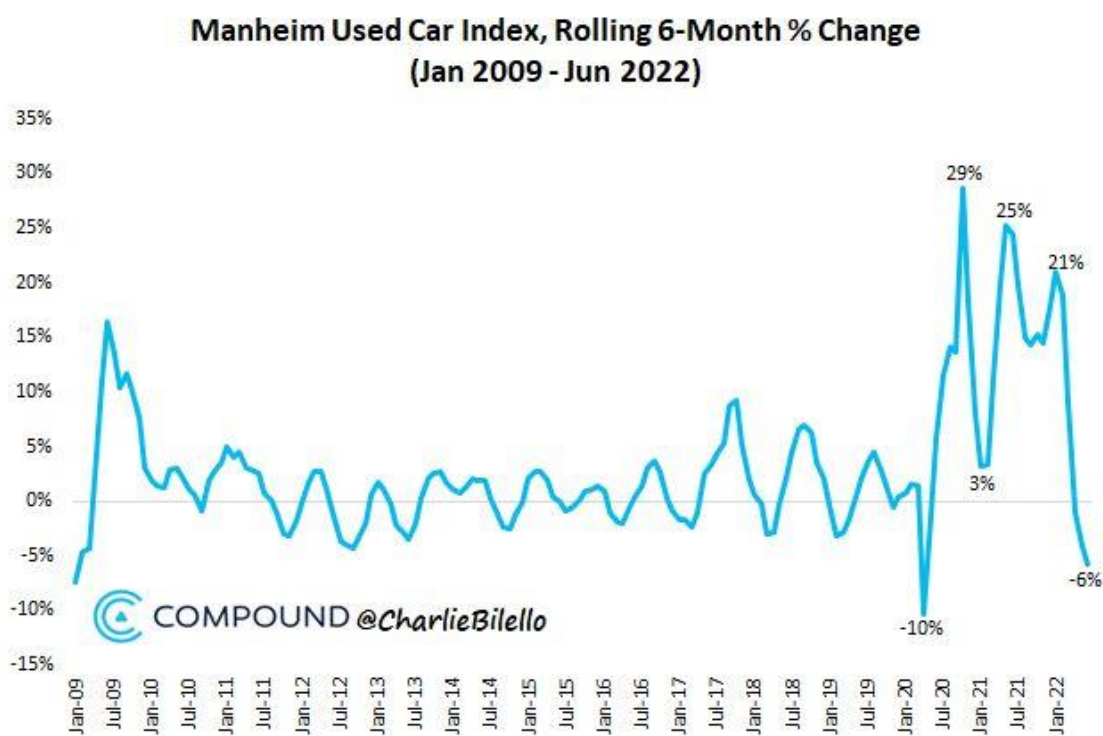
yahoo!
finance

Source: Yahoo Finance

#macro

#us #inflation


Used Car prices are down 6% over the last 6 months. In 2020, this was one of the first areas to spike higher, in advance of broader inflationary measures. Hopefully, the current downturn is a leading indicator of lower US inflation rates to come.



Source: Charlie Bilello

#macro

#global #inflation

Global Inflation Rates	
Country/Region	CPI Inflation (YoY %)
CHINA	2.1%
SAUDI ARABIA	2.2%
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%
SOUTH AFRICA	6.5%
ITALY	6.8%
NEW ZEALAND	6.9%
FINLAND	7.0%
INDIA	7.0%
THAILAND	7.1%
SWEDEN	7.3%
MEXICO	7.7%
CANADA	7.7%
IRELAND	7.8%
GERMANY	7.9%
PORTUGAL	8.0%
US	8.6%
SPAIN	8.7%
NETHERLANDS	8.8%
UK	9.1%
EUROZONE	9.1%
BRAZIL	11.7%
POLAND	13.9%
RUSSIA	17.1%
ARGENTINA	60.7%
TURKEY	73.5%
VENEZUELA	167%
 @CharlieBilello	

Source: Charlie Bilello

#macro

#global #inflation

High inflation is NOT a worldwide phenomenon e.g Asian inflation has increased since February but is much lower than in the US and Europe.



#macro

#german #inflation

Inflation pressure keeps rising in Germany. German PPI jumped by 33.6% in May YoY, the highest increase ever since the start of the statistic in 1949. Electricity prices rose by 90.4% YoY. Especially high were the price increases of fertilisers & nitrogen compounds (+110.9 %). Not a great development for German CPI...

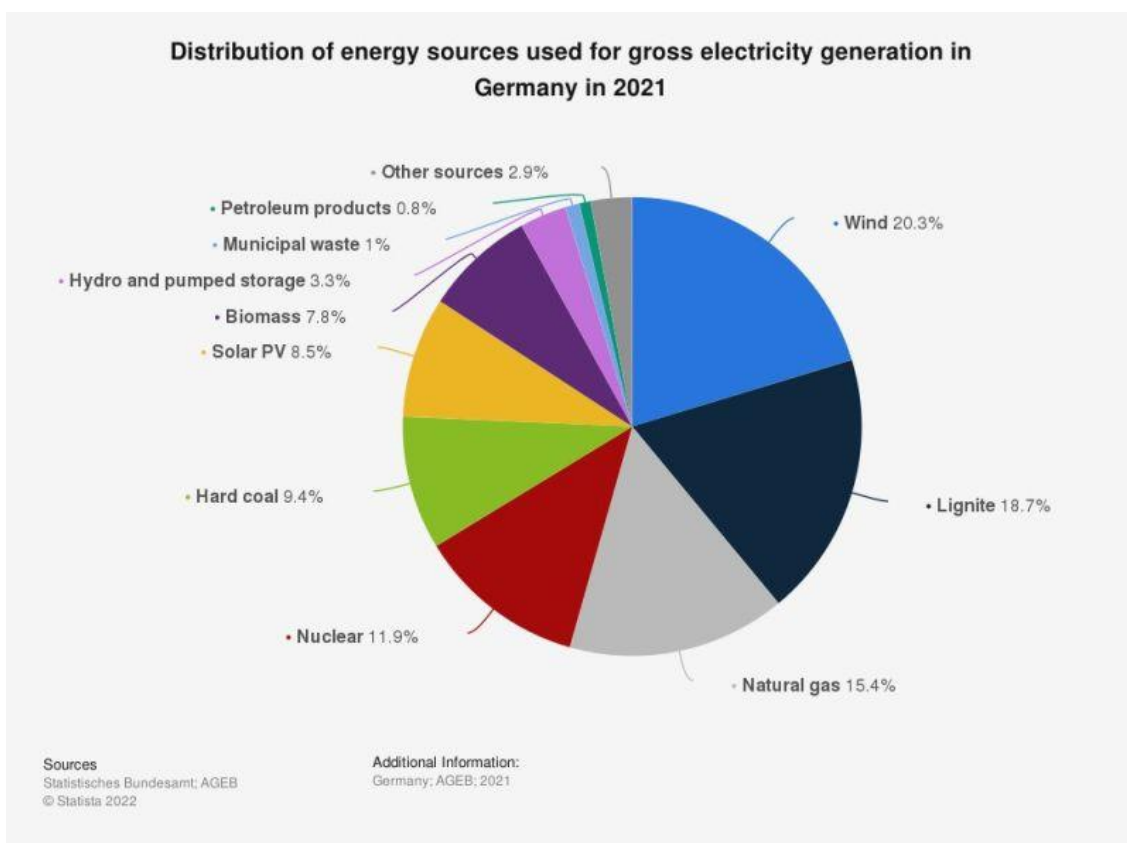


Source: HolgerZ, Bloomberg

#macro

#german #inflation

Germany which will restart coal-fired power plants after Russia moved to cut gas flows to Europe. Natural gas accounts for ~15% of Germany's total #electricity, w/Russia supplying 45% of country's natural gas..



Source: HolgerZ, WSJ

#eu #energy #crisis

The International Energy Agency has warned that Europe must prepare immediately for the complete severance of Russian gas exports this winter, urging governments to take measures to cut demand and keep ageing nuclear power stations open..

IEA chief warns Europe to prepare for total shutdown of Russian gas exports

Fatih Birol says governments should keep ageing nuclear plants open and take other contingency measures



A French nuclear plant. "The nearer we are coming to winter the more we understand Russia's intentions," said Fatih Birol © Jean-Marie Hosatte/Gamma-Rapho/Getty Images

#macro

#eu #recession

The International Energy Agency has warned that Europe must prepare immediately for the complete severance of Russian gas exports this winter, urging governments to take measures to cut demand and keep ageing nuclear power stations open.



Source: Bloomberg, HolgerZ

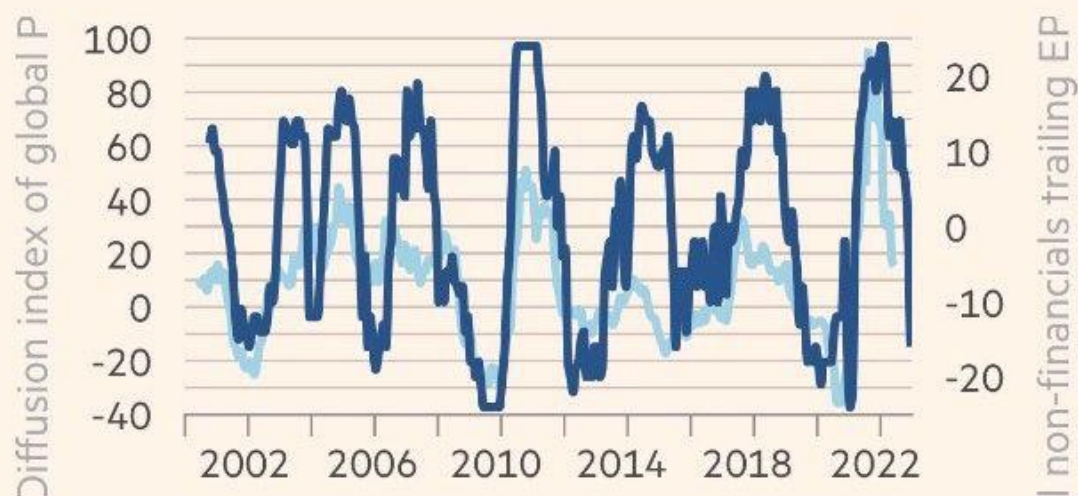
#macro

#global #earnings

Global Economic Activity - Inflation - Earnings per share

Macro models point to a double-digit earnings decline in the coming year

- Diffusion index of global purchasing managers' indices
- Global non-financials trailing earnings per share growth



FINANCIAL TIMES

Source: ASR, S&P Global, Refinitiv Datastream

Source: FT

#centralbanks

#global #central-banks

Norway: 50 bps hike, Philippines: 25 bps hike, Mexico: 75 bps hike to 7.75%.

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
Australia	Cash Rate	0.85%	5.1%	-4.3%	Hike	Jun-22
Norway	Deposit Rate	1.25%	5.7%	-4.5%	Hike	Jun-22
UK	Bank Rate	1.25%	9.1%	-7.9%	Hike	Jun-22
Hong Kong	Base Rate	1.25%	1.2%	0.1%	Hike	May-22
Taiwan	Discount Rate	1.50%	3.4%	-1.9%	Hike	Jun-22
Canada	Overnight	1.50%	7.7%	-6.2%	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	2.50%	5.4%	-2.9%	Hike	Jun-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%	6.5%	-1.8%	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
Poland	Repo Rate	6.00%	13.9%	-7.9%	Hike	Jun-22
Colombia	Repo Rate	6.00%	9.1%	-3.1%	Hike	Apr-22
Czech Republic	Repo Rate	7.00%	16.0%	-9.0%	Hike	Jun-22
Mexico	Overnight Rate	7.75%	7.7%	0.1%	Hike	Jun-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	52.00%	60.7%	-8.7%	Hike	Jun-22

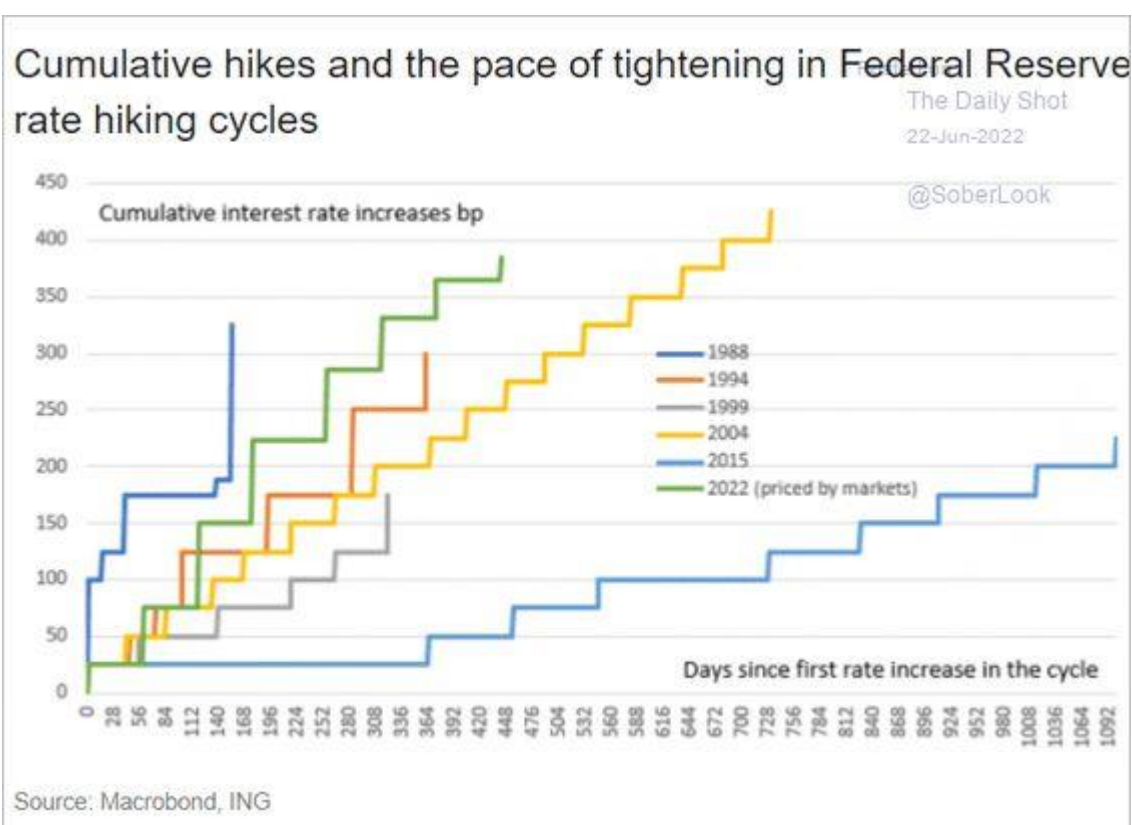
COMPOUND

@CharlieBilello

#centralbanks

#fed #rates

The current pace of Fed rate hikes is faster than previous cycles, at a time now with surging inflation, more debt, and weaker economics.



Source: Macrobond

#centralbanks

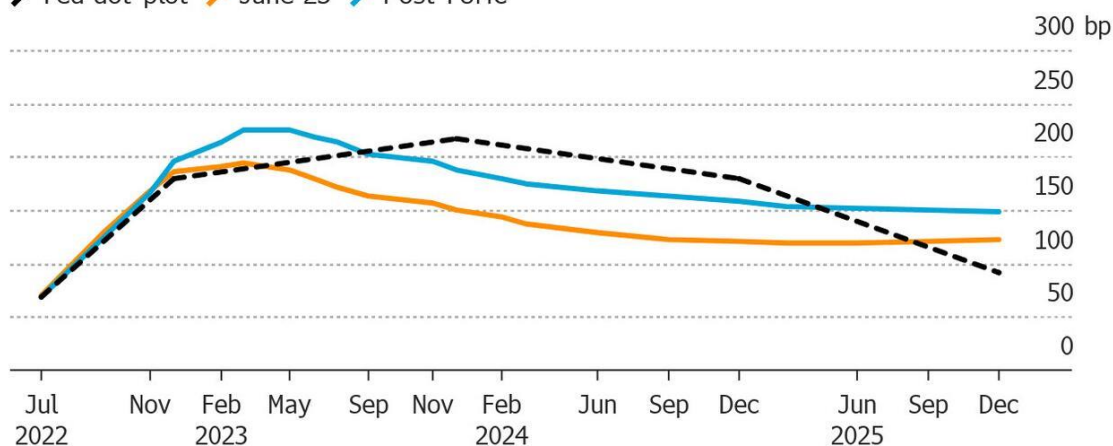
#fed #rate #hikes #expectations

The Market now expects the Fed will end its hiking cycle much sooner than previously expected, most likely some time around the mid-term election...

What's Priced In Now

Fed hike cycle priced to peak in March next year versus mid-2023 after FOMC

— Fed dot-plot — June 23 — Post-FOMC



Bloomberg, CME
Change in Fed's interest-rate target implied by overnight index swaps and eurodollar futures

Bloomberg

Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #rate #hikes #expectations

Markets are now pricing in just a 71% chance of a 75bps rate hike in July, and less than a 100% chance of 125bps in rate hikes through the September meeting (including the assumes 75bps next month)..



Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #qt

DID YOU SAY QUANTITATIVE TIGHTENING? Since QT began in June, the Fed's balance sheet has actually increased 3 weeks in a row... As Lisa Abramowicz said, "Let's call it quantitative stasis for now, not quantitative tightening“...



#centralbanks

#fed #balance-sheet

In 2022, Fed increased its balance by another 2% to \$8.9 trillion.

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	8,934	177	2.0%
	Period	\$ Increase (in Billions)	% Change
	2002-22	8,202	1120%



@CharlieBilello

#centralbanks

#ecb #qe

ECB balance sheet hit another all-time-high as Christine Lagarde keeps printing press rumbling despite record-high inflation. Total assets rose by €7bn to €8,827.9bn. ECB balance sheet now equal to 82.4% of Eurozone's GDP vs Fed's 36.6%, BoE's 39.6%, BoJ's 136.3%.



Source: Bloomberg

#centralbanks

#centralbanks #balancesheet

The Bank of Japan has overtaken the Swiss National Bank (SNB) to take the lead in the global race to print money. BoJ's Total assets have swelled to 137% of GDP. SNB's balance sheet equals 'only' 135% of Swiss GDP.

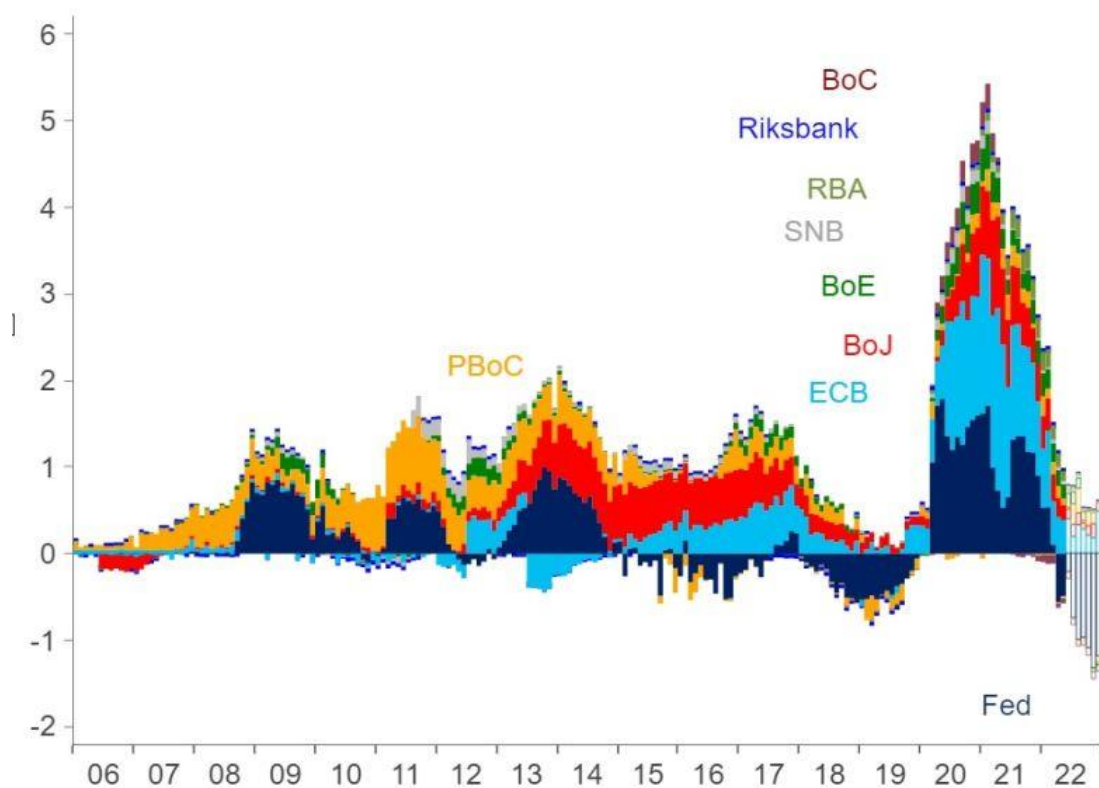


Source: Bloomberg

#centralbanks

#global #qe #qt

Global Central Bank YoY Asset Purchases (\$trn)



Source: Citi Research, Macrobond

Source: Macrobond

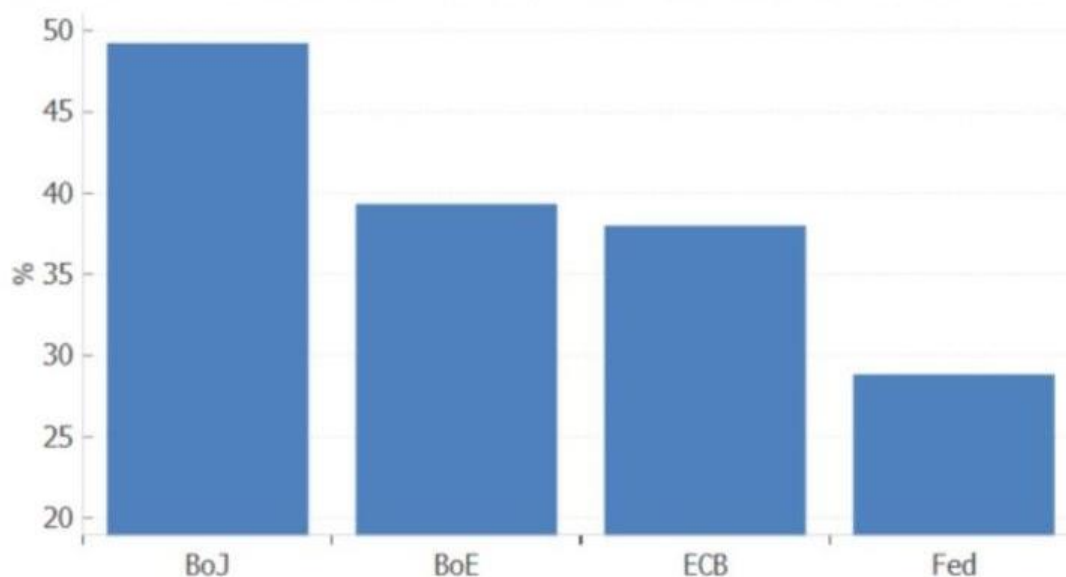
#centralbanks

#boj

The Bank of Japan (BoJ) will most likely be the first major central bank to own more than 50% of its own bond market (the BoJ currently owns 49.2% of the JGB market).

BoJ Will be First to Cross the 50% Ownership Mark

■ Percent of Outstanding JGBs, EGBs, Gilts, USTs respectively held by Central Bank



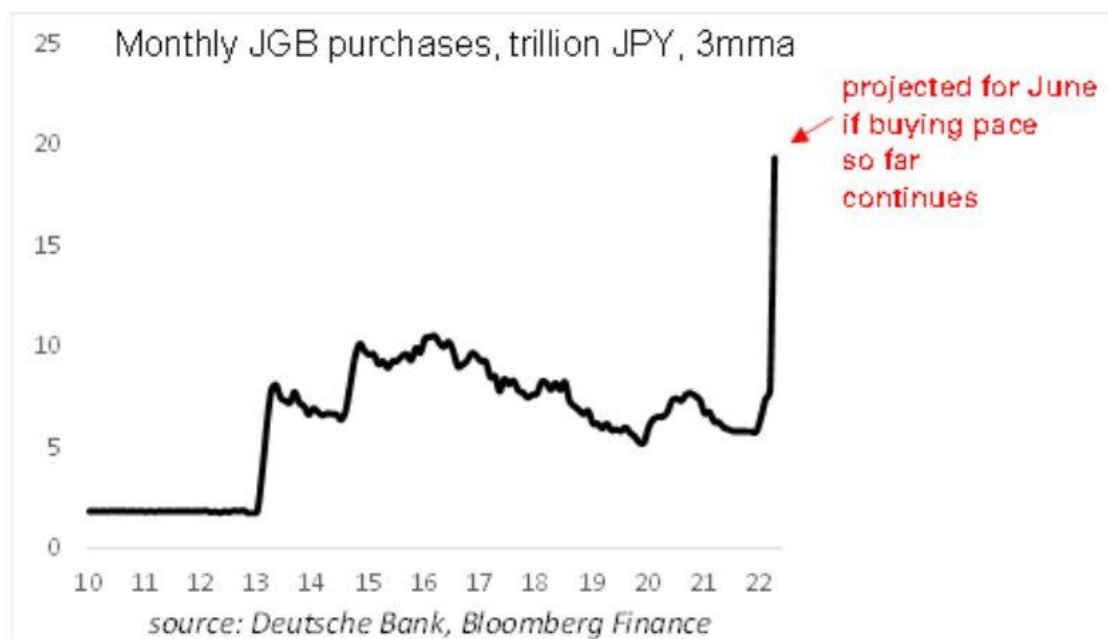
Source: Bloomberg

Source: Bloomberg, www.zerohedge.com

#centralbanks

#boj #qe

The pace of BoJ buying has accelerated to a monthly run-rate which is now double the pace of buying at 'peak Abenomics' at around 20 trillion yen of government bonds...It is the GDP-equivalent of the Fed doing 750bn of monthly QE in the US.

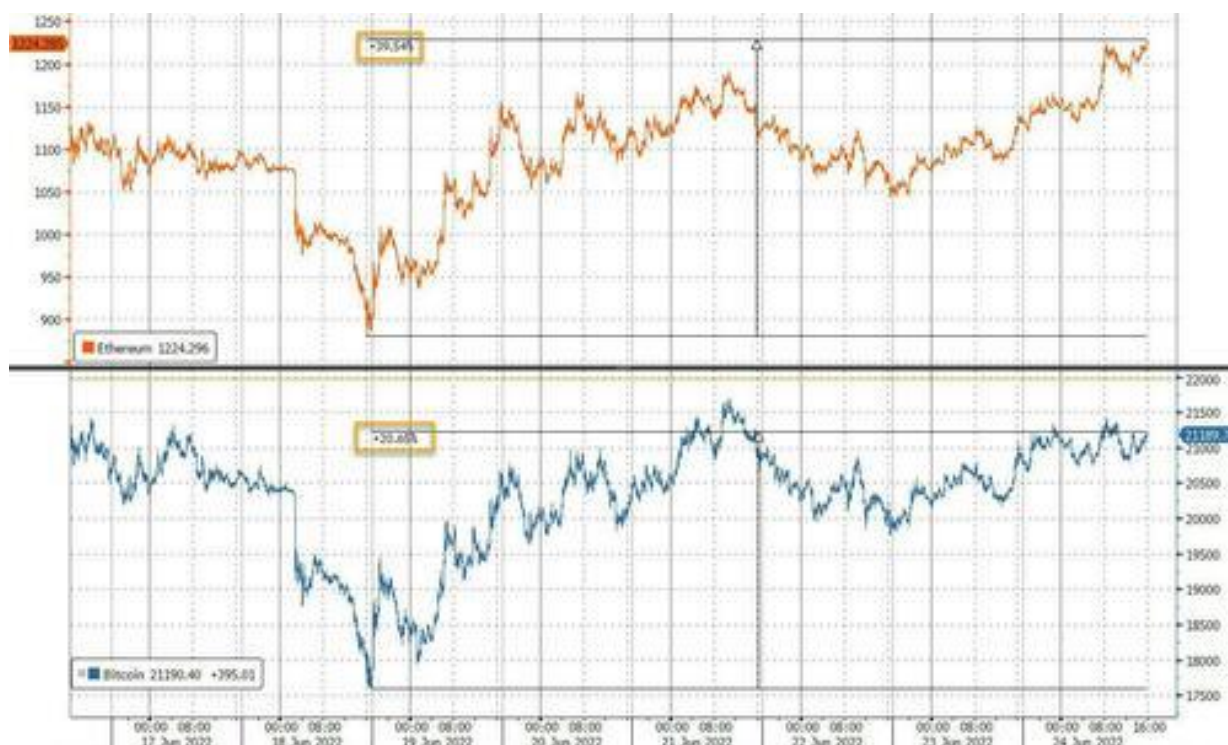


Source: DB's Saravelos

#cryptos

#cryptocurrencies #rebound

After many left the space for dead following last Saturday's daisy-chained margin calls and liquidations, cryptos have moved sharply higher, with bitcoin +20% and eth +40% from last Saturday's lows...



Source: www.zerohedge.com, Bloomberg

#cryptos

#bitcoin #selloff

The Bitcoin sell-off from Thursday to Saturday marked the largest realized loss ever for the top cryptocurrency by market cap, with investors recording \$7.3 billion of locked-in losses. About 555,000 Bitcoin were traded in the \$18,000 to \$23,000 range during the three-day span, with many sellers having originally purchased BTC at much higher prices, according to research firm Glassnode.

Bitcoin: Realised Loss [USD]



© 2022 Glassnode. All Rights Reserved.

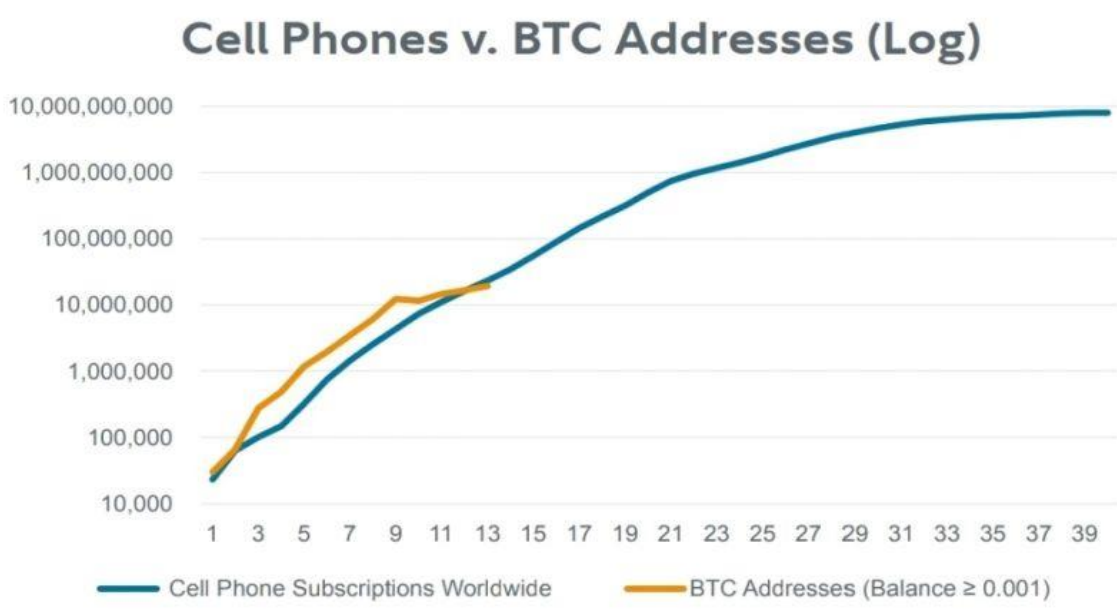
glassnode

Source: Glassnode

#cryptos

#bitcoin #adoption

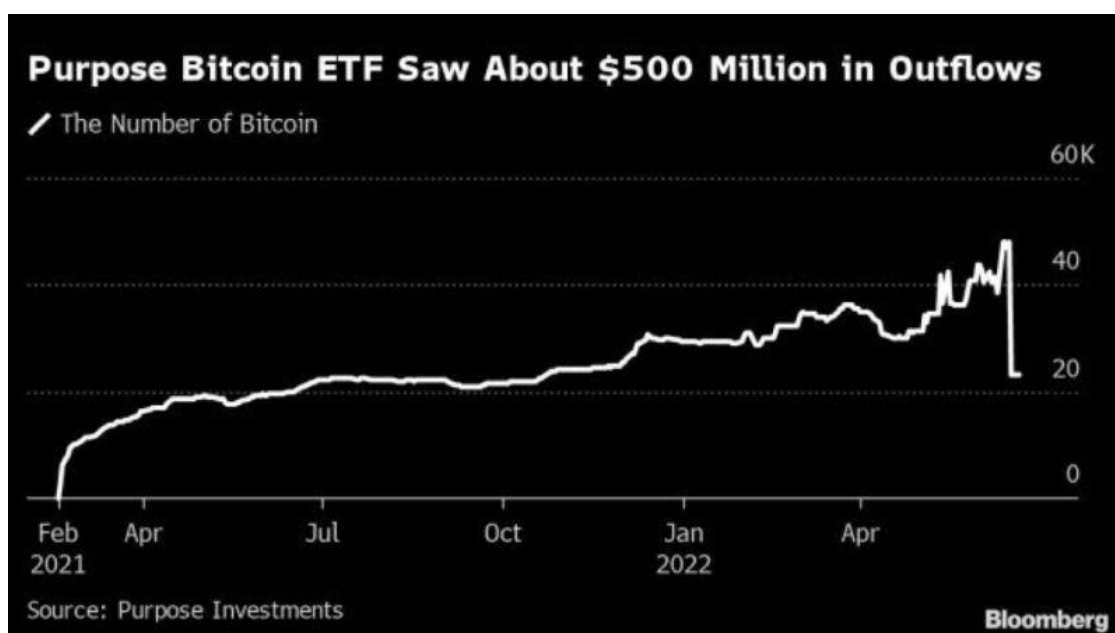
Fidelity just shared their 'Valuing Bitcoin' report. In it is a comparison of Bitcoin's adoption to cell phones.



#cryptos

#bitcoin #etf

Someone sold off 500M in BTC ETF last week...



Source: Bloomberg

#cryptos

#celsius

Business

Goldman Sachs Leading Investor Group to Buy Celsius Assets: Sources

The Wall Street firm is seeking \$2 billion in commitments from investors to buy distressed assets at steep discounts if the crypto lender goes bankrupt.

By Tracy Wang 🕒 Jun 24, 2022 at 10:12 p.m. Updated Jun 24, 2022 at 11:10 p.m.



Source: Coindesk

#cryptos

#cryptocurrencies #hacking

The layer-1 blockchain's main bridge between Ethereum, Binance Chain and Bitcoin has been exploited for nine figures but says its BTC bridge has not been affected.

Breaking: Harmony's Horizon Bridge hacked for \$100M

The layer-1 blockchain's main bridge between Ethereum, Binance Chain and Bitcoin has been exploited for nine figures but says its BTC bridge has not been affected.

11776 Total views

57 Total shares

Listen to article



4:08



BREAKING NEWS

#cryptos

#ftx #blockfi

FTX, the cryptocurrency exchange led by billionaire Sam Bankman-Fried, has entered negotiations to acquire a stake in the beleaguered crypto lending firm BlockFi, according to a report today in the Wall Street Journal, citing unnamed sources.

FTX Plans to Acquire Stake in Crypto Lender BlockFi: Report

FTX recently provided BlockFi with a \$250 million bailout.

By [Stacy Elliott](#)

Jun 24, 2022

2 min read



FTX CEO Sam Bankman-Fried (SBF). Image: Sam Bankman-Fried

Source: Decrypt

#cryptos

#nfts

The luxury fashion brand Salvatore Ferragamo is joining the swelling ranks of designers getting into NFTs. As a part of a new concept store opening in the Soho district of New York City, opening Friday, Ferragamo has installed an NFT booth where customers can create and mint their own Ethereum NFTs from a menu of traits.

Fashion Brand Salvatore Ferragamo Opens Ethereum NFT Booth in NYC

The upscale fashion designer joins the likes of Gucci, Prada, and Balmain embracing NFTs.



By [Kate Irwin](#)

Jun 24, 2022

3 min read



A 3D rendering of Salvatore Ferragamo's NFT booth. Image: Salvatore Ferragamo

Source: Decrypt

#food-for-thought

#digital #meta

Meta announced that the company is launching a digital designer clothing store called the “Meta Avatars Store.” The new virtual store is launching on Facebook, Instagram and Messenger and will allow users to buy digital clothes for their avatars. The store will initially offer digital outfits from Balenciaga, Prada and Thom Browne. Meta hasn’t revealed any pricing information for these digital outfits.



Source: thecrunch

#food-for-thought

#swissmade

Toblerone maker Mondelez will shift some production of its triangular chocolate bars to Slovakia from Switzerland at the end of next year, losing the "Swiss" attribute on its packaging in the process. Toblerone was first launched in 1908 and has been exclusively produced in Switzerland since the early 1990s. Under strict Swiss labelling rules, chocolate made abroad cannot be called "Swiss", and Mondelez will thus have to remove this reference.

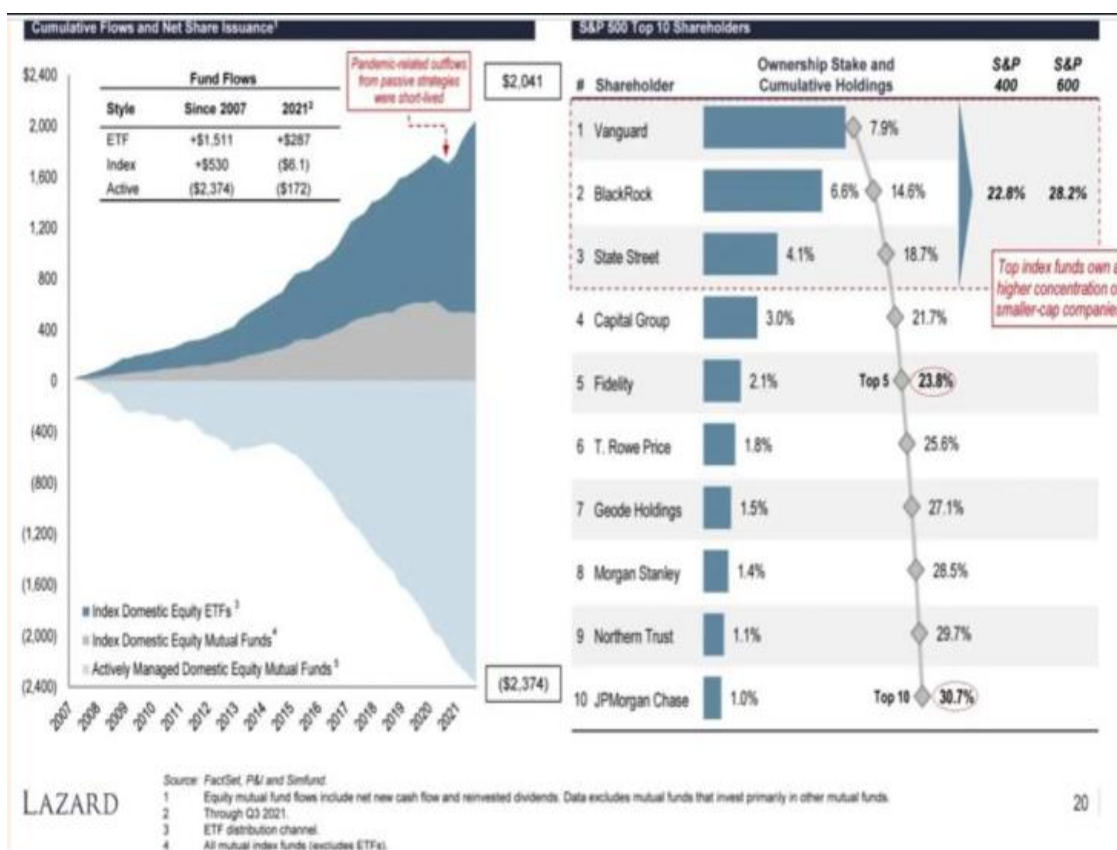


Source: Reuters

#food-for-thought

#etfs

At the end of 2021, Vanguard, BlackRock and State Street, the three biggest index fund providers, together control on average 18.7% of S&P 500 companies.

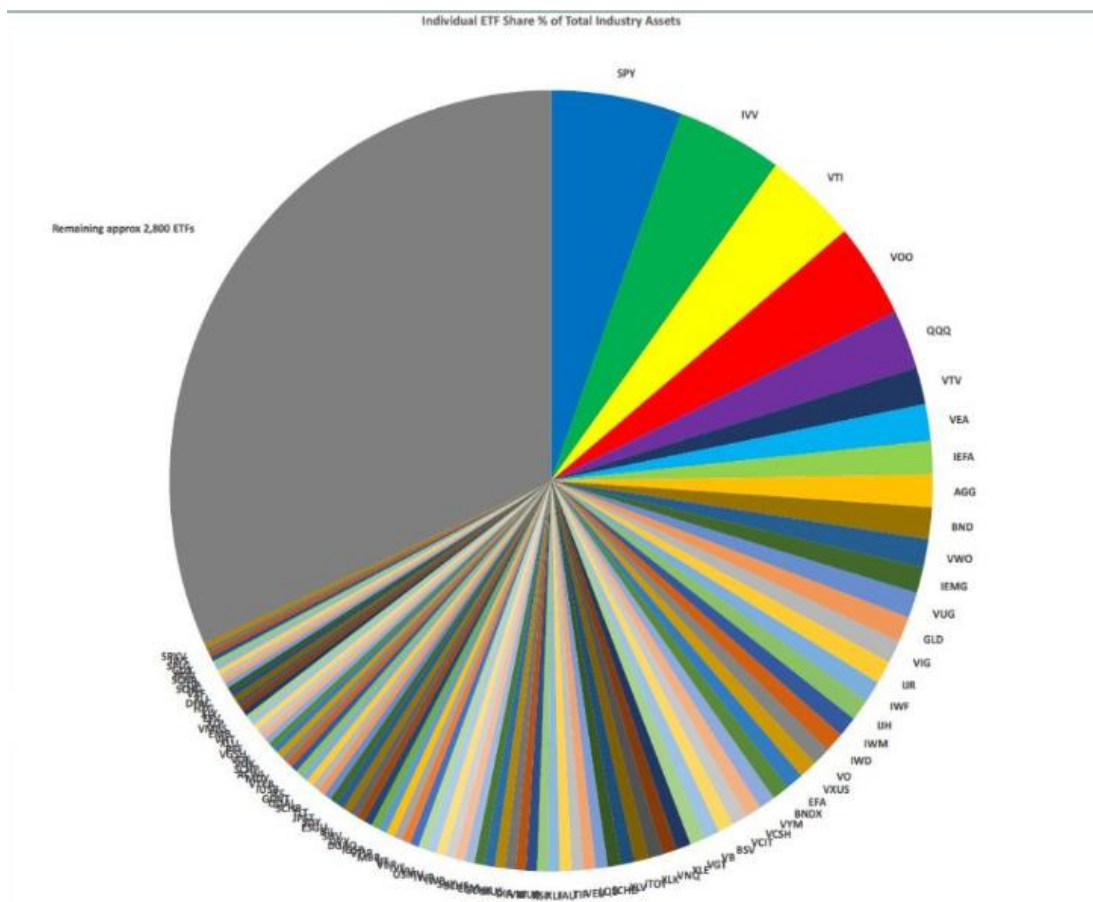


Source: Lazard

#food-for-thought

#etfs

- Top 5 ETFs = 20% of total industry assets
- Top 50 ETFs = 54%
- Top 100 ETFs (visual here) = nearly 70%

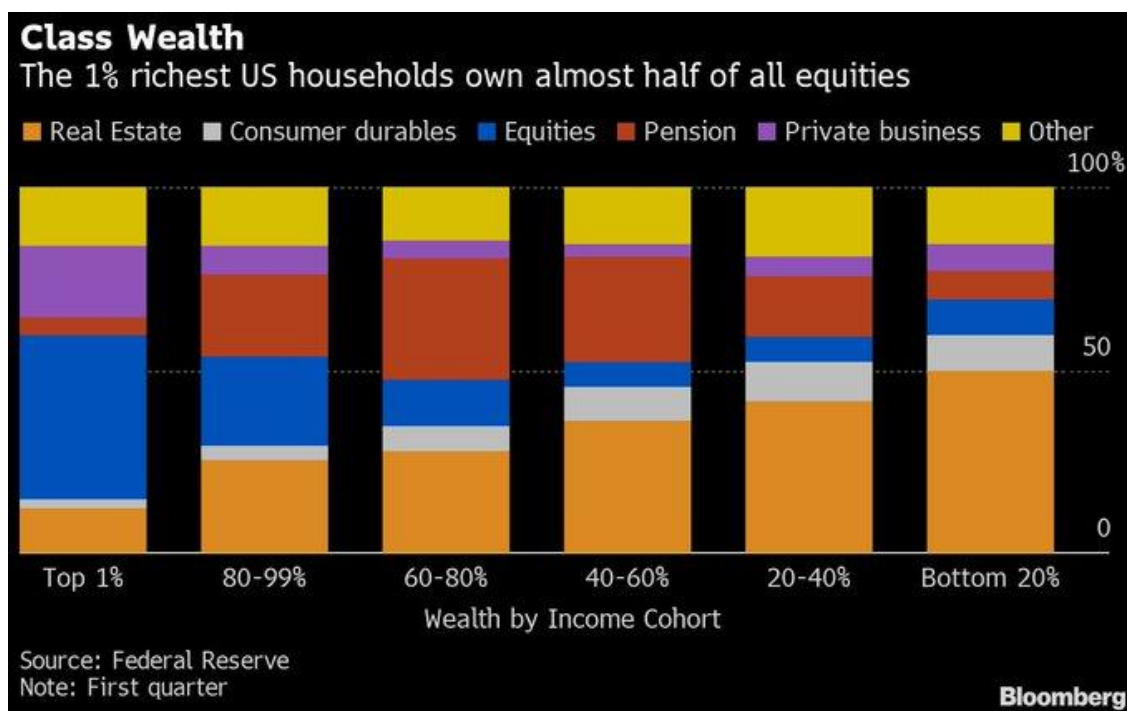


Source: Twitter

#food-for-thought

#wealth-inequality

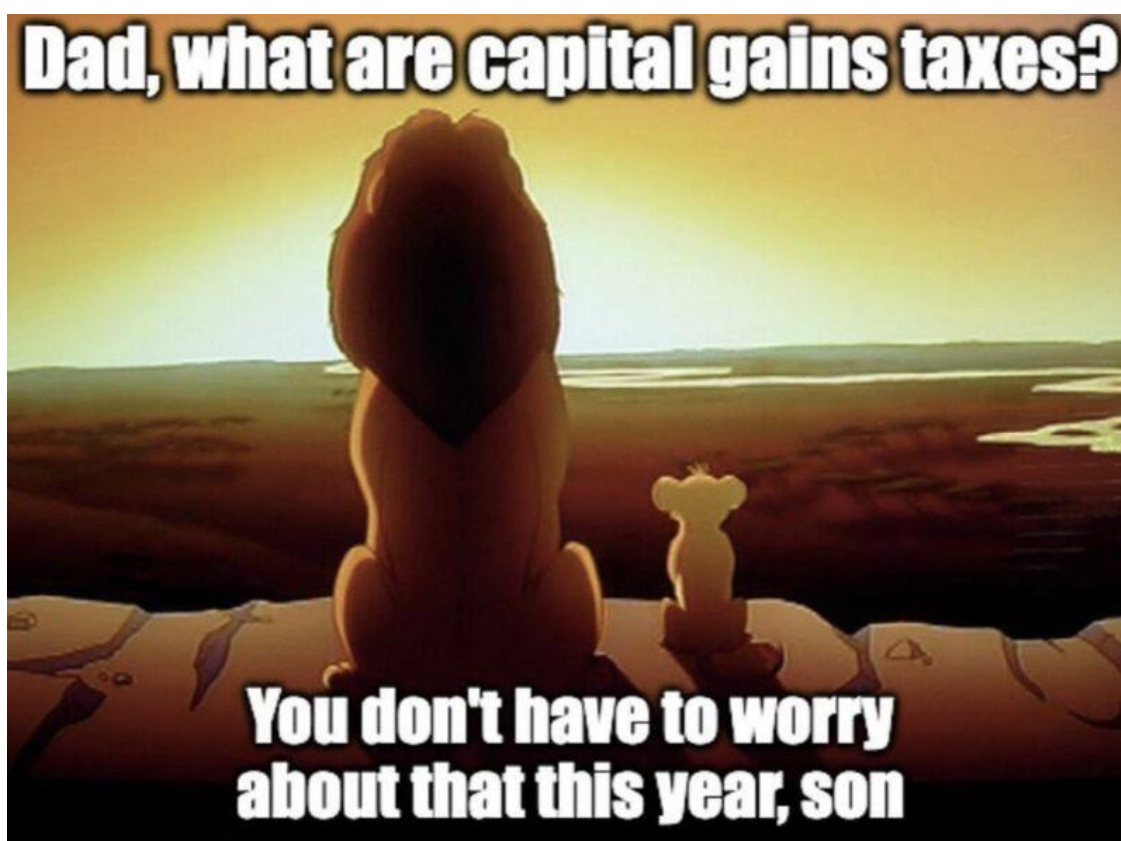
Richest 1% of Americans held almost half of all corporate equities and mutual fund shares in 1Q22 per Federal Reserve data ... among bottom 1/5th of households, about half of their wealth is held in real estate



Source: Bloomberg

#food-for-thought

#havefunin2022



#food-for-thought

#global #real-estate

WHICH PROPERTY MARKETS ARE THE MOST AT RISK AROUND THE WORLD?

New Zealand at Top of Risk Ranking
Five gauges of property risk for OECD member and accession countries

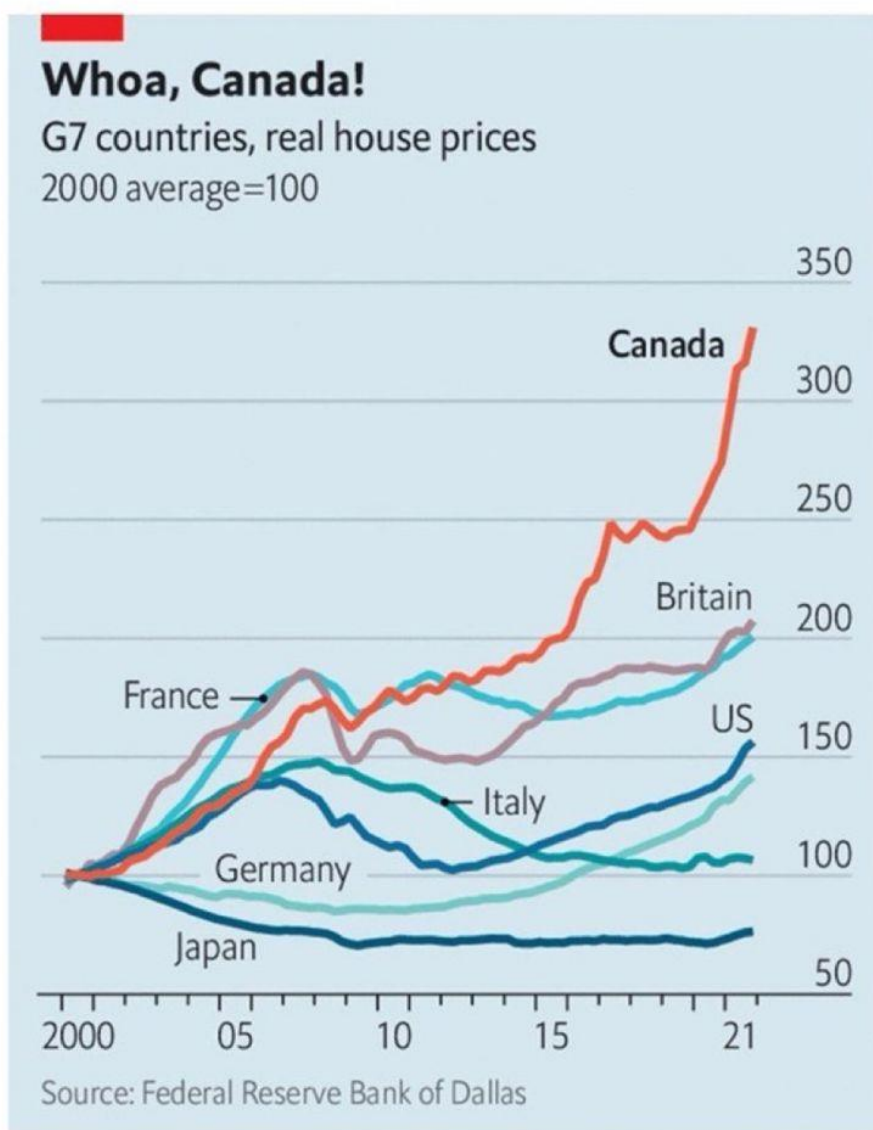
	Rank	Price-to-Rent Ratio	Price-to-Income Ratio	Real Price Growth (%)	Nominal Price Growth (%)	Credit Growth (%)
New Zealand	1	156.8	143.9	23.1	27.6	1.5
Czech Republic	2	169.7	140.9	20.2	25.8	2.4
Hungary	3	160.5	131.4	11.2	19.5	-0.5
Australia	4	141.5	119.7	21.1	23.7	-3.3
Canada	5	154.9	143.0	12.2	17.6	-4.7
Portugal	6	156.0	146.8	9.4	11.6	-2.0
US	7	139.2	135.9	11.7	18.7	-2.5
Austria	8	134.1	140.9	11.9	14.9	-1.3
Russia	9	157.6	99.8	11.6	22.8	-1.4
Luxembourg	10	166.5	143.7	8.2	12.1	-5.7
Netherlands	11	148.8	137.8	7.8	16.7	-3.3
Germany	12	147.6	135.9	7.2	12.2	-0.9
Sweden	13	129.2	116.3	8.0	11.1	-1.2
Switzerland	14	121.7	121.2	7.0	8.3	-1.7
UK	15	126.8	120.1	6.0	10.5	-4.1
Chile	16	132.3	124.5	6.9	11.9	-7.8
South Korea	17	113.5	100.4	6.7	9.9	3.1
Japan	18	114.8	109.1	7.4	7.3	1.3
France	19	127.3	112.6	4.5	7.3	-2.3
Spain	20	129.5	124.7	2.2	6.3	-6.4
Poland	21	121.4	108.2	3.4	12.1	-6.4
Greece	22	129.6	103.7	6.4	7.9	-7.0
Ireland	23	124.6	114.8	7.0	13.9	-12.6
Colombia	24	121.8	114.1	2.2	7.7	-6.2
Denmark	25	126.4	114.1	0.6	4.1	-6.4
Belgium	26	117.3	108.3	1.4	6.0	-5.6
Norway	27	122.4	111.0	4.3	8.1	-13.6
Finland	28	101.0	101.6	0.7	3.9	-2.3
Italy	29	103.0	94.7	0.9	4.1	-3.3
South Africa	30	103.6	100.0	-2.2	3.4	-7.1

Sources: Bloomberg Economics; BIS; OECD
Note: Bloomberg Economics ranking obtained by taking an average of the z-scores of each of the five measures. The higher the score, the greater the risk of a price correction. Annual house-price and credit growth are based on Q1 2022 or latest quarterly data available.

Bloomberg

#food-for-thought

#global #real-estate



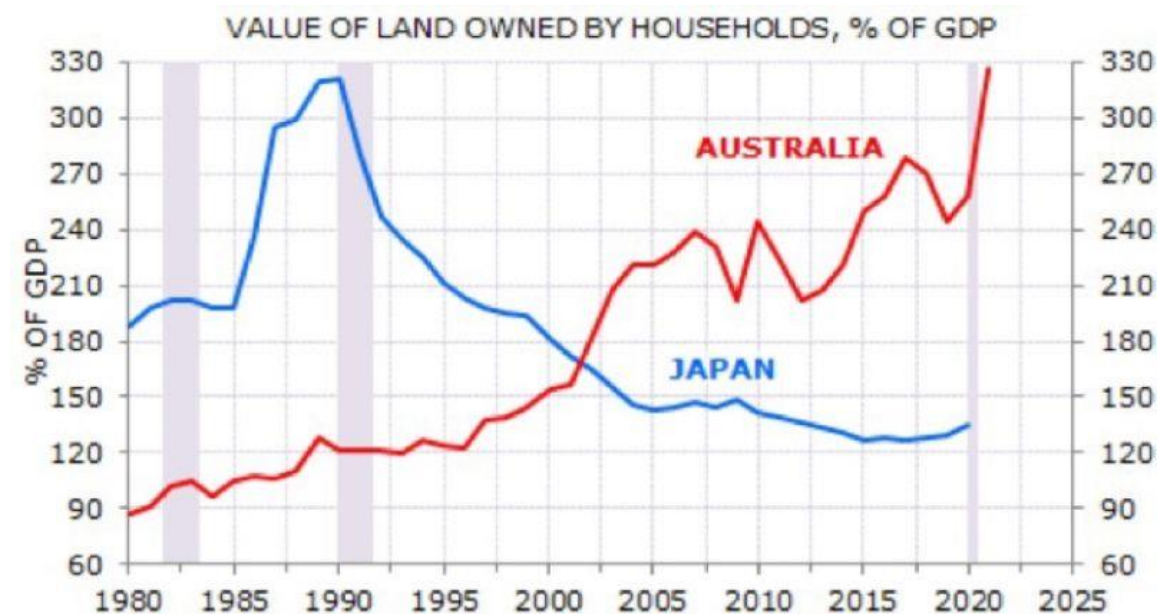
The Economist

Source: The Economist

#food-for-thought

#global #real-estate

History is repeating.. just different country. At one point of time in 1988.. land under imperial palace of Japan was valued more than the entire California real estate. Australia (to slightly lesser extent Canada) is now reaching a point of no return. Those (Central bankers) who fail to learn from history are doomed to repeat it.

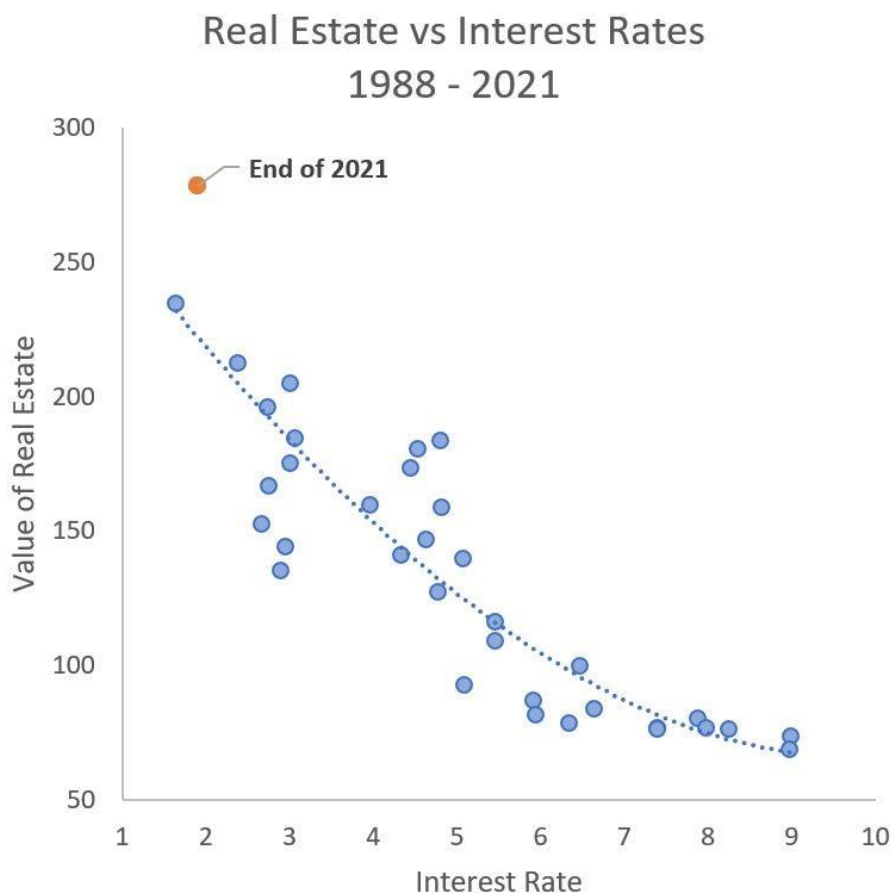


Source: David Hay, Ritesh Jain

#food-for-thought

#us #real-estate #rates

The historical connection between real estate prices and interest rates in the US has been pretty tight and convex in the past, as one would expect for an asset that creates rather steady cash-flow.



Value of Real Estate: S&P CoreLogic Case-Shiller U.S. Index.
Interest Rate: 30 Year US Government Rate.

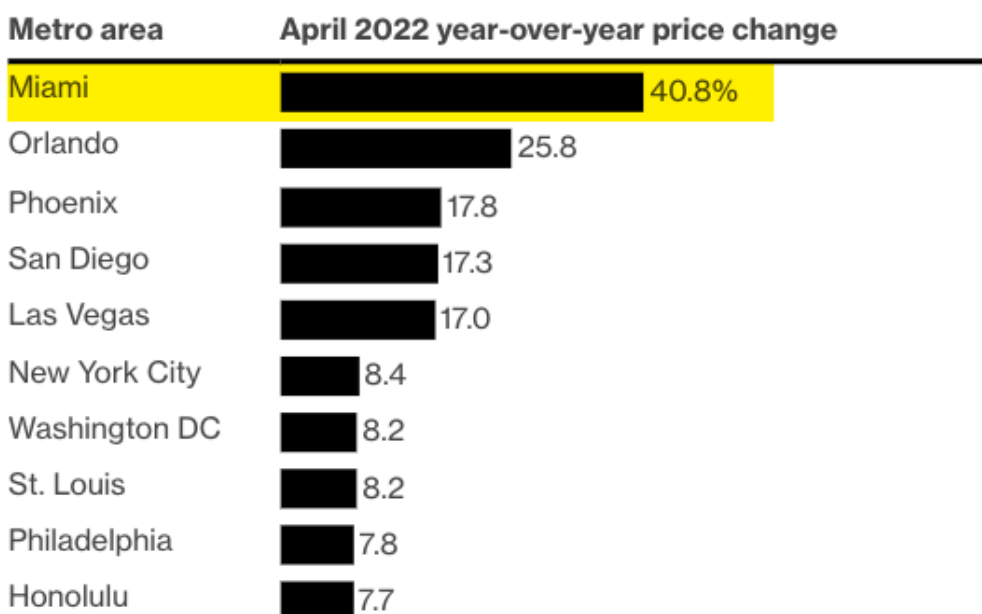
#food-for-thought

#us #rents

Single-family rent growth in the US surged 14% year-over-year in April, according to real estate research firm CoreLogic. The supply-demand mismatch continues to drive rents higher, as many parts of the country print double-digit jumps in monthly rent prices. Among large cities, Miami recorded a stunning 41% increase in single-family rent growth for April. It was the most significant increase in April rent across all major metro areas CoreLogic tracks.

Single-Family Rents Soar

Miami's rental prices surge almost 41%



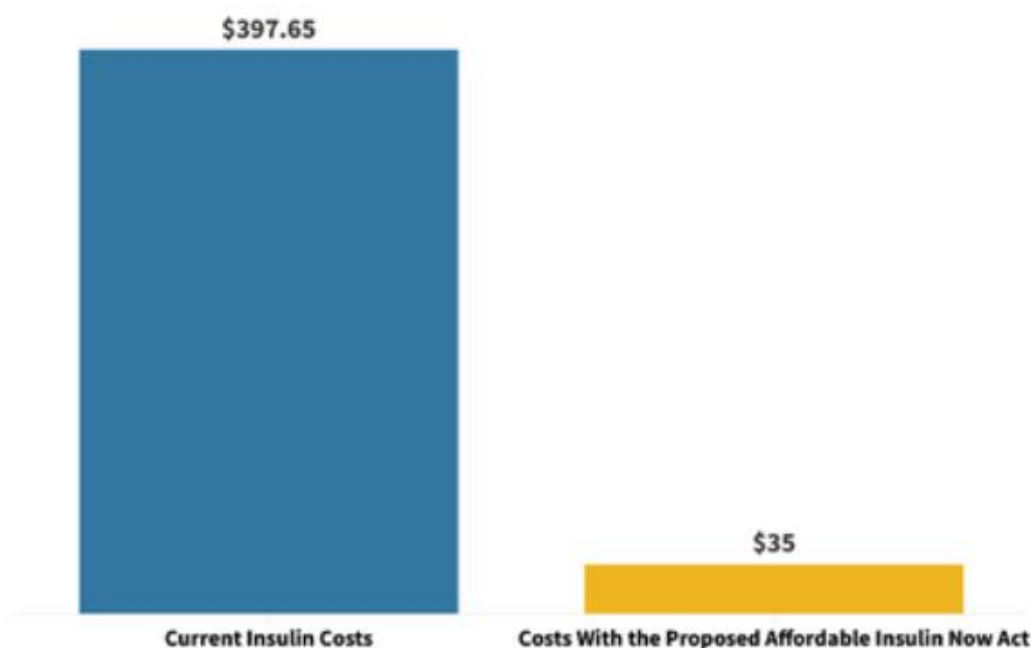
Source: CoreLogic

#food-for-thought

#diabete

A new survey finds that the cost of insulin is driving many diabetic Americans to go into debt, forcing them to ration medication as they struggle to pay for other living expenses. The survey, conducted by CharityRX, found that 79% of respondents said insulin costs had created financial difficulty for them personally, or for those in their care - both with and

Monthly Cost of Insulin



Source: CharityRx

Source: www.zerohedge.com

#food-for-thought

#spv



Simon Clarke • 1st

Managing Director at Citi Private Bank

16h • 

"Special Purpose Vehicle".

#car



#food-for-thought

#geopolitics #saudi #turkey



#food-for-thought

#uae #israel

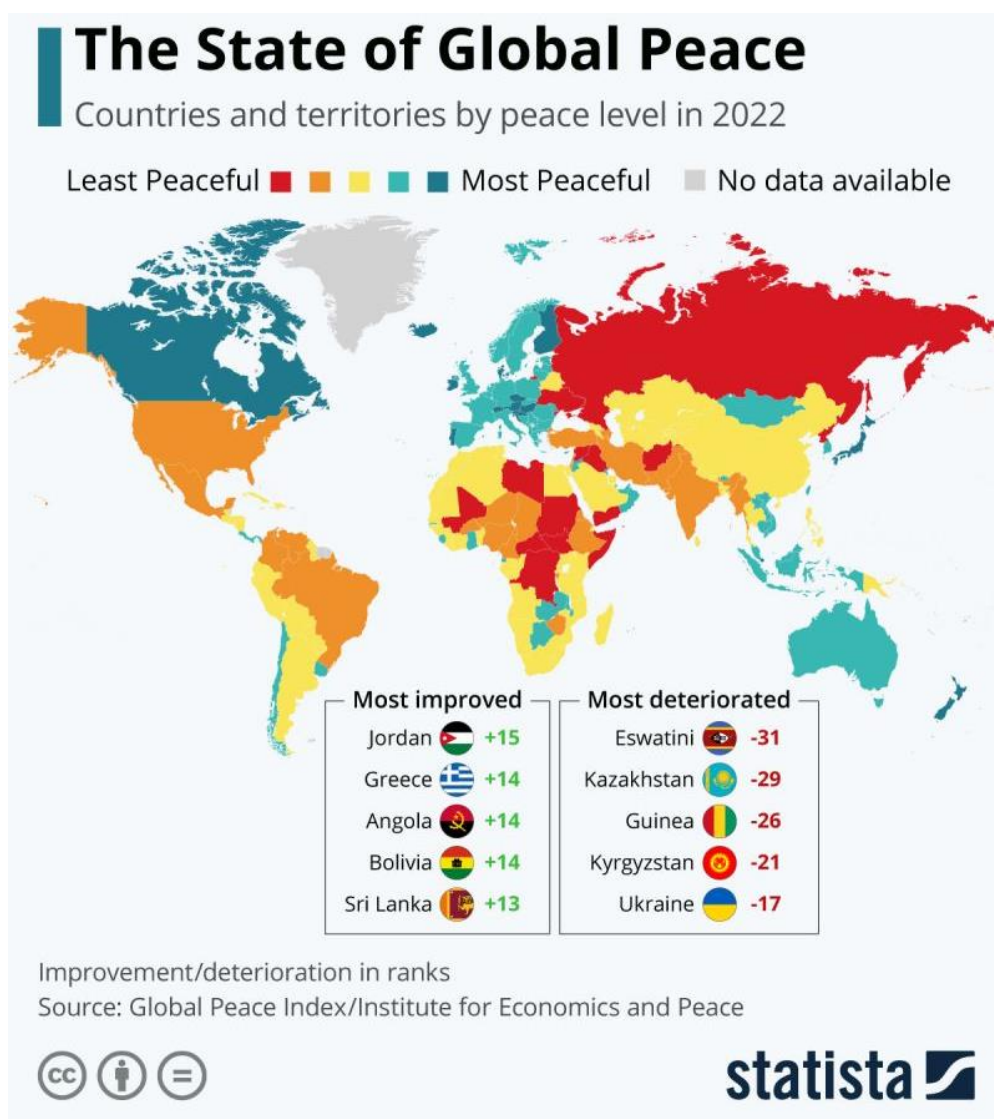
Emirates has landed in Tel Aviv for the very first time.



#food-for-thought

#global #peace

Global peacefulness has declined for the eleventh time in the last 14 years..



Subscribe to the newsletter

syzgroup.com/newsletter



This marketing communication has been issued by the Syz Group. It is not intended for distribution to, publication, provision or use by individuals or legal entities that are citizens of or reside in a state, country or jurisdiction in which applicable laws and regulations prohibit its distribution, publication, provision or use. It is not directed to any person or entity to whom it would be illegal to send such marketing material. This document is intended for informational purposes only and should not be construed as an offer or solicitation for the subscription, purchase, sale or keeping of any security or financial instrument, or as a contractual document. The information contained herein does not constitute any legal, tax or accounting advice and may not be suitable for all investors. The market valuations, terms and calculations contained herein are estimates only and may change without notice. The information provided comes from sources deemed reliable, but the Syz Group does not guarantee its completeness or accuracy. Past performance gives no indication of future results.

For the future...