

Chart of the week

ASIA FOREX WAR

Could it be the biggest Q3 “risk-off” surprise? China's renminbi is now at a 30-year high vs. Japanese Yen. Since the only source of China growth in 2022 is exports, Beijing is facing growing pressure to devalue (which would send gold and cryptos through the roof?).

Chart 5: Chinese renminbi at 30-year high vs Japan yen
CNY-JPY spot exchange rate



Source: BofA Global Investment Strategy, Bloomberg

BoFA GLOBAL RESEARCH

Source: BofA

Another inflation upside surprise triggers volatility

Stocks remained volatile in light summer trading, as investors absorbed inflation data and the start of Q2 earnings season. On Thursday morning, the S&P 500 Index hit its lowest intraday level since June 22 but rallied sharply on Friday in response to a new round of bank earnings and promising economic data. Energy stocks underperformed as oil prices fell to levels not seen since before Russia's invasion of Ukraine. On Wednesday, US inflation data came in hotter than expected, sending markets sharply lower. The US CPI rose by 9.1% yoy in June, the highest increase since 1981. Investors' fears moderated on Friday as the University of Michigan's preliminary survey of consumer sentiment showed that Americans' 5-year inflation expectations had declined sharply in early July to 2.8%, their lowest level in over a year. Market expectations for the July FOMC meeting pulled back to +75 basis points rather than the +100 basis points futures markets had begun to indicate. The yield on the US 10-year fell over the week, as an inversion in the 2-year/10-year segment of the Treasury yield curve reached its widest level since 2000. In Europe, stocks gained after three consecutive months of losses. However, the advance was restrained by worries that an energy shortage might cause a recession in Europe. Chinese stocks eased as rising coronavirus cases and elevated geopolitical tensions hurt sentiment. The Dollar Index rallied for the 6th week in the last 7, closing at its highest since 2002. Cryptocurrencies rallied as well as Bitcoin tested \$21k.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

16 JULY 2022

#markets

#weekly #markets #stats

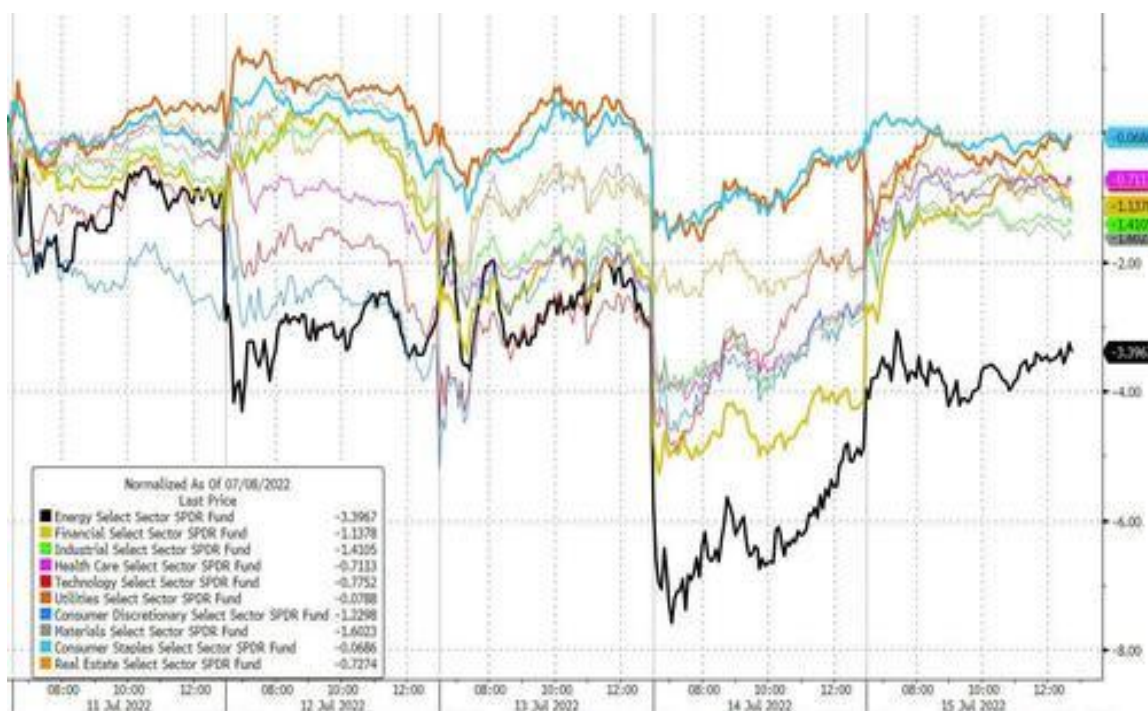
INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	31,288	-0.2%	-13.9%
S&P 500 Index	3,863	-0.9%	-18.9%
NASDAQ	11,452	-1.6%	-26.8%
MSCI EAFE	1,785	-3.5%	-23.6%
10-yr Treasury Yield	2.92%	-0.2%	1.4%
Oil (\$/bbl)	\$97.33	-7.1%	29.4%
Bonds	\$102.25	1.0%	-9.8%

Source: Edward Jones

#markets

#us #equities #sectors #performance

None of the US sectors closed green on the week with Energy the biggest loser. Financials ripped back higher on Friday on earnings positive surprises. Staples and Utilities were best at unchanged ...

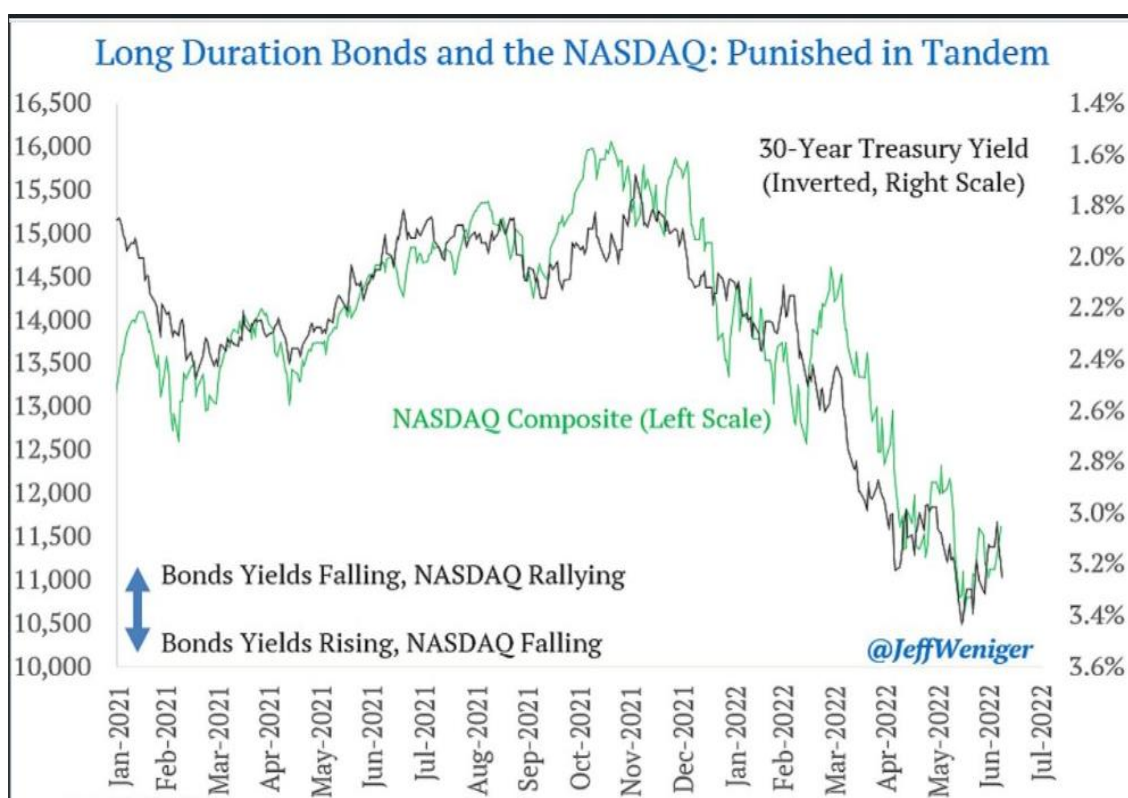


Source: www.zerohedge.com

#markets

#nasdaq

What if 30-year bonds go to 4% ?

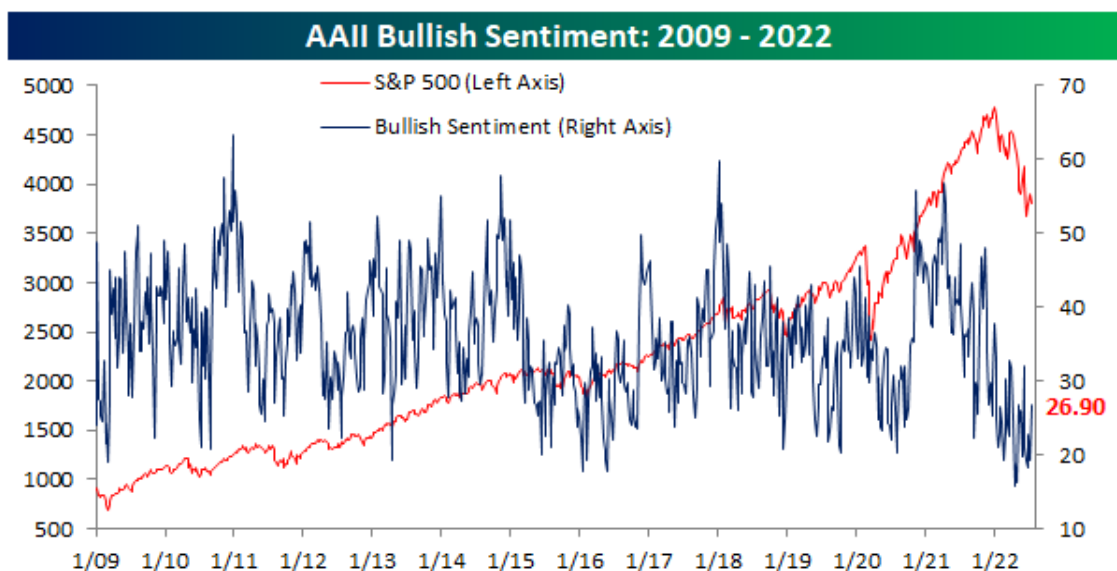


Source: Jeff Weniger

#markets

#us #equities #sentiment

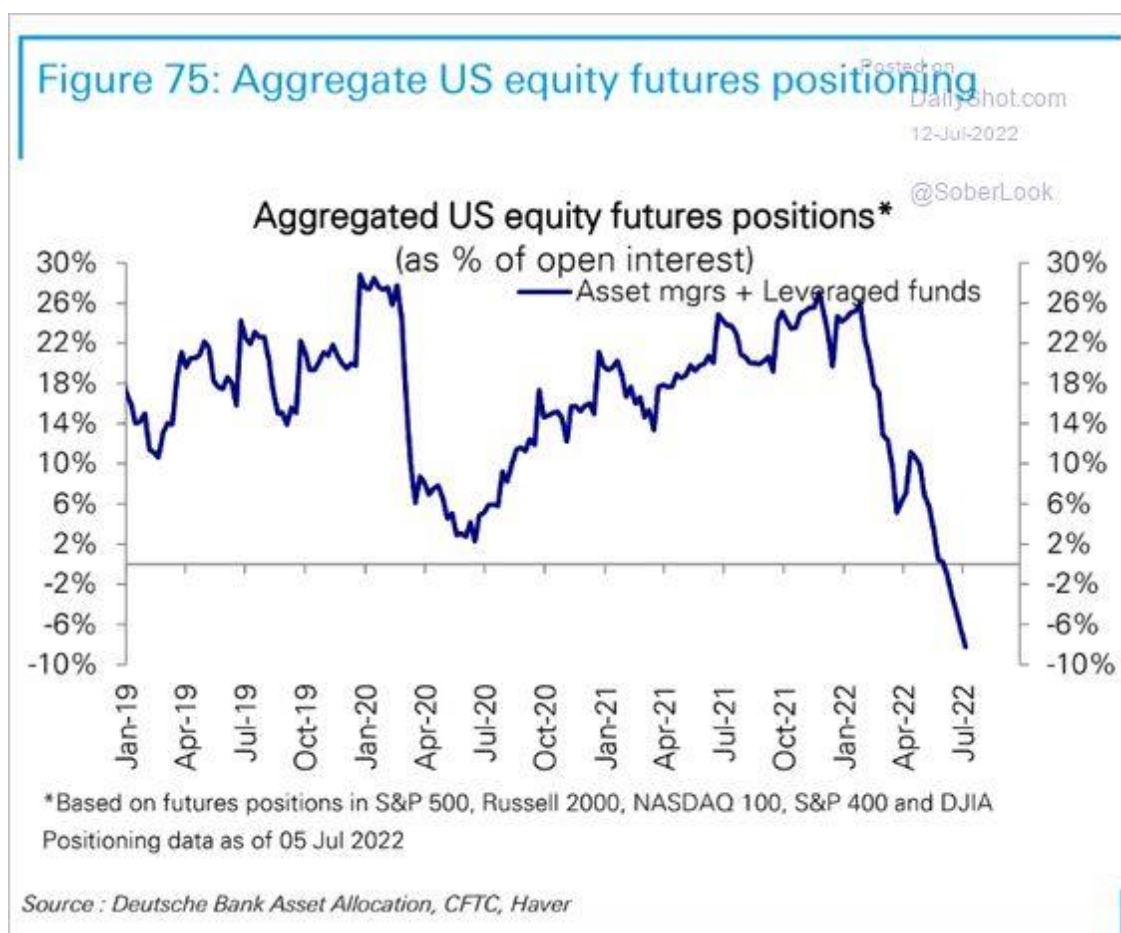
In spite of the S&P 500's consistent declines in the past week as it failed to take out its late June highs, investor sentiment has turned around (relatively speaking) with this week's reading from the AAI showing 26.9% of respondents reporting as bullish for the first time since early June. The 7.5 percentage point increase in the percentage of bullish responses this week was a large week-over-week increase by historical standards, although there have been multiple even bigger larger weekly increases over the past few months.



Source: Bespoke

#us #equities #positioning

Asset managers and hedge funds have been boosting their short positions in US equity futures.



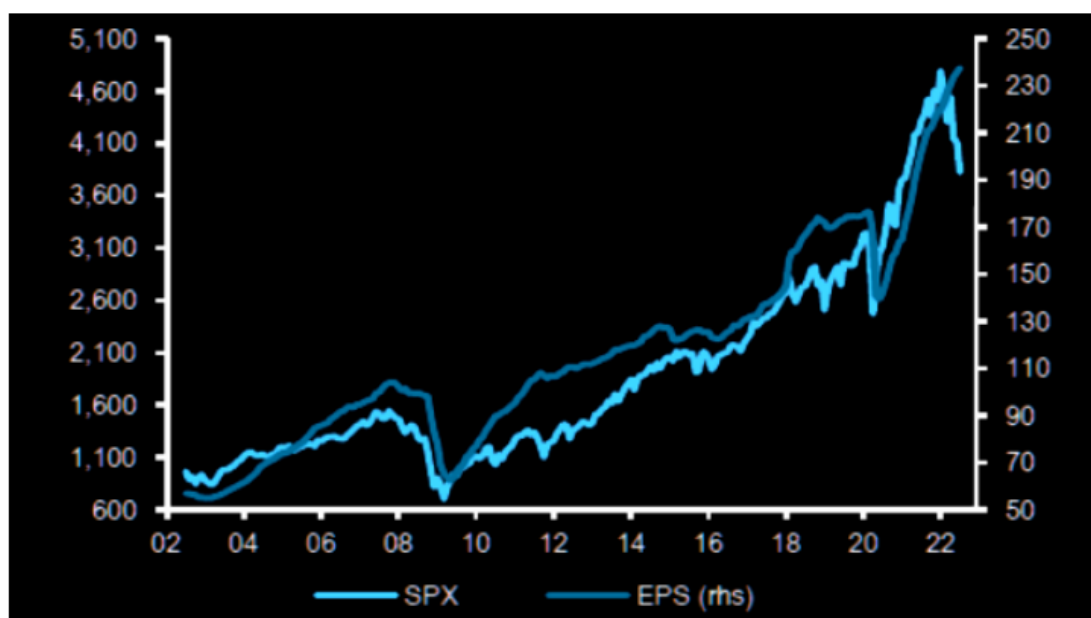
Source: DB, The Daily Shot

#markets

#us #earnings

S&P 500 and earnings estimates have been diverging. For how long?

When will earnings estimates capitulate?



Source: IBES

Source: IBES

#markets

#us #earnings

"Sell-side analysts are scrambling to get ahead of Q2 earnings; over the last 5 days they've downgraded more than 500 names (on a net basis). Since the Financial Crisis, there's only been 4 other weeks when that many names have been downgraded that quickly."



Source: zero hedge, hedgeye

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#markets

#us #earnings

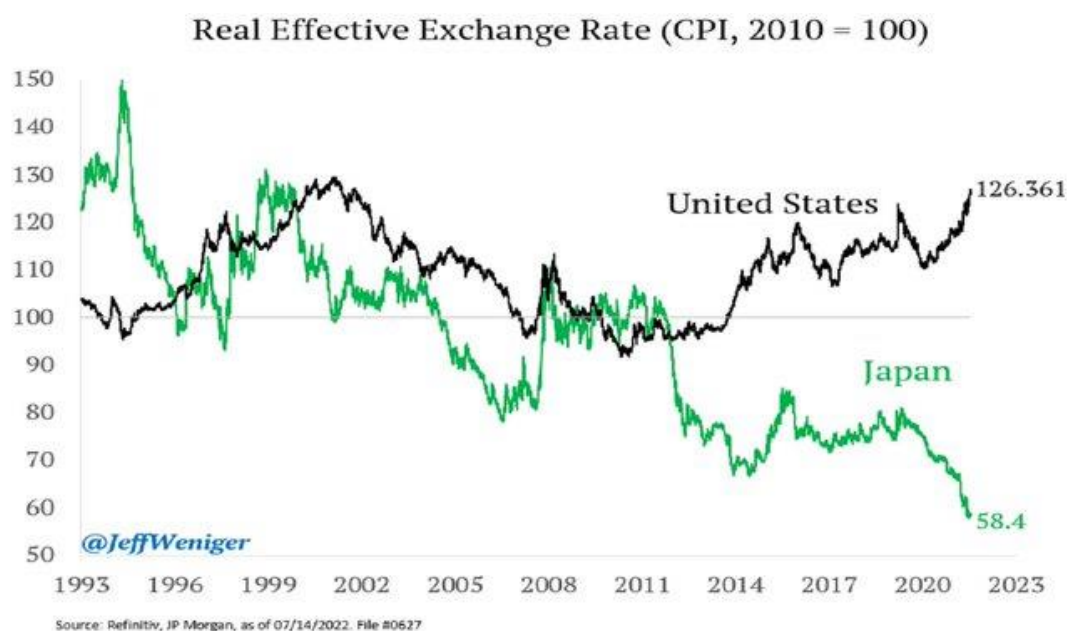
THE NEGATIVE EFFECTS OF A STRONG DOLLAR. ServiceNow (\$NOW) sunk almost 13% after CEO warns global tech firms won't be able to outrun strong dollar. Could the strong dollar ruin the US earnings season?



Source: Bloomberg, HolgerZ

#real #effective forex #earnings

The last time USD was this strong was the turn of the century. That was also a great time to rotate out of US stocks to engage overseas markets. Meantime, as US companies' earnings are hit by the strong dollar, Japanese companies get the opposite: the benefit from the weak yen.



Source: Jeff Weniger

#markets

#european #techs #sell-side #targets

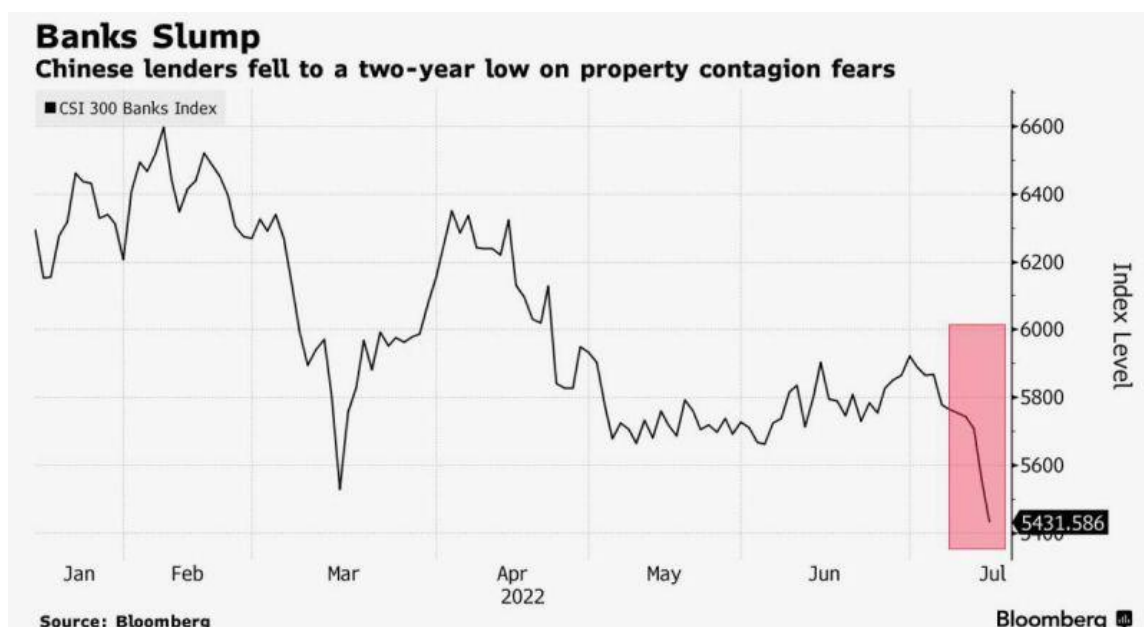
The gap between the Stoxx 600 Technology Index members' share prices and analysts' targets is now near its highest level since the 2008 financial crisis



Source: Bloomberg

#china #banks

On Friday, shares of China's banks extended their slide to a two-year low amid fears widespread mortgage non-payments would spark contagion within the banking sector even after the local banking and insurance regulator said it will maintain continuity and stability of financing policies for the real estate sector.

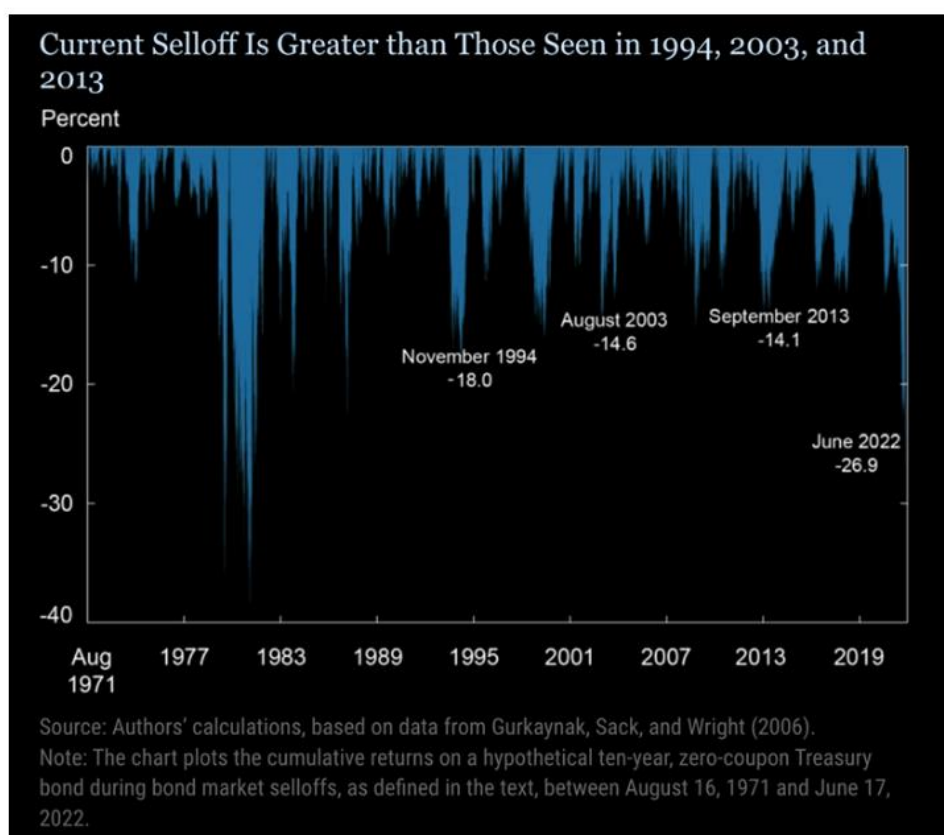


Source: Bloomberg

#us #treasuries #bear-market

This year's bond bear market is worse than 1994, 2003 or 2013. As of mid-June, longer term bonds (10 year duration) are down 26.9 percent. That is worse than the previously mentioned drawdowns. You have to go back to 1979 – 1980 and 1980 – 1982 to find worse bond market performance (-36 and -38 percent, respectively).

The bond bear



Source: Data Trek

Source: The Market Ear

#markets

#us #treasuries #volatility

Investor sentiment in the bond markets has reached levels of bearishness last seen during the COVID-induced market crash of March 2020, as measured by the Move Index (a bond market equivalent to the Vix).



Source: Bloomberg, J-C Gand.

#markets

#us #real #bond #yields

We don't have much precedent for inflation being this much higher than bond yields. The first spike in the 1970s coincided with the 1973-1974 bear market, which was a bad one. The second one is in 1979-1980, which marked the first of the two back-to-back recessions.



Source: Jeff Weniger

#GLOBALMARKETS WEEKLY WRAP-UP

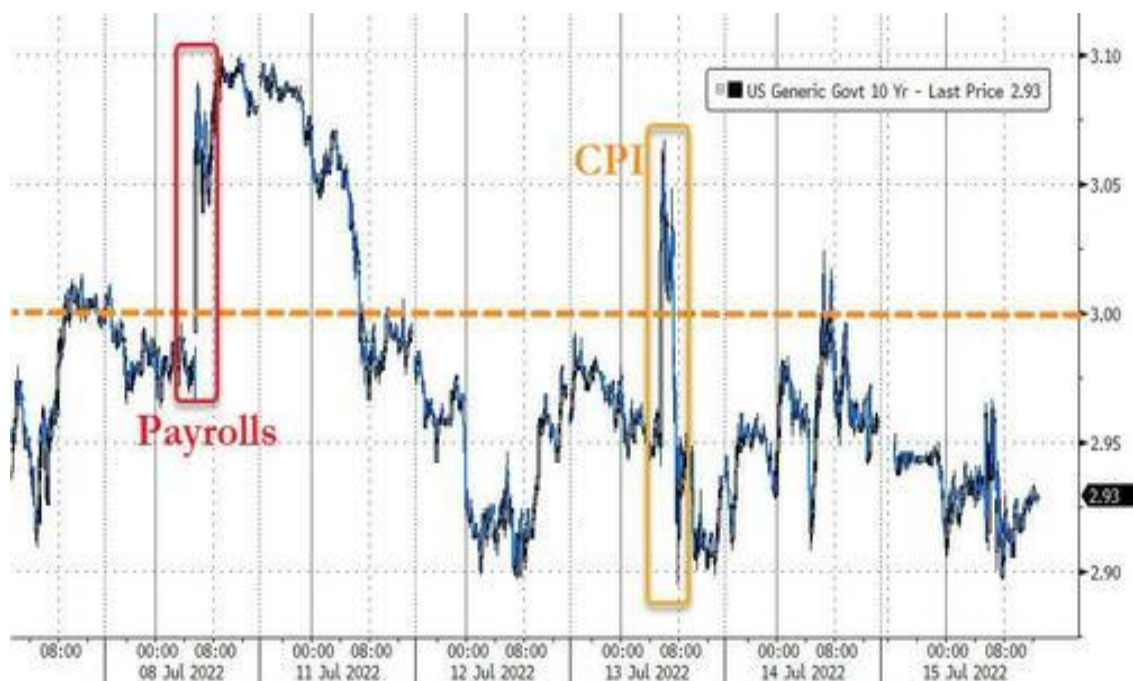
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#markets

#us #treasuries #10y

US 10Y yields ended the week back below 3.00%.

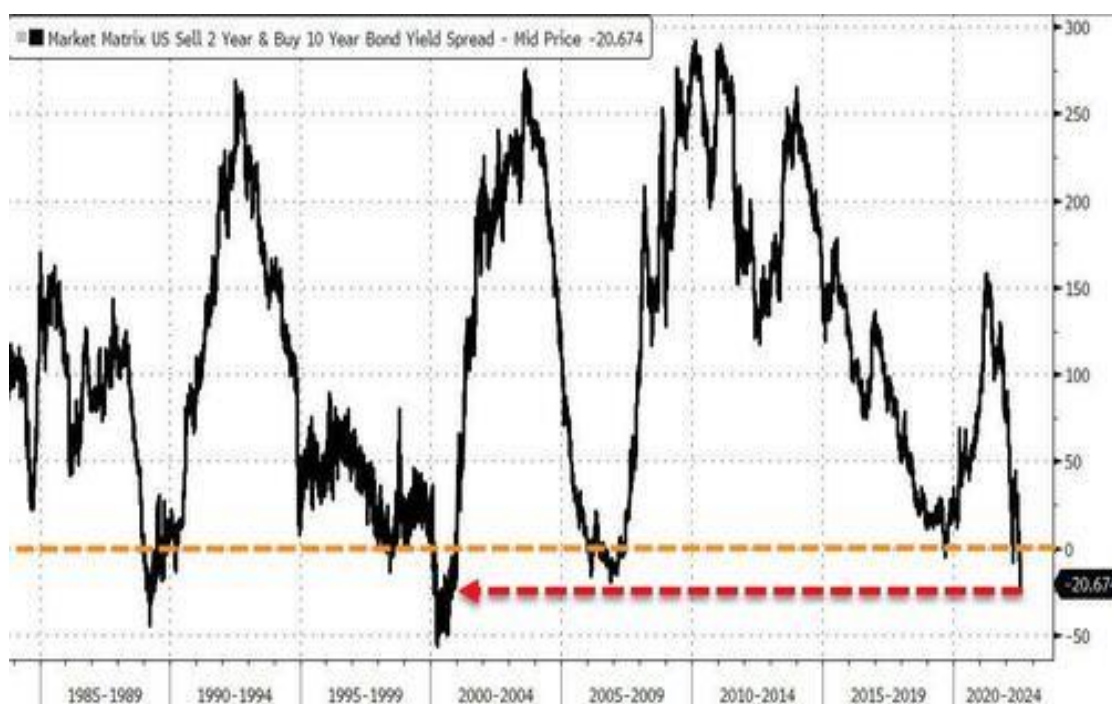


Source: www.zerohedge.com

#markets

#us #treasuries #yield-curve

The massive US flattening pushed the yield curve (2s10s) to its most inverted since 2000.

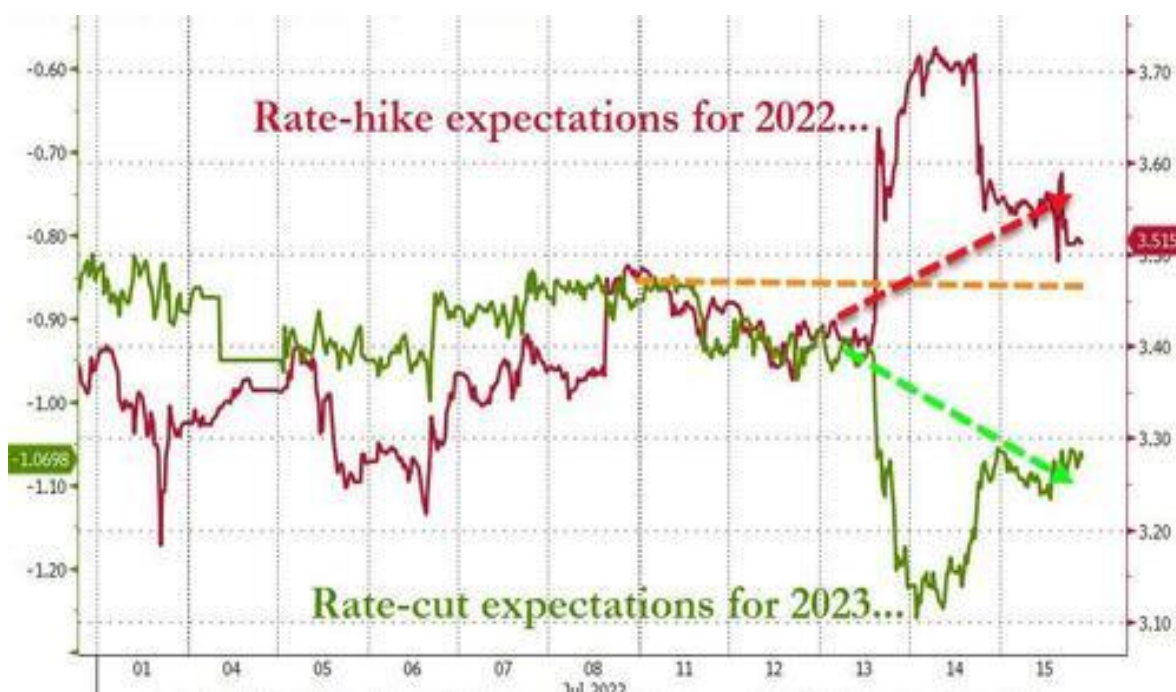


Source: www.zerohedge.com

#markets

#us #rates #expectations

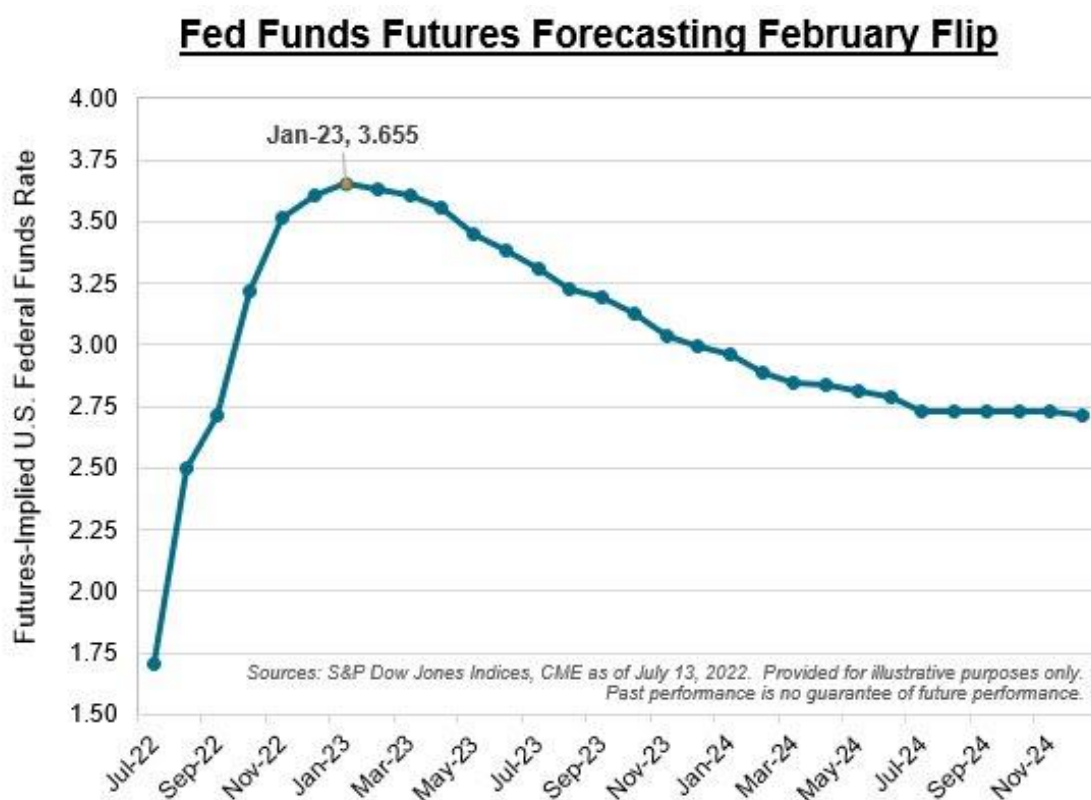
Rate-hike expectations are soaring (anti-inflationary) while rate-cut expectations are also soaring for next year.



Source: www.zerohedge.com

#us #rates #expectations

Fedwatch tool from CME Group indicating 85% for 100bps hike this month (biggest since 1984); but interesting is what futures are implying about trajectory of policy changes over next year, with market now pricing for cuts to start as early as February.



Source: SPDJIndices

#italy #fragmentation #risk

Italy 10-year risk spread over Germany keeps rising as another political drama is happening in Rome.

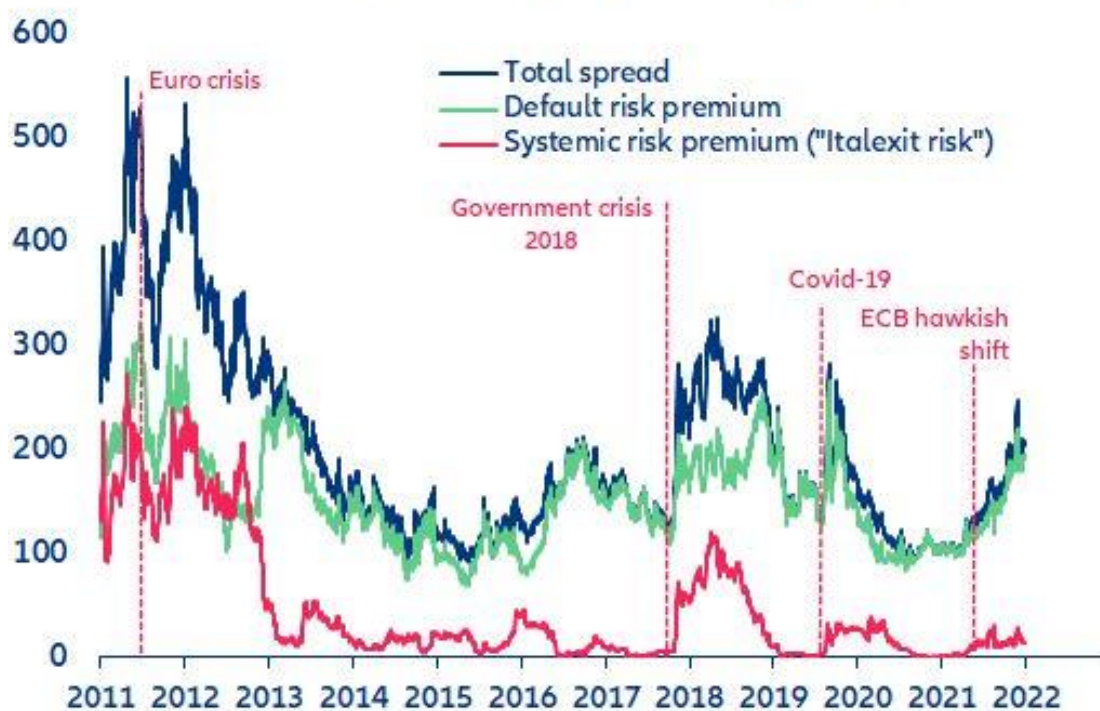


Source: Bloomberg, HolgerZ

#italy #fragmentation #risk

Italexit is a systemic risk, it pre-supposes Italy's yield movements structurally decoupling from currency area anchor (Bund, OIS) as implicit FX risk is priced in. It is currently NOT the case.

Italy: Fragmentation but no systemic risk
Decomposition of 10y Italy vs Germany, in bp

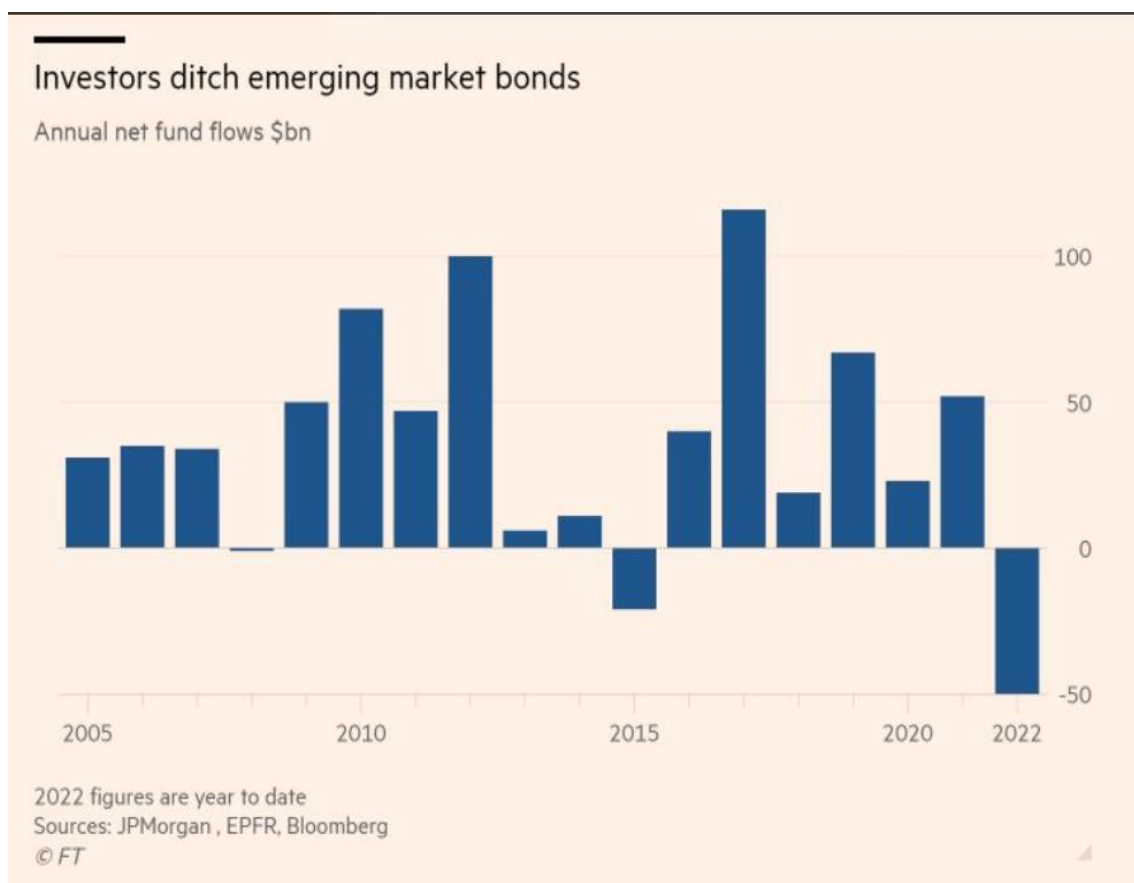


Sources: Refinitiv, Allianz Research

Source: Allianz

#emerging-markets #fixed-income #flows

Investors pull \$50bn from emerging market bond funds in 2022
The net outflows from EM fixed income funds are the most severe in at least 17 years, far worse than were recorded during a bout of acute concern about China's economy in 2015, data collated by JPMorgan show.



Source: FT

#markets

#global #commodities

Commodity price changes over the last year...

Heating Oil: +68%

Natural Gas: +67%

Gasoline: +35%

Coffee: +35%

Brent Crude +30%

Wheat: +28%

WTI Crude: +27%

Nickel: +13%

US CPI: +9.1%

Sugar: +9%

Corn: +8%

Lumber: +5%

Cotton: +3%

Soybeans: -1%

Gold: -5%

Copper: -24%

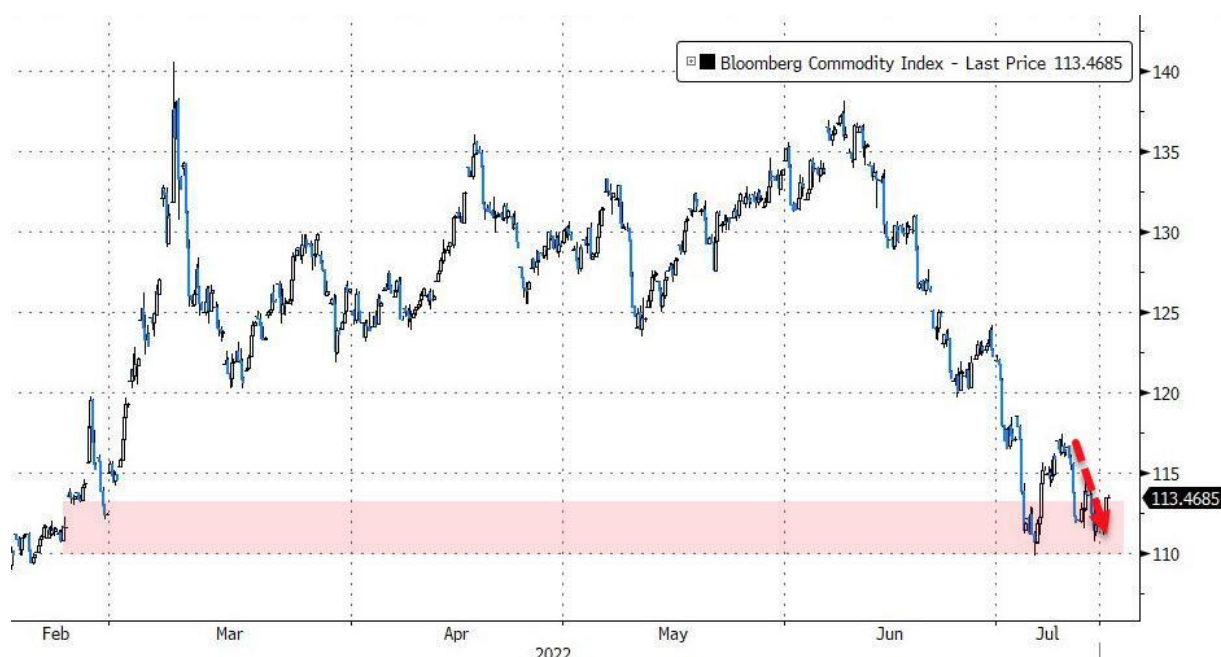
Silver: -27%

Source: Compound

#markets

#global #commodities

Commodities were down for the 5th straight week, tumbling back - based on the Bloomberg Commodity Index - to pre-Putin-invasion levels...

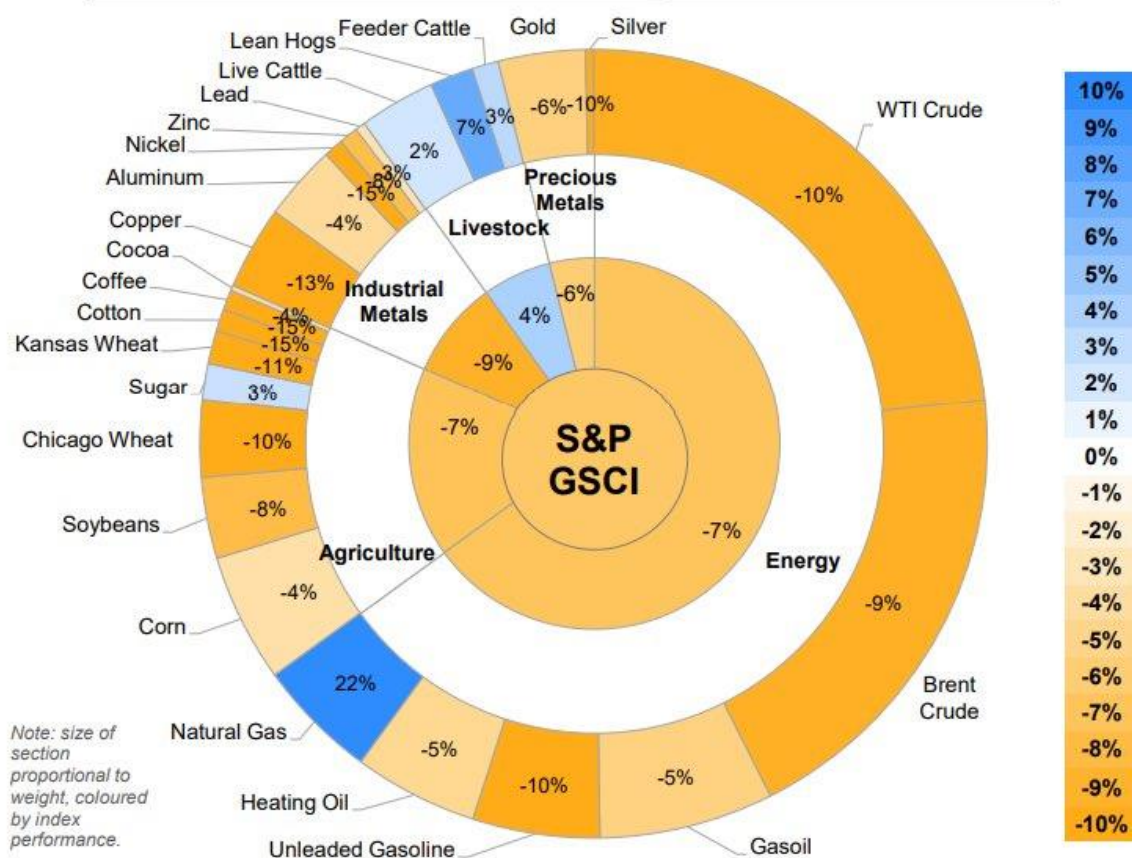


Source: www.zerohedge.com

#global #commodities

Further weakness in industrial metals helped bring MTD total return of S&P GSCI Index to -7%; livestock is the sole commodity with a positive total return for July; industrial metals are down -9% MTD and -37% from YTD high.

S&P GSCI Constituents - Index Weights & MTD Performance



Source: Liz Ann Sonders

#markets

#oil

Brent crude falls to the lowest since Russia's invasion of Ukraine. Markets are increasingly pricing in a global recession and a slowdown in demand (similar to what we saw in the back half of 2008).



Source: Bloomberg

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#markets

#copper

Copper prices keep falling, and are down 35% from a record high set just four months ago.



Source: Lisa Abramowicz

#copper

Copper broke 200 day moving average support as investors fear that central bank tightening will kill demand.



Source: Mac10

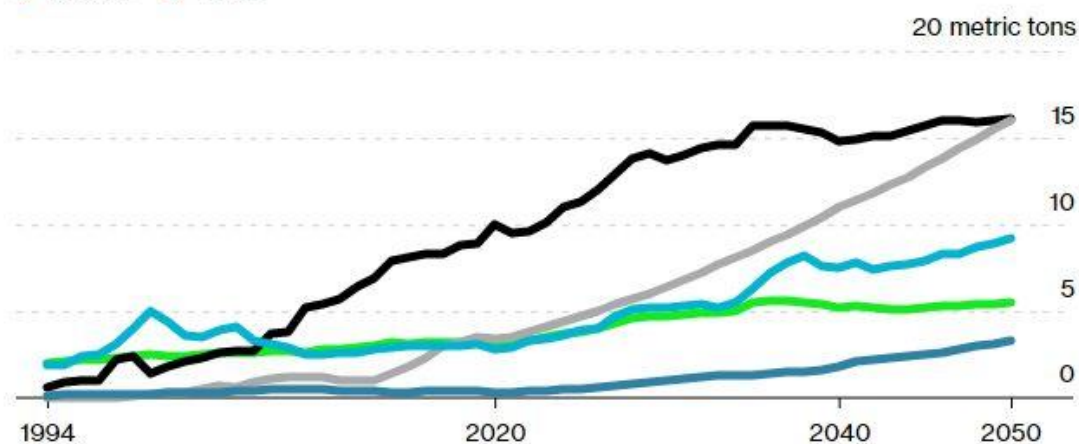
#copper

Copper has tanked over the last few weeks as markets are pricing in the fact that aggressive central banks tightening will cool demand on almost everything, including industrial metals. An article by Bloomberg highlighted that copper appetite remains very strong and that there won't be enough Copper to meet Climate Goals. Demand will double to 50 million tons by 2035, S&P Global says. New supply will mostly come from recycling and existing mines - Bloomberg

Copper Appetite

Industrial metal demand seen growing across the globe

World refined copper consumption (per thousand people) China Vietnam Mexico India



Source: ICSG, S&P Global

Source: Bloomberg

#markets

#dollar #index

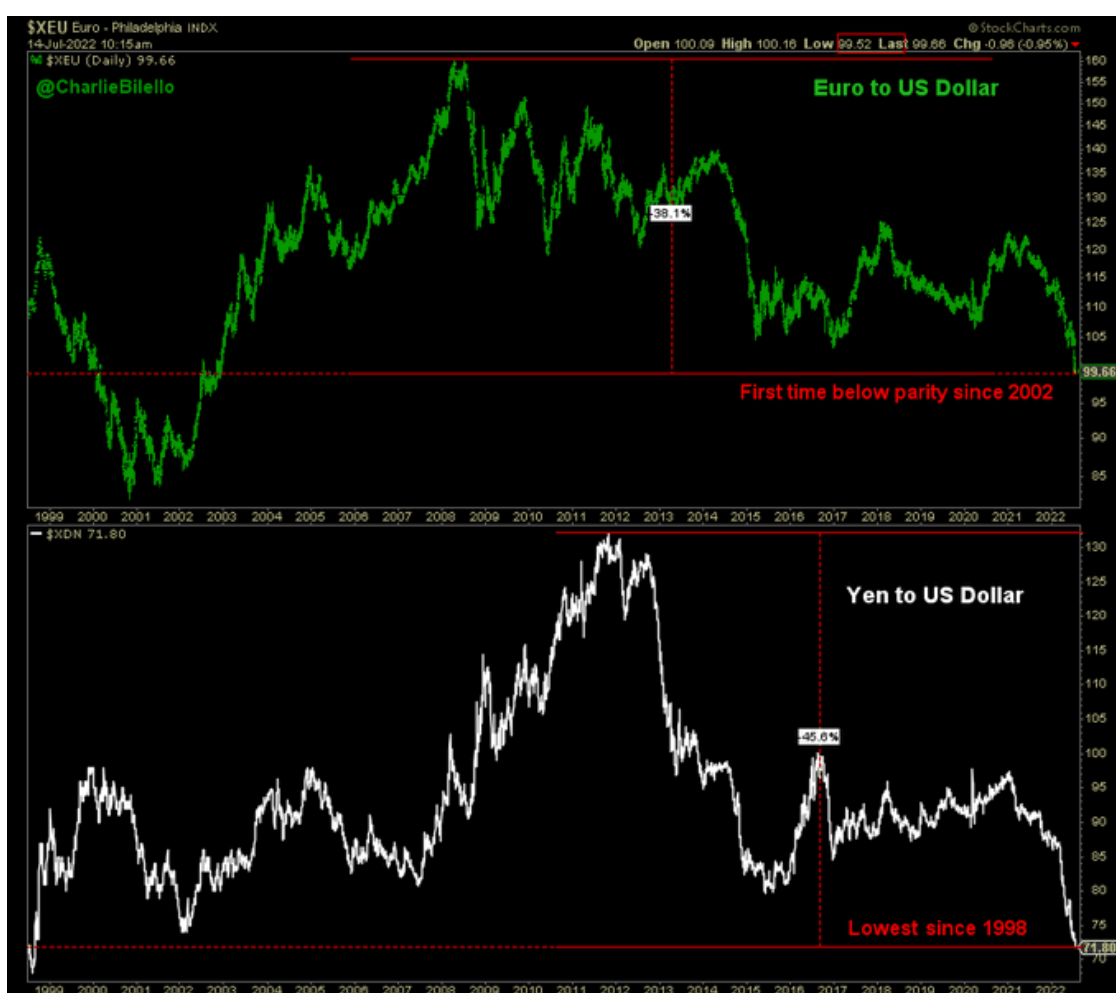
The Dollar Index (\$DXY) rallied for the 6th week in the last 7, closing at its highest since 2002...



Source: HolgerZ, Bloomberg

#dollar #euro #yen

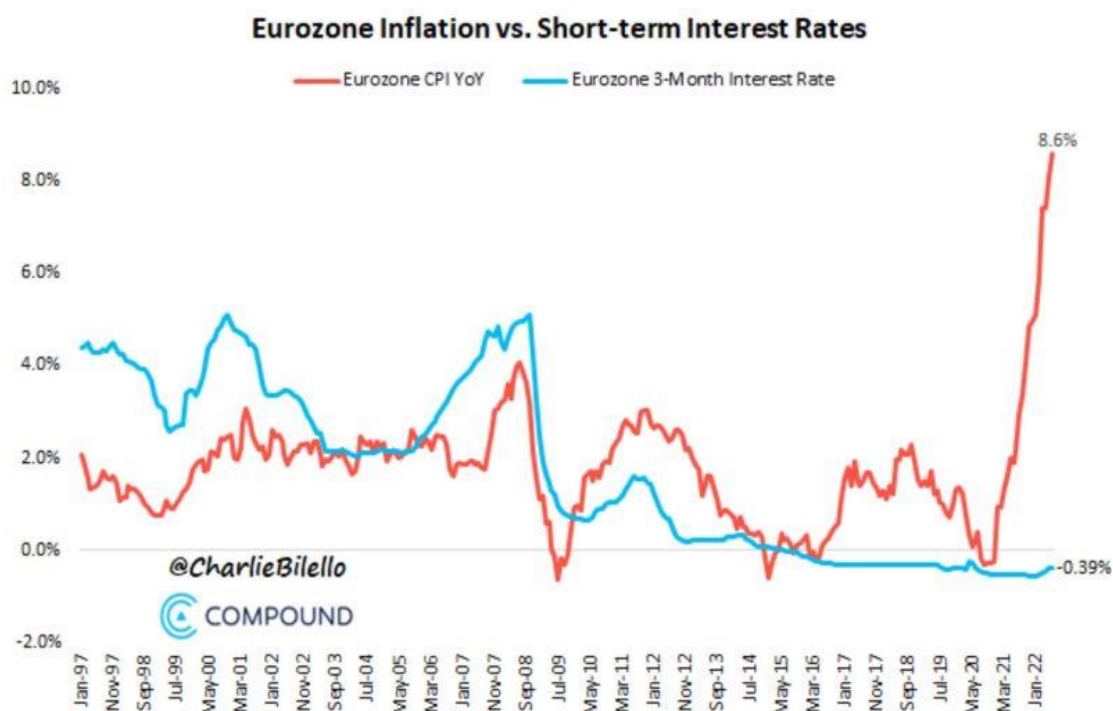
The Euro is at its lowest level since 2002 and the Yen at its lowest level since 1998. These are the 2 largest components of the US Dollar Index which is now at a 20-year high.



Source: Compound

#euro #fundamentals

THE WEAK EURO IS NOT JUST AN ENERGY PROBLEM. The ECB is way behind the curve and this also explains part of euro weakness. Could raising short-term rates compensate part of the currency weakness? In Switzerland, the increase in rates by the SNB helped the Swiss franc to strengthen? But the situation is more complex in Europe as some countries (e.g Germany) might already be in recession.



Source: Charlie Bilello

#macro

#us #inflation

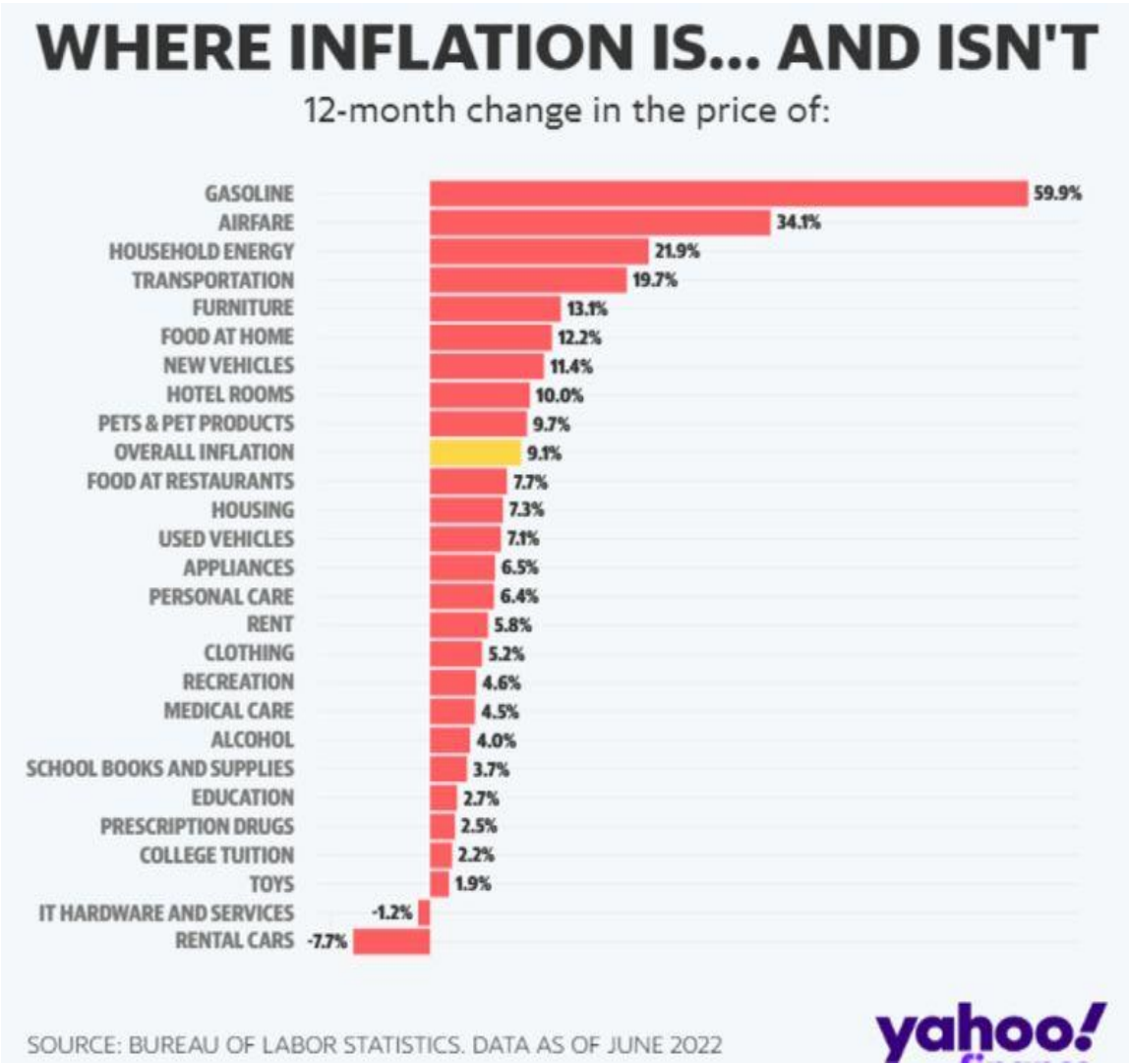
US inflation hit 9.1% over the past year, so higher than expected and the highest level since November 1981. At the time, the Fed Funds Rate was over 12%. Today it's still below 2%. Core CPI dropped to 5.9% vs 5.7% expected.



Source: Bloomberg

#macro

#us #inflation



Source: Yahoo, BLS

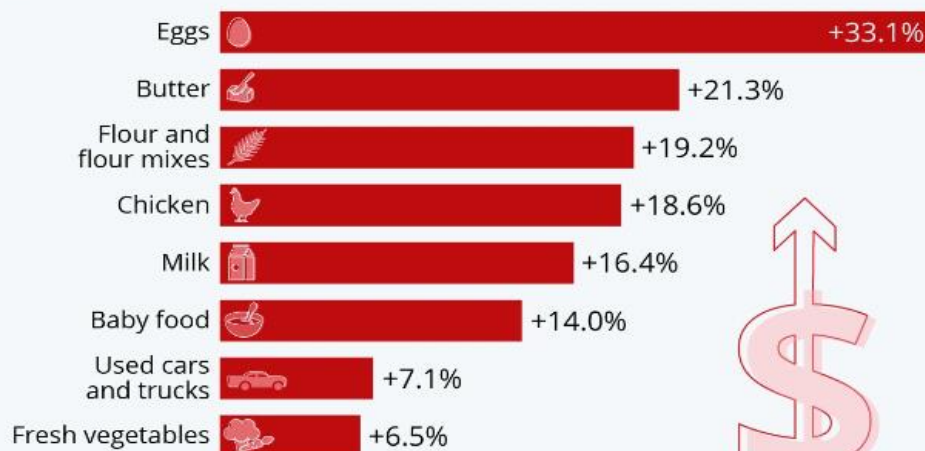
#macro

#us #inflation

Overall food prices have increased at an even higher rate of 10.4%, with shop prices that rose by 12.2% outdoing food-away-from-home expenses, which only rose by 7.7 %. Dairy was one of the food classes most affected by inflation, becoming on the whole more than 13.5% more expensive over the course of a year, including butter and milk. Two more staples with runaway prices are chicken and eggs.

U.S. Inflation Hits Food Staples Hardest

Year-over-year change in the price of selected items on the Consumer Price Index (June 2021 - June 2022)



Urban consumers

Source: Bureau of Labor Statistics

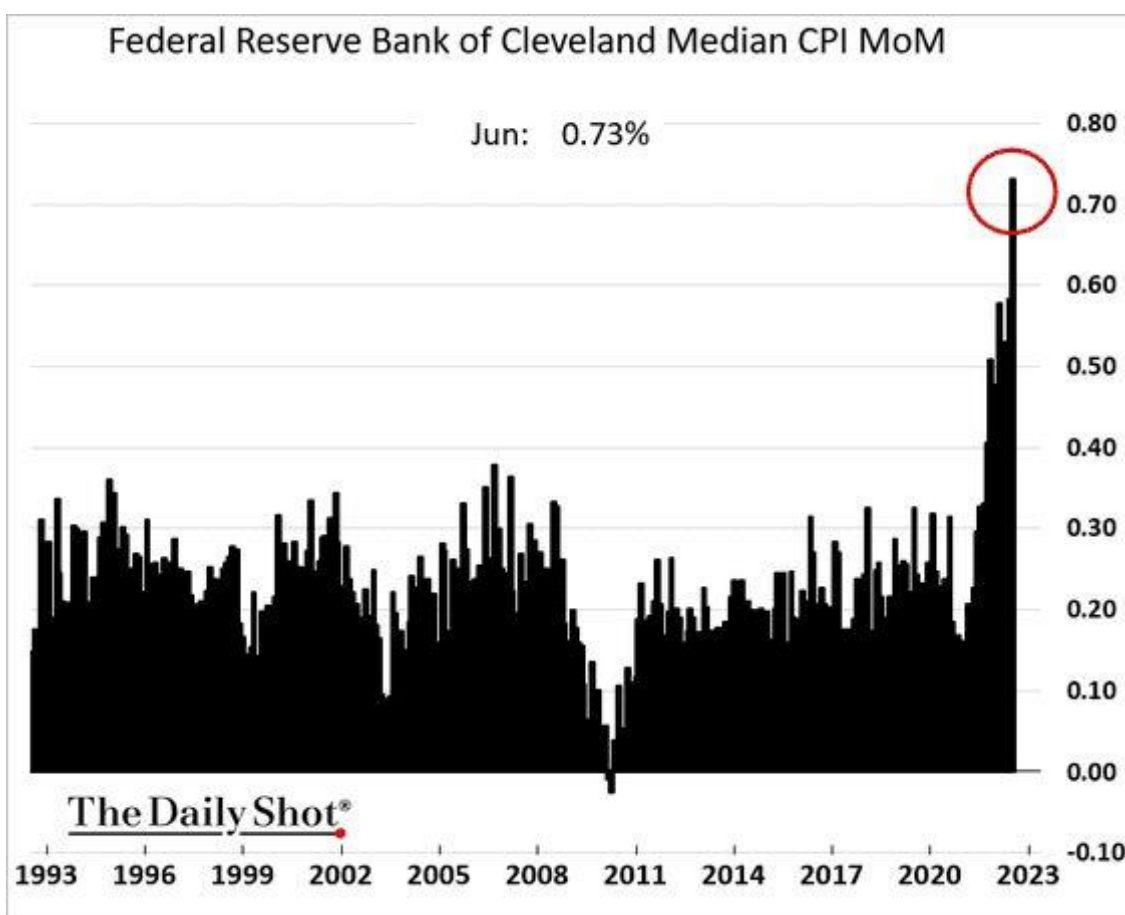


statista

#macro

#us #inflation

The US median CPI (monthly changes) hit a multi-decade high, signaling broader inflationary pressures.

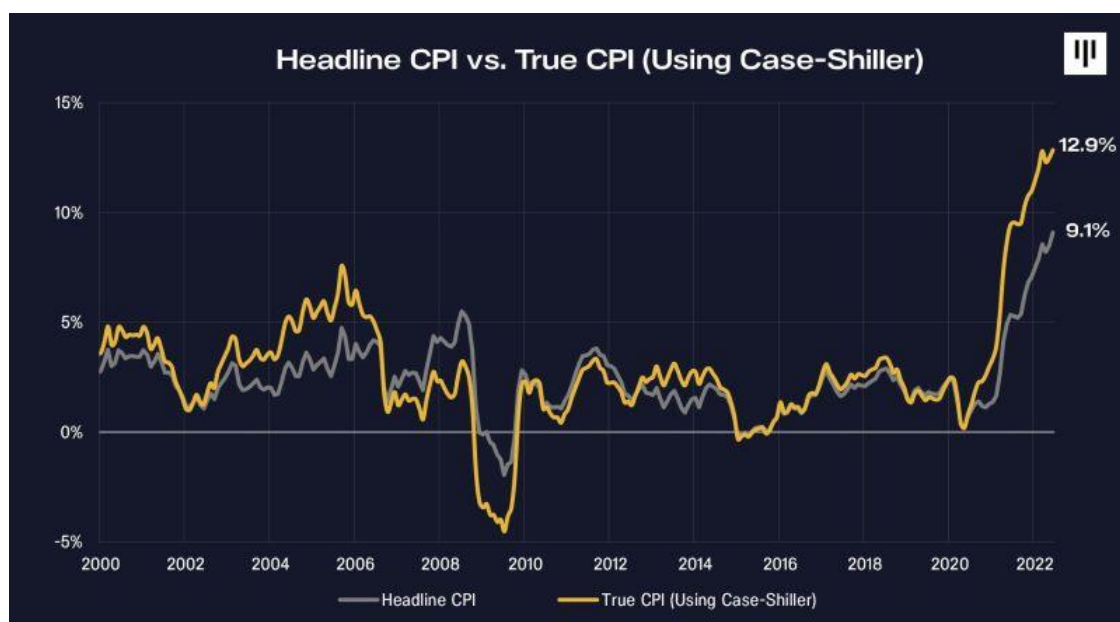


Source: The daily shot

#macro

#us #inflation

Interesting chart by Dan Morehead from Pantera who argues that actual US inflation ("True CPI") is more like 12.9% versus 9.1%. How does he get to this number? By using a real-time measurement for #housing inflation, the Case-Shiller Index, in place of OER (owners' equivalent rent) – a very slow-moving index introduced in 1982. To him, this adjusted inflation number measures the real inflation people are experiencing.



Source: Pantera Capital

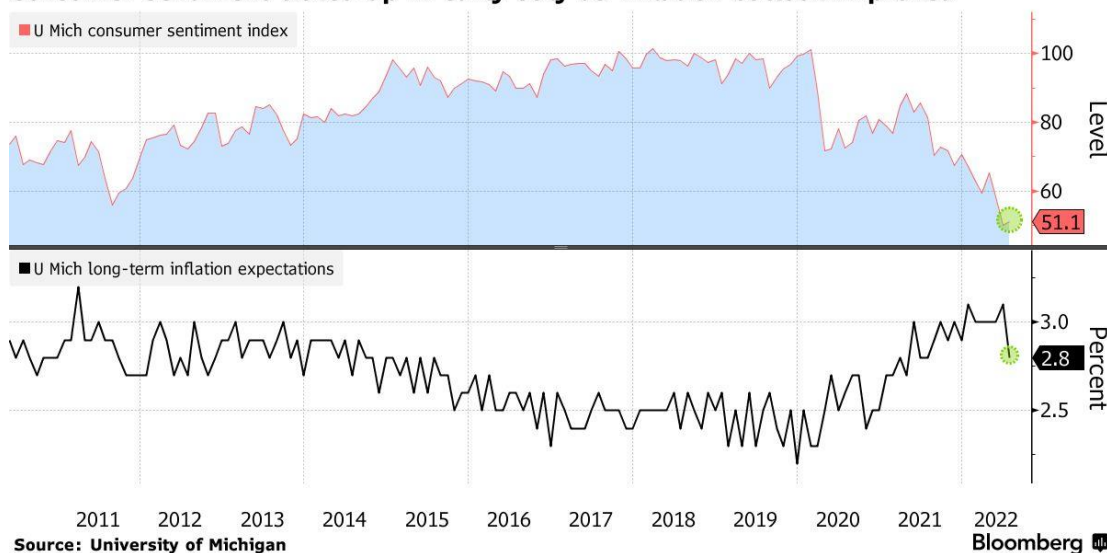
#macro

#us #inflation #expectations

THE CHART THAT SAVED THE WEEK. Long-term inflation expectations as polled by University of Michigan actually declined to 2.8% from 3.1% previous number - and this measure is now down sharply from +3.3% reading that compelled the Fed to signal that it will hike rates by 75bp at its June meeting. US long-term inflation expectations dropped to a one-year low.

Easing Expectations

Consumer sentiment ticked up in early July as inflation outlook improved



Source: Bloomberg

#macro

#us #gdp

BofA now forecasts 4 straight quarters of negative real GDP growth.

Economic forecast summary

Exhibit 9: US economic outlook

We have revised down our GDP forecasts to 1.1% growth in 2022 and -0.2% growth in 2023.

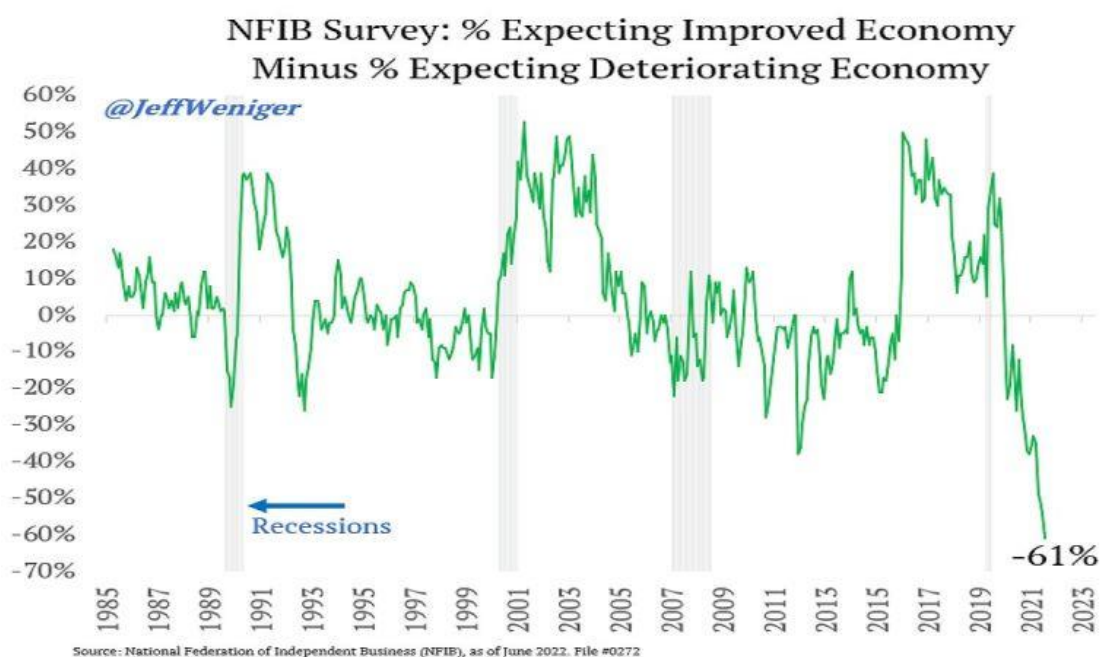
	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23
Real Economic Activity, % SAAR								
Real GDP	6.7	2.3	6.9	-1.6	-1.5	-0.5	-2.0	-4.0
% Change, Year Ago	12.2	4.9	5.5	3.5	1.5	0.8	-1.4	-

Source: BofA

#macro

#us #business #survey

NFIB Small Business Optimism Survey shows a very bad feeling about where the US economy is heading..

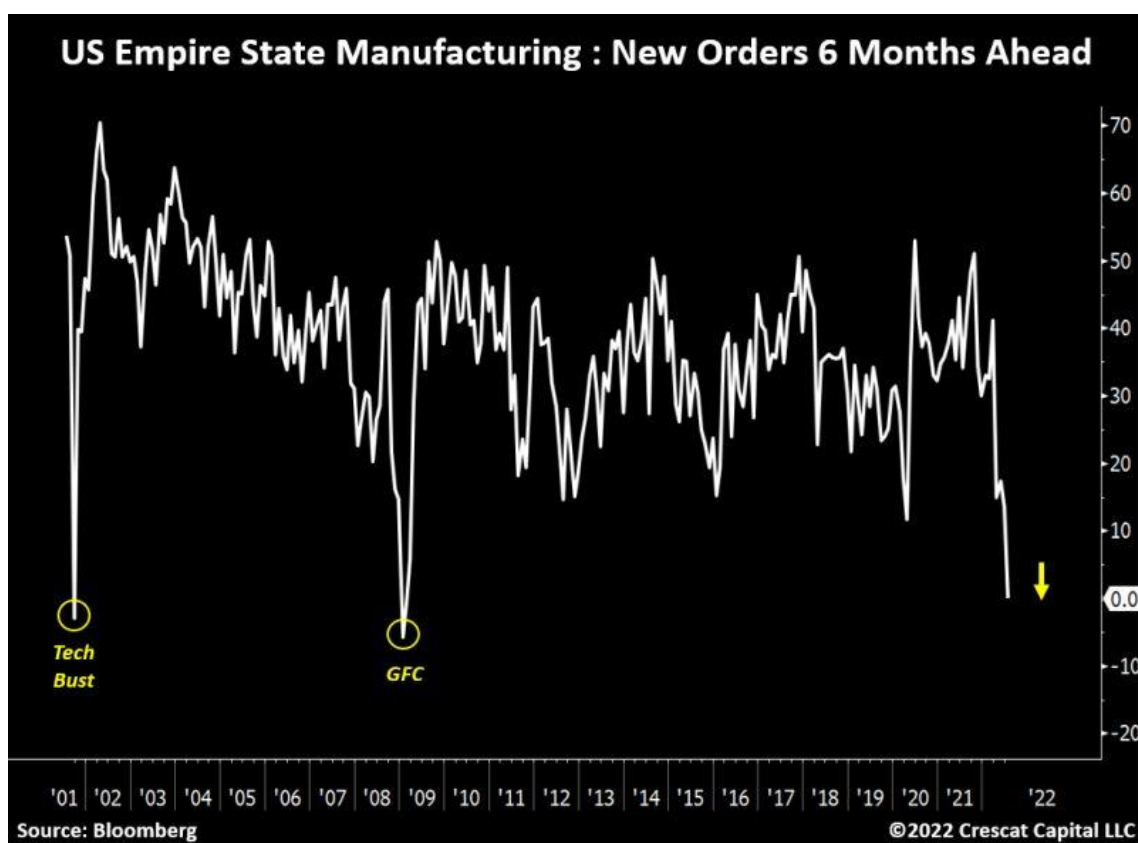


Source: Jeff Weniger

#macro

#us ##business #survey

US Empire State Manufacturing survey: New orders 6-months ahead just collapsed to levels only seen during the Global Financial Crisis and the Tech Bust.

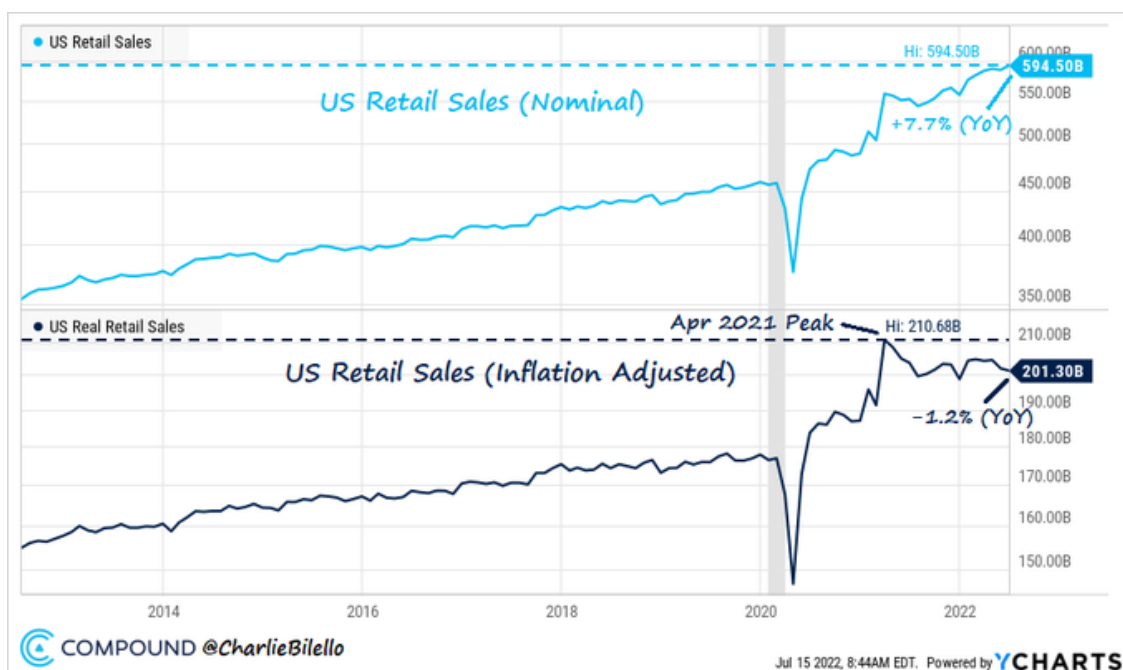


Source: Crescat Capital

#macro

#us #retail-sales

In nominal terms, US Retail Sales are still booming, hitting another all-time high in June with an increase of 7.7% over the last year. But after adjusting for inflation, the story changes. Real Retail Sales peaked in April 2021 and are down 1.2% YoY.

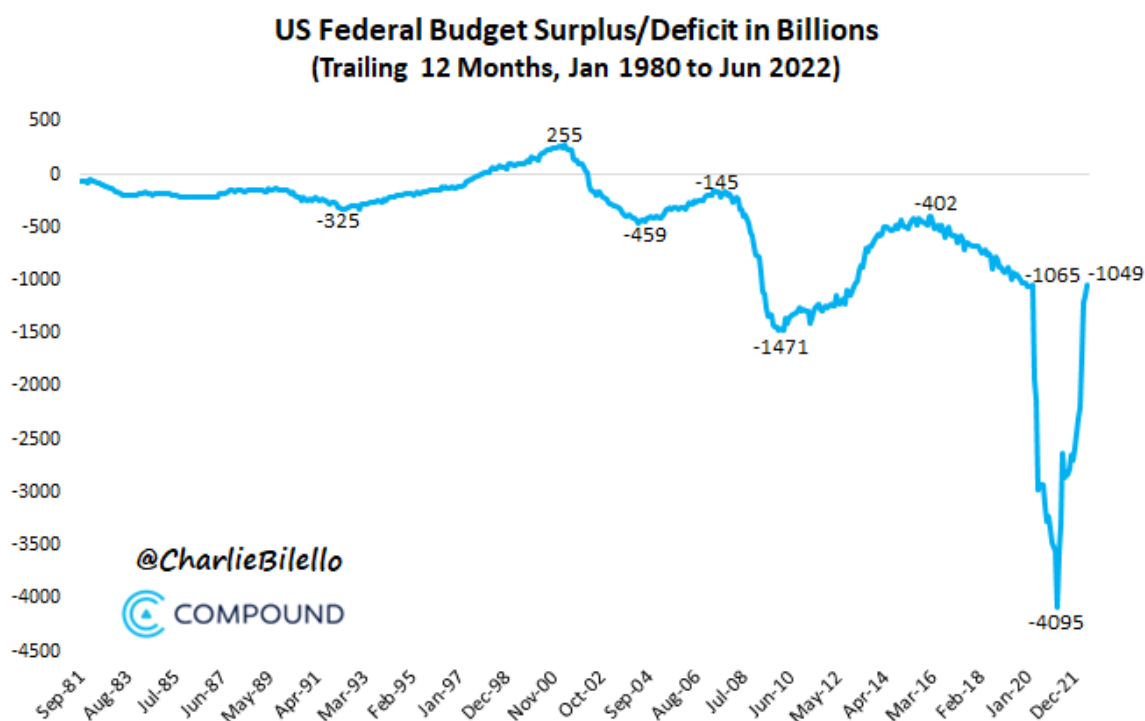


Source: Charlie Bilello

#macro

#us #budget

US Federal Budget Deficit moves down to \$1.05 trillion, its lowest level since 2019. The Deficit peaked at \$4.1 trillion in March 2021. Reducing the rate of borrowing/spending has been painful in the short run but is the only path to prosperity for a nation in the long run.

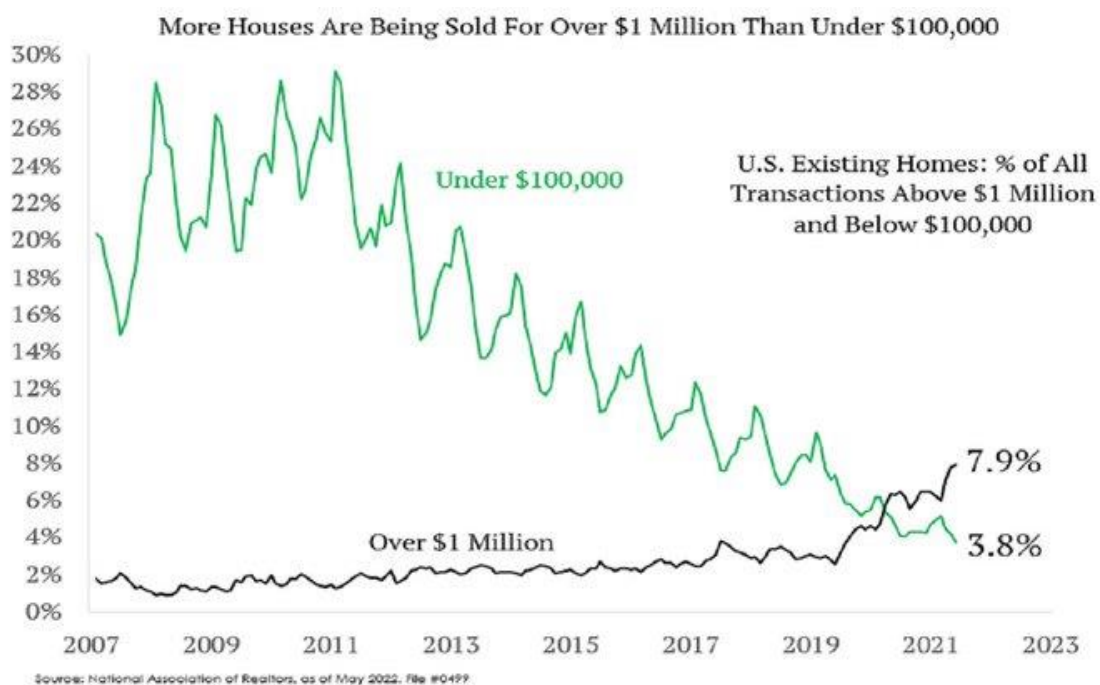


Source: Compound

#macro

#us #housing

US housing inflation prices.




Source: Jeff Weniger

#macro

#global #inflation

Global Inflation Rates

Global Inflation Rates	
Country/Region	CPI Inflation (YoY %)
SAUDI ARABIA	2.2%
CHINA	2.5%
JAPAN	2.5%
SWITZERLAND	3.4%
TAIWAN	3.6%
INDONESIA	4.4%
AUSTRALIA	5.1%
SINGAPORE	5.6%
FRANCE	5.8%
SOUTH KOREA	6.0%
PHILIPPINES	6.1%
SOUTH AFRICA	6.5%
NEW ZEALAND	6.9%
FINLAND	7.0%
INDIA	7.0%
SWEDEN	7.3%
GERMANY	7.6%
THAILAND	7.7%
CANADA	7.7%
IRELAND	7.8%
MEXICO	8.0%
ITALY	8.0%
EUROZONE	8.6%
NETHERLANDS	8.6%
PORTUGAL	8.7%
US	9.1%
UK	9.1%
SPAIN	10.2%
BRAZIL	11.9%
POLAND	15.6%
RUSSIA	15.9%
ARGENTINA	60.7%
TURKEY	78.6%
VENEZUELA	167%

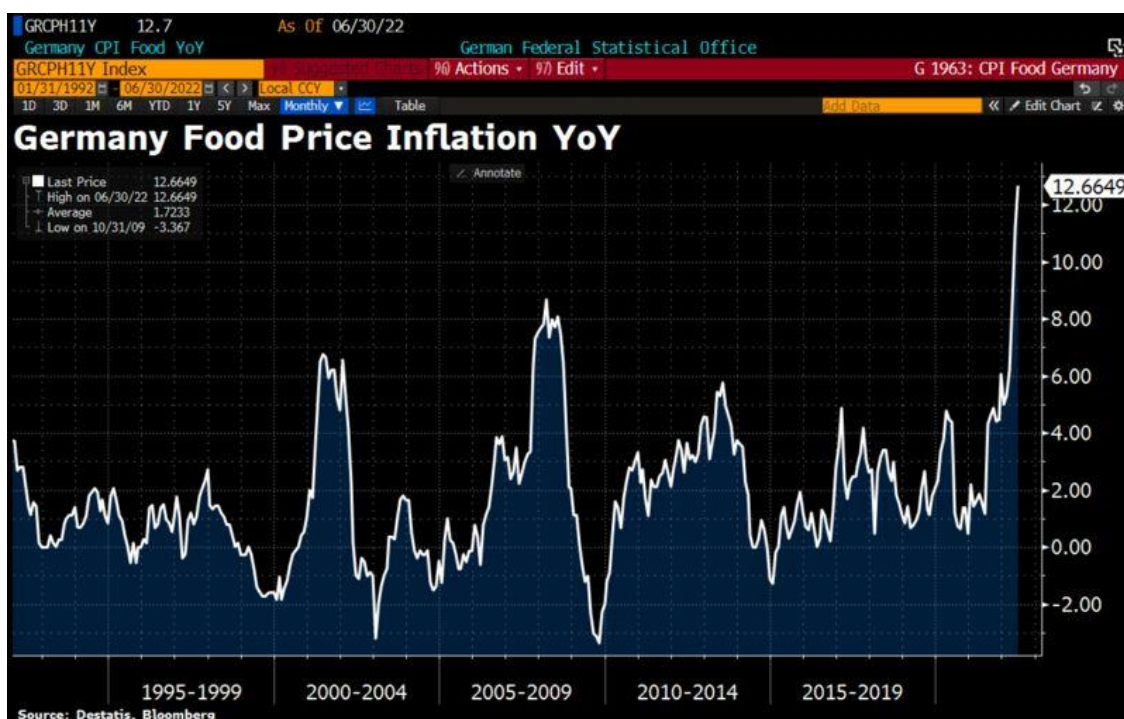
 @CharlieBilello

Source: Charlie Bilello

#macro

#germany #inflation

Germany food prices jumped 12.7% YoY in June, the highest food price inflation since the start of the statistic..

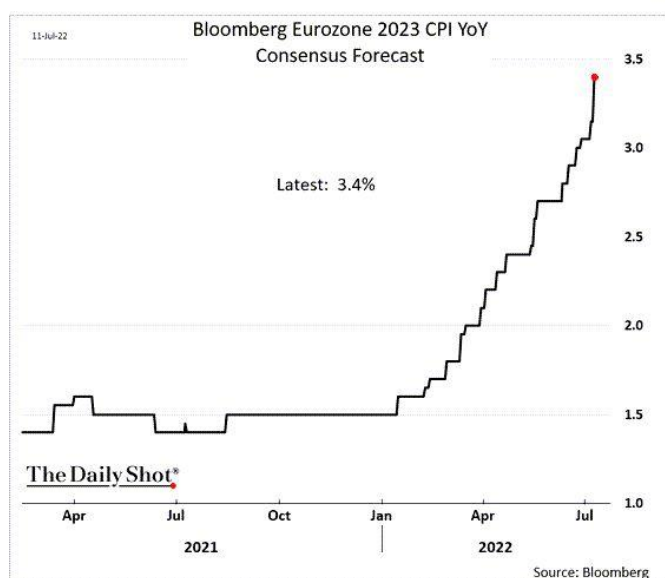
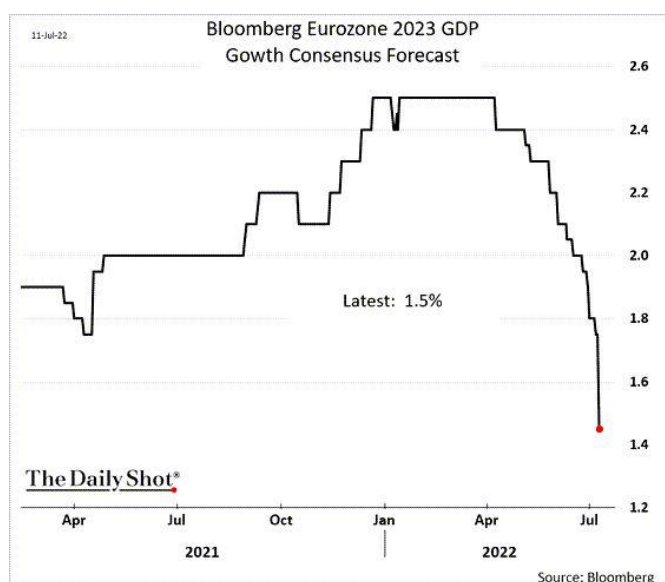


Source: Bloomberg, HolgerZ

#macro

#eurozone #stagflation

Economic forecasts increasingly point to stagflationary risks in the Eurozone next year..



#macro

#german #gdp

According to DB, the German #economy is moving into recession with GDP expected to shrink by about 1% in 2023. Declining natural gas supplies, a downturn in the most important export market US & other headwinds will cause Germany to contract in H2 2022.

Figure 15: German GDP to shrink by c. 1% in 2023



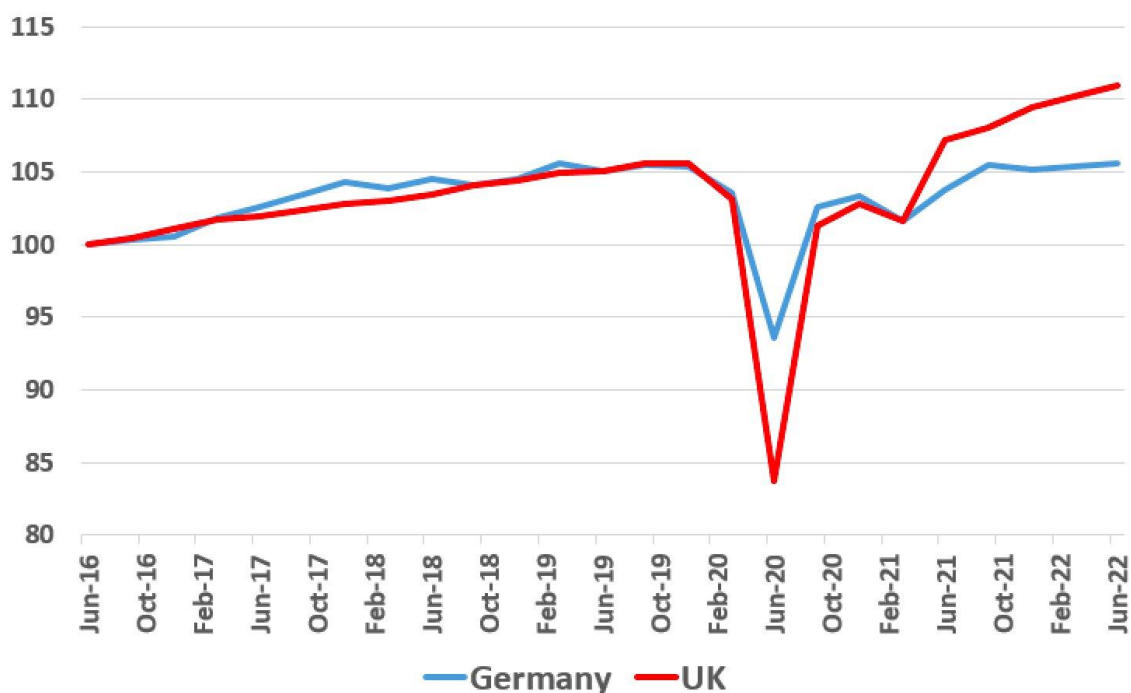
Source : Federal Statistical Office, Deutsche Bank Research

#macro

#uk #germany #growth

Is Germany or UK the sicker man of Europe?

Economic Performance of UK and Germany since Brexit decision in 2016

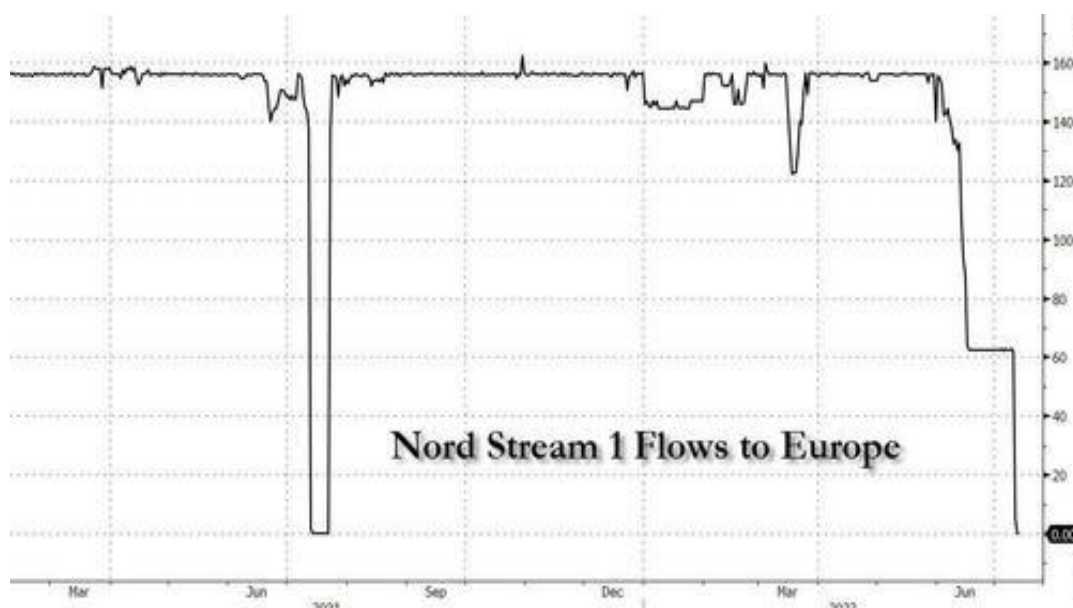


Source: HolgerZ

#macro

#eu #energy-crisis

German energy giant and distressed nat gas utility Uniper, which is among the companies most exposed to Russian natural gas, has started using gas it was storing for the winter after Russia cut deliveries to Europe, increasing pressure on Berlin as the German energy giant needs to be rescued “in a few days.” The country’s top buyer of Russian gas started withdrawing fuel from storage sites to supply its customers, the company said in a statement to Bloomberg on Friday. The drawdowns, which began on Monday, will also help the company to save some cash as it has been forced to pay up for gas in the spot market. Meanwhile, flows through the Nord Stream 1 pipeline remain shut for maintenance.

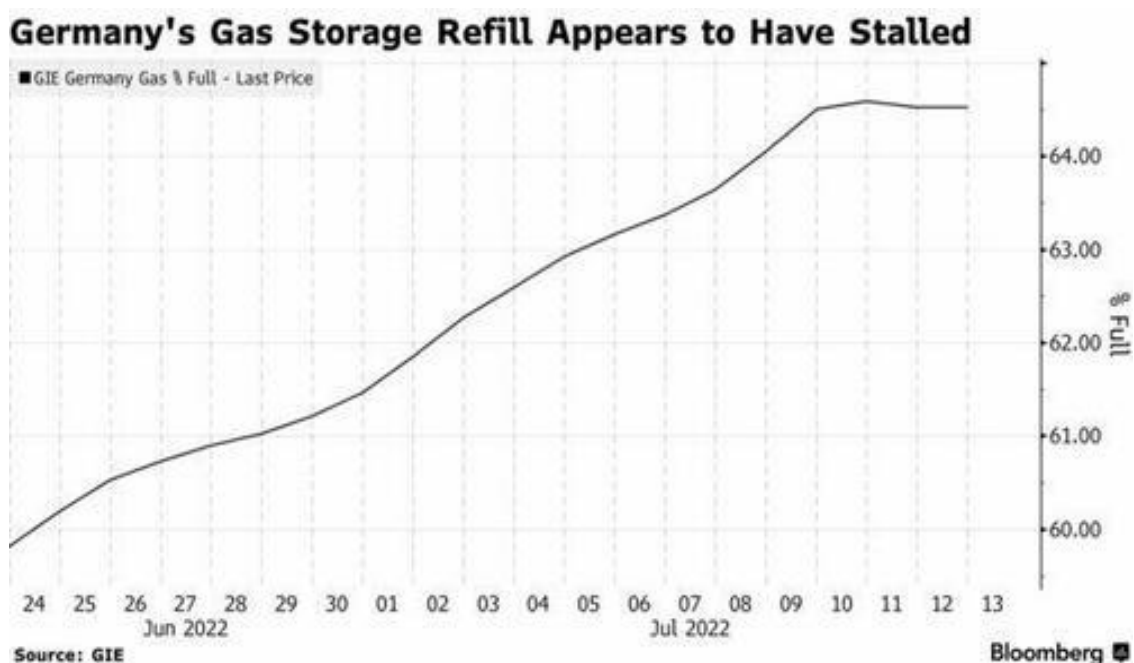


Source: Bloomberg

#macro

#eu #energy-crisis

Judging by the flatlining of German gas storage in inventory, Uniper is not alone in draining reserves. According to Bloomberg, citing data from Gas Infrastructure Europe, Uniper's storage sites in Germany are now about 58% full, down from about 60% reached on Sunday. Drawdowns were also made from the company's storage in Austria, but overall storage levels in Germany's Alpine neighbor are still showing marginal increases.



Source: Bloomberg

#macro

#eu #energy-crisis

Asserting that “the summer, early autumn will be very hard” for French people due to the war in Ukraine, Macron said that a total cutoff of Russian gas was looking very likely. In response, French citizens are being told to engage in energy “sobriety” and prepare for even higher food prices as Macron announced public lighting will be turned off at night in some places. “From now on, I will ask public bodies, and all companies that can, to consume less,” said Macron. “We will create a program and try to use lighting less in the evenings. We are launching a load reduction and sobriety program.” “We have to prepare for a scenario in which we have to give up Russian gas completely,” he added.

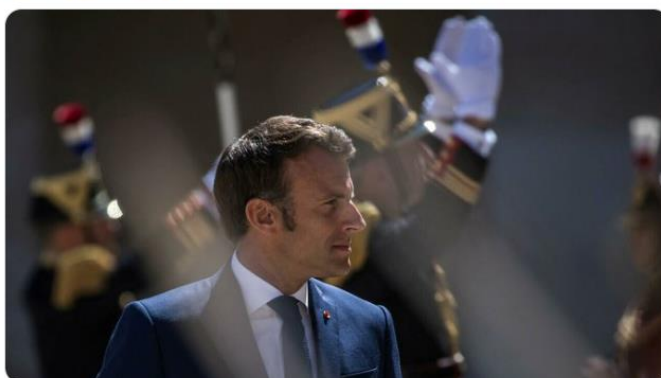


Property in France

@TownCountryProp · Follow



Macron's Bastille Day interview: Russia 'will use gas as a weapon of war': France needs to mobilise to prepare for the probable scenario of energy shortages this autumn because Russia is using cuts in supplies to Europe as a weapon in its war with...
dlvr.it/STxGPC



#macro

#freight #rates

Global container freight rates have moved lower for 8 consecutive weeks and were down in 17 of the last 18 weeks. They are now 44% lower than their peak but still 4x higher than pre-pandemic levels.

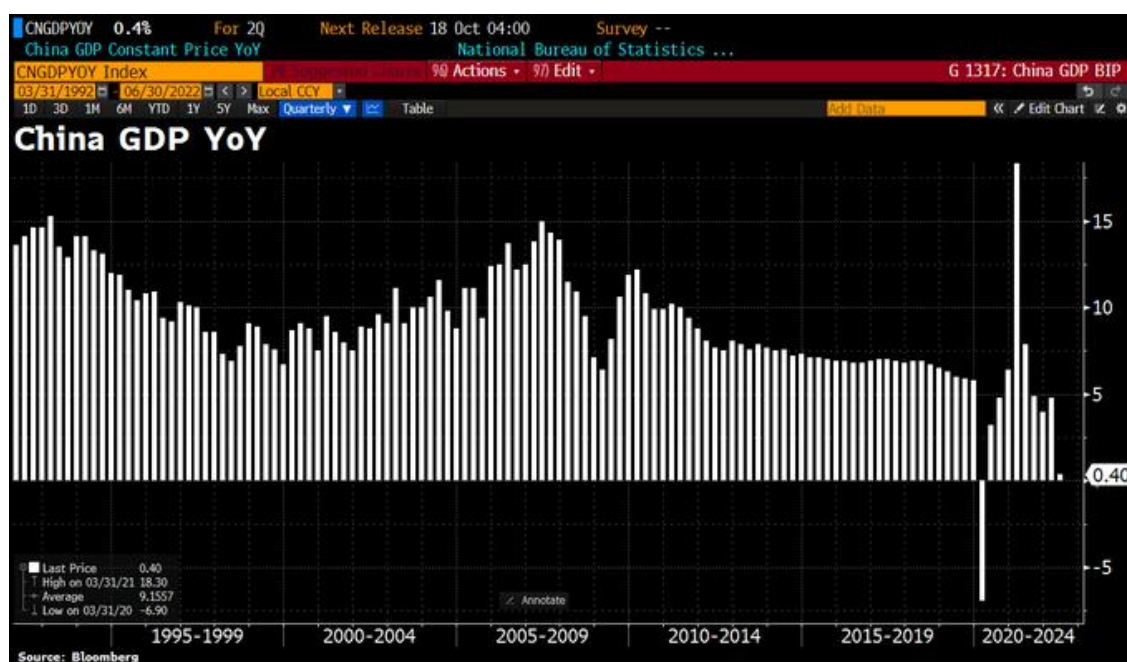


Source: Charlie Bilello

#macro

#china #gdp

China growth crashes, putting GDP target out of reach. GDP disappoints as growth weakens to 0.4% in Q2, slowest since Pandemic and way below forecast of 1.2%. That means Beijing will likely miss its goal of ~5.5% growth for the full year by a wide margin.



Source: Bloomberg, HolgerZ

#centralbanks

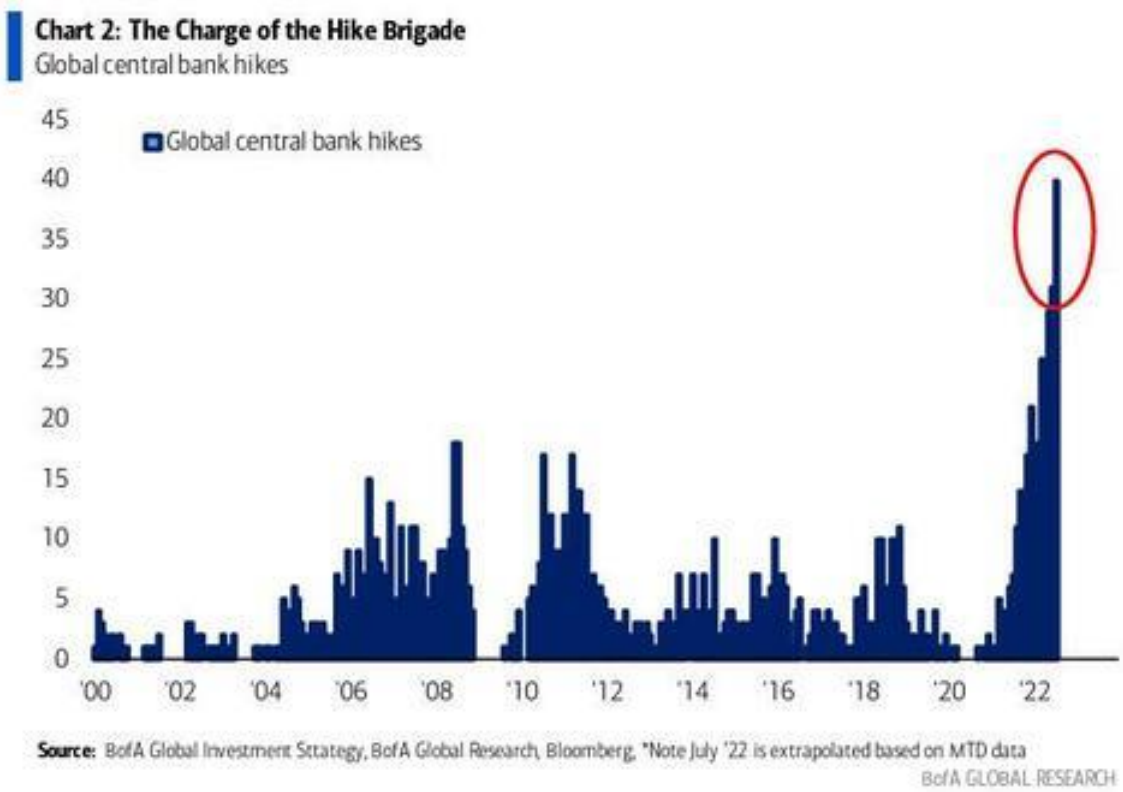
#global #centralbanks #rates

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%	8.2%	-8.8%	Cut	Sep-21
Eurozone	Deposit Rate	-0.50%	8.6%	-9.1%	Cut	Sep-19
Switzerland	Target Rate	-0.25%	3.4%	-3.7%	Hike	Jun-22
Japan	Policy Rate Bal	-0.10%	2.5%	-2.6%	Cut	Jan-16
Thailand	Policy Rate	0.50%	7.7%	-7.2%	Cut	May-20
Sweden	Repo Rate	0.75%	8.7%	-8.0%	Hike	Jun-22
UK	Bank Rate	1.25%	9.1%	-7.9%	Hike	Jun-22
Norway	Deposit Rate	1.25%	6.3%	-5.1%	Hike	Jun-22
Hong Kong	Base Rate	1.25%	1.2%	0.1%	Hike	May-22
Australia	Cash Rate	1.35%	5.1%	-3.8%	Hike	Jul-22
Taiwan	Discount Rate	1.50%	3.6%	-2.1%	Hike	Jun-22
US	Fed Funds	1.63%	9.1%	-7.5%	Hike	Jun-22
South Korea	Repo Rate	2.25%	6.0%	-3.8%	Hike	Jul-22
Malaysia	Policy Rate	2.25%	2.8%	-0.6%	Hike	Jul-22
Saudi Arabia	Repo Rate	2.25%	2.3%	-0.1%	Hike	Jun-22
Canada	Overnight	2.50%	7.7%	-5.2%	Hike	Jul-22
New Zealand	Cash Rate	2.50%	6.9%	-4.4%	Hike	Jul-22
Philippines	Key Policy Rate	3.25%	6.1%	-2.9%	Hike	Jul-22
Indonesia	Repo Rate	3.50%	4.4%	-0.8%	Cut	Feb-21
China	Loan Prime Rate	3.70%	2.5%	1.2%	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	6.00%	8.8%	-2.8%	Hike	Jul-22
Poland	Repo Rate	6.50%	15.5%	-9.0%	Hike	Jul-22
Czech Republic	Repo Rate	7.00%	17.2%	-10.2%	Hike	Jun-22
Colombia	Repo Rate	7.50%	9.7%	-2.2%	Hike	Jun-22
Mexico	Overnight Rate	7.75%	8.0%	-0.2%	Hike	Jun-22
Russia	Key Policy Rate	9.50%	15.9%	-6.4%	Cut	Jun-22
Chile	Base Rate	9.75%	12.5%	-2.8%	Hike	Jul-22
Brazil	Target Rate	13.25%	11.9%	1.4%	Hike	Jun-22
Turkey	Repo Rate	14.00%	78.6%	-64.6%	Cut	Dec-21
Argentina	Benchmark Rate	52.00%	64.0%	-12.0%	Hike	Jun-22
COMPOUND			@CharlieBilello			

#centralbanks

#global #centralbanks #rates

The chart below shows the intense central bank hiking cycle which has seen virtually every developed and developing world central bank tighten financial conditions...



Source: BofA

#centralbanks

#us #qe

The Fed has already stopped the shrinking of the balance sheet. Total assets grew by \$4bn the past week to \$8.896tn. Fed balance sheet now equal to 36.5% of US's GDP vs ECB's 81.9% and BoJ's 135%.



Source: Bloomberg, HolgerZ

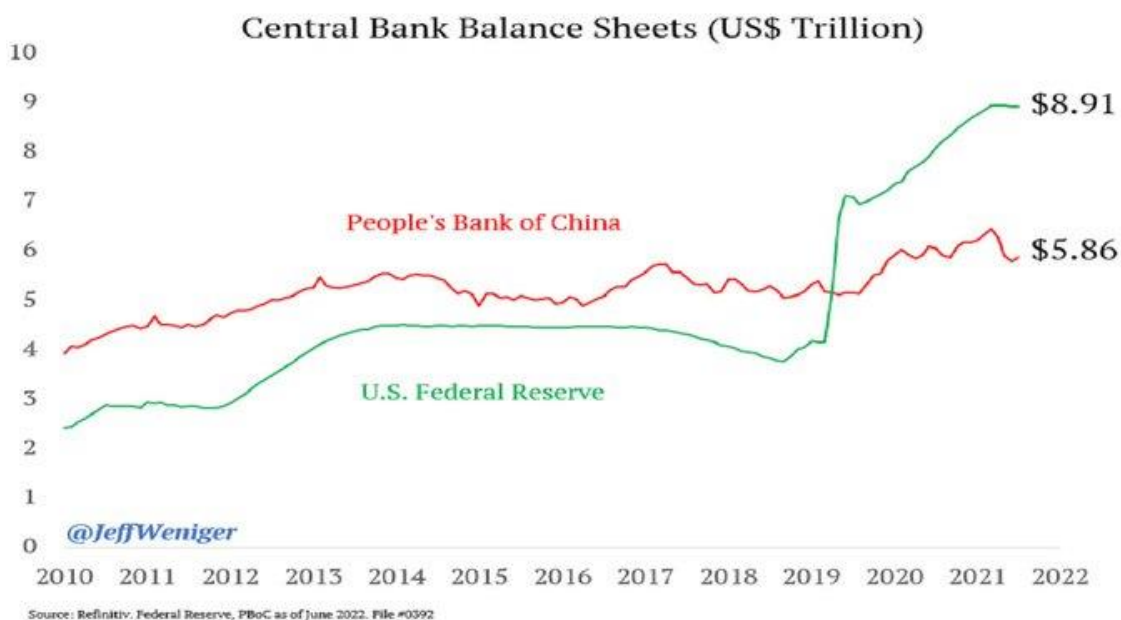
#centralbanks

#china #qe

All this talk about a Fed pivot, but you know who needs to pivot? The People's Bank of China.

Massive currency strength relative to JPY -- one of its biggest competitors -- property developers buckling, stock market in the basement.

Maybe these two cross back over.

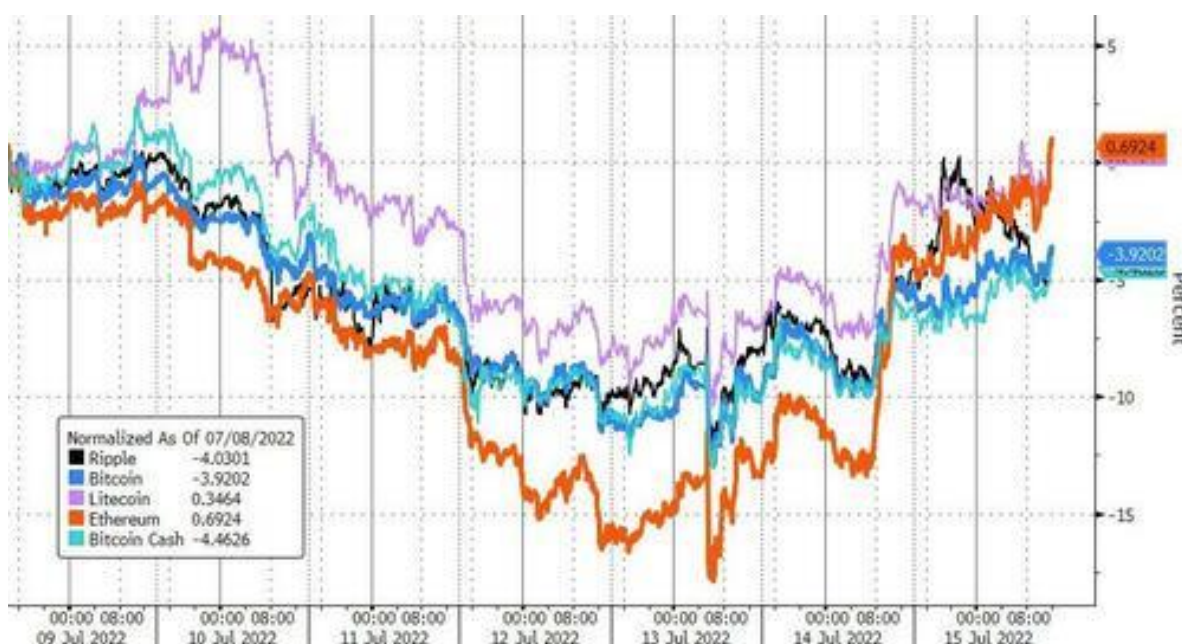


Source: Jeff Weniger

#cryptos

#cryptocurrencies #weekly #performance

Cryptos were mixed this week with a late-week rebound lifting Ethereum into the green for the week (2nd up-week in a row), but Bitcoin had another down week...



Source: www.zerohedge.com

#cryptos

#bitcoin #21k

Bitcoin rose back above \$21k today and Ethereum rose back above \$1250...



Source: www.zerohedge.com

#cryptos

#bitcoin #long-term #chart

Bitcoin: Time to buy, hold, or sell?

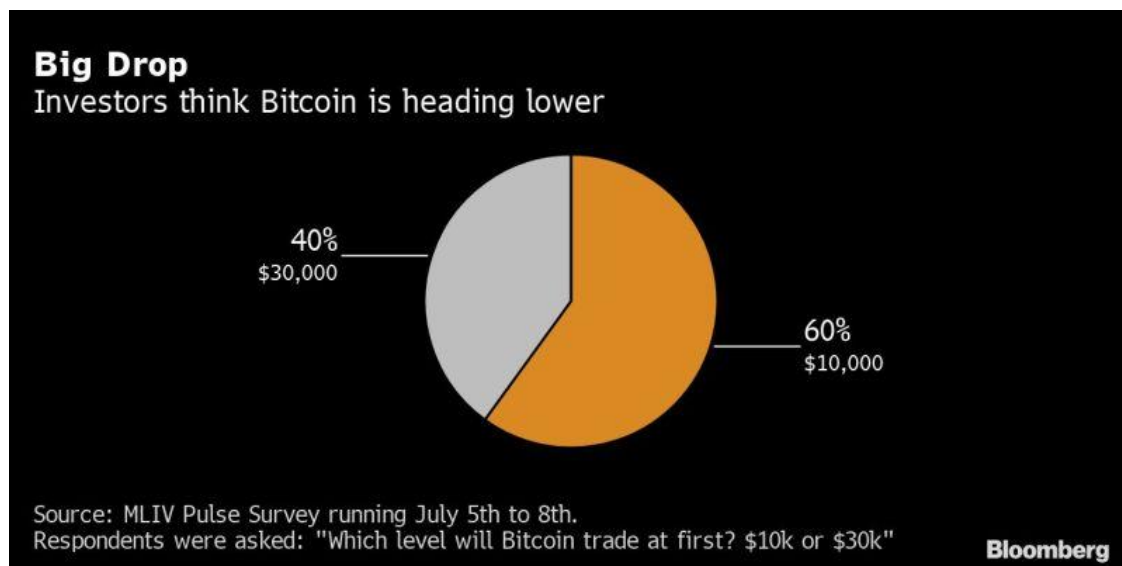


Source: VailshireCap

#cryptos

#bitcoin #sentiment

BEARISH SENTIMENT ON BITCOIN. The token is more likely to tumble to \$10,000, cutting its value roughly in half, than it is to rally back to \$30,000, according to 60% of the 950 investors who responded to the latest MLIV Pulse survey.



Source: Bloomberg

#cryptos

#cryptocurrencies #regulation

A recently published policy brief from the United Nations recommended developing nations take action against crypto, warning of risks associated with leaving the industry unregulated.

UN Says Developing Nations Should Ban Bitcoin Ads, Regulate Crypto Wallets

The UN believes crypto could threaten the monetary sovereignty of developing nations, and it's recommending strict rules to curtail their use.



By [André Beganski](#)

📅 Jul 13, 2022

🕒 5 min read



Source: Decrypt

#cryptos

#bitcoin #etf

The SEC has delayed a decision on whether to allow a spot market Bitcoin ETF by Cathie Wood's Ark Invest and crypto investment firm 21Shares to start trading. In a Tuesday notice, the SEC said the ARK 21Shares ETF would get an answer on August 30.

SEC Delays Decision on Cathie Wood's ARK 21Shares Bitcoin ETF

The regulatory body will now give an answer to the ETF application on August 30.

By [Mat Di Salvo](#)

Jul 13, 2022

2 min read



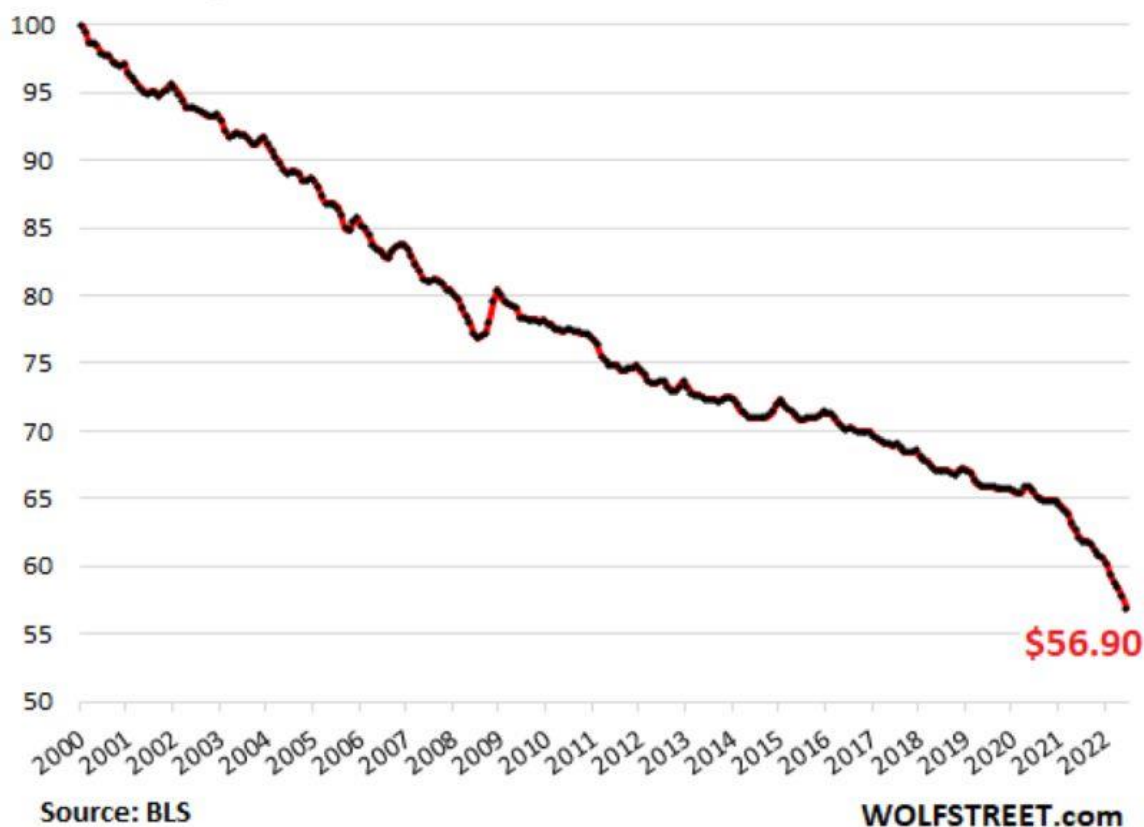
Source: Decrypt

#food-for-thought

#dollar #purchasing-power

Purchasing Power of the dollar goes. The CPI tracks the loss of the purchasing power of the consumer's dollar and the purchasing power of labor. In June, the purchasing power of \$100 in January 2000 dropped to \$56.90 in June 2022...

Purchasing Power of \$100 since Jan 1, 2000



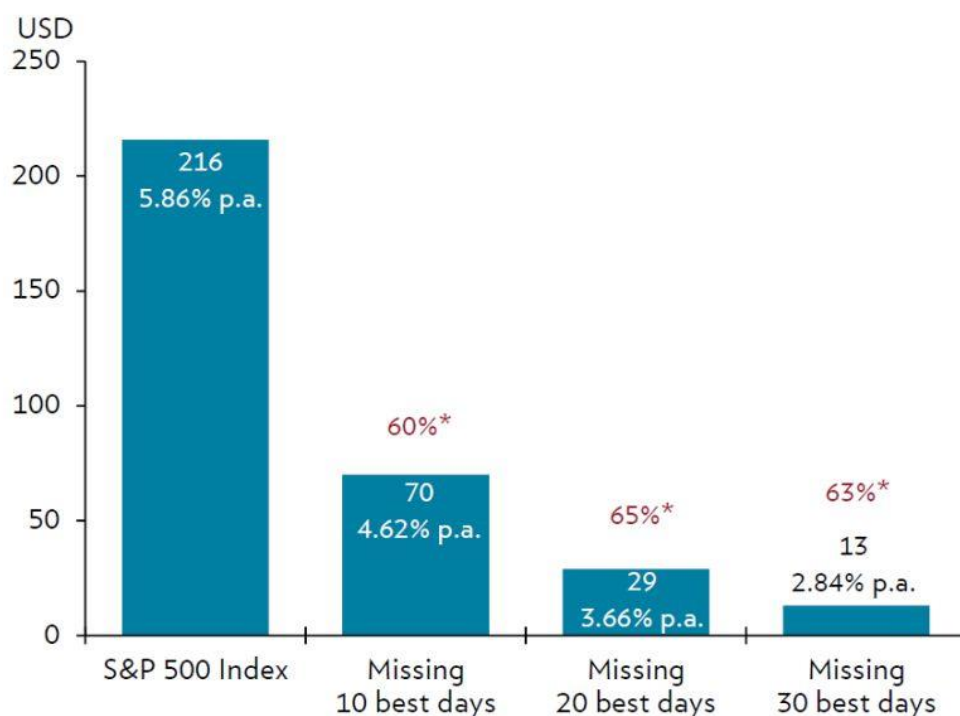
Source: Wolfstreet.com

#food-for-thought

#investing #buy&hold

No need for the best days. One of the main arguments against market timing and short-term investing is the statistic about missing the best days of the market. Since 1928, if you had missed only the 10 best days, your portfolio end value would be 68% less than the buy and hold. So far so good. Unfortunately, nobody tells you that out of the 10 best days, 60% occurred in downtrends, i.e. prices below their 200-day MAV (moving average).

S&P 500: Today's value of a US dollar invested in 1928



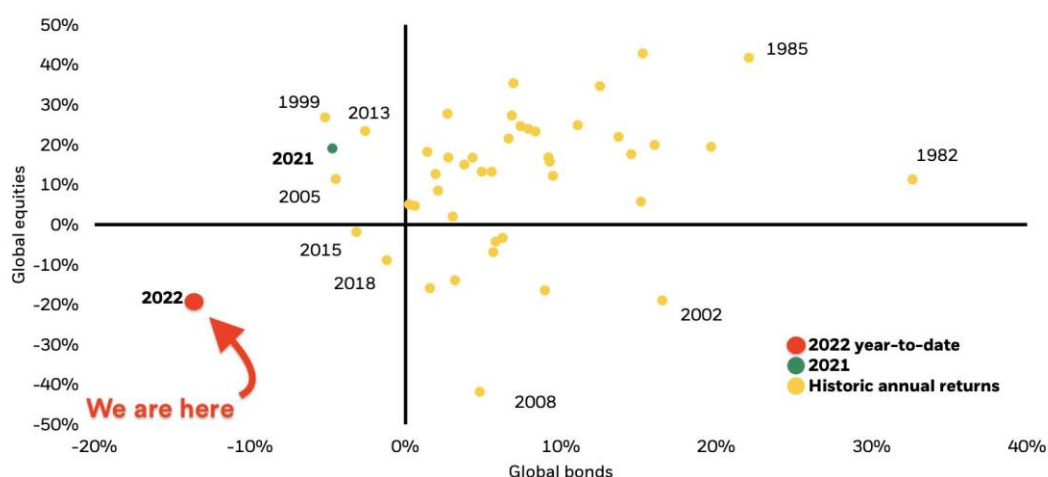
Source: Bloomberg Finance L.P., Julius Baer, p.a.=per annum, * % of the days below 200 day moving average

#food-for-thought

#diversified #portfolios

This is the worst start to a 60/40 portfolio since 1976 - visualized in the chart below from BlackRock.

Global equities vs. global bonds annual returns, 1977-2022

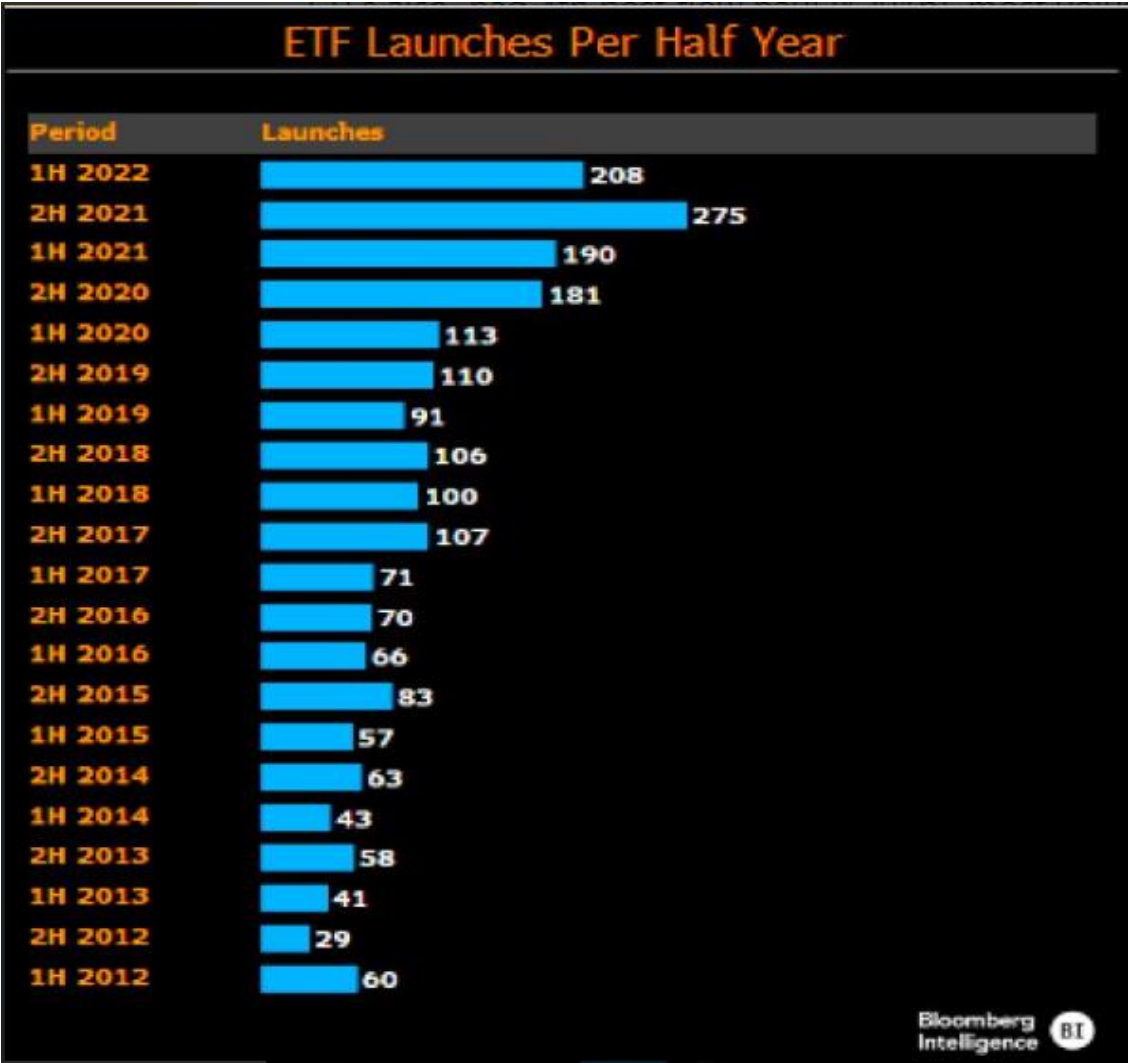


Source: Blackrock

#food-for-thought

#etfs #launches

208 ETFs Launched in First Half, Second Most Ever. EFs also had 4th best flow haul (\$291b), most volume ever (\$27T)



Source: Eric Balchunas, Bloomberg

#food-for-thought

#leveraged #etfs

It appears that single stock leveraged ETFs have been approved by the SEC. There are 80 such registrations. A tidal wave of products in the next few months? The stocks covered include TSLA, NKE, BA, NVDA, PYPL and more.

PROSPECTUS

AXS TSLA Bear Daily ETF (Ticker: <u>TSLQ</u>)	AXS TSLA Bull Daily ETF (Ticker: <u>TSLU</u>)
AXS 1.25X NVDA Bear Daily ETF (Ticker: <u>NVDS</u>)	AXS 1.25X NVDA Bull Daily ETF (Ticker: <u>NVDB</u>)
AXS 2X COP Bear Daily ETF (Ticker: <u>COPQ</u>)	AXS 2X COP Bull Daily ETF (Ticker: <u>COPL</u>)
AXS 1.25X BA Bear Daily ETF (Ticker: <u>BAS</u>)	AXS 1.25X BA Bull Daily ETF (Ticker: <u>BAT</u>)
AXS 1.5X PYPL Bear Daily ETF (Ticker: <u>PYPS</u>)	AXS 1.5X PYPL Bull Daily ETF (Ticker: <u>PYPT</u>)
AXS 1.25X WFC Bear Daily ETF (Ticker: <u>WFCS</u>)	AXS 1.25X WFC Bull Daily ETF (Ticker: <u>WFCT</u>)
AXS 2X PFE Bear Daily ETF (Ticker: <u>PFES</u>)	AXS 2X PFE Bull Daily ETF (Ticker: <u>PFEL</u>)
AXS 1.5X CRM Bear Daily ETF (Ticker: <u>CRMS</u>)	AXS 1.5X CRM Bull Daily ETF (Ticker: <u>CRML</u>)
AXS 2X NKE Bear Daily ETF (Ticker: <u>NKEQ</u>)	AXS 2X NKE Bull Daily ETF (Ticker: <u>NKEL</u>)

 **axs**
INVESTMENTS

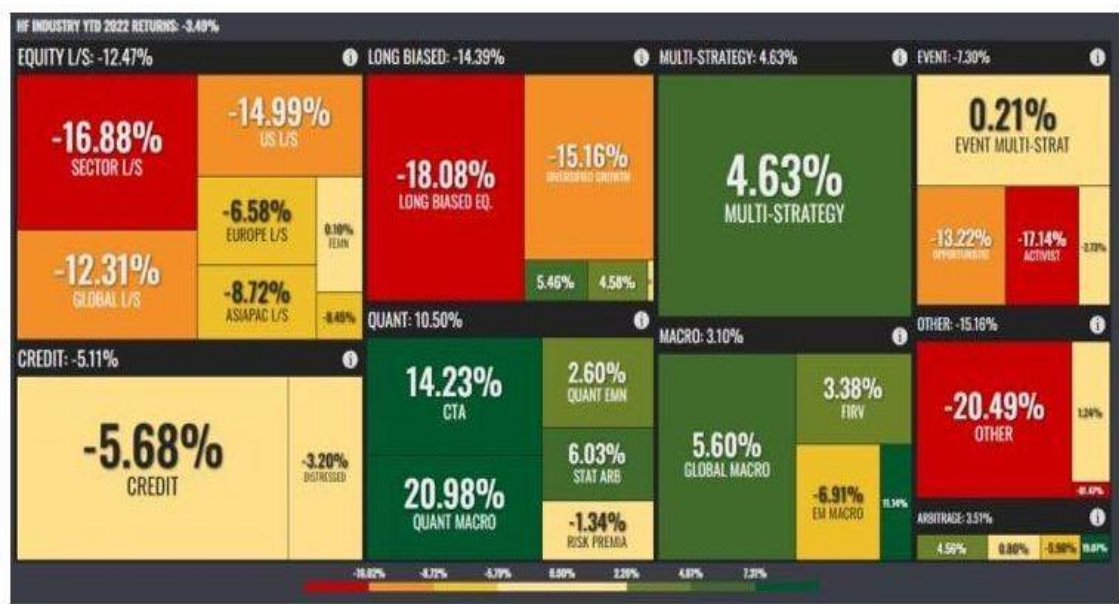
July 11, 2022

Source: axs, eric balchunas

#food-for-thought

#hedge-funds #performance

Hedge funds returns so far this year.



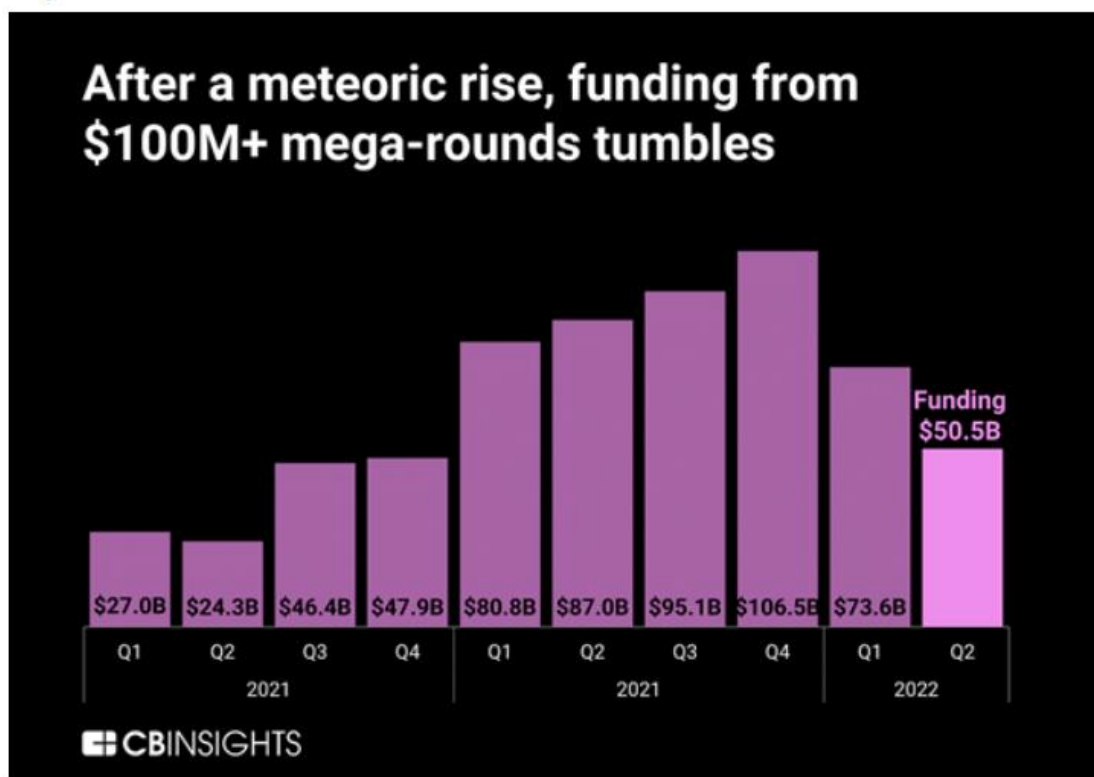
Source: TheMacroCompass

#food-for-thought

#venture-capital #funding

"In 2021, investors funneled billions into startups via mega-rounds — or deals over \$100M. This flood of cash helped mint more than 500 startups valued at \$1B+. We're now turning the corner on the mega-round frenzy. While around \$6 out of every \$10 in funding came via mega-rounds in 2021, under half of Q2'22's global funding total came from these big checks. It gives new light to what might be called the foie gras'ing of startups"

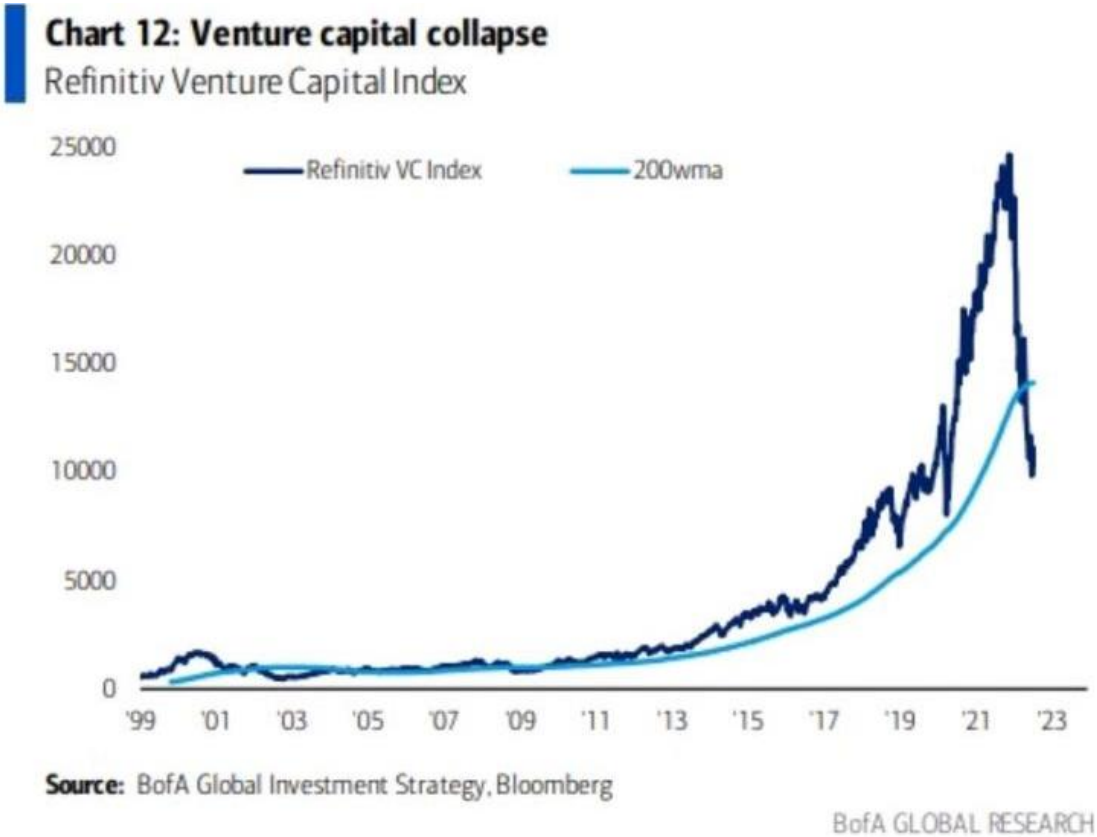
Mega rounds



Source: CB Insights

#food-for-thought

#venture-capital #index

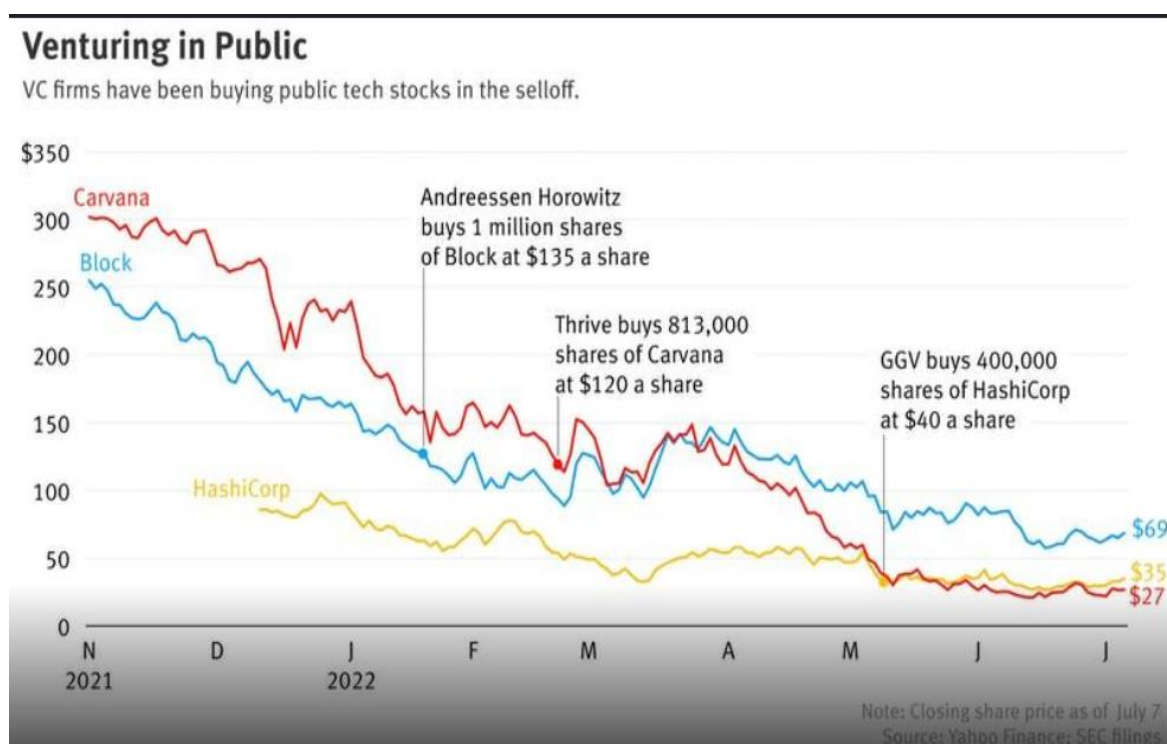


Source: Bank of America via Mike Z.

#food-for-thought

#venture-capital #tech

VC firms have been buying public tech stocks in the sell-off

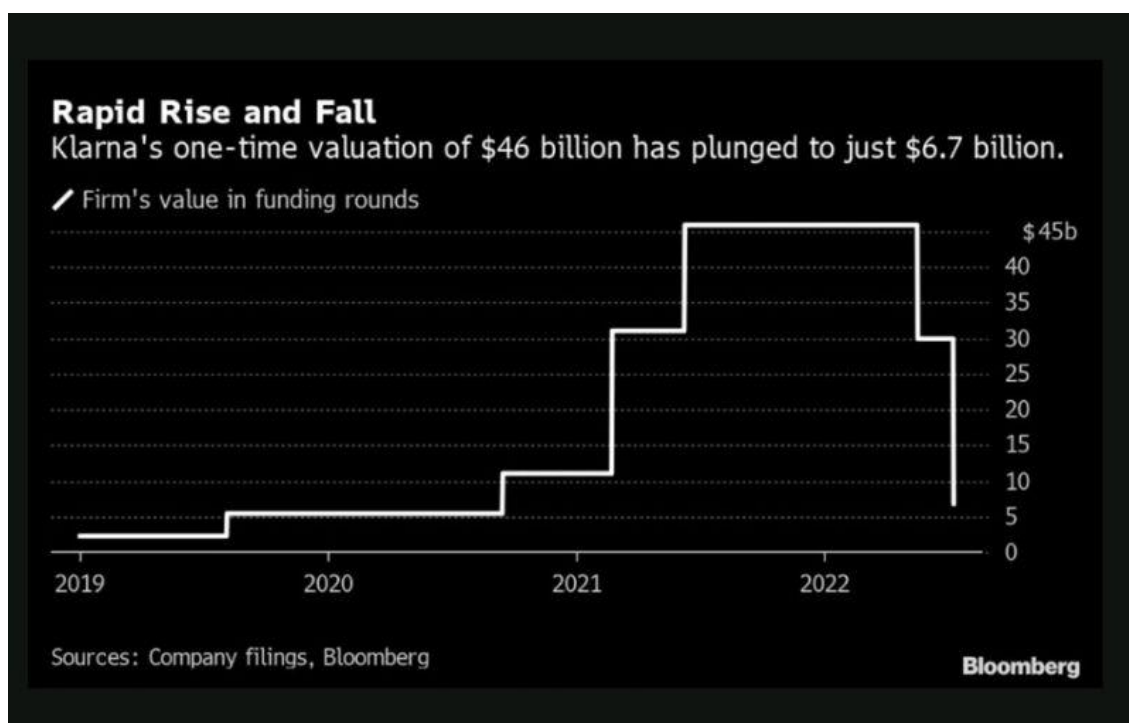


Source: theinformation

#food-for-thought

#klarna #valuation

Klarna valuation plunges 85% to \$6.7 billion as 'buy now, pay later' hype fades. Klarna said it raised \$800 million in fresh funding at a \$6.7 billion valuation — down sharply from \$45.6 billion a year ago. Klarna CEO Sebastian Siemiatkowski insisted the deal was a “testament to the strength of Klarna’s business.” The development is an indication of grim investor sentiment surrounding high-growth tech stocks and “buy now, pay later” lenders..

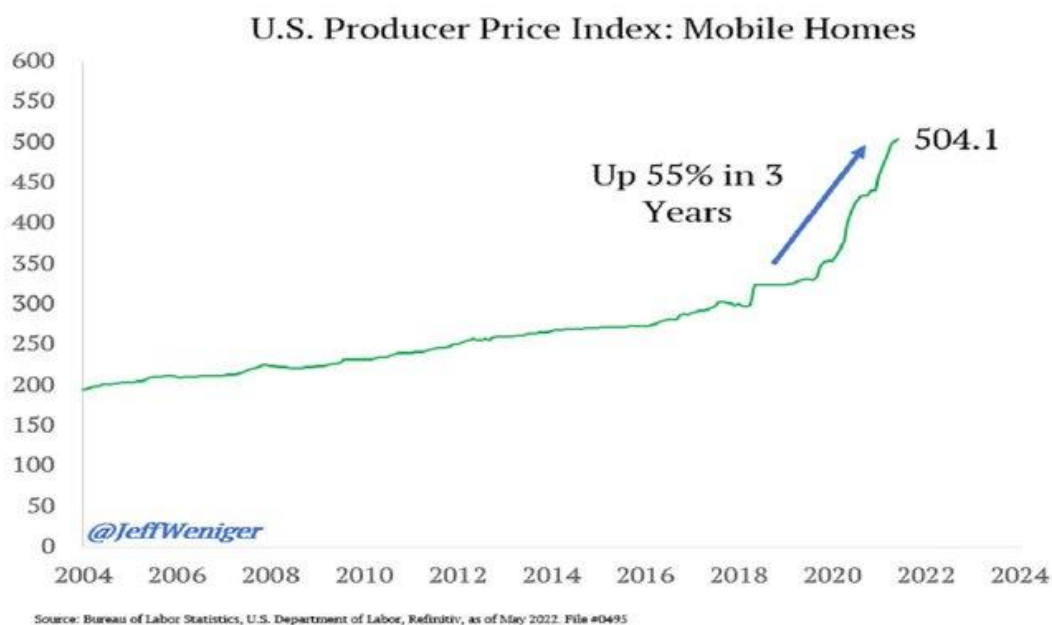


Source: CNBC, Bloomberg

#food-for-thought

#us #mobile-homes

Mobile homes inflation



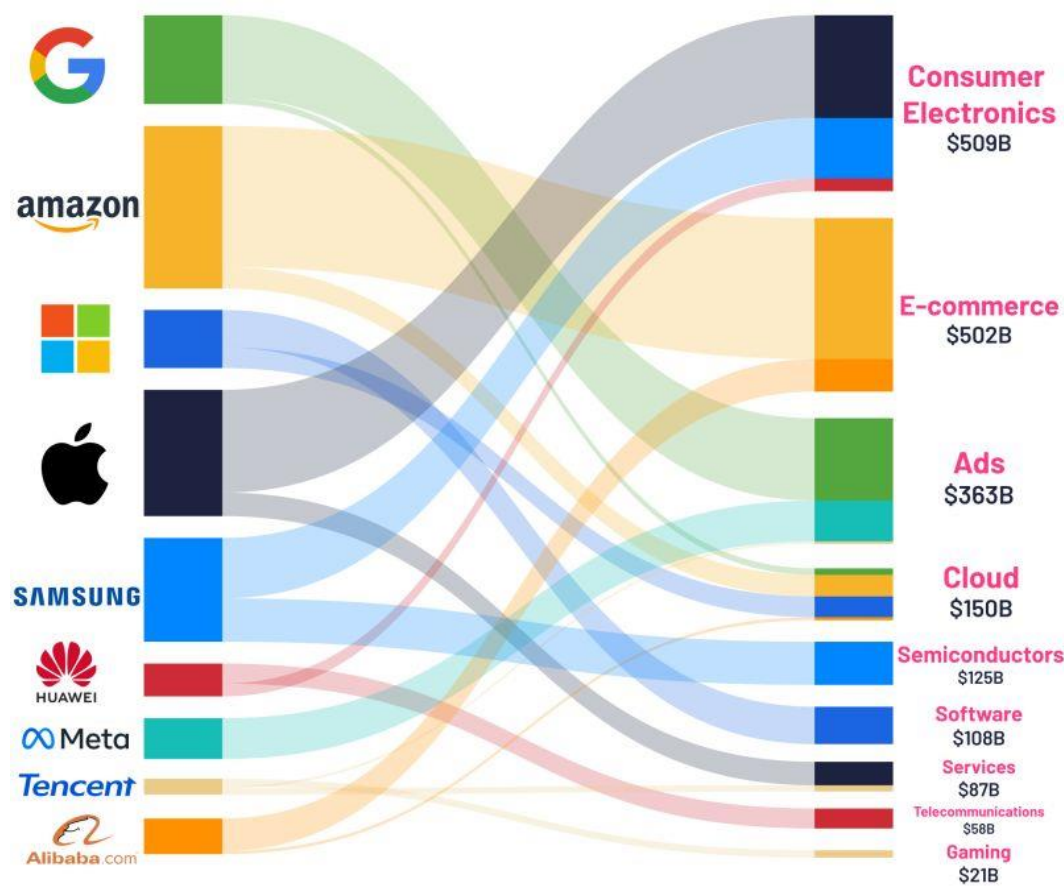
Source: Jeff Weniger

#food-for-thought

#tech #revenue-models

How does big tech make money?

Most important revenue models for tech firms



Source: Company 2021 annual reports

More charts at (link in bio): genuineimpact.substack.com



#food-for-thought

#amazon #shipping-costs

AMAZON'S RISING SHIPPING COSTS BY THE VISUAL CAPITALIST. Even the best of companies have had to navigate choppy waters and uncertainty during the #pandemic. For Amazon, this has come in the form of cost pressures in their shipping and fulfillment department, which are now representing an increasingly large share of revenues.



#food-for-thought

#amazon #prime

Amazon Prime (2+) Day was held on July 12 and 13 of 2022 and consumer reports show that online shoppers spent \$11.9 billion total on the two-day event. According to the Adobe Digital Economy Index, the money spent this year represents an 8.5% growth in revenue compared to last year's Prime Day totals. The second day of Amazon Prime Day (July 13) saw totals surpass \$5.9 billion, making it the second biggest day for U.S. online spending to date in 2022, the first biggest day, being day one (July 12) of the two-day Prime Day event.

Product	List Price	Discount Price in 2022	2022 Discount
Amazon Fire TV 50-inch 4K UHD Smart TV	\$469.99	\$99.99	-79%
Insignia 32-inch Smart HD Fire TV	\$179.99	\$49.99	-72%
Fire TV Stick	\$29.99	\$11.99	-60%
Echo Dot (4th Gen)	\$49.99	\$19.99	-60%
Toshiba TV 55-inch 4K UHD smart TV	\$799.99	\$349.99	-56%
Kindle Kids	\$109.99	\$49.99	-55%
Fire 7 Kids Tablets	\$99.99	\$49.99	-50%
Fire TV Cube	\$119.99	\$59.99	-50%
Amazon Fire TV 55-inch 4K UHD smart TV	\$519.99	\$284.99	-45%
Halo Fitness Tracker	\$79.99	\$44.99	-44%
Halo View	\$79.99	\$44.99	-44%
Halo Band	\$99.99	\$59.99	-40%
Kindle Oasis	\$279.99	\$174.99	-38%
Echo Show 8	\$109.99	\$69.99	-36%
Kindle	\$89.99	\$59.99	-33%
Fire HD 10 tablet	\$149.99	\$99.99	-33%
Blink Video Doorbell + Sync Module 2	\$84.98	\$59.98	-29%
Echo Show 15	\$249.99	\$179.99	-28%
Ring Alarm Security Kit 8-Piece	\$249.99	\$187.49	-25%
eero mesh WiFi system	\$399.00	\$319.00	-20%
Amazon Smart Thermostat	\$59.99	\$47.99	-20%
Amazon Air Quality Monitor	\$69.99	\$55.99	-20%

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Source: CB Research, Company Website, Company Reports

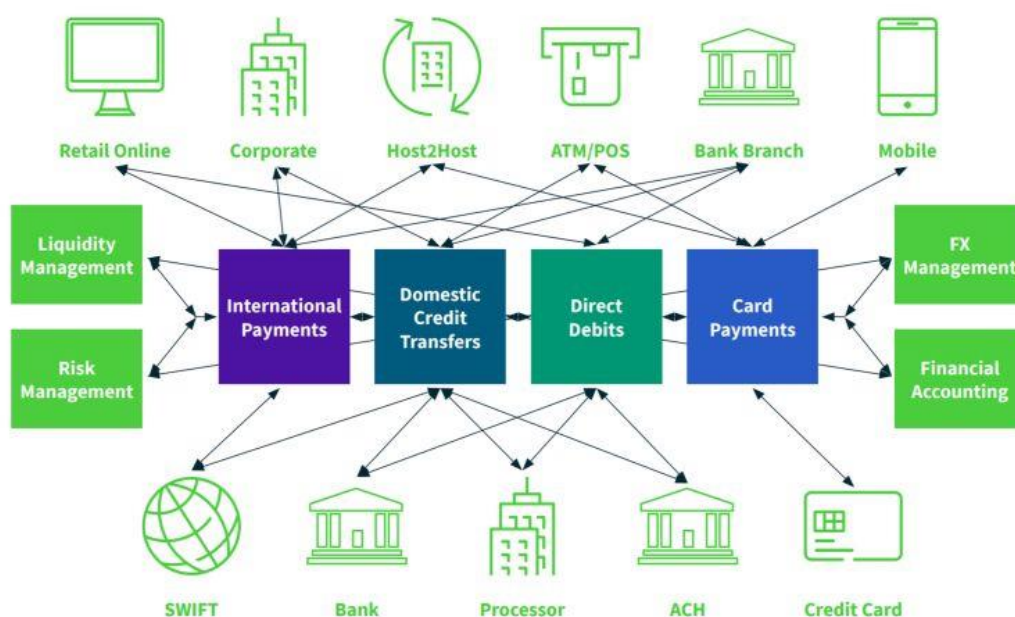
Source: zero hedge

#food-for-thought

#fintech #payments #banking

Digitization, the #fintech revolution and a rapid shift of customer preferences have catapulted #payments in taking central stage in the #banking ecosystem in such a way that today we talk about the great convergence. Let's take a look..

The great convergence: Banking & Payments



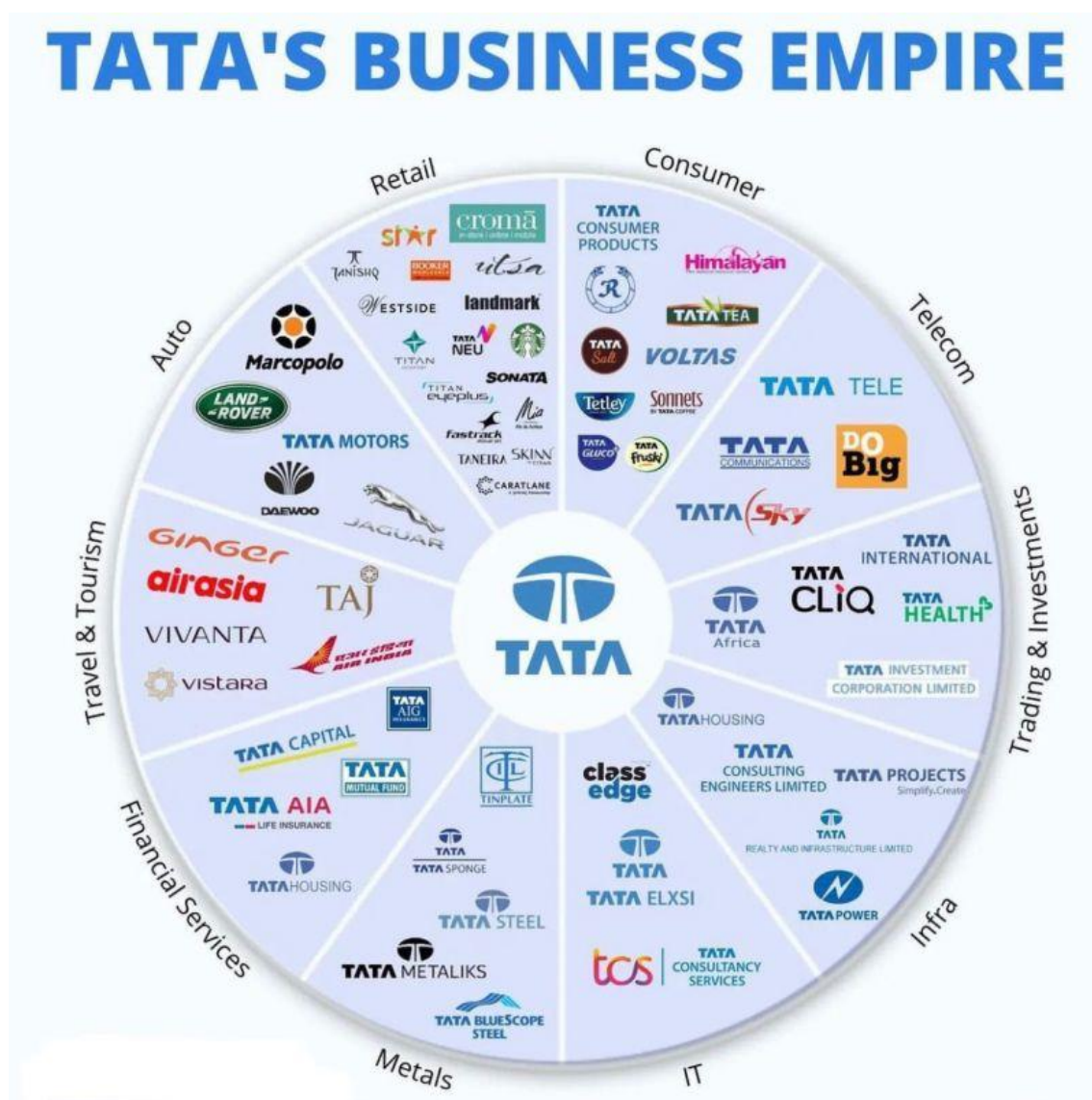
Source: FIS

Edited by: Panagiotis Kriaris

Source: Panagiotis Kriaris, FS

#tata

TATA'S BUSINESS EMPIRE



Source: Eric Balchunas, Bloomberg

#food-for-thought

#bmw

BMW is now selling subscriptions for heated seats in a number of countries — the latest example of the company's adoption of microtransactions for high-end car features. A monthly subscription to heat your BMW's front seats costs roughly \$18, with options to subscribe for a year (\$180), three years (\$300), or pay for "unlimited" access for \$415.

TECH

TRANSPORTATION

CARS

42 

BMW starts selling heated seat subscriptions for \$18 a month

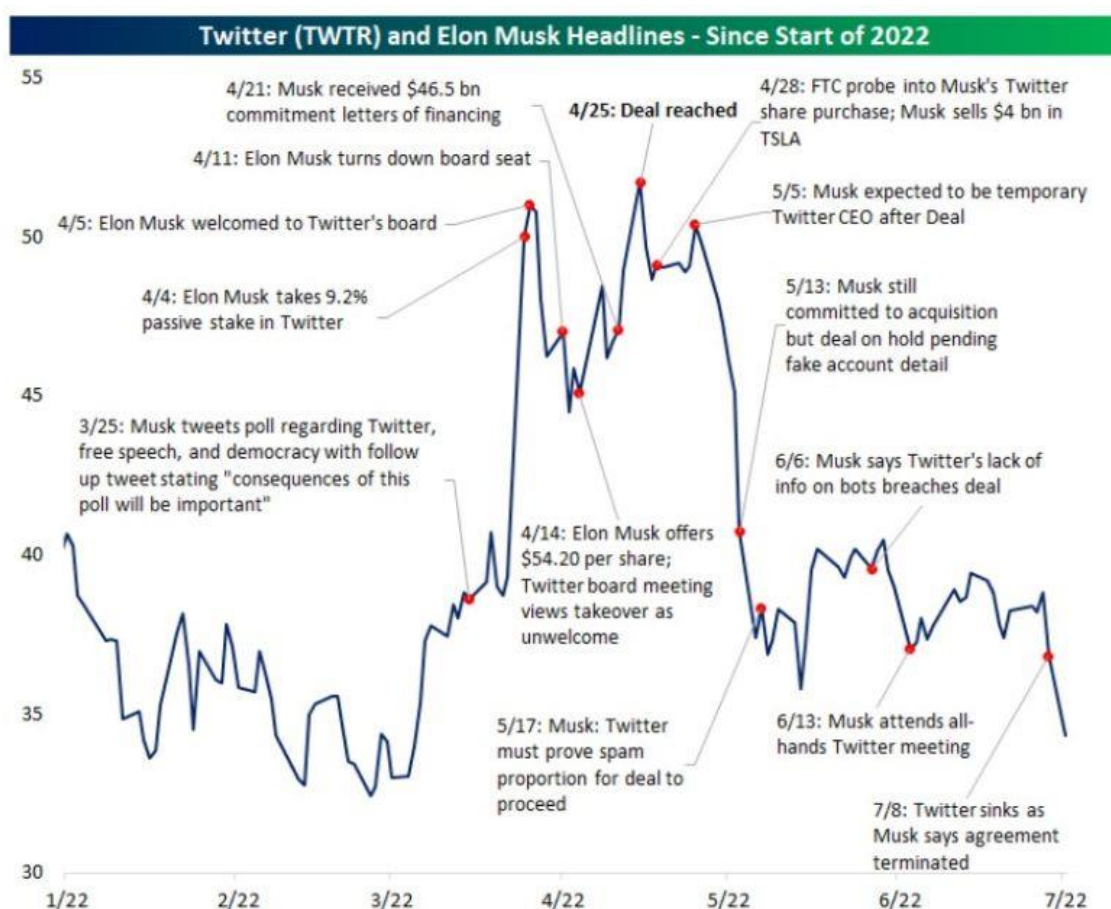
The auto industry is racing towards a future full of microtransactions

Source: theverge

#food-for-thought

#twitter #musk

TWITTER AND ELON MUSK HEADLINES by Bespoke. Musk's interest in Twitter has played a major role in the movements of TWTR's stock this year.



Source: Bespoke

#food-for-thought

#esg

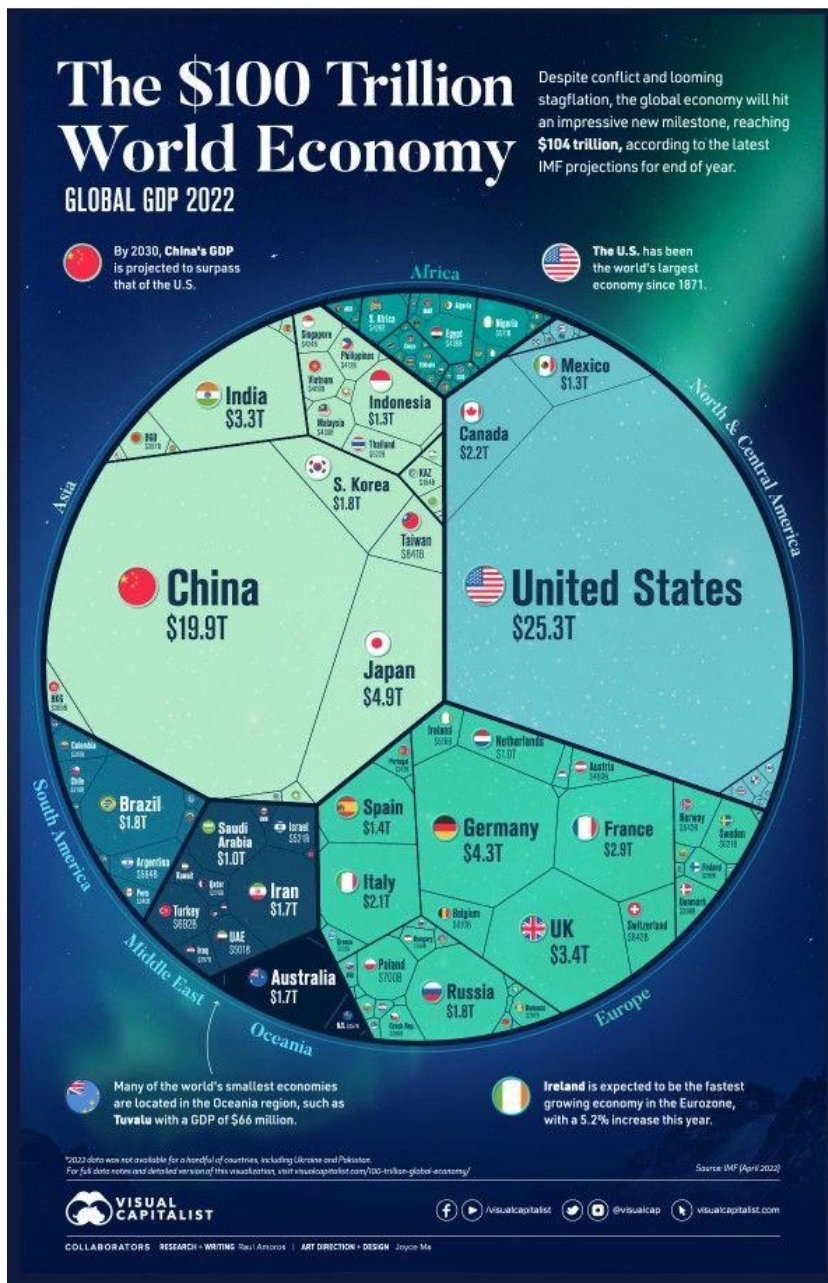
Mentions of "ESG" in the media hit an all-time high in Q2 with 25,000. "Bitcoin" and its not even close



Source: Eric Balchunas, Bloomberg

#food-for-thought

#global #gdp



Source: The Visual Capitalist

#food-for-thought

#inspiration

Six Things Mentally Strong People Do:

1. They move on. They don't waste time feeling sorry for themselves.
2. They embrace change and welcome challenges.
3. They stay happy. They don't waste energy on things they can't control.
4. They are kind, fair and unafraid to speak up.
5. They're willing to take calculated risks.
6. They celebrate other people's success without resentment.

Daniel Abrahams

Source: Daniel Abrahams

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For the future...