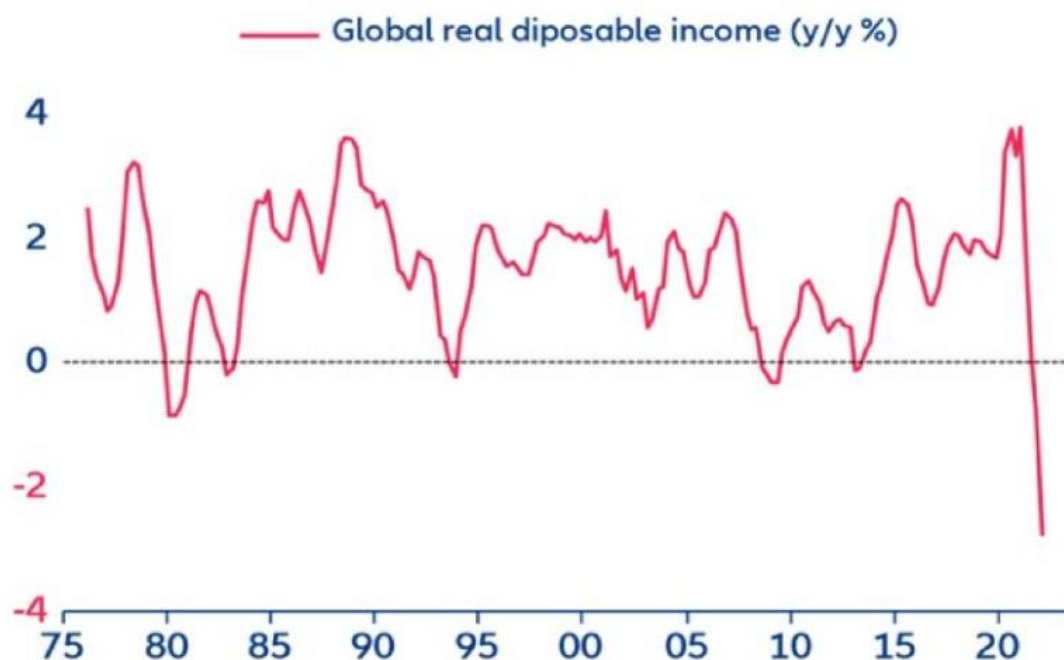


Chart of the week

Household real incomes are crashing worldwide

More and more households – including in the developed world - are now adding debt (e.g sharply higher credit card use) to maintain their standard of living.



Source: Refinitiv Datastream; Dallas Fed; Allianz Research

Source: Allianz Research

Stocks, bonds & cryptos retreat on rates fears

US equity markets gave back a portion of the previous week's strong gains after Saint Louis Fed's President James Bullard appeared to dampen hopes that inflationary pressures had peaked. "The idea that inflation has peaked is...not statistically really in the data at this point," Bullard told the Wall Street Journal, while stating that he was likely to vote in favor of another 75-basis-point increase in the Fed target rate at the next FOMC policy meeting. Tech and communications stocks underperformed within the S&P 500 Index, with the latter dragged down by a sharp decline in Facebook parent Meta Platforms. Trading was subdued while volatility spiked on Friday as USD 2.3 trillion in options expired. Some upward surprises in the week's US economic data (retail sales, industrial production, jobless claims) may have fueled rate fears, even as they offered hope that the economy would avoid a recession. The US 10-year yield spiked to near 3.0% for the first time since July 21. Shares in Europe pulled back as Eurozone inflation hit a record 8.9% in July while German PPI rose 37.2% from a year earlier, driven by strong increases in natural gas and electricity costs. Japanese shares were solidly higher as the yen weakened to JPY 136.7 against dollar. China's stock markets posted a loss for the week in reaction to weak economic data and elevated levels of COVID cases. Cryptos were hammered lower as the week progressed with ETH and BTC down around 12%. The dollar strengthened.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

20 AUGUST 2022

#markets

#markets #stats #weekly

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,707	-0.2%	-7.2%
S&P 500 Index	4,228	-1.2%	-11.3%
NASDAQ	12,705	-2.6%	-18.8%
MSCI EAFE *	1,947	-0.9%	-16.7%
10-yr Treasury Yield	2.97%	0.1%	1.4%
Oil (\$/bbl)	\$89.72	-2.6%	19.3%
Bonds	\$101.99	-1.1%	-8.9%

Source: Factset. 08/19/2022. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * 4-day performance ending on Thursday.

Source: Edward Jones



#sp500 #technicals

The S&P reverted back down to its 50% Fib retracement level...

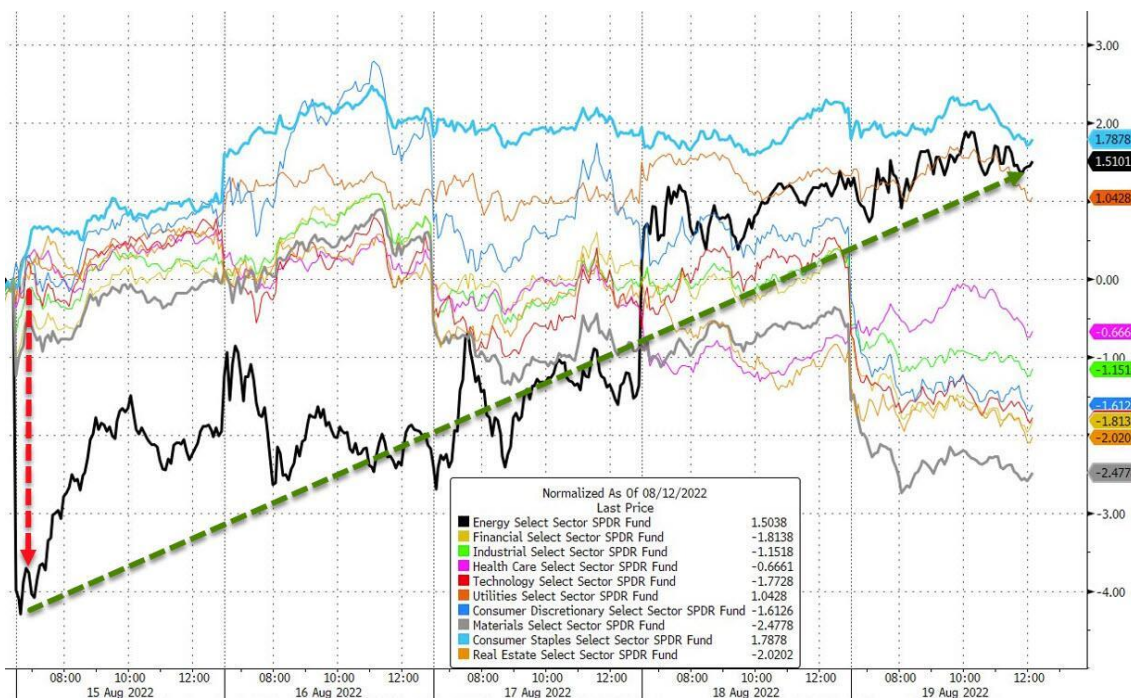


Source: www.zerohedge.com, Bloomberg



#sector #weekly #returns

Energy stocks went from worst to almost first on the week after a big puke at the Monday open. Staples were the leaders while Materials the laggards....



Source: www.zerohedge.com, Bloomberg



#opex-day

A \$2 Trillion stock-options deadline. On Friday, about \$2 trillion of options are set to expire, obliging holders to either roll over existing positions or start new ones. The monthly event includes \$975 billion of S&P 500-linked contracts and \$430 billion of derivatives across single stocks scheduled to run out, according to estimates by Goldman Sachs Group Inc.

\$2.1tn of option notional expires on 19-Aug

Notional open interest of US-listed options expiring on 19-Aug-2022



Research Link: [Four Observations Ahead of the Upcoming \\$3.4tn Expiry](#) (13-Jun-2022)

Source: Goldman Sachs Global Investment Research, OptionMetrics, Bloomberg

Source: Goldman Sachs



#ark-invest

The gap between ARKK and NASDAQ is rather big here..

The canary never started singing again



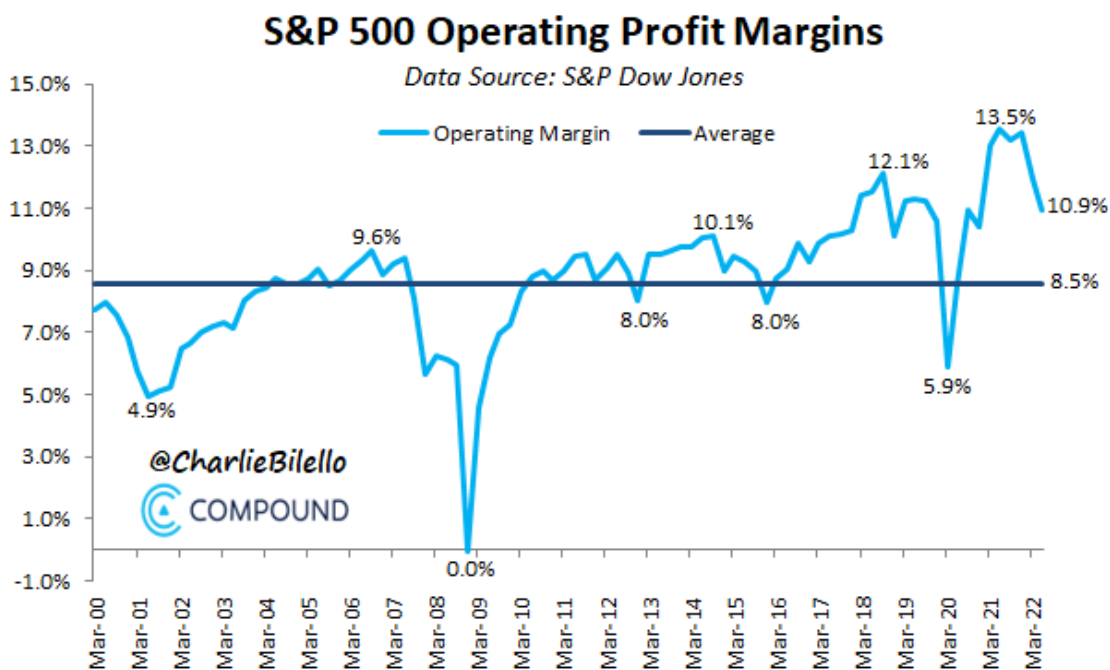
Source: Refinitiv

Source: The Market Ear



#us #equities #earnings #margins

After hitting a record high in Q2 2021 of 13.5%, S&P 500 profit margins have moved down to 10.9% in Q2 2022 as sales growth has slowed and companies are having a more difficult time passing on rising costs to their customers...

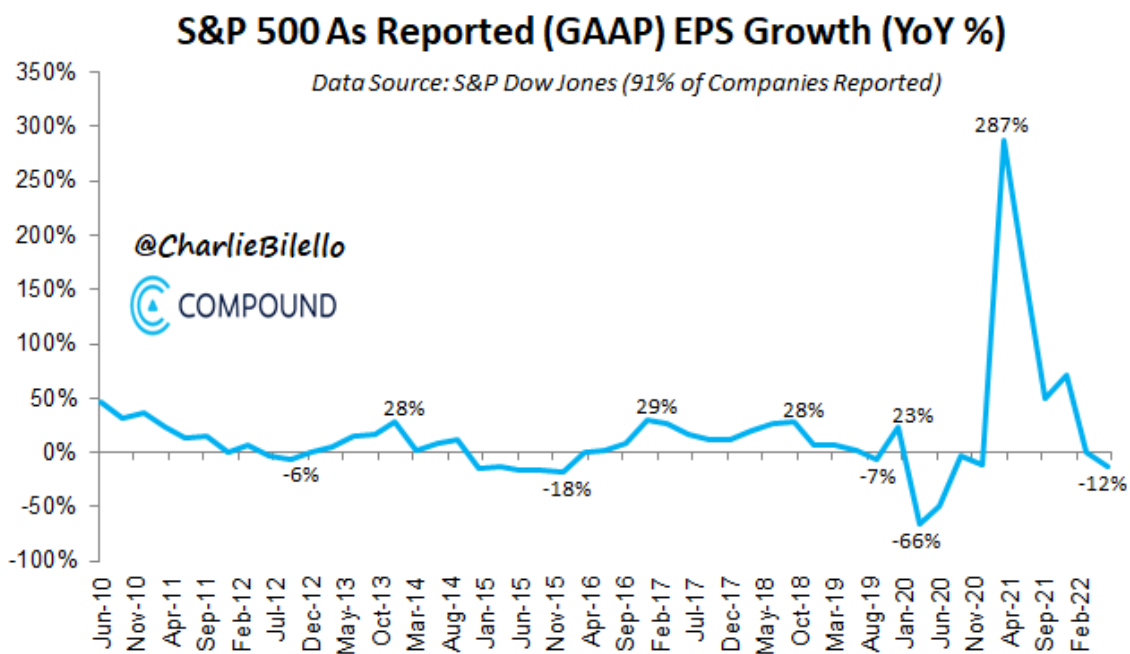


Source: Charlie Bilello



#us #equities #earnings #gaap #eps

With 91% of companies reported, S&P 500 GAAP earnings are down 12% year-over-year, on pace for the largest YoY decline we've seen since Q2 2020.



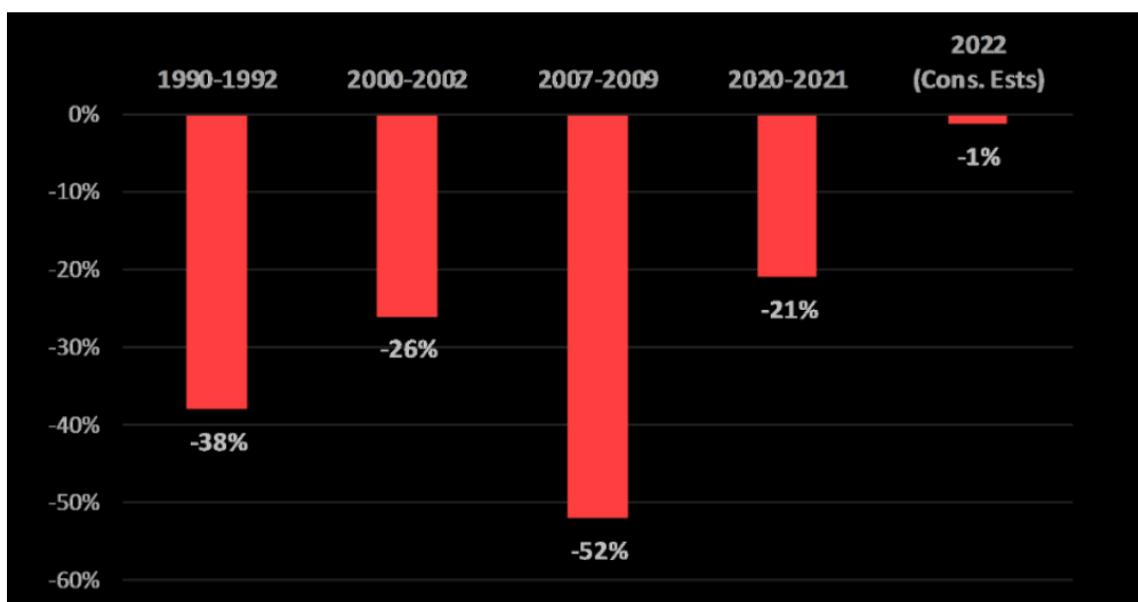
Source: Charlie Bilello

#markets

#us #earnings #estimates

S&P 500 trailing EPS fell between 21% and 52% from their peak to their trough in the last four recessions, but estimates have come down just 1% from this year's highs.

Earnings recession....?



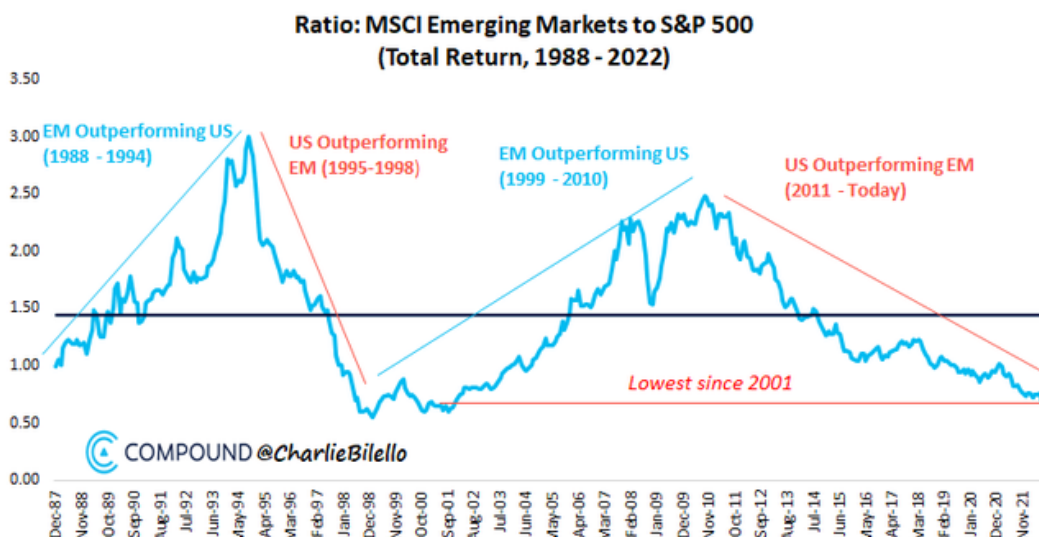
Source: JPM

Source: JPM



#emerging-markets #equities

The Ratio of Emerging Markets to US stocks is at its lowest level since 2001. Over the last 12 years, EM is up 28% while US equities have more than quadrupled.



Period	MSCI EM Total Return	S&P 500 Total Return	Differential
Jan 1988 - Sep 1994	599%	133%	466%
Oct 1994 - Jan 1999	-44%	202%	-246%
Feb 1999 - Sep 2010	392%	10%	382%
Oct 2010 - July 2022	28%	357%	-329%

Source: Charlie Bilello



#cineworld

Cineworld Group shares plummet 80% on London Stock Exchange amid reports that the company is preparing to file for bankruptcy. Cineworld is the world's 2nd-largest cinema chain behind AMC, is preparing to file for chapter 11 bankruptcy due to poor ticket sales.

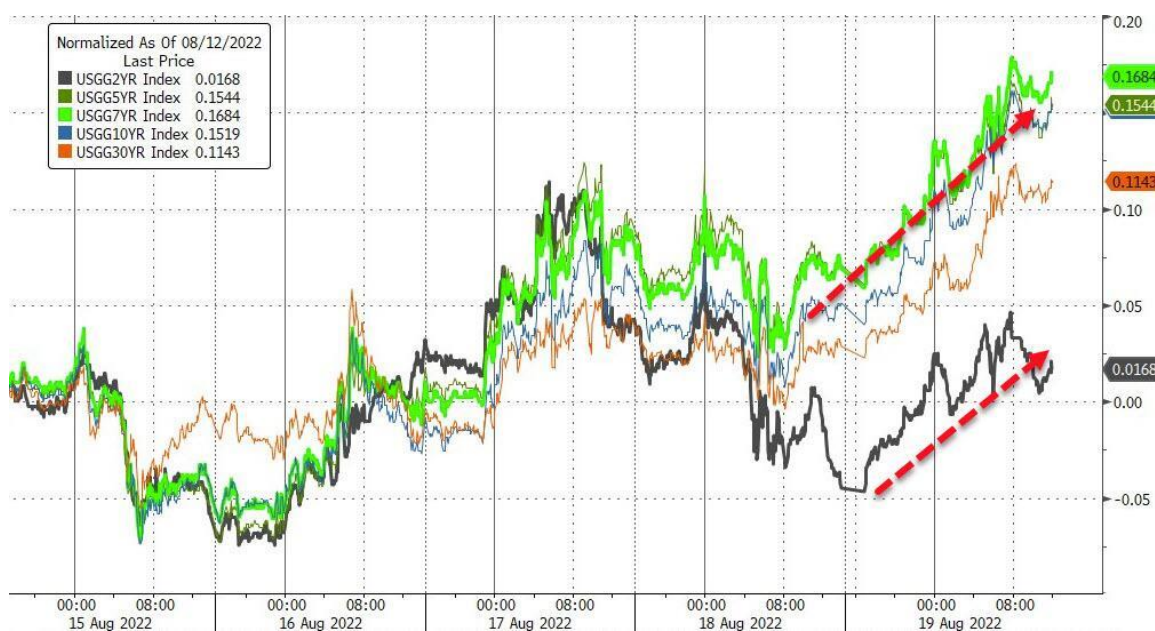


Source: Charlie Bilello



#us #fixed-income

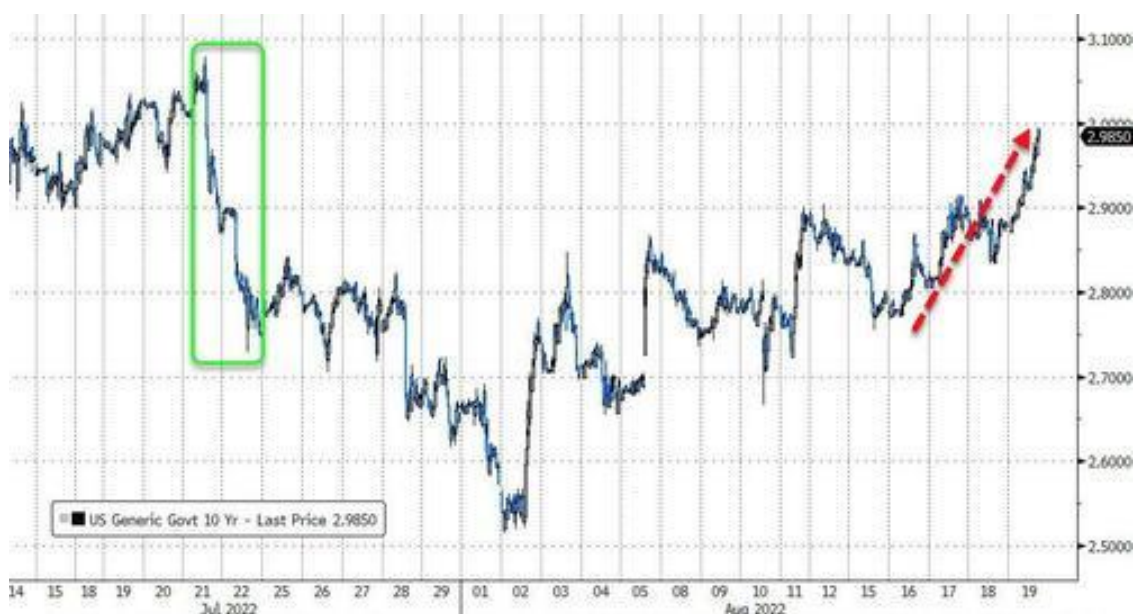
US Treasury Yields surged this week with the belly underperforming dramatically...



Source: www.zerohedge.com, Bloomberg

#us #fixed-income

10Y spiked up to 3.00% - erasing all the price gains from the ECB/US-weak-data bond rally...

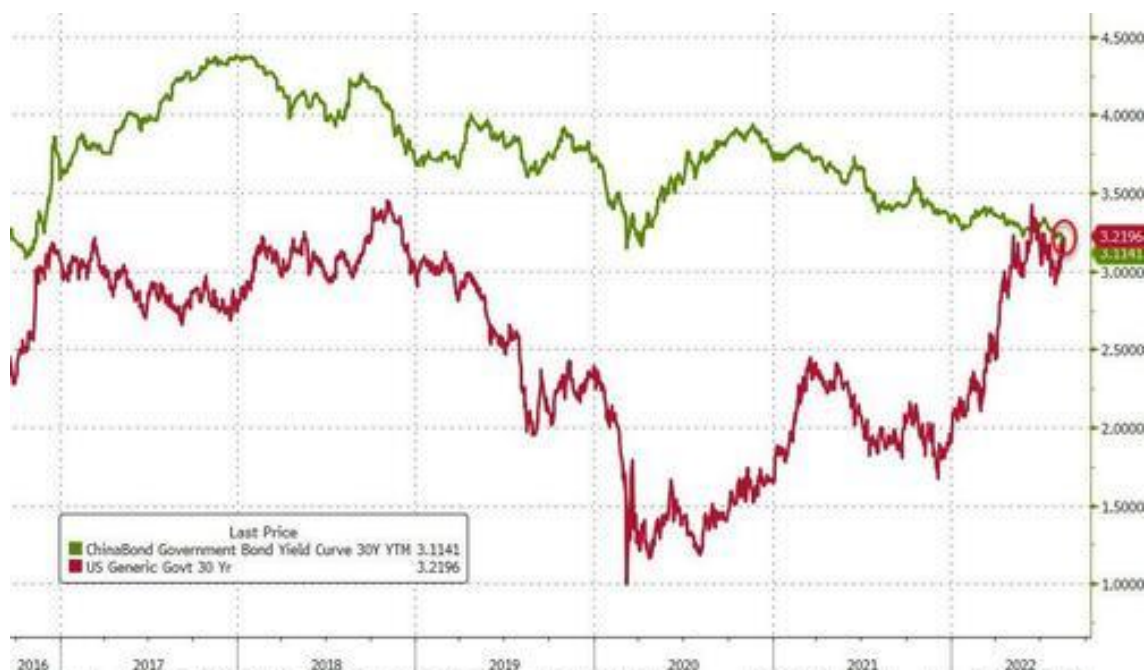


Source: www.zerohedge.com, Bloomberg

#markets

#us #china #fixed-income

US 30Y yields rose back above China 30Y yields which dropped to 6 year lows: Traders might be betting that lower mortgage rates - led by expected cuts in loan prime rates - will push banks to buy more longer-dated bonds, wrote Qin Han, an analyst at Guotai Junan Securities in a note.

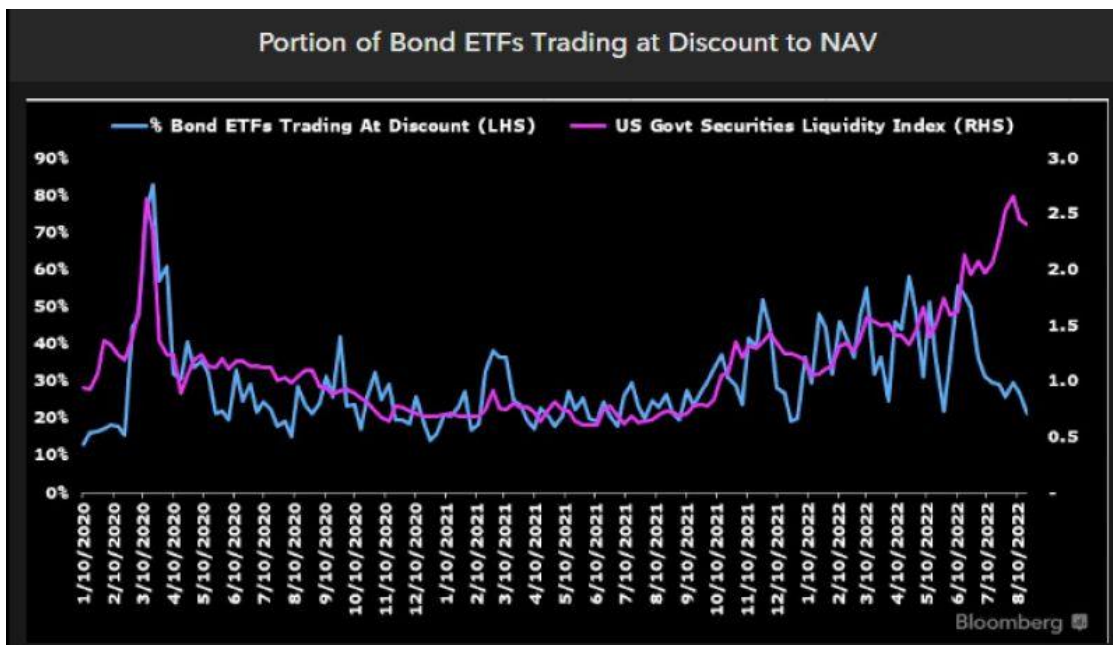


Source: www.zerohedge.com, Bloomberg



#us #fixed-income

Only 20% of bond ETFs are trading at a discount to NAV (a sign of stress and liquidity pressure) down from 60% earlier this year. This is a good sign and likely linked to the bond mutual funds beginning to see inflows again (since most use bond ETFs as liquidity sleeves).



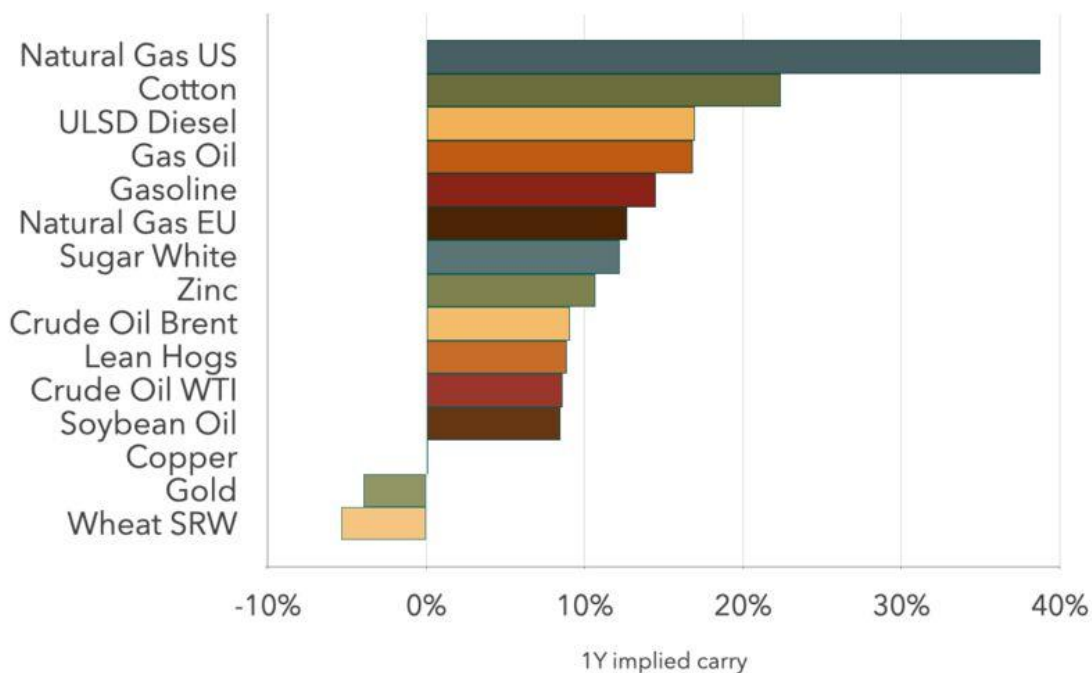
Source: Tpsarofagis, Eric Balchunas, Bloomberg



#commodities #futures #carries

Historically, commodities with a positive roll return have earned positive excess returns and were also highly correlated to inflation. The recent inflationary shock is no exception.

Commodity Futures' Carries (12mths)
18. August 2022



Source: Christian Gerlach

#zinc

What is the link between EU energy crisis and commodities prices? Another large zinc smelter in Europe will close indefinitely due to sky high electricity prices. The zinc market was already tight. This may also impact silver production as 35% of global silver supply comes as a byproduct of zinc and lead mining...

Zinc Surges as Trafigura-Owned Smelter to Halt Production

by Archie Hunter and Eddie Spence
Updated on August 16, 2022 8:10 AM



Nyrstar's Budel zinc smelter in the Netherlands. Source: Nyrstar

- Prices climb more than 7% on LME after announcement by Nyrstar
- Nyrstar's Budel smelter is one of Europe's biggest zinc plants

Zinc surged after one of Europe's largest smelters announced it would halt production next month as the continent's energy crisis threatens to hobble heavy industries.



#dollar

The hawkish speak sent the dollar soaring with Bloomberg's Dollar Index up a stunning 2% on the week - its biggest weekly spike since April 2020. Notice that the dollar broke back above the FOMC day selloff highs...



Source: BofA

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

20 AUGUST 2022



#dollar

Mighty dollar



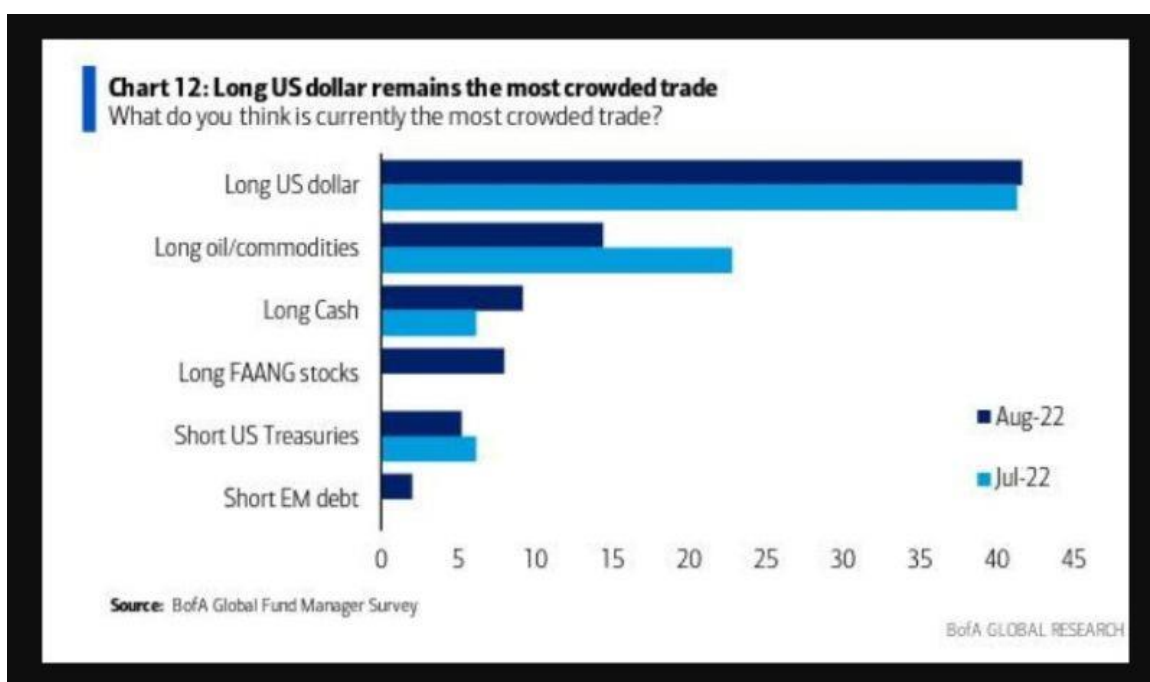
Source: Refinitiv

Source: The Market Ear



#crowded-trades

BofA monthly (July) Fund Manager Survey - most crowded trade is long US dollar

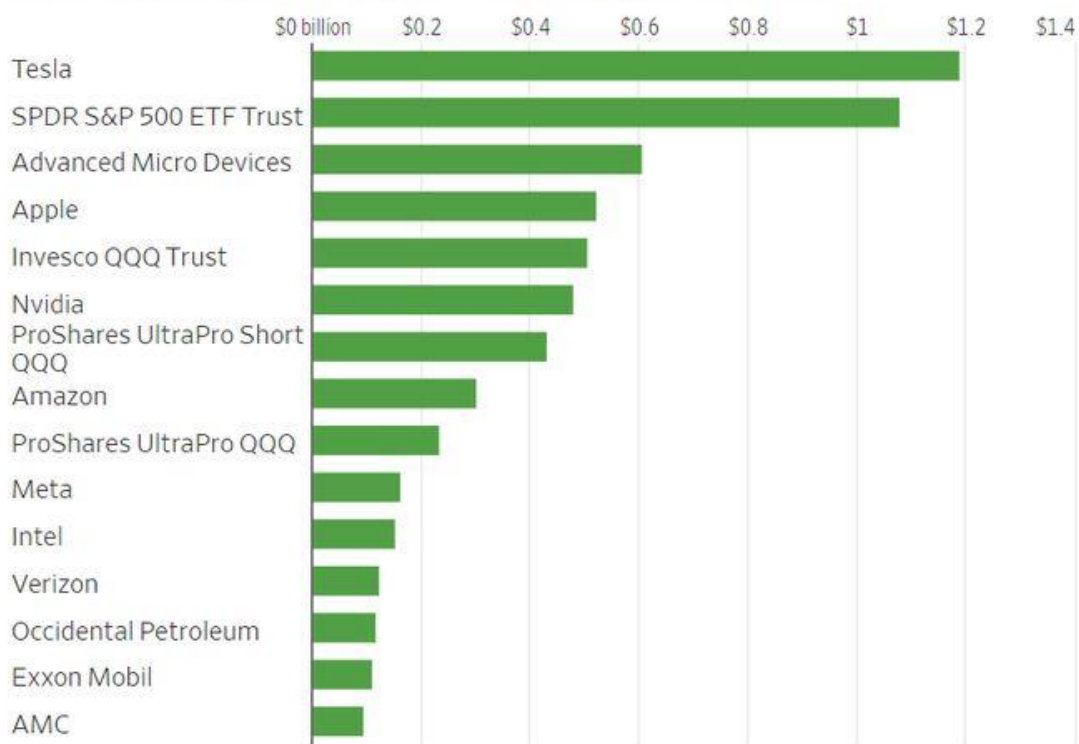


Source: BofA



#crowded-trades

Most purchased stocks by individual investors on a net basis in August



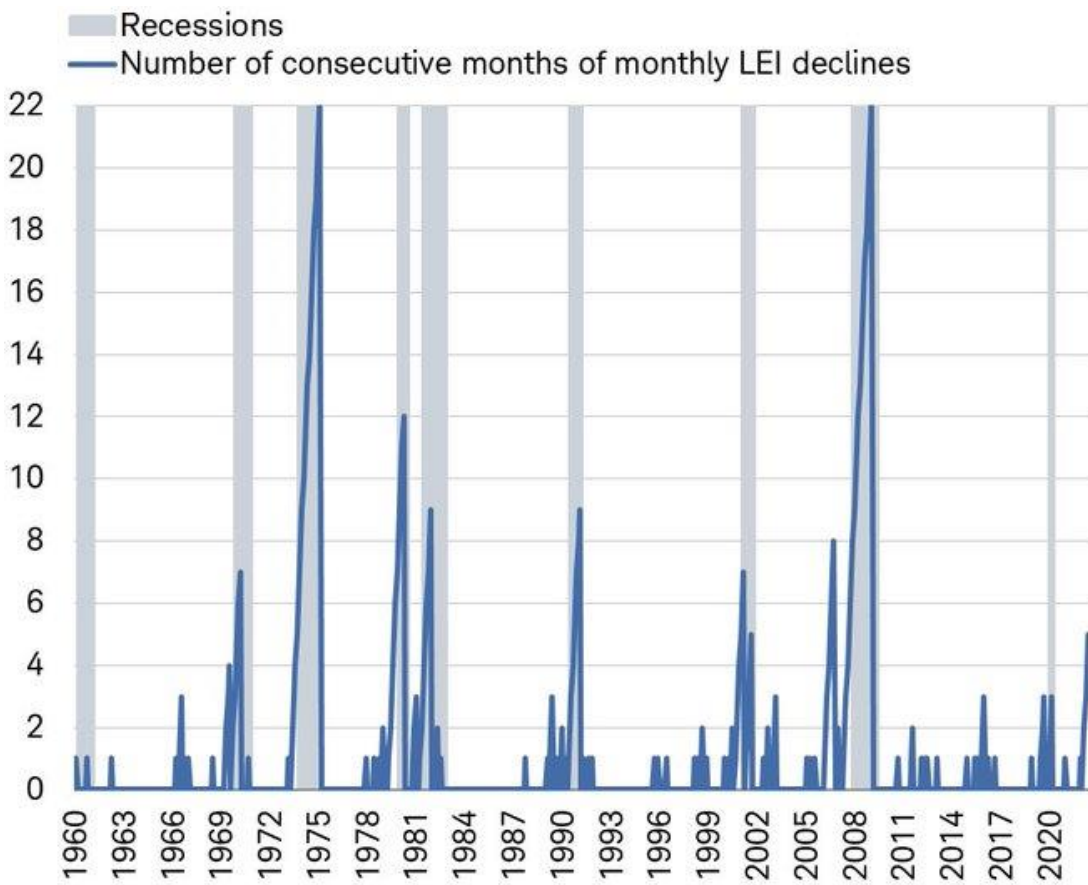
Note: Data through Aug. 11.
Source: Vanda Research

Source: Vanda research, Alessio Urban



#us #leading-indicators

Leading Economic Index from Conference board has now contracted for 5 consecutive months ... rare to see this outside of recessions when looking back at history.



Source: Charles Schwab, Bloomberg, as of 7/31/2022.

Source: Liz Ann Sonders

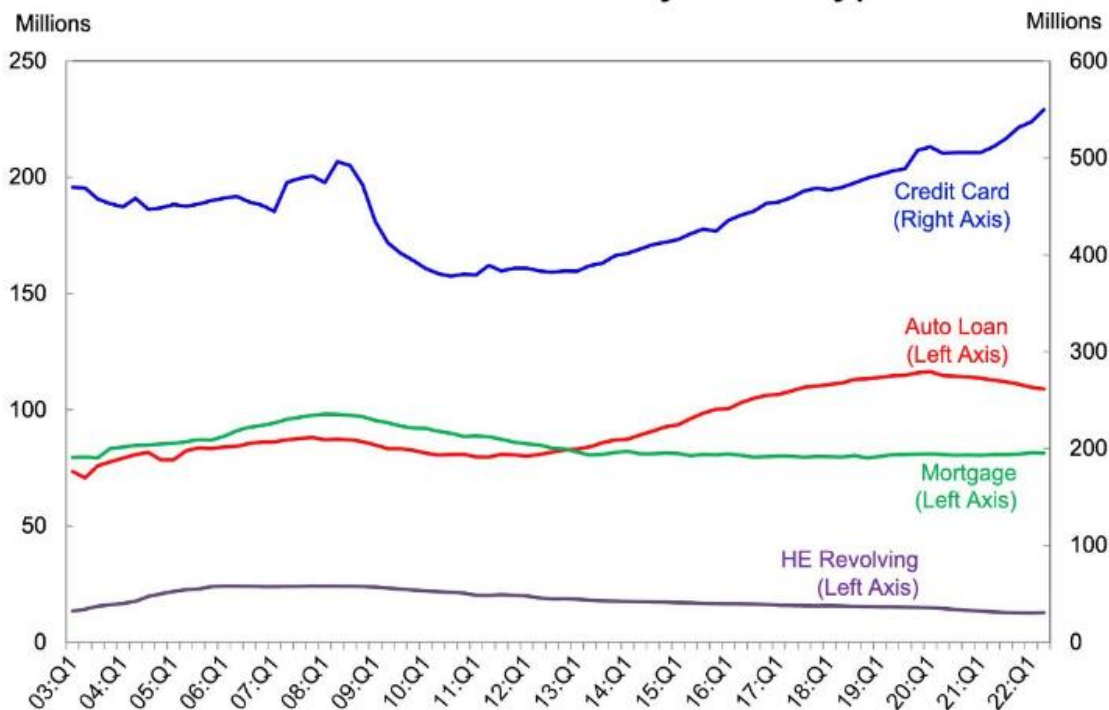




#us #leverage

The surge in credit card account openings has brought the total number of accounts to all-time highs.

Number of Accounts by Loan Type



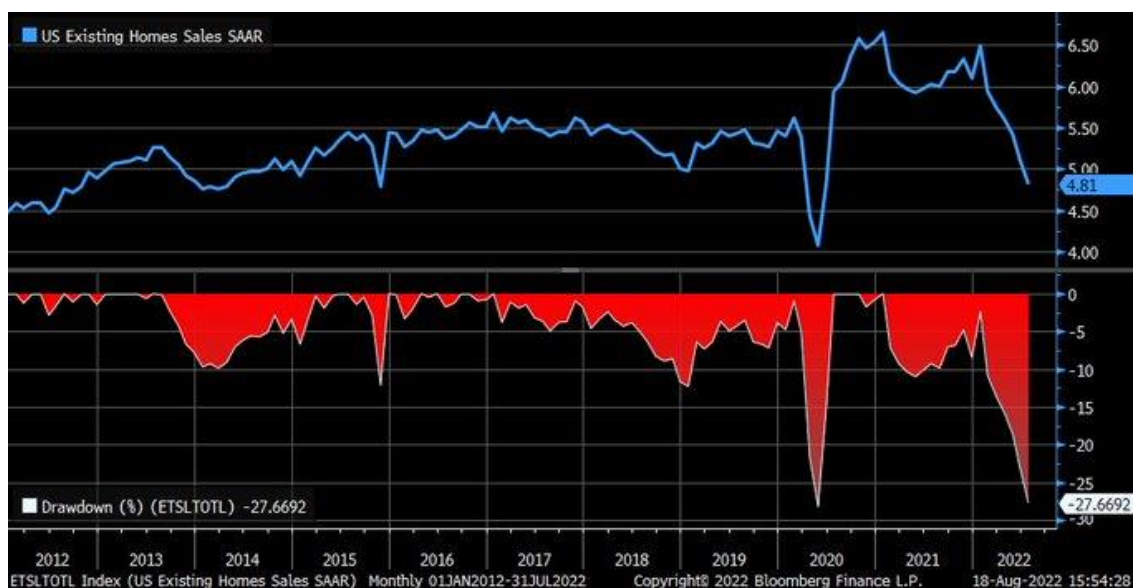
Source: New York Fed Consumer Credit Panel/Equifax

Source: NY Fed consumer credit panel / Equifax

#macro

#us #real-estate

Current maximum drawdown for existing home sales (-27.7%) is rivaling maximum drop during pandemic shutdown (-28.2%)

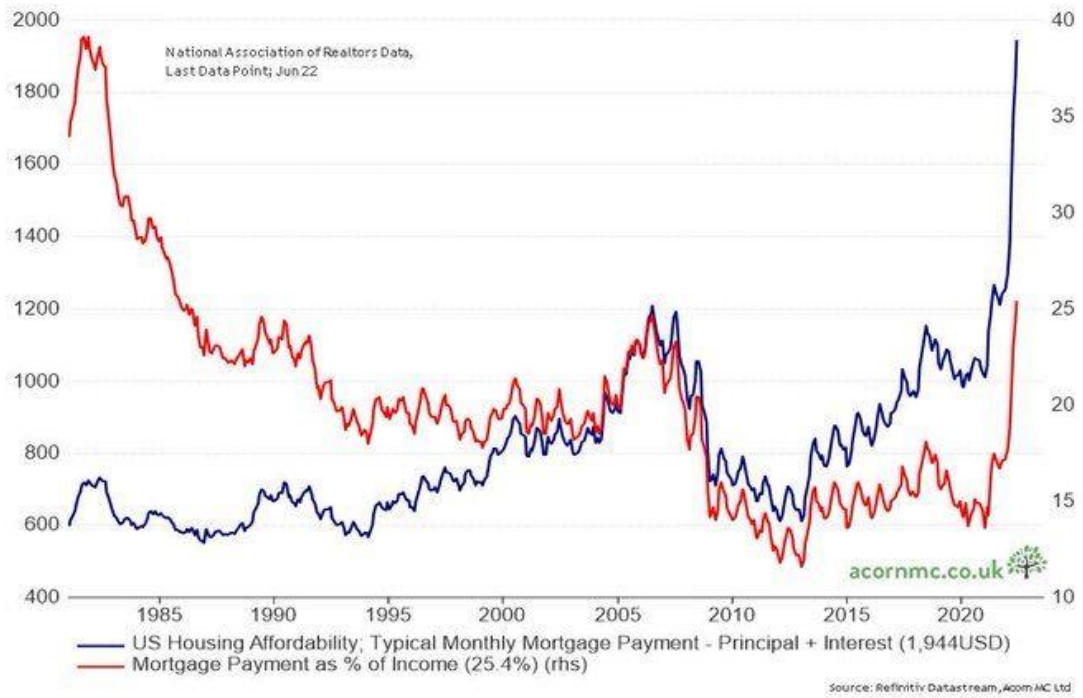


Source: Liz Ann Sonders, Bloomberg

#macro

#us #real-estate

US mortgage payments as percentage of income are higher than at the top of the subprime bubble.

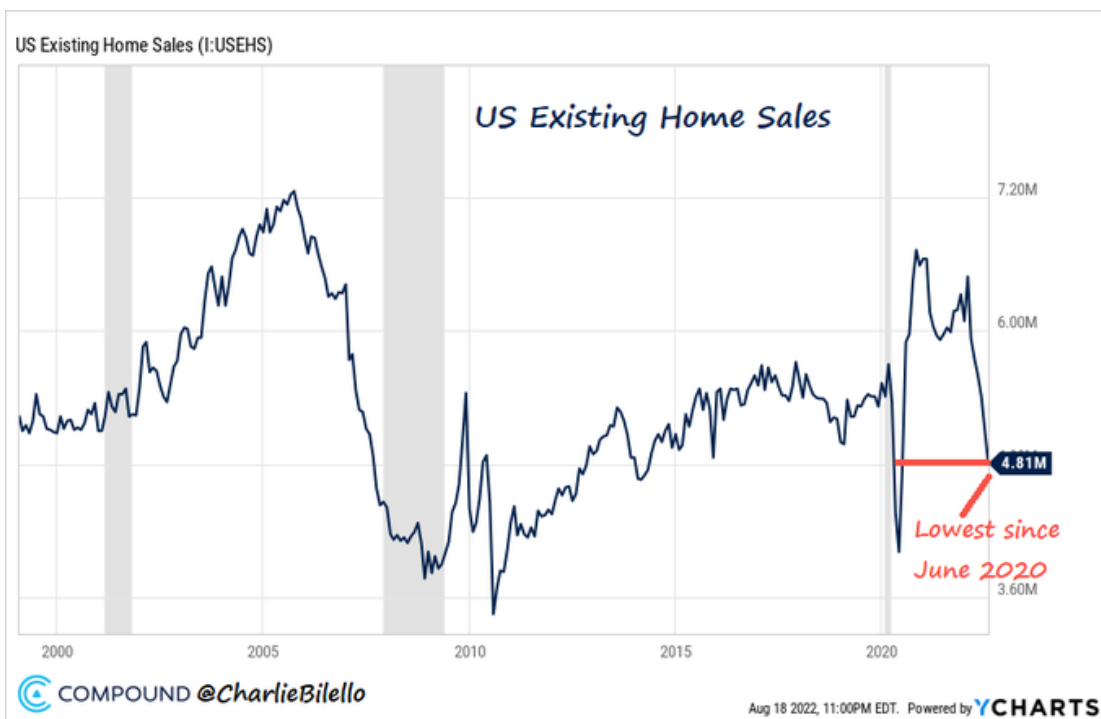


Source: Michel A.Arouet, acornmc.co.uk



#us #real-estate

Existing home sales continue to plummet, down 20% over the last year and at their lowest levels since June 2020. Following same pattern as last housing bubble: Affordability collapses -> Sales plummet -> Prices decline

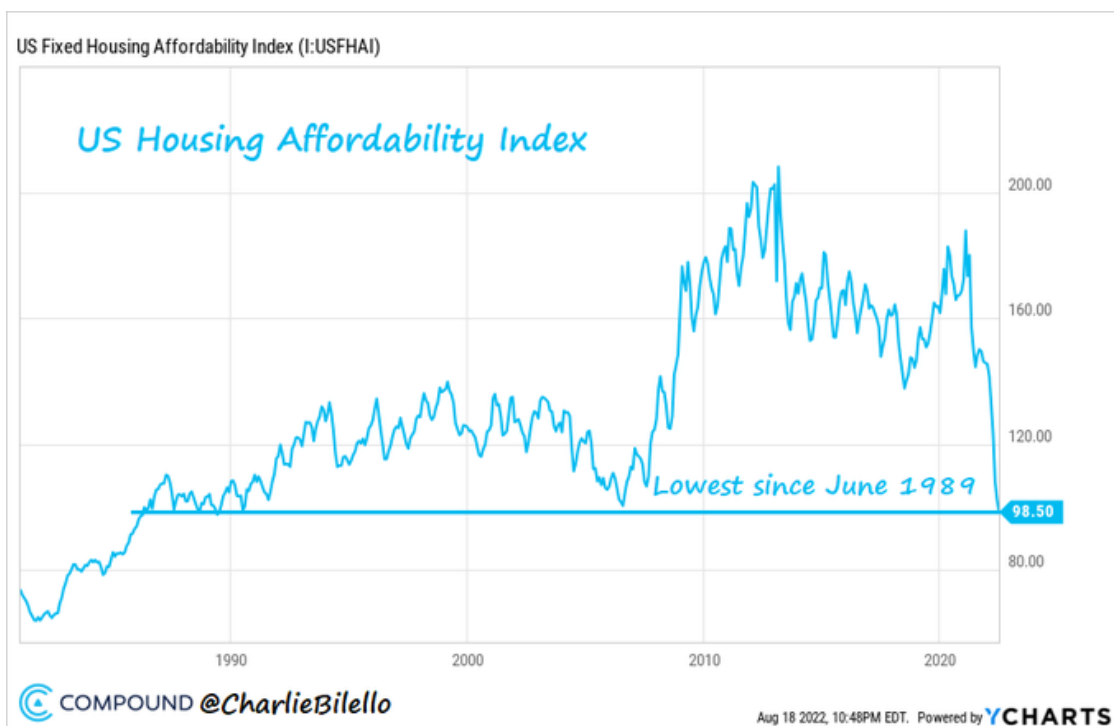


Source: Charlie Bilello



#us #real-estate

US housing affordability is at its lowest level in 33 years, below the July 2006 low which was at the peak of the last housing bubble. Back then, national home prices subsequently fell 25% to their low in Dec 2011. Today, the price declines have just begun.



Source: Charlie Bilello



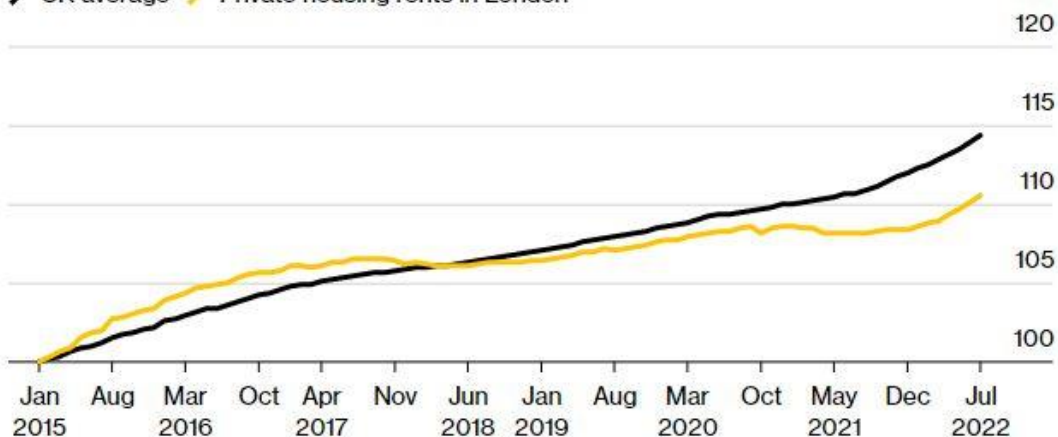
#uk #real-estate

London rents spike the most since 2017 after supply shortage...

On The Rise

Rents in London are increasing at their fastest annual pace since 2017

UK average Private housing rents in London



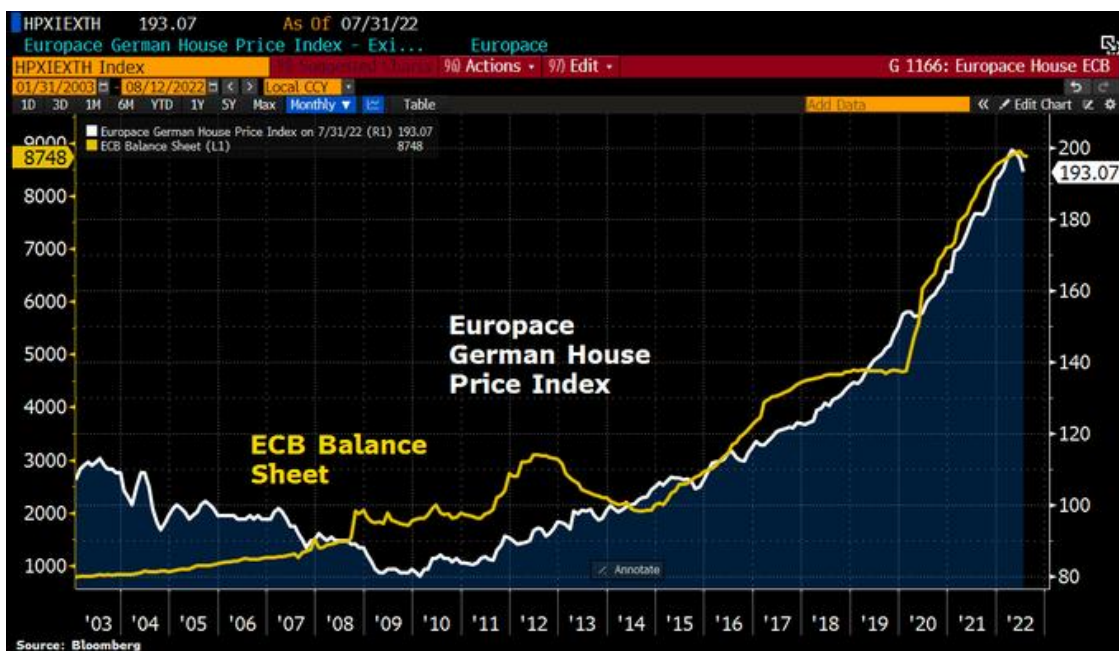
Source: Office for National Statistics
Note: January 2015 = 100

Source: Bloomberg



#german #real-estate

It was not only dwindling affordability that triggered the biggest monthly drop in the German housing market, but also the ECB w/its lower liquidity. The Europace Index is running in tandem with the ECB's balance sheet.



Source: Bloomberg, HolgerZ



#supply-chain

Global container freight rates have hit a 15-month low, down 46% from their peak. Still 4x higher than pre-pandemic levels but moving in the right direction.



Source: Charlie Bilello

#macro

#inflation #global

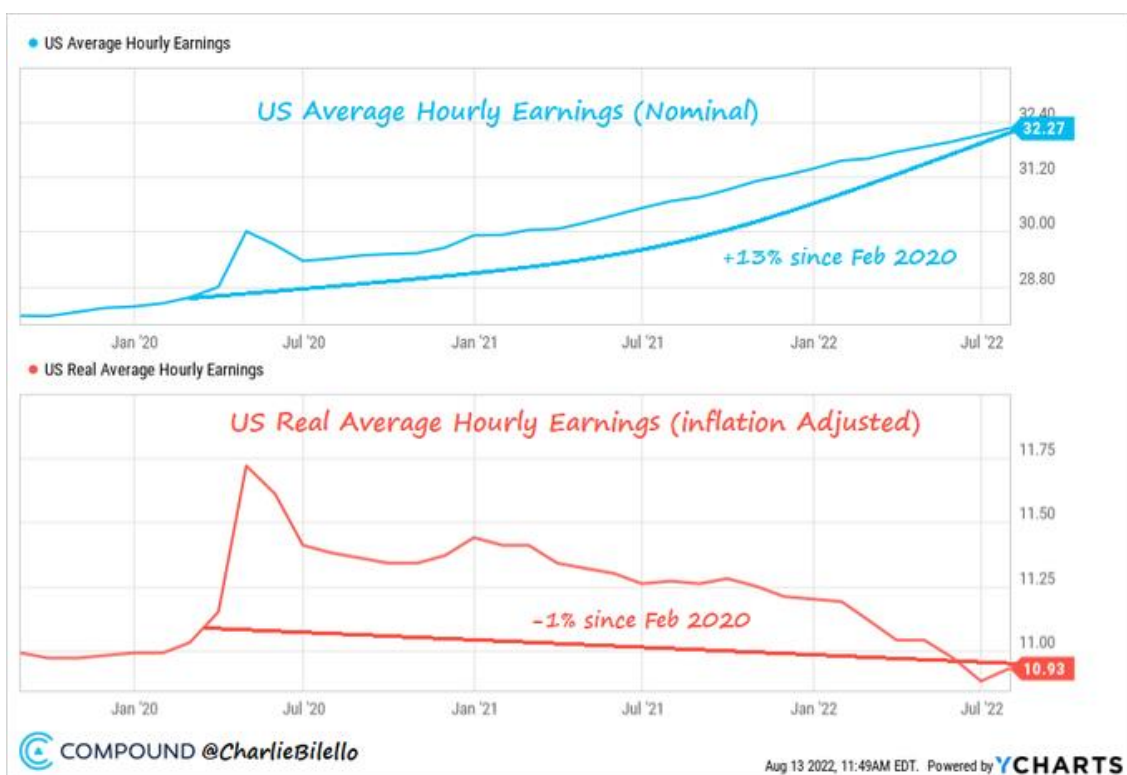
Global inflation rates...

Global Inflation Rates	
Country/Region	CPI Inflation (YoY %)
JAPAN	2.4%
SAUDI ARABIA	2.7%
CHINA	2.7%
TAIWAN	3.4%
SWITZERLAND	3.4%
INDONESIA	4.9%
FRANCE	6.1%
AUSTRALIA	6.1%
SOUTH KOREA	6.3%
PHILIPPINES	6.4%
SINGAPORE	6.7%
INDIA	6.7%
NEW ZEALAND	7.3%
SOUTH AFRICA	7.4%
GERMANY	7.5%
CANADA	7.6%
THAILAND	7.6%
FINLAND	7.8%
ITALY	7.9%
MEXICO	8.2%
US	8.5%
SWEDEN	8.5%
EUROZONE	8.9%
PORTUGAL	9.1%
IRELAND	9.1%
BRAZIL	10.1%
UK	10.1%
NETHERLANDS	10.3%
SPAIN	10.8%
RUSSIA	15.1%
POLAND	15.5%
ARGENTINA	71.0%
TURKEY	79.6%
VENEZUELA	167%



#us #wage #inflation

All of the US wage growth since the start of the borrowing/printing binge has been a mirage, up 13% in nominal terms but down 1% after adjusting for higher prices. Initially, everyone loves "free money." It's only w/ the passage of time that the ravages of inflation are revealed.



Source: Charlie Bilello



#macro

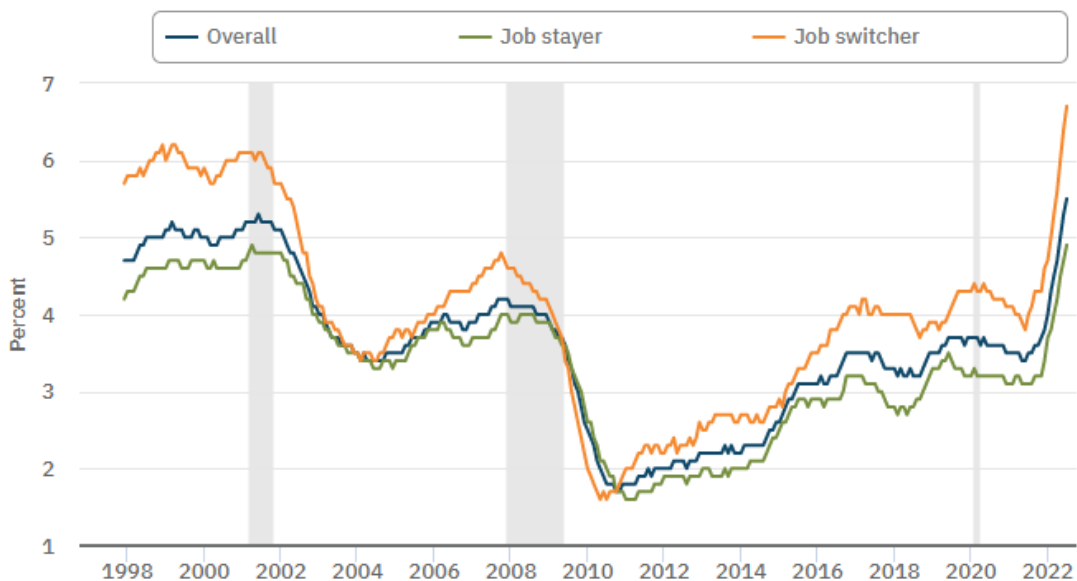
#us #wage #inflation

Workers who switched jobs received wage increases of 6.7% over the last year vs. 4.9% for those who stayed at their jobs. With data going back to 1997, this is the widest gap we've ever seen.

Wage Growth Tracker by Job Switcher/Stayer

Export

12-month moving average of median wage growth, hourly data



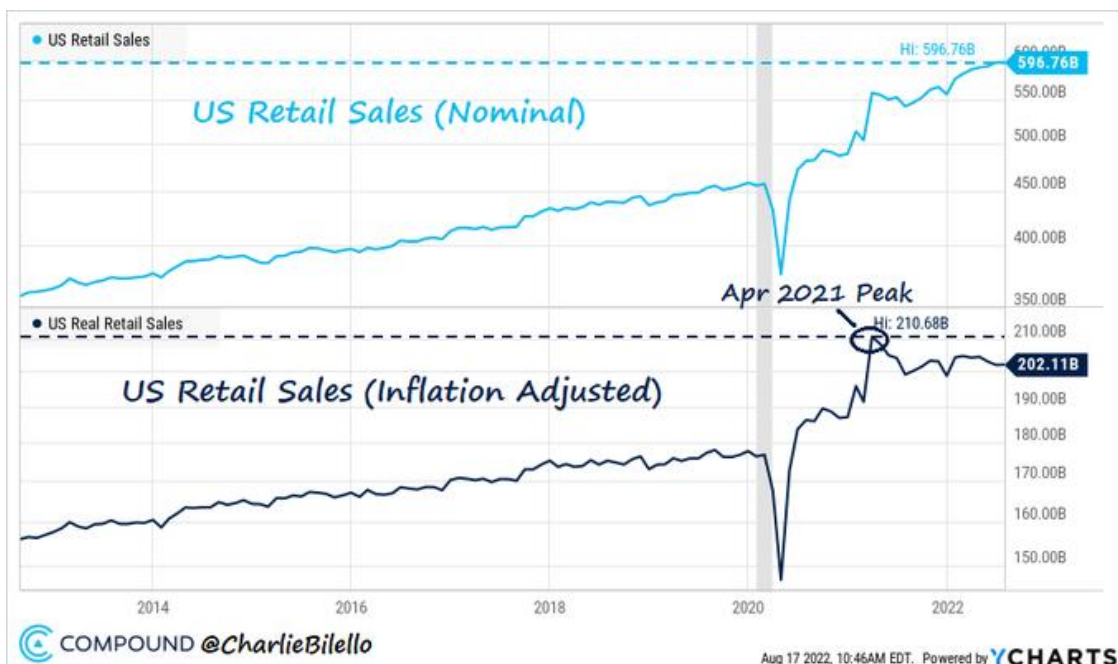
Sources: Current Population Survey, Bureau of Labor Statistics and author's calculations

Source: Charlie Bilello



#us #retail-sales

In nominal terms, US Retail Sales are still strong, hitting another all-time high in July, up 3.6% over the last 6 months. But after adjusting for inflation, the story changes. Real Retail Sales peaked in April 2021 & are down 1.1% over the last 6 months.



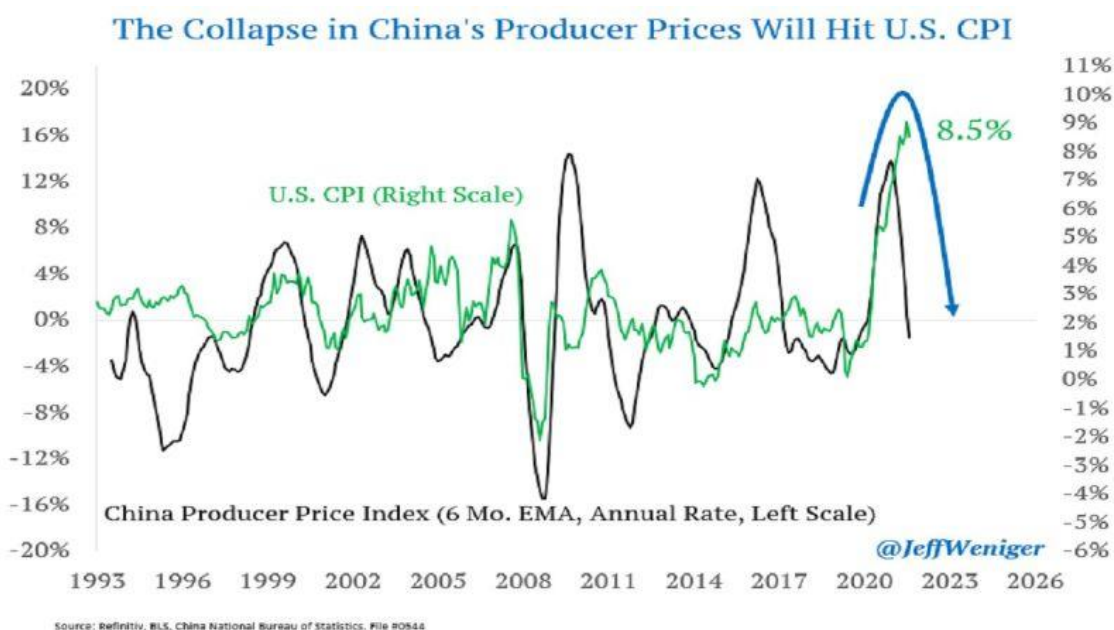
Source: Charlie Bilello



#macro

#china #us #inflation

China is exporting deflation again - see chart below from Jeff Weniger with China PPI index YoY % (in black) vs. US CPI (in green)..

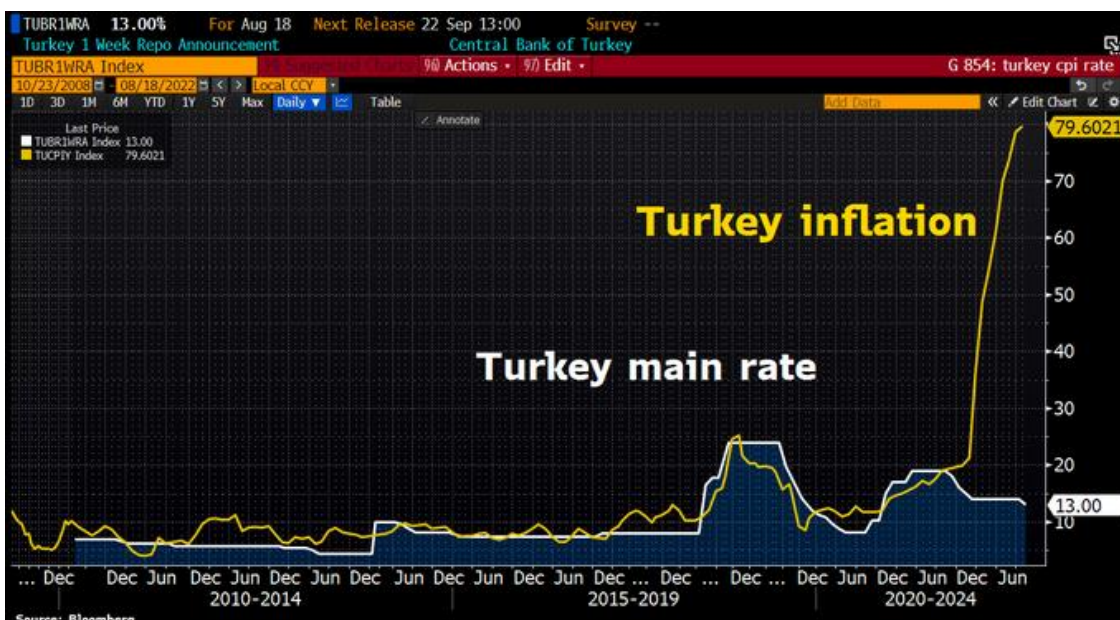


Source: Jeff Weniger



#inflation #turkey

Turkey surprises w/shock rate cut despite inflation at 24 year high and Lira near a record low. Sudden resumption of monetary stimulus w/less than a year before elections reflects determination of Turkish authorities to follow through on Erdogan’s promise that rate cuts will continue.

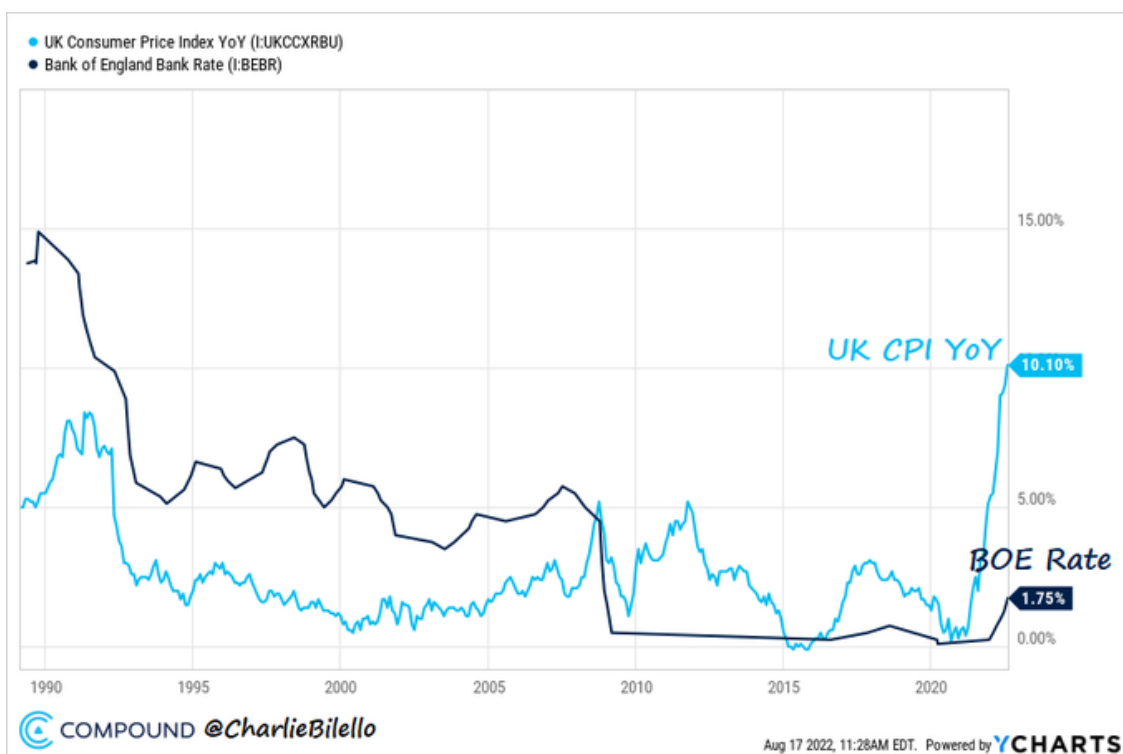


Source: Bloomberg, HolgerZ



#inflation #uk

Inflation in the UK moves above 10% for the first time, its highest level since records began in 1989. The Bank of England remains far behind the curve with a rate of 1.75%.



Source: Charlie Bilello



#inflation #germany

Peak inflation? Not in Germany! German Producer Prices accelerated to 37.2% in July, a fresh record. Meaning: Consumer prices will not have seen their peak yet. Perhaps Germany will also experience double-digit inflation rates like the UK.

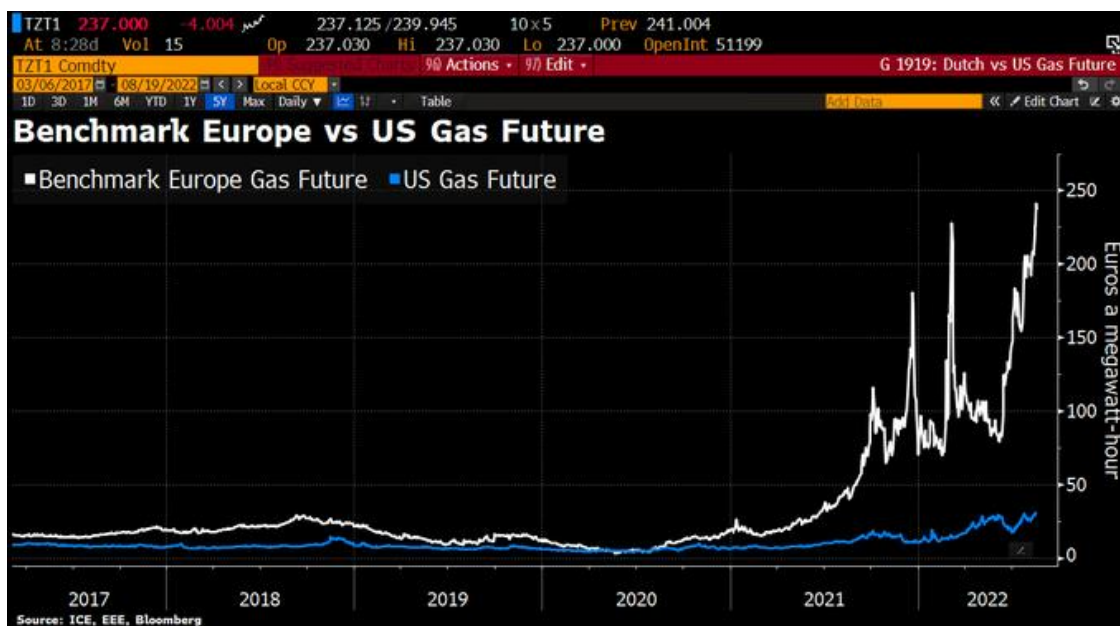


Source: Bloomberg, HolgerZ



#eu #energy-crisis

Germany will lower sales tax on gas to 7% from 19% in an effort to cushion blow of additional charges being placed on consumers to ensure energy comps can afford increasingly expensive supplies. Reduced tax rate will apply as long as Putin levy is charged, meaning through Mar2024.



Source: Bloomberg, HolgerZ



#eu #energy-crisis

Europe is lurching into an energy crisis: German and French electricity prices keep climbing, hit fresh records. German next-year power price trades >€500/MWh for 1st time ever. French next-year power price trades close to €700/MWh...

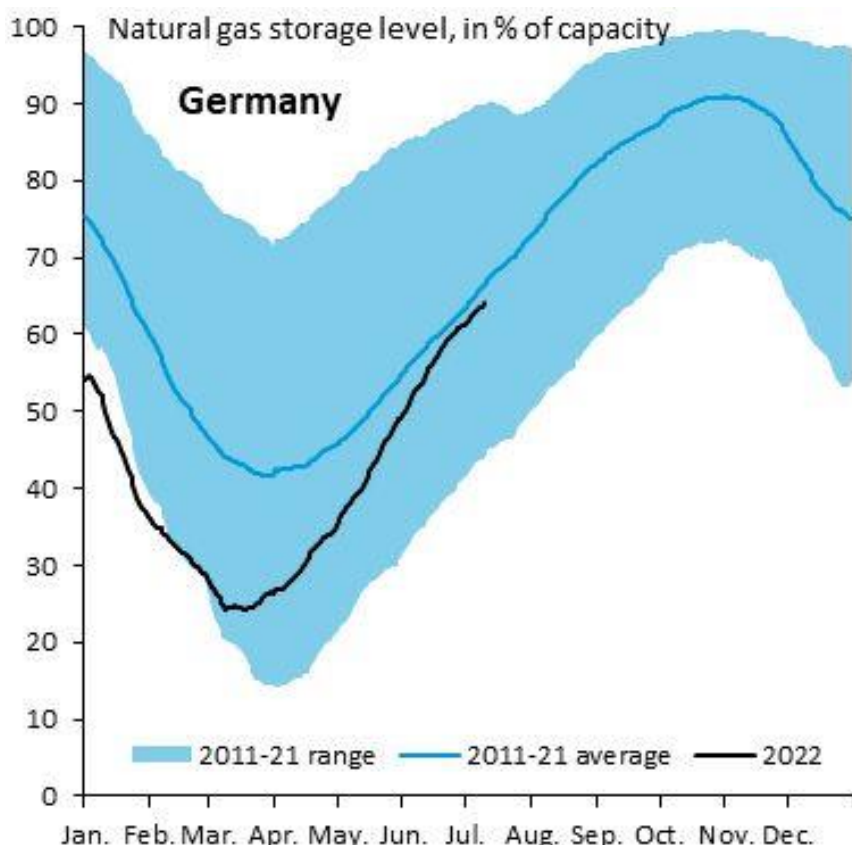


Source: HolgerZ, Bloomberg



#eu #energy-crisis

Germany's gas storage levels usually make it to 90% by late autumn. That gets Germany through the winter with Nordstream running at 100%. But Nordstream now is running at only 20%, so - even if storage levels were to somehow get to 90% or 95% - it just isn't enough. If Russia cuts supply even if reserves are replenished in line with government targets, gas reserves will last less than 3 months. Rationing is a high probability.





#eu #energy-crisis

Gazprom to shut pipeline for 3 days in new shock to Europe. Nord Stream link will shut for maintenance Aug. 31 to Sept. 2. Curbs on shipments now are stoking prices, and rush for storage.



Source: HolgerZ, Bloomberg

#macro

#eu #energy-crisis

An important energy policy U-turn in Germany. .



WSJ

◆ WSJ NEWS EXCLUSIVE | EUROPE

Germany to Keep Last Three Nuclear-Power Plants Running in Policy U-Turn

Move prompted by the mounting economic war with Russia marks the first departure from a two-decade policy to abandon nuclear energy

Source: WSJ

#eu #energy-crisis

Europe is so desperate for Natural gas that it's importing an LNG cargo from Australia (!!)

LNG from Australia was re-loaded in Malaysia and is now going to UK. Australia has never shipped LNG to Europe in Bloomberg data going back to 2016.

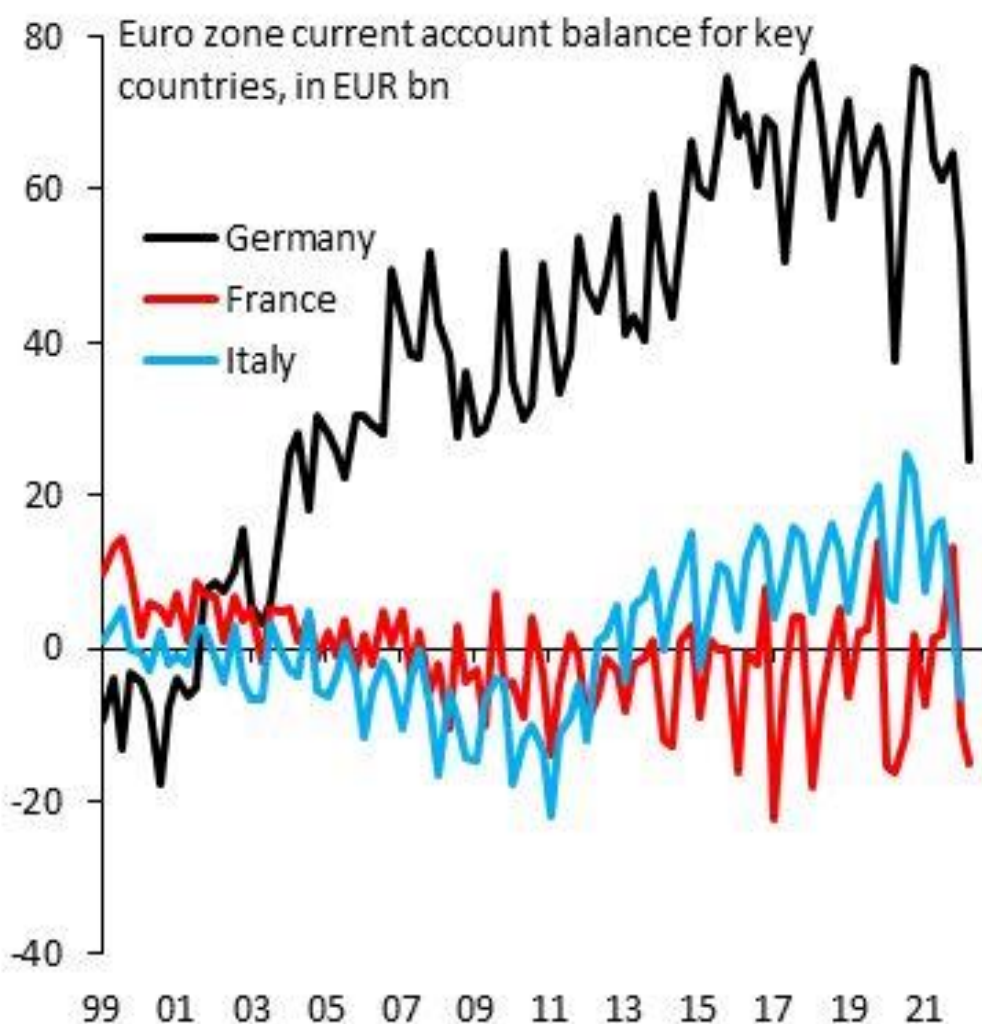


Source: Bloomberg, Stephen Stapczynski



#eurozone #current-account

The Eurozone is in trouble. The German current account surplus is back to levels last seen in the early 2000s, when Germany was the "sick man" of Europe.



Source: Robin Brooks



#germany #recession

Recession in Germany? In the latest Bloomberg Economists survey, experts put the probability of an economic contraction in Germany within 1-year at well over 50%..



Source: Bloomberg

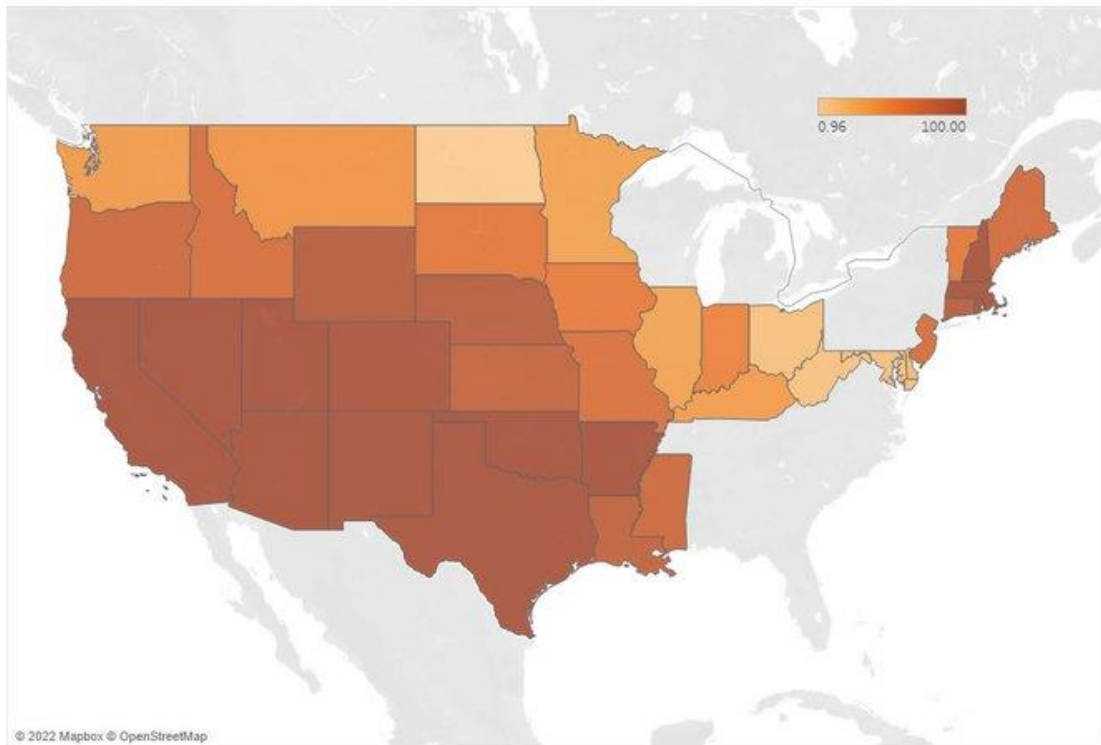


#us #drought

Very little rain in much of United States ... nearly 70% of country is at least abnormally dry; 40% is in severe drought or worse.

US Drought Map

Percentage per State Suffering From a D2(Severe) Drought as of July 26, 2022



© 2022 Mapbox © OpenStreetMap

Data Source: droughtmonitor.unl.edu

© 2022 Arbor Research & Trading, LLC. All Rights Reserved
datascience.arborresearch.com

Source: Arbor Research



#centralbanks

#global #central-banks #rates

Global Central Bank Update:

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Month
Switzerland	Target Rate	-0.25%	3.4%	-3.7%	Hike	Jun-22
Denmark	Deposit Rate	-0.10%	8.7%	-8.8%	Hike	Jul-22
Japan	Policy Rate Bal	-0.10%	2.6%	-2.7%	Cut	Jan-16
Eurozone	Deposit Rate	0.00%	8.9%	-8.9%	Hike	Jul-22
Sweden	Repo Rate	0.75%	8.5%	-7.8%	Hike	Jun-22
Thailand	Policy Rate	0.75%	7.6%	-6.9%	Hike	Aug-22
Taiwan	Discount Rate	1.50%	3.4%	-1.9%	Hike	Jun-22
Norway	Deposit Rate	1.75%	6.8%	-5.1%	Hike	Jun-22
UK	Bank Rate	1.75%	10.1%	-8.4%	Hike	Aug-22
Australia	Cash Rate	1.85%	6.1%	-4.3%	Hike	Aug-22
South Korea	Repo Rate	2.25%	6.3%	-4.1%	Hike	Jul-22
Malaysia	Policy Rate	2.25%	3.4%	-1.2%	Hike	Jul-22
US	Fed Funds	2.38%	8.5%	-6.1%	Hike	Jul-22
Canada	Overnight	2.50%	7.6%	-5.1%	Hike	Jul-22
Hong Kong	Base Rate	2.75%	1.8%	1.0%	Hike	Jul-22
New Zealand	Cash Rate	3.00%	7.3%	-4.3%	Hike	Aug-22
Saudi Arabia	Repo Rate	3.00%	2.7%	0.3%	Hike	Jul-22
Indonesia	Repo Rate	3.50%	4.9%	-1.4%	Cut	Feb-21
China	Loan Prime Rate	3.70%	2.7%	1.0%	Cut	Jan-22
Philippines	Key Policy Rate	3.75%	6.4%	-2.7%	Hike	Aug-22
India	Repo Rate	5.40%	6.7%	-1.3%	Hike	Aug-22
South Africa	Repo Rate	5.50%	7.4%	-1.9%	Hike	Jul-22
Poland	Repo Rate	6.50%	15.6%	-9.1%	Hike	Jul-22
Peru	Policy Rate	6.50%	8.7%	-2.2%	Hike	Aug-22
Czech Republic	Repo Rate	7.00%	17.5%	-10.5%	Hike	Jun-22
Russia	Key Policy Rate	8.00%	15.1%	-7.1%	Cut	Jun-22
Mexico	Overnight Rate	8.50%	8.2%	0.4%	Hike	Aug-22
Colombia	Repo Rate	9.00%	10.2%	-1.2%	Hike	Jul-22
Chile	Base Rate	9.75%	13.1%	-3.4%	Hike	Jul-22
Turkey	Repo Rate	13.00%	79.6%	-66.6%	Cut	Aug-22
Brazil	Target Rate	13.75%	10.1%	3.7%	Hike	Aug-22
Argentina	Benchmark Rate	69.50%	71.0%	-1.5%	Hike	Aug-22

COMPOUND

@CharlieBilello




Source: Charlie Bilello

#centralbanks

#fed #balance-sheet

With inflation hitting a 40-yr high, the Fed has increased their balance sheet by another 1% this year, following a 19% increase in 2021 & 77% increase in 2020.

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	8,850	92	1.1%
	Period	\$ Increase (in Billions)	% Change
	2002-22	8,118	1109%

 @CharlieBilello



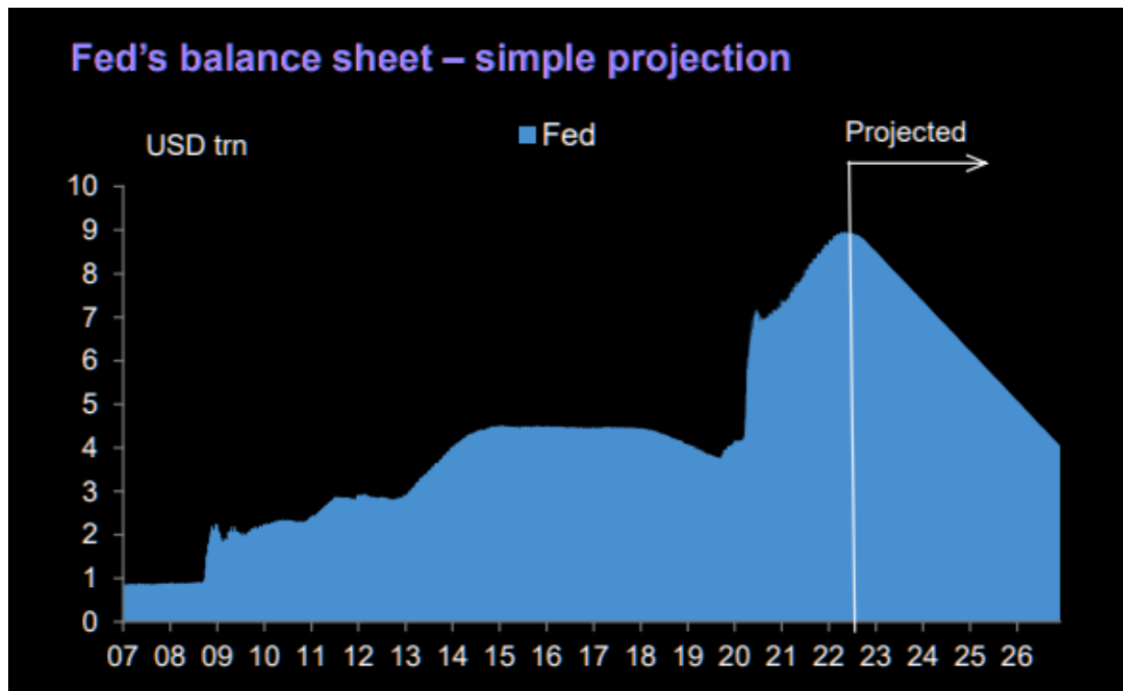
Source: Charlie Bilello

#centralbanks

#fed #qt

Mizuho writes: "For now, QT in its early stages is still consistent with a softish landing + lower yields scenario. But the sequencing is important. Further down the line there are risks that QT could evolve into a hard landing with both risk assets and rates selling off. Alternatively, if risk assets are performing it's hard to see households buying enough rates products to support the market. – There should not be any high conviction around the sustainability of QT as currently laid out through 2023."

The "sequencing" of QT



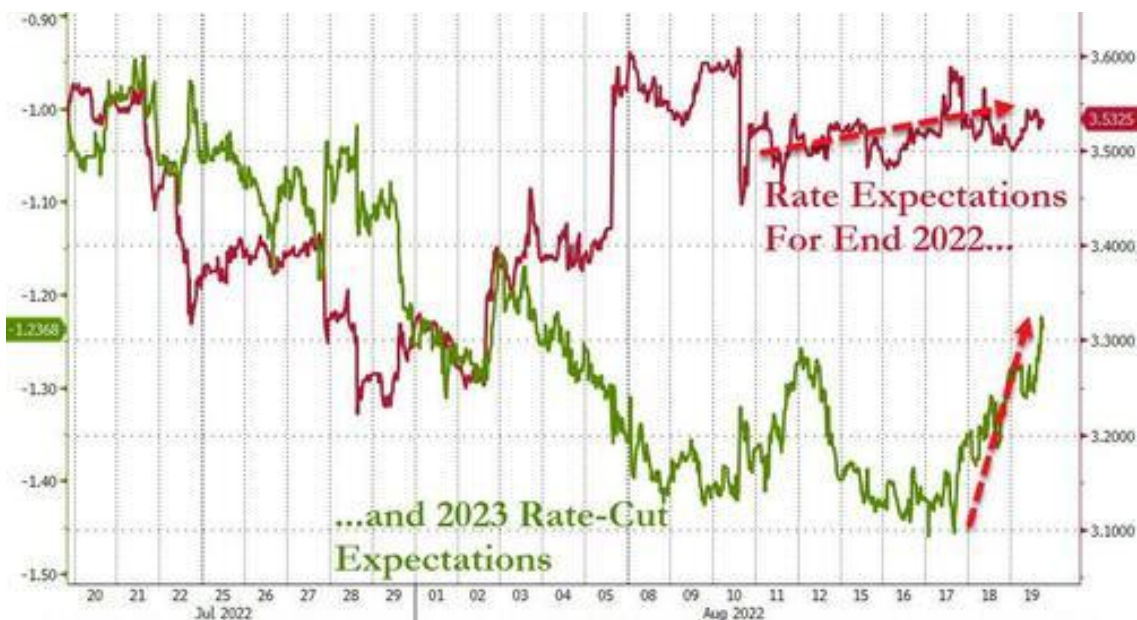
Source: Mizuho

Source: Mizuho

#centralbanks

#fed #rates #expectations

Comments from Richmond Fed president Barkin on Friday summed a week of hawkish prompts from the central bank that a pivot ain't coming soon "The Fed must curb inflation even if this causes a recession," adding that The Fed "needs to raise rates into restrictive territory." All of which sent rate-cut expectations plunging on the week while rate-hike expectations remained high...



Source: www.zerohege.com, Bloomberg

#centralbanks

#ecb #rates #expectations

Inflation outlook in the Eurozone hasn't improved since ECB raised rates by 50bps in July, Exec Board member Isabel Schnabel said, suggesting that another 50bps hike may be coming next month. Such an increase seems to be priced by the markets already (according to the curve there is a 84% probability of 50bps hike on September 8th).

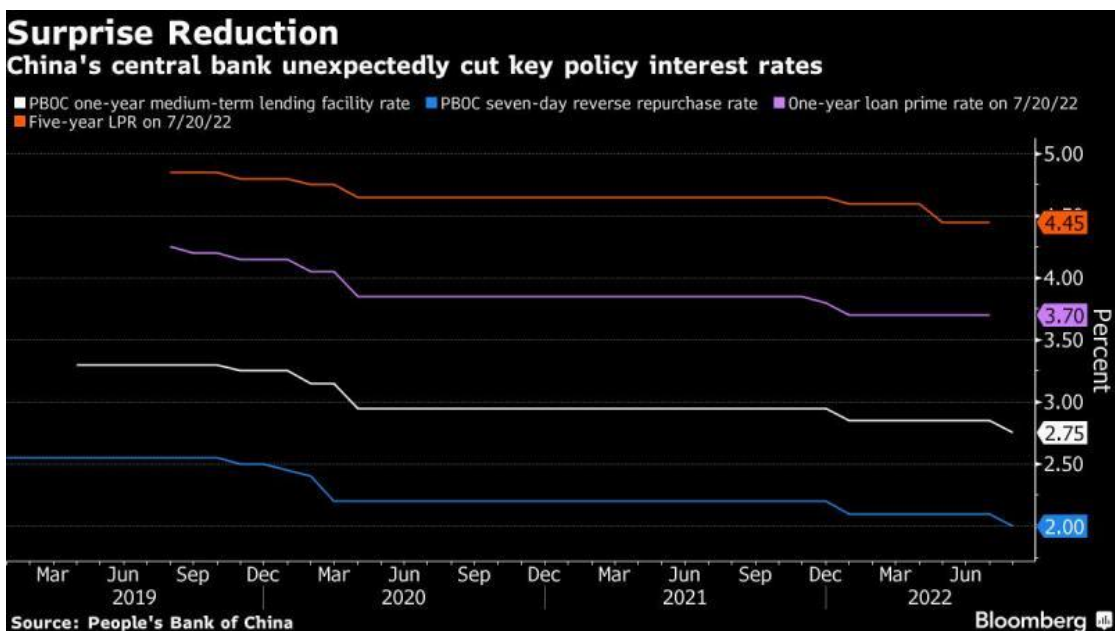


Source: Bloomberg

#centralbanks

#china #pbo

China shocks with rate cut as data show 'Alarming' slowdown.

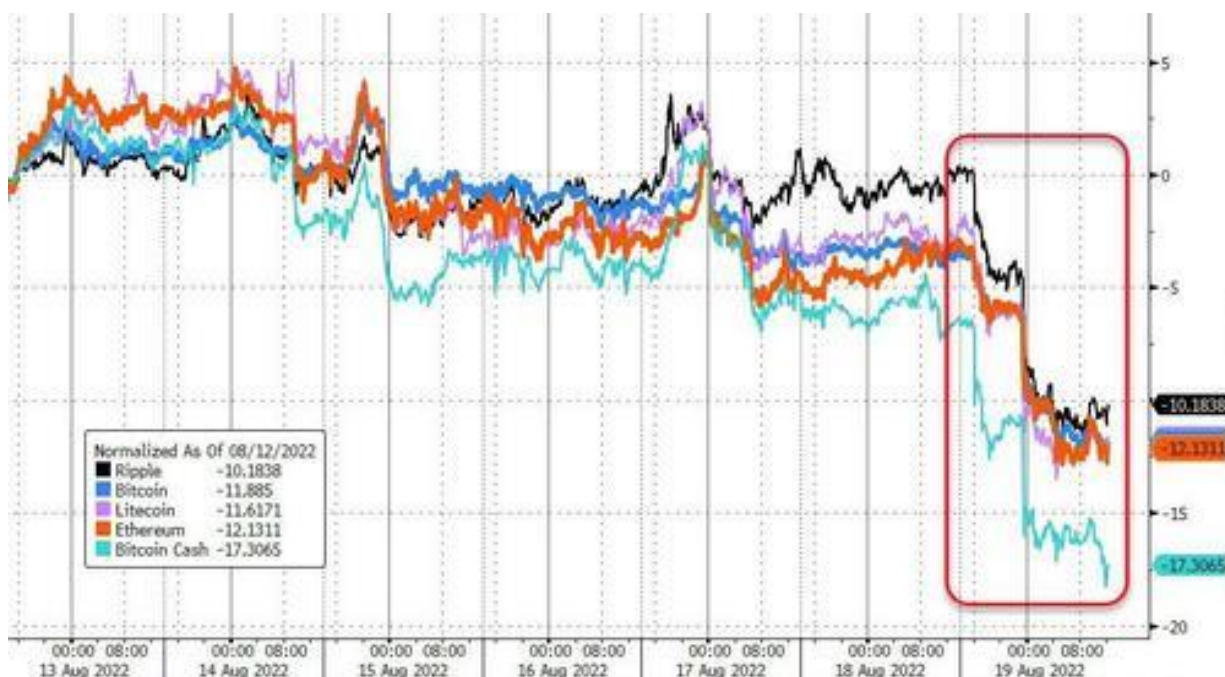


Source: Bloomberg



#cryptocurrencies #weekly #performance

Cryptos were monkeyhammered lower as the week progressed with ETH and BTC down around 12%...



, Source: Bloomberg, www.zerohege.com



#bitcoin

BTC is once again below the 200 week moving average

BTC - back below the "long long" term moving average



Source: Refinitiv

Source: The Market Ear

#food-for-thought

#sp500 #history

Bull vs. bears... choose your side...

For the Bulls



For the Bears



Data Source: FitchIHS - 8/16/2022 13:38

Source: Nautilus Research



Source: xxx

#food-for-thought

#swiss #watches

Swiss watch exports rose again in July, increasing to near record levels and notching their highest value in eight years as demand for pricey Rolex, Omega and Vacheron Constantin timepieces booms. Exports rose 8.3% in July compared to the same month in 2021 to 2.2 billion Swiss francs (\$2.3 billion), the Federation of the Swiss Watch Industry said Thursday. That's the highest value for exports of Swiss watches since a record performance in October 2014.

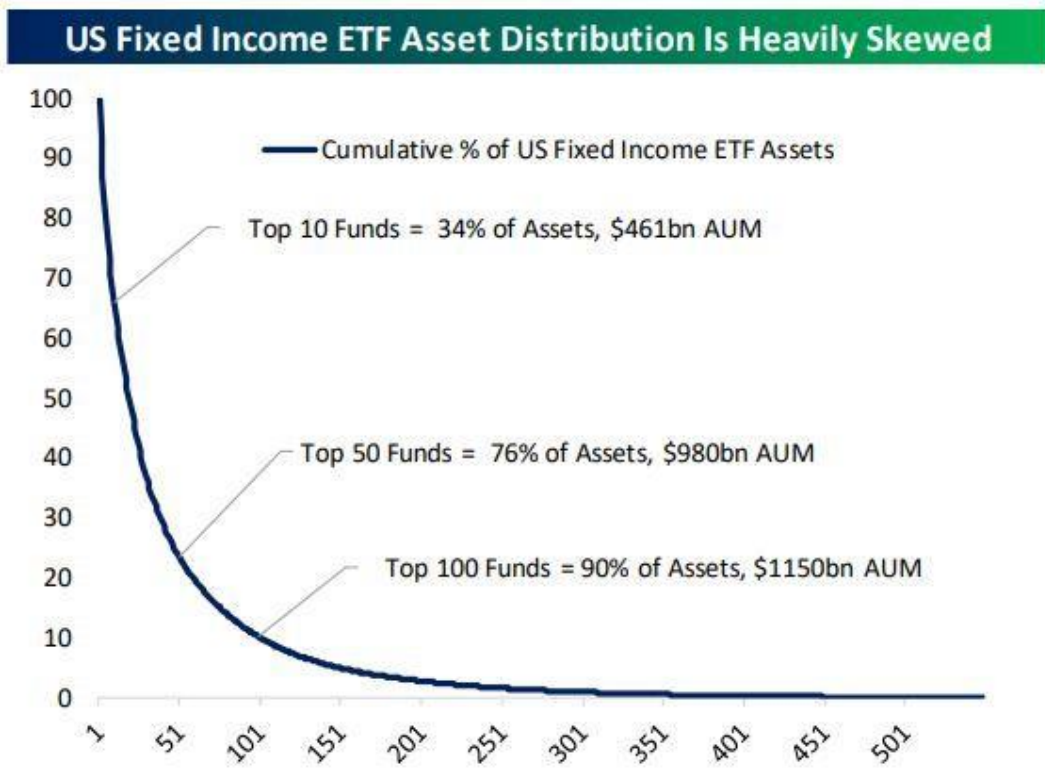


Source: Federation of the Swiss Watch Industry

#food-for-thought

#fixed-income #etf

Top 10 US Fixed income ETFs = 34% of Assets (\$461bn AuMs)



Source: Bespoke

#food-for-thought

#russia #sanctions

Several major Wall Street banks have begun offering to facilitate trades in Russian debt in recent days, according to bank documents seen by Reuters, giving investors another chance to dispose of assets widely seen in the West as toxic. Bank of America, Barclays, Citi and JPMorgan declined to comment. A Jefferies spokesperson said it was "working within global sanctions guidelines to facilitate our clients' needs to navigate this complicated situation."



Source: Reuters

#food-for-thought

#norges

Norway's sovereign wealth fund in one chart.

Norway's oil fund is larger than the combined wealth of the richest 10 people in the world

Data: Forbes, Norges Bank Investment Management
Graph by: @rubenbmathisen (Twitter)

Norway's Oil Fund

\$1339 B



Top 10 Richest People

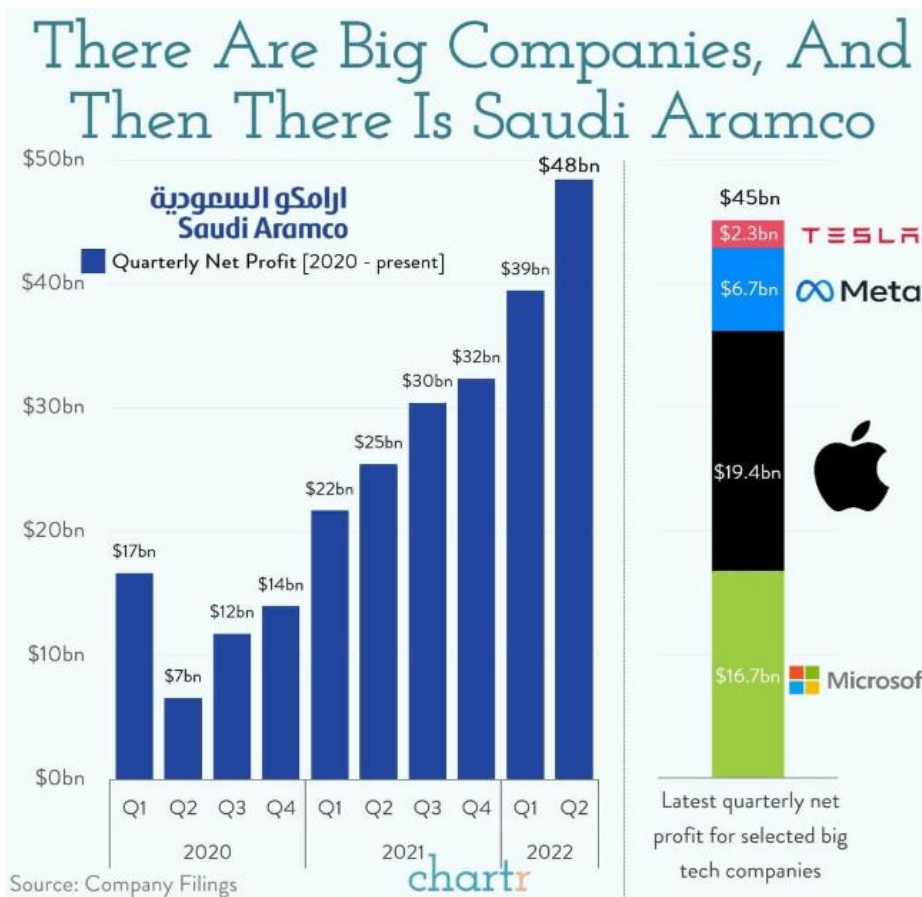
\$1307 B



#food-for-thought

#aramco

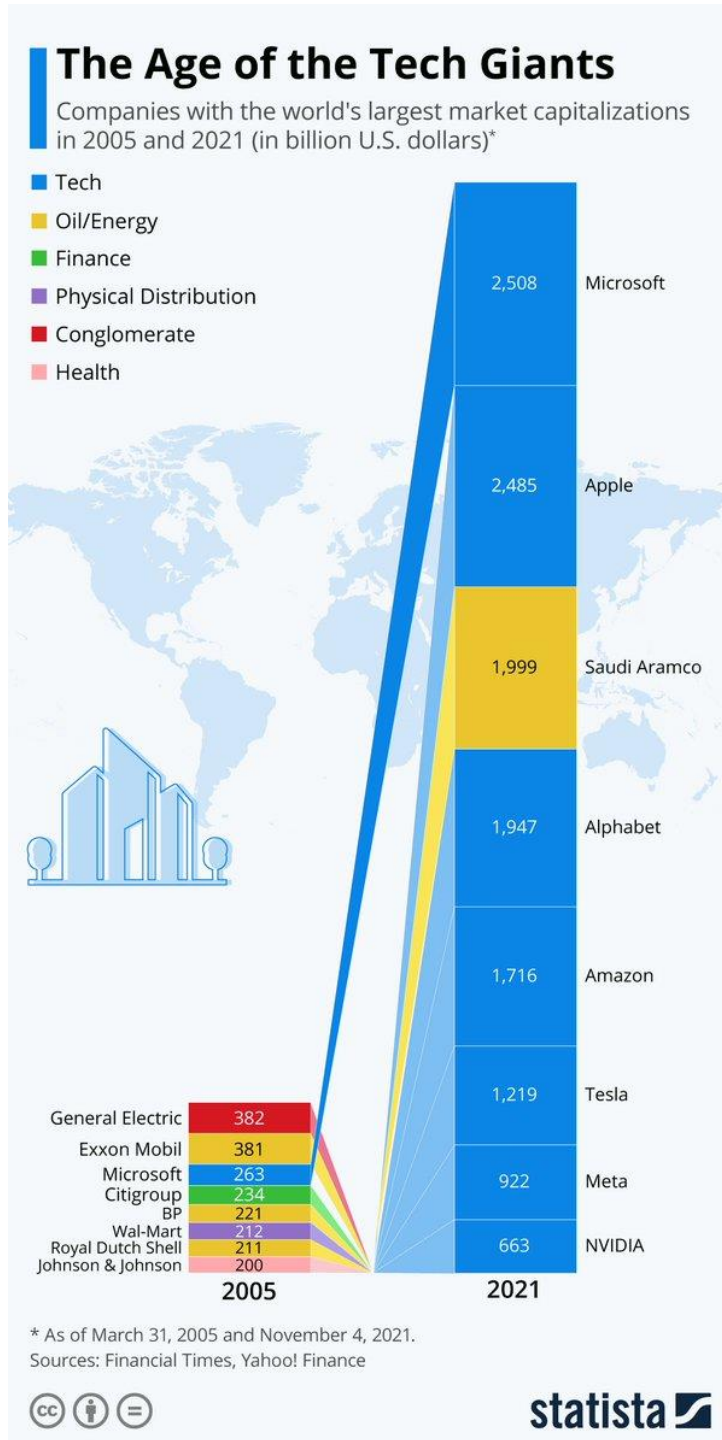
It's hard to convey how big Saudi Aramco truly is — but the best bet is to compare it against the behemoths of big tech. Aramco's net income more than doubles Apple's comparatively measly \$19.4bn in their latest quarter — and it takes adding Microsoft, Meta and Tesla to get to a number that's even slightly comparable to what Aramco pulled in for Q2.



Source: Chartr

#food-for-thought

#tech



#food-for-thought

#google

Google went public on Aug. 19, 2004. It ended up pricing 19.6 million shares at \$85, the low end of its revised price expectation of \$85-\$95. It went public, insisting on using the controversial Dutch auction method. In a Dutch auction, investors enter their bids for the number of shares they want to purchase as well as the price they are willing to pay. The allotment is given to the highest bidders on down until all the stock is sold. A lot of people weren't sure what it did or how it would fly as a listed company. It's sounds ridiculous, but explaining the concept of a search engine in 2004 was a stretch, even though it had been out for a few years. Even if you could explain it, a few could figure out how you could make a multibillion industry out of it. It closed the first day at \$100.34, a price gain of 18%. At \$100, the stock was already trading at roughly 40 times earnings.



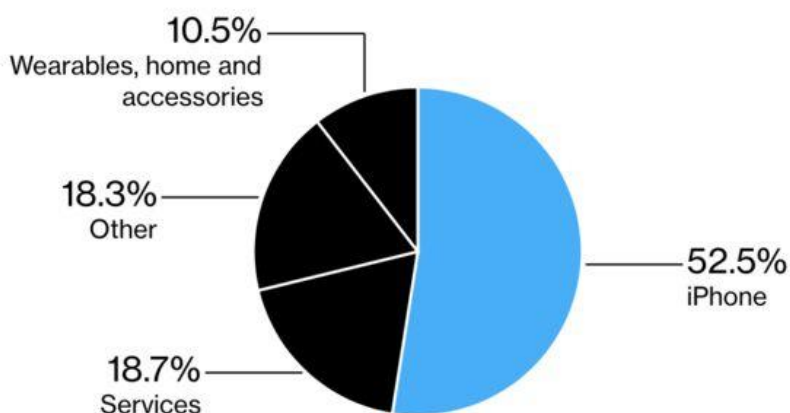
#food-for-thought

#apple #iphone

Apple targets September 7th for the release of iPhone 14: the company's cash cow.

Main Moneymaker

The iPhone accounted for more than half of Apple's sales last year



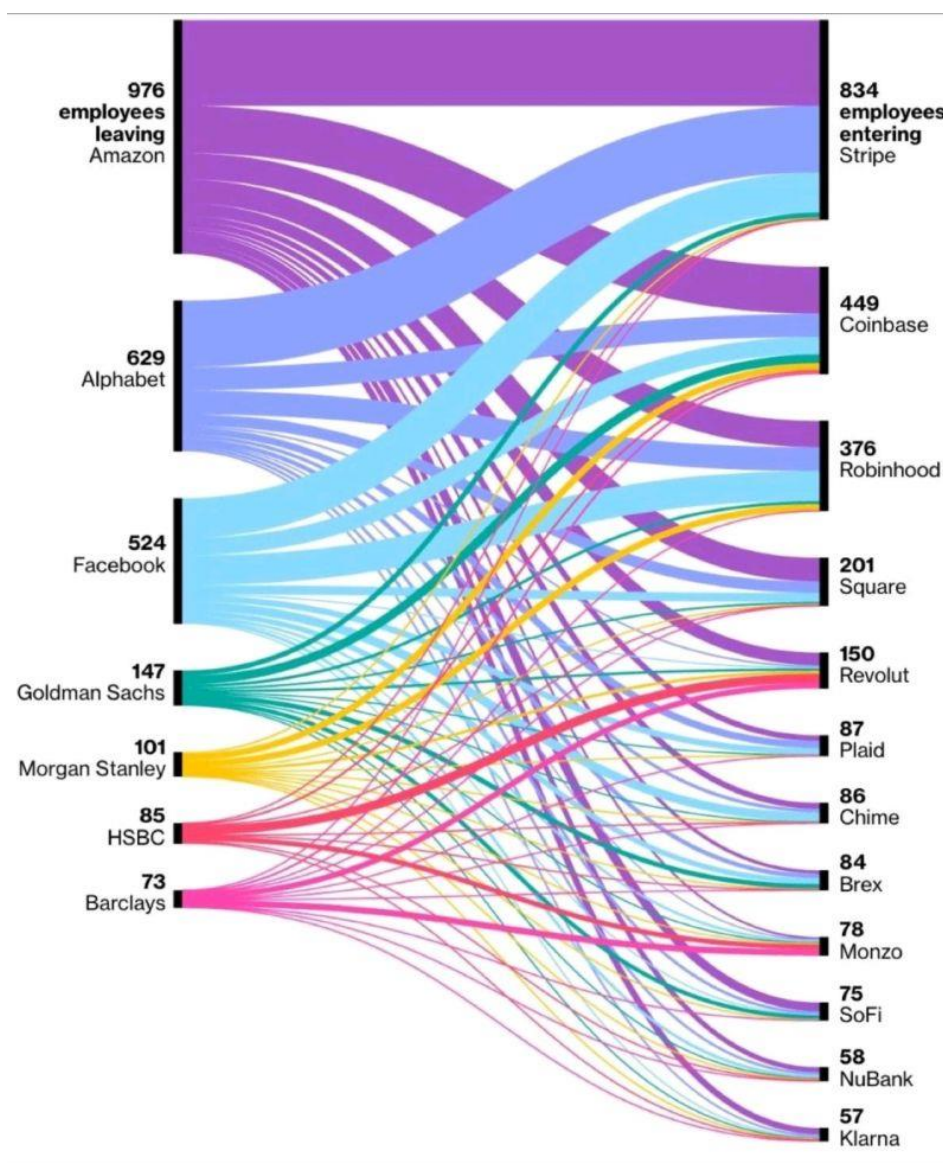
Sources: Company reports, Bloomberg

Source: Bloomberg

#food-for-thought

#talent #war

Here is a chart showing how employees move from their previous work to 2.0 or 3.0 companies.



#food-for-thought

#flow #wework

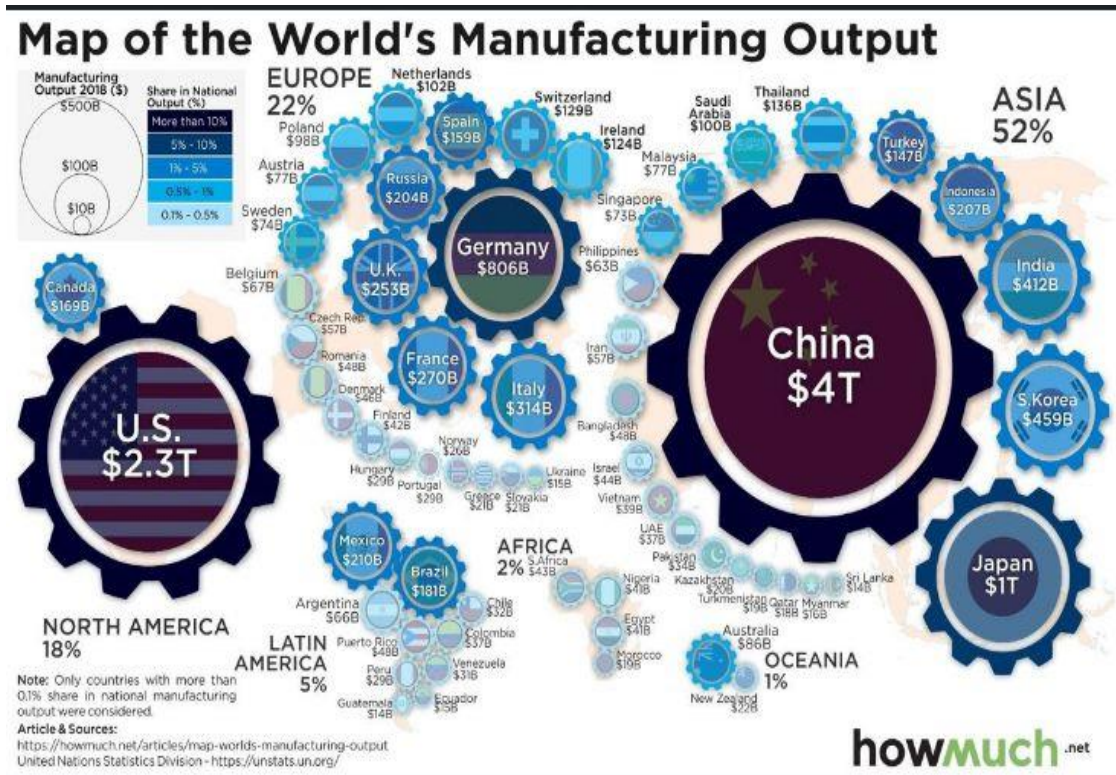
The guy that lost \$40 billion with his last company is back in the game.



#food-for-thought

#manufacturing

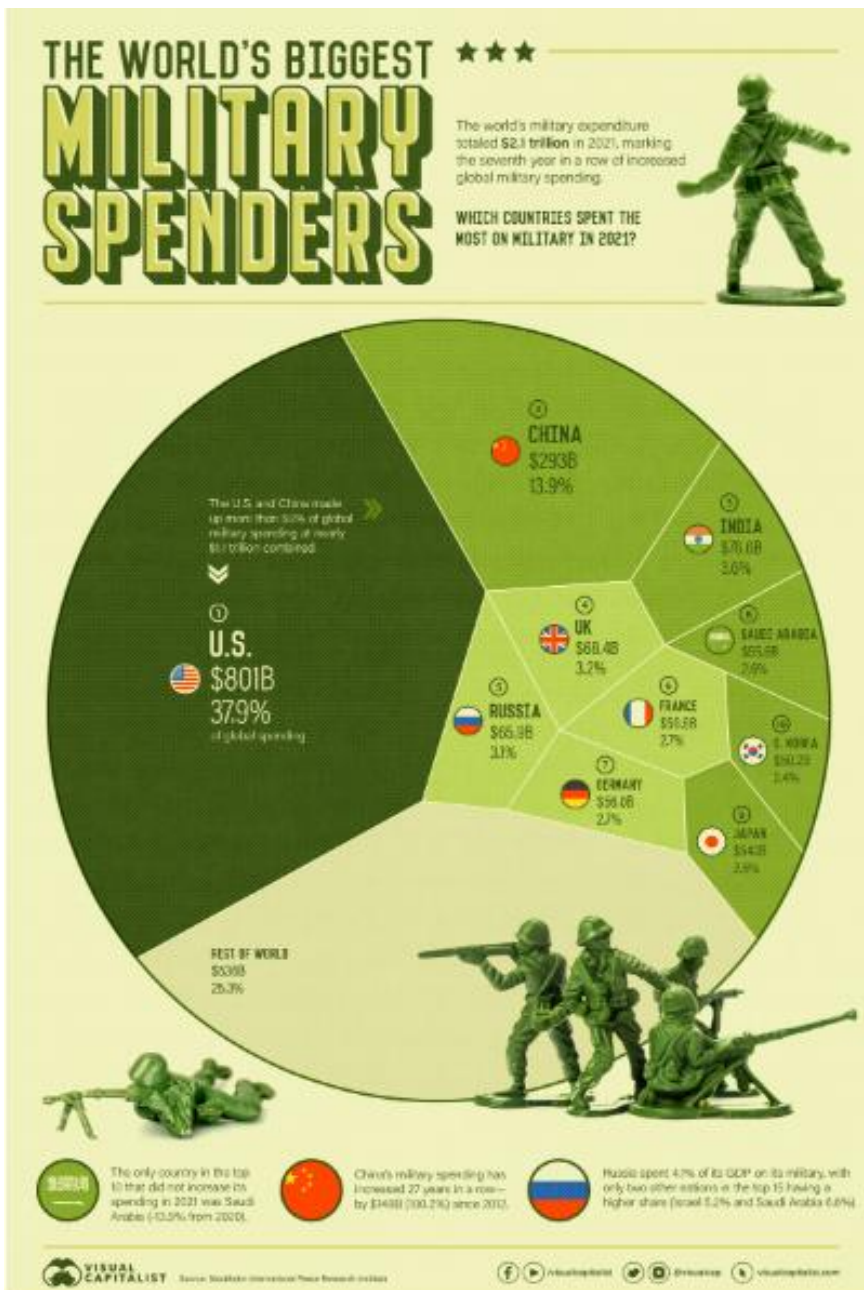
Map of the World's #manufacturing Output by howmuch.net



Source: howmuch.net

#food-for-thought

#military-spending



#food-for-thought

#africa #commodities



#food-for-thought

#wood #scarcity

Is Wood the new Gold?

Wall Street Silver @WallStreetSilv · 22h

When they are hoarding wood for the winter, you know it is getting serious.

Bulgaria

Bulgaria to ban export of wood to non-EU countries

August 17, 2022 The Sofia Globe staff

Source: Wall Street Silver

#food-for-thought

#market-timing

"It is only those who sell in panic in declines who become the real losers of the volatility inherent in financial markets." ~ Francois Rochon

H/T @dhaval_kotecha

Year	Crisis Event	Market Correction	5 years +
1956-1957	Suez Canal Crisis	-18%	100%
1962	Cuban Missile Crisis	-22%	87%
1967	6-day war in Israel	-22%	85%
1970	Recession	-33%	47%
1973-74	Oil Shock / Recession	-48%	106%
1979	2nd Oil Shock	-18%	106%
1982	Recession (interest rate 15%)	-24%	240%
1987	Stock Market Crash	-36%	104%
1990	Recession / Iraq War	-13%	121%
1997-98	Asian crisis	-21%	28%
2000-2002	End of the techno bubble	-50%	98%
2008-2009	Financial Crisis / Recession	-56%	207%
August 2011	European crisis	-19%	107%
March 2020	Coronavirus crisis	-30%	?
Average		-29%	110%

Source: Compounding Quality



Source: xxx

#food-for-thought

#investment-discipline



Compounding Qual...

Follow

@QCompounding

Principle 6: Be disciplined.

Every investment strategy will underperform the market from time to time. As an investor you are running a marathon, not a sprint. Write down your investment goals and stick to your plan.



9:00 AM · 14 Aug 22 · [Twitter Web App](#)

#food-for-thought

#berkshire-hathaway

Berkshire's top 10 holdings at the end of Q2

Company	Ticker	Value \$ billion	% change in shares
Apple	AAPL	122.3	0.4%
Bank of America	BAC	31.4	UNCH
Coca-Cola	KO	25.2	UNCH
Chevron	CVX	23.4	1.4%
American Express	AXP	21.0	UNCH
Kraft Heinz	KHC	12.4	UNCH
Occidental Petroleum	OXY	9.3	16.3%
Moody's	MCO	6.7	UNCH
US Bancorp	USB	5.5	-5.2%
Activision Blizzard	ATVI	5.3	6.4%

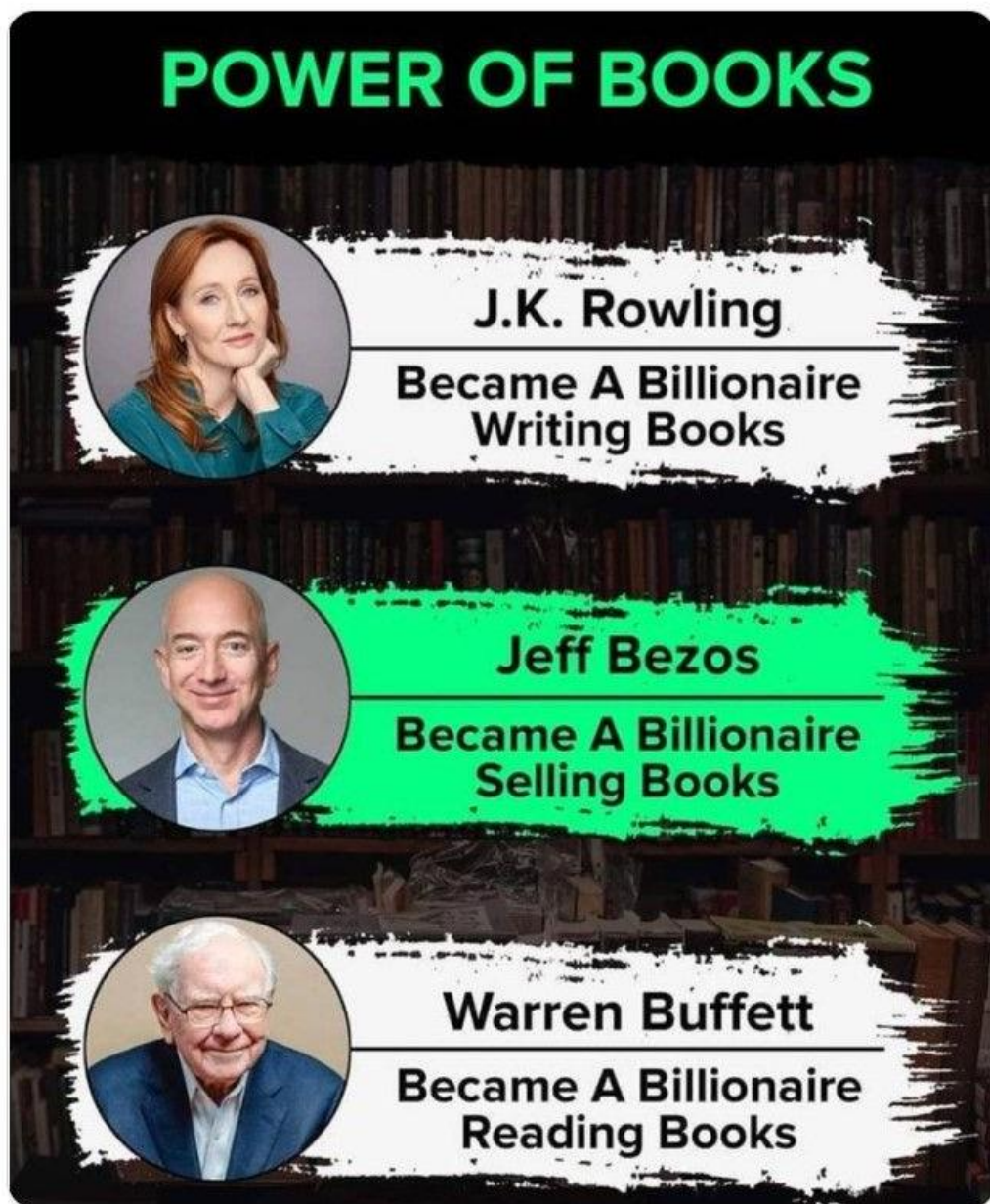
Source: SEC filings, InsiderScore



Source: CNBC

#food-for-thought

#books



#food-for-thought

#motivation

**STOP BEING
AFRAID OF
WHAT COULD
GO WRONG,
AND START
BEING EXCITED OF
WHAT COULD GO RIGHT.**

— TONY ROBBINS

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...