

## Chart of the week

### A NON-EVENT THAT LED TO A SEA OF RED

The U.S. stock market wiped out \$1.25 trillion of market cap after Federal Reserve chair Jay Powell emphasized his resolve to hoist interest rates to curb inflation in a hawkish address on Friday at the annual Jackson Hole central banking summit. Friday's fall in US equities was broad, with 99 per cent of the companies on the S&P 500 down on the day.

#### Before Powell - After Powell



Source: Trading View, Lawrence McDonald

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## US Rates worries drove stocks sharply lower

In a week of mostly light summer trading, stocks pulled back sharply as investors became less optimistic that the Fed will be able to tame inflation without causing a significant economic slowdown. Growth stocks fared worst in this environment as the Nasdaq Composite Index fell to its lowest level in a month. Rising oil prices fed into inflation worries but also boosted energy stocks. Most of the market's moves came at the end of the week as central bankers gathered at the Fed's annual symposium in Jackson Hole. Fed Chairman Powell's comments were "resolutely hawkish", leading to a sharp decline of global stocks on Friday. Indeed, previous expectations of a Fed pivot seem premature, leading investors to anticipate a reversal of the summer rally. Much of the week's economic data surprised on the downside. However, the U.S. Treasury yields moved higher for much of the week. In Europe, the STOXX Europe 600 Index ended the week 2.6% lower. Core eurozone government bond yields moved higher amid rising expectations of more sharp increases in interest rates. The surge of natural gas prices also weighed on sentiment. Eurozone business activity shrank for a 2<sup>nd</sup> consecutive month in August, another sign of a possible recession in Q3. China's stock markets declined as extreme temperatures and power shortages in some provinces raised concerns about the growth outlook. Oil moved higher.

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

27 AUGUST 2022

#markets

#markets #stats #weekly

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	32,283	-4.2%	-11.2%
S&P 500 Index	4,058	-4.0%	-14.9%
NASDAQ	12,142	-4.4%	-22.4%
MSCI EAFE	1,898	-1.1%	-18.7%
10-yr Treasury Yield	3.02%	0.0%	1.5%
Oil (\$/bbl)	\$92.92	2.7%	23.5%
Bonds	\$101.63	-0.4%	-9.7%

Source: Factset. 08/26/2022. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. \* Source: 4-day performance ending on Thursday.

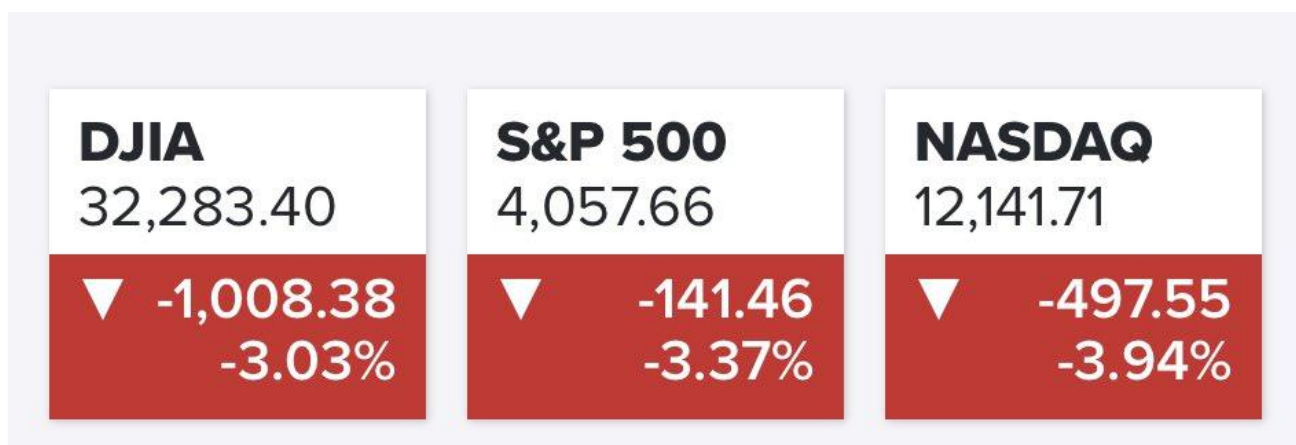
Source: Edward Jones

#markets

## #jackson-hole

Stocks' reaction to Fed Chair Powell's (rightly) hawkish words.

Consistent with their earlier decoupling, Treasury yields ended the day nearly unchanged. Consistency of Fed messaging is critical, something that has eluded it, as is addressing remaining issues...



Source: Mohamed El-Erian



## #jackson-hole

US stocks tumbled after Fed chair Jay Powell emphasised his resolve to hoist interest rates to curb inflation in a hawkish address on Friday at the annual Jackson Hole central banking summit. Wall Street's S&P 500 index fell 3.4 per cent, while the Nasdaq Composite slid 3.9 per cent. It was the biggest one-day decline for both indices since mid-June.



Source: FT



#markets #stats #weekly

The S&P 500 closed down 3.4% today, its 7th daily decline of 3% or more this year. In the last 70 years, the only years with more 3+% down days than we've already seen in 2022? 2008, 2009 and 2020...

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



Data as of 8/26/22

@CharlieBilello



Source: Charlie Bilello



## #sp500 #technicals

SPX crashed down below the big 4100 level. Consensus for a non even Jackson Hole was huge, so this comes as a surprise for a lot of people. A close below 4100 means this market could accelerate to the downside. First support should be the 4k area (50d MA) and then the 3900 level.

Published on Investing.com, 26/Aug/2022 - 20:01:23 GMT, Powered by TradingView.

S&P 500, United States, NYSE(CFD):US500, D

MA (50, close, 0)



Source: TME, CyclesFan

# #GLOBALMARKETS WEEKLY WRAP-UP

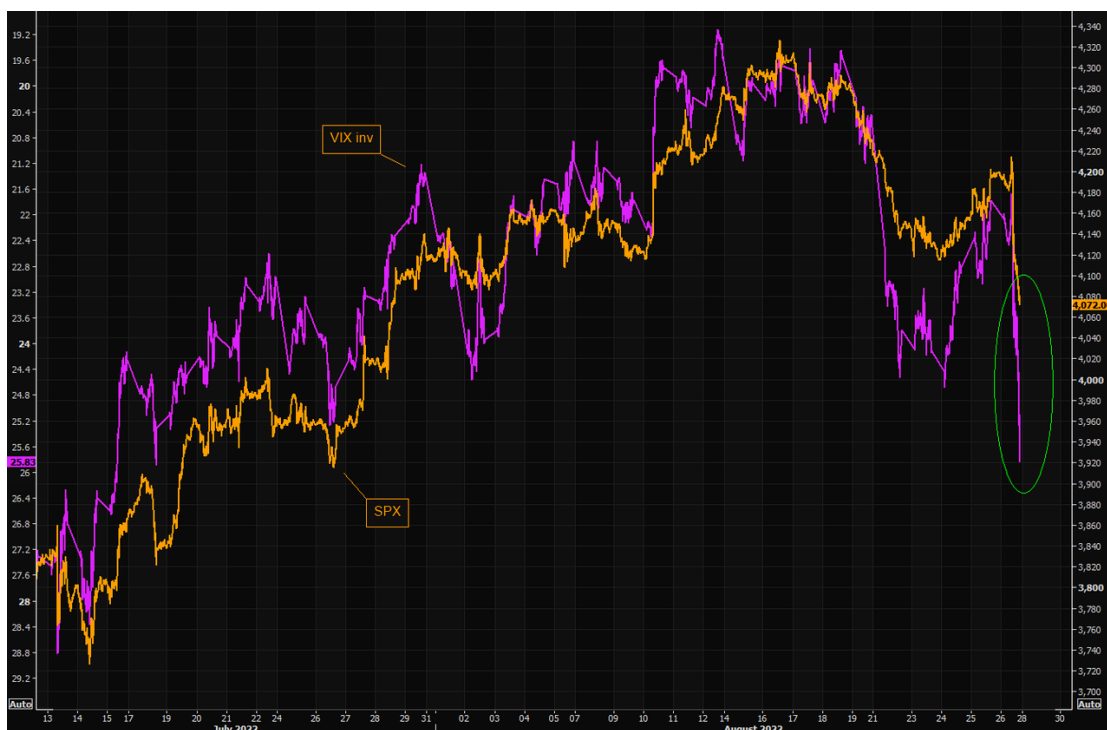
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## #sp500 #vix

We haven't seen the VIX behave like this in a while. Hopefully you loaded up on protection when you could...and not when you must.



Source: Edward Jones





## #vix #seasonality

Gentle reminder of VIX seasonality over the past 20 years.



Source: TME



#vix #us #equities #style



Jeff Weniger  
@JeffWeniger



In thousands of trading sessions from 1991-2021, I found that days that witnessed a rise in the VIX volatility index saw Value beat Growth in 49.6% of those sessions.

In other words, a coin toss. No relationship.

Now look at the last 100 trading sessions.

S&P 500 Last 100 Trading Sessions: Frequency of Occurrence			
When VIX Went Up		When VIX Went Down	
Value Beat Growth (# of Trading Sessions)	Growth Beat Value (# of Trading Sessions)	Value Beat Growth (# of Trading Sessions)	Growth Beat Value (# of Trading Sessions)
32	4	20	44

Source: Refinitiv, 100 Trading Sessions to 7/14/2022.  
File #0610

@JeffWeniger



## #GLOBALMARKETS WEEKLY WRAP-UP

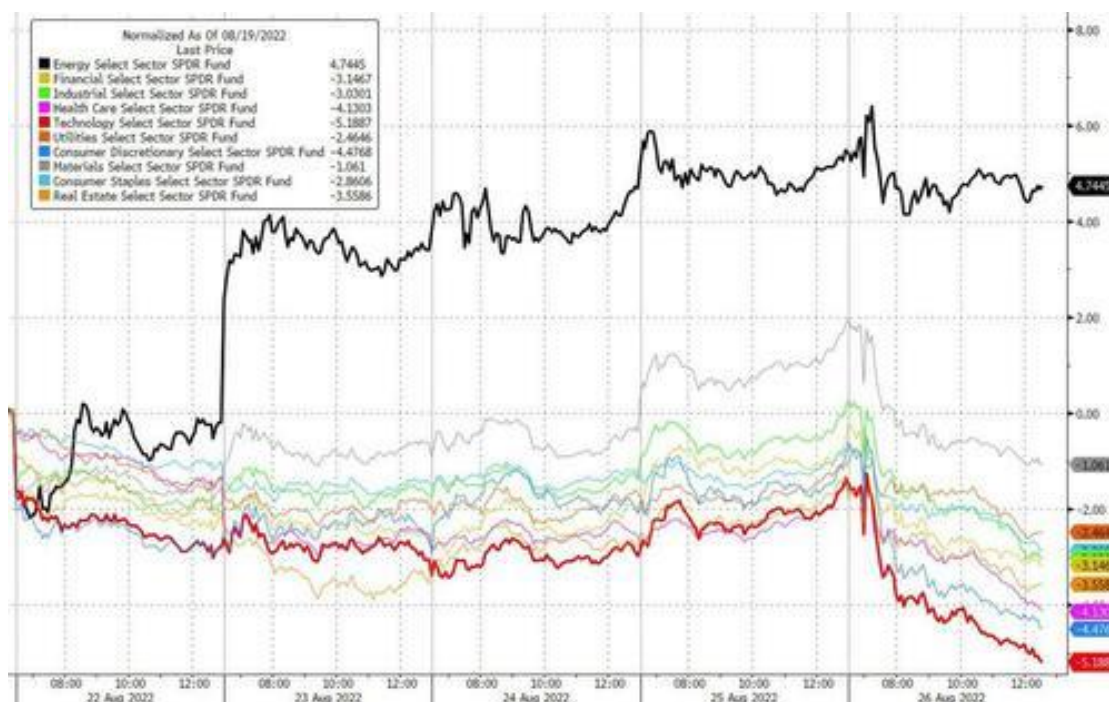
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#markets

### #us #equities #sectors

Energy was the only sector to end the week green while Tech was wrecked...

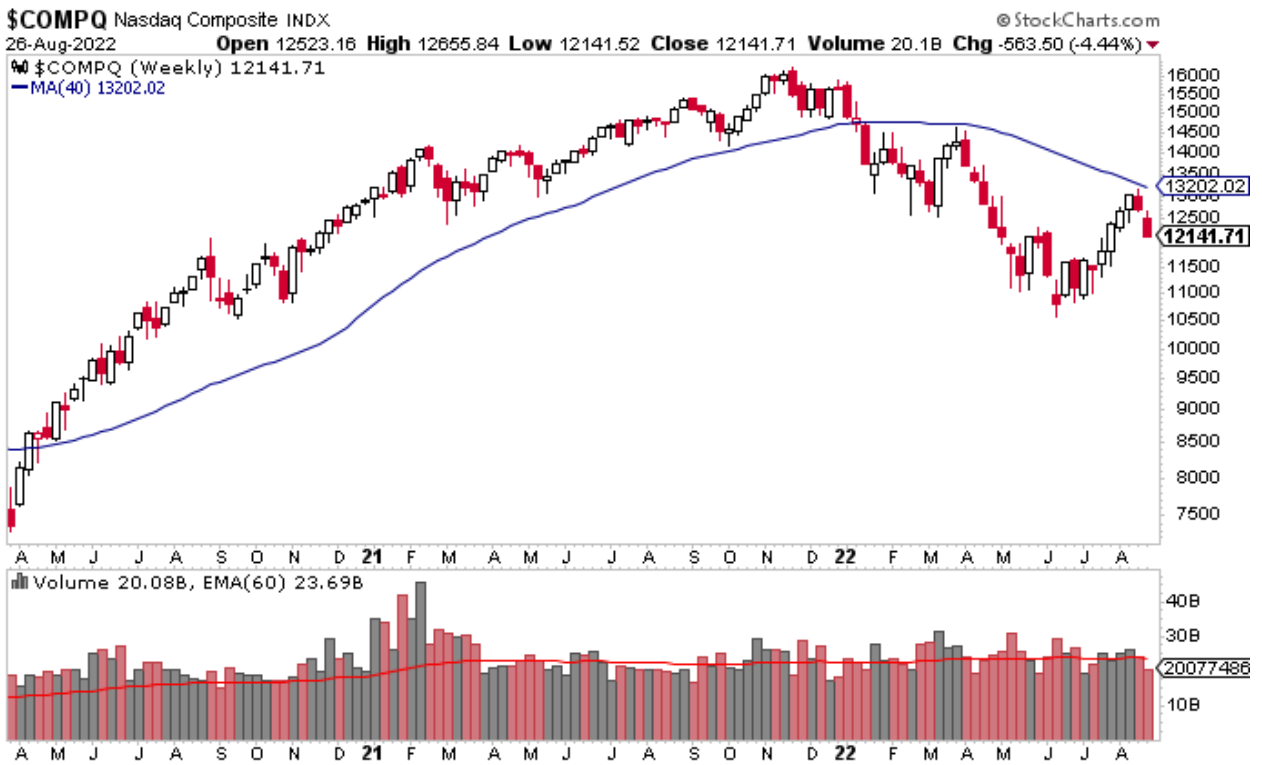


Source: [www.zerohedge.com](http://www.zerohedge.com)



## #nasdaq #technicals

Big down day on Friday, for a down week on lower (late summer) volume. Rejection of the declining 200d ma still forming for Nasdaq.



Source: Chris Perruna

#markets

## #us #equities #meme-stocks #nasdaq

The fast (and most sensitive) money was eager to deploy risk into the MEME stuff during the latest squeeze. Note that the MEME ETF is back to where it started....while NASDAQ remains elevated....



Source: TME

## #hedge-funds #shorts

Hedge funds are not letting up on short bets ... net futures positions for S&P 500 continue to plunge and are near lowest since June 2020. Which is also a recipe to short squeeze higher on any good news...



Source: Bloomberg, Liz Ann Sonders



## #us #equities #investors #sentiment #positioning

According to BofA, everyone's bearish but investors are not selling stocks. The chart below compares asset allocation to #equities as per latest BofA Fund Managers survey (the light blue line "what people say") with equities flows (the dark blue line "what people actually do").

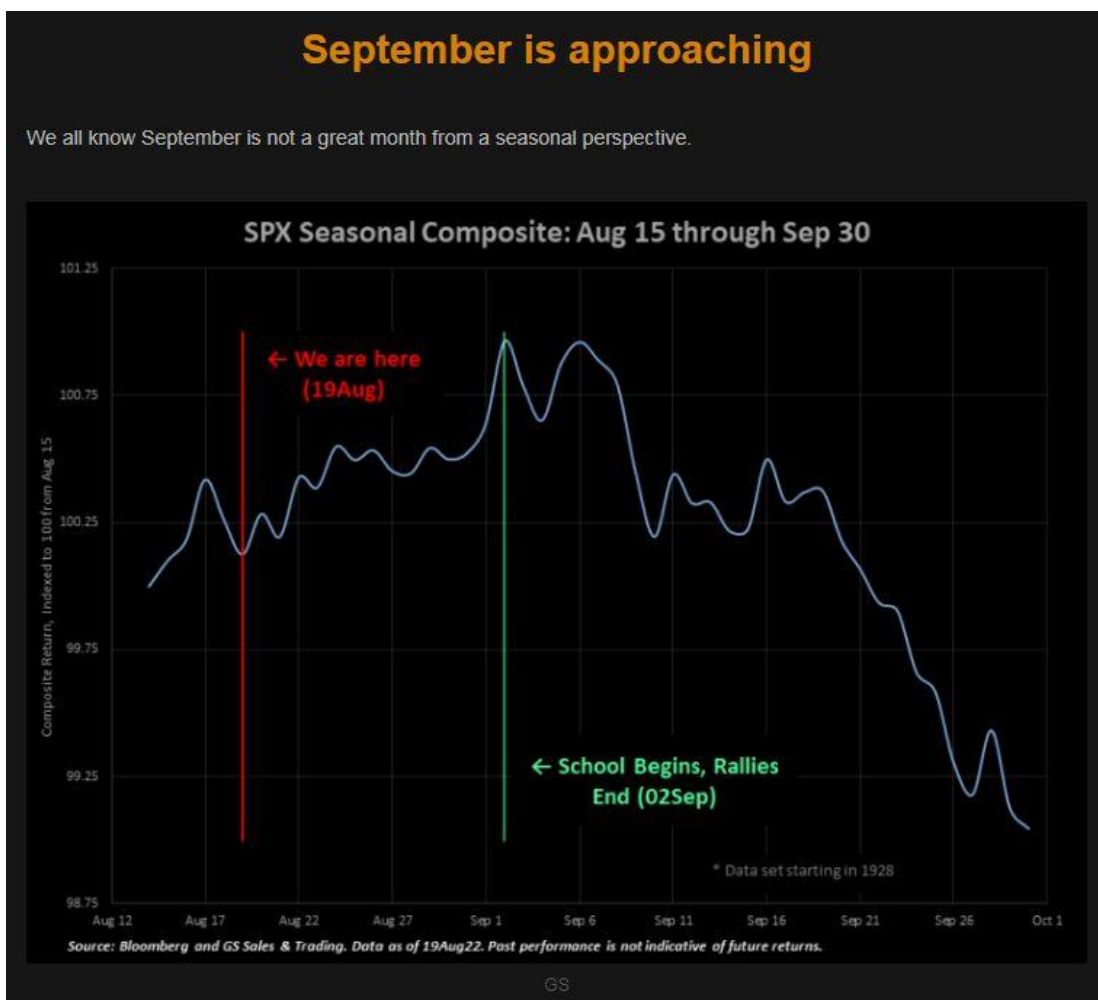


Source: BofA



## #us #equities #seasonality

September seasonality is approaching. Back to school is historically a challenging month for equity markets. But there are obviously some exceptions..



Source: Bloomberg, jedimarkus77





## #us #profit #margins

Some good news coming from US companies... profit margins not yet signaling recession... aggregate U.S. corporate profit margins rose to 15.5% in 2Q22, strongest since end of 1950.

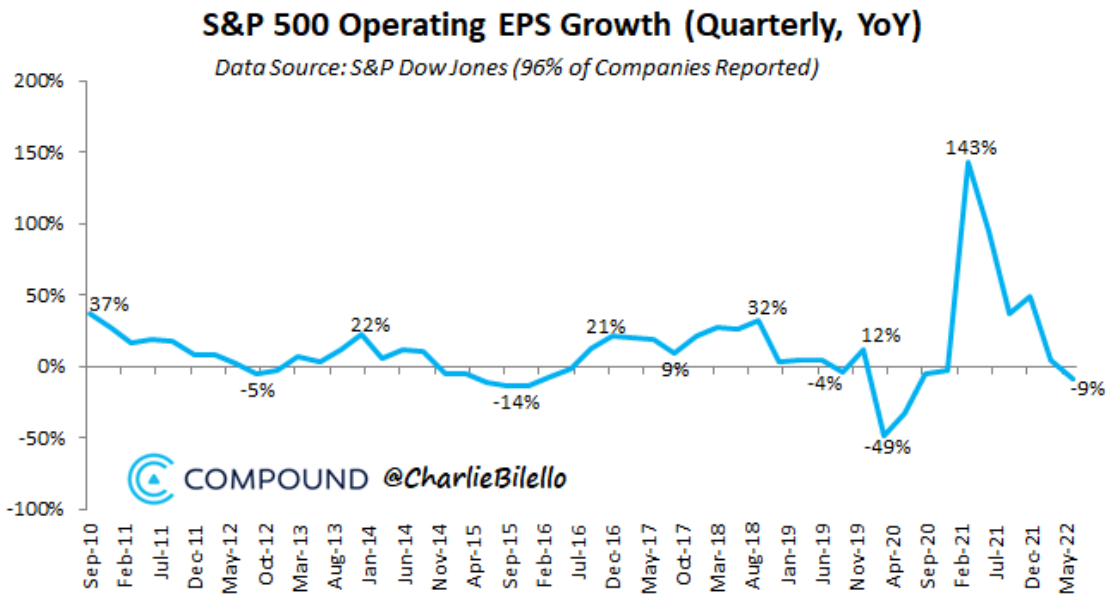


Source: Liz Ann Sonders, Bloomberg



## #us #operating #profit #growth

With 96% of companies reported, S&P 500 operating earnings are down 9% year-over-year, the largest YoY decline we've seen since Q2 2020. Earnings during the quarter were down 17% from their peak in Q4 2021 and the S&P 500 is currently down 15% YTD.



Source: Charlie Bilello



## #us #earnings #growth

Since S&P 500's peak on January 3, forward EPS (orange) have climbed despite rolling over of late; but for largest/most popular growth stocks (blue), forward EPS are down by ~7%.

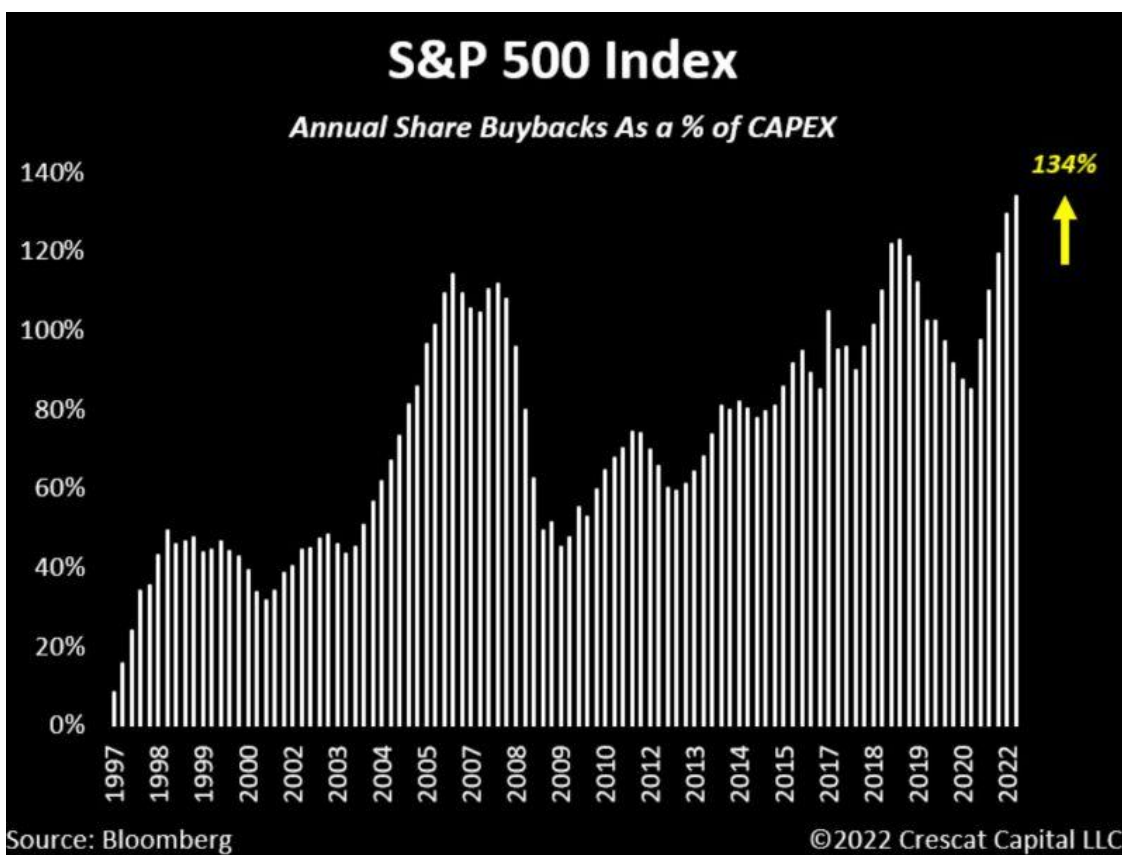


Source: Bloomberg, Liz Ann Sonders



## #us #equities #buybacks

As shown on the chart below by Tavi Costa / Crescat Capital / Bloomberg, US companies are doing more share buybacks versus investing in their own businesses than any other time in the last 25 years..



Source: Crescat Capital





## #german #equities

0.94 PER CENT. This is the Market Cap of all German stocks as % of the world market cap, a fresh new all-time low. In addition to European energy crisis reason, the is Euro is weak, now trading below parity w/Dollar at only 99.3 US cents for 1€.



Source: Bloomberg, HolgerZ



## #china #adrs

Chinese ADRs Spike After SEC Reaches Audit Agreement With Beijing. The U.S. and China, in their first measure of any type of diplomatic progress in months, appear to have reached a preliminary agreement on audit inspections for U.S. listed, China-based companies. China-linked U.S. listed stocks are rocketing higher in the pre-market session as a result. The KraneShares CSI China Internet ETF was up almost 5% on the news, as China-based tech stocks like Alibaba, JD and others were bid higher.



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**#BREAKING**

The China Securities Regulatory Commission and the Ministry of Finance signed an audit supervision cooperation agreement with the US PCAOB on Aug 26, and relevant cooperation will be launched soon, according to a statement on the CSRC's website.



**中国证券监督管理委员会**  
CHINA SECURITIES REGULATORY COMMISSION

建制度、不干预、零容忍

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**中国证监会、财政部与美国监管机构签署审计监管合作协议**

日期: 2022-08-26 来源: 证监会

中国证监会、中华人民共和国财政部于2022年8月26日与美国公共公司会计监督委员会 (PCAOB) 签署审计监管合作协议, 将于近期启动实施合作。

合作协议依据国家法律法规, 尊重国际通行做法, 贯彻对等互利原则, 就双方批准会计师事务所合作开展监管检查和调查活动作出了明确约定, 形成了符合双方法规和监管要求的合作框架。

合作协议的签署, 是中美双方监管机构在解决审计监管合作这一共同关切问题上迈出的重要一步, 为下一阶段双方的积极、专业、务实推进合作奠定了基础。依法推进跨境审计监管合作, 将有利于进一步提升会计师事务所执业质量, 保护投资者合法权益, 也有利于为企业依法合规开展跨境上市活动营造良好的国际监管环境。

2:13 PM · Aug 26, 2022
i



#markets

## #russia #profit #growth

Russian profits jumped in Q2 despite sanctions.



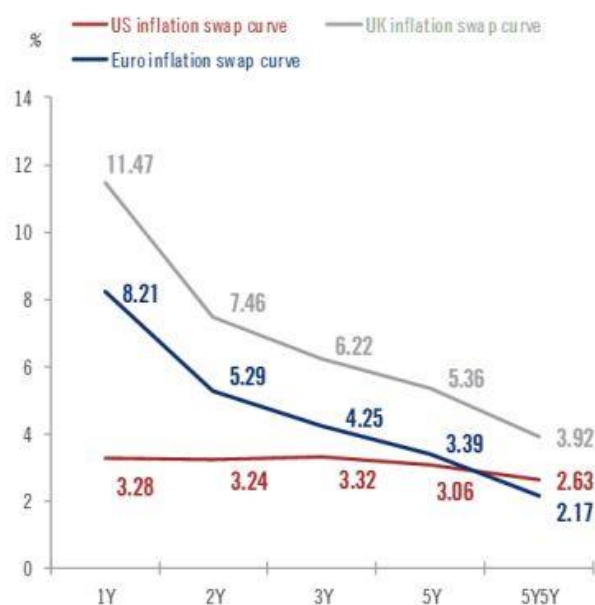
Source: Bloomberg



## #fixed-income

US, UK and euro inflation swap curves & 10-year bond yields.

US, UK and euro inflation swaps curves



US, UK and German 10-year government bond yields



Source: Pictet's wealth management division - Bloomberg Finance L.P., 25.06.2022

For illustrative purposes. Past performance should not be taken as a guide to or guarantee of future performance. Performances and returns may increase or decrease as a result of currency fluctuations. There can be no assurance that these projections, forecasts or expected returns will be achieved. The projection is not based on simulated past performance.

Source: Pictet's wealth management division - Factsset 25.08.2022

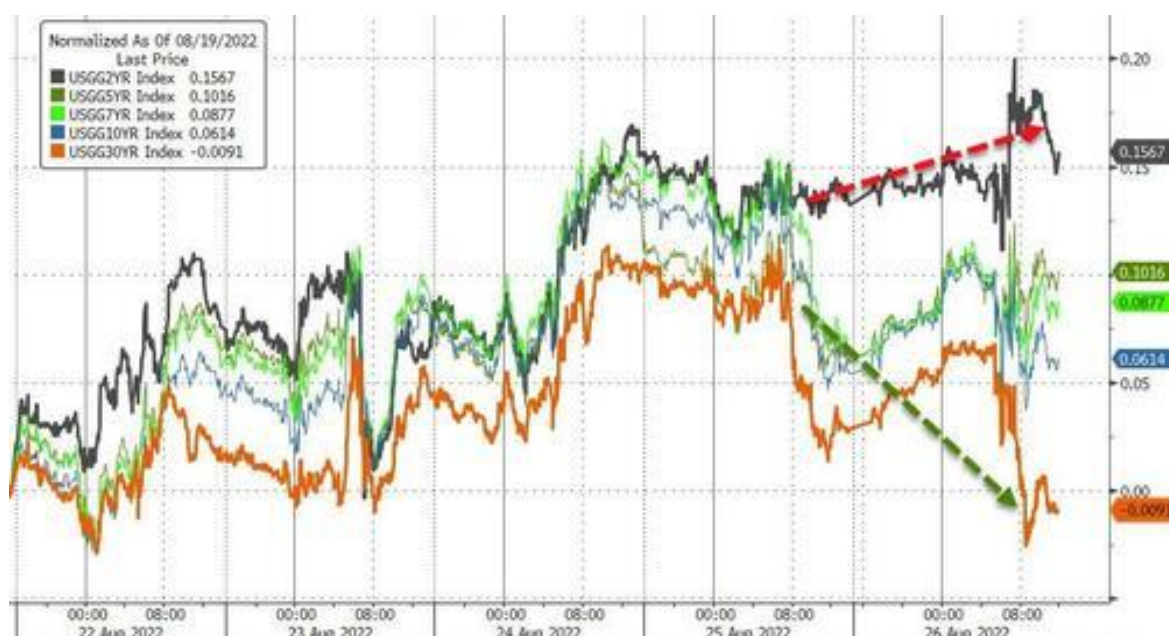
Source: Pictet Wealth Managment, Laureline Renauld





## #us #treasuries

Treasuries were very mixed on the week with the long-end dramatically outperforming (2Y +16bps, 30Y -1bp)...

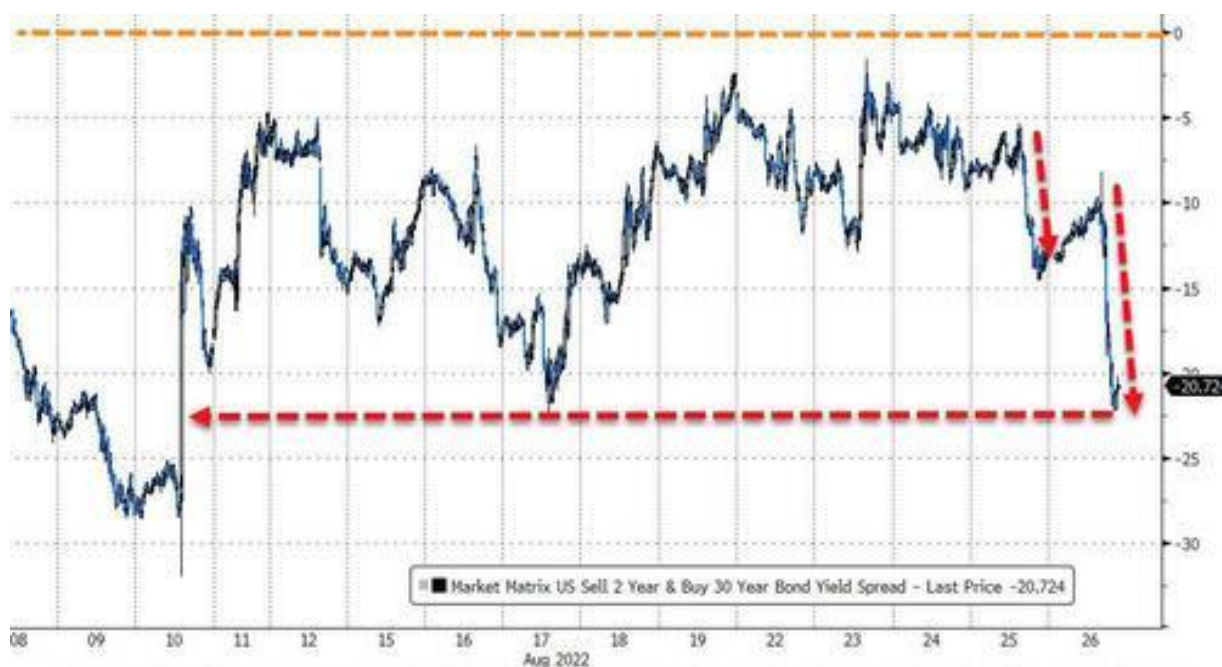


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



#us #treasuries #yield-curve

The US yield curve inverted again...

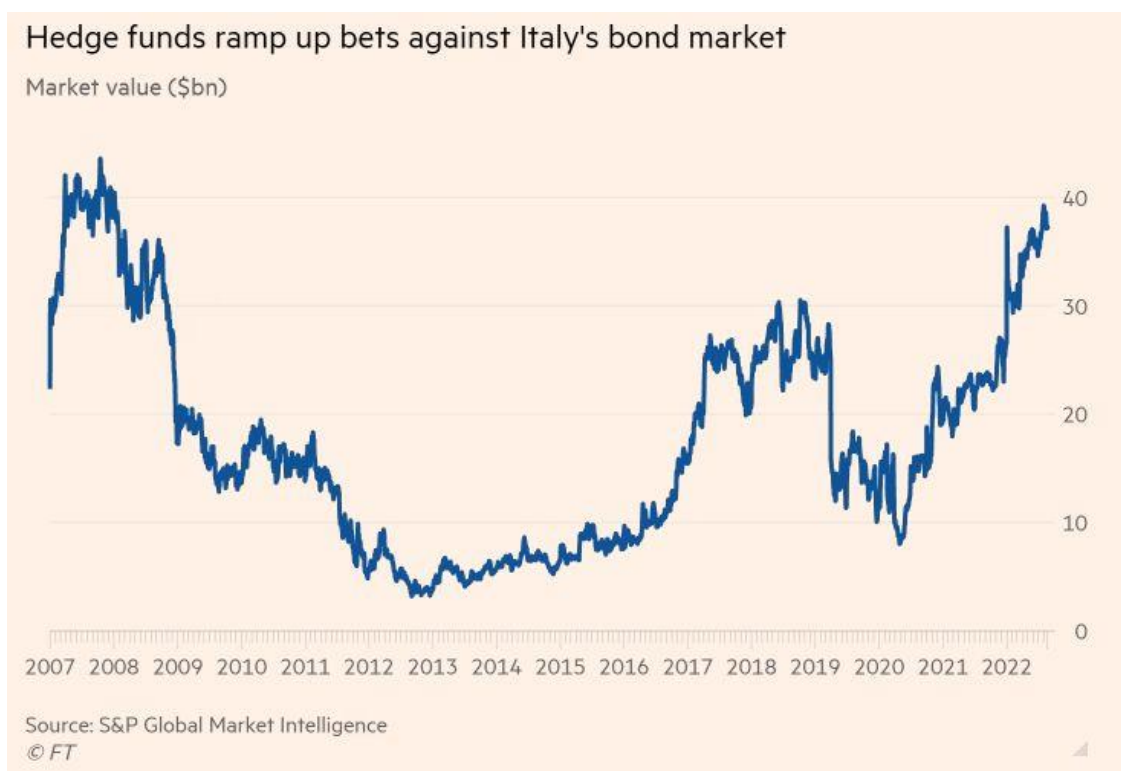


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #Italy #bonds #hedge-funds

HEDGE FUNDS ARE BETTING AGAINST ITALY... #hedge funds build biggest bet against Italian debt since 2008.

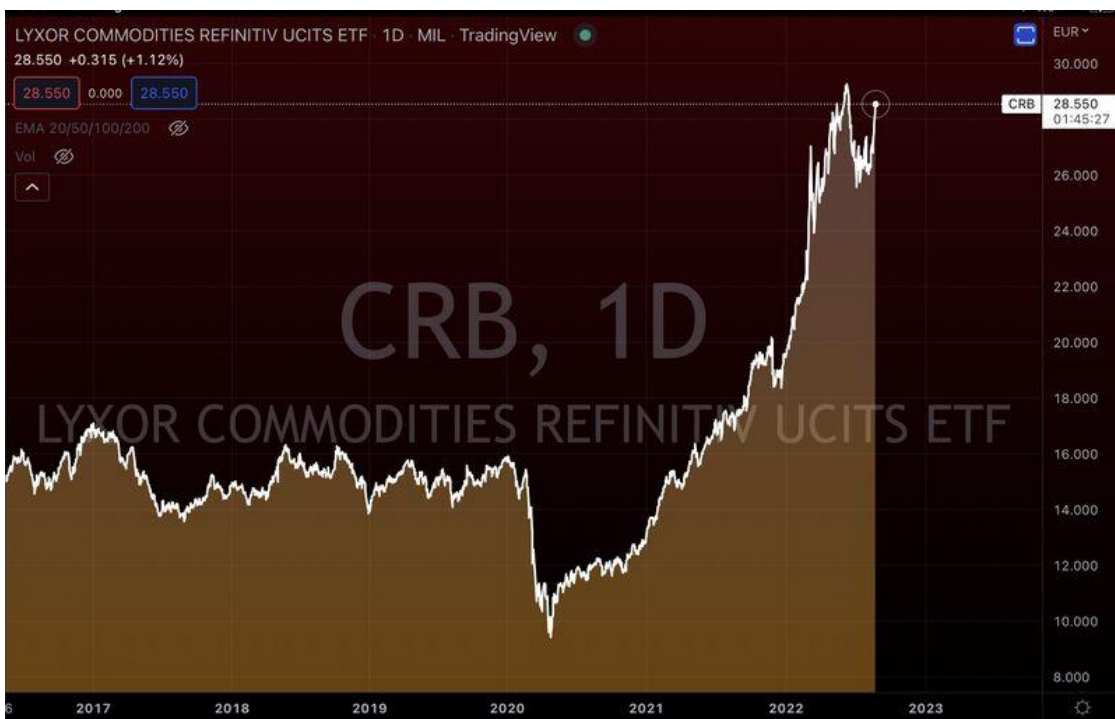


Source: FT



## #global #commodities

While the bulls wait for more evidence of "peak inflation", let's not forget though that the commodity index is almost back at the highs...



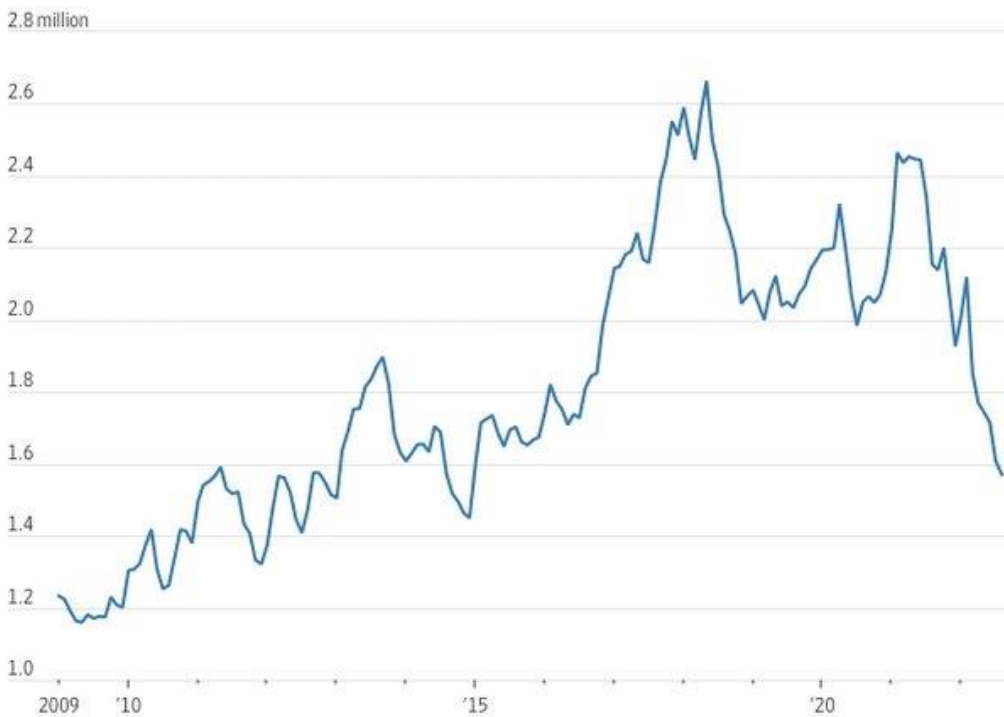
Source: Refinitiv



## #oil #liquidity

Liquidity in oil market is evaporating, which could force OPEC to cut production

Open interest in Nymex oil futures



Source: CME Group

Source: CME Group



# #oil #us #inventories

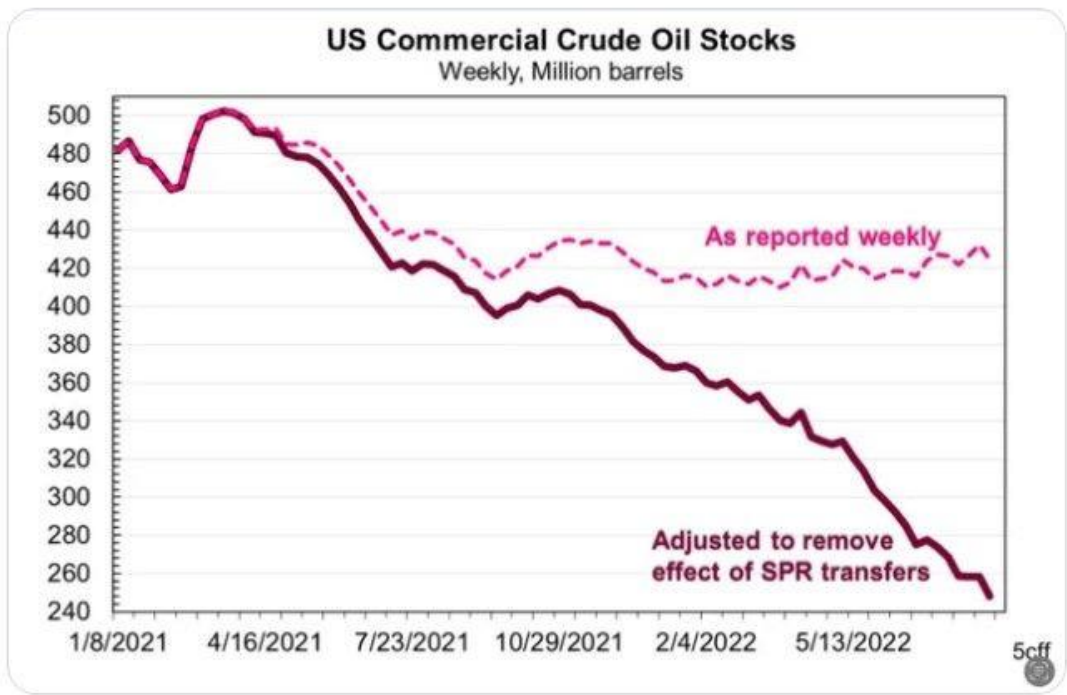


Wall Street Silver   
@WallStreetSilv



US oil inventories are depleting quickly... only massive transfers from the SPR have keep inventories somewhat stable...

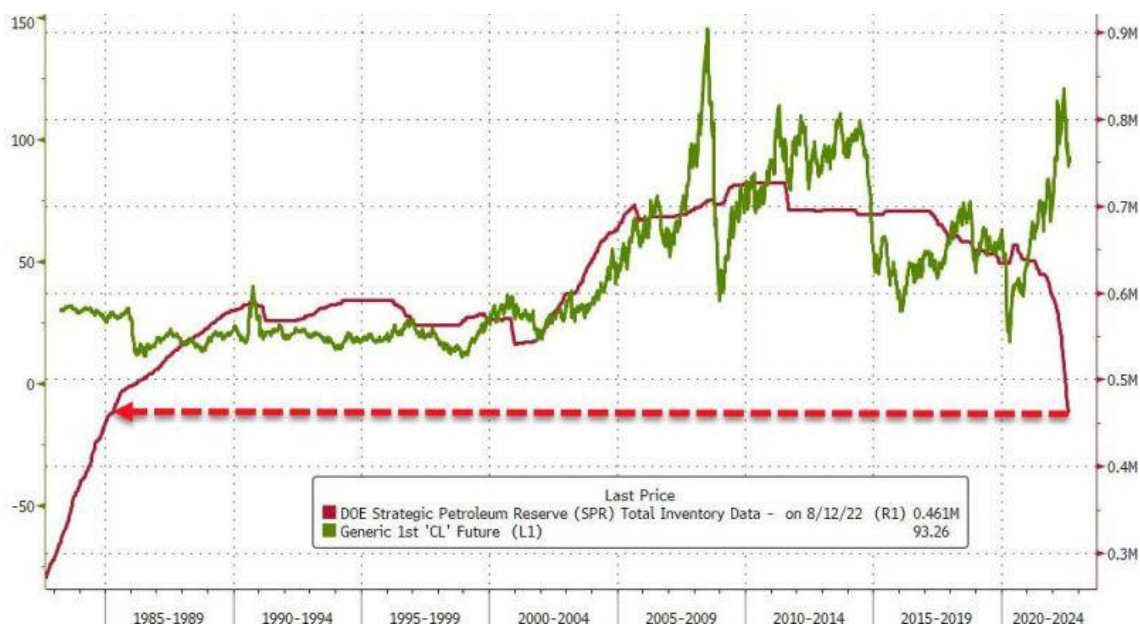
Now, imagine what will happen soon when the SPR runs low...





## #oil #us #reserves

US Strategic Petroleum Reserve Falls To 35-Year Low. The US Strategic Petroleum Reserve (SPR) now has only 453.1 million barrels in its inventory, following another significant drop in the past week that puts the emergency reserve at a low not seen in three and a half decades, Reuters reports, citing the Department of Energy. In the week ending August 19th, the SPR saw another draw of 8.1 million barrels, following smaller releases in the weeks leading up to that..



Source: Bloomberg, www.zerohedge.com

#markets

### #oil #opec #production #cut

Does it mean that if tightening monetary policy is successful in destroying demand and lowering energy prices, OPEC will cut output to keep prices elevated?

ENERGY AUGUST 26, 2022 / 3:05 AM / UPDATED 8 HOURS AGO

## UAE supports Saudi comments on possible oil output cuts, source says

By Reuters Staff

1 MIN READ



DUBAI, Aug 26 (Reuters) - The United Arab Emirates is aligned with Saudi Arabia's thinking on crude oil markets and supportive of its recent comments, a source with knowledge of the matter told Reuters on Friday.

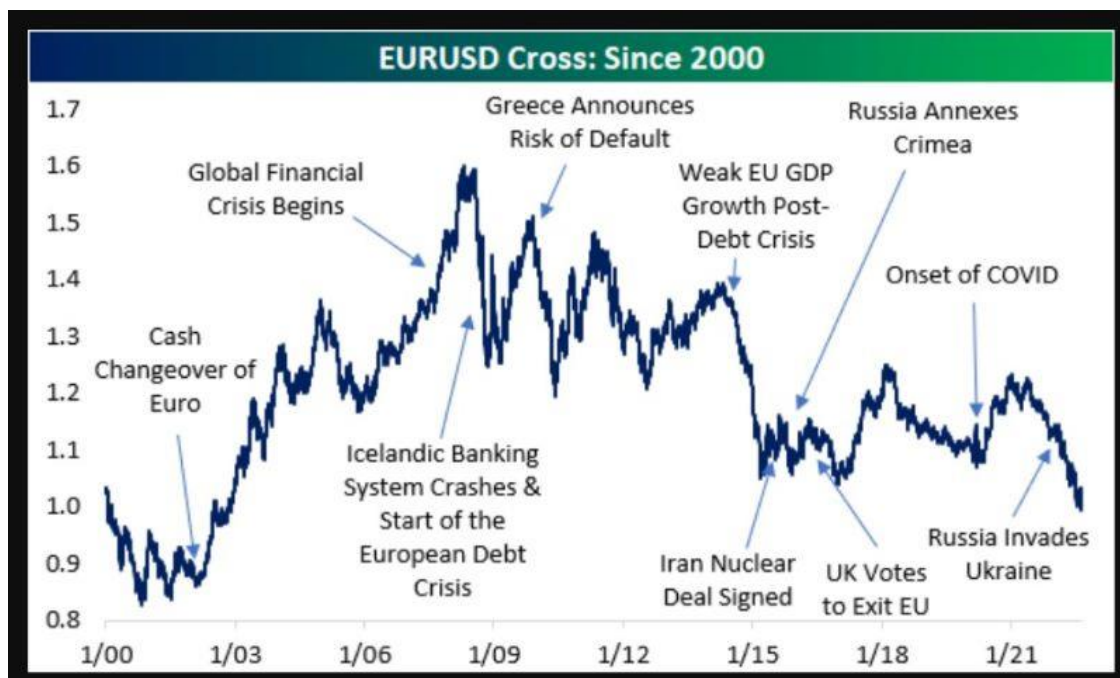
Source: Reuters





## #eurusd

For the first time in nearly twenty years, the US dollar is more valuable than the euro as the EURUSD spot cross dropped below parity (1.00) on Monday (8/22). The chart below summarizes the major events that have impacted the Euro since the turn of the century. It's been a wild ride!



Source: Bespoke



## #eurusd

Euro spiked on Friday on news the ECB may hike 75 bps in September. But it fell back quickly, an important signal. Markets are looking "through" the hawkish ECB given looming recession. Does it mean that markets think ECB hikes just aren't credible?

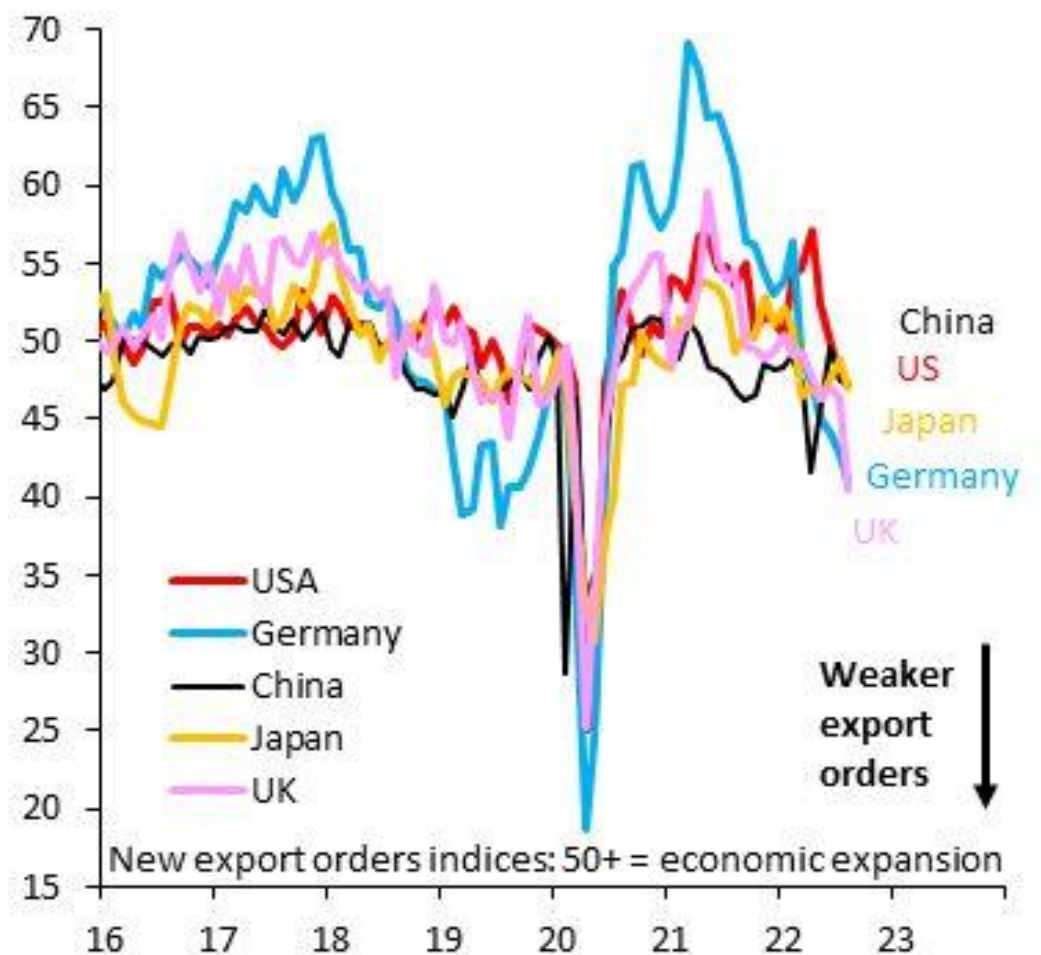


Source: Bloomberg

#macro

## #recession #probability

Probability of recession in Europe is on the rise. UK new export orders in the global manufacturing PMIs fell to 41 in the flash reading for August, down from 46 in July (pink). Germany is also at 41, down from 43 in July (blue).



Source: Robin Brooks

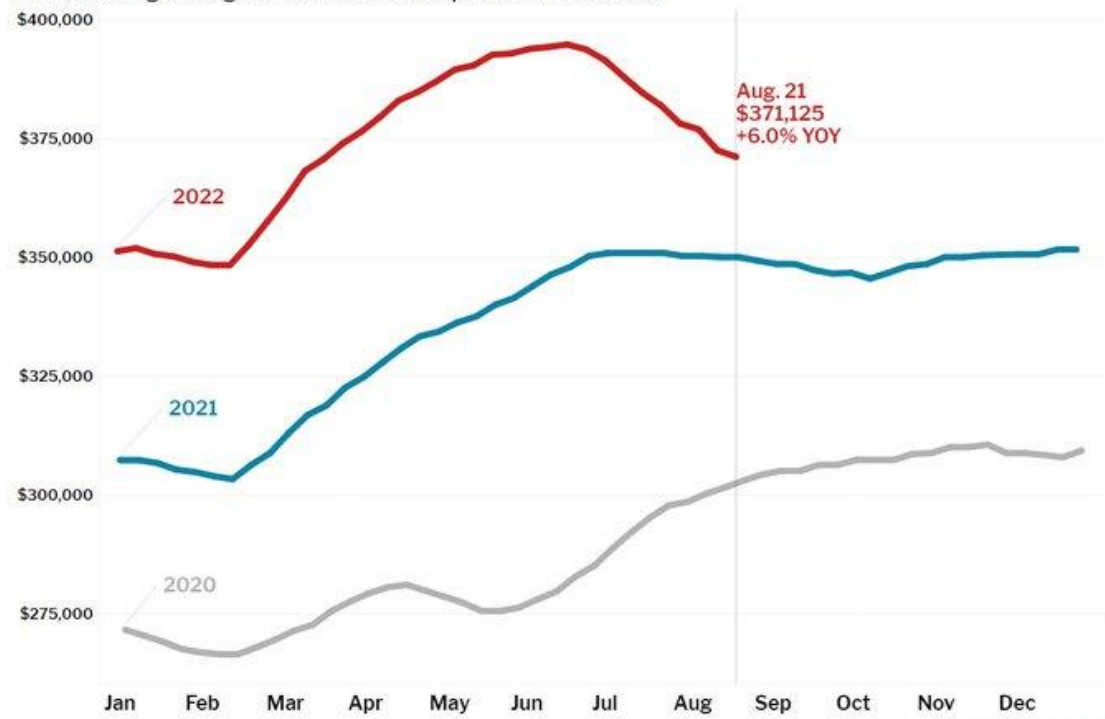


## #us #housing

US home prices have now fallen 6% from their all-time high in mid-June. During the same period last year home prices rose 0.6%.

### Median Sale Price +6.0% Year Over Year

4-week rolling average of the median sale price of homes sold



Source: Redfin analysis of MLS data



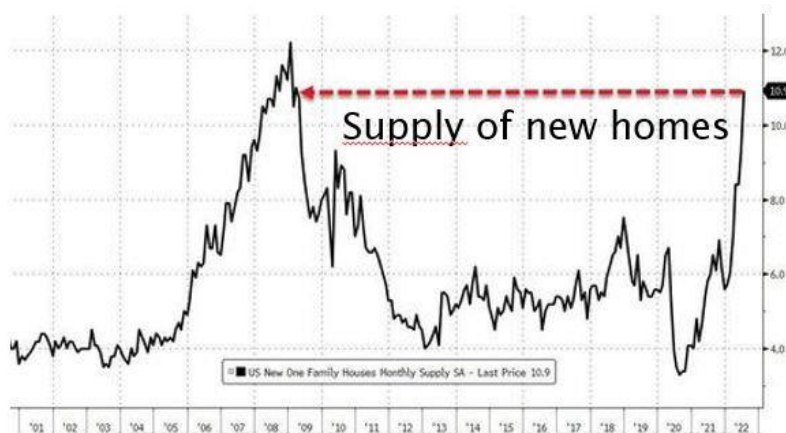
Source: RedFin





## #us #housing

US new home sales were expected to slide once again July but the 12.6% MoM crash was shocking (vs -2.5% exp). This pushed new home sales down 29.6% YoY. Meanwhile, supply of new homes is soaring, now at 10.9 months vs 9.2 in the prior month... That is the highest supply since March 2009...



Source: [www.zerohedge.com](http://www.zerohedge.com)

#macro

### #us #housing

Redfin CEO says US housing market correction is 'sharper', 'faster' than expected. Redfin CEO Glenn Kelman also said the flow of institutions into #realestate has made housing more like the stock market, and that brokerages have to 'race to the top' or 'race to the bottom'. He suggests prices could tumble faster than 2008 because investors are quicker to cut losses than somebody who is living in the home.



Glenn Kelman

@glennkelman

Following

Replying to @glennkelman @johnburnsjbrec and @FairweatherPhD

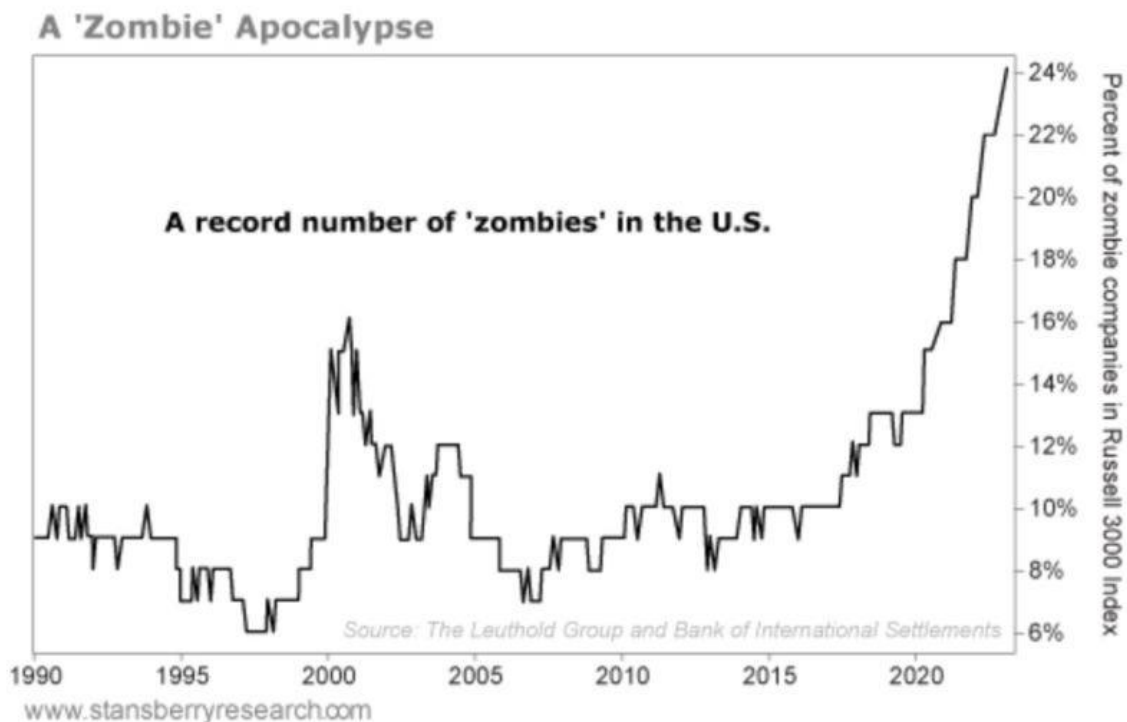
In 2008, the market (over-)corrected fast because consumers who couldn't pay their mortgage were forced to sell. In 2022, most inventory is still sold by consumers, but an increasing proportion is sold by institutions, who mostly have to sell, rather than withdrawing inventory.

5:06 PM · 22 Aug 22 · Twitter Web App



## #us #zombies

A RECORD NUMBER OF ZOMBIE COMPANIES IN THE US. Nearly 25% of US businesses are "zombie companies." That is, they are unable to even afford the interest payments on their debt. The previous record for zombies was 17%, set back in 2001..



Source : Dr. Jeff Ross (Pleb Counselor), Leuthold Group



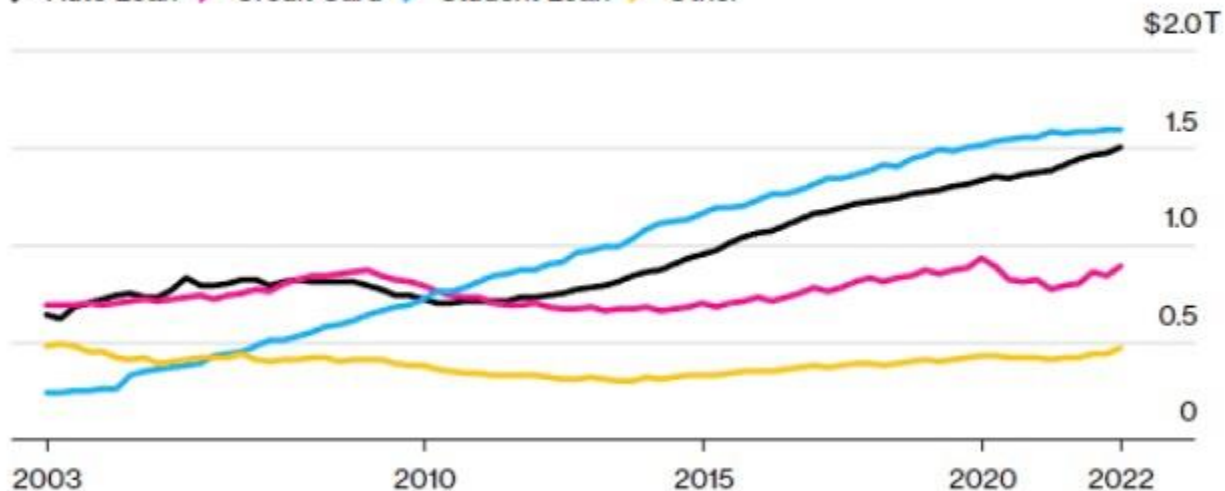
## #us #student-loans #debt

Should the US “forgive” \$10,000 of students debt?

### Student Debt Surge

Student loan debt moved to 1st among non-housing consumer debt

Auto Loan / Credit Card / Student Loan / Other



Source: New York Fed Consumer Credit Panel/Equifax

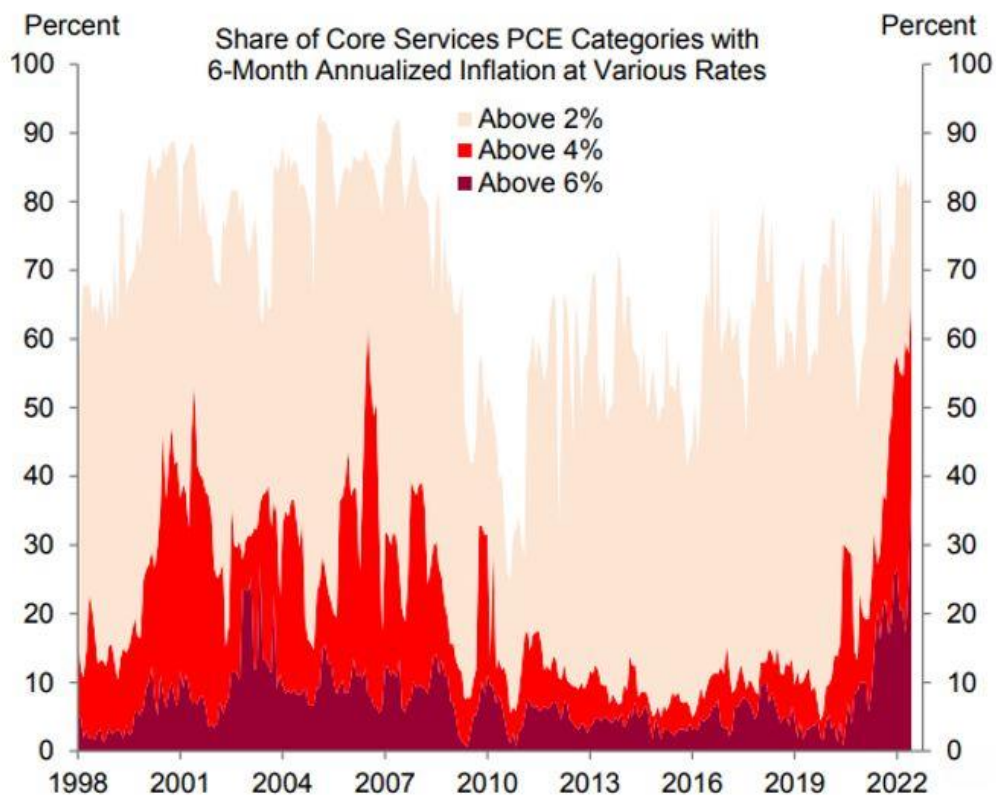
Source: Bloomberg





## #us #inflation

An amazing visual by Goldman on the composition of US inflationary pressures which are broadening, with >60% of Core Services components experiencing a 6-month annualized inflation above 4%.

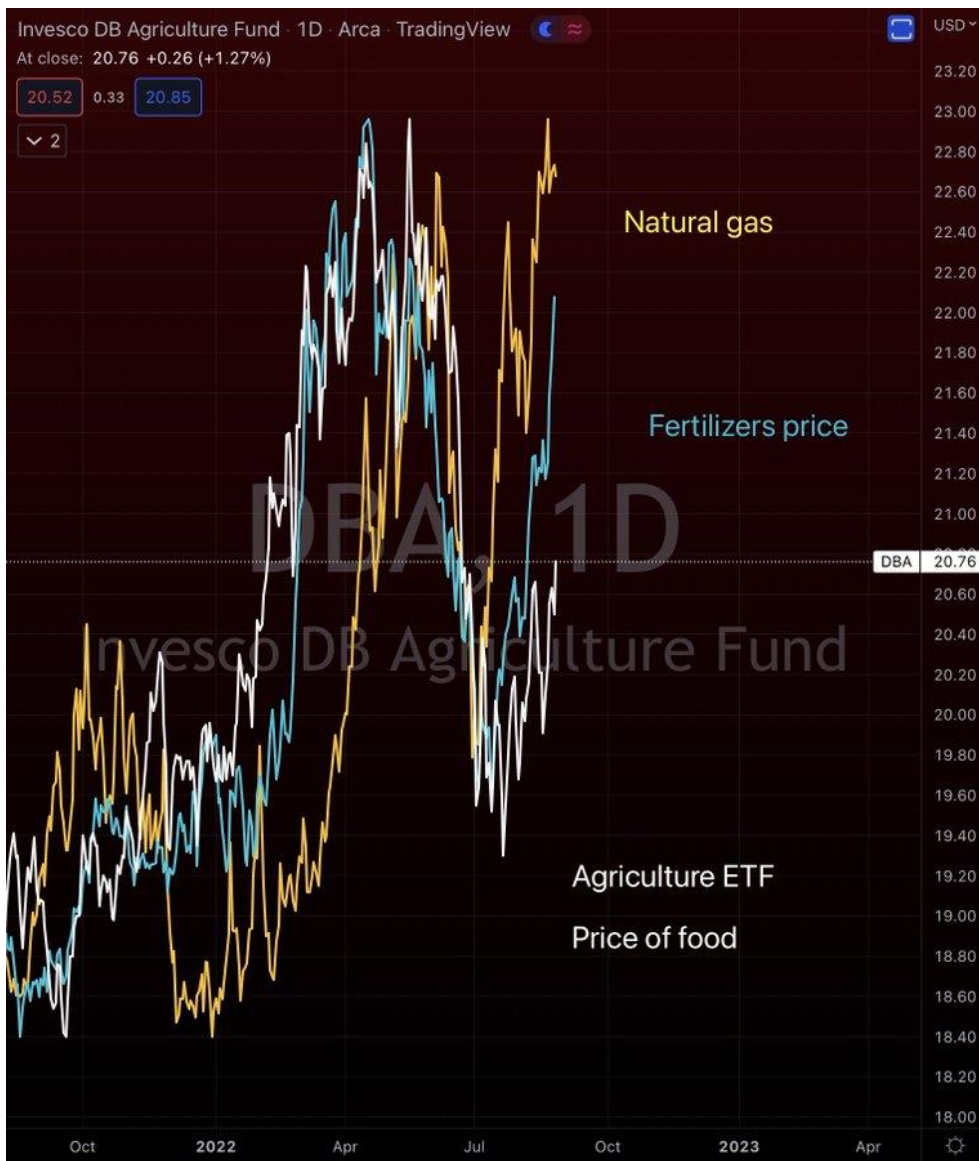


Source: MacroAlf

#macro

## #us #inflation

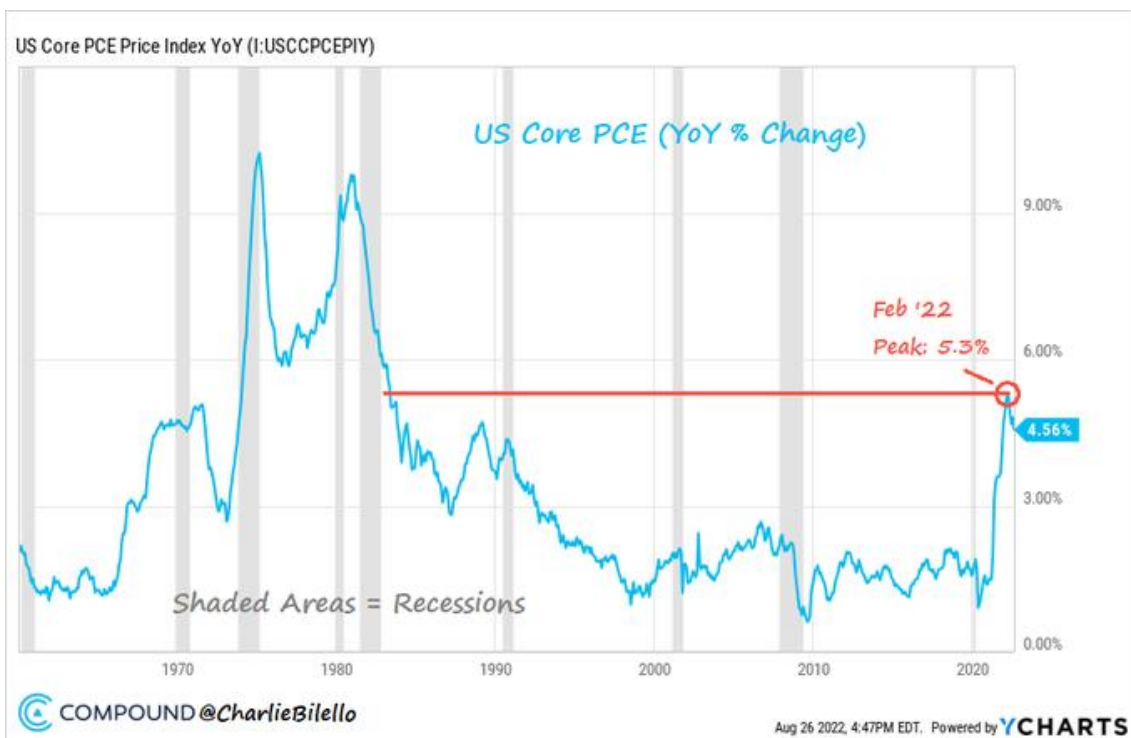
Has inflation peaked?





## #us #inflation #pce

July PCE inflation declined m/m for first time since April 2020, -0.1% vs. 0% est. & +1% in prior month. The Core PCE Price Index moved down to 4.6% in July, its lowest level since last October. This indicator is known as the Fed's "preferred measure of inflation" and could have an impact on the trajectory of future rate hikes.



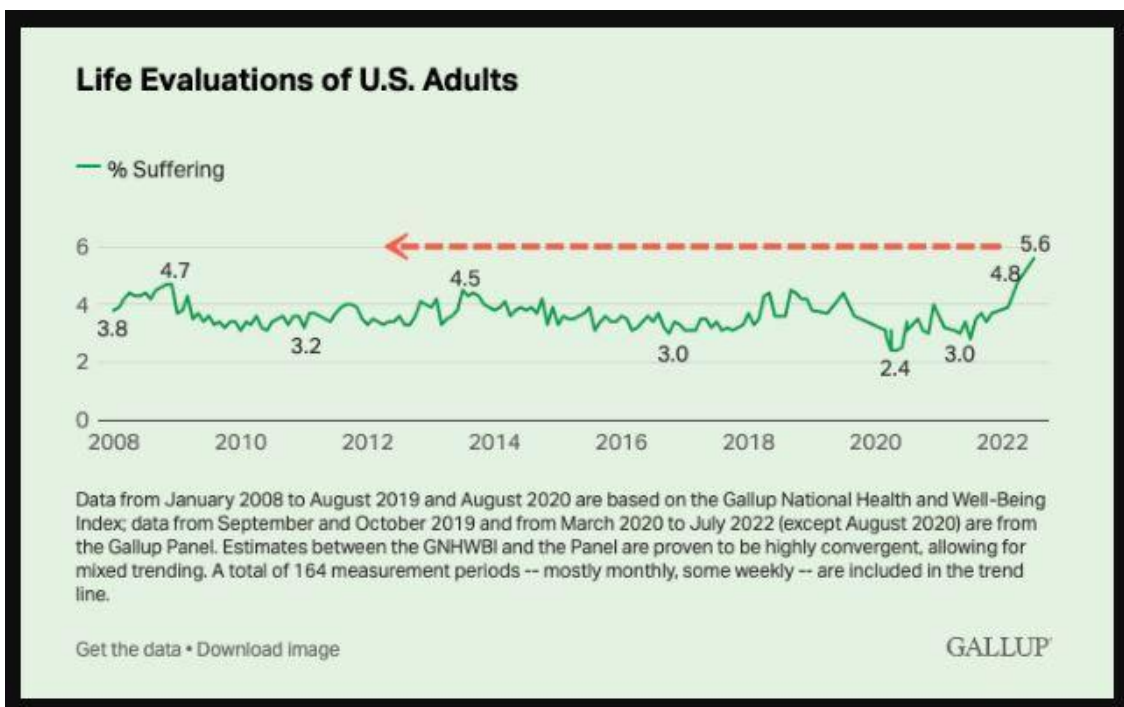
Source: Charlie Bilello





## #us #cost-of-living-crisis

While US unemployment rate is near record low, a record number of Americans are "suffering", surpassing 2008 crisis levels . plethora of data points show the consumer is absolutely miserable: real wages trend lower, cost of living skyrockets, the employment market softens, savings rate collapses, credit cards maxed out, and the US economy falls into the "technical definition" of recession. Capturing the plunge in consumer sentiment (at record lows) is a new Gallup survey that reveals a record number of Americans are "suffering."



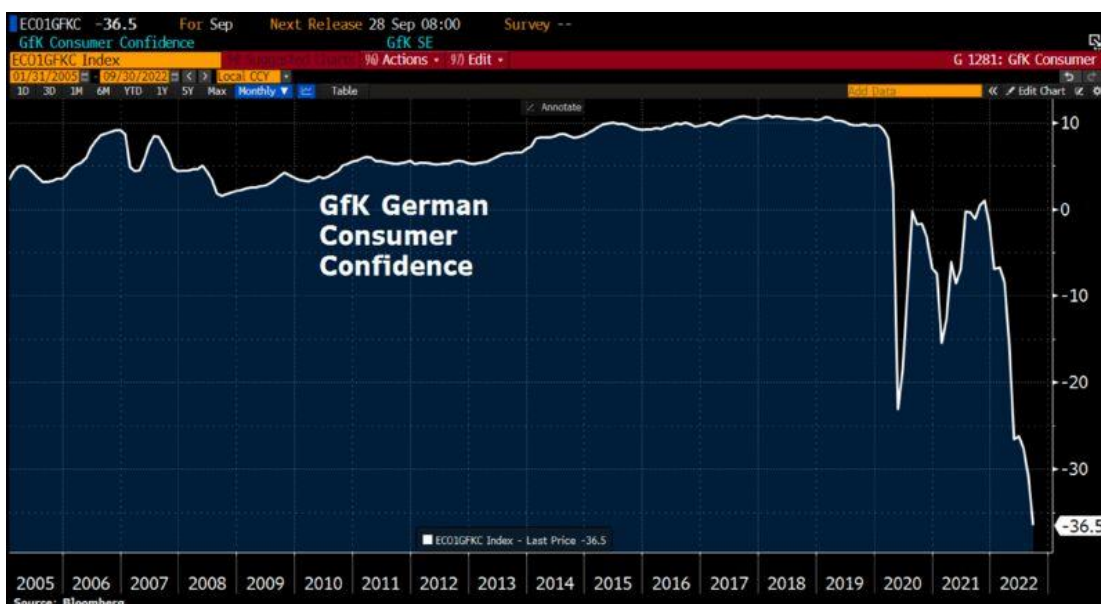
Source: www.zerohedge.com, Gallup



#macro

## #german #consumer-confidence

Energy fears push consumer confidence to record low. Pollster GfK's forward-looking barometer fell to -36.5 points for Sept, lowest level since its records began in 1991, following August reading of -30.9 points as consumers face huge energy bills.



Source: Bloomberg, HolgerZ



## #german #wage #inflation

The risk of a wage-price spiral is increasing in Germany. Harbor workers have signed a pay rise of 9.4% from July 1 this year followed by hike of 4.4% from June 2023, including an #inflation clause covering an increase of up to 5.5%. As shown below, salaries & wages growth is up 7.3% (nominal) in aggregate in Germany. For the consumer, this pay rise partly offset inflation burden.



Source: Bloomberg, HolgerZ



## #eu #energy-crisis

French 1y ahead electricity price exceeds €1,000 per megawatt hour for 1st time. The German equivalent also gained to a record, hitting as high €829 a megawatt hour, capping a 48% gain this week!!! As a reminder, the economy is basically using energy to transform inputs into outputs....

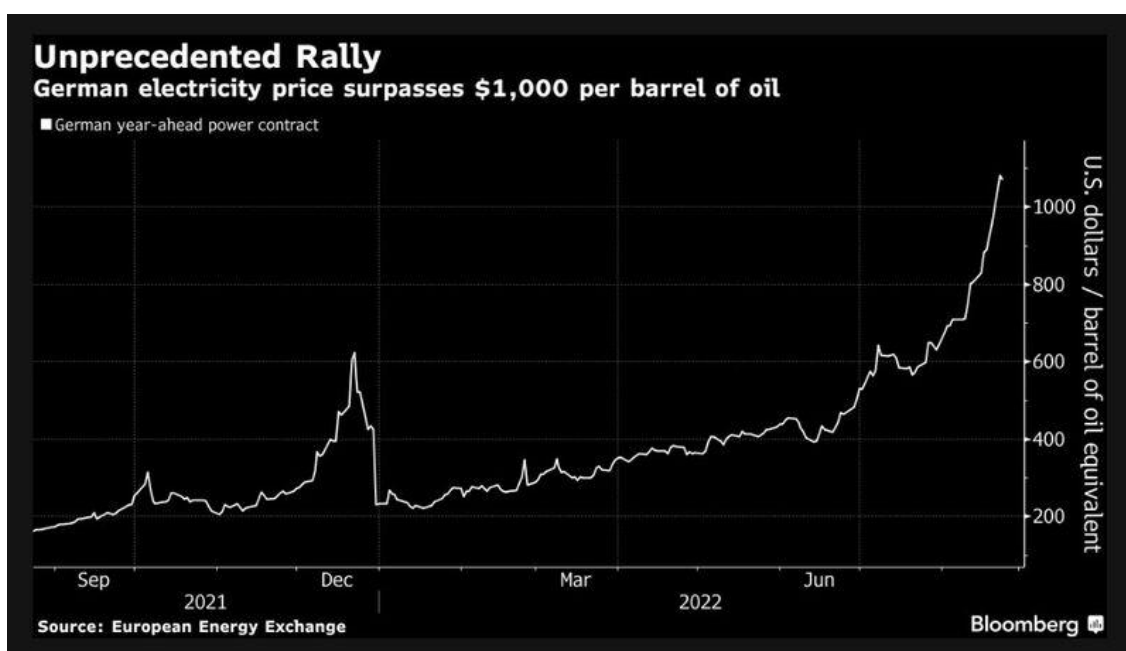


Source: Bloomberg, HolgerZ

#macro

## #eu #energy-crisis

German one-year forward #electricity price trades at more than \$1,000 barrel of oil equivalent (boe). What does it mean? How many megawatt hours are in 1 barrel of oil equivalent (59°F)? Answer: 1 boe = 1.70 MWh. You then convert the current price electricity one-year ahead price (roughly 620Mwh) and you then get a price above \$1,000 boe.



Source: Bloomberg



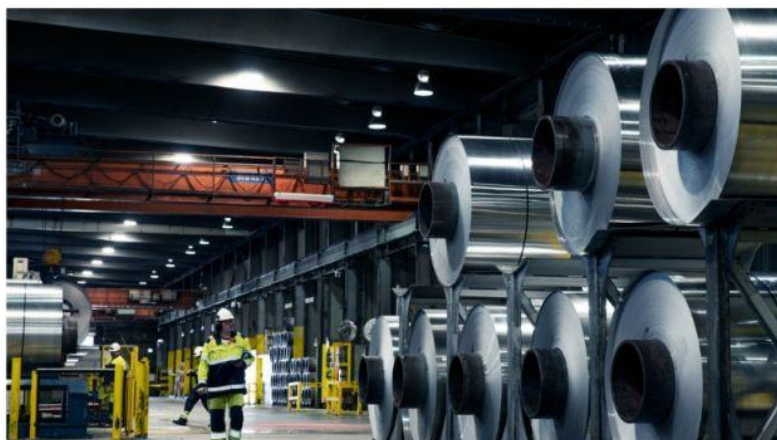
## #eu #energy-crisis

Aluminum producer Speira is considering cutting production at its German smelter to 50% of total capacity in response to surging #energy costs that are squeezing power-intensive industries across Europe. The old continent is not competitive anymore and is forced to de-industrialize..

**MINING.COM**

### German aluminum smelter considers halving output on energy costs

[Bloomberg News](#) | August 23, 2022 | 12:39 pm [Energy](#) [Europe](#) [Aluminum](#)



Credit: Speira GmbH

#macro

### #eu #energy-crisis

So who will pay for this? Will #greece issue more debt to finance the subsidies while the #ecb will buy the Greek bonds to prevent yields to move higher? Will the ECB increase its balance sheet further hence fueling more inflation?

#### Business

## Greece to Cover 94% of Household Power-Price Hike in September

- Poorest will receive almost 100% support, energy minister says
- Subsidies are funded by budget, transition fund, producer tax

Source: Bloomberg

#macro

#uk #energy-crisis

The image is a screenshot of a tweet from the Financial Times. At the top left is the FT logo, followed by the text 'Financial Times' and a blue verification checkmark. To the right are three dots and a close icon. Below the name is '12m' and a globe icon. The main text of the tweet reads: 'Breaking news: The typical UK household gas and electricity bill will rise to £3,549 a year from October from £1,971 at present, the sector's regulator confirmed.' Below the text is a large orange banner with 'BREAKING NEWS' in bold black letters on the left and a red circle with a white 'i' on the right. Underneath the banner, 'FINANCIAL TIMES' is written in a serif font. At the bottom, there is a light blue box containing 'ft.com', 'UK energy regulator increases price cap by 80%', and a small globe icon.



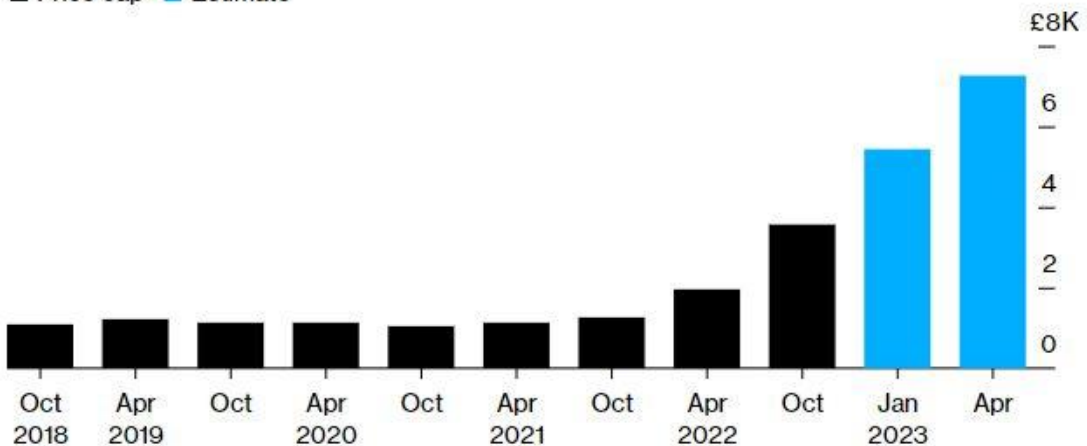
## #uk #inflation

The cost of heating a UK home this winter will almost triple but the worst is still yet to come. Industry regulator Ofgem this week confirmed that it is to raise its cap on domestic energy bills to a record £3,549 (\$4,189) beginning Oct. 1. This is expected to push an enormous strain on households across Britain.

### Bill Shock

Household energy bills will soar past historic levels as price cap jumps

■ Price cap ■ Estimate



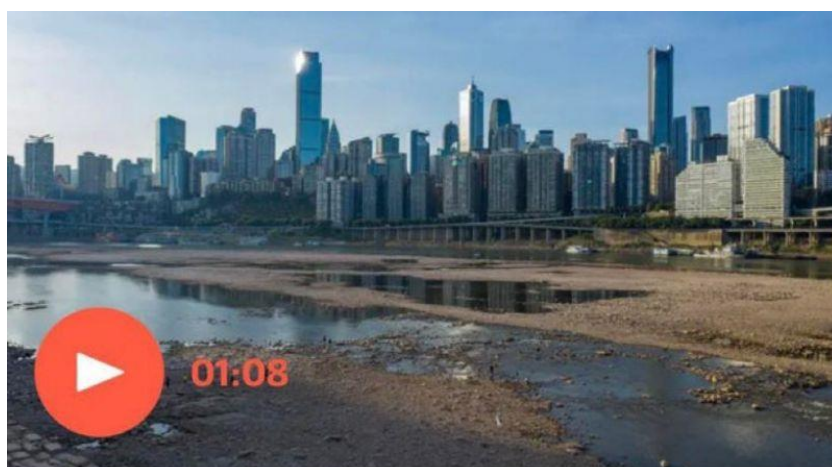
Source: Ofgem; Auxilione estimate as of market close Aug. 25  
Note: UK price cap will be adjusted every 3 months starting in October

Source: Bloomberg, AmplifyMe

#macro

### #china #shortage

ANOTHER SHORTAGE (which could lead to more supply chain bottlenecks...) Nationwide alert issued with south-west China especially badly hit, as major companies forced to suspend work. This means more supply chain issues leading up to Xmas season when companies would normally be preparing with inventory.



China: world's third largest river dries up in drought - video

**China**

## China drought causes Yangtze to dry up, sparking shortage of hydropower

Posted in r/Wallstreetsilver by u/BoatSurfer600



Source: Wall Street Silver

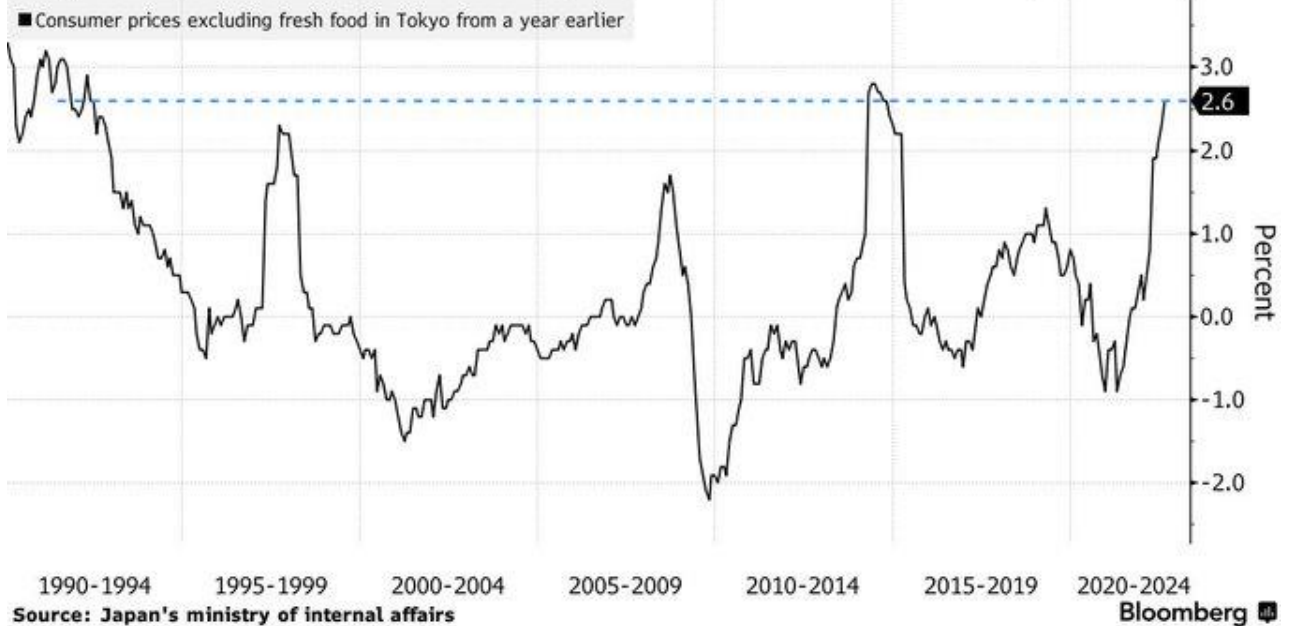
#macro

## #japan #inflation

Hottest Tokyo prices since 1992 ramp up heat on BOJ messaging.

### Faster Still

Tokyo inflation accelerates to fastest pace in three decades excluding tax-hike years



Source: Bloomberg

#centralbanks

## #global #rates

South Korea hikes rates for the 7th time in the last year, 25 bps increase to 2.50%.

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
Malaysia	Policy Rate	2.25%	3.4%	-1.2%	Hike	Jul-22
US	Fed Funds	2.38%	8.5%	-6.1%	Hike	Jul-22
South Korea	Repo Rate	2.50%	6.3%	-3.8%	Hike	Aug-22
Canada	Overnight	2.50%	7.6%	-5.1%	Hike	Jul-22
Hong Kong	Base Rate	2.75%	1.9%	0.9%	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
China	Loan Prime Rate	3.65%	2.7%	1.0%	Cut	Aug-22
Indonesia	Repo Rate	3.75%	4.9%	-1.2%	Hike	Aug-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%	7.8%	-2.3%	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

## #us #financial-conditions

One of the reasons behind Powell hawkish tone at Jackson: thanks to the rip higher in stocks, financial conditions are now easier than when The Fed started tightening!!



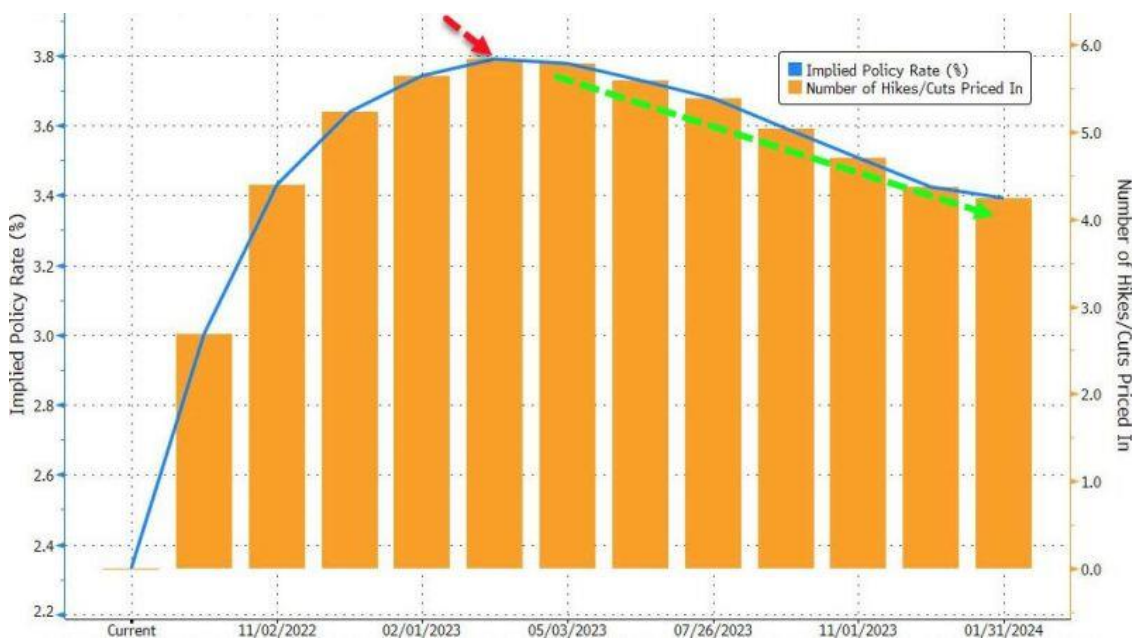
Source: zerohedge.com, Bloomberg



#centralbanks

## #us #rates #expectations

BEFORE JACKSON HOLE, investors were pricing a peak terminal rate for this cycle at around 3.79% in March 2023 before rate-cuts begin. However, the hawkish Fed speak this week (George, Bostic, Harker, and Bullard) + POWELL SPEECH AT JACKSON HOLE signaled this scenario is unlikely - they instead guide for more aggressive hikes then pause.



Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)

#centralbanks

### #us #rates #expectations

US rates expectations reset higher after Fed's Powell warns of more pain from inflation fight during his (unusually short) speech at Jackson Hole.

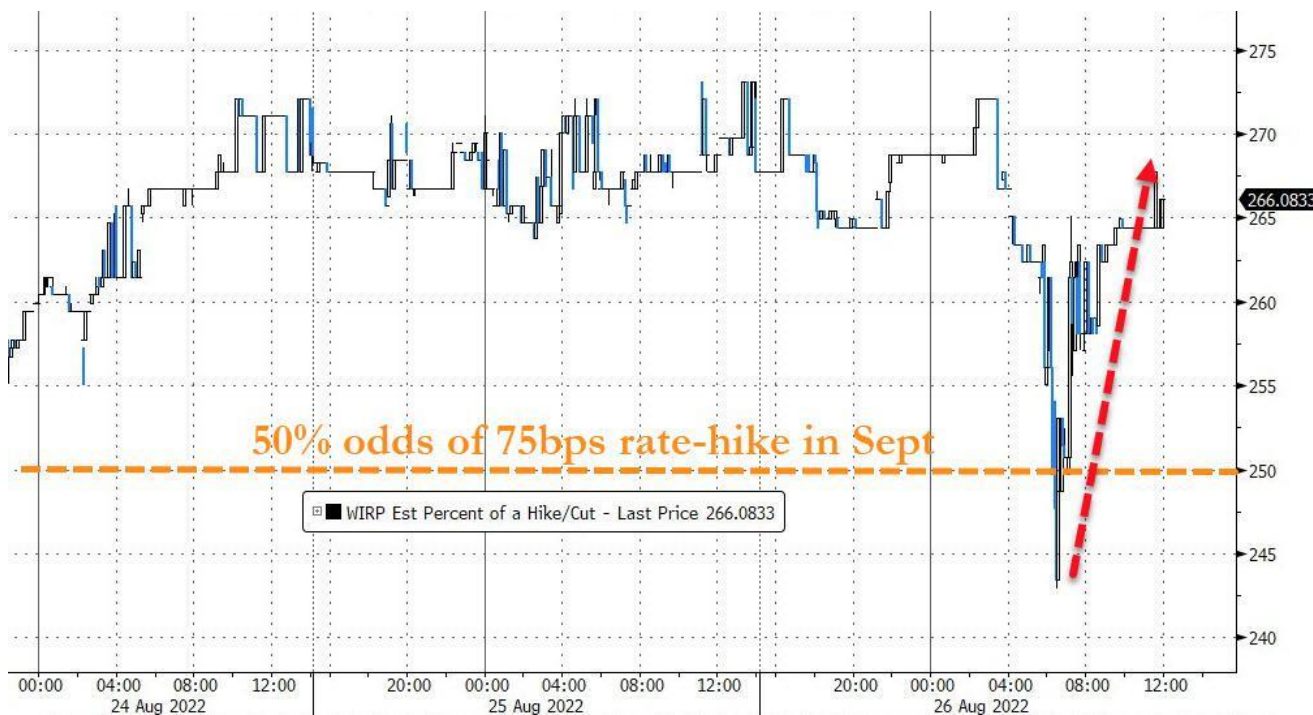


Source: Twitter

#centralbanks

## #us #rates #expectations

September rate-hike odds shifted hawkishly from pre-Powell levels to around a 66% chance of 75bps, 33% of 50bps...



Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg

#centralbanks

## #us #rates #expectations

Both rate-hike expectations and rate-cut expectations have been pushing hawkishly for two weeks...



Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg

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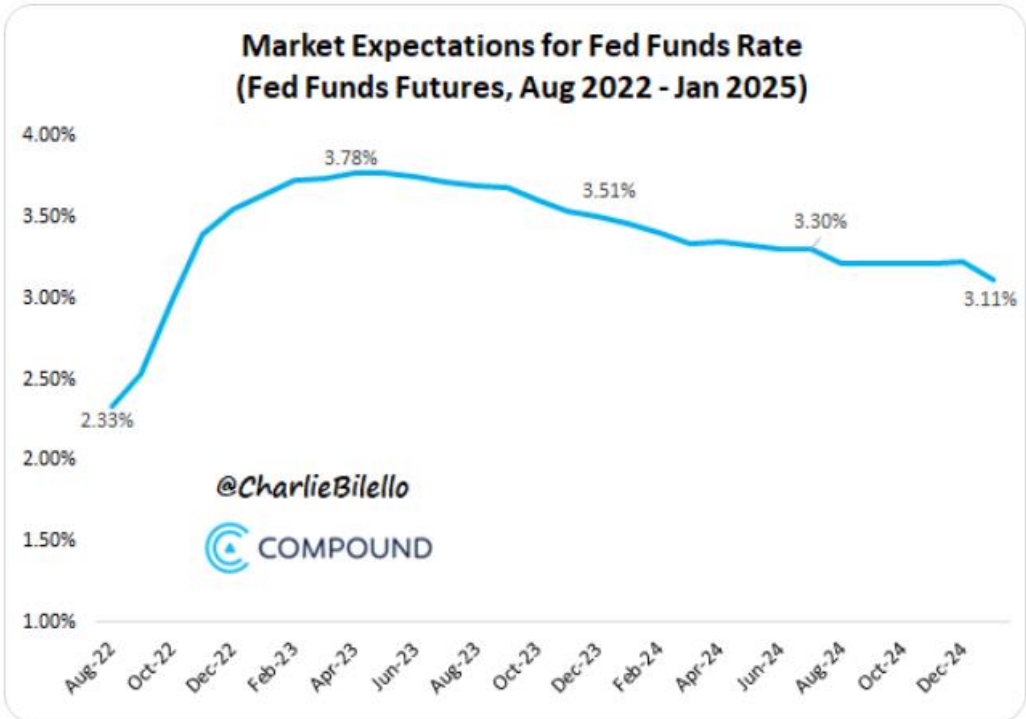
#us #rates #expectations



Charlie Bilello @charliebilello

Current market expectations for Fed Funds Rate...

- September: 75 bps hike to 3.00-3.25%
  - November: 25 bps hike to 3.25%-3.50%
  - December: 25 bps hike to 3.50%-3.75%
  - February '22: 25 bps hike to 3.75%-4.00%
- No more hikes
- Rate cuts by late 2023, early 2024



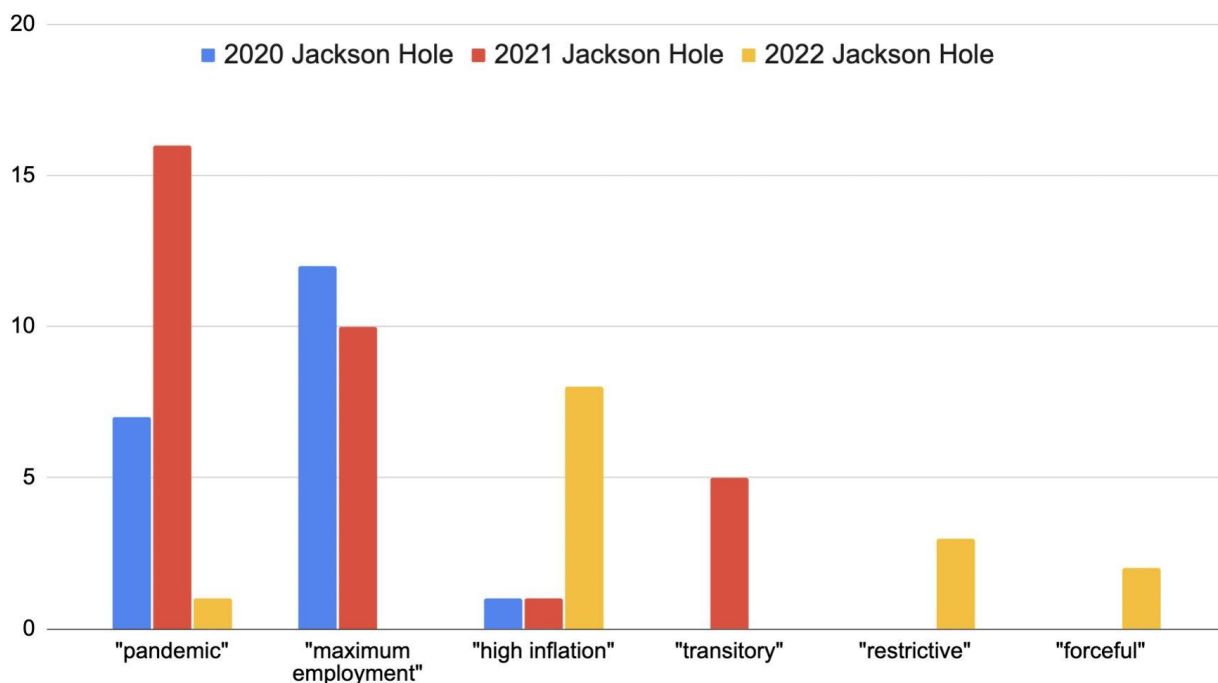


## #us #rates #expectations

Number of times Powell used "maximum employment" in his Jackson Hole remarks, by year:

- 2020: 12 times
- 2021: 10 times
- 2022: 0 times

### Number of Uses in Fed Chair Powell's Remarks At Jackson Hole, By Year

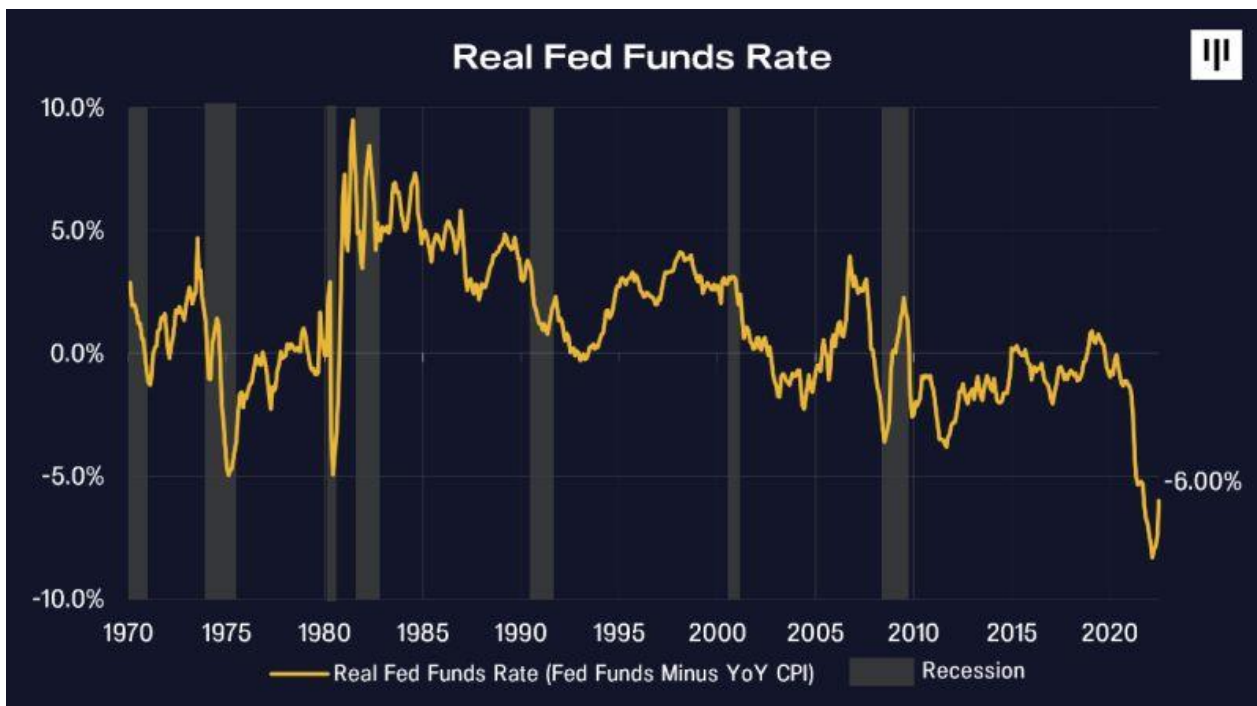


#centralbanks

## #us #real #rates

Today, Chair Powell affirmed the Fed's overarching focus is to bring inflation down to the 2% goal.

Runaway inflation cannot be tamed with fed funds 600 basis points LOWER than inflation. They'll be forced to tighten more than markets currently forecast.

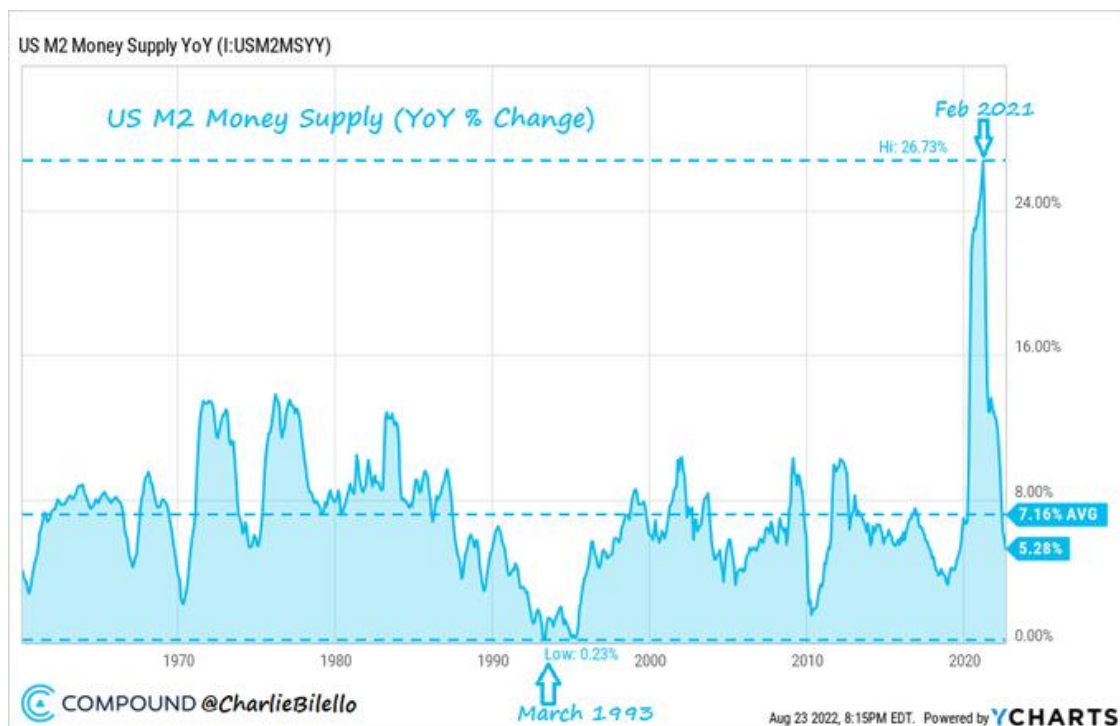


Source: Pantera Capital

#centralbanks

## #us #money-supply

The YoY growth rate in the US Money supply moved down in July for the 11th straight month. At 5.3%, it's now below the historical average of 7.2% since 1959. There's more work to be done but moving in the right direction if your goal is to tame inflation.



Source: Charlie Bliello



#centralbanks

## #fed #debt

Debt levels are the real problem for the Fed when it comes to fighting inflation. Definitely a very different context than in the 70s.

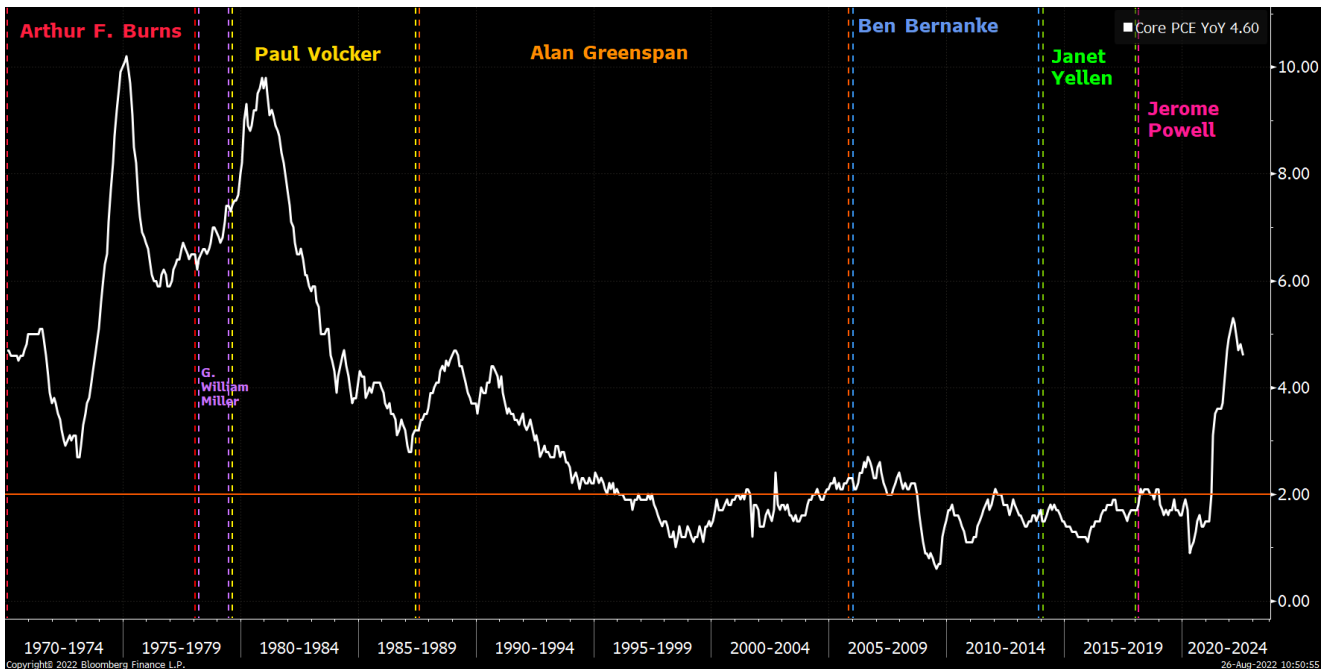


Source: Fabian Wintersberger, Bloomberg

#centralbanks

#fed #inflation #history

Fed Chairs vs. Inflation

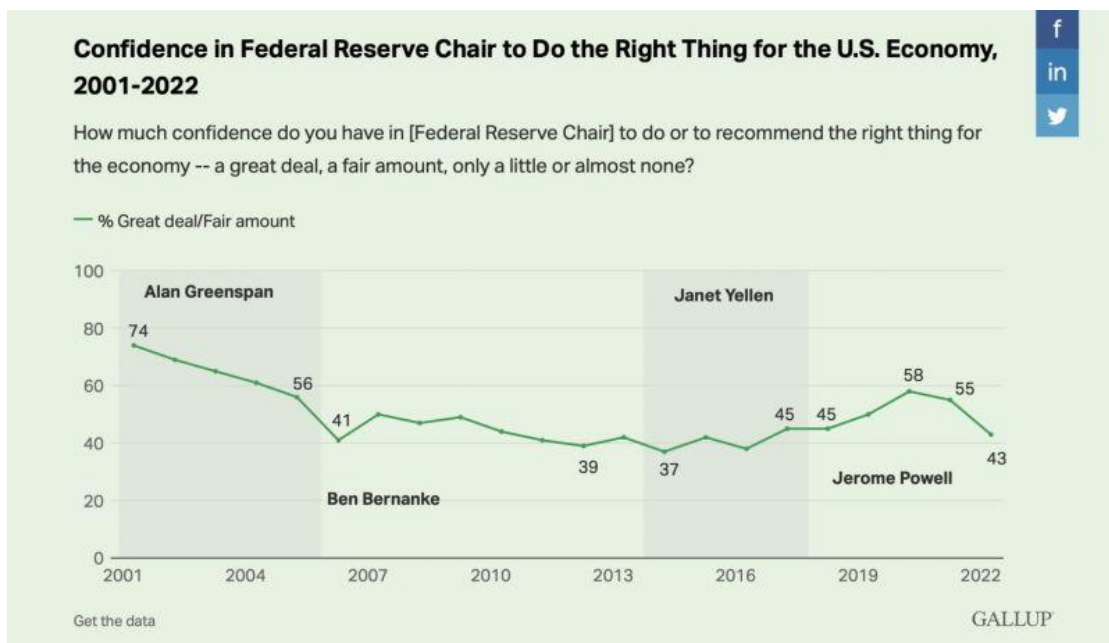


Source: M. McDonough

#centralbanks

## #fed #credibility

This Gallup Poll on public confidence in their leaders to "do the right thing" is only conducted once a year in April, but Powell's fall from grace has been stark. The 25.9% drop from 58 to 43, meets the official definition of a 'bear market in credibility...

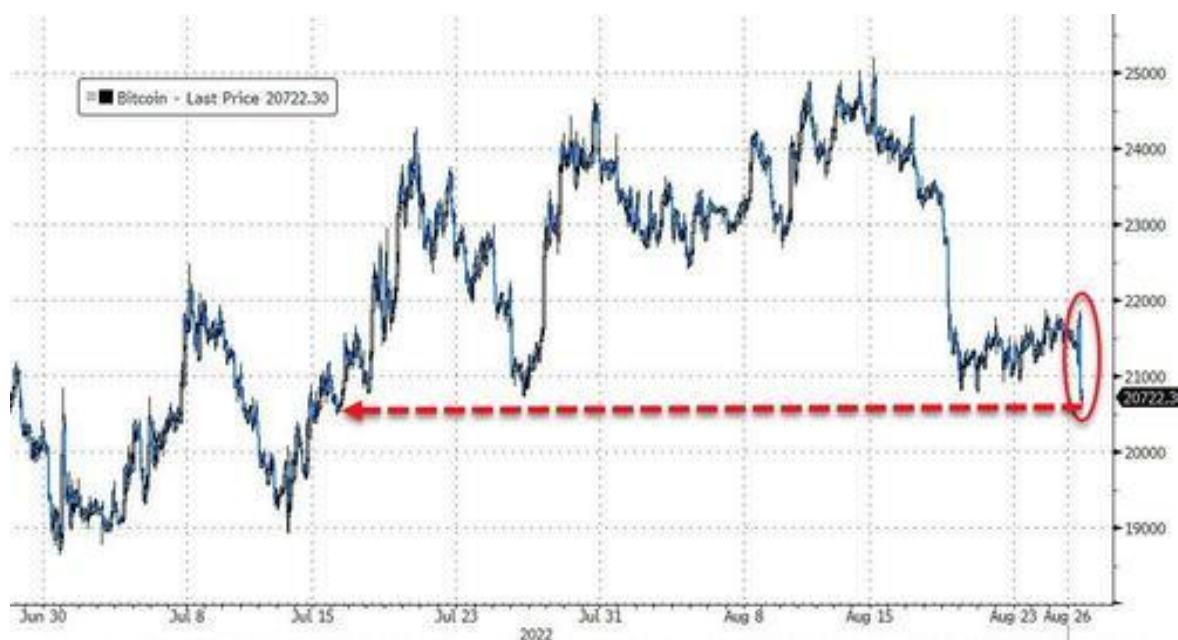


Source: One Bubble to Rule Them All



## #bitcoin #weekly #performance

Cryptos were slammed after Powell's hawkish comments with Bitcoin tanking back below \$21,000 to its lowest in six weeks...



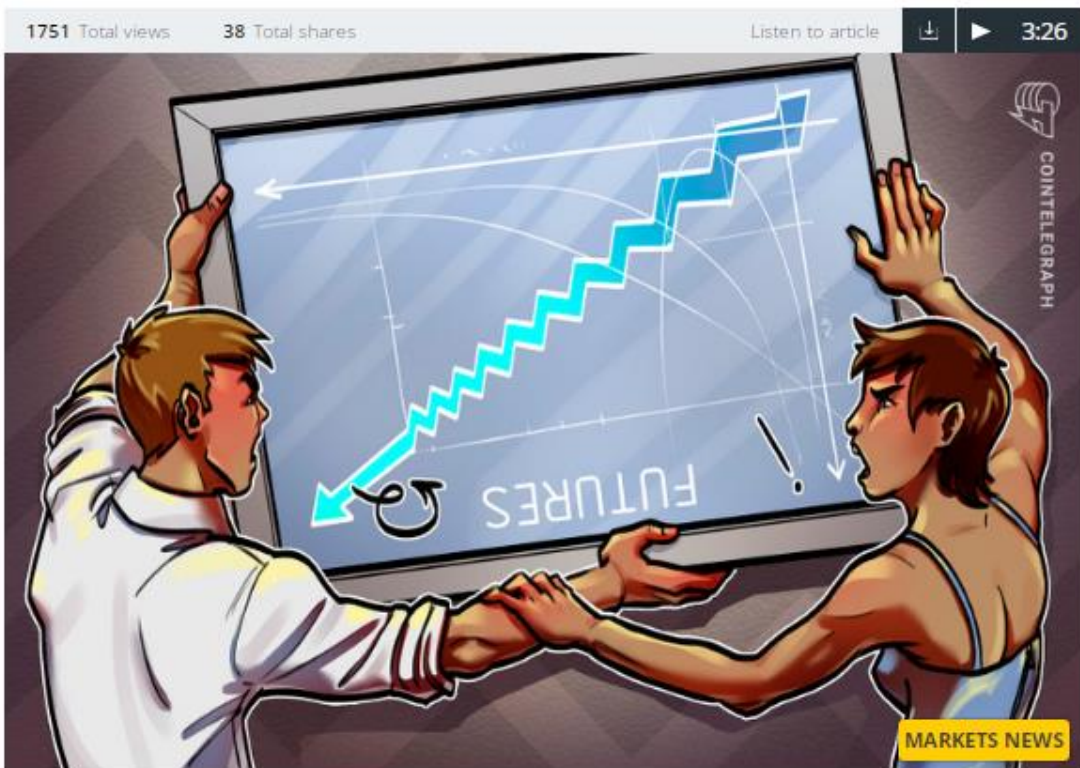
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



#bitcoin #futures

# CME Bitcoin futures see record discount amid 'very bearish sentiment'

Derivatives traders have become noticeably more conservative this month compared to last, new data shows.



Source: cointelegraph.com

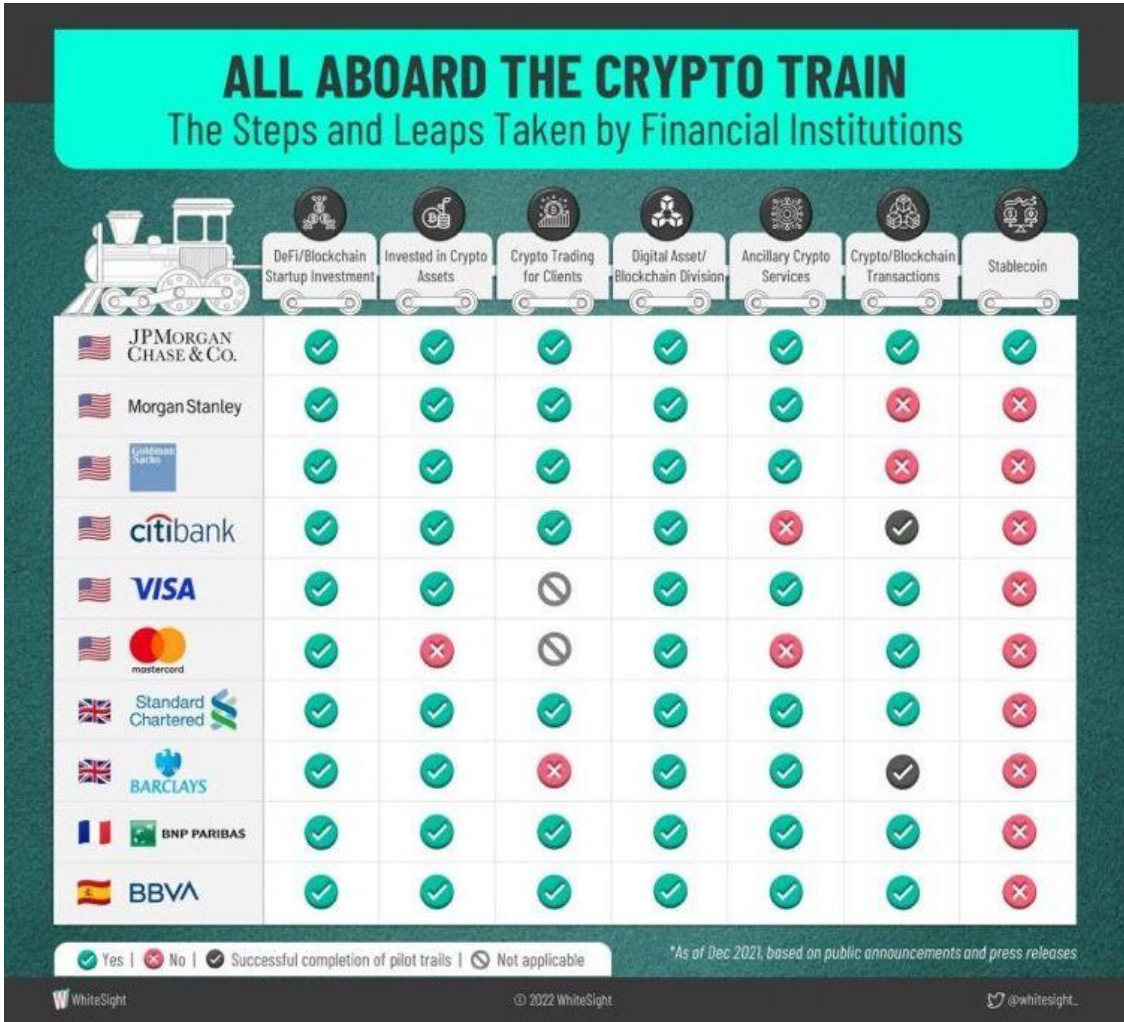
# #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

27 AUGUST 2022

#cryptos

## #cryptocurrencies #adoption



Source: Joachim Matinero

#cryptos

#cryptocurrencies #adoption

## SEC Delays VanEck's Bitcoin ETF Decision Another 45 Days

The U.S financial regulator has again delayed the decision on VanEck's latest spot Bitcoin ETF application by 45 days.

By [Andrew Asmakov](#)

Aug 26, 2022

2 min read



American investors are still waiting for a Bitcoin ETF. Image: Shutterstock

Source: Decrypt



#ethereum #staking

# Token Powering Ethereum Staking Platform Lido Finance Tumbles

Lido Finance's native token has fallen amid slowing demand for staking and mixed expectations of the upcoming Ethereum merge event.

By Tom Farren

Aug 26, 2022

2 min read



Lido Finance is a popular staking platform for cryptocurrencies. Source: Shutterstock

Source: Decrypt



#food-for-thought

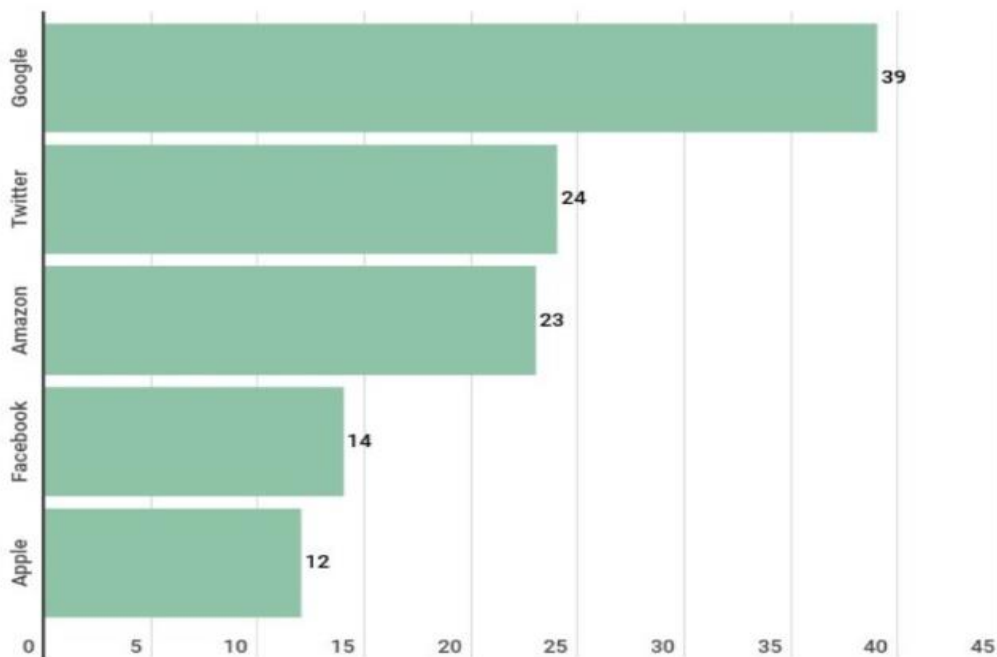
#big-tech

Data Big Tech Companies Have On You. Contextualizing big data. GOOGL tracks the most about its users, TWTR and AMZN are not far behind. AAPL, and surprisingly META, are on the lower end of the list.

Data Big Tech Companies Have On You

(by information types)

Source:digitalinformationworld



#food-for-thought

#unicorns #europe



Source: Statista

#food-for-thought

#banks #boycott

## BlackRock, BNP Paribas, UBS, Credit Suisse named to Texas 'boycott' list

Published Aug. 25, 2022



Dan Ennis  
Senior Editor



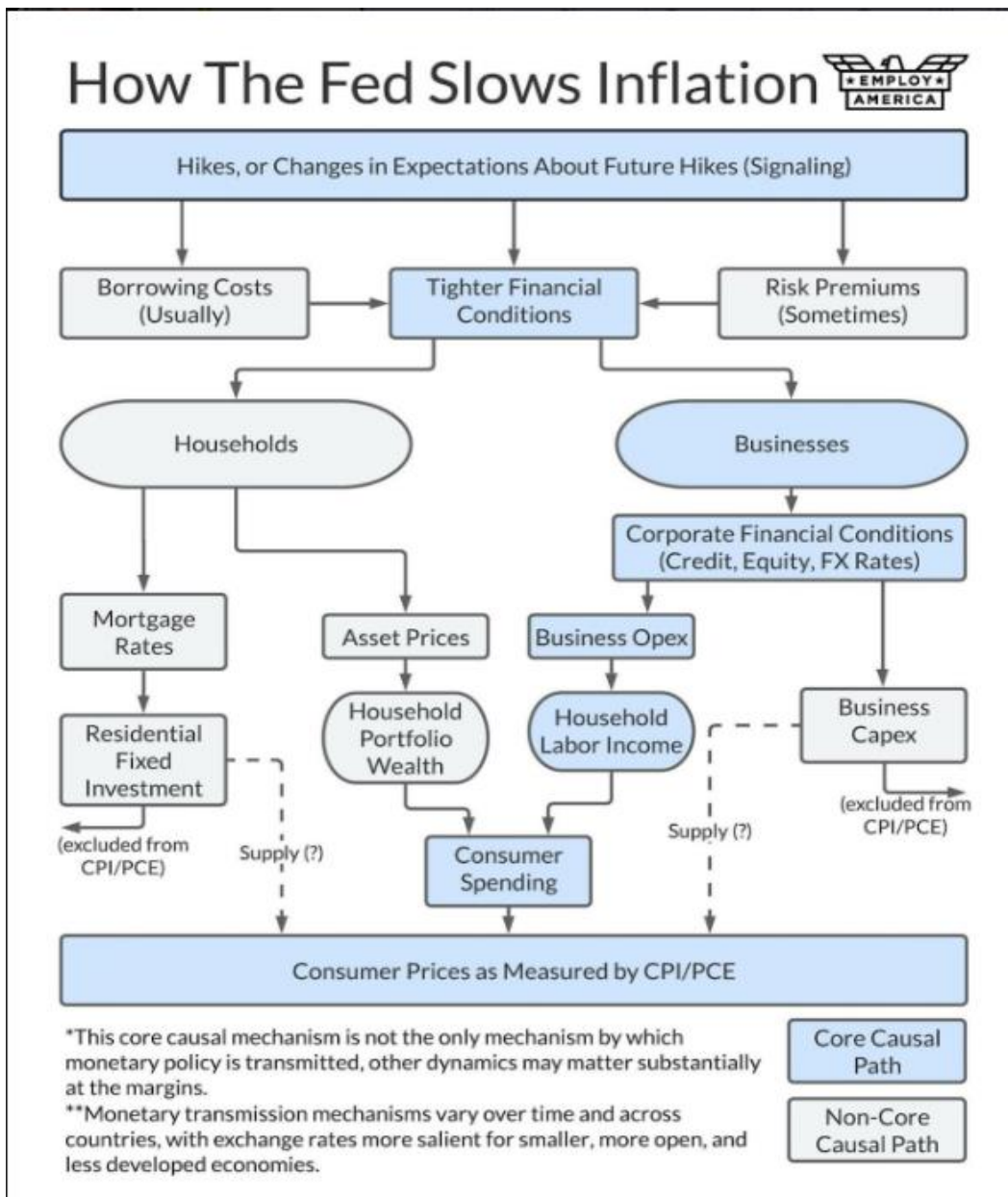
"BlackRock hq51 jeh.JPG" by Jim.henderson is licensed under CC BY-SA 3.0

### Dive Brief:

- Texas' comptroller Wednesday placed BlackRock, BNP Paribas, Credit Suisse, UBS and six other financial firms on a list of companies that "boycott" the fossil-fuel sector — a move that requires state pension funds to divest from the companies. A list of 348 mutual funds was also marked for divestment.

#food-for-thought

#inflation #fed



Source: employamerica

#food-for-thought

#inflation



*“While you were deciding, we raised our prices.”*

Source: Michel A.Arouet

#food-for-thought

#inflation



#food-for-thought

#paper-money



Alessandro Soldati • 1st

CEO @ GOLD AVENUE

4h • 🌐

In Venezuela you need more quantity of paper #cash to buy a single roll of toilet paper! 🇻🇪 > 💰

...see more



#food-for-thought

#etfs

260 ETFs have come to market this year. Here's the top 25 by assets (top 10%) and it's basically 4 companies : DFA, JPM, Goldman and Capital Group. The also notable DRLL already on list despite being a 10-days old.

Ticker	Name	Inception Date	Tot Asset (M)
DFUV US	DIMENSIONAL US MARKETWID...	5/9/2022	8,133.135
JIRE US	JPMORGAN INT RES ENH EQTY	6/13/2022	5,445.417
GUSA US	GOLDMAN SACHS MARKETBET...	4/12/2022	1,338.405
JCPI US	JP MORGAN INFLATION MGD ...	4/11/2022	1,071.909
JPRE US	JPMORGAN REALTY INCOME E...	5/23/2022	1,026.900
JMEE US	JPMORGAN MKT EXP ENH EQTY	5/9/2022	926.861
DUHP US	DIMENSIONAL US HIGH PROF...	2/24/2022	896.526
DFIC US	DIMENSIONAL INTERNATIONAL...	3/24/2022	857.950
PABU US	ISHARES PARIS - ALIG CLI M...	2/10/2022	826.227
OUSA US	ALPS OSHARES US QUALITY D...	6/21/2022	772.247
CGGR US	CAPITAL GROUP GROWTH	2/24/2022	680.353
CGDV US	CAPITAL GROUP DIVIDEND V...	2/24/2022	656.737
GLOV US	GS ACTIVE BETA WORLD LVOL...	3/17/2022	596.360
DFEM US	DIMENSIONAL EMERGING MAR...	4/27/2022	571.198
DFSV US	DIMENSIONAL US SMALL CAP ...	2/24/2022	468.245
CGGO US	Capital Group Global Growth	2/24/2022	454.497
CGXU US	CAPITAL GROUP INTL FOCUS ...	2/24/2022	431.522
DIHP US	DIMENSIONAL INTERNATIONAL...	3/24/2022	398.638
DISV US	DIMENSIONAL INTERNATIONAL...	3/24/2022	352.642
JEPQ US	JPM NASDAQ EQUITY PREMIUM	5/4/2022	329.566
CGUS US	CAPITAL GROUP CORE EQUITY	2/24/2022	315.015
CGCP US	CAPITAL GROUP CORE PLUS I...	2/24/2022	265.926
DFAR US	DIMENSIONAL US REAL EST E...	2/24/2022	220.923
DRLL US	STRIVE US ENERGY ETF	8/9/2022	196.223
XEMD US	BONDBLOXX-JPM USD EM MK ...	6/30/2022	182.124
DFIS US	DIMENSIONAL INTERNATIONAL...	3/24/2022	181.195

Source: Bloomberg, Eric Balchunas



#food-for-thought

### #teslaflation

Tesla CEO Elon Musk on Sunday announced a 25% price increase for the company's premium driver assistance system, which is marketed under the name Full Self-Driving, or FSD. The price will increase to \$15,000 from \$12,000 on Sept. 5.

**Elon Musk says Tesla will raise price of FSD by 25% in September**

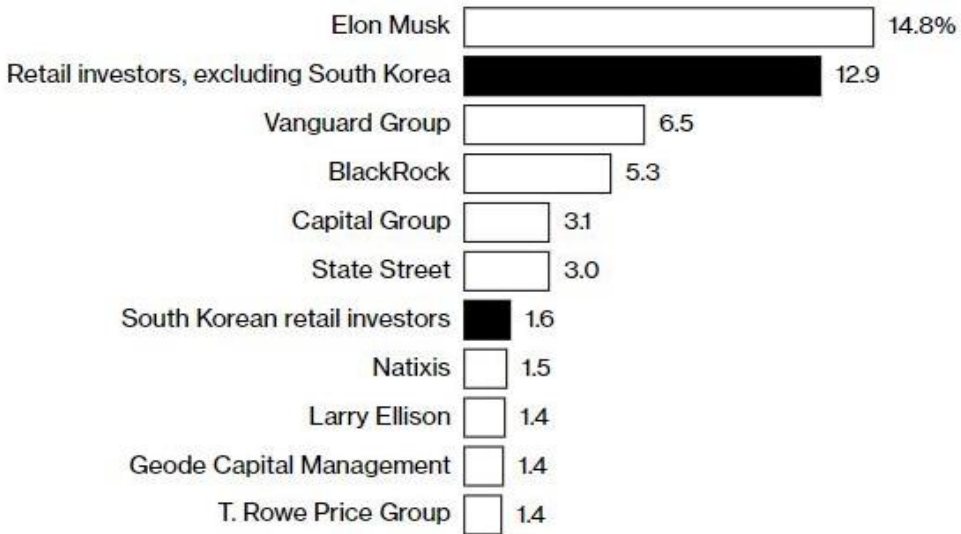
Source: CNBC

#food-for-thought

#tesla #top-holders

Individual Koreans held about 1.6% of Tesla’s equity as of Aug. 17, according to calculations by Bloomberg News based on data from Korea’s central securities depository. That’s more than their combined investments in Alphabet, Apple, Microsoft, and Nvidia. Head of data at Singapore-based Vanda Research, estimates that individuals globally, excluding Musk and Ellison, own about 15% of the company.

Top Holders of Tesla Stock

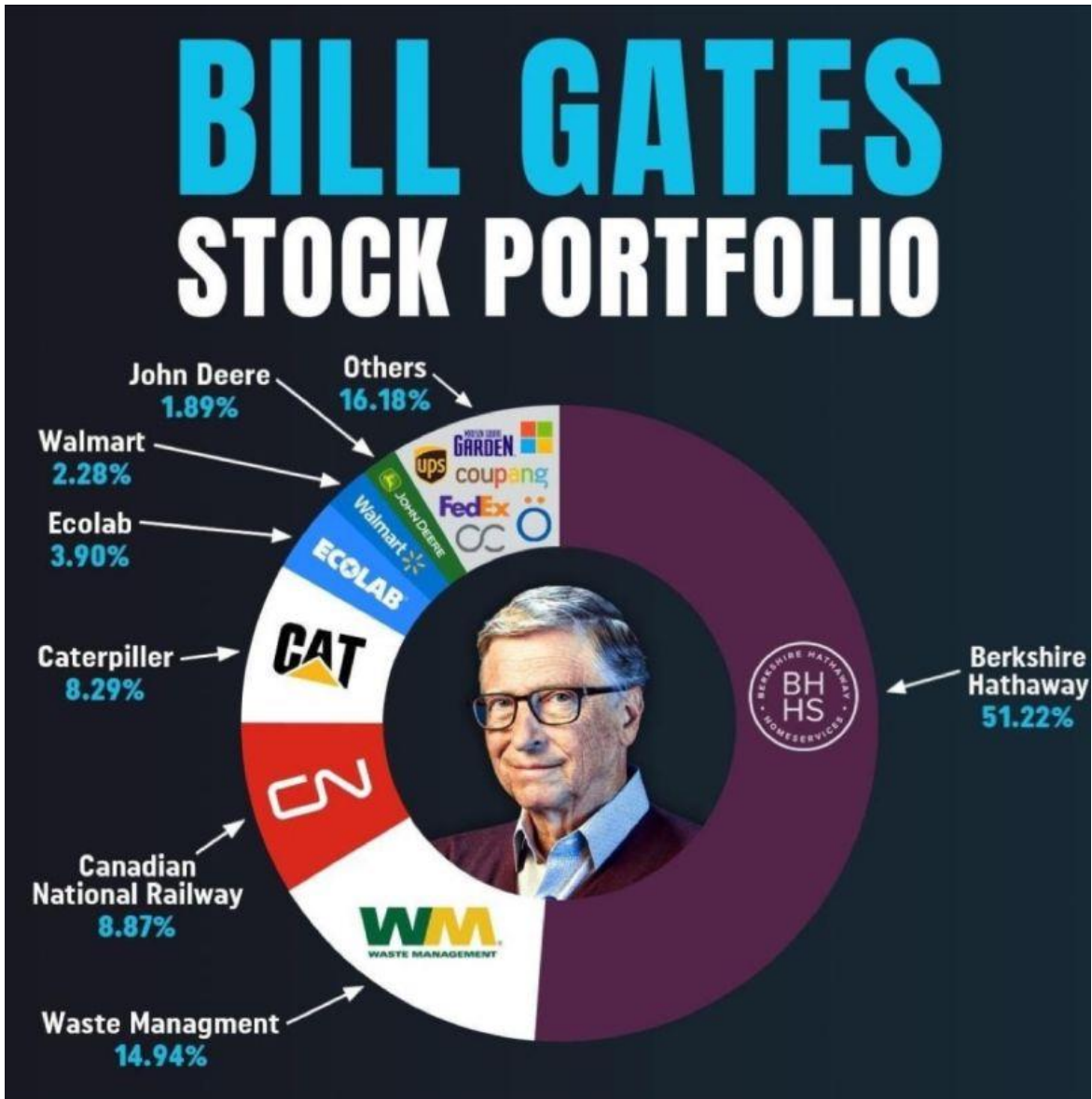


Sources: Bloomberg, Korea Securities Depository, Vanda Research. As of Aug. 17.

Source: Bloomberg

#food-for-thought

#bill-gates



Source: Special Situation Research Newsletter (Jay)

#food-for-thought

#rip

Tiger Management founder Julian Robertson dies at 90. Influential hedge fund manager spawned dynasty of 'Tiger cubs' who trace origins to firm



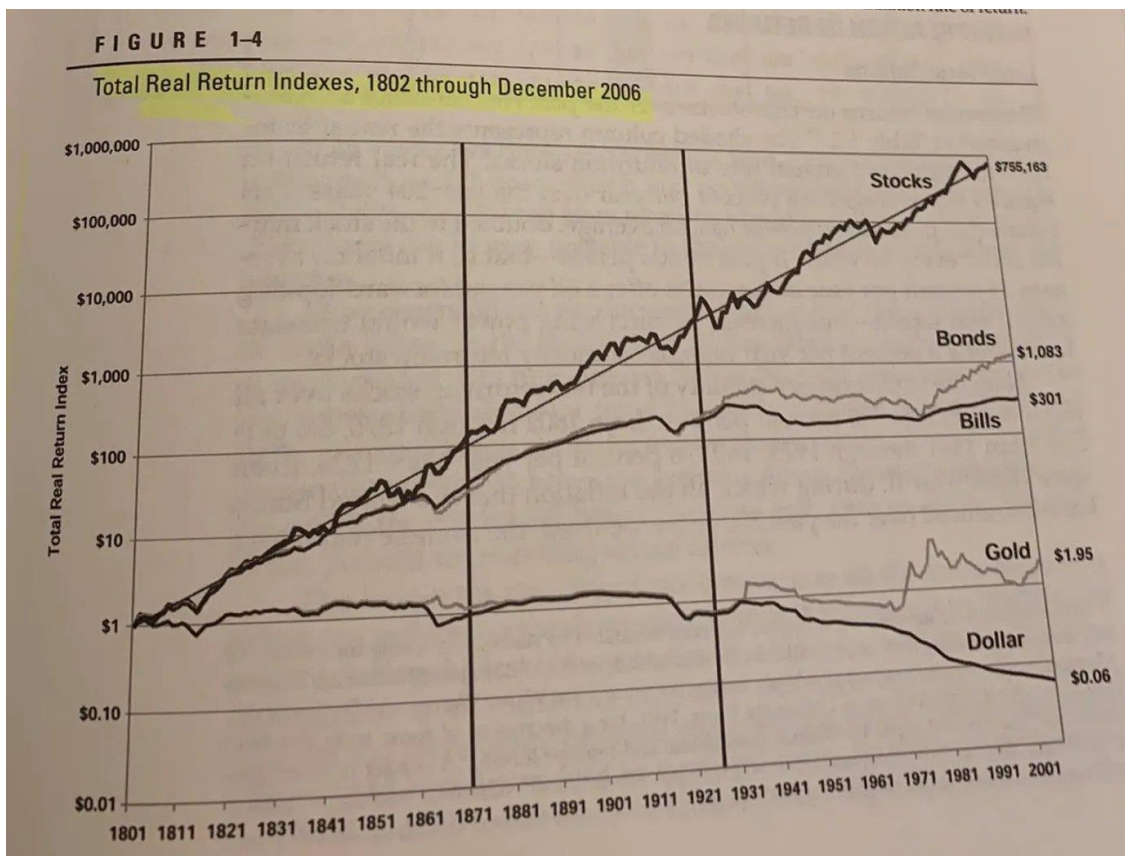
Source: FT

#food-for-thought

#markets #history

On average, you double your money in the stock market every 10 years.

The real return on equities (after inflation) has averaged 6.8% per year over the past 204 years.



Source: Compounding Quality

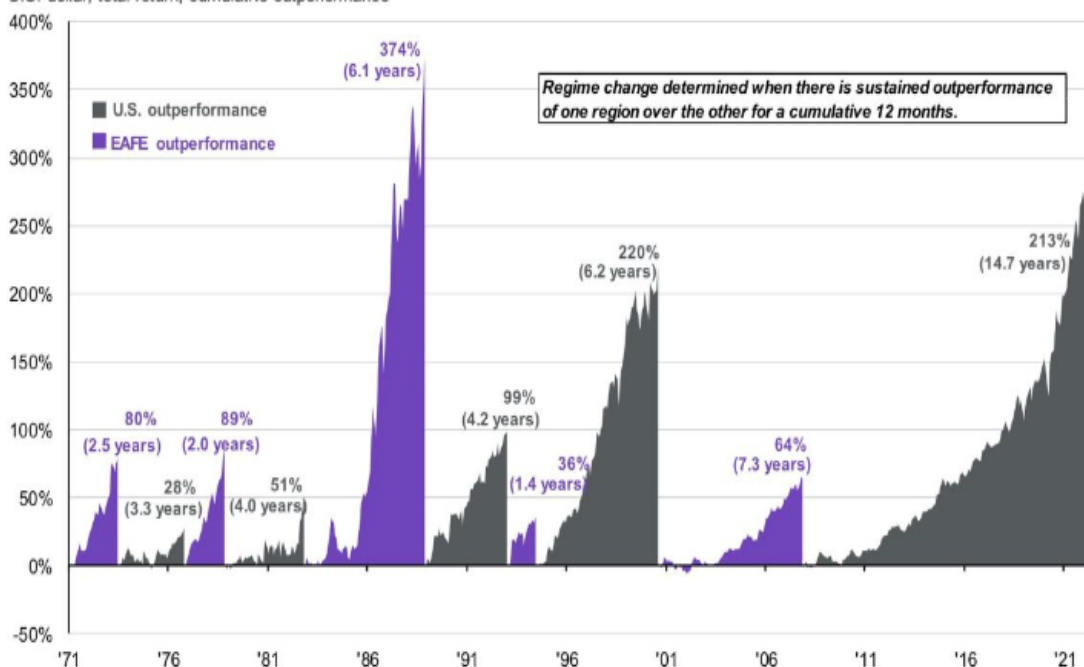
#food-for-thought

#international #stocks

MSCI EAFE vs MSCI USA: International stocks have underperformed for almost 15 years

MSCI EAFE and MSCI USA relative performance

U.S. dollar, total return, cumulative outperformance\*



Source: FactSet, MSCI, J.P. Morgan Asset Management. \*Cycles of outperformance include a qualitative component to determine turning points in leadership.  
Guide to the Markets – U.S. Data are as of June 30, 2022.

J.P.Morgan  
ASSET MANAGEMENT

Source: JP Morgan



#food-for-thought

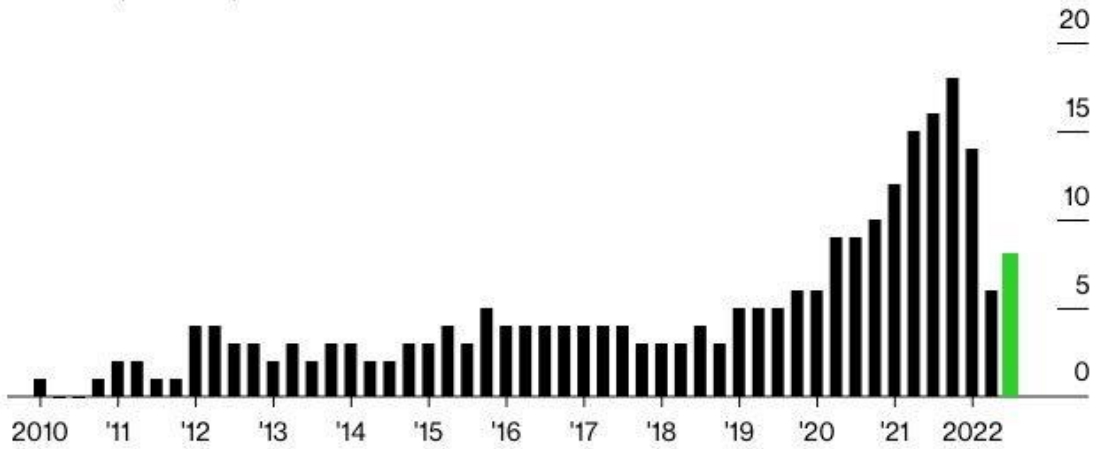
#stocks #splits #nasdaq100

Stock splits and this year's market selloff means there are only 8 remaining Nasdaq-100 stocks priced over \$500.

No Sticker Shock

Only eight Nasdaq 100 components will have shares priced at more than \$500 after Tesla executes split

■ Nasdaq 100 components with shares valued at more than \$500



Source: Bloomberg  
Note: Data as of Aug 24, 2022

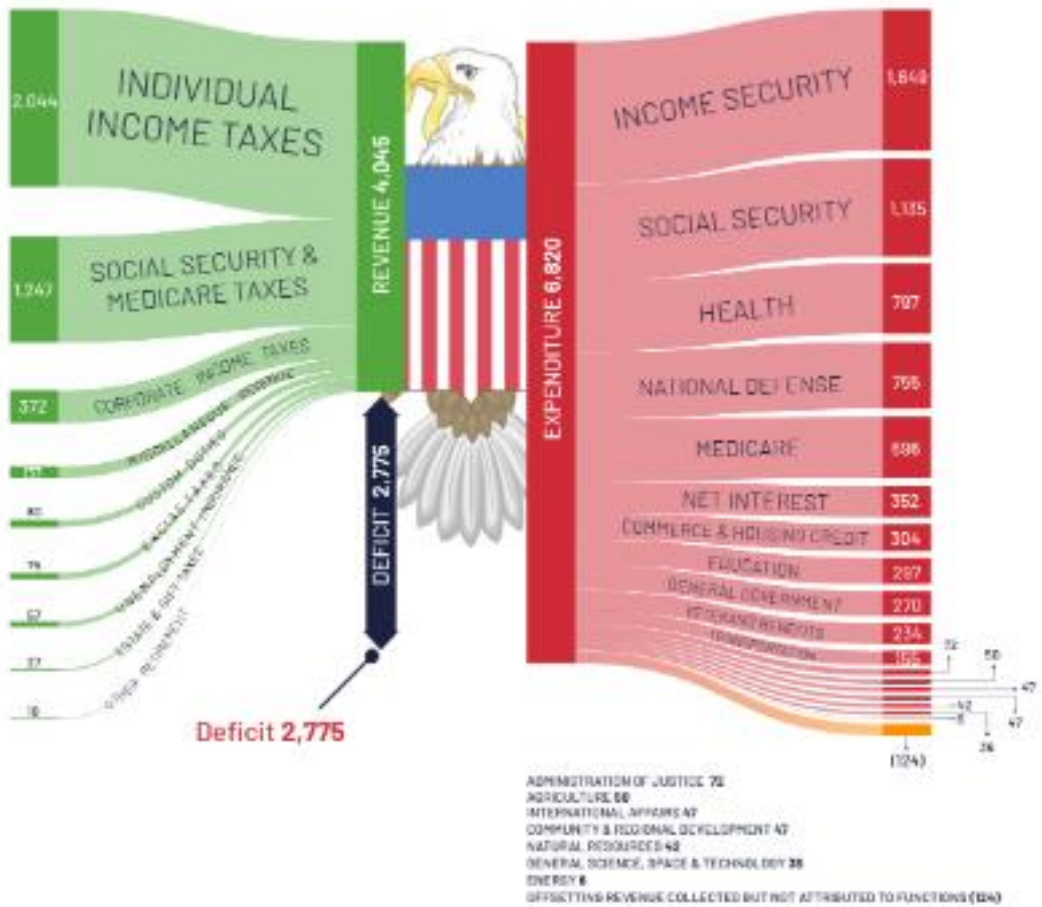
Source: Bloomberg

#food-for-thought

#us #federal #spending #revenues

US Government 2021 Revenue vs Expenditure

All numbers in \$B



Source: Federal Revenue Categories: <https://www.irs.gov/irb/2021-40/revrpt/govamrinc-financ-guiderevencatcat.pdf>  
 Federal Spending Categories: <https://www.fiscalservice.com/irs/finance-guiderevencatcat.pdf>



Source: The Visual Capitalist



#food-for-thought

#top-rated #jobs

Top-rated jobs by generation according to Glassdoor

	GEN Z	MILLENNIAL	GEN X	BOOMER
1	Corporate recruiter	Realtor	Chief executive officer	President
2	Marketing manager	Corporate recruiter	Chief operating officer	Chief executive officer
3	Social media manager	Full stack engineer	President	Realtor
4	Data scientist	Chief operating officer	Corporate recruiter	Executive director
5	Product manager	Technical account manager	Strategy manager	HR manager
6	IT specialist	SEO analyst	Realtor	Executive assistant
7	Account coordinator	Executive director	Law firm partner	Business development manager
8	Credit analyst	Technical recruiter	Solutions engineer	Marketing manager
9	Project engineer	Salesforce developer	Customer success manager	Insurance sales agent
10	Business development associate	President	HR specialist	Attorney

Table: Madison Hoff/Insider • Source: Glassdoor

INSIDER

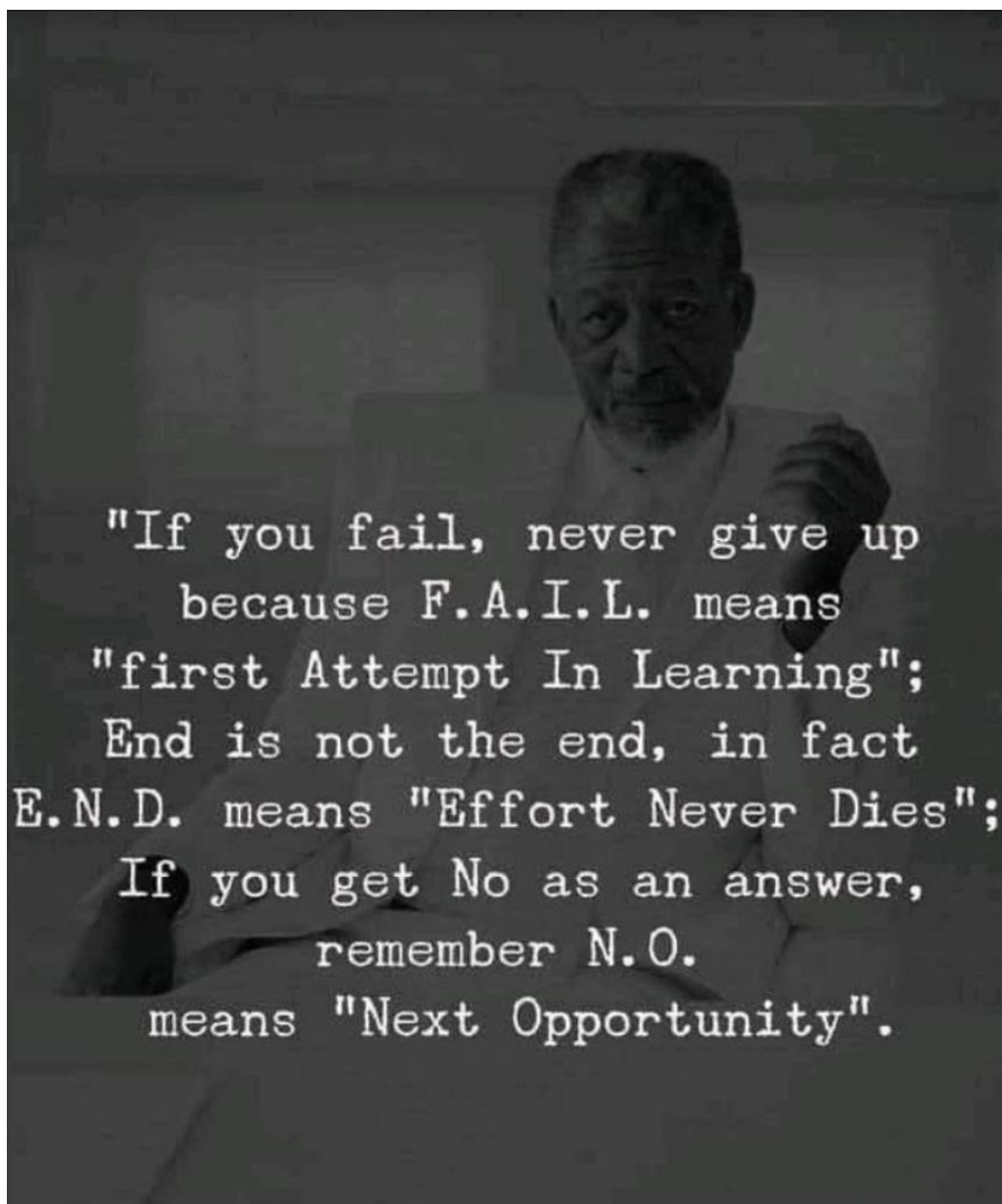
Source: Glassdoor



Source: xxx

#food-for-thought

#failure #opportunity



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**For the future...**