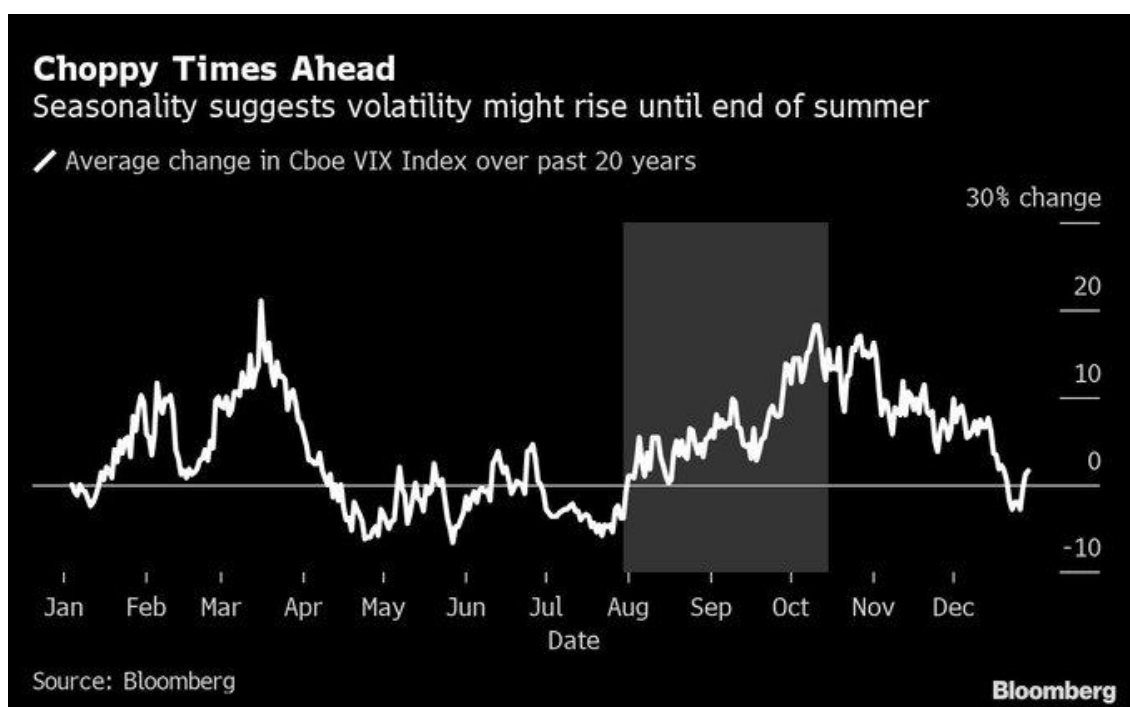


Chart of the week

Seasonality suggests volatility might rise until the end of Summer

Seasonality for the CBOE VIX Index over the past 20 years shows that volatility usually rises during the summer and early fall months amid thin market liquidity during the holiday season.



Source: Bloomberg, J-C. Gand

Stocks mixed after strong US jobs report

The Nasdaq and S&P 500 Index finished the week with gains, while the Dow Jones Industrial Average recorded a loss as a much stronger-than-expected jobs report revived investor concerns that the Fed will need to keep an hawkish stance to fight inflation. Friday's payrolls report from the Labor Department showed employers added 528k nonfarm jobs in July, more than double consensus expectations. While markets started to price in a less hawkish Fed following the FOMC July policy meeting, the strong payroll numbers seemed to indicate that the Fed has significant room to raise rates. Meanwhile, US macro numbers were rather on the strong side (the ISM Service sector growth unexpectedly accelerated last month) and corporate earnings reports are coming out above consensus expectations. The strong payroll report helped drive the dollar and U.S. Treasury yields higher over the week, outweighing downward pressure from rising U.S.-China tensions following House Speaker Nancy Pelosi's visit to Taiwan. In Europe, the STOXX Europe 600 Index slipped 0.6% on stagflation fears as eurozone unemployment rose for the 1st time in 14 months in June while German manufacturing activity contracted in July for the 1st time in two years. In the UK, the BoE raised its key interest rate by 50 basis points, the biggest increase in 27 years. China's stock markets eased as geopolitical tensions, mortgage boycotts, and tepid economic data kept buyers on the sidelines.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

6 AUGUST 2022

#markets

#markets #stats #weekly

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	32,803	-0.1%	-9.7%
S&P 500 Index	4,145	0.4%	-13.0%
NASDAQ	12,658	2.2%	-19.1%
MSCI EAFE *	1,942	0.2%	-16.9%
10-yr Treasury Yield	2.84%	0.2%	1.3%
Oil (\$/bbl)	\$88.37	-10.4%	17.5%
Bonds	\$102.71	-1.3%	-7.9%

Source: Factset. 08/05/2022. 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

#markets

#us #equities #technicals

The S&P 500 Index is closing in on a crucial technical hurdle that will indicate whether its rebound from June lows is more than just a bear-market bounce.



Source: Bloomberg

#markets

#us #equities

Proshares Nasdaq 100 (\$QQQ) got rejected right at the trend line pointed out below.



Source: Bloomberg. MauroBianchi24

#markets

#us #equities #rally

This week's violent surge higher was driven by the biggest weekly short-squeeze since Jan 2021 - that was a 15.2% squeeze of the 'most shorted' stocks from Monday's gap down open to Friday close at the highs of the week!

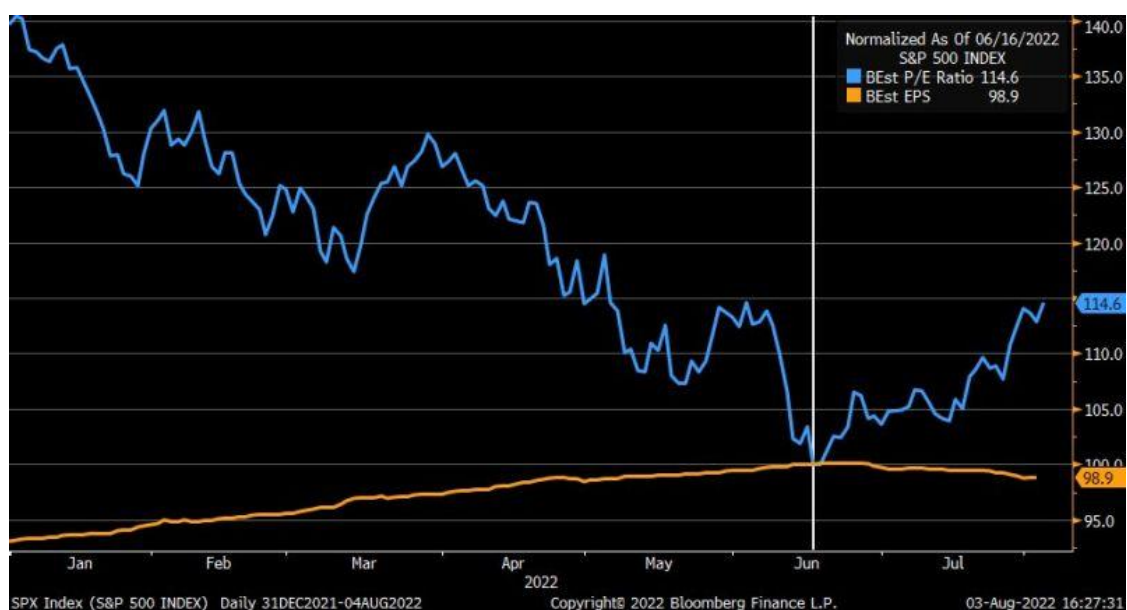


Source: www.zerohedge.com, Bloomberg

#markets

#us #equities #rally

S&P 500's rally since recent June 16 low has been driven entirely by forward P/E (blue) as forward EPS (orange) continue to roll over (at slow pace).

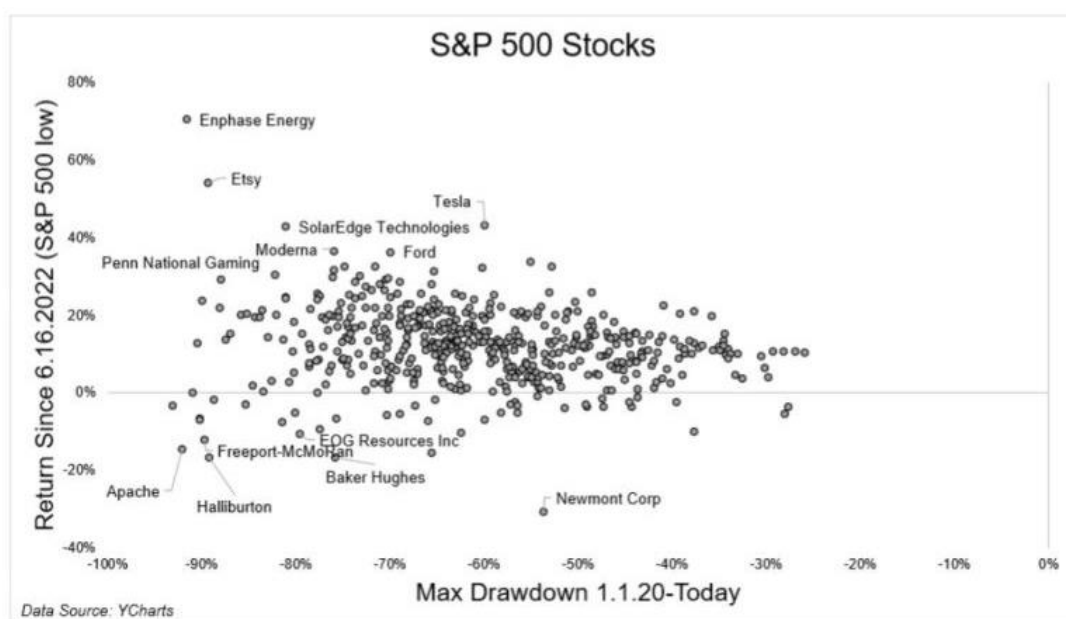


Source: Liz Ann Sonders, Bloomberg

#markets

#us #equities #rally

Some of the best-performing stocks over the last couple of weeks are the ones that got hit the hardest over the last 2 years. And some of the worst performing stocks over the last few weeks are the ones that have done the best over the last year.



Source: The Irrelevant Investor

#markets

#us #equities #rally

Difficult to be bearish when looking at this table...

15%+ Quarterly Drops for the S&P 500: Post WW2				
Quarter	Quarterly Drop (%)	Next Quarter (%)	Next Half (%)	Next Year (%)
Sep-46	-18.83	2.27	1.40	1.00
Jun-62	-21.28	2.78	15.25	26.70
Jun-70	-18.87	15.80	26.72	37.10
Sep-74	-26.12	7.90	31.19	32.00
Dec-87	-23.23	4.78	10.69	12.40
Sep-02	-17.63	7.92	4.04	22.16
Dec-08	-22.56	-11.67	1.78	23.45
Mar-20	-20.00	19.95	30.12	53.71
Jun-22	-17.02	?	?	?
	Average	6.22	15.15	26.07
	Median	6.34	12.97	25.08

Source: Bespoke

#markets

#us #equities #rally



The Kobeissi Letter
@KobeissiLetter

Recent Events:

1. Inflation at 40 year high of 9%+
2. Credit card debt up 30% since April
3. Largest geopolitical conflict since WW2
4. Rising rates into a recession
5. Lowest mortgage demand since 2001

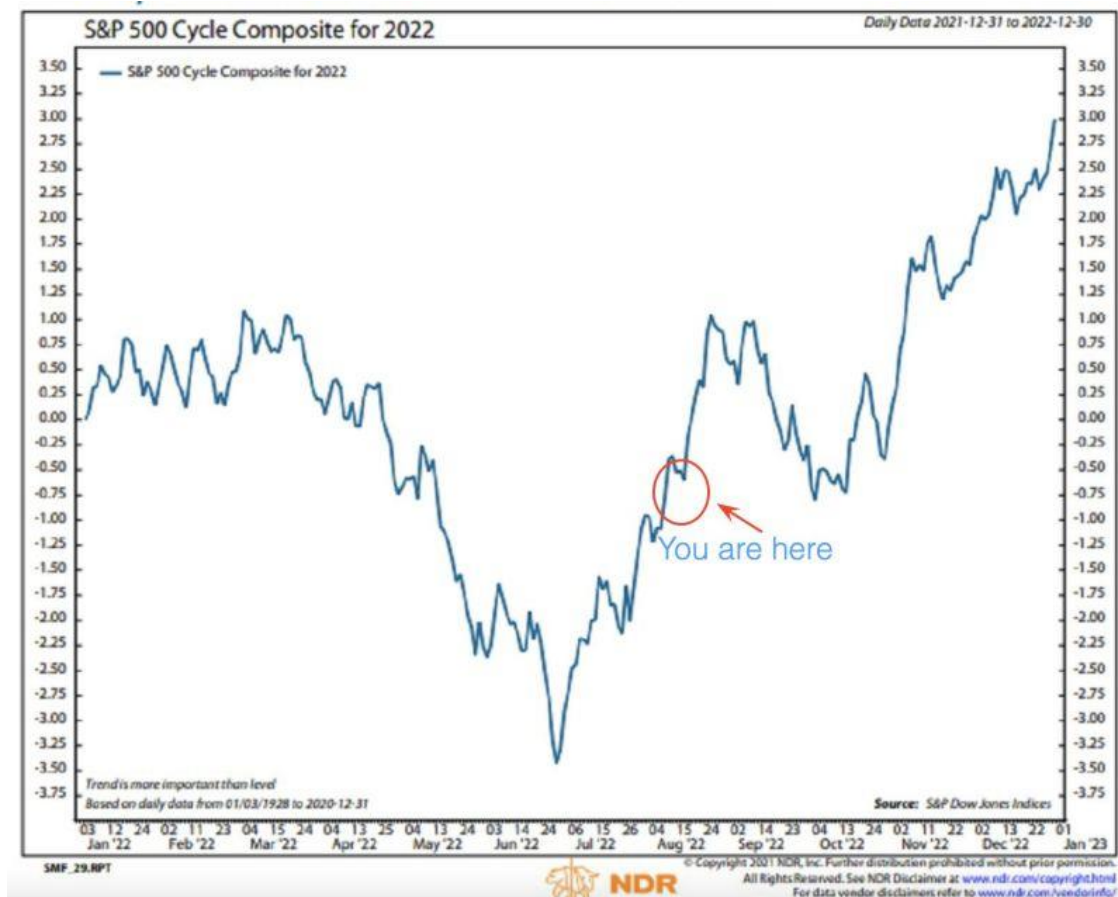
Yet, [\\$SPX](#) is down just 14%.

If this can't crash the market, what will?

11:19 PM · Aug 4, 2022 · Twitter Web App

#us #equities #cycle

The S&P 500 has followed the NDR Cycle Composite almost perfectly in 2022, rebounding precisely at the Composite low. The NDR (Ned Davis Research) Cycle Composite is an average of 1-year (seasonality), 4-years (Presidential cycle) and 10 year cycles..



Source: NDR

#markets

#us #equities #macro

Have equities “front-run” the economic slowdown?

Equities vs. ISM Manufacturing



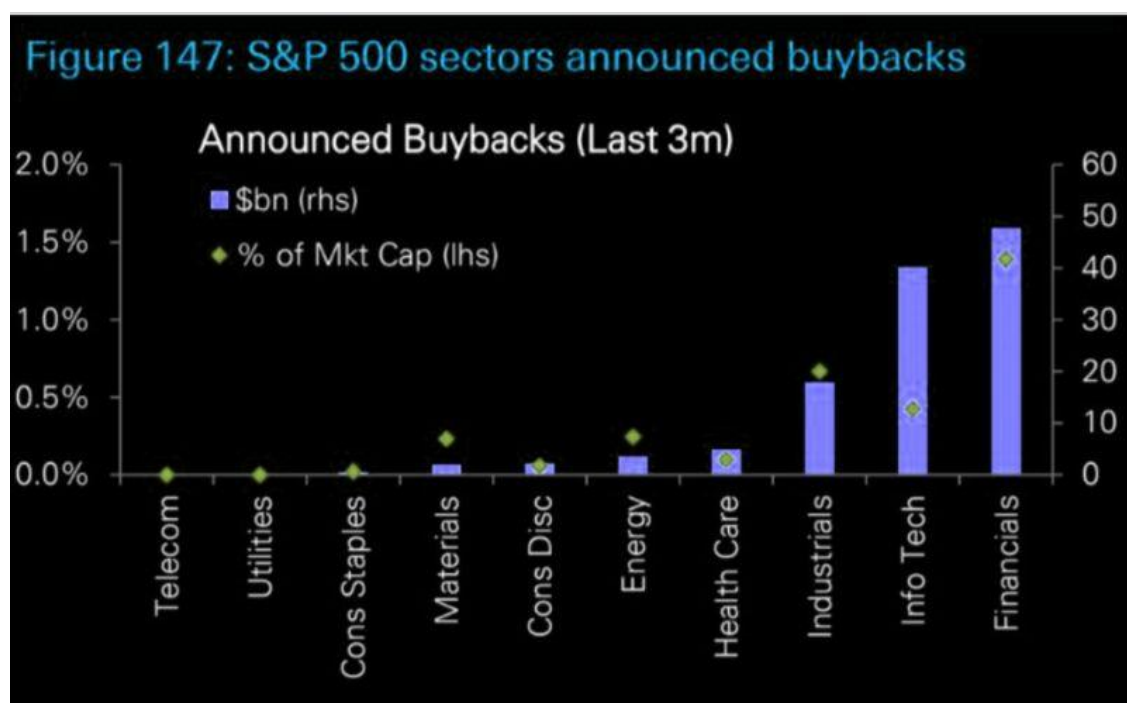
Source: Andreas Steno and Macrobond

Source: Macrobond

#markets

#us #equities #buybacks

S&P sectors announced buyback. Very concentrated to a few sectors.

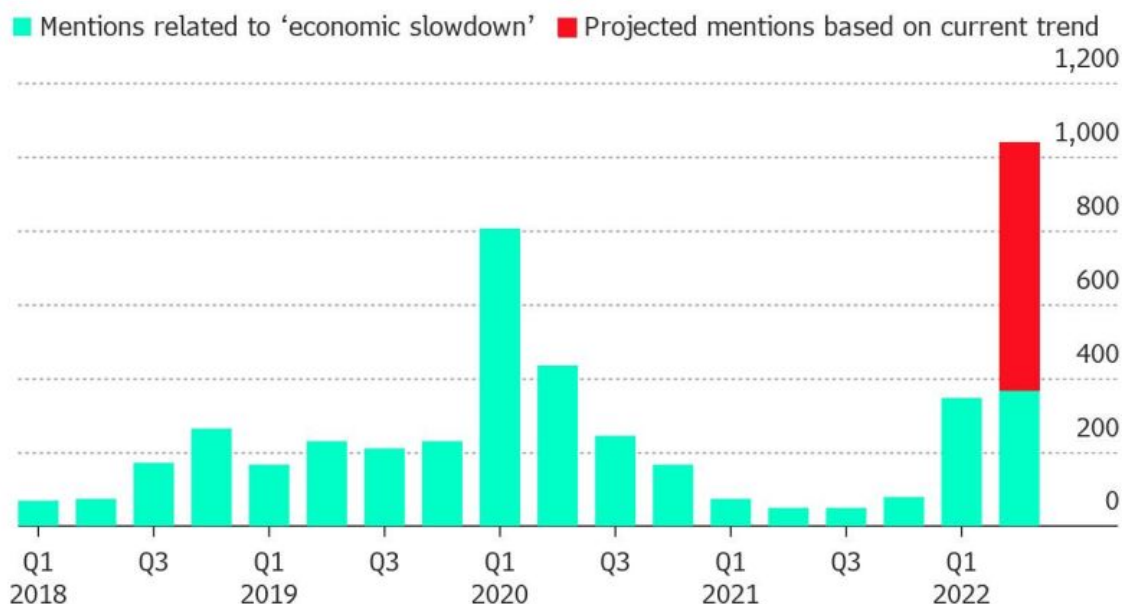


Source: Bloomberg

#us #earnings

US company executives are getting much more worried about economic growth, judging by their earnings conference calls, even as stocks staged a furious rebound in July.

Recession fears are increasingly becoming a topic on earnings calls



Source: Bloomberg

Note: Shows mentions for earnings calls of S&P 500, Nasdaq 100 and Stoxx Europe 600 companies as of Aug. 1

Bloomberg

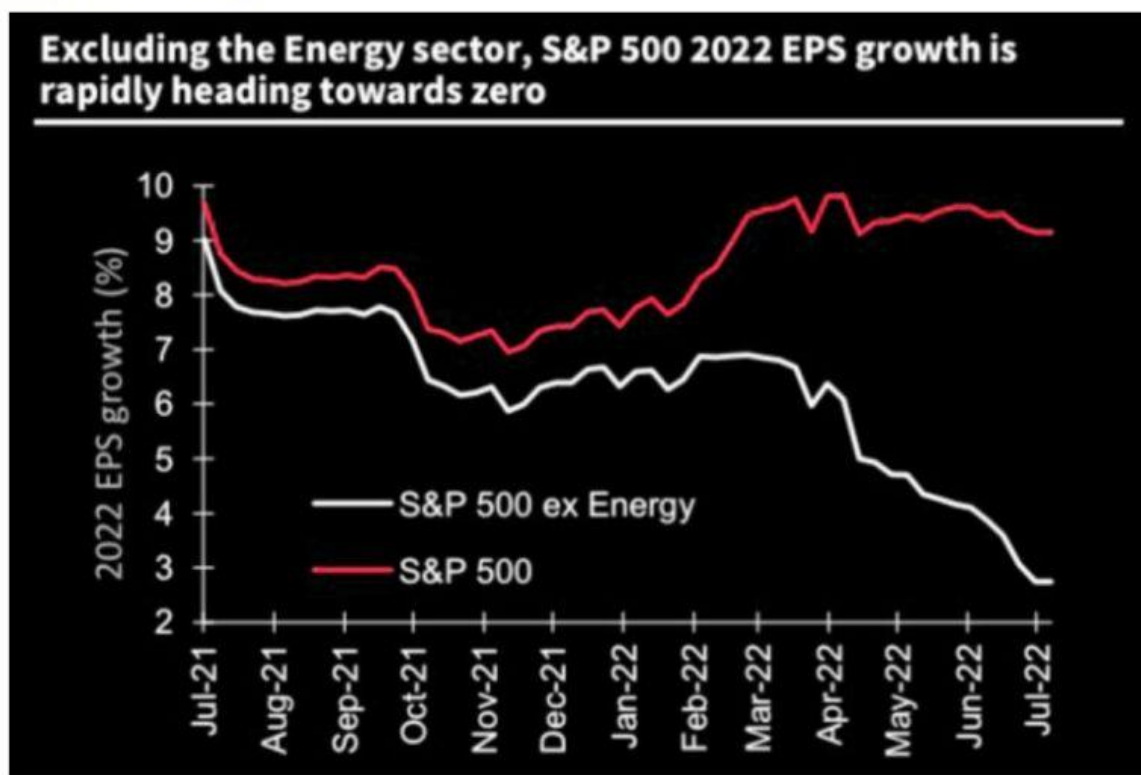
Source: Bloomberg

#markets

#us #earnings #estimates

US earnings have been seen as one of the few equity markets tailwind this year. But as pointed out by SocGen, excluding the energy sector, S&P 500 2022 EPS growth is rapidly heading towards ZERO.

No growth ex-energy

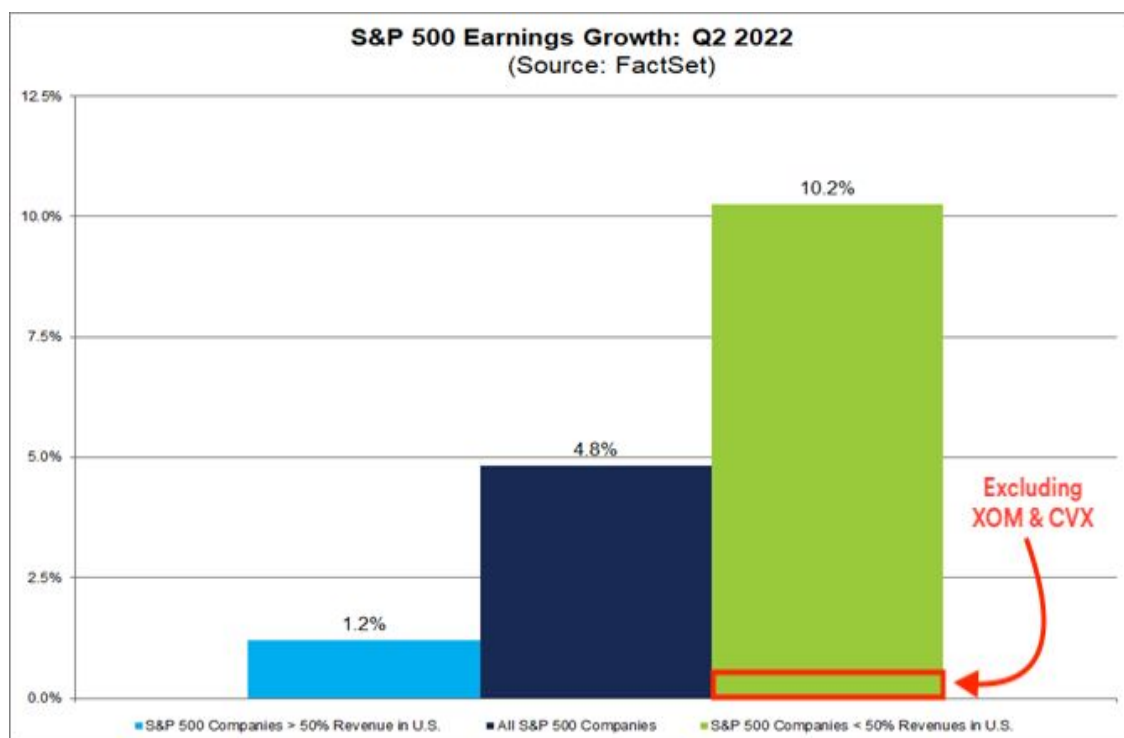


Source: Soc Gen

Source: SocGen, TME

#us #earnings #international

S&P 500 companies with more global exposure report higher earnings in Q2 of 2022. Given all that's going on in the world it seems counterintuitive, but the biggest US companies that generate >50% of revenue outside the US are actually outperforming in terms of earnings growth. This seems impressive at face value, but the caveat? Excluding just two companies: Exxon Mobil and Chevron would flip the blue and green positions in the chart, as the 10.2% would fall to 0.5%.



Source: Factset, Leverage Shares

#markets

#us #earnings #growth-style

Growth sector outlook packing the biggest punch to year ahead EPS forecasts for S&P 500.



Source: Bloomberg, Gina Martin Adams

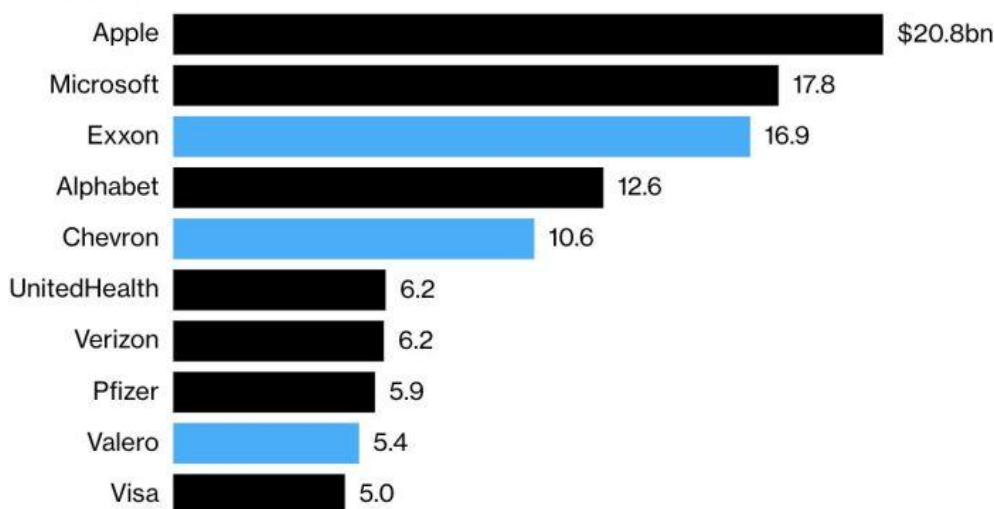
#us #free-cash-flows

Revenge of "old world economy": Exxon generated more free cash than Alphabet for the first time since 2018. Exxon is #3 in the S&P 500 behind Apple & Microsoft. Chevron jumped up in the ranks with cash inflow to #5.

Fossil Fuel Revival

Energy companies are now among the S&P 500's top cash machines

■ Quarterly free cash flow



Source: Bloomberg data

Note: Excludes financials because of vast and volatile cash inflows. Data correct as of last published quarter.

Source: Bloomberg, HolgerZ

#markets

#global #equities #valuation

Global #equities are NOT that cheap...Goldman, Bernstein strategists say stocks rally can fizzle out as econ data continue to deteriorate & earnings forecasts being slashed. MSCI World Index' long-term P/E doesn't look attractive yet. Stocks at risk of another selloff unless macro data shifts.



Source: Bloomberg

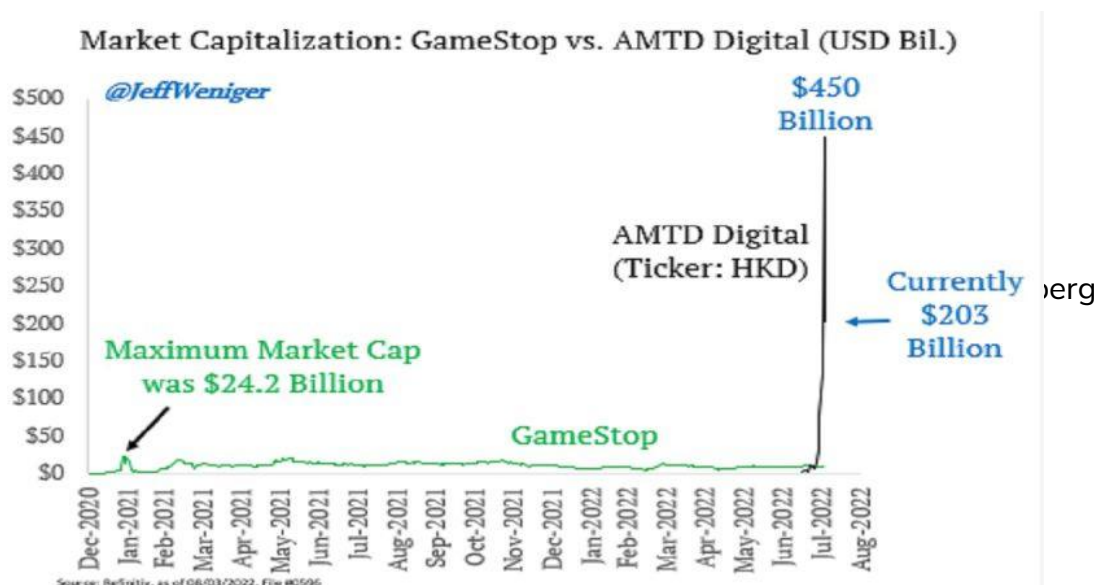
#meme #stocks

Meme stocks mania: AMTD Digital vs. Gamestop. If you thought GameStop was wild, what's happening with this Chinese meme stock will blow your mind.

GameStop peak market capitalization: \$24bn

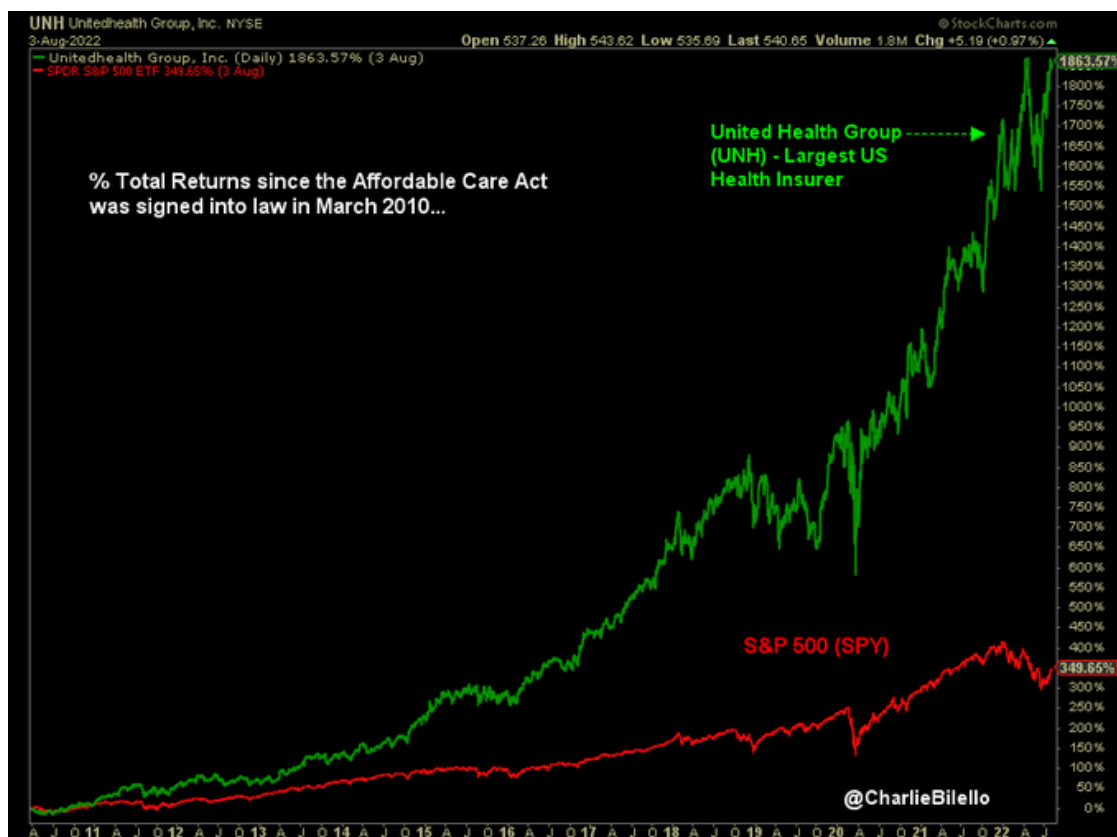
AMTD Digital peak market cap: \$450bn

Hong-Kong listed Fintech company AMTD Digital (ticker HKD) is up 21,700pct in a matter of few weeks (since recent IPO). Its market cap was at one point larger than META/Facebook, Wal Mart or Exxon Mobil while its revenues were just \$25 million last year... It is not really clear if Reddit/WallStreetBets is behind this move. According to findclout.io data, HKD was hardly discussed before on their platform.



#us #health-insurance #stocks

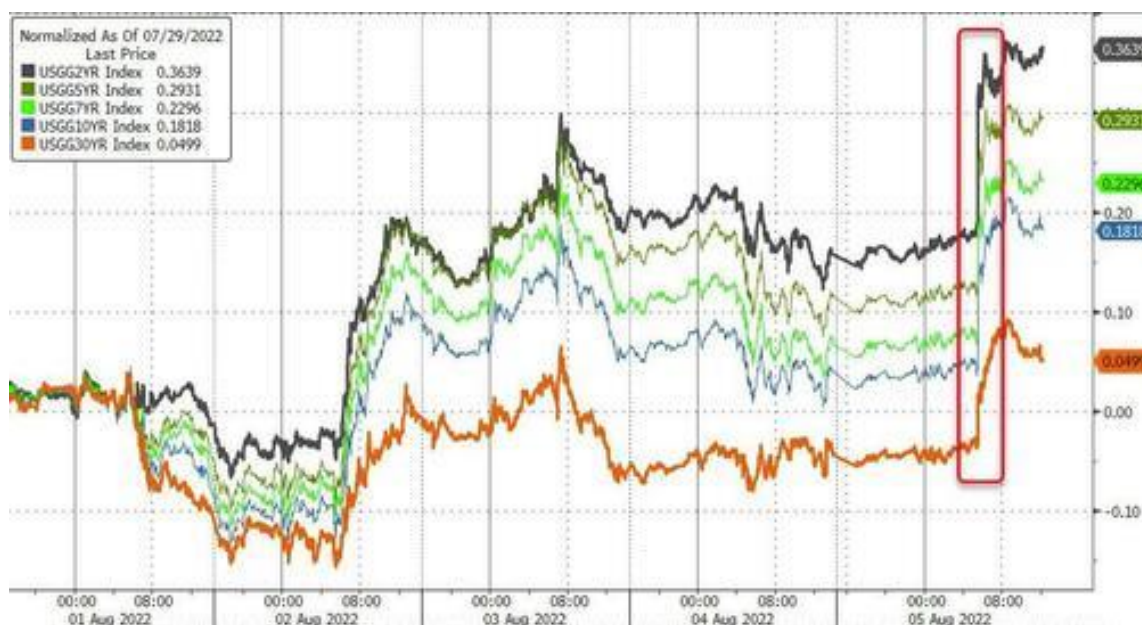
The average family health insurance premium in the US has more than tripled since the "affordable" care act was signed into law back in 2010. The biggest beneficiaries: health insurers. United Health Group (the largest US insurer) is up 1,864% vs. a 350% gain for the S&P 500.



Source: Charlie Bilello

#us #treasuries #weekly

US Treasury yields all ended the week higher with the short-end underperforming dramatically as hawkish reality was priced back in...

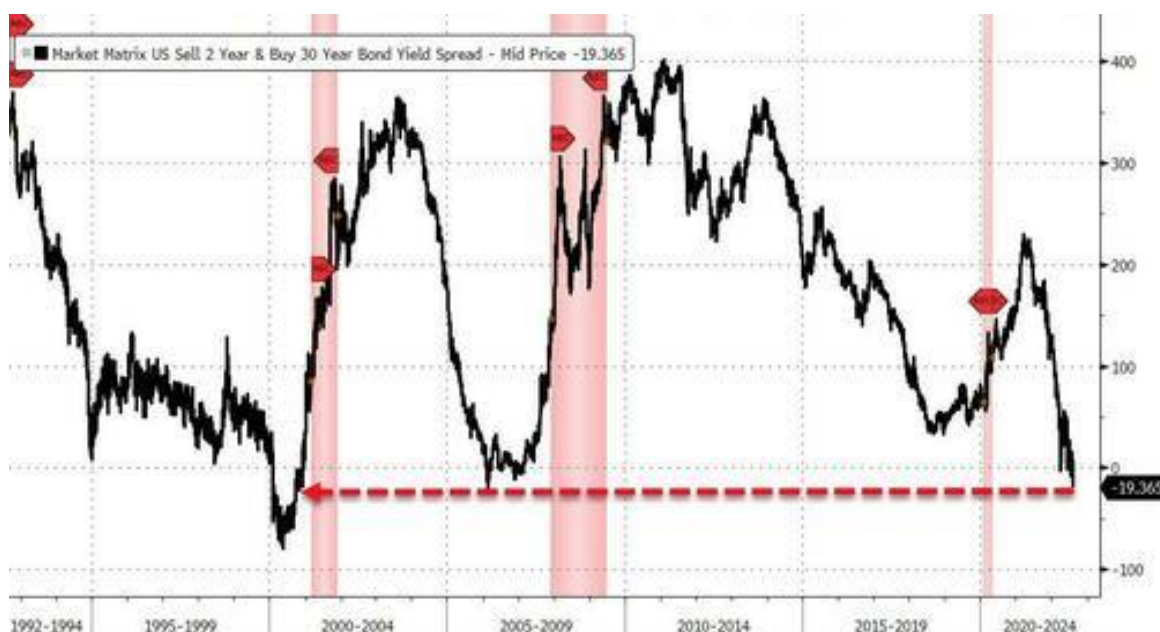


Source: Bloomberg, www.zerohedge.com

#markets

#us #treasuries #yield-curve

The yield curve flattened (inverting even more significantly) on the week, with 2s30s at its most inverted since Oct 2000...



Source: Bloomberg, www.zerohedge.com

#markets

#us #treasuries #china

To put things into perspective: China has already cut its US treasury holdings below the \$1,000bn mark.



Source: Bloomberg, HolgerZ

#markets

#germany #financial-repression

FINANCIAL REPRESSION CONTINUES TO INTENSIFY IN GERMANY. While #inflation remains high, at 7.5% in July, 10-year German yields have fallen below 1% again. Real yields (10y Bunds - inflation) dropped to MINUS 6.8%, near All Time Low. Real yields have now been NEGATIVE for 75 consecutive months.

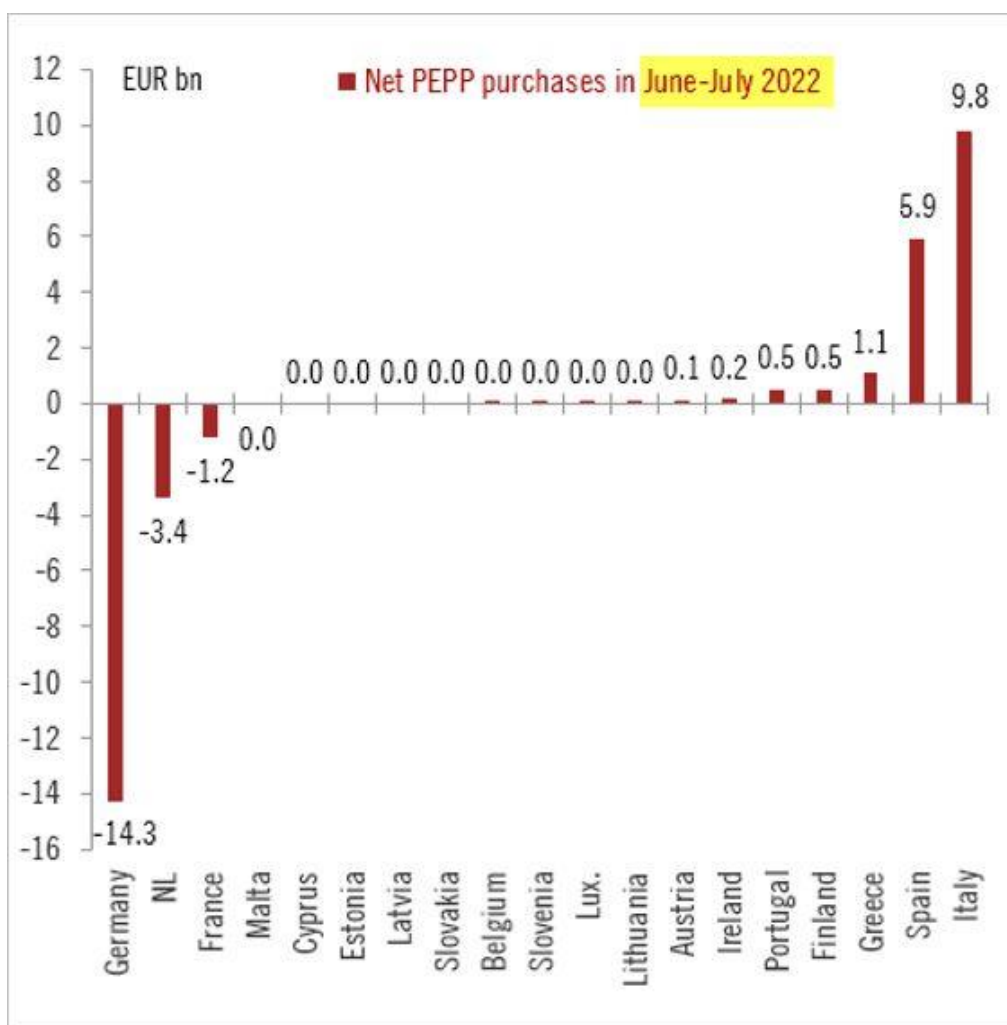


Source: Bloomberg, HolgerZ

#markets

#italy #bonds #ecb

The ECB has been running its own version of “Operation Twist” in its fight against defragmentation risks.



Source: The Daily Shot, Frederik Ducrozet

#us #investment-grade #bonds

Despite 1Q22 and 2Q22 being weak for real GDP, both saw more upgrades than downgrades for investment grade bonds ... ratio was more than 4-to-1, which is historically not consistent with recessions.



Source: Arbor Research

#meta #bond

Meta is exploring its first potential bond sale. According to a Bloomberg report, citing a person familiar with the matter, Meta asked several banks to help set up investor meetings and prepare for its first-ever bond sale. The report suggests that a senior unsecured debt offering could follow the meetings. Meta was only one of 18 companies in the S&P 500 that did not have outstanding short or long-term debt. Rumors are that the potential bond sale could bring in well over \$10 billion for the company, which will need to unlock both near and long-term opportunities.



Source: Benzinga

#markets

#credit-suisse

Still in troubles



FitchRatings



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August 4, 2022 · 1:19 PM GMT+1

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Finance

Credit Suisse mulls cutting thousands of jobs globally, report says

Reuters

2 minute read

RATING ACTION COMMENTARY

Fitch Downgrades Credit Suisse Group to 'BBB'; Outlook Negative

Thu 04 Aug, 2022 - 14:41 ET

Source: Reuters, FitchRatings

#markets

#oil

Crude crashed 10% over the week and is now trading back to Putin invasion levels...

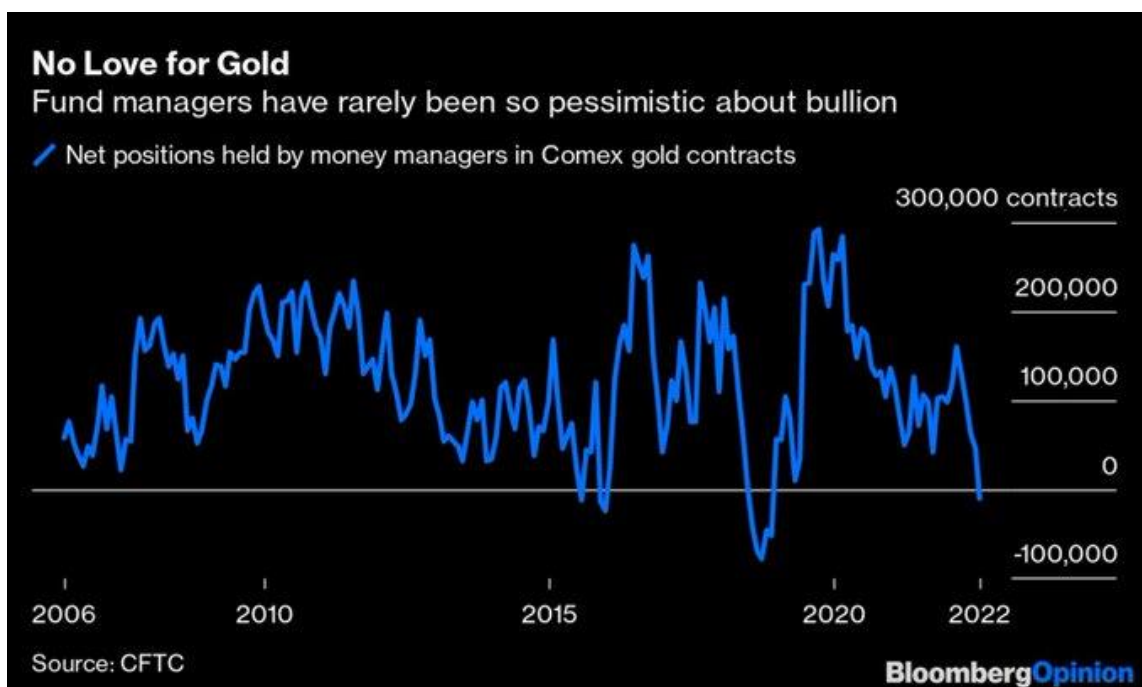


Source: Bloomberg

#markets

#gold

Contrarian signal for gold?

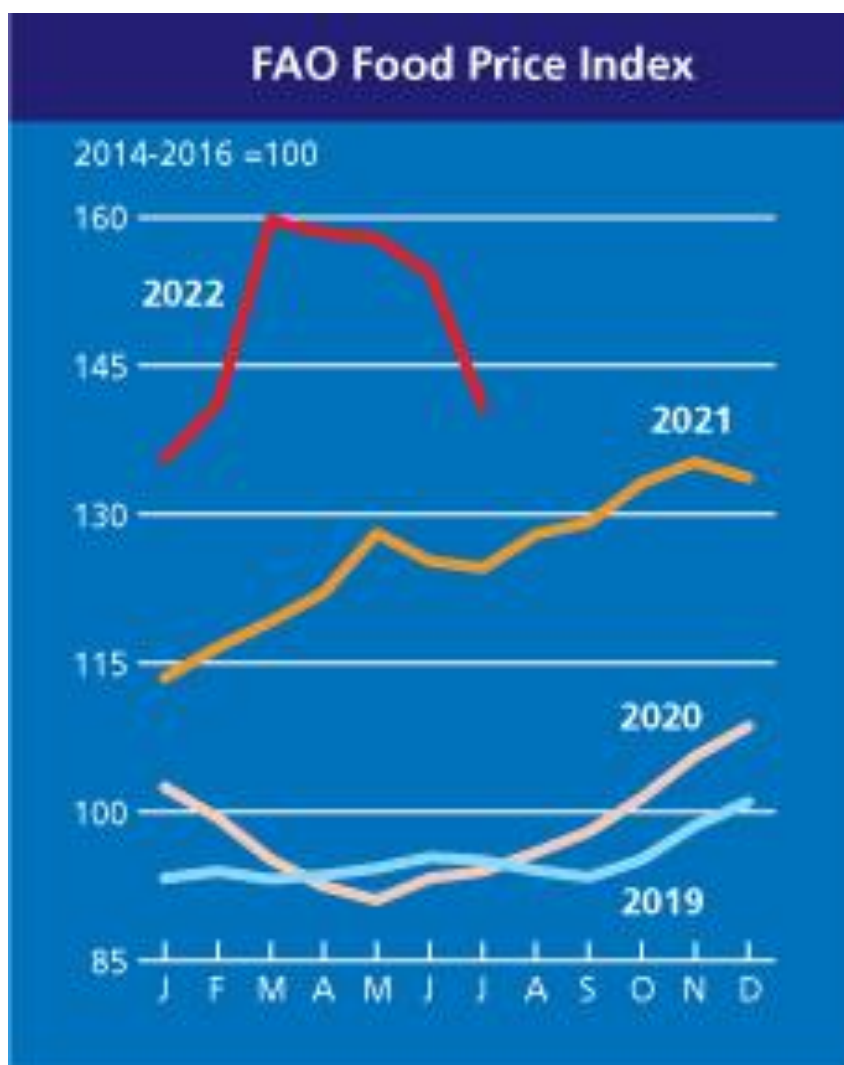


Source: Bloomberg

#markets

#soft #commodities

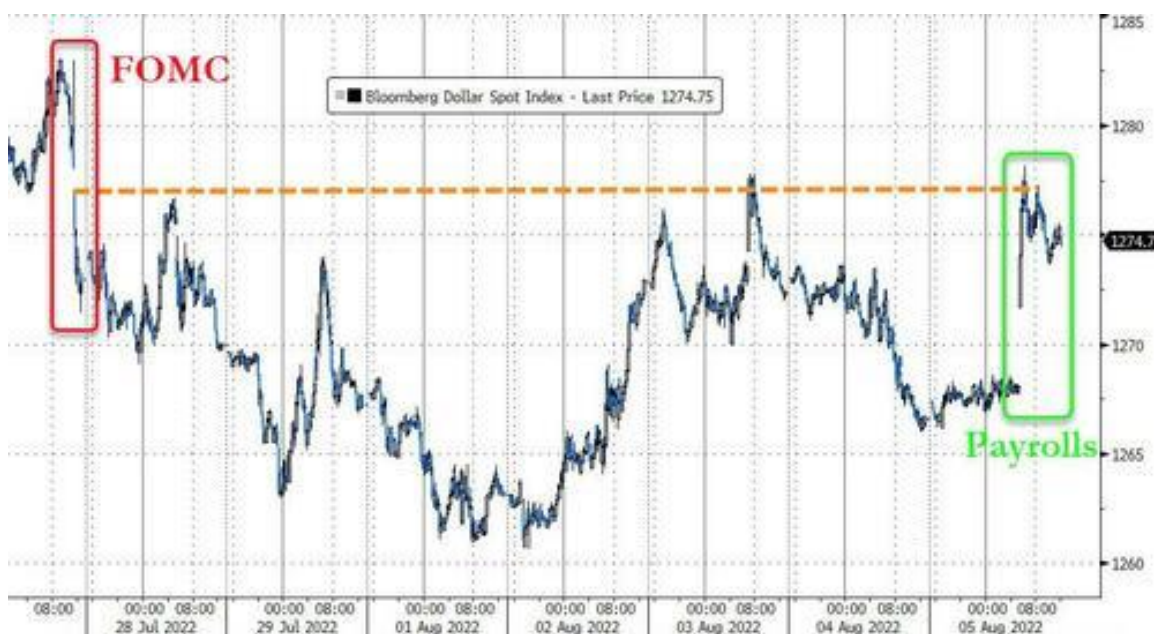
WORLD FOOD PRICE INDEX DROPS TO LOWEST SINCE JANUARY
The July decline was the steepest monthly fall in the value of the index since October 2008 - Bloomberg



#markets

#dollar #weekly

The dollar ended the week higher, spiking notably today on the jobs print before fading back a little, seems like it stalled at the gap on FOMC day...



Source: Bloomberg, www.zerohedge.com

#macro

#us #china #taiwan



Bill Bishop ✓

@niubi

...

China is threatening Taiwan because it knows its global power is peaking and the time to attack is soon. Is the U.S. prepared for the war to come?

[wsj.com/articles/the-c...](https://www.wsj.com/articles/the-c...) via @WSJ Saturday Essay.



wsj.com

The Coming War Over Taiwan

With its global power at a peak and domestic problems mounting, China is likelier than ever before to make good on its threats.

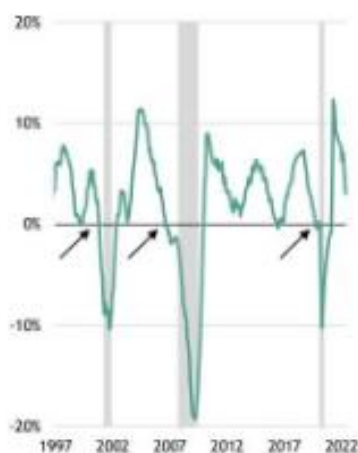
#macro

#us #expansion

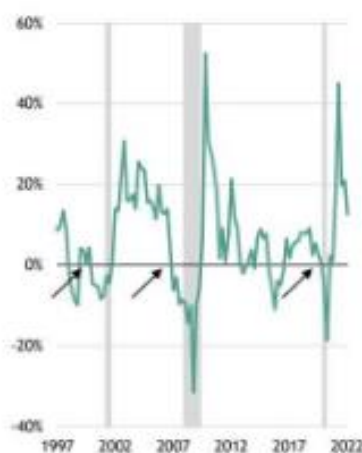
3 key indicators do NOT signal a US recession yet.

Three important indicators have yet to signal that the US is imminently headed for recession

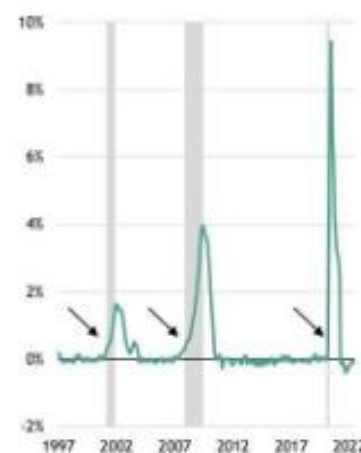
Leading Economic Index⁽¹⁾
(YoY%)



Corporate Profits⁽²⁾
(YoY%)



Unemployment⁽³⁾
(Sahm Recession Indicator)



Source: Blackstone Investment Strategy, Bureau of Economic Analysis, Conference Board, Bureau of Labor Statistics and Bloomberg.

(1) Represents the Conference Board US Leading Economic Index, as of May 31, 2022.

(2) Represents corporate profits before tax with inventory valuation and capital consumption adjustments, as of March 31, 2022.

(3) Represents the Sahm Recession Indicator, which signals the start of a recession when the three-month moving average of the national unemployment rate (U3) rises by 0.50 percentage points or more relative to its low during the previous 12 months. As of June 30, 2022.

Source: Christof Leisinger

#us #expansion

An history of US economic expansions duration. Since 1854, the average US expansion has lasted 41 months and average recession 17 months. But over time, the US economy has matured and become more diversified and less cyclical, with expansions averaging 64 months and recessions only 10 months since 1945. The prior 4 expansions in the US lasted an average of 103 months (>8 years). IF we're in a recession, the expansion that began in 2020 would be the shortest since 1980-81 when there was a "double-dip" recession (first recession from Jan-Jul 1980, second from Jul 1981 - Nov 1982). .

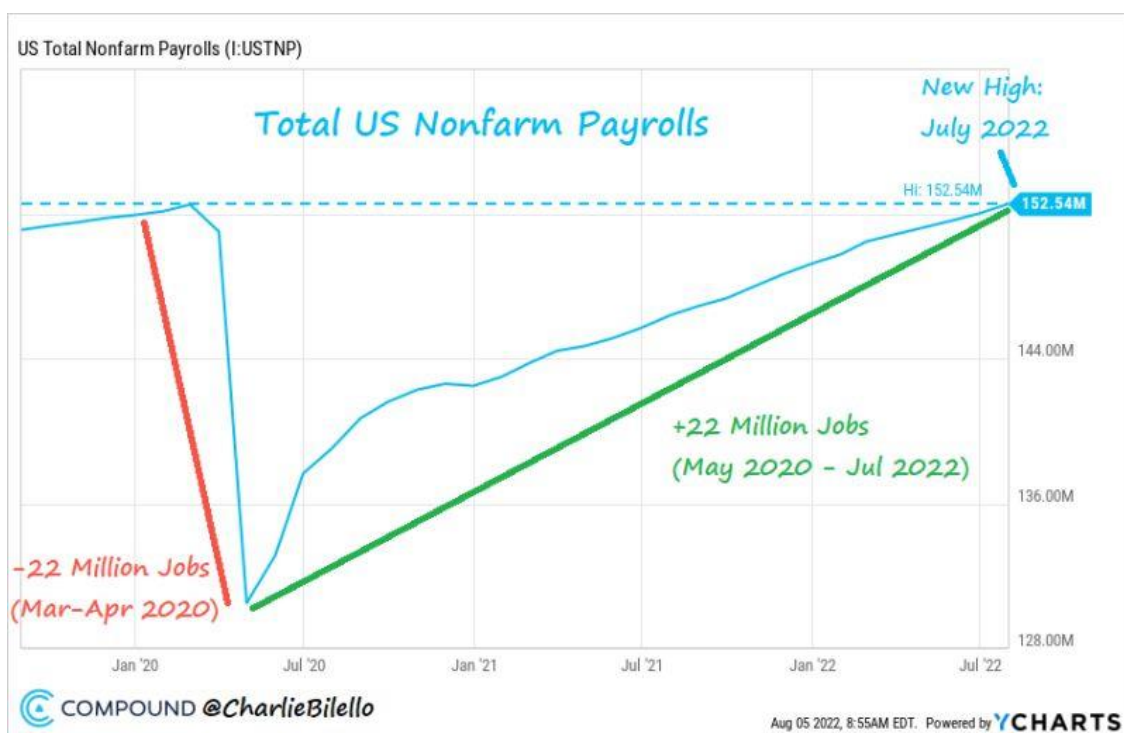
U.S. Economic Expansions (1945 - 2022)			
US Expansion Period	# Months	Cumulative Real GDP (%)	Annualized Real GDP (%)
Apr 2020 to Jan 2022?	21	15%	8.2%
Jun 2009 to Feb 2020	128	27%	2.3%
Nov 2001 to Dec 2007	73	17%	2.6%
Mar 1991 to Mar 2001	120	42%	3.5%
Nov 1982 to Jul 1990	92	38%	4.3%
Jul 1980 to Jul 1981	12	2%	2.5%
Mar 1975 to Jan 1980	58	20%	3.8%
Nov 1970 to Nov 1973	36	12%	3.9%
Feb 1961 to Dec 1969	106	52%	4.9%
Apr 1958 to Apr 1960	24	11%	5.6%
May 1954 to Aug 1957	39	12%	3.7%
Oct 1949 to Jul 1953	45	24%	5.8%
COMPOUND		@CharlieBilello	

Source: Charlie Bilello

#macro

#us #employment

The greatest jobs comeback in history. 22 million US jobs were lost in March-April 2020. 22 million jobs have since been added back, with total payrolls hitting a new high in July. The greatest jobs comeback in history is complete.



Source: Charlie Bilello

#macro

#us #employment

A recession with record high inflation, full employment and decent wage gains? The US economy added 528k jobs in July, more than double estimates while US unemployment rate dips to pre-pandemic low of 3.5%. Average Hourly Earnings rose 0.5% MoM faster than expected. 2Y Treasury yield jumped on the news.



United States



Browse

14:30:41

08/05/22



-

08/12/22

Economic Releases

All Economic Releases

View

Agenda

Weekly

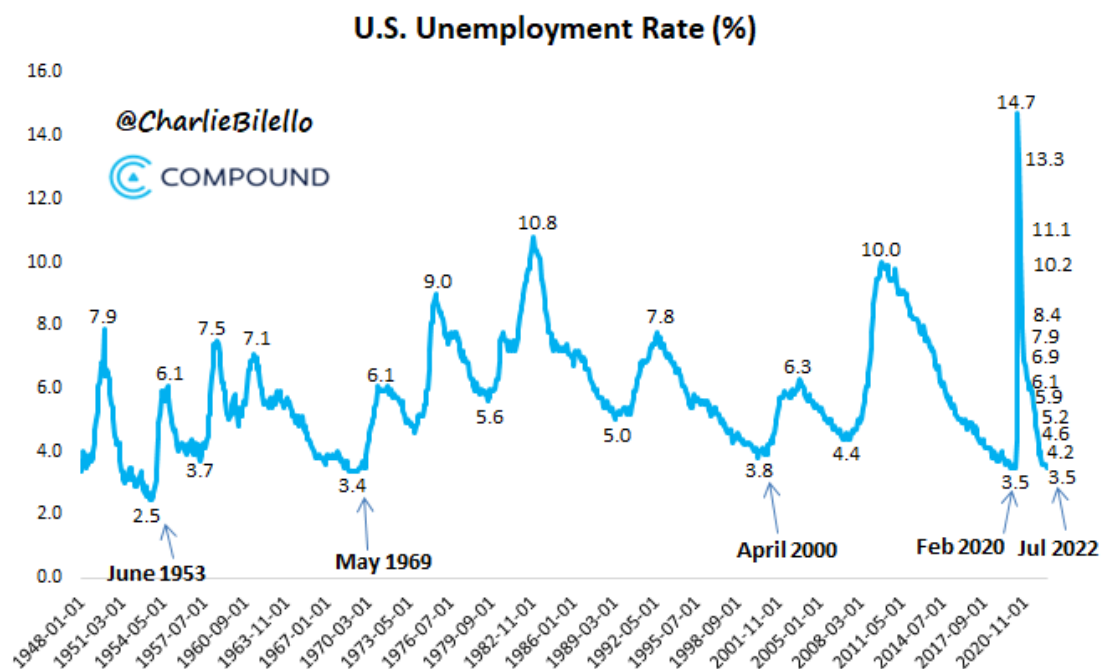
	Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	08/05	14:30				Two-Month Payroll Net Revisi...	Jul	--	28k	--	--
22)	08/05	14:30				Change in Nonfarm Payrolls	Jul	250k	528k	372k	398k
23)	08/05	14:30				Change in Private Payrolls	Jul	230k	471k	381k	404k
24)	08/05	14:30				Change in Manufact. Payrolls	Jul	20k	30k	29k	27k
25)	08/05	14:30				Unemployment Rate	Jul	3.6%	3.5%	3.6%	--
26)	08/05	14:30				Average Hourly Earnings MoM	Jul	0.3%	0.5%	0.3%	0.4%
27)	08/05	14:30				Average Hourly Earnings YoY	Jul	4.9%	5.2%	5.1%	5.2%
28)	08/05	14:30				Average Weekly Hours All Emp...	Jul	34.5	34.6	34.5	34.6
29)	08/05	14:30				Labor Force Participation Rate	Jul	62.2%	62.1%	62.2%	--
30)	08/05	14:30				Underemployment Rate	Jul	--	6.7%	6.7%	--

Source: Bloomberg, HolgerZ

#macro

#us #employment

The US Unemployment Rate moved down to 3.5% in July, back to pre-pandemic levels which are the lowest we've seen since 1969.

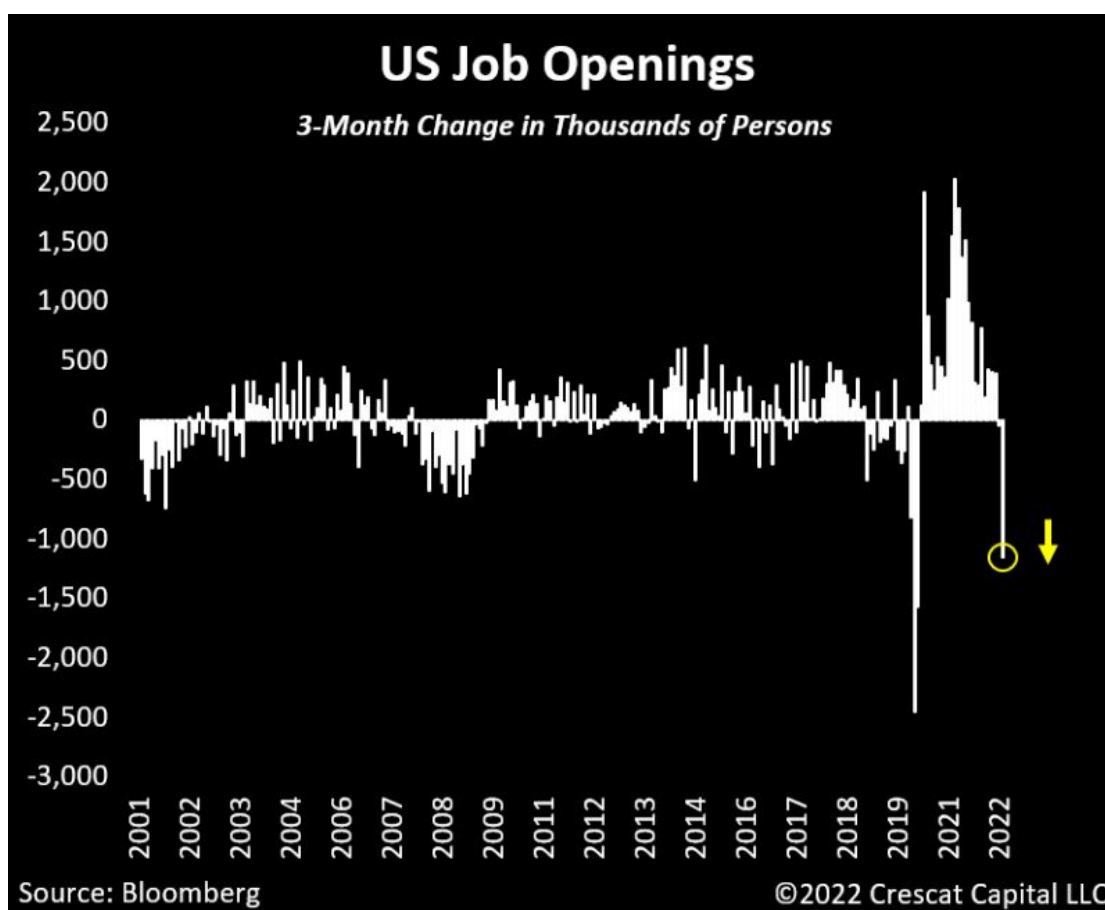


Source: Charlie Bilello

#macro

#us #employment

We just saw the largest 3-month decline in job openings in the history of the data, excluding the initial shock of the pandemic.

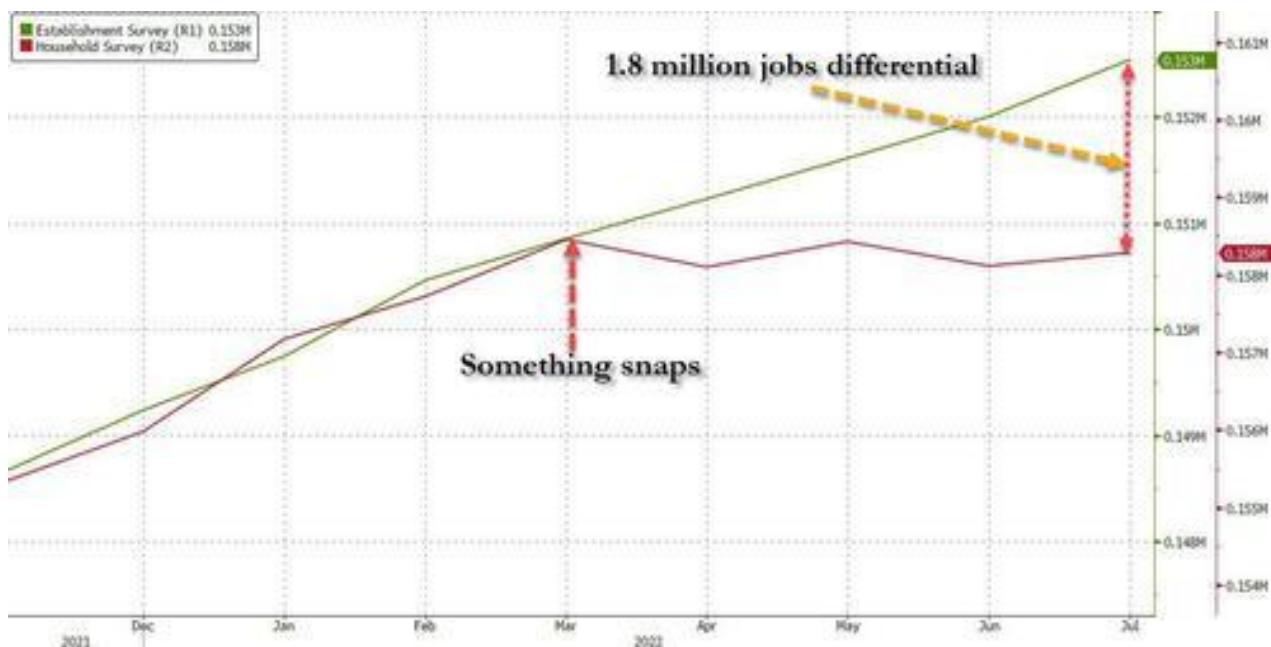


Source: Bloomberg, Crescat Capital

#macro

#us #employment

Something appears to have snapped a few months ago, around March, when the Establishment Survey kept on rising unperturbed, while the **Household Survey** hit some unexplained brick wall, and hasn't moved at all.

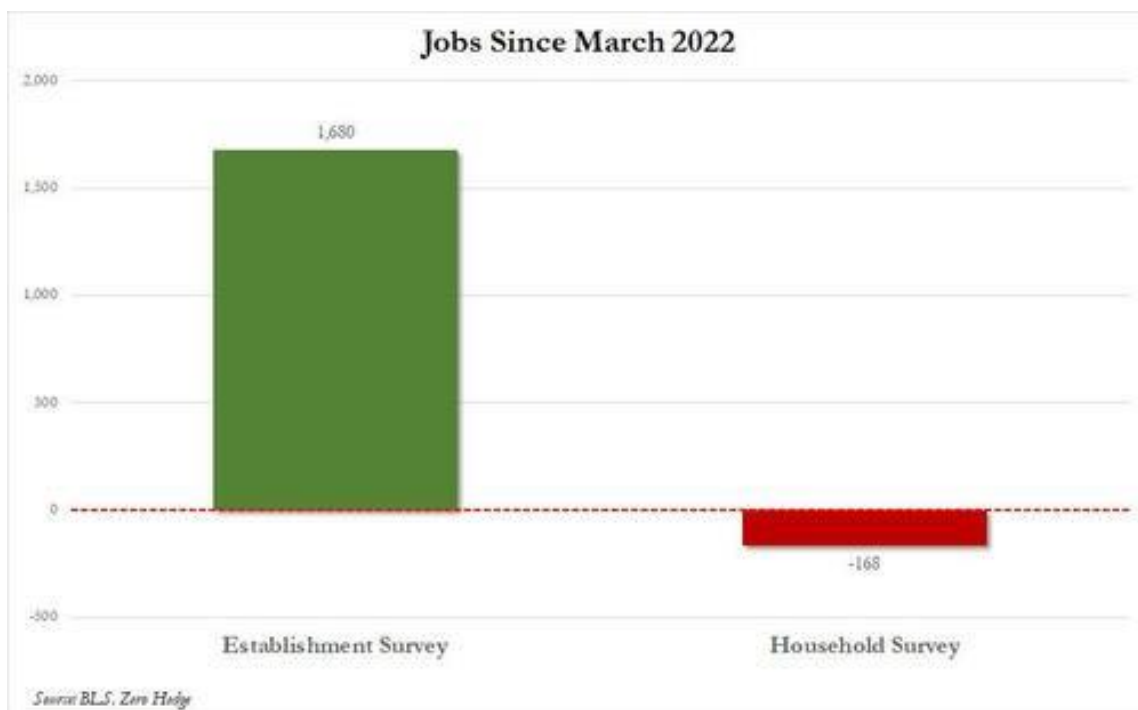


Source: www.zerohedge.com, Bloomberg

#macro

#us #employment

In fact, since March, the Establishment Survey shows a gain of 1.680 million jobs while the Household Survey shows an employment loss of 168K!



Source: www.zerohedge.com, Bloomberg

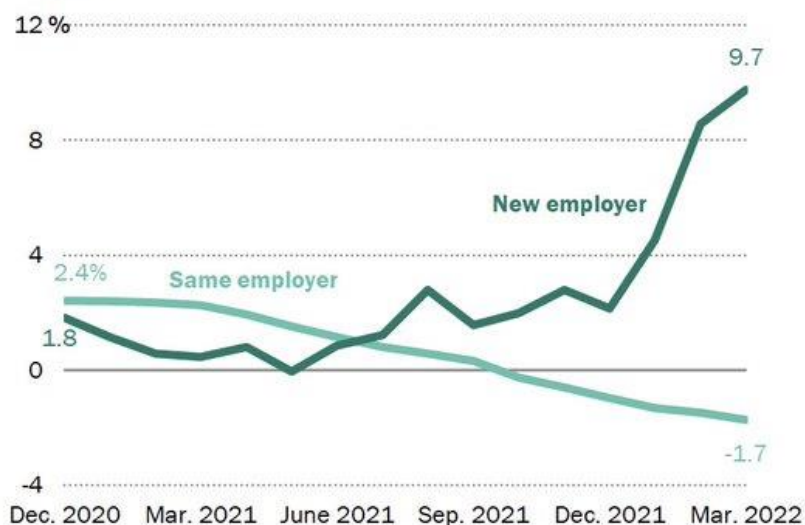
#macro

#us #wages

Data from Pew research shows that from April 2021 to March 2022, half of workers who changed jobs experienced real wage increase of 9.7% or more from year earlier; meanwhile, median worker who remained in same job saw loss of 1.7%

Most workers who changed employers are seeing real gains in earnings into 2022

Median % change in U.S. workers' real earnings over the same month the year before



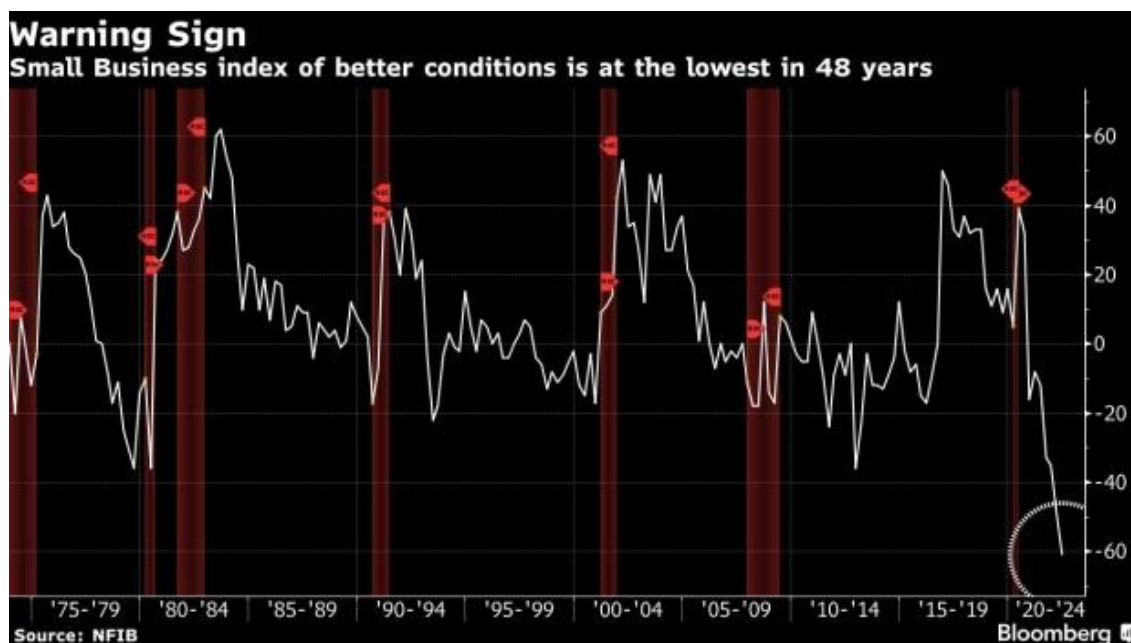
Note: Estimates refer to 12-month periods ending in the month and year shown. For example, the March 2022 estimate refers to the median of the percentage change in the earnings of individual workers sampled over the period from April 2021 to March 2022. The estimate encompasses the change in earnings of workers over the same month the previous year, from April 2020 to April 2021, from May 2020 to May 2021, and so on to the change from March 2021 to March 2022. Wages are inflation-adjusted.
Source: Pew Research Center analysis of the Current Population Survey.
"Majority of U.S. Workers Changing Jobs Are Seeing Real Wage Gains"

PEW RESEARCH CENTER

#macro

#us #small-business #confidence

US small business optimism worst in 48 years.

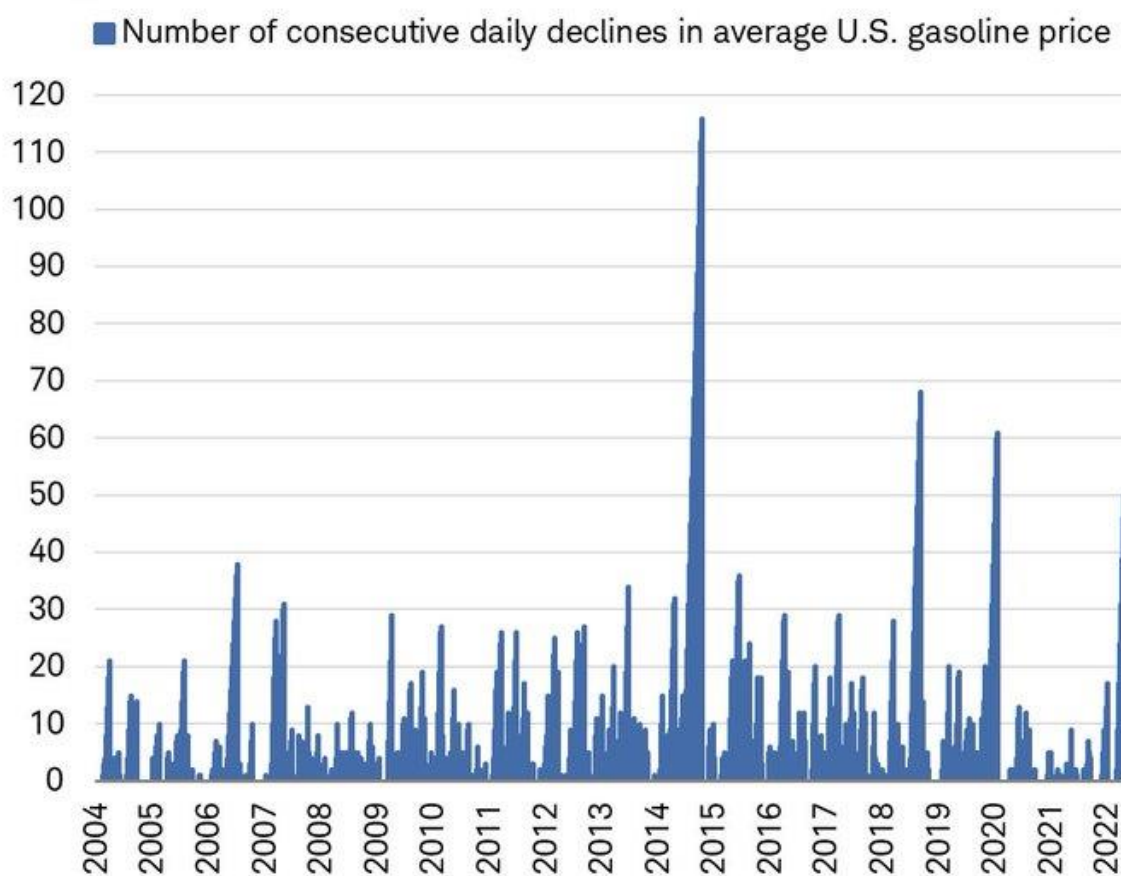


Source: Bloomberg

#macro

#us #gasoline

50 consecutive days of declines for average U.S. gasoline price.



Source: Charles Schwab, Bloomberg, as of 8/3/2022.

Source: Bloomberg, Liz Ann Sonders

#macro

#us #housing

US home prices are collapsing at the fastest pace since 2008. Housing inventories are rising at the fastest pace in history and are already at a level previously associated with deep recession and economic deleveraging.



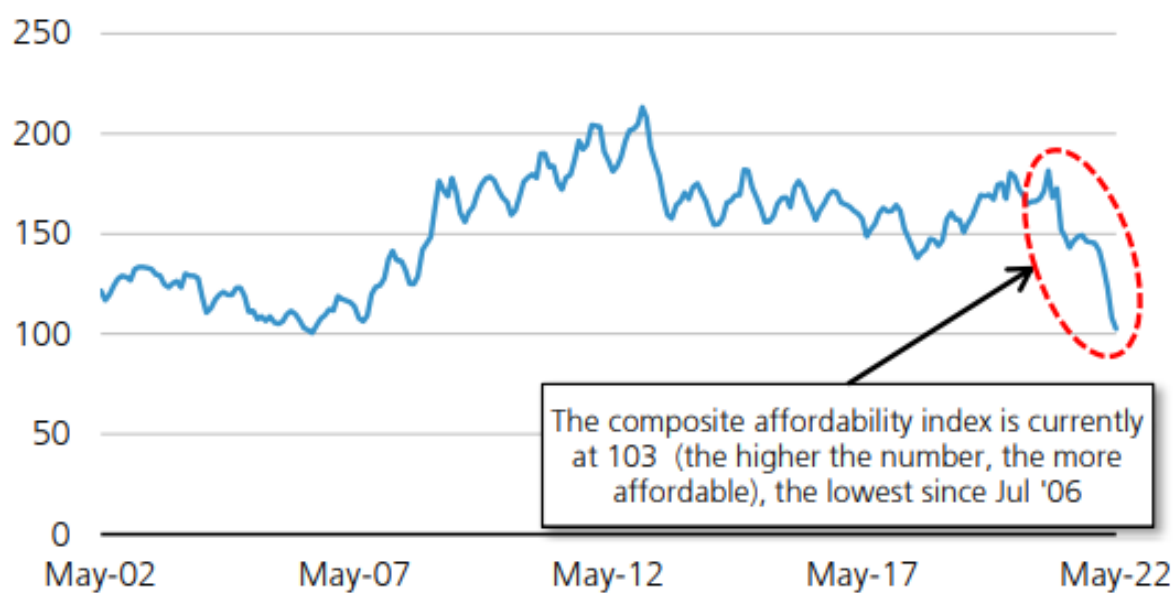
Source: Mac10

#macro

#us #housing

US housing affordability hit the lowest since July 2006.

Figure 18: The Composite Housing Affordability Index



Source: National Association of Realtors

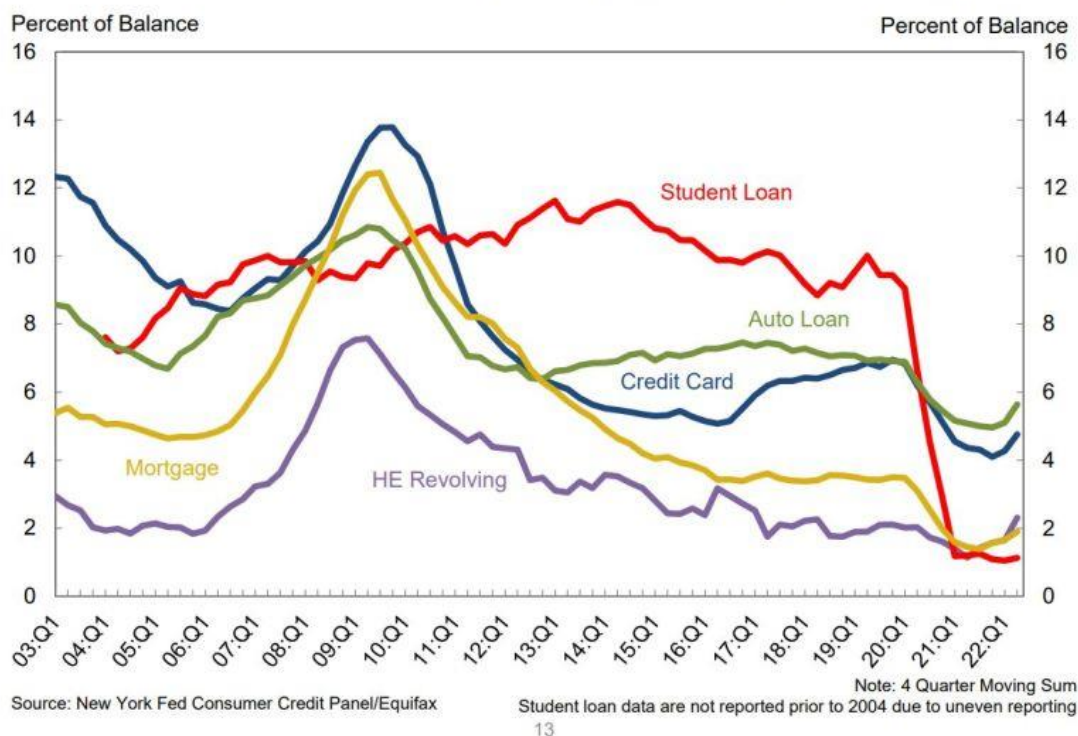
Source: Alessio Urban

#macro

#us #delinquencies #rates

While they remain very low, there has been a broad uptick in loan delinquencies across the board in the last quarter. It is worth monitoring these data from the NY Fed.

Transition into Delinquency (30+) by Loan Type



Source: MacroAlf

#macro

#global #consumer #confidence

Consumer confidence in OECD countries at a level lower than during GFC, it's not a regional issue.



Source: The Economist

#macro

#eurozone #retail-sales #consumer #confidence

Other than that everything is fine in the Eurozone 🖱️ Nominal retail sales still holding up, real retail sales already start to reflect consumer confidence plunge



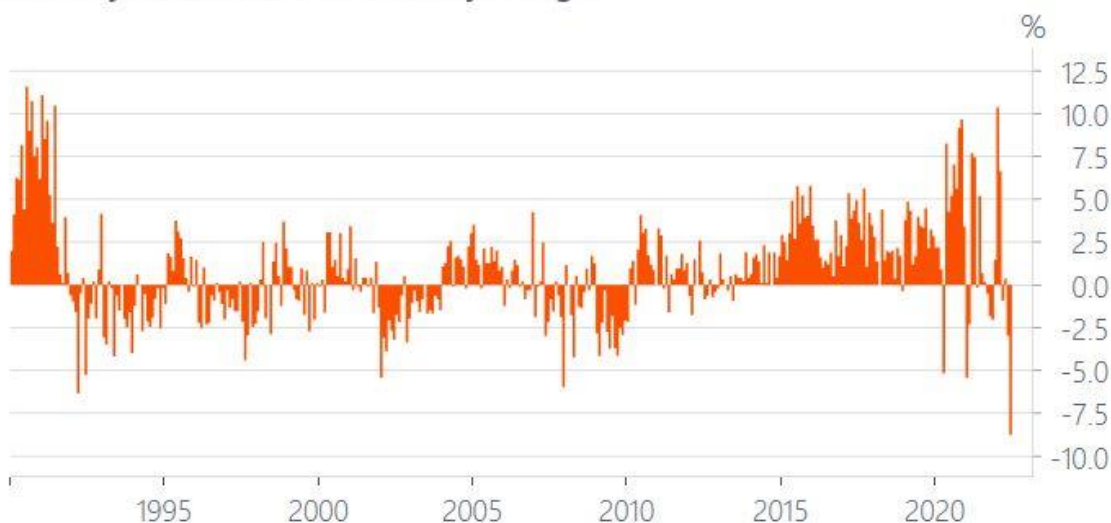
Source: Pictet Asset Management, CEIC, Refinitiv

#macro

#germany #retail-sales

Retail sales in Germany dive at the fastest pace yearly since 1980. Retail sales plunged 9.8% on an annual basis in June, reversing a 1.1% increase in May. Sentiment has been hit hard in Germany in recent months over energy supply worries.

Germany, Retail sales, % since a year ago



Source: Andreas Steno and Macrobond

Source: Andreas Steno, Macrobond

#macro

#german #wages

The risk of a wage-price spiral in Germany is rising. Lufthansa seals a very expensive ground crew wage deal to avert further walkouts. Check-in staff will get between 13.6% and 18.4% more pay



Source: Bloomberg, Holgerz

#macro

#german #manufacturing

German car production...

German Car Manufacturing



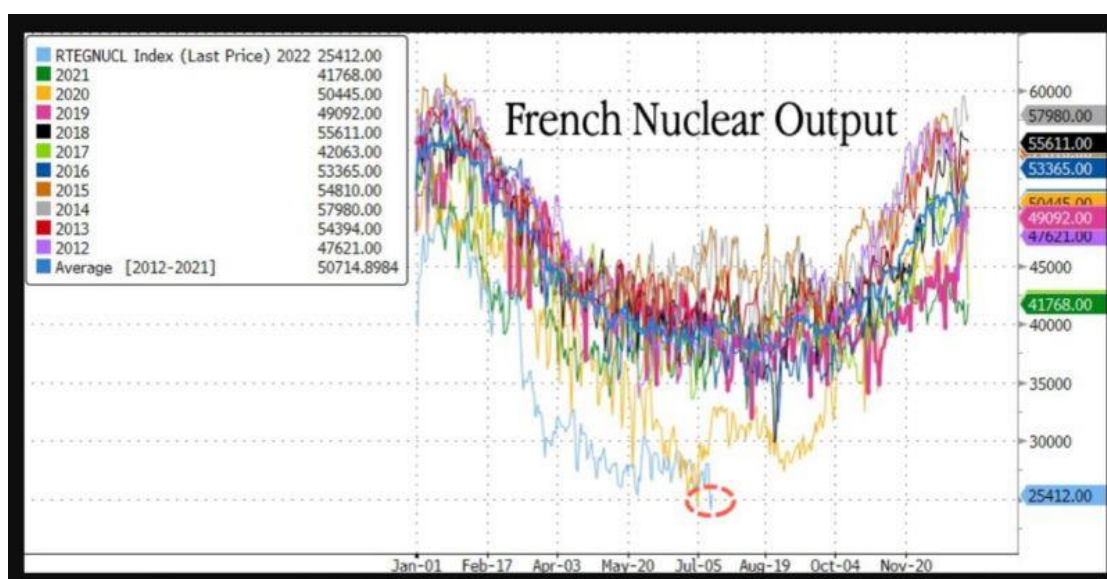
Source: Andreas Steno and Macrobond

Source: Macrobond

#macro

#french #electricity #nuclear #heatwave

A combination of heatwaves and maintenance is crippling France's atomic fleet and comes at a time when the continent suffers from an energy crisis. Bloomberg reported French utility Electricite de France SA (EDF) said nuclear power stations on the Rhone and Garonne rivers will reduce power generation because a persistent heatwave is increasing water temperatures too hot to circulate through condensers and discharge back into waterways. France's nuclear reactor capacity was around 46% on Friday. France is the continent's largest producer of atomic energy (25% of all power on the continent), usually a net exporter of power across EU member states but is now importing electricity.

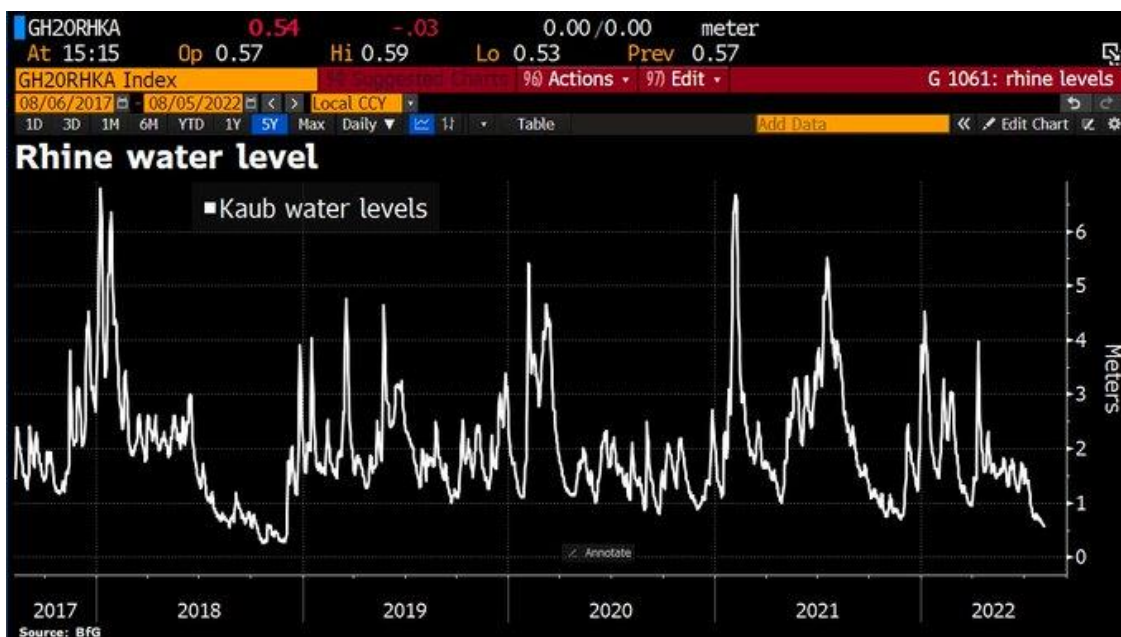


Source: Bloomberg

#macro

#eu #energy-crisis

Rhine water levels are falling to lowest since 2018 amid record-breaking heatwave driving power prices up as Uniper is struggling to get enough coal up the river Rhine. Uniper said that two of its coal-fired stations along the Rhine may need to curb output.



Source: Bloomberg, HolgerZ

#macro

#eu #energy #crisis

Europe's gas prices averaged a record \$50/mmbtu in July... (10x pre-war price)...



Javier Blas 

@JavierBlas

...

BREAKING: Germany 1-year forward
baseload electricity surges >€400
per MWh for the first time ever.

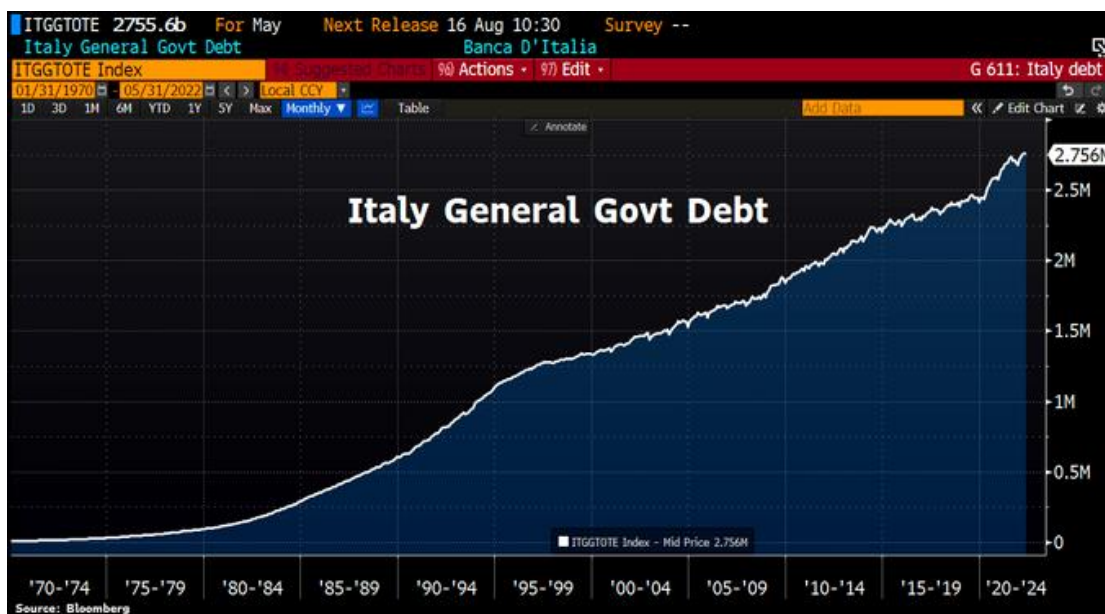
We are truly into crunching territory
for the country's energy-intensive
manufacturing industry.

The current price is ~1,000% higher
than the €41.1 per MWh 2010-2020
average.

#macro

#italy #debt #inflation

Italy's govt approved an aid package worth about €17bn to cushion families and businesses from inflation - one of PM Mario Draghi's final acts before he leaves office. Spending won't boost deficit thanks to higher growth, revenue BUT will feed inflation.

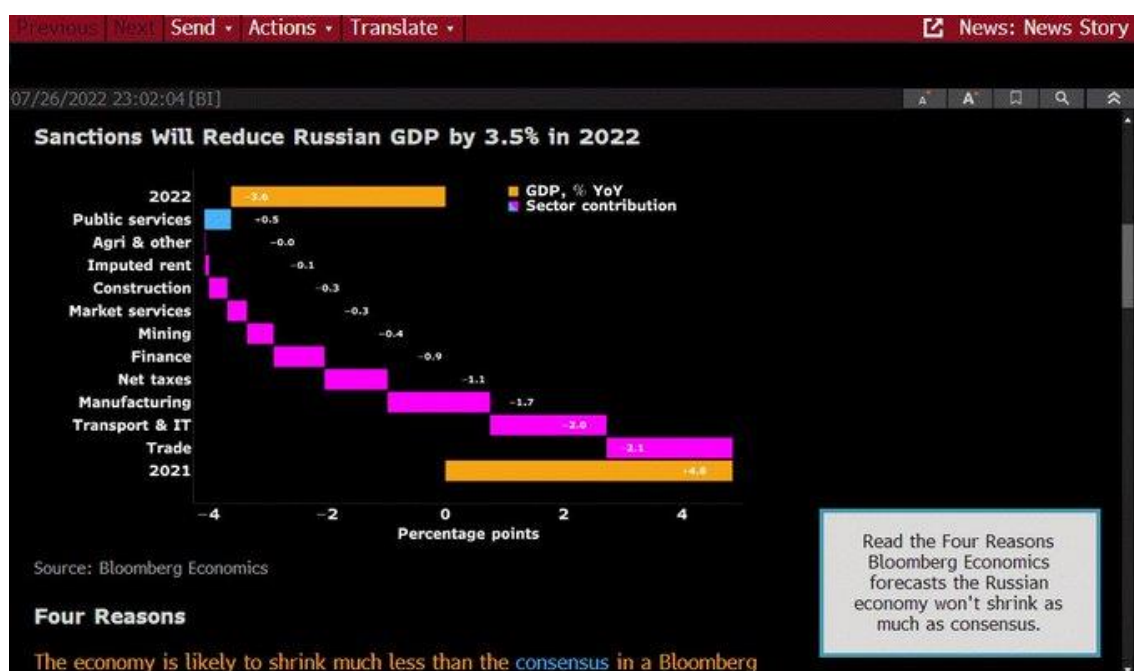


Source: Bloomberg, HolgerZ

#macro

#russia #recession

Alexander Isakov of Bloomberg Economics forecasts Russian GDP will decline by 3.5% in 2022, with the biggest decline in trade. That's significantly less than the consensus of a 9.1% contraction



Source: J-C Gand, Bloomberg

#centralbanks

#global #rates

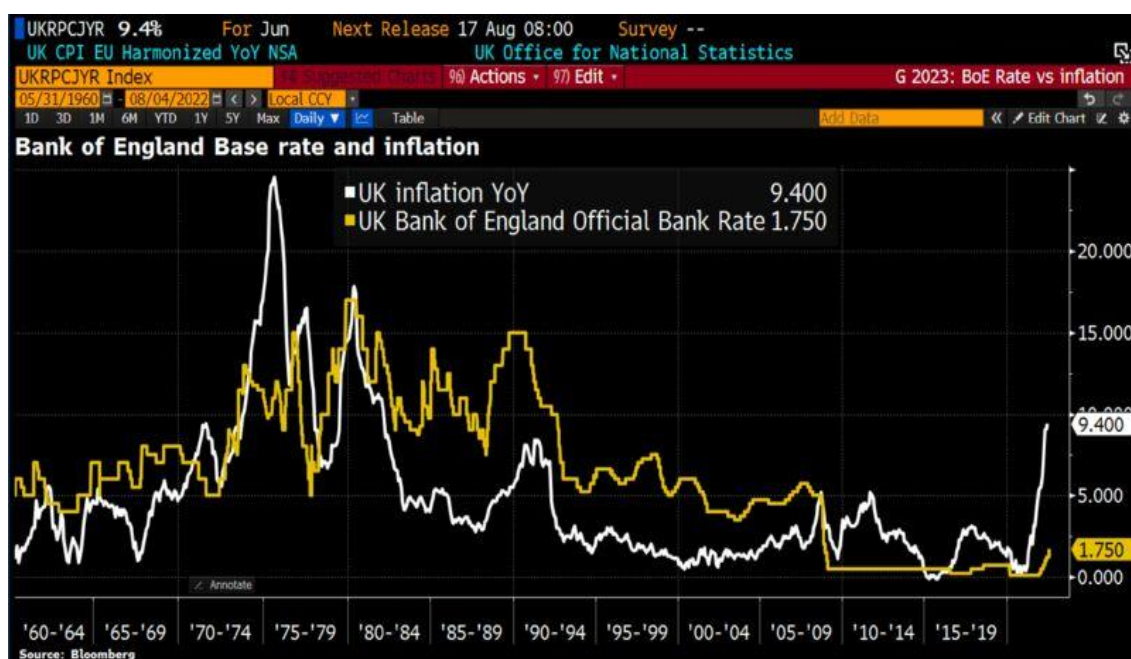
Global Central Bank update: India hikes rates for the 3rd time, 50 bps increase to 5.40%.

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%	8.2%	-8.3%	Hike	Jul-22
Japan	Policy Rate Bal	-0.10%	2.4%	-2.5%	Cut	Jan-16
Eurozone	Deposit Rate	0.00%	8.9%	-8.9%	Hike	Jul-22
Thailand	Policy Rate	0.50%	7.6%	-7.1%	Cut	May-20
Sweden	Repo Rate	0.75%	8.7%	-8.0%	Hike	Jun-22
Norway	Deposit Rate	1.25%	6.3%	-5.1%	Hike	Jun-22
Taiwan	Discount Rate	1.50%	3.4%	-1.9%	Hike	Jun-22
UK	Bank Rate	1.75%	9.4%	-7.7%	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%	9.1%	-6.7%	Hike	Jul-22
Canada	Overnight	2.50%	8.1%	-5.6%	Hike	Jul-22
New Zealand	Cash Rate	2.50%	7.3%	-4.8%	Hike	Jul-22
Hong Kong	Base Rate	2.75%	1.8%	1.0%	Hike	Jul-22
Saudi Arabia	Repo Rate	3.00%	2.3%	0.7%	Hike	Jul-22
Philippines	Key Policy Rate	3.25%	6.4%	-3.2%	Hike	Jul-22
Indonesia	Repo Rate	3.50%	4.9%	-1.4%	Cut	Feb-21
China	Loan Prime Rate	3.70%	2.5%	1.2%	Cut	Jan-22
India	Repo Rate	5.40%	7.0%	-1.6%	Hike	Aug-22
South Africa	Repo Rate	5.50%	7.4%	-1.9%	Hike	Jul-22
Peru	Policy Rate	6.00%	8.7%	-2.7%	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
Mexico	Overnight Rate	7.75%	8.0%	-0.2%	Hike	Jun-22
Russia	Key Policy Rate	8.00%	15.9%	-7.9%	Cut	Jun-22
Colombia	Repo Rate	9.00%	10.2%	-1.2%	Hike	Jul-22
Chile	Base Rate	9.75%	12.5%	-2.8%	Hike	Jul-22
Brazil	Target Rate	13.75%	11.9%	1.9%	Hike	Aug-22
Turkey	Repo Rate	14.00%	79.6%	-65.6%	Cut	Dec-21
Argentina	Benchmark Rate	60.00%	64.0%	-4.0%	Hike	Jul-22
COMPOUND		@CharlieBilello				

#centralbanks

#uk #rates #boe

Bank of England launches biggest rate hike (+50bps / as expected) in 27 years as inflation soars. However, even after this increase, the 1.75% base rate is still 7.65% below actual inflation of 9.4%.

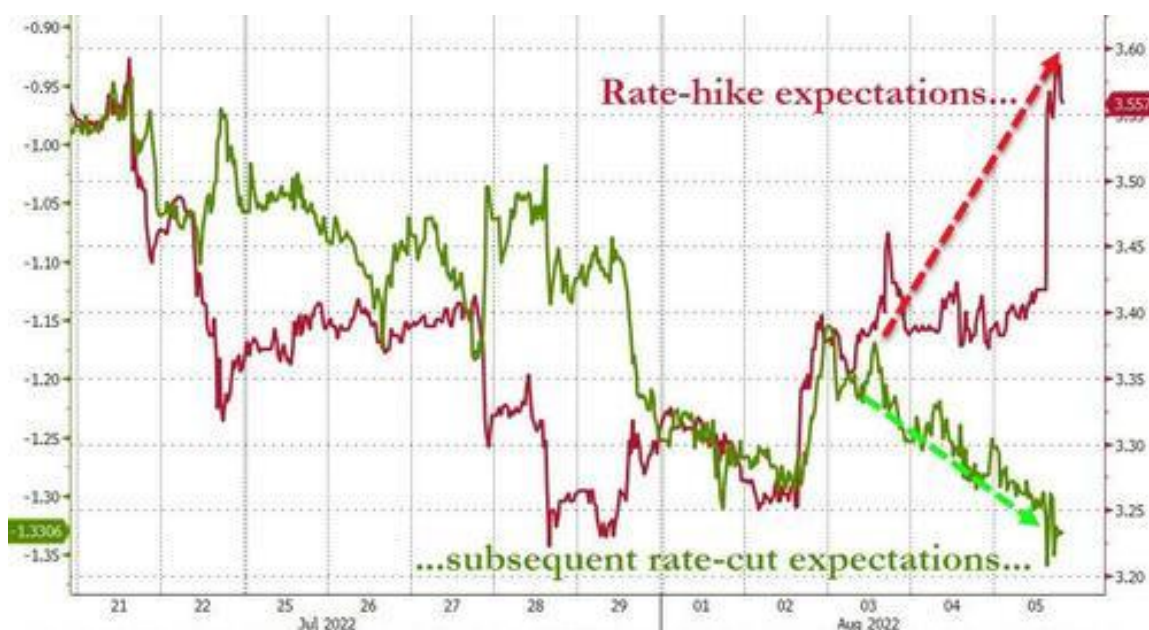


Source: HolgerZ, Bloomberg

#centralbanks

#us #rates #expectations

Rate-hike expectations soared this week (interestingly, subsequent rate-cut expectations also rose)...

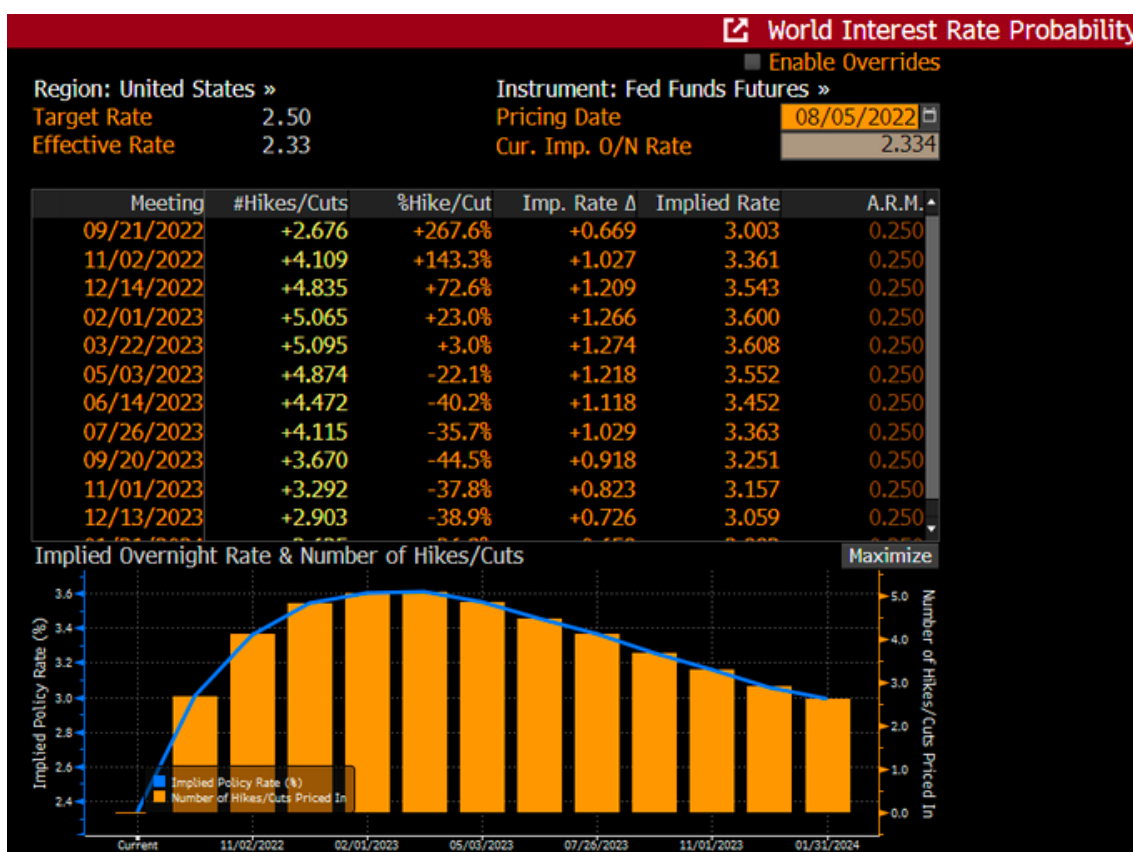


Source: www.zerohedge.com, Bloomberg

#centralbanks

#us #rates #expectations

Markets see a 2-in-3 chance of a 75bps Fed hike in September after booming US jobs data.

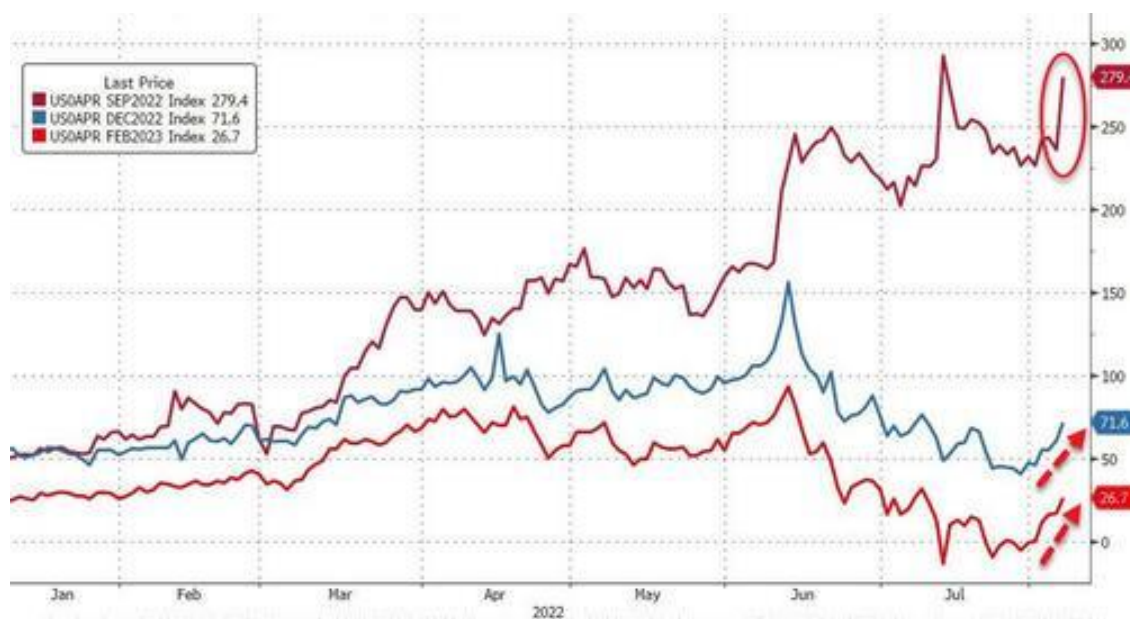


Source: HolgerZ, Bloomberg

#centralbanks

#us #rates #expectations

With the odds of a 75bps hike in September spiking to 80% (from 25% earlier in the week), and the market is also pricing in positive odds of a hike for Dec and Feb...



Source: www.zerohedge.com, Bloomberg

#centralbanks

#fed #real #rates

Fed may have to do more than the market expects ?

Real Fed Funds rate is at record negative levels, implying the Fed may have to do more than the market expects

Real Fed Funds Rate

(Fed Funds upper limit less Core CPI YoY%)



Source: Blackstone Investment Strategy, Federal Reserve and Bloomberg, as of June 30, 2022.

Source: Chris Leisinger

#centralbanks

#fed #balance-sheet

With inflation at a 40-yr high, the Fed has increased their balance sheet by another 1.5% so far 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	8,890	133	1.5%
	Period	\$ Increase (in Billions)	% Change
	2002-22	8,158	1114%

COMPOUND

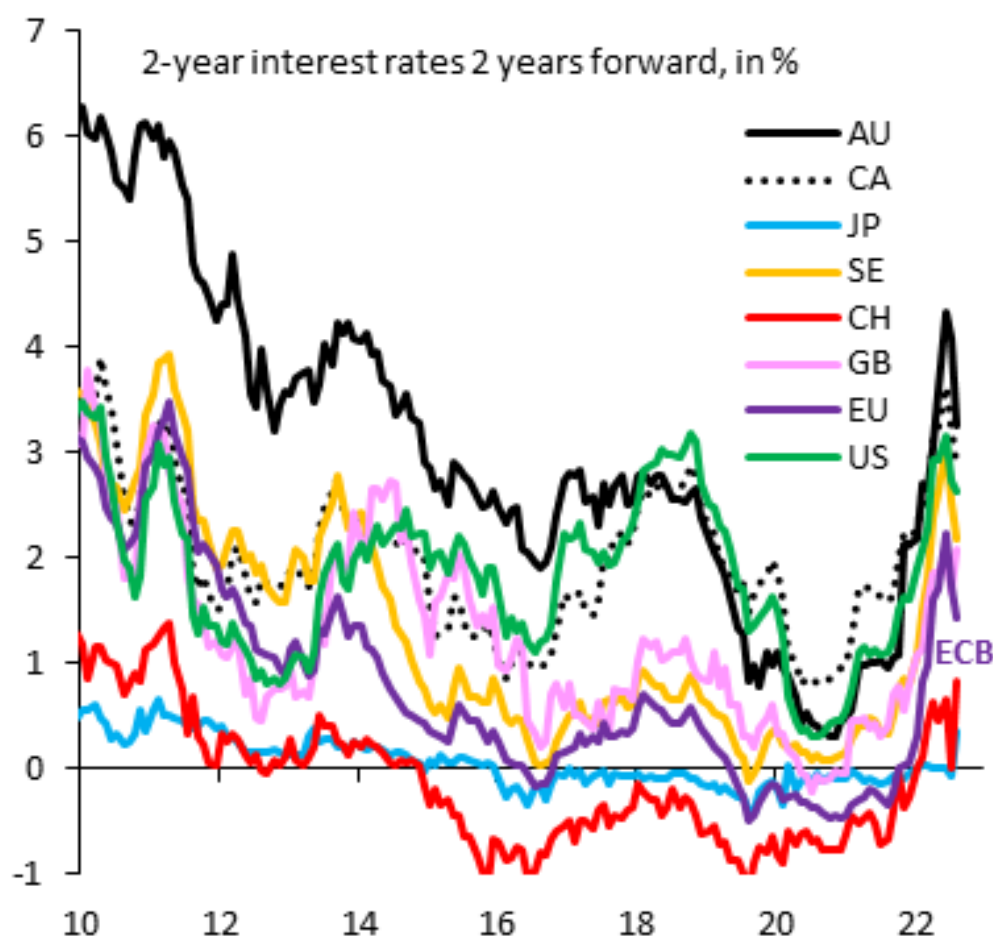
@CharlieBilello

Source: Charlie Bilello

#centralbanks

#terminal-rates

Rising odds of global recession are pulling down market pricing for central bank "terminal rates." One thing that doesn't make sense: ECB hikes (purple) get scaled back along with everyone else, when they should be cut much more. Europe is the epicenter of the global recession...

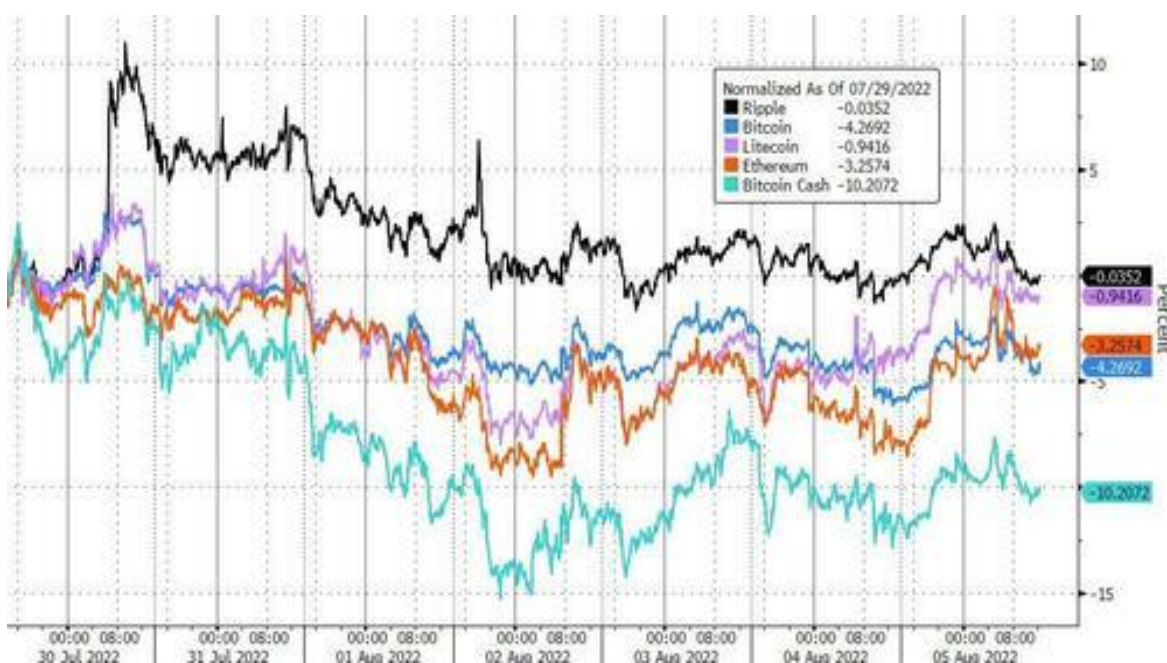


Source: Robin Brooks

#cryptos

#cryptocurrencies #weekly #performance

Cryptos were modestly lower on the week with bitcoin and Ethereum losing around 3-4% after a massive gain last month...



Source: www.zerohedge.com, Bloomberg

#cryptos

#revolut #cryptos

As many crypto firms announce layoffs, UK's largest unicorn Revolut is adding to its crypto division. The firm will boost its crypto staff by 20% by hiring across its European, American, and British offices for positions in compliance, financial crimes prevention, crypto legal assistance, and software engineering, according to Bloomberg.

Fintech Unicorn Revolut Still 'Bullish on Crypto' Amid Fresh Hiring Spree

Among the many financial and crypto companies looking to cut back, Revolut has emerged as one of the few firms adding to its headcount.



By [Emily Tonelli](#)

Aug 5, 2022

2 min read



#cryptos

#crypto #stocks #etfs

The Schwab Crypto Theme ETF begins trading today. Normally not big deal given there's like 12 of these but this notable because it is Schwab (who rarely launches ETFs) and it will be the cheapest on market at 30bps. Here's a look at the holdings, \$MSTR in the top spot.

Ticker		Name	Weight (%)#↓
MSTR	UW	MicroStrategy Inc	7.902400
MARA	UR	Marathon Digital Holdin...	6.663622
RIOT	UR	Riot Blockchain Inc	6.609943
COIN	UW	Coinbase Global Inc	5.790625
SI	UN	Silvergate Capital Corp	4.957177
HOOD	UW	Robinhood Markets Inc	4.706354
IBKR	UW	Interactive Brokers Gro...	3.946565
BITF	UQ	Bitfarms Ltd/Canada	3.182944
HUT	UW	Hut 8 Mining Corp	3.171109
NVDA	UW	NVIDIA Corp	3.115309
PYPL	UW	PayPal Holdings Inc	3.111806
SQ	UN	Block Inc	3.052346
CME	UW	CME Group Inc	2.935732
HIVE	UR	Hive Blockchain Technol...	2.826916
ICE	UN	Intercontinental Exchan...	2.823662
8698	JT	Monex Group Inc	2.745305
BKKT	UN	Bakkt Holdings Inc	2.666350
8473	JT	SBI Holdings Inc/Japan	2.664250
3774	JT	Internet Initiative Japa...	2.534952
NCR	UN	NCR Corp	2.356800
CLSK	UR	Cleanspark Inc	2.232545
CIB	UN	Bancolombia SA	2.081764

Source: Eric Balchunas, Bloomberg

#cryptos

#crypto #stocks #etfs

Crypto stock ETFs blew everything else away in July returns, CRPT led with 46%, however all of them are still down big YTD...

Ticker		1D Return	MTD Return ↓	YTD Return
Average		+0.84%	+7.02%	-13.20%
Sum		+1549.34%	+12831.72%	-22539.33%
1) CRPT	US	+1.77%	+46.03%	-61.50%
2) DAPP	US	+0.99%	+43.16%	-66.26%
3) BITQ	US	+1.28%	+42.16%	-62.45%
4) IBLC	US	-0.53%	+41.89%	--
5) BKCH	US	-1.13%	+38.42%	-67.73%
6) DAM	US	-0.51%	+36.61%	--
7) SATO	US	+0.30%	+35.21%	-59.69%
8) RIGZ	US	+0.69%	+35.11%	-65.01%
9) BITS	US	+1.03%	+34.74%	-57.56%
10) FDIG	US	+0.13%	+30.99%	--
11) WGMI	US	-0.51%	+27.80%	--
12) GFOF	US	-0.36%	+27.16%	--
13) NFTZ	US	+0.48%	+25.58%	-59.17%
14) CTEX	US	+4.03%	+24.13%	-5.57%

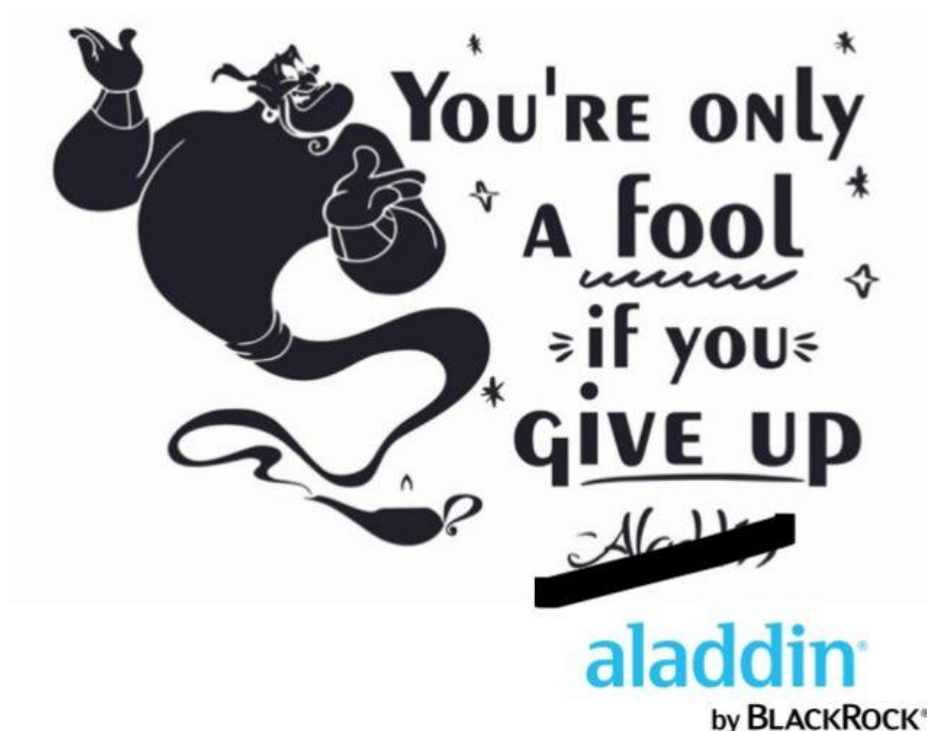
Source: Bloomberg

#cryptos

#coinbase #blackrock

BlackRock Inc. is partnering with Coinbase Prime. to make it easier for #institutionalinvestors to manage and trade #Bitcoin, marking a major push into cryptocurrencies for the world's largest asset manager.

Top clients will be able to use BlackRock's Aladdin investment-management system to oversee their exposure to Bitcoin along with other portfolio assets such as stocks and bonds, and to facilitate financing and trading on Coinbase's exchange.



#cryptos

#coinbase #blackrock

How it started. How it's going



Pomp 📈 🔒
@APompliano

LONG BITCOIN, SHORT THE
BANKERS!

5:40 PM · 5/14/19 · [Twitter for iPhone](#)



Pomp 📈 🔒
@APompliano



BlackRock is partnering with
Coinbase to increase the
institutional adoption of bitcoin.

It is not often that you live through
the birth and scaling of a new multi-
trillion dollar asset class.

9:05 AM · 8/4/22 · [Twitter Web App](#)

#cryptos

#coinbase

Crypto exchange Coinbase has been hit with two separate class-action lawsuits on Thursday. Each allege the company made “false and misleading statements” regarding the nature of its operations.

Coinbase Made 'False and Misleading Statements' About Its Business, Lawsuits Allege

America's largest crypto exchange is facing two more class action lawsuits over the losses suffered by investors in the company's stock.

By [Andrew Asmakov](#)

Aug 5, 2022

3 min read

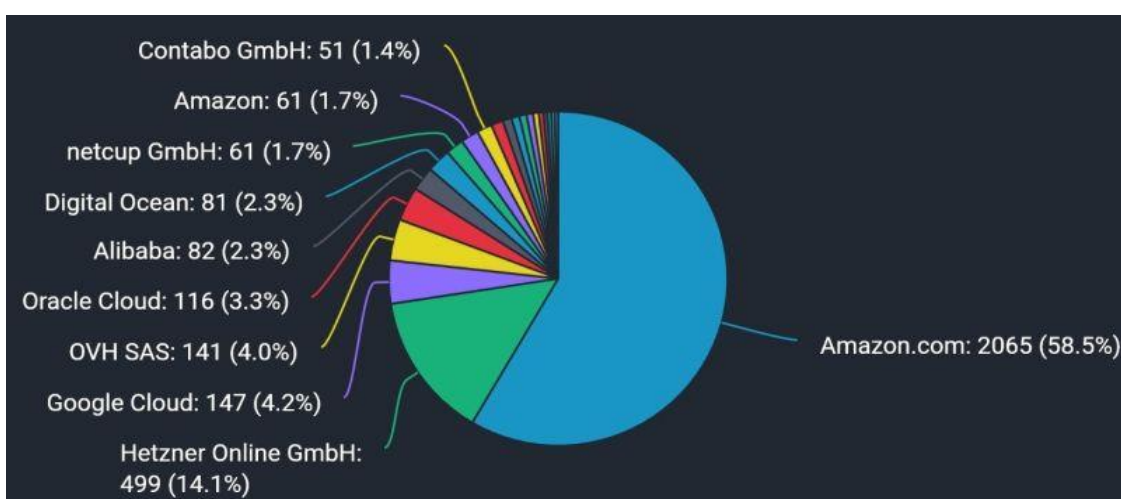


Source: Decrypt

#cryptos

#ethereum

How "decentralized" is Ethereum? 70% of miners who secure the network are actually rented machines in the cloud. Of this 70%, 58.5% are solely on Amazon Web Services (AWS).

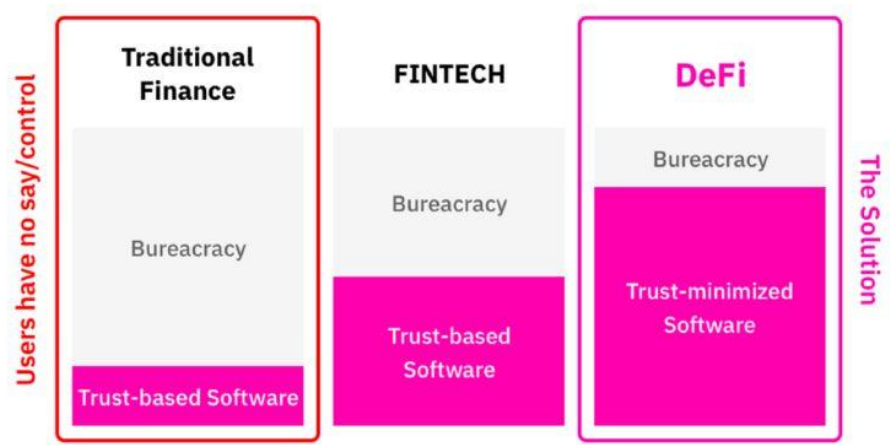


Source: Crestline

#cryptos

#defi

Decentralized Finance (DeFi)



	Traditional	FINTECH	DeFi
Store of value	Fiat money	?	Proof-of-Work (Bitcoin) and Proof-of-Stake (newer coins)
Payments	Cash, bank transfer, credit cards...	PayPal...	Stablecoins
Loans	Banks	Lending Club...	Decentralized lending
Exchange, trading	Exchanges and brokers like NASDAQ	Online brokers...	Decentralized exchanges
Investment	Stocks, bonds, etc. Accessible through banks and exchanges	Robinhood, Stashaway...	Tokenized financial products (ICO, STO, ETF)











Source: DeFiChain white paper

Edited by: Panagiotis Kriaris



#bitcoin #fidelity

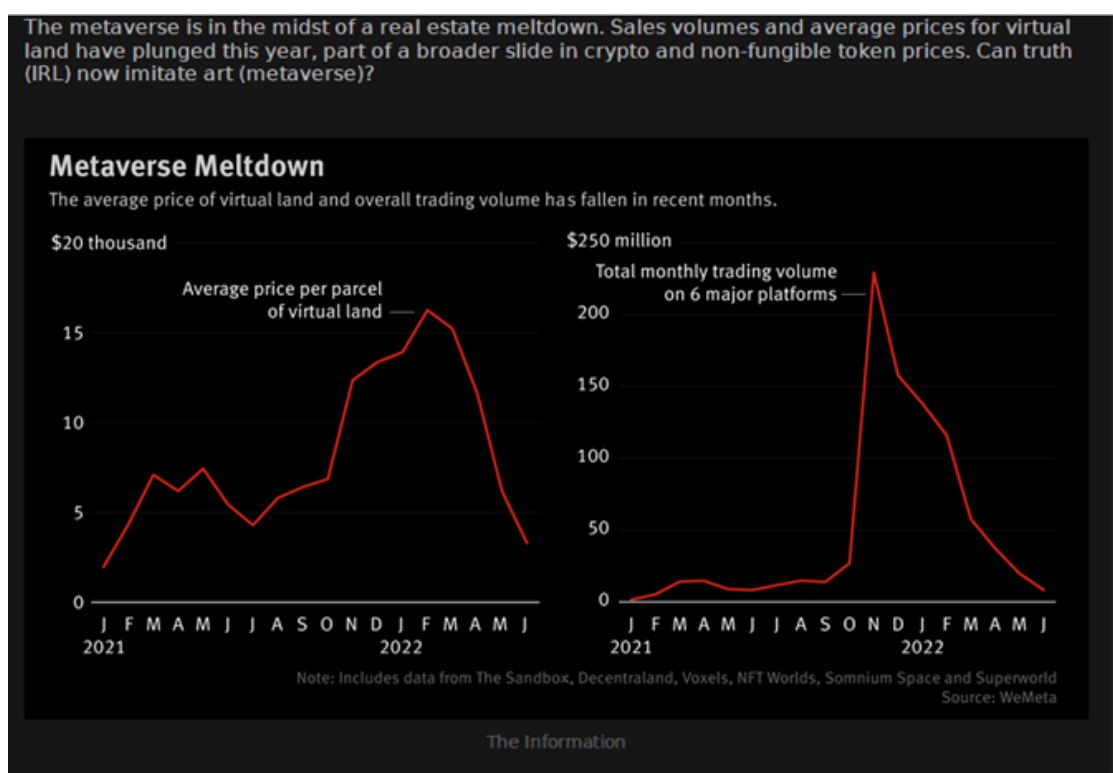
Fidelity's bitcoin research report

	 GOLD	 BITCOIN	 FIAT CURRENCY	
 DURABLE	+	+	-	While all are physically durable, fiat currency over history has not maintained purchasing power durability
 DIVISIBLE	-	+	+	Physical gold is only divisible to small pieces; bitcoin is divisible to eight decimals
 FUNGIBLE	+	+	-	Gold and bitcoin are fungible, but fiat currency is not fungible with other fiat (US Dollar is not fungible with Canadian dollar)
 PORTABLE	-	+	+	Gold has a high value to weight ratio, but compared to the others is still heavy and cumbersome to transport
 VERIFIABLE	-	+	-	Both gold and fiat currency have been counterfeited; gold can be verified but only through cumbersome assay
 SCARCE	+	+	-	Gold is scarce, bitcoin is scarce and finite; the only constraint on fiat currency is willingness of government or central bank
 TRACK RECORD	+	-	-	Gold has the longest track record as money and maintaining purchasing power; bitcoin's history is the shortest; fiat currency has a poor track record ²

#cryptos

#metaverse #land

Crypto trading volumes and average prices of "virtual" land both down significantly down.



Source: the Information, James Perry

#food-for-thought

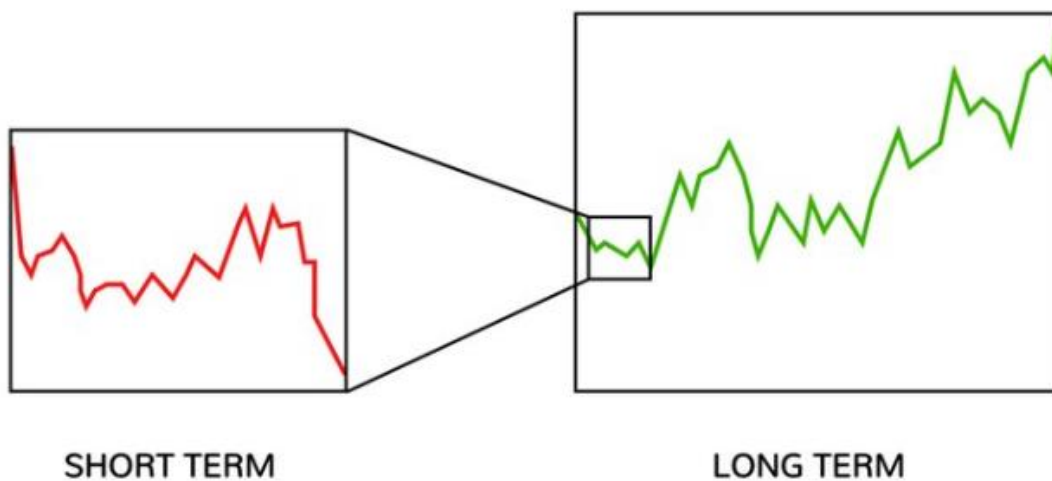
#trading #investing



Michael A. Arouet
@MichaelAArouet

...

Trading vs. Investing 📌 ht @QCompounding



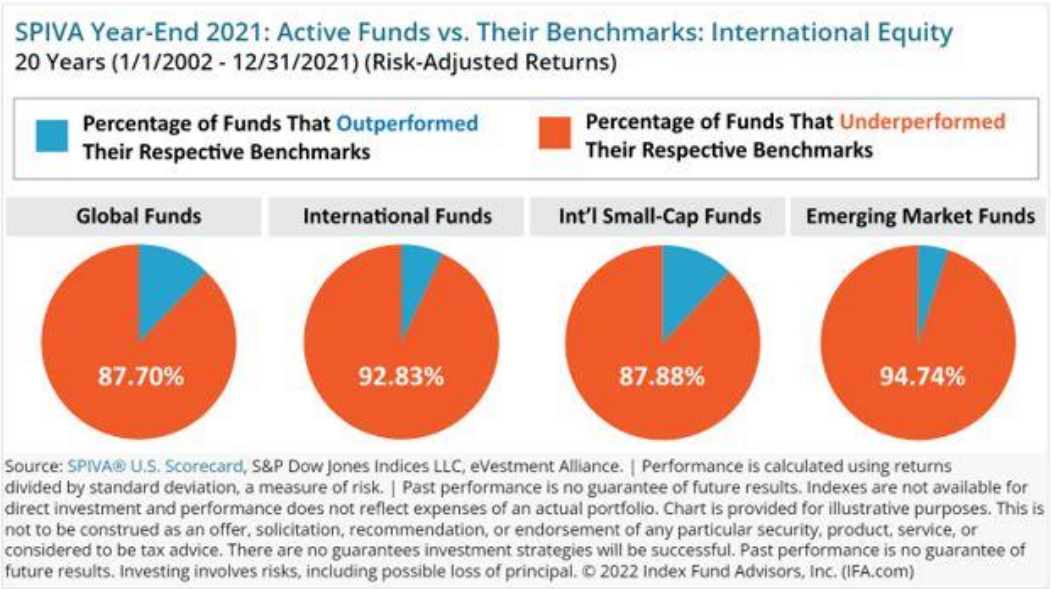
#food-for-thought

#equity #funds #alpha

Supposed market inefficiencies should make it easier for EM managers to outperform their indices, but the evidence shows the opposite

International Equity

The pie charts below show the percentage of active international equity funds that underperformed respective benchmarks for the 20-year period ended Dec. 31, 2021.



Source: Jean Van de Walle

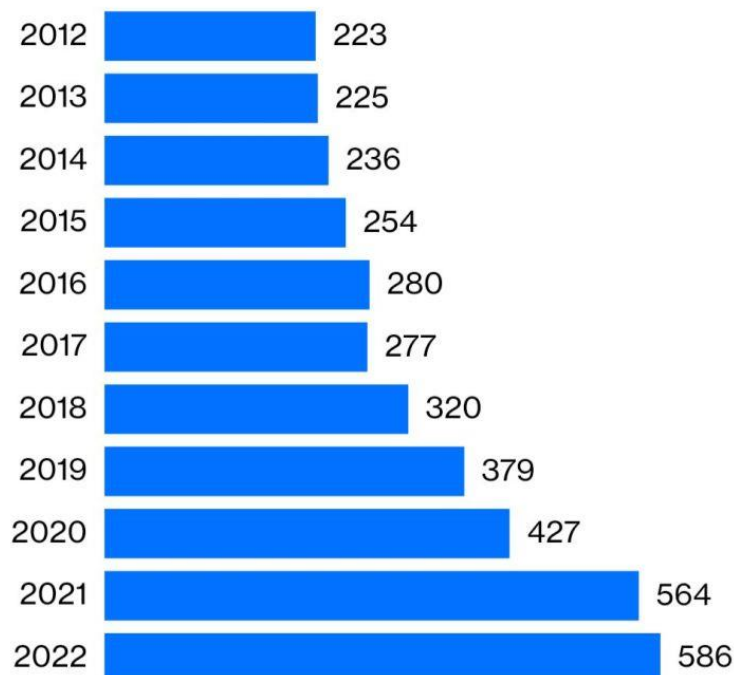
#food-for-thought

#etfs

Welcome to the Jungle

ETFs are no longer a haven of low-cost index funds that track broad markets

■ Number of leveraged, inverse, thematic and structured US-based ETFs



Source: Morningstar

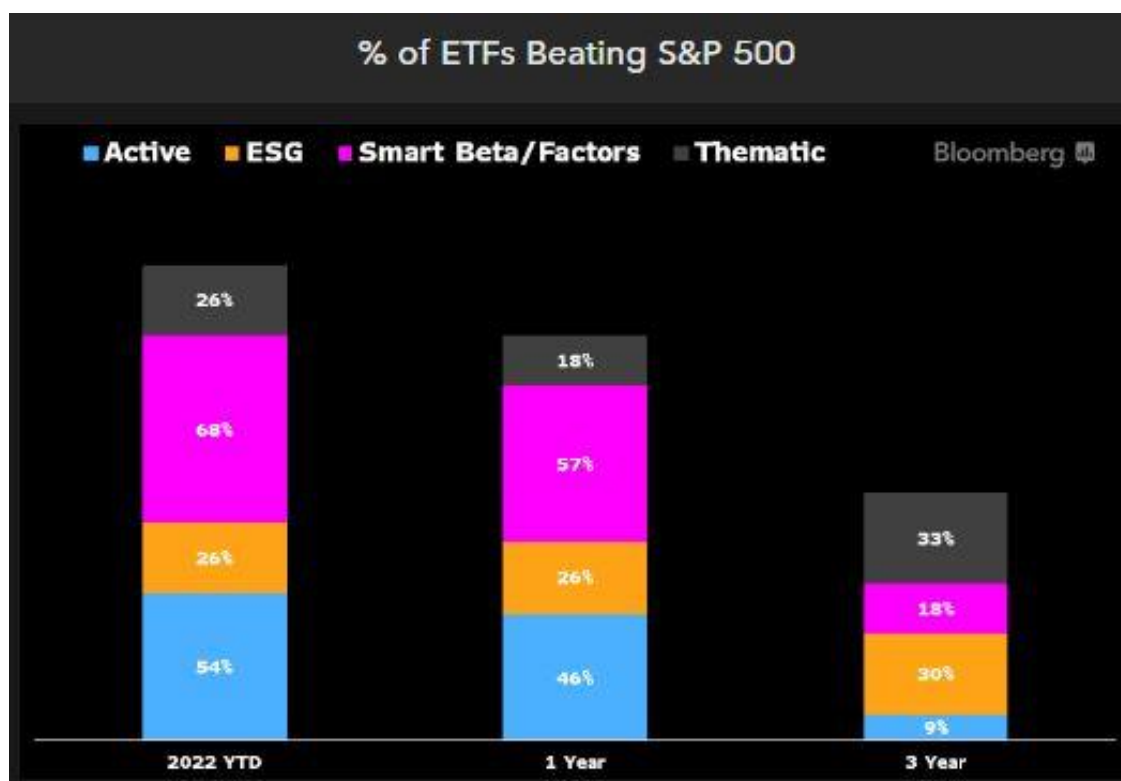
Note: Numbers for 2022 through Aug. 2.

BloombergOpinion

#food-for-thought

#etfs

Nearly 70% of smart-beta ETFs are beating S&P 500 this year thanks to their focus on fundamentals and tilts towards dividends, value, quality, low volatility. This outperformance has been rewarded with nearly \$65bn of inflows. On flip side, ESG and themes are lagging due to their tilts towards growth which has caused flows to stop



Source: Bloomberg

#food-for-thought

#etfs

Here's the Top 20 ETFs that took in the most cash over the last 3 years.

Name	Ticker	3Yr Flows (\$MM)
Vanguard Total Stock Market ETF	VTI	100,870.80
Vanguard S&P 500 ETF	VOO	100,153.90
iShares Core S&P 500 ETF	IVV	54,793.20
Vanguard Total Bond Market ETF	BND	48,711.87
Invesco QQQ Trust Series 1	QQQ	44,412.94
Vanguard Value ETF	VTV	36,798.81
Vanguard Total International Stock ETF	VXUS	36,467.44
iShares Core MSCI EAFE ETF	IEFA	26,379.61
iShares Core U.S. Aggregate Bond ETF	AGG	26,129.62
Vanguard FTSE Developed Markets ETF	VEA	25,660.56
Vanguard Intermediate-Term Corporate	VCIT	23,341.05
Schwab US Dividend Equity ETF	SCHD	22,415.40
iShares ESG Aware MSCI USA ETF	ESGU	20,108.25
Vanguard Short-Term Corporate Bond ET	VCSH	19,846.57
Vanguard Short-Term Bond ETF	BSV	18,646.98
iShares National Muni Bond ETF	MUB	17,356.29
ARK Innovation ETF	ARKK	16,139.79
Vanguard Mid-Cap ETF	VO	15,749.96
iShares Core Total USD Bond Market ETF	IUSB	15,708.32
Vanguard High Dividend Yield ETF	VYM	15,429.65

Source: Eric Balchunas

#food-for-thought

#solar #startup

Bill Gates-founded VC firm bets big on robot-built solar farms. Breakthrough Energy Ventures, a climate-focused VC firm is participating in a \$44 million bet on solar startup Terabase Energy. The startup aims to build new solar farms “at the terawatt scale” by using its automated, onsite factory to speed up production. The company also makes software tools to manage the design and construction of solar farms. Breakthrough Energy Ventures was founded by Bill Gates, and its board members include Jeff Bezos and Masayoshi Son. The VC firm co-led the Terabase deal alongside Lime and Amp Robotics investor Prelude Ventures.

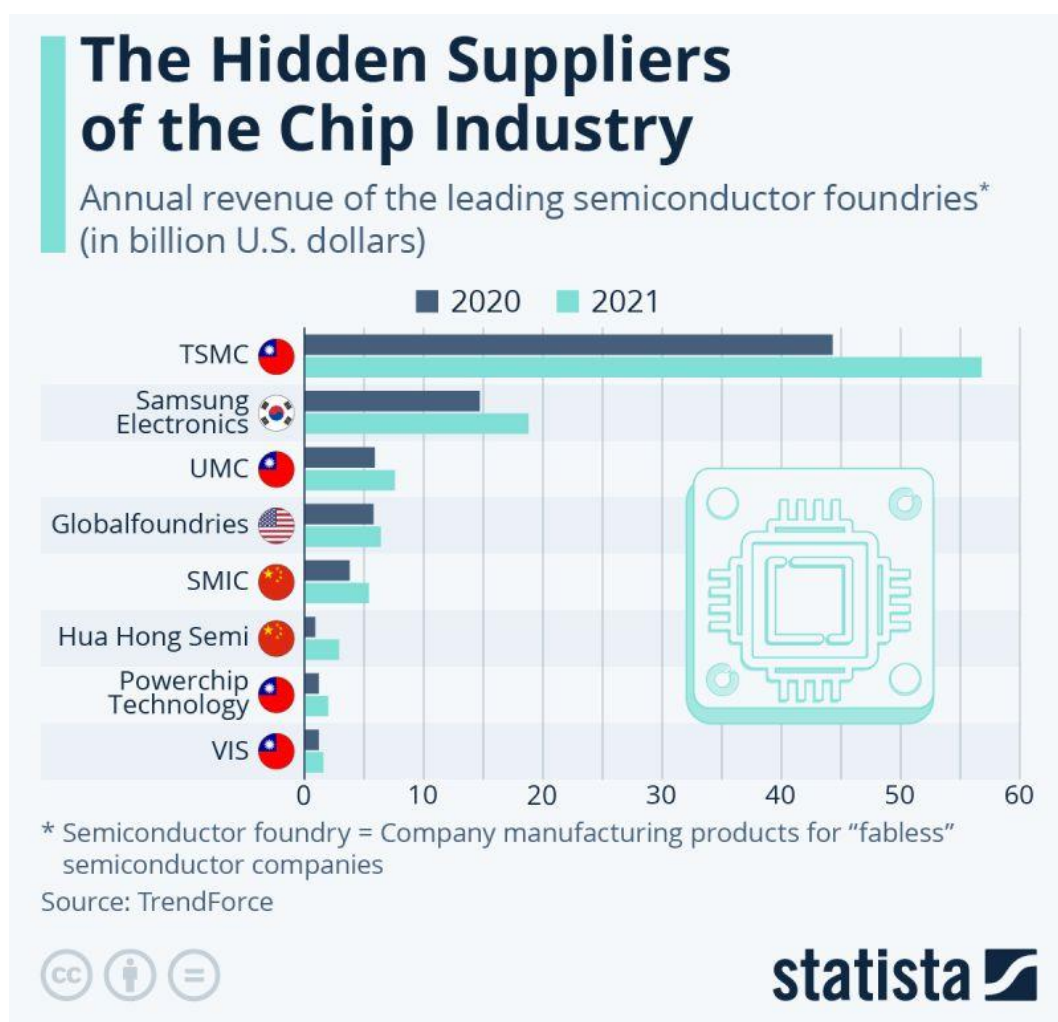


Source: Tech crunch

#food-for-thought

#chips #suppliers

Taiwanese manufacturer TSMC, which is known for producing chips for iPhones but also makes semiconductors for Intel, remained the market leader in semiconductor foundries.

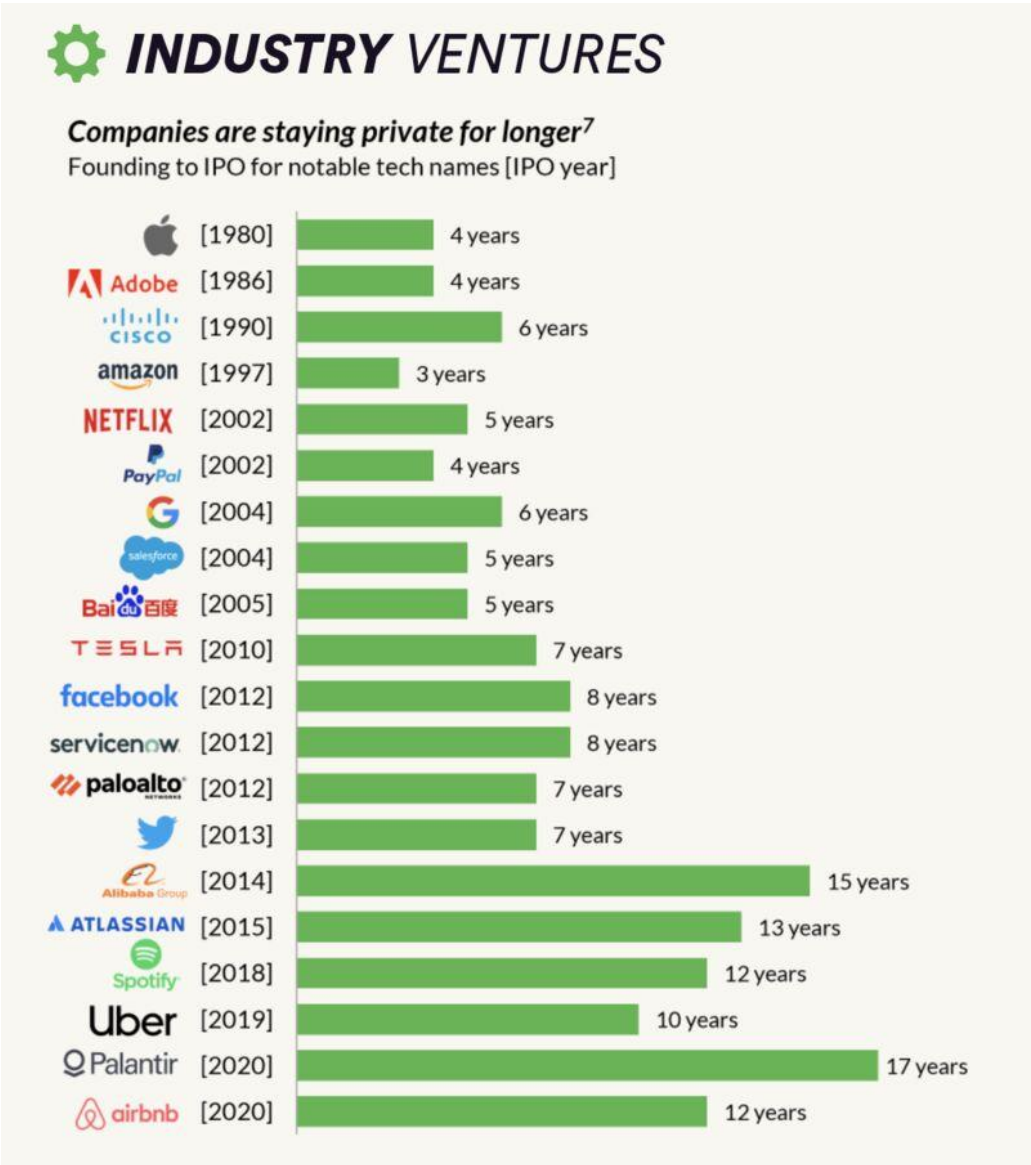


Source: Statista

#food-for-thought

#tech #unicorns

Companies are staying private for longer.



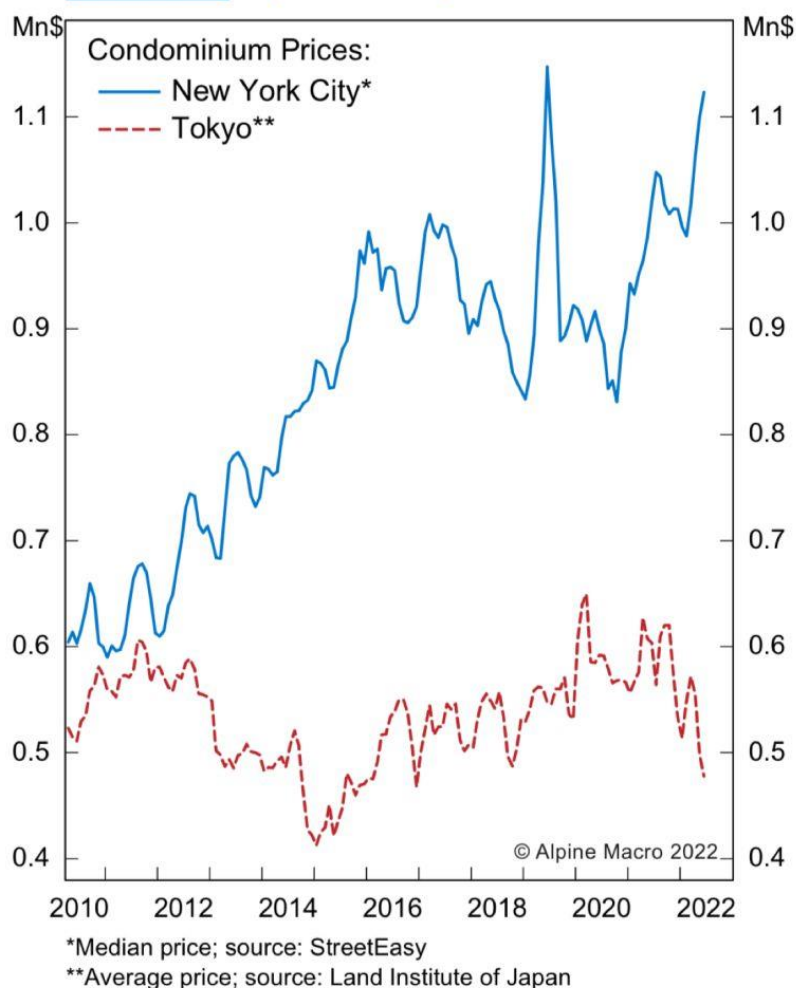
Source: Leverage shares

#food-for-thought

#japan #real-estate

A one-bedroom condo is priced at over US\$ 1.1 million in Manhattan NYC, while a similar property costs \$470K in Tokyo's prime locations.

Chart 8 Japan Is Cheap



#food-for-thought

#russia #foreign-trade

Italy export to Turkey -> all time high

Turkey export to Russia -> all time high

Is it a coincidence?

Foreign Trade

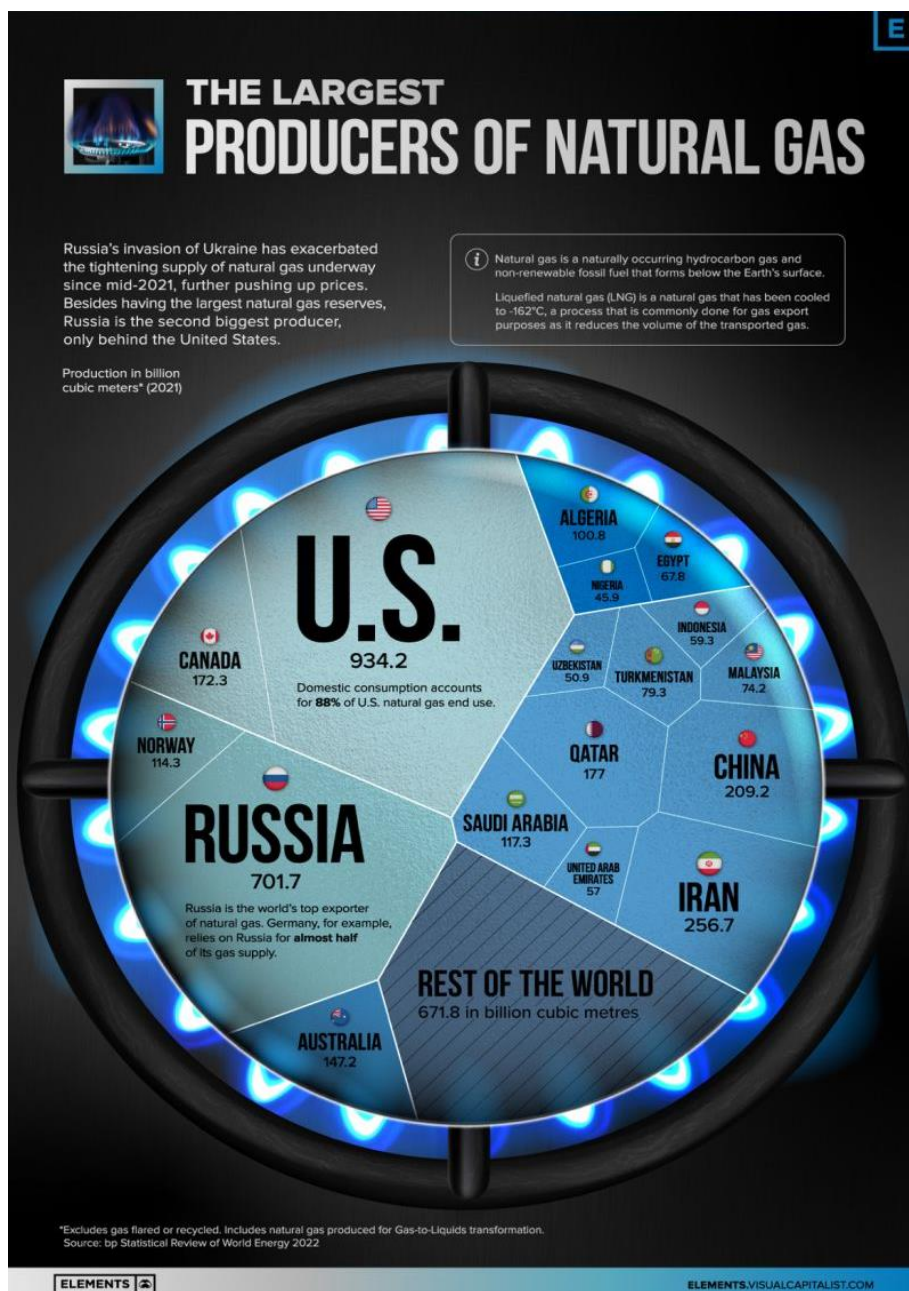


Source: Andreas Steno and Macrobond

Source: Andreas Steno, Macrobond

#food-for-thought

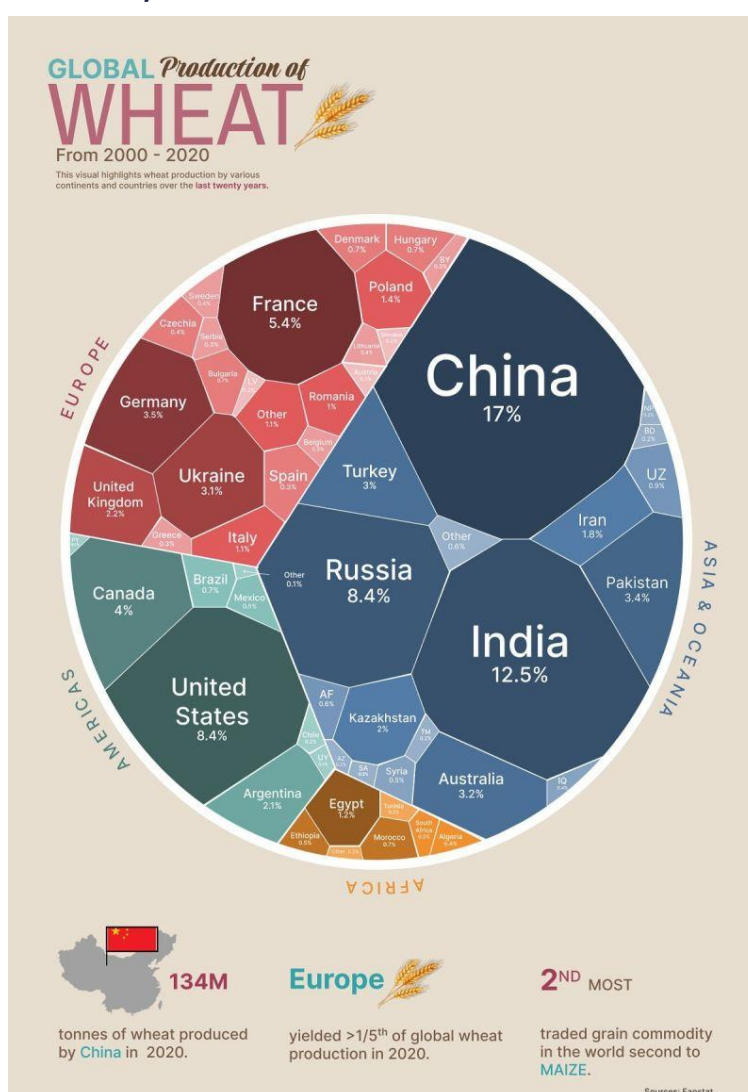
#natural-gas #producers



#food-for-thought

#wheat #production

Global Wheat production share by country. Wheat prices are falling like a stone. Note that Ukraine (3.1% production share) can barely be seen on the chart. So maybe markets are adjusting to this reality.



#food-for-thought

#agriculture

The world has passed 'peak agricultural land'. The world produces more food than ever, but the amount of land we use is now falling

Global decoupling of agricultural land and food production



Agricultural land is the sum of cropland and pasture for grazing livestock.

Production is measured in constant 2015 international-dollars, which adjusts for inflation. Includes all crops and livestock.

Global agricultural land use

5 billion hectares

Global agricultural production

\$4 trillion

4.8 billion hectares

Global land use for agriculture has peaked and is now falling.
This is due to a reduction in global pasture*. Global croplands are still expanding.

Global agricultural production has continued to increase despite a reduction in land use

4.6 billion hectares

\$2 trillion

4.4 billion hectares

\$1 trillion

1961 1970 1980 1990 2000 2010 2018

*A peak in global pasture land does not mean that it has peaked everywhere. In tropical regions, it continues to increase, often at the expense of carbon-rich habitats.

Data source: Food and Agriculture Organization of the United Nations.

OurWorldinData.org - Research and data to make progress against the world's largest problems.

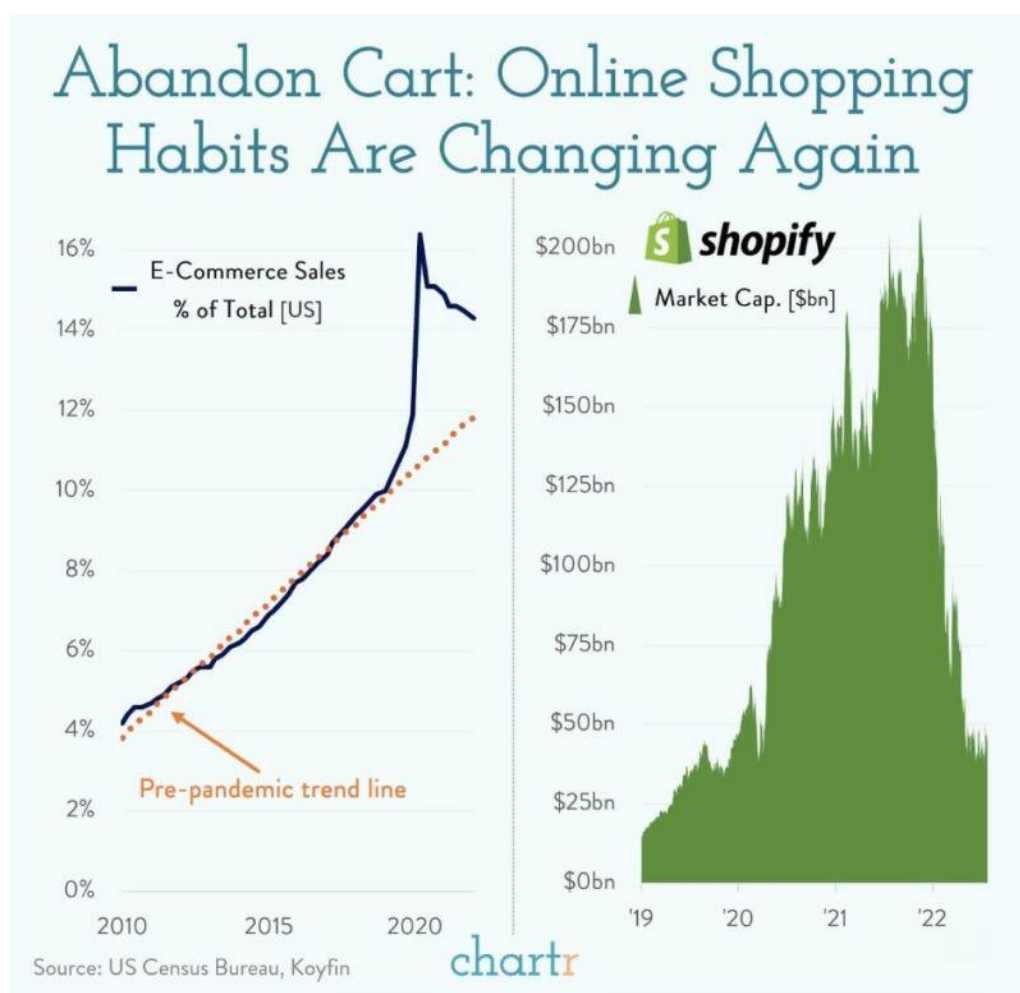
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Source: Our World in Data

#food-for-thought

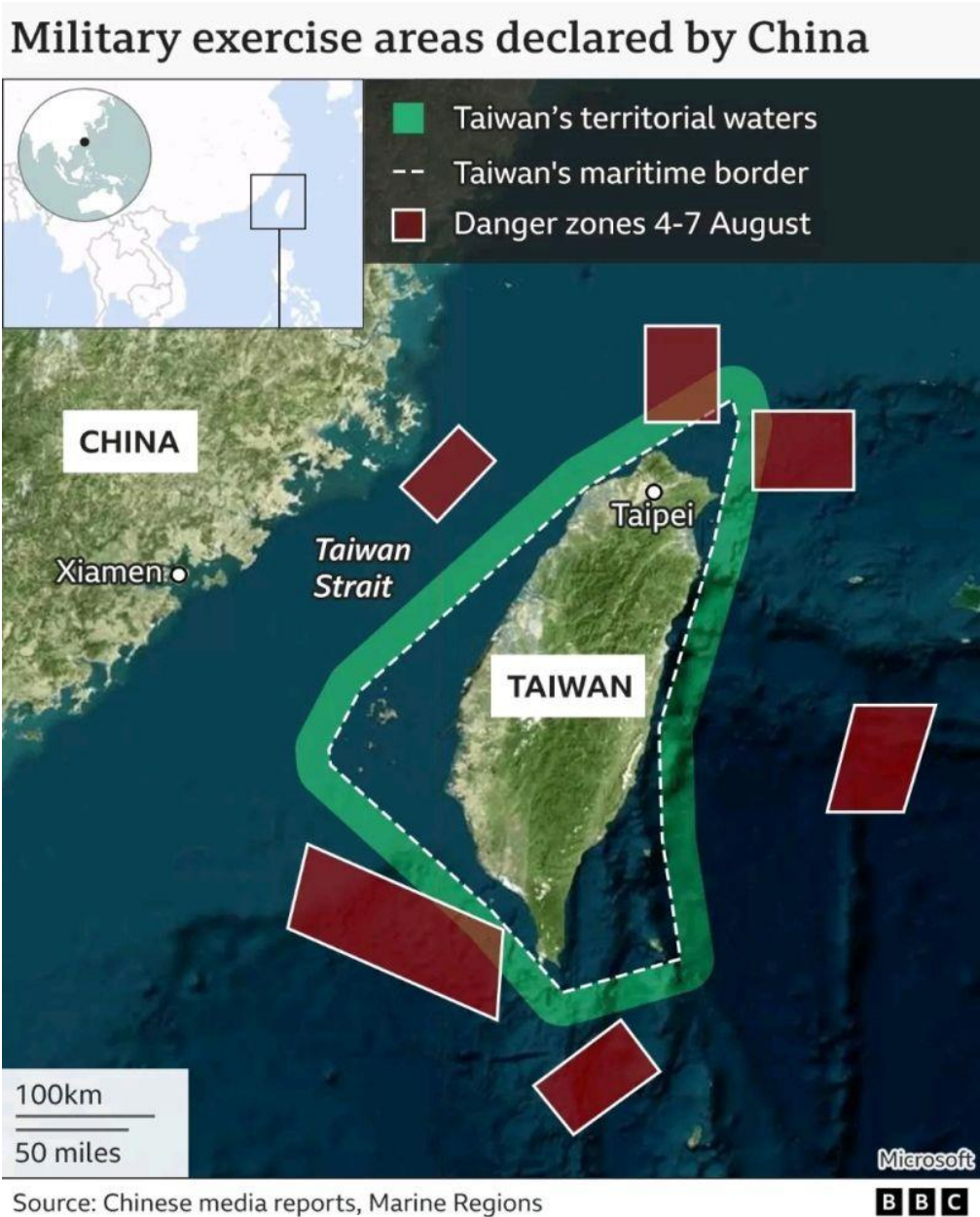
#e-commerce

Is the ecommerce boom fading? At the peak of the #pandemic, the e-commerce industry was one of the major beneficiaries. But online shopping is yet another pandemic trend that seems to be unwinding. One company that is painfully aware of the change in habits is Shopify.



#food-for-thought

#china #taiwan



#food-for-thought

#china #taiwan

The Taiwan Strait services most of the big containerships.



Source: Macrobond

#food-for-thought

#airports

The Airports To Avoid This Summer

Airports with most delayed flights that had been scheduled between May 26-July 19, 2022 (in %)



Source: FlightAware



statista

#food-for-thought

#leadership

Managers cope
with change.
Leaders cause
it.

JOHN KOTTER

Source: European Leadership

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