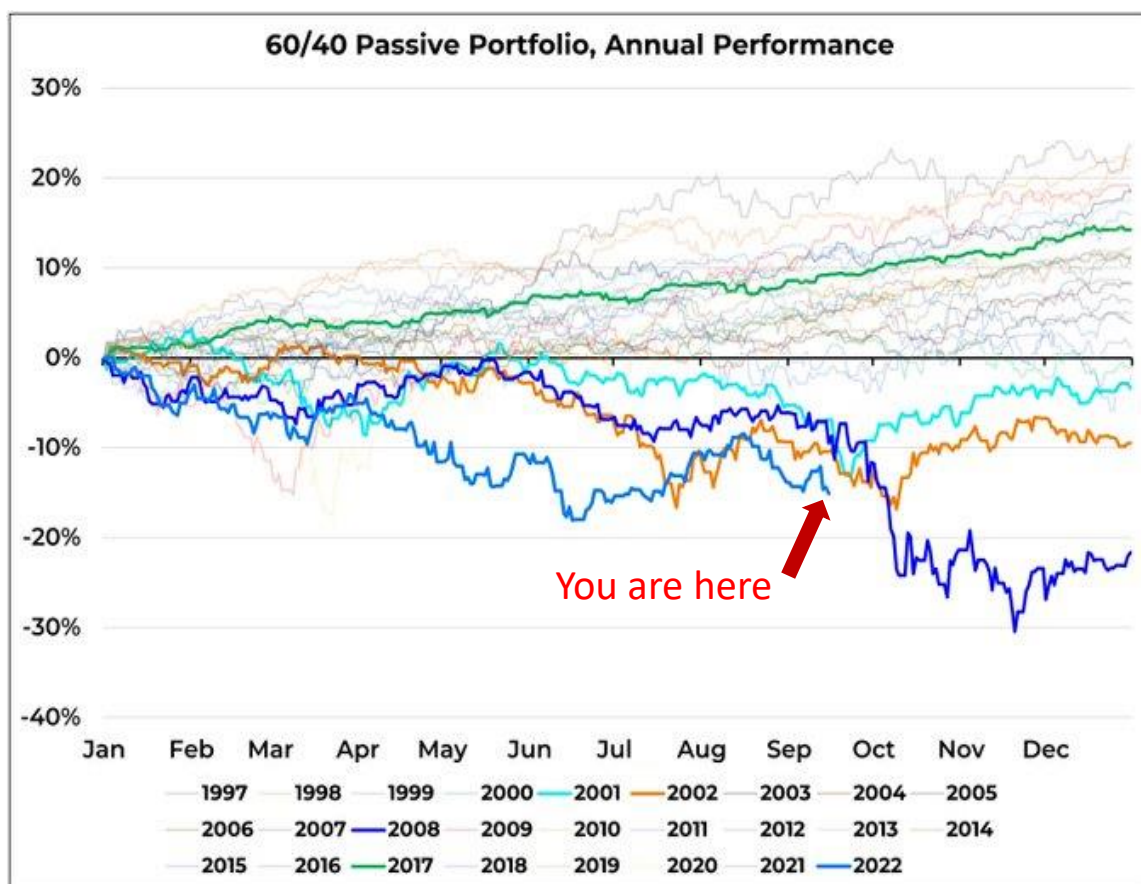


Chart of the week

Annus horribilis for the 60/40 portfolio

2022 is the worst start ever for a 60/40 (US equities / US bonds) portfolio. With household equity exposure coming into this year at the highest level on record, this probably understates the pain felt by the average investor.



Source: Willie Delwiche, CMT, CFA

Worst week since June for S&P 500 and Nasdaq

Stocks hit its lowest point on an intraday basis since mid-July on Friday as inflation fears intensified. Growth stocks fared worst, with the Nasdaq Composite falling nearly 5.5%. Alphabet and Meta Platforms hit new 52-week lows. We note that the VIX index remains well below the levels seen at the start of the pandemic. The main event of the week was Tuesday's US consumer price index (CPI) report. Headline prices rose 8.3% yoy versus 8.1% expected. Core inflation (excluding food and energy) jumped to 6.3%—its highest level since March and above expectations of 6.1%. These numbers dimmed hopes for investors that the economy had moved beyond “peak inflation.” On Friday, a gloomy outlook on the global economy from shipping giant FedEx sent stocks sharply lower after the transport giant pulled its earnings guidance for fiscal year 2023 and its new CEO told CNBC that he expected a global recession. FedEx stock fell by about 21% in trading on Friday. Meanwhile, the two-year U.S. Treasury note yield traded around 3.90% early Friday morning—its highest level in nearly 15 years. Shares in Europe pulled back amid signs of a deepening economic slowdown. The STOXX Europe 600 Index ended 2.89% lower. The British pound depreciated against the U.S. dollar, sinking to levels last hit in 1985. China's stock markets fell as currency weakness and downbeat property data overshadowed surprisingly strong factory output and retail sales indicators.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

17 SEPTEMBER 2022

#markets

#markets #stats #weekly

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	30,822	-4.1%	-15.2%
S&P 500 Index	3,873	-4.8%	-18.7%
NASDAQ	11,448	-5.5%	-26.8%
MSCI EAFE *	1,806	-1.8%	-22.7%
10-yr Treasury Yield	3.45%	0.1%	1.9%
Oil (\$/bbl)	\$85.24	-1.8%	13.3%
Bonds	\$98.86	-0.9%	-12.0%

Source: Factset. 09/16/2022. 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

#GLOBALMARKETS WEEKLY WRAP-UP

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17 SEPTEMBER 2022

#markets

#cross-assets #trends

Let's respect the trends...

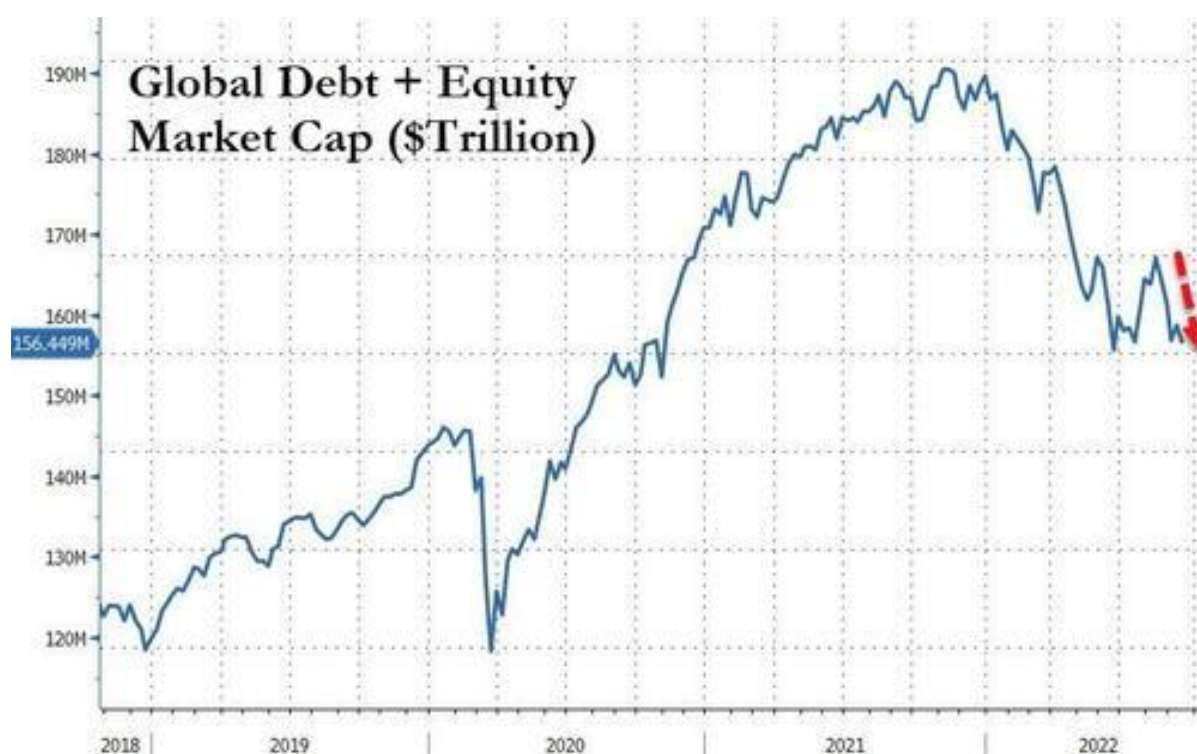


Source: AlfCharts

#markets

#cross-assets #performance

Global Stocks/Bonds lost \$4 Trillion last week...



Source: www.zerohedge.com, Bloomberg

#us #equities

The S&P 500 has now closed below the 200-day for the longest time since the Financial Crisis...




Source: www.zerohedge.com, Bloomberg

#us #equities

Here are the worst starts to a year for the S&P 500 through 178 trading days...

S&P 500: Worst Performance through 178 Trading Days (1928 - 2022)				
Rank	Year	Price Return: First 178 Trading Days	Price Return: Day 179 to Year-End	Price Return: Full Year
1	1974	-33.2%	5.2%	-29.7%
2	2001	-25.4%	16.6%	-13.0%
3	2002	-22.4%	-1.3%	-23.4%
4	1931	-21.1%	-32.9%	-47.1%
5	2008	-18.8%	-25.3%	-39.3%
6	2022	-18.7%	?	?
7	1962	-18.0%	7.5%	-11.8%
8	1940	-17.3%	2.6%	-15.1%
9	1934	-15.0%	12.2%	-4.7%
10	1953	-14.5%	9.2%	-6.6%
11	1966	-14.4%	1.5%	-13.1%
12	1937	-13.3%	-29.1%	-38.6%
13	1981	-11.8%	2.1%	-9.9%
14	1973	-11.5%	-6.6%	-17.4%
15	1946	-11.3%	-0.6%	-11.9%

 COMPOUND

@CharlieBilello

Source: Charlie Bilello

#markets

#us #equities #inflation #sell-off

As visualized below, Tuesday was the worst day of the year so far and you have to go back to the highly volatile 2020 to find a sharper one-day decline for US equities.



Source: Chartr

#us #equities #inflation #sell-off

Tech selloff on Tuesday has been particularly costly for Apple. World's most-valuable comp lost \$154bn in market value - a wipeout that ranks among top 10 worst single-day market value losses in US #stockmarket history, according to Bloomberg. That's more than market cap of ~90% of S&P 500 companies.



Source: Bloomberg

#us #equities #inflation #sell-off

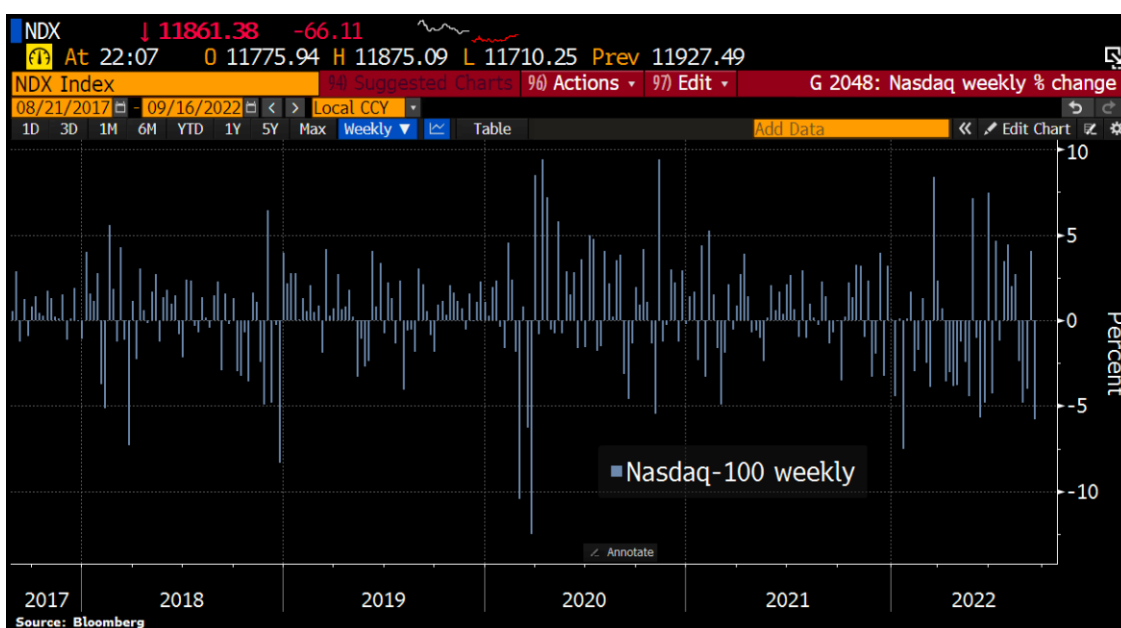
IT DOES NOT LOOK LIKE A FINAL SELL-OFF... On Tuesday the S&P 500 had its worst day since June 2020 but it still doesn't look like a capitulation. The "fear index" VIX has just shot up to 27, far from values that used to mark turning points.



Source: Bloomberg, HolgerZ

#nasdaq100

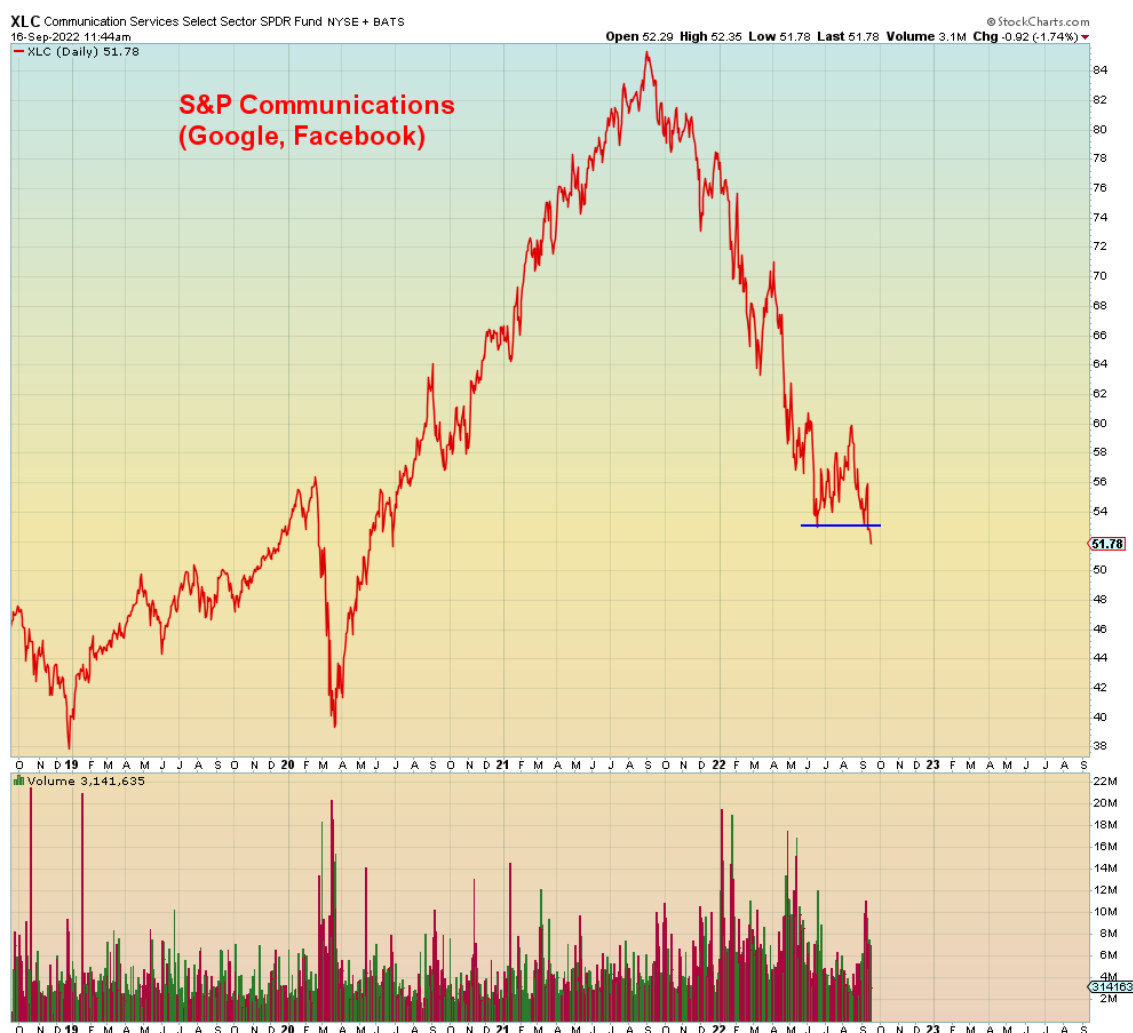
Nasdaq 100 plunged 5.8% for worst week since Jan as investors learn that there is such a thing as time value of money.



Source: Bloomberg, HolgerZ

#internet-stocks

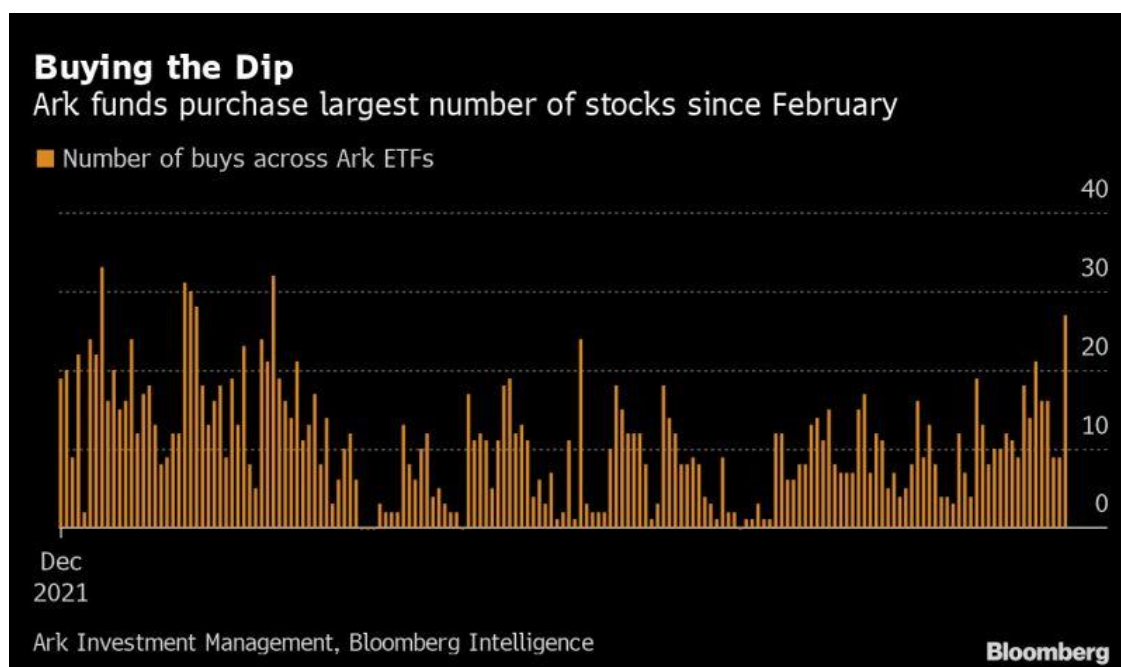
Internet stocks hit new 52-week lows. Growth stocks are breaking June lows as the two-year U.S. Treasury note yield hit its highest level in nearly 15 years.



Source: Mac10

#ark-invest #buy-the-dip

CATHIE BUYS THE DIP... As she keeps tweeting on deflation, Cathie Wood goes on biggest dip-buying binge since February. Ark funds buy shares of 27 stocks on Tuesday amid selloff.



Source: Bloomberg

#investors #sentiment

BofA Fund Manager survey for September shows sentiment is "super bearish." A record high 52% of respondents are underweight stocks, while 62% are overweight cash.



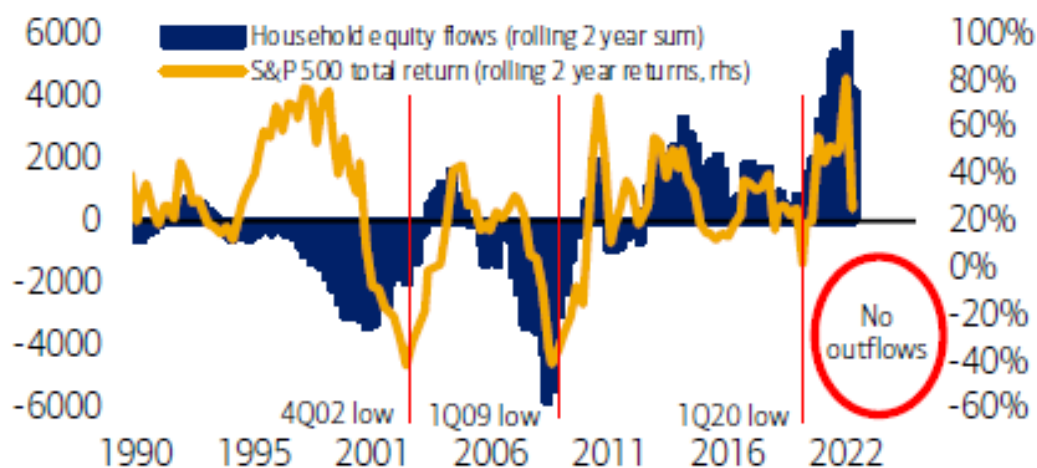
Source: Tuli Urbach

#markets

#retail #investors #positioning

Everybody is bearish, but they haven't sold (panicked) yet...

Exhibit 2: Big Money selling needed for the Big Low
US Household equity flows vs S&P 500 returns, \$bn



Source: BofA Research Investment Committee, Haver, Federal Reserve, Global Financial Data.
Note: Data through 2022.

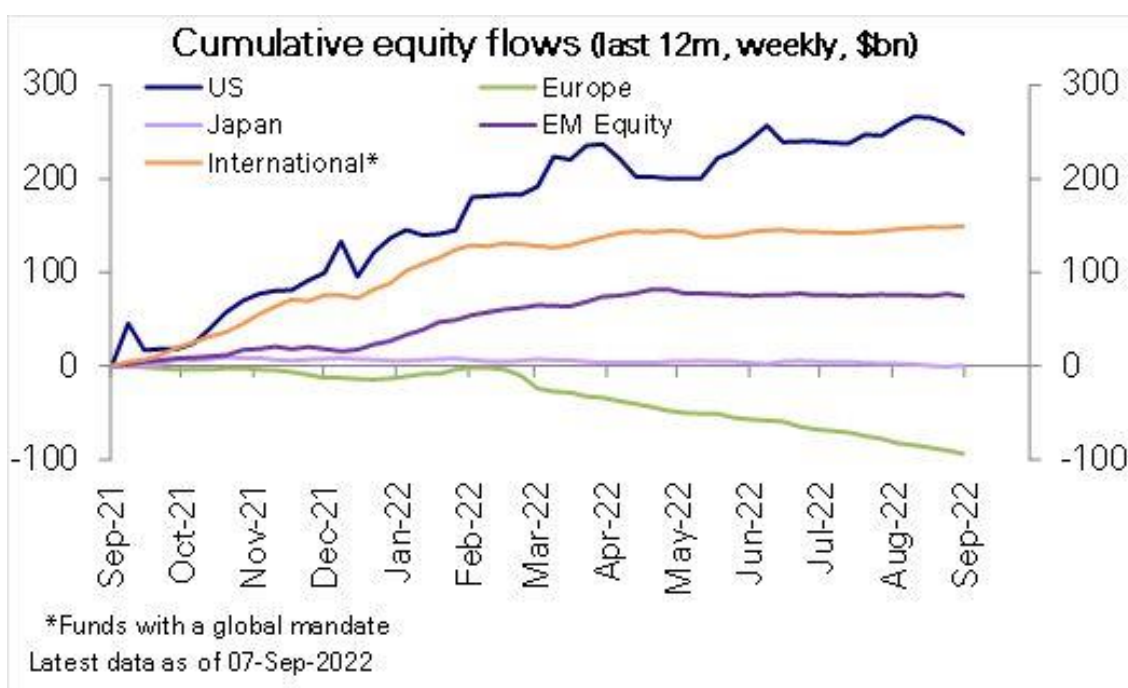
BofA GLOBAL RESEARCH

Source: BofA

#markets

#global #equities #funds #flows

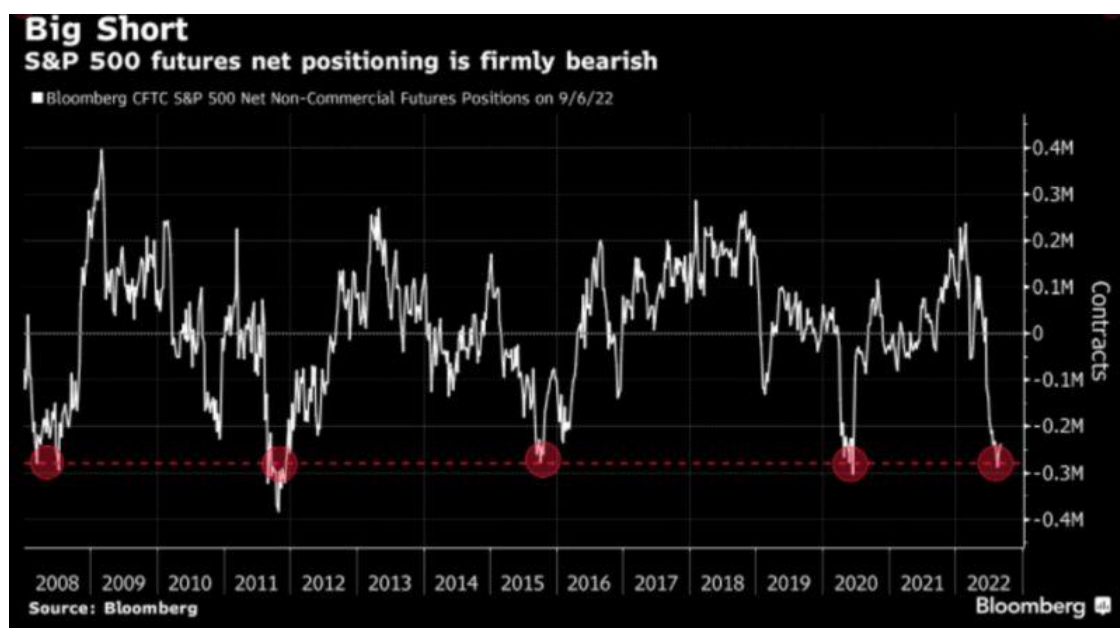
European equities have endured massive outflows (MINUS \$83bn) while US, Japan and global have been resilient.



Source: Bloomberg

#us #equities #futures #positioning

CFTC S&P 500 net non-commercial futures positions, an indicator of directional short positions, have reached levels last seen during previous downturns in 2008, 2011, 2015 & 2020.



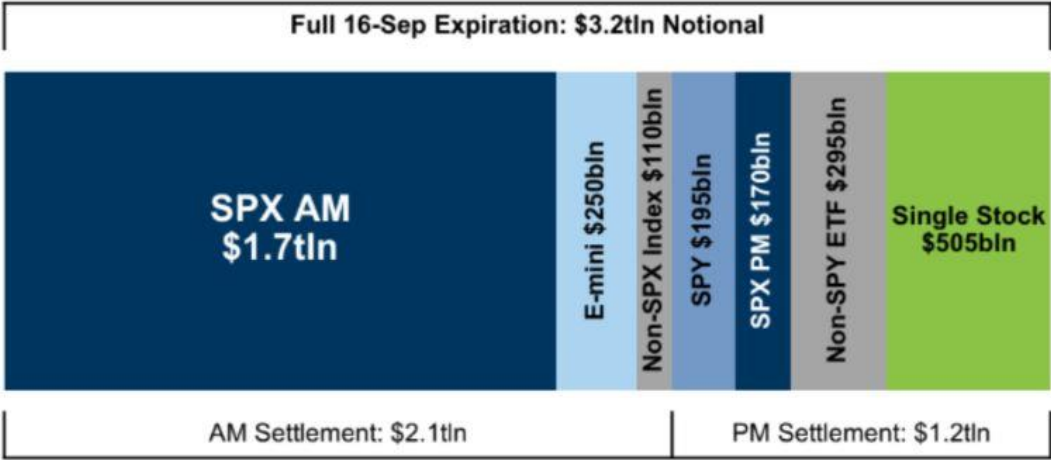
Source: Bloomberg, C.Barraud



#ripple-witching #friday

Triple witching on Friday - \$3.2 trillion of Option Notional expired on 16-Septembre.

Exhibit 1: \$3.2tln of option notional expires on 16-Sep
Notional open interest of US-listed options expiring on 16-Sep-2022



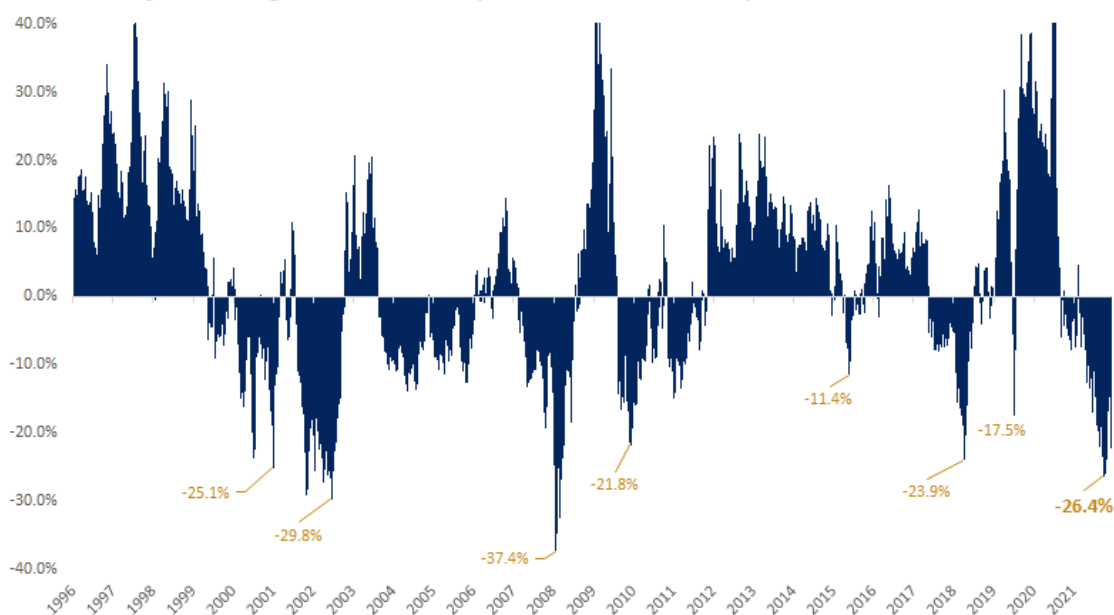
Source: Goldman Sachs Global Investment Research, OptionMetrics, Bloomberg

Source: Goldman Sachs

#us #equities #valuations

The graph shows the year-over-year decline in S&P 500 valuations which is in line with major downturns in the past.

Year-over-year change in valuations (S&P 500 forward P/E)



Source: Edward Jones

#nasdaq100 #relative-valuations

US 2-year Treasuries now offer higher yields than the QQQ (free-cash-flow yield). The last time this happened was in 2H 2007...



Source: tr8derz (Twitter)

#GLOBALMARKETS WEEKLY WRAP-UP

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#markets

#international #stocks



Source: Mac10

#european #value #stocks #valuation

Are European value stocks too cheap?

The forward PE ratio of the MSCI Europe Value Index has fallen below 8, a level seen during the global financial crisis, the sovereign debt crisis and the Covid peak.



Source: Bloomberg, Jean-Charles GAND

#GLOBALMARKETS WEEKLY WRAP-UP

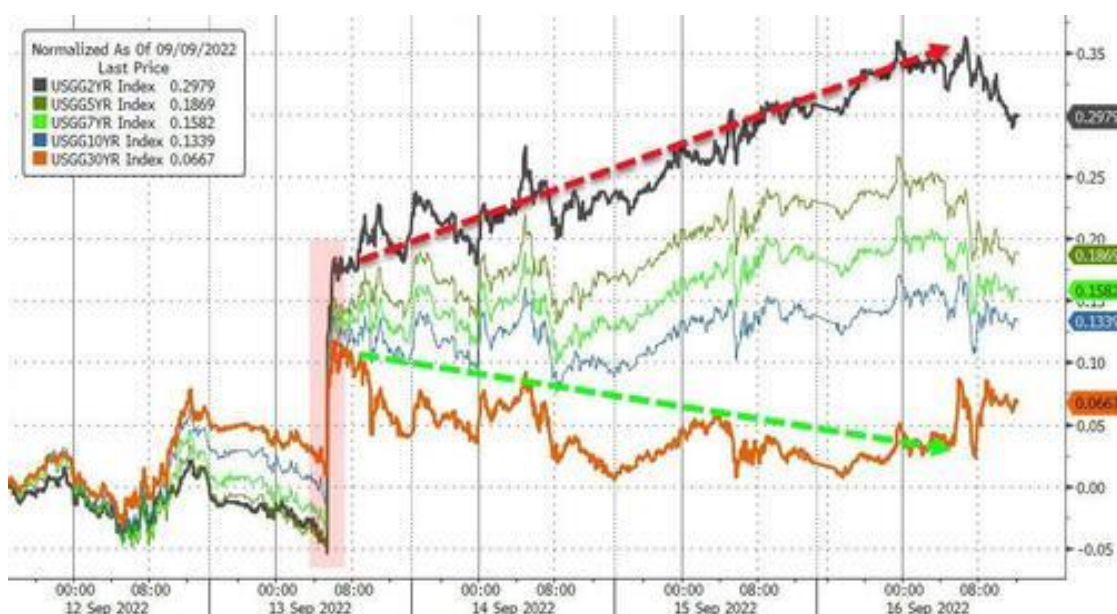
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#markets

#us #treasuries

Treasury yields were up across the entire curve this week but the short-end was the big underperformer...



Source: www.zerohedge.com, Bloomberg

#us #treasuries #yield-curve

The yield curve (2s30s in this case) flattened hard this week, to its most inverted since September 2000...



Source: www.zerohedge.com, Bloomberg

#us #treasuries #valuation

As yields have soared, bonds are now at their 'cheapest' relative to equities since Feb 2011..



Source: www.zerohedge.com, Bloomberg

#markets

#us #breakeven #rate

10-year expected inflation rate has moved down significantly from peak.



Source: Bloomberg

#us #bonds #drawdown

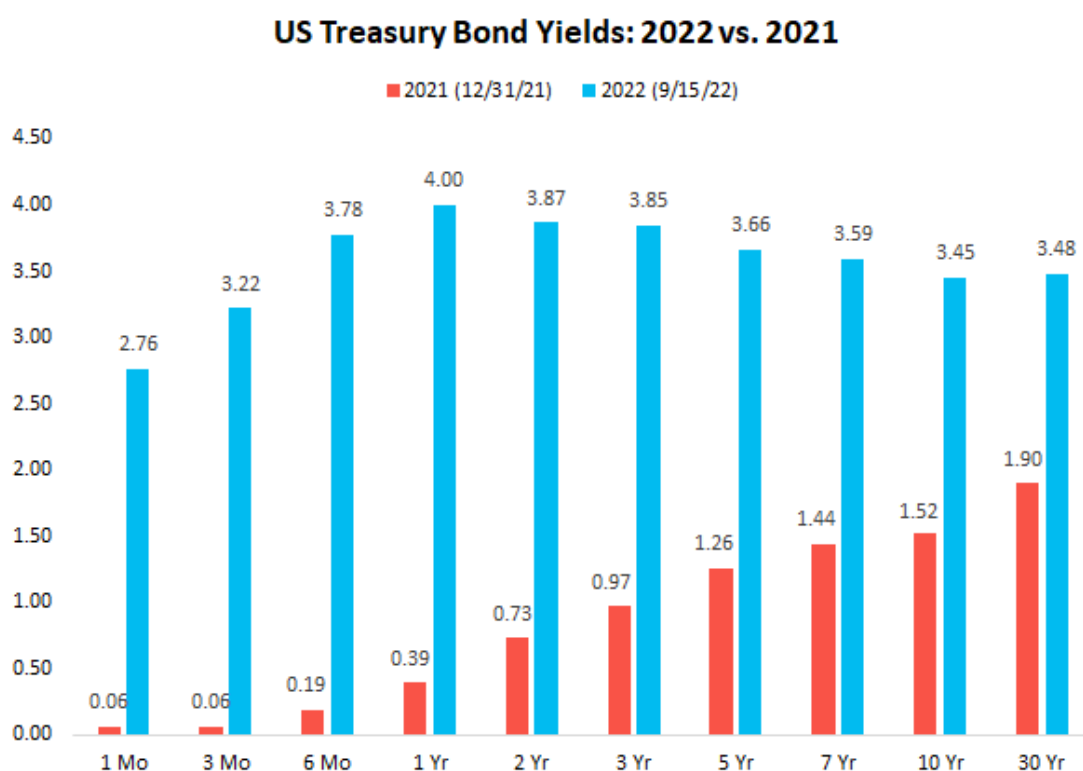
US Aggregate Bond index DD approaches historical record...

Bloomberg US Aggregate Bond Index: Drawdowns >3% (Monthly, 1976 - 2022)					
Start Month	End Month	# Months	Max Drawdown (Monthly)	New High Month	# Months: Low to New High
Aug-20	Aug-22	25	-12.3%	?	?
Aug-16	Nov-16	3	-3.3%	Aug-17	9
May-13	Aug-13	3	-3.7%	May-14	9
Apr-08	Oct-08	6	-3.8%	Dec-08	2
Jun-03	Jul-03	1	-3.6%	Dec-03	5
Feb-96	May-96	3	-3.2%	Oct-96	5
Feb-94	Jun-94	4	-5.1%	Feb-95	8
Mar-87	Sep-87	6	-4.9%	Dec-87	3
Feb-84	May-84	3	-4.9%	Jul-84	2
May-83	Jul-83	2	-3.5%	Sep-83	2
Jul-80	Sep-81	14	-9.0%	Nov-81	2
Aug-79	Feb-80	6	-12.7%	May-80	3
COMPOUND			@CharlieBilello		

Source: Charlie Bilello

#us #treasury #yields

US Treasury Yields: End of 2021 --> Today

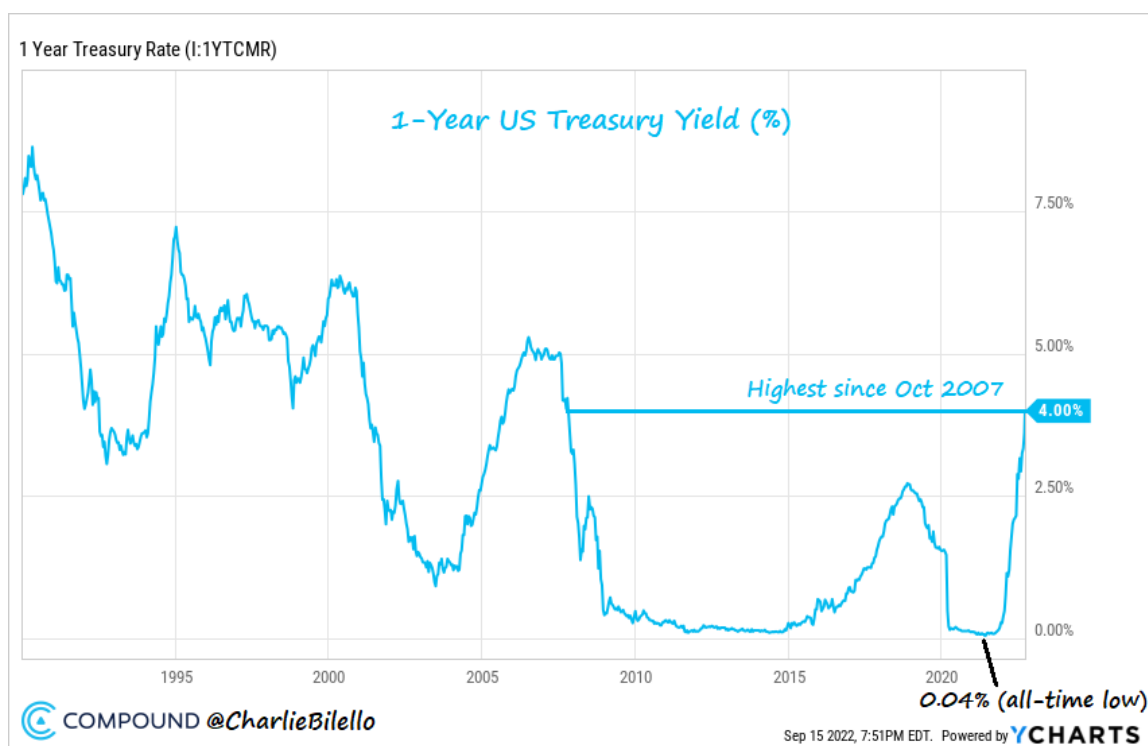


Source: Charlie Bilello

#markets

#us #treasuries #1-year

Speed of ascend is impressive.



Source: Charlie Bilello

#markets

#german #bund

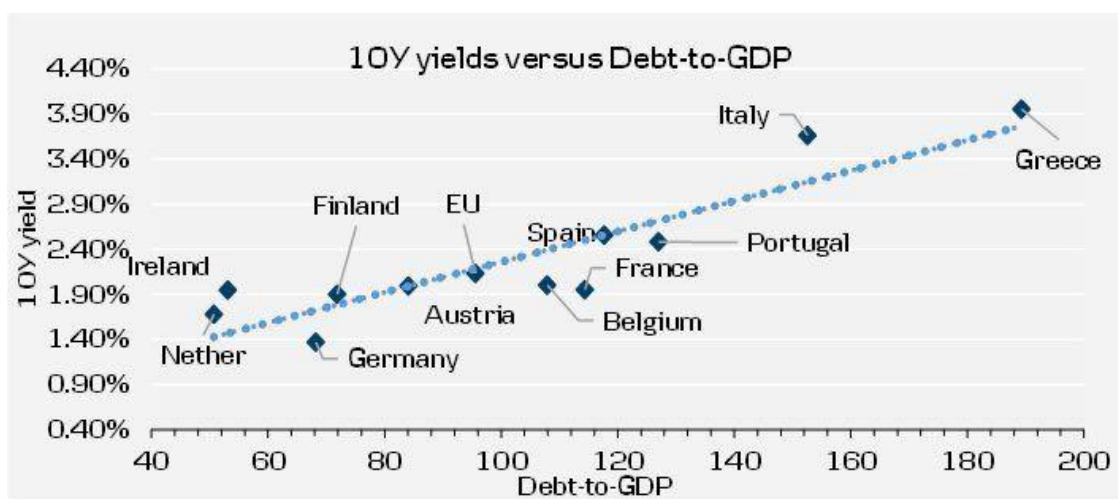
Bond rout continues w/German 10y yields jump >1.8%, highest level since 2014.



Source: HolgerZ, Bloomberg

#bond #yields #debt

Who would have thought? There is indeed a link between indebtedness (debt/GDP) and bond yields. For EU countries who will continue to increase #leverage in order to cushion the effects of the #energycrisis and #recession, the bill might come due at some point.



Source: Michel Arouet

#markets

#gold

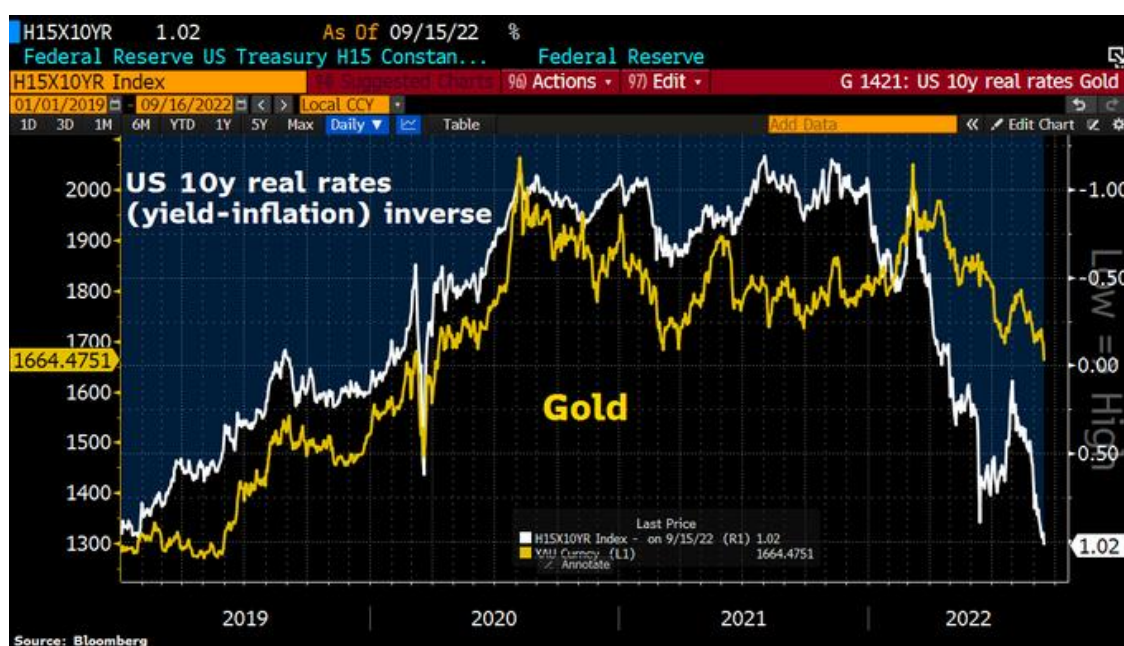
To put things into perspective: In a high-inflationary world, Gold has now fallen into a bear market.



Source: Bloomberg, HolgerZ

#gold #real-rates

This chart shows the suffering of Gold. The bullion price falls w/the rise in real interest rates.



Source: Bloomberg, HolgerZ

#gold #etfs #holdings

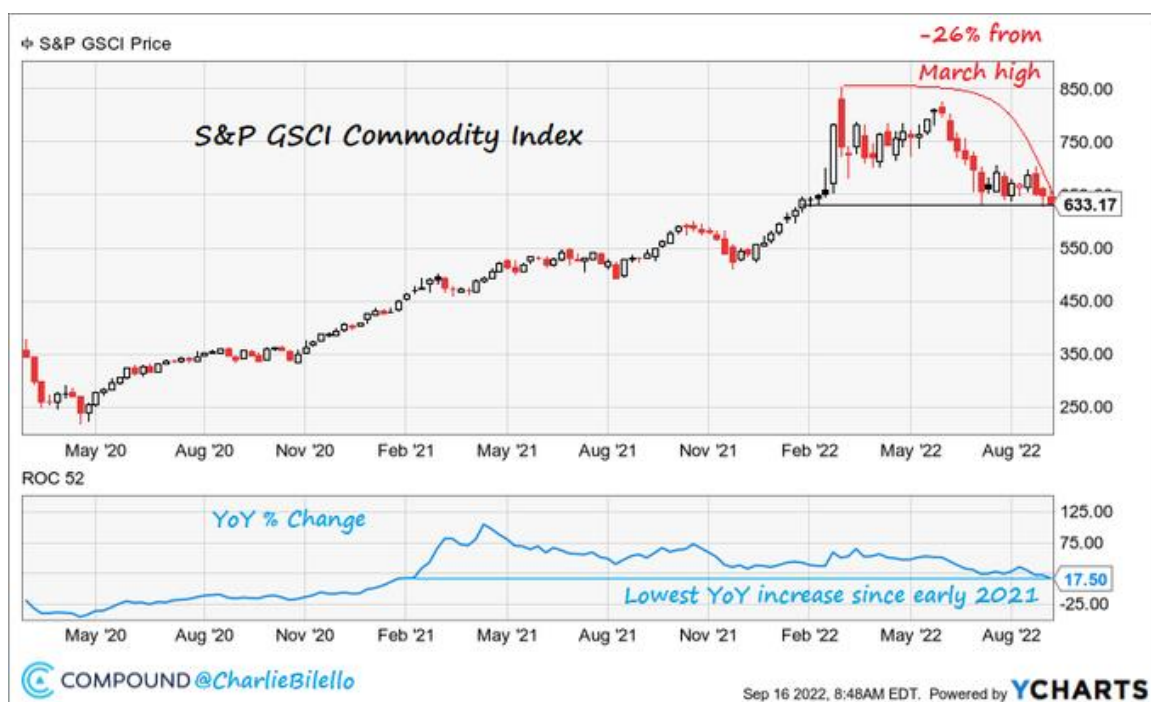
Gold drops <\$1700/oz ahead of next weeks Fed meeting. Volumes in gold ETFs have recently fallen significantly due to the rise in (real) interest rates.



Source: Bloomberg, HolgerZ

#commodities

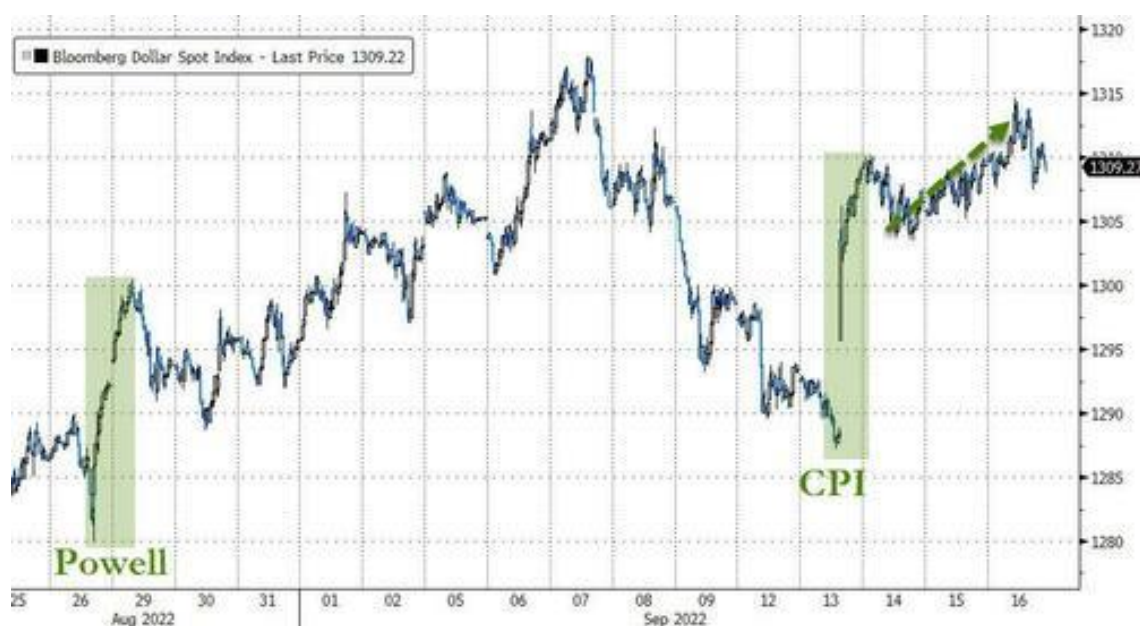
The S&P GSCI Commodity Index is down 26% from its peak in March, at its lowest levels since February. The year-over-year increase of 17% is the lowest YoY growth rate since early 2021.



Source: Charlie Bilello

#dollar

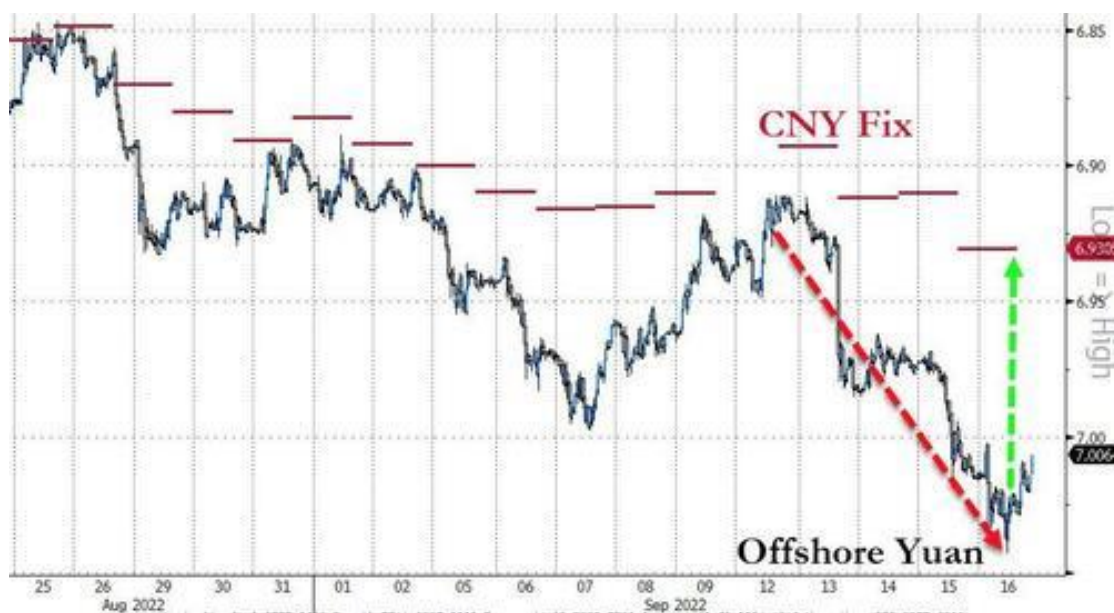
The Dollar surged higher this week,. extending gains after Tuesday morning's hot CPI print...



Source: Bloomberg, www.zerohedge.com

#yuan

The offshore yuan puked for the 5th straight week to its lowest against the greenback since July 2020. Most notably, Beijing has been setting the onshore yuan fix dramatically stronger for 17 straight days as they attempt to show face and fight gravity...



Source: Bloomberg, www.zerohedge.com

#euro

This chart shows how bad things are in Europe.

Orange: Eurozone Trade Balance (collapsing)

Blue: EUR-USD (inverted)

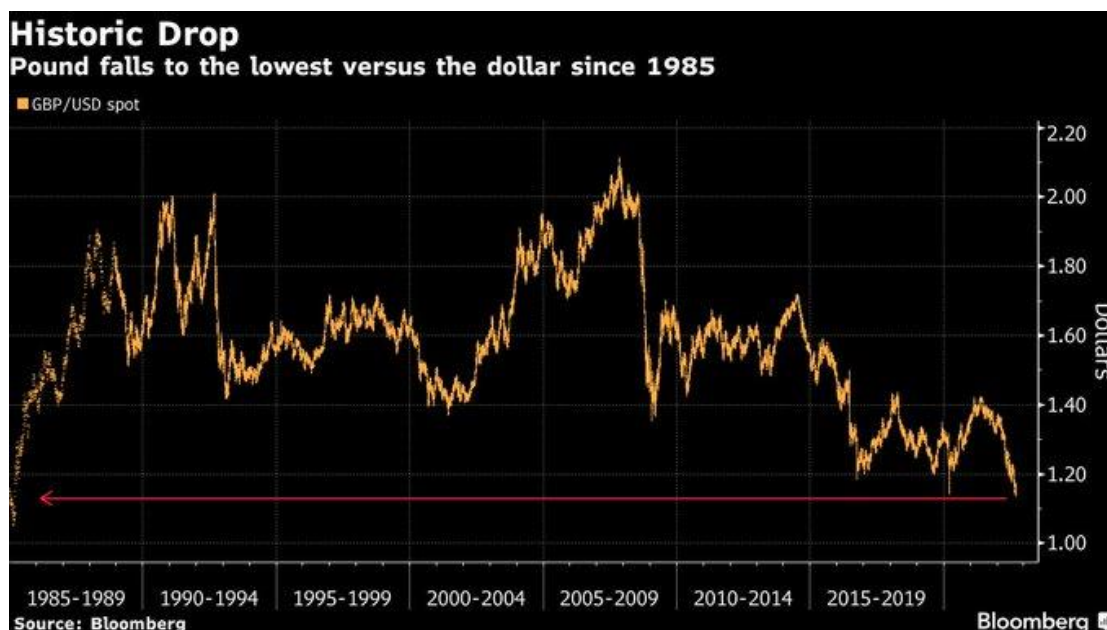
When a currency weakens, the trade balance improves. Unfortunately, in the case of Europe, we are witnessing the Euro falling and a trade balance collapsing.



Source: Bloomberg, nicoleto.eth

#british-pound

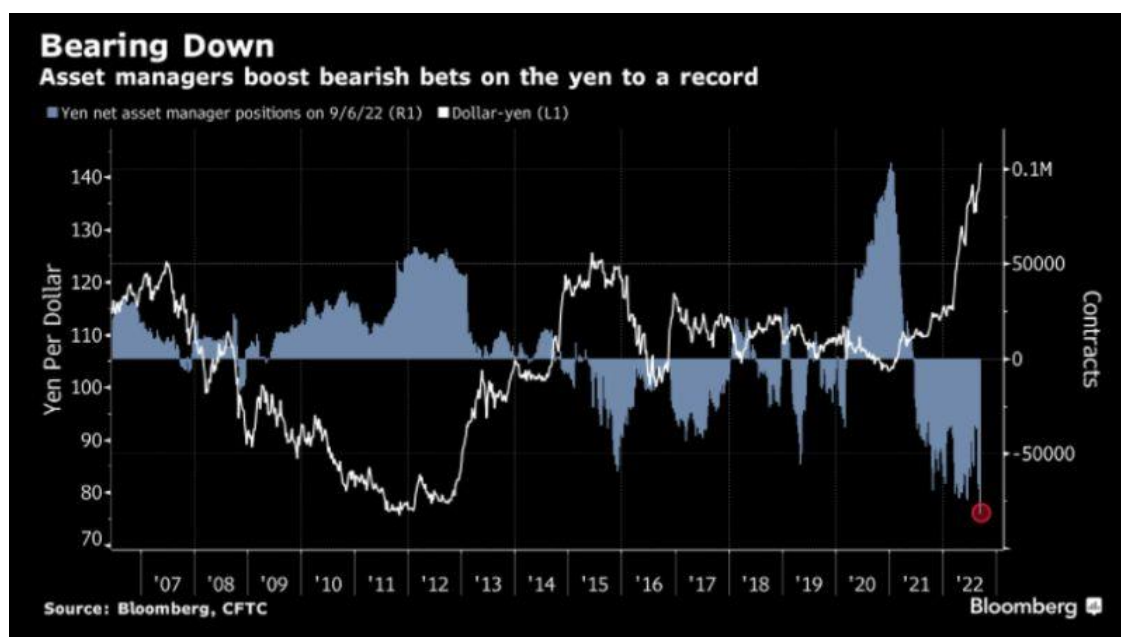
30 years after Pound was forced out of the European Monetary Mechanism, UK currency slides to its weakest level in almost 4 decades as mounting evidence of a UK recession combines w/rising Dollar. The Pound has fallen around 16% this year.



Source: Bloomberg, HolgerZ

#yen #positioning

Bearish sentiment toward the #yen continued to mount last week. Asset manager net-short yen positions hit a record, while leveraged funds boosted theirs by the most since March, according to the latest data from the Commodity Futures Trading Commission.



Source: Bloomberg

#macro

#global #growth

80% of major economies are seeing a slowdown in real GDP so far this year as compared to their growth rates in 2021.

2020-22 Global Growth Rates (Real GDP YoY% Change)				
Country	2020 Real GDP	2021 Real GDP	2022 Q2 Real GDP YoY	2022 vs. 2021
SAUDI ARABIA	-4.1%	3.2%	11.8%	8.6%
INDIA	-6.6%	8.9%	13.5%	4.6%
PORTUGAL	-8.4%	4.9%	6.9%	2.0%
PHILIPPINES	-9.6%	5.6%	7.4%	1.8%
INDONESIA	-2.1%	3.7%	5.4%	1.7%
SPAIN	-10.8%	5.1%	6.3%	1.2%
CANADA	-5.2%	4.6%	4.6%	0.0%
JAPAN	-4.5%	1.6%	1.6%	0.0%
POLAND	-2.5%	5.7%	5.3%	-0.4%
SWEDEN	-2.9%	4.8%	4.2%	-0.6%
SWITZERLAND	-2.5%	3.7%	2.8%	-0.9%
FINLAND	-2.3%	3.3%	2.3%	-1.0%
AUSTRALIA	-2.2%	4.7%	3.6%	-1.1%
SOUTH KOREA	-0.9%	4.0%	2.9%	-1.1%
GERMANY	-4.6%	2.8%	1.4%	-1.4%
BRAZIL	-3.9%	4.6%	3.2%	-1.4%
ITALY	-9.0%	6.6%	4.6%	-2.0%
IRELAND	5.9%	13.5%	11.1%	-2.4%
MEXICO	-8.2%	4.8%	2.1%	-2.7%
FRANCE	-8.0%	7.0%	4.2%	-2.8%
SINGAPORE	-4.1%	7.6%	4.4%	-3.2%
TURKEY	1.8%	11.0%	7.6%	-3.4%
UNITED STATES	-3.4%	5.7%	1.6%	-4.1%
UNITED KINGDOM	-9.3%	7.4%	2.9%	-4.5%
SOUTH AFRICA	-6.4%	4.9%	0.2%	-4.7%
NEW ZEALAND	-2.1%	5.6%	0.4%	-5.2%
CHINA	2.2%	8.1%	0.4%	-7.7%
HONG KONG	-6.5%	6.4%	-1.3%	-7.7%
RUSSIA	-2.7%	4.7%	-4.0%	-8.7%

#macro

#baltic-index

Global container freight rates hit a 17-month low, down 58% from their peak. Still over 3x higher than pre-pandemic levels but continuing to move in the right direction.



Source: Charlie Bilello

#macro

#global #stagflation #risk

Last week we saw signs of growth slowing (the Philly Fed index fell to -9.9, and FDX talked about a sudden global slowdown in shipping volumes) and inflation rising (Core CPI inflation rose by 0.57% mom in August versus 0.3% a month earlier).



Source: Bloomberg, www.zerohedge.com

#macro

#us #macro #surprise

Bloomberg's macro surprise index (ex-survey data) tumbled to its weakest since July 1919...

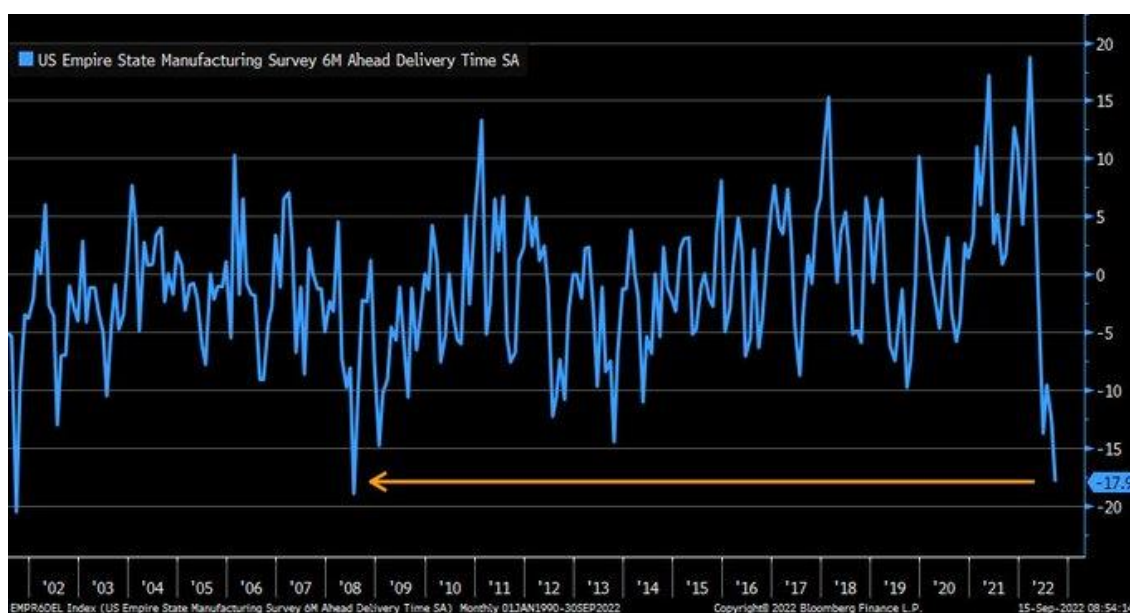


Source: Bloomberg, www.zerohedge.com

#macro

#us #manufacturing

Forward-looking delivery times (out 6 months) component within September Empire Manufacturing has collapsed and is at lowest (most negative) since July 2008.

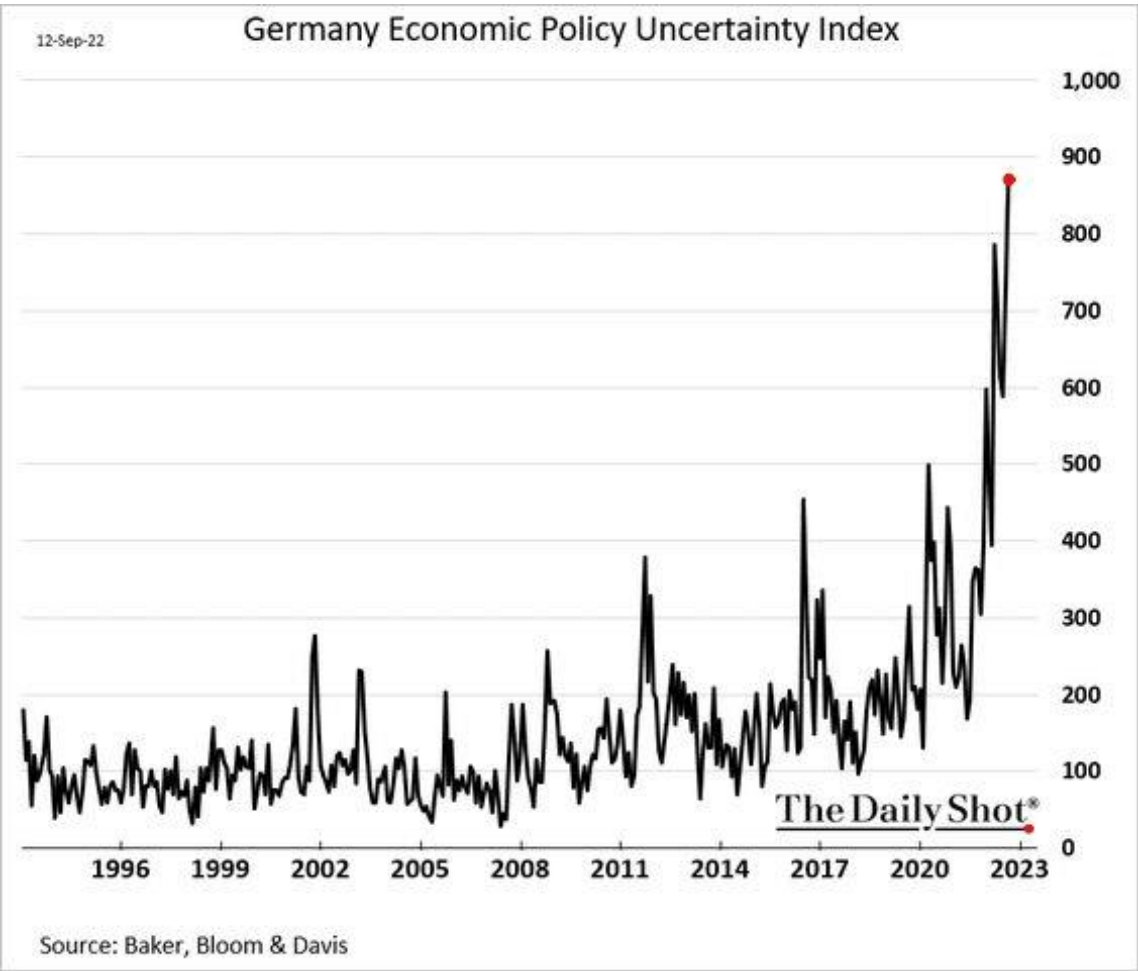


Source: Liz Ann Sonders

#macro

#german #economic #uncertainty

The Economic Policy Uncertainty Index for Germany hit a record high as the energy crisis takes a toll.



Source: The Daily Shot

#macro

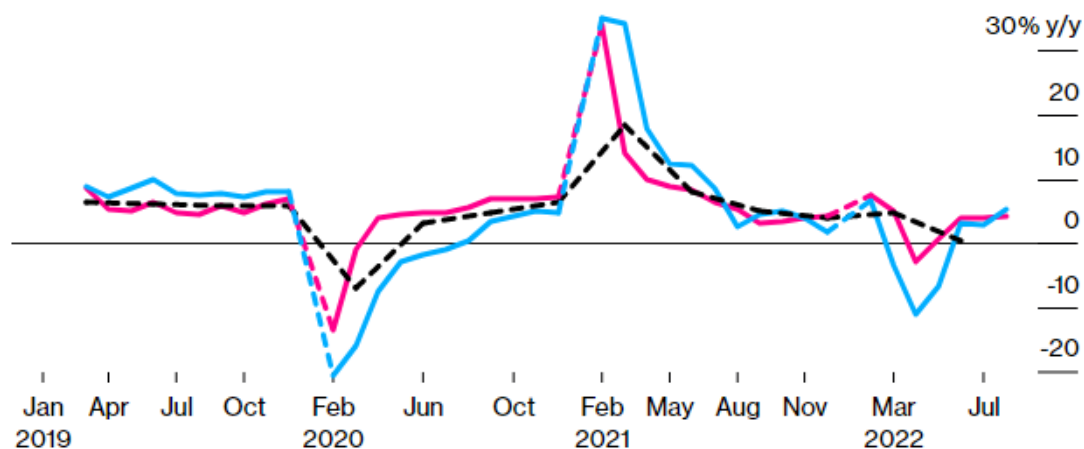
#china #growth

China's economy shows signs of recovery as stimulus ramps up.

Growth Picks Up

Economic activity in August improved from July in China

— Real GDP growth (through 2Q) — Industrial output valued added — Retail sales value



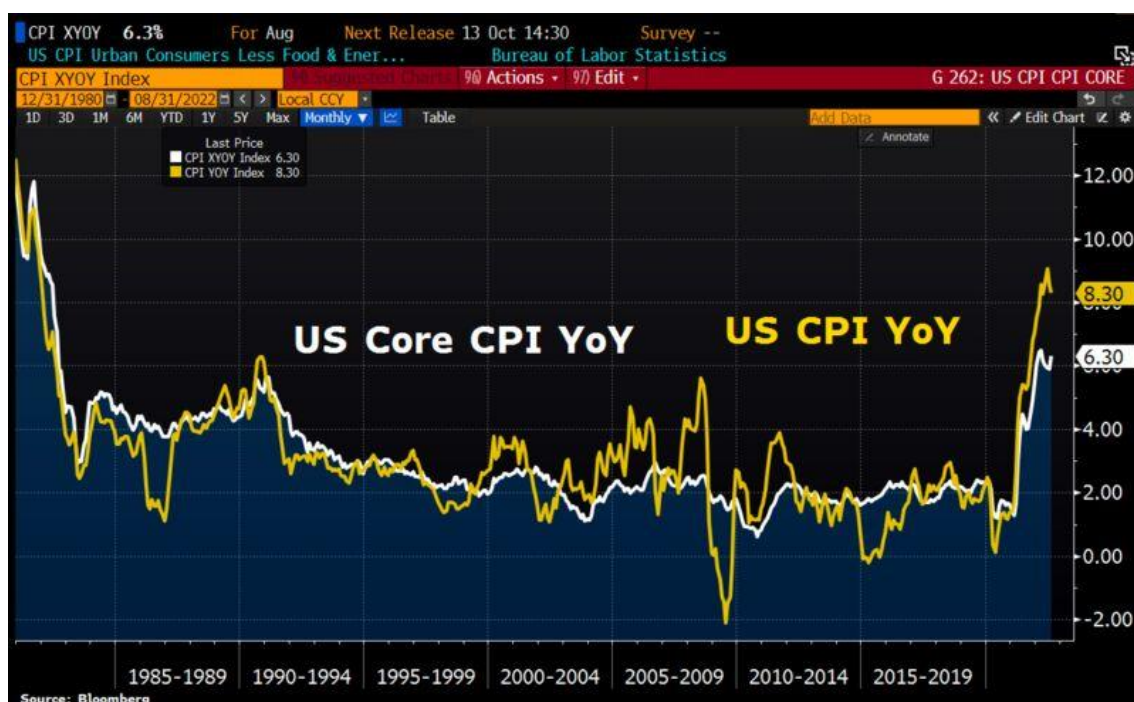
Source: China's National Bureau of Statistics

Source: Bloomberg

#macro

#us #inflation

US inflation shows persistent US retail inflation w/acceleration at August core. Headline drops less than forecast to 8.3%, while Core CPI rose to 6.3%.



Source: Bloomberg, HolgerZ

#macro

#us #inflation

Price increases over last year (CPI report)...

Fuel Oil: +68.8%

Gas Utilities: +33.0%

Gasoline: +25.6%

Electricity: +15.8%

Food at home: +13.5%

Transportation: +11.3%

New Cars: +10.1%

Overall CPI: +8.3%

Food away from home: 8.0%

Used Cars: +7.8%

Shelter: +6.2%

Medical Care: +5.6%

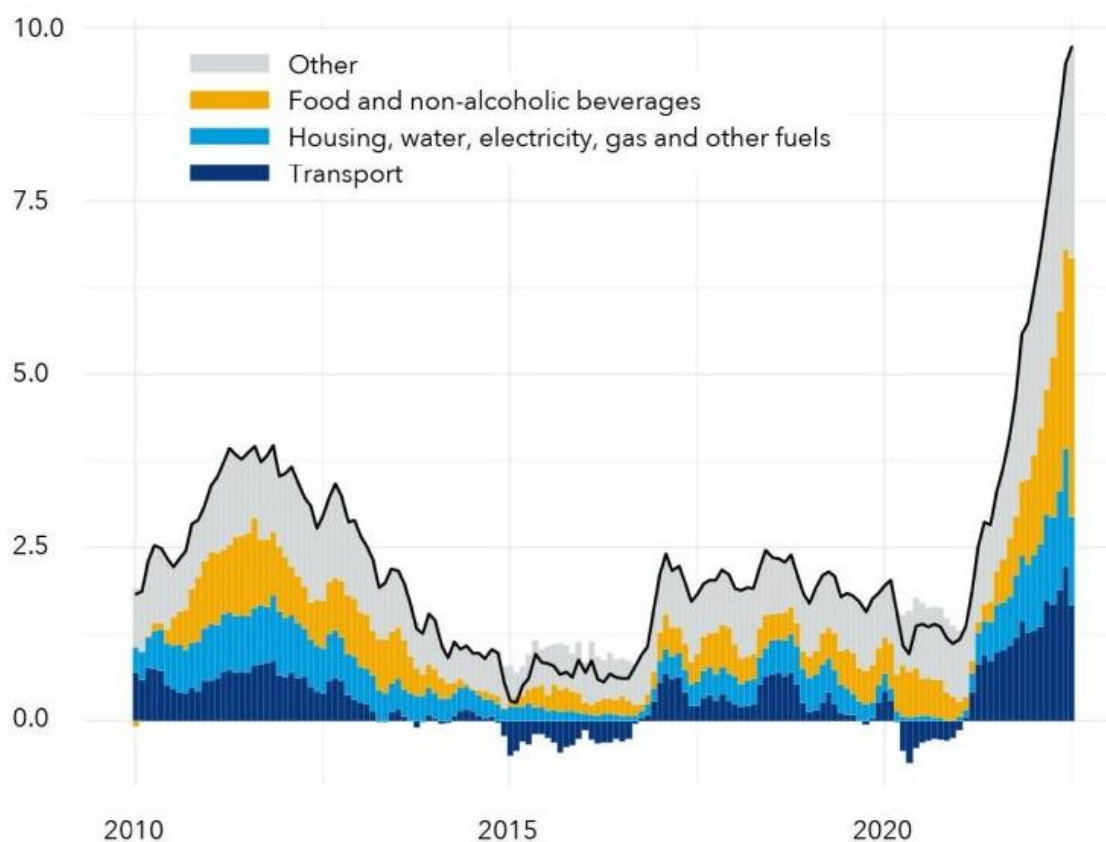
Source: Charlie Biello

#macro

#us #inflation

Inflation drivers

Food and energy prices continue to drive the global inflation surge.
(percent, median inflation rate)



Source: IMF CPI database and IMF staff calculations.

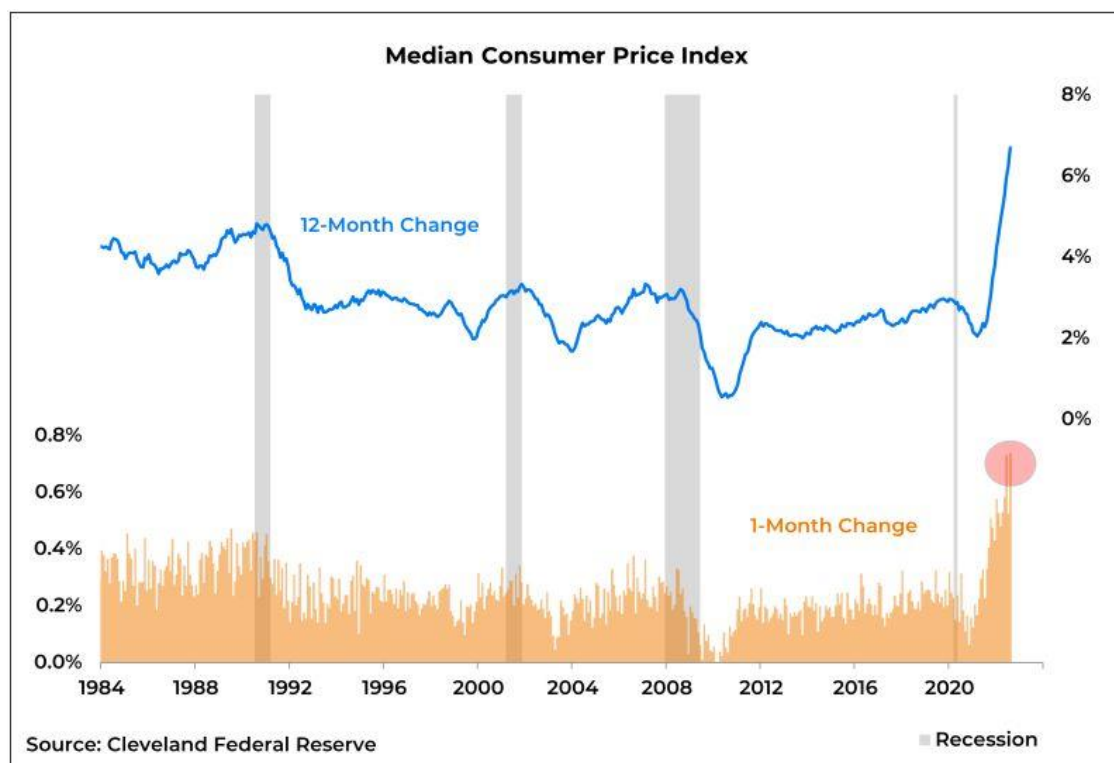
Note: Chart shows median total inflation and in select categories across 88 countries, including 28 advanced economies and 60 emerging and developing economies.

IMF

#macro

#us #inflation

Last three months have seen the two largest one-month increases in history of median US CPI. Inflation hasn't been peaking, it's been accelerating & is increasingly broad-based. The Fed's job is far from being over.

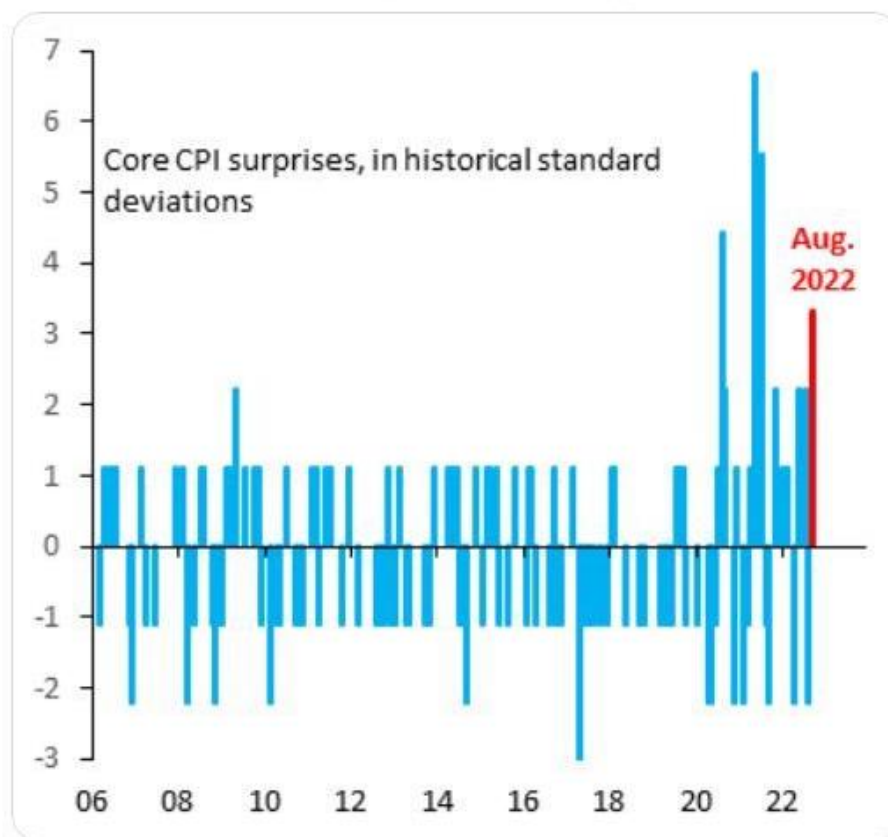


Source: Willie Delwiche

#macro

#us #inflation

Tuesday's core inflation surprise was a monster: 3 standard deviation...Another reason it was so disappointing: the contribution of energy has declined, as expected; but services inflation is now rising sharply. Not what the FOMC will have wanted to see. As highlighted by Lyn Alden: "inflation wasn't just supply chain issues (...) it was also the fiscal and monetary component. Flooding the system with broad money resets aggregate prices higher, permanently".



#GLOBALMARKETS WEEKLY WRAP-UP

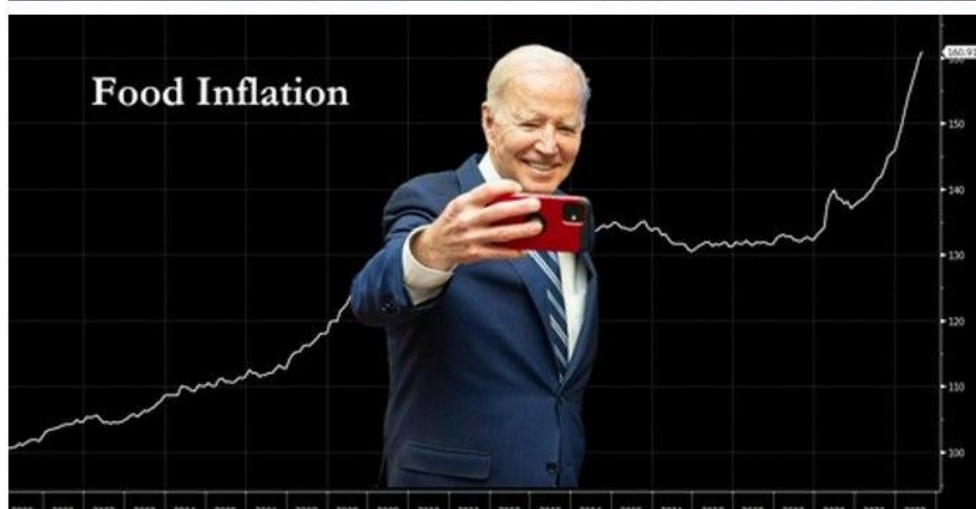
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#macro

#us #mid-term-elections #biden

More bad news for President Biden 2 months ahead of mid-term elections... Stock markets crashing + surging inflation is not a good combo...



#macro

#deflation

Some have different views than the market...



Cathie Wood ✓

@CathieDWood

...

Deflation in the pipeline, heading for the PPI, CPI, PCE Deflator: from post-COVID price peaks, lumber -60%, copper -35%, oil -35%, iron ore -60%, DRAM -46%, corn -17%, Baltic freight rates -79%, gold -17%, and silver -39%.

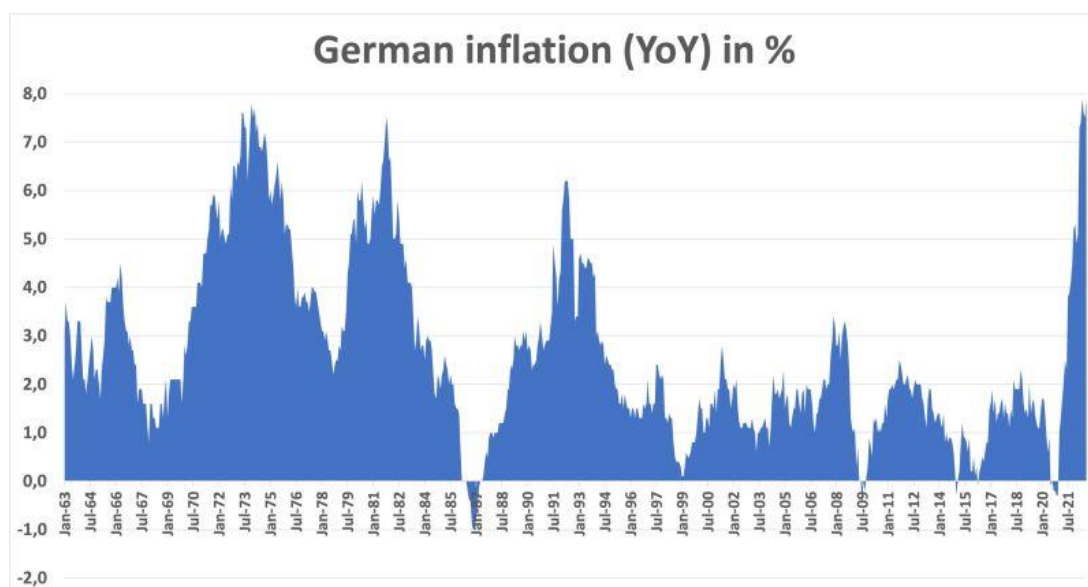


Elon Musk ✓ @elonmusk · Sep 9

A major Fed rate hike risks deflation

#german #inflation

German #inflation resumes uptrend. Consumer price inflation in August accelerated to 7.9%, the same registered in May, which is highest reading since 1950s. Energy prices rose 35.6%. Food prices also increased above avg, posting 16.6% YoY increase.



Source: HolgerZ

#macro

#german #inflation

Inflation pressure does not really ease in Germany. Selling prices in wholesale trade rose 18.9% YoY in Aug, down from 19.5% in Jul, mainly due to increased prices for raw materials & intermediate products. On monthly basis, wholesale prices rose 0.1% in Aug.

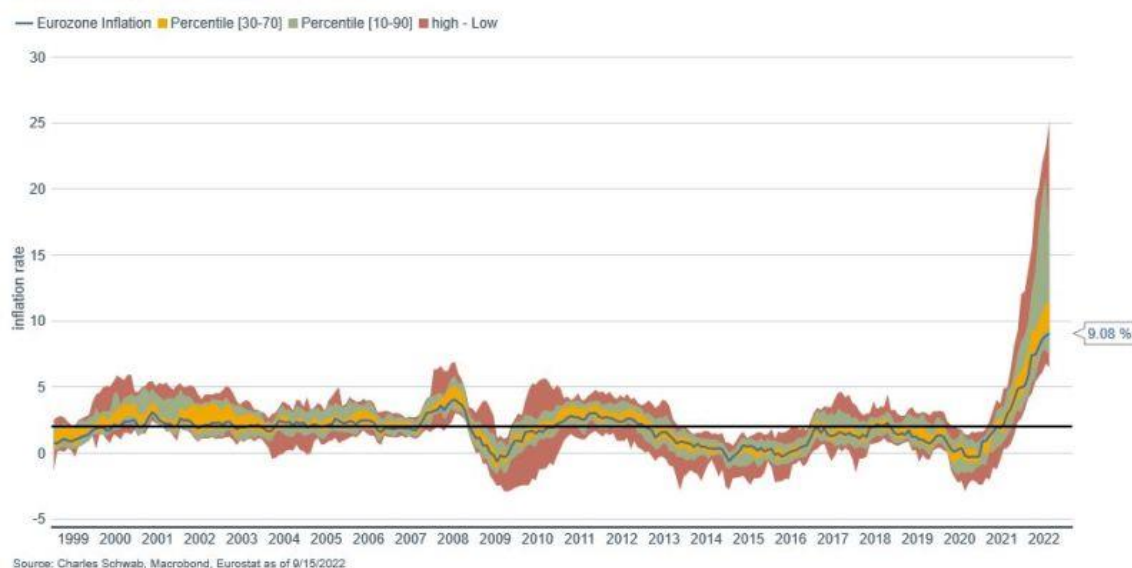


Source: HolgerZ, Bloomberg

#eurozone #inflation

Mrs Lagarde has a tough job...In the Eurozone the gap between inflation in Estonia (highest at 25%) and France (lowest at 6%) is at a record...

Inflation dispersion in the Eurozone



Source: Jeffrey Kleintop

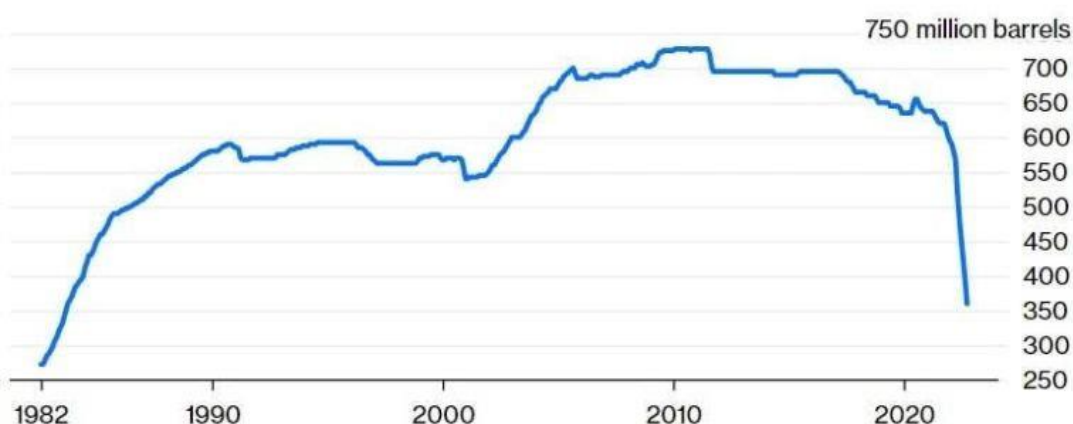
#macro

#us #oil

US Strategic Petroleum Reserve (SPR) at its lowest level since 1984. US oil reserves fell to 434.1m barrels last week – with 8.4m depleted from the stock in the last week alone. (Reuters, citing US Dept of Energy). The SPR tap is set to shut off at the end of October and the Biden administration has already been considering its plan to refill the reserves that now sit at a 35-year low. Oil has historically seen strong gains when the government is a buyer.

Oil Piggy Bank

By October, the US Strategic Petroleum Reserve will shrink to a 40-year low as the White House taps it to put a lid on global oil prices



Source: US Department of Energy

Source: Jun-Oct 2022 is forecast based on releases already pre-announced

Source: Bloomberg

#us #oil

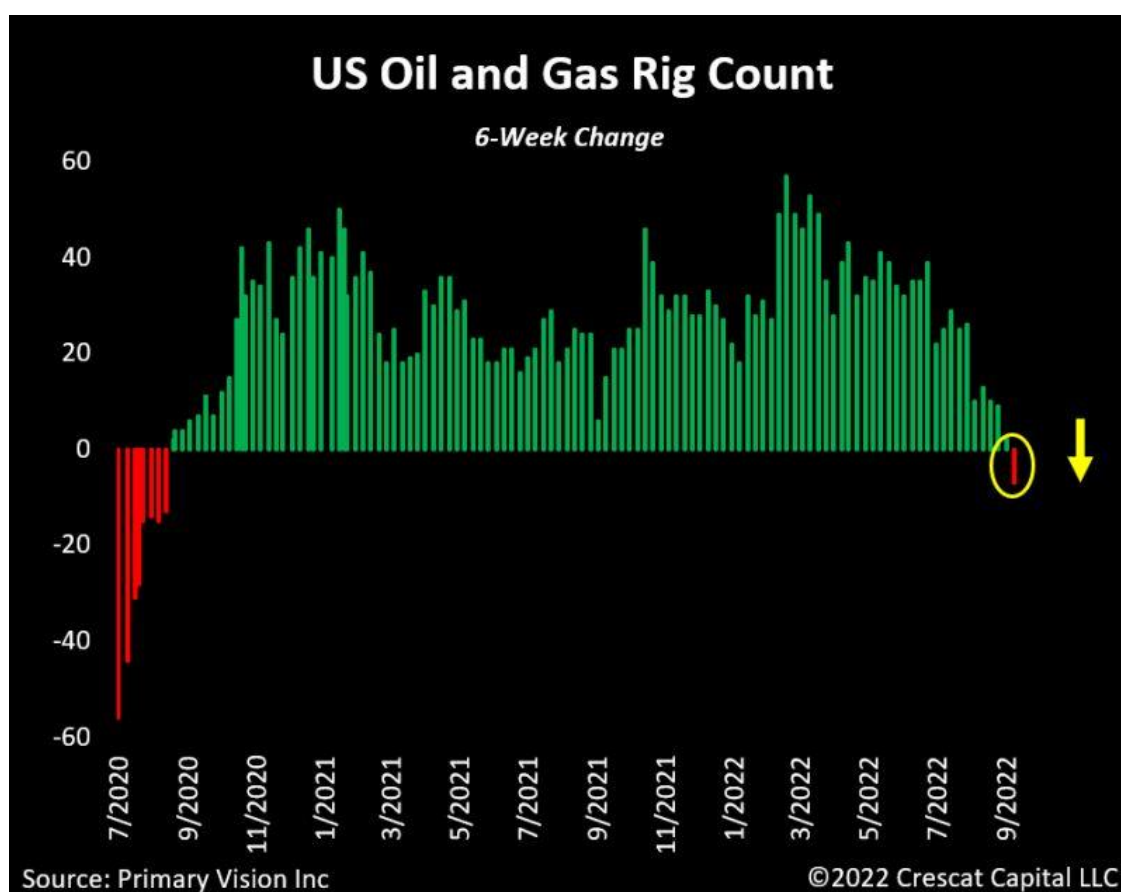
The US Strategic Petroleum Reserve has moved down to 434 million barrels, its lowest level since 1984. The 27% decline this year is already the largest ever for a calendar year by a wide margin, and there's still 3.5 months to go.

US Strategic Petroleum Reserve							
Year End	Barrels (in Millions)	Change (in Millions)	% Change	Year End	Barrels (in Millions)	Change (in Millions)	% Change
1982	293			2003	636	37	6.3%
1983	378	85	29.0%	2004	674	38	5.9%
1984	449	71	18.7%	2005	685	11	1.6%
1985	493	44	9.7%	2006	689	4	0.6%
1986	511	18	3.7%	2007	696	8	1.1%
1987	540	29	5.7%	2008	702	5	0.8%
1988	560	19	3.6%	2009	726	24	3.5%
1989	580	20	3.6%	2010	727	0	0.1%
1990	586	6	1.0%	2011	696	-31	-4.2%
1991	569	-17	-2.9%	2012	695	-1	-0.1%
1992	575	6	1.1%	2013	696	1	0.1%
1993	587	12	2.2%	2014	691	-5	-0.7%
1994	592	5	0.8%	2015	695	4	0.6%
1995	592	0	0.0%	2016	695	0	0.0%
1996	567	-24	-4.1%	2017	664	-31	-4.5%
1997	563	-4	-0.7%	2018	649	-15	-2.2%
1998	569	5	0.9%	2019	635	-14	-2.2%
1999	568	-1	-0.1%	2020	638	3	0.5%
2000	541	-26	-4.7%	2021	594	-44	-7.0%
2001	549	8	1.5%	2022 YTD	434	-160	-26.9%
2002	599	50	9.1%				

#macro

#us #oil

In the last six weeks, oil and gas rig count just contracted for the first time since 2020. Companies are not ramping up production even at the current #energy prices. In fact, US oil production has been flat in the last months



Source: Crescat Capital

#macro

#us #oil



Breaking news: US shale oil bosses have warned that they will not be able to rescue Europe with increased energy supplies this winter

on.ft.com/3xMfJtt

**BREAKING
NEWS**

FINANCIAL TIMES

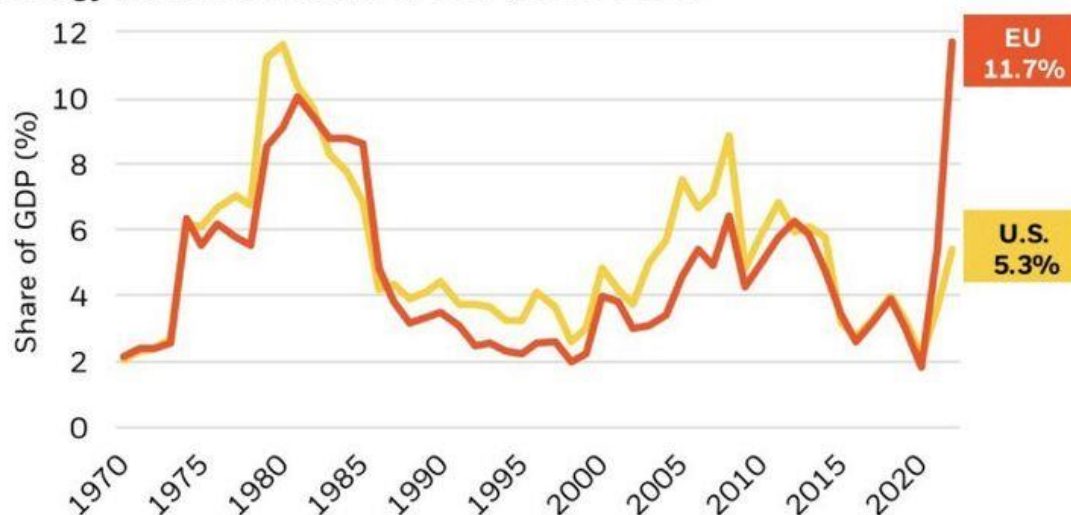
#macro

#us #europe #energy

Energy burden as share of GDP in Europe vs US.

Europe's energy squeeze

Energy burden as a share of GDP, 1970-2022



Sources: BlackRock Investment Institute and BP Statistical Review of World Energy 2021, with data from Haver Analytics. September 2022. Notes: The chart shows the cost of oil, gas and coal consumption in the European Union and U.S. as a share of GDP. We use regional energy prices and divide by GDP in U.S. dollars. Data for 2022 are based on IMF's latest GDP forecasts and the year-to-date average of daily commodities prices.

Source: Blackrock

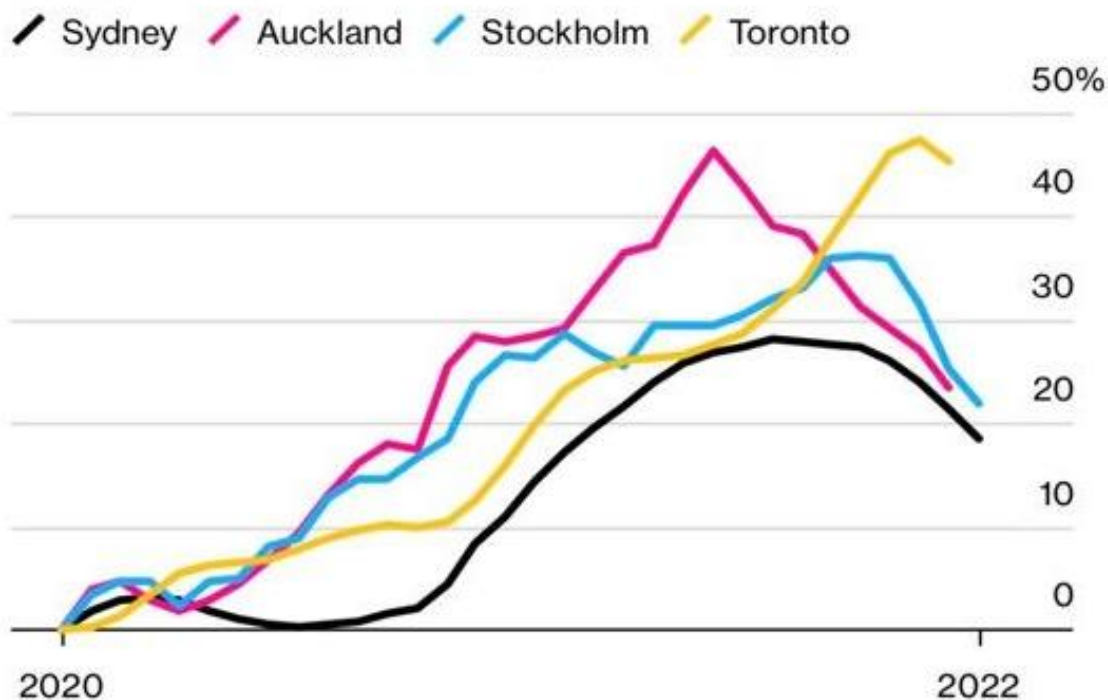
#macro

#global #real-estate

REAL ESTATE AS THE NEXT SHOE TO DROP? Housing markets around the globe are under heavy pressure due to the rise of mortgage rates.

Property Slump

Home prices are now falling sharply across cities that saw the biggest gains



Source: Bloomberg, Corelogic, Real Estate Institute of New Zealand, Valueguard, Teranet-National Bank
Rebased to Jan 2020

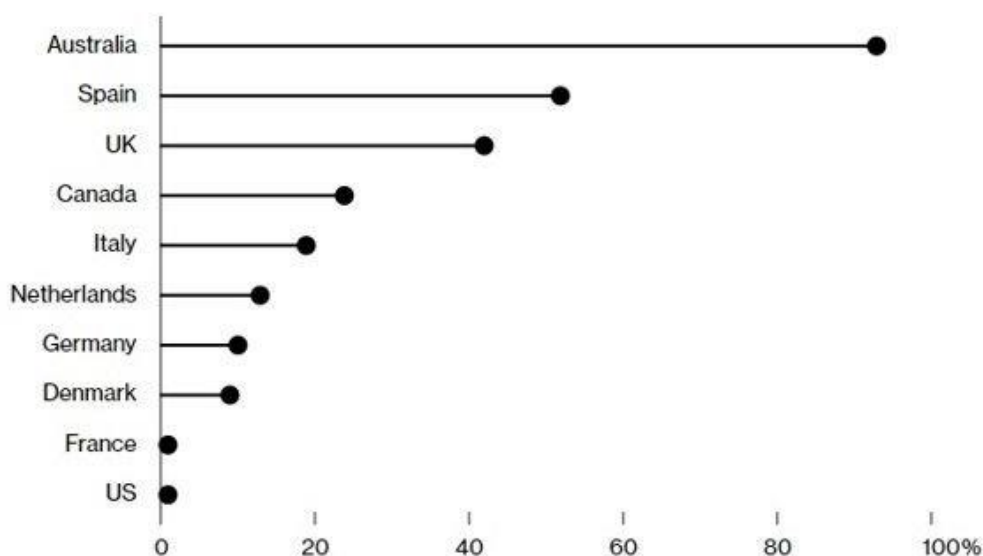
Bloomberg

#global #real-estate

Australia in particular has a bunch of variable rate mortgages under special pressure as rates rise. Over 55% of New Zealand mortgages are up for renewal in the next calendar year.

Rate Vulnerability

Variable-rate mortgages as % of 2020 new loans



Source: Fitch Ratings, EMF

Note: Data refers to 10 key global RMBS and CVB markets where Fitch is active. Covers floating-rate loans and loans where the existing fixed rate will expire or reset in the next 24 months

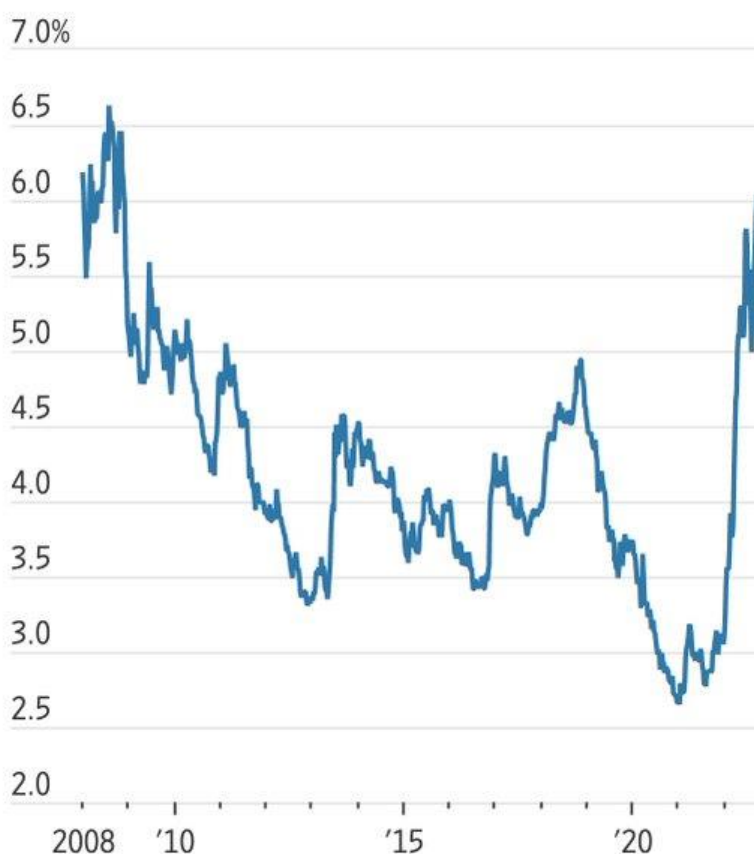
Source: Fitch

#macro

#us #real-estate

Mortgage rates top 6% for the 1st time since the 2008 Great Financial Crisis. A year ago, they were less than half that. For home buyers, that can add up to hundreds more dollars on monthly payments.

Average rate on a 30-year fixed mortgage

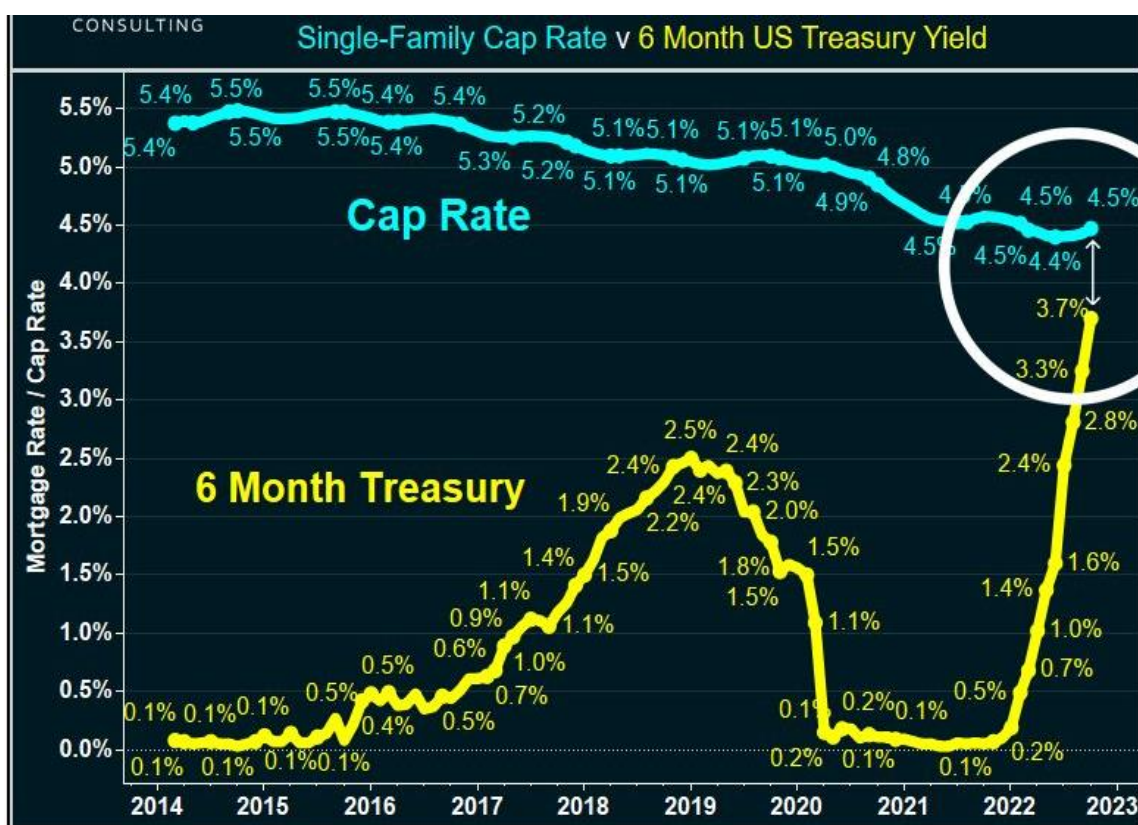


Source: Freddie Mac

#macro

#us #real-estate

The 6-Month US Treasury now yields almost the same as buying & renting out a House in America (Cap Rate).



Source: re-venture consulting

#macro

#us #real-estate

Inventory of unsold houses is exploding across many US cities... The US average is up +25% YoY, admittedly from low levels, but several cities are now recording +100% YoY growth in active listings... Phoenix +177%...

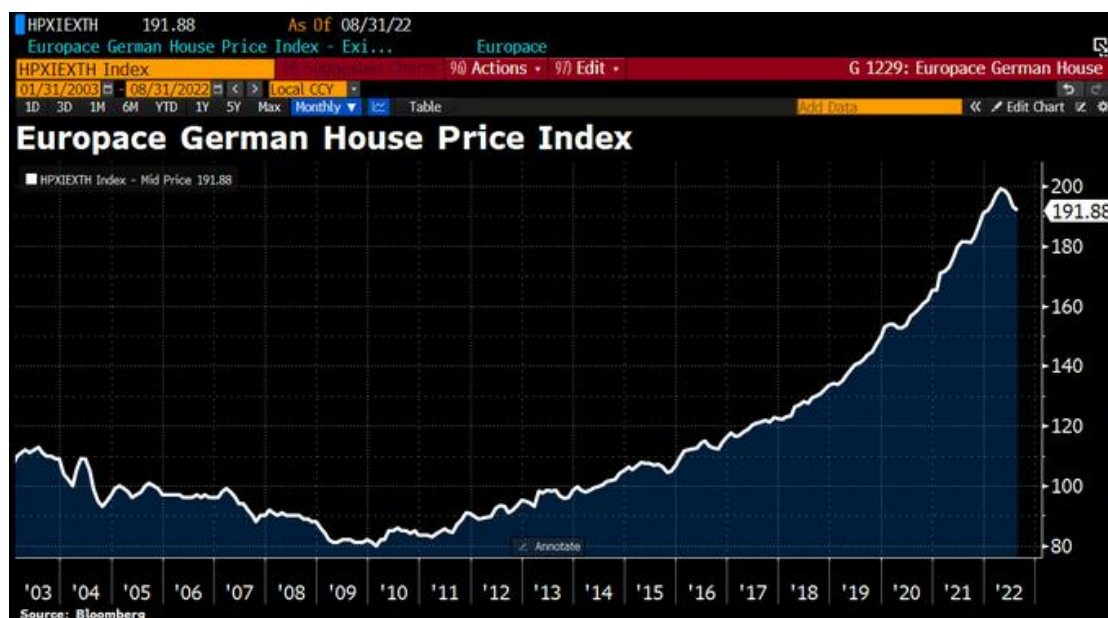


Source: Wall Street Silver

#macro

#german #real-estate

German housing market price rout continues. Europace House price index, which measures average price trend for existing properties in Germany, lost 0.6% in Aug after slump in real estate mkt in July & is now only +0.5% ytd. 2022 could be 1st negative year since 2009.



Source: Bloomberg, HolgerZ

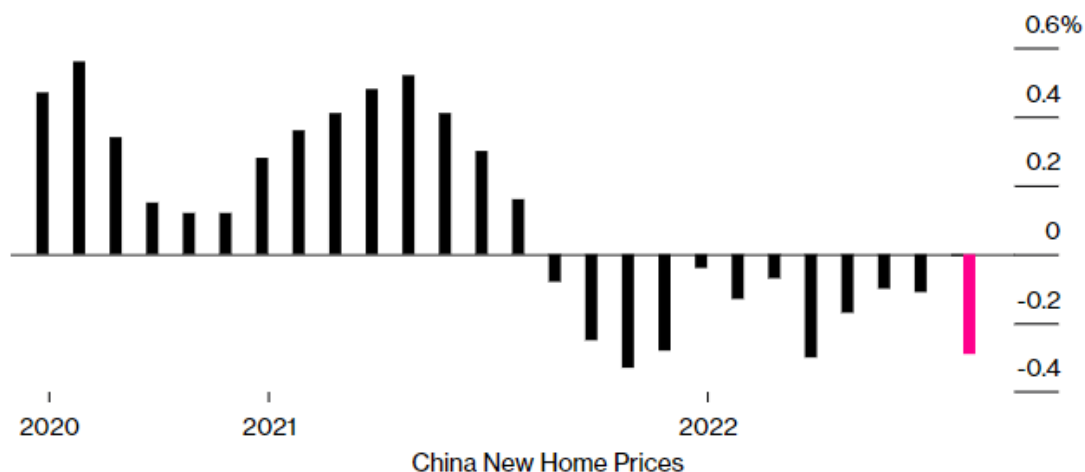
#macro

#china #real-estate

China's home price slump reaches a year as crisis drags on.

Bad Year

New home prices keep falling despite policy support measures



Source: National Bureau of Statistics

Source: Bloomberg

#macro

#uk #recession



Wall Street Silver

@WallStreetSilv



The number of companies in England and Wales declared insolvent jumped by 43% (recession is here)



Business

Companies declared insolvent in England and Wales jump by 43%

6:02 AM · Sep 17, 2022 · Twitter Web App

#centralbanks

#global #rates

Russia cut rates for the 6th time this year.

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%	3.5%	-3.8%	Hike	Jun-22
Japan	Policy Rate Bal	-0.10%	2.6%	-2.7%	Cut	Jan-16
Denmark	Deposit Rate	0.65%	8.9%	-8.3%	Hike	Sep-22
Eurozone	Deposit Rate	0.75%	9.1%	-8.4%	Hike	Sep-22
Sweden	Repo Rate	0.75%	9.8%	-9.1%	Hike	Jun-22
Thailand	Policy Rate	0.75%	7.9%	-7.1%	Hike	Aug-22
Taiwan	Discount Rate	1.50%	2.7%	-1.2%	Hike	Jun-22
Norway	Deposit Rate	1.75%	6.5%	-4.8%	Hike	Jun-22
UK	Bank Rate	1.75%	9.9%	-8.2%	Hike	Aug-22
Australia	Cash Rate	2.35%	6.1%	-3.8%	Hike	Sep-22
US	Fed Funds	2.38%	8.3%	-5.9%	Hike	Jul-22
Malaysia	Policy Rate	2.50%	4.4%	-1.9%	Hike	Sep-22
South Korea	Repo Rate	2.50%	5.7%	-3.2%	Hike	Aug-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%	3.0%	0.0%	Hike	Jul-22
Canada	Overnight	3.25%	7.6%	-4.4%	Hike	Sep-22
China	Loan Prime Rate	3.65%	2.5%	1.2%	Cut	Aug-22
Indonesia	Repo Rate	3.75%	4.7%	-0.9%	Hike	Aug-22
Philippines	Key Policy Rate	3.75%	6.3%	-2.6%	Hike	Aug-22
India	Repo Rate	5.40%	7.0%	-1.6%	Hike	Aug-22
South Africa	Repo Rate	5.50%	7.8%	-2.3%	Hike	Jul-22
Peru	Policy Rate	6.75%	8.4%	-1.7%	Hike	Sep-22
Poland	Repo Rate	6.75%	16.1%	-9.4%	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	17.2%	-10.2%	Hike	Jun-22
Russia	Key Policy Rate	7.50%	14.3%	-6.8%	Cut	Sep-22
Mexico	Overnight Rate	8.50%	8.7%	-0.2%	Hike	Aug-22
Colombia	Repo Rate	9.00%	10.8%	-1.8%	Hike	Jul-22
Chile	Base Rate	10.75%	14.1%	-3.4%	Hike	Sep-22
Turkey	Repo Rate	13.00%	80.2%	-67.2%	Cut	Aug-22
Brazil	Target Rate	13.75%	8.7%	5.0%	Hike	Aug-22
Argentina	Benchmark Rate	69.50%	78.5%	-9.0%	Hike	Aug-22



COMPOUND

@CharlieBilello

Source: Charlie Bilello

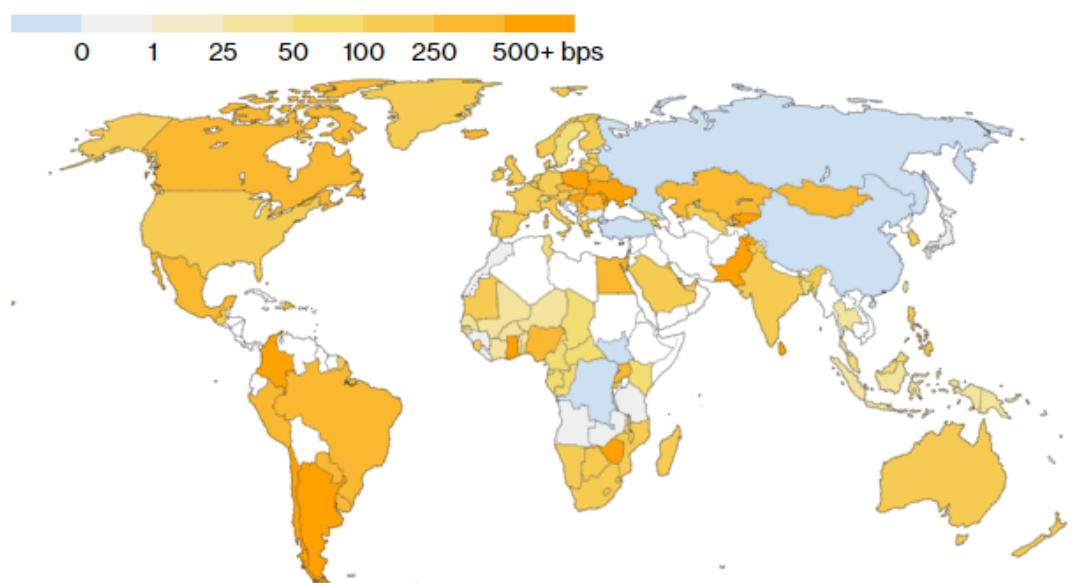
#centralbanks

#global #rates

Global recession looms amid broadest rate hikes in Five Decades, World Bank Says.

Global Tightening Wave

World Bank sees rising risk of recession amid simultaneous rate hikes



Note: Mapped data show change in interest rates in basis points for distinct central banks since the start of 2022

Source: Bloomberg

#centralbanks

#fed #rates #expectations

Inflation-fighting rate-hike expectations soared this week and sent subsequent recession-fighting rate-cut expectations soaring too...

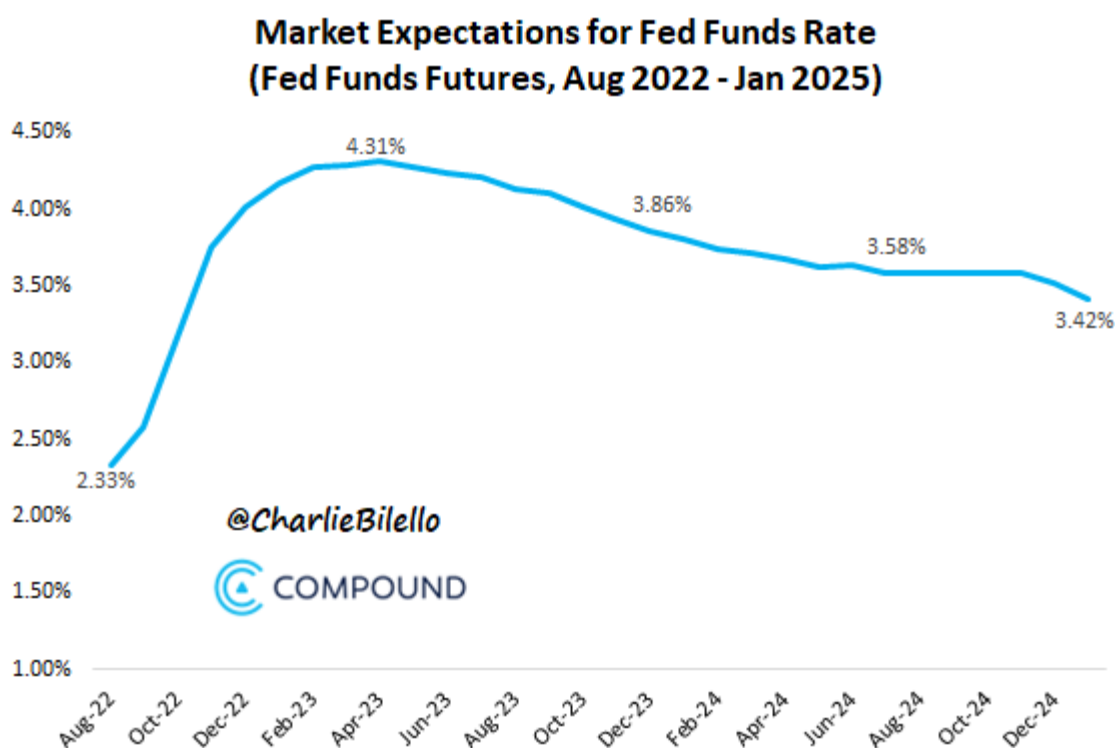


Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #rates #expectations

The market is now pricing in Fed rate hikes to 4.25%-4.50% by the first quarter of next year, then rate cuts in the back half of 2023 and more cuts in 2024...



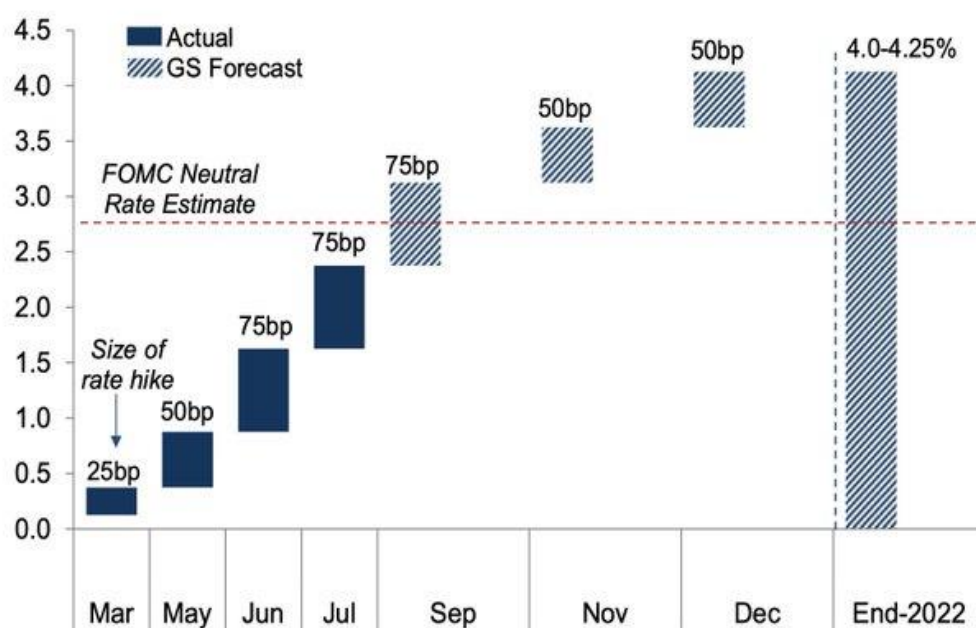
Source: Charlie Bilello

#fed #tightening

Fed tightening path by Goldman.

A more hawkish Fed tightening path

2022 rate hikes at FOMC meetings, %



Source: Federal Reserve, Goldman Sachs GIR.

Source: Goldman Sachs

#fomc #september #100bps

Nomura Is First Bank To Call For 100bps Rate Hike Next Week. After correctly being the first to predict in June that the Fed will hike 75bps, and also being the first bank to call for a 2022 US recession, the Japanese bank forecast moments ago that the Fed will in fact hike 100bps next week, above the bank's prior 75bps forecast, due to "materializing upside inflation risks"; looking ahead, the Japanese bank now expects a 50bps rate hike in November, and also in December, 25bp higher than its previous forecast. And with the bank's February 2023 expectation of a 25bp hike unchanged, Nomura's terminal rate forecast now stands at 4.50-4.75%, 50bp higher.

Fig. 1: Nomura's key Fed policy assumptions

Tool	Key assumptions
Policy rate	
2022	Hikes: 425bp (addl. 100bp in Sep; 50bp in Nov and Dec), EOP 4.375%
2023	Hikes: 25bp (Feb); Cuts: starting Sep (25bp/meeting), EOP 3.875%
2024	Cuts: 25bp/meeting, EOP 1.875%
Terminal	4.50-4.75% (Feb '23)
Balance sheet runoff	
Start	June (UST), mid-June (MBS)
Initial cap	\$47.5bn/month (\$30bn UST, \$17.5bn MBS), through August 2022
Max cap	\$95bn/month (\$60bn UST, \$35bn MBS), September 2022
End	After September 2023
Sales	No

Source: Nomura

Source: www.zerohedge.com


#centralbanks

#argentina



Wall Street Silver 
@WallStreetSilv

...

Wow ... imagine having 75% interest rates 

Argentina to Hike Interest Rates to 75% as Inflation Nears 100%

Patrick Gillespie

Thu, September 15, 2022, 4:15 PM · 2 min read



Posted in r/Wallstreetsilver by u/BoatSurfer600



#geopolitics

#taiwan #china #us

US Senate panel approves \$6.5bn bill to fund weapons for Taiwan

Move marks first time US would directly
finance provision of arms to Taipei

Source: FT

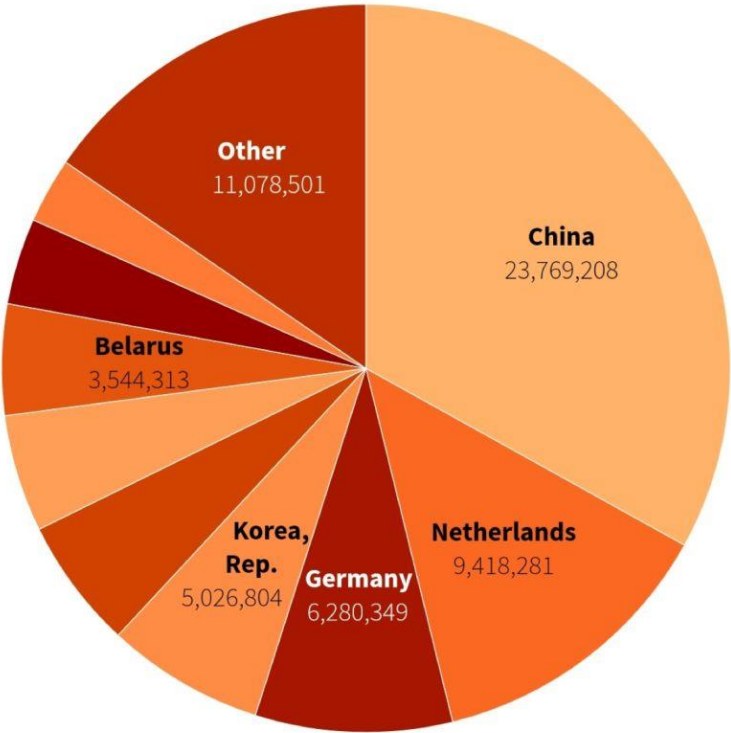
#geopolitics

#russia #oil

Russia's biggest oil customer:
China by far

Purchases by country of Russia's \$72 billion in 2020
worldwide crude oil exports. Thousands of U.S. dollars

- China (23,769,208)
- Netherlands (9,418,281)
- Germany (6,280,349)
- Korea, Rep. (5,026,804)
- Poland (4,177,062)
- Italy (3,741,900)
- Belarus (3,544,313)
- Finland (2,756,234)
- Japan (2,085,524)
- Other (11,078,501)



Source: World Bank World Integrated Trade Solution/UN Comtrade database

Source: World Bank

#cryptos

#cryptocurrencies #weekly #performance

Cryptos were all weaker on the week with Ethereum - having successfully transitioned through the Merge to a PoS protocol - the worst performer...



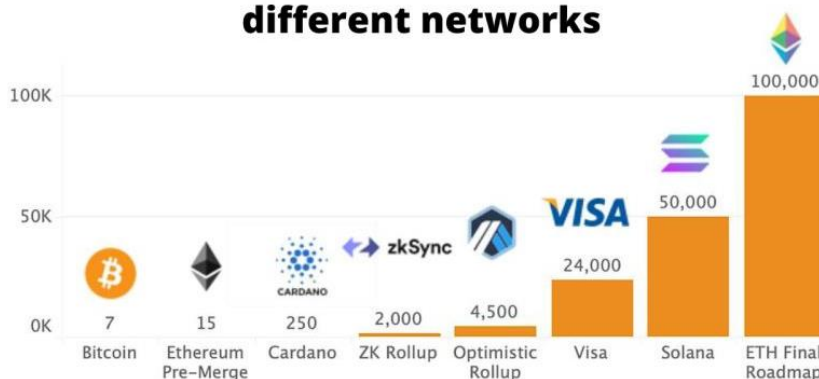
Source: www.zerohedge.com, Bloomberg

#cryptos

#ethereum #merge

Ethereum just completed The Merge. Not only it's the world's biggest blockchain upgrade ever, but also it's the most significant event in crypto's history

Transactions per second (TPS) across different networks



Total value locked in DeFi across different blockchains



Sources: Kaiko, The Block

Edits by: @linas.beliunas

#cryptos

#ethereum #merge

Ethereum Continues to Sink Post-Merge: Down 18.5% in 3 Days

ETH took a beating this week despite the success of Ethereum's merge to proof of stake.



By [Sander Lutz](#)

📅 Sep 16, 2022

🕒 3 min read



Ethereum is the second-largest crypto by market cap. Image: Shutterstock

Source: Decrypt

#cryptos

#cryptocurrencies #adoption



Source: Chainanalysis

#cryptos

#cdbc #us

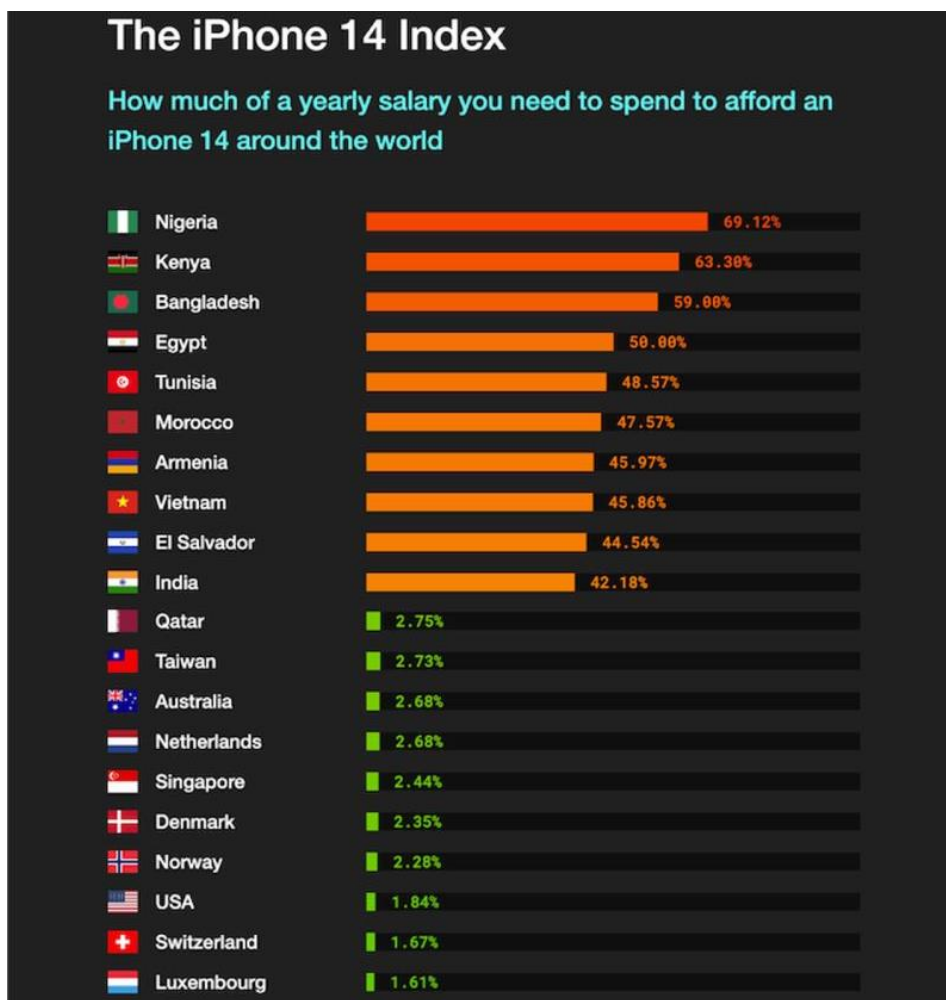
US Treasury recommends exploring creation of a digital dollar. The Biden administration is moving one step closer to developing a central bank digital currency, known as the digital dollar, saying it would help reinforce the U.S. role as a leader in the world financial system. Treasury Secretary Janet Yellen said one Treasury recommendation is that the U.S. “advance policy and technical work on a potential central bank digital currency, or CBDC, so that the United States is prepared if CBDC is determined to be in the national interest.” Central bank digital currencies differ from existing digital money available to the general public, such as the balance in a bank account, because they would be a direct liability of the Federal Reserve, not a commercial bank.



#food-for-thought

#purchasing-power

How much of your salary would you give up for the iPhone 14? In Nigeria, the new device would cost you 70% of your ANNUAL salary. This is a stark contrast with the US, Switzerland & Luxembourg - where you'd pay less than 2% of your yearly income.



#food-for-thought

#bebanon #banks

'Depositor heists' force bank closures in Lebanon

Five banks were stormed by desperate depositors in Lebanon Friday making it seven heists this week alone. Those "liberating" their money have been greeted as heroes. Banks are now regrouping.



Source: www.dw.com

#food-for-thought

#millennials #sell-off

It look like Millennials are jumping ship on stocks faster than any other generation.



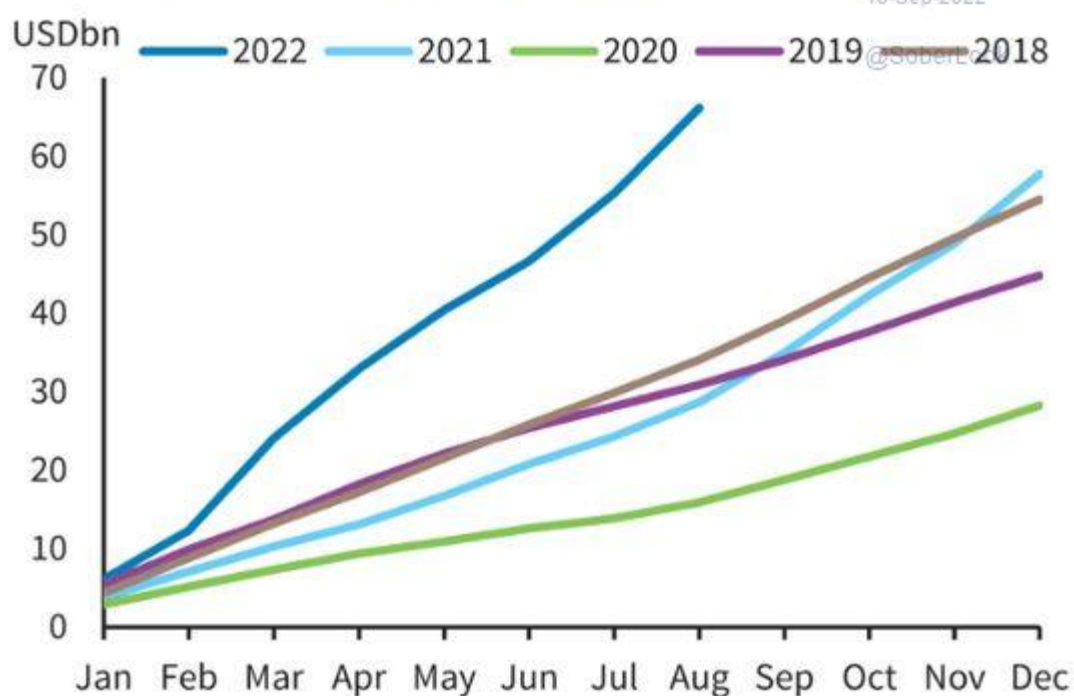
Source: Ally

#food-for-thought

#gazprom

Gazprom has been very profitable this year.

Figure 5. Gazprom has already earned more revenue from gas sales year-to-date than recent years' totals



Note: Estimated on physical volumes only, excludes traded volumes.

Source: Gazprom reports, Barclays Research

Source: Bloomberg

#food-for-thought

#esg

Asset managers across Europe may have to reclassify hundreds of ESG funds in the coming months. Reviews by researchers including Morningstar Inc. show that only a small fraction of funds registered as Article 9 -- the EU's strictest ESG category -- actually lives up to the level of sustainable investments required under European rules. A number of prominent asset managers have already resorted to downgrades following guidance from the EU. Morningstar estimates that Article 9 funds currently represent about 470 billion euros (\$470 billion) of assets under management. Article 9 funds worth 25 billion euros have already been downgraded in the past six months, according to an estimate by Barclays Plc analysts that's based on Morningstar data.



#food-for-thought

#queen



CNBC
@CNBC

...

More than 15 countries have Queen Elizabeth II on their currency—here's how the 4 biggest ones are changing their money (via [@CNBCMakeIt](#))



cnbc.com

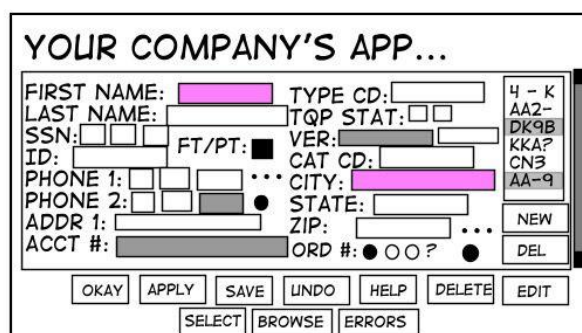
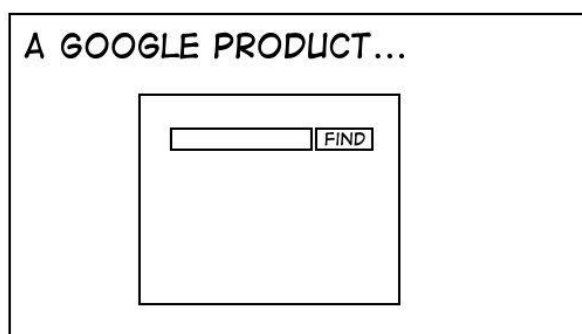
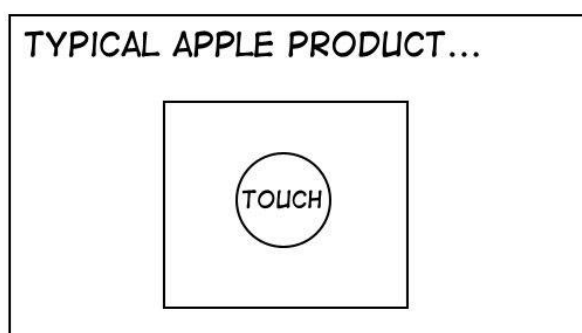
More than 15 countries have Queen Elizabeth II on their currency—here's how t...
It will take years before the billions of banknotes and coins bearing the image Queen Elizabeth are taken out of circulation.

Source: Bloomberg

#food-for-thought

#complexity #simplicity

"Complexity is your enemy. Any fool can make something complicated. It is hard to make something simple" R. Branson.



STUFFTHATHAPPENS.COM BY ERIC BURKE

#food-for-thought

#1st



Linas Beliūnas 

@linas.beliunas

Microsoft wasn't the first operating system.

iPhone wasn't the first smartphone.

Google wasn't the first search engine.

Facebook wasn't the first social network.

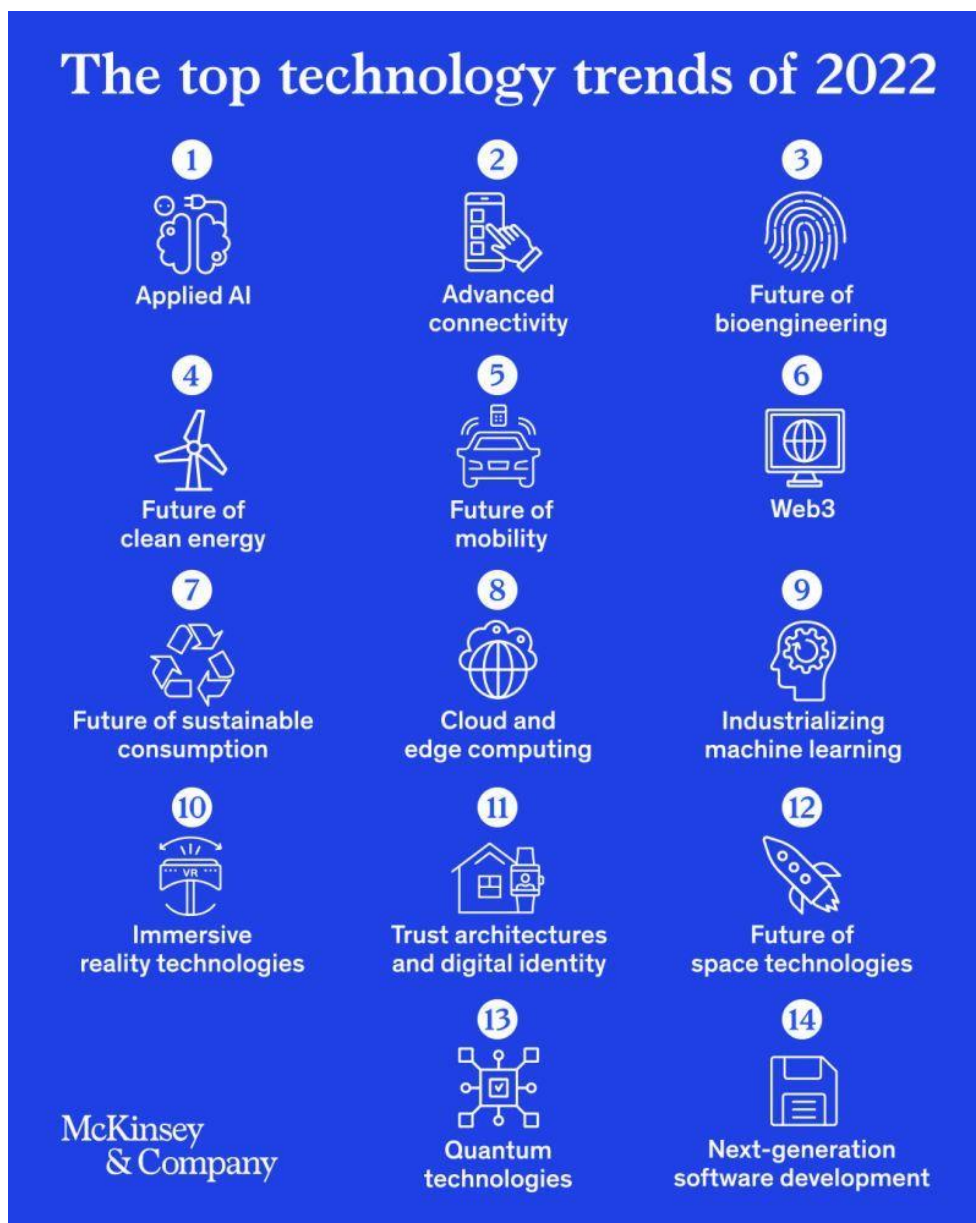
Stripe wasn't the first payment processor.

Bitcoin wasn't the first cryptocurrency.

We overestimate the importance of being **first** and underestimate the importance of being the **best**.

#food-for-thought

#technology #trends



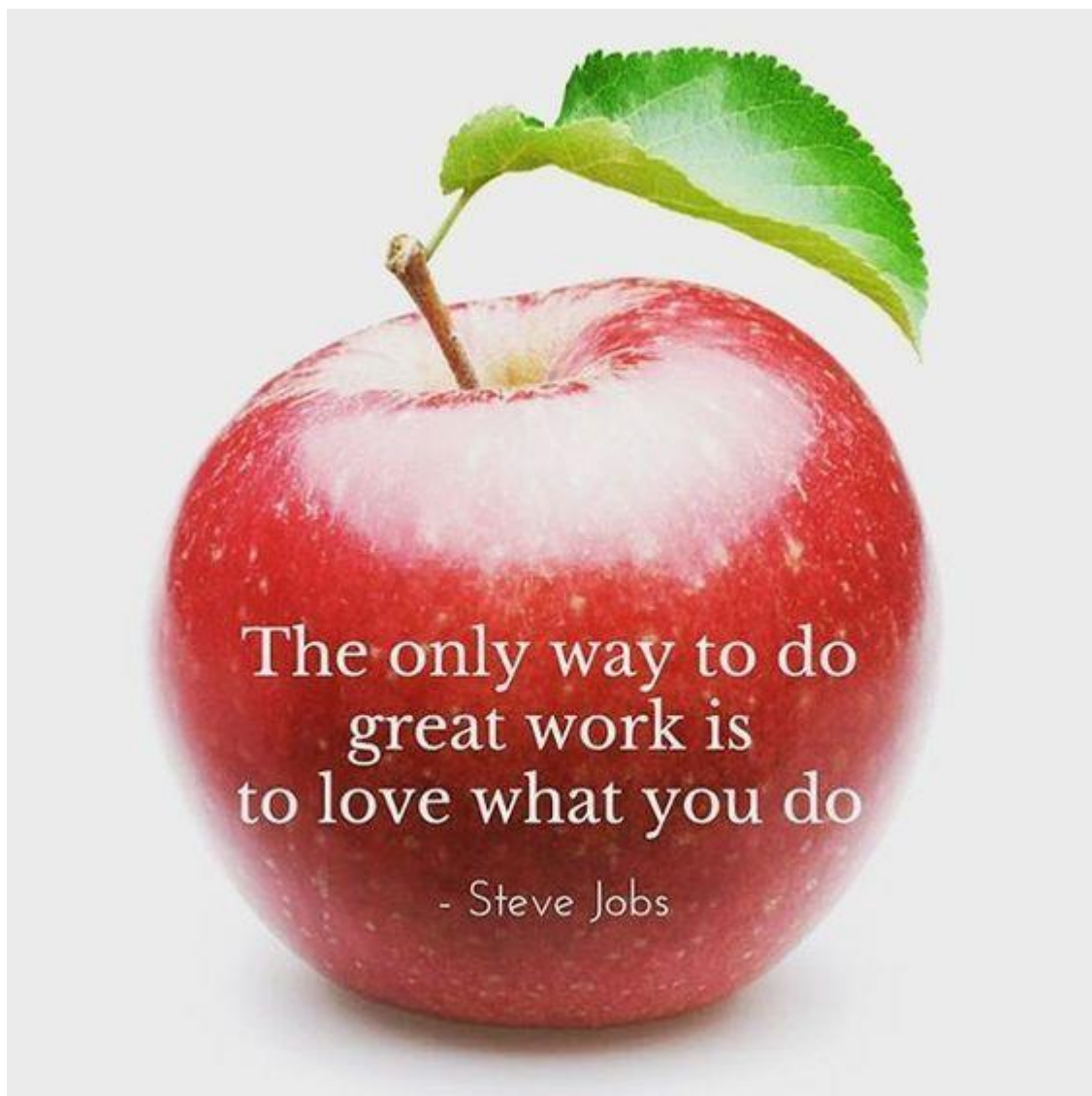
#food-for-thought

#business-showers



#food-for-thought

#love-what-you-do



Source: European Leadership

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For the future...