

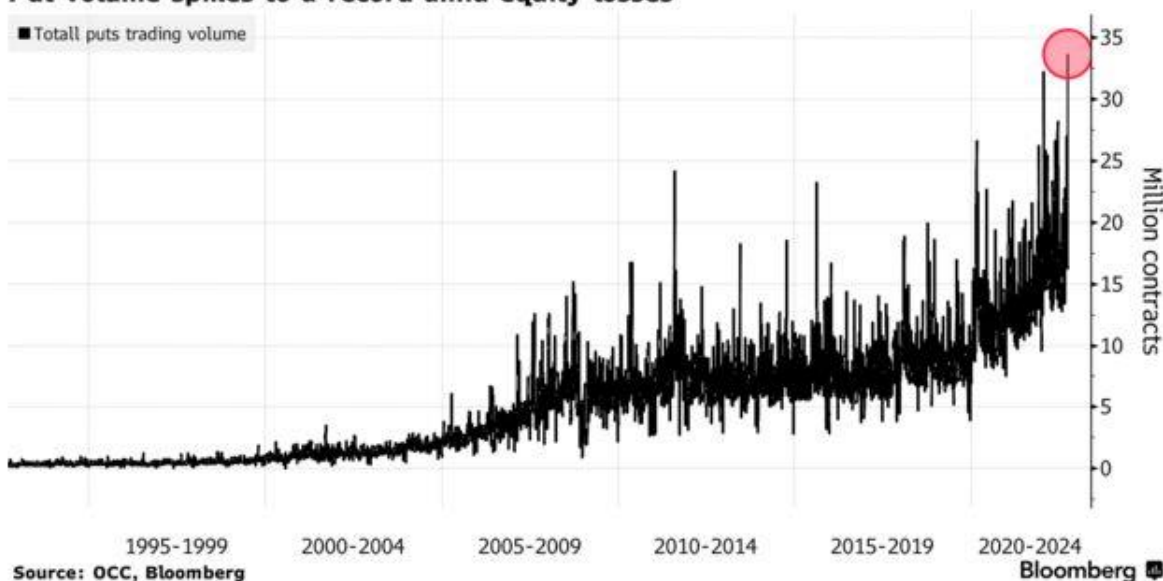
Chart of the week

The highest single day of put volume ever

More than 33 million puts traded on Friday, the highest single day of put volume since data began to be collected roughly 30 years ago.

Rush to Hedge

Put volume spikes to a record amid equity losses



Source: Bloomberg

Hawkish Fed sends stocks & bonds lower

Global equities recorded a second week of heavy losses after the Fed revealed that they expected official short-term interest rates to continue going sharply higher over the next several months. The Dow Jones Industrial Average fell to new intraday lows since late 2020, while the S&P 500 Index and Nasdaq Composite managed to stay slightly above their bottoms in mid-June 2022. The VIX index, so-called fear gauge, rose sharply at the end of the week. The Nasdaq Composite Index underperformed for the second consecutive week and briefly fell to a level more than one-third below its January record high. The two-year U.S. Treasury note yield rose above 4.10%—its highest level since October 2007—and the 10-year U.S. Treasury note yield jumped briefly to 3.77%—its highest mark since November 2008. The STOXX Europe 600 Index ended the week down 4.37%, dropping to the lowest levels in more than a year. Yields on German 10-year government bonds rose to fresh decade highs while UK gilt yields jumped sharply on the prospect of escalating public debt and a sharp increase in interest rates after the government slashed taxes by the most since 1972 to support the economy. The UK pound fell to USD 1.09—a 37-year low. The RBA, SNB and BoE lifted interest rates while Eurozone business activity contracted for a third consecutive month in September as the economic downturn deepened. Cryptocurrencies tumbled.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

24 SEPTEMBER 2022

#markets

#weekly #returns

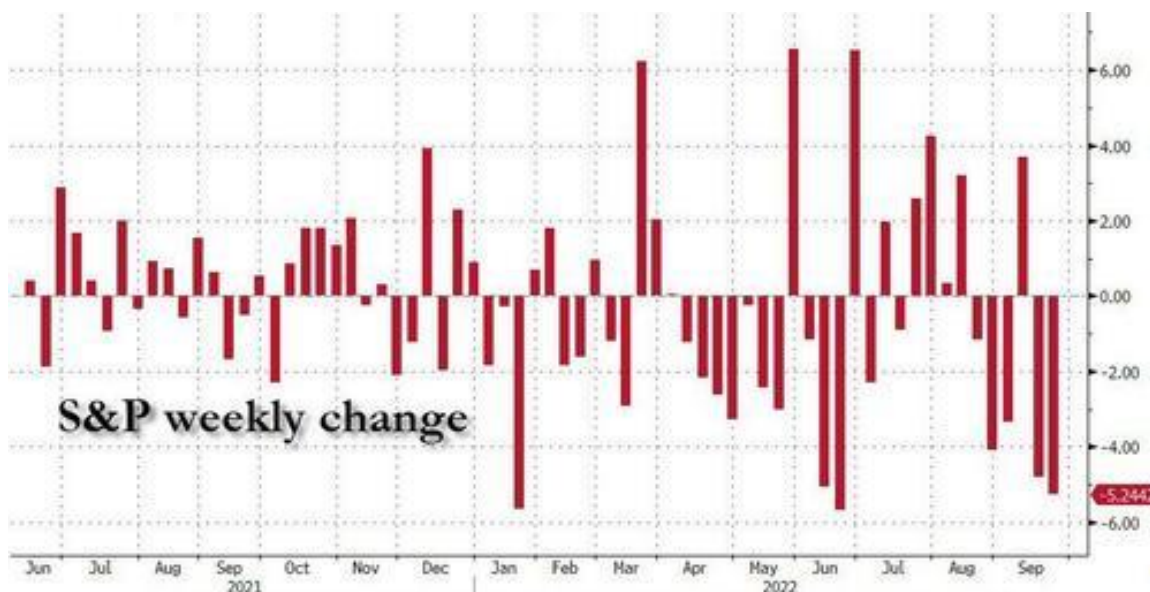
INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	29,590	-4.0%	-18.6%
S&P 500 Index	3,693	-4.6%	-22.5%
NASDAQ	10,868	-5.1%	-30.5%
MSCI EAFE	1,734	-3.1%	-25.8%
10-yr Treasury Yield	3.68%	0.2%	2.1%
Oil (\$/bbl)	\$79.09	-7.1%	5.2%
Bonds	\$97.20	-1.6%	-13.3%

Source: Factset. 09/23/2022. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * 4-day performance ending on Thursday.

Source: Edward Jones

#sp500 #weekly

Stocks tumbled 5% this week, which together with last week's 4.7% means that in just the past two weeks the S&P has lost 10% of its value.



Source: www.zerohedge.com, Bloomberg

#us #equity markets

S&P 500 at key juncture.



Source: Mac10

#us #equity markets

Dow Jones fell to its lowest point since the earliest weeks of the pandemic, plunging <30k for 2nd time in 2022. S&P500 is a better way to track the stock market but the Dow retains a wide following & influences the public's perception of the economy.

Dow Jones Industrial Average

Daily; Sept. 25, 2017, to Sept. 23, 2022



Source: HolgerZ

#GLOBALMARKETS WEEKLY WRAP-UP

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#markets

#us #equity markets



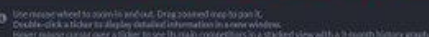
Source: Mac10

24 SEPTEMBER 2022



24 SEPTEMBER 2022

A September to remember.



#markets

#us #equity #markets

Something went wrong...



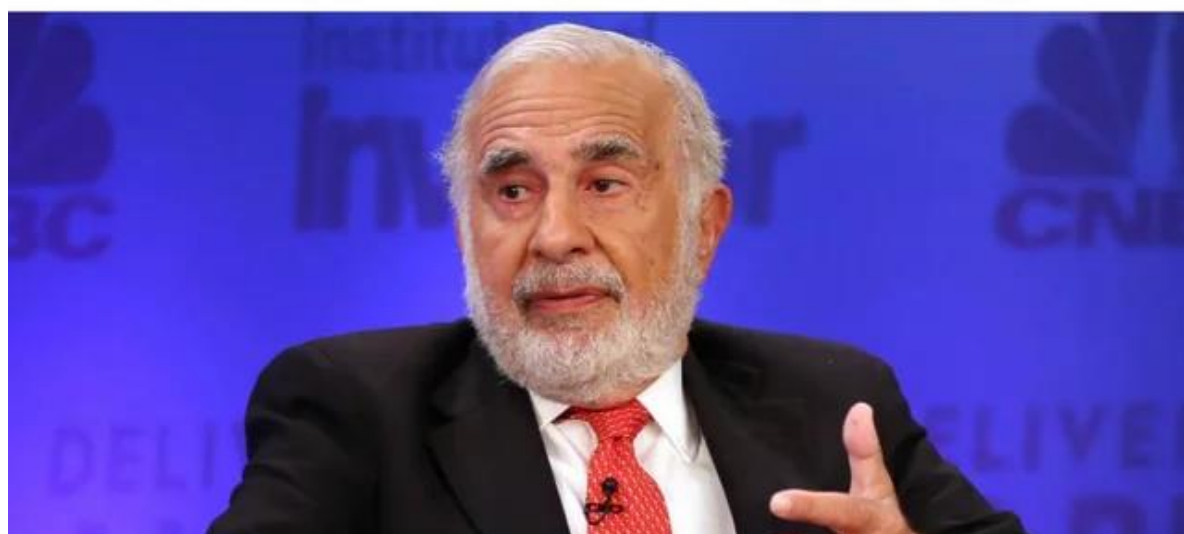
#us #equity #markets

FINANCE · ECONOMY

Billionaire investor Carl Icahn warns 'the worst is yet to come' for investors and compares U.S. inflation to the fall of the Roman empire

BY WILL DANIEL

September 22, 2022, 10:58 AM MDT



#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

24 SEPTEMBER 2022

#markets

#sp500 #us #2-year-yield

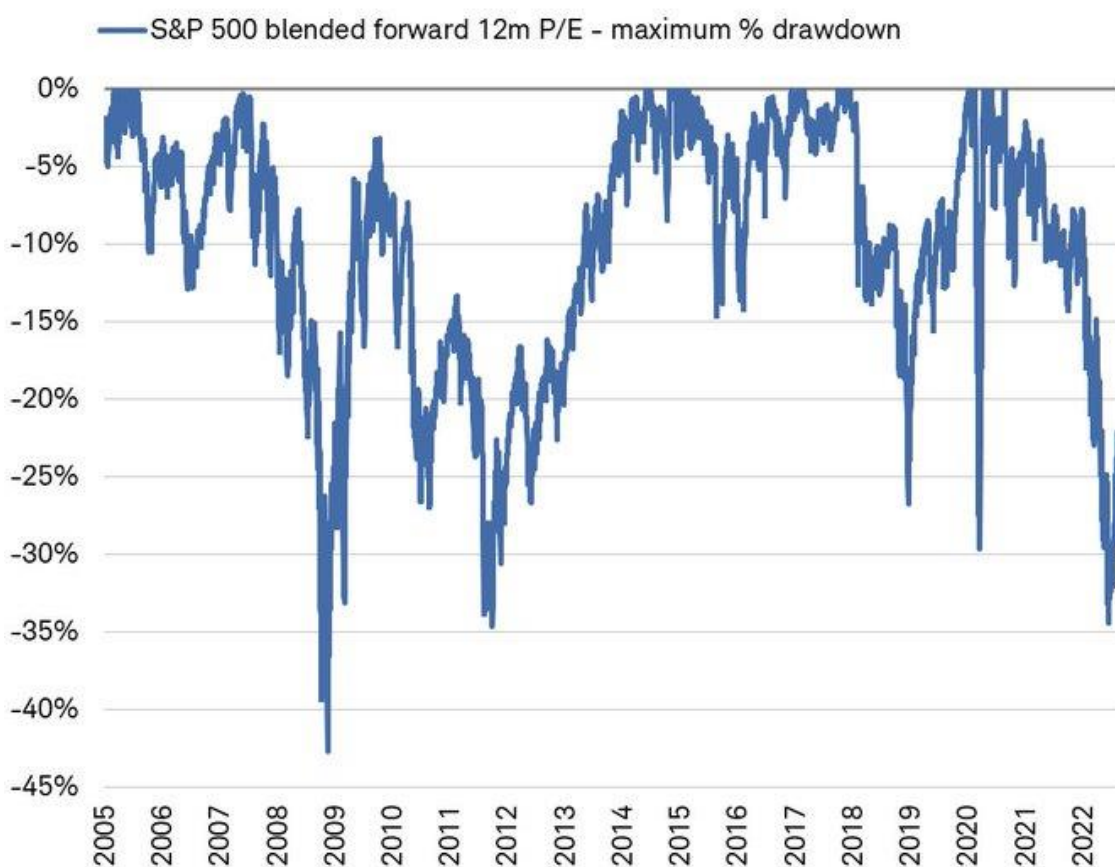
\$SPX vs real 2-year yield.



Source: Markets & Mayhem

#us #equities #valuation

Market's forward multiple under pressure again: S&P 500's forward 12m P/E is off its peak by 37%; not worst this year but not far from June pain threshold.



Source: Charles Schwab, Bloomberg, as of 9/22/2022. Past performance is no guarantee of future results.

Source: Charles Schwab

#us #real #10-year #us #stocks #p/e

And as the 10Y yield keeps rising, so does the real 10Y, which just hit 1.32%, well above the 2018 highs when the Fed was forced to pivot. And since the fwd P/E tracks the real rate, this suggests there is much more downside for stocks as the following chart show



Source: www.zerohedge.com, Bloomberg

#vix

Friday was the first time since June that the VIX finally spiked above 30.

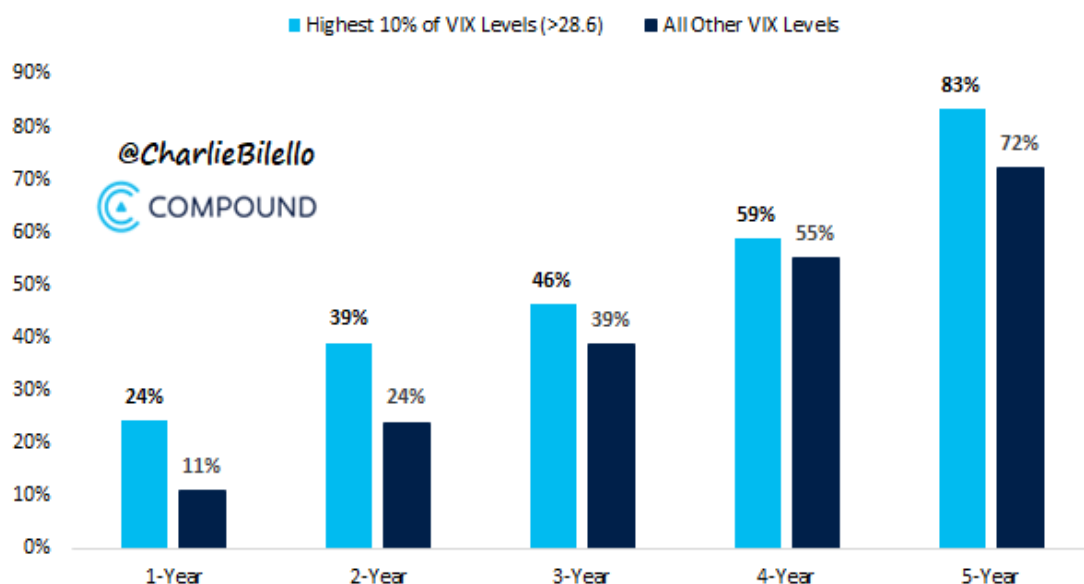


Source: www.zerohege.com, Bloomberg

#vix

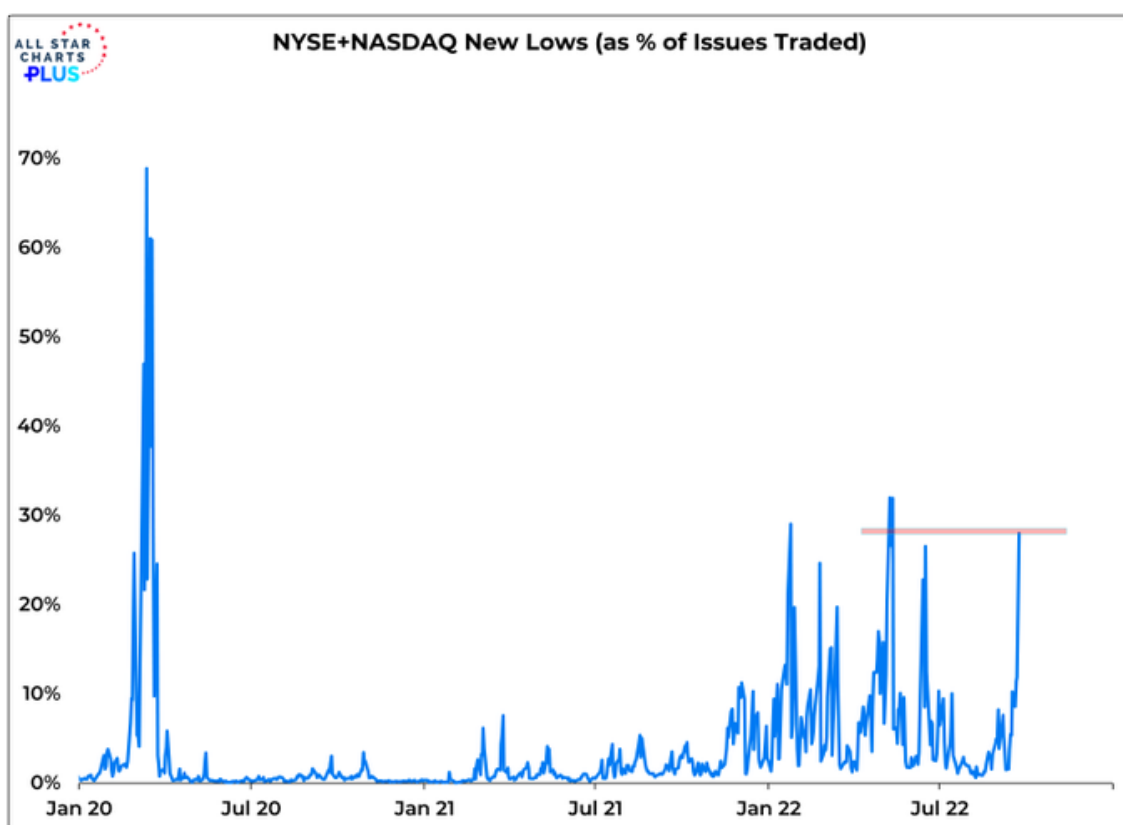
The \$VIX is fast approaching 30 and back in the top decile of historical readings. Here's how the S&P 500 has fared over the next 1-5 years following elevated \$VIX levels...

S&P 500 Forward Total Returns (1990 - 2022)



#us #equities #new-lows

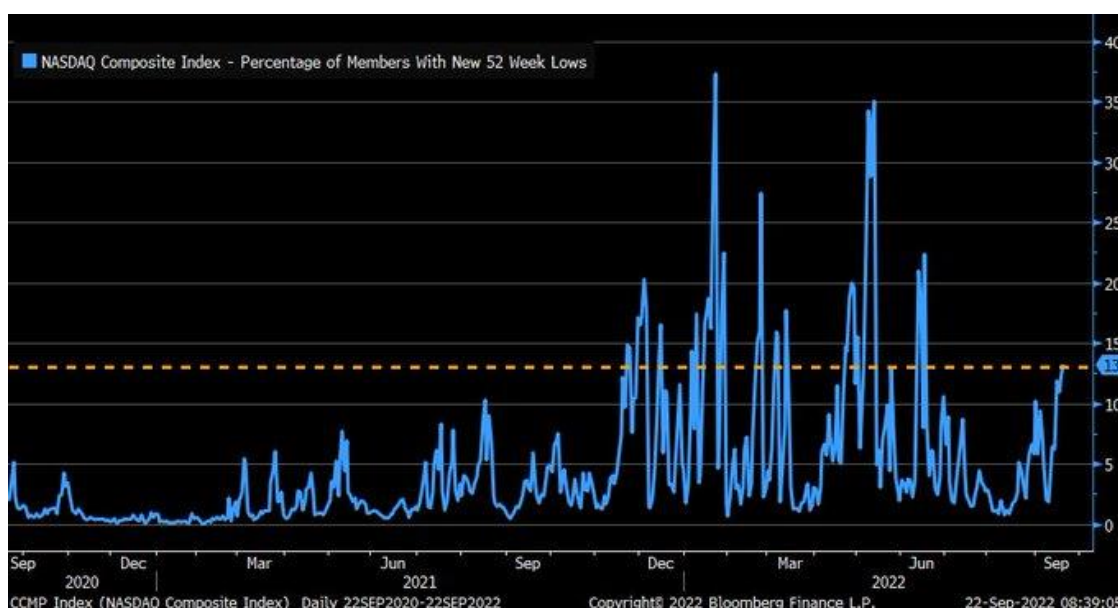
More new lows today than when \$SPX bottomed in June.



Source: Willie Delwiche

#nasdaq #lows

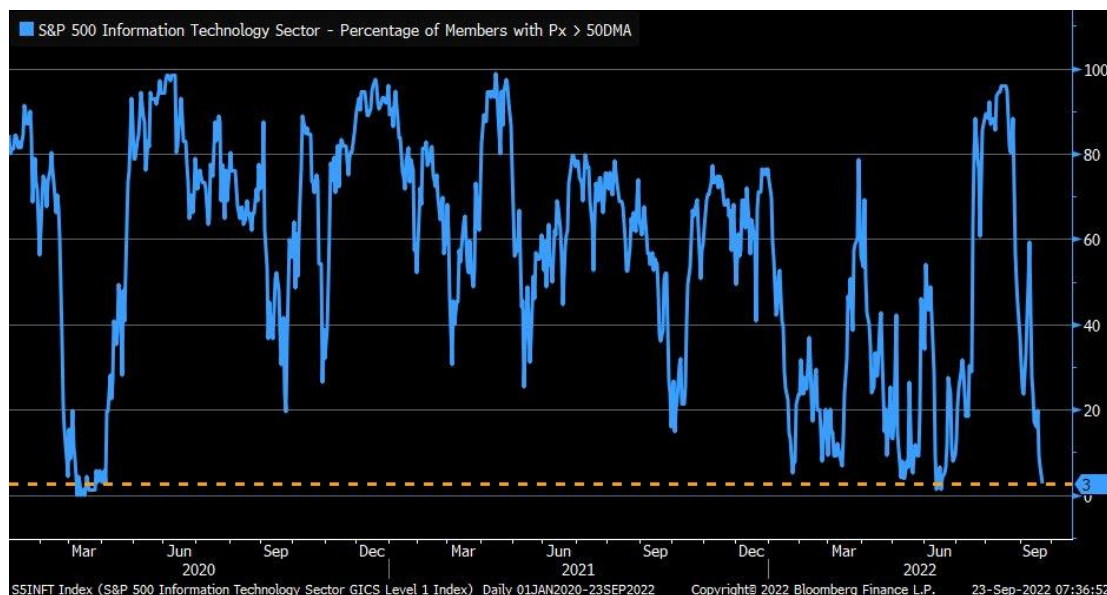
13% of NASDAQ member trading at new 52-week low (highest share since June).



Source: Liz Ann Sonders

#us #equities #breadth

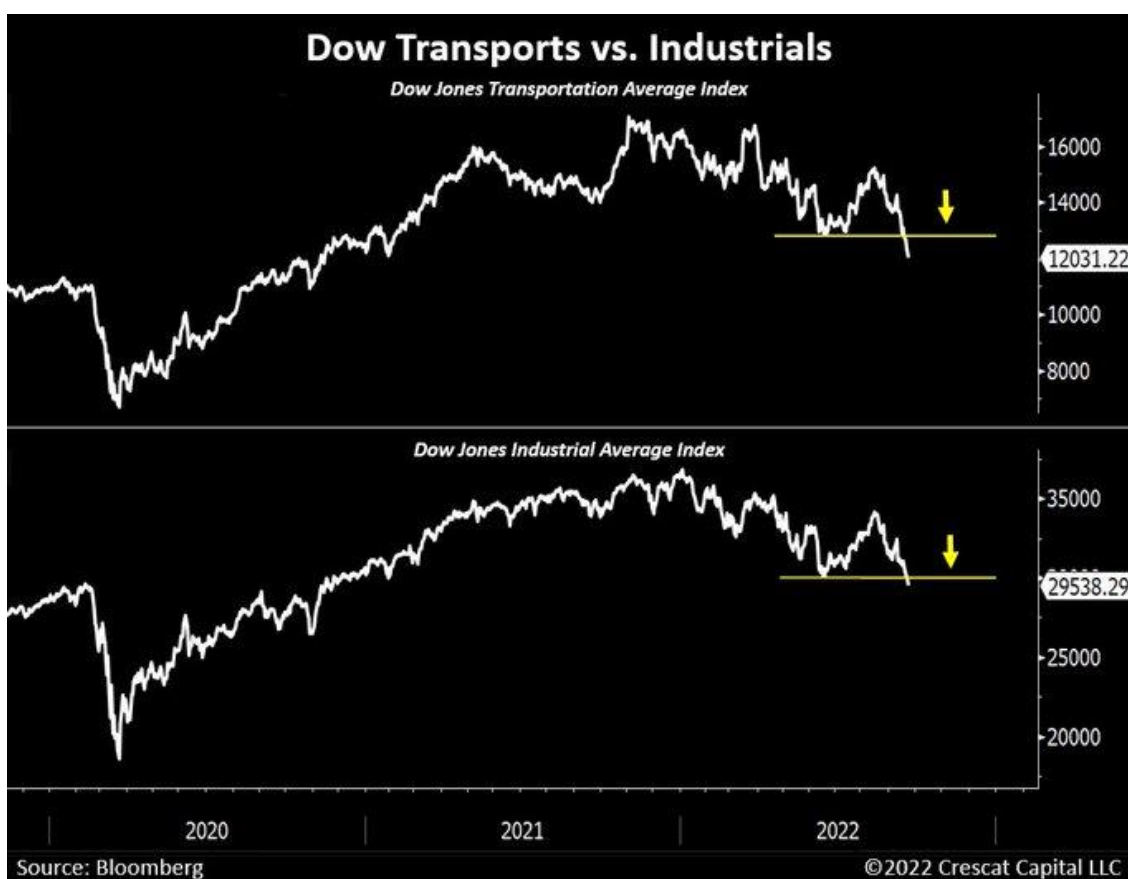
Spectacular (not in a good way) boom and bust for Tech breadth ... a month ago, 96% of S&P 500 Tech members were trading above their 50-day moving average ... now, it's just 3%



Source: Bloomberg, Liz Ann Sonders

#dow-theory

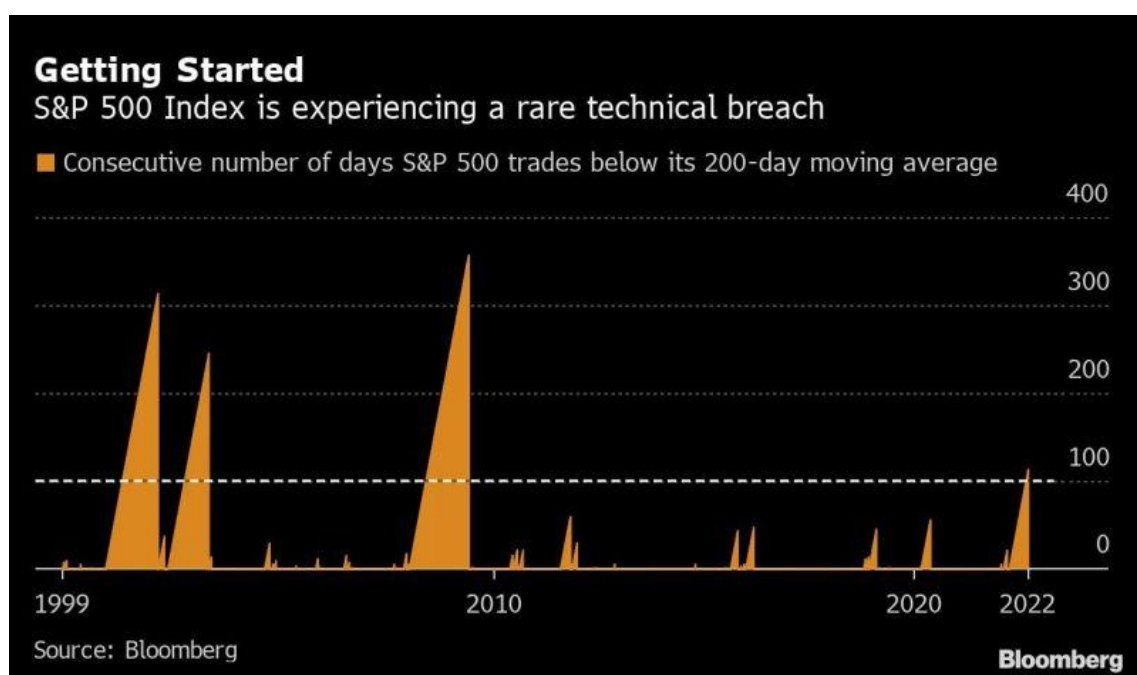
The Dow theory bear signal was just triggered on Friday. Both indices took out their previous lows.



Source: Crescat Capital

#sp500 #technicals

The consecutive number of days SPX trades below its 200-day moving average. This is the longest streak since 2008.

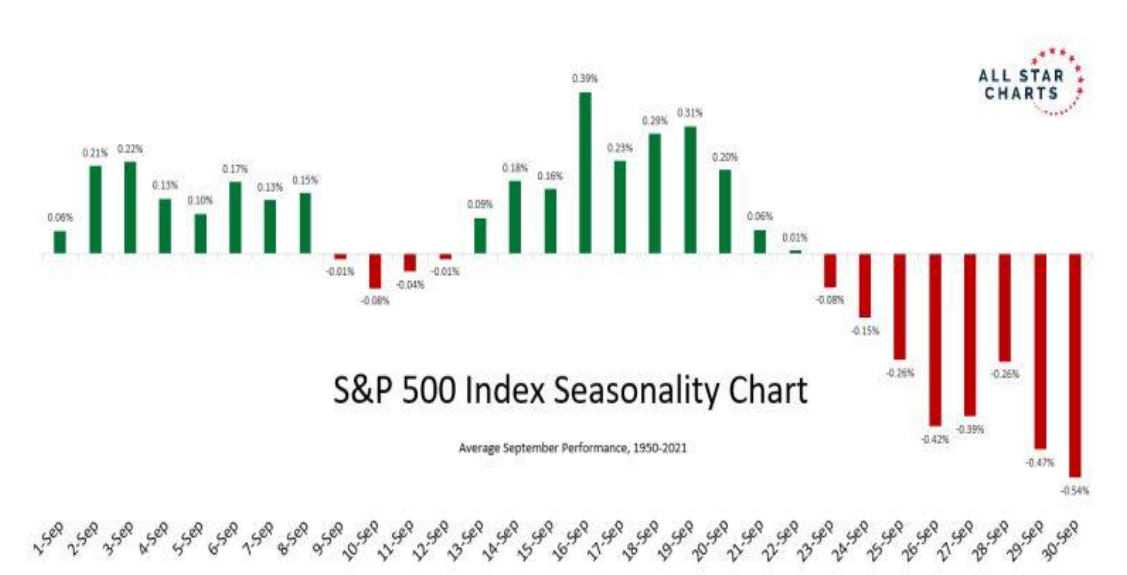


Source: Bloomberg

#sp500 #seasonality

The BAD NEWS is... Friday kicked off the worst seasonal period of the year...

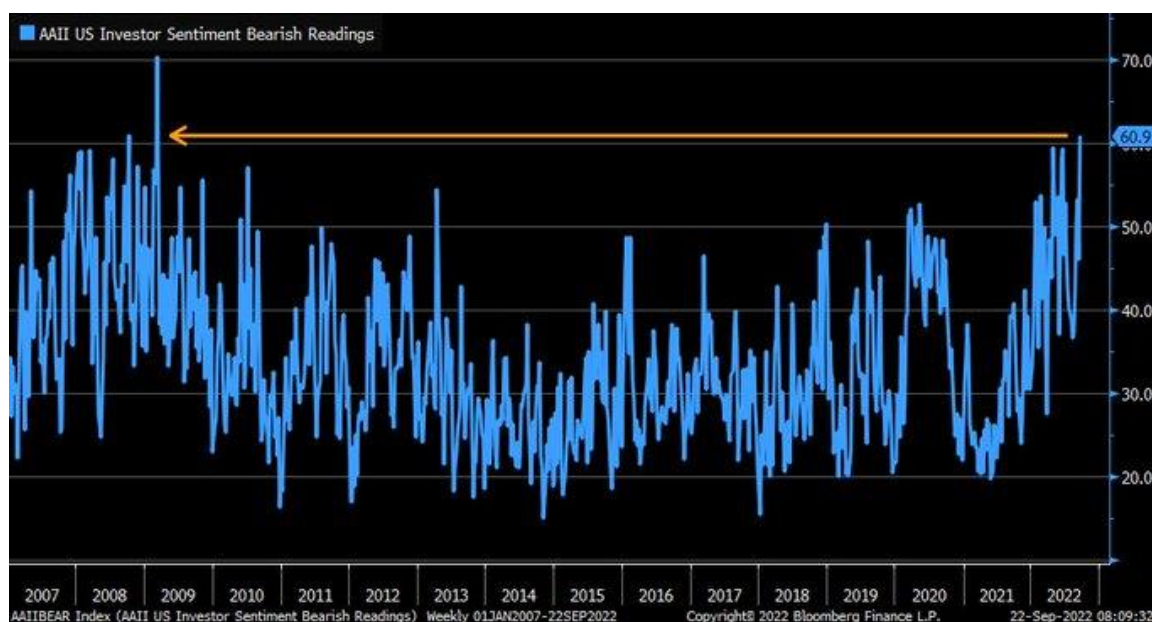
The GOOD NEWS is... it only lasts just over a week, and then seasonality becomes a significant tailwind...



Source: Steven Strazza

#us #equities #sentiment

No peaceful easy feeling: % of AAI Sentiment bears has risen to highest since March 2009.



Source: Bloomberg, Liz Ann Sonders

#etfs #flows

Believe it or not, equity ETFs had \$20B+ of inflows last week, 3rd highest total this year. That doesn't feel like capitulation... sentiment is bearish but flows are not.

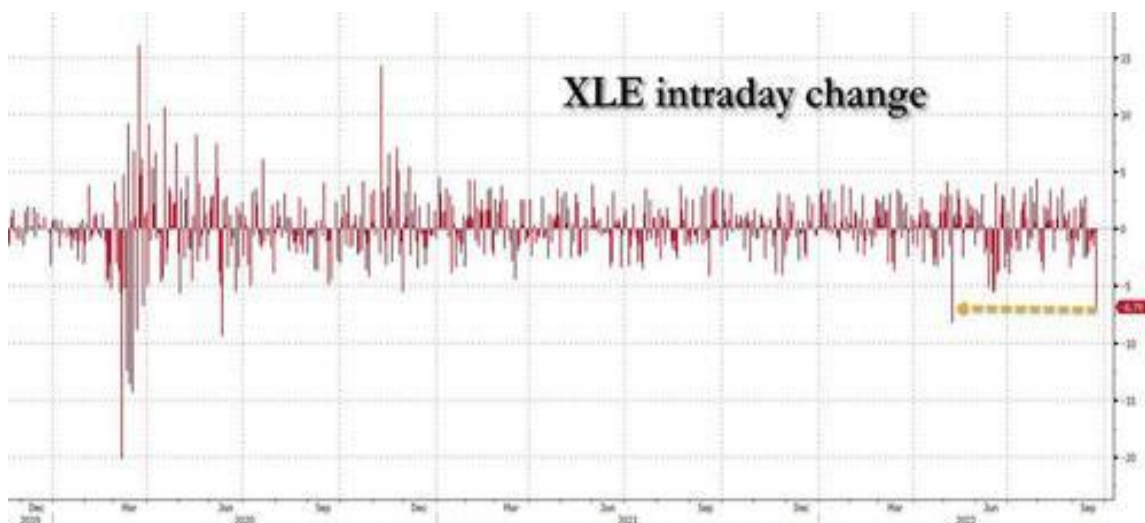
ETF Weekly Flows By Asset Class

	Net Flows (\$, mm)	AUM (\$, mm)	% of AUM
U.S. Equity	20,155.69	3,807,248.12	0.53%
International Equity	20.43	1,084,071.75	0.00%
U.S. Fixed Income	3,610.91	1,101,675.51	0.33%
International Fixed Income	70.80	137,956.24	0.05%
Commodities	-420.56	134,707.46	-0.31%
Currency	148.79	4,158.52	3.58%
Leveraged	34.15	45,354.52	0.08%
Inverse	1,260.82	26,894.10	4.69%
Asset Allocation	-22.64	16,501.73	-0.14%
Alternatives	113.59	8,456.33	1.34%
Total:	24,971.98	6,367,024.27	0.39%

Source: Willie Delwiche

#oil #stocks

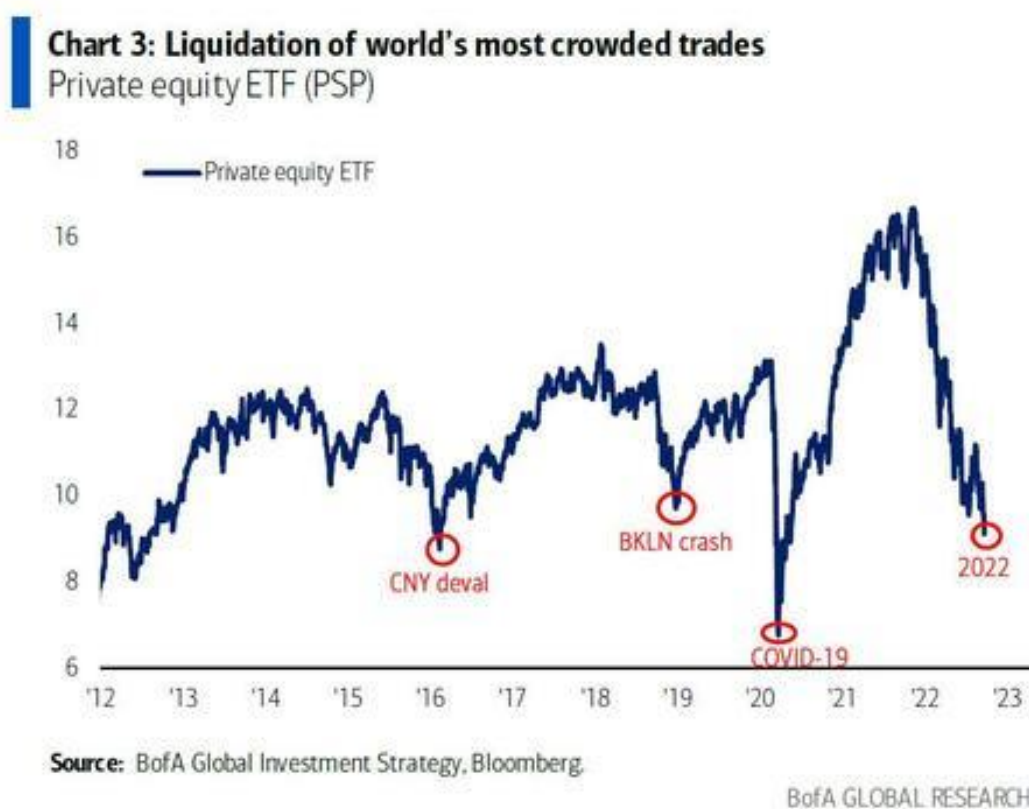
The SPDR Oil stocks ETF (\$XLE) plunged by almost 7%, its second biggest drop since May 9, when oil unexpectedly crashed in what appeared like a government-mandated intervention.



Source: www.zerohedge.com, Bloomberg

#private-equity #etf

The bond crash threatens credit events and liquidation of world's most crowded trades, including long private equity (-47% from highs).



Source: www.zerohedge.com, BofA

#german #equities

Germany's Dax hit lowest level since November 2020 on recession/depression fears.



Source: Bloomberg, HolgerZ

#stoxx600

Europe's Stoxx 600 Index was poised to join US and regional peers in a bear market. The index is down more than 2%, bringing total declines from a January record high to 20%. If the gauge closes at or below that level, it will confirm a technical bear market.



Source: Bloomberg

#markets

#credit-suisse #stock

Credit Suisse shares have hit an all-time low following a report that the bank is planning to pull out of the U.S. market completely



CSGKF • Credit Suisse Group AG

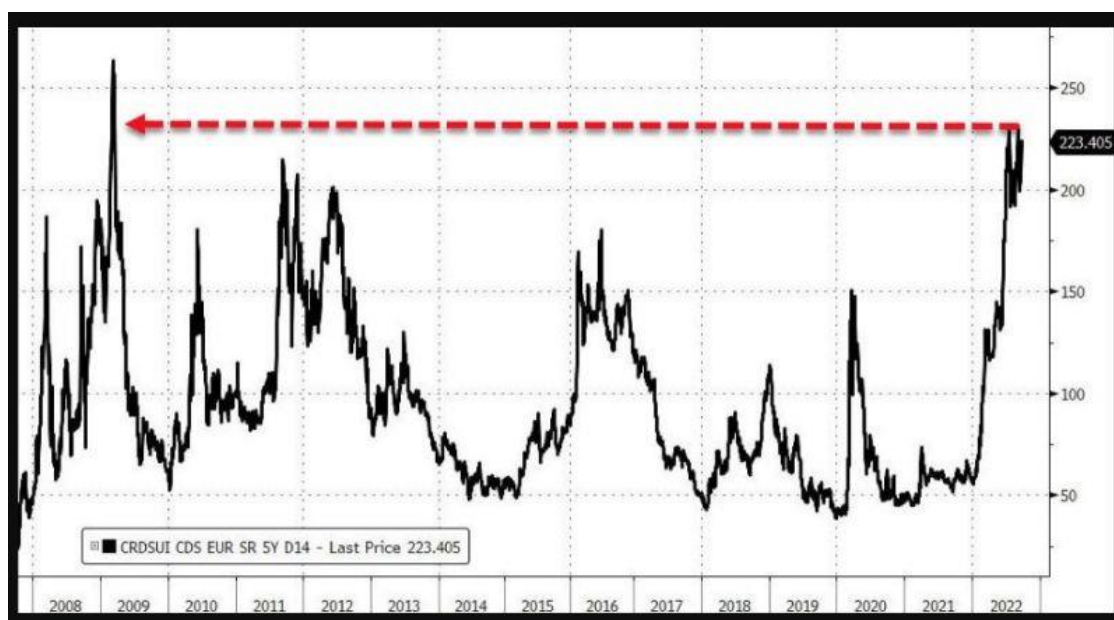
\$4.71

-\$55.59 (-92.18%)



#credit-suisse #cds

CREDIT SUISSE CDS (based on 5Y CDS) IS AT THE HIGHEST SINCE LEHMAN... Credit Suisse is mulling several drastic options as it seeks to emerge from losses and scandals, including exiting the US market, firing more than 10% of its 45,000 global workforce, and splitting its investment bank into three - which would include the creation of a "bad bank" to silo risky assets, the Financial Times and Reuters report.



Source: www.zerohedge.com, Bloomberg

#bonds #yields #negative

In May 2020, there were 21 countries around the world with negative yields. Today? Only Japan...

@CharlieBilello **The Negative Bond Yield Matrix (May 31, 2020)**

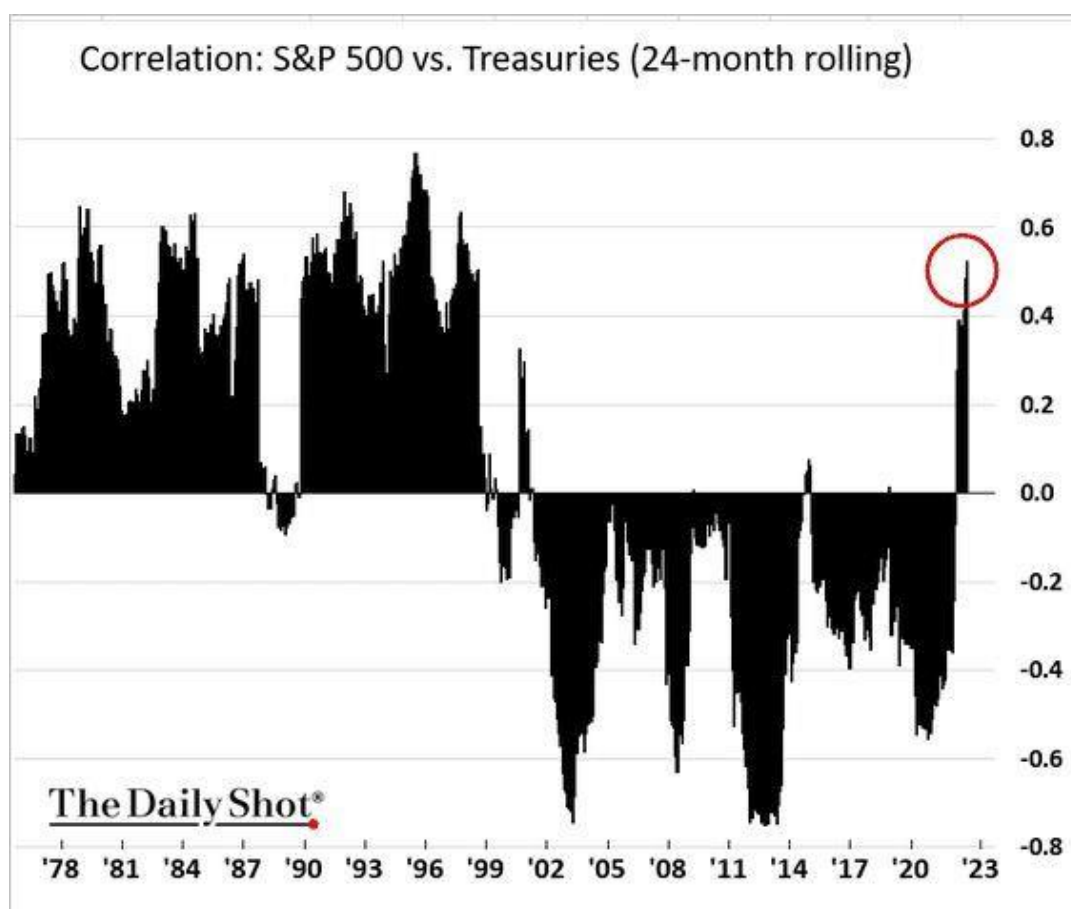
Country	6-Mo	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	15-Year	20-Year	30-Year	50-Year
Switzerland	-0.50	-0.40	-0.71	-0.70	-0.66	-0.65	-0.65	-0.60	-0.57	-0.70	-0.49	-0.33	-0.32	-0.35	-0.38
Germany	-0.55	-0.59	-0.65	-0.66	-0.66	-0.64	-0.63	-0.55	-0.51	-0.51	-0.45	-0.23	-0.16	0.01	
Netherlands	-0.55		-0.62	-0.60	-0.58	-0.53	-0.47	-0.42	-0.37	-0.31	-0.25	-0.17	-0.01	0.05	
Denmark			-0.42								-0.25				
Austria		-0.53	-0.59	-0.53	-0.50	-0.41	-0.35	-0.32	-0.25	-0.18	-0.13	0.03	0.11	0.28	0.41
Finland			-0.57								-0.17				
Sweden			-0.29								-0.04				
France	-0.51	-0.53	-0.53	-0.54	-0.51	-0.44	-0.36	-0.25	-0.19	-0.12	-0.07	0.19	0.44	0.69	0.75
Belgium	-0.51	-0.51	-0.56	-0.52	-0.47	-0.38	-0.32	-0.18	-0.18	-0.08	-0.02	0.20	0.53		
Japan	-0.19	-0.17	-0.16	-0.17	-0.15	-0.13	-0.13	-0.11	-0.08	-0.03	0.00	0.23	0.35	0.49	
Ireland	-0.35	-0.37		-0.42	-0.35	-0.24	-0.16	-0.06			0.08	0.44	0.51	0.78	
Slovakia						-0.15	-0.12		0.12	0.11	0.29			0.93	1.03
Slovenia		-0.40	-0.30	-0.16		-0.03		0.07	0.21		0.40	0.79	1.07		
United Kingdom	0.00		-0.05	-0.04	-0.05	-0.01	-0.03	0.02	0.05	0.18	0.18	0.37	0.51	0.58	0.40
Spain	-0.49	-0.39	-0.44	-0.36	-0.29	-0.17	0.05	0.24	0.30	0.41	0.56	0.87	1.06	1.33	
Portugal	-0.40	-0.34	-0.44	-0.31	-0.27	-0.01	0.08	0.26	0.33	0.41	0.50	0.75	0.94	1.30	
Bulgaria		-0.13				-0.10		0.38			0.85				
Czech Republic		-0.06	0.01	0.10	0.29	0.28	0.55	0.57	0.63	0.69	0.70	0.87	0.95		1.98
Cyprus		-0.21		0.35		0.57		1.01			1.22				
Malta	-0.03	0.03		0.04		0.20					0.62		1.28		
Italy	-0.03	0.01	0.40	0.56	0.81	1.02	1.15	1.20	1.40	1.46	1.48	1.92	2.10	2.41	2.57
United States	0.17	0.18	0.16	0.20		0.30		0.50			0.65			1.41	

@CharlieBilello **The Negative Bond Yield Matrix (Sep 22, 2022)**

Country	6-Mo	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year	7-Year	8-Year	9-Year	10-Year	15-Year	20-Year	30-Year	50-Year
Switzerland	0.85	1.38	0.96	1.03	1.10	1.17	1.20	1.18	1.20	1.29	1.30	1.32	1.19	1.10	
Germany	0.61	1.76	1.83	1.77	1.78	1.92	1.89	1.87	1.87	1.87	1.95	2.06	1.91	1.88	
Netherlands	1.07		1.78	1.91	2.01	2.06	2.10	2.13	2.11	2.13	2.26	2.34	2.25	2.16	
Denmark	1.13		2.13	2.16		2.32			2.31		2.36		2.37	2.26	
Austria		1.53	1.81	2.06	2.20	2.24	2.38	2.44	2.42	2.46	2.54	2.67	2.74	2.58	
Finland			1.94	2.11	2.20	2.25	2.36		2.40		2.56	2.62		2.48	
Sweden	1.69		2.36			2.43		2.32			2.11		1.95		
France	0.93	1.84	1.79	2.02	2.07	2.17	2.24	2.27	2.21	2.27	2.51	2.68	2.71	2.74	2.51
Belgium	1.32	1.98	1.87	1.97	2.09	2.17	2.22	2.28	2.30	2.37	2.56	2.77	2.81		
Japan	-0.23	-0.12	-0.07	-0.05	-0.01	0.04	0.11	0.17	0.24	0.21	0.23	0.70	0.94	1.30	
Ireland	0.99	1.23		1.95	2.06	2.18	2.26	2.28	2.33		2.51	2.62	2.72	2.76	
Slovakia			2.36			2.56	2.62		2.90	2.94	2.99			3.22	3.01
Slovenia		0.52		1.73		2.30		2.76	2.92		3.04	3.17	3.27		
United Kingdom	2.99	3.28	3.52	3.49	3.62	3.56	3.52	3.58	3.48	3.54	3.51	3.83	3.86	3.81	3.47
Spain	1.47	2.08	2.05	2.18	2.35	2.52	2.61	2.71	2.77	2.87	3.07	3.31	3.24	3.44	
Portugal	1.27	2.06	1.83	1.98	2.14	2.40	2.49	2.56	2.72	2.82	2.95	3.12	3.23	3.33	
Bulgaria		0.50				2.06					2.62				
Czech Republic		6.63	5.86	5.28	5.14	5.04	4.91	4.88	4.86	4.78	4.76	4.68	4.76		4.88
Cyprus			1.98	2.07		2.22		3.31			3.60				
Malta	1.48	1.51		2.43		2.83					3.35		3.54		
Italy	1.50	2.28	2.83	3.17	3.35	3.49	3.64	3.75	3.94	4.05	4.17	4.11	4.20	3.98	3.81
United States	3.91	4.10	4.12	4.11		3.89		3.81			3.66		3.88	3.62	

#bonds #stocks #correlation

For two decades, US Treasuries were an effective hedge for stocks – this is no longer the case.



Source: The Daily Shot

#us #treasuries

The US 10Y yield briefly spiked to the highest level since April 2010, when it touched a high of 3.8248% before retracing most of the move



Source: Bloomberg, www.zerohedge.com

#us #treasuries

To put things into perspective: Bond losses in '22 greatest since 1949 (Marshall Plan), 1931 (Credit-Anstalt), 1920 (Treaty of Versailles), BofA says.

Chart 2: The 3rd Great Bear Market in Bonds thus far a Doozy

US 10-year Treasury yield since 1790



Source: BofA Global Investment Strategy, Bloomberg.

Source: BofA

#us #treasuries

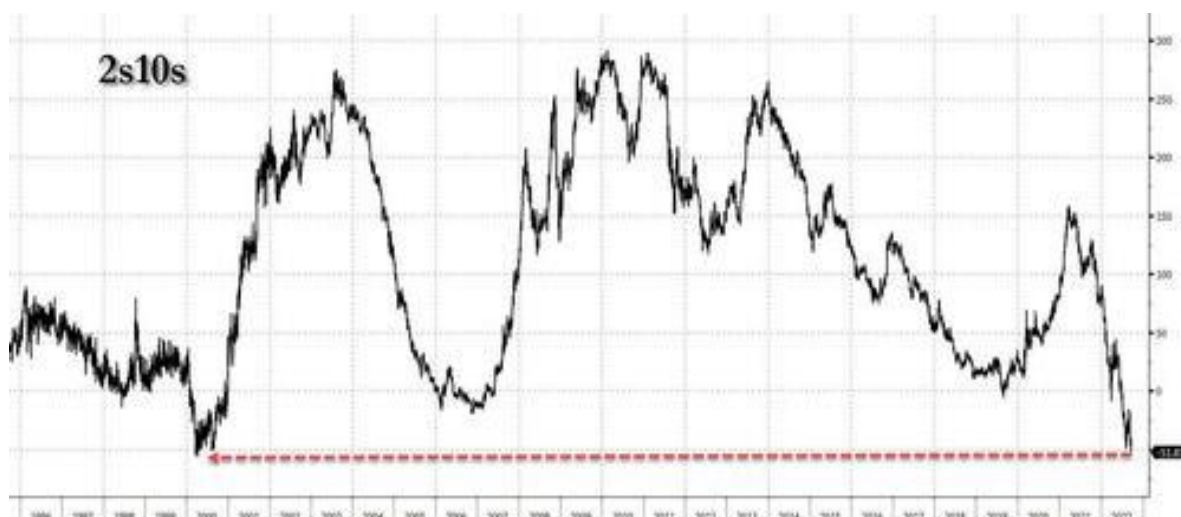
The US 10Y yield briefly spiked to the highest level since April 2010, when it touched a high of 3.8248% before retracing most of the move



Source: Bloomberg, www.zerohedge.com

#us #yield-curve

The US 2Y remains sticky and is now trading around 4.20%, which means that the 2s10s is now inverted some -52bps...



Source: www.zerohedge.com, Bloomberg

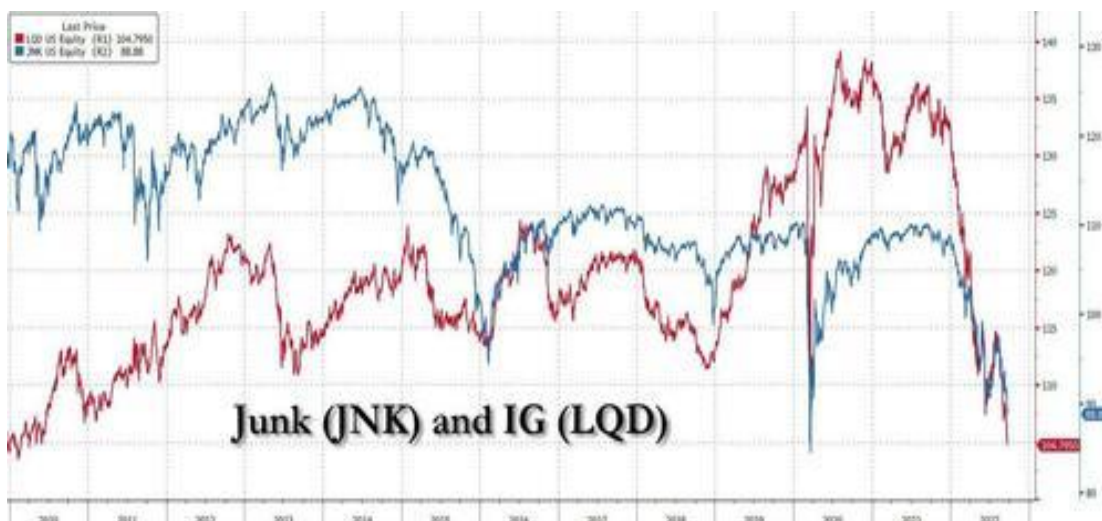
#us #investment-grade #bonds

US Investment Grade Corporate Bonds are down 16.6% year-to-date, on pace to be their worst year in history by a wide margin.

US Investment Grade Corporate Bonds (Total Returns, 1973 - 2022)					
Year	Return	Year	Return	Year	Return
1973	2.0%	1990	7.4%	2007	4.6%
1974	-4.7%	1991	18.2%	2008	-6.8%
1975	15.7%	1992	9.1%	2009	19.8%
1976	18.8%	1993	12.4%	2010	9.5%
1977	3.8%	1994	-3.3%	2011	7.5%
1978	0.3%	1995	21.6%	2012	10.4%
1979	-2.2%	1996	3.4%	2013	-1.5%
1980	0.5%	1997	10.4%	2014	7.5%
1981	2.3%	1998	8.7%	2015	-0.6%
1982	35.5%	1999	-1.9%	2016	6.0%
1983	9.3%	2000	9.1%	2017	6.5%
1984	16.2%	2001	10.7%	2018	-2.2%
1985	25.4%	2002	10.2%	2019	14.2%
1986	16.3%	2003	8.3%	2020	9.8%
1987	1.8%	2004	5.4%	2021	-1.0%
1988	9.8%	2005	2.0%	2022 YTD	-16.6%
1989	14.1%	2006	4.4%		
COMPOUND			@CharlieBilello		

#us #credit

The LQD ETF (US Investment Grade) just took out its March 2020 covid crash lows when the Fed stepped in to bail out corporate debt by buying it directly.



Source: www.zerohedge.com, Bloomberg

#austria #bond #100-years

Austria 100 years Government bond (maturing in June 2120) has in 10 months gone from 140 to 42, a loss of 70%. If you HODL for the next 98 years you will get an annual coupon of 0.85%.



Source: Bloomberg

#uk #gilts

UK's biggest tax cuts since 1972 trigger crash in bonds. 5y GILT yields jump >50bps, biggest daily jump on record.



Source: Bloomberg, HolgerZ

#uk #gilts

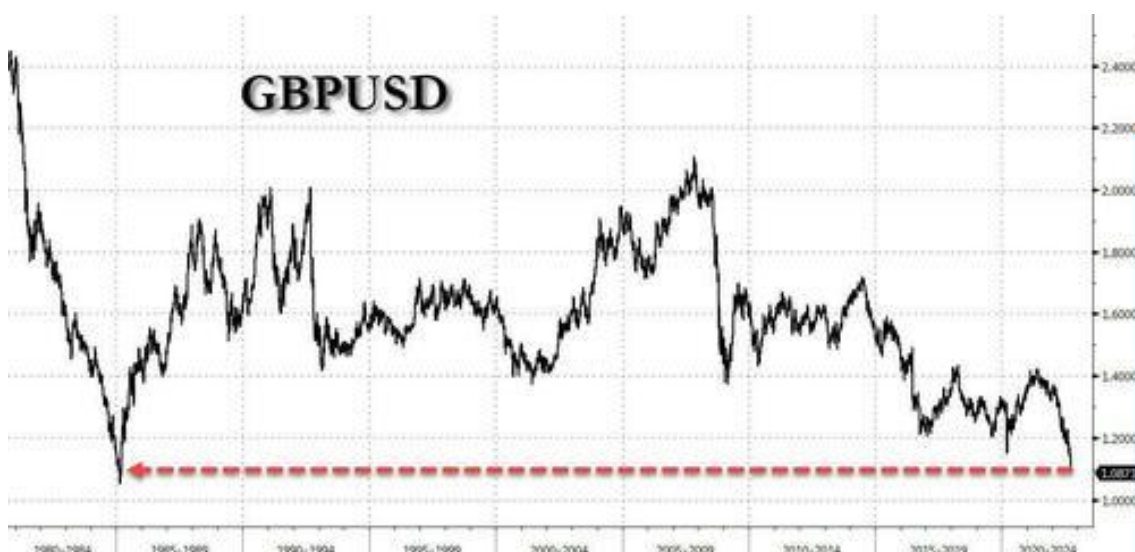
UK 10 year bond chart (price view).



Source: Fejau

#british-pound #dollar

The UK's biggest tax cuts Since 1972 trigger a crash in bonds & the British Pound



Source: www.zerohedge.com, Bloomberg



#british-pound #dollar

United States and United Kingdom: two relatively aggressive rate hiking campaigns; two very different currency moves



Source: Bloomberg, Liz Ann Sonders

#markets

#euro #dollar

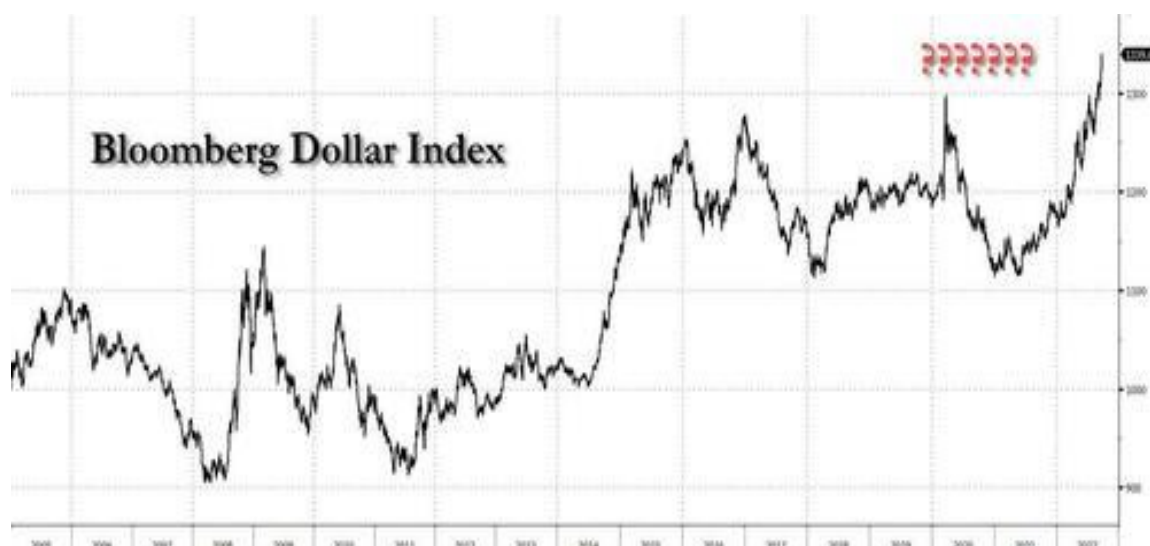
#EURUSD



Source: Andreas Steno

#dollar

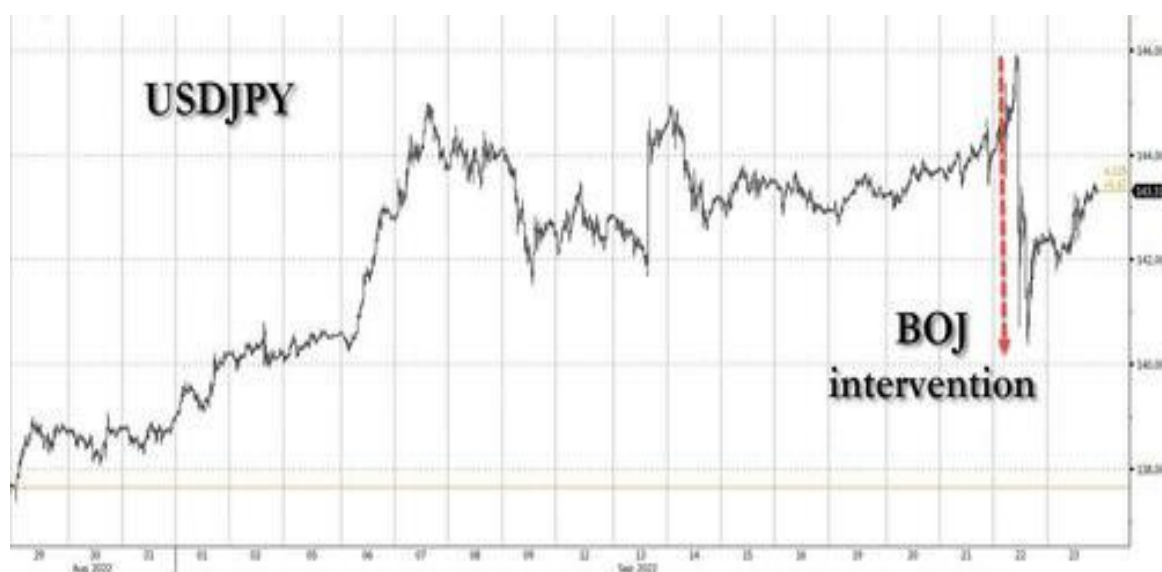
The Bloomberg USD index hit new record highs every single day.



Source: www.zerohedge.com, Bloomberg

#japanese-yen

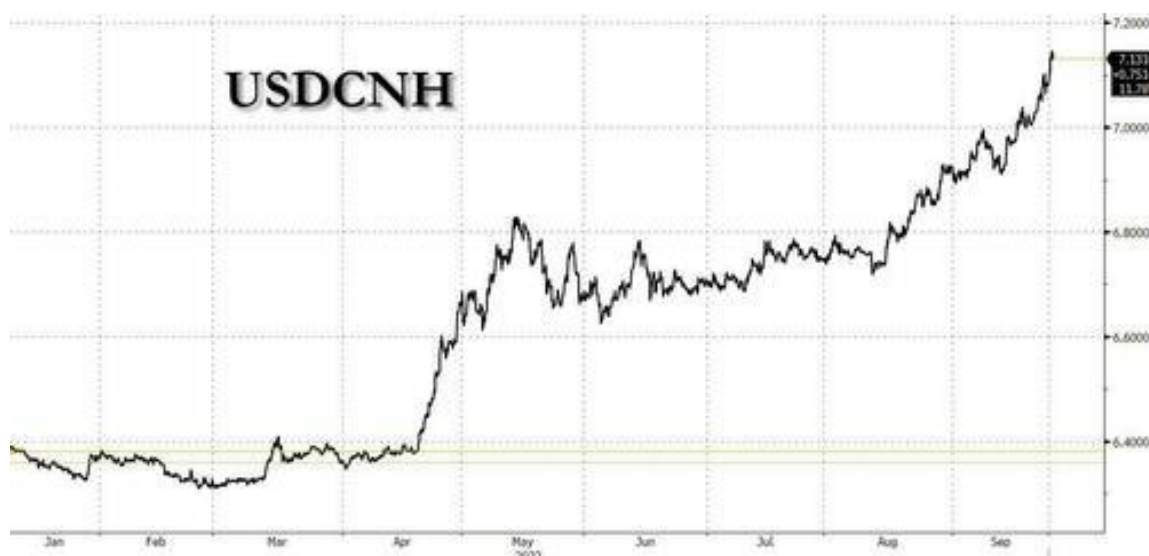
The Japanese currency plunged after the BOJ affirmed it will keep buying billions in bonds for years to protect YCC, only to then turn around and intervene in the FX market for the first time since 1998, selling an unknown amount of dollars in the tens of billions for an intervention that has barely achieved anything at all!



Source: www.zerohedge.com, Bloomberg

#chinese #yuan

The CNH keeps weakening...



Source: www.zerohedge.com, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

24 SEPTEMBER 2022

#markets

#chinese #yuan



Source: Mac10

#gold

An extreme contrarian buy signal on Gold?

BUSINESS & FINANCE

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S&P 500 ▲ 0.59% S&P FIN ▲ 1.12% S&P IT ▲ 0.82% DJ TRANS ▲ 1.95% WSJ S&P 500 ▲ 0.004% 2-YR T-BILL ▲ 3.946% NIKKEI (Mtd) ▲ 2.7884.35 ▲ 0.42% See more at [WSJ.com/Markets](https://www.wsj.com/markets)

Gold Loses Status as Haven

Metal lost 8.2% this year as nervous investors turn to Treasury bonds

By HARDEEN SORIN

Investors expected sticky inflation to lift gold prices this year. Instead, the opposite happened.

The most actively traded gold contract is on pace to decline for six consecutive months, with a loss of 14% through that period so far. That is a significant drop for an asset that is supposed to be a haven and marks the longest losing streak since September 2018, when prices fell 9.9% over six months.

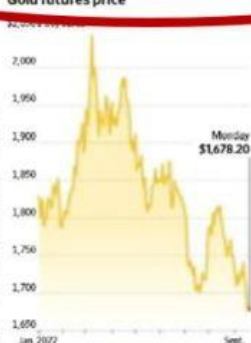
Gold is prized by investors for its usual stability during times of turmoil. Prices jumped near records earlier this year, shortly after Russia's invasion of Ukraine upended markets for stocks and commodities. In early March, gold settled at a 2022 high of \$2,069.40 a troy ounce. Now, it is down 8.2% so far this year, on pace for its worst annual performance since 2015.

Stocks are trading lower than they were in early March. The war has dragged on and concerns about inflation have only intensified. But the haven metal has been stuck in a trading range of about \$1,650 to \$1,800 since June. Gold fell on Monday, down 0.3% to \$1,678.20 a troy ounce.

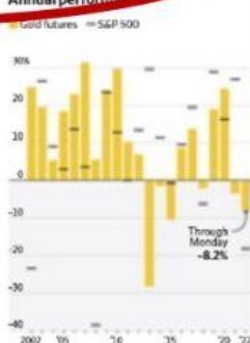
The volatility is another example of how the Federal Reserve's aggressive rate-raising campaign is shaking up all corners of financial markets. Last week's report that inflation remains stubbornly high all but cemented expectations that the interest-rate increases will continue. The Fed is expected to announce another big rate increase when it meets this week.

Why does that matter for gold? Nervous investors who

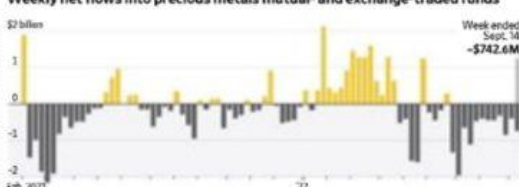
Gold futures price



Annual performance



Weekly net flows into precious metals mutual- and exchange-traded funds



Note: Gold coins show most actively traded contract. Sources: FactSet (gold price, gold and S&P 500 performance), Refinitiv (flows) (flows)

want safe, boring assets when the stock market is a mess don't favor just gold. Many of them also like to scoop up Treasury bonds.

"The outlook for gold remains vulnerable until the Fed stops hiking rates," said Tai Wong, a senior trader at Heroux Precious Metals in New York.

Treasury yields tend to move in tandem with investors' expectations for the Fed's benchmark rate, so investors these days can get relatively big returns on govern-

ment bonds. Last week, the yield on the two-year Treasury hit its highest level since 2007. That, plus the fact that Treasuries, unlike gold, offer regular payouts, has pushed many risk-averse investors from gold back to bond buying. JPMorgan Chase & Co. analysts forecast that gold prices will keep falling, averaging \$1,650 a troy ounce in the fourth quarter. That reflects a growing belief that the Fed is in no position to ease its foot off the rate-increasing brakes. "It's not a light switch that

goes on and off. It's a dimmer," said Richard Fisher, former president of the Federal Reserve Bank of Dallas, during a talk hosted by CME Group on Wednesday.

The dollar, another haven, is further complicating matters. Investors looking for a safe bet have also been snapping up the U.S. currency, pushing it near 20-year highs. That has made gold more expensive for overseas buyers, dampening their demand.

The pain is showing up. Please turn to page B1

Ford's Supplier Costs Mount, Eat Into Profit

By NORA ECKERT

Ford Motor Co. on Monday warned third-quarter earnings would be affected by about \$1 billion in higher-than-anticipated supplier costs and parts shortages that have led to unfinished vehicles it couldn't sell during the period.

The Dearborn, Mich., auto maker reaffirmed its year-end guidance for 2022, projecting adjusted operating results for the third quarter would fall between \$1.4 billion and \$1.7 billion.

Ford's stock was down more than 4% in after-hours trading. Ford expects to have about

40,000 to 45,000 vehicles in inventory at the end of the quarter that are awaiting parts and can't be delivered to dealerships, a figure that is higher than expected.

Those vehicles, many of them higher margin trucks and SUVs, are expected to be completed and sold in the fourth quarter, the company said.

Additionally, based on recent negotiations with suppliers, Ford said it is paying more for parts and materials to account for the effects of inflation.

The higher payments added about \$1 billion in un-

VW's Porsche Listing Seeks \$9.4 Billion

By WILLIAM BOSTON

BERLIN — Porsche AG shares are set to begin trading Sept. 20 in one of the largest European public listings in years, raising as much as \$9.4 billion and valuing the sports car maker at as much as \$78 billion.

Porsche's parent, German car plant Volkswagen AG, priced the public offering of preferred stock in line with average analyst expectations. Combined with a private sale of Porsche ordinary stock to VW's largest investor, Porsche Automobil Holding SE, the sale of 25% of Porsche could raise €29.5 billion for VW, equivalent to \$39.5 billion.

VW said it plans to distribute nearly half the gross proceeds from the combined Porsche share sale to its share-

holders in a special dividend. The listing could test investor appetite for further offerings in a market that has been weighed down by soaring inflation, the war in Ukraine and fears of a global recession.

VW sought to walk a line between maximizing proceeds and ensuring a successful IPO in difficult market conditions, analysts said. The price range for Porsche's preferred shares between €76.50 and €82.50, is largely in line with investor expectations.

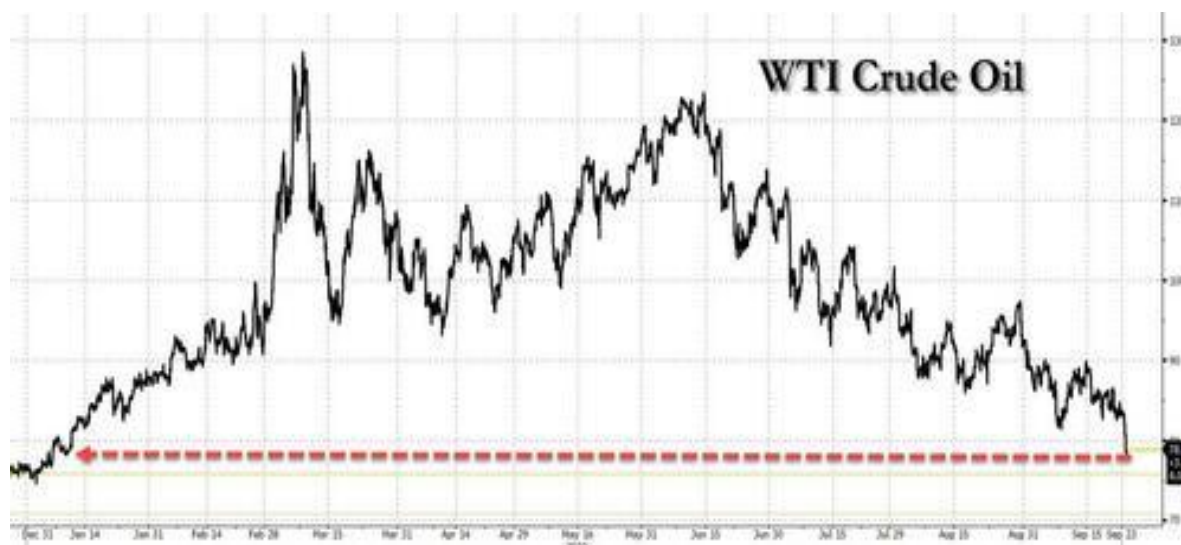
In a reference to Porsche's iconic 911 sports car model, VW created 911 million Porsche shares, divided evenly between nonvoting preferred shares and ordinary shares with voting rights.

VW is selling 25% of Porsche preferred shares, or about

#markets

#oil

WTI oil tumbled below \$80 for the first time since January and is on pace to lose all of 2022's gains



Source: www.zerohedge.com, Bloomberg

#macro

#recession

The policy makers dilemma... Markets continue to adjust to the painful reality.



Source: Lyn Alden

#macro

#us #recession #probability

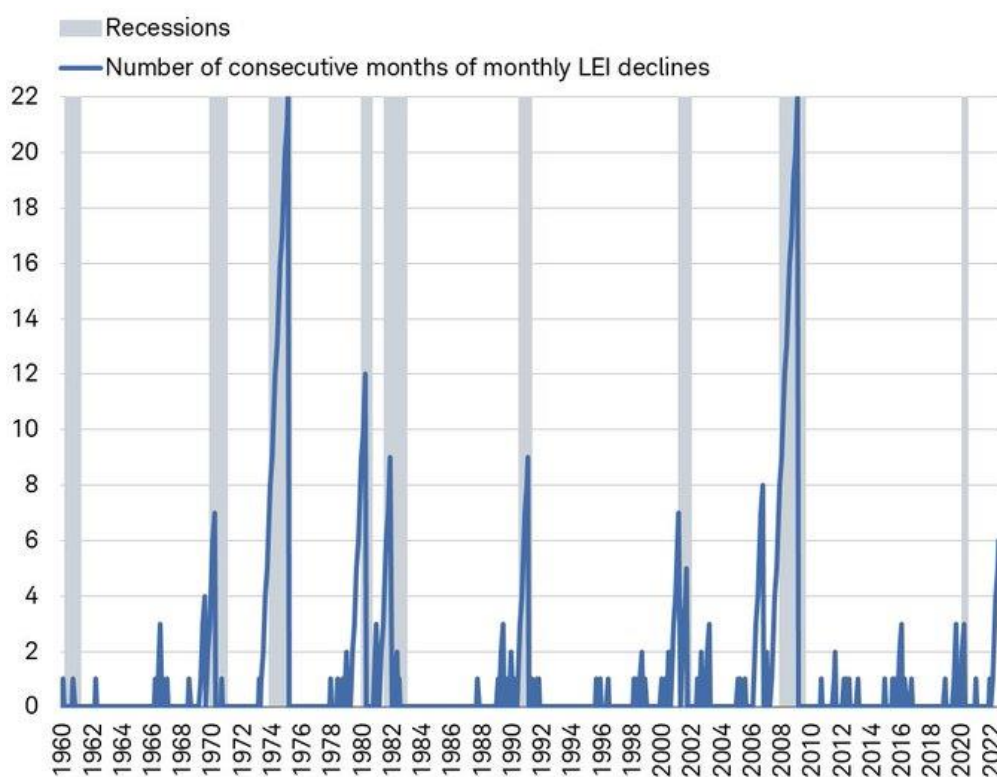
Recession probability model from New York Fed has shot up at a marked pace.



Source: Liz Ann Sonders

#us #leading #indicators

Six consecutive monthly declines for Conference board Leading Economic Index (LEI) ... quite rare to see this outside of recessions.



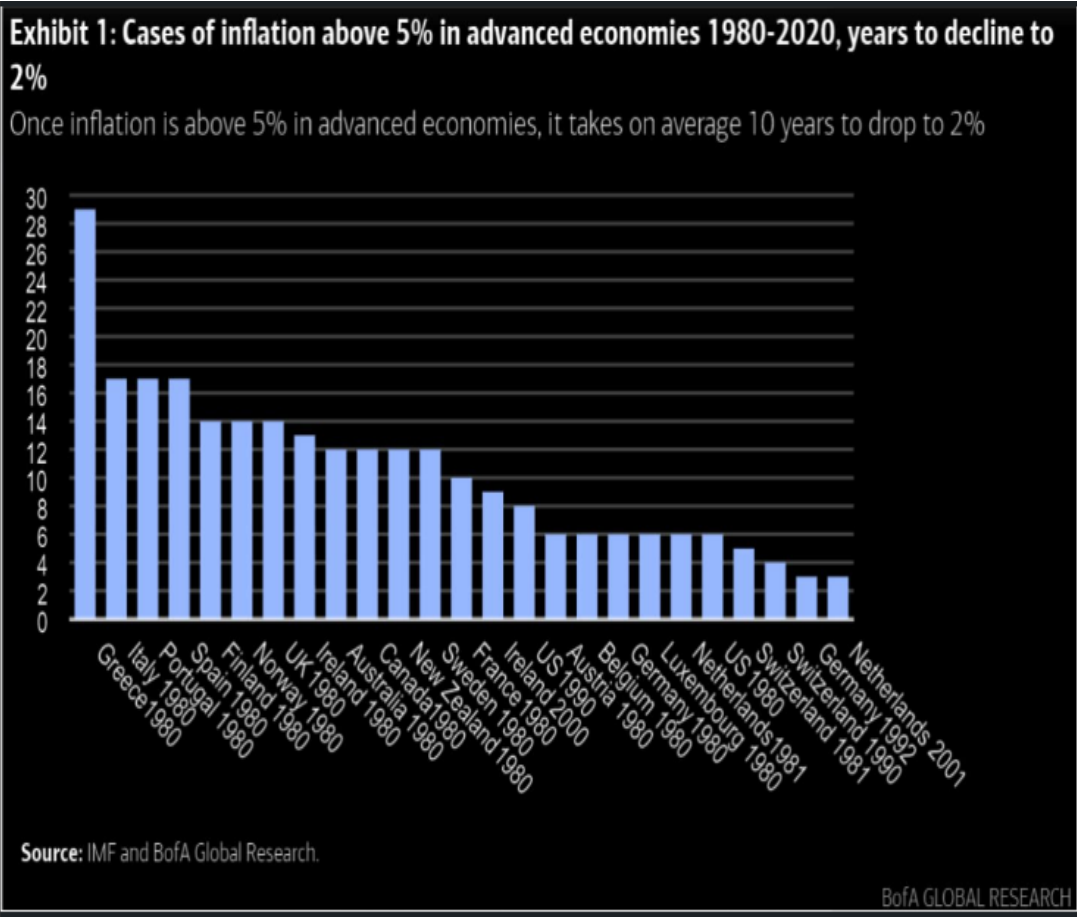
Source: Charles Schwab, Bloomberg, as of 8/31/2022.

Source: Liz Ann Sonders

#macro

#global #inflation

Once inflation is above 5% in advanced economies, it takes on average 10 years to drop to 2%



Source: TME, BofA

#macro

#baltic #index

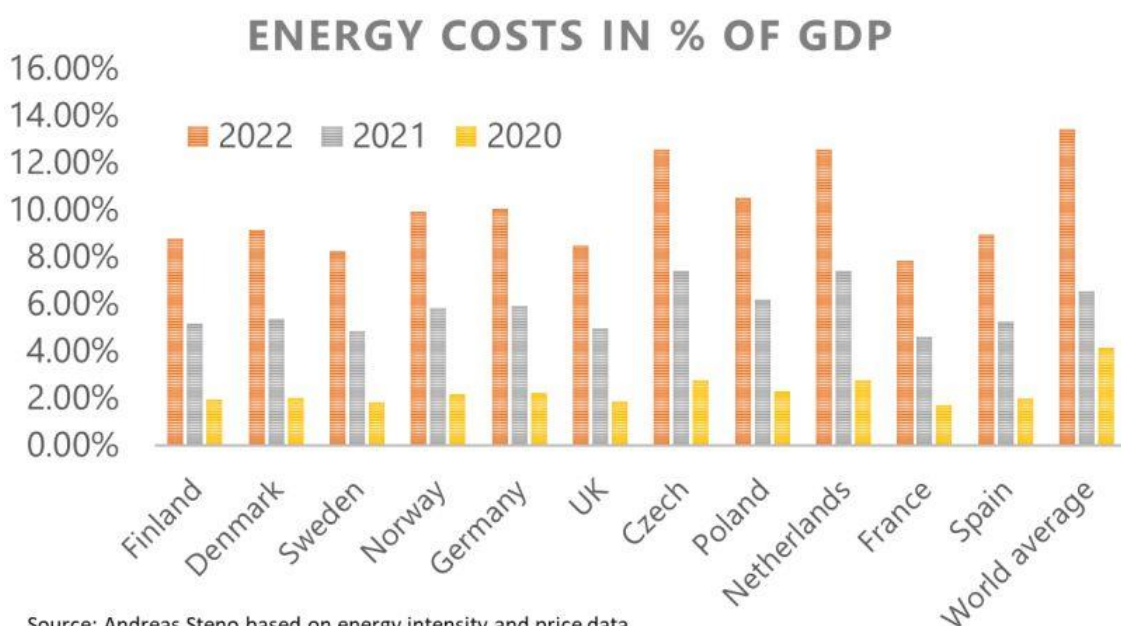
Global container freight rates hit an 18-month low, down 61% from their peak. Still 3x higher than pre-pandemic levels but continuing to move in the right direction.



Source: Charlie Bilello

#energy #costs

A scary chart: energy costs as a % of GDP in 2020, 2021 and 2022 in Europe (and the world average)



Source: Andreas Steno

#macro

#labor #markets #tightness

As long as labor markets remain tight, central banks will continue to tighten.



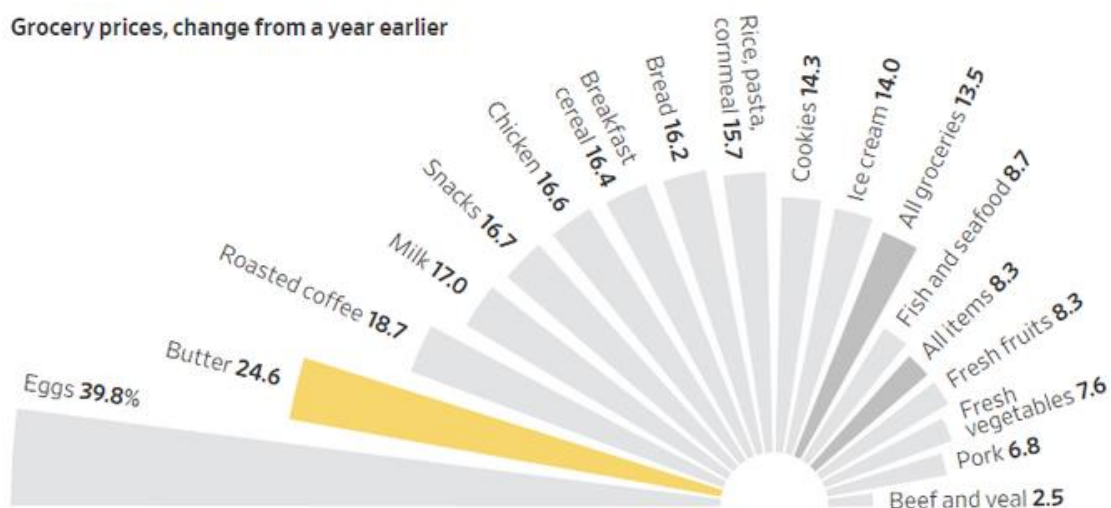
Source: Allianz Research

#macro

#us #inflation

US grocery prices rose 13.5% over the last year, the largest year-over-year increase since 1979. Here's the breakdown by item...

Grocery prices, change from a year earlier



Note: As of August 2022.
Source: Labor Department
Jemal R. Brinson/THE WALL STREET JOURNAL

Source: WSJ

#macro

#us #rents #inflation



Christophe Barraud 📊 🐳 🟢 @C_Barraud · 12h

🇺🇸 #Housing | #Rents could finally be peaking – Axios



#macro

#us #housing

Existing Home Sales

Millions of homes, seasonally adjusted annual rate



Sources: NAR, YCharts

WOLFSTREET.com

#macro

#us #housing #luxury

US housing: Luxury-Home purchases plummet 28%, the biggest drop on record.

Luxury-Home Sales Sink Most on Record

Year-over-year change in homes sold



Source: Redfin analysis of MLS data

Note: All values are three month moving aggregates ending on date shown; most recent data point represents three months ending Aug. 31, 2022

REDFIN

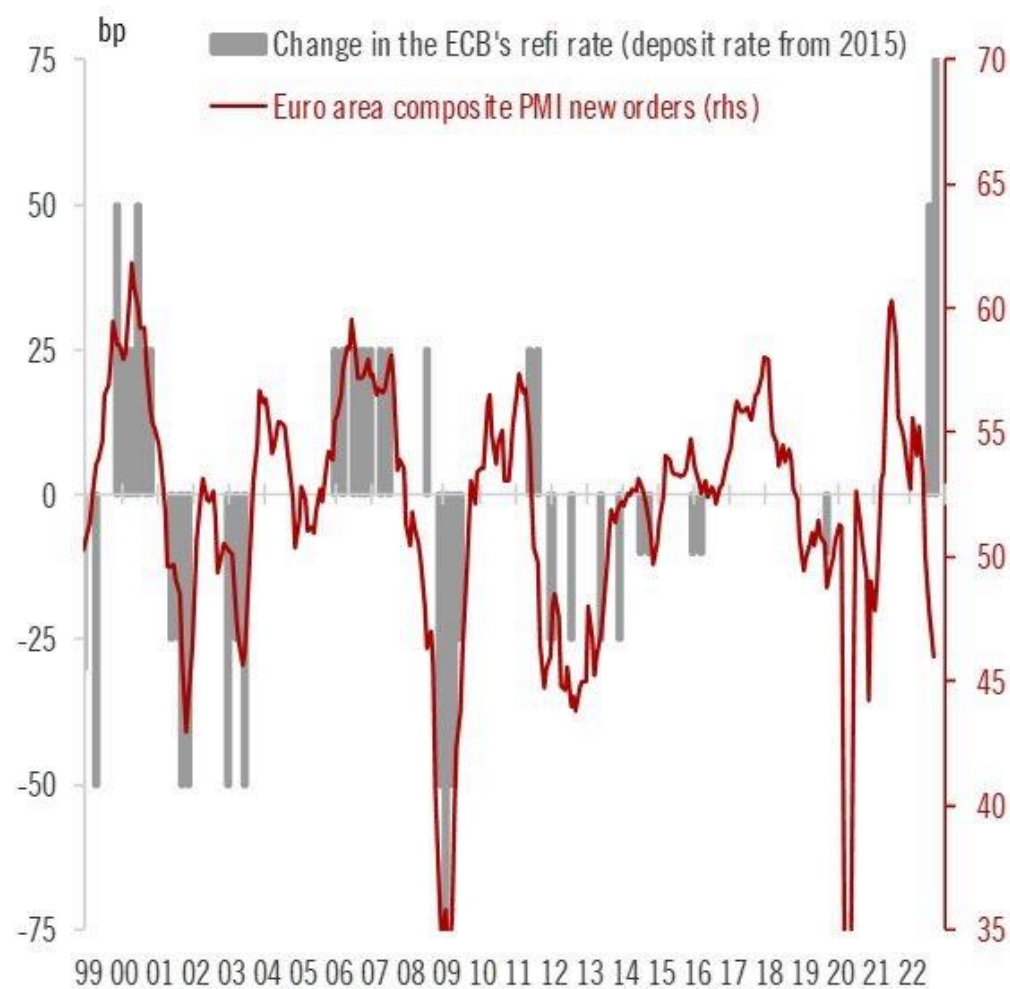
Source: Redfin, C.Barraud

#macro

#eurozone #pmi

Who will tell Lagarde?

Euro area: composite PMI new orders and changes in ECB rates



Source: Pictet Wealth Management, Markit, 23.09.2022

Source: Pictet

#macro

#german #ppi

Inflation pressure keep rising in Germany. PPI has accelerated to 45.8% in Aug YoY from 37.2% in Jul, highest price increase ever since start of statistic in 1949. Compared with the preceding month, PPI jumped by 7.9% in August, also the highest increase ever.

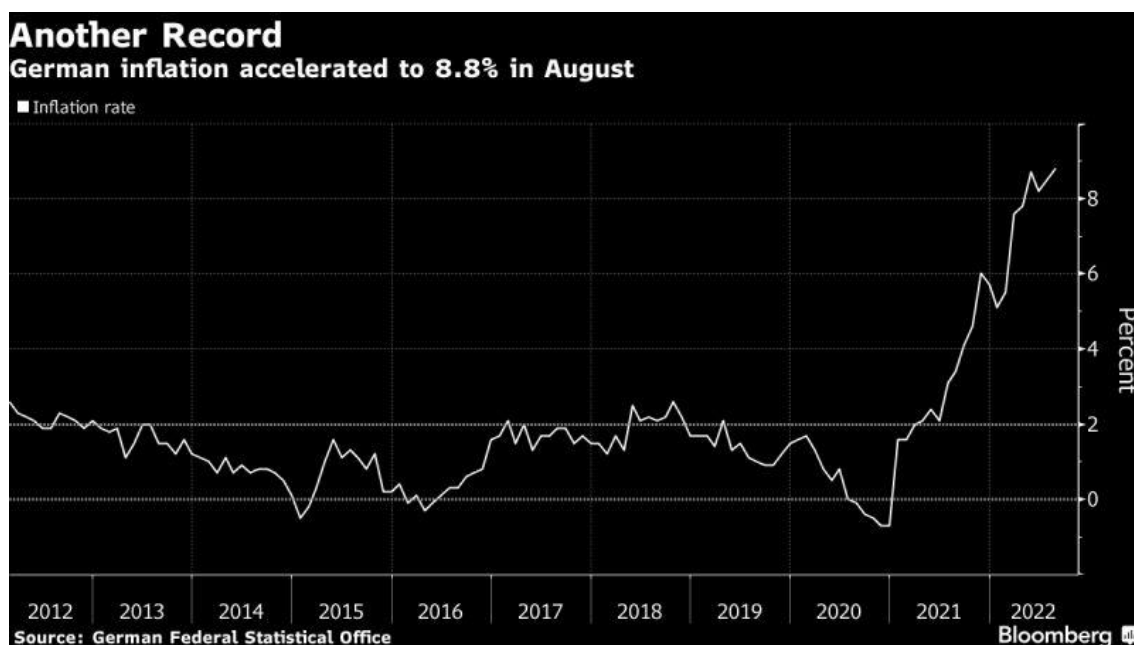


Source: Bloomberg, HolgerZ

#macro

#german #inflation

Another record for inflation in Germany. Economy Minister sees inflation as greatest econ risk: “Prices are soaring - it undermines the substance of our economy,” Lindner said. “But we cannot fight inflation with borrowed money as we did with the corona pandemic.”



Source: Bloomberg, HolgerZ

#eu #wage-price-spiral

Netherlands raises minimum wage by 10 per cent as prices surge

Rise forms part of €18bn package to ease impact of the cost of living crisis on poorer households



Lower paid workers are struggling with the impact of soaring food, fuel and housing costs © Olaf Kraak/AFP/Getty Images

#macro

#german #housing

Is the housing boom in Germany over? The Real estate lender Hypoport shares plunge as much as 34%, most ever, after the group suspended its forecast for the full year, saying residential mortgage finance customers are holding back on property purchases.



Source: Bloomberg, HolgerZ

#rates

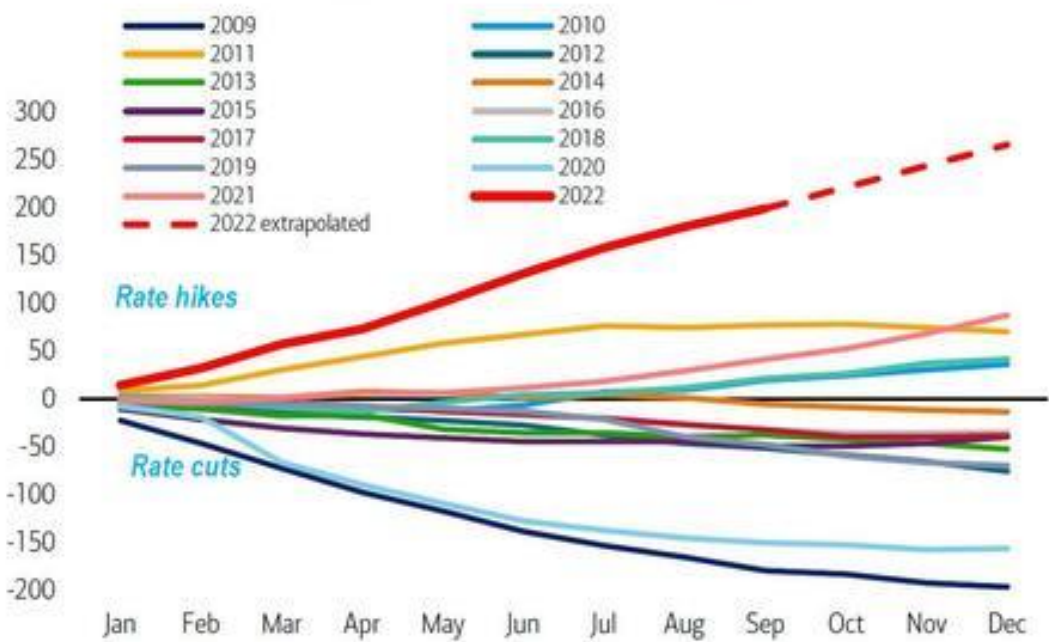
A busy week for central banks.

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	3.0%	-3.1%	Cut	Jan-16
Switzerland	Target Rate	0.50%	3.5%	-3.0%	Hike	Sep-22
Denmark	Deposit Rate	0.65%	8.9%	-8.3%	Hike	Sep-22
Eurozone	Deposit Rate	0.75%	9.1%	-8.4%	Hike	Sep-22
Thailand	Policy Rate	0.75%	7.9%	-7.1%	Hike	Aug-22
Taiwan	Discount Rate	1.63%	2.7%	-1.0%	Hike	Sep-22
Sweden	Repo Rate	1.75%	9.8%	-8.1%	Hike	Sep-22
Norway	Deposit Rate	2.25%	6.5%	-4.3%	Hike	Sep-22
UK	Bank Rate	2.25%	9.9%	-7.7%	Hike	Sep-22
Australia	Cash Rate	2.35%	6.1%	-3.8%	Hike	Sep-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
US	Fed Funds	3.13%	8.3%	-5.2%	Hike	Sep-22
Canada	Overnight	3.25%	7.0%	-3.8%	Hike	Sep-22
China	Loan Prime Rate	3.65%	2.5%	1.2%	Cut	Aug-22
Saudi Arabia	Repo Rate	3.75%	3.0%	0.8%	Hike	Sep-22
Indonesia	Repo Rate	4.25%	4.7%	-0.4%	Hike	Sep-22
Philippines	Key Policy Rate	4.25%	6.3%	-2.1%	Hike	Sep-22
India	Repo Rate	5.40%	7.0%	-1.6%	Hike	Aug-22
South Africa	Repo Rate	5.50%	7.6%	-2.1%	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	12.00%	80.2%	-68.2%	Cut	Sep-22
Brazil	Target Rate	13.75%	8.7%	5.0%	Hike	Aug-22
Argentina	Benchmark Rate	75.00%	78.5%	-3.5%	Hike	Sep-22

#centralbanks

#rates

Chart 8: 267 net rate hikes expected by year-end '22
Cumulative central bank policy rate net hikes/cuts by year



Source: BofA Global Investment Strategy, Bloomberg. Large sample of 100+ central banks
BofA GLOBAL RESEARCH

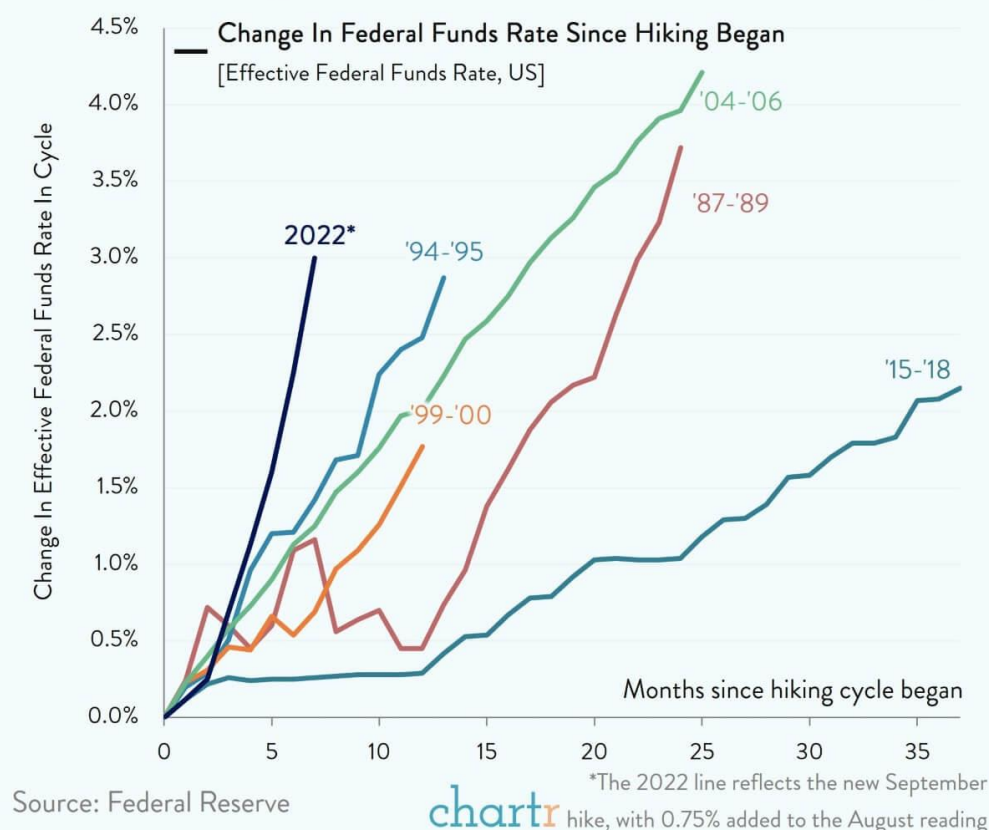
Source: BofA

#centralbanks

#fed #rates

This week the Fed signed off on its third consecutive 75bps rate hike, lifting the benchmark federal funds rate to a range of 3-3.25%. No other hiking cycle has started this steeply since the Fed started targeting the Effective Funds Rate in the 1980s.

The Fed Is Hiking Further & Faster Than Any Time In Modern History

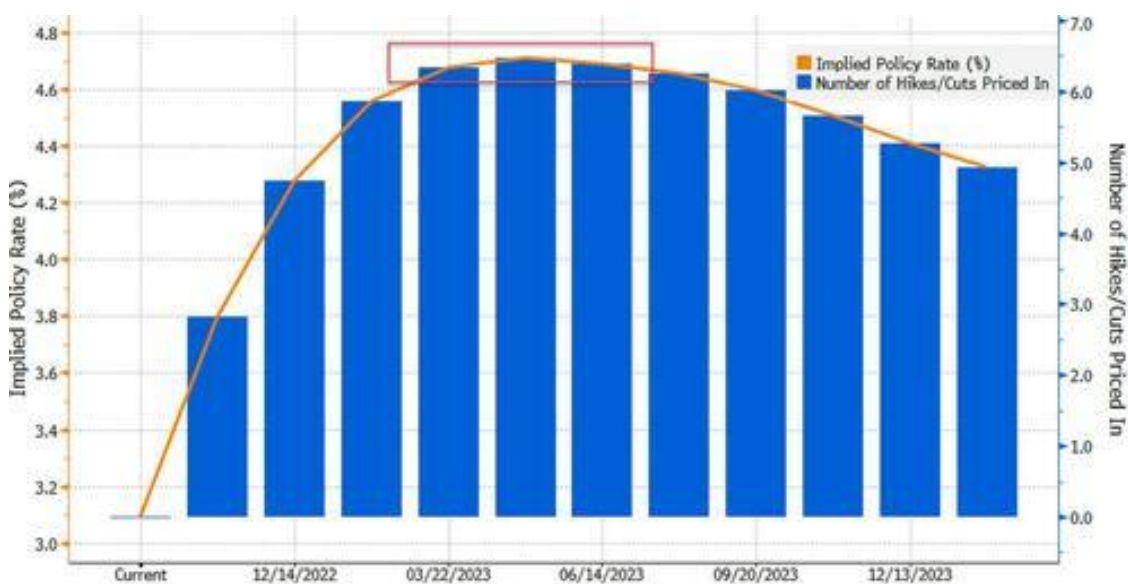


Source: Chart

#centralbanks

#fed #rates #expectations

The market is pricing of the May Fed Funds rate to a whopping 4.7%...



Source: Bloomberg, www.zerohege.com

#centralbanks

#fed



The Kobeissi Letter @Kobei... · 2h ⋮

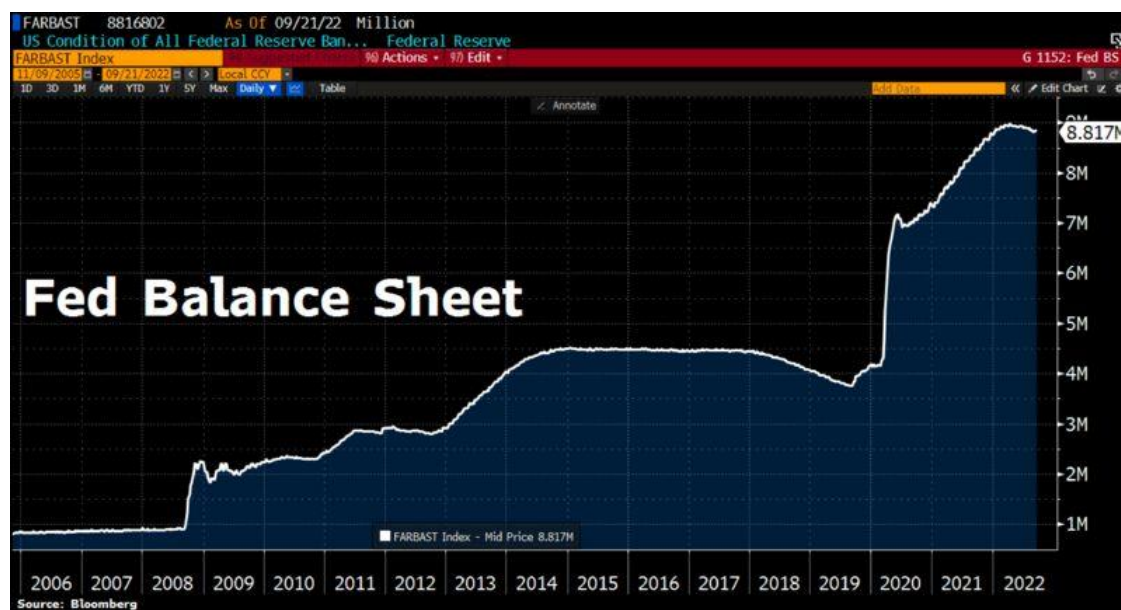
The Fed on a Recession:

1. Jan 2021: Inflation is transitory,
recession won't happen
2. May 2021: Inflation is bad,
recession unlikely
3. Nov 2021: May see a recession
4. Jan 2022: Inflation is out of control
5. NOW: Brace for a severe recession

This is systemic failure.

#us #qt

Quantitative tightening (QT) at nail pace: Reduction in the Fed's balance sheet has been extremely slow thus far. Fed balance sheet has shrunk by tiny \$16bn in past week. Since the high in April, total assets have melted down by just \$149bn, only down \$149 billion from its peak in April with assets still higher than the start of the year... Initial plan was to accelerate the unwind in September to a pace of \$95 billion/month. Fed balance sheet equal to 35% of US GDP vs ECB's 81%.

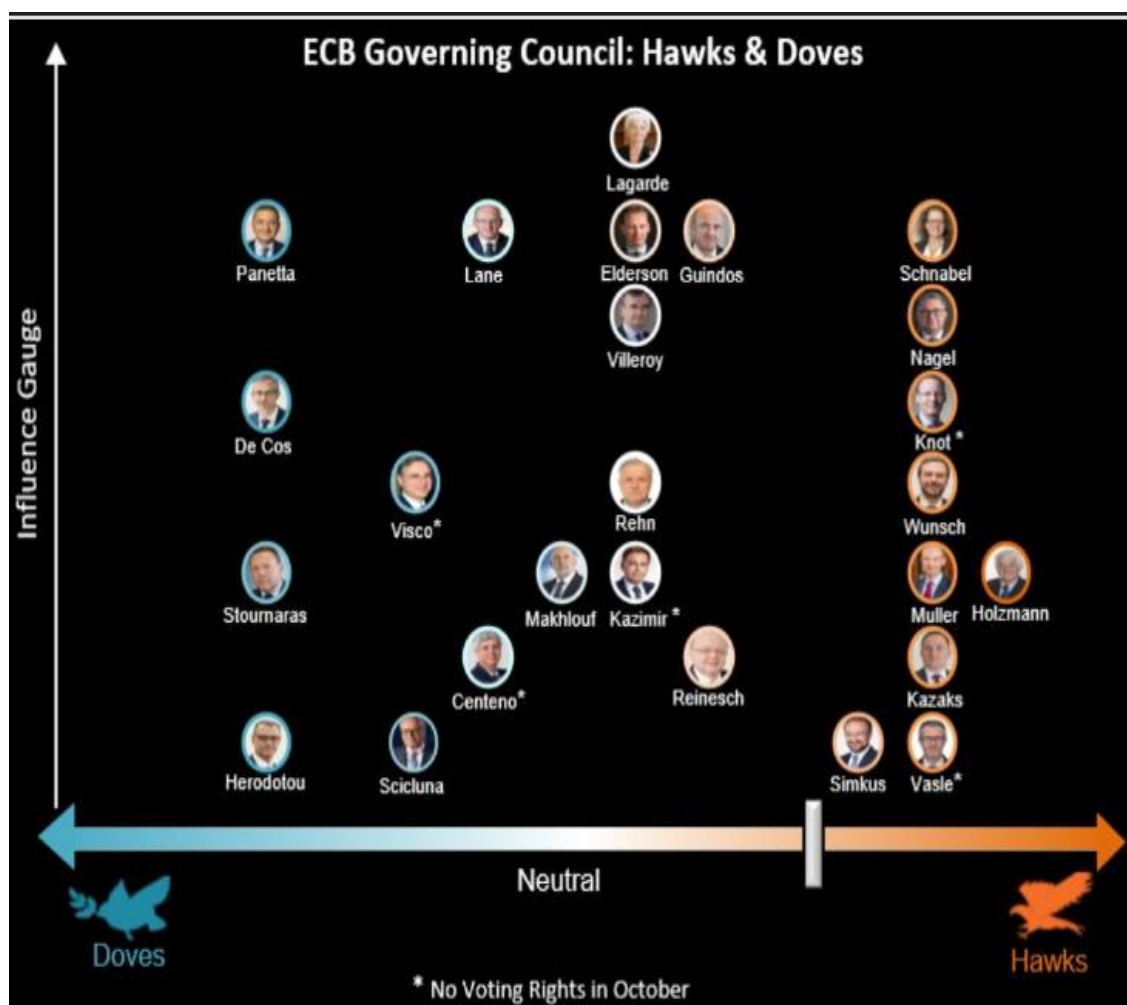


Source: Bloomberg, HolgerZ

#centralbanks

#ecb

Nagel says ECB still 'a Good Way Off' from where rates should be.



Source: Bloomberg

#centralbanks

#ecb #european-banks



Christophe Barraud @C_Barraud · 5h

🇪🇺 #ECB seeks to cut subsidy to banks as rate hikes leave it on hook, sources say - Reuters



reuters.com

ECB seeks to cut subsidy to banks as rate hikes leave it on hook, sourc...
The European Central Bank is studying ways of cutting a subsidy to banks that stands to cost it tens of billions of euros in interest, four ...

#geopolitics

#us #russia #nuclear



Christophe Barraud @C_Barraud · 4h

🇺🇸 🇷🇺 The Biden administration generally has decided to keep warnings about the consequences of a nuclear strike deliberately vague, so the Kremlin worries about how Washington might respond, the officials said - Washington Post



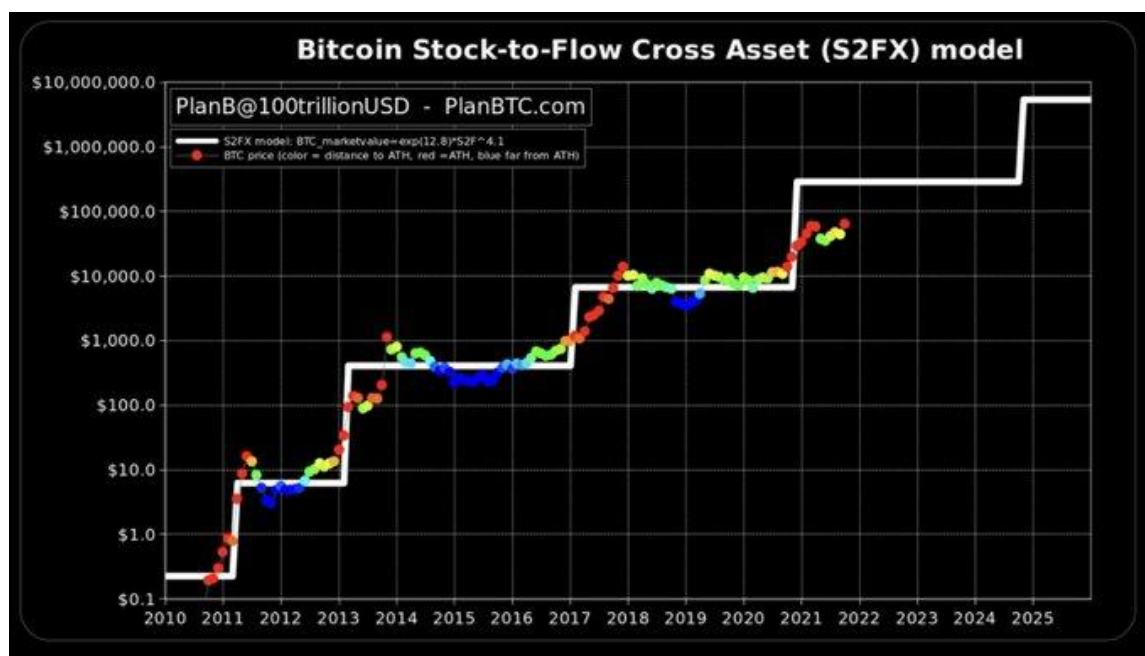
washingtonpost.com

U.S. has sent private warnings to Russia against using a nuclear weapon
The United States has kept warnings about the consequences of a Russian nuclear strike in Ukraine deliberately vague, so the Kremlin ...

#cryptos

#bitcoin #planb

So where are we in the Stock-to-Flow model?



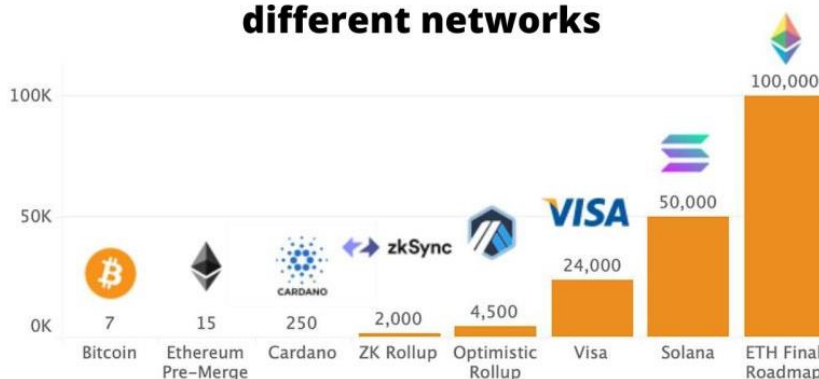
Source: PlanB

#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

#digital-euro

ECB chooses Amazon and 4 other companies to help develop Digital Euro. Amazon will focus on e-commerce payments. The five companies were chosen from a pool of 54 front-end providers, the European central bank detailed, adding that they best matched the “specific capabilities” required for the assigned use case.



Source: News.bitcoin

#cryptos

#cryptocurrencies #adoption



Source: Chainanalysis

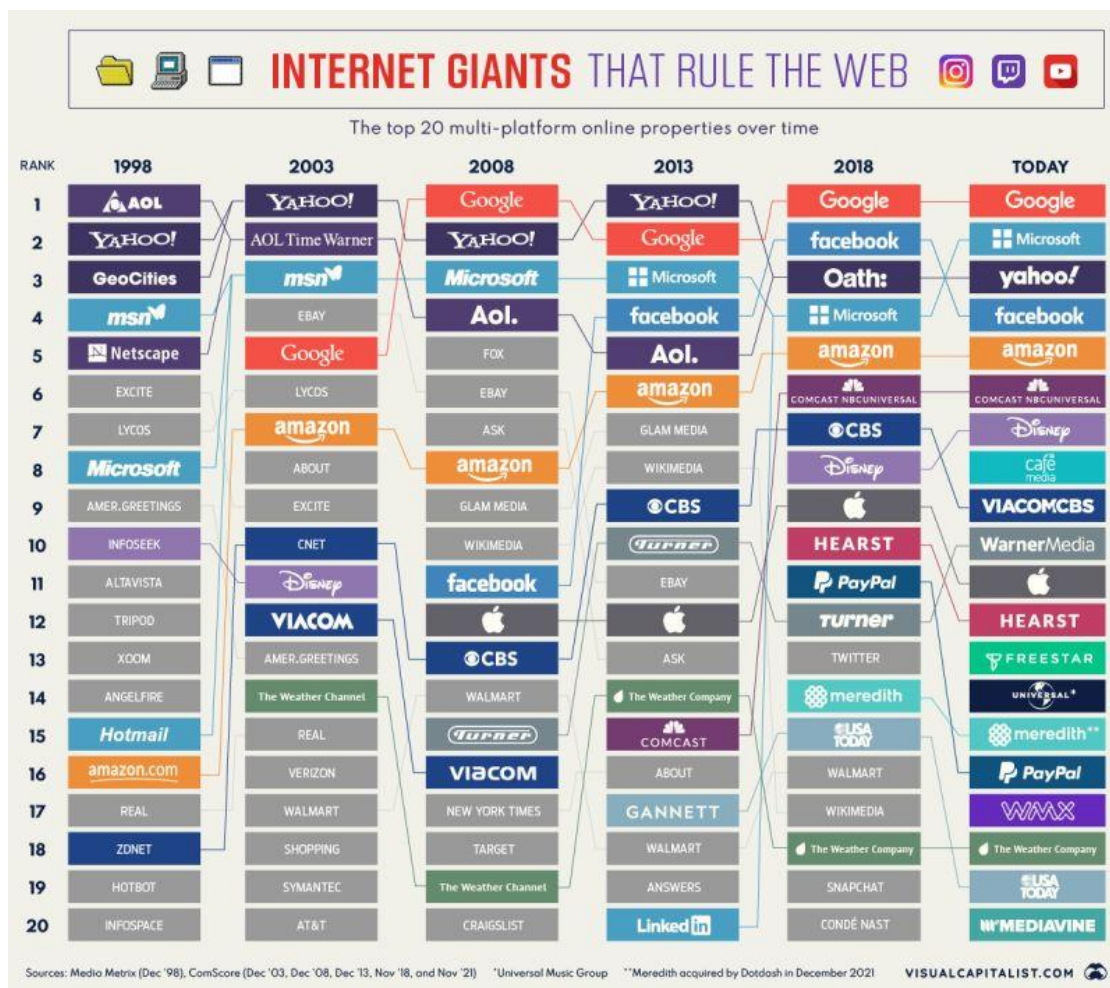
#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

24 SEPTEMBER 2022

#food-for-thought

#internet #giants



Source: Visual Capitalist

#food-for-thought

#monopolies

Investing into (quasi) monopolies... This can often leads to superior returns as these businesses often tend to have a huge economic moat. As shown by Compounding quality, here's a list of Buffett's monopoly investments.

Buffett's Monopoly Companies

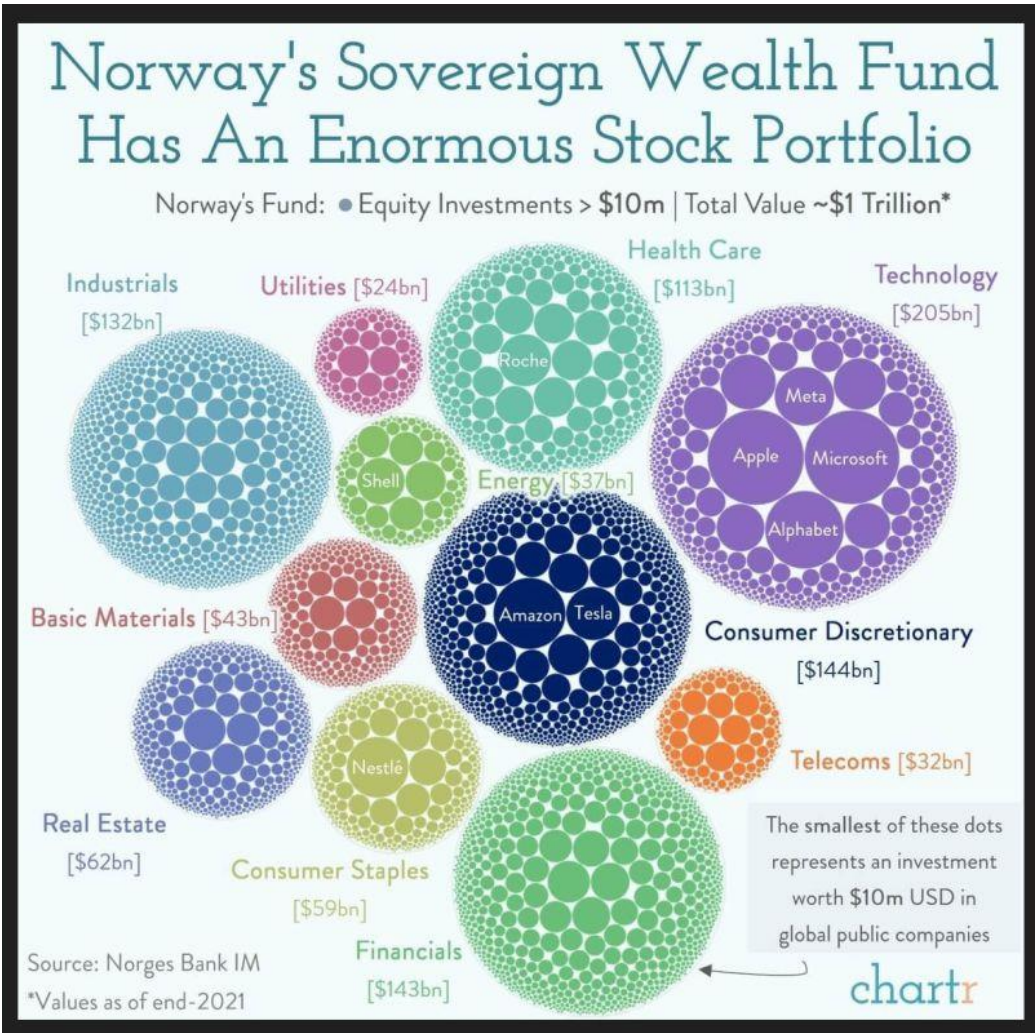
Industry	Buffett's Investments	Market Share	Industry Leaders
Credit & debit cards	Visa, Mastercard, Amex	99	Visa, Mastercard, American Express
Credit rating agency	Moody's	95	S&P, Moody's, Fitch
Kidney dialysis	Davita	92	Fresenius, Davita
Rail transportation	BNSF Railway	87	BNSF, Union Pacific, CSX, Norfolk Southern
Paint	Benjamin Moore	84	Sherwin-Williams, Benjamin Moore, Behr
Courier	UPS	82	UPS, FedEx
Domain names	Verisign	80	Verisign
Domestic airlines	DAL, AAL, UAL, LUV	80	Delta, American, United, Southwest
Batteries	Duracell	75	Duracell, Energizer
Mobile homes	Clayton Homes	71	Clayton Homes, Champion, Cavco
Gold & silver mining	Barrick Gold	66	Newmont, Gold, AngloGold, Kinross
Soda	Coca-Cola	57	Coca-Cola, PepsiCo, Keurig Dr Pepper
Commercial Banking	JPM, BAC, WFC, USB, BK	44	JPM, BAC, WFC, C, USB

Source: Compounding Quality

#food-for-thought

#norges

Norway Sovereign Wealth fund has ballooned into a behemoth of the investing world. Visualized below are the ~5,400 of the fund's equity investments that at the end of last year had a market value of more than \$10m.



Source: Chattr

#food-for-thought

#africa #start-up

The startup scene in Africa is accelerating at a rapid pace, according to Google's 2021 Africa Developer Ecosystem report.

Africa's Booming Startup Scene

African startups raised more than **\$4 billion** in 2021

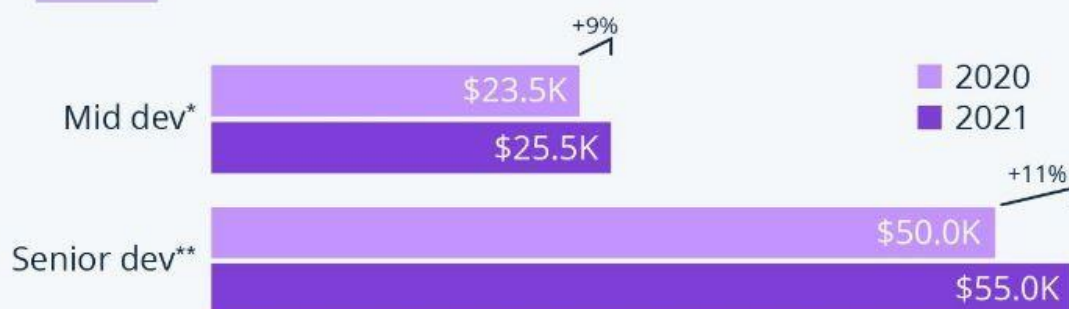
That's **2.5x** since the year before

40% more new startup deals closed in 2020 than in 2019

81% of venture capital funding in Africa went to Nigeria, South Africa, Egypt and Kenya.



Software developers' pay is increasing



* Based on 291,452 devs ** Based on 259,395 devs

Source: Google/Accenture | Africa Developer Ecosystem 2021





statista

#food-for-thought


#canal-flation

Rates to increase by 15pct for most vessels starting Jan 1. 2023.

 **Prof. Michael Tanchum** @michaeltanchum · 19h

  Egypt to raise Suez Canal rates on Jan 1. 2023

- 15% increase for most vessels
- 10% for dry bulk ships and cruise ships,

 #Egypt expects annual revenues to rise by \$700 million after rate hike

#shipping #supplychains #Egypt #SuezCanal #inflation



6:48 PM · Sep 18, 2022 · Twitter for Android

Source: Lynn Alden

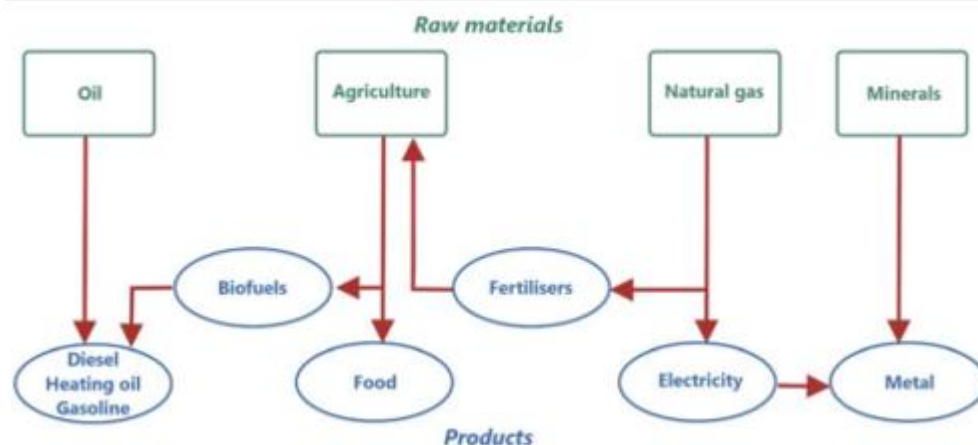
#food-for-thought

#natural-gas #europe

Natural gas runs through the veins of right about EVERY corner of the European economy.

Some key connections in the commodity space

Graph 1



Source: Authors' elaboration.

Source: AndreasStenoLarsen

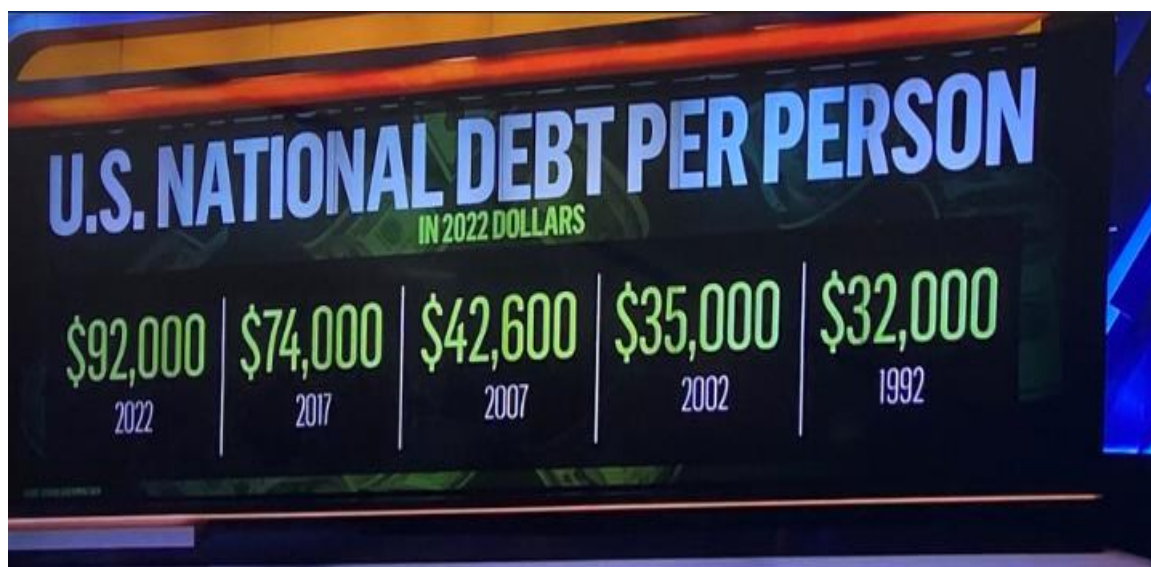
#food-for-thought

#us #national-debt

U.S. National Debt Per Person

1992 : \$ 32,000

2022 : \$ 92,000.

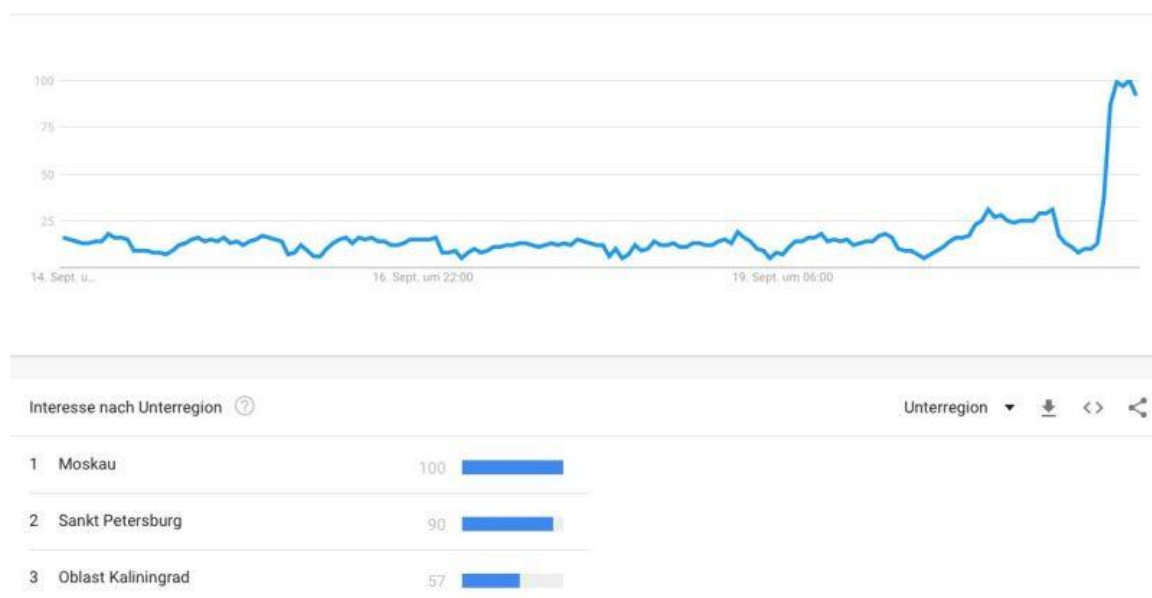


Source: CNBC

#food-for-thought

#leaving #russia

Russians willing to leave their country after #Putin's call-up for war. Google search activity for "Aviasales" surged in Russia after Putin ordered a "partial mobilization" (300,000 reservists). Aviasales is Russia's website for purchasing flights. One-way flights out of Russia are selling out.






Source: Google Trends

#food-for-thought

#leaving #russia

Tickets price from Moscow to Tel Aviv .. Those who are supposed to be drafted (and have the privilege) are fleeing from Russia at any price.

Best	Cheapest				
	17:30	—□—	18:00 +1		\$9,383
	DME	24h 30m	TLV		
Emirates					♡
	17:30	—□—	22:55 +1		\$9,383
	DME	29h 25m	TLV		
Emirates - Operated by flydubai					♡
	17:30	—□—	23:45 +1		\$9,383
	DME	30h 15m	TLV		
Emirates - Operated by flydubai					♡

#food-for-thought

#crocs

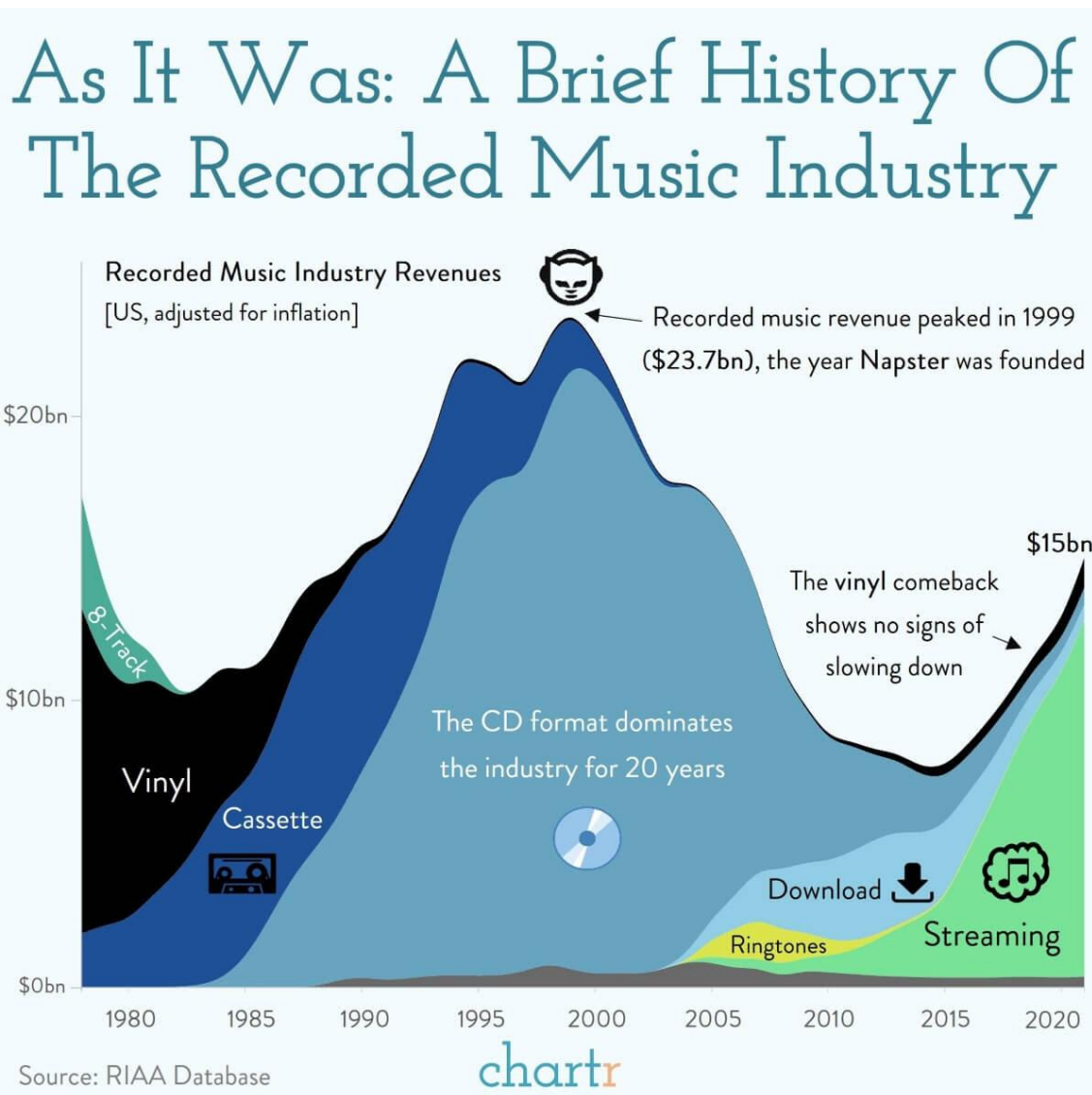
Popular shoemaker, Crocs, has teamed up with Dallas-based 7-Eleven to bring us the latest shoe collection, and it is quite the treat. Literally! Customers must enter a drawing for a chance to purchase a pair of the limited edition 7-Eleven X Crocs Mega Crush Clogs through Sept. 22. Fans will be notified if they've been selected, and quantities are limited to one pair per customer.



Source: nbc dw

#food-for-thought

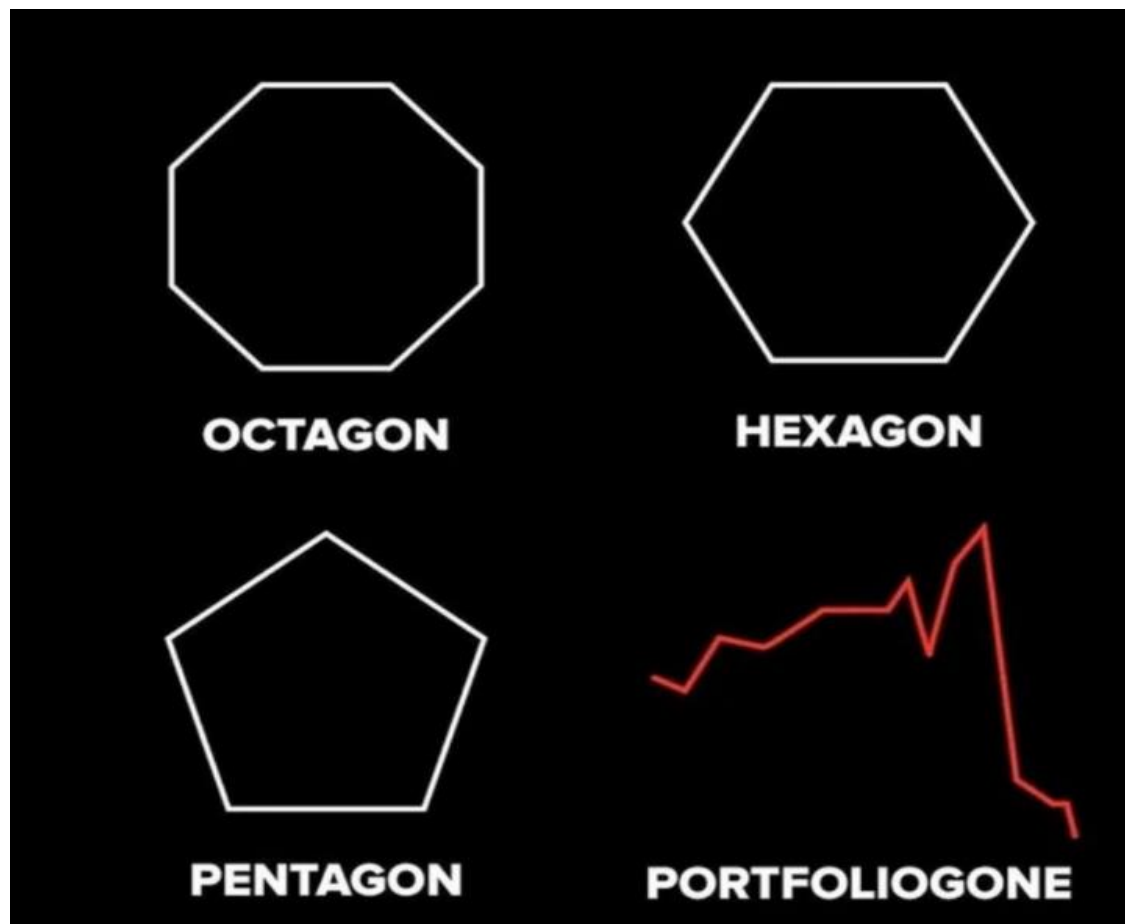
#music-industry



Source: Chartr

#food-for-thought

#portfoliogone



Source: Bloomberg

#food-for-thought

#us #equity #markets



#food-for-thought

#powell



Sven Henrich  @Northman... · 2h 

Let's blow a bubble and let inflation get out of control, then let's crash markets and let currencies and yields get out of control all the while blowing every forecast in the process.

Yes, a real genius.



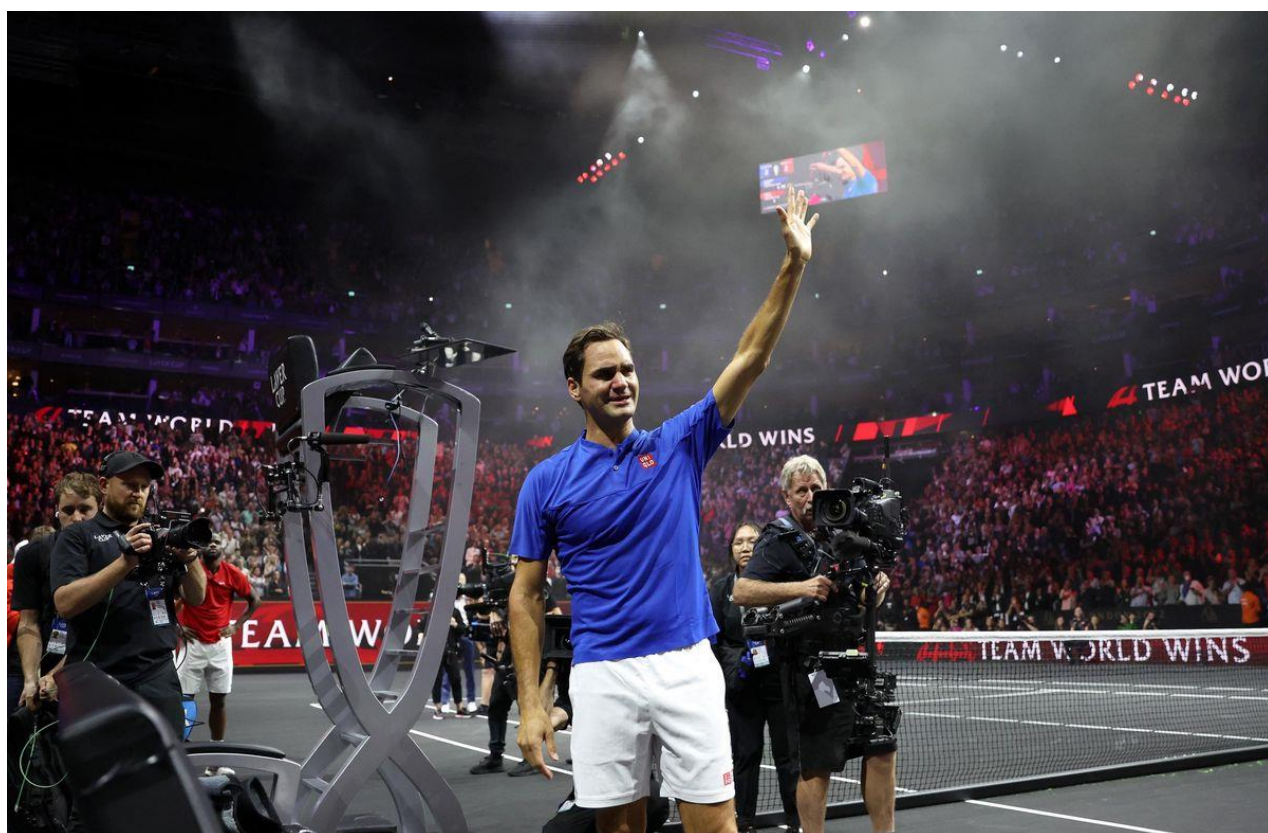
#GLOBALMARKETS WEEKLY WRAP-UP

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24 SEPTEMBER 2022

#food-for-thought

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