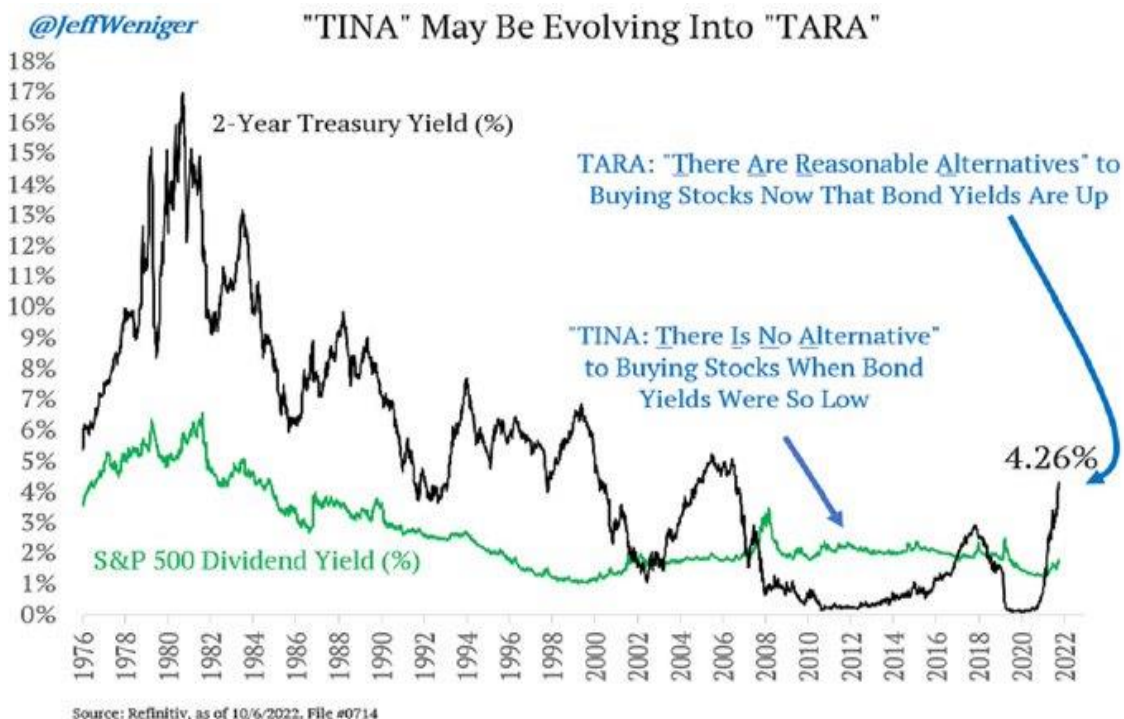


Chart of the week

From "TINA" to "TARA"

The old trade -- TINA, or "There Is No Alternative" – was about to buy everything (meme stocks, unprofitable tech, Miami condos, etc.) as bonds offered 0%. But now, 4.30% on 2-year Treasuries (so no duration risk) is a fundamental game changer for everything you associate with the QE era. This is a market which is more favorable for income types of investments and much less favorable to the old QE winners (tech, speculative stocks, etc.)



Source: Jeff Weniger

Stocks rebound but US jobs data spoiled the party

Stocks ended higher for the first time in four weeks but surrendered most of their gains, as jobs data suggested the Federal Reserve might not be enough. Stocks bounced off nearly two-year lows on Monday and Tuesday, with the S&P 500 rising 5.6%, its best two-day move since 2020 and the third-best start to an October since 1930. Energy sharply outperformed the S&P 500 Index as oil prices surged following a OPEC+ group of oil exporters to cut a 2 million-barrel per day on Wednesday. Signs of labor market strength also seemed to deepen inflation fears. On Friday, the Labor Department reported that the economy had added 263,000 jobs in September, while the unemployment rate had fallen back to multiyear lows of 3.5%. A surprise drop in the participation rate, to 62.3%, indicating that competition for available workers would remain intense. U.S. Treasury yields increased Friday morning after the nonfarm payrolls data, reversing their decline earlier in the week on the decline in job openings and the Australian central bank's decision to raise rates by 0.25% instead of 0.50%. Shares in Europe gained ground, following global peers, on hopes that central banks might start scaling back interest rate increases. In local currency terms, the pan-European STOXX Europe 600 Index ended the week 0.98% higher while ECB minutes show rising worries about inflation. China's stock markets were shut for the National Day holiday from October 1 to October 7, otherwise known as Golden Week.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

8 OCTOBER 2022

#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	29,297	2.0%	-19.4%
S&P 500 Index	3,640	1.5%	-23.6%
NASDAQ	10,652	0.7%	-31.9%
MSCI EAFE *	1,718	3.4%	-26.4%
10-yr Treasury Yield	3.89%	0.1%	2.3%
Oil (\$/bbl)	\$92.52	16.4%	23.0%
Bonds	\$95.82	-0.5%	-14.2%

Source: Factset. 10/07/2022. 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, Factset



#bear #markets

The biggest positive spikes happen more frequently in bear than in bull markets and not randomly.

Bear markets are explosive!

Distribution of S&P 500 daily changes since 1928

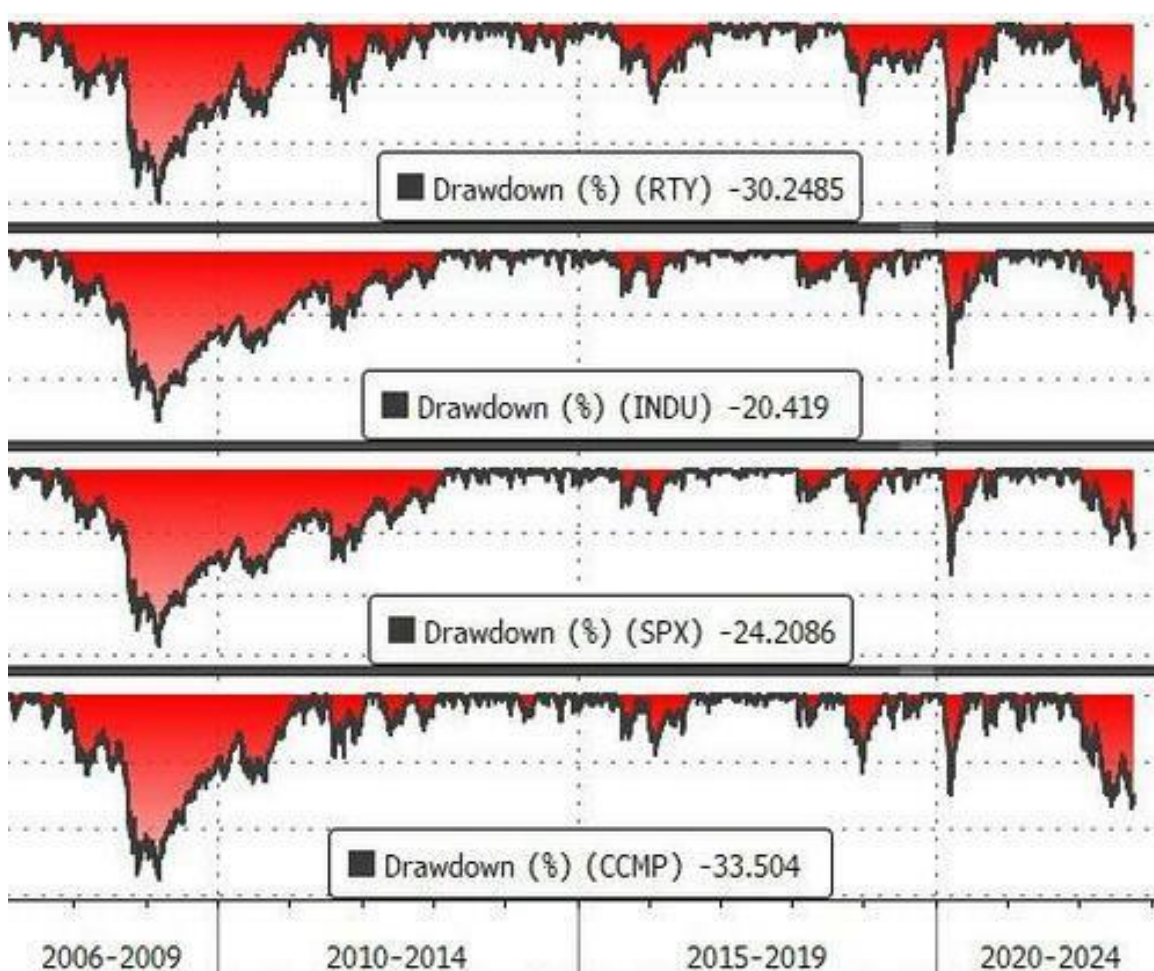


Source: Hulbert Ratings

Source: Mark Hulbert MarketWatch via Jesse Felder

#us #equities #bear-market

All the majors remain in 'bear market' territory, down over 20% from their highs...

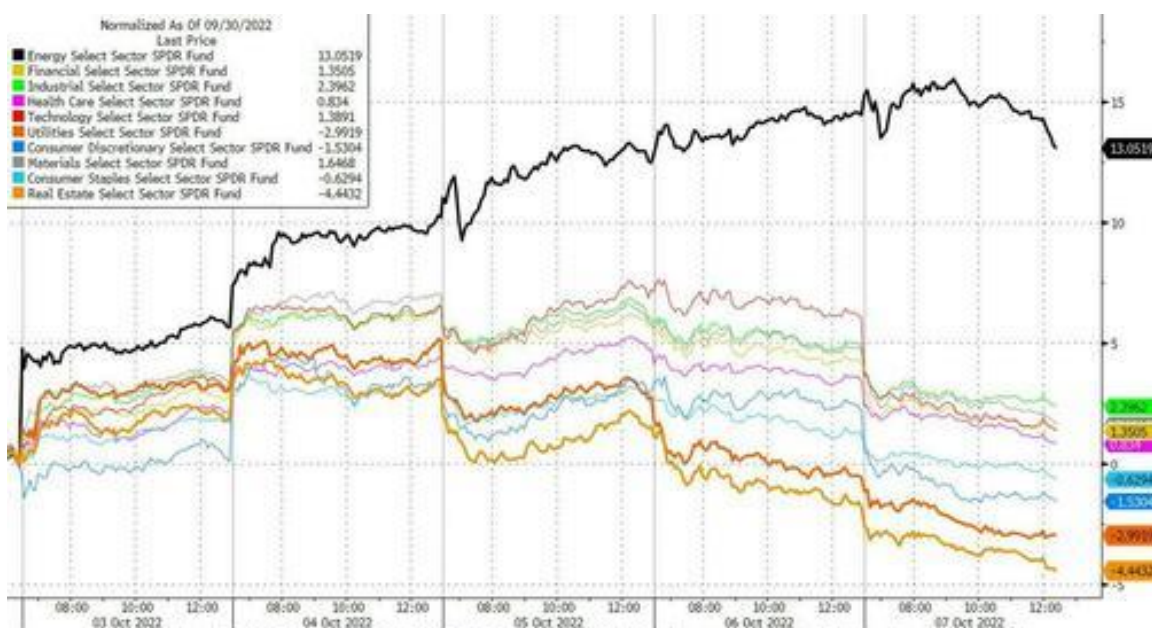


Source: www.zerohedge.com, Bloomberg



#us #equities #weekly #performance

Energy was the week's big winner with Real Estate and Utilities underperforming.

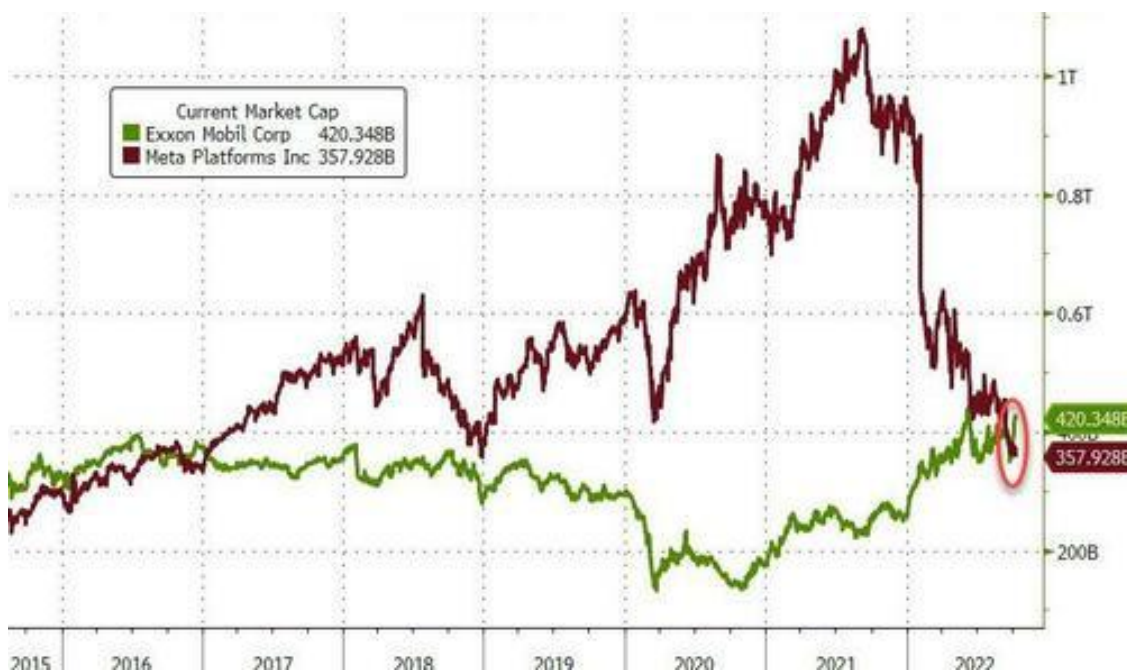


Source: Bloomberg, www.zerohedge.com



#energy #hector

Exxon had its greatest weekly return ever, which as Meta collapsed pushed its market cap above the giant tech platform's for the first time since 2016...



Source: www.zerohege.com , Bloomberg



#us #equities

The surge in bond yields has driven equities lower.



Source: Edward Jones

#us #equities #valuations

Market cap is one thing, but Enterprise Value reflects also net debt. Relative to sales we have just arrived at the top of the 2000 dotcom bubble. (Goldman Sachs)



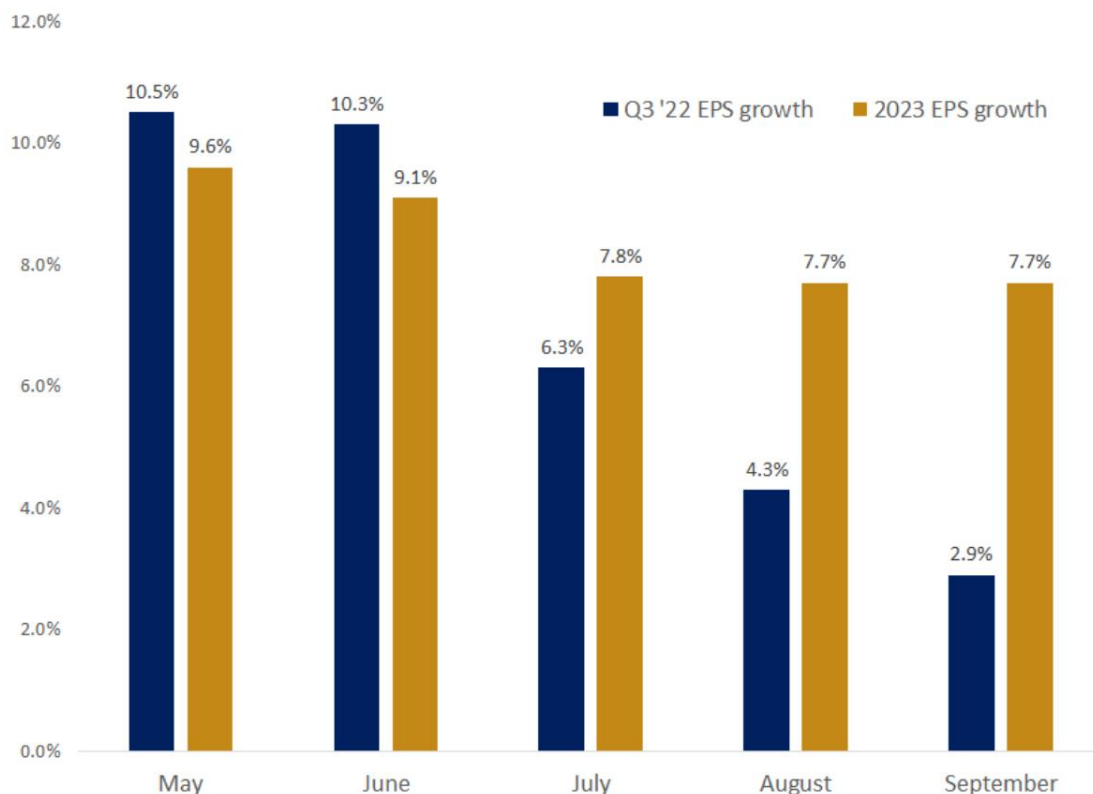
Source: Goldman Sachs Global Investment Research

Source: Goldman Sachs

#us #equities #2023 #eps #estimates

Analyst estimates for third-quarter earnings growth have fallen notably ahead of results (from 10.5% five months ago to 2.8% now), and therefore expectations are subdued. But estimates for next year remain elevated given the macroeconomic challenges and could be adjusted lower.

Change in Q3 and 2023 EPS estimates

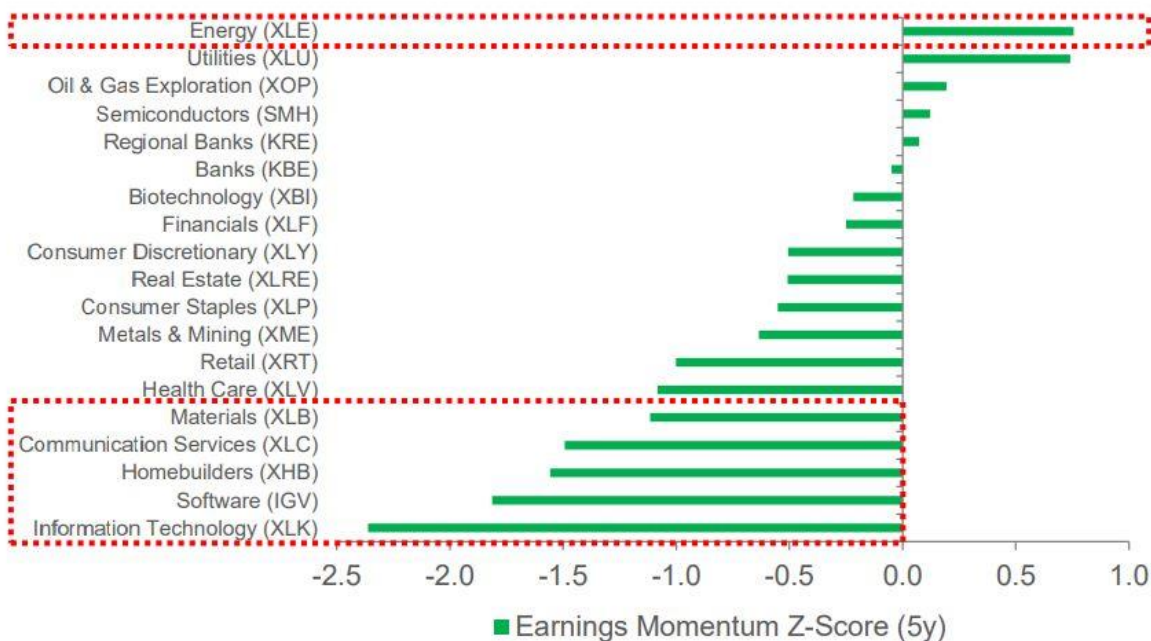




#us #earnings #momentum

Energy - one of the only sectors still seeing positive earnings momentum ...

Energy remains one of the only sectors still seeing positive earnings momentum heading into Q3 earnings season



Sources: Bloomberg, BNP Paribas; 5y ZS of 1m EPS \$ chgs. as % of spot

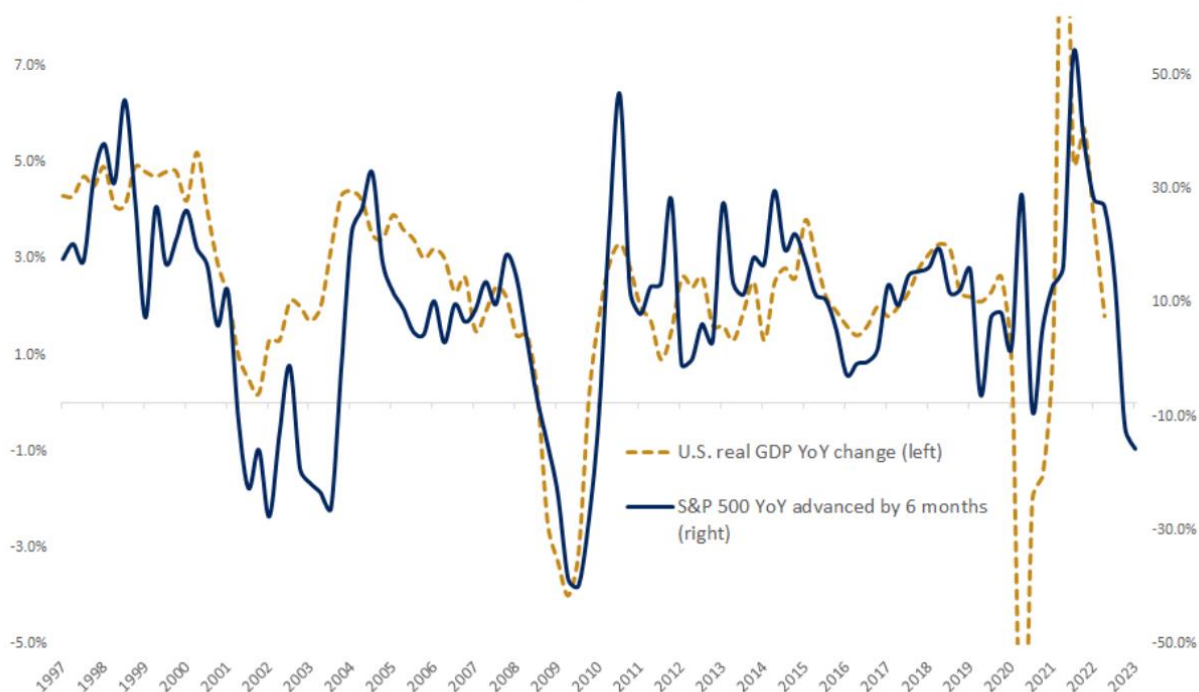
Source: xxx



#us #equities #macro

Stocks are forward-looking and move ahead of the economy by about six months, as shown in the graph below. The 25% decline in equities since January likely already reflects a mild recessionary outcome. If the downturn doesn't prove to be severe, equity markets could stabilize even as economic data underwhelms.

Growth to slow further but the decline in equities likely already reflects a mild recession



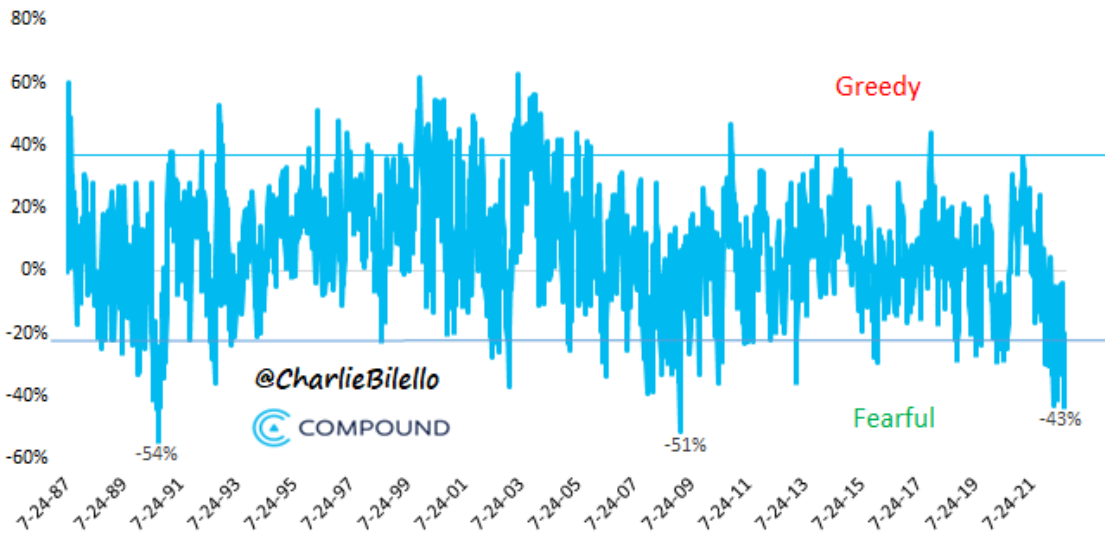
Source: Edward Jones



#investors #sentiment

Fear is good

**AAll Sentiment Survey: % Bulls minus % Bears
(July 1987 - September 2022)**

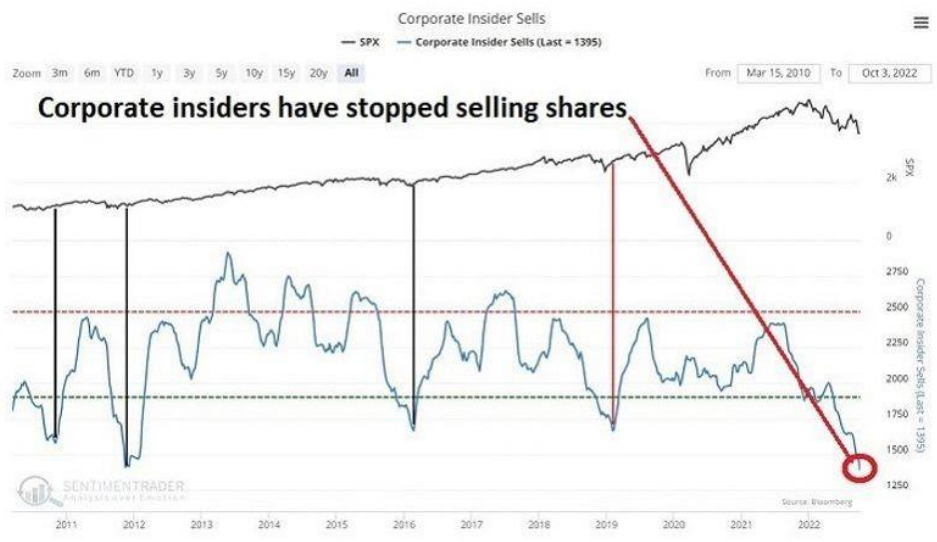


Source: Charlie Bilello



#investors #sentiment

Intriguing dichotomy: Retail trader put buying soared (betting on a Crash?) while corporate insider selling plummeted.





#etf #flows

No capitulation in major stock ETF flow, as retail money keeps buying waiting “the pivot”.

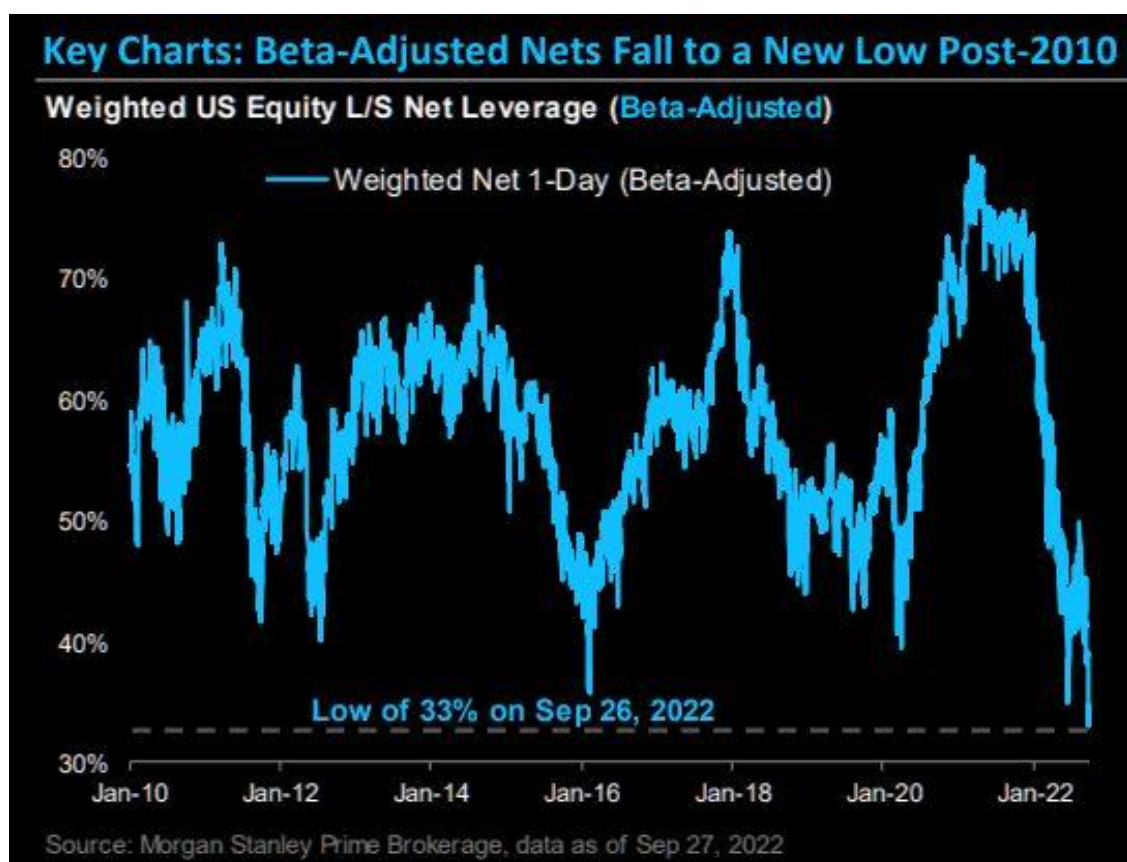


Source: Charlie Bilello

#markets

#hedge-funds #leverage

Hedge funds are running low on leverage -- We are now at April 2009 level according to Morgan Stanley.

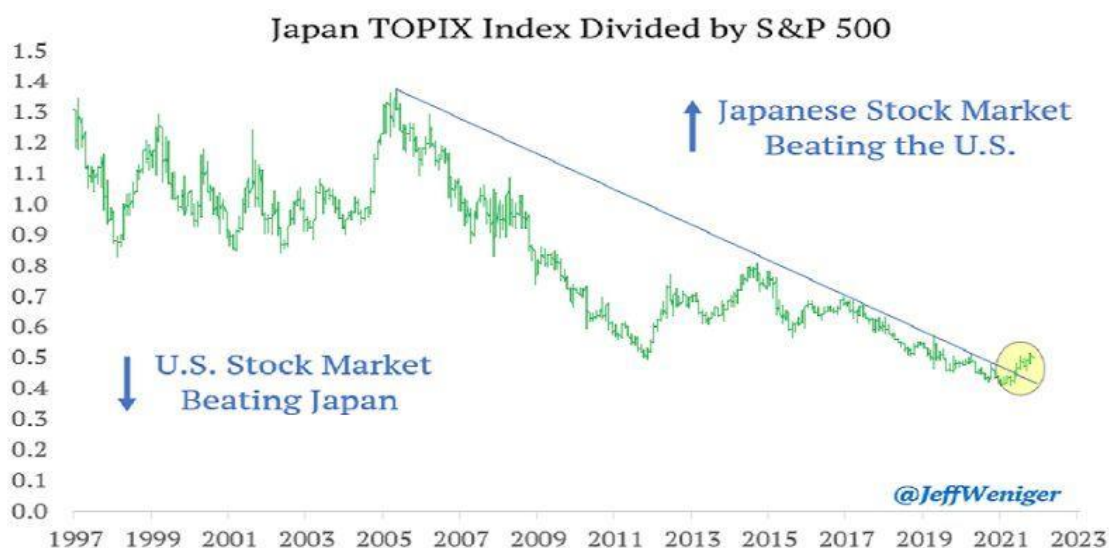


Source: Bloomberg

#markets

#japan #equities

Global fund managers are still heavily underweight Japan. So maybe it continues to be worth a closer look.



Source: Refinitiv, as of 10/5/2022. File #0630

Source: Jeff Weniger



#porsche #volkswagen

Porsche overtakes Volkswagen as Europe's most valuable carmaker: Porsche hits €85bn valuation, above Volkswagen.



Source: Bloomberg

#credit-suisse

Credit Suisse will buy back up to 3 billion Swiss francs (\$3 billion) of debt, an attempt by the Swiss bank to show its financial muscle and reassure investors concerned about the lender's overhaul and how much it may cost.

Credit Suisse pays down debt to calm investors

By John Revill



A clock is seen near the logo of Swiss bank Credit Suisse at the Paradeplatz square in Zurich, Switzerland October 5, 2022.

REUTERS/Arnd Wiegmann/File Photo

Source: Reuters



#credit-suisse



Lyn Alden @LynAldenContact



Credit Suisse is up 23% since this tweet.

I don't have any opinion on European banks in particular and didn't bet on this either way, but for most people, spending time researching banks will be less useful than spending time researching sovereigns, energy, and inflation.



Lyn Alden @LynAldenContact · Oct 2

Replying to @bradmillsan @jameslavish and 3 others

I think the canary is the sovereign bond market. liquidity, volatility, qe, ycc

imo too many people expect the next crisis to emanate from the banks again, but instead it will emanate at the sovereign level.

That has been my view for a while and it has been trending that way.

1:24 AM · Oct 8, 2022 · Twitter Web App



#us #bonds

US 2y yields jump to 4.29% after hot US jobs data, reaffirming traders' bets for another big Fed rate hike.



Source: Bloomberg, Holgerz



#us #treasuries #liquidity

US Treasuries liquidity problem exposes the Fed to 'Biggest Nightmare'

Stakes Are High

Actions urged to bolster market as Treasuries liquidity falters



Source: Bloomberg

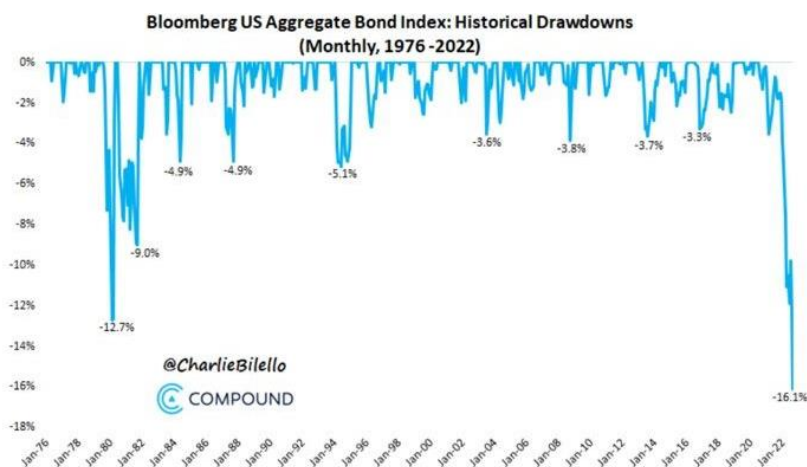


Source: Bloomberg



#us #bonds #drawdown

The 16% decline over the last 26 months is now the longest and largest drawdown in history for the US bond market.



Bloomberg US Aggregate Bond Index: Drawdowns >3% (Monthly Data, 1976 - 2022)					
Start Month	End Month	# Months	Max Drawdown (Monthly)	New High Month	# Months: Low to New High
Aug-20	Sep-22	26	-16.1%	?	?
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



@CharlieBilello

(As of 9/30/22)

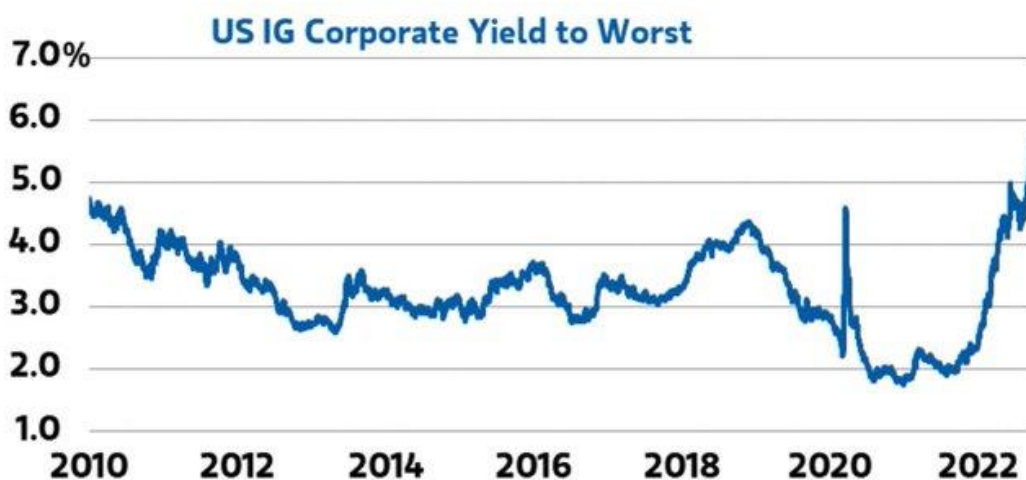


Source: Charlie Bilello

#markets

#us #investment-grade #bonds

US Investment Grade Corporate Bond Yields Are at Their Highest in More Than a Decade



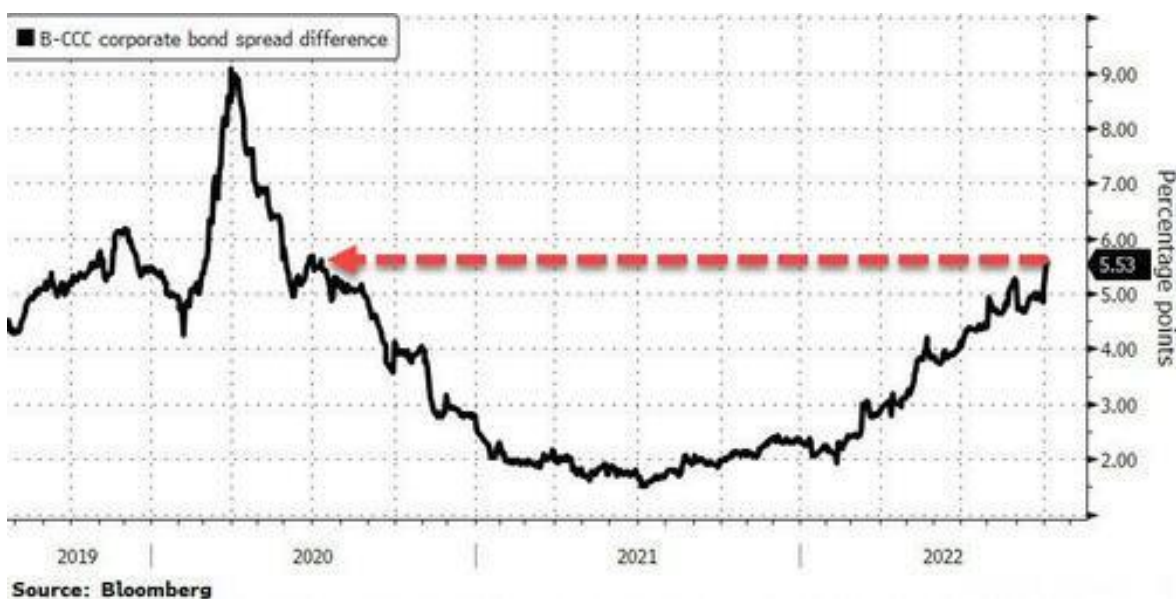
Source: Bloomberg as of Sept. 30, 2022

Source: Bloomberg



#us #credit #market

Credit market stress is starting to accelerate with the gap between higher- and lower-rated bonds widening as funding costs surge and earnings weaken

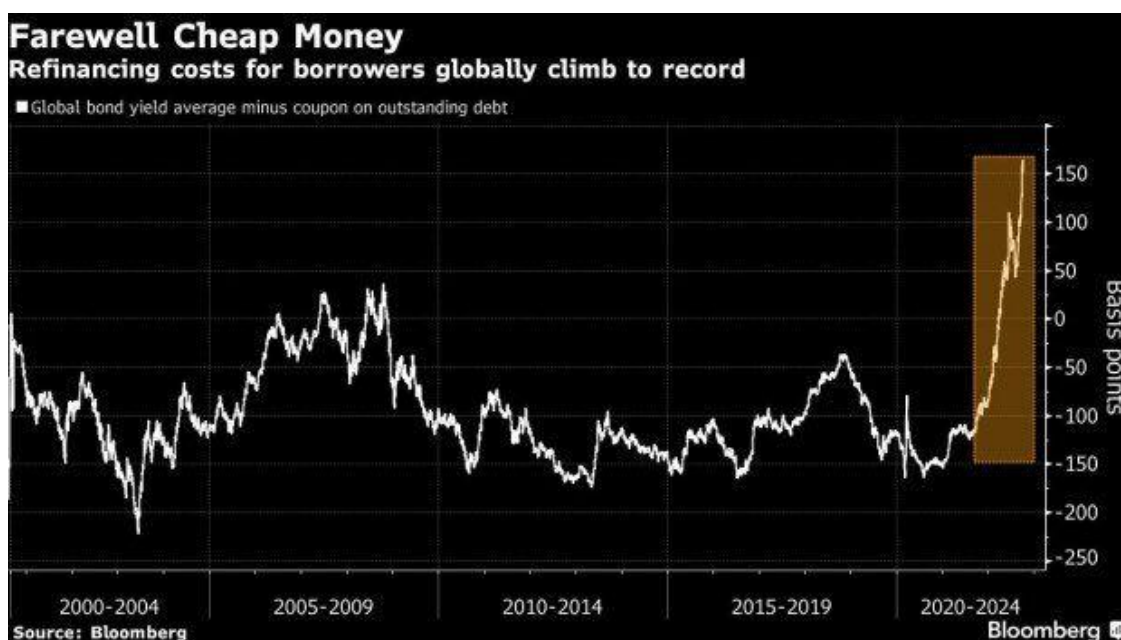


Source: xxx

#markets

#global #debt #refinancing #cost

Global debt is going to implode if we continue to follow this path. Is there a liquidity crunch on the way?

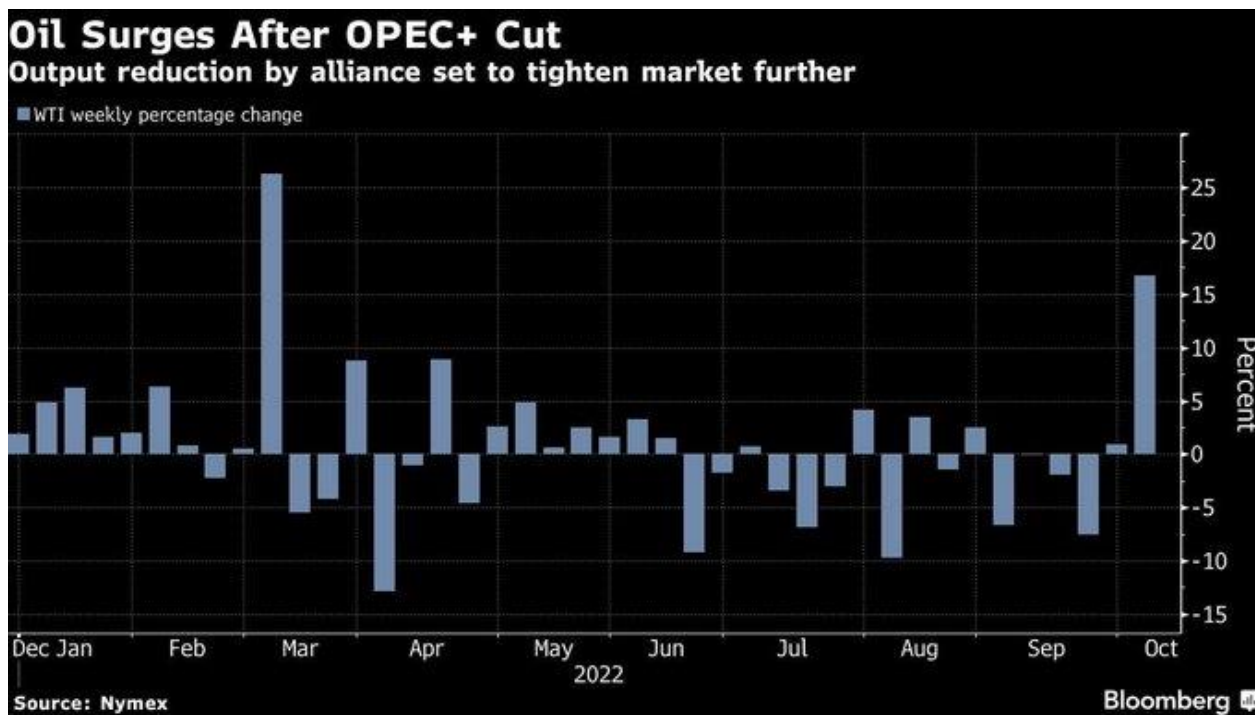


Source: Bloomberg



#oil #rebound

WTI recorded the biggest weekly gain since March on supply fears & strong US economic data. That’s quite a rebound in the price of oil. If sustained, it will start pressuring the presumption that headline inflation will maintain its downward trajectory into the end of the year — this at a time when core inflation is still rising.

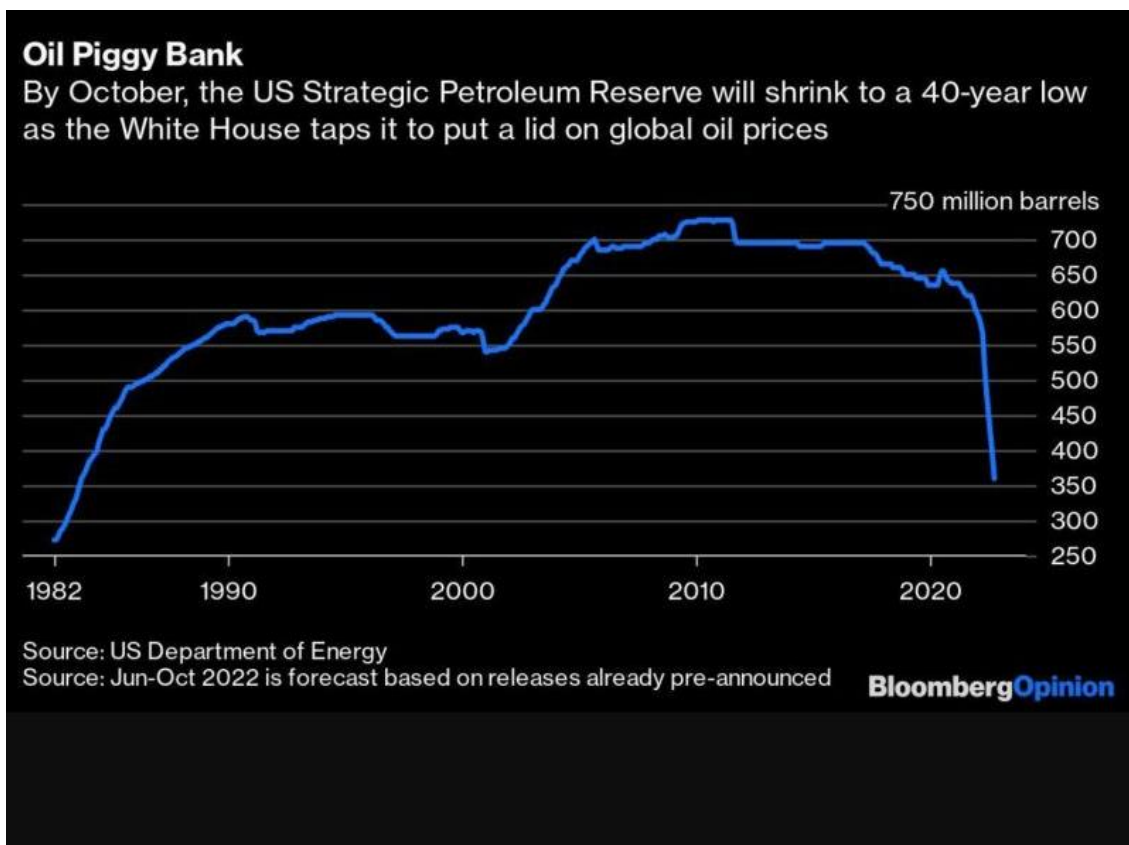


Source: Bloomberg



#oil #us #reserves

Wednesday's OPEC+ today announcement that they are cutting oil supply by 2mb per day makes Biden's release of 1mb per day look increasingly futile... and unsustainable as the SPR is getting depleted to dangerously low levels...

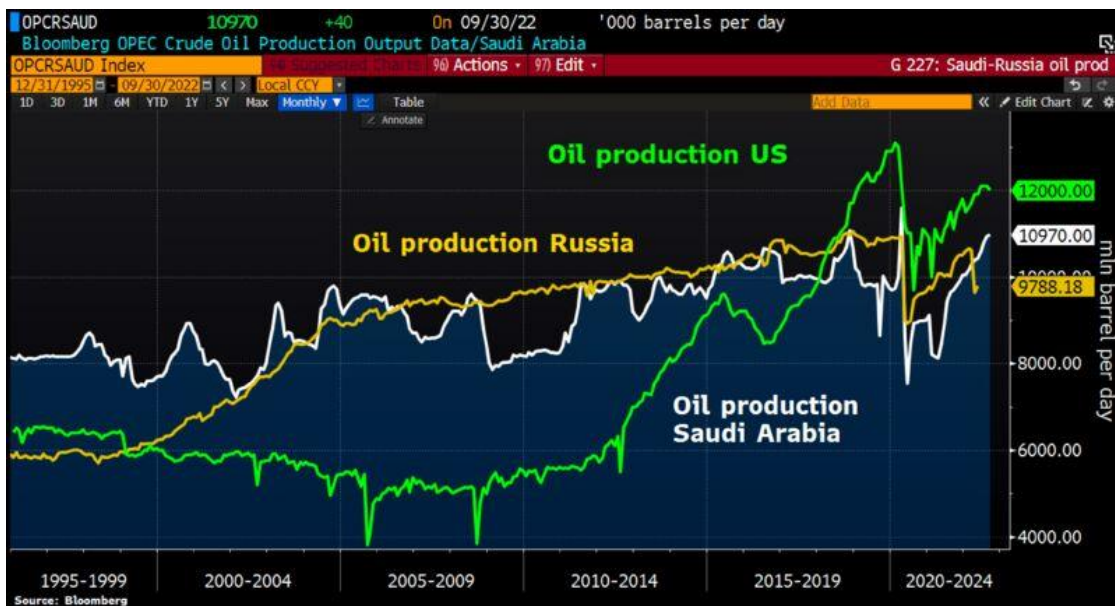


Source: Bloomberg



#oil #production

OPEC and its allies are slashing oil production by 2 million barrels a day. The Biden administration strongly lobbied OPEC to continue oil production at current levels or higher, because the move is expected to worsen inflation worldwide. But it didn't work. We probably have entered a new era.

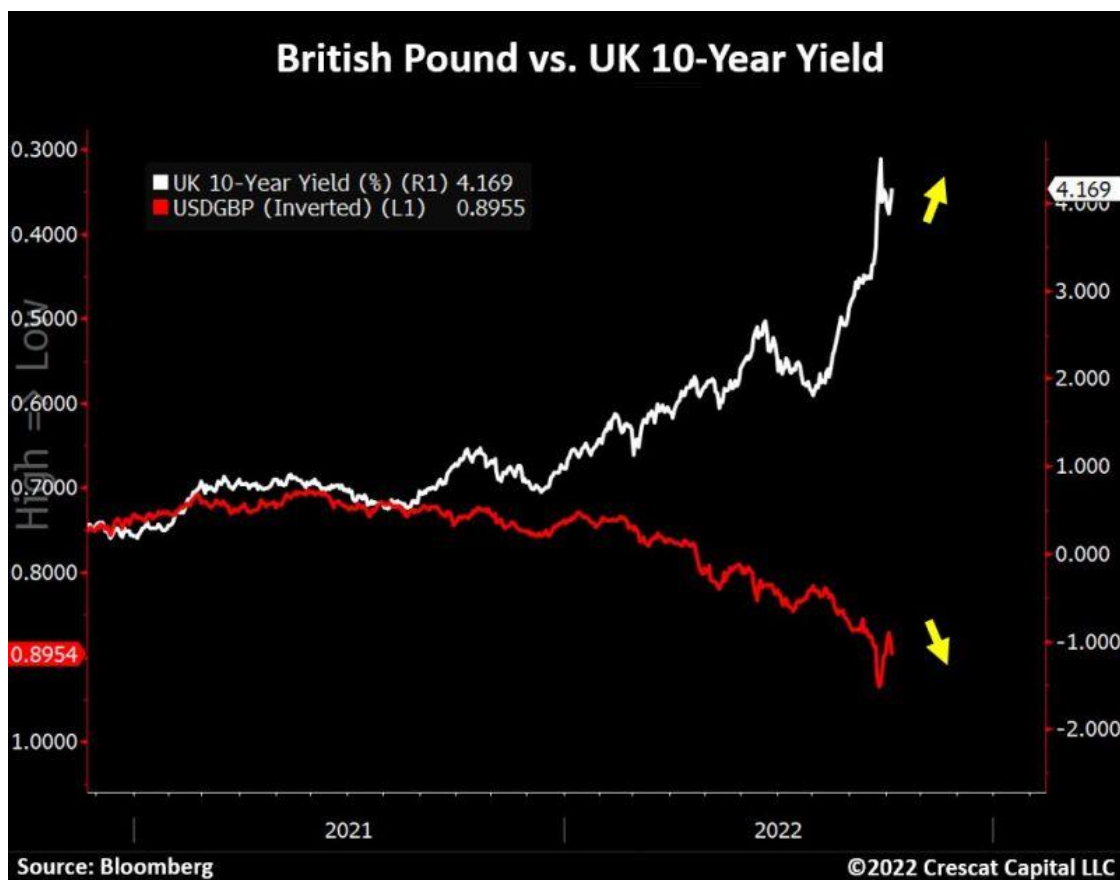


Source: Bloomberg



#gbp #gilts

Is the British Pound ready to get pounded again? In the last 2 days, the UK 10-year yield just surged the most since the Covid crash and the GFC, excluding last week's havoc. Will the #BOE will be forced to step in again?



Source: Crescat Capital, Bloomberg





#yen #dollar

Is the yen on the verge of a collapse?



Source: MacleodFinance



#us #jobs

When Good News Is Bad News... The US economy added 263,000 jobs in September, which is the smallest increase since April of last year, but is still a bit higher than what economists were expecting. The unemployment rate meanwhile fell to a new 50-year low of 3.5%, compared to 3.7% the month before. This wasn't the cooling the Fed was hoping for...

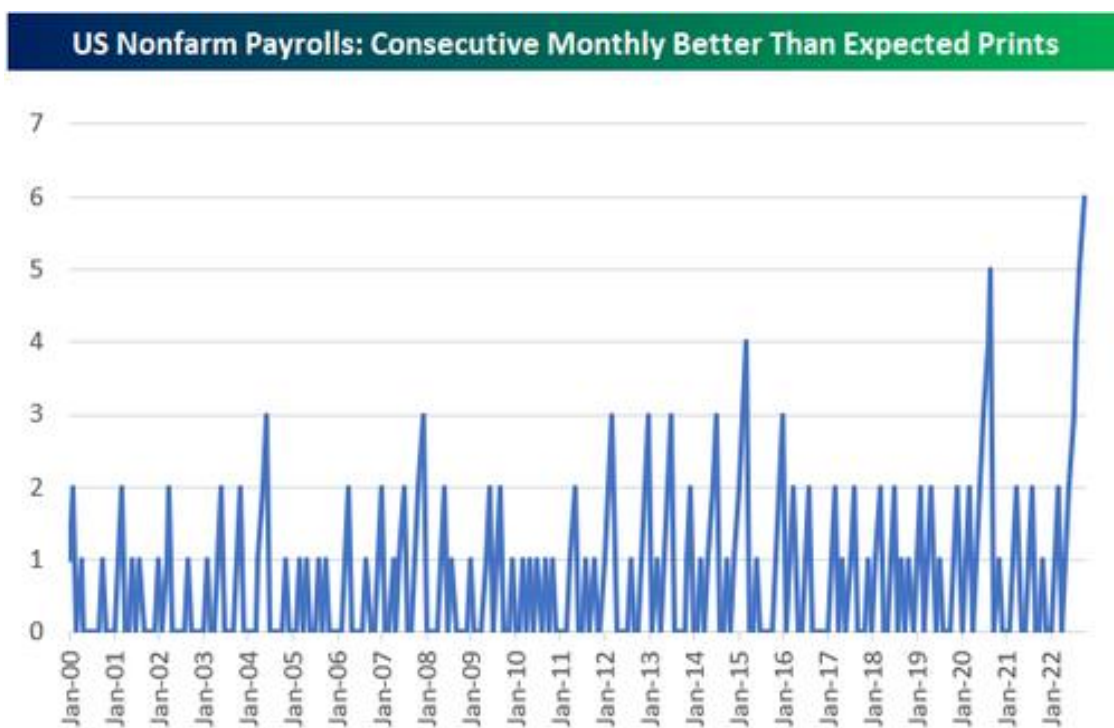
United States		Browse	17:04:57	10/07/22	10/14/22					
Economic Releases		All Economic Releases	View Agenda Weekly							
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	10/07 14:30		🔔	📊	Two-Month Payroll Net Revision	Sep	--	11k	--	--
22)	10/07 14:30	🔊	🔔	📊	Change in Nonfarm Payrolls	Sep	255k	263k	315k	--
23)	10/07 14:30		🔔	📊	Change in Private Payrolls	Sep	275k	288k	308k	275k
24)	10/07 14:30		🔔	📊	Change in Manufact. Payrolls	Sep	20k	22k	22k	27k
25)	10/07 14:30		🔔	📊	Unemployment Rate	Sep	3.7%	3.5%	3.7%	--
26)	10/07 14:30		🔔	📊	Average Hourly Earnings MoM	Sep	0.3%	0.3%	0.3%	--
27)	10/07 14:30		🔔	📊	Average Hourly Earnings YoY	Sep	5.0%	5.0%	5.2%	--
28)	10/07 14:30		🔔	📊	Average Weekly Hours All Employees	Sep	34.5	34.5	34.5	--
29)	10/07 14:30		🔔	📊	Labor Force Participation Rate	Sep	62.4%	62.3%	62.4%	--
30)	10/07 14:30		🔔	📊	Underemployment Rate	Sep	--	6.7%	7.0%	--

Source: Bloomberg

#macro

#us #jobs

Nonfarm payrolls beat for the 6th straight month, which as @BespokeInvest notes is the longest streak since 1998...

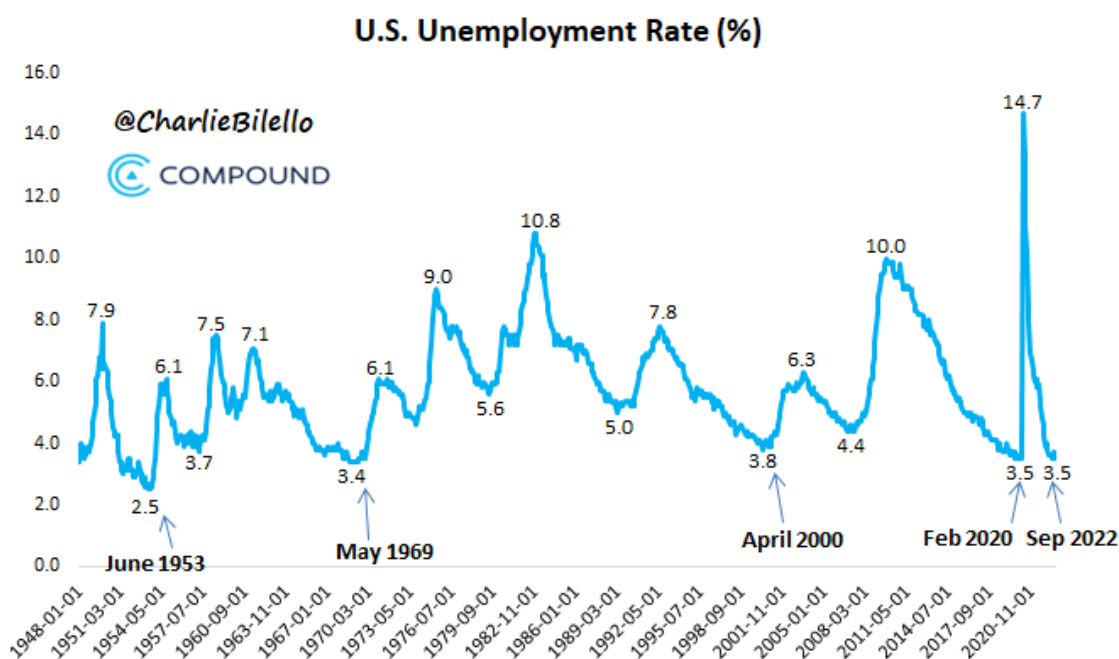


Source: Bespoke



#us #jobs

The US Unemployment Rate moved back down to 3.5% in September, tying pre-pandemic levels for the lowest rate we've seen since 1969.

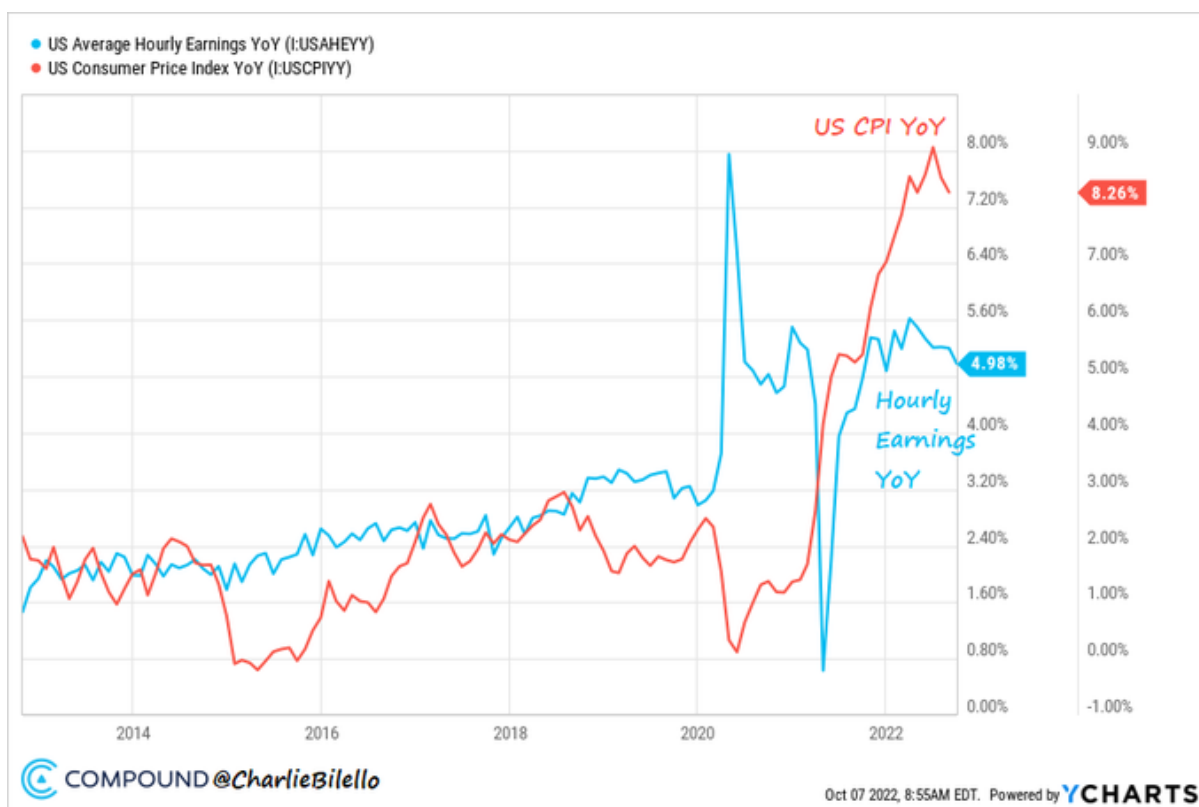


Source: Charlie Bilello



#us #hourly-earnings

US Average Hourly Earnings increased 4.98% YoY in September, the slowest growth rate since December 2021. This will be the 18th consecutive month that inflation outpaced the growth in wages, a decline in prosperity for the American worker.

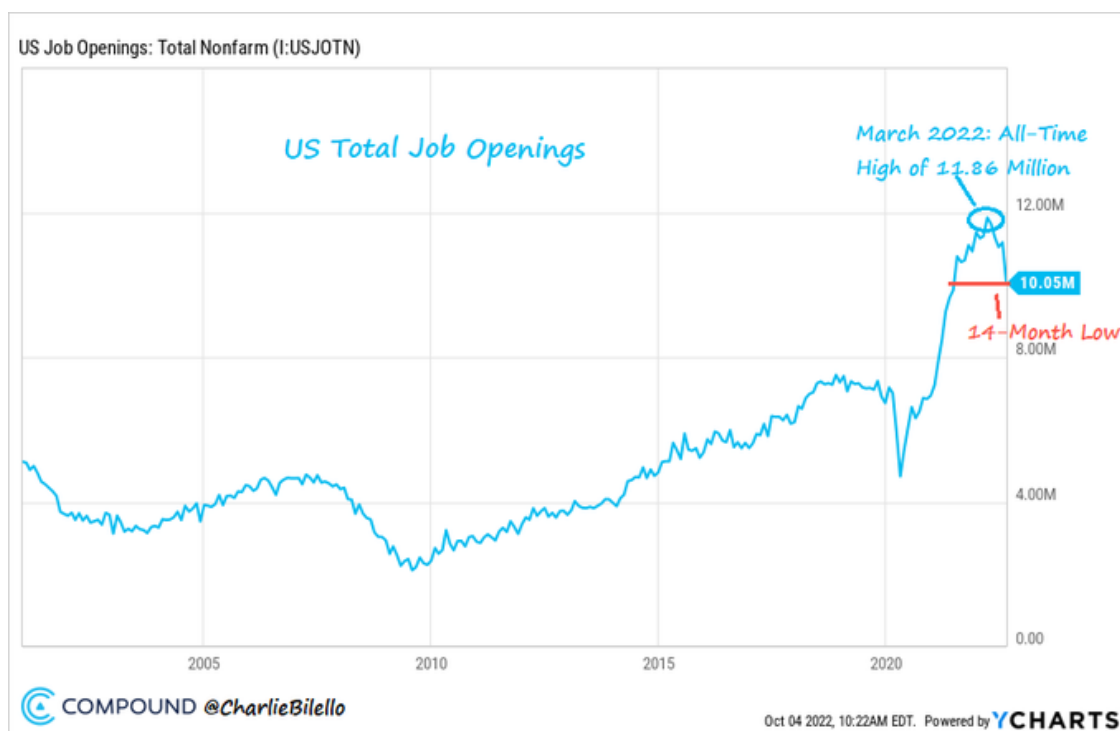


Source: Charlie Bilello



#us #jobs #openings

US Job Openings hit a 14-month low in August, down 1.8 million from their record high in March.

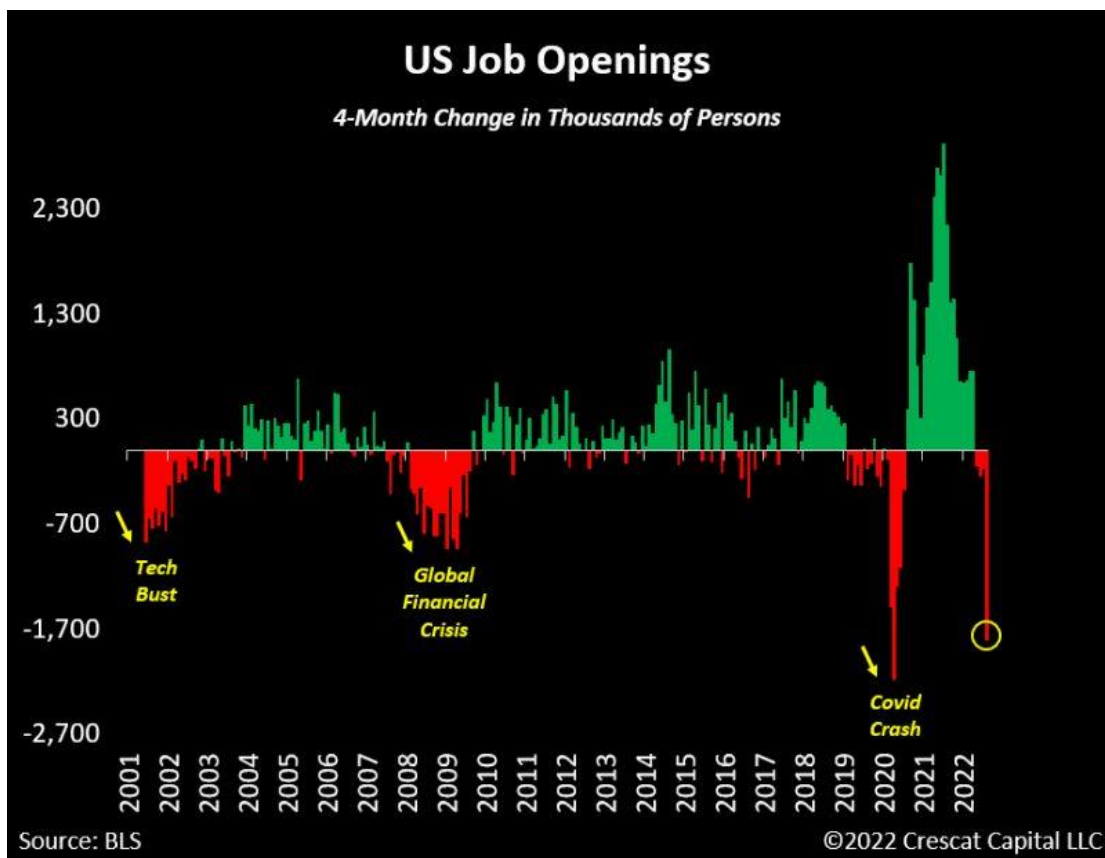


Source: Charlie Bilello

#macro

#us #jobs #openings

Largest 4-month drop in job openings since the beginning of lockdowns. The current drop is massive and way worse than any other print we saw during the GFC and Tech Bust. Markets seem to like it as they start to anticipate the much awaited Fed pivot.



Source: Crescat Capital

#macro

#us #jobs #openings

There are still 1.67 openings per unemployed person.



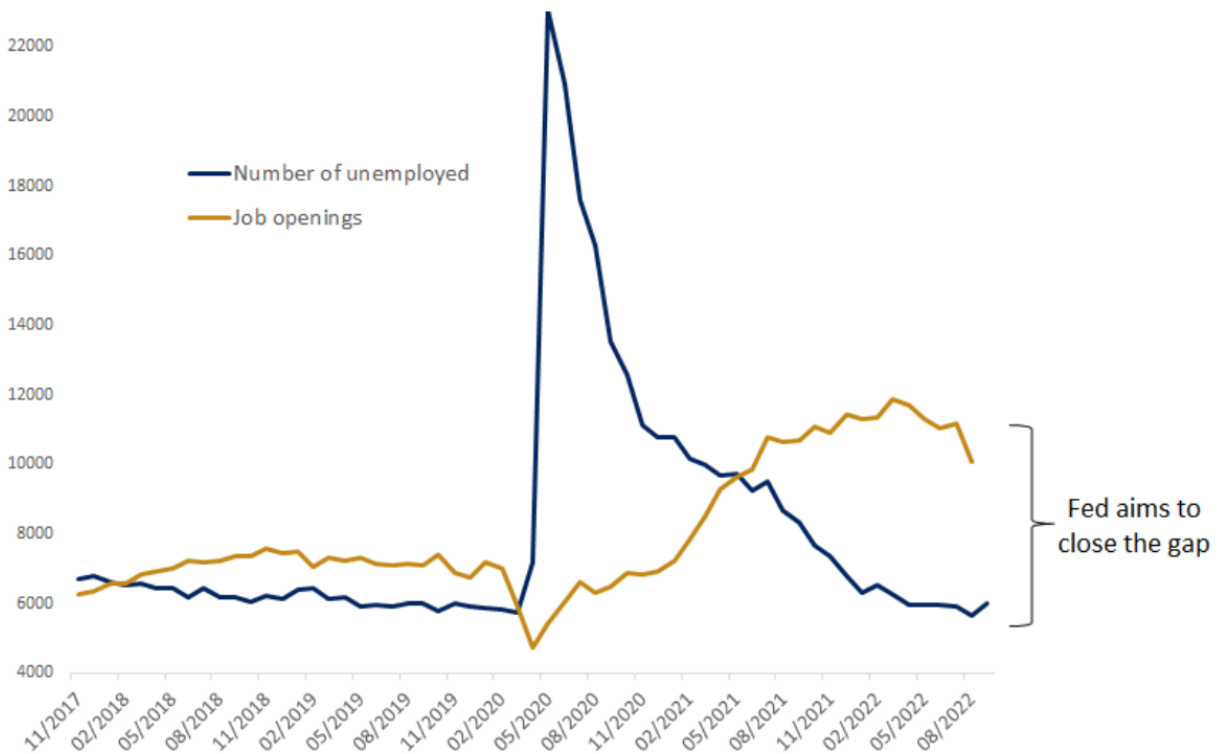
Source: Michel Arouet



#us #jobs #openings

Last week's data included the number of job openings, which decreased 10.0% in August, the most since April 2020, and the fourth decline in the past five months¹. The gap between the number of jobs and the number of unemployed remains high from a historical perspective, but it is starting to narrow. For now, companies are slowing the pace of hiring before cutting jobs, therefore keeping the unemployment rate low.

Early signs that the labor market tightness is easing

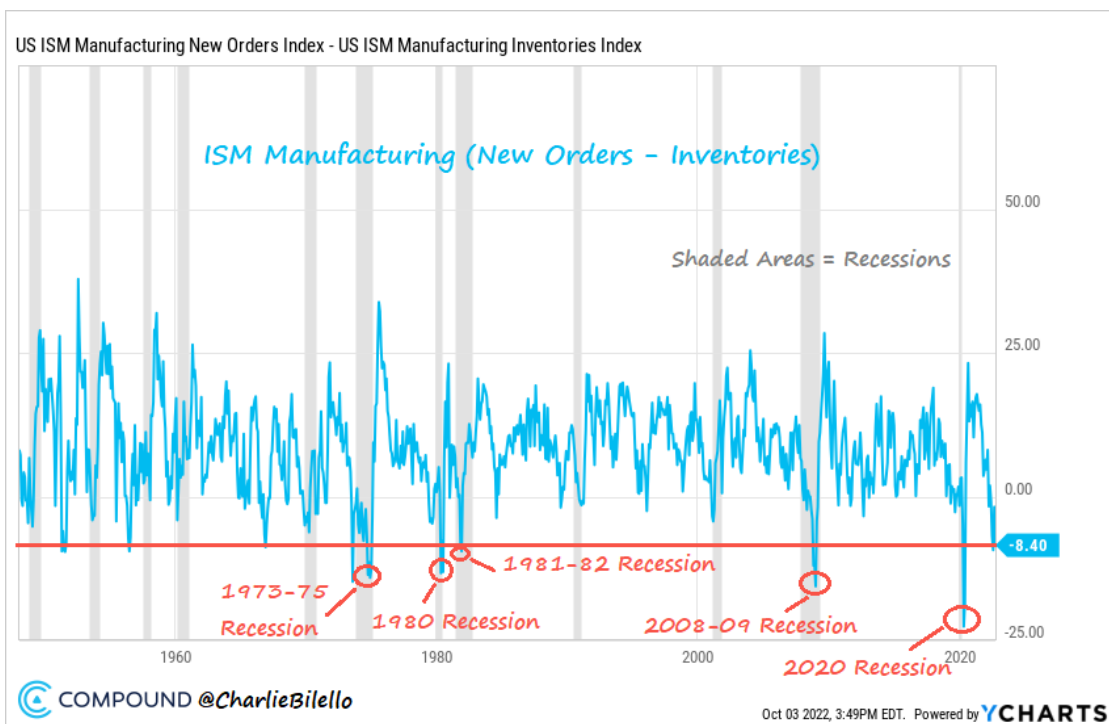


Source: Edward Jones



#us #manufacturing

The last 5 times the spread between New Orders and Inventories in the ISM Manufacturing Index was this negative, the US was already in a recession. The 2001 and 1990-91 recessions never had readings this low.



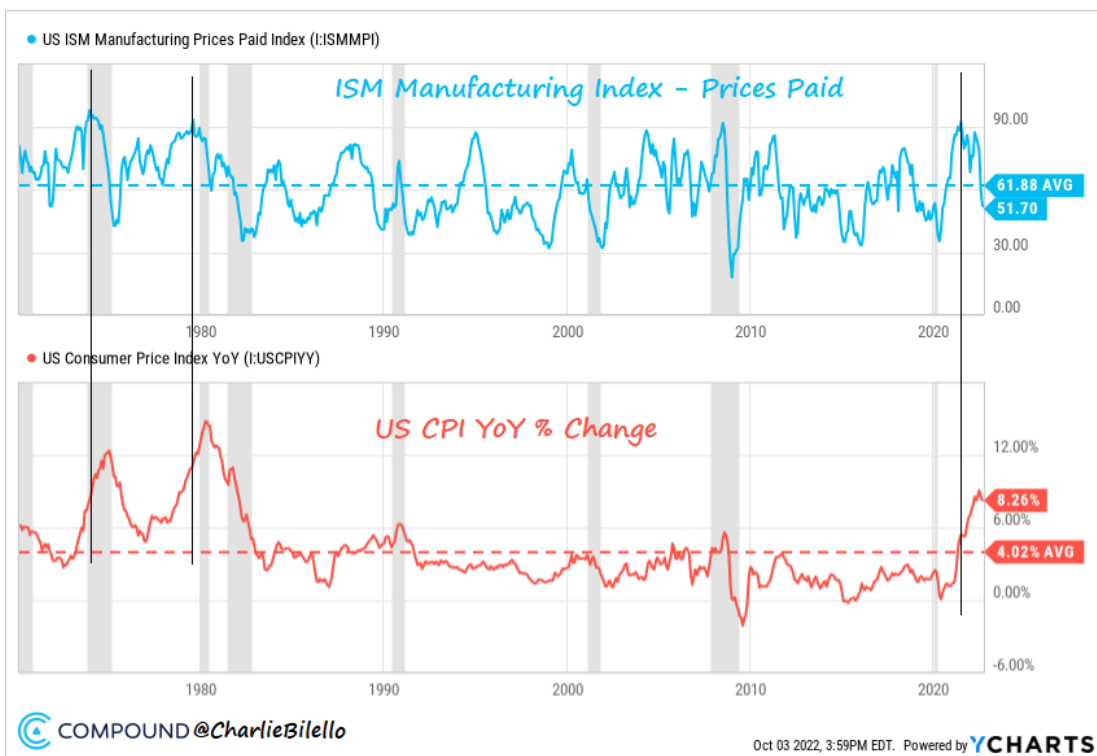
Source: Charlie Bilello





#us #inflation

Prices Paid component of the ISM Manufacturing Index is moving sharply lower. During the inflationary spikes in the 1970s/80s, a downturn in Prices Paid was a leading indicator of lower inflation rates to come, which was associated with US recessions in both of those periods.

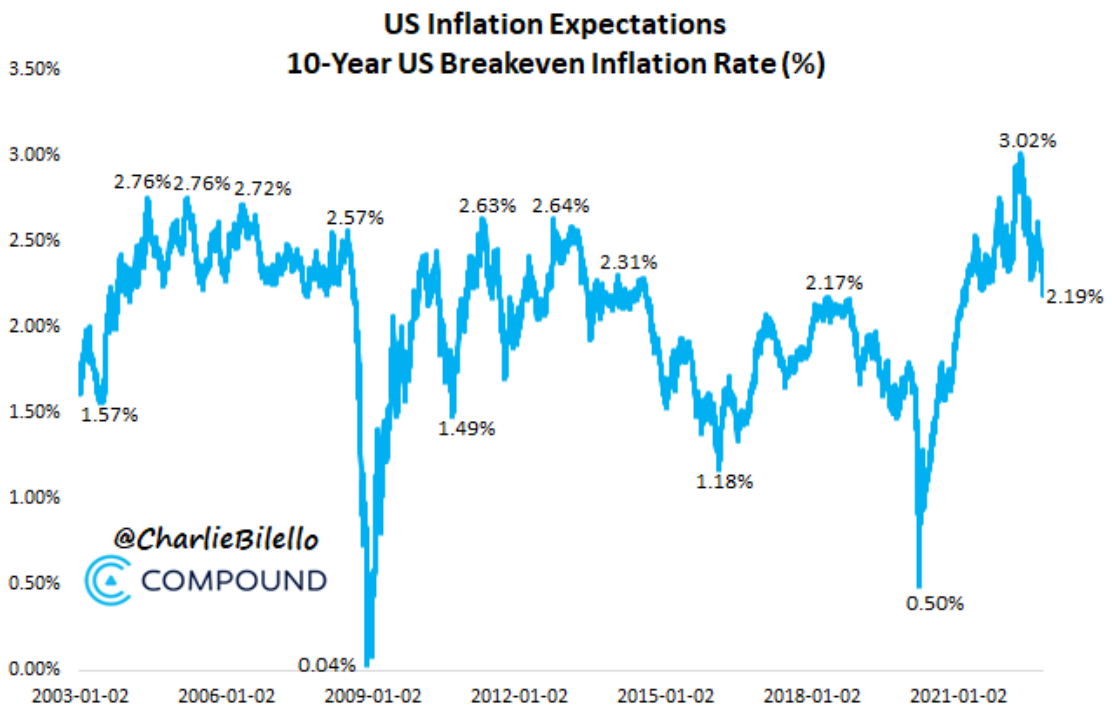


Source: Charlie Bilello



#us #inflation #expectations

Market-based inflation expectations hit an 18-month low today @ 2.19%, down from a peak of 3.02% in April. The global slowdown and tightening monetary policy in nearly every country around the world is breaking the back of inflation. Will soon hear moderation of hawkish rhetoric.



Source: Charlie Bilello

#macro

#us #inflation #peak



Charlie Bilello ✓

@charliebilello

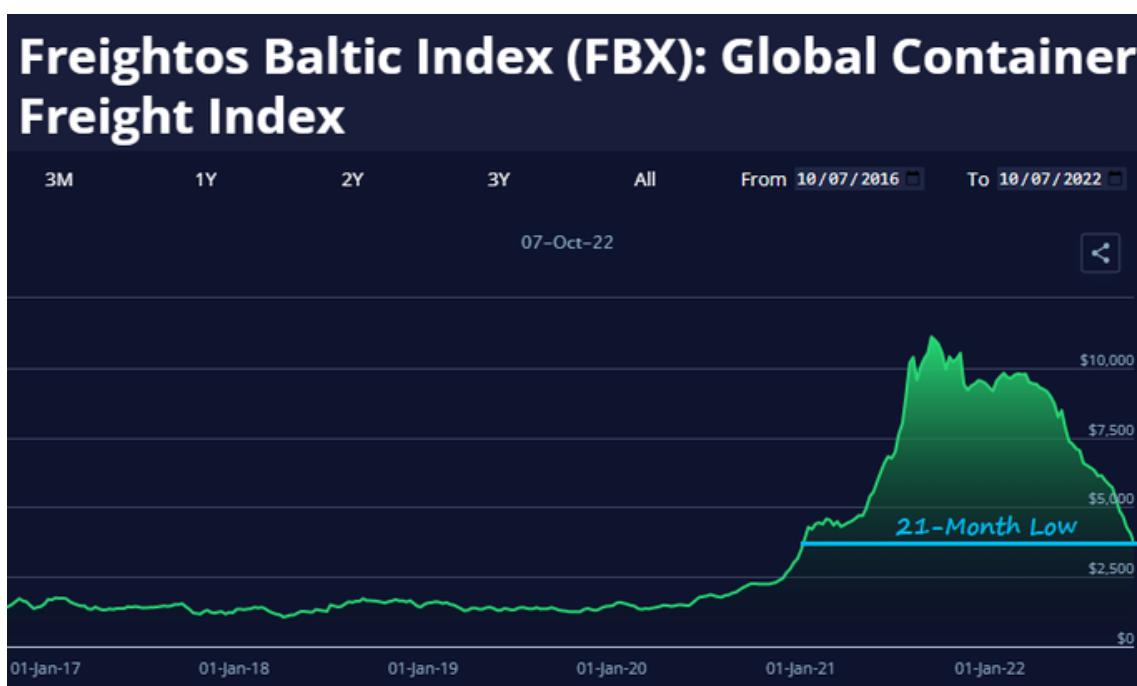
Signs of lower inflation rates to come...

- Crude Oil down 40% from March high
- Used car prices down 13% YTD.
- Global freight rates down 57% YTD.
- Rents down in Sep, 1st decline this year (YoY% increase at lowest level since May 2021).
- Home prices down 6% from peak in June.

#macro

#freight-rates

Global container freight rates hit an 21-month low this week, down 67% from their peak. Still over 2x higher than pre-pandemic levels but continuing to move in the right direction.



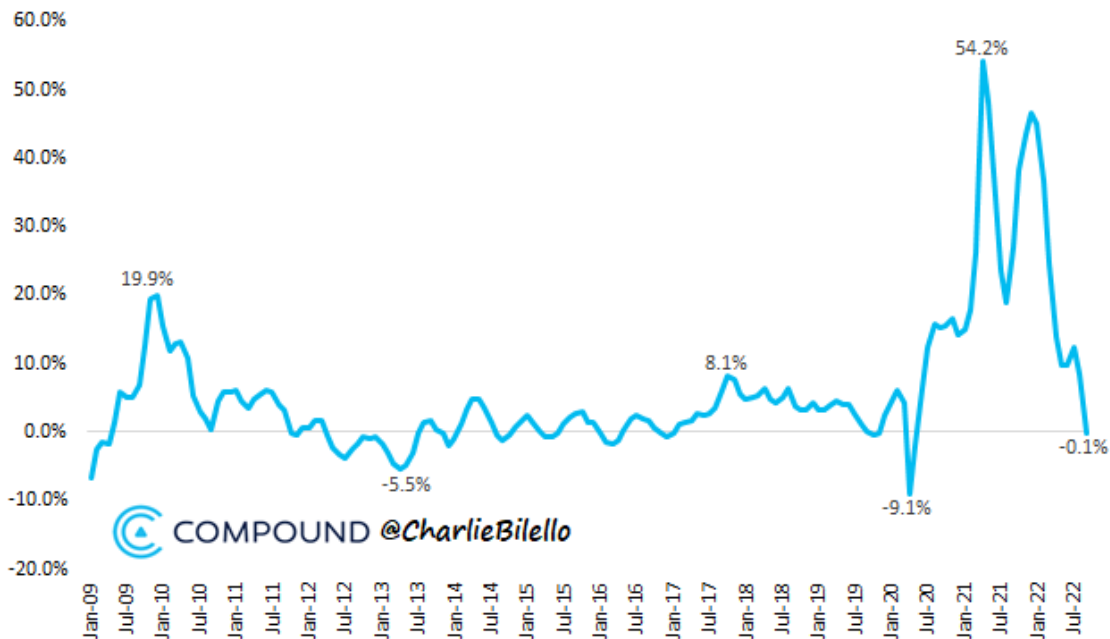
Source: Charlie Bilello



#used-car-prices

Used car prices are now down year-over-year, the first time we've seen that since May 2020.

**Manheim Used Car Index, Rolling 12-Month % Change
(Jan 2009 - Sep 2022)**

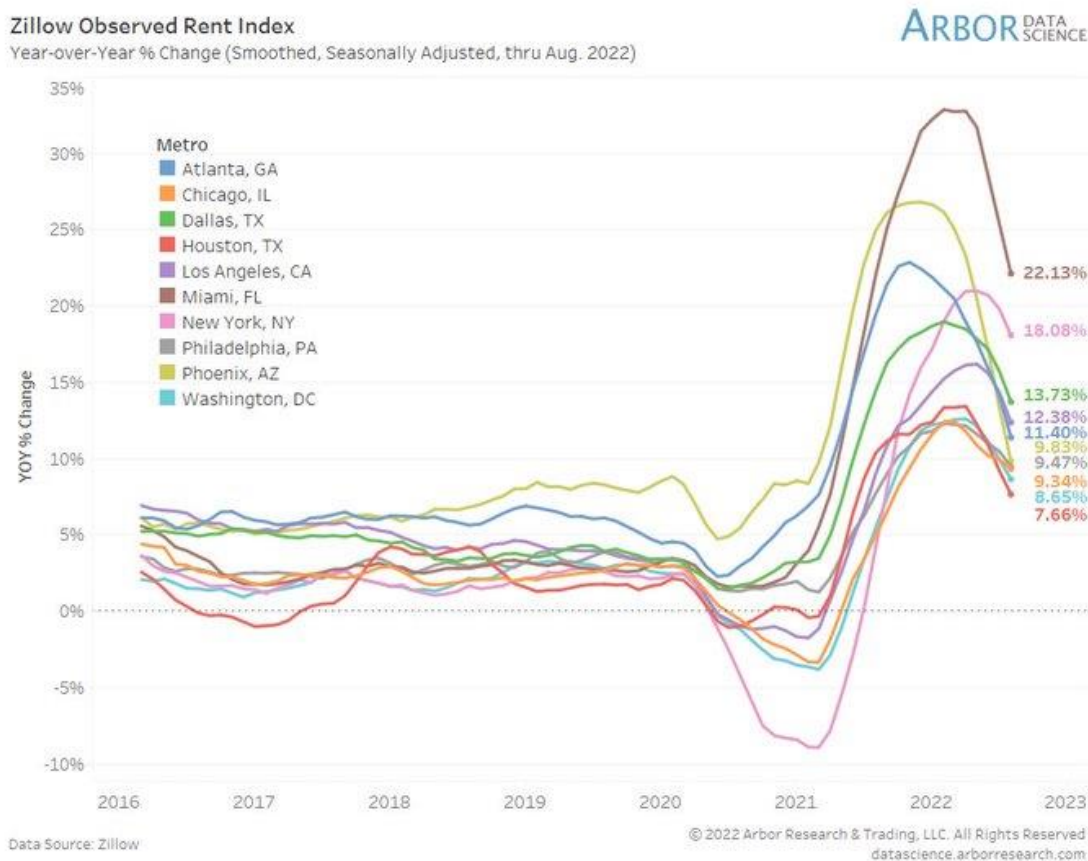


Source: Charlie Bilello



#us #rents #inflation

Out of major cities, Miami has highest rent growth (y/y % change) while Houston has lowest (still strong relative to pre-pandemic, however) per Zillow data.



Source: Arbor Data Science

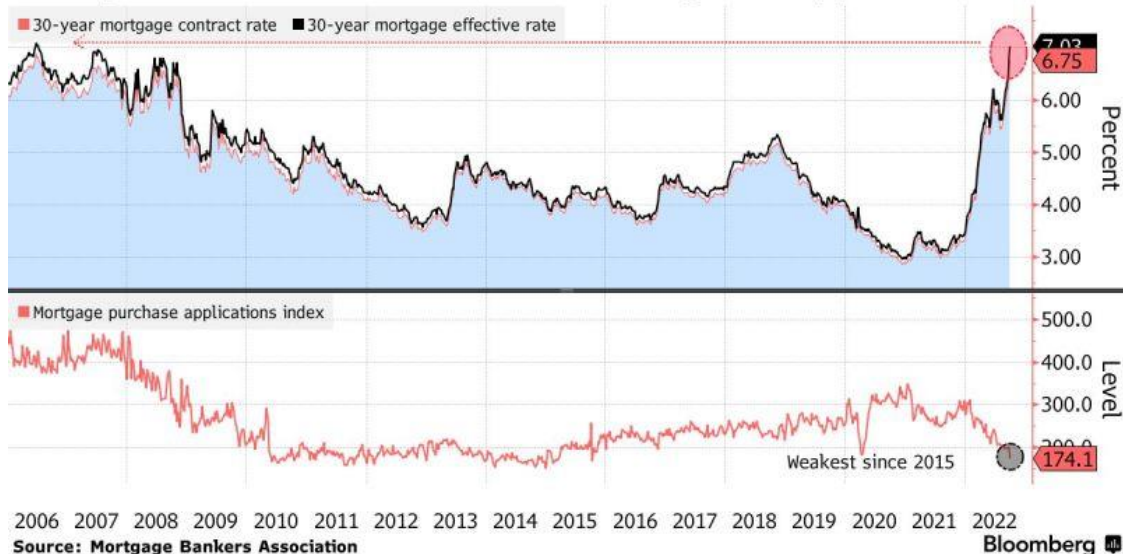




#us #housing

US Mortgage Rates Rise for Seventh Week to Highest in 16 Years. Meanwhile, the index of applications to purchase a home decreased by 12.6% to 174.1, the lowest level since 2015, while the gauge of refinancing was down 17.8% to a 22-year low.

Mortgage Rates Hit Highest in 16 Years US 30-year fixed rate has increased for seven straight weeks, purchases tumble

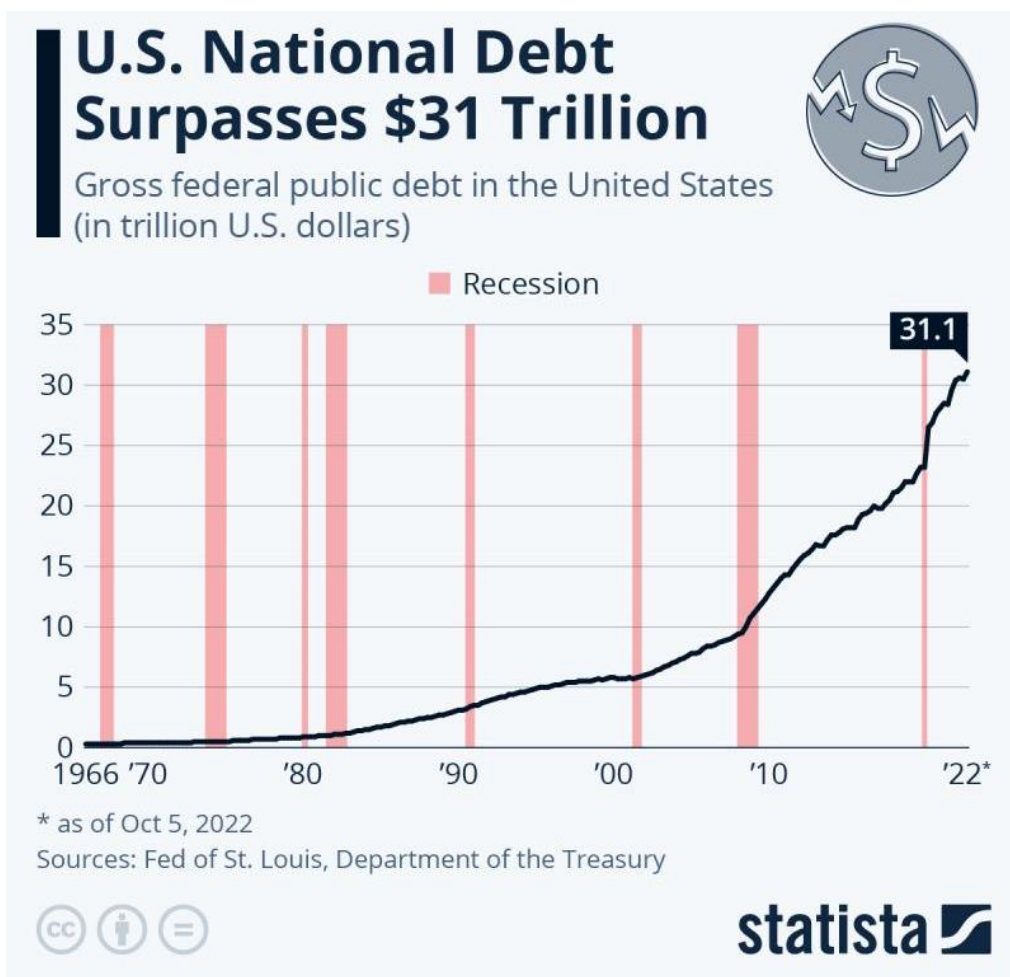


Source: Bloomberg



#us #debt

US national debt hits \$31 Trillion. This was expected. But given the current level of bond yields and the end of QE, debt might become more of an issue than during the low interest rates / QE years.



Source: Statista

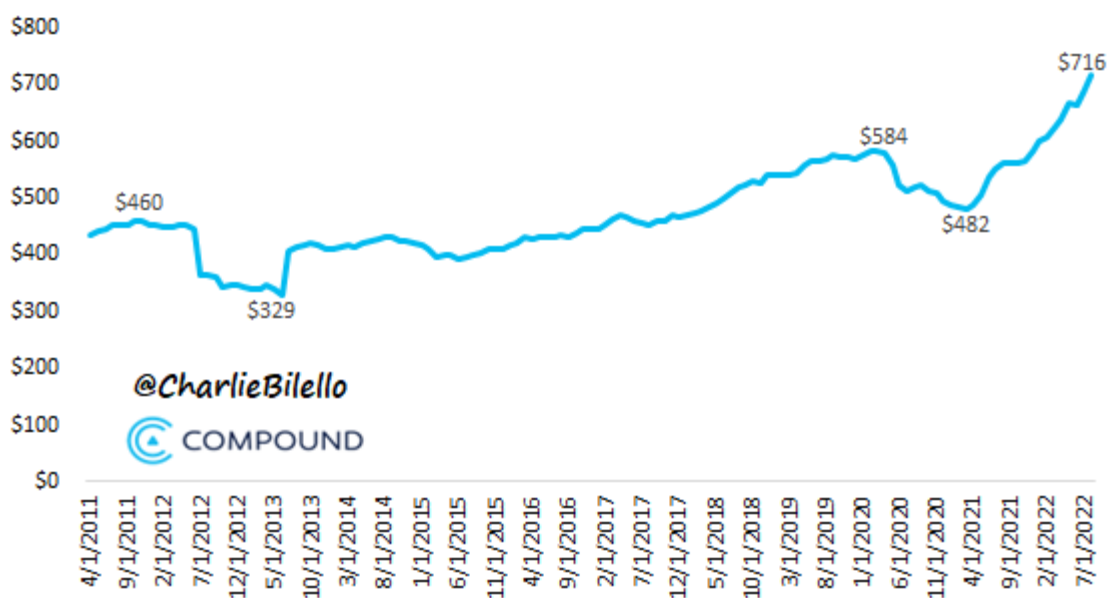




#us #debt

At a 3.5% interest rate (below the current yield on 6-month through 30-year Treasury bonds), that's over \$1 trillion in interest expense per year and will soon surpass social security as the largest line item in the Federal budget.

Interest Expense on US Public Debt Outstanding
(\$Billions, Trailing 12 Months, Through August 2022)



@CharlieBilello
COMPOUND

Source: Charlie Bilello



#german #inflation

Inflation pressures keep rising in Germany. Import prices were 32.7% higher in August YoY, the highest increase since March 1974. Energy imports were 162.4% more expensive YoY, +18.9% MoM. The largest influence had the price increase of natural gas with +306.3% YoY.

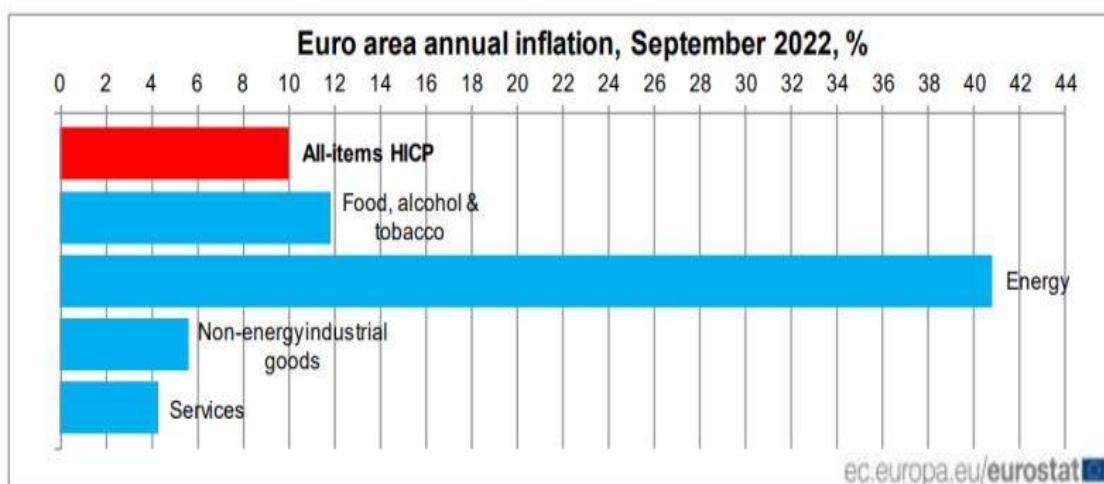


Source: Bloomberg



#eurozone #consumer-confidence

How Exposed are Europe and the UK to the Price of Oil? Short answer: VERY. Graph below highlights YoY energy inflation in Europe (Source Eurostat)

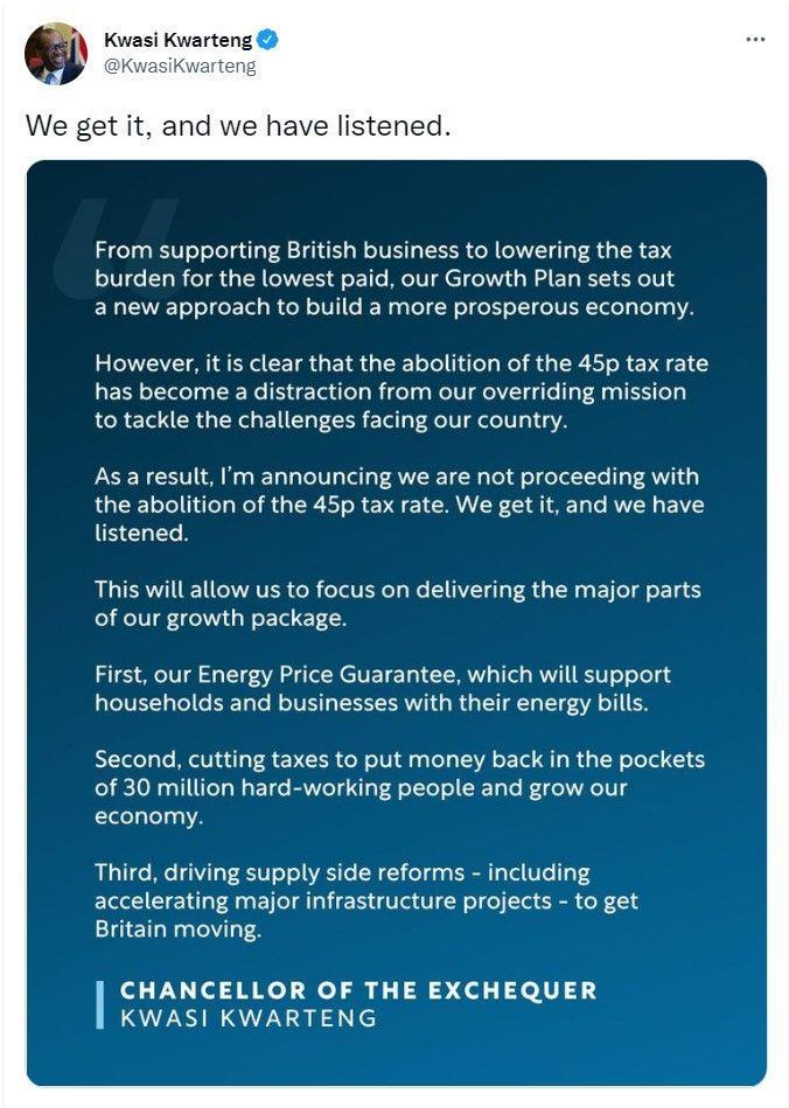



Source: Colm Murphy



#uk #fiscal-policy

UK chancellor: "We get it, an we have listened". The pound and gilts surged on Monday as the BBC reported that the UK government would U-turn on their tax plan.



Kwasi Kwarteng 
@KwasiKwarteng

We get it, and we have listened.

From supporting British business to lowering the tax burden for the lowest paid, our Growth Plan sets out a new approach to build a more prosperous economy.

However, it is clear that the abolition of the 45p tax rate has become a distraction from our overriding mission to tackle the challenges facing our country.

As a result, I'm announcing we are not proceeding with the abolition of the 45p tax rate. We get it, and we have listened.

This will allow us to focus on delivering the major parts of our growth package.

First, our Energy Price Guarantee, which will support households and businesses with their energy bills.

Second, cutting taxes to put money back in the pockets of 30 million hard-working people and grow our economy.

Third, driving supply side reforms - including accelerating major infrastructure projects - to get Britain moving.

CHANCELLOR OF THE EXCHEQUER
KWASI KWARTENG

#macro

#uk #energy-crisis

Winter is coming in the UK...



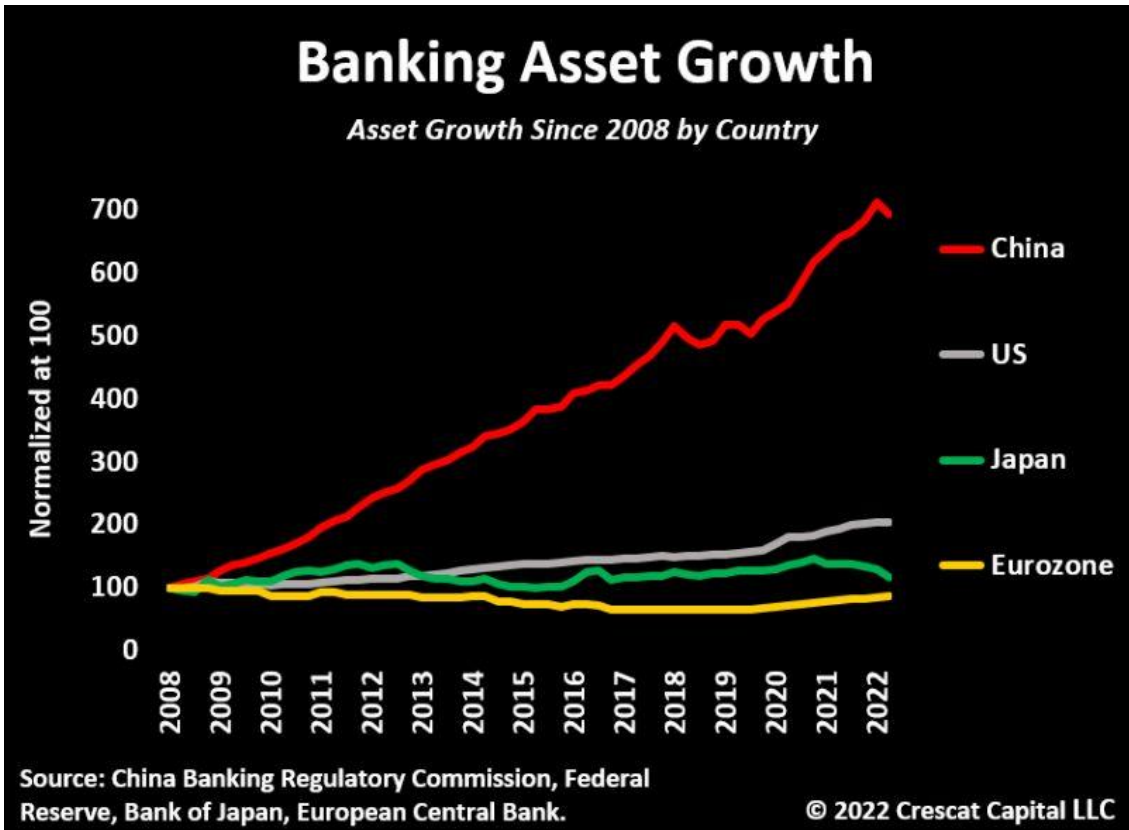
Energy industry

Homes could face three-hour power cuts this winter, warns National Grid

#macro

#china #banking

Banking assets in China have grown 7 fold since the Global Financial Crisis. That completely dwarfs the growth of other major economies. China's banking assets are almost 3x of its GDP. Hong Kong is close to 9.3x today.



Source: Bloomberg, Crescat Capital

#centralbanks

#global #central-banks #rates

Global Central Bank Update

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	3.0%	-3.1%	Cut	Jan-16
Switzerland	Target Rate	0.50%	3.3%	-2.8%	Hike	Sep-22
Denmark	Deposit Rate	0.65%	8.9%	-8.3%	Hike	Sep-22
Eurozone	Deposit Rate	0.75%	10.0%	-9.3%	Hike	Sep-22
Thailand	Policy Rate	1.00%	6.4%	-5.4%	Hike	Sep-22
Taiwan	Discount Rate	1.63%	2.8%	-1.1%	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
Malaysia	Policy Rate	2.50%	4.7%	-2.2%	Hike	Sep-22
South Korea	Repo Rate	2.50%	5.6%	-3.1%	Hike	Aug-22
Australia	Cash Rate	2.60%	6.8%	-4.2%	Hike	Oct-22
US	Fed Funds	3.13%	8.3%	-5.2%	Hike	Sep-22
Canada	Overnight	3.25%	7.0%	-3.8%	Hike	Sep-22
New Zealand	Cash Rate	3.50%	7.3%	-3.8%	Hike	Oct-22
Hong Kong	Base Rate	3.50%	1.9%	1.6%	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%	6.0%	-1.7%	Hike	Sep-22
Philippines	Key Policy Rate	4.25%	6.9%	-2.7%	Hike	Sep-22
India	Repo Rate	5.90%	7.0%	-1.1%	Hike	Sep-22
South Africa	Repo Rate	6.25%	7.6%	-1.4%	Hike	Sep-22
Poland	Repo Rate	6.75%	16.1%	-9.4%	Hike	Sep-22
Peru	Policy Rate	7.00%	8.5%	-1.5%	Hike	Oct-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	9.25%	8.7%	0.6%	Hike	Sep-22
Colombia	Repo Rate	10.00%	11.4%	-1.4%	Hike	Sep-22
Chile	Base Rate	10.75%	13.7%	-3.0%	Hike	Sep-22
Turkey	Repo Rate	12.00%	83.5%	-71.5%	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

COMPOUND

@CharlieBilello

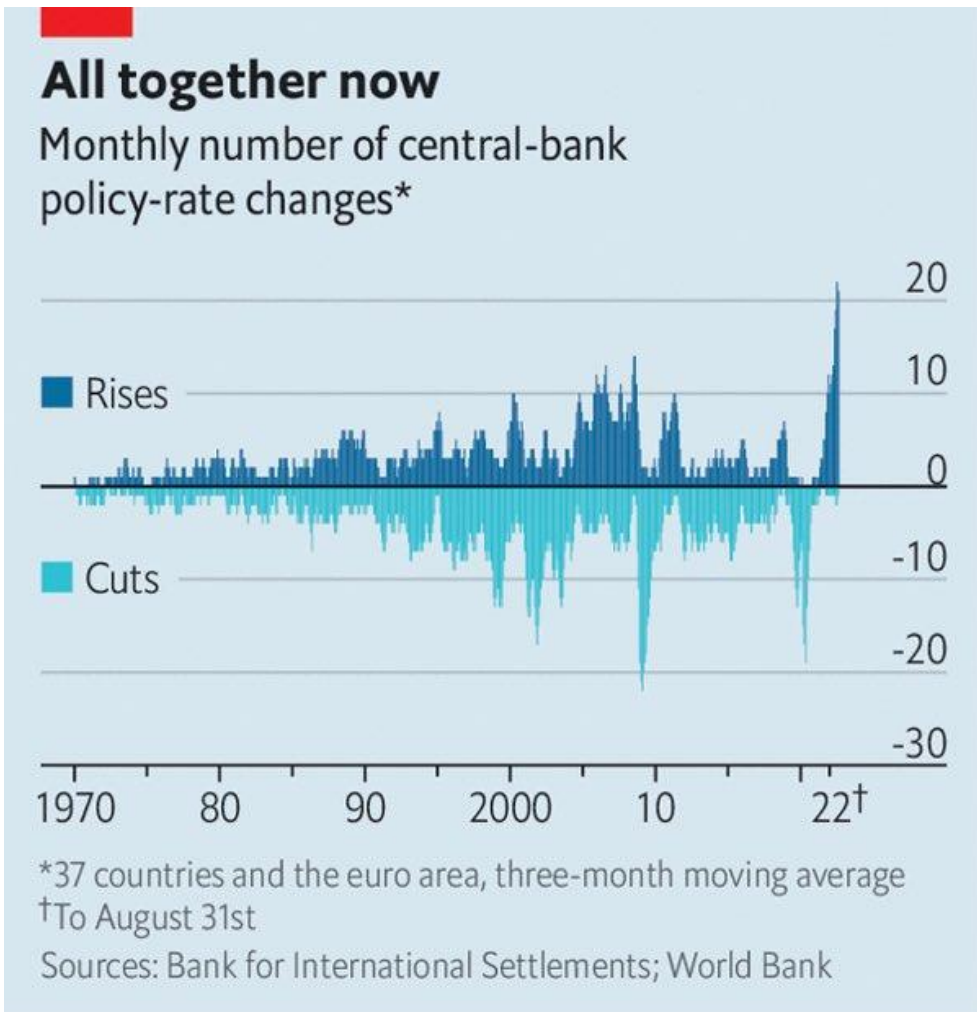


Source: Charlie Bilello

#centralbanks

#global #central-banks #rates

The monthly number of central banks policy rate changes. Chart for future history books, this is what happens when central banks wait too long and inflation gets out of control.



The Economist



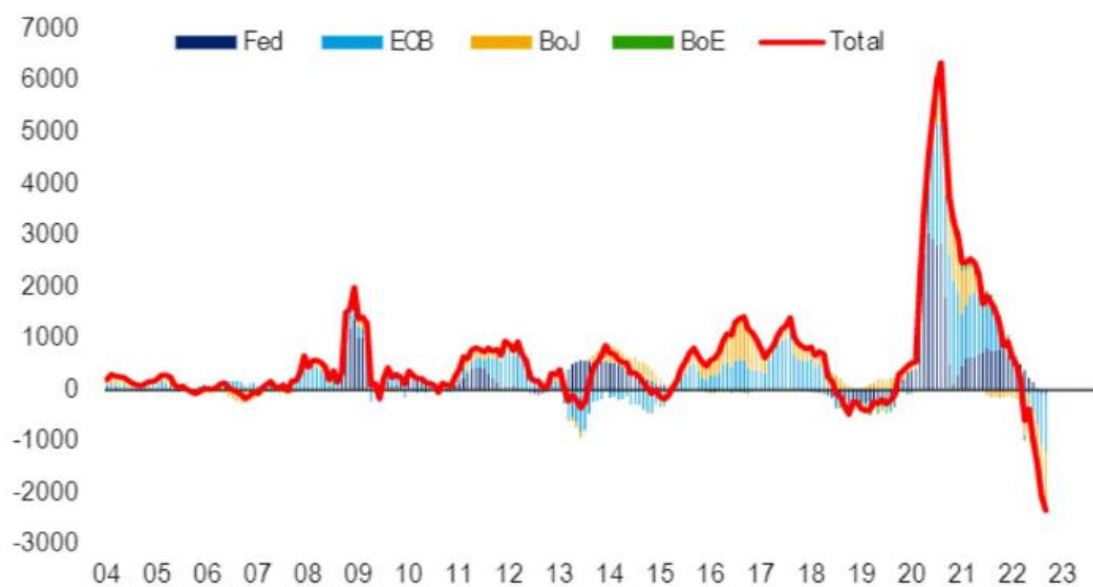
Source: The Economist

#centralbanks

#central-banks #balance-sheets

Balance Sheets for the Fed, ECB, BoJ and BoE have reduced - \$3.1 trillion in the past 7 months.

Chart 3: G4 Central Banks' balance sheet -\$3.1tn in past 7 months
6m change in G4 central banks balance sheet (\$bn)



Source: BofA Global Investment Strategy, Bloomberg, Haver

BofA GLOBAL RESEARCH

Source: BofA

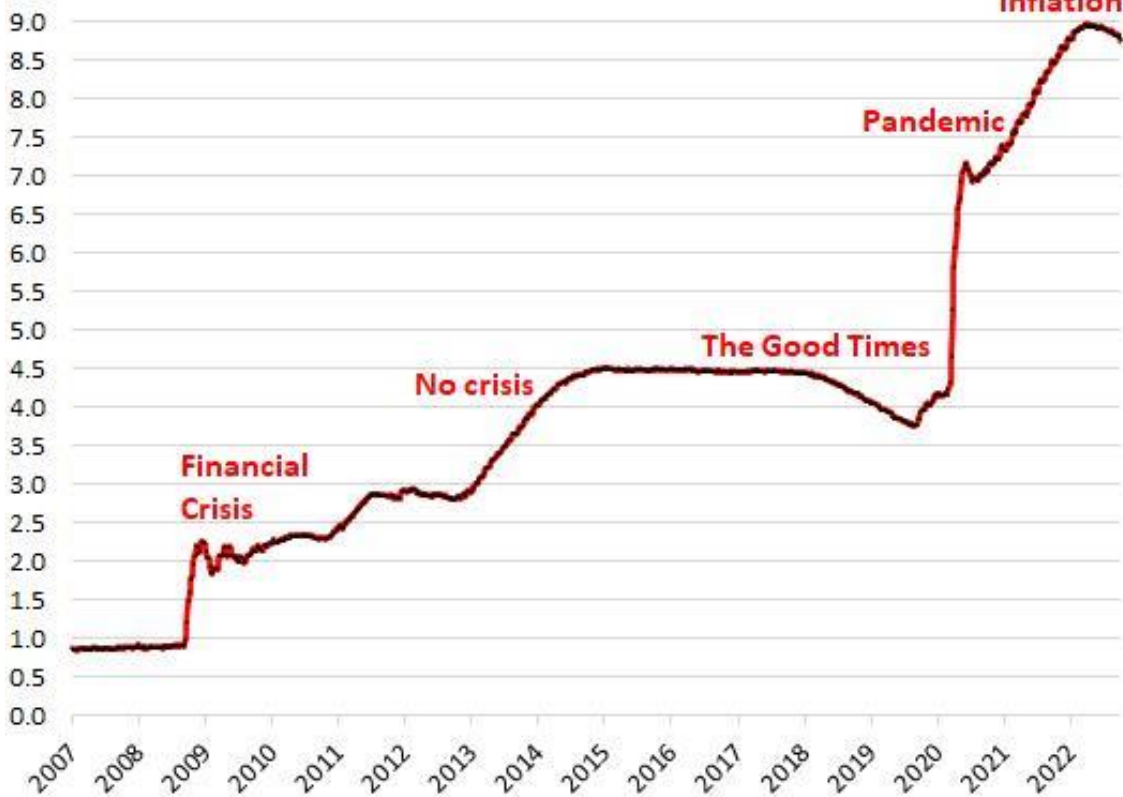
#centralbanks

#fed #balance-sheet

The Fed is now doing QT, which is the opposite of QE - so it's now withdrawing \$95 billion per month (\$60b of Treasuries and \$35b of Mortgage-backed securities).

Fed's Total Assets, From Crisis to Crisis

Trillion \$, week ending Wednesday



Source: Fed H.4.1. Balance Sheet

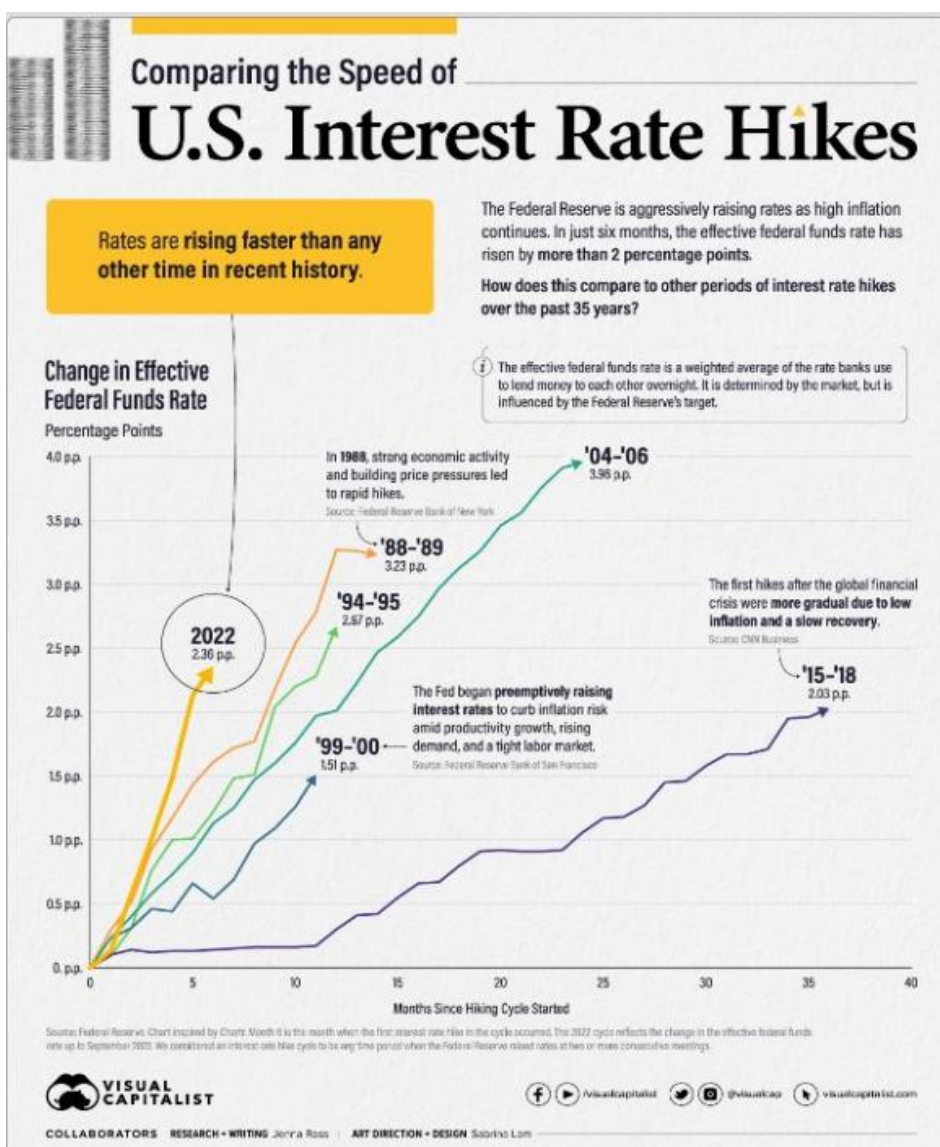
WOLFSTREET.com

Source: www.wolfstreet.com

#centralbanks

#fed #rates

Comparing the speed of U.S. interest rate hikes (1988-2022).

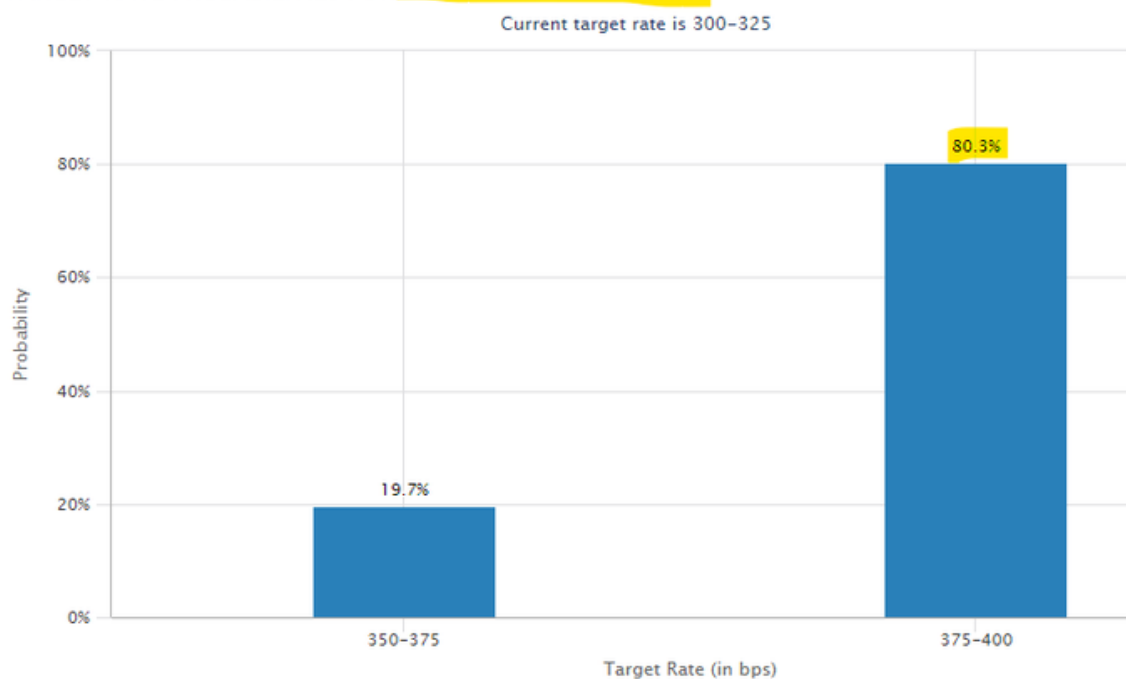


#centralbanks

#fed #rates

The probability of a 75bps hike on November 2 is increasing, now in the low-80% range.

TARGET RATE PROBABILITIES FOR 2 NOV 2022 FED MEETING

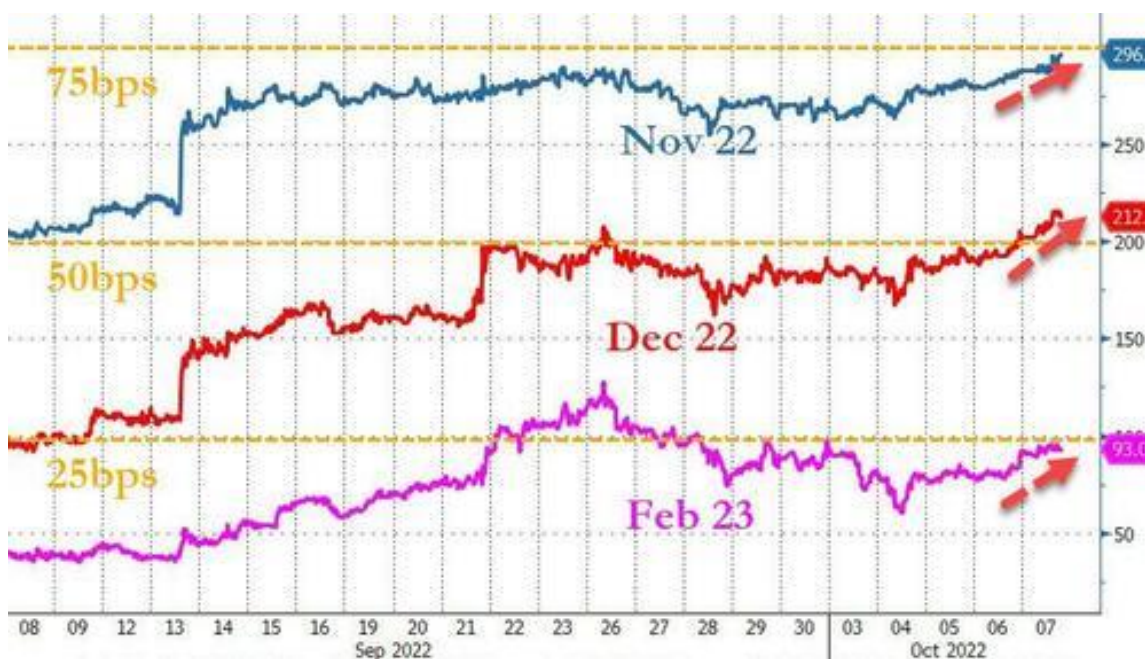


Source: Charlie Bilello

#centralbanks

#fed #rates

75bps, 50bps and 25bps are now a lock for Nov, Dec, and Feb FOMC meetings respectively...



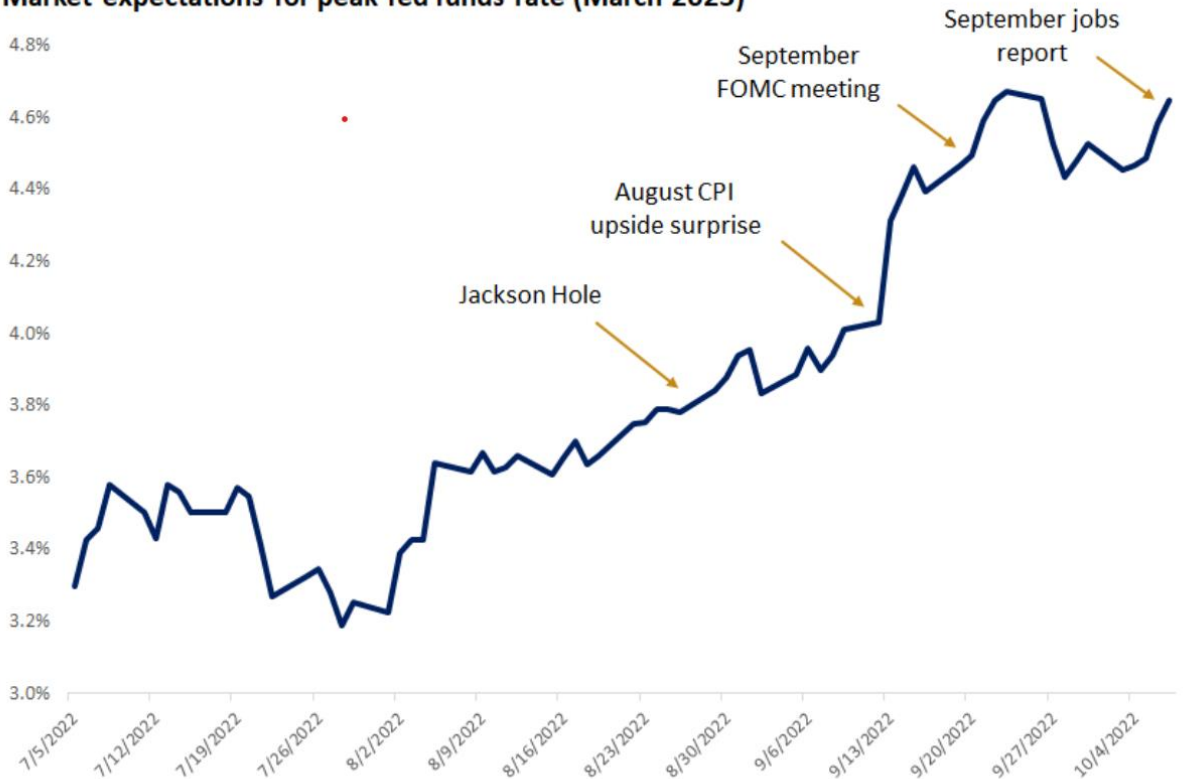
Source: www.zerohedge.com, Bloomberg

#centralbanks

#fed #rates

Friday's labor-market strength once again dashed hopes for a Fed pivot. The difference now is that the goalpost has moved further up after last month's FOMC meeting. Policy rates are expected to peak at 4.6% sometime next year from 4%¹. In our view, there is some room for the Fed to soften its tone, as the incoming data will allow the bank to do so down the road.

Market expectations for peak fed funds rate (March 2023)



Source: Edward Jones

#centralbanks

#fed #rates

Ok so let's find out what will break...

Bloomberg

US Edition

- Live Now
- Markets
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- Technology
- Politics
- Wealth
- Pursuits
- Opinion
- Business

Guggenheim's Miner Says Fed Won't Stop Raising Rates Until Something 'Breaks'

#centralbanks

#dollar-shortage #treasuries-selling

See statement below – that’s fine but only issue is that Those foreign countries will continue selling (or simply not buying) Treasuries as long as the dollar index keeps rocketing higher.



Breaking Market News ⚡
@financialjuice

...

FED'S WALLER: IT IS NOT THE FED'S
RESPONSIBILITY TO TACKLE THE ISSUES OF OTHER
COUNTRIES.

#centralbanks

#snb

The Swiss National Bank (SNB) will not accept Swiss inflation above its target of 0-2%. Jordan said the SNB's definition of its price stability goal was different to the European Central Bank's symmetric inflation target of 2%. SNB no longer described the franc as overvalued, he said, although the central bank did not wish to give a daily commentary on the currency's valuation. It would intervene in the markets if the franc increased "too much" in value, but Jordan declined to give a level at which the SNB would launch currency interventions to dampen its rise.

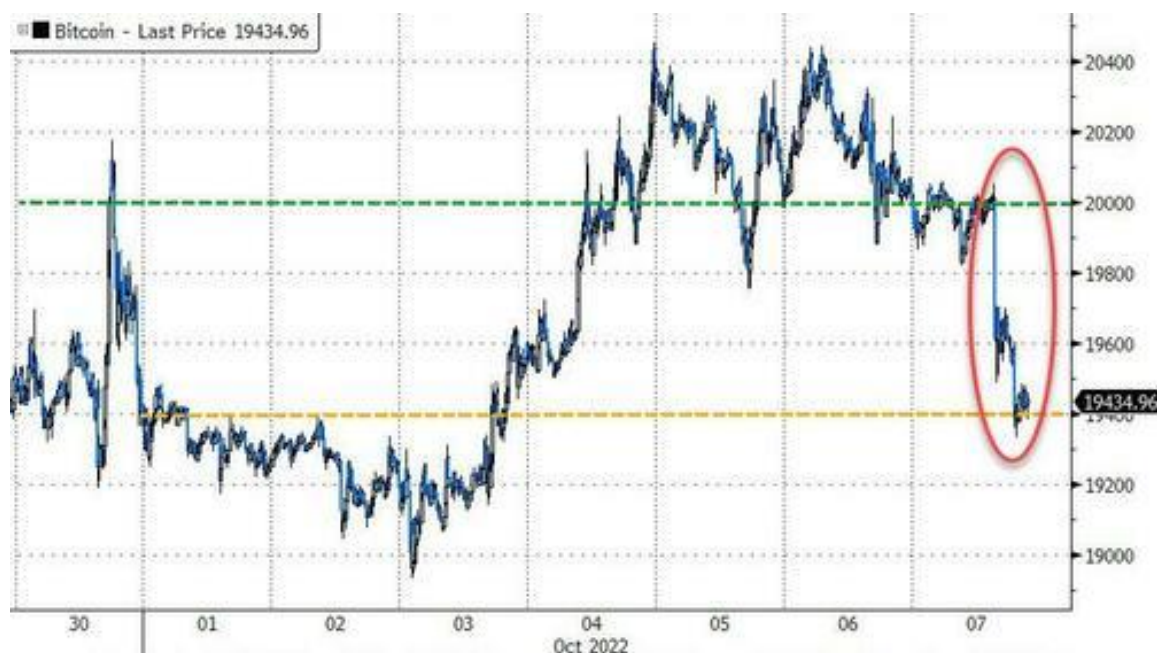


Source: Reuters



#bitcoin #performance

Bitcoin tumbled along with stocks today, breaking back below \$20k to end the week almost unchanged from last Friday...



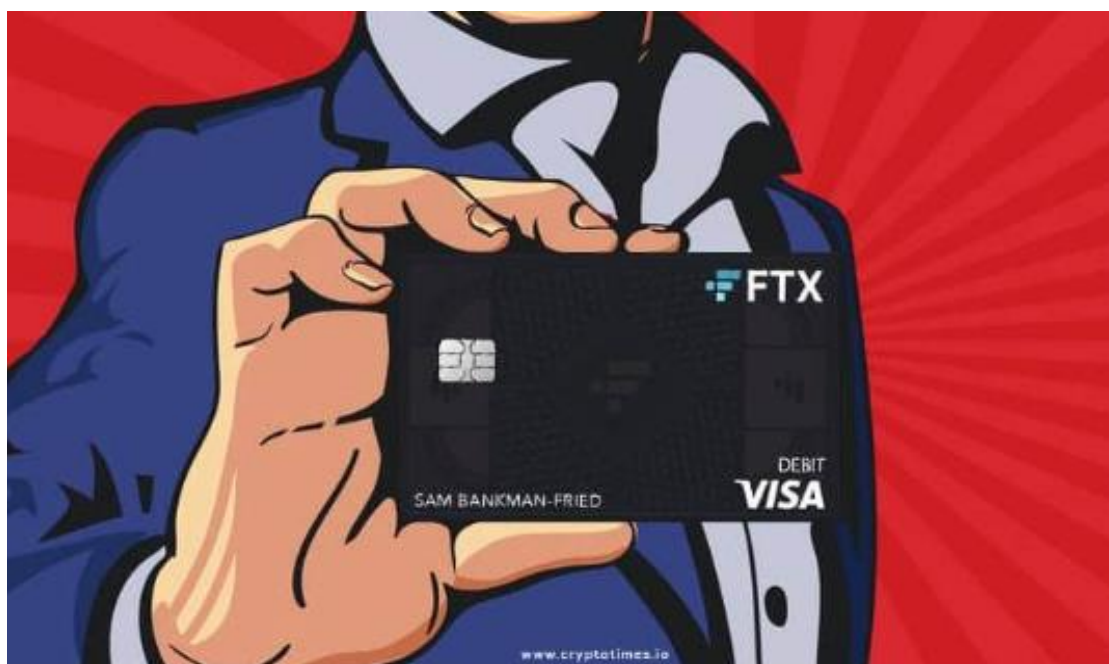
Source: www.zerohedge.com, Bloomberg

#cryptos

#crypto #adoption

FTX to launch Visa debit card in 40 new countries.

The pair are rolling out Visa debit cards linked to FTX accounts in 40 new countries starting in Latin America, allowing crypto holders to use their digital assets to pay for goods and services from their FTX wallets with Visa's network of 80 million merchants.



Source: Yahoo! Finance

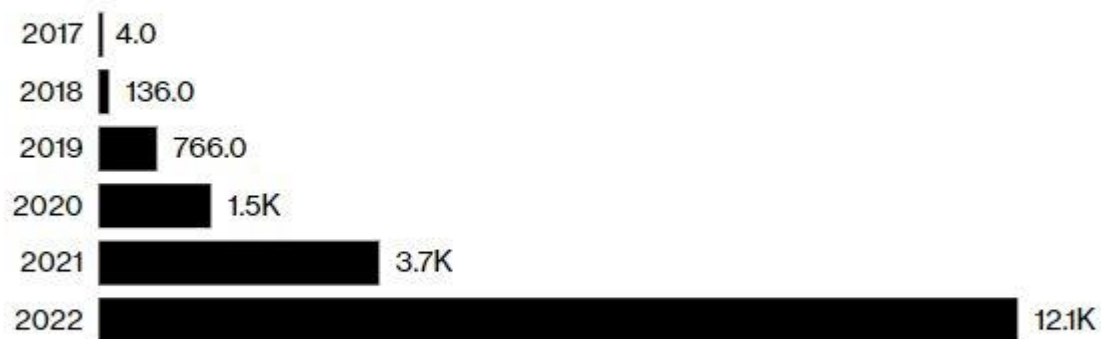


#cryptos #zombies

A record 12,100 cryptocurrencies became zombie coins in 2022. Zombie coins are cryptos that haven't traded for at least 1 month. As liquidity dries up, and access to capital and funding dries up, many projects are struggling to maintain operations.

Rise of the Zombies

Coins that haven't traded for a month by year



Source: Nomics

Source: Bloomberg

#food-for-thought

#cramer #etfs



ETF Hearsay by Henry Jim ... · 22h ⋮

Finally happened: Cramer ETFs

Inverse Cramer ETF [\\$SJIM](#)

Long Cramer ETF [\\$LJIM](#)

Eff Dec 19

20-25 equal-weighted stocks/ETFs based on Cramer's Twitter & TV recommendations and market views. Positions exited if Cramer has no view & once profit targets met.

sec.gov/Archives/edgar...



#food-for-thought

#cannabis #etf

Following Biden's Cannabis announcement, the US Cannabis ETF (MSOS) had its largest volume day in history on Thursday. The MSOS closed above the 100 day moving average, other than 2 fakeout days it hasn't been above the moving average in 18 months.



Source: Bloomberg

#food-for-thought

#bitcoin



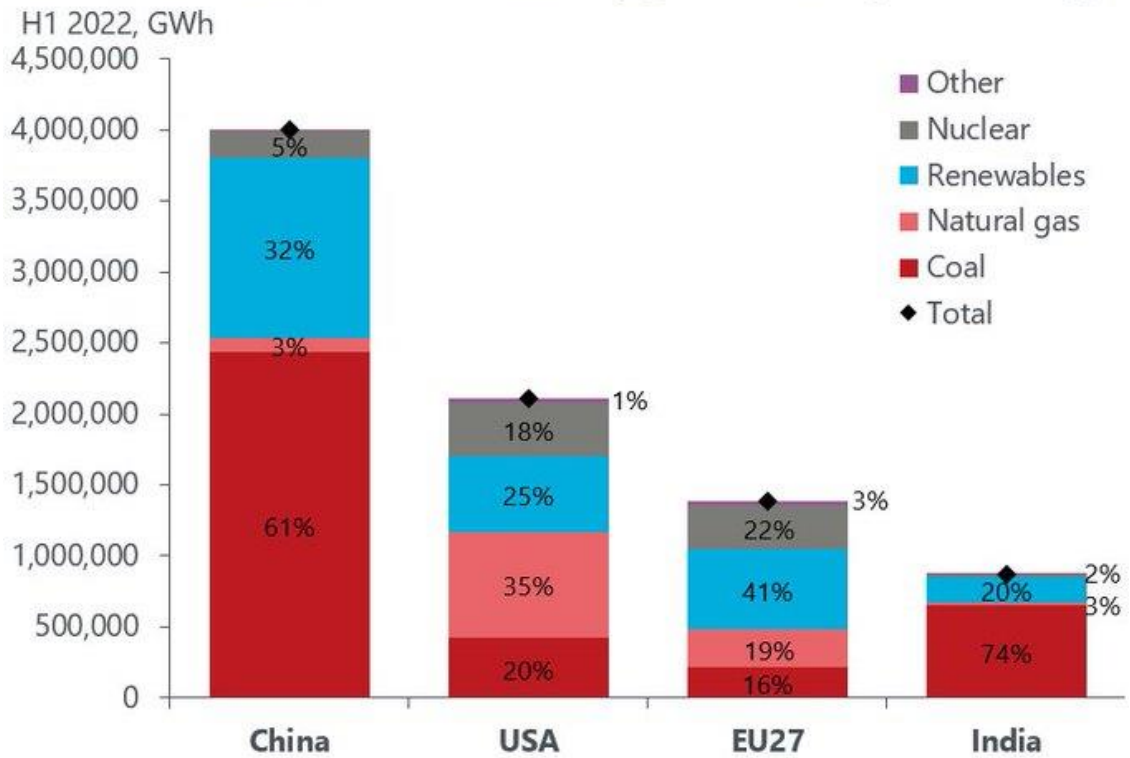
Source: Dan Held

#food-for-thought

#china #coal

China is generating more electricity from coal than the US from all source.

China, USA, EU27, India: Electricity generation by technology



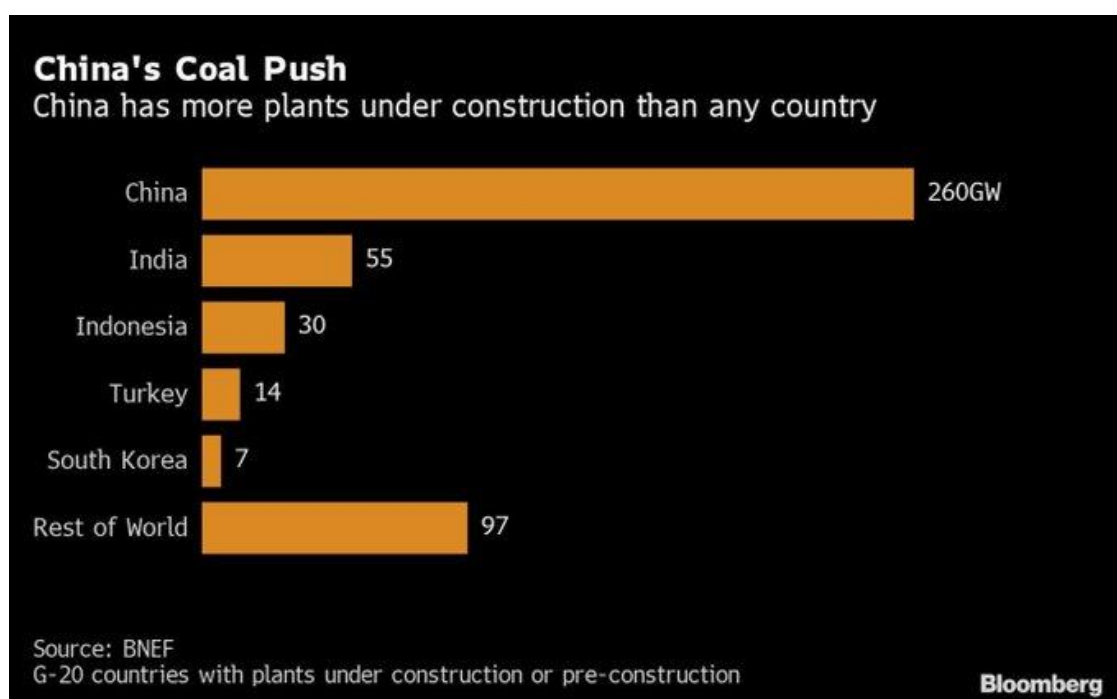
Source: Oxford Economics/IEA

Source: Oxford Economics

#food-for-thought

#china #coal

China's coal based energy generation is going to increase further.

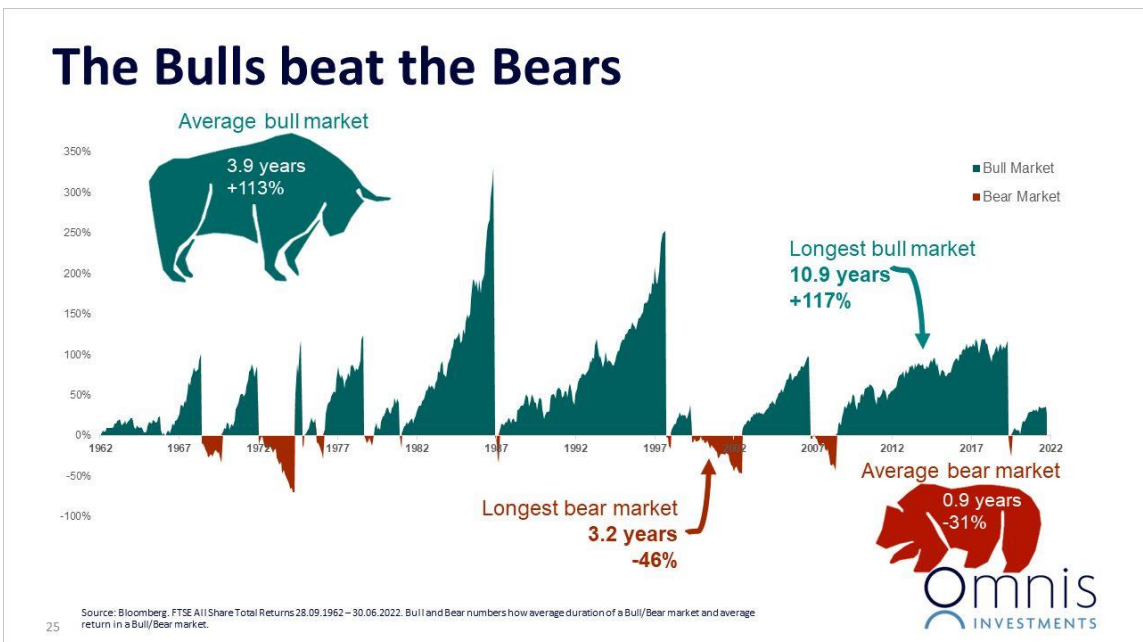


Source: Bloomberg

#food-for-thought

#bulls #bears

It's tough when you see your portfolio drop in value week-after-week. It's often times like these that you wonder what is going on, whether investing is for you and when things might get better.



Source: Omnis Investments

#food-for-thought

#story #investing

"Don't fall in love with a story."

FTSE World Alternative Energy vs. FTSE World (Total Return, USD, 12/1/2009 = \$1.00)



Source: Thomson Reuters Refinitiv, 12/1/2009 - 10/6/2022. File #0594

Source: Jeff Weniger

#food-for-thought

#wealth-destruction

Wealth destruction in the US has been massive so far in 2022 - mainly through stocks and bonds. Will the housing market be the next shoe to drop? The combined value of the stock market & housing market has fallen from 369% of GDP to 319% of GDP... This is massive but note that the median since 1970 has been 200%... this implies stock & housing market has another 40% to fall to get back to norm...



Source: bloomberg

#food-for-thought

#quarterly #performance #60-40

WHY THIS TIME IS DIFFERENT... Charlie Bilello looked at total return data going back to 1928 for the S&P 500, US 10-year and a 60/40 portfolio. There were only 5 years in which BOTH S&P 500 and 10-Year Treasury Bond went down (1931, 1941, 1969, 2018, 2022). This year is the ONLY YEAR IN HISTORY IN WHICH BOTH S&P 500 AND THE 10_YEAR TREASURY BOND ARE DOWN MORE THAN 10%...

S&P 500, US 10-Year Treasury, and 60/40 Portfolio (Total Returns, 1928 - 2022)															
Year	S&P	10-Yr	60/40	Year	S&P	10-Yr	60/40	Year	S&P	10-Yr	60/40	Year	S&P	10-Yr	60/40
1928	43.8%	0.8%	26.6%	1947	5.2%	0.9%	3.5%	1966	-10.0%	2.9%	-4.8%	1985	31.2%	25.7%	29.0%
1929	-8.3%	4.2%	-3.3%	1948	5.7%	2.0%	4.2%	1967	23.8%	-1.6%	13.6%	1986	18.5%	24.3%	20.8%
1930	-25.1%	4.5%	-13.3%	1949	18.3%	4.7%	12.8%	1968	10.8%	3.3%	7.8%	1987	5.8%	-5.0%	1.5%
1931	-43.8%	-2.6%	-27.3%	1950	30.8%	0.4%	18.7%	1969	-8.2%	-5.0%	-7.0%	1988	16.6%	8.2%	13.2%
1932	-8.6%	8.8%	-1.7%	1951	23.7%	-0.3%	14.1%	1970	3.6%	16.8%	8.8%	1989	31.7%	17.7%	26.0%
1933	50.0%	1.9%	30.7%	1952	18.2%	2.3%	11.8%	1971	14.2%	9.8%	12.4%	1990	-3.1%	6.2%	0.7%
1934	-1.2%	8.0%	2.5%	1953	-1.2%	4.1%	0.9%	1972	18.8%	2.8%	12.4%	1991	30.5%	15.0%	24.1%
1935	46.7%	4.5%	29.8%	1954	52.6%	3.3%	32.9%	1973	-14.3%	3.7%	-7.1%	1992	7.6%	9.4%	8.2%
1936	31.9%	5.0%	21.2%	1955	32.6%	-1.3%	19.0%	1974	-25.9%	2.0%	-14.7%	1993	10.1%	14.2%	11.7%
1937	-35.3%	1.4%	-20.7%	1956	7.4%	-2.3%	3.6%	1975	37.0%	3.6%	23.6%	1994	1.3%	-8.0%	-2.4%
1938	29.3%	4.2%	19.3%	1957	-10.5%	6.8%	-3.6%	1976	23.8%	16.0%	20.7%	1995	37.6%	23.5%	31.7%
1939	-1.1%	4.4%	1.1%	1958	43.7%	-2.1%	25.4%	1977	-7.0%	1.3%	-3.7%	1996	23.0%	1.4%	14.2%
1940	-10.7%	5.4%	-4.2%	1959	12.1%	-2.6%	6.2%	1978	6.5%	-0.8%	3.6%	1997	33.4%	9.9%	23.8%
1941	-12.8%	-2.0%	-8.5%	1960	0.3%	11.6%	4.9%	1979	18.5%	0.7%	11.4%	1998	28.6%	14.9%	23.0%
1942	19.2%	2.3%	12.4%	1961	26.6%	2.1%	16.8%	1980	31.7%	-3.0%	17.8%	1999	21.0%	-8.3%	9.2%
1943	25.1%	2.5%	16.0%	1962	-8.8%	5.7%	-3.0%	1981	-4.7%	8.2%	0.5%	2000	-9.1%	16.7%	1.2%
1944	19.0%	2.6%	12.4%	1963	22.6%	1.7%	14.2%	1982	20.4%	32.8%	25.4%	2001	-11.9%	5.6%	-4.9%
1945	35.8%	3.8%	23.0%	1964	16.4%	3.7%	11.3%	1983	22.3%	3.2%	14.7%	2002	-22.1%	15.1%	-7.1%
1946	-8.4%	3.1%	-3.8%	1965	12.4%	0.7%	7.7%	1984	6.1%	13.7%	9.2%	2003	28.7%	0.4%	17.2%
												2004	10.9%	4.5%	8.2%
												2005	4.9%	2.9%	4.0%
												2006	15.8%	2.0%	10.2%
												2007	5.5%	10.2%	7.4%
												2008	-37.0%	20.1%	-13.9%
												2009	26.5%	-11.1%	11.1%
												2010	15.1%	8.5%	12.3%
												2011	2.1%	16.0%	7.7%
												2012	16.0%	3.0%	10.7%
												2013	32.4%	-9.1%	15.6%
												2014	13.7%	10.7%	12.4%
												2015	1.4%	1.3%	1.3%
												2016	12.0%	0.7%	7.3%
												2017	21.8%	2.8%	14.1%
												2018	-4.4%	0.0%	-2.5%
												2019	31.5%	9.6%	22.6%
												2020	18.4%	11.3%	15.3%
												2021	28.7%	-4.4%	15.3%
												2022*	-23.9%	-16.7%	-21.0%

COMPOUND @CharlieBilello

*As of 9/30/22

Source: Charlie Bilello

#food-for-thought

#etfs #performance

ETF matrix highlighting total returns over the last five years, three years, and year-to-date.

Asset Class Performance YTD, 3 Yrs, and 5 Yrs - Total Return (%)									
US Related					Global				
ETF	Description	YTD	3 Yrs	5 Yrs	ETF	Description	YTD	3 Yrs	5 Yrs
SPY	S&P 500	-21.65	32.97	58.62	EWA	Australia	-15.98	6.03	12.92
DIA	Dow 30	-17.39	19.73	44.76	EWZ	Brazil	21.44	-6.44	-5.74
QQQ	Nasdaq 100	-30.63	50.45	95.07	EWC	Canada	-16.12	21.27	22.60
IJH	S&P Midcap 400	-18.95	26.18	35.20	ASHR	China	-30.30	3.42	-4.54
IJR	S&P Smallcap 600	-20.84	24.22	28.13	EWQ	France	-27.26	1.84	1.47
IWB	Russell 1000	-22.41	31.75	56.36	EWG	Germany	-36.41	-16.41	-28.92
IWM	Russell 2000	-22.81	19.45	20.41	EWH	Hong Kong	-18.90	-12.76	-13.44
IWV	Russell 3000	-22.44	30.78	53.23	PIN	India	-11.29	37.89	39.89
IVW	S&P 500 Growth	-28.54	38.34	74.17	EWI	Italy	-30.32	-10.23	-16.64
IJK	Midcap 400 Growth	-22.89	21.97	33.75	EWJ	Japan	-24.88	-6.22	-3.20
IJT	Smallcap 600 Growth	-23.96	23.40	31.02	EWV	Mexico	-9.42	13.43	-7.71
IVE	S&P 500 Value	-14.10	22.23	36.82	EWP	Spain	-20.91	-16.90	-27.26
IJJ	Midcap 400 Value	-15.00	27.25	32.16	EIS	Israel	-24.74	11.32	21.84
IJS	Smallcap 600 Value	-17.83	22.28	21.78	EWU	UK	-17.20	-1.32	-6.03
DVY	DJ Dividend	-7.51	24.41	40.54	EFA	EAFE	-25.61	-1.60	-2.88
RSP	S&P 500 Equalweight	-18.18	31.90	49.75	EEM	Emerging Mkts	-26.74	-7.14	-13.08
FXB	British Pound	-16.41	-9.15	-15.59	IOO	Global 100	-20.62	33.66	52.32
FXE	Euro	-14.41	-13.16	-20.20	BKF	BRIC	-26.94	-14.92	-18.48
FXJ	Yen	-20.80	-27.45	-24.18	CWI	All World ex US	-24.87	-0.60	-2.24
GBTC	Bitcoin Trust	-65.93	19.79	73.79	DBC	Commodities	17.78	67.05	64.87
ETHE	Ethereum Trust	-71.92	255.54	-	DBA	Agric. Commod.	1.53	28.32	8.80
XLY	Cons Disc	-29.40	24.79	66.88	USO	Oil	25.13	-22.22	-16.50
XLP	Cons Stap	-10.28	21.66	44.14	UNG	Nat. Gas	79.42	12.05	-11.21
XLE	Energy	41.82	60.67	42.64	GLD	Gold	-7.56	11.37	30.79
XLF	Financials	-18.86	23.45	32.16	SLV	Silver	-11.69	15.67	20.91
XLV	Health Care	-11.04	47.42	63.60	SHY	1-3 Yr Treasuries	-4.33	-2.14	2.31
XLI	Industrials	-17.94	20.64	30.84	IEF	7-10 Yr Treasuries	-14.75	-11.66	-1.41
XLB	Materials	-20.87	34.04	35.49	TLT	20+ Yr Treasuries	-29.26	-25.09	-8.13
XLK	Technology	-28.83	59.90	119.56	AGG	Aggregate Bond	-13.69	-9.35	-0.80
XLC	Comm Services	-35.96	3.93	-	BND	Total Bond Market	-13.82	-9.32	-0.57
XLU	Utilities	-3.54	16.40	49.90	TIP	T.I.P.S.	-12.65	2.41	10.68

Source: Bespoke

#food-for-thought

#us #housing



Jim Bianco biancoresearch.eth
@biancoresearch



The current state of the housing market



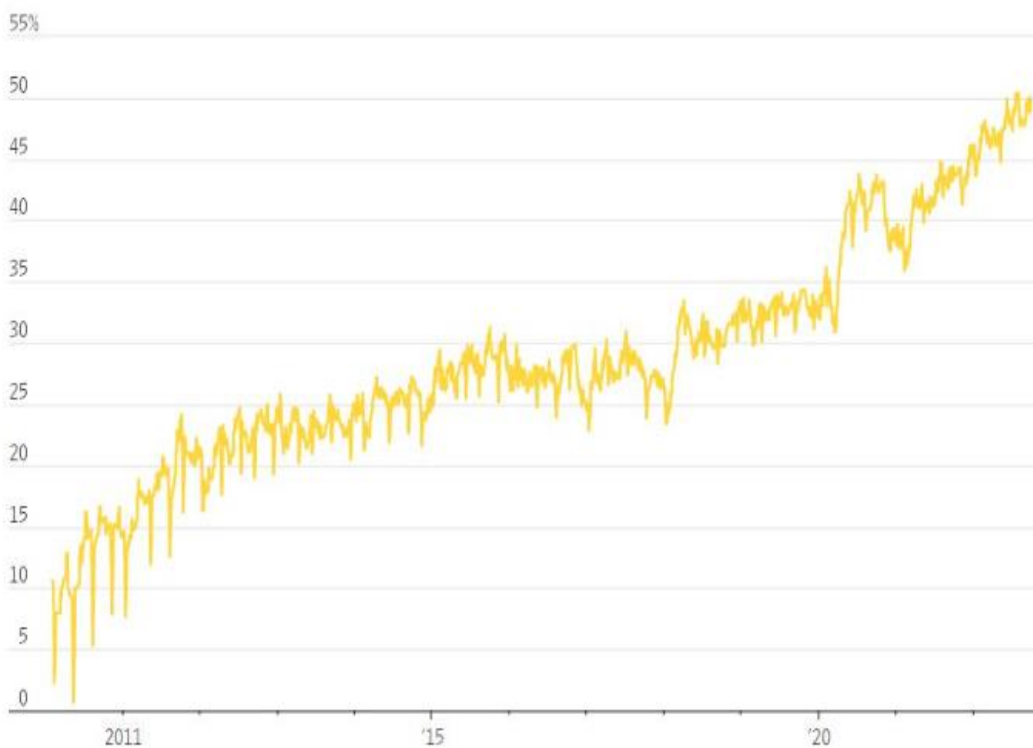
11:15 PM · Oct 5, 2022 · Twitter Web App

#food-for-thought

#options

Options contracts that expire in less than a week make up about half of all activity in the U.S.-listed options market, according to the derivatives-analytics firm SpotGamma. That is up from around 45% last year and roughly a third of all activity in 2019.

Share of total options volume expiring in less than a week



Note: Percentage of total options activity with expiration dates less than seven days away, 20-day moving average
Source: SpotGamma

#food-for-thought

#etfs #market-share

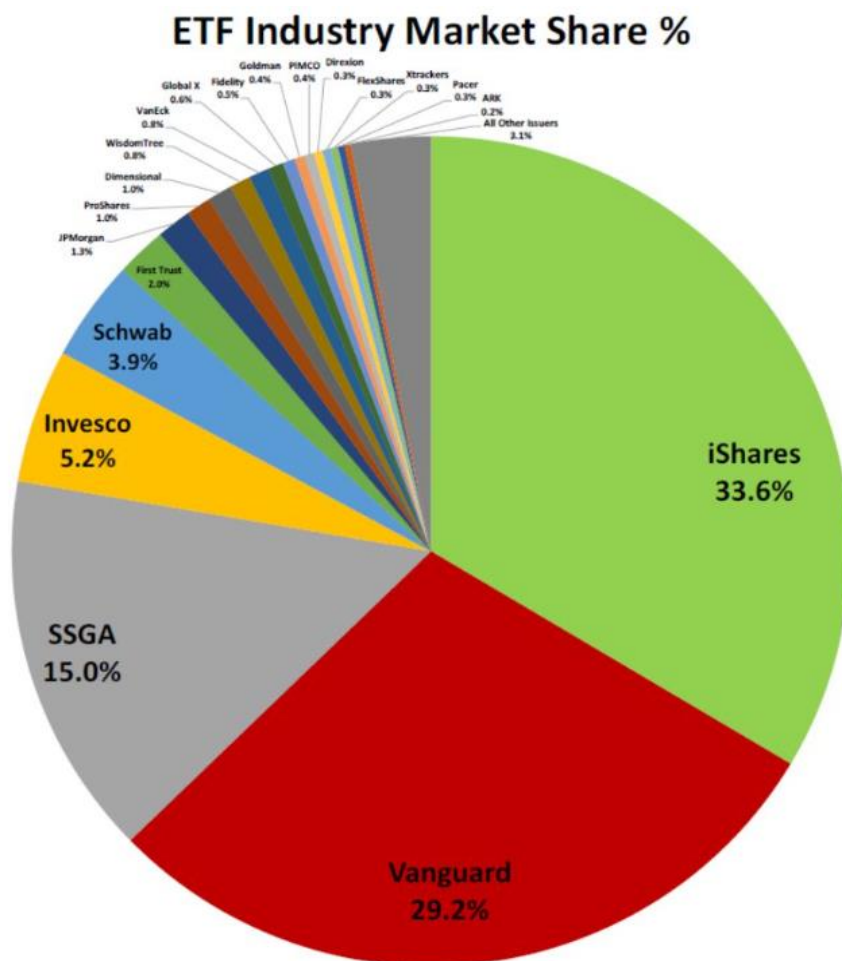
Current ETF industry market share %...

Vanguard continues methodically taking share

Top 5 issuers = 87%

“All Other Issuers” have slightly gained share this year

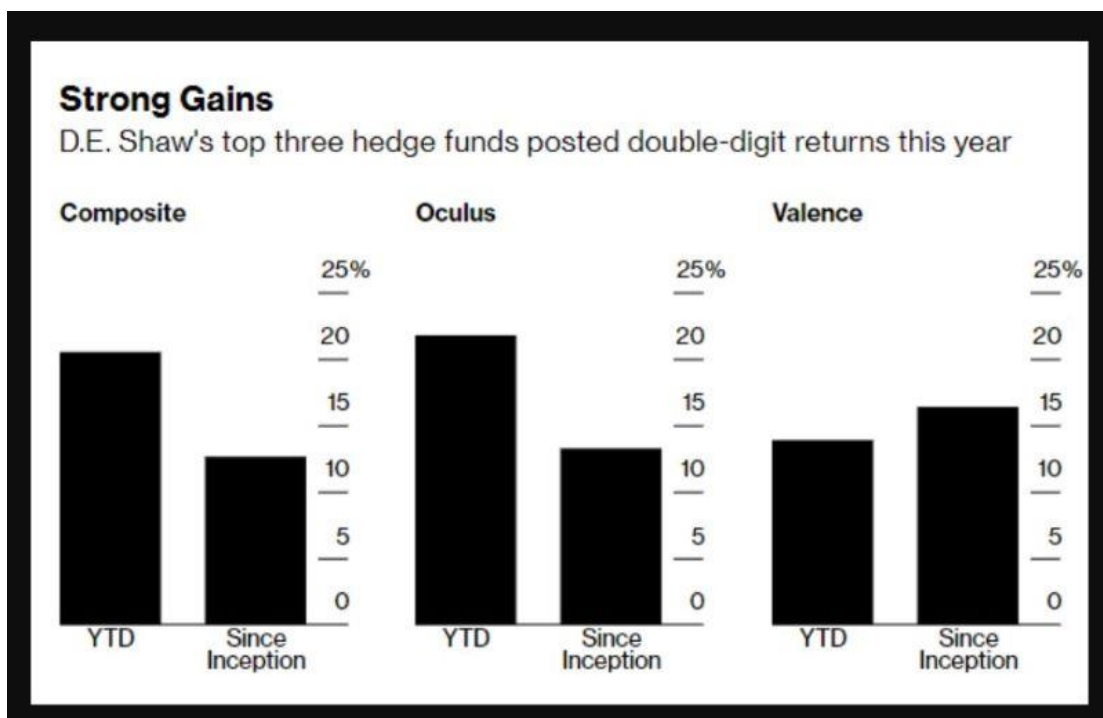
ARK now 20th on leaderboard (was 7th in early 2021)



#food-for-thought

#hedge-funds #fees

Hedge fund D.E. Shaw, the pioneer in quantitative trading, is planning to raise some of its fees to as high as 40%, according to new reporting by Bloomberg this week. The company has about \$60 billion under management and is raising performance fees for its Oculus, Composite and Valence funds starting in July. Respectively, those fees will go to 30%, 35% and 40% of profits, the report says, while managed asset fees remain the same. The three funds have bucked the trend, putting up double digit returns last year and so far in 2022.



Source: Bloomberg

#food-for-thought

#uk #pension-funds #fire-sale

Goldman is buying with up to 30% discount to book values. private assets held by UK pension funds trying to offload them.

Goldman Sachs Seeks Asset Purchases From UK Pension Funds: FT

Thursday, October 6, 2022 06:18 AM

By Aradhana Aravindan

(Bloomberg) -- Goldman Sachs is among investors looking to buy private assets from UK pension funds, the Financial Times reports, citing an executive at the firm.

- “We’re seeing discounts of 20 to 30 percent for a high quality portfolio” of stakes in private equity funds. Gabriel Mollerberg, a managing director at Goldman Sachs Asset Management, told FT
 - “It’s absolutely an opportunity”

#food-for-thought

#credit-suisse #etf

16% of Credit Suisse's shares outstanding is owned by US mutual funds and ETFs. Here is who is most exposed.

Holder Name	Portfolio Name	Ticker	% Portfolio	% Out
1. BlackRock Advisors LLC	BLACKROCK ACTIVE STOCK MASTER PO...		6.426	0.00
2. Harris Associates LP	Daiwa Harris Global Selected Equity F...	04311114 ...	3.489	0.01
3. Harris Associates LP	Oakmark Global Select Fund	OAKWX US	3.431	0.28
4. Harris Associates LP	Oakmark Global Fund	OAKGX US	2.887	0.24
5. Litman Gregory Fund Advi...	iMGP International Fund	MSILX US	2.377	0.04
6. Natixis Advisors LLC	Natixis Oakmark International Fund	NOIAX US	2.246	0.06
7. Harris Associates LP	Oakmark International Fund	OAKIX US	2.201	3.21
8. Massachusetts Mutual Life...	MML INTERNATIONAL EQUITY FUND		2.182	0.01
9. Harris Associates LP	MET Investors Series Trust - Harris O...	MTIHAOK ...	2.129	0.35
10. Brandes Investment Part...	Brandes Institutional International E...	BIIEX US	2.121	0.08
11. HOTCHKIS & WILEY CAPITA...	Hotchkis & Wiley International Value ...	HWNIX US	1.820	0.00
12. ARGA Investment Manage...	ARGA International Value Fund	ARVIX US	1.685	0.00
13. DODGE & COX, INC	Dodge & Cox International Stock Fund	DODFX US	1.166	3.27
14. AllianceBernstein LP	AB Global Core Equity Portfolio	GCEAX US	1.019	0.24
15. BLACKROCK FUND ADVISO...	iShares MSCI Switzerland ETF	EWL US	0.996	0.12
16. FRANKLIN ADVISERS INC	Franklin FTSE Switzerland ETF	FLSW US	0.883	0.00
17. DODGE & COX, INC	Dodge & Cox Global Stock Fund	DODWX US	0.877	0.61
18. BLACKROCK FUND ADVISO...	iShares MSCI Europe Financials ETF	EUFN US	0.866	0.09
19. Pzena Investment Manag...	Pzena International Value Fund	PZINX US	0.783	0.00
20. Pzena Investment Manag...	Pzena Large Cap Value	PZLCVAL US	0.780	0.00
21. Massachusetts Mutual Life...	MassMutual Select Overseas Fund	MOSSX US	0.769	0.02
22. HOTCHKIS & WILEY CAPITA...	Hotchkis & Wiley Global Value Fund	HWGIX US	0.752	0.00

Source: Bloomberg

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#tesla

S&P upgraded Tesla's \$TSLA credit rating to investment grade (To BBB from BB+)

Credit Rating Scales by Agency, Long-Term

Moody's	S&P	Fitch	
Aaa	AAA	AAA	Prime
Aa1	AA+	AA+	High grade
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	Upper medium grade
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	Lower medium grade
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	Non-investment grade speculative
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	Highly speculative
B2	B	B	
B3	B-	B-	
Caa1	CCC+	CCC	Substantial risk
Caa2	CCC		Extremely speculative
Caa3	CCC-		Default imminent with little prospect for recovery
Ca	CC	CC	
	C	C	
C	D	D	In default
/			
/			

"Junk"



WOLFSTREET.com

Source: wolfstreet,



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#mobileye #ipo

Intel's self-driving company Mobileye files for an IPO

Mobileye, founded in 1999, has partnered with Audi, BMW, Volkswagen, GM, and Ford to develop advanced driving and safety features. The prospectus says that Mobileye is planning to list Class A common stock, but did not provide the number of shares or price range for the proposed offering. Intel will maintain ownership of Class B shares that have ten times the votes of Class A shares, according to the prospectus, giving it control over the company's board and other decisions.



Source: CNBC

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#amazon

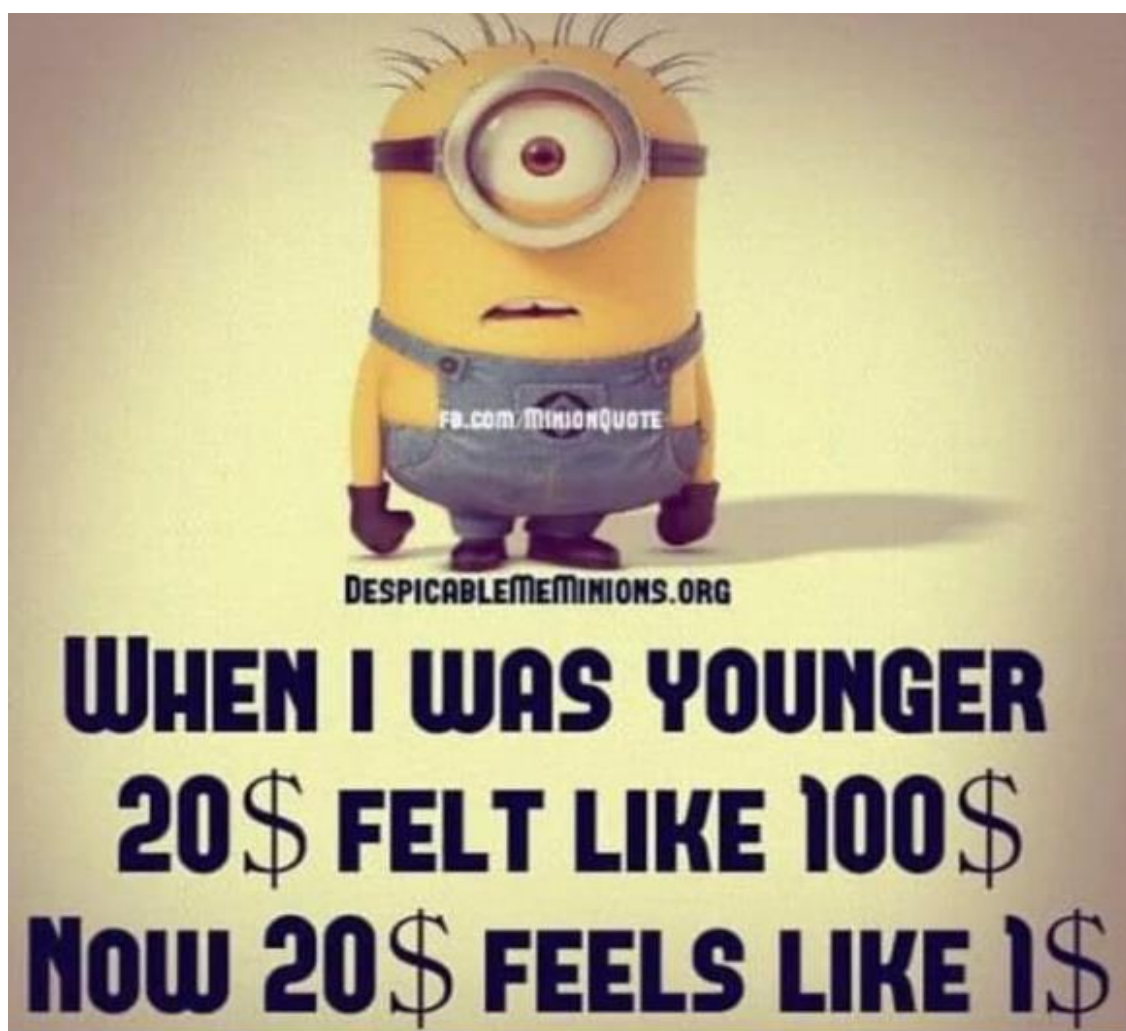
Amazon announced the launch of Amazon Catalytic Capital, a \$150 million commitment focused on investing in underrepresented builders in tech. The initiative, according to a release, will invest in funds that back pre-seed and seed-stage startups built by Black, Latino, Indigenous, women and LGBTQIA+ founders. The goal is that the money will support more than 10 funds and, as a result, over 200 companies over the next year.



Source: Reuters

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#inflation #humor

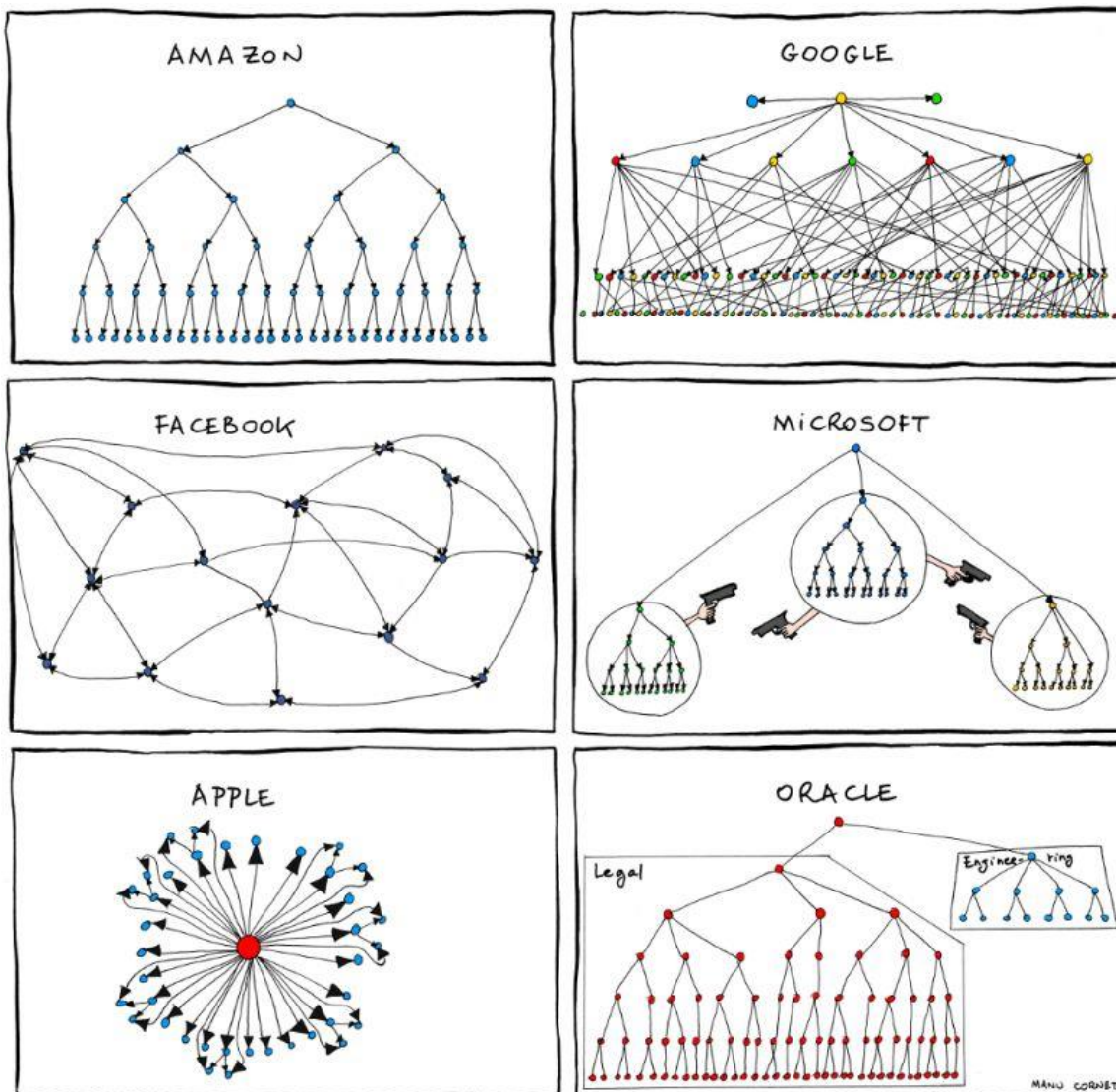


Source: twitter

#food-for-thought

#organization #complexity

Why your Product is always as complex as your Organization



Source: Classical Picture from Manu Cornet, bonkers world, 2011

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#hard-work

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hard work.
It's **unlocking**
doors you
can't see yet.

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For the future...