

**The week in  
seven charts**



**Chart #5**

**The comeback of retail investors**

Read more on p3

**The comeback of retail investors**

US debt due to explode, hedge funds cover their short tech stocks, while Tesla stocks see huge trading volumes. Each week, the Syz investment team takes you through the last seven days in seven charts.

**Charles-Henry Monchau**

*Chief Investment Officer*

Chart #1 —

### January US inflation data surprise on the upside

It was the most anticipated statistic of the week: the US inflation for the month of January. The year-on-year figure turned out to be higher than expected at +6.4% (versus +6.2% expected by the consensus) while the sequential increase was +0.5% (versus +0.4% expected).

Inflation excluding energy and food rose by 5.6% (vs. +5.5% expected) on a yearly basis and by 0.4% sequentially (vs. +0.3% expected).

While goods inflation (red line above) continues to decline (+1.4% vs. January 2022), services inflation (green line) continues to accelerate (+7.2% y/y), its highest level since July 1982. Housing had the largest contribution to the rate of price change with a 7.9% year-over-year increase.

Housing is a lagging indicator, and it will certainly take several months to reflect the strong slowdown currently observed in the US housing market.



Source: www.zerohedge.com

Chart #2 —

### The US consumer is (still) more resilient than expected

Fourteen economic indicators related to US consumption and inflation were released last week. Twelve of these indicators exceeded expectations, indicating that the US consumer is in good health while the job market remains very tight. However, the figures for industrial and manufacturing activity disappointed expectations.

US Economic Data Releases vs. Estimates		
Indicator	Survey	Actual
Headline CPI MoM	0.5%	0.5%
Core CPI MoM	0.4%	0.4%
Headline CPI YoY	6.2%	6.4%
Core CPI YoY	5.5%	5.6%
Adjusted Retail & Food Services Sales MoM	2.0%	3.0%
Adjusted Retail Sales Less Autos MoM	0.9%	2.3%
Adjusted Retail Sales Less Autos and Gas Stations MoM	0.9%	2.6%
Retail Sales Less Food Services Auto Dealers & Build Mat & Gas Station MoM	1.0%	1.7%
PPI Final Demand MoM	0.4%	0.7%
PPI Less Food and Energy MoM	0.3%	0.5%
PPI Less Food, Energy, and Trade MoM	0.2%	0.6%
PPI Final Demand YoY	5.4%	6.0%
PPI Less Food and Energy YoY	4.9%	5.4%
PPI Less Food, Energy, and Trade YoY	4.0%	4.5%

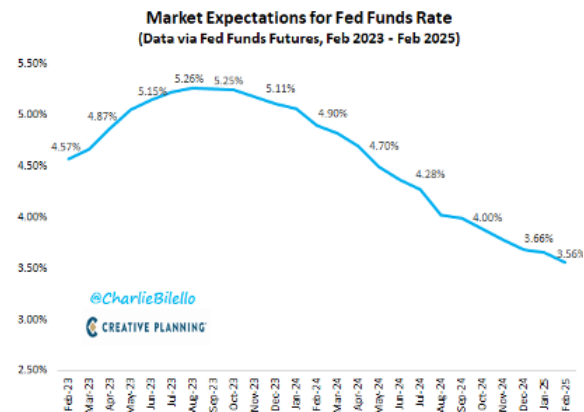
Source: Bloomberg, Crescat Capital

Chart #3 —

### The market revises its expectations for the Fed's key rates upwards for the first part of the year

Following the release of better-than-expected inflation numbers and comments from Fed members that the rate hike could be extended over time, the market has revised upwards its expectations for the path of the policy rate in the coming months.

The market now anticipates a 25 basis point increase in March, 25 basis points in May, 25 basis points in June and a pause thereafter. The market expects rate cuts to begin in December 2023 and continue into 2024.

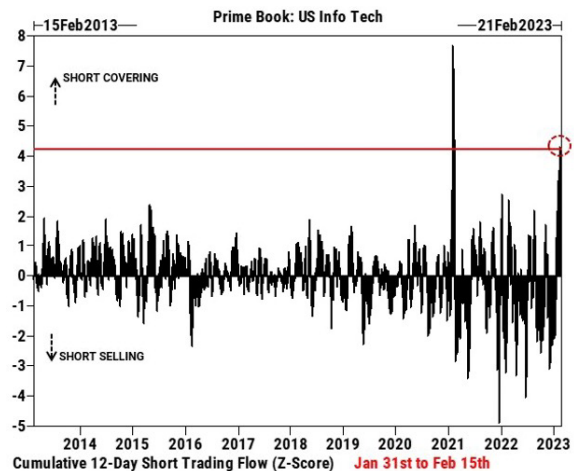


Source: Charlie Bilello

Chart #4 —

### Hedge funds cover their short positions in technology stocks

Over the past 12 days, we have seen the largest hedge fund short covering of technology stocks in history (excluding January 2021). These trades have supported the technology sector since the beginning of the year. Now that hedge funds have covered their shorts, will the sector go back to underperforming?



Source: Florian Kronawitter

Chart #5 –

### The comeback of retail investors

Hedge funds are not the only investors to have supported the equity markets since the beginning of the year. In fact, individuals have injected a record \$1.5 billion per day into the US stock market in 2023.



Source: Bloomberg, Vanda Track

Chart #6 –

### Huge trading volumes in Tesla stock

Volume on Tesla stock - favored by retail investors - has reached staggering amounts since the beginning of the year. There is more volume on Tesla than the 6 most traded stocks after Tesla and more than double the volume on the SPDR ETF (\$SPY). At the current pace, more than \$6 billion worth of Tesla shares could be traded this year.

Volume	Chg Up	Chg Down	Value	Δ AVAT	52wk	
1	▲		Tesla Inc	198.265	-4.37%	16.21B
2	▲		NVIDIA Corp	213.91	-4.24%	4.15B
3	▲		Apple Inc	150.546	-0.06%	2.49B
4	▲		Meta Platforms Inc	175.862	-1.16%	2.13B
5	▲		Microsoft Corp	262.851	-0.29%	2.05B
6	▲		Alphabet Inc	95.42	+0.43%	1.87B
7	▲		Alphabet Inc	95.70	+0.25%	1.83B
8	▲		Amazon.com Inc	97.87	-0.38%	1.70B
9	▲		Advanced Micro De...	81.7022	-1.81%	1.49B
10	▲		Berkshire Hathawa...	467990	+0.42%	1.44B
11	▲		PayPal Holdings Inc	79.13	+0.91%	1.41B
12	▲		Salesforce Inc	166.30	-4.24%	835.97M

Source: Bloomberg

Chart #7 –

### The United States is on track to increase its debt by \$19 trillion over the next 10 years

Congressional Budget Office projections released Wednesday suggest that rising interest rates and bipartisan spending bills will make budget deficits worse.

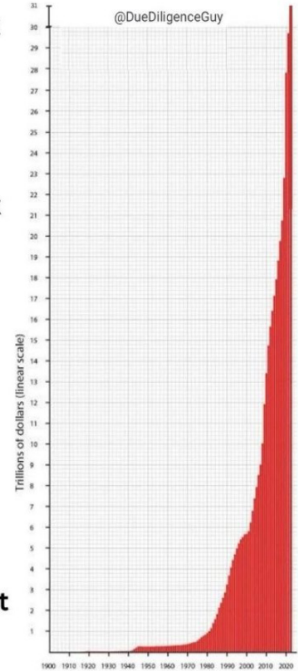
The U.S. is on track to add nearly \$19 trillion to its national debt over the next decade, \$3 trillion more than expected, due to rising costs for interest payments, veterans' health care, retiree benefits and the military, the Congressional Budget Office said Wednesday.

✗ NOT a meme stock

✗ NOT a penny stock

✗ NOT a crypto coin

✓ This is US Gov debt



Source: Compounding Quality

### For further information

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