

Chart of the week

HIGH NET WORTH INVESTORS LOVE CASH

High net worth investors with more than \$1 million have their highest allocation into cash, per CNBC. Are they rationale to do so as US T-bills 6-month yield is now above S&P 500 earnings yield and corporate bond yields? Or are they wrong to stay on the sideline at a time equities are outperforming all other asset classes?



Source: JC Parets, CNBC, Capgemini Research Institute

The Dow Jones is up 10 days in a row

U.S. equity indexes advanced on hopes that the tight labor market and moderating inflation would help the economy avoid a hard landing. The Dow Jones is up 10 days in a row, which is the longest winning streak since February 2017. The Nasdaq, however, suffered a modest pullback on the week on the back of Tesla and Netflix earnings. Value stocks outperformed their growth counterparts. On the macro side, June retail sales increased 0.2% MoM (vs. 0.6% expected) while weekly initial jobless claims fell for a second consecutive week (but more than economists had expected). US Treasury secretary Janet Yellen downplayed the risk of recession. Meanwhile, the Conference Board's Leading Economic Index decreased for a 15th consecutive month in June—the longest string of sequential declines since 2007–2008. Two-year U.S. Treasury note yields increased during the week. However, the 10-year yield was little changed, leading to a further inversion of the yield curve as investors appeared to price in a near certainty of another Federal Reserve rate hike at the central bank's July 25–26 policy meeting. Commodities continued to rebound despite a strong week for the dollar. The pan-European STOXX Europe 600 Index ended the week 0.95% higher despite the news that Eurozone economy skirts recession (based on revised figures). Two of the leading hawks in the ECB appeared to moderate their stance on future interest rate increases. Japan's stock markets registered mixed performance for the week ahead of a crucial BoJ meeting.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

22 JULY 2023

#markets

#weekly #markets #stats

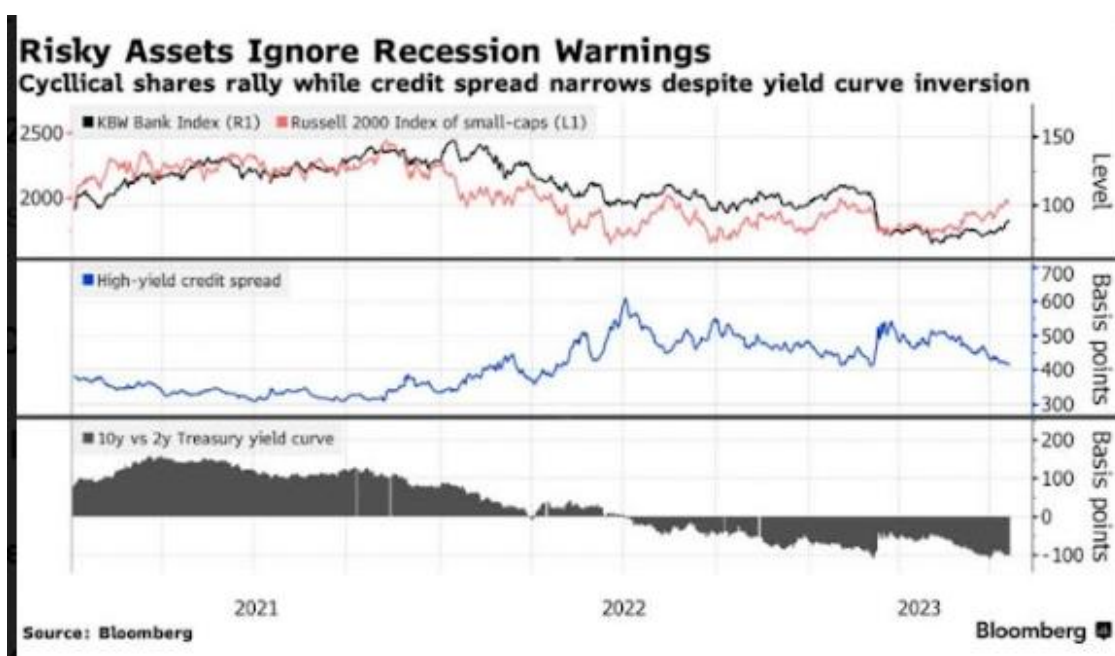
INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	35,228	2.1%	6.3%
S&P 500 Index	4,536	0.7%	18.1%
NASDAQ	14,033	-0.6%	34.1%
MSCI EAFE *	2,182	-0.3%	11.9%
10-yr Treasury Yield	3.84%	0.0%	0.0%
Oil (\$/bbl)	\$76.91	2.0%	-4.2%
Bonds	\$98.00	0.1%	2.5%

Source: Edward Jones



#risk-assets

Cyclical shares are rallying and credit spreads are narrowing at the time the inverted yield curve is screaming recession,

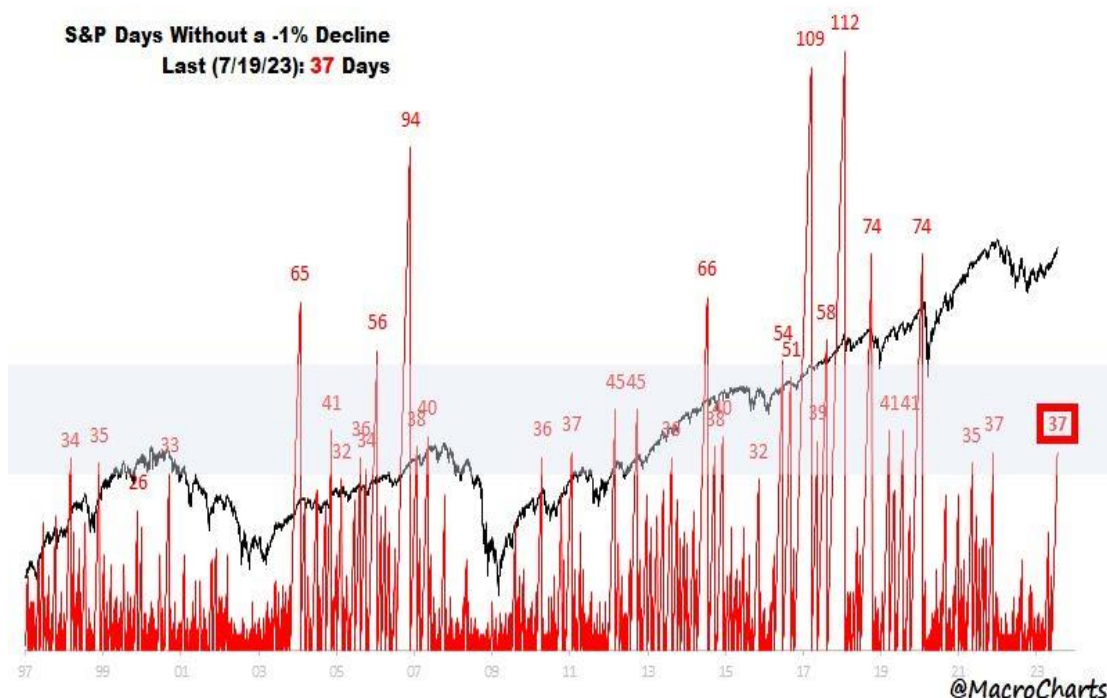


Source: Bloomberg



#us #equities #sp500

The S&P has gone 37 days without a 1% decline – last seen at the NOV 2021 Top. Many similar streaks ended with some big volatility spike.



Source: Macrocharts



#GLOBALMARKETS WEEKLY WRAP-UP

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#us #etfs #moving-average

Major US index ETFs are more than 5% above their 50-DMA

Trends: US Indices (7/14/23)									
Tickers	Name	Price	% Change			Trading Range			
			YTD	5-Day	50-DMA ↑	Current	OS	50-DMA	OB
QQQ	Invesco Nasdaq 100 ETF	379.07	42.78	3.50	8.13	Overbought			
IWR	Russell Mid-Cap ETF	74.66	10.99	2.87	6.17	Overbought			
IJH	Core S&P Mid-Cap ETF	266.83	10.64	2.77	6.16	Overbought			
MDY	S&P MidCap 400 ETF Trust	487.89	10.54	2.67	6.03	Overbought			
IWM	Russell 2000 ETF	191.53	10.14	3.69	5.87	Overbought			
VTI	Total Stock Market ETF	223.95	17.58	2.71	5.63	Overbought			
OEF	S&P 100 ETF	209.78	23.36	2.36	5.51	Overbought			
IWB	Russell 1000 ETF	247.31	17.79	2.53	5.50	Overbought			
IJR	Core S&P Small-Cap ETF	101.41	7.53	3.07	5.45	Overbought			
IVV	Core S&P 500 ETF	451.65	17.92	2.46	5.33	Overbought			
VOO	S&P 500 ETF	412.77	17.94	2.45	5.32	Overbought			
SPY	S&P 500 ETF Trust	449.28	18.37	2.45	5.32	Overbought			
IWC	Micro-Cap ETF	110.94	3.13	2.11	3.86	Overbought			
DIA	DJIA ETF	345.17	4.70	2.29	2.57	Overbought			

Source: Bespoke



#GLOBALMARKETS WEEKLY WRAP-UP

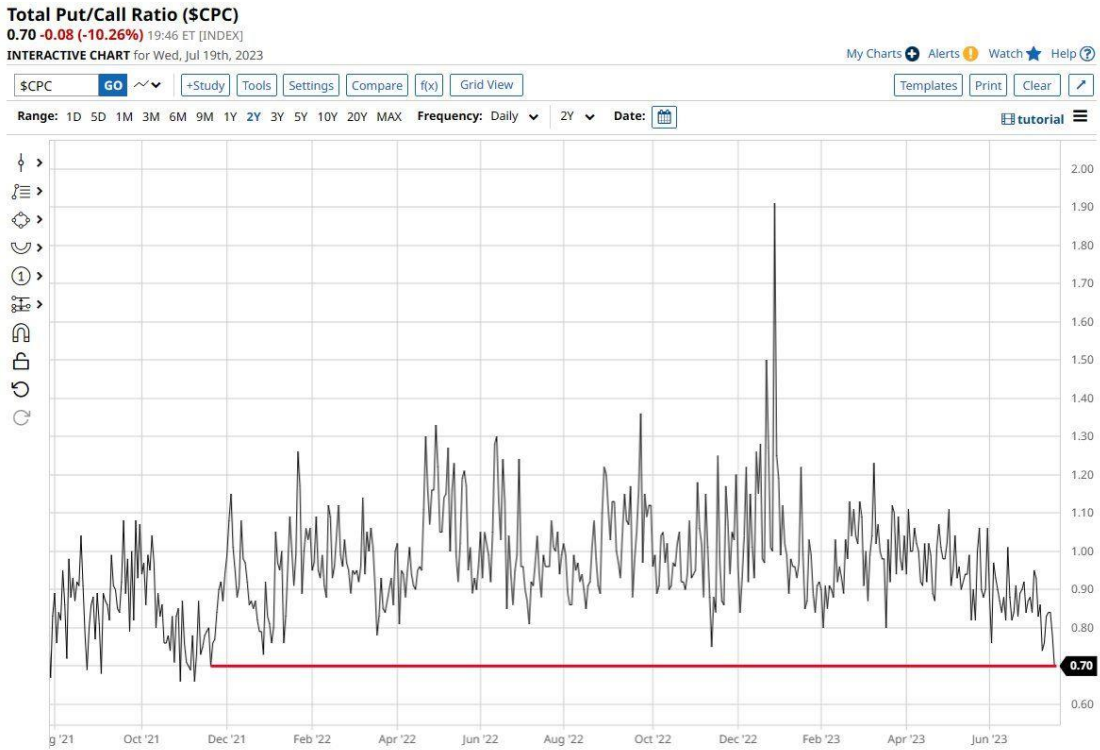
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#us #options #put #call

Total Put/Call Ratio drops to lowest level since November 2021.



Source: barchart

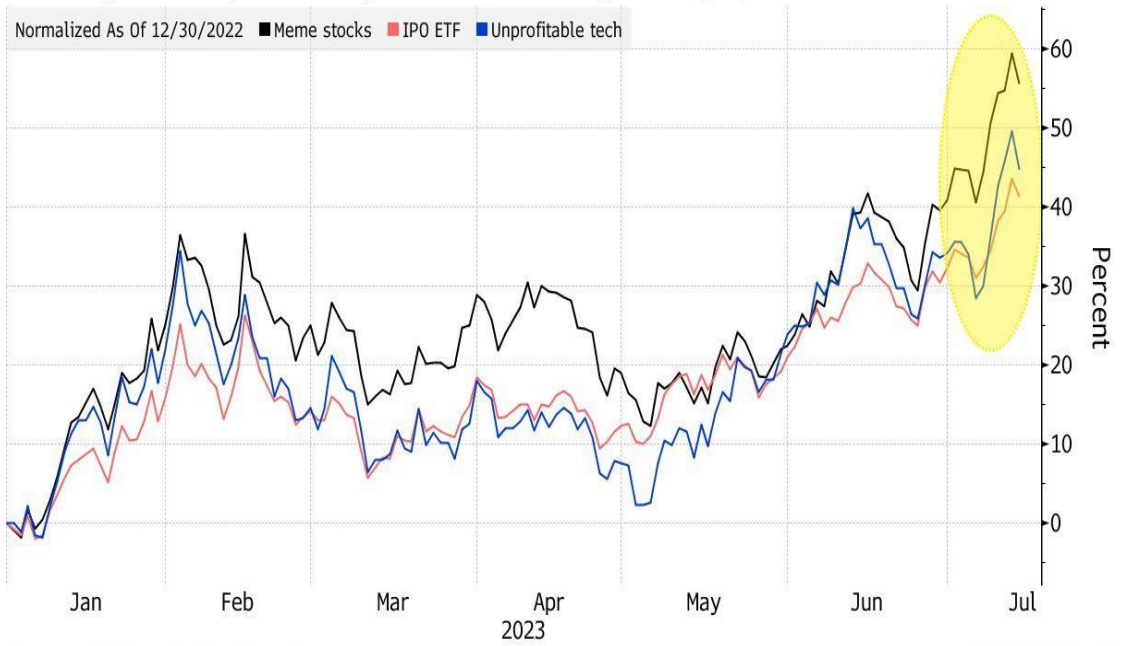




#equities #speculation

Speculation is back

Speculative Stocks Rally The surge in risky stocks signals a revival in gambling spirits



Source: Goldman Sachs, Bloomberg



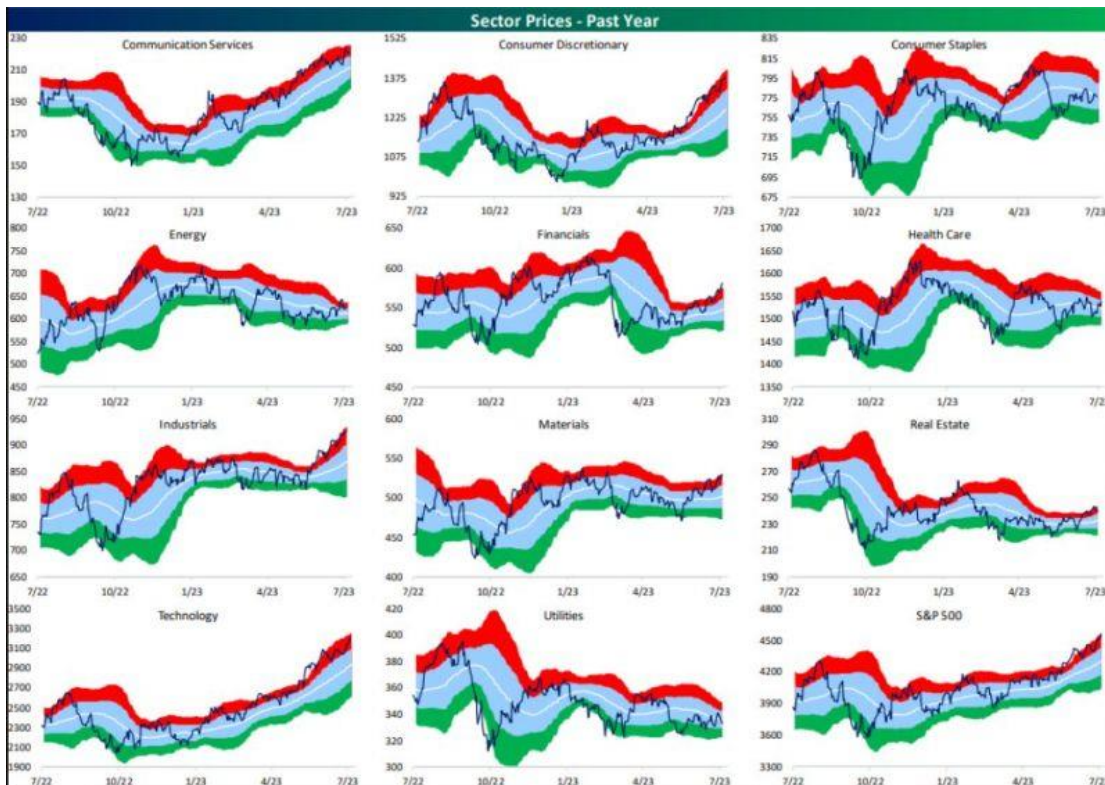
Source: Bloomberg





#us #sp500

The S&P and most of its sectors continue to trade in extreme overbought territory

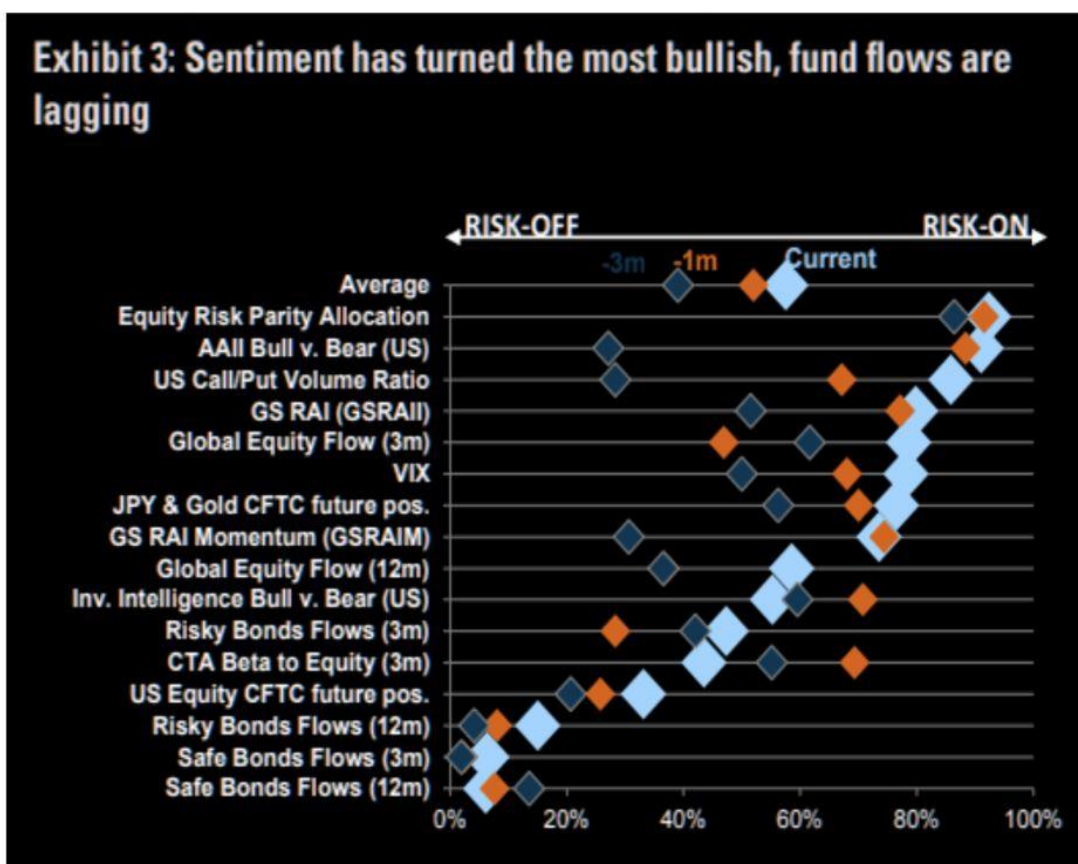


Source: bespoke



#equities #sentiment #bullish

Bullish sentiment on equities is getting even more bullish.



Source: TME, Goldman Sachs

#markets

#us #sp500 #target #bullish

Credit Suisse raised its S&P 500 Year-End target to 4,700, becoming most Bullish Wall Street Bank

S&P 500 Year-End Price Targets

Majority of Wall Street firms have revised upwards their estimates for 2023

Firms	As of January	As of July
Bank of America	4,000	4,300
BMO	4,300	4,550
Barclays	3,725	4,150
BNP Paribas	3,400	3,400
Cantor Fitzgerald	4,100	3,500
Citigroup	4,000	4,000
Credit Suisse	4,050	4,700
Deutsche Bank	4,500	4,500
Evercore ISI	4,150	4,450
Fundstrat	4,750	4,825
Goldman Sachs	4,000	4,500
HSBC	4,000	4,600
JPMorgan	4,200	4,200
Morgan Stanley	3,900	3,900
Ned Davis Research	4,300	4,500
Oppenheimer	4,400	4,400
Piper Sandler*	3,225	3,700
RBC Capital Markets	4,100	4,250
Scotiabank	3,900	4,200
Societe Generale	3,800	4,300
22V Research	4,100	4,600
UBS	3,900	3,900
Wells Fargo	4,200	4,200

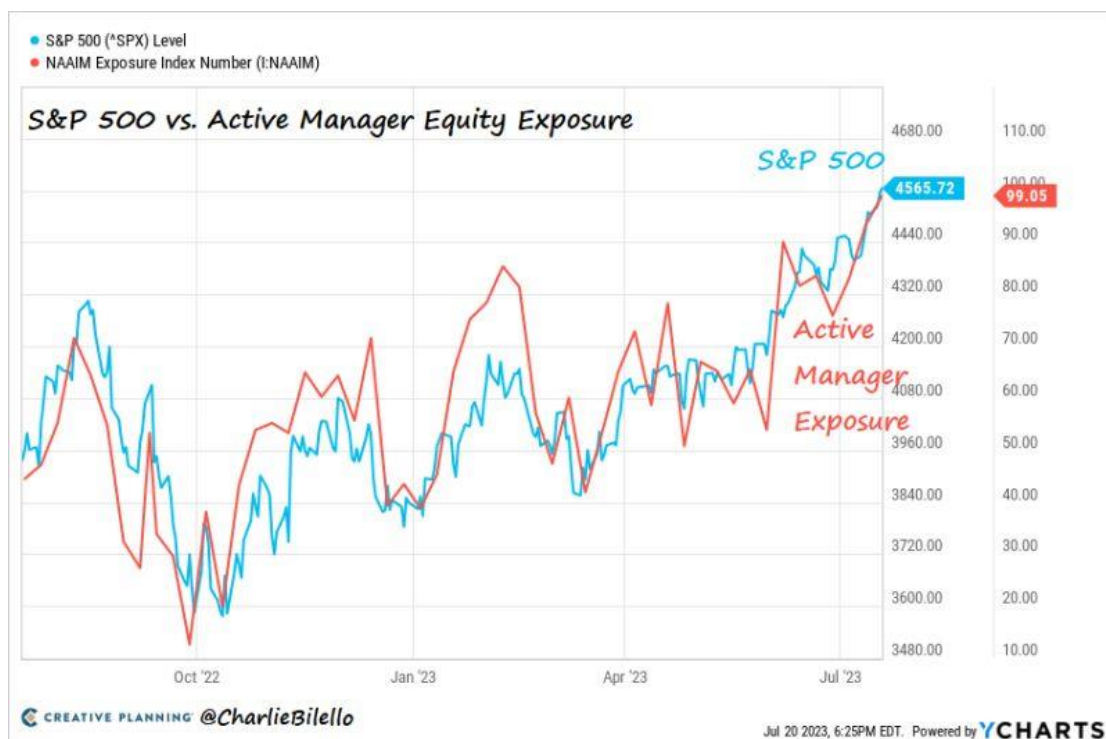
Source: Data from firms compiled by Bloomberg
Note: *Estimate reflects midpoint of 3,600 to 3,800 forecast range

Bloomberg Opinion



#us #equities #sp500 #active-managers #exposure

Active managers had less than 20% exposure to equities last October when the S&P 500 was at 3,500. Today their equity exposure has jumped above 99% with the S&P 500 above 4,500. This is the highest exposure since November 2021



Source: Charlie Bilello





#vix #volatility #seasonality

Volatility tends to increase in the later parts of the year, as observed from the seasonality of VIX.



Source: topdowncharts



#us #equities #microsoft

Despite weak US retail sales, yesterday was another strong session for us stocks after Microsoft \$MSFT announced new pricing for its AI offerings... For context, \$MSFT and \$NVDA have added \$175BN market cap today, more than the mkt cap of 462 S&P companies, and more than the value of Nike, Wells Fargo, Walt Disney, Morgan Stanley, Intel, etc This ai related news drove #value back near its record lows relative to growth...



Source: Bloomberg, www.zerohedge.com





#us #equities #apple #ai

Apple is developing the equivalent of “AppleGPT” and other generative AI tools to rival OpenAI and Google. Apple is testing the chat bot internally and it’s code name is “Ajax”. Apple stock jumped after Bloomberg reported the ai news and hit a new ATH. Apple was caught flat-footed in the past year with the introduction of OpenAI’s ChatGPT, Google Bard & Microsoft’s Bing AI. Its main AI product, the Siri voice assistant, has stagnated recently.



Source: HolgerZ, Bloomberg





#us #equities #tech #mutual-funds

Diversified funds can't buy more tech giants – many of largest mutual fund firms running into limits in how much more big tech stocks they can purchase w/o running afoul of “diversification” rules. Combined mkt cap of 6 Big Tech comps has jumped to 57% of total Nasdaq 100 market cap.



Source: Bloomberg, HolgerZ

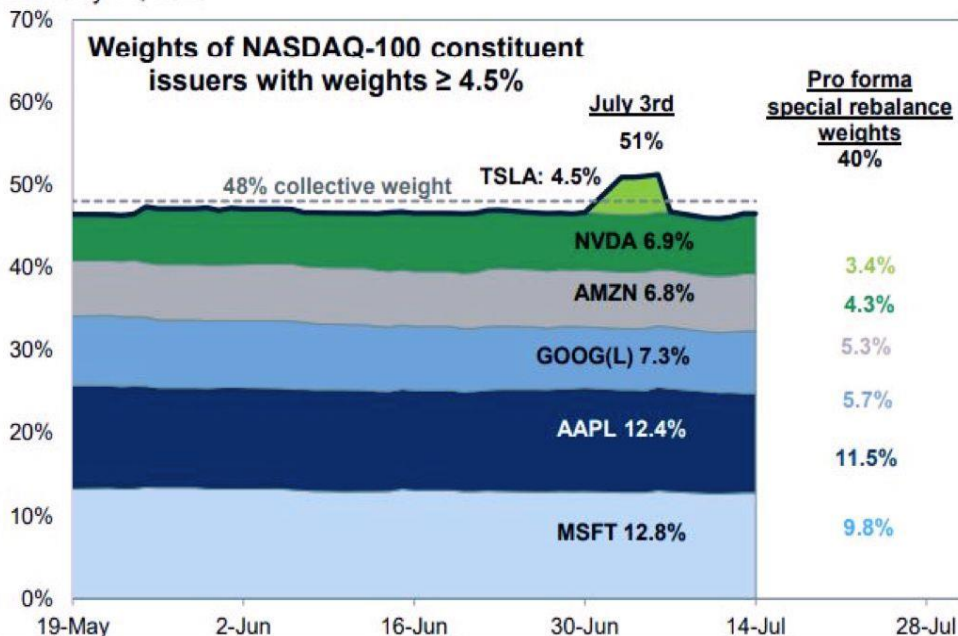


#us #equities #nasdaq #rebalancing

The Nasdaq-100's rebalancing in one chart from Goldman. On July 24, the weight of the largest 7 stocks in the index will be reduced from 56% to 44%. Apple and Microsoft will remain the largest constituents, but their index weights will be reduced to 12% and 10%, respectively. Alphabet, Amazon and Nvidia come next.

Exhibit 1: Weights of the largest Nasdaq-100 stocks over time

as of July 14, 2023



Source: Nasdaq, Bloomberg, Goldman Sachs Global Investment Research

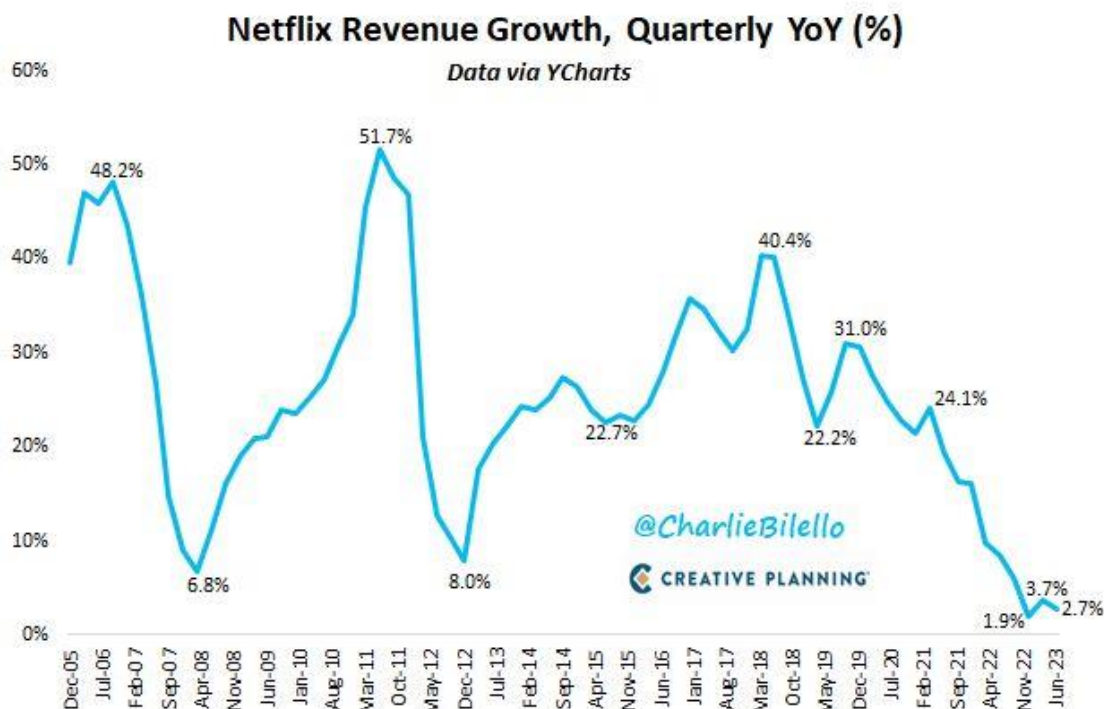
Source: David Kostin thru Oktay Kavrak, CFA Leverage Shares





#us #equities #netflix

Is netflix still a growth stock? Netflix Q2 revenues were 2.7% higher than a year ago, the second lowest growth rate in company history (lowest was 1.9% in Q4 2022). \$NFLX

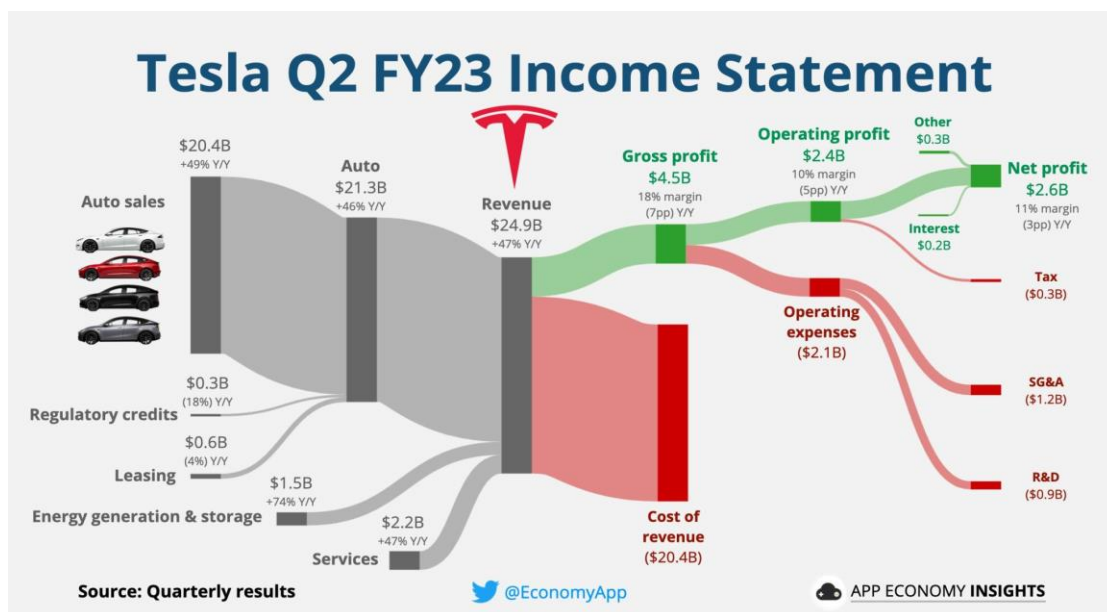


Source: Charlie Bilello



#us #equities #tesla #earnings

Tesla reported earnings after the bell, showing a record for quarterly revenue but lower margins thanks to price cuts and incentives. The stock price dropped as CEO Elon Musk and other executives failed to deliver precise specs and start of delivery dates for the Cybertruck, and for a robotaxi-ready vehicle. \$TSLA Tesla Q2 FY23:



Source: App Economy Insights, CNBC





#ai #stocks

The AI proxy, NYFANG, has been the hottest stuff around in 2023. It closed below the 21 day moving average today, by a margin not seen since late April. 50 day is still way lower...

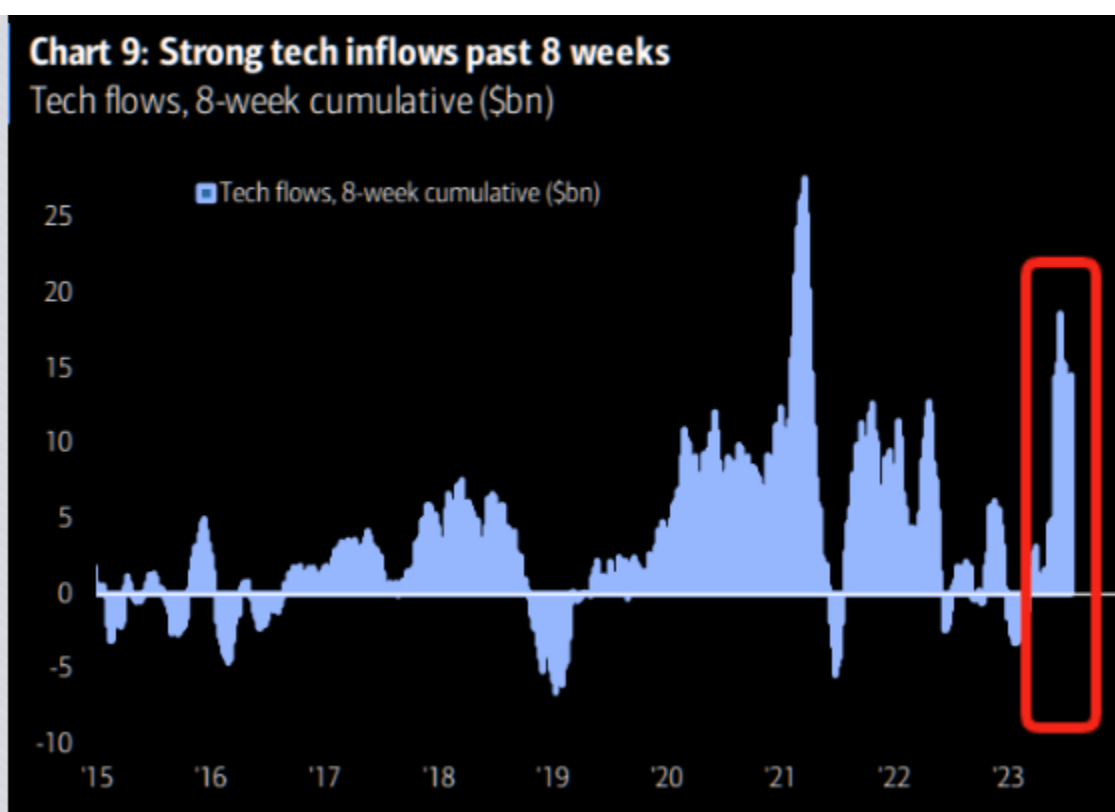


Source: TME, Refinitiv



#tech #funds #inflows

The inverse to early 2023. Long tech here is not unique...



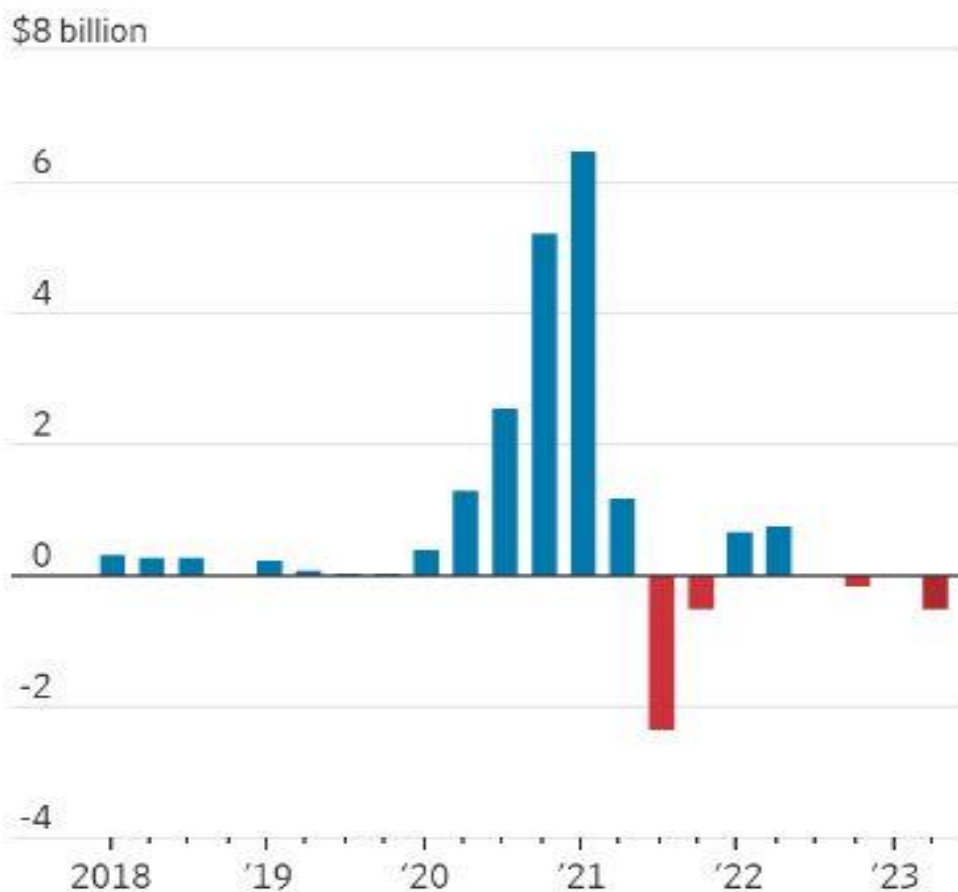
Source: TME, BofA



#us #etf #confidence #ark-innovation

ARK Innovation ETF Lost Investor Confidence

Quarterly net flow, ARK Innovation ETF



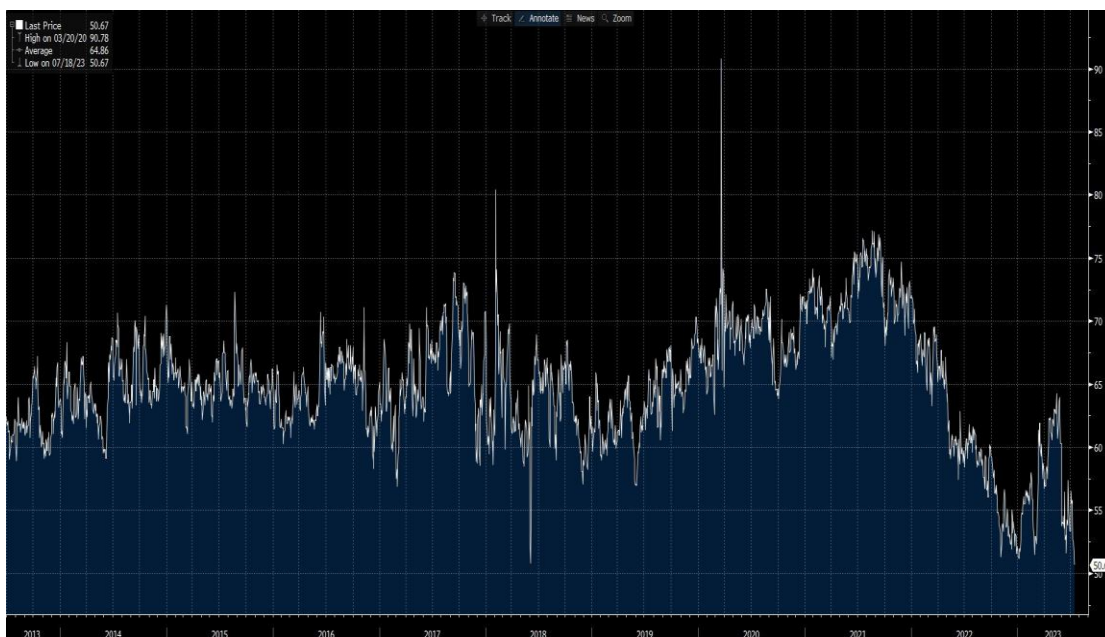
Source: FactSet

Source: wsj



#us #spy #options #skewdex

The Nations SkewDex, which is a proxy of long put demand, reached the lowest level since data are recorded - Bloomberg data.*Note: The Nations SkewDex compares the cost of out-of-the-money SPY put options to the cost of precisely at-the-money SPY options.



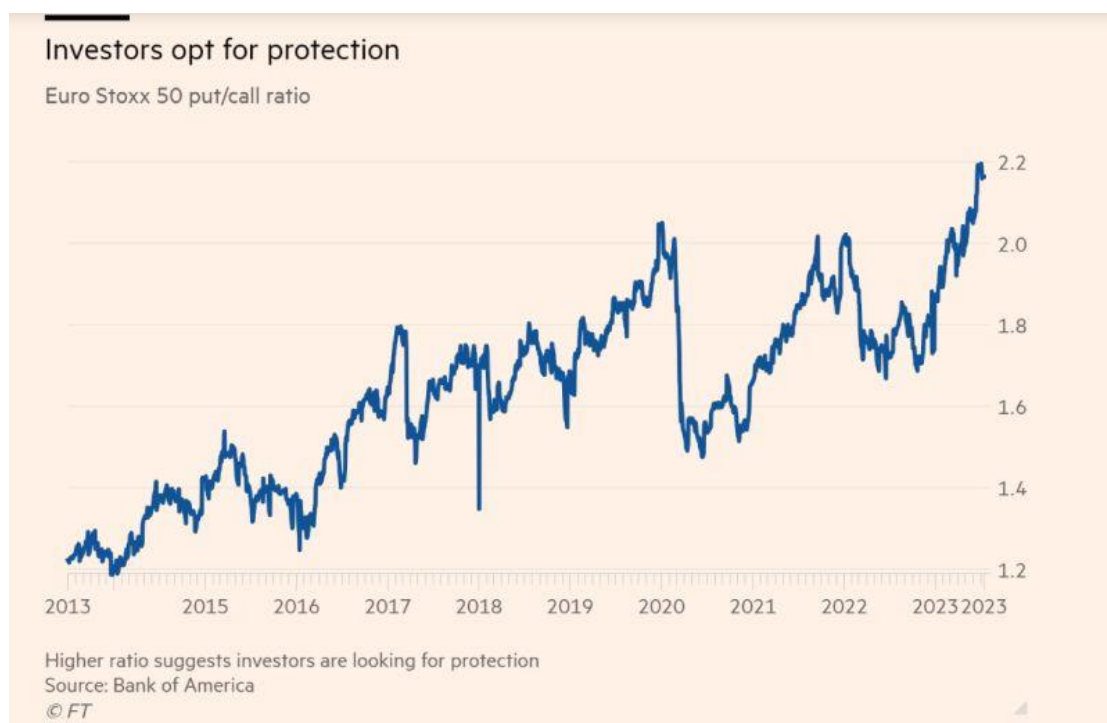
Source: Bloomberg, C.Barraud



#europe #equities #options #derivatives

Investors hedge against a European stock market downturn

The ratio of puts to calls tied to the blue-chip Euro Stoxx 50 benchmark has risen to its highest level in BofA data stretching back a decade.

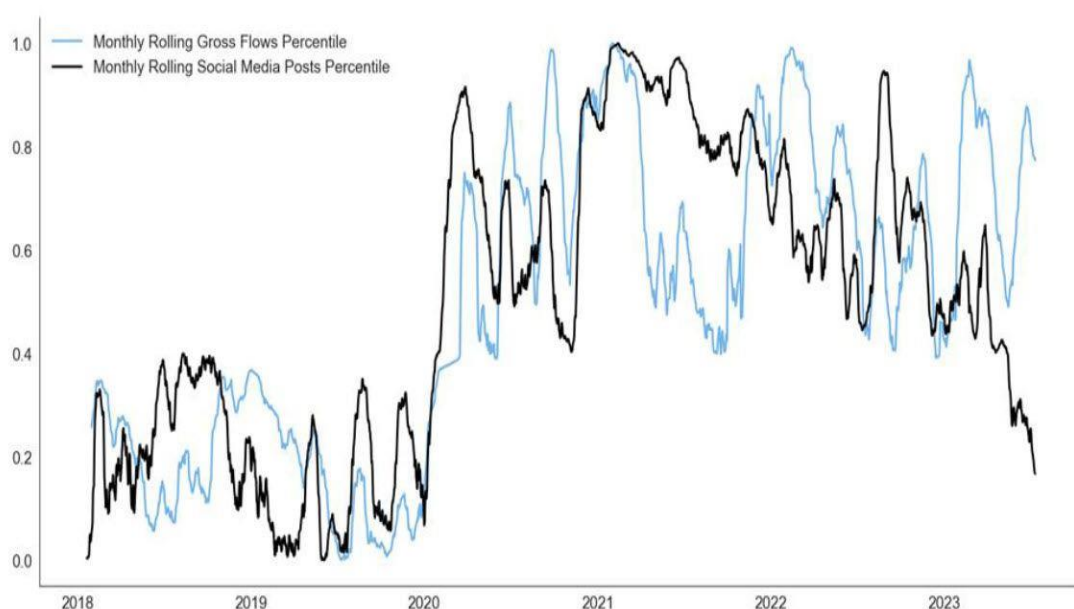


Source: ft

#equities #fundflows #sentiment #social-media

There is striking divergence between social media mood (apocalyptic) and actual fund flows (and stock prices).

Gross Flows in 77th percentile and Social Media Posts in 17th percentile since Jan 2018 (monthly rolling data)



Source: JP Morgan Data Intelligence in collaboration with Peng Cheng, QDS Research. Based on research retail predicted trades data set.

Source: www.zerohedge.com, JP Morgan



#us #yield-curve #inversion

Treasuries were mixed this week with the short-end underperforming (2Y +8bps, 30Y -2bps)...Based on the gap between the 10-year Treasury and the 3-month Treasury, we're now experiencing the largest inversion in more than 40 years.



Source: www.zerohedge.com

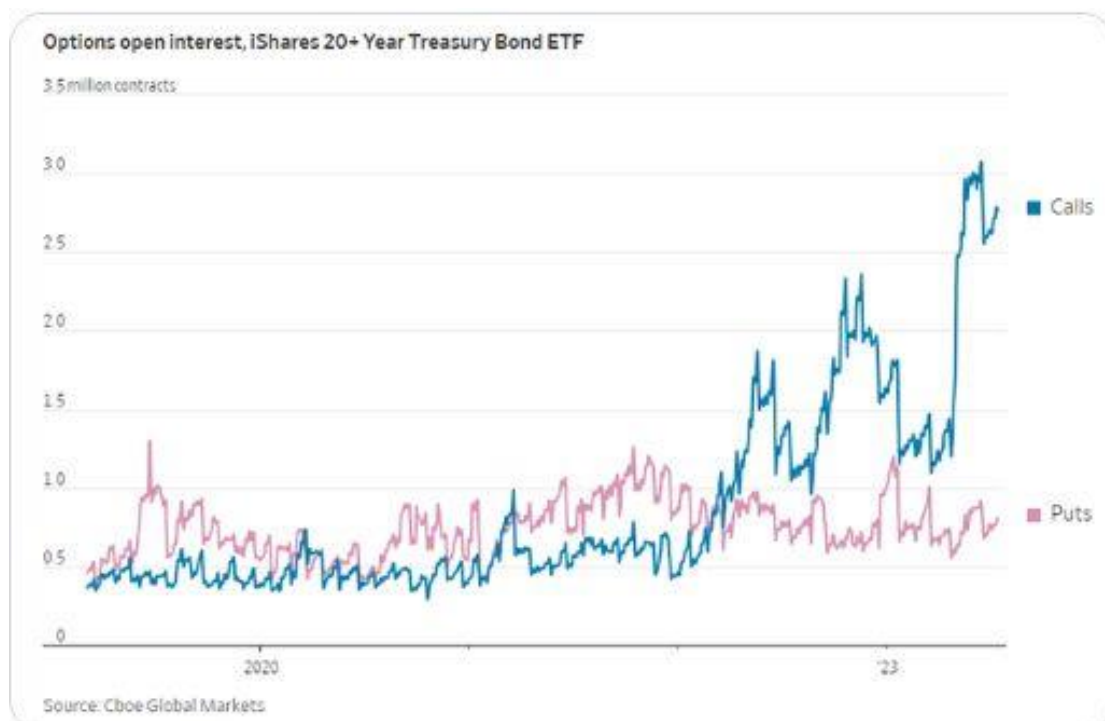


#markets

#bonds #etf #iShares #open-interest

Options Open Interest, iShares20+ Bond ETF

Call Open Interest in the iShares 20+ Year Treasury Bond ETF
TLT is more than triple the OI for Puts.

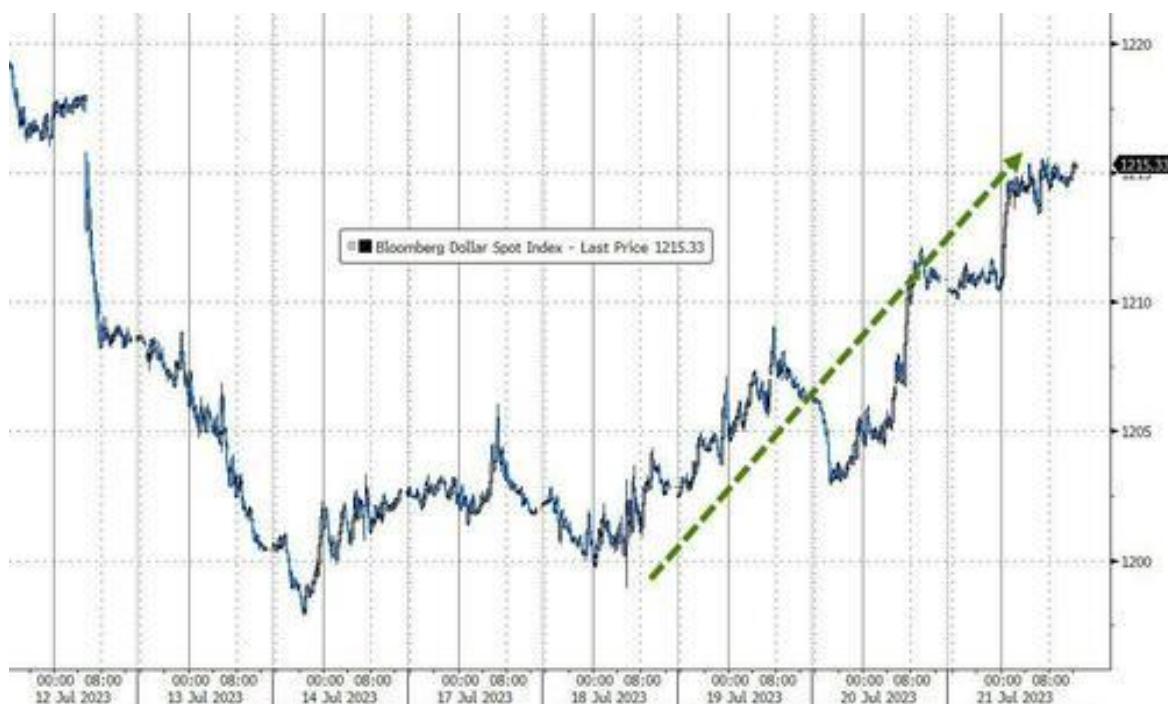


Source: barchart, cboe



#forex #dollar

The dollar bounced back to its best weekly gain since Feb '23...



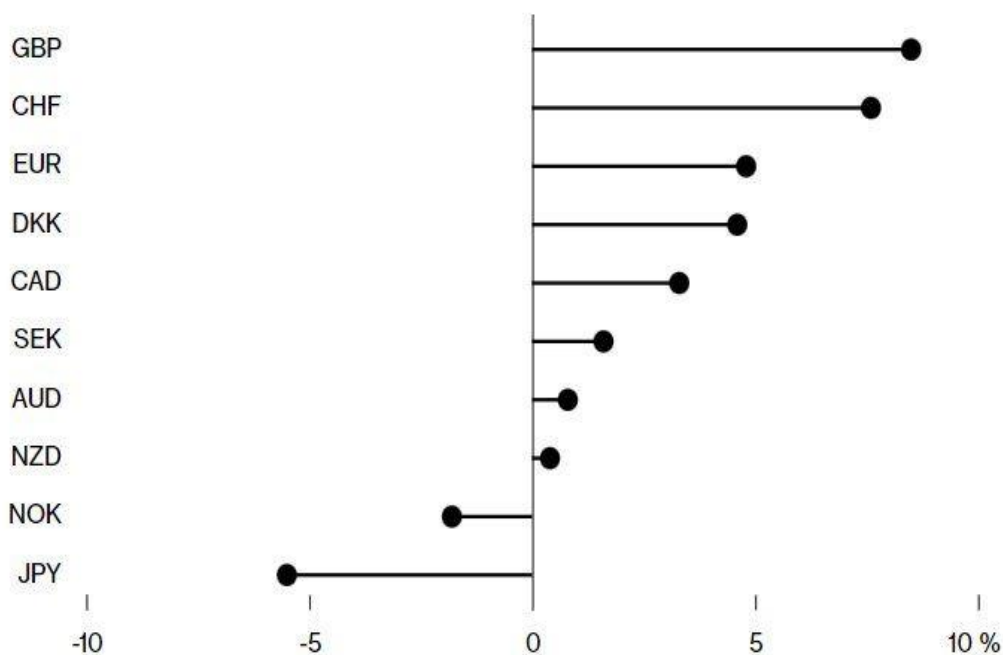
Source: Bloomberg, www.zerohedge.com



#forex #dollar

The pound is the best performing currency (against dollar) YTD ahead of the swissie. The Japanese yen is the only G10 currency to have lost value vs. dollar since the start of the year.

The Pound Has Been This Year's Best Performing G-10 Currency



Source: Bloomberg
Year-to-date move vs USD

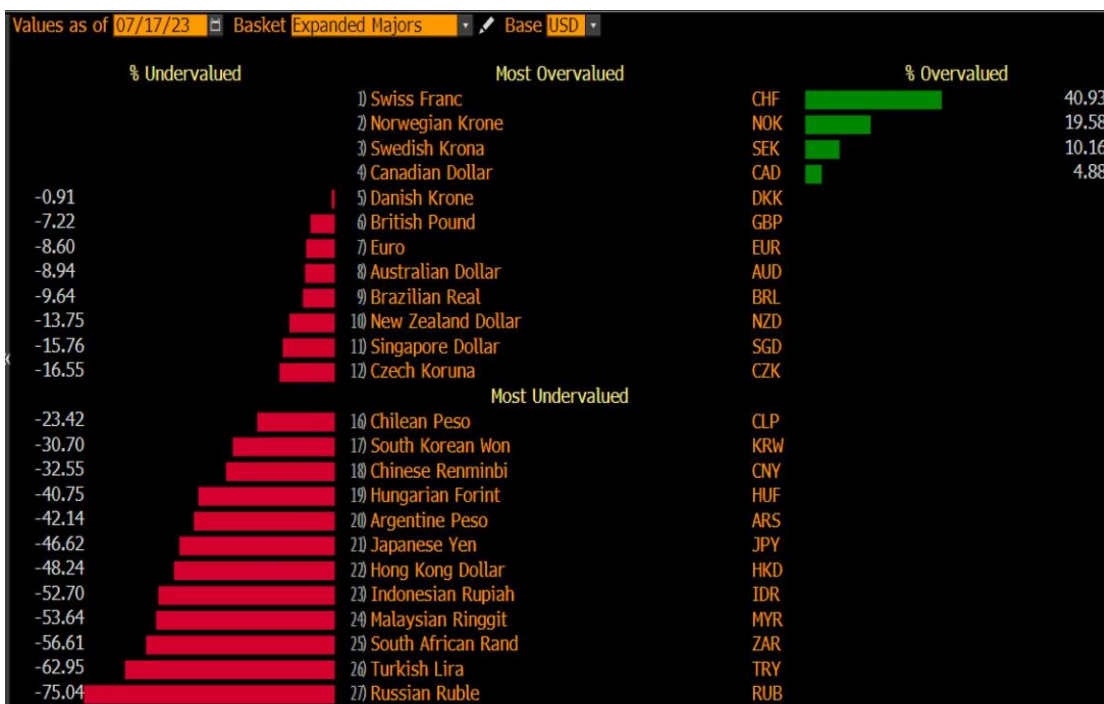
Source: Bloomberg





#forex #dollar

Dollar’s worst slump since November has some strategists saying a turning point is finally at hand for the greenback. Standard Bank expects ‘multi-year downtrend.’ Dollar bears can also lean on valuation measures. Dollar is overvalued in terms of purchasing power (Big Mac Index) against all major currencies except Swiss franc, the Swedish/Norwegian krona, and the Canadian dollar.



Source: HolgerZ, Bloomberg



#commodities

Commodities Bloomberg Commodity Index broke out downward sloping trend. Next resistance is the 200 days moving average.

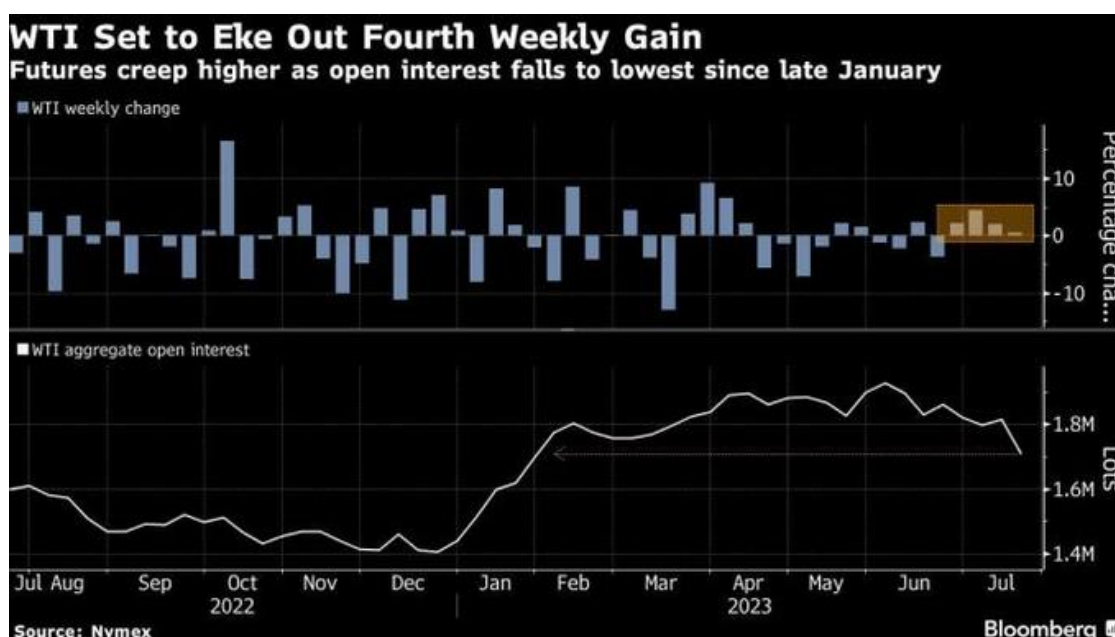


Source: Bloomberg



#commodities #wti-oil

Oil is set for its 4th weekly gain in a row

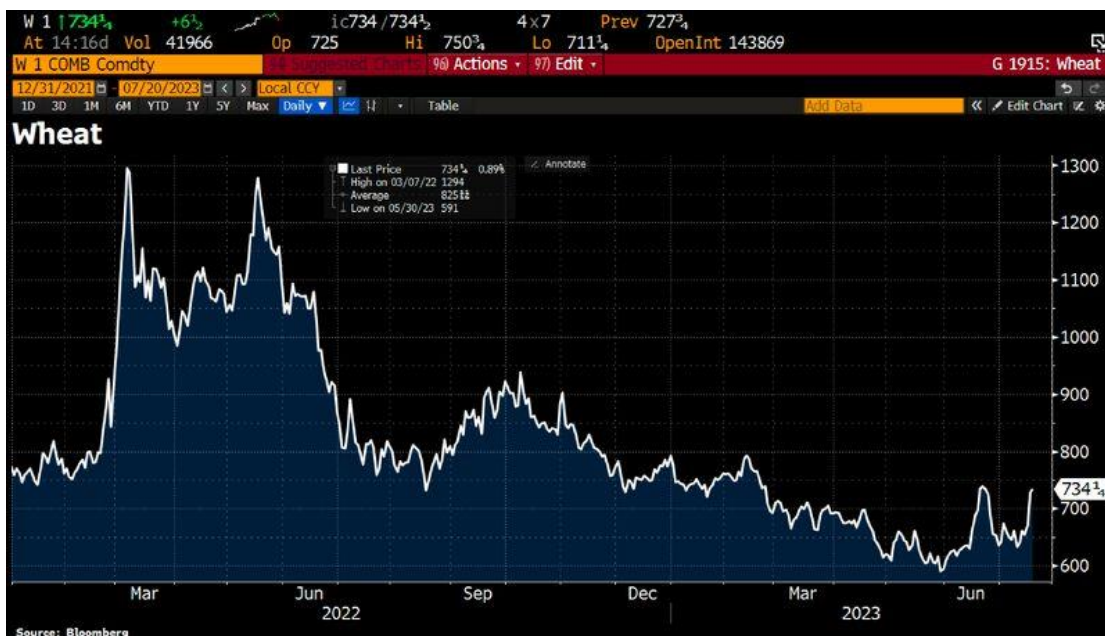


Source: Bloomberg



#commodities #wheat #war

Wheat prices keep rising after Ukraine warns on Russia ships in a tit-for-tat response to a similar warning from Moscow. Both Ukraine & Russia are major grain exporters & Ukraine's exports have been severely restricted by war. Black Sea ports are a major exit point to global markets



Source: Bloomberg, HolgerZ

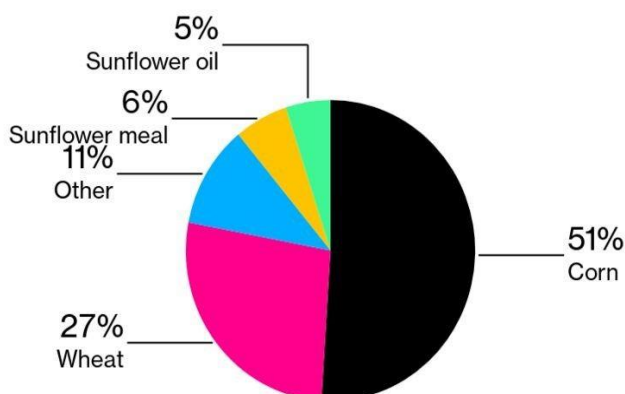


#commodities #wheat #russia

Russia ended the agreement that ensured the safe passage of almost 33 million tons of crop exports almost a year into its run, heightening uncertainty over global food supplies

Corn and Wheat Are Top Crops Shipped Under the Deal

Black Sea deal has allowed nearly 33 million tons of exports from Ukraine



Source: Black Sea Grain Initiative

Bloomberg

Source: Bloomberg

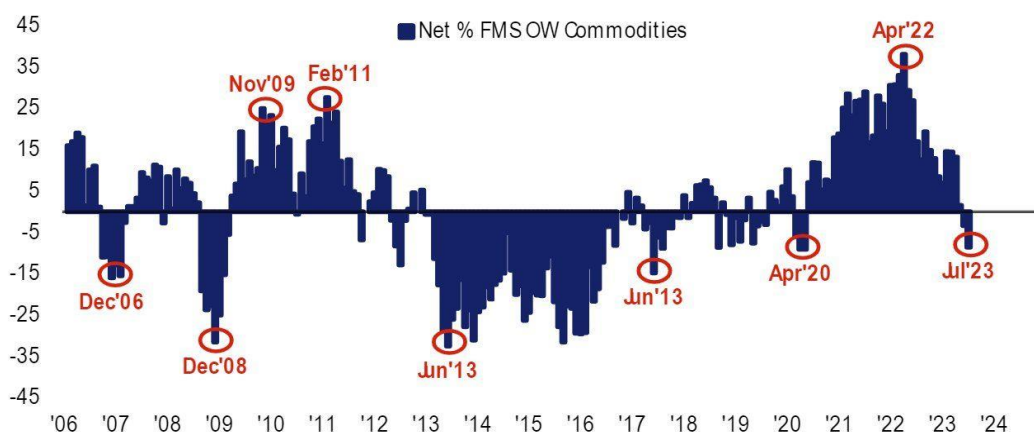


#commodities #crude-oil #futures #bearish

According to the latest BofA survey, fund managers are now UNDERWEIGHT commodities. The last time fund managers were this bearish on commodities, crude oil futures were literally trading below zero.

Chart 3: FMS investors most UW commodities since May'20

Net % FMS investors saying they are OW commodities



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Source: BofA, Global Research



#macro

#recession #yield-curve

While the deeply inverted yield curve has stoked anxiety among investors about the prospect of a recession, Goldman Sachs has a different message: stop worrying about it. Indeed, the bank's Chief Economist Jan Hatzius just cut his assessment of the probability of a recession to 20% from 25%, following a lower-than-expected inflation report last week.

Table One
**Lags from Yield Curve (YC)
Inversions to Recessions**
U.S., 1969-2022

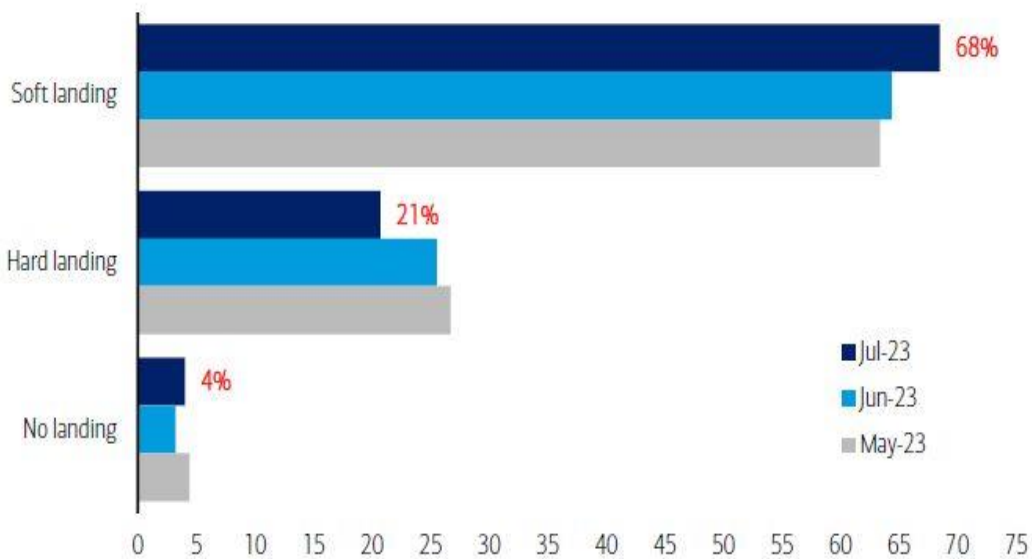
<u>Beginning of YC Inversion</u>	<u>Recession</u>	<u>Lag in Terms of</u>	
		<u>Days</u>	<u>Months</u>
6/18/69	1969.12	166	5.5
6/1/73	1973.11	153	5.0
11/1/78	1980.01	426	14.0
10/27/80	1981.07	247	8.1
5/24/89	1990.07	403	13.2
7/7/00	2001.03	237	7.8
7/17/06	2007.12	502	16.5
5/22/19	2020.02	255	8.4
10/26/22			
averages, pre-1985:		248	8.2
averages, ALL YEARS:		299	9.8
averages, post-1985:		349	11.5



#us #economy #soft-landing

The "soft landing" of the us economy is the new consensus according to BofA survey

Chart 8: ...but a "soft landing" the most likely global outcome
What is the most likely outcome for the global economy in the next 12 months?



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Source. BofA survey





#us #economy #growth #recession

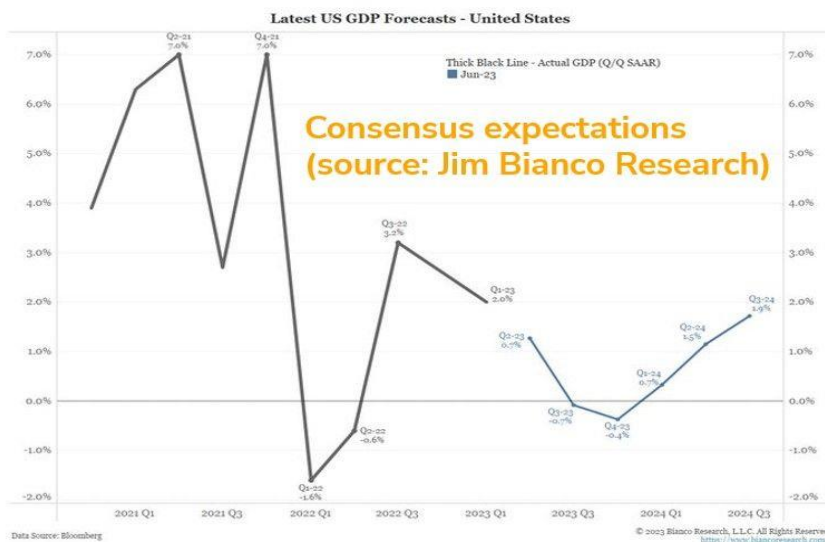
Wall Street is giving up on #us #recession risk as highlighted by a Wall Street Journal article. Jim Bianco Research shows consensus expectations for the coming quarters are pointing towards a very small contraction. The blue line is the June update of a survey conducted by Bloomberg of around 70 economists showing the median forecast for the next six quarters.

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Economists Are Cutting Back Their Recession Expectations

Forecasters still expect GDP to eventually contract, but later, and by less, than previously



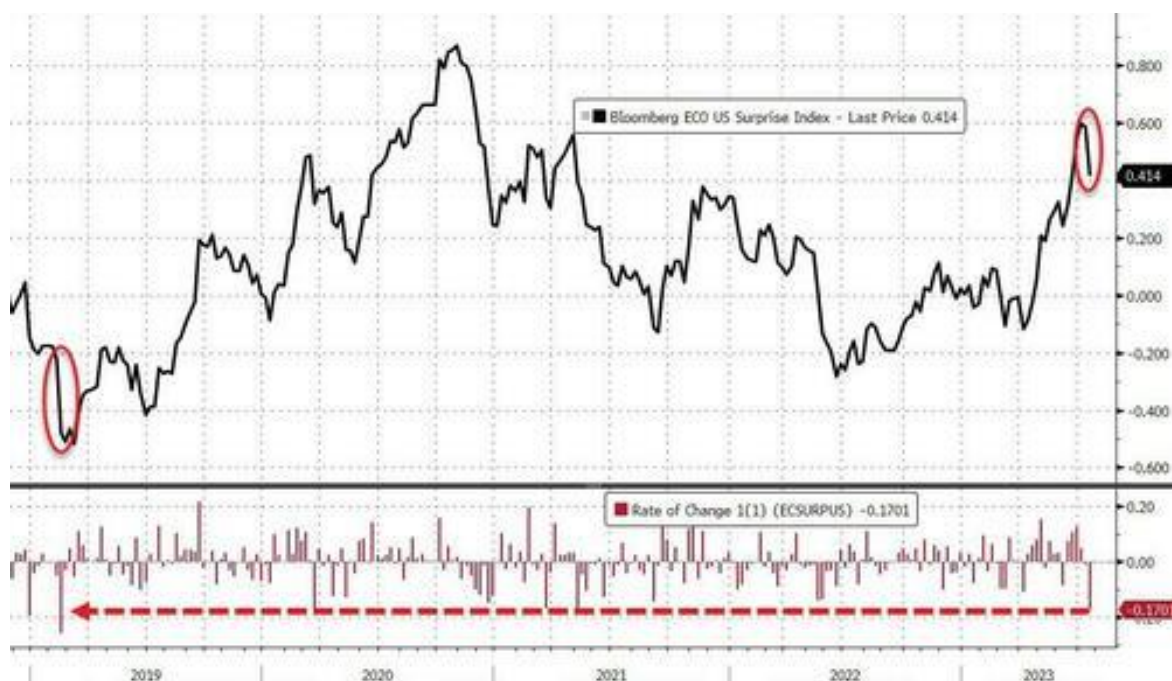
Source: WSJ





#economy #us #surprises

Ever so quietly under the covers of a quiet summer week, US Macro data surprised to the downside, with the biggest weekly drop since Feb 2019...

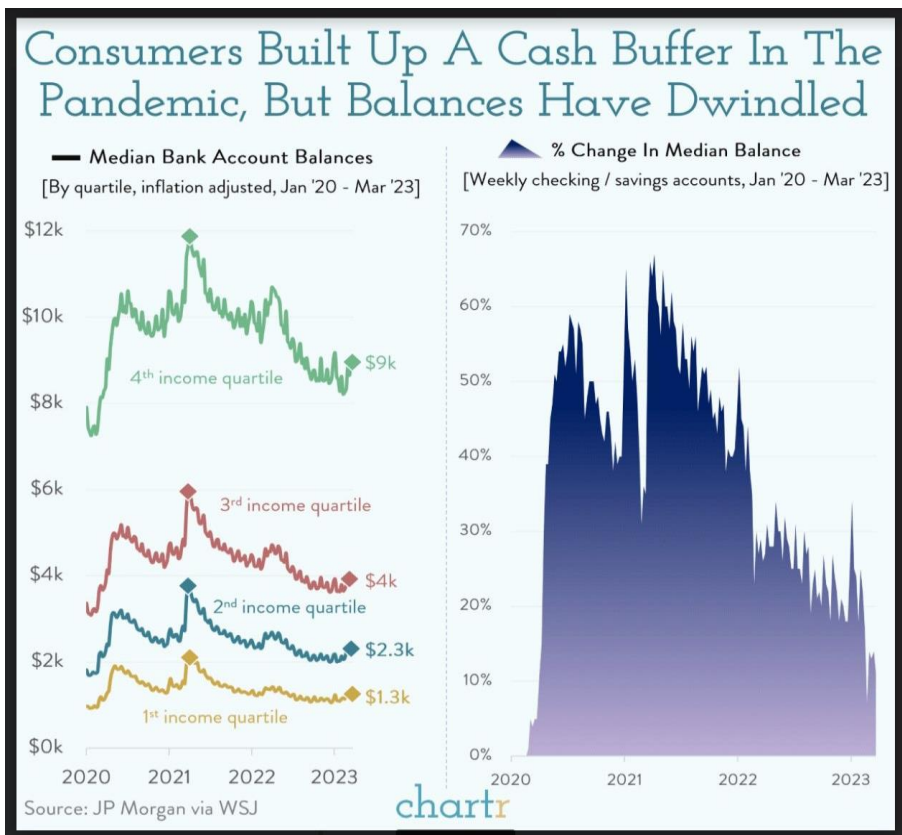


Source: www.zerohedge.com, Bloomberg



#us #consumers #cash-buffer

When the pandemic hit, many of us instinctively reigned in our spending, partly out of choice, and partly because there weren't a lot of fun things to splurge on. That set of circumstances coincided with stimulus checks and tax credits in April 2021, leading to many Americans building up healthier-than-usual cash balances in their bank accounts. However, new data from JPMorgan reveals that much of the buffer has now disappeared.

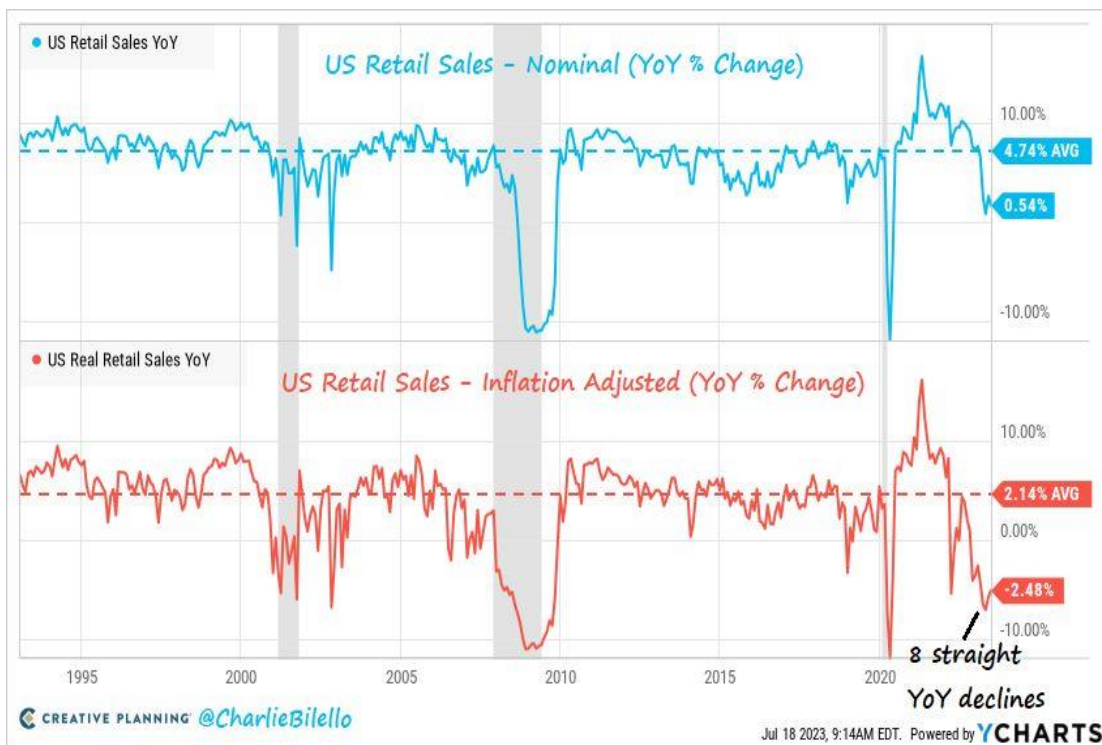


Source: Charttr



#us #retail-sales

After adjusting for inflation, US retail sales fell 2.5% over the last year, the 8th consecutive YoY decline. That's the longest down streak since 2009. Nominal retail sales increased 0.5% YoY vs. historical average of 4.7%.



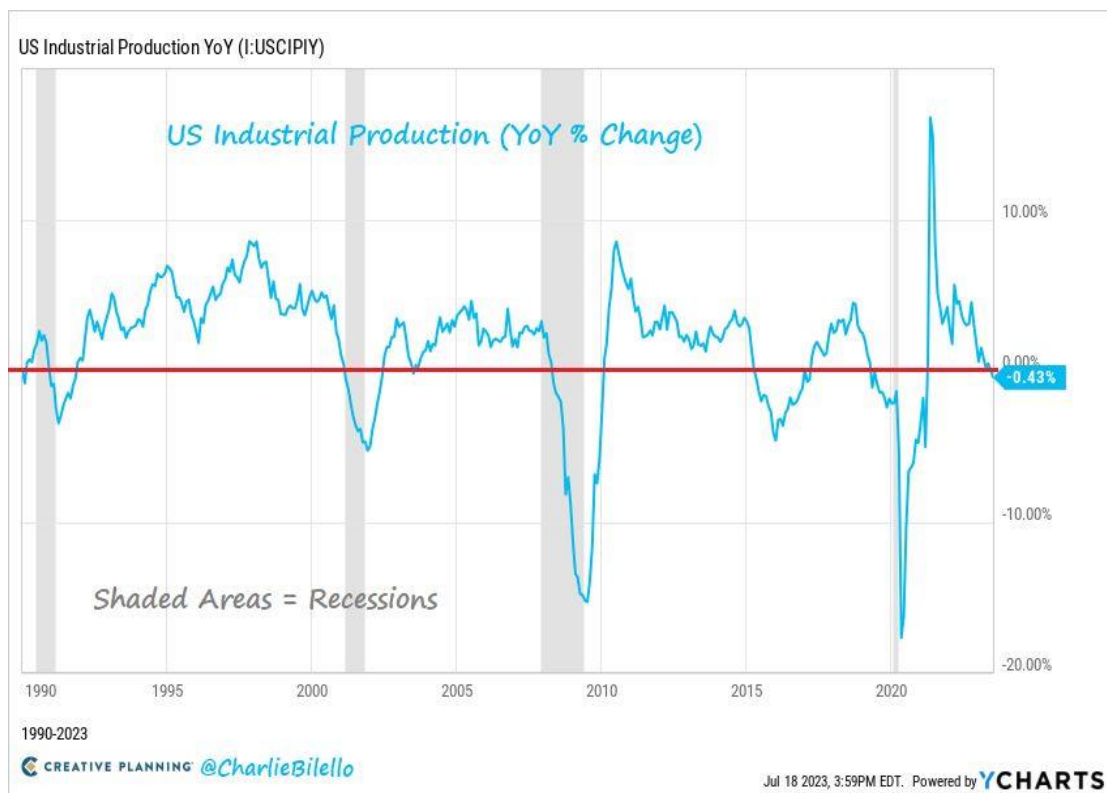
Source: Charlie Bilello





#us #production

US Industrial Production has turned negative on a YoY basis for the first time since February 2021.



Source: Charlie Bilello



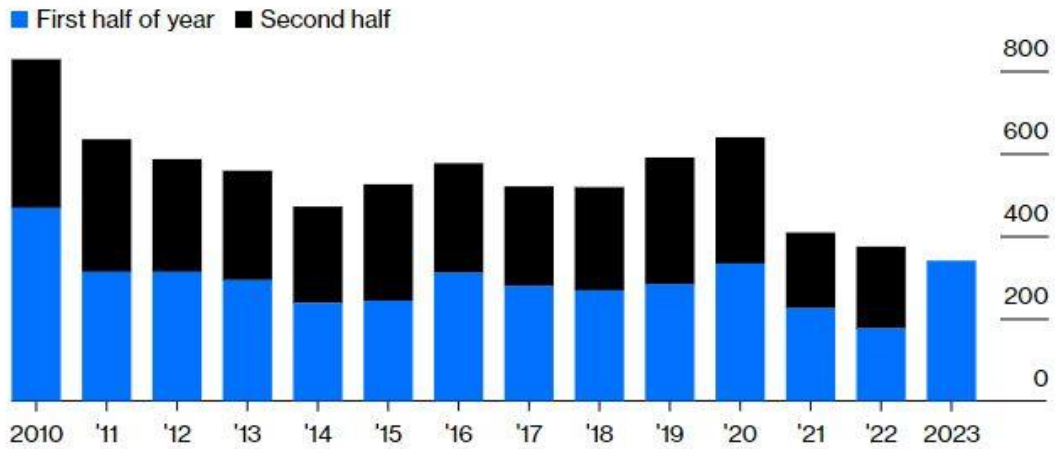


#us #bankruptcies

US bankruptcies in the first six months of 2023 were the highest since 2010 among the companies covered by S&P Global Market Intelligence

Bankruptcy Surge

US business failures are piling up at the fastest pace since 2010 by this one measure



Source: S&P Global Market Intelligence
Note: only includes US companies covered by S&P. This means public companies or private companies with public debt with a minimum of \$2 million in assets or liabilities at the time of filing, plus private companies with at least \$10 million in assets or liabilities.

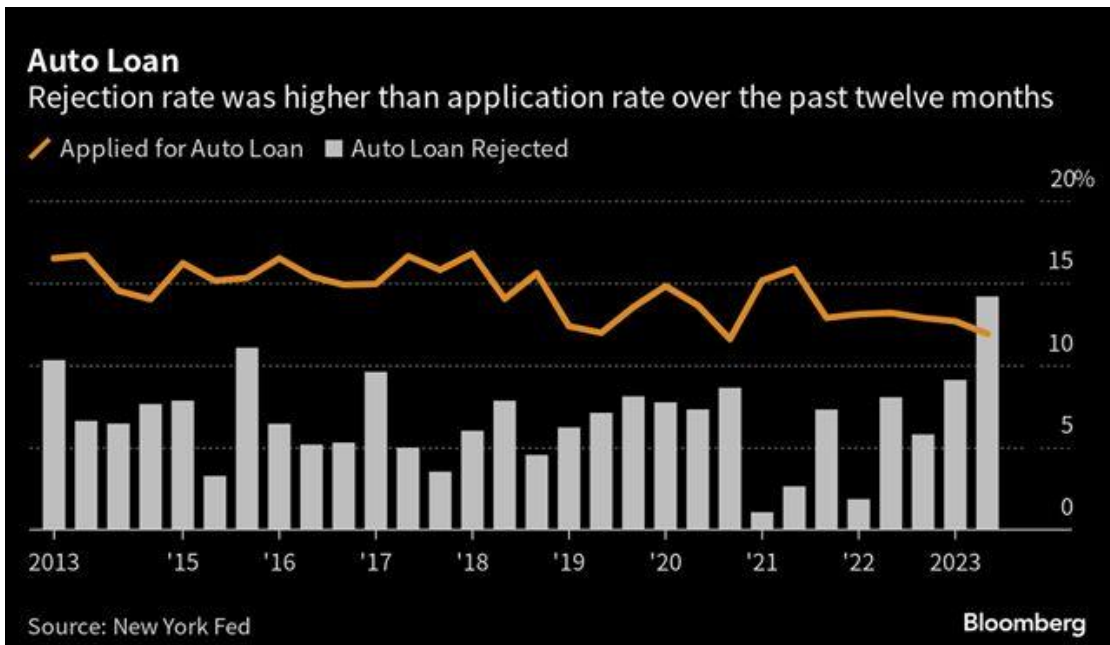
Source: C.Barraud, Bloomberg



#macro

#us #survey #loans #autoloans

A recent survey conducted by the Federal Reserve indicates that Americans are facing an increased likelihood of credit application rejections. The rejection rate for loan applicants rose to 21.8% in the 12-month period ending in June, reaching its highest level in five years. Additionally, overall credit applications have declined to their lowest level since October 2020. The increase since then has been broad-based across age groups, and highest among those with credit scores below 680. In auto loans, for the first time since the survey began in 2013 the rejection rate — which climbed to 14.2% from 9.1% — exceeded the application rate.



Source: gs, bloomberg



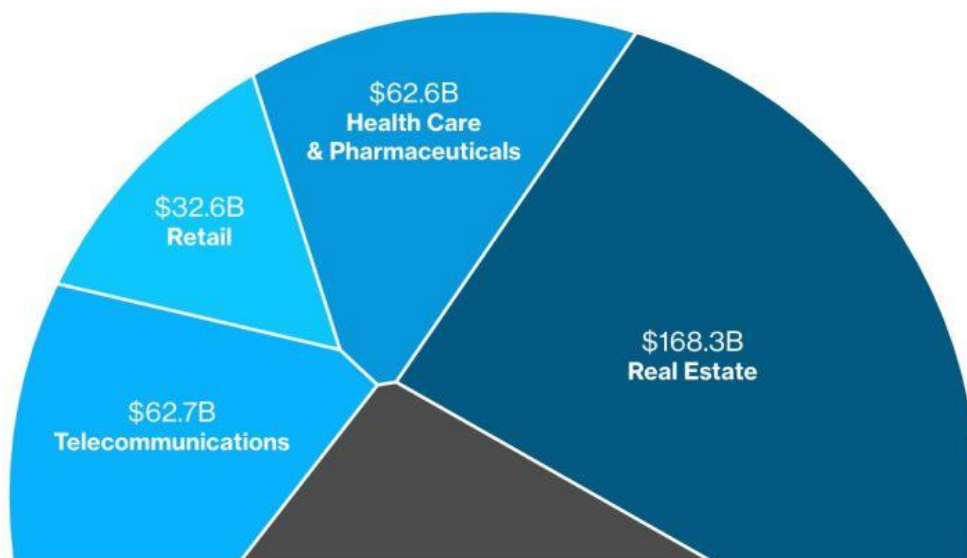
#distressed #debt

Distressed corporate debt exceeds a half trillion, with the majority of it within real-estate:

- Office vacancies are near historic highs
- Starwood just defaulted on a \$213M commercial loan for an office building
- \$1.4T of CRE debt needs to be refinanced by the end of 2024

Industries With Most Distressed Debt

Total outstanding corporate bonds and loans trading at distressed levels exceed \$590 billion



Source: Bloomberg reporting

Note: Distressed loans are those trading below 80 cents. Distressed bonds are those below 80 cents with a spread greater than 1,000 basis points.

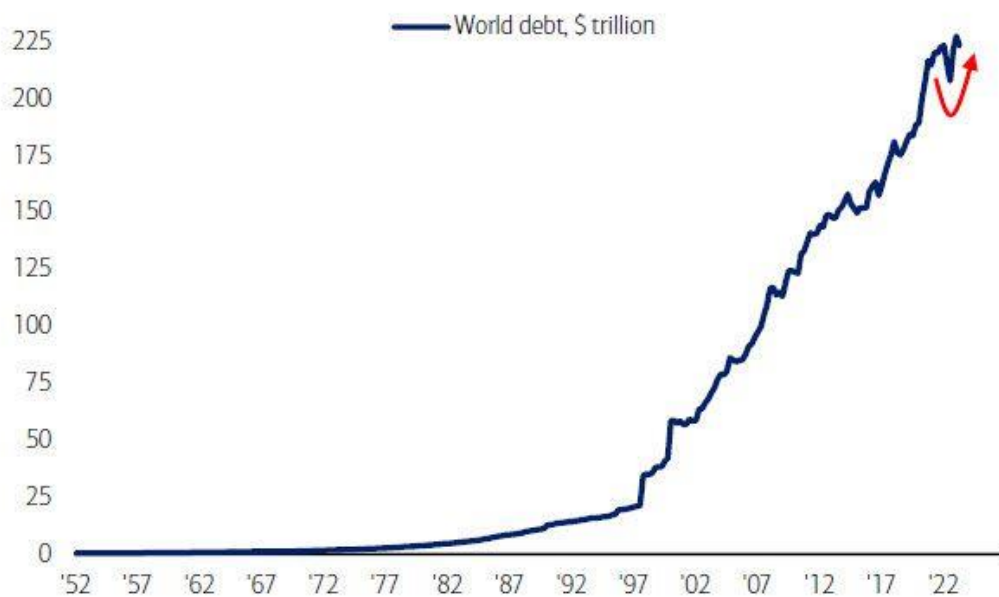
Source: Markets & Mayhem, Bloomberg



#macro

#world #debt

Chart 8: World debt at record high
World debt, \$ trillion



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

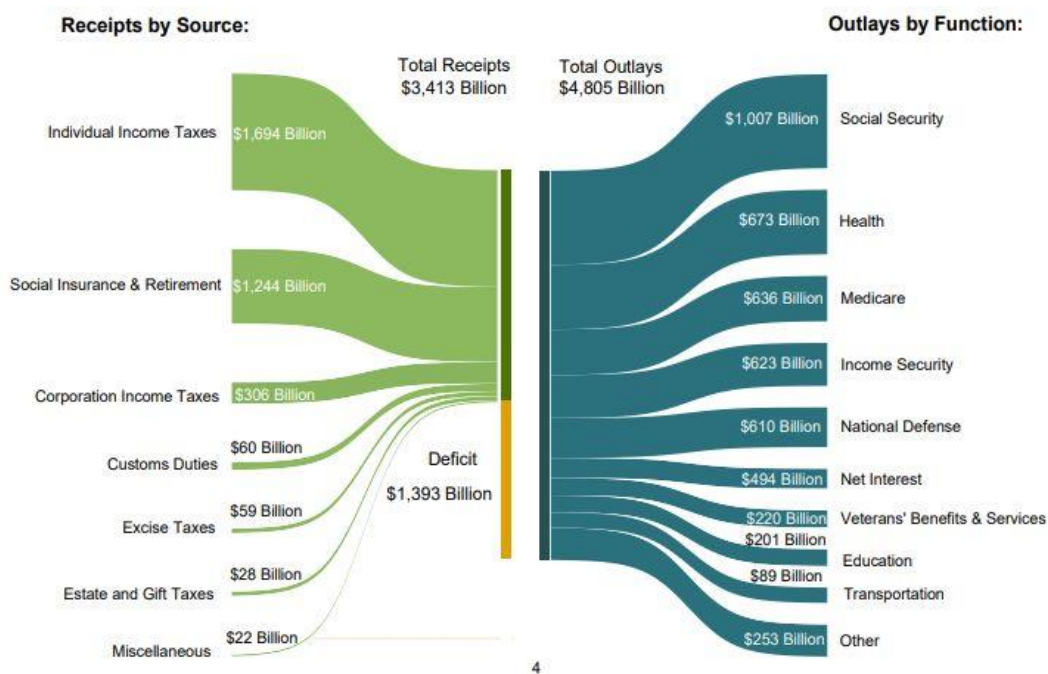
Source: BofA



#us #government #deficit

So far, in fiscal year 2023, the US government has a total deficit of \$1.393 TRILLION. In June 2023 alone, the deficit was \$228 billion, up from just \$88 billion in June 2022. On average, the US deficit has risen by ~\$155 billion per MONTH in FY2023. At the current rate, total US debt would rise by \$18.5 TRILLION in 10 years.

Figure 2. Cumulative Receipts, Outlays, and Surplus/Deficit through Fiscal Year 2023

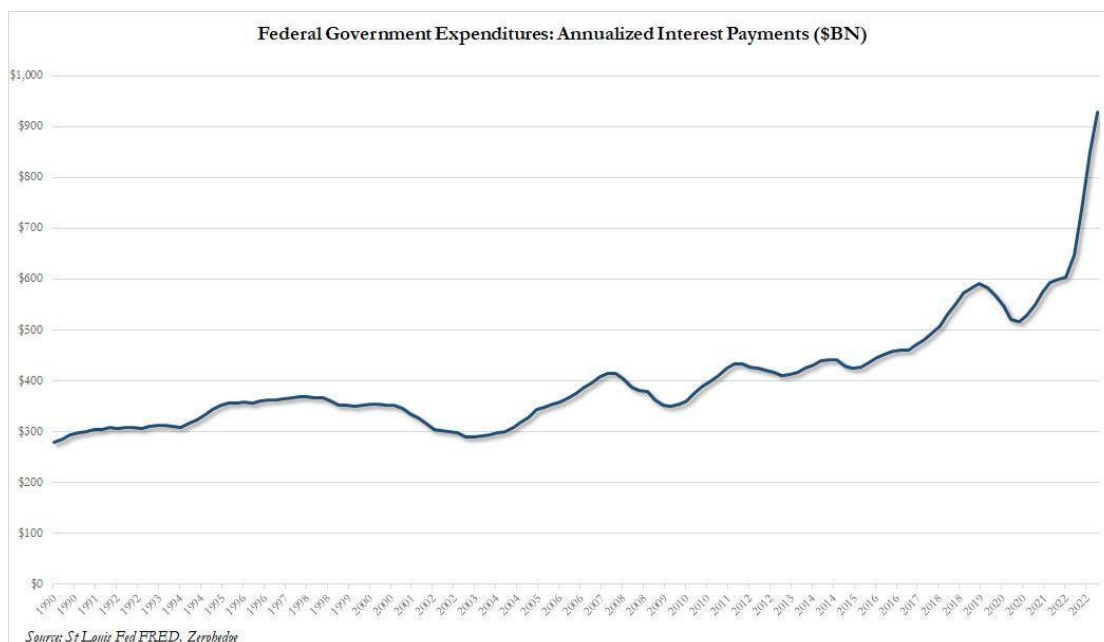


Source: The Kobeissi Letter



#us #debt #debt-ceiling #fed

According to new US government data, annualized interest payments on US debt just crossed \$900 BILLION for the first time in history. Government spending jumped 15% in June, the same month we had the debt ceiling “crisis.” Ironically, in the same month we had a #debtceiling crisis, US Federal spending hit a near record and annualized interest expense crossed \$900 billion.



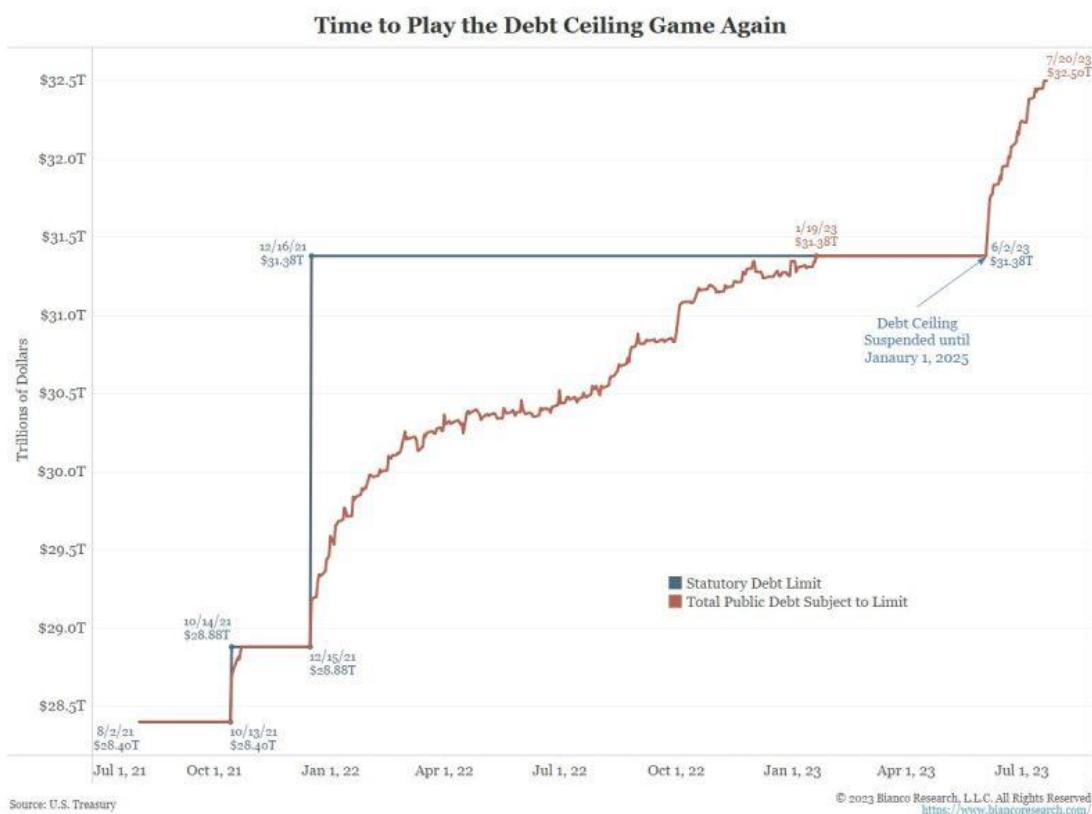
Source: The Kobeissi Letter





#us #debt #debt-ceiling

The US debt ceiling before and after



Source: Jim Bianco



#macro

#us #debt

Cost of Debt – Not a New Story....But a Scary Chart

The cost of the US debt is now running at a near \$1tn annualized pace. In June alone 18% of total US spending accounted for just interest expenses.

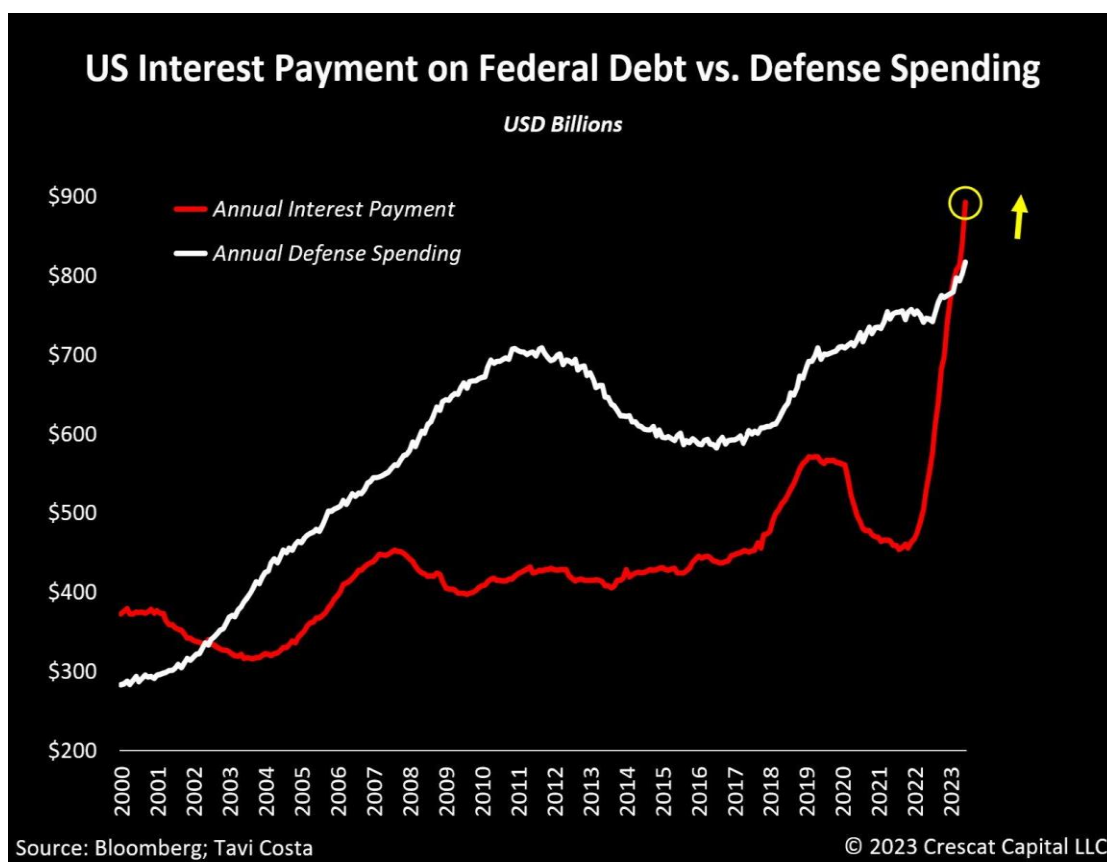


Source: bloomberg, gs



#us #debt

The US government interest payments on the Federal debt are now higher than the annual defence spending.



Source: Tavi Costa, Crescat Capital, Bloomberg





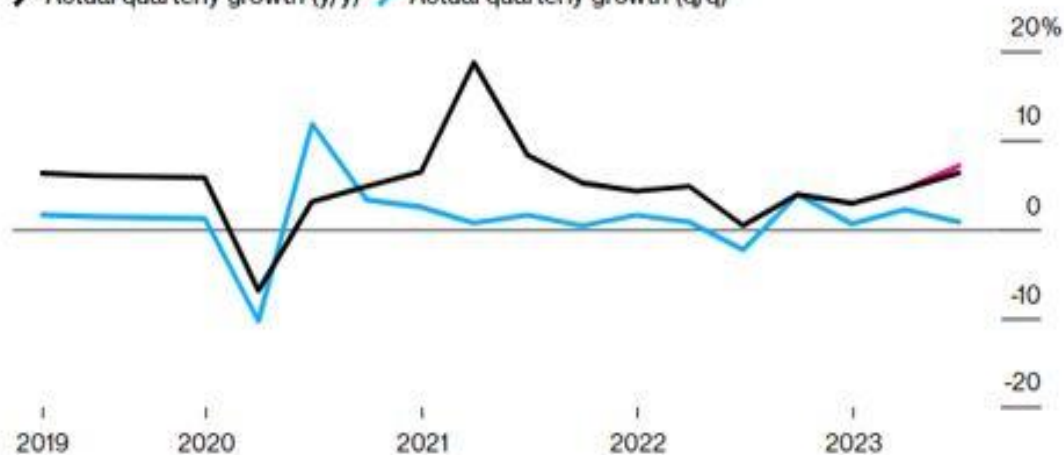
#china #economy #gdp

China reports Q2 GDP miss, fueling calls for more stimulus. China said Monday that 2nd quarter gross domestic product grew by 6.3% from a year ago, missing expectations (+7.3%). This marked a 0.8% pace of growth from the first quarter, slower than the 2.2% quarter-on-quarter pace recorded in the first three months of the year.

Tricky Recovery

China's year-on-year GDP for 2Q missed expectations

Actual quarterly growth (y/y) Actual quarterly growth (q/q)



Source: China's National Bureau of Statistics, Bloomberg

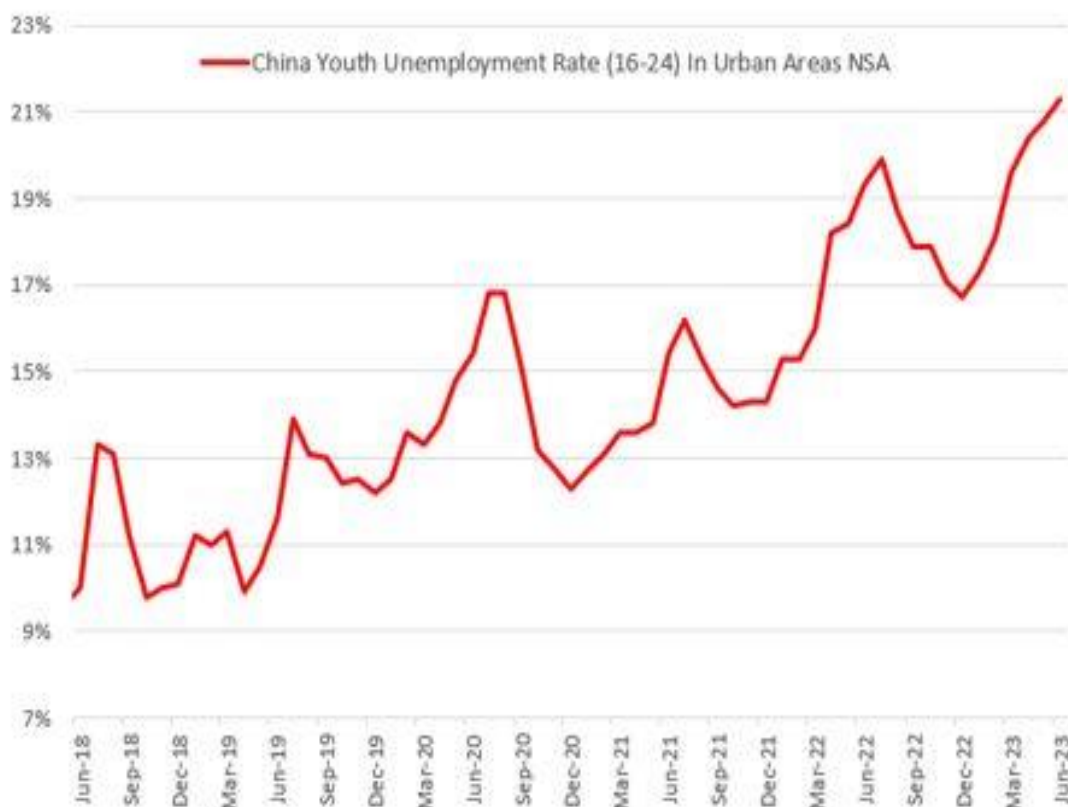
Note: Second-quarter y/y compares with a period in 2022 characterized by lockdowns and Covid restrictions, and so has a low base of comparison.

Source:

#macro

#china #unemployment

In china, the unemployment rate among young people ages 16 to 24 was 21.3% in June, a new record.



Source:



#imports #oil #china #russia

China is importing record volumes of cheap Russian crude oil. Last month, they imported 2.57 million bpd, breaking a previous record. In the first half of 2023, China imported 2.13 million bpd from Russia, making Russia its top crude supplier this year, ahead of Saudi Arabia's 1.88 million bpd. The imports are aimed at building stockpiles and boosting exports of refined products.



Source: ft





#world #inflation

Economists polled by German research institute Ifo expect global inflation to avg 7% in 2023, before slightly easing to 6% in 2024. The avg expectation of 4.9% for the long term until 2026 is still high, Ifo said, though marginally below the 5% estimate in Q1. Lowest level of inflation expectation was recorded in Europe, yet economists do not expect the rate to return to ECB's 2% target by 2026.



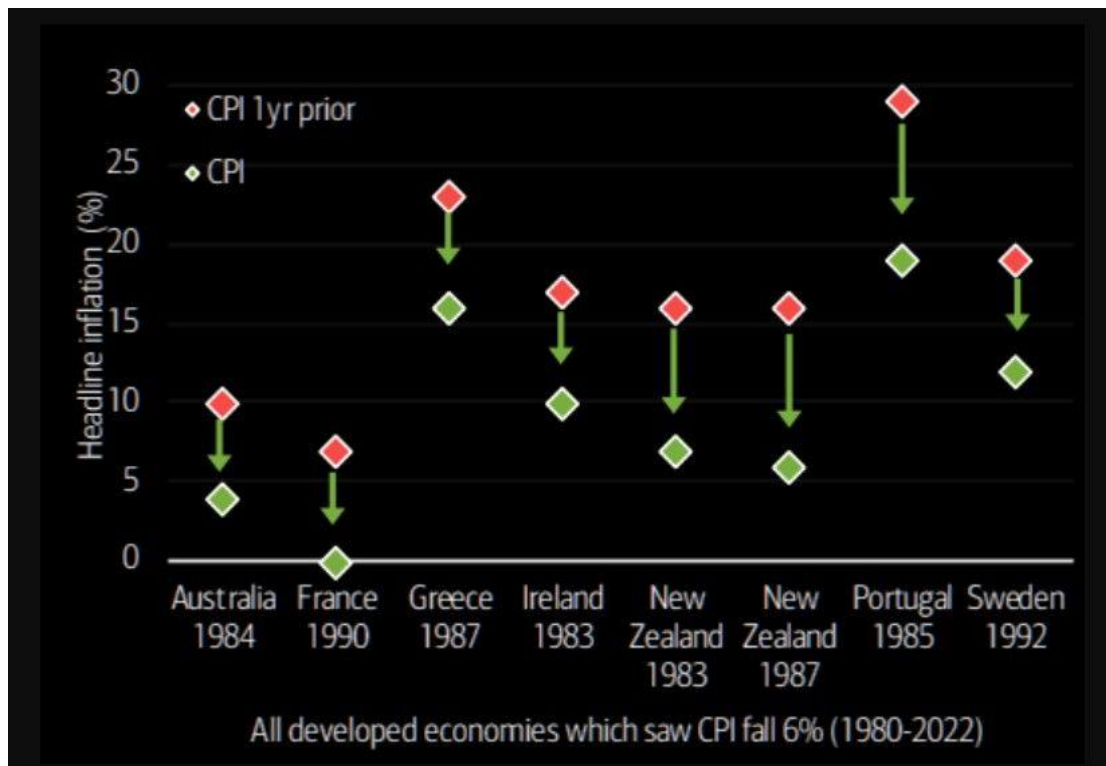
Source: HolgerZ,



#macro

#us #inflation #cpi

What goes up must come down...The collapse in US CPI over the past year is extreme, falling from 9.1% to 3%. BofA writes: "...since 1980, only in 8 cases had inflation fallen by more than 6% in a year, and only in France in 1990 from a starting point lower than 10%."

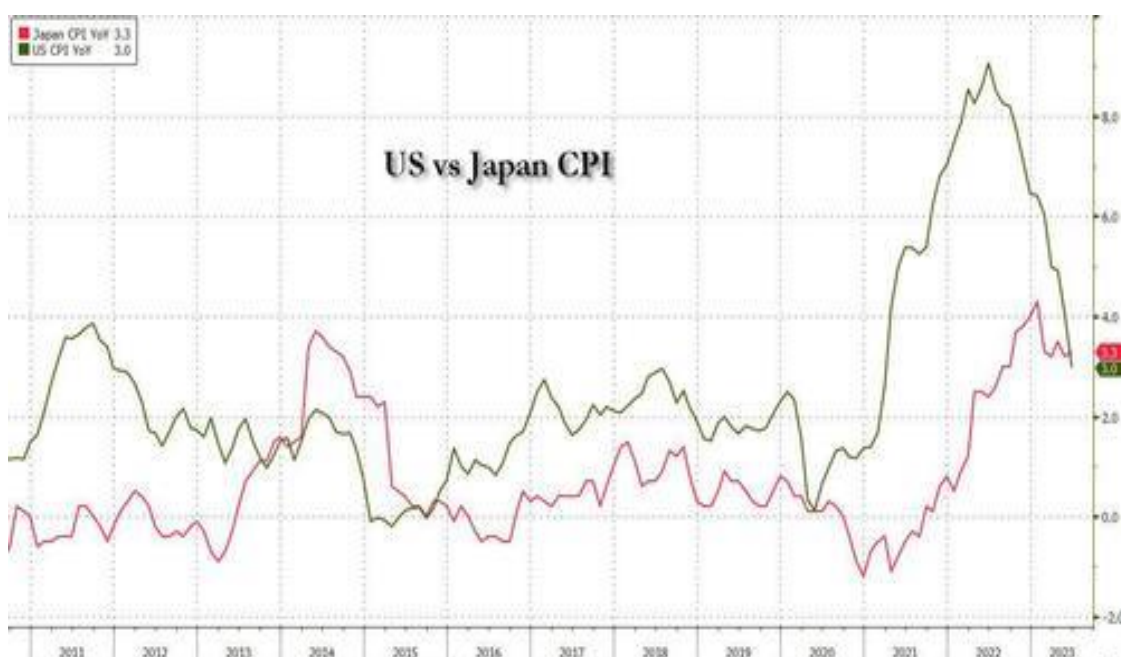


Source: TME, BofA

#macro

#us #inflation #us #japan

Fun fact is that Japanese inflation is now higher than that in the US for the first time since October 2015.



Source: www.zerohedge.com, Bloomberg

#macro

#us #inflation #bridgewater

Bridgewater warns US inflation fight is far from over: The investment chief at one of the world's top #hedge funds has warned the US battle with inflation is far from over, and bets on a rapid series of interest rate cuts from the Federal Reserve next year are premature. Bob Prince, co-chief investment officer of Bridgewater Associates, said markets were wrong to assume the Fed will soon ease monetary policy. "The Fed is not going to cut," he told the Financial Times.

Bridgewater warns US inflation fight is far from over

Co-investment chief Bob Prince says Federal Reserve is unlikely to deliver rapid rate cuts anticipated by markets



Bob Prince said tightening 'could take the form of holding rates steady in the face of expectations of a cut.' © Jason Alden/Bloomberg

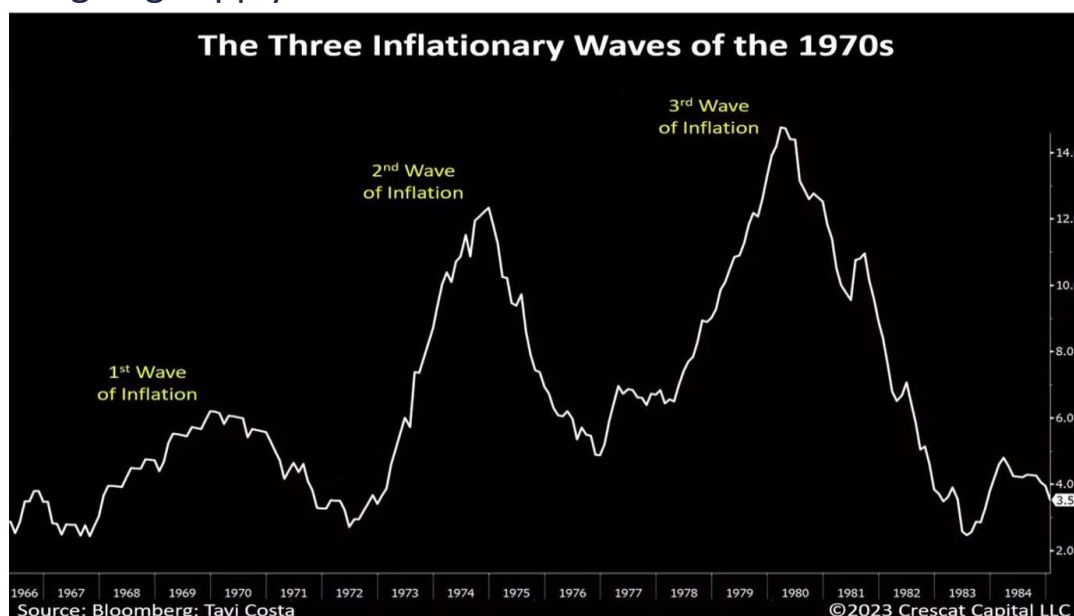
Source: FT

#macro

#inflation #waves

Inflation tends to develop through waves. Just as base effects played a crucial role in reducing inflation rates so far this year, it does not mean that CPI might reach and stay at a low level. Indeed, while the macro environment today differs from that of the 1970s or 1940s, there are some underlying issues which could continue to drive inflation rates higher:

- Irresponsible levels of government spending.
- Escalating deglobalization trends, which necessitate the revitalization of manufacturing capabilities in economies.
- Wage-price spiral, particularly driven by low-income segments of the society.
- Ongoing supply constraints due to chronic.



Source: Tavi Costa / Crescat Capital



#inflation #wageflation #pilots

Is the wageflation story behind us? Maybe not yet...United pilots could get raises of up to 40% under a preliminary deal, after similar agreements were made at Delta and American Airlines. For the first time in many decades the labor force has the upper hand in negotiating across a broad swath of industries, and they're using it as much as they can. Bottom-line: The wageflation story isn't quite over yet. Instead, it is evolving.

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BUSINESS

United Pilots Would Get Raises of Up to 40% Under Preliminary Deal

Pact follows agreements at Delta and American that included significant raises for pilots

By Alison Sider [Follow](#)

July 15, 2023 6:18 pm ET

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[Listen \(3 min\)](#)



United pilots have picketed at airports and have been critical of the company's management. PHOTO: EDUARDO MUNOZ/REUTERS

Source: Markets Mayhem, Wall Street Journal



#macro

#inflation #uk

U.K. inflation cooled significantly in June, coming in below consensus expectations at 7.9% annually. Economists polled by Reuters had projected an annual rise in the headline consumer price index of 8.2%, following May's hotter-than-expected 8.7% reading, but annualized price rises continue to run well above the Bank of England's 2% target. On a monthly basis, headline CPI increased by 0.1%, below a consensus forecast of 0.4%. Core inflation — which excludes volatile energy, food, alcohol and tobacco prices — remained sticky at an annualized 6.9%, but fell from a 31-year high of 7.1% in May.



Source: CNBC

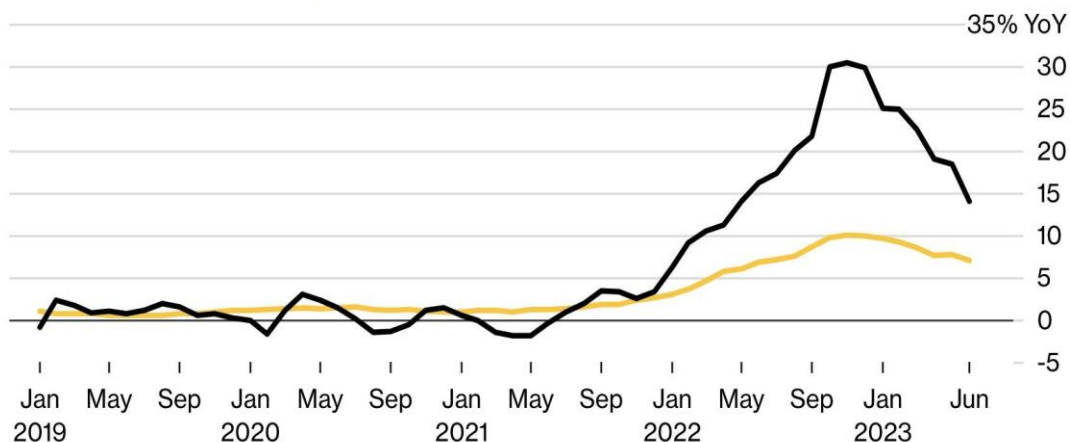


#inflation #italy #pizza

The cost of cooking a classic Pizza Margherita in Italy continues to rise as olive oil prices soar. Rise in cost of ingredients to make pizza outpaces inflation. Bloomberg custom index shows olive oil price up almost 27%.

Italy's Pizza Margherita Basket Cost

Italy pizza basket costs Istat pizza and quiche CPI



Source: Bloomberg calculations based on Istat and Ismea data

Source: Bloomberg, HolgerZ



#us #real-estate

Prepare for pain in the us commercial real estate market warns Morgan Stanley which believes that prices could drop by as much as 27.4% from peak to trough by the end of 2024. And McKinsey believes prices could slide by as much as 42% in a worst case scenario.

Commercial real estate prices are still expected to crater, Morgan Stanley warns

Published: July 17, 2023 at 3:22 p.m. ET

By [Joy Wiltermuth](#) [Follow](#)



Meanwhile, a McKinsey report sees office prices fall up to 42%



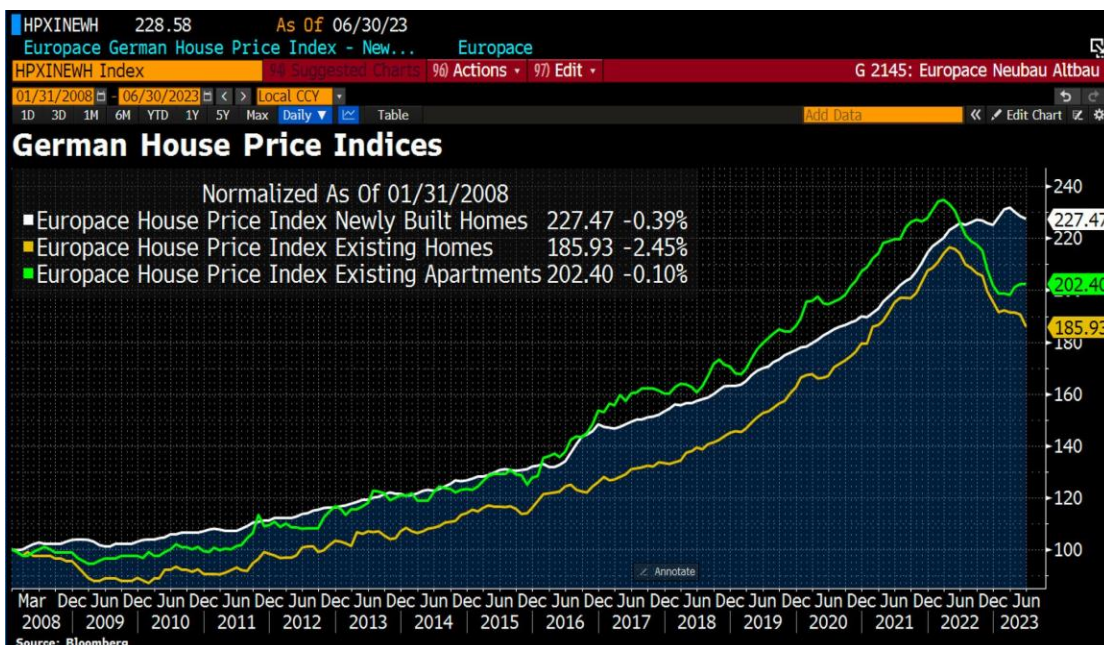
The worst in terms of falling commercial real-estate prices is still to come, according to analysts. ANGELA WEISS/AGENCE FRANCE-PRESSE/GETTY IMAGES

Source: barchart



#germany #real-estate #housing-bubble

The housing bubble continues to lose more air in Germany. In June, real estate prices slumped sharply, w/existing homes in particular falling by 2.4% MoM. Even new buildings became somewhat cheaper, namely 0.4%.



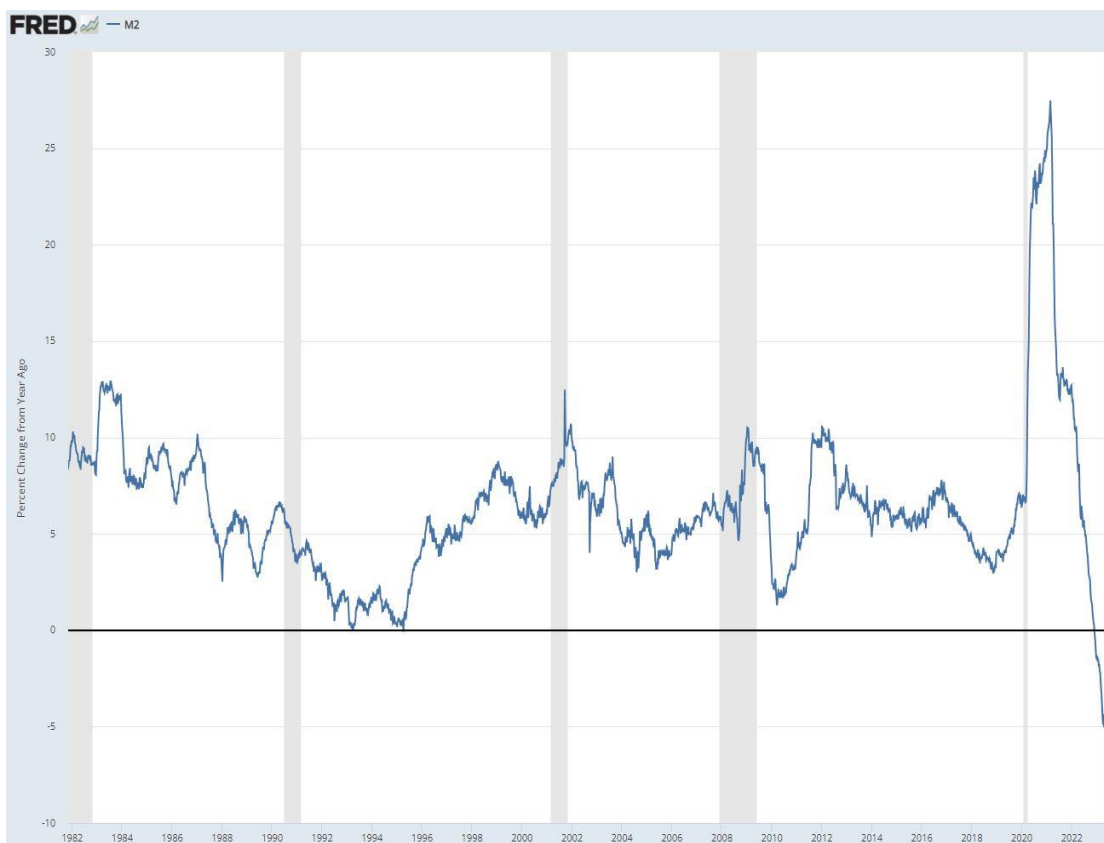
Source: Bloomberg, HolgerZ



#centralbanks

#us #money-supply #fed

M2 money supply has declined at the fastest rate ever recorded since the Fed began collecting data in 1959. Probably has helped cool inflation but could it usher in a new set of problems?



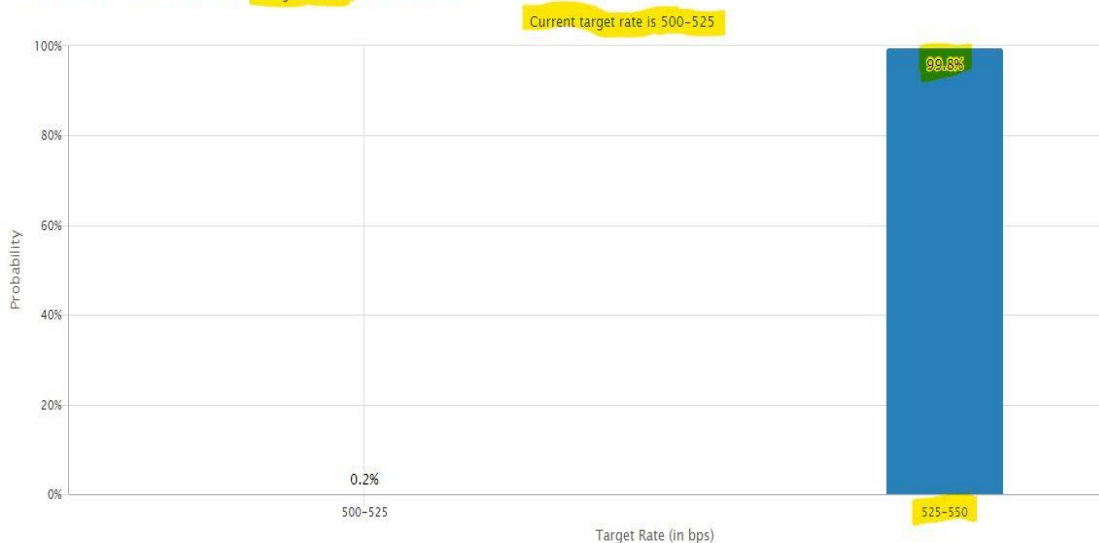
Source: Fred, Barchart

#centralbanks

#fed #interest-rate-hike #inflation

Probability of a Fed rate hike next week is approaching 100%. 25 bps increase to 5.25-5.50%. Done deal.

TARGET RATE PROBABILITIES FOR 26 JUL 2023 FED MEETING

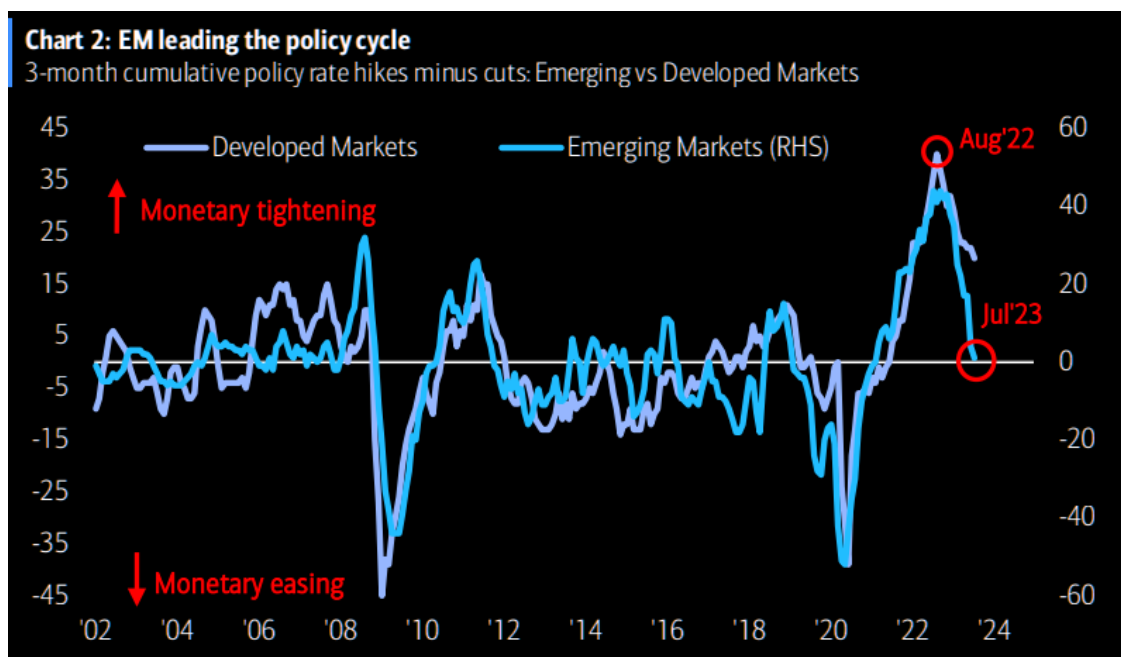


Source: Charlie Biello

#centralbanks

#developed #em #interest-rates-hike

For the 1st time since Feb'21, rate hikes are no longer exceeding rate cuts in Emerging markets.



Source: TME, BofA



#cryptocurrencies #weekly #returns

Bitcoin is currently the 12th most valuable asset on planet Earth, and this is after only 14 years of life and a 74% bear market decline.


































Source: www.zerohedge.com, Bloomberg





#bitcoin #market-value #equities

Bitcoin is currently the 12th most valuable asset on planet Earth, and this is after only 14 years of life and a 74% bear market decline.

 Apple 2 AAPL	\$2.999 T	\$190.69	0.08%		
 Microsoft 3 MSFT	\$2.567 T	\$345.24	0.75%		
 Saudi Aramco 4 2222.SR	\$2.074 T	\$8.58	-0.16%		
 Alphabet (Google) 5 GOOG	\$1.594 T	\$125.70	0.70%		
 Silver 6 SILVER	\$1.410 T	\$25.05	-0.57%		
 Amazon 7 AMZN	\$1.381 T	\$134.68	0.28%		
 NVIDIA 8 NVDA	\$1.123 T	\$454.69	-1.10%		
 Tesla 9 TSLA	\$891.83 B	\$281.38	1.25%		
 Meta Platforms (Facebook) 10 META	\$791.55 B	\$308.87	-1.45%		
 Berkshire Hathaway 11 BRK-B	\$745.11 B	\$341.09	-0.71%		
 Bitcoin 12 BTC	\$588.70 B	\$30,298	0.10%		

Source: Oliver L. Velez



#bitcoin #grayscale #gbtc

Grayscale's GBTC is reaching their highest daily volumes level of the year.

Proceeds from the GBTC fund topped \$183 million on 13 July, surpassing its previous record of \$170 million reached on 20 June. The Grayscale Bitcoin Trust had also previously faced significant discounts to its net asset value (NAV), but the recent rally narrowed the gap from 44.03% to -28% on 10 July.



Source: Binance

#cryptos

#bitcoin #etf #sec #blackrock

SEC Formally Accepts BlackRock Spot Bitcoin ETF Application for Review. The procedural move suggests that the federal agency will give the closely-watched application a serious look.

BlackRock's application to offer a spot Bitcoin exchange-traded fund (ETF) has been added to the official docket of the Securities and Exchange Commission as part of its proposed rule change process. The move, recorded late Thursday, advances the most closely-watched Bitcoin-related proposal to the SEC to date.



Source: Decrypt



#bitcoin #demand #supply #exchanges

Bitcoin continues to fly off exchanges into self custody at an unprecedented rate - see below chart with orange line being the BTC balance on Exchanges. With 70% of all BTC having NOT moved in a year, despite the longest bear market on record and nearly 60% having not moved in 2 years or more, a supply crisis could be in the making (at the time the largest asset managers in the world are making progress towards the launch of Bitcoin spot etfs...).What did Economics 101 teach us about rising demand and lack of supply???



Source: Oliver L. Velez, Glassnode

#cryptos

#france #société-générale #crypto-provider

Société Générale subsidiary becomes the first fully-licensed crypto provider in France. Forge will have a right to custody digital assets, to purchase and sell them for legal tender, and to trade them against each other. Forge, a subsidiary of Société Générale — the third-largest bank in France — became the first company to obtain the highest access license for providing crypto services in the country — a prerequisite for numerous service activities (PSAN). The provider will have a right to custody digital assets, to purchase and sell them for legal tender, and trade them against each other.



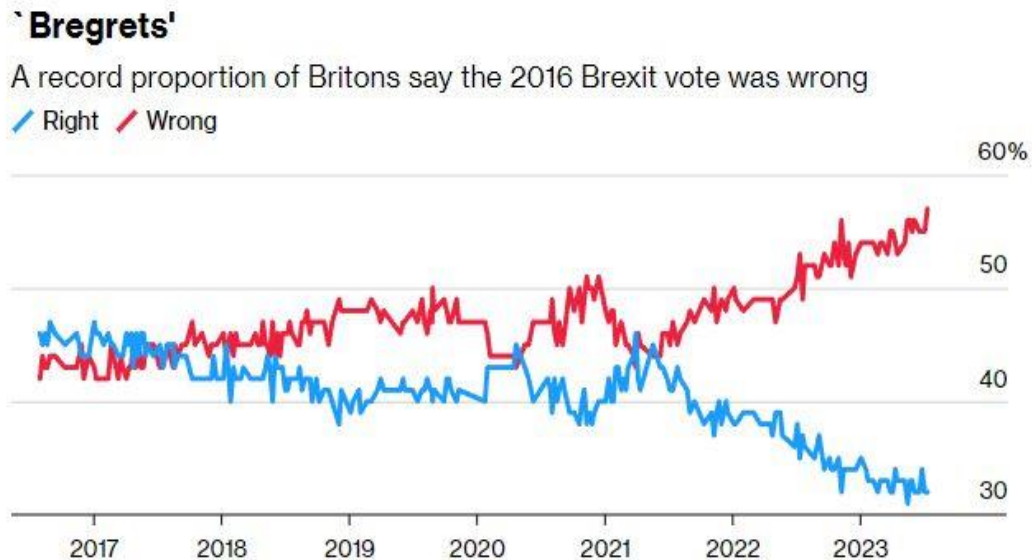
Source: cointelegraph

#food-for-thought

#uk #brexit #regret #bregrets

« Bregrets »

More than half of Britons would vote to rejoin the European Union for the first time since the nation opted to leave the bloc seven years ago, YouGov polling showed. Some 51% of Britons told the polling company that they would vote for the UK to become an EU member again, while 32% said they'd stay out, according to the survey conducted last week.



Source: YouGov

Source: Bloomberg, YouGov

#food-for-thought

#credit-suisse #collapse #investigation

A parliamentary investigation into the collapse of #creditsuisse will keep its files closed for 50 years, according to a parliamentary committee document, a level of secrecy that has triggered concern among Swiss historians. "After the completion of the investigation, the files shall be handed over to the Federal Archives and shall be subject to an extended protection period of 50 years," the committee said in a strategy paper outlining its communication policy.



Source: Reuters

#food-for-thought

#saudi-arabia #blackrock #audiaramco #oil

Middle East and Saudi Arabia strategic importance for the global economy and financial markets is growing at a fast pace. BlackRock said Monday that Amin Nasser, the CEO of #audiaramco, the world's largest #oil company, is joining the asset manager's board of directors. The world's largest asset manager said the move reflects the firm's emphasis on the Middle East as part of its long-term strategy. BlackRock had more than \$8 trillion in client assets under management as of 2022.(NB: Not sure that the #esg activists will like it...)

<https://lnkd.in/euS3Vmsq>

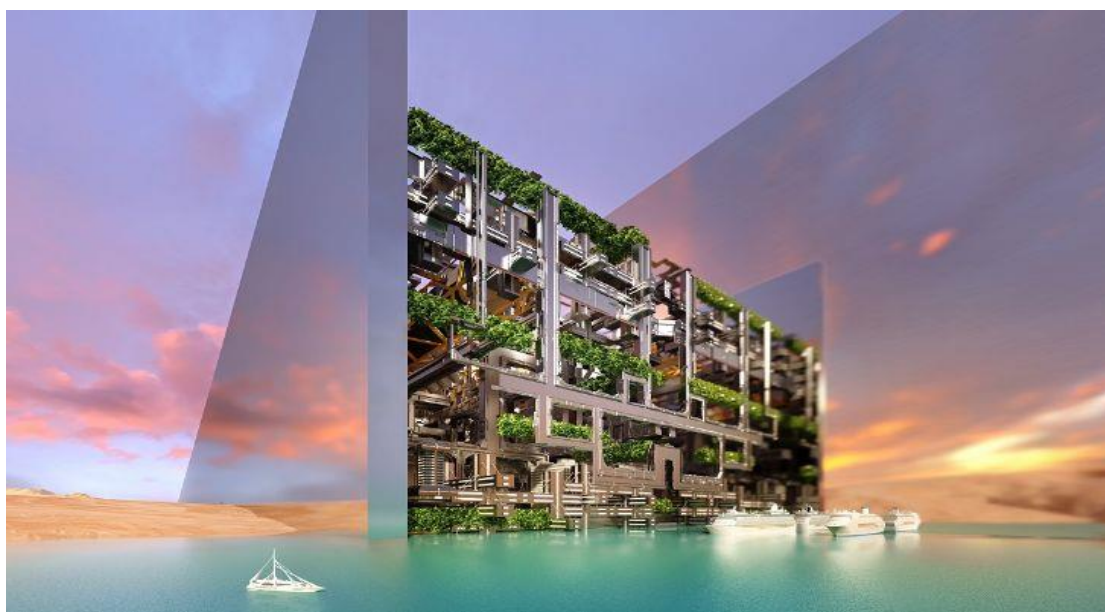


Source: CNBC

#food-for-thought

#saudi-arabia #vision2030 #future

Saudi Arabia is exploring plans to raise \$2.7 billion for its futuristic mega-city in an effort to complete most of the construction by 2030



Source: Yahoo Finance

#food-for-thought

#us #fed #fed-now

The U.S. Federal Reserve is due to imminently launch a long-awaited service which will aim to modernize the country's payment system by eventually allowing everyday Americans to send and receive funds in seconds, 24 hours a day, seven days a week. The "FedNow" service, which has been in the works since 2019, will seek to eliminate the several-day lag it commonly takes cash transfers to settle, bringing the U.S. in line with countries including the United Kingdom, India, Brazil, as well as the European Union, where similar services have existed for years.

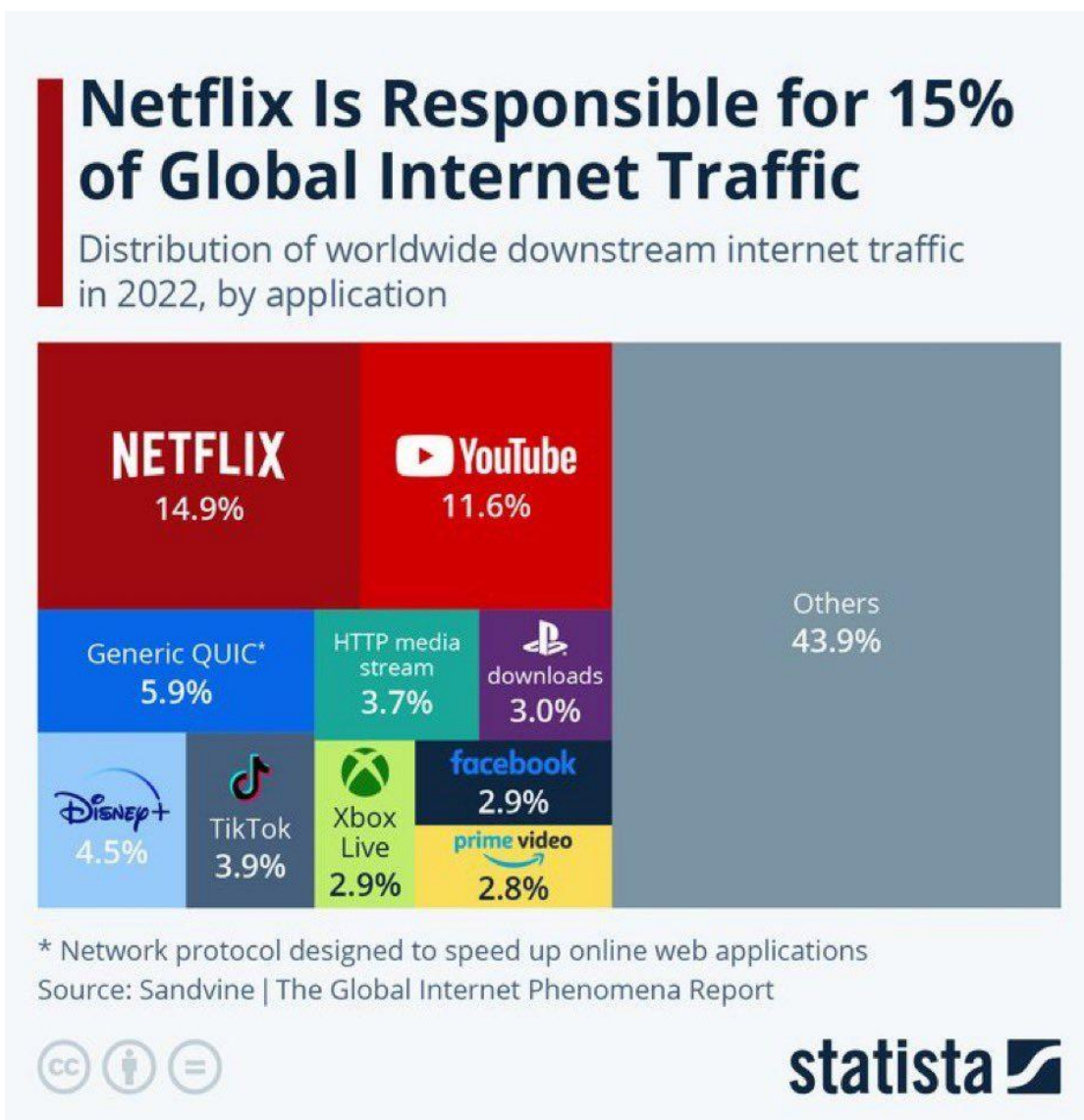


Source: reuters

#food-for-thought

#internet-traffic #netflix

15% of global internet traffic is Netflix.



Source: Statista

#food-for-thought

#us #apple #ai #ajax

It is Called Ajax

Mark Gurman has revealed from Bloomberg that Apple already has its own version of ChatGPT running which some call 'AppleGPT'. This 'AppleGPT' would be built on a base called 'Ajax' internally, on which many teams of engineers would have worked in recent months in what would be a push to be able to compete with Google's ChatGPT and Bard.



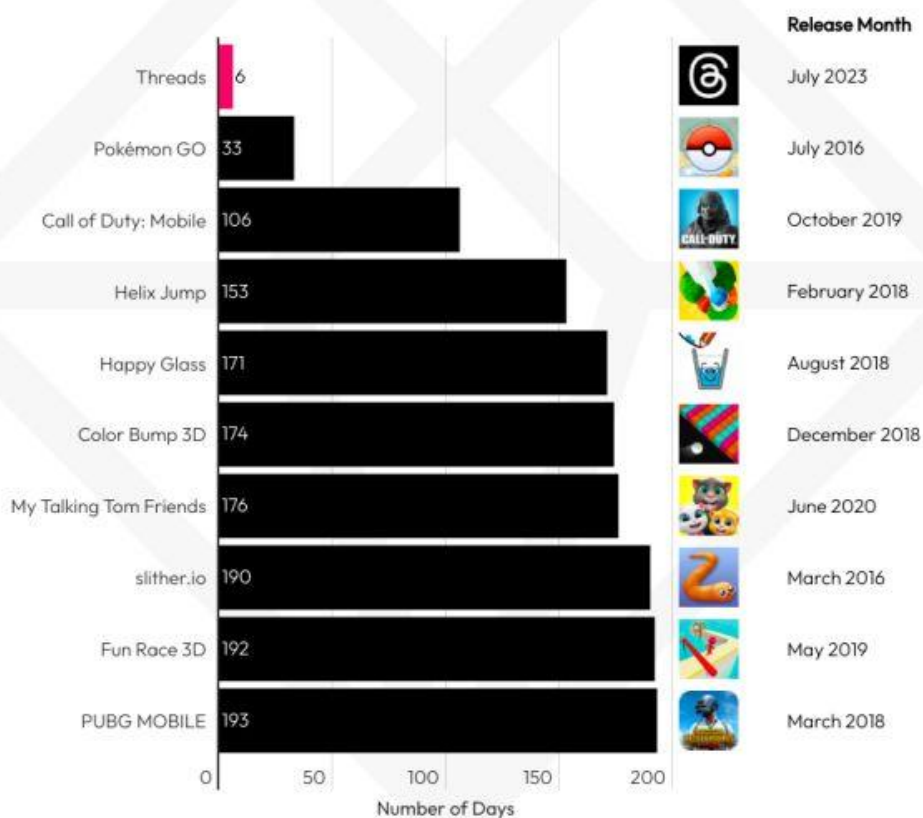
Source: gearrice

#food-for-thought

#threads #twitter #Instagram #users

Instagram Threads now has one-fifth the weekly active user base of Twitter

Fastest Apps to Reach 150 Million Global Downloads



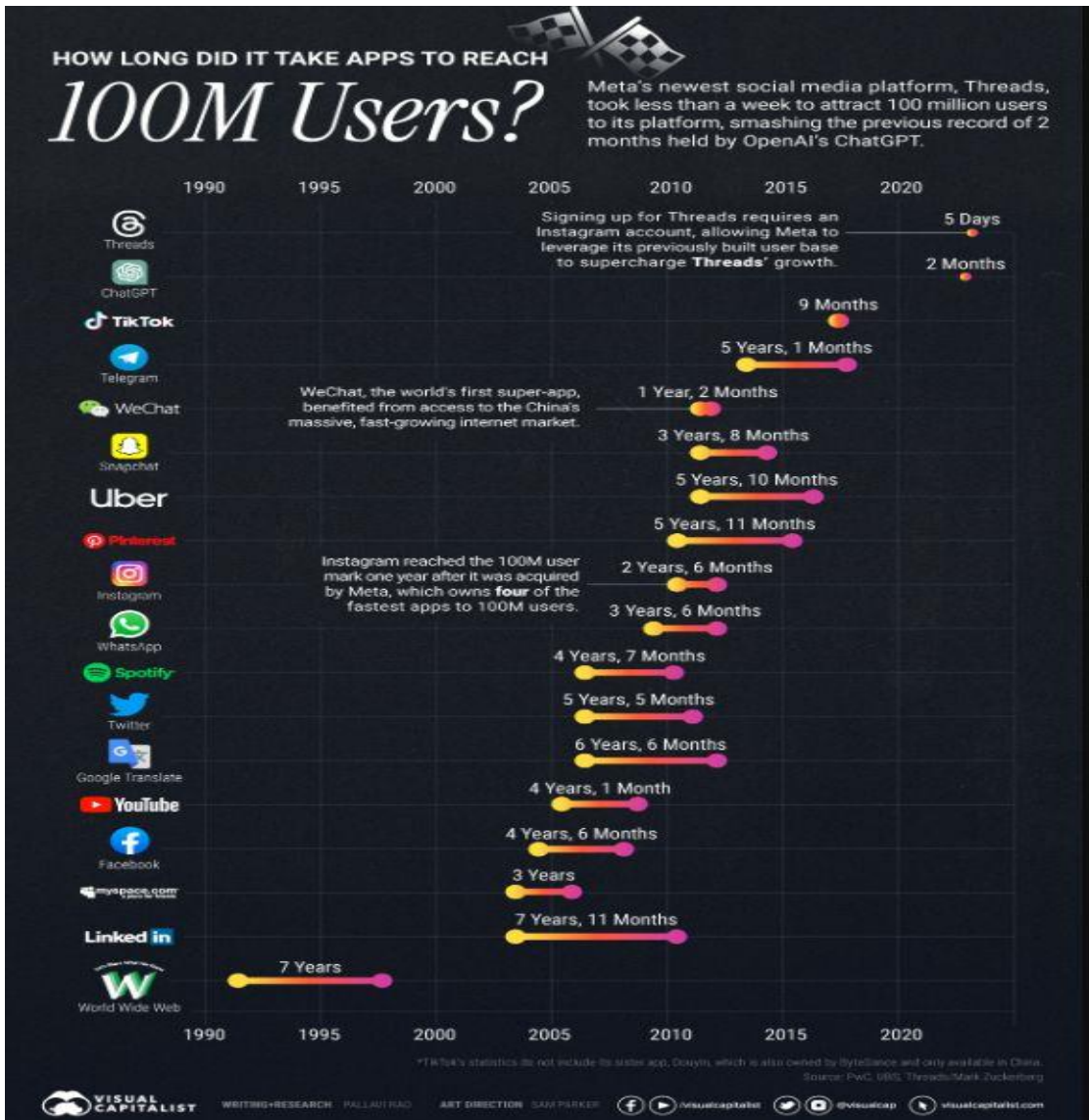
Source: data.ai Intelligence
Note: iOS & Google Play combined

Source: techcrunch, data ai, sensor tower

#food-for-thought

#threads #social-media #users #apps

How Long it Took for Popular Apps to Reach 100 Million Users



Source: visualcapitalist

#food-for-thought

#threads #zuckerberg #twitter

The hype surrounding "Threads," the new social network launched by Meta CEO Mark Zuckerberg, has collapsed. Threads has unraveled so quickly that new data shows active users have been halved. Threads launched in the US on July 5 and reached over 100 million sign-ups by that weekend. Shortly after, Zuckerberg wrote in a post, "Can't believe it's only been five days!" Zuckerberg appears to have prematurely taken a victory lap because early last week, data from SensorTower and SimilarWeb showed an exodus of users and a plunge in engagements. The note was titled Threads Unravels: So-Called 'Twitter Killer' App Sees Exodus Of Users, Plunge In Engagement.

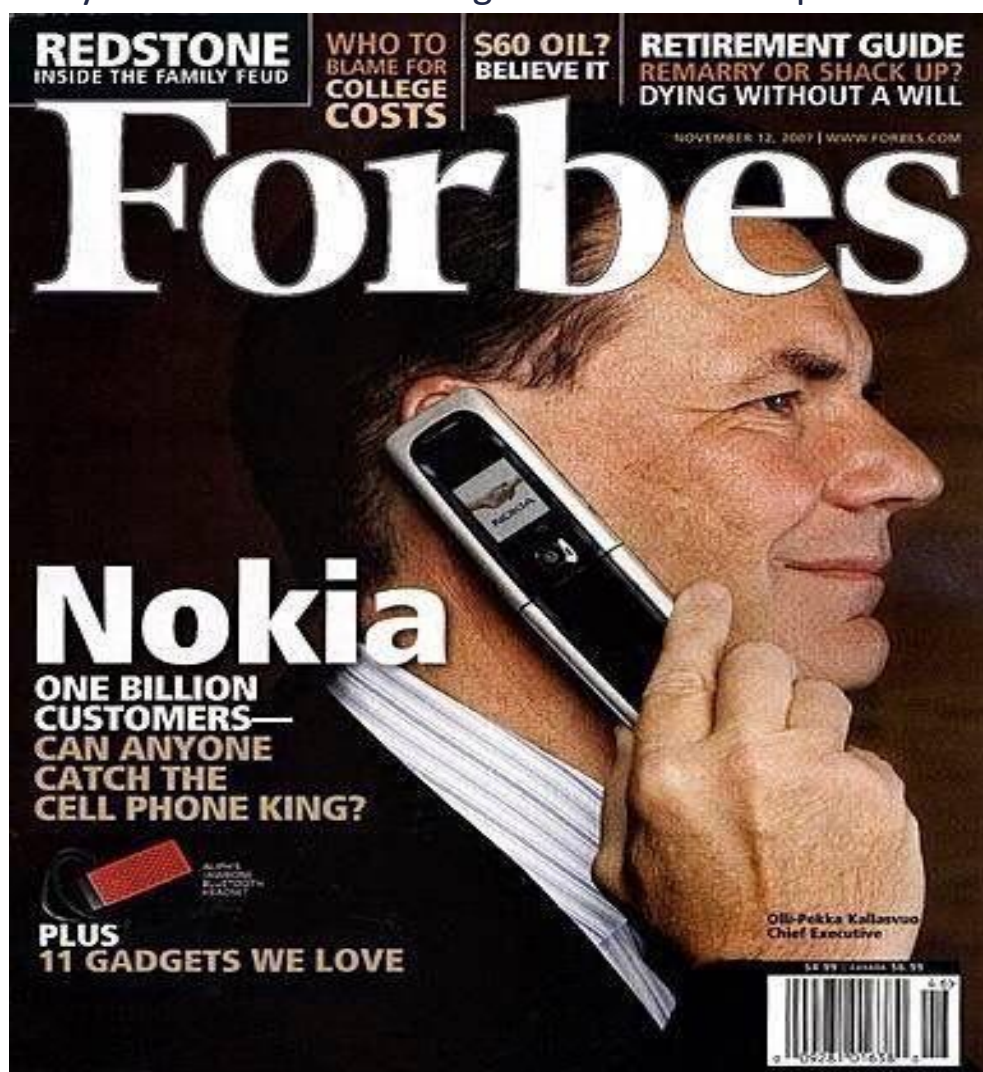


Source: ZeroHedge

#food-for-thought

#smartphones #legacy #nokia #apple

Nokia sold 437 million phones in 2007. And Apple sold 1.4 million iPhones. Apple will sell more than 220 million iPhones this year. And Nokia no longer makes its own phones.



Source: John Erlichman

#food-for-thought

#gold #money #inflation

Money debasement explained in one picture.



Source: Thomas Fahrner

#food-for-thought

#world #meal-price

Meal in inexpensive restaurant.



Source: World of Statistics

#food-for-thought

#us #equities #sp500

100 year of S&P 500 returns in one chart. Where will 2023 be?

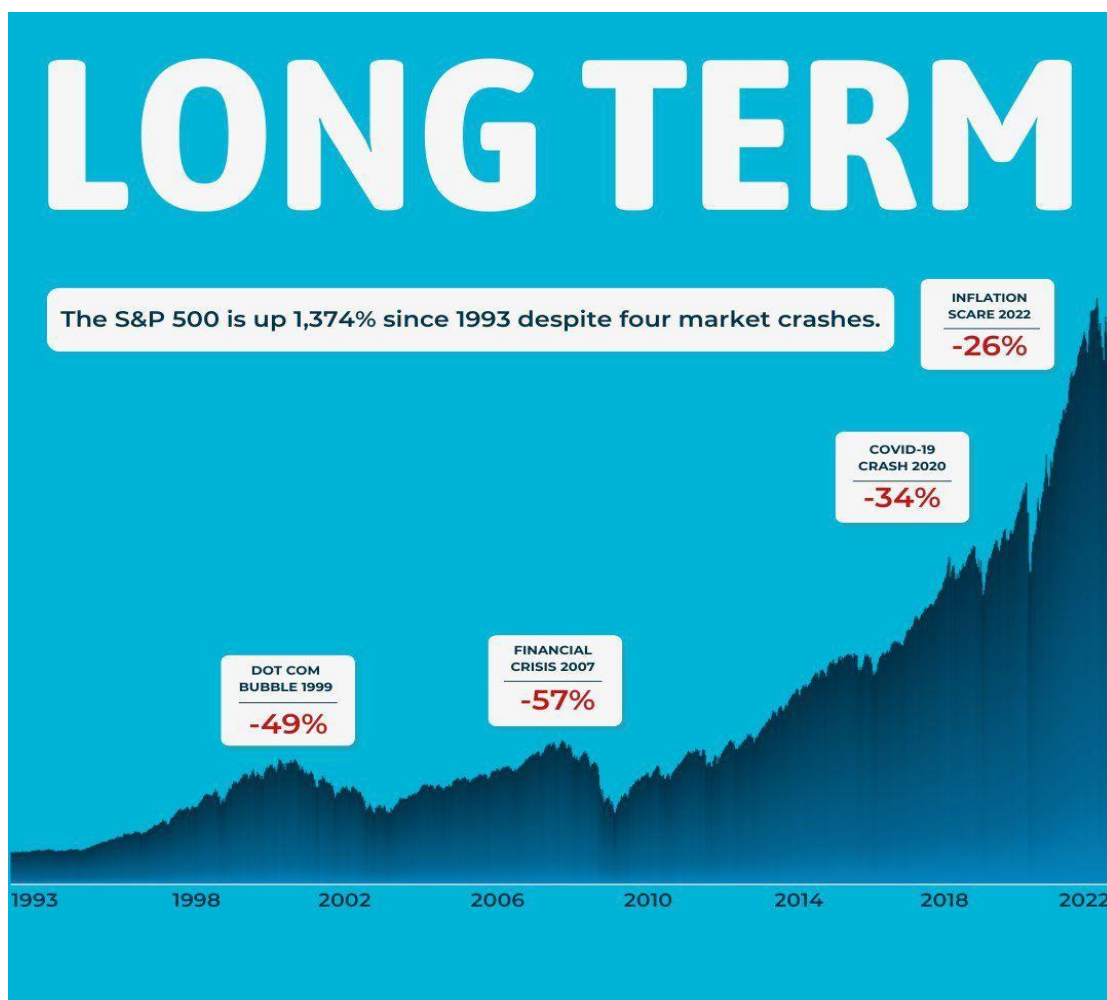


Source:

#food-for-thought

#us #equities #sp500 #bear

Bear markets have historically been generational buying opportunities. Anyone with time on their side should see investing throughout bear markets as a blessing. The market has always bounced back stronger.

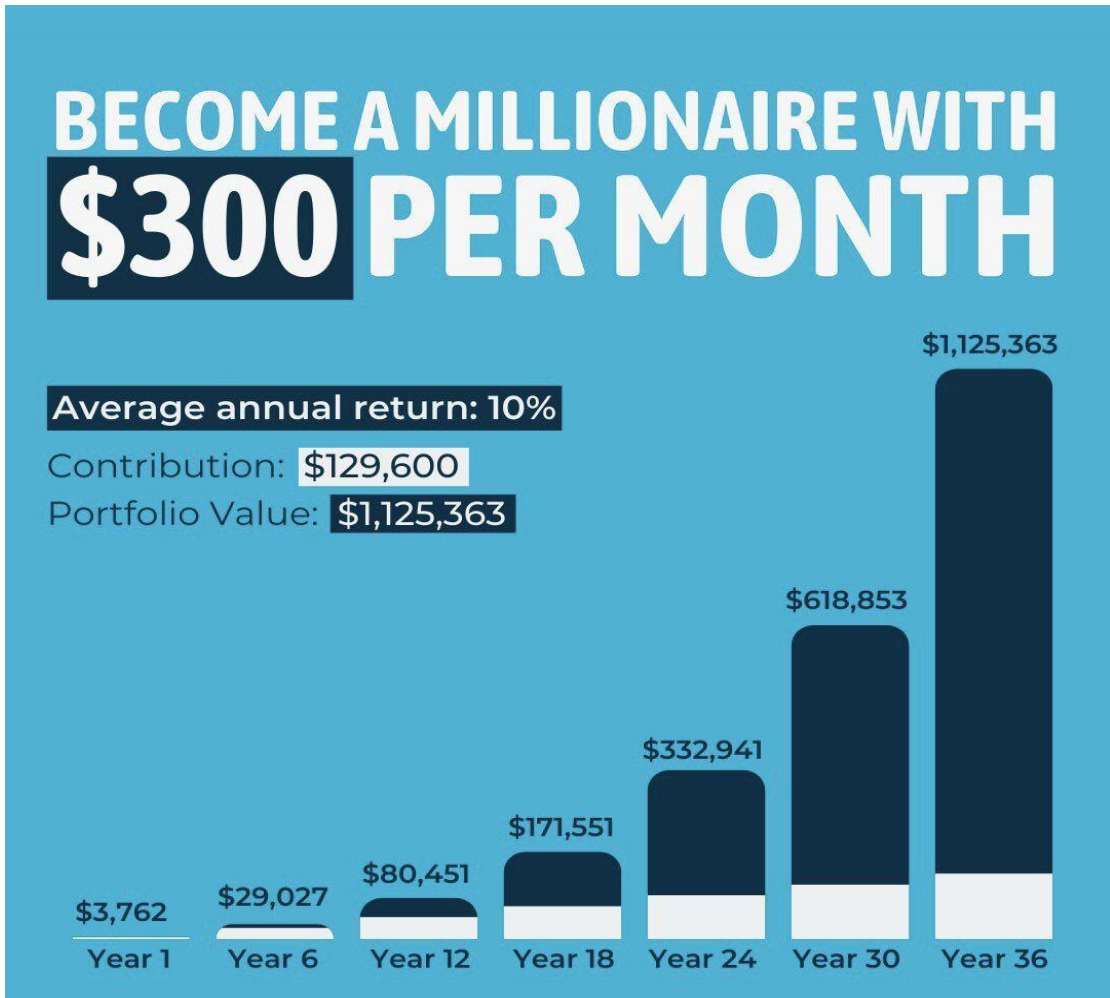


Source: Mark Wlosinki

#food-for-thought

#finance #compound-interest

A visual guide of how compound interest works over time by Mark Wlosinski. It doesn't take investing a lot of money to build wealth. You just need patience. NB: the S&P 500 has averaged +11% annual returns over the last 40 years.

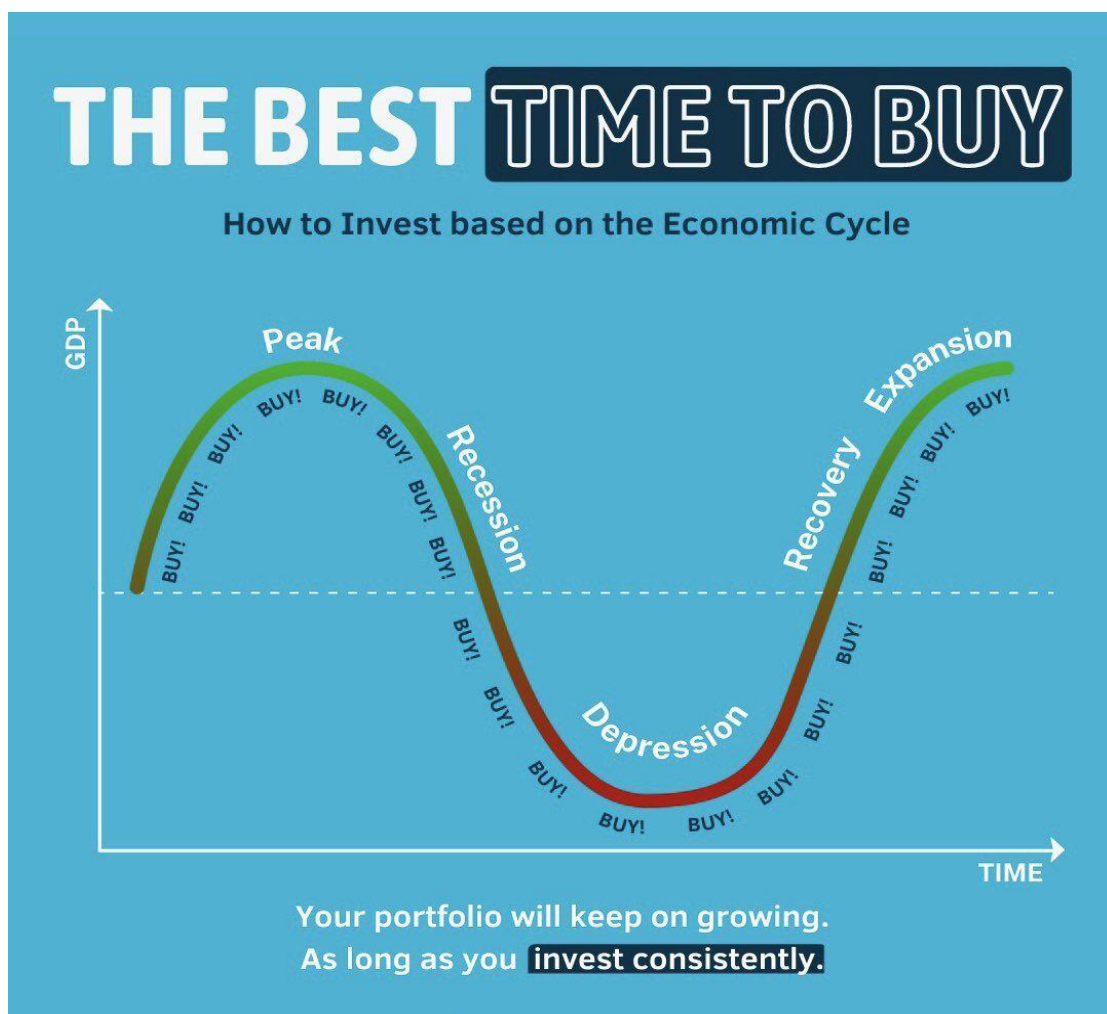


Source: Mark Wlosinski

#food-for-thought

#investment #consistency

Timing the market has proven to be impossible. A simple dollar cost average strategy is the best way to go about investing. Consistent contributions made every week/month regardless of whether stocks are up or down.



Source: Mark Wlosinski

#food-for-thought

#finance #useful #asset-classes

The periodic table of asset classes

Periodic Table of Asset Classes

Currency		Equities						Commodities		Collectibles
1 Ca Cash Deposits										NR Art Fine Art
1 HY High Yield Savings Account	5 SB Savings Bonds							75 Au Gold	NR RC Rare Coins	
1 CD Certificate of Deposit	5 TB Treasury Bills	74 CS Common Shares	NR SD Structured Deposits	91 REF Real Estate Fund	67 In Industrial	86 Wa Water	96 Ag Silver	NR St Stamps		
1 MM Money Market	29 MB Municipal Bonds	74 EF Equity Funds	NR ILP Interest-Linked Products	94 LBO LBO Fund	90 Re Residential	93 En Energy	98 CO Crude Oil	NR Ti Timepieces		
5 StT Short-term Treasuries	37 CB Corporate Bonds	80 DpS Dividend-Paying Stocks	NR ELP Equity-Linked Products	NR VC Venture Capital Fund	91 Com Commercial	NR Ro Roads	99 NG Natural Gas	NR RW Rare Wine		
NR FC Foreign Currency	NR FA Fixed Annuities	88 PS Preferred Shares	NR CLP Credit-Linked Products	NR FF Fund of Funds	91 REIT Real Estate Investment Trust	NR Ai Airports	99 Wh Wheat	NR CC Classic Cars		
99 Cry Crypto-Currencies	57 JB Japa Bonds	NR TS Treasury Stock	NR MLP Market-Linked Products	NR MC Mezzanine Capital	NR RL Raw Land	NR Rr Railroads	99 Cn Corn	NR RH Race Horses		

Riskalyze Risk Number*
NR= not rated

Liquidity
The darker the borders, the less liquid the financial instrument.

Risk
The darker the color, the riskier the financial instrument.

27
CS
Common Shares

Source: Compounding Quality

#food-for-thought

#investment #tips

Terry Smith investment principles:

1. Buy good companies
2. Don't overpay
3. Do Nothing

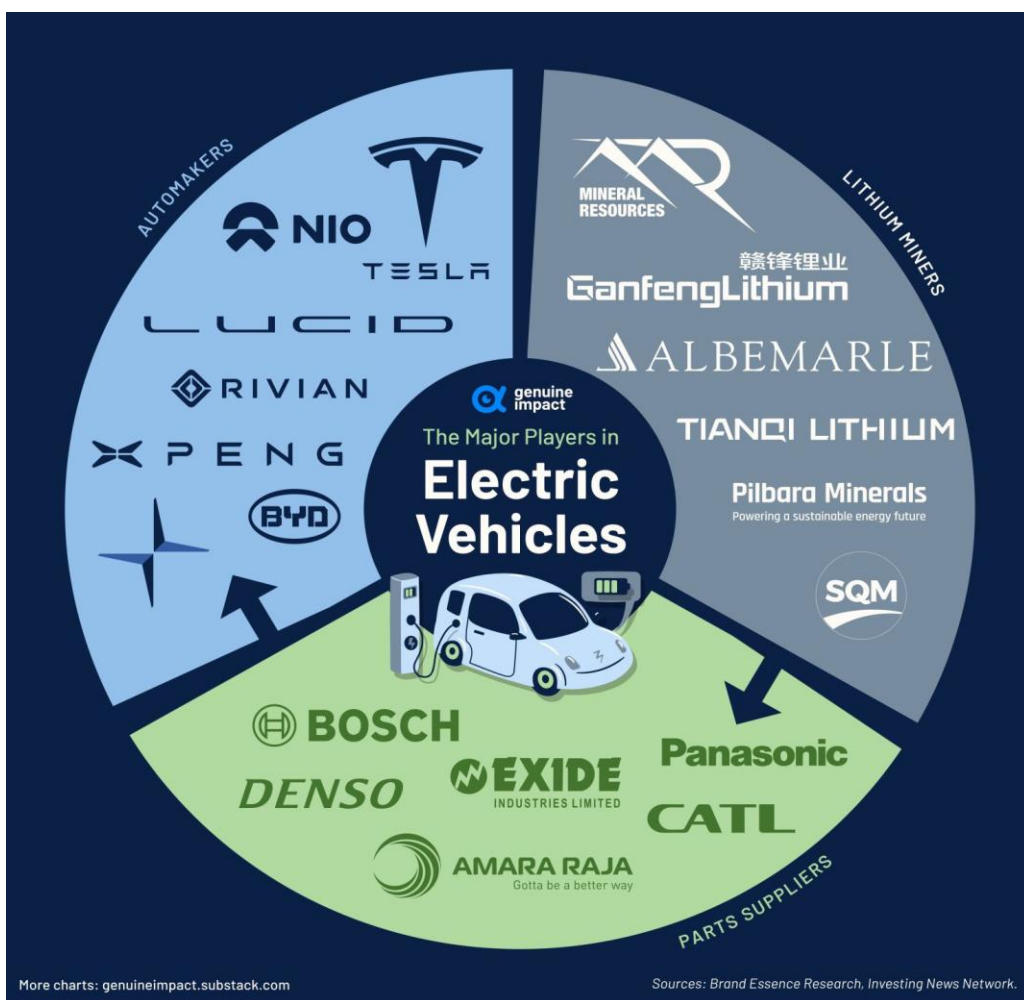


Source: Compounding Quality

#food-for-thought

#cars #ev #industry

Nice chart by Genuine Impact: The EV industry comprises three essential components: lithium producers, parts manufacturers, and EV manufacturers. Looking ahead, it is likely that electric motors and lithium batteries will become prevalent in all cars.

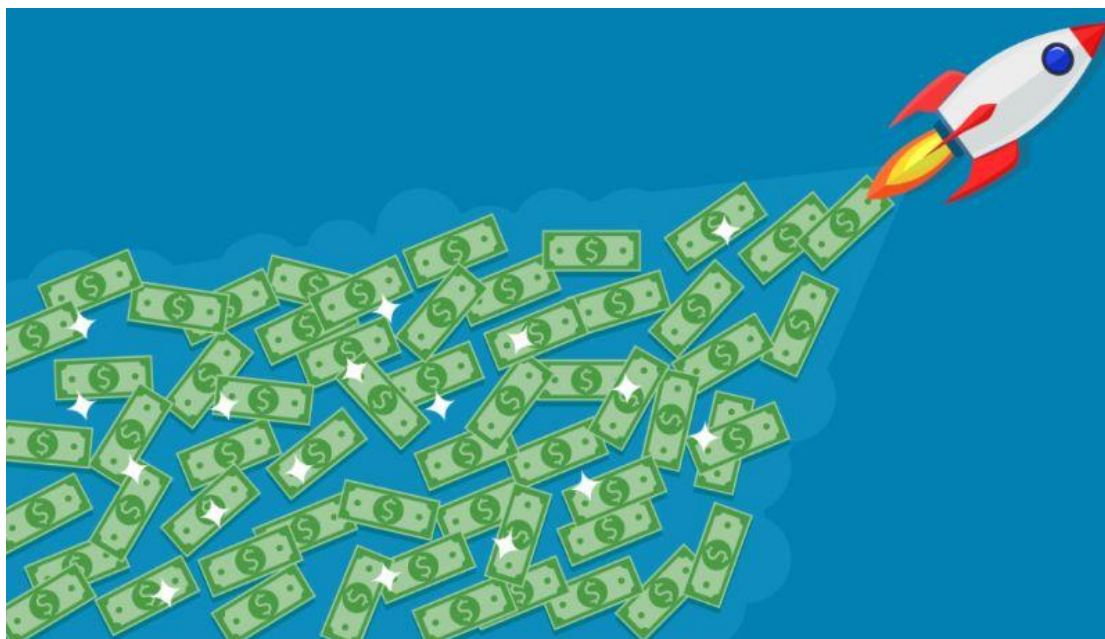


Source: Genuine Impact

#food-for-thought

#us #startup #spacex #valuations

The most valuable startup in the US just got even bigger. SpaceX, the spacecraft manufacturer owned by billionaire Elon Musk, is now worth almost \$150 billion after a second share sale to investors in seven months. As reported by CNBC, the company had insiders sell shares worth a total of \$750 million to new investors – each priced at \$81. This marks a 5% increase from a \$77 offer in December. That's more than the current market cap of companies like Boeing (\$130B), Caterpillar (\$131B), Raytheon (\$140B), and Verizon (\$143B).



Source: businessinsider

#food-for-thought

#us #etf #sp500 #protected

Is it the new ETF the perfect product? The world's first ETF to offer 100% protection against losses (not including management and transaction fees) launched today in the U.S. The Innovator Equity Defined Protection ETF \$TJUL will focus on the SP500 and use options to shield investors from losses. The fund, which requires investors to forgo some potential gains, is aiming to disrupt the annuities market.

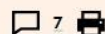
First ETF with 100% protection against losses launches in US

The fund, which requires investors to forgo some potential gains, is aiming to disrupt the annuities market



Defined outcome funds until now have only offered investors a degree of downside protection © AFP/Getty Images

Steve Johnson 6 HOURS AGO



Source: FT

#food-for-thought

#leadership

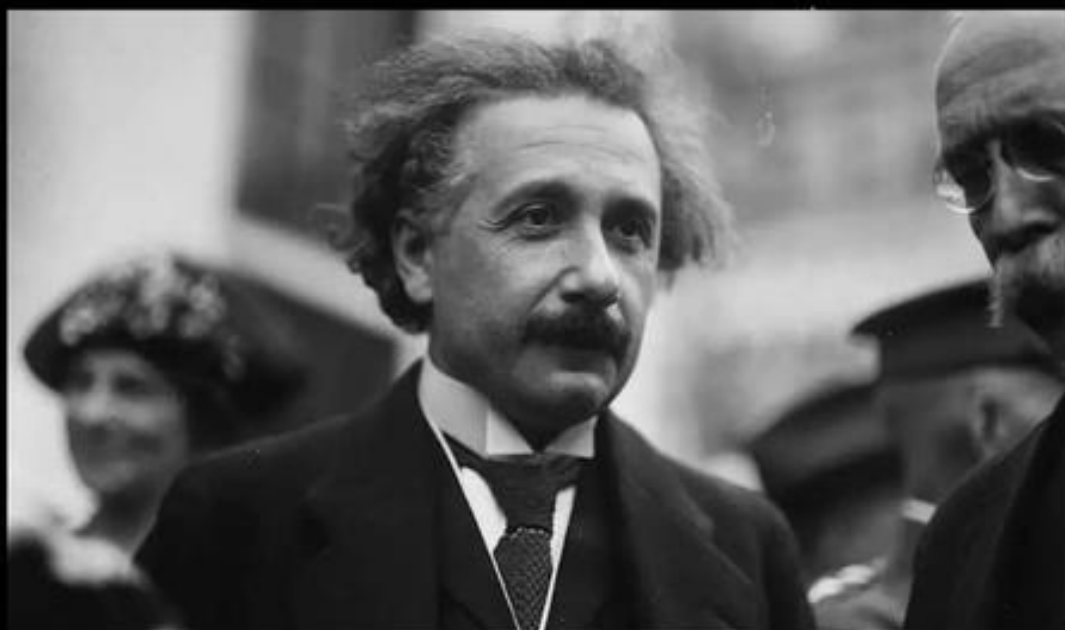


Source: European leadership

#food-for-thought

#leadership

Albert Einstein



"A ship is always safe at the shore, but that is not what it is built for."

Source: European leadership

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For the future...