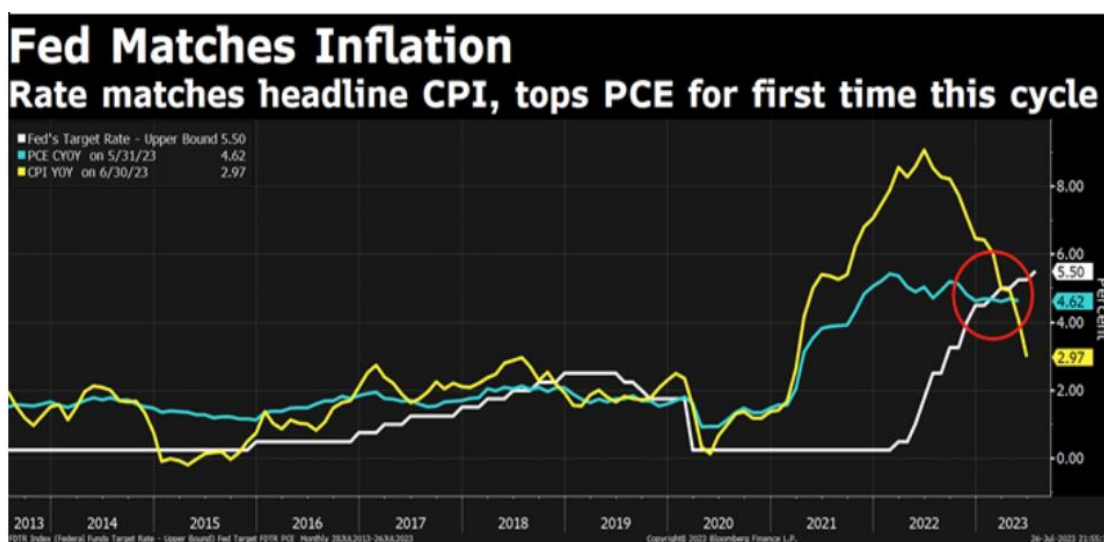


Chart of the week

Fed rate tops PCE for 1st time this cycle

This week was another one of “goldilocks data”, i.e the economy is running neither too hot nor too cold. A batch of data published over the last few days points to a higher probability of a soft landing. Indeed, recent figures show that the US economy has remained resilient despite the most aggressive rate hike cycle since the ‘80s. Meanwhile, inflation continues to cool down. For the 1st time in this cycle, Fed rates match headline CPI but also tops PCE (Personal Consumption Expenditure) index. This fuels speculation that the Fed is nearly done.



Source: Bloomberg

US stocks closed at the highest since April 2022

Main US equities indices ended higher over a week notable for the Dow Jones Industrial Average notching its 13th consecutive daily gain on Wednesday, which marked its longest winning streak since 1987. Trading activity was relatively subdued due to the summer vacation season. It was nevertheless a busy week in terms of news flow. The Fed announced a 0.25% increase in the federal funds target rate, as expected. The tone of the Fed's statement was received as relatively benign, however, and expectations grew that the Fed was done raising rates, at least for the year. The ECB increased interest rates to 3.75% in a largely expected move. Meanwhile, the BoJ decided to keep its key short-term interest rate unchanged at -0.1% but surprised investors with the announcement that it would conduct YCC with greater flexibility to enhance the sustainability of monetary easing. Beyond central banks, investors' sentiment appeared to get a boost from a series of strong corporate earnings but also generally positive economic readings, particularly on inflation. Indeed, the Fed's preferred inflation gauge, the core (less food and energy) personal consumption expenditures (PCE) price index was lower than expectations and the slowest increase since September 2021. European inflation also continues to ease. Meanwhile US and EU GDP data came out stronger than expected. Last but not least, Chinese equities rallied after Beijing signaled it will provide more stimulus to support the economy.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

29 JULY 2023

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	35,459	0.7%	7.0%
S&P 500 Index	4,582	1.0%	19.3%
NASDAQ	14,317	2.0%	36.8%
MSCI EAFE *	2,193	0.7%	12.8%
10-yr Treasury Yield	3.96%	0.1%	0.1%
Oil (\$/bbl)	\$80.48	4.4%	0.3%
Bonds	\$97.54	-0.5%	1.7%

Source: Edward Jones



#sp500 #dollar

The S&P 500 and the dollar index continue to be negatively correlated.

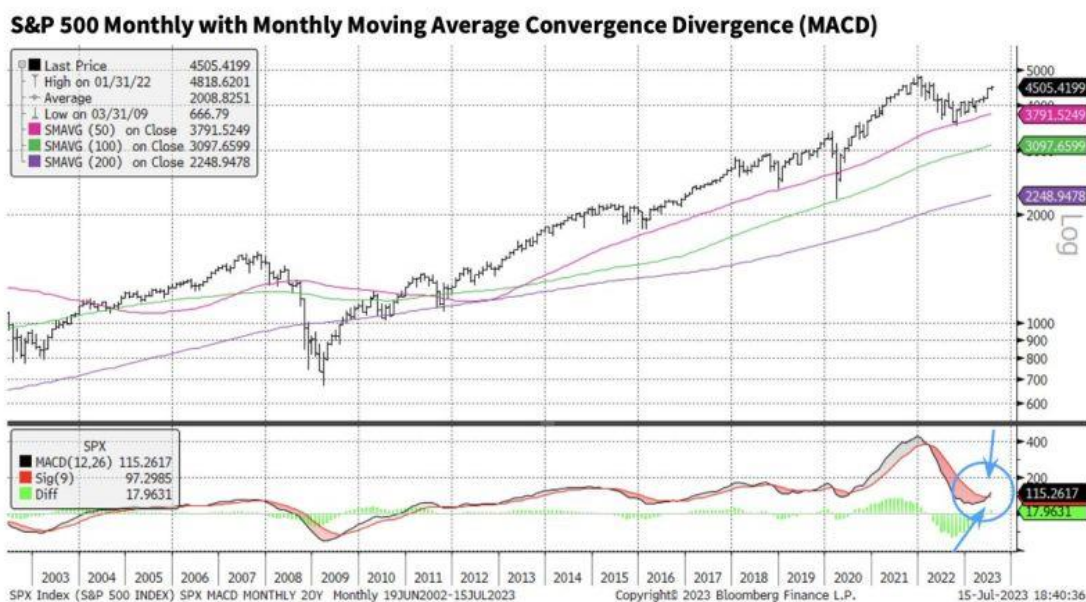


Source: J-C Parets



#us #equities #sp500 #technical-analysis

S&P 500 technical analysis -> The \$SPX has finally and for the first time since the bear market began in 2022 and bull market began on Oct. 2023, executed a bullish Monthly MACD Crossover.



Source: Bloomberg, NewEdge Wealth, 7/15/23

Source: Seth Golden





#us #sp500 #fed #liquidity

The disconnect between Fed net liquidity (grey) and the S&P 500 (purple) is growing by the day



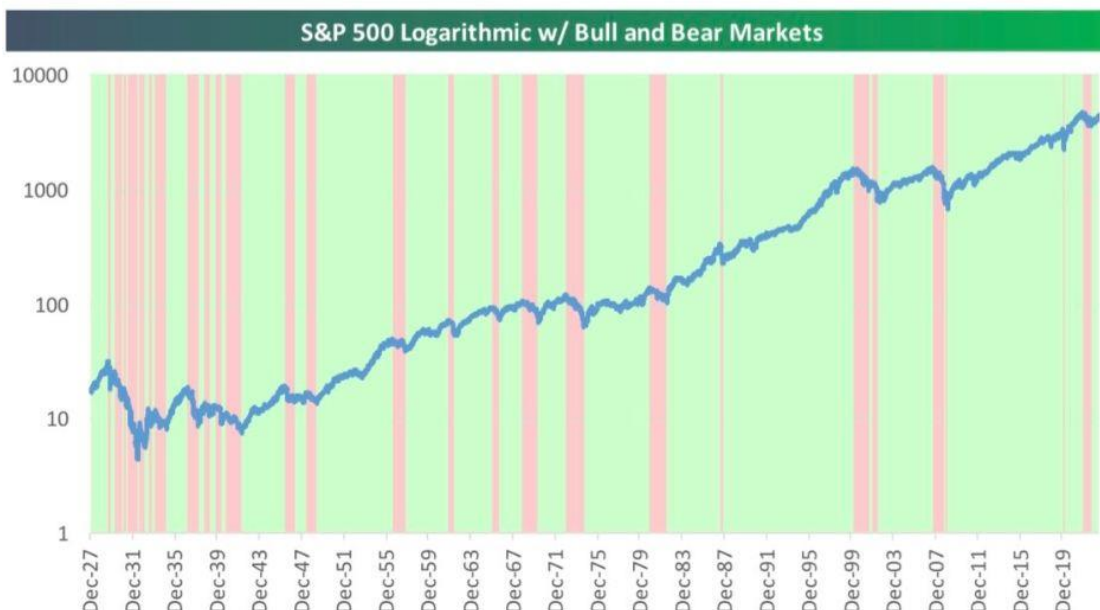
Source: Markets & Mayhem



#us #equities #sp500 #bull

For this bull market to get to the average bull in terms of gains and length, the S&P would need to gain another 68% over a period that takes us to July 2025.

Since 1928, bull markets have averaged a gain of 114% over 1,011 calendar days. For *this bull* to get to the *average bull*, the S&P would need to gain another 68% from here (taking it to 7,670) over a period that takes us out to July 2025.



Source: bespoke





#us #equities #sp500 #targets

Credit Suisse raised its S&P 500 Year-End target to 4,700, becoming most Bullish Wall Street Bank. But as shown below, majority of Wall Street strategists have revised upwards their estimates for 2013.

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

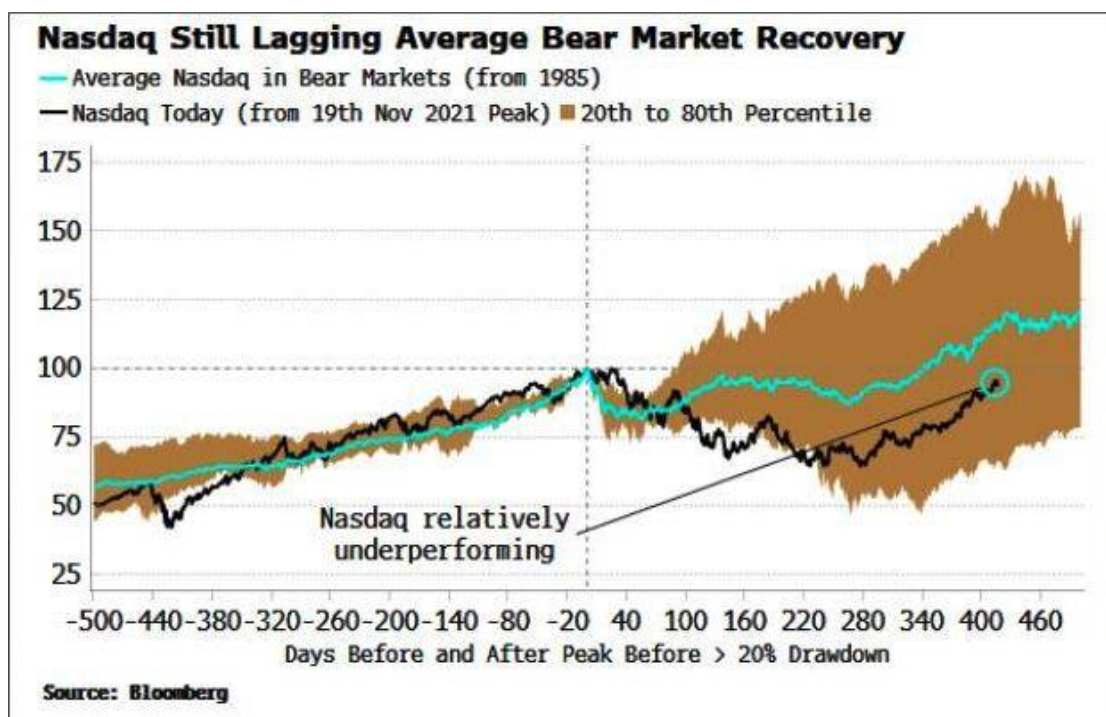
Source: TME, Bloomberg





#us #equities #nasdaq

Nasdaq is still lagging the average bear market recovery performance, per Bloomberg



Source: Cheddar Flow



#us #treasuries #nasdaq

US Treasuries sold off on Thursday and are now on the verge of a breakdown from support. The chart below courtesy of Crescat Capital / Tavi Costa is a reminder of the divergence between rising yields and the highly valued Nasdaq index. Is this divergence sustainable?



Source: Bloomberg, Tavi Costa

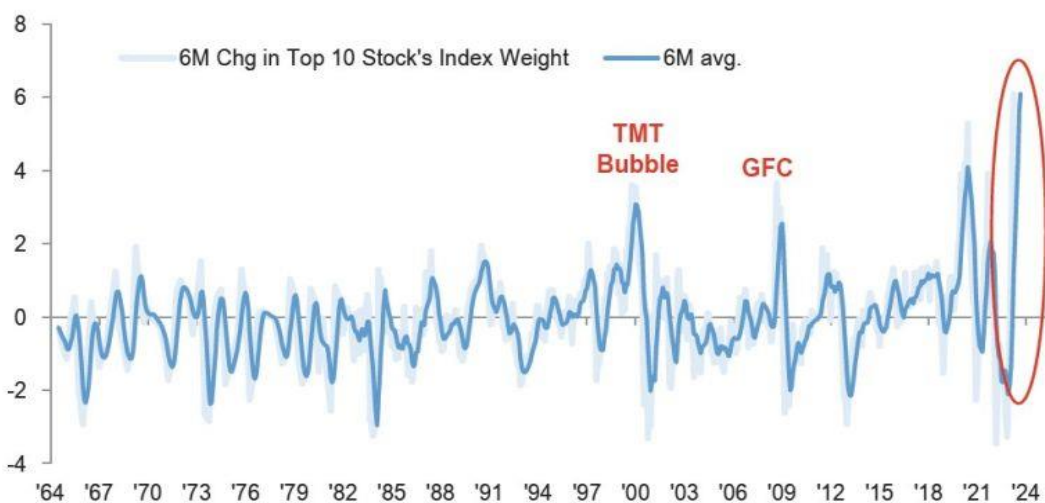




#equities #concentration

J.P. Morgan Kolanovic & Dubravko -> The recent rise in market cap concentration has been the steepest on record based on >60 years of history, with even narrower leadership than seen during the TMT Bubble.

Figure 1: Steepest Rise in Concentration in 60yrs



Source: US Equity Strategy and Quantitative Research

Source: Seth Golden

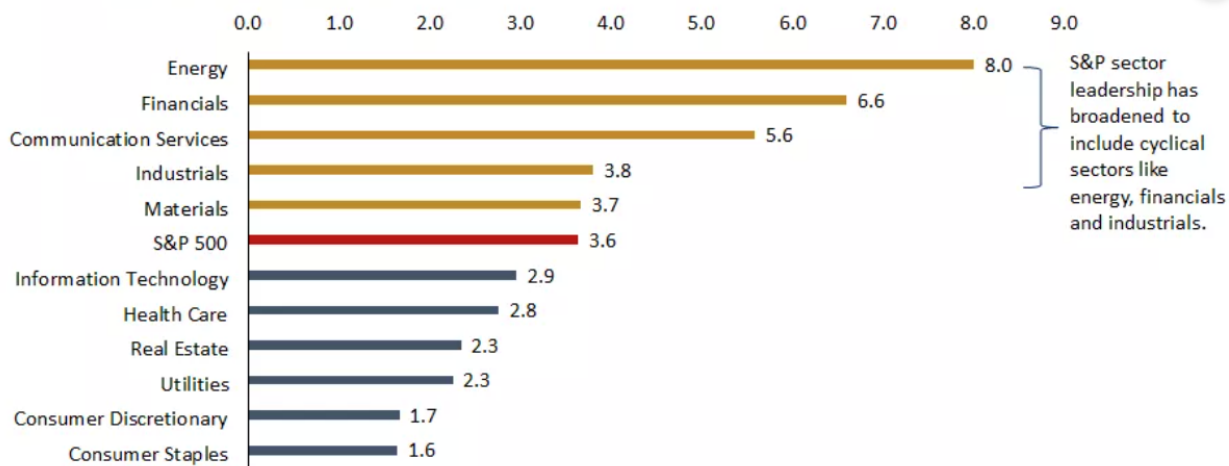




#us #equities #sector #leadership

Good news. While sector leadership was narrow in H1, it has been broadening over the last month.

S&P 500 sector leadership has broadened over the past month



Source: FactSet, 6/27/23 to 7/27/23.

Source: Edward Jones



#GLOBALMARKETS WEEKLY WRAP-UP

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29 JULY 2023

#markets

#us #dow-jones #returns

Dow component returns in 2023...

Dow Jones Industrial Average Components, 2023 Total Returns			
Name	Ticker	Sector	2023 YTD
Salesforce.com Inc	CRM	Technology	72.1%
Apple Inc	AAPL	Technology	49.1%
Microsoft Corp	MSFT	Technology	45.3%
Intel Corp	INTC	Technology	28.4%
American Express Co	AXP	Financial Services	21.2%
JPMorgan Chase & Co	JPM	Financial Services	19.0%
Visa Inc	V	Financial Services	15.8%
McDonald's Corp	MCD	Consumer Cyclical	14.0%
Cisco Systems Inc	CSCO	Technology	12.5%
Boeing Co	BA	Industrials	12.1%
Walmart Inc	WMT	Consumer Defensive	11.9%
Caterpillar Inc	CAT	Industrials	10.7%
Dow Inc	DOW	Basic Materials	8.1%
Goldman Sachs Group Inc	GS	Financial Services	3.7%
The Home Depot Inc	HD	Consumer Cyclical	2.5%
Procter & Gamble Co	PG	Consumer Defensive	1.2%
International Business Machines Corp	IBM	Technology	0.8%
Coca-Cola Co	KO	Consumer Defensive	-0.4%
The Walt Disney Co	DIS	Communication Services	-0.8%
Merck & Co Inc	MRK	Healthcare	-0.9%
Honeywell International Inc	HON	Industrials	-1.9%
Johnson & Johnson	JNJ	Healthcare	-3.3%
UnitedHealth Group Inc	UNH	Healthcare	-4.2%
The Travelers Companies Inc	TRV	Financial Services	-6.4%
Nike Inc	NKE	Consumer Cyclical	-7.6%
Amgen Inc	AMGN	Healthcare	-9.6%
Verizon Communications Inc	VZ	Communication Services	-10.2%
3M Co	MMM	Industrials	-10.5%
Chevron Corp	CVX	Energy	-11.2%
Walgreens Boots Alliance Inc	WBA	Healthcare	-16.7%

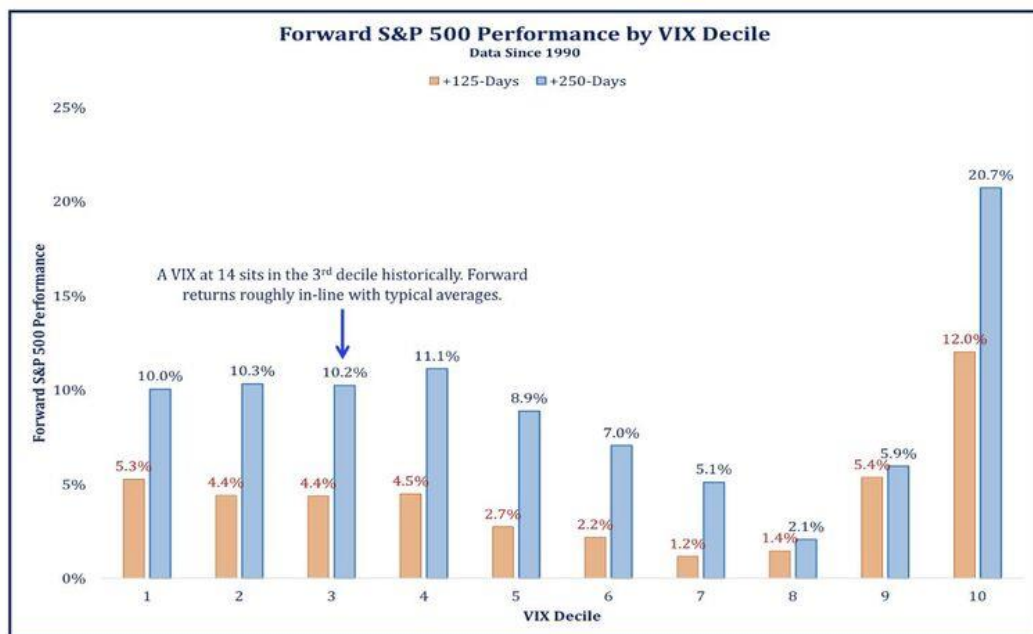
CREATIVE PLANNING As of 7/20/2023 @CharlieBilello

Source: Charlie Bilello



#us #vix #sp500

While a low VIX indicates that investors are complacent and signal that unexpected negative events could push the VIX upwards (and thus equity markets downward), a low VIX reading isn't necessarily something to fear. As shown on this chart courtesy of Todd Sohn, it is a typical characteristic of bull markets.





#options #fomo

Heavy call options buying activity is a testimony of the ongoing FOMO/ "chasing the rally" mood which has been going on for some time now

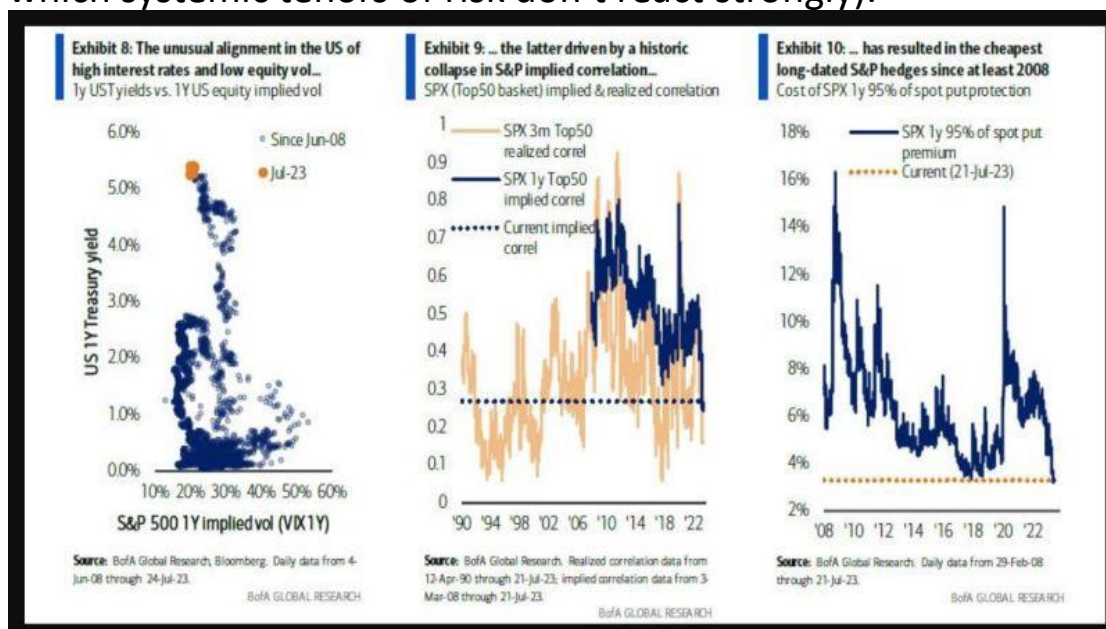


Source: Macro charts



#sp500 #hedge #bofa

It has never been cheaper to hedge against a market crash. It has never cost less to protect against an SP500 crash drawdown in the next 12 months. Why is the cost of longer-dated S&P protection at record lows today? The most common explanations are a mix of fundamentals (e.g. a recession, if it materializes, will be short-lived and shallow; or, realized correlation is too low to warrant higher implied correlation) and vol technicals (e.g. the supply of vega on US underlying's for yield remains robust; or, due to the rise of short-dated option selling, the next shock will likely be a “gamma event” in which systemic tenors of risk don’t react strongly).



Source: BofA, www.zerohedge.com





#us #vix #seasonality #sp500

VIX has seasonality as well, and the season for VIX longs starts now...

Bottom picking VIX



Source: Equity Clock



Source: TME, Market Clock



#us #equities #investors #confidence

J.P. Morgan asked investors if they plan to increase or decrease exposure to stocks in the coming days/weeks. We're down to only 17% of respondents who are looking to add to equity exposure. From a contrarian perspective, this is a positive

Figure 2: Are you more likely to increase or decrease equity exposure over the coming days/weeks?



Source: J.P. Morgan.

Source: J-C Parets

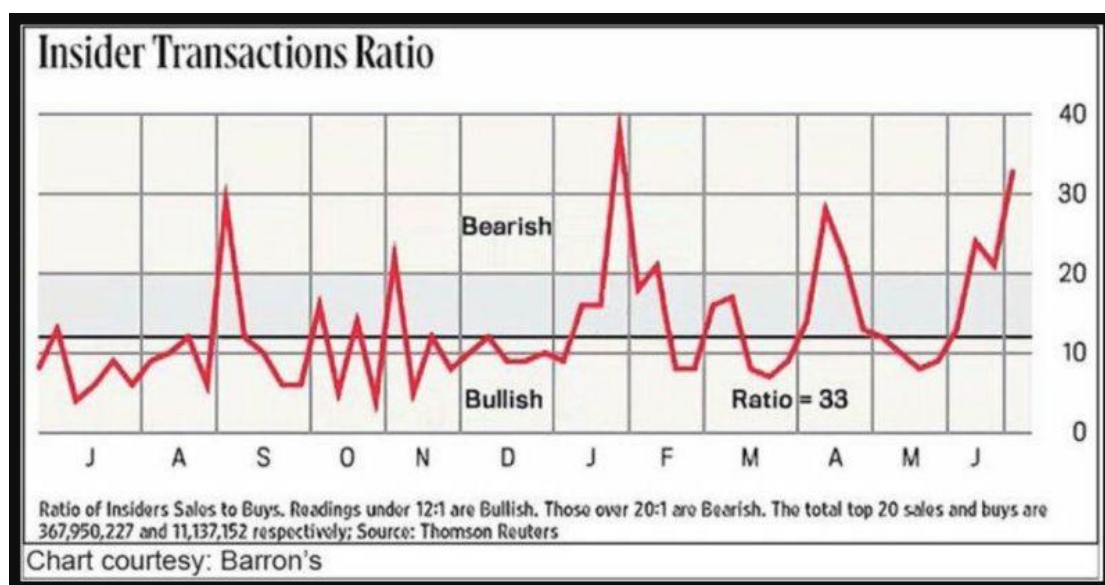




#us #equities

Barron's insider ratio has turned bearish. What do they know that retail investors don't?

(This is the ratio of insider's sales to buys - readings under 12:1 are bullish. Those over 20:1 are bearish)

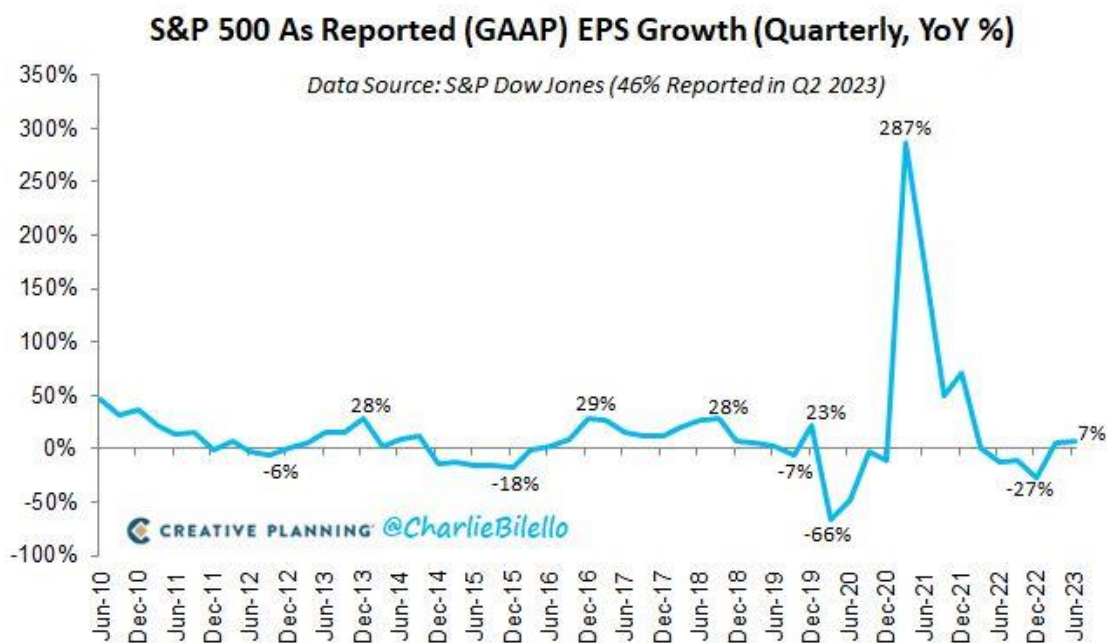


Source: Barron's



#us #equities #sp500 #earnings

With 46% of companies reported, S&P 500 Q2 GAAP earnings per share are up 7% over the last year, the highest YoY growth rate since Q4 2021. \$SPX



Source: Charlie Bilello





#us #earnings #revision-index

U.S. earnings Revisions Index from Citi has been in negative territory for past six weeks ... longest streak since beginning of this year.



Source: Bloomberg, Liz Ann Sonders





#us #q2 #earnings

Around 40% of US and 42% of European companies have reported earnings, with 80% of US firms exceeding EPS estimates. Yet, these haven't boosted the blended EPS number significantly. Reactions to beats / misses is more negative than previous quarters.



Source: TME, JPM

#markets

#ai #msft #google

Microsoft and Google executives said the word AI or a version of it 145 times during today's earnings calls.

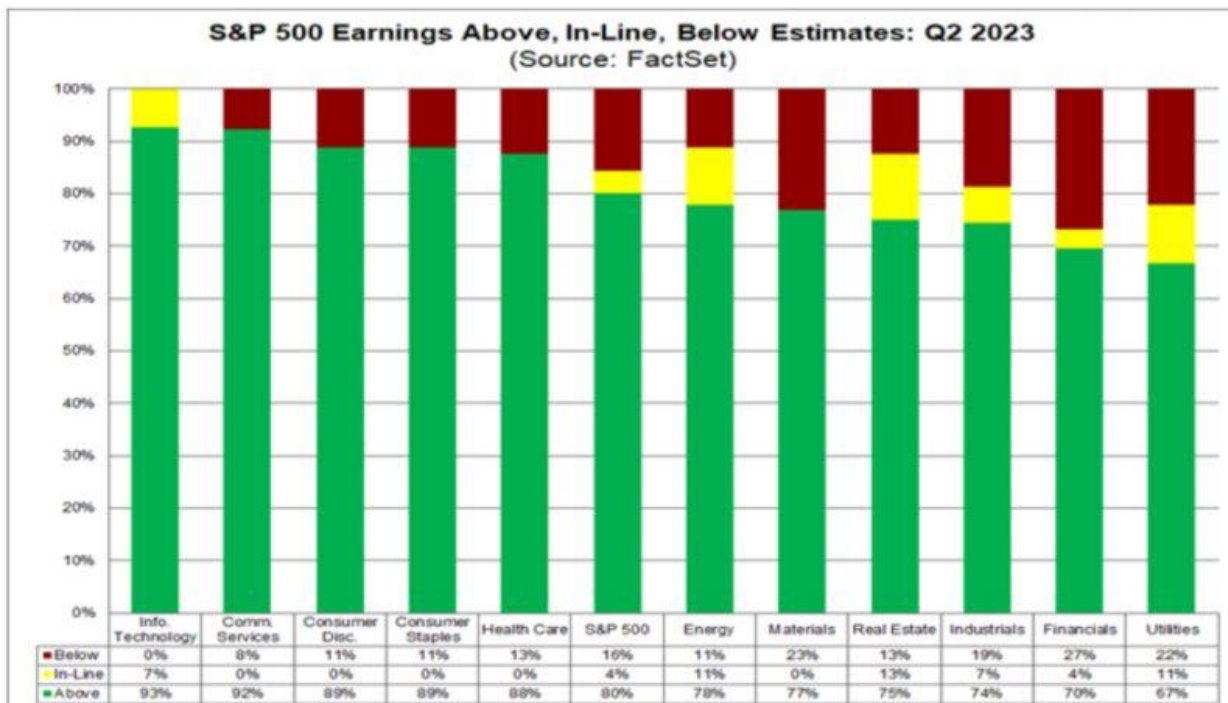


Source: CNBC



#us #earnings #sectors

At the mid-point of the Q2 earnings season for the S&P 500, the number of companies reporting positive earnings surprises is above recent averages, while the magnitude of these earnings surprises is below recent averages



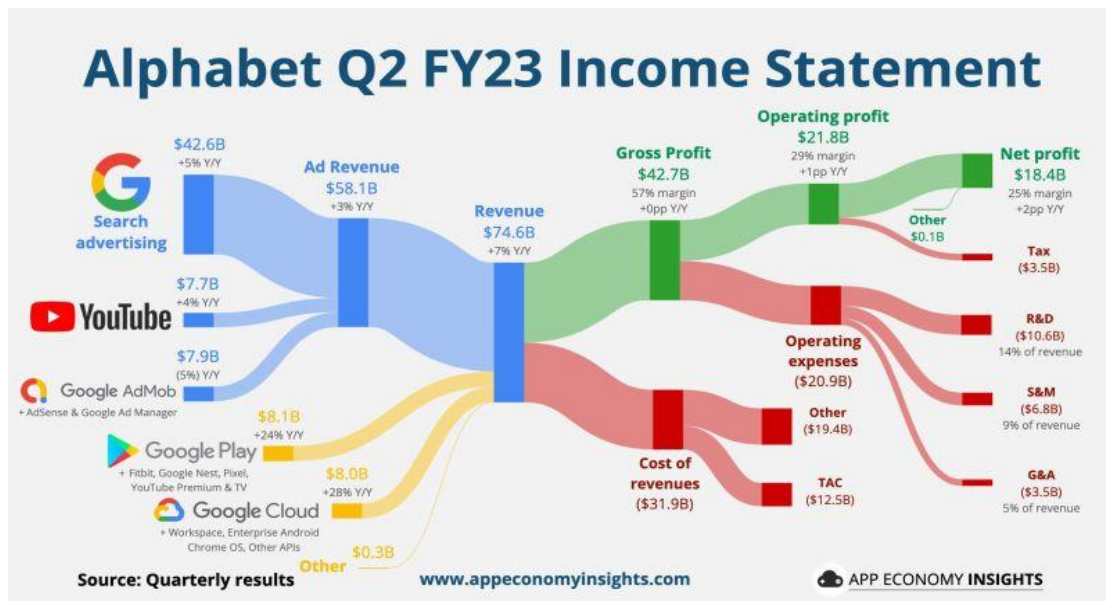
Source: Bespoke, Factset





#us #equities #alphabet

Alphabet shares rose about 7% in extended trading on Tuesday after the company reported better-than-expected revenue and profit, driven by growth in its cloud-computing unit. For the fourth straight quarter, Google’s parent company reported growth in the single digits as it reckons with a pullback in digital ad spending that reflects concerns about the economy. Analysts don’t expect growth to hit double digits again until the fourth quarter.



Source: App Economy Insights, CNBC

#us #equities #barbie #mattel

Retail investors are jumping into Mattel stock \$MAT as the movie "Barbie" takes the world by storm



Source: Vanda Research

Source: Barchart, Vanda Research

#markets

#us #equities #sp500 #risk-premium

The S&P 500 equity risk premium hit the lowest level in two decades, which will be a headwind for longer-term returns.

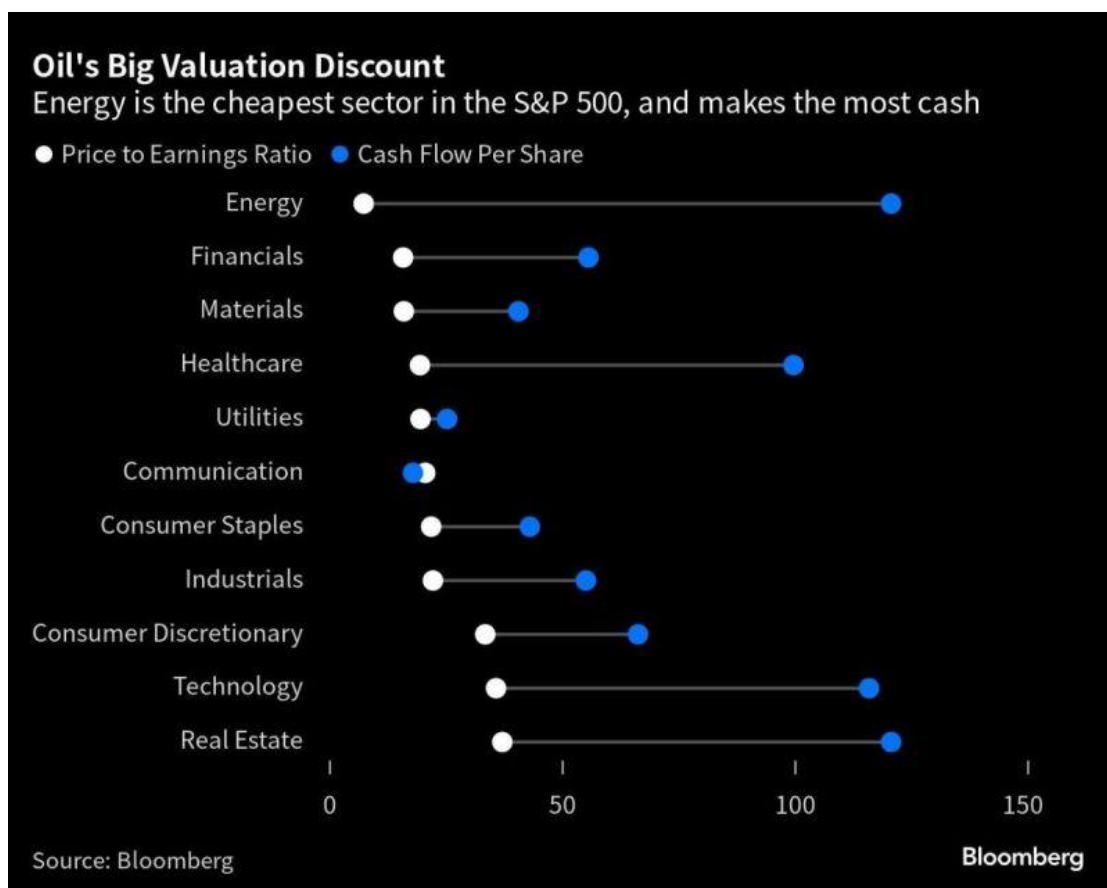


Source: The Daily Shot



#us #sp500 #sectors #valuations

Energy is the least expensive sector in the S&P 500 but generates the most cash. Perhaps this explains why Warren Buffett continues to increase his position in Occidental Petroleum



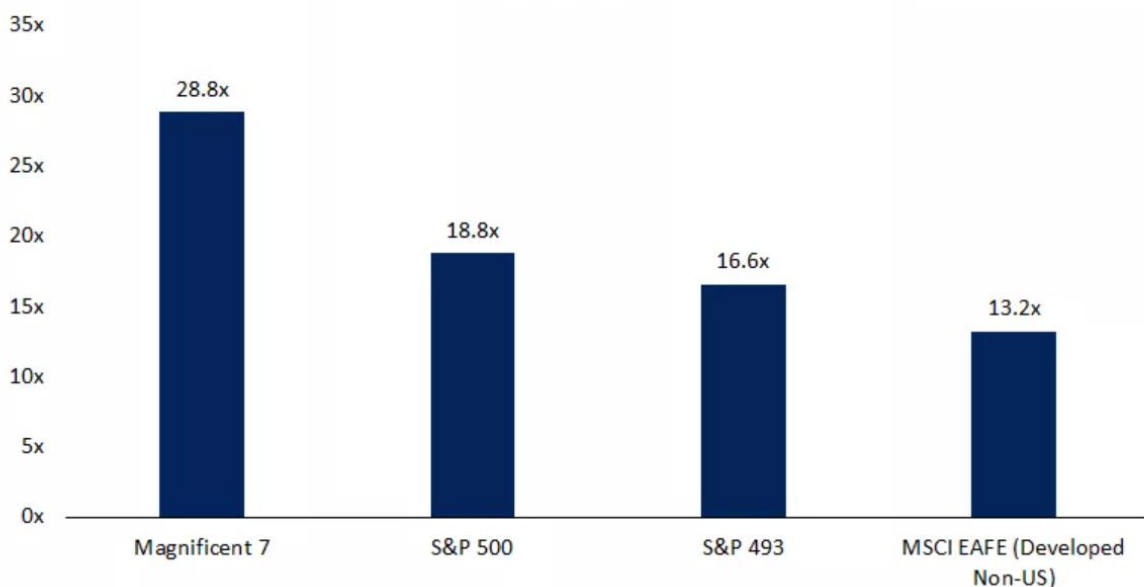
Source: Barchart, Bloomberg



#global #equities #valuations

the valuations of the seven leading large-cap technology stocks (Magnificent 7), which are much higher than the rest of the S&P 500 and International stocks.

Valuations not as stretched outside of "Magnificent 7" stocks



Source: Bloomberg, 1-year forward P/E multiple as of 7/27/23. Magnificent 7 stocks include AAPL, AMZN, GOOGL, META, MSFT, NVDA, TSLA.

Source: Edward Jones



#europe #stoxx #earnings

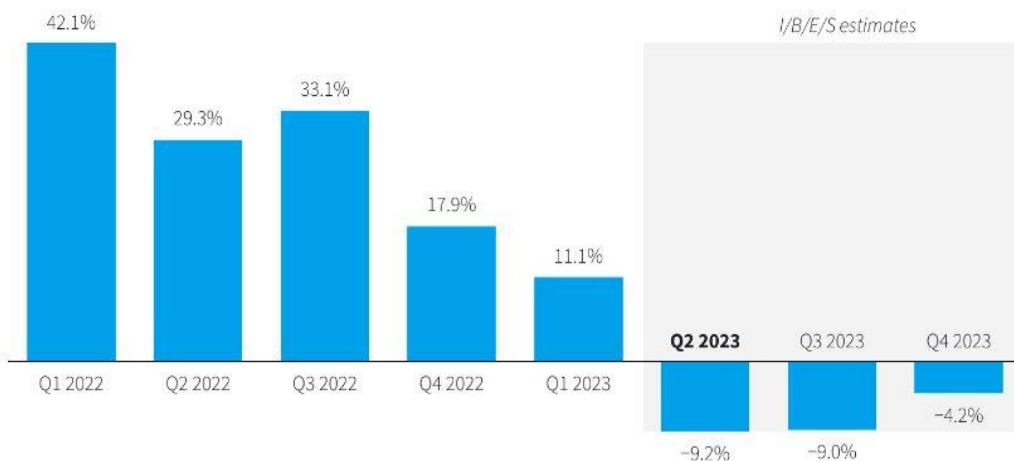
It's Earnings Season.

European quarterly earnings are starting to trickle in.

Second-quarter earnings are expected to decrease 9.2% from a year earlier, according to I/B/E/S data from Refinitiv.

European earnings expected to fall

STOXX 600's Q2 earnings estimates indicate a 9.2% fall vs. last year. Excluding energy, earnings are expected to rise 3.9%.



Source: Refinitiv I/B/E/S | Reuters, July 20, 2023 | By Vincent Flasseur

Reuters Graphics

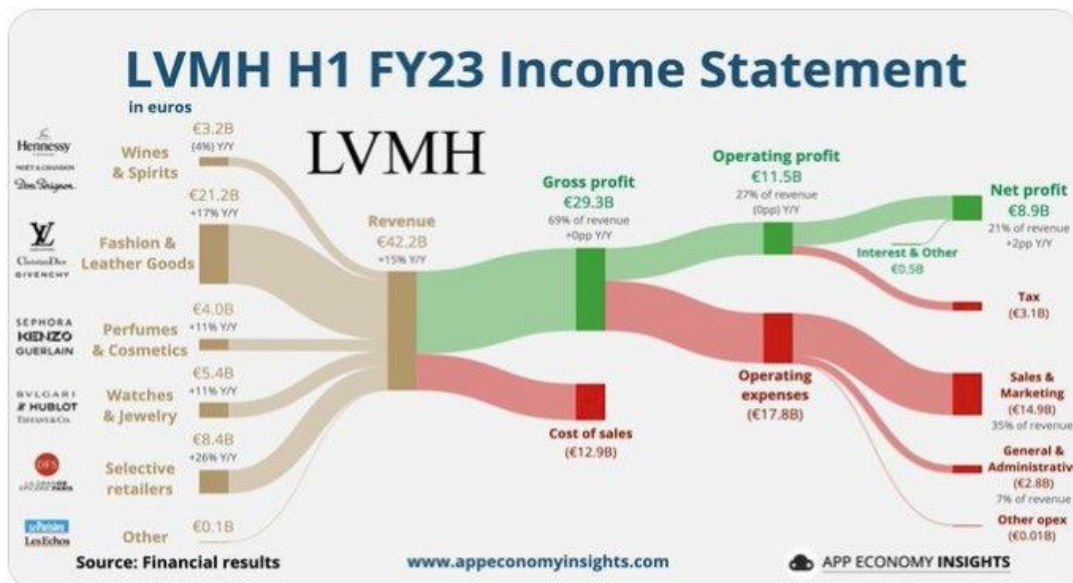
Source: reuters





#equities #lvmh #luxury

LVMH, the world's top luxury group, said Tuesday it enjoyed an excellent first half with net profits soaring by 30 percent to 8.48 billion euros (\$9.34 billion) thanks to strong growth in Asia and Europe. Sales at the group whose brands include Louis Vuitton, Dior and Tiffany, rose 15 percent during the January-June period compared with last year, to hit 42.2 billion euros. ONE BUG SURPRISE -> LVMH reported a surprising drop in U.S. sales in the second quarter, as its chief financial officer said “aspirational customers are not shopping as much as they used to.” LVMH’s U.S. sales slid 1% in the second quarter from the prior-year period.



Source: App Economy Insights, Barron's, CNBC



#japan #equities #margin-of-safety

Japanese stocks have an earnings yield that is 612bps above the yield on 10-year Japanese government bonds. Put that in context; in the US, the gap is only 113bps. Little room for error in the US, plenty of room in Japan. This is a margin of safety concept.

The Japanese Stock Market's "Margin of Safety" Over Government Bonds Far Exceeds the U.S.				
Country	10-Year Government Bond Yield	Forward P/E Ratio, Equal-Weighted Basket	Earnings Yield (Reciprocal of P/E Ratio)	Earnings Yield Minus Bond Yield
United States	3.85%	20.1	4.98%	1.13%
Japan	0.46%	15.2	6.58%	6.12%

Source: Refinitiv, WisdomTree Digital Portfolio Developer. Bond yields as of 7/20/2023. Forward P/E ratios as of 6/30/2022. Baskets are the S&P 500 and the MSCI Japan Index. File #0556

@JeffWeniger

Source: Jeff Weniger



#hong-kong #equities #politburo

Hong-Kong listed Chinese stocks soared this week as China's July politburo statement is more dovish than expected. China vows to adjust and optimize property policy and aims to support domestic economy.



Source: CNBC



#china #equities

CSI 300 is surging to levels not seen in a while. The index is exploding above the negative trend line as well as crushing the 200 day moving average. Impressive price action. Credit where credit is due, GS have been pushing the China long story (here) recently. This has played out very well.



Source: TME



#us #treasuries #10-year

The US 10 year continues trading inside the "Goldilocks" range, but the most recent move higher has confused many. 4,1% is the upper part of the range and a must watch level. Support is the trend line, currently around the 3.8% area.

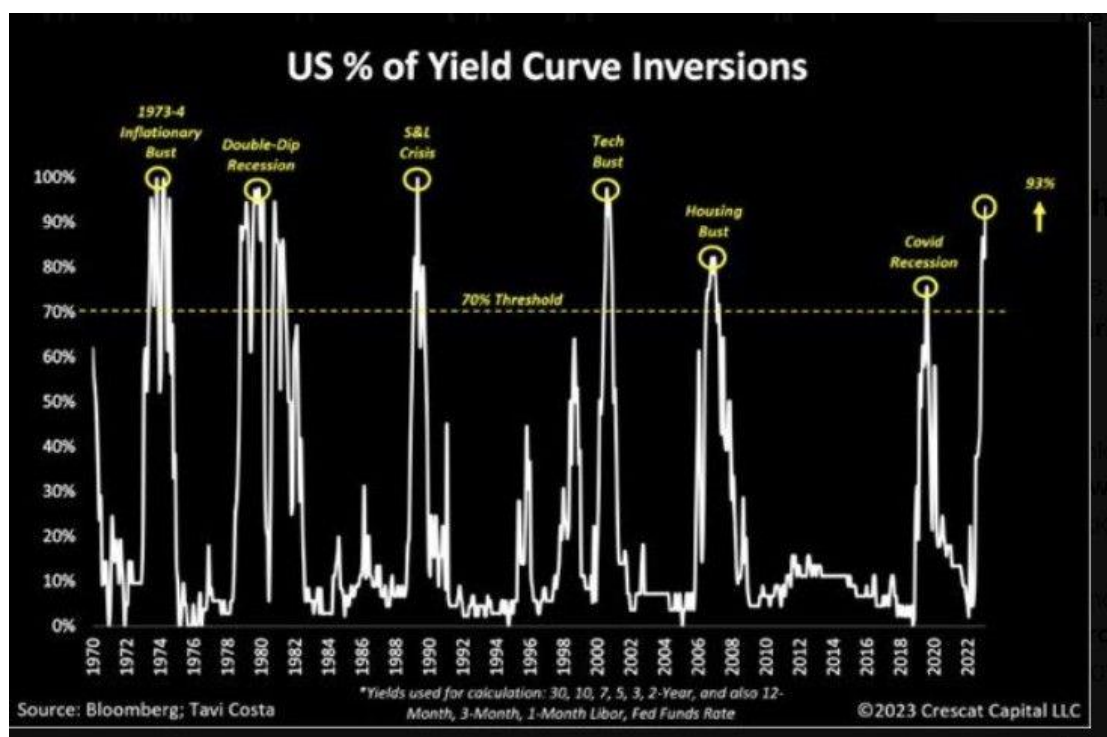


Source: TME, Refinitiv



#us #yieldcurve #inversion

93% of the US yield curve is currently inverted



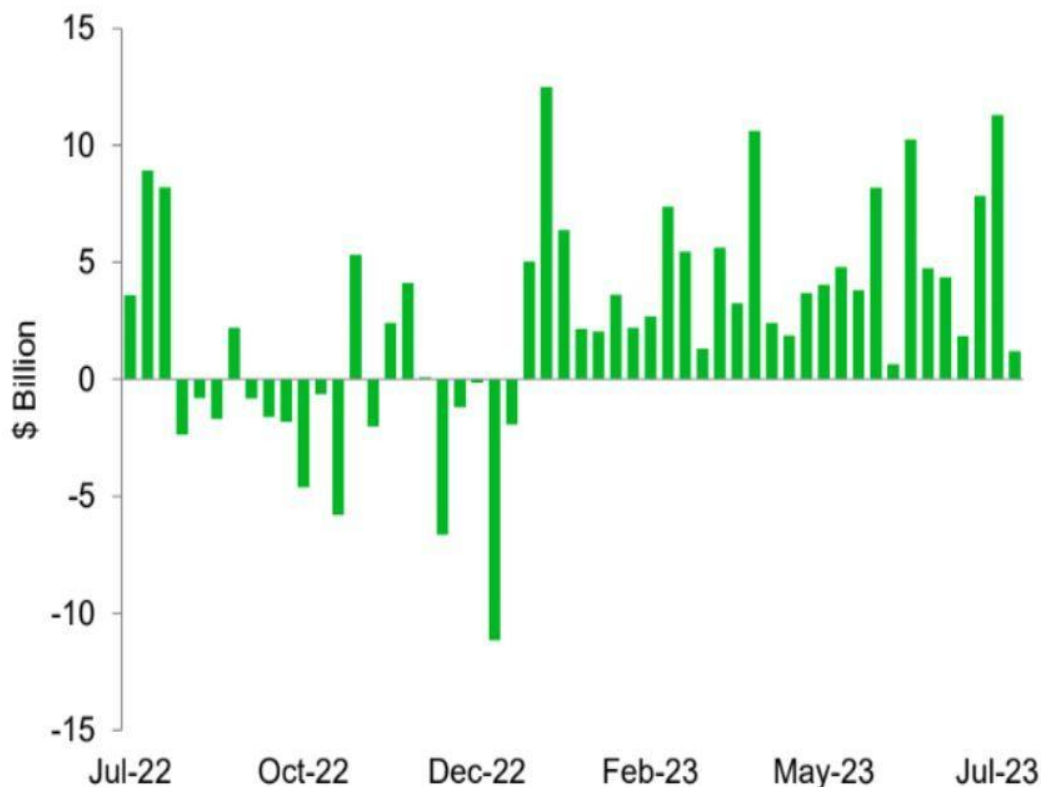
Source: Tavi Costa, Crescat Capital, Bloomberg



#fixed-income #bonds #inflow

Global bonds saw their 17th consecutive week of inflows, reaching a total of \$1.4bn for the week to July 19th...primarily driven by \$1.2bn inflows into the US market.

Total Weekly US Fixed Income Flows



Source: EPFR, TD Securities

Source: daily chartbook





#forex #euro #exchange-rates

Most Expensive Euro on Record Has Traders Braced for Declines. As the Nominal effective exchange rate reached an all-time high, a dovish message from ECB this week can add pressure on the euro.

Euro Reaches Strongest on Record Against Trading Peers Nominal effective exchange rate extended gains as dollar faltered



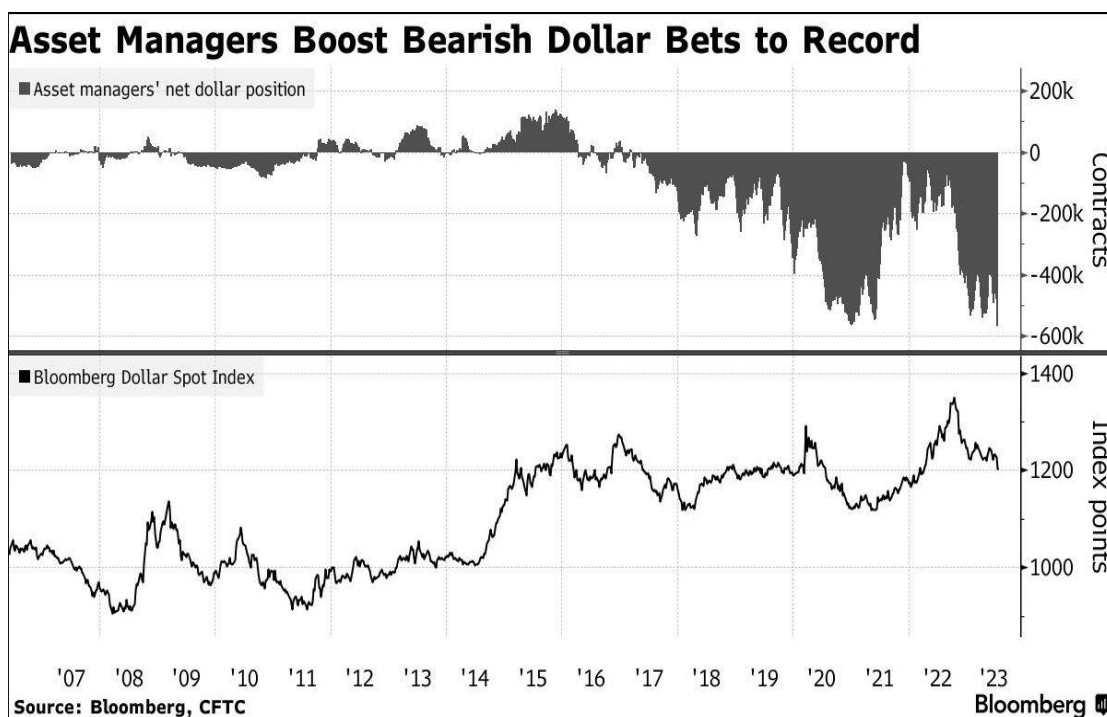
Source: Bloomberg





#forex #dollar #asset-managers #bearish

Dollar Bearish Bets Climb to Record High Among Asset Managers. Institutional investors raised dollar shorts by 18% last week



Source: bloomberg



#forex #eurCHF #fed #ecb

EURCHF tumbled today as the Swiss Franc saw demand ahead of The FED and ECB. The Swissy is the strongest vs the Euro since Sept 2022 (with the biggest strengthening of CHF vs EUR since January today)...



Source: Bloomberg, www.zerohedge.com



#commodities #index #performance

Commodities on the run: Bloomberg Commodity Spot Index is currently having its best monthly performance since March.



Source: Bloomberg, Liz Ann Sonders



#markets

#commodities #crude-oil

C(RUDE) AWAKENING... Crude oil is taking out the 200 day moving average. We haven't seen oil close above the 200 day moving average since Q3 2022....



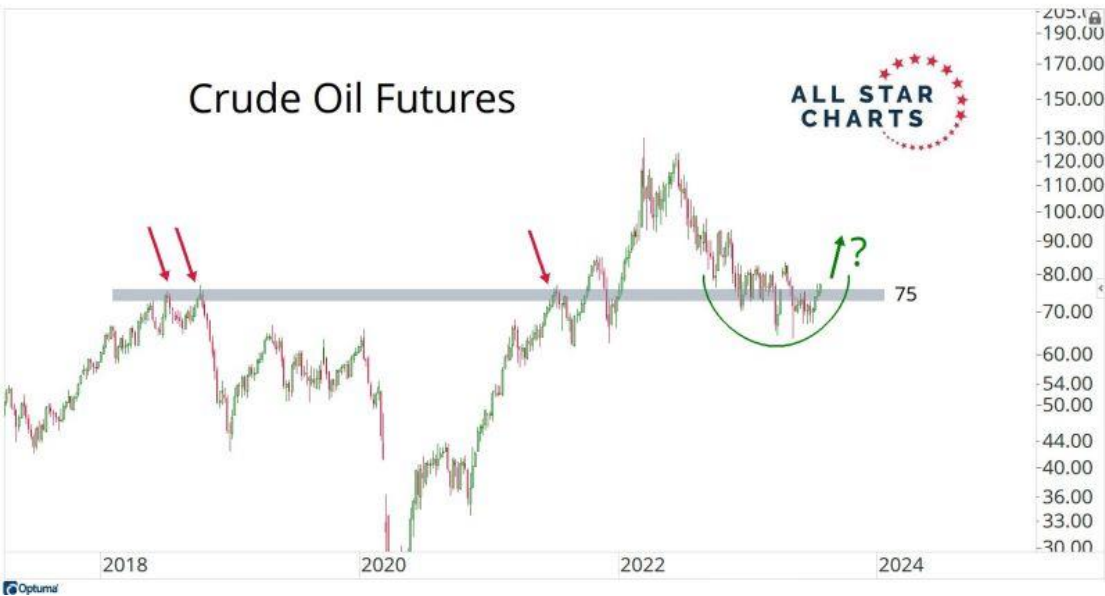
Source: Refinitiv

Source: TME, Refinitiv



#commodities #oil #sentiment

Investors are currently quite bearish on oil and commodities. The risk of higher energy and higher commodities prices in H2 doesn't seem to be priced by the market. Meanwhile, Crude Oil futures are pushing up against new 3-month highs. Could this be the big surprise of the second part of 2023?



Source: All Star Charts



#commodities #oil #prices

Oil prices are set to rise in the second half of the year, as supply struggles to meet demand, according to an International Energy Forum official.

Joseph McMonigle, secretary general of the International Energy Forum, attributes the push in oil prices to an increasing demand from China and India - two of the biggest oil consumers right after the U.S.



Source: CNBC



#commodities #rice #prices

Rice prices have surged to multi-year highs. And with global rice inventories projected to fall to 6-year lows in the next 6 months, prices could go even higher



Source: Barchart, FT



#orange-juice #new-highs

Orange Juice cannot be stopped as it surges to another all-time high. It's up 18% over the last 2 weeks



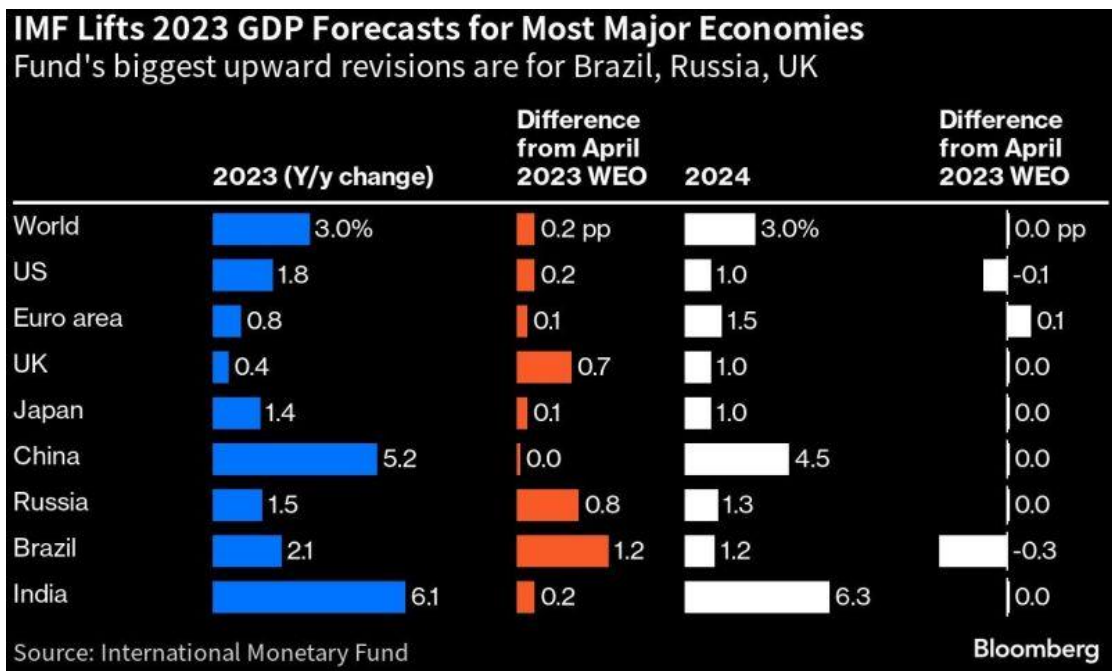
Source: Barcharts





#imf #outlook #expectation

Latest outlook from IMF shows expectation for global growth this year up to +3% year/year; 2024 growth also at +3% ... expectation is for U.S. to grow 1.8% this year, 0.2%-point increase from April; China expected to grow 5.2%, unchanged from April



Source: Bloomberg, Liz Ann Sonders

#macro

#caution #no-landing

Beware "no landing" is nothing new



WSJ | OPINION

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The Economy Is Fine (Really)

By Brian Wesbury

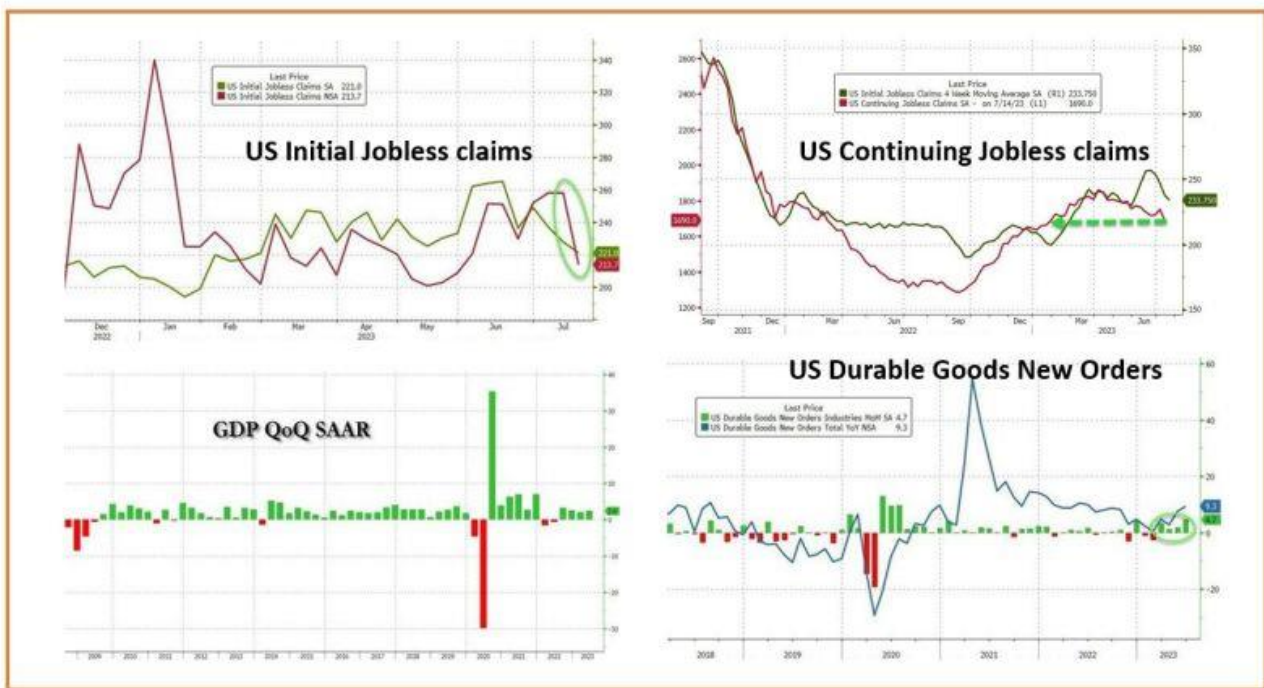
Jan. 28, 2008 at 12:01 am ET

Source: Michel A.Arouet



#us #hard #macro #data

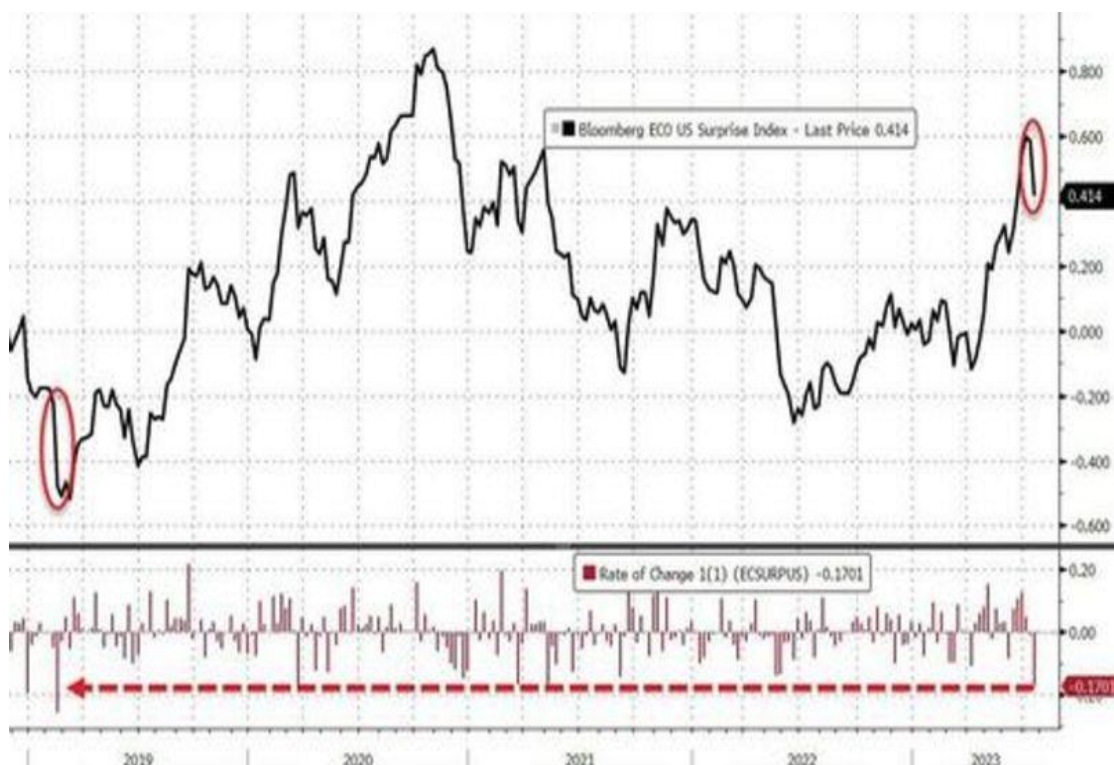
A batch of strong US hard data shows that the US economy remains "red hot".



#macro

#us #surprise-index #macro-data

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...

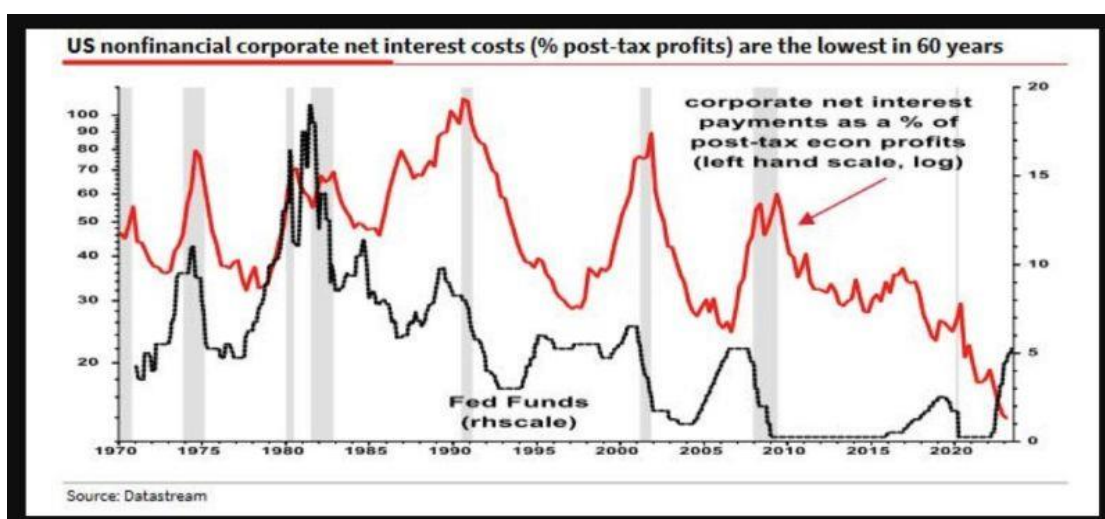


Source: Bloomberg, www.zerohedge.com

#macro

#us #interest-rates #recession

Albert Edwards from SG explains in one chart why this time is different and how the rise interest rate hasn't triggered a recession yet. Indeed, as shown on the chart below, Corporate NET interest payments as a % of post-tax economic profits (red line) has been going DOWN despite Fed Funds (black line) going UP! Edwards frames it as such: "Normally when interest rates rise, so too do net debt payments, squeezing profit margins and slowing the economy. BUT NOT THIS TIME. Corporate net interest payments have instead collapsed (...) something very strange has happened, and it helps explain the recession's tardy."



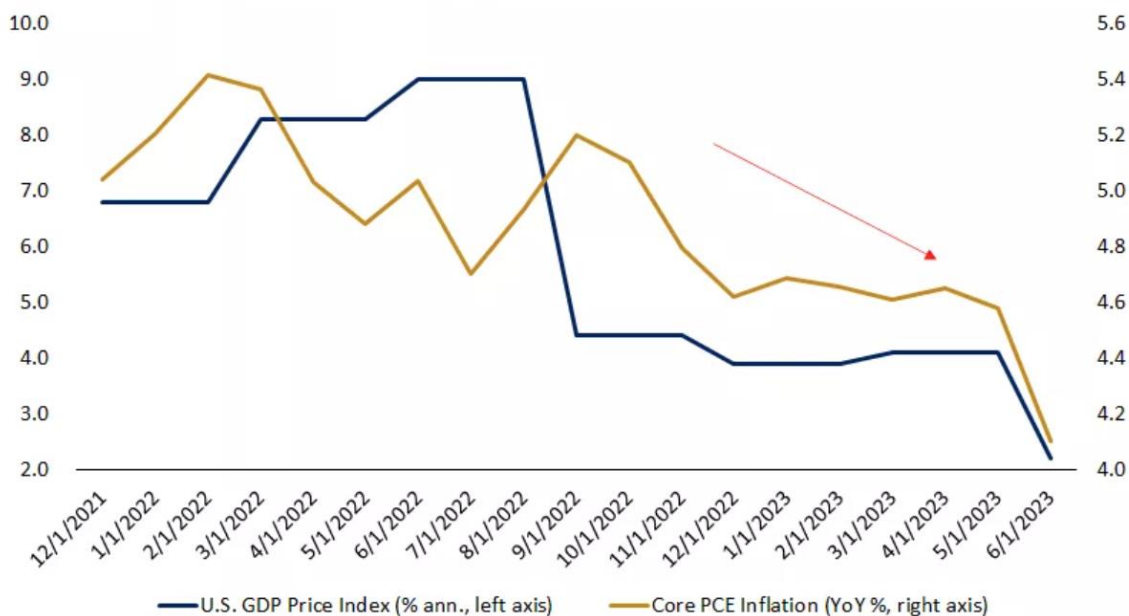
Source: www.zerohedge.com, SocGen



#us #inflation

This chart shows a downward trend in two U.S. inflation metrics, the U.S. GDP Price Index and Core PCE Inflation.

U.S. inflation metrics continue to ease



Source: Bloomberg

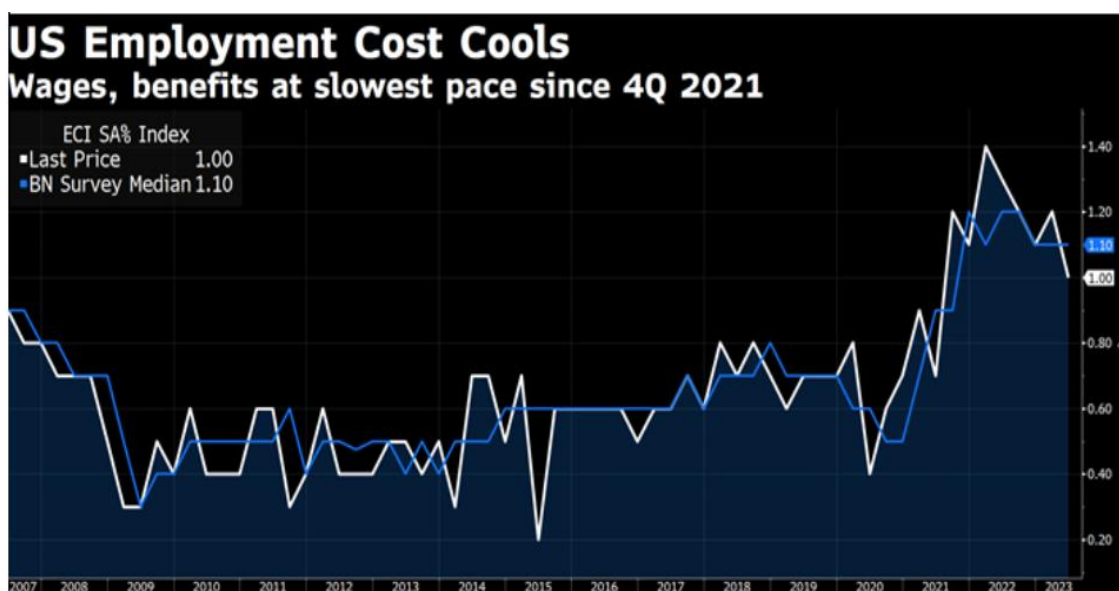
Source: Edward Jones



#macro

#us #employment #costs

ECI index shows that US wages & benefits are now increasing at the slowest pace since 4Q 2021.

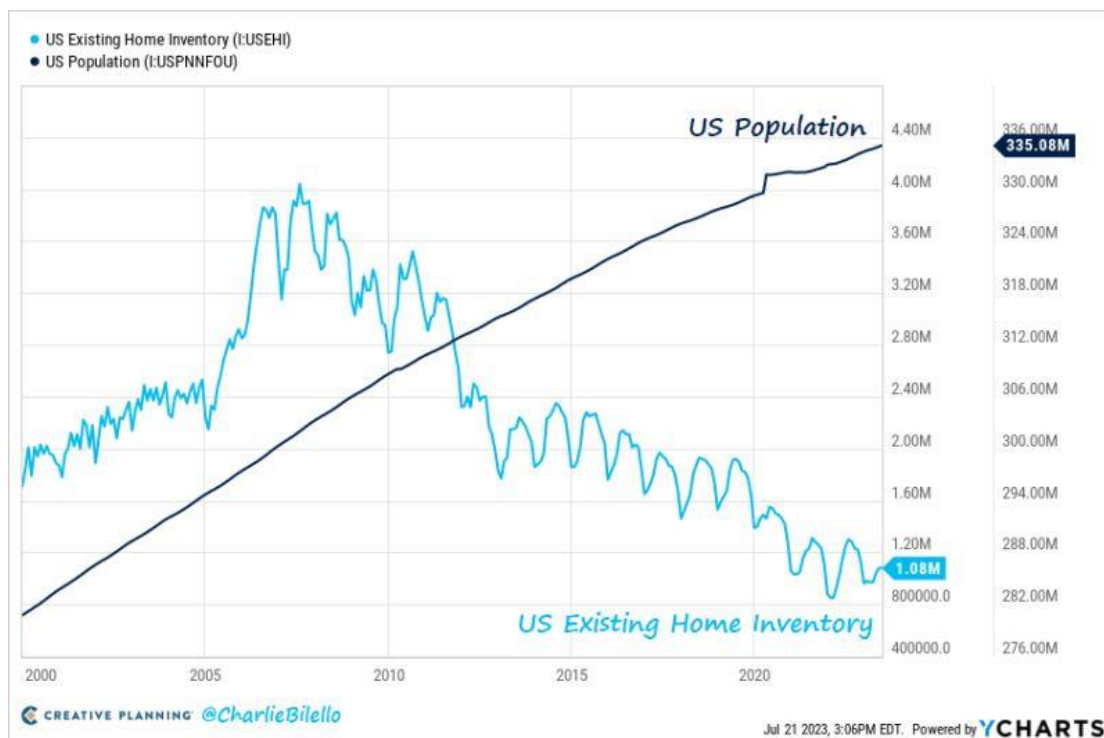


Source: Bloomberg



#us #housing-price

The median price of an existing home sold in the US is up 14% from the January low, now less than 1% below its all-time high from June 2022. How could it be? Consider the chart below courtesy of Charlie Bilello: The US Population is 19% higher than where it was in January 2000 while the inventory of Existing Homes for sale in the US is 37% lower. Economics 101 - > higher demand and lower supply drive prices higher.



Source: Charlie Bilello



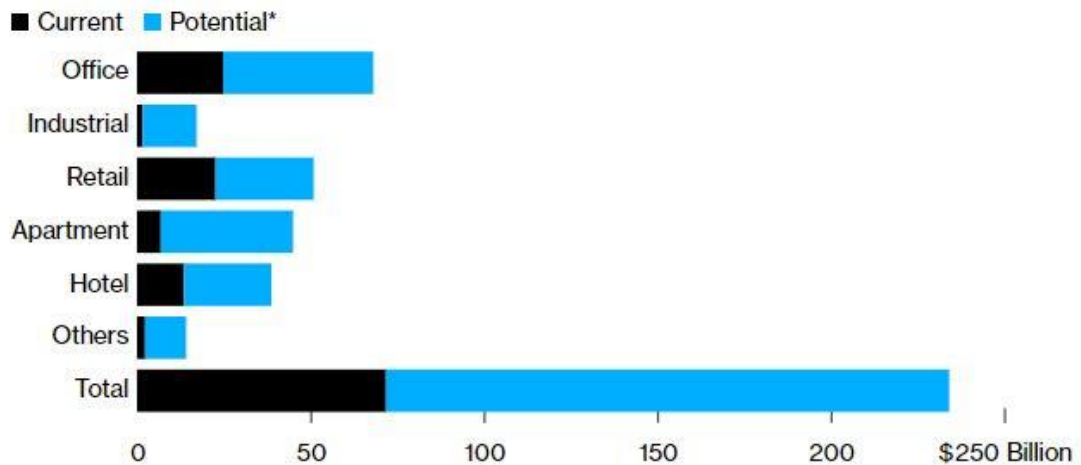
#macro

#us #distressed #real-estate

Distressed US Offices Jump to \$24.8 Billion, More Than Mall

Office Leads Distressed Real Estate

The amount of troubled office buildings are on the rise with more risks looming



Source: MSCI Real Assets

* Potential distressed properties have delinquent payments, low occupancy, maturing debt or other looming troubles.

Source: Bloomberg, C.Barraud



#us #credit #delinquencies #housing

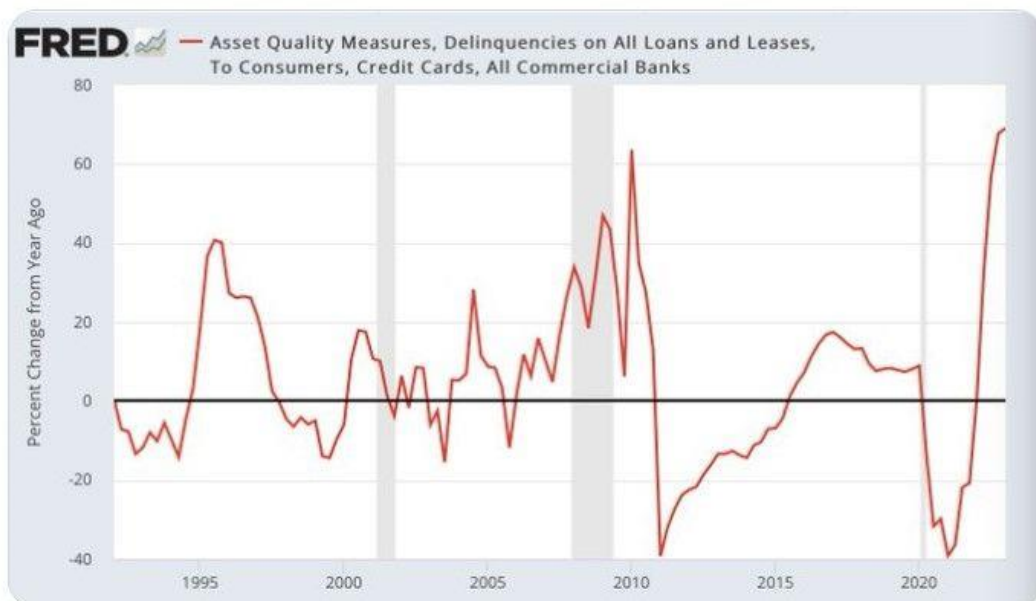
US credit delinquencies including housing have now risen above 2009 levels.



Sven Henrich
@NorthmanTrader



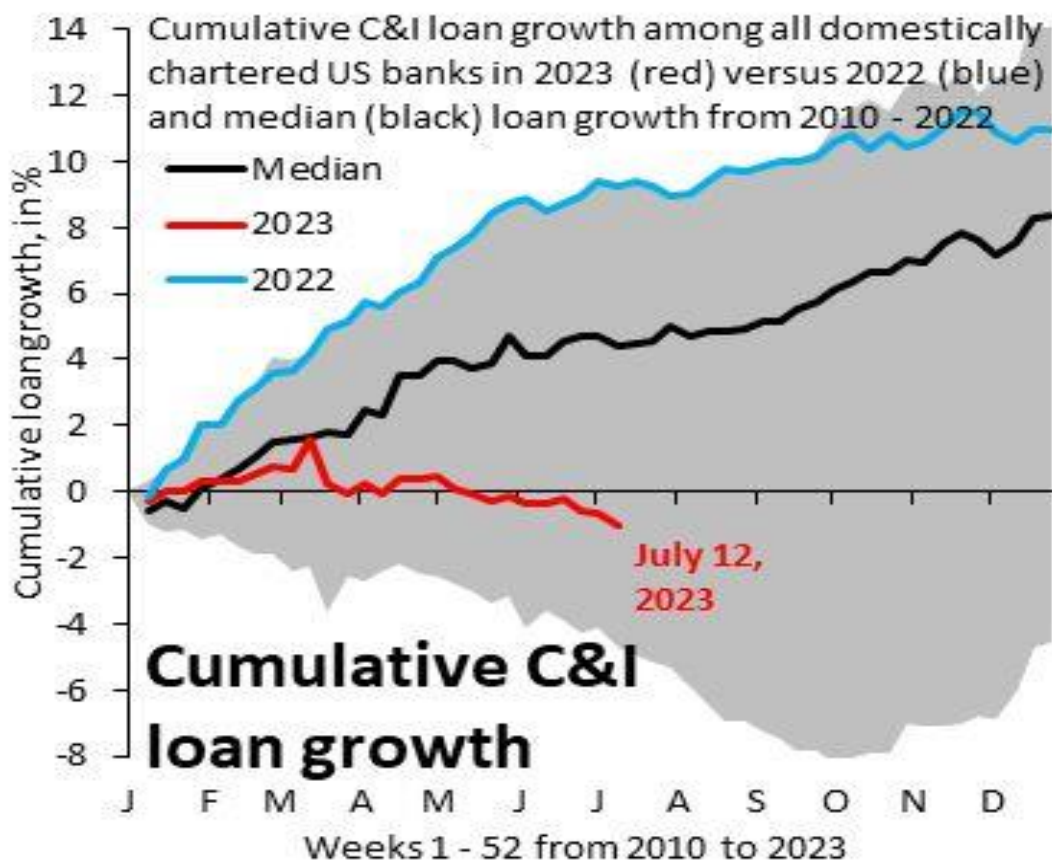
"Delinquent loans and leases are those past due thirty days or more and still accruing interest as well as those in nonaccrual status".





#us #loans #bear

There is always a bear market somewhere...The meltdown in US commercial and industrial (C&I) loan growth is staggering. Cumulative C&I lending is -1.0% since the start of 2023 (red). Median growth by this point in the year is +4.5% (black), while 2022 was up +9.3% by this point (blue). Big US investment slump is underway...



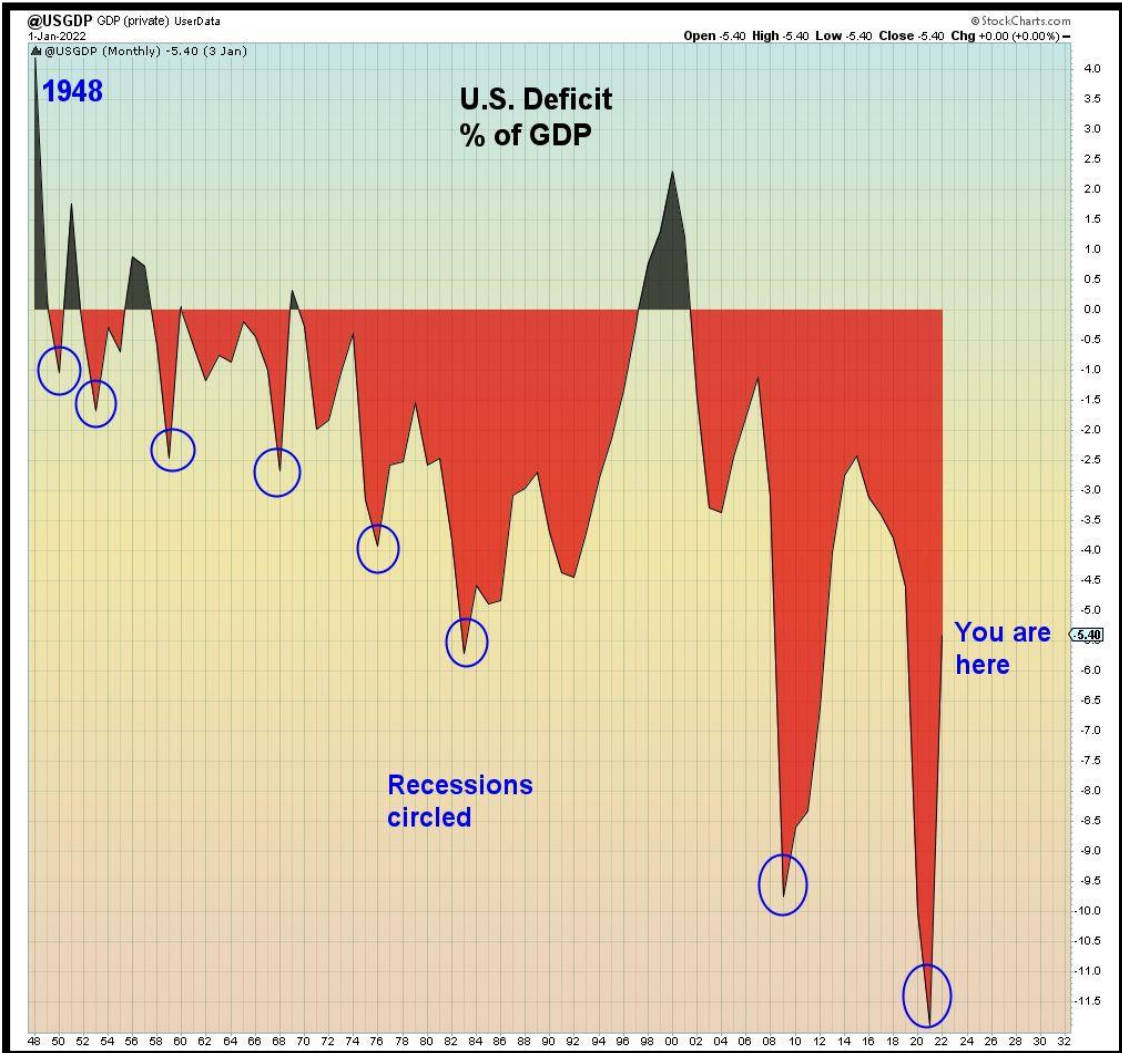
Source: Robin Brooks





#us #deficit #debt #gdp

As a reminder...

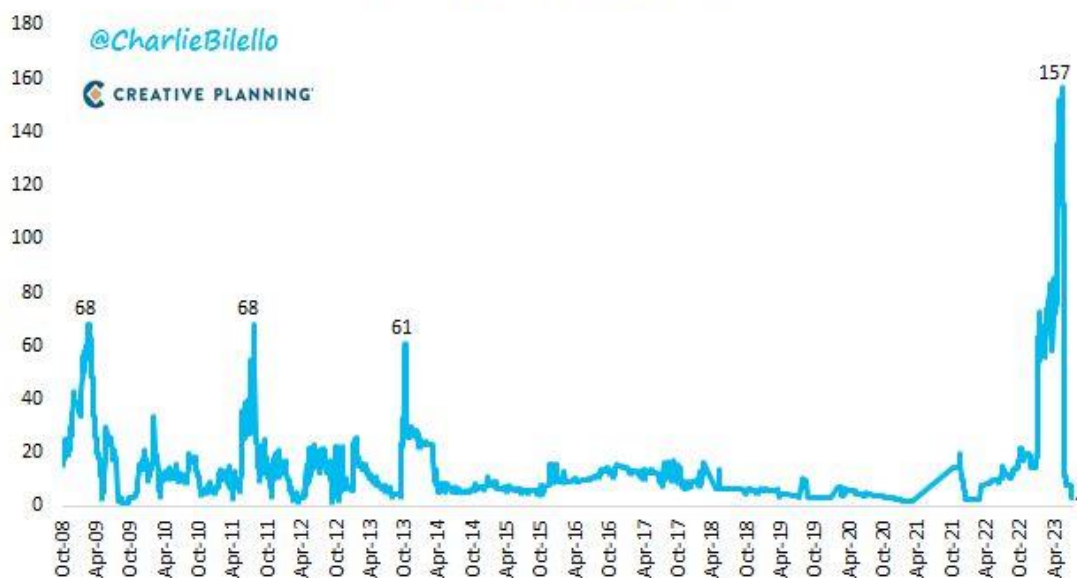




#us #debt-ceiling #crisis

Remember the debt ceiling crisis?

US 1-Year Sovereign CDS Spread (bps) (October 2008 - July 2023)



Source: Charlie Bilello

#macro

#inflation #us #japan #cpi

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

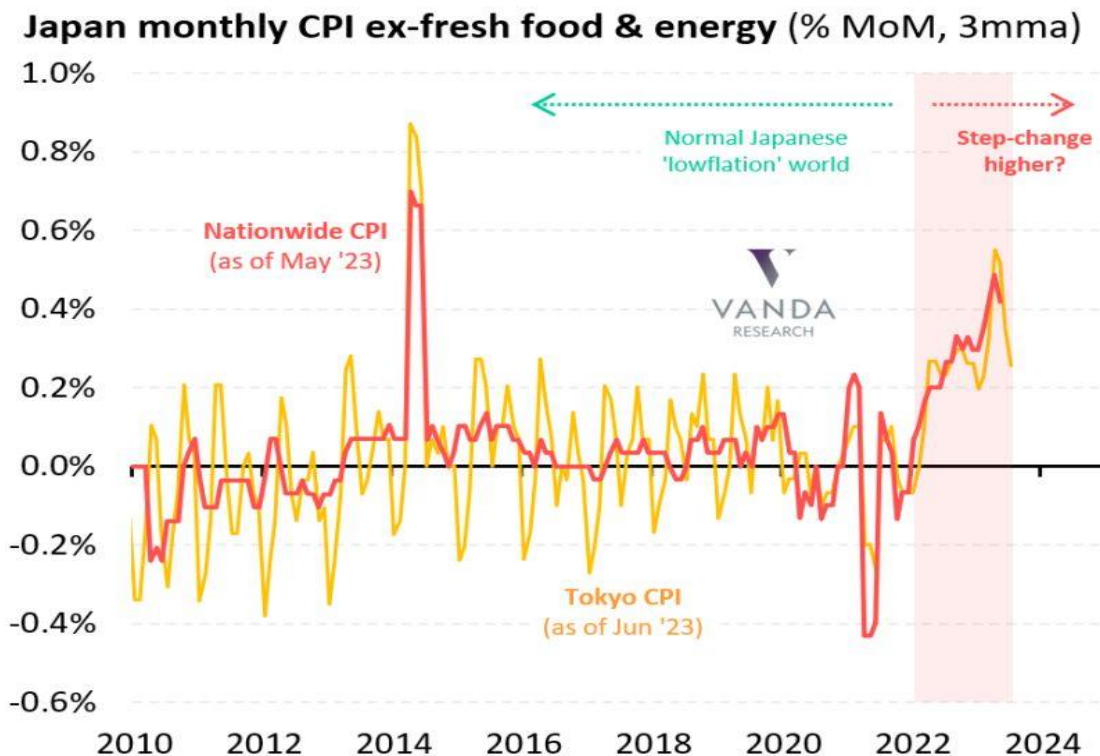


Source: Bloomberg, www.zerohedge.com



#inflation #japan #core-cpi

Tokyo core-core CPI inflation printed at +0.575% MoM. That's the 2nd biggest monthly increase since Covid. And one of the biggest monthly increases over the last 30 years outside of sales tax hikes. Inflation is not transitory in Japan... \$JPY.



Source: Bloomberg, Vanda

*Nationwide from seasonally adjusted price index; **Tokyo core CPI seasonally unadjusted



Source: Viraj Patel, Vanda Research

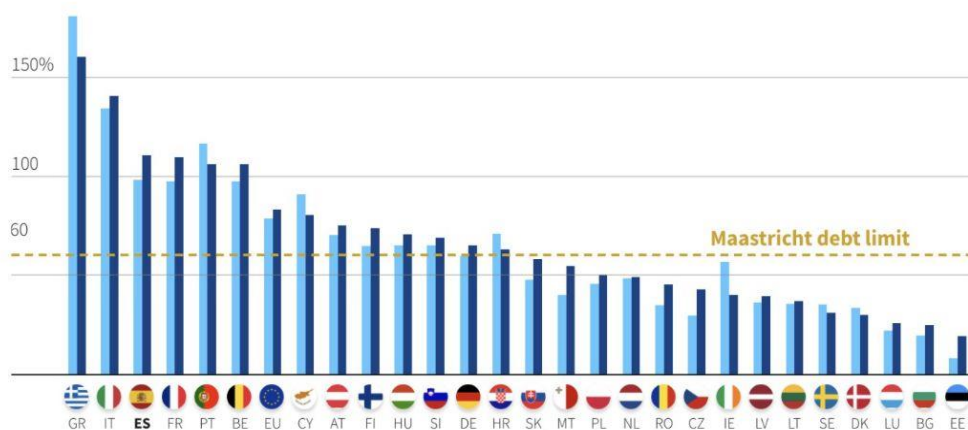


#spain #vote #gdp #economy #fiscal-rules

Spain is heading to a snap election this Sunday. Key for markets is how quickly the winner can form a government. Also in focus is whether pressure on the main parties to cut taxes or increase spending worsens Spain's finances. High debt above 100% of GDP, a slowing economy, and tighter EU fiscal rules coming into force in 2024 are concentrating minds. Stock-pickers are also keeping an eye on the energy sector, where the two main parties have different priorities, and financials, with the outlook for Spain's temporary banking levy in doubt.

EU fiscal rules put on hold since pandemic and set to change

● Debt to GDP ratio 2019 ● Debt to GDP ratio 2023 (Forecast)



GR: Greece; IT: Italy; ES: Spain; FR: France; PT: Portugal; BE: Belgium; EU: European Union; CY: Cyprus; AT: Austria; FI: Finland; HU: Hungary; SI: Slovenia; DE: Germany; HR: Croatia; SK: Slovakia; MT: Malta; PL: Poland; NL: Netherlands; RO: Romania; CZ: Czechia; IE: Ireland; LV: Latvia; LT: Lithuania; SE: Sweden; DK: Denmark; LU: Luxembourg; BG: Bulgaria; EE: Estonia
Source: European Commission | Reuters, July 23, 2023 | By Pasit Kongkunakornkul

Reuters Graphics



Source: reuters



#inflation #hungary

Hungary still has an inflation rate of >20%, highest inflation rate in entire EU. Inflation is driven by food prices (Food CPI +29% YoY) as Hungary has been hit by a drought and this has caused prices to rise. In addition, there is a shortage on the labor market, low labor productivity & very expansionary macroeconomic policies.



Source: Bloomberg, HolgerZ

#geopolitics

#niger #army

Niger was one of the few democracies left in the Sahel belt which stretches across the continent. But now that the army has seized power, there are concerns over what this means for the troubled region. Indeed, from Mali in the west to Sudan in the east, a whole swathe of Africa is now run by the military. Niger's President Mohamed Bazoum - a key Western ally in the fight against Islamist militants - was defiant after soldiers announced a coup on Wednesday. But he has been detained, the army chief has backed military rule, and it isn't clear who is really in charge.



Former US government envoy Peter Pham said isolating the new military government could push Niger towards Russia © Sam Mednick/AP

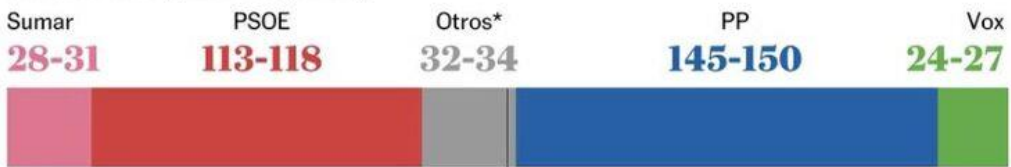
Source: Reuters, image by FT



#spain #elections

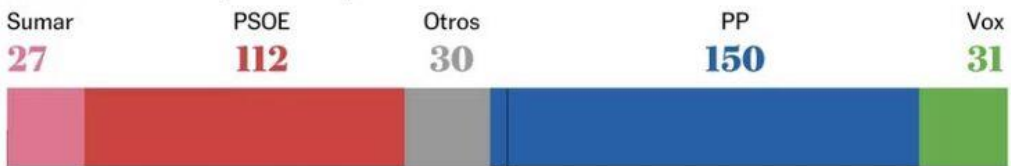
Spanish conservative leader Alberto Nunez Feijoo won the most seats in Sunday’s election and is on track to govern with the support of the far-right group Vox, according to opinion polls. Feijoo’s People’s Party is set to claim about 150 seats in the 350-strong parliament while Vox will get around 31, according to a survey by GAD3, which was published when voting closed at 8 pm in Madrid. The Socialists were set to win 112 seats.

Sondeo de Sigma Dos (RTVE)



Otros: ERC, 9; Junts, 9; EH Bildu, 6; PNV, 5; CUP, 1; BNG, 1-2; CC, 1 y Teruel Existe, 0-1

Sondeo de GAD3 (Mediaset)



Otros: ERC, 8; Junts, 7; EH Bildu, 6; PNV, 5; CUP, 1; BNG, 2 y CC, 1

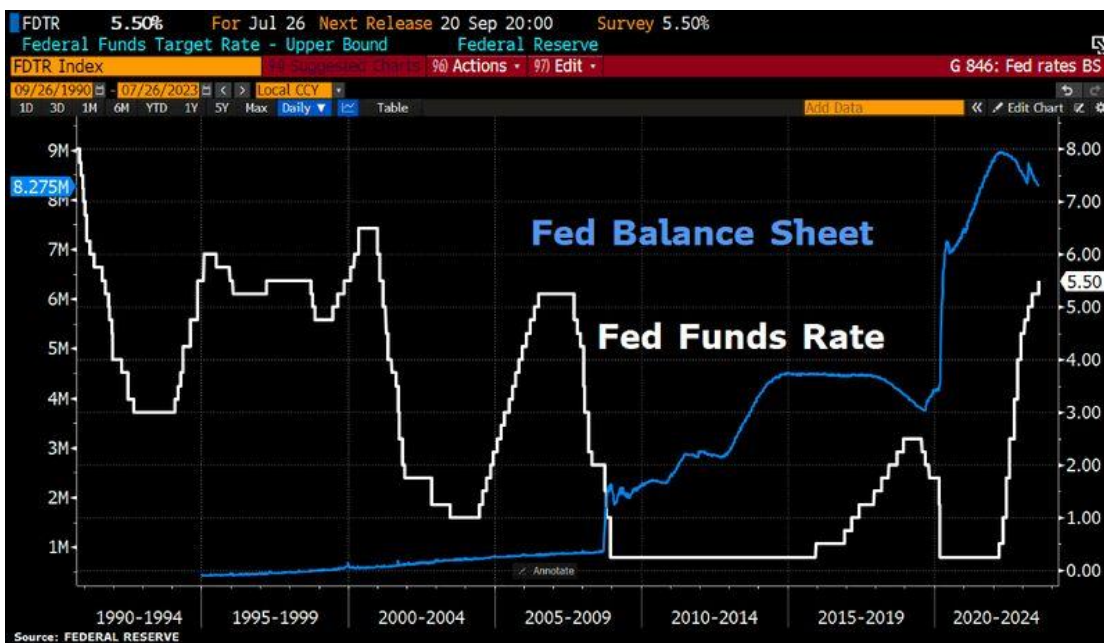
Mayoría absoluta (176)

Source: HolgerZ, Bloomberg

#centralbanks

#fomc #rate-cycle

S&P 500 hits fresh 52-week high while the Dow heads for 13th straight daily gain as markets hope that the US interest rate hikes cycle is over. The Fed just said they are taking a "meeting by meeting" approach to future interest rate policy. As expected, the FED raised interest rates to the highest level in 22yrs as expected and left the door open to additional increases as officials fine-tune their effort to further quell inflation. The quarter percentage-point hike, a unanimous decision, lifted the target range for the Fed's benchmark federal funds rate to 5.25% to 5.5%, the highest level since 2001.



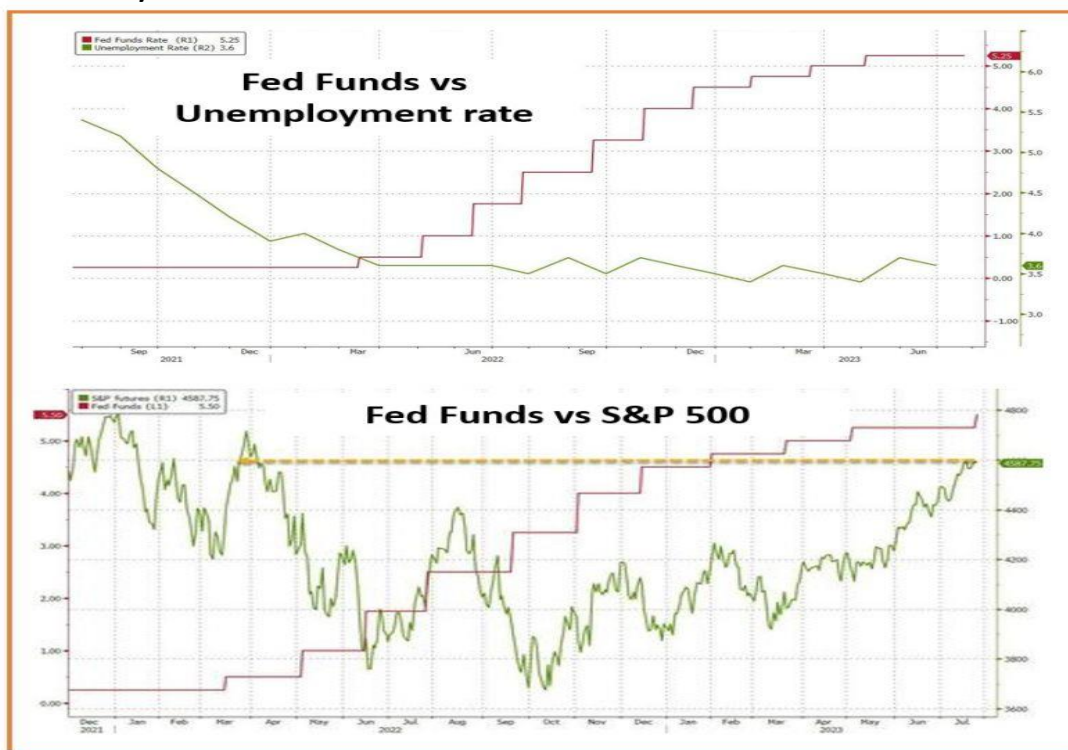
Source: Bloomberg, HolgerZ



#centralbanks

#fed #fomc #hawkish

Why a "hawkish hold" by the FED remains a high probability outcome. During the post-FOMC decision conf call, Powell suggested that rate cuts are UNILKELY to come this year: "I'm saying we would we be comfortable cutting rates when we're comfortable cutting rates, and that won't be this year, I don't think it would be," he said. The bar for the Fed to start cutting interest rates is high and is going to require actualized data, which may materialize at the end of the year, when the central bank may feel confident that inflation is better controlled.



Source: Bloomberg, www.zerohedge.com



#us #fed #rates

Markets are pricing-in Fed rate cuts in March 2024.

Markets expect rate cuts to start in March 2024



Source: CME FedWatch

Source: Edward Jones

#centralbanks

#fed #quantitative-tightening #monetary-policy

FED QT continues w/balance sheet dropped by \$22.4bn past week. It is 6th week in a row that total assets shrink. Fed more than leveled the increase in the wake of the banking crisis from March. Fed balance sheet now equal to 31% of US's GDP vs ECB's 53%, SNB's 121%, BoJ's 128%

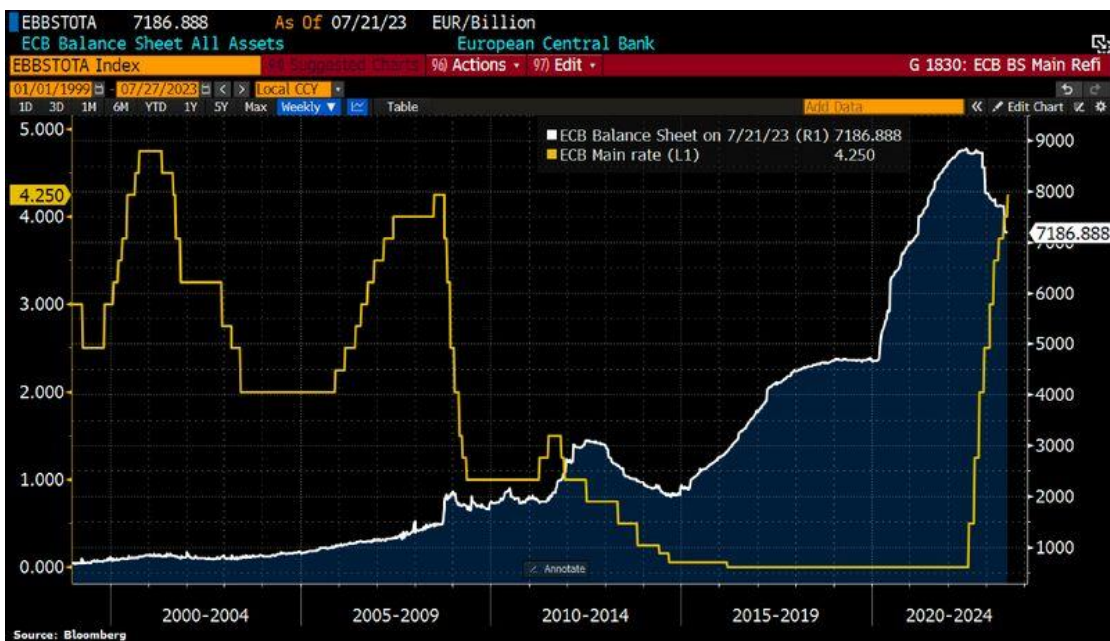


Source: Bloomberg, HolgerZ

#centralbanks

#ecb #rates #hike

ECB raised rates by 25bps as expected. Deposit rate to 3.75pct, higher since April 2001. The main refinancing rate is now 4.25pct, highest since 2008. It is the 9th consecutive hike in a cycle that started exactly one year ago. APP portfolio is declining at a measure and predictable pace. Balance sheet should thus continue to shrink. By stating that inflation is coming down but is staying above target for an extended period means that the ECB keeps the door open to further rate hikes. A slight tweak in the statement: the ECB interest Rates will be SET at sufficiently restrictive levels for as long as necessary ... (instead of BROUGHT at sufficiently...)



Source: Bloomberg, HolgerZ, www.zerohedge.com



#centralbanks

#ecb #deleveraging

ECB deleveraging continues. Ahead of this week's meeting, CenBank shrank its balance sheet by €18.6bn to €7,186.9bn as matured bonds were not replaced by new ones. ECB's total assets are now equal to 53% of Eurozone GDP vs FED's 31%, SNB's 121%, BOJ's 129%.



Source: Bloomberg, HolgerZ

#centralbanks

#boj #yield-curve #rates

There it is. The BoJ adjusts Yield Curve Control (YCC). Japan's central bank on Friday pledged greater flexibility in yield curve control policy, while keeping its ultra loose interest rate intact and revising its median consumer inflation forecast upward for the current fiscal year.

Match Any	Global Macro	Central Banks	Sources	All Dates	Time
*BOJ: NEED TO PAY DUE ATTENTION TO FX DEVELOPMENTS			BN		04:29
*BOJ LOWERS FY2024 CPI FORECAST BELOW INFLATION TARGET OF 2%			BN		04:28
JAPAN PREVIEW: Industrial Output Likely Rose 2.4% M/m in June			BI		04:28
*BOJ TO CONTROL 10-YEAR YIELDS FLEXIBLY			BN		04:28
*BOJ: WILL OFFER TO PURCHASE 10-YEAR JGBS AT 1% EACH DAY			BN		04:28
BOJ Keeps Rates, 10-Year Yield Target Unchanged: TOPLive			BN		04:28
Xinhua: S. Korean banks' lending rate rises for 2nd month in June			NS6		04:28
*BOJ SEES FY2025 CORE CPI EX-ENERGY AT 1.8% VS 1.8% PREVIOUSLY			BN		04:28
ForexLive: BOJ announce no change to yield curve control (YCC) and no...			BLG		04:28
*BOJ TO ALLOW 10-YEAR JGB YIELDS TO FLUCTUATE AROUND 0.5 PPT			BN		04:28
*BOJ TO CONTROL 10-YEAR YIELDS FLEXIBLY			BN		04:28
*NIKKEI 225 FUTURES PARE LOSS AFTER BOJ POLICY DECISION			BFW		04:28
*BOJ VOTES 8- 1 ON YCC TWEAK			BN		04:28
*BOJ ADJUSTS YIELD CURVE CONTROL			BN		04:28
*BOJ Keeps Deposit Rate at -0.1%; Keeps 10-Year Yield Target Around 0%			DJ		04:28
*BOJ MAINTAINS POLICY BALANCE RATE AT -0.1%			BFW		04:28
*BOJ MAINTAINS 10-YEAR JGB YIELD TARGET AT ABOUT 0%			BFW		04:28
*BOJ MAINTAINS 10-YEAR JGB YIELD TARGET AT ABOUT 0%			BN		04:28
*BOJ FY2025 GDP FORECAST IS 1.0% VS 1.0% PREVIOUSLY			BFW		04:28
*BOJ MAINTAINS POLICY BALANCE RATE AT -0.1%			BN		04:28
*BOJ FY2024 GDP FORECAST IS 1.2% VS 1.2% PREVIOUSLY			BFW		04:28
*BOJ SEES FY2024 CORE CPI EX-ENERGY AT 1.7% VS 1.7% PREVIOUSLY			BN		04:28
*BOJ FY2023 GDP FORECAST IS 1.3% VS 1.4% PREVIOUSLY			BFW		04:28
*BOJ SEES FY2025 CORE CPI 1.6% VS 1.6% PREVIOUSLY			BFW		04:28
*BOJ SEES FY2024 CORE CPI 1.9% VS 2.0% PREVIOUSLY			BFW		04:28
*BOJ SEES FY2023 CORE CPI EX-ENERGY AT 3.2% VS 2.5% PREVIOUSLY			BN		04:28
*BOJ SEES FY2023 CORE CPI AT 2.5% VS 1.8% PREVIOUSLY			BFW		04:28
Japanese government bond yields spike ahead of Bank of Japan decision			FTI		04:26



Source: Viraj Patel, CNBC, Bloomberg

#centralbanks

#emerging-markets #developed-markets #rates

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



Source: BofA, TME



#btc #technicals

Bitcoin is still holding this breakdown with no bounce at all....



Source: J-C Parets





#eth #technicals

Ethereum on the other hand, still holding on to support....



Source: J-C Parets



#food-for-thought

#humor #puts

Very often, the market does not behave in the way geopolitical, macro or monetary developments would imply it would. Financial markets fool the vast majority of investors and remain one of the best humbling lesson you can find.

nurse: Sir, you've been in a coma since Feb-22... Fed hiked the rates to 5.25%, and there's a war in Europe

me: Oh boy, I can't wait to see how my puts are doing

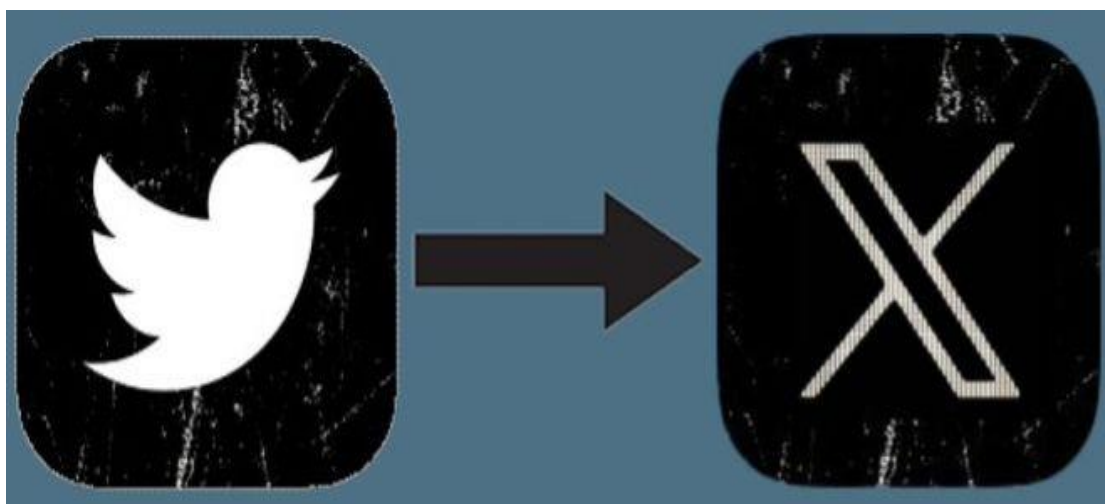


Source: Elizabeth Oliveira Fonseca

#food-for-thought

#twitter #elon-musk #rebranding #logo

Elon Musk shares plans to replace Twitter bird logo with an X after 17 years. Early Sunday morning, Elon Musk announced Twitter's famous bird logo would be changing to an X, possibly as soon as Monday. Musk tacked a flickering image to the top of his profile, indicating the company may have found its new brand image.

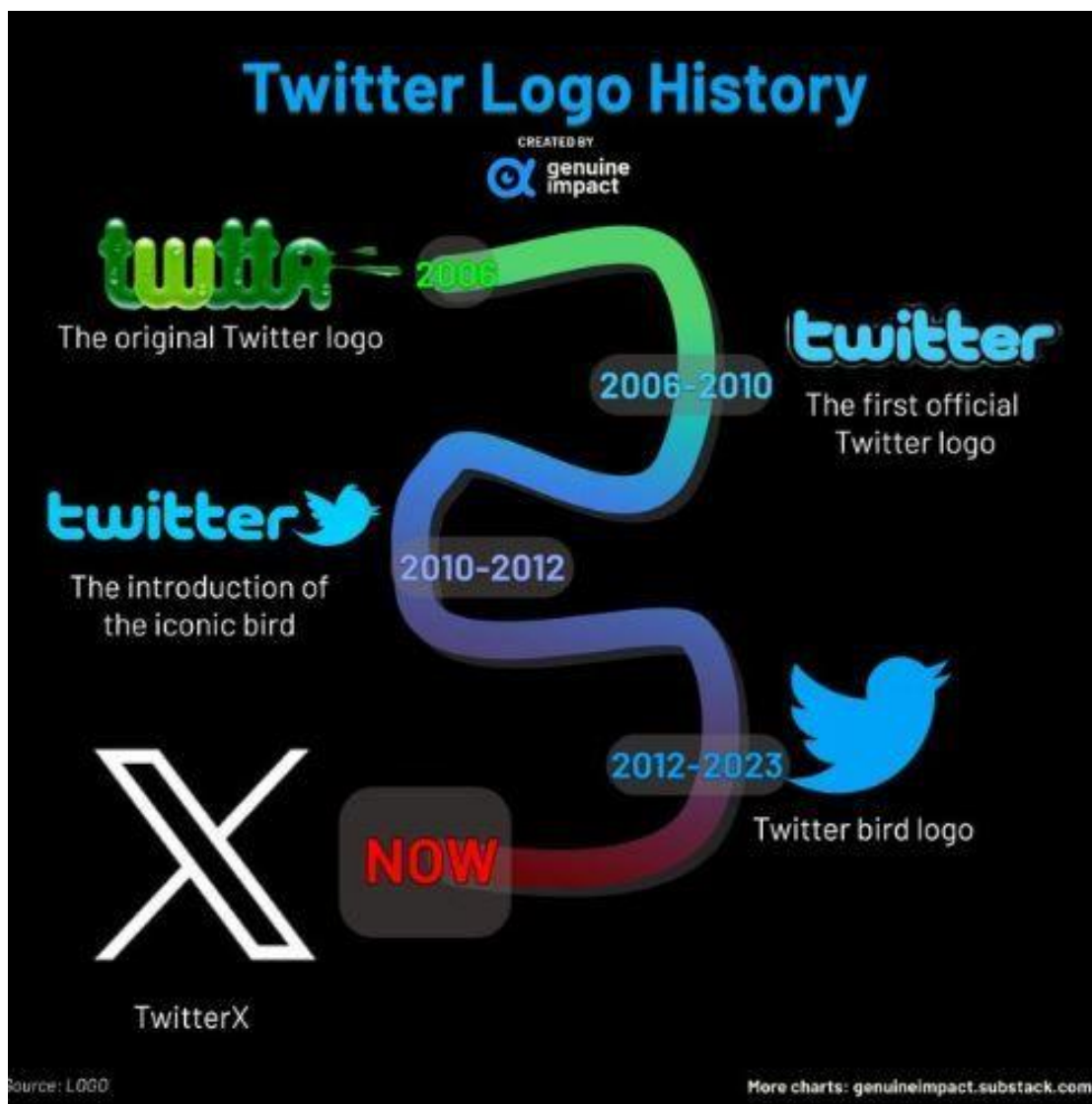


Source: yahoo!finance

#food-for-thought

#twitter #rebranding #elon-musk

Twitter Logo History



Source: Genuine Impact

#food-for-thought

#twitter #meta #x










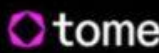

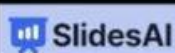


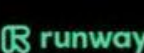


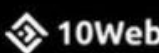
The "X" war... As highlighted by The Kobeissi letter, Meta currently owns the trademark for "X" in relation to "online social networking services." However, Microsoft owns the trademark "X" as it relates to online chat rooms and finance. Meanwhile, Twitter wants to make "X" into an everything social network with finance and banking. All while Twitter is suing Meta for copying Twitter...

The image shows two documents related to the trademark 'X'. On the left is a screenshot of the USPTO Trademark Public Search interface for the mark 'X'. It lists registration details for Meta Platforms, Inc., including US Serial Number 87980331, US Registration Number 5777374, and registration dates from May 26, 2017, to June 11, 2019. On the right is a trademark certificate for 'X' issued to Microsoft Corporation. The certificate lists the mark as a service mark in the principal register, with international classes 38 and 41, and prior U.S. classes 100, 101, 104, and 107. The certificate also includes the text of the trademark application, which describes the mark as being used for providing on-line chat rooms and other services.

#food-for-thought

#ai #tools #useful

Some key AI tools

Images	 Midjourney	 DALL-E	 STOCKING.AI
Writing	 Notion	 ChatGPT	 Writesonic
Productivity	 Browse AI	 cody	 bardeen
Presentations	 tome	 beautiful.ai	 SlidesAI
Video	 OpusClip	 synthesia	 runway
Websites	 durable	 Framer	 10Web

#food-for-thought

#us #equities #computers #humans

Computers vs Humans: Apparently computers got more AUM than humans... AI will probably accelerate this trend further...

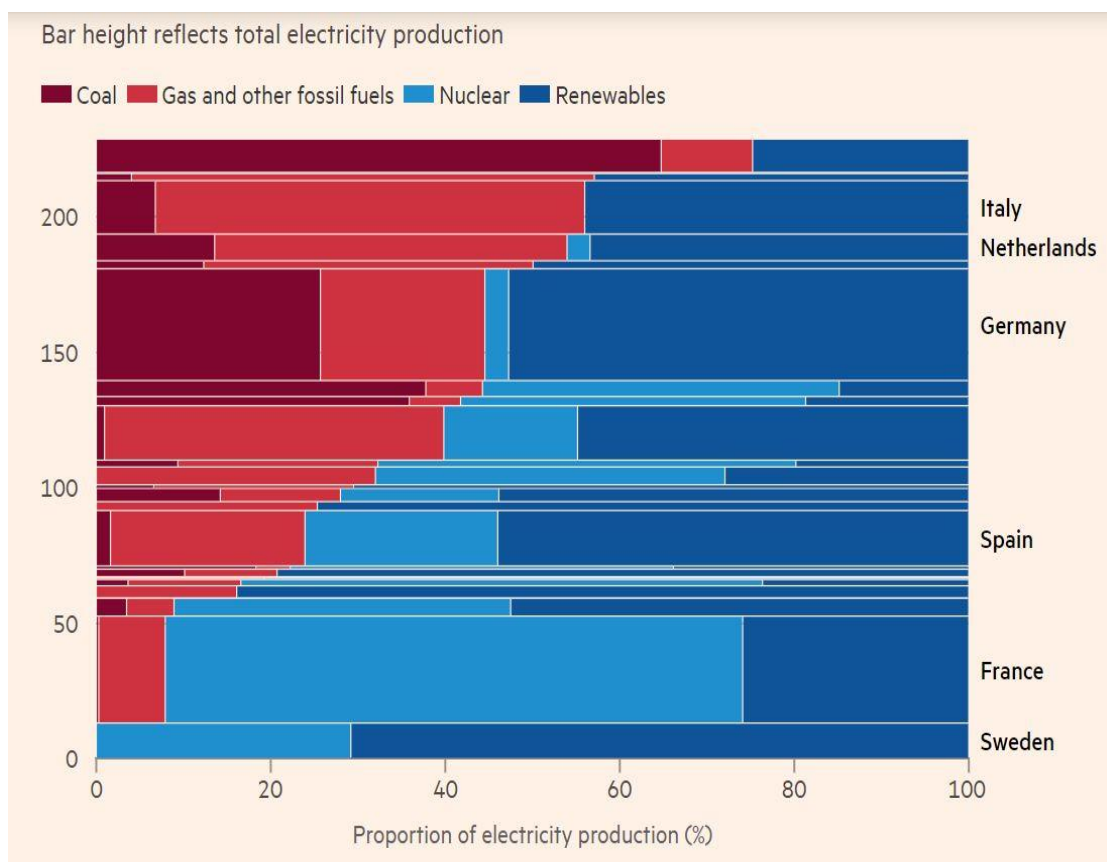


Source: Statista, Topdowncharts

#food-for-thought

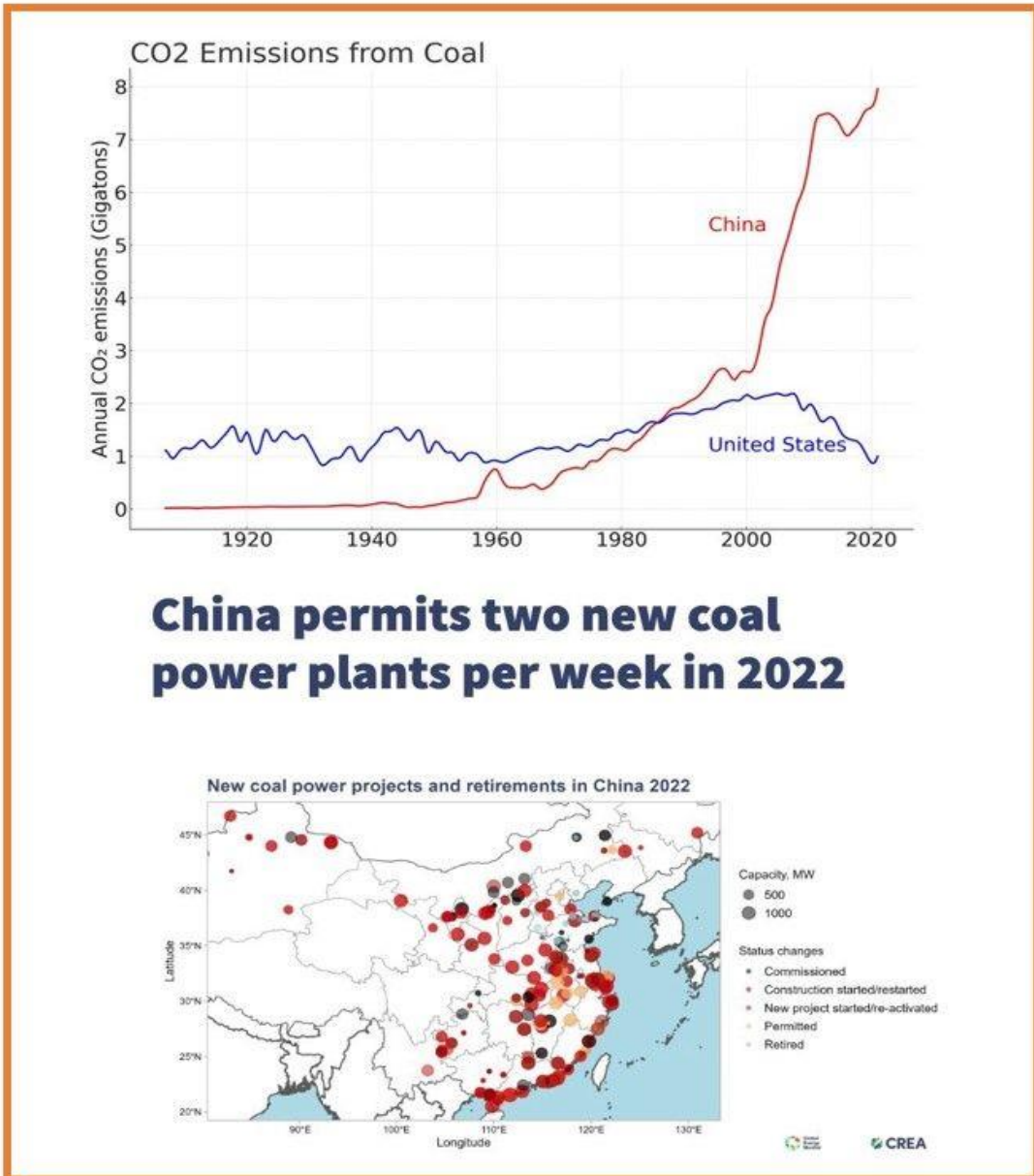
#europe #energy-transition #electricity #coal #gas

Europe has not yet completed its energy transition. Only a handful of European countries have successfully decarbonized, despite the EU's commitment to reach net zero emissions by 2050, according to data from energy think-tank Ember.



#food-for-thought

#china #coal



Source: Michel A.Arouet

#food-for-thought

#commodities #cobalt

Cobalt is essential for a series of technologies, from batteries needed for EVs to portable devices like smartphones, tablets, and laptops.



Source: Visual Capitalist, Elements

#food-for-thought

#airlines

What are the best airlines? This depends on how you quantify the best.



Source: Genuine Impact

#food-for-thought

#airplane #ticket-price

The world's most expensive commercial airplane ticket is a one-way flight on Etihad Airways from New York City/JFK to Abu Dhabi. Their first-class "The Residence" offers a separate bedroom and private bathroom. This flight lasts 12 hours and 30 minutes, costing approximately \$88 per minute.



Source: Genuine Impact

#food-for-thought

#rolex #second-hand #prices

Secondhand Rolex Watch Prices Index Hit Lowest Since May 2021. Behavior of younger customers, a slowing global economy, rising interest rates, the cryptocurrency crash and increased supply have contributed to this slump

Secondhand Rolex Watch Prices Index Hit Lowest Since May 2021

by KD — July 22, 2023 in Luxury, Stories Reading Time: 3 mins read



Source: FastReveal, C.Barbaud



#food-for-thought

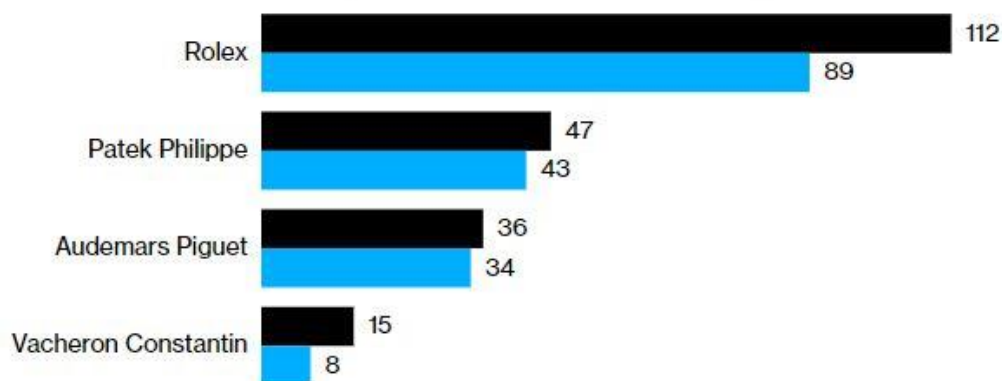
#luxury #watches #secondary-market

While luxury watches secondary market prices are declining, most Rolex, Patek, and AP trade above retail prices

Watches Trading at Premium Above Retail

Rolex has most models trading above retail price on used market

■ Feb-23 models above retail price ■ Jul-23 models above retail price



Sources: Morgan Stanley, WatchCharts

Source: Bloomberg

#food-for-thought

#loyalty

The power of loyalty

The Power of Loyalty

Company	Members	Key Loyalty Stat
	185M (2019)	Members account for 70% of sales in newly opened stores
	147M (2020)	Members spend 2.3x more
	130M (2019)	Members book 50% of rooms
	105M (2020)	Membership revenue accounted for 90% of operating income in 2019
	80M (2020)	Members drove 40% of sales during holiday in 2019
	32M (2020)	Members drive 95% of sales
	22M (2020)	Members drive 50% of sales
	18M (2020)	Returned \$204M to members through rewards in 2019
SEPHORA	17M (2018)	Members drive 80% of sales
NORDSTROM	10M (2018)	Members spend 4x more

Source: Compounding Quality

#food-for-thought

#soft-drink #consolidation

3 companies own the soft drink market

Coca Cola, PepsiCo and Keurig Dr Pepper together hold almost 94% of the carbonated soft drink (CSD) market, owning 50+ brands between them



Source: Wikipedia, Statista

More charts: genuineimpact.substack.com

Source: [Genuine Impact](https://genuineimpact.com)

#food-for-thought

#aum #blackrock #asset-management

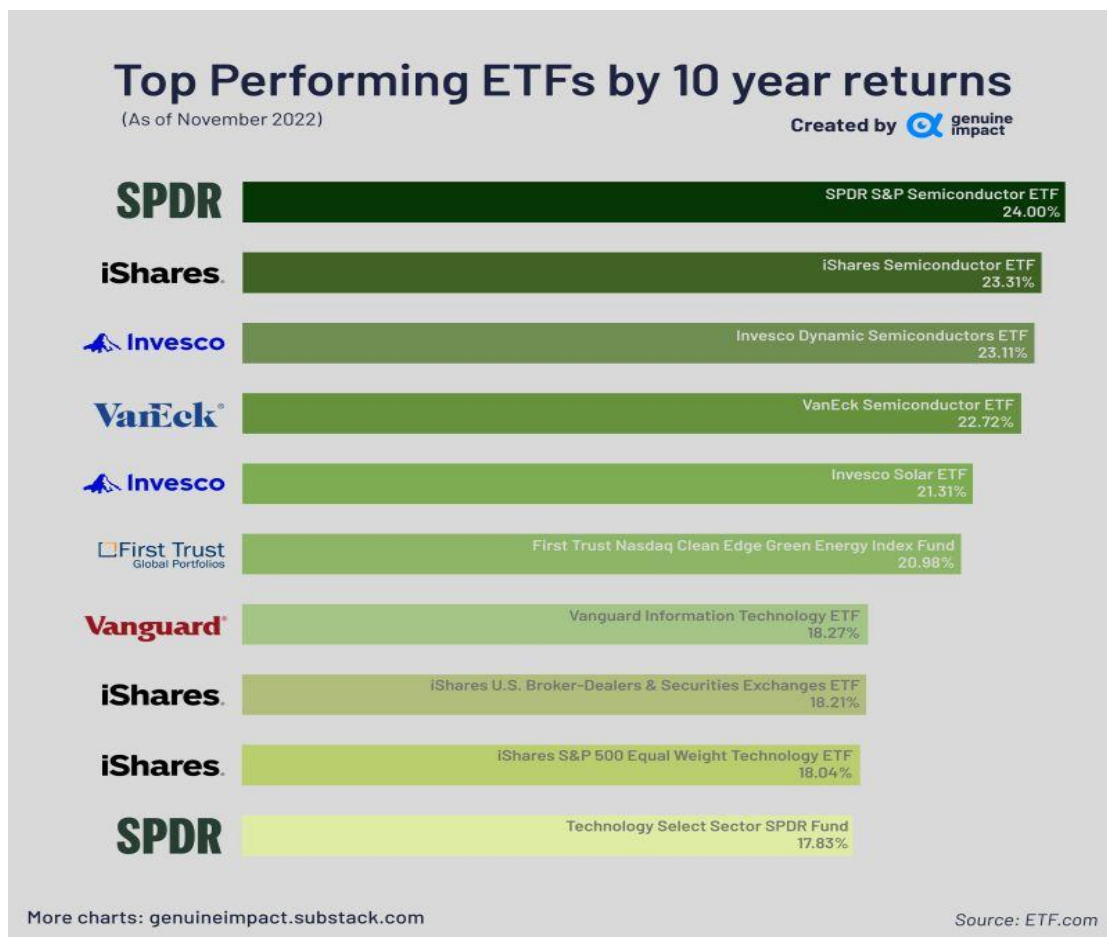
BlackRock is the leading asset management firm with \$9.1 trillion in AUM. Vanguard follows closely behind with \$7.6 trillion in AUM. However, after Vanguard, there is a considerable drop-off in total AUM, with the next top asset management firms having relatively similar AUM figures.



Source: Genuine Impact

#etf #semiconductor #performance

📊 ‘SPDR S&P Semiconductor ETF’ has the highest 10-year returns at 24%. They are closely followed by BlackRock’s ‘iShares Semiconductor ETF’ at 23.3%. 🤖 There is a clear pattern here where semiconductor and technology ETFs have achieved the highest returns over the last 10 years.



Source: Genuine Impact

#food-for-thought

#stock-picking

Key reasons people miss buying great winning stocks

Key Reasons People Miss Buying Great Winning Stocks

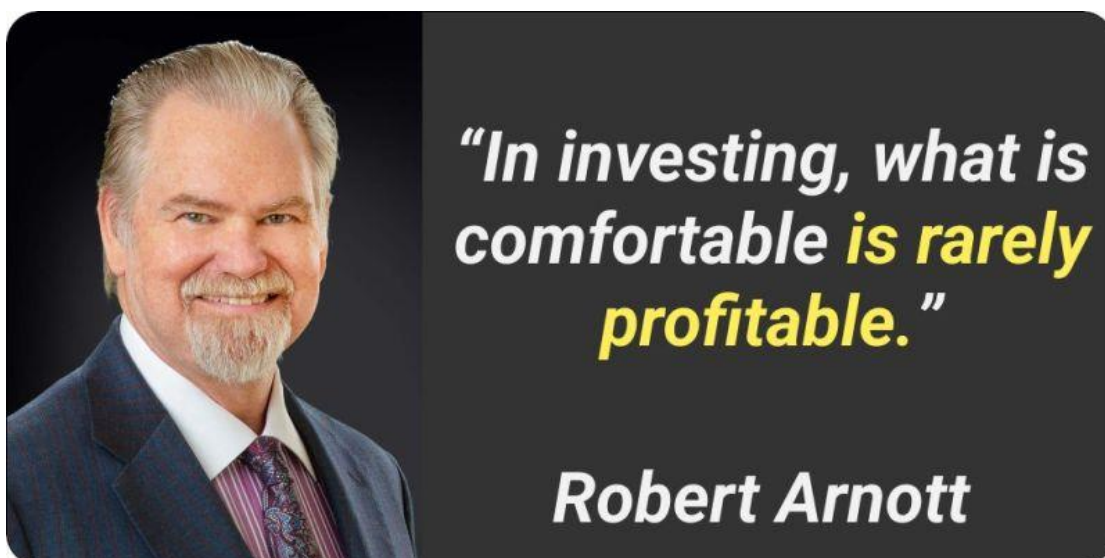
1. Disbelief, fear, and lack of knowledge. Most big winners are newer companies (with IPOs in the last eight or 15 years). Everyone knows Sears and General Motors, but most people are simply unaware of or unfamiliar with the hundreds of new names that come into the market every year. The new America names are the great growth engine of America, creating innovative new products and services plus most of the new technology. (A chart service is one easy way to at least be aware of the basics of price, volume, sales, and earnings trends of all these compelling younger entrepreneurial companies.)
2. P/E bias. Contrary to conventional wisdom, the best stocks rarely sell at low P/Es. Just as the best ballplayers make the highest salaries, the better companies sell at better (higher) P/Es. Using P/Es as a selection criterion will prevent you from buying most of the best stocks.
3. Not understanding that the real leaders start their big moves by selling near or at new price highs, not near new lows or off a good amount from their highs. Investors like to buy stocks that look cheap because the stocks are lower than they were a few months ago, so they buy stocks on the way down. They think they are getting bargains. They should be buying stocks that are on the way up, just making new price highs as they emerge from a proper base or price consolidation area.
4. Selling too soon, either because they get shaken out or because they are too quick to take a profit, and psychologically having a hard time

Source: Compounding Quality

#food-for-thought

#investing #tips

It's been said that the best investments are the ones where you want to throw up after you make them

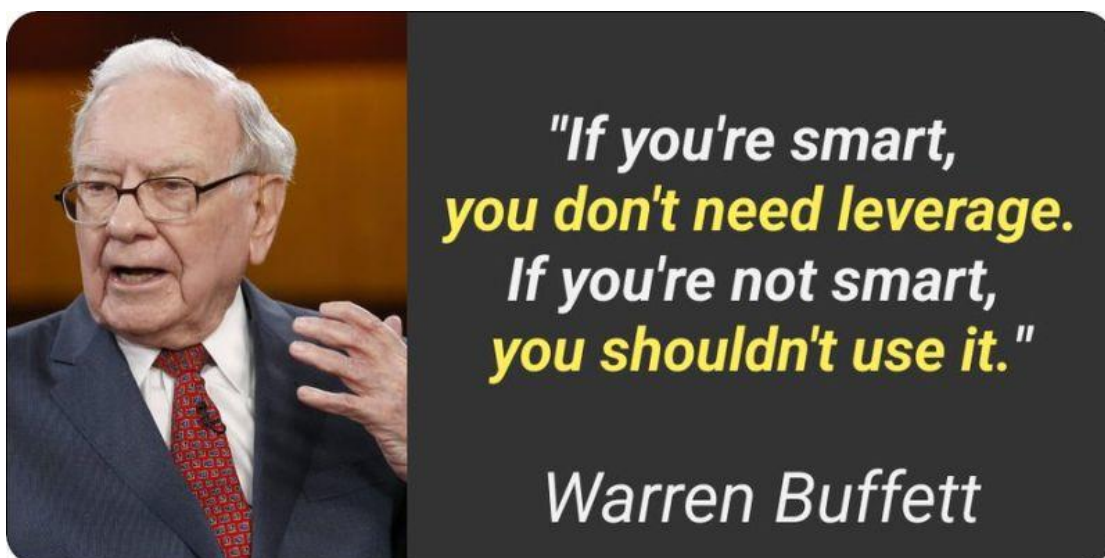


Source: Brian Feroldi

#food-for-thought

#leverage #lessons

Margin & options are fun on the way up but BRUTAL on the way down. Warren Buffett said it best:

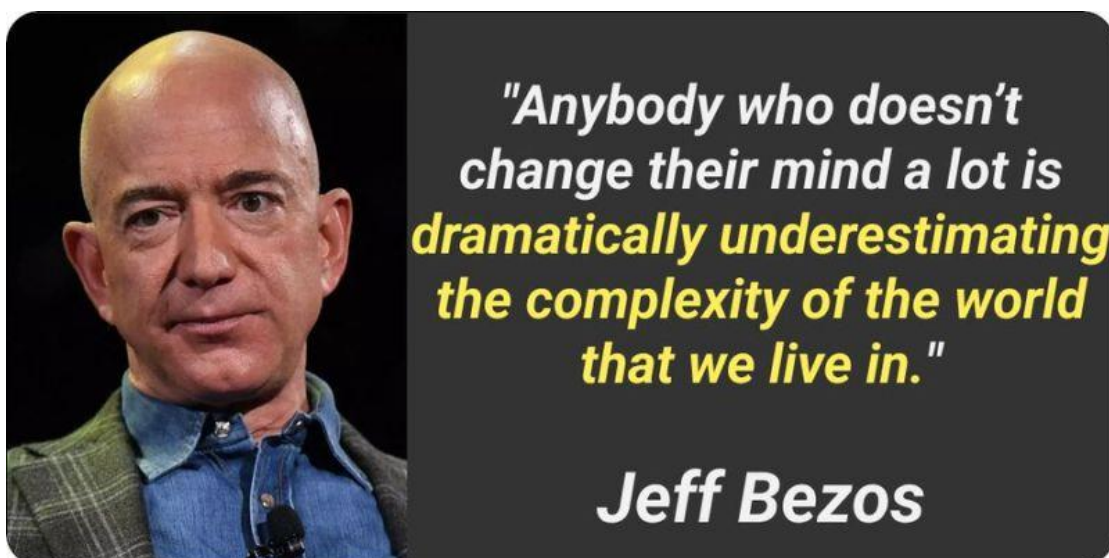


Source: Brian Feroldi

#food-for-thought

#useful #lessons

Changing your mind is hard. Admitting you're wrong is hard. But as Jeff Bezos said:

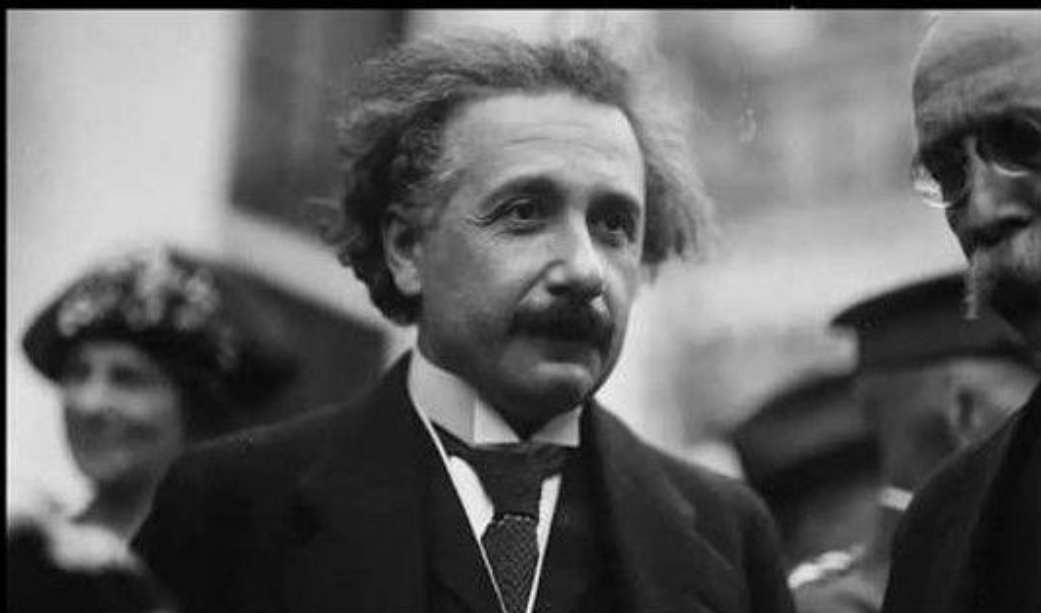


Source: Brian Feroldi

#food-for-thought

#courage #einstein

Albert Einstein



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

Source: European leadership

#food-for-thought

#staycalm #lessons



“One of the best lessons you can learn in life is to master how to remain calm. Calm is a super power.”

- Bruce Lee

Source: European Leadership

#food-for-thought

#summer-post #ice-cream #gelato

Crucial Summer Knowledge

What's the difference between Gelato and Ice cream?

ICE CREAM	VS	GELATO 
		
	SERVING TOOL	
~ 0°F (-18°C)	TEMPERATURE	~ 15°F (-9°C)
 HEAVY CREAM	DAIRY	 MILK
 10-25%	FAT	 2-9%
 ~50% (CHURNED FAST)	AIR	 ~20% (CHURNED SLOW)
	EGGS	
FLUFFY AND ICY	TEXTURE	DENSE, SILKY AND SMOOTH
LESS INTENSE	FLAVOR	MORE INTENSE

Source: tasteatlas

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