

## Chart of the week

### Seasonal headwinds

Seasonality is “climate, not weather” and guarantees nothing. That said, market history shows that August-September can be volatile.



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### Stocks down, Oil soars, Yield curve steepens

U.S. equities started August with a down week after closing out a strong July. Rising Treasury yields and an unexpected downgrade to the U.S. government's credit rating weighed on sentiment. The Nasdaq suffered the largest losses for the week. On the corporate earnings side, Amazon significantly beat estimates and the stock rallied more than 8% on Friday. Apple was down about 5% after a mixed report as iPhone sales disappointed. Fitch Ratings on Tuesday downgraded the credit rating of U.S. government debt from AAA, to AA+, with the ratings agency saying its decision "reflects governance and medium-term fiscal challenges." On the macro side, the US monthly nonfarm payroll report showed that employers added 187,000 jobs in July, which points to a notable slowing from the first five months of the year. The unemployment rate ticked down to 3.5% from 3.6% the prior month, while wages grew 4.4% over the 12-month period, unchanged from June. The yield on the 10-year U.S. Treasury note increased from 3.95% at the end of the previous week to almost 4.20% by early Friday but decreased to about 4.05% following the release of the jobs report. In local currency terms, the pan-European STOXX Europe 600 Index ended 2.44% lower. Higher U.S. bond yields and some disappointing European earnings reports deflated investor enthusiasm for riskier assets. In Asia, the Nikkei 225 index lost 1.7% while Chinese stocks gained. WTI Oil prices surged to \$83 and are up for the sixth straight week.

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

5 August 2023

#markets

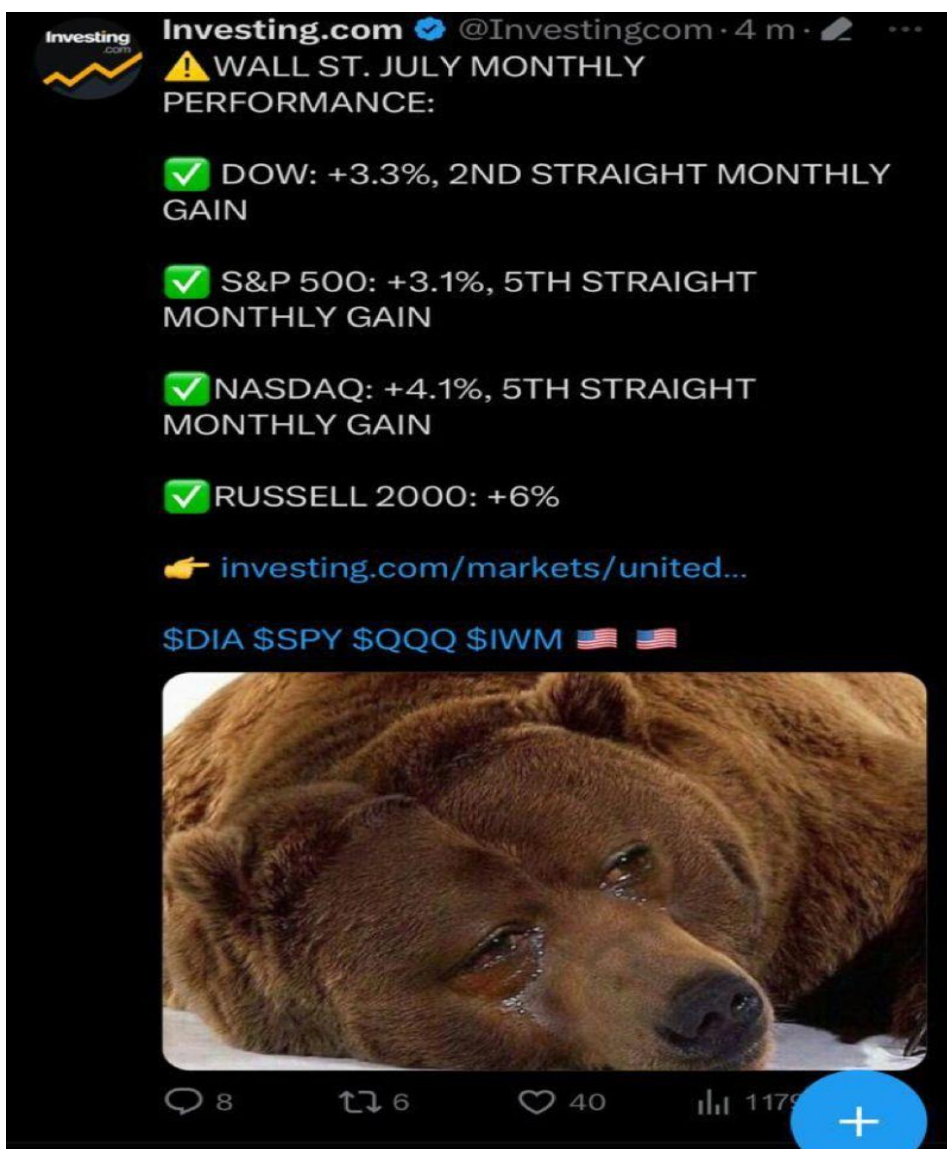
### #weekly #markets #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	35,066	-1.1%	5.8%
S&P 500 Index	4,478	-2.3%	16.6%
NASDAQ	13,909	-2.8%	32.9%
MSCI EAFE *	2,124	-3.3%	9.3%
10-yr Treasury Yield	4.05%	0.1%	0.2%
Oil (\$/bbl)	\$82.62	2.5%	2.9%
Bonds	\$96.70	-0.9%	0.7%

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## #bears #bear-market #performance

July was a painful month for the bears...

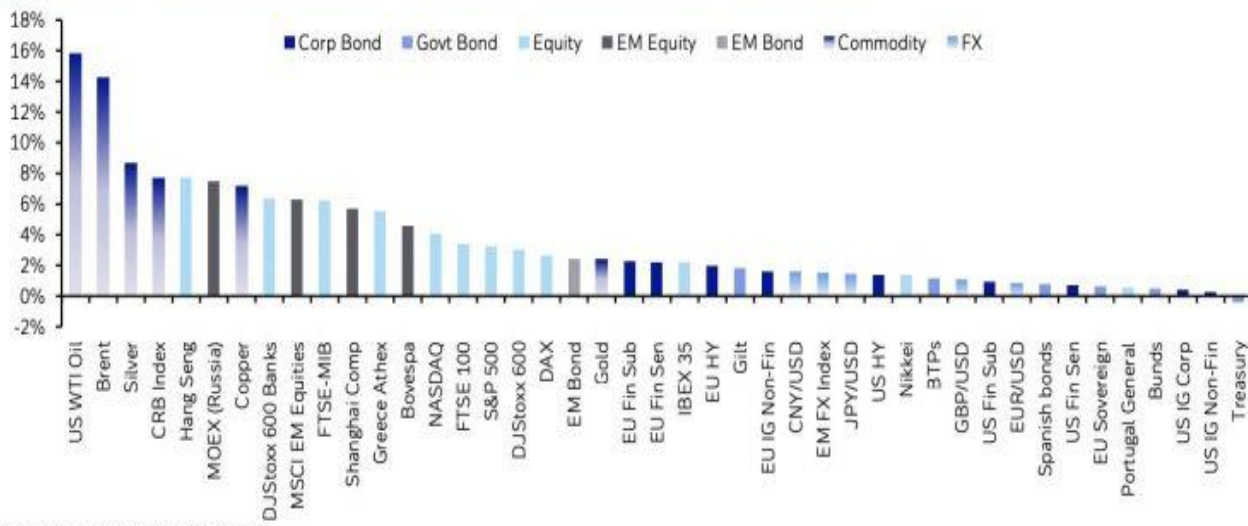




#cross-assets #performance #central-banks

July cross-assets performance billboard by DB -> After a mixed performance in June, July was largely positive for assets across the board. Oil stole the show, as supply cuts spurred upward pressure on prices, and the AI excitement saw the S&P 500 and the Nasdaq extend their rally, both securing their fifth consecutive month of positive total returns. Fixed income took a hit in July, as central banks continued their hiking cycle

Figure 2: Total Return Performance of Major Global Financial Assets in July (in USD)



Source : Deutsche Bank, Bloomberg Finance LP

Source: HolgerZ



#markets

## #etf #country #performance

The top 3 country [ETFs](#) in 2023:

- 1) Nigeria \$NGE: +48.3%
- 2) Greece: \$GREK: +47.5%
- 3) Argentina \$ARGT: +38.7%

Country ETFs: 2023 Total Returns (in US \$) as of 7/31/23								
Country	Ticker	2023 YTD	Country	Ticker	2023 YTD	Country	Ticker	2023 YTD
Nigeria	NGE	48.3%	Taiwan	EWT	19.2%	Australia	EWA	7.1%
Greece	GREK	47.5%	Chile	ECH	18.8%	South Africa	EZA	7.0%
Argentina	ARGT	38.7%	Colombia	GXG	18.5%	Indonesia	EIDO	7.0%
Poland	EPOL	36.4%	Japan	EWJ	17.3%	China	MCHI	5.8%
Mexico	EWV	32.5%	Switzerland	EWL	16.3%	UAE	UAE	5.7%
Ireland	EIRL	32.4%	Austria	EWO	14.4%	Philippines	EPHE	4.6%
Italy	EWI	27.4%	Saudi Arabia	KSA	12.9%	New Zealand	ENZL	4.0%
Vietnam	VNM	27.1%	Denmark	EDEN	12.1%	Israel	EIS	3.1%
Brazil	EWZ	24.1%	Canada	EWC	11.4%	Kuwait	KWT	2.3%
Spain	EWP	22.9%	United Kingdom	EWU	10.7%	Norway	NORW	1.4%
Germany	EWG	21.8%	Sweden	EWD	10.6%	Malaysia	EWM	-2.2%
Netherlands	EWN	21.3%	Singapore	EWS	10.6%	Hong Kong	EWH	-3.2%
Peru	EPU	20.9%	Portugal	PGAL	8.2%	Pakistan	PAK	-3.3%
France	EWQ	20.8%	Belgium	EWK	7.5%	Thailand	THD	-4.2%
US	SPY	20.6%	India	INDA	7.4%	Turkey	TUR	-5.3%
South Korea	EWY	19.6%	Qatar	QAT	7.4%	Egypt	EGPT	-5.6%

CREATIVE PLANNING Data via YCharts as of 7/31/23 @CharlieBilello

Source: Charlie Bilello

# #GLOBALMARKETS WEEKLY WRAP-UP

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## #asset-class #returns

Asset class billboard updated as of 31/7/2023

CREATIVE PLANNING		Asset Class Total Returns Since 2011 (Data via YCharts as of 7/28/23)														@CharlieBilello	
ETF	Asset Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD	2011-23 Cumulative	2011-23 Annualized	
N/A	Bitcoin (\$BTC)	1473%	186%	5507%	-58%	35%	125%	1331%	-73%	95%	301%	66%	-65.5%	75.9%	9690981%	149.0%	
QQQ	US Nasdaq 100	3.4%	18.1%	36.6%	19.2%	9.5%	7.1%	32.7%	-0.1%	39.0%	48.6%	27.4%	-32.6%	44.4%	691.4%	17.9%	
IWF	US Growth	2.3%	15.2%	33.1%	12.8%	5.5%	7.0%	30.0%	-1.7%	35.9%	38.3%	27.4%	-29.3%	33.1%	475.1%	14.9%	
SPY	US Large Caps	1.9%	16.0%	32.2%	13.5%	1.2%	12.0%	21.7%	-4.5%	31.2%	18.4%	28.7%	-18.2%	20.4%	360.1%	12.9%	
EFA	EAFE Stocks	-12.2%	18.8%	21.4%	-6.2%	-1.0%	1.4%	25.1%	-13.8%	22.0%	7.6%	11.5%	-14.4%	15.5%	85.9%	5.1%	
IWM	US Small Caps	-4.4%	16.7%	38.7%	5.0%	-4.5%	21.6%	14.6%	-11.1%	25.4%	20.0%	14.5%	-20.5%	13.4%	198.8%	9.1%	
MDY	US Mid Caps	-2.1%	17.8%	33.1%	9.4%	-2.5%	20.5%	15.9%	-11.3%	25.8%	13.5%	24.5%	-13.3%	12.7%	252.2%	10.5%	
CWB	Convertible Bonds	-7.7%	15.9%	20.5%	7.7%	-0.8%	10.6%	15.7%	-2.0%	22.4%	53.4%	2.2%	-20.8%	12.4%	195.0%	9.0%	
EEM	EM Stocks	-18.8%	19.1%	-3.7%	-3.9%	-16.2%	10.9%	37.3%	-15.3%	18.2%	17.0%	-3.6%	-20.6%	11.5%	14.2%	1.1%	
IWD	US Value	0.1%	17.5%	32.1%	13.2%	-4.0%	17.3%	13.5%	-8.5%	26.1%	2.7%	25.0%	-7.7%	8.4%	232.9%	10.0%	
GLD	Gold	9.6%	6.6%	-28.3%	-2.2%	-10.7%	8.0%	12.8%	-1.9%	17.9%	24.8%	-4.2%	-0.8%	7.2%	31.1%	2.2%	
EMB	EM Bonds (USD)	7.7%	16.9%	-7.8%	6.1%	1.0%	9.3%	10.3%	-5.5%	15.5%	5.4%	-2.2%	-18.6%	6.1%	45.5%	3.0%	
HYG	High Yield Bonds	6.8%	11.7%	5.8%	1.9%	-5.0%	13.4%	6.1%	-2.0%	14.1%	4.5%	3.8%	-11.0%	5.4%	66.9%	4.2%	
PFF	Preferred Stocks	-2.0%	17.8%	-1.0%	14.1%	4.3%	1.3%	8.1%	-4.7%	15.9%	7.9%	7.2%	-18.2%	5.0%	63.4%	4.0%	
VNQ	US REITs	8.6%	17.6%	2.3%	30.4%	2.4%	8.6%	4.9%	-6.0%	28.9%	-4.7%	40.5%	-26.2%	4.9%	149.6%	7.5%	
LQD	Investment Grade Bonds	9.7%	10.6%	-2.0%	8.2%	-1.3%	6.2%	7.1%	-3.8%	17.4%	11.0%	-1.8%	-17.9%	4.0%	51.7%	3.4%	
BIL	US Cash	0.0%	0.0%	-0.1%	-0.1%	-0.1%	0.1%	0.7%	1.7%	2.2%	0.4%	-0.1%	-1.4%	2.6%	9.0%	0.7%	
BND	US Total Bond Market	7.7%	3.9%	-2.1%	5.8%	0.6%	2.5%	3.6%	-0.1%	8.8%	7.7%	-1.9%	-13.1%	2.1%	26.1%	1.9%	
TIP	TIPS	13.3%	6.4%	-8.5%	3.6%	-1.8%	4.7%	2.9%	-1.4%	8.3%	10.8%	5.7%	-12.2%	2.1%	35.5%	2.4%	
TLT	Long Duration Treasuries	34.0%	2.6%	-13.4%	27.3%	-1.8%	1.2%	9.2%	-1.6%	14.1%	18.2%	-4.6%	-31.2%	1.8%	45.7%	3.0%	
DBC	Commodities	-2.6%	3.5%	-7.6%	-28.1%	-27.6%	18.6%	4.9%	-11.6%	11.8%	-7.8%	41.4%	19.3%	-0.3%	-7.6%	-0.6%	
	Highest Return	BTC	BTC	BTC	VNQ	BTC	BTC	BTC	BIL	BTC	BTC	BTC	DBC	BTC	BTC	BTC	
	Lowest Return	EEM	BIL	GLD	BTC	DBC	BIL	BIL	BTC	BIL	DBC	TLT	BTC	DBC	DBC	DBC	
	% of Asset Classes Positive	62%	95%	52%	71%	38%	100%	100%	5%	100%	90%	67%	10%	95%	95%	95%	

Source: Charlie Bilello



#markets

## #global #equities #breadth

More than half of the major markets in the Bloomberg World Index are now recording positive breadth signals.

	% Above 50D and 200D MA	% Above 50 Day MA	% Above 200 Day MA
Netherlands	71%	90%	81%
Australia	71%	84%	78%
India	69%	76%	80%
Brazil	68%	78%	85%
France	67%	76%	80%
US	62%	79%	68%
Switzerland	61%	76%	67%
Saudi Arabia	60%	77%	71%
Japan	59%	65%	83%
South Africa	58%	73%	67%
Italy	57%	78%	74%
United Kingdom	51%	80%	58%
Spain	50%	56%	72%
Germany	47%	67%	64%
Canada	47%	59%	59%
Taiwan	45%	47%	63%
Mexico	44%	56%	56%
Korea	36%	44%	47%
China	30%	56%	40%
Hong Kong	28%	54%	38%
Emerging Markets	43%	62%	54%
Developed Markets	58%	73%	68%
Developed Markets Ex US	53%	68%	68%
Global	51%	68%	62%

Source: Bloomberg, Gina Martin Adams





## #global #equities #manufacturing-pmi

Global Manufacturing PMIs and Global stocks seem to be in disagreement...



Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)



#us #equities #returns #2023 #2022

2023 has been so far the mirror image of 2022 in terms of assets returns

2023: The Inverse of 2022 (as of 7/31/23)



@CharlieBilello  
CREATIVE PLANNING

	Nvidia	Apple	Microsoft	S&P 500	Nasdaq 100	Meta	Google	Amazon	Tesla	Netflix
2022 Total Return	-50%	-26%	-28%	-18%	-33%	-64%	-39%	-50%	-65%	-51%
2023 Total Return	220%	52%	41%	21%	45%	165%	50%	59%	117%	49%
2022-23 Combined TR	59%	12%	1%	-1%	-3%	-5%	-8%	-20%	-24%	-27%

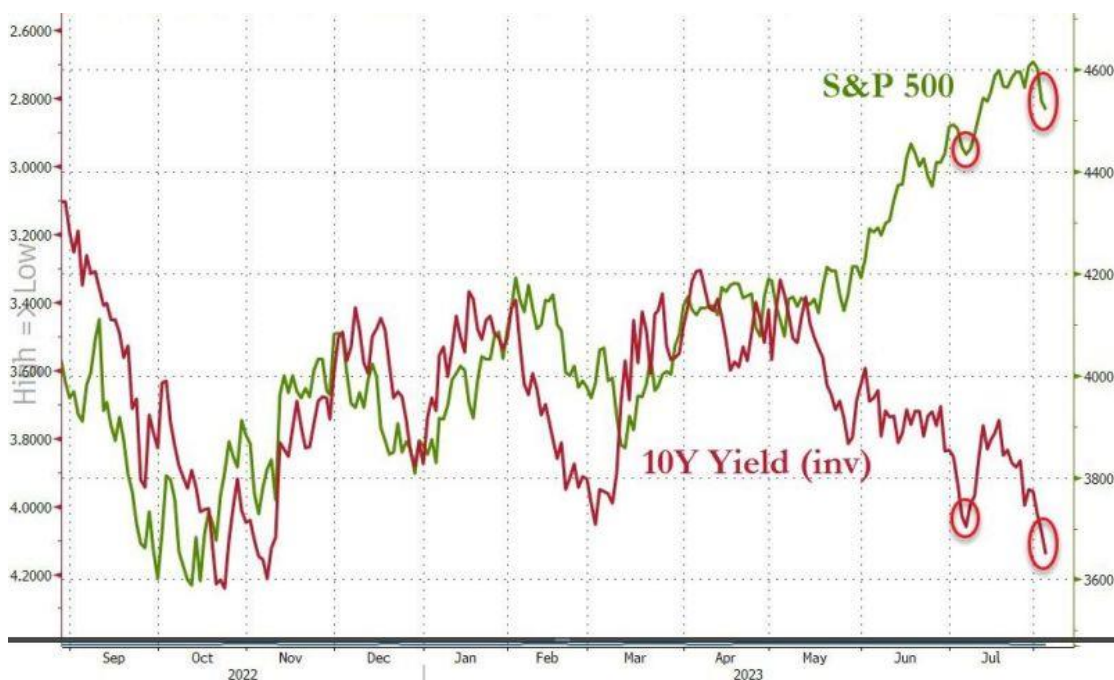
Source: Charlie Bilello





## #stocks #bonds #correlation

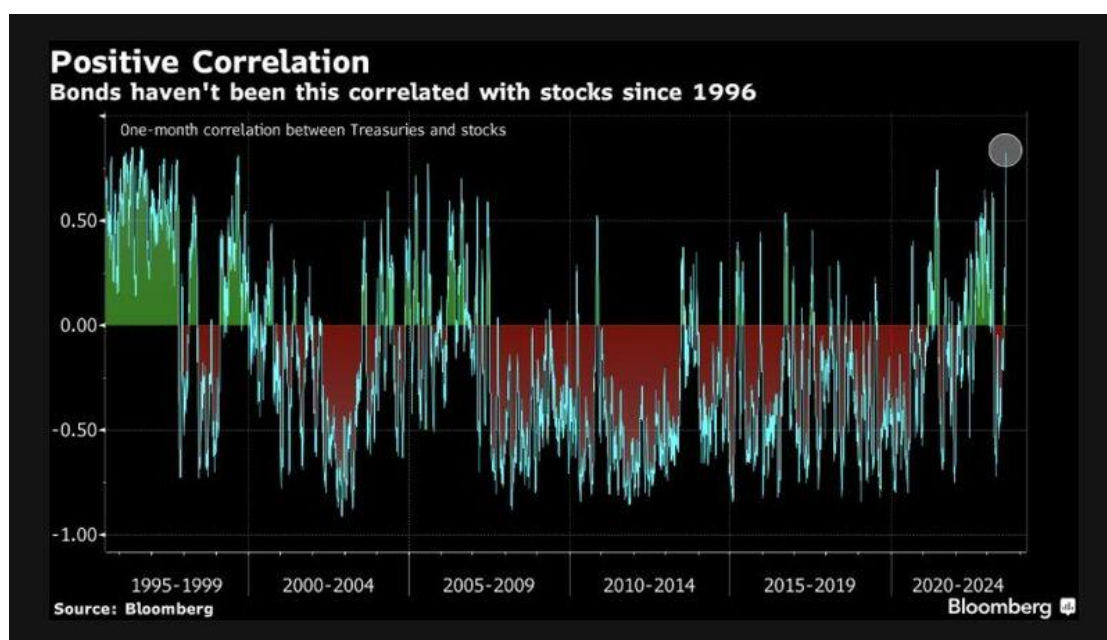
Bonds and equities re-correlate... The recent acceleration in yields appears to have had an effect on long-duration risk-assets...



Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)

## #stocks #bonds #correlation

Treasuries haven't been this ineffective as a stock hedge since the 1990s. The one-month correlation between the two assets is now at its highest reading since 1996



Source: Lisa Abramowicz, Bloomberg

## #us #equities #sp500 #h2

“.. when the S&P 500 is +10% or better YTD at the July-end mark.”

Year	First 7 Months	Final 5 Months	Full Year
2023	20%		
2021	17%	8%	27%
2019	19%	8%	29%
2017	10%	8%	19%
2013	18%	10%	30%
2003	13%	12%	26%
1998	15%	10%	27%
1997	29%	2%	31%
1995	22%	10%	34%
1991	17%	8%	26%
1989	25%	2%	27%
1988	10%	2%	12%
1987	32%	-22%	2%
1986	12%	3%	15%
1985	14%	11%	26%
1983	16%	1%	17%
1980	13%	12%	26%
1976	15%	4%	19%
1975	29%	2%	32%
1967	18%	2%	20%
1964	11%	2%	13%
1961	15%	7%	23%
1958	18%	17%	38%
1955	21%	5%	26%
1954	24%	17%	45%
1945	10%	18%	31%
1943	21%	-2%	19%
1938	17%	7%	25%
1936	18%	8%	28%
1935	17%	21%	41%
1933	44%	0%	44%
1929	19%	-26%	-12%
1928	10%	25%	38%

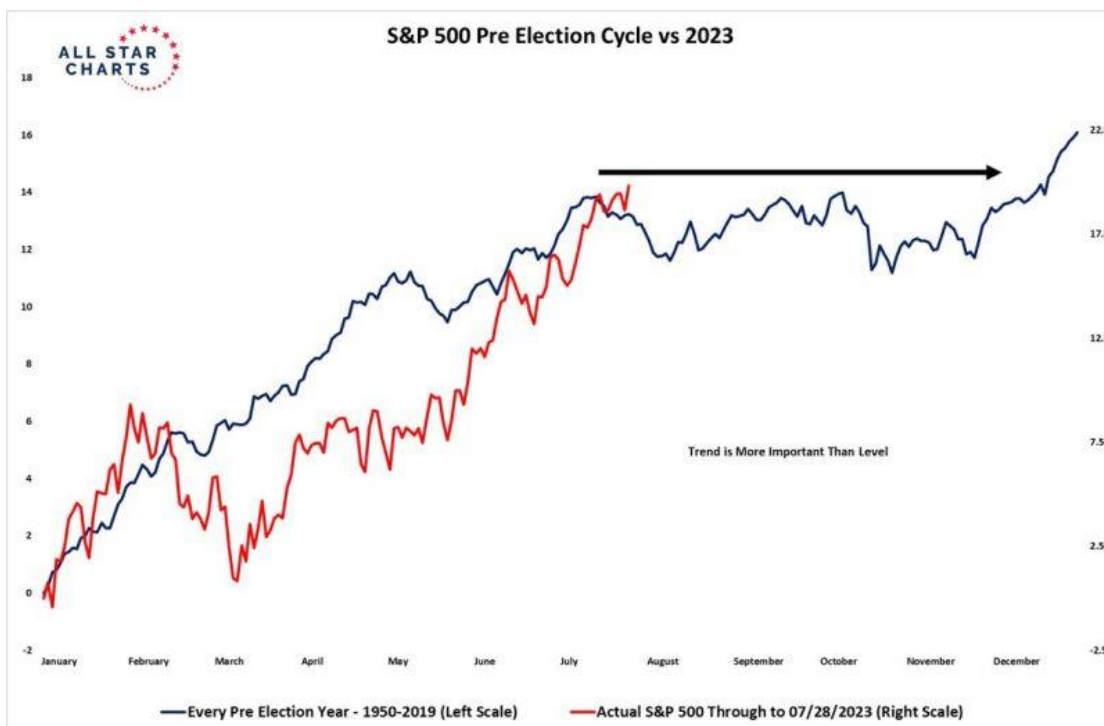
Data source: Bloomberg.

Source: Carl Quintanilla, Bloomberg



## #us #sp500 #election-cycle

If the S&P500 is going to take a well-deserved break, this would be a perfectly logical time in the cycle for that to happen according to S&P 500 pre-election cycle



Source: J-C Parets

## #us #sp500 #seasonality

### Seasonality Snags

August is S&P500's second-worst month on average in past three decades

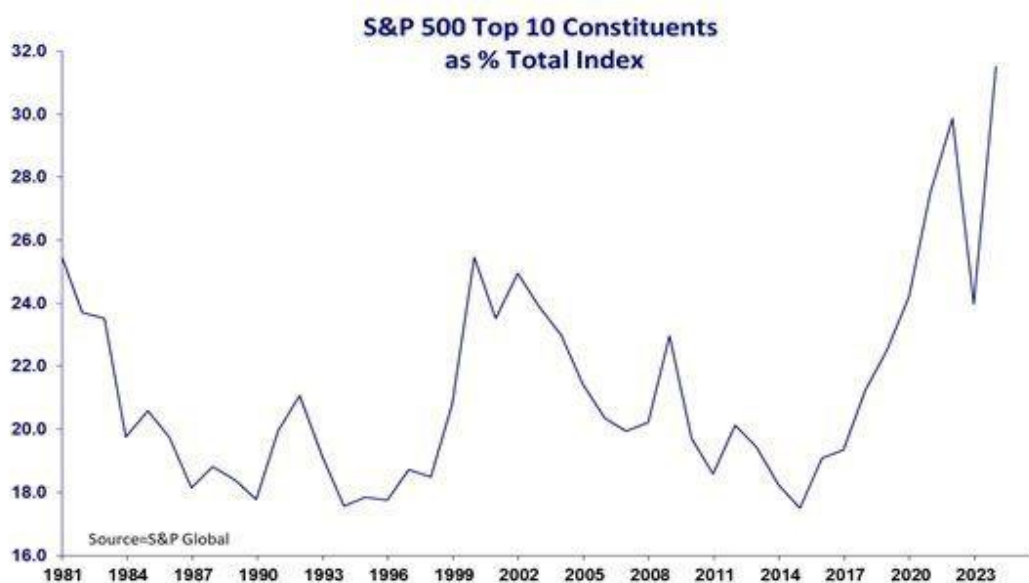


Source: Bloomberg



## #us #equities #sp500 #concentration

The top 10 stocks in the S&P 500 now account for a record 31% of the ENTIRE index. Just 8 years ago, the top 10 stocks accounted for 17% of the index. A few stocks continue to drive the entire market.



Source: The Kobeissi Letter

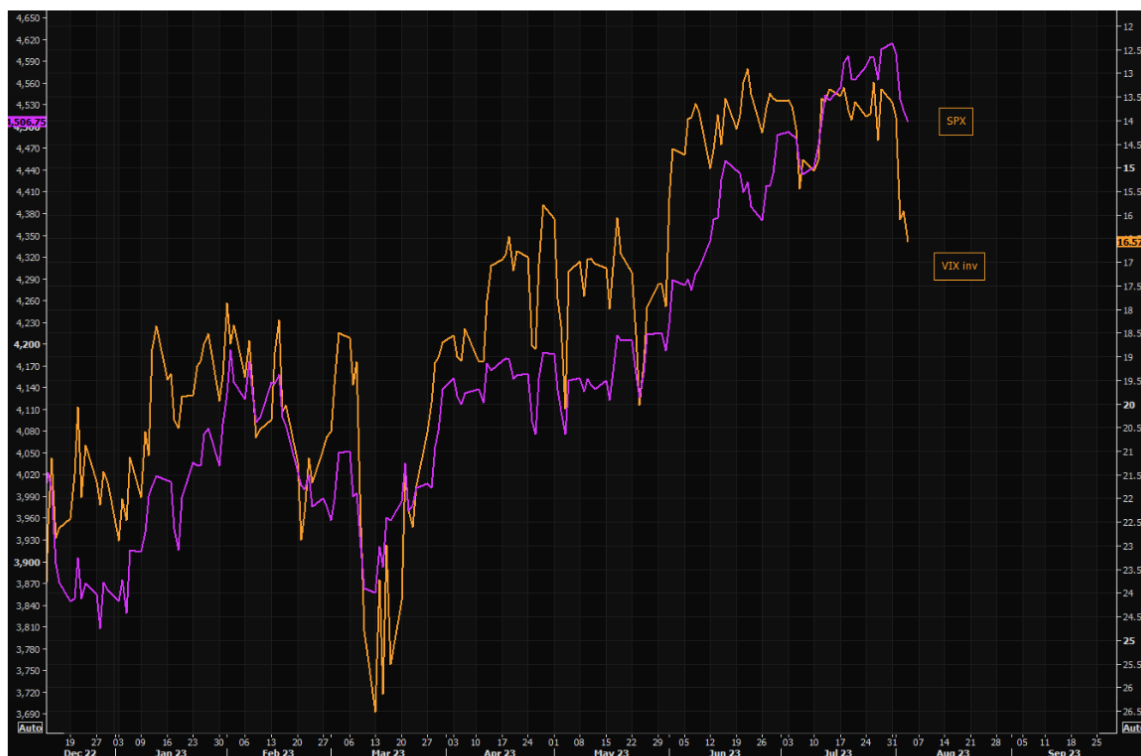




## #us #equities #sp500 #vix

VIX is up, trading at 16.6 as of writing. VIX up on a Friday is something to watch closely. The short-term gap vs SPX is becoming rather wide..

### Stress on a Friday



Source: Refinitiv

Source: TME

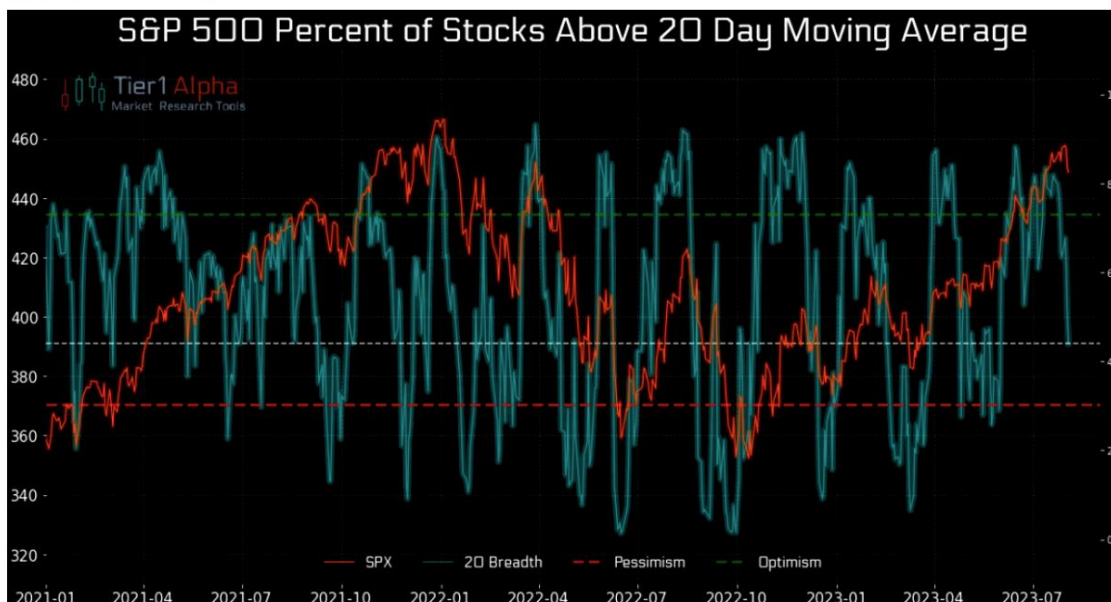




#us #equities #breadth

The % of S&P 500 stocks above the 20 day moving average has fallen sharply over past sessions.

Short term breadth



Source: Tierw1Alpha



Source: Tierw1Alpha



## #us #equities #cta

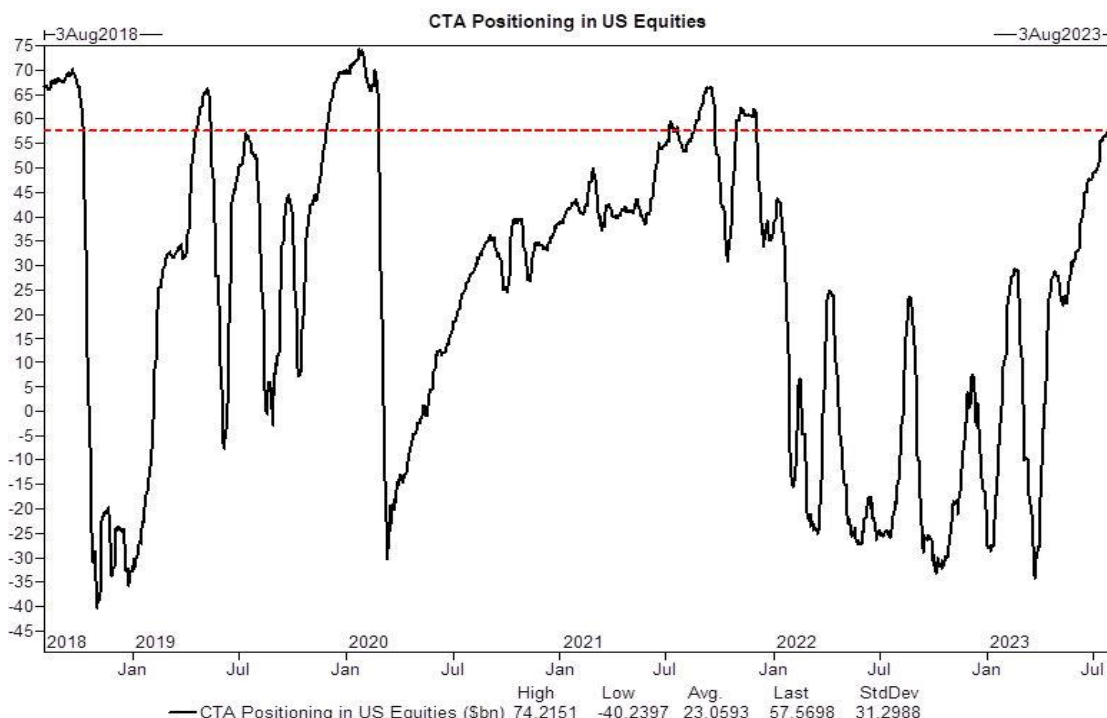
CTAs are long net \$58BN in US equities, just shy of the upper-end of the 5-year range. Could they trigger an acceleration of the equity sell-off if the S&P 500 breaks some key support level?

Here are the key levels to watch according to GS:

Short-term threshold = 4440 (-1.6%)

Medium-term threshold (the most important one) = 4257 (-5.6%)

Long-term threshold = 4240 (-6.1%)



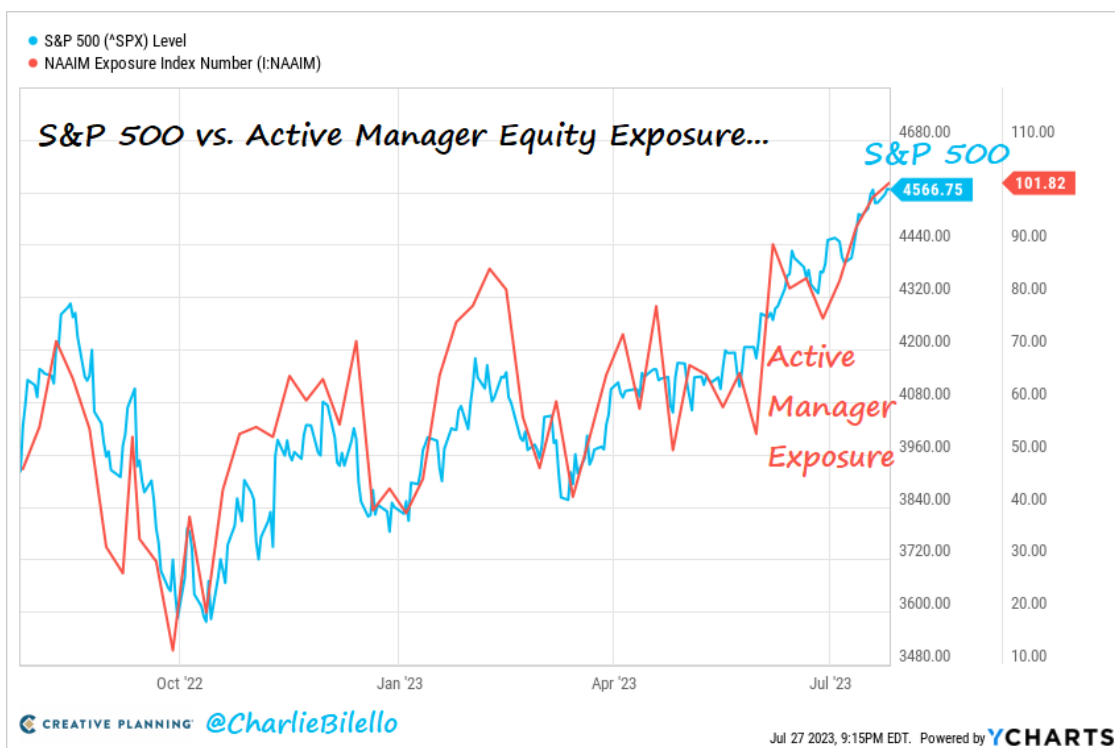
Source: Goldman





## #us #equities #active-managers

Active managers went leveraged long last week with average equity exposure moving above 100%. Last October when the S&P 500 was over 1,000 points lower they had less than 20% exposure to stocks.

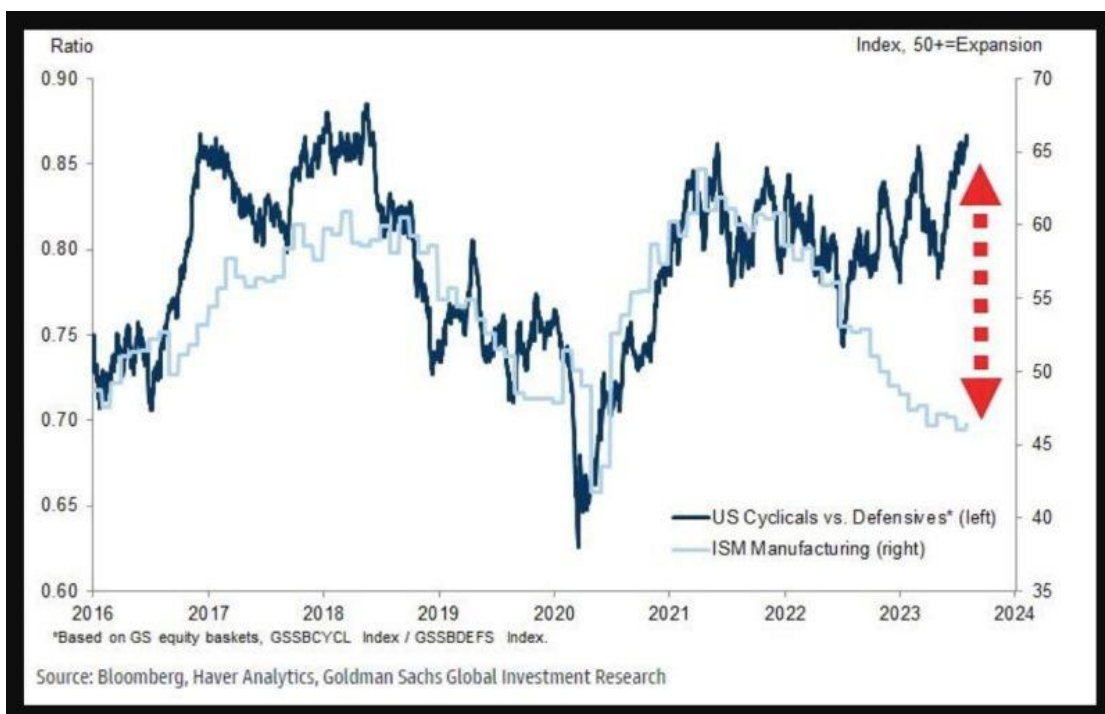


Source: Charlie Bilello



## #us #equities #cyclical

Do US cyclical equities look vulnerable given the extent of growth optimism currently priced in vs. the weakness of ISM manufacturing?



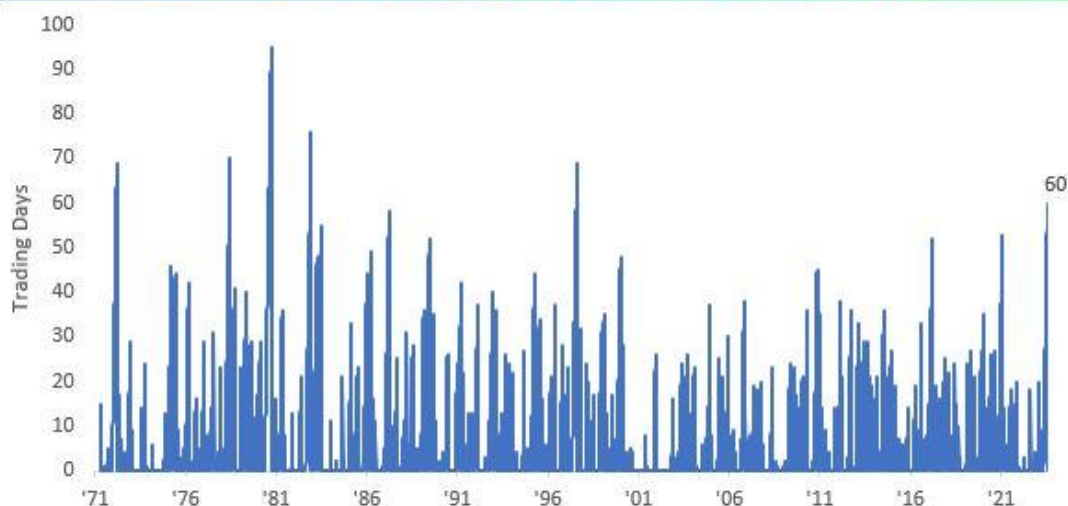
Source chart: Goldman



## #nasdaq #overbought

Nasdaq has now been 'overbought' for 60 days - its longest period since the run-up to the bursting of the dot-com bubble...

**Nasdaq Streaks of Overbought Readings: 1971 - 2023**

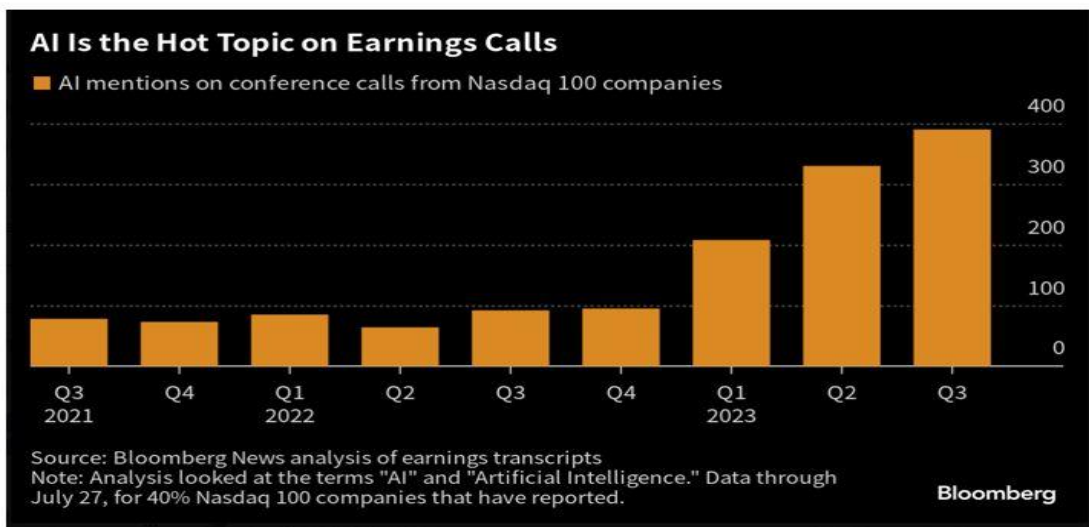
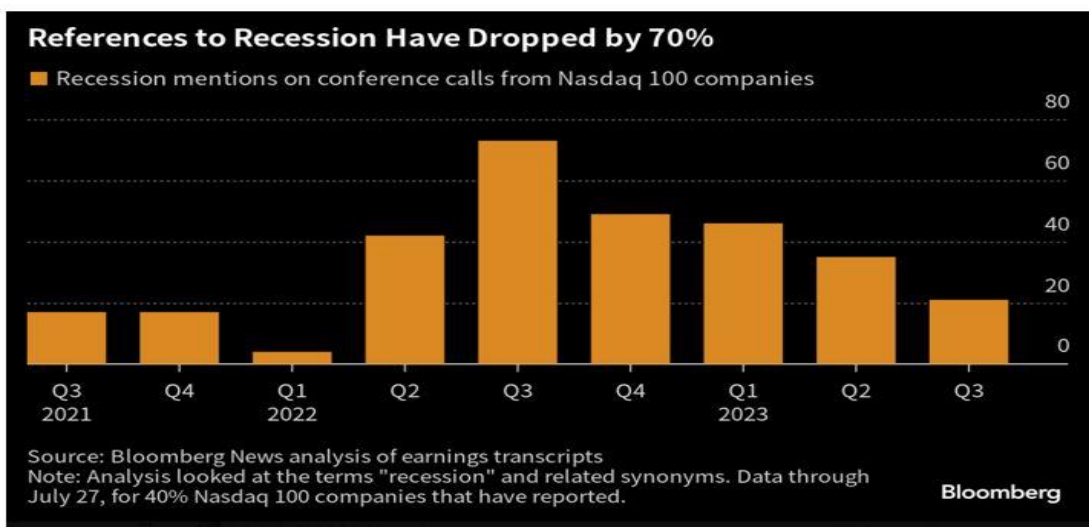


Consecutive days where Nasdaq traded one or more standard deviations above its 50-DMA.



## #nasdaq #earnings

Nasdaq 100 companies have reduced their discussions about recession and significantly increased their focus on AI.



Source: bloomberg





## #earnings #beat-estimates #performance

### No Love for Beats

Stocks that have beaten EPS estimates this season have averaged a one-day gain in share price of just 0.27% in reaction to the beat. Over the last ten years, an earnings beat has resulted in a much bigger one-day gain of 1.58%. At the same time, stocks that have missed EPS estimates this season have averaged a one-day drop in share price of 3.54%. That's worse than the normal drop of 3.34% across all earnings misses over the last ten years.



Source: bespoke





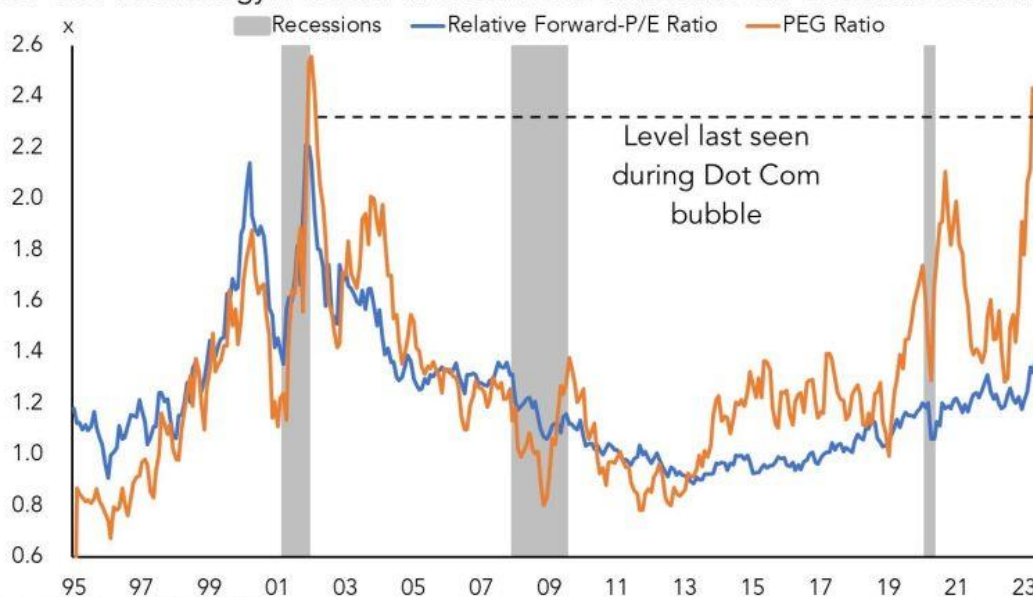
## #us #equities #tech #valuations

The S&P 500 Technology sector forward P/E to that of the SP500 is not as expensive as it was during the Internet bubble. However, the PEG ratio (forward PE divided by consensus long-term EPS growth rate) is roughly at the same level.

### PEG Ratio is Extremely Elevated



S&P 500 Technology: Forward-P/E Relative to that of the S&P 500 and PEG Ratio



Dates: 1995 Through July 26<sup>th</sup> 2023

Source: IBES/Refinitiv, National Bureau of Economic Research, Game of Trades.

PEG ratio for Tech is the sector's forward-P/E ratio divided by mean of the consensus long-term earnings growth rate.

Source: Game of Trades

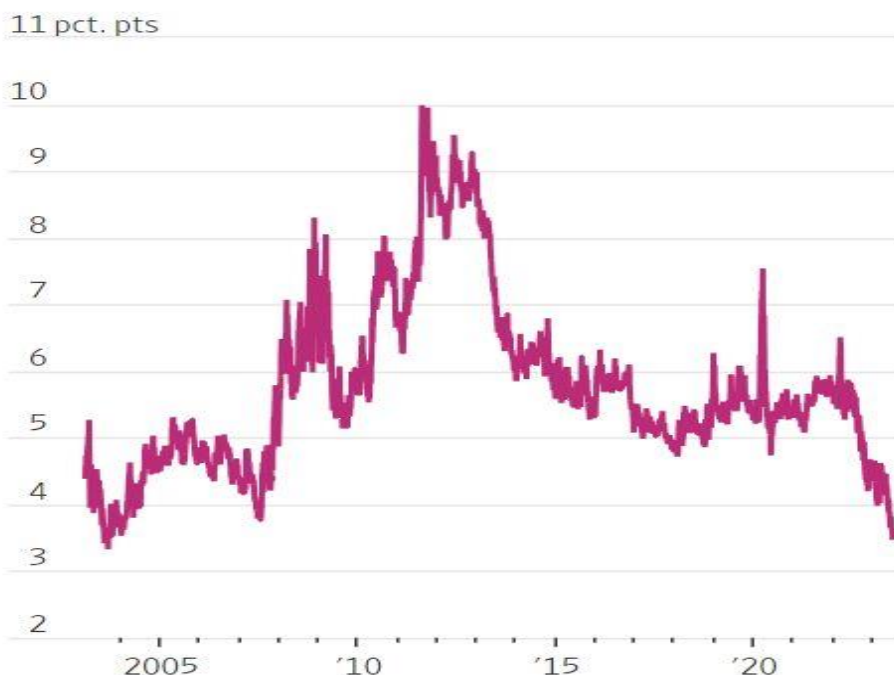




## #us #equities #sp500 #valuations

Bonds are looking the most attractive vs stocks in decades, according to one metric. The gap between the earnings yield of the S&P 500 and the yield on the 10-year Treasuries dropped to around 1.1 percentage point last week, its narrowest since 2002.

### S&P 500 earnings yield premium over inflation-protected Treasurys



Note: Shows S&P 500 one-year forward earnings yield minus yield on 10-year Treasury inflation-protected security  
Source: Factset (S&P 500); Tradeweb (TIPS yield)

Source: Lisa Abramowicz



#markets

## #us #europe #sp500 #stoxx600 #valuations

The current P/E spread between the S&P 500 and the Stoxx 600 is at a record high, indicating that Europe is comparatively cheaper than the US. The crucial question is whether this undervaluation is justified and whether it will eventually shift.

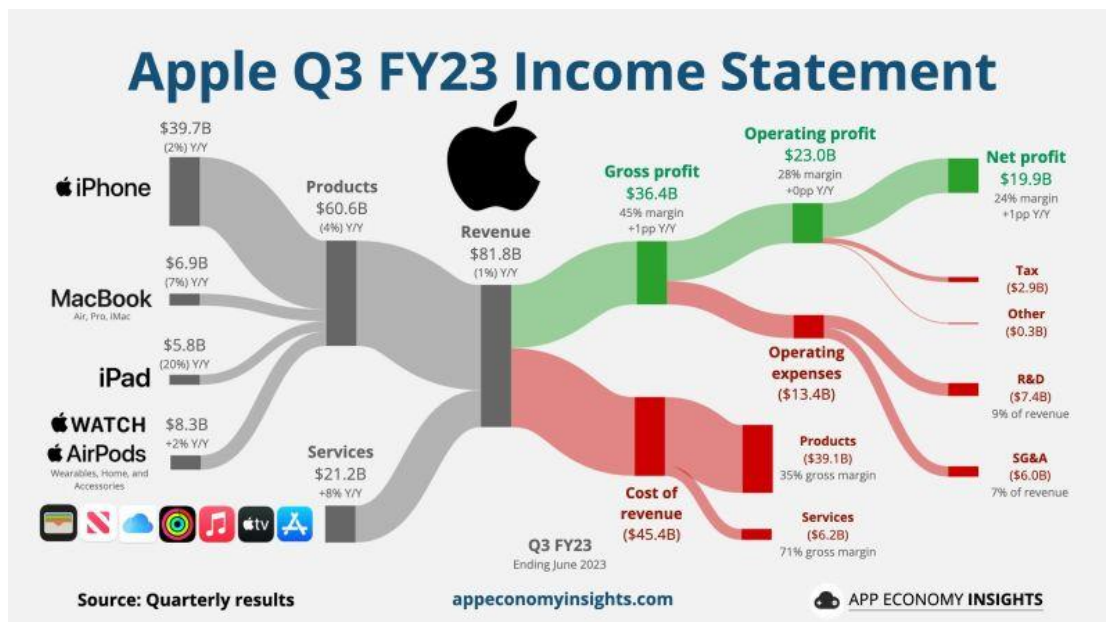


Source: GS



## #apple #earnings

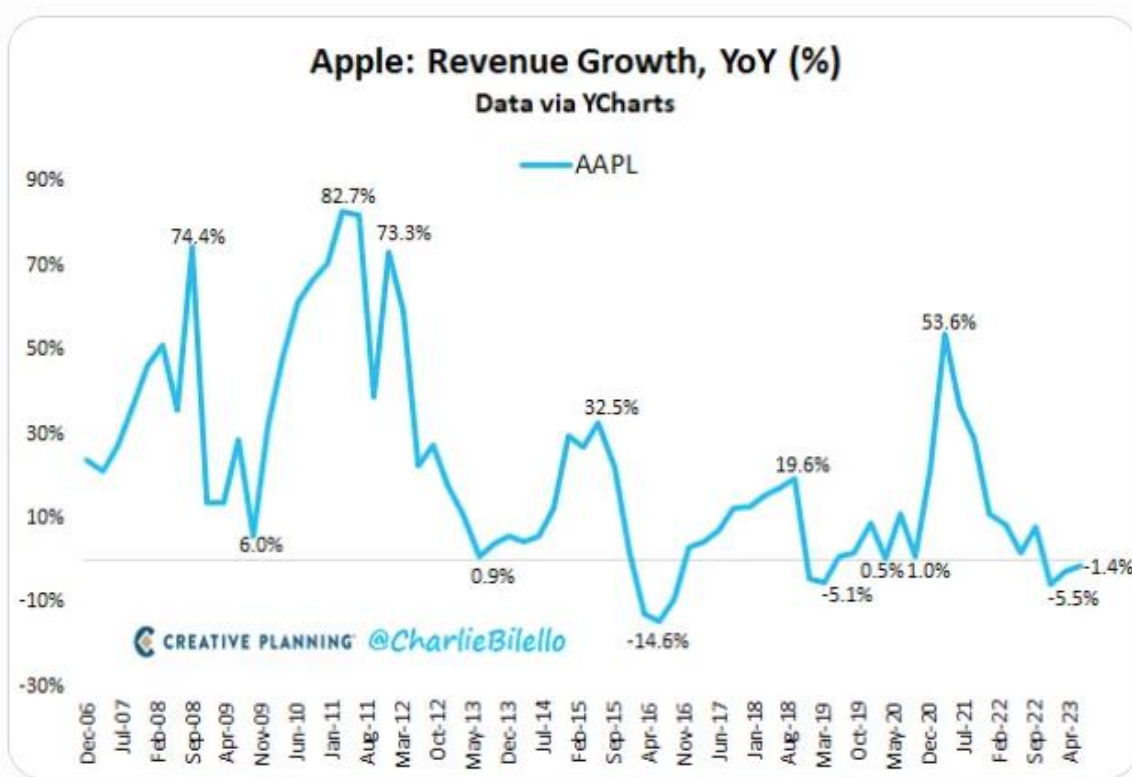
Apple beat earnings estimates but fell after-hours. Apple reported fiscal third-quarter results that beat Wall Street expectations for both earnings and sales, driven by stronger services sales that grew 8% on an annual basis. Overall sales still fell 1% year over year, however, and revenue in the company’s iPhone, Mac, and iPad lines were all down from a year earlier. Apple shares fell more than 2% in extended trading.





## #apple #revenues

Apple revenues were down 1% vs. the prior year, its 3rd consecutive quarter of negative YoY growth.





## #apple #worries

J-C Gand: “Apple is haunting investors almost a day after it reported. The worry is that Apple has put in a top for the year and that it will drag down AI and ultimately the market in general. The biggest component of the S&P 500 fell more than 4%, turning a gain into a loss for the index.

The company’s market value is set to dip below the historic \$3 trillion level after its outlook for the fourth quarter sparked worries over tepid demand for its handsets and other gadgets.

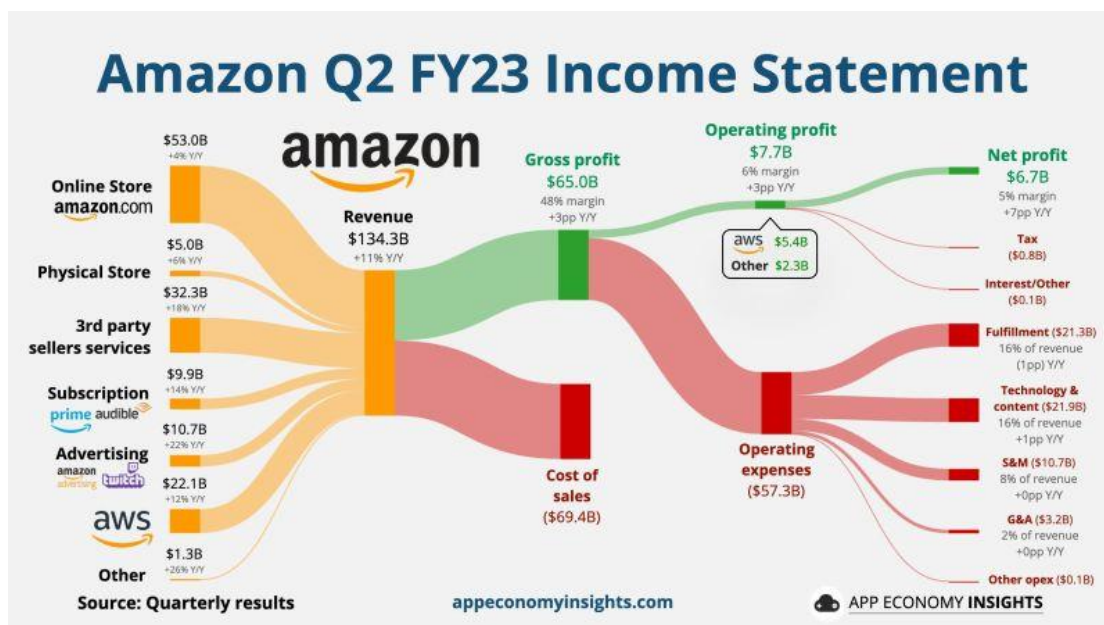


Source: Bloomberg, J-C Gand



## #amazon #earnings

Amazon reported second-quarter earnings on Thursday that sailed past analysts' estimates and issued guidance that points to accelerating revenue growth. The stock rose more than 10% in extended trading.





## #berkshire-hathaway

Congrats to Warren Buffett as Berkshire Hathaway \$BRK.A closed at an all-time high today. Buffett's 15% ownership in the company is now worth \$118 Billion.

### Berkshire Hathaway Cl A (BRK.A)

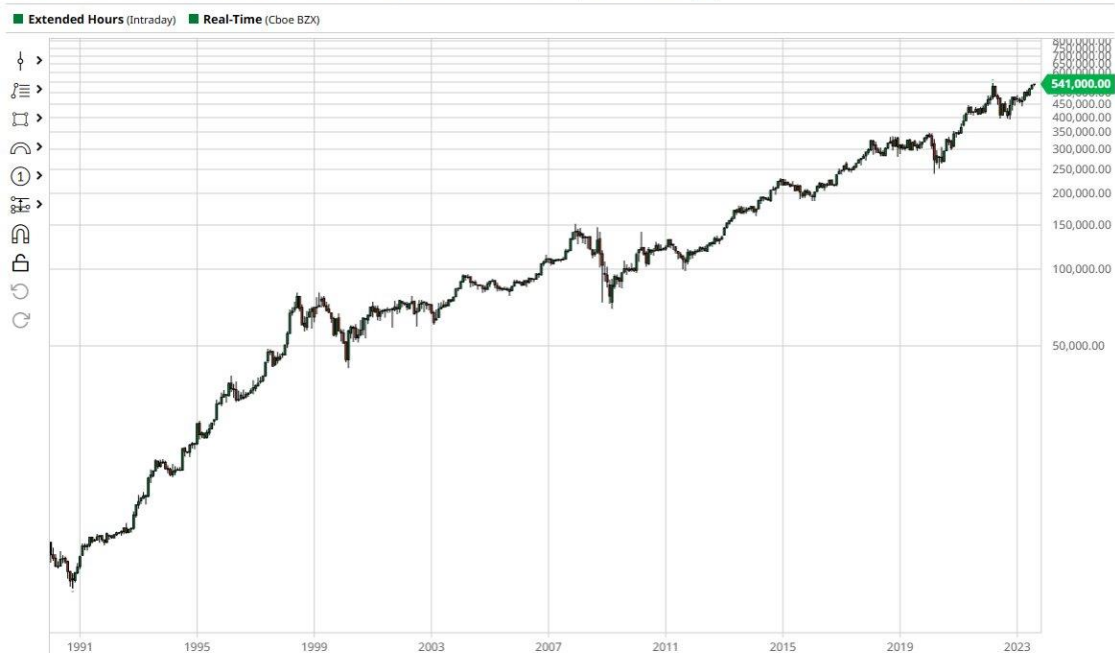
541,000.00 +7,200.00 (+1.35%) 08/03/23 [NYSE]  
444,444.64 x 1 540,500.00 x 1 POST-MARKET 540,000.00 -1,000.00 (-0.18%) 16:37 ET

INTERACTIVE CHART for Thu, Aug 3rd, 2023

My Charts Alerts Watch Help

BRK.A GO 00 +Study Tools Settings Compare f(x) Grid View Templates Print Clear

Range: 1D 5D 1M 3M 6M 9M 1Y 2Y 3Y 5Y 10Y 20Y MAX Frequency: Monthly Max Date: tutorial



Source: Barchart





## #airlines #travel #sales

US and European airlines report record sales.



Source: ft



## #us #luxury-goods #recession

REPORTED RECESSIONS: in US Luxury Goods...  
Congruent with our commentary out of LVMH, luxury spending slowed to a -7.6% Y/Y Recession in June = 9th month of negative Y/Y growth.



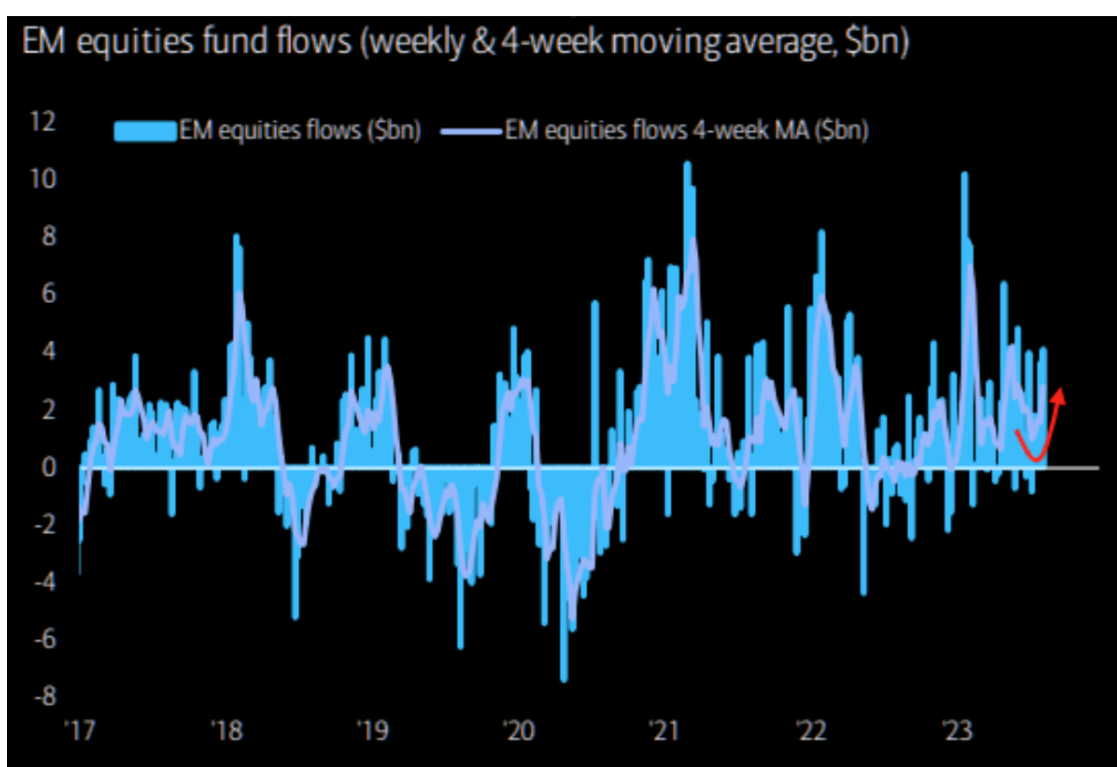
Source: Bloomberg, BEA, HEDGEYE

Source: Keith McCullough



## #em #flows

Inflows into EM stocks have picked up substantially.

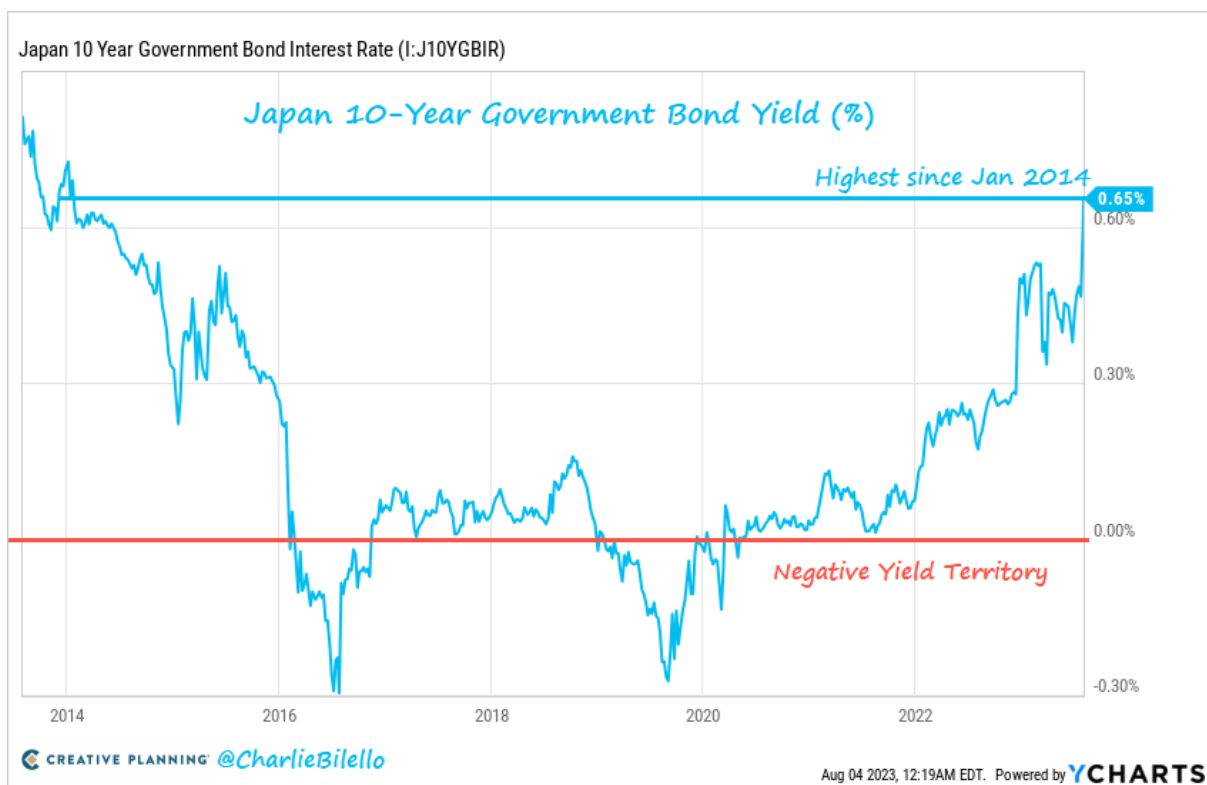


Source: TME, BofA



## #jgbs

The yield on Japanese 10-year government bonds has moved up to 0.65%, its highest level since January 2014. The BOJ is now "allowing" the 10-year to move higher, up to 1%. This is a big shift from a few years ago where they were holding yields down at negative levels.



Source: Charlie Bilello

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

5 August 2023



### #jgbs #boj #interventions

The Bank of Japan had to intervene twice this week to slow gains in govt bond yields, underscoring its determination to curb sharp moves in rates. Nevertheless, the 10y Japanese yield has skyrocketed to 0.65%, well above the 0.5% from the YCC.

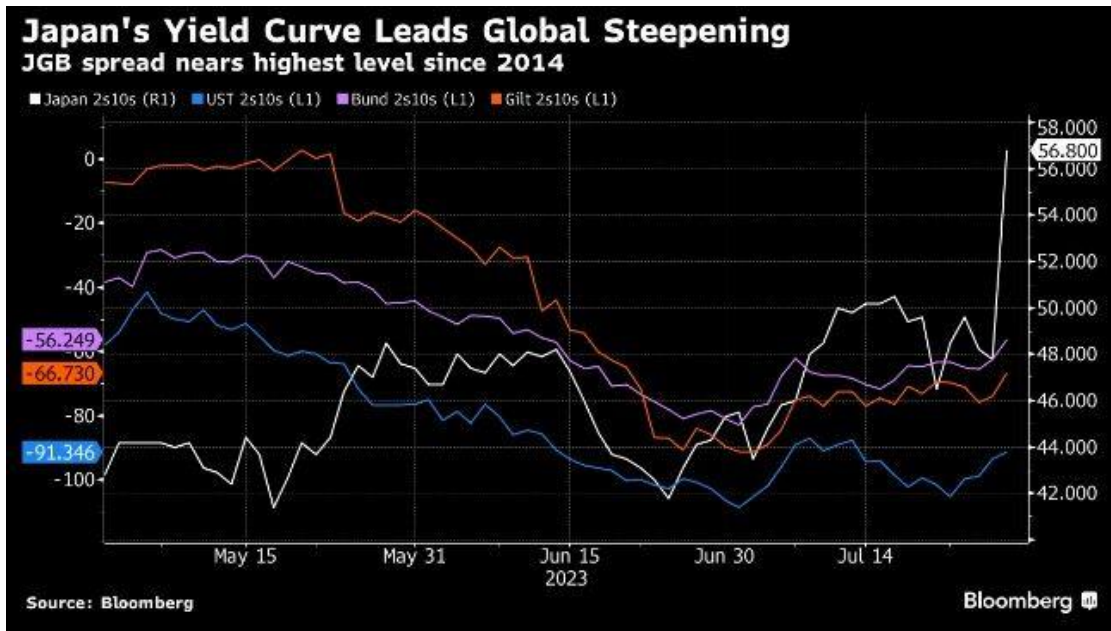


Source: Bloomberg, HolgerZ



## #yield-curve #steepening

🌐 Global yield curve steepening gained momentum last week as a sign that major central banks are nearing the end of their tightening cycles



Source: Bloomberg, Fast reveal



## #us #treasuries #weekly

After a bloodbath in bond-land this week, today's ugly jobs data sparked a bond-buying-panic (the belly outperformed today 5Y -15bps), sending yields at the shorter-end of the curve lower on the week (-10bps), though the long-end was still up around 20bps on the week...

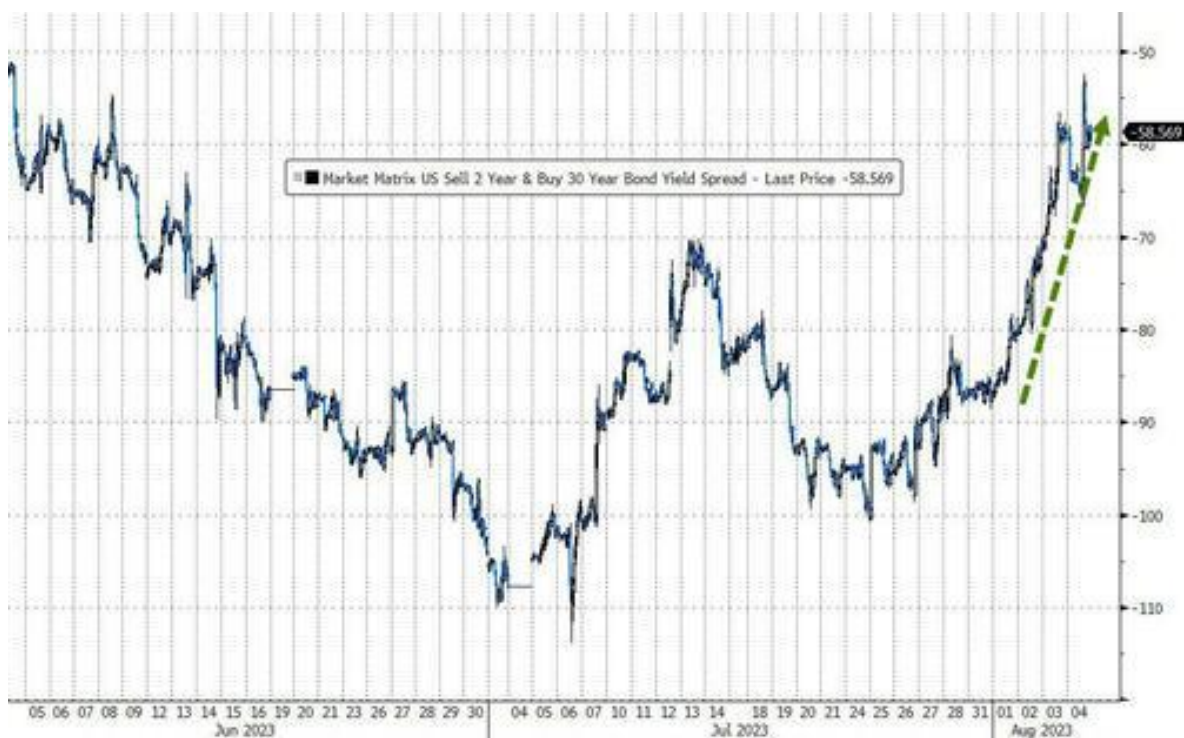


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #us #treasuries #yield-curve

The yield curve surged this week (2s30s steeper for the 9th straight day). Outside of the SVB collapse, the last two weeks have seen the biggest curve-steepening since April 2022...







## #us #treasuries #technicals

Yields reversed at key resistance levels from last November (or March's SVB collapse)...



### #us #credit-rating #downgrade

United States' long-term foreign currency debt rating was downgraded by Fitch to AA+ from AAA. Outlook to stable from watch negative. "The rating downgrade of the United States reflects the expected fiscal deterioration over the next three years, a high and growing general government debt burden, and the erosion of governance relative to 'AA' and 'AAA' rated peers over the last two decades that has manifested in repeated debt limit standoffs and last-minute resolutions," Fitch said. "Additionally, there has been only limited progress in tackling medium-term challenges related to rising social security and Medicare costs due to an aging population". "Fitch forecasts a GG deficit of 6.6% of GDP in 2024 and a further widening to 6.9% of GDP in 2025"



Source: bloomberg

# #GLOBALMARKETS WEEKLY WRAP-UP

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#markets

## #us #national-debt #fed

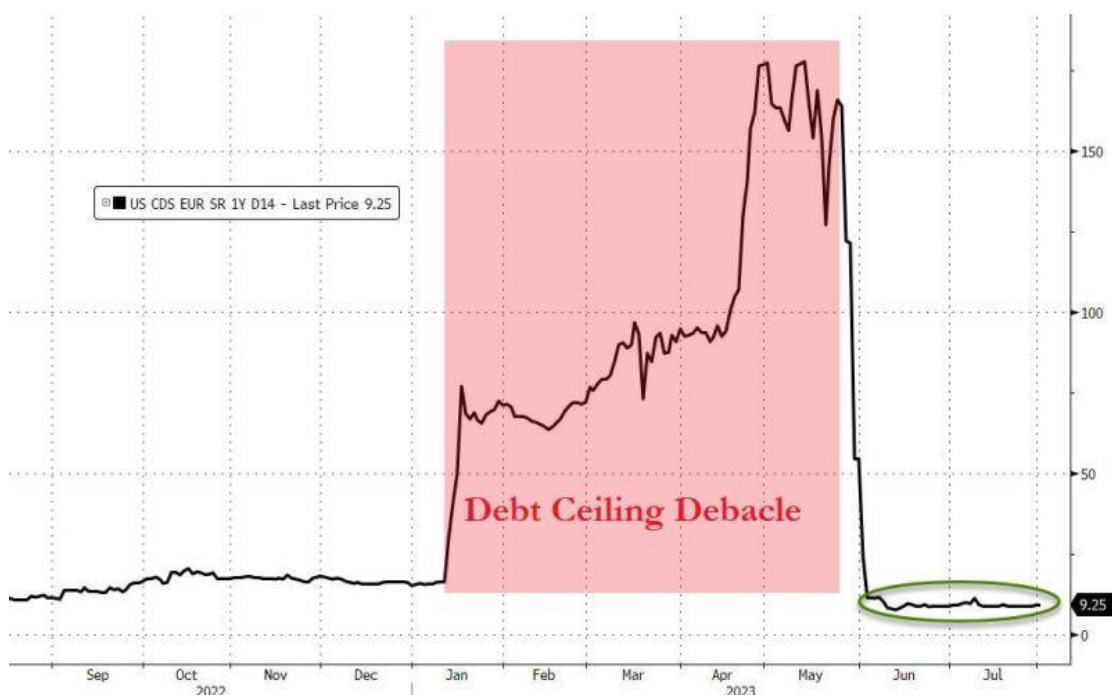
Ummmm....?

The image is a screenshot of a news article from CNBC and Fortune. The article is titled "Yellen: \$20 trillion national debt 'should keep people awake at night'" and is dated November 29, 2017. The author is Jeff Cox. The article is part of a series titled "BEFORE \$10 TRILLION LATER". The article text states: "Janet Yellen criticizes Fitch's downgrade of U.S. credit as 'entirely unwarranted' and insists the country has the world's 'most dynamic' economy". The article is by Christopher Condon and Bloomberg, dated August 2, 2023 at 12:43 PM PDT. The screenshot also shows the CNBC logo, a "WATCH LIVE" button, and social media sharing icons for Facebook, Twitter, LinkedIn, and Email.

Source: CNBC, Fortune

## #us #cds #sovereign-risk

Note that US Sovereign risk (aka CDS on 1-year US Treasury) was completely unmoved by the Fitch downgrade...





#us #credit-rating #downgrade

US Credit rating by agency (thru Evan)

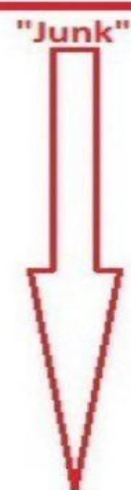
Moody's: Aaa

S&P: AA+

Fitch: AA+

Credit Rating Scales by Agency, Long-Term

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



WOLFSTREET.com



Source: Evan

#markets

## #us #credit-rating #aaa

Who is left in the AAA club? (the US is now split-rated AA+)

Global Credit Ratings			
	Fitch	Standard & Poors	Moody's
Germany	AAA	AAA	Aaa
Denmark	AAA	AAA	Aaa
Netherlands	AAA	AAA	Aaa
Sweden	AAA	AAA	Aaa
Norway	AAA	AAA	Aaa
Switzerland	AAA	AAA	Aaa
Luxembourg	AAA	AAA	Aaa
Singapore	AAA	AAA	Aaa
Australia	AAA	AAA	Aaa
<b>US</b>	<b>AA+</b>	<b>AA+</b>	Aaa

Source: Bloomberg  
Note: Local currency long-term rating

Bloomberg

## #us #bonds #rating #aaa

Just 2 Remaining AAA-Rated Companies in the S&P 500 shine As U.S. Gets Downgraded: Johnson & Johnson and Microsoft. This is a startling decline in the number of AAA companies from years past. More than 60 U.S. companies carried the coveted AAA credit rating from S&P Global Market Intelligence in 1980. And that dropped to just six in 2008. Since then, ExxonMobil, General Electric, drugmaker Pfizer, and Automatic Data Processing have all been downgraded.

### Firms with highest credit ratings

Company	Ticker	Credit Rating	YTD stock % ch.	Sector
Johnson & Johnson	(JNJ)	AAA	-3.4%	Health Care
Microsoft	(MSFT)	AAA	37.9%	Information Technology
Alphabet	(GOOGL)	AA+	46.8%	Communication Services
Apple	(AAPL)	AA+	48.8%	Information Technology
Amazon.com	(AMZN)	AA	53.5%	Consumer Discretionary
Berkshire Hathaway	(BRKA)	AA	13.9%	Financials
Walmart	(WMT)	AA	12.2%	Consumer Staples
Abbott Laboratories	(ABT)	AA-	-0.4%	Health Care
Accenture	(ACN)	AA-	20.2%	Information Technology
Automatic Data Processing	(ADP)	AA-	3.3%	Industrials

Source: investors

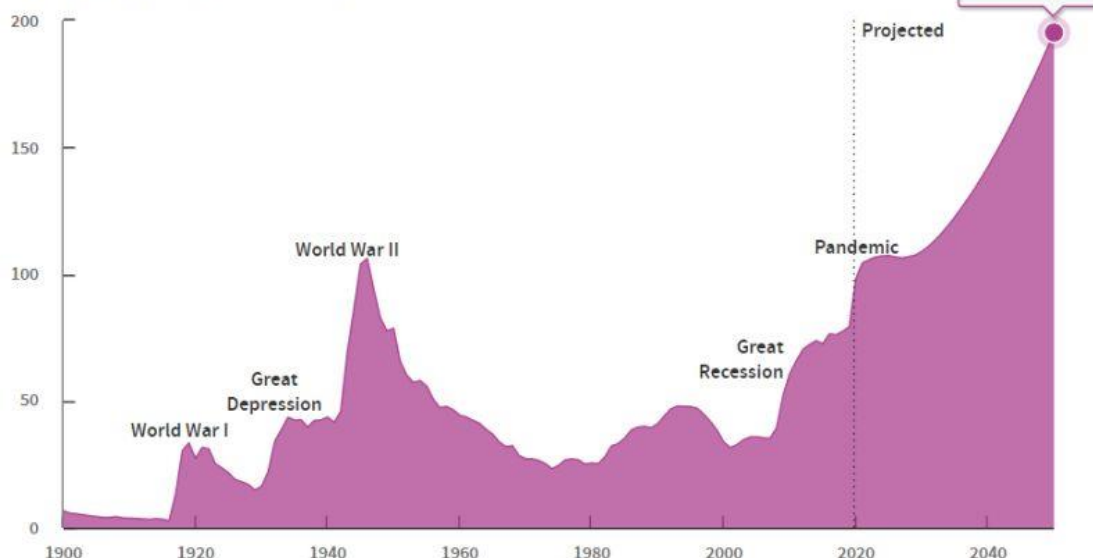
#markets

## #us #debt #gdp

Total US debt levels are expected to rise from 98% of GDP in 2023 to 118% of GDP in 2033. By 2053, Debt-to-GDP in the US is expected to hit an alarming 195%. Hopefully yesterday's downgrade of the US credit rating brings some more attention to this topic.

Federal Debt Held by the Public, 1900 to 2050

Percentage of Gross Domestic Product





#markets

## #us #interest-expense #payments

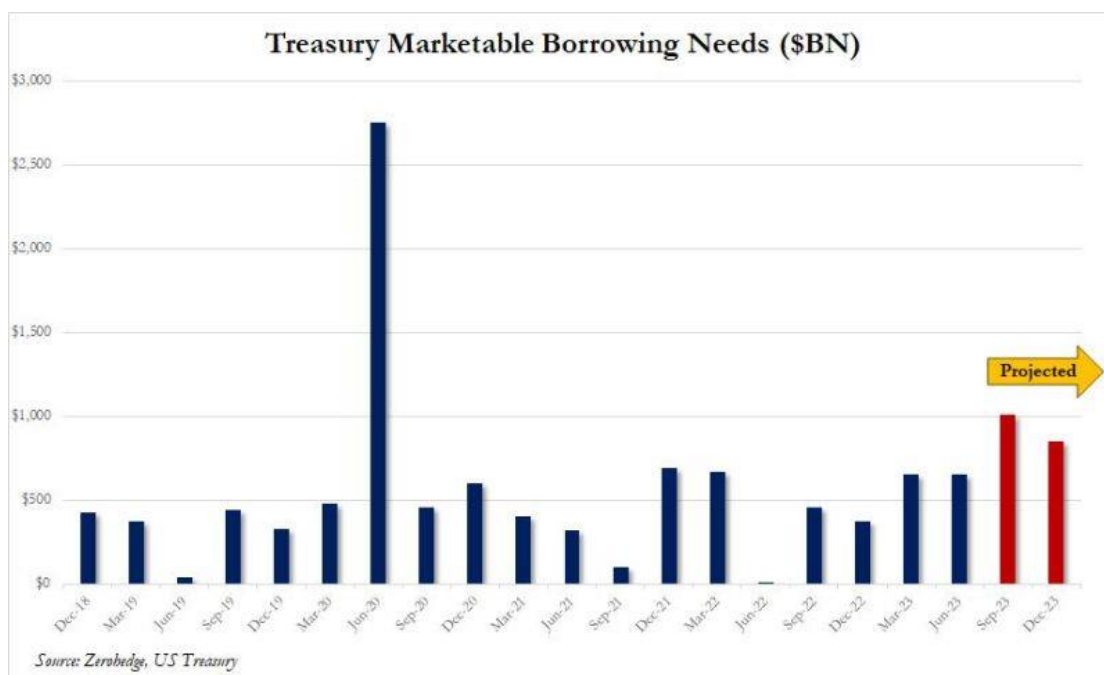
US interest expenses have surged by about 50% in the past year, to nearly \$1 trillion on an annualized basis





## #us #debt #treasury #borrowing

Debt Tsunami Begins: US To Sell \$1 Trillion In Debt This Quarter, 2nd Highest In History, As Budget Deficit Explodes. The \$1.007 trillion in upcoming marketable borrowing is the second highest on record; only the \$2.753 trillion in Q2 2020 surpasses it.

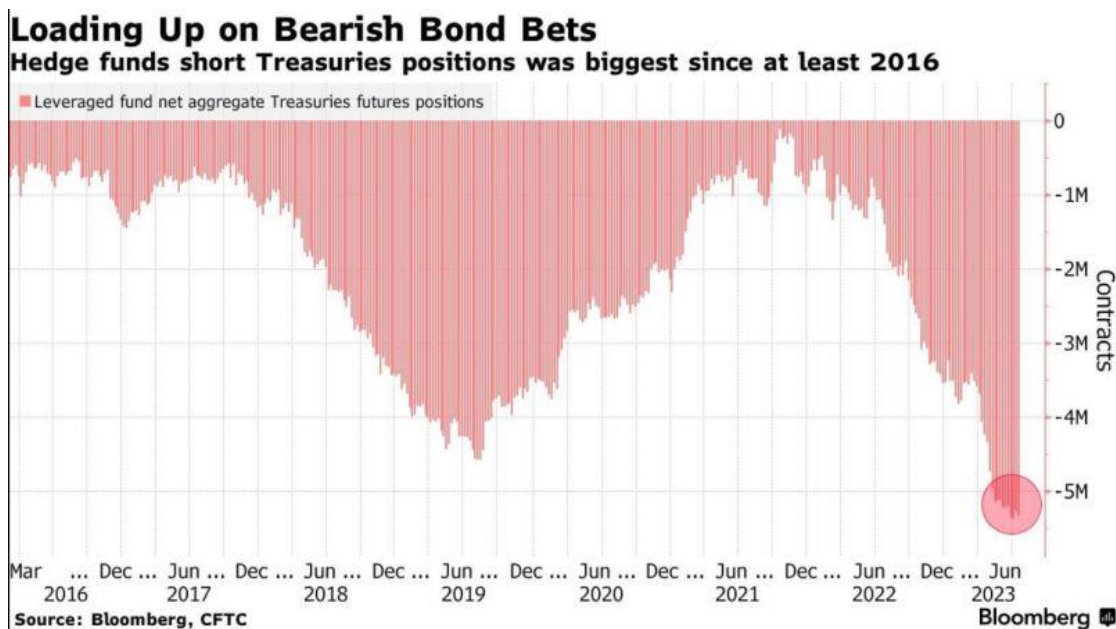


Source: [www.zerohedge.com](http://www.zerohedge.com), US Treasury



## #hedge-fund #treasuries #short

Hedge Funds are shorting treasuries at historic levels and are the most short they've been since at least at least 2016



Source: Bloomberg, Barchart

### #us #treasuries #post-fed-peak-rate

Over the past 40 years, Treasury yields have always declined six months after the last Fed hike

Last hike	Change in 2-yr yields	Change in 10-yr yields	6-month return in short-term bonds	6-month return in long-term bonds
8/21/1984	-2.2%	-1.0%	11.0%	19.3%
9/4/1987	-1.0%	-1.0%	6.1%	11.6%
2/24/1989	-1.3%	-1.2%	7.0%	12.0%
2/1/1995	-1.4%	-1.2%	5.6%	12.8%
5/16/2000	-1.0%	-0.8%	5.5%	9.3%
6/29/2006	-0.4%	-0.5%	3.7%	8.9%
12/19/2018	-0.9%	-0.7%	3.8%	11.4%
Average	-1.2%	-0.9%	6.1%	12.2%


Source: Edward Jones

#markets

## #us #bond #drawdown

The US bonds Market has now been in a drawdown for 3 years, by far the longest in history

Bloomberg US Aggregate Bond Index: Longest Drawdowns (Monthly Data, 1976 - 2023)			
Start of Drawdown	End of Drawdown	# Months	Max Drawdown During Period (Monthly)
Aug-20	?	36	-17.2%
Jul-80	Oct-81	16	-9.0%
May-13	Apr-14	12	-3.7%
Aug-16	Jul-17	12	-3.3%
Feb-94	Jan-95	12	-5.1%
Mar-87	Nov-87	9	-4.9%
Aug-79	Apr-80	9	-12.7%
Apr-08	Nov-08	8	-3.8%
Feb-96	Sep-96	8	-3.2%
Jun-03	Nov-03	6	-3.6%
Feb-84	Jun-84	5	-4.9%
May-83	Aug-83	4	-3.5%

 CREATIVE PLANNING · @CharlieBilello (As of 7/31/23)

Source: Charlie Bilello



## #dollar

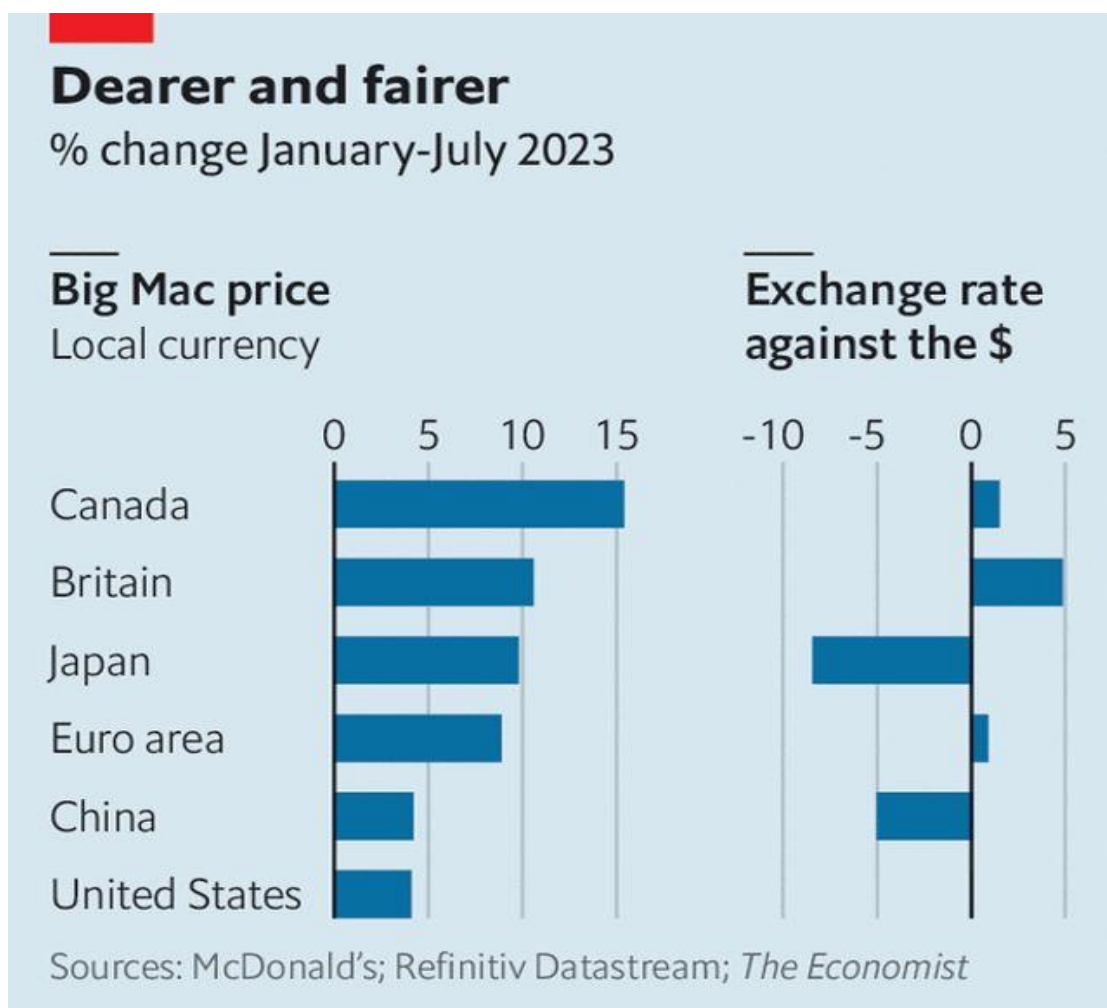
The dollar rallied for the 3rd straight week, though today's dovishness took some of the lipstick off. The reversal in the USD happened right at the pre-Payrolls dump level from July...





## #euro #big-mac-index

The Euro is now overvalued against the Dollar for the 1st time in 2 years, says the Big Mac index.



The Economist

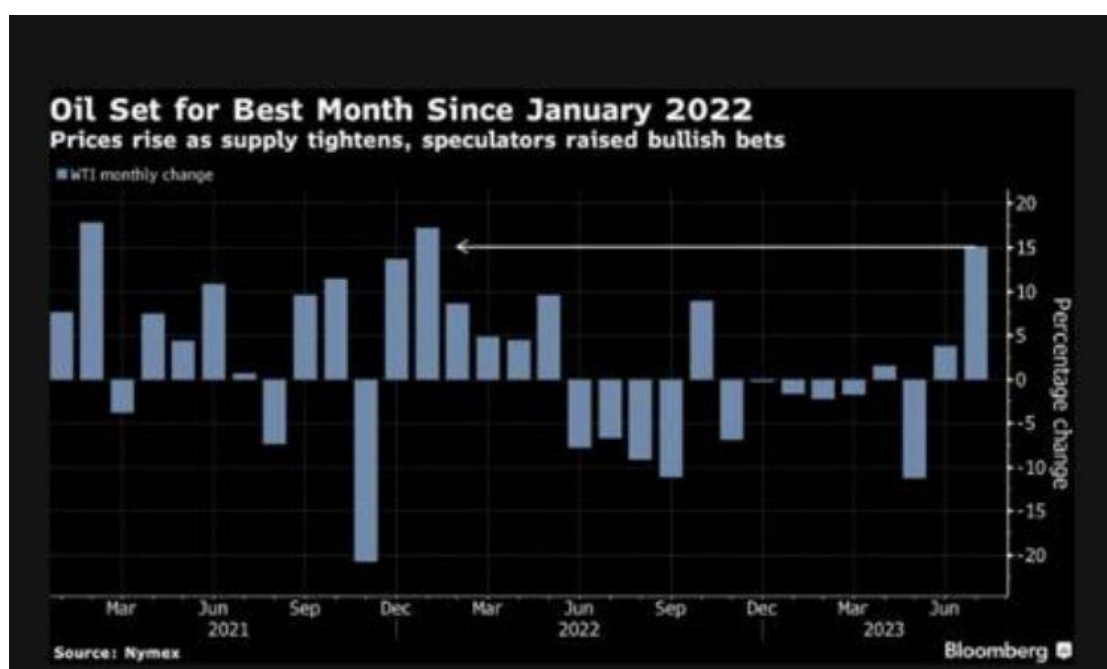
Source: The Economist





## #oil #july #performance

Oil recorded its best month since January 2022...



Source: bloomberg





## #oil #technicals

WTI is at its highest since November...



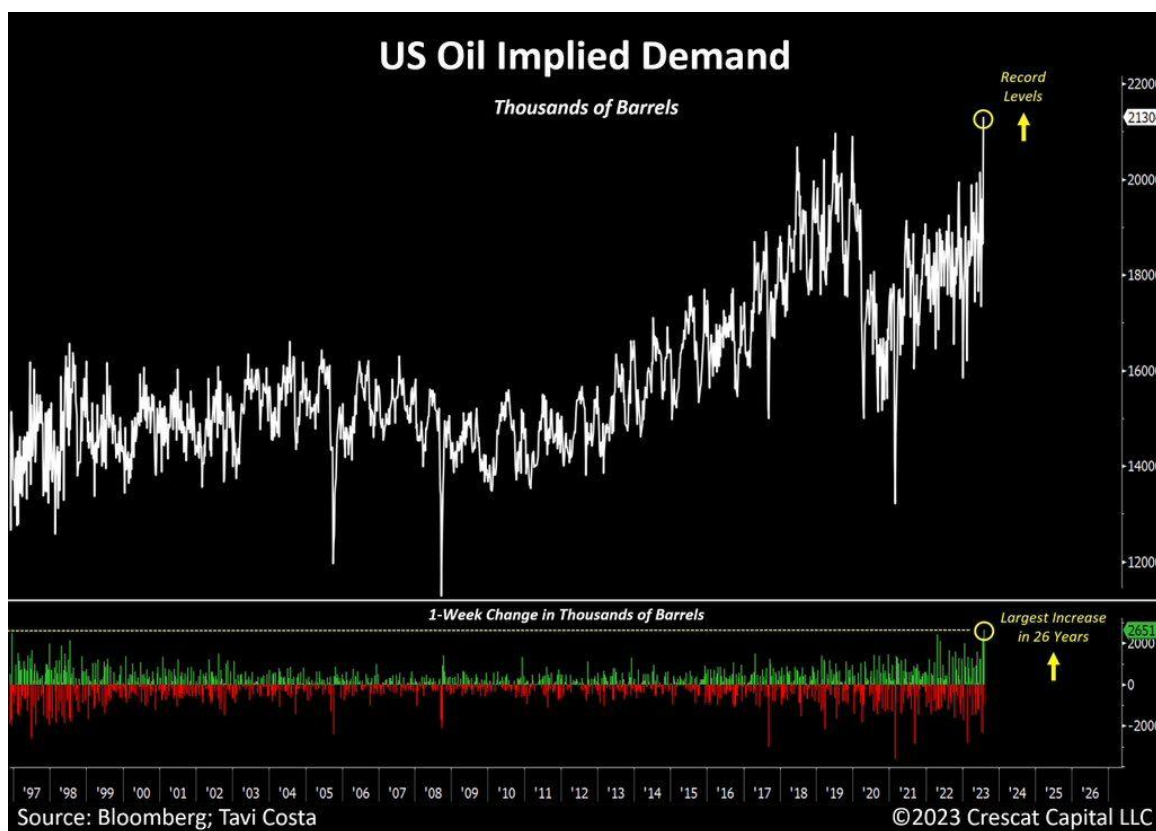
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #oil #demand

As highlighted by Tavi Costa, the implied demand for #oil just surged to all-time highs. It was the largest weekly increase in 26 years.

Meanwhile, US oil production remains ~7% below pre-pandemic levels with total operating rigs starting to contract for the first time in 3 years.

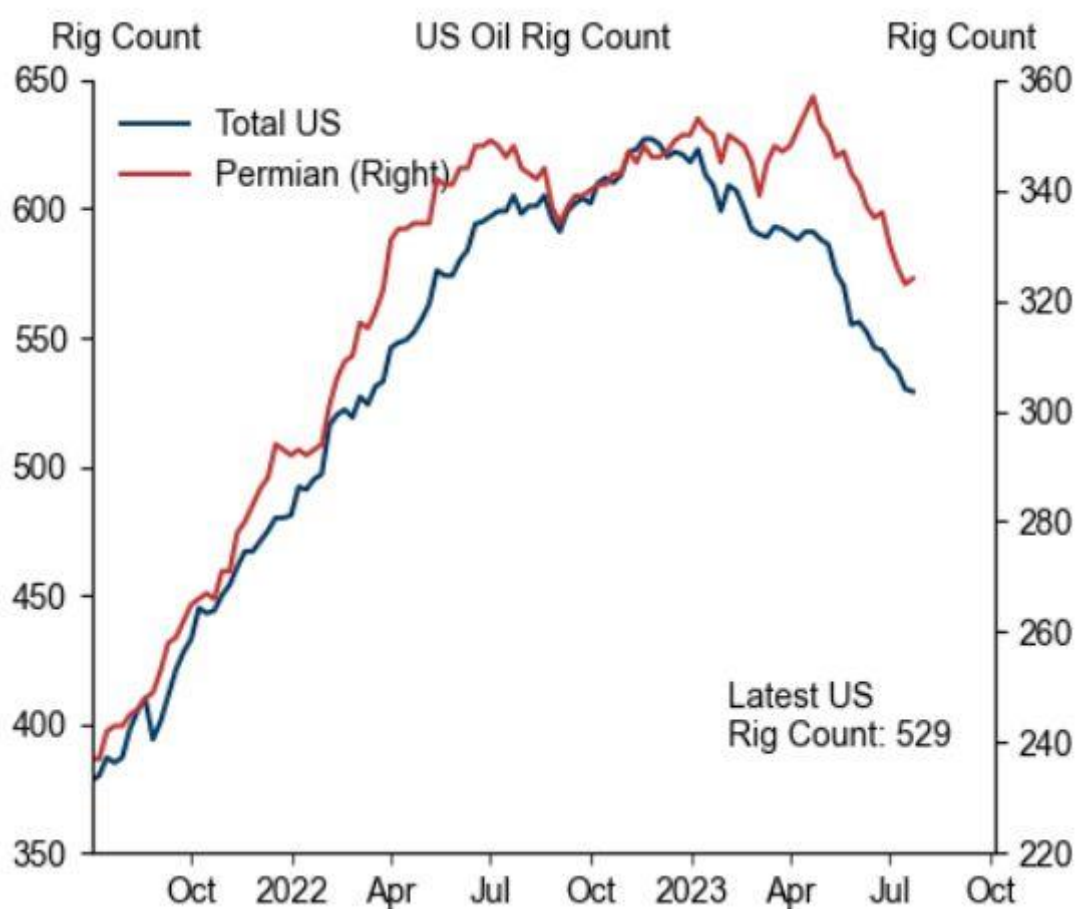


Source: Crescat Capital



## #oil #supply #rig-count

The supply story in oil is getting worse...





## #gold #dollar

Moving in pretty much perfect tandem. Gold vs DXY inverted.

Gold and the dollar



Source: Refinitiv



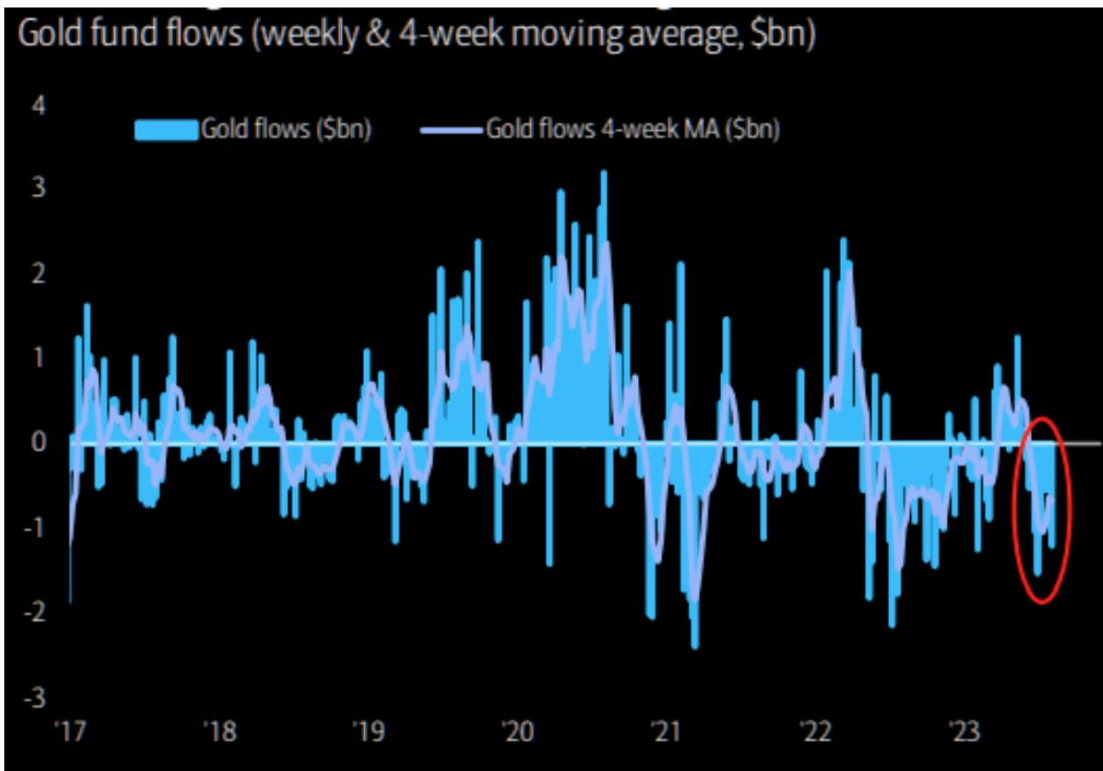
Source: TME



## #gold #flows

This is the longest streak of outflows from gold since November '22.

### Gold outflows



Source: BofA

Source: TME, BofA

## #GLOBALMARKETS WEEKLY WRAP-UP

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5 August 2023

#macro

## #us #economic-surprise #index

The Citi US Economic Surprise Index is at the highest levels since early 2021.





## #us #economic-surprise #index

'Hope' has been in charge of macro data recently with 'soft' survey data surging back in its mean-reverting manner as 'hard' real data has been fading (led down by industrial, personal finance, and housing data)...



Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #us #jobs #employment #wages

A mixed message from the July US jobs report: the US economy added 187k jobs according to Establishment survey, a tiny bit below Street's +200k forecast. According to the Household survey, the number of employed people rose by 268k. Because of this 268k number, unemployment rate dipped to 3.5%, down from 3.6% in June and below estimated 3.6%. Wages ran hot, coming in at +4.4% YoY (vs Street +4.2% and vs +4.4% in June)

United States		Browse	14:39:18	08/04/23	08/11/23					
Economic Releases		All Economic Releases		View	Agenda	Weekly				
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	08/04 14:30				Two-Month Payroll Net Revision	Jul	--	-49k	--	--
22)	08/04 14:30				Change in Nonfarm Payrolls	Jul	200k	187k	209k	185k
23)	08/04 14:30				Change in Private Payrolls	Jul	180k	172k	149k	128k
24)	08/04 14:30				Change in Manufact. Payrolls	Jul	5k	-2k	7k	6k
25)	08/04 14:30				Unemployment Rate	Jul	3.6%	3.5%	3.6%	--
26)	08/04 14:30				Average Hourly Earnings MoM	Jul	0.3%	0.4%	0.4%	--
27)	08/04 14:30				Average Hourly Earnings YoY	Jul	4.2%	4.4%	4.4%	--
28)	08/04 14:30				Average Weekly Hours All Employees	Jul	34.4	34.3	34.4	--
29)	08/04 14:30				Labor Force Participation Rate	Jul	62.6%	62.6%	62.6%	--
30)	08/04 14:30				Underemployment Rate	Jul	--	6.7%	6.9%	--



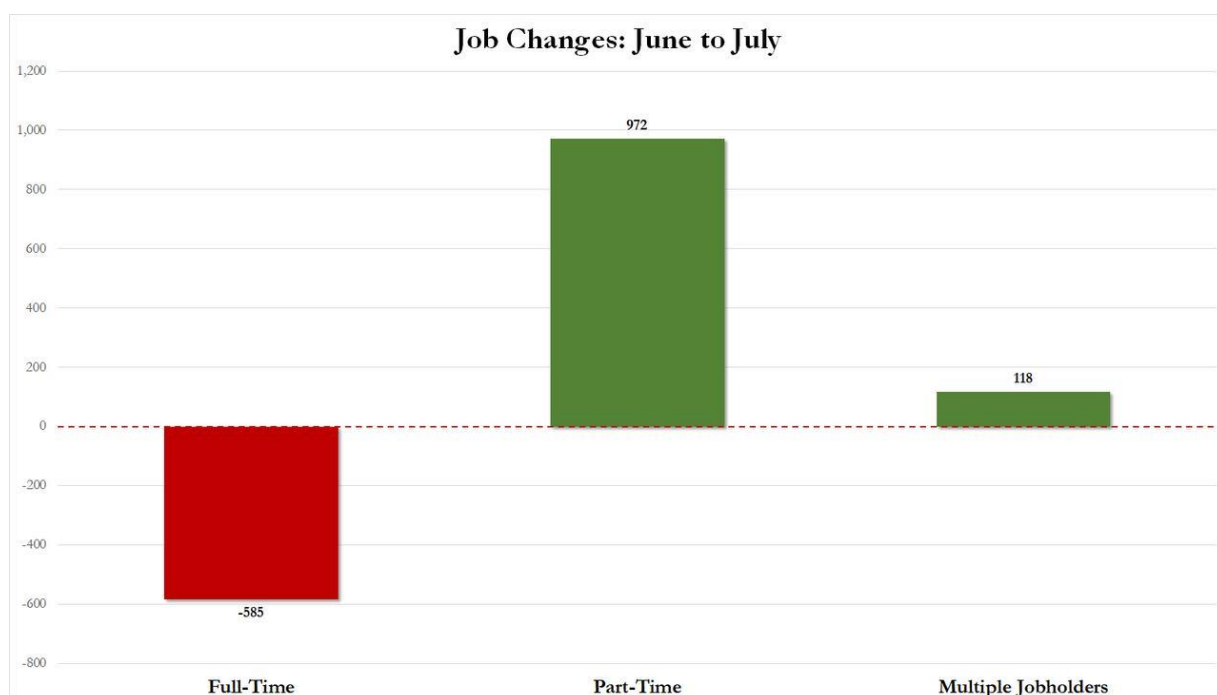
Source: HolgerZ, Bloomberg



#macro

## #us #jobs #change

in July the US added 187K payrolls, and the number of employed workers rose by 268K. However, taking a closer look at the composition we find that in July, the number of well-paid, full-time workers collapsed by a near record 585K, offset by a 972K surge in part-time workers. As for the balance, it was the 118K people who discovered last month that to keep up with the economic miracle that is bidenomics, they need to work at least one more job..

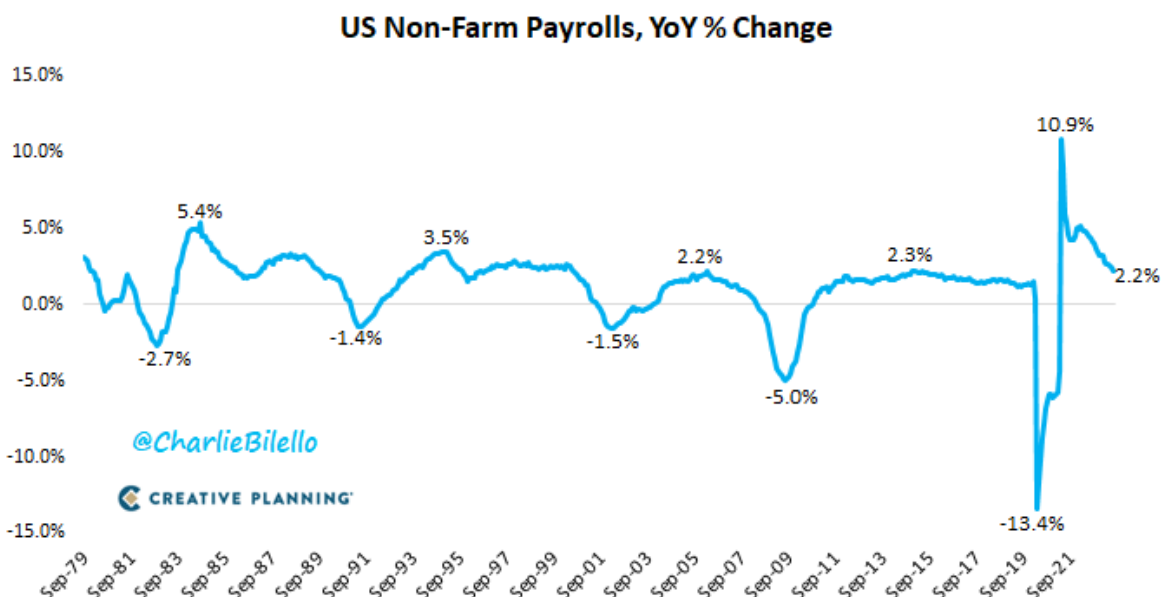


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #us #jobs #change

Total jobs in the US increased 2.2% over the last year, the lowest YoY growth rate since March 2021. Labor market is slowly moving back to normal.



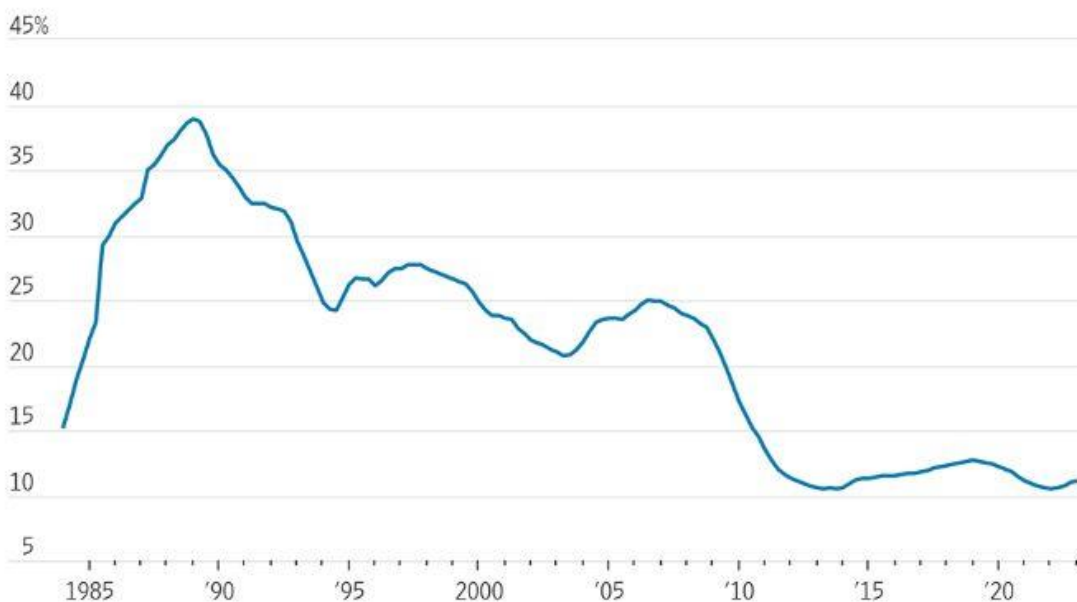
Source: Charlie Bilello



## #us #debt #adjustable-rate

Only 11% of US household debt has an adjustable interest rate. That means the vast majority of Americans with existing fixed rate mortgages/auto loans/student loans have not been impacted by the Fed's 11 rate hikes.

Share of household debt that adjusts with market interest rates



Source: Moody's Analytics

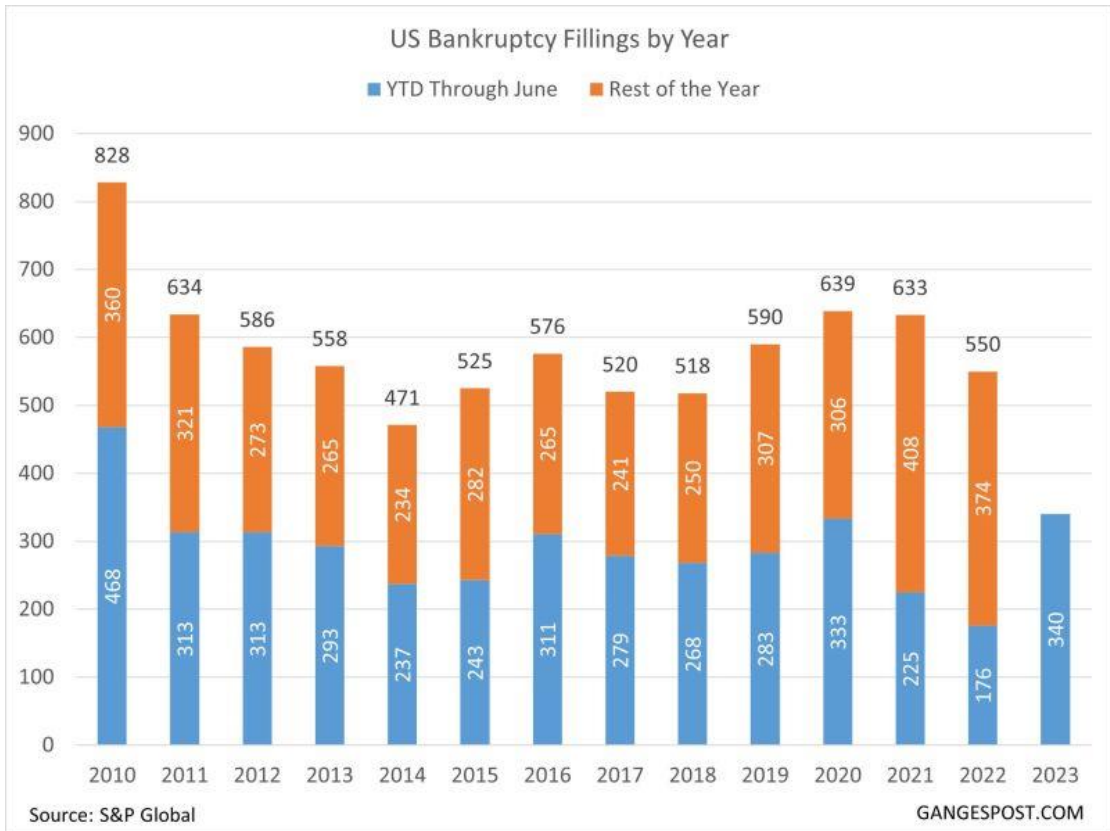
Source: Charlie Bilello





## #us #bankruptcies #rates

The US saw a total of 340 bankruptcies in the first 6 months of 2023. This is more than the first half of 2020 when the US went into a full lockdown. It's the highest number of first half bankruptcies since 2010. Businesses are feeling the pain of higher interest rates.

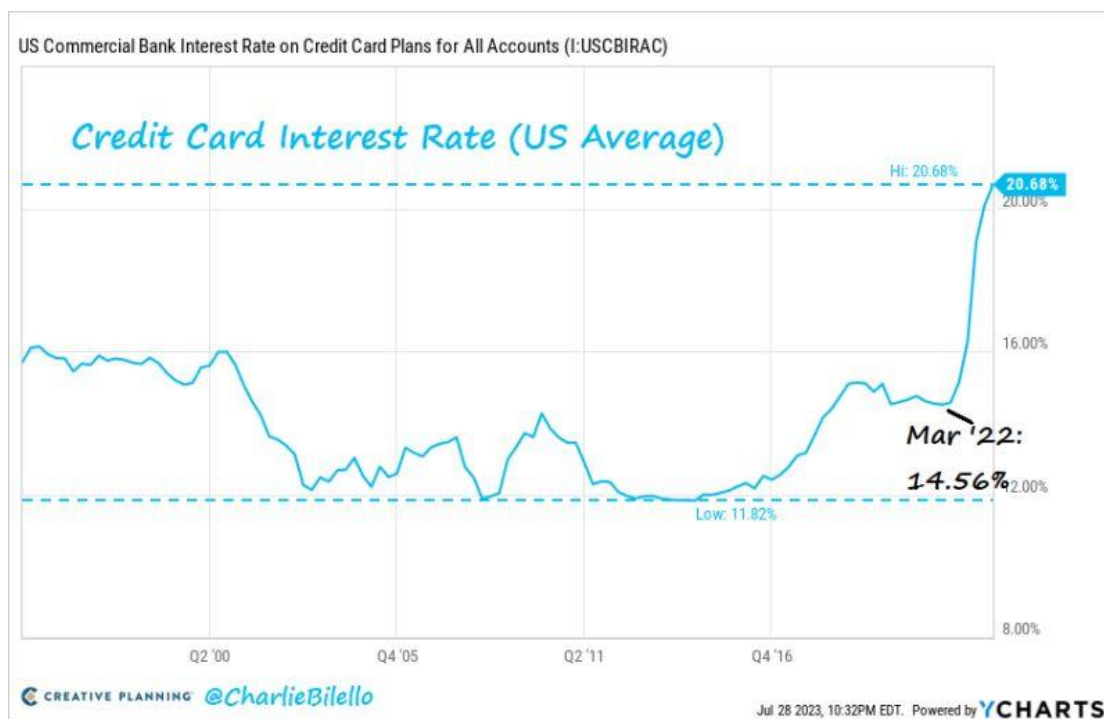


Source: The Kobeissi Letter



#us #interest-rate #credit-card

The average interest rate on US credit card balances has spiked to 20.7%. With data going back to 1994, that's the highest rate we've ever seen. Meanwhile, delinquency rates on credit card loans from small lenders are now at an all time high of 7.1%. That's above the 6.0% peak in 2008 and up sharply from 3.8% in 2020.



Source: Charlie Bilello, The Kobeissi Letter



## #us #income-tax-receipts

Despite the strong upward move of the Citigroup US economic Surprises index and the strong YTD performance of financial assets, there are signs that things are that rosy for the SU economy.



**Otavio (Tavi) Costa**   
@TaviCosta

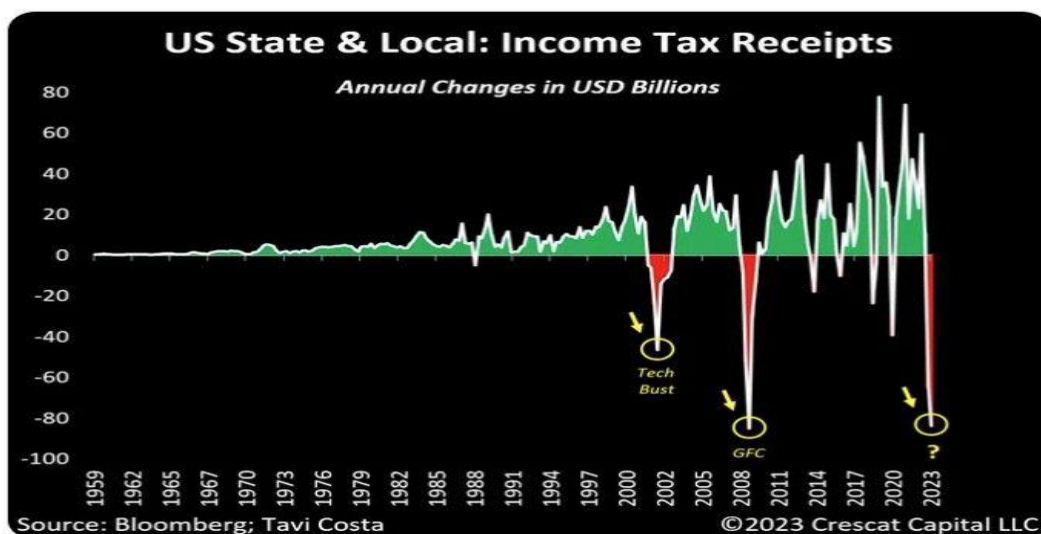


US state and local governments just experienced the worst decline in income tax revenues ever recorded.

This was the second steepest year-over-year percentage decline in history, with only the GFC having a worse outcome.

Note that Federal tax receipts are also dropped again, now at recessionary levels and approaching -10% on a YoY basis.

This is a clear indication of the continued fundamental deterioration of the economy, which sharply contrasts with overall financial assets that remain at excessively inflated valuations.



Source: Tavicosta





#us #diesel #inflation #cpi

US diesel vs inflation: if history is any guide, recent pop of US diesel prices could imply CPI going back over 4%

**Chart 4: Rising diesel prices..tracks CPI inflation**  
NY Harbor Diesel (\$/gal) vs US CPI YoY %



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

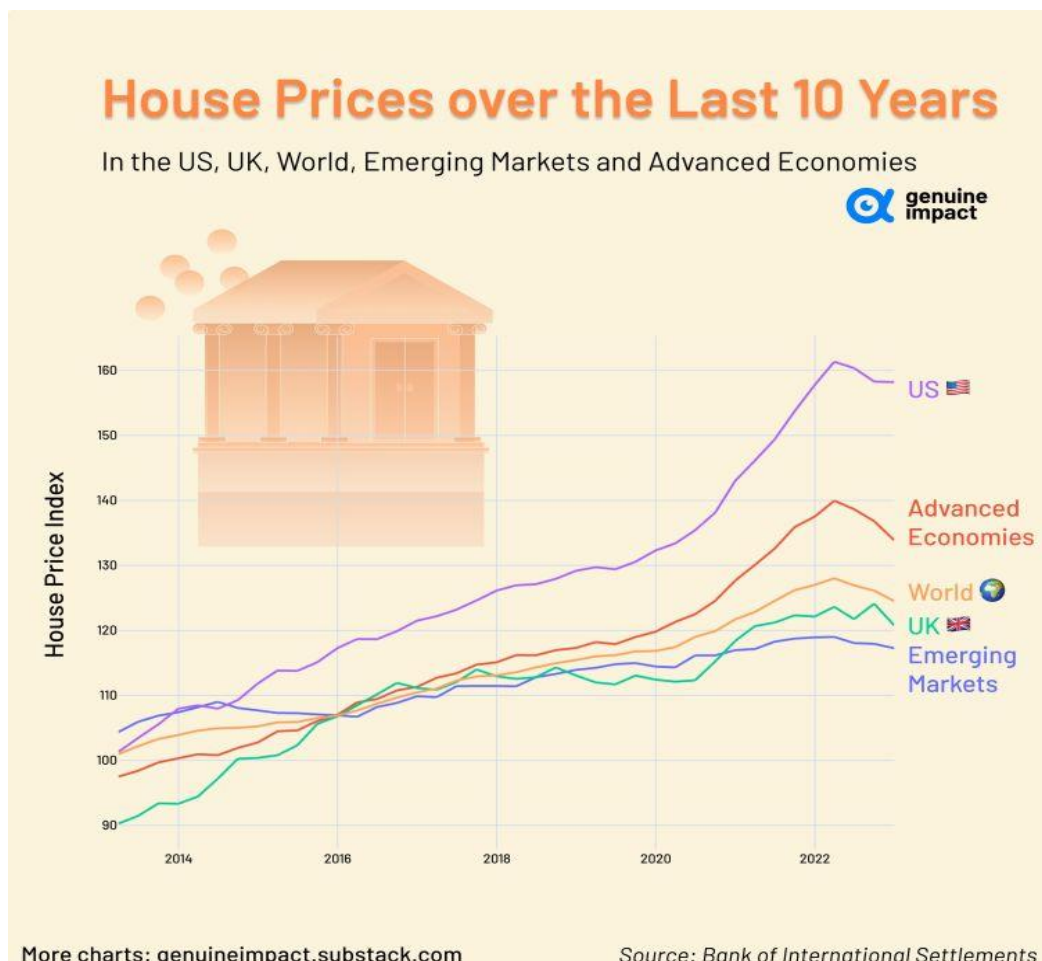


Source: BofA



## #global #housing #property-prices

Housing is becoming unaffordable! Over the last decade, property prices have steadily increased in many regions. The index in the UK is lower than the global average, whilst the US is substantially higher.







## #us #homeowners #borrowing

US housing -> Lots of US Homeowners Want to Move. They Just Have Nowhere to Go - Bloomberg

Locked into cheaper borrowing costs and unable to find a new place that fits their budgets, countless people are opting to remain in their current homes, adding to an acute shortage of available properties =>

### US Existing-Home Inventory Slides

The supply of listings is about half of what it was four years ago

■ Previously Owned US Homes Listed for Sale



Source: National Association of Realtors/Bloomberg

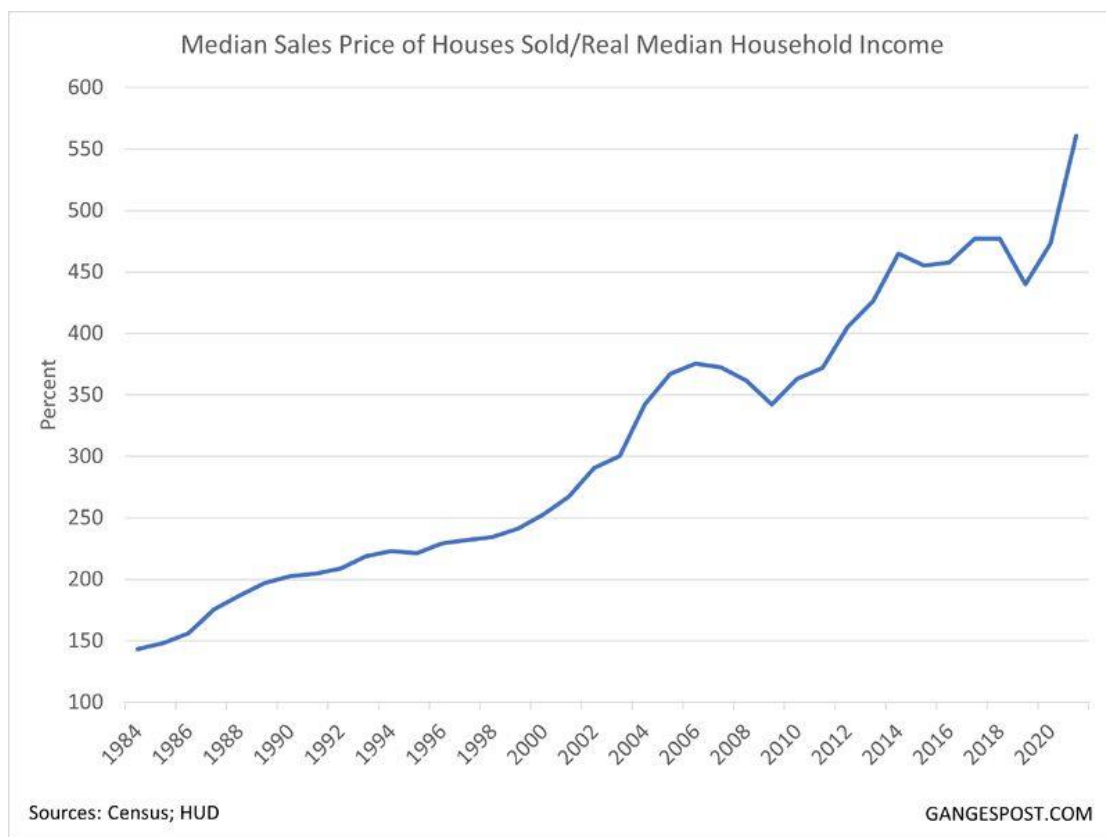
Source: Bloomberg





## #us #house-price #housing-market

The median sales price of a home in the US is now 560% of the median household income. In 2008, it was 360% of the median household income. This is the least affordable housing market in history.



Source: The Kobeissi Letter





## #us #banking-crisis

The slow-motion US banking crisis is still not out of the woods... Indeed, US Money Market funds saw a third straight week of inflows (\$29 billion this past week) to a new record high of \$5.15 trillion...Retail money-market funds saw inflows for the 15th straight week (and institutional funds also saw a second straight week of inflows)... Usage of The Fed's emergency bank bailout facility rose by \$606 million to a new record high at \$106 billion...



Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg

#geopolitics

### #yuan #dollar #trade

In case you missed it -> The yuan exceeds dollar in China's bilateral trade for first time. The yuan was used in 49% of China's cross-border transactions last quarter, topping the dollar for the first time, a Nikkei analysis shows, mainly due to a more open capital market and more yuan-based trade with Russia. Nikkei looked at international trade by companies, individuals and investors based on currency, using statistical data from the State Administration of Foreign Exchange of China. Nikkei's compilation does not include yuan-based settlements for trades and capital transactions that do not involve China as a counterparty.

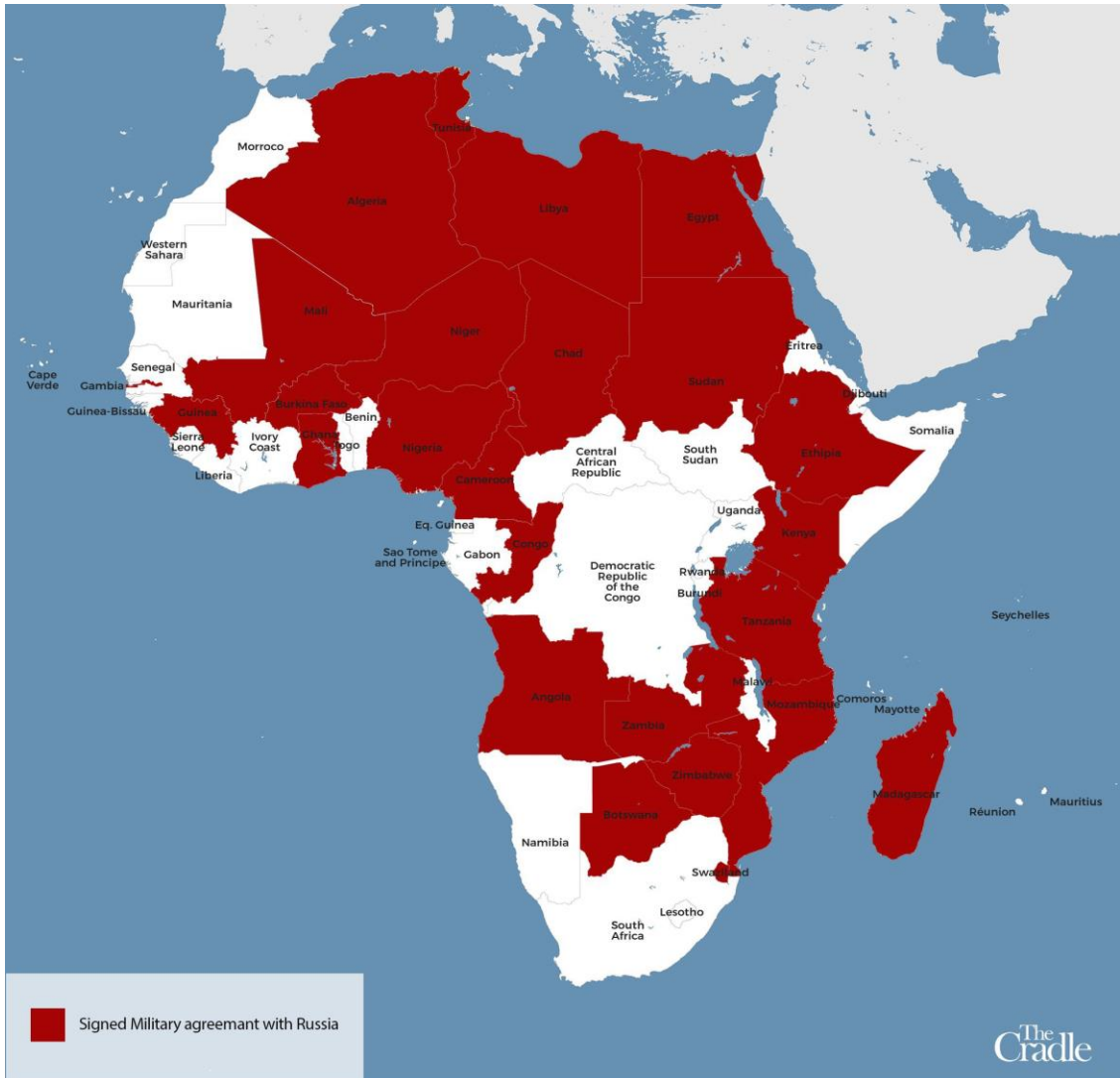


Source: Asia Nikkei



#russia #africa

Map of African countries that have signed military agreements with Russia



Source: The Cradle, Jackson Hinkle

## #centralbanks

### #global #rates

Bank of England hiked rates for the 14th time, 25 bps increase to 5.25%. This is now their highest rate since 2008.

Global Central Bank Policy Rates							
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	YoY CPI Trend vs. Prior Reading	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	3.3%	-3.4%	Higher	Cut	Jan-16
Switzerland	Target Rate	1.75%	1.6%	0.2%	Lower	Hike	Jun-23
Taiwan	Discount Rate	1.88%	1.8%	0.1%	Lower	Hike	Mar-23
Thailand	Policy Rate	2.25%	0.2%	2.0%	Lower	Hike	Aug-23
Malaysia	Policy Rate	3.00%	2.4%	0.6%	Lower	Hike	May-23
Denmark	Deposit Rate	3.35%	2.5%	0.9%	Lower	Hike	Jul-23
South Korea	Repo Rate	3.50%	2.3%	1.2%	Lower	Hike	Jan-23
China	Loan Prime Rate	3.55%	0.0%	3.6%	Lower	Cut	Jun-23
Eurozone	Deposit Rate	3.75%	5.3%	-1.6%	Lower	Hike	Jul-23
Sweden	Repo Rate	3.75%	9.3%	-5.6%	Lower	Hike	Jun-23
Norway	Deposit Rate	3.75%	6.4%	-2.7%	Lower	Hike	Jun-23
Australia	Cash Rate	4.10%	5.4%	-1.3%	Lower	Hike	Jun-23
Canada	Overnight	5.00%	2.8%	2.2%	Lower	Hike	Jul-23
UK	Bank Rate	5.25%	7.9%	-2.7%	Lower	Hike	Aug-23
US	Fed Funds	5.38%	3.0%	2.4%	Lower	Hike	Jul-23
New Zealand	Cash Rate	5.50%	6.0%	-0.5%	Lower	Hike	May-23
Hong Kong	Base Rate	5.75%	1.9%	3.9%	Lower	Hike	Jul-23
Indonesia	Repo Rate	5.75%	3.1%	2.7%	Lower	Hike	Jan-23
Saudi Arabia	Repo Rate	6.00%	2.7%	3.3%	Lower	Hike	Jul-23
Philippines	Key Policy Rate	6.25%	5.4%	0.9%	Lower	Hike	Mar-23
India	Repo Rate	6.50%	4.8%	1.7%	Higher	Hike	Feb-23
Poland	Repo Rate	6.75%	10.8%	-4.1%	Lower	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	9.7%	-2.7%	Lower	Hike	Jun-22
Peru	Policy Rate	7.75%	5.9%	1.9%	Lower	Hike	Jan-23
South Africa	Repo Rate	8.25%	5.4%	2.9%	Lower	Hike	May-23
Russia	Key Policy Rate	8.50%	3.2%	5.3%	Higher	Hike	Jul-23
Chile	Base Rate	10.25%	7.6%	2.7%	Lower	Cut	Jul-23
Mexico	Overnight Rate	11.25%	5.1%	6.2%	Lower	Hike	Mar-23
Colombia	Repo Rate	13.25%	12.1%	1.1%	Lower	Hike	Apr-23
Brazil	Target Rate	13.25%	3.2%	10.1%	Lower	Cut	Aug-23
Turkey	Repo Rate	17.50%	38.2%	-20.7%	Lower	Hike	Jul-23
Argentina	Benchmark Rate	97.00%	115.6%	-18.6%	Higher	Hike	May-23

CREATIVE PLANNING

@CharlieBilello

Data as of 8/3/23

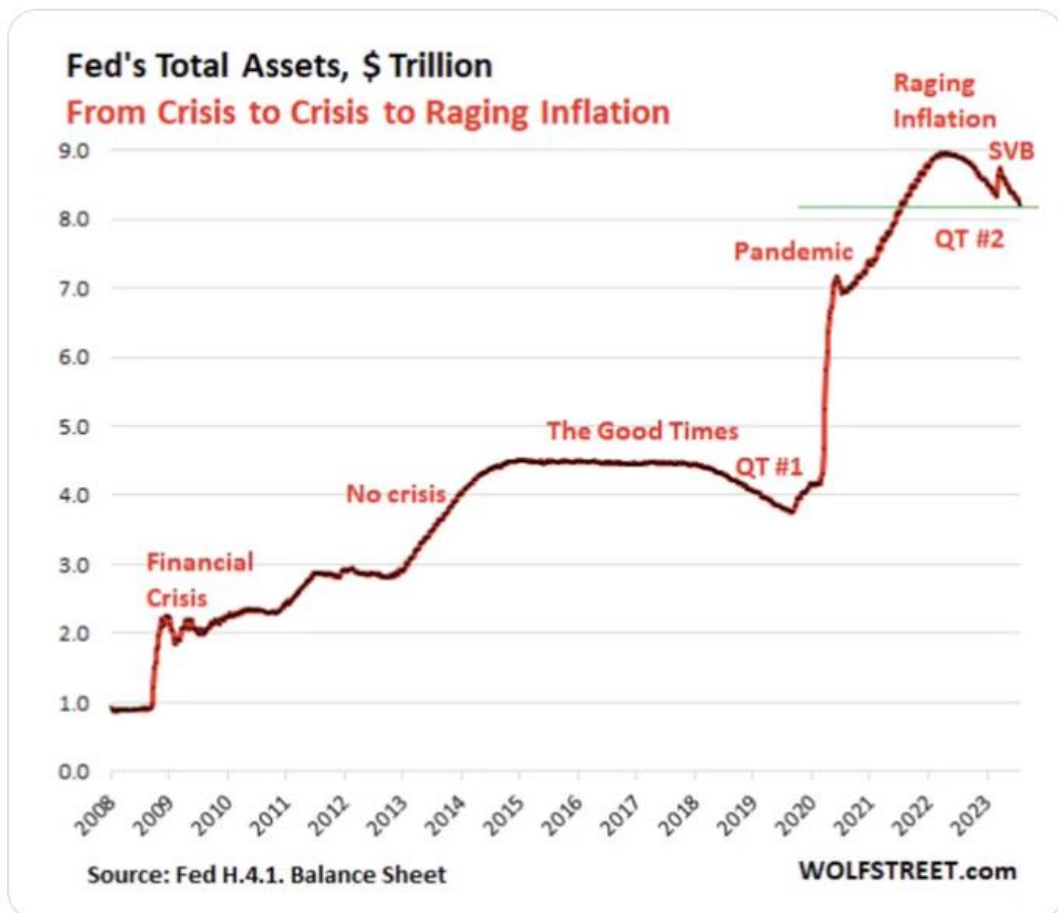


Source: Charlie Bilello

#centralbanks

#fed #qt

Fed QT accelerates. Fed balance sheet shrank \$91bn in July, - \$759bn from peak, biggest drop ever to \$8.2tn, lowest level since July 2021. Fed has now shed 22.3% of the Treasury securities it bought during pandemic QE. Fed's total assets now equal to 30.6% of US's GDP vs ECB's 53%, BoJ's 130%.



Source: HolgerZ, Wolfstreet.com

#centralbanks

### #snb #switzerland #profit

#### SNB Reports First Half Profit Helped by Currency Positions

The Swiss National Bank (SNB) said that it made a profit of 13.7 billion Swiss francs (\$15.3 billion) in the first half of the year, helped by a 16.2 billion profit on its holdings of foreign exchange, according to results reported Monday.



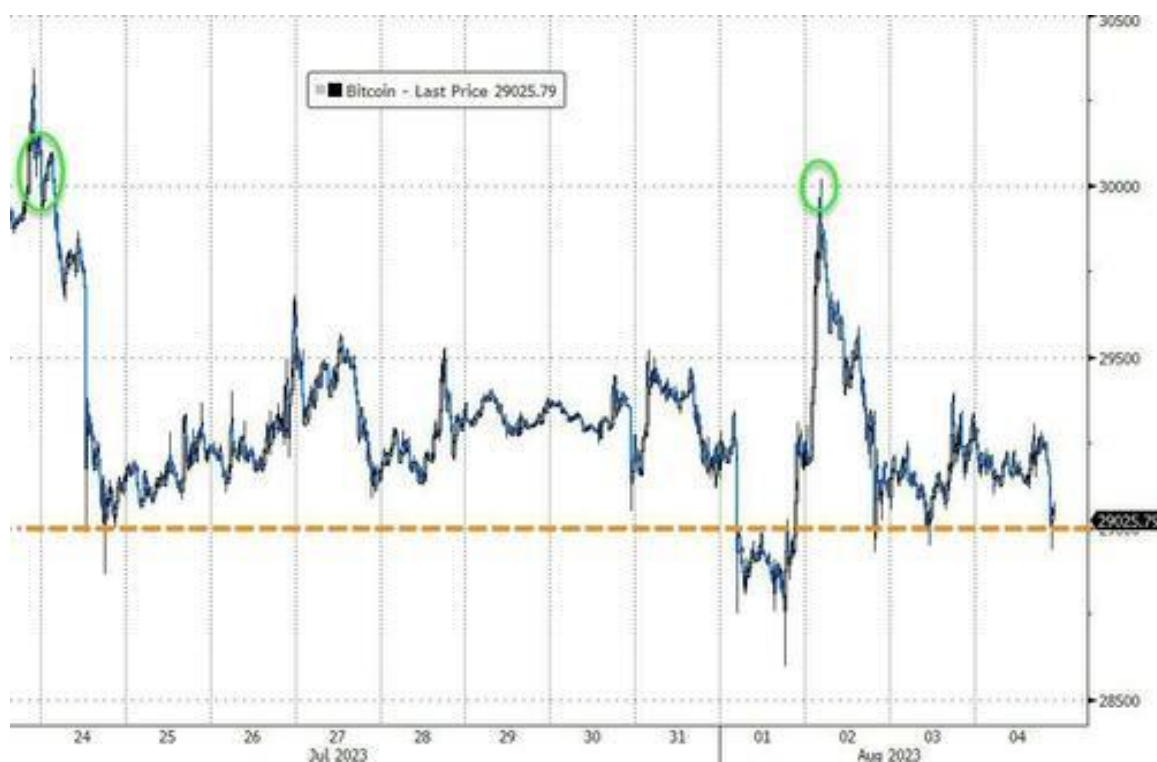
Source: finews





## #bitcoin #weekly

Crypto continues to tread water with BTC hovering around \$29k (after tagging \$30k intraday during the week)

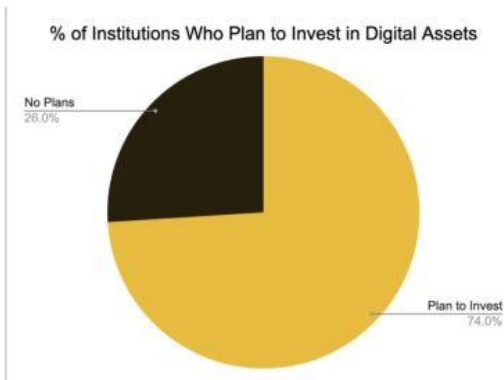


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #digital-assets #strategies #sentiment

Paradigm shift -> A recent study by Fidelity & Binance shows that 81% of surveyed institutional investors are adding digital assets as part of their strategies...



Source: Fidelity, Binance Research

Source: Michela Silvestr

#cryptos

### #bitcoin #microstrategy

JUST IN - MicroStrategy to raise up to \$750 million to buy more Bitcoin and fund other corporate purposes. Business intelligence company MicroStrategy—one of the largest institutional holders of Bitcoin in the U.S.—reported a \$24.1 million impairment charge on its crypto holdings today but nonetheless returned to profitability this quarter. MicroStrategy said in its Q2 2023 earnings report that it bought even more Bitcoin in July. The largest publicly traded company with Bitcoin on its balance sheet now says it holds 152,800 coins—worth about \$4.4 billion. In July, MicroStrategy acquired an additional 467 BTC for \$14.4 million and now holds 152,800 BTC. MicroStrategy stock—MSTR on the Nasdaq—is up 197% since the first Bitcoin buy.

The logo for MicroStrategy, featuring the word "MicroStrategy" in a bold, red, sans-serif font. A small red starburst icon is positioned above the letter "i" in "Micro".

**Up to \$750,000,000**

**Class A Common Stock**

We have entered into a Sales Agreement (the "Sales Agreement") with Cowen and Company, LLC, Canaccord Genuity LLC and Berenberg Capital Markets LLC (collectively, the "Agents"), dated August 1, 2023, relating to the sale of shares of our class A common stock, par value \$0.001 per share, offered by this prospectus supplement. In accordance with the terms of the Sales Agreement, under this prospectus supplement, we may offer and sell shares of our class A common stock having an aggregate offering price of up to \$750,000,000 from time to time through one or more of the Agents, acting as our sales agents.

Our class A common stock is listed on The Nasdaq Global Select Market under the trading symbol "MSTR." On July 31, 2023, the last sale price of our class A common stock as reported on The Nasdaq Global Select Market was \$437.88 per share.

Sales of our class A common stock, if any, under this prospectus supplement may be made at market prices by any method permitted by law that are deemed an "at the market offering" as defined in Rule 415(a)(4) under the Securities Act of 1933, as amended (the "Securities Act"). None of the Agents are required to sell any specific amount, but each will act as our sales agent using commercially reasonable efforts, consistent with its normal trading and sales practices, on mutually agreed terms between the Agents and us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement.

Source: Bitcoin Magazine, Decrypt

#food-for-thought

#stock-prices #movers

What moves stock prices?

Short-Term				Long Term	
	Predictable?		Predictable?		Predictable?
Media Coverage	No	Analyst Upgrade / Downgrade	No	Revenue Growth	Yes / Sort of
Short Seller Report	No	Changes In Interest Rates	No	Profit Growth	Yes / Sort of
Economic data	No	Government Regulation	No	Dividends	Yes / Sort of
Federal Reserve News	No	Politics	No		
Insider Buying / Selling	No	Fund Flows	No		
Guidance Revision	No	Sentiment Change	No		
Public Investor Presentation	Sort of	CEO Tweets	No		
Private Investor Meeting	No	High-frequency traders	No		
Beat / Miss Estimates	No	Black Swan Event	No		
Acquisition	No	Competitor News	No		

Source: Brian Feroldi

#food-for-thought

#marketcap #cross-assets

Asset size

<b>Total Market Cap of Global Bond Market</b>	<b>\$133 Trillion</b>
<b>Total Market Cap of Global Stock Market</b>	<b>\$108 Trillion</b>
<b>Total Market Cap of U.S. Bond Market</b>	<b>\$51 Trillion</b>
<b>Total Market Cap of U.S. Stock Market</b>	<b>\$46 Trillion</b>
<b>Total Value of U.S. Homes</b>	<b>\$45 Trillion</b>
<b>Total Market Cap of Above Ground Gold Reserves</b>	<b>\$13 Trillion</b>
<b>Apple Inc.</b>	<b>\$3 Trillion</b>
<b>Microsoft Corporation</b>	<b>\$2.5 Trillion</b>
<b>Alphabet Inc.</b>	<b>\$1.7 Trillion</b>
<b>Silver that is estimated to have been mined</b>	<b>\$1.3 Trillion</b>
<b>Amazon.com, Inc.</b>	<b>\$1.3 Trillion</b>
<b>Total Crypto Market Cap</b>	<b>\$1.1 Trillion</b>
<b>NVIDIA Corporation</b>	<b>\$1.1 Trillion</b>
<b>Meta Platforms, Inc.</b>	<b>\$850 Billion</b>
<b>Tesla, Inc.</b>	<b>\$850 Billion</b>
<b>Berkshire Hathaway Inc.</b>	<b>\$760 Billion</b>
<b>Bitcoin Market Cap</b>	<b>\$570 Billion</b>
<b>Ethereum Market Cap</b>	<b>\$220 Billion</b>

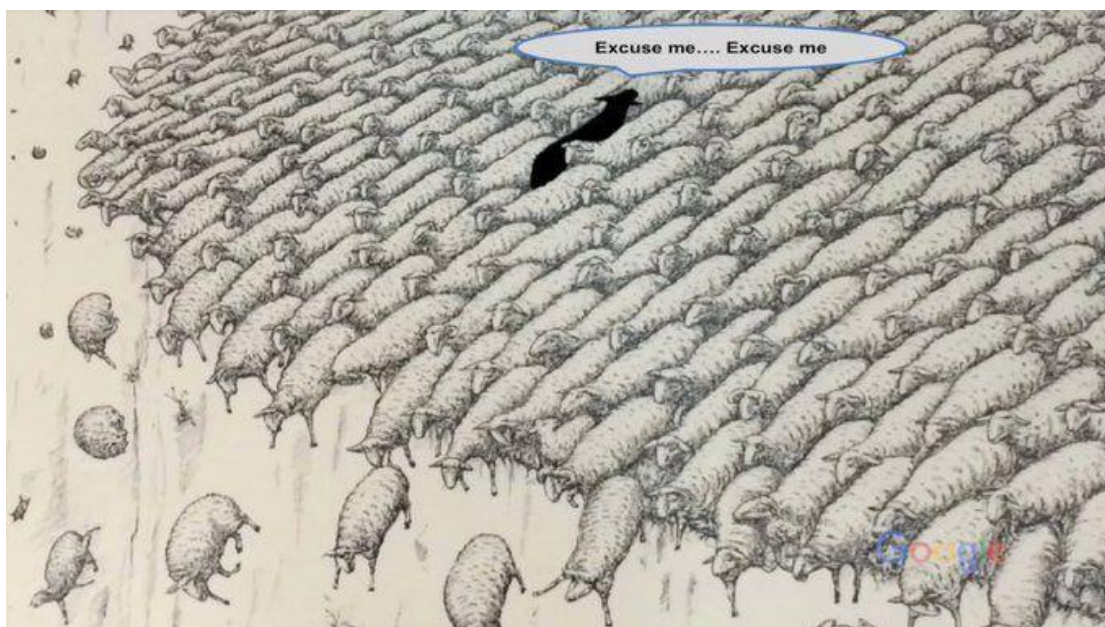


Source: JC Parets

#food-for-thought

## #crowd-thinking

“We keep this picture in the office to remind our people that one should always look for opportunity away from where the crowd is going.” -Bruce Flatt, CEO Brookfield Asset Management

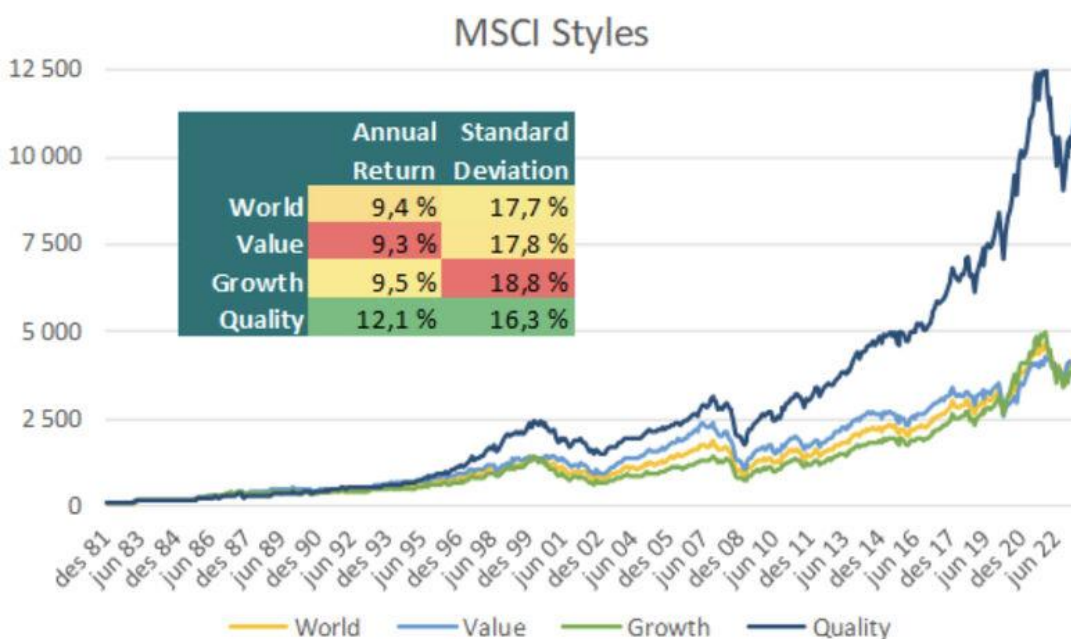


Source: [Compounding Quality Chris Quinn](#)

#food-for-thought

#msci #performance #quality

MSCI World long-term performance by style. Quality outperforms by far with a lower standard deviation (NB: past returns are not a guarantee for future returns).



#food-for-thought

## #fees #returns

Why fees matter, visually:

### WHY FEES ARE SO IMPORTANT

Chart shows £100,000 invested in MSCI World Index over two decades

— 0.3% annual fee — 1.3% annual fee — 2.3% annual fee



Source: IC analysis of FactSet data. Chart illustrative. Assumes fee charged annually at the end of each year.

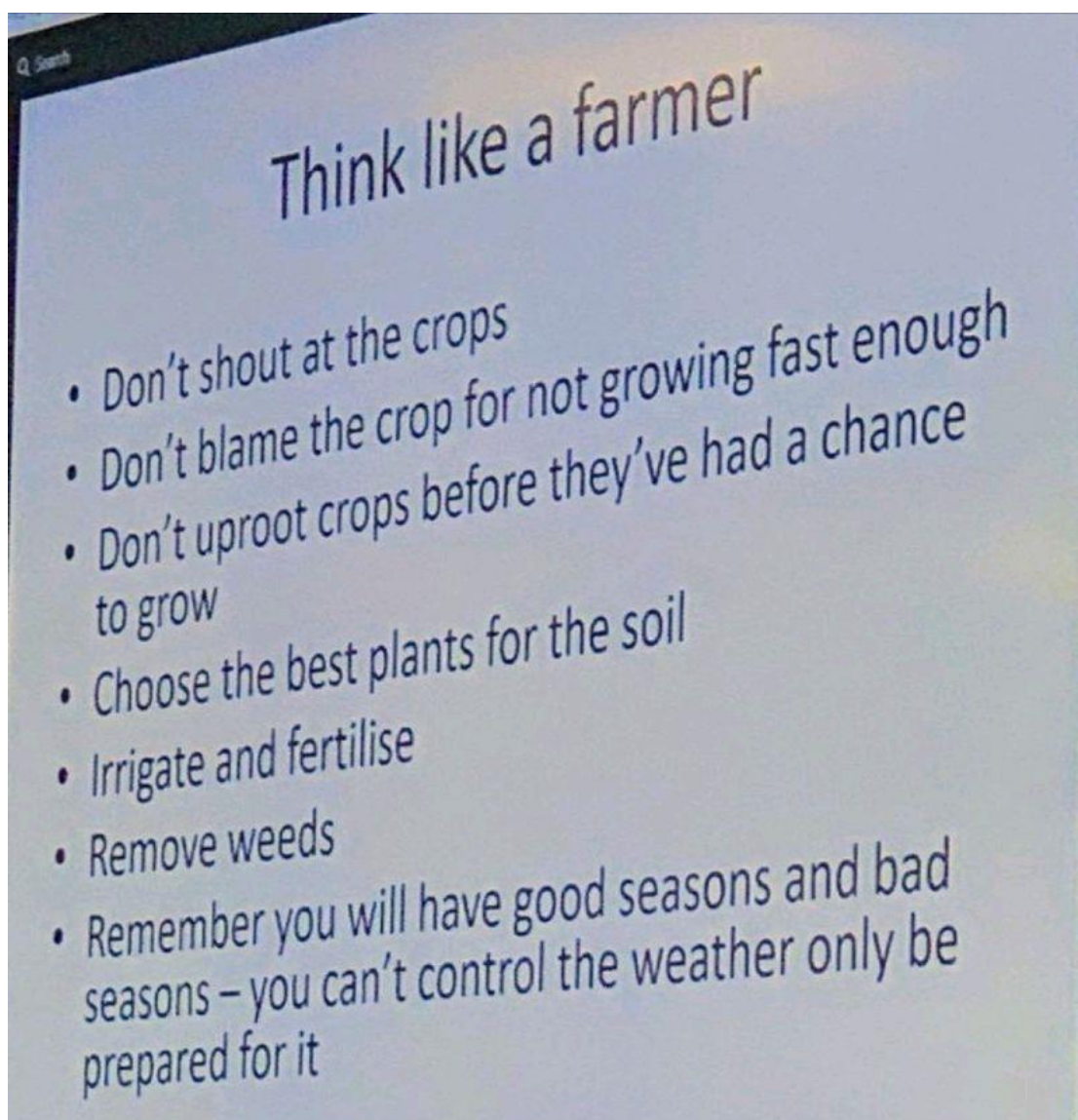
Source: Brian Feroldi



#food-for-thought

## #investing

"Think like a farmer"



Source: [Compounding Quality](#)

#food-for-thought

#useful #lessons

# Lessons from the Richest Investors

 <p>"All there is to investing is picking good stocks at good times and staying with them as long as they remain good companies."</p>	 <p>"Investors who find the best businesses to put their money behind are rewarded for their research"</p>
<b>\$155 Billion</b> Warren Buffett	Kenneth Griffin <b>\$33 Billion</b>
 <p>"Past performance is the best predictor of success"</p>	 <p>"To make money in the markets, you have to think independently and be humble"</p>
<b>\$28 Billion</b> Jim Simons	Ray Dalio <b>\$19 Billion</b>
 <p>There's something to be said for giving and helping to change people's lives.</p>	 <p>Some people get rich studying artificial intelligence. Me, I make money studying natural stupidity.</p>
<b>\$18 Billion</b> Steven Cohen	Carl Icahn <b>\$9 Billion</b>

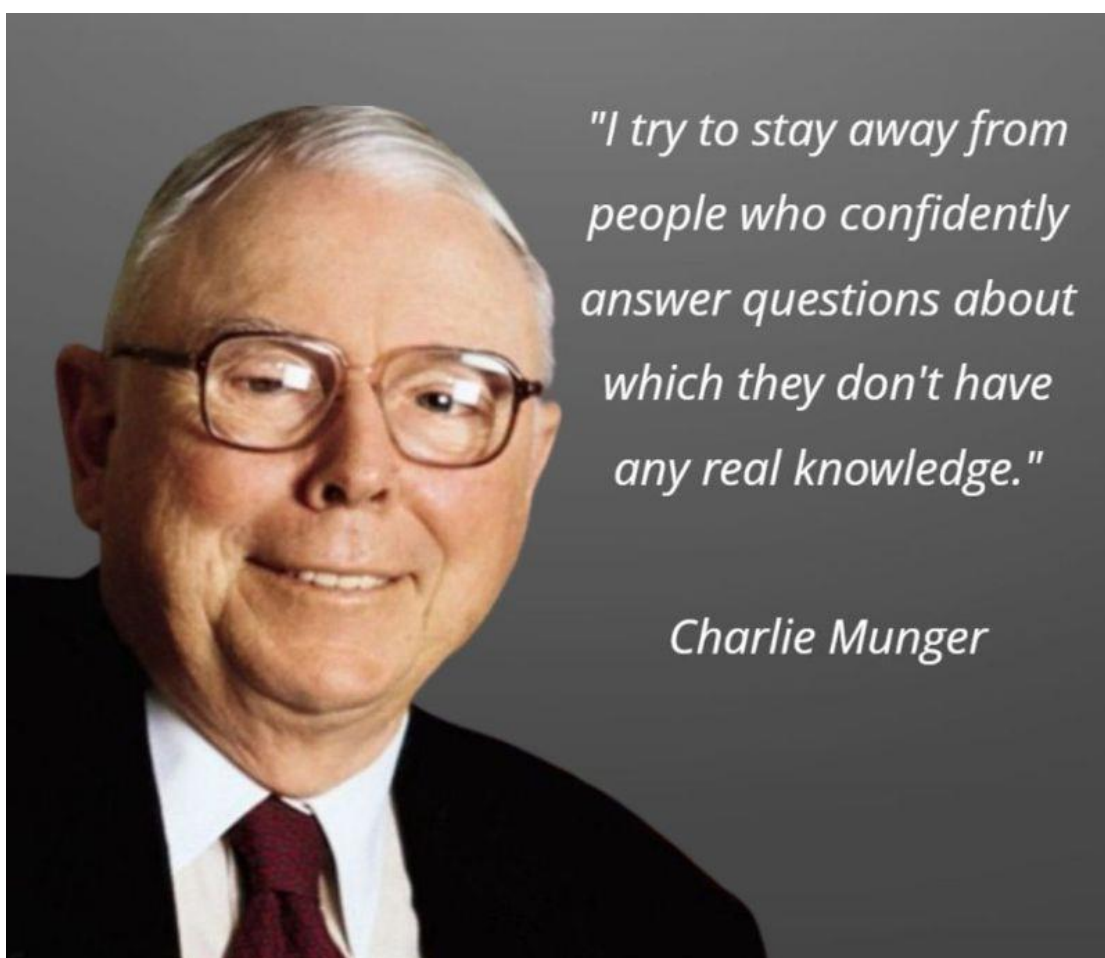
 @QCompounding [www.compoundingquality.net](http://www.compoundingquality.net) 

Source: [Compounding Quality](https://www.compoundingquality.net) Chris Quinn

#food-for-thought

#useful #lessons #munger

So true...



Source: [Compounding Quality](#), [Chris Quinn](#)


#food-for-thought

#useful #ebitda

EBITDA explained to Kids... and adults!

# EBITDA Explained to kids

BY NICOLAS BOUCHER



## What is EBITDA?

EBITDA stands for: **Earnings Before Interest, Taxes, Depreciation, Amortization**

**METRIC** It's a financial metric that shows how much money a company makes before taking into non operational expenses like interest and taxes and non cash expenses like depreciation and amortization

## Why is EBITDA important for Businesses?



- EBITDA is important because it gives businesses an idea of **how much money** they're generating from their operations.
- This is useful for investors and lenders who want to know **how profitable a company is**.
- It's like a **scorecard to know** how much money a company is making.


## How is EBITDA calculated?

*GM: Gross Margin*

To calculate EBITDA, you need to start with a company's revenue and subtract its cost of goods sold.

Then, you subtract its operating expenses (like salaries and rent).


 = GM      GM -  = EBITDA

 **EBITDA**


In EBITDA, you don't take consideration these expenses.

**Depreciation, Taxes, Interest**

VS

 **NET INCOME**

But the net income is what remains as actual profit after depreciation, interest, taxes are taken in account.

Follow Nicolas Boucher on LinkedIn 

Source: [Nicolas Boucher](#)

#food-for-thought

#useful #ratios #cash-flow

Top 6 Cash flow ratios

# TOP 6 CASH FLOW RATIOS

Presented by **FINGRAD**

## EVERY INVESTOR SHOULD KNOW

- Cash Flow-to-Debt Ratio**  
$$\frac{\text{Total Debt}}{\text{Cash Flow From Operations}}$$

Indicates how long it would take a company to repay its debt if it devoted all of its cash flow to debt repayment.
- Operating Cash Flow Margin Ratio**  
$$\frac{\text{Cash Flow From Operations}}{\text{Net Revenue}}$$

Compares a company's operating cash flow to its net revenue over a specified period.
- Price-to-Cash Flow Ratio**  
$$\frac{\text{Market Capitalization}}{\text{Cash Flow From Operations}}$$

Indicates how much cash a company generates relative to its stock price.
- Free Cash Flow-to-Sales Ratio**  
$$\frac{\text{Free Cash Flow}}{\text{Net Revenue}}$$

Indicates how much cash a company generates relative to its sales.
- Cash Flow-to-Net Income**  
$$\frac{\text{Cash Flow From Operations}}{\text{Net Income}}$$

Indicates the amount of cash the business generates per rupee of its income from operating activities.
- Current Liability Coverage Ratio**  
$$\frac{\text{Cash Flow from Operations} - \text{Cash Dividends}}{\text{Avg Current Liabilities}}$$

Indicates how the business's dividend policy affects the cash available to meet current liabilities.

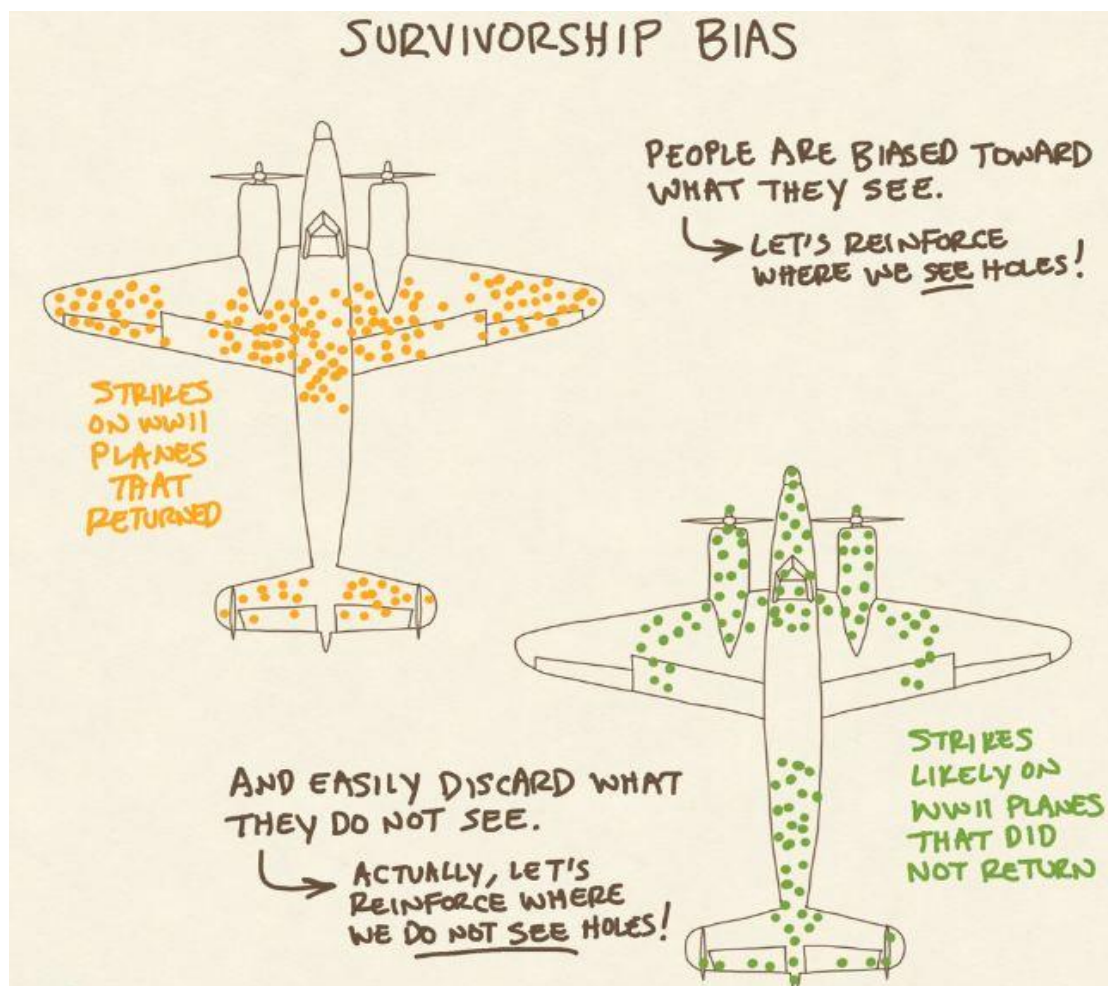
Visit: [joinfingrad.com](http://joinfingrad.com)

Source: [Compounding Quality](#), [Chris Quinn](#)

#food-for-thought

#survivorship-bias

The survivorship bias (by Mnke Daniel) -> It is a sample bias that occurs when we assess only successful outcomes and disregard failures. See below example with strikes on returning and non-returning planes during WWII.



Source: Mnke Daniel

#food-for-thought

#backtesting

ETF Backtest vs Live Performance



Source: nate geraci

#food-for-thought

#humor #wwf

Nice ad by WWF Germany -> "Protect our wildlife before it is too late"

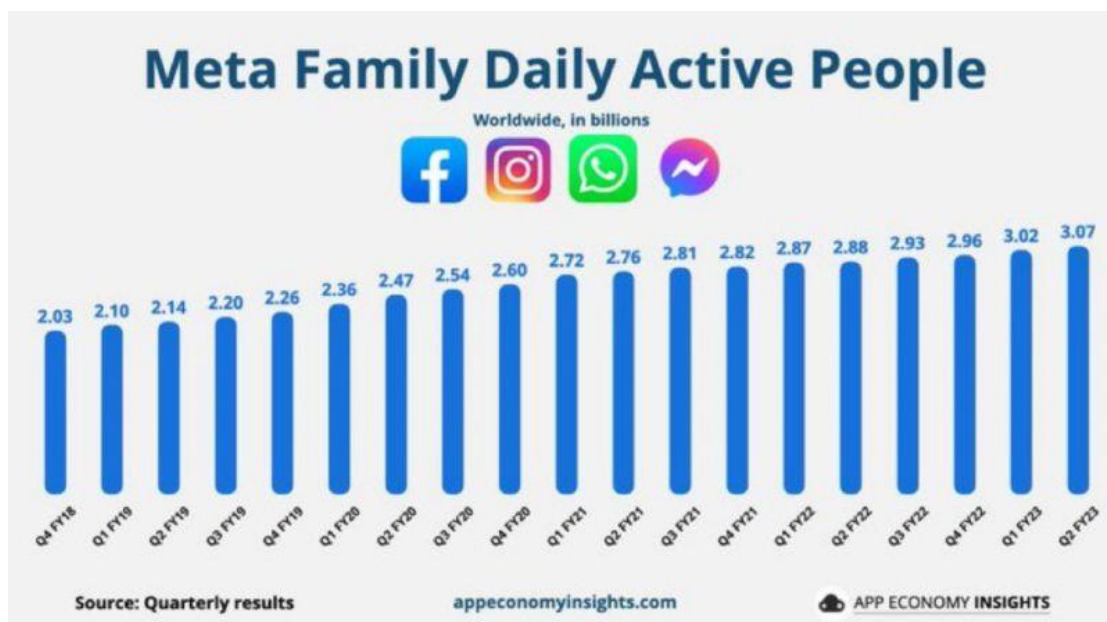
The image shows a tweet from WWF Deutschland (@WWF\_Deutschland) posted on July 28, 2023. The tweet text reads: "Schütze unsere Tierarten, bevor es zu spät ist! Rund 1 Million echte Tierarten sind vom Aussterben bedroht" followed by a link to a WWF website and the hashtag #TwitterX. Below the text is a graphic with a dark blue background. It features a horizontal timeline of bird icons. From left to right: a small blue bird (2006), a slightly larger blue bird (2007), a medium blue bird (2009), a larger blue bird (2010), a very large blue bird (2012), and finally a black 'X' icon (2023). At the bottom of the graphic, the WWF logo is on the right, and the text "SCHÜTZE UNSERE TIERARTEN, BEVOR ES ZU SPÄT IST." is on the left. The tweet interface shows it was posted at 12:21 PM on Jul 28, 2023, and has 223.1K views.



#food-for-thought

#meta #active-users

Facebook has more than 3 billion monthly active users, according to Meta’s latest quarterly report. Across Meta’s entire family of apps — which includes WhatsApp, Instagram, Messenger and now Threads — there were 3.88 billion monthly active users. That’s almost half of the world population.



Source: techcrunch, appeconomyinsight

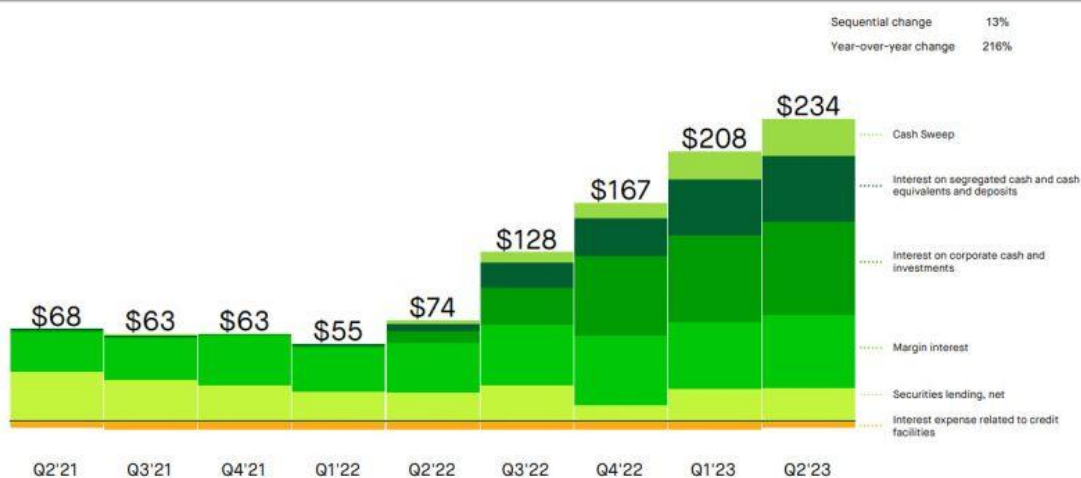
## #food-for-thought

### #robinhood #interest-revenue

Robinhood now makes much more collecting interest on client cash than from its core business. This is \$234 million that RH's customers should be collecting but they are currently handling to the Trading App.

Net Interest Revenues were \$234 million, up 13% sequentially

in millions

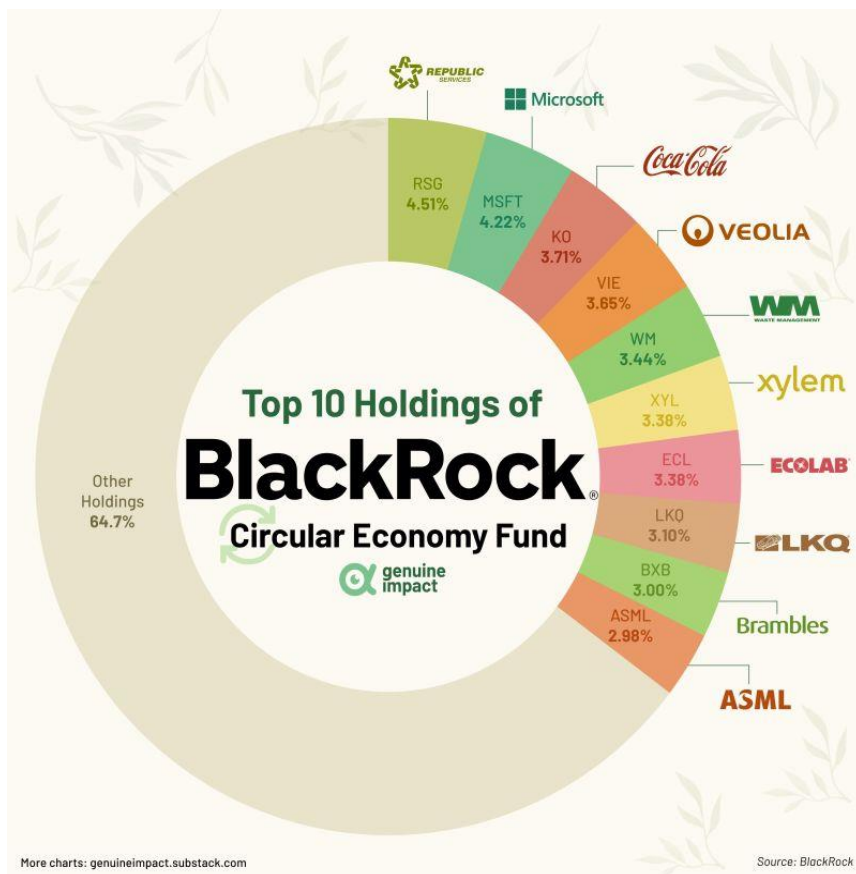


Source: [www.zerohedge.com](http://www.zerohedge.com), Robinhood

#food-for-thought

#blackrock #circular-economy #holdings

BlackRock's Circular Economy Fund invests in companies that focused on sustainability and reducing waste. The fund's diverse portfolio includes waste management companies such as Waste Management and Republic Services, beverage company Coca-Cola, and manufacturer ASML, among others.

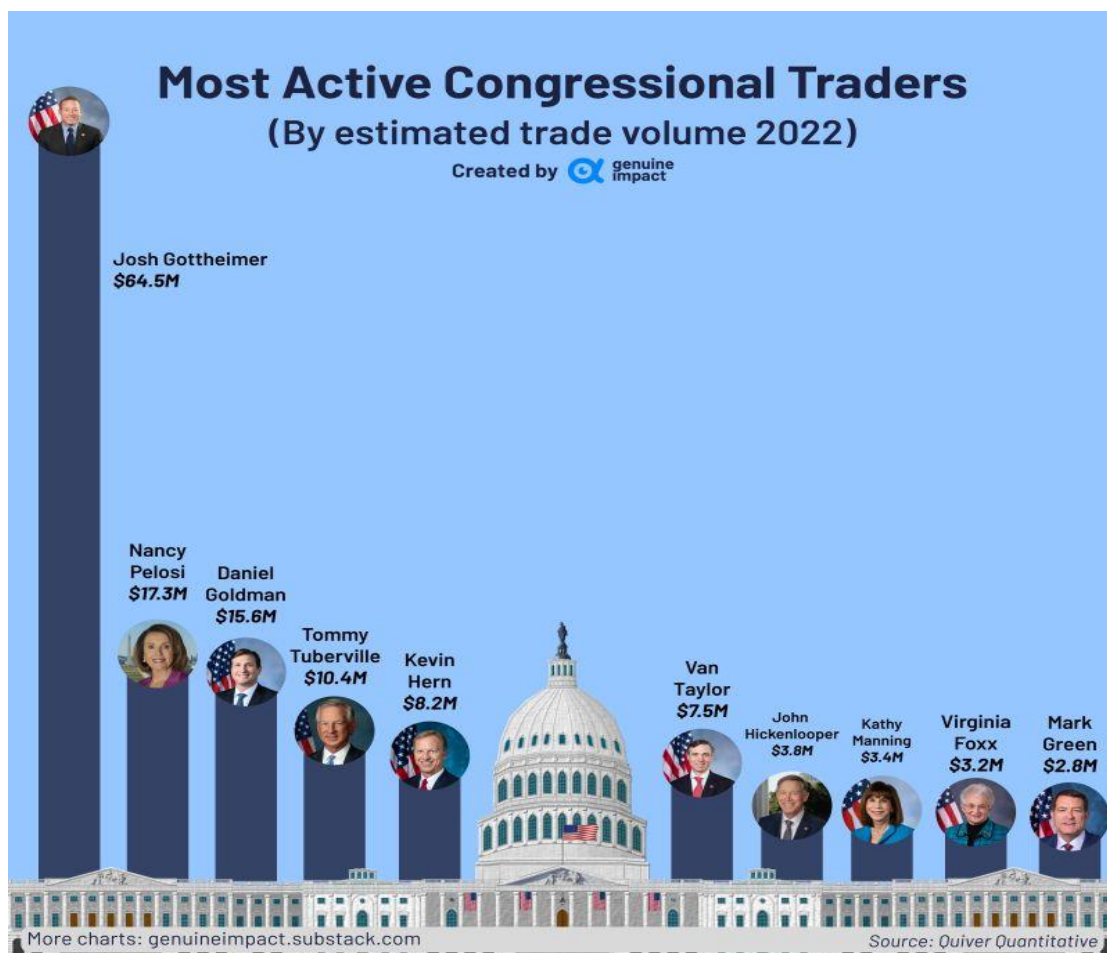


Source: [Genuine Impact](#)

#food-for-thought

#active-traders #congress

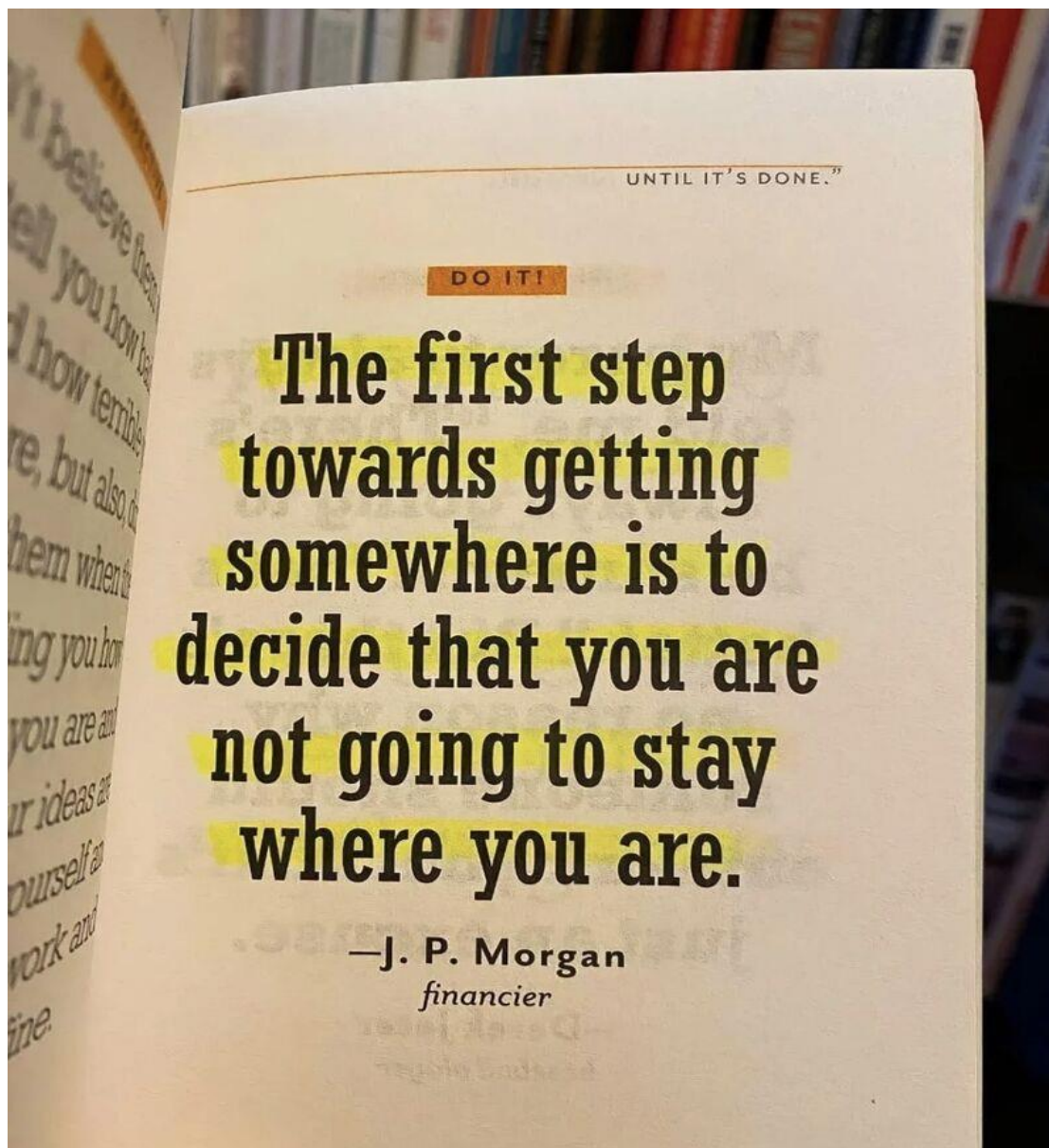
Who is the most active congressional trader?  
Well, the answer lies with Josh Gottheimer, a Member of the usU.S. House of Representatives in New Jersey's 5th congressional district. His trade volume is significantly higher than the next most active trader 💰 !



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

#food-for-thought

#goal-setting



Source: Conqueror Mindset

#food-for-thought

#goal-setting

“You are never too old to set another goal or to dream a new dream.”

- C.S. Lewis



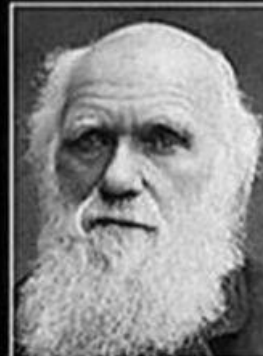
Ray Kroc  
Bought McDonald's  
Age 55



Col. Sanders  
Franchised KFC  
Age 62



Julia Child  
First Cook Book  
Age 50

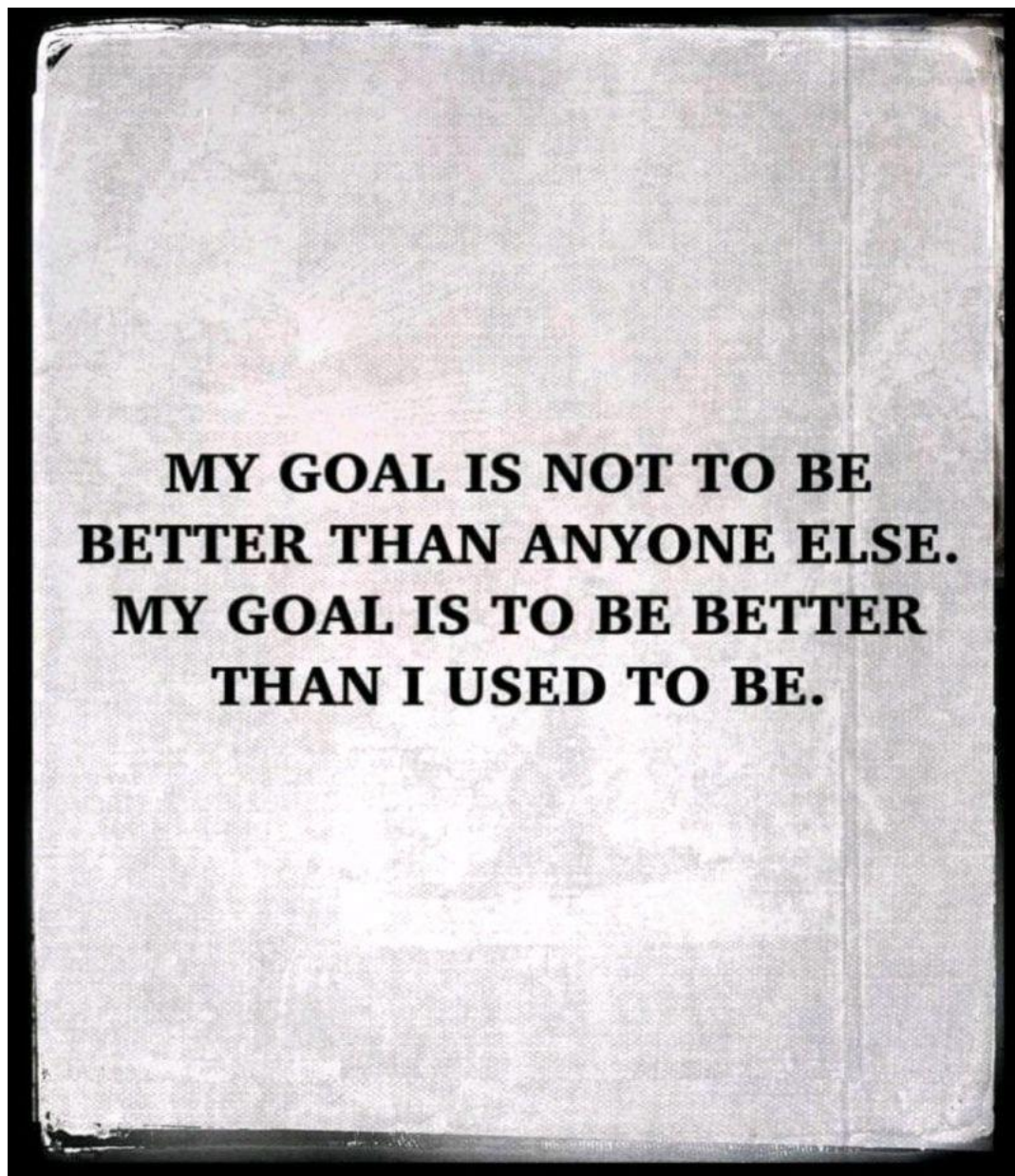


Charles Darwin  
Theory of Evolution  
Age 50

Source: European leadership

#food-for-thought

#goal-setting



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**For the future...**