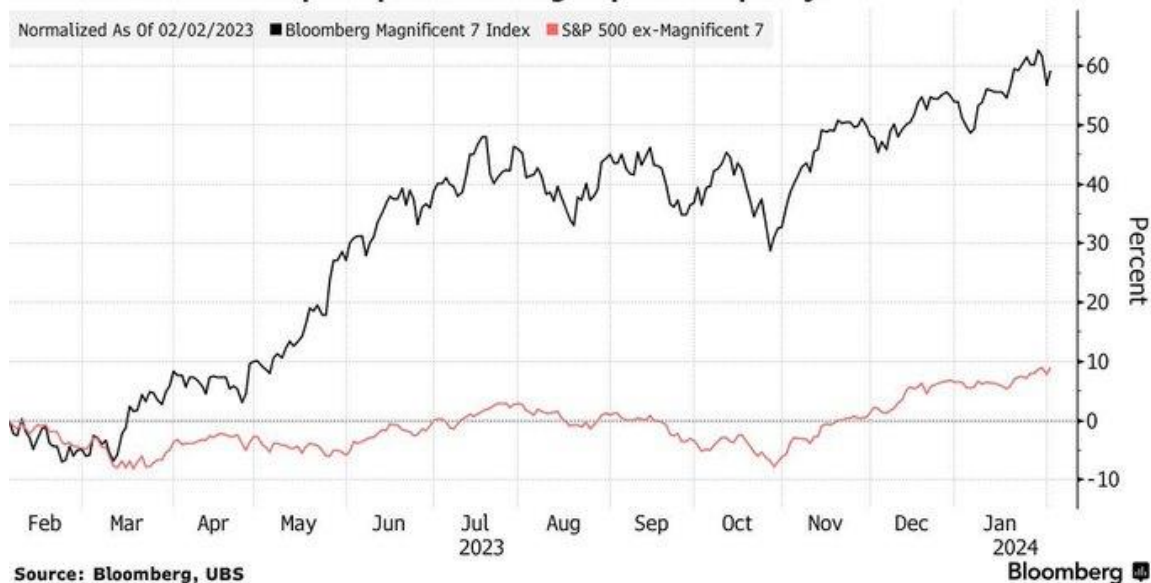


Chart of the week

MAG 7 are up +\$3 Trillion year-to-date

Since the October 2023 low, total gains for the Magnificent 7 are approaching \$5 trillion. This includes the \$200 billion in lost market cap for Tesla, \$TSLA, in 2024 so far. To put this in perspective, the Magnificent 7 is now the same size as the combined market cap of the stock markets in Japan, Canada, and the UK. Also, the Magnificent 7 has a market cap bigger than the GDP of every country in the world other than China and the US. The Mag 7 now account for 50% of the Nasdaq.

S&P 500 Returns Are Not Much Without the Magnificent 7 Investors continue to pile up bets on megacap tech in past year



Source: The Kobeissi Letter, Bloomberg

Mega-cap tech stocks melt-up despite hawkish Fed

US equity performance was mixed over the week as large-caps indices moved to intraday highs while small-caps and an equally weighted version of the S&P 500 Index recorded a modest loss. It was the busiest week of the Q4 earnings reporting season, with several releases from heavily weighted tech giants driving investors' sentiment. Meta was the biggest winner of the week, up 20% on Friday. Meanwhile, Regional banks suffered their worst week since May 2023. On Wednesday, the Fed left short-term interest rates unchanged, as it was widely anticipated, but Fed Chair Jerome Powell stated that he didn't think it's likely that the Fed will cut rates in March. As a result, futures markets are now pricing in only a 20.5% chance of a rate cut in March, down from 47.7% the week before. Chances of a rate cut seemed to diminish further on Friday, after the Labor Department reported that employers had added 353,000 nonfarm jobs in January, nearly double consensus estimates, while November's and December's gains were also revised higher. The yield on the benchmark 10-year U.S. Treasury note rose in the wake of Friday's jobs report but still ended lower for the week. Outside the US, the pan-European STOXX Europe 600 Index ended the week roughly flat. Japan's stock markets rose over the week, with the Nikkei 225 Index gaining 1.1%. Stocks in China retreated as downbeat economic data and property sector headlines fueled investors' pessimism about the growth outlook. Crude Oil tumbled.

#GLOBALMARKETS WEEKLY WRAP-UP

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#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	38,654	1.4%	2.6%
S&P 500 Index	4,959	1.4%	4.0%
NASDAQ	15,629	1.1%	4.1%
MSCI EAFE*	2,231	0.4%	-0.2%
10-yr Treasury Yield	4.02%	-0.1%	0.1%
Oil (\$/bbl)	\$72.37	-7.2%	1.0%
Bonds	\$98.46	0.4%	0.4%

Source: FactSet, 2/2/2024. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. *4-day performance ending on Thursday.

Source: Edward Jones



#GLOBALMARKETS WEEKLY WRAP-UP

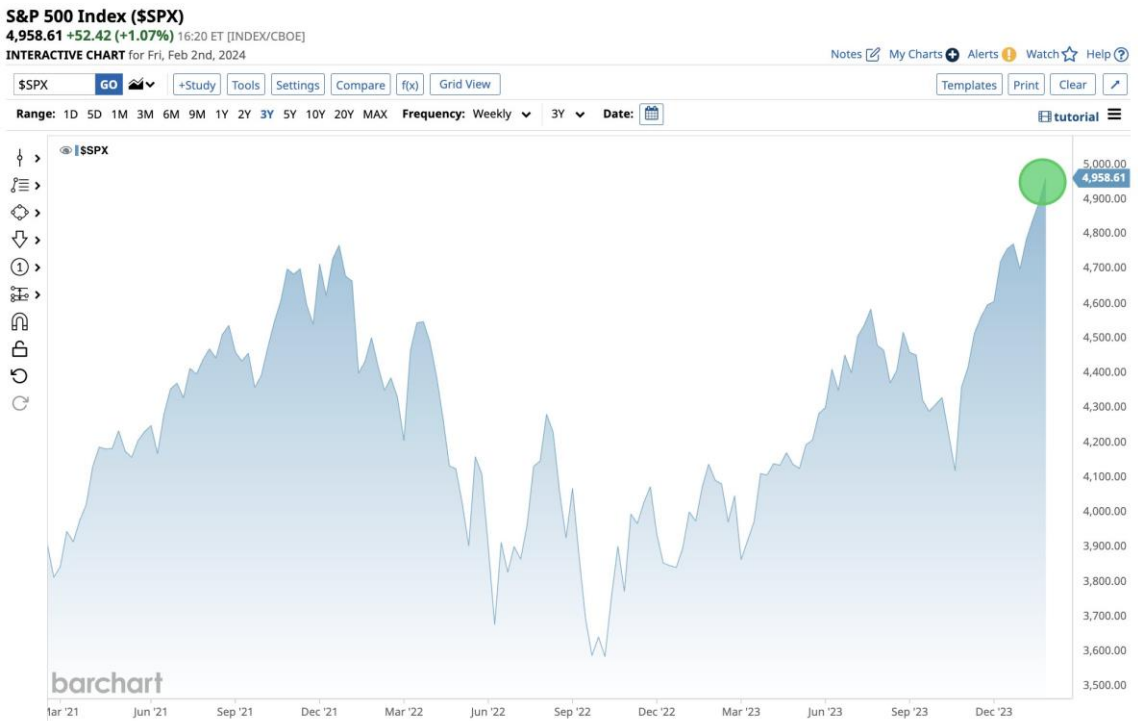
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#sp500 #ath

S&P 500 hits a new all-time high and is closing in on 5,000 🎉



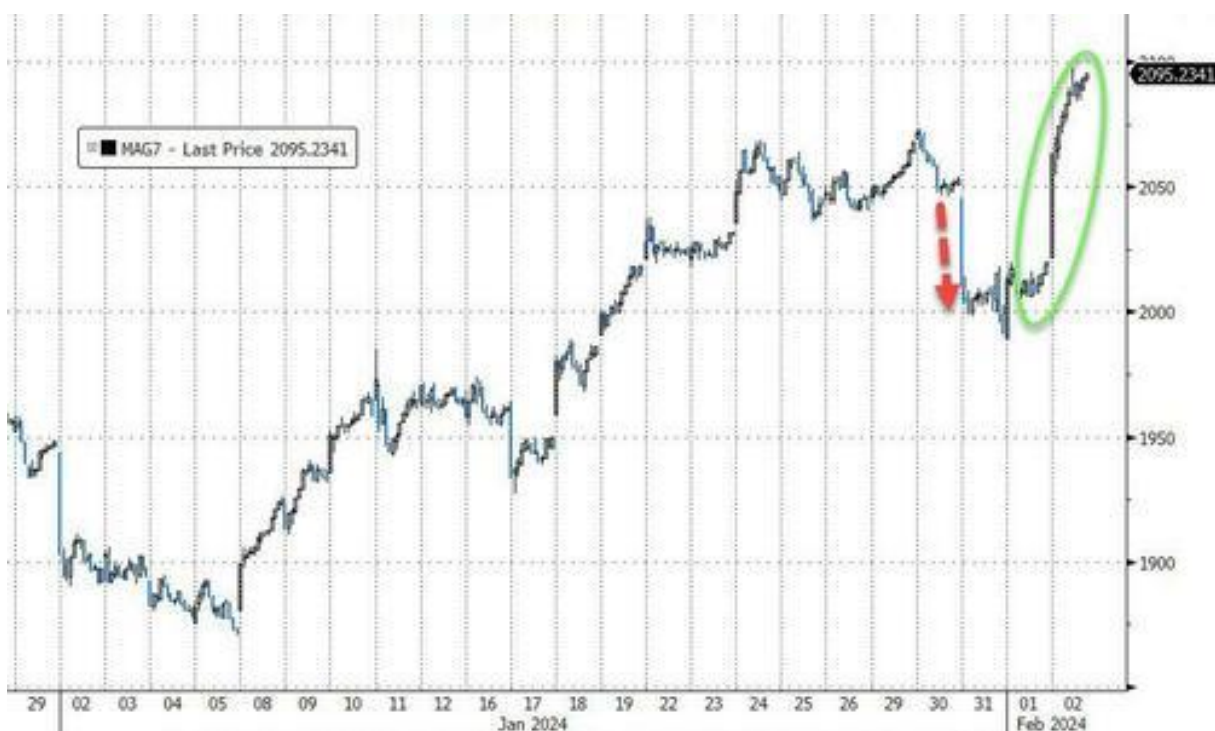
Source: barchart





#mag7

The basket of 7 stocks soared to new highs this week...



Source: www.zerohedge.com , Blomnberg

#GLOBALMARKETS WEEKLY WRAP-UP

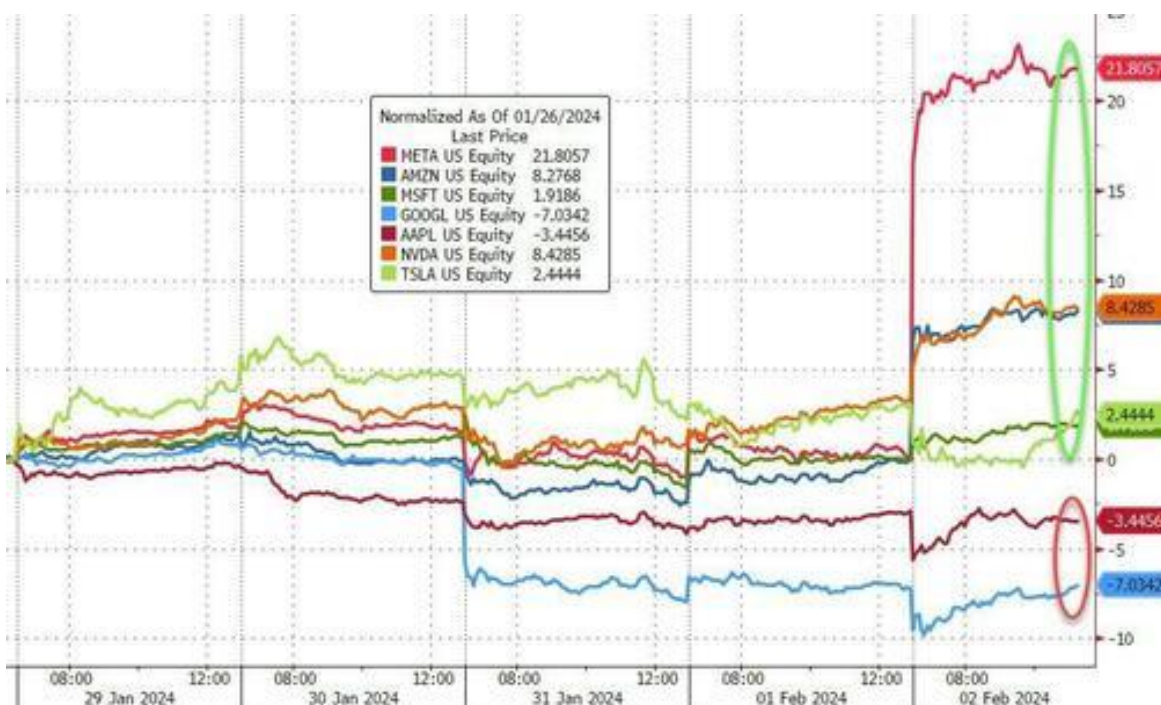
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#mag4

But the 7 is now 4...



Source: www.zerohedge.com, Bloomberg



#meta

Meta, \$META, has added \$205 billion in market cap on Friday (+20%), making it the biggest single day gain in history. This breaks Apple's previous record of a \$191 billion gain on November 10th, 2022.

Just a couple of years ago, Meta suffered the single biggest market value loss in a day in stock market history. Meta will hold the record for the biggest daily gain and loss in a single day...

Top 10 Biggest Single-Day Market Cap Gains

Meta's post-earnings rally propels stock to top of the leaderboard

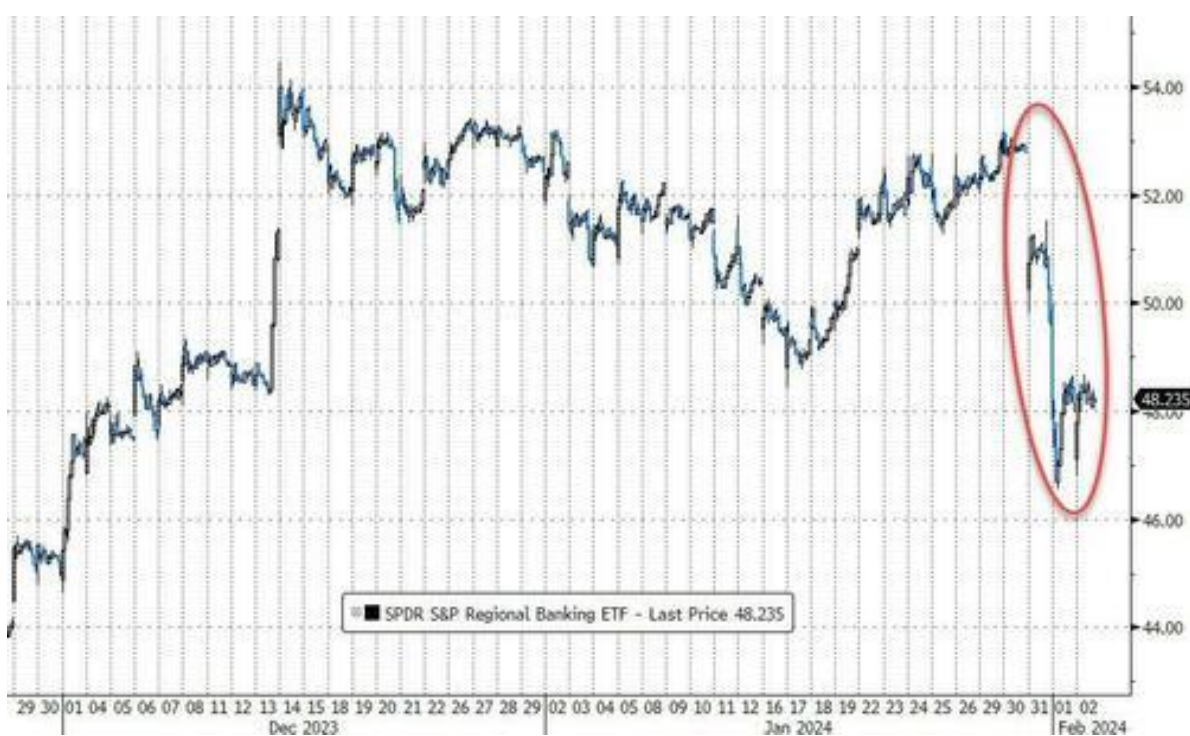
	Date	Firm	Biggest single day market cap additions
1	Feb 2, 2024	Meta	\$205.3B
2	Nov 10, 2022	Apple	190.9
3	Feb 4, 2022	Amazon	190.8
4	May 25, 2023	Nvidia	184.1
5	Jan 28, 2022	Apple	178.9
6	Jul 31, 2020	Apple	169.0
7	Oct 28, 2022	Apple	150.5
8	Mar 13, 2020	Microsoft	150.4
9	Apr 26, 2023	Microsoft	148.3
10	Jan 3, 2022	Tesla	143.6

Source: Bloomberg



#us #regional-banks

Regional banks suffered their worst week since May 2023...



Source: www.zerohege.com, Bloomberg

#sp500 #performance #january

Here's a rundown of the S&P 500 in January 2024:

Index: +1.59%

Avg. Stock: -0.84%

279 Stocks Down

221 Stocks Up

These were the 10 **worst performing** S&P 500 stocks in January:

Tesla (TSLA) -24.6%
Archer Daniels (ADM) -23%
MarketAxess (MKTX) -23%
Enphase (ENPH) -21.2%
Albemarle (ALB) -20.6%
DuPont (DD) -19.7%
Boeing (BA) -19%
Rockwell (ROK) -18.4%
Etsy (ETSY) -17.9%
Humana (HUM) -17.4%

These were the 10 **best performing** S&P 500 stocks in January:

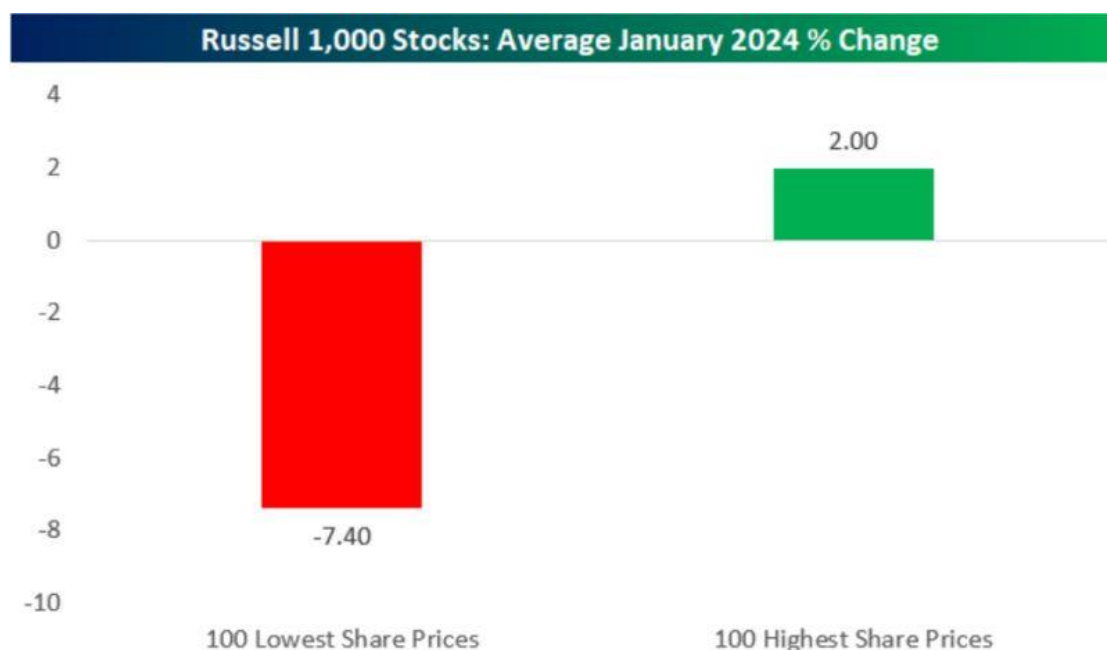
Juniper (JNPR) 25.4%
NVIDIA (NVDA) 24.2%
Netflix (NFLX) 15.9%
WR Berkley (WRB) 15.8%
Catalent (CTLT) 14.9%
Palo Alto (PANW) 14.8%
Advanced Micro (AMD) 13.8%
Cencora (COR) 13.3%
HCA Healthcare (HCA) 12.6%
Verizon (VZ) 12.3%

Source: bespoke

#markets

#russell1000 #performance #january

Russell 1,000 Stocks. In the large-cap Russell 1,000, the 100 stocks that began 2024 with the lowest share prices fell an average of 7.4% in January, while the 100 stocks that began the year with the highest share prices rose an average of 2%.



Source: bespoke



#sp500 #equities #marketcap

The weight of the 10 largest sp500 stocks is now 33.1% of the total \$SPX, the highest level in almost 5 decades.



Source: Barchart

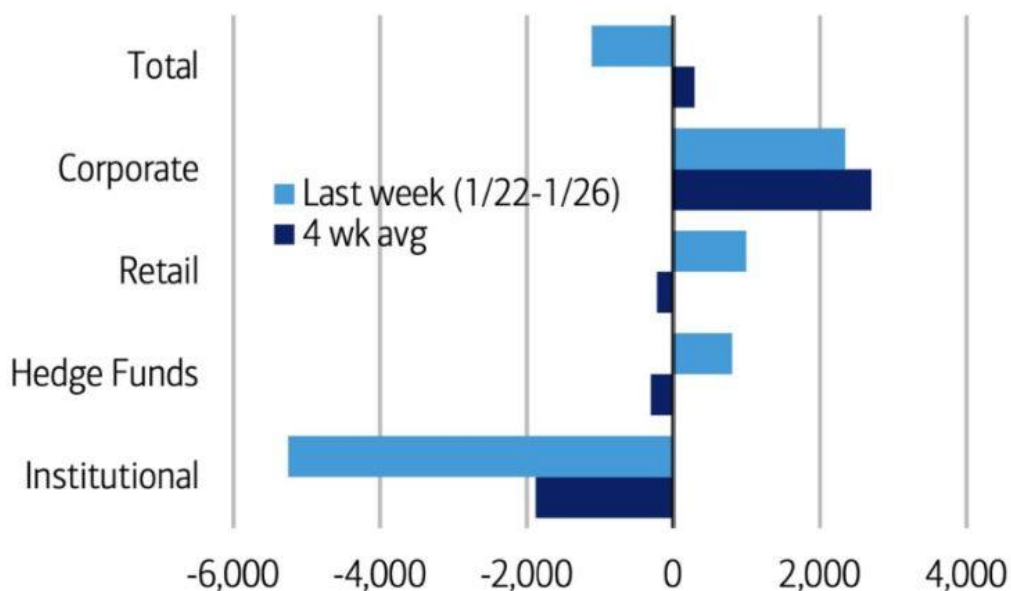


#equity #outflows

Institutional Clients sold the more than \$5 billion worth of equities last week, the most since 2015 and 2nd highest since the Global Financial Crisis according to data from BofA.

Exhibit 8: By clients, Corporate clients led inflows and Institutional clients led outflows

BofA client net buys by client group (\$ mn)



Source: BofA Securities

BofA GLOBAL RESEARCH

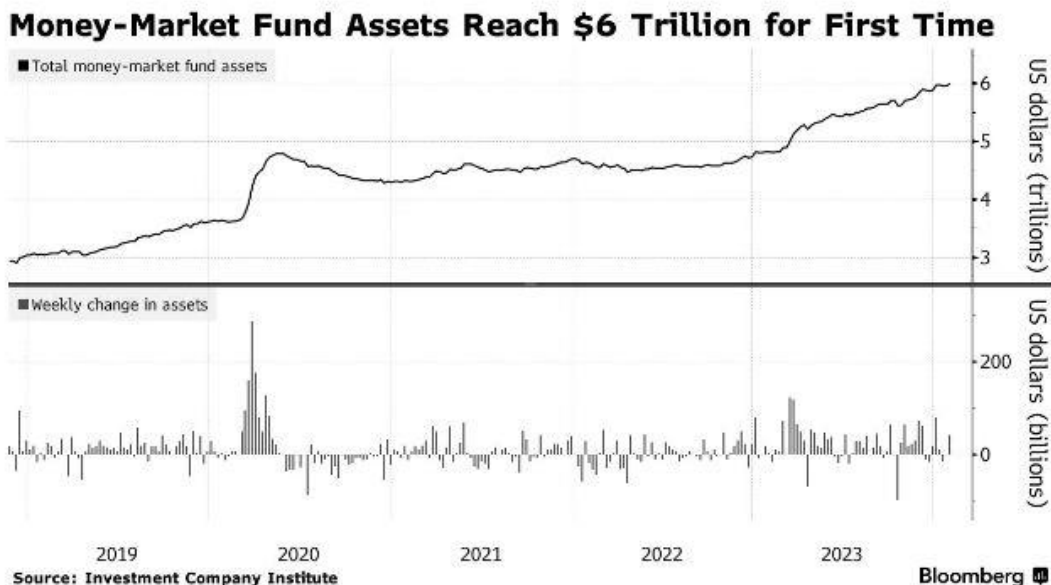
Source: barchart





#money-market #assets

Money-Market Fund Assets Reach \$6 Trillion for First Time. Assets jumped by \$41.7 billion in week through Jan. 31



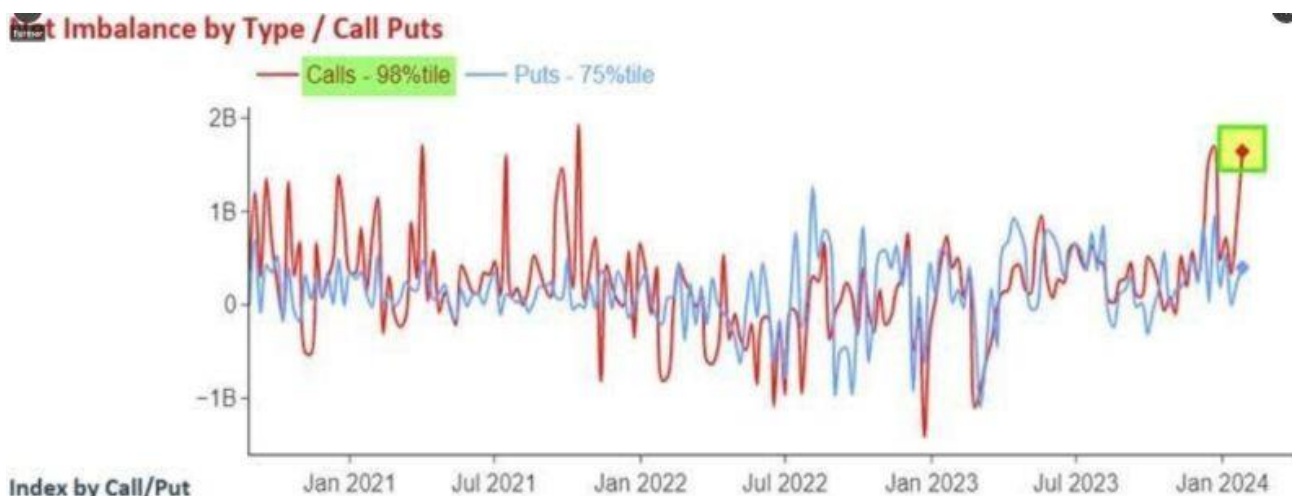
Source: bloomberg





#options #calls

There's a higher interest in purchasing calls over puts in this scenario, as many individuals prefer to focus on capturing potential gains rather than safeguarding against potential losses.

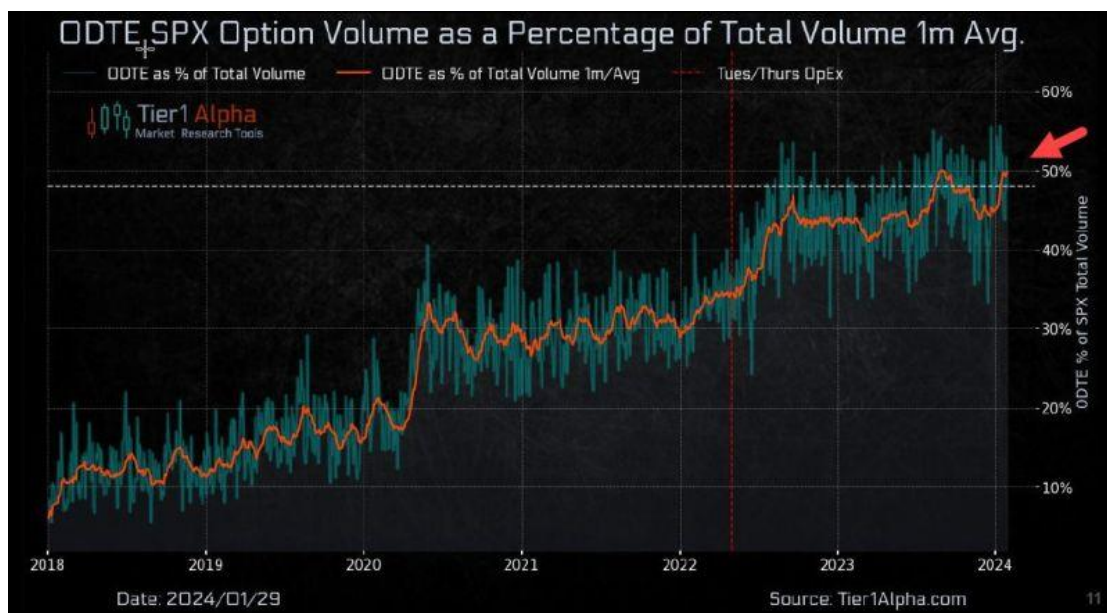


Source: nomura, market&mayhem



#bubbles #options #0dte

BUBBLES = Super-short-term gambling (zero days to expiration options)... is now running at 50% of the daily flow



Source: Keith McCullough, Bloomberg





#volatility #calls

A Trader bought 50,000 CBOE Volatility Index \$VIX April expiry 50 strike calls for \$0.21 which is a total premium of just over \$1 million.

CBOE Volatility Index (\$VIX)

14.35 +1.04 (+7.81%) 01/31/24 [INDEX/CBOE]

TIME & SALES for Wed, Jan 31st, 2024

Notes Alerts Watch Help

The Options Time & Sales page is used to show all of the options trades that have occurred during the current trading day.

CBOE Volatility Index (\$VIX)

14.35 +1.04 (+7.81%) 01/31/24 (INDEX/CBOE)

[Quick Links](#)

Option Type Call Expiration 2024-04-17 (m) Strike Price 50.00

Date: 01/31/2024 From: 09:30 to 16:30 Trade Size >= 10

Premium: greater than Trade Price: greater than Flags Code

[SHOW PRICES](#) [Reset](#)

\$VIX|20240417|50.00C

0.20 +0.01 (+5.26%) 01/31/24 (INDEX-CBOE)

Bid Price 0.17 **Ask Price** 0.23 **Volume** 50,030 **Open Interest** 92,438

[download](#)

Time	Trade	Trade Size	Exchange	Bid	Bid Size	Bid Exchange	Ask	Ask Size	Ask Exchange	Trade Condition
2024-01-31 14:32:51	0.20	10	CBOE	0.18	302	CBOE	0.20	290	CBOE	AUTO
2024-01-31 13:45:53	0.20	10	CBOE	0.18	13,131	CBOE	0.22	19,743	CBOE	AUTO
2024-01-31 13:44:07	0.20	10	CBOE	0.18	10,906	CBOE	0.22	12,676	CBOE	AUTO
2024-01-31 10:40:37	0.21	50,000	CBOE	0.19	17,238	CBOE	0.23	4,609	CBOE	MLAT

Source: Barchart

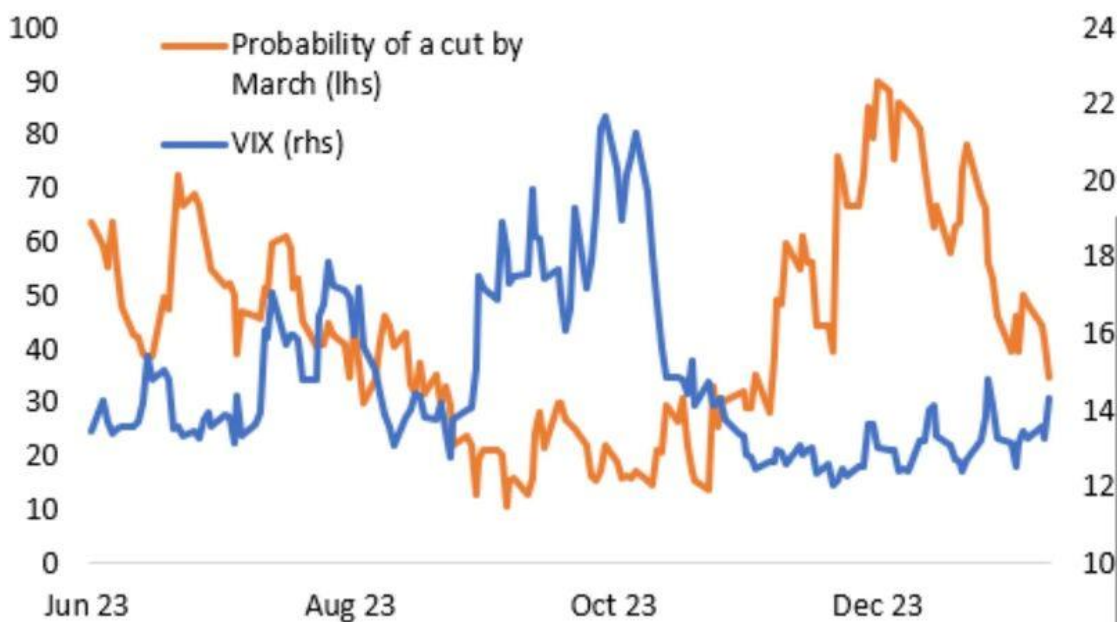




#sp500 #vix #fed

Powell “stayed away from addressing the banking sector but the sharp decline in regional shares is certainly getting attention at the Fed.” Could the combo "March cut is fully priced out + regional bank stress building" trigger a temporary spike of the VIX?

Figure 2: VIX and March cut chances



Source: CME, NYSE

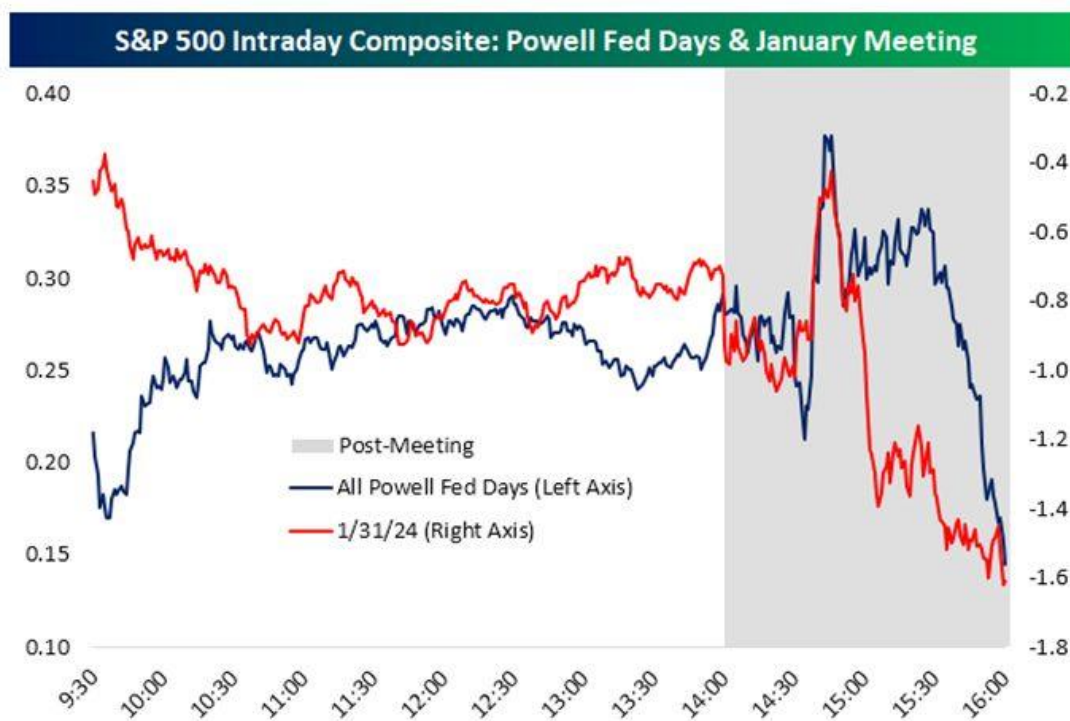
Source: Carl Quintanilla





#sp500 #fed #trading

Powell Fed Days & Jan Meeting. Below is a look at the S&P 500's intraday path throughout Wednesday's trading day compared to the index's average path across all Fed Days since Powell has been Fed Chair. Note the pump-fake spike between 2:30-3 PM ET followed by a sharp sell-off in the final hour of the day.



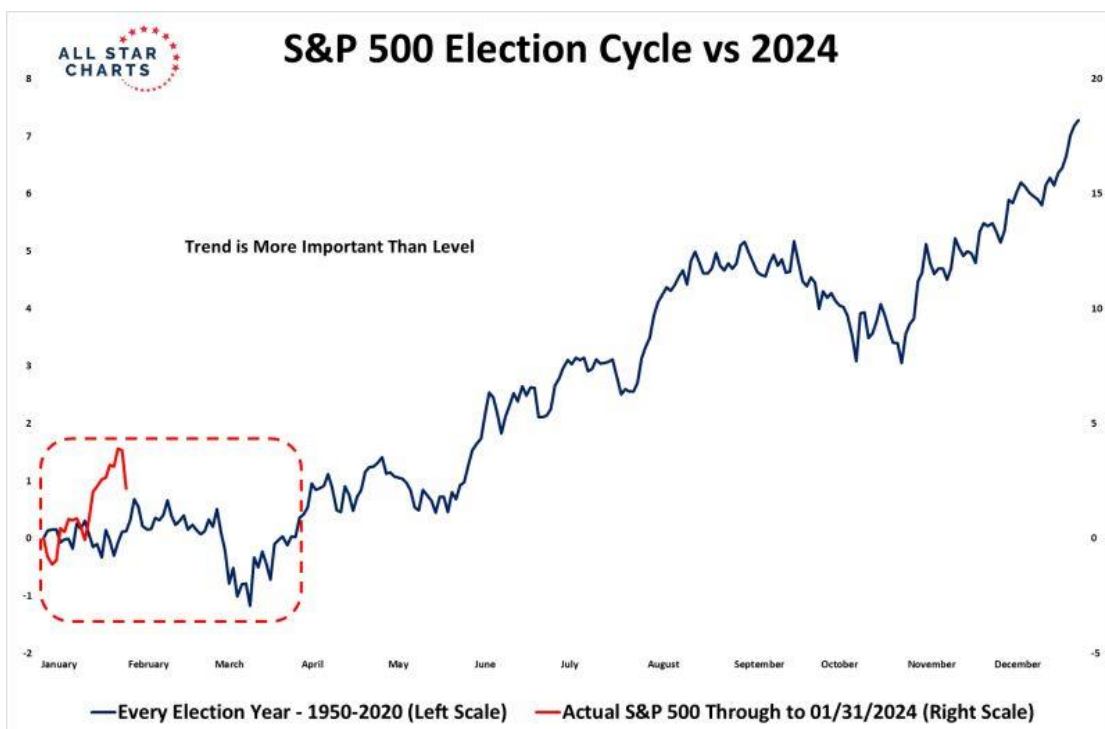
Source: bespoke





#sp500 #elections

During the election year, the averages tell us that it's going to be sideways to lower for the next 2 months... \$SPY \$SPX stocks



Source: Grant Hawkrige

#GLOBALMARKETS WEEKLY WRAP-UP

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#sp500 #market-breadth

Market Breadth looking bullish! Almost 84% of S&P 500 \$SPX Stocks are now trading above their 100D moving average.



Source: Barchart



#sp500 #valuation

The S&P is expensive by many counts

S&P 500: cheap or expensive?

Exhibit 2: S&P 500 Valuations – shading indicates that metric is statistically expensive relative to history (as of 1/23/24)

S&P 500 valuation metrics

Metric	Current	Average	Avg. ex. Tech Bubble	Min	Max	% Above (below) avg		Z-Score	History
						avg			
Trailing PE	22.2	14.8	14.5	5.2	30.5	49.3%		1.5	1960-present
Trailing GAAP PE	26.3	15.1	14.8	4.2	122.4	74.1%		1.3	1832-present
Forward Consensus PE	20.0	15.8	15.0	9.8	25.1	26.9%		1.2	1986-present
Trailing Normalized PE	23.9	19.1	17.8	9.2	34.5	25.5%		1.0	9/1987-present
Median Forward P/E	17.0	15.5	15.3	10.0	21.9	9.7%		0.7	1986-present
Shiller PE	30.8	17.4	16.8	4.8	44.2	77.1%		1.9	1881-present
P/BV	4.6	2.7	2.5	1.0	5.3	71.3%		1.9	1978-present
EV/EBITDA	14.5	10.5	10.2	6.0	17.1	37.5%		1.7	1986-present
Trailing PEG	2.2	1.7	1.6	1.1	3.2	31.6%		1.5	1986-present
Forward PEG	1.9	1.4	1.4	0.9	3.5	34.6%		1.4	1986-present
P/OCF	16.8	11.3	10.7	5.4	19.3	48.7%		1.6	1986-present
P/FCF	28.8	27.8	25.0	12.9	65.7	3.4%		0.1	1986-present
EV/Sales	2.9	2.0	1.9	0.9	3.4	46.9%		1.6	1986-present
ERP (Market-Based)	566.0	504.7	521.1	136.0	880.0	12.2%		0.2	11/1980-present
Normalized ERP	237	348	393	-143	880	-31.7%		-0.6	1987-present
S&P 500 Div. Yld. vs. 10yr Tsy. Yld.	0.5	1.2	1.2	0.2	4.2	-62.6%		0.0	1792-present
S&P 500 in WTI terms	49.3	26.9	24.6	2.7	175.3	83.3%		36.5	1960-present
S&P 500 in Gold terms	2.2	1.6	1.4	0.2	5.5	34.7%		0.0	1968-present
S&P 500 vs. R2000 Fwd. P/E	1.4	1.0	1.0	0.8	1.7	32.7%		0.3	1986-present
S&P 500 Market Cap/GDP	1.27	0.66	0.63	0.22	1.64	92.8%		3.1	1964-present

Source: *Above average implied equities are attractive relative to bonds. Note: Trailing P/E based on GAAP EPS from 1960-77, Operating EPS from 1978-87, Pro forma EPS 1988-now. Trailing GAAP P/E based on GAAP P/E for entire series. Market-based ERP based on DDM-implied S&P 500 return less AAA corp bond yield. Normalized ERP based on normalized EPS yield less normalized real risk-free rate.

Source: S&P, Compustat, Bloomberg, FactSet/First Call, BofA US Equity & Quant Strategy

Source: Win Smart, BofA

#earnings #sp500 #concentration

One Chart Worth 1000 of Words

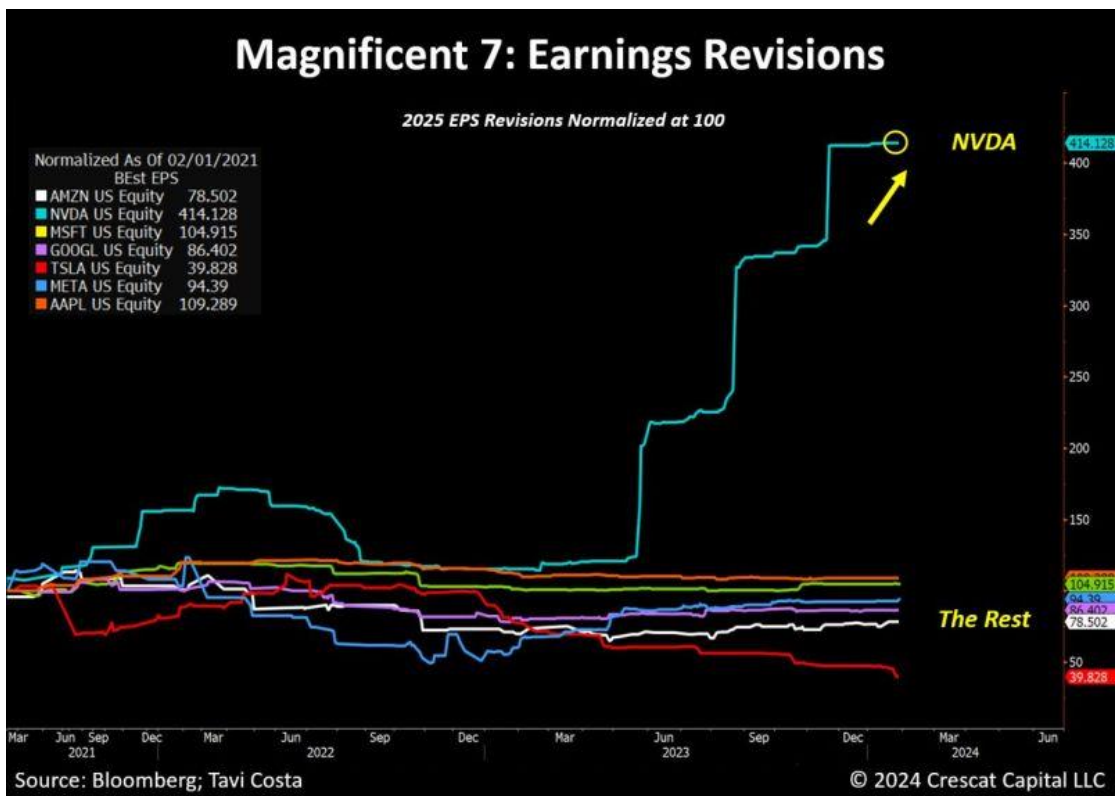


Source: yahoo!finance



#earnings #mag7

The week is THE week of BIG TECH earnings and it is time for a reality check: NVDA is the only Magnificent 7 stock seeing an increase in earnings revisions. The company is almost the sole beneficiary of the recent AI advancements, contrasting sharply with others that have only experienced hype without any fundamental improvement. Is the Mag7 acronym already blowing out?



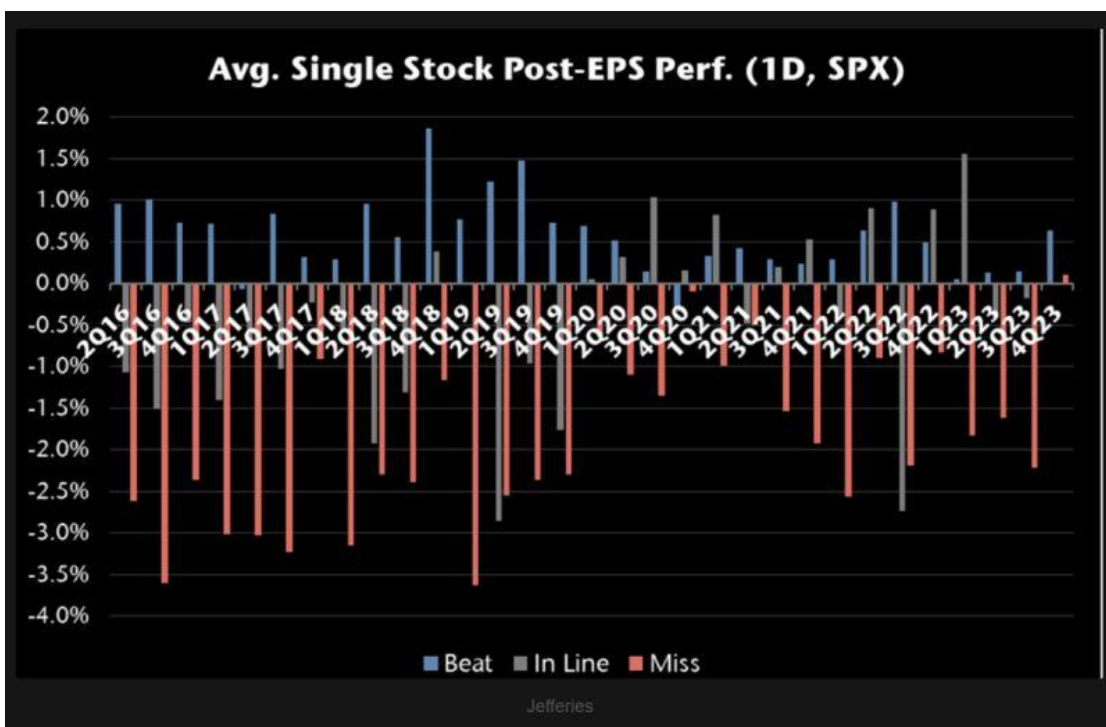
Source: Bloomberg, Tavi Costa





#us #equities #earnings

This US equity bull market doesn't care about earnings misses... Despite the fact that >20% of SPX companies have missed, on average, they are still getting rewarded for it.



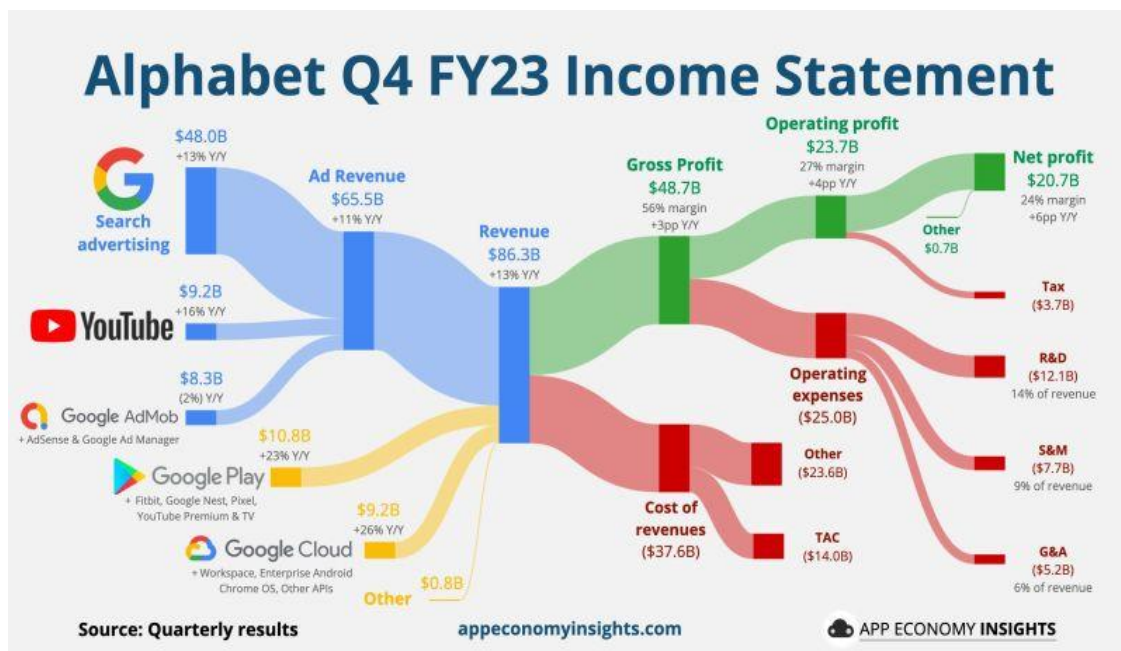
Source: TME, Jefferies



#alphabet #earnings

⚠️ Alphabet \$GOOGL stock dropped after beating EPS and Revenue expectations. SUMMARY OF ALPHABET \$GOOGL EARNINGS:

1. Revenue +13% Y/Y to \$86.3B (\$1.0B beat).
2. EPS \$1.64 (\$0.04 beat).
3. The search giant underperformed in its core ad search segment. -> Google’s advertising revenue totaled \$65.52 billion, below expectations for sales of \$65.80 billion.
4. Operating income also came in below expectations at \$23.7 billion, compared to \$23.82 billion.
5. On the bright side, Google cloud revenue topped estimates.

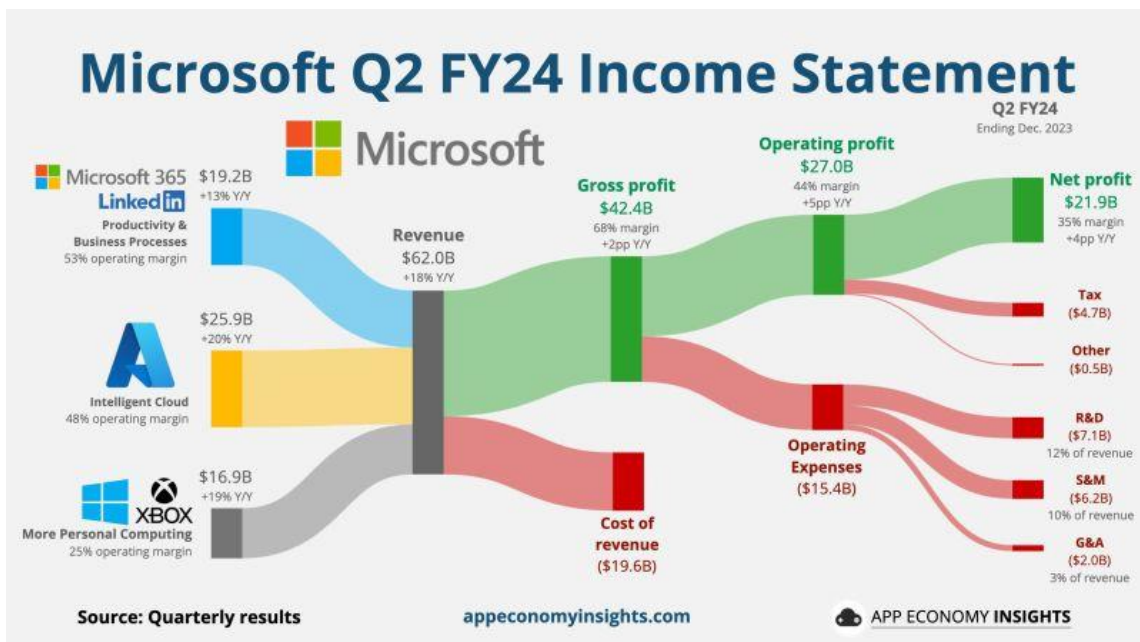




#microsoft #earnings

Microsoft \$MSFT hitting all-time highs in extended hours trading after blowing out EPS and Revenue expectations

- Revenue +18% Y/Y to \$62.0B (\$0.9B beat).
- Gross margin 68% (+2pp Y/Y)
- Operating margin 44% (+5pp Y/Y).
- EPS \$2.93 (\$0.16 beat).



Source: App Economy Insights



#amazon #earnings

Amazon on Thursday reported fourth-quarter results that sailed past analysts' estimates, and gave strong guidance for the current quarter. The stock climbed more than 8% in extended trading. \$AMZN Amazon Q4 FY23:

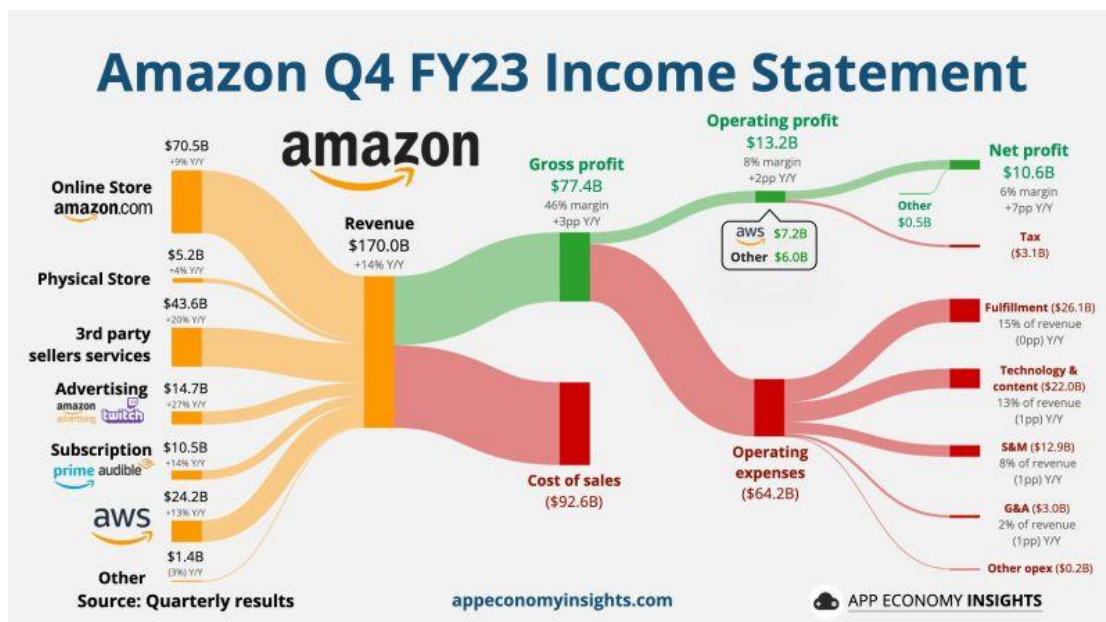
- Revenue +14% Y/Y to \$170B (\$3.7B beat).
- Operating margin 8% (+2pp Y/Y).
- FCF \$37B TTM.

AWS:

- Revenue +13% Y/Y to \$24.2B.
- Operating margin 30% (+5pp Y/Y).

Q1 FY24 Guidance:

- Revenue ~\$138-\$143B (\$142B expected).



Source: App Economy Insights

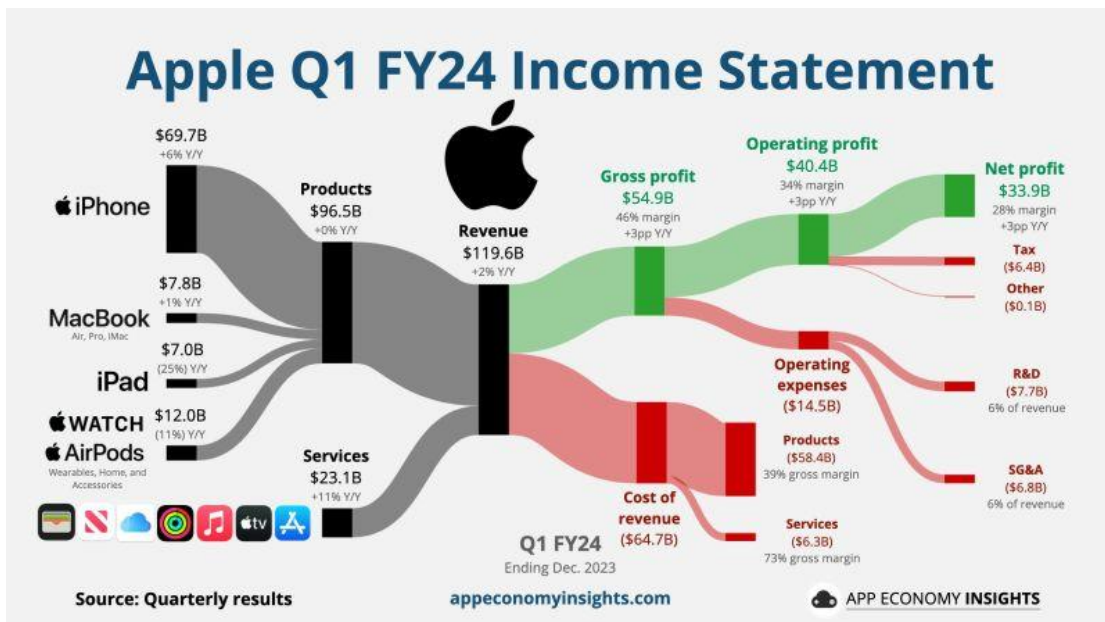


#apple #earnings

Apple reported fiscal first-quarter earnings on Thursday that beat estimates for revenue and earnings, but Apple showed a 13% decline in sales in China, one of its most important markets. Apple shares fell over 1% in extended trading. Here’s how Apple did:

\$AAPL Apple Q1 FY24 in a nutshell:

- Revenue +2% Y/Y to \$119.6B (\$1.3B beat).
- Services +11% Y/Y to \$23.1B.
- Products +0% Y/Y to \$96.5B.
- Operating margin 34% (+3pp Y/Y).
- EPS \$2.18 (\$0.07 beat).
- \$20.1B in buybacks and \$3.8B in dividends.



Source: App Economy Insights





#meta #earnings

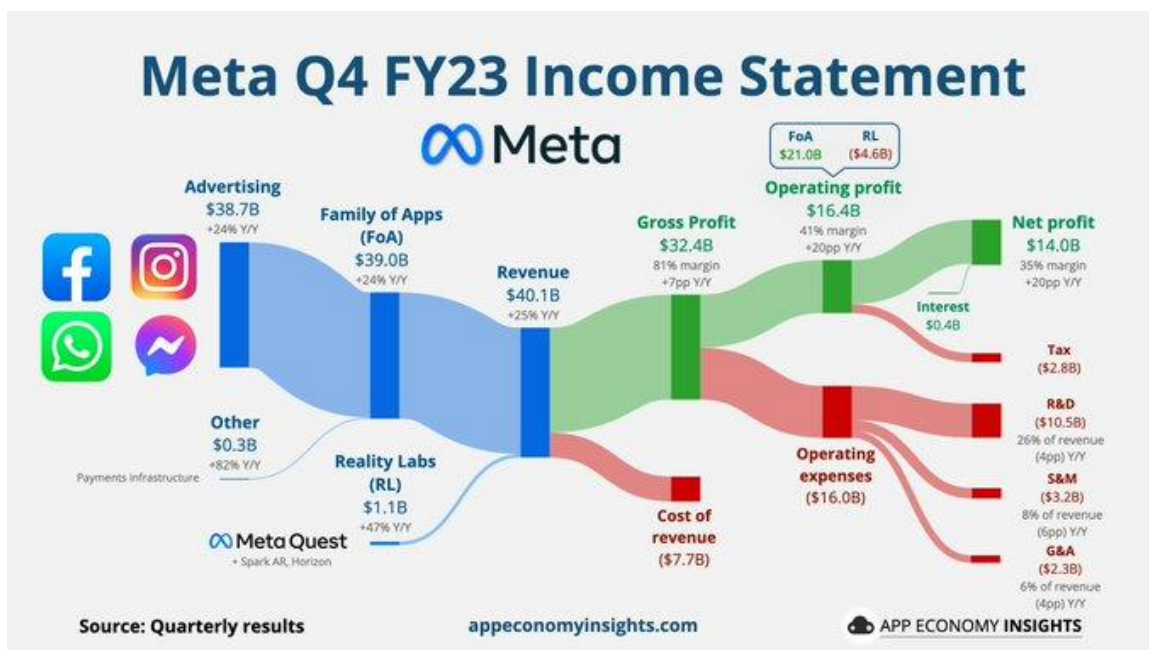
\$META soared more than 20% on Friday for its 3rd best day since the company went public.

\$META Meta Q4 FY23:

- Daily active people +8% Y/Y to 3.2B.
- Revenue +25% Y/Y to \$40.1B (\$0.9B beat).
- Operating margin 41% (+20pp Y/Y).
- FCF margin 29% (+12pp Y/Y).
- EPS \$5.33 (\$0.39 beat).

Q1 FY24 guidance:

- Revenue \$34.5B-\$37B (\$34B expected).



Source: App Economy Insights



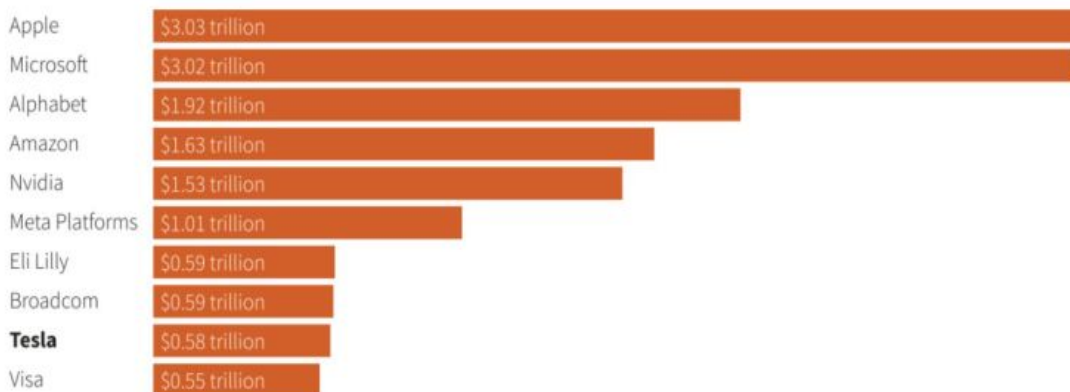


#tesla #market-cap #mag7

Tesla's market cap drop below Eli Lilly and Broadcom. Tesla's left the "Magnificent Seven" group of leading megacap stocks, losing 12% of its value and about \$70 billion in market cap on Thursday.

Tesla's market capitalization drops below Eli Lilly

After the EV maker's missed Wall Street's expectations, its stock market value dropped by \$70 billion, putting it below Eli Lilly and Broadcom and far below other so-called Magnificent Seven stocks



Created by Thomson Reuters / Noel Randewich
Source: LSEG

Reuters Graphics

Source: reuters

#walmart #stock-split

Walmart announced a three-for-one stock split on Tuesday as the retailer's shares sit just below their all-time high. The company said the additional shares will be payable after the market closes Feb. 23 to shareholders of record as of the previous day. Walmart's stock will start trading on a post-split basis Feb. 26.

RETAIL

Walmart announces 3-for-1 stock split as shares hover below all-time high

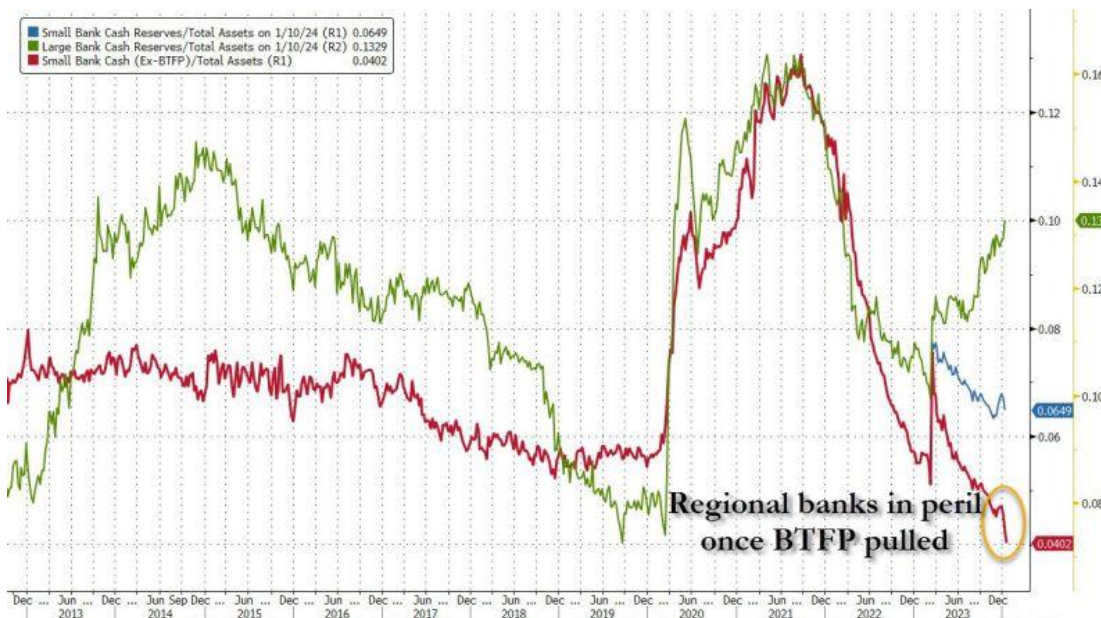
PUBLISHED TUE, JAN 30 2024 5:17 PM EST | UPDATED TUE, JAN 30 2024 5:56 PM EST

Source: cnbc



#us #banks #cash

Rabobank: "What happens when all of those regional US banks with balance sheets loaded with dubious commercial real estate loans can no longer pledge underwater securities at par? The answer is more money printing, which explains the price action in the S&P500."



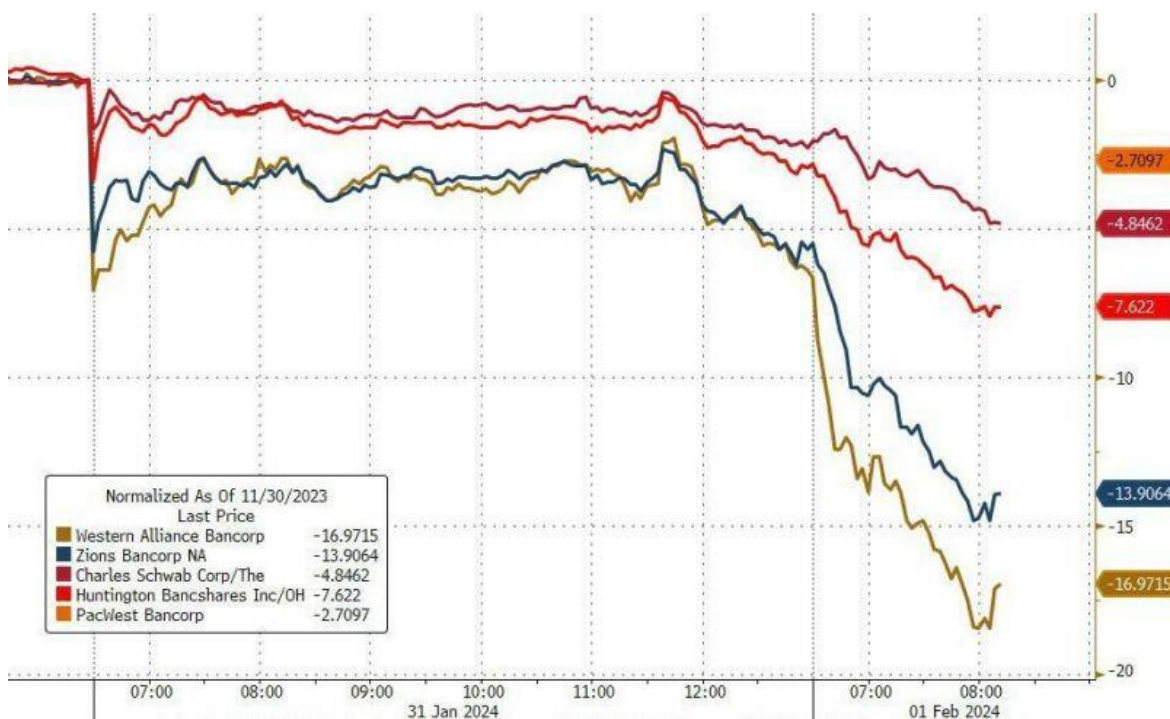
Source: www.zerohedge.com, Bloomberg





#us #banks #performance

Multiple small US banks tumbled high-single and double digits. There is a silver lining though -> the market quickly remembered that it was precisely the bank crisis last March that sparked a powerful Fed response (BTFP), and a violent rally, and we got the same thing today as stocks slingshot sharply higher closing 1.1% higher...



Source: www.zerohedge.com





#nycb #bank #performance

This isn't a crypto or a meme stock. It's New York Community Bank \$NYCB, which acquired failed Signature Bank assets last year, has fallen over over 40% today. The price of shares in New York Community Bancorp - the regional bank that purchased deposits from Signature Bank last year - crashed today, below SVB crisis lows, after reporting a surprise loss for the fourth quarter and a cut to its dividend. As Bloomberg reports, the bank lowered its quarterly payout to shareholders to 5 cents. Analysts had predicted the dividend would remain at 17 cents. A worsening credit outlook contributed to the unexpected loss, as the company boosted its loan-loss provision more than expected.



Source: www.zerohedge.com

#markets

#nycb #bank #equity

NEW YORK COMMUNITY BANK SHARES WERE DOWN AS MUCH AS 40% ON WEDNESDAY. THE BANK POSTED A SURPRISE LOSS FOR THE FOURTH QUARTER AND ALSO CUT ITS DIVIDEND. THIS IS THE SAME BANK WHO BOUGHT SIGNATURE BANK LAST YEAR AFTER IT COLLAPSED. NOTE IT HAS COMMERCIAL REAL ESTATE (CRE) LOAN EXPOSURE TO THE TUNE OF 71% OF ITS ENTIRE LOAN BOOK.

At a group of 27 smaller, mid-sized banks, commercial real estate accounted for 44% of total loan portfolios, based on median exposure. Such loans accounted for more than two-third of total loans at eight of those banks. New York Community Bancorp. ([NYCB](#)), which recently bought assets of Silicon Valley Bank, has CRE loan exposure to the tune of 71% of its entire loan book. Other notable names on the list include FirstWest Bancorp. ([FWBC](#))



#us #bank #losses

U.S. Banks are facing unrealized losses of roughly \$685 billion (updated as of Q3). This problem isn't going away any time soon until the Federal Reserve begins cutting. New York Community Bancorp \$NYCB might be the next victim.

Unrealized Gains (Losses) on Investment Securities



Source: FDIC.

Note: Insured Call Report filers only. Unrealized losses on securities solely reflect the difference between the market value as of quarter end and the book value of non-equity securities.

Source: Barchart





#europe #equities #valuations

European stocks are currently trading at their lowest valuation relative to U.S. Stocks in history

EXHIBIT 1: **Europe is trading at an all-time-wide discount on 12m fwd P/E (33%).**

Relative 12m Fwd PE Ratio



Source: IBES, Bernstein analysis

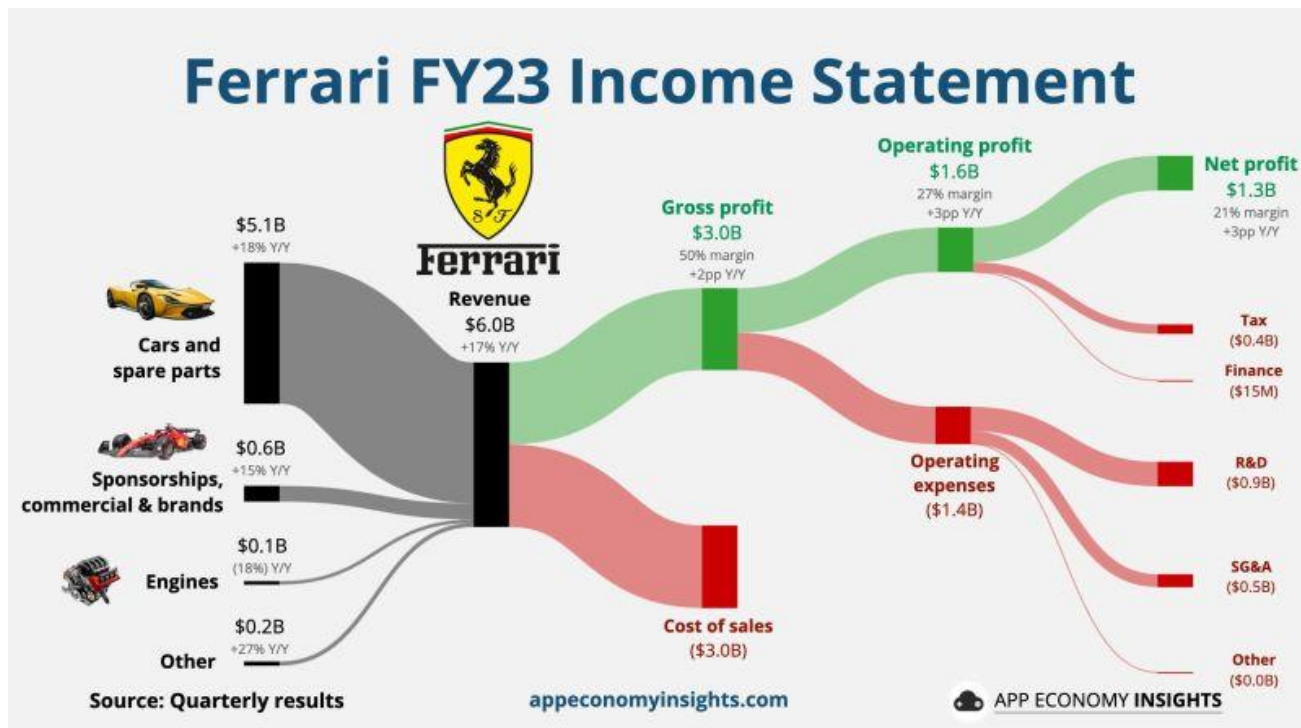
Source: Win Smart, IBES





#ferrari #earnings

There are also some strong stories in Europe... Ferrari stock \$RACE closed up ~13% on Thursday as they reported their FY23 earnings. Big news: Lewis Hamilton is reportedly leaving Mercedes to join Ferrari's F1 team next year. 🏎️



Source: App Economy Insights



#japan #bank #performance

Shares of Japanese bank Aozora are collapsing. Stock's on steepest 2-day drop since it became a public company. Why? Bank reported massive exposure to US commercial real estate.



Source: David Ingles, Bloomberg

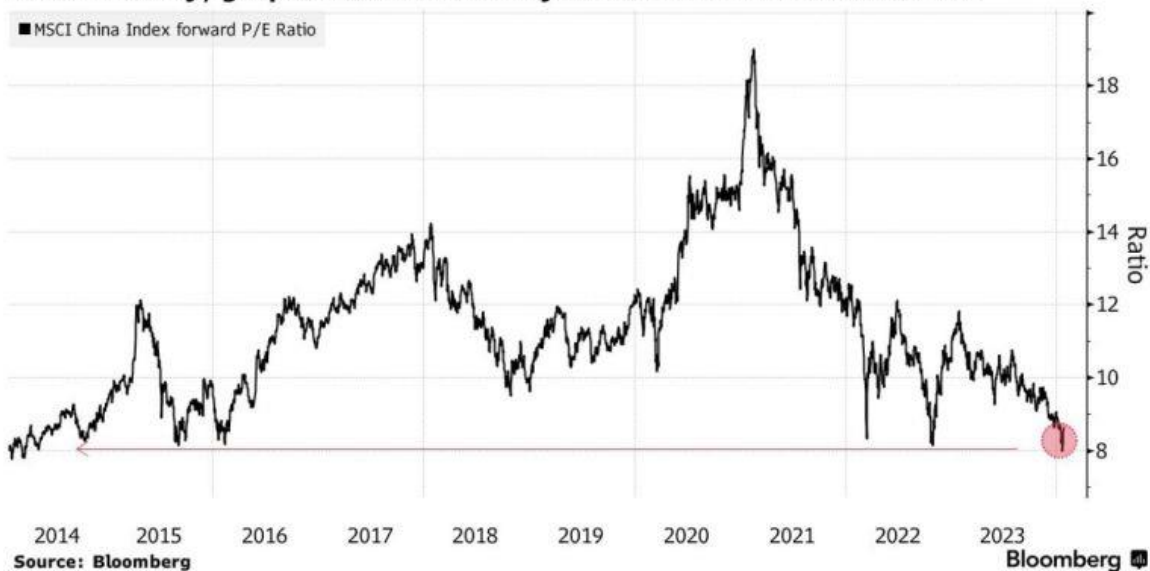




#china #equities

Chinese Stocks have fallen to a P/E Ratio of just 8, their lowest valuation in a decade 🧐

China Stocks Valuation Slips to Lowest in Decade Weak economy, geopolitical risks are key concerns amid a relentless fall



Source: Barchart, Bloomberg





#hong-kong #evergrande #real-estate

A Hong Kong court has ruled that Evergrande, China's largest real estate developer, must be liquidated. The stock is now down another 20% today on the news and trading has been halted. Evergrande is now considered the most indebted property developer in the world. This comes at a time when China's HY Real Estate Index is down 85% in 2 years. China is also preparing hundreds of billions in economic stimulus along with considering a ban on short selling.



Source: The Kobeissi Letter





#us #treasuries #weekly

Treasury yields all exploded higher on Friday, with the short-end underperforming (2Y +17bps, 30Y +10bps) leaving the 2Y the only part of the curve higher on the week...



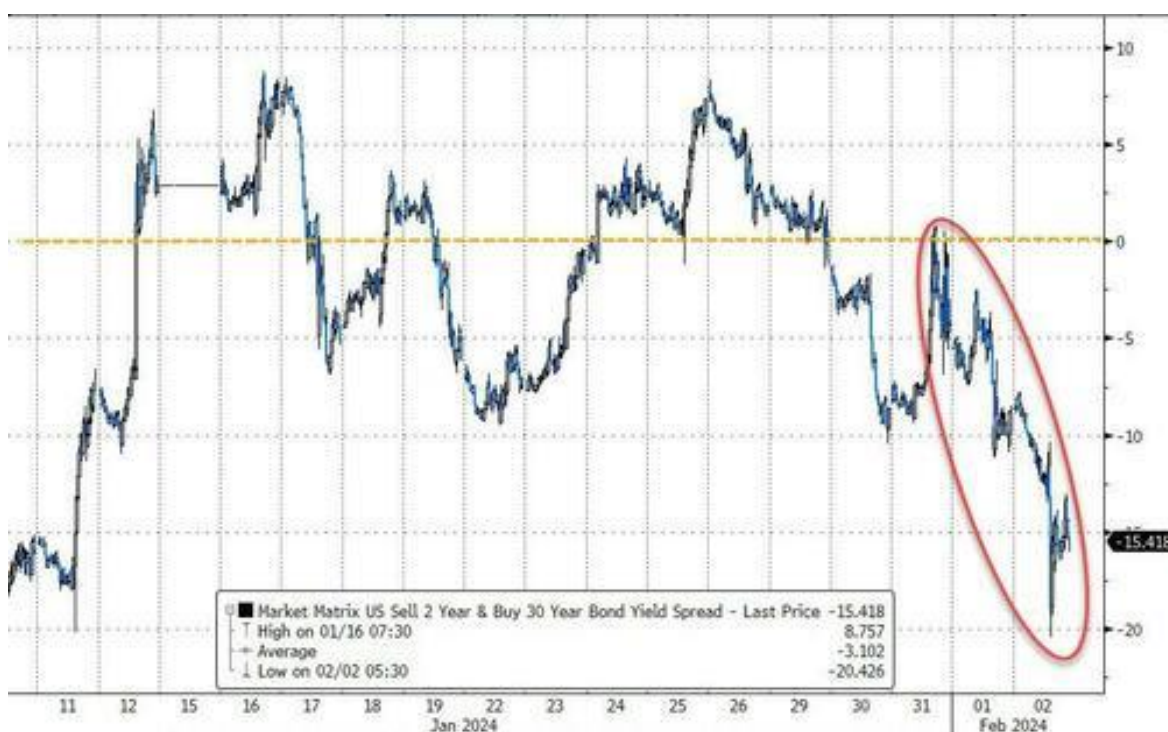
Source: www.zerohedge.com, Bloomberg



#markets

#us #treasuries #yield-curve

The US yield curve (2s30s) is back into inversion (erasing all the steepening from the Dec FOMC)...



Source: www.zerohedge.com, Bloomberg



#us #equity #futures #treasury

Equity futures spiked while bond yields dropped yesterday after the close after US Treasury unexpectedly slashed borrowing estimates.

US Treasury Quarterly Net Borrowing History (Table)
 By Chris Middleton

(Bloomberg) -- Following is a history of the US Treasury's quarterly net borrowing requirement estimates:

Refunding Date	Qtr.	Expected Borrowing			Targeted Cash Balance		
		Initial Est.	Revised Est.	Actual Amt.	Initial Est.	Revised Est.	Actual Amt.
01/29/24	II	\$202	n/a	n/a	\$750	n/a	n/a
01/29/24	I	\$816	\$760	n/a	\$750	\$750	n/a
01/29/24	IV	\$852	\$776	\$776	\$750	\$750	\$769
10/30/23	III	\$733	\$1,007	\$1,010	\$600	\$650	\$657
07/31/23	II	\$278	\$726	\$657	\$550	\$550	\$402
05/01/23	I	\$578	\$932	\$657	\$500	\$500	\$178
01/30/23	IV	\$400	\$550	\$373	\$700	\$700	\$447
10/31/22	III	\$182	\$444	\$457	\$650	\$650	\$636
08/01/22	II	\$66	-\$26	\$7	\$700	\$800	\$782
05/02/22	I	\$476	\$729	\$668	\$650	\$650	\$652
11/01/21	IV	\$703	\$1,015	\$689	\$800	\$650	\$406
08/02/21	III	\$821	\$673	\$103	\$750	\$750	\$215
05/03/21	II	\$95	\$463	\$319	\$500	\$800	\$852
02/01/21	I	\$1,127	\$274	\$401	\$800	\$800	\$1,122
11/02/20	IV	\$1,216	\$617	\$597	\$800	\$800	\$1,729
08/03/20	III	\$677	\$947	\$454	\$800	\$800	\$1,782

Source: Bloomberg, Chris Middleton, Lawrence McDonald, www.zerohedge.com



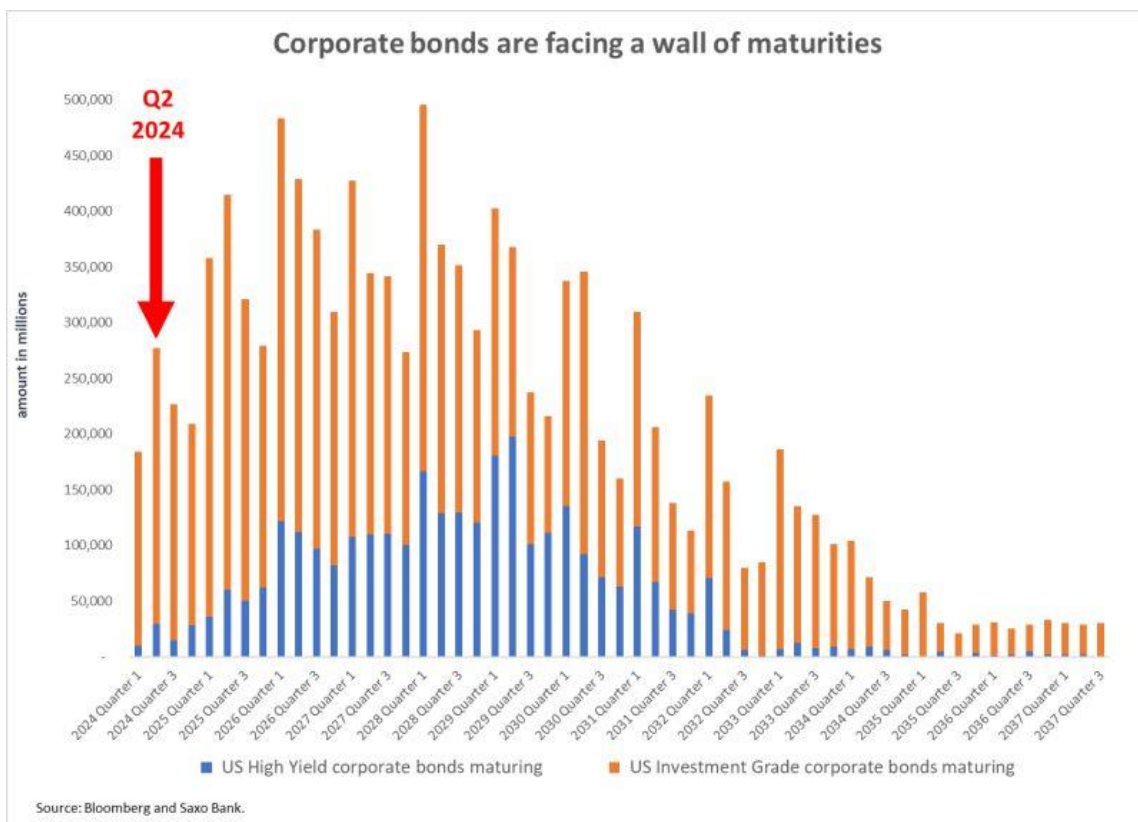


#bonds #maturity-wall

Roughly \$276bn (IG+HY) corporate bonds need to be refinanced in Q2 2024

Despite the recent bond rally:

- ⚠️ HY must refinance from an avg coupon of 5.8% to 9%
- ⚠️ IG must refinance from an avg coupon of 3.77% to 5.75%, the highest since Q3 2007 (excluding Q3 '23 peak of 5.79%)



Source: Althea Spinozzi, Bloomberg, Saxo bank

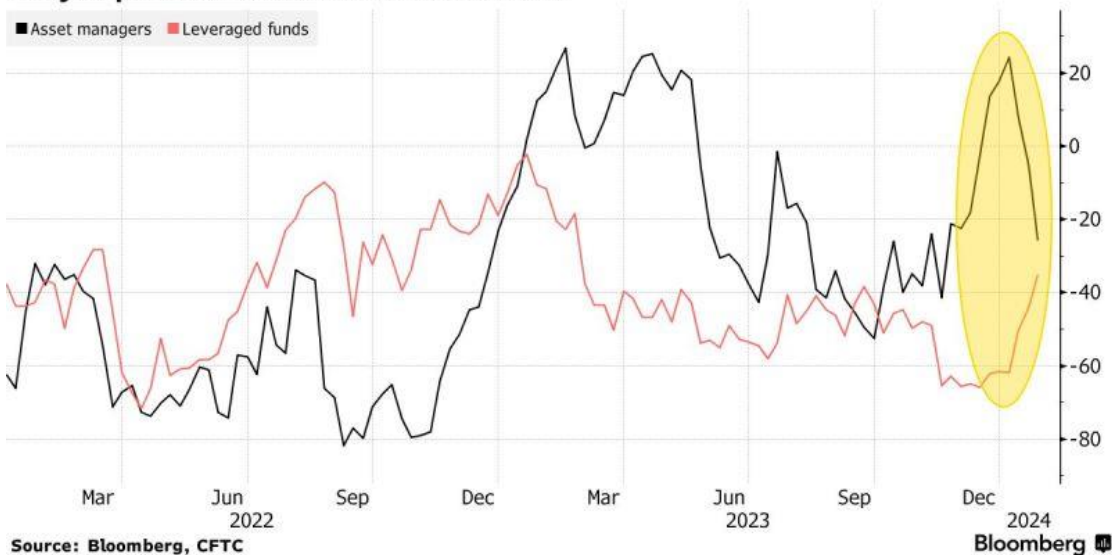




#boj #japan #yen

JP Hedge Funds, Asset Managers Take Opposite Yen Bets Amid BOJ Talk - Bloomberg, C.Barraud. Hedge funds and asset managers were split on their yen views as the Bank of Japan laid the ground for an end to its negative-rate policy. Leveraged funds cut net yen shorts to the lowest level since February 2023 in the seven days ended Jan. 23 when BOJ announced its last policy decision, according to a report from the Commodity Futures Trading Commission. In contrast, asset managers, such as pension funds and insurance companies, boosted net shorts by the most since May when the investors switched to shorts from longs.

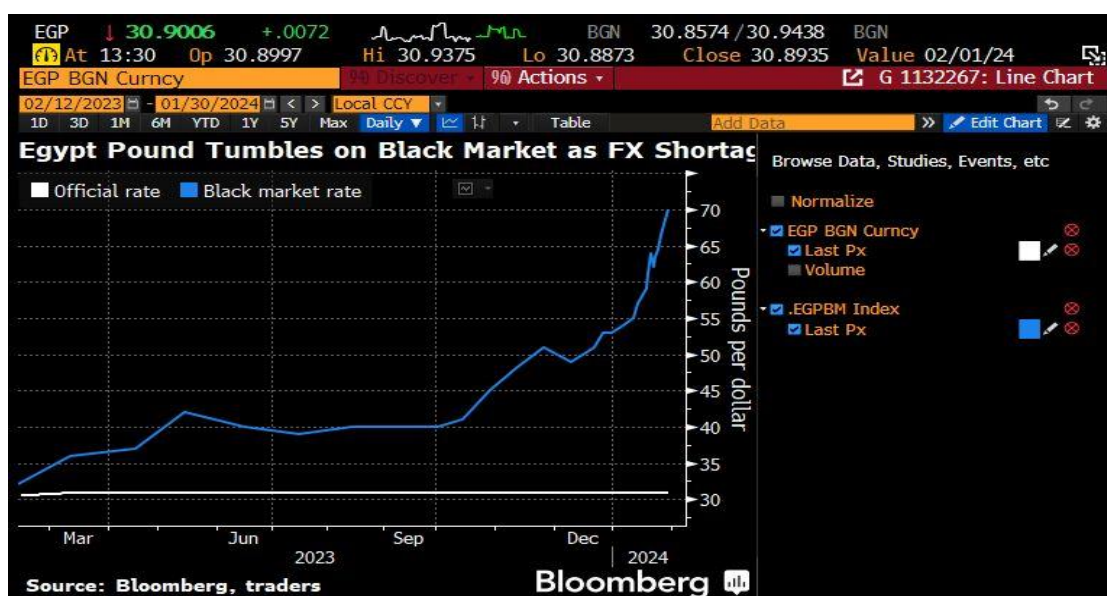
Yen Positions Have Contrasting Shifts Among Investor Groups Net yen positions in thousands of contracts





#egypt #forex #pound

Egypt: The currency is in free-fall. Black market rate: 1 dollar = 70 pounds. Official rate: 1 dollar = 30.9 pounds. The pounds has weakened by nearly 24% in the market in 2024. Egyptian billionaire Naguib Sawiris criticized delays in enacting a long-awaited devaluation of the pound, suggesting authorities match the spiraling black market rate to end the nation's chronic foreign-currency shortage. Postponing reforms is "a disaster that will increase the extent of the critical situation we are in," Sawiris said in an Arabic-language post on social media platform X. Egypt's pound has plunged on the parallel market to 68-70 per dollar in recent days, leaving it more than 50% weaker than the official rate of about 30.9.



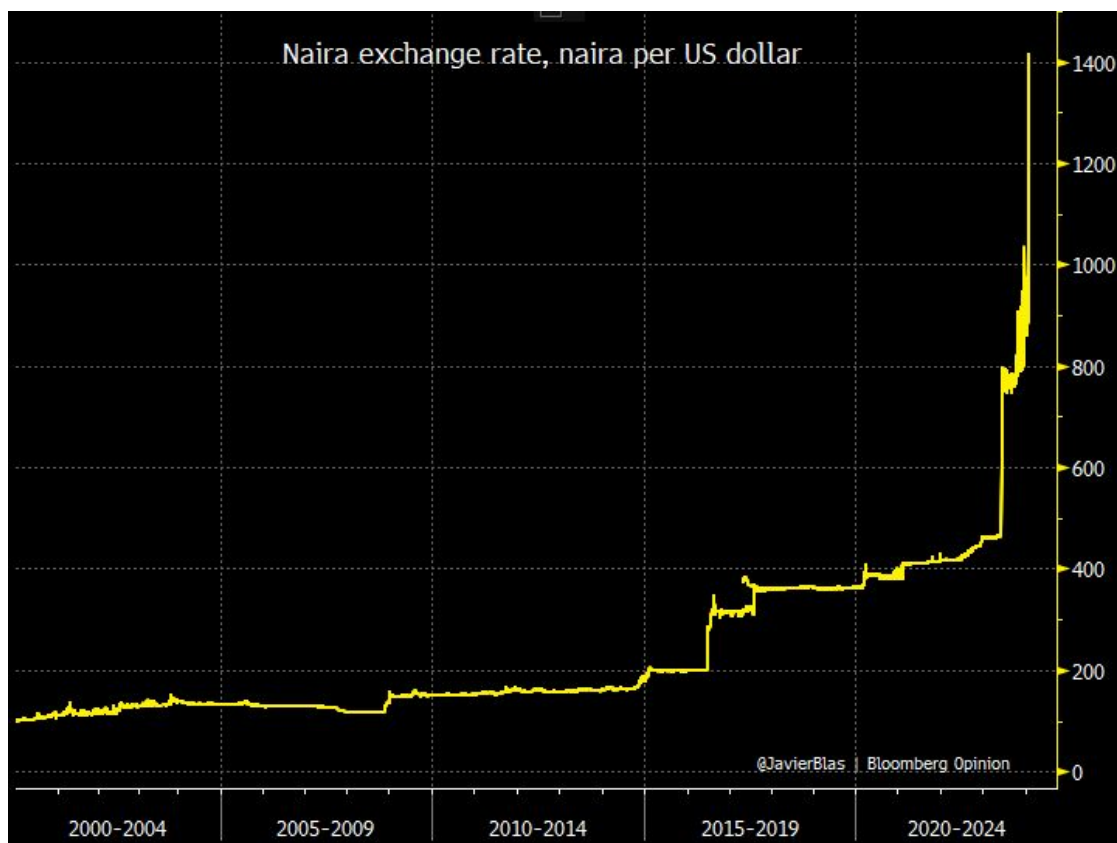
Source: Bloomberg, Ziad M Daoud





#nigeria #forex #naira

Javier Blas - The two largest economies in Africa are under huge financial strain. On Monday, Nigeria de facto devalued the naira by ~30% (after another ~30% devaluation in June). And Egypt is under pressure to devalue too, with the pound ~50% weaker in the black market.



Source: Javier Blas Bloomberg



#oil #weekly

Oil prices are in a complete free fall this week.

Even as OPEC+ agreed to maintain production cuts, oil prices are down nearly 10% in less than 5 days.

The decline accelerated after Wednesday's Fed meeting when Powell said a rate cut in March is unlikely



Source: barchart





#us #spending #deficit

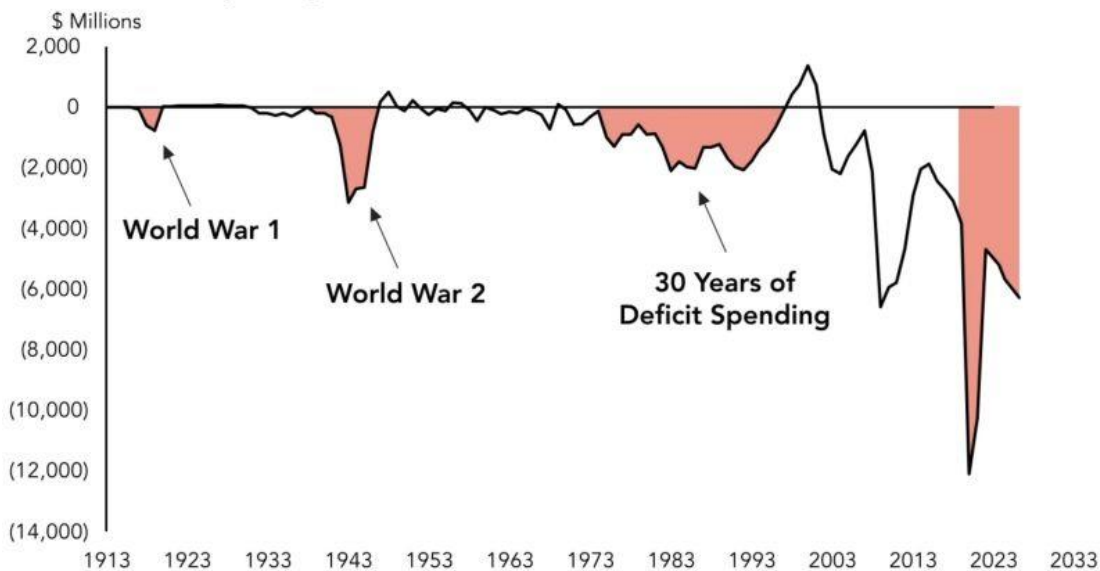
US government spending (inflation-adjusted) since 2020 has exceeded the combined spending of:

- World War I
- World War II
- 1970 to 1990

Is this sustainable?

US Federal Deficit Adjusted For Inflation

Federal Surplus or Deficit [-]/Consumer Price Index for All Urban Consumers: All Items in U.S. City Average

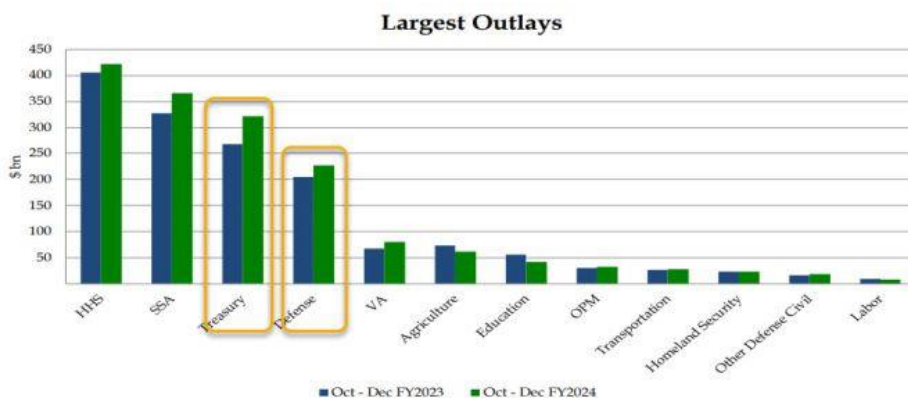


Dates: 1913 Through 2022.
Source: US Bureau of Labor Statistics, US Office of Management and Budget, National Bureau of Economic Research, Game of Trades.



#us #spending #debt-interest

US Treasury confirms spending on debt interest now larger than entire Defense Budget.... and will soon surpass entire Social Security budget.



Notable Outlay Category	YoY change thru Q1 FY24 (\$ billion)	YoY change thru Q1 FY24 (%)	Comments
Social Security Administration (calendar adjusted)	+\$39	+12%	Primarily due to increases from cost-of-living adjustments and an increased number of beneficiaries.
Health and Human Services (calendar adjusted)	+\$17	+4%	Due to increases in Medicare spending.
Department of Defense (calendar adjusted)	+\$22	+11%	Due to increased spending for military personnel, operations, maintenance and procurement.
Department of Treasury	+\$54	+20%	Primarily due to a \$78 billion (37%) increase in gross interest on public debt. Offset by lower Employee Retention Tax Credits (-\$20 billion).
Department of Veterans Affairs (calendar adjusted)	+\$12	+18%	Due to benefit increases.
Department of Education	-\$13	-24%	Due to several upward modifications that increased outlays last year.
Department of Agriculture	-\$12	-16%	Due to the end of the emergency allotments for the Supplemental Nutrition Assistance Program there were discontinued in March 2023.
Other (not in the chart above)	+\$58	+236%	Including \$62 billion increase in Federal Deposit Insurance Corporation outlays used primarily to repay liabilities incurred in March and April 2023.

Outlays in the chart above are on a calendar adjusted basis

7

#us #treasury #bond-auction

The US Treasury will hold some of its largest-ever debt auctions in the coming three months in an effort to fill the yawning federal budget deficit. The Treasury said on Wednesday it would increase the size of auctions at most maturities for the next three months, with two-year and five-year auctions hitting record sizes. The five-year auction in April, for \$70bn, would be the biggest ever for debt with a maturity of two years or more. The US has been increasing its borrowing over the past few quarters, as the gap between government spending and tax revenue has grown. The federal deficit stood at \$1.7tn last year.

US Treasury to hold largest-ever bond auctions to plug budget deficit

Five-year \$70bn auction in April to be biggest sale



The Treasury said it would increase the size of auctions at most maturities for the next three months © Bloomberg

#macro

#us #debt #black-swan

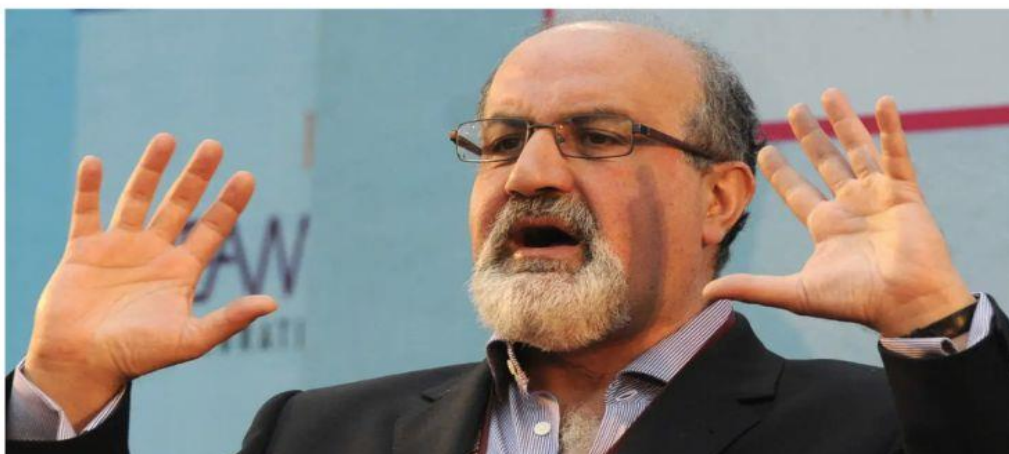
The US is facing a "death spiral" as a result of its mounting debt and the inability of politicians to confront the issue, according to "The Black Swan" author Nassim Taleb. Per Bloomberg, the Universa Investments advisor who correctly called the 2008 financial crash cast a dire warning about the US debt situation, which has seen the federal debt balance notch \$34 trillion for the first time ever to start the year. As long as Congress keeps up its rapid pace of spending, those debts are going to continue to pile up, which could have disastrous consequences for the US economy, Taleb said this week at an event held by Universa Investments.

ECONOMY

'Black Swan' author Nassim Taleb says the US is heading for a debt 'death spiral'

Jennifer Sor Jan 30, 2024, 6:30 PM CET

Share Save



Source: Business Insider

#macro

#us #economic #surprises

The lagged effect of the massive loosening of financial conditions is now hitting and NOT doing The Fed's job)...



Source: Bloomberg, www.zerohedge.com



#us #payroll #nfp

BREAKING: US NFP at 353k way above the estimated 185k, Wages came in hotter than expected +4.5% YoY vs +4.1% expected. The December jobs report has been revised UP, showing 333,000 jobs added rather than the 216,000 originally reported. This breaks a 10-month trend of downward revisions in the reported jobs number. Meanwhile, average hourly earnings in January rose 0.6%, DOUBLING expectations. Unemployment rate held flat MoM at 3.7% (the Street was anticipating 3.8%). Note that according to the Household survey, the number of employed people dipped by 31k MoM, so US Non-farm-payroll report is not as hot as at 1st sight.

Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	02/02 14:30				Revisions: Establishment Survey Data					
22)	02/02 14:30		🔔	📊	Two-Month Payroll Net Revision	Jan	--	126k	--	--
23)	02/02 14:30	🔔		📊	Change in Nonfarm Payrolls	Jan	185k	353k	216k	333k
24)	02/02 14:30	🔔		📊	Change in Private Payrolls	Jan	170k	317k	164k	278k
25)	02/02 14:30	🔔		📊	Change in Manufact. Payrolls	Jan	3k	23k	6k	8k
26)	02/02 14:30	🔔		📊	Unemployment Rate	Jan	3.8%	3.7%	3.7%	--
27)	02/02 14:30	🔔		📊	Average Hourly Earnings MoM	Jan	0.3%	0.6%	0.4%	--
28)	02/02 14:30	🔔		📊	Average Hourly Earnings YoY	Jan	4.1%	4.5%	4.1%	--
29)	02/02 14:30	🔔		📊	Average Weekly Hours All Employees	Jan	34.3	34.1	34.3	--
30)	02/02 14:30	🔔		📊	Labor Force Participation Rate	Jan	62.6%	62.5%	62.5%	--
31)	02/02 14:30	🔔		📊	Underemployment Rate	Jan	--	7.2%	7.1%	--

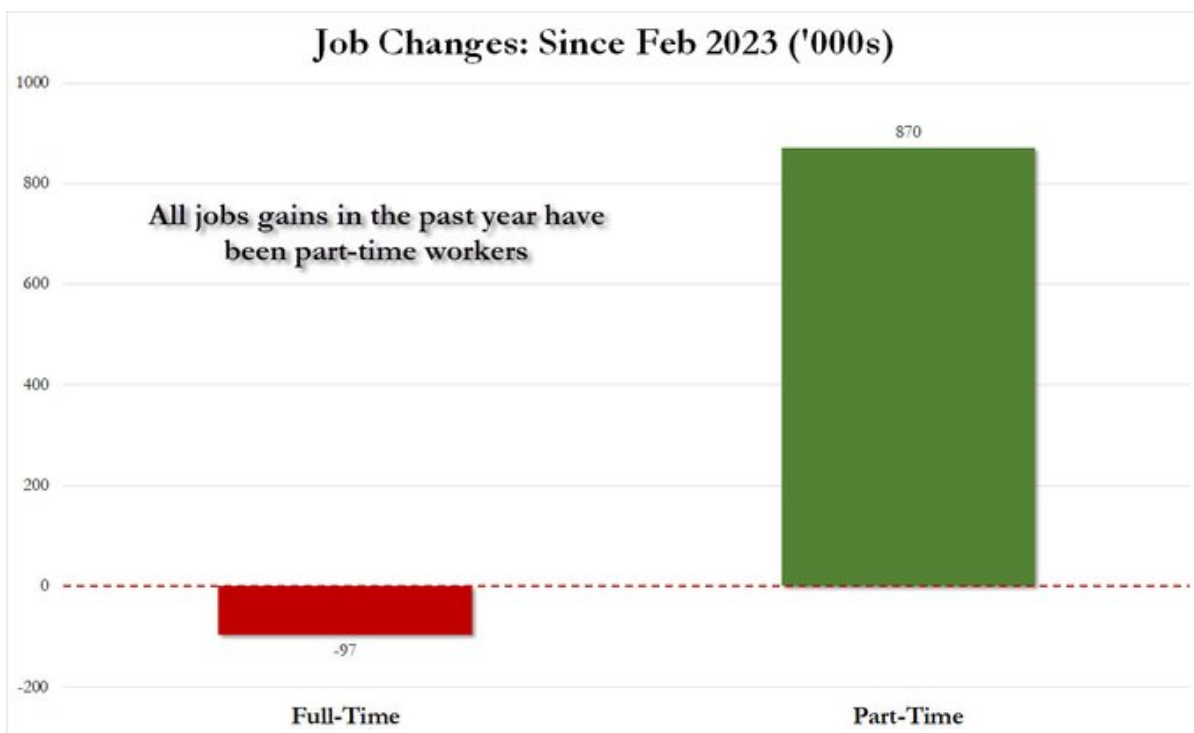


Source: Bloomberg, HolgerZ



#us #payroll #nfp

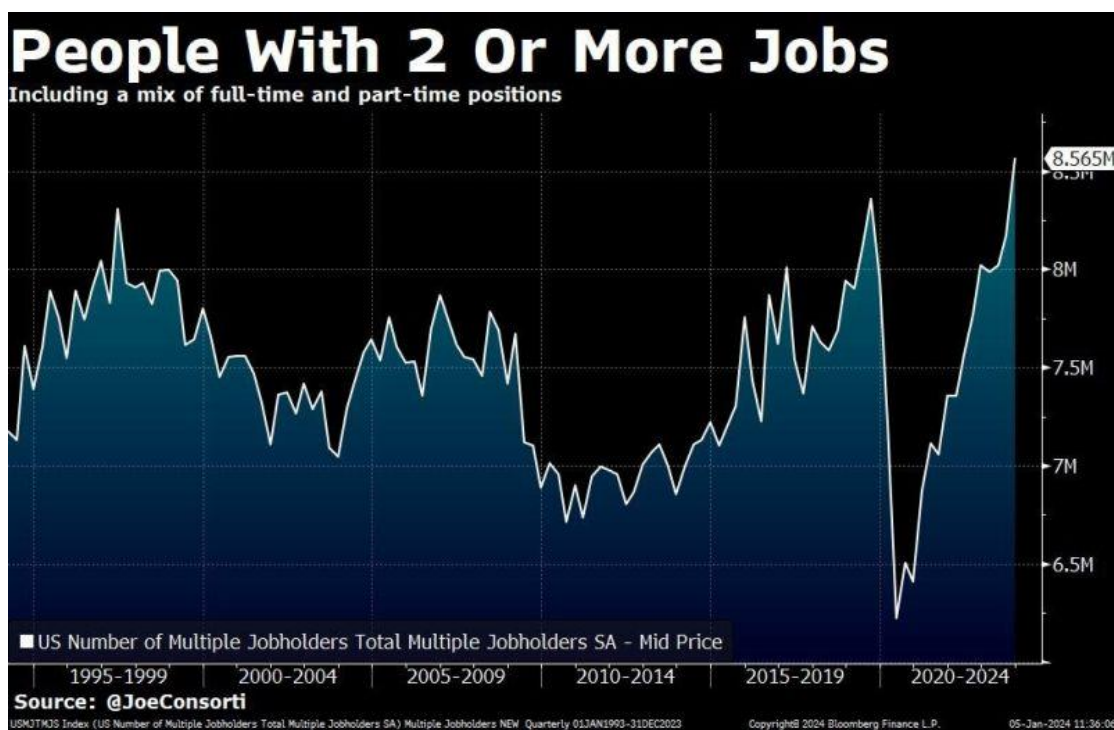
All "jobs" added in the past year have been part-time workers





#us #employment

All the headline numbers have showed that the US labor market is incredibly strong. But is it really? Currently, the US has a record ~8.6 MILLION people that are holding 2 or more jobs. Since 2020, nearly 2.6 million people have taken on an additional job.

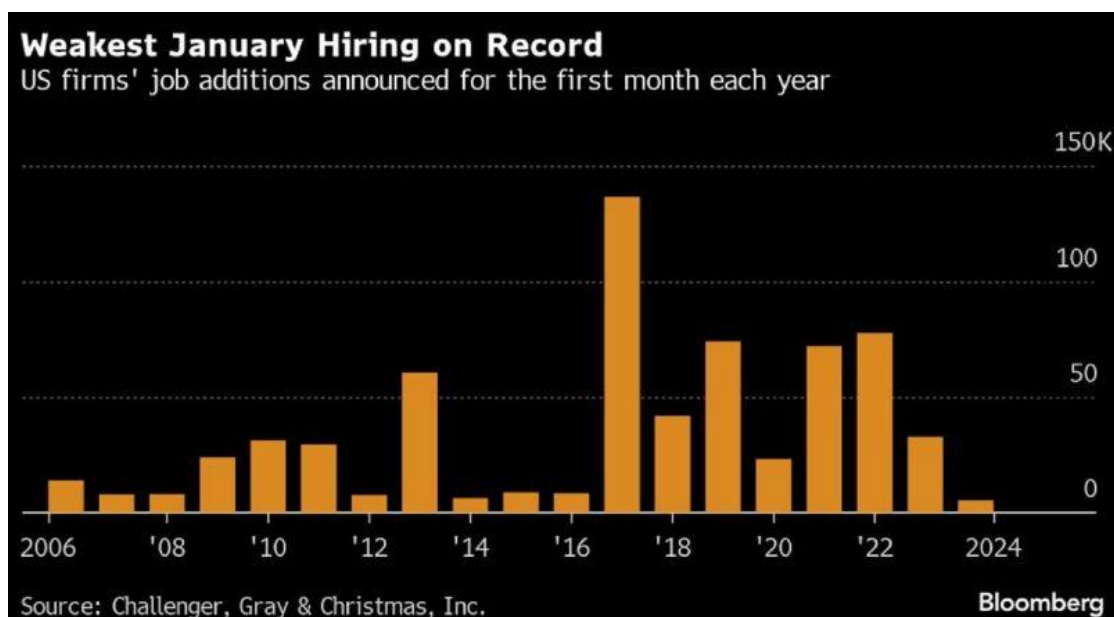


Source: Bloomberg, The Kobeissi Letter

#macro

#us #employment

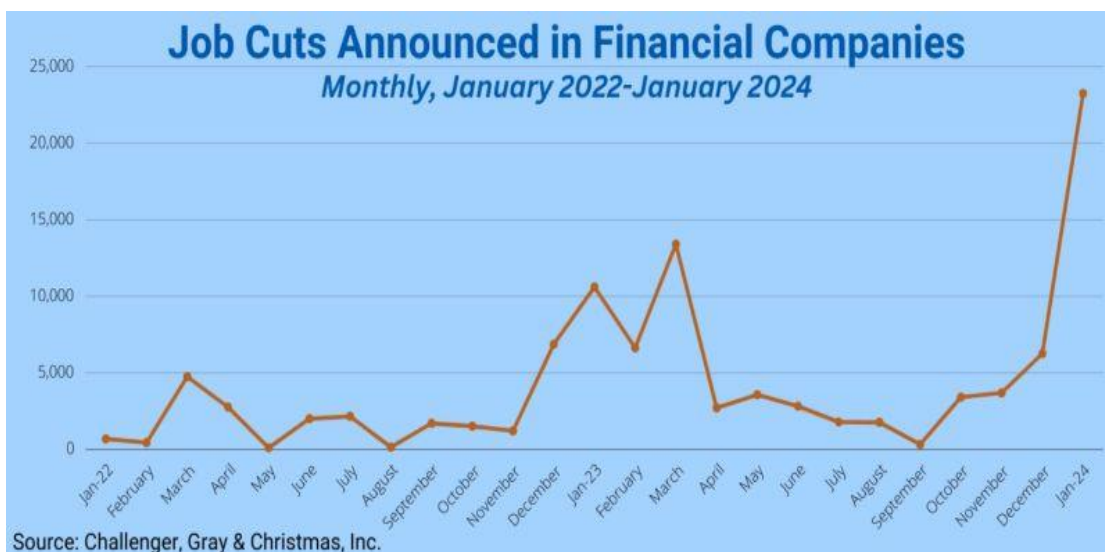
US companies announced plans to hire just 5,376 workers in January, the lowest total for that month on record.





#layoffs #financial-companies

Financial firms are at the forefront of the layoffs observed this year.



Source: mayhem4markets



#macro

#layoffs #tech

Layoffs Announced Over last 3 months : During 2022 and the initial months of 2023, there were upwards of 300,000 job cuts, predominantly within the technology sector. However, as 2024 begins, we are witnessing job reductions spreading across various industries.

Layoffs Announced Over Last 3 Months:

1. Twitch: 35% of workforce
2. Hasbro: 20% of workforce
3. Spotify: 17% of workforce
4. Levi's: 15% of workforce
5. Zerox: 15% of workforce
6. Qualtrics: 14% of workforce
7. Wayfair: 13% of workforce
8. Duolingo: 10% of workforce
9. Washington Post: 10% of workforce
10. eBay: 9% of workforce
11. Business Insider: 8% of workforce
12. Charles Schwab: 6% of workforce
13. Blackrock: 3% of workforce
14. Citigroup: 20,000 employees
15. Pixar: 1,300 employees

Source: Kobeissi letter

#macro

#ups #jobs

BREAKING: UPS, \$UPS, to cut 12,000 jobs after what its CEO called a "difficult and disappointing" year. The company has stated that they are looking to cut \$1 billion of annual costs. UPS stock was down 6% after the announcement. Over the last 3 months, layoffs have quickly spread from technology companies to just about every industry. Shipping is now the latest industry to feel the pain. Note that UPS announcement takes place 6 months after the famous 170k salary package announcement by UPS who was at the time desperate to find new drivers. Time flies...

6 months ago

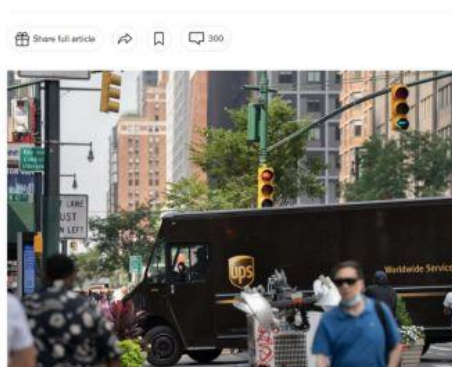
Average UPS driver to make \$170,000 in pay, benefits with new contract



Today

UPS to Cut 12,000 Jobs as Wages Rise and Package Volumes Fall

After what the company called a "difficult and disappointing" 2023, UPS said the cuts would save \$1 billion this year.

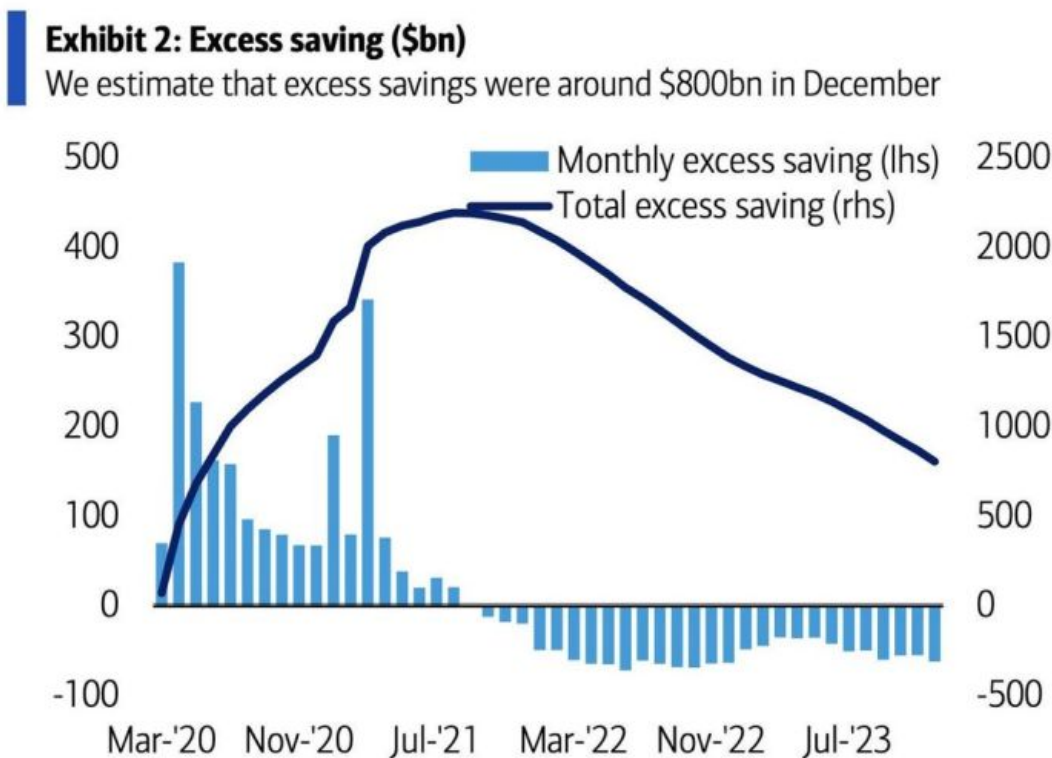


Source: The New York Times, The Kobeissi Letter



#us #savings #spending

B of A: “.. At the current monthly rundown pace, excess savings should continue to support consumer spending at least through the rest of 2024.”

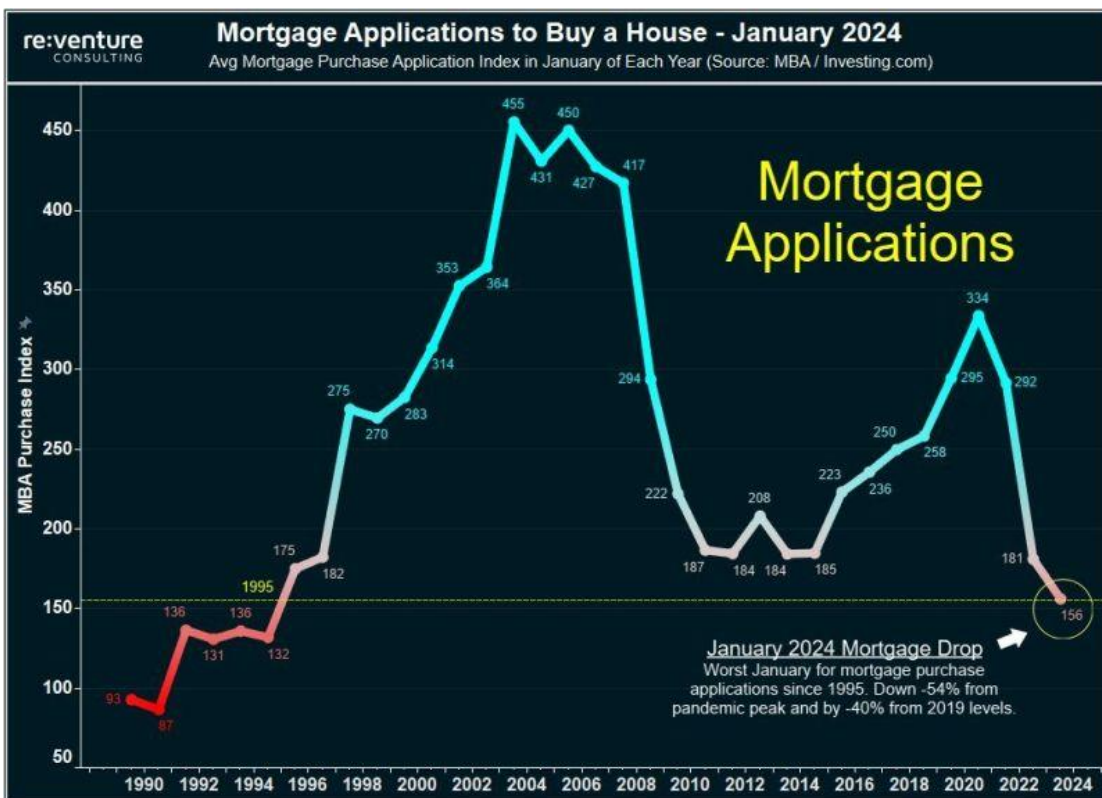


Source: BEA, Haver Analytics, BofA Global Research. Excess savings calculated by comparing actual savings to what savings would have been if the saving rate held at the 2019 average rate.
BofA GLOBAL RESEARCH



#us #mortgage #demand

BREAKING: Mortgage demand fell to a new 30-year low in January 2024, down 54% from the pandemic peak, according to Reventure. Mortgage demand is down 14% over the last year and 40% from pre-pandemic levels.



Source: The Kobeissi Letter, re:venture

#macro

#us #real-estate #affordability

(CNN) - If you cannot afford your rent, you are in good company. According to Harvard University, half of all renters in the United States are paying more in rent than they should. That is defined as using up more than 30% of your income. The good news is rent is coming down in most of the country. The median asking rent is just above \$1,700, which is down \$63 from its peak in July 2022. That number is going to vary from city to city, but even in Manhattan, rents dropped for the first time in more than two years in November.

Half of US tenants cannot afford rent, report says



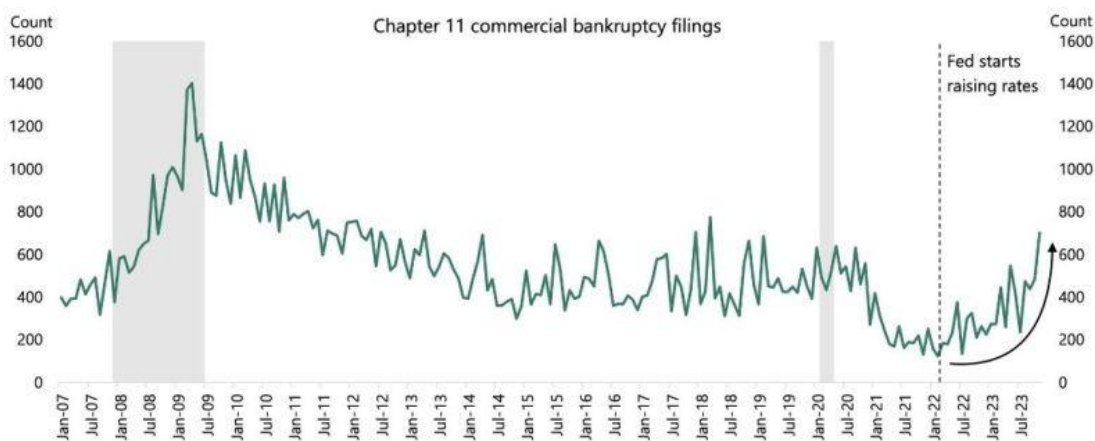
FILE - A "For Rent" sign is displayed outside a building in Philadelphia, June 22, 2022. (AP Photo/Matt Rourke, File)
By CNN Newsroom Staff



#us #bankruptcy

Bankruptcy filings keep moving higher. This sounds like a logical consequence of 2 years of aggressive FED tightening but still something to keep an eye on

Chapter 11 Bankruptcy Filings Rising Rapidly in November



Source: Epiq bankruptcy, Apollo Chief Economist



Source: Win Smart, CFA



#german #inflation #cpi

German inflation slows to 2.9% in January from 3.7% in December, lowest level since June 2021. Core CPI slows to 3.4% in January from 3.5% in December, lowest level June 2022. Energy in deflation, energy prices dropped -2.8% YoY, while Food CPI slowed to 3.8% from 4.5% in December.



Source: HolgerZ, Bloomberg



#germany #retail-sales

Germany troubles in one chart. Retail sales have fallen by 4.4% in Dec YoY. This means that even Christmas sales fell through. Germans have gone on a buyers' strike since the outbreak of inflation & have even cut back on gifts for children during the Christmas season. This also explains why Germany has some of the toughest competition in the retail sector and the lowest profit margins there



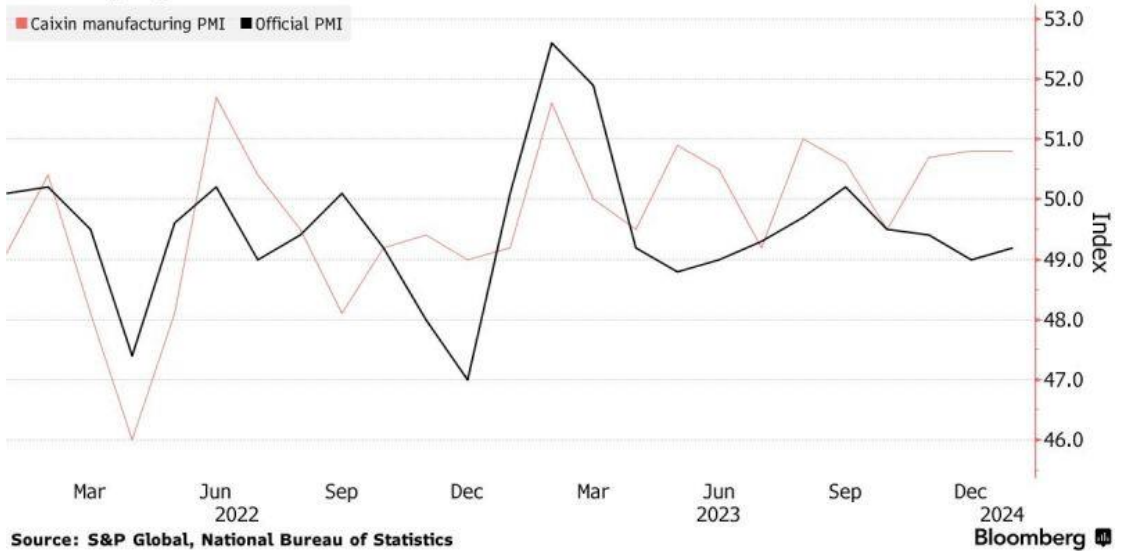
Source: Bloomberg, HolgerZ



#china #manufacturing

China Factory Activity Expands Again, Private Survey Shows

China's Factory Activity Expands Again
Private gauge contrasts with weak official data

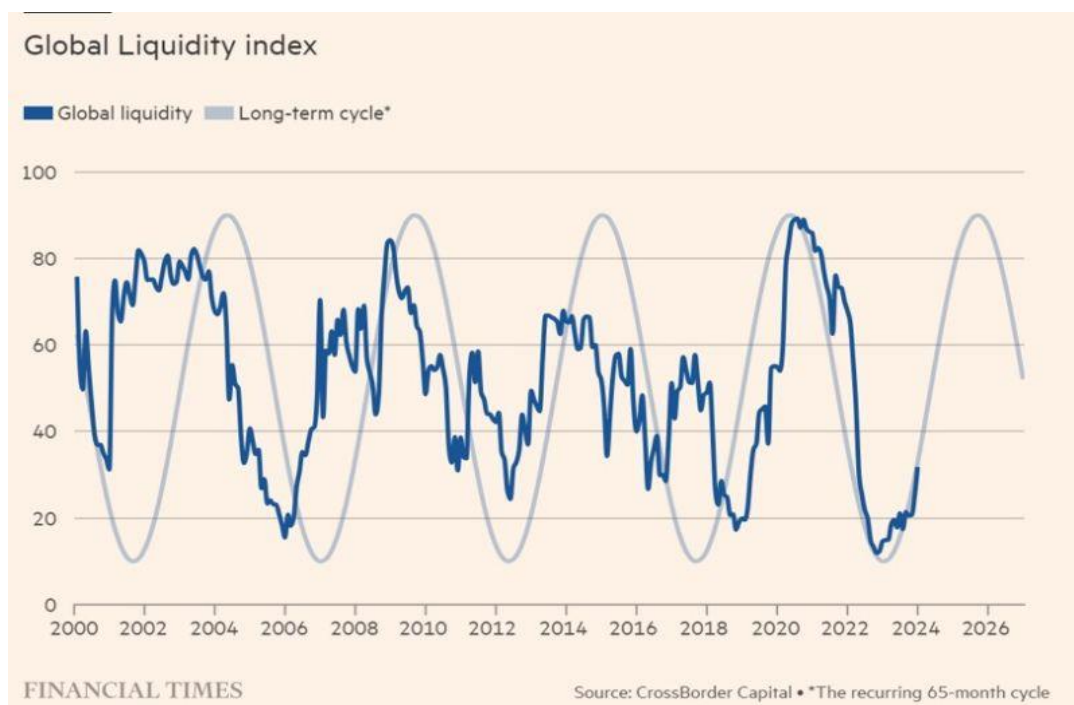


Source: Bloomberg, C.Barraud

#centralbanks

#global #liquidity

Interesting FT article highlighting the improvement of global liquidity (contributor -> Cross Border Capital as contributor). Flows of global liquidity accelerated higher into early 2024, expanding by 9 per cent at an annual rate from September, led by strong increases in Japan and China. In 2024, we expect greater liquidity support from central banks as more policymakers turn towards monetary policy easing. Aside from the Fed, the People’s Bank of China is the obvious central bank to watch as it already contributed almost one-fifth of the total increase in global liquidity last year.



#centralbanks

#fed #rates-cuts

* FED: DON'T SEE CUTS UNTIL MORE CONFIDENT INFLATION NEARING 2%
Our take: The U.S. economy enters 2024 from a position of strength. For instance, the S&P PMI came in higher than expected last week. Q4 GDP growth in the U.S. came in at 3.3% annualized, well above expectations of 2.0% growth. And while disinflation is firmly in place, the inflation rate remains above the central bank target. There is thus no reason for the Fed to rush. Nevertheless, we still believe they will have to cut rates at some point for the following reasons: 1/ Keeping rates too high for too long can have long-lasting effects on US economic growth. 2/ Keeping rates steady while inflation is coming down imply rising real rates. Keeping positive real rates for too long at a time when Uncle Sam is facing \$33T debt and surging interest rates payments is unsustainable.

*FED TO CONSIDER 'ANY ADJUSTMENTS' TO INTEREST RATES	BN	14:00
*FED SAYS RISKS TO GOALS 'ARE MOVING INTO BETTER BALANCE'	BN	14:00
*FED HOLDS BENCHMARK RATE IN 5.25%-5.5% TARGET RANGE	BN	14:00
*FED: DON'T SEE CUTS UNTIL MORE CONFIDENT INFLATION NEARING 2%	BN	14:00
US Federal Funds Target Interest Rate History (Table)	BN	14:00
Text of Fed's Monetary Policy Statement	DJ	14:00
*FOMC "Highly Attentive" to Inflation Risks, Says Economic Outlook Is Uncertain	DJ	14:00
*FOMC: Job Gains Have Moderated Since Early 2023, Remain Strong	DJ	14:00
Fed Holds Rates Steady and Inches Closer to Cutting in Future	BN	14:00
*FOMC: Voted 12-0 For Fed Funds Rate Action	DJ	14:00
*FOMC: Economic Activity Expanding at "Solid" Pace	DJ	14:00
*FOMC: "Any Adjustments" to Rates To Be Based On Incoming Data, Evolving Outlook, Balance of Risks	DJ	14:00
*FOMC Judges Risks to Achieving Employment, Inflation Goals Moving Into Better Balance	DJ	14:00
Key Takeaways From Fed Decision to Hold Rates at 22-Year High	BN	14:00
*FED OMITTS REFERENCE TO SOUND AND RESILIENT US BANKING SYSTEM	BN	14:00
*FED HOLDS IOR AT 5.4%, DISCOUNT RATE AT 5.5%	BN	14:00
*FED RELEASES FOMC STATEMENT IN WASHINGTON	BN	14:00
*FED: ECONOMIC ACTIVITY HAS BEEN EXPANDING AT SOLID PACE	BN	14:00
*FED SAYS FOMC VOTE UNANIMOUS	BN	14:00
*FOMC Does Not Expect to Reduce Rates Until It Has "Greater Confidence" Inflation Moving Toward 2%	DJ	14:00
US Federal Open Market Committee Jan. 31 Statement	BN	14:00
*FED: JOB GAINS MODERATED SINCE EARLY 2023 BUT REMAIN STRONG	BN	14:00
*Federal Reserve Keeps Fed Funds Range Unchanged at 5.25% to 5.50%	DJ	14:00
*FED REPEATS INFLATION "EASED" OVER PAST YEAR, REMAINS ELEVATED	BN	14:00
*FED WILL CONTINUE SAME PACE OF REDUCING TREASURY, MBS HOLDINGS	BN	14:00
Fed Statement on Investment and Trading Policy: Attached	BN	14:00
*FOMC: Inflation Eased Over Past Year, Remains Elevated	DJ	14:00
*FED OMITTS REFERENCE TO TIGHTER FINANCIAL, CREDIT CONDITIONS	BN	14:00
Strike-through Comparison of Federal Open Market Committee Texts	BN	14:00
*Fed Leaves Discount Rate Unchanged at 5.50%	DJ	14:00
*FED REMOVES REFERENCE TO POTENTIAL ADDITIONAL POLICY FIRMING	BN	14:00



#centralbanks

#fed #rate-cuts #futures

The Fed said that a March rate cut is "unlikely," yet futures are still pricing in a 39% chance it happens. Even as the Fed said they cannot cut rates until inflation is comfortably moving to 2%, markets still see 6 cuts in 2024. There's even a growing 23% chance of 7 interest rate cuts this year. Markets are pricing in a rate cut at EVERY remaining Fed meeting this year. As highlighted by the Kobeissi Letter, if the Fed is on track for a "soft landing," why do we need to many rate cuts?

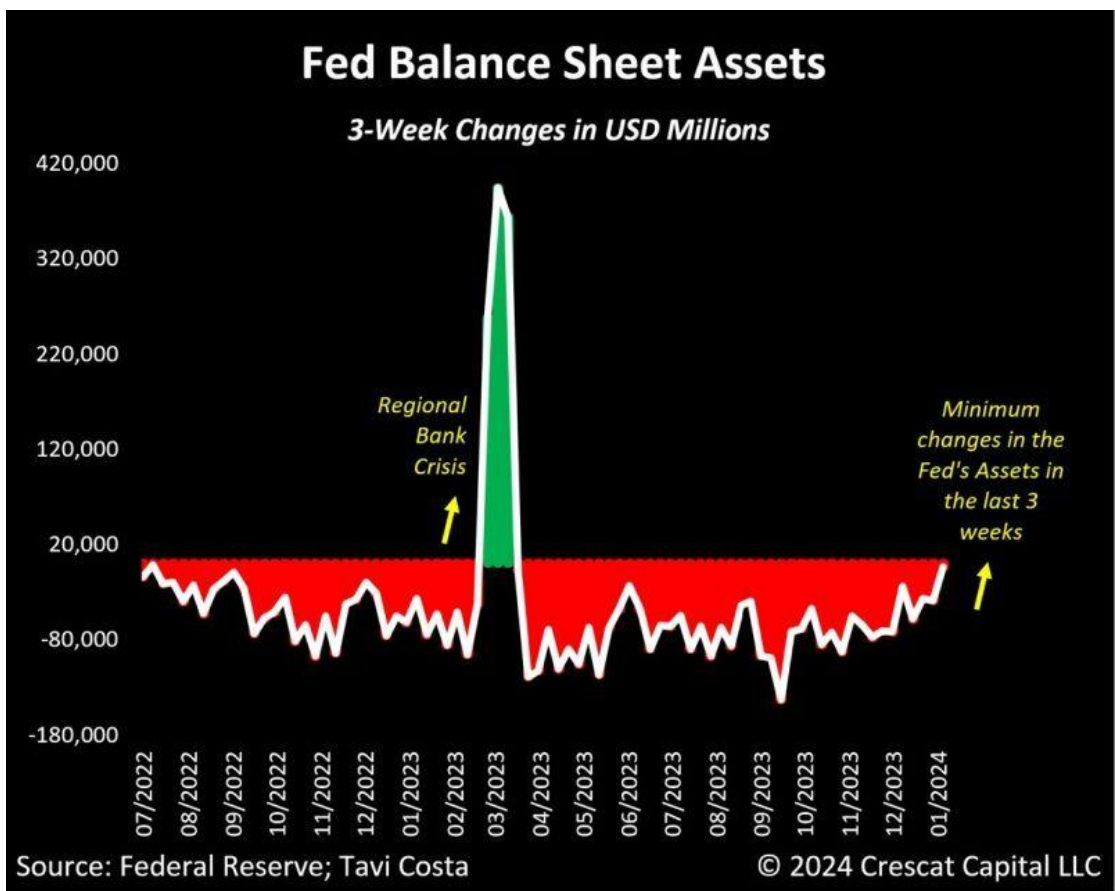
MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
3/20/2024				0.0%	0.0%	0.0%	0.0%	38.5%	61.5%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	36.0%	60.0%	4.0%
6/12/2024	0.0%	0.0%	0.0%	0.0%	4.1%	38.7%	53.6%	3.6%	0.0%
7/31/2024	0.0%	0.0%	0.0%	4.0%	38.1%	53.4%	4.5%	0.1%	0.0%
9/18/2024	0.0%	0.0%	4.0%	37.7%	53.2%	5.0%	0.1%	0.0%	0.0%
11/7/2024	0.0%	2.4%	24.1%	46.9%	24.5%	2.1%	0.0%	0.0%	0.0%
12/18/2024	2.1%	21.3%	44.1%	27.3%	4.9%	0.3%	0.0%	0.0%	0.0%

Source: The Kobeissi Letter

#centralbanks

#fed #balance-sheet

The Fed did almost no QT in the last 3 weeks. As highlighted by Tavi Costa, this was the smallest change in their balance sheet since the regional bank crisis in March 2023.

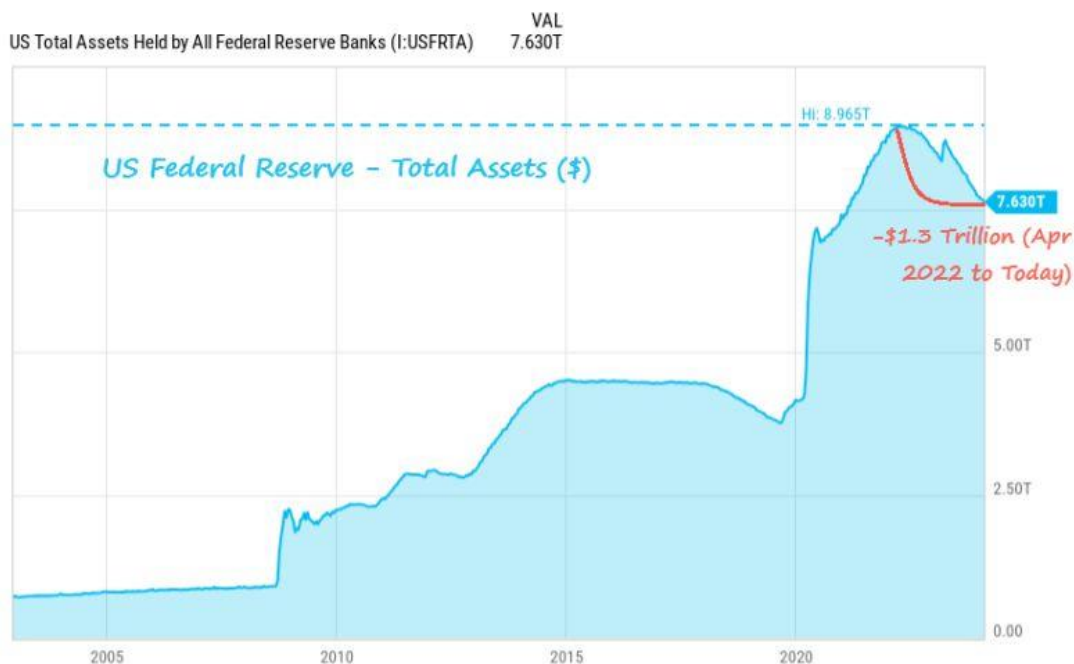


Source: Bloomberg, Crescat Capital

#centralbanks

#fed #balance-sheet

The Fed's balance sheet is now at its lowest level since March 2021, down \$1.3 trillion from its peak in April 2022. How much more QT is needed to unwind the massive QE from March 2020- April 2022? \$3.5 trillion.



CREATIVE PLANNING @CharlieBilello

Feb 1, 2024, 11:33 PM EST Powered by YCHARTS

Source: Charlie Bilello



#centralbanks

#powell #trump

 **Investing.com**  @Investingcom · 8m ...

 JUST IN:

*TRUMP SAYS HE WOULD NOT REAPPOINT FED CHAIR JEROME POWELL



#centralbanks

#boe #interest-rates #inflation

Divided Bank of England BOE leaves policy unchanged, says interest rates are 'under review'. - Inflation is projected to fall temporarily to the Bank's 2% target in the second quarter of this year before rising again in the third and fourth, due to the varying contribution of energy prices to annual comparisons. - Headline inflation is not expected to return to target again until late 2026, the Bank's newest Monetary Policy Report projected. - Bank of England: 6 votes to hold rates, 2 votes to hike, 1 vote to cut. This is the 6th time in the BoE's 295 meeting history that we've seen a 3 way split vote. On most occasions (except for '06) - the doves have won & BoE have gone on to cut rates sharply.



Source: cnbc

#geopolitics

#greece #energy-security #red-sea

Greece is the third country in Europe, after Italy and Spain, to see energy security affected by Houthi attacks to tankers in the Red Sea. At least 3 Qatari LNG cargoes have been cancelled over the last days, impacting the Greek prospects of becoming a gas hub in Europe.



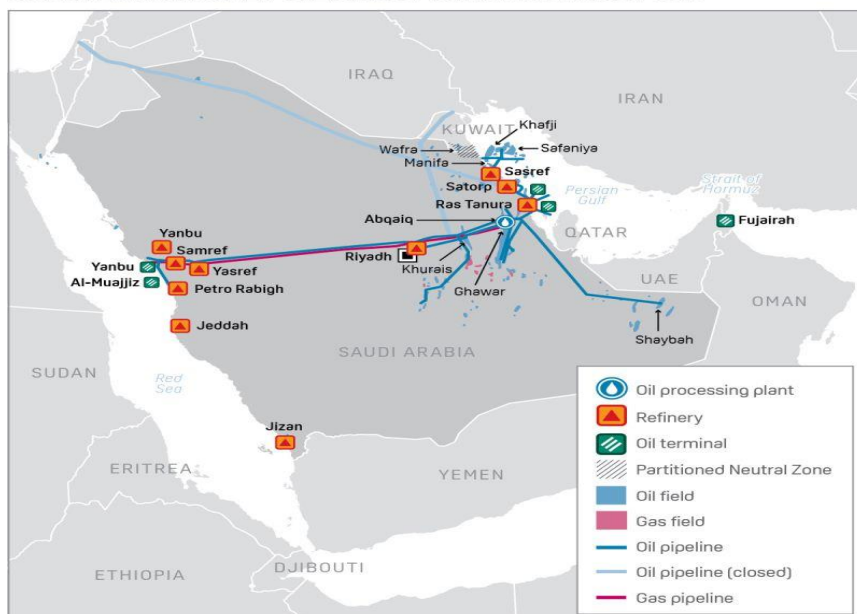
Source: Francesco Sassi

#geopolitics

#saudi-arabia #oil #energy-transition

Saudi Arabia has announced that it will stop pursuing the expansion of its oil production capacity, reversing a key goal in the oil's superpower strategy. Supporters of the energy transition are celebrating, but geopolitics may be more important than what meets the eye. In a nutshell, Saudi Arabia manages together with Russia a very complex political and economic arrangement within the OPEC+ alliance. Riyadh and Moscow are coordinating with other producers around the world in order to revive the global oil market, prevent production surplus and keep oil prices higher than non-OPEC producers' policies would.

SAUDI ARABIA'S KEY OIL AND GAS INFRASTRUCTURE



Source: S&P Global Platts, EIA

Source: Francesco Sassi

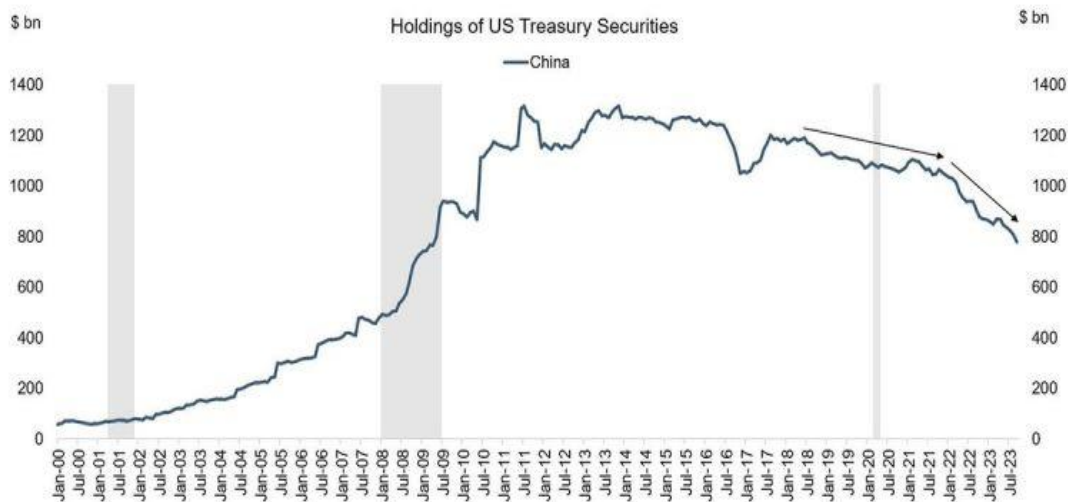


#china #us #treasuries

China's holdings of US Treasuries continue to move in a straight line lower. Their holdings of US Treasuries have declined by \$300 billion since 2021. Currently, China holds just under \$800 billion of US Treasuries, levels not seen since 2009. As interest rates are peaking, the foreign private sector has been slowing purchases. Also, as China faces increasing economic headwinds, it is likely this trend resumes.

China holding \$300 billion less in US Treasuries than in 2021

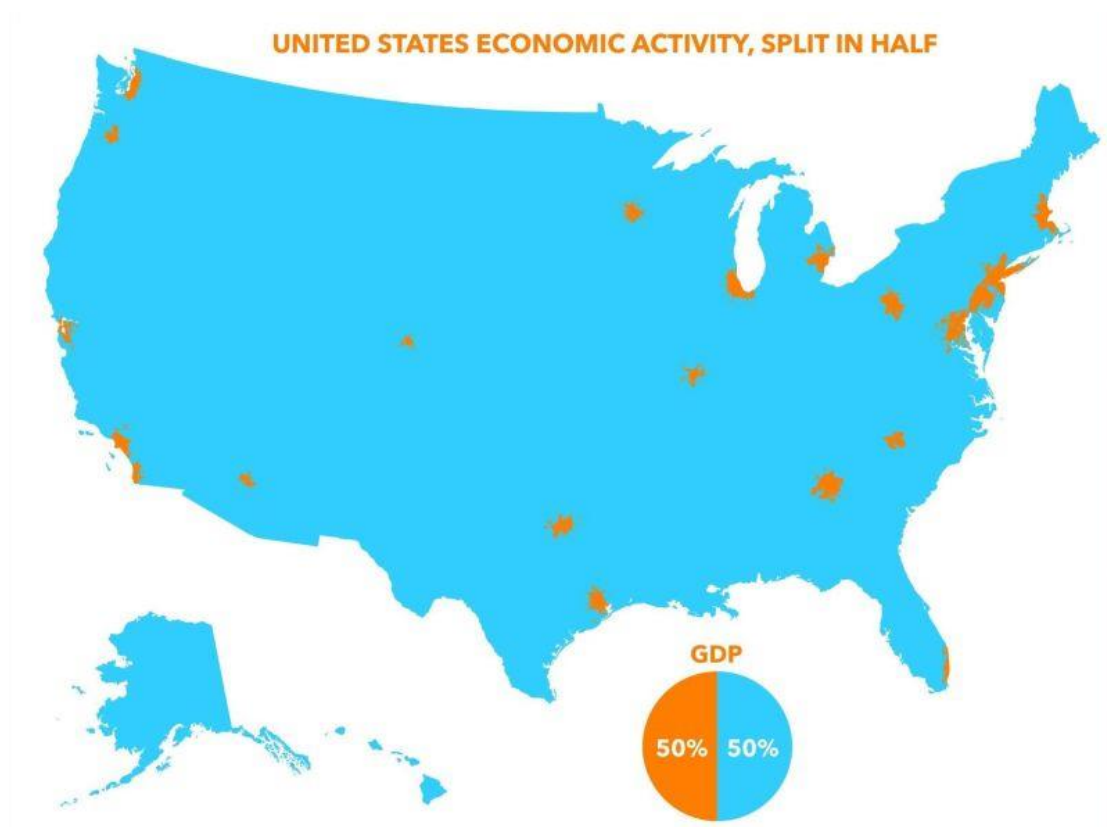
APOLLO



#geopolitics

#us #gdp

No wonder the US is polarized...

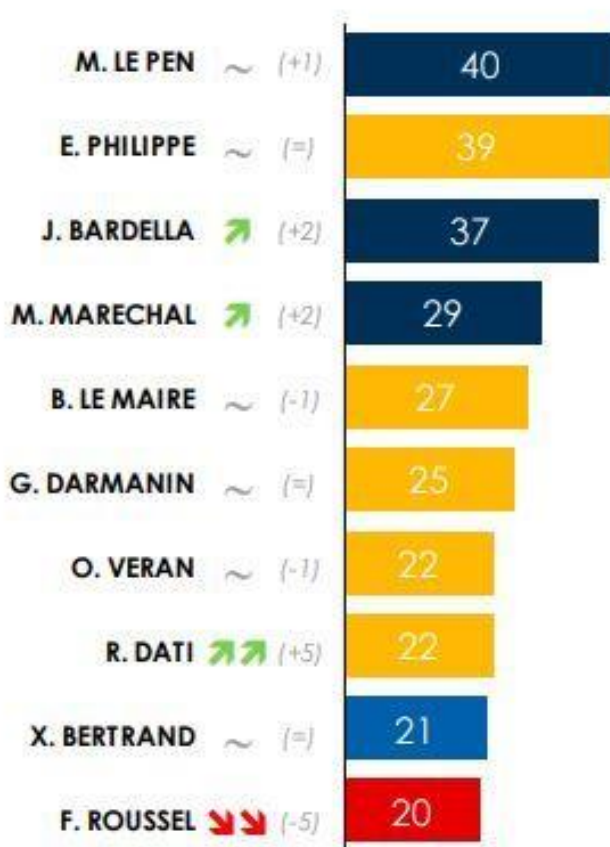


Source: Michel A.Arouet

#france #election #favorites

In France, 3 out of the 4 favorite political leaders are from the far right... 1) Marine Le Pen (RN) 40%; 3) Jordan Bardella (RN) 37%; and 4) Marion Marechal Le Pen (Reconquête) 29%.

Le top 10 des personnalités politiques

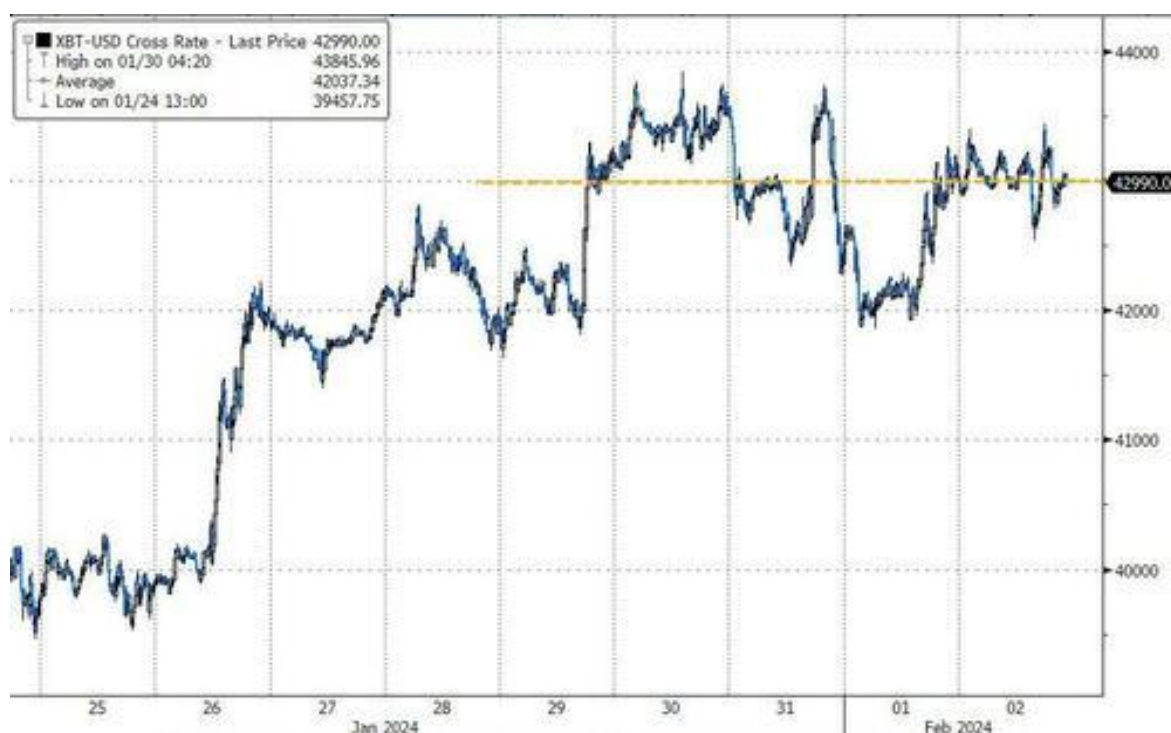


Source: Le Figaro Verian - EPOKA / February poll



#bitcoin #weekly

Bitcoin was higher on the week, chopping around the \$43000 level...

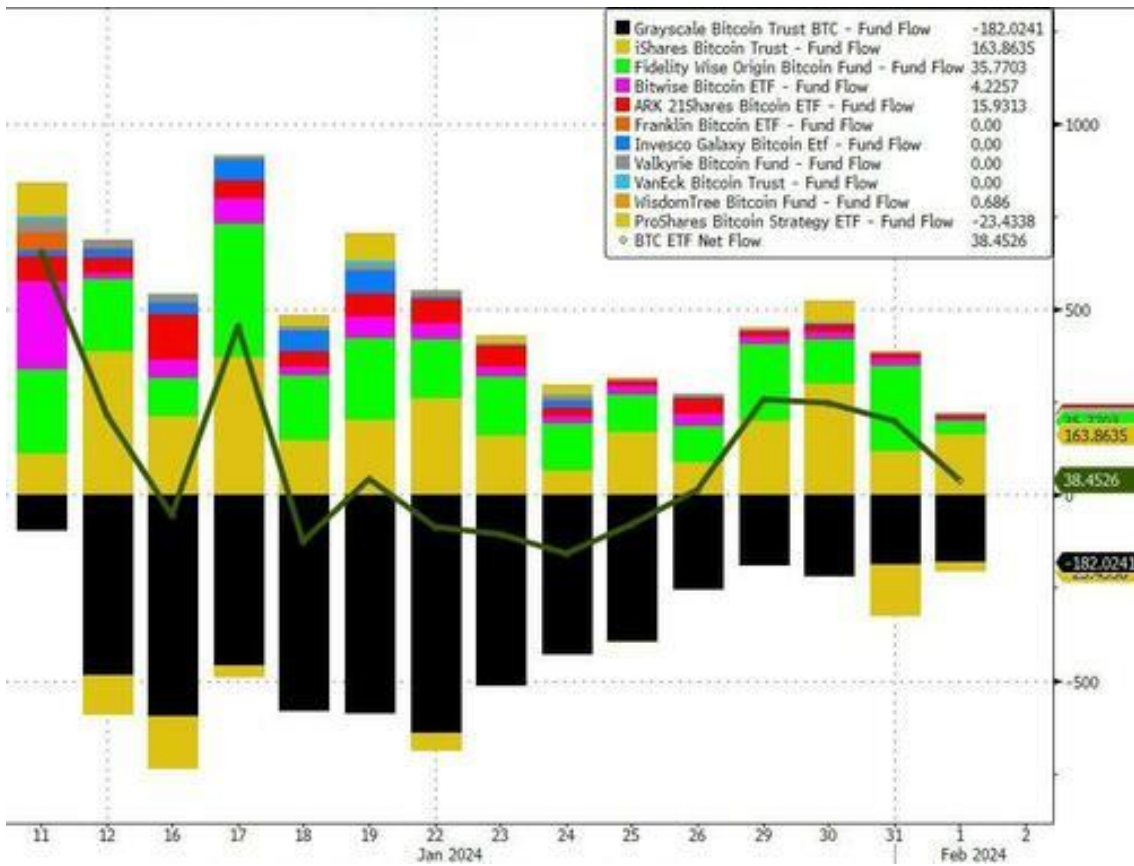


Source: www.zerohedge.com, Bloomberg



#bitcoin #etfs #flows

Bitcoin ETFs have seen net inflows for the last 5 days...



Source: www.zerohedge.com, Bloomberg



#bitcoin #etf #ads

BREAKING!! BlackRock and VanEck Bitcoin ETF ads LIVE on Google

The image shows a Google search interface for the query "bitcoin etf". The search bar contains the text "bitcoin etf" and icons for voice search and image search. Below the search bar are filters for "News", "Price", "Symbol", "Images", "Shopping", and "Vid". Two sponsored results are visible:

- Sponsored**
VanEck
<https://www.vaneck.com>
Bitcoin in an ETF | Invest in Bitcoin
Allow Us to Re-Introduce Bitcoin. Finally Available in an ETF.
HOLD Bitcoin in an ETF with the VanEck Bitcoin Trust, HODL.
- Sponsored**
iShares
<https://www.ishares.com> › ibit › etf
iShares® by BlackRock | IBIT ETF | iShares & Bitcoin



#tether #stablecoin #net-income

Tether 2023 net income put into perspective



Chris Tyrer • 1st

Non-Executive Director at Asset Reality; Ex-Fidelity Digital Assets: He...

10h • Edited • 🌐

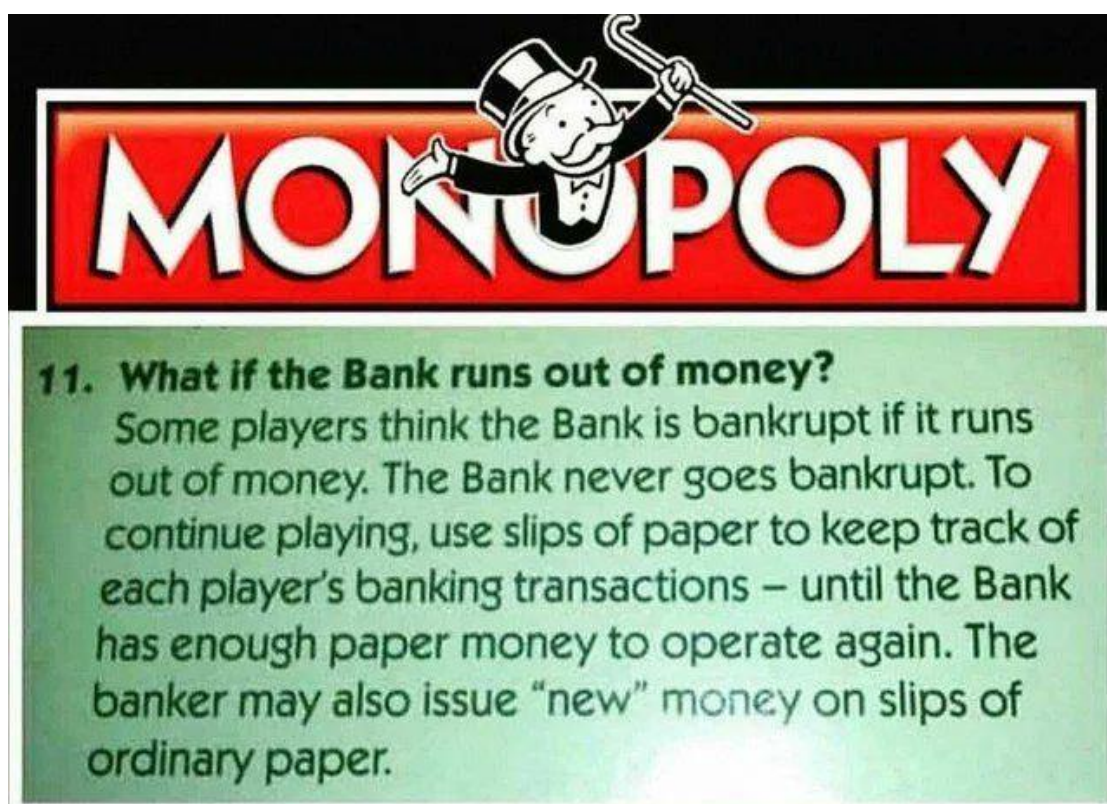
Wild...

Net Income (billions):		
	FY 2023	4Q23
Goldman Sachs	8.5	2.0
Tether	6.2	2.9
Charles Schwab	5.1	1.0
Bank of New York	3.1	0.3
State Street	1.9	0.2

#food-for-thought

#banks #money

As a reminder. The bank never goes bankrupt and G7 countries will NOT default on their claims. Adjustment takes place through money debasement. There are 3 ways to invest at a time of FIAT currency: 1/ Spend. 2/ Invest in risk assets. 3/ Invest in store of values



#food-for-thought

#rate-cuts #sentiment

Consensus'mood ?



Source: hedgeye, biancoresearch

#food-for-thought

#equities #investing

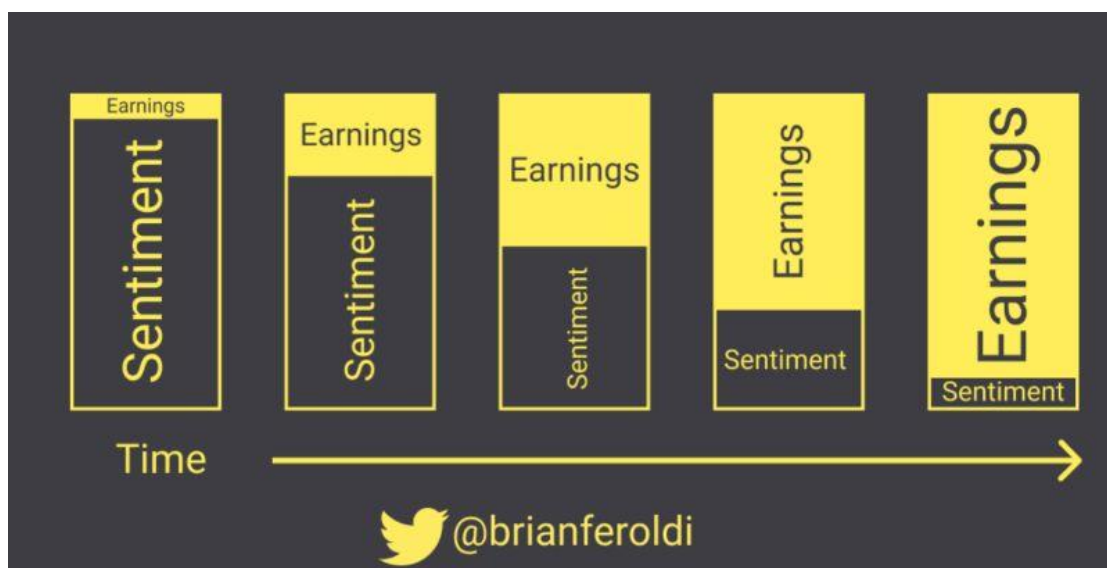


Source: Win Smart, CFA

#food-for-thought

#markets #finance

What moves markets?



Source: brianferoldi

#food-for-thought

#warren-buffett #quote

Be fearful when others are greedy and be greedy when others are fearful



“Be fearful when others are greedy. Be greedy when others are fearful.”

Warren Buffett
Chairman, Berkshire Hathaway

Don't Let Emotions Guide Your Investment Decisions

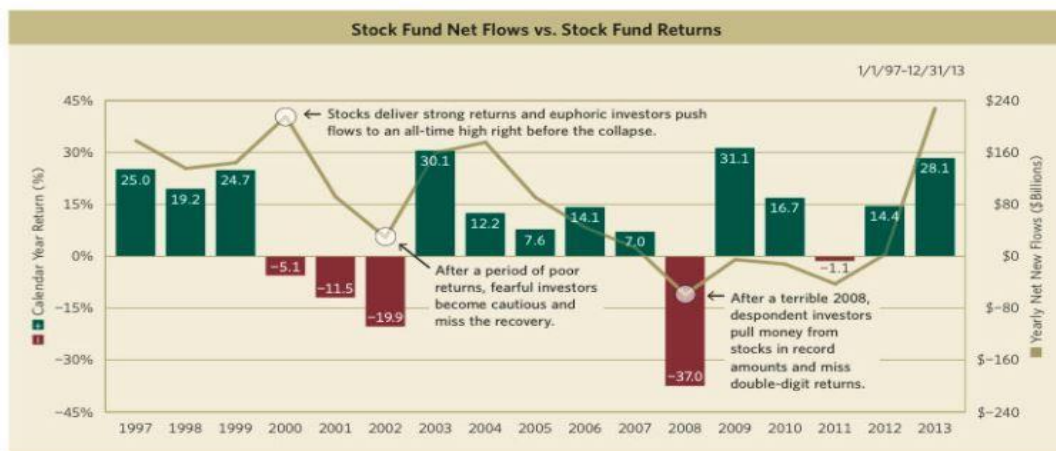
Building long-term wealth requires counter-emotional investment decisions—like buying at times of maximum pessimism or resisting the euphoria around investments that have recently outperformed. Unfortunately, as the study below shows, investors as a group too often let emotions guide their investment decisions.

The line in the chart below represents the amount of money investors added to domestic stock funds each year from

January 1, 1997 to December 31, 2013, while the bars represent the yearly returns for stock funds. Following three years of stellar returns for stock funds from 1997 to 1999, euphoric investors added money in record amounts in 2000, just in time to experience three terrible years of returns from 2000 to 2002. Following these three terrible years, discouraged investors scaled back their contributions to stock funds, just before they delivered one of their

best returns ever in 2003 (+30.1%). After stocks delivered a terrible return in 2008, fearful investors became cautious and pulled money from stock funds in record amounts, missing subsequent double-digit returns.

Great investors understand that an unemotional, rational, disciplined investment approach is a key to building long-term wealth.



Source: Strategic Insight and Morningstar as of December 31, 2013. Stock funds are represented by domestic equity funds. Past performance is not a guarantee of future results.

Source: warrenbuffett



#food-for-thought

#apple #berkshire #diversification

Not Everyone is Diversified. Nearly half of Berkshire's equity portfolio is Apple.

1. Apple: \$175,384,746,776 (48.1% of invested assets)

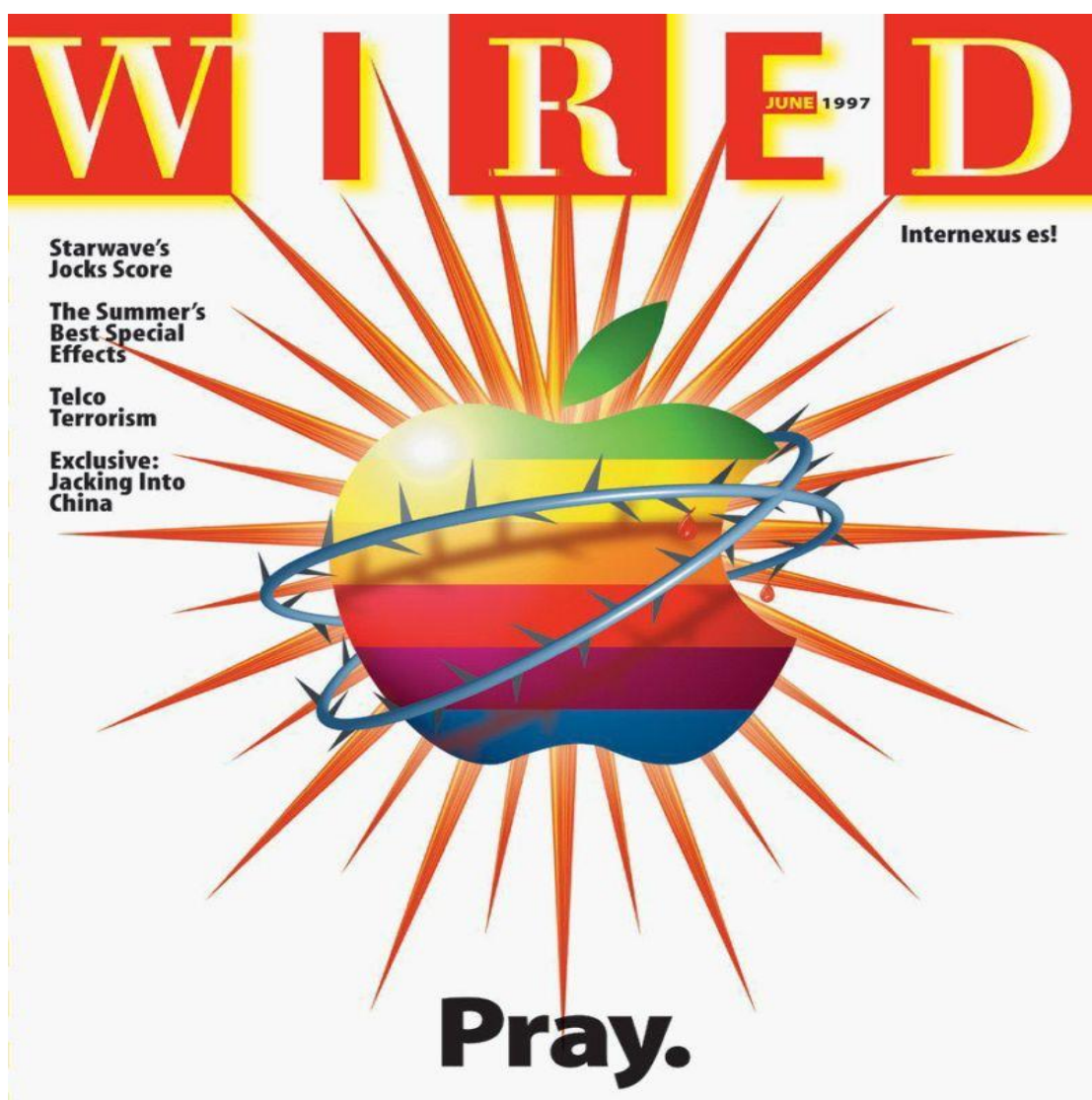
Based on the more than \$175 billion currently being put to work in tech stock **Apple** (NASDAQ: AAPL), it's crystal clear that Buffett and his team value having an outsized percentage of their company's investment portfolio in top ideas. Apple has been a continuous holding for Buffett's company for eight years.

Source: yahoo!finance

#food-for-thought

#apple #profit

In 1997, Apple lost \$1 billion. Today? \$1 billion in profit every 3 days.

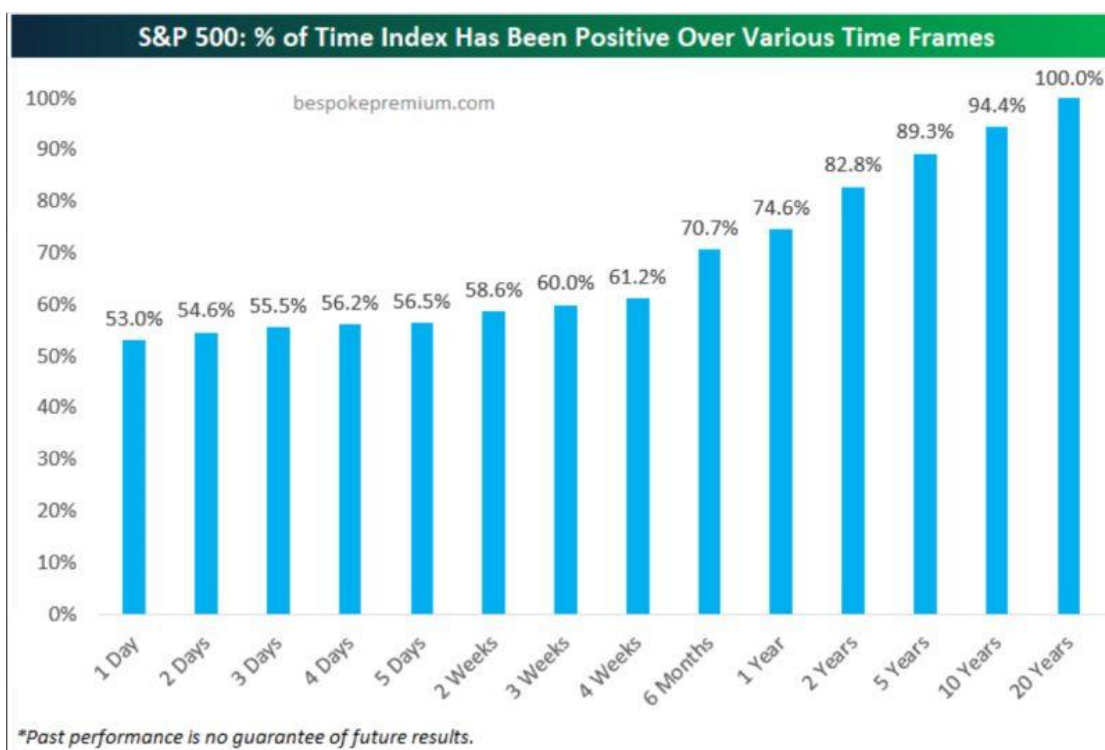


Source: Jon Erlichman

#food-for-thought

#sp500 #performance

S&P 500 percent of time positive over various time frames:



Source: bespoke

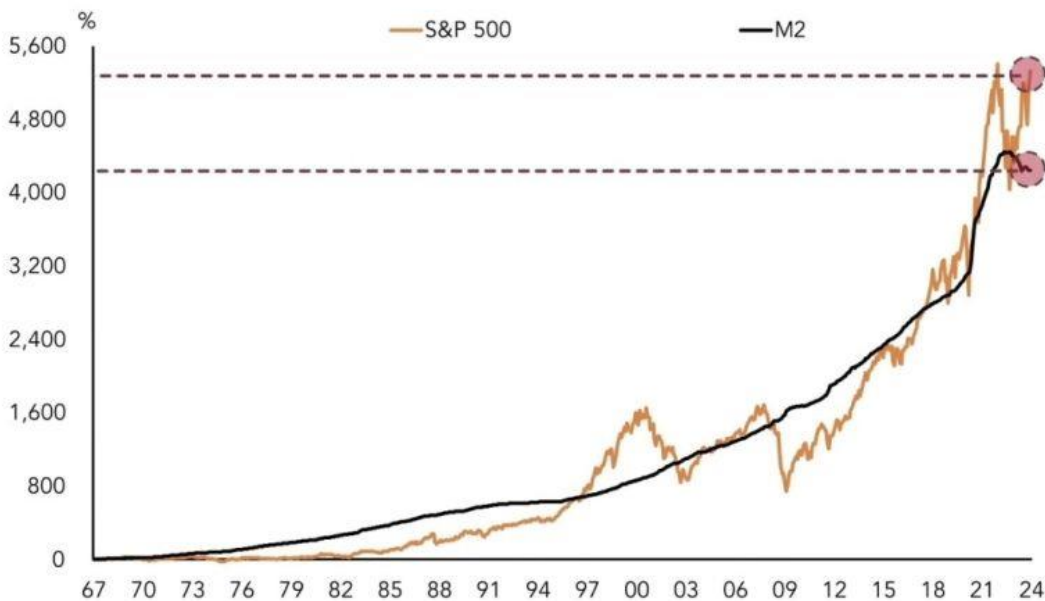
#food-for-thought

#us #equities #liquidity #m2

Liquidity as a key market's driver in one chart -> The stock market's rise mirrors the money supply's growth. Both have risen over 4,500% since 1967

US Money Supply and Stock Market

Percentage Change of S&P 500 and M2 Money Supply



Dates: 1967 Through December 20th 2023.
Source: Bloomberg L.P., Tradingview, National Bureau of Economic Research, Game of Trades.

Source: Win Smart, CFA, Game of Trades

#food-for-thought

#global #companies #profitability

"Australia (67%) and Canada (74%) have the highest percentage of money losing companies in the world and Japan (15%) has the lowest" - via @AswathDamodaran

Region	# firms	Profitability	
		Money making	Money losing
Africa and Middle East	2,423	75.15%	24.85%
Australia & NZ	1,798	32.93%	67.07%
Canada	2,791	25.55%	74.45%
China	7,504	67.80%	32.20%
EU & Environs	5,925	65.92%	34.08%
Eastern Europe & Russia	325	80.31%	19.69%
India	4,446	75.82%	24.18%
Japan	4,020	85.20%	14.80%
Latin America & Caribbean	984	74.90%	25.10%
Small Asia	9,876	71.24%	28.76%
UK	1,125	53.33%	46.67%
United States	6,481	57.63%	42.37%
All firms	47,698	65.59%	34.41%

Source: Charlie Munger Fans

#food-for-thought

#x #valuation

JUST IN: Fidelity has marked up the value of its shares in X by 11% during the month of December, according to a new disclosure. Usage of X is currently at an all time high of 384 billion user seconds per day. It is also believed that the launch of Elon Musk's AI company, Grok, has helped increase valuation. X is currently the #2 news app on the App Store.



Source: The Kobeissi Letter

#food-for-thought

#neuralink #musk

Elon Musk said that the first human patient has received a brain implant from his startup Neuralink Corp., a significant step forward for the company that aims to one day let humans control computers with their minds. In a post on X, formerly Twitter, Musk said that the patient is recovering well, and that initial results of the procedure were promising.

Musk Says First Neuralink Patient Received Implant in Brain

- Neuralink aims to let people control computers with thoughts
- Startup is a leader in the growing brain-computer tech sector



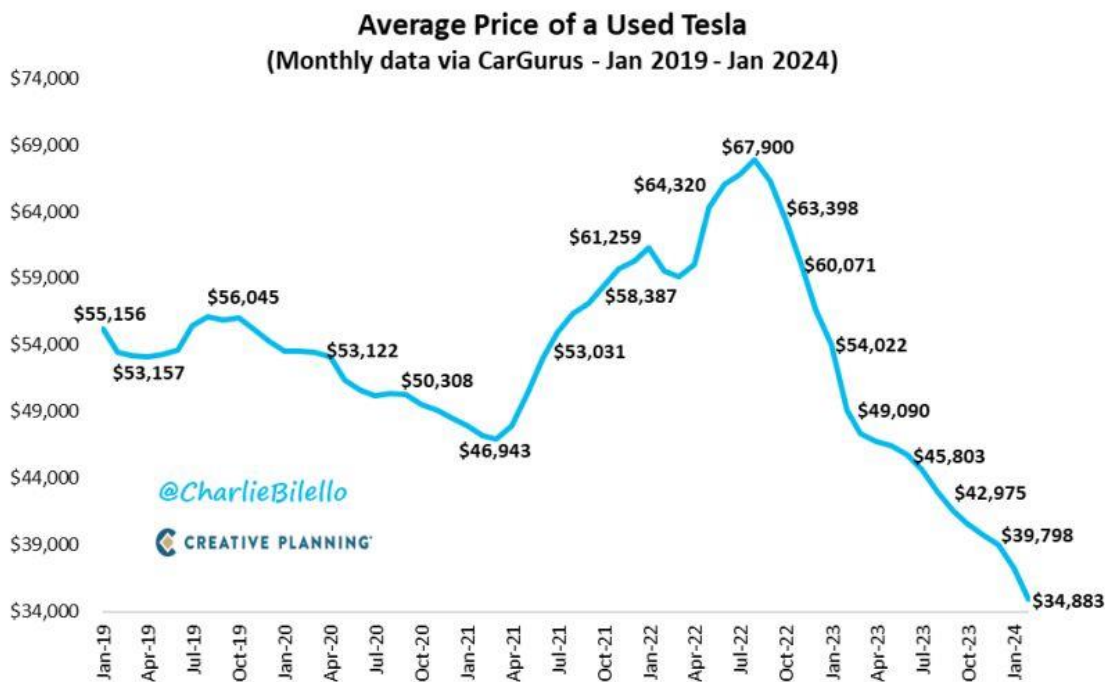
Elon Musk Photographer: Tolga Akmen/EPA/Bloomberg

Source: Bloomberg

#food-for-thought

#tesla #average-price

The average price of a used Tesla has declined 18 months in a row, moving from a record high of \$67,900 in July 2022 to a record low of \$34,883 today (-49%). \$TSLA

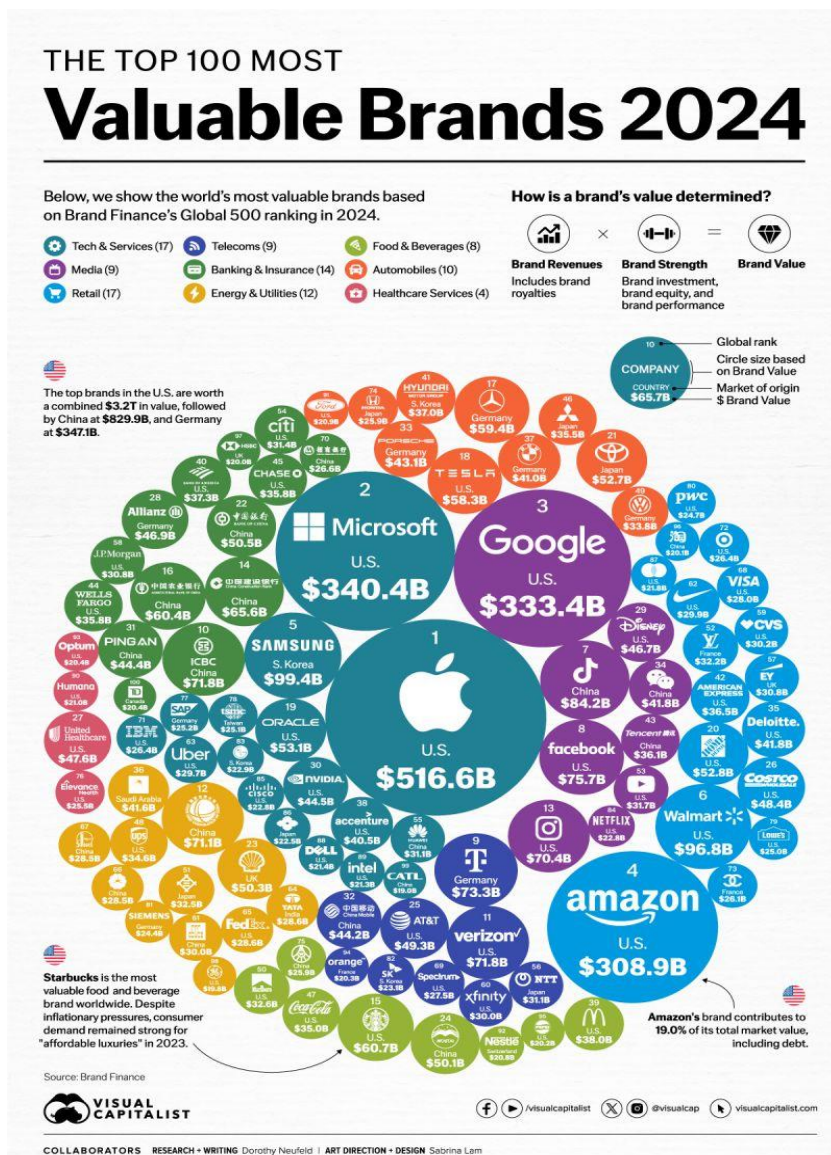


Source: Charlie Bilello

#food-for-thought

#brands #value

The 100 most valuable brands in the world are worth more than \$5 trillion.



#food-for-thought

#lamborghini #hybrids

Lamborghini is introducing hybrids first — and EVs will come later. Lamborghini, part of the Volkswagen Group, debuted its first plug-in hybrid in 2023, the Revuelto, a \$608,000 V12, and is launching the first plug-in hybrid version of its Urus SUV in 2024. Its first fully electric vehicle will come in 2028, modeled after the Lanzador concept car teased at Monterey Car Week last year. It's said to deliver the equivalent of 1,341+ horsepower. "We strongly believe that we don't need to be the first one, but when we come we have to be the best one," Lamborghini CEO Stephan Winkelmann



Source: axios

#food-for-thought

#demographics #births

Where the next 1,000 babies will be born

Where will the next 1000 babies be born?

estimated for 2022

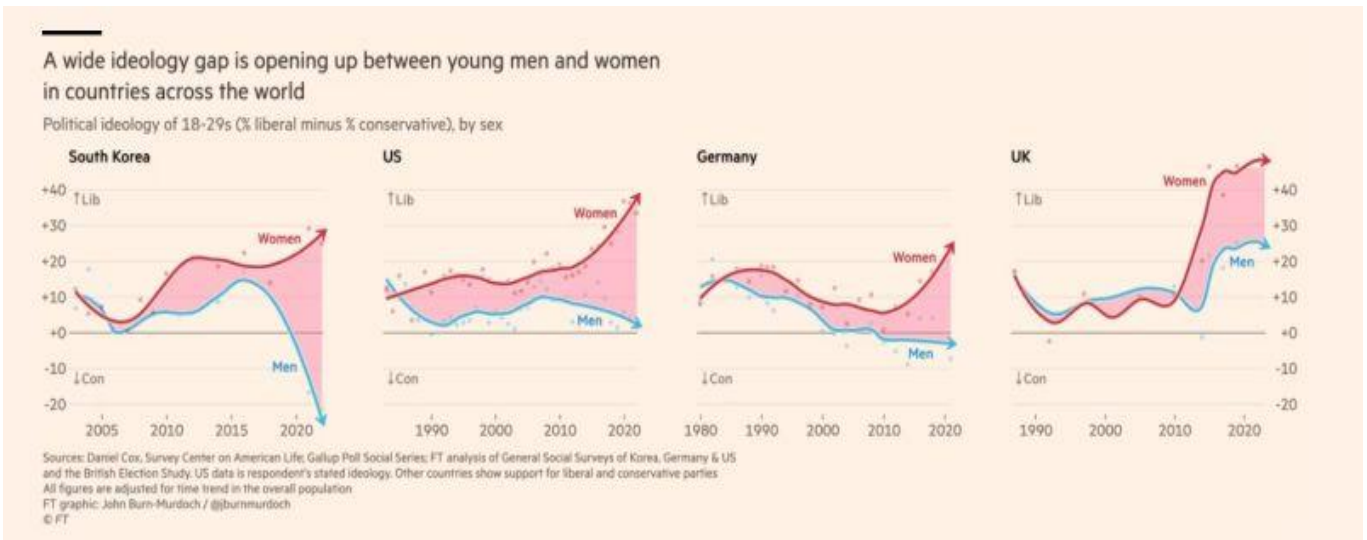


Source: Amazing maps

#food-for-thought

#ideology #men-women

In many countries worldwide, a distinct ideological split is developing between young men and women.



Source: ft

#food-for-thought

#steve-jobs #story-telling

Steve Jobs said that the most powerful person in the world, is the storyteller. Here are the 5 principles for telling an amazing story

5 Principles for telling an Amazing Story

"The most powerful person is the storyteller." - Steve Jobs

- 1 The Hook**

This is THE most important part of your story. It's what gets people invested enough to come along on the journey. A great hook does two things: • Plants a Seed of Intrigue • Compels the Audience Forward Best way I've found to accomplish both is through Open Cognitive Loops.
- 2 The Image**

The power of story is that it unlocks something inside each of us: A blank canvas upon which your words can paint. Each brush stroke must be placed with intention. Each detail crafted with care. Get this part right and you can design worlds and characters in your audience's mind that they feel more connected to than the drab reality of their day-to-day lives.
- 3 The Lesson**

When most people tell a story, they're simply reciting events in a chronological order and then leaving it to the audience to imbue it with meaning. Great storytellers don't leave this to chance. They tell you exactly WHY this story is so important and WHAT they want you to take away from it.
- 4 The Two Journeys**

Within the struggle to achieve these goals, our character is actually on TWO journeys. 1. The External 2. The Internal. The Internal struggle is the journey our character must go through in wrestling with who they are in relation to the world. THIS journey is the one that imbues our story with deep resonance.
- 5 Closing Loops**

Open Cognitive Loop is simply a question that needs answering. One of the ways to keep your audience on the edge of their seat and invested in the story is to keep opening and closing cognitive loops until the very end.

But the truth is, ending your story is often the hardest parts. So here's a trick: Next time you find yourself meandering lamely towards an ending and can't figure out how to wrap things up... Use these words: "I share this with you because..." And then tell them exactly why you shared it with them.

Source: Sachin Ramje

#food-for-thought

#jargon #communication

🗣️ Stop with the corporate jargon. 🗣️

Screw business jargon. If you can't explain it to a 10 year old, you're explaining it wrong.

**CORPORATE
REBELS**

Source: Corporate rebels

#food-for-thought

#talent #discipline

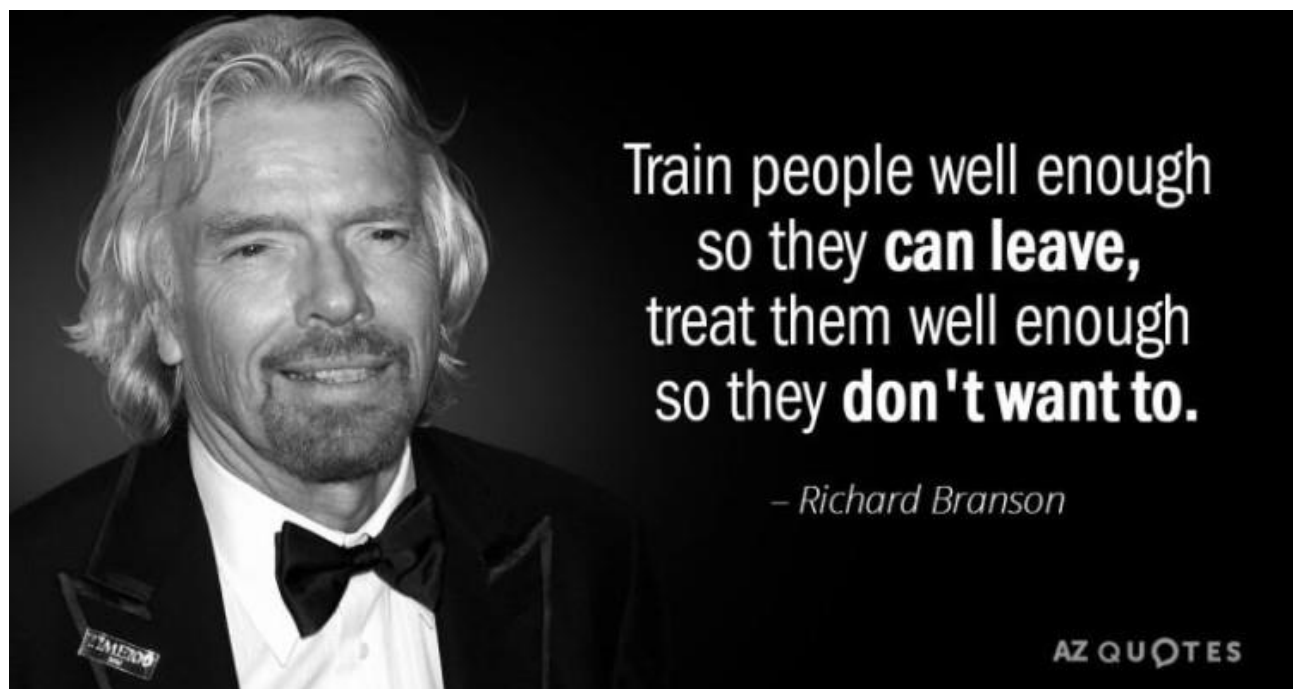
Discipline vs. Talent



Source: Yasin Arafah

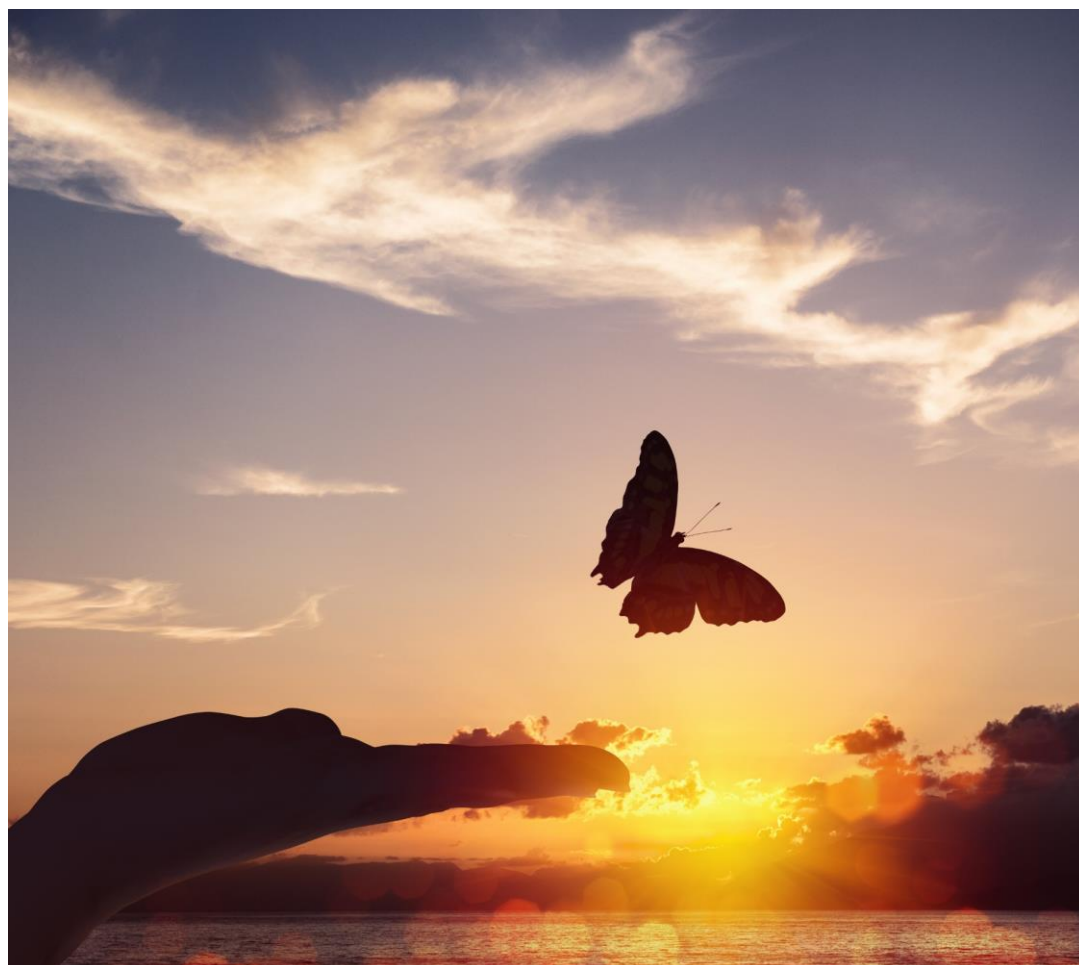
#food-for-thought

#leadership



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For the future...