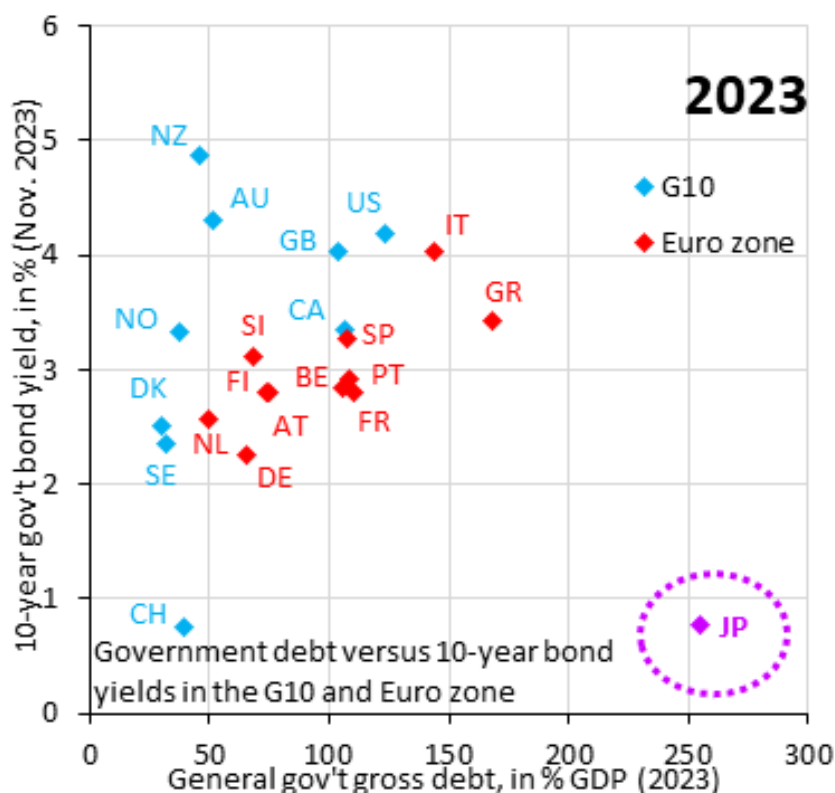


## Chart of the week

### JGBs and the virtues of YCC

Japan's 10-year government bond yield hit a three-week high on Friday on growing speculation that BOJ would end its ultra-loose monetary policy soon. No one knows how high Japan's 10-year JGB yield goes if BoJ yield curve control (YCC) suddenly ends. But given Japan's huge debt load (250% GDP), it would likely rise substantially, which could plunge Japan into a fiscal crisis. That's why BoJ probably needs to keep YCC in place...



### Stocks mixed, cryptos soared in 'Goldilocks' week

A late rally helped the major US equity indexes end flat to modestly higher for the week. The small-cap Russell 2000 Index outperformed the S&P 500 Index for the third time in the past four weeks, helping narrow its significant underperformance. Within the S&P 500, energy stocks lagged as domestic oil prices fell below USD 70 per barrel for the first time since June. On the Macro side, Friday's nonfarm payrolls report surprised modestly on the upside, with employers adding 199k jobs in November versus consensus expectations of around 180k. The unemployment rate fell back to 3.7%. The bigger surprise was the University of Michigan's preliminary gauge of consumer sentiment in December, which jumped to its highest level since August on calming inflation fears. Survey respondents expect prices to increase by 3.1% in the coming year, down from 4.5% in November and the lowest rate since March 2021. The US 10-year yield hit an intraday low of 4.10% on Thursday but yields rebounded in the wake of the payrolls report. The pan-European STOXX Europe 600 Index advanced for a fourth consecutive week, ending 1.30% higher. Japan's Nikkei 225 Index fell 3.4% over the week as comments by BoJ officials stoked speculation that the central bank may abandon its policy of negative interest rates earlier than anticipated, weighing on riskier assets. The dollar jumped while cryptos were all higher this week with BTC and ETH each up around 13%. Spot Gold fell back to \$2000 on Friday.

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

09 DECEMBER 2023

#markets

### #weekly #summary

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	36,248	0.0%	9.4%
S&P 500 Index	4,604	0.2%	19.9%
NASDAQ	14,404	0.7%	37.6%
MSCI EAFE*	2,138	0.4%	10.0%
10-yr Treasury Yield	4.23%	0.0%	0.3%
Oil (\$/bbl)	\$71.20	-3.9%	-11.3%
Bonds	\$96.93	0.1%	3.3%

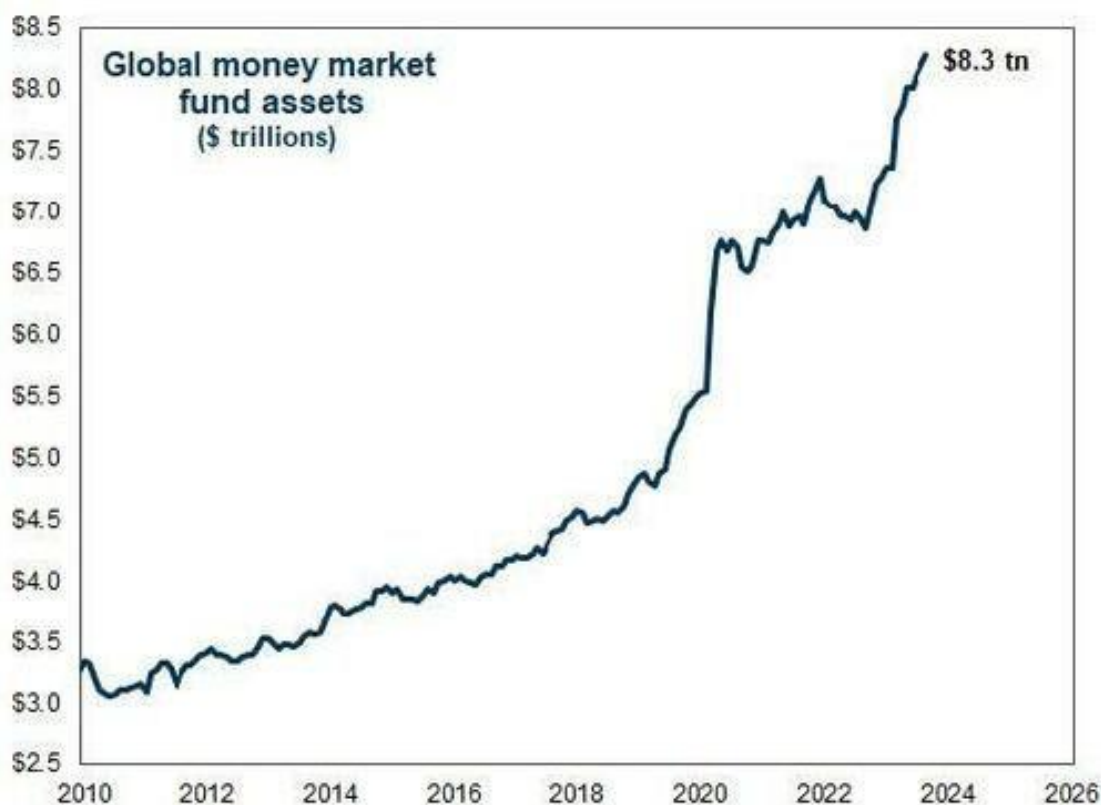
Source: FactSet, 12/8/2023. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. \*4-day performance ending on Thursday.

Source: Edward Jones



### #money-market #assets

Global Money Market Funds All-Time High 📢 : A record high \$8.3 Trillion is parked in global money market funds according to Goldman Sachs. \$5.73 Trillion of this are U.S. based funds. As global central banks cut rates, could this capital find its way back into equities?



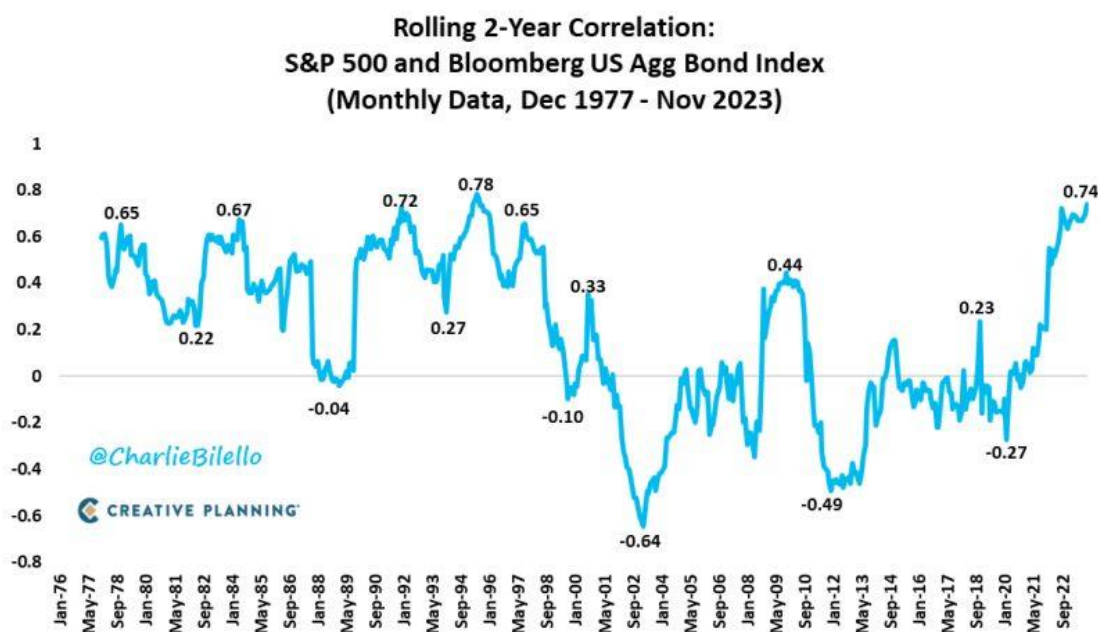
Source: Barchart



#markets

### #correlation #equities #bonds

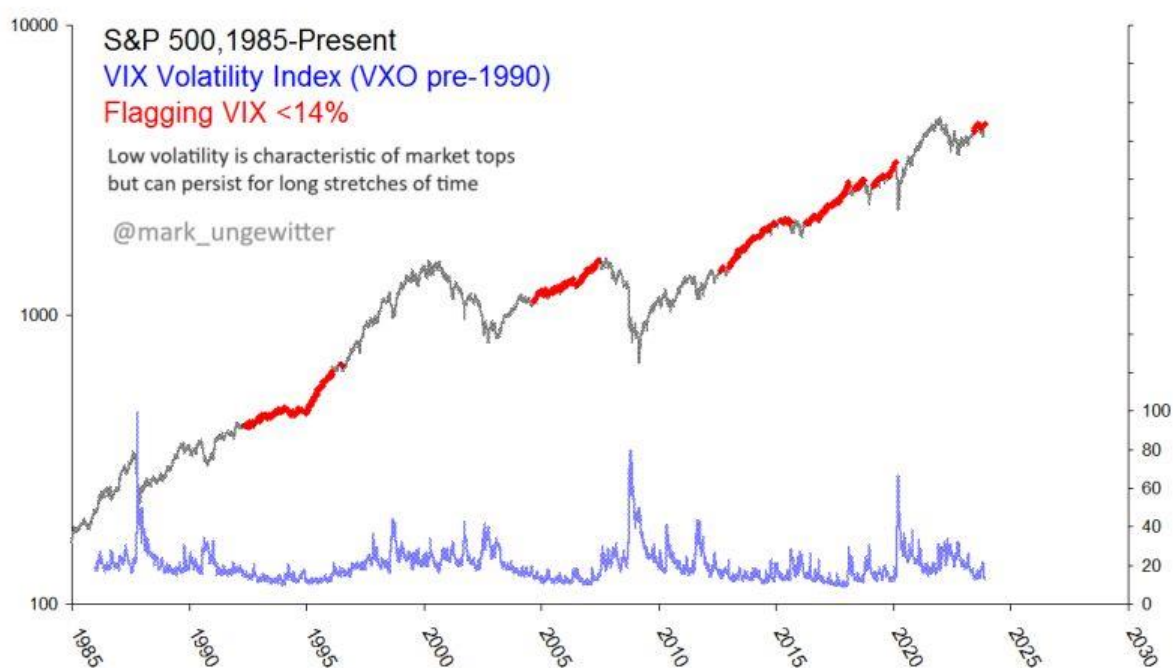
The correlation between US stocks and bonds over the last 2 years is the highest we've seen since 1993-95.



Source: charlie bilello

### #vix #markets #complacency

Some investors are worried about VIX index being too low, i.e. markets are too complacent. The chart below is a good reminder that a "low VIX" is a normal part of bull markets. Investors seem to always forget this.

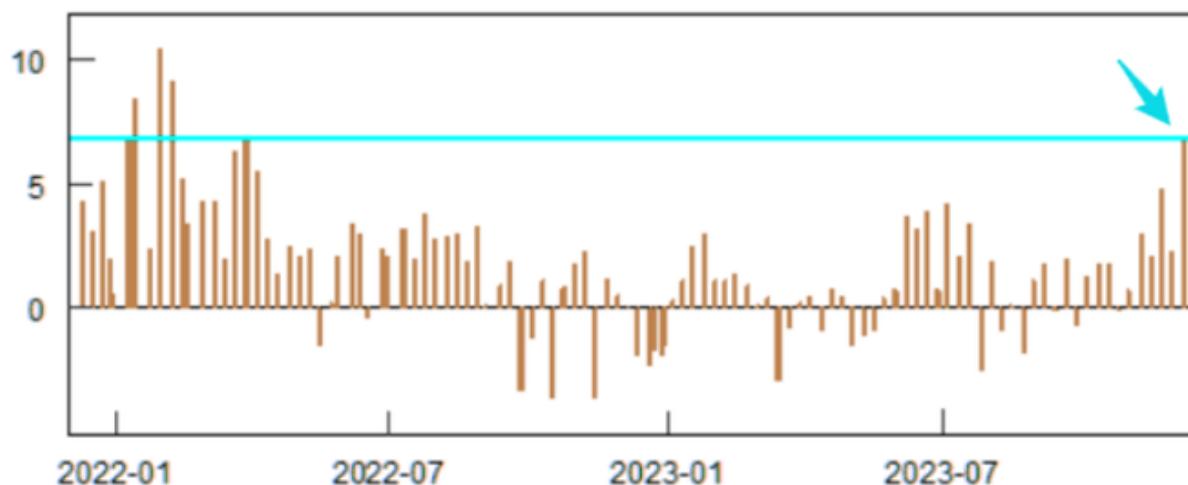


Source: Mark Ungewitter, Ryan Detrick

#markets

### #us #stocks #retail-purchases

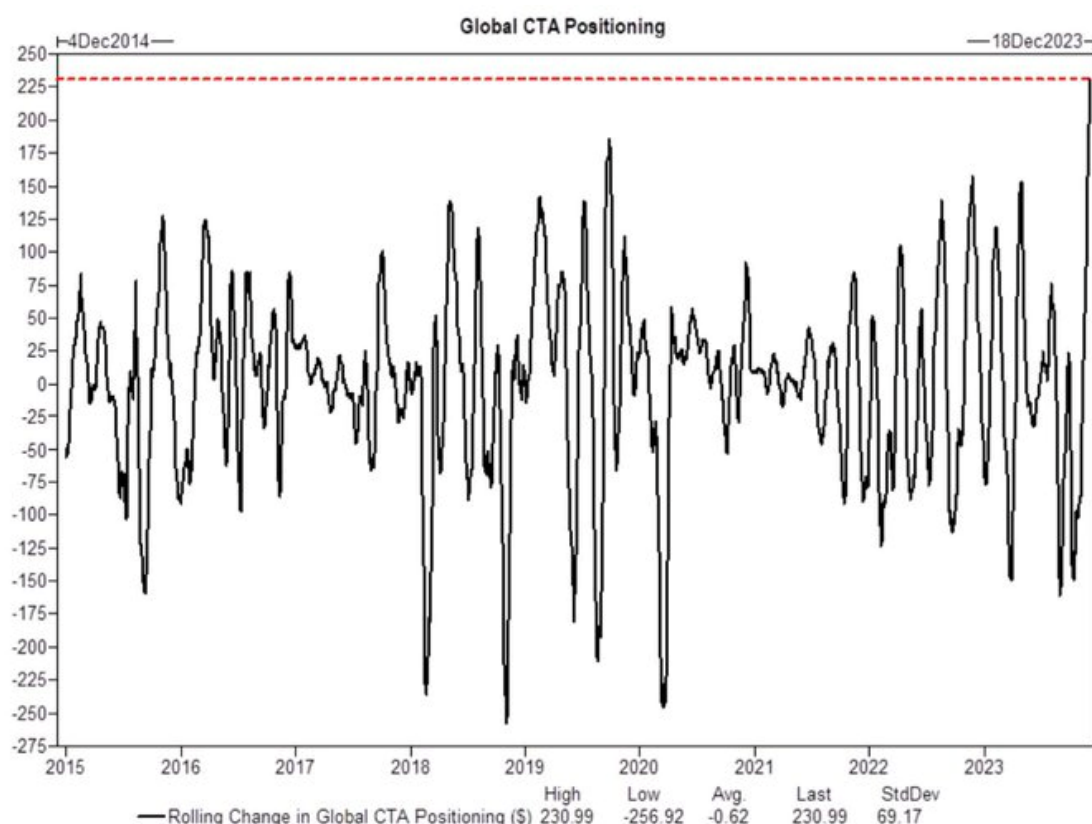
Retail have bought \$7 billion of stocks within the last week, the highest level since March of 2022 as euphoria brought the AAI bears survey down the most since April of 2009.



Source: Markets Mayhem

## #us #equities #cta #positioning

CTA long positioning is at its highest level in 8+ years after \$225B in buying over the last month.



Source: Goldman Sachs FICC and Equities Futures Markets Strats team, as of 12/4/23. Past performance is not indicative of future returns.

Source: David Marlin

## #sp500 #equities #performance

The S&P 500 is outperforming the equally weighted index by 14% this year, on pace for the 2nd biggest outperformance on record with data going back to 1971 (only 1998 was bigger @ 16%).

S&P 500 vs. S&P 500 Equal Weight (EQ) (Total Returns, 1971 - 2023)											
Year	S&P	EQ	S&P - EQ	Year	S&P	EQ	S&P - EQ	Year	S&P	EQ	S&P - EQ
1971	14.2%	16.6%	-2.4%	1989	31.7%	25.8%	5.9%	2007	5.5%	1.5%	4.0%
1972	18.8%	9.8%	9.0%	1990	-3.1%	-11.9%	8.8%	2008	-37.0%	-39.7%	2.7%
1973	-14.3%	-21.5%	7.2%	1991	30.5%	35.5%	-5.0%	2009	26.5%	46.3%	-19.8%
1974	-25.9%	-22.9%	-3.0%	1992	7.6%	15.6%	-8.0%	2010	15.1%	21.9%	-6.8%
1975	37.0%	54.4%	-17.4%	1993	10.1%	15.1%	-5.0%	2011	2.1%	-0.1%	2.2%
1976	23.8%	35.7%	-11.9%	1994	1.3%	1.0%	0.4%	2012	16.0%	17.7%	-1.7%
1977	-7.0%	-2.0%	-5.0%	1995	37.6%	32.0%	5.5%	2013	32.4%	36.2%	-3.8%
1978	6.5%	8.2%	-1.7%	1996	23.0%	19.0%	3.9%	2014	13.7%	14.5%	-0.8%
1979	18.5%	28.7%	-10.1%	1997	33.4%	29.0%	4.3%	2015	1.4%	-2.2%	3.6%
1980	31.7%	30.2%	1.5%	1998	28.6%	12.2%	16.4%	2016	12.0%	14.8%	-2.8%
1981	-4.7%	4.8%	-9.5%	1999	21.0%	12.0%	9.0%	2017	21.8%	18.9%	2.9%
1982	20.4%	30.2%	-9.8%	2000	-9.1%	9.6%	-18.7%	2018	-4.4%	-7.6%	3.3%
1983	22.3%	30.3%	-7.9%	2001	-11.9%	-0.4%	-11.5%	2019	31.5%	29.2%	2.2%
1984	6.1%	3.6%	2.6%	2002	-22.1%	-18.2%	-3.9%	2020	18.4%	12.8%	5.6%
1985	31.2%	30.6%	0.6%	2003	28.7%	41.0%	-12.3%	2021	28.7%	29.6%	-0.9%
1986	18.5%	17.9%	0.6%	2004	10.9%	17.0%	-6.1%	2022	-18.1%	-11.4%	-6.7%
1987	5.8%	4.9%	0.9%	2005	4.9%	8.1%	-3.1%	2023 YTD	21.2%	7.3%	13.9%
1988	16.6%	20.2%	-3.6%	2006	15.8%	15.8%	0.0%				

Source: charlie bilello

#markets

### #sp500 #performance

The S&P 500 closed at its highest since March 2022....

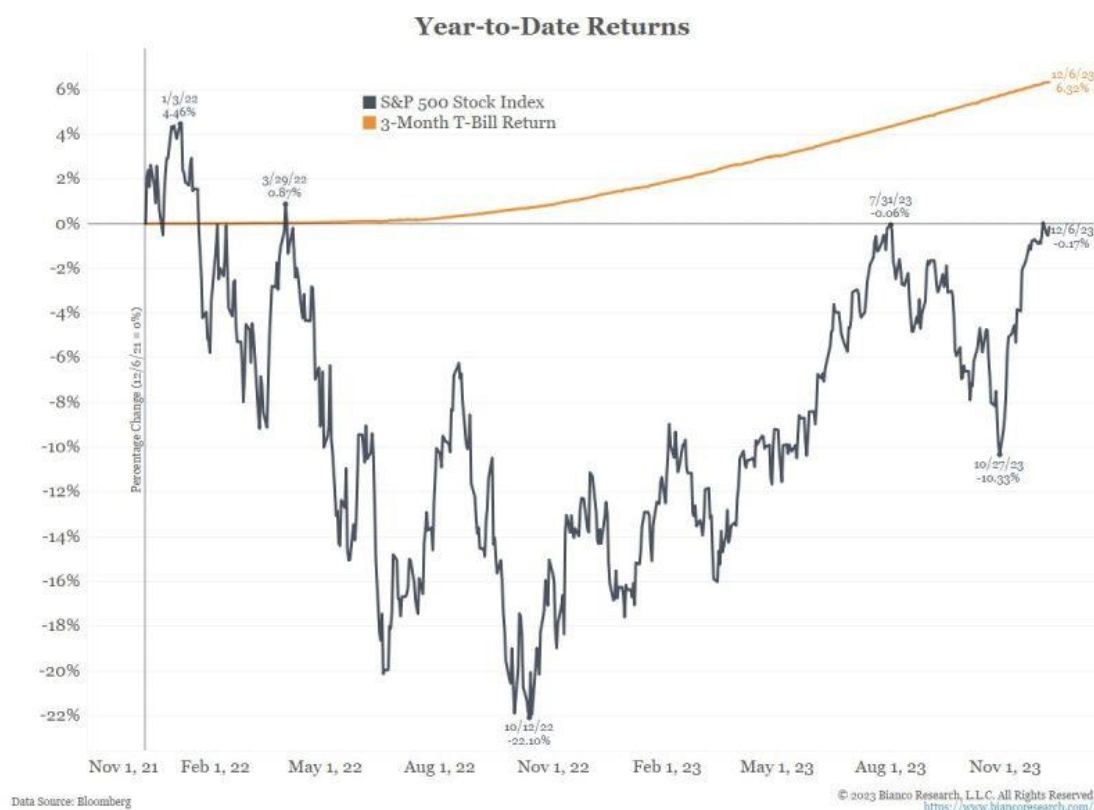


Source: Bloomberg



### #sp500 #performance

Regarding the stock market, the SP500 is exactly at the same level it was two years ago today, December 6, 2021. As the black line shows, the change in the index is up just 0.17%. Meanwhile, the 3-month T-Bill (orange line) is up 6.3% over the same period.



Source: Bianco Research

#markets

### #sp500 #net-liquidity

Liquidity matters! Rotation out of Reverse Repurchase Agreements (RRPs) provided the catalyst for the latest rally.

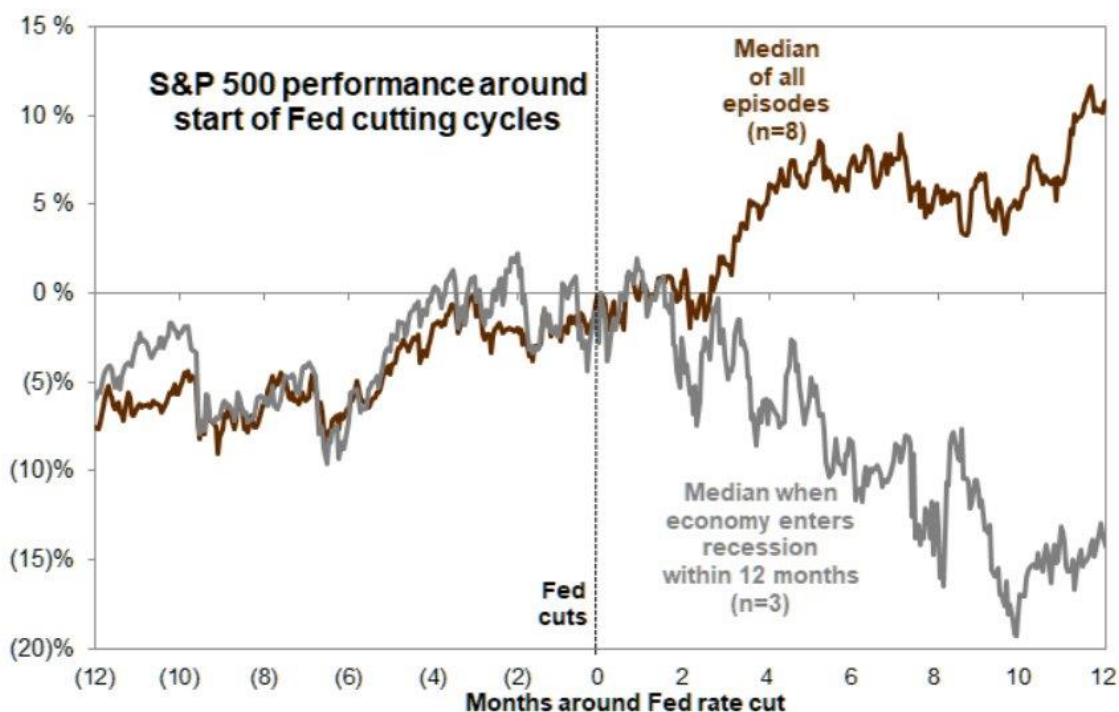


Source: Bloomberg, HolgerZ



### #sp500 #return #rate-cuts #recession

Regarding the stock market, the SP500 is exactly at the same level it was two years ago today, December 6, 2021. As the black line shows, the change in the index is up just 0.17%. Meanwhile, the 3-month T-Bill (orange line) is up 6.3% over the same period.



Source: Markets Mayhem

## #sp500 #pe-ratio

The P/E ratio on the S&P 500 is currently 21.3, with a multiple expansion of 9% in 2023. The average P/E ratio for the S&P 500 since 1989 is 19.2.

S&P 500: Earnings Growth, Price Returns, TTM P/E Ratios (1989 - 2023)							
Year	S&P Operating EPS	% Change Operating EPS	S&P End Price	% Change S&P 500 (Price)	S&P 500 TTM P/E	P/E % Change	Multiple Expansion/Contraction
1989	24	0.8%	353	27.3%	14.5	26.4%	Expansion
1990	23	-6.9%	330	-6.6%	14.6	0.3%	Expansion
1991	19	-14.8%	417	26.3%	21.6	48.2%	Expansion
1992	21	8.1%	436	4.5%	20.9	-3.4%	Contraction
1993	27	28.9%	466	7.1%	17.3	-16.9%	Contraction
1994	32	18.0%	459	-1.5%	14.5	-16.6%	Contraction
1995	38	18.7%	616	34.1%	16.3	12.9%	Expansion
1996	41	7.8%	741	20.3%	18.2	11.6%	Expansion
1997	44	8.3%	970	31.0%	22.1	20.9%	Expansion
1998	44	0.6%	1229	26.7%	27.8	25.9%	Expansion
1999	52	16.7%	1469	19.5%	28.4	2.4%	Expansion
2000	56	8.6%	1320	-10.1%	23.5	-17.3%	Contraction
2001	39	-30.8%	1148	-13.0%	29.6	25.6%	Expansion
2002	46	18.5%	880	-23.4%	19.1	-35.3%	Contraction
2003	55	18.8%	1112	26.4%	20.3	6.4%	Expansion
2004	68	23.8%	1212	9.0%	17.9	-11.9%	Contraction
2005	76	13.0%	1248	3.0%	16.3	-8.8%	Contraction
2006	88	14.7%	1418	13.6%	16.2	-1.0%	Contraction
2007	83	-5.9%	1468	3.5%	17.8	10.0%	Expansion
2008	50	-40.0%	903	-38.5%	18.2	2.6%	Expansion
2009	57	14.8%	1115	23.5%	19.6	7.5%	Expansion
2010	84	47.3%	1258	12.8%	15.0	-23.4%	Contraction
2011	96	15.1%	1258	0.0%	13.0	-13.1%	Contraction
2012	97	0.4%	1426	13.4%	14.7	13.0%	Expansion
2013	107	10.8%	1848	29.6%	17.2	16.9%	Expansion
2014	113	5.3%	2059	11.4%	18.2	5.8%	Expansion
2015	100	-11.1%	2044	-0.7%	20.3	11.7%	Expansion
2016	106	5.8%	2239	9.5%	21.1	3.5%	Expansion
2017	125	17.2%	2674	19.4%	21.4	1.5%	Expansion
2018	152	21.8%	2507	-6.2%	16.5	-22.6%	Contraction
2019	157	3.6%	3231	28.9%	20.6	24.4%	Expansion
2020	122	-22.1%	3756	16.3%	30.7	49.3%	Expansion
2021	208	70.1%	4766	26.9%	22.9	-25.4%	Contraction
2022	197	-5.4%	3840	-19.4%	19.5	-14.8%	Contraction
2023*	214	8.8%	4568	19.0%	21.3	9.3%	Expansion

\*2023 TTM EPS includes estimates for Q4 2023, S&P 500 Price as of 11/30/23

CREATIVE PLANNING @CharlieBilello Data Source: S&P Dow Jones

Source: Charlie Bilello

## #sp500 #valuation

The S&P 500 is historically expensive based on 18/20 valuation metrics according to BofA.

**Exhibit 2: S&P 500 Valuations** – shading indicates that metric is statistically expensive relative to history (as of 11/23)

S&P 500 valuation metrics

Metric	Current	Average	Avg. ex. Tech Bubble	Min	Max	% Above (below)		Z-Score	History
						avg			
Trailing PE	21.1	14.8	14.5	5.2	30.5	42.2%		1.3	1960-present
Trailing GAAP PE	24.8	15.1	14.8	4.2	122.4	64.0%		1.1	1832-present
Forward Consensus PE	19.3	15.8	15.0	9.8	25.1	22.6%		1.0	1986-present
Trailing Normalized PE	22.5	19.1	17.8	9.2	34.5	18.2%		0.7	9/1987-present
Median Forward P/E	15.5	15.5	15.3	10.0	21.9	0.3%		0.0	1986-present
Shiller PE	30.8	17.4	16.8	4.8	44.2	77.1%		1.9	1881-present
P/BV	4.37	2.66	2.49	0.98	5.34	64.1%		1.7	1978-present
EV/EBITDA	13.5	10.5	10.2	6.0	17.1	28.7%		1.3	1986-present
Trailing PEG	2.17	1.67	1.64	1.05	3.24	29.9%		1.4	1986-present
Forward PEG	1.99	1.43	1.41	0.93	3.50	38.6%		1.5	1986-present
P/OCF	16.1	11.3	10.7	5.4	19.3	42.8%		1.4	1986-present
P/FCF	27.5	27.8	25.0	12.9	65.7	-1.0%		0.0	1986-present
EV/Sales	2.79	1.98	1.91	0.86	3.40	40.8%		1.4	1986-present
ERP (Market-Based)	522	505	521	136	880	3.5%		-0.1	11/1980-present
Normalized ERP	236	348	394	-143	880	-32.1%		0.5	1987-present
S&P 500 Div. Yld. vs. 10yr Tsy. Yld.	0.32	1.23	1.25	0.17	4.20	-73.7%		1.5	1792-present
S&P 500 in WTI terms	59.0	26.8	24.5	2.7	175.3	119.9%		1.7	1960-present
S&P 500 in Gold terms	2.24	1.64	1.42	0.17	5.48	36.5%		0.5	1968-present
S&P 500 vs. R2000 Fwd. P/E	1.44	1.04	0.99	0.76	1.70	38.7%		2.0	1986-present
S&P 500 Market Cap/GDP	1.39	0.66	0.63	0.22	1.64	110.2%		2.2	1964-present

\*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.

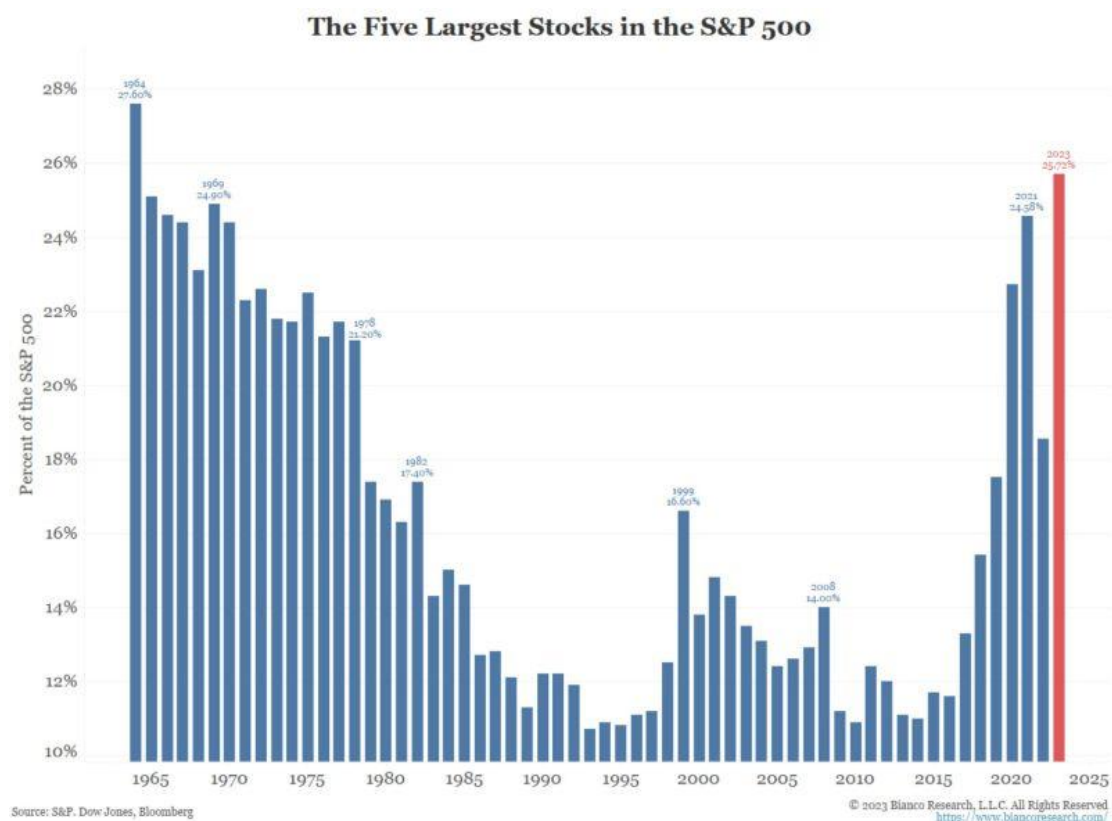
Source: S&P, Compustat, Bloomberg, FactSet/First Call, BofA US Equity & Quant Strategy

BofA GLOBAL RESEARCH

Source: BofA, barchart

## #sp500 #concentration

Latest Bianco research presentation highlights Big Tech risk: The current top 5 companies by market cap make up ~26% of the S&P 500, The last time the top 5 had a greater concentration in the S&P 500 was 1964 w/AT&T, GM, Exxon, IBM, Texaco



Source: HolgerZ

### #mag7 #equities #market-cap

A chart for the history books

## The Super-7 make up more of MSCI ACWI than Japan, UK, China, France and, **now almost Canada too**, combined

Weight in MSCI ACWI



Past performance is not a guide to future performance and may not be repeated.

Data as at 30 November 2023. Source: LSEG Datastream, Schroders. Please see relevant disclaimers on slide 42

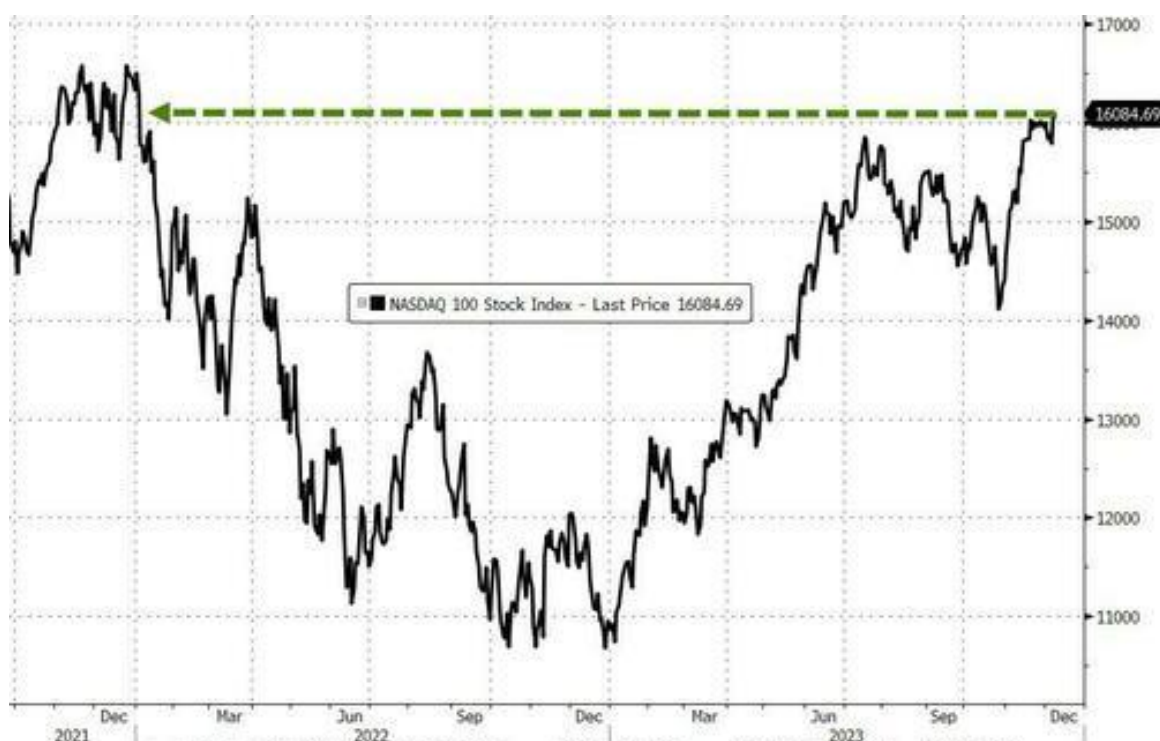
Source: Michel Arouet, BofA



#markets

### #nasdaq100

Nasdaq closed at its highest close since January 2022...

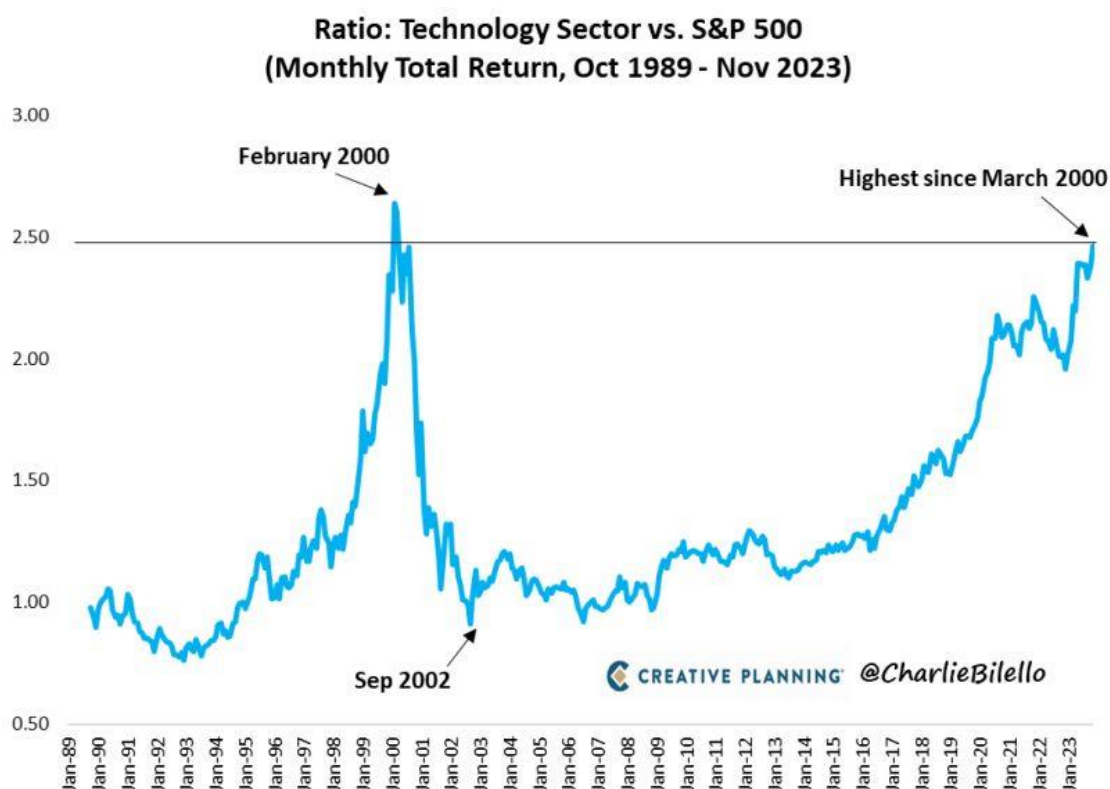


Source: bloomberg

#markets

### #sp500 #technology

The S&P 500 technology sector's relative strength versus the broad market is at its highest level since March 2000.



Source: Charlie Bilello

### #big-tech #insiders #selloff

Peak Big Tech? Nvidia insiders unload shares after 220% AI rally: Insiders sold or filed to sell about 370,000 shares last month worth ~\$180mln. Zuckerberg sells 1st Meta shares in 2 years after 172% surge. Meta co-founder unloaded \$185mln of stock in November. Meanwhile, Nvidia Corp. executives and directors last month sold or filed paperwork showing they intend to sell roughly 370,000 shares worth about \$180 million, according to data compiled by the Washington Service. If all of the shares were sold, it would be the biggest monthly disposal by dollar value in at least six years.

#### INSIDERS ARE UNLOADING SHARES

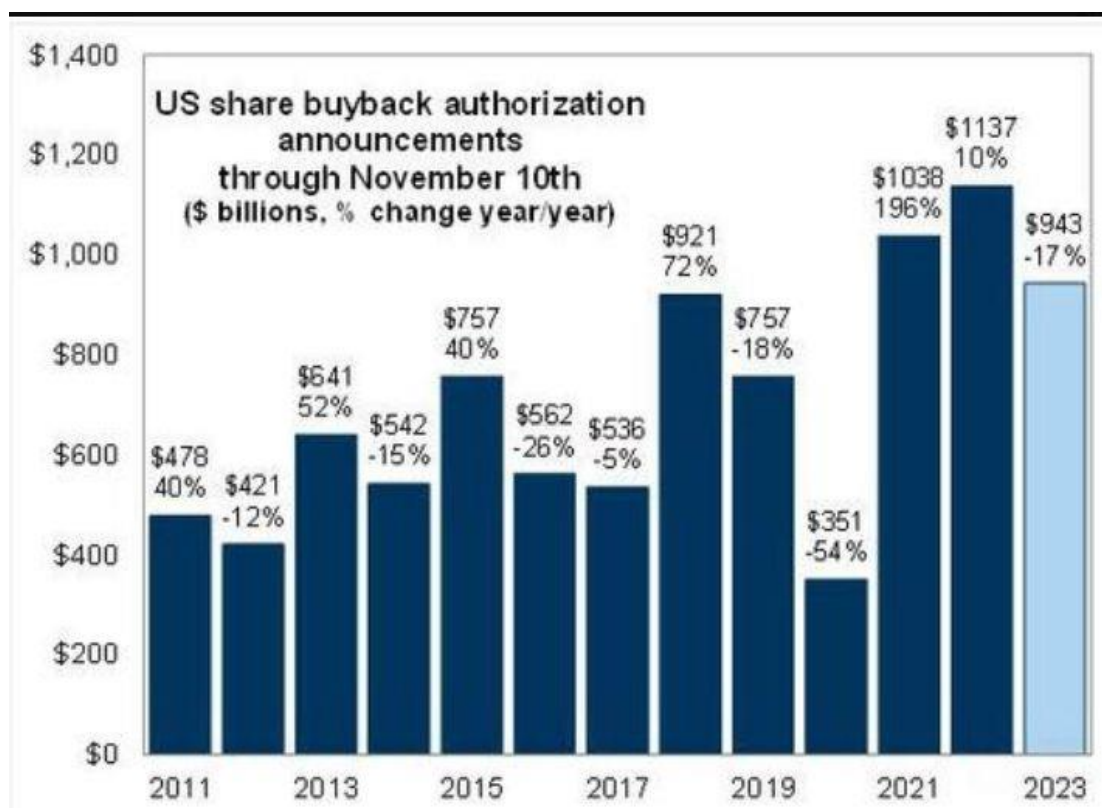


Source: Bloomberg, Holger Zschaepitz



## #buyback #equities

Buyback Blackout Window. Beginning Monday, December 11th, we enter in buyback blackout window, which will conclude on January 19th, 2024. At the peak of this period, later in December, a reduction in support flows of around \$5 billion a day could occur.



Source: gs, mayhem4markets

### #us #etfs #korean-retail-investors

Retail Traders in Korea Are Sinking Billions Into Exotic US ETFs  
Leveraged exchange-traded funds are so popular among South Korean retail investors that they own more than 20% of some of the most high-profile ones listed in the US. Korean retail investors invested \$2.3 billion in the largest leveraged and inverse ETFs listed in the US this year, almost triple the amount invested in a similar number of funds in 2022, according to Korea Securities Depository data compiled by Bloomberg. Among their favorites, they hold no less than 35% of an ETF that offers a 1.5 times magnified bet on Elon Musk's Tesla Inc., and 28% of another that provides a three-times wager on FAANG and other tech shares, based on data compiled by Bloomberg.



Source: bloomberg

### #arkk #performance

IN CASE YOU MISSED IT: Cathie Woods' ARK Innovation ETF recorded its highest ever monthly gain in November at +31%, topping January's +27% return. \$ARKK is now up 54% YTD, compared to 45% for the \$QQQ and 20% for the \$SPY.



Source: Ycharts

### #germany #dax

Germany's DAX is at record highs and up 19% YTD, yet two-thirds of the index's YTD gain has occurred since the start of November.



Source: bespoke

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

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### #germany #dax #eps

Most of this year's Dax rally is driven by higher EPS expectations, not P/E expansion. Dax has gained 18% year-to-date while Dax P/E has expanded only 6% from 11.5 to 12.2



Source: Bloomberg, HolgerZ

## #GLOBALMARKETS WEEKLY WRAP-UP

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### #china #equity #performance

BREAKING 🚨 : Chinese Stocks have fallen to their lowest prices in 5 years



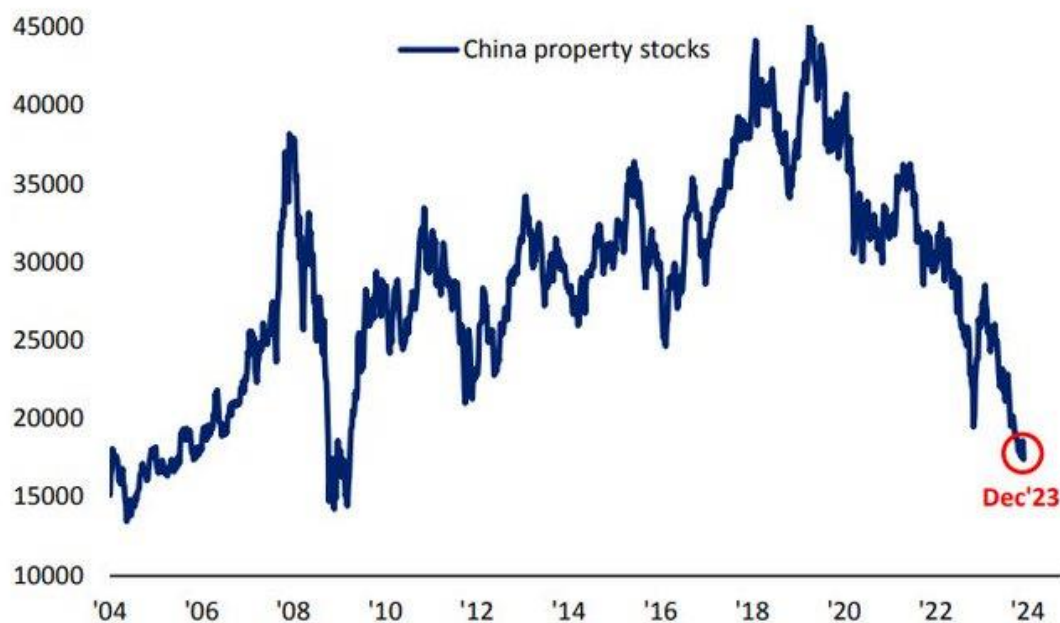
Source: barchart

## #china #property #stocks

Bac at GFC lows

**Chart 6: Chinese property stocks back at GFC lows**

China property stocks (HSP)



**Source:** BofA Global Investment Strategy, Bloomberg

Source: BofA



### #india #stock-market

INDIA IN THE TOP 5! India's stock market hit a milestone this week. It's now a \$4 trillion market. Here's how that looks alongside the world's biggest.



Source: David Ingles, Bloomberg



### #us #treasuries #weekly

US Treasuries were mixed on the week with the short-end underperforming. Only the long-bond managed to close the week higher in price (lower in yield)...



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

### #bonds #yields

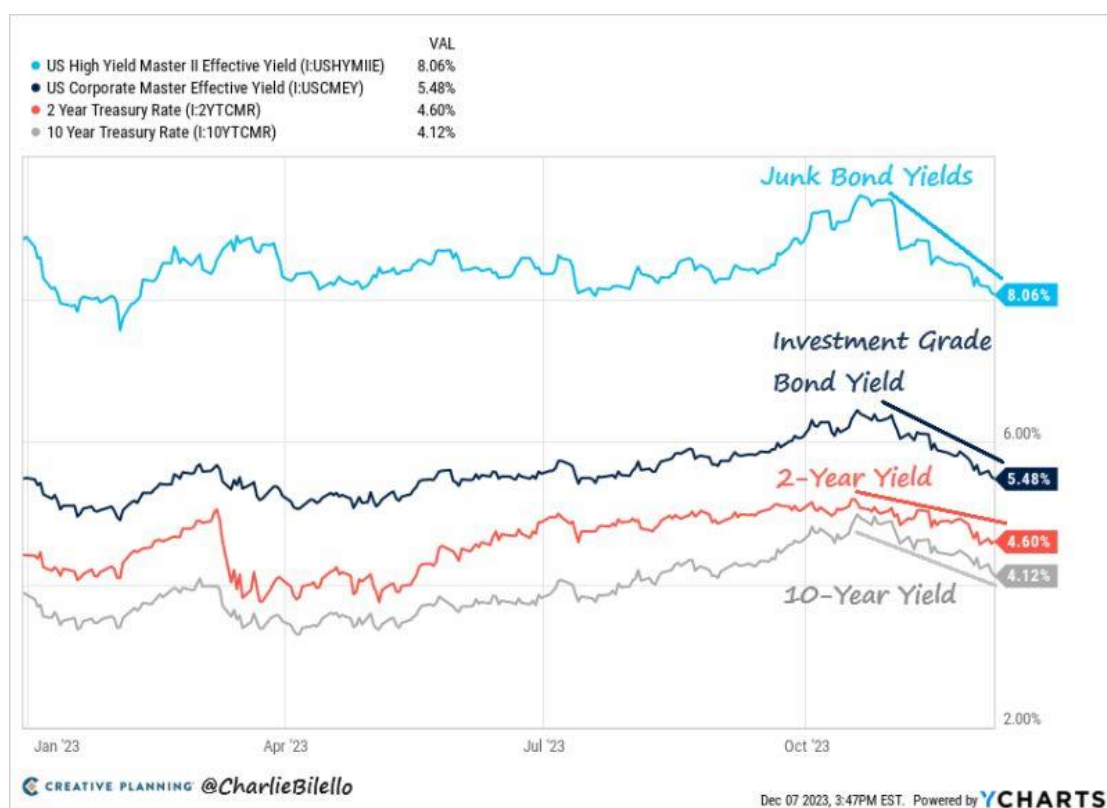
Big decline in yields from their peak October levels...

-Junk Bonds: 9.45% --> 8.06% (-1.39%)

-Investment Grade Bonds: 6.44% --> 5.48% (-0.96%)

-2-Year Treasury: 5.19% --> 4.60% (-0.59%)

-10-Year Treasury: 4.98% --> 4.12% (-0.86%)



Source: charlie bilello

#markets

### #bonds #stocks #performance

How much of the bonds outperforming stocks market action we've seen in the last couple weeks is a function of strong rebalancing flows given bond underperformance this year? As highlighted by Bob Elliott, even part of this years 1.5tn pension fund stock/bond imbalance happening now could have quite an impact.



### #swiss-franc #euro

Swiss franc climbs to highest since Jan. 2015 against euro. The Swiss franc rose to the strongest level against the euro since the Swiss National Bank abandoned its currency cap almost nine years ago. The franc climbed to 0.94087 per euro, the strongest since January 2015. The move comes amid changing expectations on interest rates in Europe, possibly indicating that the European Central Bank will cut rates before its Swiss counterpart. Recently, economists at UBS Group AG said in a report to clients that they foresee a first interest rate cut by the Swiss National Bank in June next year.



Source: reuters

### #japanese-yen

Most likely the most spectacular chart of the week. The JPY broke below the 100 day overnight...and traded below the 200 day briefly. You don't see these things very often, at least not in "serious" assets.

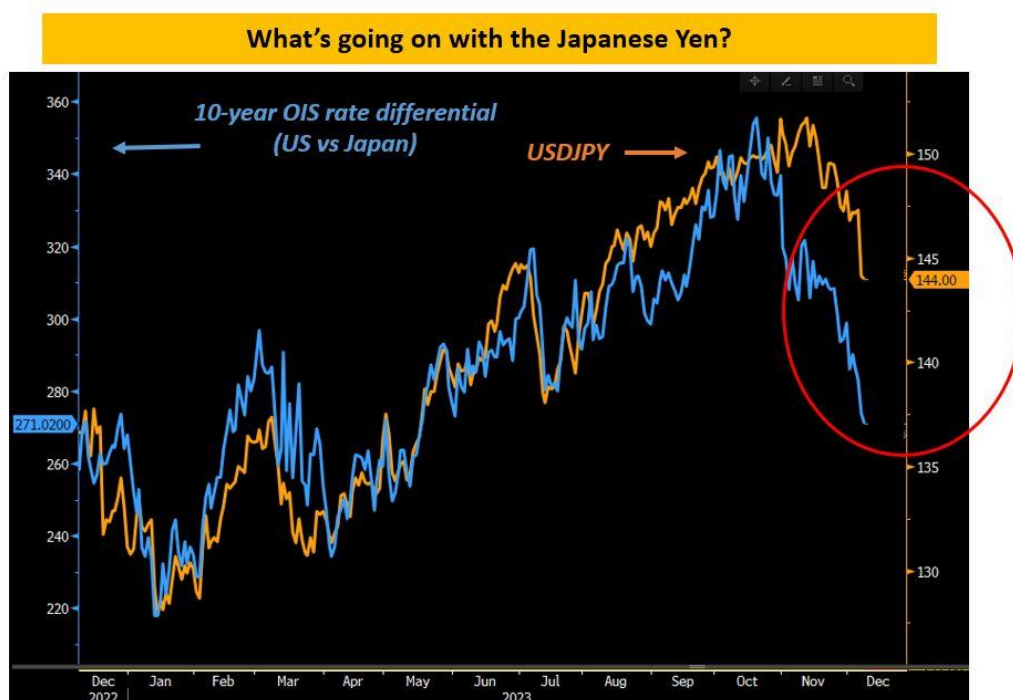


Source: Refinitiv

Source: TME, Refinitiv

### #japanese-yen

Bonds have been catching a bid globally since October: the rapid decline in the blue line from 350 bps to 270 bps is almost exclusively due to Treasuries (not Japanese bonds). And now mind the gap in the red circle. At this level of yield differentials, USDJPY should already be at 140. Back in July the 10y yield differential between Japan and US was 280 bps and USDJPY was 138. Today it's 270 bps (lower!) and USDJPY is 144 (higher!). Along with yield differentials, oil has also been killed: Japan is a net importer and the US a net exporter and so a rapid decline in oil prices helps Japan on the margin too.





### #commodities #performance

Bloomberg Commodity Index drops to 2-year low as investors grow increasingly nervous about demand.



Source chart: HolgerZ, Bloomberg

### #oil #commodity

Maybe oil is not that irrational... As shown on the chart below, Oil (purple line) keeps following the Citigroup US Macro Surprises index (yellow line). The weaker the data, the lower the prices. Sounds logical.

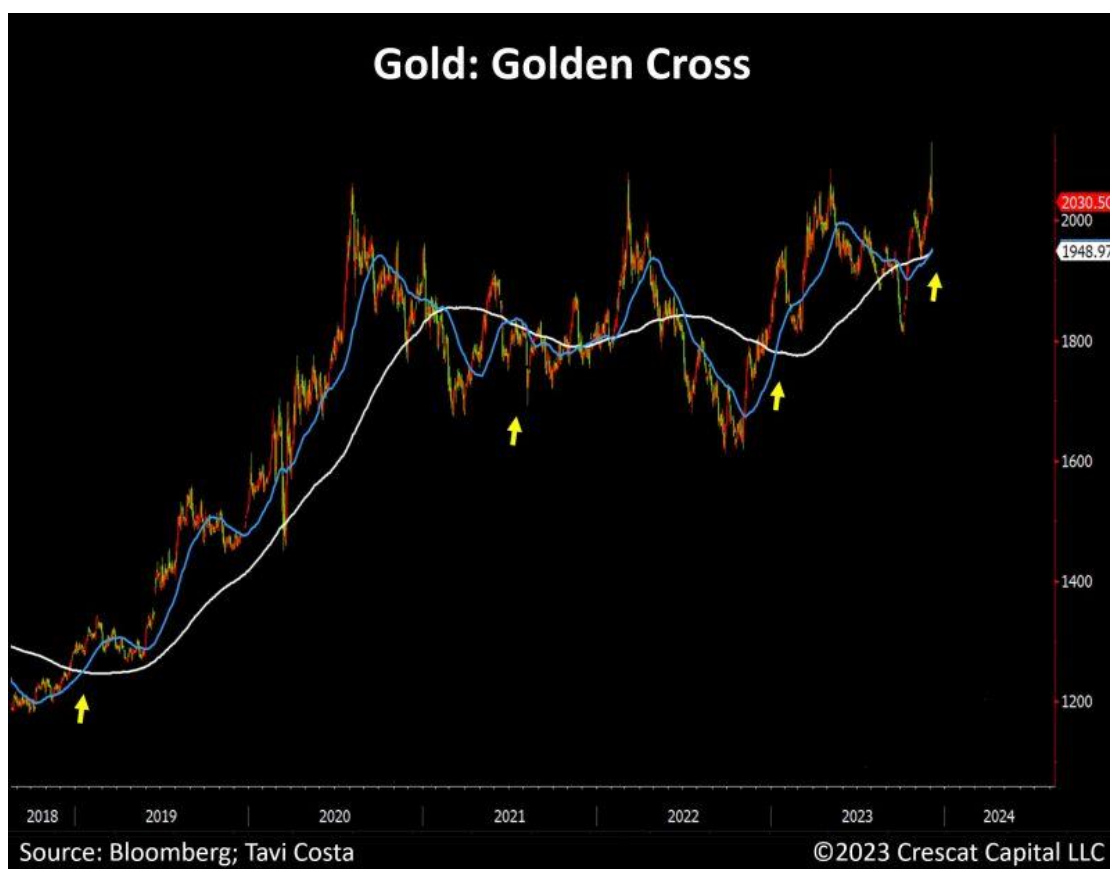


Source: TME



### #gold #technical-analysis

A golden cross on gold (50d MA is trading above 200d MA and both are trending higher)



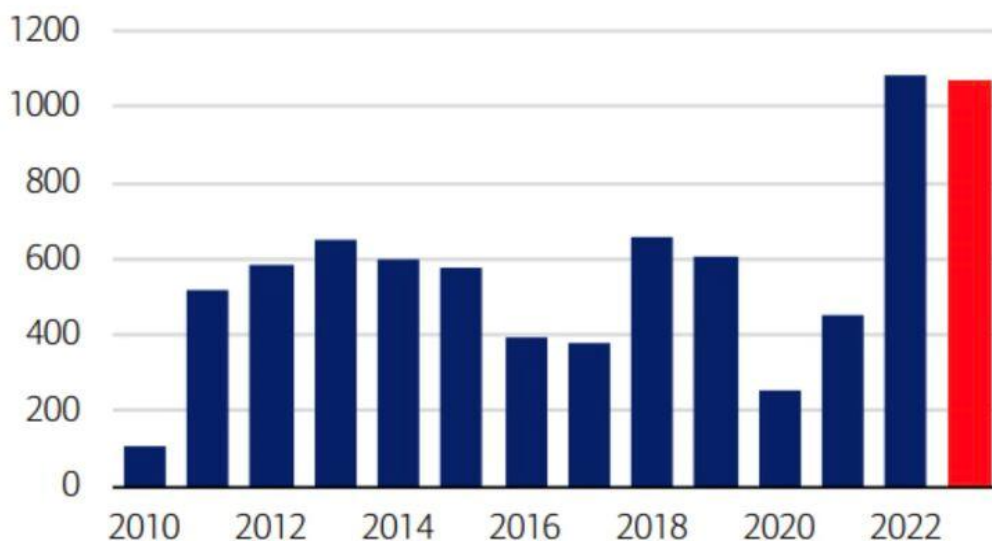
Source: Bloomberg, Tavi Costa

### #gold #purchases

Central Banks are on pace to buy over 1,000 tons of gold again. Despite the near-record annual purchases, it's worth noting that these institutions once held 80% of their balance sheet in gold. Today, it's barely 20%. A return to the historical average of central banks holding 40% of their balance in gold could propel gold prices north of \$3,000 based solely on that capital dynamic...

#### Exhibit 10: Central banks on pace to buy >1,000 tons of gold, again

Annual central bank gold purchases, metric tons



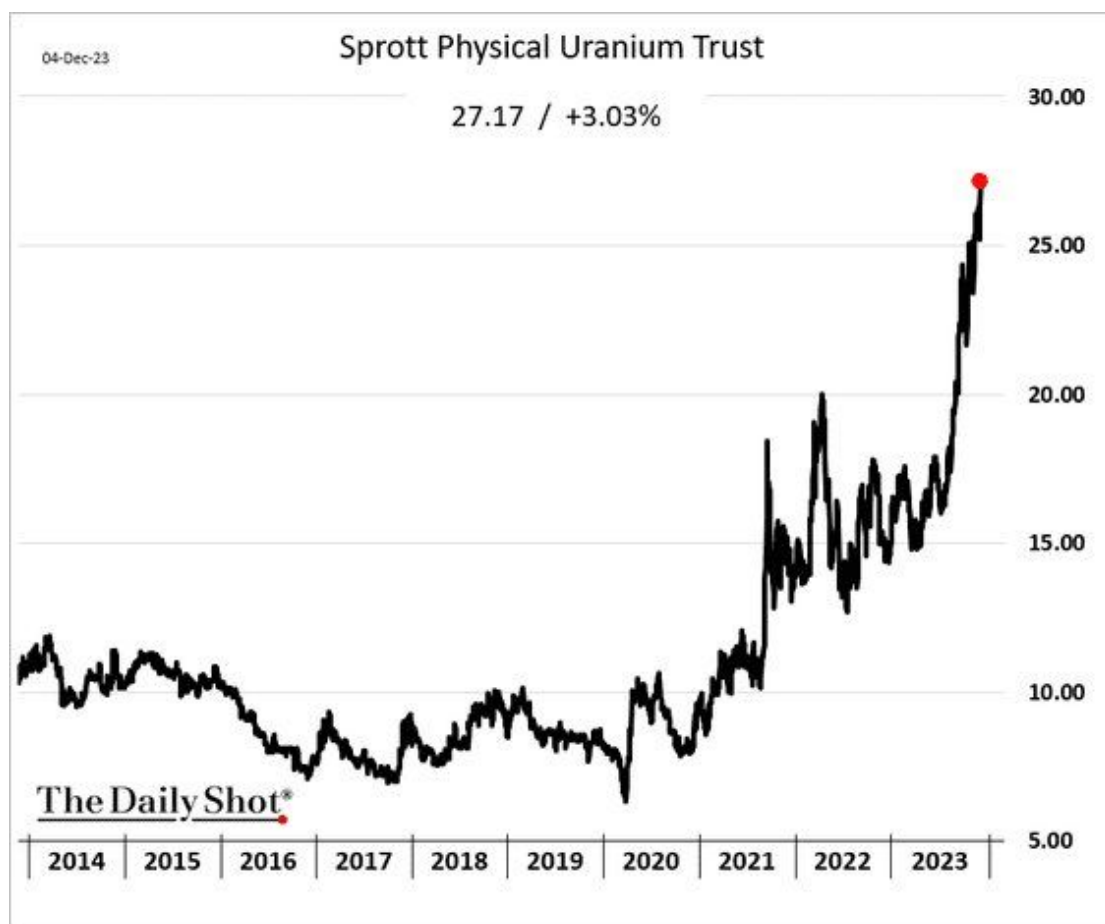
Source: BofA Research Investment Committee, Bloomberg, Metal Focus Data Ltd. Note: 2023 data (red bar) is annualized

BofA GLOBAL RESEARCH

Source: Tavi Costa, BofA

### #uranium #nuclear #commodities

The bull market none is talking about. Uranium prices are surging as nuclear is seen as one of the only "clean" energy source to move away from fossil fuels.



Source chart: (((The Daily Shot)))

#macro

### #us #macro

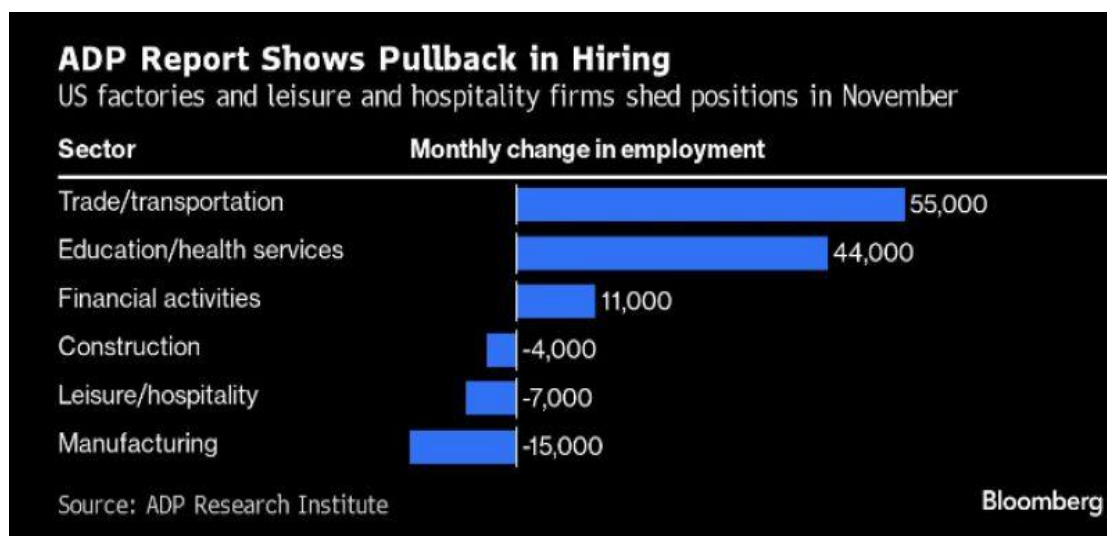
On the US macro side this week: 'soft' data did well while 'hard' data slightly firmed: Inflation expectations (survey) down along with gasoline, Services (survey) data up, labor market mixed (JOLTS weak but unemployment lower), consumer sentiment (survey) soars.



#macro

### #us #employment

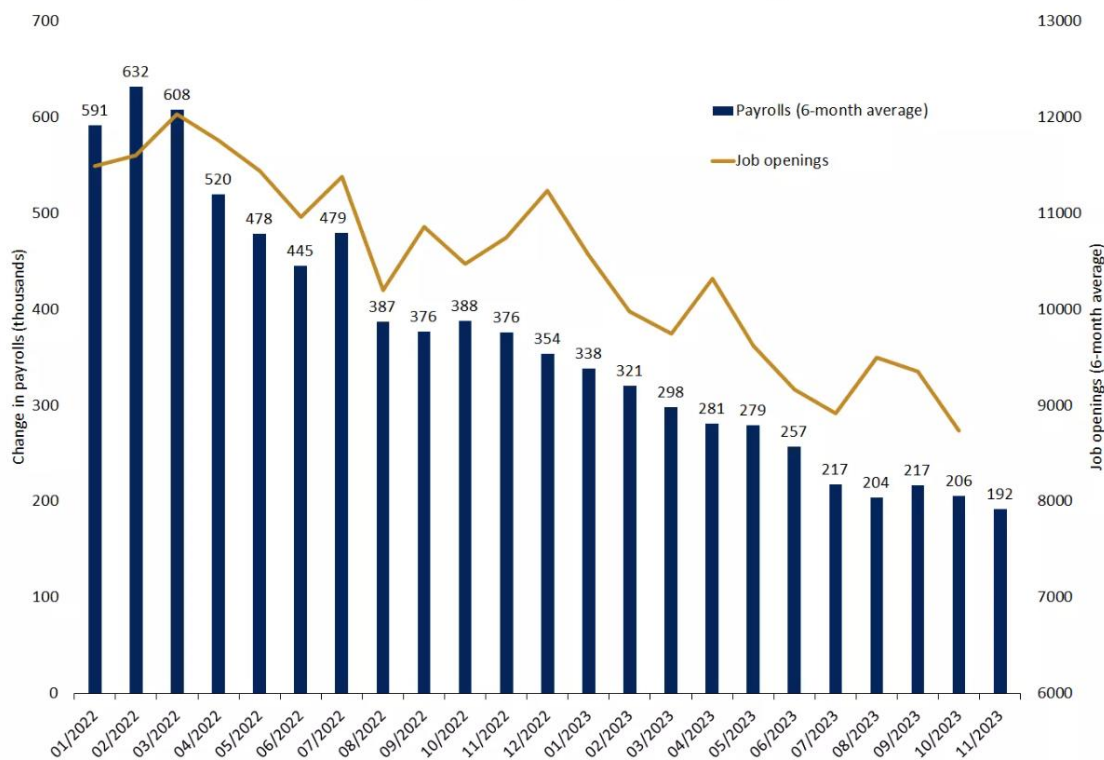
The ADP jobs report shows that the US labor market is cooling. U.S. firms scaled back hiring in November. Adding only 103k private payrolls compared 130k expected, according to ADP. Job cuts were seen in manufacturing, construction, and leisure/hospitality sectors. ADP's report is based on payroll data covering +25 million US private-sector employees.



## #us #employment

The graph shows that both U.S. payrolls and job openings are easing but only gradually, and they continue to suggest labor market strength.

The labor market remains strong but is gradually moderating



Source: Bloomberg, Edward Jones.

Source: Bloomberg, Edward Jones

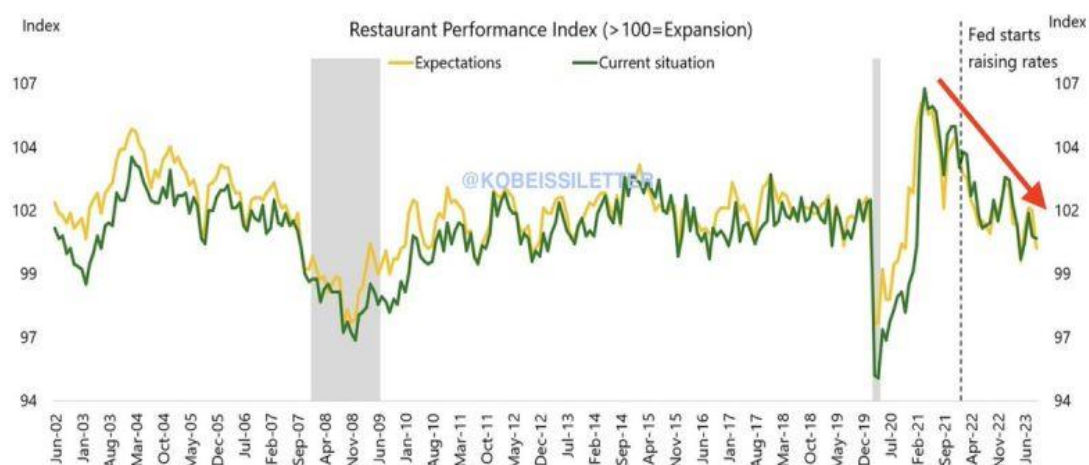


#macro

### #us #growth #restaurant-demand

Interesting development highlighted by The Kobeissi Letter: is the slowdown in restaurant activity signaling that a FED pivot Indicators of restaurant activity continue to show signs of weakness in the US. Interestingly, this has been almost perfectly correlated with the Fed raising rates. Restaurant activity in the US hit an all time high in August 2021. Since the Fed started raising rates in March 2022, restaurant activity has moved in a straight line lower. As excess savings are depleted and inflation remains an issue, consumers are cutting back. And more credit card debt is not the solution here.

Trend slowdown in restaurant demand



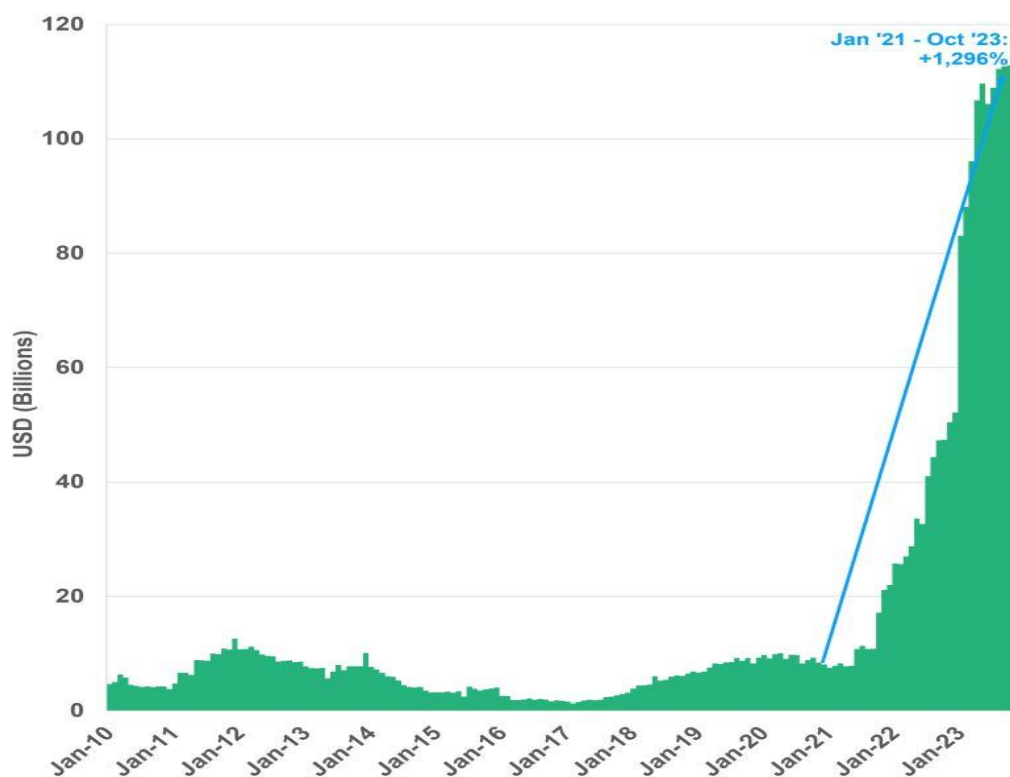
#macro

### #us #chips-act

How do you say CHIPS act in one chart? Not all fiscal policy has to be a bad thing... this could indeed lead to a big increase in the productivity we will see over the coming years due to this.

#### Whoa! Chips and batteries in America

Computer/Electronic/Electrical Construction Spending  
Value Put in Place



Data source: Carson Investment Research, Census Bureau 12/01/2023

@sonusvarghese

Shaded area indicates U.S. recession

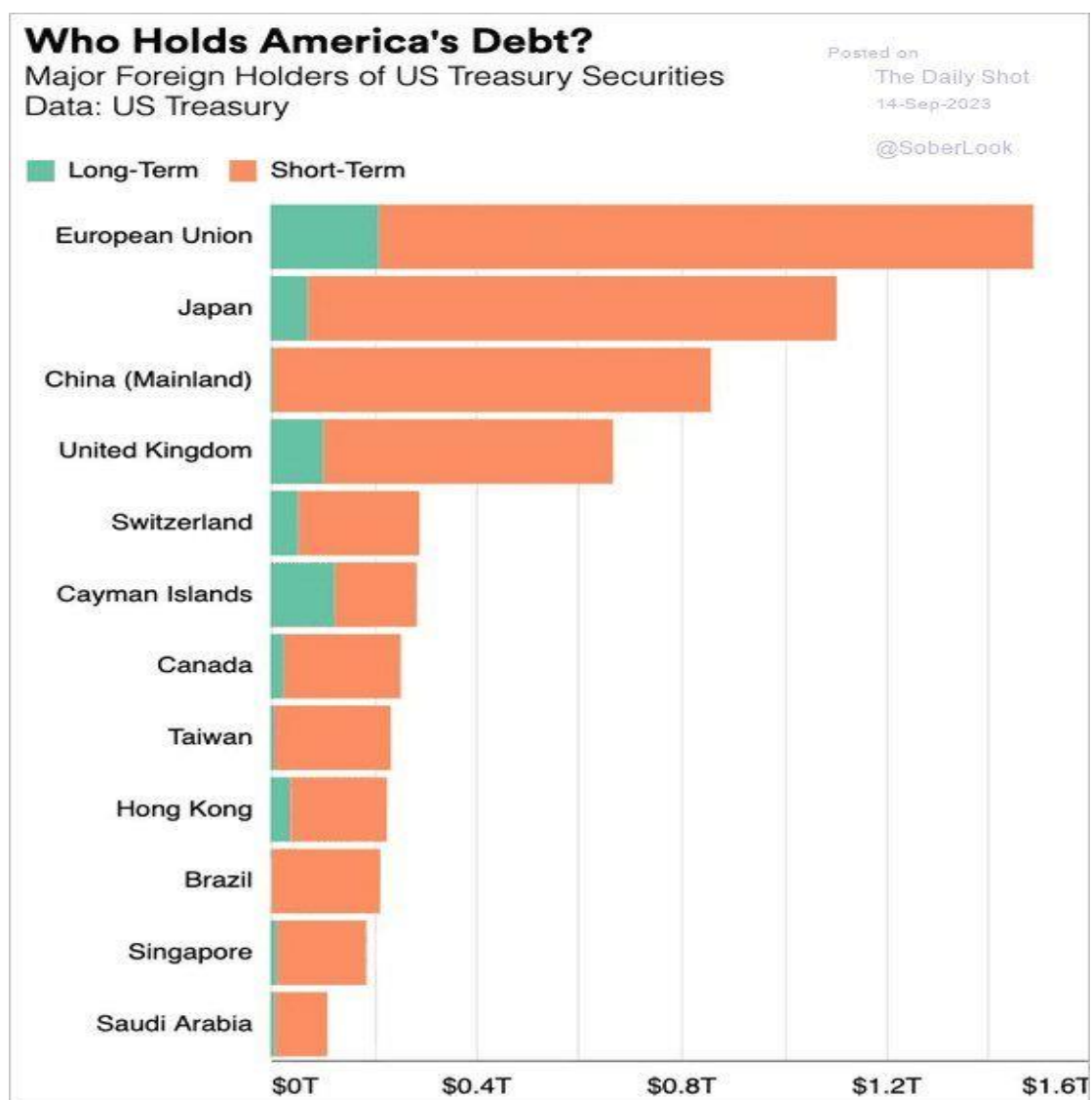
CARSON

Source: Ryan Detrick, Carson

#macro

#us #debt

## WHO HOLDS AMERICA' DEBT?

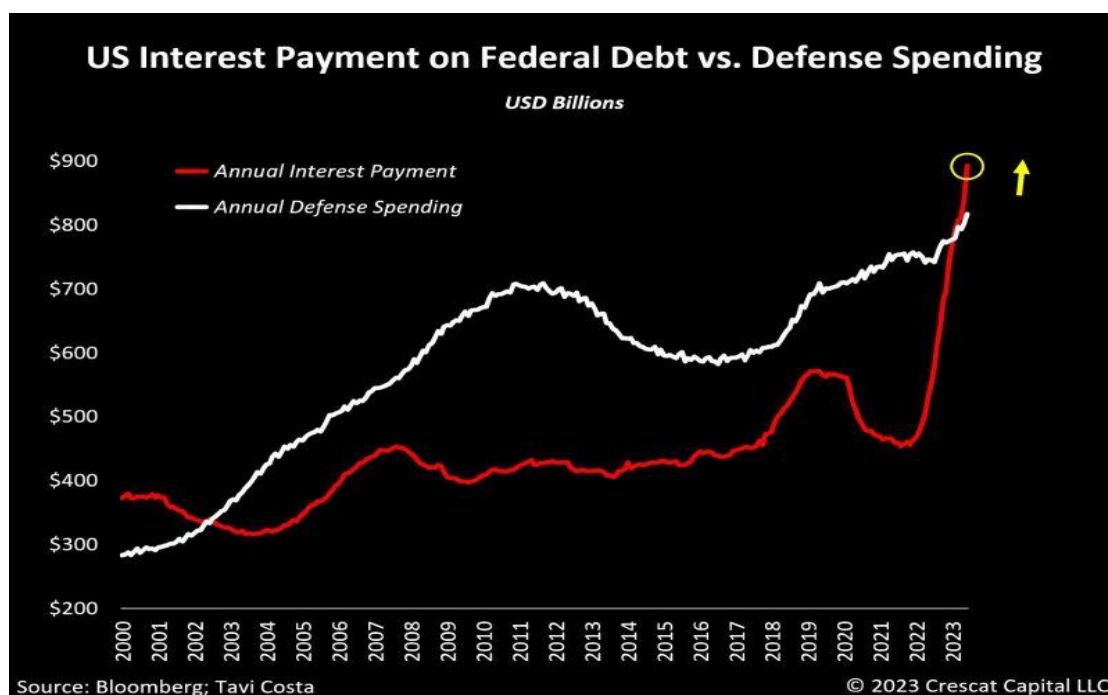


Source: WinSmart, The DailyShot

#macro

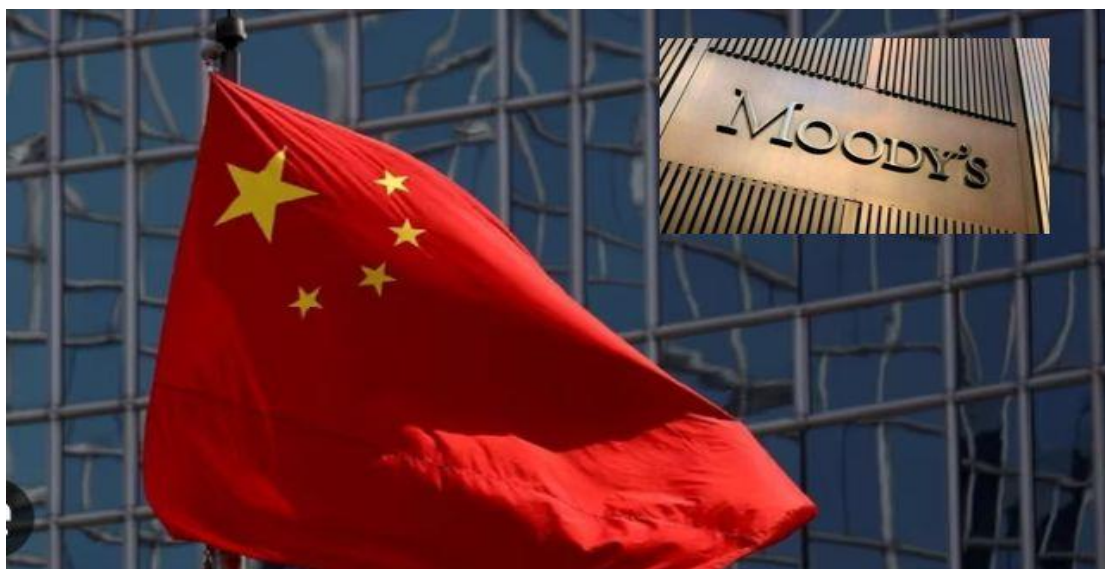
### #us #interest #debt

As highlighted in the Kobeissi Letter and in the chart below from Tavi Costa >>> Annualized interest expense on US Federal debt is nearing \$1.1 TRILLION. To put this in perspective, 2023 defense spending was \$821 billion. This means the US is on track to spend 34% MORE on interest expense than defense spending. In 2023, the US government produced \$4.4 trillion in revenue. This means that 25% of receipts in the entire 2023 are equivalent to Uncle Sam's annual interest expense. Rising rates and falling tax revenue are both occurring at the same time. A tricky combination



### #moody's #china #debt

Moody's Investors Service cut its outlook for Chinese sovereign bonds to negative, underscoring deepening global concerns about the level of debt in the world's second-largest economy. Moody's last cut its credit rating on China in 2017, to A1 from Aa3, on the likelihood of a material rise in economy-wide debt and the impact that would have on state finances. That was its first China debt downgrade since 1989. Earlier this year, Fitch Ratings Ltd. said in an interview with Bloomberg television that it may reconsider China's A+ sovereign credit score. The firm recently affirmed such a rating with a stable outlook. S&P Global Ratings has kept China's ratings at A+ with stable outlook since its last downgrading in 2017 that followed a similar move by Moody's.

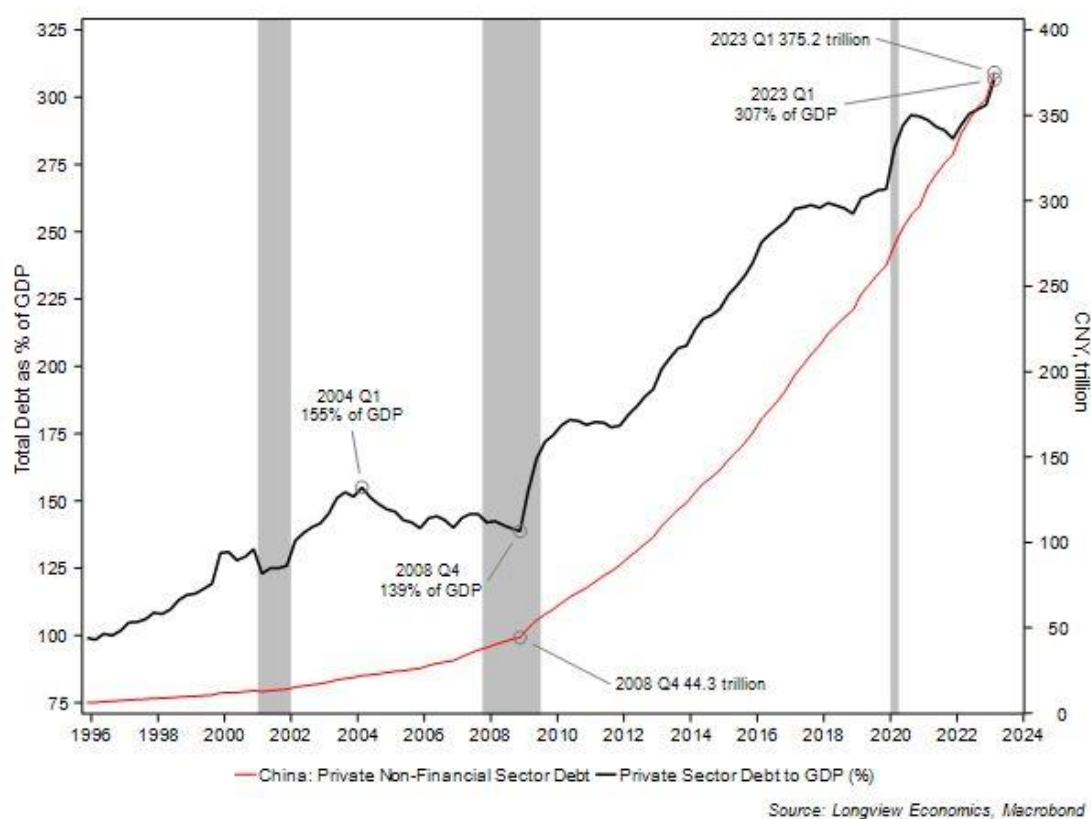


Source: bloomberg

#macro

### #china #debt

Chinese total private sector debt (level and relative to GDP). This helps explain why Moody's downgraded China's credit rating today...

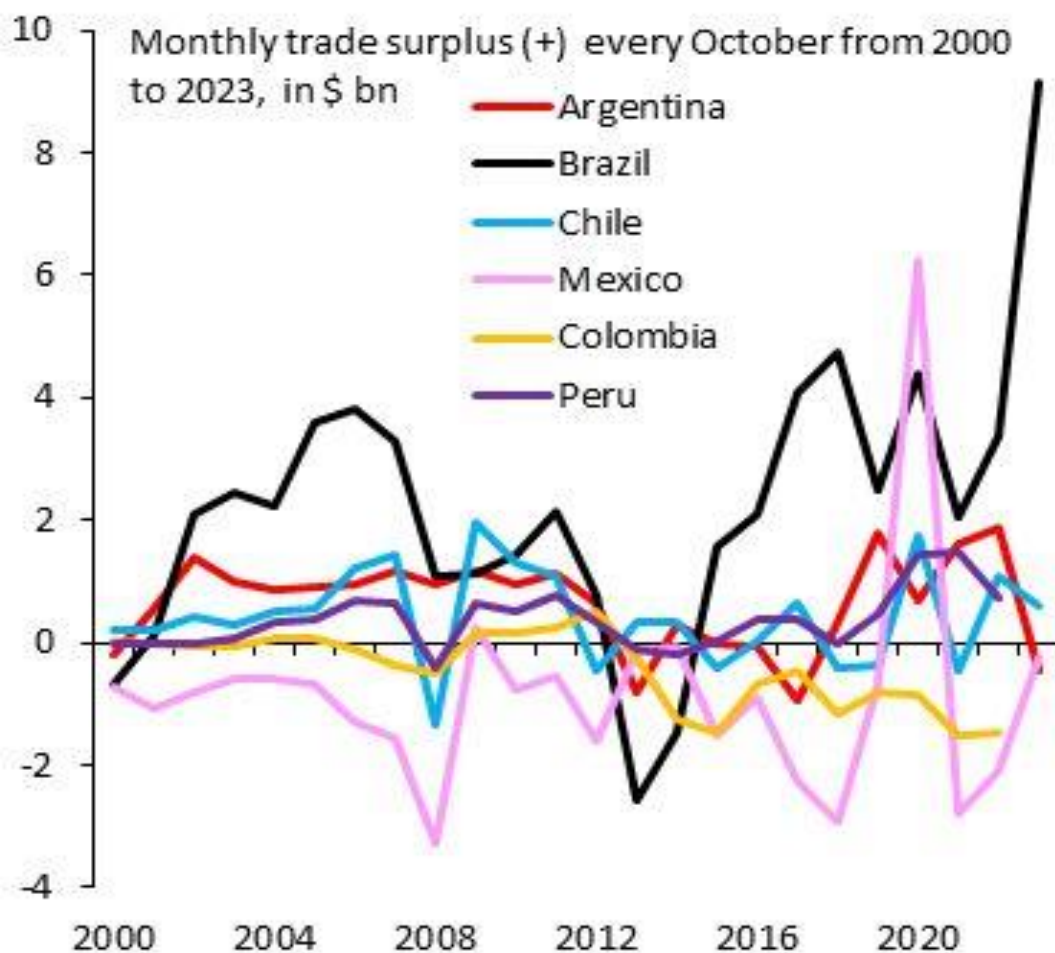




#macro

### #brazil #trade #em

If you want to see just how exceptional Brazil's trade surplus is, compare Brazil to its peers across emerging markets. There is no other EM - no one - that has transformed itself quite like Brazil. Brazil will graduate from EM to G10 status in the coming years...



Source: Robin Brooks

#macro

### #saudi-arabia #tax-incentive

Saudi Arabia said on Tuesday it will offer tax incentives for foreign companies that locate their regional headquarters in the kingdom, including a 30-year exemption for corporate income tax.



#centralbanks

#global #interest-rate #expectations

2024 is expected to be a year of interest rate cuts. Here's what's currently priced in markets of who does what when.



Source: Bloomberg, David Ingles

#centralbanks

### #ecb #rates #expectations

ECB cuts -> A full cut is now priced in for March...



Source: TME, TS lombard

## #fed #rates #expectations

Interest rate futures shift from showing rate cuts beginning in March 2024 to May 2024 after jobs report.

Prior to the November jobs report, markets saw a 60% chance of rate cuts beginning in March 2024.

Odds of rate cuts beginning in January 2024 fell from 16% to 6%.

Still, the Fed has not mentioned anything about rate cuts beginning in 2024.

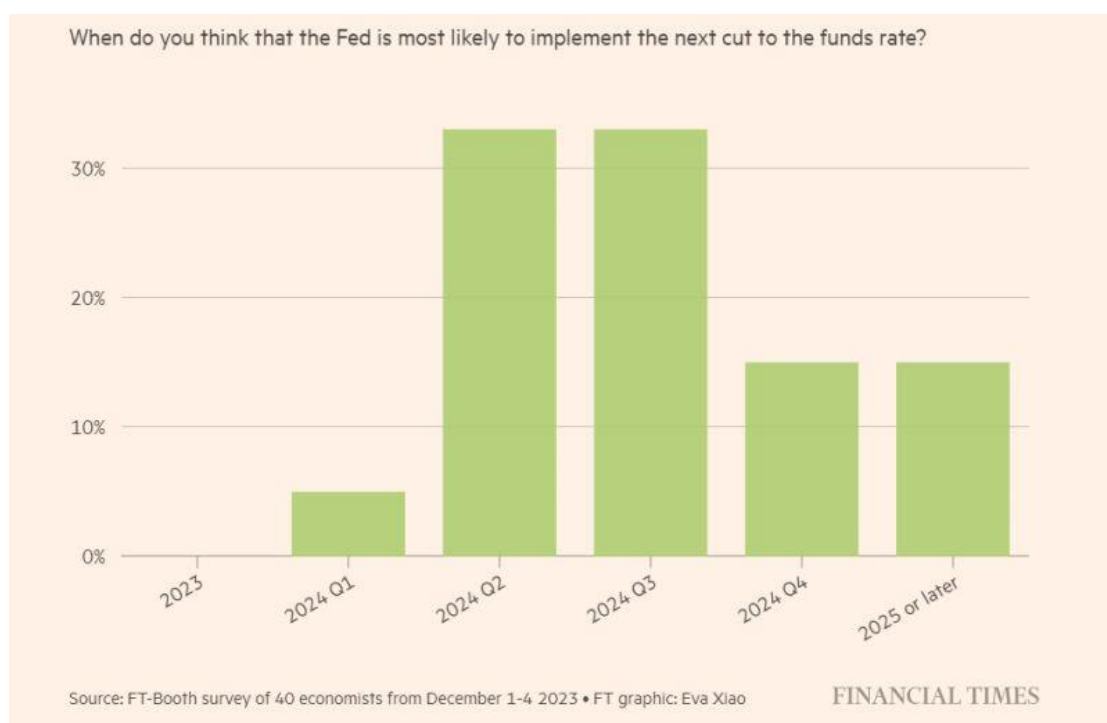
Next week's Fed meeting is huge.

CME FEDWATCH TOOL - MEETING PROBABILITIES										
MEETING DATE	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550	550-575
12/13/2023				0.0%	0.0%	0.0%	0.0%	0.0%	98.2%	1.8%
1/31/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.1%	92.2%	1.7%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%	45.7%	50.6%	0.9%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	29.9%	48.8%	19.2%	0.3%
6/12/2024	0.0%	0.0%	0.0%	0.0%	1.2%	20.8%	42.7%	28.8%	6.4%	0.1%
7/31/2024	0.0%	0.0%	0.0%	0.8%	14.4%	35.5%	33.3%	13.8%	2.2%	0.0%
9/18/2024	0.0%	0.0%	0.6%	10.6%	29.6%	33.9%	19.2%	5.4%	0.6%	0.0%
11/7/2024	0.0%	0.4%	6.8%	22.4%	32.3%	24.8%	10.7%	2.5%	0.2%	0.0%
12/18/2024	0.3%	5.0%	18.1%	29.6%	26.8%	14.5%	4.7%	0.8%	0.1%	0.0%

Source: The Kobeissi Letter

### #fed #rates #expectations

Economists expect Fed to hold rates at 22-year high until next July. Leading economists are expecting the Federal Reserve to maintain the 22-year high in US interest rates until at least July 2024, according to the latest poll by the Financial Times. Three-quarters of those polled also expect that when the cuts come, the federal funds rate will be cut by only half a percentage point or less in 2024 from its current position of 5.25 per cent to 5.5 per cent.



Source: FT





## #GLOBALMARKETS WEEKLY WRAP-UP

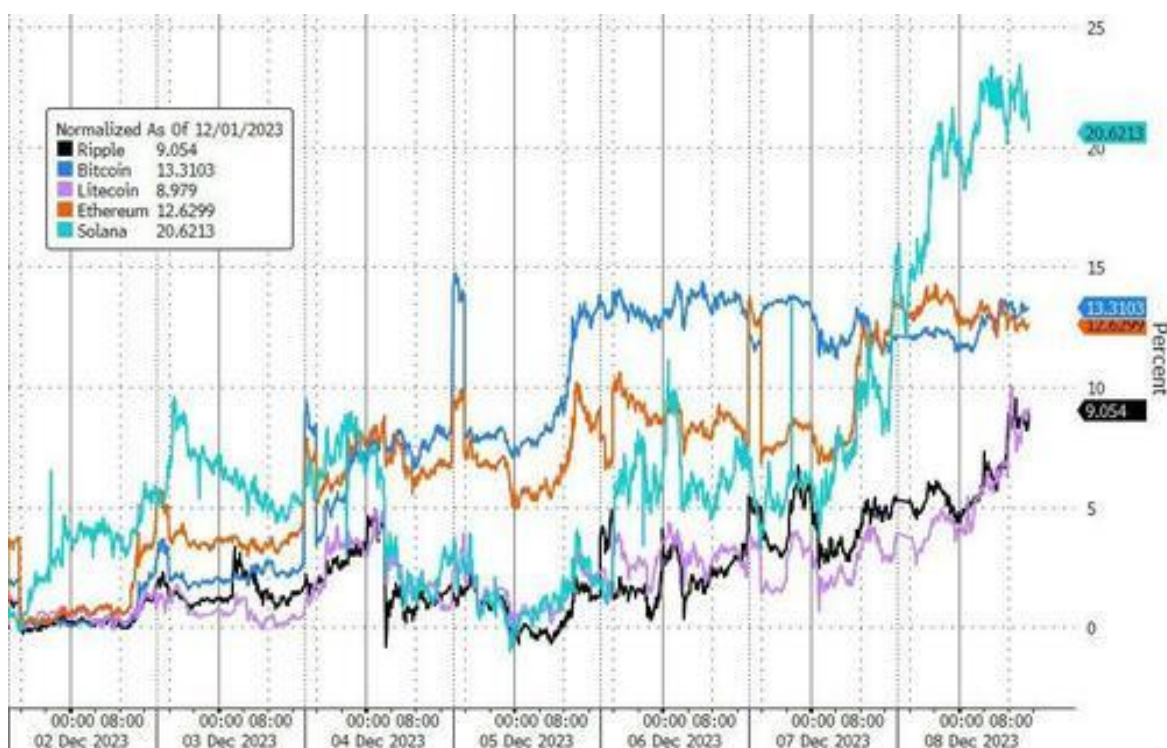
Hand-curated selection of the best charts & news flow

09 DECEMBER 2023

#cryptos

### #cryptos #weekly

Cryptos were all higher this week with Solana outperforming. BTC and ETH were each up around 13%...

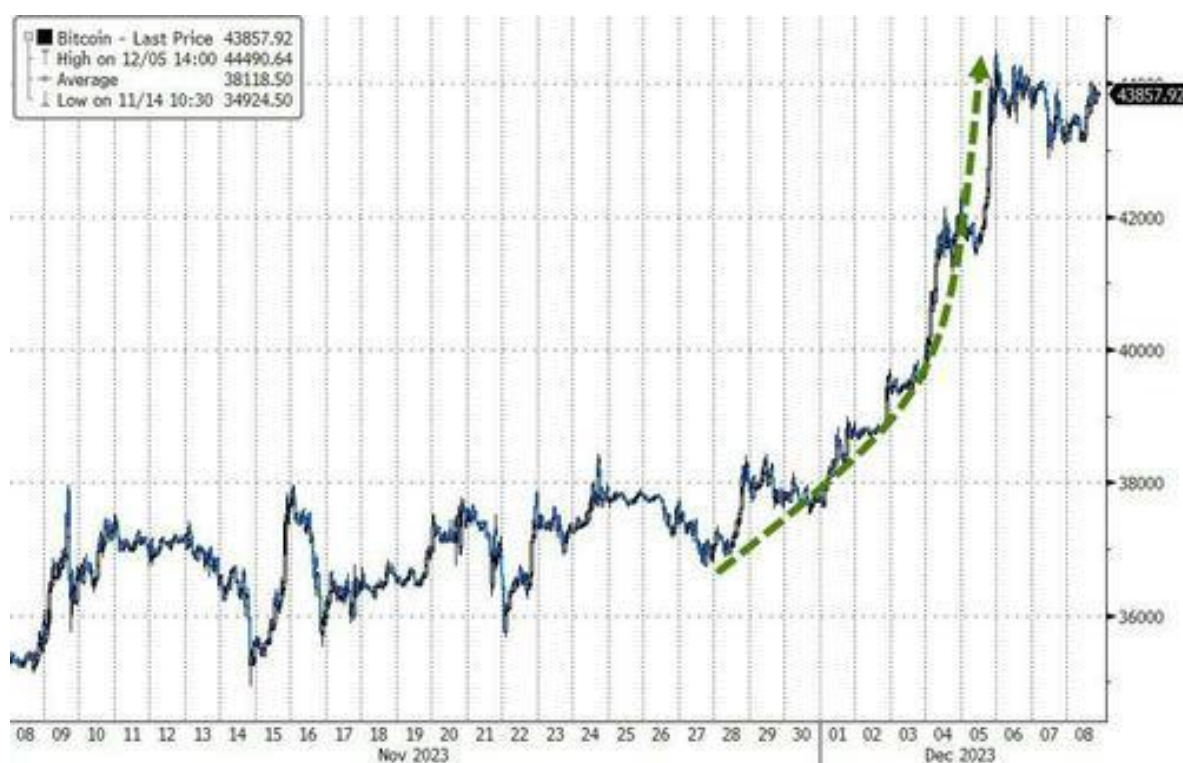


Source: Bloomberg, [www.zerohedge.com](https://www.zerohedge.com)

#cryptos

### #bitcoin #weekly

Bitcoin ripped up to \$44,000 (its highest since April 2022)...



Source: Bloomberg

#cryptos

## #bitcoin #etf

Anticipation of an eventual US spot Bitcoin ETF continues to push BTC price higher. A Bloomberg's analysts assign a 90% probability of being approved by the SEC in January...

Issuer (Ticker)	Company	Asset	19b-4 Posted Date	Exchange	Custodian	Index/Pricing Provider	SEC Next Deadline	SEC Final Deadline
"Physically" Backed								
Grayscale Bitcoin Trust (Re-file) Conversion (GBTC)	Grayscale	Bitcoin	10/19/21	NYSE	Coinbase	Nasdaq	~10/13/23	Unknown
ARK 21Shares Bitcoin ETF (Re-filing) (ARKB)	21Shares & ARK	Bitcoin	4/25/23	CBOE	Coinbase	S&P Dow Jones	1/10/24	1/10/24
iShares Bitcoin Trust (IBTC)	BlackRock	Bitcoin	6/29/23	Nasdaq	Coinbase	CF Benchmarks	1/15/24	3/15/24
Bitwise Bitcoin ETP Trust (Re-filing) (BITB)	Bitwise	Bitcoin	6/28/23	NYSE	Coinbase	CF Benchmarks	1/14/24	3/14/24
VanEck Bitcoin Trust (Re-filing)	VanEck	Bitcoin	6/30/23	CBOE	Gemini	Market Vectors	1/15/24	3/15/24
Wisdomtree Bitcoin Trust (Re-filing) (BTCW)	Wisdomtree	Bitcoin	6/30/23	CBOE	Coinbase	CF Benchmarks	1/15/24	3/15/24
Invesco Galaxy Bitcoin ETF (Re-filing) (BTCO)	Invesco & Galaxy	Bitcoin	6/30/23	CBOE	Coinbase	Bloomberg	1/15/24	3/15/24
Wise Origin Bitcoin Trust (Re-filing)	Fidelity	Bitcoin	6/30/23	CBOE	Fidelity	Fidelity/CoinMetrics	1/15/24	3/15/24
Valkyrie Bitcoin Fund (Re-filing) (BRRR)	Valkyrie	Bitcoin	7/3/23	Nasdaq	Coinbase	CF Benchmarks	1/17/24	3/19/24
Global X Bitcoin Trust (Re-filing)	Global X	Bitcoin	8/4/23	CBOE	Coinbase	N/A	11/21/23	4/19/24
Hashdex Bitcoin ETF Strategy Change (DEFI)	Hashdex	Bitcoin	9/22/23	NYSE	N/A	Nasdaq	3/31/24	5/30/24
Franklin Bitcoin ETF	Franklin	Bitcoin	9/26/23	CBOE	Coinbase	CF Benchmarks	3/31/24	5/30/24
Pando Asset Spot Bitcoin Trust	Pando	Bitcoin	12/5/23	CBOE	Coinbase	N/A	~2/8/24	~8/21/24

Note: Dates are estimates and deadlines, so they may come earlier.  
Source: Bloomberg Intelligence, SEC.gov

Bloomberg

Source: Bloomberg, Eric Balchunas



#blackrock #bitcoin #etf

The 21 major amendments to BlackRock’s latest ETF filing. BlackRock recently filed an updated S-1 form for its proposed Bitcoin ETF revealing seed funding of \$100,000. In total, the company made 21 notable amendments on Dec. 4 to address various factors related to the Trust’s structure, operations, risks, and disclosures. These changes reflect BlackRock’s efforts to enhance the robustness of its offering and provide clarity to potential investors on issues like security, valuation, regulatory compliance, and risk management. Below is a breakdown of the 21 major changes to the BlackRock ETF filing made on Dec. 4:

Amendment	Amendment Summary
1	Details filled in regarding Seed Capital Investor's initial \$100,000 purchase of 4,000 Shares at \$25 per share. Seed Shares will be later redeemed for cash, followed by additional undisclosed purchases forming Seed Creation Baskets.
2	Sponsor's Fee may currently not be waived, but BlackRock pledges to notify shareholders of any future fee waivers.
3	All private keys the Bitcoin Custodian holds will now be kept in cold storage rather than a mix of hot and cold.
4	Trust's Prime Broker Trading Balance holdings represent proportional claims on aggregate assets, not specific bitcoins. The majority are kept in cold storage.
5	It expanded specifics on scenarios that could trigger the suspension of Trust share transactions, including issues with key service providers.
6	Market conditions could make other Bitcoin investments more appealing than Trust Shares, reducing demand/liquidity.
7	Defined "PB Mutually Capped Liabilities," outlining Prime Broker liability limits in additional situations like negligence.
8	Expanded uncertainties around digital asset regulations to include timing and potential legislation changes.
9	Added SEC action against XRP issuer as an example of potential consequences of Bitcoin being classified as a security.
10	It highlighted emerging UK and EU regulations and unpredictable global events that could impact digital asset prices.
11	Enhanced AML and sanctions compliance procedures, but the risk remains of inaccuracy from Market Makers.
12	Streamlined Bitcoin custody to all cold storage with Bitcoin Custodian, clarified relationship with Prime Broker.
13	Adopted a new valuation policy aligned with accounting standards to identify the principal Bitcoin market. Will feature a range of new data on the website.
14	Formalized rigorous criteria for selecting Bitcoin exchanges included in the CF Benchmarks Index.
15	Introduced Intraday Indicative Value (IVV) calculation for shareholder transparency on timely trust value changes.
16	Clarified legal protections and succession planning for separate trustees.
17	Shift to exclusive use of cold storage for all private keys associated with Trust's Bitcoin.
18	Streamlined explanation of cold storage protocols for private keys, focusing on security measures.
19	Detailed procedures around blockchain forks and termination policies for the Custodian Agreement.
20	Specified limited purposes for which Trust assets may be held with Prime Broker. Outlined storage methods and cash management.
21	Changes around Trade Credit Lender operations and risks, including Bitcoin sales protocol if Trade Credits are unavailable.



#cryptos

### #blackrock #bitcoin #trust

Last year, BlackRock launched a spot bitcoin private trust for institutional clients in the United States - see below. This PRIVATE trust was launched in 2022 with coinbase as custodian. The move comes at a time when the global cryptocurrency industry has been caught in the crosshairs of the U.S. securities regulator on alleged violations of securities laws. Could it be that BlackRock has been buying Bitcoin throughout the whole bear market using this PRIVATE trust?

## BlackRock bitcoin private trust

BlackRock is committed to providing clients with access to their choice of investment opportunities and has launched a spot bitcoin private trust. The trust is available to U.S. institutional clients and seeks to track the performance of bitcoin, less expenses and liabilities of the trust. Despite the steep downturn in the digital asset market,<sup>1</sup> we are still seeing substantial interest from some institutional clients in how to efficiently and cost-effectively access these assets using our technology and product capabilities.

Bitcoin is the oldest, largest, and most liquid cryptoasset, and is currently the primary subject of interest from our clients within the cryptoasset space. Excluding stablecoins, bitcoin maintains close to 50 percent of the industry's market capitalization.<sup>2</sup>

BlackRock is encouraged that organizations such as RMI and Energy Web are developing **programs** to bring greater transparency to sustainable energy usage in bitcoin mining, and will follow progress around those initiatives.

BlackRock has been conducting work in four areas of digital assets and their associated ecosystems where we see potential to benefit our clients and capital markets more broadly, including: permissioned blockchains, stablecoins, cryptoassets, and tokenization.

BlackRock recently announced a partnership with Coinbase that will provide common clients of Aladdin and Coinbase access to the digital assets trading lifecycle through connectivity between Coinbase and the Aladdin platform, starting with bitcoin. Leveraging Coinbase's comprehensive trading, custody, prime brokerage and reporting capabilities, common clients will be able to manage their bitcoin exposures alongside their public and private investments.





#fidelity #bitcoin #etf

Fidelity's spot Bitcoin ETF is now listed on the Depository Trust & Clearing Corporation under the ticker FBTC. The next major detail to anticipate is : The Fee Structure ! (which is likely to be disclosed at the last minute before the launch, as issuers are often reluctant to reveal this information too soon.)

FBOT	316092170	FIDELITY COVINGTON TR DISRUPTIVE AUT
FBT	33733E203	FIRST TRUST NYSE ARCA BIOTECHNOLOGY
<b>FBTC</b>	315948109	FIDELITY WISE ORIGIN BITCOIN FD SHS
FBY	88634T816	TIDAL ETF TR II YIELDMAX META OPTION
FBZ	33737J133	FIRST TRUST BRAZIL ALPHADEX FUND

Source: bitcoin magazine

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

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#cryptos

### #bitcoin #purchases

“Mr. 4MM” buys Bitcoin for approx. \$4 million USD, several times a day, regardless of the price. He already bought 2x \$4mm today.

bitinfocharts.com — Private						
Block	Time	Amount	Balance	Balance, USD @ Price	Profit	
819896	2023-12-05 08:44:04	+100.05562368 BTC (4,191,892.25 USD)	39,260.29345021 BTC	\$1,644,834,282 @ \$41,895.62	\$706,540	
819849	2023-12-05 01:39:04	+103.48868559 BTC (4,304,466.03 USD)	39,160.23782653 BTC	\$1,628,814,886 @ \$41,593.59	\$694,712	
819830	2023-12-04 23:14:30	+106.5052188 BTC (4,454,825.79 USD)	39,056.74913994 BTC	\$1,633,638,380 @ \$41,827.3	\$703,840	
819817	2023-12-04 20:22:12	+112.9124739 BTC (4,712,090.12 USD)	38,950.24392114 BTC	\$1,625,480,809 @ \$41,732.24	\$700,137	
819725	2023-12-04 04:42:32	+102.39707591 BTC (4,268,451.56 USD)	38,837.33144724 BTC	\$1,618,945,331 @ \$41,685.29	\$698,314	
819708	2023-12-04 02:49:03	+100.93811635 BTC (4,184,973.28 USD)	38,734.93437133 BTC	\$1,605,980,687 @ \$41,460.78	\$689,618	
819700	2023-12-04 01:54:28	+101.28212439 BTC (4,199,421.27 USD)	38,633.99625498 BTC	\$1,601,866,337 @ \$41,462.61	\$689,689	
819696	2023-12-04 01:26:27	+100.1581009 BTC (4,152,816.32 USD)	38,532.71413059 BTC	\$1,597,666,916 @ \$41,462.61	\$689,689	
819686	2023-12-03 23:51:59	+100.25537343 BTC (4,124,938.31 USD)	38,432.55602969 BTC	\$1,581,281,056 @ \$41,144.31	\$677,455	
819676	2023-12-03 22:41:40	+102.09949193 BTC (4,160,191.94 USD)	38,332.30065626 BTC	\$1,561,905,209 @ \$40,746.45	\$662,205	
819674	2023-12-03 22:11:19	+103.84415531 BTC (4,231,280.78 USD)	38,230.20116433 BTC	\$1,557,745,017 @ \$40,746.45	\$662,205	
819670	2023-12-03 21:51:15	+101.49725199 BTC (4,133,879.94 USD)	38,126.35700902 BTC	\$1,552,847,743 @ \$40,728.98	\$661,539	
819668	2023-12-03 21:30:07	+106.53177195 BTC (4,338,930.72 USD)	38,024.85975703 BTC	\$1,548,713,863 @ \$40,728.98	\$661,539	
819661	2023-12-03 20:54:22	+102.74114851 BTC (4,170,511.67 USD)	37,918.32798508 BTC	\$1,539,196,629 @ \$40,592.42	\$656,360	
819657	2023-12-03 20:10:05	+100.93765523 BTC (4,076,168.74 USD)	37,815.5883657 BTC	\$1,527,108,122 @ \$40,383.03	\$648,442	
819655	2023-12-03 19:53:06	+100.90597258 BTC (4,074,889.3 USD)	37,714.64918134 BTC	\$1,523,031,953 @ \$40,383.03	\$648,442	
819648	2023-12-03 19:02:11	+101.78854852 BTC (4,078,781.54 USD)	37,613.74320876 BTC	\$1,507,224,965 @ \$40,071.12	\$636,710	
819640	2023-12-03 17:52:19	+100.05063534 BTC (4,003,670.82 USD)	37,511.95466024 BTC	\$1,501,095,098 @ \$40,016.45	\$634,659	
819578	2023-12-03 09:37:10	+101.07562922 BTC (4,001,915.43 USD)	37,411.9040249 BTC	\$1,481,259,895 @ \$39,593.28	\$618,828	
819547	2023-12-03 05:54:31	+101.41325587 BTC (4,006,553.33 USD)	37,310.82839568 BTC	\$1,474,046,191 @ \$39,507.2	\$615,616	
819535	2023-12-03 03:22:42	+101.38312524 BTC (3,998,273.76 USD)	37,209.41513981 BTC	\$1,467,437,780 @ \$39,437.27	\$613,014	
819514	2023-12-03 00:02:40	+101.90111405 BTC (4,013,511.15 USD)	37,108.03201457 BTC	\$1,461,549,282 @ \$39,386.33	\$611,124	
819440	2023-12-02 11:18:04	+100.08468882 BTC (3,879,753.1 USD)	37,006.13090052 BTC	\$1,434,531,624 @ \$38,764.7	\$588,120	
819434	2023-12-02 10:29:28	+103.41297887 BTC (4,011,194.18 USD)	36,906.0462117 BTC	\$1,431,515,844 @ \$38,788.11	\$588,984	
819415	2023-12-02 05:54:00	+103.19472732 BTC (3,997,983.9 USD)	36,802.63323283 BTC	\$1,425,812,528 @ \$38,742.13	\$587,291	
819258	2023-12-01 04:51:39	+102.66585429 BTC (3,966,063.43 USD)	36,699.43850551 BTC	\$1,417,728,436 @ \$38,630.79	\$583,205	
819200	2023-11-30 20:32:23	+104.1685539 BTC (3,949,734.51 USD)	36,596.77265122 BTC	\$1,387,631,203 @ \$37,916.76	\$557,074	
819099	2023-11-30 04:17:53	+118.8767116 BTC (4,485,098.64 USD)	36,492.60409732 BTC	\$1,376,829,210 @ \$37,728.99	\$550,222	
818715	2023-11-27 10:07:01	+105.73613698 BTC (3,903,493.51 USD)	36,373.72738572 BTC	\$1,342,820,087 @ \$36,917.31	\$520,698	
818703	2023-11-27 08:45:57	+105.54635502 BTC (3,892,794.9 USD)	36,267.99124874 BTC	\$1,337,647,817 @ \$36,882.32	\$519,429	
818134	2023-11-23 13:04:24	+103.22218159 BTC (3,843,446.8 USD)	36,162.44489372 BTC	\$1,346,497,661 @ \$37,234.7	\$532,172	
818110	2023-11-23 07:40:11	+100.78317422 BTC (3,761,061.47 USD)	36,059.22271213 BTC	\$1,345,670,588 @ \$37,318.35	\$535,188	
818109	2023-11-23 07:32:33	+308.05840152 BTC (11,496,230.34 USD)	35,958.43953791 BTC	\$1,341,909,526 @ \$37,318.35	\$535,188	
818108	2023-11-23 07:13:15	+202.11711084 BTC (7,542,678.49 USD)	35,650.38113639 BTC	\$1,330,413,296 @ \$37,318.35	\$535,188	
818107	2023-11-23 06:55:03	+105.86577371 BTC (3,957,221.96 USD)	35,448.26402555 BTC	\$1,325,042,495 @ \$37,379.62	\$537,360	
818105	2023-11-23 06:48:55	+100.75756654 BTC (3,766,279.14 USD)	35,342.39825184 BTC	\$1,321,085,273 @ \$37,379.62	\$537,360	
818103	2023-11-23 06:42:41	+103.93298845 BTC (3,884,975.19 USD)	35,241.6406853 BTC	\$1,317,318,994 @ \$37,379.62	\$537,360	
818102	2023-11-23 06:33:13	+206.42145291 BTC (7,715,954.63 USD)	35,137.70769685 BTC	\$1,313,434,019 @ \$37,379.62	\$537,360	
818100	2023-11-23 06:20:53	+209.98803671 BTC (7,849,272.16 USD)	34,931.28624394 BTC	\$1,305,718,064 @ \$37,379.62	\$537,360	
818098	2023-11-23 06:07:48	+105.04738493 BTC (3,928,373.8 USD)	34,721.29820723 BTC	\$1,298,444,871 @ \$37,396.21	\$537,936	
818097	2023-11-23 06:01:17	+109.65657992 BTC (4,100,740.21 USD)	34,616.2508223 BTC	\$1,294,516,497 @ \$37,396.21	\$537,936	
818096	2023-11-23 05:53:16	+101.60325228 BTC (3,799,576.3 USD)	34,506.59424238 BTC	\$1,290,415,757 @ \$37,396.21	\$537,936	
818092	2023-11-23 05:44:59	+115.64649323 BTC (4,324,740.25 USD)	34,404.9909901 BTC	\$1,286,616,181 @ \$37,396.21	\$537,936	

Source: CC15Capital

## #bitcoin #concentration

Bitcoin wealth concentration issue: as shown below, 2.08% of existing Bitcoin holders (addresses) owns almost 93% of coins currently in circulation. Is the analysis oversimplified? what will happen if several ETF spot bitcoin are approved and large asset managers become forced buyers? As show below, a small number of addresses owns the vast majority of BTC currently in circulation. However, some analysts believe that this table is misleading. For instance, glassnode highlighted that the table below does not factor in custodians, lost coins, and wrapped BTC. Adjusting these numbers might get you below 50% of concentration for the top 2% addresses, which is still high but much better than the current global wealth distribution. Still, this raises the question about how big will the supply/demand imbalance be the day several Bitcoin spot ETF are approved. Indeed, asset managers will become forced buyers of an asset which is indeed quiet scarce.

Bitcoin distribution					
Balance, BTC	Addresses	% Addresses (Total)	Coins	USD	% Coins (Total)
(0 - 0.00001)	3612727	7.4% (100%)	18.31 BTC	\$478,071	0% (100%)
[0.00001 - 0.0001)	9611325	19.7% (92.6%)	413.15 BTC	\$10,787,839	0% (100%)
[0.0001 - 0.001)	12082762	24.76% (72.9%)	4,682 BTC	\$122,241,425	0.02% (100%)
[0.001 - 0.01)	11222719	23% (48.14%)	41,812 BTC	\$1,091,742,847	0.21% (99.97%)
[0.01 - 0.1)	7814029	16.01% (25.14%)	262,627 BTC	\$6,857,429,941	1.35% (99.76%)
[0.1 - 1)	3435719	7.04% (9.12%)	1,067,177 BTC	\$27,865,004,505	5.48% (98.41%)
[1 - 10)	858266	1.76% (2.08%)	2,139,161 BTC	\$55,855,528,728	10.99% (92.93%)
[10 - 100)	140997	0.29% (0.32%)	4,457,081 BTC	\$116,378,624,150	22.9% (81.94%)
[100 - 1,000)	13816	0.03% (0.03%)	3,858,455 BTC	\$100,747,939,055	19.82% (59.04%)
[1,000 - 10,000)	1909	0% (0%)	4,689,589 BTC	\$122,449,632,050	24.09% (39.22%)
[10,000 - 100,000)	104	0% (0%)	2,283,571 BTC	\$59,626,219,908	11.73% (15.12%)
[100,000 - 1,000,000)	4	0% (0%)	660,085 BTC	\$17,235,450,698	3.39% (3.39%)

BTC distribution as of August 2023| Source: BitInfoCharts

#cryptos

### #bitcoin #options

As highlighted by The Kobeissi Letter, options markets are suggesting that Bitcoin will hit \$50,000 by January. This also happens to be the same month that Bitcoin ETF approvals are expected. Open interest for Bitcoin \$50,000 strike calls is massive, as displayed below. A move to \$50,000 would put Bitcoin up more than 200% from its low. Options are suggesting the run is only just beginning. Can Bitcoin continue to thrive after ETF approvals?



Source: The Kobeissi Letter

#cryptos

## #bitcoin #halving

JUST IN: 20,000 blocks remain until Bitcoin halving.



Source: Watcher Guru



#cryptos

### #jamie-dimon #bitcoin

Jamie Dimon said that Bitcoin is primarily being used for criminal activity. Below are some facts about Bitcoin and its use for illicit activities.

A video frame showing Jamie Dimon, CEO of JPMorgan Chase, seated at a table with other officials during a hearing. He is wearing a dark suit and a purple tie. A timestamp '0:26' is visible in the bottom left corner of the video frame. There are also icons for closed captions and audio in the top right corner.

From Yahoo Finance

 **Readers added context**

Less than 1% of the trillions transacted annually in crypto are illicit. The UN estimates that annually between 2% to 5% of global GDP (\$800 billion - \$2 trillion) is used for illicit activities and money laundering through the traditional banking system and cash.

#cryptos

### #ether #weekly

Ethereum neared \$2400 (its highest since May 2022)...



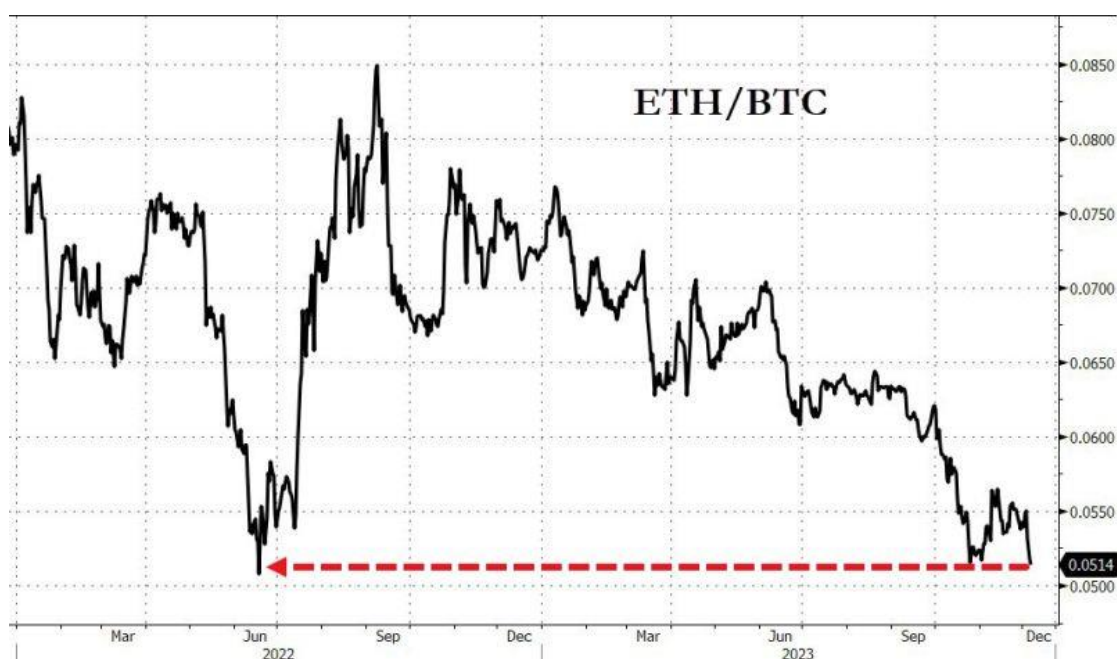
Source: bloomberg



#cryptos

### #ethereum #bitcoin

Ether \$ETH is at the lowest relative level versus Bitcoin \$BTC since June 2022



#food-for-thought

## #humor #cartoon

A picture is worth 10,000 words...

**Of late, while settling  
the bill at a restaurant, it  
feels like both the Central  
Government and the State  
Government had dinner  
with us.**



Raman Khanna

Source: Raman Khanna

#food-for-thought

### #credit-card #interest

The average credit card interest rate right now has risen to 27.81%. And that's with U.S. credit card debt hitting new record highs north of \$1,000,000,000,000



Source: Hedgeye

#food-for-thought

#inflation #groceries

Inflation? What Inflation?

	Jan. 2020	Oct. 2023	% Change
 ORANGE JUICE	\$2.32	\$3.67	+58%
 12-PACK SODA	\$4.33	\$6.77	+56%
 COFFEE	\$4.17	\$6.18	+48%
 WHITE BREAD	\$1.35	\$2.00	+48%
 EGGS	\$1.46	\$2.07	+42%
 YOGURT (32 OZ.)	\$4.43	\$6.28	+42%
CHICKEN BREAST (2 LBS.)	\$6.12	\$8.44	+38%
 GROUND BEEF (1 LB.)	\$3.89	\$5.23	+34%
 UNCOOKED RICE (1 BOX)	\$1.43	\$1.92	+34%
 ROMAINE LETTUCE	\$2.16	\$2.72	+26%
 LARGE POTATOES (4)	\$3.21	\$4.02	+25%
 MILK	\$3.25	\$3.93	+21%
 BUTTER	\$3.86	\$4.55	+18%
 BANANA BUNCH (2 LBS.)	\$1.14	\$1.25	+10%
 TOMATOES			

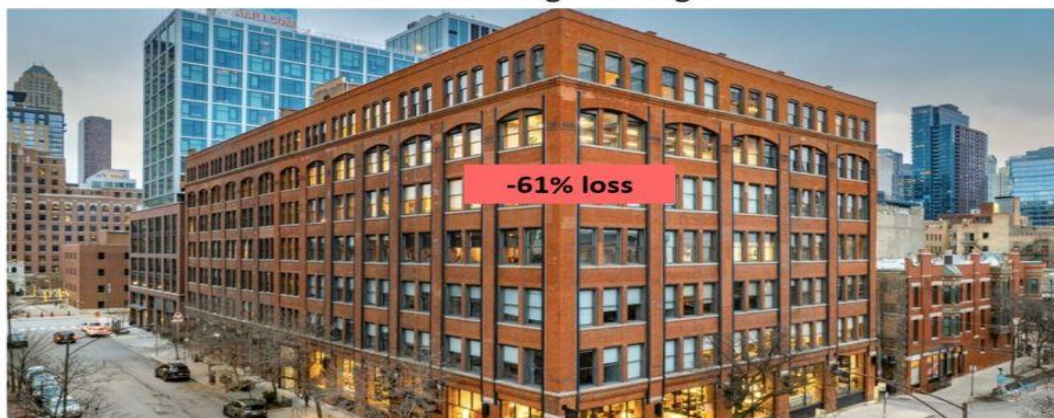
Source: wallstreetbet

### #food-for-thought

## #us #commercial #real-estate

Here's one illustration of the US commercial real estate market meltdown: values of commercial real estate continues to get destroyed in Chicago... A 155k SF office building in Chicago just sold for \$17 million, or \$109 per SF. The seller took a huge 61% loss, paying \$44 million for the building in 2017. Here's a worrying snippet from Crain's: "Thanks to remote work and higher interest rates, real estate investors can buy downtown office buildings on the cheap these days. Add a motivated seller trying to unload all of its office stock and the discount gets even steeper. Many office properties in the heart of the [Chicago] are now worth less than the mortgages tied to them, fueling a historic wave of distress." It will be interesting to see how bad the US commercial real estate meltdown gets (particularly in office) but it's certainly a story to keep an eye on in 2024 as big opportunities emerge".

Office building in Chicago



Source: TripleNetInvest



#food-for-thought

### #decisions #pain

A Matter of Decision...

1998: Yahoo refuses to buy Google for \$1 million dollars.

2002: Yahoo realizes its mistake and tries to to buy Google for \$3 billion. Google says "Give us \$5 billion", Yahoo says no.

2008: Yahoo refuses to be sold to Microsoft for \$40 billion dollars.

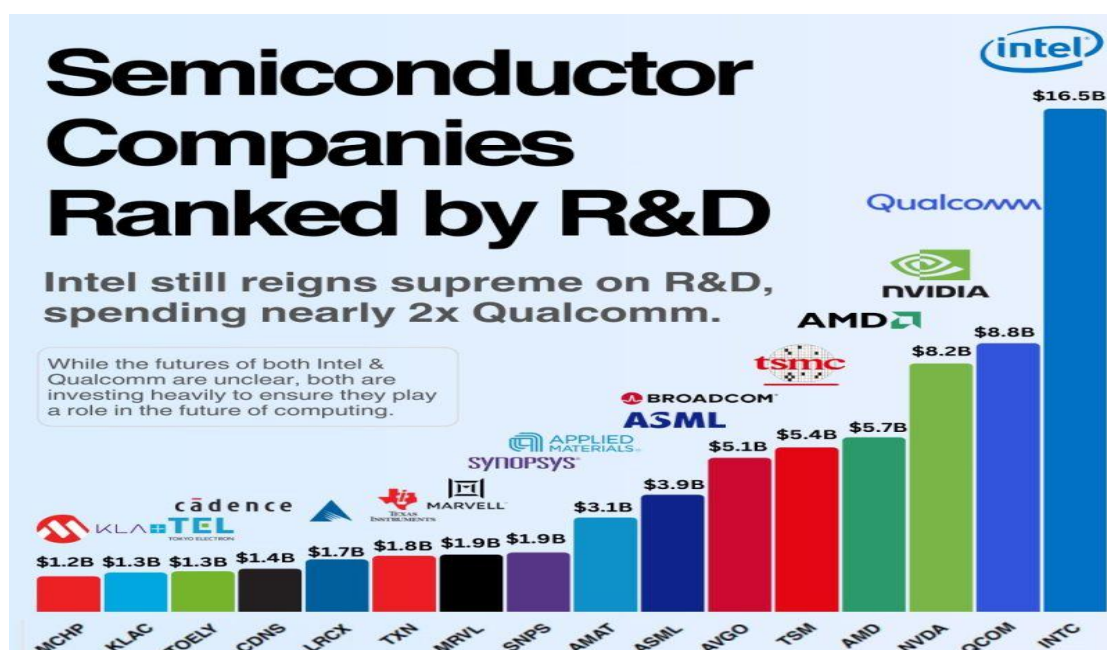
2016: Yahoo sold to Verizon for \$4.6 billion.

Source: wallstreetbet

## #food-for-thought

### #r&d #spending

High R&D spending does NOT guarantee growth and/or high shareholder returns. The chart below courtesy of Eric | AI & Tech Investing shows semiconductor companies ranked by R&D over the last 12 months. \$INTC \$QCOM \$NVDA \$AMD \$TSM lead the way. Intel has spent over \$100B in R&D over the last decade. Despite that, they have the 2nd lowest shareholder return of all these companies (see addt'l chart below). Intel has generated \$52.9B in revenue over the last twelve months. A decade ago, Intel generated \$52.4B in revenue. An important cautionary tale for investors: R&D doesn't guarantee growth.



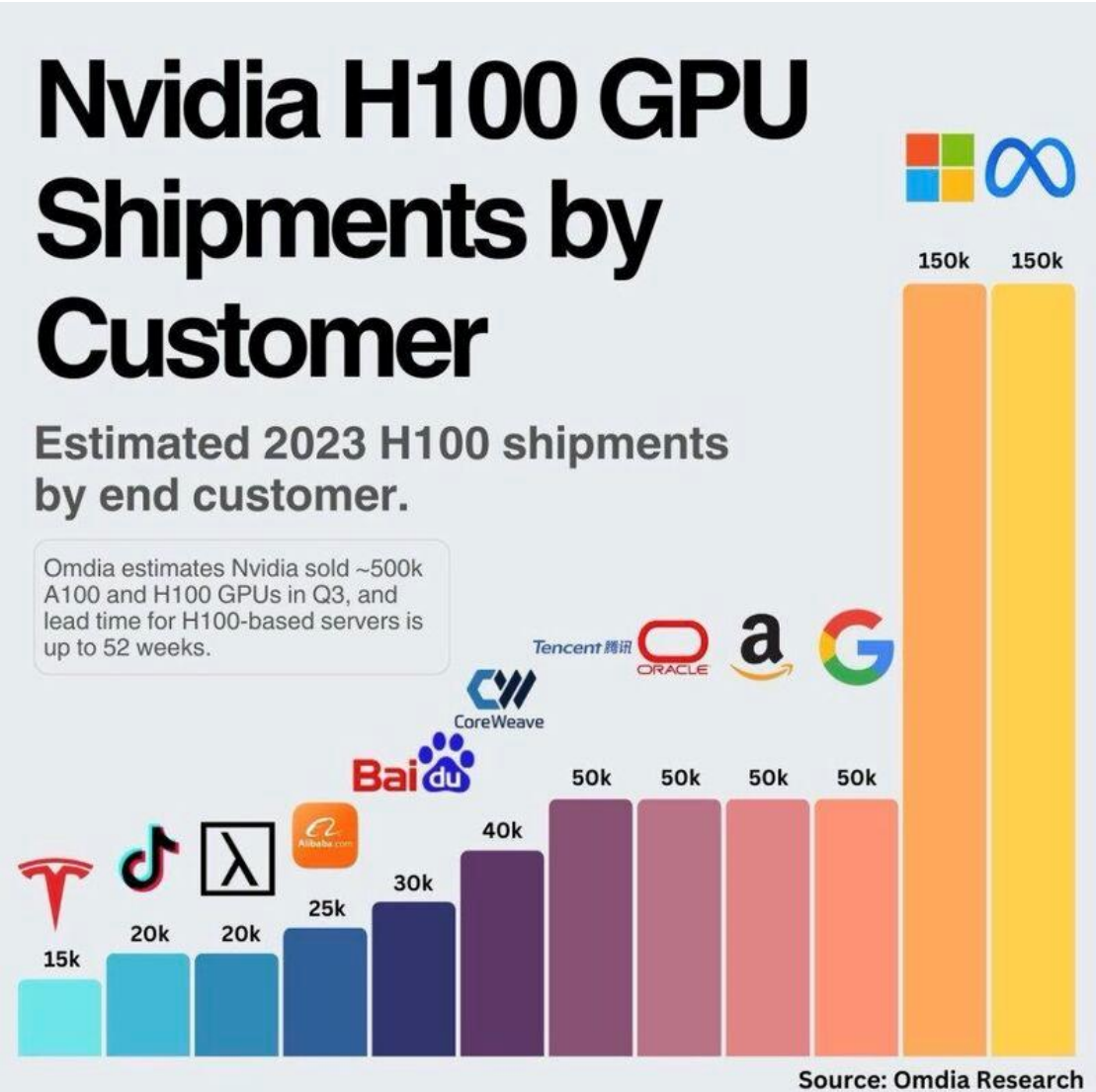
Source: Eric | AI & Tech Investing



#food-for-thought

#ai #nvidia

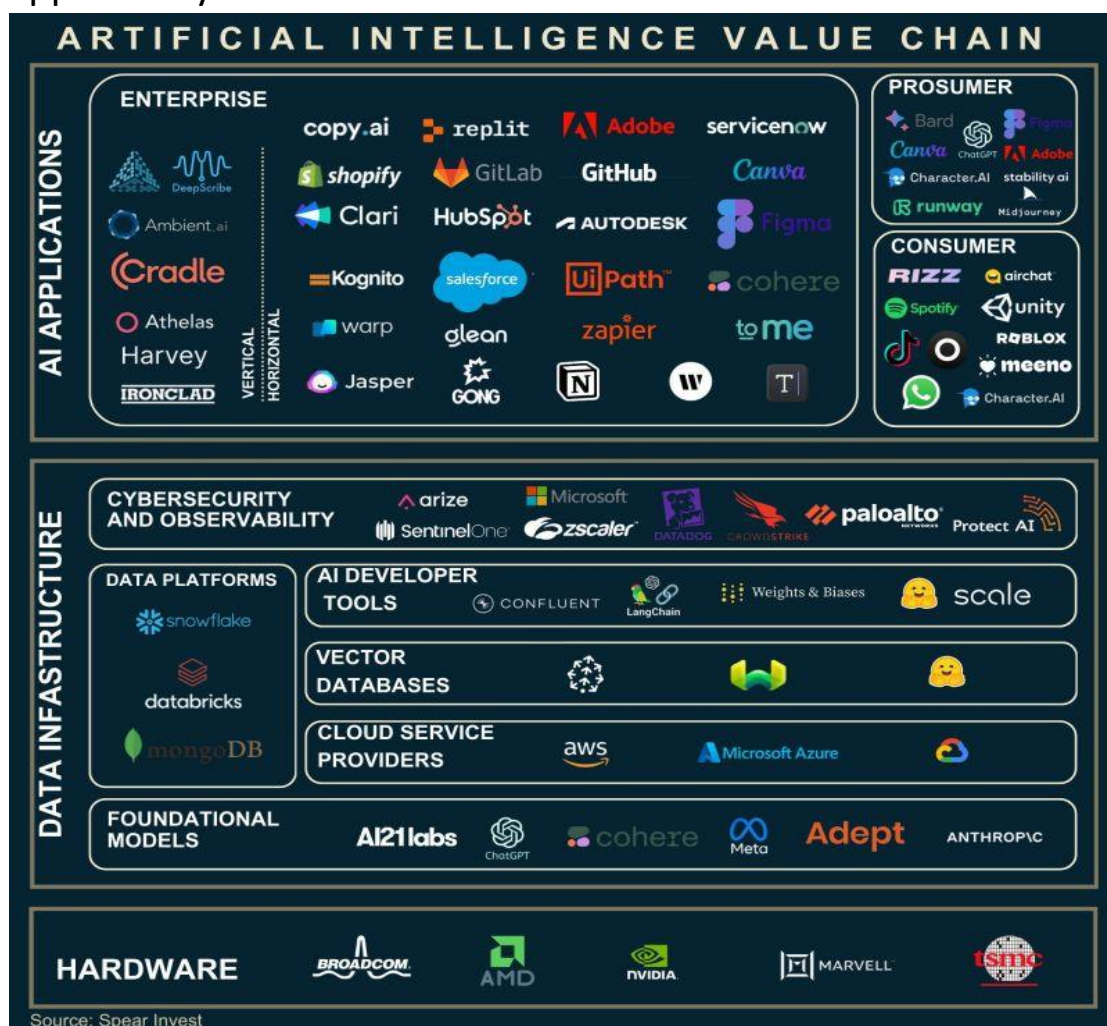
The race for AI dominance in one graph



## #food-for-thought

## #ai #ecosystem

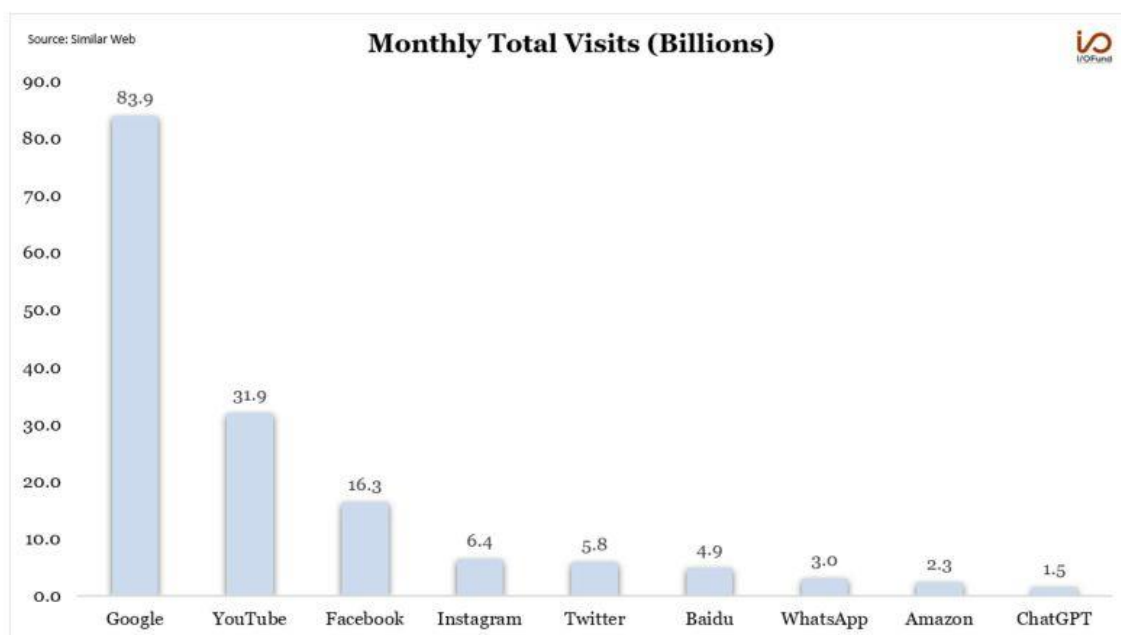
Ivana SPEAR just published Spear's AI primer and ecosystem map! While most people are focused on the application layer (e.g., ChatGPT, Copilot 365), there is much more to the AI opportunity.



### #food-for-thought

## #internet #traffic

Google and YouTube continue to lead in internet traffic, amassing over 115 billion combined visits in the last month. This figure is more than triple the combined visits to Facebook's family of products, Twitter, Baidu, Amazon, and ChatGPT. \$GOOGL \$META \$BIDU \$AMZN \$MSFT



Source: Beth Kindig

#food-for-thought

### #elon-musk #x

Elon Musk continues to roll out his plans to transform X into a financial company within the next 12 months



JUST IN: 🇺🇸 X (twitter) has acquired a money transmitter license across a total of ten U.S. states.



### #food-for-thought

## #x #elon #payments

X is now licensed for payment processing in a dozen US states. Elon Musk is moving forward with his plans to turn the company X, into an “everything app” that includes its own payments system. The company in late November was granted three additional money transmitter licenses in the U.S. states of South Dakota (on November 27), Kansas (on November 28) and Wyoming (on November 30), bringing the total number of states where the company is allowed to engage in money transfers to 12.



#food-for-thought

### #spaceX #valuation

JUST IN: SpaceX has initiated discussions about selling insider shares at a valuation of \$175 billion or more. The shares are expected to be sold at \$95 each. The \$175 billion valuation is a premium to the \$150 billion valuation obtained this summer. If SpaceX went public, it would be one of the largest IPOs of all time.





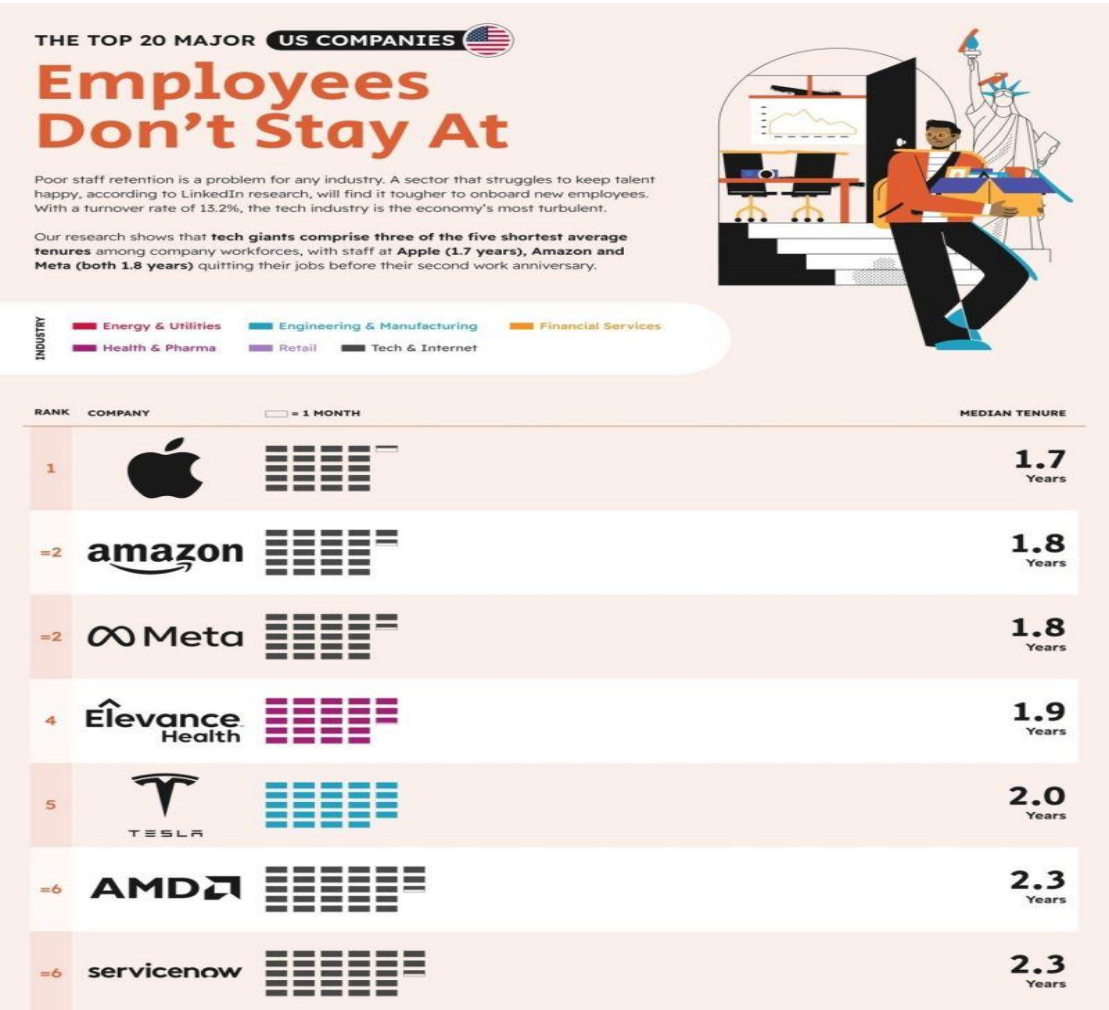
Source: The Kobeissi Letter



#food-for-thought

#us #employee #retention

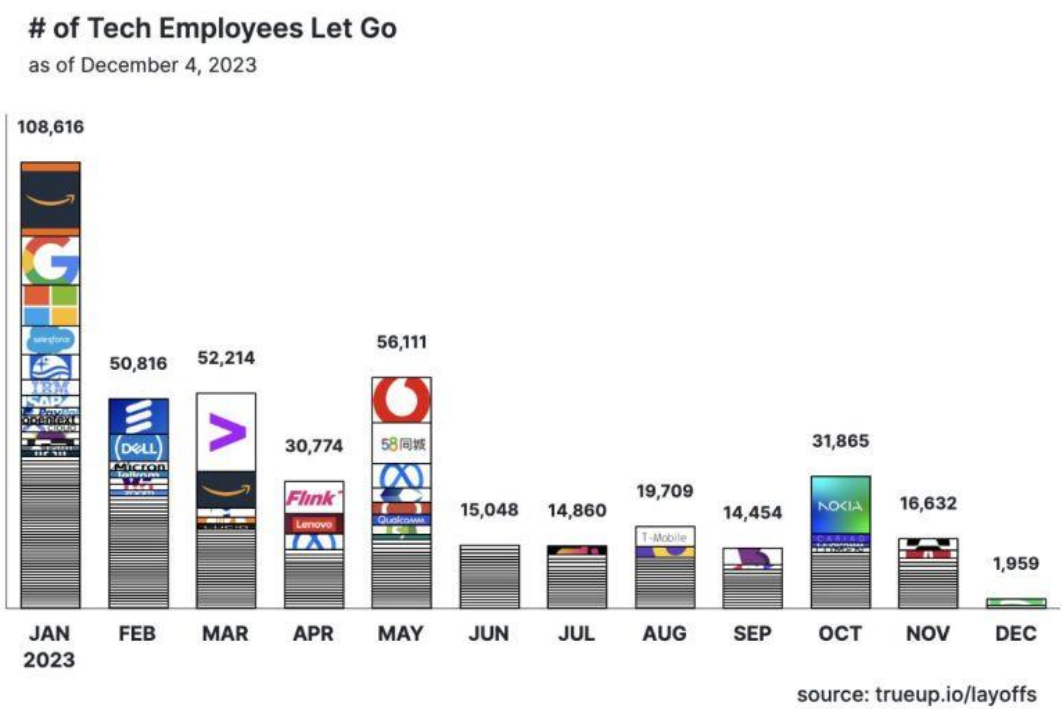
Ranked: Worst U.S. Companies for Employee Retention   
This graphic by NeoMam Studios is part of Visual Capitalist’s Creator Program, featuring work from the world’s top data-driven talent 



#food-for-thought

#spotify #layoffs

Spotify is cutting jobs for the third time this year. It announced layoffs of 17% of its staff this morning, around 1,500 people. This brings its total job cuts this year to roughly 2,300.



Source: morningbrew

## #food-for-thought

### #mcdonalds #expansion

McDonald's plans record global expansion. McDonald's revealed their strategy for worldwide expansion during their Investor Day yesterday, projecting to reach 50,000 restaurants globally by 2027.

#### Keeping McDonald's Golden



Exceptional Execution & Runway to Grow

#### Ambitious Targets for Future Growth



**50K** McDonald's Restaurants across the world, by end of 2027



Connecting thousands of restaurants worldwide with Google Cloud technology to improve operations and crew & customer experience, beginning in 2024



Expanding Loyalty program to **250M** 90-day active users and delivering \$45B in annual Systemwide sales by 2027



**30%**

of delivery orders will originate in McDonald's mobile app by 2027



Bringing **McCrispy** and **Best Burger** to nearly all markets by 2025 and 2026, respectively

#### Fueled by Strong Execution



Core Menu offerings drive

**\$75B**

in annual Systemwide sales across the globe



Delivering on the strategy, with room to grow:

**30%**

comparable sales growth since 2019



**55K**

delivery orders at any given moment are prepared and sent to customers



**27K** drive thru locations, most in the world



Seventeen iconic menu items are **billion-dollar brands** in their own right



One of the world's top five most valuable brands\*

\*Named as one of Kantar BrandZ Most Valuable Global Brands



**150M**

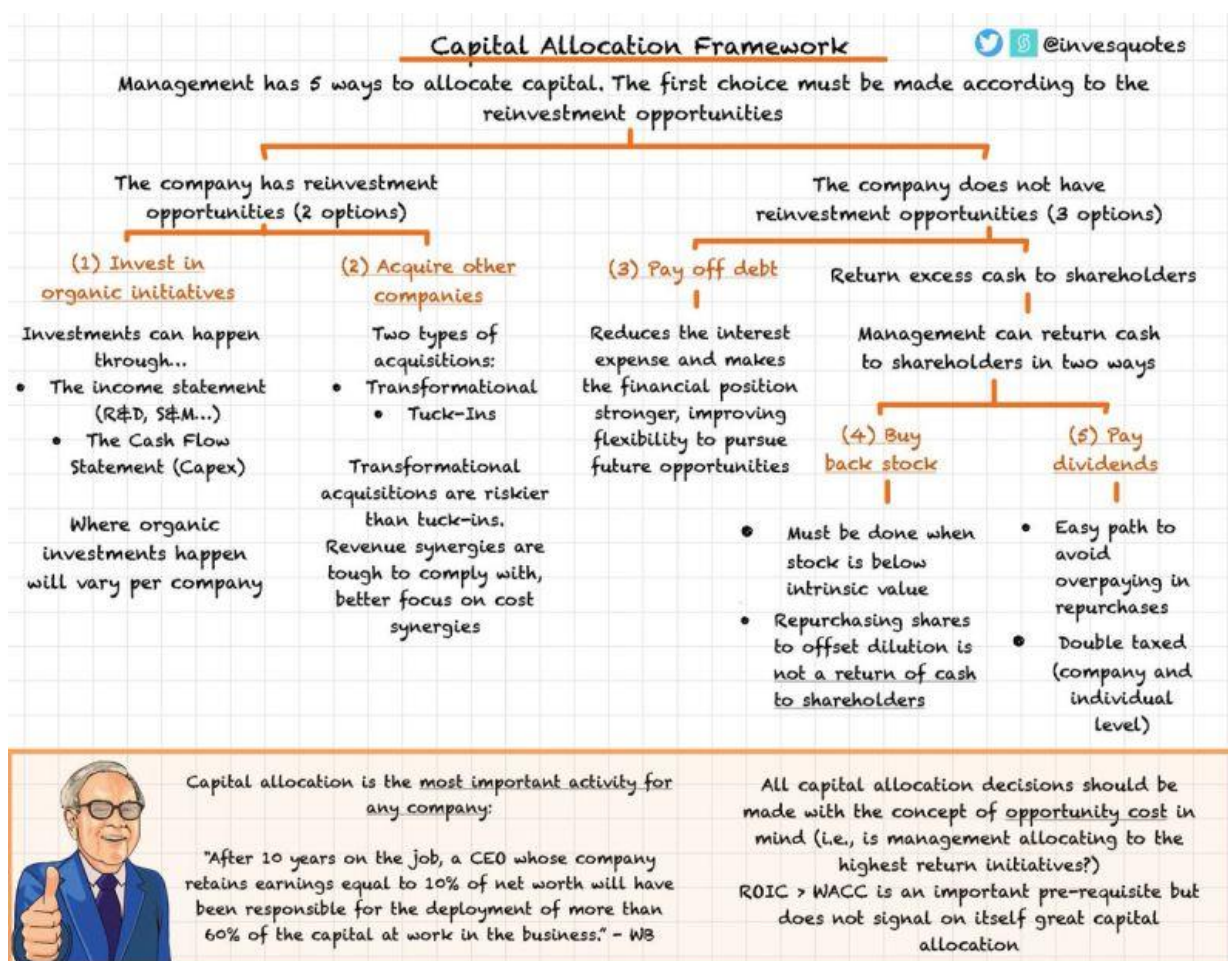
90-day active loyalty users around the world have generated ~\$20B in Systemwide sales over the past year

Source: yahoo!finance

## #food-for-thought

### #capital-allocation #finance

#### Capital allocation framework



Source: invesquotes



## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

09 DECEMBER 2023

#food-for-thought

### #sp500 #equities #performance

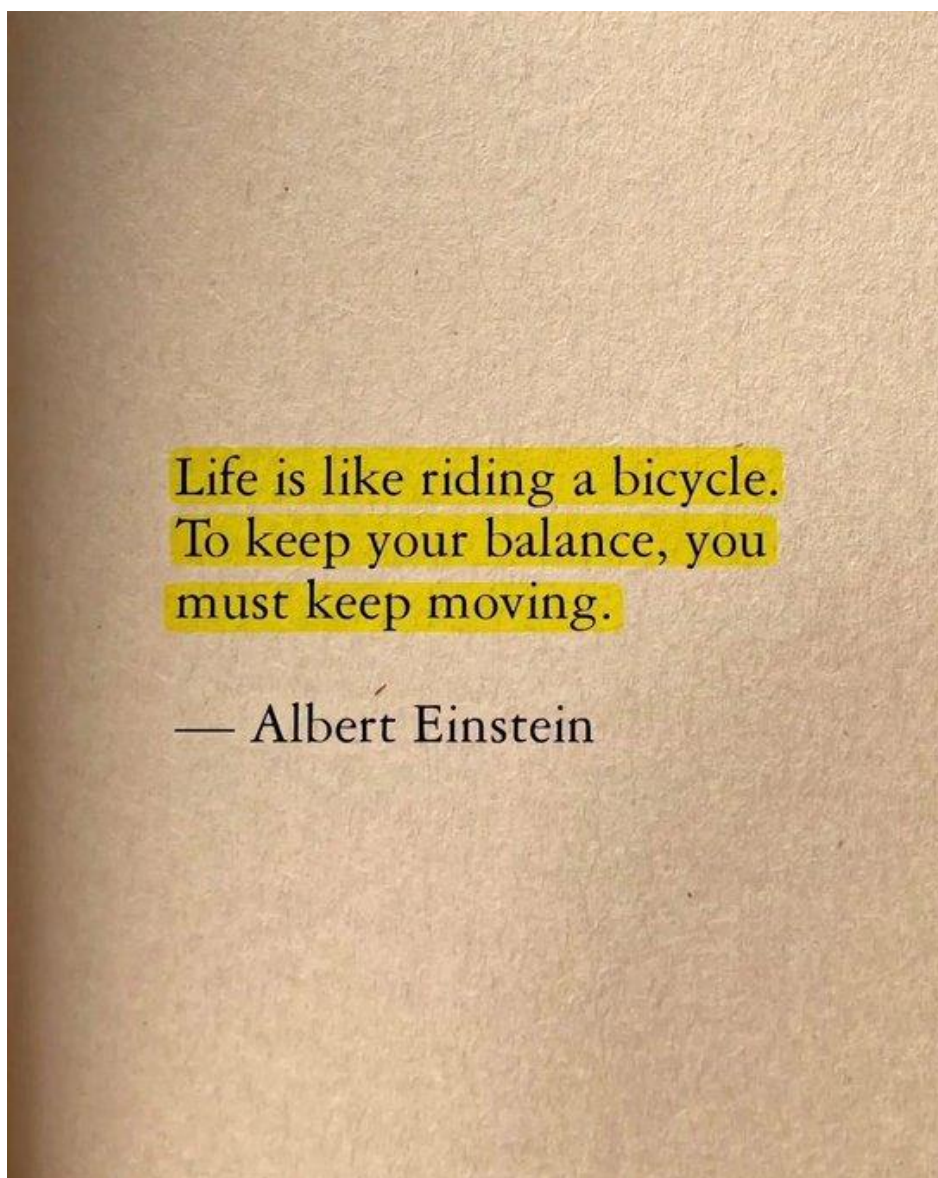
The best performing stocks in the S&P 500 over the last 5, 10, 15, and 20 years...

Best Performing Stocks in the S&P 500 over Last 5, 10, 15 & 20 Years (Total Return)							
Rank	Symbol	Name	Last 5 Years	Rank	Symbol	Name	Last 10 Years
1	ENPH	Enphase Energy Inc	1771%	1	NVDA	NVIDIA Corp	12608%
2	NVDA	NVIDIA Corp	1054%	2	AMD	Advanced Micro Devices Inc	3229%
3	TSLA	Tesla Inc	928%	3	TSLA	Tesla Inc	2729%
4	CDNS	Cadence Design Systems Inc	507%	4	AVGO	Broadcom Inc	2584%
5	KLAC	KLA Corp	498%	5	CDNS	Cadence Design Systems Inc	1962%
6	SNPS	Synopsys Inc	491%	6	FICO	Fair Isaac Corp	1749%
7	AMD	Advanced Micro Devices Inc	469%	7	MPWR	Monolithic Power Systems Inc	1701%
8	FICO	Fair Isaac Corp	448%	8	PANW	Palo Alto Networks Inc	1673%
9	PWR	Quanta Services Inc	445%	9	LRCX	Lam Research Corp	1481%
10	LLY	Eli Lilly and Co	440%	10	FTNT	Fortinet Inc	1437%
11	AXON	Axon Enterprise Inc	429%	11	SNPS	Synopsys Inc	1383%
12	PANW	Palo Alto Networks Inc	412%	12	LLY	Eli Lilly and Co	1361%
13	LRCX	Lam Research Corp	392%	13	DXCM	DexCom Inc	1296%
14	CMG	Chipotle Mexican Grill Inc	365%	14	ENPH	Enphase Energy Inc	1293%
15	AVGO	Broadcom Inc	363%	15	AXON	Axon Enterprise Inc	1238%
16	AAPL	Apple Inc	343%	16	KLAC	KLA Corp	1224%
17	ODFL	Old Dominion Freight Line Inc	335%	17	MSCI	MSCI Inc	1198%
18	MPWR	Monolithic Power Systems Inc	333%	18	NOW	ServiceNow Inc	1191%
19	AMAT	Applied Materials Inc	325%	19	MSFT	Microsoft Corp	1080%
20	URI	United Rentals Inc	312%	20	CPRT	Copart Inc	1066%
Rank	Symbol	Name	Last 15 Years	Rank	Symbol	Name	Last 20 Years
1	NVDA	NVIDIA Corp	27194%	1	AAPL	Apple Inc	59918%
2	DXCM	DexCom Inc	23004%	2	MNST	Monster Beverage Corp	59299%
3	NFLX	Netflix Inc	14338%	3	NVDA	NVIDIA Corp	28712%
4	DPZ	Domino's Pizza Inc	12263%	4	ISRG	Intuitive Surgical Inc	18221%
5	LULU	Lululemon Athletica Inc	9000%	5	BKNG	Booking Holdings Inc	16299%
6	FICO	Fair Isaac Corp	7742%	6	NFLX	Netflix Inc	13442%
7	CDNS	Cadence Design Systems Inc	6979%	7	ODFL	Old Dominion Freight Line Inc	9403%
8	AMZN	Amazon.com Inc	6743%	8	SBAC	SBA Communications Corp	7356%
9	AAPL	Apple Inc	6671%	9	CPRT	Copart Inc	6592%
10	MPWR	Monolithic Power Systems Inc	6480%	10	REGN	Regeneron Pharmaceuticals Inc	6296%
11	TDG	TransDigm Group Inc	6446%	11	AMZN	Amazon.com Inc	5314%
12	ULTA	Ulta Beauty Inc	5904%	12	WST	West Pharmaceutical Services Inc	4981%
13	URI	United Rentals Inc	5882%	13	TYL	Tyler Technologies Inc	4767%
14	ODFL	Old Dominion Freight Line Inc	5558%	14	ORLY	O'Reilly Automotive Inc	4413%
15	REGN	Regeneron Pharmaceuticals Inc	5229%	15	VRTX	Vertex Pharmaceuticals Inc	3962%
16	AXON	Axon Enterprise Inc	5186%	16	IDXX	IDEXX Laboratories Inc	3835%
17	KLAC	KLA Corp	5053%	17	EQIX	Equinix Inc	3832%
18	AMD	Advanced Micro Devices Inc	5034%	18	STLD	Steel Dynamics Inc	3541%
19	BKNG	Booking Holdings Inc	4427%	19	AXON	Axon Enterprise Inc	3418%
20	MKTX	MarketAxess Holdings Inc	4408%	20	SHW	Sherwin-Williams Co	3324%
		@CharlieBilello		Data: YCharts (as of 11/30/23)			

Source: charlie bilello

#food-for-thought

### #leadership

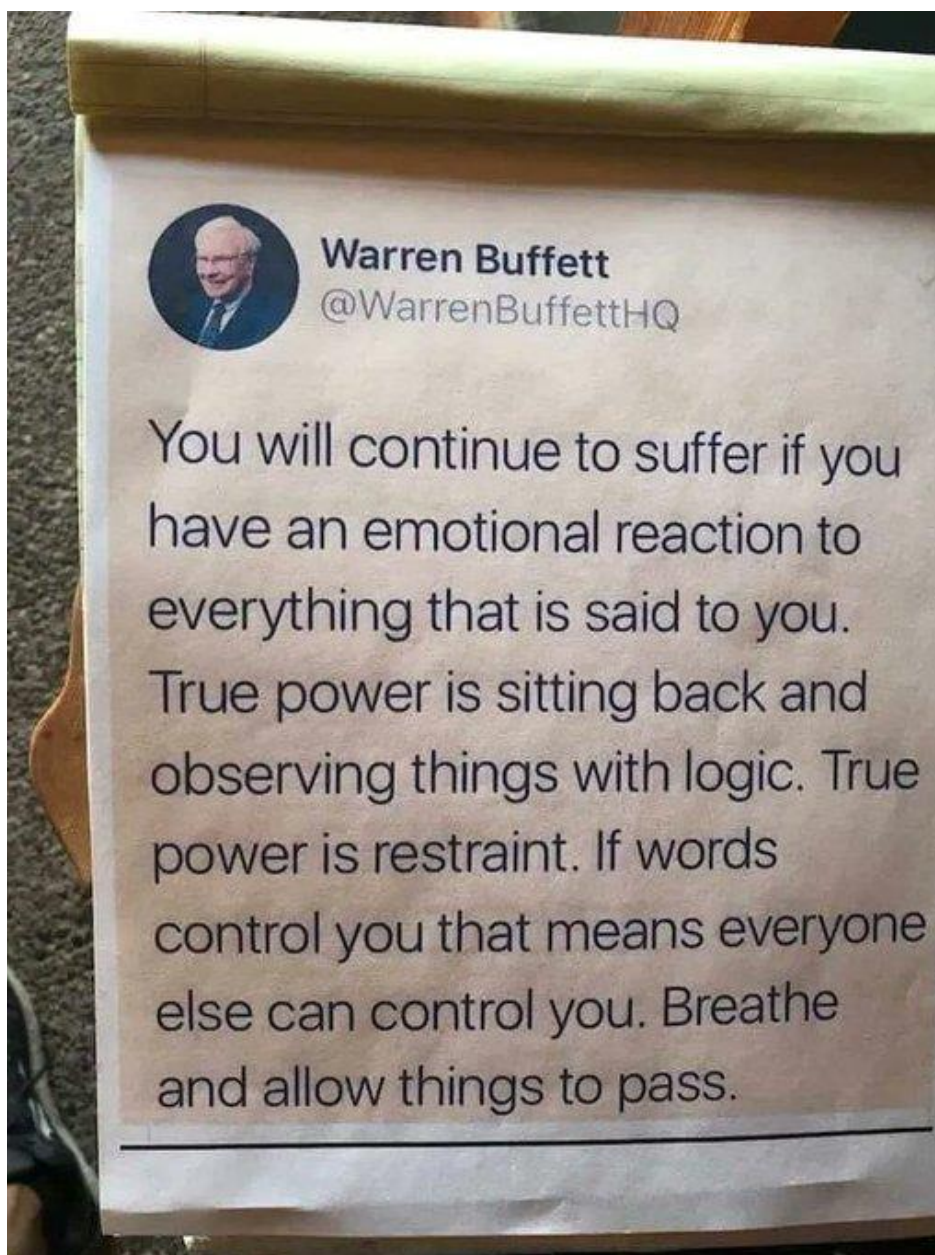


Source: Seek Wiser



#food-for-thought

#resilience



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**For the future...**