

## Chart of the week

### Gold keeps rising against “safe haven” US Treasuries

This is a ratio chart of GLD/TLT and it now trades at a new all-time-high. GLD is the largest Gold ETF. TLT is the largest U.S. long-dated US Treasuries ETF.

What is the parabolic rise of GOLD against the best safe haven asset (US Treasuries) telling us something about US hegemony?



Source: Ritesh Jain, Bloomberg

### A Big week for Bonds, Bullion & Black Gold

The major US equity indexes ended mixed as investors weighed inflation data against dovish signals from Fed officials. Large-cap value stocks outperformed, helped by earnings beats from Citigroup, Wells Fargo, and JPMorgan Chase. The banking giants kicked off the unofficial start to Q3 earnings reporting season. The prospect of a widening war in the Middle East boosted energy shares and defense stocks while weighing on airlines and cruise operators. Investors' sentiment appeared to get a boost at the start of the week, after Fed Vice Chair Philip Jefferson told an economics conference in Dallas that he was mindful that the rise in long-term bond yields might affect the need for future rate hikes. The Wednesday release of the minutes from the Fed's September policy meeting seemed to confirm the shift in official thinking because of higher yields. Slightly hotter-than-expected inflation readings did not seem to sway investor expectations for the Fed's next move, perhaps due to expectations that officials might also weigh the added uncertainty from the war between Hamas and Israel. Bonds were bid with the long-end dramatically outperforming but 2-year yields bounced back above 5.00%, flattening the yield curve (2s30s) dramatically on the week. Gold surged over 5% this week after the attacks on Israel - its biggest weekly jump since March - sending spot prices back above \$1900. Oil prices also soared with WTI up over 5% on the week (its second biggest weekly gain since April)...

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

14 OCTOBER 2023

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### #weekly #stats

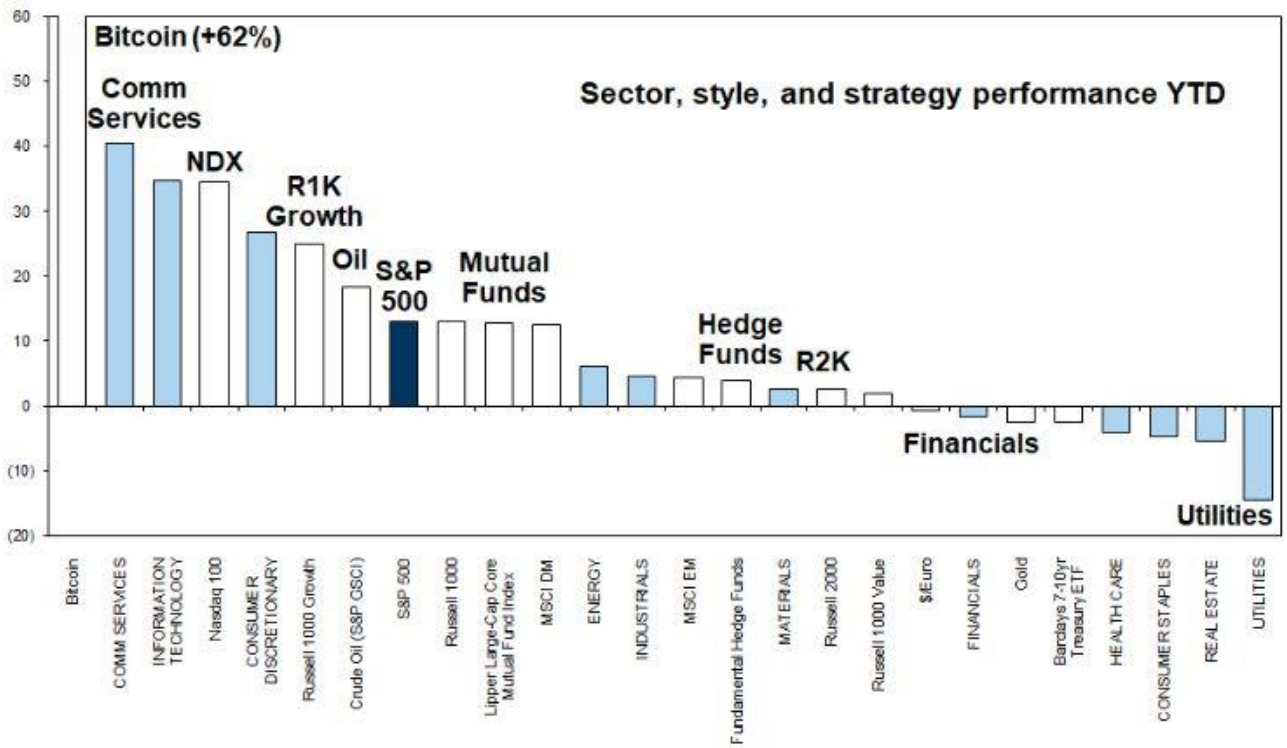
INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,670	0.8%	1.6%
S&P 500 Index	4,328	0.4%	12.7%
NASDAQ	13,407	-0.2%	28.1%
MSCI EAFE*	2,041	2.4%	5.0%
10-yr Treasury Yield	4.62%	-0.2%	0.7%
Oil (\$/bbl)	\$87.69	5.9%	9.3%
Bonds	\$93.62	0.9%	-1.5%

Source: Edward Jones



#sectors #strategies #investing

What sectors, styles, and strategies are working in 2023?



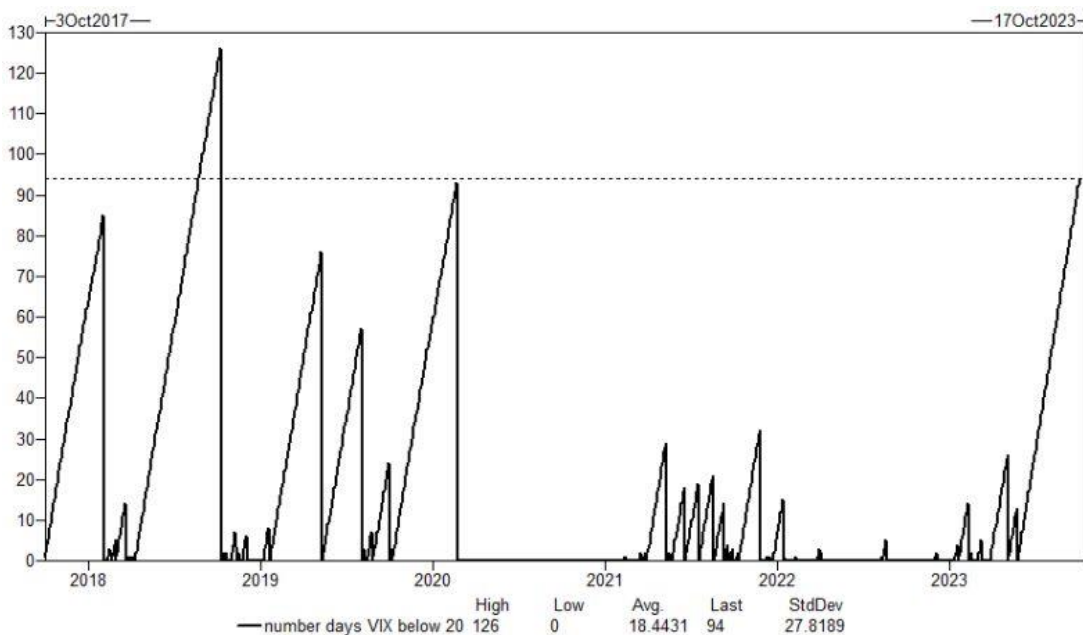
Source: gs





## #vix #volatility

Since the VIX has so far failed to break above 20, we are now just shy of 100 sessions in which the VIX has closed below 20, the longest such stretch since October 2018 when, ironically, the market tumbled after the Fed realized it will need to be far more hawkish.



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





## #us #short #equities #positioning

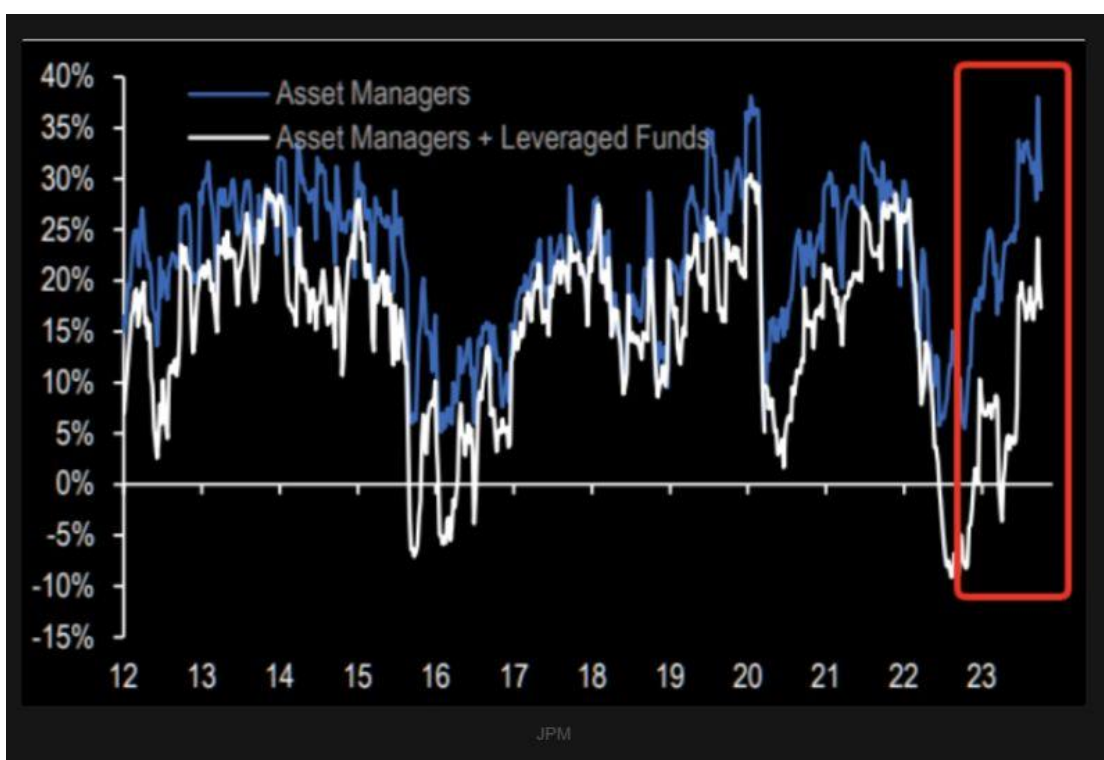
A big short squeeze in the making? GS data shows US CTA are now SHORT -\$40B of SPX, the largest short in Goldman models history.



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## #us #long-only #equities #positioning

Yes, hedge funds are short equities. But don't forget the bigger picture: positioning among asset managers and leveraged funds is rather long...

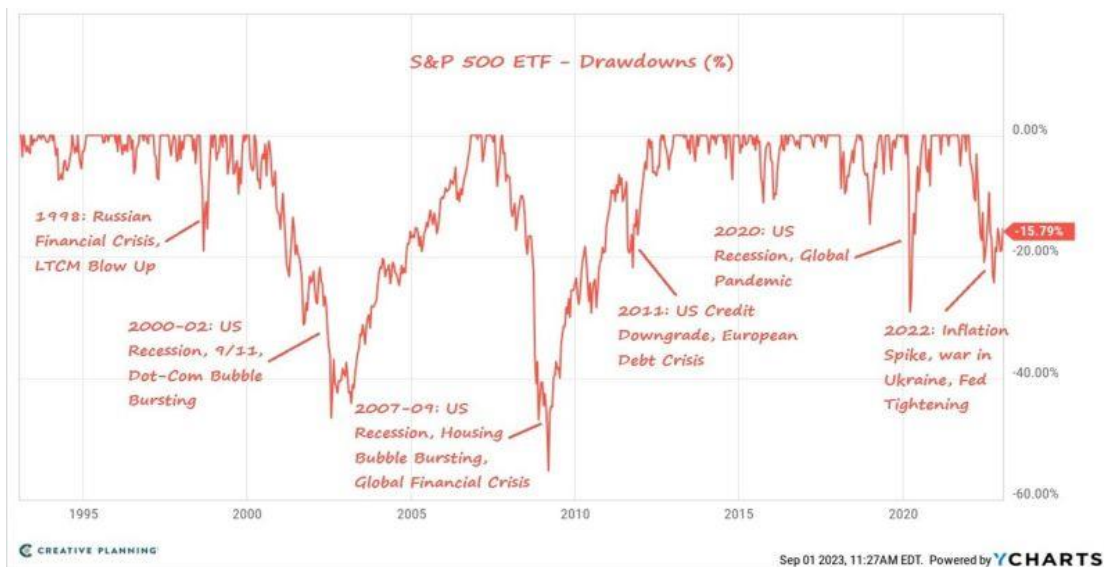


Source: Barchart, GS



## #sp500 #investing #performance

\$100k invested in the S&P 500 ETF 30 years ago would be worth over \$1.7 million today. Was the road to 17x growth a straight line? Far from it...



Source: Charlie Bilello



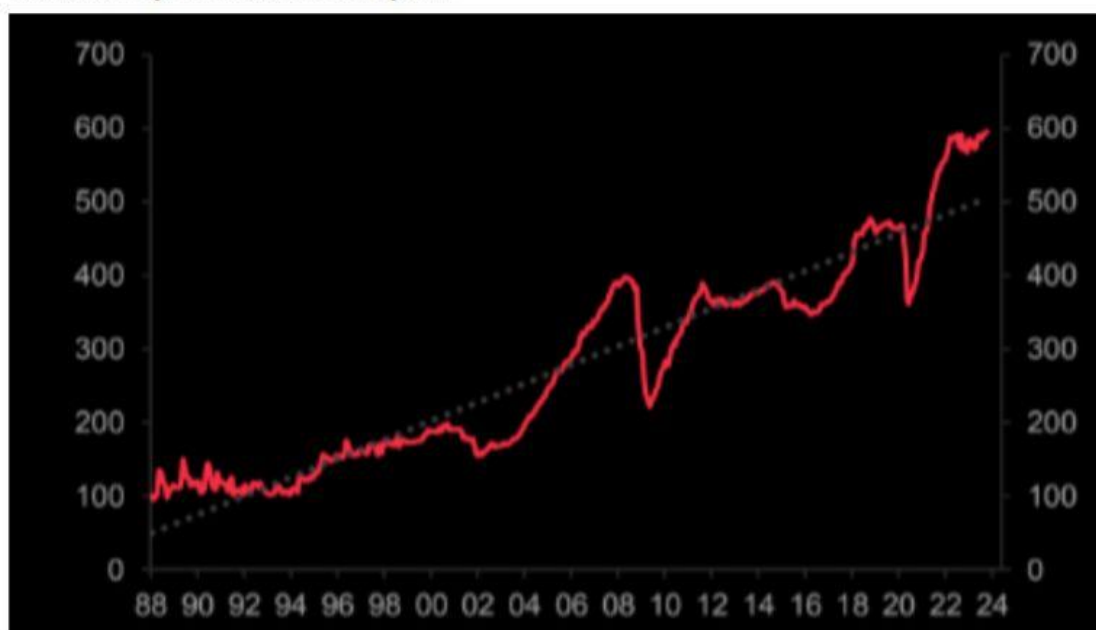


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## #eps #gdp #cycle

The global EPS cycle continues to improve, with nominal GDP growth continuing to support the cycle.

Global EPS cycle continues to improve



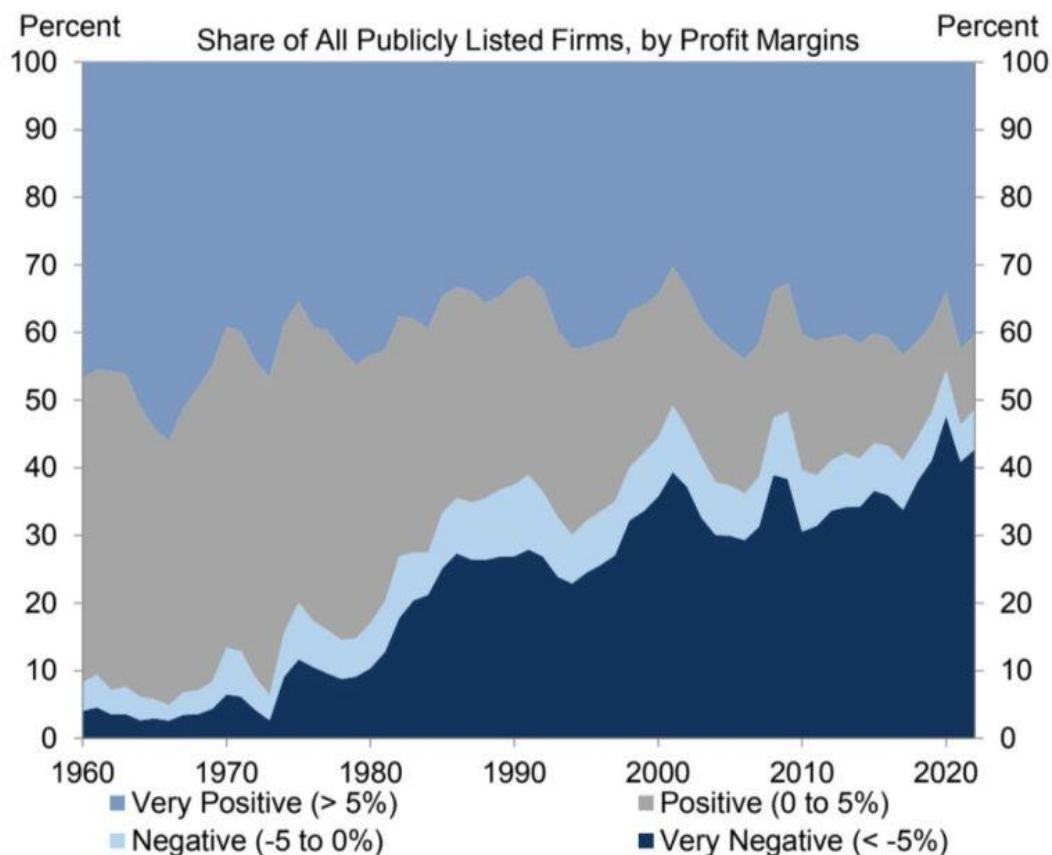
Source: Soc Gen

Source: SocGen, TME



## #us #profit-margins

Almost half of US listed firms have negative profit margins. They have been able to survive in artificially low interest rates and ample liquidity environment. Things have changed though.

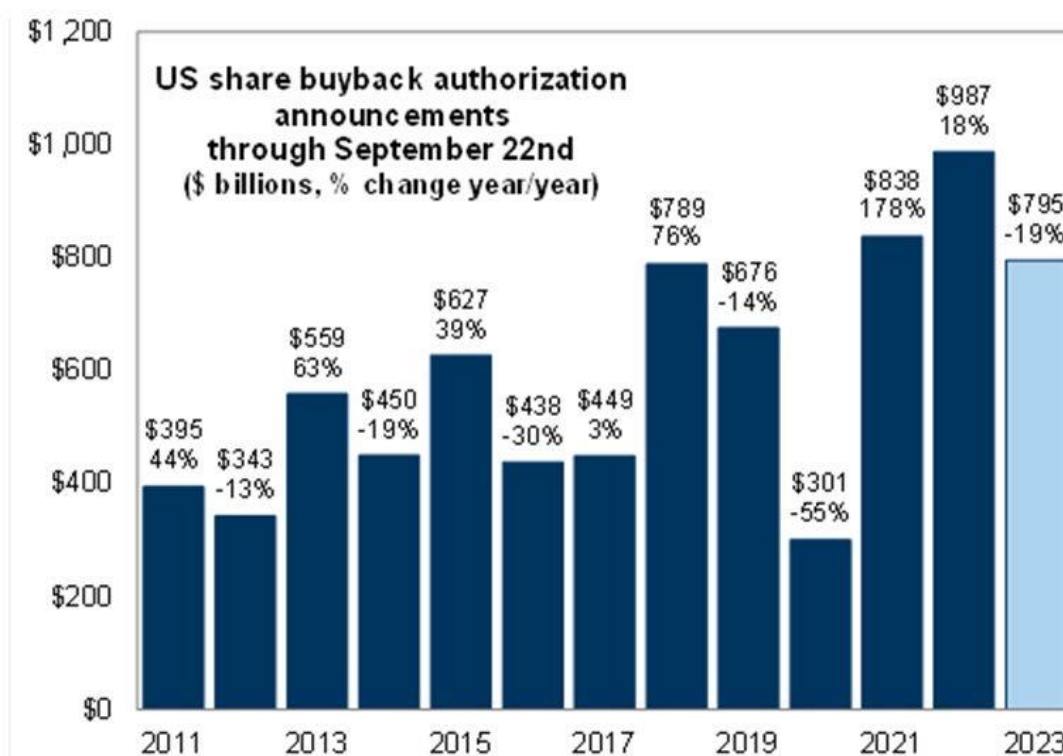


Source: GS, Michel A.Arouet



## #us #stock #buyback

US Share buyback. November and December are considered to be 2 of the busiest months for executing buyback programmes.

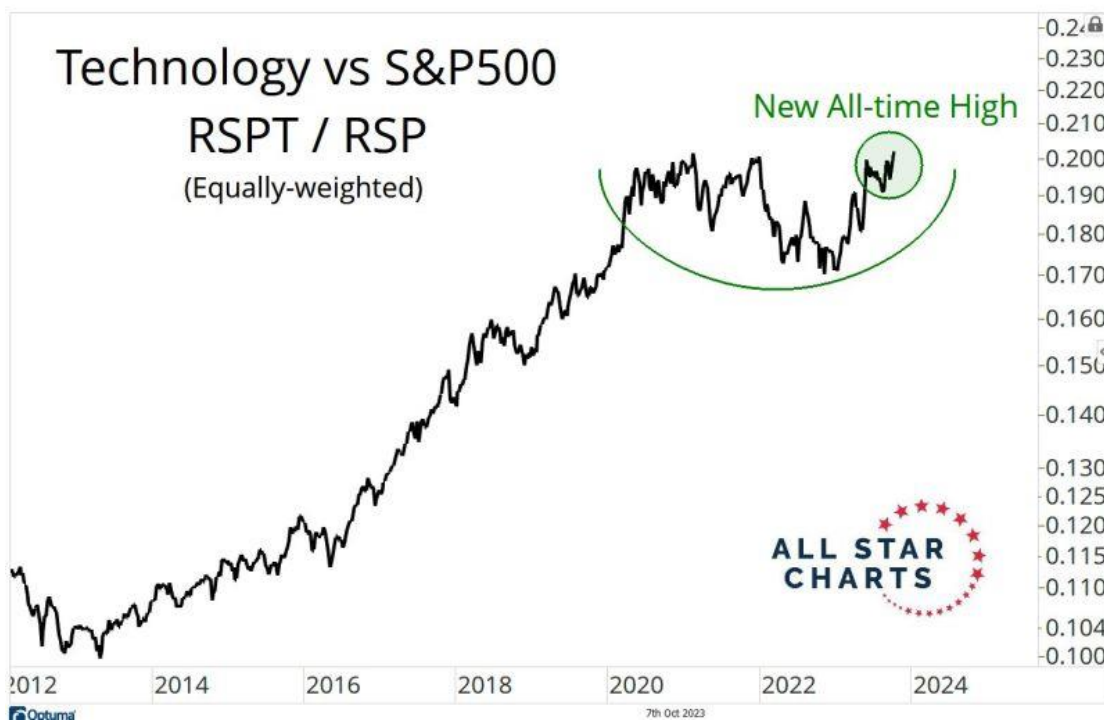


Source: gs



## #tech #performance

In case you missed it: technology hit a new all-time relative high. And this is on an equally-weighted basis. So it is not just 7 stocks...



Source: J-C Parets



## #us #highyield #sp500

The gap between HYG (US High Yield) and the SPX (S&P 500) is getting wider and wider...

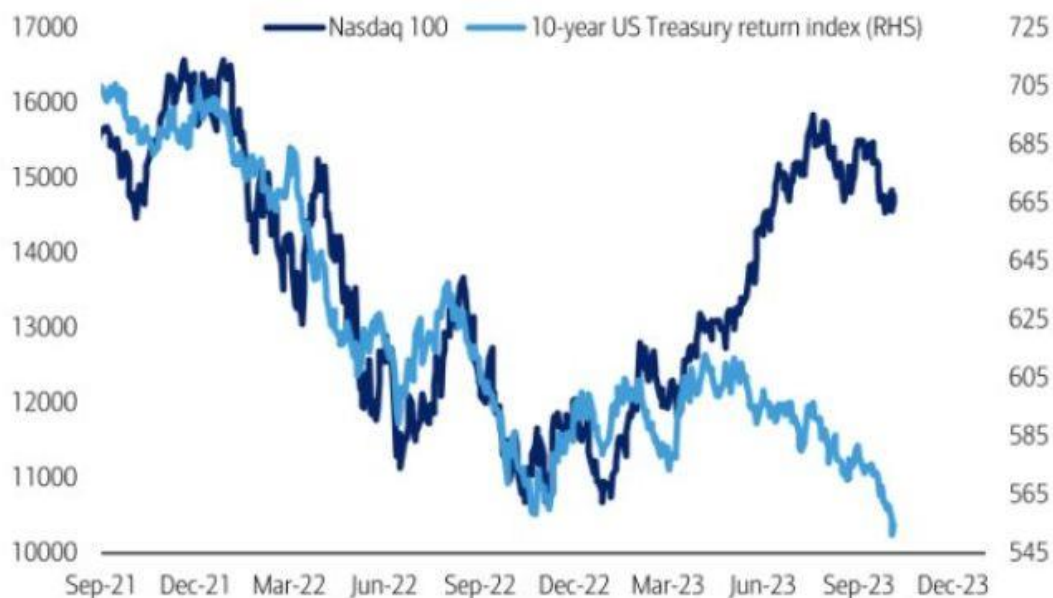




## #tech #treasury #equities #bonds

The gap between returns in tech stocks and US Treasuries has widened significantly since June. As bond prices continue to plummet but equities hold higher, this gap is getting larger.

**Chart 10: Tech vs Treasury returns...dislocation**  
Nasdaq 100 (NDX) vs 10-year US Treasury return index



Source: BofA Global Investment Strategy, Bloomberg

Source: BofA, The Kobeissi Letter

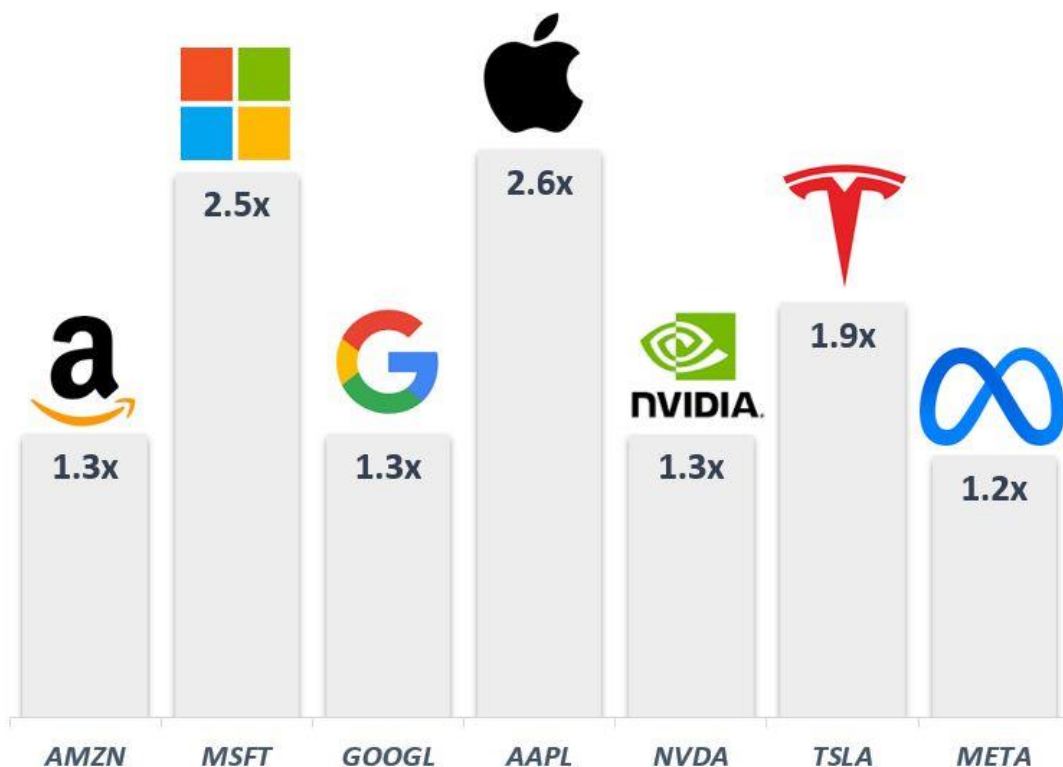




## #peg #magnificent7 #peterlynch

Ever heard of the PEG ratio? It's Peter Lynch's go-to metric, shorthand for "price-to-earnings growth". Scores <1.0 hint at a bargain, while >2.0 might be a bit pricey -- let's take a look at where the 'Magnificent 7' stack up

### Magnificent 7's PEG Ratio



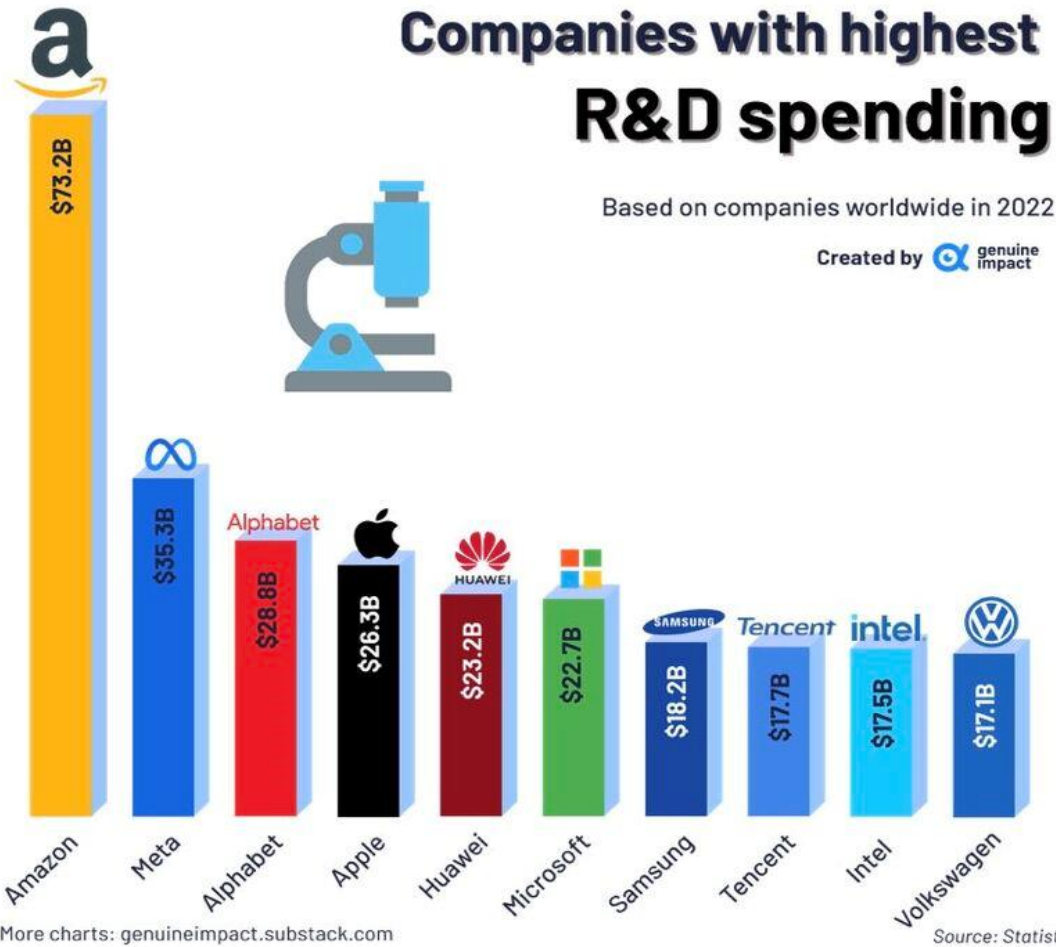
Source: Shay Bolor via StockSavvyShay





## #r&d #expenses #amazon

Amazon's annual R&D expenses for 2022 amounted to \$73.213 billion, marking a 30.62% increase from 2021. These R&D costs accounted for 14% of its total revenue.



Source: [Genuine Impact](#)



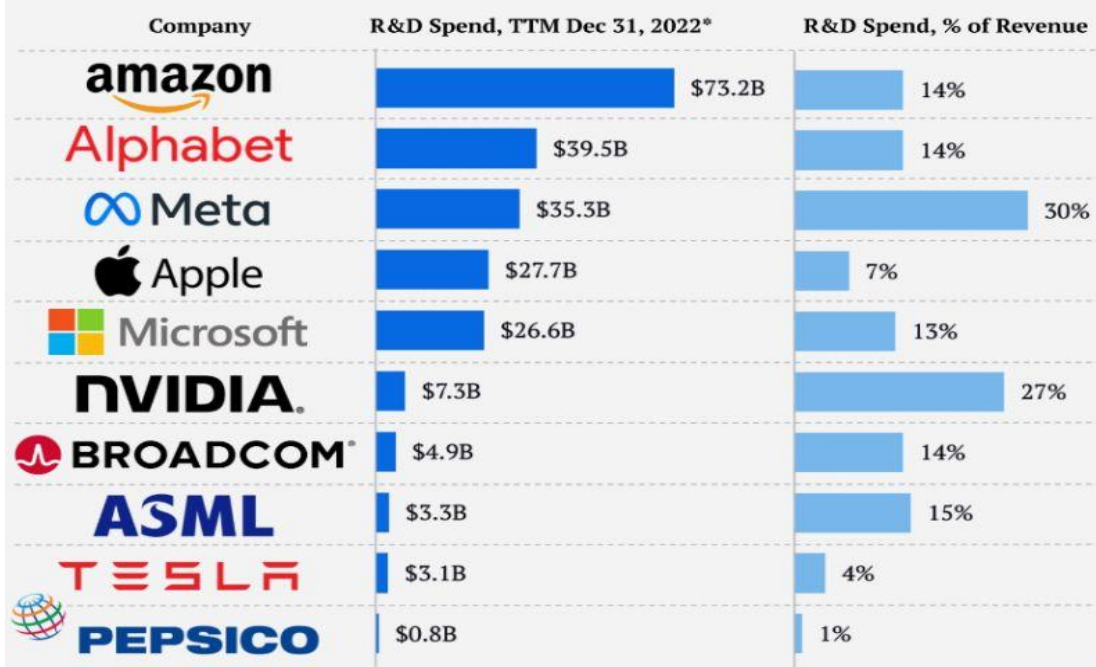


#r&d #expenses #nasdaq

R&D Investment of the 10 Biggest Nasdaq Companies Over the last decade, Apple’s research and development (R&D) spending has jumped from about \$3 billion to over \$26 billion. This graphic from Trendline shows the scale at which the 10 biggest companies listed on the Nasdaq are spending on R&D.

**Ranked: R&D Spend of the 10 biggest companies in Nasdaq**

The biggest 10 companies in Nasdaq by market capitalization, collectively spent ~\$222 Billion on R&D in 2022



\* For Nvidia and Broadcom, data shown for TTM (Trailing 12 months) ending Jan 29, 2023

Source: StockAnalysis dot com

More charts at [www.trendlineHQ.io](http://www.trendlineHQ.io)

Source: visualcapitalist



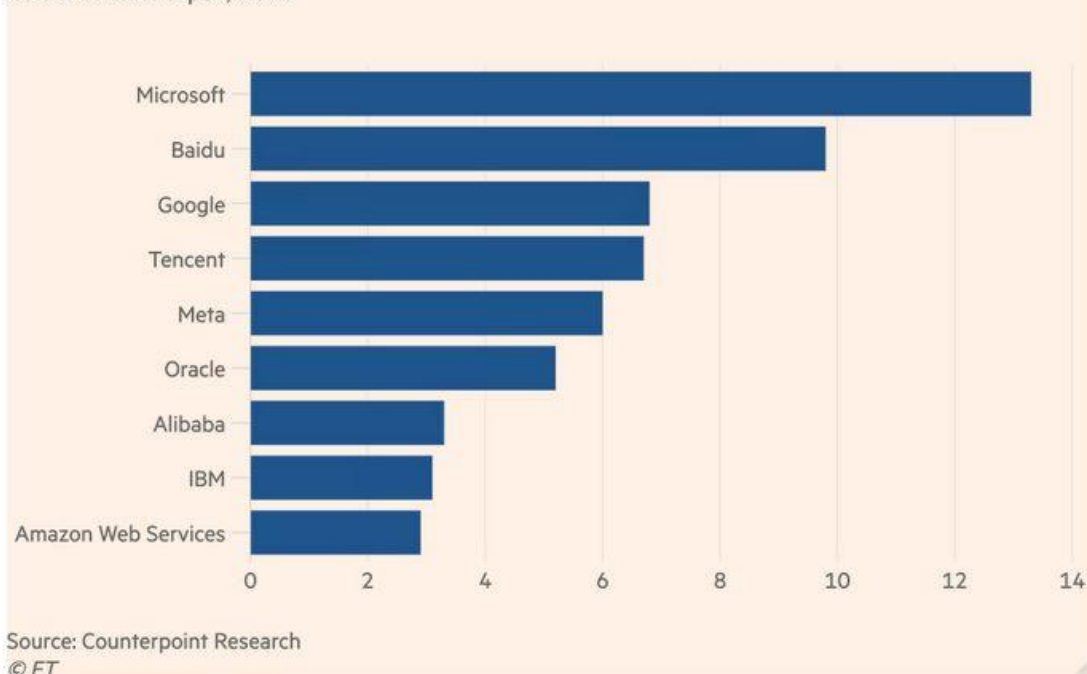


## #ai #spending

Microsoft \$MSFT is devoting more than 13% of CAPEX to artificial intelligence, the highest amount out of the world's top cloud service providers. Baidu \$BIDU follows with nearly 10%, while Google \$GOOG and Meta \$META are putting between 6-7% of CAPEX to AI.

Global cloud service providers' AI spending

As a % of total capex, 2023



Source: FT



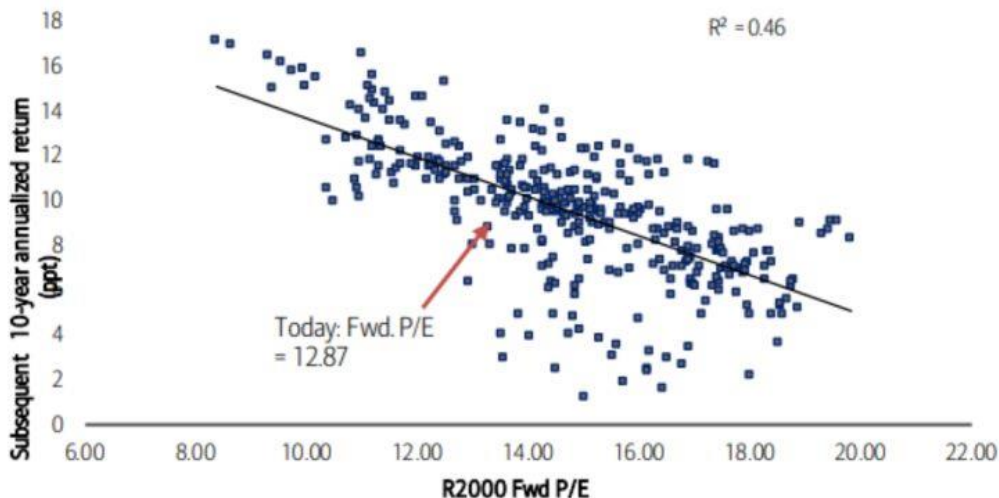
## #largecap #smallcap #equities

"Large Cap vs. Small Cap: Which is the leader of the next decade?"

Given today's forward PE of 13, some analysts are forecasting annual returns of 11% for the Russell 2000 over the next decade, compared with 6% for the Russell 1000.

**Exhibit 28: The absolute forward P/E for the Russell 2000 suggests double-digit annualized ten-year returns**

Russell 2000 forward P/E vs subsequent ten-year annualized returns, 1985-present (as of 9/30/23)



Source: BofA US Equity & Quant Strategy, FactSet

BofA GLOBAL RESEARCH

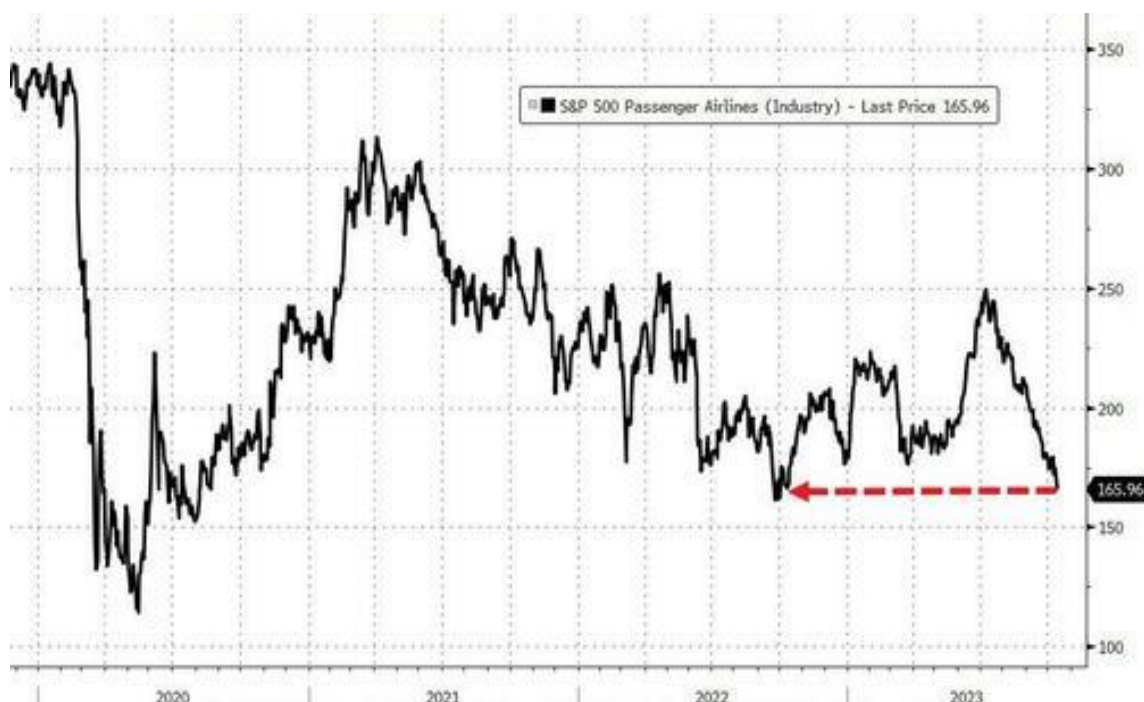
Source: mike zaccardi





## #airlines #stocks

US Airlines just had their worst weekly drop since March..



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

#markets

### #us #banks

JPM, WFC, and C all ended the week higher (helped by today's earnings)... But, despite big bank earnings beats, the Regional Banks index was dumped...

FINANCE

## JPMorgan Chase shares pop after profit exceeds expectations on higher rates, benign credit

Source: gs



## #kbw #sp500 #performance

The KBW Bank Index is underperforming the S&P 500 by 37% year-to-date, on pace for the widest annual gap on record (note: data via Dow Jones going back to 1993).

### Index performance



Source: FactSet

Source: Charlie Bilello

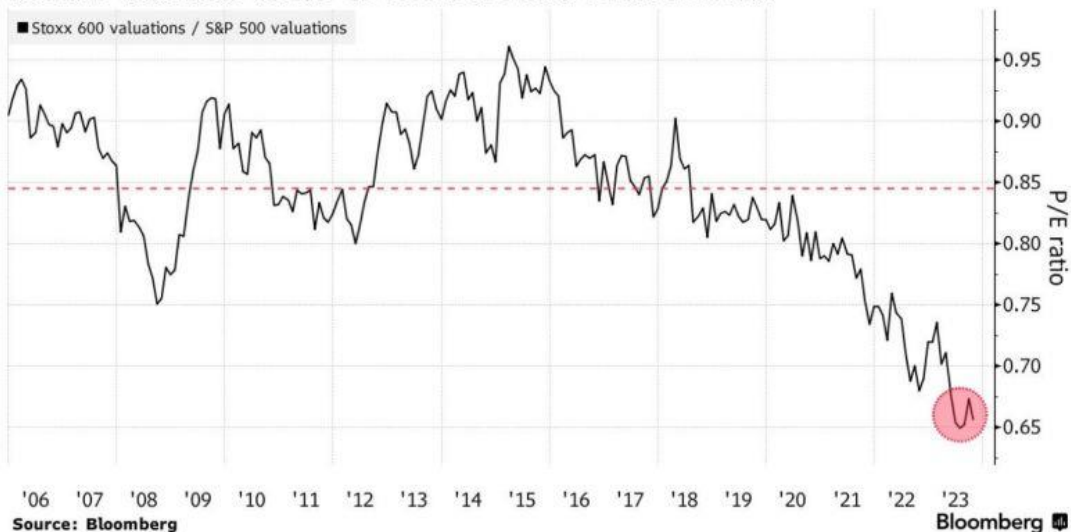




## #us #europe #equities #valuations

There are good reasons why European stocks are so cheap compared with US stocks. Overregulation, lack of innovation, to name a few

### European Stocks Are Almost the Cheapest Ever Versus the US Relative valuations versus US stocks are near an all-time low



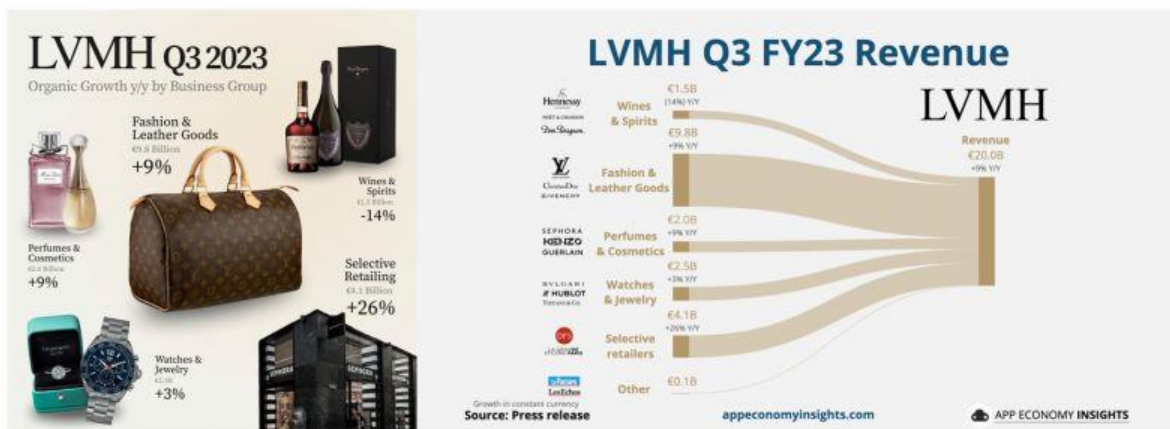


## #lvmh #q3 #revenue

LVMH Louis Vuitton Moët Hennessy. Q3 results in one image

Q3 Revenue +9% Y/Y to €20.0B (in cc).

- 🍷 Wines & Spirits -14% to €1.5B.
- 👜 Fashion & Leather goods +9% to €9.8B.
- 🖋️ Perfumes & Cosmetics +9% to €2.0B.
- 🕒 Watches & Jewelry +3% to €2.5B.
- 🏪 Selective retailers +26% to €4.1B.



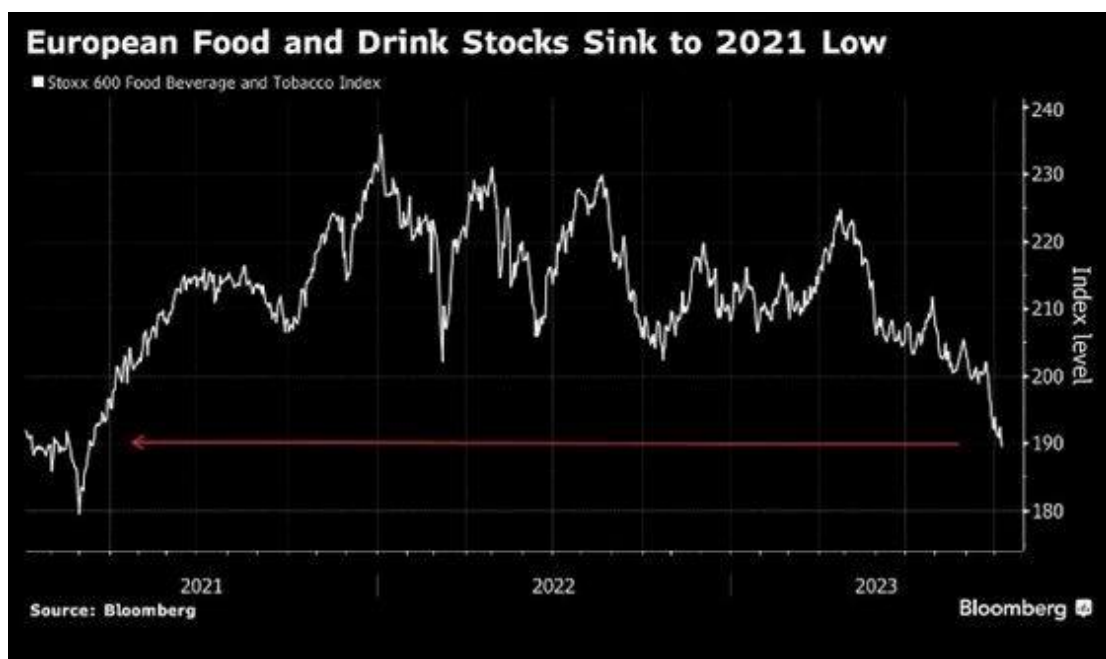
Source: Quartr, App Economy Insight





## #novonordisk #food&drink

Novo Nordisk weight loss drug Ozempic is causing selloff in candy and beer stocks, per Bloomberg. Walmart said it's already seeing an impact on shopping demand from people taking Ozempic. That sent shares of food and beverage companies sliding, some to multiyear lows.

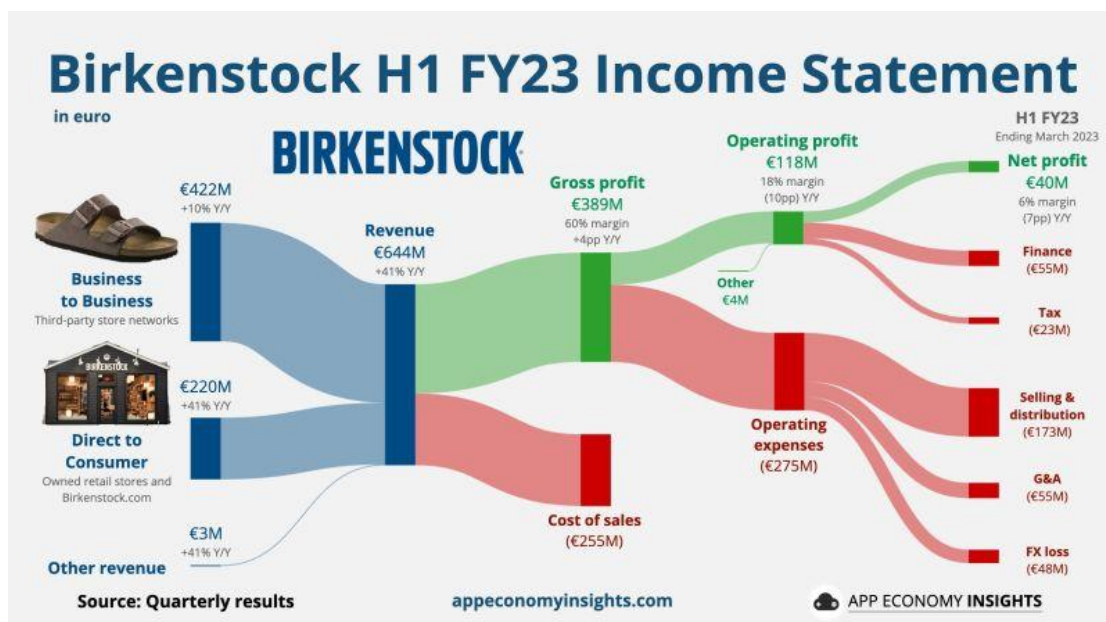


Source: Bloomberg, TME



## #birkenstock #ipo

Another week, another IPO. \$BIRK. Birkenstock could reach a \$10B valuation in its US IPO. Here's a look at how they make money.



Source: App Economy Insight

## #birkenstock #ipo #performance

Birkenstock opening is even uglier than the shoes... Birkenstock stock opens 11% below \$46 IPO price in trading debut flop. The German sandal maker's debut is the worst opening for a listing of \$1bn or more in New York in over 2yrs, Bloomberg reports. Out of more than 300 US IPOs of that size in the past century, only 9 have fared worse, the last being AppLovin, which opened 12.5% below its IPO price in April 2021, BBG data show.

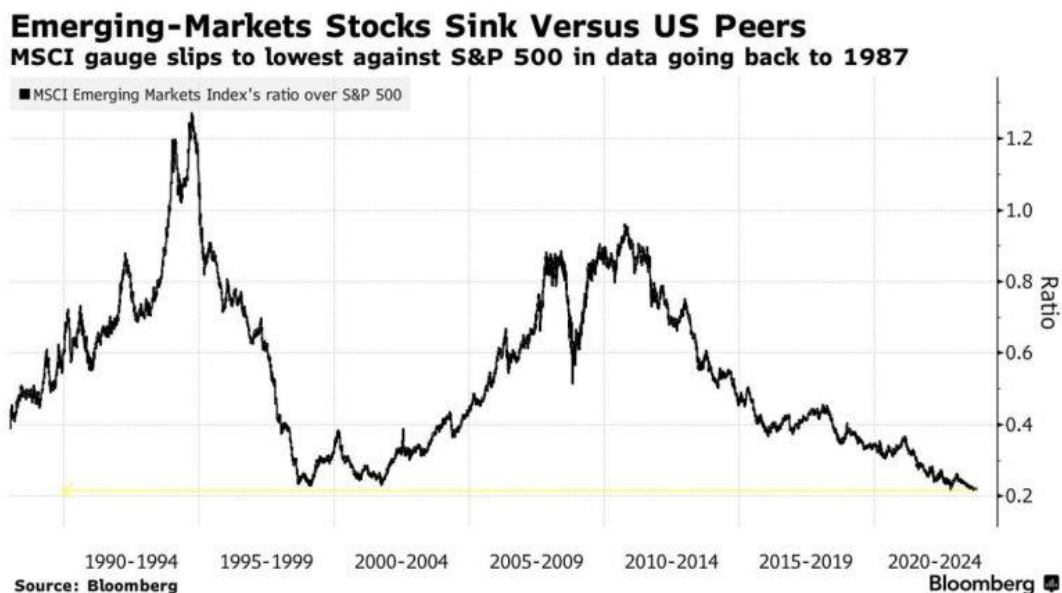


Source: HolgerZ, Bloomberg



## #emergingmarket #equities #valuations

Emerging market stocks have fallen to their lowest valuation relative to the S&P 500 in AT LEAST 36 years.



Source: Barchart, Bloomberg

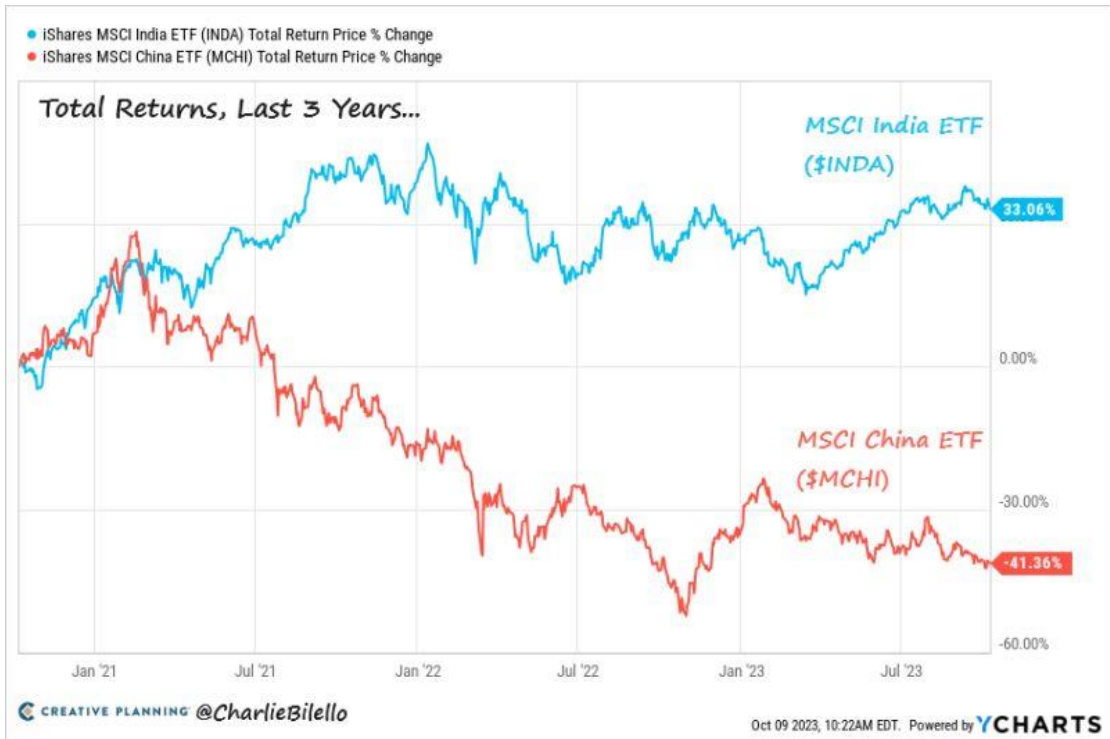


#india #china #equities #performance

Total Returns over last 3 years...

MSCI India ETF \$INDA: +33%

MSCI China ETF \$MCHI: -41%



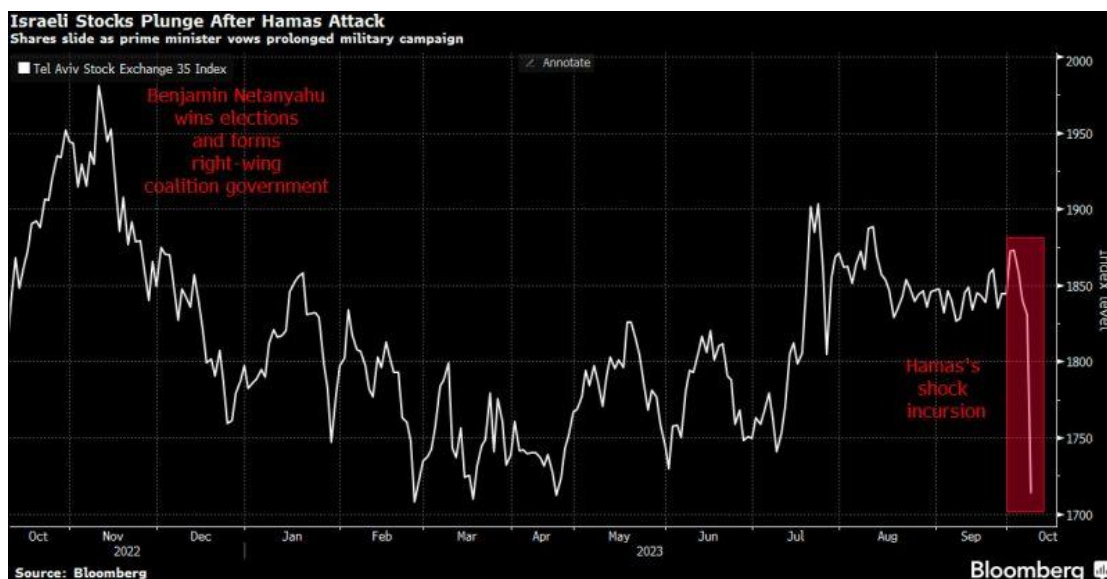
Source: Charlie Bilello





## #israel #equities #performance

Israel's Benchmark Index TA-35 plunges >6%, biggest drop since March 2020 after Hamas attack. The Hamas assaults mark the deadliest attack on Israel in decades and threaten to escalate into a broader conflict. Israeli shekel has slumped toward 7y low in recent days, ahead of the scheduled reopening of Israel's parliament later this month.



Source: HolgerZ via BBG



## #GLOBALMARKETS WEEKLY WRAP-UP

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### #us #treasuries #weekly

Bonds were bid with the long-end dramatically outperforming...



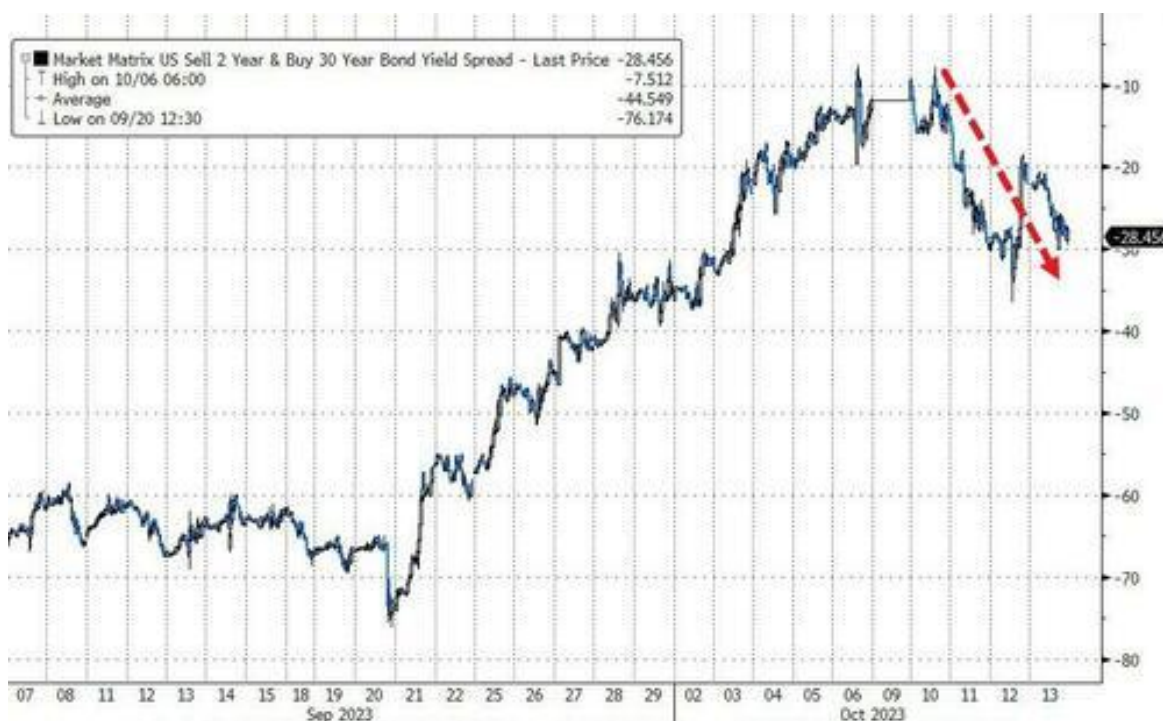
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg





## #us #2-year #yield

US 2Y yields bounced back above 5.00%, flattening the yield curve (2s30s) dramatically on the week (but still well off the mid-Sept lows)...



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





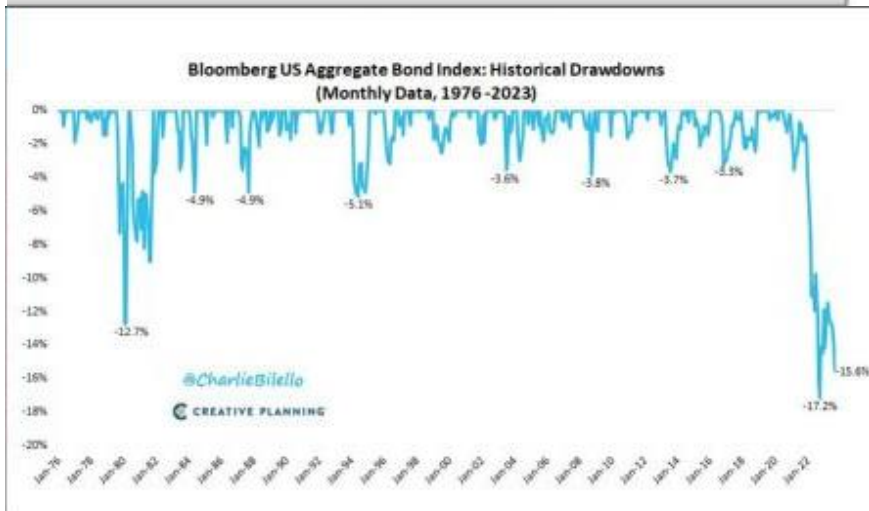


#bond #bear #drawdown

This is by far the longest bond bear market in history, at 38 months and counting...

Bloomberg US Aggregate Bond Index: Longest Drawdowns (Monthly Data, 1976 - 2023)			
Start of Drawdown	End of Drawdown	# Months	Max Drawdown During Period (Monthly)
Aug-20	?	38	-17.2%
Jul-80	Oct-81	16	-9.0%
May-13	Apr-14	12	-3.7%
Aug-16	Jul-17	12	-3.3%
Feb-94	Jan-95	12	-5.1%
Mar-87	Nov-87	9	-4.9%
Aug-79	Apr-80	9	-12.7%
Apr-08	Nov-08	8	-3.8%
Feb-96	Sep-96	8	-3.2%
Jun-03	Nov-03	6	-3.6%
Feb-84	Jun-84	5	-4.9%
May-83	Aug-83	4	-3.5%

CREATIVE PLANNING @CharlieBilello (As of 9/30/23)

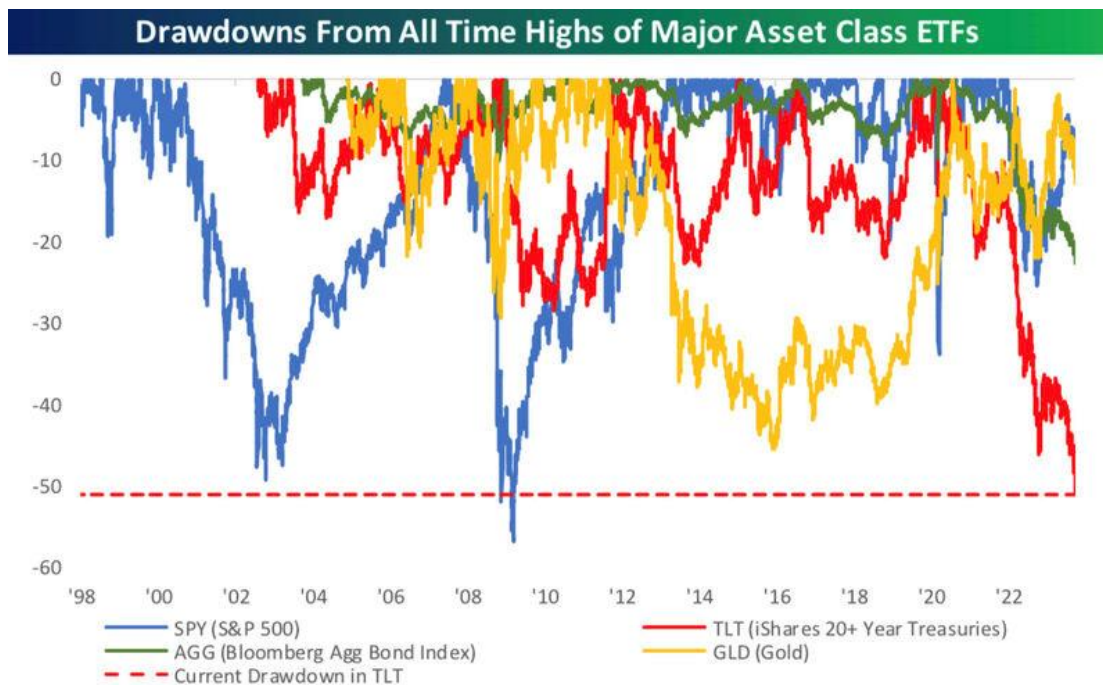


Source: Charlie Bilello



## #us #treasuries #drawdown

The drawdown for the long-term Treasury ETF \$TLT is now more extreme than the S&P's drawdown during the Dot Com Crash:



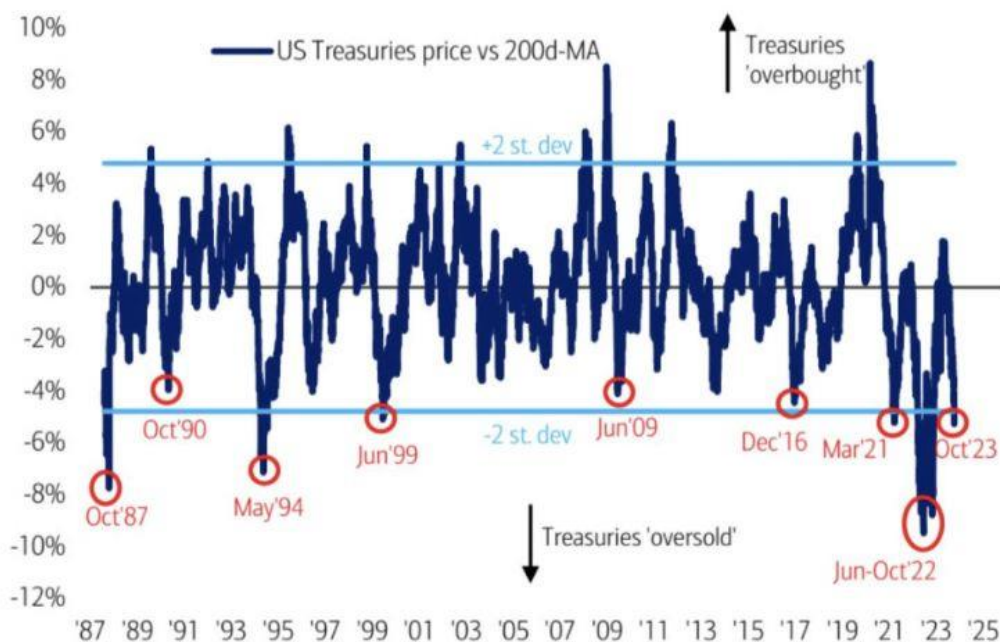
Source: Bespoke



## #us #treasuries #recession

U.S. Treasuries have reached one of the most oversold levels in the last 36 years that has typically foreshadowed events such as the October 1987 crash, the Dotcom Bubble, and the Nasdaq surge (Oct 2022)

**Chart 3: US Treasuries oversold again**  
US Treasury price vs -200 day moving average



Source: BofA Global Investment Strategy, ICE Data Indices LLC

Source: Barchart, BofA



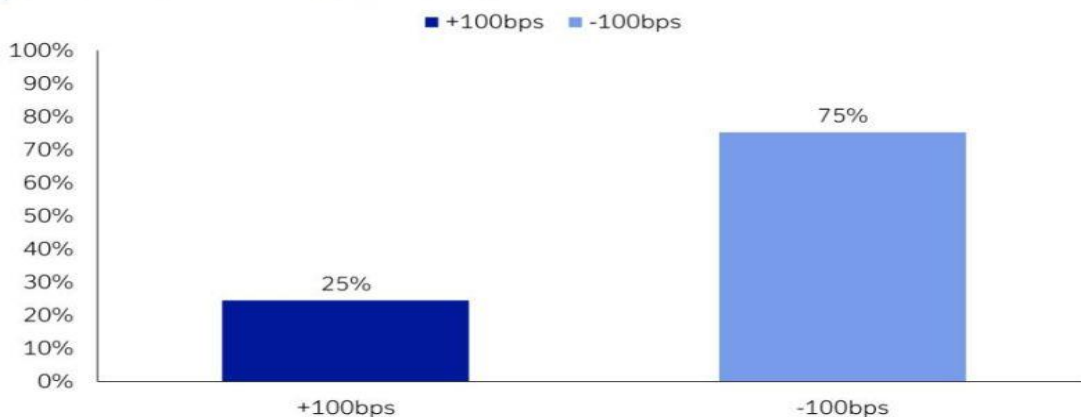


## #us #treasuries #sentiment

Vast majority on Wall Street think next 100bps move in 10Y yields is LOWER (and vast majority think the next 10% S&P 500 move will be LOWER). The Deutsche Bank October 2023 global financial market survey, conducted between the 3rd and 6th of October, had 410 responses from around the world.

- 75% think the next 100bps move in US 10yr yields is lower (average yield 4.75% during the survey). A big turnaround from June's results where a small majority expected 4.5% before 2.5% when we were halfway between the two. Well done to that small majority as it got there in just 3 months.
- 72% think the next 10% move in the S&P 500 will be lower. Slightly less than in June. In March 76% thought the next 10% move would be up so a different mood to earlier this year.

Figure 1 : From its current levels, will the next 100bps move in 10yr USTs be higher or lower? (yields averaged c.4.75% during the survey)



Source: dbDIG Survey, Deutsche Bank

Source: DB



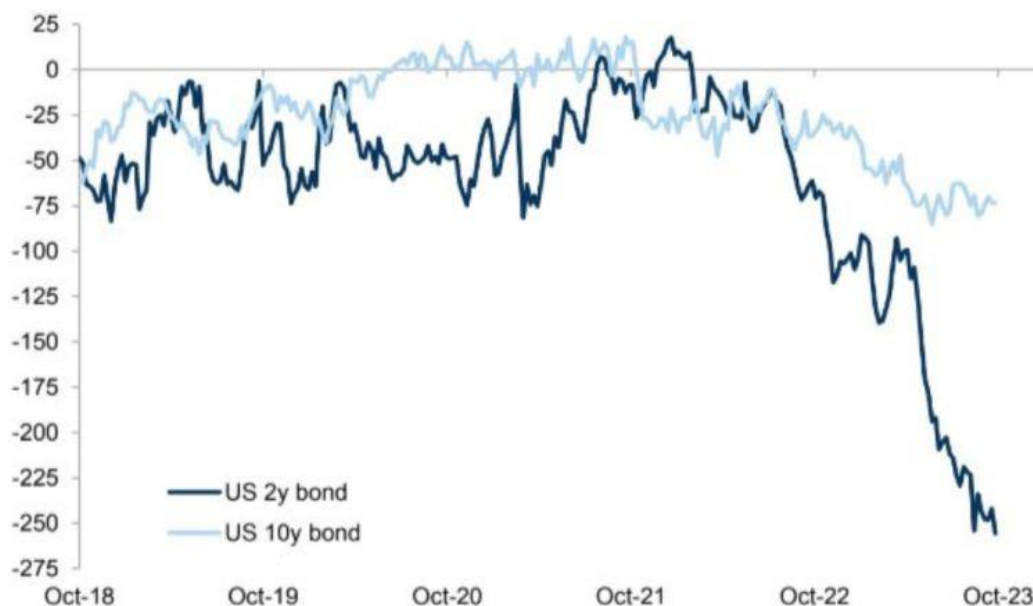


## #us #hedgefunds #treasuries

Hedge Funds continue adding to their short U.S. Treasuries futures position which has now reached the largest short position in history.

**Exhibit 46: US Treasury net long positioning**

Net non-commercial positions (\$ bn)



Source: Bloomberg, CFTC, Goldman Sachs Global Investment Research

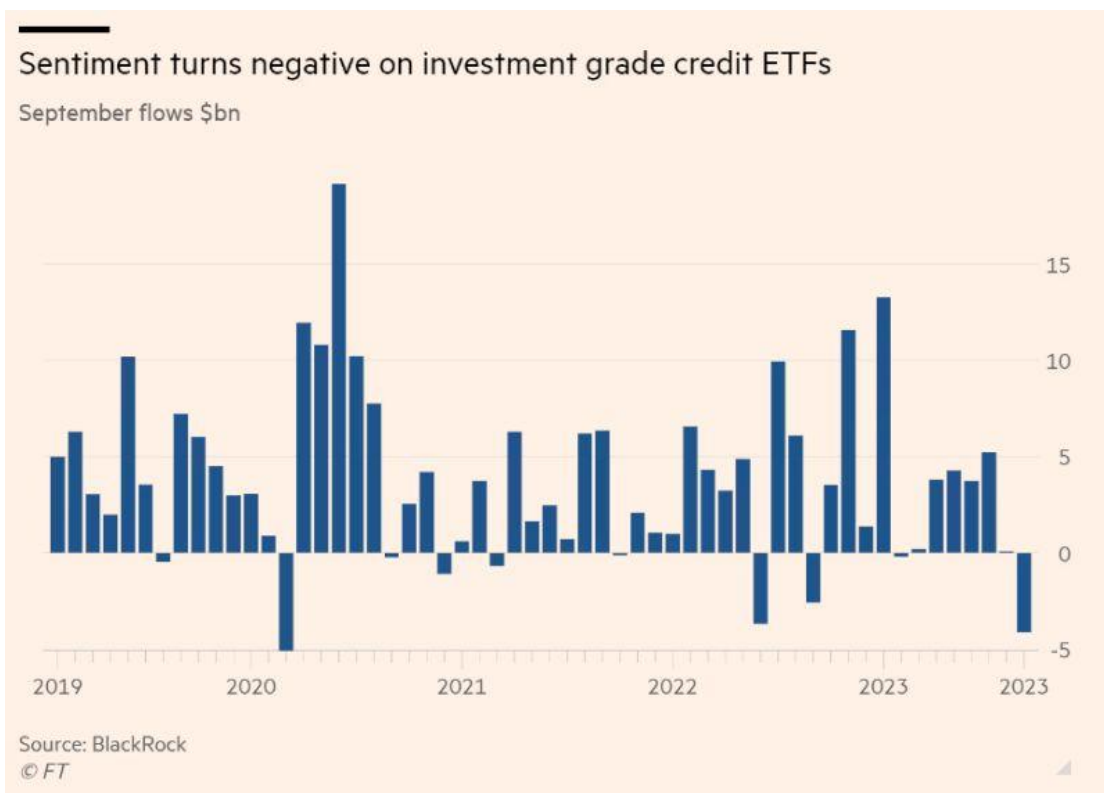
Source: barchart, gs





## #etf #investment-grade #outflows

Investment grade ETFs suffer second-highest outflows on record. Investment grade corporate bond exchange traded funds suffered their second-highest monthly outflows on record in September, even as investors poured money into the large companies that issued the debt.



Source: ft







## #etf #bonds #cash-burned

Fighting the Fed has transformed bond ETFs into cash incinerators.. \$TLT has come out of nowhere to hit #3 on the Top 20 Cash Burning ETFs list (lifetime flows minus aum today) with over \$10b lost. Top of list used to be -2x/-3x, VIX, commodity ETFs. Now its vanilla bond ETFs.

Name	Ticker	Cash Burned
Vanguard Total Bond Market ETF	BND US	\$ (16,640)
iShares Core U.S. Aggregate Bond ETF	AGG US	\$ (14,635)
iShares 20+ Year Treasury Bond ETF	TLT US	\$ (10,721)
ARK Innovation ETF	ARKK US	\$ (9,522)
Vanguard FTSE Emerging Markets ETF	VWO US	\$ (8,859)
iShares Core MSCI Emerging Markets ETF	IEMG US	\$ (8,156)
ProShares UltraShort S&P500	SDS US	\$ (8,077)
Vanguard Total International Bond ETF	BNDX US	\$ (7,883)
Vanguard Intermediate-Term Corporate Bond ETF	VCIT US	\$ (7,753)
ProShares UltraPro Short QQQ	SQQQ US	\$ (7,675)
ProShares Ultra VIX Short-Term Futures ETF	UVXY US	\$ (7,629)
Alerian MLP ETF	AMPL US	\$ (6,508)
ProShares UltraShort 20+ Year Treasury	TBT US	\$ (6,121)
KraneShares CSI China Internet ETF	KWEB US	\$ (5,974)
United States Natural Gas Fund LP	UNG US	\$ (5,665)
iShares JP Morgan USD Emerging Markets Bond ETF	EMB US	\$ (5,594)
Direxion Daily Financial Bear 3X Shares	FAZ US	\$ (5,531)
ProShares Short S&P500	SH US	\$ (5,228)
iShares MBS ETF	MBB US	\$ (4,754)
ProShares UltraPro Short S&P 500	SPXU US	\$ (4,697)

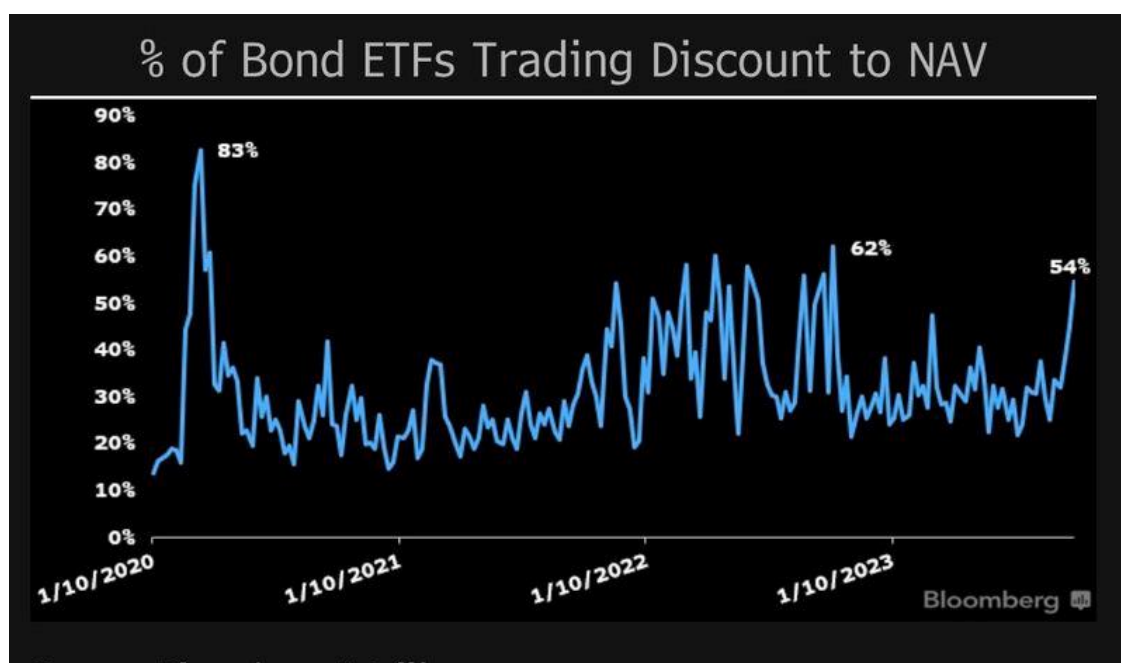
Source: psarofagis thru Eric Balchunas, Bloomberg



#markets

## #etf #bonds #discount

Over half of bond ETFs are now trading at a discount. Spikes in this number have been a pretty reliable bottom signal in the past. That said we not quite near the last two spikes but close..



Source: psarofagis thru Eric Balchunas, Bloomberg

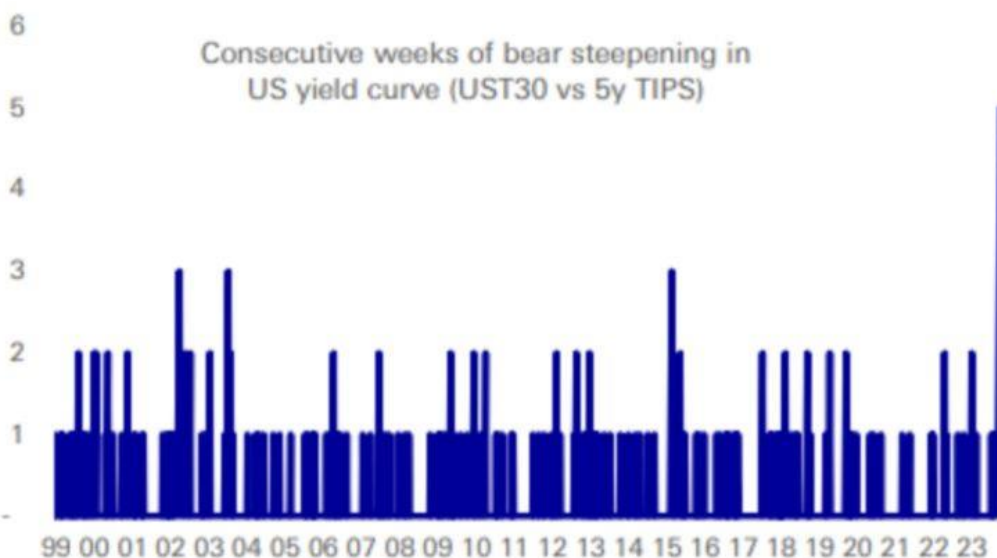




## #us #treasury #yieldcurve

The Treasury Yield Curve has been steepening (i.e. uninverting) for 5 straight weeks, the longest streak in more than 25 years

Figure 2: The current bear-steepening is long in the tooth



Source : Deutsche Bank, Bloomberg LP

Source: DB, Barchart



## #realrates #assetclass

Rising real rates are going to inflict real pain on a variety of asset classes, particularly longer duration risk.

**Chart 8: Real rates starting to hurt**

UST 10-year real rate %



Source: BofA Global Investment Strategy, Bloomberg. GTII10 Govt.

BofA GLOBAL RESEARCH

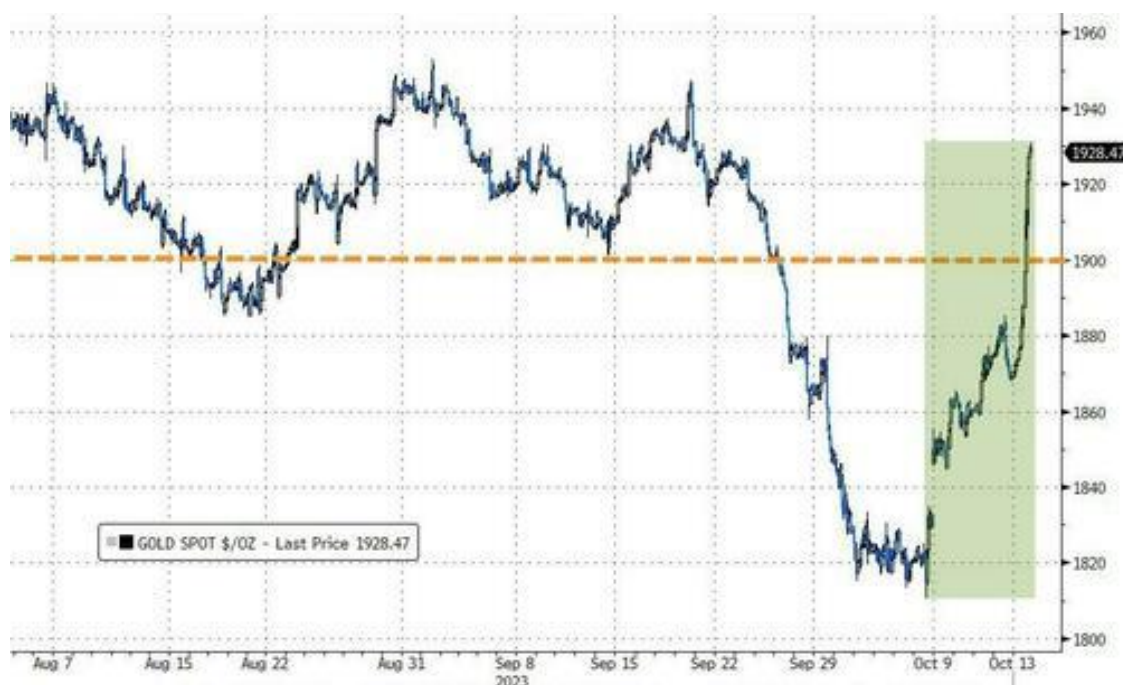


Source: BofA, Markets & Mayhem



## #gold

Gold surged over 5% this week after the attacks on Israel - its biggest weekly jump since March - sending spot prices back above \$1900...



Source: gs

#markets

## #oil #wti

Oil prices also soared with WTI up over 5% on the week (its second biggest weekly gain since April)...



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



## #us #oil #production

US crude oil production just soared to a new record high of 13.2 million barrels per day. To put this in perspective, the US was producing 12 million barrels per day at the start of 2023. That's a 10% increase in production year-to-date alone. We are finally seeing higher production levels than the previous high of 13.1 million barrels per day pre-pandemic. Is more US production the solution to the current energy situation?



Source: The Kobeissi Letter





## #ammonia #commodity

Chart by Tavi Costa -> Ammonia prices just had the steepest monthly increase on record. Commodity cycles typically follow a rotational pattern, and these price spikes are not isolated incidents. Oil recently rallied, gasoline prices increased, natural gas started to rise, and now ammonia looks to be initiating its move. This is an inflationary era and an unmistakable one.



Source: Tavi Costa, Bloomberg





## #orangejuice #commodity

Orange Juice prices just jumped to ANOTHER all time high and are now up 285% since 2021. Since the start of 2023, Orange Juice prices are now up nearly 95% in an incredible run. Meanwhile, Olive Oil prices are up over 100% this year and Live Cattle prices are up ~20% this year.



Source: The Kobeissi Letter

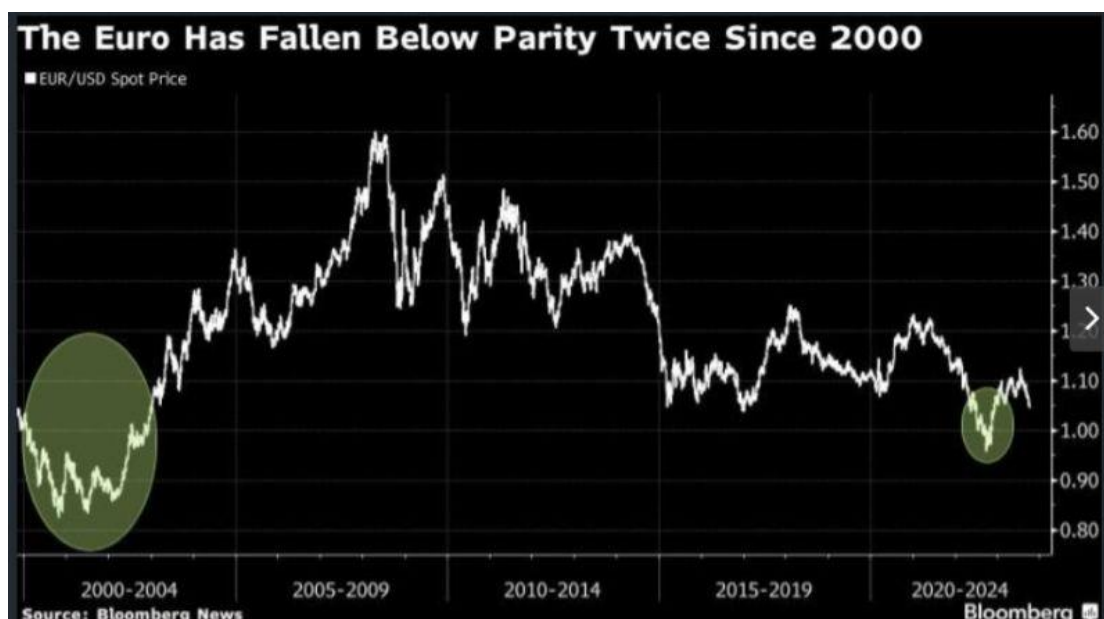






## #forex #euro #parity

Common currency is down about 6% since peaking in July. Options show chance of euro trading at par with dollar rising. References to the word “parity” in Google searches have surged, and the odds of the euro hitting that level by early next year have more than doubled, according to a Bloomberg options model.

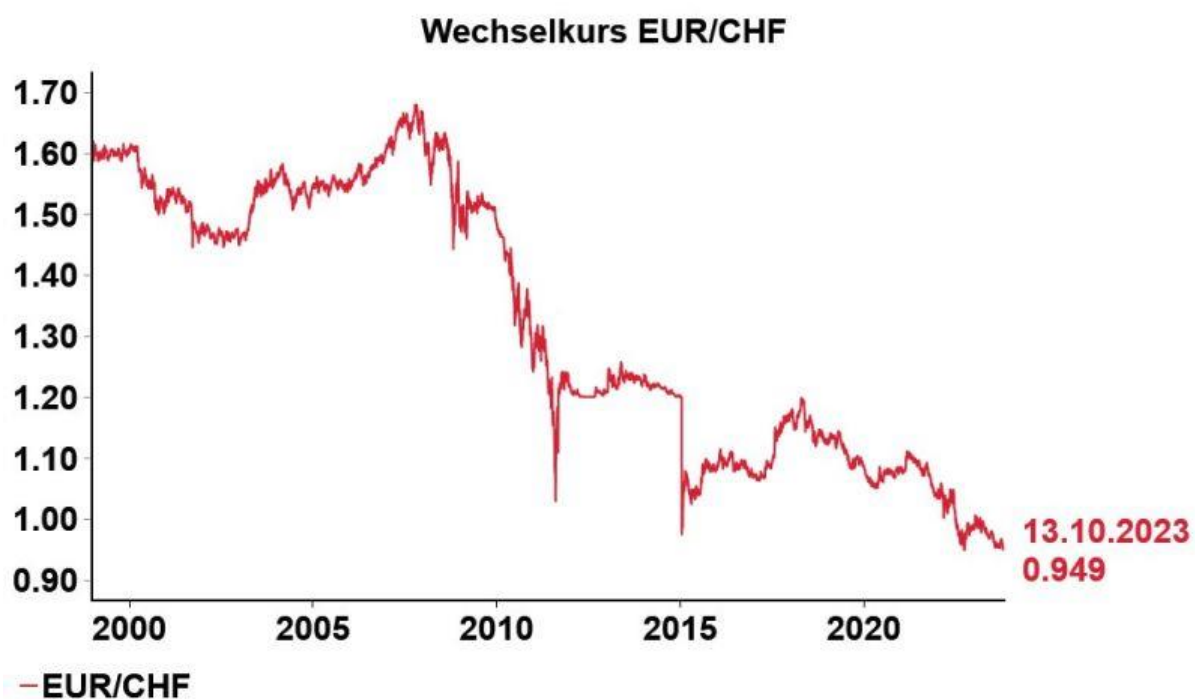


Source: bloomberg

#markets

## #forex #euro #swissie

A new record low for the #euro against #swissfranc...below 0.95...



Quellen: Macrobond, Swiss Life Asset Managers

Source: Marc Brüttsch



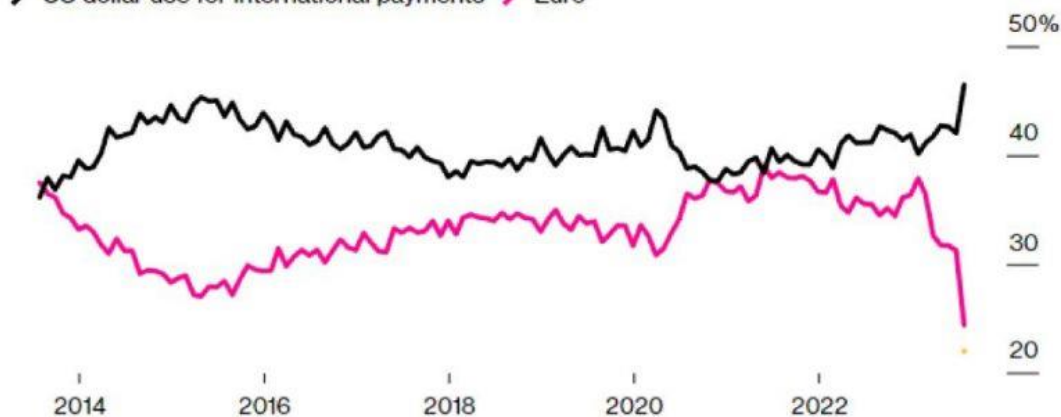
## #swift #dollar #euro

According to SWIFT, the U.S. Dollar was used for 46% of all international payment transactions in July, a RECORD high. Meanwhile, use of euro is collapsing. De-euroization rather than de-dollarization?

### US Dollar Widens Gap With Euro

Gap widen to 22 percentage points in July

US dollar use for international payments Euro



Source: SWIFT

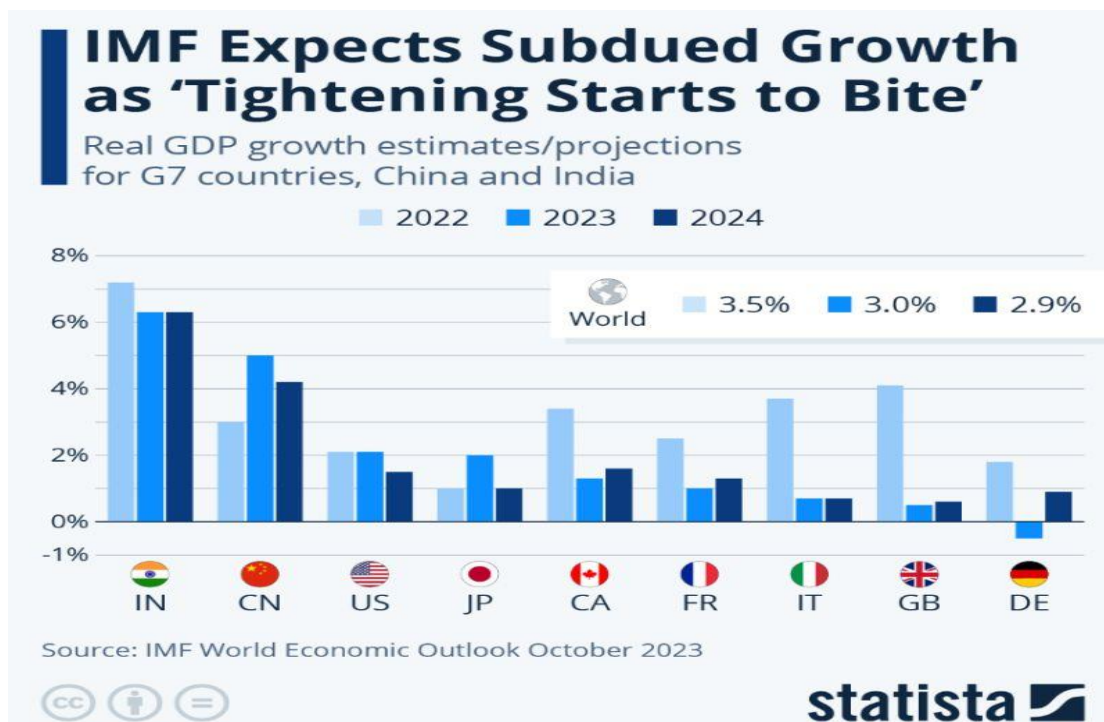
Source chart: Bloomberg



#macro

## #imf #growth #tightening

IMF Expects Subdued Growth as 'Tightening Starts to Bite'. The International Monetary Fund (IMF) published its latest update on the state of the world economy on Tuesday, predicting sluggish growth for 2023 and 2024, as many challenges persist and policy tightening is taking effect. According to its World Economic Outlook, the organization now expects global GDP to grow by 3.0 % this year, down from 3.5 % in 2022. For next year, the IMF predicts 2.9 % growth, a slight downward correction from its April 2023 forecast of 3.0 %

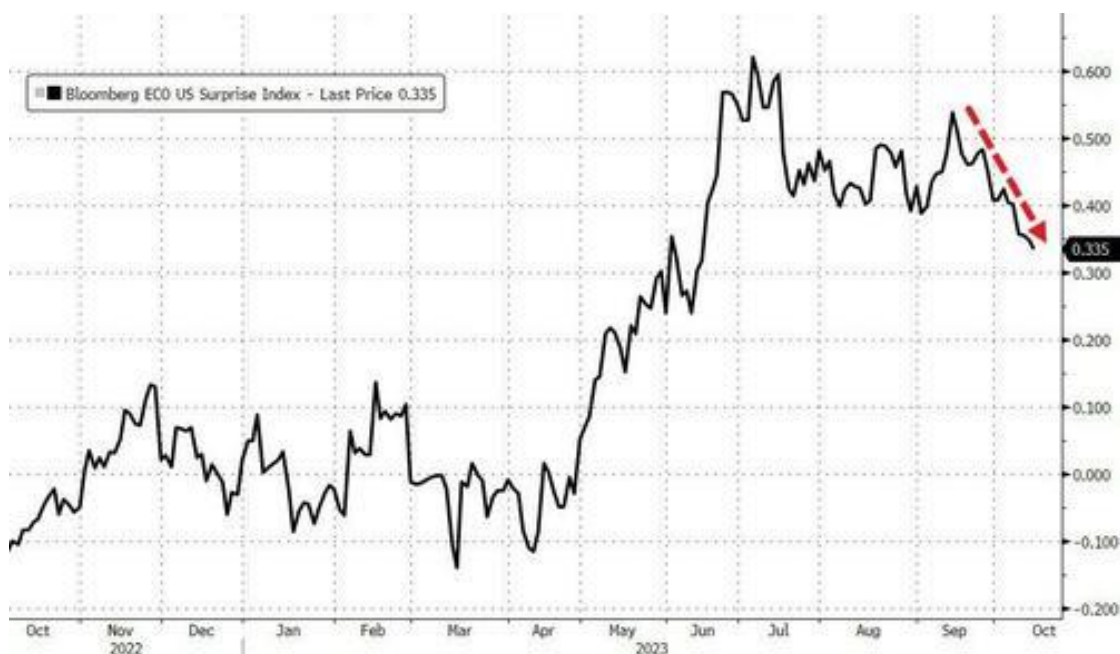


Source: statista

#macro

## #us #macro #surprise-index

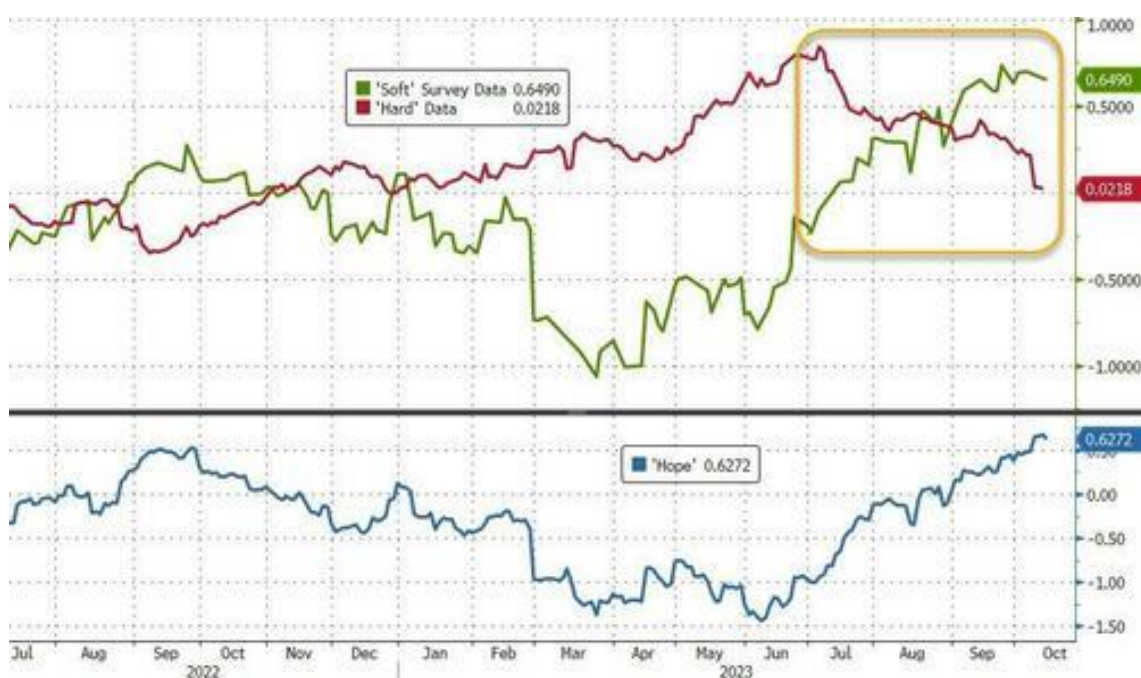
Stickier-than-expected 'actual' inflation and soaring 'expected' inflation piled on to geopolitical risk this week as US macro data disappointed...



#macro

## #us #macro #soft-survey

'Soft' survey data are starting to roll over and catch down to 'hard' data's dive...





## #credit #banks #contraction

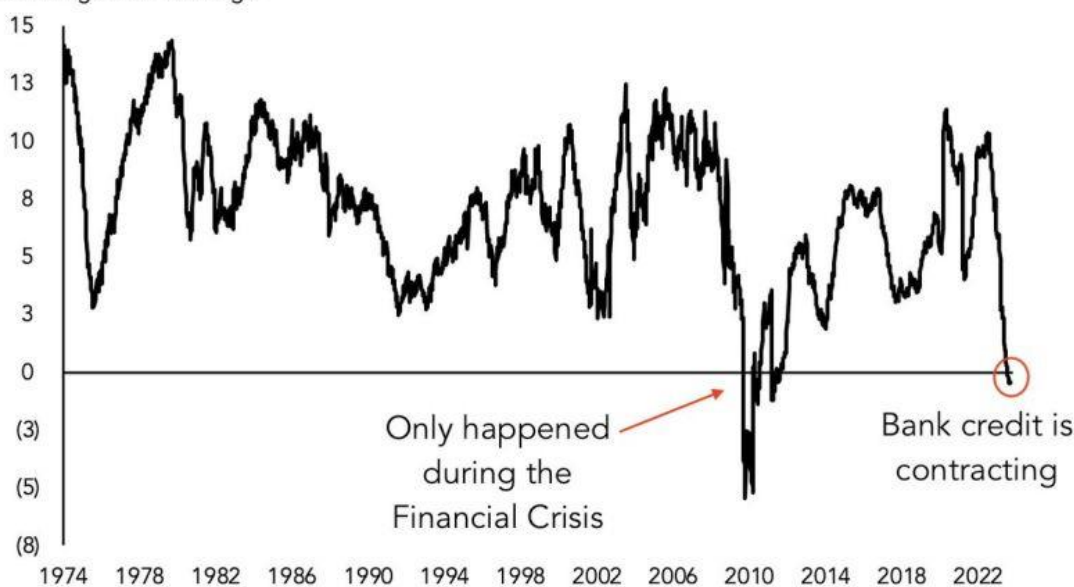
Bank credit has now entered contraction territory. After witnessing one of sharpest declines on record. Since 1974, this has only happened ONCE: → The Financial Crisis. Back then, this metric reached levels as low as -5%. At the current rate, the risk of a credit event is on the rise.

### Credit Contraction is Here



Bank Credit; All Commercial Banks

% Change from Year Ago



Dates: 1974 Through 20th September 2023.  
Source: Federal Reserve Board, Game of Trades.

Source: Game of trades







## #us #mortgage #interest

Average interest rate on a US 30-year mortgage rises to 7.95%, its highest since July 2000. Mortgage demand also just fell to its lowest level since 1995. 8% mortgages are the new normal.

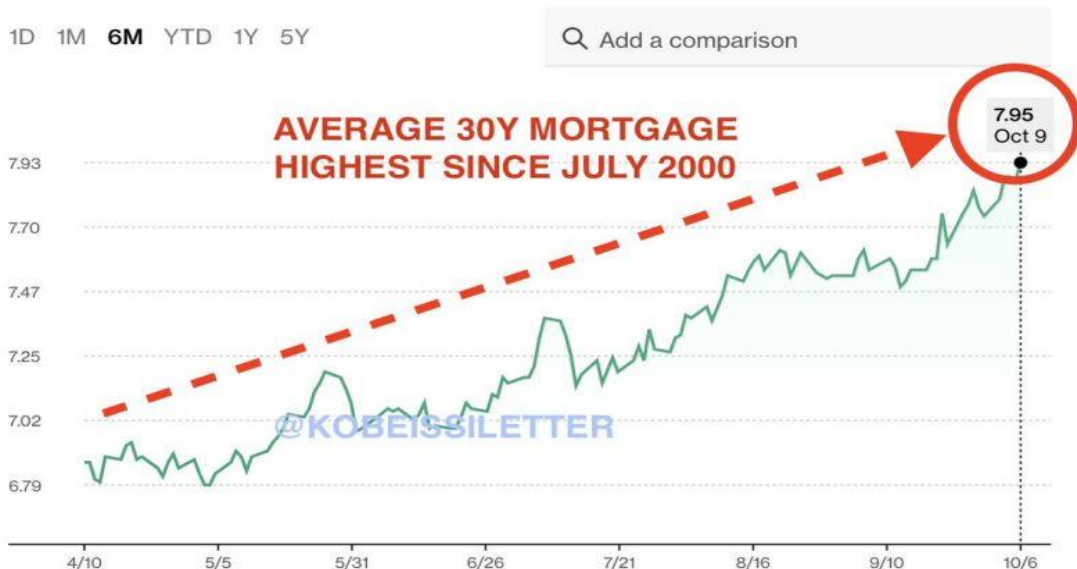
### Bankrate.com US Home Mortgage 30 Year Fixed National Avg

ILM3NAVG:IND

As of 12:00 AM EDT 10/09/23.

7.95 ▲ +0.09 +1.14%

Summary Related News Index Info

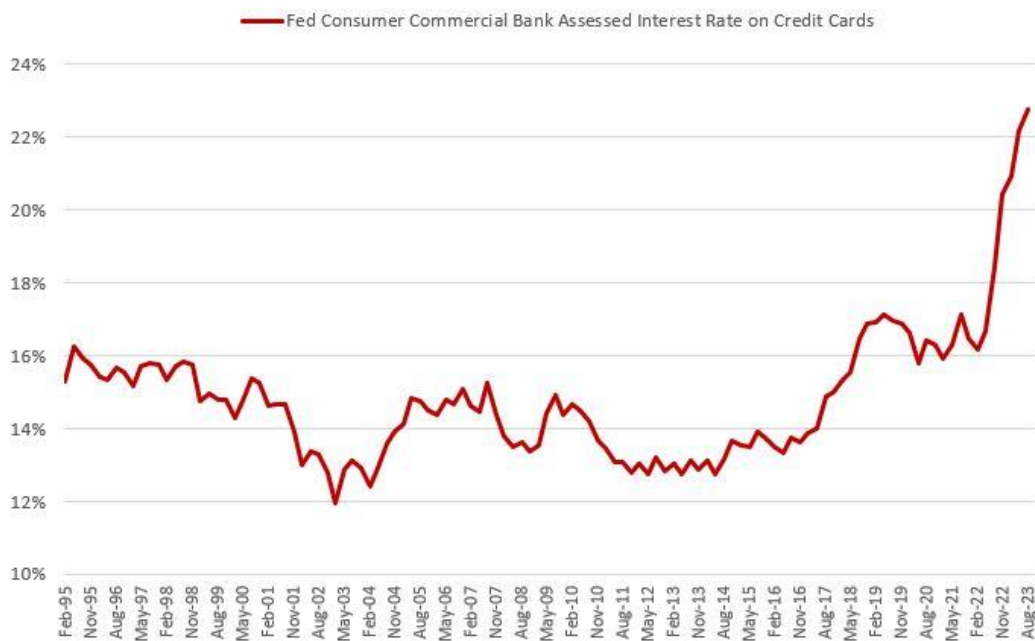


Source: The Kobeissi Letter



## #us #credit-cards #interest-rates

US average interest rate on credit cards is now close to 23% ⚠️ (hitting a new record high since data are recorded)



Sources: Federal Reserve, christophe-barraud.com



Source: C.Barraud



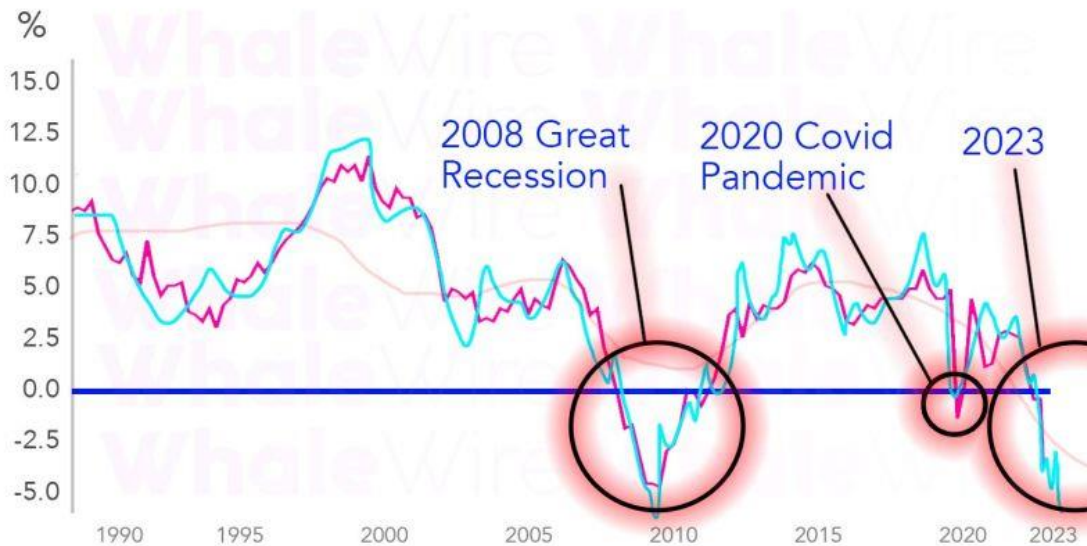
## #us #savings #income

In the last 8 decades, savings as a percentage of national income has ONLY contracted three times:

- 2008 - Great Recession.
- 2020 - Covid Pandemic Crash.
- 2023 - The Everything Bubble.

### Household Savings In Free Fall Again.

Net savings as a percentage of gross national income.



Source: U.S. Bureau of Economic Analysis, WhaleWire

Subscribe to #1 Finance Newsletter: [www.whalewire.org/subscribe](http://www.whalewire.org/subscribe)

Source: Whalewire





## #consumer #default #loans

The consumer is borrowing more than they can afford to pay. The consumer

Default rate on credit card loans from small lenders has seen a sharp spike to 7.51%

This level is higher than the:

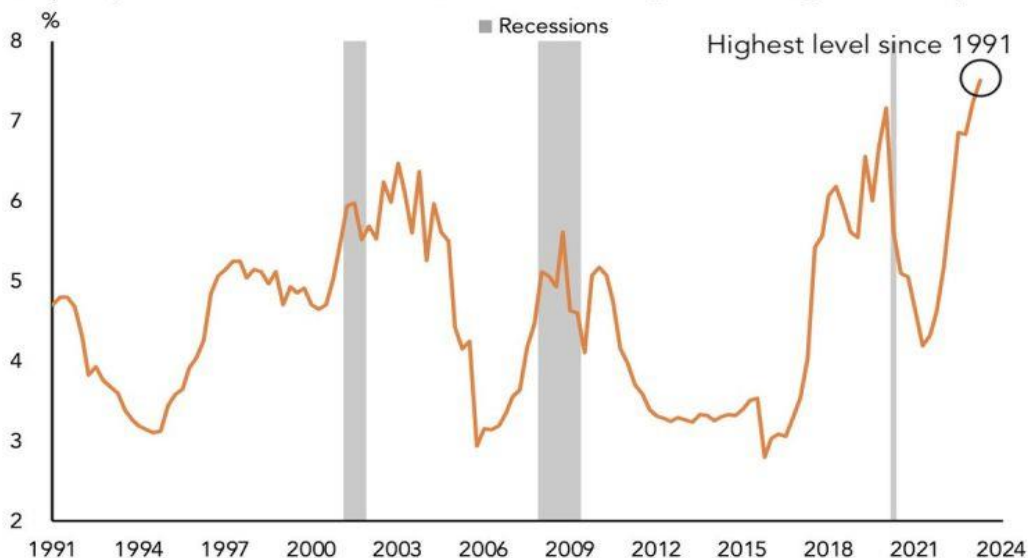
- Dot Com bubble
- Financial Crisis
- C-19

With credit card interest rates still above 20%. Consumers are going to continue feeling the pressure.

### Default Rate Above Financial Crisis Levels



Delinquency Rate on Credit Card Loans, Banks Not Among the 100 Largest in Size by Assets



Dates: 1991 Through April 2023. Source: Bureau of Economic Analysis, National Bureau of Economic Research, Game of Trades.

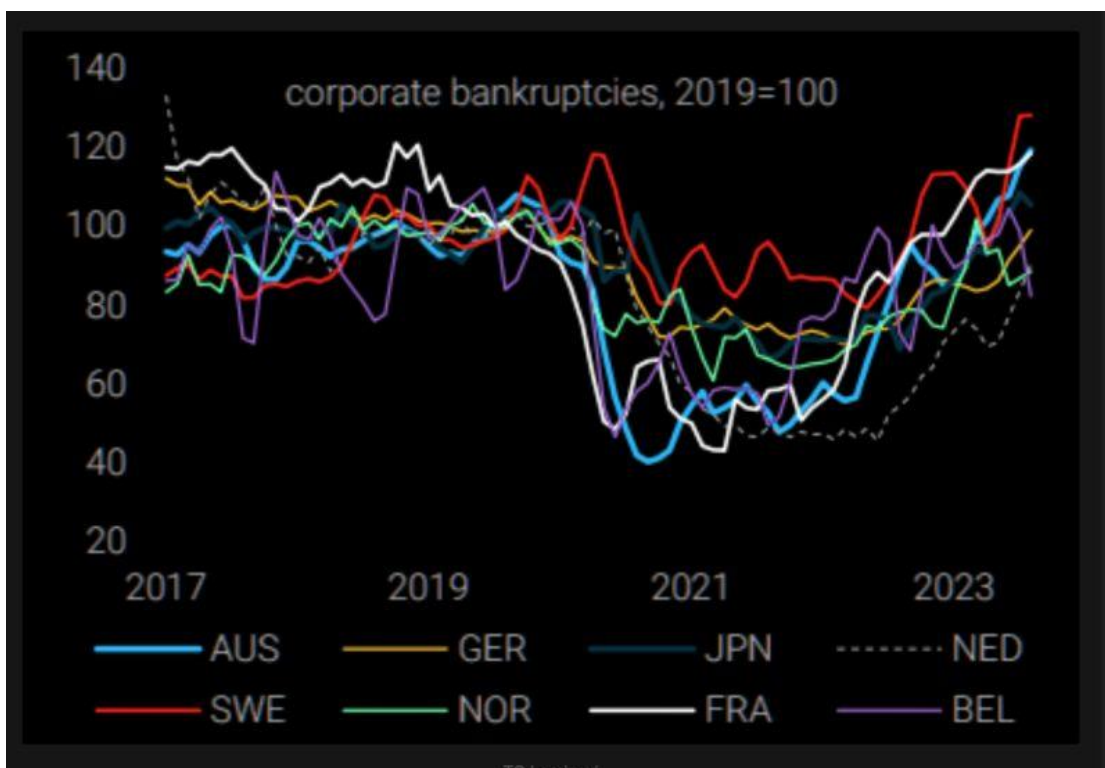
Source: Game of Trades



#macro

## #bankruptcies #bullmarkets

The bull market in bankruptcies...



Source: TME, TS Lombard

#macro

## #us #ppi #inflation

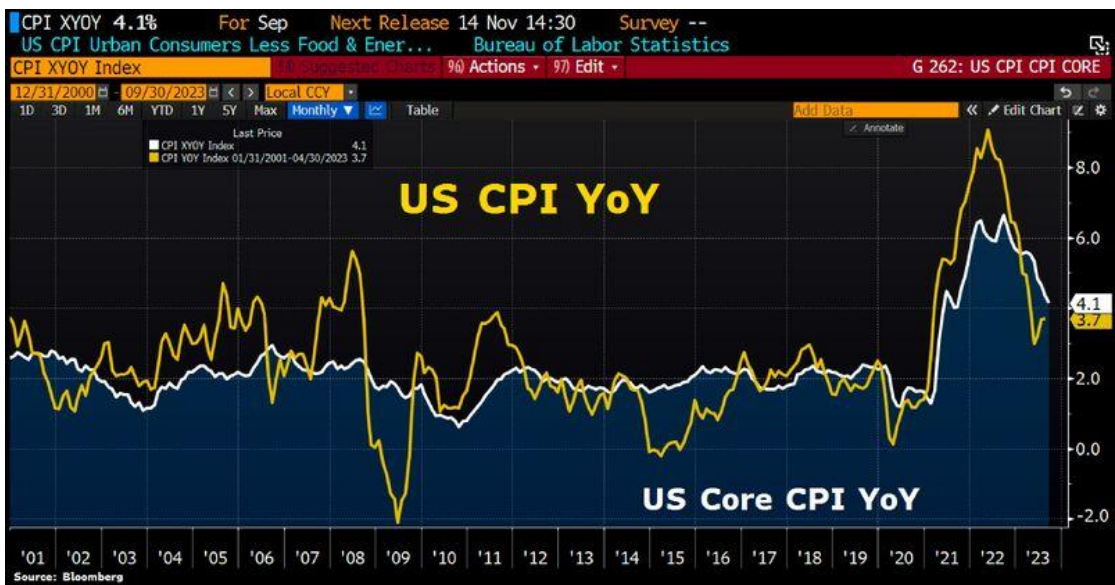
Prices paid to US producers rose by more than forecast in September. The PPI for final demand advanced 0.5% from a month earlier, according to the Bureau of Labor Statistics. The cost of gasoline increased 5.4% The biggest driver of today's PPI beat: a near record surge in PPI Deposit Services. In other words high rates (and inflation) lead to higher rates (and inflation)





## #us #cpi

US inflation is cooling, but only slowly. From the perspective of the Fed, the figures are probably not worrying enough to trigger another interest rate hike. However, they are not good enough to sound the all-clear either, CBK says.





#macro

## #us #cpi

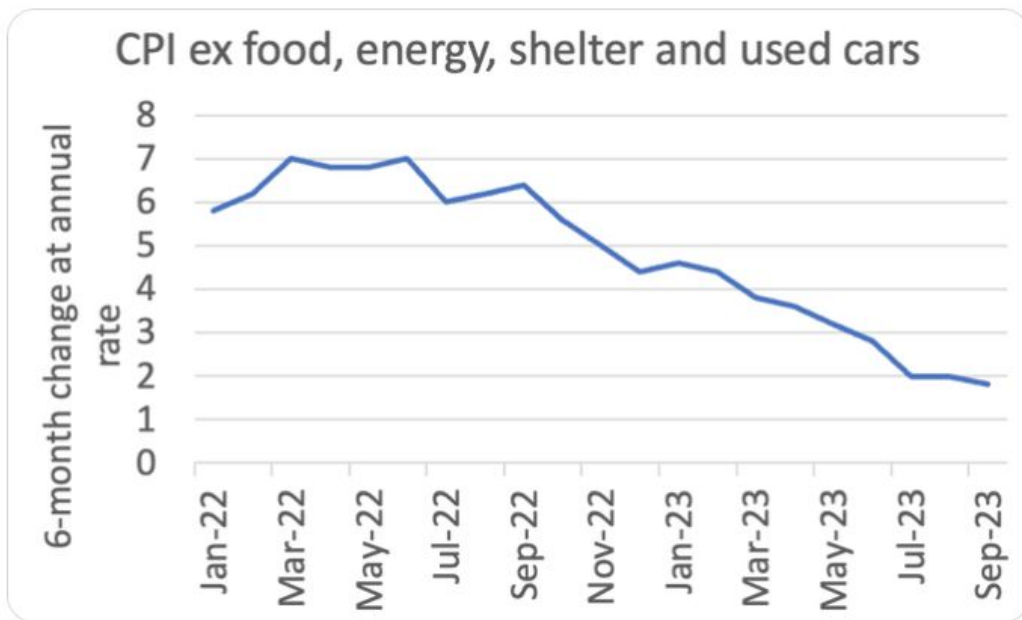
Good news :) if you exclude everything you need from the basket, the war against inflation is won...



**Paul Krugman** ✓  
@paulkrugman

...

The war on inflation is over. We won, at very little cost



#macro

## #us #debt

Another \$40 billion in US debt today. US national debt has jumped by \$550 billion in the past 3 weeks. This is WAY above the pace of \$2 trillion per year expected by the government. The US was at \$31.4 trillion just 4 months ago. Debt has increased by \$2.1 trillion in the past 4 months.

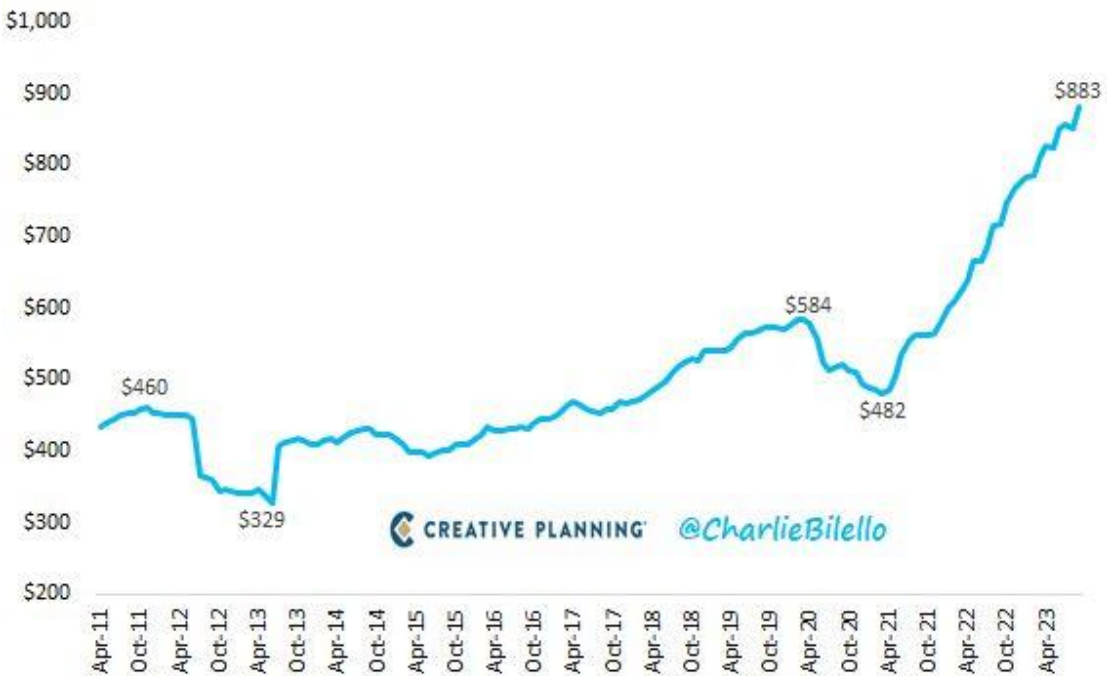




#us #debt #interest

The Interest Expense on US Public Debt rose to \$883 billion over the past year, another record high. If it continues to increase at the current pace it will soon be the largest line item in the Federal budget, surpassing Social Security.

Interest Expense on US Public Debt Outstanding  
(\$Billions, Trailing 12 Months, Through Sep 2023)



CREATIVE PLANNING @CharlieBilello



Source: Charlie Bilello

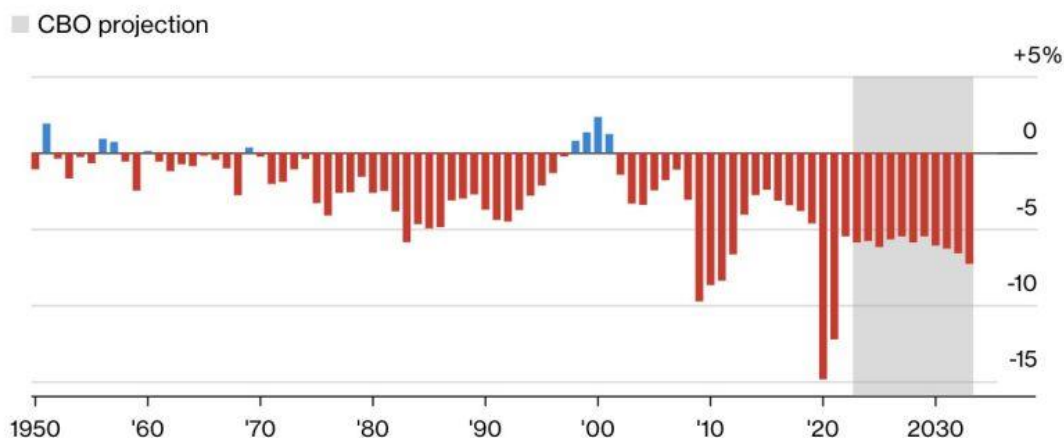


#us #deficit #fiscal #irresponsibility

The United States is on an unsustainable fiscal path warns the IMF which projects the U.S. deficit to be 'elevated and persistent.

### US Is Forecast to Run Persistently Large Budget Deficits

Fiscal balance as share of GDP



Source: Congressional Budget Office, Office of Management and Budget



Source: barchart, CBO



## #germany #inflation #cpi

German inflation in September fell to its lowest rate since outbreak of war in Ukraine, confirming prior estimates. CPI slowed to 4.5% in September YoY from 6.1% in August. Headline CPI is now lower than Core CPI BUT food prices are already on the rise again. Compared to previous month, food has become 0.4% more expensive.



Source: Bloomberg, HolgerZ



## #china #deflation

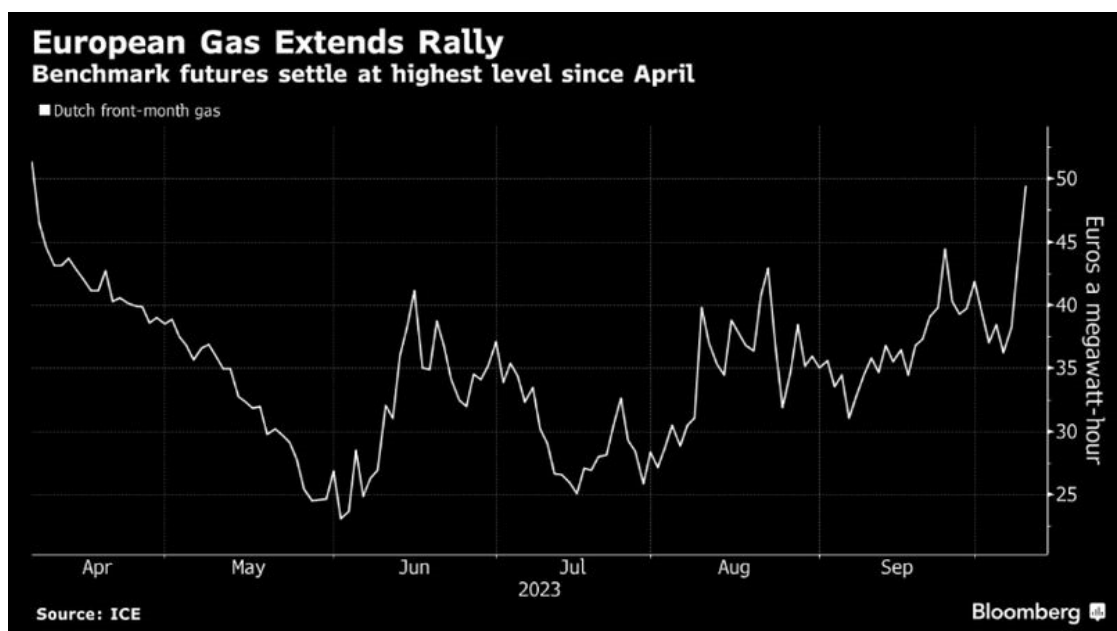
China on brink of deflation again. September inflation slowed to 0% YoY, after edging up 0.1% in August and vs +0.1% expected. PPI dropped 2.5% YoY in Sep. Consensus was -2.4%. The key factor in cooling headline inflation was a steeper fall in food prices, which provided a 0.6pp drag in September, after a 0.3pp drag in August.



#geopolitics

#europe #gas #supply

European gas price jumped to 6mth high as security threats to region’s infrastructure added to rising tensions in Middle East. Egypt’s LNG exports questioned after Israel shut field. Prices extended their rally after Finland suspects a gas pipeline leak in Baltic Sea was caused by a deliberate act of destruction.



Source: HolgerZ, Bloomberg



## #centralbanks

### #fed #balancesheet #assets

In case you missed it: Fed Balance sheet has dropped <\$8tn for 1st time since Summer 2021 on QT. Fed's total assets are now equal to 29.4% of US's GDP vs ECB's 50.9%, SNB's 111.5%, or BoJ's 125.7%.

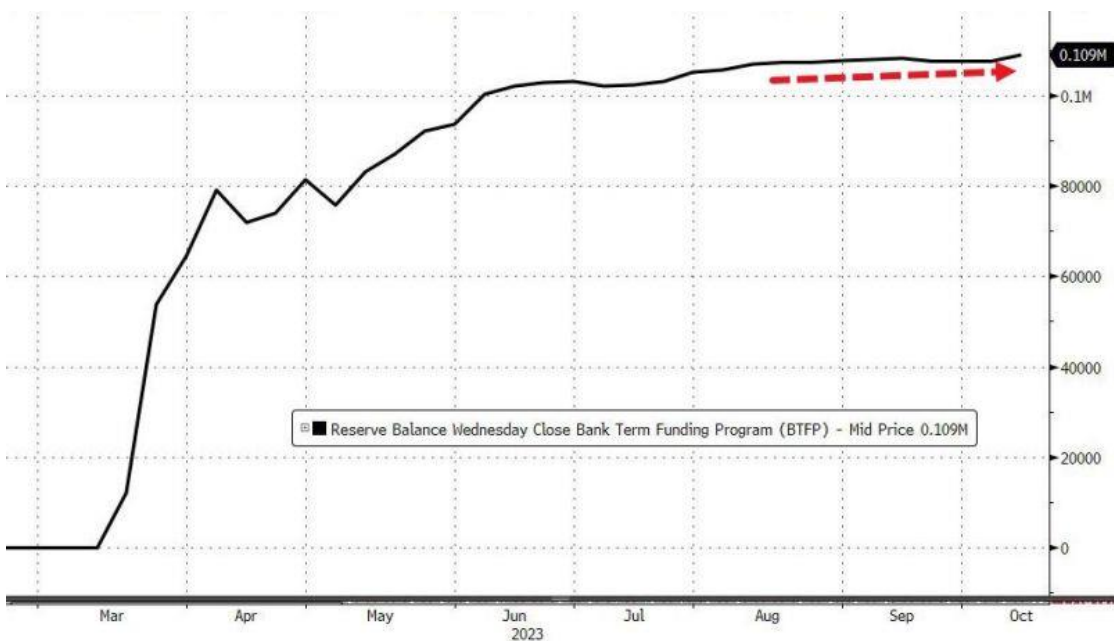


Source: Bloomberg, HolgerZ

#centralbanks

#fed #emergencyfund

Usage of The Fed's emergency funding facility rose to a new record over \$109BN... this week saw the biggest jump in the BTFP since July.



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

## #centralbanks

### #gold #purchases

Central banks have continued to load up on the yellow metal. They added 77 tonnes to their gold reserves in August. Net buying is closing in on recent "highs". Gold is trading without much trend, but we are at very big levels.



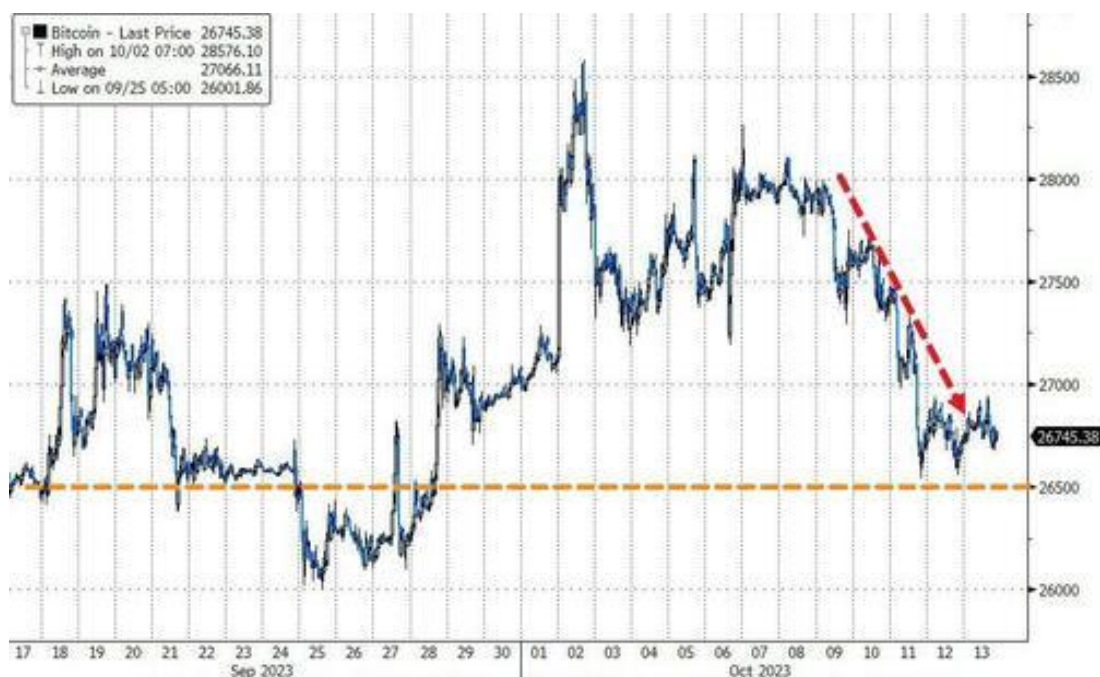
Source: Variant Perception

Source: Variant perception, TME



## #bitcoin #weekly

Crypto dropped on the week with Bitcoin finding support around \$26,500..

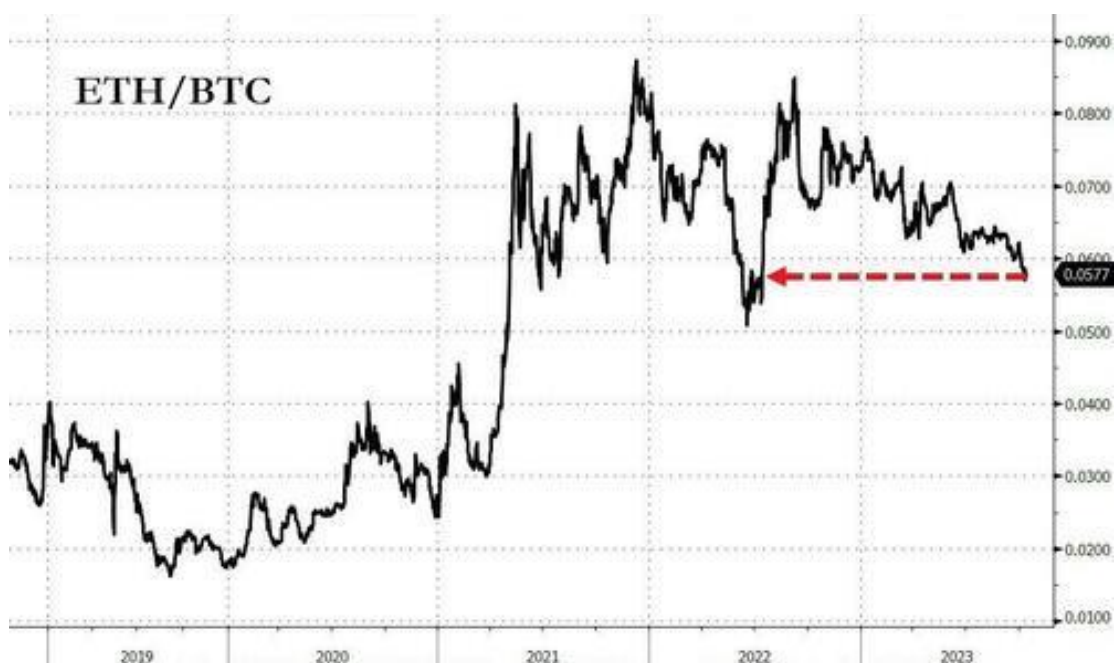


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #btc #eth

Ethereum was also hammered lower this week, now at its weakest relative to Bitcoin since July 2022...



Source: Documenting Bitcoin



## #bitcoin #hashrate #record

New record bitcoin hash rate! 420,000,000,000,000,000x per second

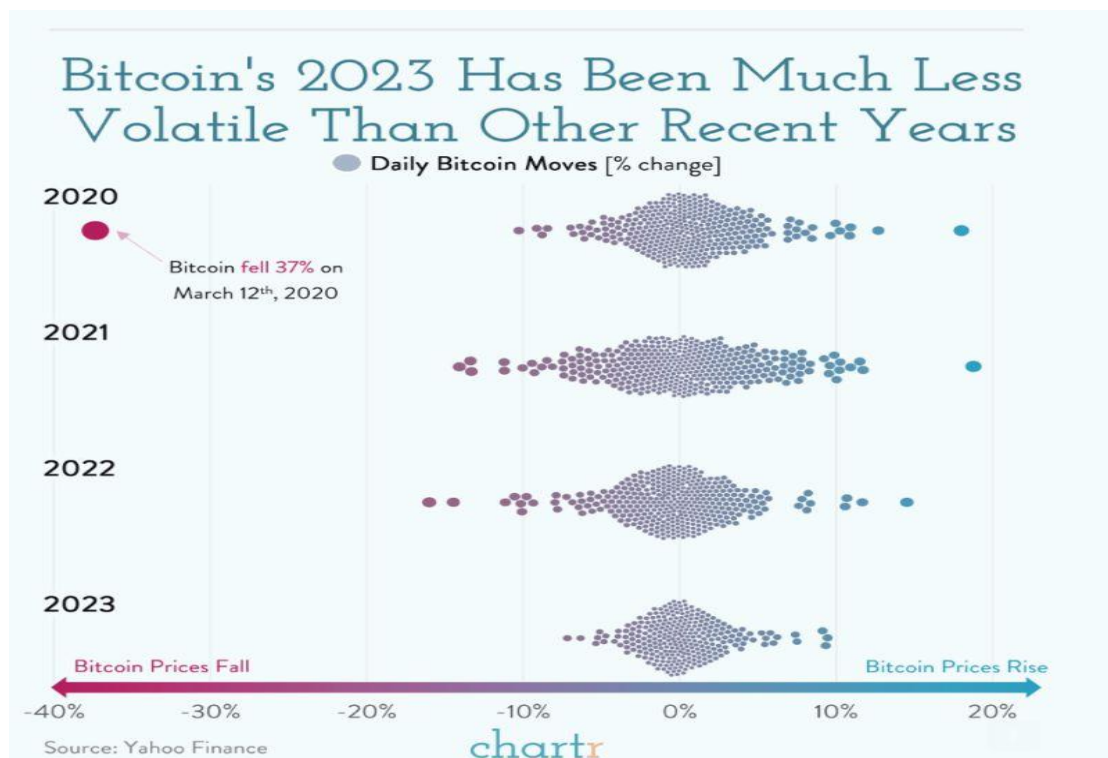


Source: Documenting Bitcoin



## #bitcoin #volatility

Chartr on bitcoin volatility -> For the most prominent cryptocurrency, the chaos of the 2020-2022 era seems long gone. Bitcoin, which was often criticized for being too volatile, hasn't seen a daily gain or loss of more than 10% this year. That's in stark contrast to 2022 and 2021 when it swung outside this range 9 and 11 times, respectively. All told, the price of Bitcoin has risen more than 60% this year, despite the continued crackdown on major exchanges such as Binance and Coinbase.





#food-for-thought

#us #sec #deadline

US SEC shortens deadline to disclose 5% stock ownership to 5 days. Wall Street's top regulator on Tuesday said it has tightened the timeline for investors to disclose 5% ownership stakes in companies they intend to control, shortening the allowed window from 10 calendar days to five business days.

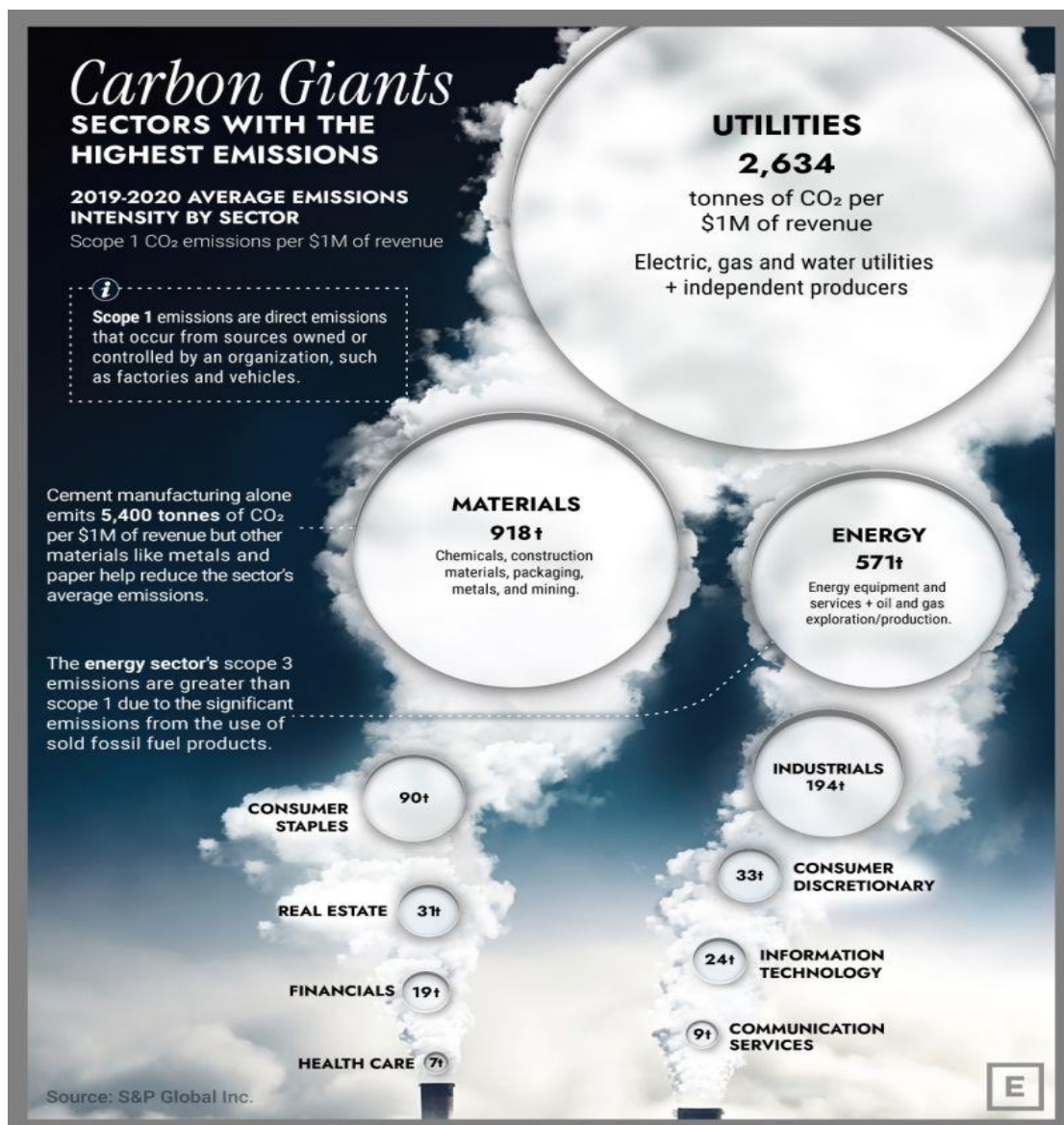


Source: reuters

#food-for-thought

#sector #emissions #carbon

Ranked: The Most Carbon-Intensive Sectors in the World



Source: Elements / Visual Capitalist

#food-for-thought

## #us #europe #marketcap

Here's a visual comparing the 5 largest companies in the U.S. to the 5 largest in Europe by market cap. It's absolutely remarkable that \$AAPL alone is almost twice the size of all five European giants combined.



Source: Quartr

#food-for-thought

#performance #bull #bear

Relative performance of prior bull market leader vs. the next bull market leader (beginning of bull market = 100).

Bear markets typically bring changes in leadership



Source: BofA Quant

Source: BofA, TME



## #food-for-thought

### #performance #bull #bear

Happy Birthday Bull. It may be hard to believe, but it has already been a year since the US stock market made its bear market low last October. Below is a table showing the 25 best and worst performing stocks in the large-cap Russell 1,000 since 10/12/22. While the average stock in the index is up about 15% over the last year, the winners shown are all up 90%+, while the losers are all down more than 40%. Were you lucky enough to own any of the big winners, and have you managed to avoid the big losers?

Russell 1,000 Best and Worst Performers Since 10/12/22											
Ticker	Company Name	Sector	Price	Market Cap (bn USD)	1-Yr Total Return (%)	Ticker	Company Name	Sector	Price	Market Cap (bn USD)	1-Yr Total Return (%)
NVDA	NVIDIA	Technology	469.04	1156.11	307.3	AMC	AMC Entertainment	Comm. Svcs.	10.39	2.07	-82.2
VRT	Vertiv Holdings	Industrials	41.67	15.88	282.8	NVCR	Novocure	Health Care	13.99	1.54	-81.7
XPO	XPO	Industrials	78.42	9.19	172.6	OLPX	Olaplex Holdings	Cons. Staples	1.72	1.15	-80.7
META	Meta Platforms	Comm. Svcs.	327.12	843.53	157.1	CHPT	ChargePoint Holdings	Industrials	3.54	1.39	-71.8
JBL	Jabil	Technology	139.21	18.13	143.4	AAP	Advance Auto Parts	Cons. Discret.	50.72	3.05	-68.9
ROIV	Roivant Sciences	Health Care	9.97	7.83	129.4	WOOF	Petco Health & Wellness	Cons. Discret.	3.25	0.91	-67.8
DKNG	DraftKings	Cons. Discret.	30.28	14.26	127.9	WOLF	Wolfspeed	Technology	32.77	4.22	-67.0
GE	General Electric	Industrials	113.38	123.27	124.9	TNDM	Tandem Diabetes Care	Health Care	17.58	1.16	-65.3
FICO	Fair Isaac	Technology	906.67	22.49	123.2	DISH	DISH Network	Comm. Svcs.	4.98	2.71	-61.9
APP	AppLovin	Technology	39.78	14.01	122.5	DRVN	Driven Brands	Industrials	11.42	1.94	-61.7
PLTR	Palantir Tech	Technology	17.69	38.56	122.1	HE	Hawaiian Electric	Utilities	12.10	1.34	-61.6
FTI	TechnipFMC	Energy	20.13	8.81	117.9	PLUG	Plug Power	Industrials	7.39	4.54	-60.2
SPK	Splunk	Technology	147.09	24.80	116.4	ZI	ZoomInfo Technologies	Comm. Svcs.	17.36	7.03	-60.0
ESAB	Esab	Industrials	71.74	4.32	112.2	UI	Ubiquiti	Technology	119.01	7.22	-59.4
EXAS	Exact Sciences	Health Care	66.45	12.08	111.5	LCID	Lucid Group	Cons. Discret.	5.19	12.19	-59.2
AVGO	Broadcom	Technology	882.96	360.96	108.6	VSAT	Viasat	Technology	16.79	1.94	-56.7
SAIA	Saia	Industrials	420.90	11.11	105.6	DG	Dollar General	Cons. Staples	102.81	22.75	-55.8
MDB	MongoDB	Technology	367.26	26.06	100.9	VSCO	Victoria's Secret	Cons. Discret.	15.12	1.15	-54.1
LRCX	Lam Research	Technology	652.00	85.04	100.7	MRVI	Maravai LifeSciences	Health Care	8.27	2.12	-53.1
BLDR	Builders FirstSource	Industrials	120.02	15.72	100.1	FHN	First Horizon	Financials	10.42	5.93	-52.4
SHC	Sotera Health	Health Care	13.42	3.82	99.9	ENPH	Enphase Energy	Technology	124.67	17.54	-48.2
RCL	Royal Caribbean	Cons. Discret.	88.30	22.85	96.6	NWL	Newell Brands	Cons. Discret.	6.91	2.93	-47.8
PHM	PulteGroup	Cons. Discret.	73.93	16.59	95.9	RUN	Sunrun	Industrials	12.03	2.67	-47.2
ADBE	Adobe	Technology	561.14	250.37	92.2	FMC	FMC	Materials	61.97	7.83	-44.0
NU	NU Holdings	Financials	7.92	37.18	90.8	MPW	Medical Properties Trust	Real Estate	5.44	3.29	-43.7

Source: bespoke

#food-for-thought

#stocks #performance #finance

How Often Do Stocks Decline?

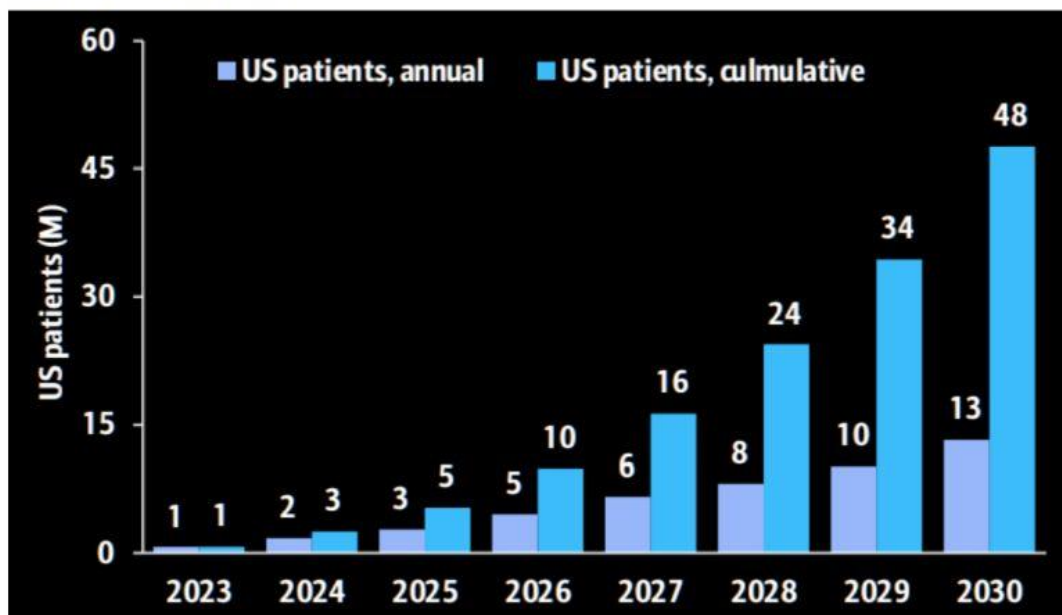
Type of Decline	Average Frequency*
-5% or more	About 3 times a year
-10% or more	About every 16 months
-15% or more	About every 3 years
-20% or more	About every 5.33 years

#food-for-thought

#us #patients #obesity-medication

BofA forecasts that ~48M US patients will have seen anti obesity medications by 2030.

The bull in treating obesity



Source: BofA

Source: TME, BofA

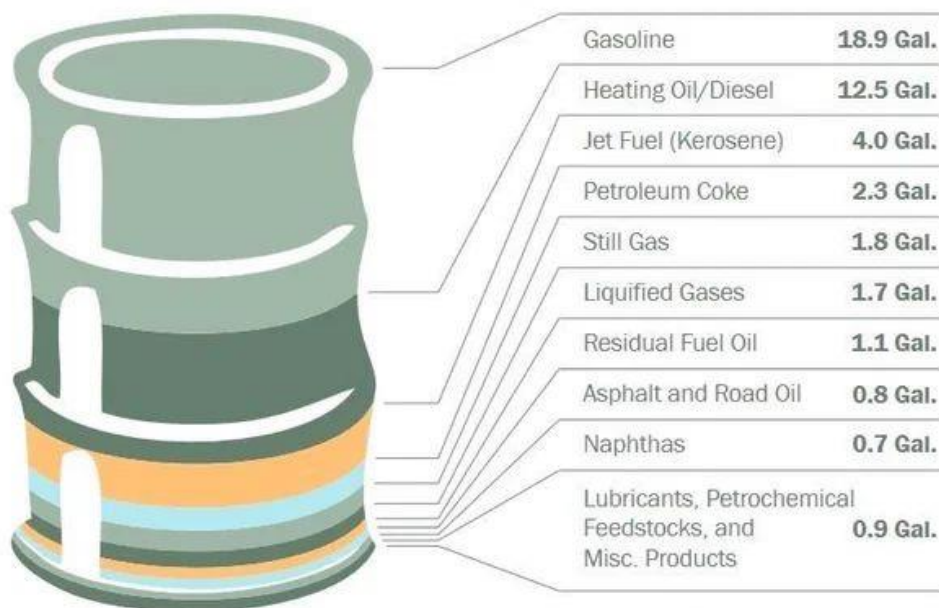


#food-for-thought

#oil #products

Oil is not going away anytime soon

What does one barrel of oil yield?



42 gallons of crude oil = 44.8 gallons of refined products

Source: U.S. Energy Information Administration, *National Refinery Yield for 2014*

Source: Markets & Mayhem

#food-for-thought

#microsoft #marketcap #videogames

Have you ever played Microsoft's games? Microsoft is the world's largest gaming company, with an astonishing market capitalization of \$2,441 billion. Some of Microsoft's popular games include Call of Duty and World of Warcraft.

## Video Game Companies by Market Cap

Created by genuine impact



More charts: [genuineimpact.substack.com](https://genuineimpact.substack.com)

Source: Companies Market Cap

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

#food-for-thought

## #jpm #blackrock #tokens

JPMorgan Debuts Tokenization Platform, BlackRock Among Key Clients According to a report by cointelegraph -> United States banking giant JPMorgan debuted its in-house blockchain-based tokenization application, the Tokenized Collateral Network (TCN), on Oct. 11, according to Bloomberg. TCN settled its first trade for asset management giant BlackRock. The Tokenized Collateral Network is an application that allows investors to utilize assets as collateral. Using blockchain technology, investors can transfer collateral ownership without moving assets in underlying ledgers.



Radar  
@RadarHits

BREAKING: JPMorgan has launched its tokenisation platform using a blockchain and completed its first transaction with BlackRock, tokenising shares in a Money Market fund.

JP Morgan wants to collateralise all traditional financial assets.



8:11 PM - Oct 11, 2023 - 74.2K Views

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

### #food-for-thought

### #crocs #boots

Crocs just unveiled their classic cowboy boots that are eye-grabbing to say the least. The boots will debut on Oct. 23 and be sold at select Crocs retail stores and on their website for a limited time, according to the announcement. The boot is bold all around from its croc-embossed texture and western-themed stitching to its shiny metallic charms that draw stars and spell out "crocs." The shoe also features a spin-able spur charm like nothing previously released. And to show that the brand fully committed to the western motif, the boot has a logo of its crocodile mascot Duke wearing a cowboy hat attached.



Source: usatoday



#food-for-thought

#birkenstock #loyalty

On average, a Birkenstock lover in the U.S. has around four pairs, says the company

**AN INSIDE LOOK AT BIRKENSTOCK**

High quality elements of Birkenstock footwear create a world of comfort for your feet. Layers of soft suede, strong jute, and a medium cork material form a footbed that creates a cushioning surface even on hard ground. Sides are lightweight and flexible, and they provide excellent shock-absorption and stability.

**The Shape.**  
Following the shape of a healthy foot, the pattern of a Birkenstock footbed is straight from the big toe back to the heel. The heel of the footbed allows almost of room for the toes to bend and flex.

**The Support.**  
Contours in the footbed's interior are placed with precision to provide gentle cushioning for the heels and support for the arches. Tightly woven toe bars encourage the natural gripping motion of the foot. Molded heel cups cradle the heels and absorb shock.

**The Function.**  
Your feet are vital to nature. Bones, arches, and ligaments work together to absorb and return energy with each step. Birkenstock footbeds contribute to this energy exchange by absorbing shock, cushioning and supporting the arches, and allowing the feet to move naturally. Birkenstock's footbeds encourage the cushioning surface of the earth and allows you the freedom of movement necessary for good health. A simple, yet brilliant, concept.

**Klare Linien des schönen gesunden Fußes**

**Für Freizeit und Büro, beim Autofahren und zu Hause, im Urlaub und bei der Arbeit, am Strand und im Garten, für Jung und Alt**

**Moderne, flache Form.**

**a more natural walk with Birkenstock Foot Forms**

We like feet and we know feet. (We've been studying how feet work since 1774.) We also know that if your feet are unhappy all of you is unhappy. That's why we make a totally unique type of footwear. It feels like walking barefoot on the beach. It improves circulation, posture and toe action. Birkenstocks are light, attractive and flexible. Try a pair and let your feet smile. Happy feet make a happier you.

**BIRKENSTOCK POST 6**

**EIN SCHRITT NACH VORN:**

**Funny looking Birkenstock sandals**

You've probably heard of them. You've probably had one. You've probably seen it. The sandals with a 20-year tradition have become one of the most popular styles in the world for work, home and play. They give you comfort without getting in the way of normal life and they're made with your health and enjoyment in mind. They're made with the finest materials and are designed to let your feet breathe, move naturally and free themselves from the stresses of the day. They're made with the same care and attention to detail that you expect from a Birkenstock. They're made with the same care and attention to detail that you expect from a Birkenstock. They're made with the same care and attention to detail that you expect from a Birkenstock.

Source: wsj

## #food-for-thought

### #entrepreneurship #companies

Survival of the fittest...Only 31% of companies started in 1998 were still alive in 2005...

Table 1: Survival of new establishments founded in 1998

	Proportion of firms that were started in 1998 that survived through						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	44.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

Source: [Brian Feroldi](#)

#food-for-thought

#apple #suppliers

Key Chip Suppliers for Apples's Iphone15

# Key chip suppliers for Apple's iPhone 15

This infographic was created by **Quatr** based on **Technights'** teardown of iPhone 15 Pro.

Quatr → [www.quatr.com](http://www.quatr.com)



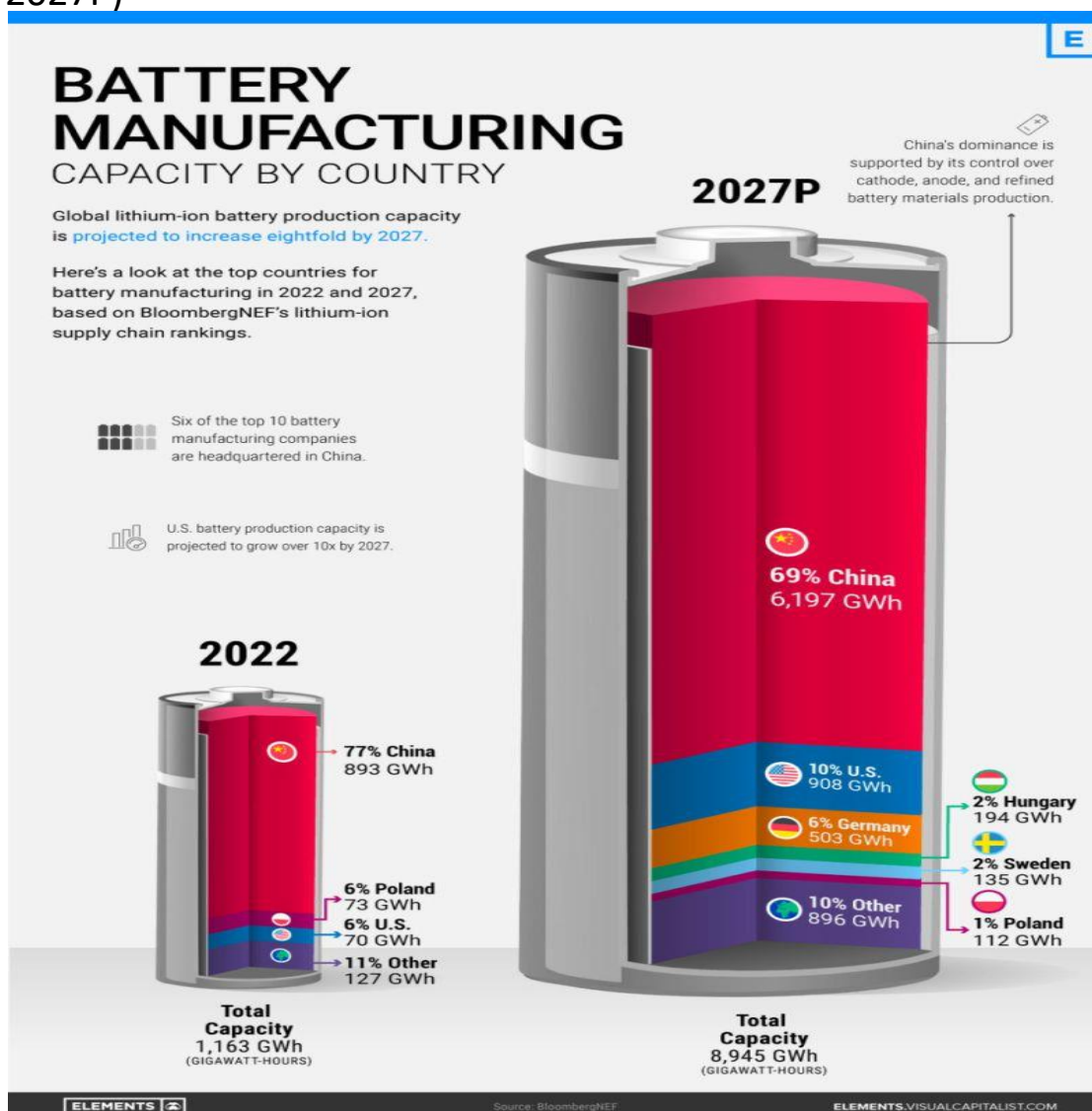
Source: quatr



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#china #battery #manufacturing

Visualizing China's Dominance in Battery Manufacturing (2022-2027P)



Source: Elements / Visual Capitalist

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## #warrenbuffet #investing #sunday-calls

### The famous Sunday calls



**Compounding Quality** ✓  
@QCompounding



Any calls you get on Sunday, you're going to make money.

Those rare calls are the best since they are inevitably from seriously distressed sellers."

- Warren Buffett



Source: [Compounding Quality](#)

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#warrenbuffet #investing #analysis

Warren Buffett's Financial Statement Rules of Thumb

# Warren Buffett's Financial Statements Rules of Thumb



BY BRIAN FEROLDI

	METRIC	EQUATION	THRESHOLD
INCOME STATEMENT	Gross Margin	$\frac{\text{Gross Profit}}{\text{Revenue}}$	>40%
	SG&A Margin	$\frac{\text{SG\&A}}{\text{Gross Profit}}$	<30%
	R&D Margin	$\frac{\text{R\&D}}{\text{Gross Profit}}$	<30%
	Depreciation Margin	$\frac{\text{Depreciation}}{\text{Gross Profit}}$	<10%
	Interest Margin	$\frac{\text{Interest}}{\text{Operating Income}}$	<15%
	Tax Margin	$\frac{\text{Taxes}}{\text{Pre-Tax Income}}$	Corporate Tax Rate
	Net Income Margin	$\frac{\text{Net Income}}{\text{Revenue}}$	>20%
	EPS Growth	$\frac{\text{Year 2 EPS}}{\text{Year 1 EPS}}$	Positive & Growing
BALANCE SHEET	Cash & Debt	Cash > Debt	Cash > Debt
	Adjusted Debt to Equity	$\frac{\text{Total Liabilities}}{\text{Shareholder Equity} + \text{Treasury Stock}}$	Below 0.80
	Preferred Stock	NONE	NONE
	Retained Earnings	$\frac{\text{Year 2 Retained Earnings}}{\text{Year 1 Retained Earnings}}$	Consistent Growth
	Treasury Stock	Treasury Stock > 1	Exists
CASH FLOW STATEMENT	Capex Margin	$\frac{\text{Capex}}{\text{Net Income}}$	<25%

Follow Brian Feroldi on [in](#) [Instagram](#) [X](#)

Source: [Brian Feroldi](#)

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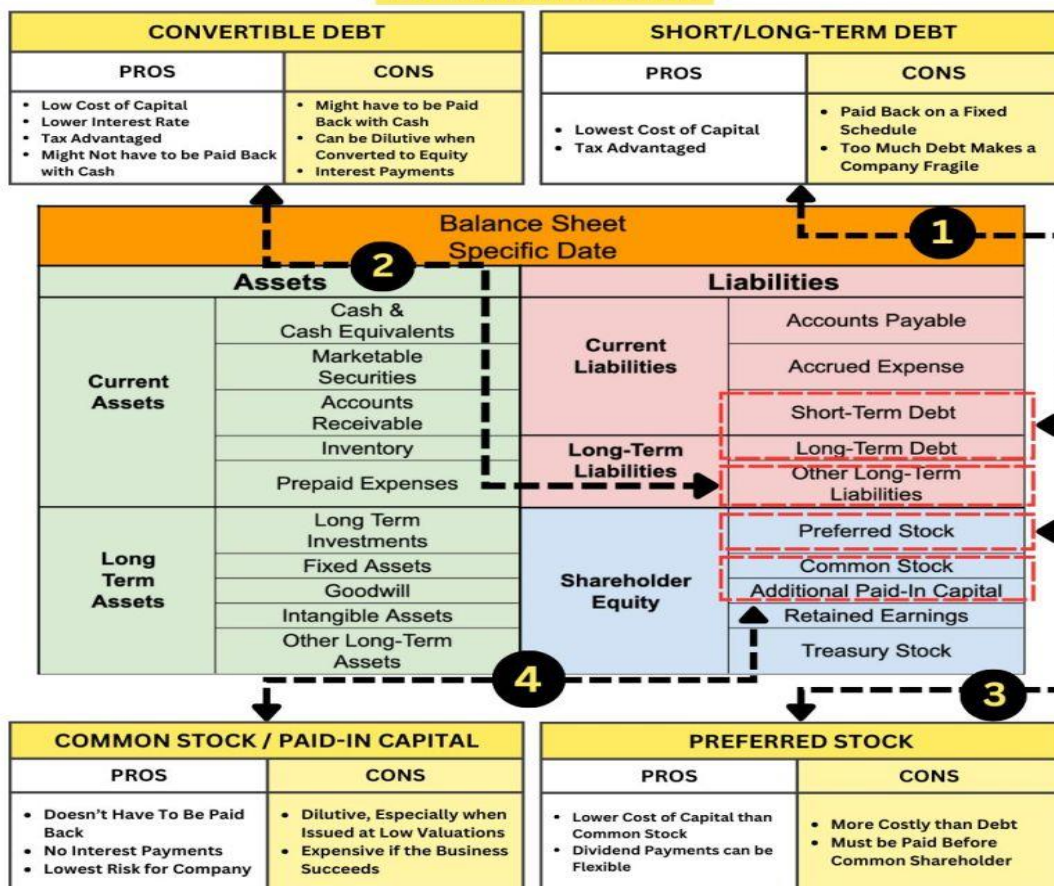
#capitalraise #finance

How Companies Raise Capital. Watch these four balance sheet categories:

# 4 WAYS COMPANIES RAISE CAPITAL



BY BRIAN FEROLDI



Follow Brian Feroldi on LinkedIn

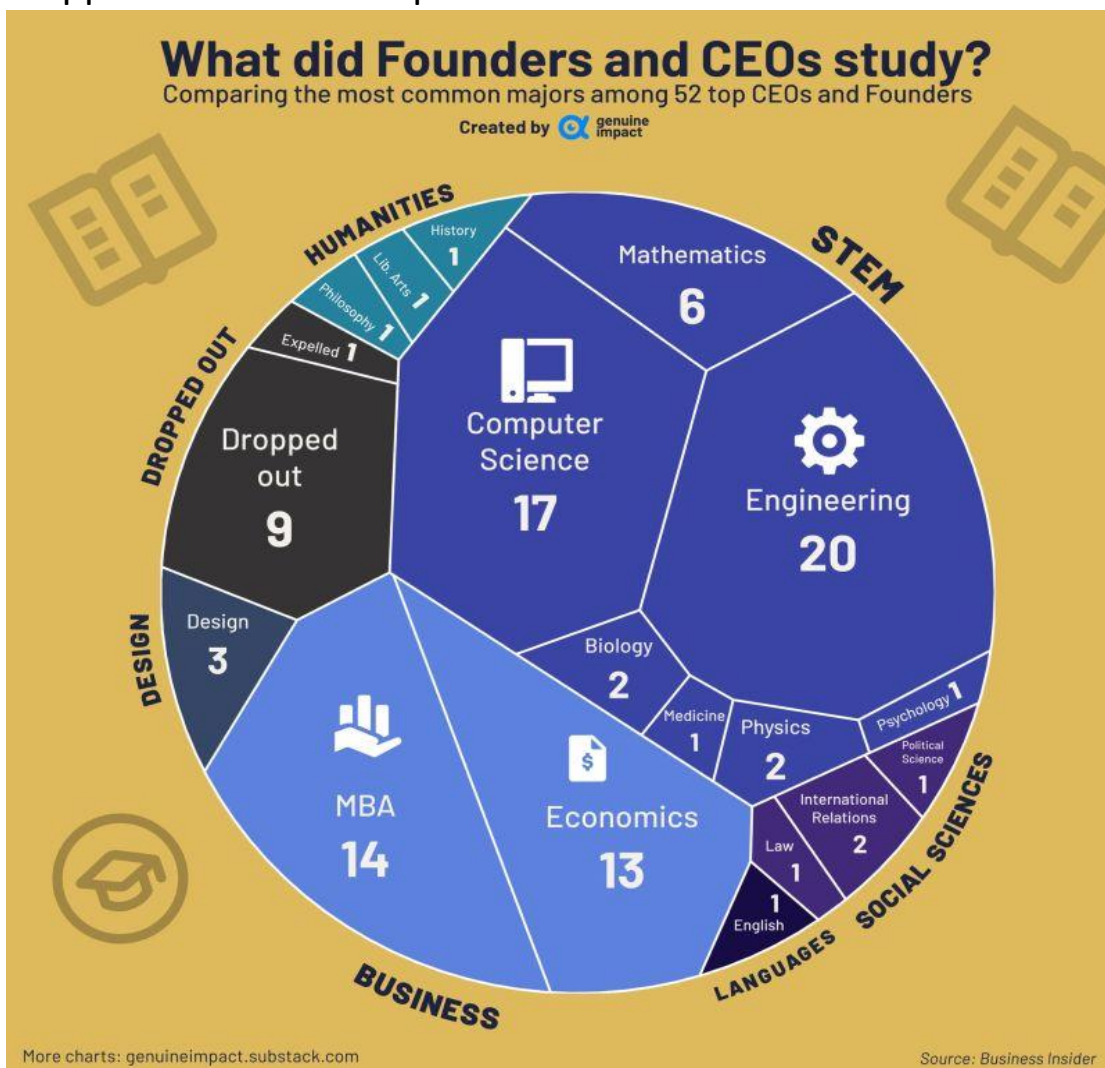
Source: [Brian Feroldi](#)



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## #ceo #background #tech

In a study of the educational backgrounds of 52 famous tech CEOs and founders, it was found that 10 out of the 52 either dropped out or were expelled like Bill Gates.



Source: [Genuine Impact](#)

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## #nvidia #datacenter #revenue

Nvidia's \$NVDA data center revenue surpassed its core business gaming thanks to two key releases, one of which could contribute upwards of \$45B in revenue alone in FY24:

- The A100 GPU, released in 2020, boosted AI inference, training times and performance up to 20x over its predecessors.
- The H100 GPU, released in late 2022, which is 9x faster than the A100.



Mixture of Experts (395B) Training vs A100

Projected performance subject to change  
Training Mixture of Experts (MoE) Transformer Switch-XXL variant with 395B parameters on 1T token dataset.

NVIDIA H100 Tensor Core GPU delivers up to 9x more training throughput compared to previous generation, making it possible to train large models in reasonable amounts of time.

Source: Beth Kinding

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#x #popular #users



**World of Statistics** ✓

@stats\_feed

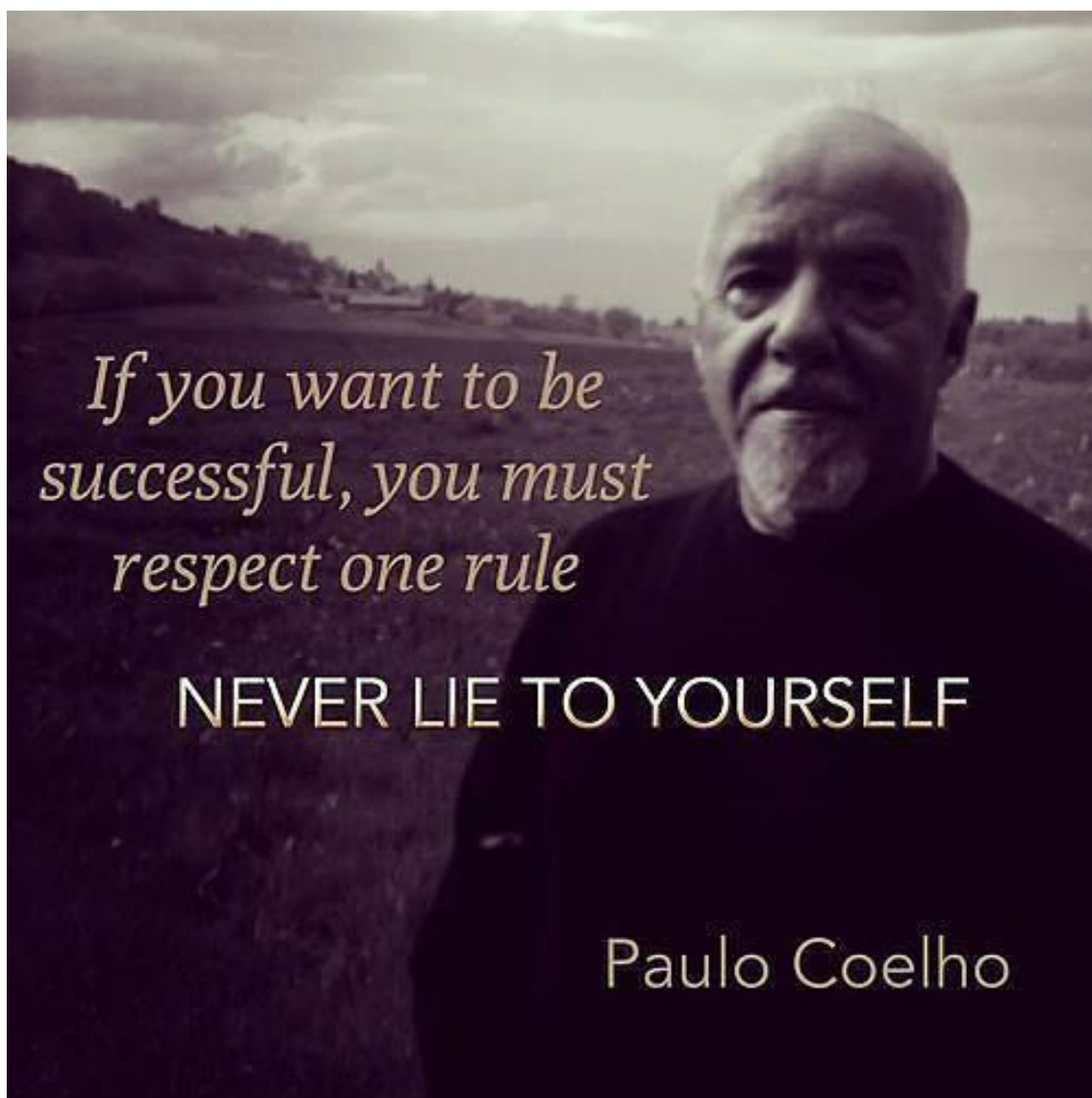
Most followed accounts on X:

1. 🇺🇸 Elon Musk: 159.3 million
2. 🇺🇸 Barack Obama: 132m
3. 🇨🇦 Justin Bieber: 111.6m
4. 🇵🇹 Cristiano Ronaldo: 109.8m
5. 🇧🇪 Rihanna: 108.4m
6. 🇺🇸 Katy Perry: 107.1m
7. 🇺🇸 Taylor Swift: 94.5m
8. 🇮🇳 Narendra Modi: 92.3m
9. 🇺🇸 Donald Trump: 87.4m
10. 🇺🇸 Lady Gaga: 83.9m



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#leadership



Source: European Leadership

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**For the future...**