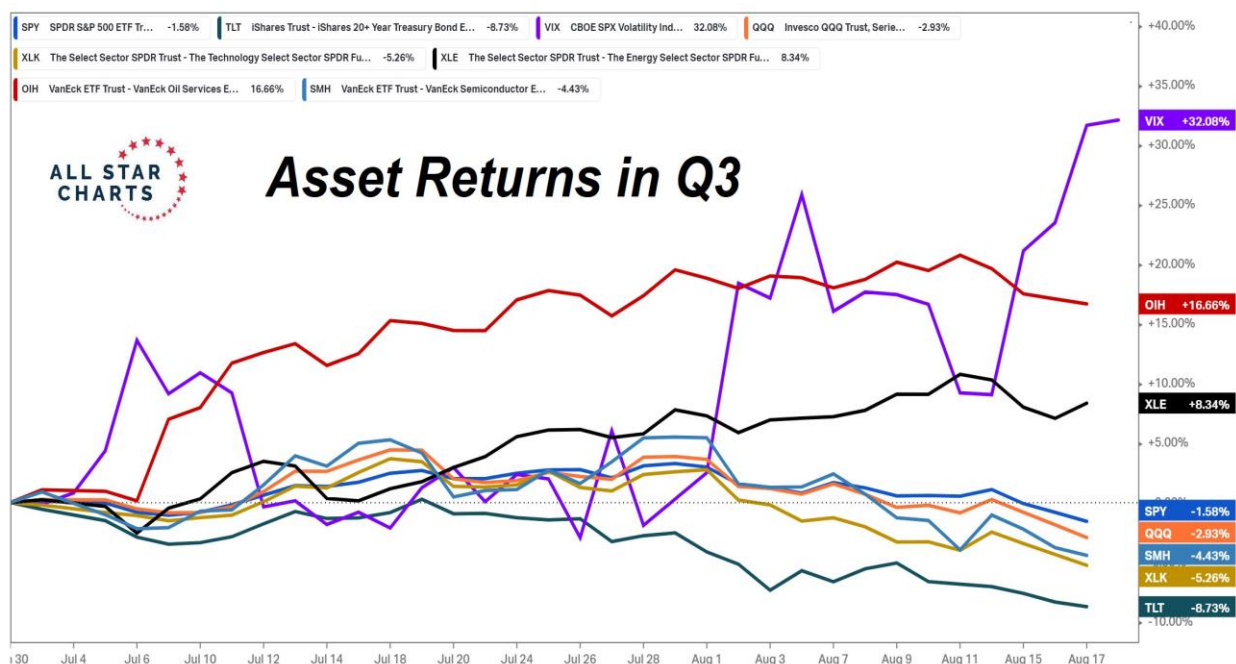


Chart of the week

Q3 market environment is different than in H1

VIX ("Fear index")	+32.1%
OIX (Oil services stocks)	+16.7%
XLE (Energy stocks)	+8.3%
SPX (S&P 500 index)	-1.6%
QQQ (Nasdaq 100 index)	-2.9%
SMH (Semiconductors index)	-4.4%
XLK (Technology Index)	-5.3%
TLT (20y+ US Treasuries)	-8.7%



koyn



Source: J-C Parets

Worst week for stocks since the banking crisis

US stocks retreated for a third consecutive week as sentiment appeared to take a blow from a sharp increase in longer-term bond yields and fears of a sharp slowdown in China. The S&P 500 index ended the week down 5.2% from its July 26 intraday peak. Small-cap stocks performed the worst. On the macro side, July US retail sales jumped 0.7% over the month, roughly double consensus estimates. Sales in specific categories indicated a sharp rise in discretionary spending (e.g +11.9% yoy for restaurants and bars). Industrial production grew by 1.0% in July, roughly triple consensus estimates and its biggest gain since January. The Wednesday release of the (July) FOMC minutes seemed to raise worries about how policymakers would respond to continued growth signals and was taken as rather hawkish by investors. The positive economic surprises pushed the US 10-year yield to its highest level since at least October 2022, although heavy issuance may have also played a role. The pan-European STOXX Europe 600 Index fell 2.34% on the prospect of a prolonged period of higher European interest rates and intensifying concerns about the outlook for China's economy. Indeed, official data for July revealed that China's economic activity continued to weaken. Industrial output and retail sales grew at a slower-than-expected pace in July from a year earlier. Meanwhile, New home prices in 70 of China's largest cities fell 0.23% in July from June. Over the week, Oil retreated, the dollar rose while cryptos tumbled.

#markets

#us #equities #technicals

All of the US Majors closed below their 50DMAs (note in upper right that Small Caps dropped to 100DMA and bounced)...

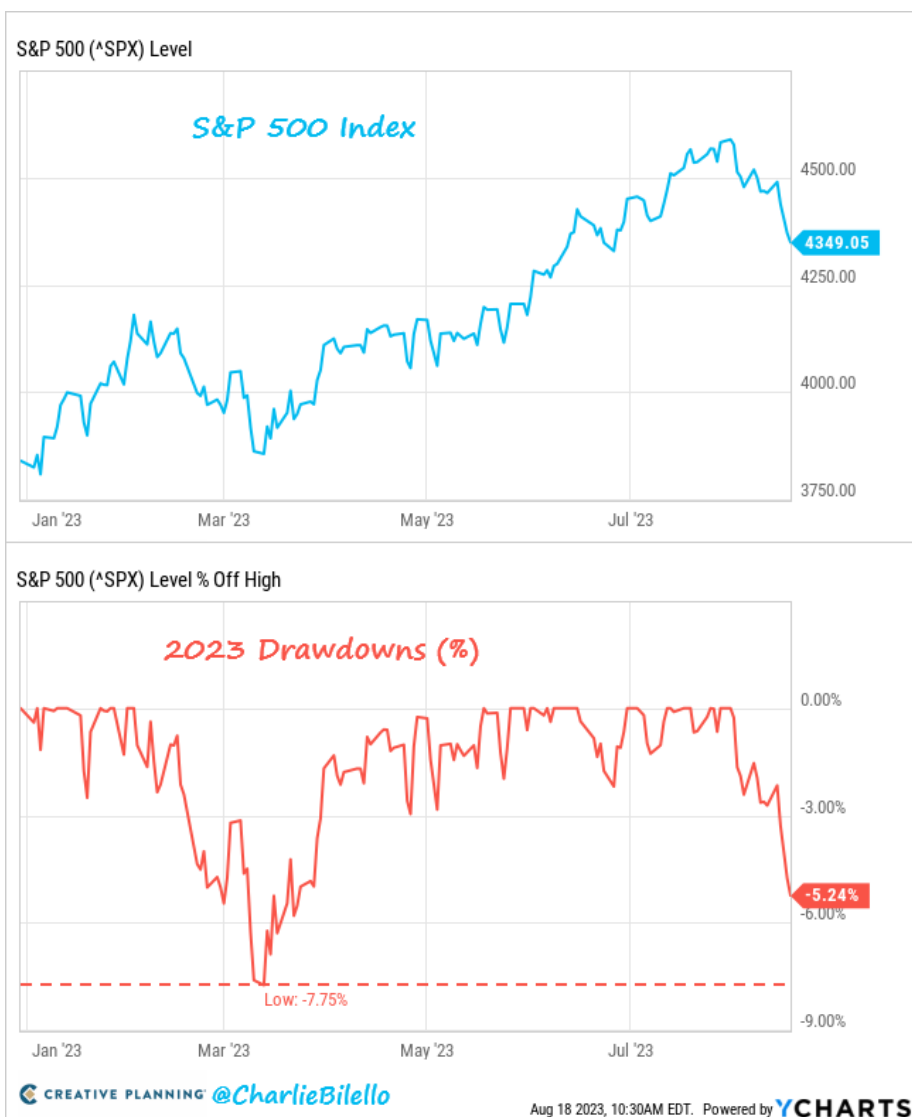


Source: www.zerohedge.com, Bloomberg



#sp500 #pullback

First 5% pullback in the S&P 500 since March. Tis but a scratch with the index still up 13% on the year



CREATIVE PLANNING @CharlieBilello

Aug 18 2023, 10:30AM EDT. Powered by YCHARTS



Source: Charlie Bilello



#sp500 #pullback

Since 1928, the median intra-year drawdown in the S&P 500 is 13%. With a max drawdown of 7.8% in 2023 (occurred in Feb-Mar), this has been a relatively mild year thus far

S&P 500 Index: Max Intra-Year Drawdowns vs. End of Year Total Returns (1928 - 2023)														
Year	DD	TR	Year	DD	TR	Year	DD	TR	Year	DD	TR	Year	DD	TR
1928	-10.3%	43.8%	1948	-13.5%	5.7%	1968	-9.3%	10.8%	1988	-7.6%	16.6%	2008	-48.8%	-37.0%
1929	-44.6%	-8.3%	1949	-13.2%	18.3%	1969	-16.0%	-8.2%	1989	-7.6%	31.7%	2009	-27.6%	26.5%
1930	-44.3%	-25.1%	1950	-14.0%	30.8%	1970	-25.9%	3.6%	1990	-19.9%	-3.1%	2010	-16.0%	15.1%
1931	-57.5%	-43.8%	1951	-8.1%	23.7%	1971	-13.9%	14.2%	1991	-5.7%	30.5%	2011	-19.4%	2.1%
1932	-51.0%	-8.6%	1952	-6.8%	18.2%	1972	-5.1%	18.8%	1992	-6.2%	7.6%	2012	-9.9%	16.0%
1933	-29.4%	50.0%	1953	-14.8%	-1.2%	1973	-23.4%	-14.3%	1993	-5.0%	10.1%	2013	-5.8%	32.4%
1934	-29.3%	-1.2%	1954	-4.4%	52.6%	1974	-37.6%	-25.9%	1994	-8.9%	1.3%	2014	-7.4%	13.7%
1935	-15.9%	46.7%	1955	-10.6%	32.6%	1975	-14.1%	37.0%	1995	-2.5%	37.6%	2015	-12.4%	1.4%
1936	-12.8%	31.9%	1956	-10.8%	7.4%	1976	-8.4%	23.8%	1996	-7.6%	23.0%	2016	-10.5%	12.0%
1937	-45.5%	-35.3%	1957	-20.7%	-10.5%	1977	-15.6%	-7.0%	1997	-10.8%	33.4%	2017	-2.8%	21.8%
1938	-28.9%	29.3%	1958	-4.4%	43.7%	1978	-13.6%	6.5%	1998	-19.3%	28.6%	2018	-19.8%	-4.4%
1939	-21.2%	-1.1%	1959	-9.2%	12.1%	1979	-10.2%	18.5%	1999	-12.1%	21.0%	2019	-6.8%	31.5%
1940	-29.6%	-10.7%	1960	-13.4%	0.3%	1980	-17.1%	31.7%	2000	-17.2%	-9.1%	2020	-33.9%	18.4%
1941	-22.9%	-12.8%	1961	-4.4%	26.6%	1981	-18.4%	-4.7%	2001	-29.7%	-11.9%	2021	-5.2%	28.7%
1942	-17.8%	19.2%	1962	-26.9%	-8.8%	1982	-16.6%	20.4%	2002	-33.8%	-22.1%	2022	-25.4%	-18.1%
1943	-13.1%	25.1%	1963	-6.5%	22.6%	1983	-6.9%	22.3%	2003	-14.1%	28.7%	2023 YTD	-7.8%	?
1944	-6.9%	19.0%	1964	-3.5%	16.4%	1984	-12.7%	6.1%	2004	-8.2%	10.9%			
1945	-6.9%	35.8%	1965	-9.6%	12.4%	1985	-7.7%	31.2%	2005	-7.2%	4.9%			
1946	-26.6%	-8.4%	1966	-22.2%	-10.0%	1986	-9.4%	18.5%	2006	-7.7%	15.8%			
1947	-14.7%	5.2%	1967	-6.6%	23.8%	1987	-33.5%	5.8%	2007	-10.1%	5.5%			

Note: Closing Prices for Drawdowns (does not include intra-day or dividends)

CREATIVE PLANNING @CharlieBilello

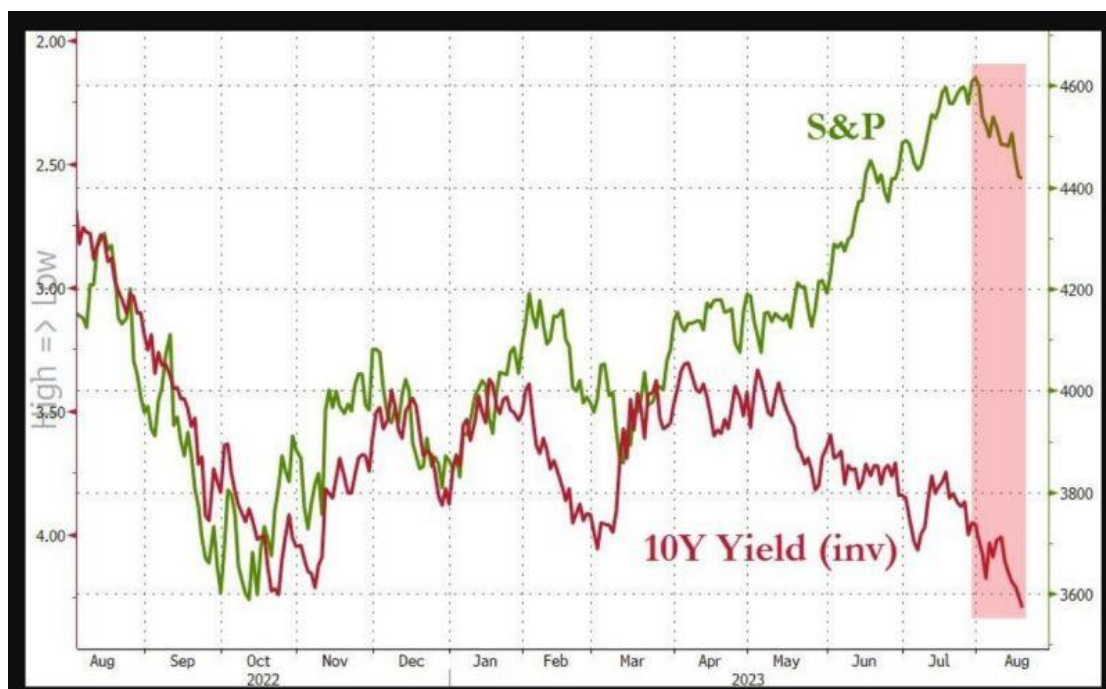
Source: Charlie Bilello



#markets

#us #bonds #stocks

Bonds and stocks are tanking together.. Are Chinese banks selling US Treasuries to 'fund' their yuan intervention?



Source: Bloomberg, www.zerohedge.com

#sp500 #m2

As highlighted by Caleb Franzen, the relative chart of SP500 / M2 money supply is trading at the exact same level as July 2007.

This range also coincided with market peaks in:

- Feb.'20
- Q4'21

While the S&P 500 itself has gained +181% in the past 16 years, \$SPX/M2 has made no progress.

Should this be seen as a logical resistance zone?



Source: Caleb Franzen



#us #equities #sp500

There is bearish divergence spotted between the market (SP500) and % of stocks above their 200-day MA. The last occurrence led to significant downside for equities



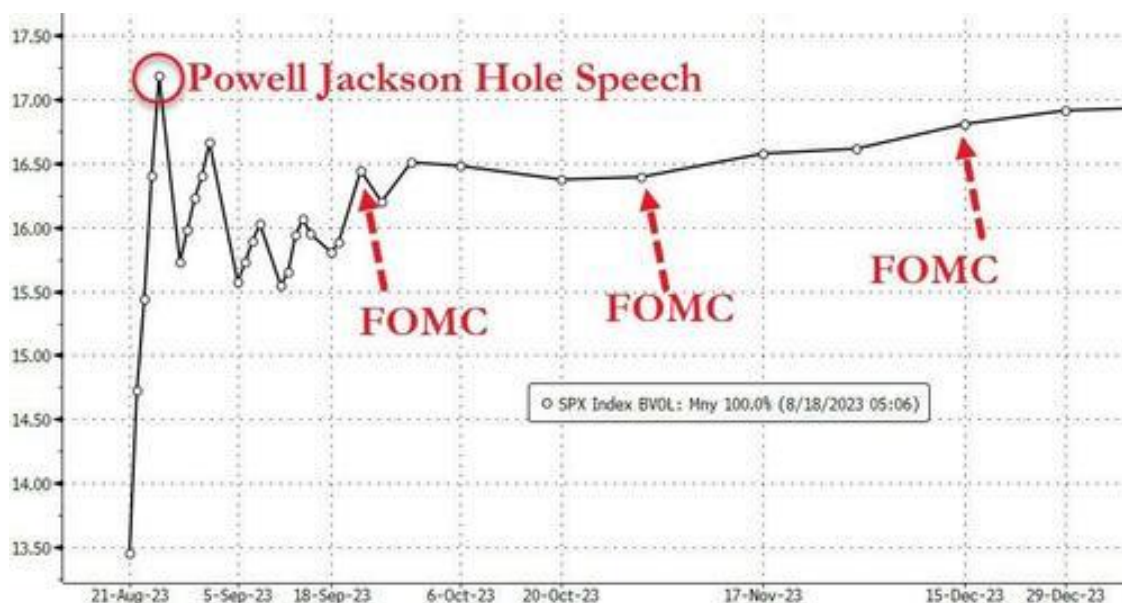
Source: Game of Trades





#sp500 #volatility-structure

The S&P volatility term structure fears Jackson Hole...



Source: xxx



#sp500 #intra-year #seasonality

The chart shows the intra-year seasonality of S&P over the past 30 years. In this illiquid and news-slow August, this might be the most important chart to explain current price action.



Source: The Market Ear



#us #sp500 #valuations

Out of 20 valuation metrics, the SP500 is currently overvalued on 19 of them relative to historical levels.

S&P 500: cheap or expensive?

Exhibit 12: S&P 500 valuations, where shading means measure is statistically expensive vs. its own history (as of 7/31/23)
S&P 500 valuation metrics

Metric	Current	Average	Avg. ex. Tech			% Above (below) avg	Z-Score	History
			Bubble	Min	Max			
Trailing PE	20.9	14.8	14.5	5.2	30.5	40.9%	1.2	1960-present
Trailing GAAP PE	26.2	15.1	14.8	4.2	122.4	73.5%	1.3	1832-present
Forward Consensus PE	20.2	15.7	14.9	9.8	25.1	28.3%	1.3	1986-present
Trailing Normalized PE	23.4	19.0	17.8	9.2	34.5	23.0%	0.9	9/1987-present
Median Forward P/E	17.4	15.5	15.3	10.0	21.9	12.3%	0.8	1986-present
Shiller PE	30.8	17.4	16.8	4.8	44.2	77.2%	1.9	1881-present
P/BV	4.50	2.65	2.48	0.98	5.34	69.6%	1.8	1978-present
EV/EBITDA	14.7	10.5	10.2	6.0	17.1	39.8%	1.8	1986-present
Trailing PEG	3.10	1.66	1.63	1.05	3.24	86.4%	4.2	1986-present
Forward PEG	3.00	1.43	1.40	0.92	3.50	110.3%	4.4	1986-present
P/OCF	16.8	11.2	10.7	5.4	19.3	49.8%	1.7	1986-present
P/FCF	29.8	27.8	25.0	12.9	65.7	7.2%	0.2	1986-present
EV/Sales	2.84	1.97	1.91	0.86	3.40	44.2%	1.5	1986-present
ERP (Market-Based)	584	504	521	136	880	15.8%	-0.4	11/1980-present
Normalized ERP	275	349	395	-143	880	-21.1%	0.3	1987-present
S&P 500 Div. Yld. vs. 10yr Tsy. Yld.	0.39	1.23	1.25	0.17	4.20	-68.6%	1.4	1792-present
S&P 500 in WTI terms	60.3	26.7	24.4	2.7	175.3	126.2%	1.8	1960-present
S&P 500 in Gold terms	2.33	1.64	1.42	0.17	5.48	42.0%	0.6	1968-present
S&P 500 vs. R2000 Fwd. P/E	1.42	1.03	0.98	0.76	1.70	37.4%	2.0	1986-present
S&P 500 Market Cap/GDP	1.43	0.66	0.63	0.22	1.66	117.3%	2.3	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

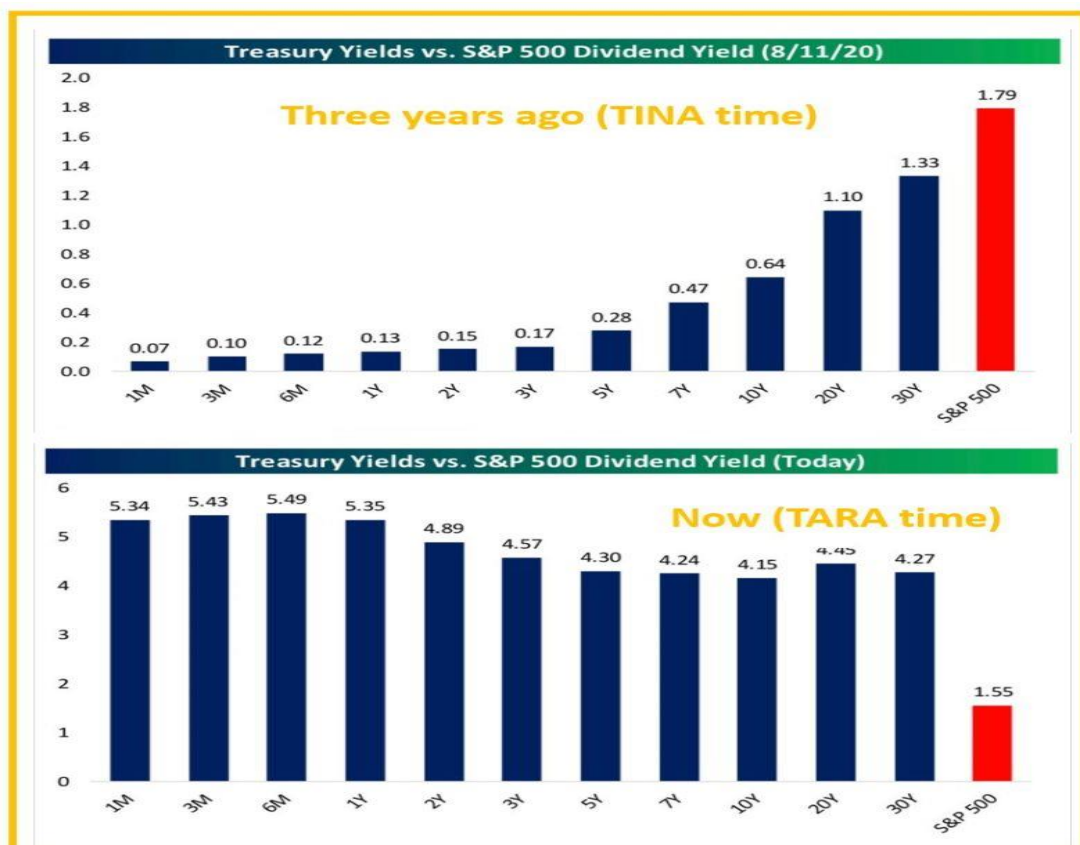
Source: Barchart





#us #sp500 #valuations #tina #tara

From T.I.N.A (There is No Alternatives to risk assets) to T.A.R.A (There Are Reasonable Alternatives, i.e bonds). Three years ago in August 2020, the S&P's dividend yield (in red below) was 1.8%, almost 50 bps higher than the highest yield on the treasury curve. Every treasury note with a duration shorter than 5 years had a yield below 0.2% and the 1-month was almost ZERO.



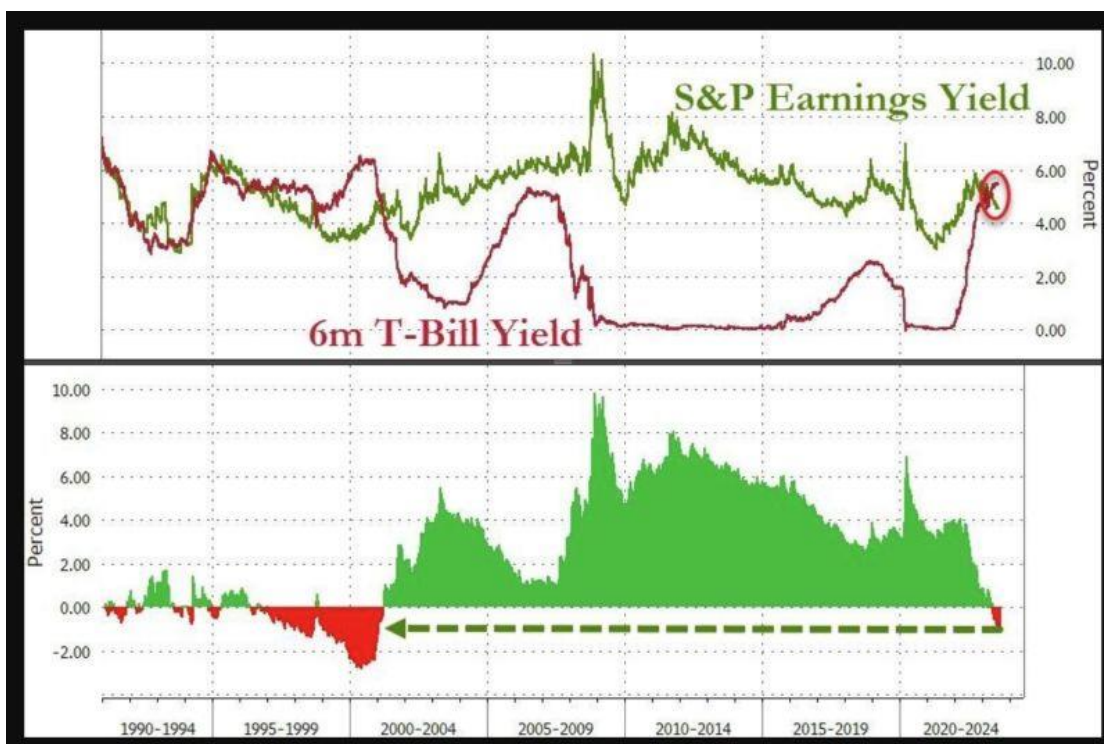
Source: Bespoke





#sp500 #valuations #tina #tara

From T.I.N.A (There Is No Alternatives to Risk assets) to T.A.R.A (There Are Reasonable Alternatives)... 6-months US T-bills yield 94bps more than the S&P's earnings yield...



Source: Bloomberg



#sp500 #valuations

Equities are looking more and more expensive. Equity risk premium (S&P 500 earnings yield- UST 10Y yield) is at the lowest since June 2004.



Source: TME, Flow Show



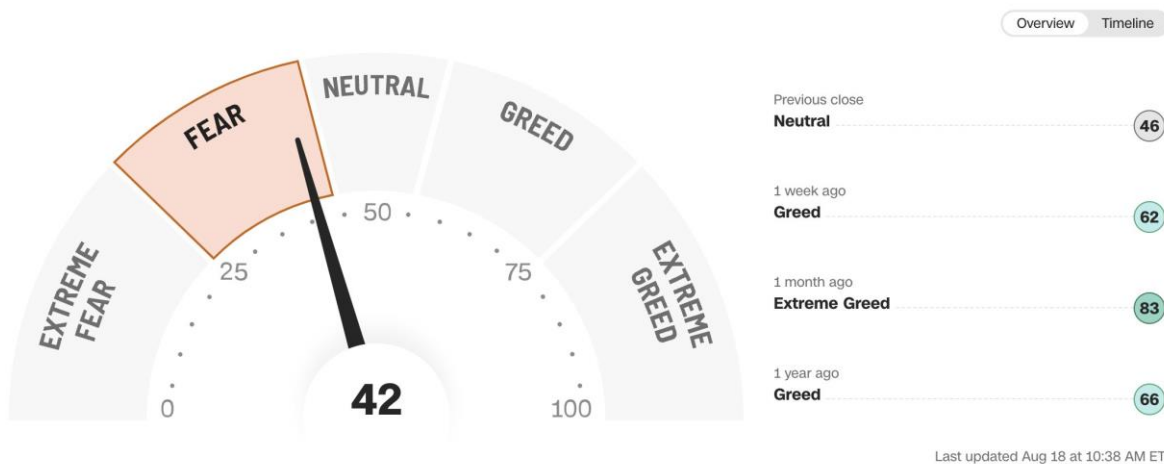
#investors #sentiment

Stock Market Fear & Greed Index = 42 (Fear)

And here we go! Fear hits the market for the first time since late March 🧟

Fear & Greed Index

What emotion is driving the market now?
[Learn more about the index](#)

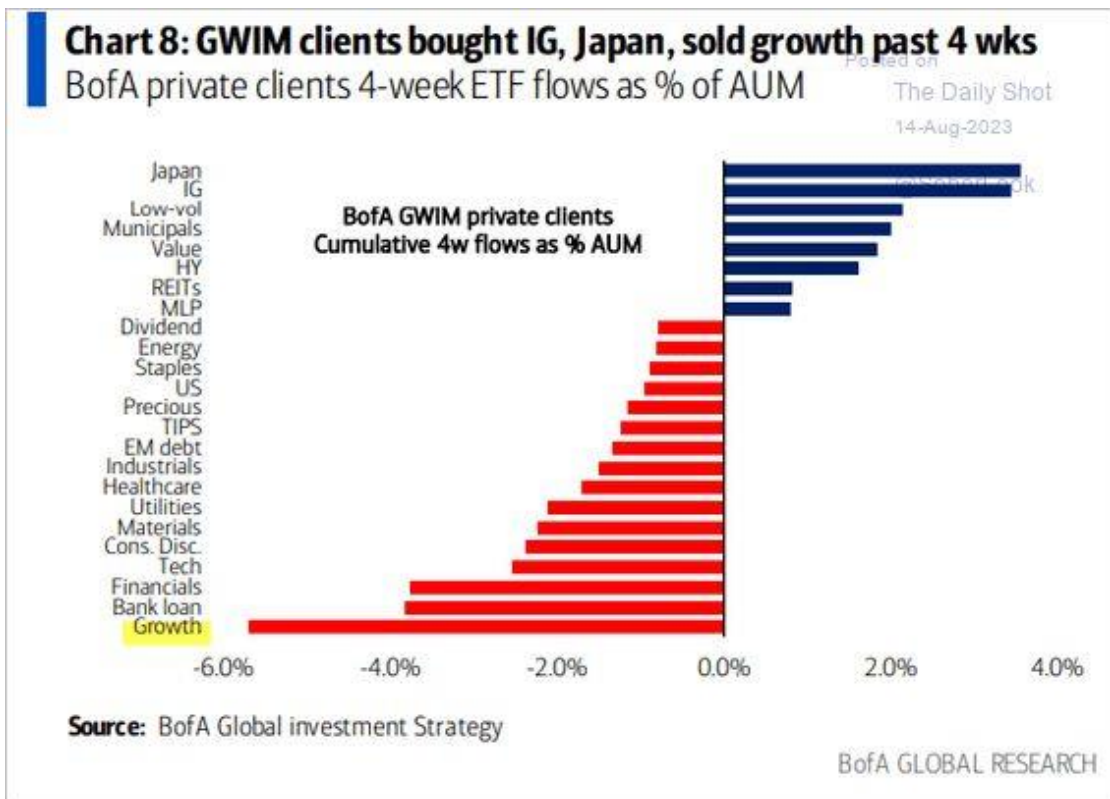


Source: Barcharts



#investors #positioning

BofA's private clients have been dumping growth stocks while loading on Japan equities

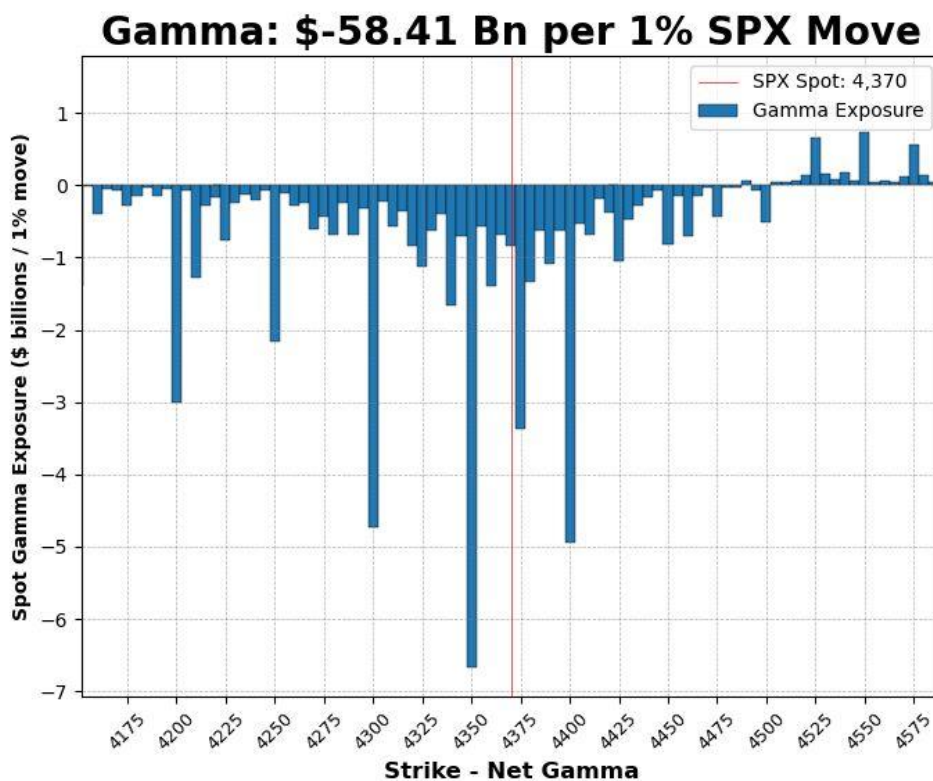


Source: The Daily Shot, BofA



#options #gamma #put

Options specialists seem to indicate that \$SPX 4350 is the new put wall to watch 🙄. Markets & Mayhem shows that we are deep in negative gamma territory, with dealers estimated to be short about \$58.41B of gamma exposure. This often leads to an increase in volatility as it is more likely that dips are sold and rips are bought.



Source: Markets & Mayhem





#us #spx #options #put

At least a positive (contrarian) news -> The SPX Put to call ratio is at its highest since the SVB banking crisis. In a short term view, the 'PUT BUS' is getting crowded and a crowded trade is usually not a good trade.



Source: JC Investment



#burry #bearish #options

Burry, famous for 'Big Short,' bought bearish options against S&P, Nasdaq 100

"The Big Short," held bearish options against the broad S&P 500 and Nasdaq 100 Index at the end of the second quarter, according to securities filings released on Monday. Burry's Scion Asset Management bought put options with a notional value of \$739 million against the popular Invesco QQQ Trust ETF during the quarter, and separate put options with a notional value of \$886 million against the SPDR S&P 500 ETF

U.S. Markets

Burry, famous for 'Big Short,' bought bearish options against S&P, Nasdaq 100

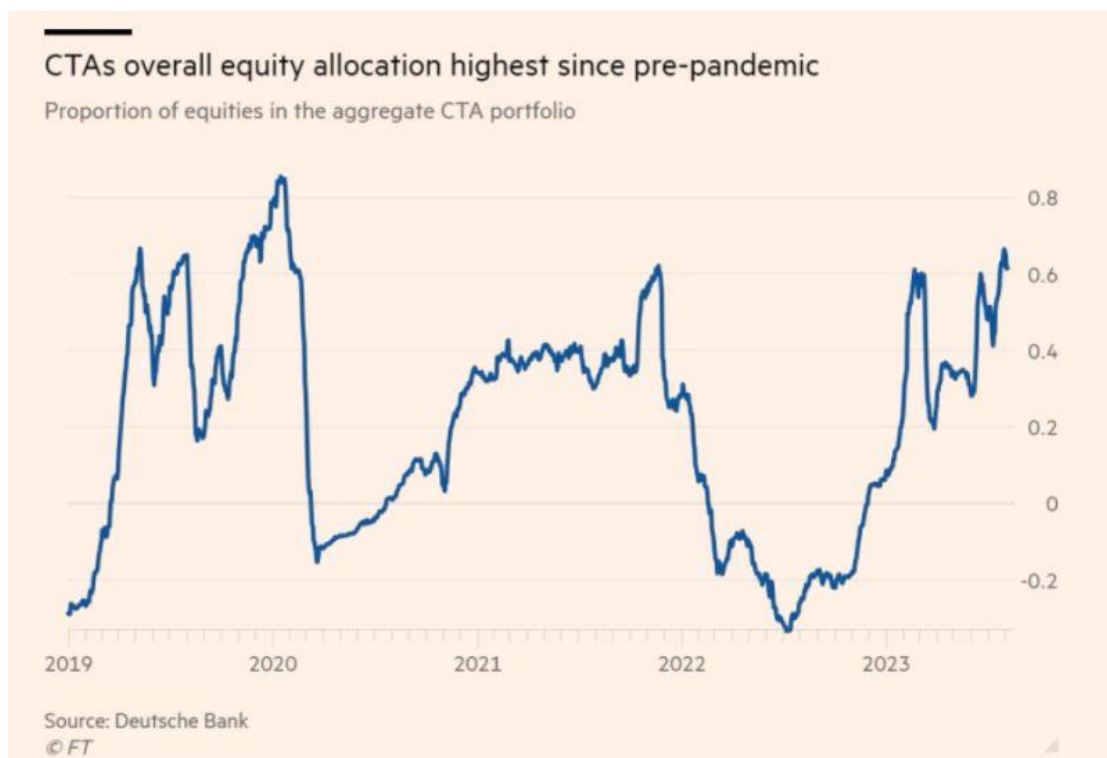
Source: market insider, reuters



#cta #positioning

Proportion of Equities in the Aggregate CTA Portfolio

According to Deutsche, CTAs managing hundreds of billions of dollars in assets now have net long futures positions on Wall Street's S&P 500, Europe's Euro Stoxx 50, London's FTSE 100 and Japan's Nikkei 225, among other indices.



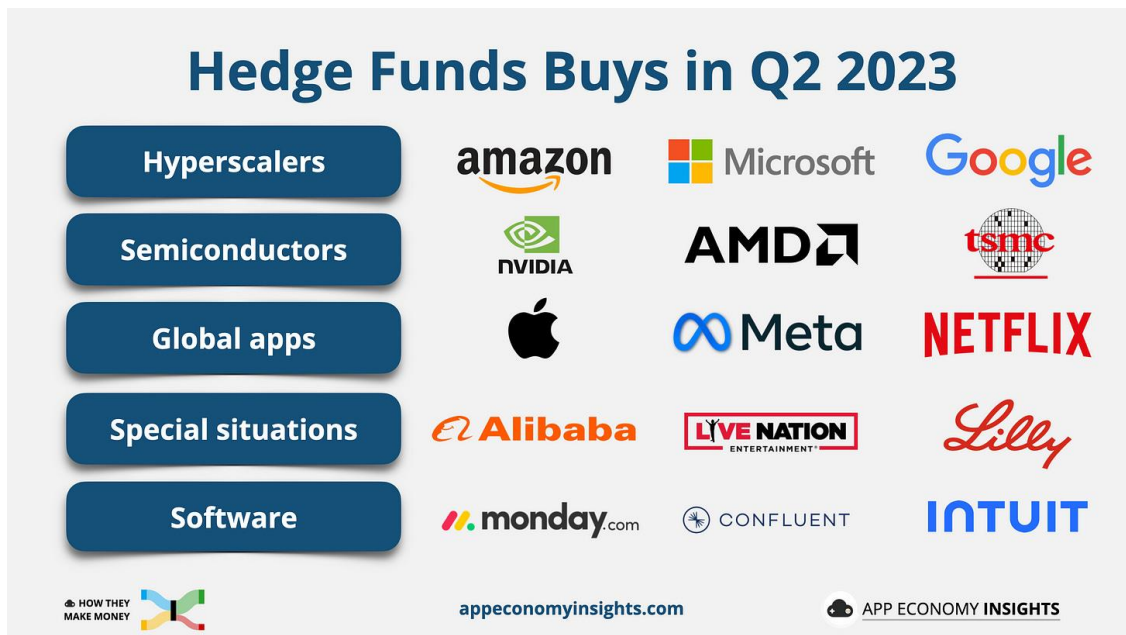
Source: ft



#hedge-funds #buying #2q #13f

What were hedge funds buying in Q2? Here are some findings when diving into 13F

- AI models
- Semiconductors
- A bit of Taylor Swift
- And... weight-loss drugs?!



Source: App Economy Insights

#berkshire-hathaway #us #homebuilders

Warren Buffett's Berkshire Hathaway invested a total of \$814 million in 3 home builder companies during the 2nd quarter. Those investments include D.R. Horton \$DHI, Lennar \$LEN, and \$NVR. Warren Buffett's Berkshire Hathaway on Monday unveiled an \$814mn investment in three US housebuilders, a bet on a sector that has benefited from dearth of supply. Berkshire disclosed it had purchased 6mn shares of DR Horton, worth about \$726mn at the end of the second quarter, as well as 152,572 shares in Lennar and 11,112 shares of NVR.



Source: Barchart, FT



#fang+

A double top? The double-top formation on the FANG+ index has become more evident.

As of today, the aggregate P/E for these companies is approximately 45x, or 29x the estimated earnings for next year. Similar to how mega-cap tech stocks drove the market higher, these stocks are now the first ones to come under pressure. Ultimately, fundamentals matter, particularly at a time when the cost of capital is higher than historical standards.



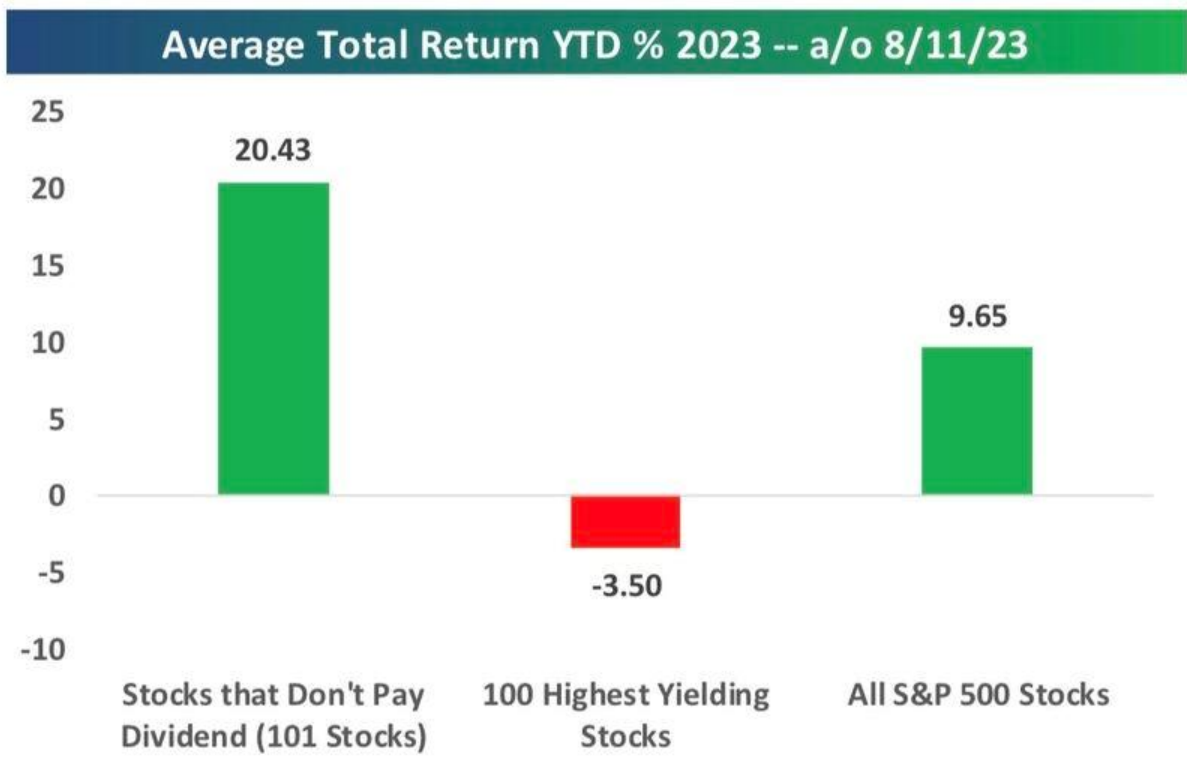
Source: Crescat, Bloomberg





#us #sp500 #dividend

With “risk free” rates above 5%, the typically low-growth, high-dividend payers in the sp500 are massively underperforming in 2023. The 101 non-dividend payers are up 20.4% YTD, while the 100 highest yielders in the index are down an average of 3.5% on a total return basis.



Source: Bespoke

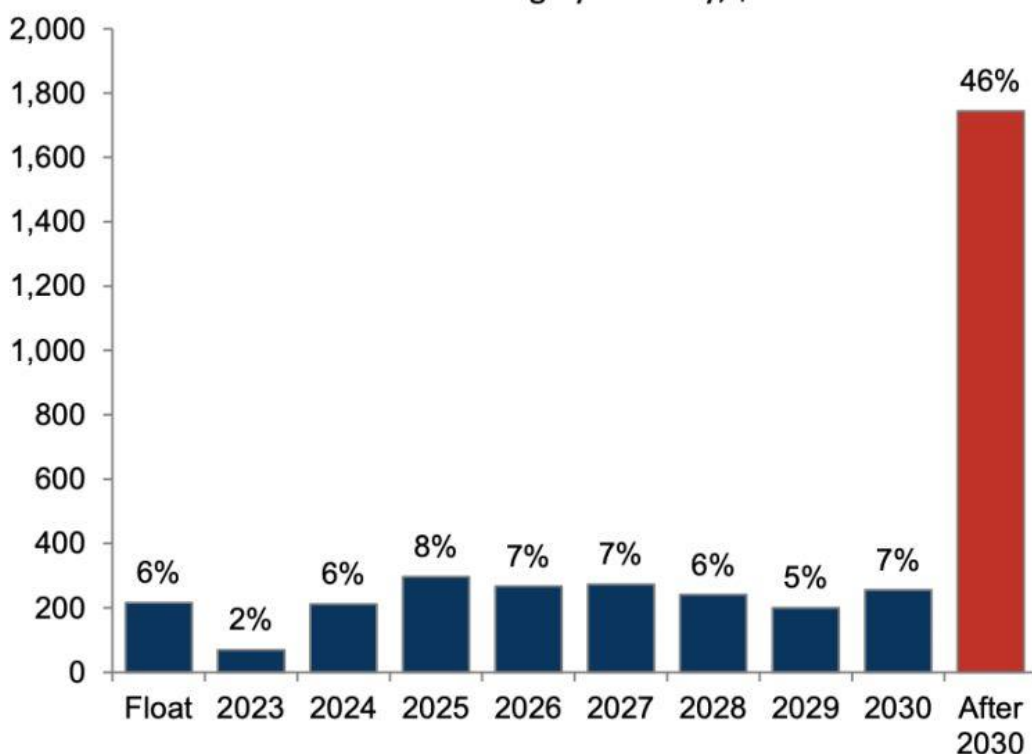


#us #sp500 #debt

Great chart shared by SamRo on debt through Ryan Detrick. Many are concerned that higher rates will hurt growth, but it turns out that a lot of S&P 500 companies have locked in debt at much lower rates until 2030.

Nearly half of S&P 500 debt is set to mature after 2030

S&P 500 ex. financials debt outstanding by maturity, \$bn



Source: Bloomberg, Goldman Sachs GIR.

Source: Bloomberg, Goldman Sachs



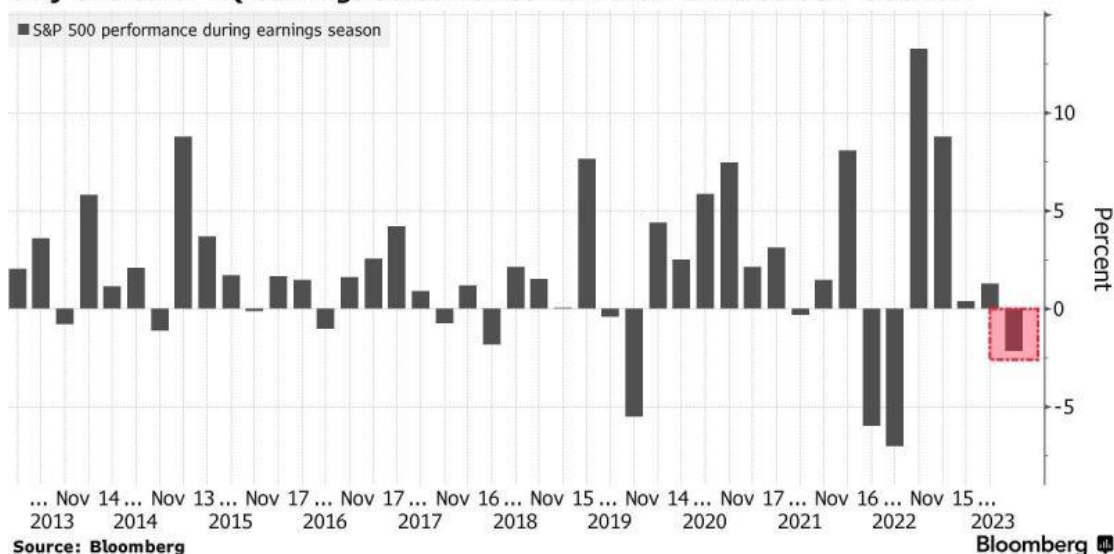


#us #equities #sp500 #earnings

More than 80% of sp500 companies that have reported so far have beaten profit expectations, but the returns are setting this up to be one of the worst earnings seasons over the last 11 years.

No Earnings Cheer

Only one other 2Q earnings season since 2012 saw a worse S&P 500 run



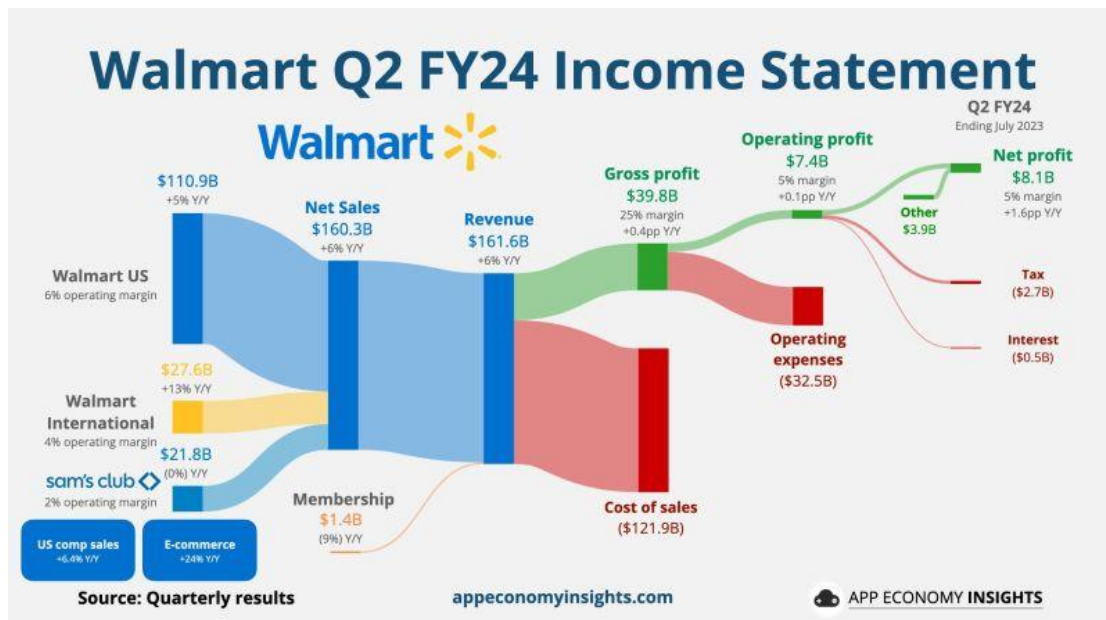
Source: Bloomberg





#walmart #earnings

Walmart on Thursday raised its full-year forecast, as the discounter leaned on its low-price reputation to draw grocery customers and drive online spending. The big-box retailer beat Wall Street’s expectations for sales and profits. E-commerce sales for Walmart U.S. also jumped 24%. Walmart said it now expects full fiscal-year consolidated net sales to increase by about 4% to 4.5%. It said adjusted earnings per share for the year will range between \$6.36 and \$6.46. That compares with its prior guidance for consolidated net sales gains of 3.5% and an adjusted earnings per share range of between \$6.10 and \$6.20.



Source: App Economy Insights, CNBC

#saudi-arabia #uae #ai #nvidia

Saudi Arabia and the United Arab Emirates are buying up thousands of the high-performance Nvidia chips crucial for building artificial intelligence software, joining a global AI arms race that is squeezing the supply of Silicon Valley's hottest commodity. The Gulf powerhouses have publicly stated their goal of becoming leaders in AI as they pursue ambitious plans to turbocharge their economies. But the push has also raised concerns about potential misuse of the technology by the oil-rich states' autocratic leaders. According to people familiar with the moves, Saudi Arabia has bought at least 3,000 of Nvidia's H100 chips — a \$40,000 processor described by Nvidia chief Jensen Huang as “the world's first computer [chip] designed for generative AI” — via the public research institution King Abdullah University of Science and Technology (Kaust).

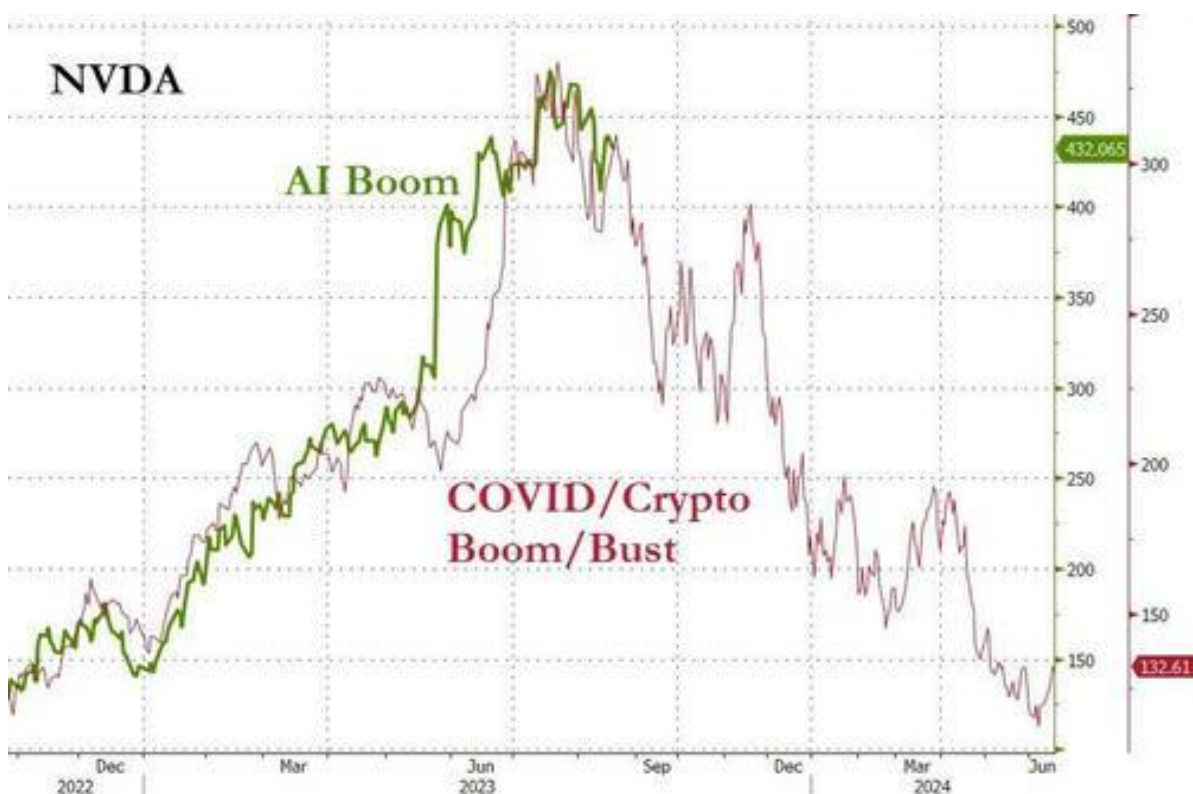


Source: FT



#nvidia

NVDA bulls 'smell the fear'...Q2 numbers are out next week...

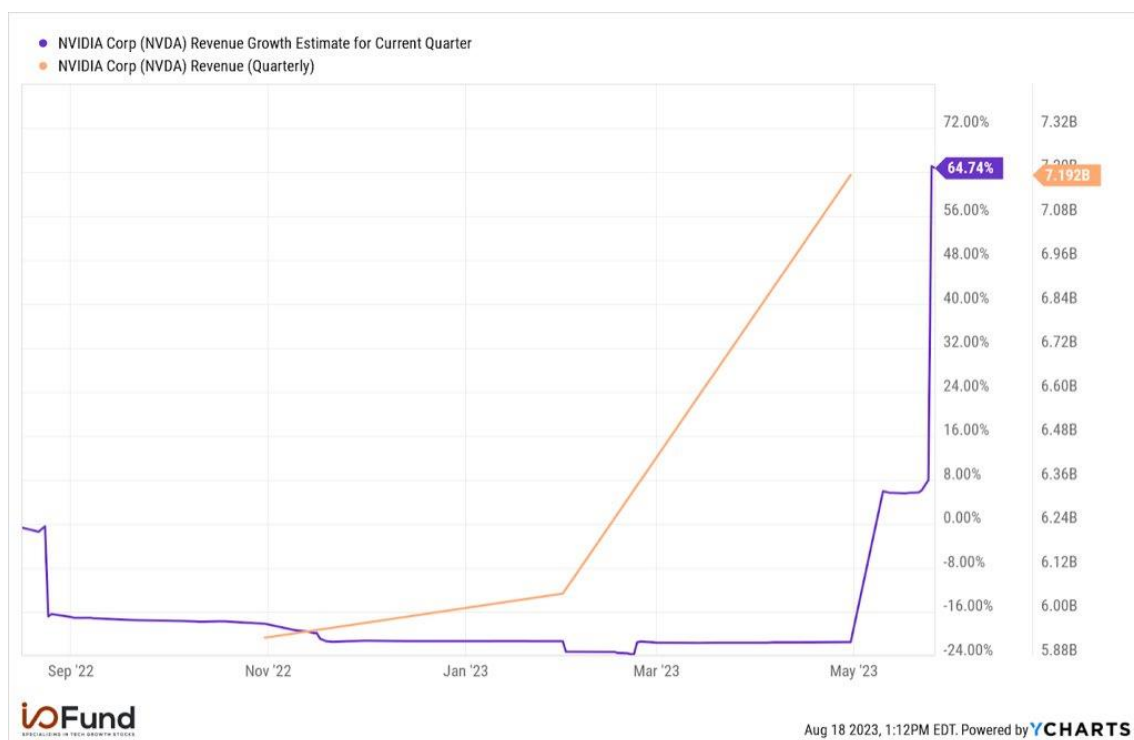


Source: Bloomberg, www.zerohedge.com



#ai #2q #earnings #expectations

In Q1, Nvidia \$NVDA crushed analysts' revenue estimates by 10.4% as revenues rose 19% QoQ to \$7.19 billion. The strong sequential growth was led by record data center revenue, primarily helped by accelerated computing as generative AI drove high demand for Nvidia's products. For Q2, Nvidia is projecting revenues of \$11B, up 68% QoQ, with a 400 bp increase in gross margins as AI takes center stage.



Source: Beth Kindig





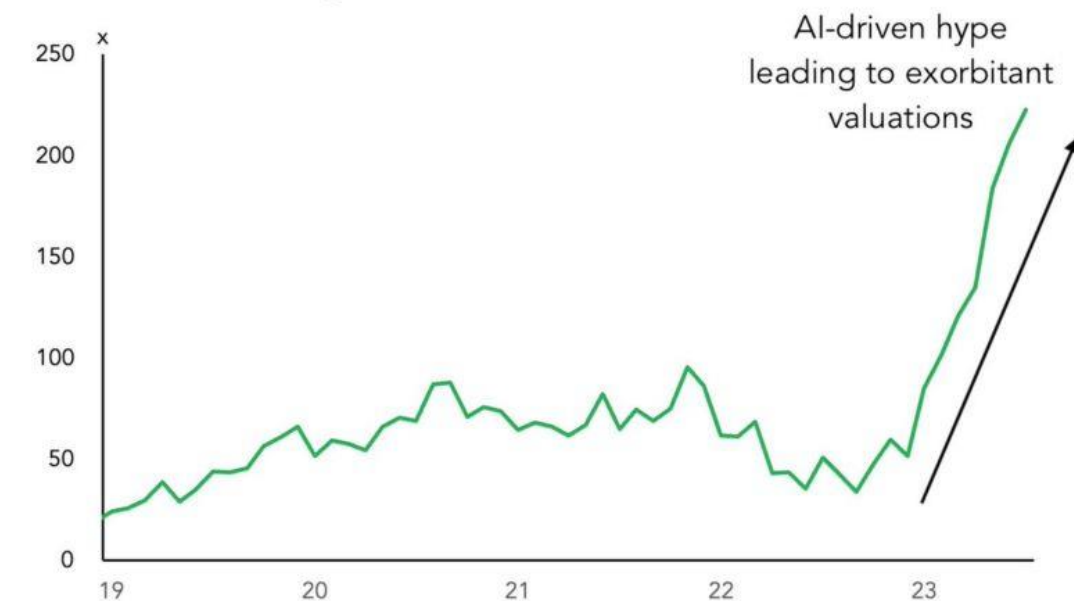
#equities #ai #nvidia

The AI-hype has driven some stocks valuations to extreme levels. The most emblematic one among large-caps is Nvidia with a P/E ratio which went from under 50x to 224x in just 8 months.

Nvidia Has a Trailing P/E of 224x



Nvidia: 12-Month Trailing P/E



Dates: June 2018 Through July 24th 2023.
Source: Bloomberg Finance L.P., Game of Trades.
Based on trailing 12 month EPS.

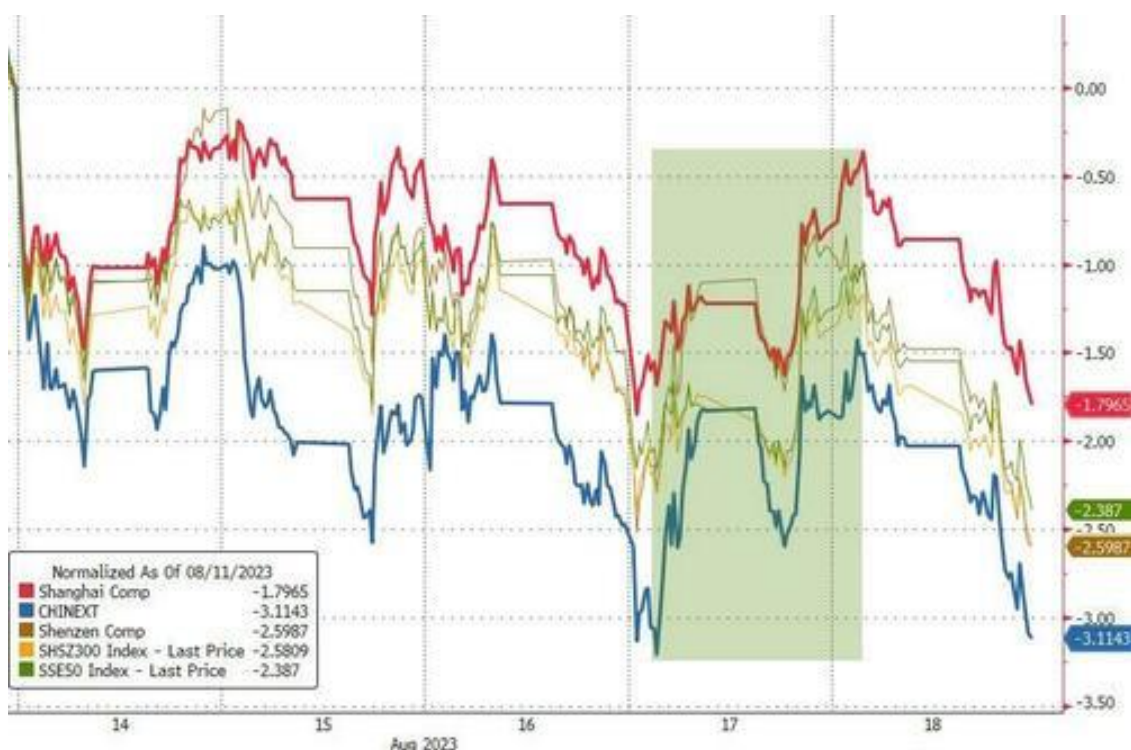
Source: Game of Trades





#china #equities #weekly

Aggressive interventions by Chinese authorities were a notable theme on the week. However, Chinese stocks closed lower.



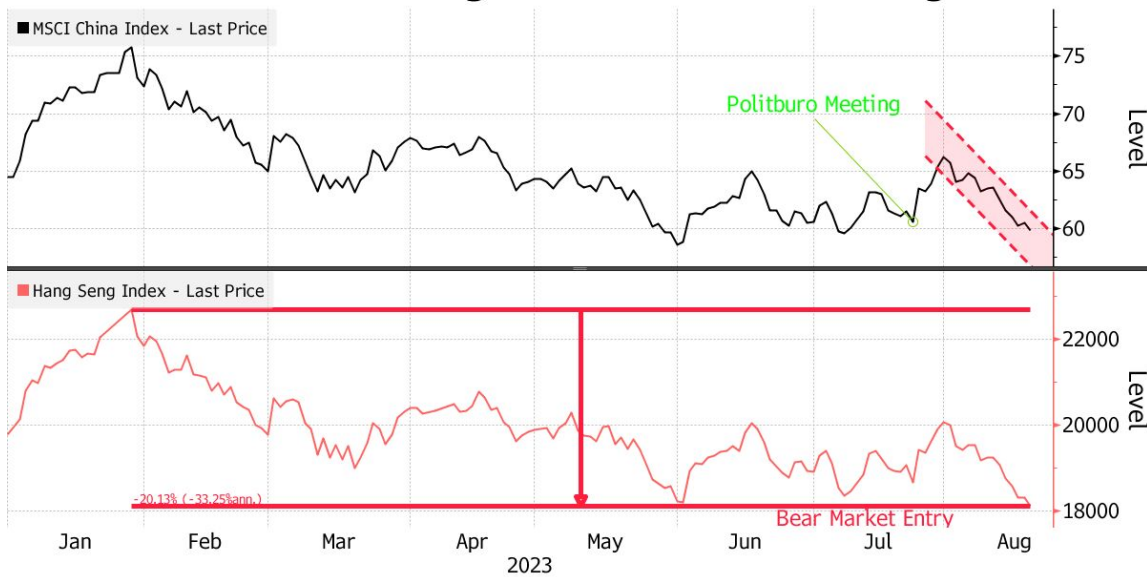
Source: xxx



#china #equities

China steps up efforts to stabilize markets as confidence slumps. Funds have been asked not to net sell stocks, banks to intervene on yuan. The Hang Seng down more than 8% this year, yuan down more than 5%

MSCI China Index Trading Below Politburo Meeting Level



Source: Bloomberg

Bloomberg

Source: Bloomberg



#ev #vietnam #vinfast

Vietnamese EV maker VinFast is now worth more than Ford and GM after Nasdaq debut - CNBC article. VinFast's shares jumped some 270% after its U.S. trading debut, vaulting its total market value past some of the world's largest automakers. On Tuesday, the Vietnamese electric vehicle maker listed on Nasdaq following the completion of its merger with the U.S.- listed SPAC (special purpose acquisition company) Black Spade Acquisition.



Source: CNBC



#oil #weekly

Oil prices fell on the week - the first weekly loss since June - with WTI finding some support at \$80...



Source: Bloomberg, www.zerohedge.com



#us #treasury-yields #weekly

US Treasury yields were all higher on the week with the long-end notably underperforming (30Y +12bps, 2Y +4bps)...



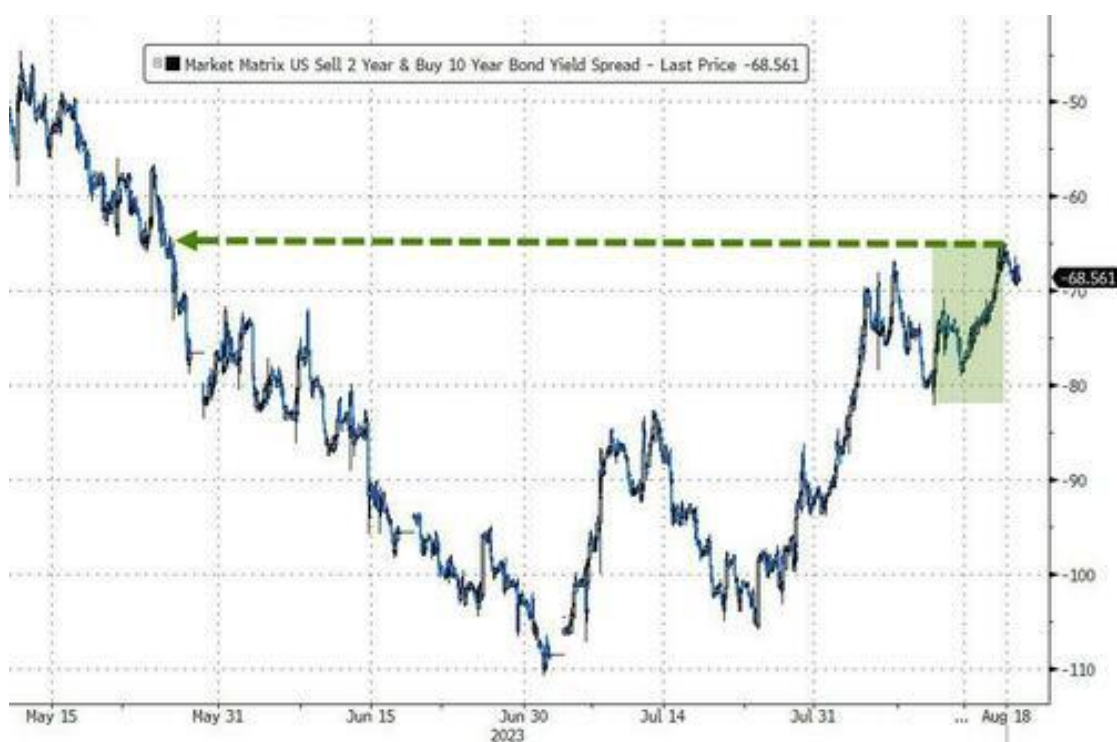
Source: Bloomberg, www.zerohedge.com





#us #yield-curve #weekly

The US yield curve (2s10s) steepened further over the week.

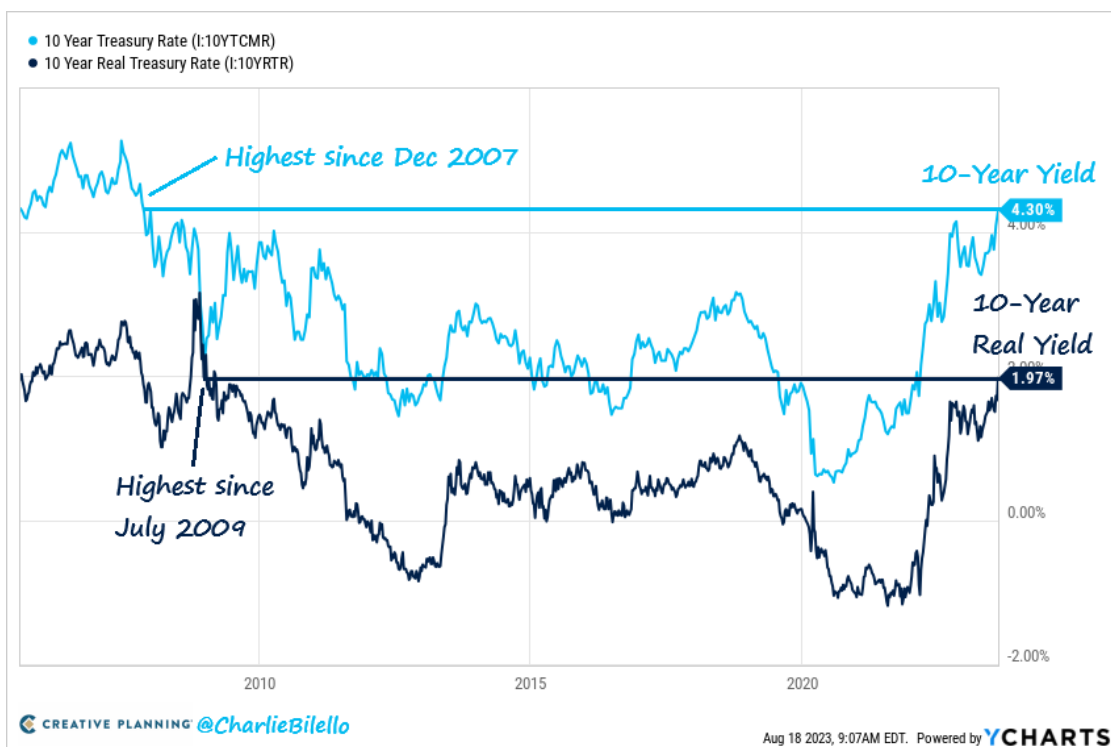


Source: xxx



#us #10y-treasuries

10-Year Treasury Yield has moved up to 4.30%, the highest since Dec 2007. The Real 10-Year Yield (adjusted for expected inflation) of 1.97% is the highest since July 2009.



Source: Charlie Bilello





#us #10y-yield #performance

10-Year Treasury Yield is now 4.28%, the highest level since October 2007. From a total return perspective, the 10-Year Treasury Bond is now down 1% in 2023, on pace for its third consecutive negative year. With data going back to 1928, that's never happened before.

US 10-Year Treasury Bond: Total Returns (1928 - 2023)									
Year	Return	Year	Return	Year	Return	Year	Return	Year	Return
1928	0.8%	1948	2.0%	1967	-1.6%	1987	-5.0%	2007	10.2%
1929	4.2%	1949	4.7%	1968	3.3%	1988	8.2%	2008	20.1%
1930	4.5%	1950	0.4%	1969	-5.0%	1989	17.7%	2009	-11.1%
1931	-2.6%	1951	-0.3%	1970	16.8%	1990	6.2%	2010	8.5%
1932	8.8%	1952	2.3%	1971	9.8%	1991	15.0%	2011	16.0%
1933	1.9%	1953	4.1%	1972	2.8%	1992	9.4%	2012	3.0%
1934	8.0%	1954	3.3%	1973	3.7%	1993	14.2%	2013	-9.1%
1935	4.5%	1955	-1.3%	1974	2.0%	1994	-8.0%	2014	10.7%
1936	5.0%	1956	-2.3%	1975	3.6%	1995	23.5%	2015	1.3%
1937	1.4%	1957	6.8%	1976	16.0%	1996	1.4%	2016	0.7%
1938	4.2%	1958	-2.1%	1977	1.3%	1997	9.9%	2017	2.8%
1939	4.4%	1959	-2.6%	1978	-0.8%	1998	14.9%	2018	0.0%
1940	5.4%	1960	11.6%	1979	0.7%	1999	-8.3%	2019	9.6%
1941	-2.0%	1961	2.1%	1980	-3.0%	2000	16.7%	2020	11.3%
1942	2.3%	1962	5.7%	1981	8.2%	2001	5.6%	2021	-4.4%
1943	2.5%	1963	1.7%	1982	32.8%	2002	15.1%	2022	-17.8%
1944	2.6%	1964	3.7%	1983	3.2%	2003	0.4%	2023	-1.2%
1945	3.8%	1965	0.7%	1984	13.7%	2004	4.5%		
1946	3.1%	1965	0.7%	1985	25.7%	2005	2.9%		
1947	0.9%	1966	2.9%	1986	24.3%	2006	2.0%		

CREATIVE PLANNING

@CharlieBilello

As of 8/16/23

Source: Charlie Bilello



#us #treasury #saudi-arabia #holdings

Saudi Arabia reduced its US treasury holdings by \$3.2 Billion in June to the lowest level in nearly 7 years.



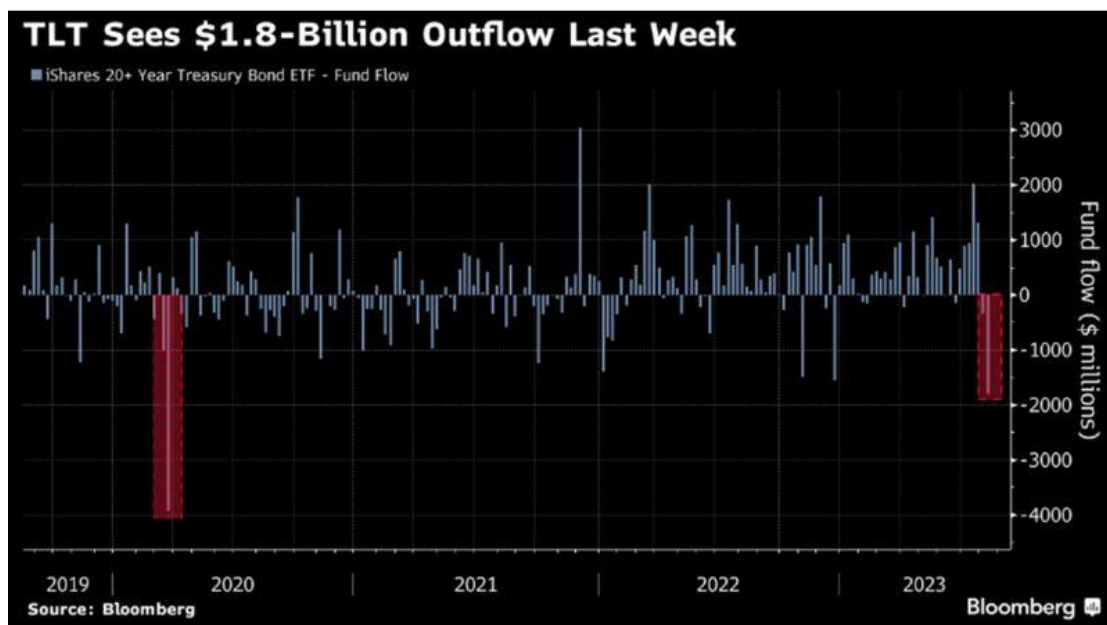
Source: FT



#us #treasury #etf #outflows

Biggest Treasury ETF Sees Largest Exodus Since 2020 Meltdown

More than \$1.8 billion came out of the \$39 billion iShares 20+ Year Treasury Bond ETF (ticker TLT) last week, the most since March 2020, data compiled by Bloomberg show. The fund's price had dropped more than 3% the week prior and another 1.2% in the five-day stretch ending Friday.



Source: bloomberg

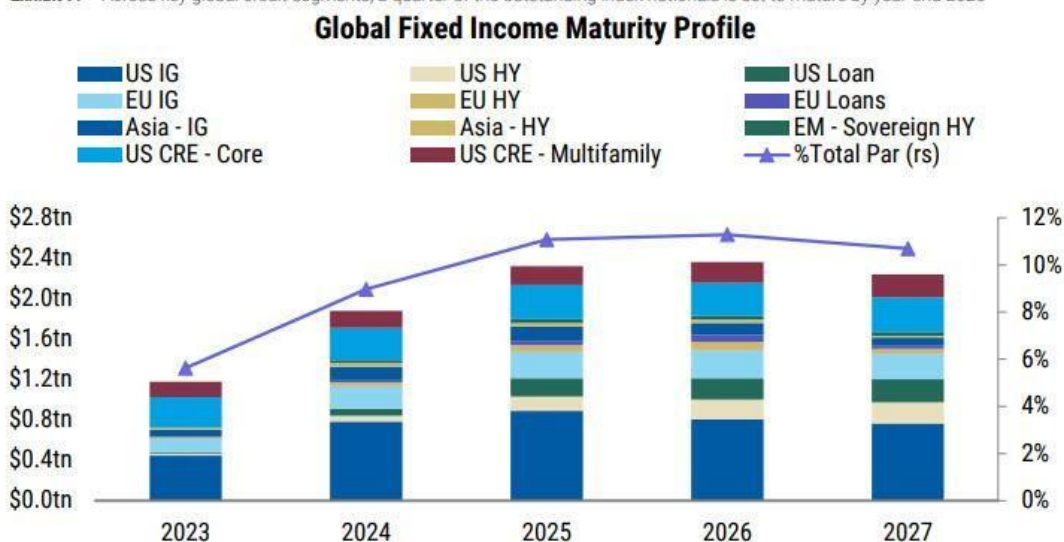




#global #fixed income #maturity-wall

We are approaching quite a formidable global debt maturity wall...

Exhibit 7: Across key global credit segments, a quarter of the outstanding index notional is set to mature by year-end 2025



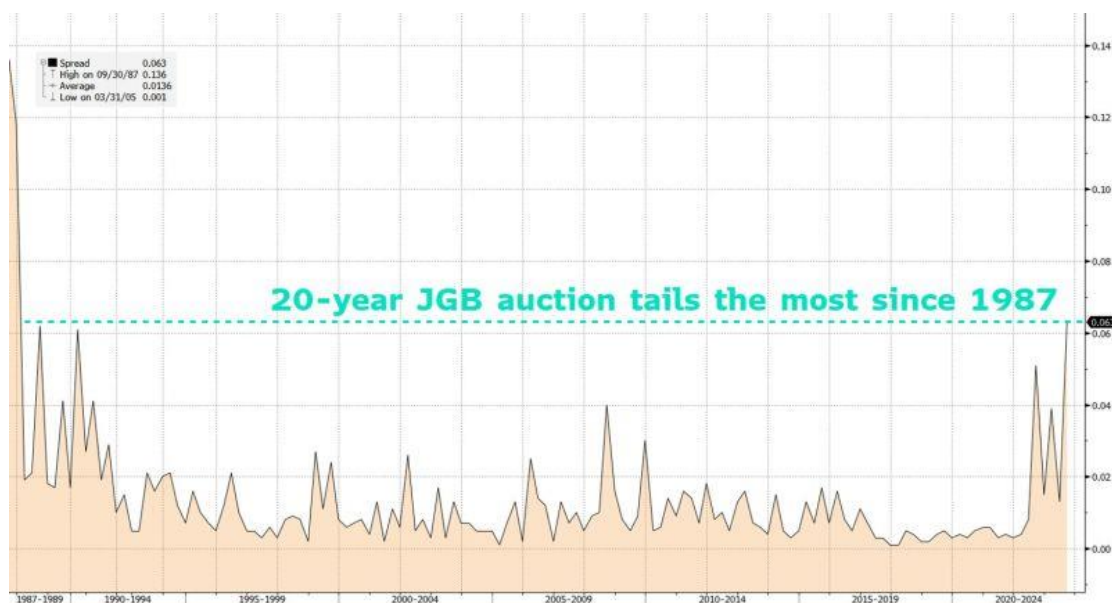
Source: ICE, Morgan Stanley Research

Source: Markets & Mayhem, Morgan Stanley



#jgb #auction

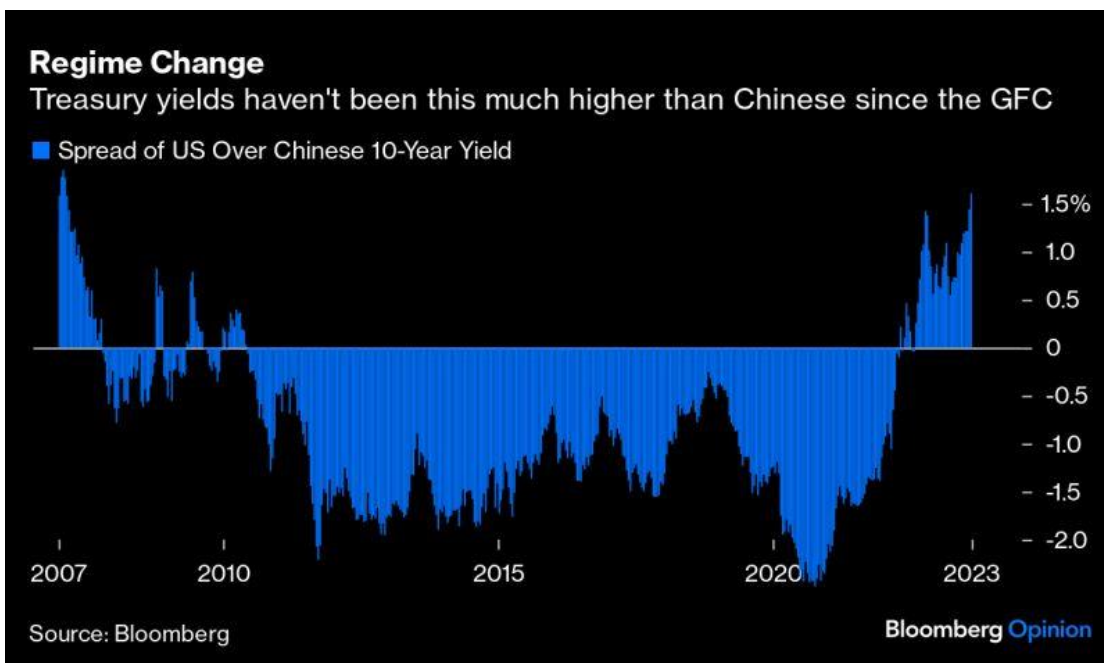
A horrible 20-year JGB auction today tailed the most since 1987, showing that investors require a higher yield to buy JGBs. Rising JGB yield threaten bonds worldwide, so we see EU and US sovereign yields accelerating their rise this morning.





#us #china #yield

The yield gap between 10y US and Chinese government bonds is now >160bps, widest since 2007



Source: Bloomberg



#china #evergrande #bankruptcy

China's heavily indebted property developer Evergrande group on Thursday filed for Chapter 15 bankruptcy protection in a U.S. court. In a filing to the Manhattan bankruptcy court, the firm sought recognition of restructuring talks under way in Hong Kong, the Cayman Islands and the British Virgin Islands. The world's most indebted property developer defaulted in 2021 and announced an offshore debt restructuring program in March. Trading of Evergrande shares have been suspended since March 2022.



Source: CNBC, FluentInFinance

#china #real-estate

The fact that Chinese State property developers are also in big troubles complicates the issue for the China real estate as it reduces their ability to support the sector by taking over incomplete projects by private sector.

China's State Developers Warn of Major Losses as Crisis Spreads

- Almost half of listed SOE builders warned of first-half losses
- Reduces their ability to support China's housing market

By Bloomberg News

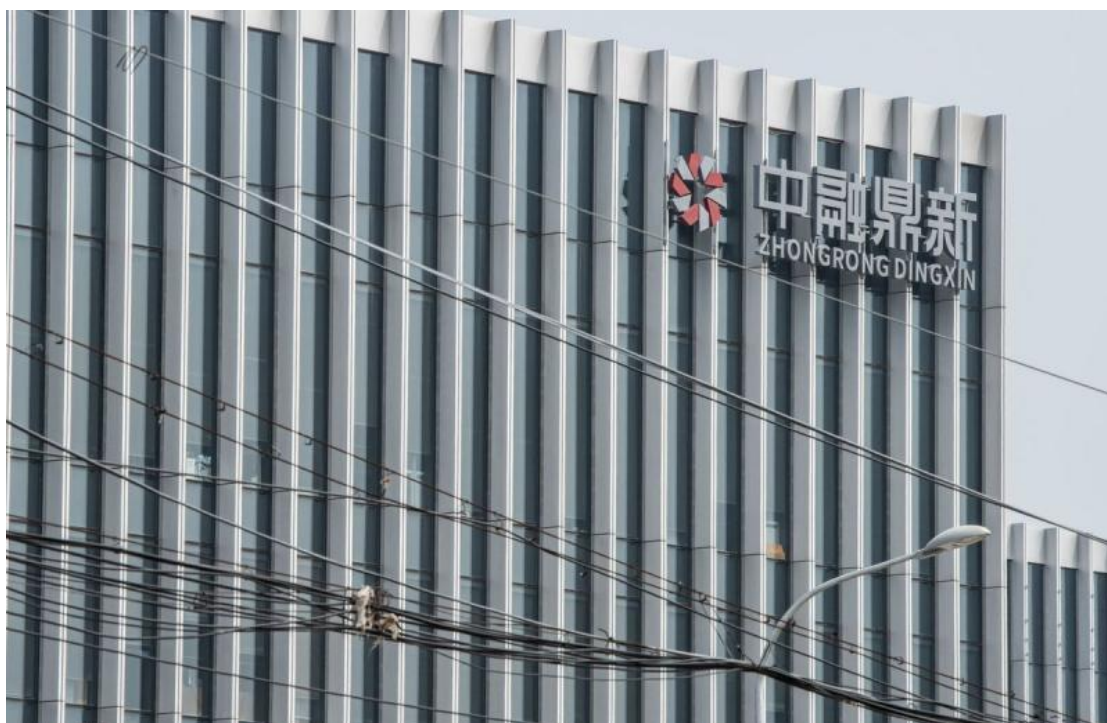
(Bloomberg) -- China's state-owned property developers are warning of widespread losses, fueling concerns that the housing crisis is expanding from the private sector to companies with government backing.

Eighteen out of 38 state-owned enterprise builders listed in Hong Kong and the mainland reported preliminary losses in the six months ended June 30, up from 11 that warned of full-year losses in 2022, according to a Bloomberg tally based on corporate filings. Two years ago, only four firms with controlling or major state shareholdings posted losses.

The warnings signal state builders are no longer immune from the two-year housing slump that has weakened the economy and triggered dozens of defaults by private peers, with speculation that [Country Garden Holdings Co.](#) may be next. It also dims the ability of SOEs to support the market by taking over incomplete projects to ensure they are delivered to homebuyers.

#china #banking

China Shadow Banking Giant Alarms Investors With Missed Payments. One of China's largest private wealth managers is triggering fresh anxiety about the health of the country's shadow banking industry after missing payments on multiple high-yield products. Zhongrong International Trust Co. missed payments on dozens of products and has no immediate plan to make clients whole, indicating troubles at the embattled Chinese shadow bank are deeper than previously known.



Source: Bloomberg



#dollar #technicals

The dollar rallied for the 5th straight week to its highest since early June, breaking back above its 200DMA....



Source: xxx



#china #yuan #depreciation

The PBoC is putting more measures in place to slow the depreciation trend in the yuan. Overnight, the Chinese central bank set its yuan fixing at 7.2006 per dollar compared to the average estimate of 7.3047. The gap - an unprecedented 1,041 pips - was the largest gap to estimates since the poll was initiated in 2018.

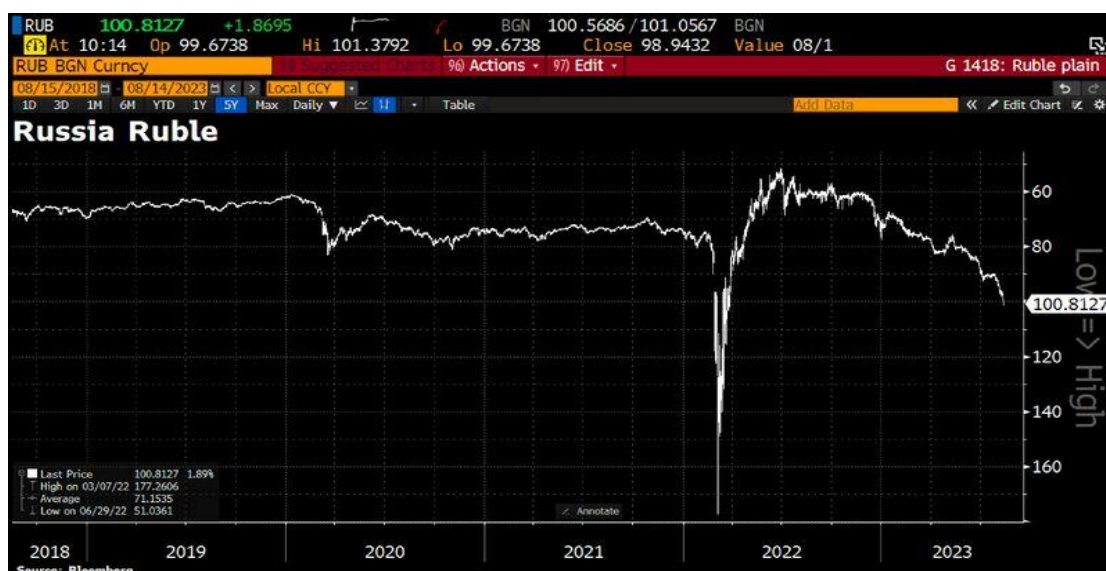


Source: Bloomberg, zerohedge



#forex #russia #ruble

The clearest signal that Russia is losing this war? The Russian ruble slid past 100 to the U.S. dollar on Monday, nearing a 17-month low as President Vladimir Putin’s economic advisor blamed loose monetary-policy for the rapid depreciation. The ruble has lost around 27% against the greenback since the turn of the year. It also has lost 23% vs Chinese Yuan, which Russia is embracing for trade as it seeks to ditch Western currencies. The Bank of Russia has blamed the country’s shrinking balance of trade, as Russia’s current account surplus fell 85% year on year from January to July. This slide that threatens to stoke inflation in an economy that has been kneecapped by Western sanctions.



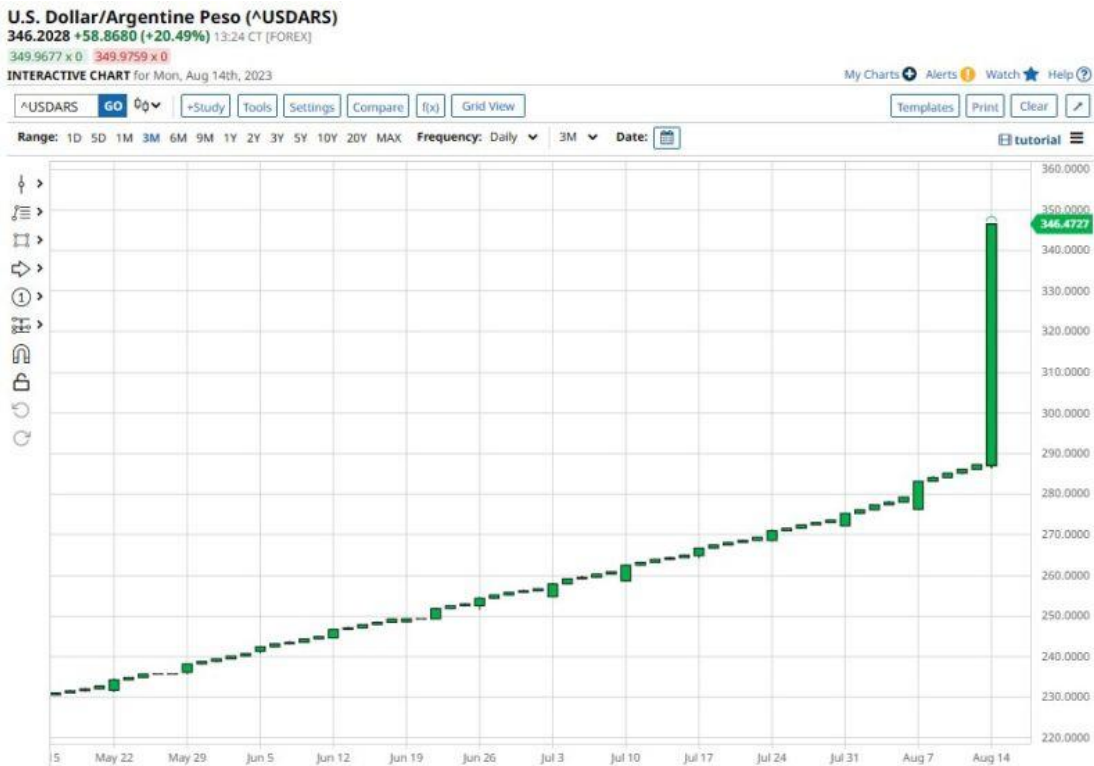
Source: HolgerZ, Bloomberg, DJ, CNBC





#forex #argentina-peso

Argentine Peso having a rough day. An 18% devaluation to 350 pesos per dollar (chart) accompanied by a 21 percentage point hike in interest rates to 118% ...



Source: Barchart



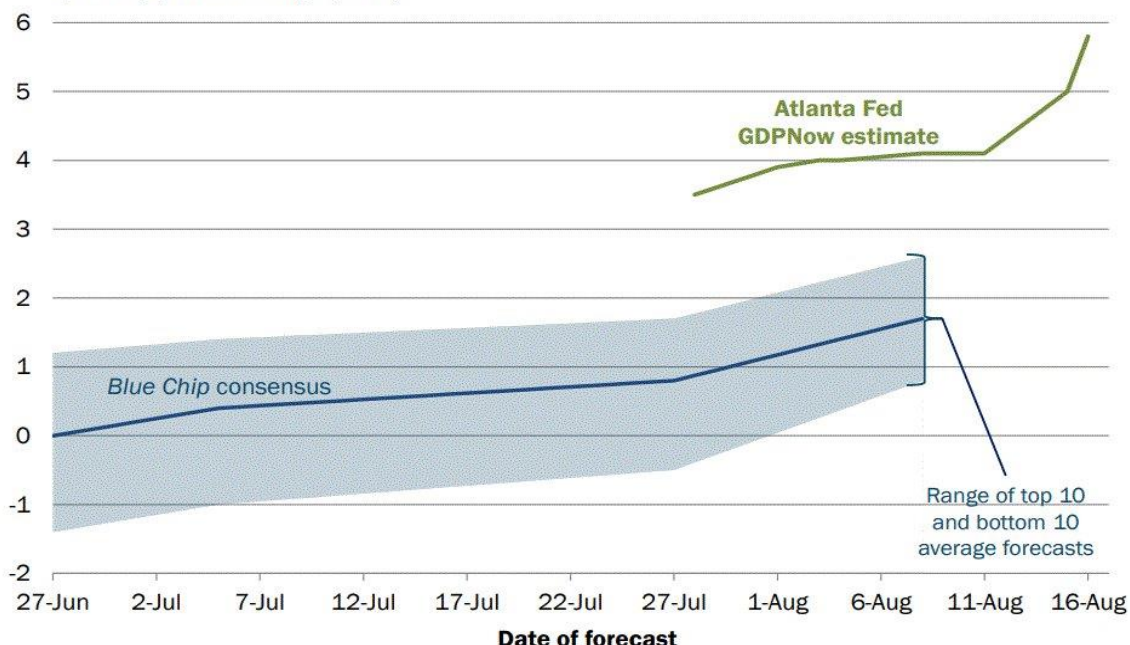


#us #real-gdp #3q #growth

The GDPNow model nowcast of real GDP growth in Q3 2023 is 5.8%. This is up from 4.1% two weeks ago and well above all other forecasts (on average, all other forecasts show Q3 2023 real GDP coming in at 1.8%). There has been a huge shift in expectations over the last few weeks. This is one of the factors which explain the rise in bond yields (and this is a GOOD reason)

Evolution of Atlanta Fed GDPNow real GDP estimate for 2023: Q3

Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.



Source: Atlanta Fed

#macro

#us #macro #recession #expectations

Where Do You Stand ? Recession - No Recession - Soft Landing ...?

Where Do You Stand?

Optimism about a soft landing is growing, but many banks aren't convinced

Recession	No recession/soft landing
Barclays	Bank of America (changed call on Aug. 2)
Bloomberg Economics	Goldman Sachs
BNP Paribas	JPMorgan (changed call on Aug. 4)
Citi	Morgan Stanley
Daiwa Capital Markets	Regions
Deutsche Bank	Santander US Capital Markets
Jefferies	
Mizuho	
NatWest Markets	
Nomura	
Societe Generale	
TD Securities	
UBS	
Wells Fargo	

Source: Data compiled by Bloomberg News

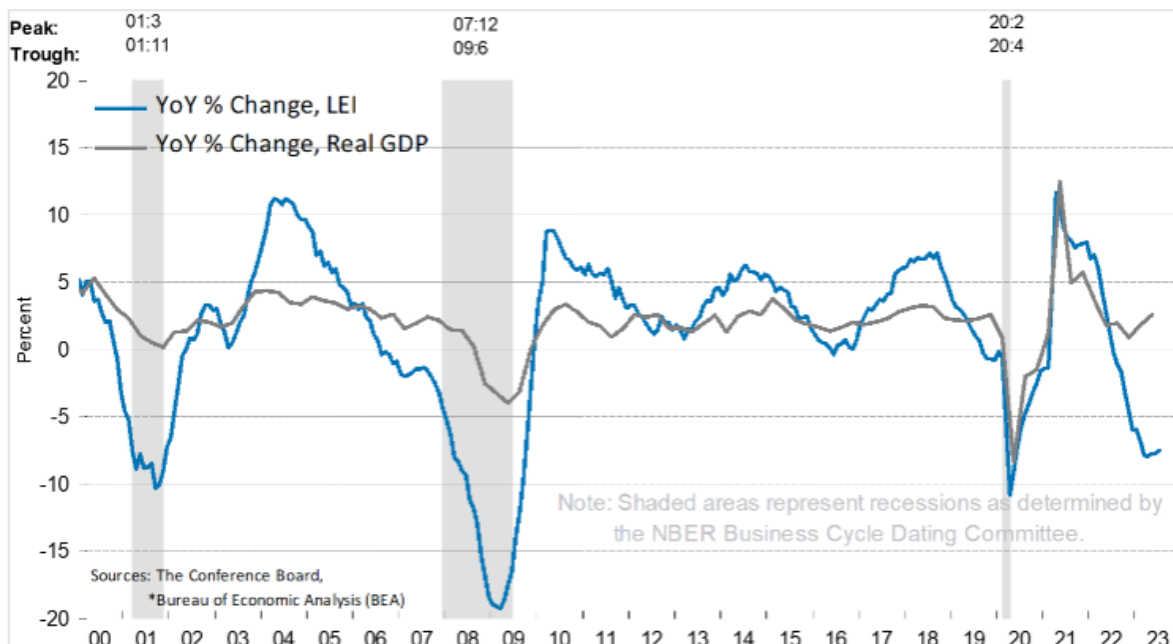
Source: bloomberg



#us-leading-economic-index

The US Leading Economic Index declined in July for the 16th month in a row, the longest down streak since 2007-08. The Conference Board is now forecasting a "short and shallow recession in the Q4 2023 to Q1 2024 timespan."

The annual growth rate of the LEI remained negative, confirming weaker economic activity ahead



Source: Charlie Bilello

#macro

#us #bidenomics

A tricky time for US government bonds... US Treasuries are facing multiple headwinds - economic strength (Atlanta Fed's real-time GDP growth forecast is tracking close to 4% for the third quarter), an uptick in energy prices and FED QT. But another headwind is fading demand stemming from historical buyers of US Treasuries: 1- China US Treasury holdings just hit a 14-year low at less than \$850bn. 2- Saudi Arabia's stockpile of US Treasuries fell to the lowest level in more than six year (less than \$100B). 3 - As Japanese long-term yields rose (due to a tweak in their monetary policy), the largest foreign holders of US Treasuries, Japanese investors, became less interested in US bonds and asked for a premium.

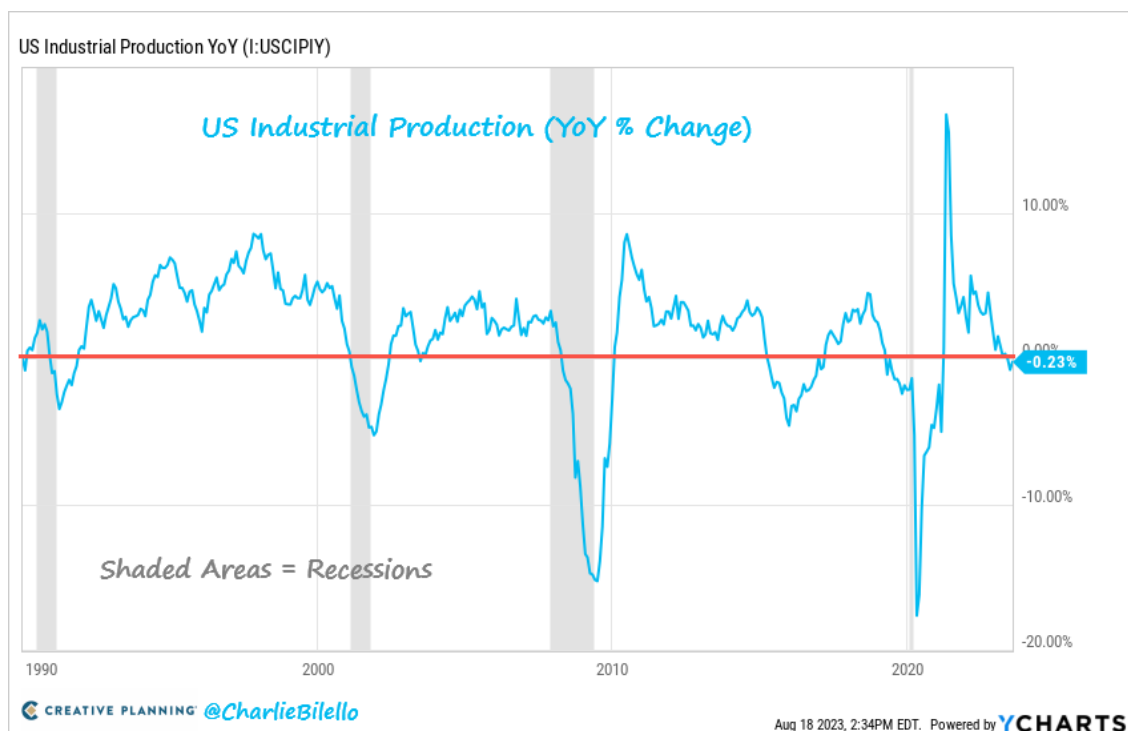


Source Cartoon: GISreportonline



#us #industrial-production

US Industrial Production was negative on a YoY basis for second month in a row.

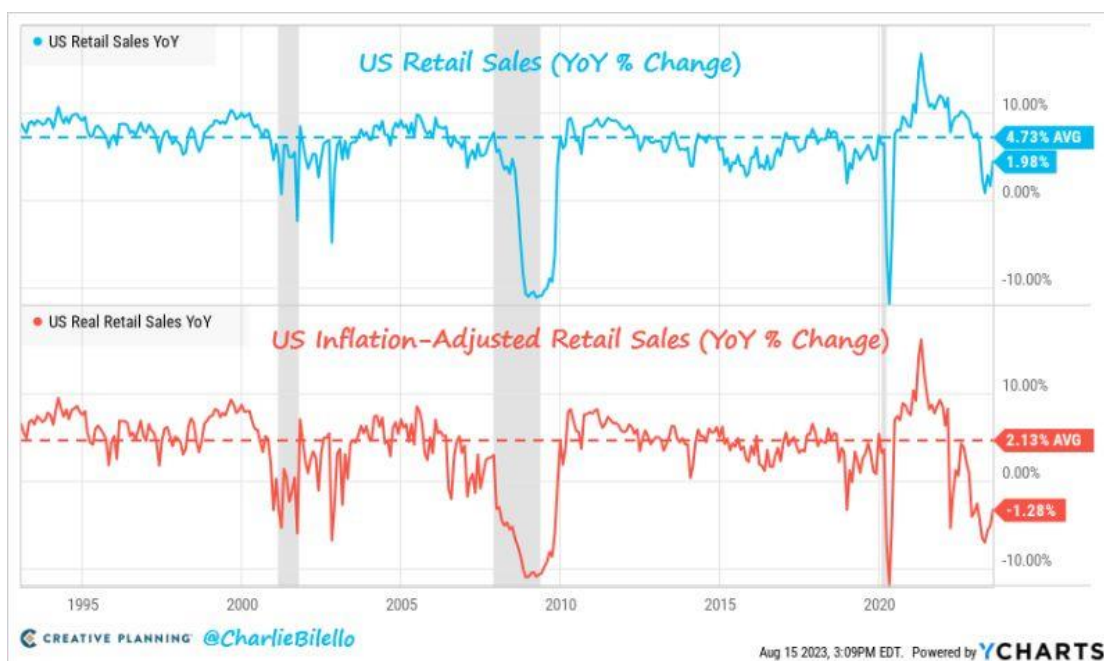


Source: Charlie Bilello



#us #retail-sales #inflation

After adjusting for inflation, US retail sales fell 1.3% over the last year, the 9th consecutive YoY decline. That's the longest down streak since 2009. Nominal retail sales increased 2% YoY vs. a historical average of 4.7%.



Source: Charlie Bilello

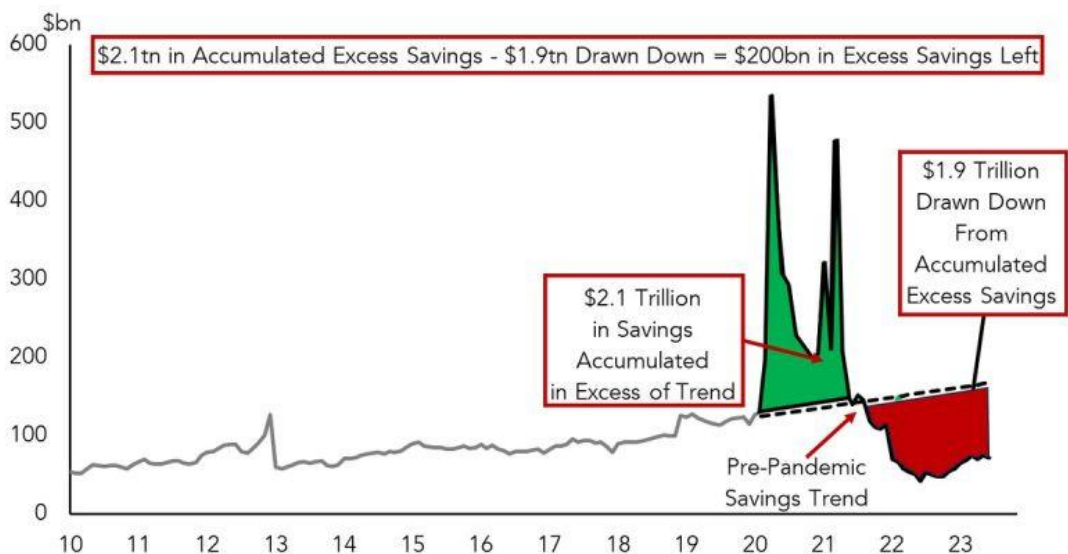


#us #savings

Are US consumers heading for trouble? Only \$200 billion is left in excess savings, which is keeping households afloat. 2 months ago, this number was at \$500 billion. At current rate, savings will be depleted by September 2023

Households Have ~\$200bn in Excess Savings Left 

Post-Pandemic Monthly Flows Into Personal Savings



Dates: 2010 Through June 2023.
Source: Abdelrahman, H. and Luiz E. Oliveria, May 2023. "The Rise and Fall of Pandemic Excess Savings", BEA, Game of Trades.
Monthly excess savings are the deannualized post-pandemic monthly personal savings less that implied by the pre-pandemic 4-year trend.

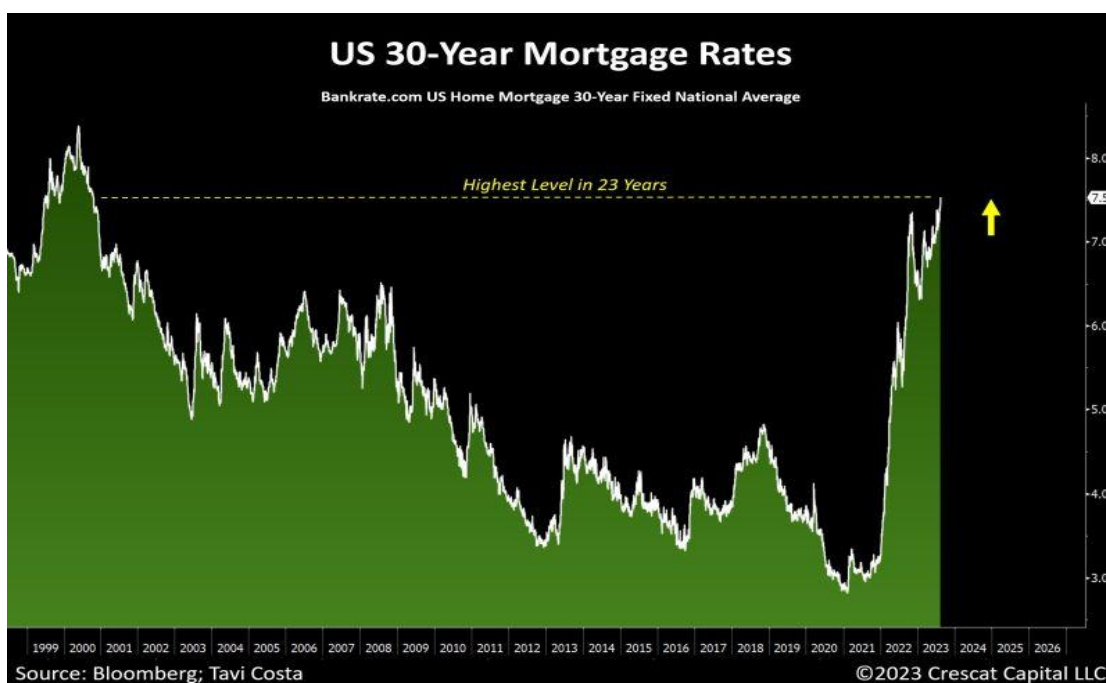


Source: Game of trades



#us #mortgage-rates

US average mortgage rates just surged above 7.5% for the first time in 23 years. There are some reasons why US house prices haven't crashed: 1. Buyers can't afford the rates; 2. Sellers would be insane to sell a home with a significantly lower rate to buy another at 7.5%. Market is frozen. The economy is currently experiencing a significant tightening of financial conditions, largely driven by the persisting fragility in the Treasury market. The bill will come due at some point.



Source: Crescat Capital, The Wolf of All Streets



#us #home-owners

Only 16% of Californians can afford to buy a home, a situation that is unfortunately not unique to the state, but where they are leading the way.

Only 16% of Californians Can Afford to Buy a Home

- Buyers need \$208,000 income to qualify for a 30-year loan
- Loan payments are climbing even as purchase prices fall



Homes in Rialto, California. Photographer: Kyle Grillot/Bloomberg

By [John Gittelsohn](#)

August 11, 2023 at 11:00 AM EDT

[Listen](#) 1:51

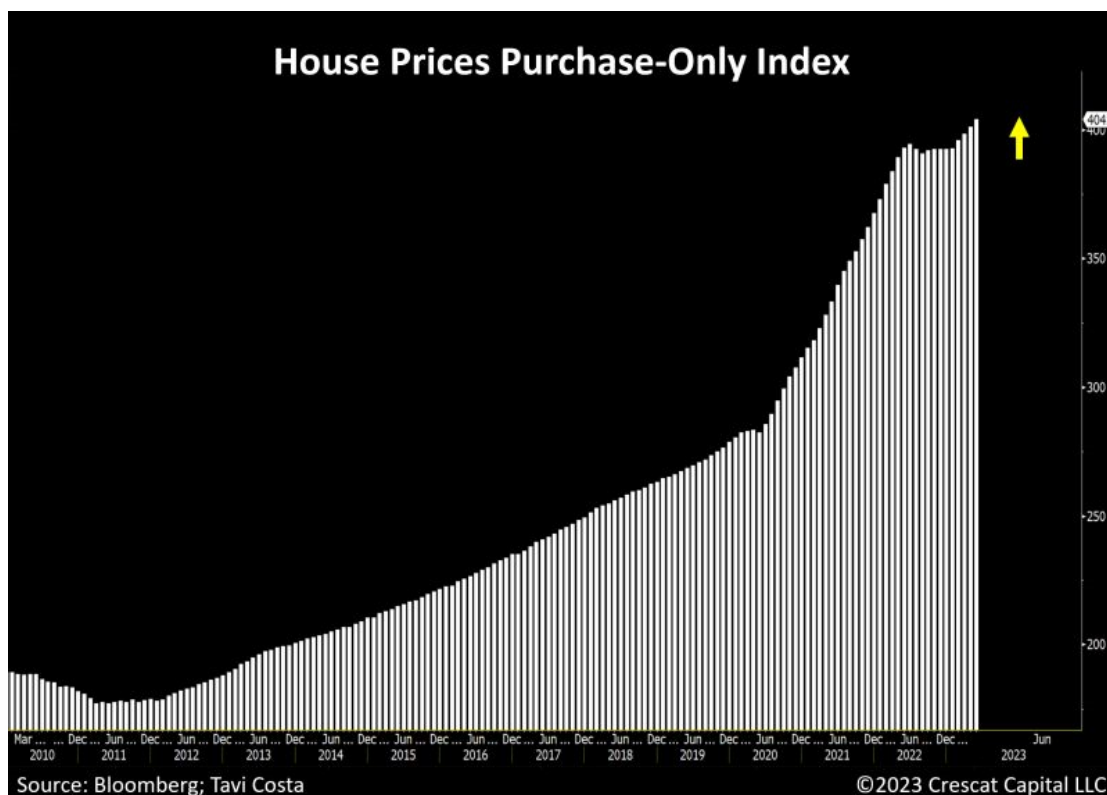
Buying a home in California slipped further out of reach as interest rates climbed and scarce inventory bolstered prices.

Only 16% of households could qualify to purchase a median-priced single-family home in the second quarter, the California Association of Realtors reported Friday. That's down from 19% in the first



#us #cpi #house-price

Looking at the recent sales transactions, house prices have accelerated significantly in the last 4 months to record levels, now growing at almost a 10% annualized rate. As a remainder, shelter costs / rents have been putting upward pressure on core CPI and are expected to ease. Really?



Source: Tavi Costa, Crescat Capital, Bloomberg

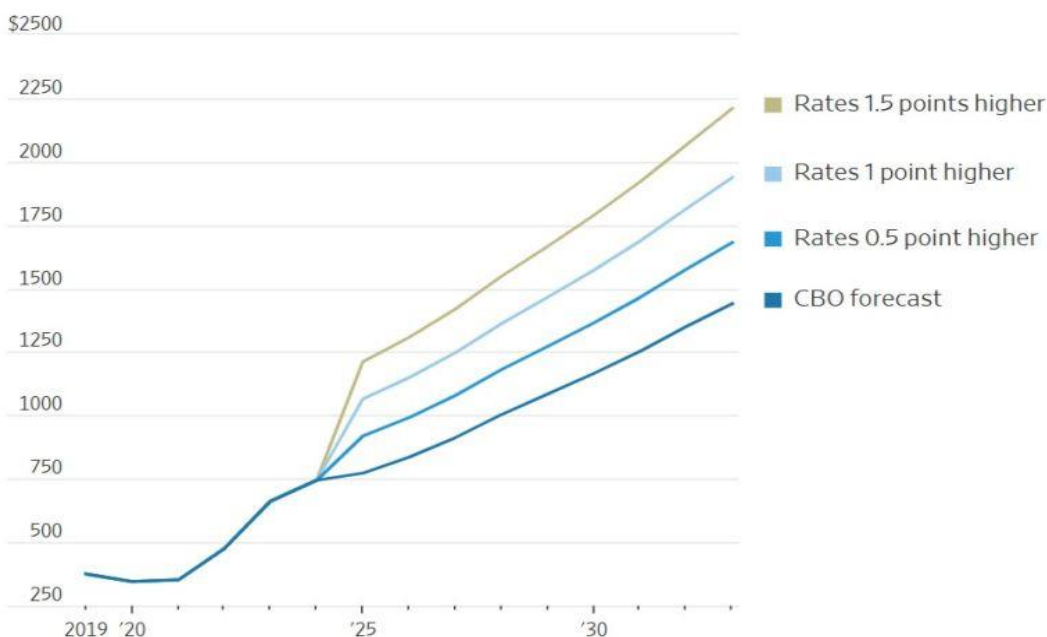


#federal-debt #interest-bill

Very interesting WSJ article: "The Scary Math Behind the World's Safest Assets. Washington has laid the seeds of a crisis that Wall Street can no longer ignore". Here's an extract: "Consider that around three-quarters of Treasuries must be rolled over within five years. Say you added just 1 percentage point to the average interest rate in the CBO's forecast and kept every other number unchanged. That would result in an additional \$3.5 trillion in federal debt by 2033.

Rounding Errors

Projected net interest on federal debt held by the public, billions of dollars



Source: CBO; WSJ calculations



Source: WSJ



#uk #inflation

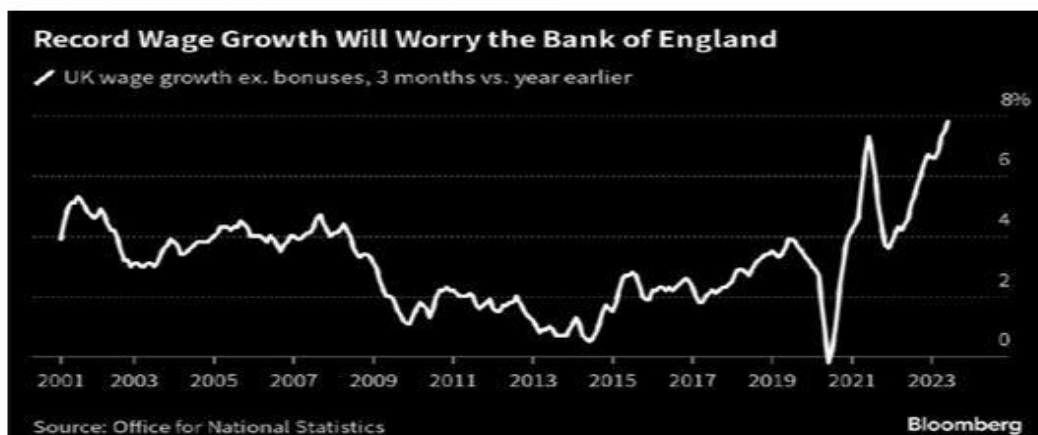
UK headline inflation cooled sharply in July to an annual 6.8%, but the core consumer price index remained unchanged, posing a potential headache for the Bank of England.

UK inflation still highest among big advanced economies

While consumer price inflation in Britain continues to fall below a 41-year high seen in October 2022, it remains the highest among most of its G7 peers and the euro zone.



Note: US inflation data is as of May 2023.
Source: Refinitiv Datastream, ONS | Reuters, July 19, 2023 | By Sumanta Sen



Source: Office for National Statistics

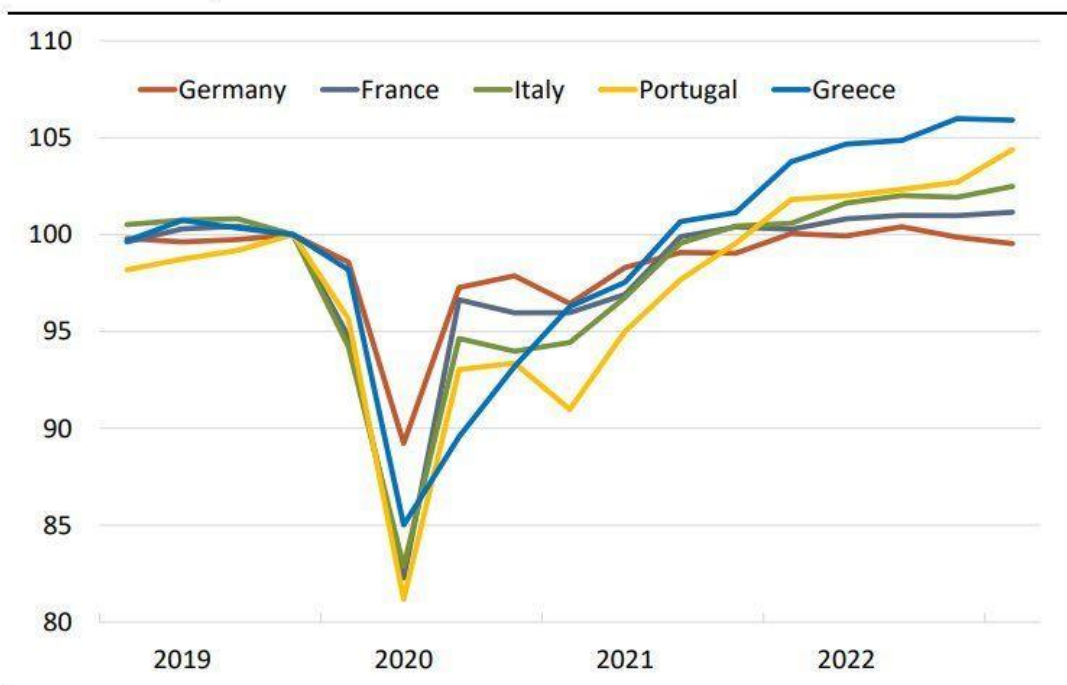




#greece #real-gdp

Advantage Greece... A decade ago, Germany was giving lessons to Greece how to run its economy. Things can quickly change.

Chart: Advantage Greece: real GDP



Real GDP, Q4 2019 = 100. Quarterly data. Source: Eurostat



#japan #real-gdp

Japan GDP grew 6%, handily beating expectations on robust exports - but domestic demand disappoints Japan Q2 GDP improves to 1.5% QoQ vs 0.8% expected and 0.1% prior, meaning Japan grows 6.0% on annualized basis, far more than expected (+2.9% yoy). However, some details of the report weren't as impressive as the headline. As pointed out by analysts in CNBC report, nearly all of the increase in output was driven by a 1.8%-pts boost from net trade. That marked the second-largest contribution from net trade in the 28-year history of the current GDP series, with only the bounce back in exports from the first lockdown at the beginning of the pandemic providing a larger boost.

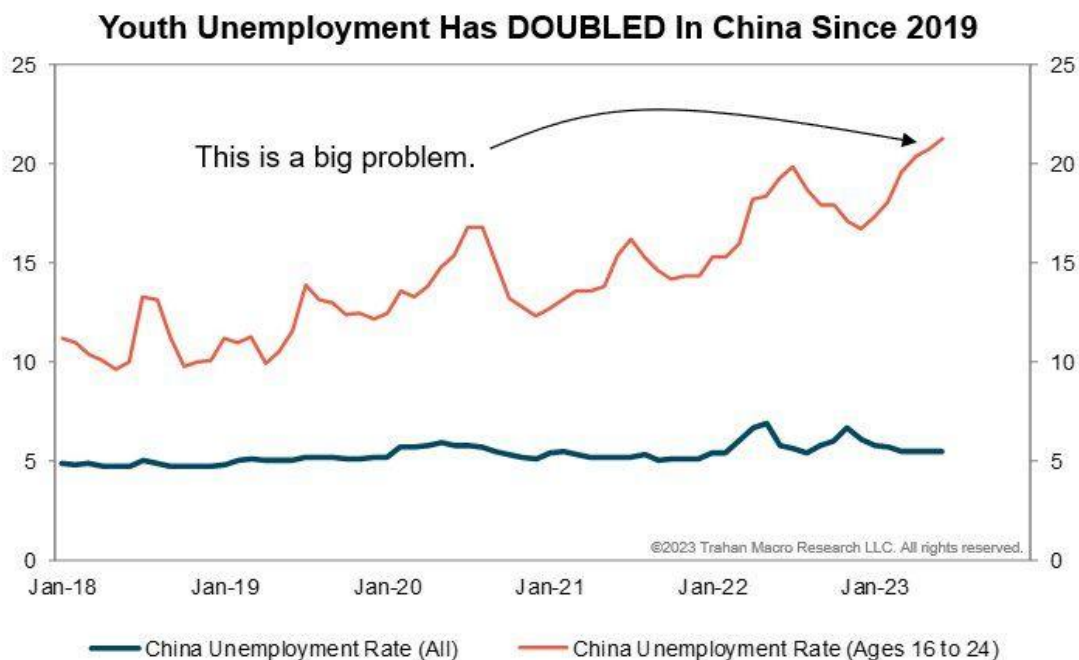


Source: Bloomberg, HolgerZ, CNBC



#china #youth #unemployment

Ominous sign of weakness in Chinese economy: China is suffering Italian style youth unemployment despite Chinese women retiring in early fifties.



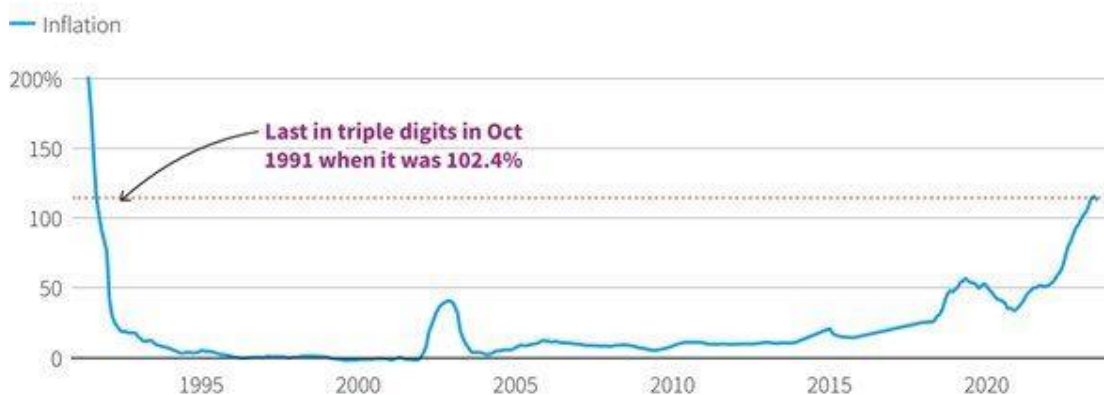
#argentina #inflation

Unprecedented times in Argentina

- On Monday, Argentina's central bank raised interest rates to 118%.
- Forex: you now get a record 350 Argentine Pesos for each US Dollar.
- Argentina 30-year mortgage is now at a record 82.2%.
- For the first time since 1991, their inflation rate is above 100%

Argentina: 100% inflation

Argentina's annual inflation rate is above 100%, the first time it has reached triple digits since the end of a hyperinflationary period in October 1991.

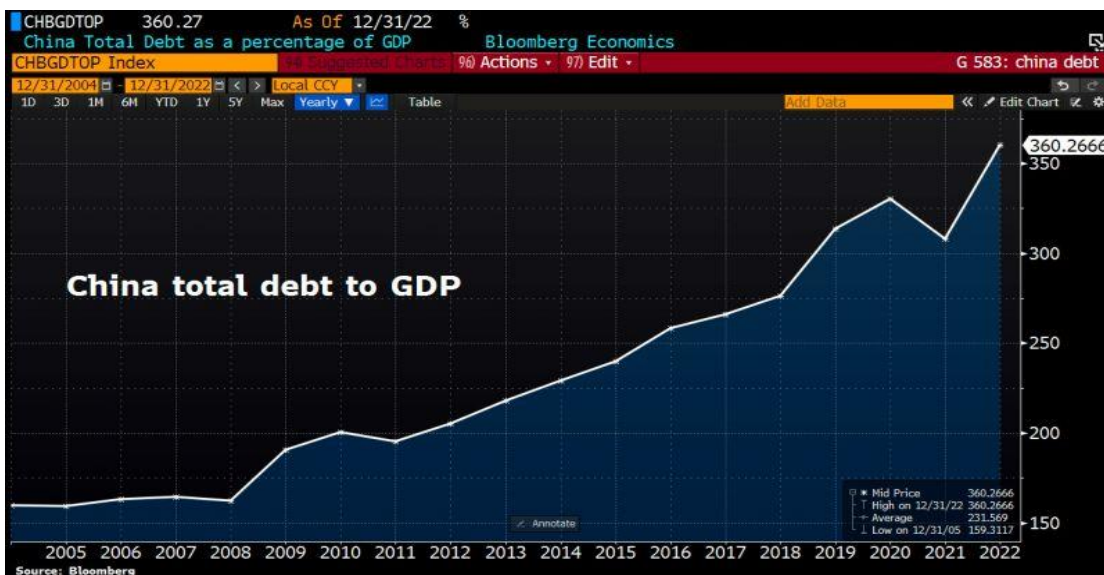


Note: Numbers based on several series data, the compilation of which has adjusted over time. Some data missing for 2015-2016.
Source: INDEC

#geopolitics

#biden #xi #tensions

President Joe Biden blasted China’s economic problems as a “ticking time bomb” and referred to Communist Party leaders as “bad folks,” his latest barb against President Xi Jinping’s government even as his administration seeks to improve overall ties with Beijing. In comments that included several major inaccuracies about the world’s second-largest economy, Biden said at a political fundraiser Thursday that China was in “trouble” because its growth has slowed and it had the “highest unemployment rate going.” He also blasted Xi’s signature Belt and Road Initiative as the “debt and noose,” because of the high levels of lending to developing economies associated with the global investment program.



Source: Bloomberg



#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

19 AUGUST 2023

#centralbanks

#rates

Norway hiked rates for the 12th time, 25 bps move to 4.00%. Another hike is expected in September.

Global Central Bank Policy Rates							
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	YoY CPI Trend vs. Prior Reading	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	3.3%	-3.4%	Higher	Cut	Jan-16
Switzerland	Target Rate	1.75%	1.6%	0.2%	Lower	Hike	Jun-23
Taiwan	Discount Rate	1.88%	1.9%	0.0%	Higher	Hike	Mar-23
Thailand	Policy Rate	2.25%	0.4%	1.9%	Higher	Hike	Aug-23
Malaysia	Policy Rate	3.00%	2.4%	0.6%	Lower	Hike	May-23
Denmark	Deposit Rate	3.35%	3.1%	0.3%	Higher	Hike	Jul-23
South Korea	Repo Rate	3.50%	2.3%	1.2%	Lower	Hike	Jan-23
China	Loan Prime Rate	3.55%	-0.3%	3.9%	Lower	Cut	Jun-23
Eurozone	Deposit Rate	3.75%	5.3%	-1.6%	Lower	Hike	Jul-23
Sweden	Repo Rate	3.75%	9.3%	-5.6%	Lower	Hike	Jun-23
Norway	Deposit Rate	4.00%	5.4%	-1.4%	Lower	Hike	Aug-23
Australia	Cash Rate	4.10%	5.4%	-1.3%	Lower	Hike	Jun-23
Canada	Overnight	5.00%	3.3%	1.7%	Higher	Hike	Jul-23
UK	Bank Rate	5.25%	6.8%	-1.6%	Lower	Hike	Aug-23
US	Fed Funds	5.38%	3.2%	2.2%	Higher	Hike	Jul-23
New Zealand	Cash Rate	5.50%	6.0%	-0.5%	Lower	Hike	May-23
Hong Kong	Base Rate	5.75%	1.9%	3.9%	Lower	Hike	Jul-23
Indonesia	Repo Rate	5.75%	3.1%	2.7%	Lower	Hike	Jan-23
Saudi Arabia	Repo Rate	6.00%	2.3%	3.7%	Lower	Hike	Jul-23
Philippines	Key Policy Rate	6.25%	4.7%	1.6%	Lower	Hike	Mar-23
India	Repo Rate	6.50%	7.4%	-0.9%	Higher	Hike	Feb-23
Poland	Repo Rate	6.75%	10.8%	-4.1%	Lower	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	8.8%	-1.8%	Lower	Hike	Jun-22
Peru	Policy Rate	7.75%	5.9%	1.9%	Lower	Hike	Jan-23
South Africa	Repo Rate	8.25%	5.4%	2.9%	Lower	Hike	May-23
Chile	Base Rate	10.25%	6.5%	3.8%	Lower	Cut	Jul-23
Mexico	Overnight Rate	11.25%	4.8%	6.5%	Lower	Hike	Mar-23
Russia	Key Policy Rate	12.00%	4.3%	7.7%	Higher	Hike	Aug-23
Colombia	Repo Rate	13.25%	11.8%	1.5%	Lower	Hike	Apr-23
Brazil	Target Rate	13.25%	4.0%	9.3%	Higher	Cut	Aug-23
Turkey	Repo Rate	17.50%	47.8%	-30.3%	Higher	Hike	Jul-23
Argentina	Benchmark Rate	118.00%	113.4%	4.6%	Lower	Hike	Aug-23

CREATIVE PLANNING

@CharlieBilello

Data as of 8/17/23



Source: Charlie Bilello

#centralbanks

#china #macro #rates

CHINA: BIG MISSES ON MACRO DATA & SURPRISE RATE CUTS
China's central bank unexpectedly cut key policy rates for the second time in three months on Tuesday, in a fresh sign that the authorities are ramping up monetary easing efforts to boost a sputtering economic recovery. This move opens the door to a potential cut in China's lending benchmark loan prime rate (LPR) next week. Earlier this morning, China reported big data miss in July. Retail sales rose by 2.5% in July from a year ago, below expectations for a 4.5% increase, according to analysts polled by Reuters. Industrial production rose by 3.7% in July from a year ago, below the 4.4% increase analysts had expected.



Source: CNBC

#centralbanks

#russia #rates

Russia's central bank raises its key interest rate to 12% from 8.5% at an emergency meeting called after the Ruble crashed. The Ruble is recovering somewhat after its collapse, and now costs more than a penny again. Trades at 98 per Dollar

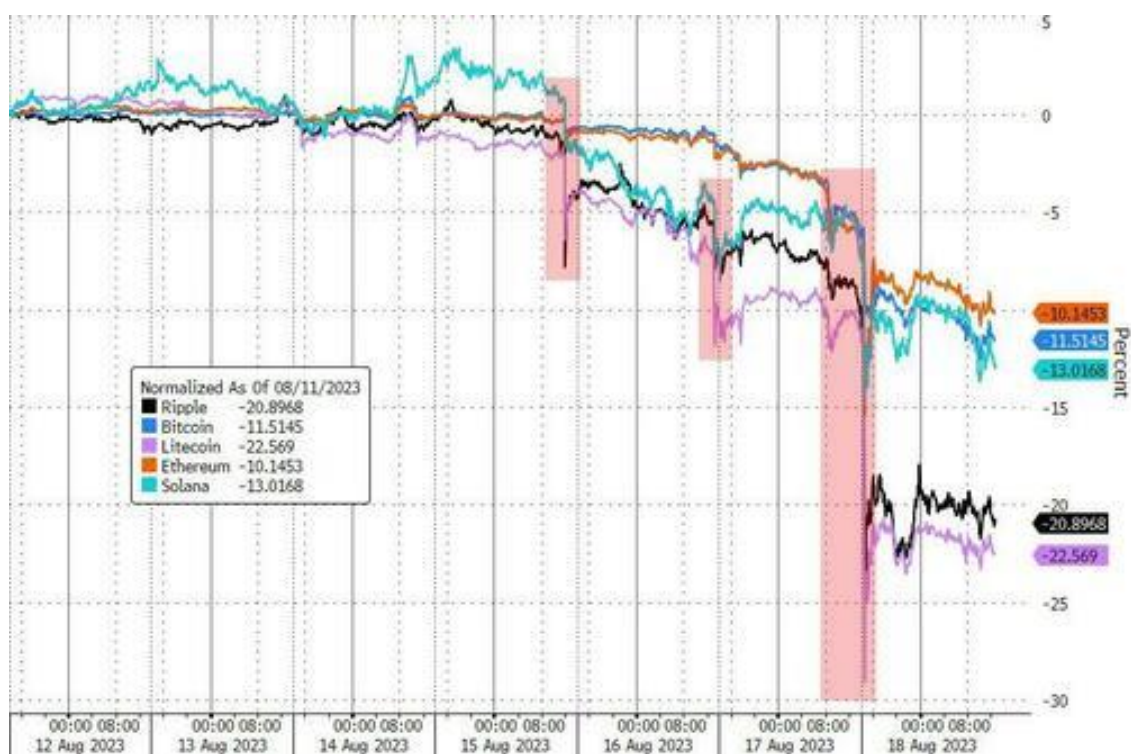


Source: HolgerZ, Bloomberg



#cryptos #weekly

Crypto tumbled this week with three big legs lower...



Source: Bloomberg, www.zerohedge.com





#bitcoin #spacex


After falling from \$29k Wednesday evening to \$27.5k yesterday, bitcoin crashed \$2,000 in just 10 minutes overnight to hit a low of \$25,314 on a massive order dump which quickly took out all stops. While it's not clear what the immediate catalyst is, the crash coincides with reports that Elon Musk's SpaceX has sold out all the BTC it previously acquired (\$373 million). Others have pointed to China's Evergrande Group filing for Chapter 11 bankruptcy in New York. The fall has taken Bitcoin's market cap below \$500 billion for the first time since June 16 and hit lows not seen since June 20.



Bitcoin Magazine 
@BitcoinMagazine



BREAKING: Elon Musk's SpaceX sold all its \$373 million #bitcoin  - WSJ

 Readers added context they thought people might want to know

There is no evidence to support the claim that SpaceX sold \$373M Bitcoin. WSJ report is unclear and does not provide evidence to support the sale.

Furthermore, the article states SpaceX wrote down the value of Bitcoin it owns by \$373M last year and in 2021.

Sources

[x.com/watcherguru/st...](#)

[wsj.com/tech/behind-th...](#)

Do you find this helpful?



Source: cointelegraph, zero hedge



#bitcoin #liquidation

Bitcoin just saw one of its largest daily liquidations by volume in history. Starting at 4:30 PM on Thursday, Bitcoin fell 7.5% in 20 MINUTES, erasing \$42 billion in market cap. This mass-liquidation event involved more outflows in 1 day than during the FTX collapse in November 2022. Liquidity seems to be drying up.



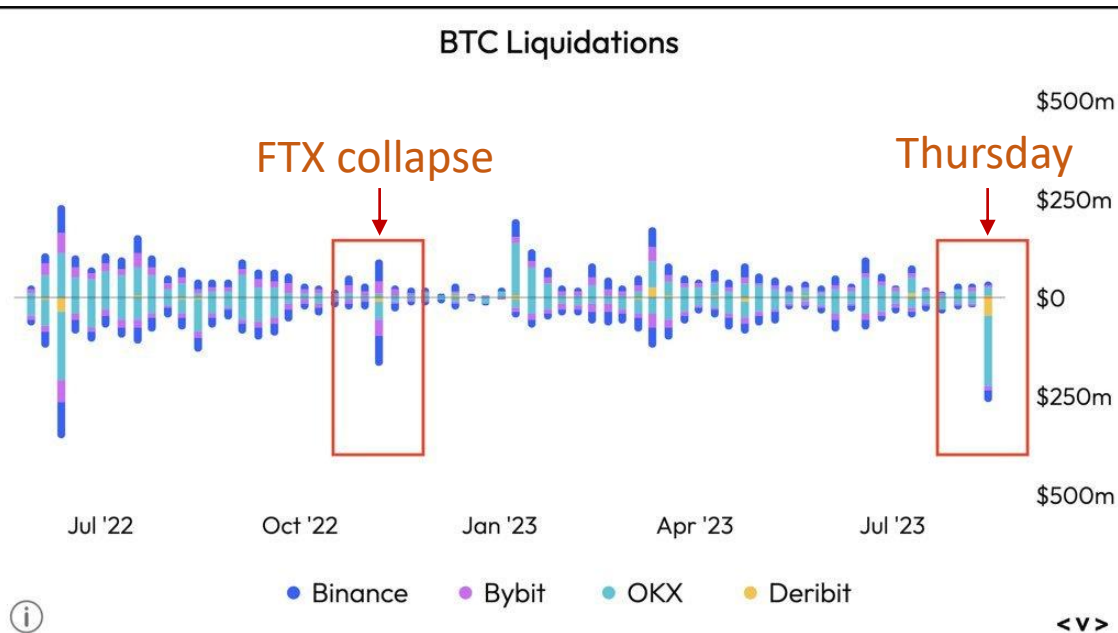
Source: The Kobeissi Letter





#bitcoin #liquidation

Here's a chart comparing BTC liquidations on Thursday versus the FTX collapse in November 2022. This feels like yet another sign of the drying #liquidity markets we have seen over the last few weeks.



Source: The Kobeissi Letter

#cryptos

#bitcoin #etf #sec

SEC delays set deadlines for Bitcoin ETF approval to early 2024. With a maximum 240-day window available to the SEC to delay crypto ETF applications, some firms could wait until March 2024 to hear decisions on filings made in July 2023.

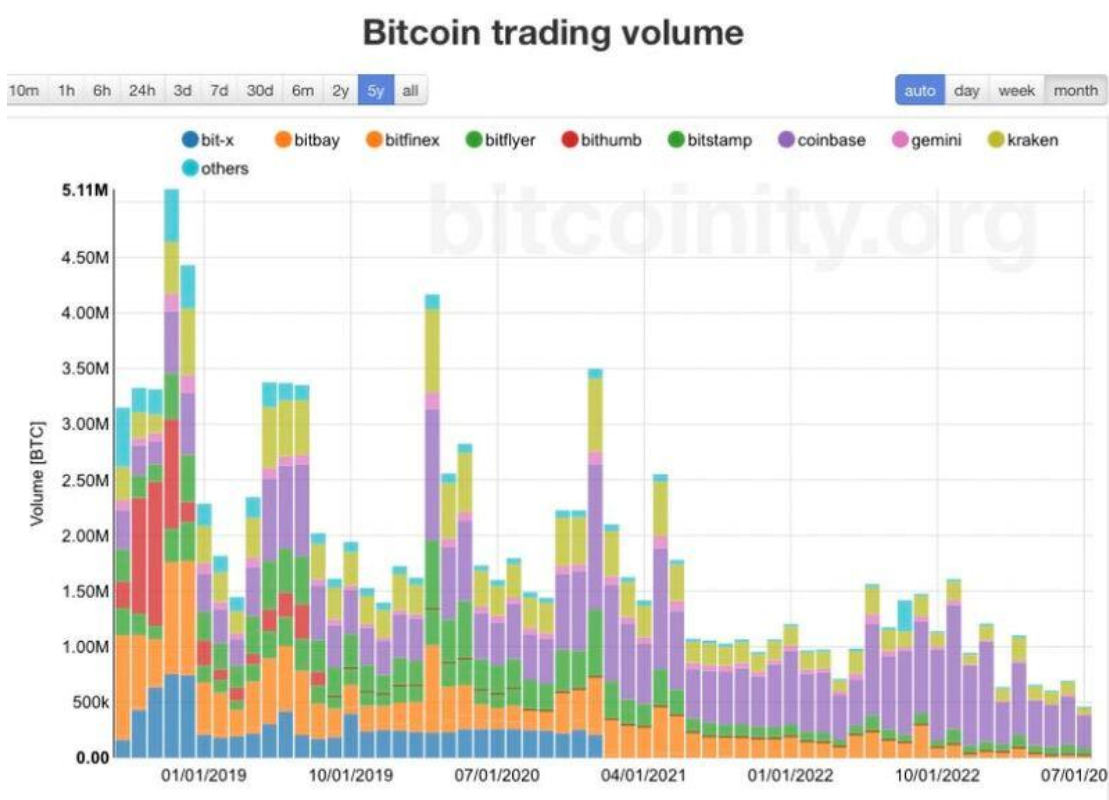


Source: cointelegraph



#bitcoin #volume

Bitcoin trading volume just hit the lowest point ever recorded



Source: Bitcoin news



#bitcoin #country-demand

Countries with the highest interest in bitcoin



Bitcoin for Freedom  
@BTC_for_Freedom

Countries with the highest interest in [#bitcoin](#)  according to Google Search:

1. Nigeria 
2. El Salvador 
3. Brazil 
4. Ghana 
5. Cameroon 
6. Slovenia 
7. Switzerland 
8. Cyprus 
9. Netherlands 
10. Turkey 
11. Georgia 
12. Austria 
13. Germany 
14. Kenya 

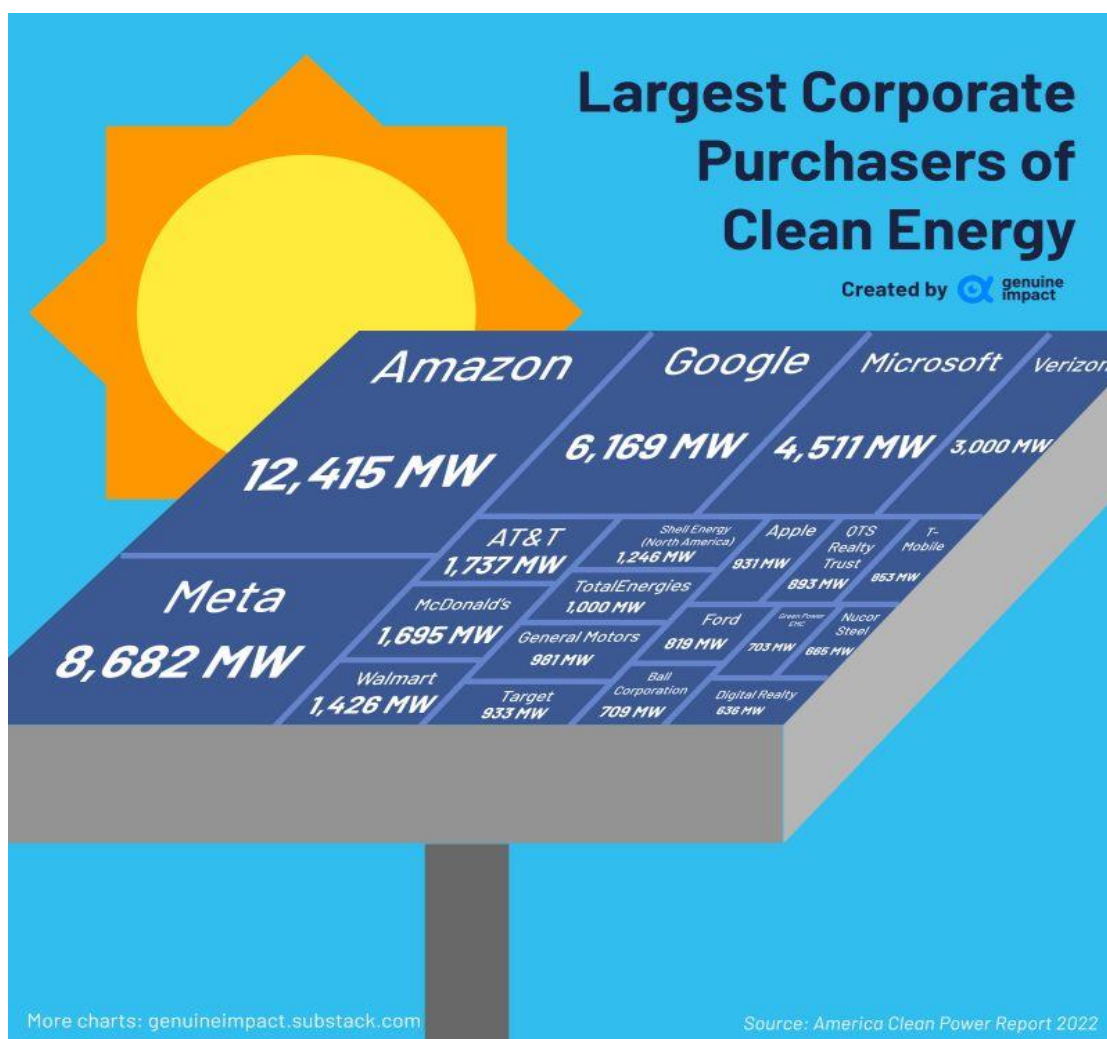
8:14 PM · Aug 11, 2023 · **86.6K** Views

Source: Google Search

#food-for-thought

#amazon #renewable #energy

Amazon is the largest corporate purchaser of clean energy in 2022 at 12,415MW. They are closely followed by other large tech companies such as Meta, Google, and Microsoft.



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

#food-for-thought

#ibm #personal-computer

IBM unveiled its first personal computer on this day in 1981. The company hoped to sell 241,683 PC's in the first 5 years. It ended up selling 3 million computers.



Source: Jon Erlichman

#food-for-thought

#design #lean #experience

About providing the right informatio, and presenting it the right way!

THIS IS A BOARDING PASS:



THIS IS A LEAN BOARDING PASS:



WHICH OF THE TWO MAKES MORE SENSE TO YOU?

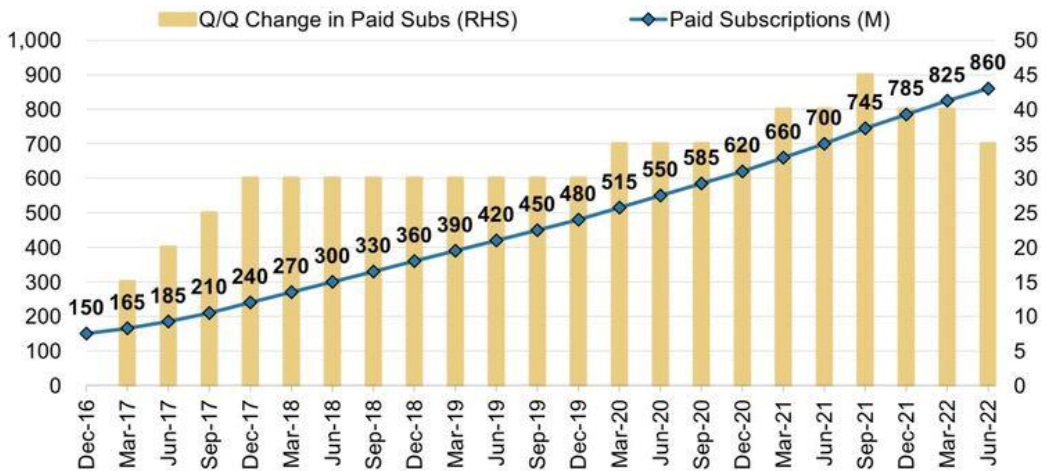
Source: P. Akers thru [Pascal BORNET](#)

#food-for-thought

#apple #pricingpower #subscriptions

According to Morgan Stanley research last year, \$AAPL has an estimated 860 million subscriptions sold. If this is correct, Apple could raise the monthly price by \$1 per month on these subscriptions and generate an incremental \$10 billion per year in revenue. Apple has set themselves up with a simple pricing lever that can generate incremental high-margin returns for years ahead.

Apple Services Paid Subs (Millions)



Source: Company Data, Morgan Stanley Research

Source: Morgan Stanley, Joseph Carlson

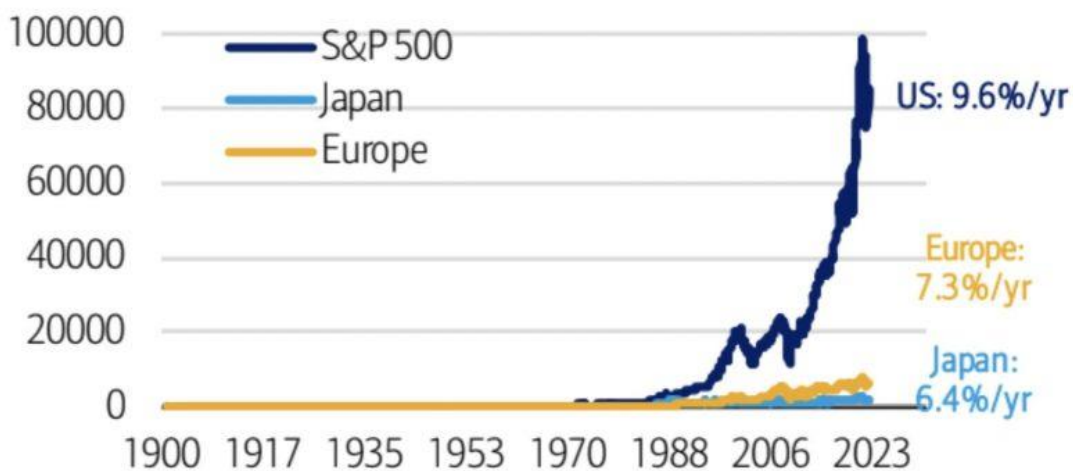


#food-for-thought

#compounding #returns

The power of compounding: What a difference 2% make!

Cumulative total returns for regional equities indices



Source: BofA ETF Research, Bloomberg

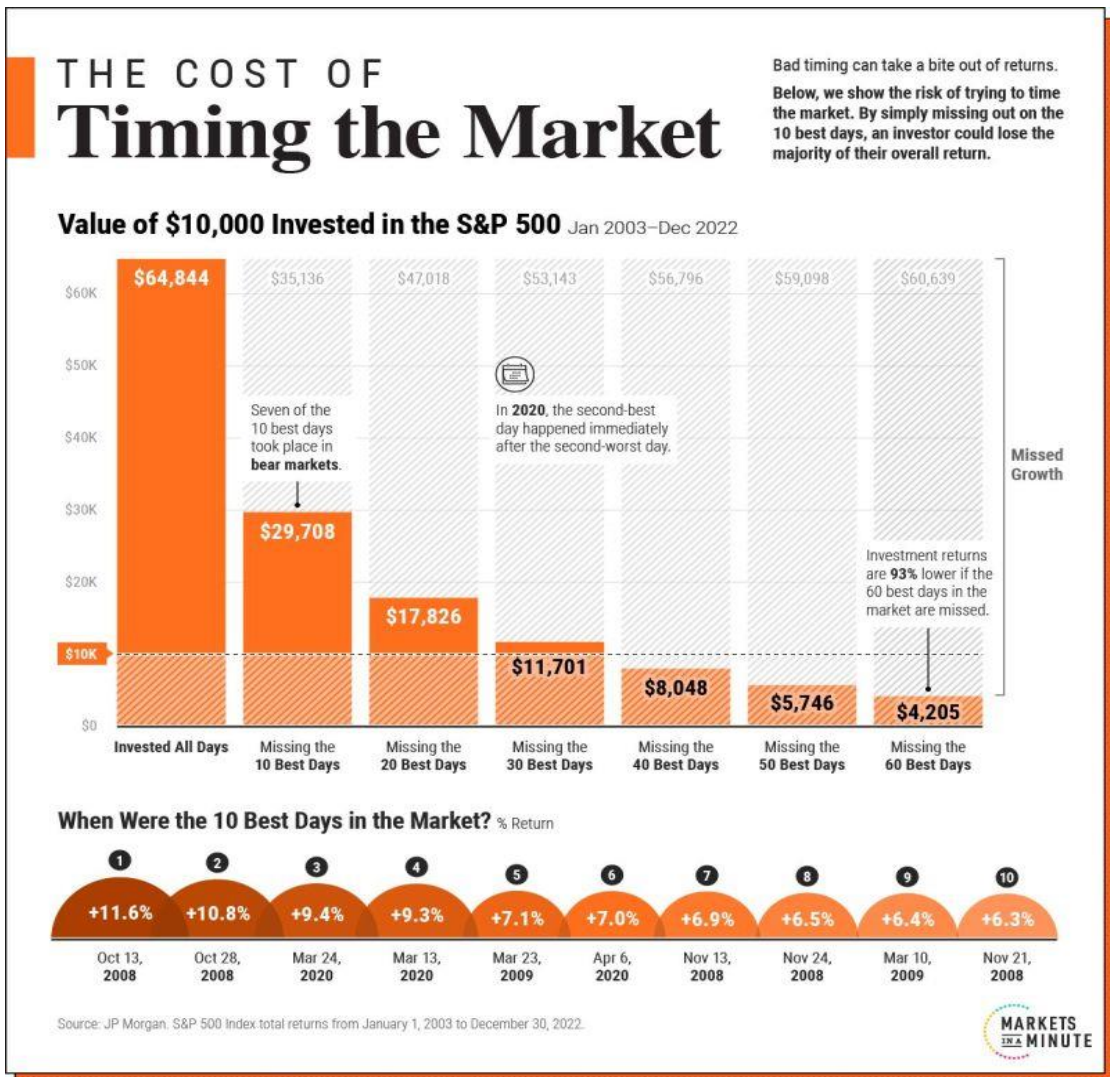
BofA GLOBAL RESEARCH

Source: Michel A.Arouet, BofA

#food-for-thought

#market-timing #sp500

The cost of timing the market



Source: Elements / Visual Capitalist

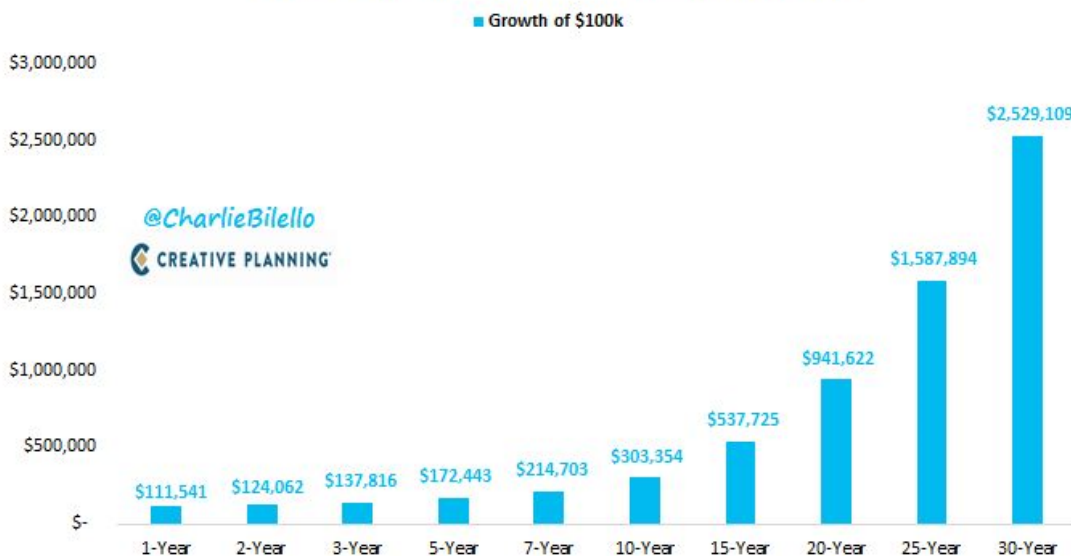


#food-for-thought

#investing #patience #long-term

The biggest money in investing comes from patience and time. Your biggest edge as an individual investor comes from ignoring short-term fluctuations and playing the long game

Average Growth of a \$100,000 Portfolio over Time (Invested in S&P 500, 1928 - 2022, Total Return)

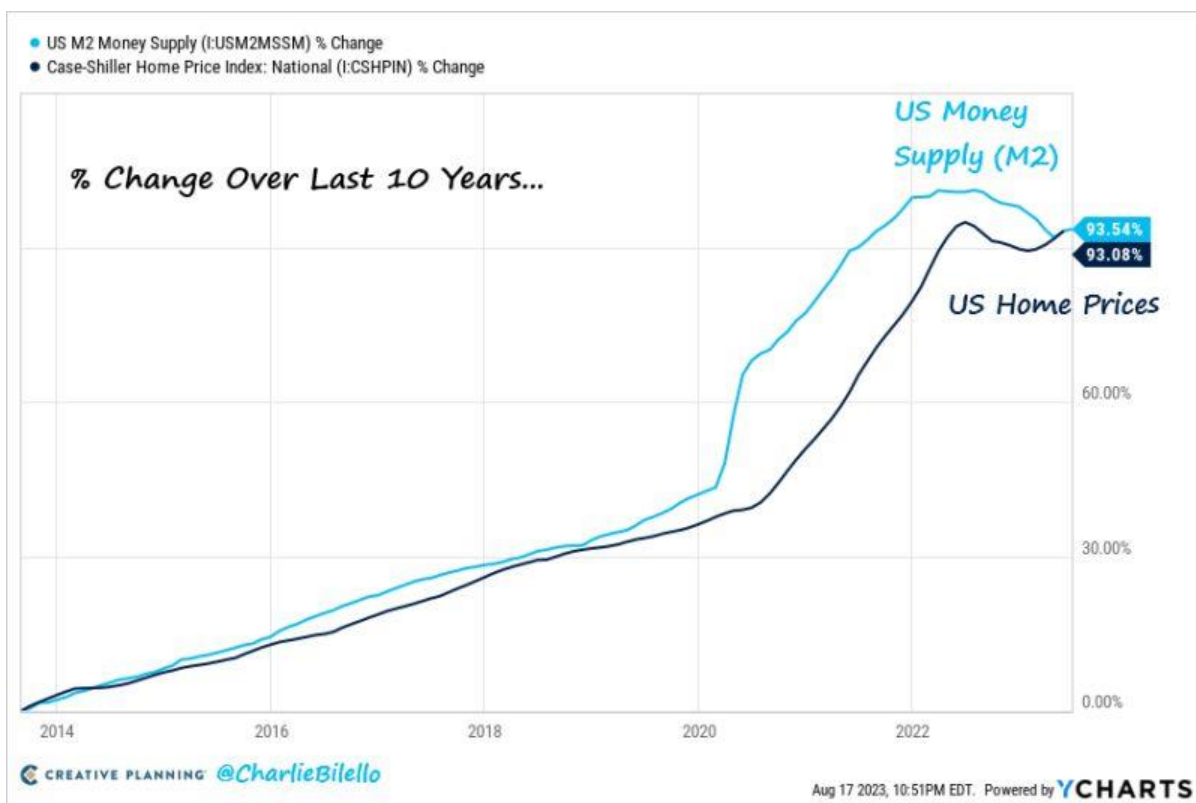


Source: Peter Mallouk, Charlie Bilello

#food-for-thought

#us #inflation #quotes

"inflation is always and everywhere a monetary phenomenon."
- Milton Friedman



Source: Charlie Bilello

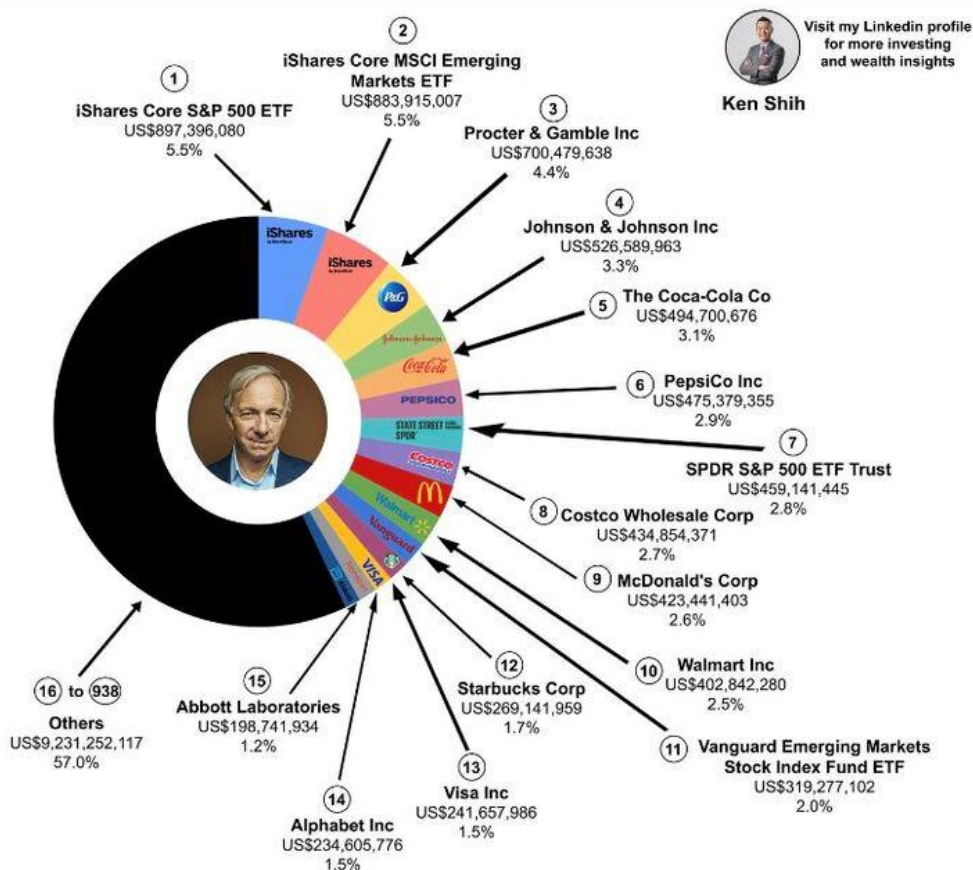
#food-for-thought

#ray-dalio #bridgewater #portfolio

Here is Ray Dalio's portfolio

Ray Dalio's Investment Portfolio

Total portfolio value: US\$16,193,417,092
Q2 2023



Visit my LinkedIn profile for more investing and wealth insights
Ken Shih

Source: [Ken Shih](#)

#food-for-thought

#hedge-fund #holdings #themes

Hedge funds top 5 holdings Q2 2023. Recurring themes:
 Hyperscalers \$AMZN \$GOOG \$MSFT
 Semiconductor \$AMD \$NVDA \$TSM
 Consumer tech \$AAPL \$TSLA
 Specialty Retail \$BBWI \$RH
 Global apps \$META \$NFLX
 Payments \$MELI \$V

Q2 2023 TOP 5 HOLDINGS

APP ECONOMY INSIGHTS

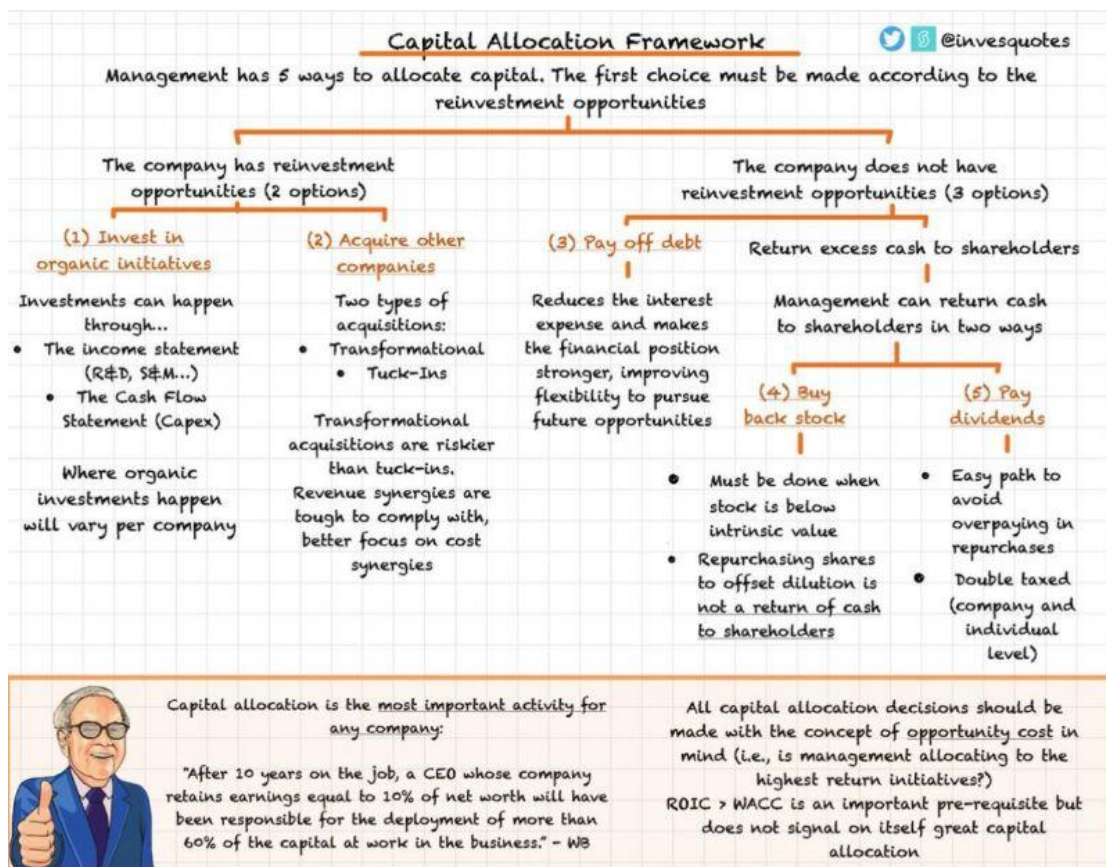
	#1	#2	#3	#4	#5
NIGHT OWL	AMZN	GOOG	MSFT	AON	V
AKRE	MA	MCO	AMT	V	ORLY
LONE PINE	MSFT	TSM	AMZN	BBWI	RH
COATUE	NVDA	MSFT	META	AMZN	AMD
ALTIMETER	SNOW	META	CFLT	UBER	MSFT
SANDS	V	AMZN	DXCM	LRCX	MELI
ROUTE ONE	POST	BRBR	AMZN	SCHW	GWRE
APPALOOSA	NVDA	META	MSFT	AMZN	BABA
TIGER	META	MSFT	APO	JD	TTWO
EAGLE	AMZN	MSFT	META	GOOG	NFLX
DORSEY	META	SMAR	WIX	GOOG	DIS
ABDIEL	HUBS	GLBE	APPN	TOST	FND
LIGHT STREET	NVDA	GTLB	META	TSLA	TSM
FOXHAVEN	AMZN	FERG	HLT	V	CPNG
CENTER LAKE	MSFT	AMZN	GOOG	AAPL	SMH
BAILLIE	MELI	NVDA	TSLA	MRNA	AMZN
FUNDSMITH	MSFT	SYK	META	PM	IDXX
WHALE ROCK	META	MSFT	NVDA	NFLX	HUBS
MAYTECH	NVDA	META	AAPL	AMZN	GOOG
ATREIDES	QQQ (P)	RH	PSTG	PYPL	BBWI

Source: App Economy Insights

#food-for-thought

#useful #capital-allocation

Capital allocation framework



Source: invesquotes through Brian Feroldi

#food-for-thought

#humor #financial-statements

Balance sheet vs. bikini

You know, a balance-sheet is like a bikini, it shows more but it hides what is vital. I learnt to read a balance sheet and then I got fascinated by stocks.

RAKESH

JHUNJHUNWALA

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

#food-for-thought

#useful #stock-picking

How to find great stocks

6 STEPS TO FIND GREAT STOCKS

BY COMPOUNDING QUALITY



- 1 Study the competitive advantage**
 - Why** You don't want to invest in The Next Big Thing. You want to invest in companies that have already won
 - How** Gross Margin > 40% & ROIC > 15%
- 2 Look for companies with skin in the game**
 - Why** Companies with skin in the game outperform the market
 - How** Insider ownership > 10%
- 3 Low capital intensity**
 - Why** Companies that require very little capital to operate are very attractive for investors
 - How** CAPEX/Sales < 5%
- 4 Great capital allocation**
 - Why** Capital allocation is the most important task of management
 - How** ROIC > 15% & ROCE > 20%
- 5 High profitability**
 - Why** You want to invest in companies that translate most revenue into earnings
 - How** Profit Margin > 10% & FCF Margin > 10%
- 6 Secular trend**
 - Why** In the long term stock prices tend to follow earnings growth
 - How** Revenue growth > 5% & EPS Growth > 7%

 @QCompounding www.compoundingquality.net 

Source: Compounding Quality

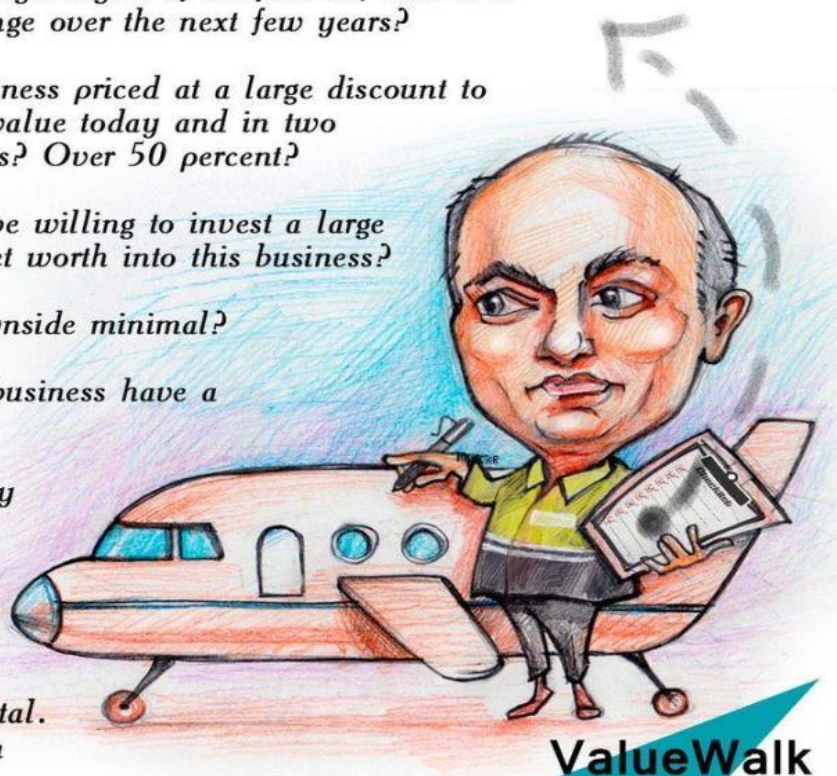
#food-for-thought

#useful #investor #checklist

Mohnish Pabrai is seen by many as the best Indian investor ever. He paid \$650,000 to lunch with Buffett and compounded at 25% (!) per year. Here's

- 1. Is it a business I understand very well—squarely within my circle of competence?*
- 2. Do I know the intrinsic value of the business today and, with a high degree of confidence, how it is likely to change over the next few years?*
- 3. Is the business priced at a large discount to its intrinsic value today and in two to three years? Over 50 percent?*
- 4. Would I be willing to invest a large part of my net worth into this business?*
- 5. Is the downside minimal?*
- 6. Does the business have a moat?*
- 7. Is it run by able and honest managers?*

Source:
HurricaneCapital.wordpress.com



Source: Value Walk [Compounding Quality](#) / [Chris Quinn](#)

#food-for-thought

#useful #stock-picking

Nice infographic about the right and wrong reasons to SELL a stock

WHEN TO SELL A STOCK

Danielmnke.com

RIGHT REASONS TO SELL A STOCK

WRONG THESIS

YOUR INVESTMENT THESIS WAS BASED ON FACTS THAT TURN OUT TO BE WRONG.

"It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so." - Mark Twain


FACT-CHECKED

CHANGING FACTS

FACTS CAN BE SUBJECT TO CHANGE. WHAT HAS BEEN TRUE, MIGHT NOT BE ANYMORE.

Ex:


- Bad Management Decisions
- Deteriorating Moat
- Regulation



OPPORTUNITY COSTS

WHEN THERE'S A BETTER OPPORTUNITY OFFERING MORE RETURNS, IT MAKES SENSE TO SELL A CURRENT POSITION.


"I would argue that one filter that's useful in investing is the idea of opportunity costs." - Charlie Munger




WRONG REASONS TO SELL A STOCK

STOCK PRICE ↑


STOCK PRICE WENT UP FROM BUYING PRICE.






MACROECONOMICS

EXPECTING A MARKET DOWNTURN AND SELLING BEFORE THE STOCK PRICE DROPS.



STOCK PRICE ↓

STOCK PRICE WENT DOWN FROM BUYING PRICE.


@MnkeDaniel

Source: [Danielmnke.com](https://danielmnke.com)

#food-for-thought

#quote #investing-mentality

Quote of the day by Ben Graham

Quote of the Day

*“The intelligent investor is a realist who
sells to optimists and buys from
pessimists.”*

- Benjamin Graham

Source: JC Parets

#food-for-thought

#burry #predictions #recessions

Michael Burry is an outstanding contrarian investor and did exceptionally well during the 2006-2008 US housing crash. However, performance is not always repeatable and his next bets haven't paid off that well (at least the market views shared publicly - hedge fund long-term performance looks quite strong on a sharper ratio basis).

Adam Khoo had a look at all of Michael Burry's recent predictions and he shared it with a chart on X

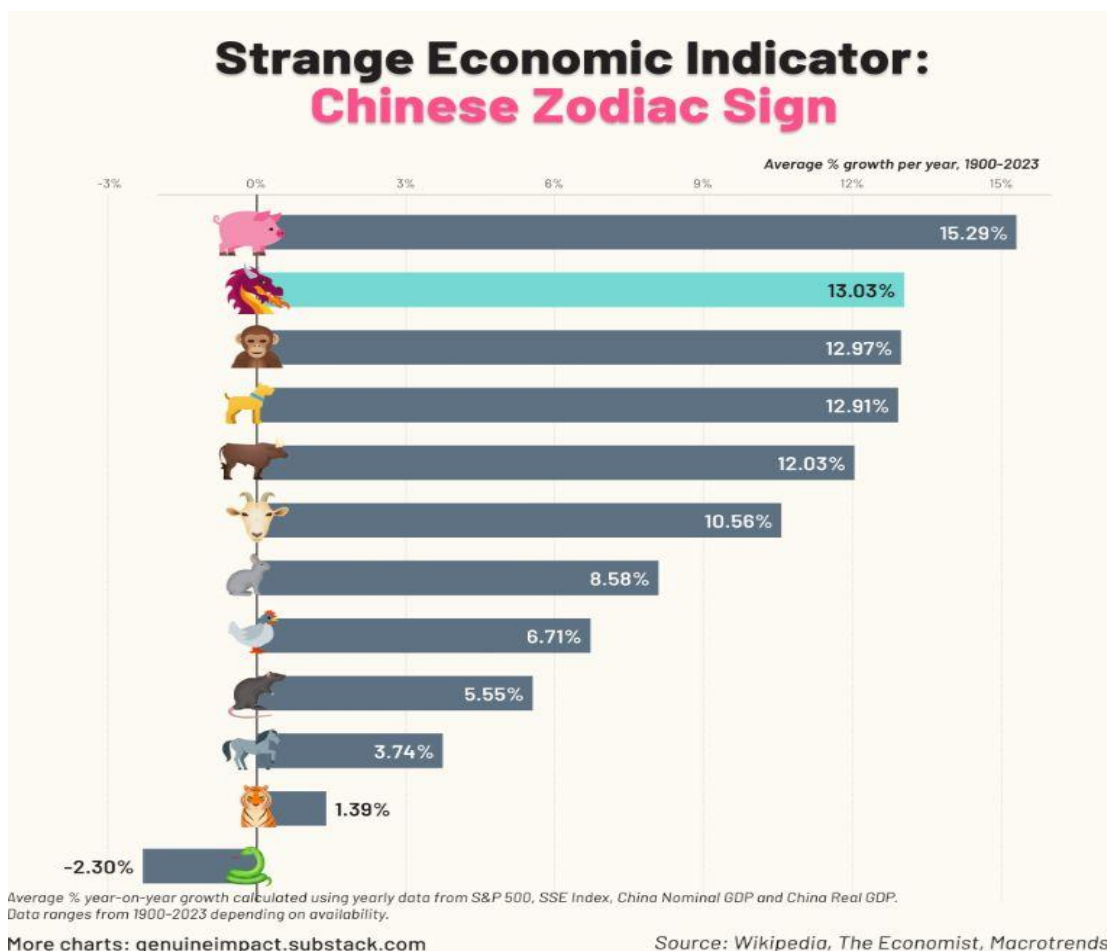


Source: Adam Khoo Trader

#food-for-thought

#china #zodiac-sign

Various unique economic indicators, including the Chinese Zodiac, have been tied to market behavior changes. With 2024 being the Year of the Dragon, one might wonder if it will bode well for the stock market.



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

#food-for-thought

#tesla #prices #china

Tesla Inc has cut prices in China for its Model Y long-range and performance versions starting on Aug. 14, the company said in a notice on Monday. The car company dropped the starting prices of both models by 14,000 yuan (\$1,934.58). The Model Y Long Range's starting price drops 4.5% to 299,900 yuan and the starting price of the Model Y Performance is now 349,900 yuan, down 3.8%. In the same announcement, Tesla also said it would offer insurance subsidies in China of 8,000 yuan for Model 3 buyers of entry-level, rear-wheel-drive versions of the Model 3 inventory vehicle between Aug. 14 and Sept. 30.



Source: reuters

#food-for-thought

#second-hand #resale-price

Watchcharts Rolex and Patek second-hand indices are dropping rapidly, down -11.5% and -16.8% respectively over the last 12 months. This is an interesting smooth time series for global economy as it is independent from manipulation and less prone to day-to-day shift in sentiment.

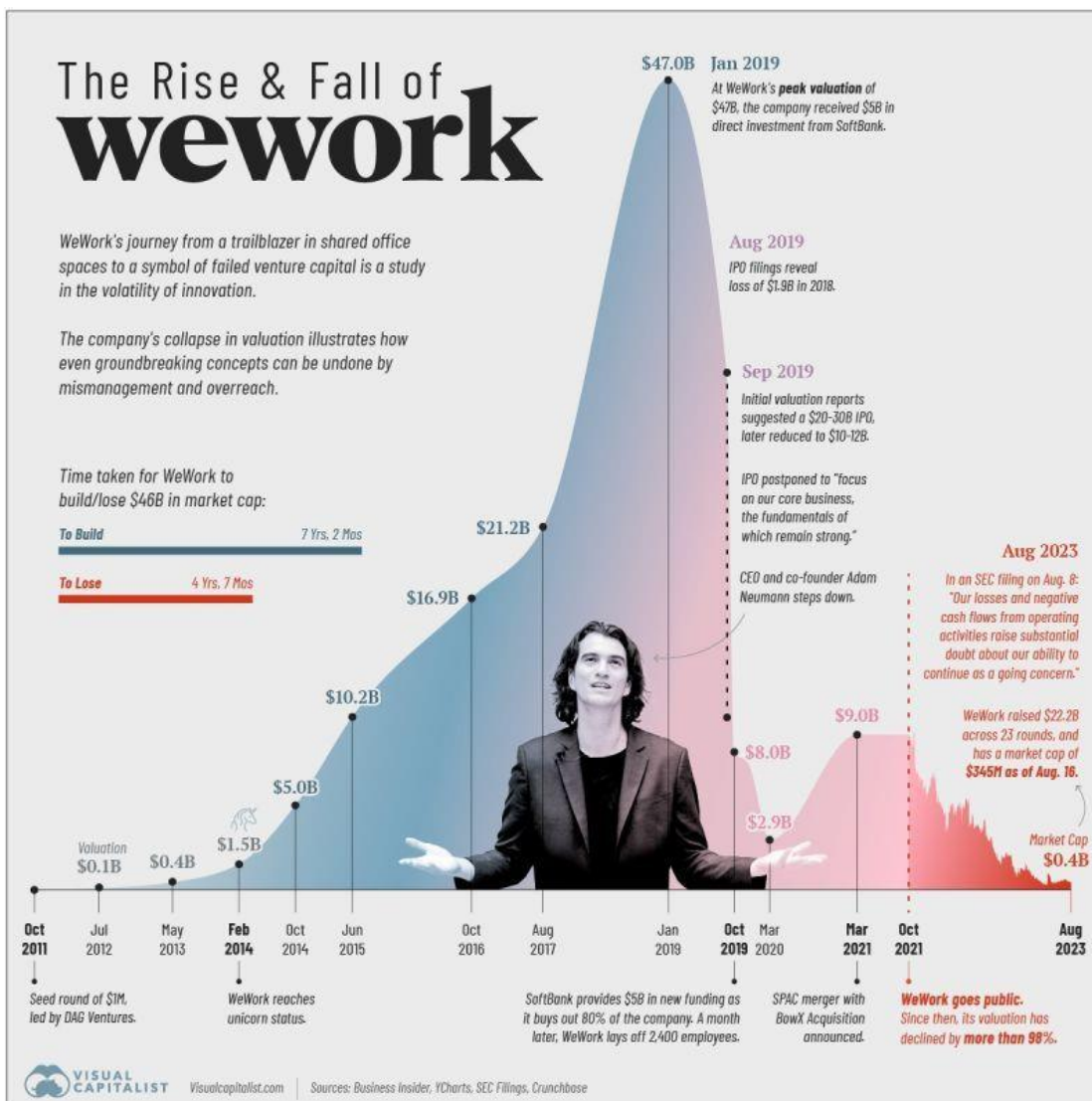


Source: www.watchcharts.com

#food-for-thought

#wework #venture-capital

The Rise and Fall of WeWork




Source: VisualCapitalist

#food-for-thought

#us #cost-of-living

1971 vs NOW - The average U.S. annual income in 1971 paid off a house in ~2.5 years, could buy 3 new cars in a year, send 4 kids to Harvard in a year and easily afford food, shelter, necessities and entertainment. Does the older generation understand the difficulties the young face today?



<u>LIVING</u>	
New House	\$25,200.00
Average Income	\$10,622.00 per year
New Car	\$3,560.00
Average Rent	\$150.00 per month
Tuition to Harvard University	\$2,600.00 per year
Movie Ticket	\$1.50 each
Gasoline	40¢ per gallon
United States Postage Stamp	8¢ each

<u>FOOD</u>	
Granulated Sugar	62¢ for 5 pounds
Vitamin D Milk	\$1.17 per gallon
Ground Coffee	98¢ per pound
Bacon	80¢ per pound
Eggs	45¢ per dozen
Fresh Ground Hamburger	62¢ per pound
Fresh Baked Bread	25¢ per loaf

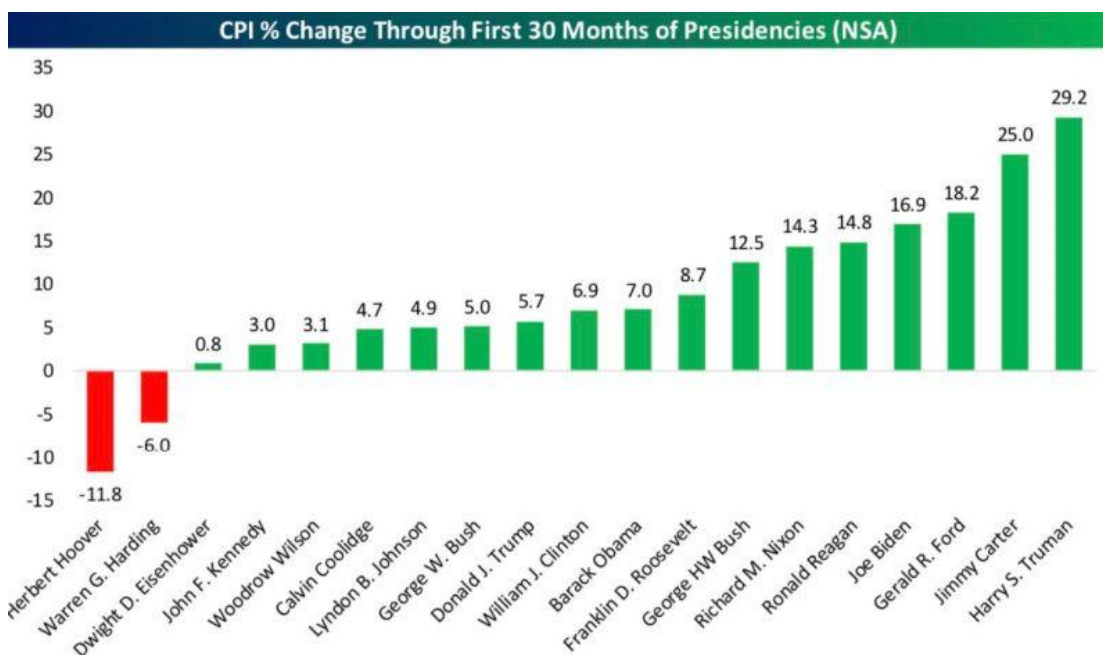
Source: Gabor Gurbacs

#food-for-thought

#us #inflation #history

Inflation as measured by the official headline CPI number is up 16.9% in President Biden’s first 30 months.

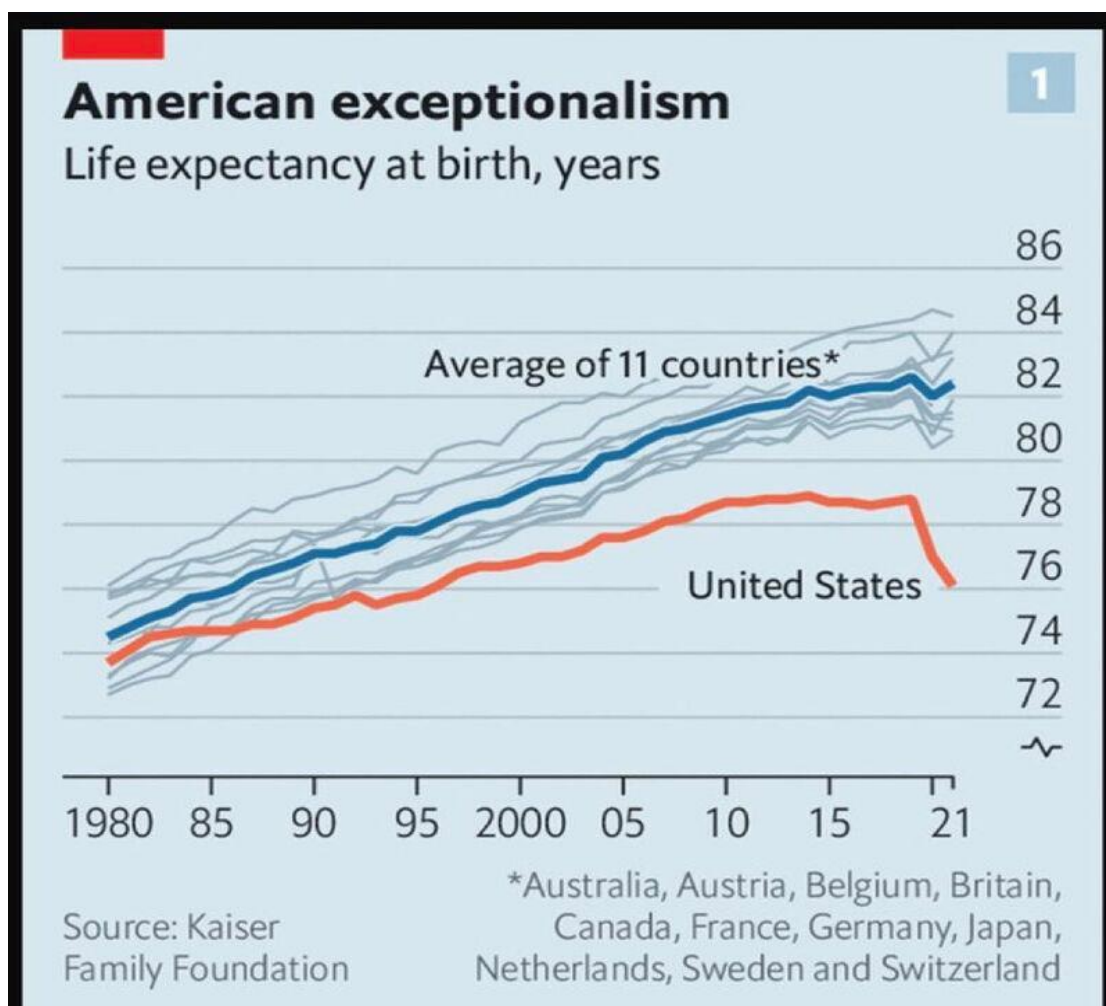
Here’s how that ranks among prior first-term Presidencies:



#food-for-thought

#us #life-expectancy

Comparable countries bounced post-COVID, but US did not. ~1 million Americans have died of OD's just since 2010; that's more than the # of Americans that died in all wars America has ever fought in.



Source: The Economist Via Dan R Dimicco thru Luke Gromen

#food-for-thought

#global-wealth #new-world

Global Wealth declined by \$11.3 trillion last year, the first annual drop since the Global Financial Crisis. Here are the biggest winners and losers

The winners and losers of 2022's global wealth drop

Percentage change in total household wealth during 2022 by country.

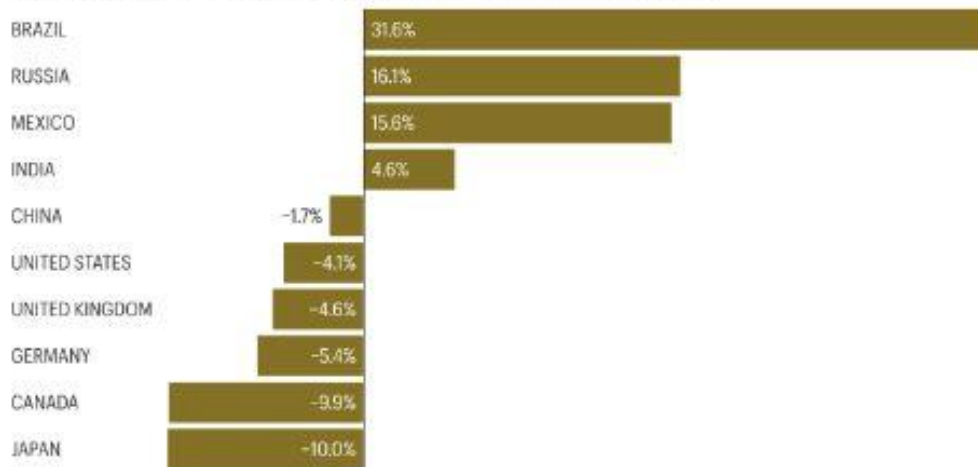


CHART: WILL DANIEL - SOURCE: UBS AND CREDIT SUISSE'S GLOBAL WEALTH REPORT 2023

FORTUNE

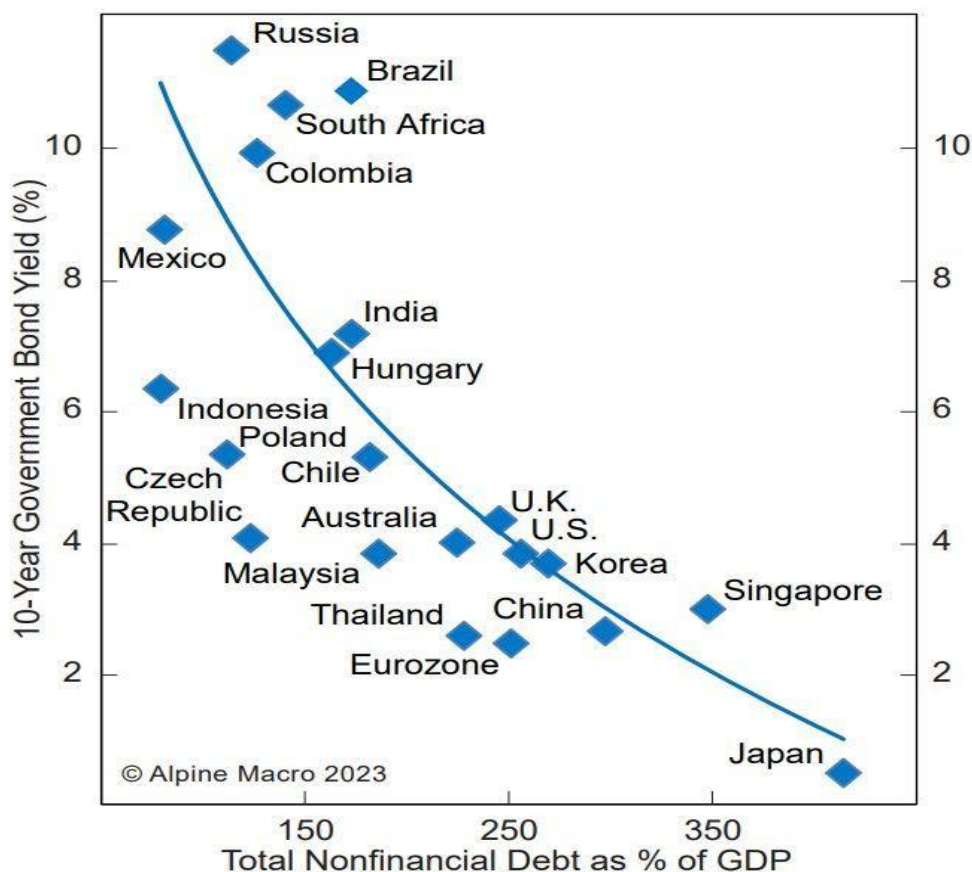
Source: Barchart, Fortune

#food-for-thought

#debt #interest-rates

The countries that have rarely borrowed, such as Brazil or Mexico, often pay much higher interest rates than those that have much higher debt ratios, like Japan or China.

Chart 5 The Paradox Of Debt And Interest Rates



Source: BIS

Source: Alpine Macro

#food-for-thought

#soccerflation #saudi-arabia

Soccerflation... Perks that Neymar Júnior will receive in Saudi Arabia:

- €100M-a-year salary
- House with 25 bedrooms
- 40x10 meter swimming pool and 3 saunas
- 5 full-time staff for his house
- Bentley Continental GT
- Aston Martin DBX
- Lamborghini Huracán
- 24-hour driver
- all bills for hotels, restaurants and various services during his OFF days will be sent to the club headquarters to be paid
- Private plane at his disposal for his travels
- €500,000 for each social media post that promotes Saudi Arabia



Source: The world of Statistics

#food-for-thought

#creativity #optimization

Making the Impossible Possible

When the restaurant is small but the owner is creative



Source: Daniel Abrahams

#food-for-thought

#argentina



A screenshot of a tweet from Javier Milei, a verified account with the handle @thenextArgentinapresident?. The tweet text reads: "Central banks are divided in four categories: the bad ones, like the Federal Reserve, the very bad ones, like the ones in Latin America, the horribly bad ones, and the Central Bank of Argentina." The tweet is timestamped "08:30 PM · Aug 16, 2023" and is attributed to a "Bloomberg Interview". Below the tweet, the user Ignacio Ramirez Moreno, CFA, Finance Nerd is shown with a "Follow" button and a "Subscribe" button.

Source: Ignacio Ramirez Moreno

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For the future...