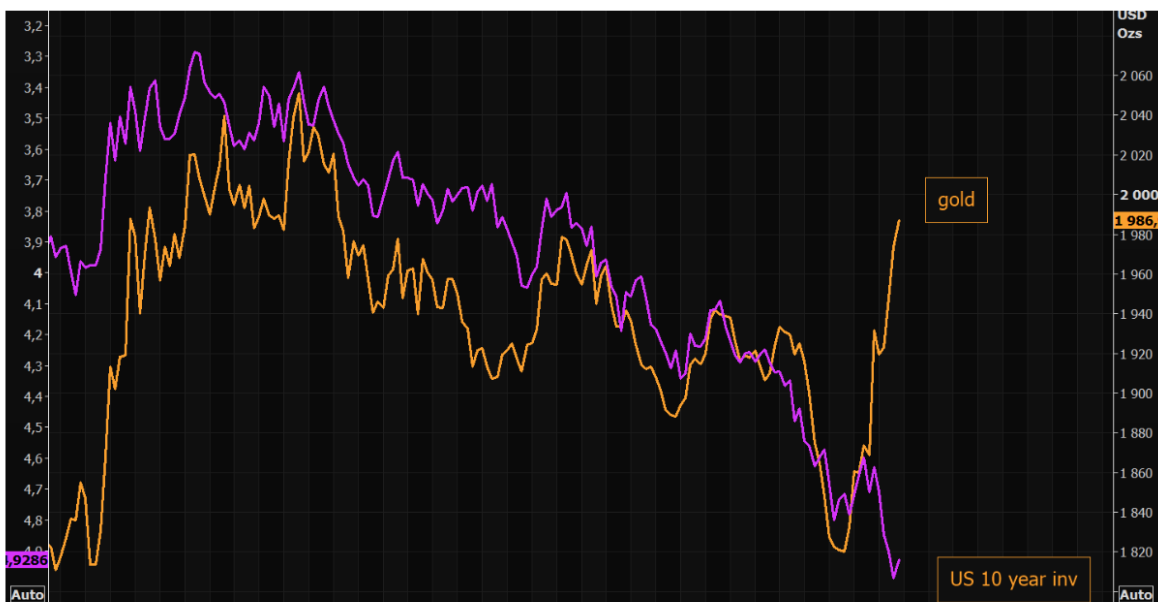


Chart of the week

BROKEN...

Be careful when you trade "correlations". The gold vs US 10-year (inverted) trade has taken many by surprise.



Source: Refinitiv

Bitcoin & Bullion Jump, Stocks & Bonds Dump

Geopolitical concerns, tough talk from Fed officials, and a rise in long-term bond yields to 16-year highs appeared to weigh on sentiment and drove the S&P 500 Index to its biggest weekly decline in a month. The Nasdaq fared worst among the major benchmarks and nearly moved back into bear market territory, ending the week 19.9% below its early-2022. Growth stocks lagged their value counterparts. Europe, Japan and China equities dropped sharply over the week. Stocks started the week on a strong note helped by limited negative news flow regarding the Middle East over the weekend. Deepening tensions later in the week appeared to drain the gains, however. In particular, shares fell sharply on Thursday afternoon, following reports that a U.S. Navy destroyer had shot down a cruise missile apparently headed toward Israel. Reports of a drone attack on a U.S. base in Iraq also seemed to weigh on sentiment. “Fedspeak” that was arguably less dovish than recent remarks from policymakers may have also been at work. In particular, markets pulled back sharply after Powell stated that he saw no signs that the current stance of Fed policy would push the economy into a recession. Some upside economic surprises (retail sales, jobless claims) may have reinforced worries that rates would remain “higher for longer.” The yield on the US 10-year note nearly hit 5% intraday on Friday. Gold surged to nearly \$2,000 while Bitcoin jumped towards \$30k. Oil rose despite US easing sanctions on Venezuela.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

21 OCTOBER 2023

#markets

#weekly #market #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,127	-1.6%	-0.1%
S&P 500 Index	4,224	-2.4%	10.0%
NASDAQ	12,984	-3.2%	24.1%
MSCI EAFE*	1,979	-1.7%	1.8%
10-yr Treasury Yield	4.91%	0.3%	1.0%
Oil (\$/bbl)	\$88.28	0.7%	10.0%
Bonds	\$91.97	-1.8%	-3.1%

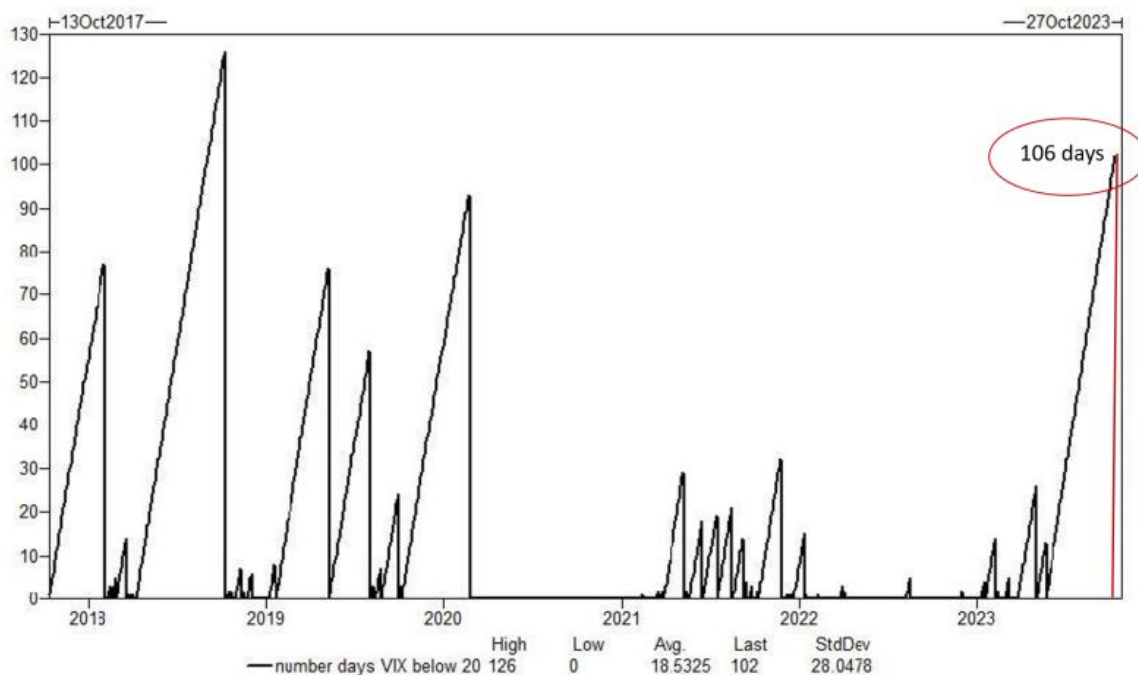
Source: FactSet, 10/20/2023. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. *4-day performance ending on Thursday.

Source: Edward Jones



#stocks #vix

As stocks tumbled, the VIX soared, and after 105 consecutive days of closing below 20, the longest streak since 2019, the VIX index finally closed above 20 - in fact above 21 - breaking the streak on day 106.



Source: www.zerohedge.com, Bloomberg





#sentiment

Stock Market Fear & Greed Index = 28 (Fear)

This is the longest time in fear this year even surpassing the dark days of March! 👻 🦇 🐱 🙄



Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



Source: Barchart



#sp500 #technicals

The S&P broke below its up trendline from September and reached down to its 200DMA...



Source: www.zerohedge.com



#us #equities #sectors #weekly

Energy and Staples were the week's only green sectors with Discretionary and Real Estate hammered...



Source: www.zerohedge.com





#nasdaq #kosdaq

Is there a lead across for Nasdaq? Nasdaq vs Kosdaq....The Kosdaq (Korean Nasdaq) is down 17% from early September levels and well below all major moving averages.



Source: TME



#us #regional-banks

Regional banks were clubbed like a bay seal this week, now below SVB spike lows...



Source: www.zerohedge.com



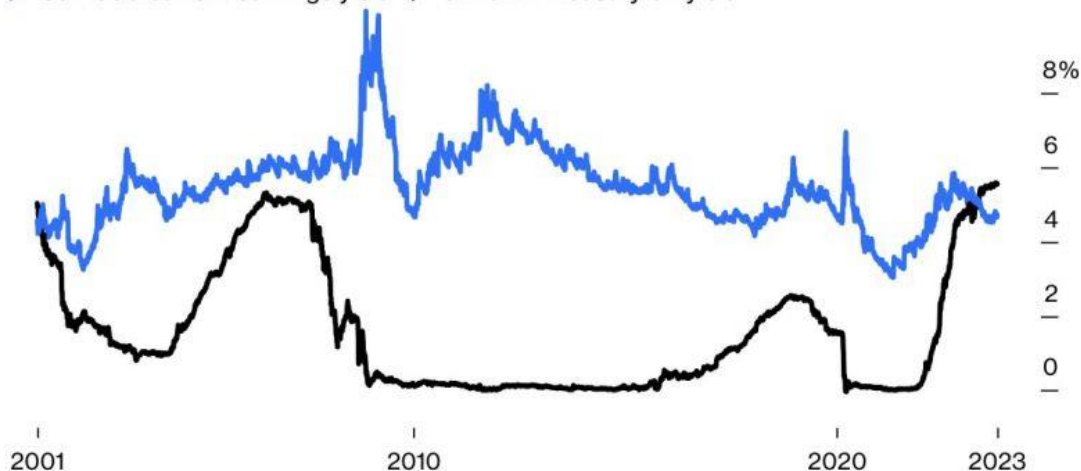
#treasury #cash

This is the first time since 2000 that Treasury Bills are yielding higher than the S&P 500 earnings yield. Even during the 2008 Financial Crisis, cash never yielded higher than S&P 500 earnings. And the gap between the SP500 earnings yield and cash is widening. Competition from cash and bond yields versus stocks keeps rising. Bottom-line: Cash and Treasury Bills are now paying a HIGHER yield than real estate and the S&P 500. In other words, risky assets are paying less than risk-free assets, i.e taking a risk is compensated LESS than just holding cash.

Treasury Bills Versus S&P 500

Cash has yielded more than US stocks this year

▬ S&P 500 current earnings yield ▬ 6-month Treasury bill yield



Source: Bloomberg

Source: The Kobeissi Letter





#cash #weight

Cash + Treasury Bills now account for 15% of BoA's Global Wealth AUM, the highest level since the onset of the pandemic and one of the highest levels since the GFC. This could potentially limit the downside risk if that capital rotates back into stocks.

Chart 2: The Source of the Bull Markets of 2024

BofA Private Client Cash + T-bills % of AUM



Source: BofA Global Investment Strategy

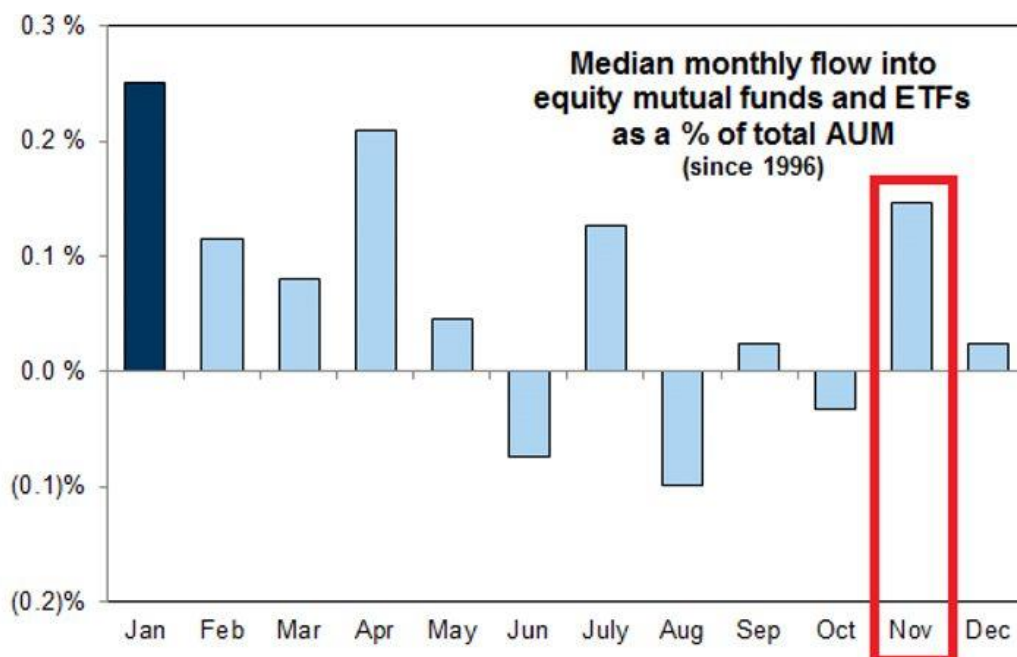
Source: Barchart, BofA





#seasonality #fundflows

Seasonal Trends in Fund Flows. November's historic excellence - Will history repeat itself this year?"

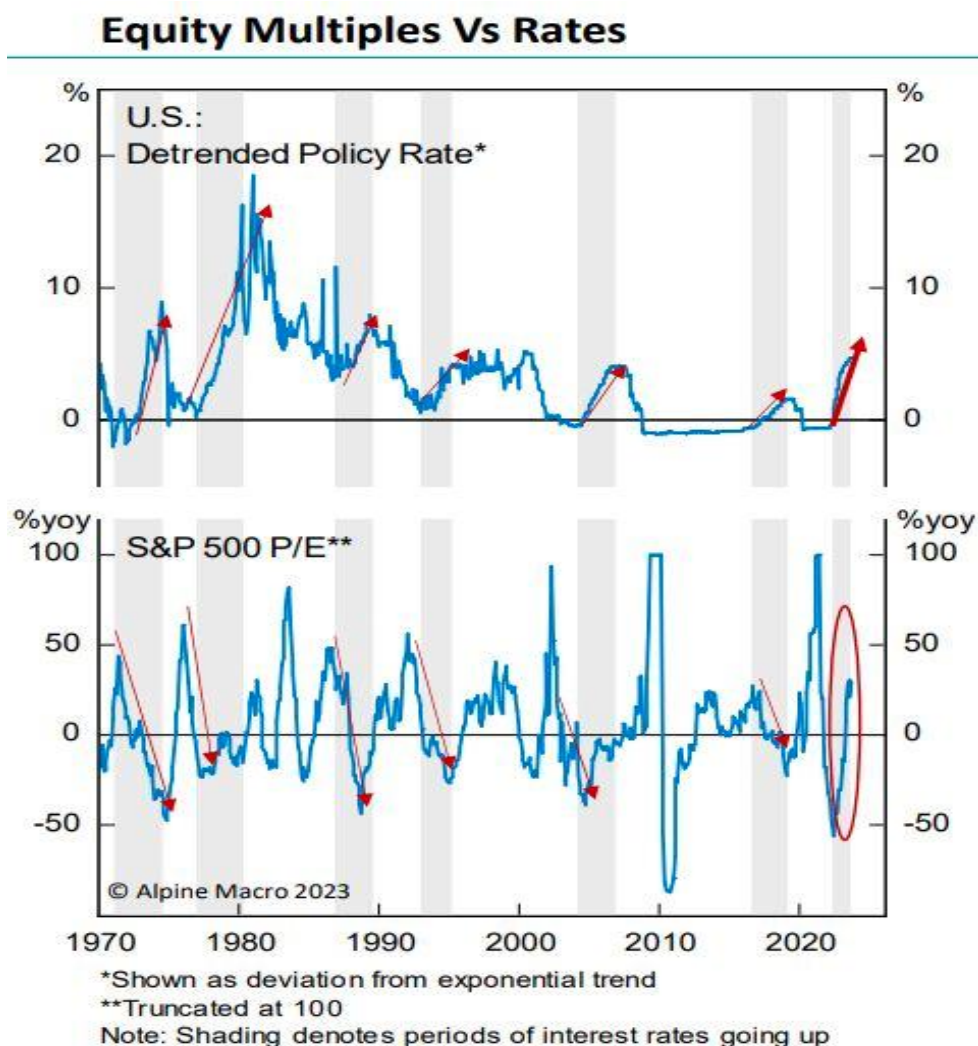


Source: gs



#us #equities #pe-multiples #interest-rates

For the first time in the last 5 decades, rising interest rates have failed to cause Stock P/E multiples to contract.



Source: Barchart

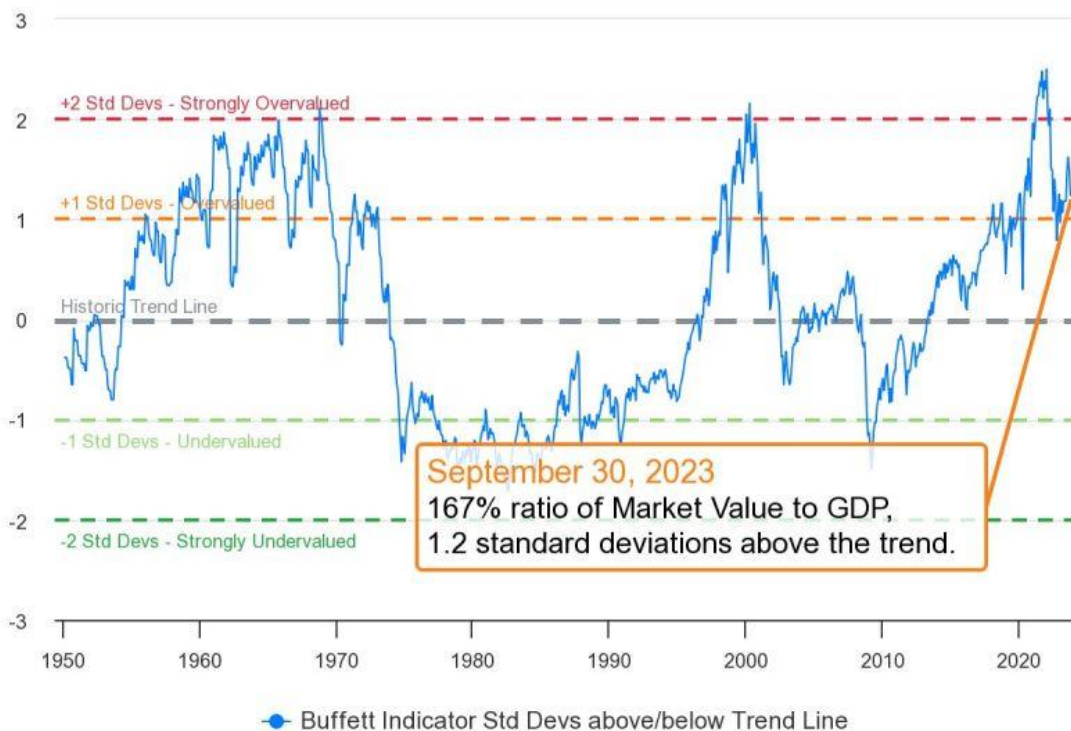


#us #equities #warren-buffett #valuations

Where we are on the Buffett indicator
(The ratio of the total United States stock market value to GDP)

Buffett Indicator: # Standard Deviations from Historic Trend Line

currentmarketvaluation.com



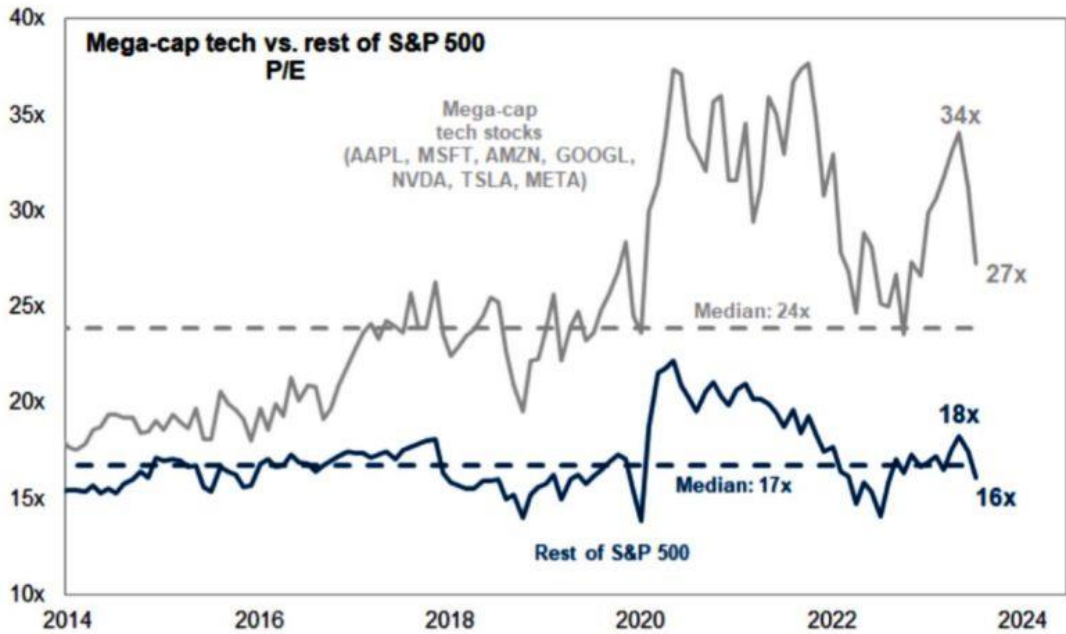
Source: Brian Feroldi





#sp500 #valuations

With the exception of the magnificent seven, remaining 493 stocks in S&P 500 are reasonably priced.



Source: Goldman Sachs Global Investment Research

Source: gs, michael arouet



#sp500 #market-breadth

MARKET BREADTH NEGATIVE ALERT >>> Just 34.5% of S&P 500 stocks closed above their 200-day moving averages today; the lowest reading since November 3rd of last year.



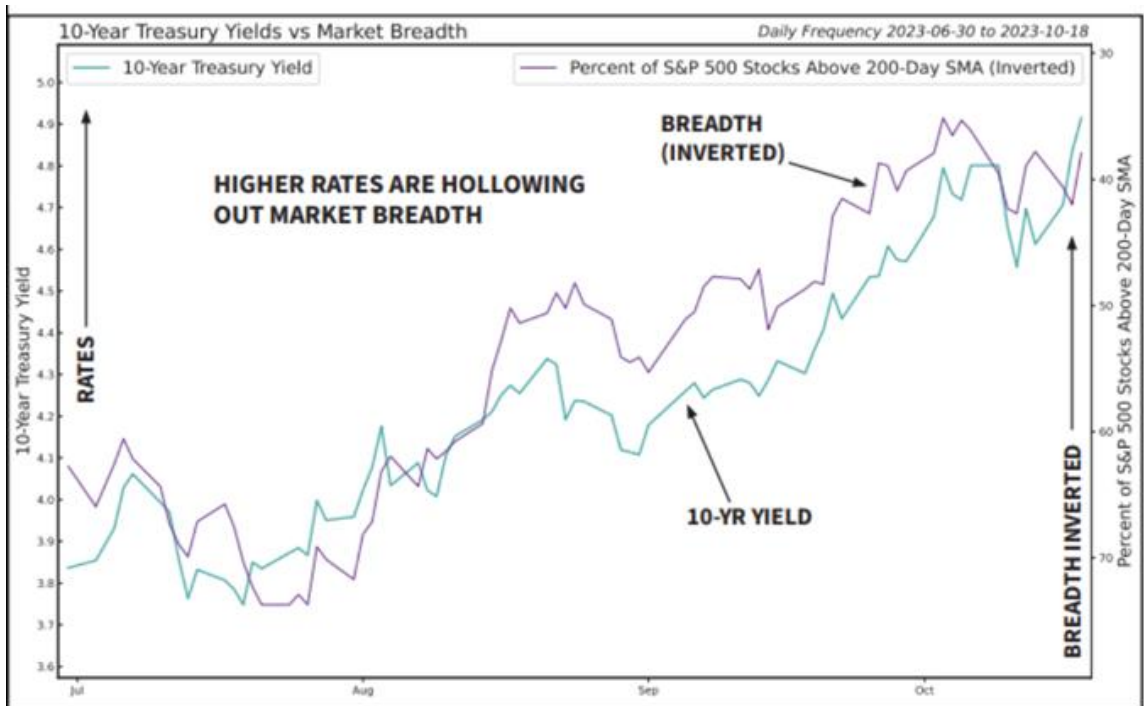
Source: Bespoke





#sp500 #market-breadth

Higher rates have followed out market breadth

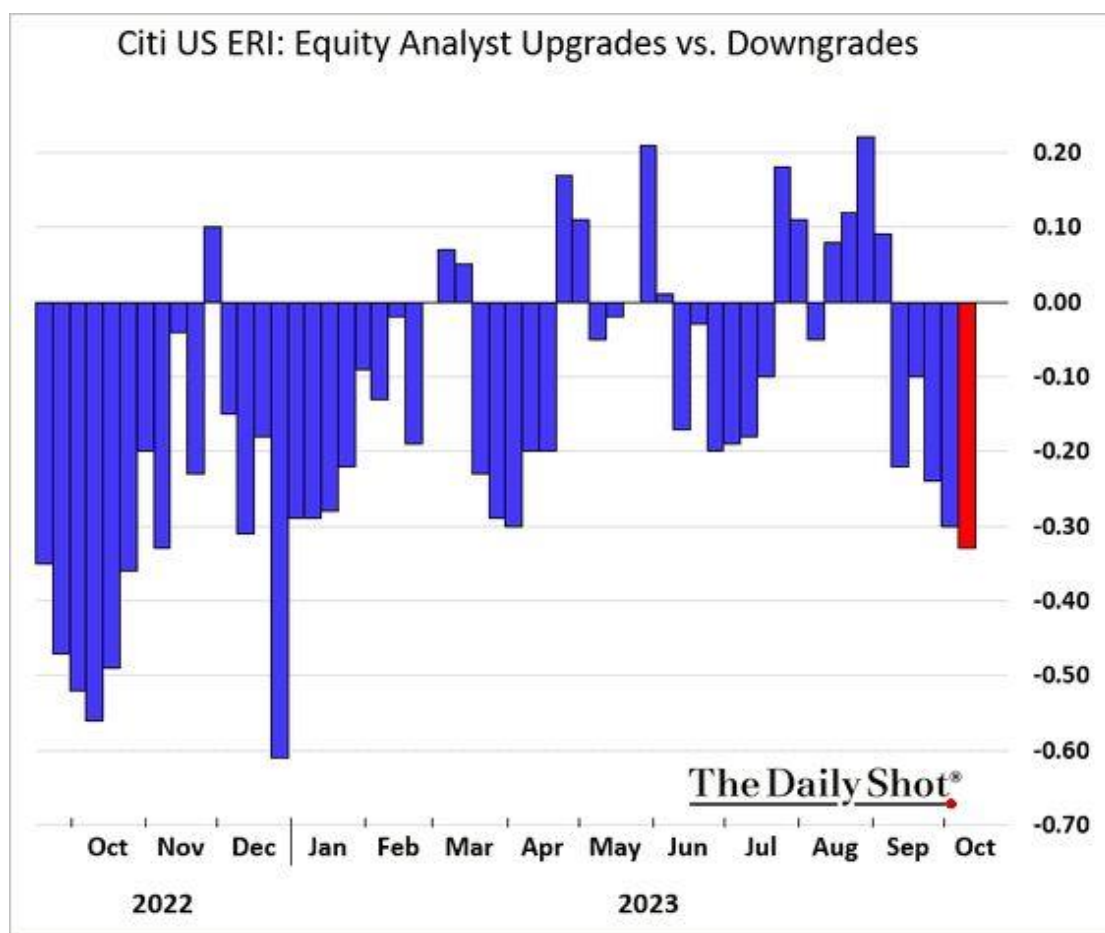


Source: 3fourteen research



#us #equities #downgrades

Analysts' earnings downgrades for US companies are increasingly outpacing upgrades.



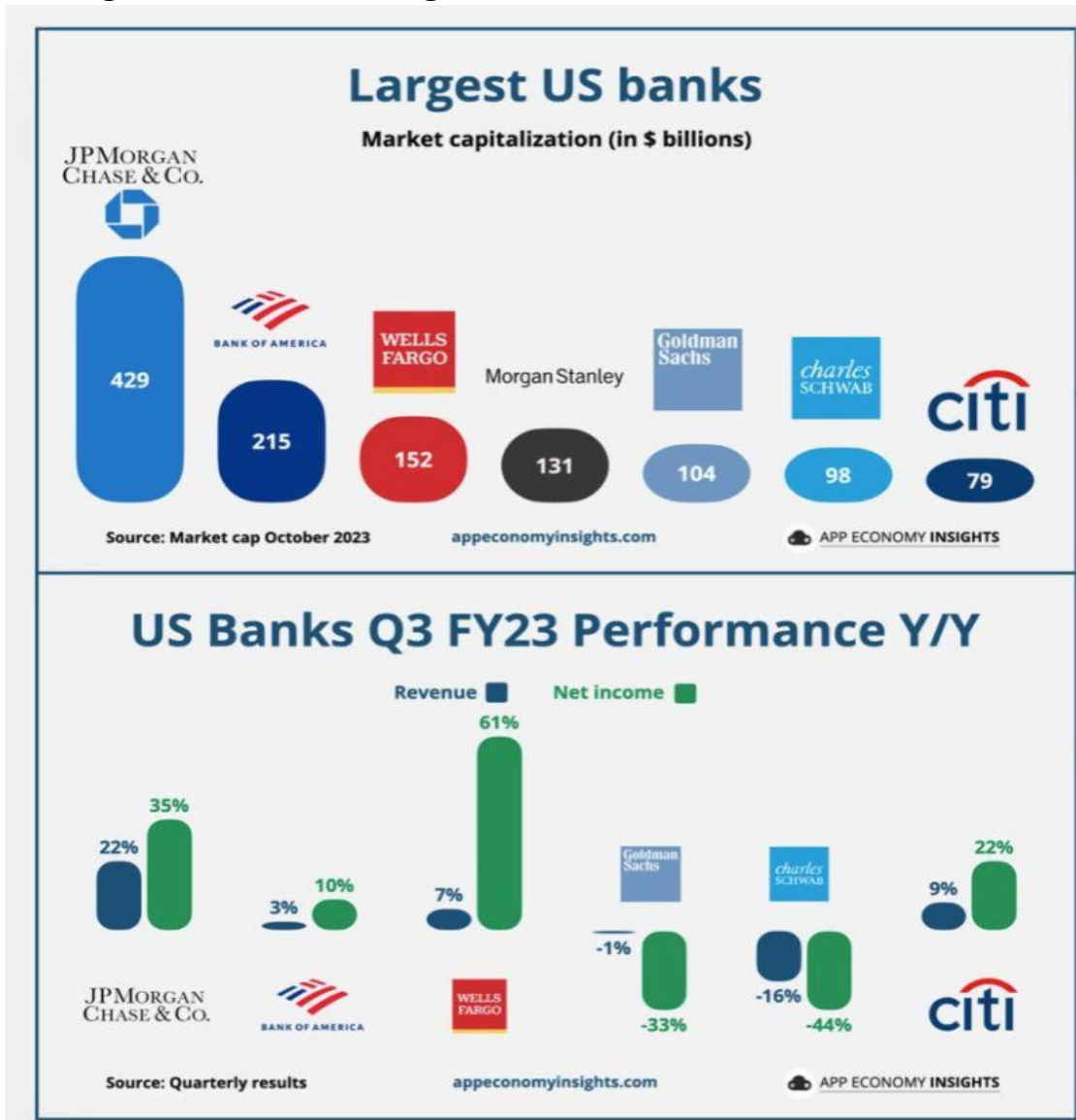
Source: The Daily Shot





#us #banks #earnings

US large banks 3Q earnings season so far



Source: App Economy Insights



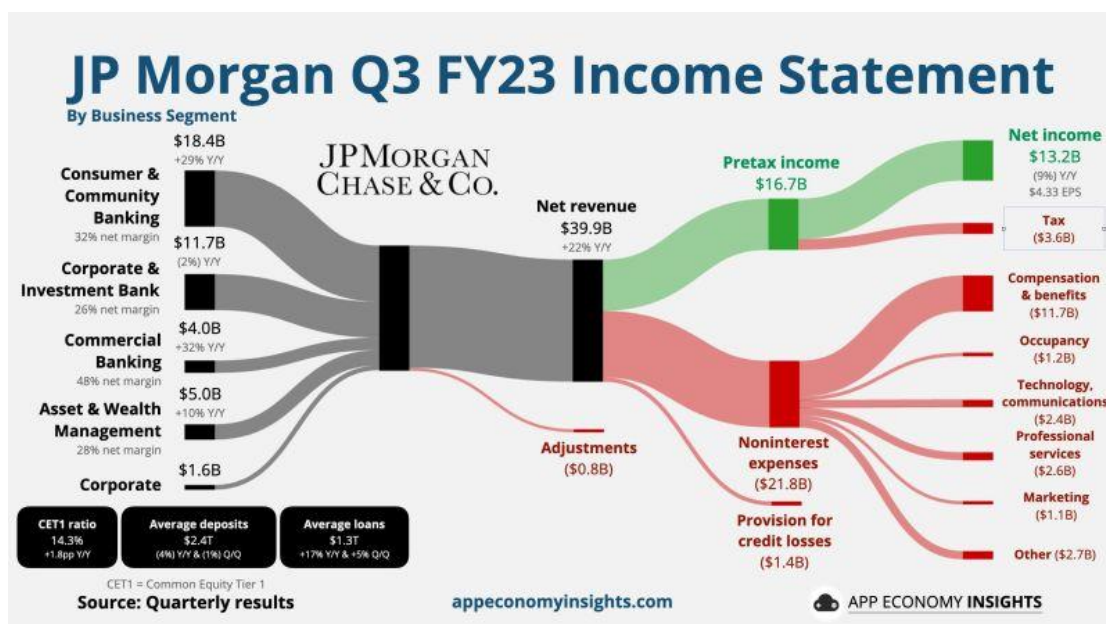


#jpmorgan #earnings

\$JPM JP Morgan Chase Q3 FY23.

CEO Jamie Dimon: "Now may be the most dangerous time the world has seen in decades."

- Net revenue +22% Y/Y to \$39.9B (\$0.5B beat).
- Net Income \$13.2B.
- EPS: \$4.33 (\$0.39 beat).
- CET1 ratio of 14.3%.

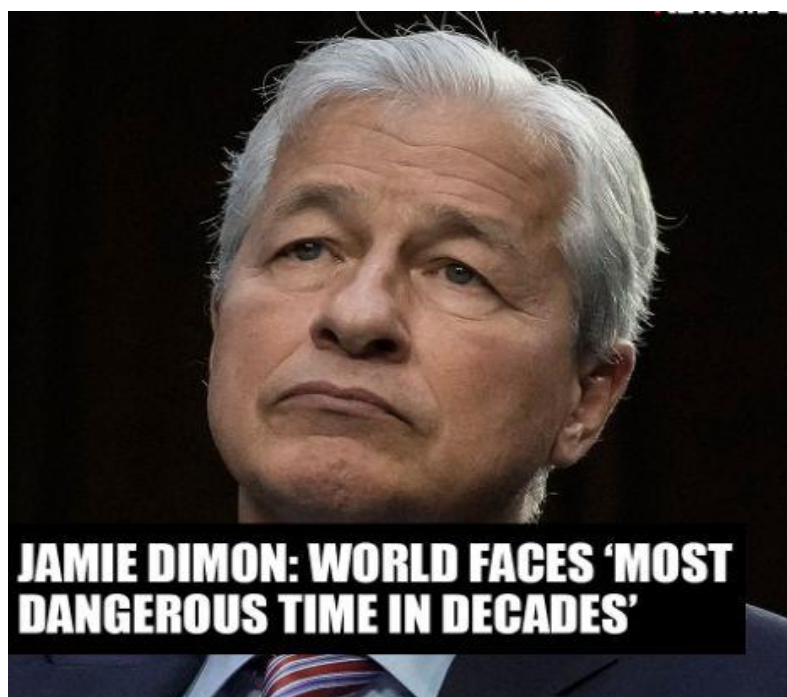


Source: App Economy Insights



#banks #sentiment #risk

Jamie Dimon warns: 'Now may be the most dangerous time the world has seen in decades'. In a call on Friday morning, Dimon said that bank executives across the United States are "climbing the wall of worry," referring to the Wall Street truism that explains how markets can remain strong through economic uncertainty and negative news. "And we should," said Dimon. "That's kind of our job, to be prepared for potential outcomes you don't expect." Wall Street, he said, is often focused on current conditions instead of preparing for what could come next.



Source: edition.cnn

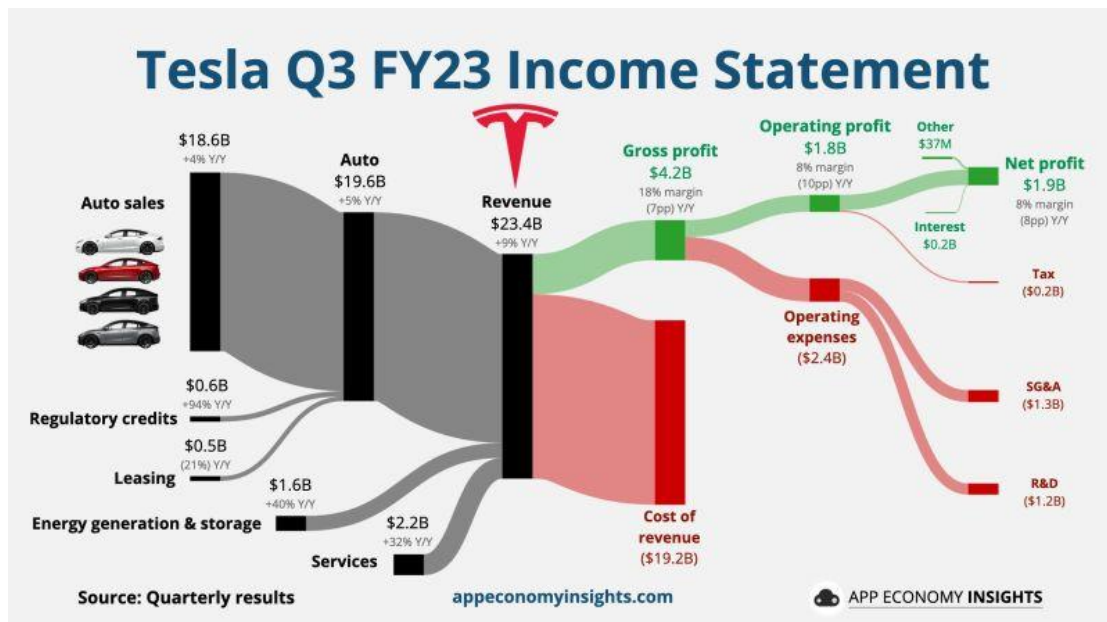


#tesla #earnings

\$TSLA Tesla Q3 FY23: Tesla misses on earnings as margins drop from last year. Tesla reported adjusted earnings of 66 cents per share versus 73 cents expected. Total operating margin came in at 7.6%, down significantly from the year-ago quarter’s figure of 17.2%. Shares rose more than 2% in after hours trading.

Revenue miss caused by:

- Reduced average selling price (ASP).
- Negative FX impact (\$0.4 billion).

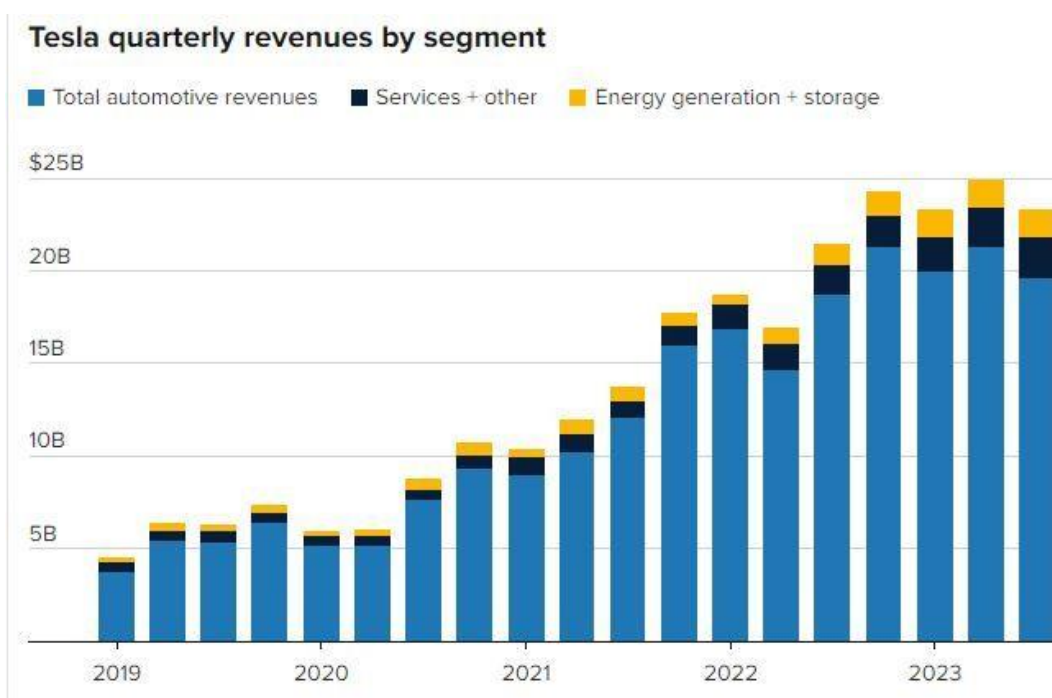


Source: App Economy Insights



#tesla #revenue #segments

Tesla Quarterly Revenues by Segment

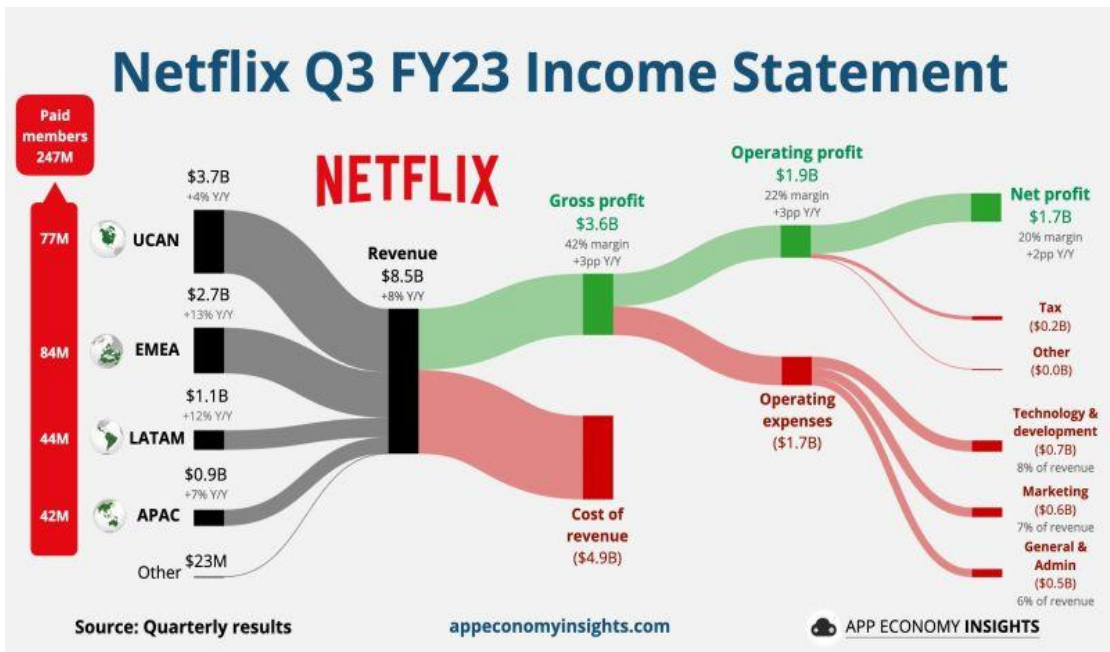


Source: cnbc



#netflix #earnings

\$NFLX Netflix Q3 FY23: Netflix shares popped more than 12% after the closing bell Wednesday as the company reported a boost in subscriber growth driven by a password-sharing crackdown efforts and interest in its new ad-supported tier. The streaming giant added 8.76 million global subscribers during the quarter, higher than 5.49 million Wall Street had expected, according to estimates from Street Account. It's the biggest quarterly net add total for the company since second-quarter 2020, when Netflix added 10.1 million.

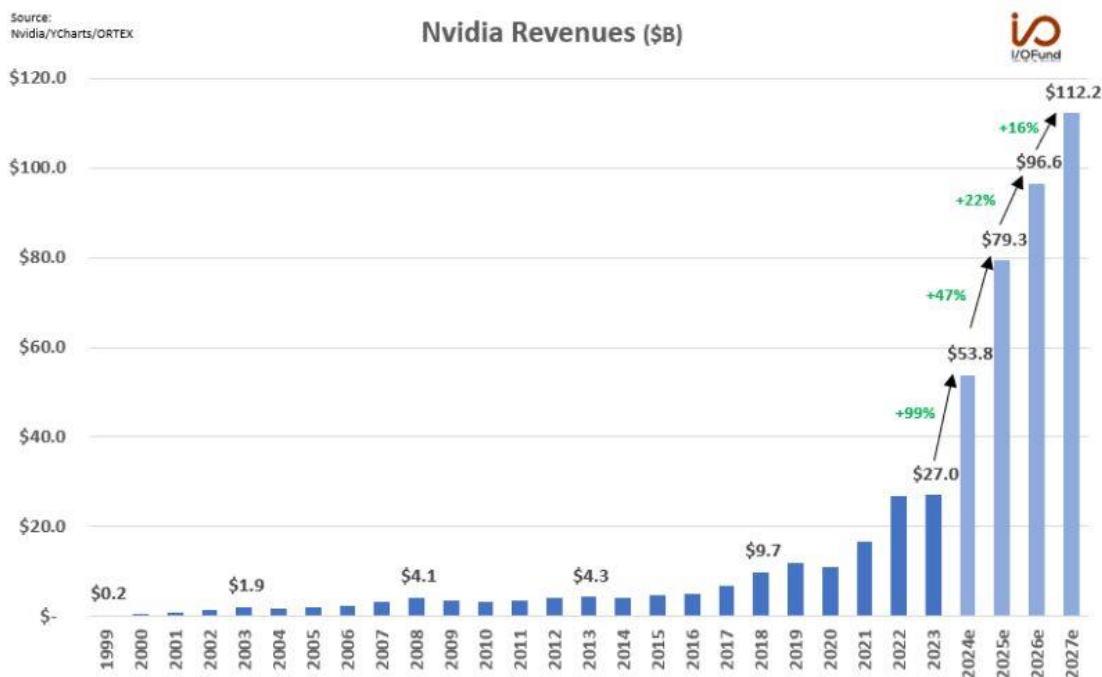


Source: App Economy Insights



#nvidia #revenue #forecast

Through FY24 to FY27, Nvidia \$NVDA is projected to generate a total of \$342B in revenue. That forecasted total is more than double Nvidia’s lifetime revenues of \$160.3B through the end of FY23.



Source: Beth Kindig





#nvidia #ai #biden #china

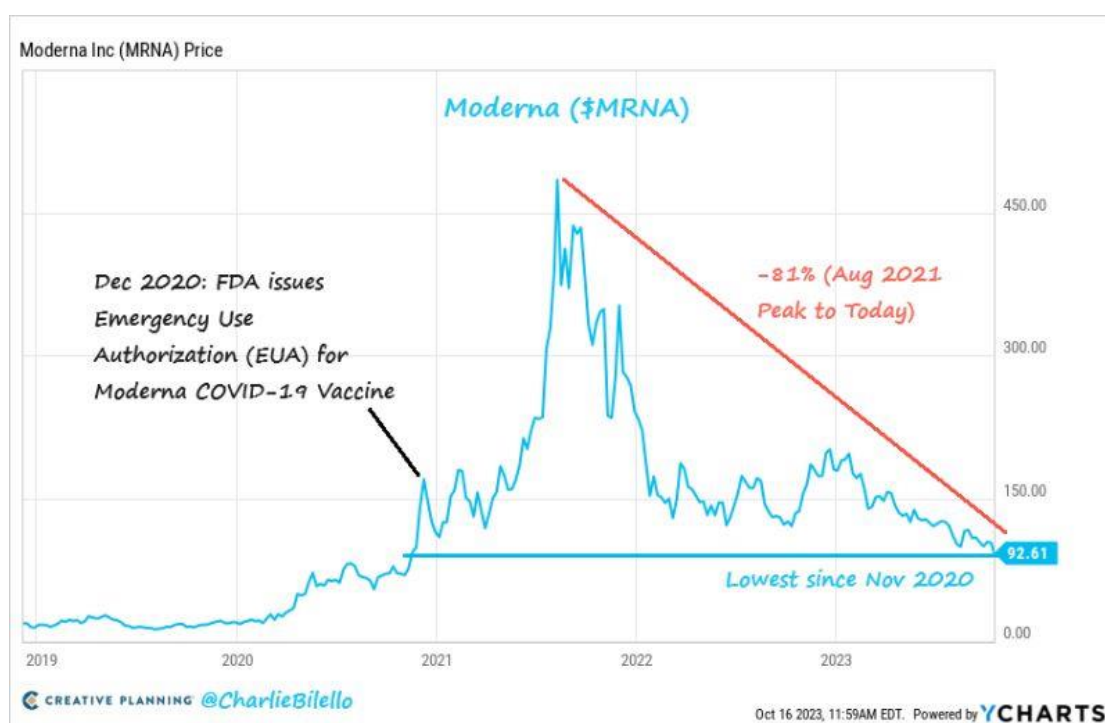
Nvidia stock, \$NVDA, is now down 7.5% as President Biden restricts AI chip sales to China. The stock has erased nearly \$100 billion in value in just over 24 hours. Is it the the beginning of a new trade war with China?



Source: The Kobeissi Letter

#moderna #performance

Moderna's stock is now down 81% from its peak and below the price it was trading at when the FDA issued an EUA for its Covid-19 vaccine back in December 2020. \$MRNA



Source: Charlie Bilello



#apple #tech #cash #returns

Wondering why high interest rates hasn't hurt sp500 performance so far? Just have a look at the chart below courtesy of Linas Beliūnas. The S&P 500 heavy weights are full of cash and have been benefiting from the higher yield paid on short-term deposits. E,g Apple is making \$1 billion on their cash holdings doing absolutely nothing...



#riteaid #bankruptcy

BREAKING: Rite Aid, \$RAD, has officially filed for bankruptcy just days after its 61st anniversary. As part of the bankruptcy restructuring, Rite Aid will close many of its 2,100 stores. The company has had more than \$2 billion in losses over the last 5 years and 50% of their stores have closed from their peak. Their stock is down 80% this year and 99% from its all time high.



Source: The Kobeissi Letter

#markets

#lvmh #novonordisk

LVMH vs Novo Nordisk gap is getting extreme. Is there cross asset logic here, or is it just hot money switching from one ex hot asset to another "must have" asset?



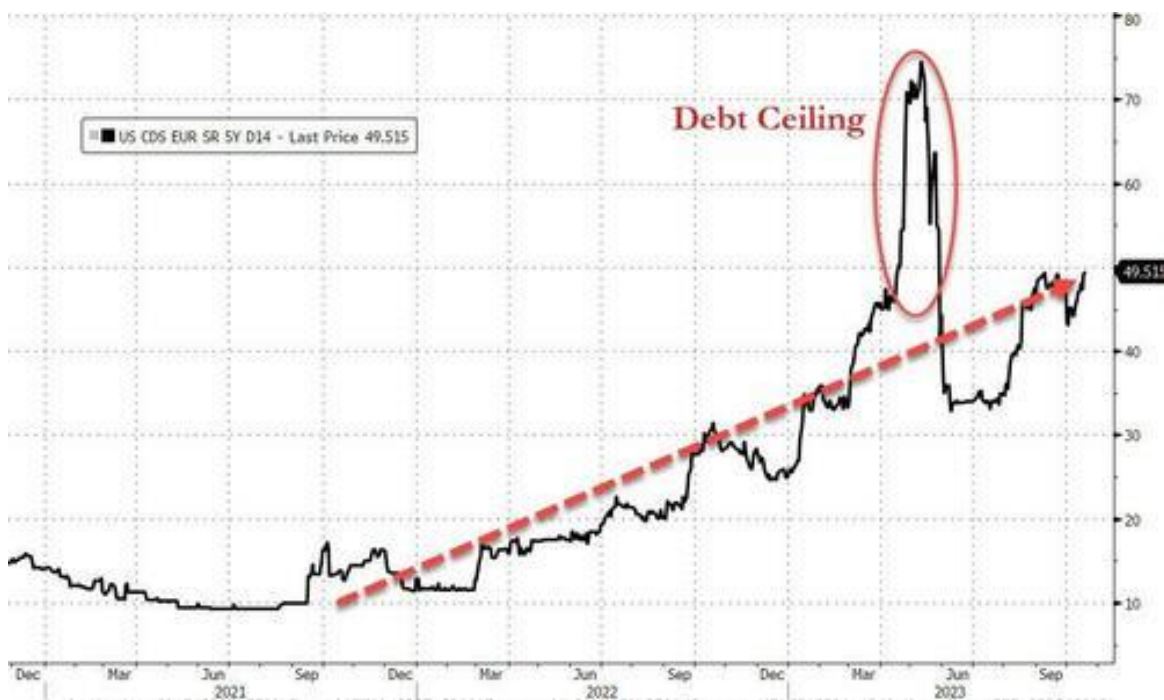
Source: TME, Refinitiv



#us #cbs

this is worth paying attention in the context of surging US interest rates...

Since the Biden administration came into office, the risk of a US sovereign credit event has risen by 5x and are on the rise again now back to levels last seen during the debt-ceiling debacle.



Source: www.zerohedge.com



#treasury #etf #drawdown

The iShares 20+ year Treasury Bond ETF (TLT) now down 51% from All-Time-High.



Source: Bloomberg, HolgerZ



#spx #tlt

Total returns over the last 10 years...
S&P 500 ETF \$SPY: +191%
Long-term Treasury Bond ETF \$TLT: -1%
Next 10?



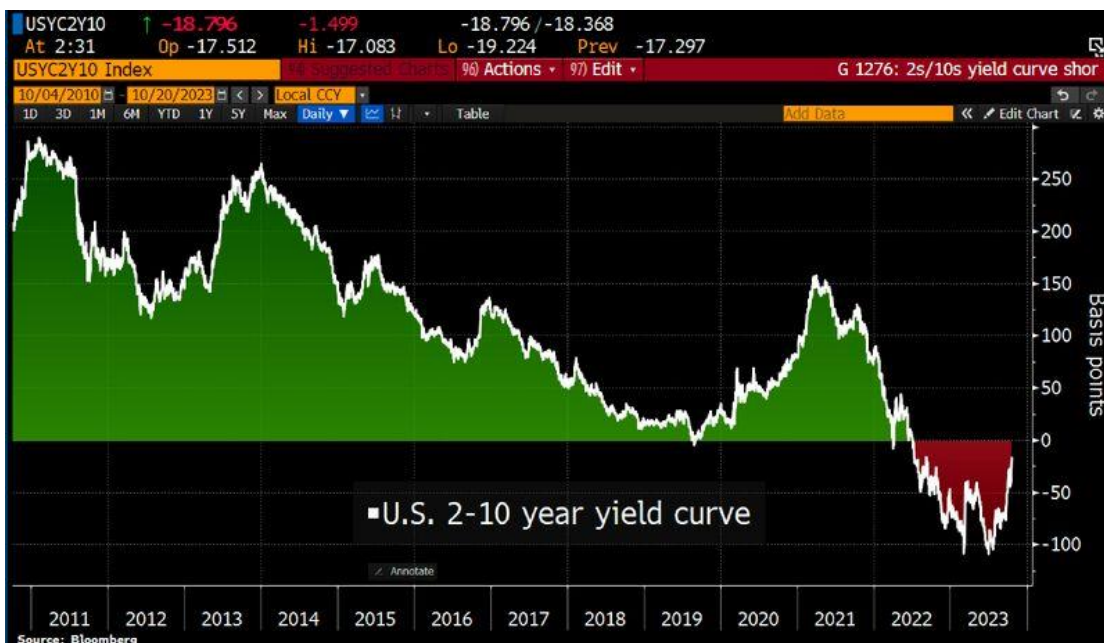
Source: Charlie Bilello





#us #yieldcurve #bonds

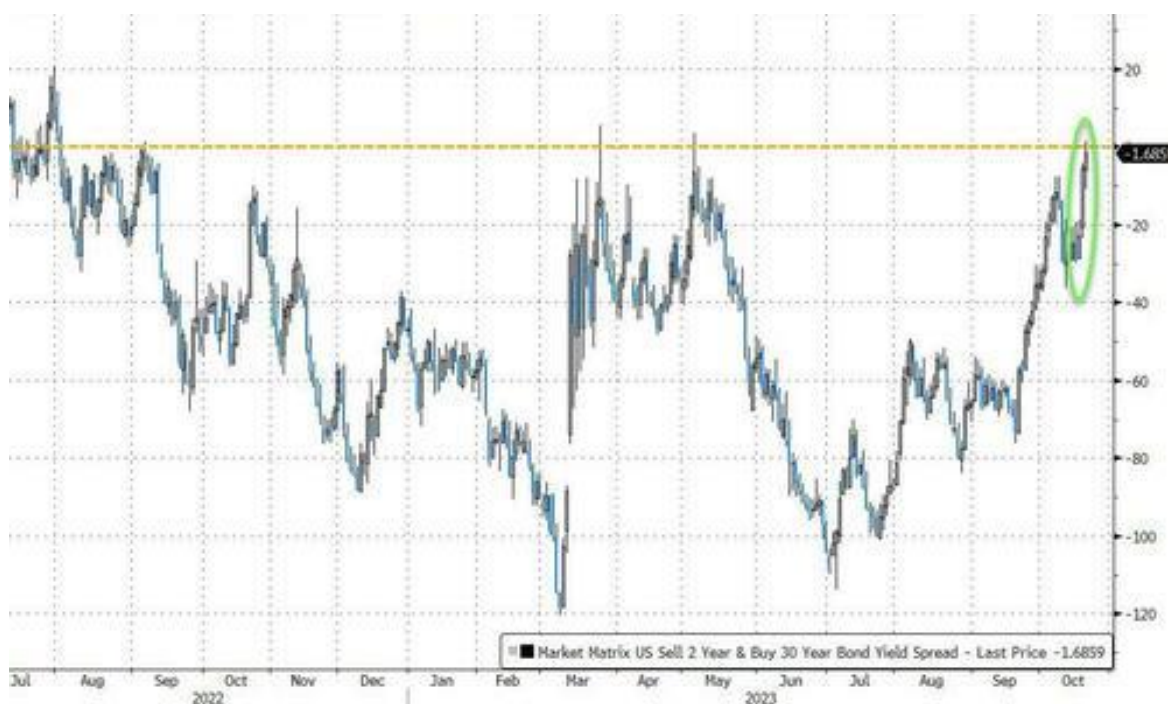
US yield curve keeps bear-steepening w/2s/10y spread jumps to -19bps after Fed's Powell has given 'green light' for higher long-term bond yields with the 10-year near 5%.





#us #yield-curve

The 2s30s curve go positive once again and closed at its 'steepest' since Aug 2022...

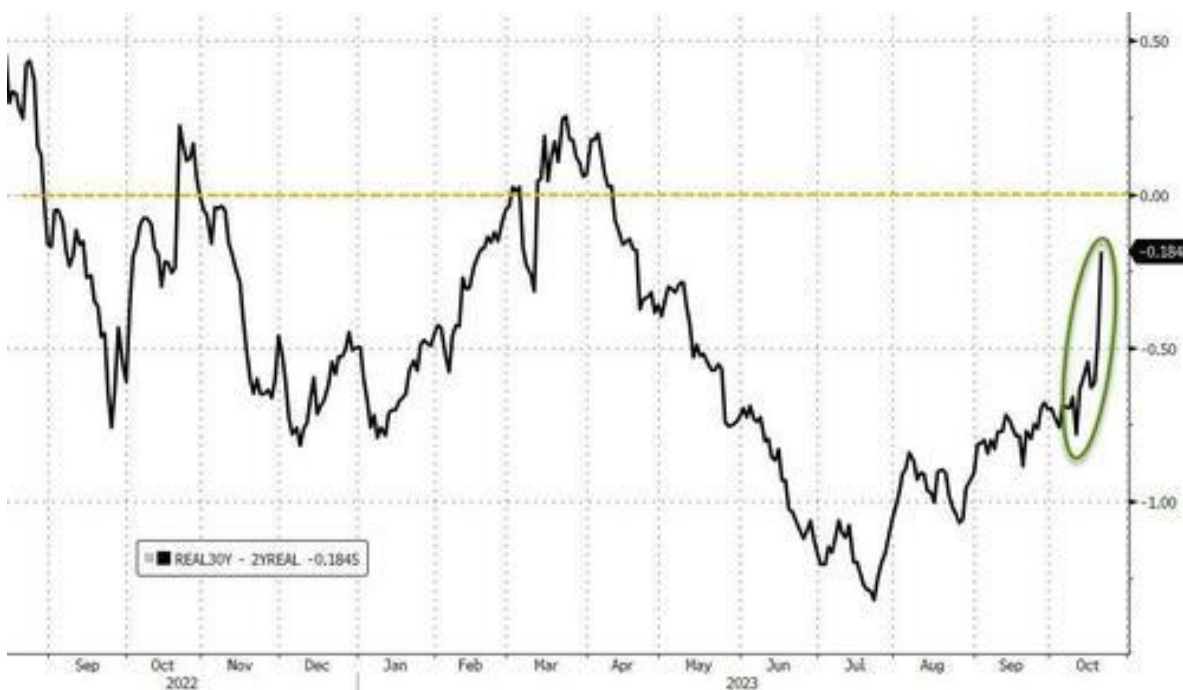


Source: www.zerohedge.com



#us #real #yield-curve

The 'real' yield curve steepened dramatically, also pushing back up towards un-inverted...



Source: www.zerohedge.com



#us #treasuries #weekly

The steepening is extremely evident in the week's moves across the curve with 2Y up just 3bps and 30Y up 33bps...



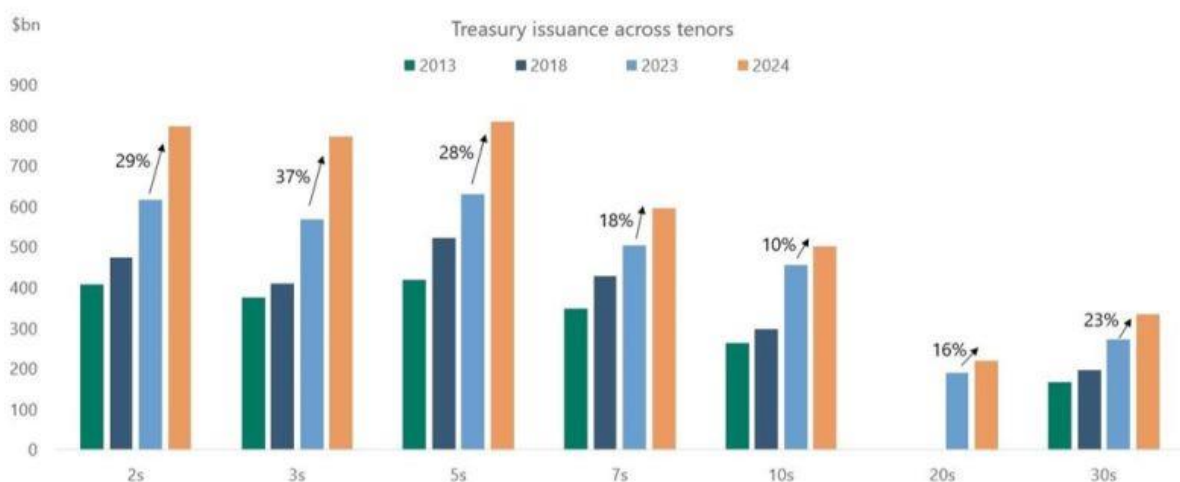
Source: www.zerohedge.com



#us #treasury #fed

Heavy Supply remains a risk for US Treasuries. How long will the Fed be able to continue with QT?

Treasury auction sizes will in 2024 increase on average 23% across the yield curve



Source: Michel A.Arouet



#bonds #maturity

9% of bonds are set to mature in the next 2 years → The highest level since the Financial Crisis. High interest rates will make refinancing more difficult

% of Bonds Maturing in the Next 2 years



Source: Bloomberg, BofA Merrill Lynch, Game of Trades

Source: Game of Trades

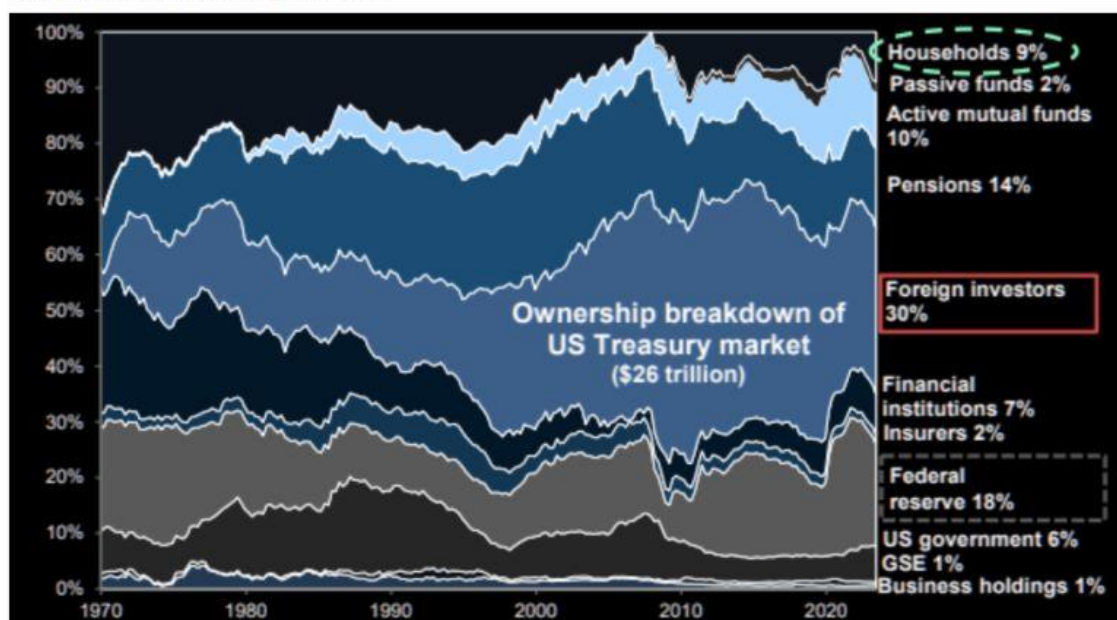




#us #treasury #ownership

Ownership breakdown of the US Treasury market (\$26 trillion).

Who owns the Treasury market?



Source: Goldman

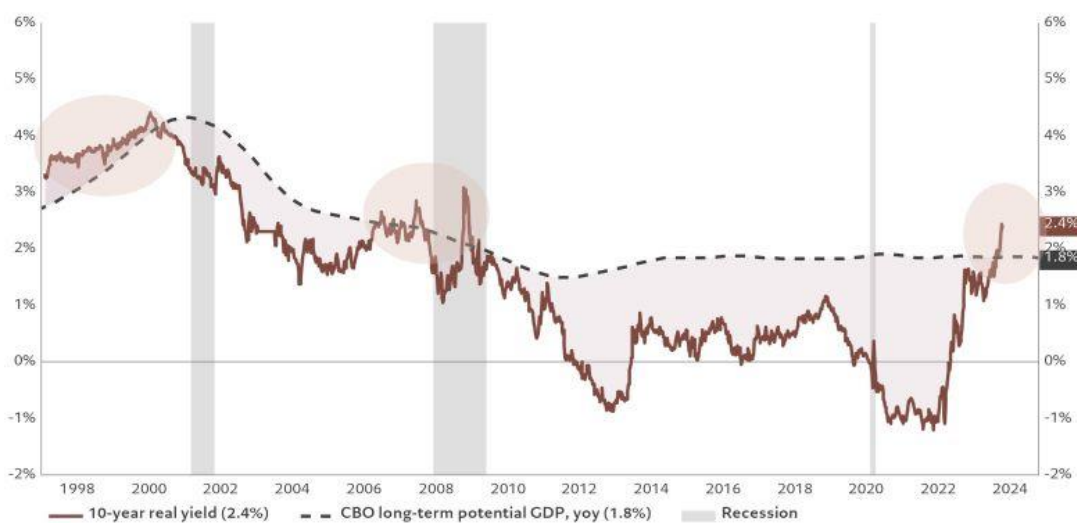
Source: Goldman Sachs, TME



#real-yields #valuation

To Steve Donzé (Pictet Asset Management), locking in 2.5% real yields which is 0.5% above the economy's potential growth rates, with inflation optionality icing on top, is once in a decade valuation opportunity. He has a point...

US real yield v. long-term potential GDP growth



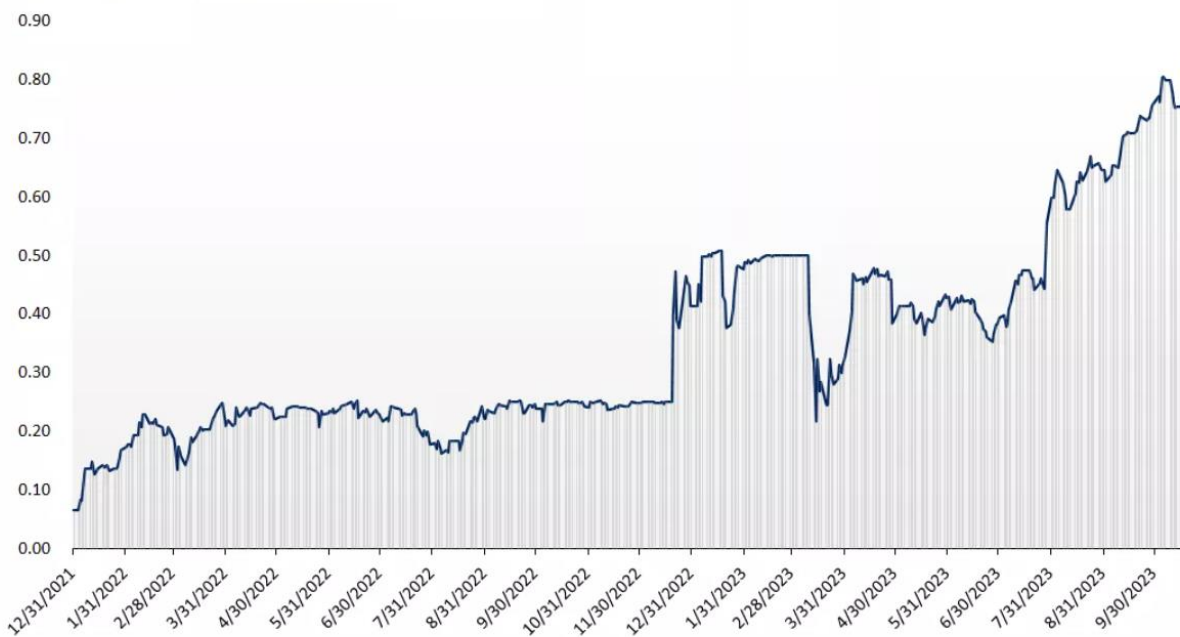
Source: Refinitiv, Pictet Asset Management



#japan #10-year

Historically, Japan has been the largest foreign holder of U.S. Treasuries, and the rise in its own government bond yields could crowd out some demand for U.S. government bonds.

Japan's 10-year government bond yield has risen to cycle highs, competing for demand of U.S. Treasuries (%)



Source: Bloomberg.

Source: Edward Jones





#uk #30-year

UK 30y bond yield rises to highest since 1998.



Source: HolgerZ, Bloomberg



#markets

#italy #germany #spread

Italy 10y risk spread over German 10y bunds back >200bps as budget day arrives. Italy PM Meloni to unveil tax-cutting 2024 budget today amid debt worries.

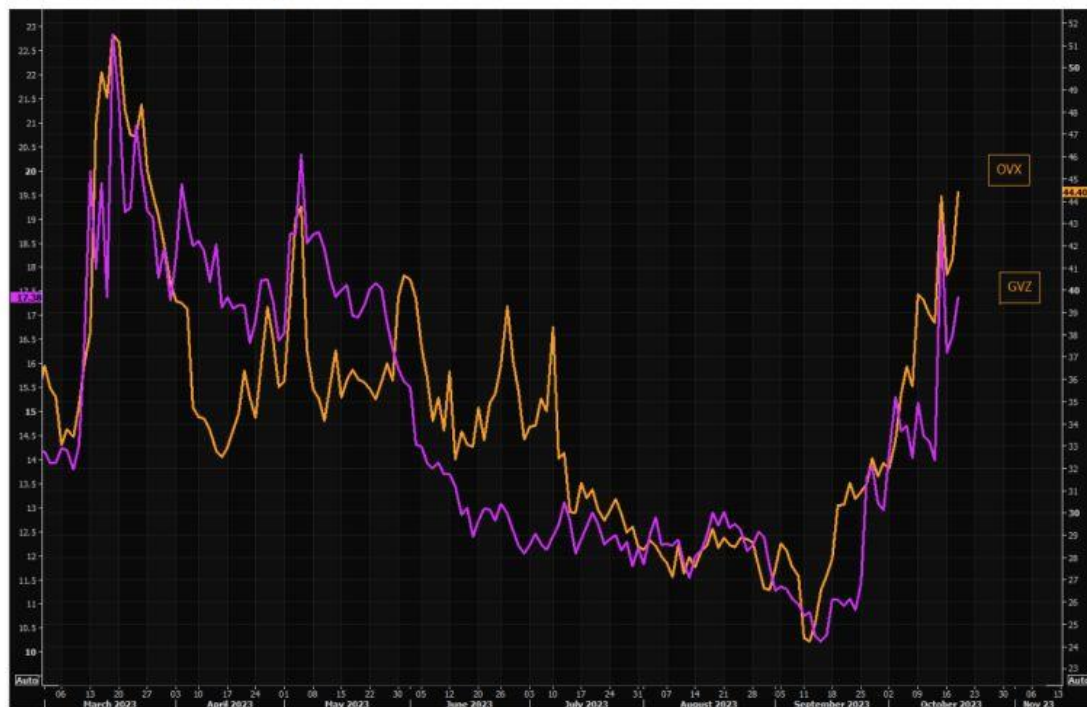




#gold #oil #vol

Oil vol, OVX, and gold vol, GVZ, have exploded higher and continue to stay at elevated levels/move to new recent highs. These are the two assets to watch for the "real" war stress.

War stress stays strong



Source: Refinitiv1300

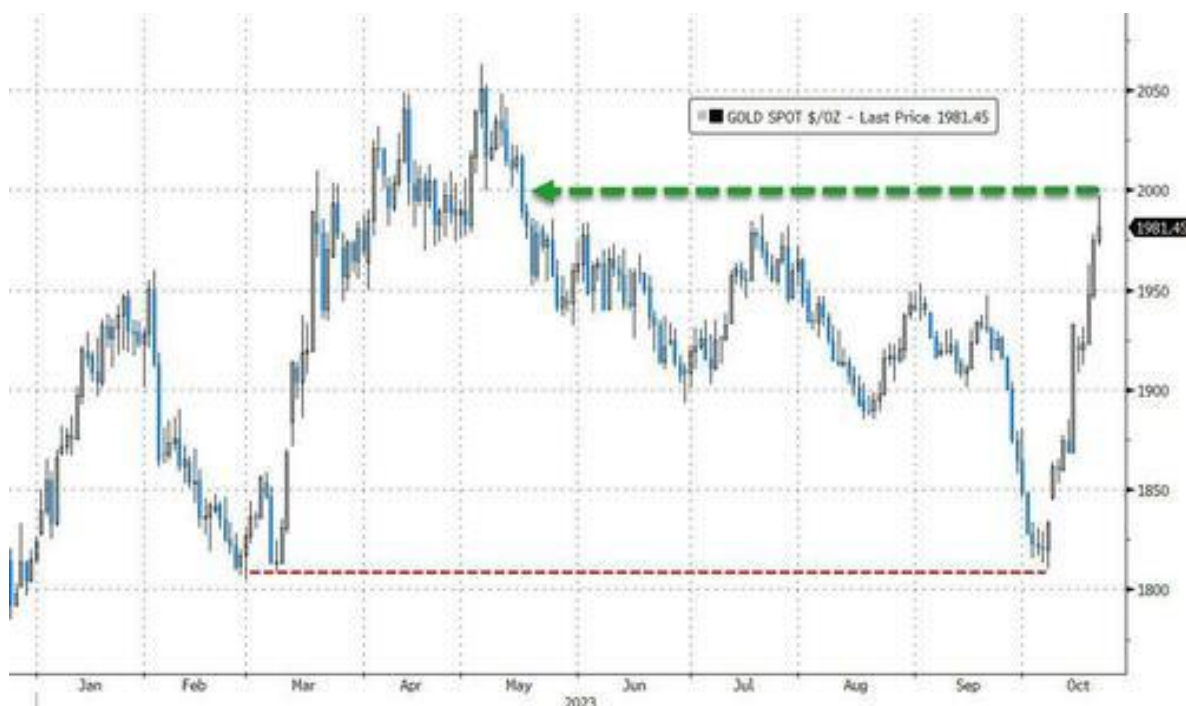
Source: TME, Refinitiv





#gold #2000

Gold surged this week with spot prices very close to breaking \$2000...



Source: Bloomberg



#oil #war

Oil prices are now up \$10 per barrel, or 12%, since the war erupted on October 7th. We are back to ~\$95 crude oil and rising rather quickly. As fears of escalation spread, the risk of a supply disruption is growing. Even the US lifting sanctions of Venezuela, a major development, did not weaken oil prices. Furthermore, the US may even begin refilling the SPR at higher prices as geopolitical tensions rise.



Source: The Kobeissi Letter



#sugar #commodities #inflation

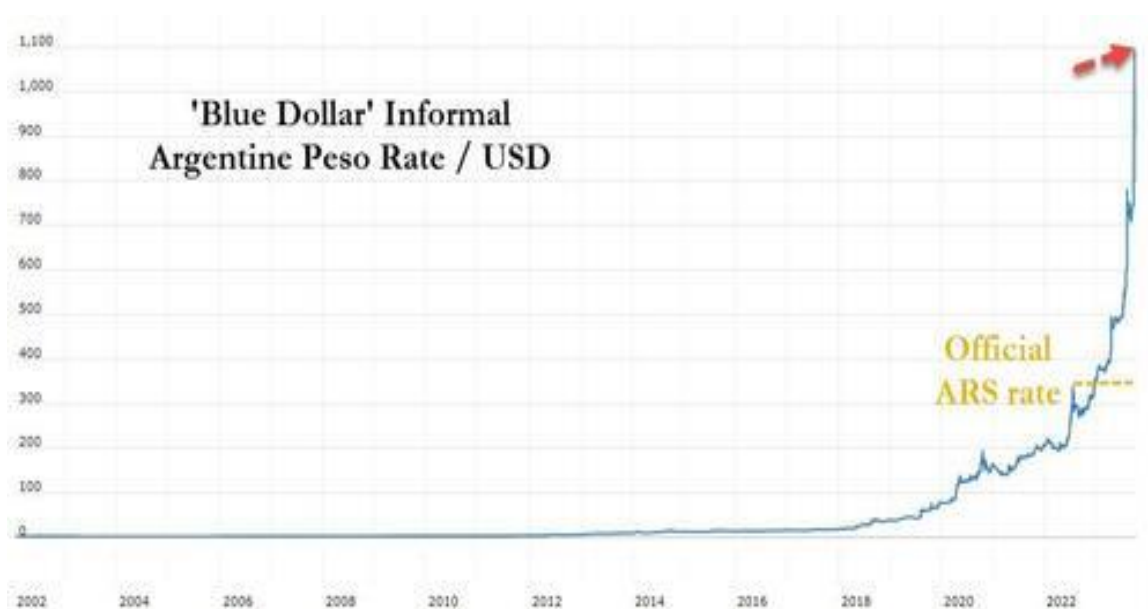
Hmmm not so sweet.. Sugar back at 12-year highs



Source: barchart

#fx #argentina-peso

The black market price for the Argentine Peso crashed 10% to 1100/USD (the official-ish price has been 'capped' at 350/USD for 3 months)...



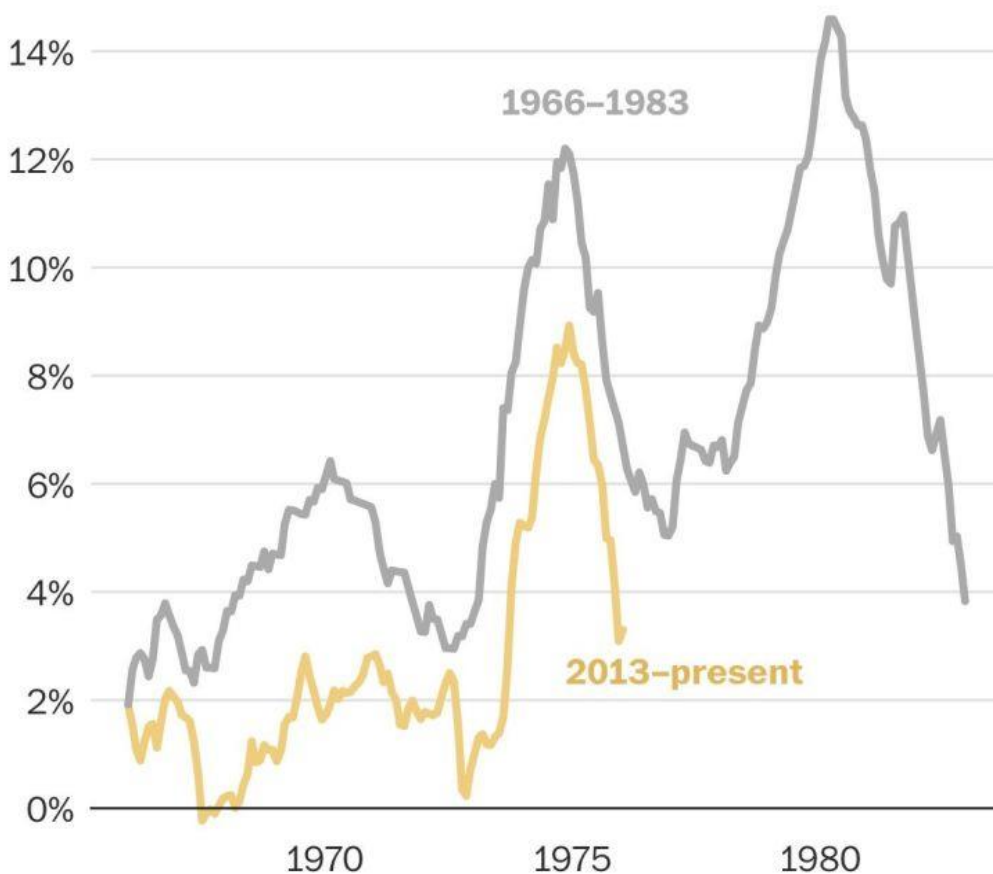
Source: www.zerohedge.com

#macro

#us #inflation

Is US inflation following the footsteps of the 1970s?

Consumer Price Index year-over-year percent change



Monthly data; seasonally adjusted.

Source: U.S. Bureau of Labor Statistics

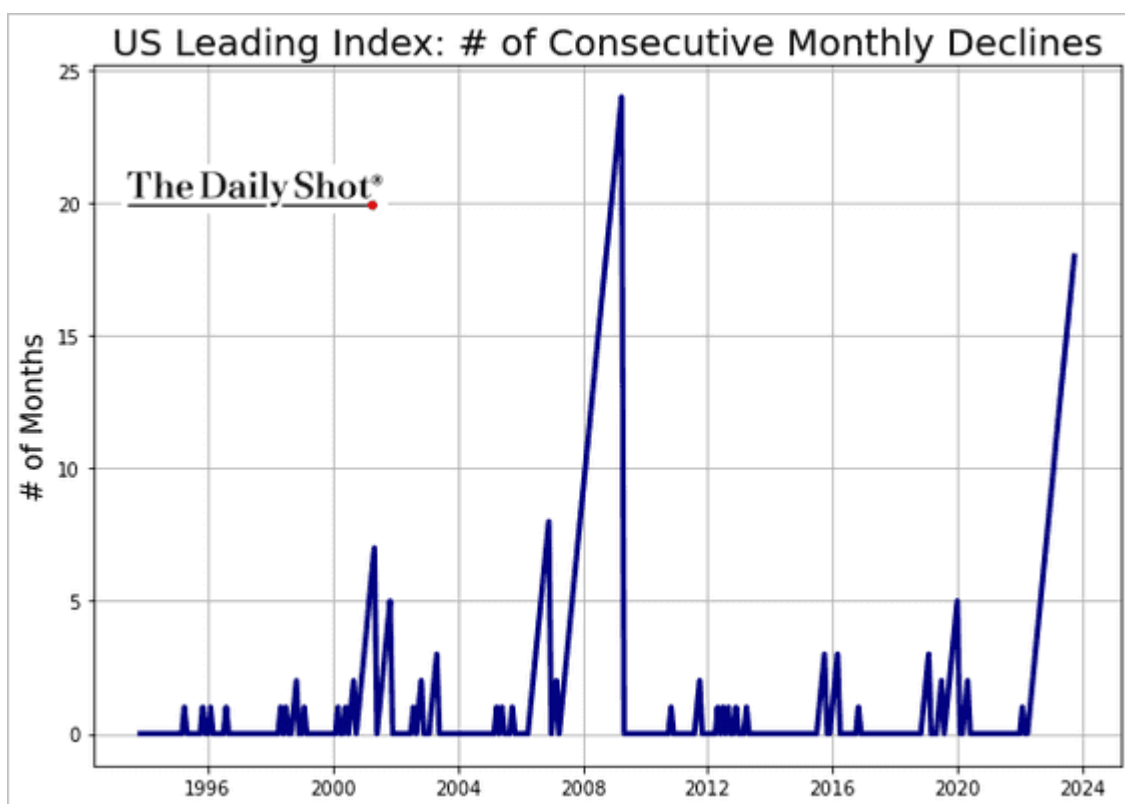
Source: Game of Trades



#macro

#us #leading-indicator

The US leading index is down for the 18th month in a row.

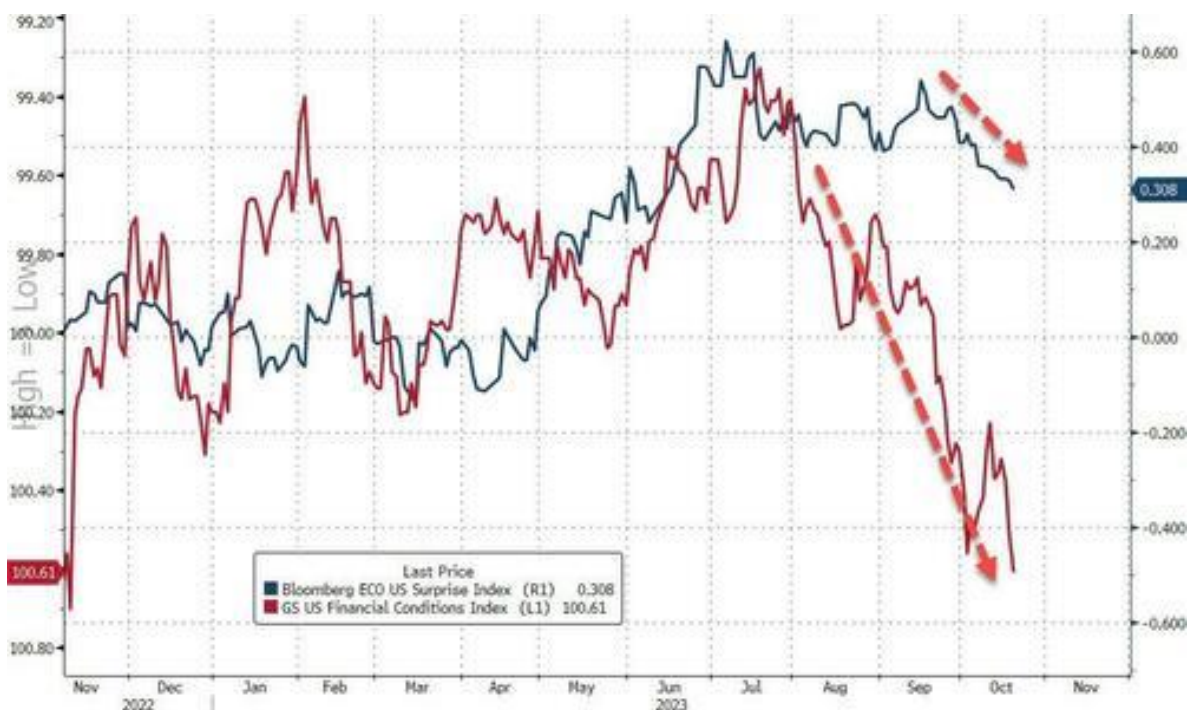


Source: The Daily Shot



#us #macro #financial-tightening

US financial conditions are now at their tightest since November 2022.... and it looks like it is starting to drag on the real economy...



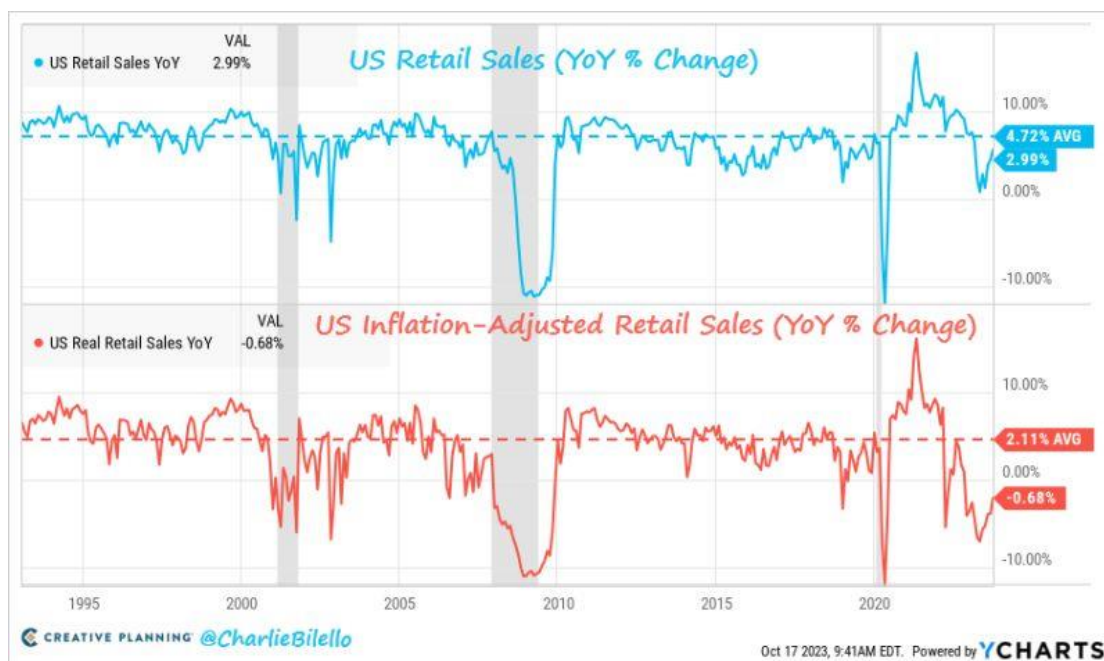
Source: www.zerohedge.com





#us #retail-sales

After adjusting for inflation, US retail sales fell 0.7% over the last year, the 11th consecutive YoY decline. That's the longest down streak since 2009. Nominal retail sales increased 3.0% YoY vs. a historical average of 4.7%.

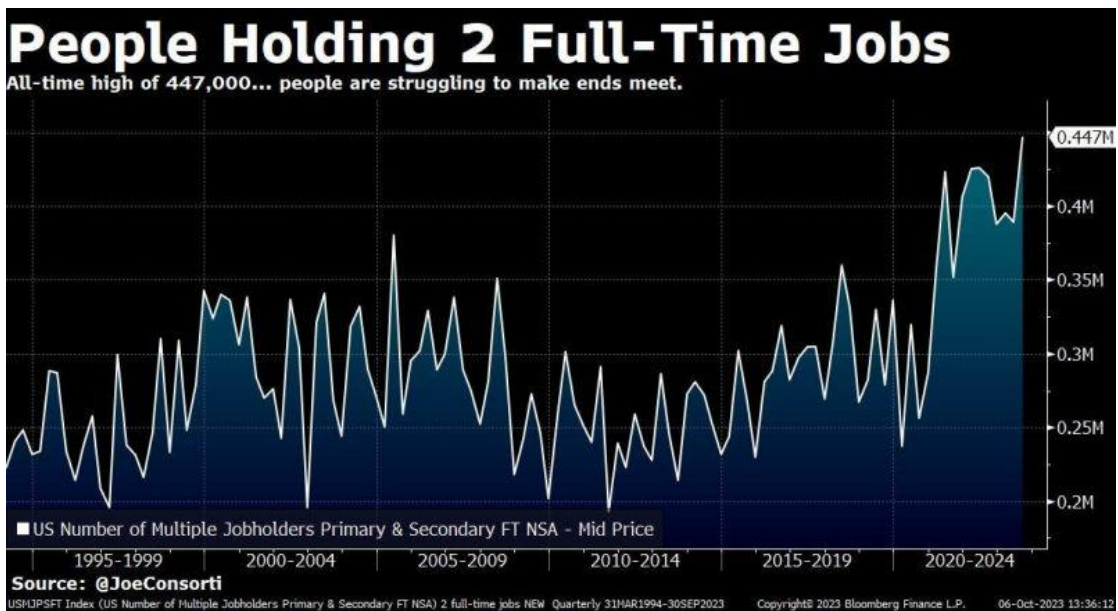


Source: Charlie Bilello

#macro

#us #employment #cost-of-living

BREAKING: A record 447,000 Americans are now working 2 full-time jobs, per Joe Consorti



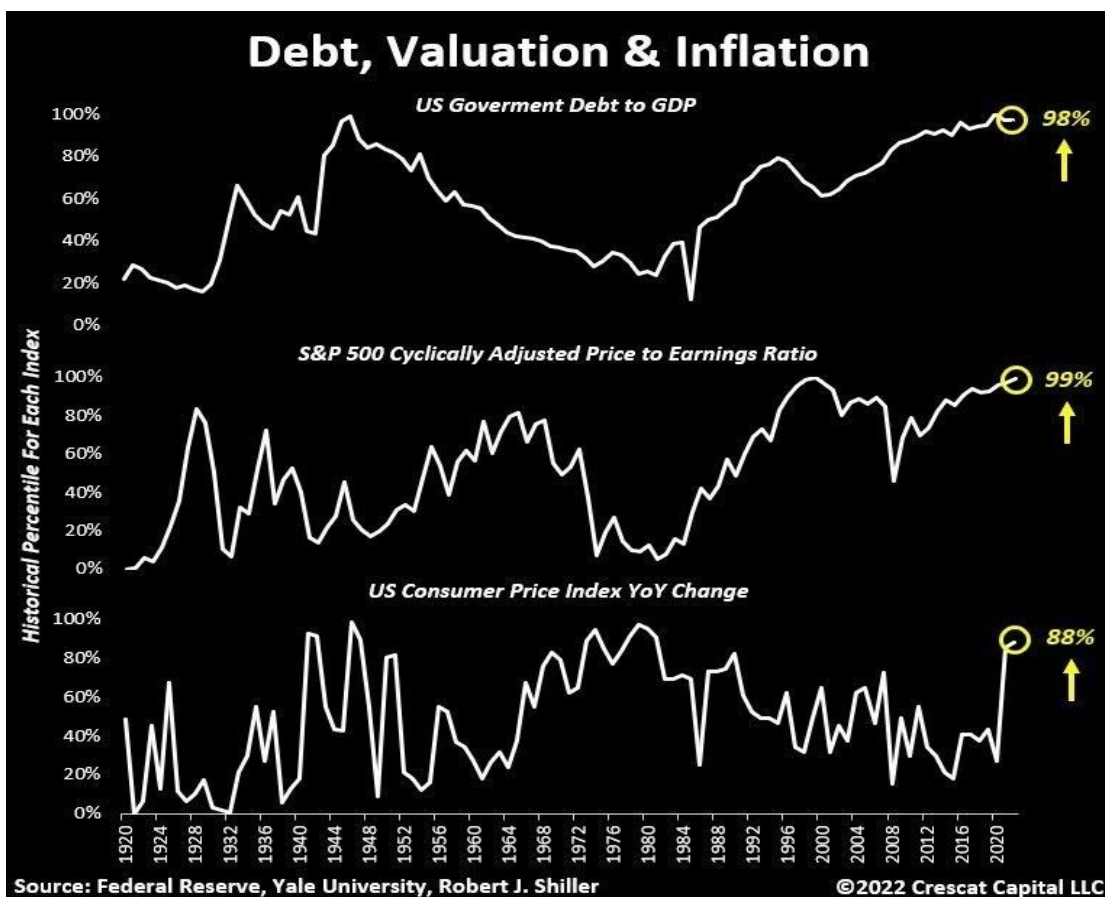


#us #debt #valuation #inflation

Where do we stand in terms of percentile each year for the below aggregates in the US:

- US Government Debt to GDP = 98th percentile
- SP500 Cyclically-adjusted-PE ratio = 99th percentile
- US Consumer Price Index YoY change = 88th percentile

Sounds like an interesting trifecta...



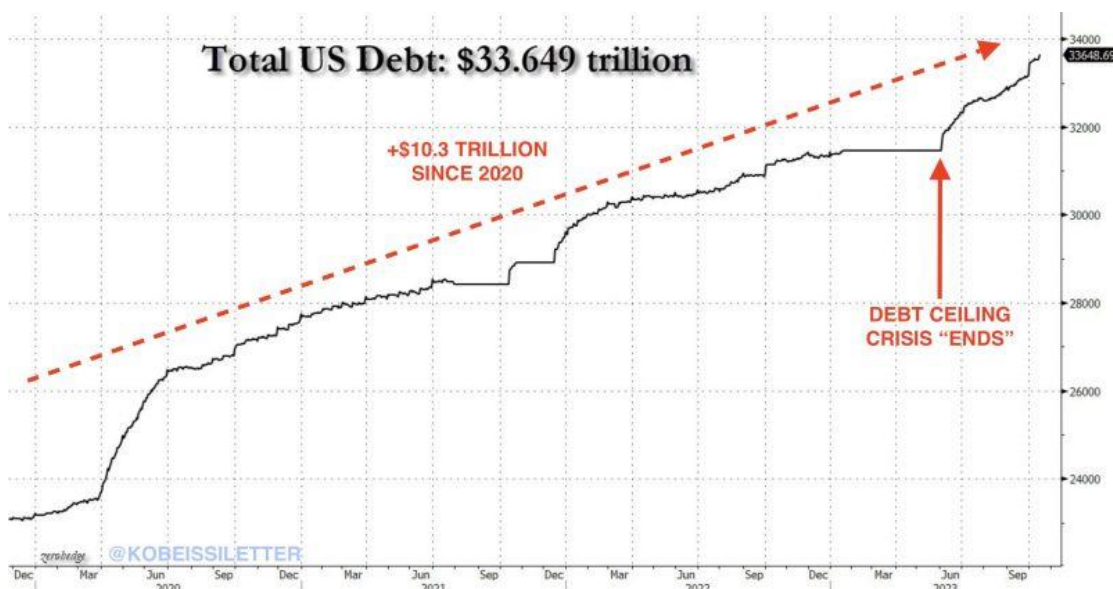
Source: Crescat Capital





#us #debt

Total US debt is now up ~\$650 BILLION since it crossed \$33 trillion exactly 1 month ago, according to Zerohedge. Yesterday alone, total US debt jumped by another \$58 billion. Total US debt has grown by ~\$22 billion PER DAY for the last month. In other words, the US has added ~\$915 million in debt every hour for the last month. Since the debt ceiling "crisis" ended, total US debt is up over \$2 trillion. Since 2020, total US debt is officially up more than \$10 TRILLION.



Source: The Kobeissi Letter



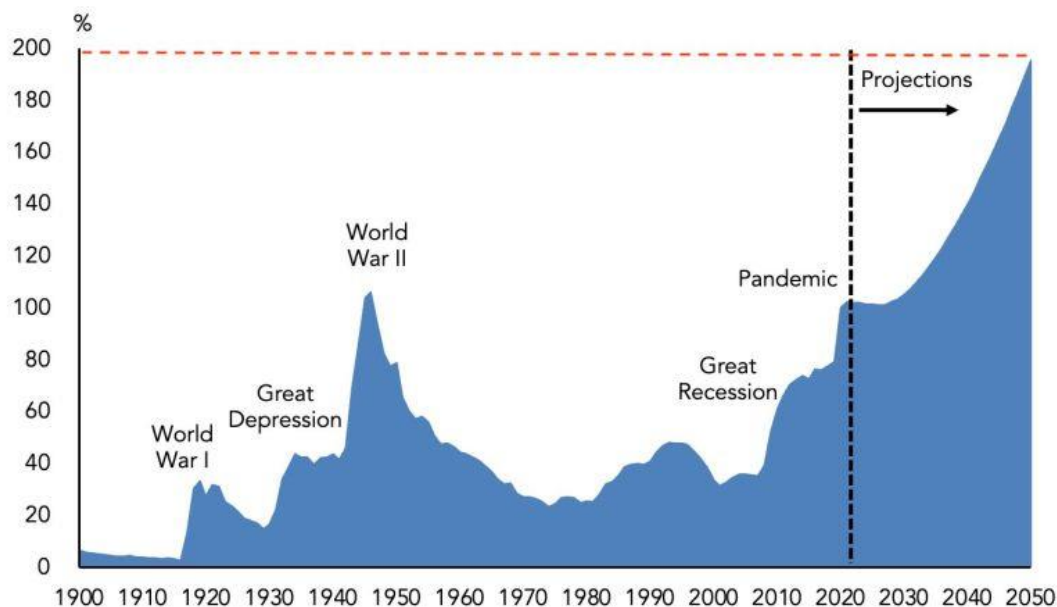
#us #debt

The US government has consistently shown fiscal irresponsibility. Debt-to-GDP is projected to reach 200% by 2050. The government is going to face a major problem with the amount of money they will have to pay in interest. Everybody, except the US government, seems to understand the unsustainability of this path.

Public Debt is Projected to Skyrocket



Federal Debt Held by the Public as a Share of GDP



Dates: 1900 Through 2050E.
Source: Congressional Budget Office, Game of Trades.

Source: Game of Trades

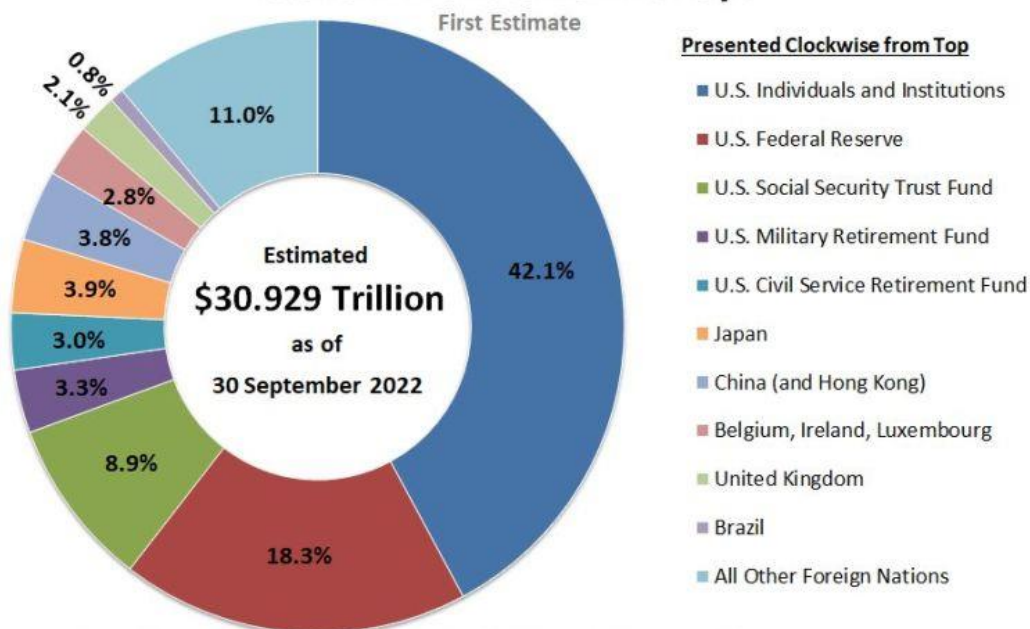




#us #debt

To whom the US owes money? Mostly to themselves actually...

September 2022: To Whom Does the U.S. Government Owe Money?



Sources: U.S. Treasury Department (30 September 2022), U.S. Federal Reserve (28 September 2022) Foreign Holding estimates for August 2022 (per data released on 18 October 2022).

© Political Calculations 2022

Source: The King's Cheque En Qua





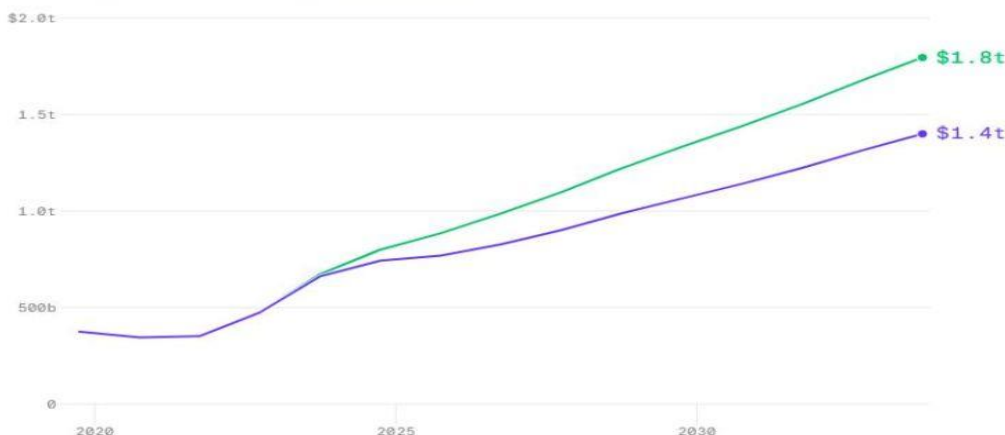
#us #interest #expense

The U.S. Government's Interest Bill is Skyrocketing. In the current fiscal year, interest spending is on track to surpass \$800 billion, more than double 2021's \$352 billion figure. In 2026, the government's net interest expense would reach 3.3% of GDP, the highest on record. Those numbers are from the Committee for a Responsible Federal Budget, on the assumption that rates remain 1 percentage point higher than in the Congressional Budget Office's forecasts, based on the CBO's rules of thumb. If current rates stay high and fiscal policy matches current forecasts, the cost of servicing those debts will surpass defense spending in 2025 and top Medicare spending in 2026.

Projected U.S. federal government net interest expense in select scenarios

Annually; 2019-2033; Estimated 2023 onward

— If rates are 1ppt higher than forecast — Under CBO forecast



Data: Congressional Budget Office, Committee for a Responsible Federal Budget; Chart: Axios Visuals

Source: axios

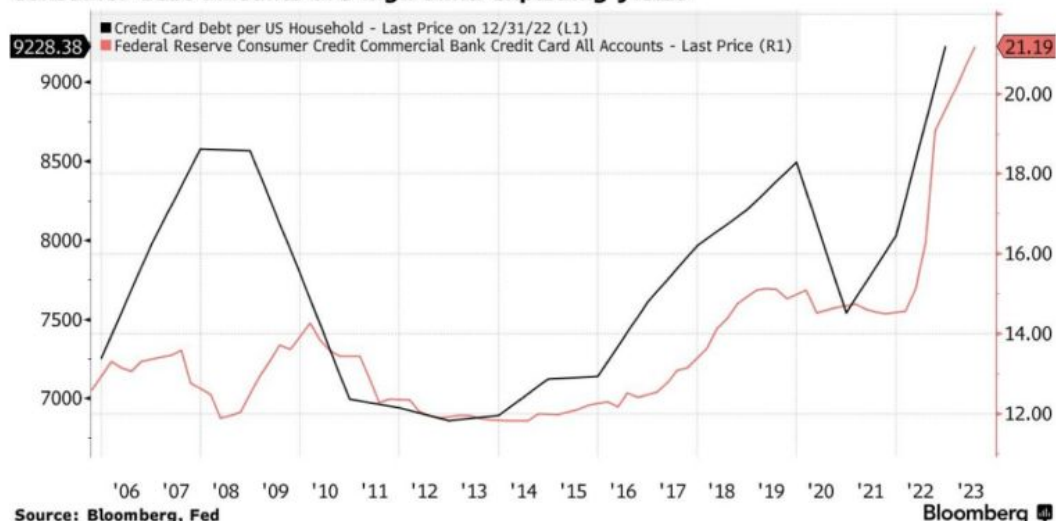




#us #creditcard #debt

Average Credit Card Debt per U.S. Household and Interest Rates on Credit Cards are at all-time highs

Americans Face a Potential Surge in Debt Consumer debt amounts are high amid exploding yields



Source: bloomberg, brachart



#us #mortgages

U.S. Mortgage Rates at 23-Year Highs



Source: Barchart





#us #real-estate #yield #cap-rate

The US 10-year note yield is now officially above the median cap rate for the first time since 2008, according to Reventure Consulting. In simple terms, the return on an investment property is now BELOW the 10-year note yield. It should be no surprise that investor house purchases are now down a massive 45% this year.





Source: The Kobeissi Letter

#macro

#us #real-estate #foreclosure

Michael Burry Stock Tracker 

  Latest news on real estate market

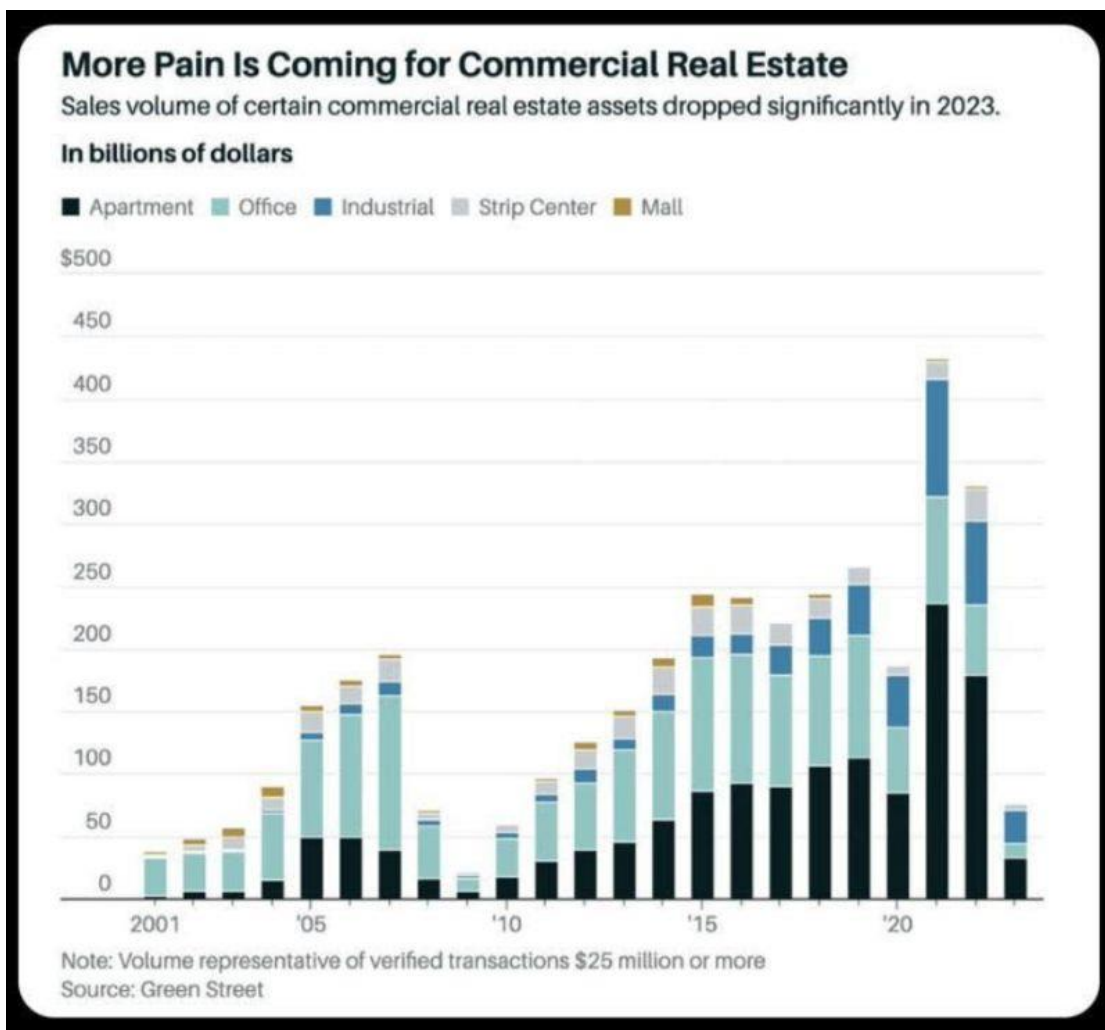
The number of homeowners hit with foreclosure notices in the third quarter of the year jumped 34% from a year ago to nearly 125,000, per ATTOM.





#us #commercial #real-estate #volume

US Commercial real estate sales volume have fallen to the lowest level in 13 years.



Source: Green Street



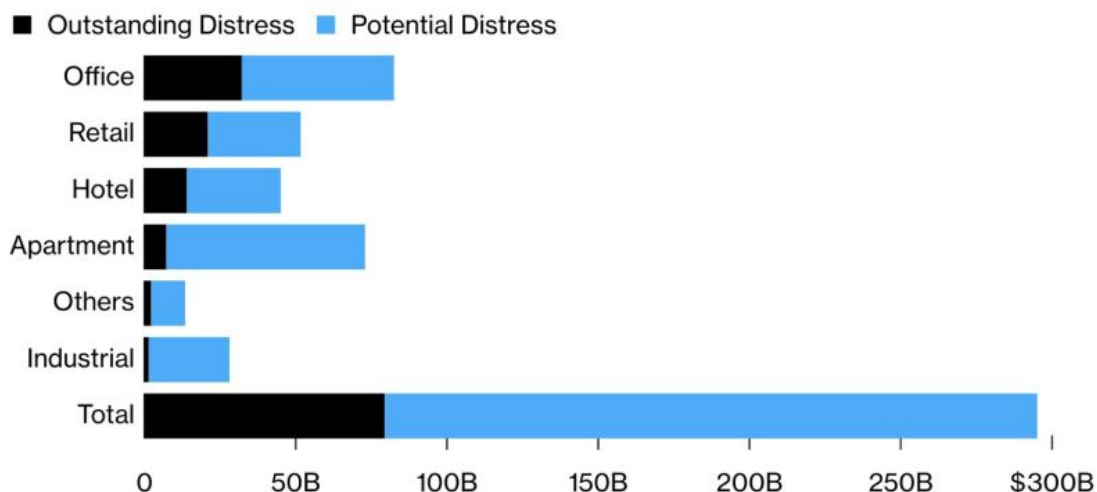


#us #commercial #real-estate #distressed

JUST IN: The Value of US Distressed commercial real-estate is approaching \$80 billion, the highest level in a decade. Now less than HALF the 2008 financial crisis levels. Blackstone, Brookfield and Goldman Sachs have defaulted or relinquished offices to lenders this year. Today, Pimco walked away from 20 hotels with +\$240MM in debt. Over \$1.5 trillion of commercial real estate loans will mature over the next 3 years.

Distressed Commercial Real Estate Swells

Offices lead distress as apartments dominate potential risk



Source: MSCI Real Assets

Source: Bloomberg, Genevieve Roch-Decker, CFA, Barchart



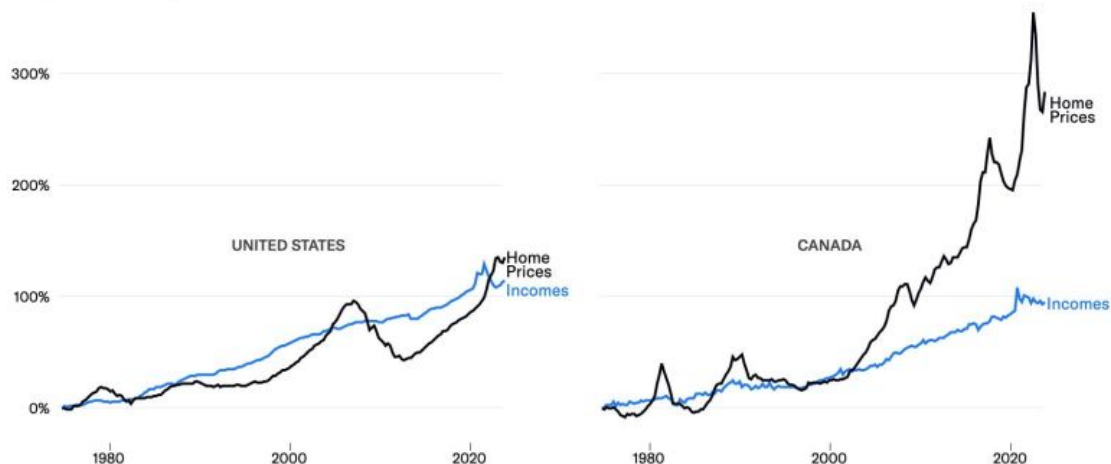


#canada #us #real-estate

Amazing chart about Canada housing market (on the right) vs. US housing market (on the left).

Safe as houses?

% change in inflation-adjusted values, Q1 1975 - Q2 2023



Sources: Data adapted from Mack, A., and E. Martínez-García, 2011, "A Cross-Country Quarterly Database of Real House Prices: A Methodological Note," Globalization and Monetary Policy Institute Working Paper No. 99, Federal Reserve Bank of Dallas, World Bank, Corpay Currency Research



Source: Michel A.Arouet



#macro

#china #growth #stabilization

China shows signs of stabilization after a long period of slowdown and disappointing data over the spring. China's Q3 growth exceeds forecast, buoyed by consumer spending and industrial production. China posted 4.9% growth in the July to September quarter from a year earlier, stronger than the median forecast for 4.6%. Quarter on quarter, China's GDP grew 1.3% in the third quarter, helped by a downward revision for Q2 from +0.8% to 0.5%.





#germany #deflation

Disinflationary forces are intensifying in Germany, at least for now. German PPI deflation deepened with PPI down 14.7% YoY, the most since the start of the statistic in 1949. Even compared to the previous month, producer prices fell by 0.2%.



Source: HolgerZ, Bloomberg



#france #germany #debt

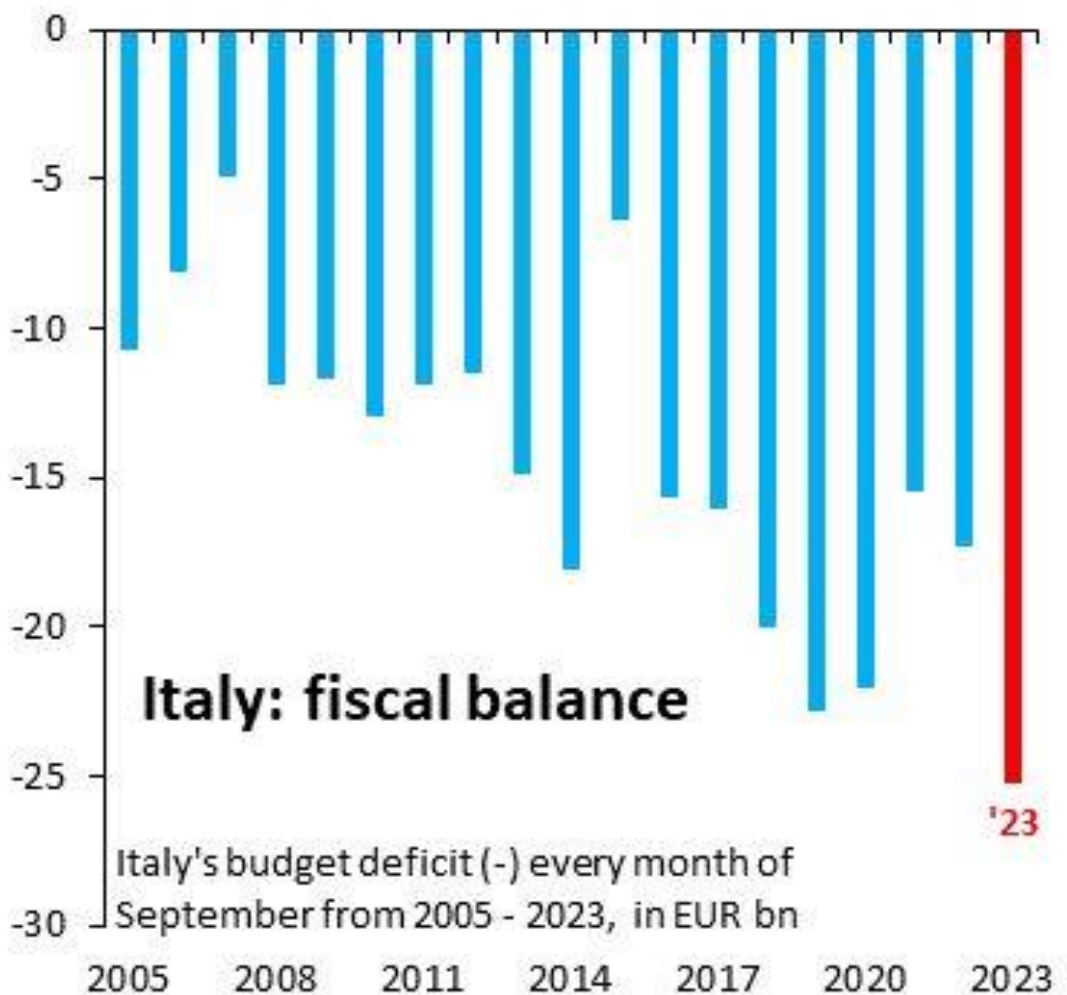
There is a different culture of public debt in Germany than in France. Nevertheless, French Finance Minister Le Maire hopes to find a compromise for new budget rules w/Germany. “We will continue to work w/Christian Lindner in the coming weeks to try to reach a Franco-German accord that could serve as a basis for a wider deal,” Le Maire said ahead of a meeting with his EU peers in Luxembourg.



#macro

#italy #budget-deficit

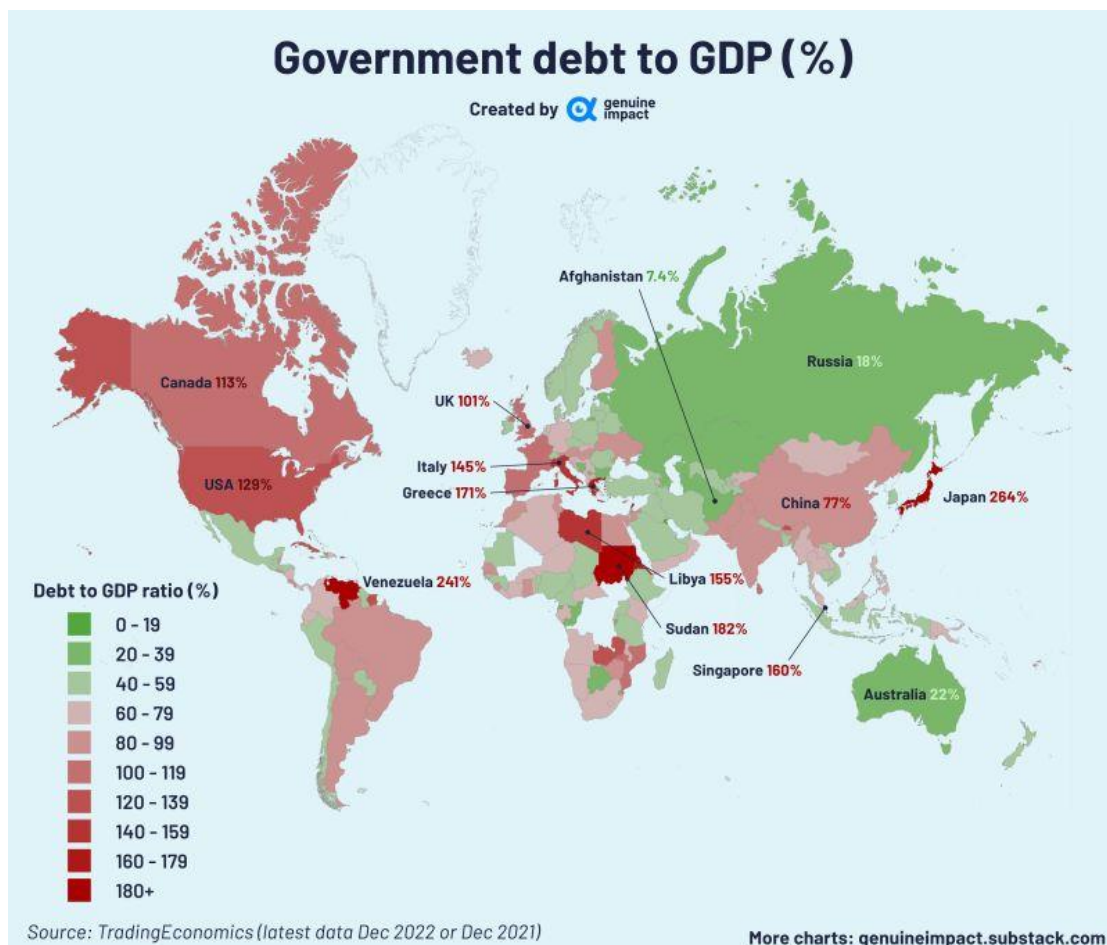
Italy budget deficit by Robin Brooks -> Monthly data on Italy's fiscal balance are volatile, but the September 2023 budget deficit is the largest ever...





#debt-to-gdp #global

🌐 Worldwide, many other countries have debt that is more than their GDP. Japan consistently ranks among the top nations with a debt-to-GDP ratio exceeding 200%.



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

#geopolitics

#middle-east #war #economy #oil

Bloomberg analysis on war potential economic and market impacts

Economic Impact of War

Global growth and inflation impact of three scenarios for how the Israel-Hamas conflict could evolve

Scenario	Details	Impact on oil prices and VIX*	Impact on global GDP and inflation**
Confined war	- Ground invasion of Gaza - Limited broader regional conflict - Lower Iranian crude output	Oil: +\$4/barrel VIX: No impact	GDP: -0.1 ppts. Inflation: +0.1 ppts.
Proxy war	- Multifront war in Gaza, West Bank, Lebanon, Syria - Unrest in wider Middle East	Oil: +\$8/barrel VIX: +8 points	GDP: -0.3 ppts. Inflation: +0.2 ppts.
Direct war	- Israel and Iran in direct conflict - Unrest in wider Middle East	Oil: +\$64/barrel VIX: +16 points	GDP: -1.0 ppts. Inflation: +1.2 ppts.

Source: Bloomberg Economics

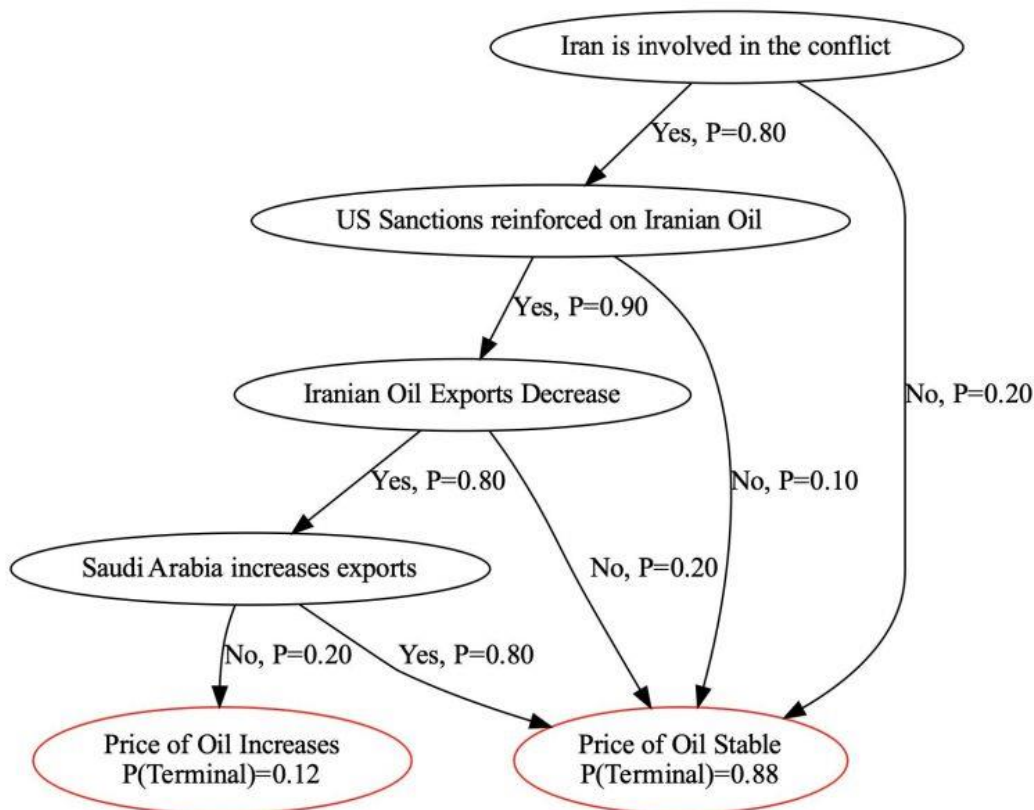
*Impact calibrated based on 2014 Gaza War, 2006 Israel-Lebanon War, and 1990-1991 Gulf War. **Impact on year on year change in global GDP and inflation for 2024, estimated using Bayesian Global VAR

Bloomberg



#middle-east #war #oil

Will oil prices react to the Israel-Gaza conflict? A probability tree

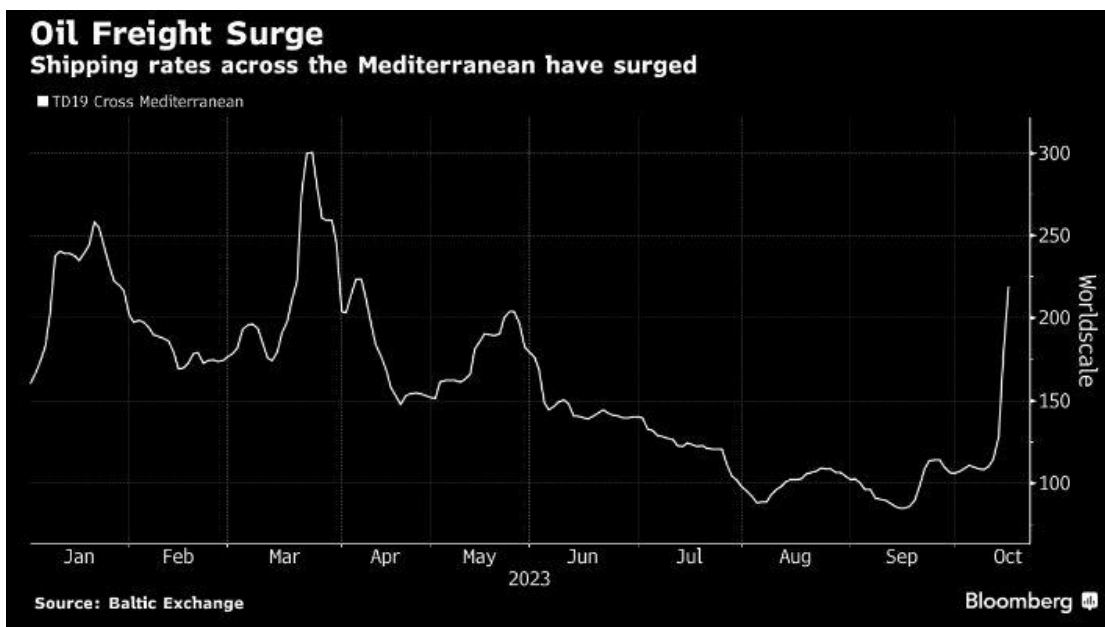


Source: [Alexandre Kateb, CFA](#)

#geopolitics

#middle-east #war #freight

Cost to move oil has surged! Since Hamas attacked Israel, freight rates on 16 global routes are up +50%. Biggest gain has been for shipments across the Mediterranean Sea, which are up 2x. This is inflationary

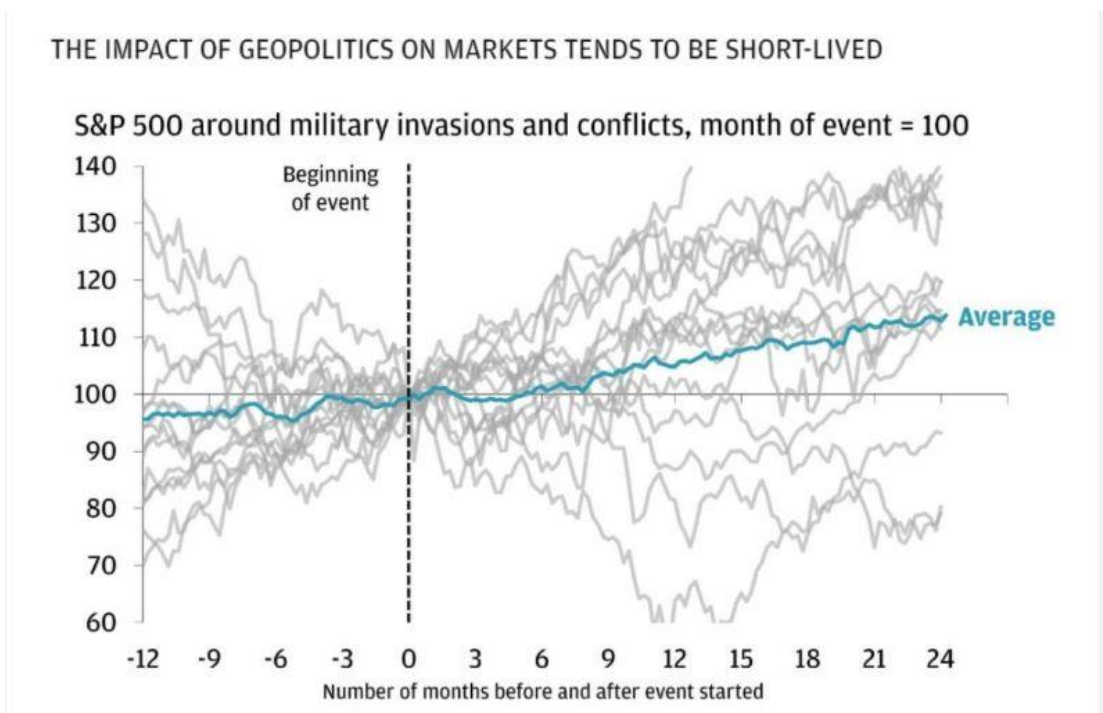


Source: Bloomberg, Genevieve Roch-Decter

#geopolitics

#middle-east #war #sp500

Nobody can predict at the moment how the Middle East situation will unfold, but if history is a guide market impacts of geopolitical scares are usually short lived. Will it be different this time?

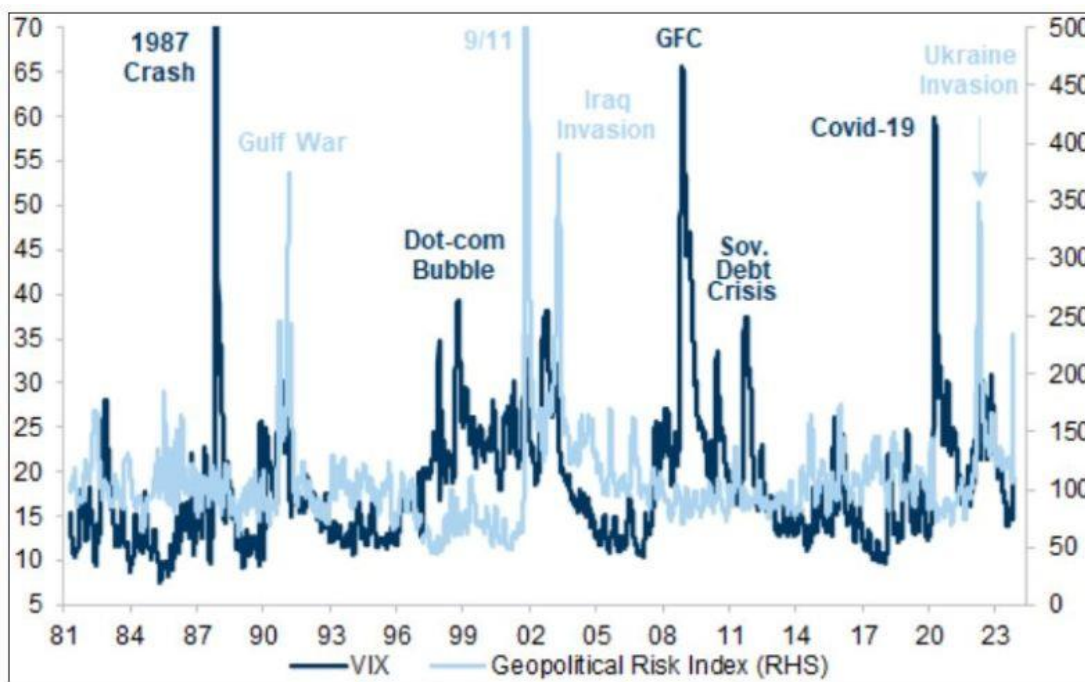


Source: Michel A.Arouet

#geopolitics

#vix #geopolitical-risk

VIX and Geopolitical Risk Index Since 1980. Benchmarking the VIX to the news-based Geopolitical Risk Index since 1980 “shows a mixed relationship, in part because macro conditions at the time matter,” GS analysts wrote in a note. Geopolitical events’ impact and timing are hard to predict and history suggests such occurrences don’t exhibit any consistent pattern across assets, they added.



Source: gs

#geopolitics

#china #us #treasuries

China has cut its holdings in US Treasuries to \$805bn, the lowest level since 2009. Beijing has been selling \$502bn in Treasuries in the past decade, & pace of Chinese selling has been accelerated recently.



Source: Bloomberg, HolgerZ

#centralbanks

#us #federal-reserve #assets

The Fed's balance sheet hit its lowest level since June 2021 this week, down over \$1 trillion from the peak in April 2022. Annual changes in the Fed's balance sheet since 2002...

US Federal Reserve - Total Assets			
Year End	Assets (in Billions)	\$ Increase (in Billions)	% Change
2002	732		
2003	772	39	5.4%
2004	811	39	5.1%
2005	848	37	4.5%
2006	870	22	2.6%
2007	891	21	2.4%
2008	2,239	1,349	151.4%
2009	2,234	-5	-0.2%
2010	2,421	187	8.3%
2011	2,926	506	20.9%
2012	2,907	-19	-0.6%
2013	4,033	1,125	38.7%
2014	4,498	465	11.5%
2015	4,487	-11	-0.2%
2016	4,451	-35	-0.8%
2017	4,449	-3	-0.1%
2018	4,076	-373	-8.4%
2019	4,166	90	2.2%
2020	7,363	3,197	76.7%
2021	8,757	1,394	18.9%
2022	8,551	-206	-2.4%
2023 YTD	7,952	-599	-7.0%
	Period	\$ Increase (in Billions)	% Change
	2002-23	7,220	986%

CREATIVE PLANNING @CharlieBilello Data as of 10/12/23

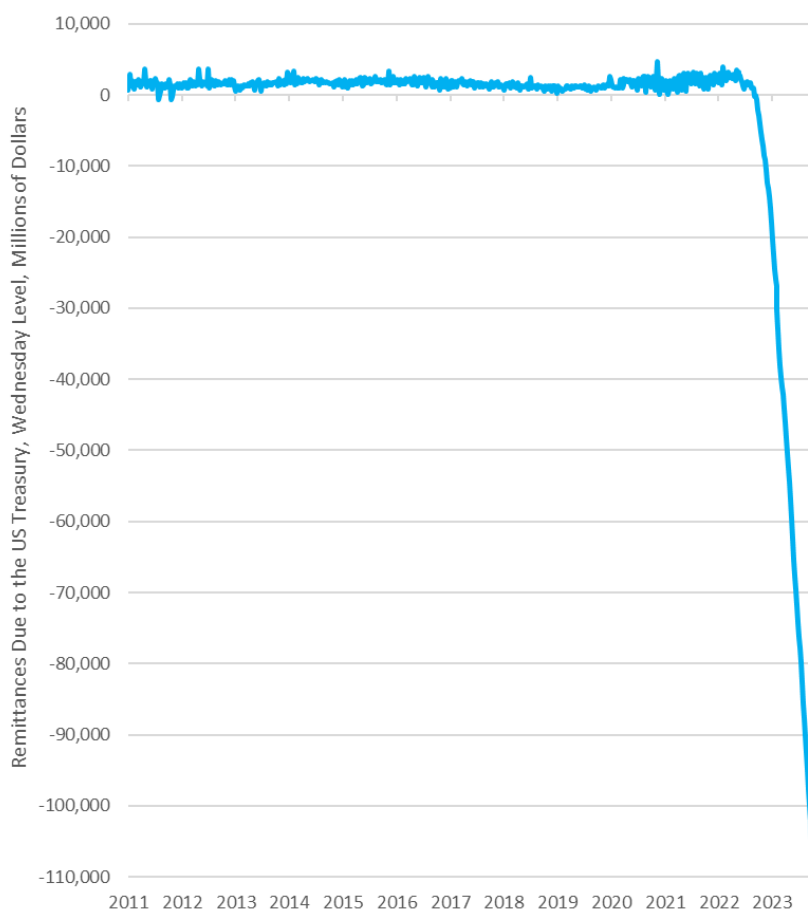
Source: Charlie Bilello



#centralbanks

#us #federal-reserve #remittances

We're gonna need a bigger graph...The Fed used to make billions of profits and sent those profits to the US Treasury each year. Now because of reverse repos and interest paid on reserves to commercial banks, the Fed is paying something like \$700 million PER DAY to commercial banks to keep the system from falling apart.



Source: Board of Governors of the Federal Reserve System



Source: E.J Anthony, Wall Street Silver, Fed

#centralbanks

#us #federal-reserve #inflation #growth

Powell says inflation is still too high and lower economic growth is likely needed to bring it down. US 10-year is just 3bp shy of 5%... Federal Reserve Chairman Jerome Powell acknowledged recent signs of cooling inflation but said Thursday that the slowing in price increases was not enough yet to determine a trend and that the central bank would be “resolute” in its commitment to its 2% mandate. “Inflation is still too high, and a few months of good data are only the beginning of what it will take to build confidence that inflation is moving down sustainably toward our goal,” Powell said in prepared remarks for his speech at the Economic Club of New York. “We cannot yet know how long these lower readings will persist, or where inflation will settle over coming quarters.”



Source: CNBC, Ole S.Hansen, Bloomberg, Saxo



#centralbanks

#fed #monetarypolicy #rates

Stunning to see that markets are beginning to price-in chances of rate HIKES all the way until December 2024. There's now a ~49% chance of a rate hike by January 2024. There is even an 11% chance of a rate hike in July 2024... Meanwhile, the 10-year note yield is nearing 4.90% right now. Will 8% mortgages soon going to look like a good deal?

TOTAL PROBABILITIES				
MEETING DATE	DAYS TO MEETING	EASE	NO CHANGE	HIKE
11/1/2023	15	0.00 %	88.14 %	11.86 %
12/13/2023	57	0.00 %	57.02 %	42.98 %
1/31/2024	106	0.00 %	51.13 %	48.87 %
3/20/2024	155	9.20 %	49.25 %	41.55 %
5/1/2024	197	27.98 %	43.72 %	28.30 %
6/12/2024	239	45.15 %	35.96 %	18.89 %
7/31/2024	288	62.99 %	26.14 %	10.87 %
9/18/2024	337	76.06 %	17.79 %	6.16 %
11/7/2024	387	83.58 %	12.55 %	3.87 %
12/18/2024	428	90.45 %	7.56 %	2.00 %



Source: The Kobeissi Letter

#centralbanks

#fed #powell #confidence

Ahead of Powell speech tomorrow... Confidence in the Chair of the Federal Reserve has reached its lowest point in 20 years...



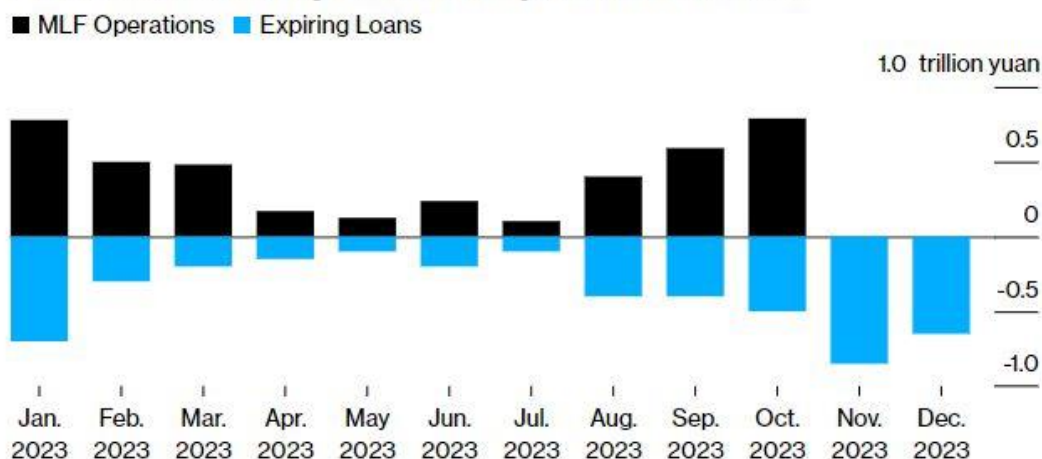
Source: Visual capitalist

#centralbanks

#china #pboe #liquidity

China | PBOC adds net 289 billion yuan via medium-term facility as Debt Sales Surge. The move adds to recent efforts to ensure hitting GDP target - Offers Most Cash Support Since 2020 – Bloomberg. China’s central bank is making the biggest medium-term liquidity injection since 2020, stepping up efforts to support the nation’s economic recovery and debt sales. The People’s Bank of China added a net 289 billion yuan (\$39.6 billion) into the financial system via a one-year policy loan on Monday, the most since Dec. 2020. At the same time, it drained a net 134 billion yuan of short-term liquidity through open-market operations.

PBOC Raises Policy Loan Net Injection In October



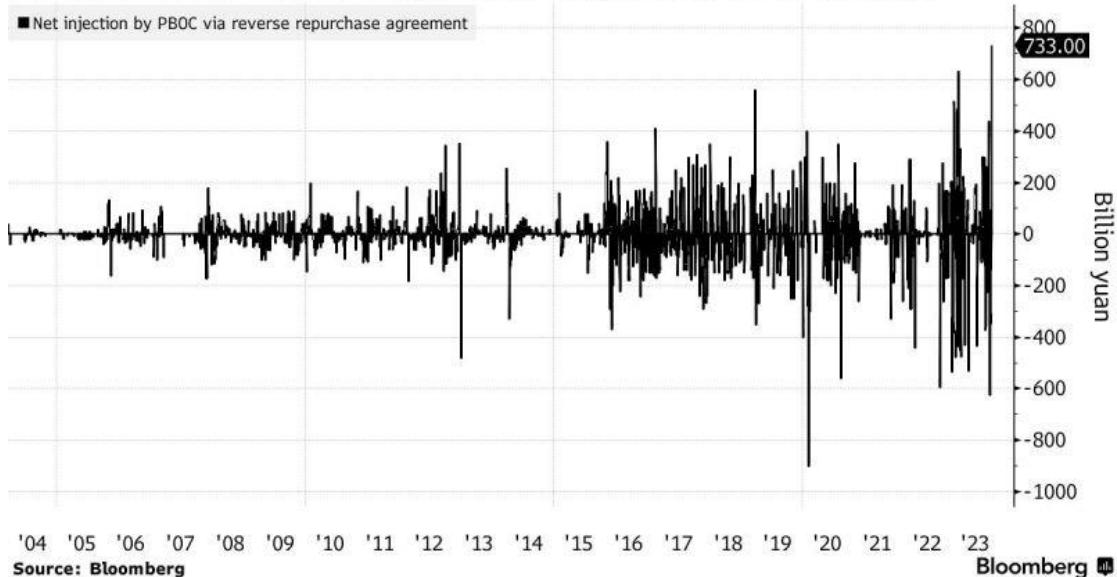
Source: PBOC, Bloomberg

#centralbanks

#china #pboc #liquidity

China Injects Most Short-Term Cash Into Banking System on Record – Bloomberg. China pumped the most liquidity into its financial system via short-term monetary tool on record, suggesting policymakers are keen to keep funding costs low to bolster the economy. The People’s Bank of China granted lenders a net 733 billion yuan (\$100 billion) of cash with the so-called reverse repurchase contracts on Friday. That came after data released this week flashed signs of a pickup in the economy last month, when consumer spending and industrial production came in stronger-than-expected. Lenders keep one- and five-year loan prime rate unchanged.

PBOC Boosts Short-term Cash Injection To A Record



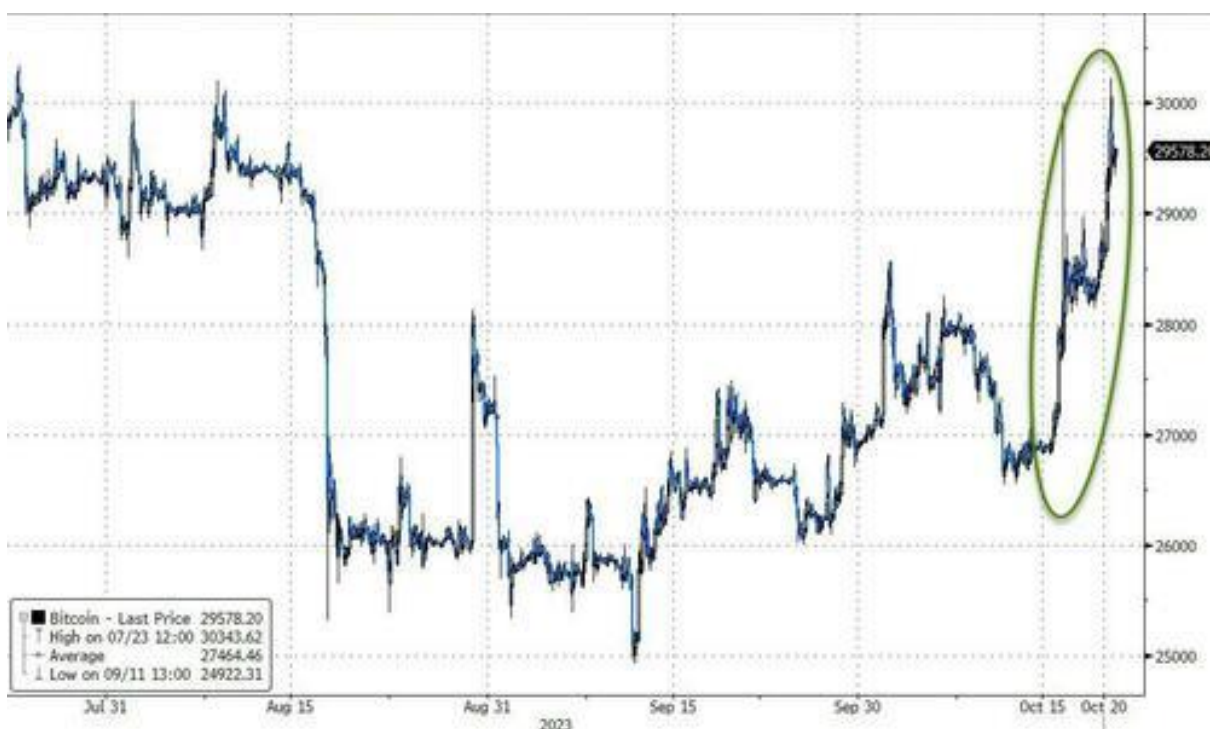
Source: Bloomberg





#bitcoin #weekly

Bitcoin also caught a safe-haven (and ETF-driven) bid...



Source: www.zerohedge.com



#fidelity #btc #etf

Fidelity submits a revised application. Three issuers have tackled the issue, leaving about six.

[PN] FIDELITY FILED AN UPDATED VERSION OF ITS SPOT BITCOIN ETF S-1 APPLICATION

As filed with the Securities and Exchange Commission on October 17, 2023

Registration No. 333-254652

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

**Pre-Effective
Amendment No. 1
to**

**FORM S-1
REGISTRATION STATEMENT**

**UNDER
THE SECURITIES ACT OF 1933**

WISE ORIGIN BITCOIN TRUST

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

86-6606379
(I.R.S. Employer
Identification Number)

c/o FD Funds Management LLC
Rachel Nelson
245 Summer Street V13E
Boston, MA 02210
(800) 343-3543

(Address, including zip code, and telephone number, including area code, of registrant's principal executive office)

Copy to:
Morrison C. Warren, Esq.,
Chapman and Cutler LLP
320 South Canal Street
Chicago, IL 60606
(312) 845-3484

Source: ericbalchunas, phoenix



#cryptos

#bitcoin #etf #sec

Odds Of Spot Bitcoin ETF Approval By US SEC Rises Above 90%. Bloomberg ETF analysts have raised the odds of approval of a spot Bitcoin ETF by the U.S. Securities and Exchange Commission (SEC) to 90%. It follows after Ark Invest and 21Shares updated its spot Bitcoin ETF prospectus requested by the U.S. SEC. The analysts expect a spot Bitcoin ETF approval by the SEC by January 10. The recent update to applications indicates constructive conversation with the SEC. Ark Invest added five additional pages in the application about risk disclosures, new language, and further context.



Source: coingape, bloomberg



#bitcoin #price #standardchartered

Standard Chartered is ramping up its bullish Bitcoin prediction, targeting as much as \$120,000 by the end of 2024 — almost quadruple the current price — as increasingly cash-rich miners reduce sales of the token. “Increased miner profitability per BTC mined means they can sell less while maintaining cash inflows, reducing net BTC supply and pushing BTC prices higher,” Geoff Kendrick at Standard Chartered wrote Monday.

The screenshot shows a Bloomberg article header. The top navigation bar includes 'Bloomberg' and 'US Edition'. Below it is a menu with categories: Live Now, Markets, Economics, Industries, Tech, AI, Politics, Wealth, Pursuits, Opinion, Businessweek, Equality, and Green. The article is categorized under 'Crypto'. The main headline reads: 'Bitcoin Is Set to Quadruple to \$120,000 by End of 2024, Standard Chartered Says'. Two bullet points are listed below the headline: 'Miner profitability cited as reason for revision from \$100,000' and 'Target for the end of 2023 is \$50,000, 65% above current price'.

#cryptos

#ferrari #crypto

Ferrari to accept crypto as payment for its cars in the US. Ferrari said the decision came in response to requests from the market and dealers as many of its clients have invested in crypto. Ferrari shipped more than 1,800 cars to its Americas region, which includes the U.S., in the first half of this year. Ferrari shipped more than 1,800 cars to its Americas region, which includes the U.S., in the first half of this year. Ferrari's Chief Marketing and Commercial Officer did not say how many cars Ferrari expected to sell through crypto. He said the company's order portfolio was strong and fully booked well into 2025, but the company wanted to test this expanding universe.

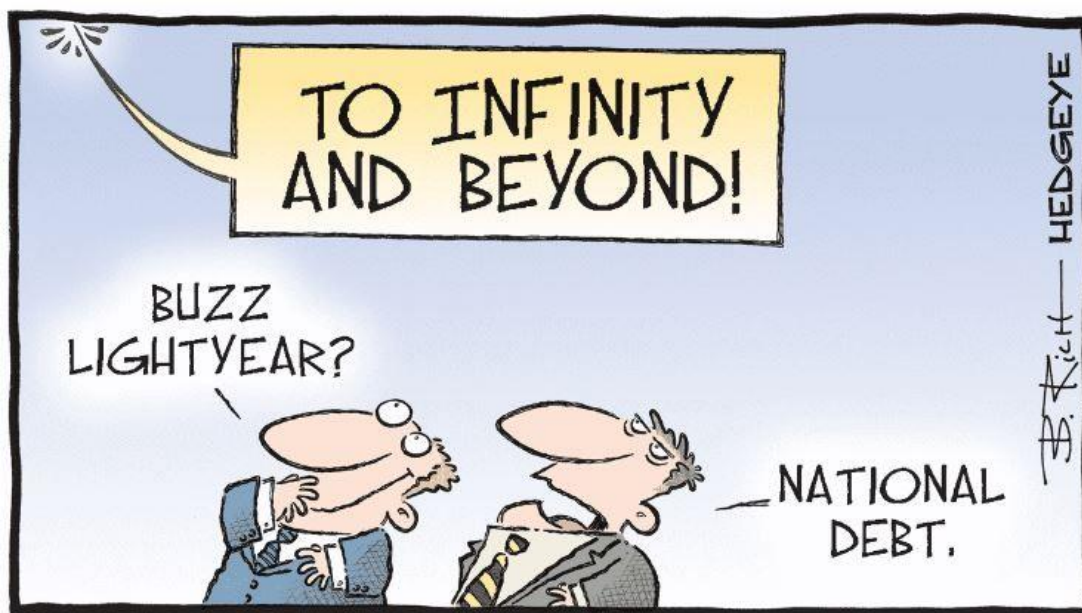


Source: reuters

#food-for-thought

#us #debt #humor

The United States national debt has soared by \$550 billion in less than a month.



Source: Hedgeye

#food-for-thought

#blackmonday #history

Black Monday refers to the catastrophic worldwide stock market crash on Oct. 19, 1987, when the DJIA fell 508 points, or 22.6%, in a single day. It remains the largest one-day decline ever. Other major stock markets saw similarly huge declines.

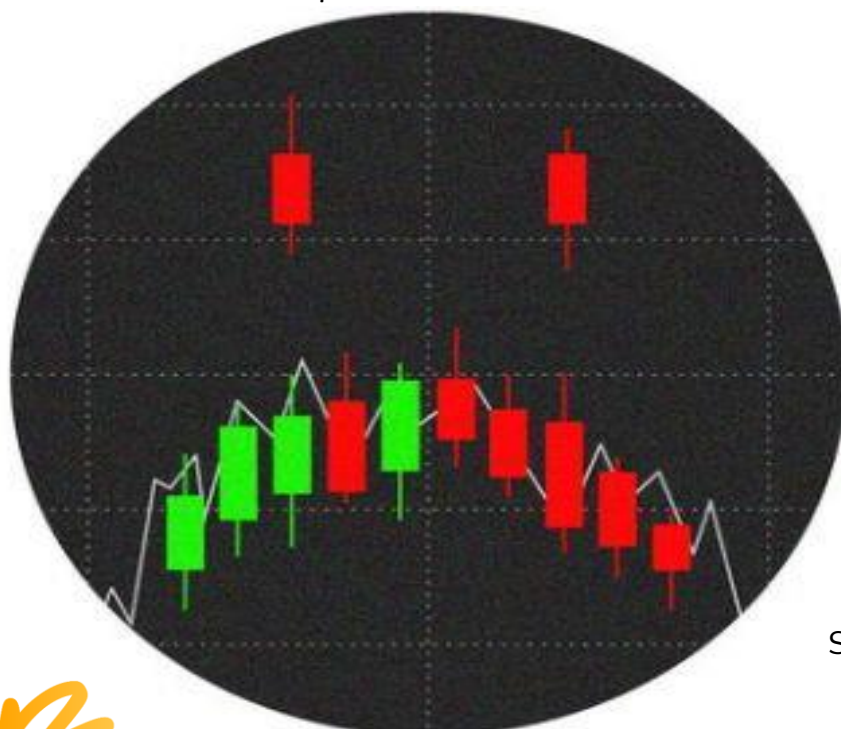


Source: nyt

#food-for-thought

#trading #investors

Retail Traders are Taking a Break From Trading. Many individuals are pulling back on risk-taking across markets—using less leverage or trading less frequently. Trading activity at some of the biggest retail brokerages keeps falling, too. At Charles Schwab, daily average trades fell to about 5,200 in the second quarter, the lowest level since at least early 2021. Trading activity among individuals using E*Trade—which is owned by Morgan Stanley—and Robinhood is hovering around the lowest levels of the past two years as well. In all, investors have pulled around \$80 billion from U.S. stock mutual and exchange-traded funds in 2023, according to EPFR data. U.S. bond funds have attracted \$277 billion of inflows.



Source: wsj

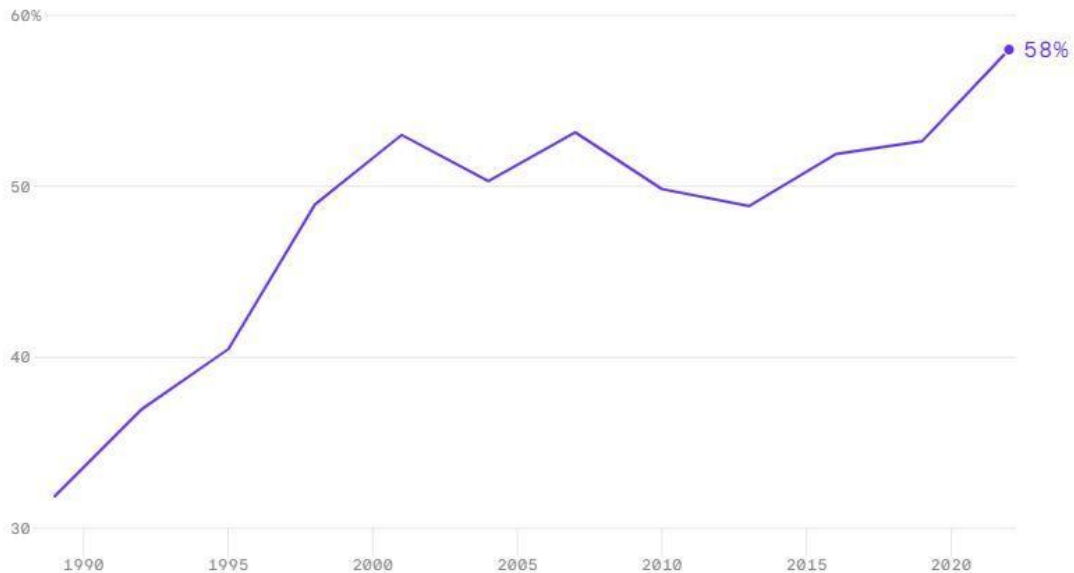
#food-for-thought

#us #stock-ownership

The Federal Reserve's just-published triennial Survey of Consumer Finances shows that in 2022, about 58% of American households owned stock, either directly or indirectly through mutual funds and other investment accounts. Direct ownership of stocks increased "markedly" between 2019 and 2022, jumping from 15% to 21% — making it the largest change on record, the Fed said in its report. That's the highest level of direct ownership of stocks since the early 2000s when it was also 21%.

Share of American households with stock holdings

Every three years; 1989-2022

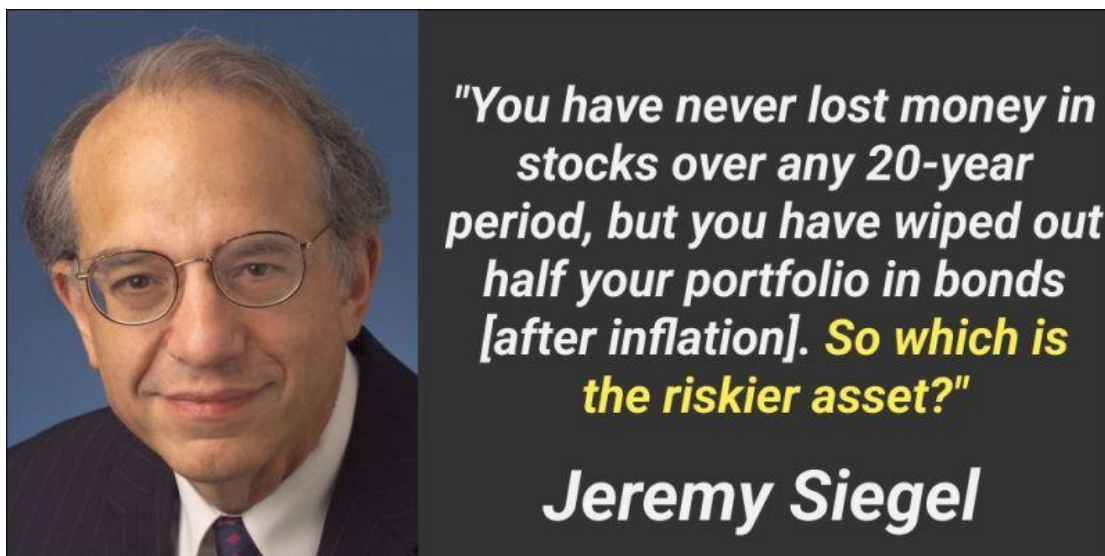


Source: axios

#food-for-thought

#stocks #bonds #risk

Stocks vs Bonds



Source: Brian Feroldi

#food-for-thought

#apple #google #r&d

Interesting post by Linus on Apple / Google



Linus Beliūnas 
@linas.beliunas

Google pays Apple **~\$20 billion per year** to be their default search engine.

That's **75% of Apple's entire Research and Development budget.**

In other words, Google is basically funding all of Apple's R&D.



#food-for-thought

#swiss #watches #revenue

The 10 Biggest Swiss Watch Brands 🏆 by revenues

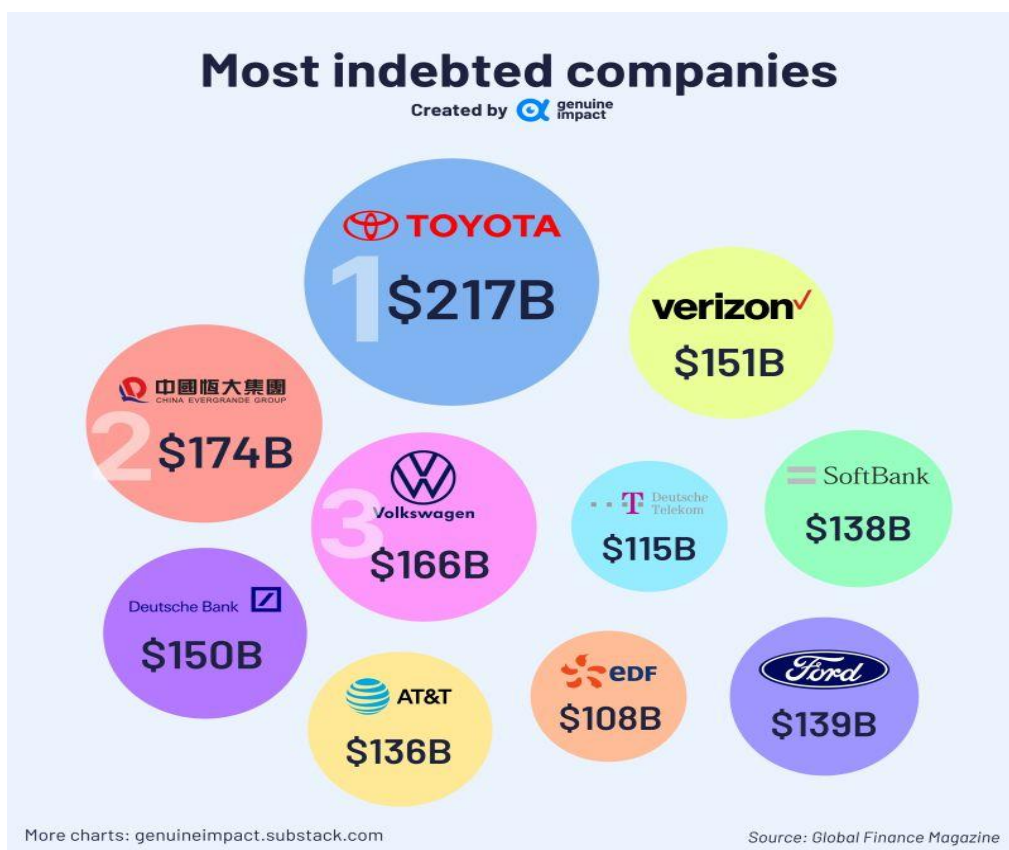


Source: Morgan Stanley

#food-for-thought

#indebted #companies

At the time of rising bond yields, here's a list of the most indebted companies in the world by Genuine Impact. 🚗 Toyota Group is the most indebted company globally in 2023. 🏠 While Evergrande Group, one of China's biggest property developers, has lower debt than Toyota, its performance is significantly inferior to Toyota. It recently faced a debt crisis and is on the verge of collapse.



#food-for-thought

#netflix #gaming

Netflix tests streaming games to US TVs to take on PlayStation and Xbox. Netflix is expanding its games streaming beta to the US, the company announced in an update to a blog post. The feature, which lets you play games streamed from the cloud on devices like your TV or a computer, launched first in August in Canada and the UK. In the blog post, Netflix notes that it's a "limited" beta test, so it seems like this won't be available to too many people to start. Netflix used that same "limited" language with the initial launch in Canada and the UK. If you have access to the service, you'll need to download Netflix's special controller app for your iPhone or Android device to play the game on your TV. (Netflix says the streamed games work on "select devices," including Amazon Fire TV devices, Chromecast with Google TV, Roku devices and TVs, and more.) On the web, you'll be able to play games with a mouse and keyboard.



Source: theverge

#food-for-thought

#balancesheet #useful

Balance Sheet Explained Simply

Balance Sheet (Specific Date)					
Assets			Liabilities		
Current Assets (<1 Year)	Cash & Cash Equivalents	Cash / T-bills / CDs <3 Month Maturity	Current Liabilities (<1 Year)	Payables & Accrued Expenses	Interest / Wages / Dividends / Taxes / Accrued Liabilities
	Marketable Securities	Liquid Equity / Bonds Expected To Be Used In <1 Year		Short-Term Debt	Interest & Principal On Debt Due <1 Year
	Accounts Receivable	Money That Is Owed By Customers		Other Current Liabilities	Catch-All Category Of Liabilities Due <1 Year
	Inventory	Raw Materials & Finished Goods Available For Sale	Long-Term Liabilities (>1 Year)	Long-Term Debt	Interest & Principal On Debt Due >1 Year
	Other Current Assets	Catch-All Category Of Assets Expected To Last <1 Year		Other Long-Term Liabilities	Catch-All Category Of Liabilities Due >1 Year
Long-Term Assets (>1 Year)	Long-Term Investments	Investments The Company Intends To Hold For >1 Year	Shareholder Equity	Preferred Stock	Equity That Can Claim Income From Earnings
	Fixed Assets	Land / Machinery / Equipment / Buildings / Durable Assets		Common Stock & Additional Paid-In Capital	Money Shareholders Have Invested In The Company
	Goodwill	Premiums Paid To Acquire Other Businesses		Retained Earnings	Accumulated Profits The Business Keeps
	Other Long-Term Assets	Catch-All Category Of Assets Expected To Last >1 Year		Treasury Stock*	Stock The Company Has Repurchased (*Not Always Reported)

Source: Brian Feroldi

#food-for-thought

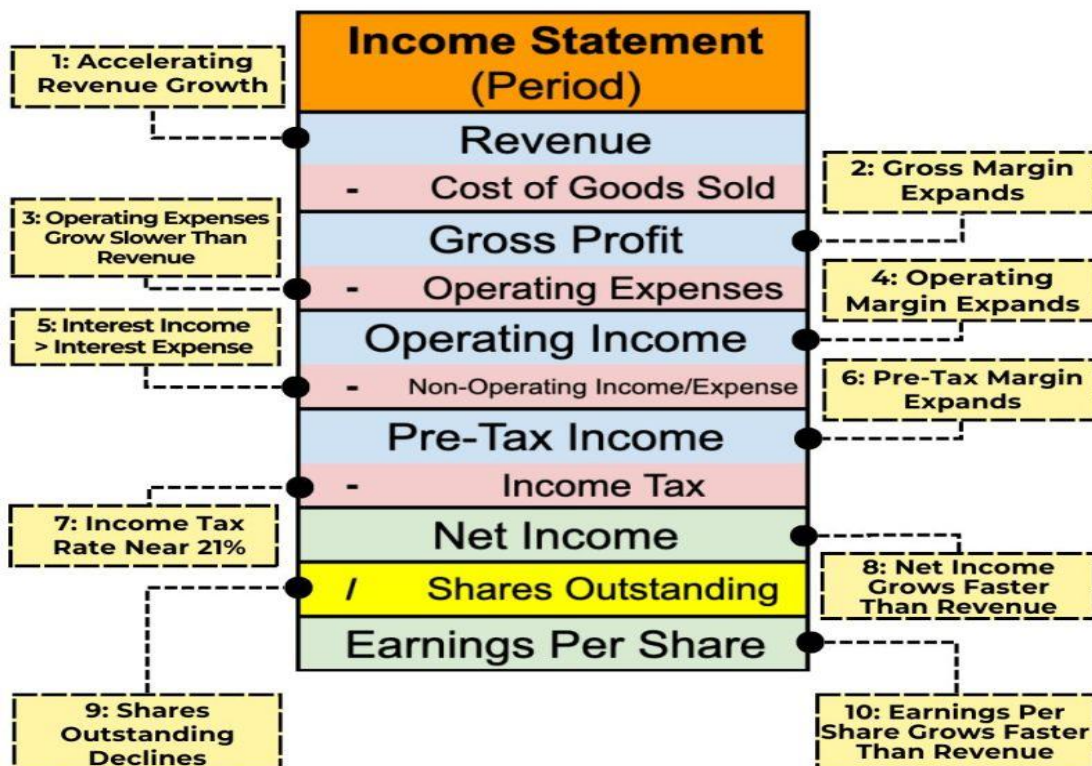
#finance #investing #analysis

How To Analyze An Income Statement - FAST. Watch for these 10 green flags

10 INCOME STATEMENT GREEN FLAGS



BRIAN FEROLDI



Follow Brian Feroldi on LinkedIn

Source: Brian Feroldi



#food-for-thought

#investing #useful

Top 6 banking ratios every investor should know.

TOP 6 BANKING RATIOS

Presented by FINGRAD

EVERY INVESTOR SHOULD KNOW

*Ratios To Check Before Investing In Banking Stocks

CASA Ratio $\frac{\text{Current Account Savings Account Deposits}}{\text{Total Deposits}}$ <p>Indicates A Bank's Ability To Raise Funds At a Low Cost.</p>	Net Interest Margin Ratio $\frac{\text{Investment Income - Interest Expenses}}{\text{Average Earning Assets}}$ <p>Indicates The Profitability of a Bank.</p>	Loan-to-Deposit Ratio $\frac{\text{Total Loans}}{\text{Total Deposits}}$ <p>Assesses a Bank's Liquidity To Cover Withdrawals And Loan Losses.</p>
Provision Coverage Ratio $\frac{\text{Total Provisions}}{\text{Gross NPAs}}$ <p>Indicates The % of Funds a Bank Sets Aside For Losses Due To Bad Debts.</p>	Capital Adequacy Ratio $\frac{\text{Tier 1 Capital funds + Tier 2 Capital funds}}{\text{Risk-weighted assets}}$ <p>Measures a Bank's Ability To Absorb Losses.</p>	Net Non-Performing Assets Ratio $\frac{\text{Net Non-Performing Assets}}{\text{Total Loans}}$ <p>Indicates The % of Non-performing Assets</p>

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Source: Trade Brains

#food-for-thought

#leadership



Source: European leadership

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For the future...