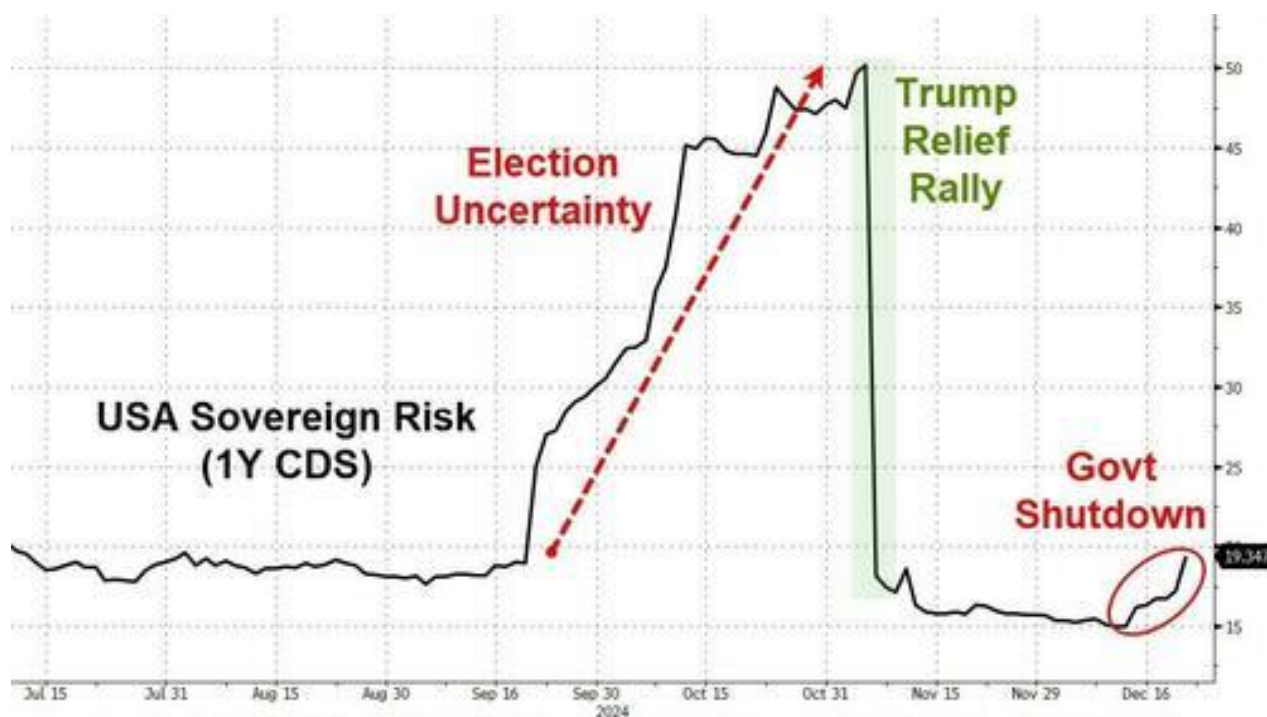


Chart of the week

US sovereign risk is on the rise once again...

... as government shutdown looms... (though it is still well below the pre-election uncertainty levels).



Bonds, stocks, & cryptos dumped on Fed's hawkish cut

U.S. stocks declined during the week, although a rally on Friday helped major indexes recover some of their lost ground. Losses were broad-based, though smaller-cap indexes generally fared worst. The Fed's rate cut announcement on Wednesday (25bps) was largely expected. However, sentiment turned negative as investors digested hawkish forecasts and commentary from Fed officials regarding the path forward for interest rates. The hawkish tone helped drive the S&P 500 Index lower by nearly 3% for the day, its second-worst day of the year. Political uncertainty in the form of a looming government shutdown also seemed to rattle investor confidence. In economic news, the U.S. Real GDP grew 3.1% in Q3, outpacing a previous estimate of 2.8%, partially owing to increases in consumer spending. Retail sales rose 0.7% in November, up from 0.5% in October. Initial jobless claims of 220,000 were down from the prior week. The core PCE index—the Fed's preferred measure of inflation—rose by 2.8% year-over-year in November, slightly lower than consensus expectations. This helped push stocks higher on Friday to finish the week above their worst levels. US Treasury yields rose on the week. In Europe, the STOXX Europe 600 Index ended 2.76% lower—its biggest weekly loss in more than three months. In Japan, the Nikkei 225 Index lost 2.0%. On the back of Wednesday's hawkish Fed rate cut, the dollar surged while gold and cryptos tumbled.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

21 DECEMBER 2024

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	42,840	-2.3%	13.7%
S&P 500 Index	5,931	-2.0%	24.3%
NASDAQ	19,573	-1.8%	30.4%
MSCI EAFE*	2,248	-3.1%	0.5%
10-yr Treasury Yield	4.53%	0.1%	0.6%
Oil (\$/bbl)	\$69.51	-2.5%	-3.0%
Bonds	\$96.96	-1.0%	1.1%



#us #equities

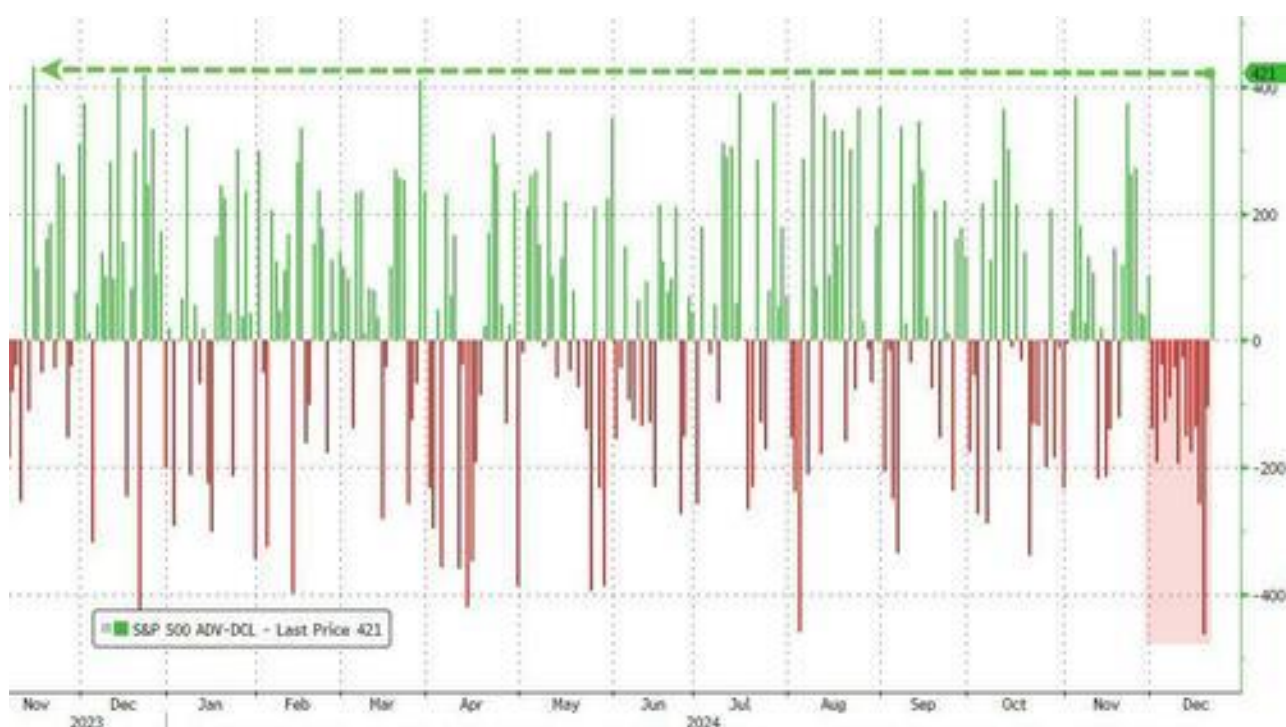
Friday's moves were all very technical in nature with Nasdaq bouncing off its 50DMA, the S&P rallying up to its 50DMA and stalling there, The Dow bouncing off its 100DMA, and Russell 2000 stalling at its 100DMA...



#markets

#us #equities #breadth

After a record 14 straight days of negative breadth, Friday saw the most positive breadth across the S&P 500 names since Nov 2023...



#GLOBALMARKETS WEEKLY WRAP-UP

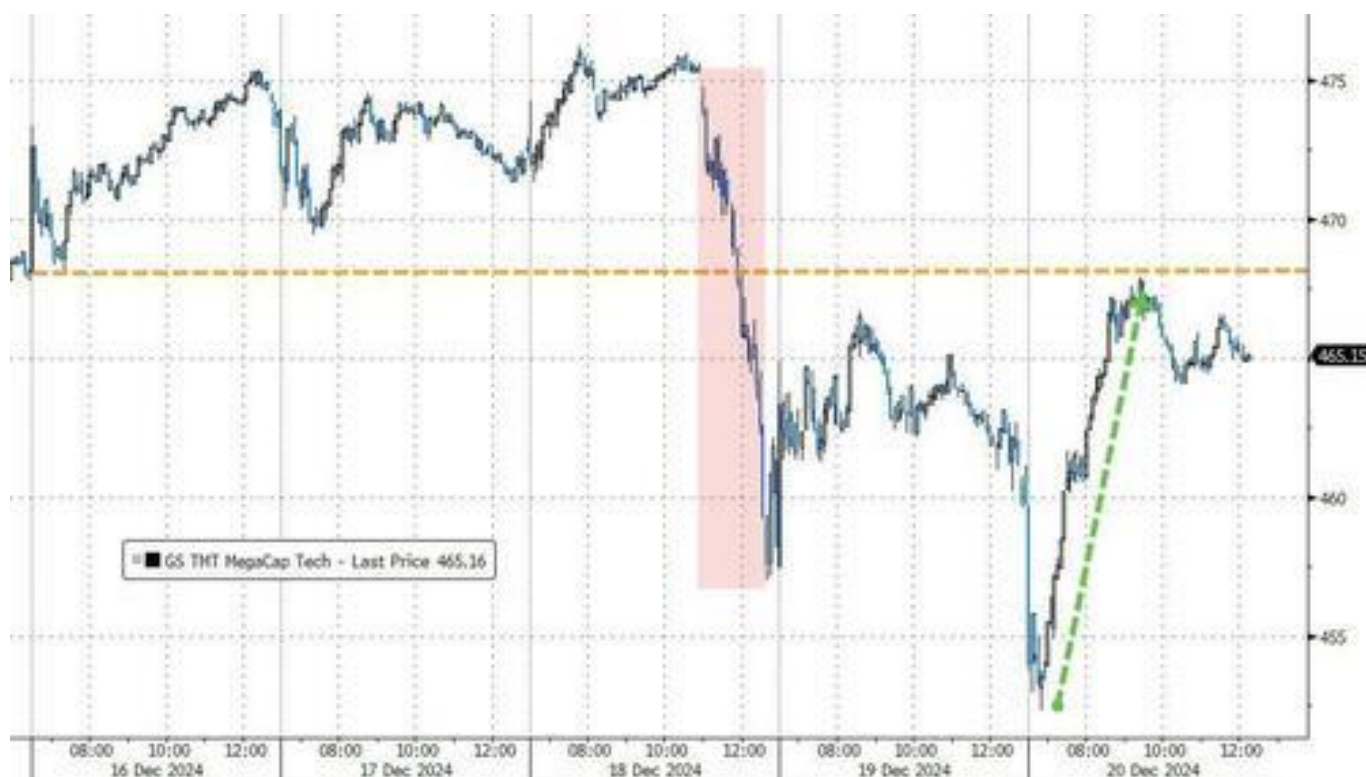
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#markets

#us #mega-techs #weekly

Mega-Cap tech was aggressively bid today, back to unchanged on the week...



#GLOBALMARKETS WEEKLY WRAP-UP

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21 DECEMBER 2024



#nasdaq100 #weekly

What a wild week it was. 📈 \$QQQ



Source: Trendspider



#anti-obesity #stocks

Under the hood, the anti-obesity names (GLP-1 providers) were clubbed like a baby seal after Novo Nordisk' latest effort ONLY cut weight by a measly 22% (below expectations) in patients. GLPs are now unchanged-ish on the year (after being up over 35%)...

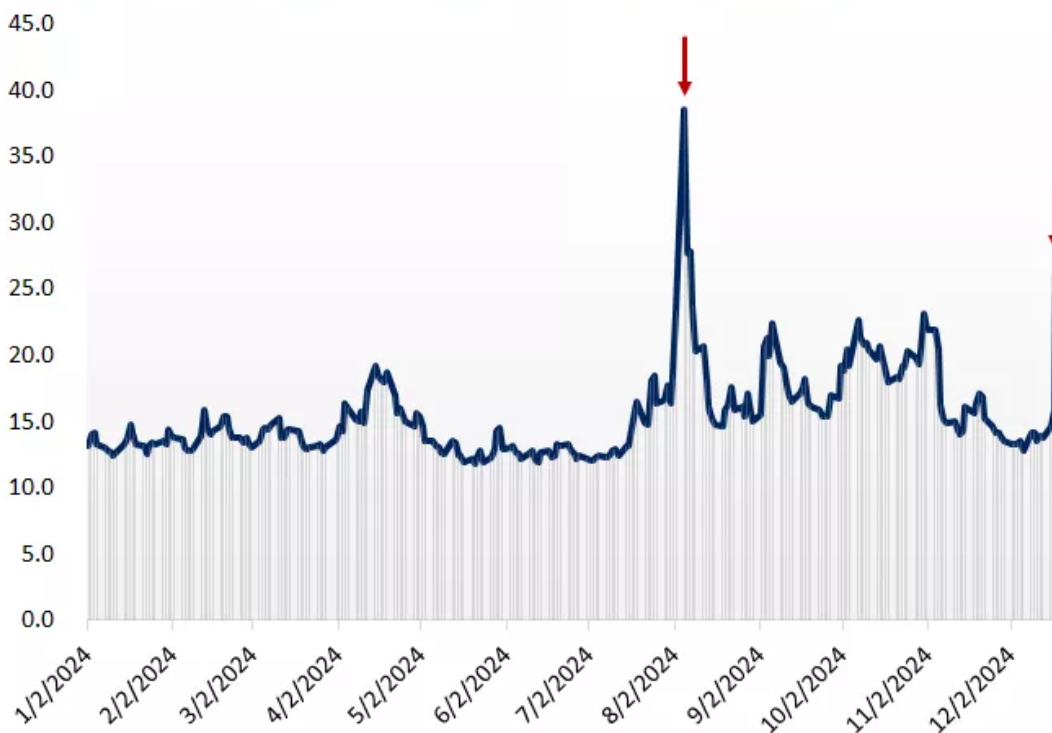




#vix

This chart shows the level of the CBOE VIX Volatility Index. The index surged on December 18 following the Fed meeting but has been fairly contained in 2024.

The VIX Volatility Index spiked to its 2nd highest level this year after the Fed meeting (near 28); otherwise averaged about 15.5



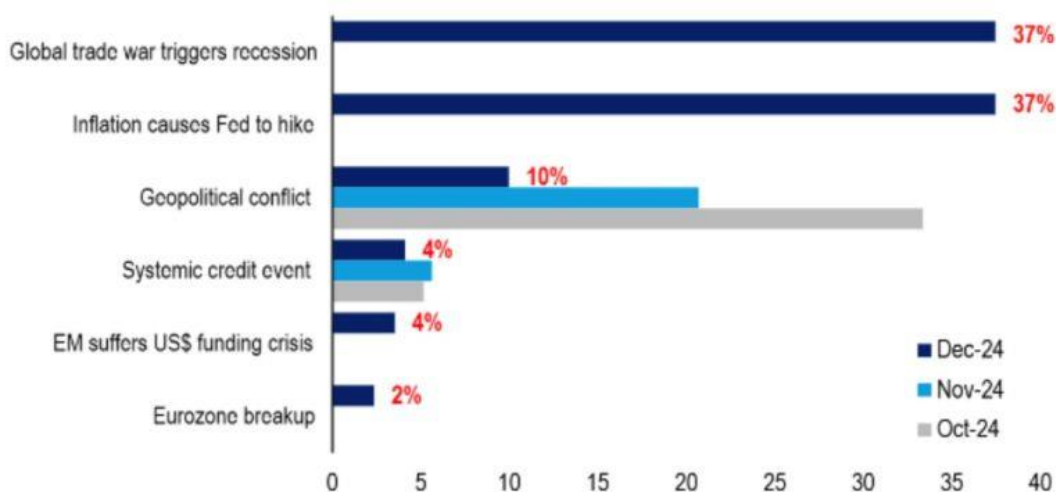


#fund-manager #tail-risks #sentiment

INFLATION THAT CAUSES FED TO HIKE RATES IS PERCEIVED AS THE 2ND BIGGEST TAIL RISK BY FUND MANAGERS ACCORDING TO BOFA SURVEY

Chart 13: Global trade war triggering recession is seen as the biggest 'tail risk'

What do you consider the biggest 'tail risk'?

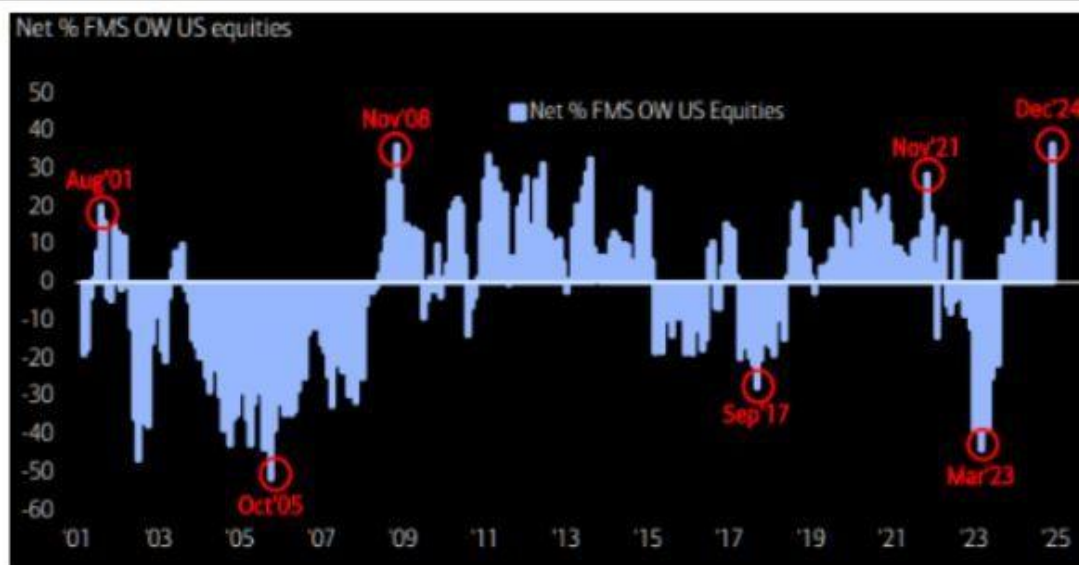


Source: BofA Global Fund Manager Survey.



#fund-manager #us-equities

Fund Manager allocation to U.S. Stocks hit an all-time high 36% overweight



Source: BofA

Source: BofA



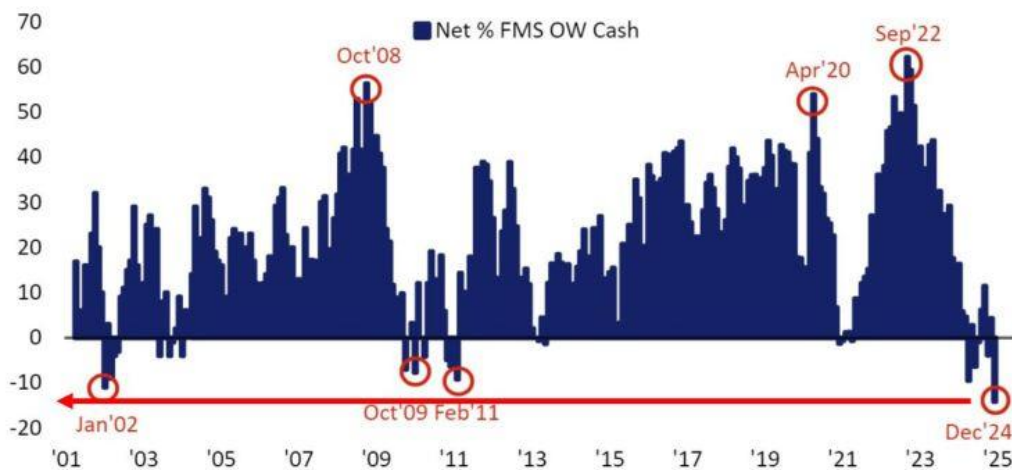


#institutional-investors #cash-allocation

!!AHEAD OF THE FED MEETING YESTERDAY, INSTITUTIONAL INVESTORS WERE ALL-IN ON US STOCKS AND CASH ALLOCATION AT RECORD LOW !! Institutional investors* cash allocation hit the lowest level ON RECORD. This comes as allocation to US equities hit a RECORD HIGH. What will happen when stocks begin to drop? *171 Fund Managers with \$450 billion in assets

Chart 4: FMS cash allocation fell to lowest on record

Net % FMS overweight cash



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

Source: BofA, Global Markets Investor



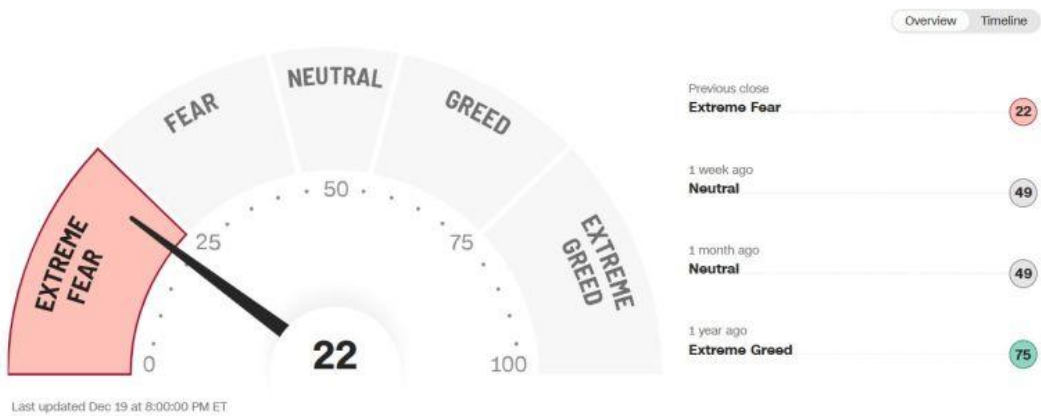


#extreme-fear #sentiment

Extreme Fear returns to the Stock Market

Fear & Greed Index

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



Source: cnsentiment



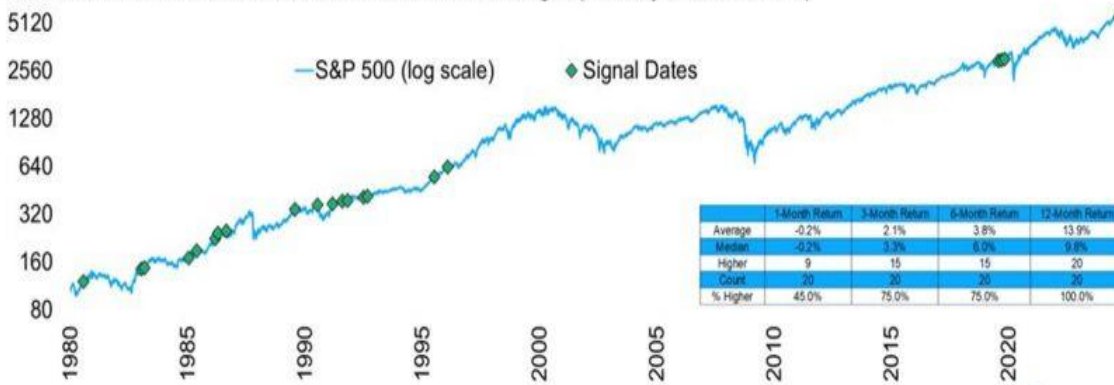
#sp500 #rate-cuts

The stat of the day >>> Yes, the Fed has already cut near all-time-highs and you know what ?

The Bulls 🐮 Liked it 👍 The S&P 500 is less than 2% away from all-time highs the day before a Fed decision. Since 1980, there were 20 other times they cut rates within 2% of ATHs. The S&P 500 was higher a year later 20 times 🚀

Yes, The Fed Has Cut Near ATHs And The Bulls Liked It

S&P 500 Performance After Cuts Within 2% Of All-Time Highs (The Day Before The Cut)



Source: Carson Investment Research, FactSet 09/18/2024 (1980 - Current)

@ryandetrack



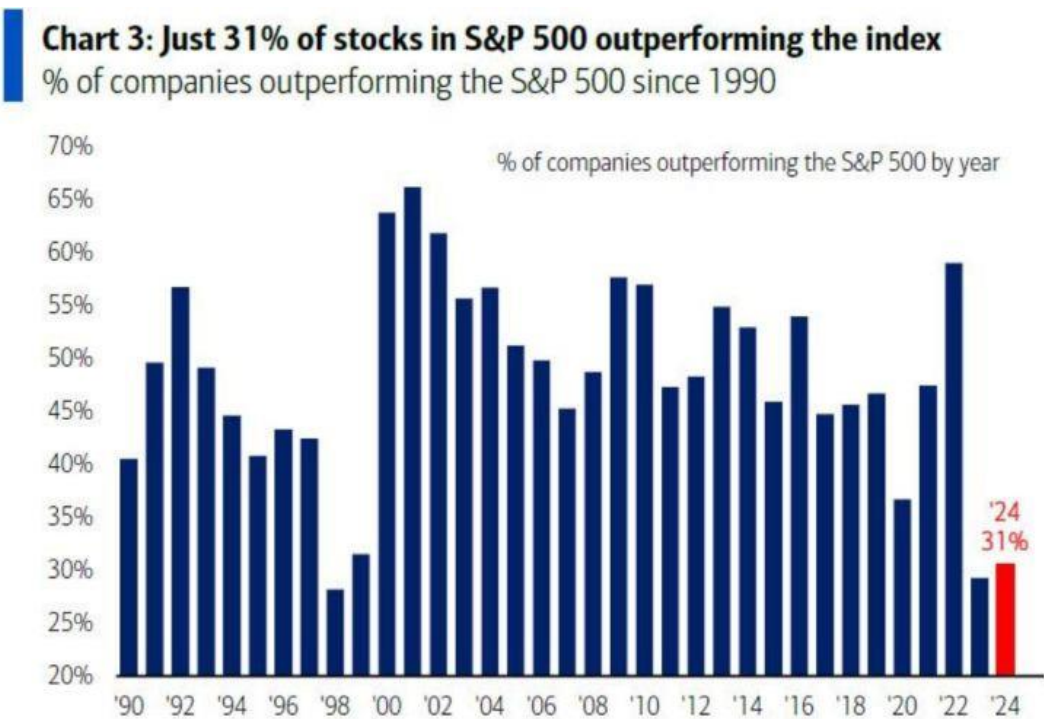
Source: Ryan Detrick, CMT @RyanDetrick





#sp500 #equity #performance

2024 has been yet another year of a narrow market, with just 31% of stocks in the S&P 500 outperforming the index.



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

Source: BofA, markets&mayhem



#markets

#mag7 #sp500 #market-cap

● The Magnificent7 now account for 33% of the entire SP500 market cap, an all-time high !!



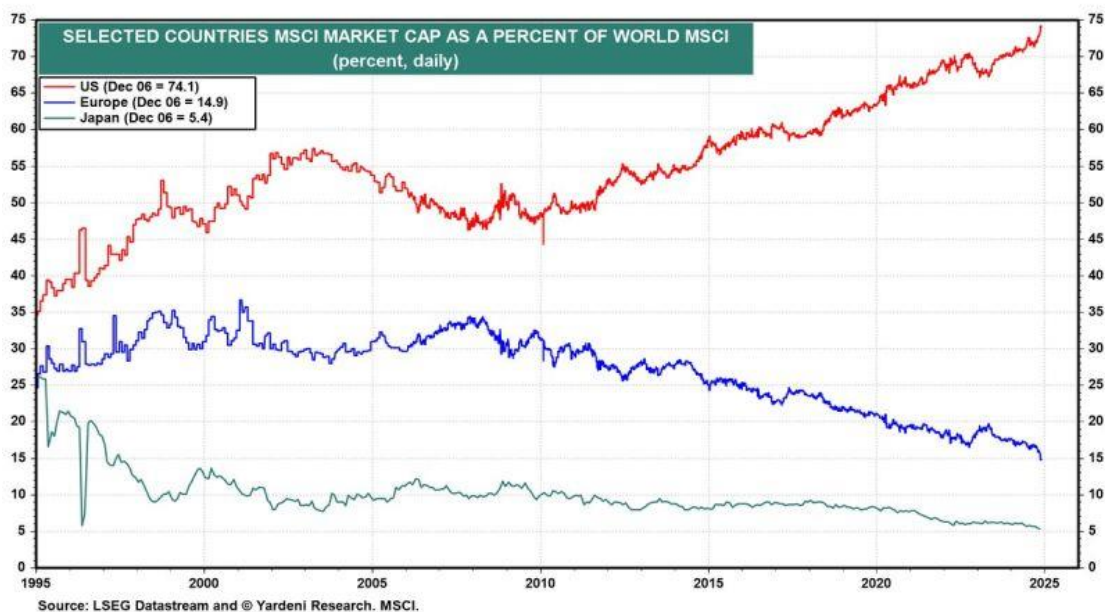
Source: Goldman Sachs

Source: Goldman Sachs

#markets

#us #world-msci #market-cap

"The MSCI US now accounts for a staggering 74% of the market capitalization of the All Country World MSCI."



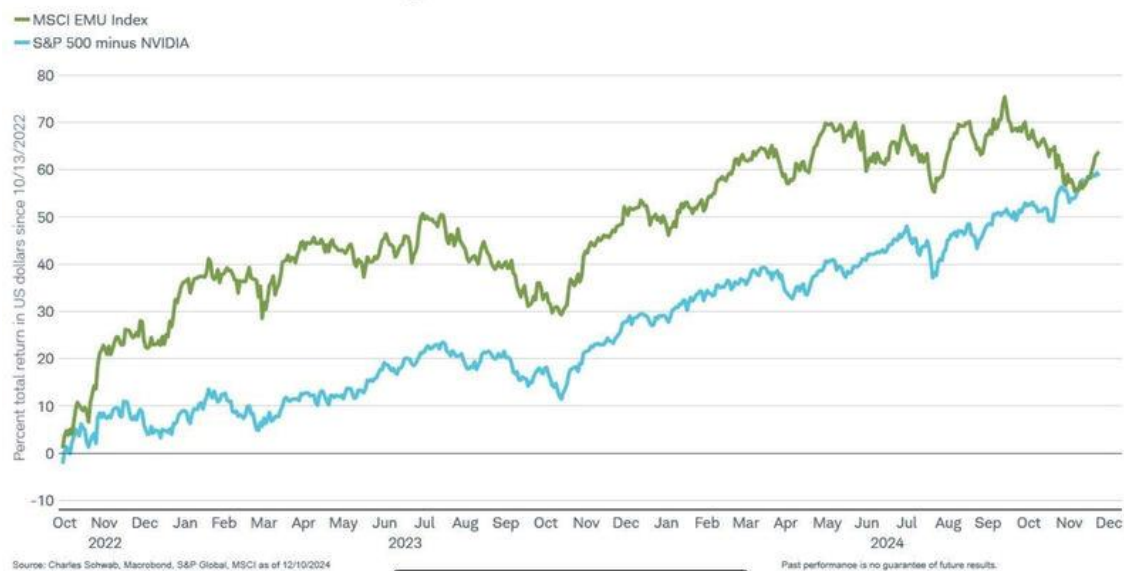
Source: Yardeni



#nvidia #sp500 #europe

What if Nvidia never existed? Without \$NVDA, the S&P 500's performance falls short of beating Europe's stock market. Just how much is one stock carrying the U.S. market? 🤪👉

Performance since current bull market began on 10/13/2022



Source: Hedgeye @Hedgeye

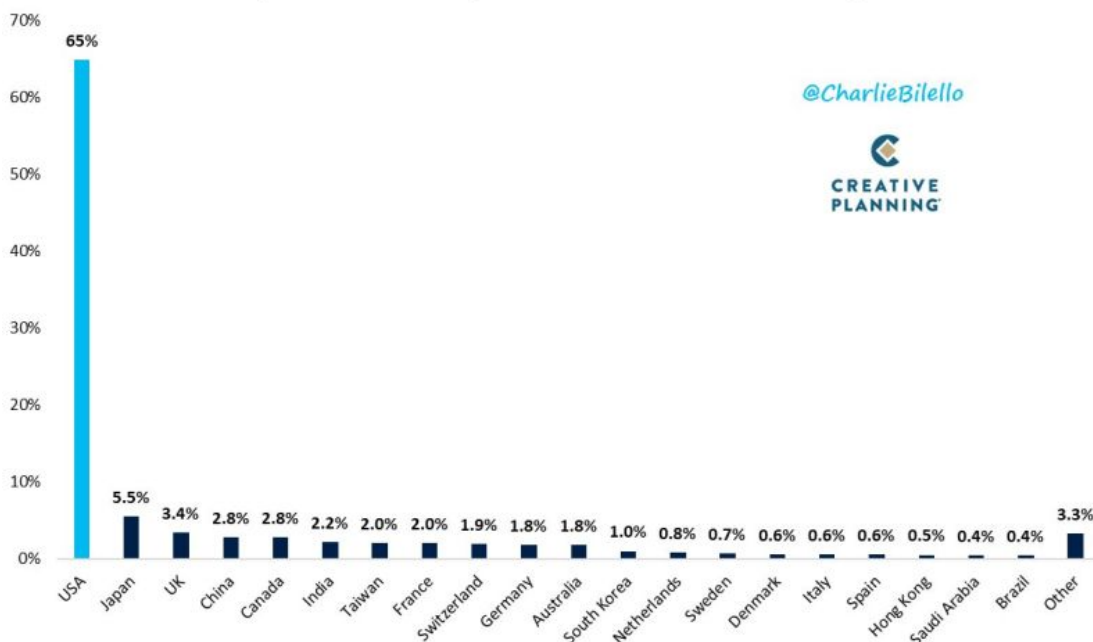




#us #equities #market-cap

US stocks now make up 65% of the global equity market, their highest weighting in history. This is more than 11x bigger than the second largest country by market cap (Japan at 5.5%).

Equity Weightings by Country
(FTSE Global All Cap Index, as of November 30, 2024)



@CharlieBilello



Source: Charlie Bilello

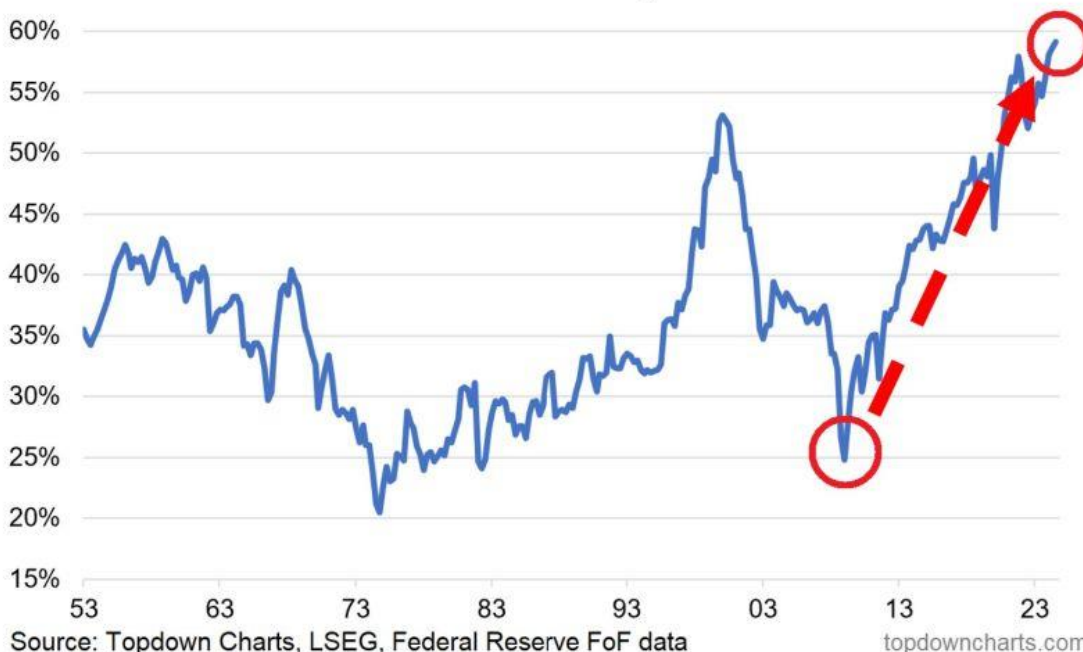




#foreign-holdings #us-equities

⚡ Foreign holdings allocation to US stocks hit nearly 60%, a record. This share has more than DOUBLED over the last 15 years. Allocation to equities exceeds the levels seen at the 2000 Dot-Com Bubble peak. Foreigners are all-in on US stocks.

Foreign Holdings of US Financial Assets:
Allocation to Equities



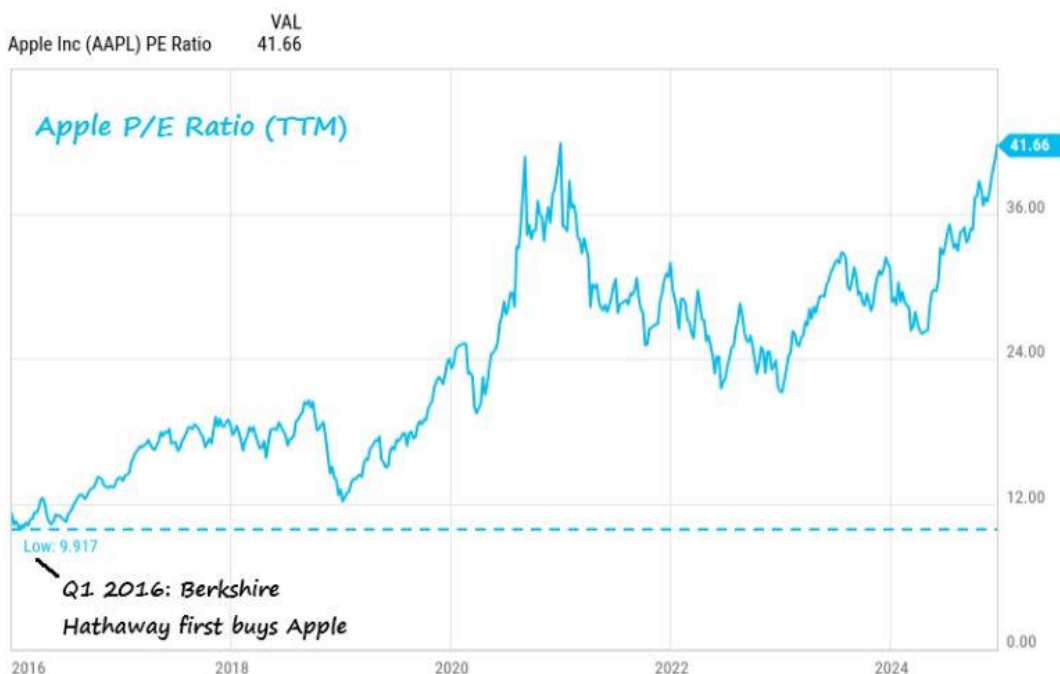
Source chart: @topdowncharts thru Global Markets Investors





#apple #pe-ratio

Apple now trades at over 41x earnings, its highest P/E ratio since 2007 (first iPhone was released). When Berkshire Hathaway started buying Apple in 2016 it was trading at less than 10x earnings. Berkshire sold 67% of their stake this year. \$AAPL



CREATIVE PLANNING @CharlieBilello

Dec 17, 2024, 9:20 PM EST Powered by YCHARTS

Source: Charlie Bilello





#tesla #valuation #automakers

Tesla's \$1.4 Trillion Valuation. The financial dominance of Tesla in the auto world is evident, with the EV juggernaut's \$1.4 trillion market cap exceeding that of the next 40 largest public automakers combined, according to data from CompaniesMarketCap. This includes industry heavyweights like Toyota (\$233 billion), BYD (\$109 billion), Xiaomi (\$100 billion), and Ferrari (\$78 billion).

Tesla's \$1.4 Trillion Valuation In Context

Company Market Capitalizations [As of Dec 18th, 2024 close]



Source: CompaniesMarketCap, FactSet

Source: chartr





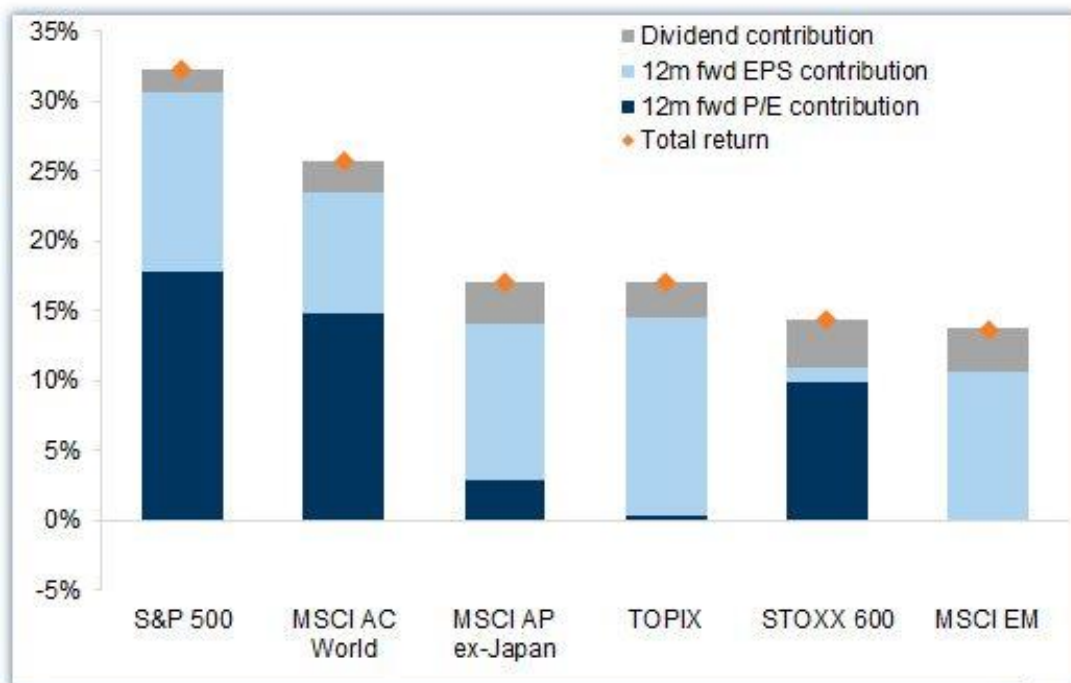
#spx #earnings

About half of the LTM SPX return has come via multiple expansion. Asia, EM very little P/E increases

Earnings & Contribution

Exhibit 16 : 12m trailing return contribution

12m trailing return in local currency



Source: FactSet, Datastream, STOXX, Goldman Sachs Global Investment Research

Exhibit

Source: @MikeZaccardi, Goldman Sachs



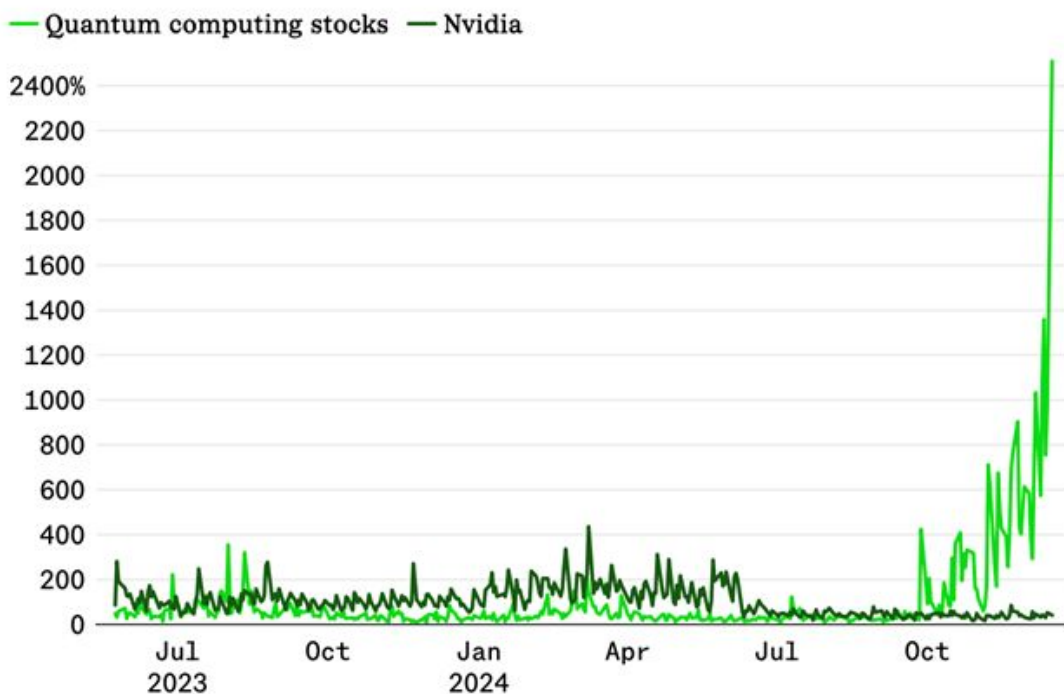


#quantum-computing #equities

Quantum-computing stocks are having their best week ever and it's only Tuesday morning

The AI options mania migrated to quantum stocks

Daily call volumes traded as a share of average since May 24, 2023



Note: Quantum computing stocks = IONQ, RGTI, QBTS, QUBT

Source: Bloomberg



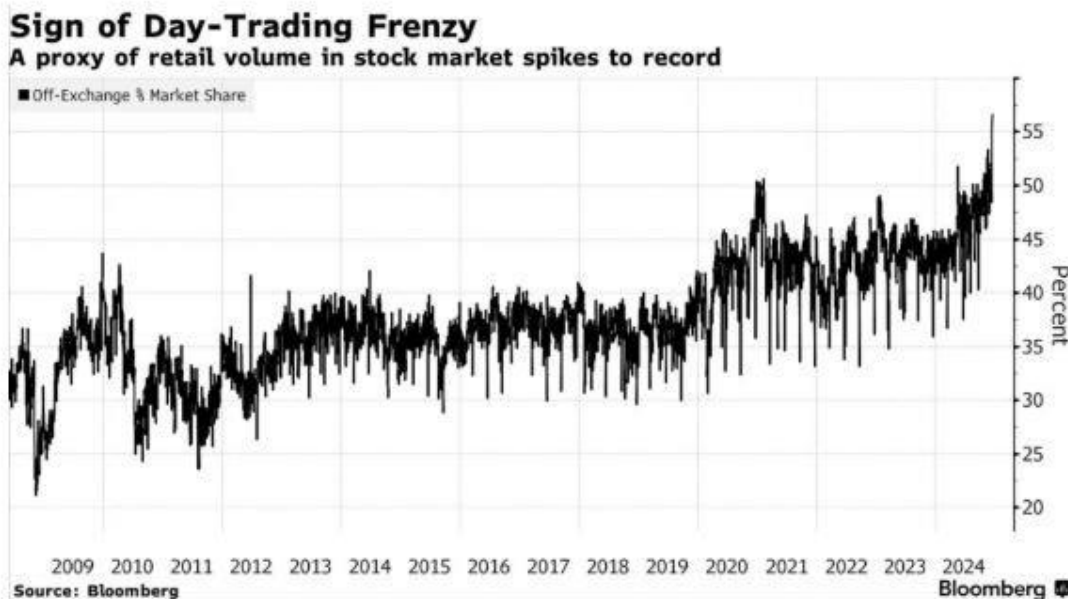
Source: Sherwood, Bloomberg thru C.Barraud on X





#retail-trading #volume

Retail trading has gone nuts, Bloomberg says. Bloomberg’s proxy of how much trading is done by off-exchange wholesalers — entities like Citadel Securities and Virtu Trading that pay retail-trading platforms like Robinhood and Charles Schwab for their flow of orders, which they then execute — shows that retail activity is busting out of its recent range and even surpassing the heights of 2021, during the explosion of activity around GameStop.



Bloomberg News

Source: bloomberg



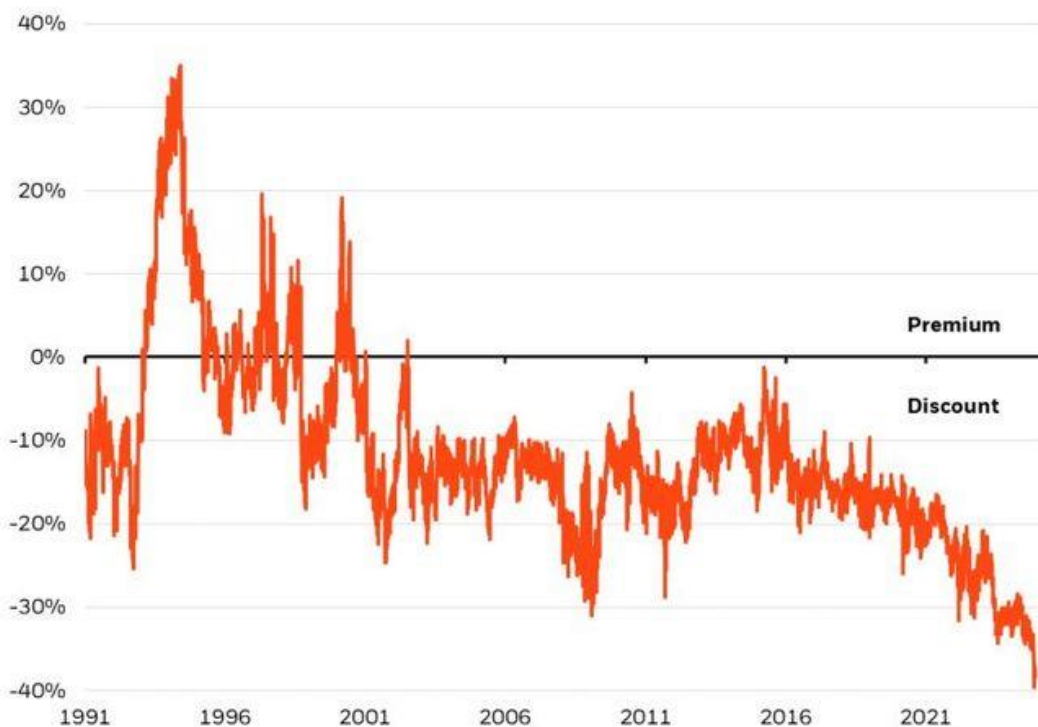


#europe #equities #valuations

European Stocks trading at an all-time record discount relative to US Stocks

Europe's large discount

Europe vs. U.S. price-to-earnings ratio, 1991-2024
Premium/discount



Past performance is not a reliable indicator of current or future results. It is not possible to invest in an index. Indexes are unmanaged and index performance does not account for fees. Source: BlackRock Investment Institute, with data from LSEG Datastream, December 2024. Notes: The chart compares the 12-month forward price-earnings ratio – a valuation metric – of the MSCI Europe ex. UK & MSCI USA indices. The line shows the ratio of the valuation of MSCI Europe ex. UK relative to MSCI USA.

BlackRock **Investment** Institute

Source: Barchart, Blackrock





#london-stock-exchange #exodus

London Stock Exchange suffers biggest exodus since financial crisis. Companies are leaving the London Stock Exchange at the fastest rate since 2009, with New York looking increasingly attractive for listings. The London Stock Exchange is on course for its worst year for departures since the financial crisis, as fears mount that more FTSE 100 businesses will quit the UK in favour of New York. A total of 88 companies have delisted or transferred their primary listing from London’s main market this year with only 18 taking their place, according to the London Stock Exchange Group



Source: FT



#is #treasuries #weekly

Yields moved significantly higher on the week...



#markets

#us #treasuries #weekly

US 10Y yields soared for the second week in a row (the biggest two-week jump in yield since Dec 2022)...





#us #10y #treasury #santa-rally

Is this the Santa Rally? US Mortgage Rates Surged Back Over 7% Today

U.S. 10 Year Treasury

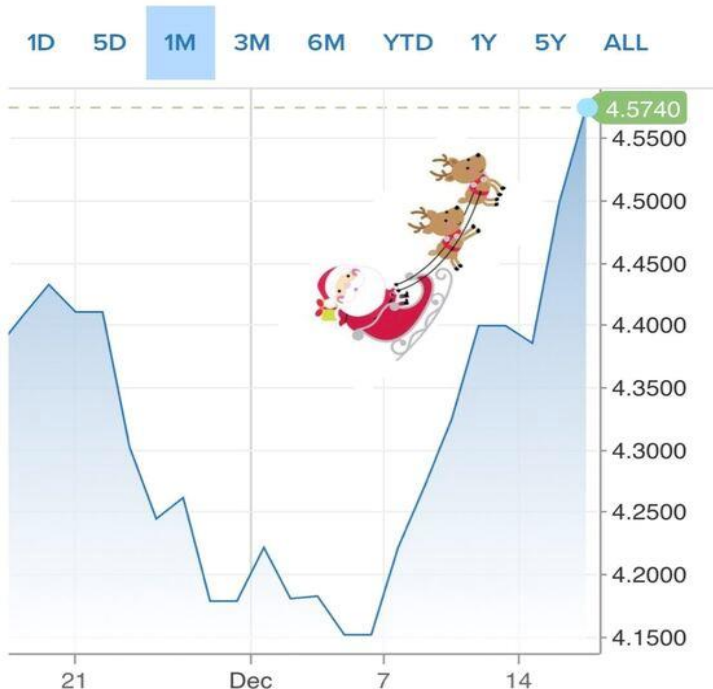
US10Y:Tradeweb

+ **LIVESTREAM** Closing Bell

RT Quote | Exchange

Yield | 3:25 PM EST

4.574% ▲ +0.076



Source: Amy Nixon on X





#us #10y #treasury #rate-cuts

It's been 3 months since the Fed first cut rates and the 10-year Treasury yield is 86 bps higher, moving from 3.66% up to 4.52%. This is very different behaviour than the start of previous cutting cycles where the 10-year Treasury yield either moved lower or stayed roughly the same.

First Fed Rate Cut After a Hiking Cycle (1995 - 2024)				10-Year Treasury Yield		
First Fed Rate Cut	Move	Fed Funds Rate after Cut	10-Yr Treasury Yield Day Before Cut	1 Month After Cut	2 Months After Cut	3 Months After Cut
9/18/2024	50 bps cut	4.75% - 5.00%	3.66%	4.08%	4.42%	4.52%
8/1/2019	25 bps cut	2.00% - 2.25%	2.02%	1.47%	1.64%	1.73%
9/18/2007	50 bps cut	4.75%	4.47%	4.50%	4.08%	4.12%
1/3/2001	50 bps cut	6.00%	4.92%	5.16%	4.95%	4.97%
9/29/1998	25 bps cut	5.25%	4.59%	4.50%	4.72%	4.68%
7/6/1995	25 bps cut	5.75%	6.19%	6.48%	6.17%	6.06%



@CharlieBilello

Source: Charlie Bilello



#GLOBALMARKETS WEEKLY WRAP-UP

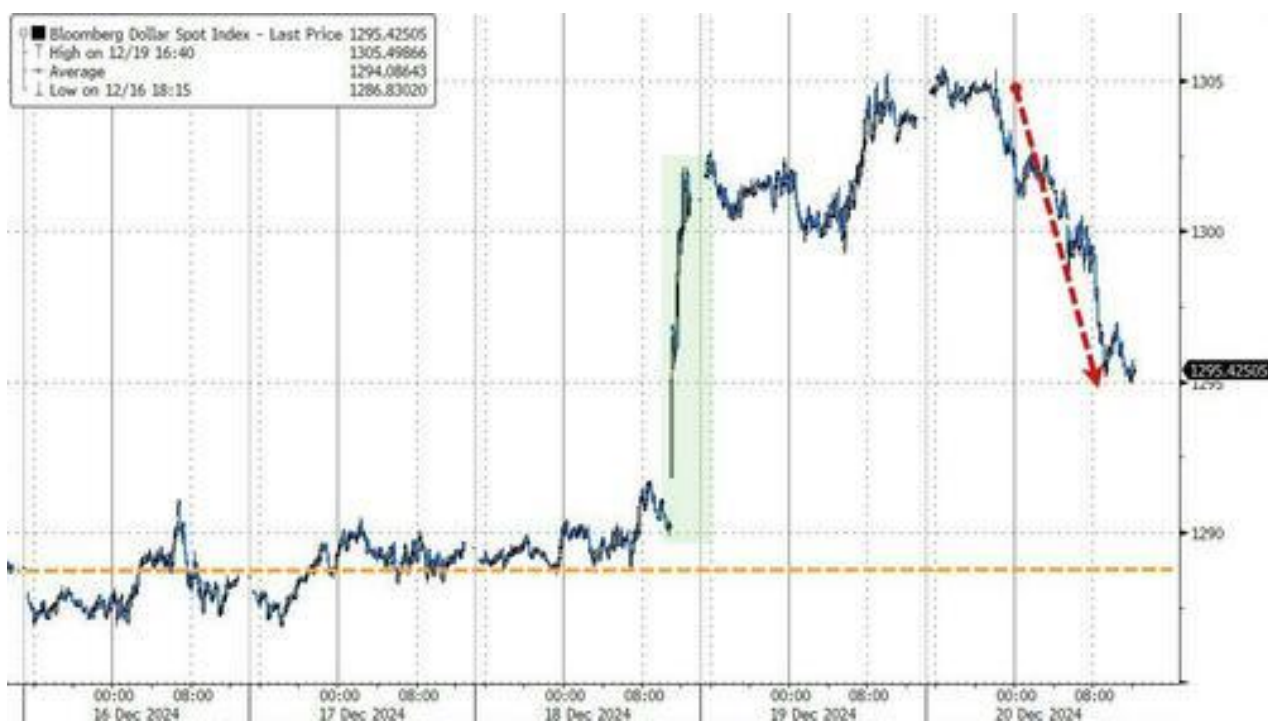
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#dollar #weekly

Dollar is up for third week in a row to two year highs

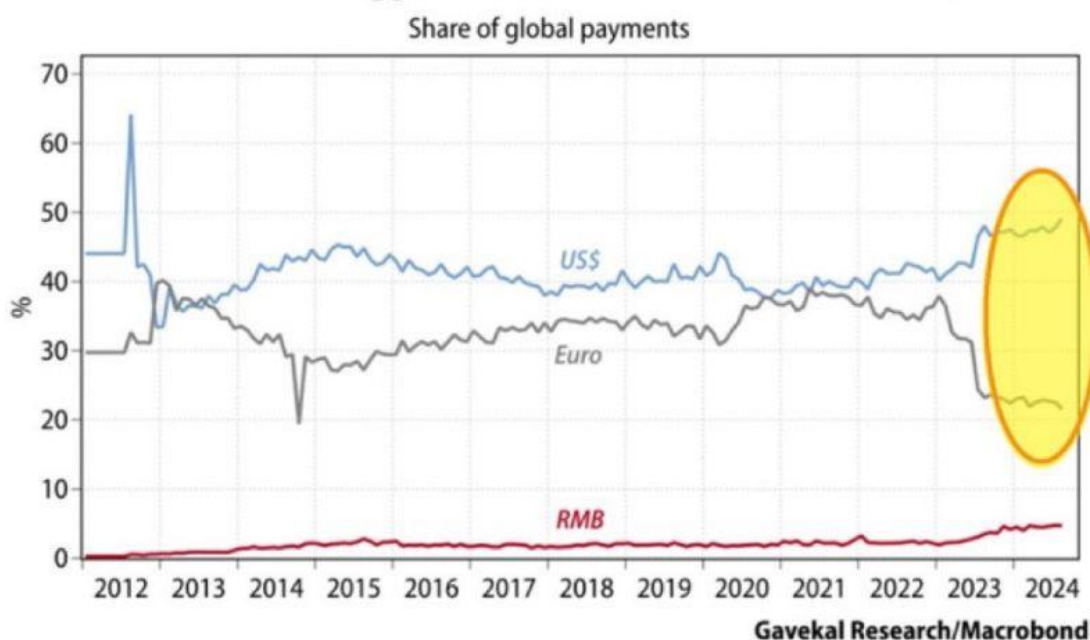


Source: www.zero hedge.com, Bloomberg

#dollar #deeuroization #forex

U.S. Dollar is now used in 49.1% of global payments, the highest level in more than 12 years. Note the gradual rise of RMB and the steady decline of the euro as a share of global payments.

Data from SWIFT suggests deeuroization is the dominant effect

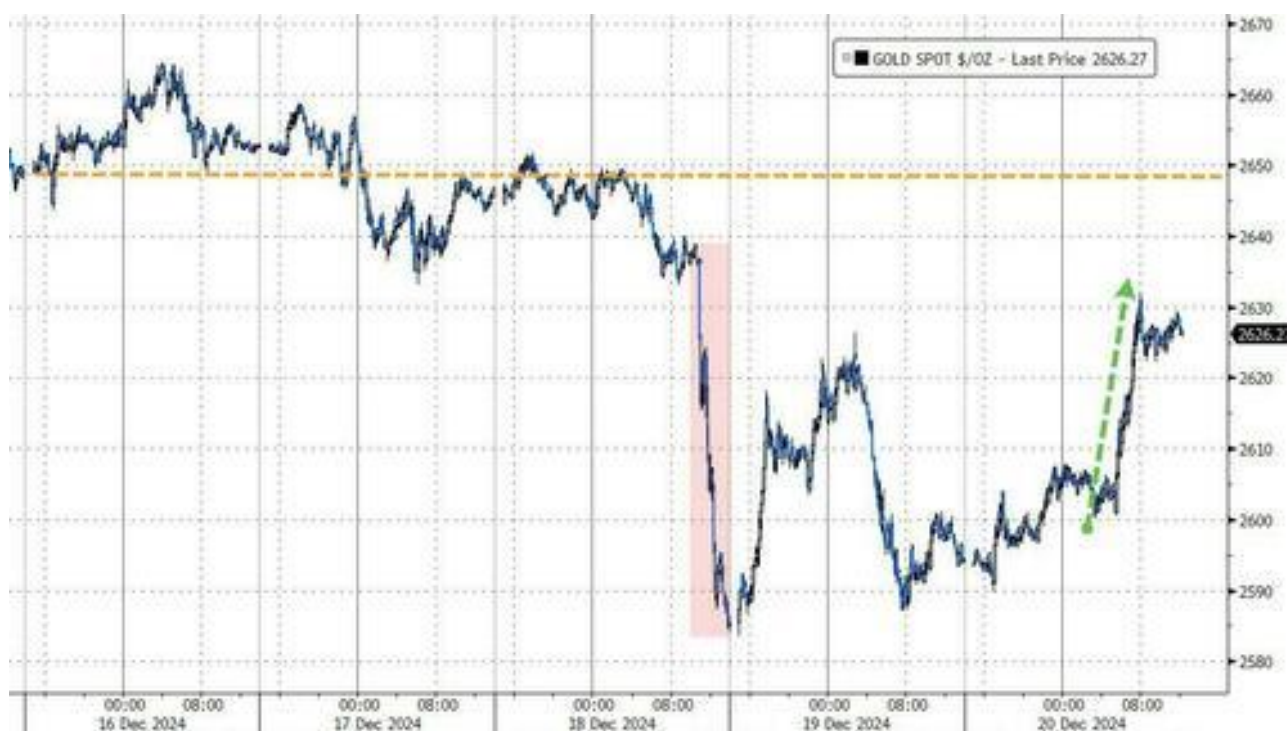


Source: Gavekal, Barchart

#markets

#gold #weekly

Gold was lower on the week but only modestly after bouncing back today, back above its 100-DMA...



#GLOBALMARKETS WEEKLY WRAP-UP

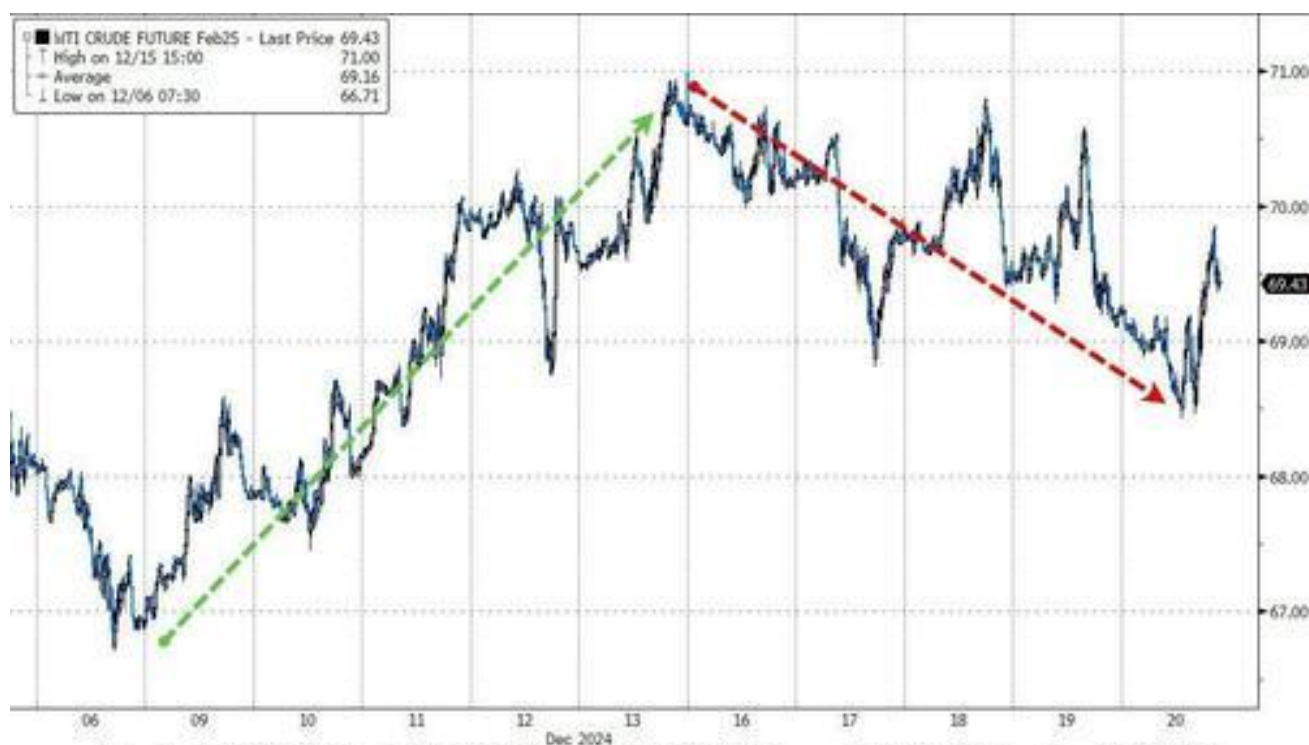
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#markets

#oil #weekly

Oil prices fell modestly on the week, erasing about half of last week's gains...



#GLOBALMARKETS WEEKLY WRAP-UP

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#cocoa #prices #commodities

Chocolate Lovers. Cocoa soars to an all-time high



Source: barchart



#GLOBALMARKETS WEEKLY WRAP-UP

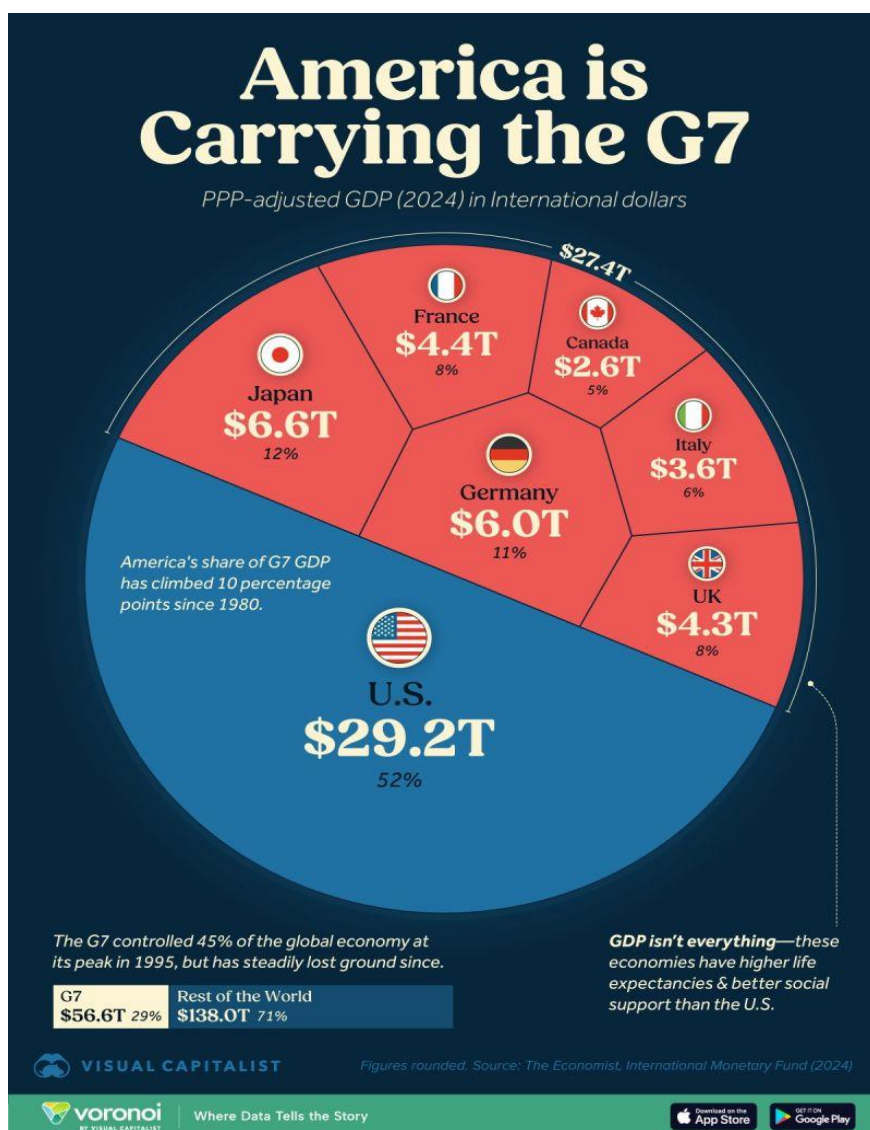
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#macro

#us #g7 #gdp

U.S. now accounts for 52% of the entire G7 GDP, up 10 percentage points since 1980.



#macro

#us #foreign-investment #softbank

BREAKING: Softbank CEO Masa Son is reportedly visiting the US today to announce a \$100 billion investment with President-elect Trump, per CNBC. The investment will be focused around building out AI and aims to create 100,000 jobs in the US. SoftBank CEO says his "confidence level" in the US economy has "tremendously increased with [Trump's] victory" - announces \$100 BILLION investment. "Because of that - I am committing \$100 billion and 100,000 jobs into the United States. This is DOUBLE of last time... because President Trump is a double-down president."

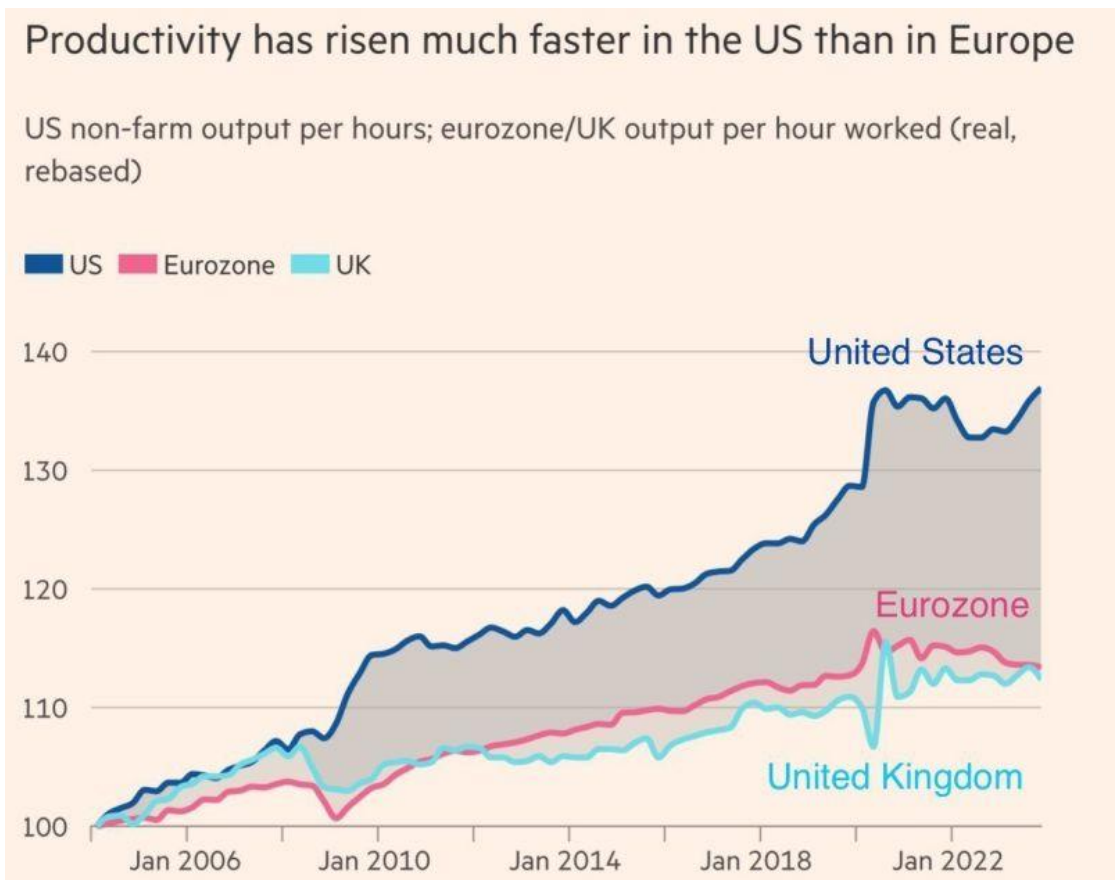


Source: Eric Daugherty @EricLDaugh



#us #europe #productivity

There is only one way to prosperity, hard work and higher productivity. Unlike the US, the eurozone is miserably failing on both sides. Europe is becoming an open-air museum





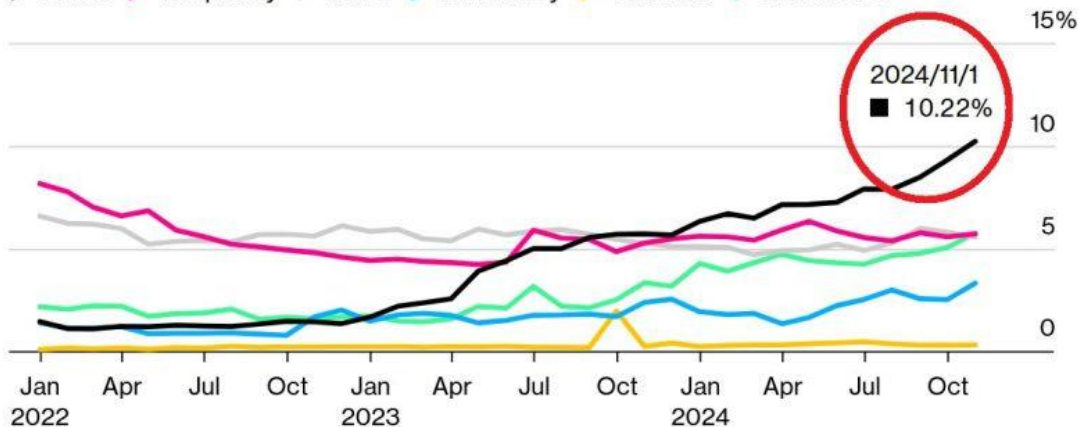
#us #cmbs #delinquency-rate

!!US COMMERCIAL REAL ESTATE CRISIS IS GETTING WORSE!!
The delinquency rate on US commercial mortgage-backed securities (CMBS) for offices spiked to 10.2%, the highest in 11 YEARS. Office CMBS delinquencies surged faster than in the 2008 Crisis. Regional banks will feel the pain

Office CMBS Loan Delinquencies Are Spiking

Total Delinquency %

Office Hospitality Retail Multifamily Industrial Mixed Use



Source: Bloomberg

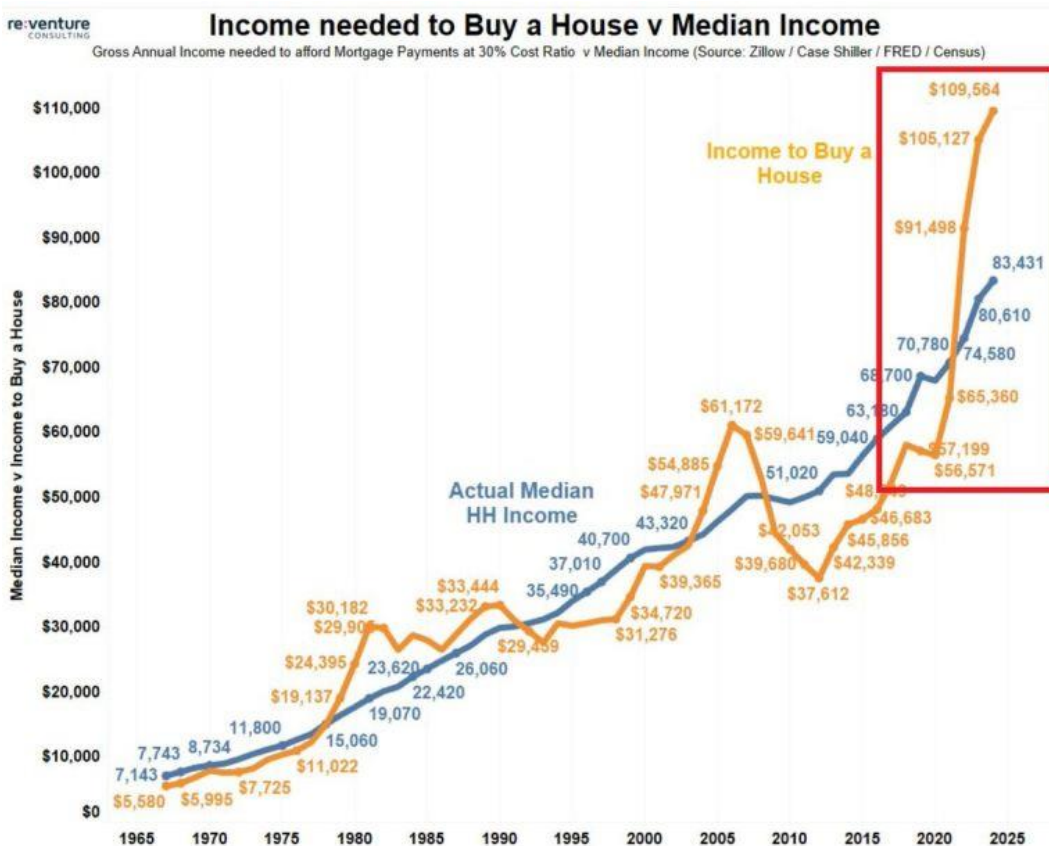


Source: Global Markets Investor @GlobalMktObserv, Bloomberg



#us #housing-affordability

THE ISSUE WITH US HOUSING AFFORDABILITY IN ONE CHART... Annual income needed to buy a house in the US hit a whopping \$109,564, an all-time high. This has DOUBLED in just 4 years... At the same time, median income earned is just \$83,431. The difference between the two has NEVER been greater.



Source: Global Markets Investor

#macro

#us #macro-data

US MACRO DATA RELEASED ⚡

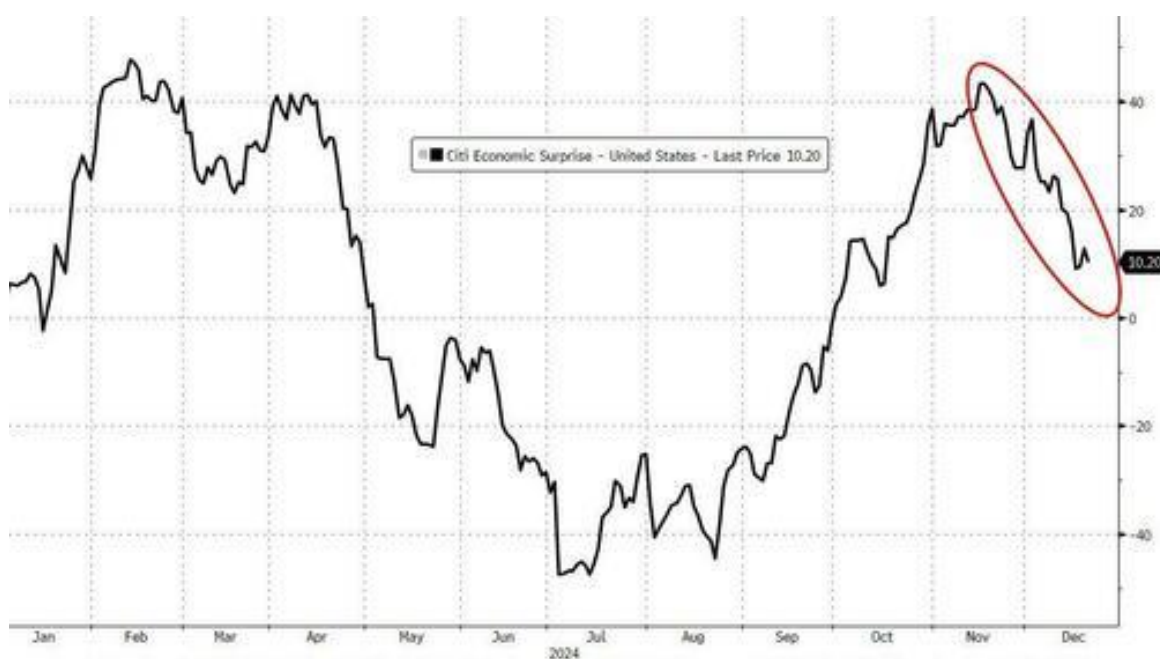
- 👉 GDP (Q3), 3.1% Vs. 2.8% Est. (prev. 2.8%)
- 👉 Jobless Claims, 220K Vs. 230K Est. (prev. 242K)
- 👉 PCE Prices (Q3), 1.5% Vs. 1.5% Est. (prev. 2.5%)
- 👉 Core PCE (Q3), 2.2% Vs. 2.1% Est. (prev. 2.8%)



#macro

#us #data #surprises

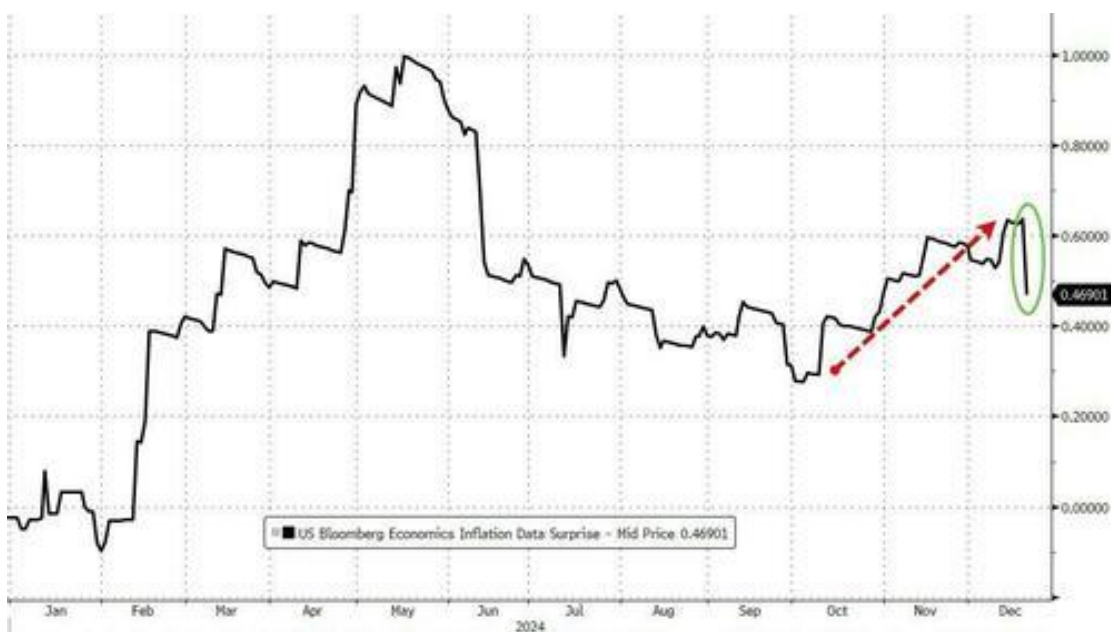
US Macro Surprise data tumbled for the 5th straight week...





#us #inflation #pce

Friday's core PCE coming in cooler than expected prompted a reversal in the HOTflation trend we'd seen in recent CPI and survey data...





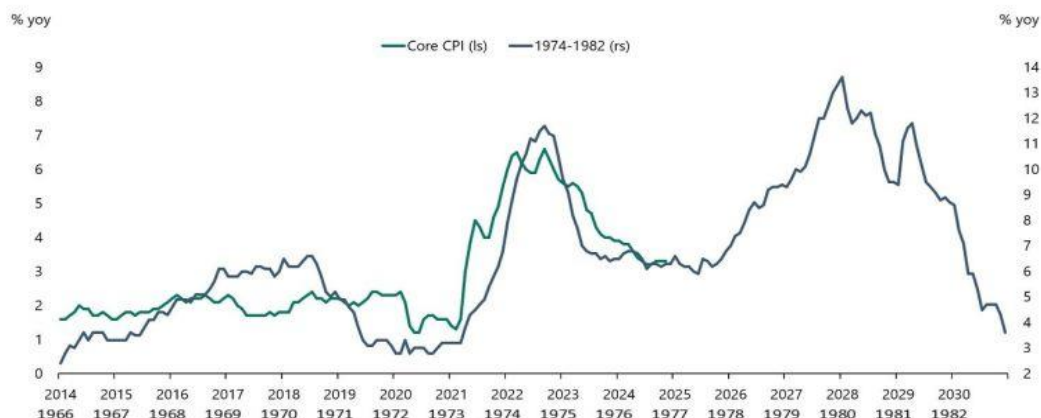
#us #inflation

Apollo made a HUGE call on Sunday: For the first time since the "Fed pivot" began, Apollo has officially declared inflation back on the rise. They warn of a potential repeat the 1970s as the Fed cuts rates into rising inflation. Apollo says the probability of the Fed RAISING interest rates in 2025 is now rising. Here's why:

👉 First, measures of inflation stickiness are all now well above the Fed's 2% target. In fact, the Atlanta Fed Core Sticky CPI index has leveled off near 4%. ALL major measures of CPI stickiness are now above 3%.

👉 Meanwhile, core CPI has levelled off at 3.3% fore multiple months in a row. This was "fine" because headline CPI was moving in a straight-line to 2% all year. However, as of the latest CPI inflation data, it's now RISING and back to 2.7%.

Will we see a repeat of the 1970s?

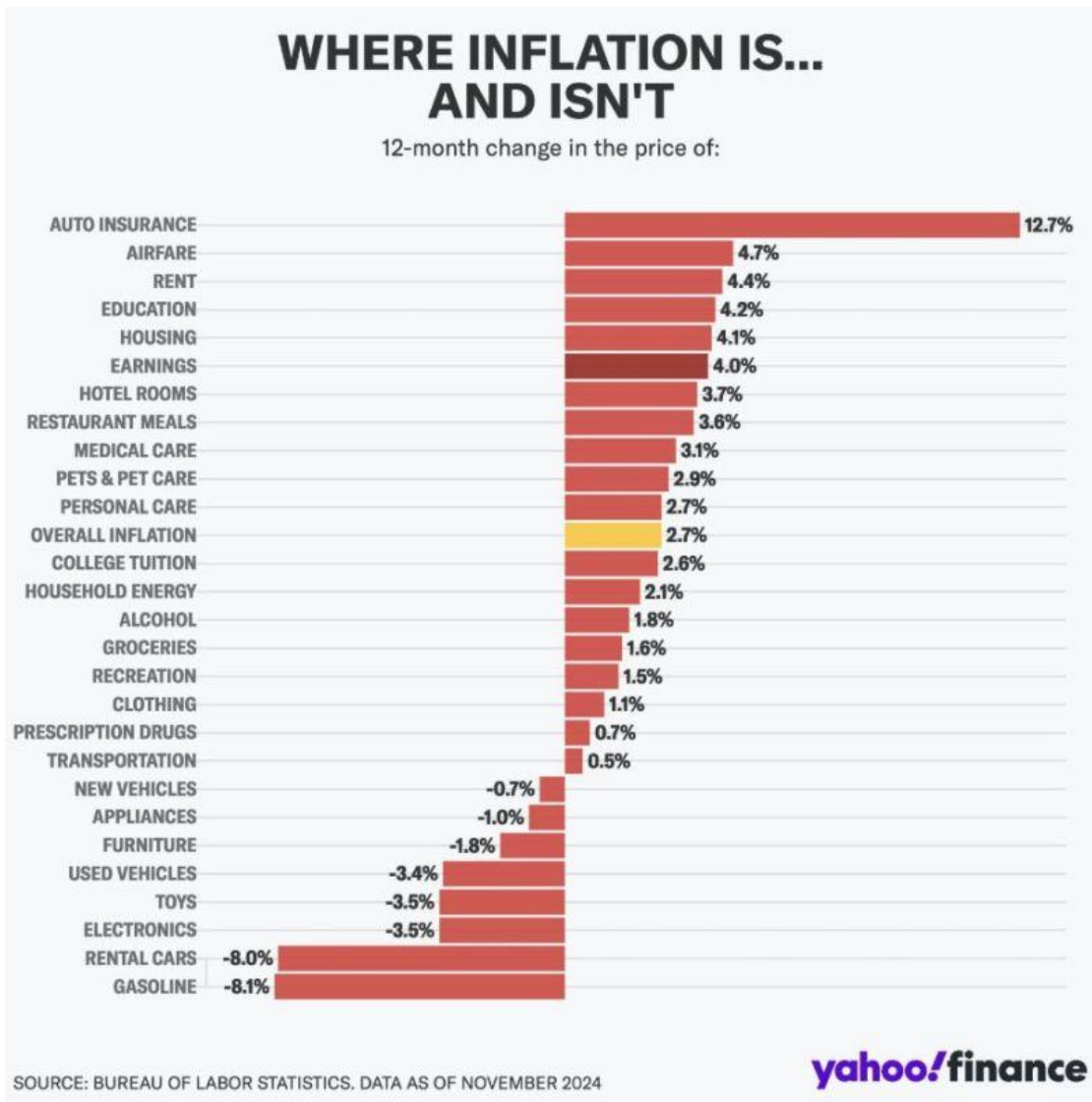


Source: The Kobeissi Letter, Apollo



#us #inflation

Where Inflation is and Isn't



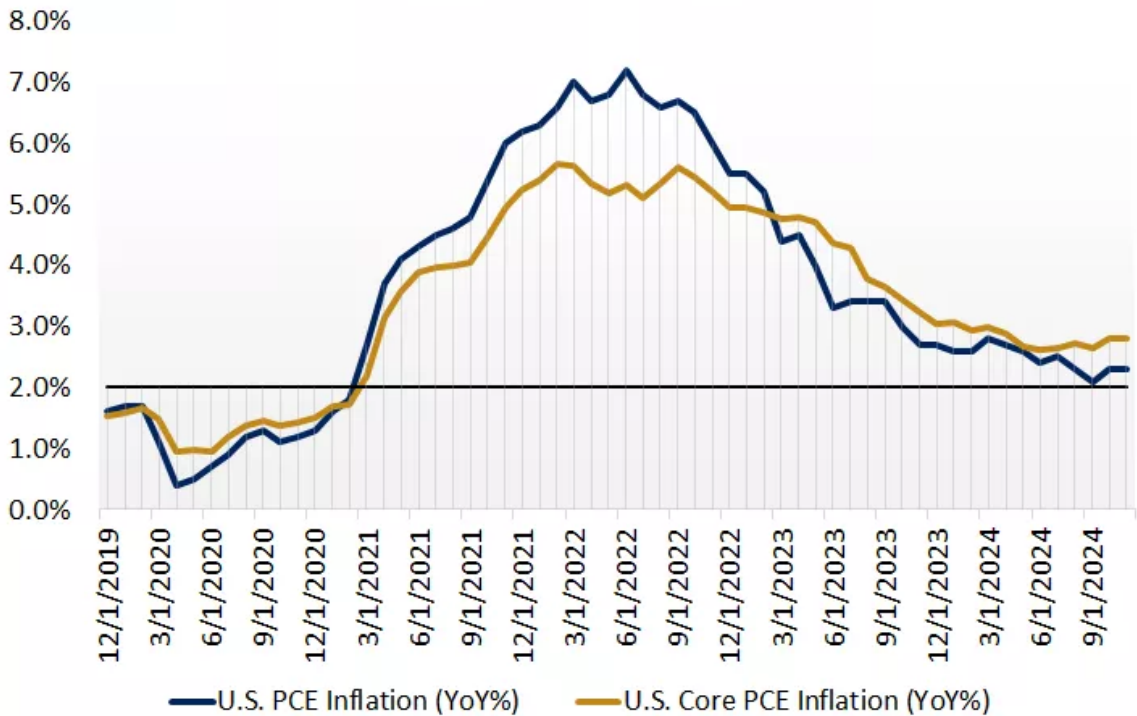
Source: yahoo!finance



#us #inflation #pce

This chart shows the year over year percentage change in PCE and core PCE inflation. Both have fallen from their 2022 peaks but remain above the Fed's 2% target.

U.S. Headline and Core PCE Inflation have come down nicely, but remain above the Fed's 2.0% target



Source: xxx

#macro

#trump #debt-ceiling

BREAKING - Trump tells NBC he'd support abolishing the debt ceiling, calling it 'the smartest thing Congress could do' and suggesting it's more psychological than practical. President-elect Donald Trump expressed support for abolishing the debt ceiling, calling it a "meaningless concept" that Congress should eliminate entirely. Speaking to NBC News, Trump suggested that removing the debt ceiling would be the "smartest thing" lawmakers could do and offered to lead the charge if Democrats pursue it.



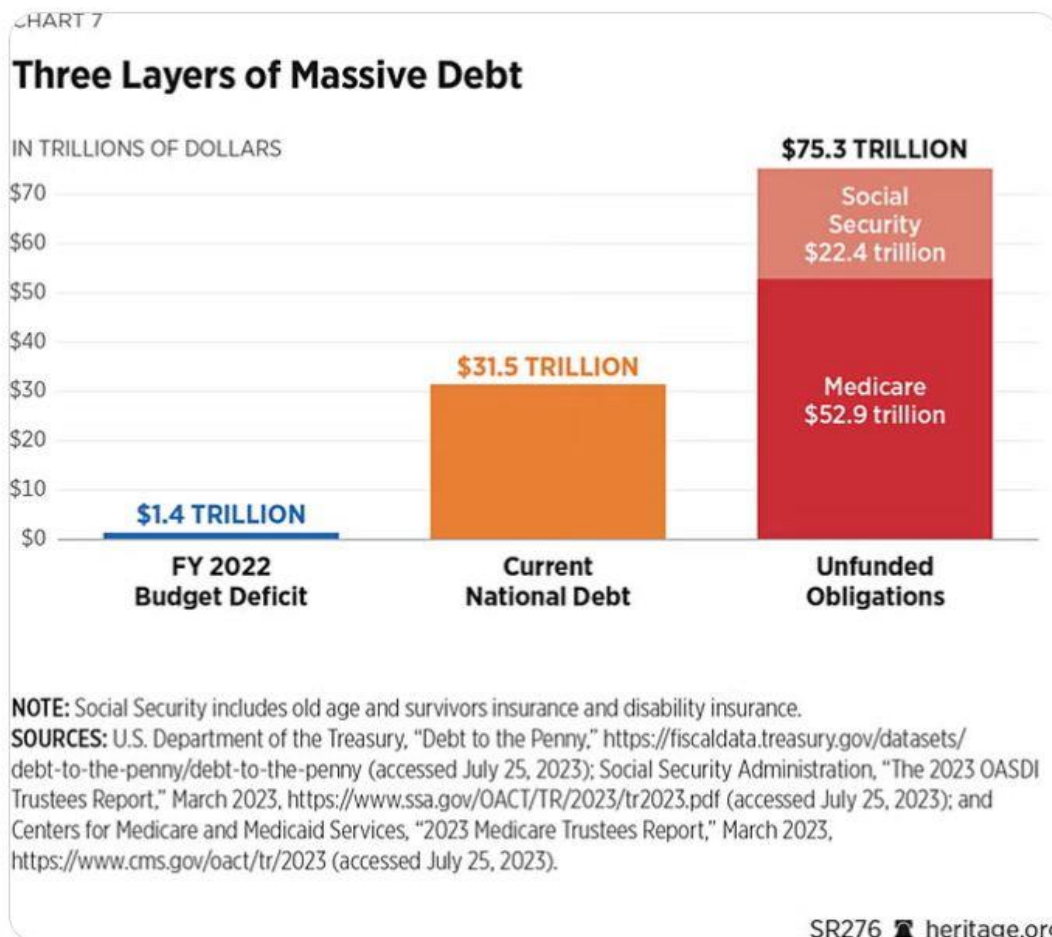


#us #debt

America's massive leverage summarized in one chart

3 Layers of Debt:

- Budget Deficit (1.4 trillion)
- Current National Debt (31.5 trillion)
- Unfunded Obligations (75.3 trillion)



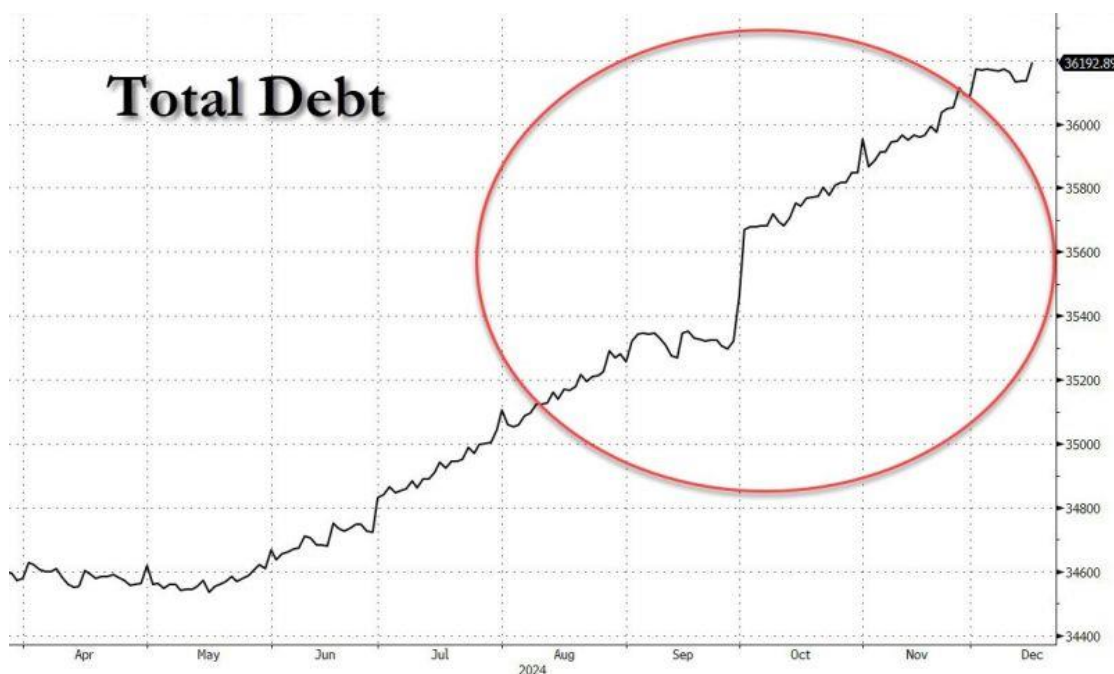
Source: The Rabbit Hole



#macro

#us #growth #debt

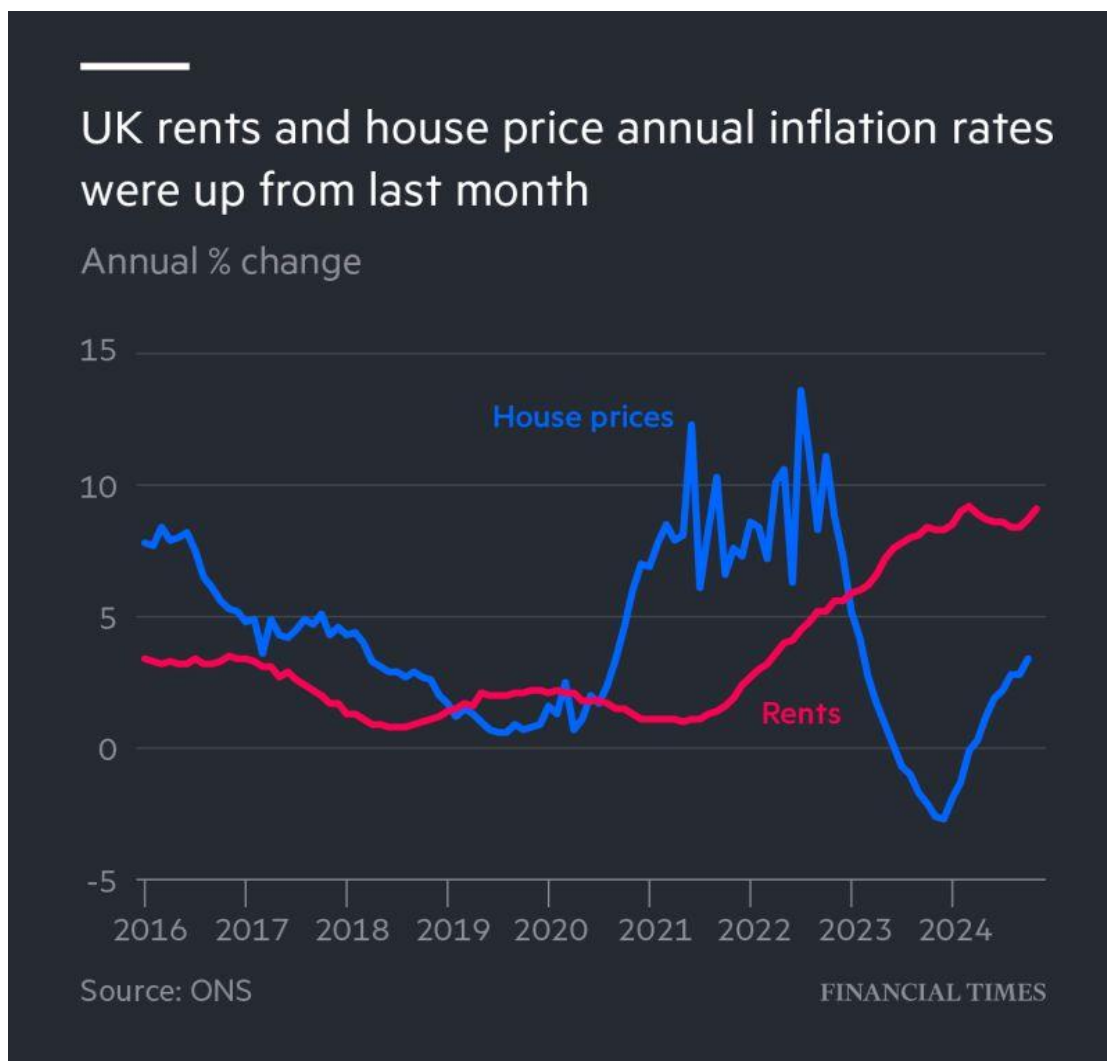
*POWELL: ECONOMY GREW FASTER THAN EXPECTED IN SECOND HALF OF '24. Maybe this had something to do with it?



#macro

#uk #rent

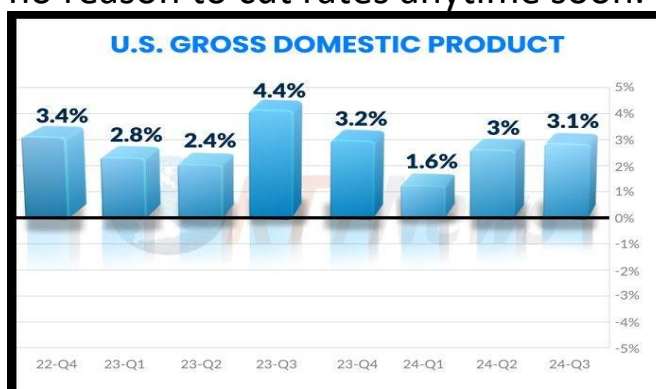
‘Renting is nothing short of brutal. Rents are rising at an astronomical and unsustainable rate.’ Rents in London increased by 11.6% in the 12 months to November 2024.



#macro

#us #macro-data

U.S. GDP Unexpectedly Surges More Than Previously Estimated In Q3. Consumer spending in particular has been a key factor behind growth, supported by a healthy jobs market. 👉 The U.S. economy grew at an annual rate of 3.1% in the third quarter, beating expectations for an increase of 2.8%. That's up from growth of 3.0% in the preceding quarter. 👉 Real consumer spending rose 3.7% Y/Y during the quarter, after increasing 2.8% in Q2. The Commerce Department said upward revisions to exports and consumer spending offset a downward revision to private inventory investment and an upward revision to imports, which are a subtraction in the calculation of GDP. 👉 The GDP Price Index ticked up 1.9%, matching estimates. 👉 Core PCE Prices rose 2.2%, above expectations for 2.1%. Key Takeaway: Despite fears over a looming downturn, the U.S. economy continues to grow at an above-average pace as consumer spending remains resilient. The Fed has no reason to cut rates anytime soon.

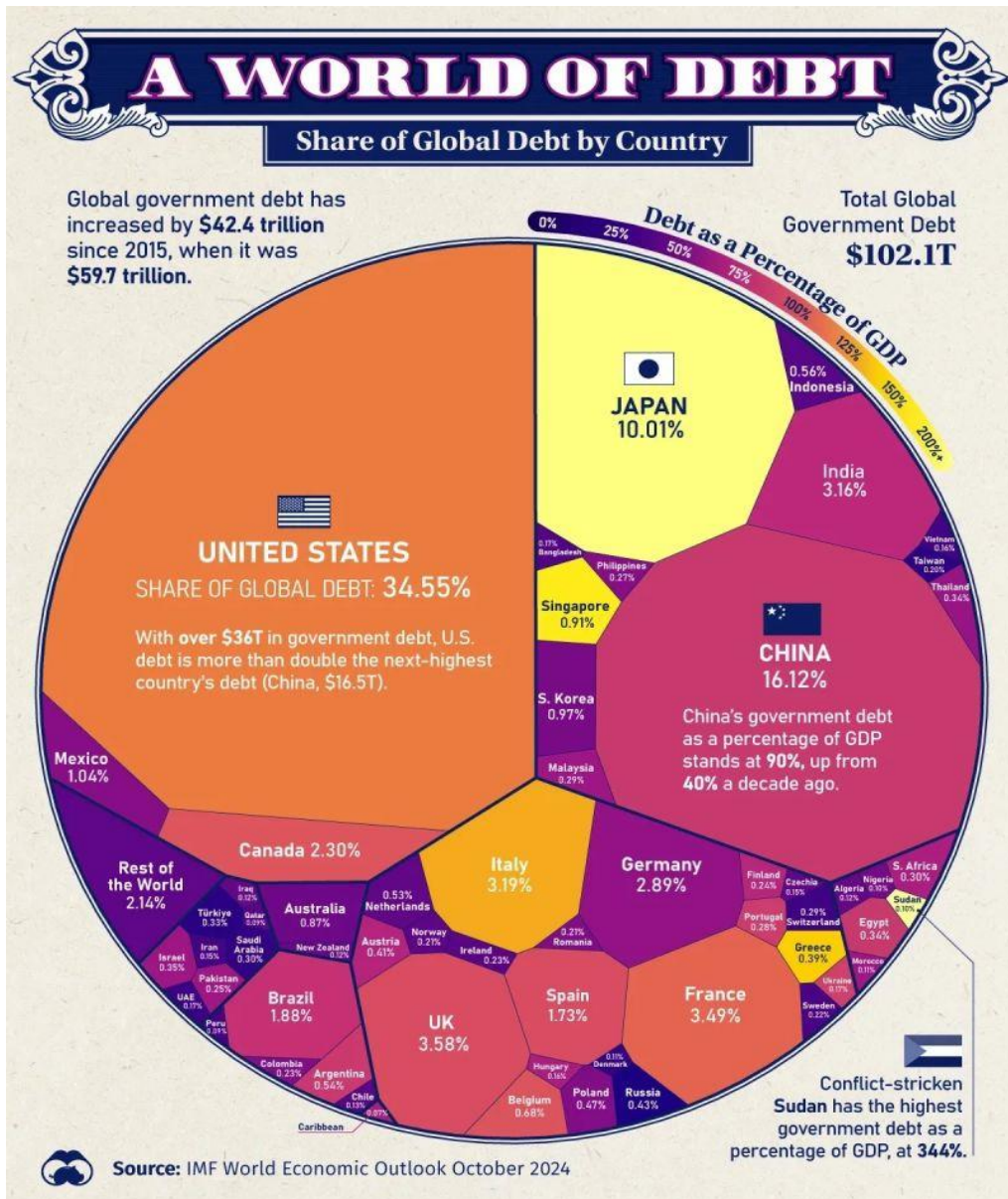


Source: Jesse Cohen, RTTNews



#global-debt

Visualizing \$102 Trillion of Global Debt



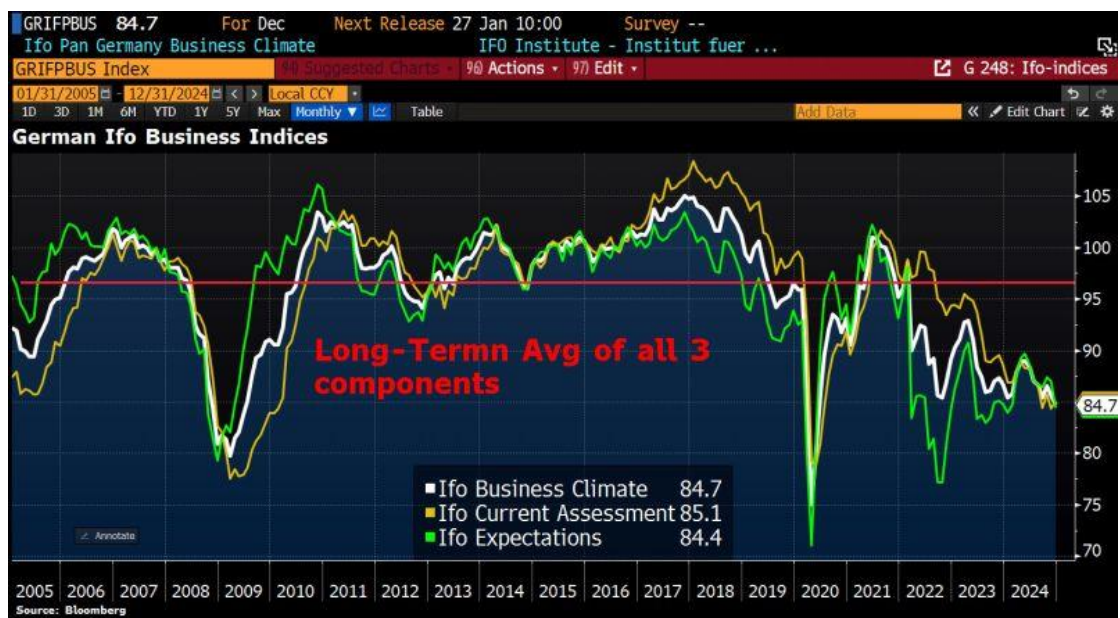
Source: Barchart @Barchart





#germany #economic-weakness

The economic weakness in Germany is becoming chronic. The Ifo Business Index fell to 84.7 in December, down from 85.6 in November –its lowest level since May 2020. This is far below the long-term average of 96.6 and looks weak even compared to recent years. Since the start of the war in Ukraine, the index has averaged just 88.2. The latest drop was driven by a sharp decline in the expectations component, which fell from 87 in November to 84.4 in Dec. Analysts polled by Bloomberg had predicted a slight uptick and none saw a retreat of that scale.



Source: Bloomberg, HolgerZ

#macro

#germany #economic-situation

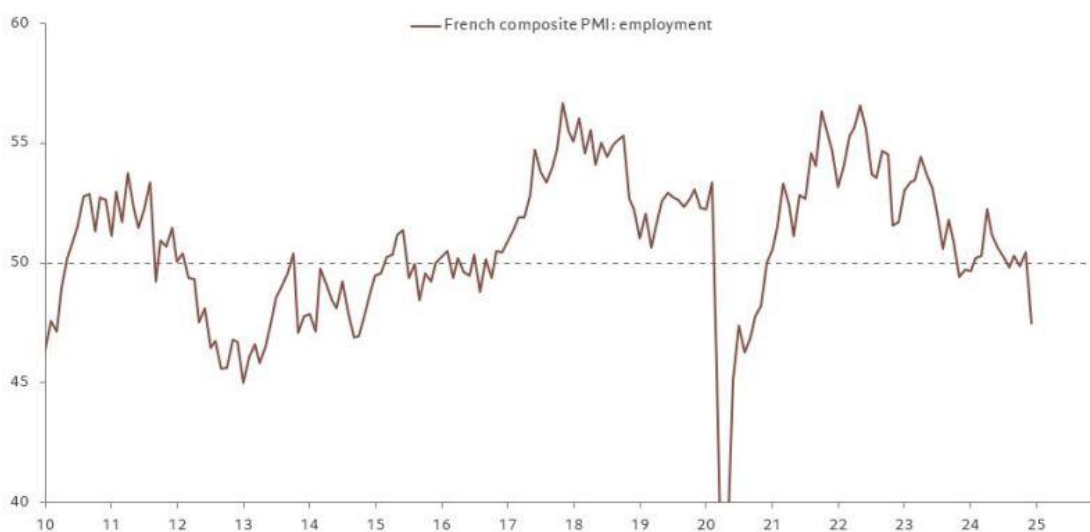
🚨 GERMAN ECONOMIC SITUATION IS NEAR DEPRESSION LEVELS 🚨 ZEW Index of Current Economic Conditions fell to near the LOWEST ON RECORD. This is in line with the bottom levels in the Great Financial Crisis. All when the economy is heading for the 2nd STRAIGHT year of contraction.



#macro

#france #pmi

French PMI big warning: the drop in employment was the largest since the pandemic, with the political situation often cited by firms as a reason to be downbeat.





#china #bank-lending

!!CHINA'S BANK LENDING GROWTH FELL TO THE LOWEST THIS CENTURY!! China bank lending grew just 7.7% year-over-year in November, the slowest in at least 24 years. And this is despite Chinese rates sitting at the lowest level in decades.



Source: The Daily Shot, Global Markets Investor

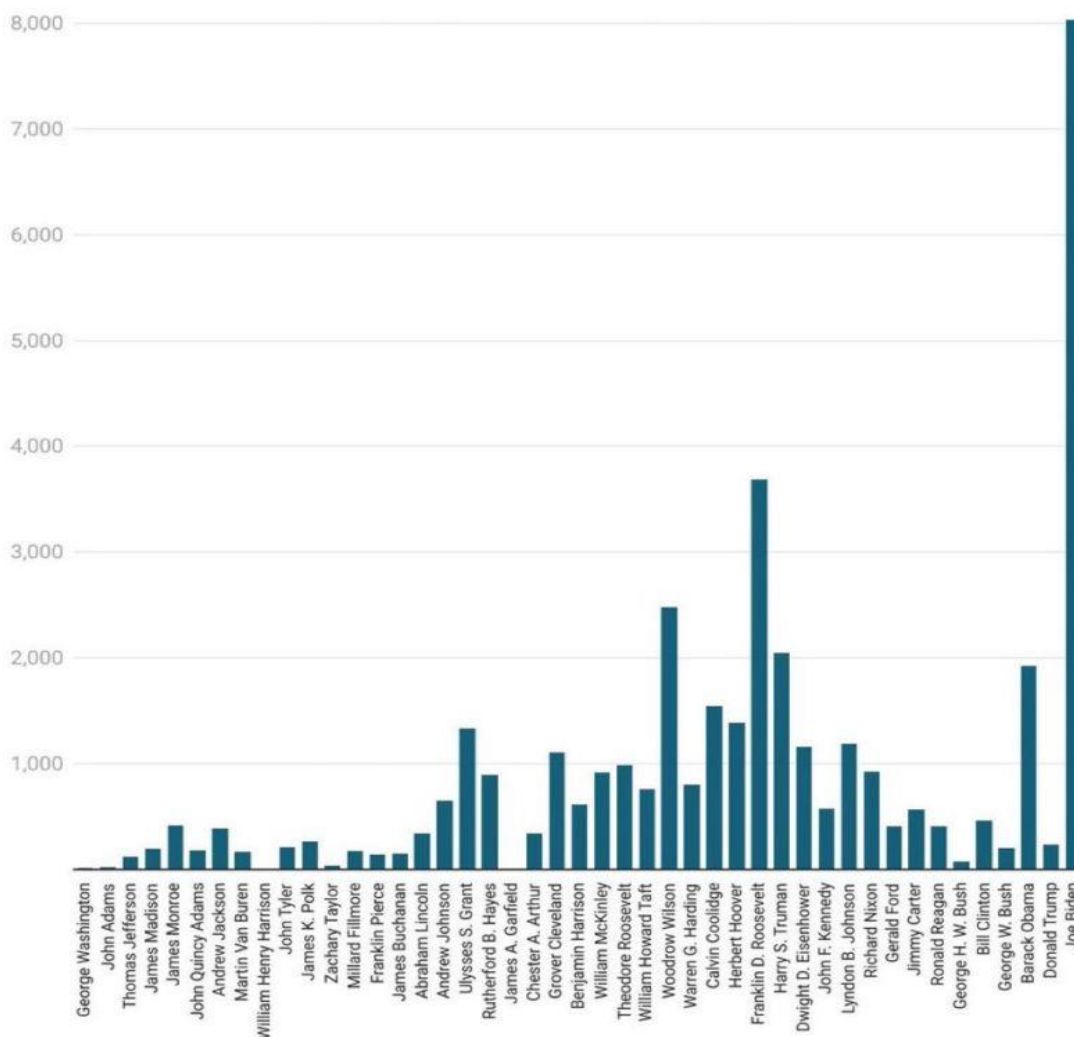




#us #biden #presidential-pardons

JOE BIDEN has issued more pardons than any president in history, raising a few eyebrows.

PARDONS BY US PRESIDENT

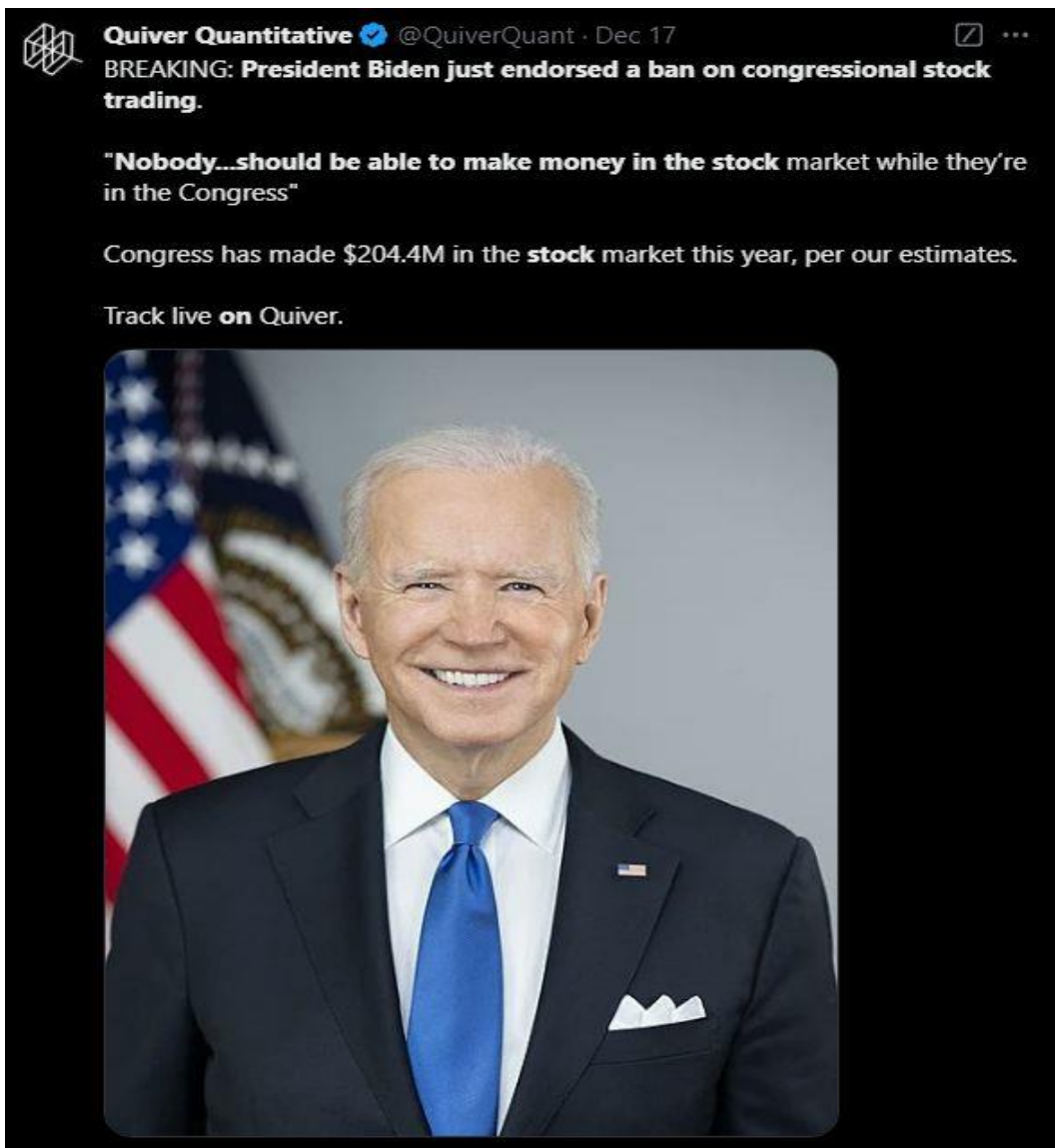


Source: @MarioNawfal on X

#geopolitics

#biden #congress #trading-ban

Never too late... but why now?




Quiver Quantitative @QuiverQuant · Dec 17
BREAKING: **President Biden just endorsed a ban on congressional stock trading.**

"Nobody...should be able to make money in the stock market while they're in the Congress"

Congress has made \$204.4M in the **stock** market this year, per our estimates.

Track live **on** Quiver.



#geopolitics

#us #eu #trump #tariffs

Trump threatens tariffs if the EU doesn't buy more US oil and gas. The President-elect said he told the EU they must "make up their tremendous deficit" with large scale purchases of American fuel. The US is the world's top LNG exporter, and the biggest oil producer.



Source: Stephen Stapczynsk

#centralbanks

#fed #hawkish #rates

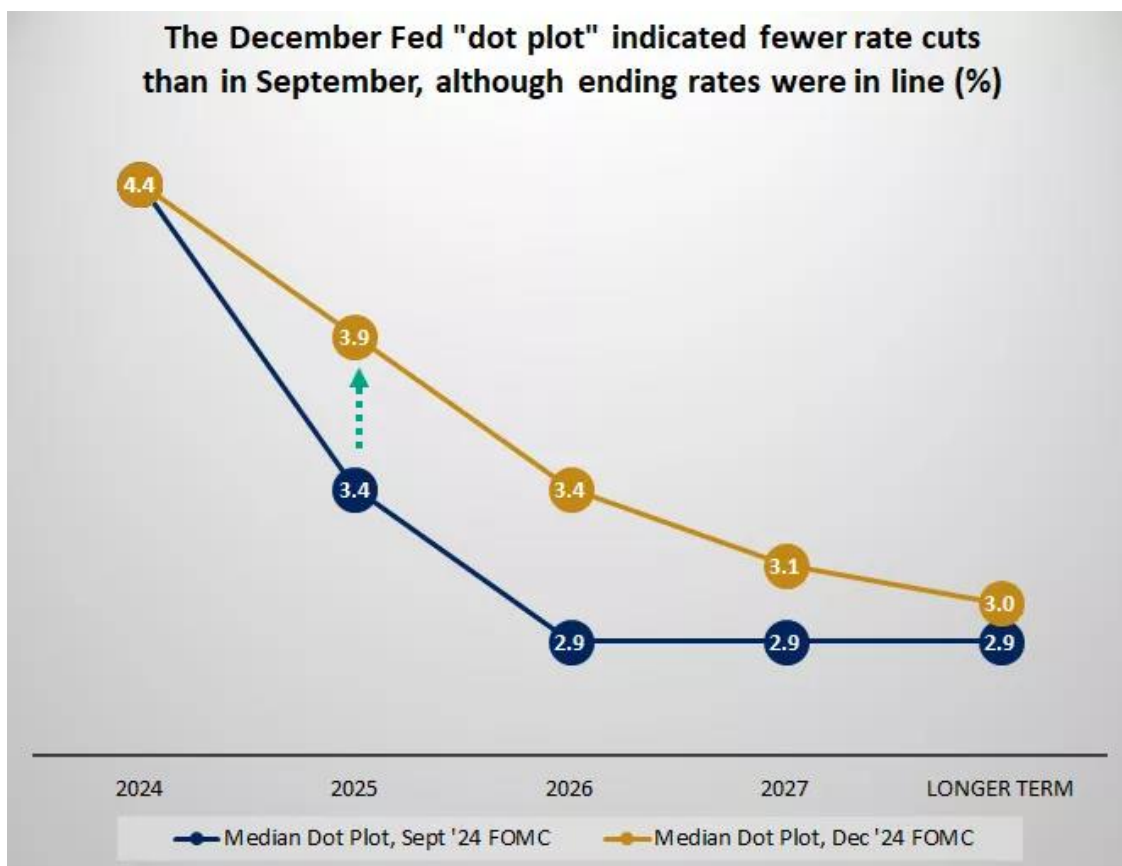
🔔 SP500 erased \$1.8 TRILLION of market cap on FED "hawkish cut". !! Big Tech, Bonds, Bullion and Bitcoin fell sharply after the Fed cuts rates by 25 basis points - which is exactly what 97% of market participants expected. So what happened? 🤔
Actually, today's market reaction had NOTHING to do with the rate decision. Rather, it would about the Fed's outlook for 2025 which shifted SHARPLY in the hawkish direction. 🤔 Indeed, the Fed reduced their outlook from 3 to 2 rate cuts in 2025. 🤔 Furthermore, the Fed now sees inflation at 2.1% at the end of 2026, still slightly above their 2.0% target. ⚠️ The stock market's decline accelerated after Powell said one specific sentence in his press conference today: "Today was a closer call but we decided it was the right call." ⚠️ The US Dollar surged to its highest since November 2022 after he said that. Clearly, the Fed has acknowledged that inflation is an issue, once again.



#centralbanks

#fed #dot-plots

Overall, the December FOMC meeting pointed to a Fed that wanted to proceed with a bit more caution on the path of rate cuts. The Fed cut rates by 0.25% to 4.25% - 4.5%, but its dot plot indicated just two rate cuts in 2025, versus four rate cuts penciled in at the September FOMC meeting. 🙅



#centralbanks

Fed #projections

The Fed's December projections pointed to better economic growth and lower unemployment in 2025: 🙌

December Fed Projections	2024	2025	2026	2027
Change in Real GDP, Dec	2.5	2.1	2.0	1.9
Change in Real GDP, Sept	2.0	2.0	2.0	2.0
Unemployment Rate, Dec	4.2	4.3	4.3	4.3
Unemployment Rate, Sept	4.4	4.4	4.3	4.2

Source: FOMC, December 2024.

#centralbanks

#fiscal-dominance

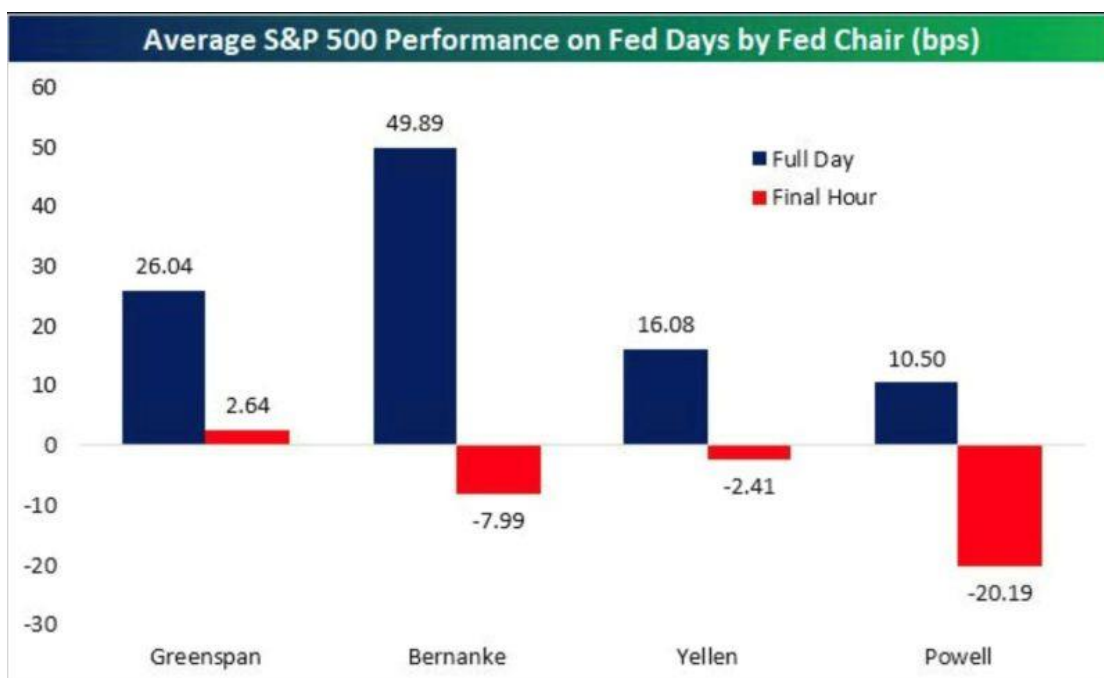
If you want to find out more about the FED headaches... 🙌

Fiscal dominance occurs when the government's heavy borrowing and spending (via deficits) overpowers the central bank's ability to manage **inflation** through **monetary policy**.

#centralbanks

#fed #powell #sp500

Powell is second to none when it comes to market reaction on FED day. He lived up to his reputation and track record yesterday. To say the least...

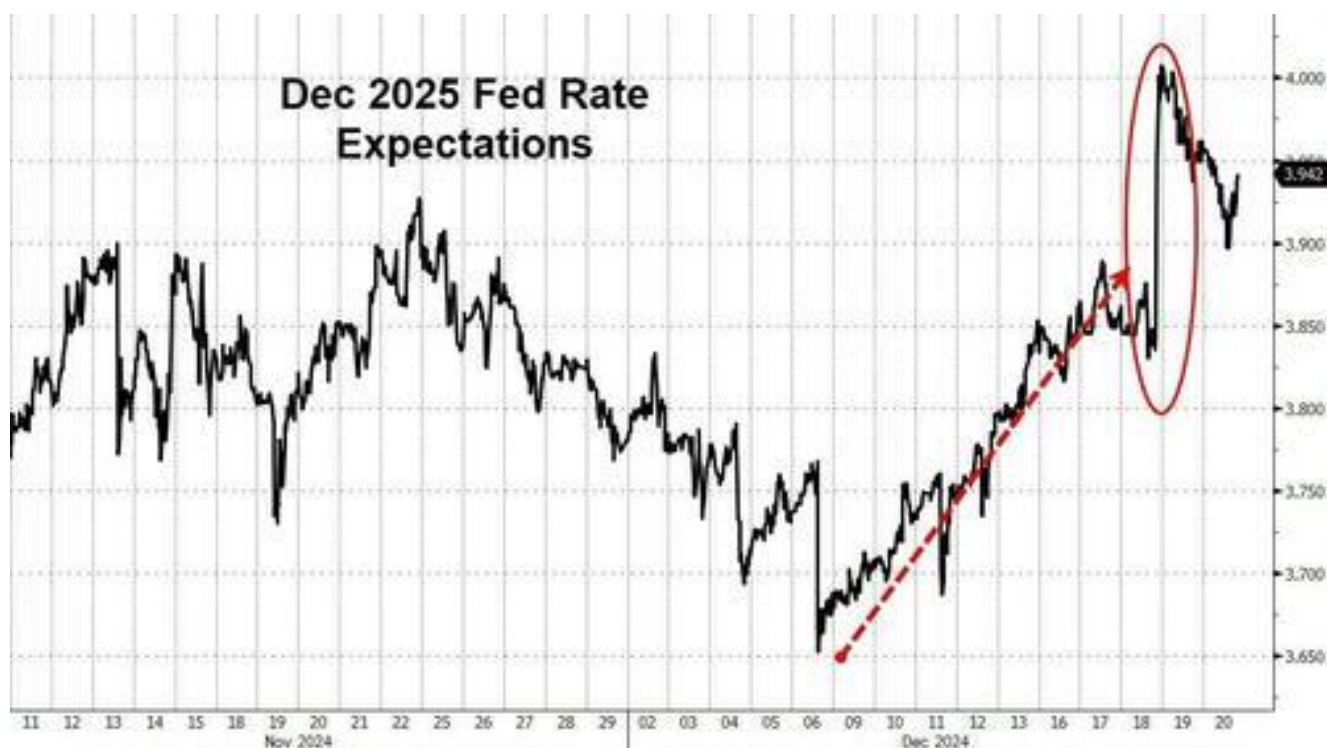


Source: Bespoke

#centralbanks

#fed #rates #expectations

Fed rate expectations dramatically higher (market is now pricing in a 50-50 probability of 1 or 2 cuts next year).... 🙅



Source: www.zerohedge.com, Bloomberg

#centralbanks

#japan #boj #rates

🔊 BANK OF JAPAN JUST MADE THEIR INTEREST RATE DECISION: THEY WILL NOT BE RAISING INTEREST RATES. This is a relief for markets 👍 . 🚨 If Japan hiked rates, the US Dollar would weaken against the Yen. Anyone who is short the Yen then would have to sell off US equities in order to cover their short, which could've caused a decline in stocks. Most of those stocks would have been tech stocks. It also could have caused a sell off in Bitcoin as many people have borrowed against the Yen to put money into crypto. Basically, it would be another edition of the Yen Carry trade which still has trillions of dollars tied into it. 😊 On a day like today, bulls really needed Japan to NOT raise rates. USD/JPY after the decision, up 0.27%

United States Dollar to Japanese Yen



Source: @amitisinvesting

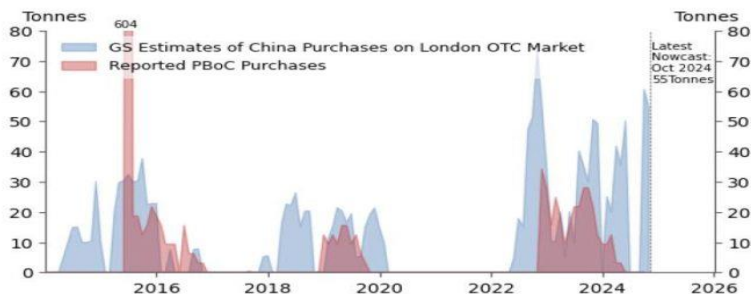


#centralbanks

#china #pboC #gold-reserves

● According to Goldman, China Secretly Buying Up Massive Amounts Of Gold, 10x More Than Officially !! 🙌 According to the Goldman Sachs nowcast of central bank and other institutional gold buying on the London OTC market, October saw central banks buy a whopping 64 tonnes in October (vs. pre-2022 average of 17 tonnes), with China once again the largest buyer adding 55 tonnes, which is striking since the official number reported by the PBOC was one-tenth that, or just 5 tonnes. In other words, China is secretly buying up ~10x more gold than it admits. 🚨 As shown on the chart below, what is far more striking is the staggering (and growing) divergence between the modest amounts of gold purchases reported by the PBOC and the far greater amount China has actually purchased on the London OTC market, in a clear attempt to mask its staggering demand for the precious metal, and be extension, its diversification away from the dollar...

Exhibit 2: Our GS Nowcast Suggests That China Bought 55 Tonnes on the London OTC Market in October



The methodology of our GS nowcast of central bank and other institutional demand on the London OTC market is explained in "Precious Analyst: Nowcasting 'Secret' Gold Buyers, Raising our Gold Price Forecast". Our estimates of China's institutional gold purchases in London are consistent with PBOC reports, but tend to be higher, start earlier, and persist longer.

Source: Goldman Sachs Global Investment Research, Haver Analytics

Source: www.zerohedge.com





#bitcoin #weekly

Bitcoin recorded its worst week since September...



Source: xxx



#bitcoin #technicals

Bitcoin puked hard overnight but found support perfectly at its 50DMA and bounced back higher...

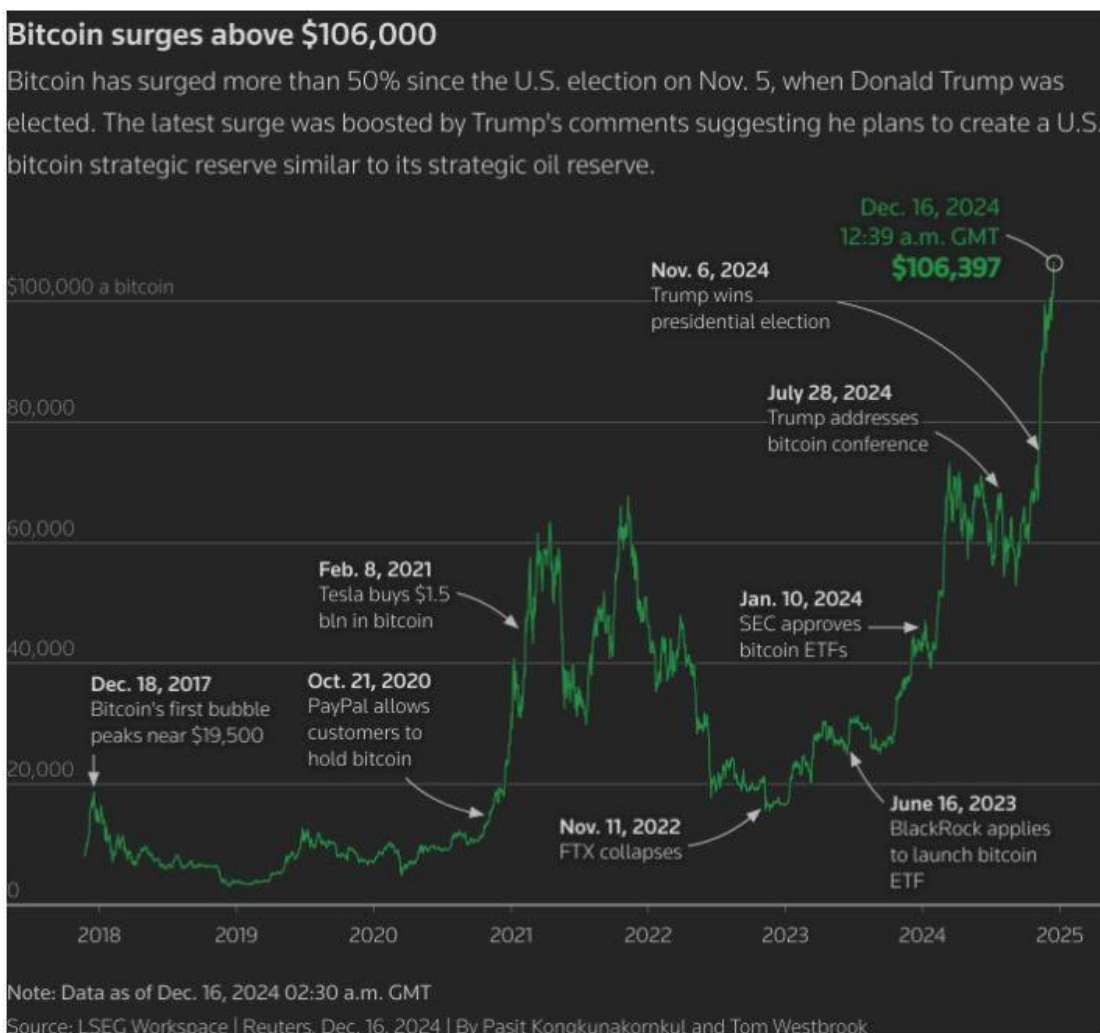


Source: www.zerohedge.com, Bloomberg



#bitcoin #rally

Bitcoin rallies past \$107,000, hopes grow for strategic reserve
This graph shows the price of bitcoin over time since 2018.



Source: Iseg, reuters



#bitcoin #m2

Bitcoin is still tracking global M2 with a ~70-day lag. Two scenarios: dislocate from global M2 thanks to BTC-native buy side, or continue following it into a deep mid-cycle correction.



Source: Joe Consorti, Bloomberg



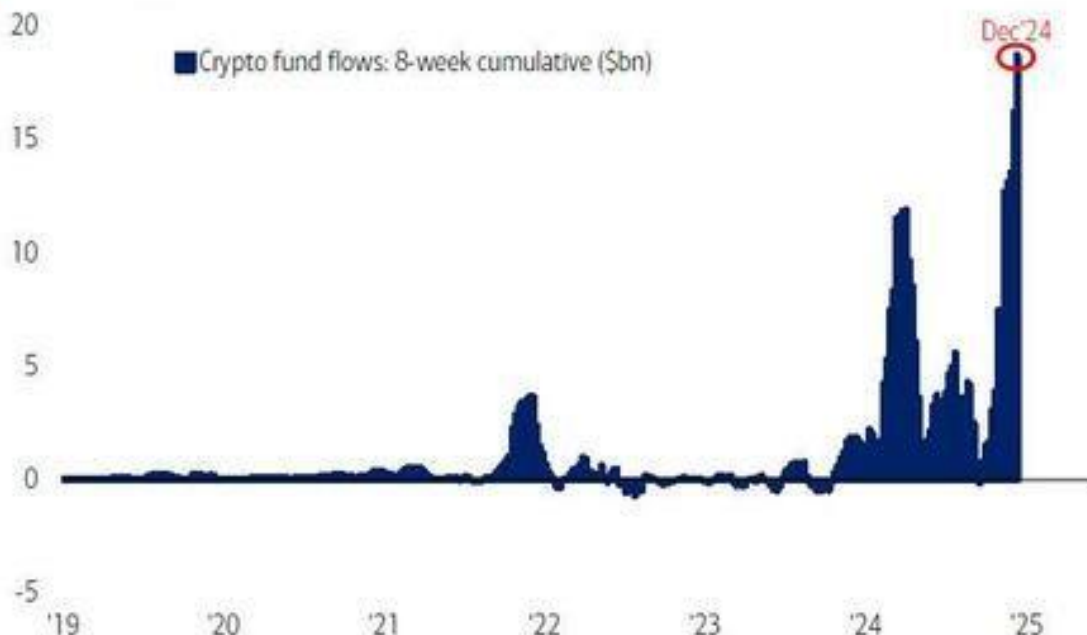


#crypto #funds #inflows

Crypto fund inflows

Chart 11: Biggest annual inflow to crypto funds in 2024

Flow to crypto funds: 8-week cumulative (\$bn)



Source: BofA Global Investment Strategy, EPFR

BofA GLOBAL RESEARCH

Source: BofA



#crypto-etfs

🚨 Wall Street knows how to create supply when there is demand... A wave of cryptocurrency ETFs might be coming in 2025 🚀, albeit not all at once.

- 👉 First out is likely \$BTC + \$ETH combo ETFs
- 👉 Second \$LTC Litecoin (because it is a fork of BTC and thus a commodity).
- 👉 Then \$HBAR hedera (because it is not labeled security)
- 👉 And then \$XRP ripple and \$SOL solana (which have been labeled securities in pending lawsuits)



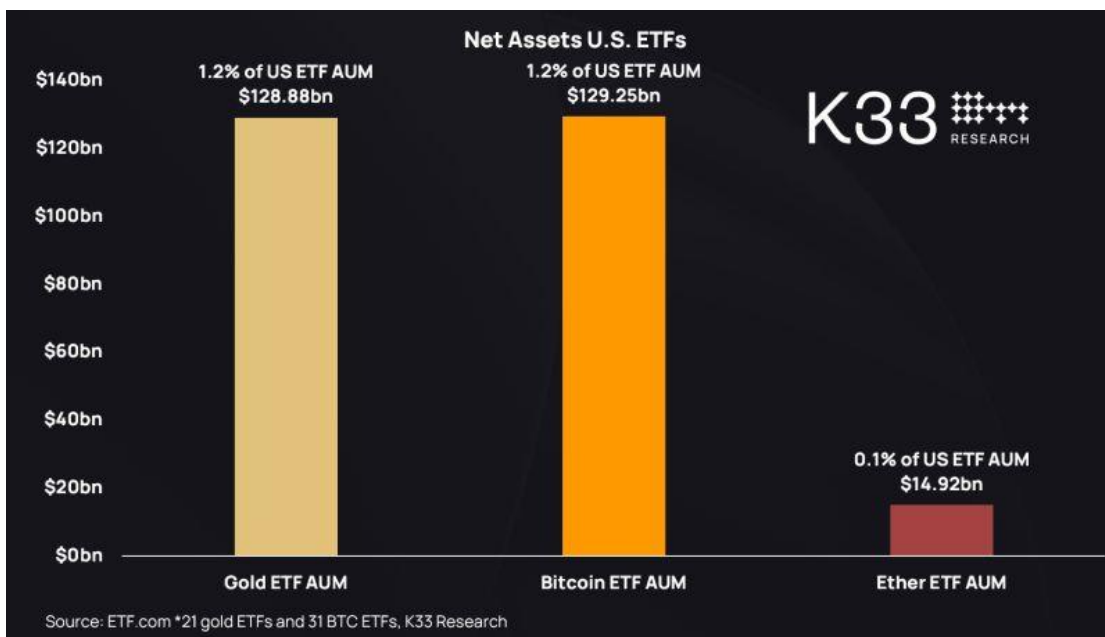
Source: @JSeiff outlook thru Eirc Balchunas, chart by Strategas





#bitcoin #etf

If you include all bitcoin ETFs (spot, futures, levered) they have \$130b vs \$128b for gold ETFs. That said, if you just look at spot, \$BTC is \$120b vs \$125b for gold.



Source: Eric Balchunas, K33



#bitcoin #etf #ibit

iShares Bitcoin ETF (\$IBT) vs. iShares Gold (\$IAU)- an update BlackRock's gold ETF took 20 years to reach \$33 billion AUM; it took their Bitcoin ETF less than a year. The fastest growing ETFs in history 🍷🍷


BlackRock iShares ETF AUM: Gold vs. Bitcoin

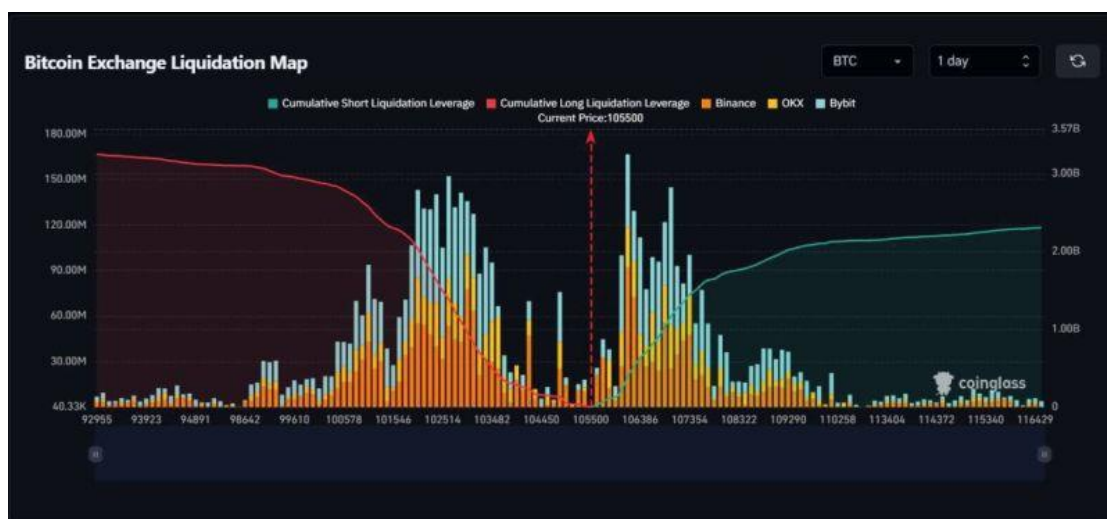


Source: Bitcoin magazine, CryptoQuant



#bitcoin #shorts

 ALERT: \$2.14 BILLION worth of Bitcoin shorts face liquidation if \$BTC reaches \$111,111.



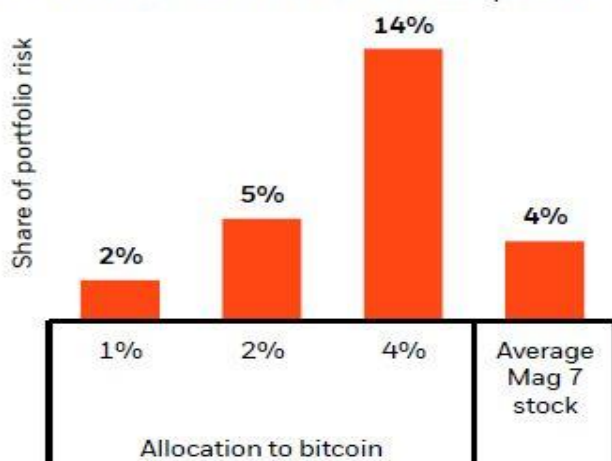
Source: cointelegraph.com



#bitcoin #blackrock #allocation

The case for a 2% bitcoin allocation into multi-assets portfolios by Blackrock: "So how can investors think about a bitcoin allocation? We take a risk budgeting approach: sizing the allocation based on how much it would contribute to total portfolio risk – measured by its long-run volatility and correlation to other assets (...). But from a portfolio construction perspective, it has some similarities with the “magnificent 7” group of mostly mega-cap tech stocks. Their market value – averaging \$2.5 trillion in December 2024 – is similar to bitcoin’s (...) In a traditional portfolio with a mix of 60% stocks and 40% bonds, those seven stocks – if held at their current weights in the MSCI World – each account for 4% of the overall portfolio risk on average. That’s about the same share a 1-2% exposure to bitcoin would represent: Even though bitcoin’s correlation to other assets is relatively low, it’s more volatile, making its effect on total risk contribution similar overall. “

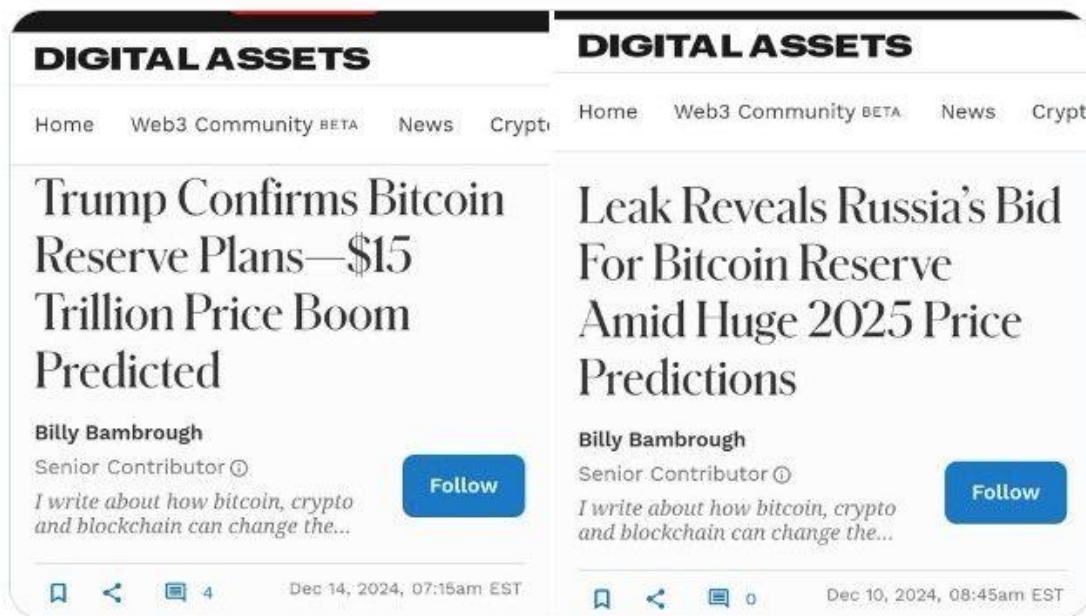
Sizing bitcoin in portfolios
Estimated contribution to risk in a 60/40 portfolio





#bitcoin #strategic-reserve

The Bitcoin Cold War has begun. "Russia lawmakers were this week revealed to be pushing the country to create a bitcoin strategic reserve... Vladimir Putin praised bitcoin as an alternative to FX reserves following the seizure of its funds by Western governments."



Source: Joe Consorti ⚡ @JoeConsorti on X

#bitcoin-reserve #trump

● Bitcoin Policy Institute drafts Executive Order for Strategic Bitcoin Reserve for Trump to sign on Day 1 🚀

Executive Order on Designating Bitcoin as a Strategic Reserve Asset within the Exchange Stabilization Fund

By the authority vested in me as President of the United States by the Constitution and the laws of the United States of America, including section 5302 of title 31, United States Code, it is hereby ordered as follows:

Section 1. Purpose

As global finance increasingly integrates digital assets and new economic instruments, the United States must adapt its financial strategies to maintain stability and leadership in the global economy. Bitcoin is a decentralized and finite store-of-value asset, akin to digital gold, with unique attributes that can bolster the resilience of the U.S. dollar and support American economic interests. This Executive Order designates Bitcoin as a suitable asset for strategic acquisition within the Treasury Department's Exchange Stabilization Fund (ESF) and establishes a Strategic Bitcoin Reserve as a permanent national asset for the benefit of all Americans.

Section 2. Policy

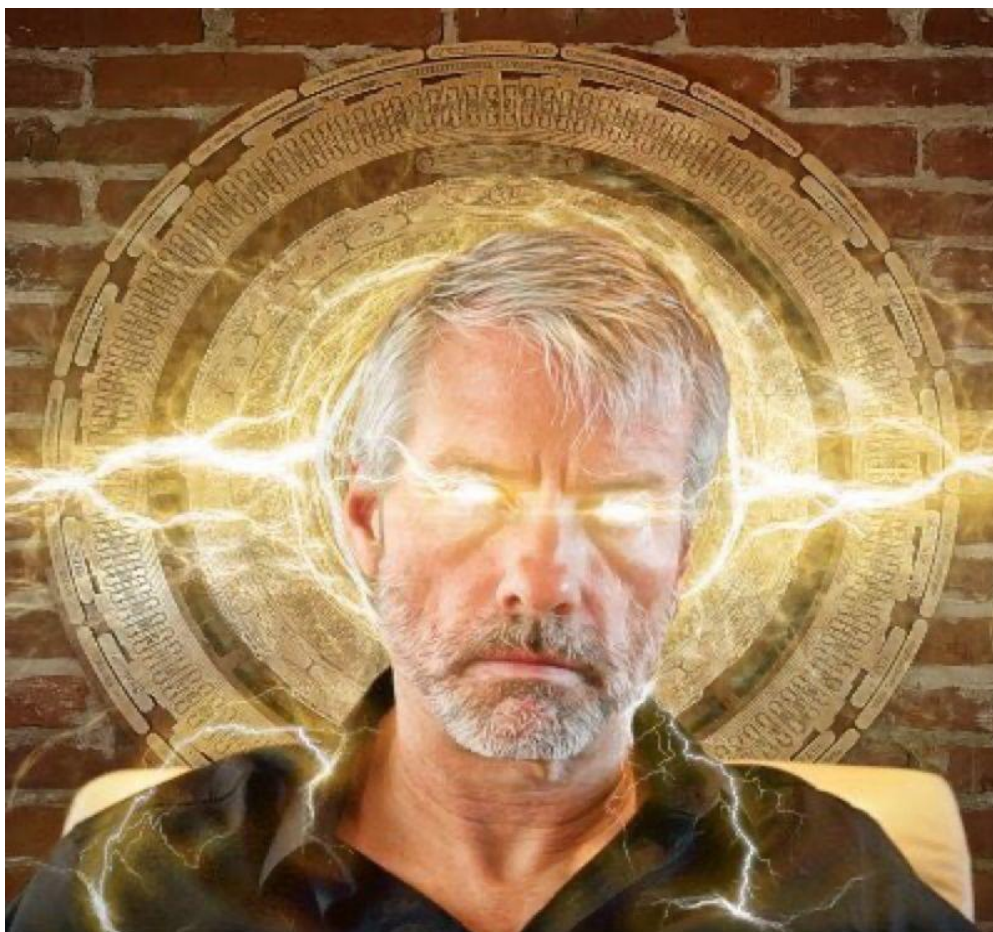
It is the policy of the United States to:

1. Establish a Strategic Bitcoin Reserve in order to grow our economy and to cement American financial dominance long into the future;
2. Designate Bitcoin as a strategic asset held by the U.S. Government, expanding the diversity of assets held within the ESF to safeguard national economic security and competitive advantage in the 21st Century; and
3. Become the global leader of the digital assets industry by attracting capital, talent, and sound businesses to set up and expand in our great nation.

#cryptos

#saylor #microstrategy #bitcoin

JUST IN: MICHAEL SAYLOR AND MICROSTRATEGY \$MSTR BOUGHT 15,350 MORE BITCOIN \$BTC. Microstrategy spent ~\$1.5 billion to buy the 15,350 at an average price of ~\$100,386 per Bitcoin, boosting total holdings to 439,000. \$MSTR 📈 +3.50% in pre-market.

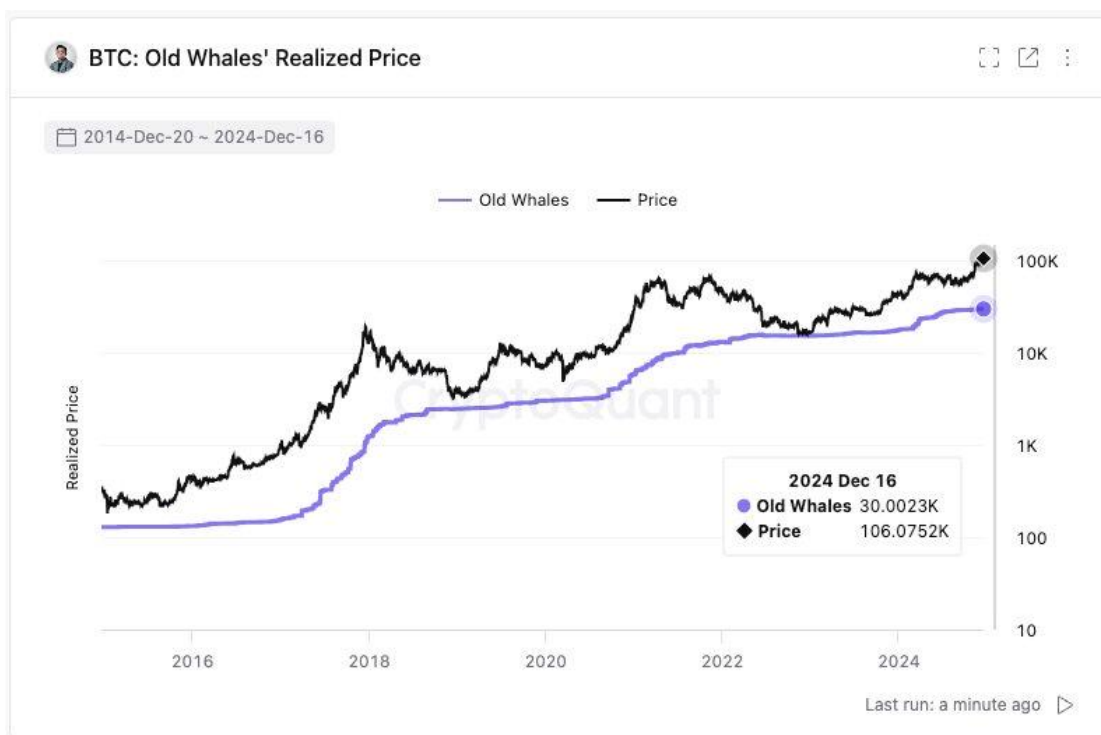


Source: Michael Saylor Tracker



#microstrategy #bitcoin

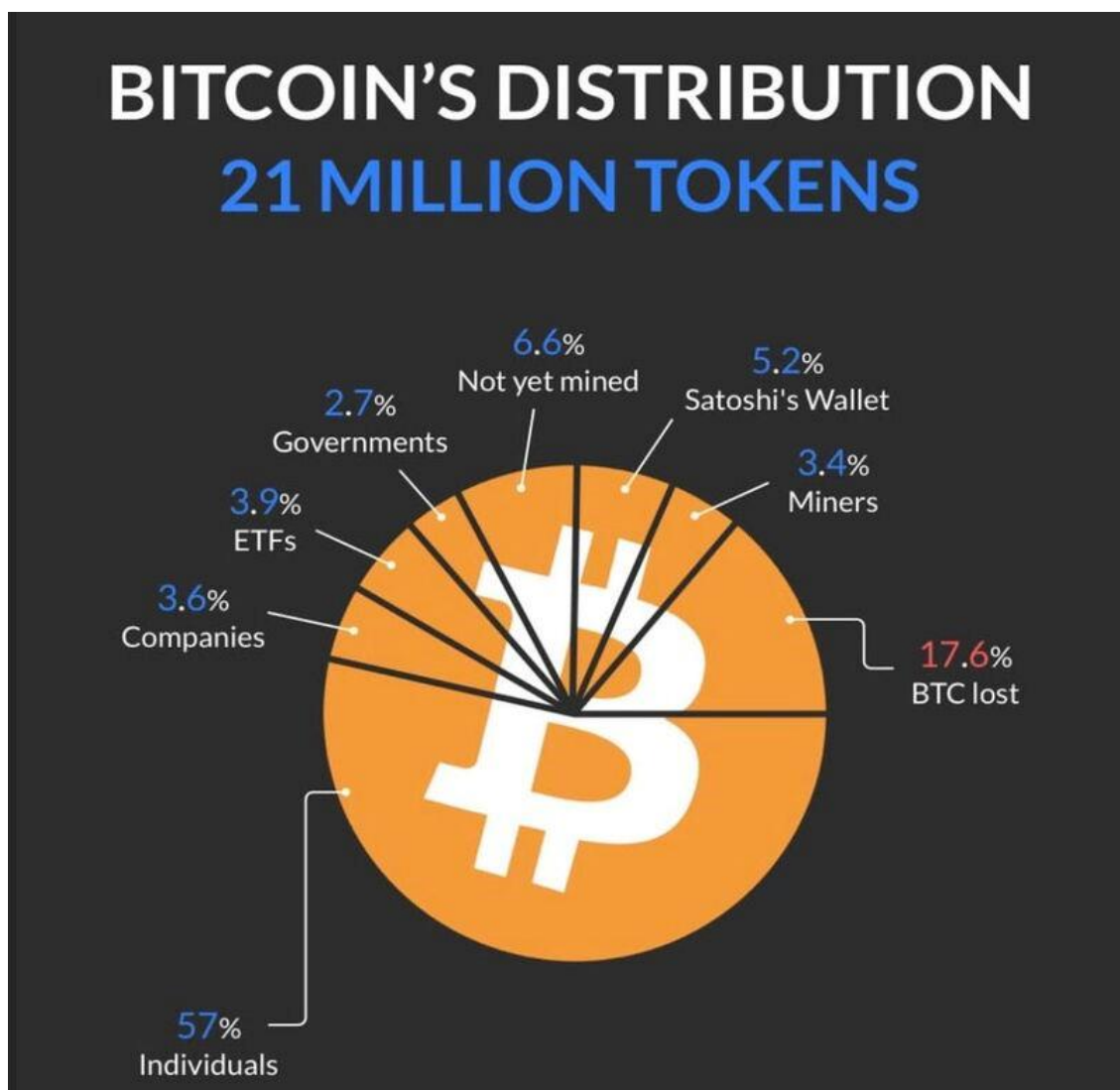
Is microstrategy downside risk less than many fear? For 15 years, Bitcoin has never dropped below the cost basis of long-term whales, which currently stands at \$30K. \$MSTR debt is \$7B and its \$BTC holdings are worth \$46B. Based on BTC alone, the liquidation price is \$16.5K.



Source: Ki Young Ju, CryptoQuant



#bitcoin #token-distribution



Source: Cory Bates on X



#bitcoin #blackrock #supply

Today's bombshell >>> In a jaw-dropping 3-minute video, BlackRock just challenged Bitcoin's most sacred promise. The world's largest asset manager suggests the unthinkable: "There's no guarantee that Bitcoin will maintain its 21 million coin limit." They're right—there's no guarantee. If everyone decides to change the supply cap, then it will be changed. But that's highly unlikely. See some comments below on X





#bitcoin #adoption

4 D's of Technology Adoption

Democratize	Dematerialize	Disrupt	Deflate																																	
<table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.8em;"> <thead> <tr style="background-color: #f4a460; color: white;"> <th></th> <th>Year Launched</th> <th>80% US adoption</th> </tr> </thead> <tbody> <tr> <td> Automobile</td> <td>1903</td> <td>67 years</td> </tr> <tr> <td> Television</td> <td>1941</td> <td>46 years</td> </tr> <tr> <td> Computer</td> <td>1982</td> <td>29 years</td> </tr> <tr> <td> Cell Phone</td> <td>1984</td> <td>25 years</td> </tr> <tr> <td> Internet</td> <td>1990</td> <td>21 years</td> </tr> <tr> <td> Smartphone</td> <td>2007</td> <td>10 years</td> </tr> </tbody> </table>		Year Launched	80% US adoption	Automobile	1903	67 years	Television	1941	46 years	Computer	1982	29 years	Cell Phone	1984	25 years	Internet	1990	21 years	Smartphone	2007	10 years		<ul style="list-style-type: none"> Taxis → Hotels → Movies → Bookstore → Library → 	<table border="1" style="width: 100%; border-collapse: collapse; font-size: 0.8em;"> <tbody> <tr> <td> Computer</td> <td>\$5,875</td> <td>\$733</td> </tr> <tr> <td> Television</td> <td>\$6,275</td> <td>\$390</td> </tr> <tr> <td> Cell Phone</td> <td>\$9,400</td> <td>\$528</td> </tr> <tr> <td> 1 TB Data</td> <td>\$6,120</td> <td>\$10</td> </tr> </tbody> </table> <p style="font-size: 0.7em; margin-top: 5px;">Industrial price of computer memory used storage</p>	Computer	\$5,875	\$733	Television	\$6,275	\$390	Cell Phone	\$9,400	\$528	1 TB Data	\$6,120	\$10
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4 D's of Bitcoin Adoption

Democratize	Dematerialize	Disrupt	Deflate
Bitcoin <u>democratizes</u> property rights and a store of value for 8 Billion People .	Bitcoin <u>dematerializes</u> analog stores of value and removes monetary premium .	Bitcoin <u>disrupts</u> traditional finance by making lending investing, borrowing frictionless .	Bitcoin <u>deflates</u> the price of all things priced in it , as money becomes scarce, goods become abundant .

Gradually

Suddenly

@DANTE_COOK1

Source: Dante Cook



#fartcoin #performance

ONE BILLION DOLLAR BABY... Amidst the sea of red ink in markets yesterday there was one shining "store of value" 🤖 in the green: Fartcoin, who's market cap just hit \$1 billion. Crazy world...



Source: Charlie Bilello

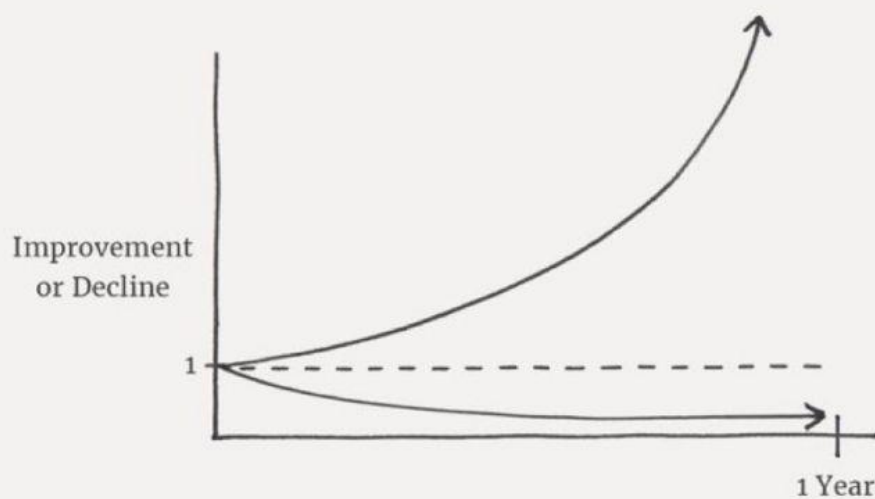
#food-for-thought

#consistency #tiny-gains

The power of tiny gains

The Power of Tiny Gains

1% better every day $1.01^{365} = 37.78$
1% worse every day $0.99^{365} = 0.03$



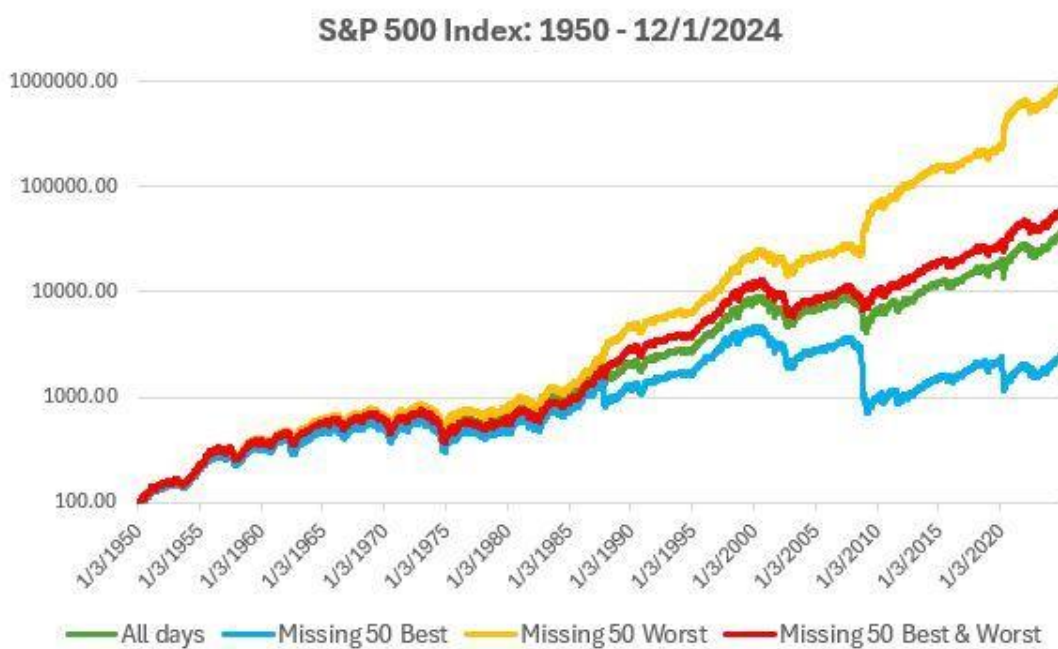
JamesClear.com

Source: Invest In Assets @InvestInAssets

#food-for-thought

#investing #timing

Remember: timing the market versus time in the market.



Source: Willie Delwiche, CMT, CFA @Tyler_Lovingood

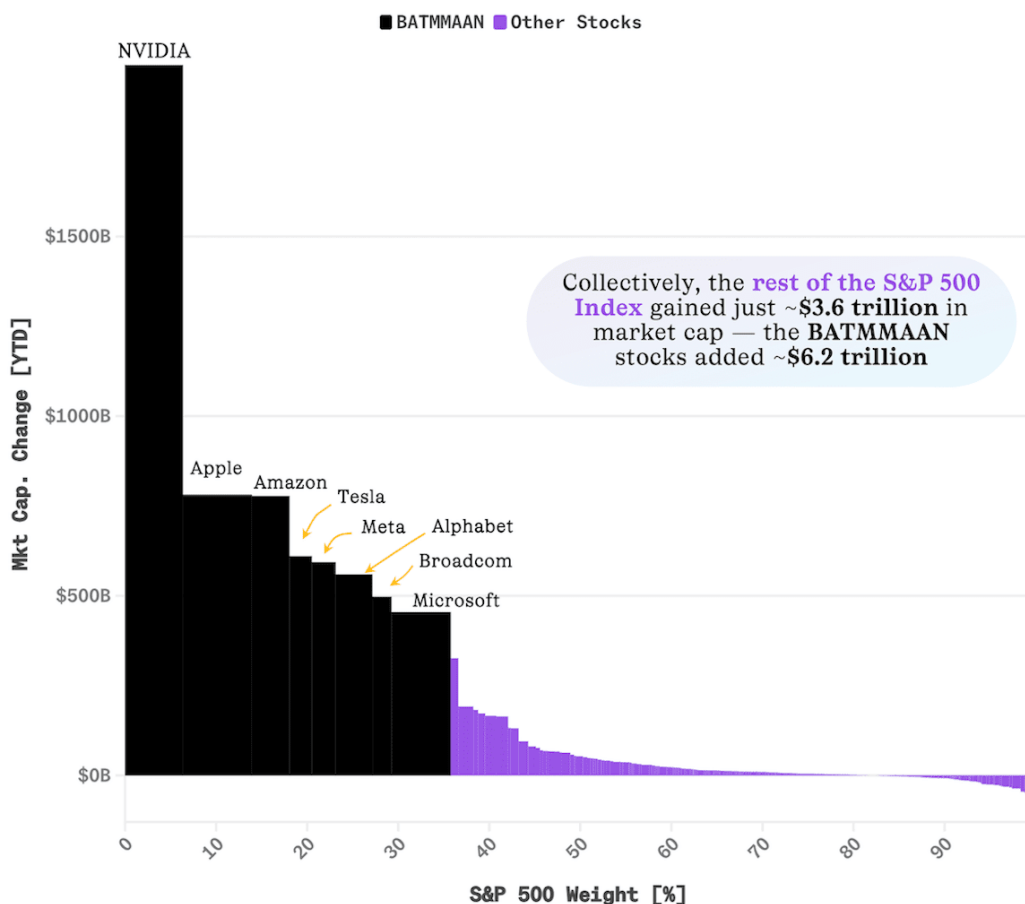
#food-for-thought

#batmaan #stocks

BATMMAAN (Broadcom, Amazon, Tesla, Microsoft, Meta, Apple, Alphabet, Netflix) stocks have collectively gained \$6.2 trillion in market cap this year, representing 12% of the S&P 500's revenue, 26% of its profit, and 34% of its weighting.

BATMMAAN Stocks Have Driven The Market This Year

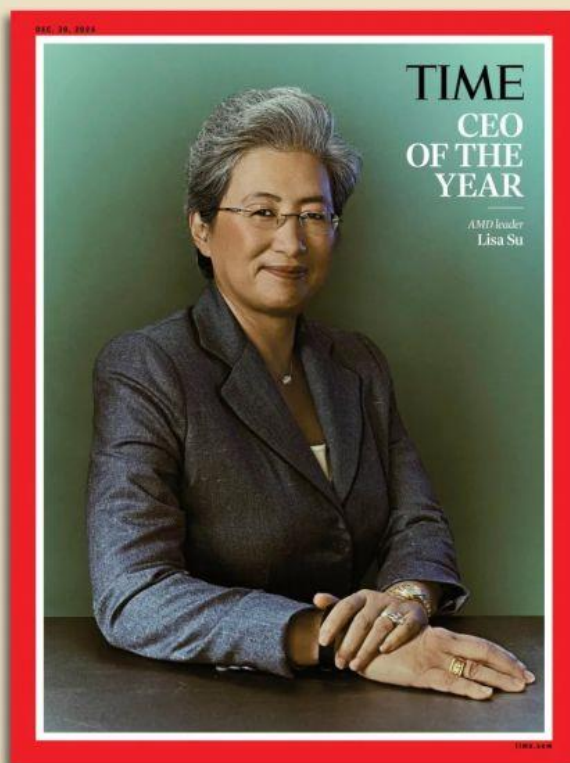
Market Cap Gained YTD [\$B] & S&P 500 Current Weight [%]



#food-for-thought

#amd #lisa-su #performance

On December 10th, Lisa Su was named CEO of the year. Today, \$AMD made a new low for 2024 ▼

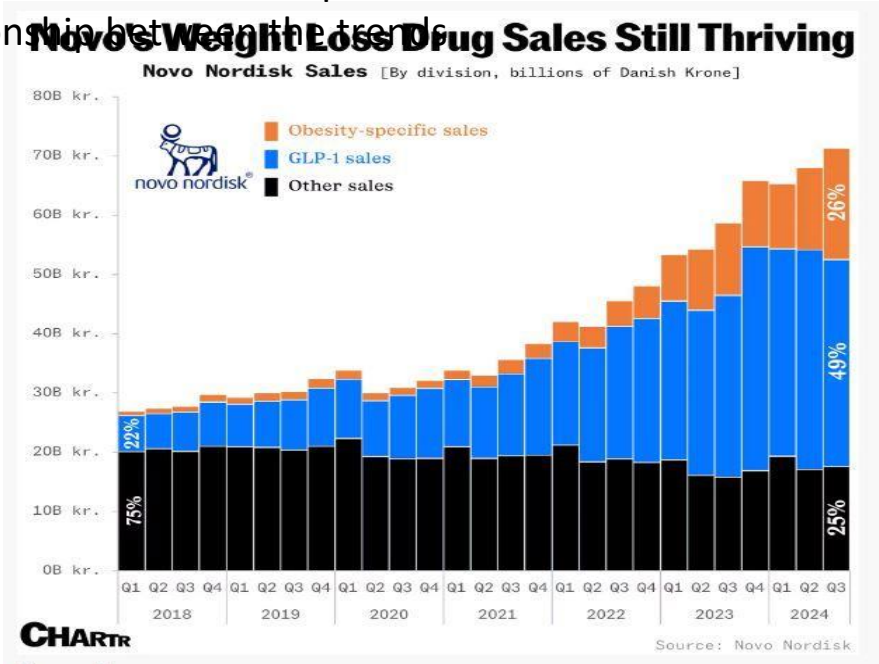


Source: Stocktwits

#food-for-thought

#us #adult-obesity

U.S. Adult Obesity Rate Fell in 2023, as Use of GLP-1 Meds Rose. The U.S. obesity rate declined for the first time in a decade last year, coinciding with the rise of GLP-1 weight-loss meds, a new study finds. Data on almost 17 million adults nationwide showed the obesity rate -- which has been rising for years -- fell from 46.2% of adults in 2021 to 45.6% in 2023, Harvard University researchers report. Obesity was defined as having a body mass index (BMI) of 30 or above. At the same time, the use of GLP-1 medications like Wegovy and Zepbound has surged, although the researchers said it's not possible to confirm a cause-and-effect relationship between the trends.



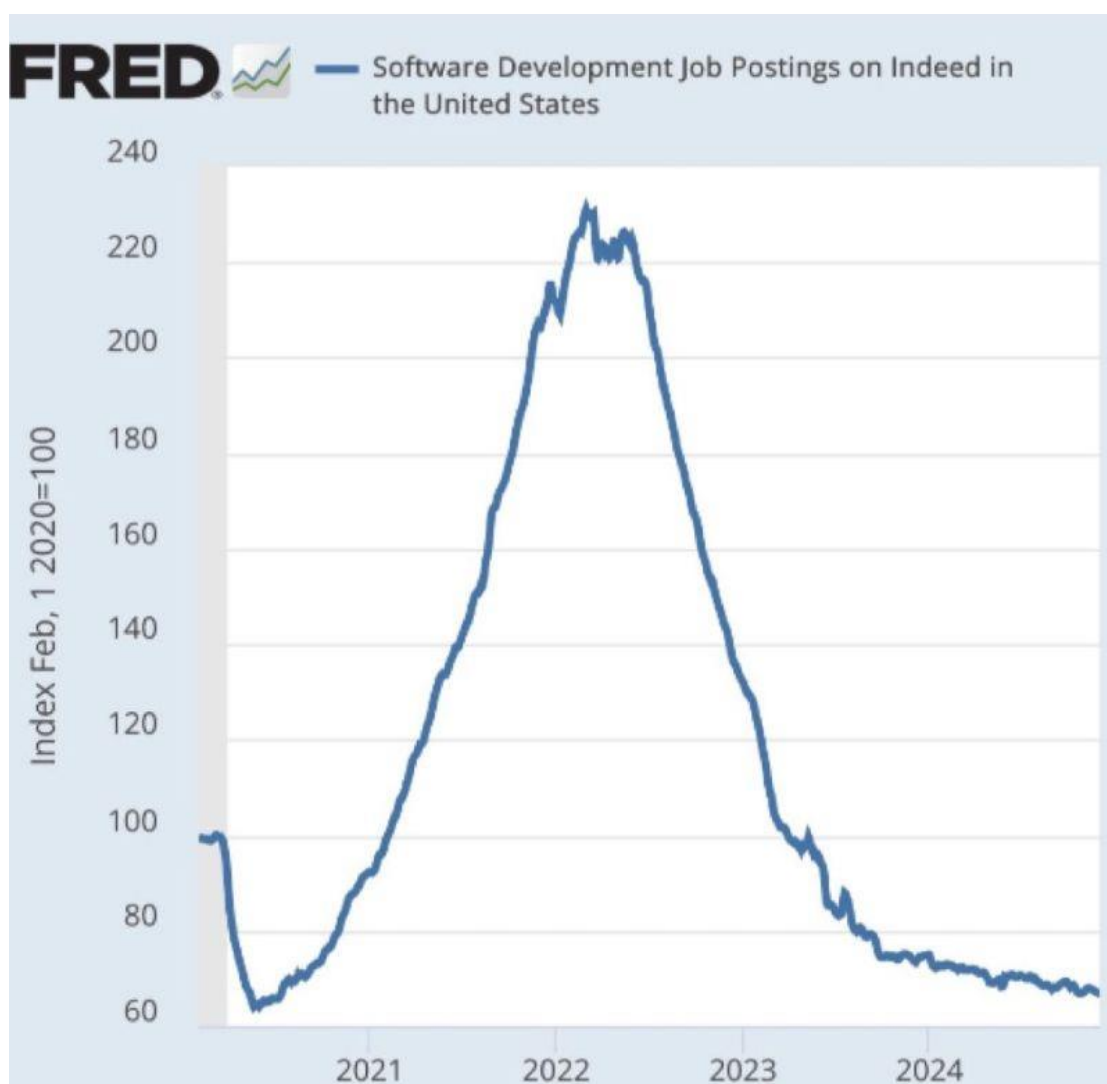
Source: usnews, chartr



#food-for-thought

#ai #software #jobs

AI is eating software.

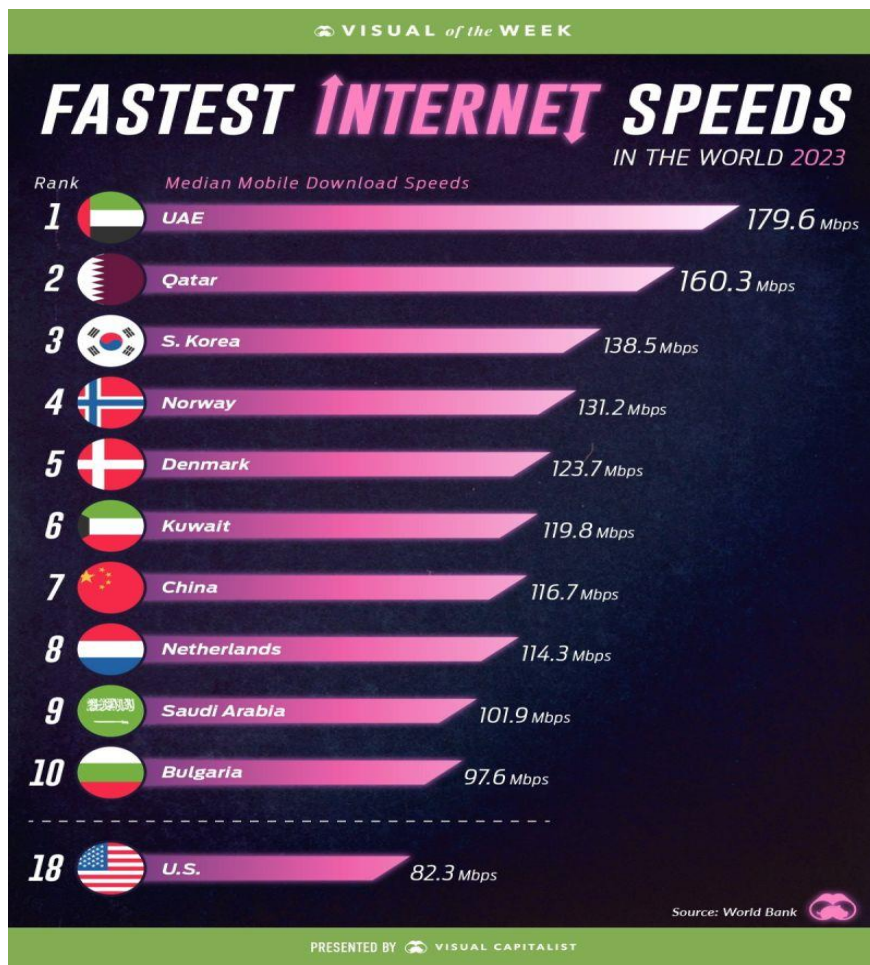


Source: Vala Afshar, FRED

#food-for-thought

#uae #internet-speed

Visual of the Week -> The UAE leads mobile global internet speeds at 179.6 Mbps, followed by Qatar and South Korea. While high-income countries have speeds 5x faster than low-income ones, the U.S. ranks 18th, lagging due to telecom monopolies and high costs



Source: Visual Capitalist

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