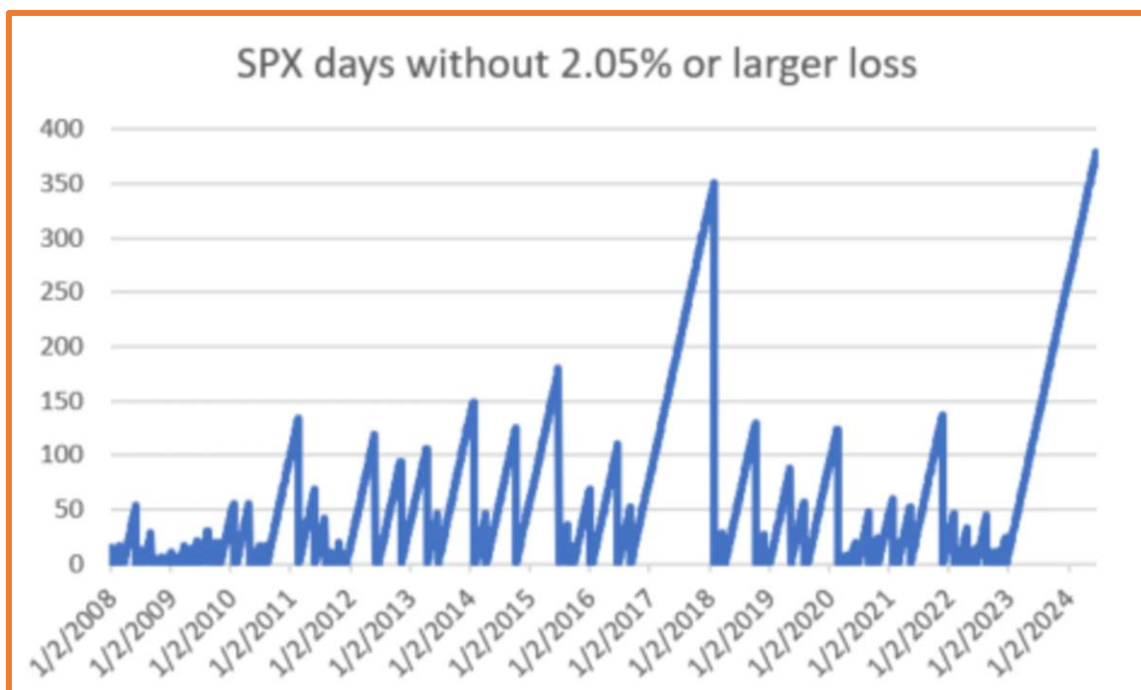


## Chart of the week

### 377 days without a 2+% sell-off for the S&P 500

The S&P 500 has gone 377 days without a 2.05% sell-off. That's the longest stretch for the benchmark since the great financial crisis, according to FactSet data compiled by CNBC. The index hasn't experienced a gain of at least 2.15% in that time either.



Source: CNBC, Factset

---

### Fresh new all-time highs for the S&P 500

US stocks recorded modest gains over the shortened trading week (markets were closed on Wednesday), with the S&P 500 hitting 5,500 intraday for the 1st time ever. The week also saw modest signs of rotation in the market, with value stocks outperforming growth as Nvidia suffered its first down-week in two months. Friday was a so-called triple-witching day, with roughly USD 5.5 trillion in options related to indexes, stocks and ETFs expiring. The start of the week brought some evidence of US economy easing with retail sales signalling less discretionary spending. But data released later in the week suggested that the economy was stronger than indicated by retail sales. Industrial production expanded 0.9% in May, well above expectations and the fastest pace in nearly a year. On Friday, S&P Global composite index rose to 54.6 in June, its best level in over two years. In this context, US Treasuries were volatile but were still able to absorb heavy issuance during the week. In Europe, the STOXX Europe 600 Index ended 0.79% higher, rebounding despite worries about political uncertainty and while private sector business activity unexpectedly slowed in June as services lost momentum and manufacturing contracted more sharply than expected. The Bank of England (BoE) kept rates unchanged, while inflation slowed to target. The Swiss National Bank cut rates again while Norges Bank held rates steady. Crude Oil rallied up to its highest since April, Gold ended the week in the red while Bitcoin fell to \$64,000.

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#markets

### #weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	39,150	1.5%	3.9%
S&P 500 Index	5,465	0.6%	14.6%
NASDAQ	17,689	0.0%	17.8%
MSCI EAFE*	2,328	0.9%	4.1%
10-yr Treasury Yield	4.26%	0.0%	0.4%
Oil (\$/bbl)	\$80.63	3.3%	12.5%
Bonds	\$97.76	-0.2%	0.0%

Source: FactSet, 6/21/2024. 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: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #us #liquidity

There was no support for the markets from the liquidity side this week. US liquidity shrank by \$50bn as bank reserves saw the largest drop since April tax deadline.



Source: Bloomberg, HolgerZ





## #sp500 #us #macro #surprises

US stocks continue to diverge from US macro surprises.



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

# #GLOBALMARKETS WEEKLY WRAP-UP

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## #sp500 #weekly

📈 \$AMZN, \$MSFT, \$GOOG, \$NFLX, \$JPM, \$GILD

📉 \$NVDA, \$AAPL, \$META, \$AVGO \$UNH, \$QCOM

S&P 500 Index: 📉 Market-Cap 💧 7 Calendar Days Change% Customize...

MSFT +2.70%	GOOG +2.64%				AMZN +3.23%				META -1.53%				LLY +0.33%											
	AVGO -1.46%	XOM +0.87%	UNH -2.89%	MA +2.52%	JNJ +2.46%	PG +1.40%	COST +0.57%	MRK +0.67%	HD +3.20%	ABBV +2.42%														
AAPL -2.76%	CVX +1.47%	ADBE +0.64%	ACN +9.81%	PEP +2.57%	DIS +2.32%	LIN +1.20%	TMO -1.42%	WFC +2.01%	MCD +2.59%	ABT +2.24%	TMUS +0.98%	QCOM -2.50%												
	V +1.79%	CSCO +4.33%	CMCSA +2.93%	AXP +4.06%	AMAT +0.53%	UBER -1.05%	NOW +4.71%	NKE +3.52%	TDN +0.80%	PFE -0.09%	GE +6.45%	MS +1.98%	AMGN +3.58%	COP +0.13%	UNP +2.10%									
NVDA -2.83%	ORCL +1.49%	INTC +2.71%	PM -2.08%	NEE 0.00%	RTX +1.02%	LRCX +2.58%	SCHW +1.19%	UPS +1.93%	T +4.78%	ETN -1.35%	BLK +3.09%	PCR +1.67%	BKNG +3.77%	C +0.86%	ELV -0.60%	PLD -2.28%								
	JPM +2.58%	BAC +0.88%	DHR +0.52%	ISRG +3.32%	MDT +0.56%	CB +1.60%	ABNB +2.68%	SBKX -0.06%	ADP +2.06%	TJX +2.76%	MMC +2.73%	CVS +1.07%	BSX -1.82%	MU +0.35%	ADI +0.21%	KLAC +0.18%	PANW +0.16%	MDLZ +0.69%	ANET +1.91%					
	NFLX +4.68%	CAT +1.88%	CS +1.90%	DE -0.05%	VRTX +1.51%	FI +1.84%	MAR +1.84%	MCK +1.90%	PPL -1.09%	PSX +0.30%	USO +2.52%	APH +0.53%	HCA +0.36%	FCX +3.98%	TT +0.99%	ORLY +8.73%	ADN +0.73%	ECL +1.47%	EMR +0.97%	PCAR -0.24%	CTAS +3.40%	PNC +2.13%		
	TSLA -1.53%	VZ +1.94%	SPG +0.94%	AMT -0.02%	PH -1.71%	MINST +1.28%	WELL +1.26%	AZO +6.74%	SPG -3.12%	AFL +3.45%	COR +2.23%	URI +3.94%	OKE +1.80%	ADSK +7.91%	ALL +1.23%									
	WMT +1.95%	CRM +6.75%	INTU +5.64%	HON +3.73%	CI +2.11%	SHW +1.11%	WM +1.85%	ROP +2.52%	FINTECH -3.09%	RHC +1.15%	PRU -0.56%	CARR +1.15%	AME -0.76%	AME -0.41%										

Source: Trend Spider





## #nvidia #weekly #pullback

Nvidia suffered its first down-week in two months...



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



# #GLOBALMARKETS WEEKLY WRAP-UP

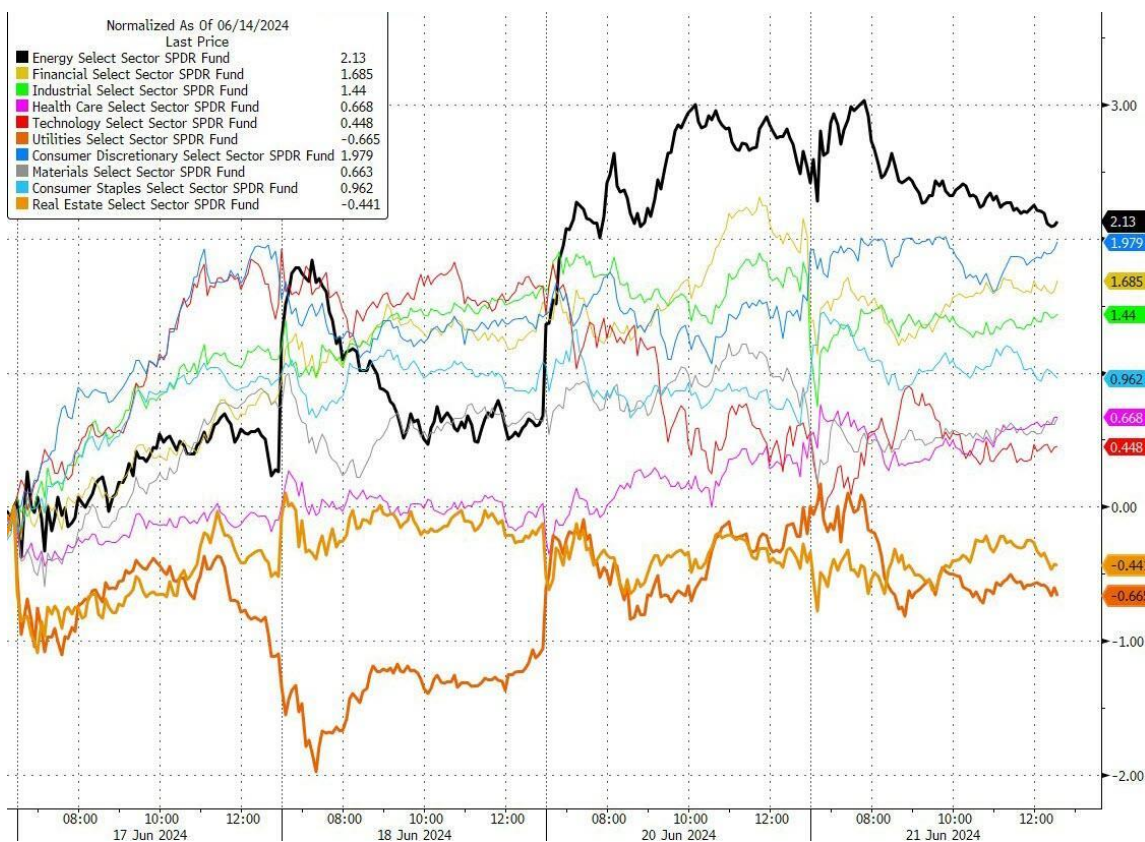
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## #us #equities #sectors #weekly #performance

Utilities and Real Estate were the only sectors to close down on the week as Energy outperformed...



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

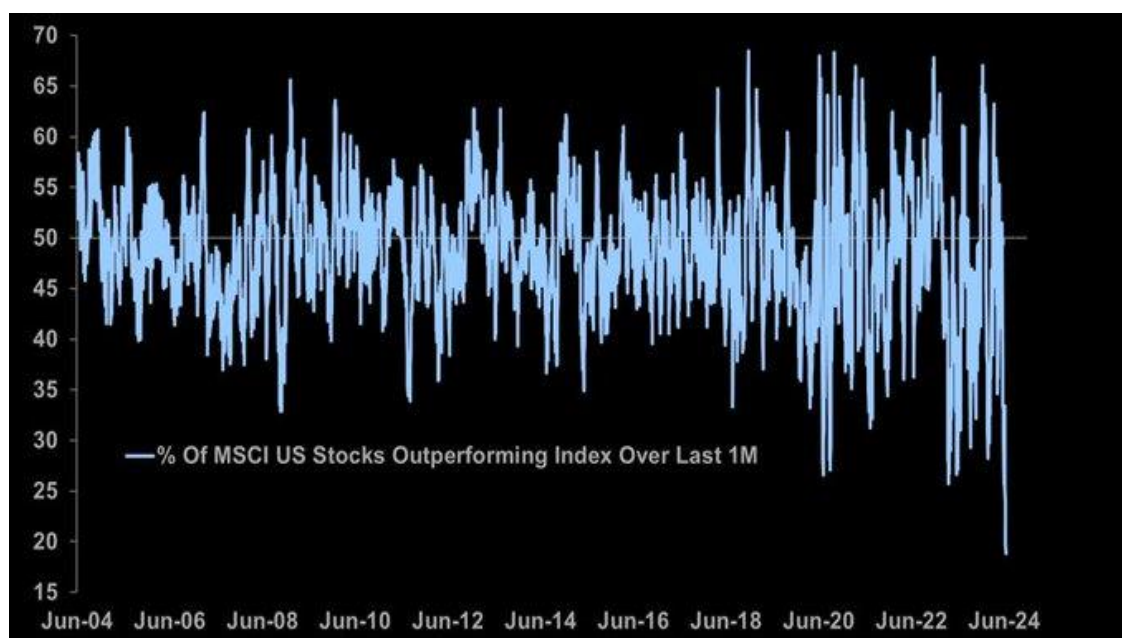




#markets

## #us #equities #breadth

MS: Just 19% of US stocks have managed to outperform the wider market in the last month, the worst breadth in at least 20 years



Source: Morgan Stanley



## #ap500 #move-index

A MAJOR bullish signal has just flashed. When the MOVE index drops, markets rally

### S&P 500 and MOVE Index



S&P 500 Index and MOVE Index



Dates: 2000 Through 2nd June 2024.  
Source: Bloomberg L.P., Tradingview, Game of Trades.  
Data for MOVE Index begins from 11th November 2002.

Source: Game of Trades



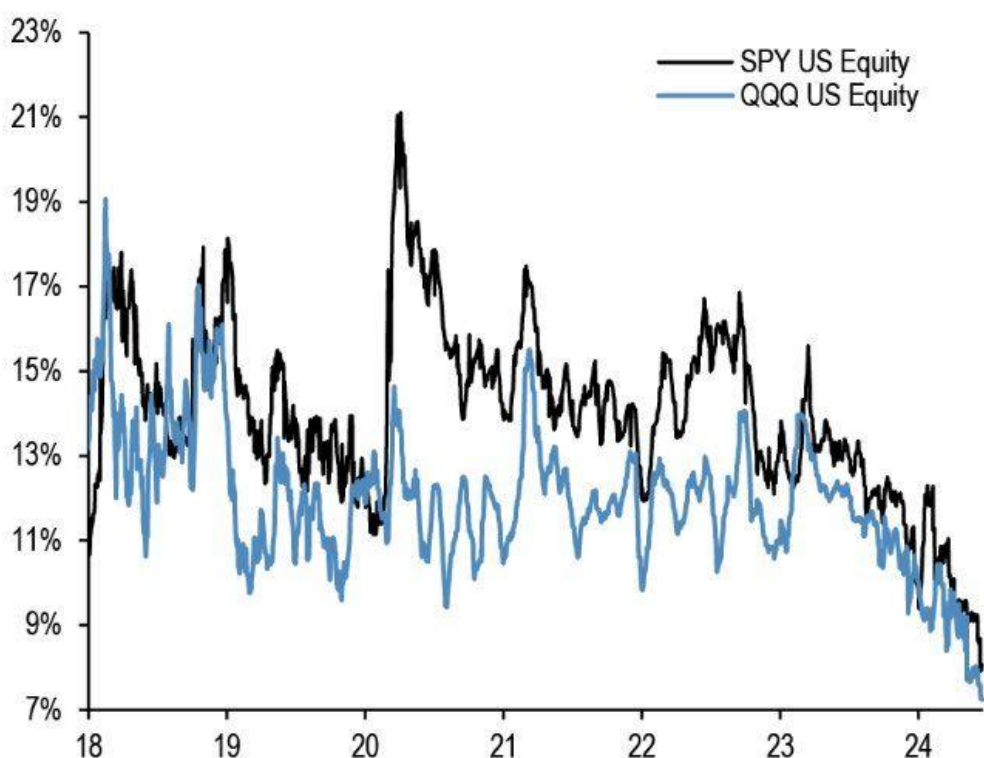


## #sp500 #nasdaq #short-interest

Short interest on the \$SPY SPDR S&P 500 ETF and \$QQQ Powershares Nasdaq 100 ETF as a % of shares outstanding is at record low levels.

Figure 1: Short interest on the SPY and QQQ US ETF

Short Interest as a % share of share outstanding. Last obs is for 18th June 2024.



Source: JP Morgan

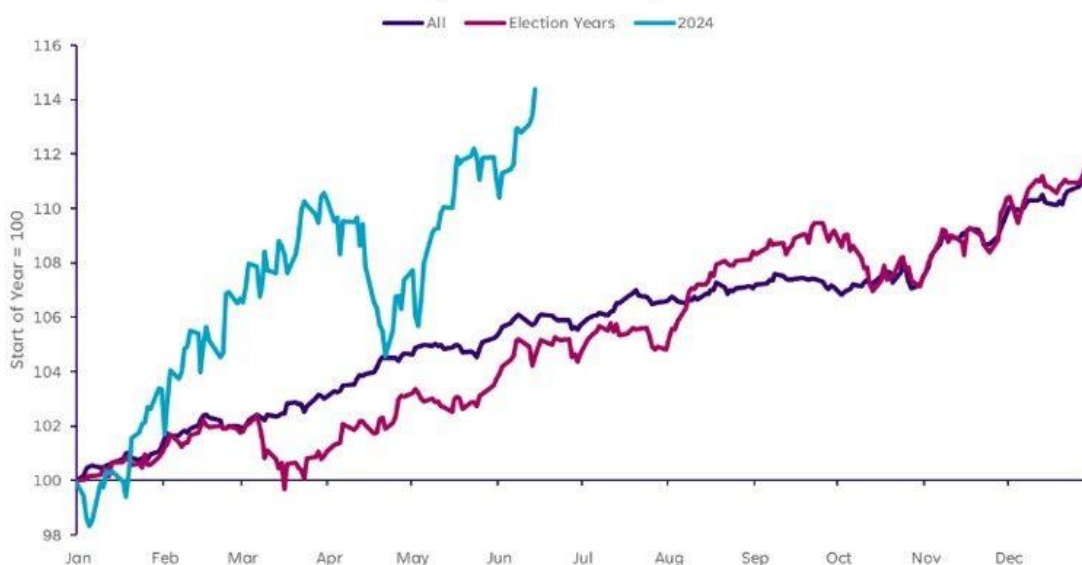




## #equities #returns #elections

2024 looking a LOT different than previous election years. Will we see a return to the mean?

### Stock Returns are Bucking the Historical Trend (1964-Present)



Source: SoFi, Bloomberg, Kenneth R. French. Data as of June 12, 2024.

Source: Trend Spider



## #us-world #equities #returns

US vs. International stocks... 3 standard deviations above the mean...



Source: Charlie Bilello





## #sp500 #tech #equal-weight

Large tech stocks just keep getting bigger: The S&P 500 Equal Weight index relative to the S&P 500 is now at its lowest level since the 2008 Financial Crisis. This ratio has accelerated as the S&P 500 has rallied by 14% year-to-date while the equal-weight by just 5%. The disconnect has been driven by the 5 largest stocks which have seen a 32% gain combined this year. Since January 2023, the S&P 500 is up a massive 41% while the equal-weight index is up just 16%. At the same time, Russell 2000 Equal Weight is nearly flat, up just ~3%.



Source: The Kobeissi Letter, The Daily Shot







## #sp500 #russell

Two Indices, Two Very Different Charts.



Source: bespoke



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## #qqq #volume

QQQ is surging with shrinking trading volumes...



Source: refinitiv, tme



#markets

## #market-cap #equities

The combined market cap of Microsoft, Nvidia, & Apple is bigger than every stock exchange outside of the US

 NYSE	\$28.4 trillion
 NASDAQ	\$25.4 trillion
 <b>Big 3</b>	<b>\$9.7 trillion</b>
 Euronext	\$7.2 trillion
 JPX	\$6.7 trillion
 SSE	\$6.5 trillion
 NSE	\$4.6 trillion
 SZSE	\$4.1 trillion
 HKEX	\$3.9 trillion
 LSEG	\$3.4 trillion

Source: morningbrew

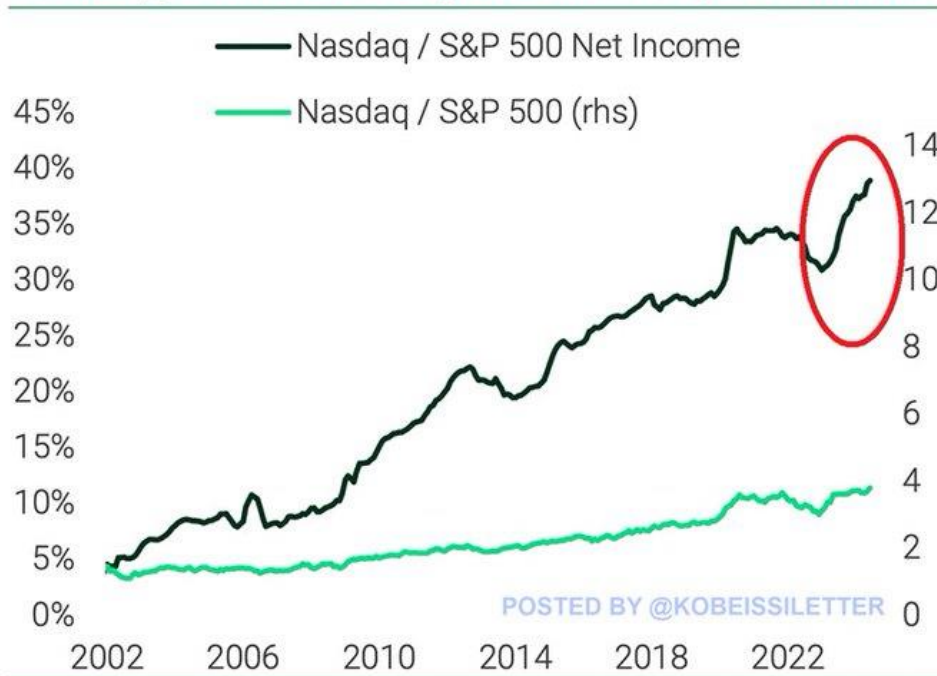


## #big-tech #dominance

Big Tech's dominance is growing: Since 2002, Nasdaq companies' earnings relative to the S&P 500 have increased from 4.5% in 2002 to a record ~40%.

In other words, net income of tech companies has risen significantly faster than the profits of S&P 500 companies. As a result, the Nasdaq is up 816% since 2002 while the S&P 500 is up 378%. Furthermore, tech stocks now account for a record 44% of the S&P 500's market cap.

### Nasdaq profit share outpaced market performance



Sources: Bloomberg, GlobalData TS Lombard.

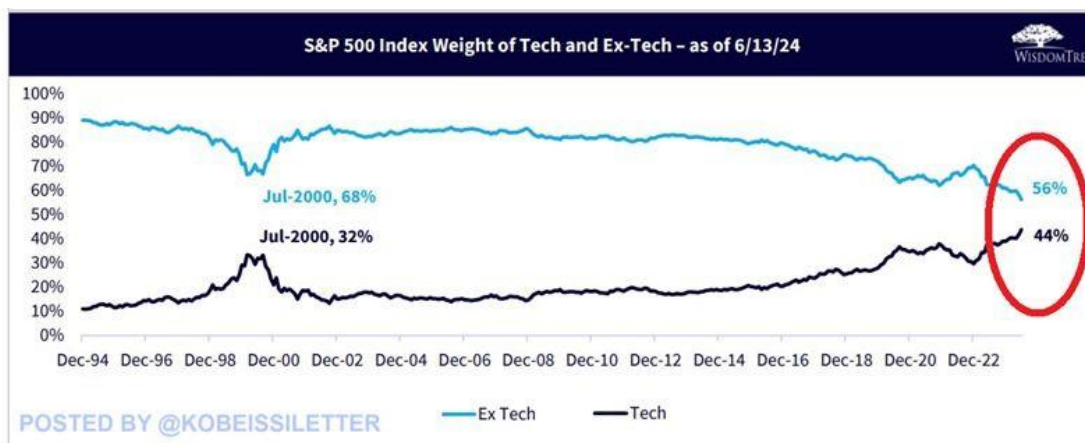


Source: The Kobeissi Letter



## #sp500 #tech #market-cap

The market cap of technology stocks as a percentage of the S&P 500 just hit a record 44%. This percentage is now ~12% higher than after the 2000 Dot-com bubble peak of 32%. Over the last 10 years, this share has more than DOUBLED. Also, since 2014 Nasdaq 100 has added 426% compared to a 182% gain in the S&P 500. Are tech stocks set to account for the majority of the S&P 500?



Source: WisdomTree, FactSet, S&P. You cannot invest directly in an index. Historical forward P/E measured since 12/31/1994. Expanded Tech includes the Information Technology sector, Interactive Home Entertainment subindustry, Interactive Media & Services subindustry, Amazon, E-Bay, Etsy, and Netflix. Ex-Tech excludes the expanded tech companies.

Source: The Kobeissi Letter

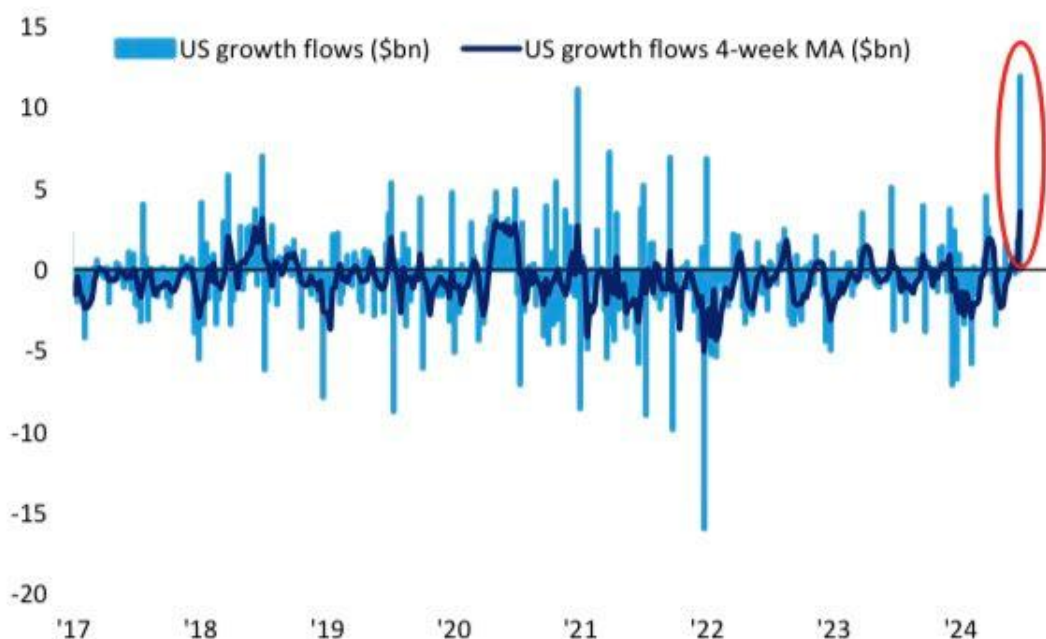


#us #growth #stocks #flows

We have just witnessed the largest weekly inflow EVER to US growth funds.

**Chart 7: Largest weekly inflow ever to US growth funds**

US growth fund flows (weekly & 4-week MA)



Source: BofA Global Investment Strategy, EPFR

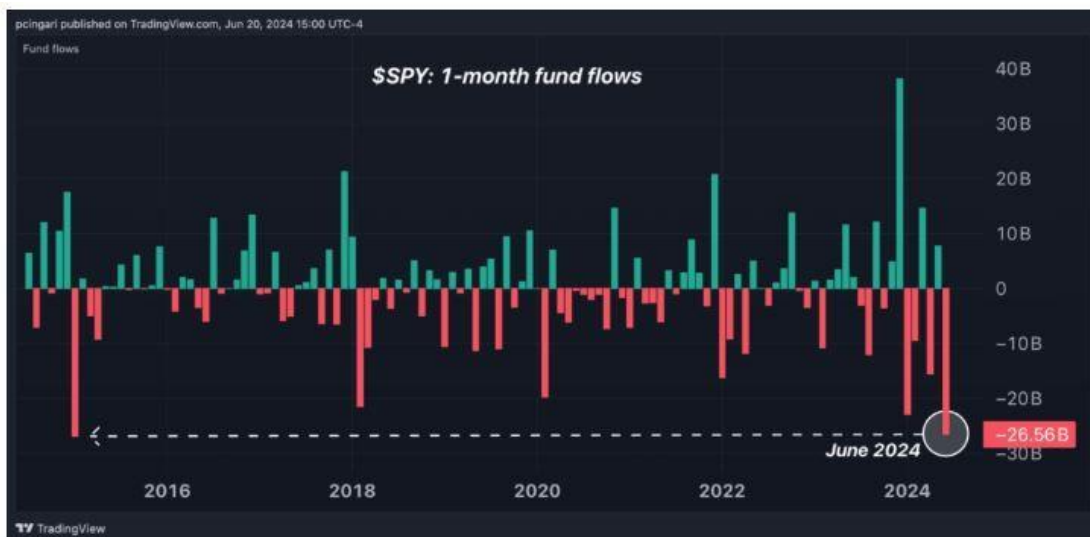
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg





## #sp500 #etf #outflows

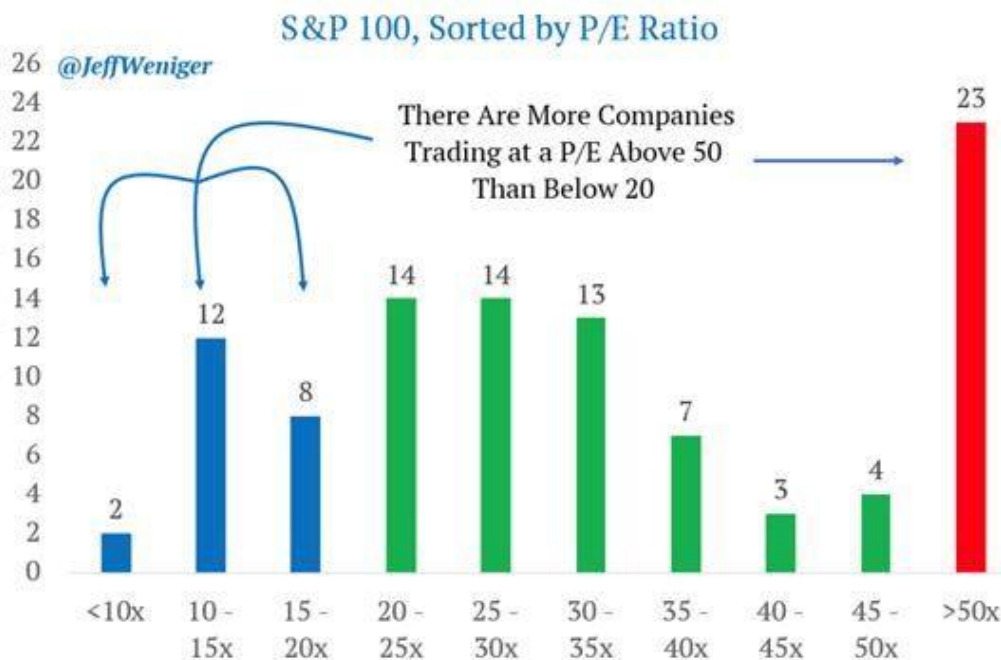
World's Biggest S&P 500 ETF Bleeds Outflows. The SPDR S&P 500 ETF Trust with over \$526 billion in AUM, is undergoing a substantial outflow that could dethrone it as the leading S&P 500 ETF. Year-to-date, outflows have exceeded \$40 billion, while in June 2024 only, the SPY ETF experienced \$26.6 billion in outflows. With few trading days remaining, this could be its second-worst month for outflows, surpassed only by January 2015.





## #sp100 #p/e

These look like trailing P/Es but the visual remains impressive



Source: Refinitiv, as of 6/17/2024, using reported earnings. File #0908

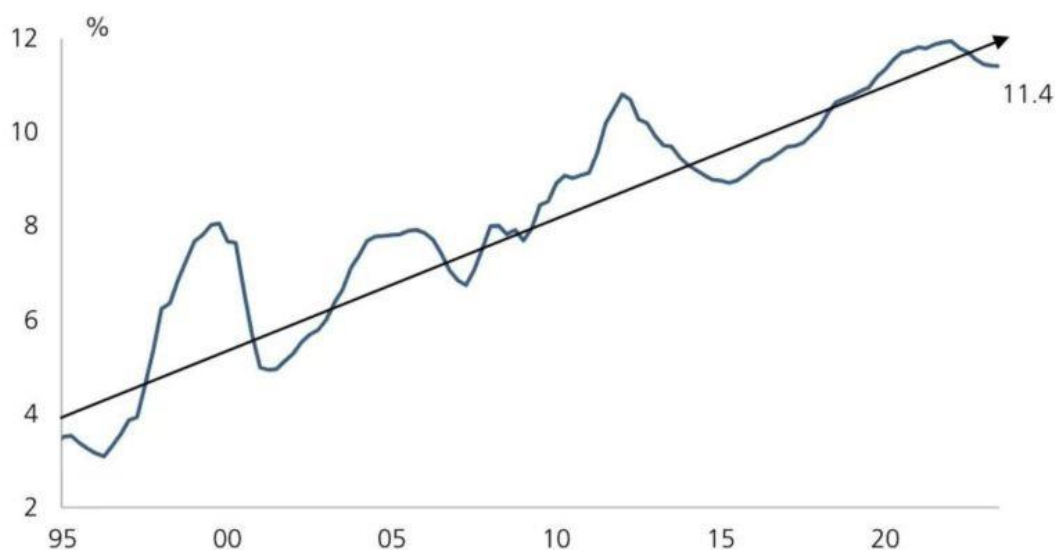
Source: Jeff Weniger



## #free-cash-flow #sales #valuations

UBS notes that Free Cash Flows (FCF) as a % of Sales has grown, which could justify higher equity valuation multiples.

Figure 7: Free Cash Flow as a % of Sales - S&P 500



Source: Standard & Poor's, FactSet, UBS

Note: Trailing 12-months, 4Q Moving Average, excludes Financials and REITs

Source: UBS



## #price-to-sales #equities

For nearly a decade, this group traded in a very narrow price-to-sales range, but it's different this time???



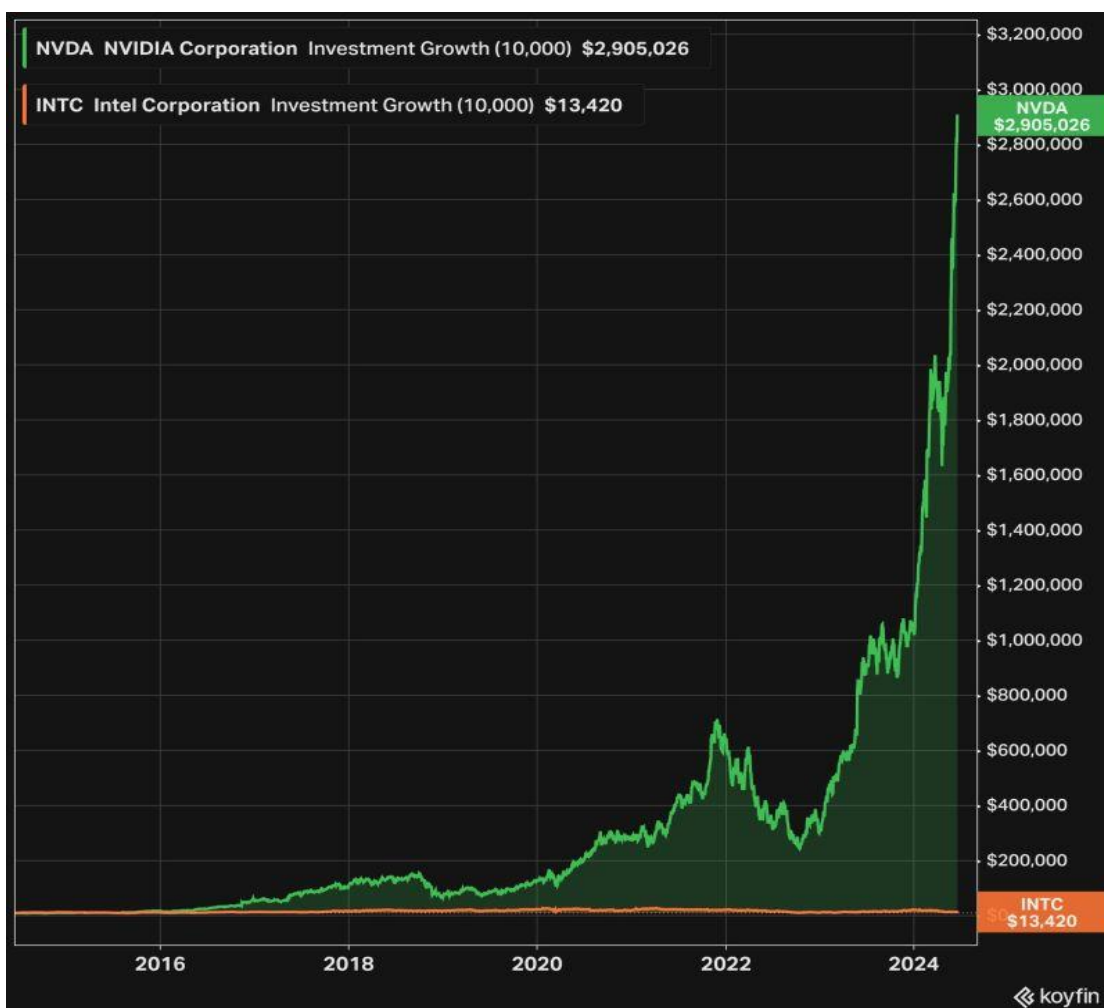
Source: Lawrence McDonald, Bloomberg





## #nvidia #intel #performance

Imagine two neighbours. A decade ago one invested \$10k in Nvidia \$NVDA and the other invested \$10K in Intel \$INTC One would have \$2.9 million today, while the other would have \$13,420. It's likely they'd no longer be neighbours... 🎯



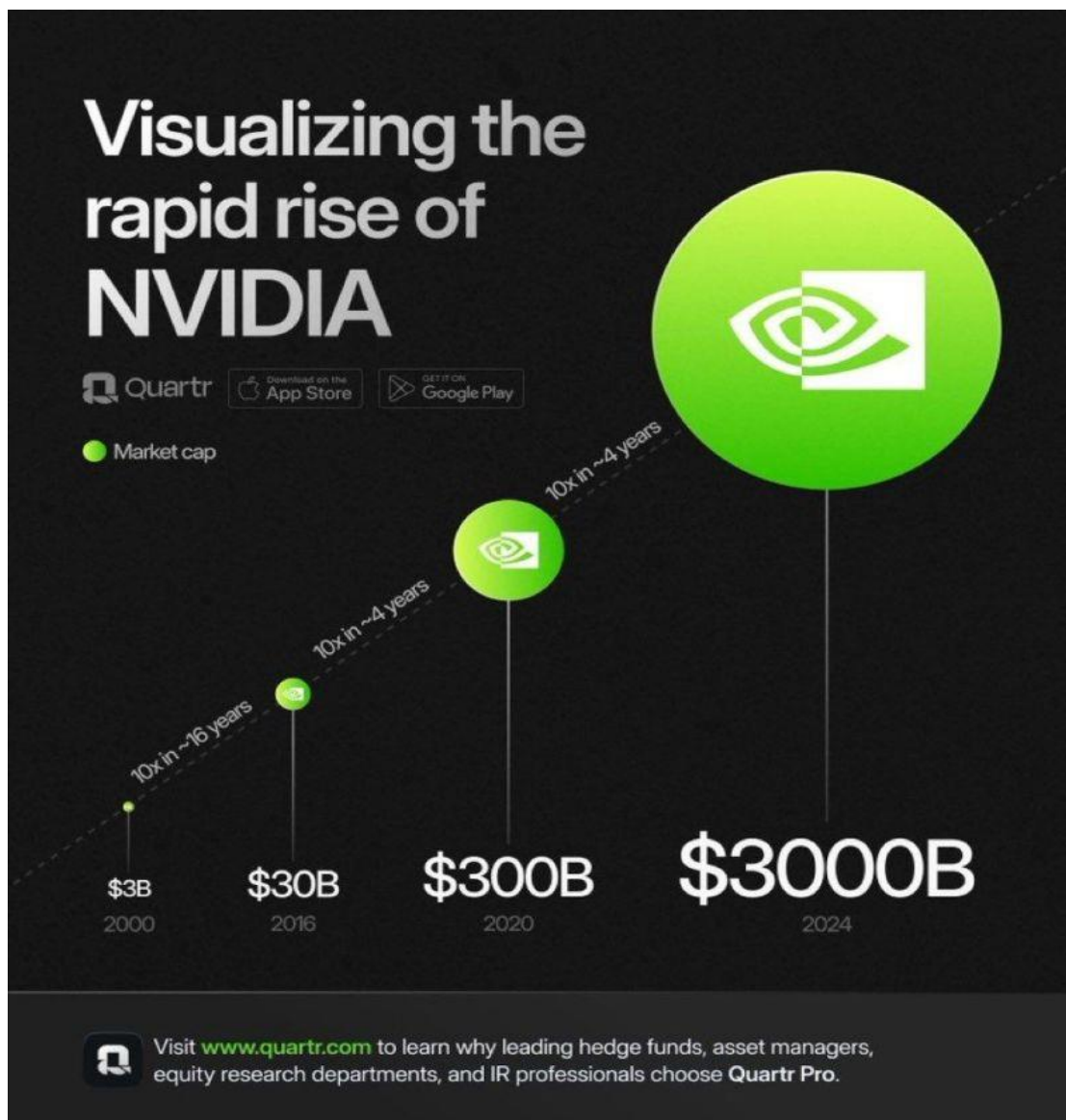
Source: Koyfin



#markets

## #nvidia #growth

\$NVDA, the road to \$3,000,000,000,000



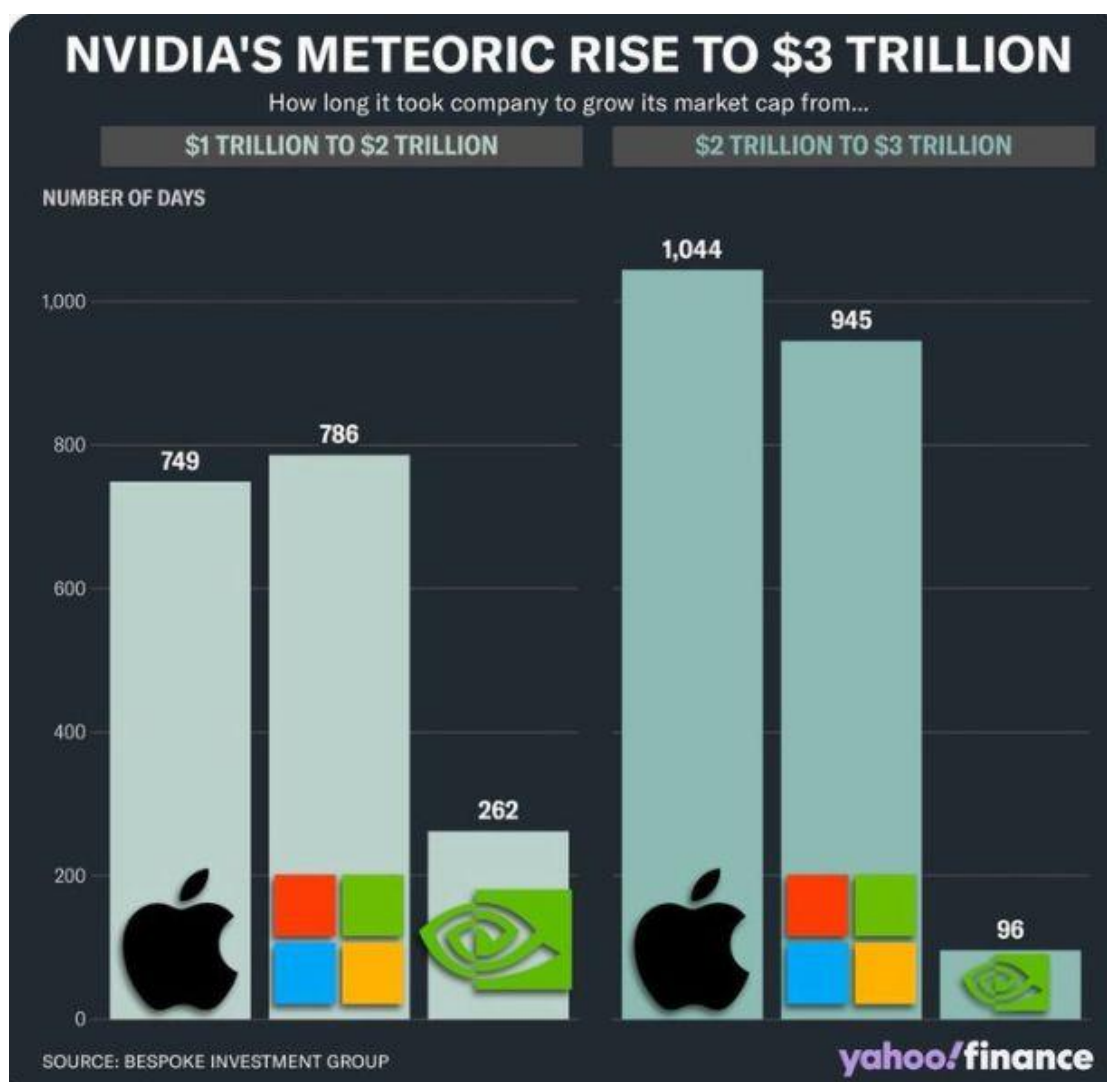
Source: Quartr





## #nvidia #market-cap

It took Nvidia just 358 days to go from being worth \$1 Trillion to passing the \$3 Trillion market cap milestone



Source: yahoo!finance, evan

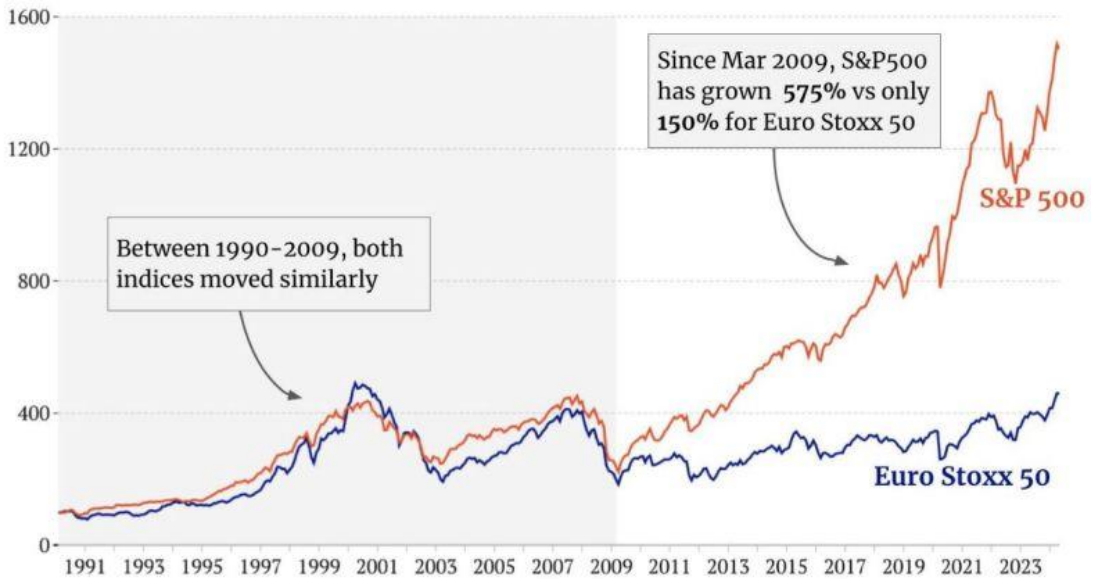


#us #europe #equity #performance

Since March 2009 ....

**Avg. Monthly Equity Performance of S&P 500 vs. Euro Stoxx 50**

Jan 1990 to Apr 2024 | Both indices rebased to 100 in local currency | Not adjusted for inflation



Notes: Euro Stoxx 50 is a benchmark index of 50 top quality stocks from 11 countries in the Eurozone  
Source: European Central Bank Data Portal

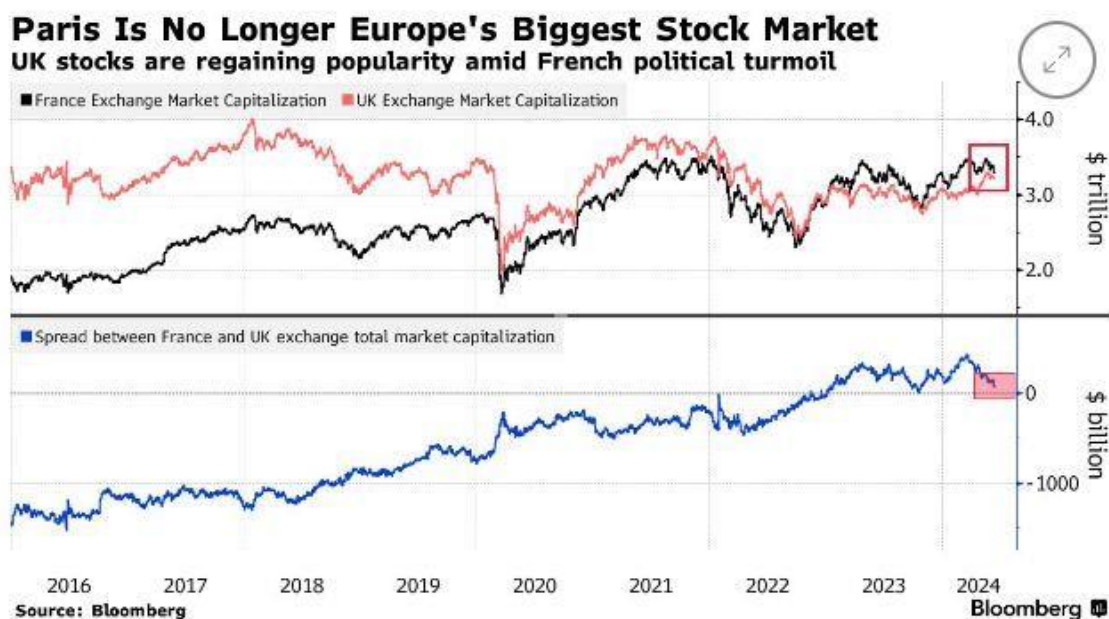
Source: michaelarouet





## #london #paris #stock-market

London has regained its position as Europe's largest stock market. The Euronext stock exchange in Paris. France's political upheaval has led the country to lose its spot as Europe's biggest equity market, less than two years after stealing that crown from the UK.



Source: bloomberg

### #hyundai #india #ipo

Hyundai's India IPO could be the Largest Ever. Hyundai's India IPO could be the largest ever. Hyundai Motor's India unit sought regulatory approval for a stock market listing in Mumbai, which could be the nation's biggest and will see the South Korean parent sell a stake of up to 17.5% in the company. The initial public offering (IPO) will make it the country's first car maker to go public in two decades since Maruti Suzuki in 2003. The Hyundai draft prospectus filed gave no details of the pricing of the IPO or the company's valuation, but sources have said Hyundai aims to raise around \$2.5 to \$3 billion at a valuation of up to \$30 billion.



Source: cnn

#markets

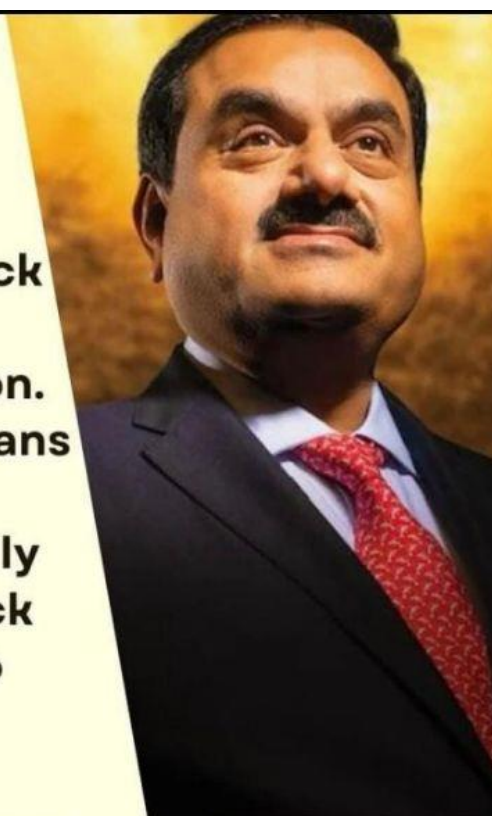
## #india #equities

Gautam Adani is uber-bullish on Indian equities. "There has never been a better time to be Indian"

**Gautam Adani on why it's the best time to be an Indian**



**By 2050, I expect the stock market capitalisation to have exceeded \$40 trillion. What this effectively means is that over the next 26 years, India will potentially add \$36 trillion to its stock market capitalisation. No other nation is remotely close to such a scale of possibility... There has never been a better time to be Indian.**



**Gautam Adani,  
Chairman,  
Adani Group**



BusinessToday.in

Source: Nikhil Oswal





## #japan #norinchukin-bank #bonds

According to Nikkei, Japan's Norinchukin Bank - Japan's 5th largest bank with \$840 billion in assets - will sell more than 10 trillion yen (\$63 billion) of its holdings of U.S. and European government bonds during the year ending March 2025 "as it aims to stem its losses from bets on low-yield foreign bonds, a main cause of its deteriorating balance sheet, and lower the risks associated with holding foreign government bonds."

**FINANCE**

### Japan's Norinchukin Bank to sell \$63bn of U.S. and European bonds

Bank's fiscal 2024 loss expected to reach record-high \$9.5bn



Norinchukin Bank CEO Kazuto Oku said the bank "acknowledged the need to drastically change its portfolio management." (Nikkei montage/Source photos by Akitoshi Sugiura and Keiichiro Sato)

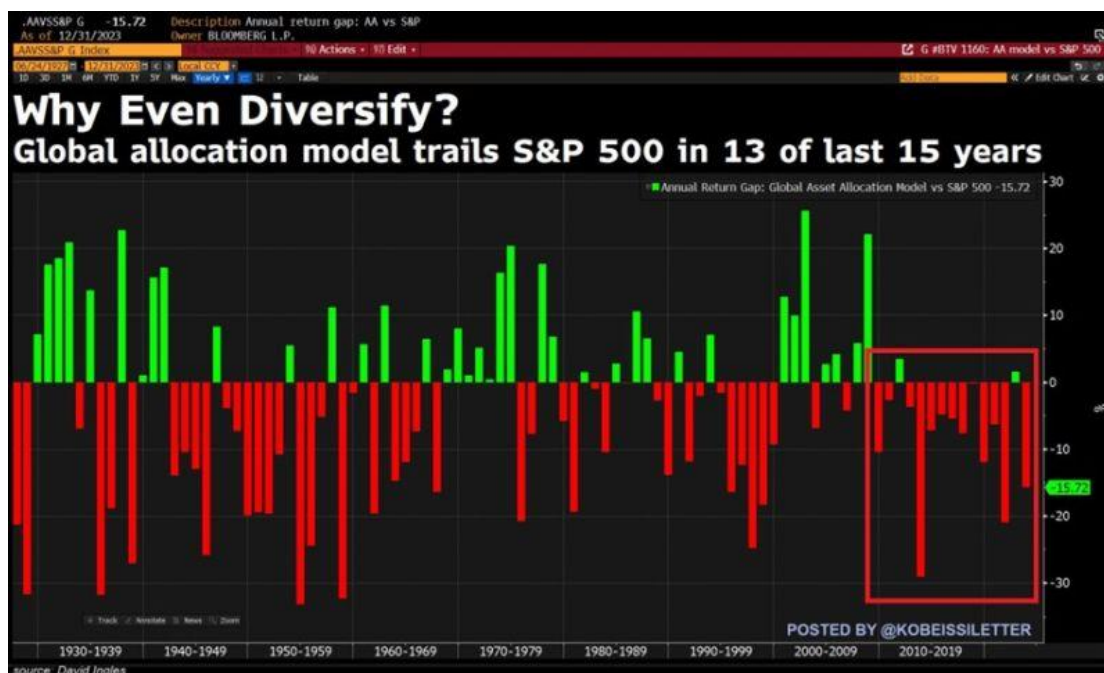
HARUKI KITAGAWA, Nikkei staff writer  
June 18, 2024 20:04 JST





## #diversification #sp500

Is diversification a thing of the past? The SP500 has significantly beaten money managers who diversify investments globally in 13 of the last 15 years. The only 2 years where diversification worked over this period were 2012 and 2023. Such a streak has never happened before. During the 15-year timeframe, the largest outperformance by the S&P 500 occurred in 2015, by nearly 30%. Meanwhile, the S&P 500's return has exceeded global investment assets by 15% year-to-date.



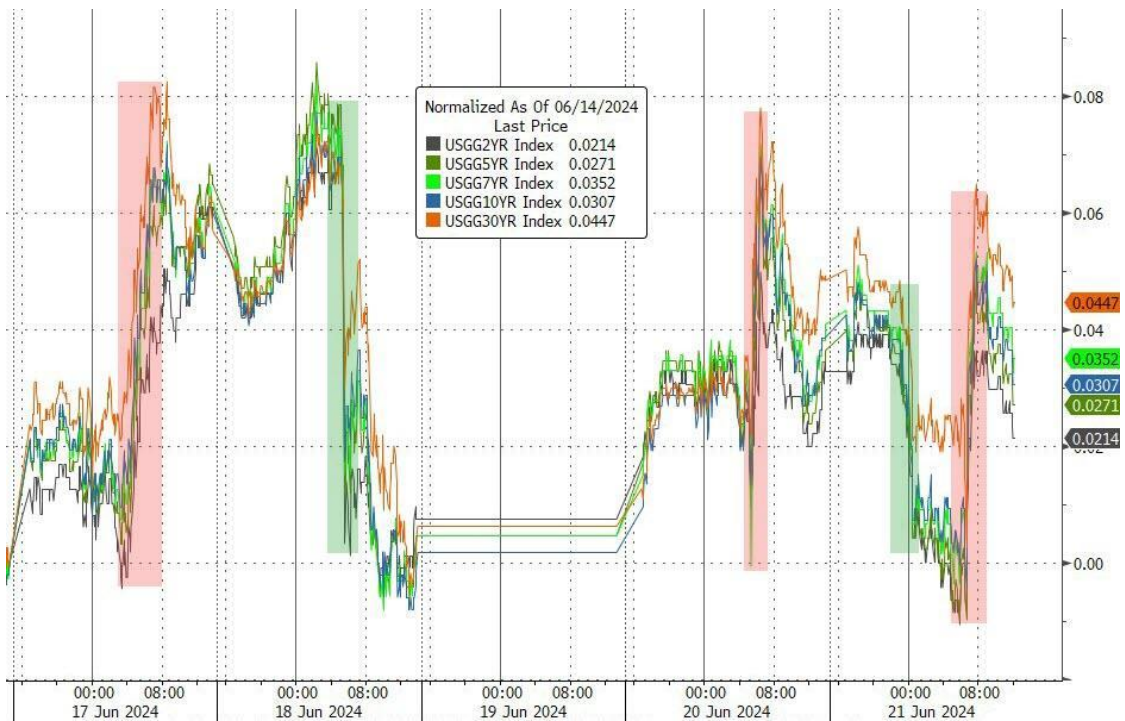
Source: The Kobeissi Letter, Bloomberg





## #us #treasuries #weekly

Looking at how US bond yields traded this week, it's clear we are entering the 'illiquid summer' season as yields snapped and crapped constantly to end the week marginally higher...



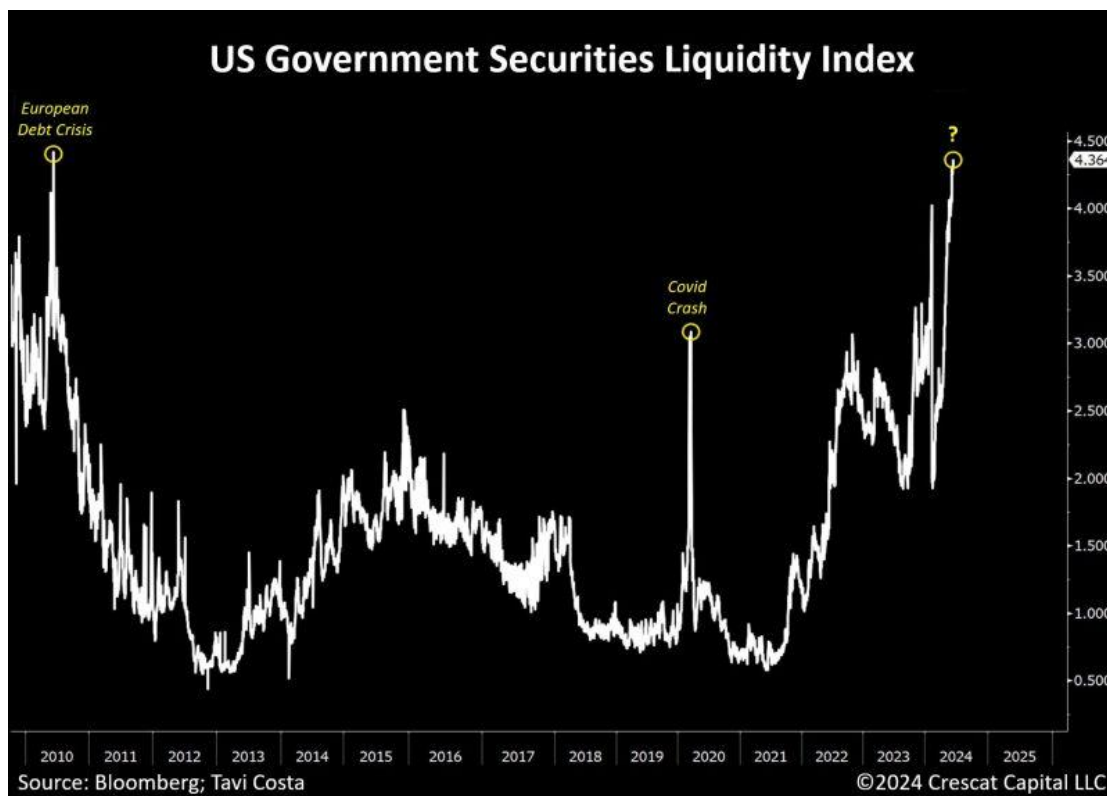
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg





## #us #government-securities #liquidity

The liquidity index for US government securities is deteriorating significantly, now at its worst levels since the European debt crisis in 2011. Notably, it's already more severe than the environment during the Covid crash in 2020. What is even more alarming today is that this is all happening while the US currently has one of the largest interest rate differentials compared to other developed economies in history, yet liquidity appears to be eroding.



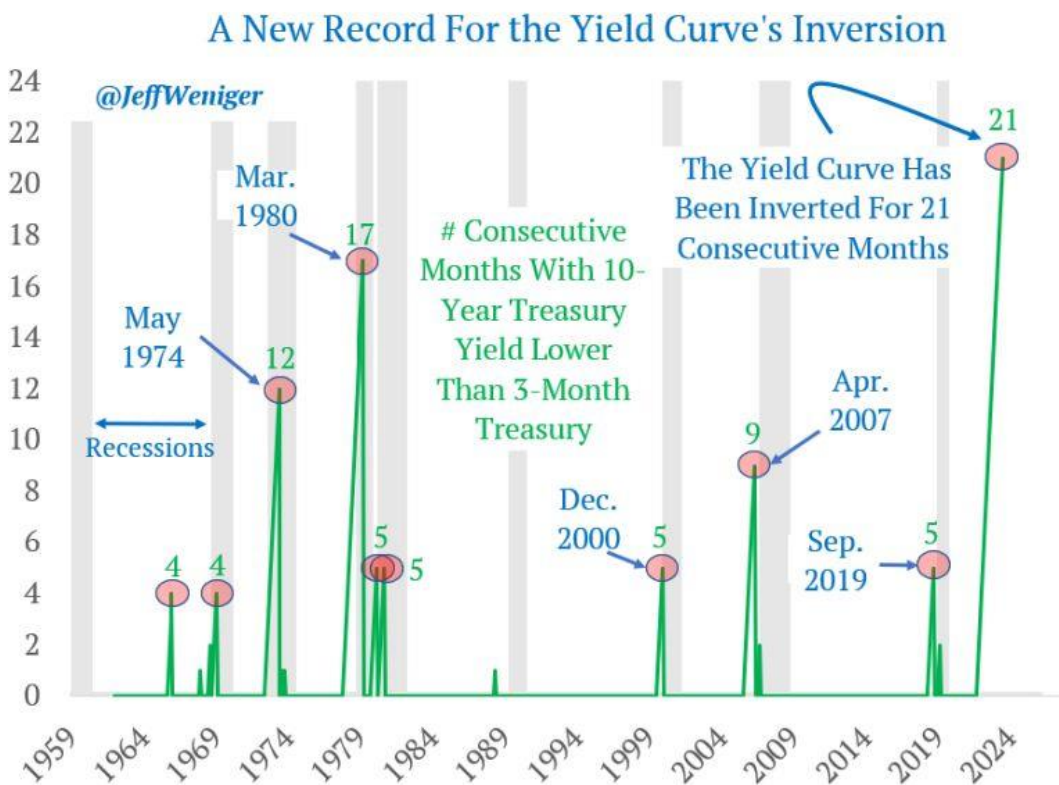
Source: Tavi Costa, Crescat Capital, Bloomberg





## #us #yield-curve

The count on this US yield curve inversion is up to 21 consecutive months, an all-time record. How long this goes, nobody knows.



Source: Refinitiv, as of 6/18/2024. File #0912

Source: Jeff Weniger





## #oat #bund #spread

OAT-Bund spread exploded to its widest since 2012 (the EU Debt Crisis)...



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



# #yen

Japanese Yen on the verge of its lowest close against the U.S. Dollar in 34 years and is now in danger of falling below 160

### U.S. Dollar/Japanese Yen (^USDJPY)

159.268 +0.339 (+0.21%) 09:21 CT [FOREX]

159.263 159.270

INTERACTIVE CHART for Fri, Jun 21st, 2024

Notes My Charts Alerts Watch Help

^USDJPY GO +Study Tools Settings Compare f(x) Grid View Templates Print Clear

Range: 1D 5D 1M 3M 6M 9M 1Y 2Y 3Y 5Y 10Y 20Y MAX Frequency: Daily 2Y Date: tutorial



Source: Barchart





## #yen

Yen in Focus. The yen is back in the limelight, trading around 158.90 per dollar, near the closely watched level of 160 per dollar. Japan's top currency chief Masato Kanda reiterated that the government will take action as needed.



Source: bloomberg



## #india #rupee

**BREAKING 🚨** : Indian Rupee. India's currency has fallen to an all-time low against the U.S. Dollar





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## #gold #weekly

Gold was performing well all week until this morning's hot PMIs which sent the barbarous relic into the red...



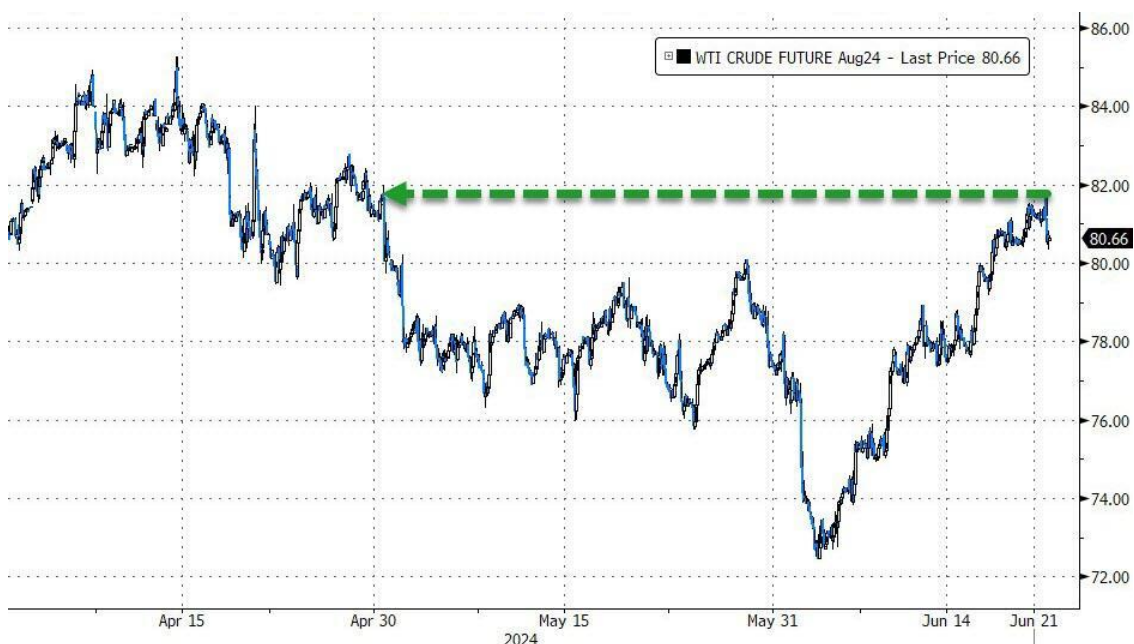
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg





## #oil #weekly

Despite a dip today as contracts rolled, the front-month WTI futures price rallied up to its highest since April this week...



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



## #copper #china

The biggest glut of copper in four years has built up in Chinese warehouses, with one analyst saying the excess metal 'simply cannot be consumed'. Manufacturers are pulling back on buying after a price spike and tepid consumer demand. Stocks of the metal in Shanghai Futures Exchange warehouses have grown to their highest level since 2020 at about 330,000 tonnes this month, according to Bloomberg data. Before then, the last time they hit this level was in 2015. The build-up of copper inventories highlights the fragile state of the country's industrial sector, which reined in demand when the red metal surged to a record high above \$11,000 per tonne last month on a speculative trading frenzy led by the US.



Source: FT, BNP Paribas





## #us #economic-surprise

The Citi US economic surprise index has fallen to about the most negative since 2022



Source: Bloomberg

Source: Daily Shot, Bloomberg





## #us #hard #soft #data

The decline was dominated by 'hard' real data (worst since Sept 2022) while soft survey data improved off nine-year lows.



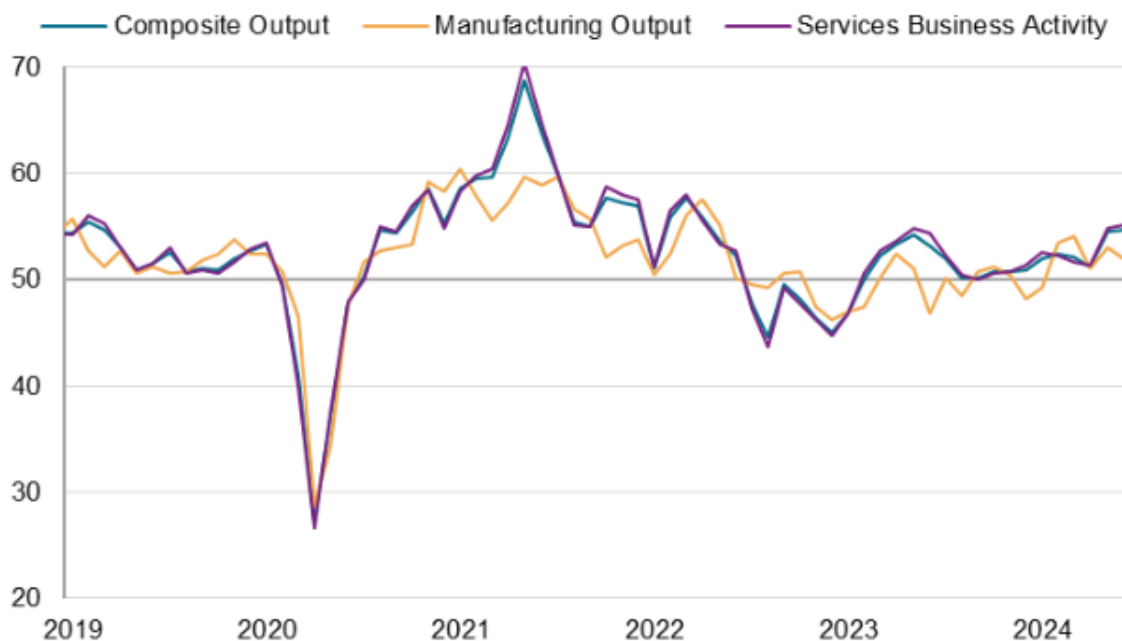


## #us #pmi

US S&P Global Manufacturing PMI June: 51.7 (estimates 51.0; previous 51.3)

- Services PMI: 55.1 (est 54.0; prev 54.8)
- Composite PMI: 54.6 (est 53.5; prev 54.5)

### S&P Global Flash US PMI



Data compiled June 21, 2024. Index, sa, >50 = growth since previous month.  
Source: S&P Global PMI.  
© 2024 S&P Global.



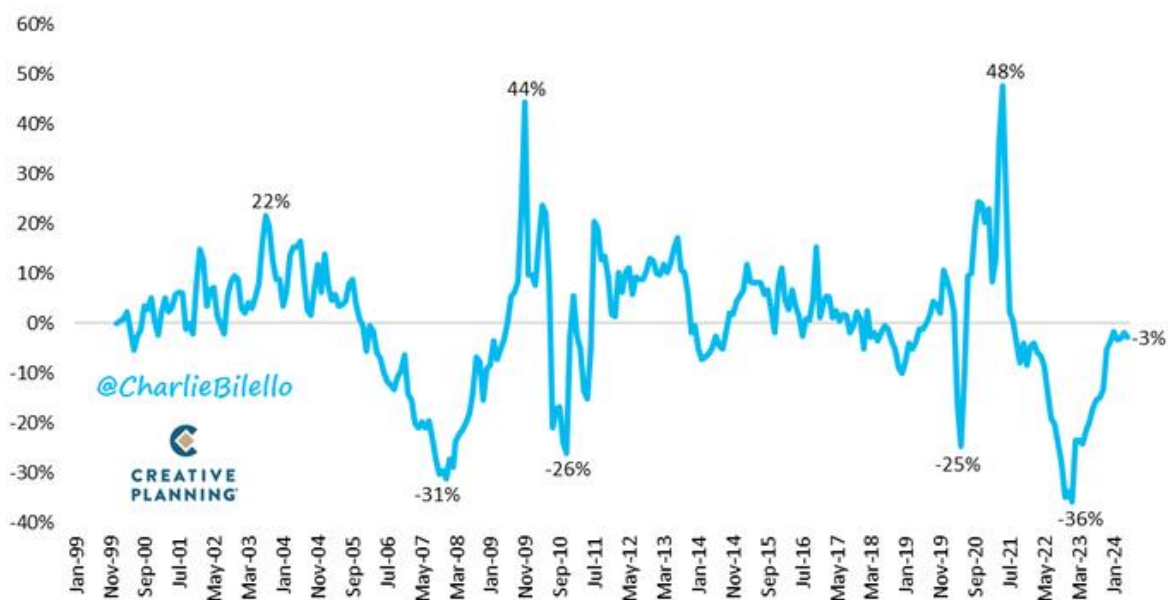
Source: S&P



## #us #home #sales

US Existing Home Sales fell 3% over the last year, the 33rd consecutive YoY decline. That's the longest down streak in activity since 2006-2009.

US Existing Homes Sales (YoY % Change)



Source: Charlie Bilello

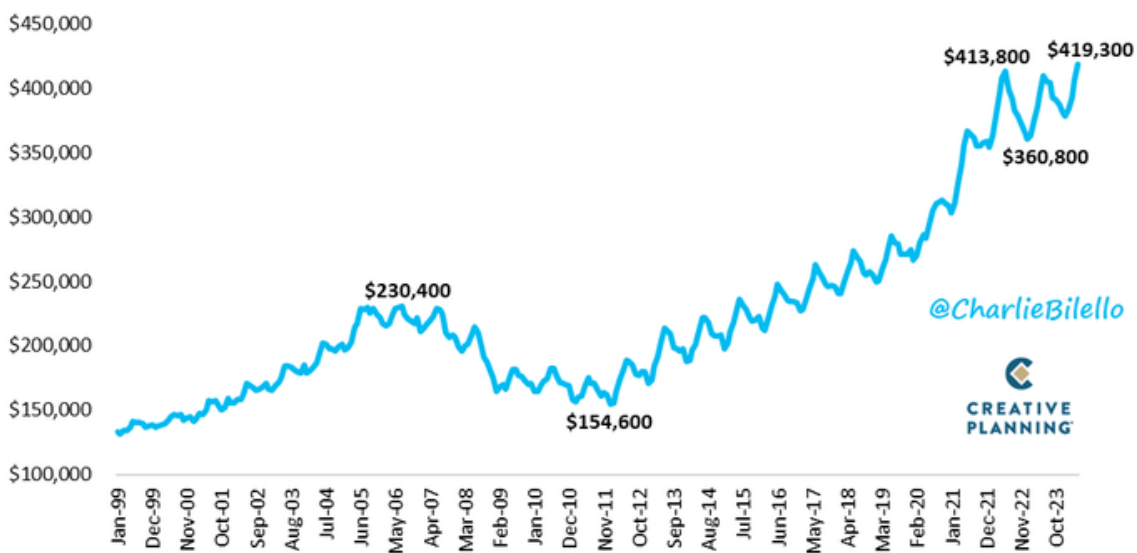




## #us #housing #prices

The median price of an existing home sold in the US rose to new high of \$419k in May, surpassing the previous high from June 2022.

US Existing Homes, Median Sales Price  
(Jan 1999 - May 2024)



Source: Charlie Bilello



## #us #retail-sales

US Retail Sales increased 2% over the last year but after adjusting for higher prices they were down 1.2%.

Both of these numbers came in well below the historical averages of +4.6% nominal and +2.0% real.

The US consumer appears to be pulling back.



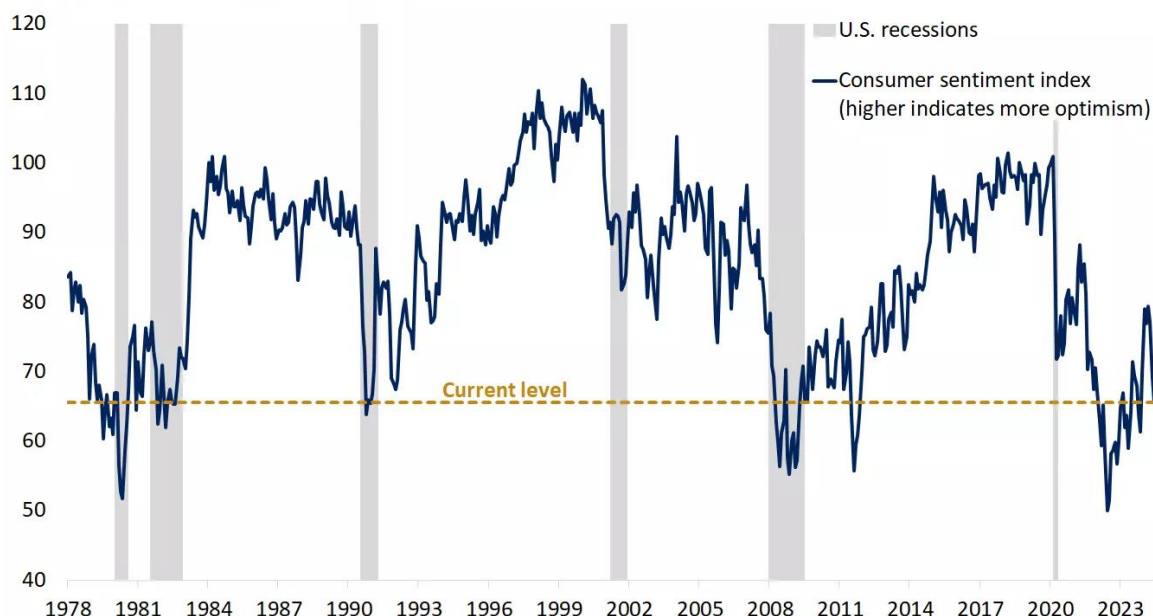


## #us #consumers #sentiment

US consumers are feeling lousy. The University of Michigan Consumer Sentiment Index fell to a seven-month low in June, reflecting a pessimistic view of personal finances and overall business conditions.

### Consumers still don't feel great about the economy

(University of Michigan consumer sentiment)

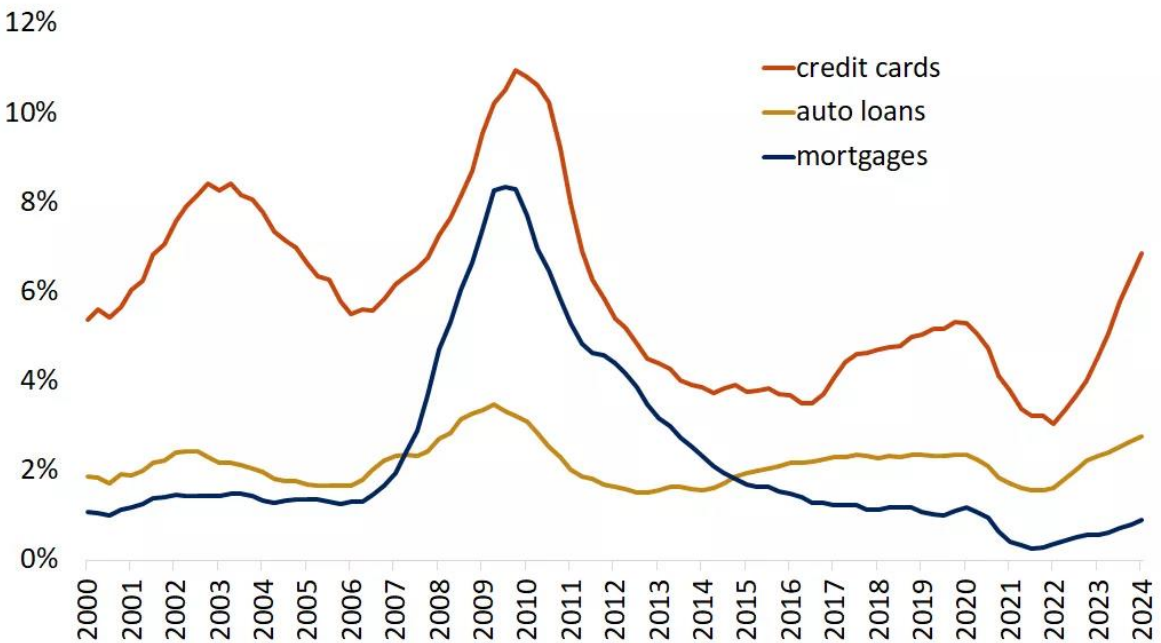




## #us #delinquencies

Serious delinquency rates (more than 90 days delinquent) for credit cards and auto loans are at their highest level in a decade, suggesting that low-income consumers are under increasing pressure. Nonetheless, the lion's share of household debt is home mortgages (72% of total debt), and delinquencies there remain historically low and below the pre-pandemic level.

### Delinquency rates are on the rise, particularly for auto loans and credit cards



Source: Edward Jones

#macro

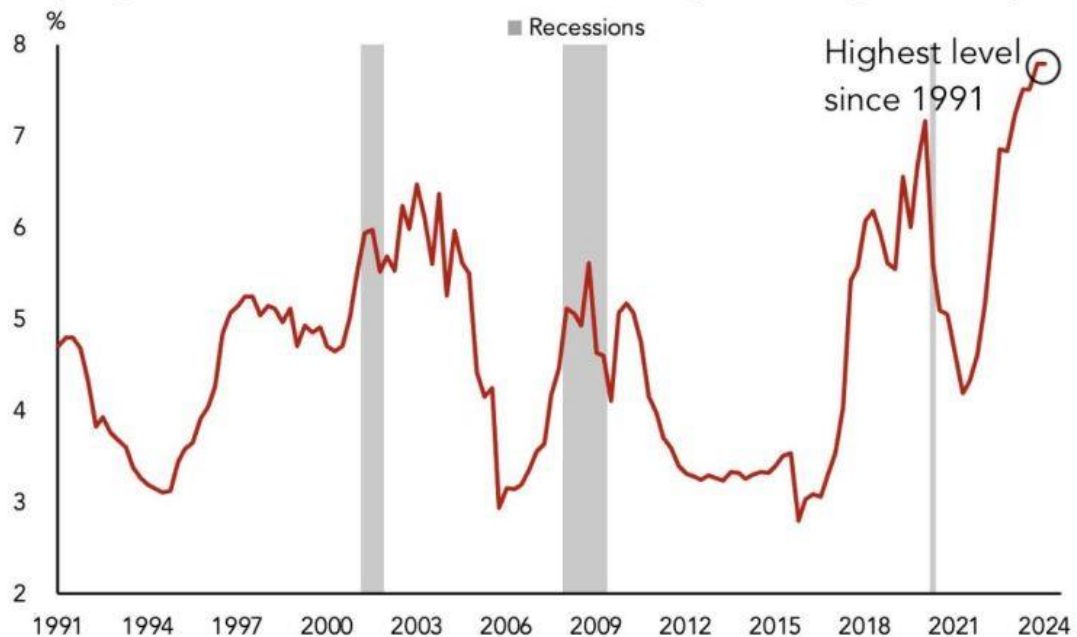
## #credit-card #defaults

Credit card defaults from small lenders have hit RECORD levels. Surpassing the Dot Com bubble & Financial Crisis peaks.

### Credit Card Defaults at Record Levels



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



Dates: 1991 Through Q1 2024.

Source: Bureau of Economic Analysis, National Bureau of Economic Research, Game of Trades.

Source: game of trades



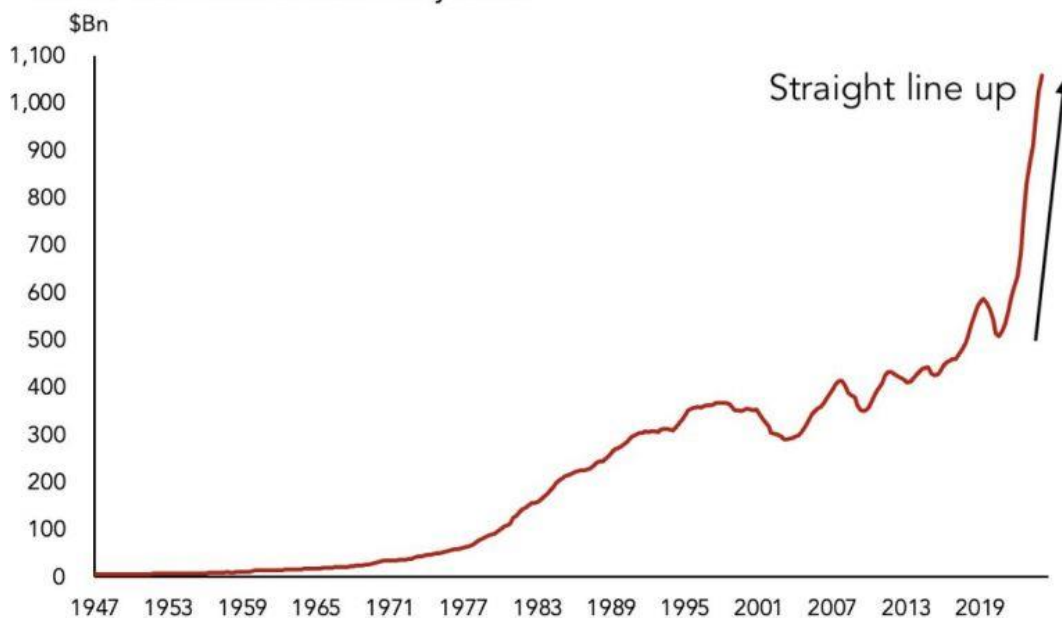


## #us #interest-payments

US government interest payment has now crossed \$1 TRILLION

### Government Interest Expense Crosses \$1 Trillion

Federal Government Interest Payments



Dates: 1947 Through Q1 2024.  
Source: US Bureau of Economic Analysis, Game of Trades.



#macro

### #us #capital-flows

The US has captured one third of all global capital flows since 2020, compared to just 18% before the pandemic.

## How the US Mopped Up a Third of Global Capital Flows Since Covid

- De-dollarization narrative swept aside by overseas investors
- Key question is whether policies shift, upending the dynamic



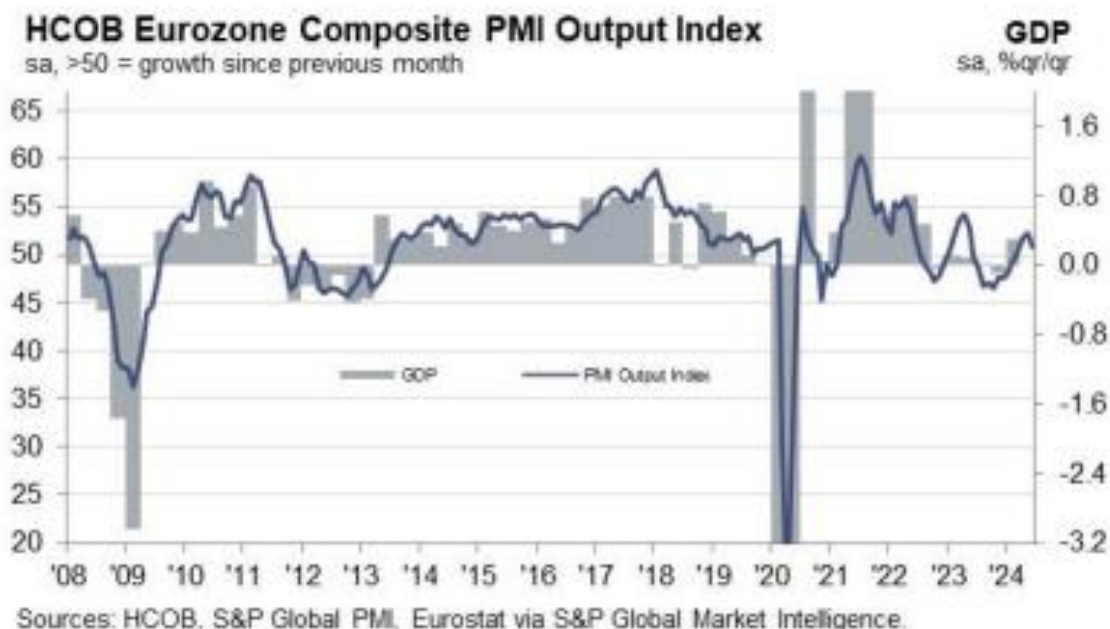
The US economic engine has pulled in an increasing share of global capital. *Photographer: Andrew Harrer/Bloomberg*



#macro

## #eurozone #pmi

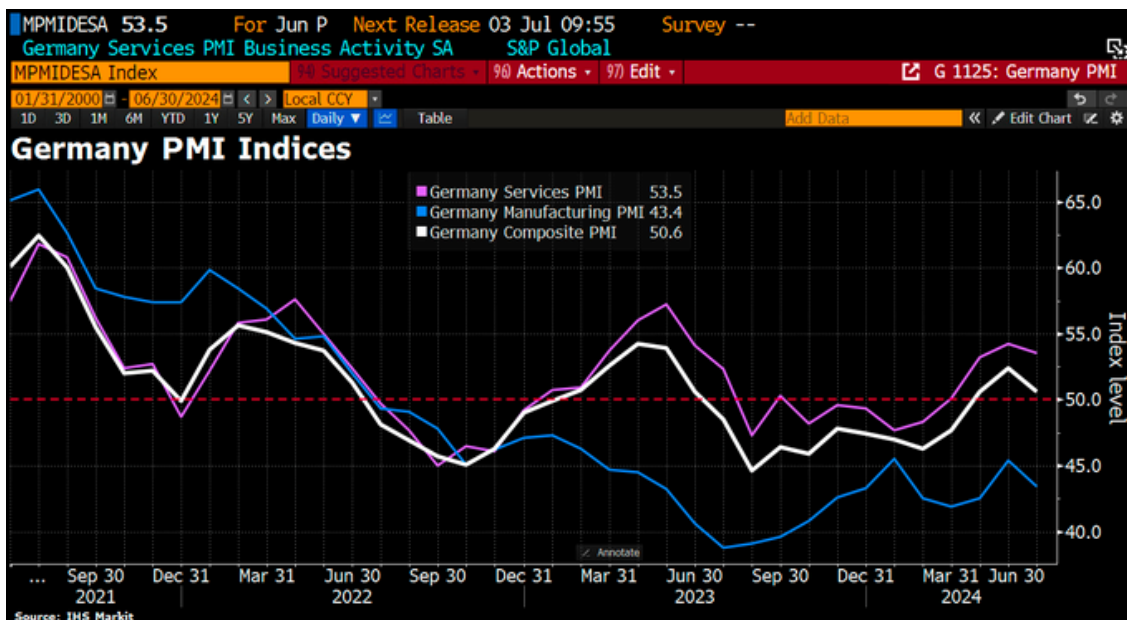
The eurozone recovery lost momentum in June with the HCOB Flash Eurozone Composite PMI Output Index at 50.8 (May: 52.2). The slowdown in growth of business activity followed a renewed drop in new orders.





## #germany #pmi

Economic recovery in Germany lost momentum on French vote risk. Business activity unexpectedly dropped w/manufacturing recorded its worst month since Feb. German June Composite PMI fell to 50.6 vs a rise to 52.7 expected. Manufacturing PMI plunged to 43.4, deeper into contraction territory.



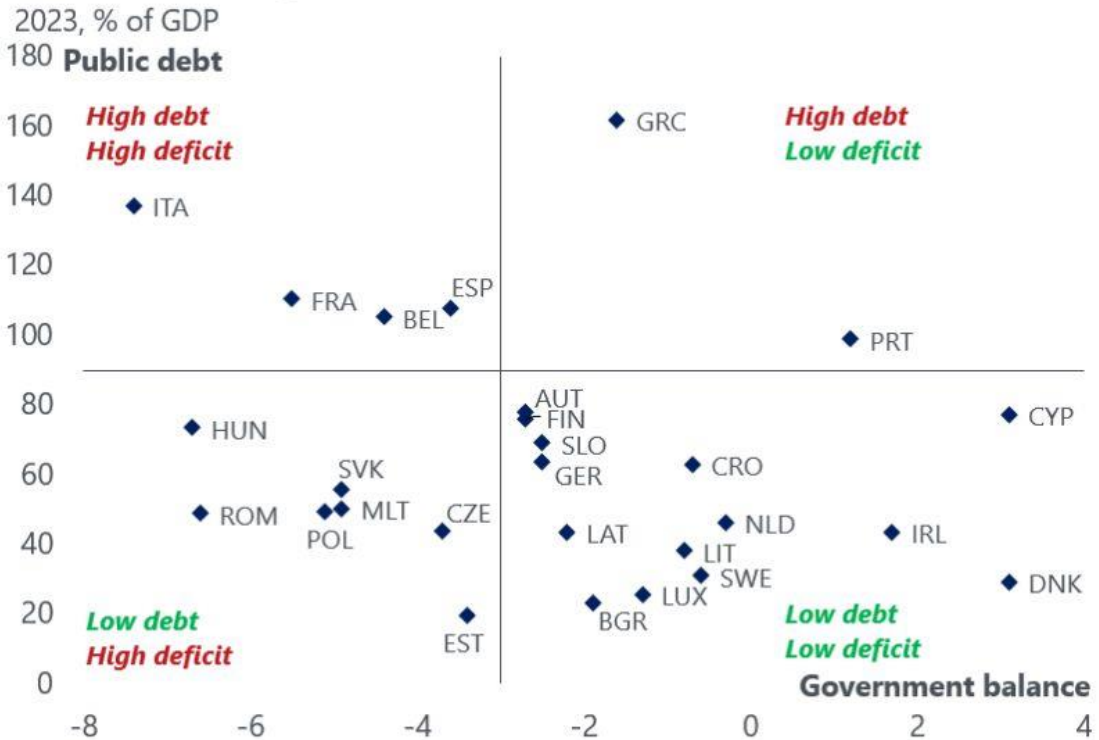
Source: Bloomberg, HolgerZ



## #eu #debt #gdp

Fiscally, Italy, France, Belgium and Spain have the worst of both worlds - high deficits and debts. Hungary, Romania, Poland, Slovakia and Malta have high deficits but relatively low debts. Positively, most EU countries are outside the Excessive Deficit Procedure danger zone, even if some still require to consolidate public finances.

### EU27: General government balance and debt



Source: Oxford Economics/Haver Analytics

Source: Daniel Kral, Oxford Analytics



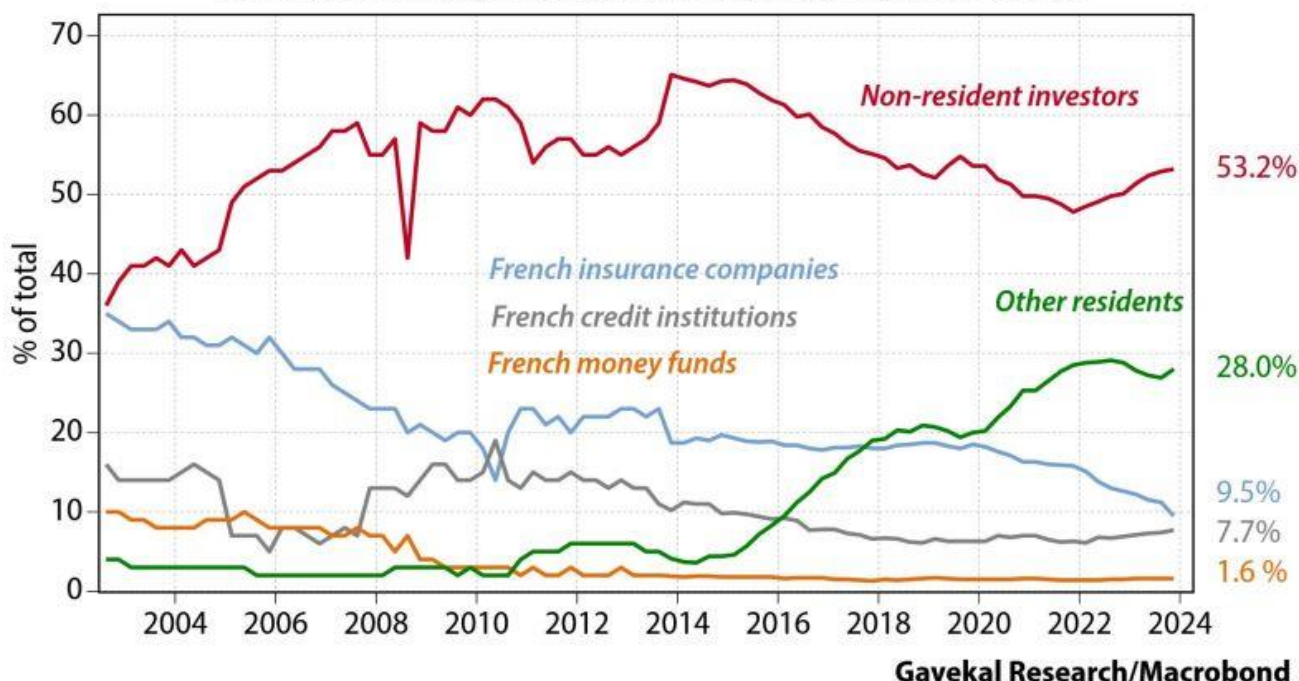


## #france #debt #debtholders

1/ Non-resident investors hold over half of the €2.5trn pool of French outstanding tradable government securities, the biggest in the eurozone. The Bank of France holds about a quarter of the debt and French financial institutions such as banks and insurers hold about 20%. 2/ Foreign accounts tend to be more mobile than resident ones. This debt structure thus leaves the French bond market, and ultimately the euro, vulnerable if further political upheaval leads foreign investors to lose confidence.

### Who's got French public debt?

Holdings of French government negotiable debt by type of holder



Source: Gavekal Research

#macro

#europe #gdp #market-cap

European economic and corporate power is in decline   
Most Europeans are in permanent denial



Source: The Economist, Science Is Strategic, IMF

#macro

## #china #retail-sales

China macro: Retail sales beat expectations. The strong growth in retail spending is particularly notable given the continued pressure on the property sector, with negative spillovers to household sentiment. It's probably a relief to a government looking to reset the economy over time.

CHINA ECONOMY

# China May retail sales beat expectations, but industrial output and fixed asset investment missed

PUBLISHED SUN, JUN 16 2024.10:20 PM EDT | UPDATED 3 HOURS AGO



Evelyn Cheng  
@IN/EVELYN-CHENG-53823624  
@CHENGEVELYN



Lim Hui Jie

SHARE

### KEY POINTS

- China's retail sales beat expectations in May, climbing 3.7% compared with a year ago and beating expectations of a 3% rise.
- However, industrial output grew by 5.6% year-on-year, missing the 6% increase expected, while fixed asset investment rose 4% compared to last May, just shy of the 4.2% forecast by the Reuters poll.



## #europe #russia #gas

Europe's gas imports from Russia overtook supplies from the US for the first time in almost two years in May, despite the region's efforts to wean itself off Russian fossil fuels since the full scale invasion of Ukraine. While one-off factors drove the reversal, it highlights the difficulty of further reducing Europe's dependence on gas from Russia, with several eastern European countries still relying on imports from their neighbour. The US overtook Russia as a supplier of gas to Europe in September 2022, and has since 2023 accounted for about a fifth of the region's supply. But last month, Russian-piped gas and LNG shipments accounted for 15 per cent of total supply to the EU, UK, Switzerland, Serbia, Bosnia and Herzegovina and North Macedonia, according to data from ICIS.

### Russia overtook US as gas supplier to Europe in May

Rise in market share highlights difficulty of weaning the region off Russian energy



Data from consultancy ICIS showed Russian gas last month accounted for 15 per cent of total supply to the EU (except for Malta and Cyprus), UK, Switzerland, Serbia, North Macedonia and Bosnia and Herzegovina. © Andrey Rudakov/Bloomberg

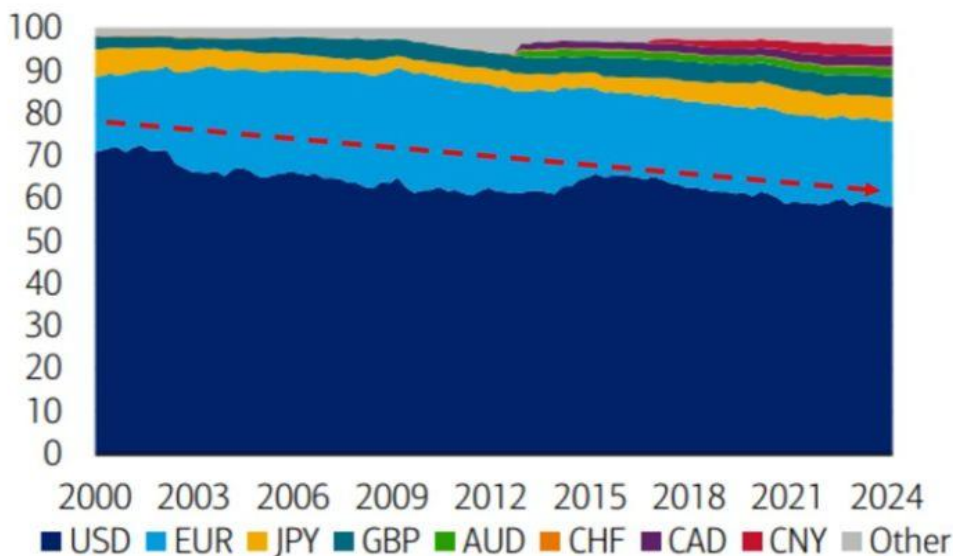


#geopolitics

## #dollar #reserve-currency

The US Dollar's reserve currency status remains in a downtrend: The US Dollar share of the world's central banks reserves fell slightly to 58.4% in Q4 2023 from 59.2% in Q3 2023, according to the IMF. By comparison, the US Dollar accounted to 71% of reserves globally in 2000. However, it is worth noting that the US Dollar remains the most dominant currency and it's not even close. For example, the Chinese Yuan's share in Q4 2024 was just 2.3% and the Euro's share is ~20%. Is the US Dollar's reserve currency status safe?

**Exhibit 5: The USD remains the world's reserve currency**  
IMF composition of allocated reserves



Source: BofA Global Research, BofA Global Economics, Bloomberg @KOBESSILETTER

Source: The Kobeissi Letter, BofA



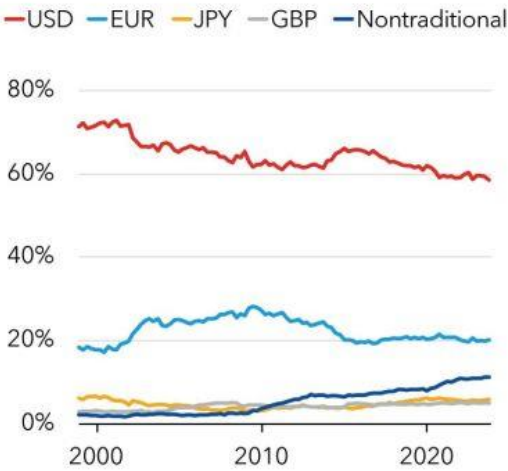
## #dollar #foreign-reserves

The US dollar’s share of foreign reserves remains dominant, though it has continued to slowly erode. This has been accompanied by a rise for others such as the Australian dollar, Canadian dollar, Chinese renminbi, and Korean won.

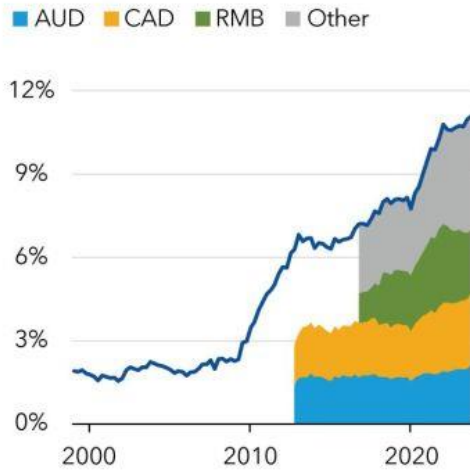
### Nontraditional currencies rise

Falling share of “big four” currencies mirrored by increasing holdings of nontraditional reserve currencies.

Currency share of FX reserves



Nontraditional share breakdown



Sources: IMF COFER; Arslanalp, Eichengreen, and Simpson-Bell (2022, updated).  
Note: The “big four” currencies are the US dollar, euro, Japanese yen, and British pound. Nontraditional are all other currencies. AUD = Australian dollar. CAD = Canadian dollar. RMB = Chinese renminbi. China became a COFER reporter between 2015 and 2018.



Source: IMF

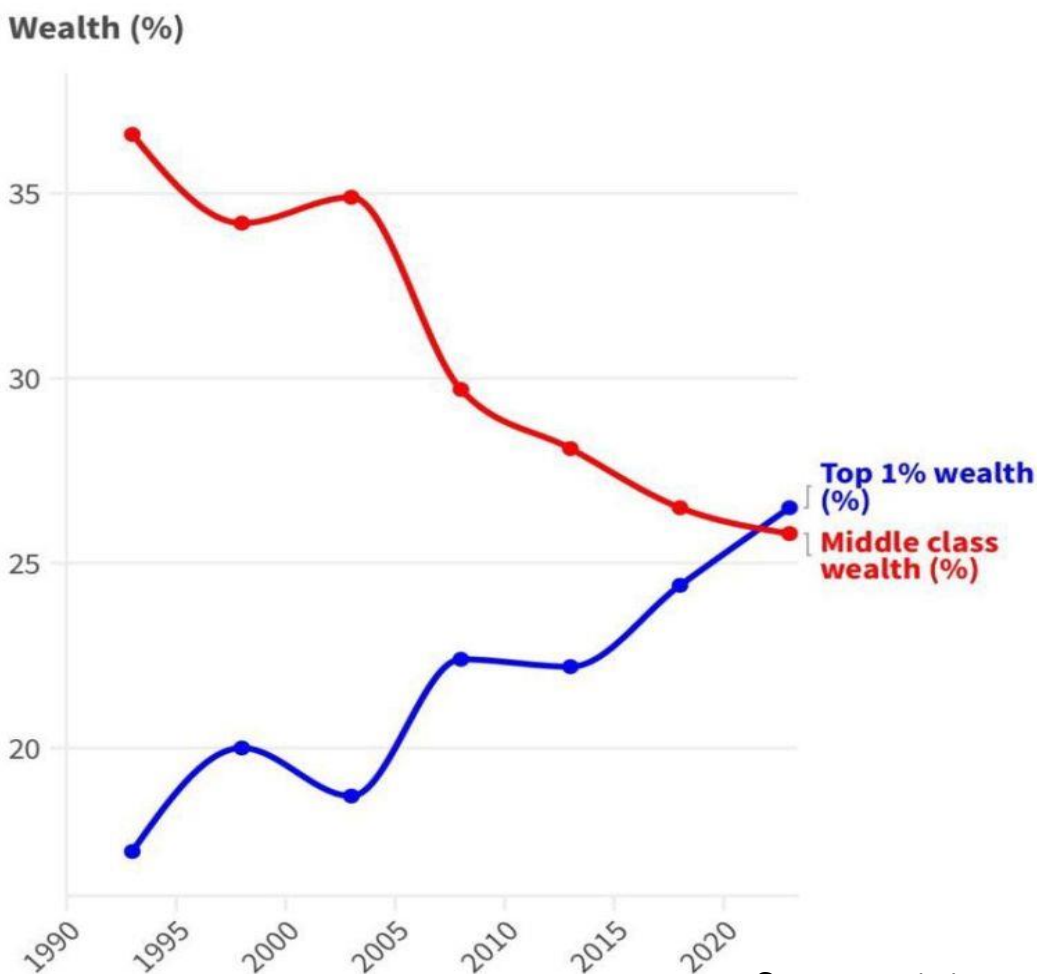


#geopolitics

## #populism #wealth-inequality

Just in case someone was wondering, why populists are popular at the moment. Is it sustainable?

Share of all household wealth by year, Q2, 1993-2023



Source: Michel A. Arouet

#centralbanks

### #snb #switzerland

The SNB has lowered its key rate again today, to 1.25%, after the previous 25bp cut decided in March.

## SNB Cuts Rate Again to Aid Economy and Stem Gains in Franc

- Key interest rate unexpectedly lowered quarter point to 1.25%
- Central bank sticks to easing path started three months ago

### Monetary policy assessment of 20 June 2024

Swiss National Bank eases monetary policy and lowers SNB policy rate to 1.25%

The Swiss National Bank is lowering the SNB policy rate by 0.25 percentage points to 1.25%. The change applies from tomorrow, 21 June 2024. Banks' sight deposits held at the SNB will be remunerated at the SNB policy rate up to a certain threshold, and at 0.75% above this threshold. The SNB is also willing to be active in the foreign exchange market as necessary.

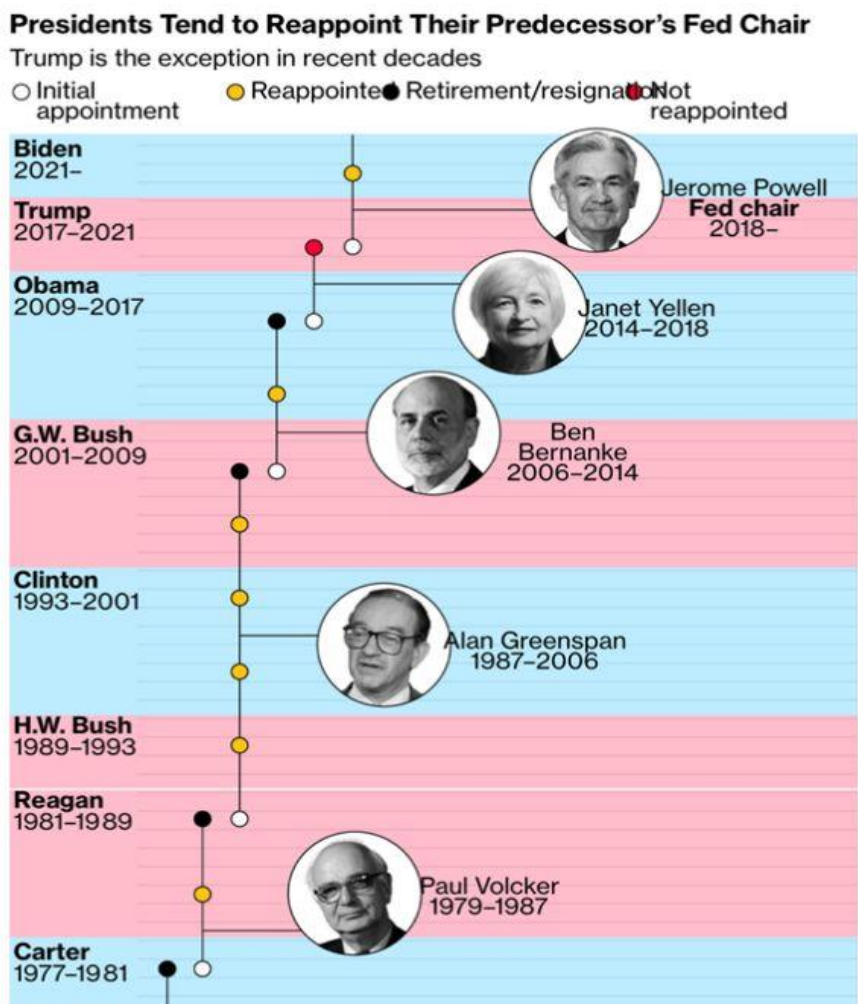
The underlying inflationary pressure has decreased again compared to the previous quarter. With today's lowering of the SNB policy rate, the SNB is able to maintain appropriate monetary conditions. The SNB will continue to monitor the development of inflation closely, and will adjust its monetary policy if necessary to ensure inflation remains within the range consistent with price stability over the medium term.

Inflation has risen slightly since the last monetary policy assessment, and stood at 1.4% in May. Higher inflation in rents, tourism services and oil products has contributed in particular to this increase. Overall, inflation in Switzerland is currently being driven above all by higher prices for domestic services.

#centralbanks

## #fed #trump #re-elections

What a Re-Elected Trump Would Mean for the Fed. Trump has already said he wouldn't reappoint Powell. That would match his decision as president not to extend then chair Janet Yellen's tenure.



Sources: Bloomberg research, Photographs via Getty Images

Source: bloomberg

#centralbanks

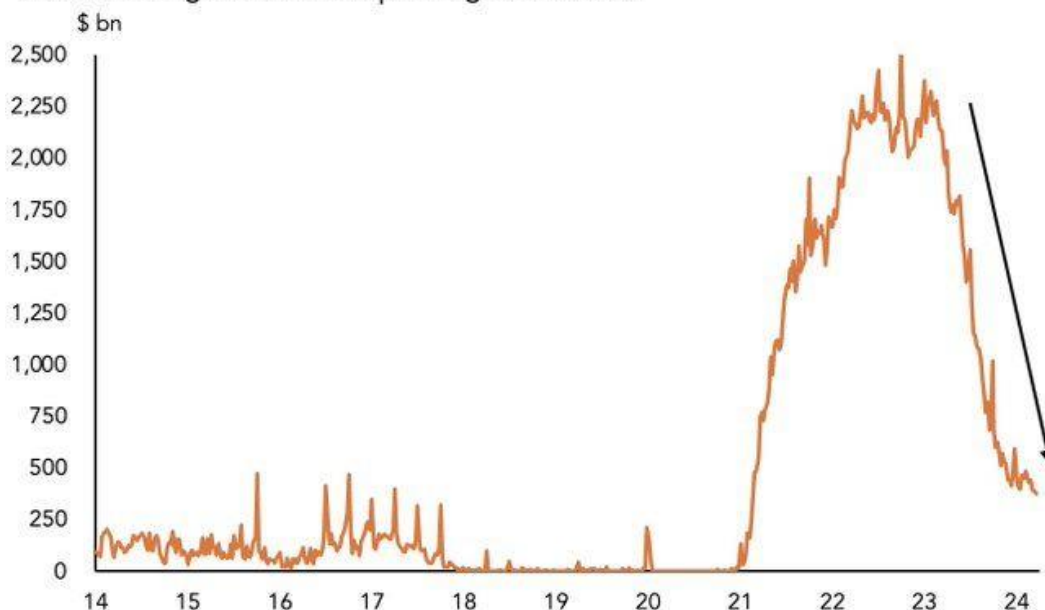
## #fed #reverse-repo

Reverse Repo has been falling off a cliff... Going from +\$2300 billion to under \$400 billion in just 1.5 years

### Reverse Repo Less Than \$400 Billion



Fed's Overnight Reverse Repo Program Balance



Dates: April 2014 Through 18th June 2024.  
Source: Federal Reserve Bank of New York, Game of Trades.



#centralbanks

### #cbdc #digital-currencies

94% of Central Banks Considering Wholesale CBDCs, Says BIS. The Bank for International Settlements (BIS) has found that 94% of central banks surveyed are exploring Central Bank Digital Currency (CBDC). But according to the report, central banks are more likely to issue wholesale CBDC than retail CBDC in the next six years. There is a significant difference between a CBDC that's wholesale and retail. A wholesale CBDC is used for transactions that take place between banks and other financial institutions, whereas retail CBDC are meant for general public use—like buying a cup of coffee.



Source: decrypt





## #bitcoin #weekly

Bitcoin fell to \$64,000 and found some support at six-week lows...

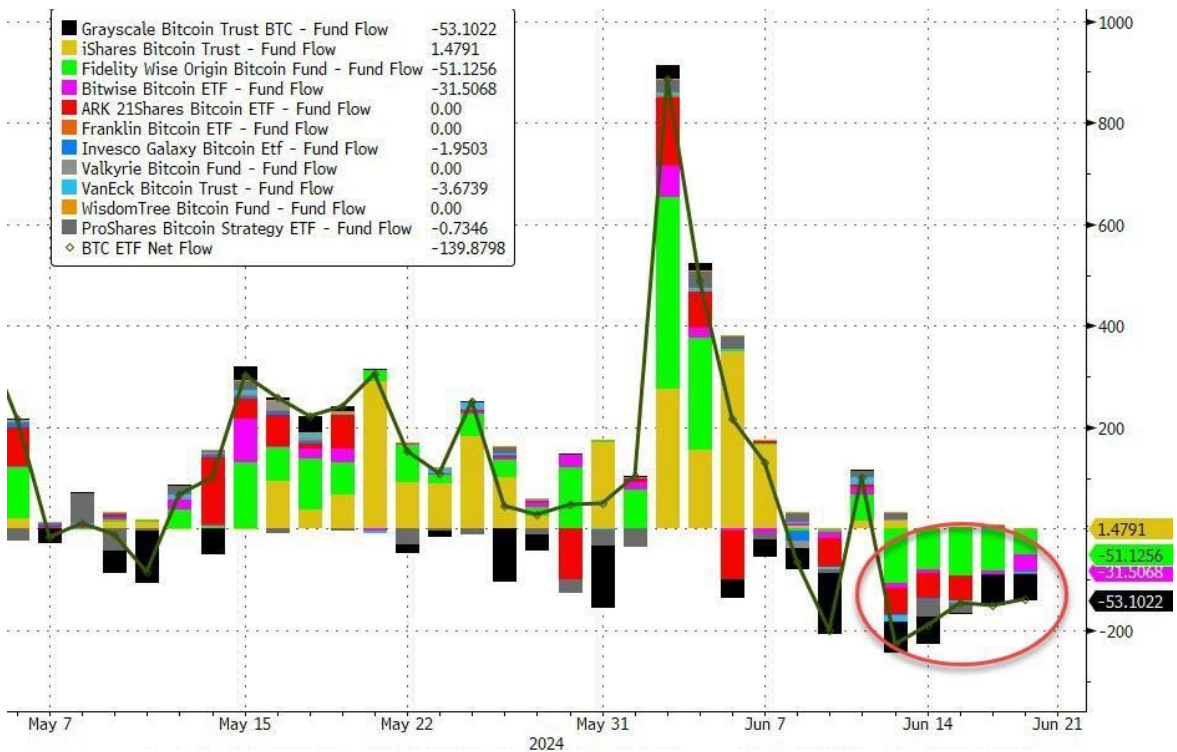


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #bitcoin #etf #flows

Bitcoin suffered this week with ETF outflows for five straight days...



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





# #usd #stablecoin

Interesting article by The Wall Street Journal -> US dollar stable coin BOOST DEMAND for US government bonds and help the US keep up with China...



Source: Radar, WSJ



#cryptos

### #tether #dollar #gold

Tether Announces a New Synthetic Dollar That Is Backed by Gold. Tether Holdings Ltd., issuer of the largest stablecoin in the cryptocurrency market, has created a new synthetic dollar that is backed by gold, the company announced Monday. The token was created on the company's new Alloy by Tether platform and will trade as aUSDT via smart contracts on the Ethereum Mainnet blockchain, where users can mint it through over-collateralization by depositing another Tether token that tracks the value of gold. The new offering highlights Tether's ambitions to expand beyond its USDT stablecoin, a token with a market capitalization of \$112.5 billion that tracks the value of the US dollar and is backed by reserves of US Treasury bills and other securities and investments.



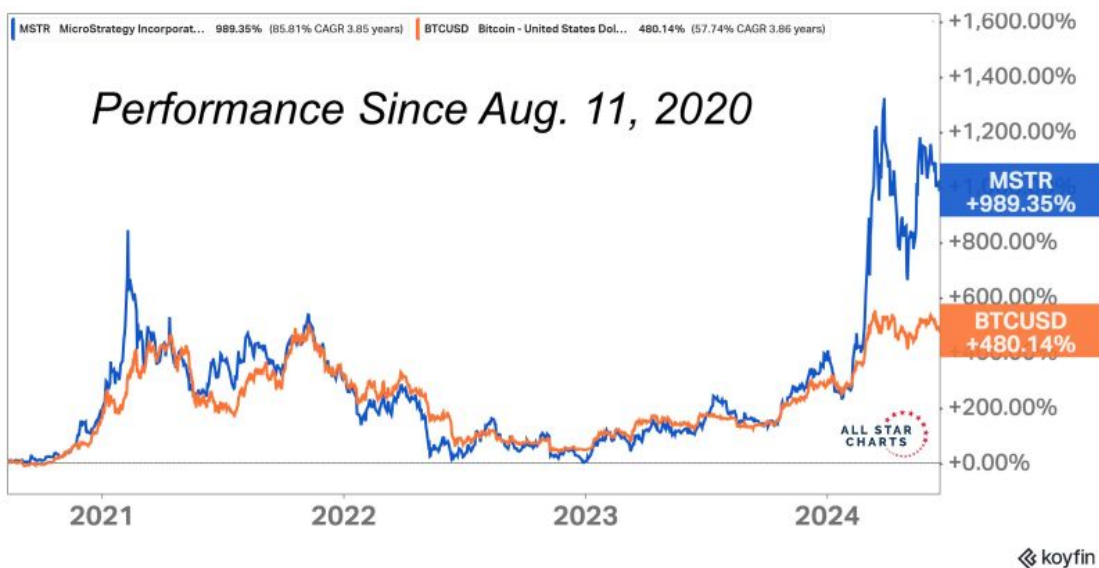
Source: yahoo!finance





## #microstrategy #bitcoin

MicroStrategy has acquired an additional 11,931 BTC for ~\$786.0M using proceeds from convertible notes & excess cash for ~\$65,883 per Bitcoin. As of 6/20/24, \$MSTR holds 226,331 \$BTC acquired for ~\$8.33B at average price of \$36,798 per bitcoin. Here's how these things are doing since Michael Saylor microstrategy \$MSTR started buying Bitcoin \$BTC

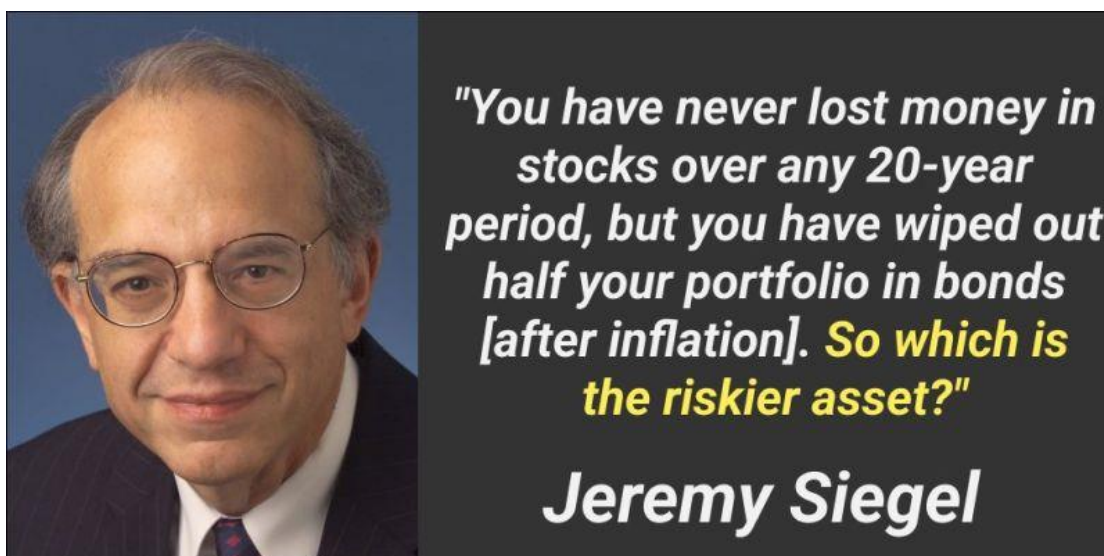


Source: J-C Parets

#food-for-thought

#stocks #bonds #quotes

Stocks vs bonds



Source: Brian Feroldi

#food-for-thought

#financial-statements #red-flags

Financial statement red flags summarized by @safalniveshak thru Brian Feroldi.

# RED FLAGS TO WATCH OUT FOR

BALANCE SHEET	INCOME STATEMENT	OTHERS
<ul style="list-style-type: none"><li>• Too much Goodwill</li><li>• Rising days of Receivables</li><li>• Inventory rising faster than profits</li><li>• Excessive borrowings</li><li>• Rising Loans to related parties</li><li>• Too much cash lying in current accounts</li></ul>	<ul style="list-style-type: none"><li>• Revenue rising at a slower pace than profits for long</li><li>• Capitalizing R&amp;D and interest costs</li><li>• Frequent, large extraordinary change</li><li>• Sharp decline in taxes</li><li>• Net profit lower than cash from operations</li><li>• Overstatement of revenue using one-off income</li></ul>	<ul style="list-style-type: none"><li>• Abrupt change in auditors</li><li>• Negative audit opinions</li><li>• Sudden exits of top managers</li><li>• Reduced disclosures</li><li>• Board Lacking competence</li><li>• Excessive mgt. compensation</li><li>• Boastful or promotional mgt.</li></ul>

[safalniveshak.com]

"What has been will be again, what has been done will be done again; There is nothing new under the sun." ~ Ecclesiastes



#food-for-thought

#productivity #cheat-sheet


The Ultimate Productivity Cheat Sheet

# THE ULTIMATE PRODUCTIVITY CHEAT SHEET

**PERSONAL KANBAN**

**SPLIT YOUR TO-DOS INTO 3 GROUPS:**


- To do – all tasks that need to get done soon
- Doing – tasks you're currently working on
- Done – tasks already finished



**EISENHOWER MATRIX**

	Not Urgent	Urgent
Important	DECIDE	DO
Not Important	DELETE	DELEGATE


**EAT THE FROG**



Get the 'frog' or the most challenging task of the day done first.

Prioritize your tasks according to difficulty or significance, so you focus on what matters most **FIRST**.

**SMART GOALS**




This helps you concentrate on achieving **WHAT YOU WANT**.

- S PECIAL
- M EASURABLE
- A SSIGNABLE
- R EALISTIC
- T IMEBOUND

**MUST, SHOULD, WANT**

**AT THE START OF THE DAY, CREATE 3 FOLDERS:**

- "I must..."
- "I should..."
- "I want to..."




This helps you maintain focus, forces you to prioritize and considers your personal preferences.

**5 SECOND RULE**

**WHENEVER YOU DON'T FEEL LIKE DOING SOMETHING:**


Count backwards 5-4-3-2-1



Pretend you're a rocket ship blasting off. This helps you **OVERCOME INERTIA** to doing something. (h/t Mel Robbins)


**WARREN BUFFETT 25/5 RULE**

- List 25 top initiatives
- Rank by impact
- Only do the top 5




**TIM FERRIS LEAD DOMINO**

"Look for single decisions that remove hundreds or thousands of other decisions."



**NO MULTI-TASKING**

**ONE TASK AT A TIME, NON-NEGOTIABLE.**



Based on half a century of cognitive science research, multitasking does not work. Efficiency drops by as much as 40%!

**ABCDE METHOD**

- A Severe consequence
- B Minor consequence
- C No consequence
- D Delegate if possible
- E Eliminate and stop doing


**3-3-3 METHOD**

**PLAN EACH DAY:**

- 3 hours of deep work on a project
- 3 urgent and crucial tasks
- 3 maintenance or system tasks

**POMODORO**

- Select task
- Set 25 min timer
- Take a 5 min break
- Repeat until task is finished.



Improves **MENTAL AGILITY** and **FOCUS**.


**PARETO PRINCIPLE**

**FIGURE OUT WHAT IS THE 20% THAT WILL RESULT IN THE 80% OF RESULTS.**


80%	20%	Don't be busy for busy sake. Focus on what drives results.
20% →	80%	
Effort	Results	

**TIME BLOCKING**

- Set blocks of time on the calendar
- Schedule 1 task per block
- Focus only on that task for that block



LIKE THIS POST? FOLLOW ME, HOWIE CHAN ON LINKEDIN FOR DAILY CONTENT.



Source: Investment Books (Dhaval)

#food-for-thought

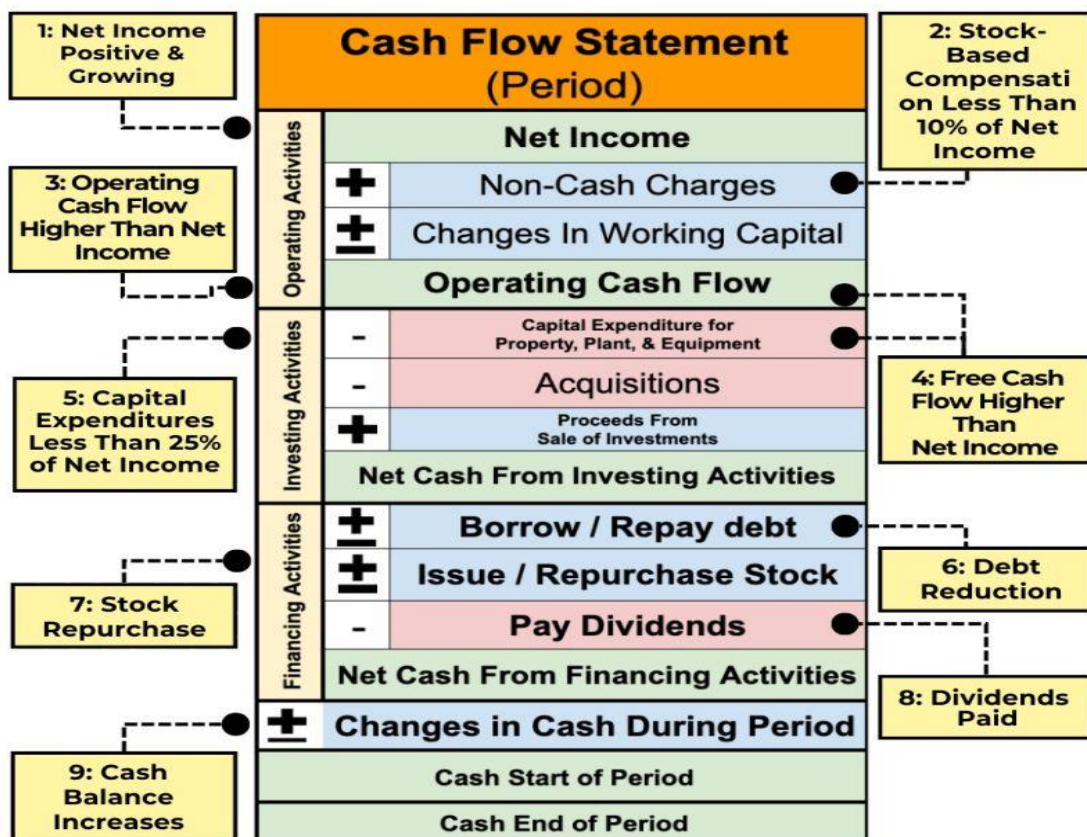
#cash-flows

Cash Flow Statement Green Flags

# 9 CASH FLOW STATEMENT GREEN FLAGS



BRIAN FEROLDI



Follow Brian Feroldi on



Source: Brian Feroldi

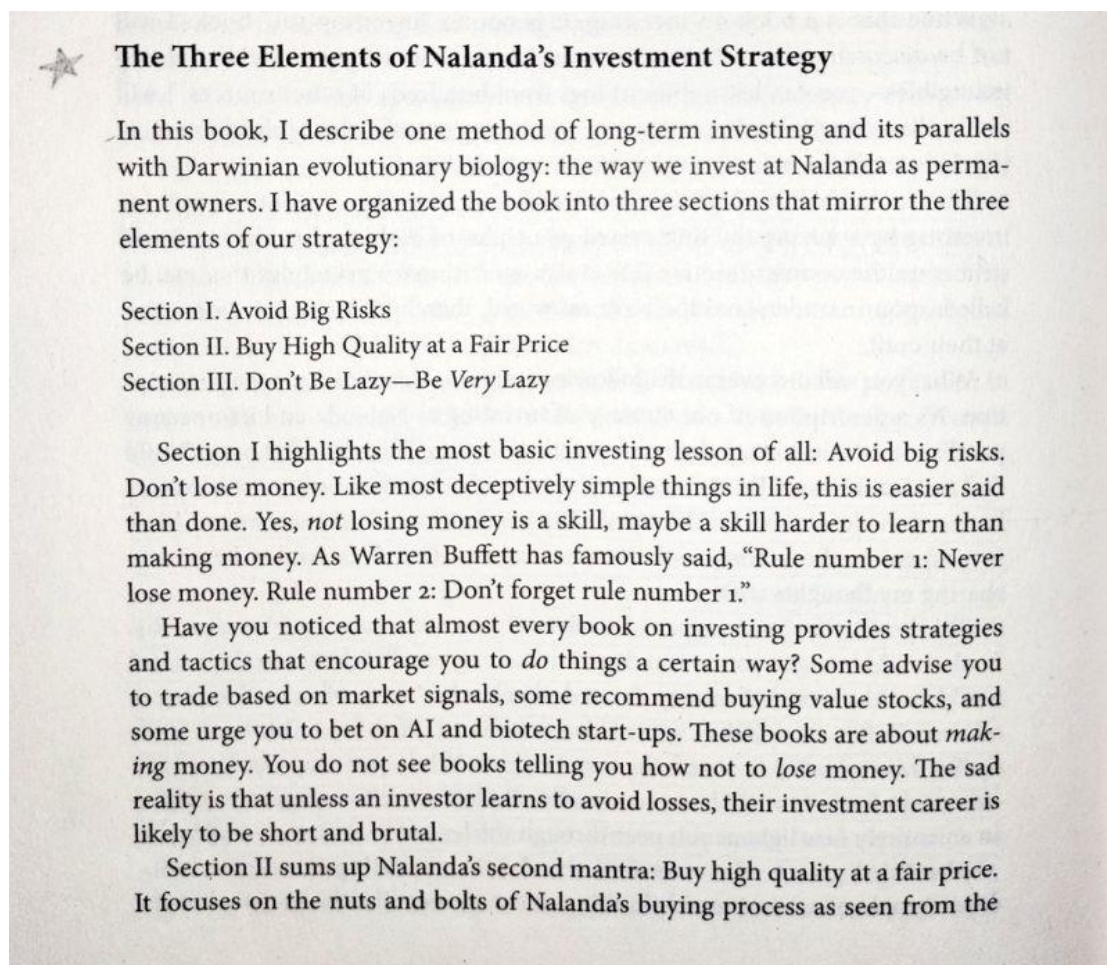


#food-for-thought

## #nalanda #investment-strategy

### The 3 Elements of Nalanda's investment strategy

1. Avoid Big Risks
2. Buy High Quality at a Fair Price
3. Don't Be Lazy; Be Very Lazy

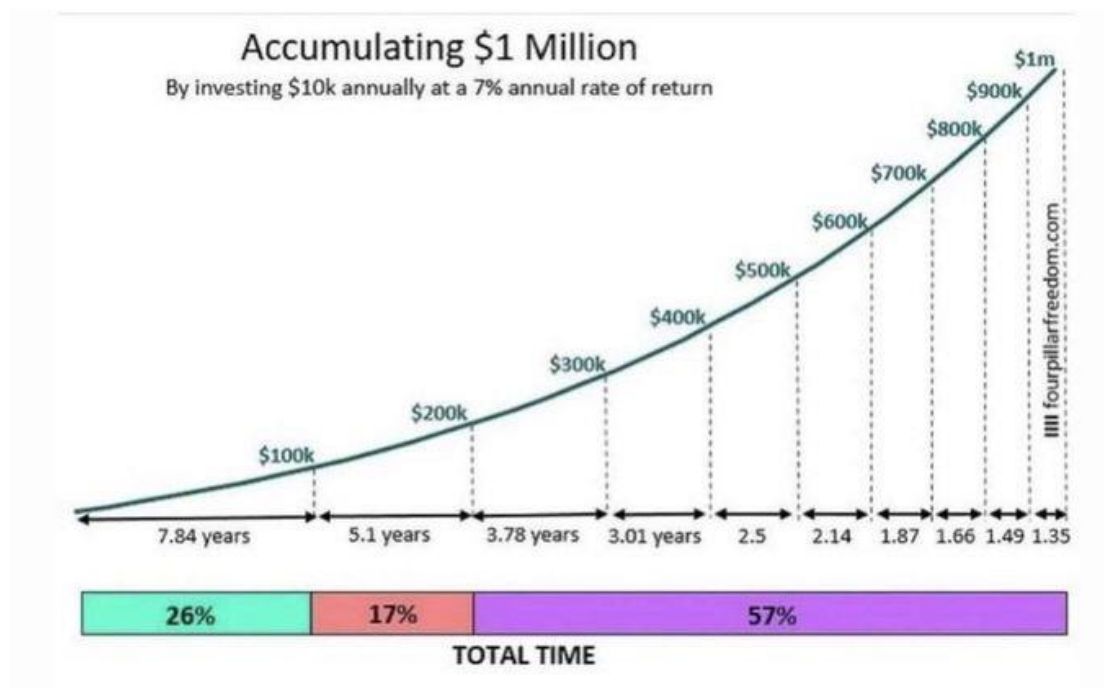


Source: Investment Books (Dhaval)

#food-for-thought

#compounding-effect

Compounding starts slowly but gets more and more crazy over time.



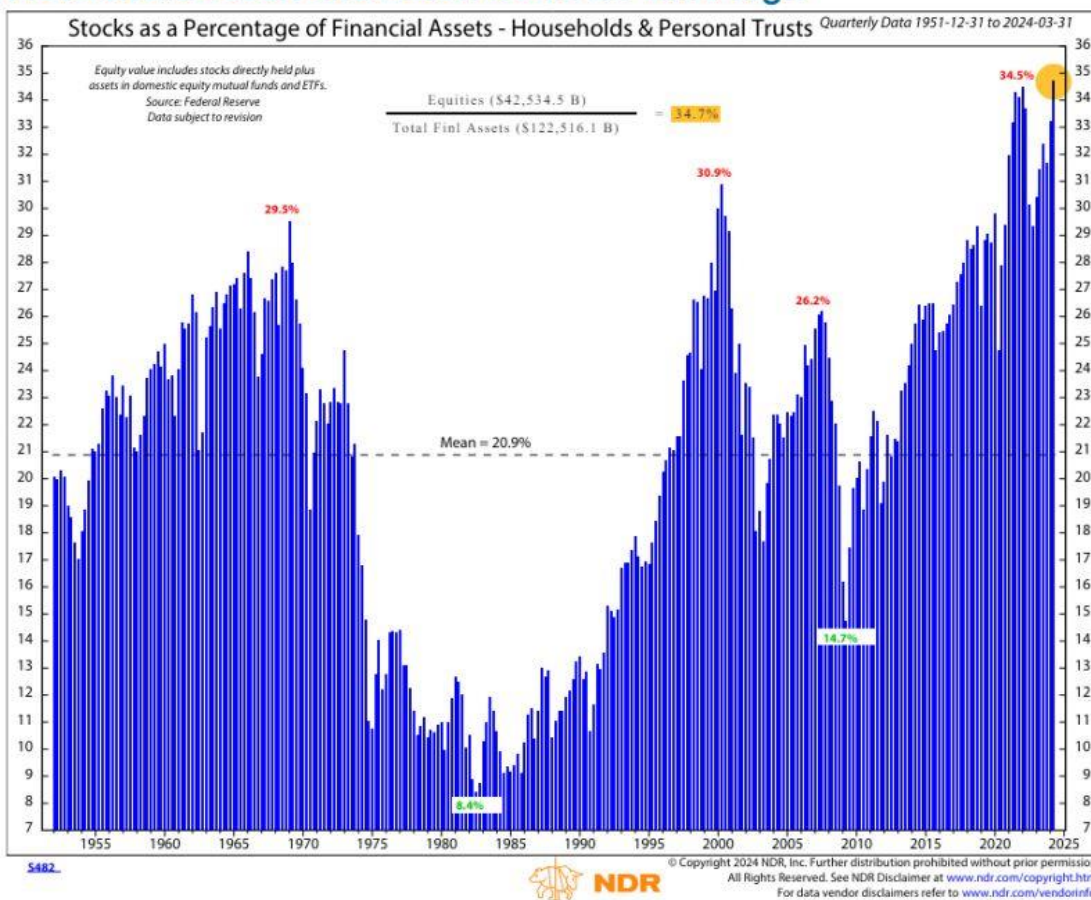
Source: Rene Sellmann

#food-for-thought

#us #household #investments

U.S. household stock allocation has reached an all-time high

Household stock allocation at an all-time high

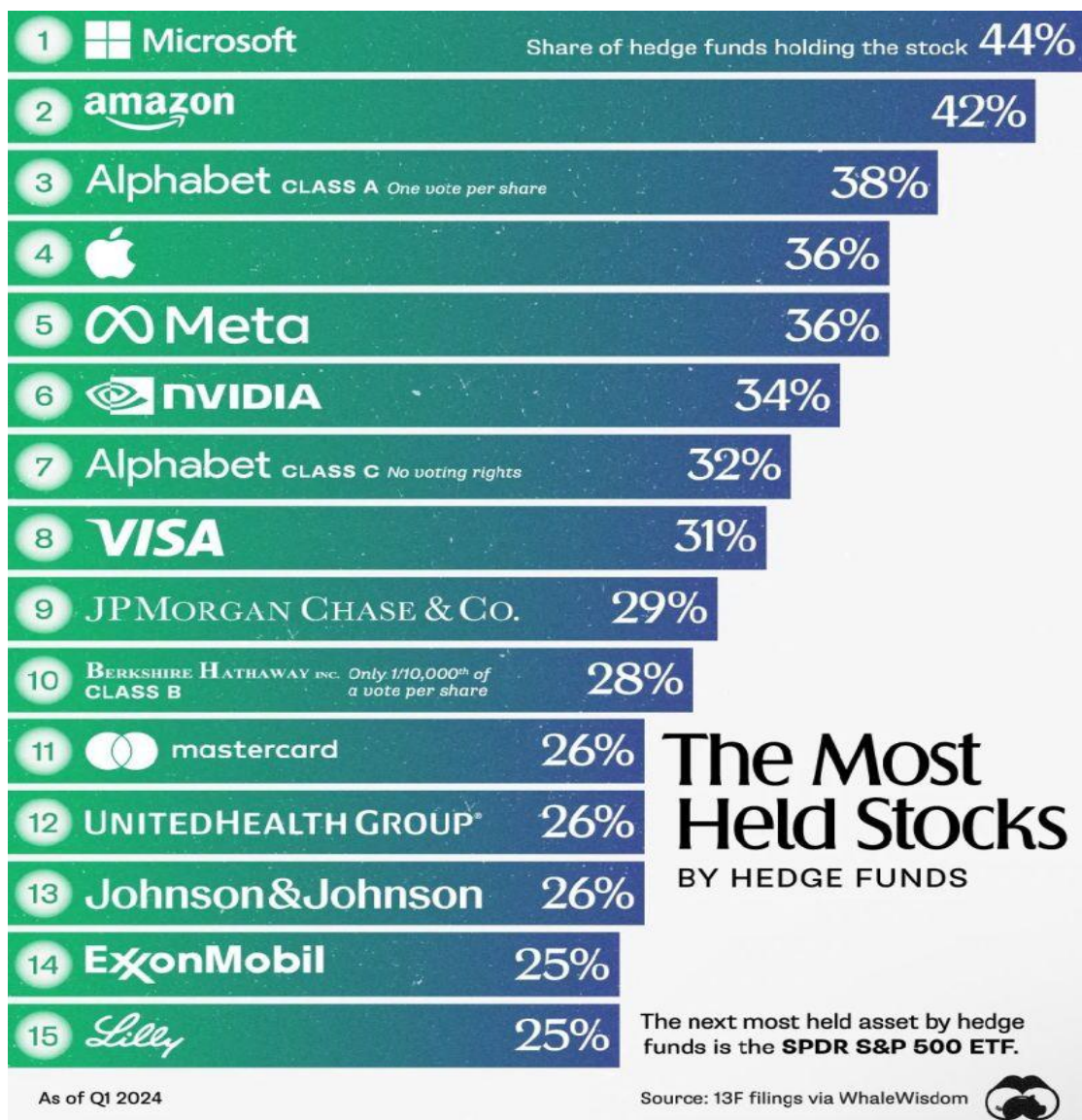


Source: NDR\_Research

#food-for-thought

#hedge-funds #equities

Here are the most held stocks by hedge funds



Source: Savvy Trade, Visual Capitalist



#food-for-thought

#lvmh #acquisitions

\$LVMH's most notable acquisitions since inception



Source: Quartr



#food-for-thought

## #money-debasement

Money Debasement

# The Evolution Of The \$20 Bill

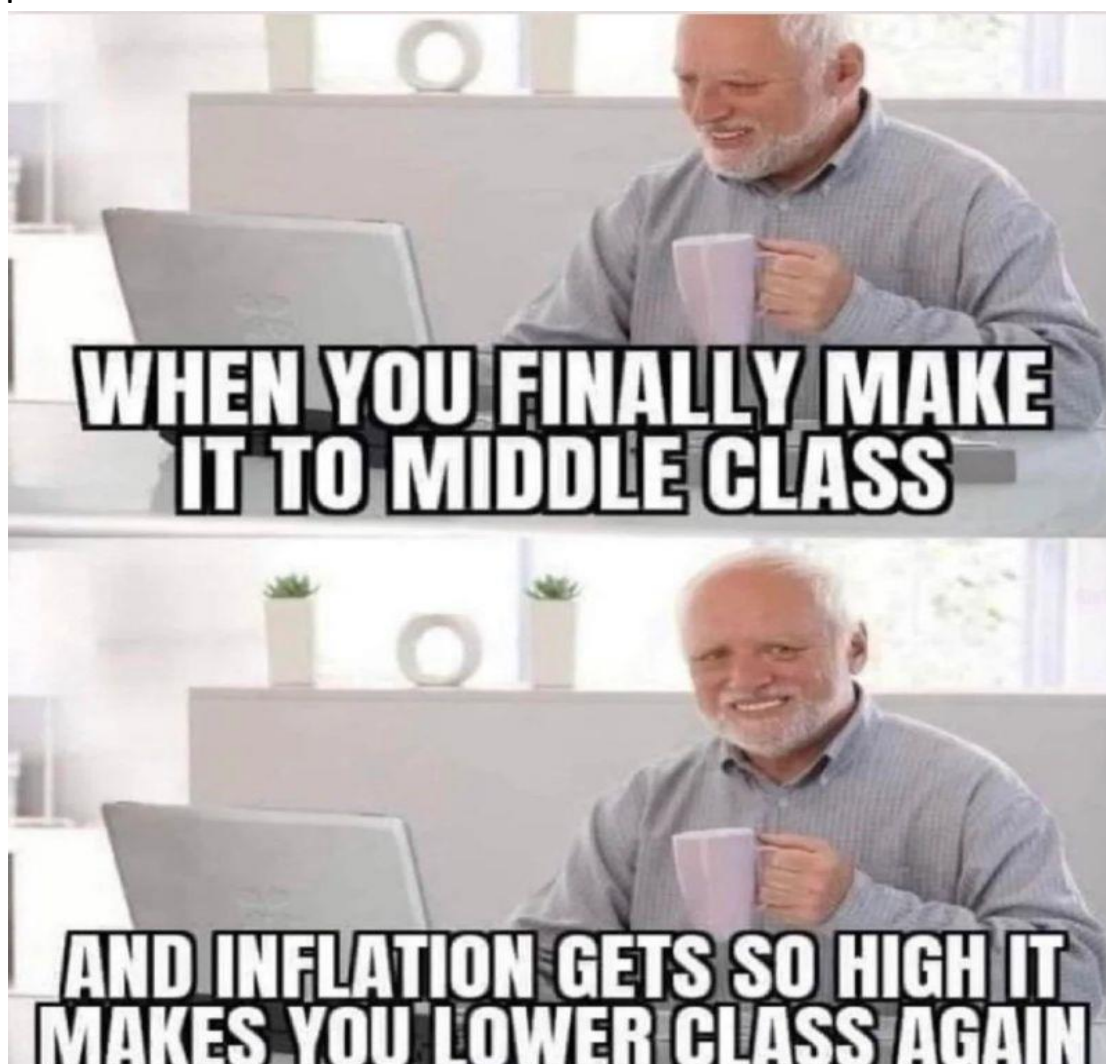


Source: Not Jerome Powell on X

#food-for-thought

## #money-debasement

Probably a feeling shared by many households in developed economies and which (partly) explains the rise of populist parties



Source: Markets & Mayhem

#food-for-thought

#mcdonalds #menu

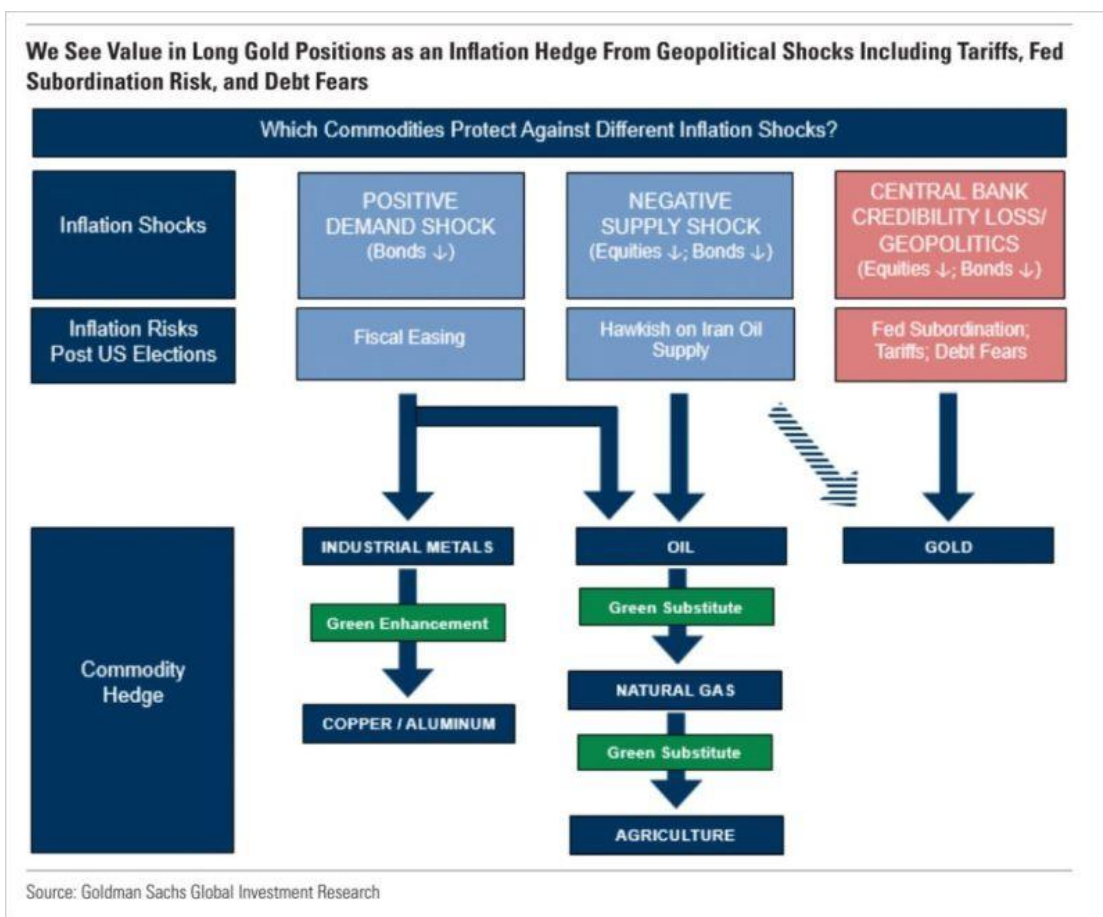


Source: Retro Toys and Cartoons

#food-for-thought

#commodities #hedges

Which commodities protect against different inflation shocks?  
Goldman regards GOLD as a decent hedge



Source: Goldman Sachs, Ronnie Stoefler



#food-for-thought

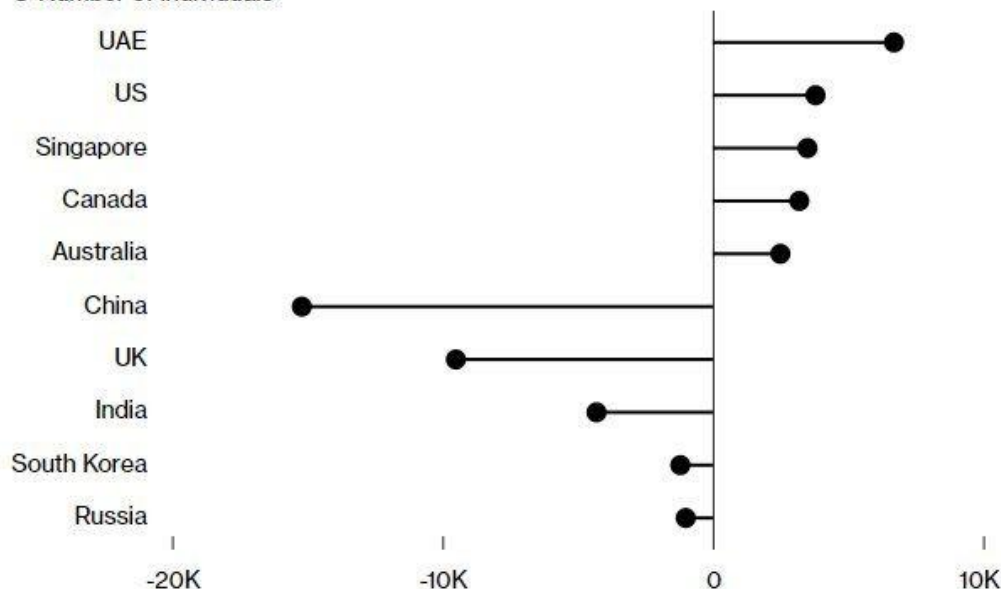
#wealth #millionaires #flows

Any surprises here? Data show that millionaires are leaving China and the UK, and flocking to the UAE, the US, Singapore, Canada and Australia.

Where the World's Wealthy Are Moving

Net number of millionaires expected to arrive or leave in 2024

● Number of individuals



Source: New World Wealth

Note: Millionaire defined as an individual with liquid wealth exceeding \$1 million

Source: Michel A.Arouet, New World Wealth

#food-for-thought

### #bill-gates #nuclear


Gates Goes Nuclear. Bill Gates is betting that nuclear power is key to meeting that need. Gates has invested \$1 billion into a nuclear power plant that broke ground in Kemmerer, Wyo. The new facility, designed by the Gates-founded TerraPower, will be smaller than traditional fission nuclear power plants and, in theory, safer because it will use sodium instead of water to cool the reactor's core. TerraPower estimates the plant could be built for up to \$4 billion, which would be a bargain when compared to other nuclear projects recently completed in the U.S. Two nuclear reactors built from scratch in Georgia cost nearly \$35 billion, the Associated Press reports. Construction on the TerraPower plant is expected to be completed by 2030.





#food-for-thought

#europe #market-cap #venture-capital

Europe EU is way behind in tech 



Source: Science Is Strategic, The Economist, Pitchbook

#food-for-thought

#x-ai #dell #nvidia #smci

⚠️ JUST IN: \*DELL, NVIDIA AND SMCI COLLABORATE TO POWER ELON MUSK'S GROK AI FACTORY. \$SMCI and \$NVDA, rose over 4% in overnight trading after Elon Musk says they are working on AI supercomputer for xAI. \$DELL has announced a partnership with NVIDIA to construct an AI Factory designed to boost the capabilities of Grok, an AI model developed by Elon Musk's company, xAI. Grok, a generative AI chatbot, was created as a response to the increasing popularity of ChatGPT, a product of OpenAI, which Musk co-founded.



Source: [www.investing.com](http://www.investing.com), [www.msn.com](http://www.msn.com)

#food-for-thought

#sp500 #nvidia

Almost 23 years ago, Standard & Poor's selected Nvidia to replace the departing Enron in the S&P 500 stock index...

Game Platforms

PC

## Nvidia Replaces Enron On S&P 500

The demise of energy firm Enron is good news for one company game developers are familiar with: Nvidia.



**Game Developer**, Staff  
November 29, 2001

🕒 1 Min Read

Source: Michel A.Arouet

#food-for-thought

#cisco #market-cap #history

More than 24 years ago, Cisco Systems overtook microsoft as the largest market cap in the world... Yesterday, Nvidia, \$NVDA passed Microsoft to officially become the most valuable public company in the world.

# Cisco briefly tops Microsoft as most valuable firm

By Reuters

Palo AltoCalifornia, 24 Mar 2000

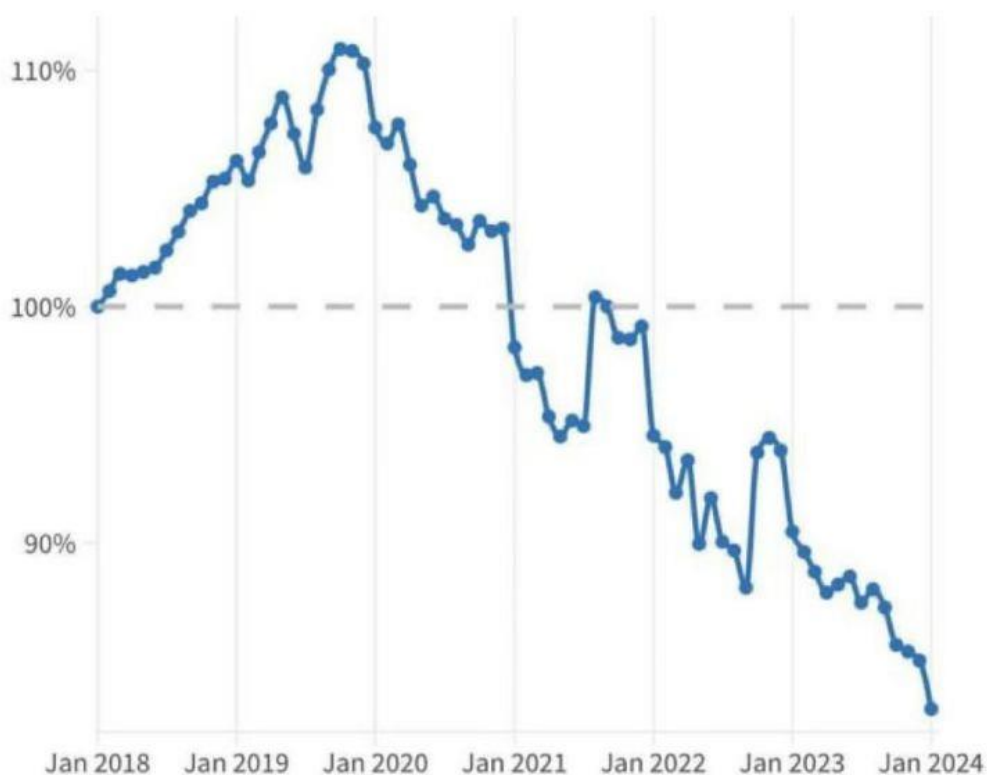
Source: The Great Martis

#food-for-thought

## #ai #software-developer #jobs

Is AI taking jobs away from Software Developers? 🤖

U.S. software developer employment index (Jan 2018 = 100%)



Source: ADP data



Source: Barchart

#food-for-thought

## #apple #vision-pro

JUST IN: 🍏 Apple stops work on the Apple Vision Pro 2 due to slow demand. Apple is now working on a cheaper model to launch late 2025



Source: Radar 📡



### #food-for-thought

#### #ferrari #ev

Ferrari's first electric car to cost over \$500,000, source says. Ferrari's first electric car will cost at least 500,000 euros (\$535,000), a source familiar with the matter told Reuters. The Italian brand said it will launch an electric car late next year, and the planned price shows its confidence that ultra-wealthy drivers are ready for it, even as mass-market rivals are slashing electrical vehicle (EV) prices amid faltering demand. The price tag, which doesn't include features and personal touches that typically add 15-20%, is well above the average sale price of around 350,000 euros, including extras, for a Ferrari in the first quarter of this year, and many rival luxury EVs. Ferrari did not respond to a request for comment about the price of its first EV, or its new plant which is due to be inaugurated in its hometown of Maranello, northern Italy, on Friday.



Source: reuters

#food-for-thought

#quotes #einstein

Management 101: Get your hands dirty 

**The only source of knowledge  
is EXPERIENCE.**

**- Albert Einstein**

**CORPORATE  
REBELS**

Source: [Corporate Rebels](#)

#food-for-thought

#quotes #tata

"Slow success builds character,  
fast success builds Ego."

— Ratan Tata

Source: @PsycheWizard

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