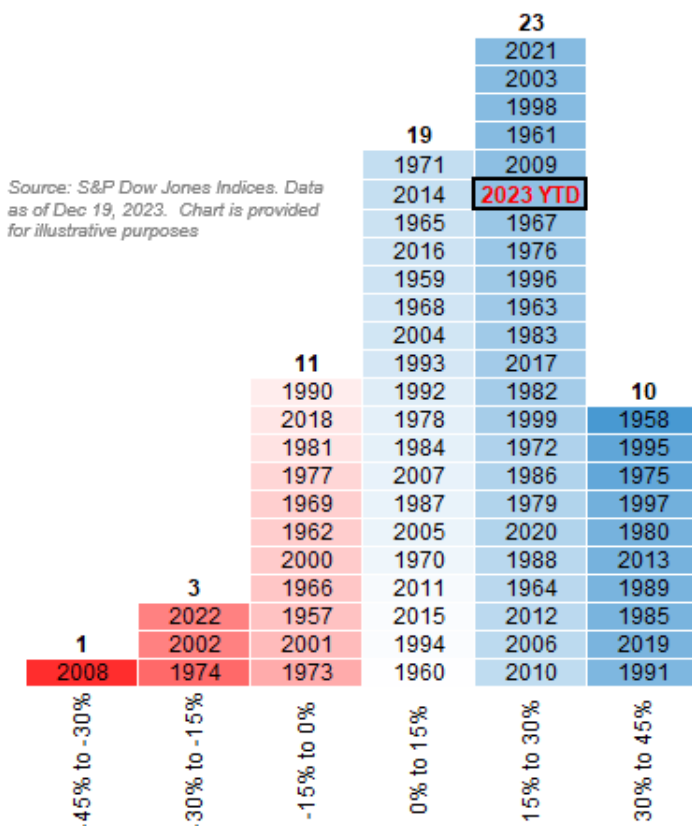


Chart of the week

Stocks usually don't go down

The single most important chart to understand the stock market. Gains happen 78% of the time. It's 6x more likely to gain >+15% than lose <-15%. You are hard wired to avoid risk and that's why almost everyone underperforms...

Distribution of S&P 500 Annual Total Returns (1957 - 2023)



Source: Urban Carmel, Sam Ro

Nasdaq 100 and Dow hit new record high

Stocks continued their weekly winning streak—the longest since 2017. The S&P 500 Index briefly moved within 84 basis points of its all-time intraday high while the Nasdaq 100 Index and Dow Jones managed new records. Note that the Russell 2000 has gained 24% over the last 36 trading days, one of the biggest small cap rallies in history. Not all stocks gained; FEDEX stock is down -11% on the week as Q2 profits missed expectations. Nike is down -11% after missing sales estimates and cutting outlook. The global disinflation trend is gaining steam as inflation cools down more than expected in the U.S., UK, and Japan. In the US, the headline PCE index fell 0.1% in November, marking its first decline in 21 months, thanks to a sharp decline in goods prices. The reassuring inflation data led to a sharp decline in rate expectations over the coming year. Short-term bond yields decreased, resulting in a steepening of the Treasury yield curve. In Europe, the STOXX 600 Index ticked 0.2% higher. Stocks in China declined after the government announced new restrictions on the gaming sector. Tencent dropped by -16%, the most since 2008. Oil prices rose for the 2nd week in a row, after seven straight weeks lower. Gold rose for the 5th week of the last 6 and back above \$2050 spot to three-week highs. The dollar fell to its weakest since July, down for the 5th week in the last 6. In cryptos, both ETH and BTC were up around 4% while Solana soared 35%. On the private equity side, OpenAI is in talks to raise new funding at a \$100B valuation.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

23 DECEMBER 2023

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	37,386	0.2%	12.8%
S&P 500 Index	4,755	0.8%	23.8%
NASDAQ	14,993	1.2%	43.2%
MSCI EAFE*	2,204	0.5%	13.4%
10-yr Treasury Yield	3.90%	0.0%	0.0%
Oil (\$/bbl)	\$73.55	3.0%	-8.4%
Bonds	\$98.88	0.2%	5.2%

Source: FactSet, 12/22/2023. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. *4-day performance ending on Thursday.

Source: Edward Jones



#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

23 DECEMBER 2023



#sp500 #winning-streak

Santa Claus Rally in Full Force!

S&P 500 notches 8th-week winning streak. The longest in +5 years!

Now, less than 1% from record high.



Source: Genevieve Roch-Decter



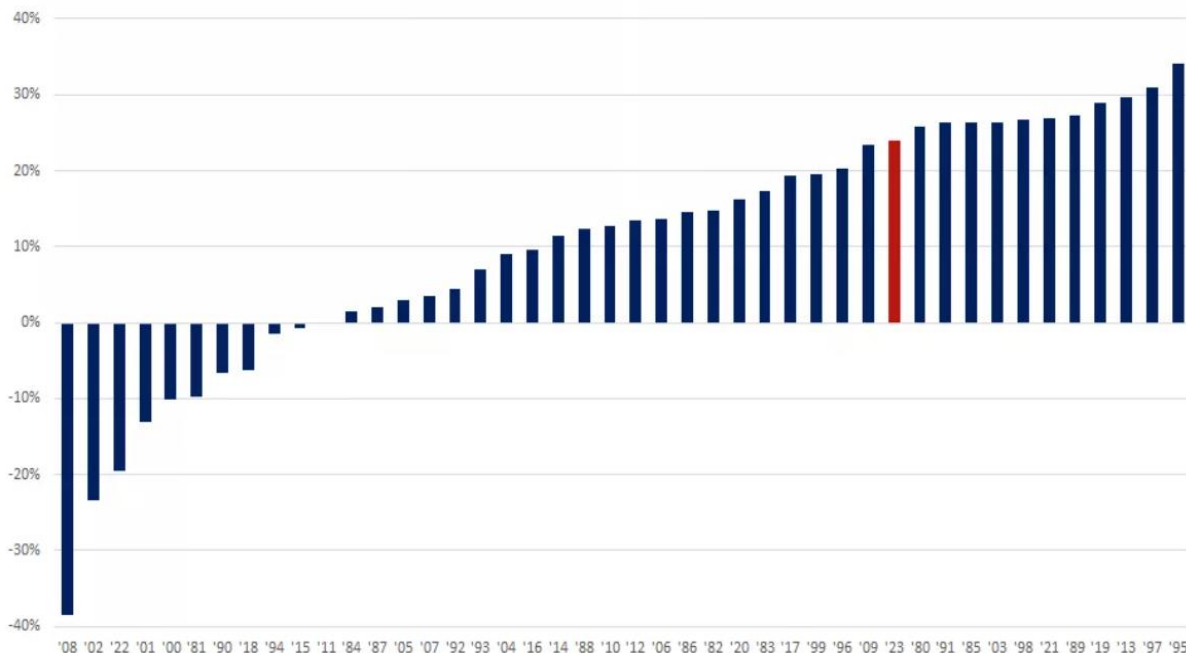


#sp500 #2023 #performance

This chart shows 2023's price returns in comparison to other years since 1980.

2023 ranks as the 12th best year for the S&P 500 since 1980. For the 11 that were better, the stock market gained an average of 8% in the subsequent year, indicating strong years often see a favourable encore.

Stock Market Returns by Year
Price Return for S&P 500 Index



Source: Edward Jones





#sp500 #technicals

SPX rejected the 4820 area today, currently putting in a shooting star candle. Thin pre holidays trading, but still worth watching price action here. The steep trend remains intact, but note we have commenced some sort of a consolidation up here (green box). Short term must hold around 4740. Resistance around the 4830 area.

Losing some momentum



Source: Refinitiv

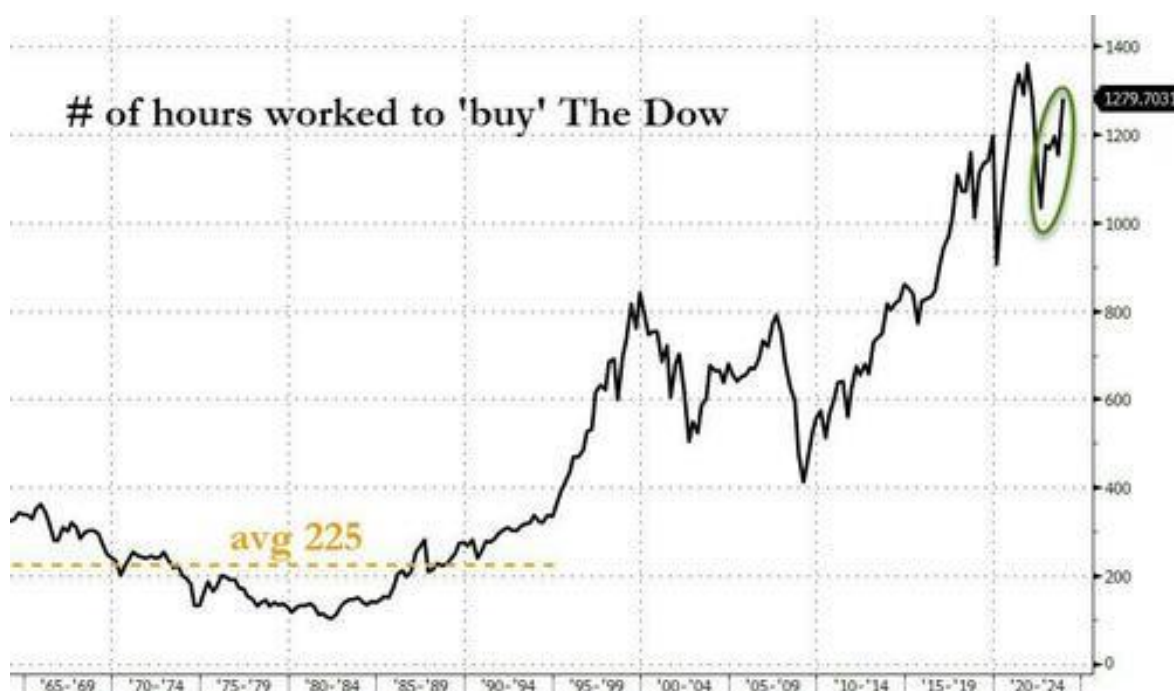


Source: TME

#dow #valuation

From a valuation perspective, things are getting a little pricey. It now takes the average American 1279 hours of work to earn enough to buy The Dow...

That's quite a jump from the 225-hour average from 1965 to 1995 before Greenspan unleashed the activist Fed.

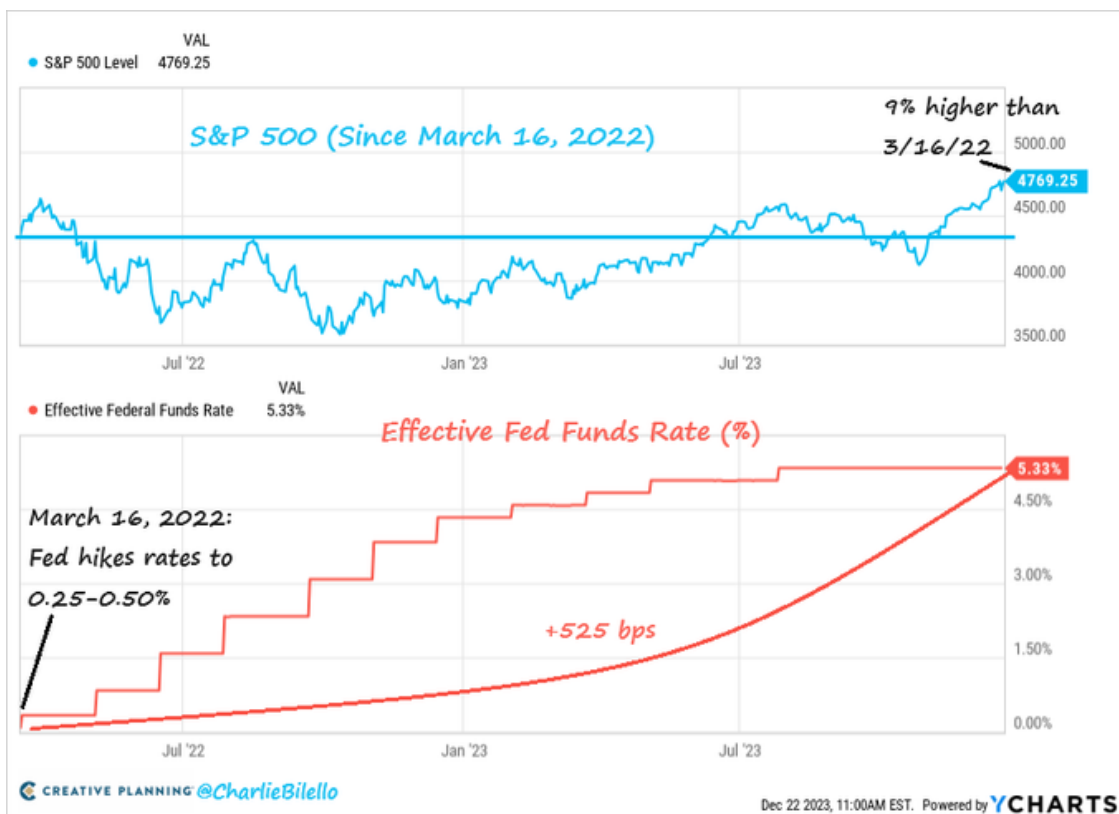


Source: www.zerohedge.com, Bloomberg



#sp500 #rate-cycle

The S&P 500 is now 9% higher than where it was when the Fed started hiking rates in March 2022.



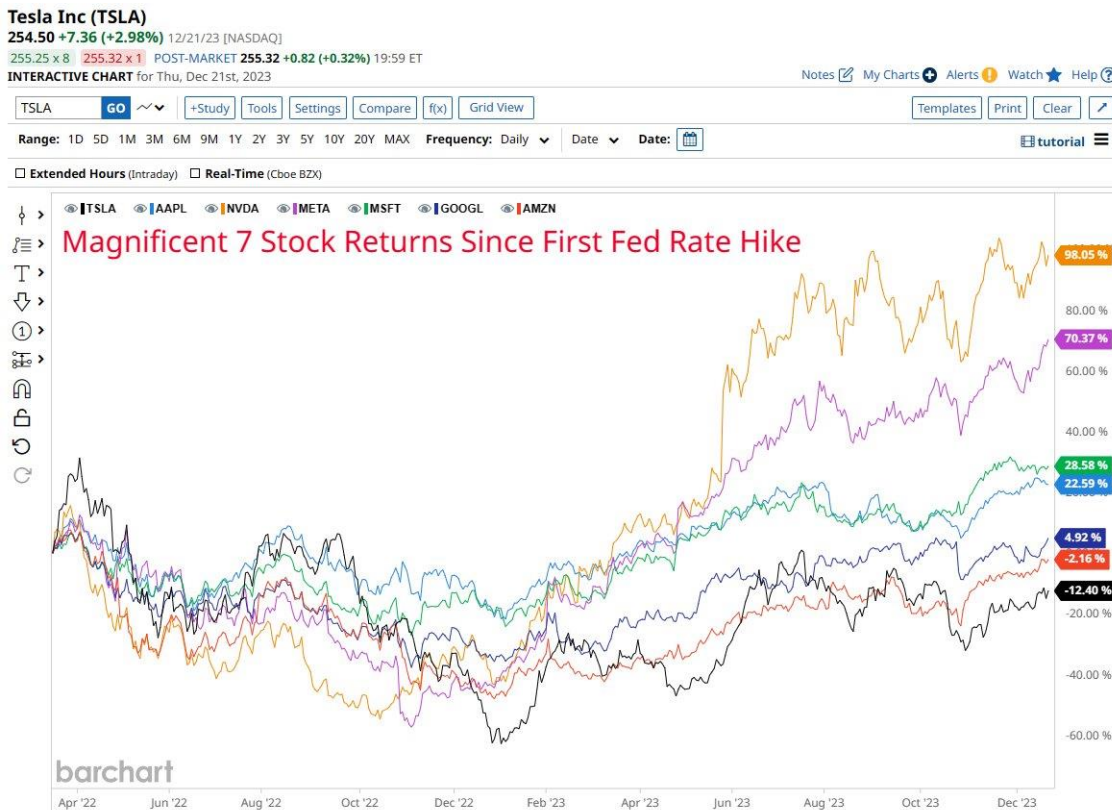
Source: Charlie Bilello





#mag7 #rate-cycle

Magnificent 7 Stock Returns since the first Federal Reserve interest rate hike. Nvidia \$NVDA is the best performer with a 98% return while Tesla \$TSLA is the worst with a 12% loss. Dividends are included when applicable.

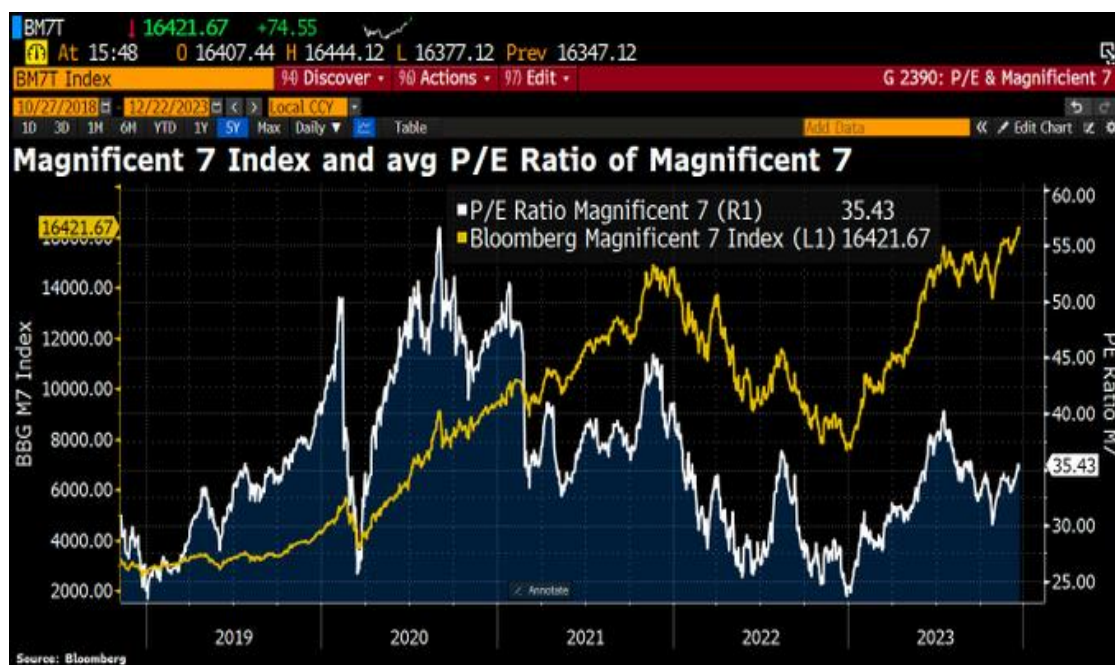


Source: Barchart



#mag7 #pe

Average P/E ratio of Magnificent 7 now stands at 35x.



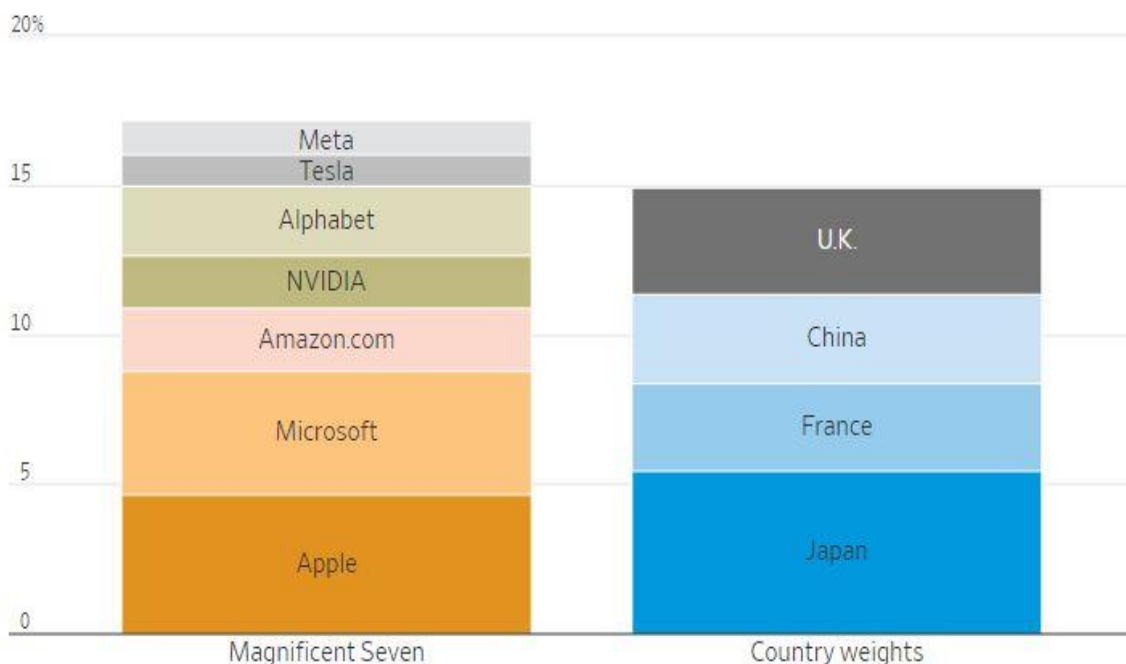
Source: Bloomberg



#mag7 #msci-world #weighting

The Magnificent 7 have a higher weighting in the MSCI World Index than all of the stocks in the UK, China, France and Japan combined.

Weighting in the MSCI All Country World index



Sources: MSCI; Allspring Global Investments

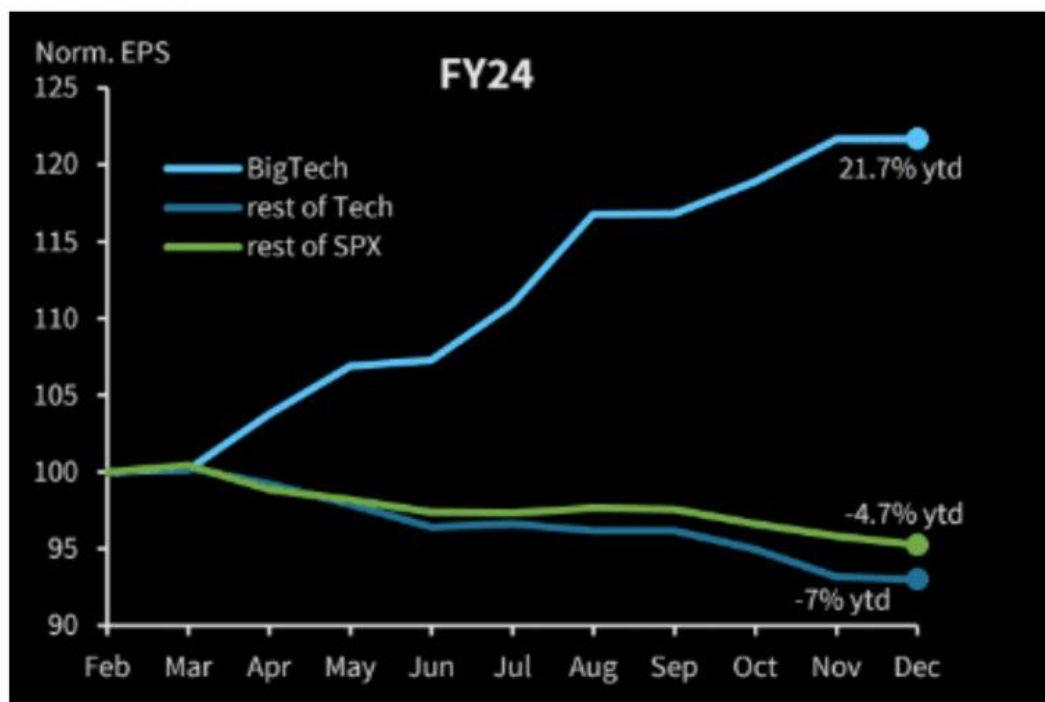
Source: MSCI Allspring Global Investments



#earnings #sp500 #tech

A widening gulf in earnings power between Tech and the rest of the S&P 500. Chart below shows how 2024 earnings expectations for the mega-cap tech and the rest of tech and rest of S&P 500 have been evolving throughout 2023.

Tech vs the rest



Source: Barclays

Source: Barclays, The Market Ear





#sp500 #market-breadth

81% of stocks in the S&P 500 are currently trading higher than their 100-day moving average, a situation we've encountered twice already this year.



Source: barchart



#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

23 DECEMBER 2023

#markets

#sp1500 #performance

There are now just six trading days left in 2023, so below is a look at the 43 stocks in the S&P 1500 that are currently up more than 100% year-to-date on a total return basis.

100%+ Gainers in the S&P 1500 in 2023					
Stock	Company	Sector	Price	Market Cap	YTD Total Return (%)
ANF	Abercrombie & Fitch	Cons. Discret.	91.80	\$4,584,885,760	301.03
SMCI	Super Micro Computer	Technology	312.27	\$17,646,266,368	284.82
NVDA	NVIDIA	Technology	498.50	\$1,225,218,850,816	240.30
SKYW	SkyWest	Industrials	52.07	\$2,093,450,496	216.54
META	Meta Platforms	Comm. Svcs	352.83	\$900,377,083,904	194.08
MHO	M/I Homes	Cons. Discret.	129.32	\$3,567,952,640	181.03
LPG	Dorian LPG	Energy	45.28	\$1,806,645,120	178.97
ARLO	Arlo Technologies	Technology	9.73	\$929,252,928	178.63
POWL	Powell Industries	Industrials	94.12	\$1,148,574,336	176.81
ELF	elf Beauty	Cons. Staples	149.13	\$8,419,536,896	175.33
XPO	XPO	Industrials	89.35	\$10,014,282,752	167.15
BLDR	Builders FirstSource	Industrials	166.12	\$20,312,745,984	156.23
GIII	G-III Apparel	Cons. Discret.	34.44	\$1,596,352,640	151.86
RCL	Royal Caribbean	Cons. Discret.	123.53	\$31,742,404,608	149.77
UBER	Uber Technologies	Industrials	62.16	\$127,834,152,960	149.51
AMR	Alpha Metallurgical	Materials	352.58	\$4,594,264,064	141.99
BLD	TopBuild	Cons. Discret.	377.12	\$11,998,158,848	141.93
CCL	Carnival	Cons. Discret.	18.56	\$23,406,465,024	130.65
PHM	PulteGroup	Cons. Discret.	103.64	\$22,193,346,560	130.11
IDCC	InterDigital	Technology	111.09	\$2,832,487,680	128.39
HCI	HCI Group	Financials	86.05	\$849,753,856	125.61
GSHD	Goosehead Insurance	Financials	77.19	\$2,926,210,816	124.64
SSD	Simpson Manufacturing	Industrials	197.20	\$8,375,840,768	123.69
IBP	Installed Building	Cons. Discret.	186.32	\$5,216,475,136	123.35
PGTI	PGT Innovations	Industrials	40.56	\$2,337,291,008	122.72
PANW	Palo Alto Networks	Technology	306.17	\$97,304,731,648	120.27
GRBK	Green Brick Partners	Cons. Discret.	53.19	\$2,400,515,328	119.15
BRBR	BellRing Brands	Cons. Staples	56.26	\$7,370,376,704	119.15
NEO	NeoGenomics	Health Care	20.41	\$2,550,590,976	118.94
ONTO	Onto Innovation	Technology	149.49	\$7,313,068,032	118.83
AMPH	Amphastar Pharma	Health Care	60.37	\$2,896,482,048	115.77
AMD	Advanced Micro Devices	Technology	139.16	\$226,412,167,168	113.68
SAIA	Saia	Industrials	447.85	\$11,363,578,880	112.99
TOL	Toll Brothers	Cons. Discret.	104.23	\$11,111,179,264	111.33
WRLD	World Acceptance	Financials	140.15	\$864,006,528	110.49
TSLA	Tesla	Cons. Discret.	256.56	\$817,682,186,240	109.80
AVGO	Broadcom	Technology	1133.94	\$533,483,618,304	108.00
CNM	Core & Main	Industrials	39.98	\$8,618,716,160	107.41
GPS	Gap	Cons. Discret.	21.25	\$8,010,000,384	103.28
CUBI	Customers Bancorp	Financials	57.46	\$1,790,594,944	102.59
MBC	Masterbrand	Industrials	15.22	\$1,917,913,856	101.06
SHC	Sotera Health	Health Care	16.81	\$4,671,751,680	100.48
BCC	Boise Cascade	Industrials	126.52	\$4,883,800,576	100.41

As always, past performance is no guarantee of future results.



#fear-greed #sentiment

Yesterday's big correction took place just at the time the Fear & Greed Index hits 80, Extreme Greed, for the first time since July 27th. July 27th also happens to be the day when the S&P 500 topped and fell ~6% in 3 weeks. However, the decline was driven by a more hawkish than expected Fed outcome. Now, the rally is being driven by what appears to be a "Fed pivot."

Fear & Greed Index

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



Source: The Kobeissi Letter

#us #households #equities

58% of US households own stocks, the highest percentage on record.

Percentage of U.S. households owning stocks



Note: Includes direct and indirect stock ownership
Source: Federal Reserve Survey of Consumer Finance

Source: Charlie Bilello

#santa-rally #equities

The "Santa Clause Rally" period starts now (22nd of December). It is 7 total trading days (last 5 of the year and first two of the next year). As statistics show, there is no other 7-day period in the year more likely to be higher for stocks. Up 79.5% of the time. Average return is 3rd best at 1.32% on average.

Believe In Santa? Maybe You Should

S&P 500 Index Performance During The 7-Day Santa Claus Rally (1950 - Current)

	Performance	Rank Out Of All Days Of Year
Average Return	1.32%	3 out of 254 Possible Trading Days
% Positive	79.5%	1 out of 254 Possible Trading Days

Source: Carson Investment Research, FactSet 12/19/23 (1950 - Current)

The Santa Claus Rally is the final 5 trading days of a calendar year and the first two of the following year.

@ryandetrick

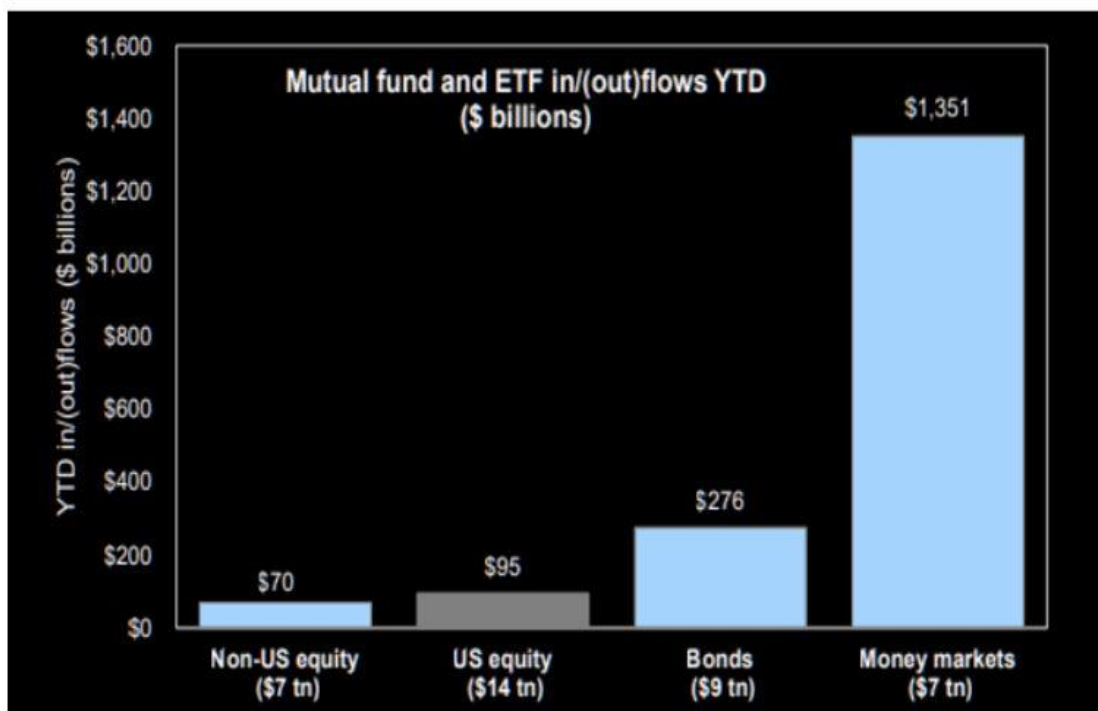


Source: Ryan Detrick



#dry-powder

There is significant dry powder on the side line... In 2023, we saw very limited US equity inflows vs. \$1.4 trillion in money market inflows. If the gap starts to close for real now and gains momentum in 2024 it is needless to say a very good support for equities.



Source: Goldman

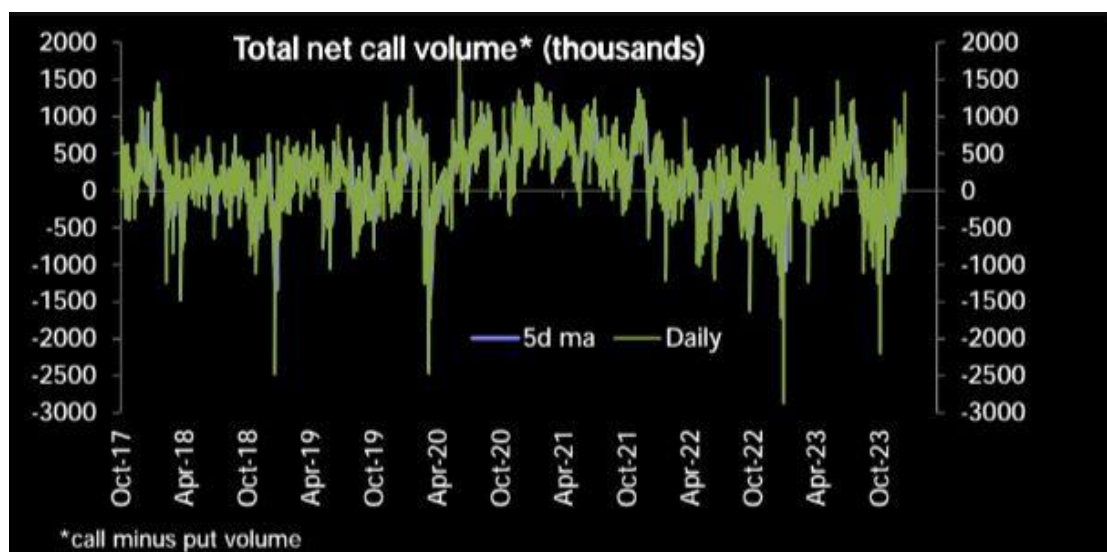
Source: Goldman





#options #call #volume

Call Volume. Net call volumes jumped to the top of the historical range this week.



Source: tme, deutsche bank



#us #short #wipeout

BREAKING : Short Sellers. U.S. Stock Short Sellers have lost a reported \$145 billion this year. Complete wipeout.

US stock short sellers down \$145 billion in 2023 - Ortex

REUTERS | Economy

Published Dec 15, 2023 05:39PM ET

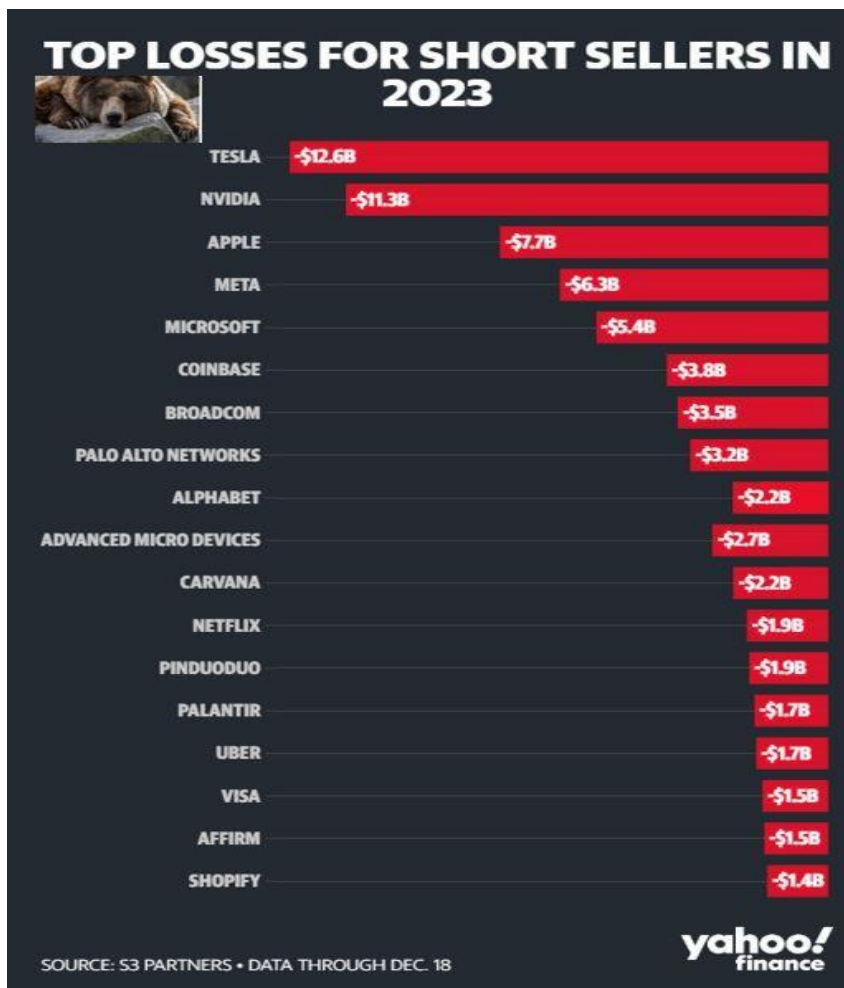


Source: Barchart



#hedge-funds #shorts

Short sellers on Wall Street have lost nearly \$178 billion this year, according to data from S3 Partners provided to Yahoo Finance. The top six stocks these investors have lost money on are all part of the Magnificent Seven.



Source: bloomberg, gs, barchart



#wednesday #sell-off

Between 2:00 and 4:00 PM ET on Wednesday, the S&P 500 erased ~\$600 billion of market cap. To put this in perspective, the S&P 500 added ~\$600 billion of market cap over the last week. The index was up for 10 straight days but erased 5 of those daily gains in 2 hours. The volatility index, \$VIX, spiked ~10% in a matter of minutes.



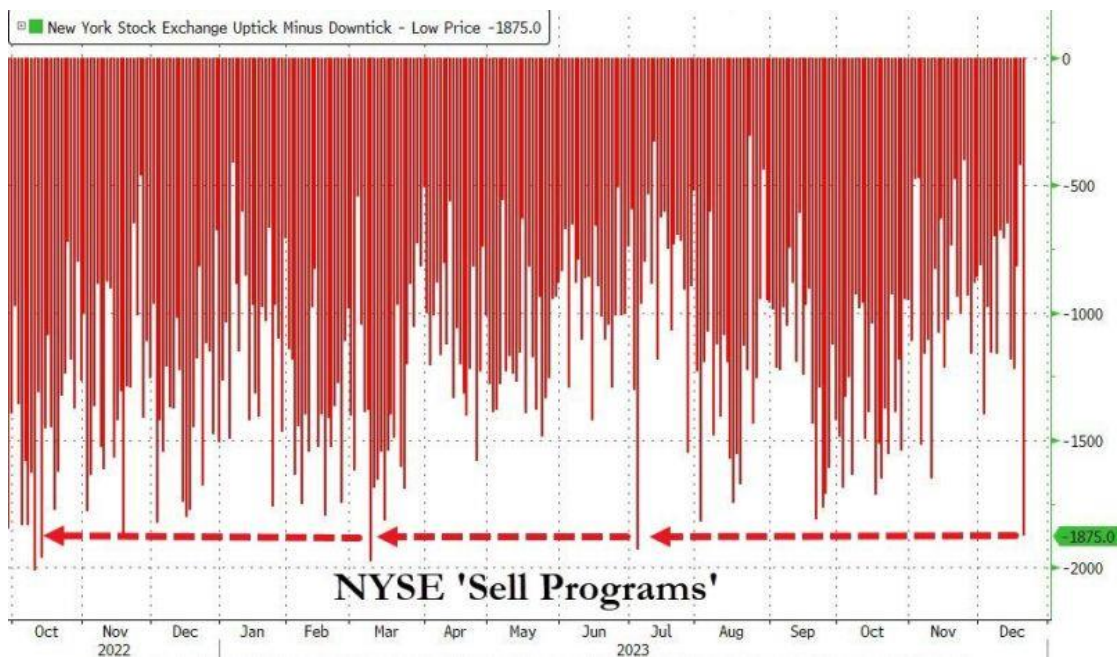
Source: The Kobeissi Letter





#wednesday #sell-off

The Dow plunged by 470 points on Wednesday amid what seems to be a massive sell-program. Indeed, starting around 1430ET yesterday, the biggest sell-program since July smashed Wall Street. For context, this size of selling pressure is unusual...



Source: Bloomberg, www.zerohedge.com





#friday #sell-off

This is interesting: On Wednesday, beginning at exactly 2 PM ET, the S&P 500 fell ~80 points in under 2 hours. Over \$600 billion of market cap was erased, taking out 5 days worth of upside. On Friday, beginning at exactly 2 PM ET, the S&P 500 fell ~30 points in minutes. The move erased ~\$250 billion of market cap in under 30 minutes.

Despite a strong market, we have seen two days this week with short-term, seemingly random, sharp drops. Is this a coincidence?.



Source: The Kobeissi Letter

#cannabis #stocks

President Biden issues nation-wide federal pardon to every American who has used marijuana.

This includes those who were never arrested or prosecuted for the act.

Shares of marijuana stocks such as Tilray, \$TLRY, are up over 10% on the announcement.

The White House says thousands of people with convictions will be eligible for the pardons.



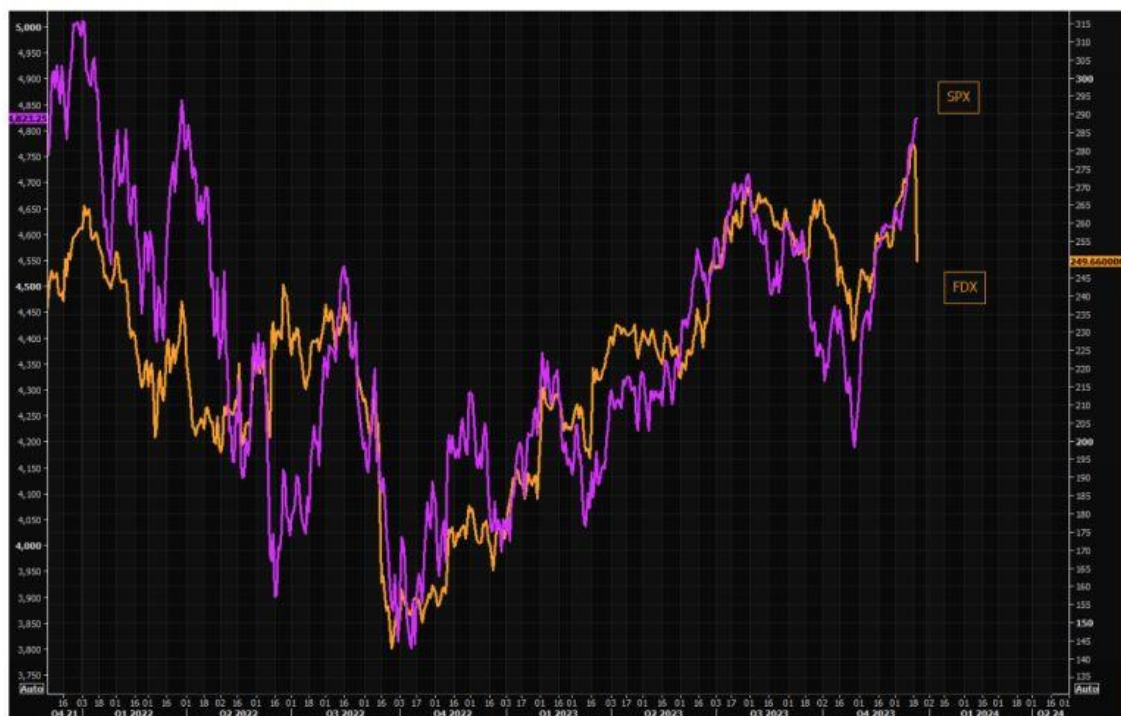
Source: The Kobeissi Letter



#fedex #spx

FedEx is not the market, but...has moved in perfect tandem with the SPX for some time.

FedEx is not the market, but...



Source: Refinitiv

Source: The Market Ear, Refinitiv





#fedex #cyclicality

Steno Research -> Big miss from FedEx leading to a >10% nosedive in the stock price. FedEx is the economy and air freight was particularly disappointing here. Given the strong correlation between FedEx and the cyclical economy, this speaks against expecting a strong comeback in 2024

FedEx is the economy

The FedEx impulse is waning, which is hardly good news for 2024 cyclicality



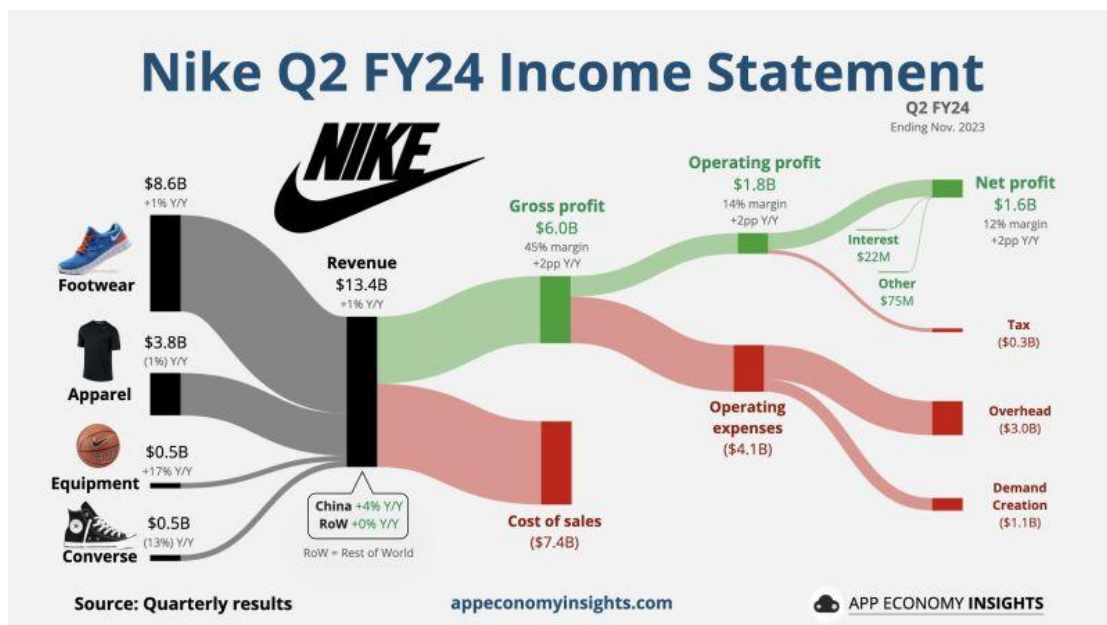
Source: Steno Research, Bloomberg and Macrobond

Source: Steno Research, Macrobond, Bloomberg



#nike #earnings #performance

Nike sinks 10% after it slashes sales outlook, unveils \$2 billion in cost cuts. Nike on Thursday unveiled plans to cut costs by about \$2 billion over the next three years as it lowered its sales outlook. Nike now expects full-year reported revenue to grow approximately 1%, compared to a prior outlook of up mid-single digits. In the current quarter, which includes the second half of the holiday shopping season, Nike expects reported revenue to be slightly negative as it lags tough prior year comparisons, and sales to be up low single digits in the fourth quarter.

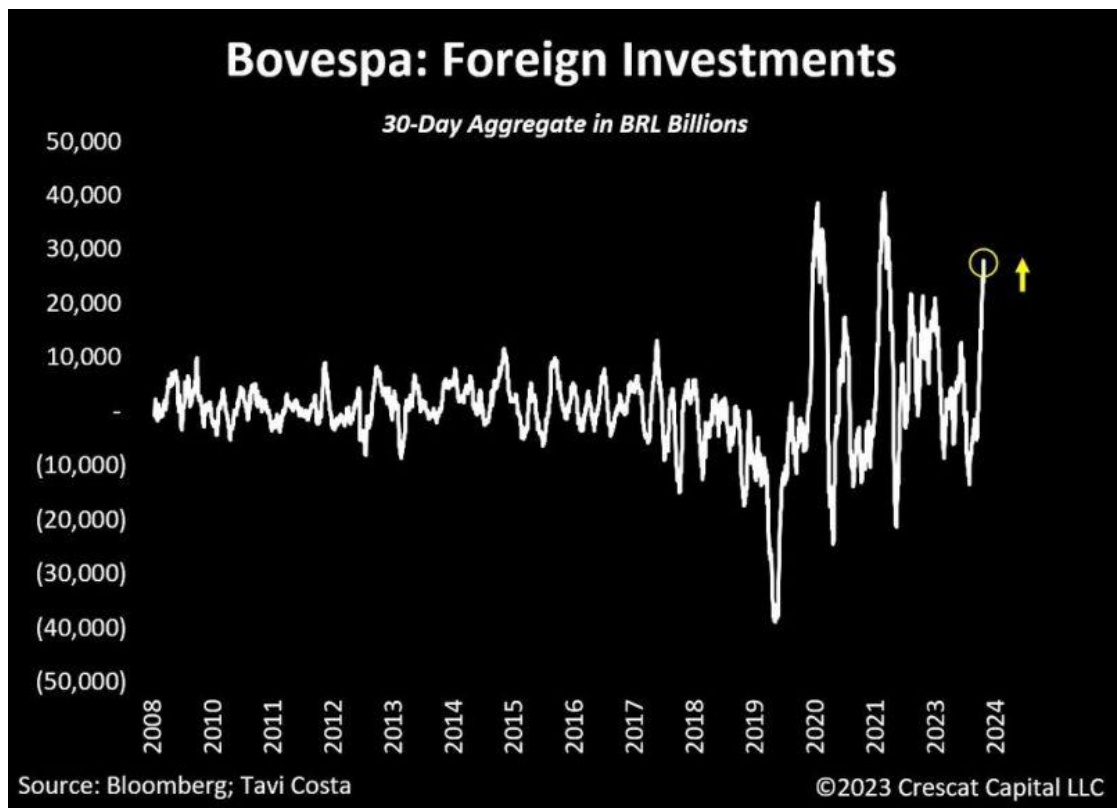


Source: App Economy Insights, CNBC



#brazil #equity #foreign-investment

Tavi Costa -> Brazilian equity markets have experienced near-record foreign investments in the last month. Despite all the skepticism about \$EWZ is outperforming the S&P 500 by 23 percentage points in the last 2 years. The aggregate market cap of Brazilian stocks relative to its overall money supply remains near historical lows.



Source: Crescat Capital, Bloomberg





#china #equities #performance

BREAKING: Chinese Equities. Chinese Stocks continue to nosedive and have fallen to their lowest prices in 5 years.



Source: Barchart





#china #equities #tencent

Tencent's stock crashes 16% in minutes after Beijing released draft guidelines aimed at curbing incentives that could lead to excessive gaming and spending. Tencent is China's largest public company and the drop erased ~\$55 billion of market cap. This also marks the biggest one-day drop for the company since 2008. Note that NetEase sank by as much as 28% to HK\$117.30, breaking briefly below a key technical support offered by a February low at around HK\$120.70. In mid-afternoon trade, NetEase shares pared losses to trade down about 20% at HK\$129.



Source: The Kobeissi Letter, CNBC



#china #equities #market-cap

Chinese stocks made up 24.7% of the MSCI Emerging Markets index by capitalization, down from 40% three years ago. Meanwhile, India's weight has doubled...

China's weight in the MSCI EM index has slumped; India's has doubled

Country weights in MSCI IMI (Large, Mid & Small Cap) Emerging Markets index



Gavekal Research/Macrobond

Source: Gavekal



#us #treasuries

Treasuries were mixed this week with the short-end the best performer by far but the long bond was the only segment of the curve to end higher on the week...



Source: Bloomberg, www.zerohedge.com

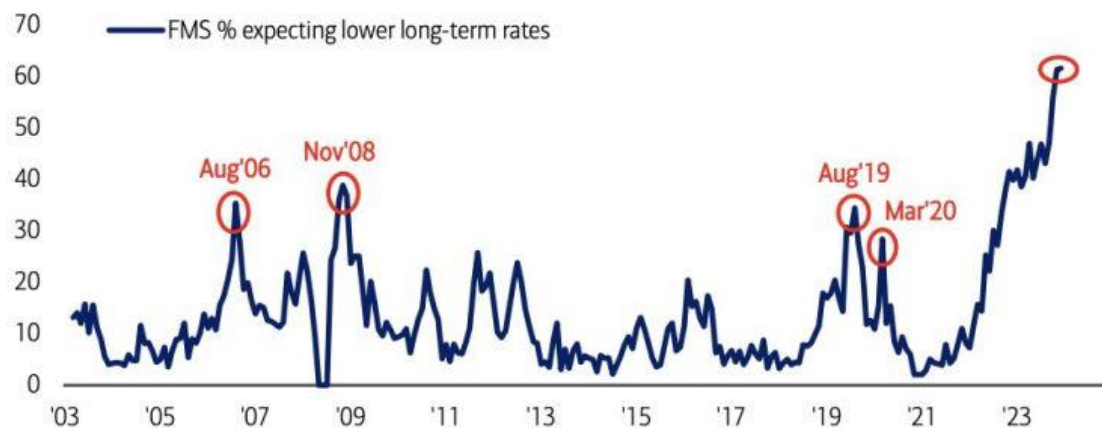


#bond #sentiment

Bond trade looks a bit crowded: Record 62% of Fund Managers polled by BofA in December expect bond yields to be lower in 12 months' time.

Chart 10: 62% expect bond yields to fall

Net % saying recession likely vs % wanting companies to improve balance sheets



Source: BofA Global Fund Manager Survey

BofA GLOBAL RESEARCH

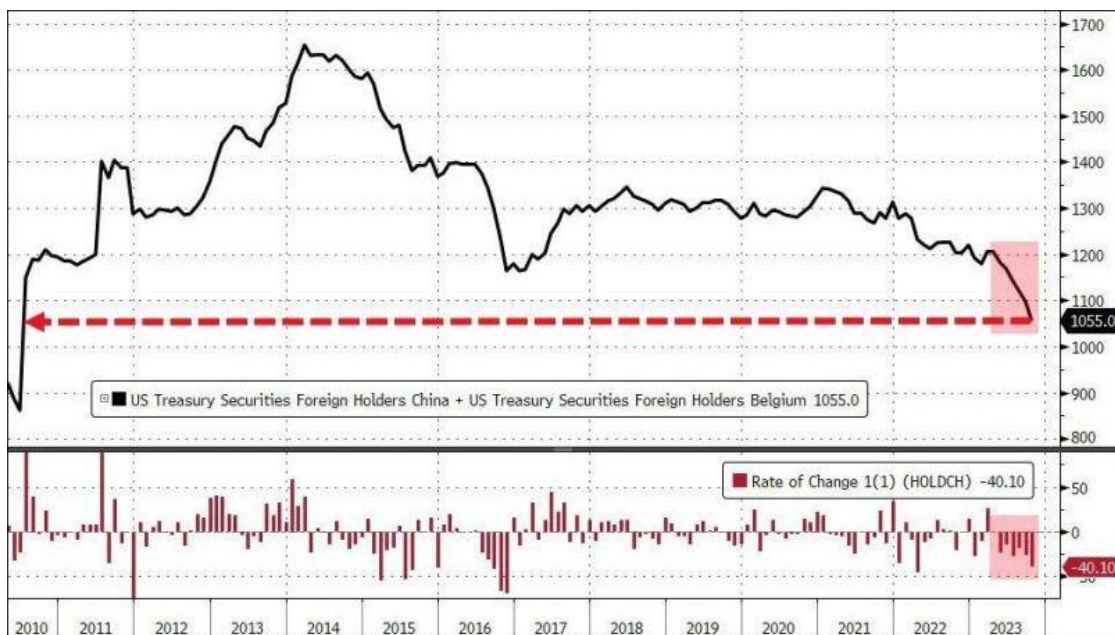
Source: BofA, HolgerZ





#china #belgium #treasury #selloff

China and Belgium Lead Major Sell-Off of US Treasuries in October. Belgium and Luxembourg were the biggest sellers of US Treasuries (-\$31.6BN and -\$28.2BN respectively) Since Beijing is using Euroclear as custodian for many of its TSY holdings, we see that "China" also sold over \$40BN in TSYs in October - its second biggest-selling month since Nov 2016...

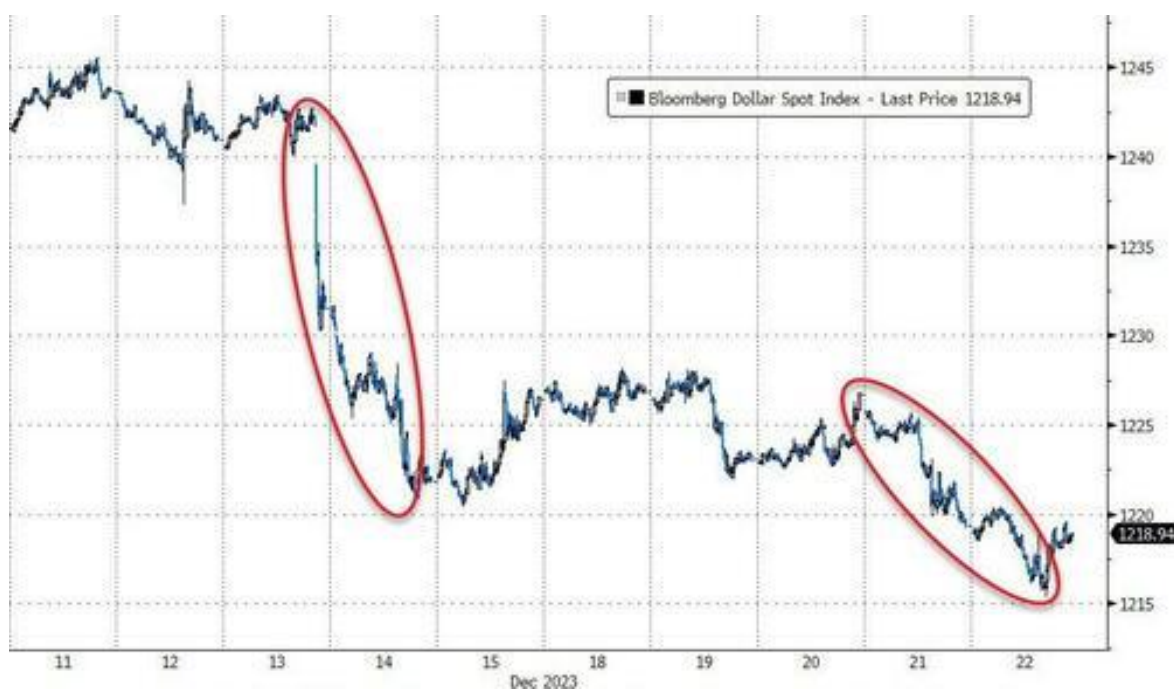


Source: zero Hedge



#us-dollar

The dollar fell to its weakest since July, down for the 5th week in the last 6...

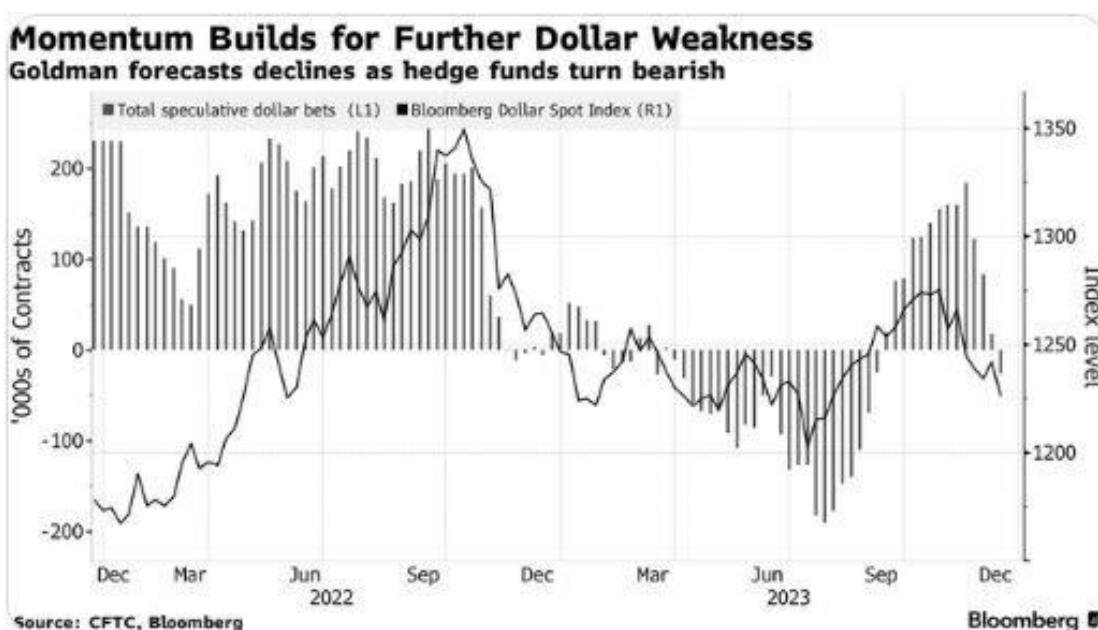


Source: www.zerohedge.com, Bloomberg



#us-dollar #hedge-funds #shorts

Hedge Funds have turned bearish on the U.S. Dollar for the first time since September



Source: bloomberg, gs, barchart

#GLOBALMARKETS WEEKLY WRAP-UP

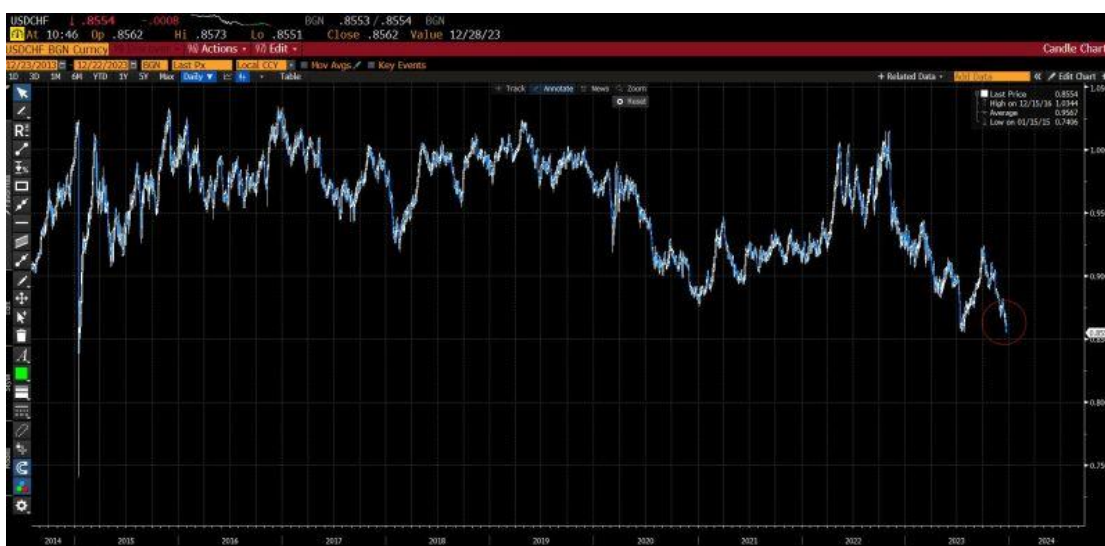
Hand-curated selection of the best charts & news flow

23 DECEMBER 2023



#swiss-franc #usd #forex

Swiss Franc rises to Strongest vs Dollar since 2015



Source: bloomberg

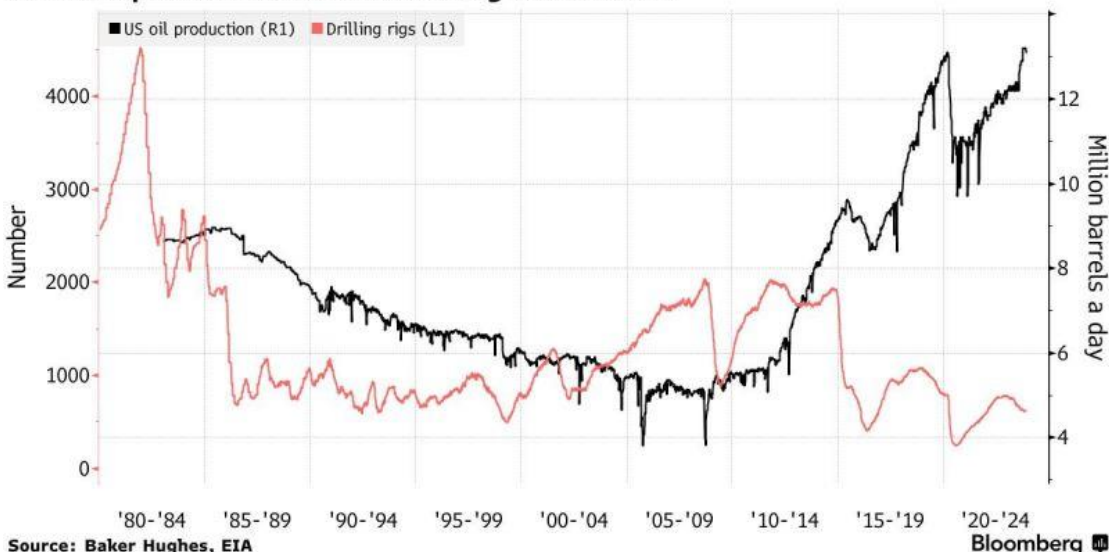




#us #oil #production

The US added the equivalent of a new Venezuela in oil supply during Q4, with less rigs producing more oil as technological efficiency ramps up. This supply growth has exceeded expectations and furred OPEC's attempt to put a floor under prices, at least for now.

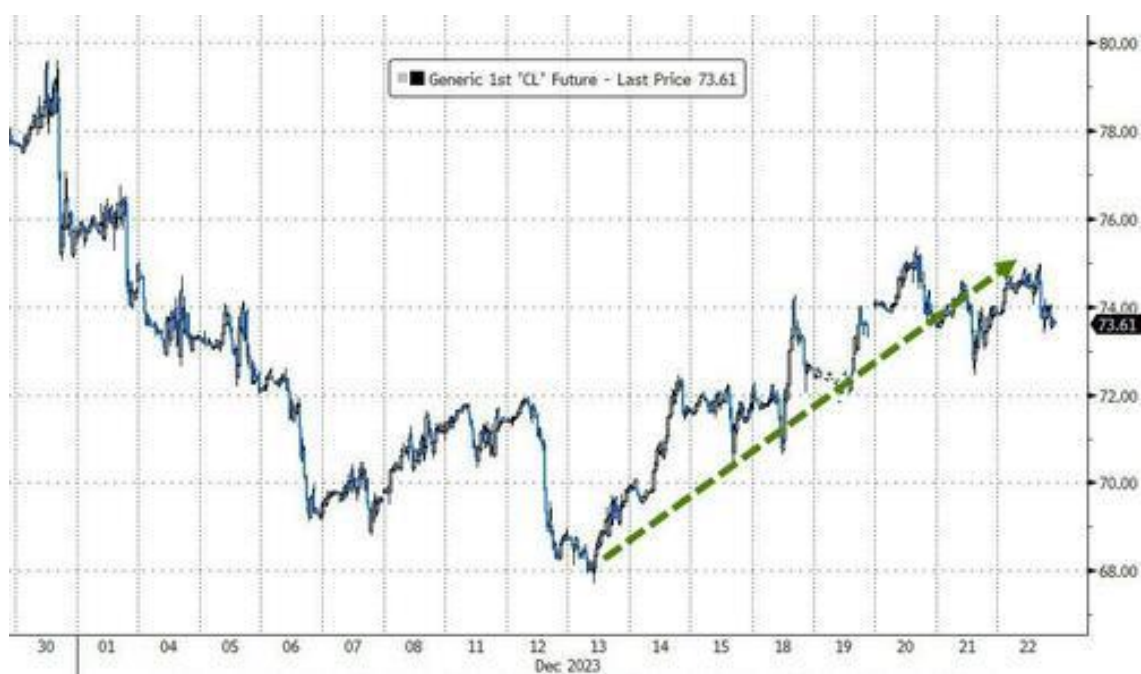
More Oil from Fewer Rigs
US oil output has soared while drilling has declined



Source: Markets & Mayhem, Bloomberg

#oil

Oil prices rose for the second week in a row, after seven straight weeks lower. The 3% jump in WTI was the best week since mid-October (finding resistance at \$75)...



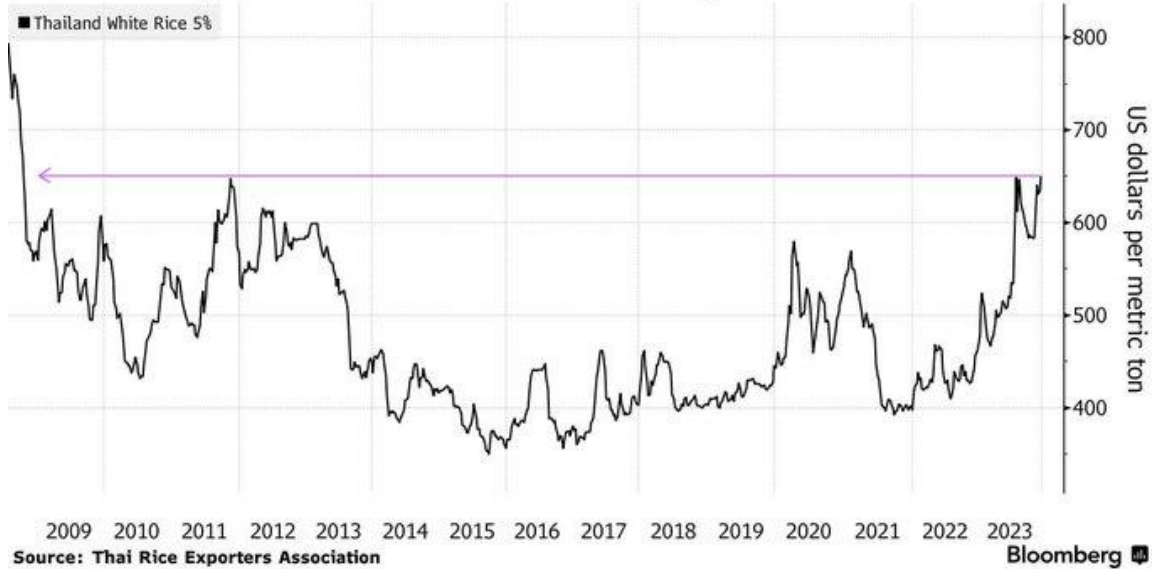
Source: www.zerohedge.com, Bloomberg



#rice

Rice Prices Hit New 15-Year High 🚨 : Global Rice Prices have jumped to their highest level since 2008

Benchmark Rice Prices Return to Highest Since 2008
That could keep food inflation elevated in the coming months



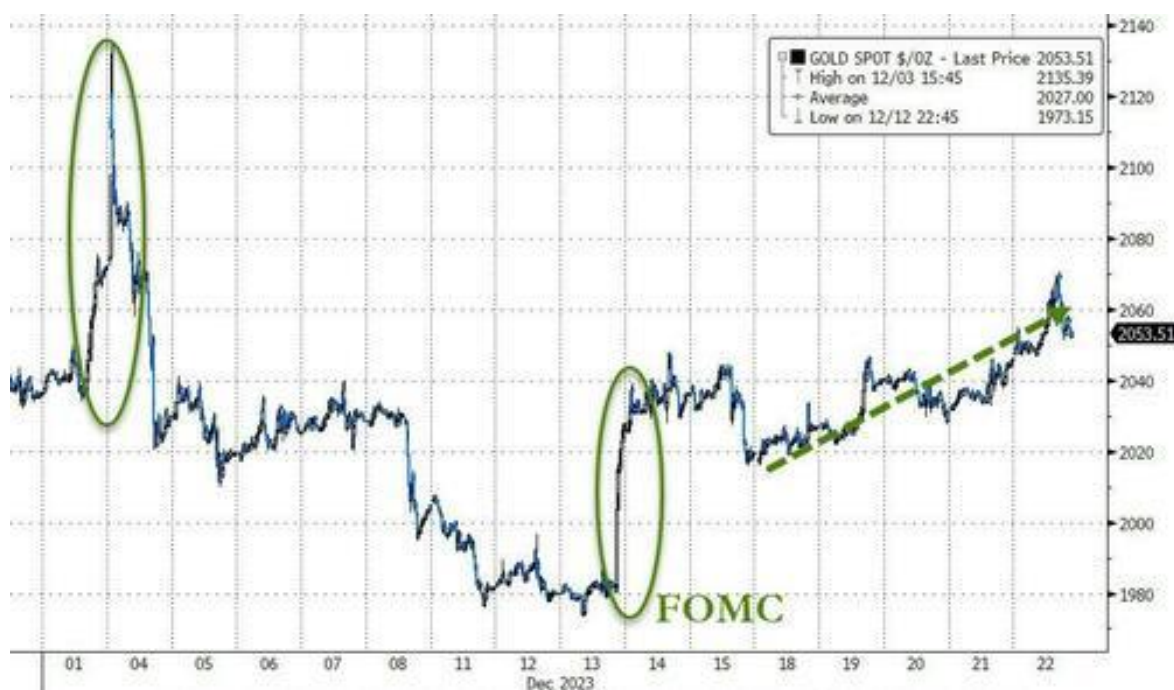
Source: Barchart





#gold

Gold is up 4 of the last 5 days, rising for the 5th week of the last 6 and back above \$2050 spot to three-week highs...

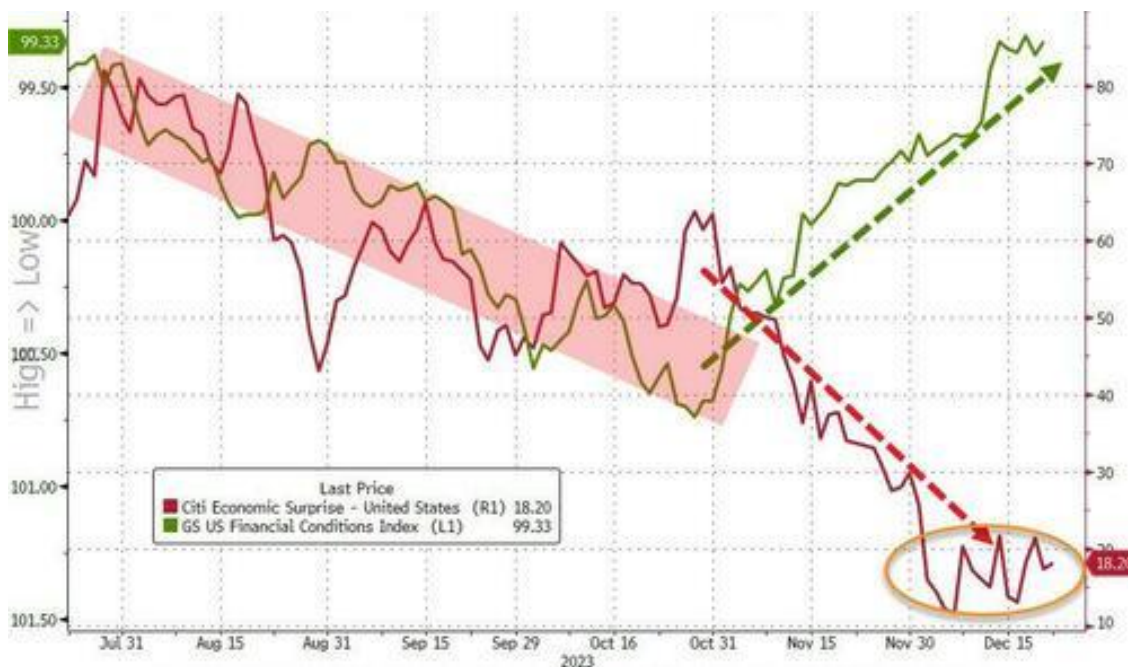


Source: www.zerohedge.com, Bloomberg



#us #economic-surprise

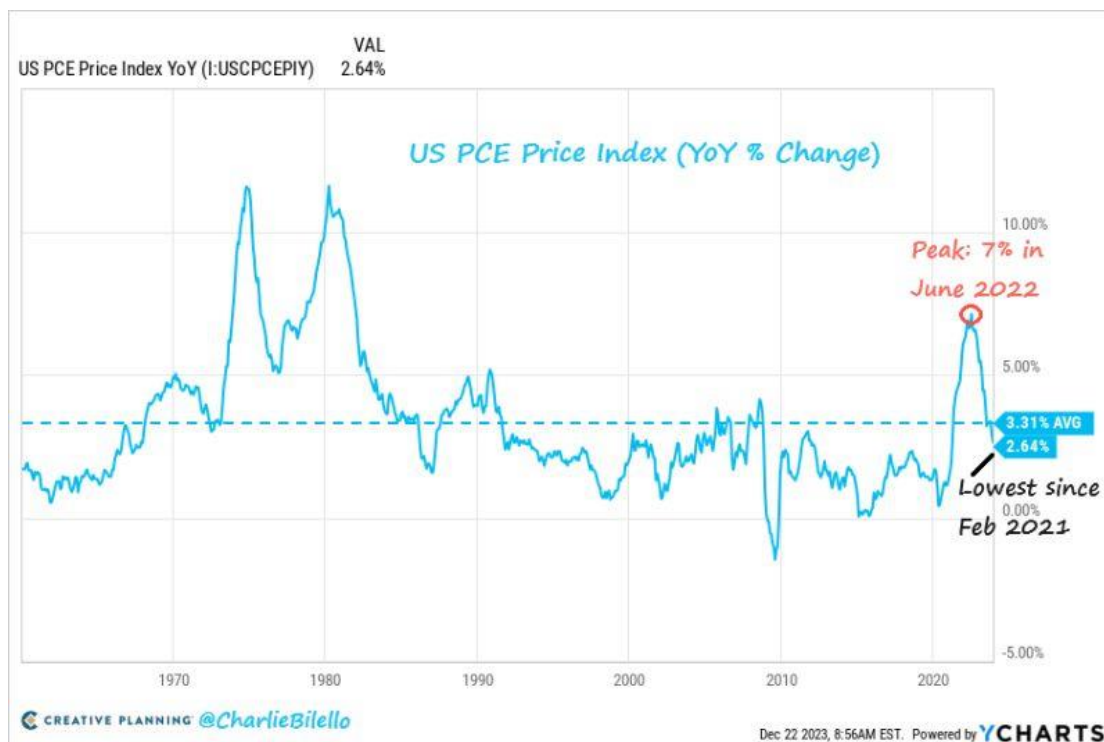
A weird week of macro data - strong jobless claims but weak labor market data from UMich; housing starts soared but new home sales crashed; rapidly slowing inflation all driven by goods deflation (as crude prices begin rising again). So macro surprises have flatlined for a week or two - even as financial conditions continue to loosen dramatically...





#us #inflation #pce

More evidence of a decline in the US inflation rate... The PCE Price Index moved down to 2.6% in November, its lowest level since February 2021. Cycle peak was 7% in June 2022.



Source: Charlie Bilello

#macro

#us #inflation #expectations

Longer-term US inflation expectations have fallen dramatically over the past two months, to close to the Fed's 2% target.



#macro

#us #labor-unions #wages #inflation

Labor unions are pushing for big pay rise... e.g Southwest Airlines pilot pay would increase 50pct under new labor contract. A wage-inflation spiral remains a threat (even if overall job creations are plunging).



Source: CNBC



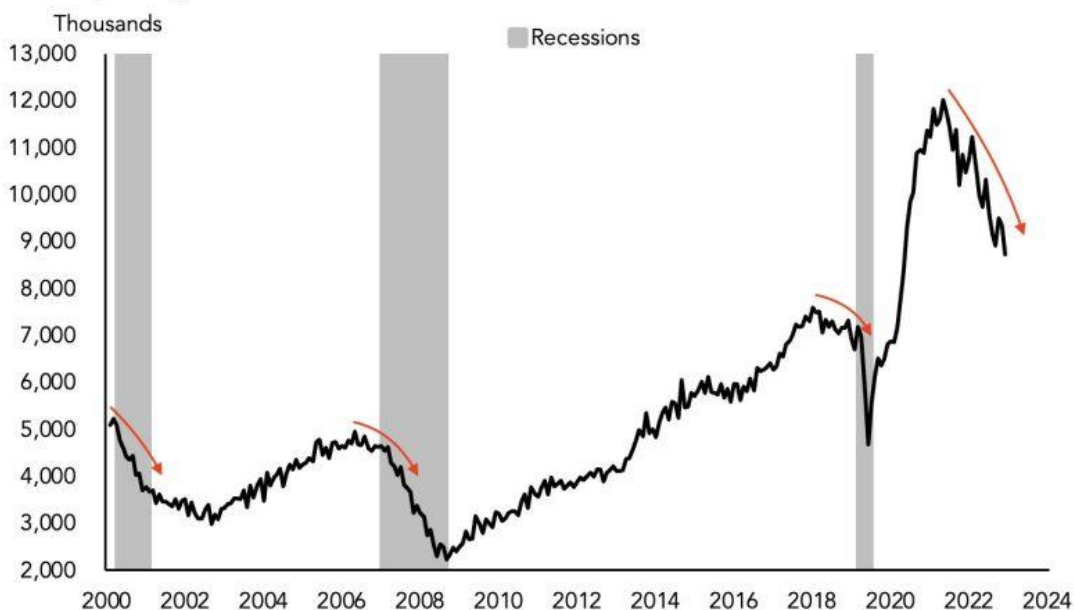
#us #job-openings

ALERT: Job openings are collapsing (but from a very high level)

Job Openings are Collapsing



Job Openings: Total Nonfarm



Dates: 2000 Through October 2023.

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

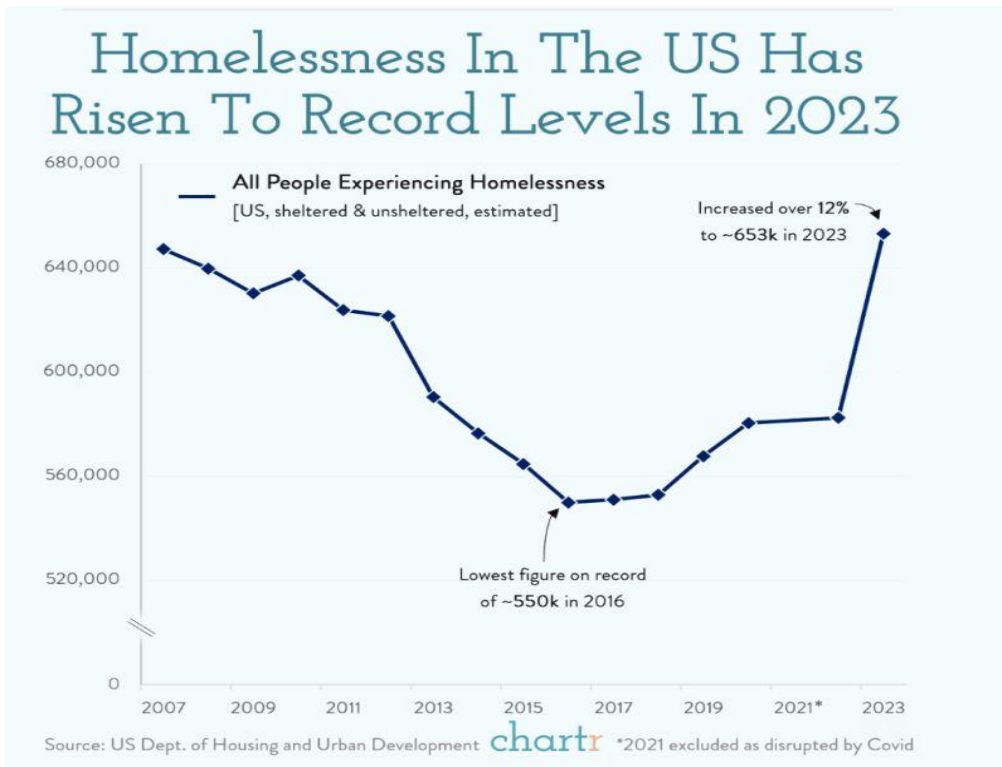
Source: Game of Trades





#us #homelessness

Homelessness in the US has grown to the highest level since the Department of Housing and Urban Development (HUD) started tracking the figure back in 2007, with a record 653,104 people experiencing homelessness at the latest annual count. The number of people experiencing unsheltered homelessness — those living on sidewalks or in abandoned buildings, bus stations, etc. — was up around 47k from last year, while the figure for people staying in emergency shelters, transitional housing programs, or safe havens grew 23k in the same period.



Source: Chartr



#us #banks #credit

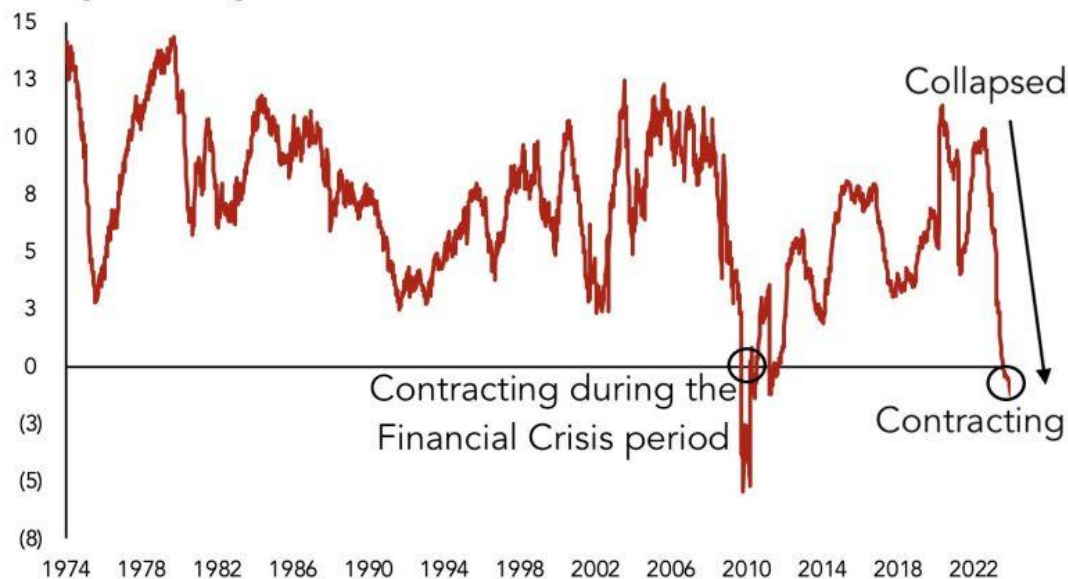
Bank credit is contracting sharply. This has only happened ONCE in the last 50 years.

Bank Credit is Contracting Sharply



Bank Credit; All Commercial Banks

% Change from Year Ago



Dates: 1974 Through 6th December 2023.
Source: Federal Reserve Board, Game of Trades.

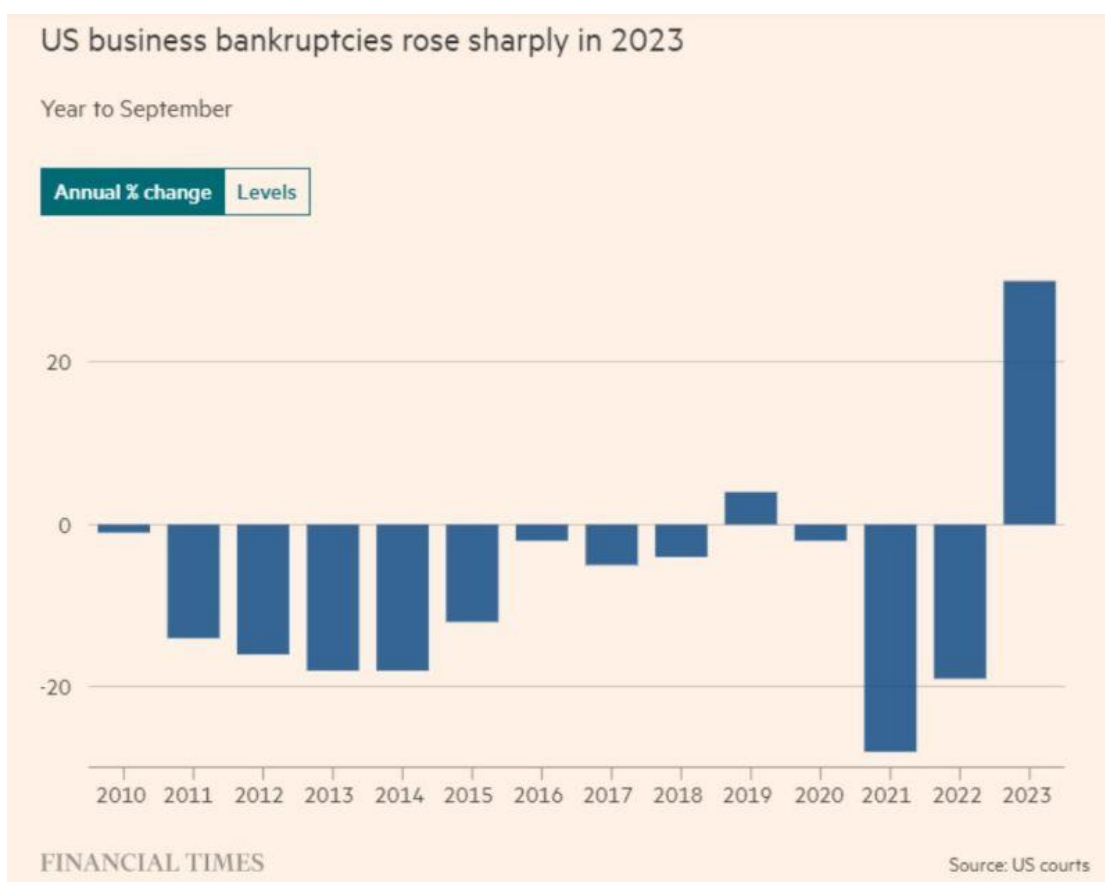
Source: Game of Trades



#macro

#us #bankruptcies

Bankruptcies soar as high rates and end of covid aid hit businesses hard.



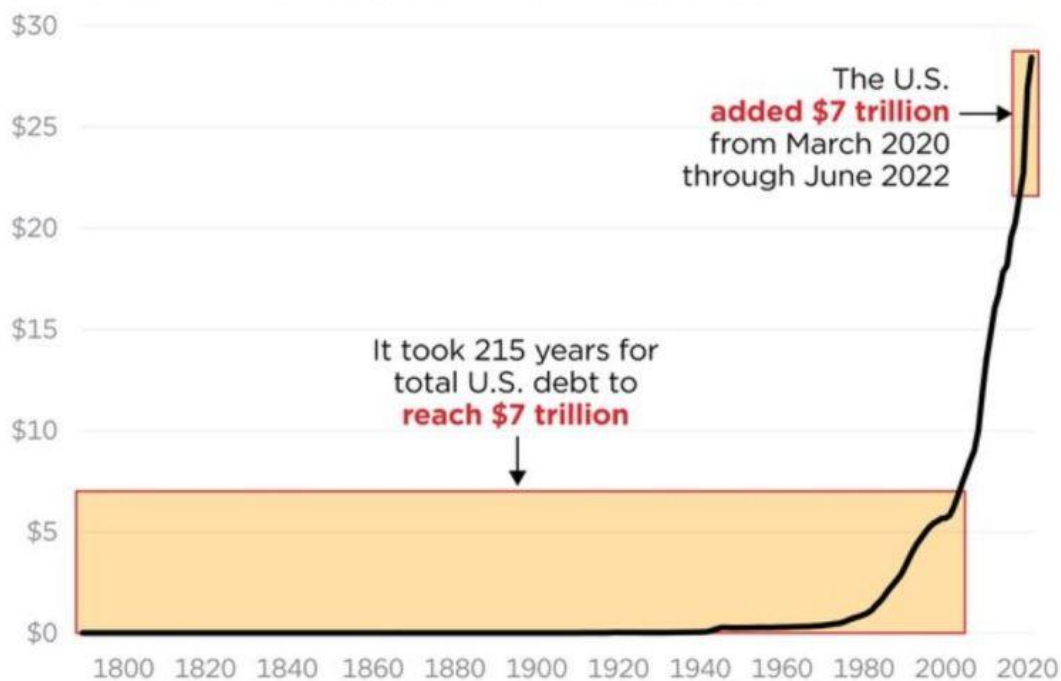


#us #debt

The US added another \$2.6 trillion of debt between June 2023 and December 2023. \$31.4 trillion to \$34 trillion now.

THE STAGGERING PACE OF NEW DEBT

TOTAL OUTSTANDING DEBT, IN TRILLIONS OF DOLLARS



Source: U.S. Department of the Treasury.

heritage.org

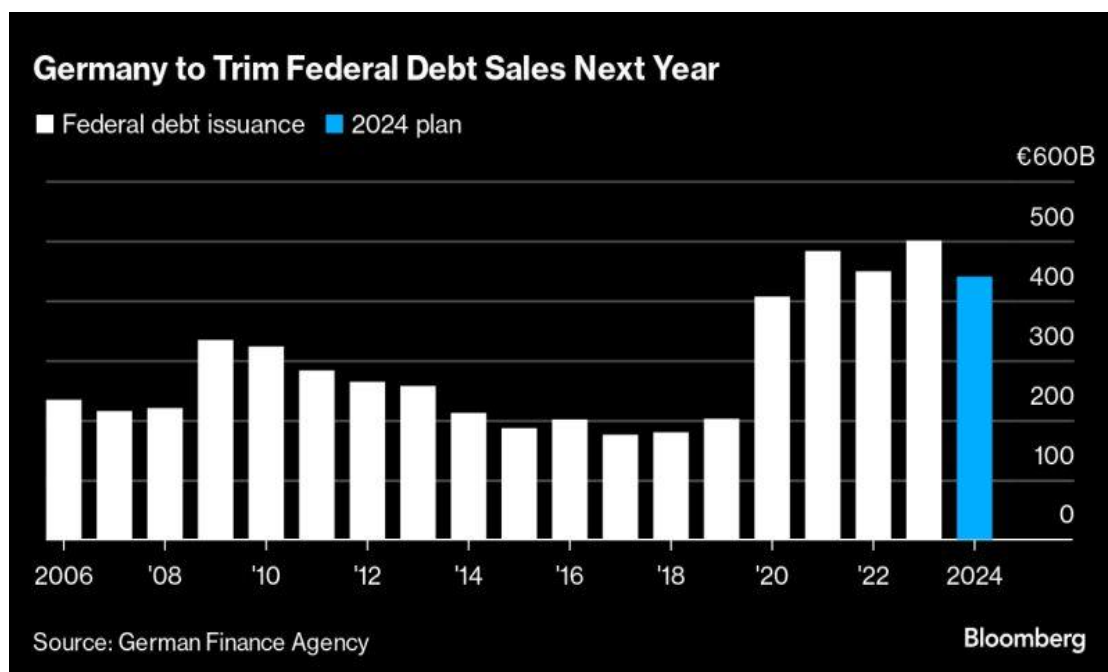


Source: Wall Street Silver



#german #debt

German federal government is set to trim federal debt sales next year following the German top court's 'debt brake' ruling. Berlin plans to issue ~€440bn in debt. That compares with a record volume of ~€500bn in 2023



Source: HolgerZ, Bloomberg

#macro

#turkey #inflation

What a headline... Hafize Gaye Erkan, the new head of Turkey's central bank, said rampant inflation has priced her out of Istanbul's property market, leaving the former finance executive with no choice but to move back in with her parents. "We haven't found a home in Istanbul. It's terribly expensive. We've moved in with my parents," 44-year-old Hafize Gaye Erkan, who took up her post in June after two decades in the United States, told reporters.

BANKING

Inflation forces Erkan, Turkey's central bank boss back to parents house



Published 4 hours ago on December 16, 2023
By Vincent Osuwo



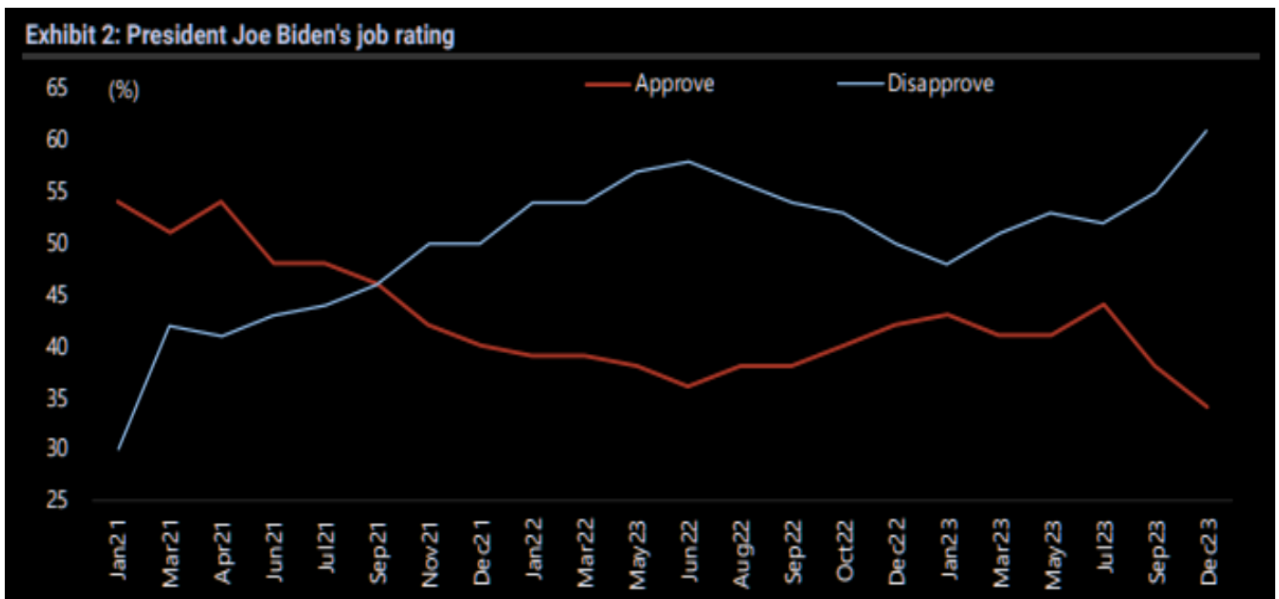
Source: Wall Street Silver

#geopolitics

#biden #approval-rating

Mean reversion or pushing the trends further going forward?

Biden's wedge



Source: Jefferies

Source: Jefferies, TME

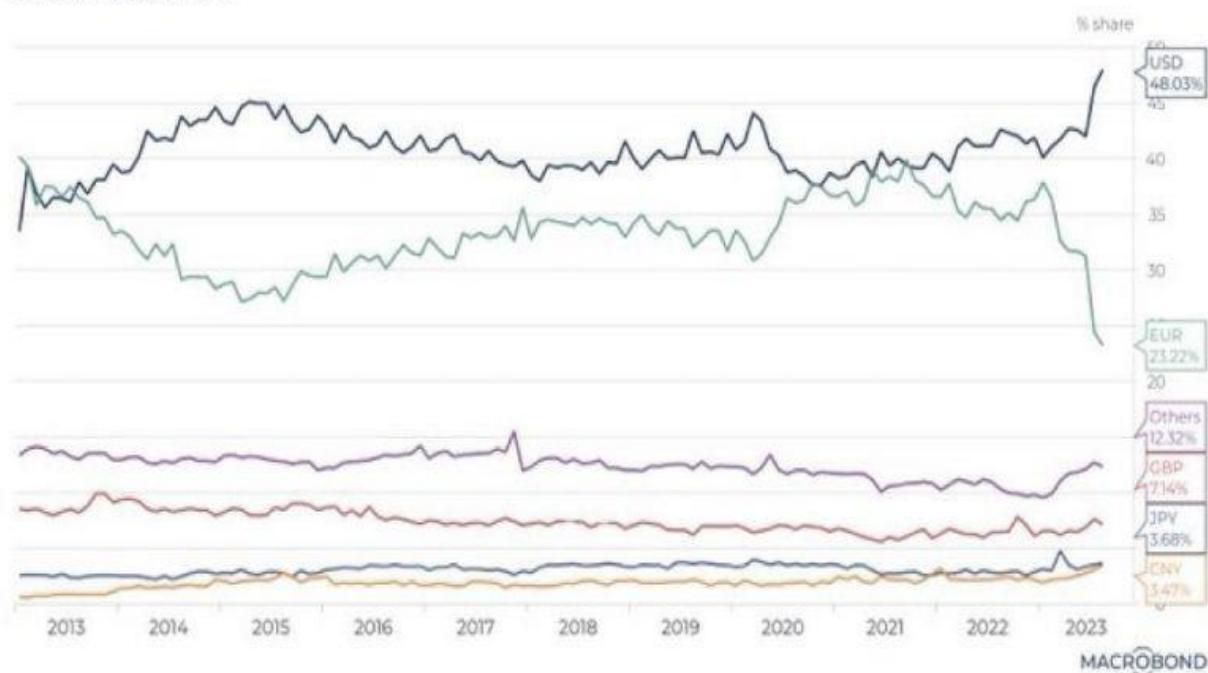
#geopolitics

#us #dollar #transactions

The U.S. dollar remains king and is now used in 48% of international payment transactions, the highest level in more than a decade.

Currency used for global payments through SWIFT system

Source: SWIFT, based on value



Source: Barchart. Macrobond



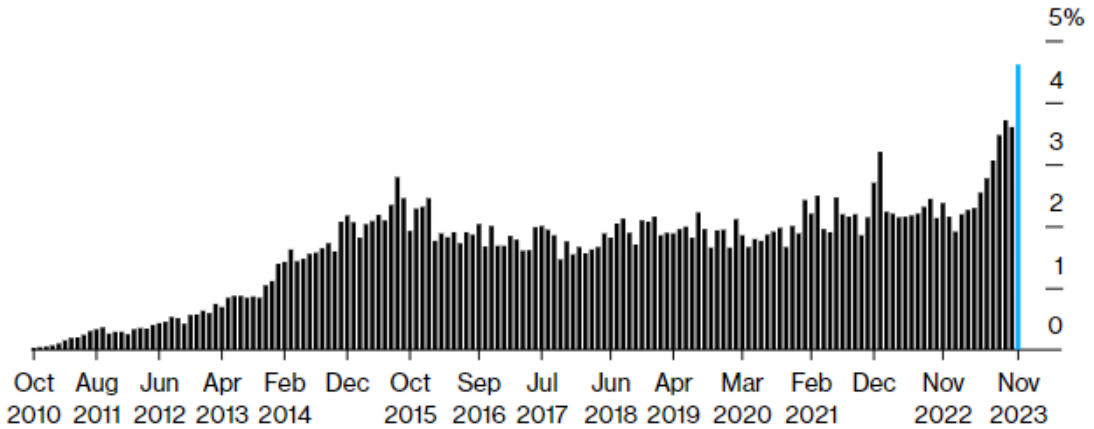
#chinese-yuan #transactions

Chinese Yuan accounted for 4.6% of international payment transactions in November, its highest % in history. It accounted for less than 0.1% in 2010.

Global Usage of the Yuan Has Risen Since 2010

Yuan's 4.6% share in November surpassed that of the yen

■ Share of global currency payments by value



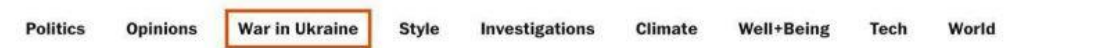
Source: Swift

Source: Barchart, Bloomberg

#geopolitics

#washington-post #ukraine

Investigative journalist Kit Klarenberg noticed that The Washington Post quietly deleted a prominent tab from its Masthead. What was a long featured "War in Ukraine" tab, which had been there from the start of the war going back to Feb. 2022 has disappeared... An Internet Archive search and review of all Washington Post frontpages shows the tab was there throughout all of 2022. It was also present through most of 2023, until very recently. Ironically just yesterday Ukraine's President Zelensky again complained that the world's focus has been taken off supporting his country's struggle due in large part to the events in Israel and Gaza.



Source: www.zerohedge.com

#geopolitics

#redsea #supplychain

Global supply chain under threat after Iran-backed Houthi militants on ships in the Red Sea. We live in a world where geopolitical risks are playing a much higher role than during last decade. Current conflict in the Middle East is threatening global trade and supply chain. These attacks by have already rocked global trade. And there could be more disruptions and price increases to come for shipments of goods and fuel. Several major shipping lines and oil transporters have suspended their services through the Red Sea as more than a dozen vessels have come under attack since the start of the Israel-Hamas war in early October.

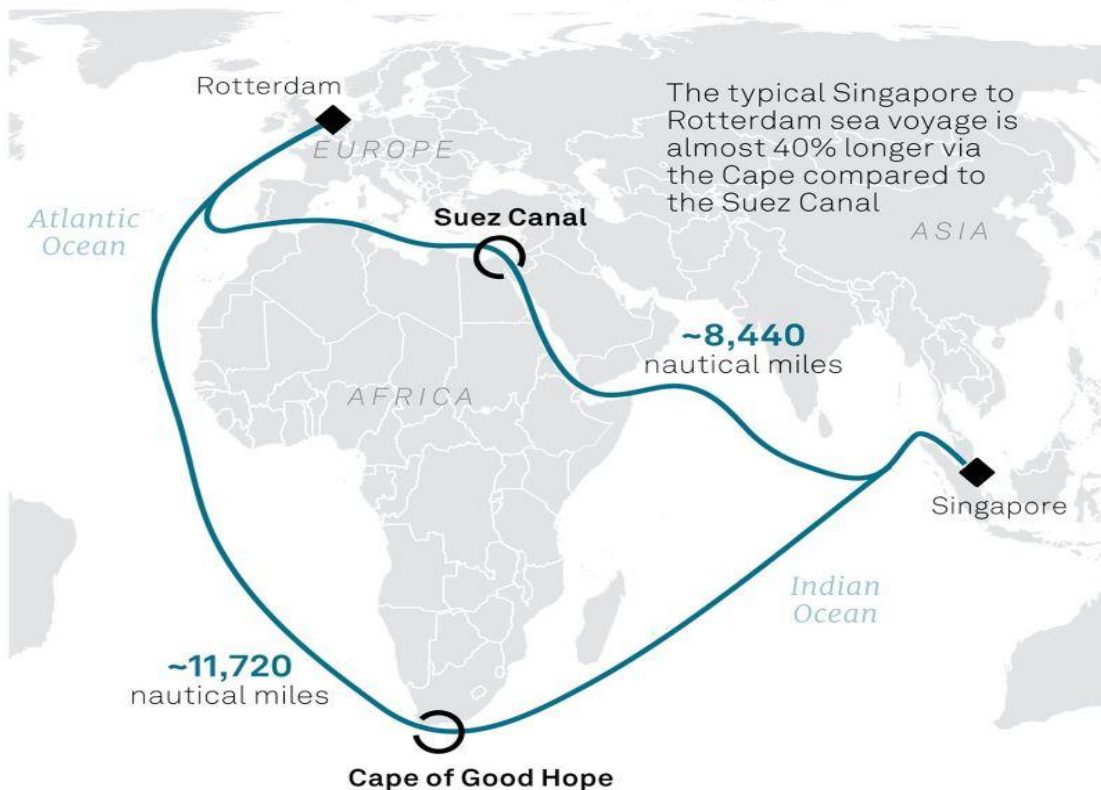


#geopolitics

#redsea #supplychain

The supply chain / 3inflation risk ahead of 2024. Red Sea is now largely closed to traffic. That's 8.8 million bpd of daily oil transit, and nearly 380 million tons of daily cargo transit. Global traffic now will be rerouted around Cape of Good Hope, adding 40% to voyage distance (and even more to cost)

Suez Canal vs. Cape of Good Hope shipping routes



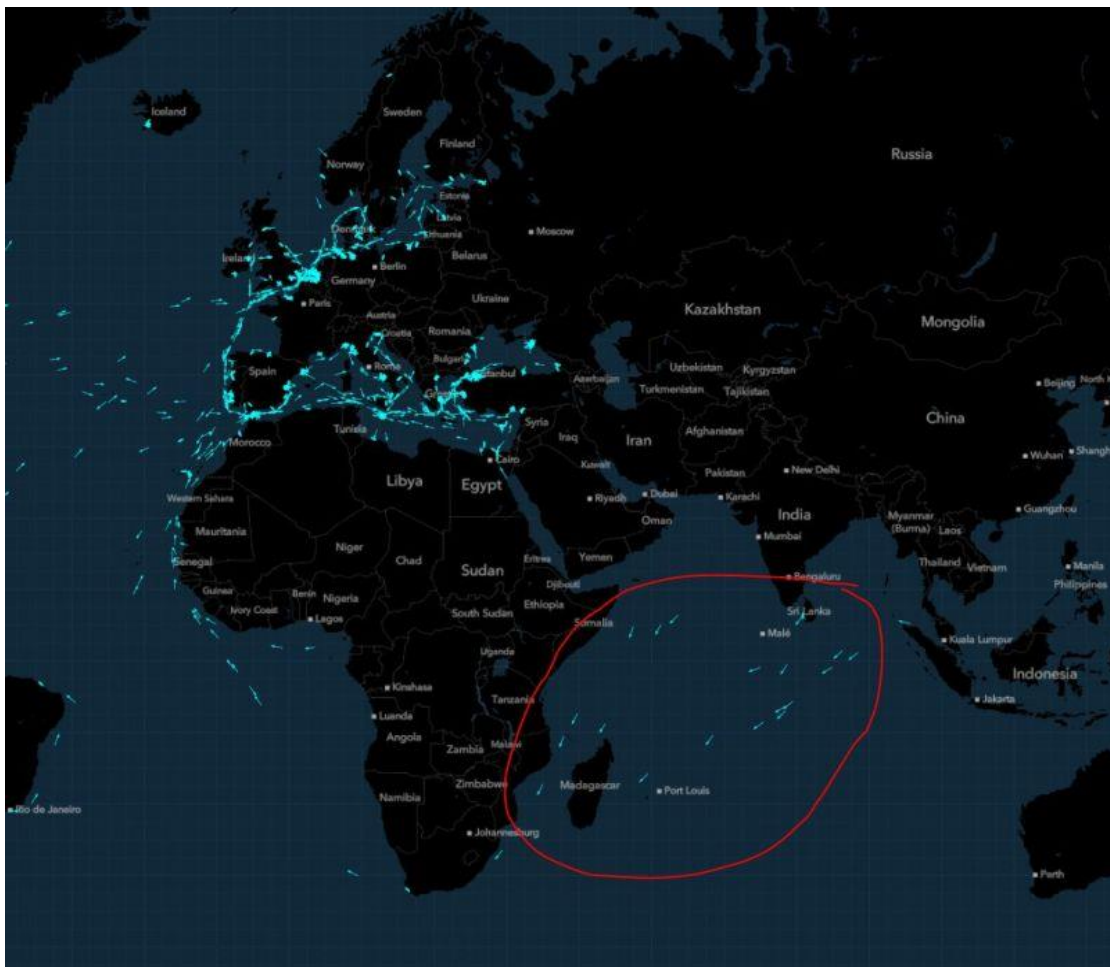
Source: Global Maritime Hub, S&P Global Commodity Insights

Source: www.zerohedge.com

#geopolitics

#redsea #supplychain

MAP OF THE DAY: The number of ships that have diverted from the Red Sea and instead taken the 10/14-day longer route around Africa has risen to >100. The map shows ****container ships**** declaring European ports as destination, with one only left in the Red Sea | Red Sea



Source: Javier Blas

#geopolitics

#redsea #supplychain

 **CNBC** [+ Follow](#)

Container rates hit \$10,000 as ocean freight inflation soars in Red Sea crisis

Story by Lori Ann LaRocco • 28m

IN THIS ARTICLE ...

 MAERSK A ▲ +2.4...

 011200 ▼ -11.63%

- With 158 vessels carrying approximately \$105 billion in ocean freight being diverted away from the Red Sea amid the risk of continuing Houthis' attacks, cargo prices are soaring.
- Just when Covid supply chain inflation seemed vanquished, ocean freight rates are increasing 40 percent on some trade routes and container prices reaching \$10,000, with some logistics executives concerned about "opportunistic" price gouging.
- IKEA, one of the companies to say there will be delays in products reaching stores, tells CNBC it is reviewing options to move freight, while Danone is disputing reports that it is experiencing short-term supply chain delays.



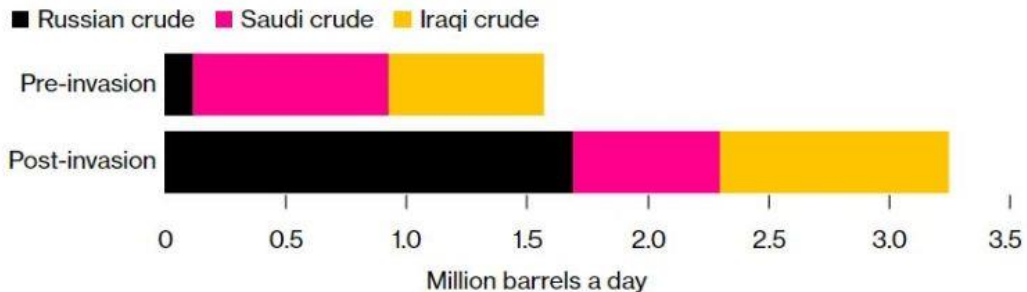
#redsea #supplychain

Red Sea disruption to oil supplies is overblown, argues Julian Lee. Why?

- 1. Houthis unlikely to attack Russian ships heading to India & China
- 2. Saudi pipeline can bypass Bab Al Mandab
- 3. Iraqi & Saudi shipments to the US don't go through the Red Sea

Crude Flows Via the Suez Canal

Oil shipments passing through Suez are more than twice as high as they were before Russia invaded Ukraine



Sources: Tanker tracking data compiled by Bloomberg
Note: Includes ships passing through the Suez Canal and crude piped through the Sumed pipeline. The pre-invasion period is Jan. 1 to Feb. 20, 2022. The post-invasion period is June 1 to Nov. 30, 2023

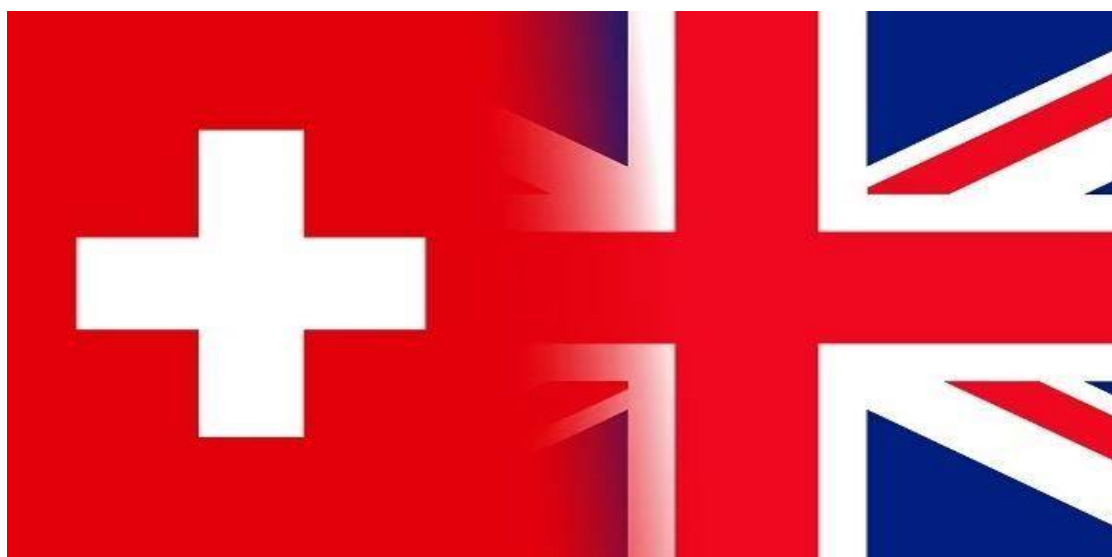
Source: Bloomberg, [Ziad Daoud](#)



#geopolitics

#uk #switzerland #agreement

The UK and Switzerland signed an agreement to recognize each other's laws and regulations in financial services, easing post-Brexit market access for firms including banks, insurers and asset managers. Chancellor of the Exchequer Jeremy Hunt and his Swiss counterpart Karin Keller-Sutter signed the treaty to seal mutual recognition in Switzerland's capital Bern on Thursday. Both governments have been working on the accord for more than three years. Changes include: - Swiss asset managers can serve British clients with assets of more than £2 million directly from Switzerland and can apply Swiss law while doing this. Financial advisers from the UK will no longer need to be registered with Swiss bodies to serve clients from the country, and will therefore no longer need to take Swiss examinations.



Source: bloomberg

#centralbanks

#fed #rates #expectations

"Fed pivot" is an understatement: Markets are now pricing-in an 86% chance that rate cuts will begin in March 2024.

The base case now shows SEVEN interest rate cuts in 2024. Three weeks ago, the Fed said that markets were "premature" in calling for rate cuts. Last week, the Fed said that they see 3 rate cuts in 2024. Markets are pricing-in more than DOUBLE the amount of rate cuts that the Fed is guiding.

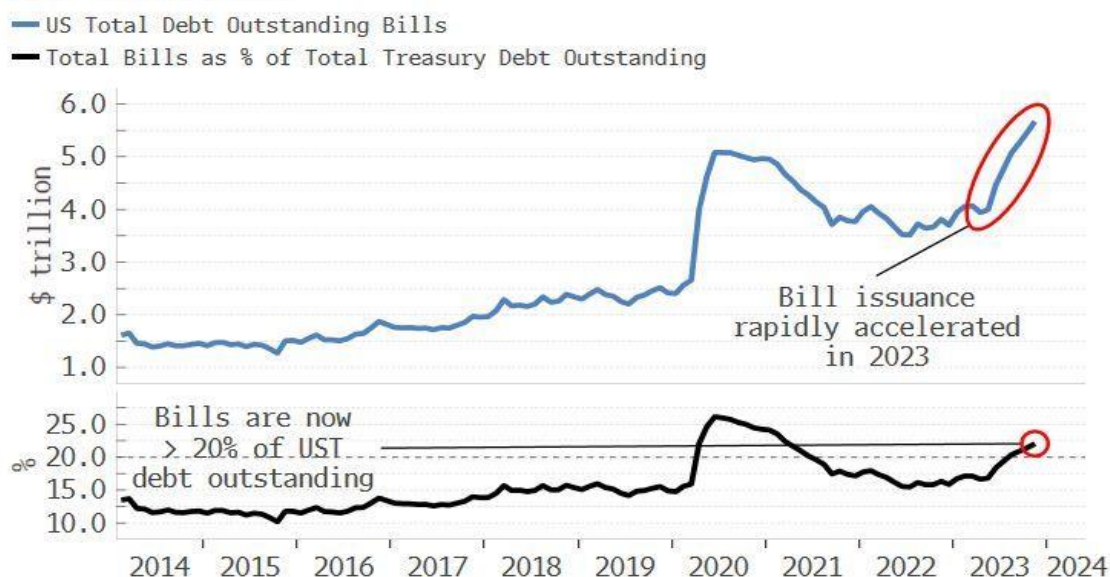
MEETING DATE	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
1/31/2024					0.0%	0.0%	0.0%	0.0%	14.5%	85.5%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.2%	74.2%	13.7%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	14.1%	72.2%	13.2%	0.0%
6/12/2024	0.0%	0.0%	0.0%	0.0%	2.0%	21.0%	65.3%	11.7%	0.0%	0.0%
7/31/2024	0.0%	0.0%	0.0%	1.9%	19.7%	62.2%	15.4%	0.8%	0.0%	0.0%
9/18/2024	0.0%	0.0%	1.7%	17.9%	57.9%	20.1%	2.3%	0.1%	0.0%	0.0%
11/7/2024	0.0%	1.0%	11.1%	41.2%	35.9%	9.7%	1.0%	0.0%	0.0%	0.0%
12/18/2024	0.8%	8.6%	33.6%	37.2%	16.3%	3.2%	0.3%	0.0%	0.0%	0.0%

#centralbanks

#fed #yellen #pivot

The potential short-term gain / long-term pain of the dual Yellen / Powell pivot. Phase 1: The Yellen Pivot. Early 2023, she decided skewing the Treasury's issuance towards bills. This bought time for risk assets, allowing Fed reserves to rise despite QT. Phase 2: The Powell Pivot last week -> His dovish turn should buy more time for risk assets next year. He is literally trying to limit the growing amount of liquidity sucked from the government's ballooning interest-rate bill. While this leads to short-term gain, there is a huge risk of long-term pain as these dovish operations have significantly increased long-term inflation risks and the prospect of even higher yields in the near-future.

The Yellen Pivot



Source: Bloomberg; Macrobond

Source: Bloomberg, Macrobond



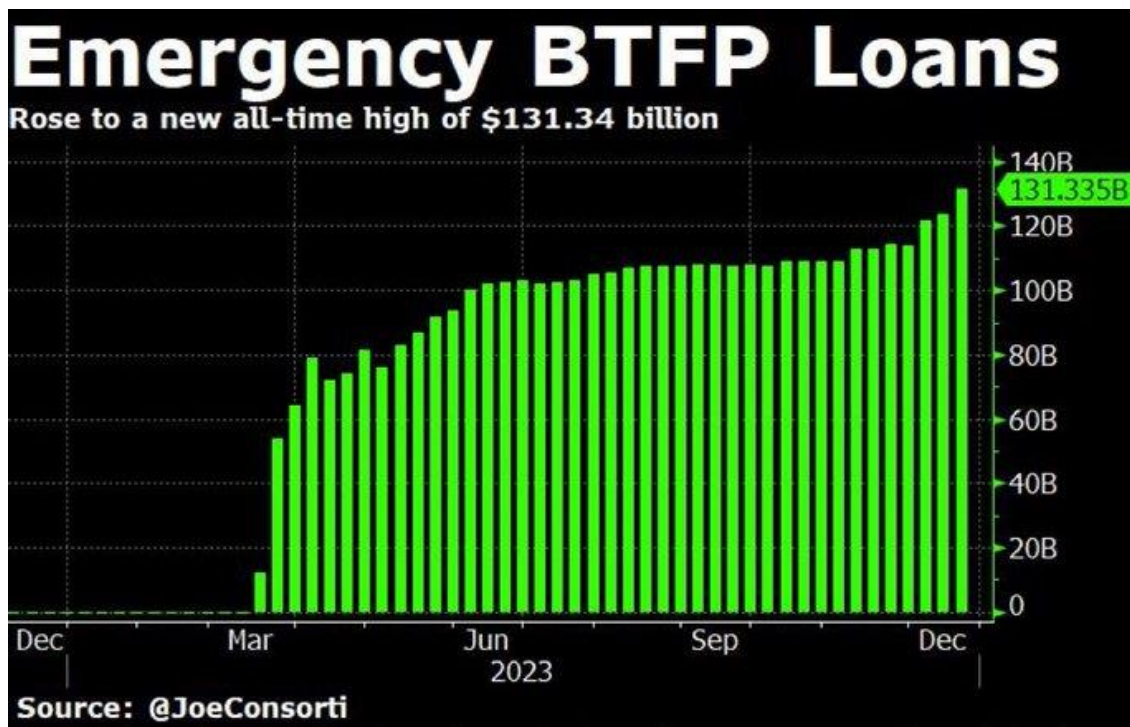
#centralbanks

#us #banks #btfp

Usage of The Fed's BTFP bank bailout facility soared again last week, jumping \$7.5BN to \$131BN...

Banks are now making money by borrowing from the Fed's newest bailout facility (BTFP), which charges a lower rate, and then just parking that money into another spot at the Fed, which pays higher interest.

Arbitraging the Fed itself. No risk.



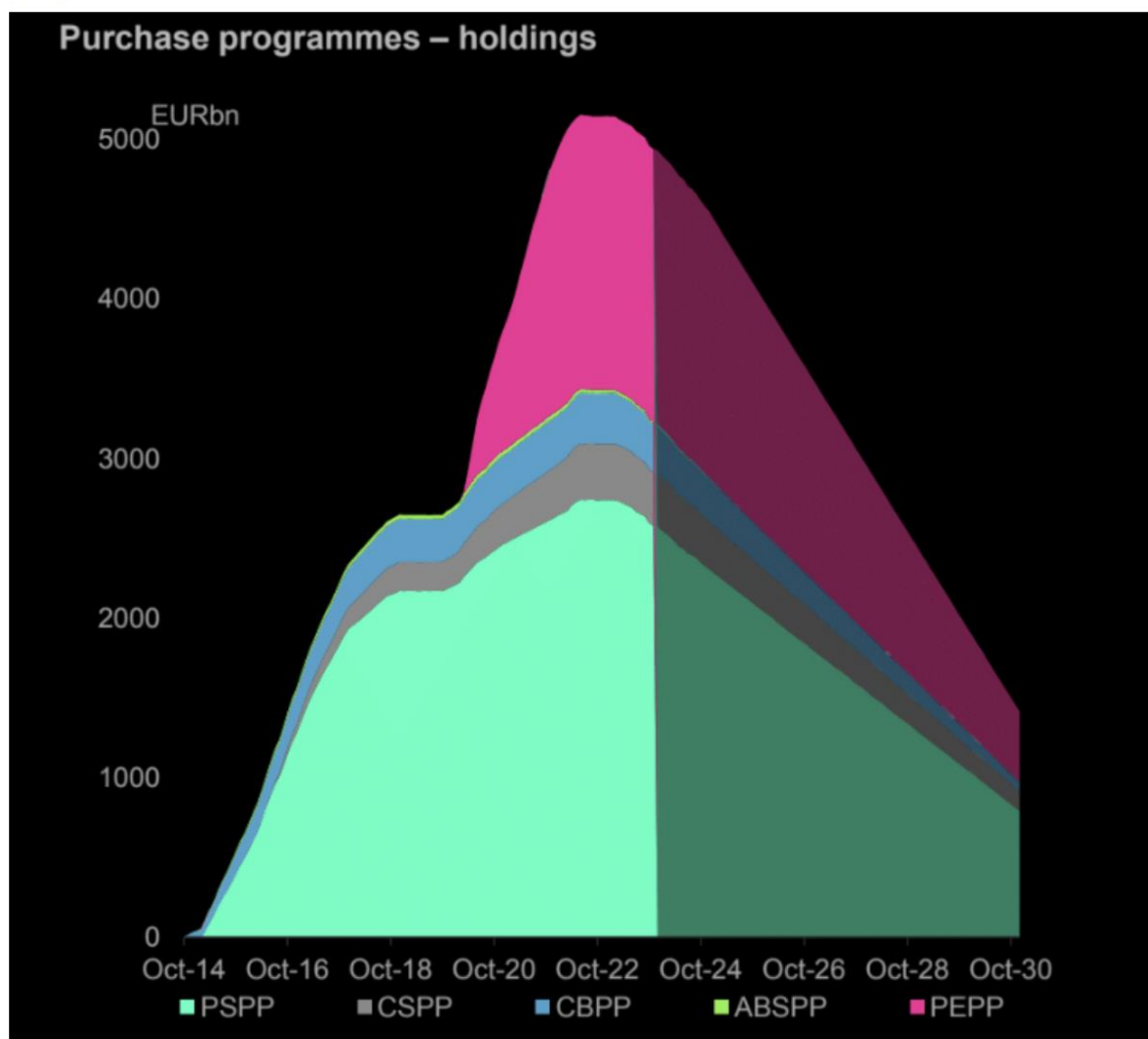
Source: Bloomberg, Joe Consorti, Geiger Capital

#centralbanks

#ecb #qt

QT to be (slightly) accelerated in H224.

European QT



Source: Credit Agricole

Source: Crédit Agricole, TME

#centralbanks

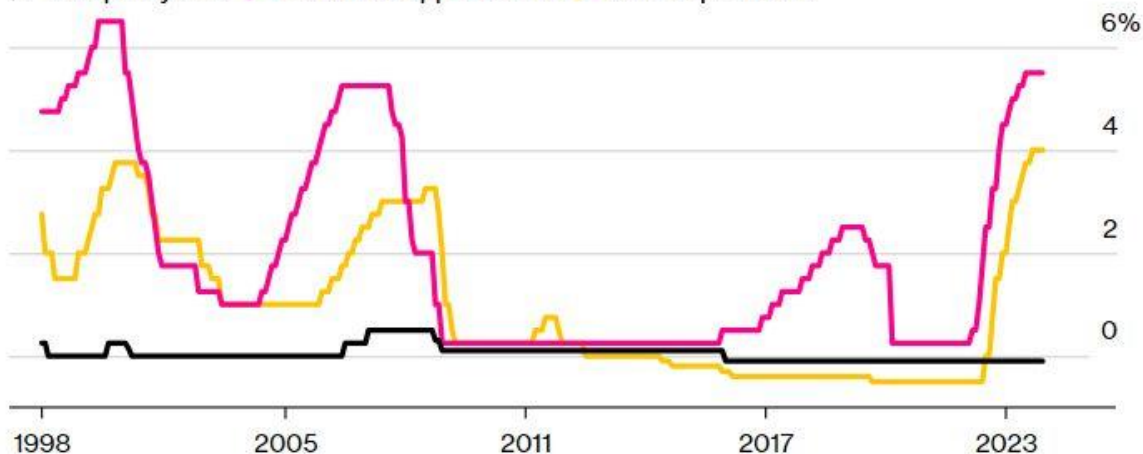
#japan #boj

Japan | BOJ Avoids Rate Hike Signal as It Stands Pat, Driving Yen Lower – Bloomberg. As expected, no change from the BoJ this morning on rates or the YCC. The vote was 9-0, in favor of no change. There wasn't even a hint of change to the policy statement. No change in language around wages and inflation. The Japanese Yen weakened considerably on the initial press release. Nikkei 225 is up +1.5%

Mind the Gap

Japan keeps its subzero rate as the Fed signals policy pivot in coming year

BOJ policy rate / Fed funds upper bound / ECB deposit rate



Source: Bloomberg, BOJ, Fed, ECB

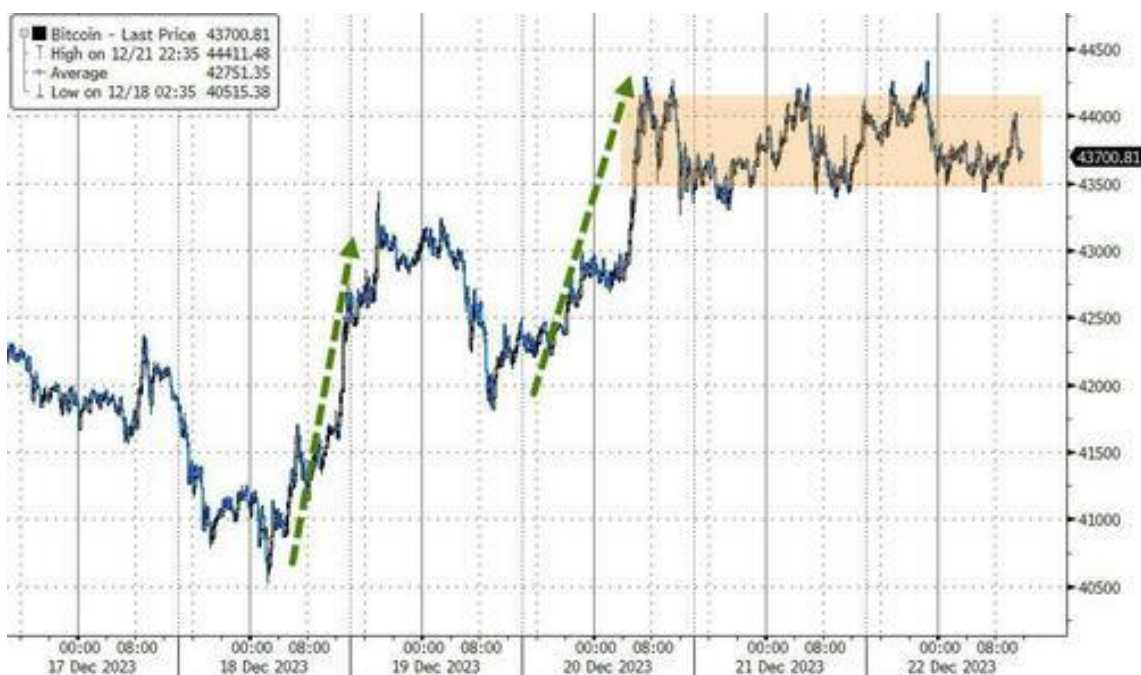
Note: BOJ used various policy rates in period and sometimes focused on QE

Source: Ayesha Tariq, Bloomberg



#bitcoin #weekly

On the week, both ETH and BTC were up around 4% (while Solana soared 35%), with BTC holding around \$44,000...



Source: www.zerohedge.com, Bloomberg

#cryptos

#bitcoin #returns

Bitcoin Returns: 2010 - 2023			
Year	Year Start	Year End	% Change
2010	0.003	0.30	9900%
2011	0.30	4.72	1473%
2012	4.72	13.51	186%
2013	13.5	758	5507%
2014	758	320	-58%
2015	320	430	35%
2016	430	968	125%
2017	968	13,860	1331%
2018	13,860	3,689	-73%
2019	3,689	7,184	95%
2020	7,184	28,775	301%
2021	28,775	47,902	66%
2022	47,902	16,531	-65%
2023 YTD	16,531	43,900	166%

@CharlieBilello Data as of 12/21/23



Source: Charlie Bilello

#cryptos

#hodl #humor

The “HODL” meme started a decade ago today when a user misspelled the word “holding”. On that day, bitcoin \$BTC opened at \$678 and "closed" at \$522 (i.e last price of the day), so quite a volatile session. If the hodler kept his/her coins, the current unrealized gain is 7,783%. In other words, a \$10,000 position at that date is worth today a whopping \$788,352.

Topic: I AM HODLING (Read 795589 times)

I AM HODLING

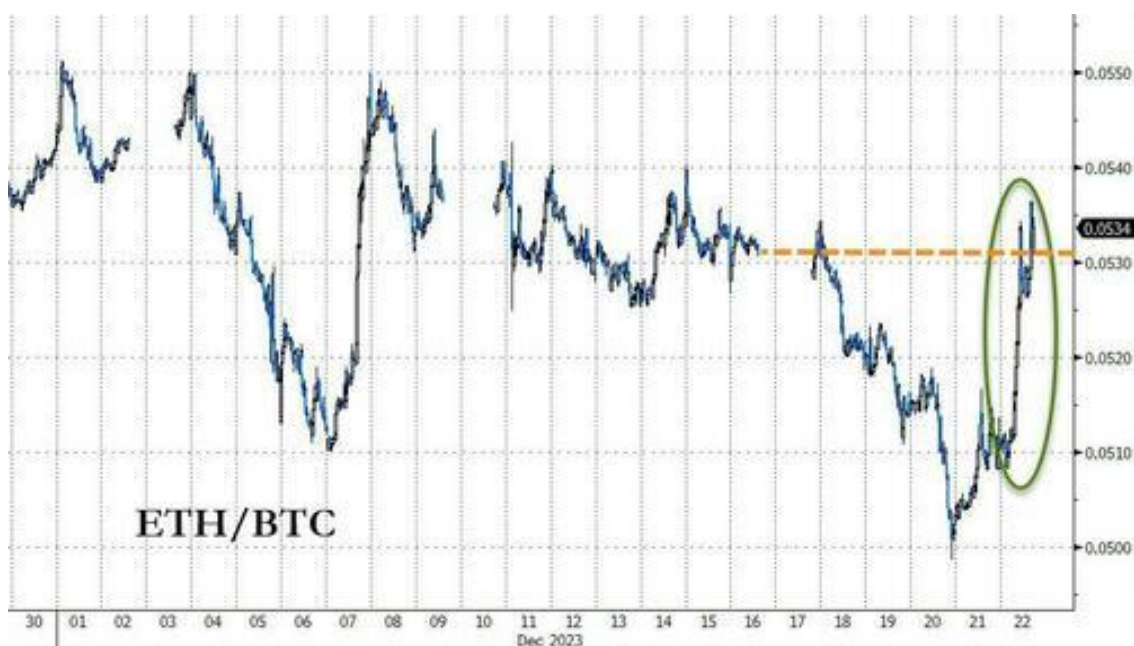
December 18, 2013, 10:03:03 AM

Source: Documenting Bitcoin



#eth-btc #weekly

Ethereum soared on Friday relative to bitcoin, but only enough to bring it back to unchanged (relative to bitcoin) on the week..



Source: www.zerohedge.com, Bloomberg

#food-for-thought

#finma #switzerland #regulations

Swiss Regulator Calls for More Powers after Credit Suisse Collapse. The Swiss Financial Market Supervisory Authority (FINMA) said in a Tuesday report that, alongside the government and the Swiss National Bank, it had achieved the aim of safeguarding Credit Suisse’s solvency and ensuring financial stability. It calls for a stronger legal basis, specifically instruments such as the Senior Managers Regime, the power to impose fines, and more stringent rules regarding corporate governance,” the regulator said. “On the other hand, FINMA will also adapt its supervisory approach in certain areas, and will step up its review of whether stabilisation measures are ready to implement.” The regulator therefore called for “extended options that would enable it to have more influence on the governance of supervised institutions

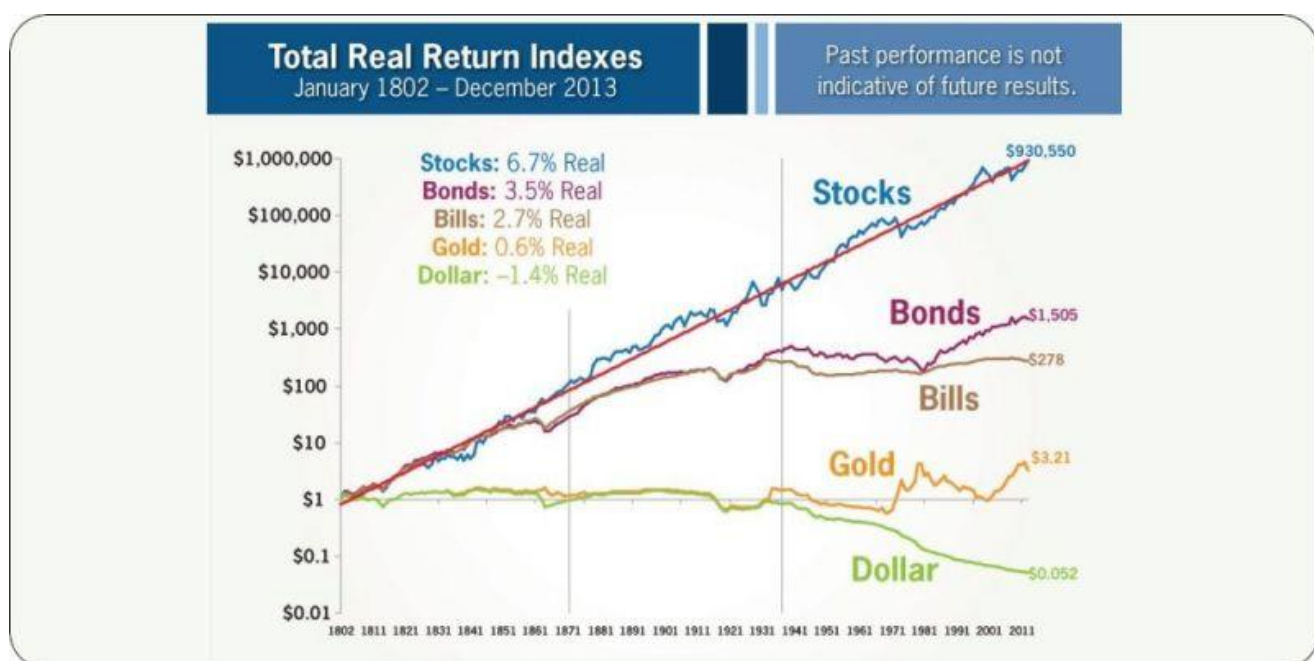


Source: cnbc

#food-for-thought

#cross-assets #returns

Total return indexes - the long view



Source: [Compounding Quality](#)

#food-for-thought

#compound-interest #power

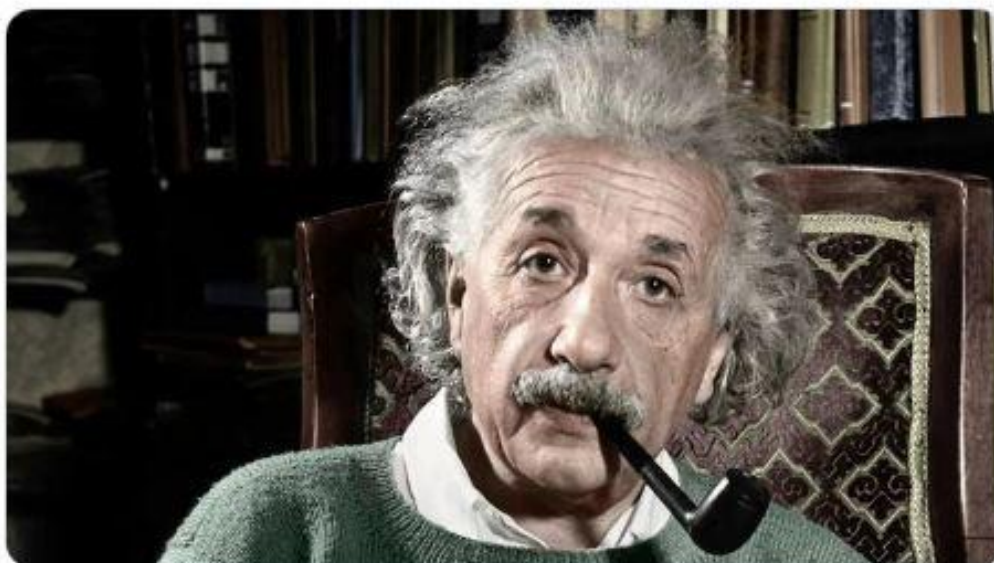
Compound interest as the 8th wonder of the world...



Markets & Mayhem

@Mayhem4Markets

"Compound interest is the eighth wonder of the world. He who understands it, earns it; he who doesn't, pays it." - Albert Einstein

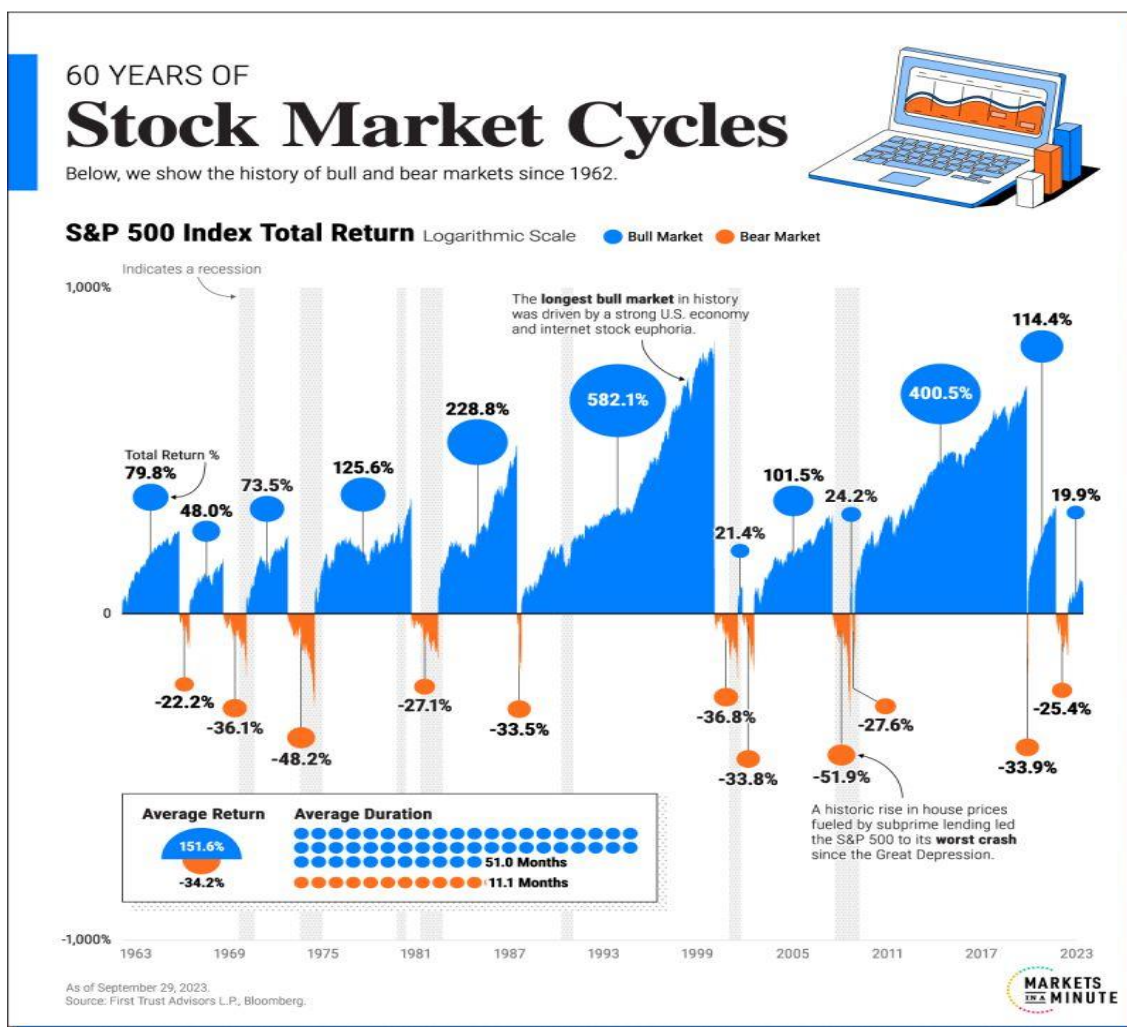


1:33 PM · Dec 19, 2023 · 15K Views

#food-for-thought

#stock-market #history

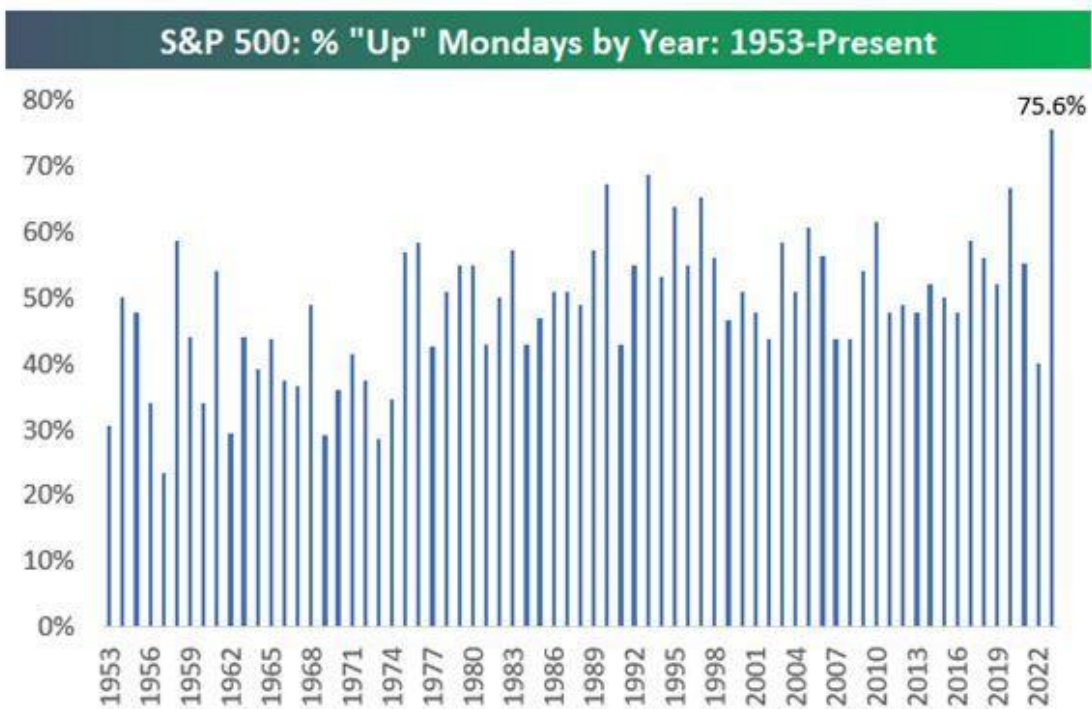
The S&P 500 has climbed over 24% this year. To give some context on the current stock market cycle, this graphic shows 60 years of bull and bear markets, with data from First Trust.



#food-for-thought

#sp500 #mondays #performance

Goodbye Monday. Monday has easily been the best trading day of the week this year. The S&P has averaged a gain of 0.27% on Mondays in 2023 with gains 75.6% of the time. Since 1953 when the NYSE implemented the current five-day trading week, there has never been a year where the S&P closed higher on Mondays more often!

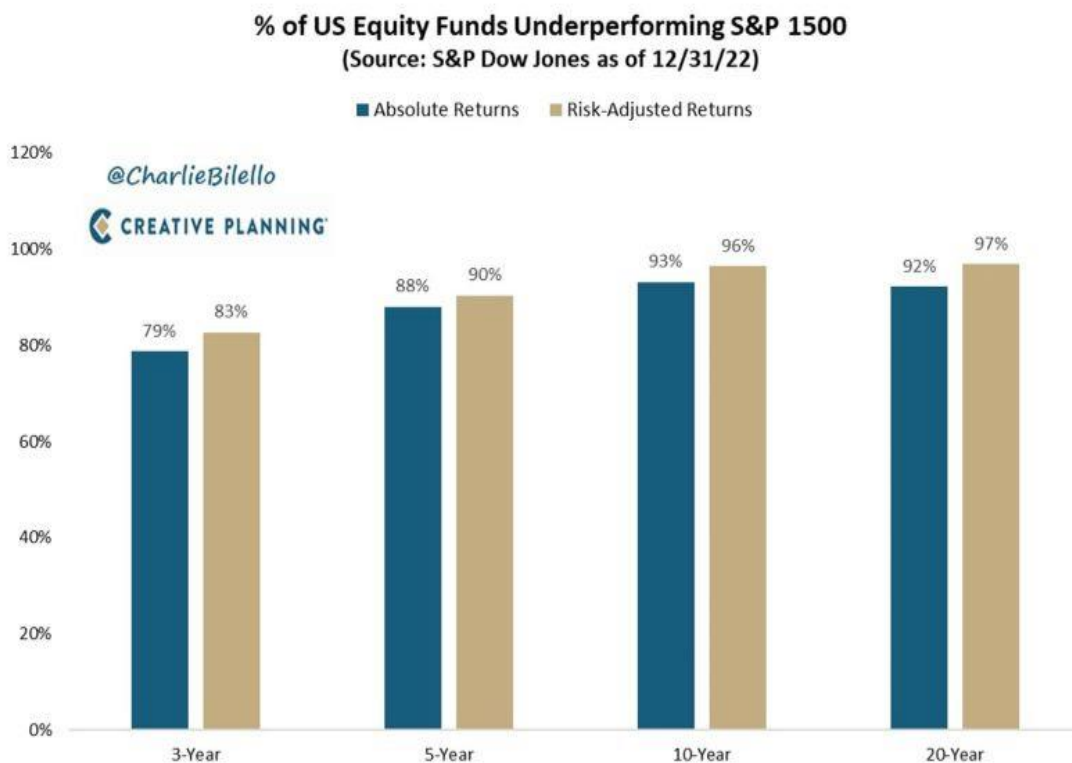


Source: bespoke

#food-for-thought

#mutual-fund #performance

The longer you own an actively managed mutual fund, the more likely you are to underperform the market, especially on a risk-adjusted basis.

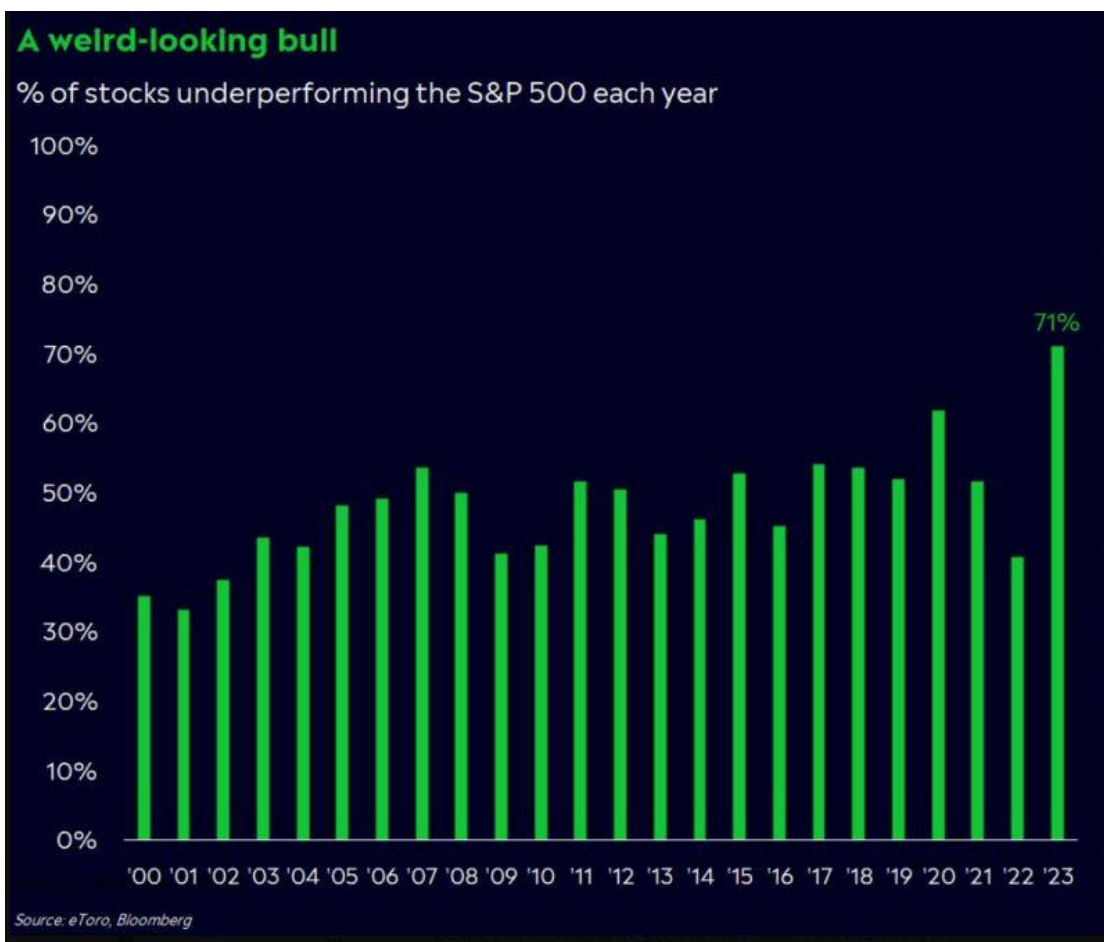


Source: Peter Mallouk

#food-for-thought

#bull-market #underperformance

Possibly the Most unusual Bull Market in Decades, if not in History. Despite the S&P 500 climbing 23% this year, an unprecedented 71% of its stocks are lagging behind the index, marking the largest such percentage since at least the year 2000.









Source: etoro

#food-for-thought

#sp500 #targets

The average market strategist's 2024E S&P 500 target is 4837 with EPS of \$237 for a return of 2.5% (excluding dividends) and a P/E of 20.4

Investor	2024 S&P 500 Target	2024 S&P 500 EPS Target	2024 10-Year Treasury Yield	2024 Federal-funds Rate Target Range	Overweight
 Ed Yardeni President, Yardeni Research	5400	\$250	4.0%	4.75% - 5.00%	Energy, Financials, Industrials, Technology
 Saira Malik Chief Investment Officer, Nuveen	4950	\$235	3.5%	4.75% - 5.00%	Materials, Real Estate
 Gargi Chaudhuri Head of iShares Investment Strategy Americas, BlackRock	4850	\$237	3.8%*	4.50% - 4.75%	Health Care, Quality, Large Cap
 David Kostin Chief U.S. Equity Strategist, Goldman Sachs	4700	\$237	4.3%	5.00% - 5.25%	Energy, Health Care, Technology
 Chris Harvey Head of Equity Strategy, Wells Fargo Securities	4625	\$235	3.8%*	4.50% - 4.75%	Communication Services, Health Care, Technology Software, Utilities
 Mike Wilson Chief U.S. Equity Strategist, Morgan Stanley	4500	\$229	3.95%	4.25% - 4.50%	Consumer Staples, Health Care, Utilities

*Wells Fargo Economics estimate

Source: Julian Klymochko

#food-for-thought

#bears #humor

Bears Discussing Strategy for 2024



Source: barchart

#food-for-thought

#warren-buffett #investing

Warren Buffett 5/25 rule

**WARREN BUFFETT'S
5/25 RULE**

- 1.** WRITE DOWN 25 GOALS YOU WANT TO ACHIEVE
- 2.** CIRCLE YOUR TOP 5 GOALS
- 3.** NEVER THINK ABOUT THE OTHER 20 GOALS AGAIN

OTHERWISE ALL THESE GOALS WILL TAKE TIME AWAY FROM THE 5 THAT REALLY MATTER TO YOU

Source: [Compounding Quality](#)

#food-for-thought

#investing #quotes #munger

Buffett. Lynch. Munger. Fischer. All of these investing legends use checklists.



Source: Brian Feroldi

#food-for-thought

#assets #investing

Assets Explained Simply



Assets Explained Simply



BRIAN FEROLDI

ASSETS	
<ul style="list-style-type: none"> Assets are any resource owned by a company that can be used to produce economic value. Assets are ordered by liquidity, which is the speed at which assets can be converted into cash. 	<ul style="list-style-type: none"> Current assets are expected to be used within 1 year. Long-Term assets have a useful life of more than 1 year.

Most Liquid



Least Liquid

TYPE	CATEGORY	WHAT	KIND OF LIKE
Current Assets (<1 Year)	CASH & CASH EQUIVALENTS	Cash / T-bills / CDs With <3 Month Maturity	Your Checking Account
	MARKETABLE SECURITIES	Liquid Equity / Bonds Expected To Be Used In <1 Year	Bonds, 6-Month CDs
	ACCOUNTS RECEIVABLE	Money That Is Owed By Customers	Friends Owe You For Covering Dinner
	INVENTORY	Raw Materials & Finished Goods Available For Sale	Unsold Items In A Personal Etsy Store
	OTHER CURRENT ASSETS	Catch-All Category Of Assets Expected To Be Used In <1 Year	Homeowners Insurance
Long-Term Assets (>1 Year)	LONG-TERM INVESTMENTS	Investments The Company Intends To Hold For >1 Year	Your Retirement Fund
	FIXED ASSETS	Land / Machinery / Equipment / Buildings / Durable Assets	Your House
	GOODWILL	Premiums Paid To Acquire Other Businesses	Your Reputation
	OTHER LONG-TERM ASSETS	Catch-All Category Of Assets Expected to Last >1 Year	A Diploma Or Advanced Degree



Follow Brian Feroldi on LinkedIn



Source: [Brian Feroldi](#)



#food-for-thought

#entropy #antifragile

Antifragile: Things that gain from disorder



ANTIFRAGILE

Things That Gain from Disorder

Nassim N. Taleb


There are complex and non-complex systems, we tend to think that most systems are non-complex (mechanical), when most of the time they are complex. This mistake creates fragile systems.

Complex Systems




In the complex world, the notion of "cause" itself is suspect; it is either nearly impossible to detect or not really defined.

Black Swan




Highly improbable event with extreme impact.

NON LINEARITY



The effects of events on complex systems are not constant. Compound effect.

Non Complex Systems



Needs continuous repair. Stressors cause material fatigue.


"People with an engineering-oriented mind will tend to look at everything around as an engineering problem."

FRAGILE




Fragile systems lose or break down in scenarios of volatility and uncertainty. They don't see that the world is a complex system.

ROBUST




Supports volatility. Doesn't care, but doesn't benefit.

ANTIFRAGILE



Antifragile systems get better with shock and stress. They love and benefit from randomness and uncertainty.


The Lucretius Problem



Believes that the highest mountain in the world is the highest mountain he has ever seen. Not Ready for Black Swans.

"Do not mistake absence of evidence with evidence of absence. Don't be the turkey"


Barbell Strategy



The middle doesn't matter. Protected against Negative Black Swans. Open to Positive Black Swans gains.

"The antifragile can lose for a long time with impunity, so long as he happens to be right once."


Stress Hormones Trial and error



Shocks at small intensities make the system better. Ex.: Intermittent fasting, aviation, Start ups, vaccines.

"Some parts need to be fragile to make the system antifragile."

The Illusion of Stability



Believes that the advantage of steady employment is the lack of volatility (predictability), but a single event can drive all income to zero.


"The central illusion of life: that randomness is risky, that it is a bad thing."

Optionality




Having an option, not an obligation, allows you to benefit from the positive Black Swan without getting hurt. The fragile has no option.

Skin in the game



The worst problem of modernity lies in the malignant transfer of fragility and antifragility from one party to the other, with one getting the benefits, the other one getting the harm.


Iatrogenics



Cause harm while trying to help. Eliminates natural stressors. Ex.: doctors, central banks.

Shocks cause more impacts as the intensity increases (up to a certain point). Ex.: traffic gets much worse as the number of cars increases.

Convex




For the Antifragile, shocks provide more benefits as their intensity increases (up to a point). Ex.: Bodybuilding.

Fat Tony



Be more like Fat Tony:
- Never get on a plane if the pilot is not on board (Skin in the game)
- Make sure there is also a co-pilot (have redundancy)
In favor of just "making a buck" as opposed to being "proven right".

TIME TEST



The best and true test of FRAGILITY. Things that have survived time tend to stay longer than new things.

"Courage to accept to live in a world they knew they did not understand. And they enjoyed it"

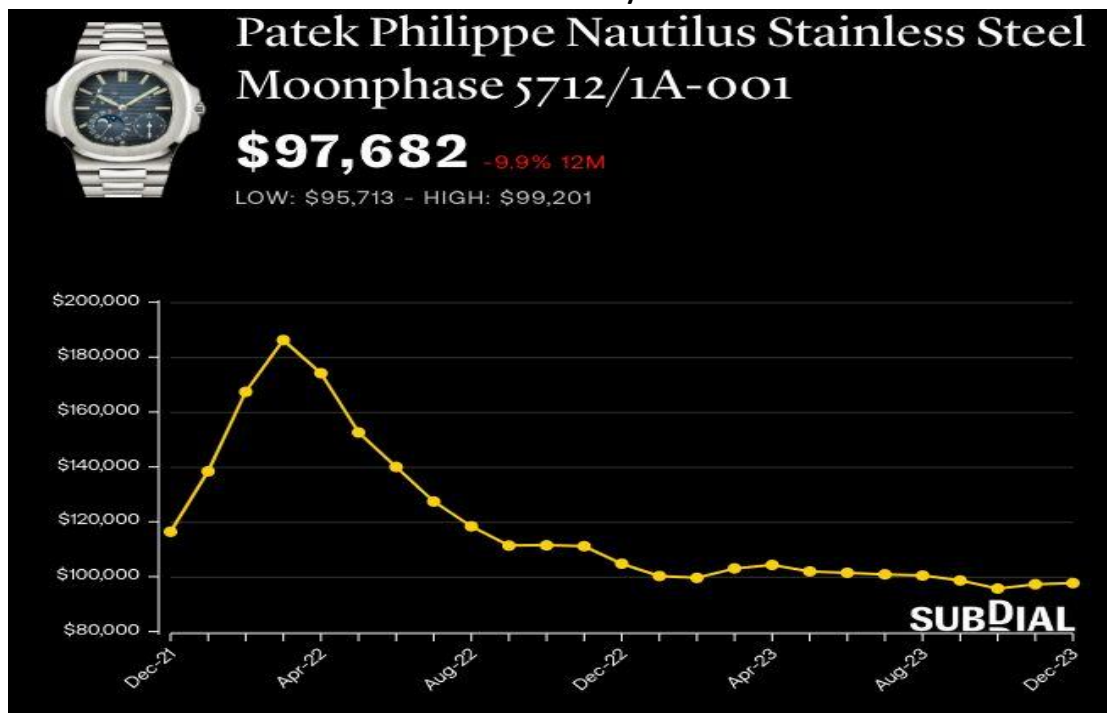
"Anything that has more to gain than to lose from random events (or certain shocks) is ANTIFRAGILE; the reverse is FRAGILE"

Source: Investment Books (Dhaval)

#food-for-thought

#watches #resale

Bottom? Will the Turmoil In Used Rolex and Patek Market End After Fed's Pivot? Extract from a zerohedge article: The secondary market for pre-owned Rolex and Patek Philippe watches has been spiraling down since peaking in early 2022, mainly because the Federal Reserve ended helicopter-dropping trillions of dollars in stimulus checks and was forced to begin the most aggressive interest rate hiking cycle in a generation to curb inflation. Now, the Fed's bizarre, unexpected pivot this week has spurred hope that a bottom nears for the luxury watch market.



Source: www.zerohedge.com

#food-for-thought

#luxury #market-cap

Quatr just created this infographic that illustrates the 12 largest luxury companies by market cap.



#food-for-thought

#gen-z #brands

Gen Z's Favorite Brands in 2023 by Visual Capitalist
People have a lot of choice when it comes to shopping brands, but Gen Z's favorite brands may surprise you.



#food-for-thought

#cop28 #dubai

The number of core participants at COP28 in Dubai topped a record 65,000, an increase of 80 per cent on the flagship UN climate summit's event last year in Sharm el-Sheikh, Egypt



Source: FT

#food-for-thought

#vw #tesla #chargers #ev

The Volkswagen Group announced its brands, VW, Audi, and Porsche, will be integrating Tesla's North American Charging Standard (NACS) plug into electric vehicles beginning in 2025, signifying yet another major automaker adopting NACS, which is becoming the de facto EV plug in North America.

Tesla Supercharger Map of North America



Source: vw, zero Hedge

#food-for-thought

#computer #history

On December 19, 1974, the first successful personal computer went on sale. They called it the Altair 8800. Popular Electronics magazine profiled the new PC in their January 1975 issue. Readers learned that for \$395 you could order a kit to build the Altair yourself or buy it assembled for \$495. It inspired Bill Gates and Paul Allen to launch Microsoft.



Source: poynter

#food-for-thought

#mindset #power



Peter Mallouk 
@PeterMallouk



If you focus on the hurt,
you will continue to suffer.
If you focus on the lesson,
you will continue to grow.

MotivateMe247

#food-for-thought

#hormone #hacking

✦ 🧠 Serotonin, Dopamine, Endorphins, and Oxytocin: The Neurotransmitters of Well-being

How To Hack Your Happy Hormones

DOPAMINE The Reward Chemical

- Eating Food
- Achieving a Goal
- Complete a Task
- Self-Care Activities

OXYTOCIN The Love Hormone

- Socialising
- Physical Touch
- Petting Animals
- Helping Others

ENDORPHINS The Painkiller

- Exercising
- Listen to Music
- Watch a Movie
- Laughter

SEROTONIN The Mood Stabilizers

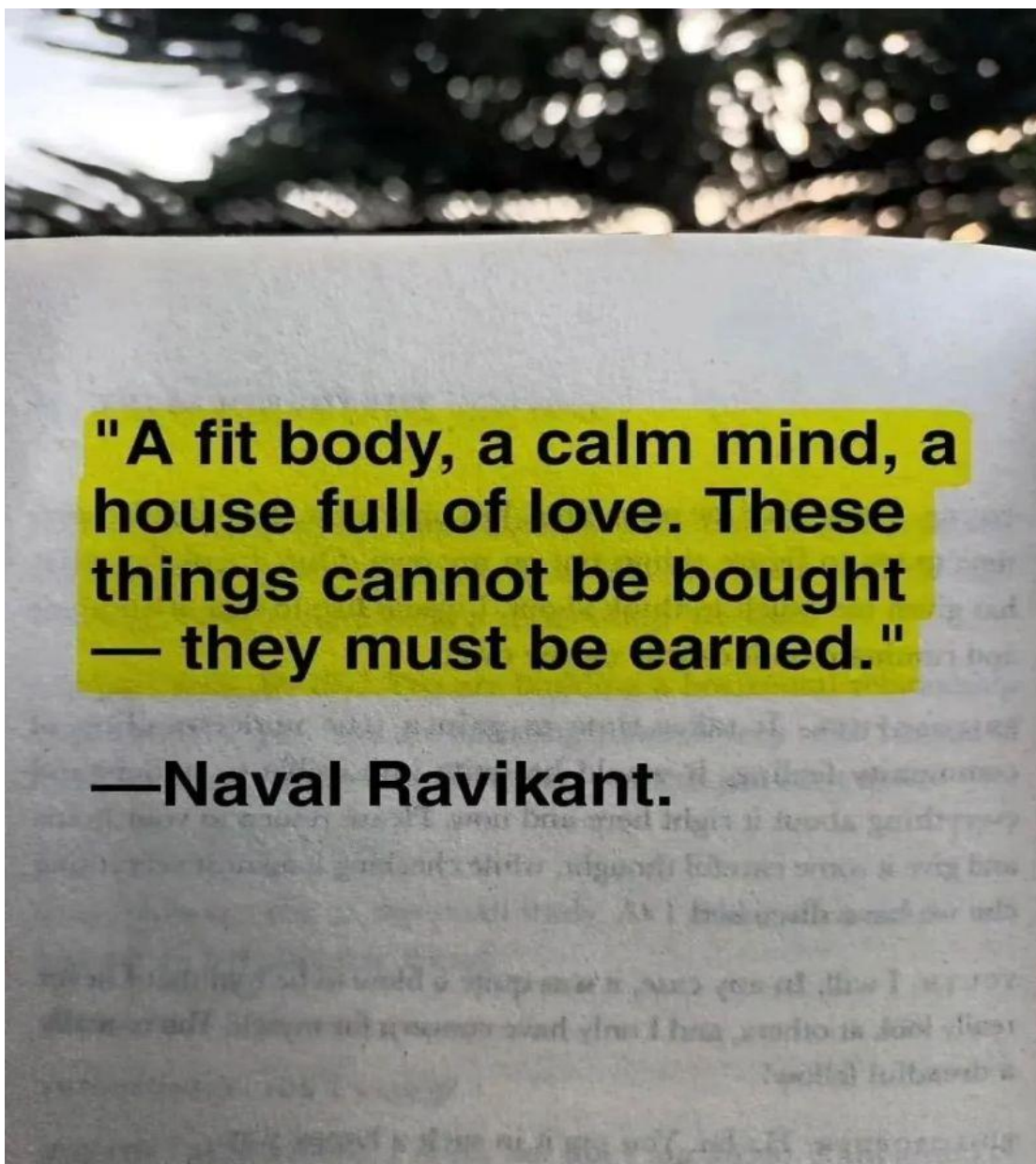
- Sun Exposure
- Be with Nature
- Mindfulness
- Meditation



Source: SEEMA YADAVSEEMA YADAV

#food-for-thought

#mindset



Source: Naval Ravikant

#food-for-thought

#walking #benefits

The multiple benefits of the daily 10,000 steps

Benefits of walking 10,000 steps

Help in **weight loss**

Improves **mood**

Improves **heart health**

Improves **varicose veins**

Reduces **chronic** diseases

Boosts **immunity**

lowers **stroke risk** in women

Prevents **disability** in old age

Decreases **diabetes risk**

Speeds up **digestion**

Lowers **blood pressure**

Increases **lung capacity**

Source: Seek Wiser

#food-for-thought

#goals #focus

No one is thinking about you as much as you think. Stop comparing yourself to others, don't worry about what other people think and focus on your goals.



Source: Peter Mallouk

#food-for-thought

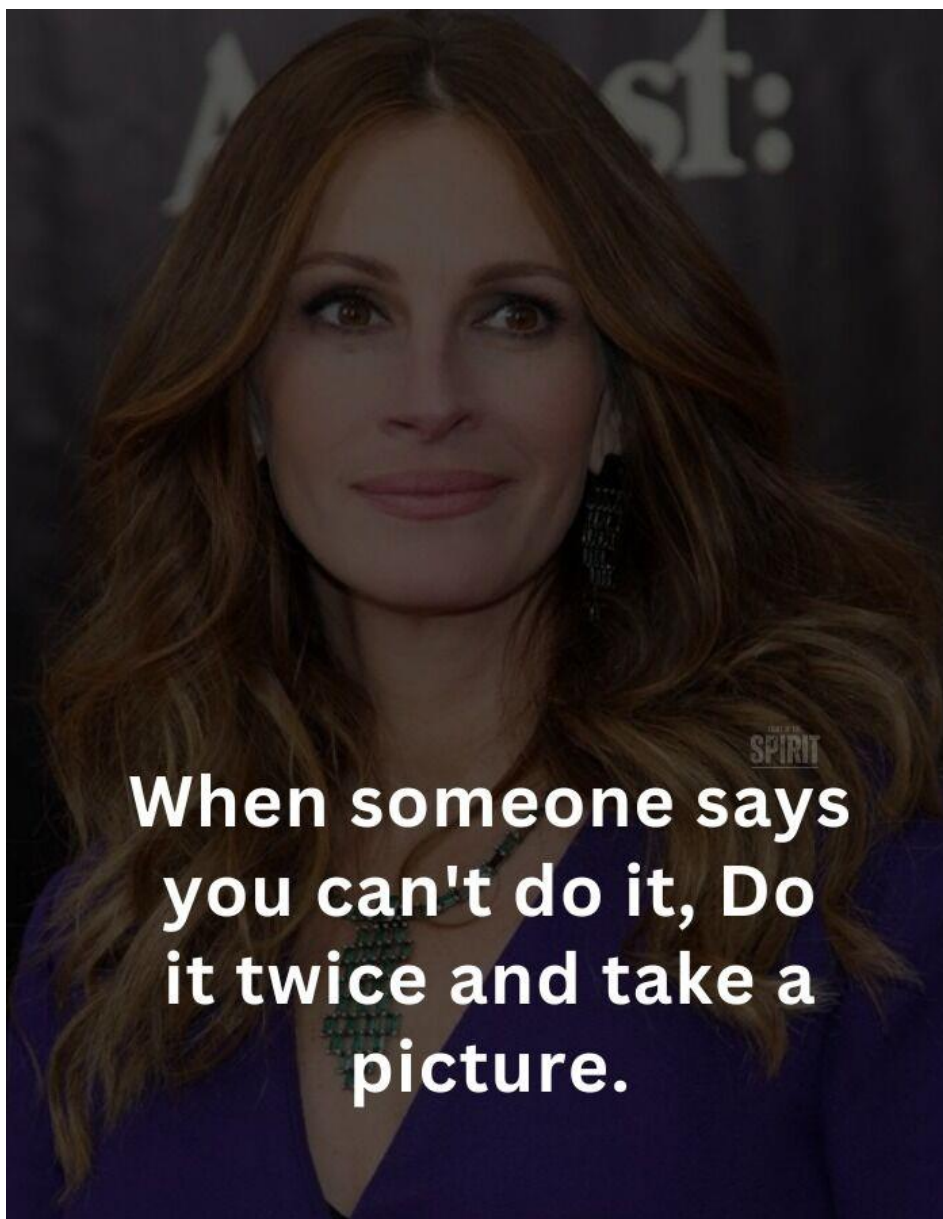
#people



**In life, you'll realize that
there is a purpose for every
person you meet.
Some are there to test you,
some will use you, some will
teach you and some
will bring out the best
in you.**

#food-for-thought

#do-it



Subscribe to the newsletter

syzgroup.com/newsletter



This marketing communication has been issued by the Syz Group. It is not intended for distribution to, publication, provision or use by individuals or legal entities that are citizens of or reside in a state, country or jurisdiction in which applicable laws and regulations prohibit its distribution, publication, provision or use. It is not directed to any person or entity to whom it would be illegal to send such marketing material. This document is intended for informational purposes only and should not be construed as an offer or solicitation for the subscription, purchase, sale or keeping of any security or financial instrument, or as a contractual document. The information contained herein does not constitute any legal, tax or accounting advice and may not be suitable for all investors. The market valuations, terms and calculations contained herein are estimates only and may change without notice. The information provided comes from sources deemed reliable, but the Syz Group does not guarantee its completeness or accuracy. Past performance gives no indication of future results.

For the future...