

Chart of the week

Bitcoin/S&P 500 correlation is breaking down

Nobody has been talking about this. Bitcoin's correlation to equities has plummeted and is now entering negative territory. The correlation has gone from 50% to below 0% in less than a year. Falling correlations between Bitcoin and equities provide a portfolio diversification...

The Bitcoin/S&P 500 Correlation is Breaking Down 

52-Week Return Correlation Between the S&P 500 and Bitcoin



Dates: 2016 Through October 26th 2023.
Source: Bloomberg Finance L.P., Game of Trades.

US stocks build on gains in light trading week

Stocks closed higher over a quiet holiday-shortened trading week (US markets were closed on Thursday due to the Thanksgiving holiday and closed early Friday). The big event of the week was Nvidia Q3 results. The stock fell despite the company beating earnings and revenue estimates as it issued cautious guidance because of export restrictions to China. Nvidia's weakness was reflected in the underperformance of the Nasdaq over the week though growth stocks outperformed value stocks overall. On the Macro side, durable goods orders dropped 5.4% in October, which is the second-biggest decline since April 2020. Slowing growth signals and dwindling inflation fears may have contributed to strong demand for a USD 16 billion auction of 20-year U.S. Treasury bonds on Monday. The healthy bid-to-cover ratio drove down the 10-year yield to an intraday low of 4.37% on Wednesday—its lowest level in over two months. Yields rallied to close the week higher on Friday, however. In Europe, the STOXX Europe 600 Index ended the week 0.9% higher. Japan stocks returns were muted over the week while stocks in China retreated as news that Beijing may introduce fresh stimulus measures for the property sector was not enough to offset broader economic woes. The dollar ended lower for the 3rd week of the last 4, at 3-month lows. Spot Gold prices jumped back above \$2000. Oil prices ended the week very marginally higher (after 4 weeks down in a row). Bitcoin broke out to a new cycle high, near \$38,500.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

25 NOVEMBER 2023

#markets

#weekly-summary

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	35,390	1.3%	6.8%
S&P 500 Index	4,559	1.0%	18.7%
NASDAQ	14,251	0.9%	36.2%
MSCI EAFE*	2,101	0.0%	8.1%
10-yr Treasury Yield	4.47%	0.0%	0.6%
Oil (\$/bbl)	\$75.81	-0.3%	-5.5%
Bonds	\$95.15	-0.1%	1.2%

Source: xxx

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

25 NOVEMBER 2023



#us #equities #performance

US equity majors are up 9-13% off the late October lows...



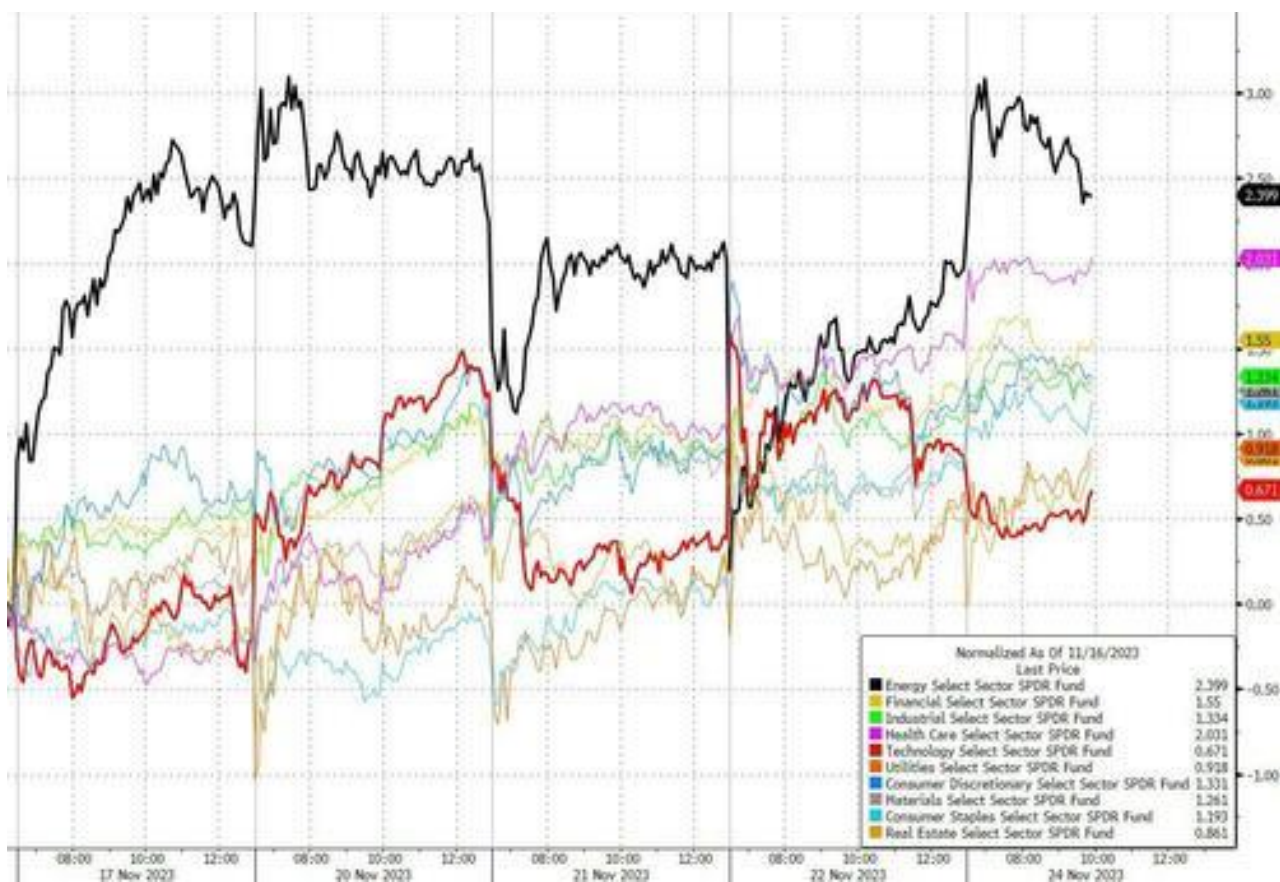
Source: www.zerohedge.com





#us #equities #sectors

Each underperformed on the week while energy stocks soared (despite being barely positive)...



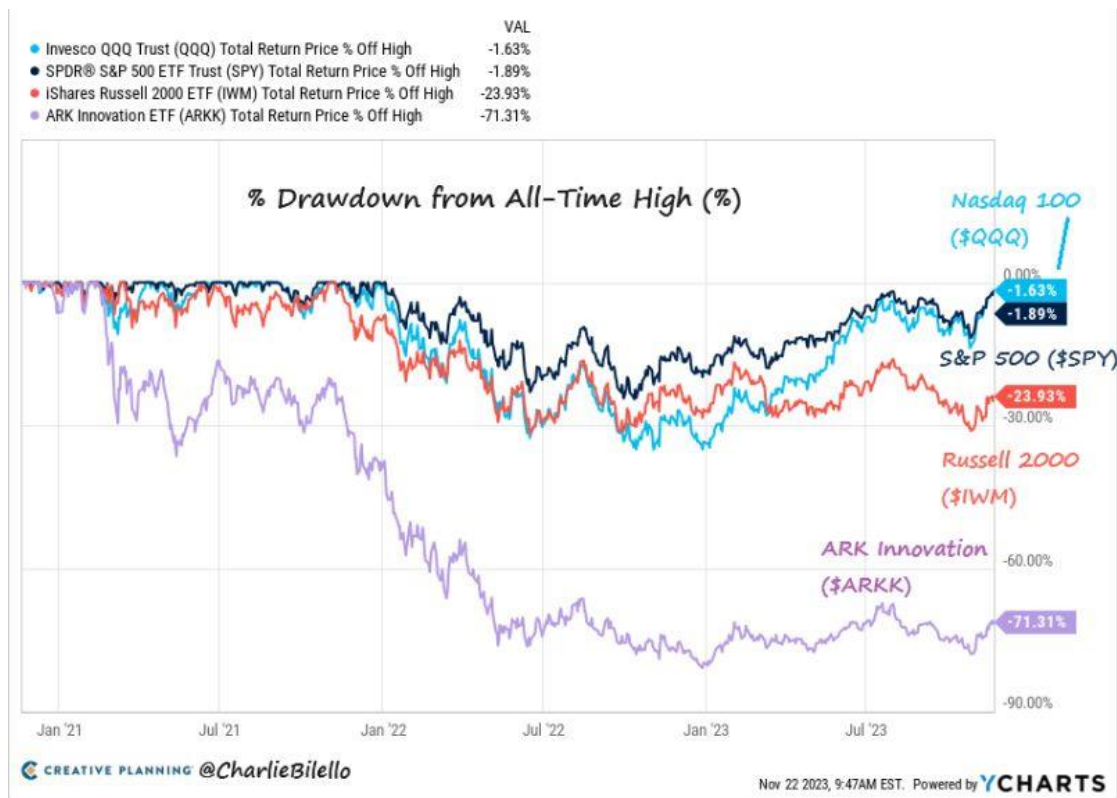
Source: www.zerohedge.com





#nasdaq #sp500 #russell2000 #arkk

The Nasdaq 100 and S&P 500 ETFs are now less than 2% below their all-time high while the Russell 2000 ETF (small caps) is 24% below its high and the ARK Innovation ETF is 71% below its high.



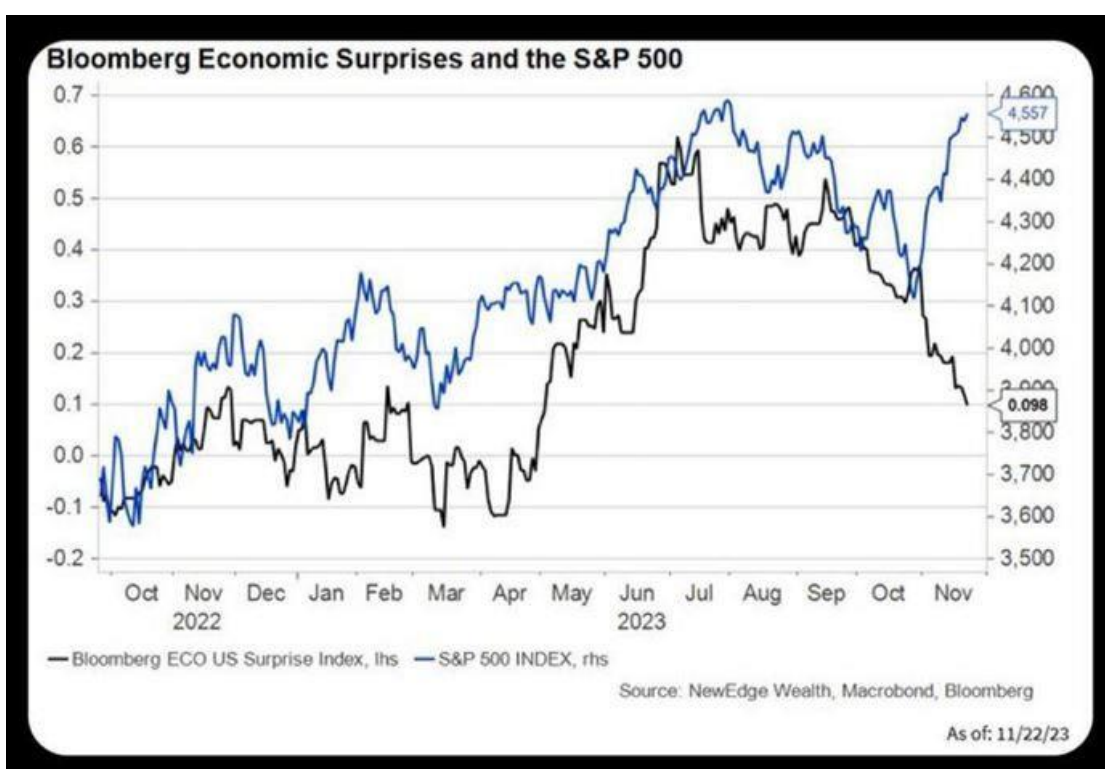
Source: Charlie Bilello





#sp500 #economic-surprise

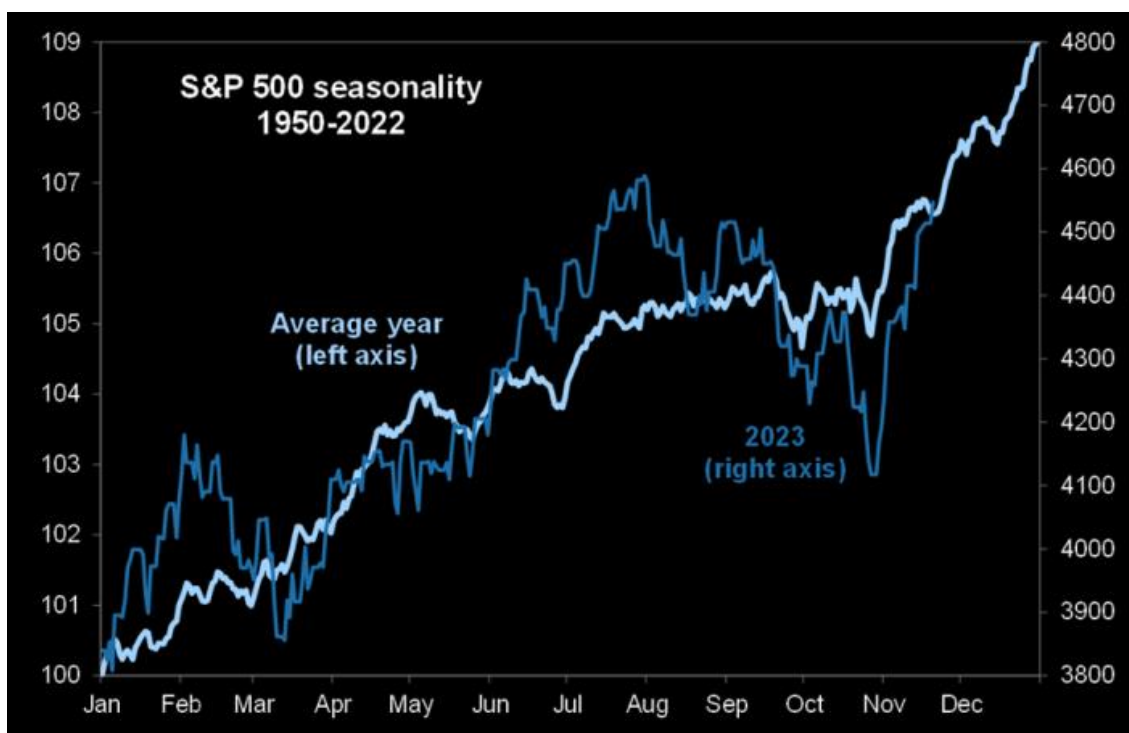
The "bad (macro) news is good (market) news" in one chart



Source: Michel A.Arouet, Bloomberg

#us #stocks #seasonality

So far the SPX is doing just what it was supposed to do, with one big over, and one big undershoot. Note we have just "caught up"...



Source: xxx



#sp500 #performance

S&P 500 hasn't reached a new all-time high in 471 trading days, the 7th longest stretch of time since 1950



Source: LPL Financial, Bloomberg, 11/16/23

Indexes are unmanaged and cannot be invested in directly. Past performance is no guarantee of future results. The modern design of the S&P 500 stock index was first launched in 1957. Performance back to 1950 incorporates the performance of the predecessor index, the S&P 90.

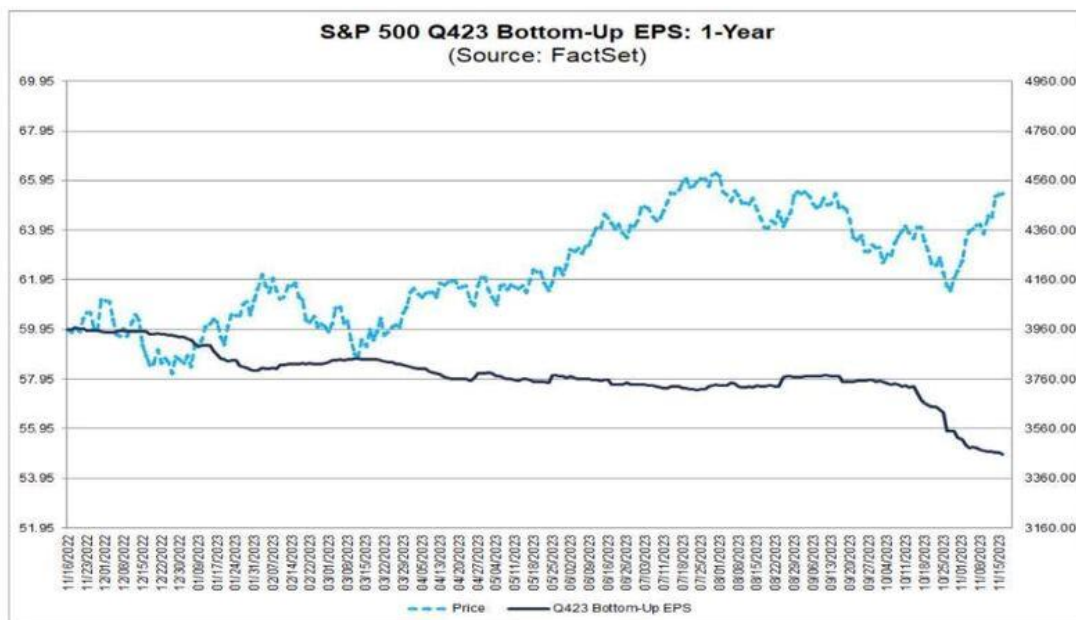
Source: barchart, lpl finance





#us #equities #earnings

The rally in US stocks in recent weeks has taken attention away from what looks like a pretty concerning forward picture from earnings releases. Q4 earnings expectations have come down considerably in recent weeks, in contrast with equity market strength.

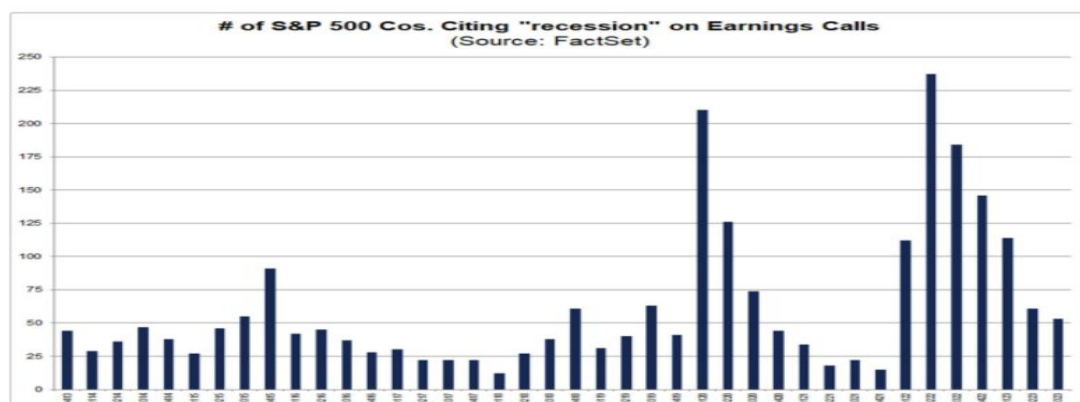


Source: Bob Elliott, Factset



#earnings #recession

Corporate earnings calls are no longer littered with talk of recession. Mentions of "recession" are set to fall for a fifth straight quarter, new data from FactSet showed, and reach the lowest level since the fourth quarter of 2021. Through last Friday, 470 members of the S&P 500 had reported quarterly results and 53 had mentioned recession. That's down from 237 at this cycle's peak in the second quarter of 2022 and 61 in the prior quarter. However, FactSet noted in its report the team is searching for the word "recession," not "slowdown" or other buzzwords that could signify overall weak consumer demand moving forward. A sampling of recent retail earnings shows that while companies aren't talking about a recession explicitly, they aren't exactly projecting there will be no hit to the "resilient consumer" narrative that led the 2023 economic story, either.



Recession mentions on earnings calls have fallen sharply in the last two quarters. (Source: FactSet)

Source: factset





#sentiment #fear-greed

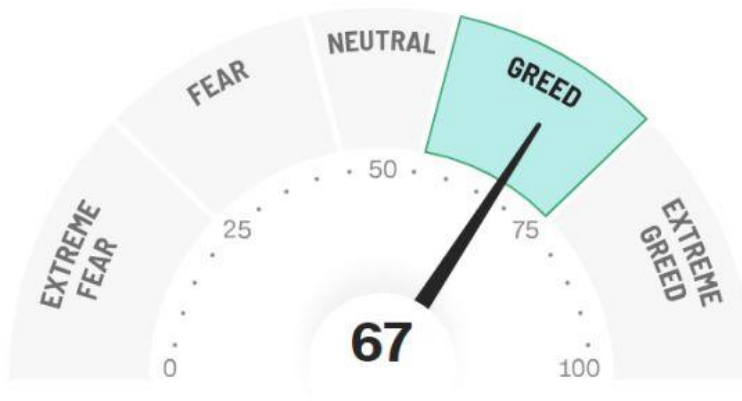
The Fear & Greed Index is now approaching the levels seen in June-July 2023

Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)

Overview Timeline



Previous close

Greed

63

1 week ago

Greed

56

1 month ago

Extreme Fear

22

1 year ago

Greed

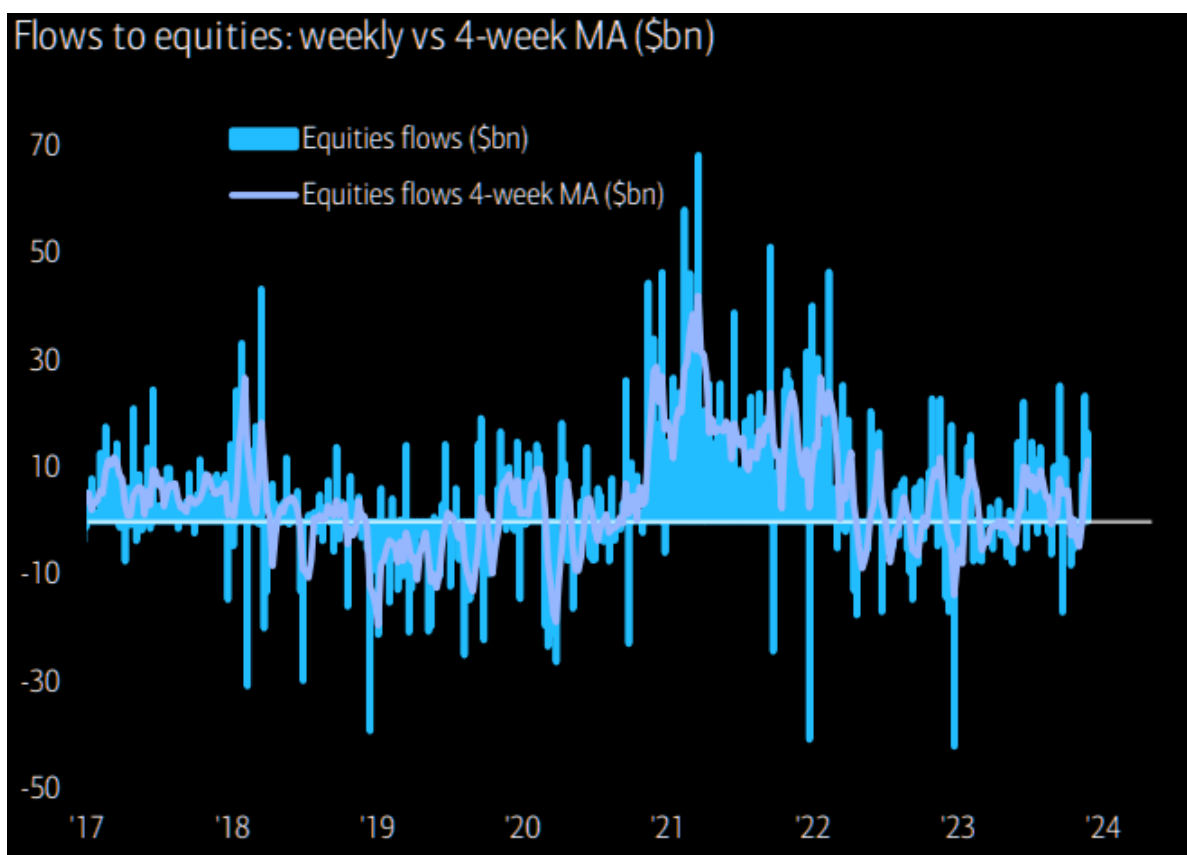
60

Source: cnsentiment



#us #stocks #inflows

We have just seen the biggest 2 weeks inflow to equity funds since February 2022..

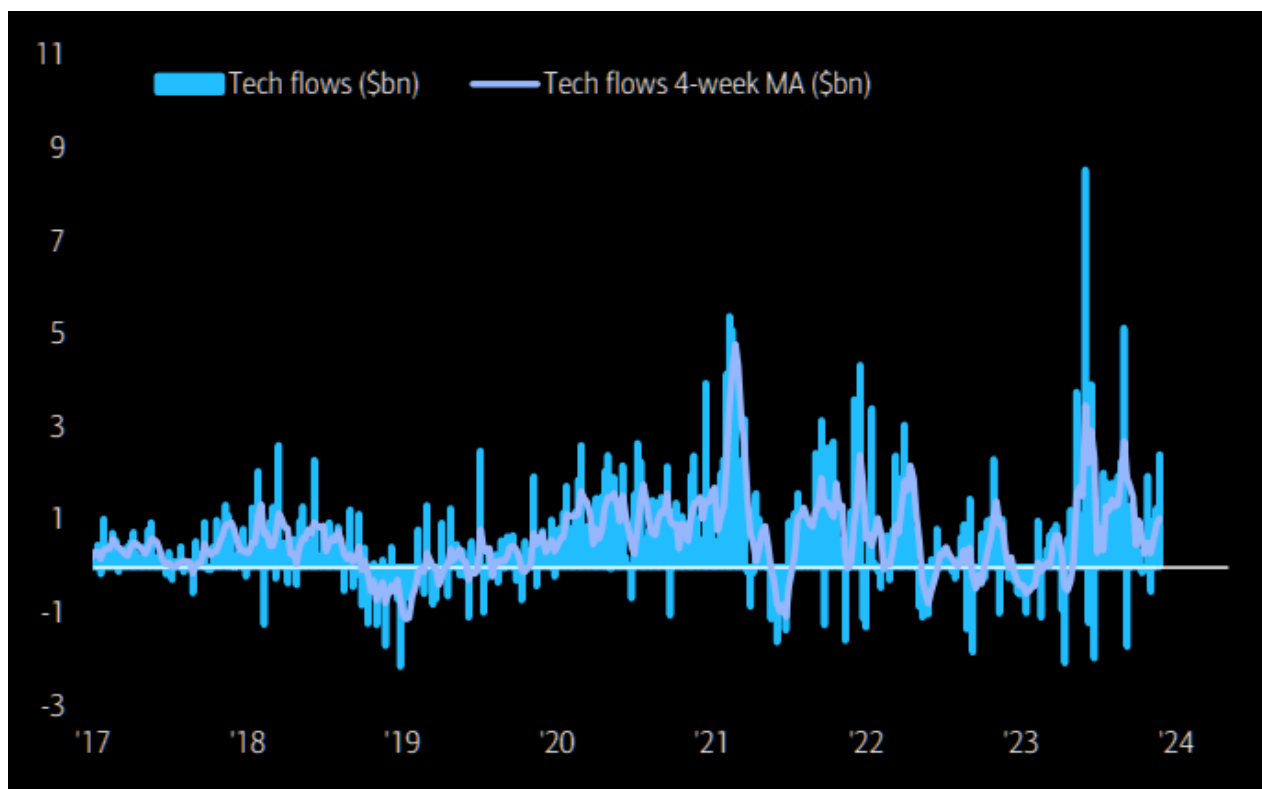


Source: TME, BofA



#us #tech #inflows

Investors continue adding to tech funds.



Source: xxx



#volatility #vix #lows

CBOE Volatility Index VIX fell to its 2nd lowest level in the last 4 years



Source: barchart

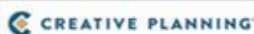




#vix # history

The \$VIX has fallen 41% over the last 4 weeks (from 21.27 to 12.46), the 9th largest 4-week decline in history..

Forward S&P 500 Total Returns following largest \$VIX 4-Week % Declines (Jan 1990 to Nov 2023)											
Largest VIX 4-Week Declines				S&P 500 Forward Total Returns							
Rank	Week Ending	VIX 4-Week % Change	VIX Weekly Closing Level	1-Month	3-Month	6-Month	9-Month	1-Year	3-Year	5-Year	
1	7/22/2016	-53%	12.0	0.0%	-1.0%	5.5%	9.7%	16.1%	45.4%	123.2%	
2	3/9/2018	-50%	14.6	-4.5%	0.2%	4.0%	-4.1%	0.4%	45.9%	51.3%	
3	11/27/2020	-45%	20.8	3.4%	5.2%	16.4%	25.3%	28.1%	31.3%		
4	4/24/2020	-45%	35.9	7.6%	13.9%	23.3%	37.2%	49.8%	52.9%		
5	12/31/2021	-44%	17.2	-5.5%	-4.3%	-19.1%	-23.9%	-18.1%			
6	1/25/2013	-43%	12.9	1.3%	5.9%	13.8%	19.0%	21.7%	35.1%	112.2%	
7	10/28/2011	-43%	24.5	-2.9%	3.0%	10.4%	9.7%	12.3%	63.1%	84.2%	
8	4/17/2020	-42%	38.2	3.0%	12.7%	22.3%	32.8%	48.1%	51.0%		
9	11/24/2023	-41%	12.5								
10	1/18/2019	-41%	17.8	4.8%	9.3%	12.6%	13.5%	27.2%	83.9%		
11	6/18/2010	-40%	24.0	-1.2%	1.2%	12.4%	16.2%	16.1%	55.2%	109.9%	
12	12/23/2011	-40%	20.7	4.2%	11.0%	6.6%	17.3%	15.6%	74.5%	99.2%	
13	11/14/2014	-39%	13.3	1.7%	3.3%	5.1%	4.1%	1.3%	34.8%	69.5%	
14	10/23/2015	-39%	14.5	1.0%	-7.6%	1.9%	6.6%	5.5%	41.9%	84.7%	
15	4/1/2022	-39%	19.6	-9.2%	-15.5%	-20.5%	-14.5%	-8.0%			
16	1/25/2019	-39%	17.4	5.5%	10.9%	14.7%	15.2%	26.2%	73.9%		
17	11/6/1998	-38%	25.7	2.4%	9.0%	18.6%	15.1%	21.6%	-1.1%	-0.9%	
18	11/7/2014	-38%	13.1	-1.2%	1.7%	5.2%	3.8%	5.5%	35.6%	68.7%	
19	12/19/2008	-38%	44.9	-6.1%	-12.7%	5.2%	22.7%	27.3%	46.7%	128.5%	
20	12/5/1997	-38%	22.7	-5.6%	7.7%	14.1%	0.1%	21.4%	39.0%	-0.7%	



@CharlieBilello

Data as of 11/24/23

Source: Charlie Bilello

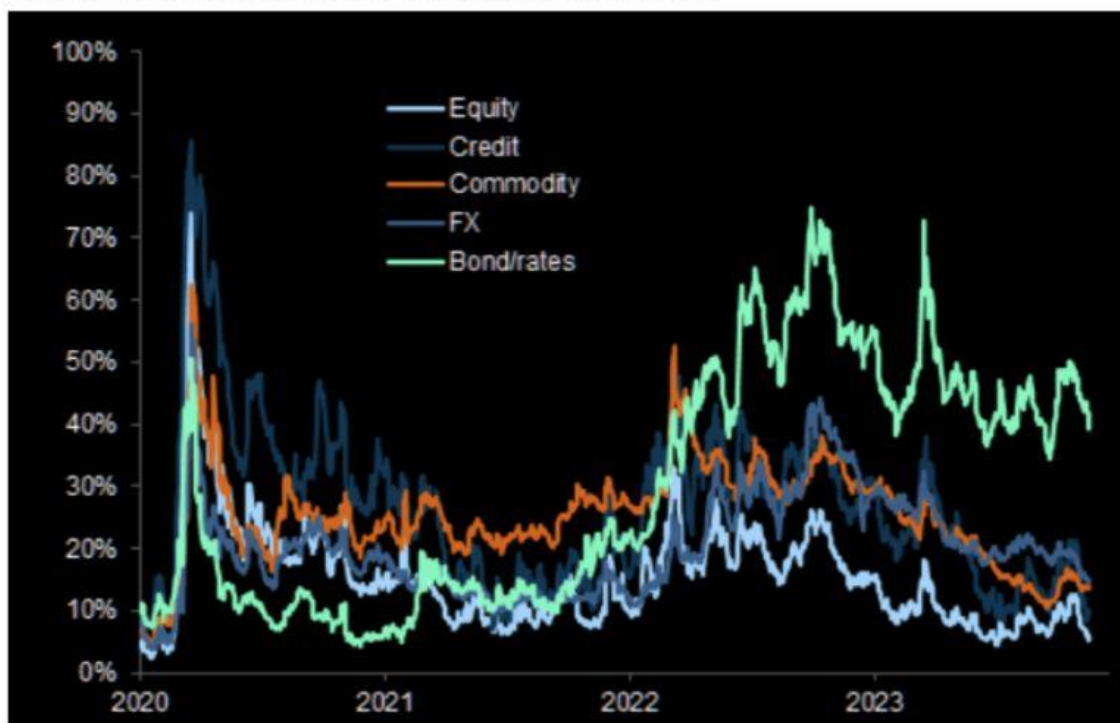




#volatility #rates

Below the average 3-month ATM implied volatility (max/min range since 2008).

Volatilities have reset, but rates volatility remains elevated



Source: Goldman

Source: TME, GS





#move #vix

The MOVE vs VIX ratio at all-time-highs.



Source: TME



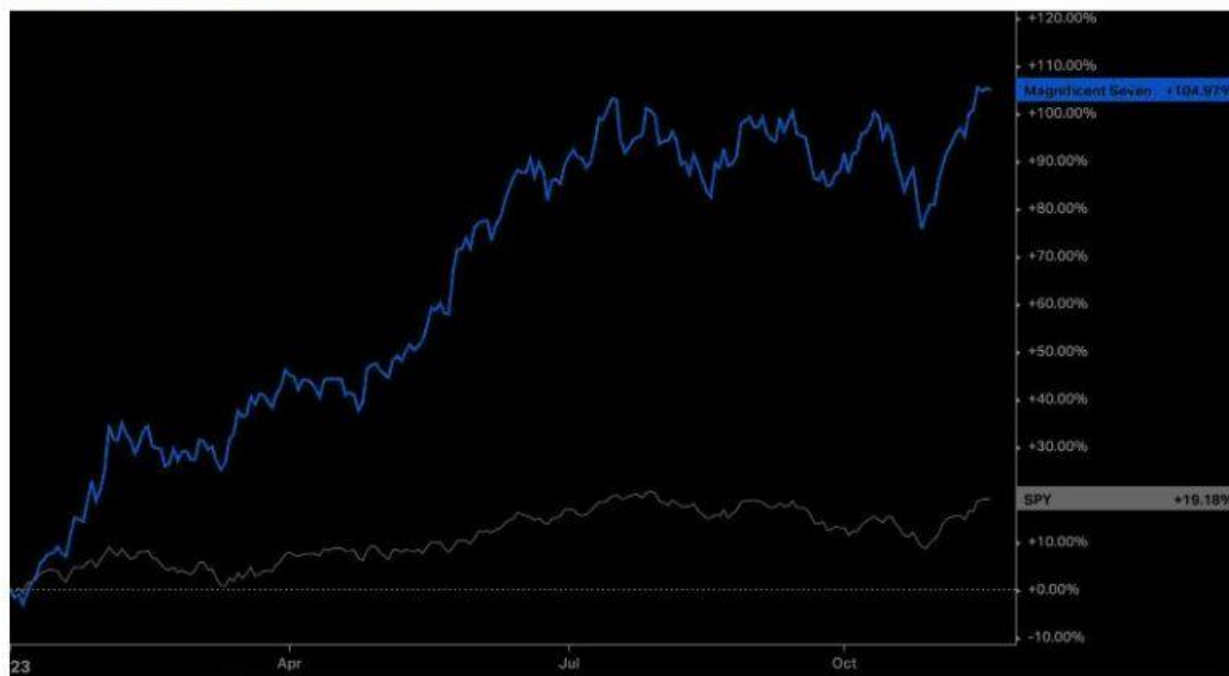
#sp500 #mag7 #performance

YTD performance

Mag 7: +105%

S&P 500: +19%

We are going to need a bigger word



Source: Koyfin

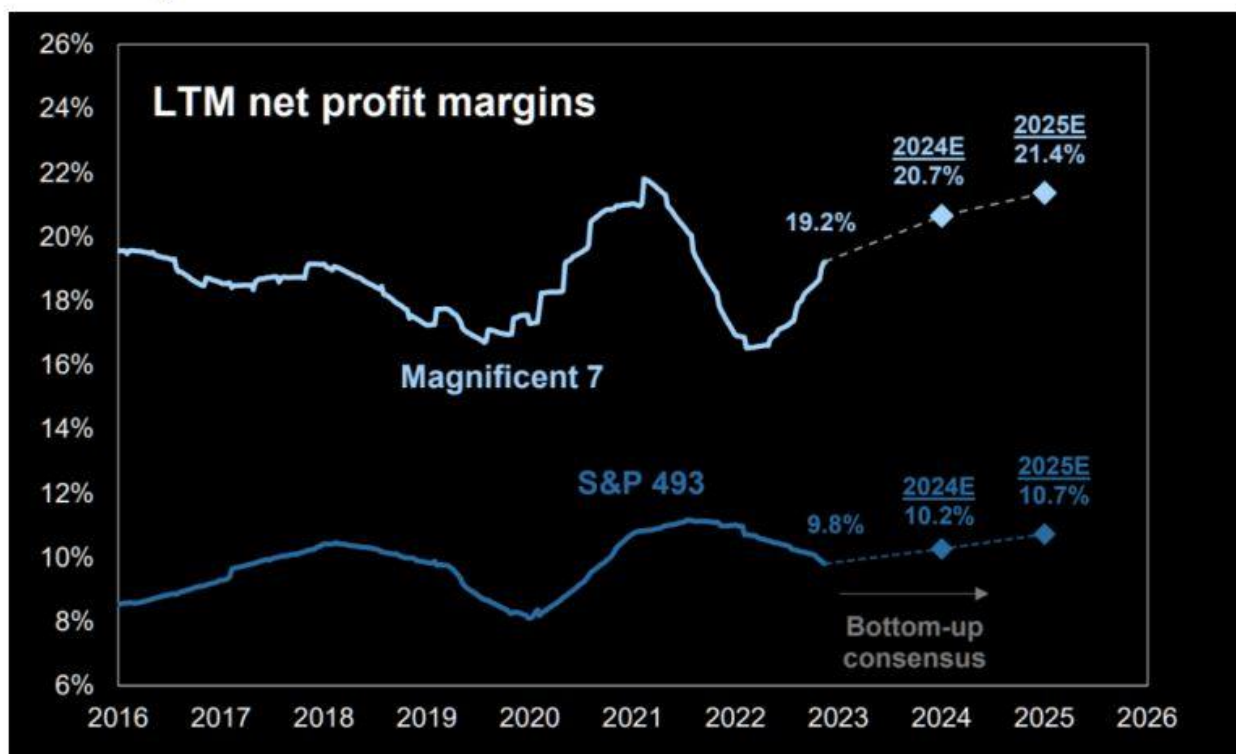
Source: TME



#sp500 #mag7 #margins

Consensus expects Net margins for the Magnificent 7 to stay significantly higher than the rest of the S&P 500

Double margins



Source: Goldman

Source: Goldman Sachs, TME



#markets

#apple #marketcap

Apple vs The World

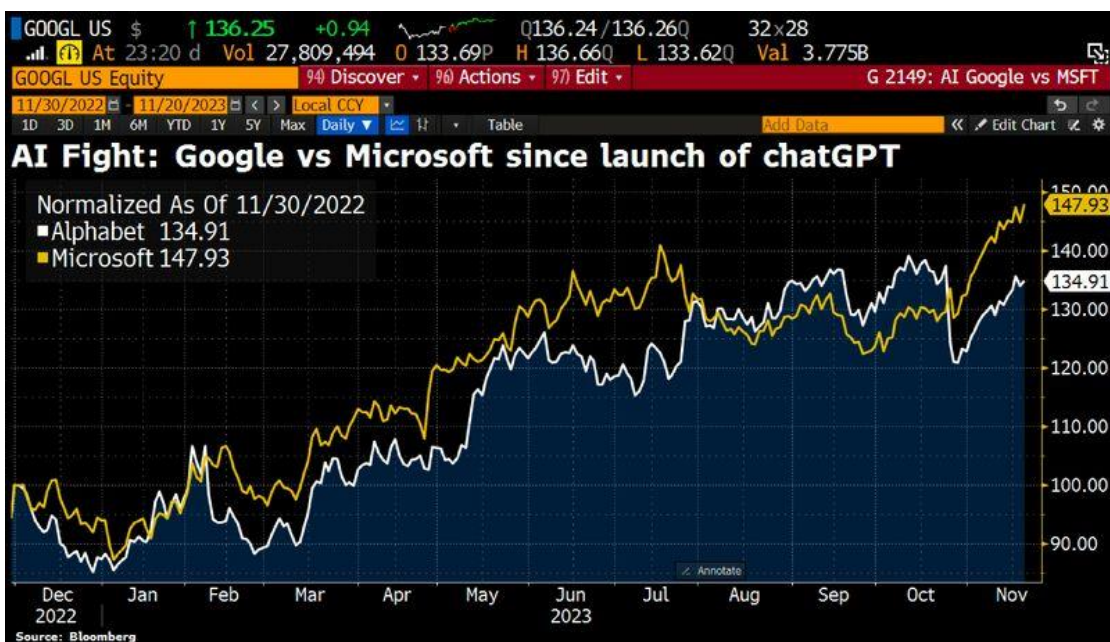


Source: Michel A.Arouet



#microsoft #alphabet #ai

Microsoft is now clearly ahead of Alphabet again in the AI race on the stock market

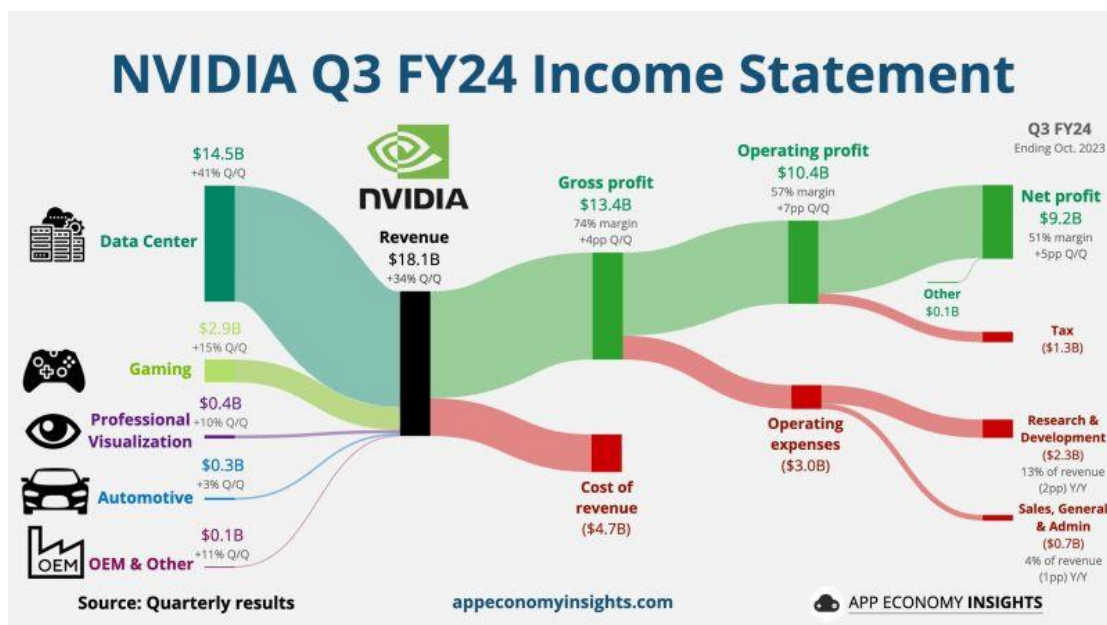


Source: HolgerZ, Bloomberg



#nvidia #ai #earnings

Moments ago nvidia reported blowout Q3 earnings with revenue tripling as AI chip boom continues. However, it warns of "significant" China slowdown, guidance matches whisper range; stock is down 1% after-hours... The blowout earnings were certainly good news... but the warning about declining China sales and the guidance which only tagged the top end of the whisper guidance, that was not quite as exciting, and as a result, the stock initially dumped as much as \$30 after hours, before recovering most of its losses, but has since resumed drifting 1% lower, setting up the stock for its first post-earnings drop since the advent of ChatGPT almost exactly one year ago.

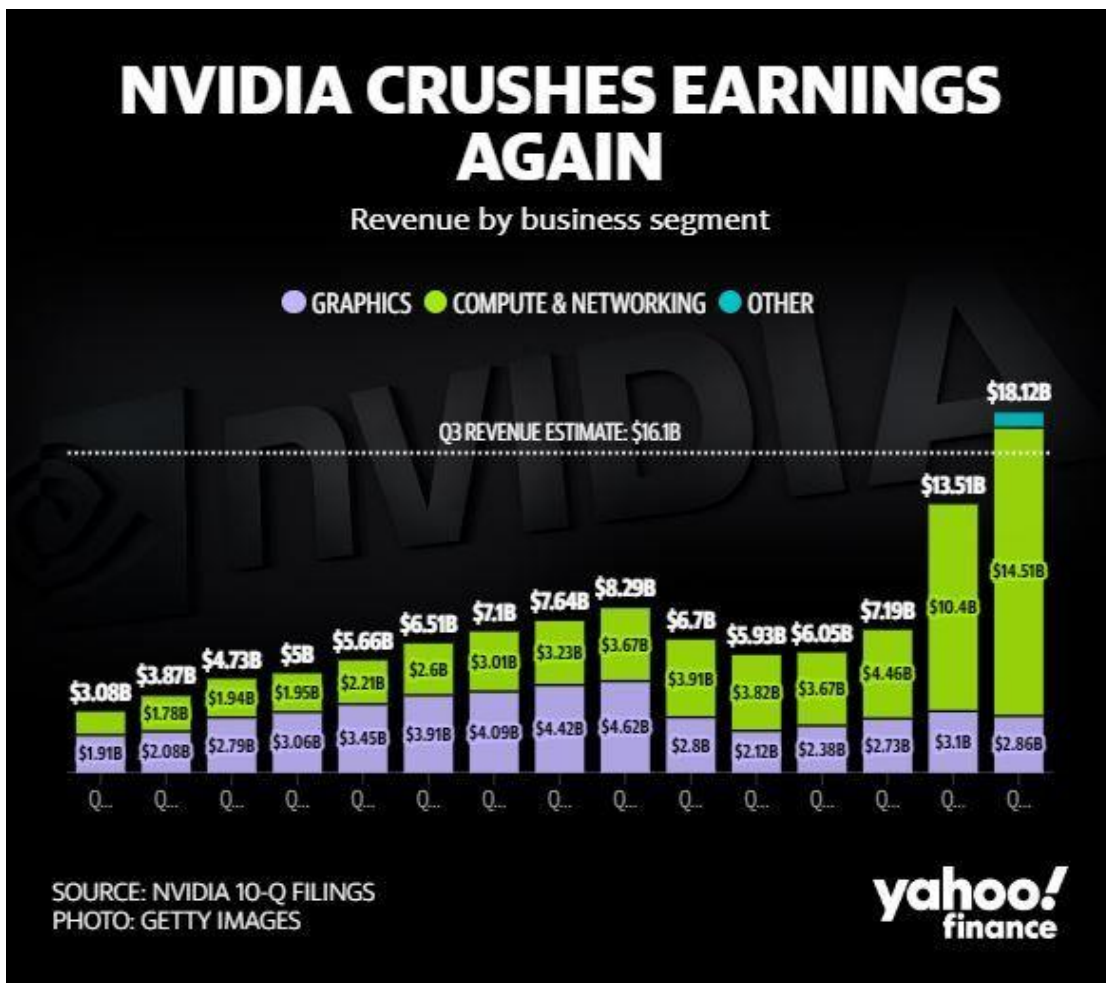


Source: App Economy Insights



#nvidia #revenue

Nvidia Revenue by business segment.



Source: Yahoo! Finance

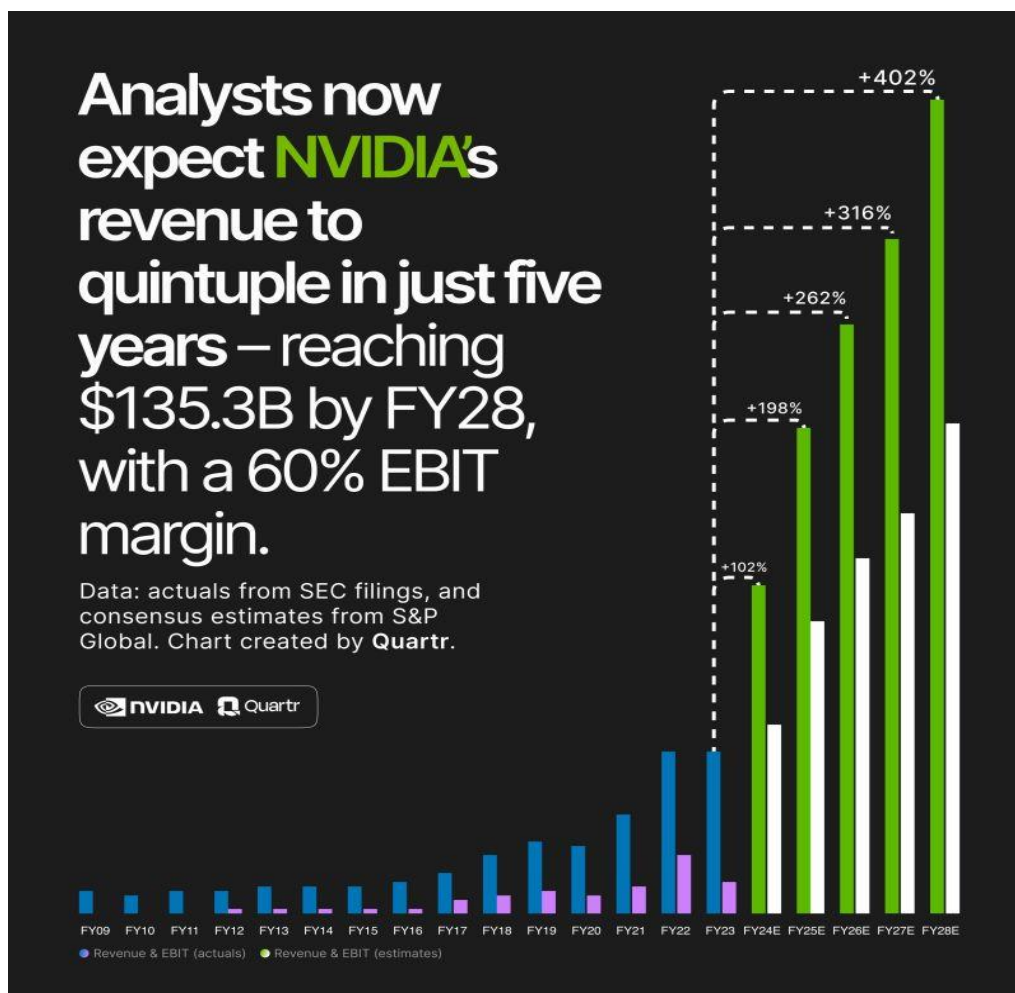


#nvidia #q3 #earnings

Revenue +206%

EBIT +1,633%

EPS +1,274%



Source: Quartr

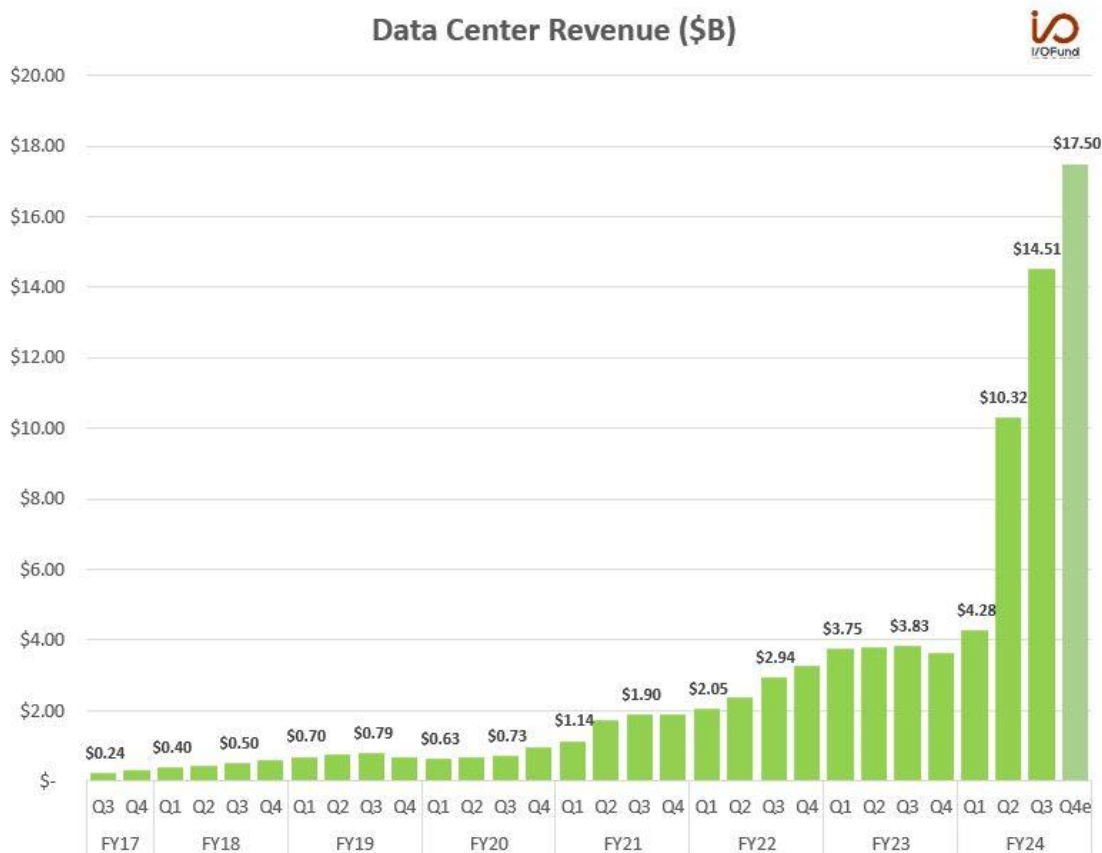




#nvidia #datacenter

A look back on just how rapid Nvidia's \$NVDA data center growth has been.

- +79.7% CAGR since Q3 FY17's \$240M revenue.
- Reached record levels at \$1.9B in Q3 FY21.
- Grown 664% since then to \$14.51B in Q3 FY24.
- Projected to reach \$46.6B in FY24, 56x more than FY17's \$830M.



Source: Beth Kindig





#nvidia #chip #sales

\$NVDA Apparently, somebody is buying a lot of chips in Singapore. That country now represents 15% of total sales, up from 9% last year. Chinese sanction evasion for higher powered chips?

	Three Months Ended		Nine Months Ended	
	October 29, 2023	October 30, 2022	October 29, 2023	October 30, 2022
<i>(In millions)</i>				
Revenue:				
United States	\$ 6,302	\$ 2,148	\$ 14,730	\$ 6,069
Taiwan	4,333	1,153	8,968	5,134
China (including Hong Kong)	4,030	1,148	8,360	4,831
Singapore	2,702	536	4,506	1,963
Other countries	753	946	2,255	2,926
Total revenue	\$ 18,120	\$ 5,931	\$ 38,819	\$ 20,923

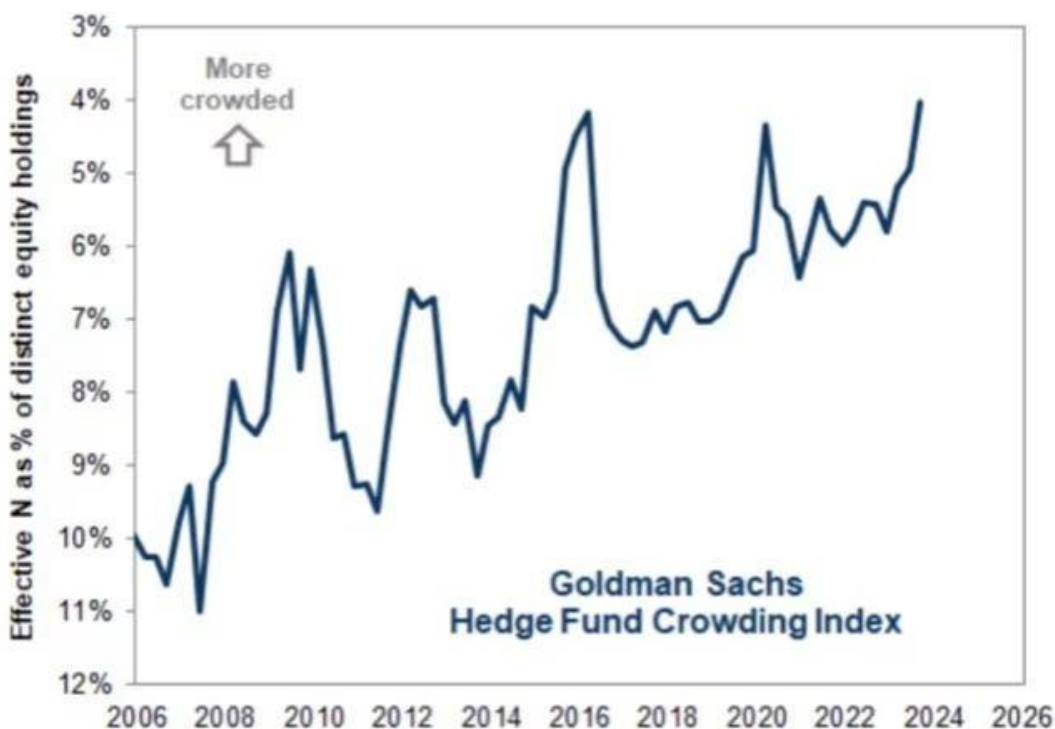
Source: Jaguar Analytics



#hedge-fund #concentration

Hedge Fund Position Concentration hits all-time high 🚨 i.e. everyone chasing the same trades - Mag 7

Exhibit 24 : Crowding across hedge funds increased in 3Q
holdings as of September 30, 2023



Source: Goldman Sachs Global Investment Research

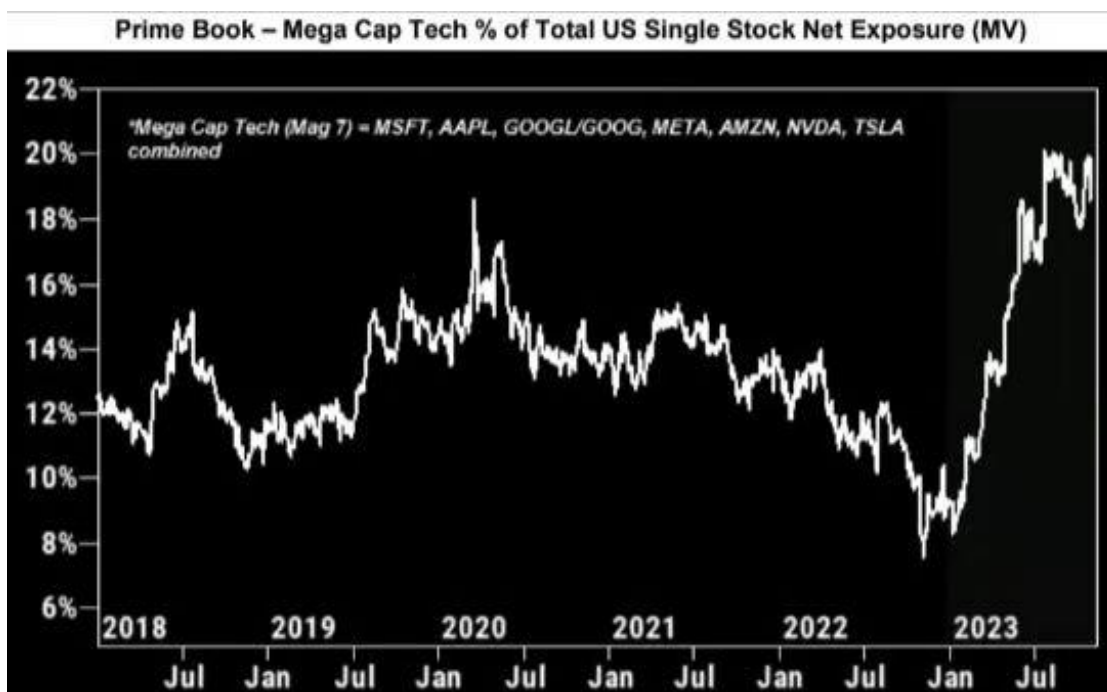
Source: Barchart, Goldman Sachs



#markets

#hedge-funds #mag7 #exposure

Hedge Fund exposure to the Magnificent Seven is quite high, according to data from Goldman Sachs.

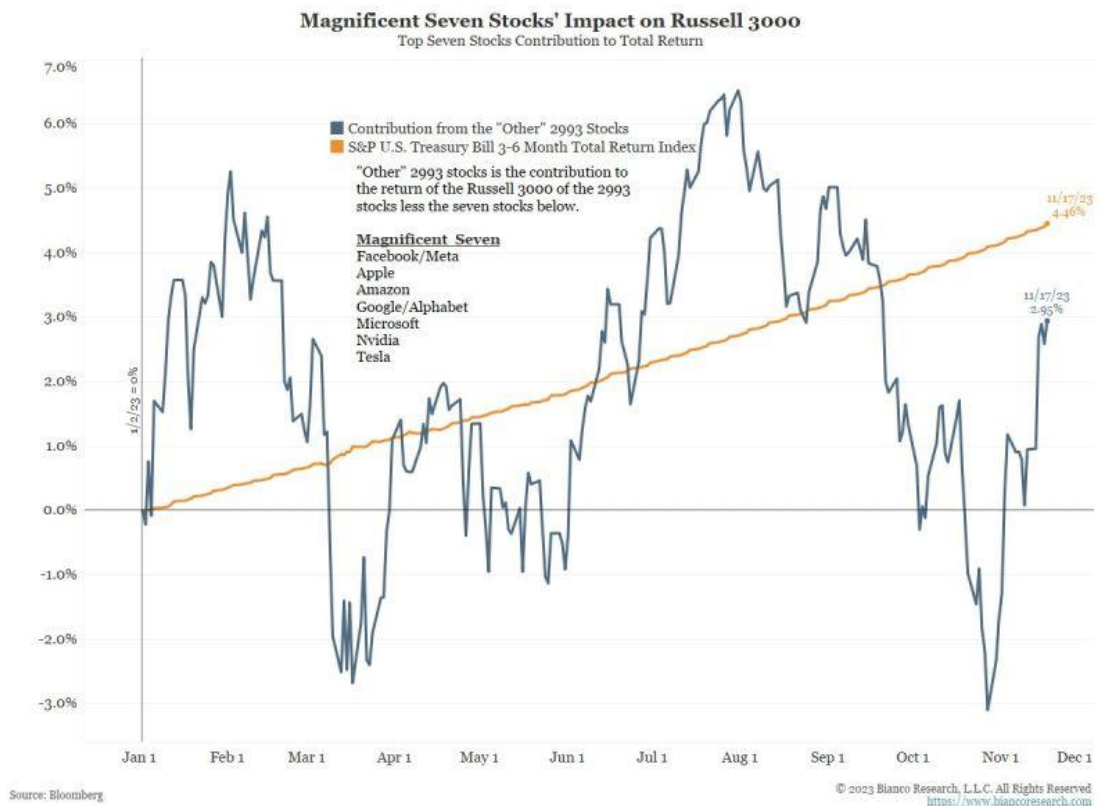


Source: Markets Mayhem



#us #equities #russell #performance

US stocks (Russell 3000) less the Mag 7 is up only +2.95% this year. It is thus underperforming cash for the second straight year.



Source Jim Bianco



#hedge-funds #short

Hedge Funds betting on a decline in US and European stock markets have suffered an estimated \$43bn of losses in a sharp rally over recent days. Short sellers, many of whom had built up bets against companies exposed to higher borrowing costs over the past year or so, have been caught out by a “painful” rebound in “low quality” stocks this month, said Barclays’ head of European equity strategy Emmanuel Cau. That has come as the market has grown more confident that the US Federal Reserve’s cycle of rate rises is finally over. Funds suffered \$43.2bn of losses on short bets in the US and Europe from Tuesday to Friday inclusive last week, according to calculations by data group S3 Partners, which do not take account of gains that funds may have made in other stocks they own.

Hedge fund short sellers suffer \$43bn of losses in market rally

Managers caught out in ‘painful’ rally as investors bet on quicker interest rate cuts



Heavily shorted Swedish real estate company Samhällsbyggnadsbolaget (SBB) is among the groups to have hurt hedge funds in recent days © Jonas Ekblom/Bloomberg



#us #bank #equities

US bank stocks never recovered from the regional banking crisis. Currently, US bank stocks are at record lows relative to the S&P 500. According to Moodys, major US banks are sitting on \$650 billion in unrealized losses. Meanwhile, the looming commercial real estate (CRE) crisis has small banks in question. Small banks currently hold ~70% of all CRE loans in the US, \$1.5 trillion of which need to be refinanced by 2025.

Chart 1: US bank stocks at record lows vs S&P 500

Banks vs S&P 500 (price relative)



Source: BofA Global Investment Strategy, Bloomberg, Global Financial Data

Source: BofA, The Kobeissi Letter





#china #equities #rally

A gauge of early-stage small, mid-cap growth stocks in China has rallied 40% within just a few weeks.



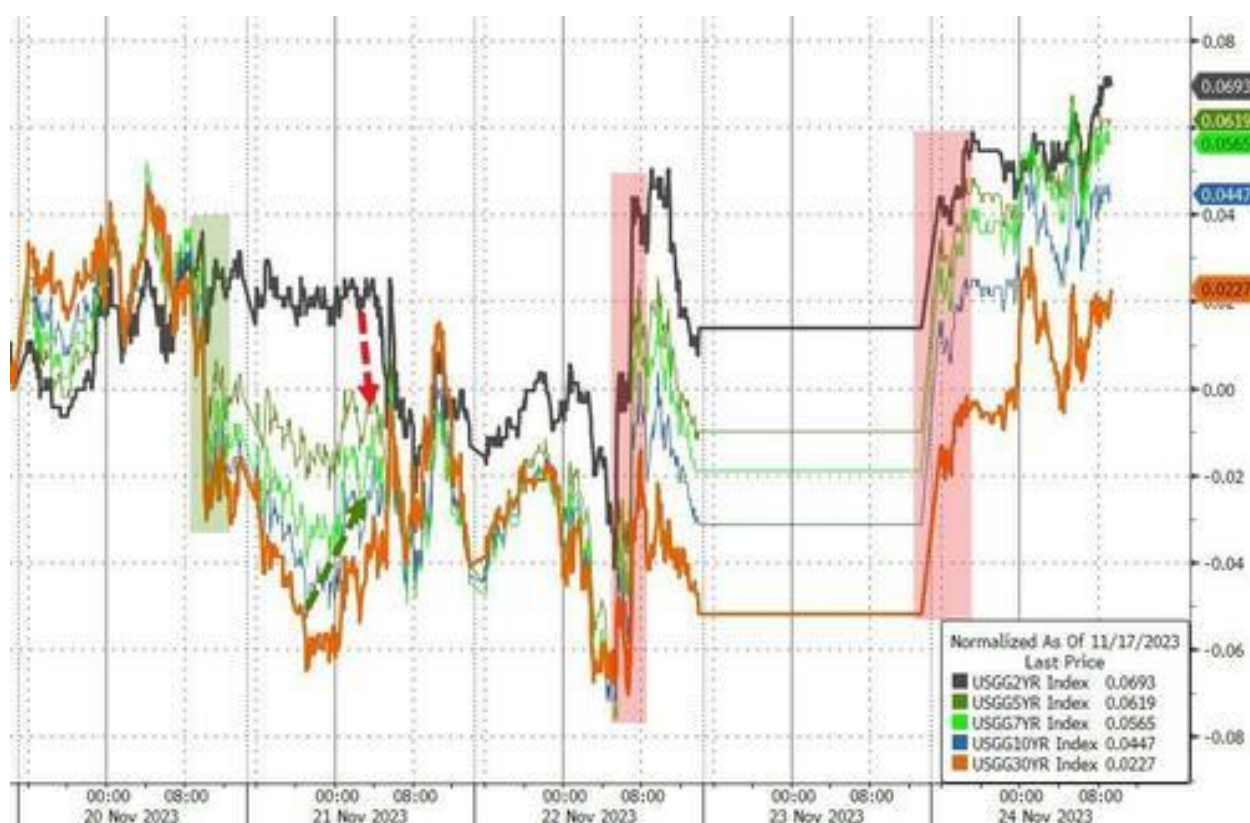
Source: David Ingles, Bloomberg





#us #treasuries #weekly

Treasury yields ended higher on the week (largely thanks to a 6-8bps jump in yields today) with the short-end underperforming on the week...



Source: www.zerohedge.com





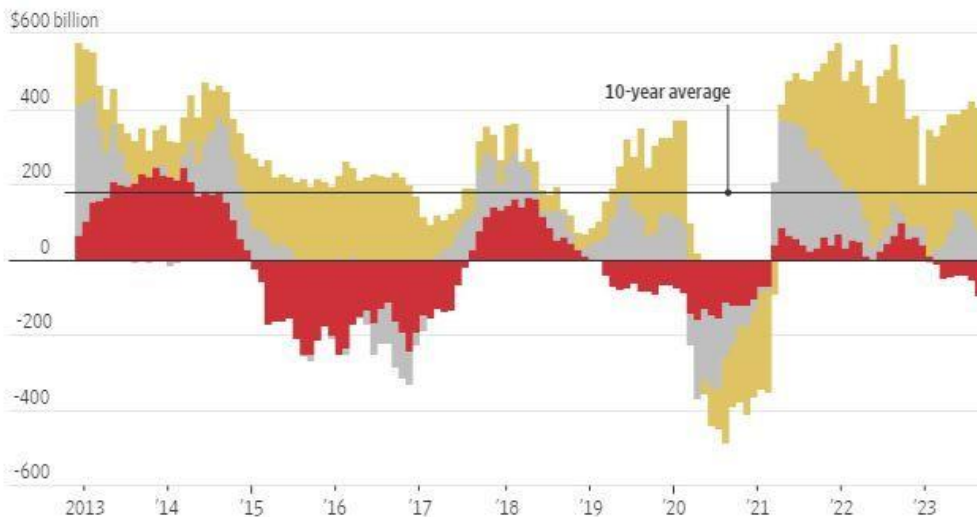
#us #treasury #buyers

Where Have All the Foreign Buyers Gone for U.S. Treasury Debt? Foreigners no longer have an insatiable appetite for U.S. government debt. The Federal Reserve is shedding its portfolio at a rate of about \$60 billion a month. Overseas buyers who were once important sources of demand—China and Japan in particular—have become less reliable lately.

Foreign Flows

Buying or selling of U.S. Treasuries from overseas

China Other central banks Private investors



Note: China data includes purchases made through a Belgian custodian account analysts believe belongs to China. Data is on a rolling 12-month basis and is adjusted for changes in valuation.

Source: Council on Foreign Relations
Alana Pipe/THE WALL STREET JOURNAL

Source: wsj

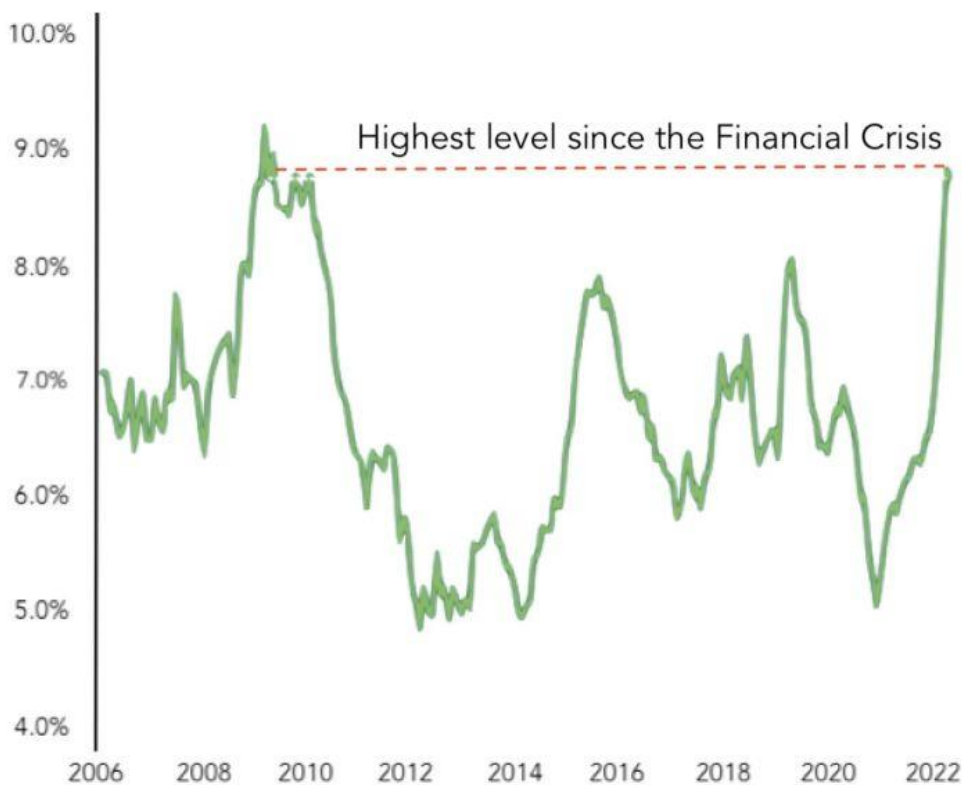




#us #bonds #maturity

This level was last seen during the Financial Crisis. 9% of bonds are due to mature within the next 2 years. High interest rates will make it harder to refinance.

% of Bonds Maturing in the Next 2 years



Source: Bloomberg, BofA Merrill Lynch, Game of Trades

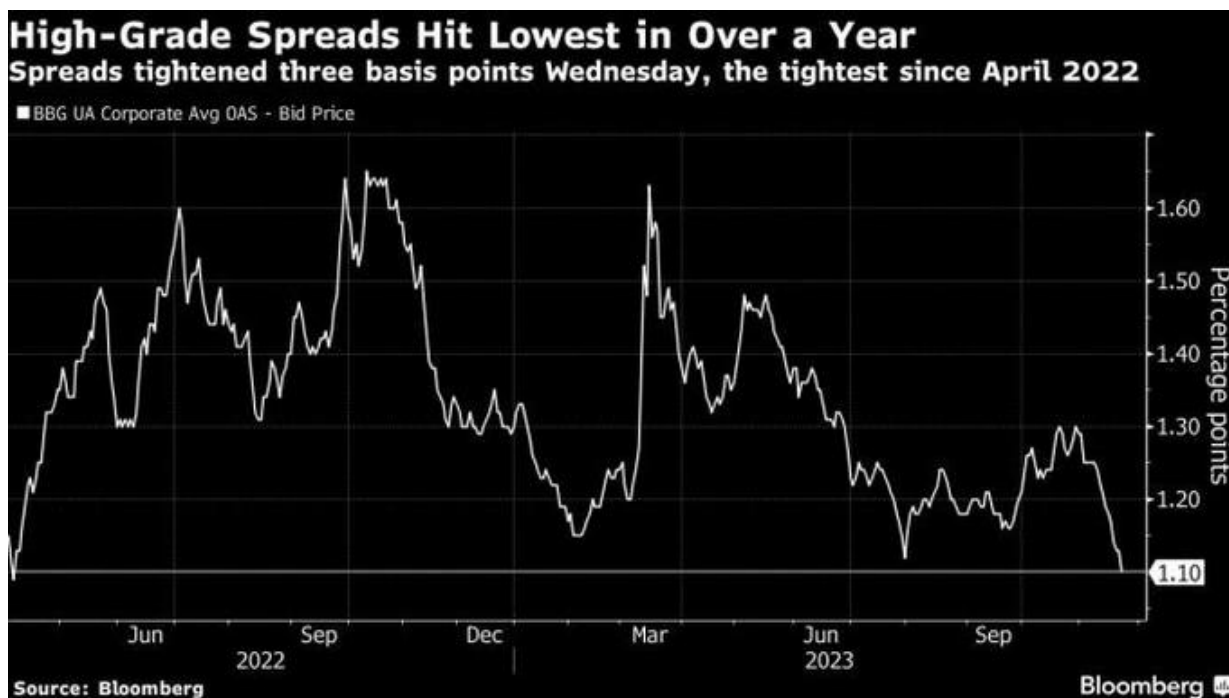
Source: Game of Trades





#us #credit #spreads

Credit Markets are starting to signal optimism with US Spreads reaching Year-Lows .



Source: xxx



#commodities #bull-market

The biggest bull market post-COVID has not been in the Magnificent 7 or any other equity markets; it has been in these two commodities:

- 1) Orange Juice: 246%
- 2) Uranium: 568%

Raging Bull Market!

Performance since 1st April 2020.



Source: S&P Global

Marquee Finance By Sagar MACROBOND

Source: Macrobond, [Sagar Singh Setia](#)





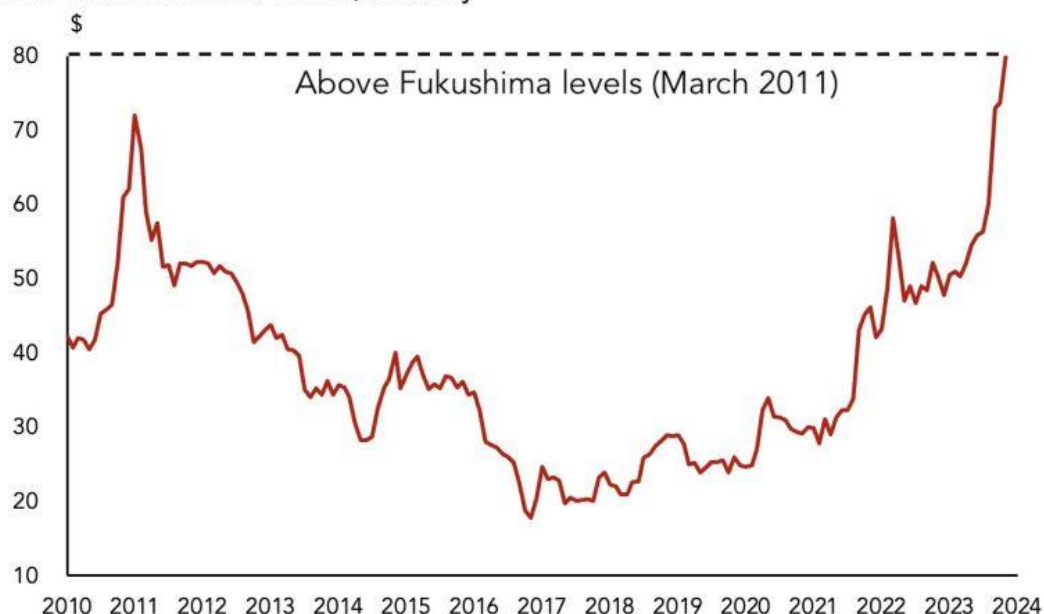
#commodity #uranium

Uranium narrative has been making headlines this year. Just in 2023, Uranium is up by nearly 60%. Prices are now back above the levels seen before the Fukushima incident in March 2011. Simultaneously, uranium prices also major tailwinds from a supply deficit in the coming years, especially in the U.S. By 2028 a shortfall of 60% is expected... Meanwhile, a long list of countries sees nuclear as one of the only "clean" viable option...

Uranium Price Above Fukushima Levels



UXC Uranium U308 Futures, Monthly



Dates: 2010 Through 22nd November 2023.
Source: Tradingview, Game of Trades.

Source: Game of Trades



#GLOBALMARKETS WEEKLY WRAP-UP

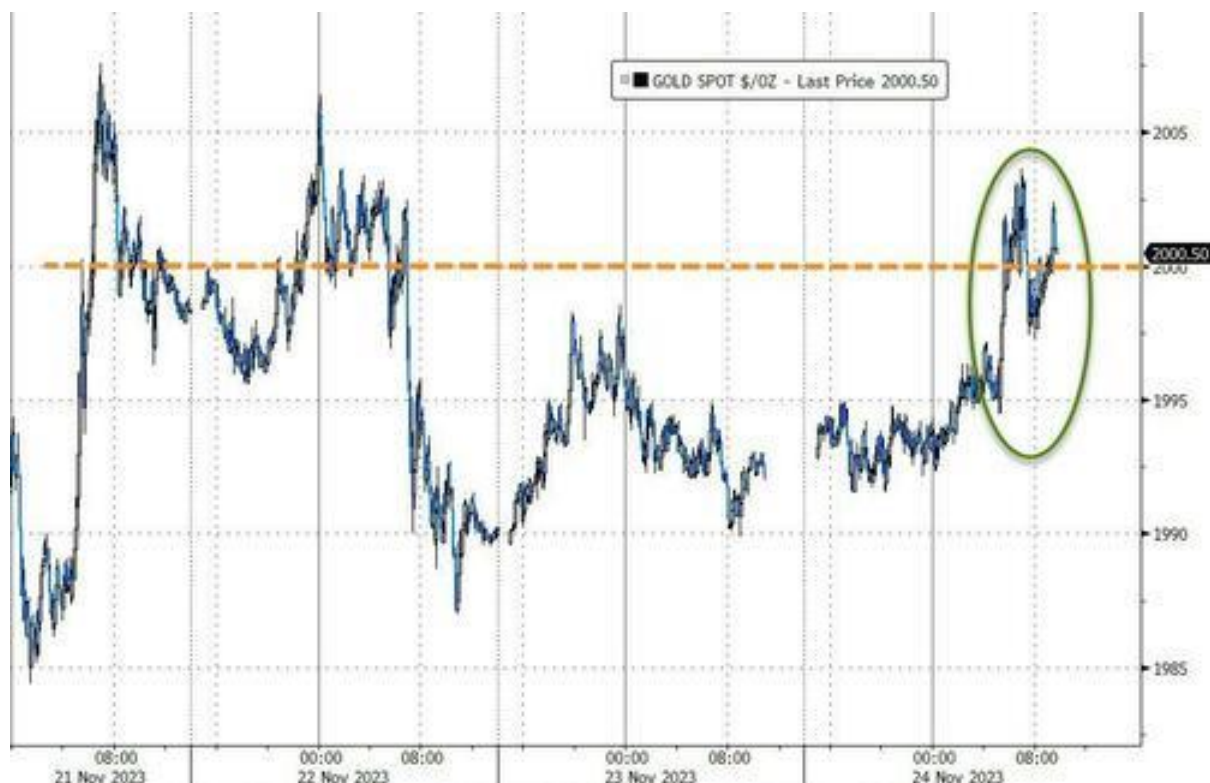
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25 NOVEMBER 2023

#markets

#gold #2000

Spot Gold prices jumped back above \$2000 (silver outperformed on the week, up 2.5%)...



Source: www.zerohedge.com

#gold #santa-rally

Gold has seen a "Santa" rally every December since 2017 with the average monthly gain near 4%. (silver 7.25%).

	Dec 2017	Dec 2018	Dec 2019	Dec 2020	Dec 2021	Dec 2022	Avg.
Gold	2.20%	5.10%	3.60%	6.80%	3.10%	3.10%	3.98%
Silver	3.00%	9.10%	4.80%	16.60%	2.10%	7.90%	7.25%
BCOM	3.00%	-6.90%	5.00%	5.00%	3.50%	-2.40%	1.20%
BBG DXY	-0.40%	-1.00%	-2.00%	-2.10%	-0.80%	-1.80%	-1.35%
S&P 500	1.00%	-9.20%	2.90%	3.70%	4.40%	-5.90%	-0.52%
10-yr Real yields, bps	-12	-5	2	-13	-2	33	50
US 2-yr yields, bps	10	-30	4	3	17	12	3

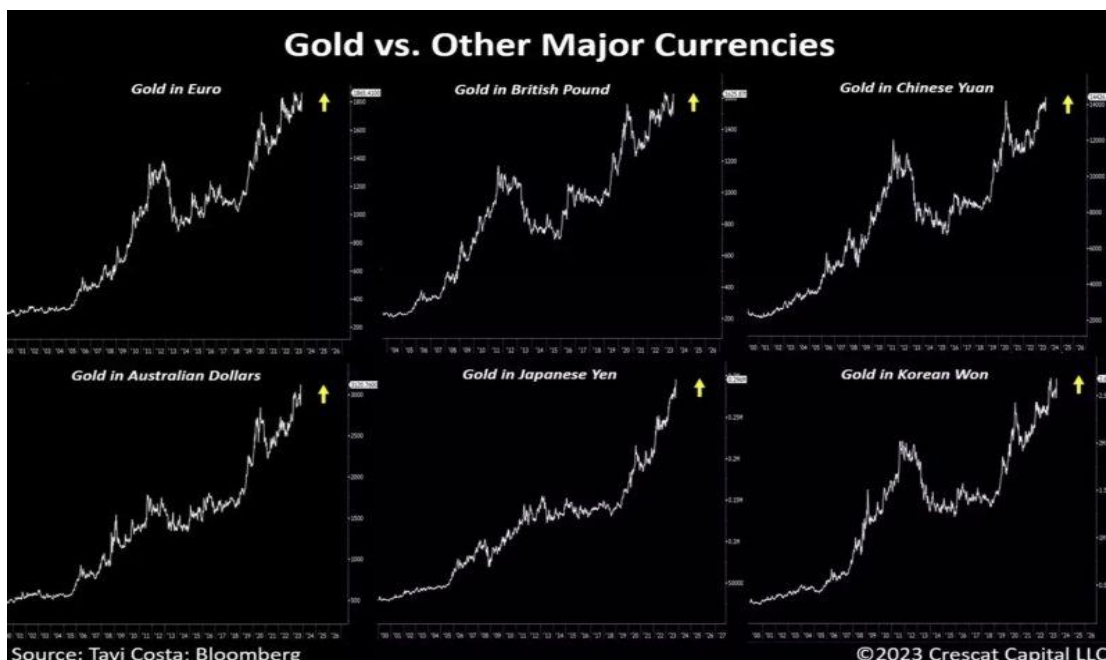
Source: Bloomberg, Saxo

Source: Ole S Hansen, Saxo



#gold #major-currencies

Be careful not to look at gold only against the dollar. Gold is at its highest against many FIAT currencies. But even the \$2,000 an ounce level is intriguing: despite clearly positive real rates and the appreciation of the greenback, gold is close to all-time highs. Looking forward, two scenarios are possible: 1) Gold is overvalued and should soon depreciate; 2) Gold is seen as a safe haven against geopolitical uncertainty, but also against the political disorder in Washington and the declining confidence in the Fed. If this is the case, a possible depreciation of the dollar and a fall in the real interest rate could benefit the yellow metal.

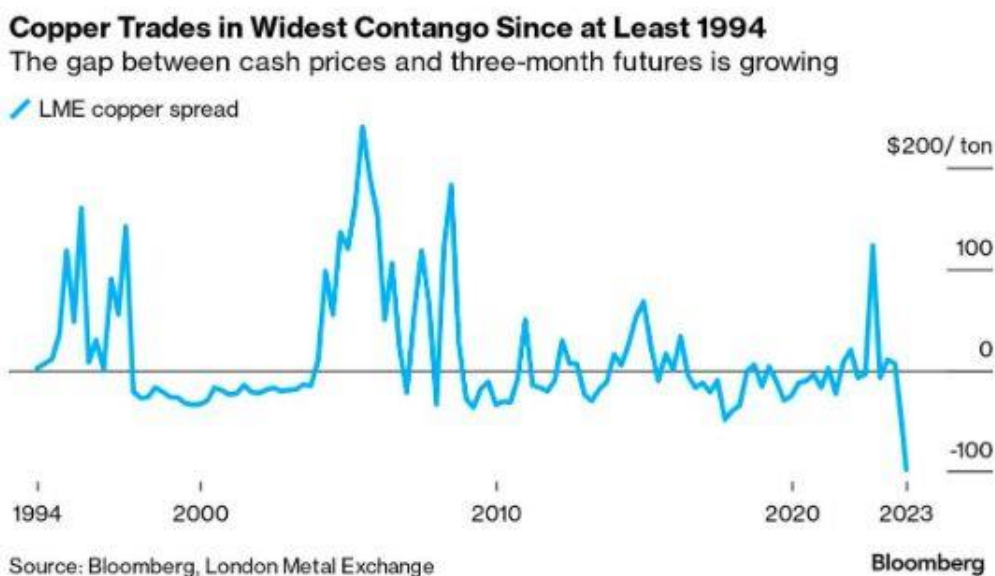


Source chart: Tavi Costa, Bloomberg



#copper #contango #commodity

Copper hits widest contango in AT LEAST 29 years

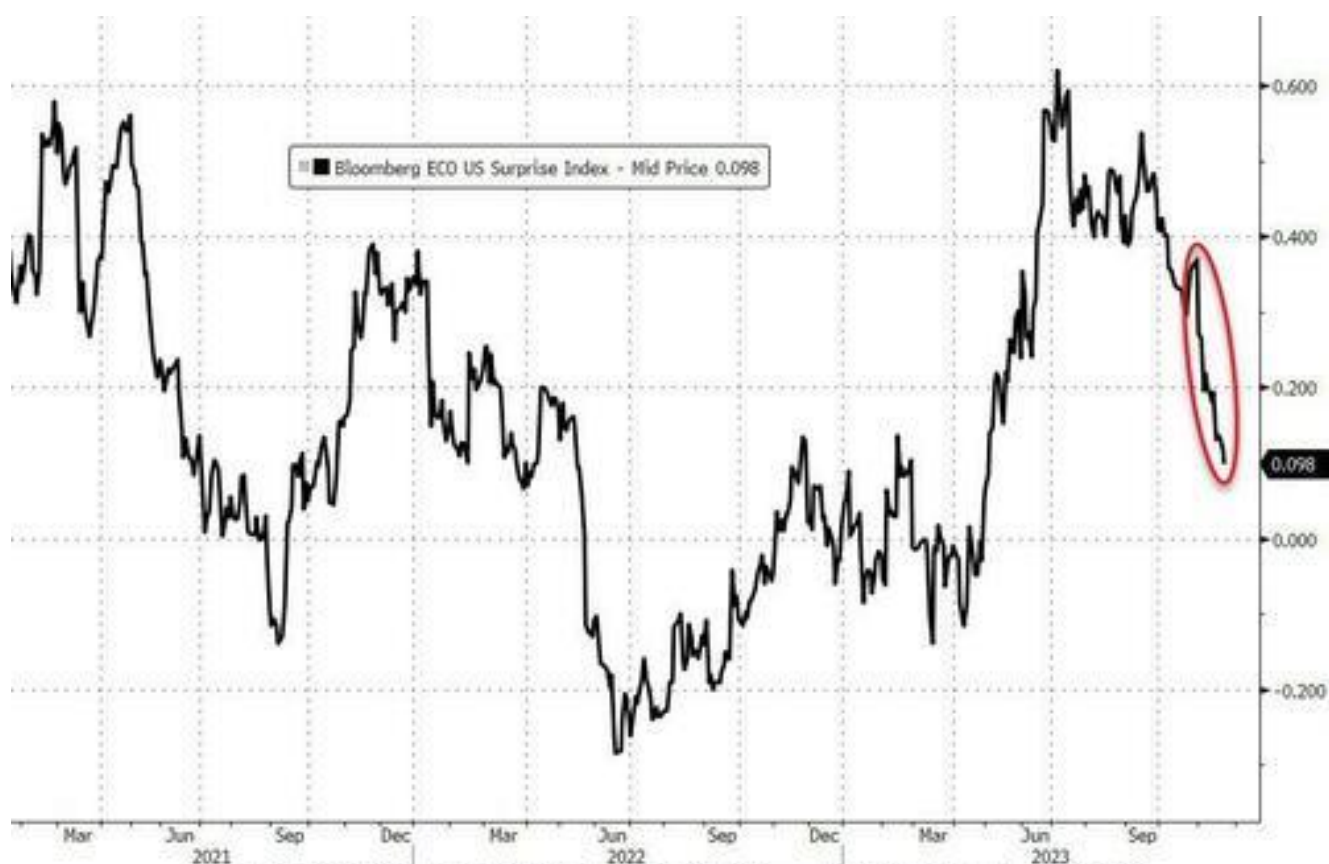


Source: Barchart, Bloomberg



#us #macro #surprises

Plunging US Macro data...





#us #indicators

US Leading Indicators Tumble For 19th Straight Month, Worst Streak 'Since Lehman' on a year-over-year basis, the LEI is down 7.6% (down YoY for 16 straight months) - close to its biggest YoY drop since 2008 (Lehman) outside of the COVID lockdown-enforced collapse...

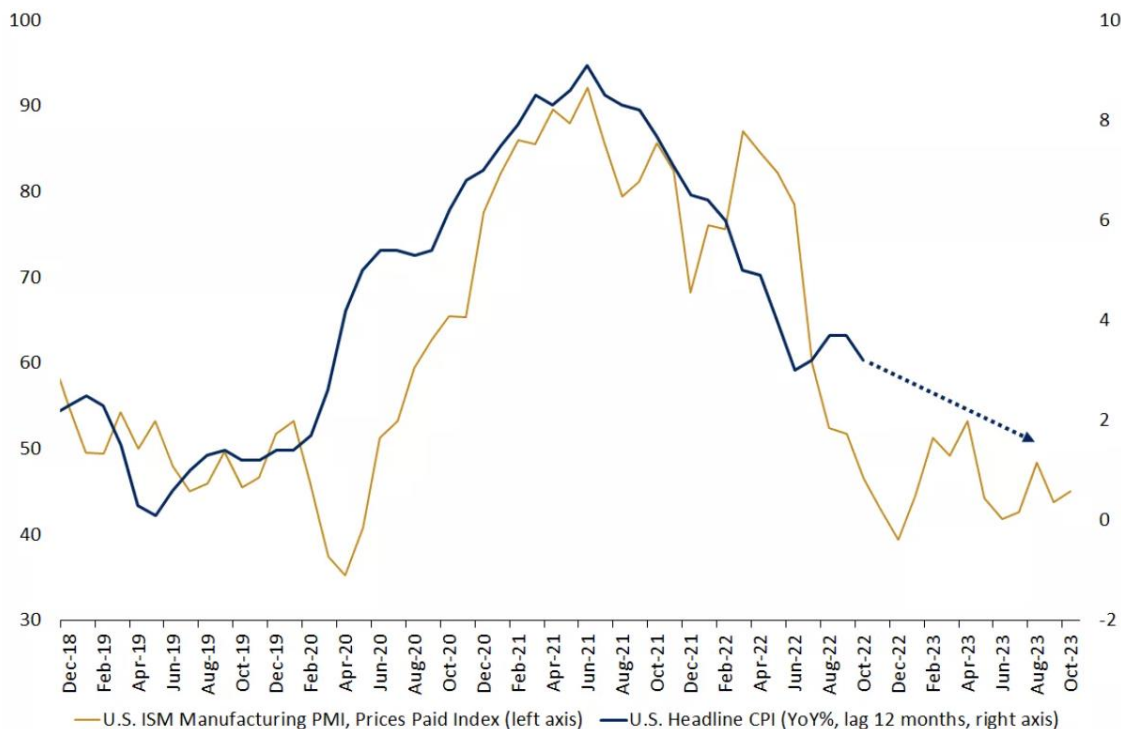




#us #inflation

This chart shows the U.S. ISM manufacturing PMI, Prices Paid Index and the year-over-year change in headline CPI lagged by 12 months. The move lower in the ISM Prices Paid Index could signal further moderation in headline CPI over the coming months. Past performance does not guarantee future results.

Leading indicators including ISM Manufacturing, Prices Paid point to some cooling in inflation ahead



Source: FactSet.

Source: Edward Jones





#interest-rate #credit-card #debt

Interest rate on credit card debt has risen to 21.19%. To put this in perspective, this rate was at 14.56% in early 2022. That's a 6% + jump in less than 2 years. Current levels have NEVER been seen in over 25 years. This is happening at a time when credit card debt has crossed the \$1 trillion threshold. To make things worse, personal interest payments have crossed \$500 billion.

Interest Rate on Credit Card Debt



Credit Card Interest Rate as Reported by All Commercial Banks



Dates: 1995 Through August 2023.
Source: Federal Reserve Board, National Bureau of Economic Research, Game of Trades.

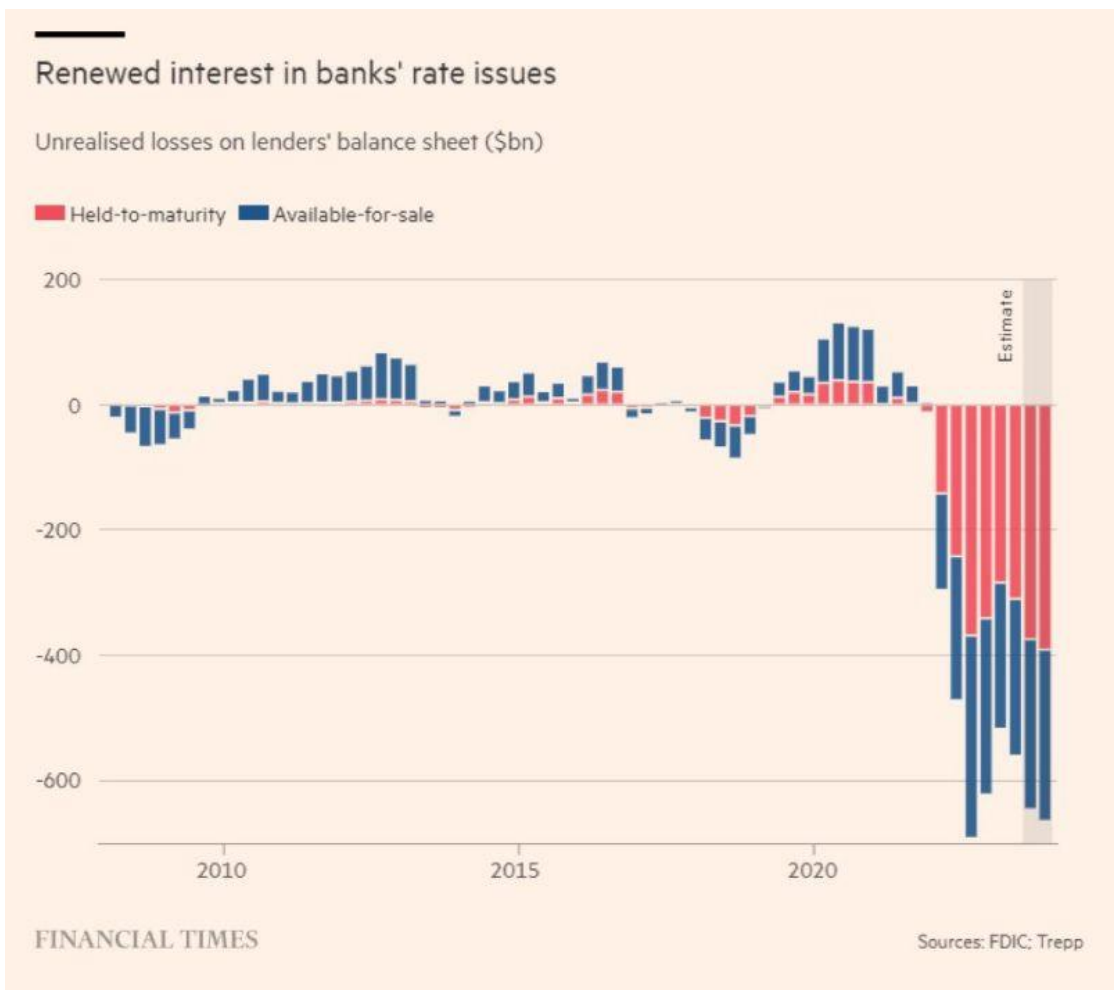
Source: Game of Trades





#us #bank #losses

U.S. Bank Losses on held-to-maturity assets have soared to an ALL-TIME HIGH of \$400 Billion! 🤯

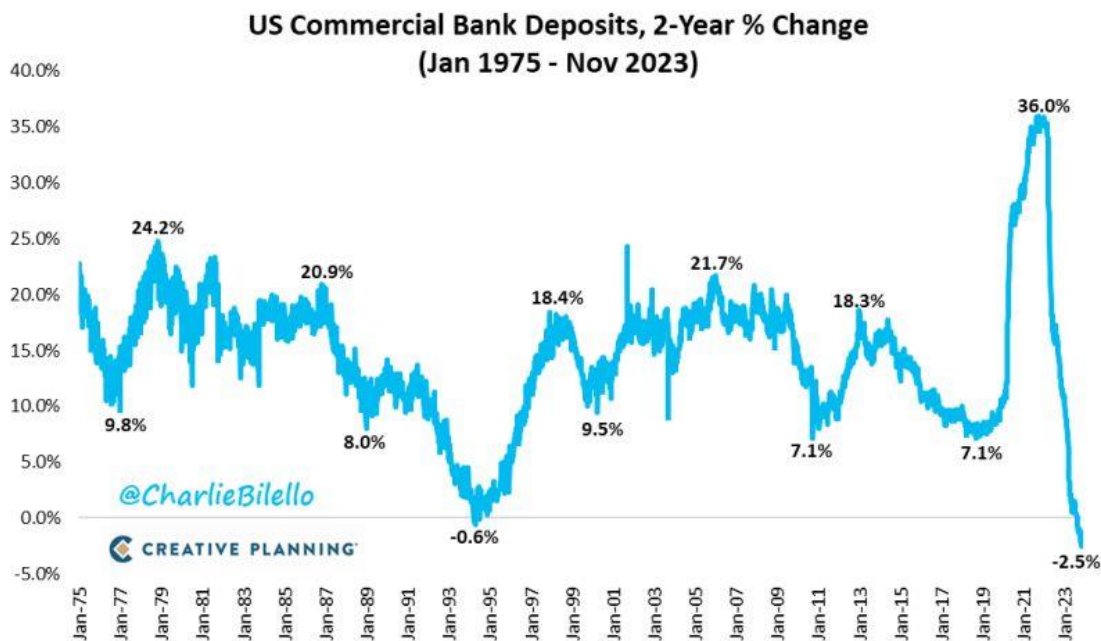


Source: Barchart, FT



#us #bank #deposits

US Commercial Bank deposits fell 2.5% over the last 2 years, the largest 2-year decline on record.

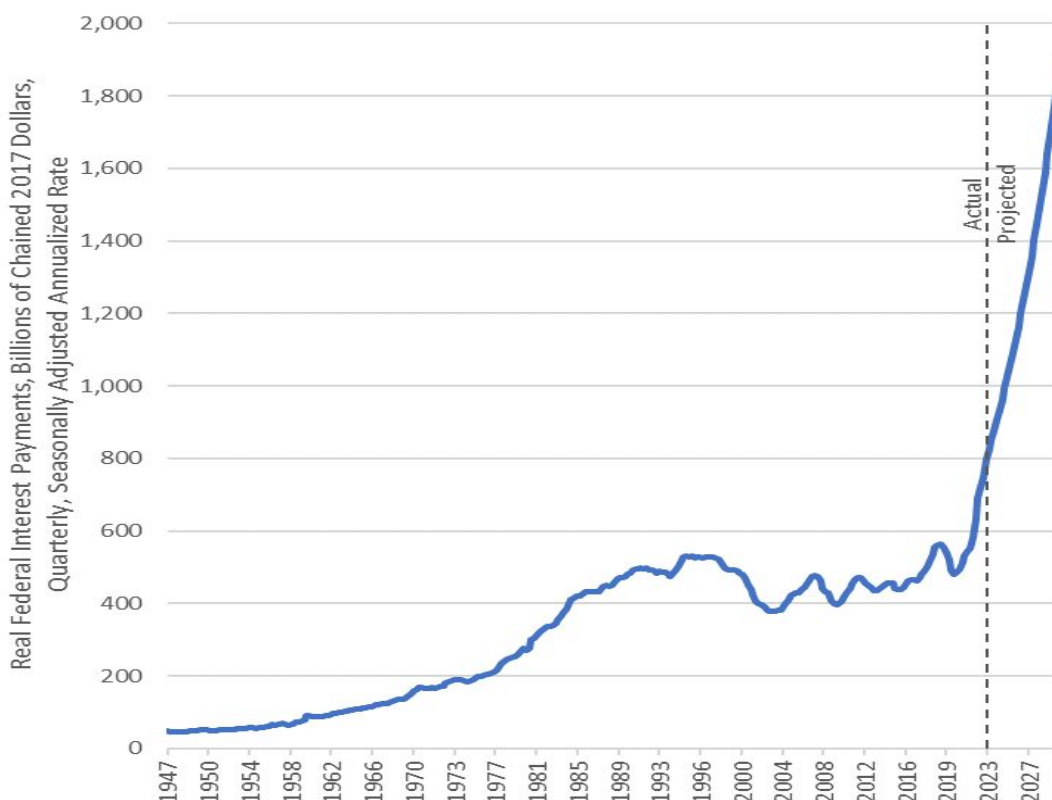


Source: Charlie Bilello



#us #debt #interest

The US government collects about \$2.5 trillion per year in personal income taxes. Of that about \$1 trillion per year (40%) is being consumed by interest on the national debt. Interest on the debt is growing as old cheap debt matures and gets refinanced at the new higher rates. Plus new debt added every year. Within a few more years, at this pace, 100% of personal income taxes will be going to pay interest on the US national debt.



Sources: Bureau of Economic Analysis, Dr. EJ Antoni

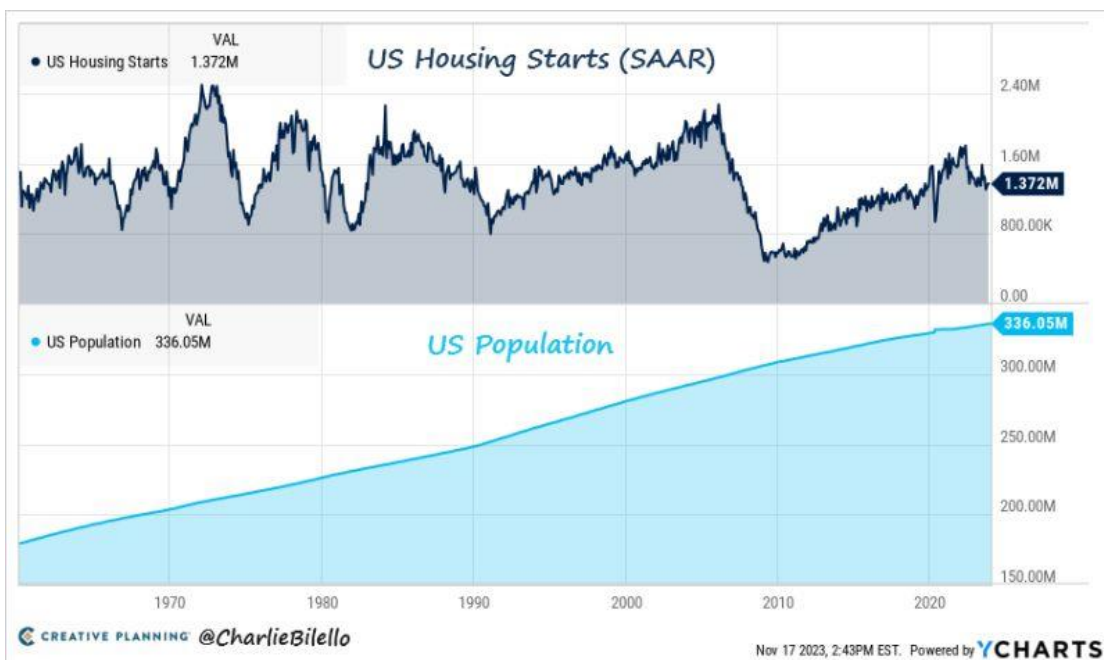
Source: E.J Antoni, WallStreetSilver, BEA





#us #realestate #demographics

The US population has increased 87% since 1960 but fewer homes are being built today than back then.



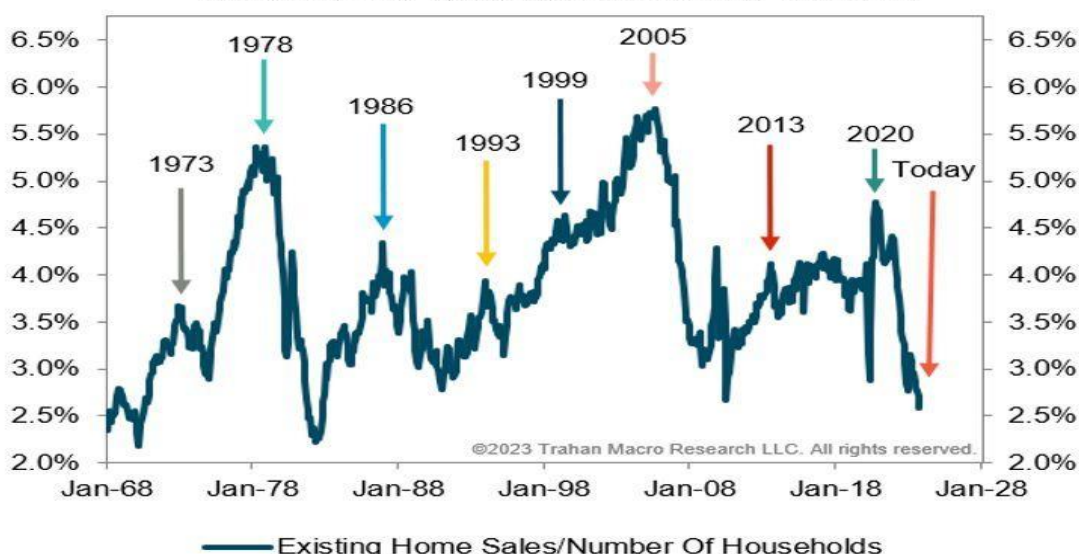
Source: Charlie Bilello



#us #real-estate #sales

Existing Home Sales Crash To Slowest Since 2010. Sales actually fell 4.1% MoM (far worse than expected and down for the 20th time in the last 23 months) with September's 2.0% MoM decline revised even lower to -2.2% MoM. That decline left existing home sales down 14.6% YoY... Fewer US existing homes are selling today than at any point since 2010. The 3.79 million annual rate is even below the lowest level of sales during the 2020 covid shutdowns (4.01 million). The chart below by Francois Trahan puts things in greater perspective and shows that when adjusting for population, this is one of the worse housing profiles we have seen in decades. On this "per household" basis October existing home sales data was worse than the lowest reading seen at the depths of the GFC.

Worst Homes Sales Data Since The 1970s!?!?



Source: François Trahan





#real-estate #mortgage #rates

Which countries have the most rate sensitive household sectors?

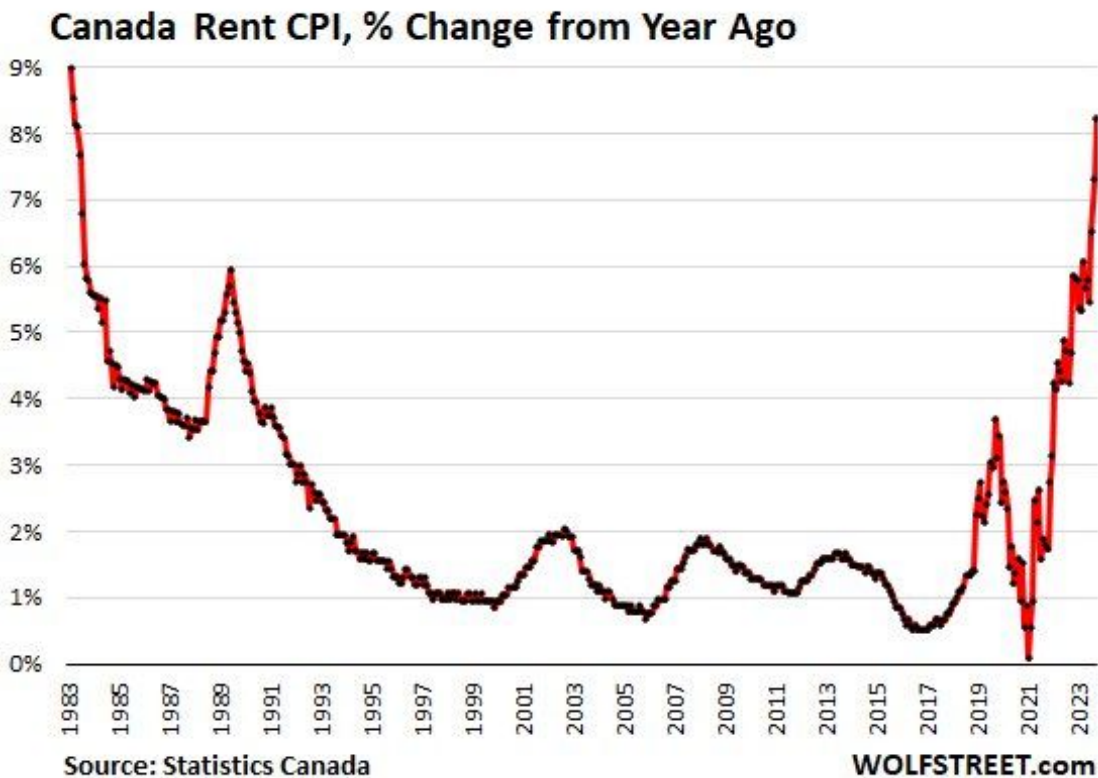
Widespread Use Of Variable Mortgage Rates And High Debt Burdens Make Some Housing Markets More Vulnerable To Rising Rates





#canada #cpi #rent

Compared to a year ago, the CPI for rent spiked by 8.2% in October, up from 7.3% in September, and the biggest year-over-year spike since April 1983.

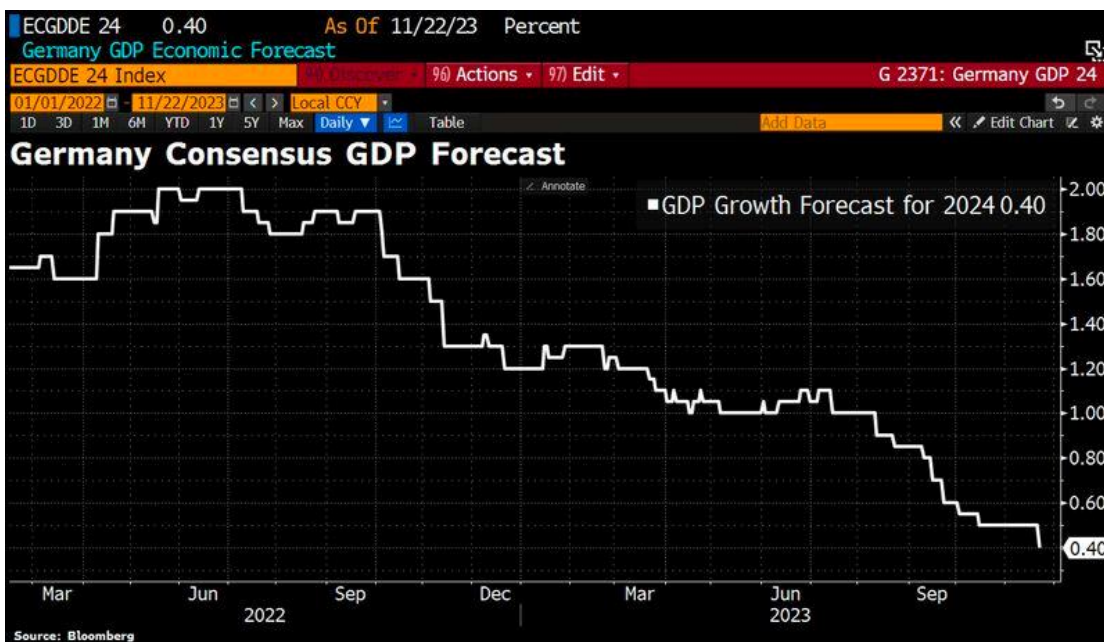


Source: [Wolfstreet.com](https://www.wolfstreet.com), WallStreetSilver



#german #gdp

German growth forecasts for 2024 have been cut following the budget chaos after the Constitutional Court declared gov't's spending plans unconstitutional. The consensus now expects GDP growth for Germany of just 0.4% for the coming year.



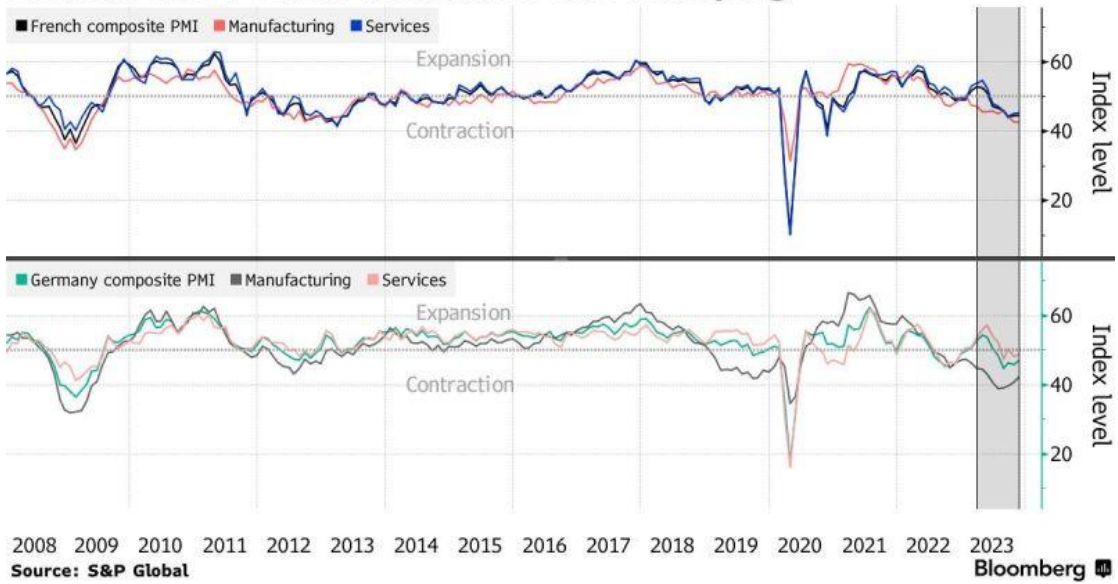
Source: Bloomberg, HolgerZ



#germany #france

French and German economies are slumping

German and French Economies Are Slumping



Source: Bloomberg

#geopolitics

#netherlands #elections

Far-right lawmaker Geert Wilders, who wants a referendum on leaving the EU, is on course to win the most votes in parliamentary elections in the Netherlands. However, according to an exit poll, Wilders's Freedom Party is projected to win 35 seats, substantially less than the 76 required to secure an outright majority.



Source: FT

#geopolitics

#argentina #peso #milei

Fiat money debasement does have some strong political and economical consequences. Javier Milei has just won Sunday's presidential runoff against Economy Minister Sergio Massa. Javier Milei, a 53-year-old far-right economist and former television pundit with no governing experience, claimed nearly 56% of the vote, with more than 80% of votes tallied. Voters in this nation of 46 million demanded a drastic change from a government that has sent the peso tumbling, inflation skyrocketing and more than 40 percent of the population into poverty. With Milei, Argentina takes a leap into the unknown. He has promised to fix Argentina's perennial economic problems by making drastic budget cuts, replacing the battered peso with the US dollar and shutting down the central bank. He will take office on December 10th.

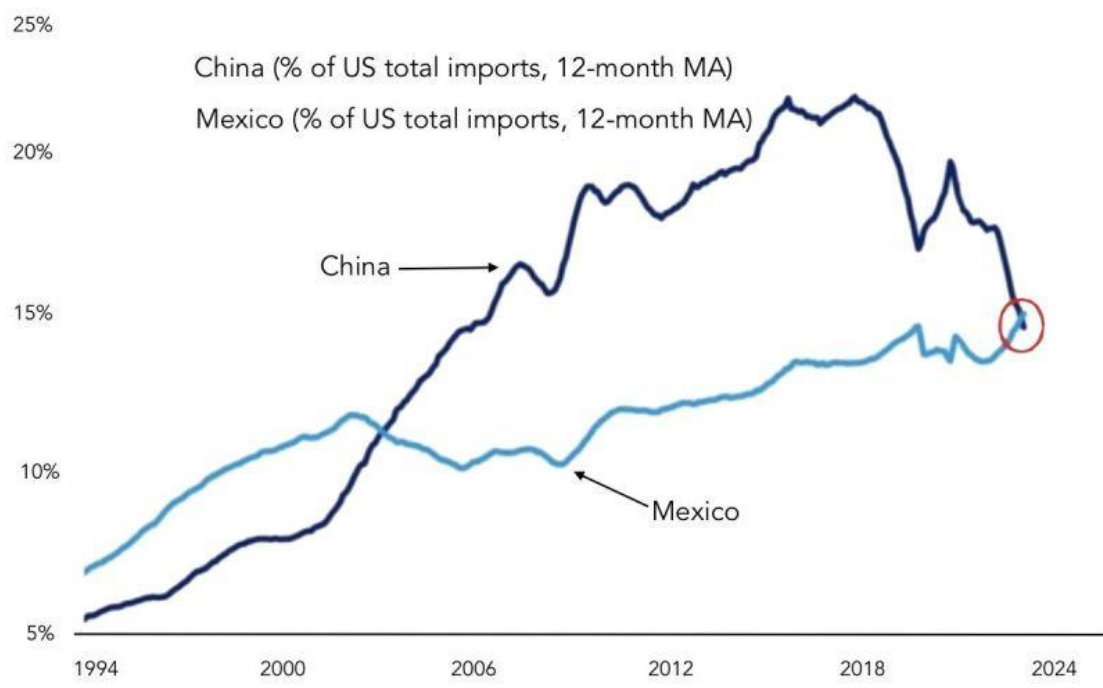


#geopolitics

#china #mexico #us-imports

ALERT: US imports from Mexico have just surpassed those from China. This has happened for the first time since in 2 decades.

US Importing More from Mexico than China



Source: BofA Global Investment Strategy, Bloomberg, Game of Trades.

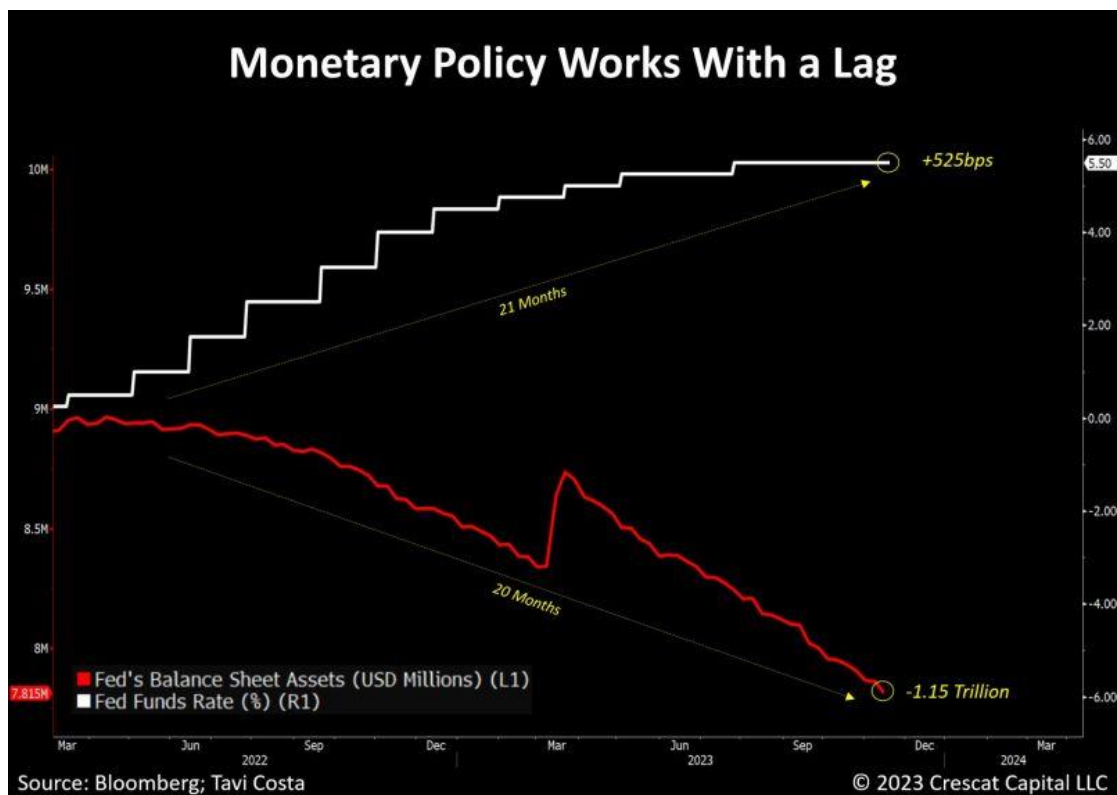
Source: Games of Trades



#centralbanks

#fed #tightening #cycle

Fed monetary policy tightening (+525 basis points of interest rates hike + \$1.15 Trillion of Fed balance sheet reduction) since 2022 has been quite brutal. 2023 has been a miracle so far with headline inflation declining to 3% WITHOUT a recession and no increase in unemployment rate. But can it last? What could be the lagged effects of such a tightening?



Source: (chart courtesy of Tavi Costa)

#centralbanks

#fed #minutes

SUMMARY OF FED MEETING MINUTES (11/21/23):

1. All Fed Members agree to “proceed carefully”
2. Fed sees rates “remaining restrictive for some time”
3. Fed sees upside risks to inflation
4. Fed sees downside risks to growth
5. Meeting by meeting approach to resume

Fed Minutes Show Unity on Cautious Approach to Further Hikes (1)

- Data to clarify progress on process of reducing inflation
- Officials agree Fed in position to ‘proceed carefully’

By Craig Torres

(Bloomberg) -- Federal Reserve policymakers at their most recent meeting united around a strategy to “proceed carefully” on future interest-rate moves and base any further tightening on progress toward their inflation goal.

“All participants agreed that the committee was in a position to proceed carefully and that policy decisions at every meeting would continue to be based on the totality of incoming information,” according to minutes of the Oct. 31-Nov. 1 Federal Open Market Committee meeting released in Washington Tuesday.

To follow Bloomberg’s TOPLive blog on the Fed minutes, click here

At the meeting, US central bankers held the benchmark lending rate in a range of 5.25% to 5.5% for the second straight time, despite a run of data showing strong consumption and hiring, which fueled overall economic growth.

The minutes show the committee was willing to take a patient approach toward inflation while making future policy decisions dependent on incoming statistics.

“Participants expected that the data arriving in coming months would help clarify the extent to which the disinflation process was continuing, aggregate demand was moderating in the face of tighter financial and credit conditions, and labor markets were reaching a better balance between demand and supply,” the minutes stated.

There was limited reaction in bonds and stocks following the release of the Fed minutes. Yields on 10-year Treasuries were up 1 basis point to about 4.42%, while the S&P 500 Index was down about 0.2% on the day. The Bloomberg dollar index was little changed.


Fed officials gathered in Washington for the meeting after a bond rout pushed yields on US government 10-year Treasuries over 5%, the highest in 16 years. The increase in longer-term borrowing costs startled some officials, who said tightening financial conditions were doing the work of additional rate hikes.

Related Content

- Fed Increasingly Turning to Anecdotes to Gauge Economy (1)
11/20 BN
- Fed Dissents Dwindle in Powell Era Despite Policy Differences
11/17 BN
- Fed Officials Tout Inflation Progress, Still See Long Way to Go
11/14 BN

TOPLive in Progress

FOMC Minutes for Oct./Nov. Meeting



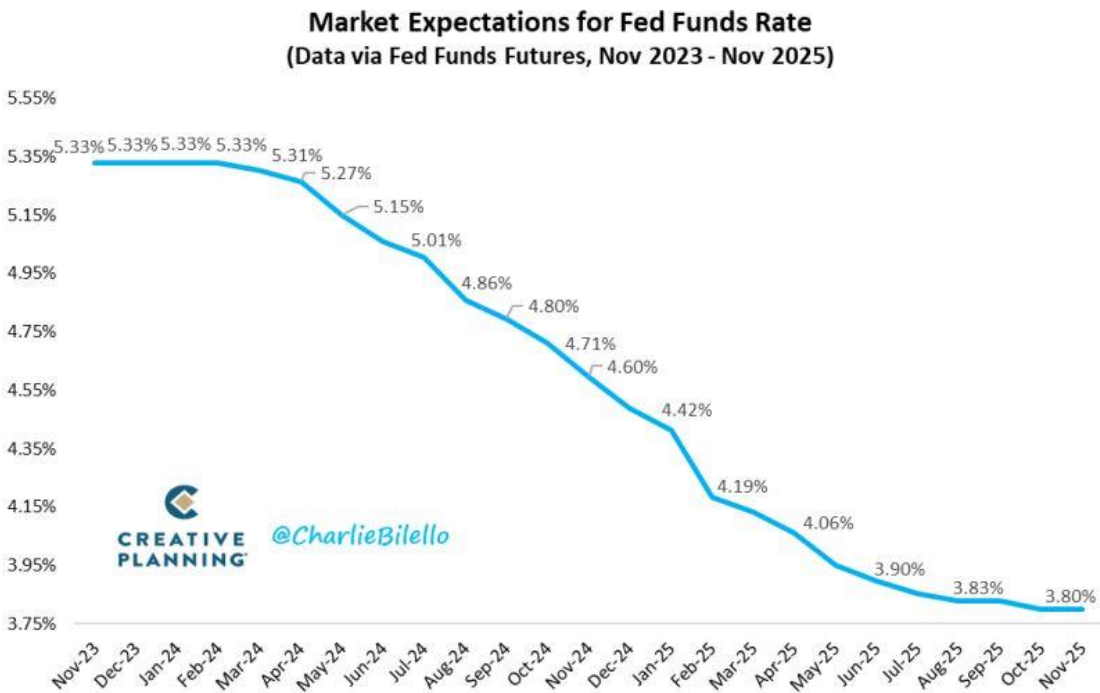
11/21 13:50

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#centralbanks

#fed #rates #expectations

Ahead of Fed minutes... The market is now pricing in a 0% probability of a rate hike in December and rate cuts starting in May 2024.



Source: Charlie Bilello

#centralbanks

#us #financial #conditions

Financial conditions have done nothing but loosen since Powell mentioned the market doing The Fed's job of 'tightening'...

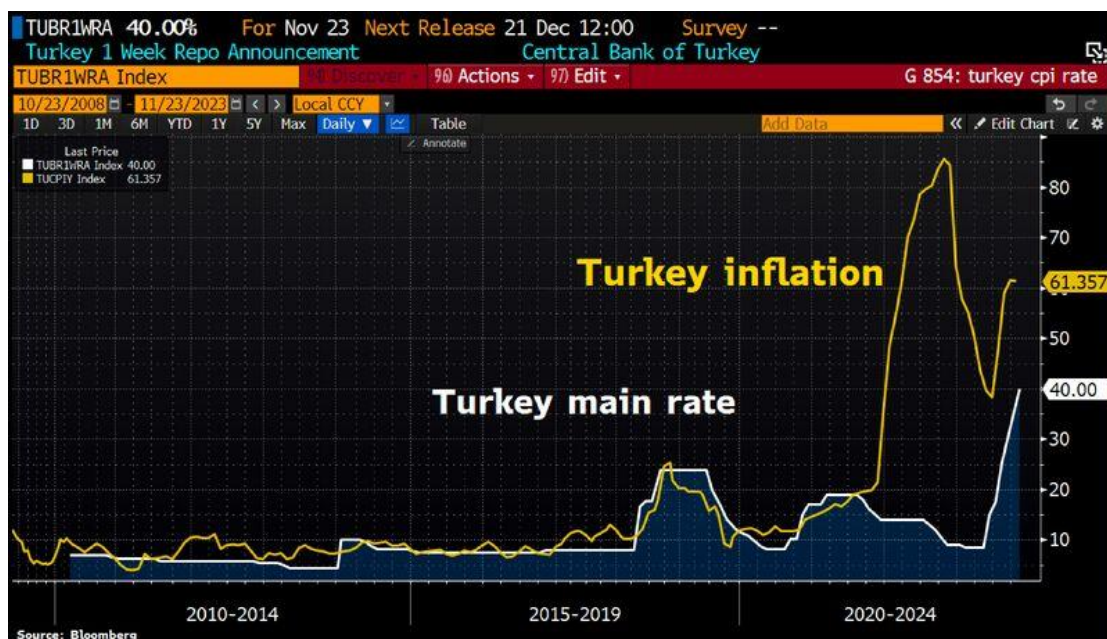


Source: www.zerohedge.com, Bloomberg

#centralbanks

#turkey #interest-rates

Turkey’s central bank hiked its key interest rate to 40% on Thursday. The lira was trading at 28.766 to the dollar following the news, slightly stronger against the greenback. The rate increase was double economists’ expectations, who had forecast a 250-basis-point hike. The move was seen as a continuation of the bank’s attempt to combat high inflation and a falling lira. Inflation in the country came in at a whopping 61% in October

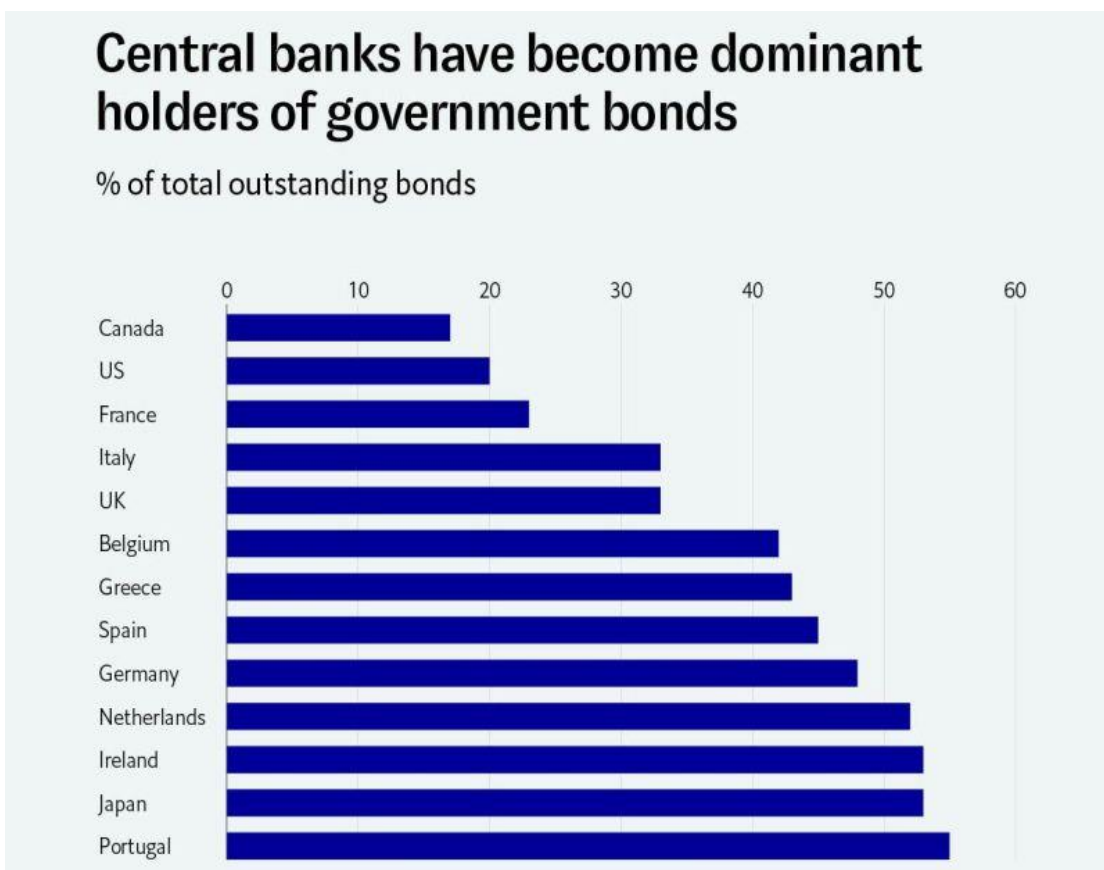


Source: Bloomberg, CNBC

#centralbanks

#bond #holders

Central banks have become dominant holders



Source: Michel A.Artouet

#cryptos

#bitcoin #weekly

Bitcoin broke out to a new cycle high, near \$38,500...



Source: www.zerohedge.com



#bitcoin #returns

Bitcoin returns since 2010

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	36,500	121%

@CharlieBilello Data as of 11/19/23

Source: Charlie Bilello








#bitcoin #defi

"DeFi started on Bitcoin. Ethereum and Solana popularized it. Now time for all of that activity to come back to the original chain".

Blockchains by NFT Sales Volume 24 hours i 🔗

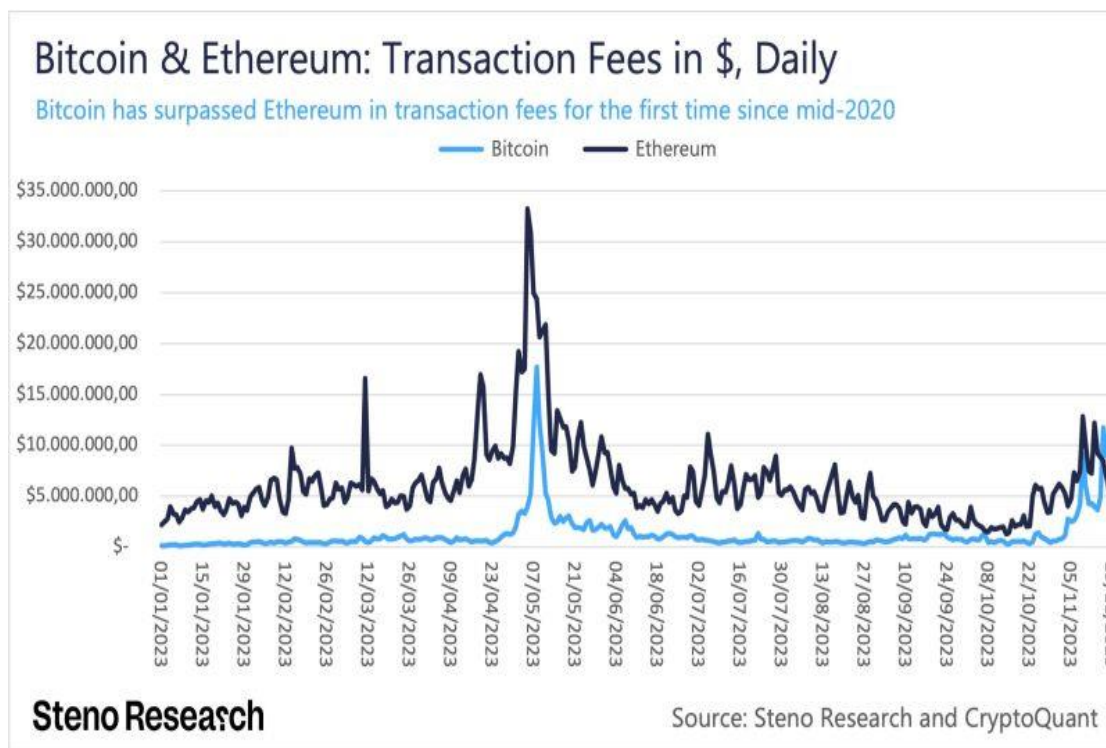
#	Blockchain	Sales (USD)	Wash (USD) *
1	 Bitcoin	\$37,729,402 ↗ 10.45%	\$363,713 ↗ 2480.34%
2	 Ethereum	\$7,062,283 ↘ 6.61%	\$4,150,109 ↗ 11.81%
3	 Solana	\$2,320,657 ↗ 4.71%	\$45,633 ↘ 22.91%

Source: Dan Held



#btc #eth #transaction-fees

Bitcoin has surpassed Ethereum in transaction fees for the first time since mid-2020. It looks like Ordinals are playing a role.



Source: Steno Research

#cryptos

#binance #sec #investigation

BREAKING: Binance >>> Department of Justice is seeking a penalty of \$4 billion from Binance in order to settle a criminal investigation. Crypto exchange Binance is nearing a settlement with the U.S. Department of Justice to resolve a criminal investigation into alleged money laundering, bank fraud, and sanctions violations, unnamed sources told Bloomberg. If the settlement deal goes through, it would be one of the largest-ever penalties in a crypto case. Negotiations have included the possibility of criminal charges against Binance's founder and CEO Changpeng Zhao, also known as CZ. However, as it currently stands the deal would allow the crypto exchange—the world's largest by volume—to keep operating while holding its leadership accountable.



#cryptos

#binance #cz #doj

Binance CEO Changpeng Zhao has agreed to step down from his role at the world's largest crypto exchange as part of a settlement with the U.S. Department of Justice. He also plans to plead guilty to violating criminal U.S. anti-money-laundering requirements that would potentially allow the exchange to keep operating, people familiar with the matter have told the Wall Street Journal. Zhao will appear in federal court in Seattle on Tuesday to enter his guilty plea, the sources told the news outlet. Binance, the international crypto exchange that Zhao founded and owns, will plead guilty and pay \$4.3 billion in fines and settlements with authorities.

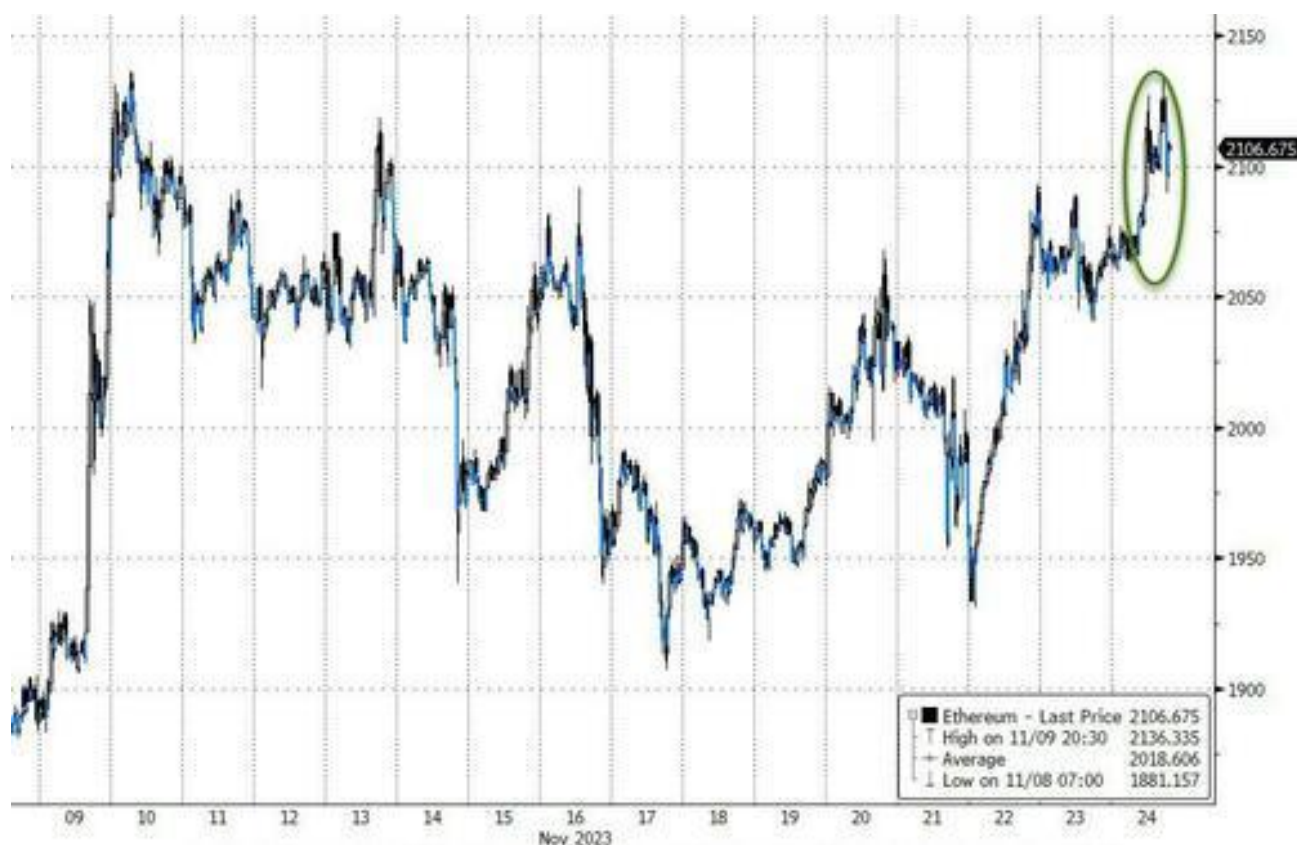
Binance will exit the U.S. market and pay \$4.3 billion—one of the largest corporate penalties in U.S. history—to settle anti-money laundering and sanctions violations, the Department of Justice today said.





#ether #weekly

Ethereum outperformed Bitcoin on the week, rallying back above \$2100.



Source: www.zerohedge.com



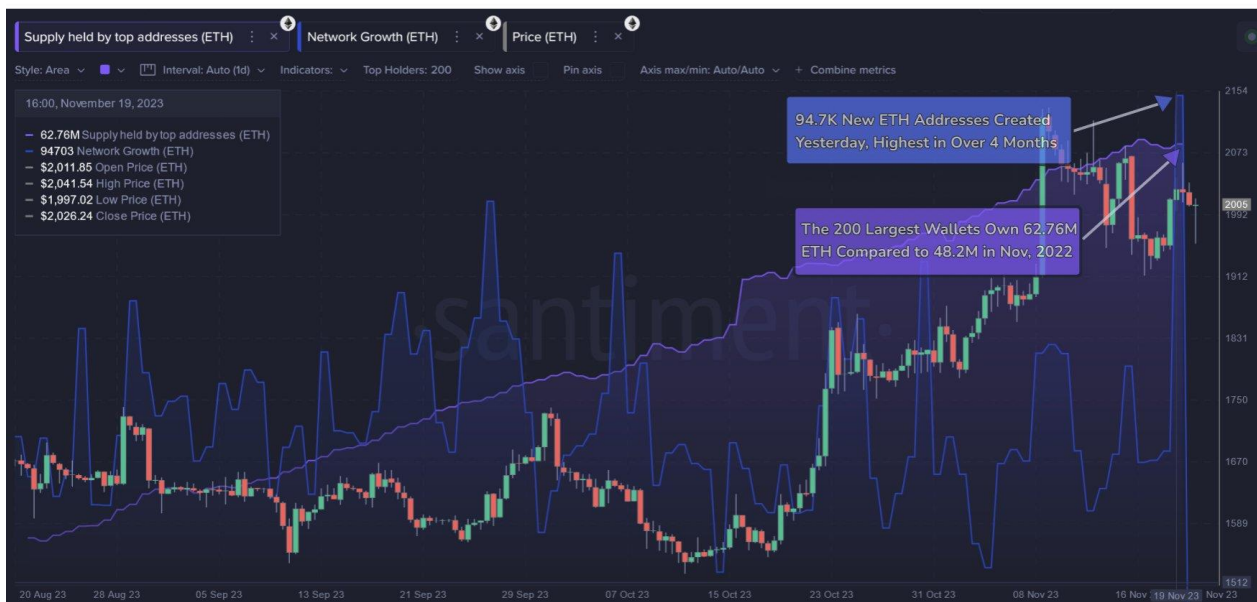
#ether #wales

The 200 largest Ethereum wallets now hold a combined 62.76 million ETH, currently worth \$132.1 billion 💰
They have accumulated 30.3% more coins since November 21, 2022, and now command 52% of Ethereum's circulating supply!
Additionally, 94.7K new \$ETH wallets were created on November 21st, which is the highest spike since July.

Ethereum's Largest Whale Addresses Own Over 30% More ETH Than One Year Ago, Network Growth Spikes



Ethereum (\$ETH) Top 200 Wallet Holdings, Network Growth (Sanbase PRO) Behavior Analysis Platform



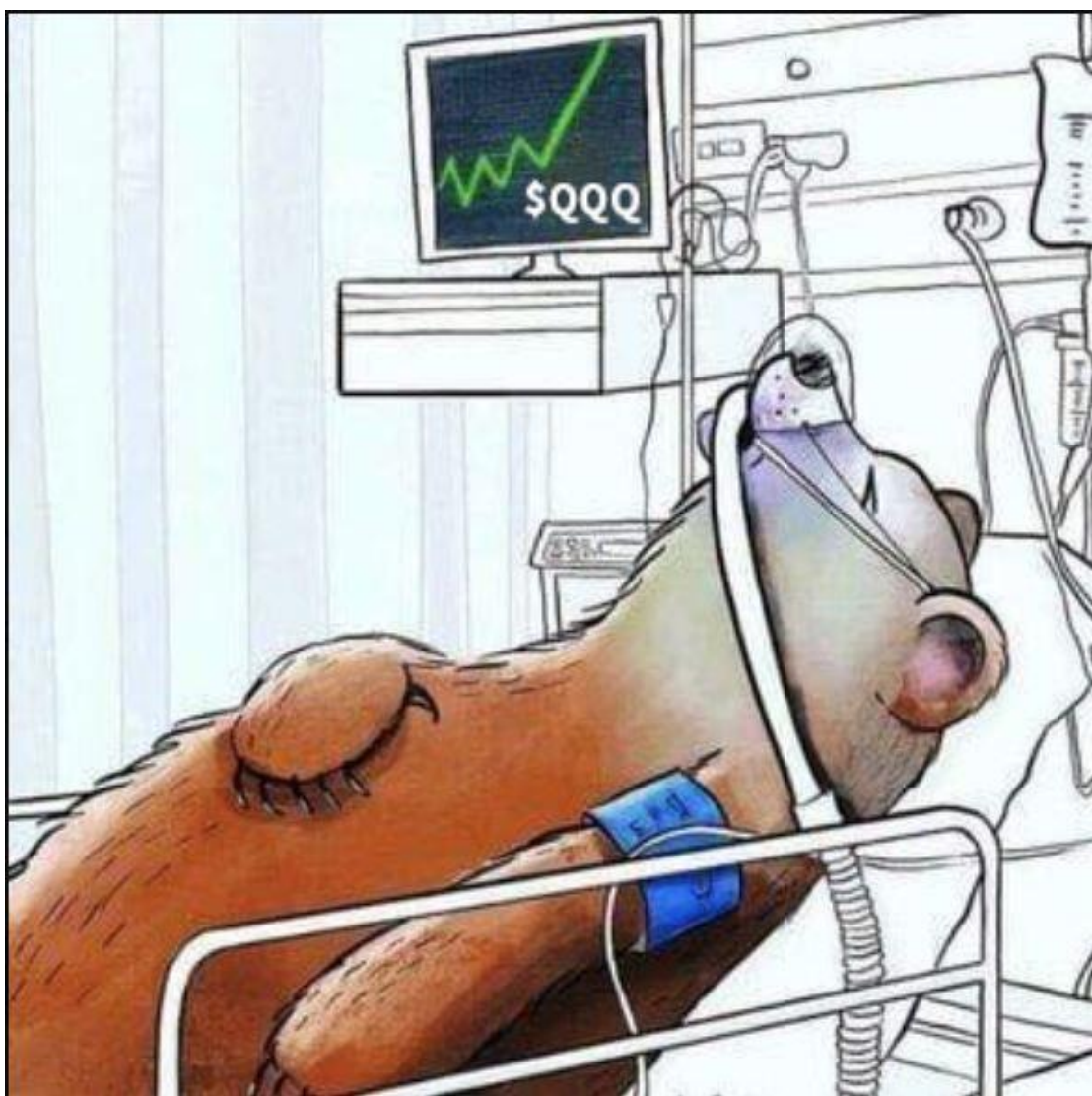
Source: Santiment



#food-for-thought

#nasdaq #performance

Nasdaq Hit Highest Level Since August



Source: barchart

#food-for-thought

#humor #recession

2024 outlook in one picture



Source: Hedgeye

#food-for-thought

#rates #concern

Something to keep in mind for 2024?

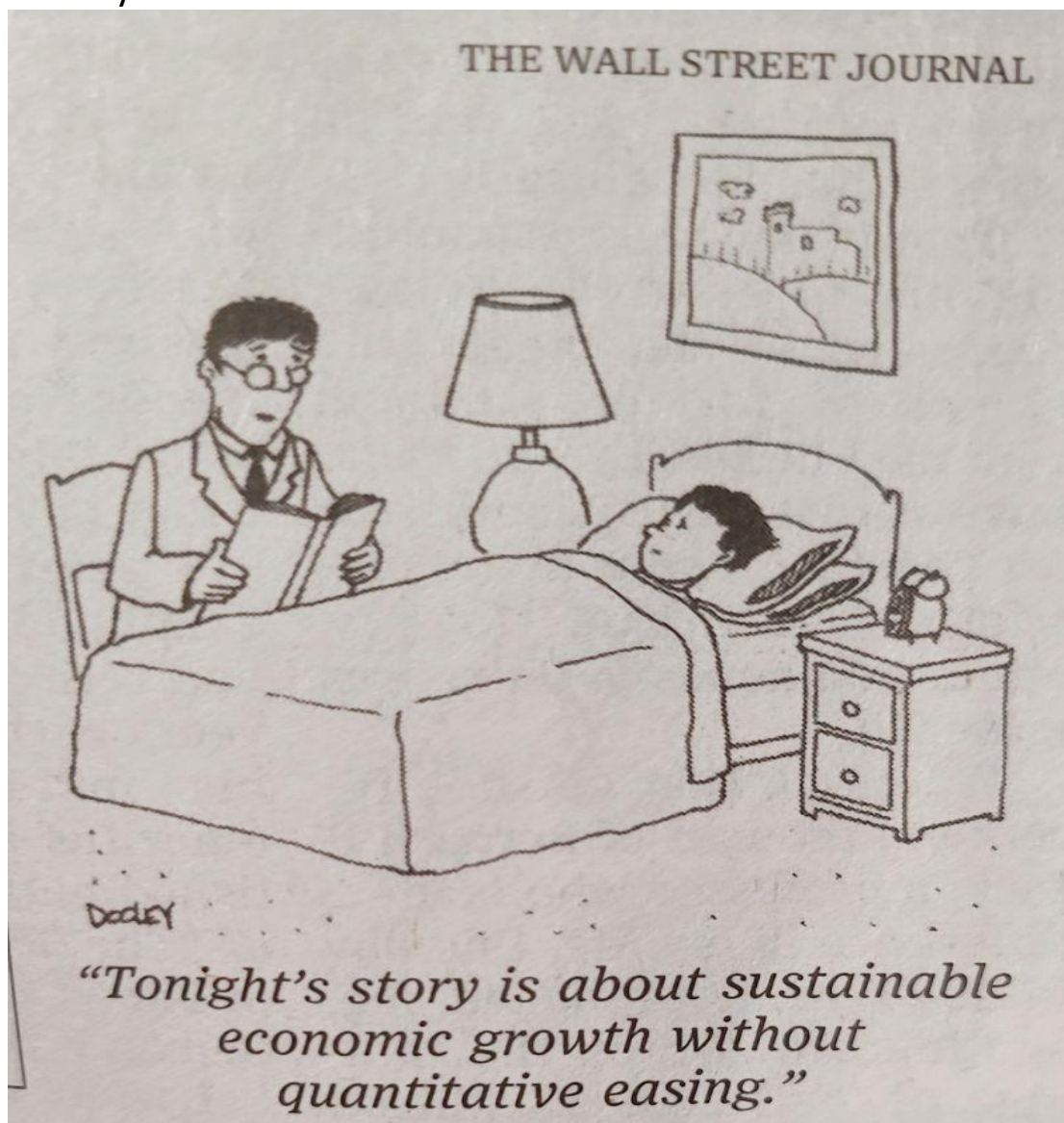


Source: Michel A.Arouet

#food-for-thought

#humor #qe

A funny one to end the week...



Source: Win Smart


#food-for-thought

#investing #peace-of-mind


How to become an investing Budha

HOW TO BECOME AN INVESTING BUDDHA**

Vishal Khandelwal, safal.niveshak.com



- ZERO DEBT**
 - Leverage often destroys
- SATISFYING**
 - Capital preservation is key
 - Aim for adequate (not supernormal) return
- LONG HORIZON**
 - Give compounding time to work
- MENTAL FRAMEWORK**
 - View the market not as a place to make quick money, but as means to achieve realistic financial goals
 - Be willing to accept mistakes and fix them
 - Be at peace with your decisions, stay detached from the outcome, and accept whatever the outcome is
- WILLINGNESS TO HOLD CASH**
 - Cash equals optionality
 - Cash equals antifragility
- EQUANIMITY, ABILITY TO IGNORE NOISE**
 - Calmness and composure, especially in difficult situations
 - Ability to control envy, fear of missing out
- ENJOY THE GAME**
 - Work with inner scorecard
 - Learn from your and other people's mistakes
 - Do not aim to beat anybody at it



(** Buddha - Awakened one)

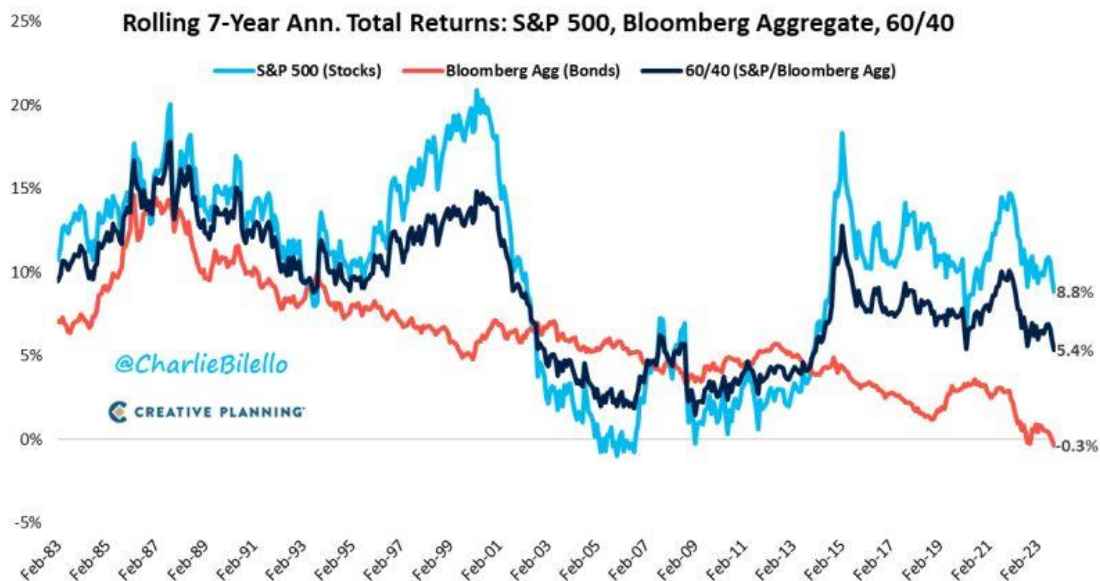
Find more such ideas at - safalniveshak.com/wall

Source: Vishal Khandelwal, Safal Niveshak

#food-for-thought

#us #bonds #60/40

US Bonds have a negative return over the last 7 years. Does that mean the 60/40 portfolio is dead?



Source: Charlie Bilello

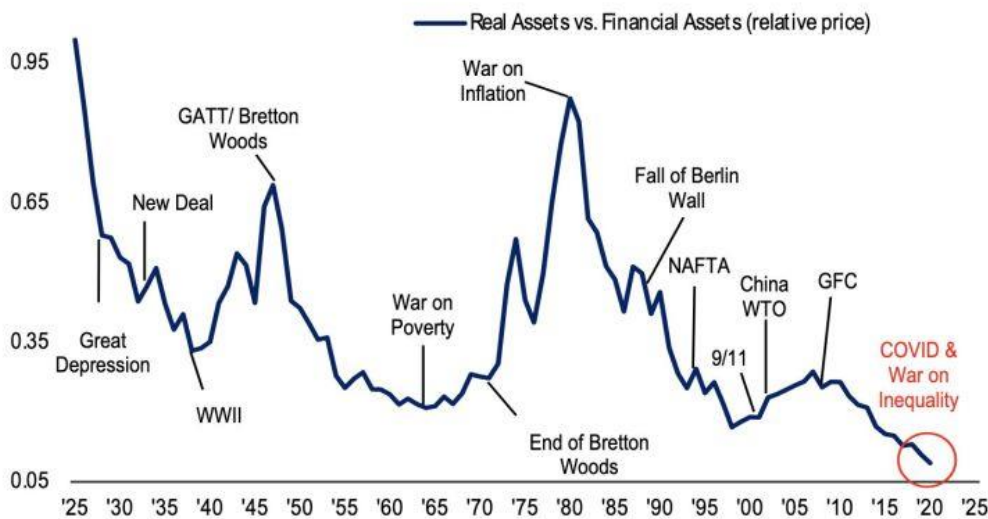
#food-for-thought

#real #financial #asset

HARD ASSETS ARE AT THEIR LOWEST vs. FINANCIAL ASSETS SINCE 1925

Exhibit 1: All-time lows...real assets relative to financial assets since 1925

Real assets (Commodities, Real Estate, Collectibles) vs. Financial Assets (Large Cap Stocks, Long-term Govt Bonds) since 1925



Source: BofA Global Investment Strategy, Global Financial Data, Bloomberg, USDA, Savills, Shiller, ONS, Spaenjers, Historic Auto Group.

Note: Real Assets (Commodities, Real Estate, Collectibles) vs. Financial Assets (Large Cap Stocks, Long-term Govt. Bonds)

BofA GLOBAL RESEARCH

Source: BofA



#food-for-thought

#real-estate #rent

Global Property Guide

Q2 2023 gross rental yields for apartments/condos in over 250 cities across 60+ countries:

Dublin: 7.70%, Istanbul: 6.21%, Dubai: 6.13%, Warsaw: 6.02%, Madrid: 5.27%, Athens: 5.25%, Amsterdam: 5.00%, Singapore: 4.78%, Vienna: 3.29%, Zurich: 3.11%, Hong Kong: 3.08%

Country/City	Gross Rental Yield (% per annum)	Yield Rating
Taiwan	2.04 %	Very Poor
Luxembourg	2.59 %	Very Poor
Israel	2.83 %	Very Poor
Switzerland	3.08 %	Poor
Hong Kong	3.08 %	Poor
Germany	3.55 %	Poor
Malta	3.66 %	Poor
Austria	3.66 %	Poor
Norway	3.79 %	Poor
Czech Republic	3.95 %	Poor
Vietnam	4.04 %	Poor
Belgium	4.11 %	Poor
Finland	4.24 %	Poor
Denmark	4.28 %	Poor
Japan	4.30 %	Poor
Slovenia	4.32 %	Poor
France	4.39 %	Poor
India	4.54 %	Moderate
Bulgaria	4.56 %	Moderate
Croatia	4.59 %	Moderate

Source: <https://lnkd.in/eTaAkCHM>

#food-for-thought

#blackstone #fund

According to an FT article published on Tuesday, Blackstone is to close a fund that offers investors exposure to a range of hedge funds and other trading strategies, after assets fell nearly 90 per cent in four years amid lacklustre returns. The US alternative asset manager has told investors it will wind down the Blackstone Diversified Multi-Strategy fund by the end of the year, the group told the Financial Times. The so-called Ucits fund is governed by EU rules that make it easier for non-specialist investors to buy. Multi-strategy Ucits funds such as this are in part an attempt by managers to capitalise on the success of giant hedge funds such as Citadel and Millennium, which employ teams of traders across a wide range of strategies and which were among the biggest hedge fund winners from the coronavirus pandemic.

Blackstone to shut multi-strategy fund after assets fall 90%

Fund suffers £1.5bn fall in assets since end of 2019 as performance lags

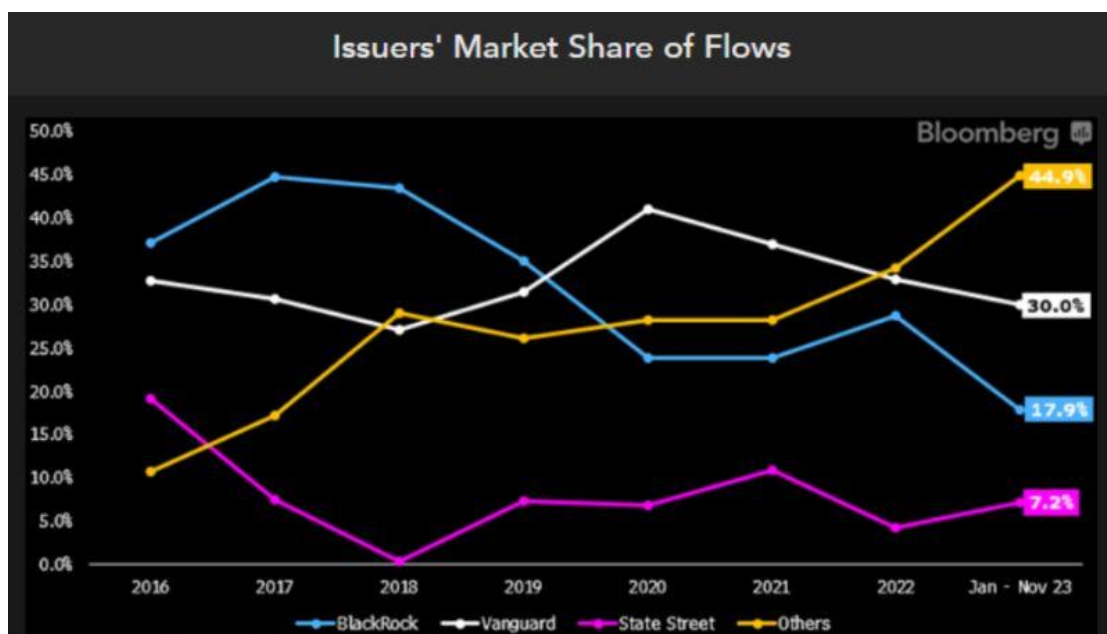


The closure of the Blackstone fund shows how hard it can be to capture and package the success of funds such as Citadel and Millennium for a wide audience © Bloomberg

Source: Financial Times

#etf #market-shares #inflows

Rising Stars in ETF Landscape: 'The Other Guys' Claim Record 45% of Net Flows. ETF providers outside of the major three companies (often referred to as "The Other Guys") have captured 45% of this year's net inflows, marking their largest share to date. This is a significant increase from just 10% less than ten years ago. Leading this surge are firms like JPM, DFA, Avantis, and Buffer ETFs.



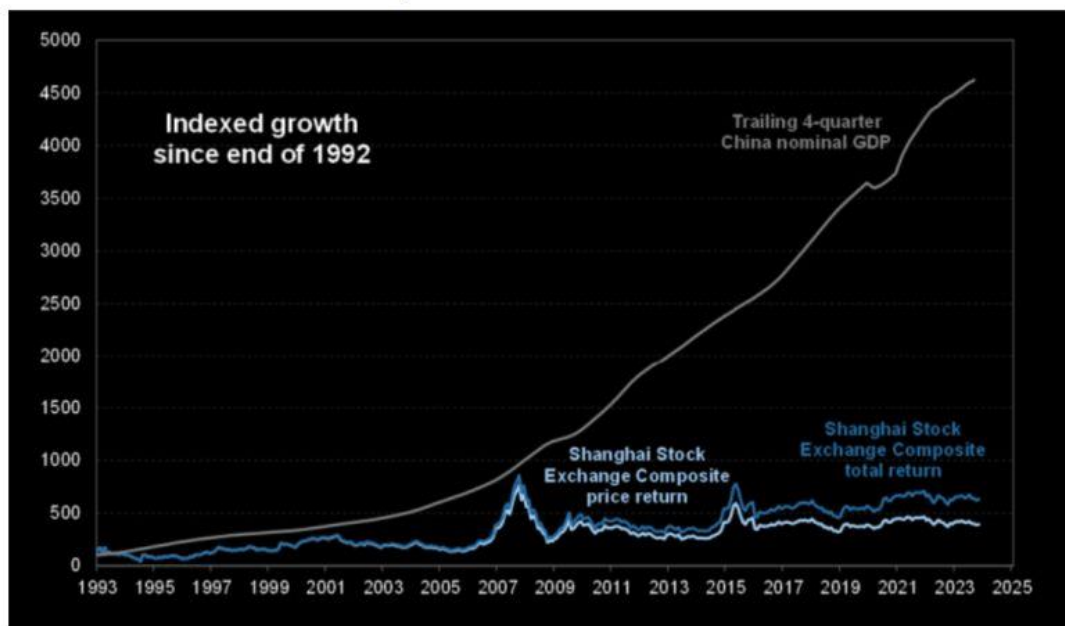
Source: ericbalchunas

#food-for-thought

#china #economy #equities

The stock market isn't the economy... The Chinese version...

The stock market isn't the economy



Source: GS

Source: GS, TME

#food-for-thought

#sp500 #santa-rally

Thanksgiving to Santa Claus Rally trade starts on Tuesday. S&P 500 up 79.45% of the time since 1950. Avg performance: +2.57%. Trade combines the best consecutive 3-month span, Santa Claus Rally and January Effect.

Thanksgiving - Santa Claus Rally Trade		
Tuesday B4 Thanksgiving - 2nd Day New Year		
	S&P Since 1950	Russell 2K (1979)
Average	2.57%	3.19%
Median	2.36%	3.27%
Up	58	34
Down	15	10
Win %	79.45%	77.27%
Avg Win	3.78%	4.98%
Avg Loss	-2.13%	-2.89%

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Source: [StockTradersAlmanac.com](https://www.stocktradersalmanac.com), Jeffrey A. Hirsch

#food-for-thought

#thanksgiving #sp500

Thanksgiving Week's Matter. Thanksgiving bullishness fading. From 1952-1986, Wednesday before combined with Friday after, S&P 500 up 34 of 35 years. Since publishing in 1987 Almanac, 10 declines and 26 advances.

S&P 500 Performance Thanksgiving Week 1987-2022						
Year	Week B4 %	Mon % Chg	Tues % Chg	Wed % Chg	Friday % Chg	Thanks Week %
1987	-1.48	0.41	1.40	-0.93	-1.54	-0.69
1988	-0.54	-0.09	0.37	0.67	-0.66	0.29
1989	0.74	-0.66	0.07	0.68	0.60	0.69
1990	1.08	0.70	-1.26	0.23	-0.29	-0.64
1991	-1.69	-0.21	0.70	-0.37	-0.35	-0.24
1992	1.00	-0.36	0.58	0.37	0.23	0.82
1993	-0.60	-0.75	0.41	0.29	0.15	0.10
1994	-0.19	-0.69	-1.79	-0.04	0.52	-1.99
1995	1.24	-0.54	0.57	-0.31	0.26	-0.02
1996	1.51	1.11	-0.14	-0.13	0.27	1.11
1997	3.74	-1.70	0.44	0.09	0.40	-0.80
1998	3.36	2.12	-0.44	0.33	0.46	2.47
1999	1.86	-0.07	-1.15	0.89	-0.03	-0.38
2000	0.13	-1.84	0.35	-1.85	1.47	-1.90
2001	1.64	1.09	-0.73	-0.49	1.17	1.03
2002	2.28	0.25	-2.10	2.80	-0.27	0.62
2003	-1.43	1.62	0.17	0.43	-0.02	2.21
2004	-1.17	0.59	-0.03	0.41	0.08	1.05
2005	1.10	0.53	0.51	0.35	0.21	1.60
2006	1.47	-0.05	0.16	0.23	-0.37	-0.02
2007	0.35	-1.75	0.45	-1.59	1.69	-1.24
2008	-8.39	6.47	0.66	3.53	0.96	12.03
2009	-0.19	1.36	-0.05	0.45	-1.72	0.01
2010	0.04	-0.16	-1.43	1.49	-0.75	-0.86
2011	-3.81	-1.86	-0.41	-2.21	-0.27	-4.69
2012	-1.45	1.99	0.07	0.23	1.30	3.62
2013	0.37	-0.13	0.01	0.25	-0.08	0.06
2014	1.16	0.29	-0.12	0.28	-0.25	0.20
2015	3.27	-0.12	0.12	-0.01	0.06	0.04
2016	0.81	0.75	0.22	0.08	0.39	1.44
2017	-0.13	0.13	0.65	-0.08	0.21	0.91
2018	-1.61	-1.66	-1.82	0.30	-0.66	-3.79
2019	-0.33	0.75	0.22	0.42	-0.40	0.99
2020	-0.77	0.56	1.62	-0.16	0.24	2.27
2021	0.32	-0.32	0.17	0.23	-2.27	-2.20
2022	-0.69	-0.39	1.36	0.59	-0.03	1.53
Average:	0.08	0.20	-0.01	0.21	0.02	0.43
Median:	0.23	-0.06	0.17	0.24	0.07	0.15
# Up:	20	17	23	24	19	22
#Down:	16	19	13	12	17	14

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Source: traderalmanac

#food-for-thought

#thanksgiving #costofliving

Cost of Thanksgiving Dinner Down Slightly from Record High in 2022. The American Farm Bureau Federation’s 38th annual survey provides a snapshot of the average cost of this year’s classic holiday feast for 10, which is \$61.17 or less than \$6.20 per person. This is a 4.5% decrease from last year’s record-high average of \$64.05, but a Thanksgiving meal is still 25% higher than it was in 2019, which highlights the impact high supply costs and inflation have had on food prices since before the pandemic. The centerpiece on most Thanksgiving tables – the turkey – helped bring down the overall cost of dinner. The average price for a 16-pound turkey is \$27.35. That is \$1.71 per pound, down 5.6% from last year.

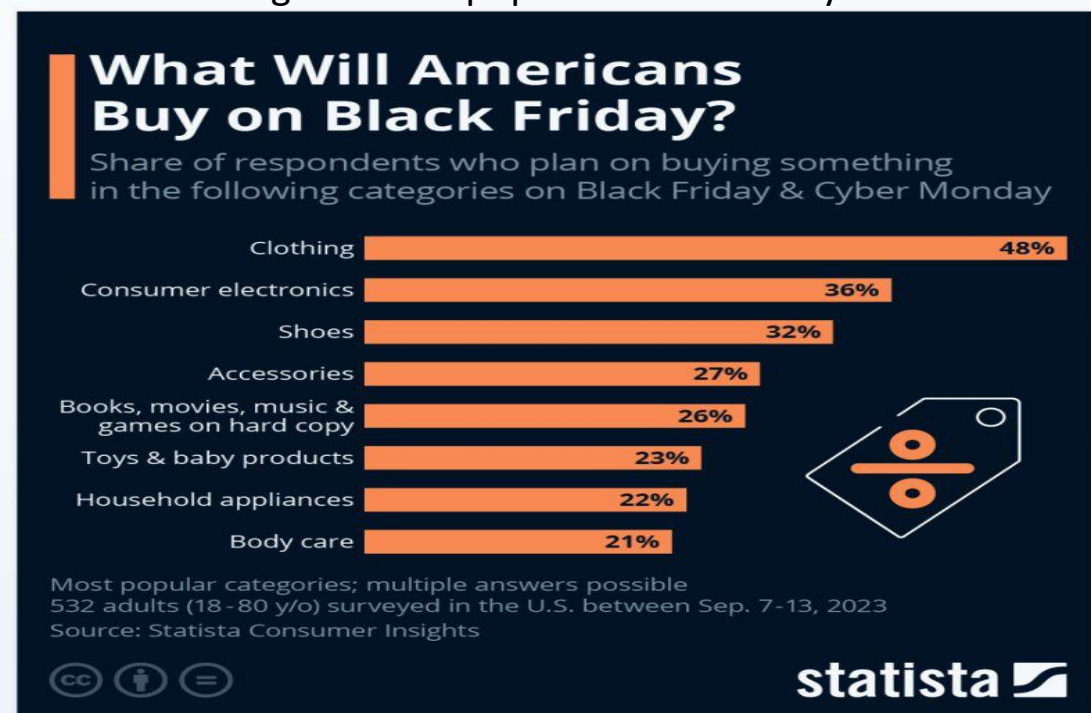


Source: fb

#food-for-thought

#blackfriday #purchases

What Will Americans Buy on Black Friday? TODAY IS BLACK FRIDAY... Black Friday falls on the fourth Friday of November each year, with Cyber Monday following just three days later. The two shopping days are some of the busiest of the year in the United States, with an estimated \$19.6 billion raked in over the 2021 Thanksgiving weekend in e-commerce revenue alone. U.S. shoppers keen to make the most of discounted prices were asked in a Statista survey which items they were planning on buying. As the following chart shows, clothing, electronics and shoes are among the most popular choices this year.



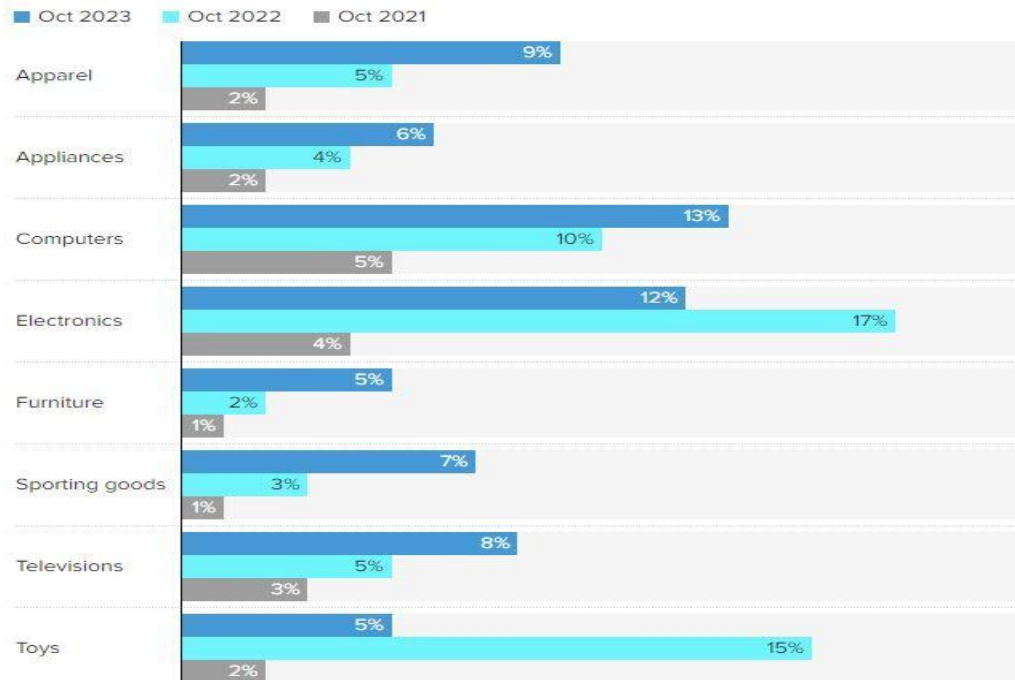
Source: fb

#food-for-thought

#blackfriday #discounts

Black Friday came early this year. Early Black Friday discounts were far higher this October compared to prior years. Promotions across a range of categories, including apparel, appliances and computers, were significantly higher last month than in 2021 and 2022, data from Adobe Analytics show. Out of eight categories that are popular during the holiday that Adobe tracks, only electronics and toys saw fewer discounts last month than prior years, according to its analysis.

Shopping discounts in October 2023 were better than in previous years
Average retail discount across the U.S.



Source: Adobe



Source: cnbc, adobe



#food-for-thought

#openai #altman

In the weeks leading up to his shocking ouster from OpenAI, Sam Altman was actively working to raise billions from some of the world’s largest investors for a new chip venture, according to people familiar with the matter. Code-named Tigris, Sam planned to spin up an AI-focused chip company that could produce semiconductors that compete against those from \$NVDA. The goal is to provide lower-cost competition to market incumbent Nvidia and aid OpenAI by lowering the ongoing costs of running its own services like ChatGPT and Dall-E - Bloomberg

Altman Sought Billions For AI Chip Venture Before OpenAI Ouster

- Altman was fundraising in the Middle East for new chip venture
- The project, code-named Tigris, is intended to rival Nvidia

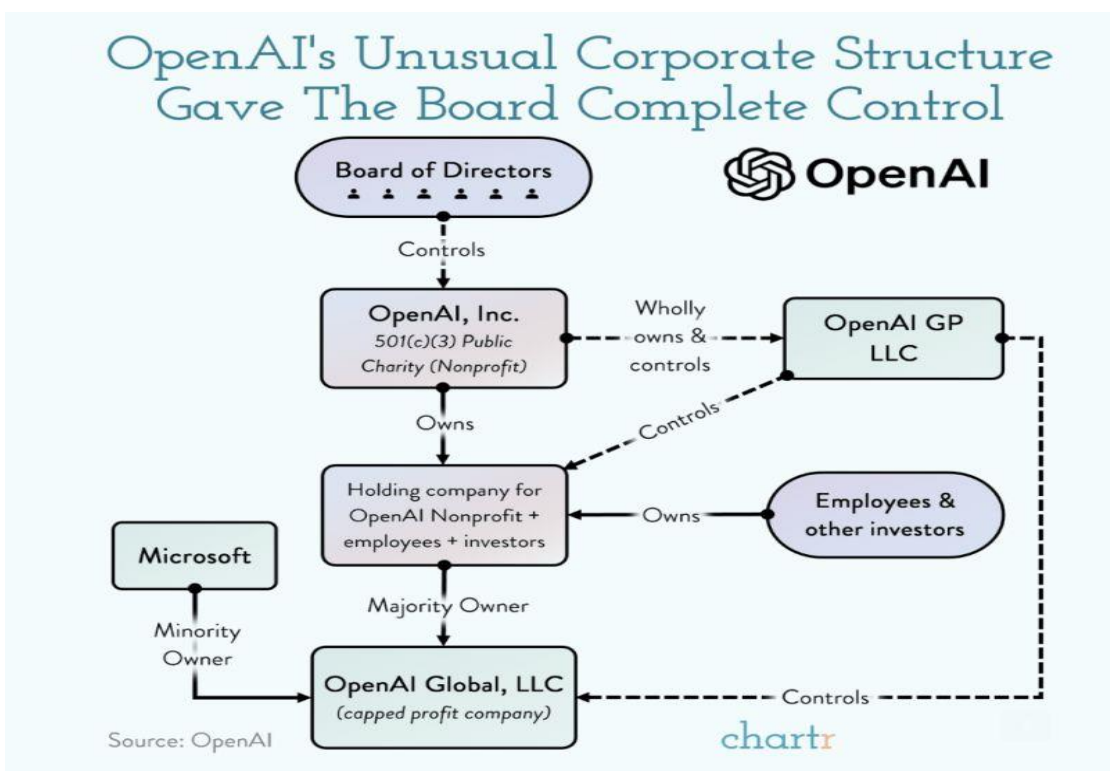


Source: Cheddar Flow

#food-for-thought

#openai #structure

The corporate structure of openai by Chartr or how a generationally-important company like OpenAI could be plunged into such chaos is partly down to its unique corporate model. Following the company's structure from top to bottom — even with a few subsidiaries thrown in — reveals that the board of directors had ultimate control to make decisions over both the nonprofit and for-profit OpenAI entities... leaving anchor investor Microsoft blindsided by Altman's ousting just moments before the public announcement.



Source: Chartr

#food-for-thought

#openai #altman

BREAKING: In a sudden turn of events, OpenAI signs agreement to bring Sam Altman back to the company as CEO. There will be a new board of directors initially consisting of Bret Taylor, Larry Summers, and Adam D'Angelo. Less than 1 week after Sam Altman was fired, OpenAI is welcoming him back. In a statement from the company, they are "collaborating to figure out the details."



OpenAI ✓
@OpenAI



We have reached an agreement in principle for Sam Altman to return to OpenAI as CEO with a new initial board of Bret Taylor (Chair), Larry Summers, and Adam D'Angelo.

We are collaborating to figure out the details. Thank you so much for your patience through this.

#food-for-thought

#innovation #advancements

Things that didn't exist on Thanksgiving 20 years ago:

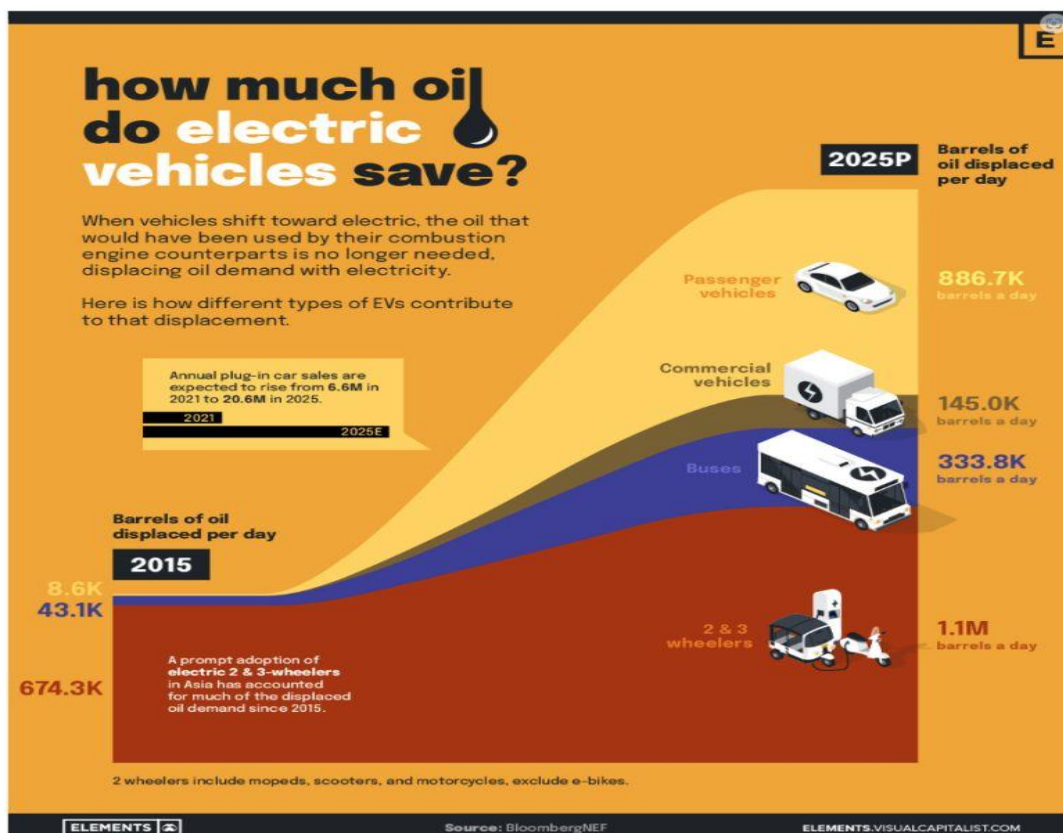
Facebook
YouTube
X
Instagram
TikTok
Snapchat
Reddit
Gmail
WhatsApp
Bitcoin
Uber
Airbnb
Instacart
DoorDash
Netflix streaming
Amazon Prime
Google Maps
Tesla Roadster
iPad
Fitbit
Chrome
Zoom
FaceTime
SpaceX Falcon 1

Source: jonerlichman

#food-for-thought

#ev #oil #displacement

The EV Impact on Oil Consumption by E`LEMENTS / Visual Capitalist. As the world moves towards the electrification of the transportation sector, demand for oil will be replaced by demand for electricity. To highlight the EV impact on oil consumption, the above infographic shows how much oil has been and will be saved every day between 2015 and 2025 by various types of electric vehicles, according to BloombergNEF.



#food-for-thought

#wine #production #eu

Wine production reached 16.1 billion (bn) litres in the EU in 2022.

Top producers:

- 1) Italy (5.0 bn litres)
- 2) Spain (5.0 bn litres)
- 3) France (3.4 bn litres)

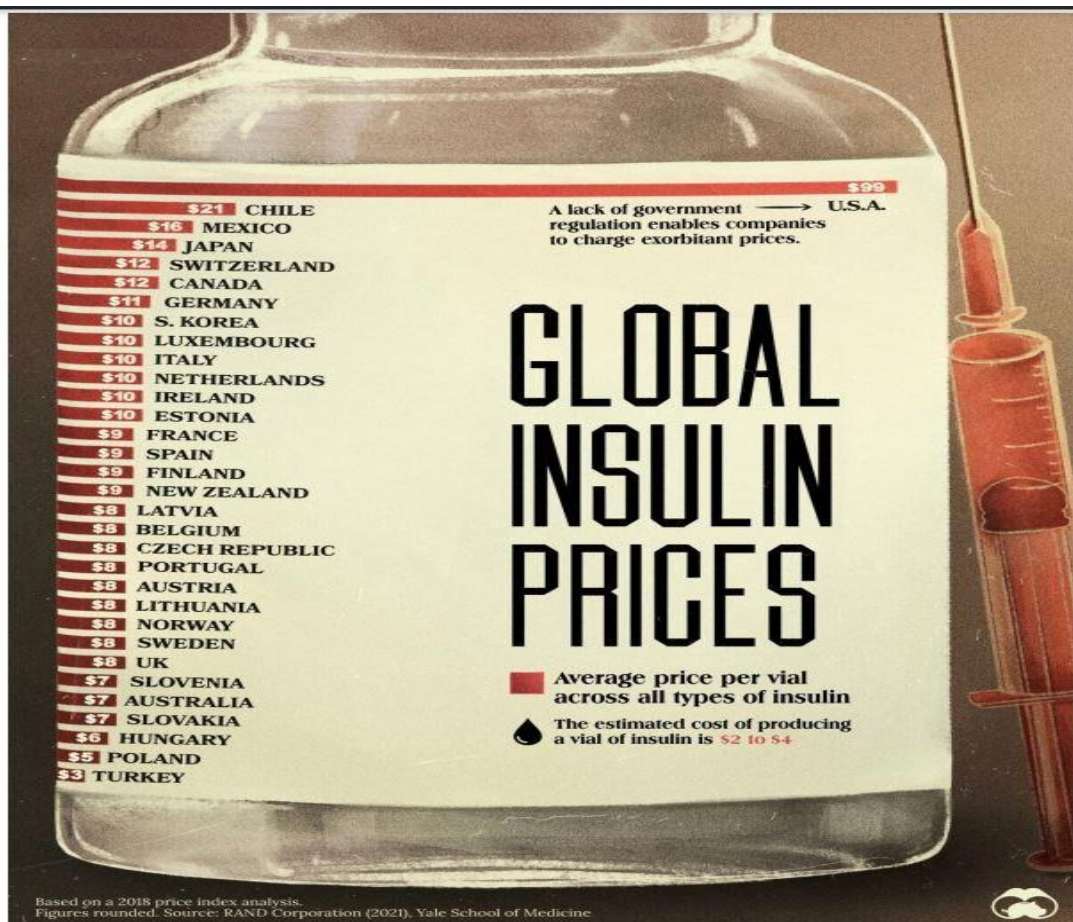


Source: EU Eurostat

#food-for-thought

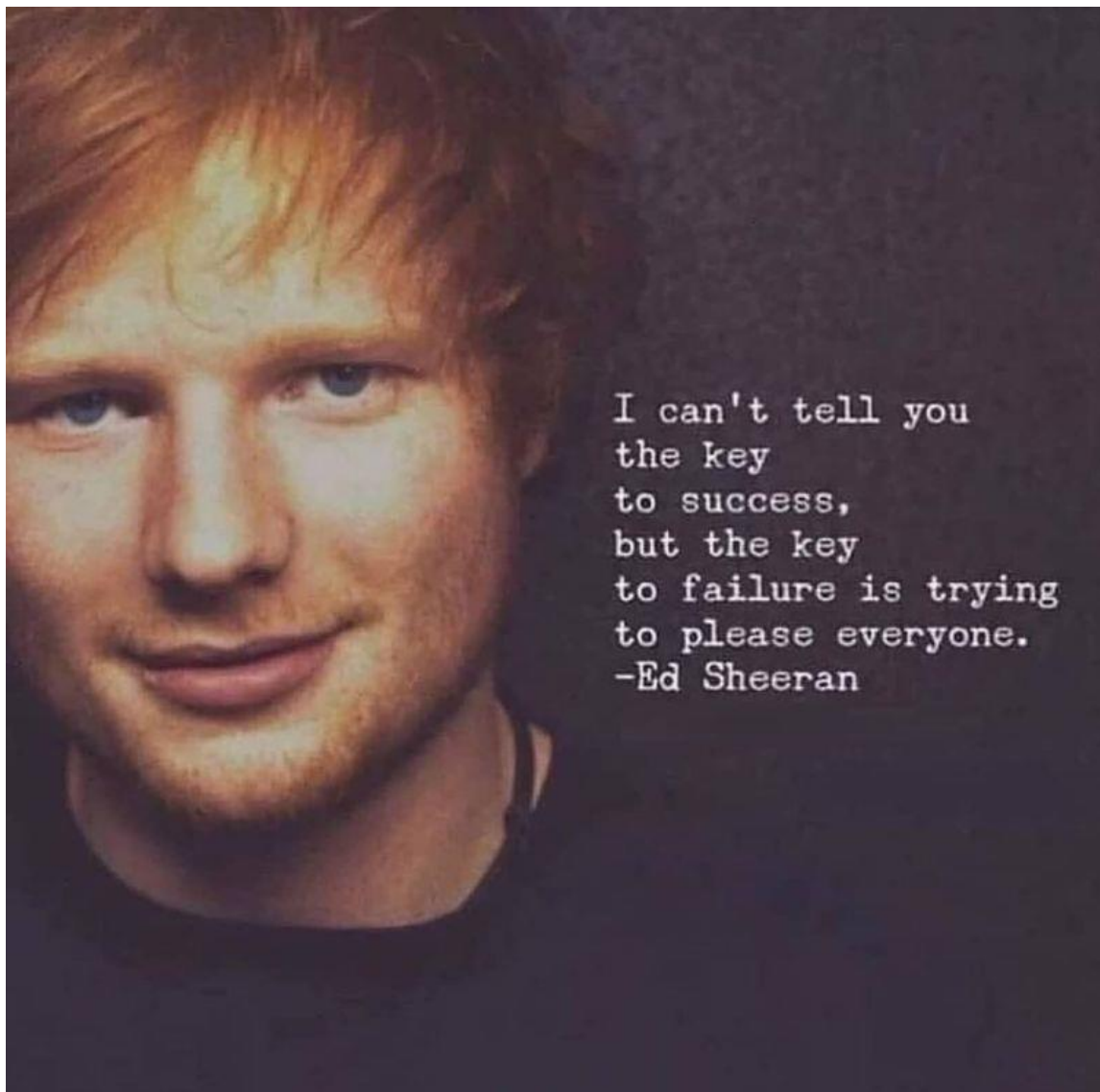
#insulin #prices

Charted: The Average Cost of Insulin By Country by Visual Capitalist. Drug prices in the U.S. are notoriously high for many important medications, including insulin. When comparing the cost of insulin by country, we see that the difference is not even close. This chart shows the average cost of insulin across OECD countries, based on a 2021 publication by RAND Corporation.



#food-for-thought

#success



I can't tell you
the key
to success,
but the key
to failure is trying
to please everyone.
-Ed Sheeran

#food-for-thought

#success

The only way to
do great work is
to love what you
do.

— Steve Jobs

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For the future...