

Chart of the week

The effects of dollar debasement in one chart

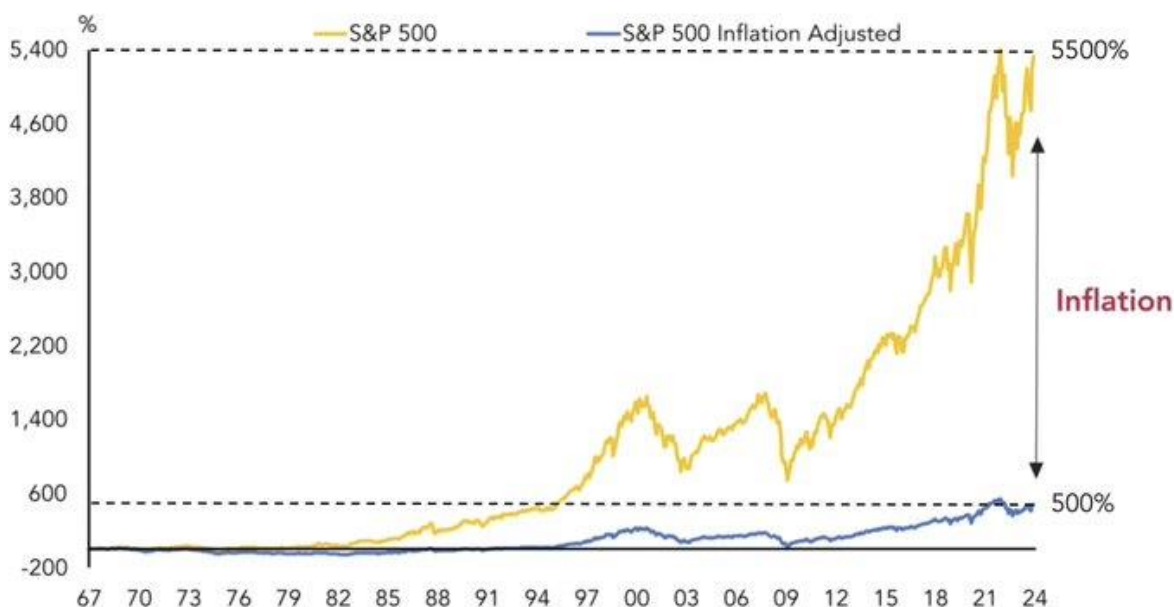
S&P 500 is up more than 5000% since 1970. But is only up 500% when ADJUSTED for INFLATION.

USD debasement should be a MAJOR concern for investors.

S&P 500 Returns



Percentage Change of S&P 500 Index and S&P 500 Inflation Adjusted Index



Dates: 1967 Through December 20th 2023.
Source: Bloomberg L.P., Tradingview, Game of Trades.

Source: Game of Trades



Bond Yields, Bitcoin & Black Gold Bounce

US stocks recorded another week of gains, bringing the Dow Jones and the S&P 500 Index to new all-time highs and marking the 12th weekly advance out of the last 13 for the latter. The gains were relatively broad, although the small-cap Russell 2000 Index remained nearly 20% below its all-time intraday high. More US macro data have been beating estimates. The U.S. economy grew at a rate of 3.3% in Q4. The S&P Purchasing Managers Index (PMI) came in higher than expected, with the manufacturing PMI hitting 50.3 in January, well above expectations. US Treasury yields were all up on Friday but mixed on the week with the long-end underperforming. . Outside the US, the STOXX Europe 600 Index ended 3.1% higher on encouraging corporate results. The ECB kept its key interest rates unchanged at record highs and reiterated that monetary policy would stay at “sufficiently restrictive levels for as long as necessary” to bring inflation down to the 2% target. China’s announcement of additional stimulus measures. While the Bank of Japan (BoJ) retained its ultra-accommodative stance, the Nikkei 225 Index fell 0.6% over the week. Chinese equities advanced after Beijing stepped in with forceful measures to support the economy. The blue-chip CSI 300 gained 1.96 while the Hang Seng Index advanced 4.2%. Improving US macro data and tensions in the Middle East pushed WTI to its best week since September, with its highest weekly close since the first week of November. Bitcoin surged back above \$42k on Friday.

#GLOBALMARKETS WEEKLY WRAP-UP

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27 JANUARY 2024

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	38,109	0.6%	1.1%
S&P 500 Index	4,891	1.1%	2.5%
NASDAQ	15,455	0.09%	3.0%
MSCI EAFE*	2,211	1.5%	-1.1%
10-yr Treasury Yield	4.14%	0.0%	0.3%
Oil (\$/bbl)	\$78.12	6.6%	9.0%
Bonds	\$98.07	0.1%	-1.1%

Source: FactSet, 1/26/2024. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. *4-day performance ending on Thursday.

Source: Edward Jones



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#sp500 #technicals

The S&P 500 (cash) tried and failed 3 times this week to close above 4900 as heavy gamma turned it back each time.



Source: www.zerohedge.com

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#us #equities #sector #performance

Energy stocks soared almost 5% on the week while Consumer Discretionary was the biggest loser.



Source: www.zerohedge.com



#sp500 #all-time-highs

The S&P 500 closed at an all-time high for the 5th day in a row. The last time that happened was in November 2021. \$SPX.

S&P 500 Index: Number of All-Time Highs (1929 - 2024)							
Year	# ATH	Year	# ATH	Year	# ATH	Year	# ATH
1929	45	1949	0	1969	0	1989	13
1930	0	1950	0	1970	0	1990	6
1931	0	1951	0	1971	0	1991	22
1932	0	1952	0	1972	32	1992	18
1933	0	1953	0	1973	3	1993	16
1934	0	1954	27	1974	0	1994	5
1935	0	1955	49	1975	0	1995	77
1936	0	1956	14	1976	0	1996	39
1937	0	1957	0	1977	0	1997	45
1938	0	1958	24	1978	0	1998	47
1939	0	1959	27	1979	0	1999	35
1940	0	1960	0	1980	24	2000	4
1941	0	1961	53	1981	0	2001	0
1942	0	1962	0	1982	2	2002	0
1943	0	1963	12	1983	30	2003	0
1944	0	1964	65	1984	0	2004	0
1945	0	1965	37	1985	43	2005	0
1946	0	1966	9	1986	31	2006	0
1947	0	1967	14	1987	47	2007	9
1948	0	1968	34	1988	0	2008	0
						2009	0
						2010	0
						2011	0
						2012	0
						2013	45
						2014	53
						2015	10
						2016	18
						2017	62
						2018	19
						2019	36
						2020	33
						2021	70
						2022	1
						2023	0
						2024	5



@CharlieBilello

Note: Closing Prices as of 1/25/24



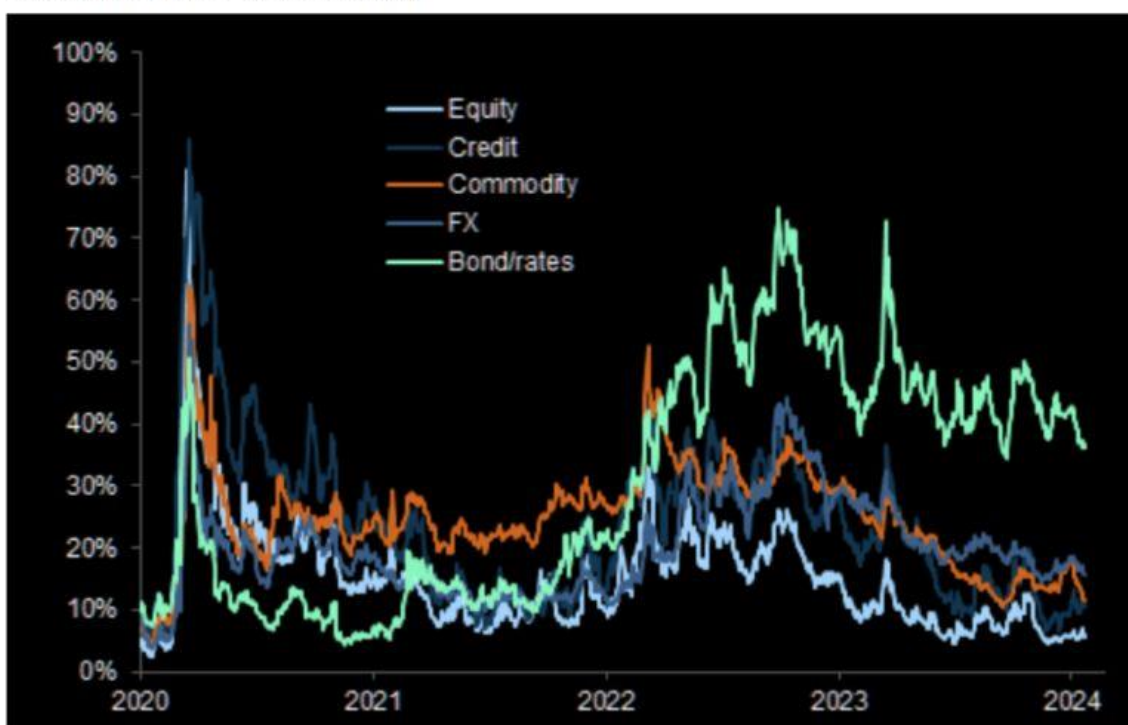
Source: Charlie Bilello

#markets

#volatility #asset-classes

Average 3-month ATM implied volatility (max/min range since 2008).

The re-set in cross-asset volatility



Source: Goldman



#hedge-funds #equities #short

As stocks hit all-time highs, hedge funds are massively shorting stocks. Goldman trading desk: "equity skeptics have piled on short bets. Per our Prime Team, shorts outpaced longs by 2:1 this past week, and 3:1 YTD. "



Source: Goldman Sachs, www.zerohedge.com





#options #put-call

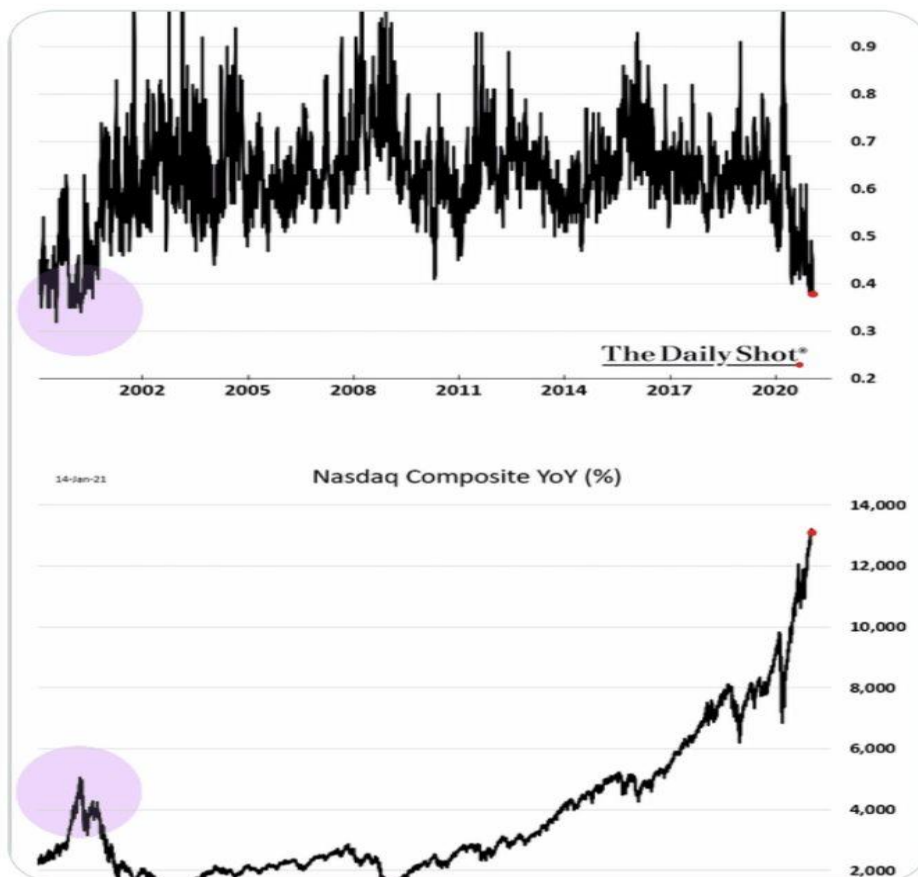
The put/call ratio is as low as at the DotCom peak



(((The Daily Shot) @SoberLo... Jan 15, 2021 ...

The last time the put-call ratio was this low, things didn't work out so well for stock investors.

thedailyshot.com



Source: The Daily Shot, WinSmart



#smart-money #bearish

Smart money is extremely bearish

Insider Transactions Ratio



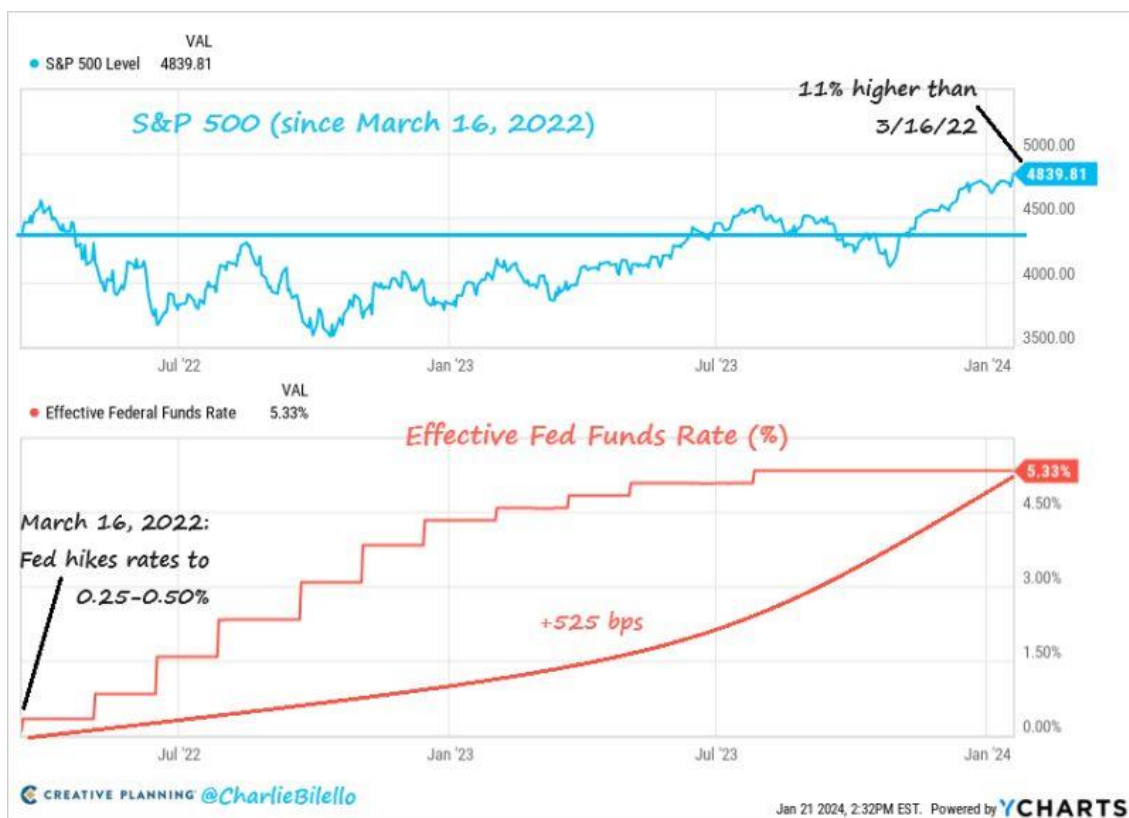
Ratio of Insiders Sales to Buys. Readings under 12:1 are Bullish. Those over 20:1 are Bearish. The total top 20 sales and buys are 260,911,915 and 4,145,080 respectively; Source: Thomson Reuters

Source: Game of Trades



#sp500 #fed #performance

The S&P 500 is now 11% higher than where it was when the Fed started hiking rates in March 2022. \$SPX



Source: Charlie Bilello





#sp500 #performance

The SP500 just snapped a 512 trading day streak without hitting a new all-time high, the 6th longest in history. Here is how the \$SPX responded the 5 previous times:

S&P 500 Performance after snapping a streak of 500 trading days or more without a new record						
End of Recordless Streak	# of trading days without a record close	1 week later	1 month	3 months	6 months	
9/24/1958	539	0.40%	2.07%	8.70%	12.41%	
3/6/1972	819	-1.32%	0.60%	-0.51%	1.64%	
7/17/1980	1897	0.29%	3.52%	8.30%	10.98%	
5/30/2007	1802	-0.84%	-1.76%	-4.74%	-3.21%	
3/28/2013	1375	-0.59%	0.83%	2.36%	7.81%	
Average		-0.41%	1.05%	2.82%	5.93%	
Median		-0.59%	0.83%	2.36%	7.81%	
% Higher		40.0%	80.0%	60.0%	80.0%	

Note: Based on data from 1950 - 2024
Source: Dow Jones Market Data

SOURCE: DOW JONES MARKET DATA

Source: Barchart



#sp500 #equities #performance

As of January 19th, NVIDIA \$NVDA and Microsoft \$MSFT had accounted for about 75% of the S&P 500's gain this year, while the 20 largest stocks in the index accounted for 110% of the index's upside move. The remaining ~480 stocks were acting as a drag.

S&P 500 Year to Date Contribution of 20 Largest Stocks						
Ticker	Company Name	Sector	Market Cap (bn USD)	YTD % Change	S&P 500 Contribution	
					Points	% of Move
MSFT	Microsoft	Technology	2,927.35	5.49	18.28	29.47
AAPL	Apple	Technology	2,916.58	-0.65	-2.18	-3.51
GOOGL*	Alphabet	Comm. Svcs.	1,805.10	4.59	8.49	13.68
AMZN	Amazon.com	Cons. Discret.	1,586.27	2.08	3.43	5.53
NVDA	NVIDIA	Technology	1,410.54	19.04	27.74	44.73
META	Meta Platforms	Comm. Svcs.	966.60	8.21	7.68	12.38
BRK/B	Berkshire Hathaway	Financials	788.29	2.84	2.20	3.54
TSLA	Tesla	Cons. Discret.	673.55	-15.27	-12.50	-20.16
LLY	Eli Lilly	Health Care	591.75	7.83	4.33	6.99
V	Visa	Financials	552.91	3.67	1.82	2.93
AVGO	Broadcom	Technology	535.51	8.02	4.68	7.54
JPM	JPMorgan Chase	Financials	484.01	0.46	0.27	0.43
UNH	UnitedHealth Group	Health Care	477.58	-2.94	-1.70	-2.75
WMT	Walmart	Cons. Staples	439.48	3.16	0.85	1.36
MA	Mastercard	Financials	403.92	2.16	0.91	1.46
JNJ	Johnson & Johnson	Health Care	388.08	2.97	1.34	2.15
XOM	Exxon Mobil	Energy	387.79	-3.27	-1.56	-2.52
HD	Home Depot	Cons. Discret.	356.20	4.11	1.70	2.73
PG	Procter & Gamble	Cons. Staples	349.15	1.74	0.71	1.14
COST	Costco Wholesale	Cons. Staples	304.98	5.18	1.80	2.91

	Average	Total	Total
20 Largest Stocks	2.97	68.27	110.07
All Other S&P 500 Members	-1.51	-6.24	-10.07

* Alphabet shows combined impact of both share classes (GOOG & GOOGL)

Source: Bespoke

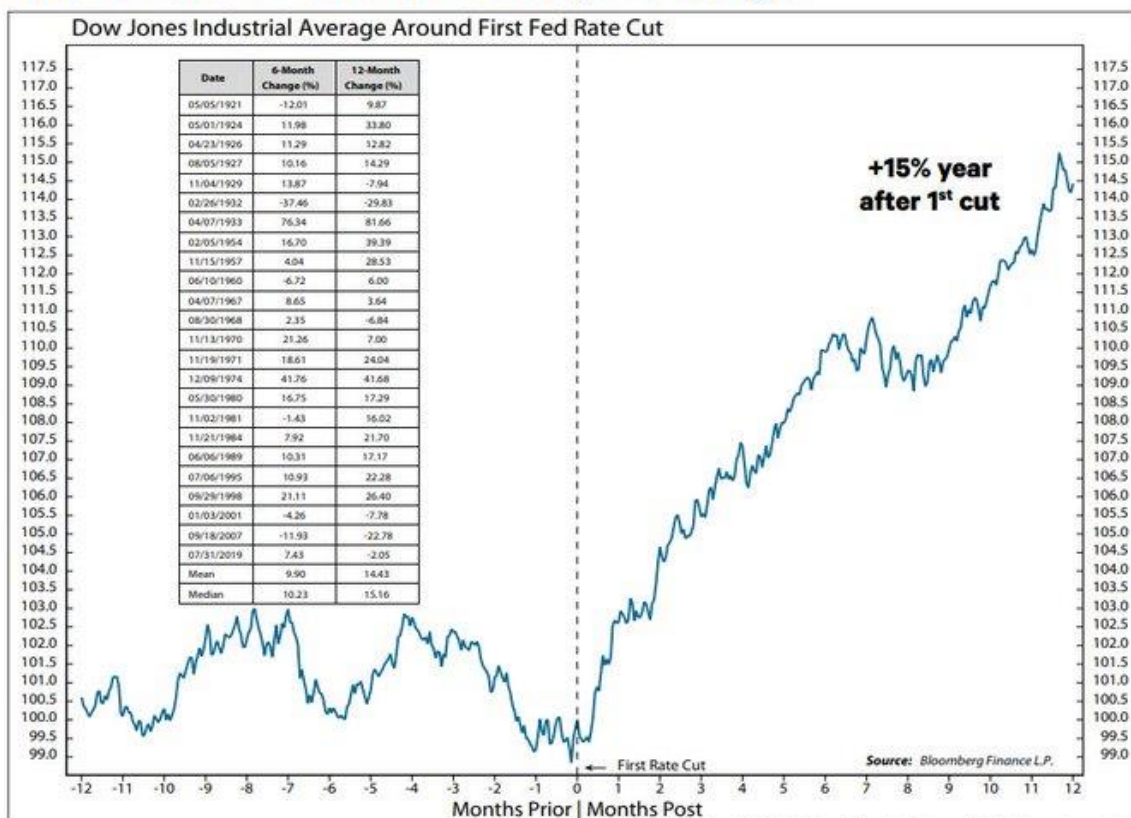


#us #equities #first-rate-cut

The Fed is preparing the markets for a rate cut. Cuts have been bullish on average. The DJIA has been flat before the 1st cut & up 15% a year later.

Context matters, esp. vs the economic cycle. (they use the DJIA for more history but trends are similar with SPX).

Stocks have rallied after 1st cut, on average



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Source: NDR

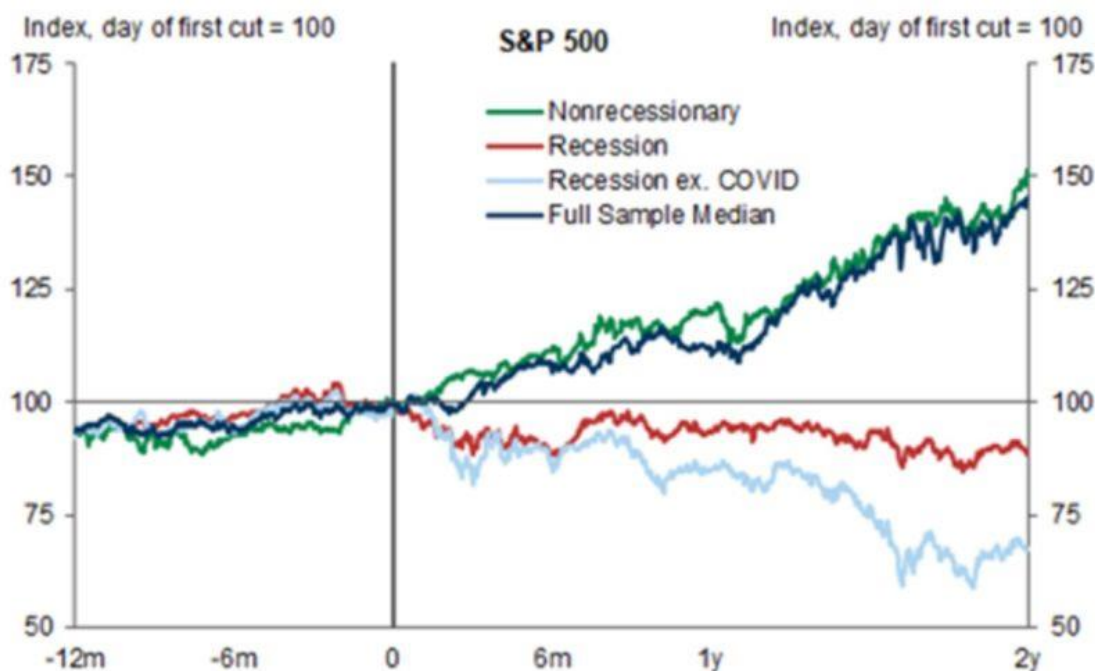


#us #soft-landing #equities #fed

If we do not have a recession, stocks tend to rally after the Fed cuts. If we do, however, they tend to decline. They say the economy isn't the market, but in this example it could have a measurable impact on the outcome.

Exhibit 2 : Equities tend to rally after the Fed starts to cut...

Median across each sample



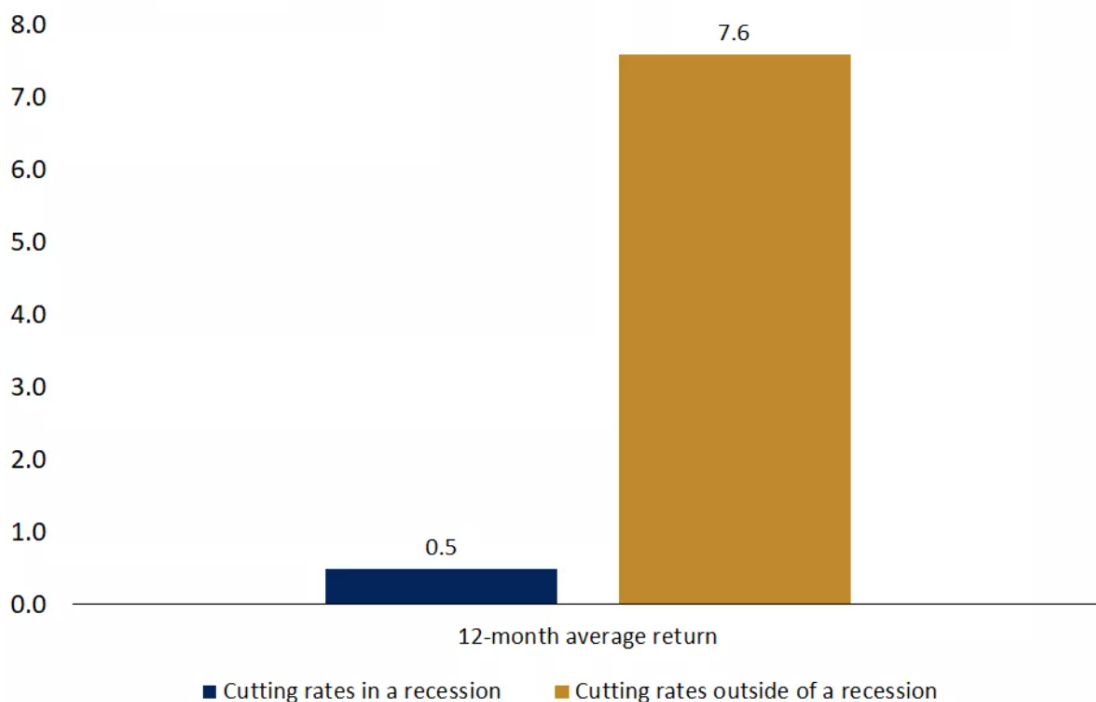
Source: Markets & Mayhem



#us #soft-landing #equities #fed

This chart shows the 12-month return of the S&P 500 after the Fed has cut rates in recessionary and non-recessionary periods from 1990 - 2023. Performance has historically been stronger when the Fed has cut rates during non-recessionary periods. Past performance does not guarantee future results.

S&P 500 returns 12-months after a rate cut are stronger in periods of no recession (1990 - 2023, %)



Source: Morningstar Direct, Edward Jones. S&P 500 Total Return Index

Source: Edward Jones





#nasdaq #performance

The Nasdaq 100:

- if you bought at the December 2022 low, you are up 64%
- if you bought at the 2021 high. you are up 5%.
- if you bought at March 2020 lows, you are up 150%

Timing & entry price



Source: Bespoke

Source: Bespoke, TME



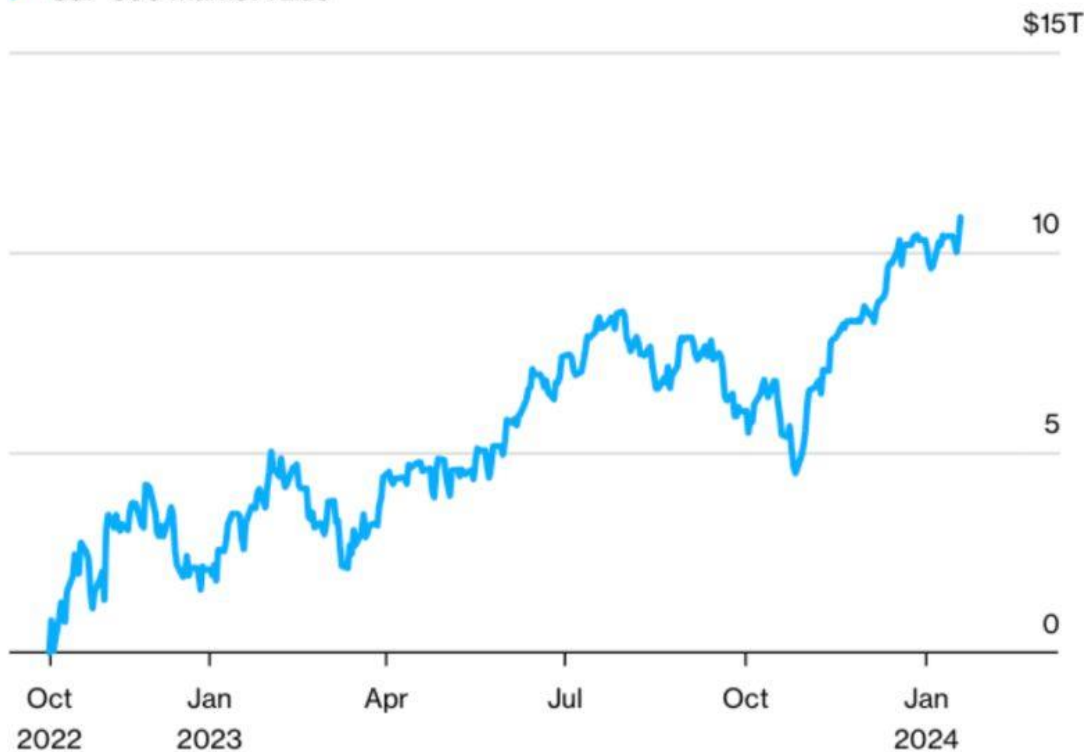


#sp500 #market-value

The S&P 500 \$SPY added \$10 Trillion in market value since the October 2022 low.

More Than \$10 Trillion Added

S&P 500 market value



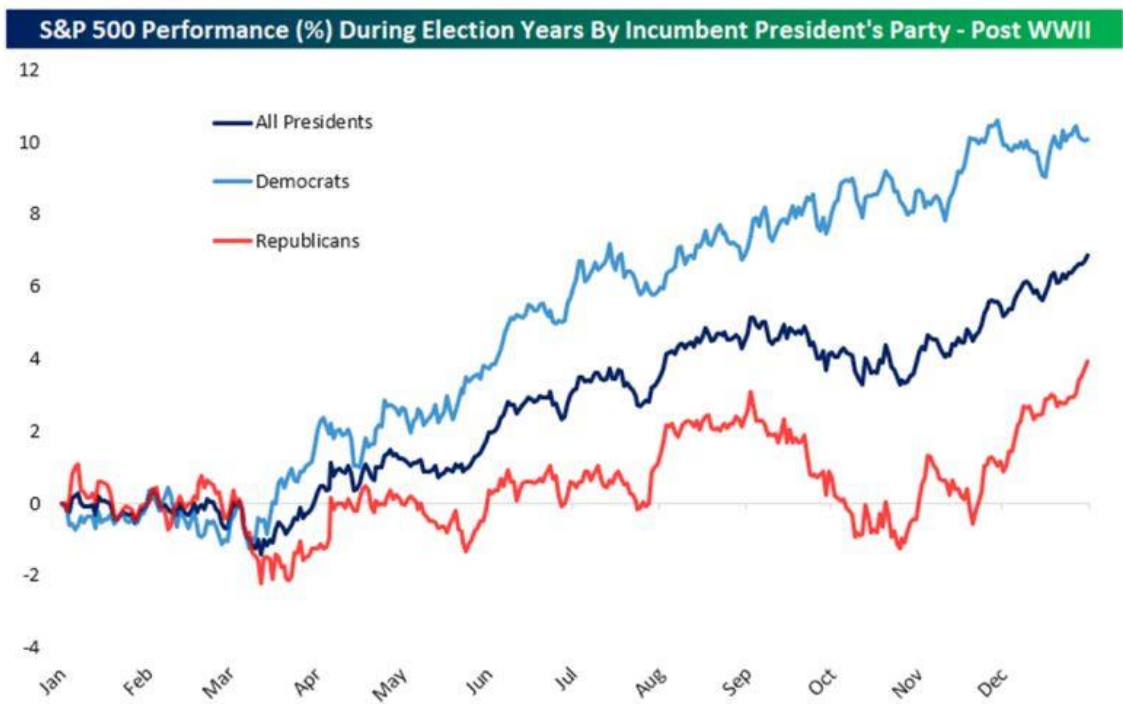
Source: bloomberg





#sp500 #elections #performance

The 2024 Presidential Election is just 286 days away. The chart below shows how the S&P has done throughout Election Years depending on whether a Democrat or Republican is currently in the White House leading up to Election Day.

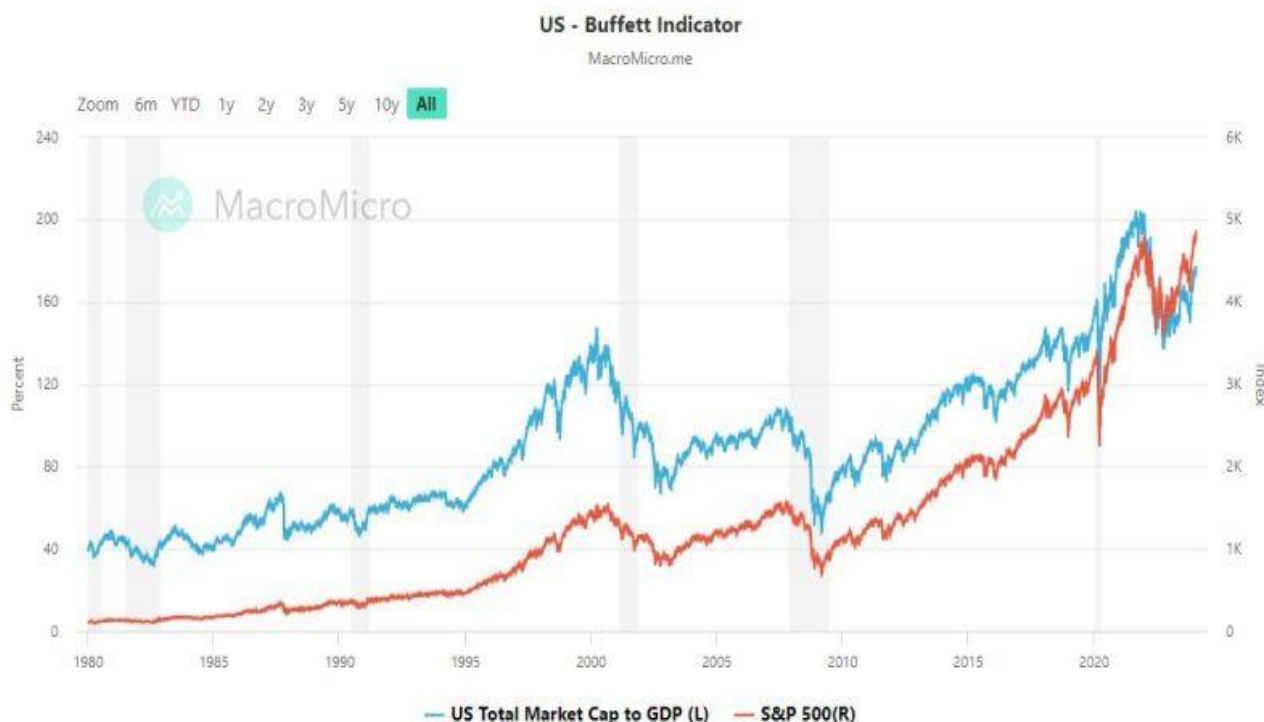


Source: bespoke



#us #equities #valuations #buffett-indicator

The Buffett Indicator (total value of all publicly-traded stocks/GDP) is near all-time highs and at a significantly higher level than during the Dot Com Bubble and the Global Financial Crisis.



Source: MacroMicro, Charlie Bilello



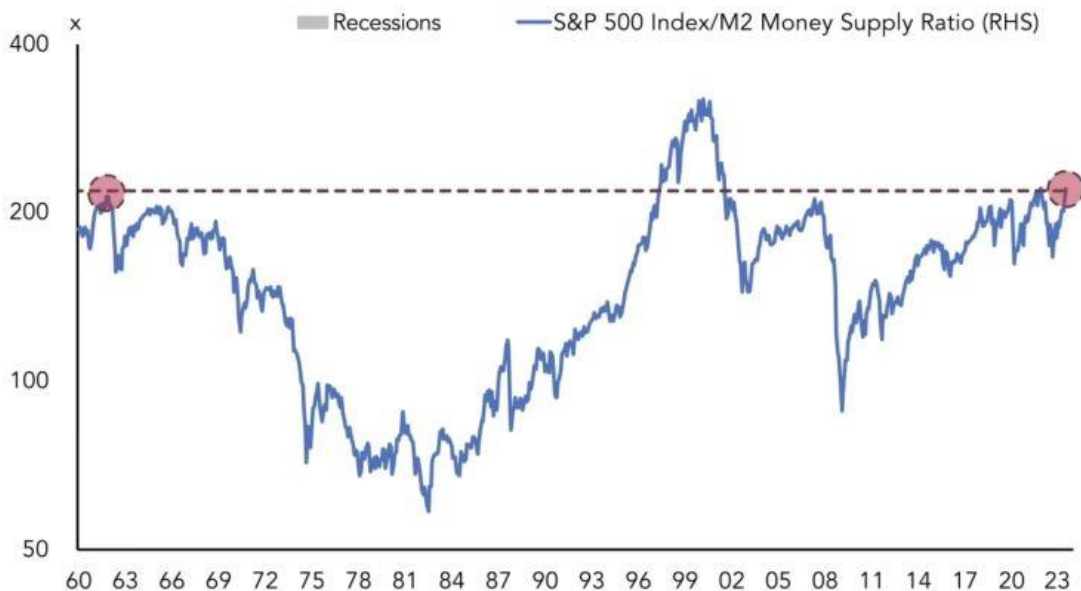
#us #equities #sp500 #money-supply

The market is at the same level as 1960 when adjusted for M2 money supply.

S&P 500 Index to Money Supply Ratio



S&P 500 Index/M2 Money Supply Ratio



Dates: 1960 Through December 20th 2023.
Source: Bloomberg Finance L.P., National Bureau of Economic Research, Game of Trades.
M2 data is through October 2023 and it's measured in trillion dollars. Ratio values for November and December use the October 2023 M2 number.

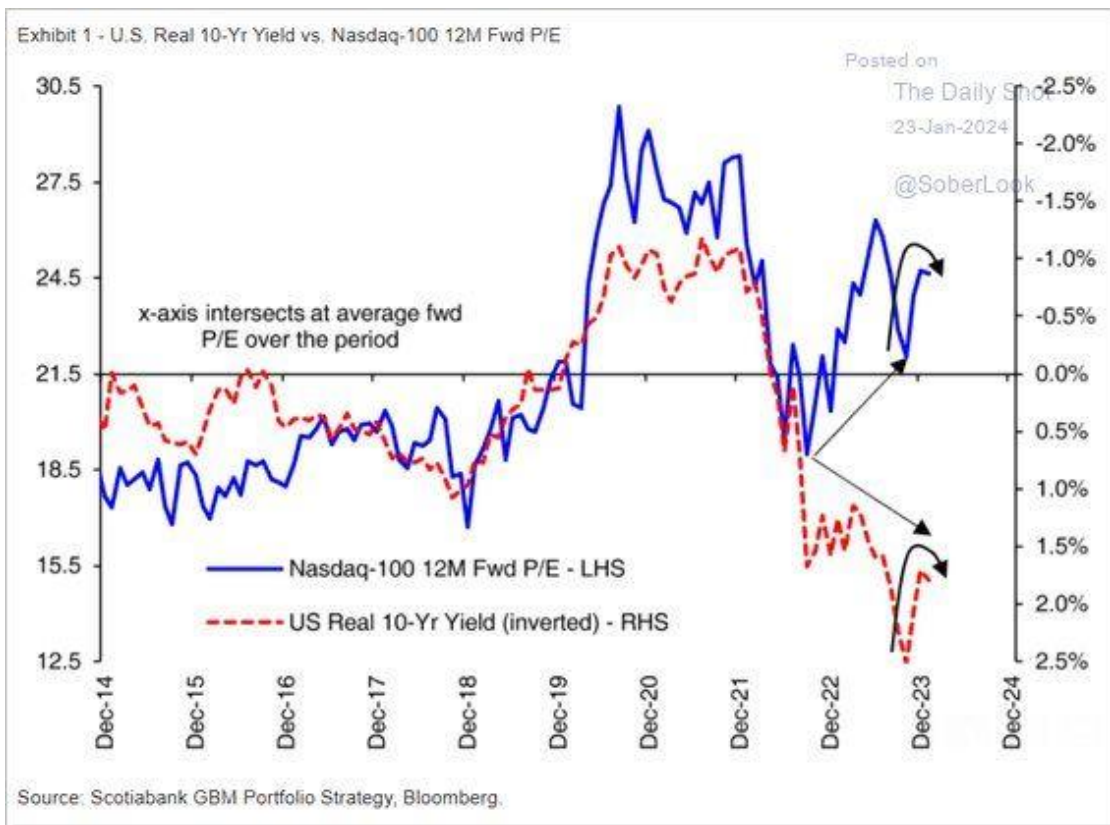
Source: Game of Trades





#us #equities #nasdaq #valuations

'The Nasdaq 100 valuation has disconnected from real rates.'



Source: The Daily Shot, Win Smart



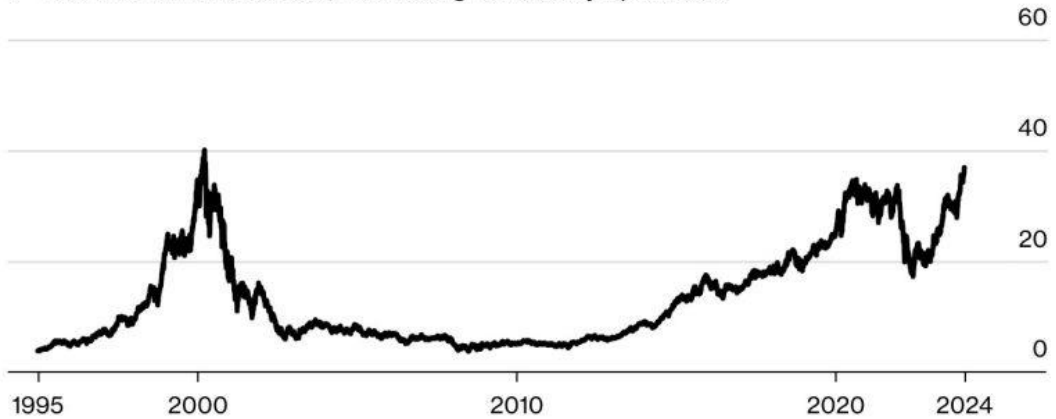
#us #equities #tech #valuations

Mega Cap Tech stocks are approaching an all-time valuation relative to commodities that was last seen during the Dot Com Bubble.

High Anxiety

The Nasdaq-commodity index ratio is rarely this elevated

✓ NASDAQ 100 Stock Index / Bloomberg Commodity Spot Index



Source: Bloomberg

Source: Bloomberg, Barchart



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#us #tech #small-caps #equities #performance

Mega Cap Tech Stocks are now outperforming small-cap stocks by the largest margin since the peak of the Dot Com bubble.



Source: Barchart

#markets

#equities #trillion-dollars

There are now 7 comps in the Trillion Dollar Club again. Meta has passed the \$1tn mark, and Microsoft is now worth \$3tn for the 1st time ever. Note that Saudi Aramco is the only non-US one.

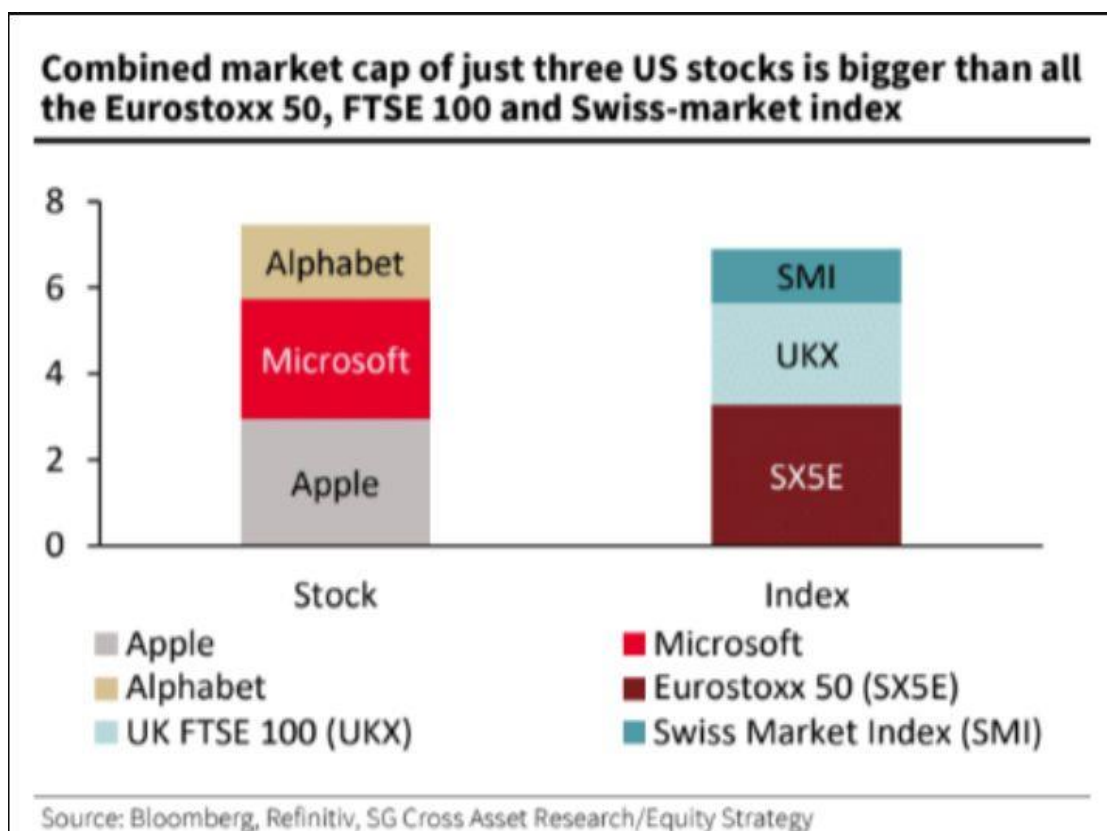
Short Name	Rank(Current Market Cap)↑	Market Cap
APPLE INC	1	3.03T
MICROSOFT CORP	2	3.01T
SAUDI ARABIAN OI	3	2.05T
ALPHABET INC-A	4	1.88T
AMAZON.COM INC	5	1.63T
NVIDIA CORP	6	1.55T
META PLATFORMS-A	7	1.02T

Source: Holger Z, Bloomberg



#stock-markets #market-caps

Three US Stocks are bigger than the Eurostoxx50, FTSE 100 and Swiss Market Index

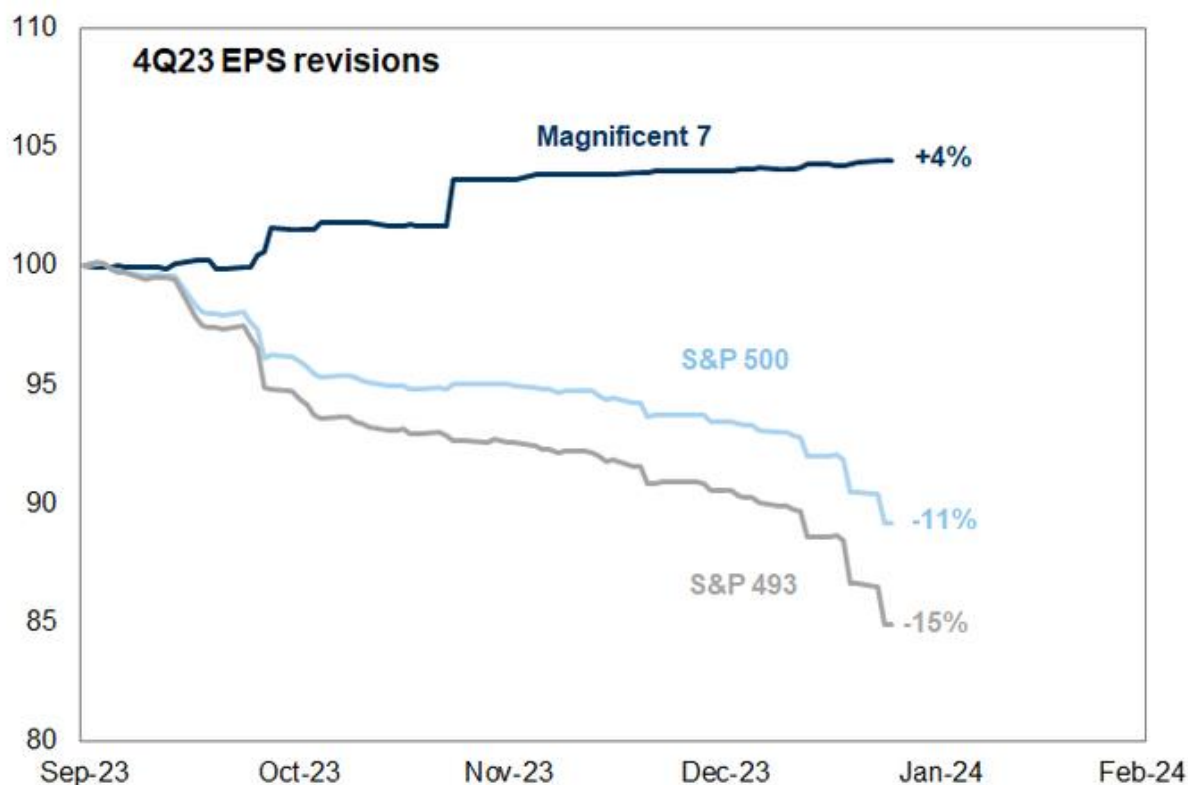


Source: ayeshtariq



#us #earnings-revisions

Are chatbots and hype keeping the market afloat? Don't forget - the mega-cap tech names report in the next week... MSFT, GOOGL, AAPL, AMZN and META are all reporting between Tuesday and Thursday next week.



Source: www.zerohedge.com



#markets

#us #earnings #revisions

US earnings revision: a big tailwind for big tech >>> 5 out of 7 Big Tech names have seen upward earnings estimate revisions for the last quarter and this year over the past 3 months. As a group, they've seen average upward earnings revisions of 6.7% and 4.9% for last quarter and 2024 respectively, considerably better than the S&P (-7.1%, -1.3%).

Wall Street Analysts' Earnings Estimates					
Past 90 Day Change					
Name	Symbol	Weight	Q4 2023	2024	YTD Return
Microsoft	MSFT	7.3%	4.5%	2.5%	4.7%
Apple	AAPL	6.7%	0.0%	0.3%	-2.0%
Alphabet	GOOG	3.9%	-0.6%	-0.6%	2.9%
Amazon	AMZN	3.5%	19.7%	12.8%	1.1%
Nvidia	NVDA	3.5%	21.6%	20.6%	15.3%
Meta	META	2.1%	2.7%	5.3%	6.3%
Tesla	TSLA	1.5%	-1.3%	-6.7%	-14.7%
		Average	6.7%	4.9%	1.9%
		S&P 500	-7.1%	-1.3%	0.2%

Data Trek

Source: DataTrek, TME



#nvidia #market-cap

BREAKING: Nvidia, \$NVDA, officially hits a record market cap of \$1.5 trillion and is now up 27% in 2024. Over the last 3 weeks, Nvidia has added \$320 billion in market cap. Since the October 2023 low, Nvidia's market cap is up nearly \$600 billion. The stock is also just 6% away from surpassing Amazon as the 5th largest public company in the world. Just 2 years ago, Nvidia had a market cap of \$300 billion.



Source: The Kobeissi Letter





#intel #earnings #performance

Intel \$INTC, is down 10% after-hours after providing weaker than expected guidance in their earnings release. The move lower has erased \$20 billion in market cap in just two hours. Intel provided Q1 2024 EPS guidance of \$0.13, which is well below expectations of \$0.34. They are also guiding Q1 2024 revenue of \$12.2B-\$13.2B, below expectations of \$14.2B. The question becomes if this weakness is an Intel issue or an industry-wide issue.



Source: The Kobeissi Letter





#netflix #earnings

Netflix adds 13.1 million subscribers, tops revenue estimates as membership push gains steam

KEY POINTS

-> Netflix added 13.1 million subscribers during the fourth quarter. The company now has 260.8 million paid subscribers.

- Subscribers +13M Q/Q to 260M.
- > The company also topped Wall Street’s revenue expectations.
- Revenue +12.5% Y/Y to \$8.8B (\$0.1B beat).
- Operating margin 17% (+10pp Y/Y).
- EPS \$2.11 (\$0.11 miss).

-> Q1 FY24 Guidance:

- Revenue +13% Y/Y.
- Operating margin 26%.



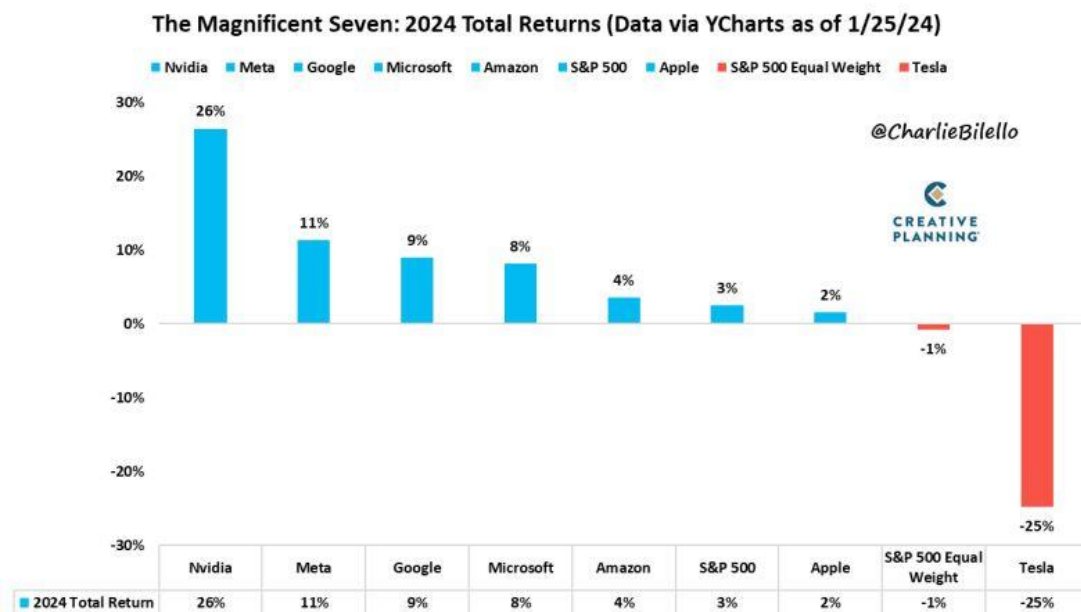
Source: App Economy Insights, CNBC





#tesla #mag7 #performance

With the exception of Tesla (-25%), the Magnificent 7 stocks are off to a big start in 2024 with Nvidia (+26%) once again leading the way.



Source: Charlie Bilello





#tesla #earnings #performance

Tesla \$TSLA dumped in after hours after reporting an earnings miss. Tesla shares drop 6% on weak auto revenue, warning of slower growth in 2024. Tesla reported revenue growth of 3% in the fourth quarter, trailing estimates. Auto revenue increased just 1% from a year earlier. Vehicle volume growth in 2024 “may be notably lower” than last year’s growth rate, the company warned.



Source: barchart





#tesla #short #performance

Tesla shares plunged 12% in worst trading day since 2020 after automaker warns of slowdown. Note that short interest as a % of equity float is near record low...



Source: Bloomberg, HolgerZ

#tesla #mass-market

Tesla plans to build new electric vehicles in mid-2025. Tesla has told suppliers that it wants to start production of a new mass-market electric vehicle codenamed "Redwood" in mid-2025, according to four people familiar with the matter, two of whom described the model as a compact crossover. Tesla sent "requests for quotes" or tenders for the "Redwood" model to suppliers last year, and is said to have planned a weekly production volume of 10,000 vehicles, two of the sources said. Production would start in June 2025, three of the sources said. All these sources spoke on condition of anonymity, because the matter is confidential.



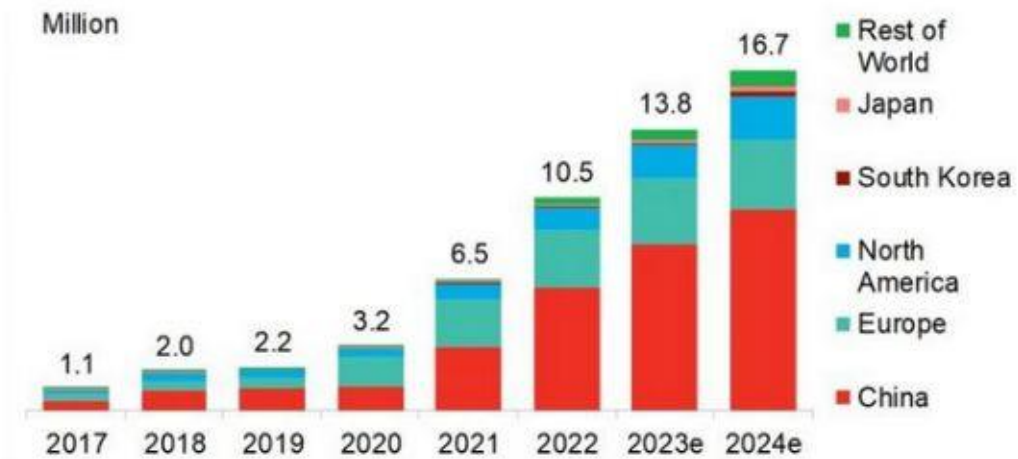
Source: reuters



#ev #growth #forecasts

EV sales are projected to grow 21% this year to 16.7 million vehicles, with China commanding nearly 60% share in Bloomberg's outlook.

Electric Vehicle Sales Still Rising



Source: BloombergNEF

Note: Includes battery-electric and plug-in hybrid vehicles. Excludes commercial vehicles and two-and-three wheelers. December 2023 data estimated for some countries. 2024 is BNEF's forecast

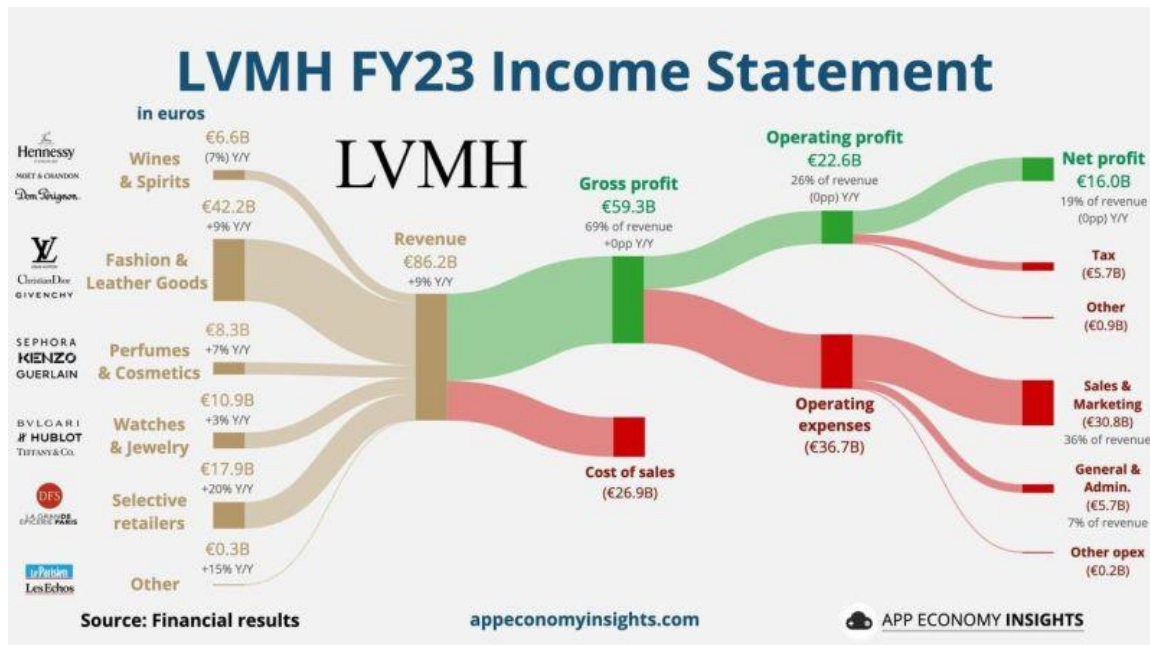


#lvmh #earnings

Recession? What Recession? #LVMH shares jump over 12% as earnings point to luxury sector resilience

The owner of Louis Vuitton, Moët & Chandon and Hennessy on Thursday night reported sales of 86.15 billion euros (\$93.46 billion) for the full year, exceeding consensus forecasts.

In FY23, LVMH Louis Vuitton Moët Hennessy reported a 9% year-over-year increase in revenue, reaching €86.2 billion.

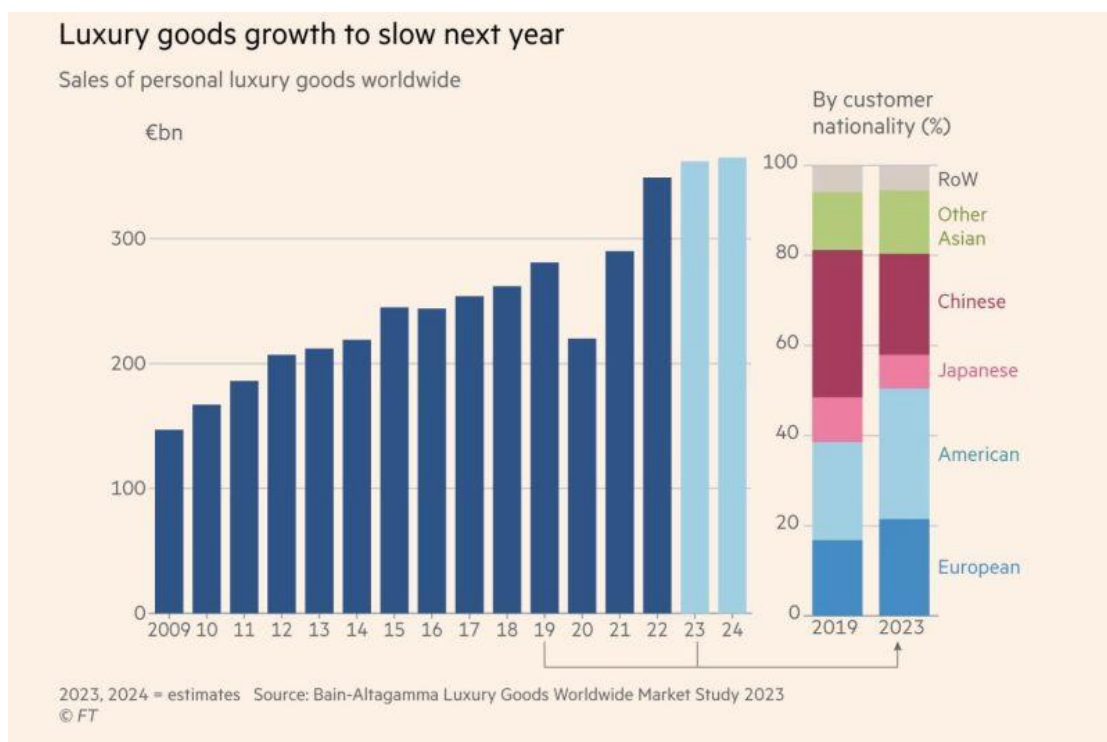


Source: App Economy Insights



#luxury #growth

Luxury goods sector growth to slow down in 2024



Source: FT



#india #hong-kong #stock-market

India's stock market has overtaken Hong Kong's for the 1st time in another feat for the South Asian nation whose growth prospects & policy reforms have made it an investor darling.



Source: Bloomberg, HolgerZ



#hang-seng #stock-market

Could this signal a bottom in Hong Kong stock market? The index's P/B is now at a level that preceded the three biggest rallies (81%, 43%, 55%) over the last decade.



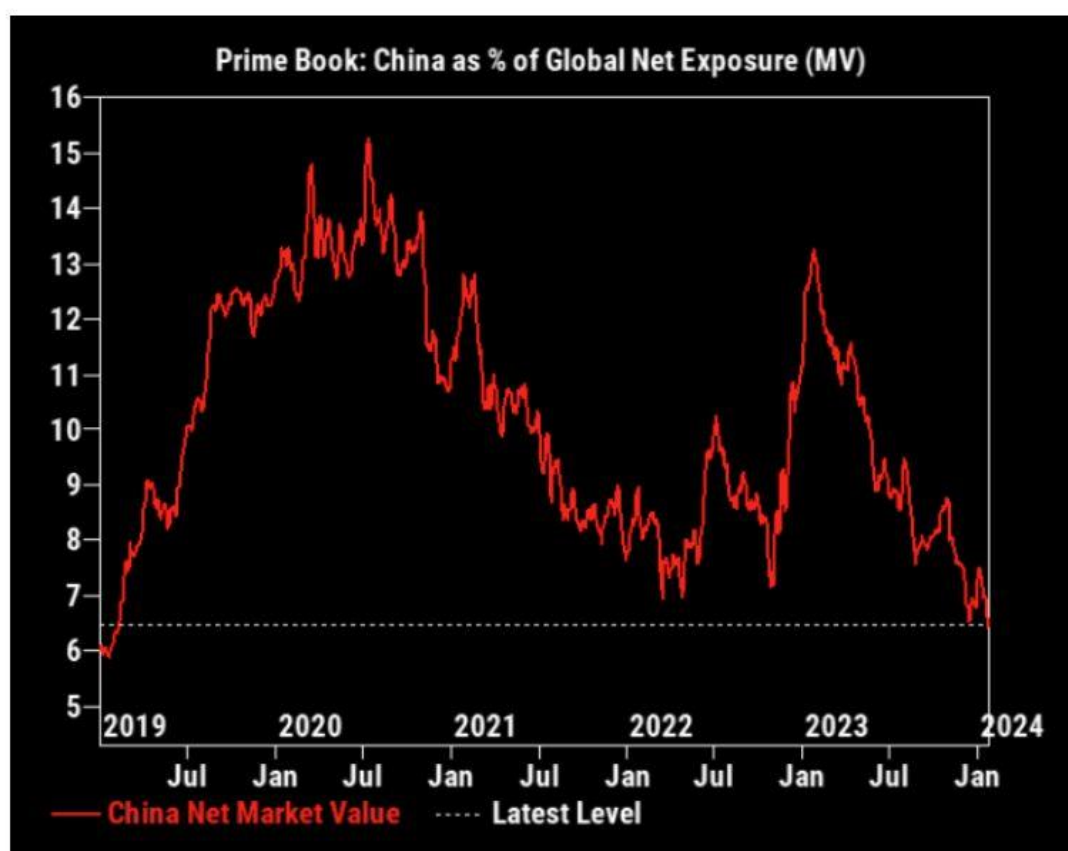
Source: Bloomberg, David Ingles



#markets

#china #global-exposure

Depressed China. China as % of global net exposure is at the lowest levels in "modern times".



Source: GS

Source: Goldman Sachs, TME

#bridgewater #china #sentiment

Bridgewater tells investors it is “moderately bullish” on Chinese stocks as the prolonged rout made valuations attractive, a call made days before the country’s latest stock meltdown.

Bridgewater Says China Stock Selloff Made Valuations Attractive

- Dalio’s firm is also ‘moderately bullish’ on China bonds
- Bridgewater made the call days before China’s latest selloff

Source: Bloomberg

#markets

#germany #dax #hedge-funds

Germany's Dax closed at fresh all-time-high just as hedge fund Qube built a \$1bn short bet against top German stocks. Volkswagen, Deutsche Bank, Rheinmetall, Siemens Energy, Hellofresh, and Morphosys are among those being wagered against.

Hedge Fund Qube Built a \$1 Billion Short Bet Against Top German Companies

- Qube added to positions against German firms this year
- Volkswagen, Deutsche Bank among those being wagered against

Source: Bloomberg



#us #treasuries #weekly

US Treasury yields were all up on Friday but mixed on the week with the long-end underperforming...



Source: www.zerohedge.com



#us #treasuries #short #hedge-funds

10-Year Treasury Largest Short Position in History 🚨 : Hedge Funds are now short more than 889,000 contracts on the 10-Year Treasury, the largest 10-Year Treasury short position in history.

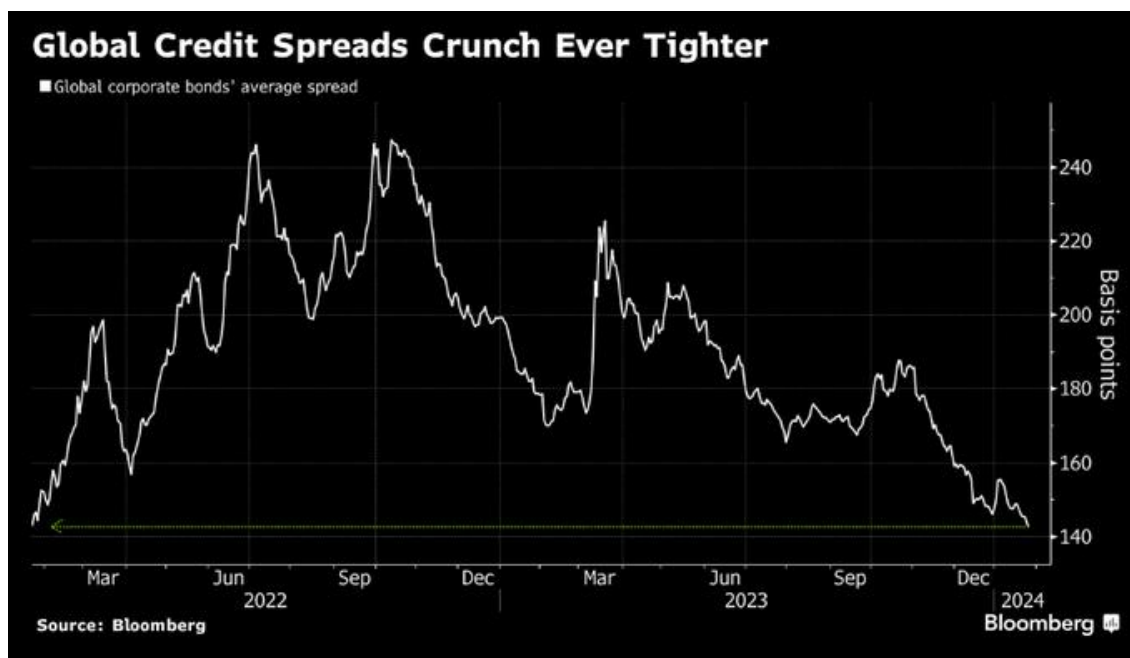


Source: Barchart



#global #credit-spreads

Investors are earning the lowest extra premium to own global corporate debt over benchmark rates since early 2022. In the past 12 months, US high-yield bonds have gained 9.2%.



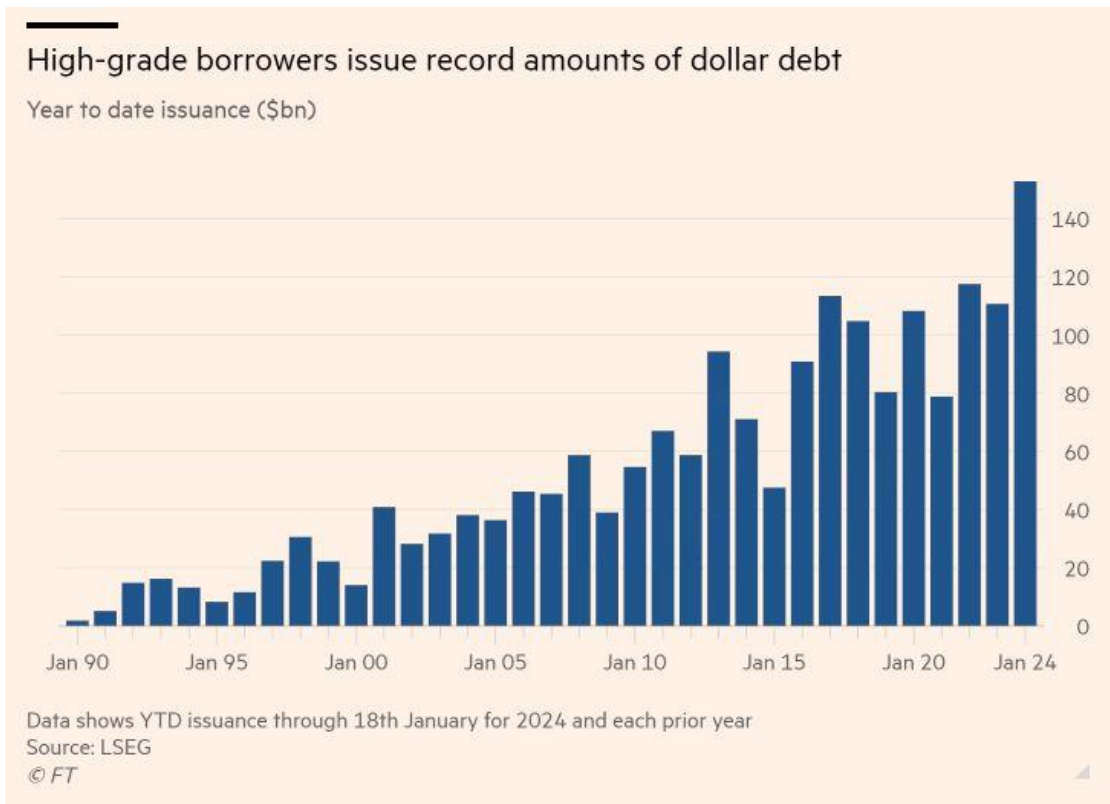
Source: Bloomberg





#corporate-borrowing #debt #bonds

Corporate Borrowing Hits All-Time High 🚨 : Investment Grade Companies have issued more than \$150 Billion worth of bonds through the first 18 days of the year, the highest amount in history at this point in the year.



Source: Barchart, FT



#wti-oil

Improving US macro data and tensions in the Middle East pushed WTI to its best week since September, with its highest weekly close since the first week of November.

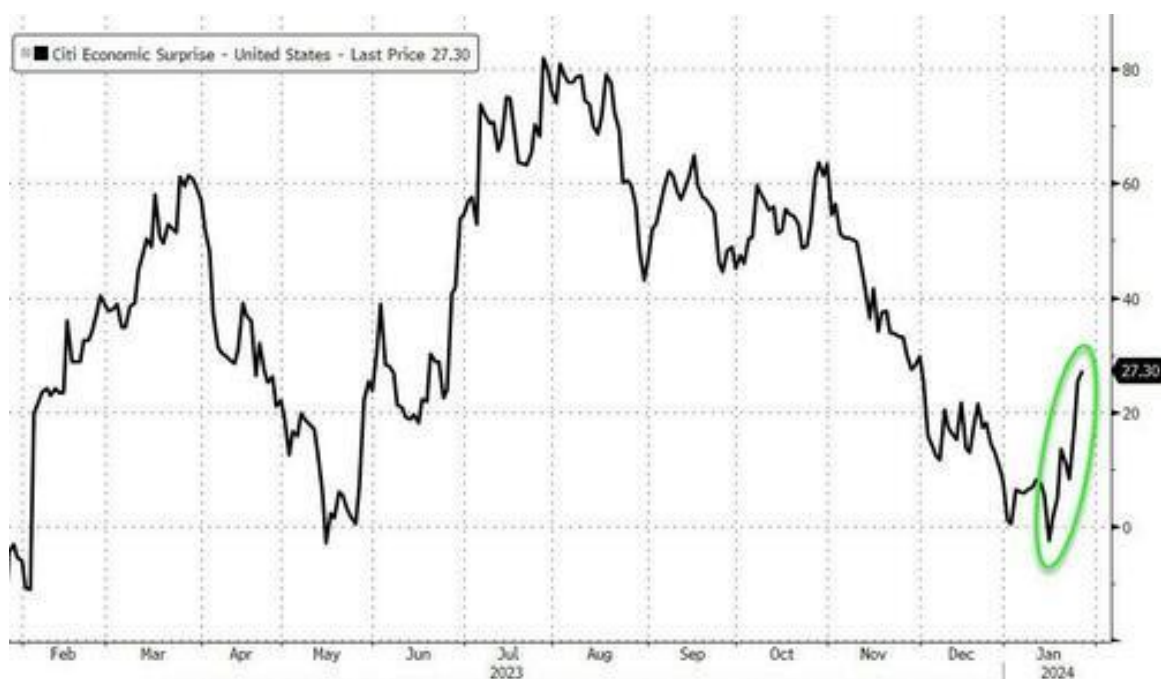


Source: www.zerohedge.com

#macro

#us #hard-data

More US macro data have been beating estimates.

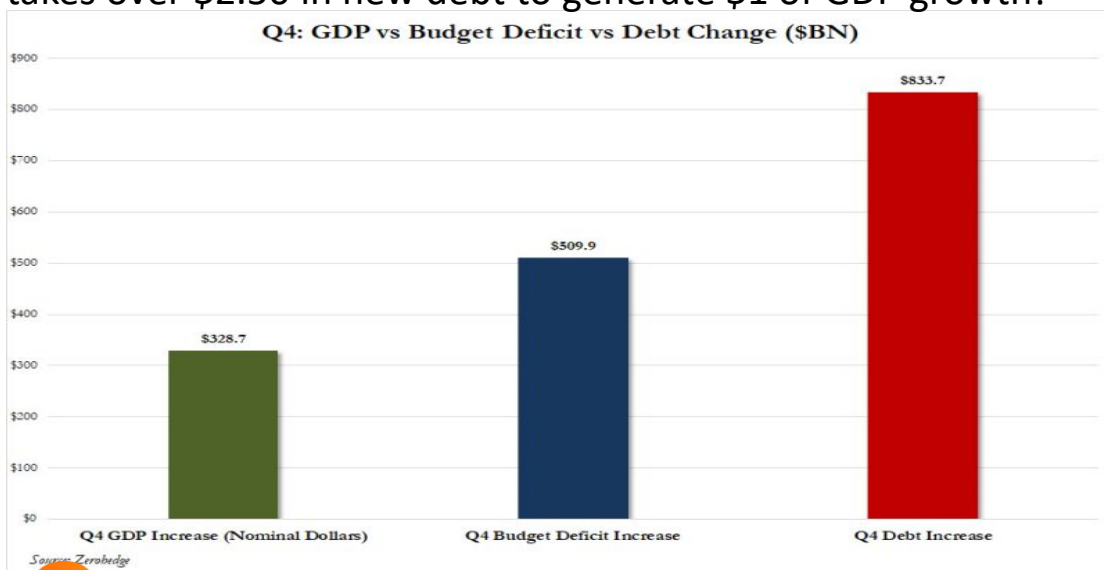


Source: www.zerohedge.com



#us #gdp #budget-deficit

Gross domestic product data showed the U.S. economy grew at a rate of 3.3% in the fourth quarter. That’s much higher than the 2% expectation from economists polled by Dow Jones, underscoring continued economic resiliency despite interest rate hikes from the Federal Reserve. The result, for better or worse, speak for themselves: while Q4 GDP rose by \$329 billion to \$27.939 trillion, a respectable if made up number, what is much more disturbing is that over the same time period, the US budget deficit rose by more than 50%, or \$510 billion. And the cherry on top: the increase in public US debt in the same three month period was a stunning \$834 billion, or 154% more than the increase in GDP. In other words, it now takes \$1.55 in budget deficit to generate \$1 of growth... and it takes over \$2.50 in new debt to generate \$1 of GDP growth!



Source: Zerohedge

Source: www.zerohedge.com

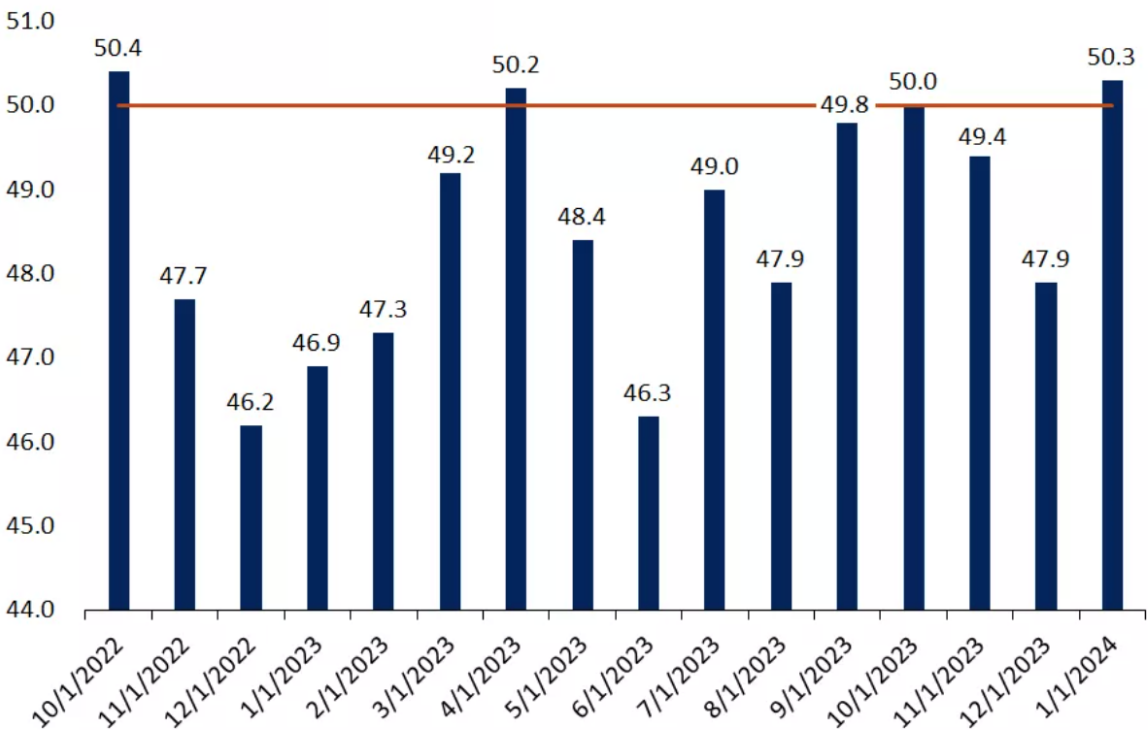




#us #manufacturing #pmi

The S&P Purchasing Managers Index (PMI) came in higher than expected, with the manufacturing PMI hitting 50.3 in January, well above expectations of 47.6 and higher than last month's 47.9 reading and reaching its highest reading since October 2022.

Manufacturing PMI exceeds 50 for the first time in 9 months (U.S. S&P PMI - Manufacturing)



Source: Bloomberg, S&P Global U.S. Manufacturing PMI

Source: Edward Jones, Bloomberg

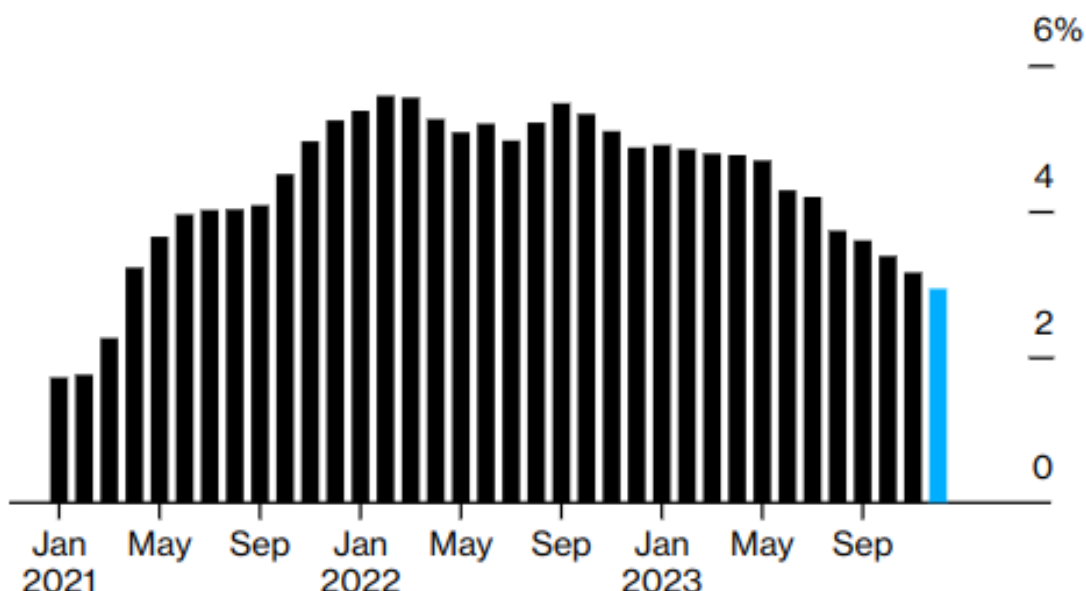


#macro

#us #inflation

core PCE (personal consumption expenditures) inflation data, often considered one of the Fed's preferred inflation measures, came in below expectations for the month of December. In fact, core PCE inflation is now 2.9% year-over-year, below last month's 3.2%, and below 3.0% for the first time since 2021. The ongoing moderation in inflation, despite above-trend economic growth, has led to optimism that the Federal Reserve may be able to start cutting policy rates rapidly this year to return to more neutral rates.

Core PCE Price Index Drops Below 3%

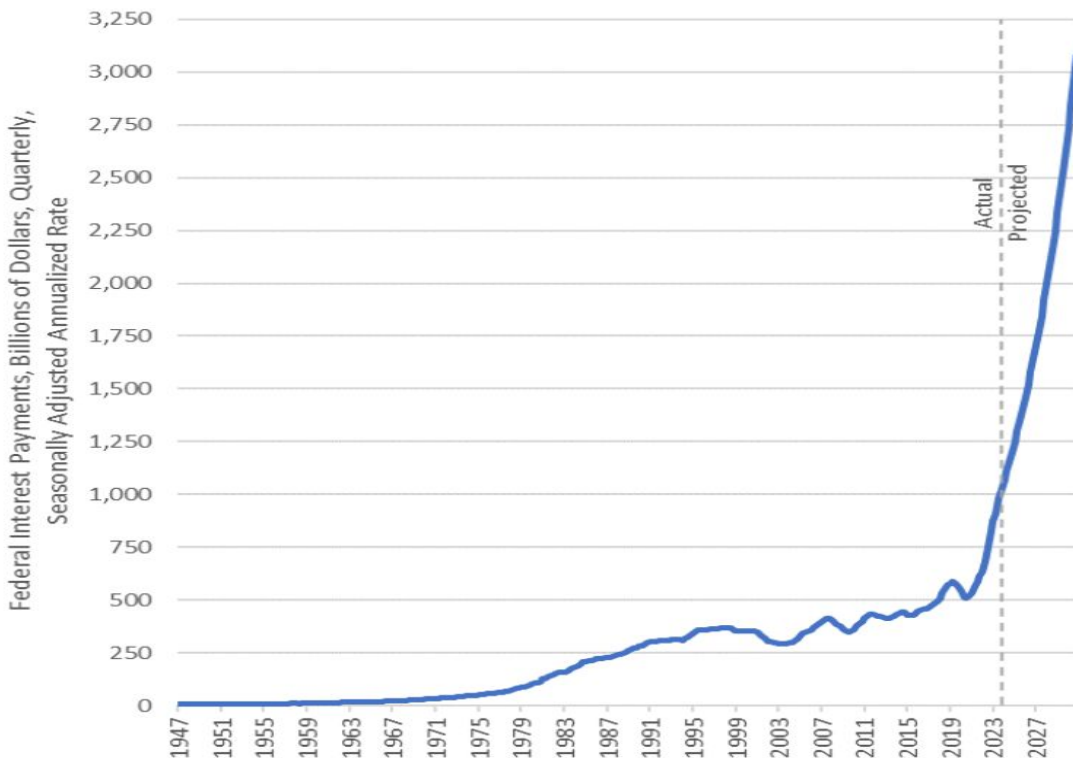


Source: Markets & Mayhem



#us #debt #cost

Escalating Costs of US Debt: Interest Payments Projected to Triple by 2030. The United States' national debt has reached a staggering \$34.1 trillion and is expanding at an alarming rate of nearly \$3 trillion annually, far surpassing governmental forecasts. Currently, the annual interest payments on this debt have exceeded \$1 trillion. It is projected that these payments will escalate to \$1.3 trillion within the next 12 to 18 months. If this trend continues, by 2030, the annual interest expense could soar to \$3 trillion.



Sources: Bureau of Economic Analysis, Dr. EJ Antoni

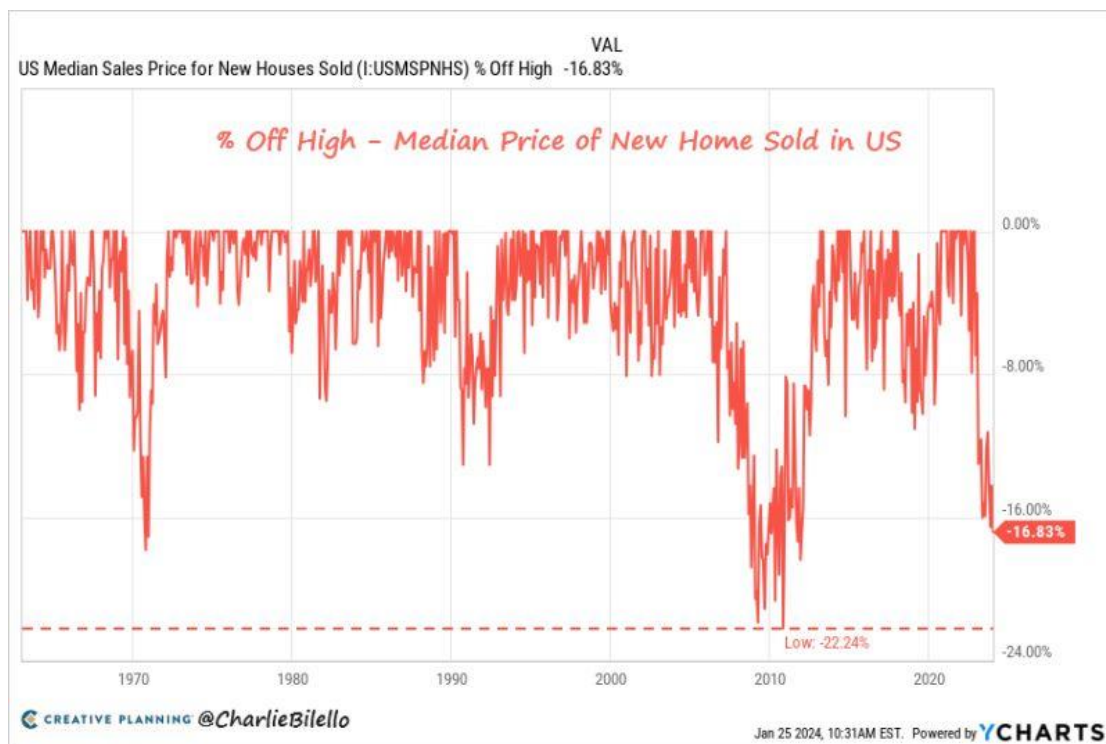
Source: wallstreetsilver





#us #real-estate

The median price of a new home sold in the US is down 17% from its peak in October 2022 (from \$496,800 to \$413,200). After the last housing bubble peak the median new home price fell 22% nationally before bottoming.



Source: Charlie Bilello



#macro

#germany #manufacturing #euro

German manufacturing had been in crisis well before Russia invaded Ukraine. Putin's invasion only made this structural decline worse. Europe has an easy offset to this: a weaker currency. Euro needs to fall well below parity to offset the crisis in European manufacturing...

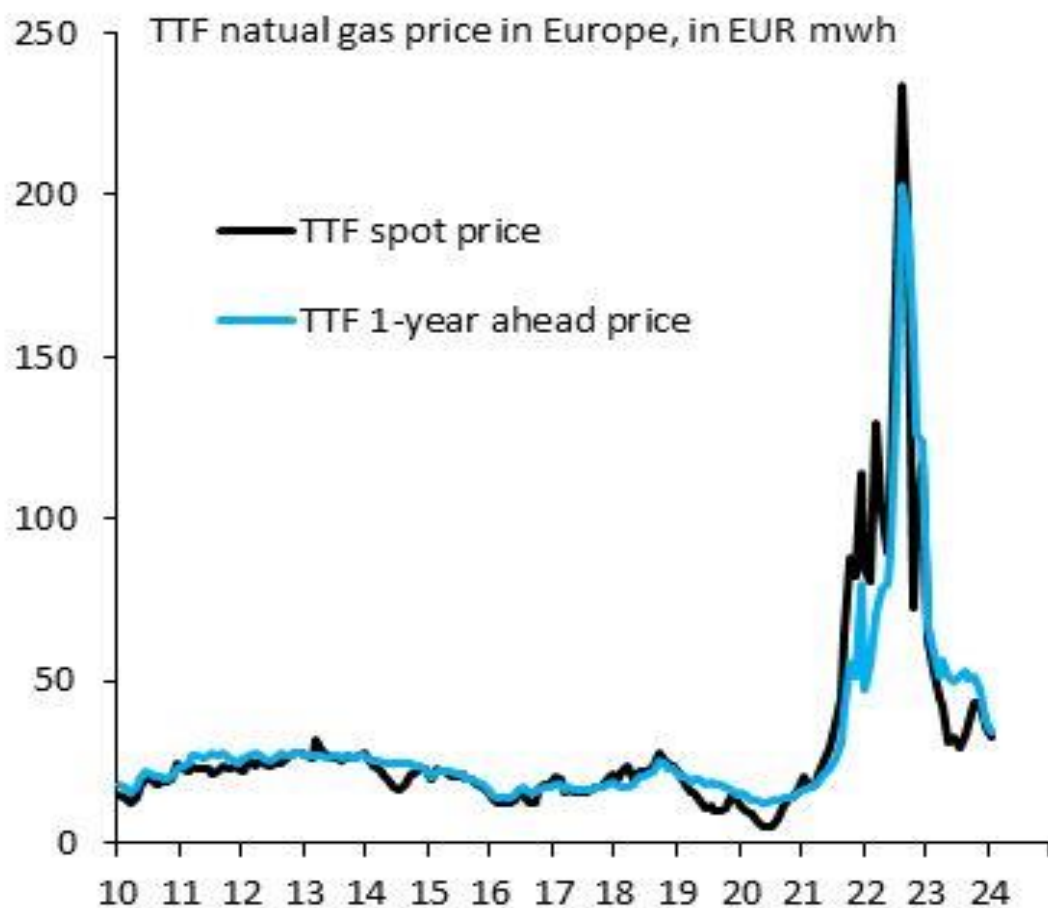


Source: Robin Brooks

#macro

#europe #natural-gas

European natural gas prices have fallen massively from 2022 levels, so why is German manufacturing doing so badly? Because - even with all the declines since 2022 - natural-gas prices are over 60% ABOVE their historical averages. That's a huge adverse energy shock hitting Europe.

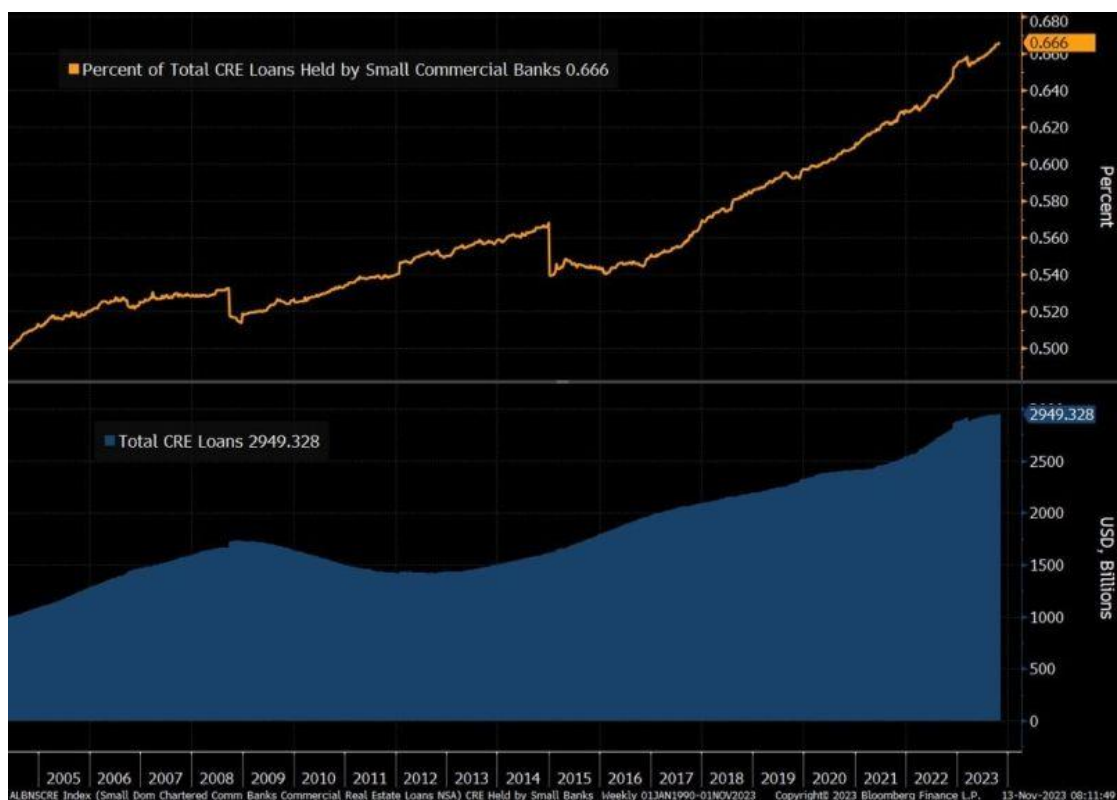


Source: Robin Brooks



#us #commercial #real-estate #debt

BREAKING: 14% of all commercial real estate (CRE) loans and 44% of office building loans are now in "negative equity." In other words, the debt is now greater than the property value on all of these properties. Currently, US banks hold over \$2.9 trillion of CRE debt, the majority of which is held by regional banks. Office building prices are down 40% from their highs and CRE as a whole is down over 20%. All as rates rise and many of these loans are due CRE is beyond bear market territory.

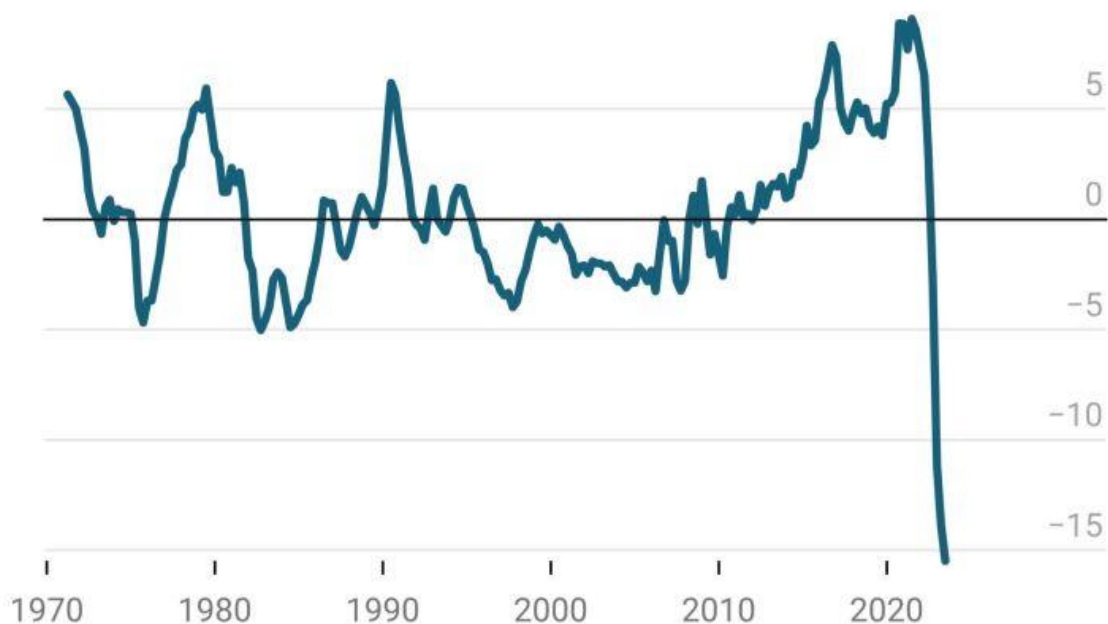


#macro

#germany #real-estate

Real estate as inflation protection in one chart, updated

Germany, house prices, inflation-adjusted, % change on year ago

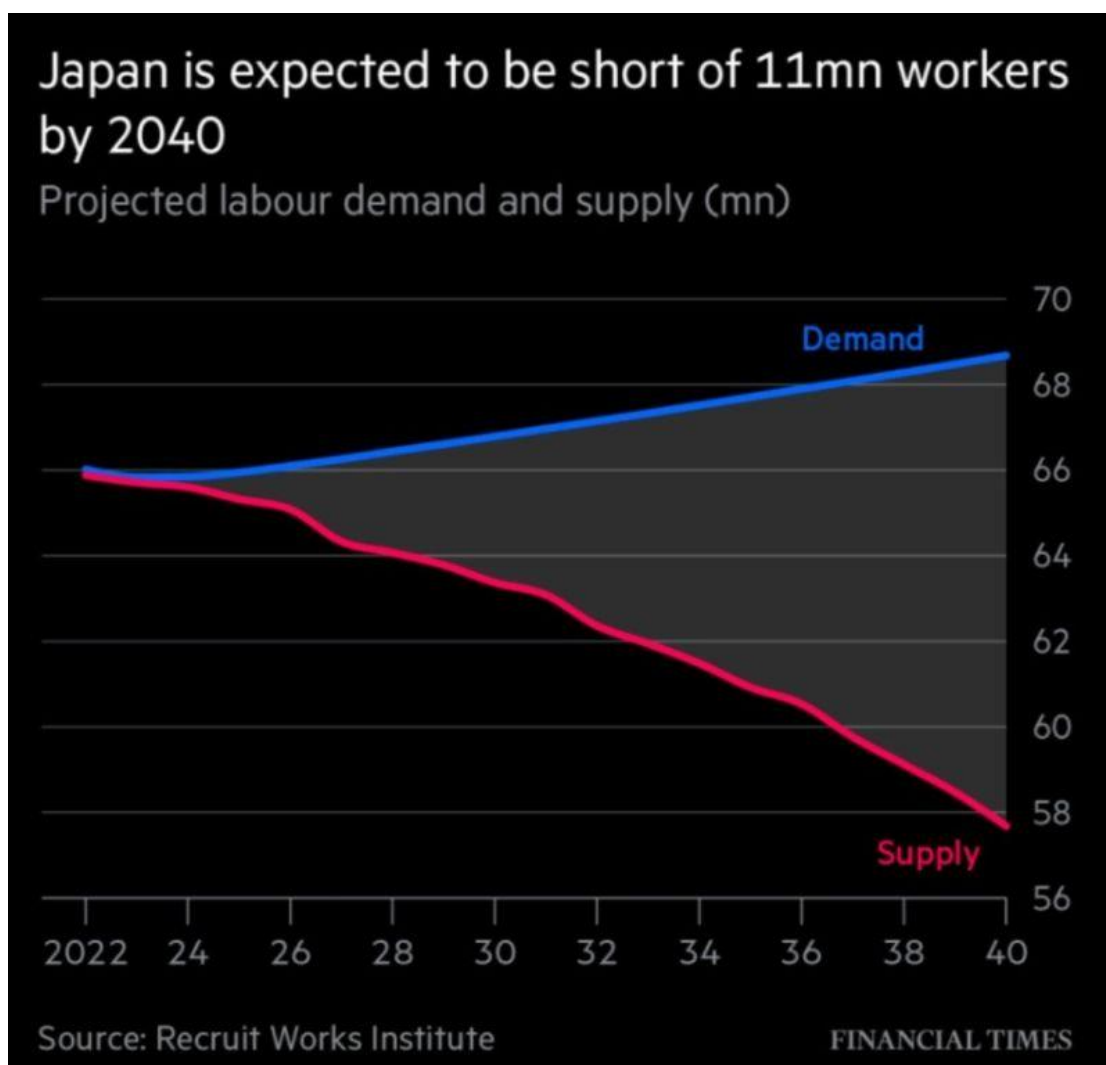


Source: Michel A.Arouet

#macro

#japan #labour-market

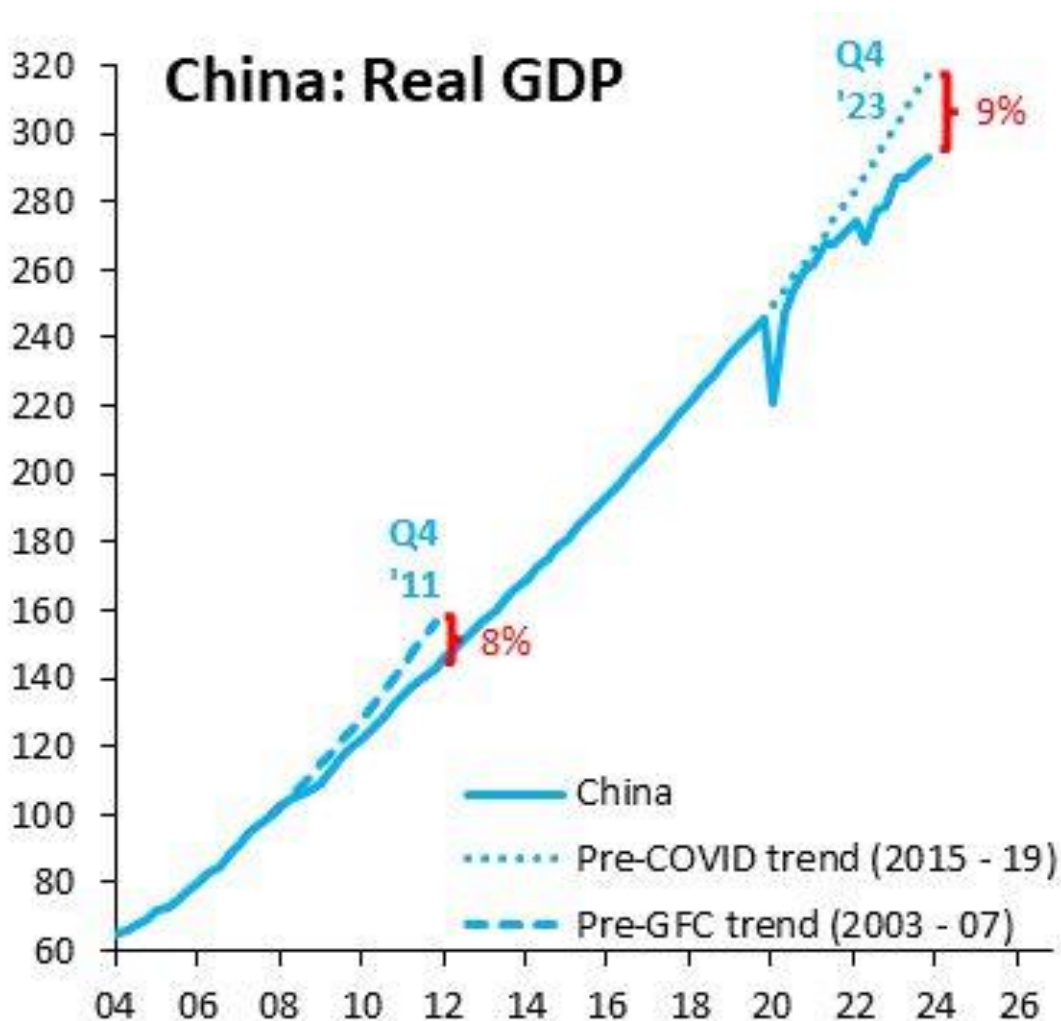
Japan is expected to be short 11 million workers by 2040



#macro

#china #gdp

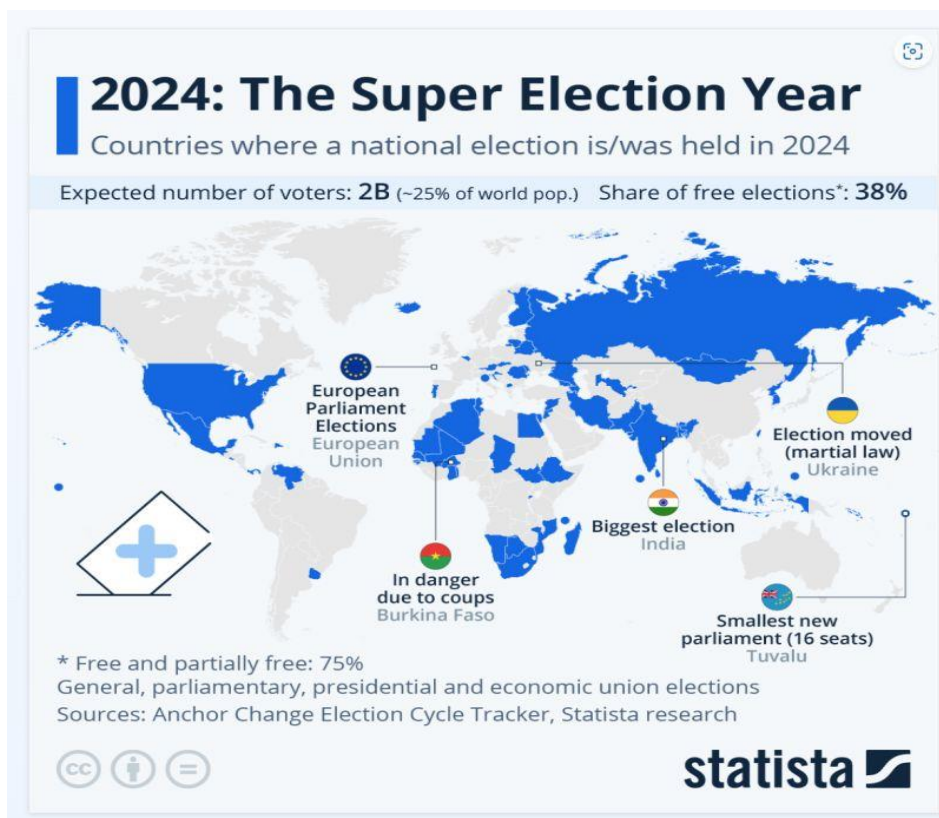
China's real GDP is now further below its pre-COVID trend than after the 2008 crisis. Will they be tempted to opt for more mercantilism (and expansionism)?



#geopolitics

#elections #voters

THE SUPER ELECTION YEAR: 2024 is seeing national elections in more than 60 countries worldwide. Around 2 billion voters - approximately a quarter of the world's population - are expected to be heading to the polls this year. 2024 has been dubbed a super election year or even the biggest election year in history - aided by closely watched elections in populous countries like United States, Mexico, India and Indonesia, among others, that will be going ahead this year.



#geopolitics

#us #election #desantis

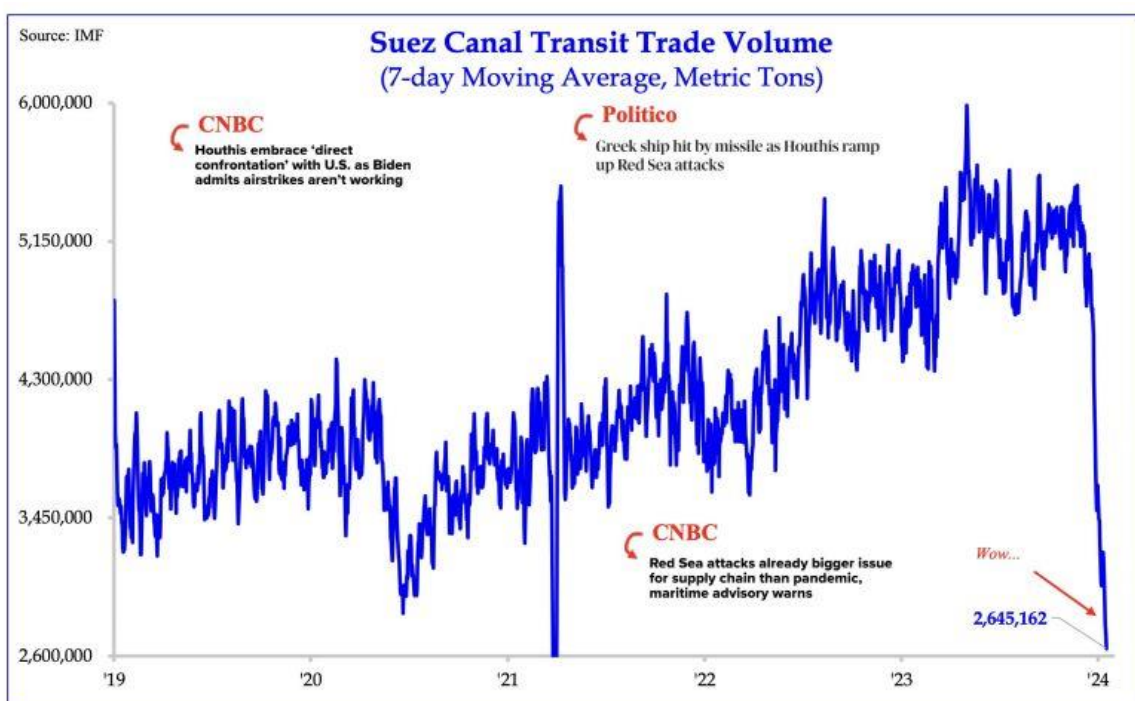
US presidential election update: DeSantis drops out of Republican race.



#geopolitics

#suez-canal #volume #red-sea

Suez Canal Transit Volume continues to plunge (Chart via SRP)

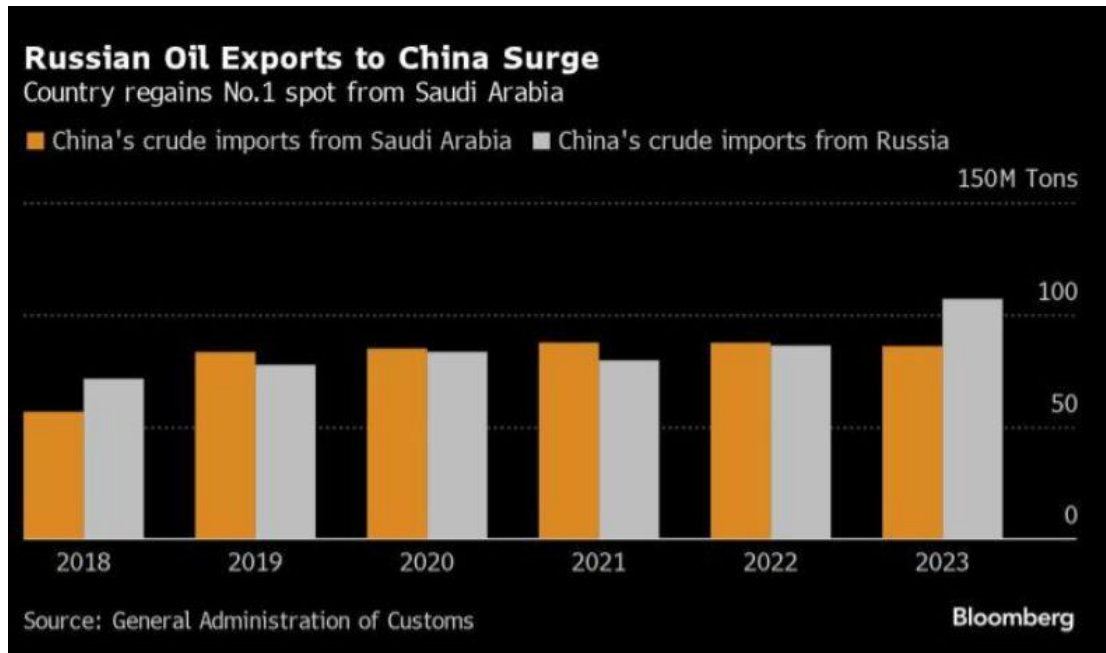


Source: HolgerZ

#geopolitics

#russia #oil #exports

Russia blew past Saudi Arabia to become the biggest source of Chinese oil imports last year. The world's biggest oil importer bought a record 107 million tons of crude from Russia in 2023, almost a quarter more than the year before, according to customs data released Monday. That compared with just under 86 million tons from Saudi Arabia. It's the first time Russia has been China's No. 1 supplier since 2018, and translates to around 2.15 million barrels a day.



Source: bloomberg

#centralbanks

#fed #rates

It's official: markets are no longer expecting a FED rate cut in March 2024. There's still a ~42% chance of rate cuts beginning in March, but this is a major shift in expectations. Just two weeks ago, markets saw a 90% chance of rate cuts beginning in March. Odds of rate cuts beginning at next week's Fed meeting are now down to ~2%. We are still seeing ~150 bps of interest rate cuts priced-in to futures. But, Fed pivot hopes are slowly pulling back.

MEETING DATE	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%	2.6%	97.4%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	40.5%	58.4%
5/1/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	28.4%	52.9%	18.0%
6/12/2024	0.0%	0.0%	0.0%	0.0%	0.7%	27.3%	51.9%	19.4%	0.7%
7/31/2024	0.0%	0.0%	0.0%	0.6%	23.7%	48.7%	23.7%	3.2%	0.1%
9/18/2024	0.0%	0.0%	0.5%	21.9%	46.7%	25.7%	4.8%	0.3%	0.0%
11/7/2024	0.0%	0.3%	14.0%	37.5%	33.5%	12.6%	2.0%	0.1%	0.0%
12/18/2024	0.3%	11.5%	33.3%	34.2%	16.3%	3.9%	0.5%	0.0%	0.0%

Source: The Kobeissi Letter

#centralbanks

#us #money-supply

The US Money Supply decreased by 2% in 2023, the largest annual decline on record with data going back to 1959. This was the second straight annual decline which followed the record 40% expansion in the money supply in 2020-21.

US M2 Money Supply (1959 - 2023)								
Year	M2 (\$Bil)	% Change	Year	M2 (\$Bil)	% Change	Year	M2 (\$Bil)	% Change
1959	298		1981	1,756	10%	2003	6,067	5%
1960	312	5%	1982	1,906	9%	2004	6,418	6%
1961	336	7%	1983	2,124	11%	2005	6,682	4%
1962	363	8%	1984	2,306	9%	2006	7,072	6%
1963	393	8%	1985	2,492	8%	2007	7,472	6%
1964	425	8%	1986	2,728	9%	2008	8,192	10%
1965	459	8%	1987	2,826	4%	2009	8,496	4%
1966	480	5%	1988	2,988	6%	2010	8,802	4%
1967	525	9%	1989	3,153	5%	2011	9,660	10%
1968	567	8%	1990	3,272	4%	2012	10,460	8%
1969	588	4%	1991	3,372	3%	2013	11,035	5%
1970	627	7%	1992	3,425	2%	2014	11,685	6%
1971	710	13%	1993	3,475	1%	2015	12,347	6%
1972	802	13%	1994	3,486	0.3%	2016	13,213	7%
1973	856	7%	1995	3,630	4%	2017	13,858	5%
1974	902	5%	1996	3,819	5%	2018	14,363	4%
1975	1,016	13%	1997	4,033	6%	2019	15,321	7%
1976	1,152	13%	1998	4,375	8%	2020	19,114	25%
1977	1,270	10%	1999	4,638	6%	2021	21,550	12%
1978	1,366	8%	2000	4,925	6%	2022	21,358	-1%
1979	1,474	8%	2001	5,434	10%	2023	20,865	-2%
1980	1,600	9%	2002	5,772	6%			



@CharlieBilello

Data Source: FRED
(as of December 2023)



Source: Charlie Bilello

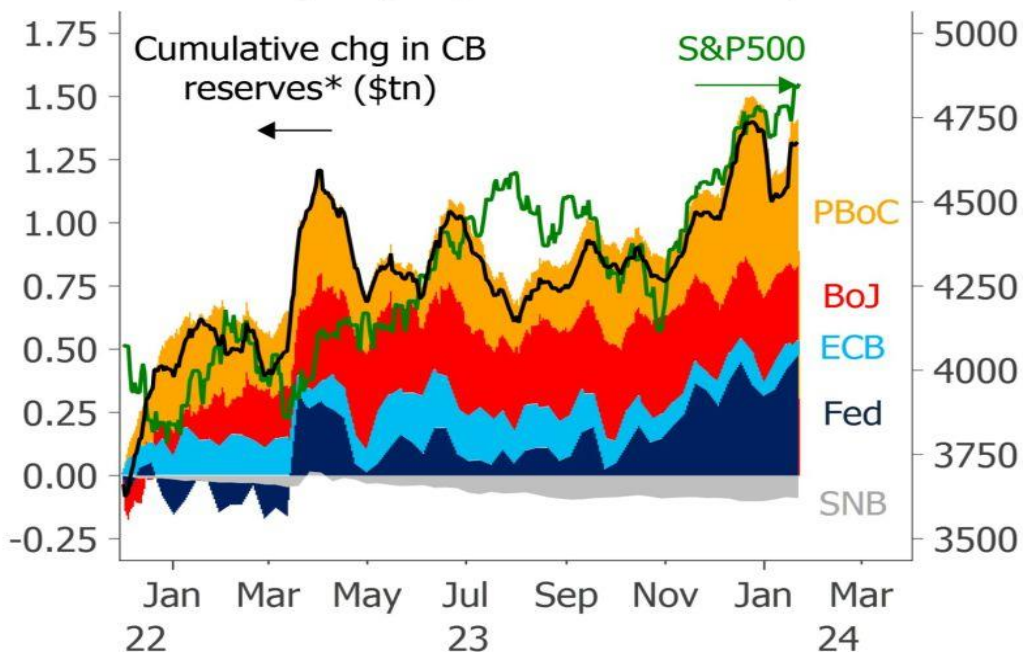
#centralbanks

#liquidity #equities

The key role played by central banks liquidity, as highlighted by Matt King. Many seem surprised by the new record highs in the S&P, given an ambiguous outlook and a backdrop of supposedly tight rates. They are a lot less surprising when you consider that central banks' balance sheet policy has been remarkably easy. Over the past 14 months, the Fed alone has added nearly \$500bn, and global central banks over \$1.25tn, in liquidity.

Still in thrall to CB liquidity

Cumulative CB liquidity chg since Dec22 vs equities



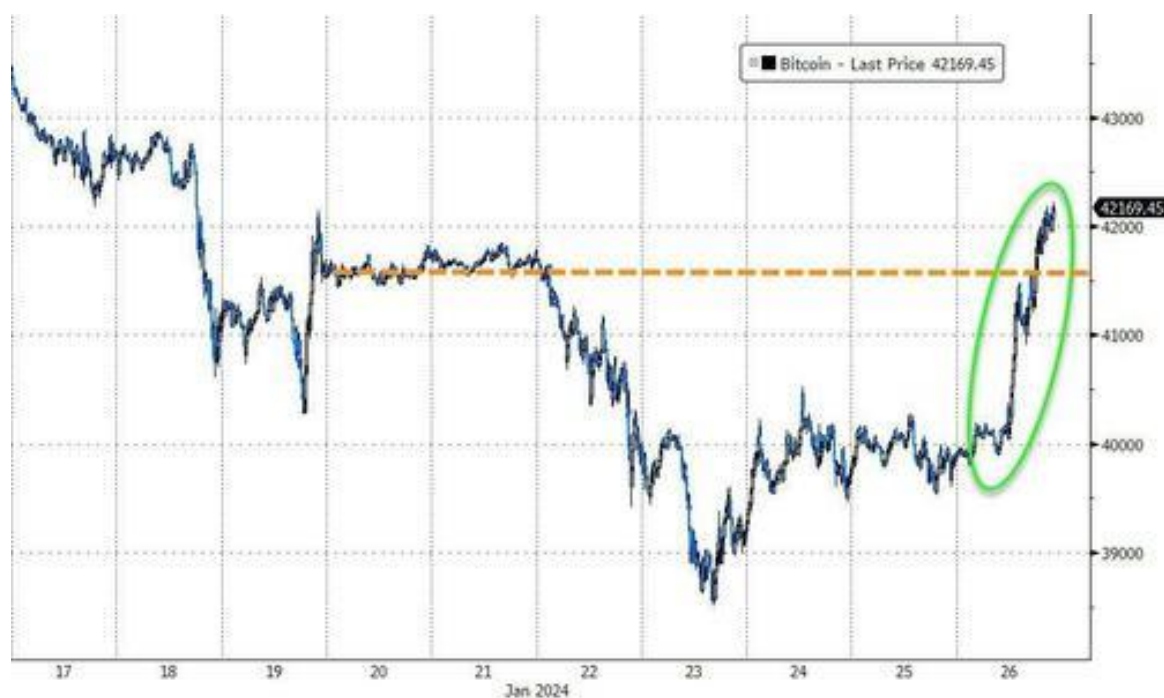
Source: national central banks, S&P, Macrobond, Satori Insights.
*ECB uses securities-govt deposits.

Source: BofA



#bitcoin #weely

Bitcoin ended the week higher too, surging back above \$42,000 today after an almost endless stream of selling since the spot ETFs were unleashed...

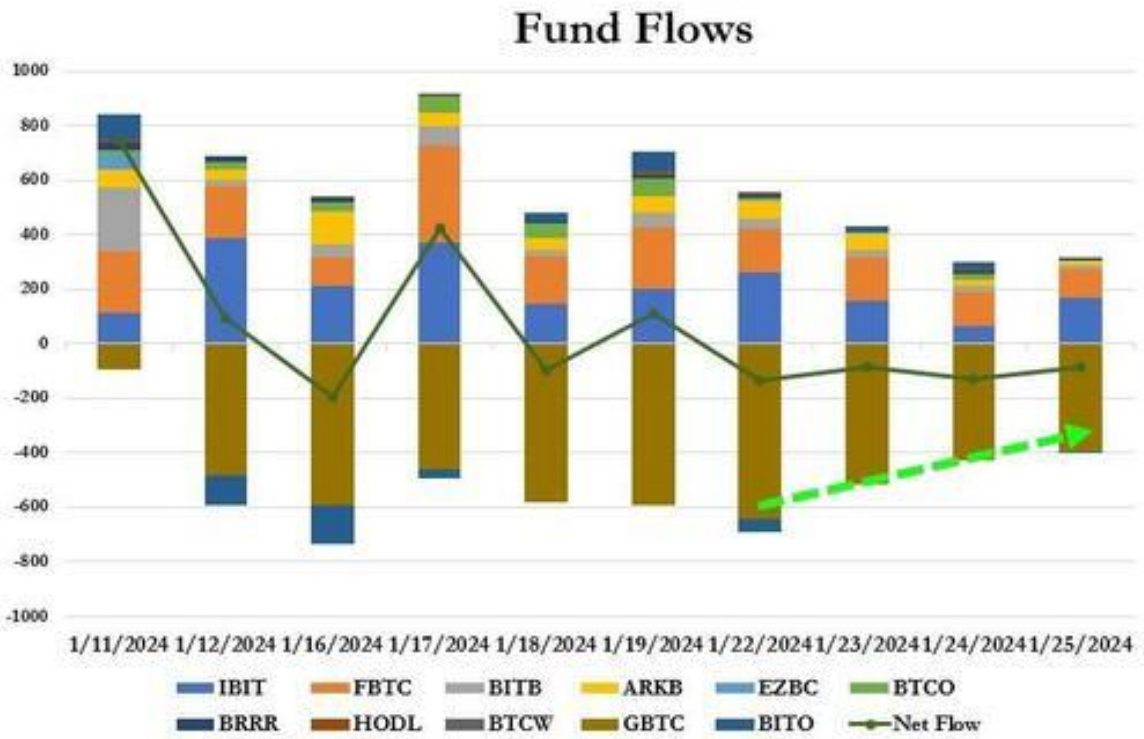


Source: www.zerohedge.com



#gbtc #outflows

Grayscale Bitcoin Trust \$GBTC outflows are slowing...



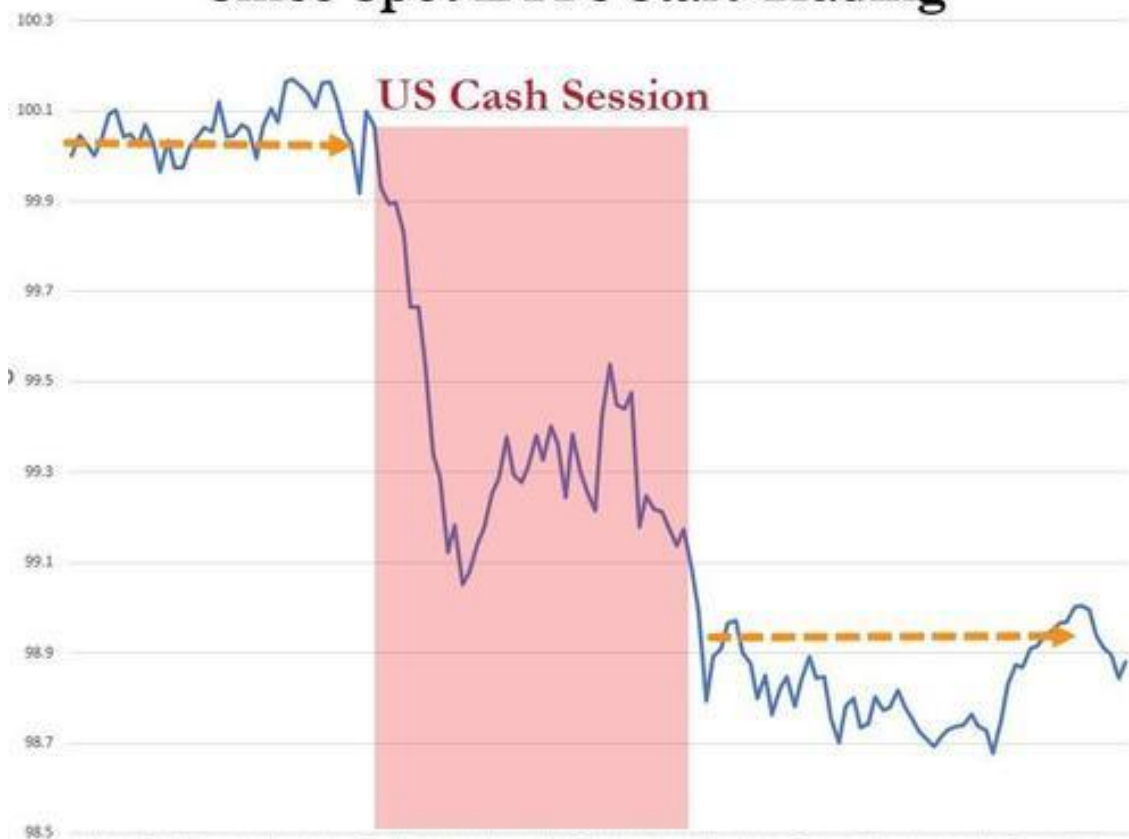
Source: www.zerohedge.com



#gbtc #outflows

Is the selling in the underlying bitcoin has been focused (since the ETFs began trading) during the US equity trading session... Is that constant pressure about to abate?

Bitcoin Daily Average Performance Since Spot ETFs Start Trading

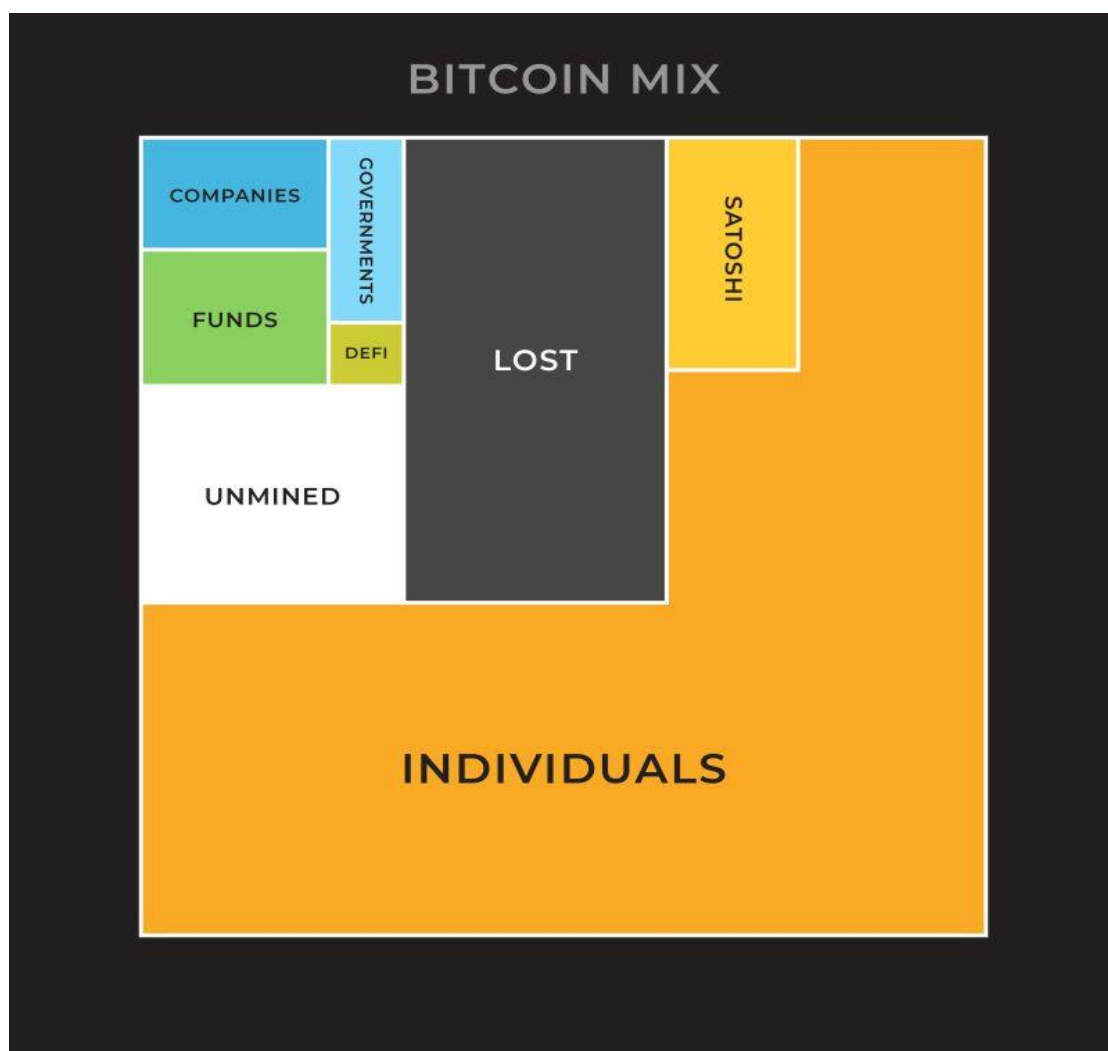


Source: www.zerohedge.com



#bitcoin #ownership

Only a tiny fraction of the world owns bitcoin, and after the halving in April, only 1.3125/21M btc will be left to be mined



Source: Walker



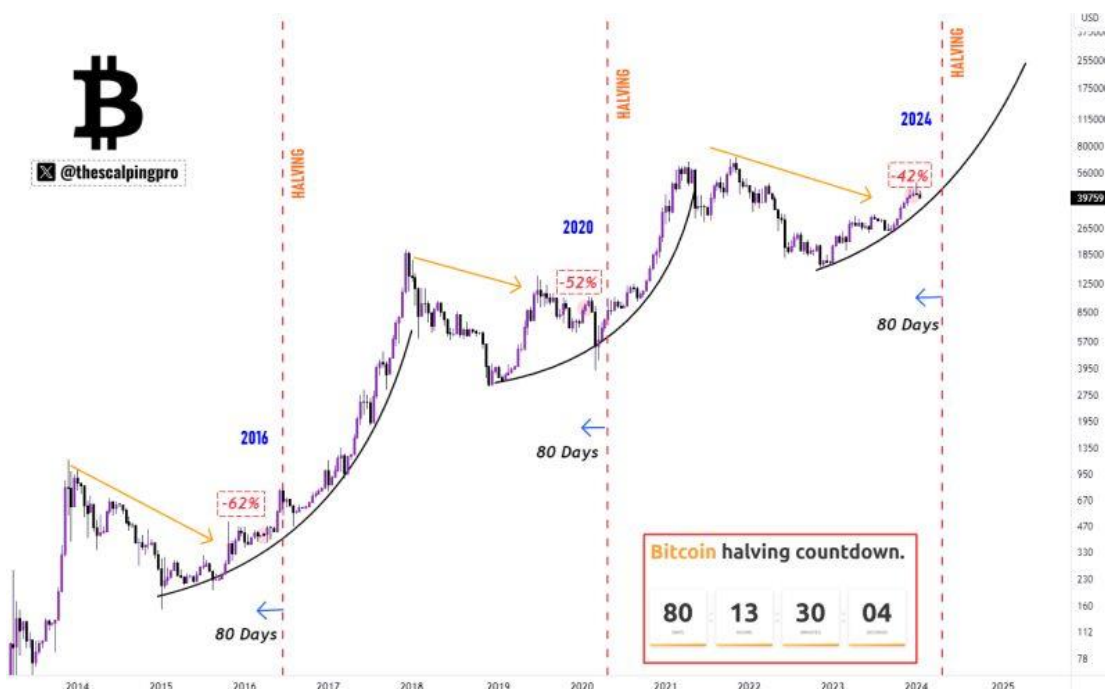
#bitcoin #halving

Bitcoin Halving in Just 80 Days 🤔

Ever wondered where Bitcoin was 80 days before in the previous Halvings ?

- In 2016, BTC was -62% below its ATH
- In 2020, BTC was -52% below its ATH
- In 2024, BTC is currently -42% below its ATH

So, even if it seems like Bitcoin's price isn't moving much, it's following a similar pattern to previous cycles.



Source: Mags

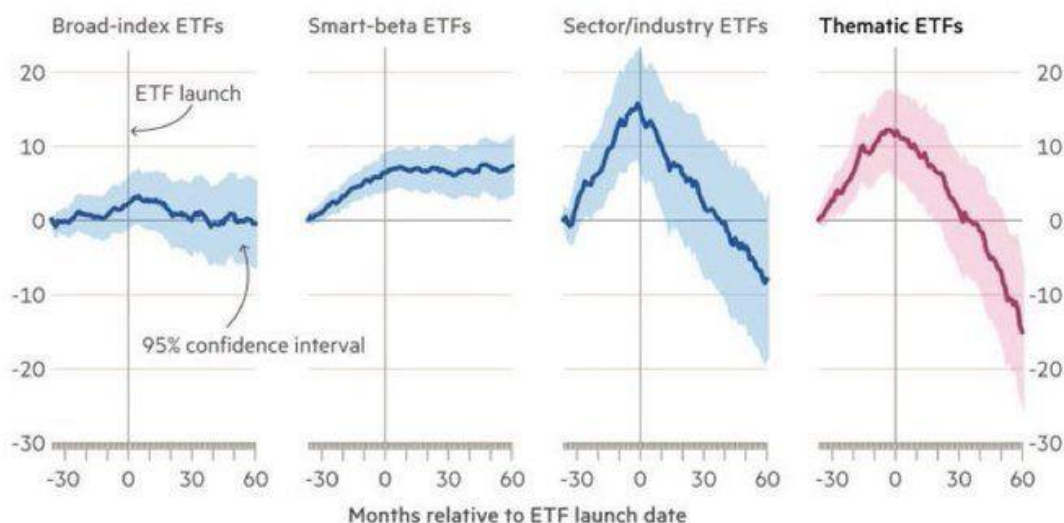




#bitcoin #etf

Will the new born 9 bitcoin ETFs follow the typical pattern around thematic ETF launches? Or should it be seen more as the equivalent of a smart beta or broad-based one?

Cumulative risk-adjusted return of underlying indices (%)*



* Based on Fama-French-Carhart four-factor model (FFC-4) alpha US equity ETFs 1993-2019
Source: Ben-David, Franzoni, Kim, Moussawi (Competition for attention in the ETF space, Feb 15 2022)
© FT

Source: Bob Elliott

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

27 JANUARY 2024

#cryptos

#bitcoin #etf

UPDATE: BlackRock ETF holds ~\$2b in #Bitcoin 🤖



BlackRock



Ticker	Name	Asset Class	Market Value
BTC	BITCOIN	Alternative	\$1,982,095,794.5
USD	USD CASH	Cash	\$81,766.8

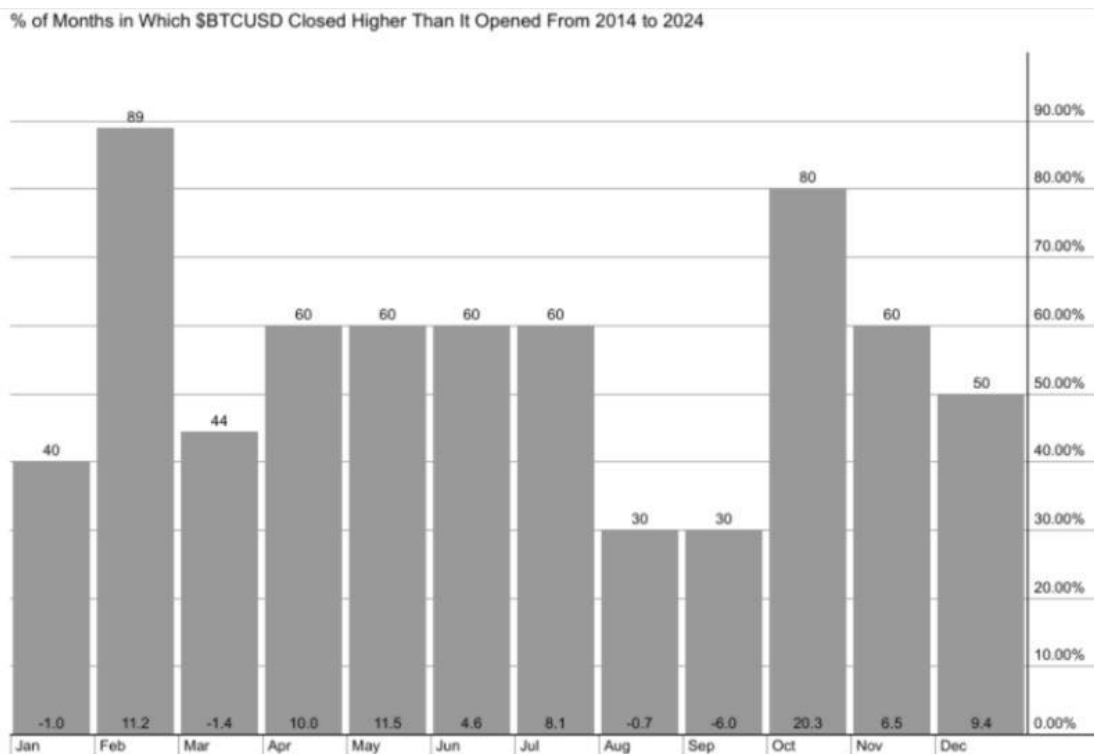
Source: Bitcoin Archive





#bitcoin #seasonality

Bitcoin seasonality is the best in February, with an 89% chance of upside, and an average gain of 11.2%. The second best month is October, with an 80% chance of upside, and an average gain of 20.3%. January's generally not a great month, with only a 40% chance of upside.



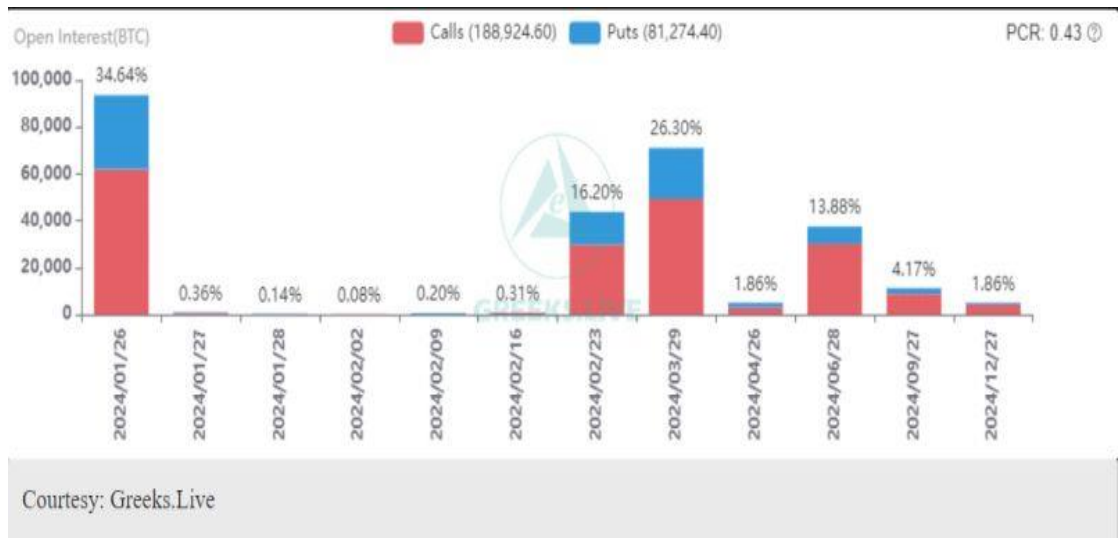
Source: mayhem4markets





#bitcoin #options

94,000 Bitcoin Options Set to Expire Today. [Greeks.Live](#), a platform specializing in options data, has provided insights into the January 26 options data, revealing notable figures for both Bitcoin (BTC). Approximately 94,000 Bitcoin options will expire, featuring a Put Call Ratio of 0.51, a Maxpain point of \$41,000, and a notional value amounting to \$3.75 billion. In the case of ETH, 932,000 options are approaching expiry, showcasing a Put Call Ratio of 0.31, a Maxpain point of \$2,300, and a notional value totaling \$2.07 billion.



Source: coingape



#food-for-thought

#apple #car

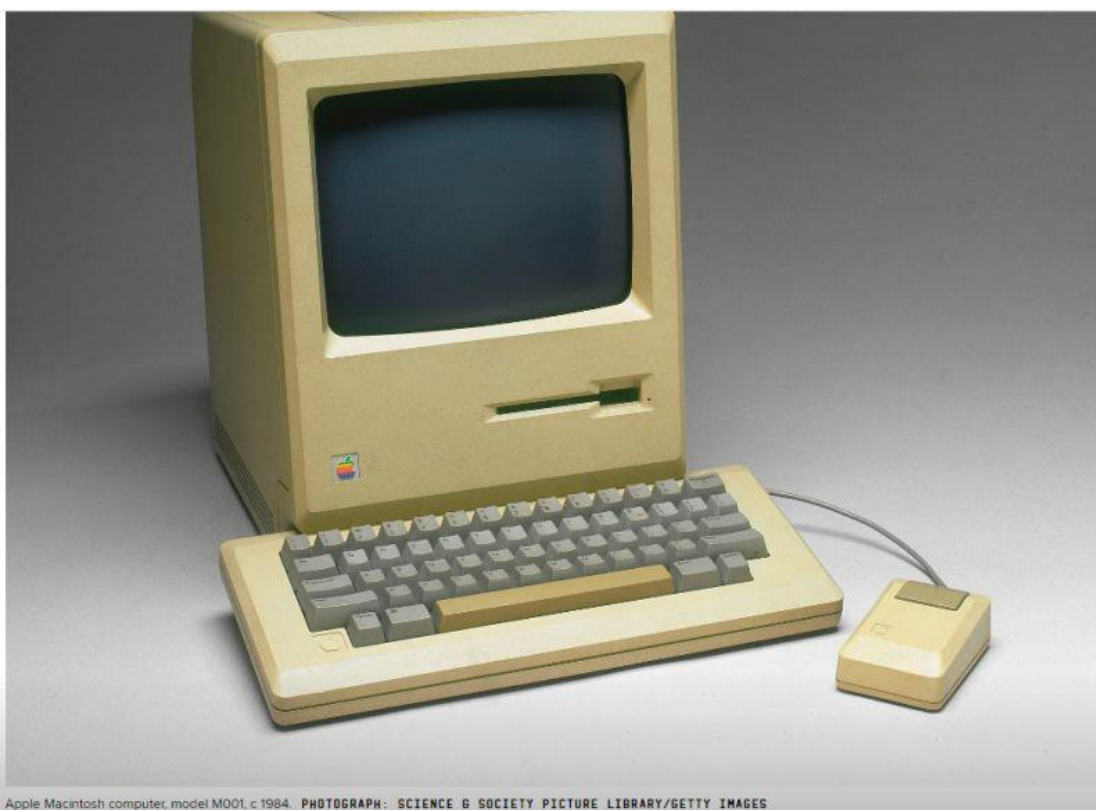
JUST IN: APPLE NOW PLANS CAR FOR 2028 WITH LESS AMBITIOUS AUTONOMY GOALS - source: Evan @ StockMKTNewz. Apple \$AAPL reportedly now plans to launch its Apple Car in 2028 at the earliest back from 2026 and will now use a Level 2+ autonomous system down from its previously planned Level 4 - Bloomberg



#food-for-thought

#apple #macintosh


Happy Birthday : The Apple Macintosh is 40 years old. The computer that Steve Jobs said was "insanely great" is turning 40 years old. On Jan. 24, 1984, Apple announced its new Macintosh computer in a "1984" George Orwell themed Super Bowl commercial that aired only once.



Source: nbc

#food-for-thought

#ai #google #lumiere

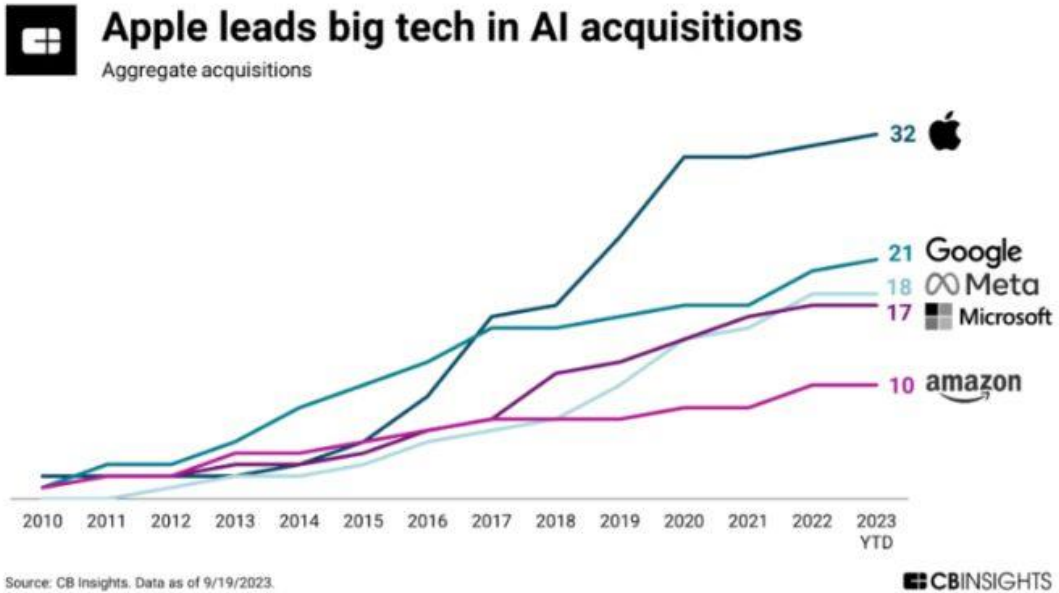
 Breaking news: Google just launched LUMIERE, the latest AI model for video generation. Lumiere is expected to transform the future of VIDEO forever. Lumiere can generate video from different inputs, including text-to-video, which works like a regular image generator and generates a video from a text prompt, and image-to-video, which takes an image and uses its accompanying prompt to bring the photo to life in a video. The model can also put a fun spin on video generation through stylized generation, which uses a single reference image to generate video in the target style using a user prompt. In addition to generating video, the model can be used to edit existing video through various visual stylizations that modify a video to reflect a specific prompt, cinemographs that animate a specific area of a photo, and inpainting, which fills in missing or damaged areas in the video.



#food-for-thought

#ai #acquisitions

Number of AI acquisitions since 2010



Source: cb insights

#food-for-thought

#nvidia #history

25 years later... NVIDIA went public on January 22, 1999 at \$12/share. At that time, CEO Jensen Huang held 3 million shares of Nvidia, valued at \$59 million following the initial trading day. As of now, the value of those shares has skyrocketed to an impressive \$85.8 billion.

Shares of Nvidia Surge 64% After Initial Public Offering

By Dean Takahashi Staff Reporter of The Wall Street Journal

Jan. 25, 1999 12:01 am ET



Gift unlocked article

Nvidia Corp., a Silicon Valley chip maker that has persevered to become a top player in computer graphics, went public Friday with an offering of shares that surged 64% in their first day of trading.



Source: wsj

#food-for-thought

#age #experience

EXPERIENCE IS OVERRATED

Name	Firm	Age at Launch
Ken Griffin	Citadel	22
Seth Klarman	Baupost	25
Ray Dalio	Bridgewater	26
Paul Tudor Jones	Tudor	26
Steve Koltes	CVC Capital	29
Michael Steinhardt	Steinhardt Partners	27
Stan Druckenmiller	Duquesne	28
Lee Ainslie	Maverick	28
Michael Chu	L Catterton	31
David Einhorn	Greenlight Cap	28
Tom Steyer	Farallon	29
Louis Bacon	Moore Capital	32
Steve Feinburg	Cerberus Capital	32
Ben Levine	LMR	30
Thierry Tamsit	Astorg Partners	31
Eric Forday	Rockhampton	33
Steven Schonfeld	Schonfeld	31
Eddie Lampert	ESL	26
Neal Aronson	Roark Capital	36
Chase Coleman	Tiger Global	26
Warren Buffett	Buffett Partnership	27

Source: @createthisbiz on X, Martin Straub and Hrvoje PavisicHrvoje Pavisic on

linkedin

#food-for-thought

#innovation #disruption

Innovation Isn't Always Welcomed. ps : Not all banks favor Bitcoin, but some do !



Source: bitcoin magazine

#food-for-thought

#scams #crime

In 2023, more than \$3 trillion in illicit funds flowed through the global financial system. More than \$3 trillion in illicit funds flowed thru the global financial system last year, a new report revealed today. Among the most prevalent crimes that fuelled \$3.1TRN in an illicit flows and money laundering endemic were an estimated: \$782.9 billion in drug trafficking activity. \$346.7 billion in human trafficking. \$11.5 billion in terrorist financing The '2024 Global Financial Crime Report' from Nasdaq-owned fincrime technology firm Verafin also shows that fraud scams and bank fraud schemes totalled \$485.6 billion in losses globally.

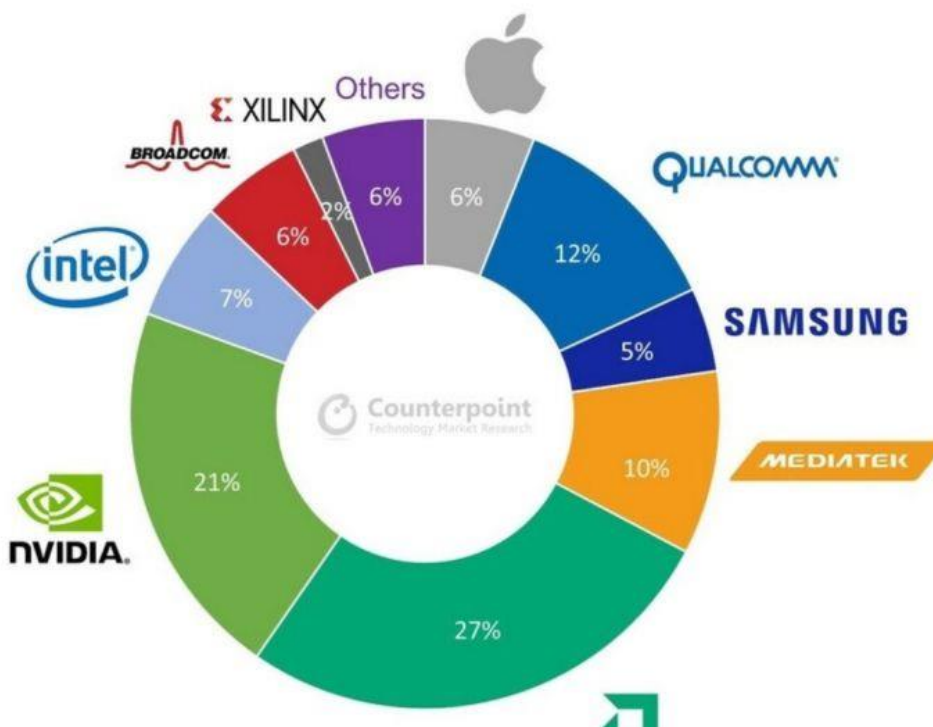


Source: nasdaq, amlintelligence

#food-for-thought

#semiconductors #revenue

Taiwan semiconductor \$TSM, the world's largest contract chip manufacturer, forecast 2024 revenue to grow more than 20% thanks to booming demands for high-end chips used in AI applications. Taiwan Semi's main customers include AMD \$AMD, Nvidia \$NVDA, Qualcomm \$QCOM, Intel \$INTC, Apple \$AAPL, and Broadcom \$AVGO.



Source: Jesse Cohen

#food-for-thought

#switzerland #regulator

Swiss financial regulator names new CEO. Switzerland's banking regulator has named Stefan Walter, a senior official with the European Central Bank (ECB), as its new chief executive. Walter joins FINMA from the ECB, where he played a crucial role in building out its supervision arm since it took on bank oversight in 2014. He spent several years leading the unit responsible for the euro area's biggest banks. In a 2020 shake-up, he took on a wider role leading a unit that carries out tasks related to all banks under the ECB's supervision, including benchmarking and industry-wide assessments.



Source: swissinfo

#food-for-thought

#switzerland #esg #ai

Watches of Switzerland trials AI to enforce ESG targets. Watches of Switzerland Group is participating in a forward-thinking, government-backed pilot program focused on AI-driven solutions. The program aims to aid the luxury retailer in effectively monitoring and enhancing its Environmental, Social, and Governance (ESG) practices and those of its suppliers. Spearheading this innovative project is UK-based Sevva AI, which specializes in sustainability technologies. This venture, with a budget set at around £1 million, is set to advance into 2025 and is bolstered by a £500,000 grant from Innovate UK to support the technology's development, with the remaining investment matched by Sevva AI.



Source: ts2

#food-for-thought

#quotes #voltaire

This is true today more than ever.

Never forget: 🚨 🚨 🚨

**It's dangerous
to be right when
the government
is wrong.**

Voltaire

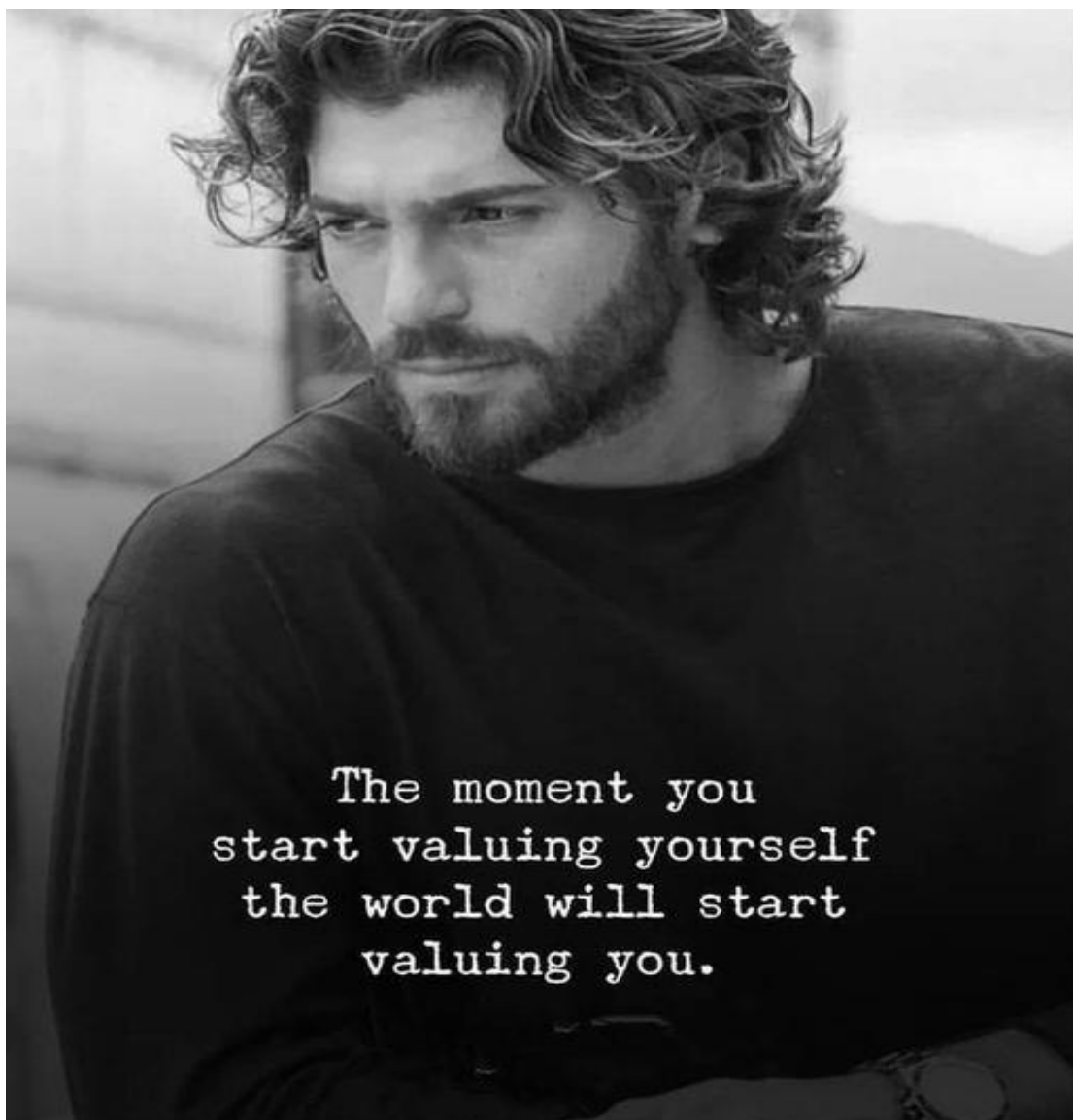


Source: Wall Street Silver

#food-for-thought

#quotes #self-value

Thought of the day.



Source: Asif MajidAsif Majid

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