

Chart of the week

The Narrow Nasdaq

Nasdaq 100 has resumed its relative outperformance trends versus an equally weighted Nasdaq 100. The Top 7 Nasdaq 100 stocks are up 31% YTD vs 3% for the rest of S&P 500...

Chart 5: The Narrow Nasdaq

Nasdaq 100 (NDX) vs Nasdaq 100 Equal-Weighted (NDXE)



Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH

Source: BofA

Mega-caps stocks outperform cyclicals & small-caps

Stocks recorded mixed returns this week as attention focused on earnings reports. 35% of S&P 500 Index companies (or 44% of its market capitalization) were scheduled to release results during the week. Meta and Microsoft jumped while other FAANGs were mixed. Cyclical sectors generally performed poorly, however, as investors weighed several new signs of an economic slowdown. Early in the week, several measures of regional manufacturing activity came in well below expectations and indicated that factories were cutting back on production in April. US durable goods orders excluding aircraft and defense fell 0.4%. US retail inventories rose 0.4% for the month, more than expected. US GDP in the first quarter came in at 1.1%, well below consensus expectations of around 2%. Renewed turmoil in the banking industry also heightened fears of a slowdown and possible recession. On Friday morning, First Republic's stock fell further after CNBC reported that the FDIC was planning on taking the bank into receivership that evening. U.S. Treasury yields modestly decreased. Concerns increased about the approaching debt ceiling date and negotiations for raising it. Shares in Europe fell as fears that interest rate increases might tip the economy into recession intensified. Chinese stocks ended mixed ahead of a five-day holiday as Beijing reaffirmed its supportive policy stance. Amid a very volatile week, Bitcoin was notably higher, pushing back above \$29,000...

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

29 APRIL 2023

#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	34,098	0.9%	2.9%
S&P 500 Index	4,169	0.9%	8.6%
NASDAQ	12,227	1.3%	16.8%
MSCI EAFE *	2,133	-0.6%	10.8%
10-yr Treasury Yield	3.42%	-0.1%	-0.5%
Oil (\$/bbl)	\$76.63	-1.6%	-4.5%
Bonds	\$99.96	0.8%	3.3%

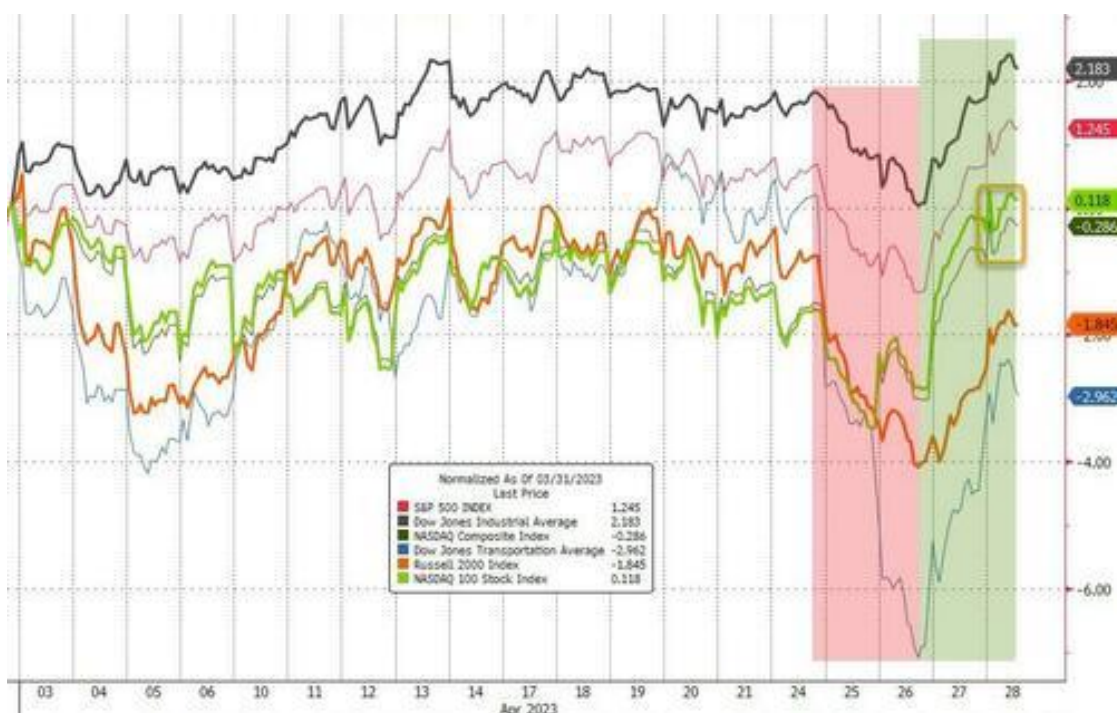
Source: Factset 04/28/2023. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * 4-day performance ending on Thursday.

Source: Edward Jones

#markets

#us #equities #monthly

On the month, Nasdaq's last few days got it back to unchanged while The Dow was the month's biggest gainer and Trannies and Small Caps the biggest losers.



Source: Bloomberg, www.zerohedge.com



#us #equities #ytd

Year-to-date, the Nasdaq continues to roar while the S&P 500 treads water at levels we've seen before...



Source: Bloomberg, www.zerohedge.com

#GLOBALMARKETS WEEKLY WRAP-UP

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29 APRIL 2023



#vix

\$VIX @ \$16.00 is the lowest reading since January 2022.



Source: Javicharts



#sp500 #technicals

April has been the month of stuck...

Much ado about nothing



Source: Refinitiv

Source: TME

#nasdaq #technicals

NASDAQ closed at the highest levels since Aug 2022. Let's see how this plays out, but upside pain remains a huge "issue" for this market.

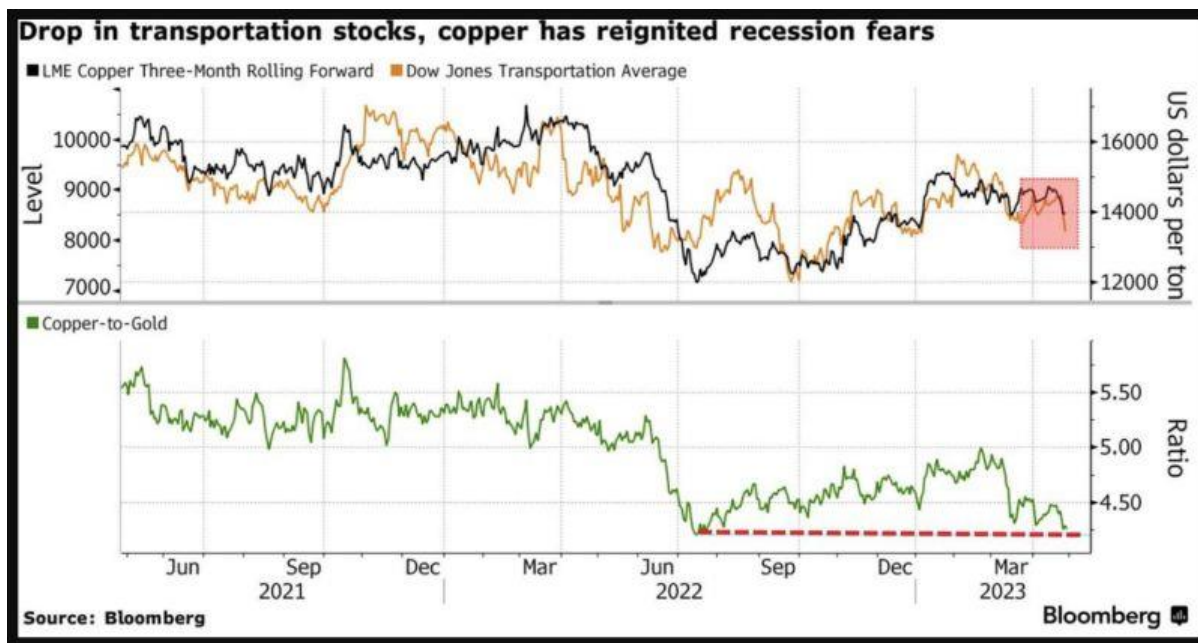


Source: TME



#recession-fears

As Bloomberg notes, the concurrent breakdown in #copper and the Dow Jones Transportation Average is a telling sign that expectations for an economic hard landing have some merit. The copper-to-gold ratio seems to give the same message.



Source: Bloomberg



#us #equities #narrow-leadership

Imagine we didn't have the big five..

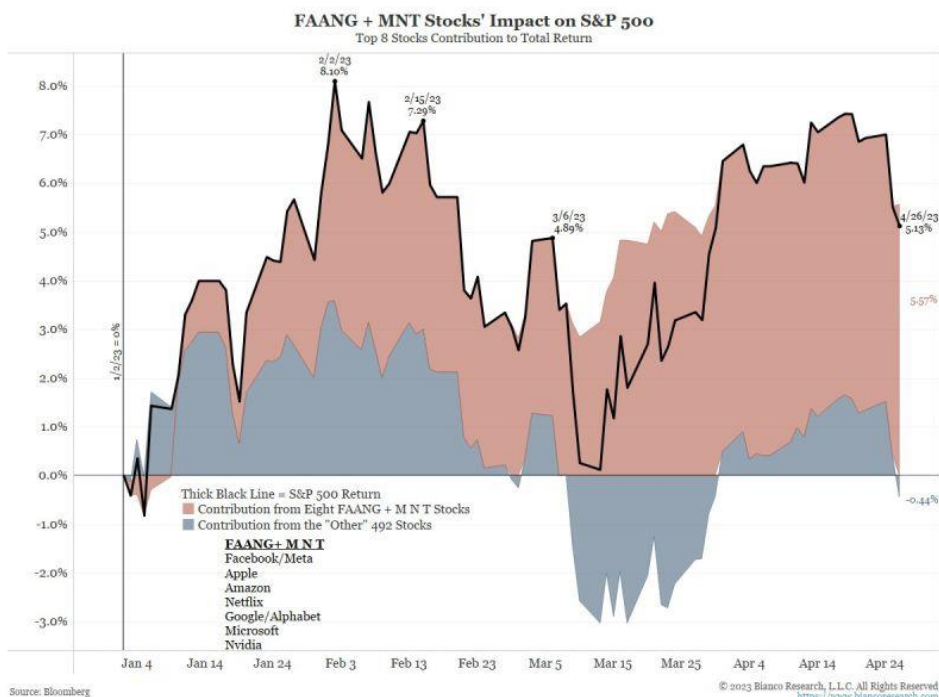


Source: TME, Jefferies



#us #equities #narrow-leadership

The contribution to the year-to-date return of the S&P 500. Through April 26, the year-to-date return S&P 500 (black line) was 5.13%. The top eight FAANG+ M N T (names on the chart) contributed 5.57% to the overall 5.13% of the S&P 500. The "other 492" contributed a -0.44% return to the S&P 500; the "other 492" has collectively dragged the S&P 500 lower. So, what is the message from the stock market? 1) The economy is good as the stock market is up more than 5% after four months or; 2) The economy is suspect as collectively, "other 492" stocks are dragging the S&P 500 lower again this year like last year.

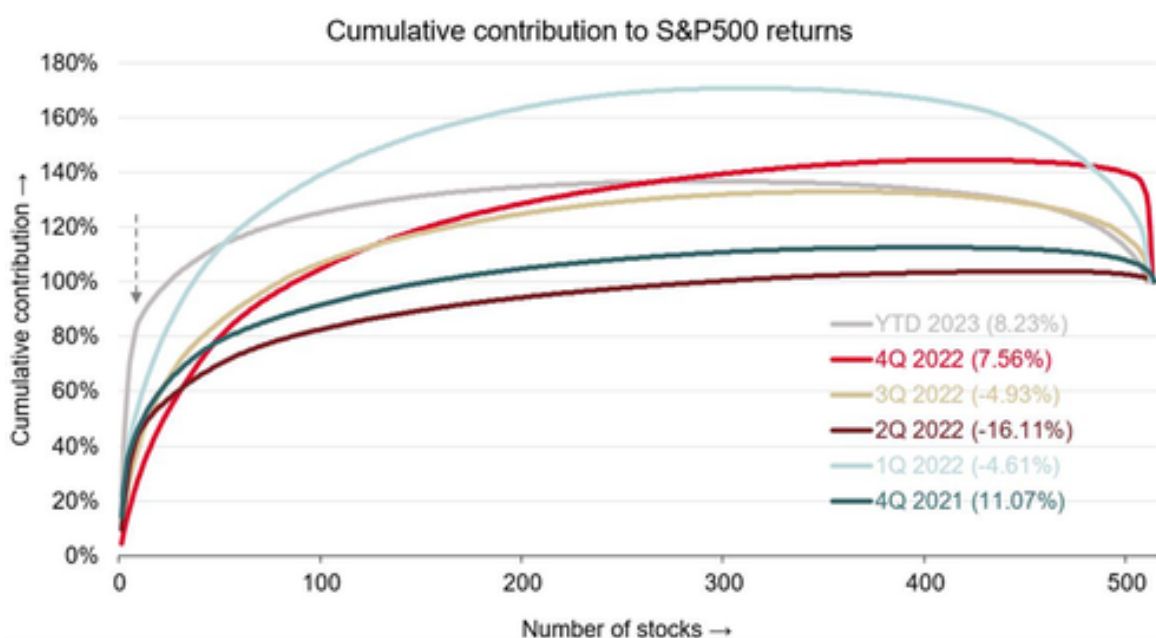


Source: Jim Bianco

#markets

#us #equities #narrow-leadership

We note that the top 10 stocks are responsible for 86% of the overall index return YTD...



Source: www.zerohedge.com, Bloomberg

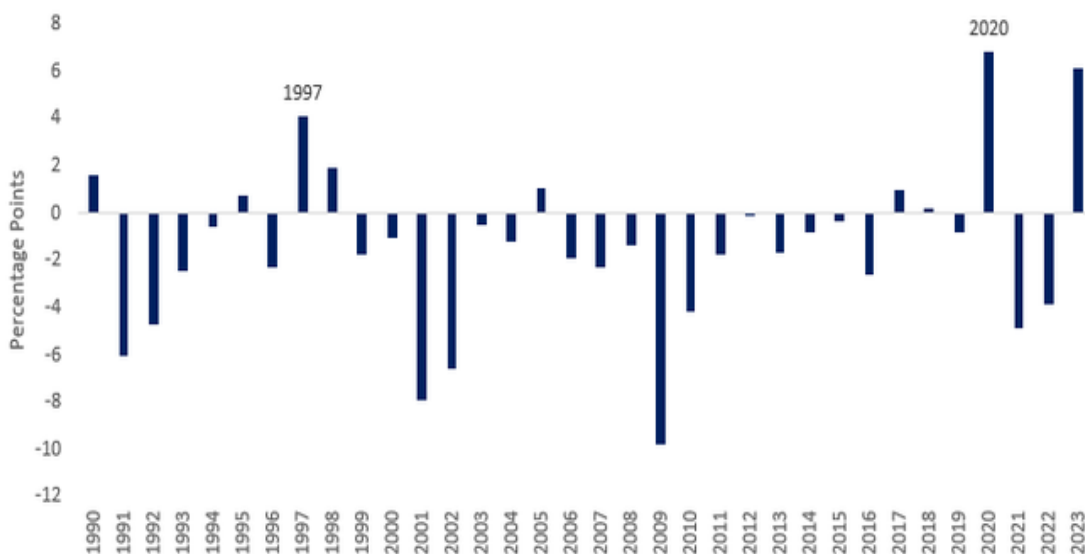


#us #equities #narrow-leadership

It's rare for the cap weighted S&P 500 to outperform the equal-weight S&P by more in the first four months of the year than it is this year. \$SPY \$RSP

Over two-thirds of the time it actually underperforms.

Spread Between S&P 500 Market Cap and Equal Weight Performance YTD Through April



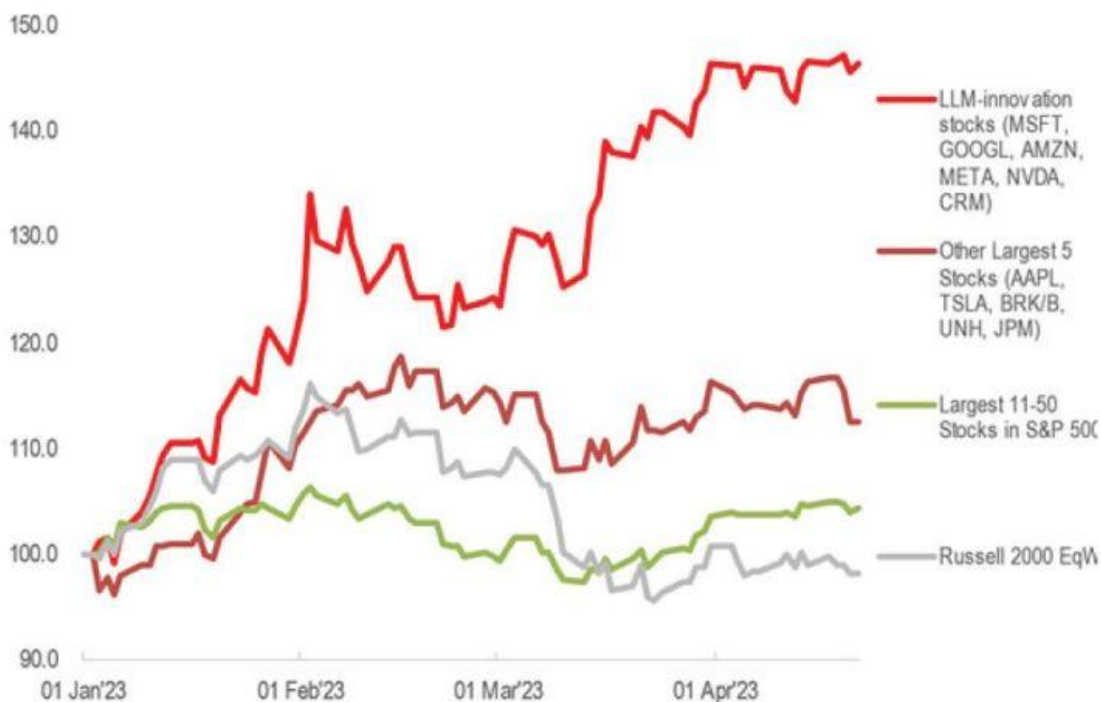
Source: Bespoke



#us #equities #narrow #leadership

According to the JPM strategist, equity upside has been driven by a very narrow growth leadership. Indeed, the interest in Generative AI / Large Language Model theme appears to be stretched with market cap creation of \$1.4t and a gain of ~45% YTD.

Figure 2: AI / LLM Theme Outperformed YTD



Source: JPM

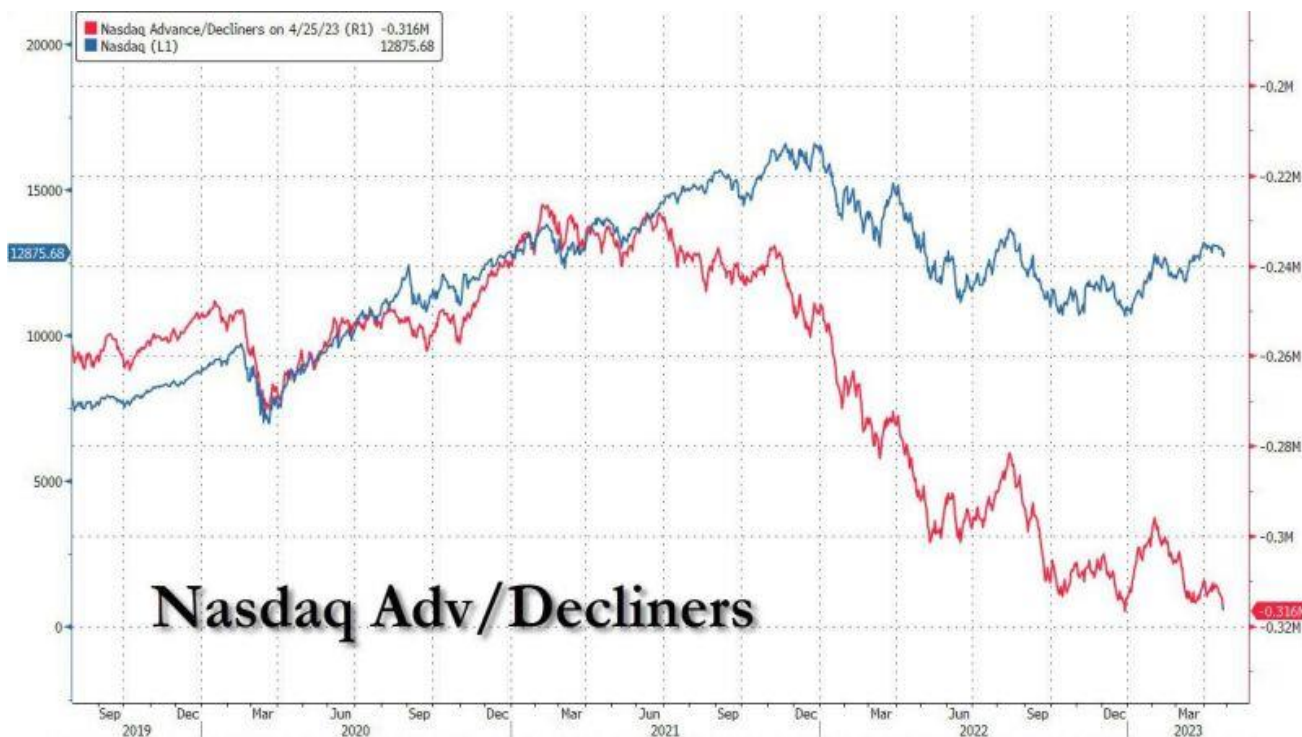


#us #equities #narrow #leadership

WHEN USING ADVANCE/DECLINE LINE, NASDAQ MARKET BREADTH IS THE WEAKEST EVER. In simple words, what is happening underneath the surface (i.e ex-GOOG, MSFT, AAPL) is not great.

In blue: the Nasdaq

In red: the Advance / Decliners line

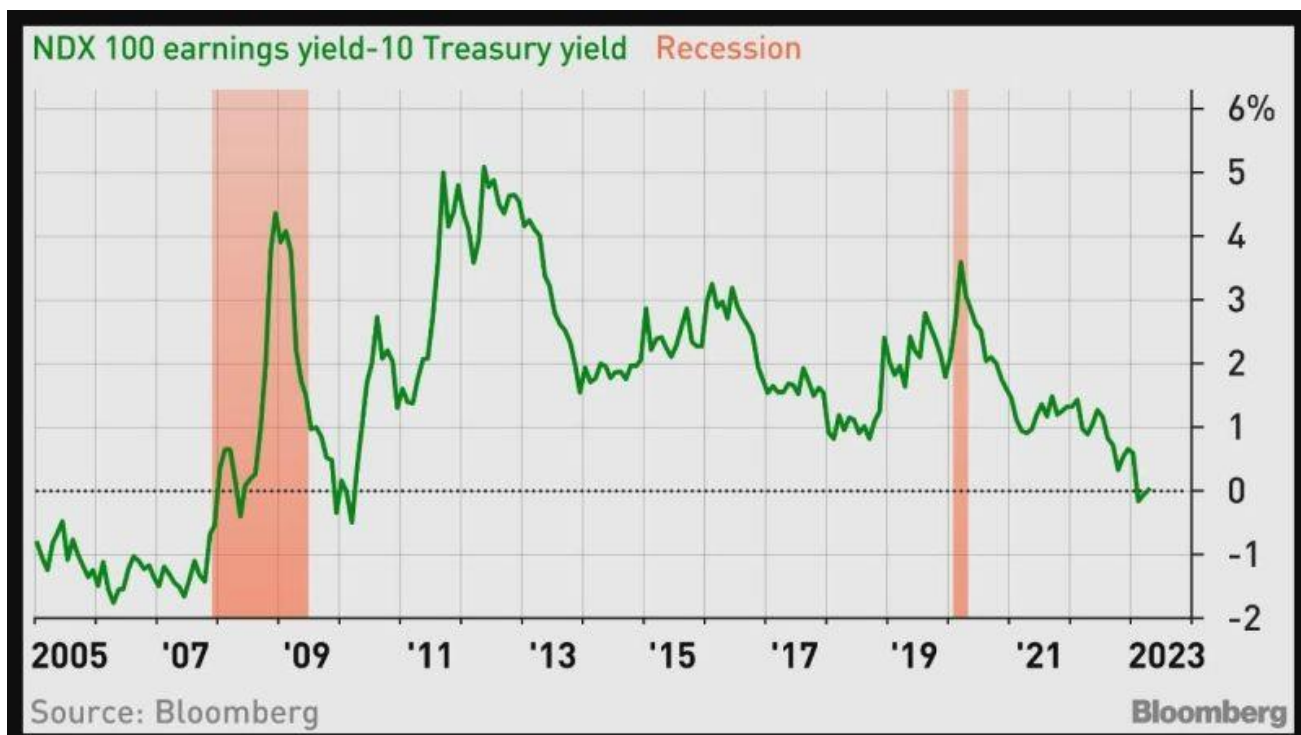


Source: Bloomberg, www.zerohedge.com



#nasdaq100 #valuations

The current #earnings yield on the #nasdaq100 basket is about 3.46%, equivalent to the yield available from 10-year Treasuries. That makes it the smallest equity premium since the early 2010s.

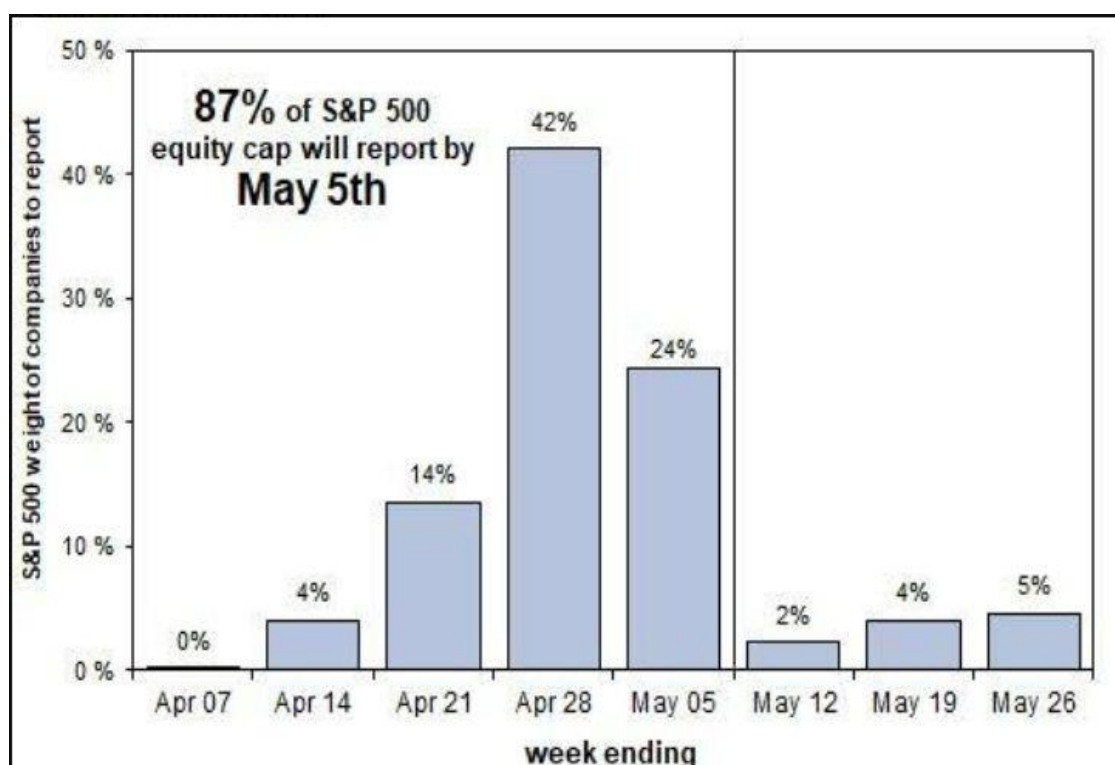


Source: Bloomberg

#markets

#us #earnings

This week accounted for a whopping 42% of S&P 500 market capitalization reporting earnings.

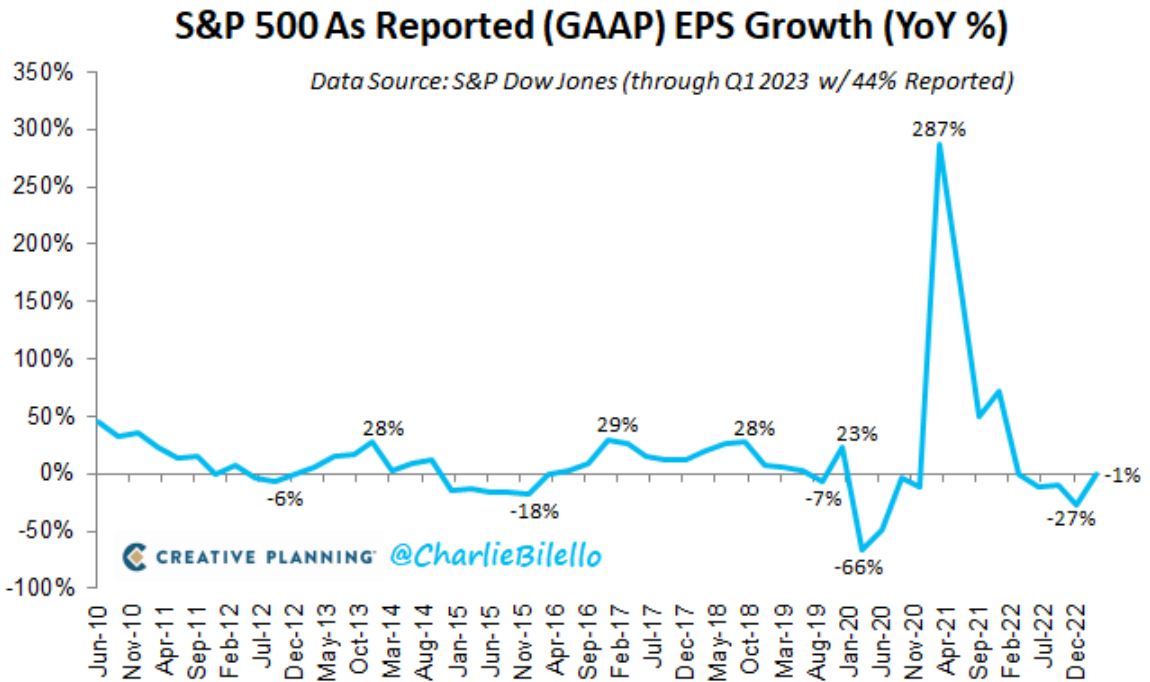


Source: Goldman Sachs



#us #earnings

With 44% of companies reported, S&P 500 Q1 GAAP earnings are down 1% year-over-year, the 4th consecutive quarter of negative YoY growth.



Source: Charlie Bilello

#markets

#us #earnings

T+1 price change based on reporting "surprise" performance.

As usual; do not miss



Source: Morgan Stanley

Source: Morgan Stanley

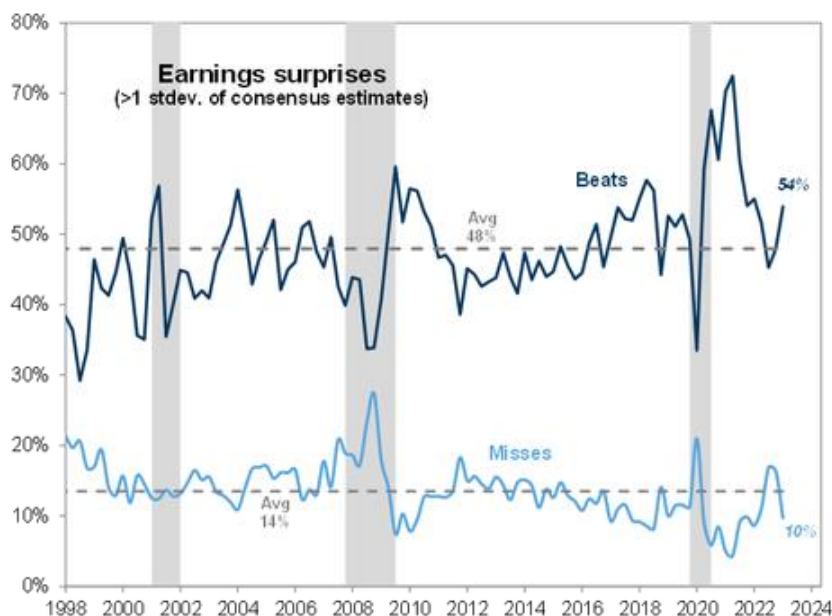


#us #earnings

Consensus expectations were for EPS to fall by 7% year/year, the largest decline since 3Q 2020.

Good News: So far earnings have been much better than feared with 54% of companies beating consensus estimates by at least 1SD (vs historical average of 48%). Only 10% of companies have missed consensus estimates by at least 1SD.

Bad News: The companies that are beating consensus estimates by >1SD are only outperforming the S&P 500 by 40bps on the trading session following earnings. Typically beats outperform the S&P 500 by >100bps. The few companies that are missing these low bars are being severely punished, underperforming the S&P 500 by -290bps vs average of -211bps.



Source: Goldman Sachs

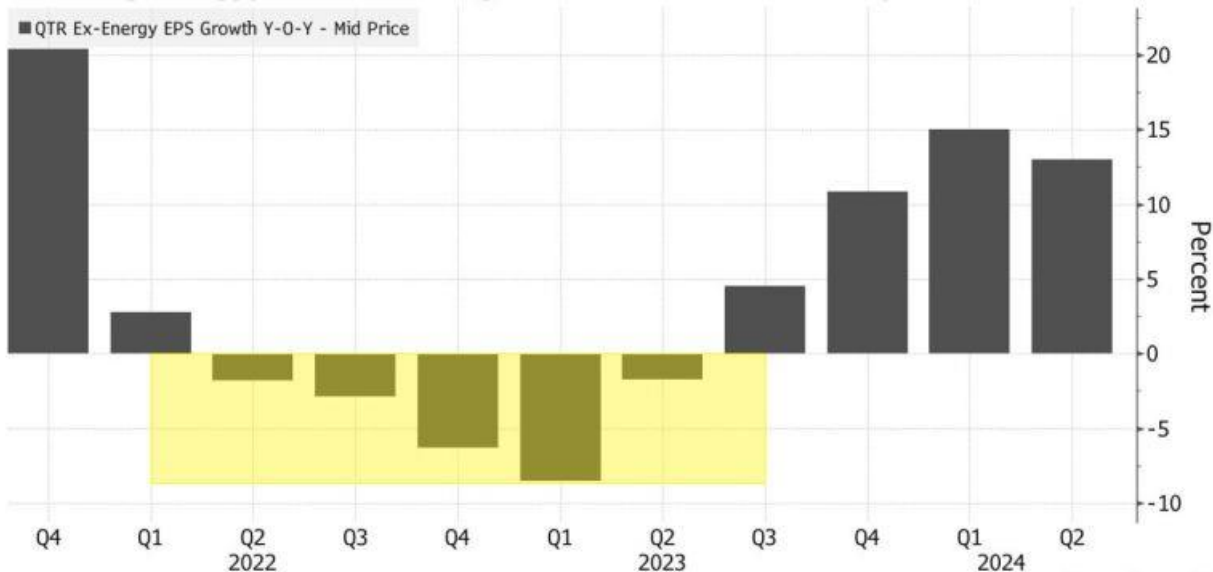


#us #earnings #recession

“Investors are forward looking, and a lot of this ‘earnings recession’ story has already been priced in, so forward guidance is far more important,” said Ken Xuan, Fundstrat Global Advisors’ head of data science research

Earnings Recession Already Here

Excluding energy, S&P 500 EPS growth has contracted for a year



Source: Bloomberg



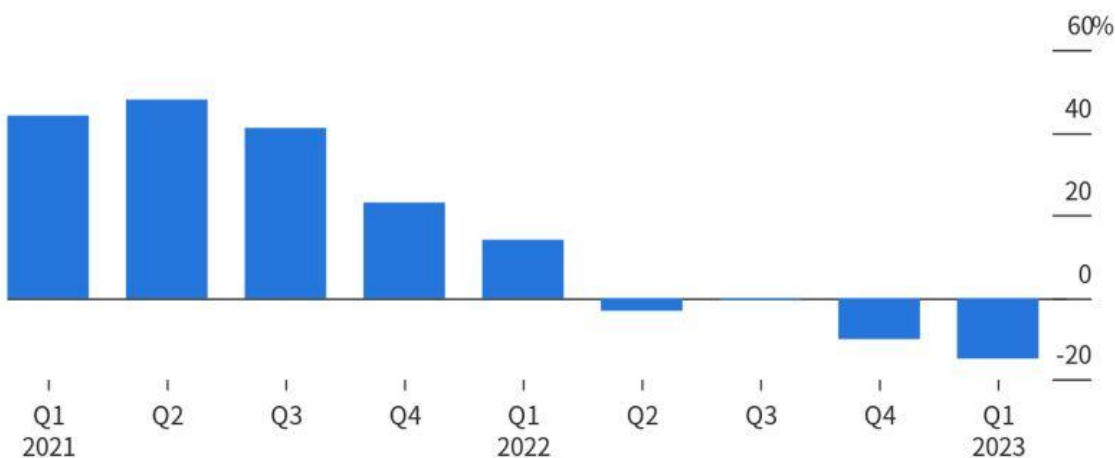
Source: Cheddar Flow, Bloomberg



#us #earnings #technology

Profits for Tech companies in the S&P 500 are projected to fall 15% in Q1, which would be the biggest contraction year-over-year since 2009, according to data compiled by Bloomberg Intelligence. Nevertheless, the largest tech-related companies have been the biggest contributors to the S&P 500's 7% advance this year, by virtue of their size and outperformance. Apple Inc., Microsoft Corp. and Nvidia Corp. alone account for nearly half of the index's gains, according to data compiled by Bloomberg.

Profits for S&P 500 Tech Companies Are Slumping
Year-over-year change in earnings



Source: Bloomberg Intelligence
Q1 2023 data is based on estimates

Bloomberg

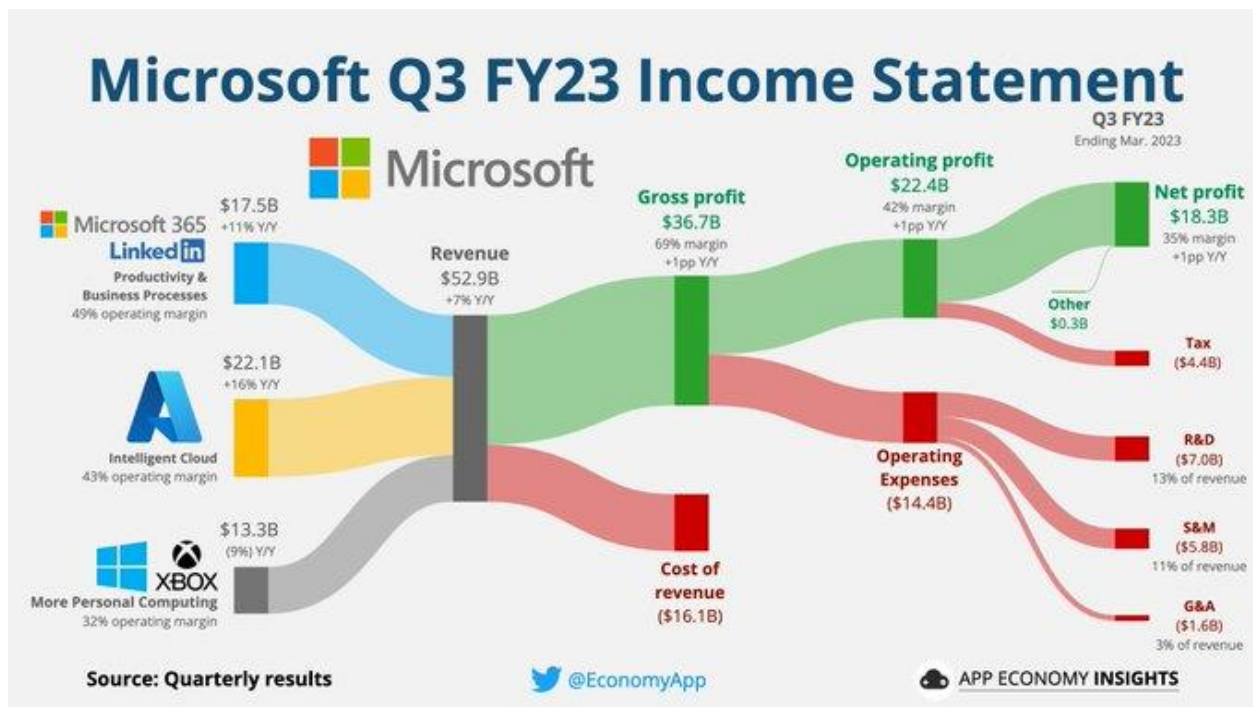
Source: Bloomberg





#microsoft #earnings

\$MSFT Microsoft Q3 FY23: Revenue +7% Y/Y to \$52.9B (\$1.9B beat). Gross margin 69% (+1pp Y/Y). Operating margin 42% (+1pp Y/Y). EPS \$2.45 (\$0.22 beat). Azure +27% Y/Y (+31% fx neutral).



Source: App Economy Insights



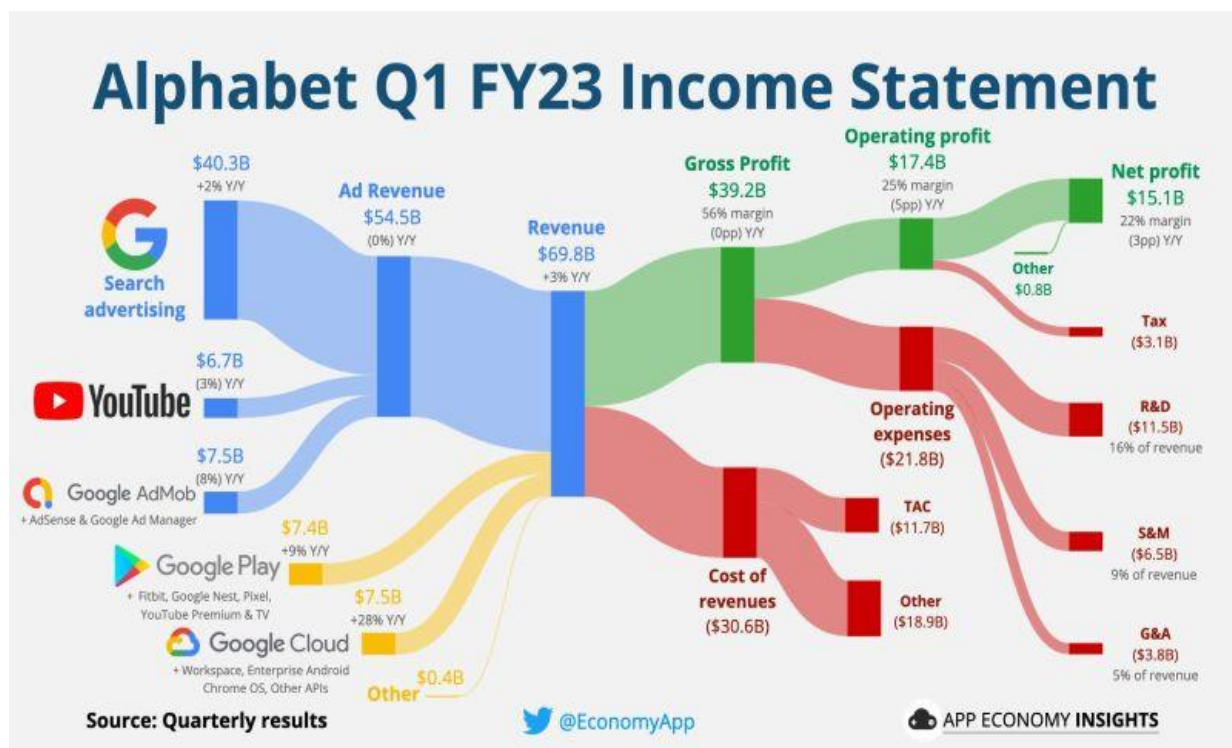
#alphabet #earnings

\$GOOG Alphabet Q1 FY23 in one chart by App Economy Insights: Revenue +3% Y/Y to \$69.8B (\$1.0B beat); Operating margin 25% (-5pp Y/Y); EPS \$1.17 (\$0.10 beat).

YouTube ads -3% to \$6.7B.

Google Cloud: Revenue +28% Y/Y to \$7.5B; Operating margin 3% (+15pp Y/Y).

Stock buyback approved for \$70B.

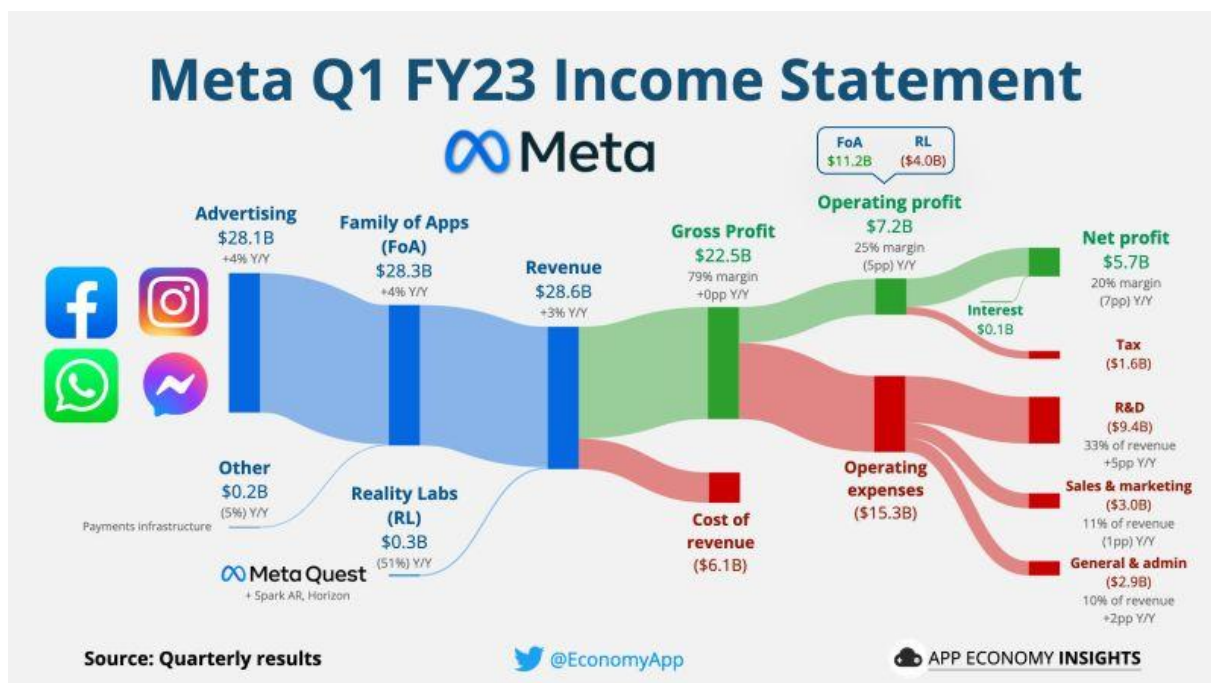


Source: App Economy Insights



#meta #earnings

\$META Meta Q1 FY23 results by App Economy Insights: Daily active people +5% Y/Y to 3.02B; Revenue +3 Y/Y to \$28.6B (\$1.0B beat); Revenue +6% Y/Y fx neutral; Operating margin 25% (-5pp Y/Y); FCF margin 24% (-6pp Y/Y). EPS \$2.20 (\$0.23 beat). Q2 FY23 guidance: Revenue ~\$30.8B (~\$1.3B beat).



Source: App Economy Insights

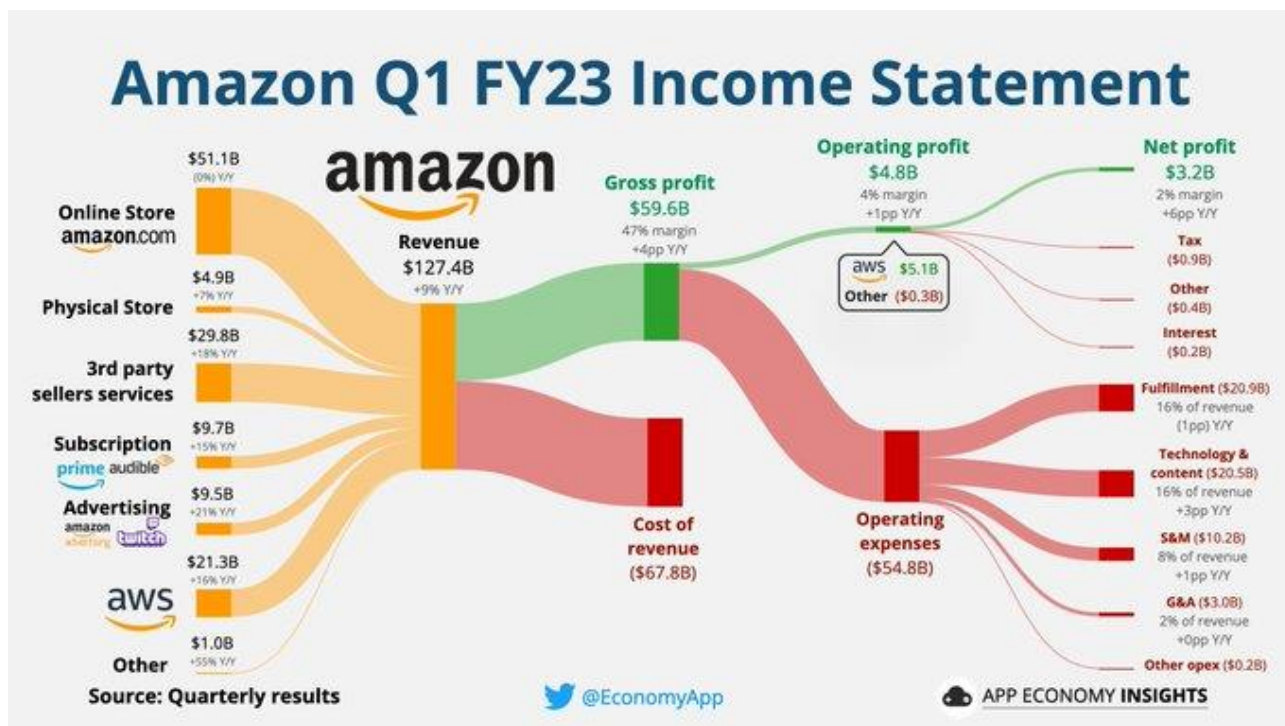


#amazon #earnings

\$AMZN Amazon Q1 FY23: Revenue +9% Y/Y to \$127.4B (\$2.9B beat). Operating margin 4% (+1pp Y/Y). FCF (\$3.3B) TTM. EPS \$0.31 (\$0.11 beat).

AWS: Revenue +16% Y/Y to \$21.4B. Operating margin 24% (-11pp Y/Y).

Q2 FY23 Guidance: Revenue ~\$130B (in-line).

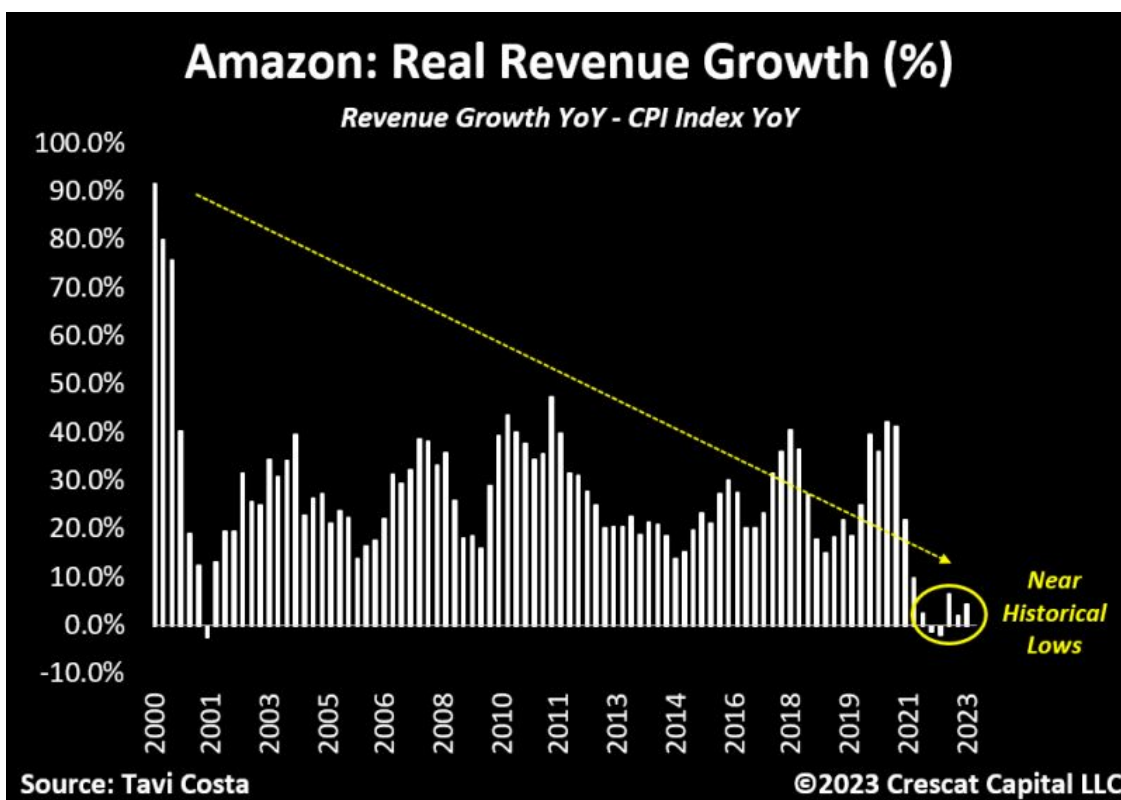


Source: App Economy Insights



#amazon #revenues

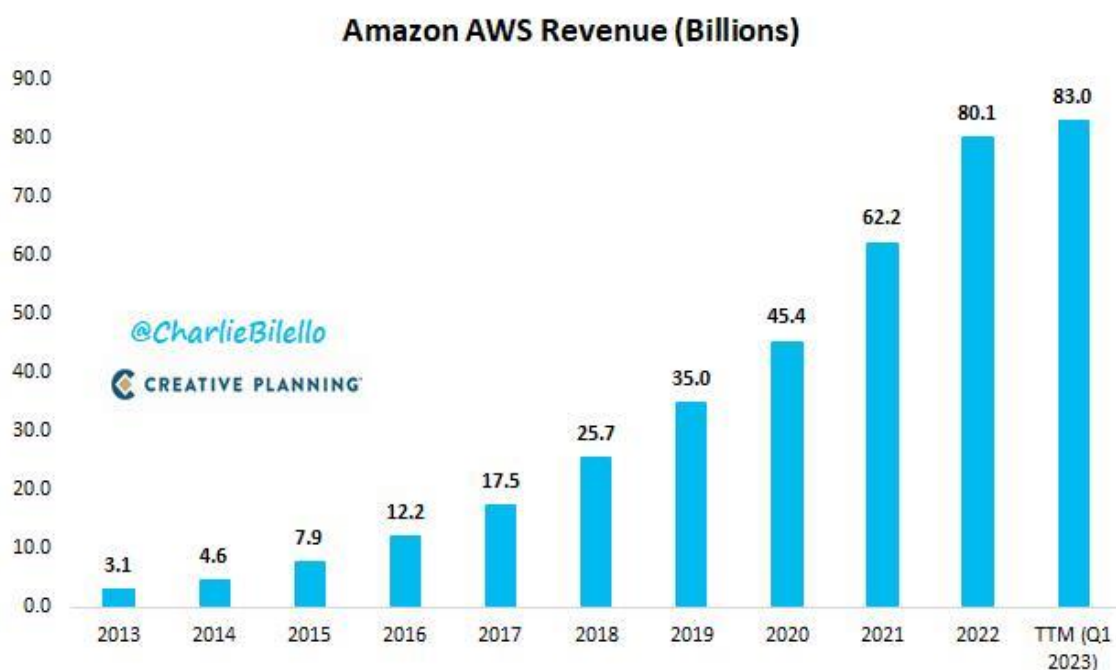
Amazon's earnings just collapsed by ~50% YoY and the stock still trades at 115x earnings with virtually no revenue growth in real terms.



Source: Bloomberg, Tavi Costa

#amazon #revenues

Incredible: Amazon's AWS revenue over the last 12 months (\$83 billion) was higher than the revenue of 460 companies in the S&P 500. From \$3 billion to \$83 billion in less than 10 years (>40% annualized growth)



Source: Charlie Bilello

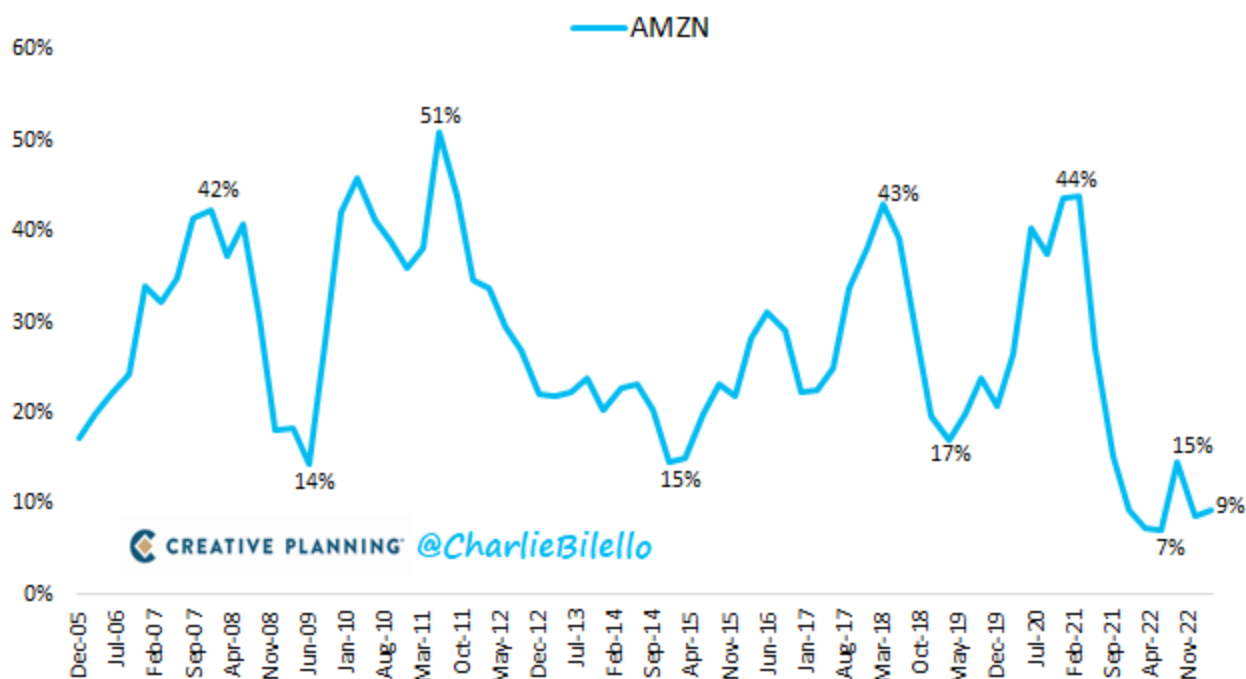


#amazon #revenues

Amazon Q1 revenues beat expectations by \$3 billion, increasing 9% YoY to \$127.4 billion. Net Income was \$3.2 billion vs. a \$3.8 billion net loss in Q1 2022.

Amazon.com: Revenue Growth, Quarterly YoY (%)

Data via YCharts



Source: Charlie Bilello



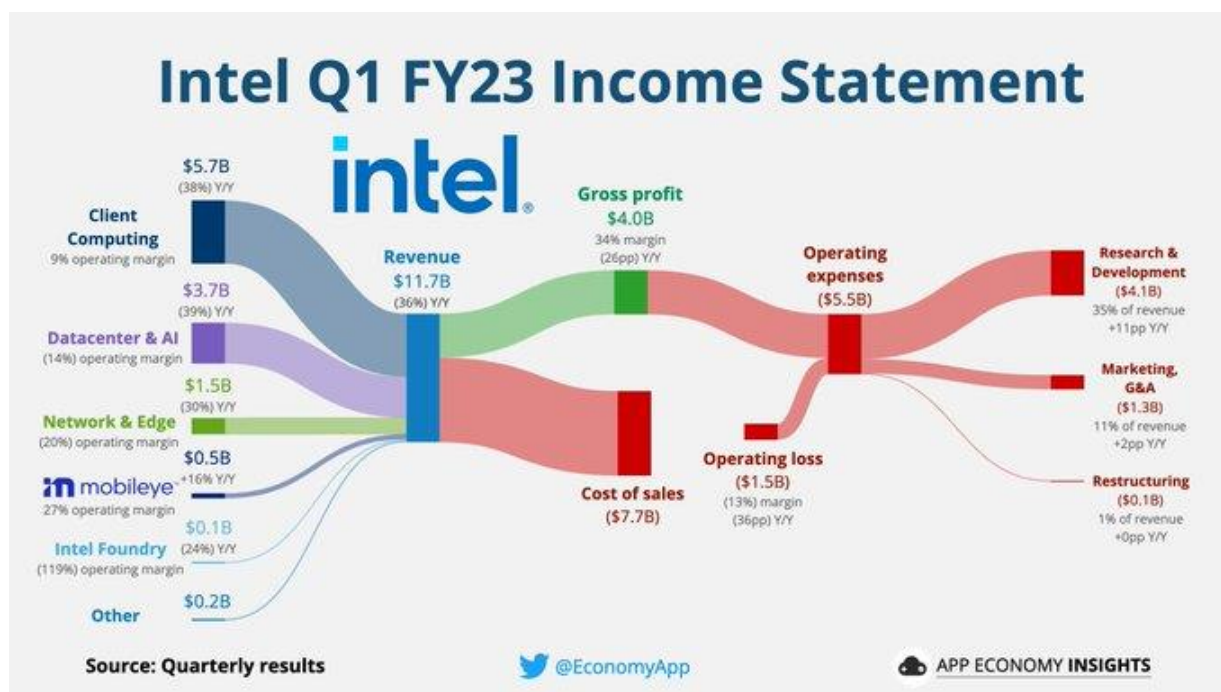


#intel #earnings

\$INTC Intel Q1 FY23: Revenue -36% Y/Y to \$11.7B (\$0.6B miss); Operating loss margin -13% (-36pp Y/Y); Non-GAAP EPS -\$0.04 (\$0.10 beat).

Q2 FY23 Guidance:

- Revenue ~\$11.5B-12.5B (\$11.8B expected).
- Non-GAAP EPS -\$0.04 (\$0.06 miss).



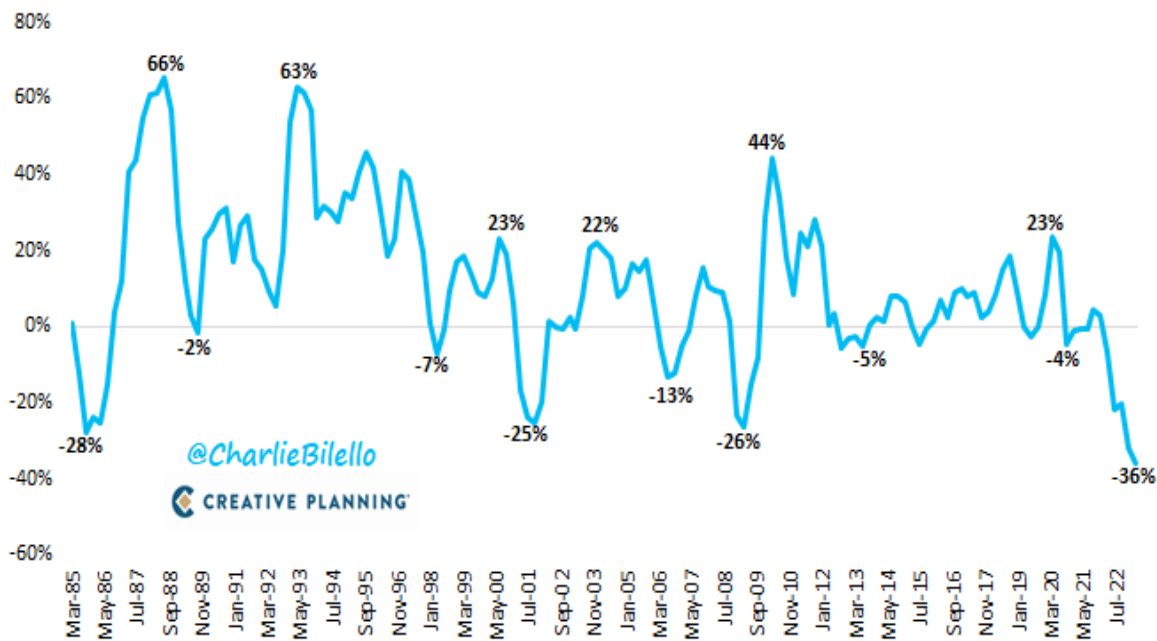
Source: App Economy Insights



#intel #revenues

Intel's Q1 revenues fell 36% vs. the prior year, the largest YoY decline in company history.

Intel Revenue Growth (Quarterly, YoY %)



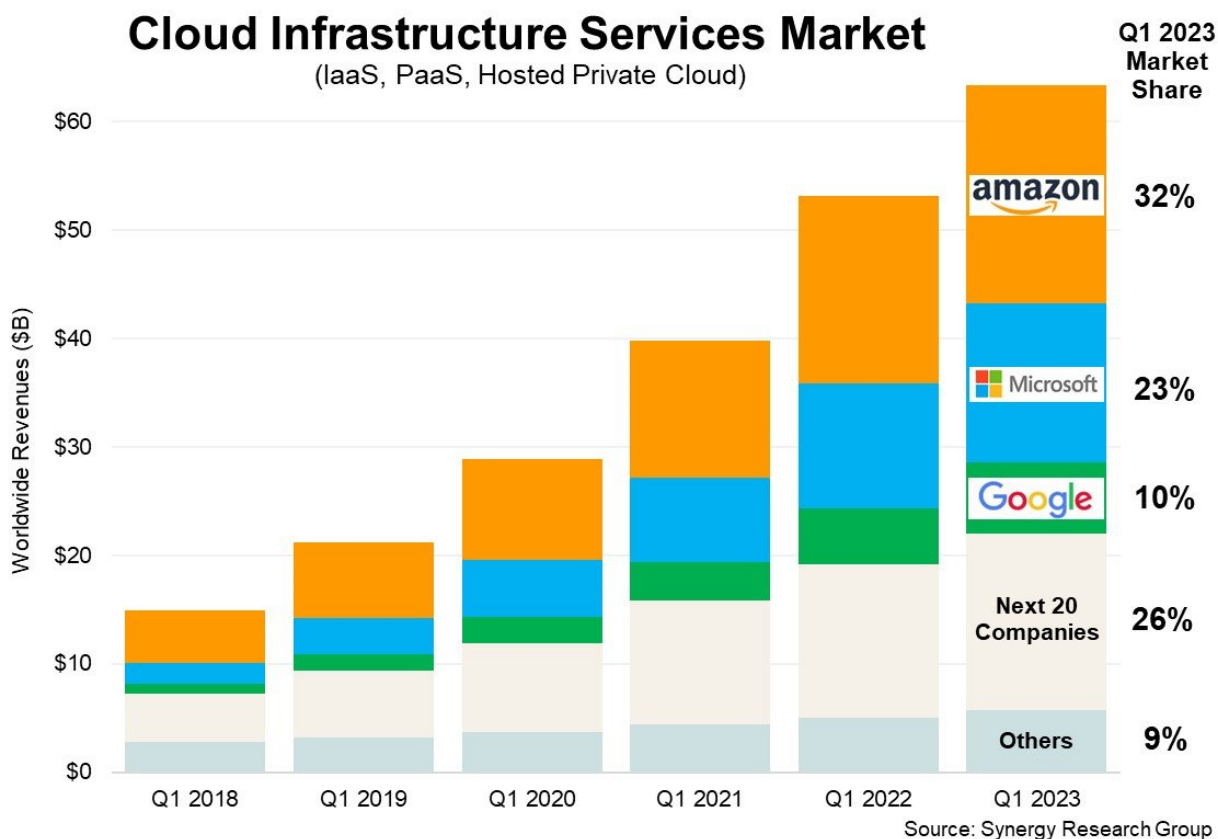
Source: Charlie Bilello



#cloud #market-share

Cloud Infrastructure Services Market: \$64 billion in spending in Q1 2023 → +20% Y/Y and +4% Q/Q.

Market share: \$AMZN AWS 32%; \$MSFT Azure 23%; \$GOOG GCP 10%. Big 3 = 65% of the market.

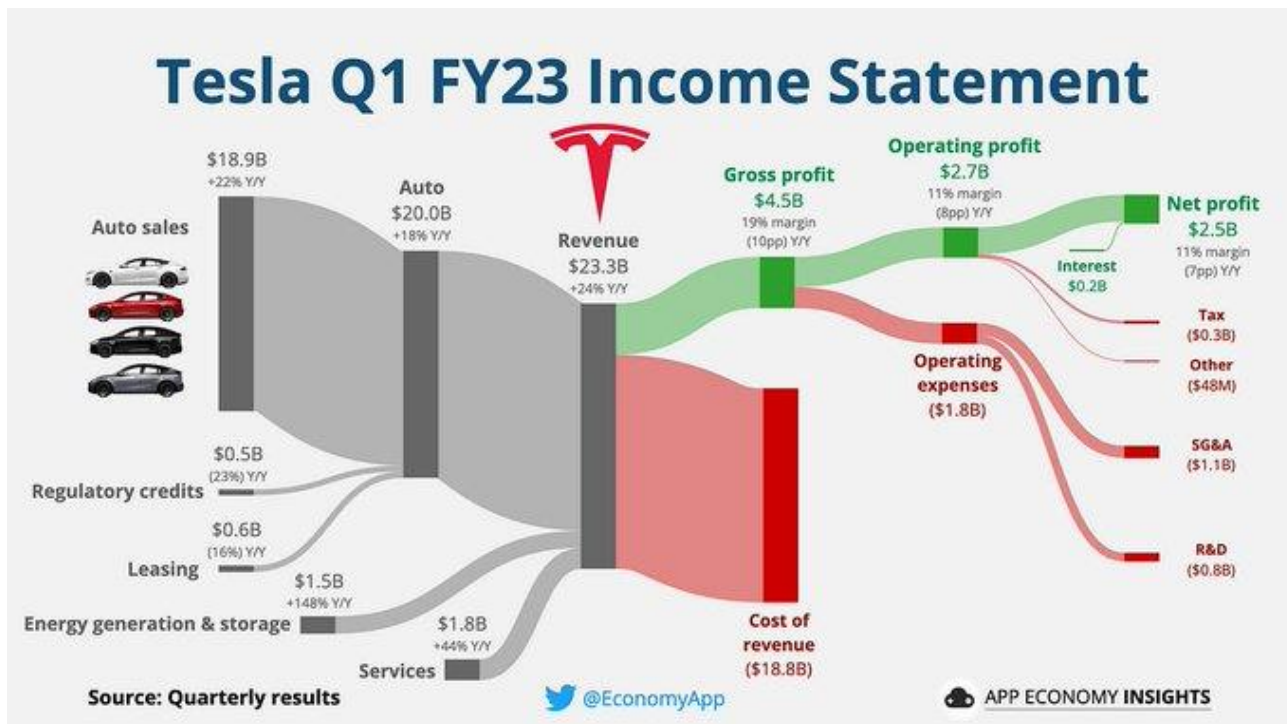


Source: App Economy Insights, Synergy Research Group



#tesla #earnings

Revenue grew +24% Y/Y to \$23.3 billion (\$60 million miss). Gross margin was 19% (-5pp Q/Q, -10pp Y/Y). Operating margin was 11% (-5pp Q/Q, -8pp Y/Y). EPS (non-GAAP) was \$0.85 (in-line).



Source: App Economy Insights



#apple #technicals

Can Apple break it? Apple has rallied 35% since January 2023 ! Will it be able to break January 2022 major resistance downtrend ?

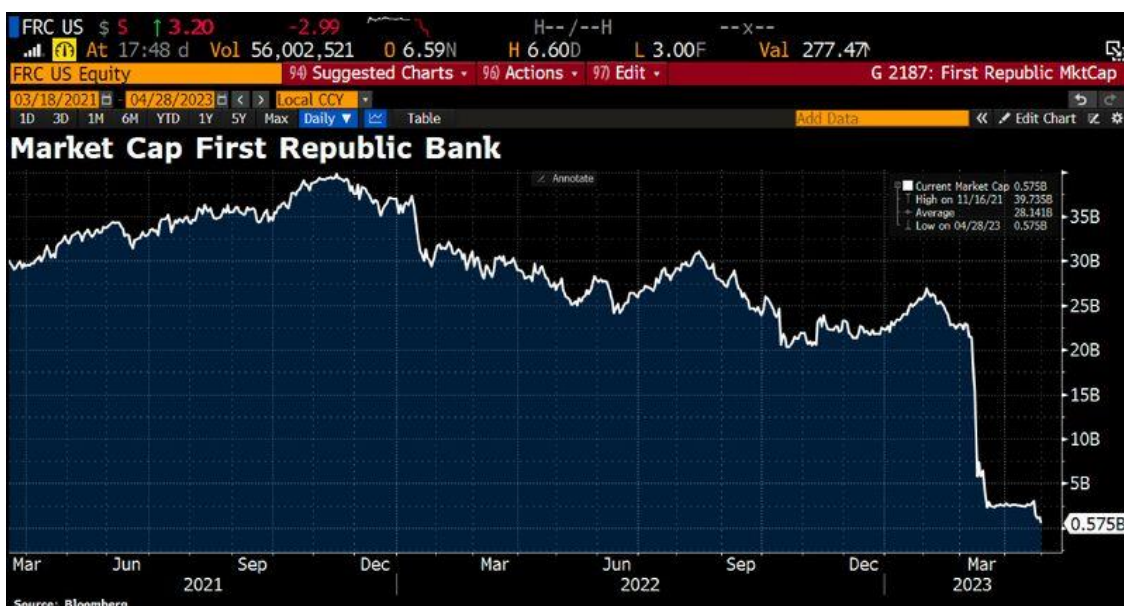


Source: Bloomberg



#first-republic

First Republic dropped another 50% on Friday as hopes of rescue deal fade. Sources told CNBC that the most likely outcome for the troubled bank is for FDIC to take it into receivership. The stock has fallen more than 90% this year as investors have lost confidence in the bank after two regional lenders failed in March. Other banks are being asked by the FDIC for potential bids on First Republic if the bank was seized by the regulator, sources told Faber. There is still hope for a solution that doesn't include receivership, according to those sources. First Republic told Faber on Friday that "we are engaged in discussions with multiple parties about our strategic options while continuing to serve our clients."



Source: Bloomberg, HolgerZ





#us #equities #seasonality

Sell in May an Go Away ?

The May - Oct period isn't good historically for stocks, up only 1.7% on avg. But the past decade these six months have been lower only twice and up nearly 5% on average

Stocks Don't Always Sell In May, Especially Lately

S&P 500 Index Returns Past 10 Years (May - October)

Year	Sell In May Return
2013	10.0%
2014	7.1%
2015	-0.3%
2016	2.9%
2017	8.0%
2018	2.4%
2019	3.1%
2020	12.3%
2021	10.1%
2022	-6.3%
Average	4.9%
% Higher	80.0%

Source: Carson Group, FactSet 4/25/2023 (1950 - Current)
@ryandetrick

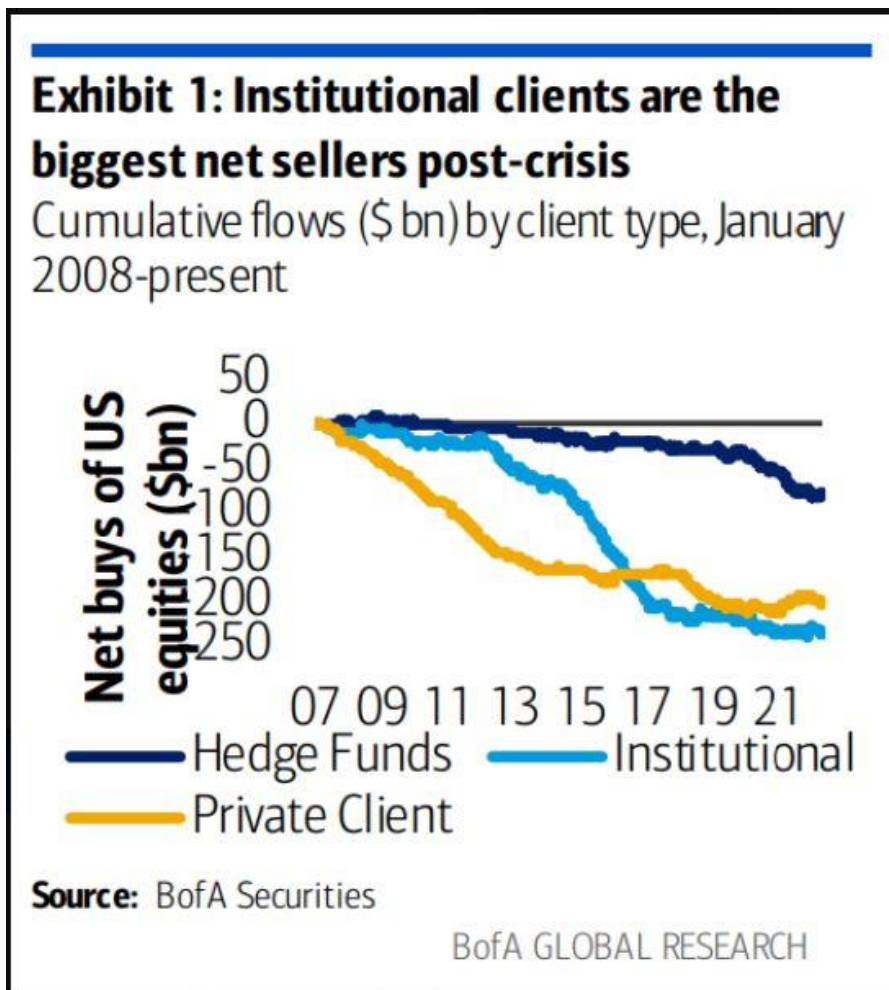


Source: Ryan Detrick



#investors #flows

Hedge funds and stock buybacks pump \$2.3 billion into stocks
Investors bought U.S. stocks for the first time in a month last week, as purchases by hedge funds outweighed continued selling by institutional and retail traders, according to Bank of America Corp. client flow data.



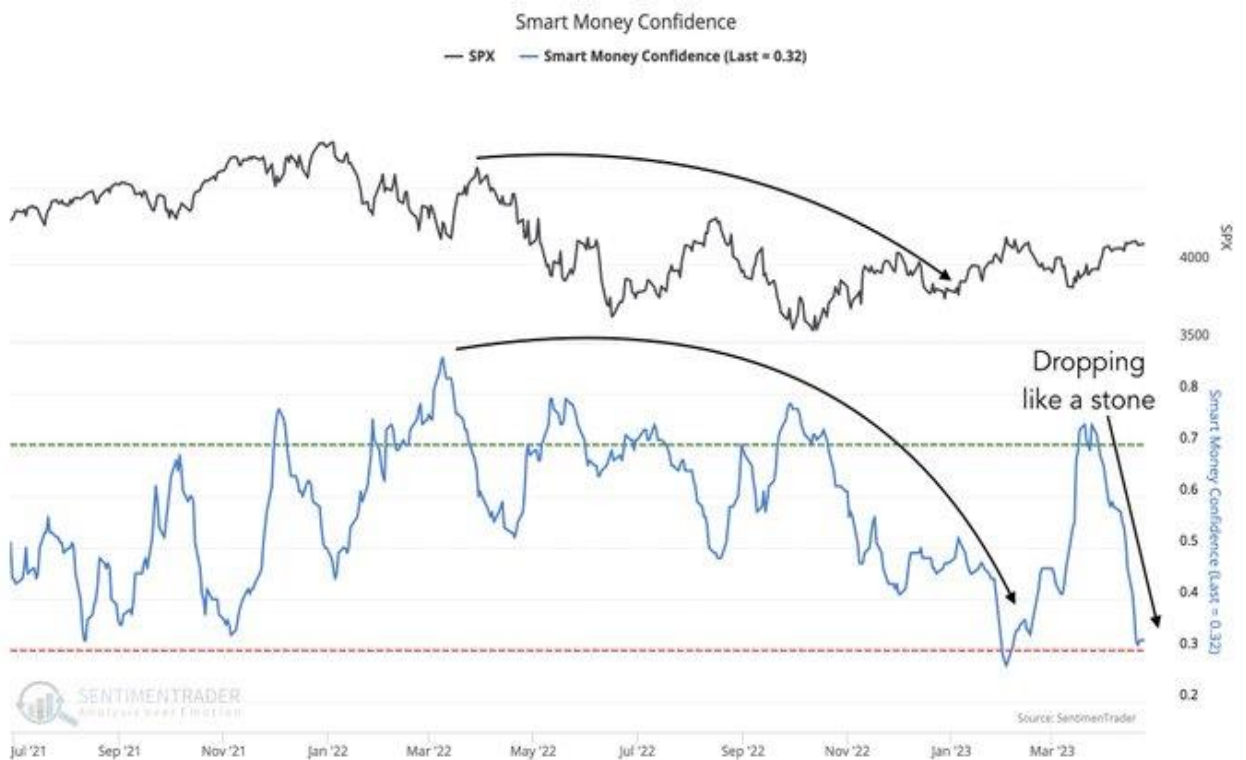
Source: BofA





#smart-money

This is a major warning signal for the stock market. Smart money confidence has been dropping like a stone



Source: Game of Trades

#GLOBALMARKETS WEEKLY WRAP-UP

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#markets

#lvmh

This is not a cryptocurrency, US #debt or a new artificial intelligence stock. This is Louis Vuitton (LVMH) long-term chart...



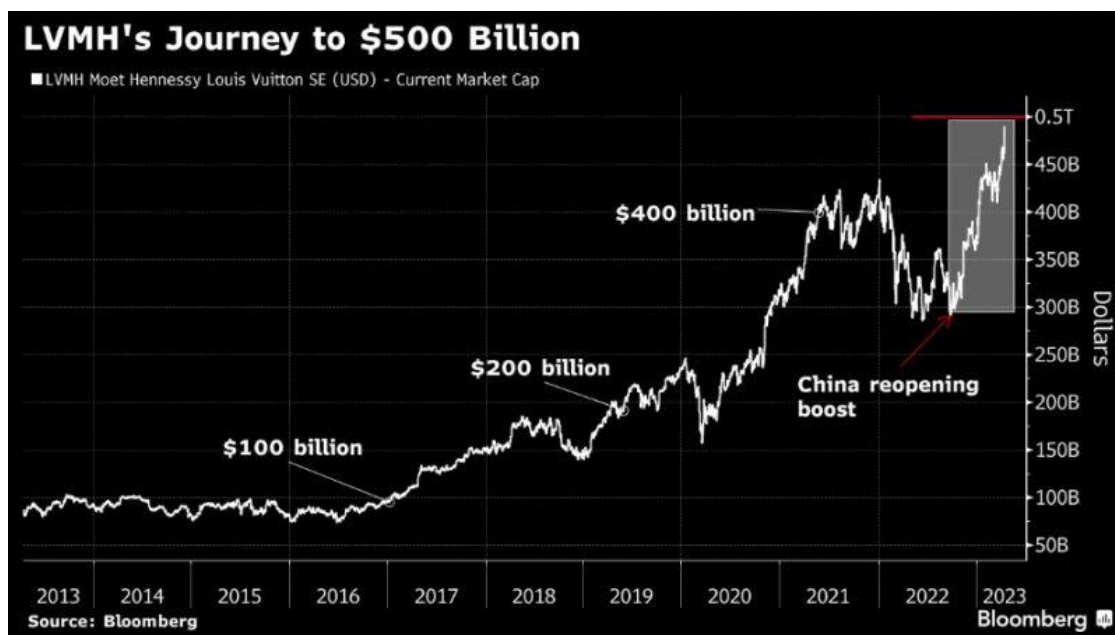
Source: TME



#lvmh

Luxury goods giant LVMH becomes the first European company to surpass \$500 billion in market value, thanks to booming sales of luxury goods in China & a strengthening Euro, BBG reports. The achievement comes less than 2 weeks after LVMH joined ranks of the world's 10 biggest companies.

The parent company of Louis Vuitton, Moët & Chandon and Hennessy as well as brands including Givenchy, Bulgari and Sephora stores, reported a 17% rise in first-quarter sales earlier this month, more than double analyst expectations. Its shares hit a record high following the results, and hit another high on Monday.



Source: Bloomberg





#european #banks #santander

Should we start to worry about European #banks as well? Shares of Banco Santander plunges 5% due to outflows of Spanish deposits.



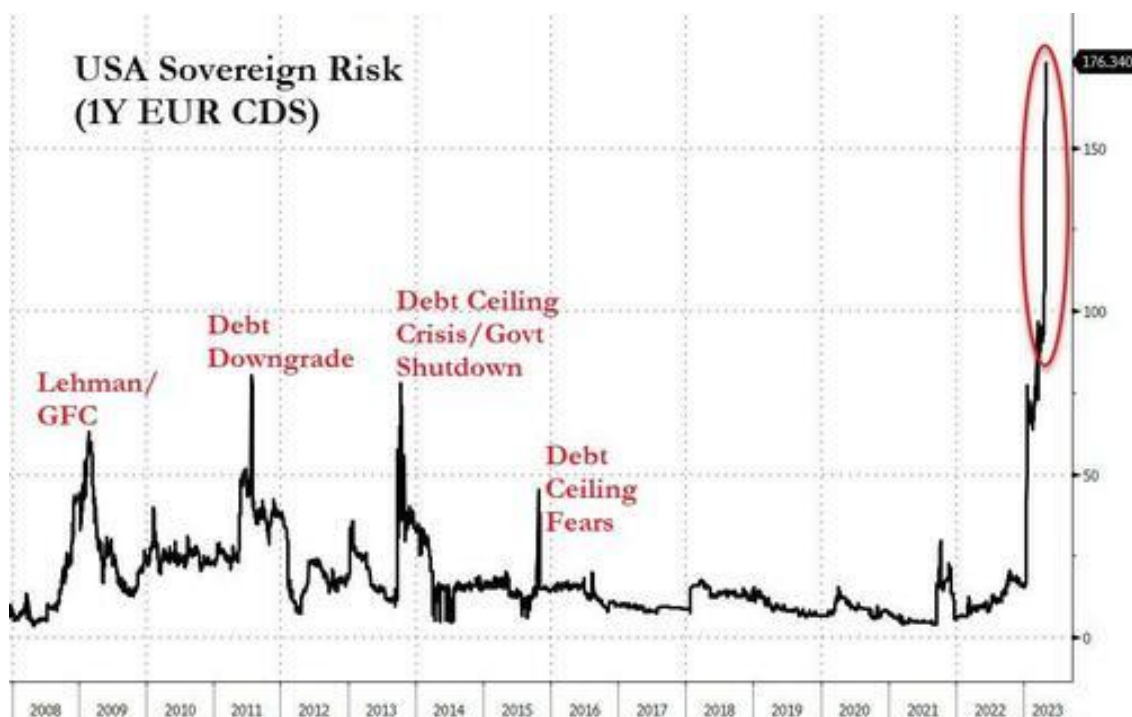
Source: HolgerZ, Bloomberg





#us #cds

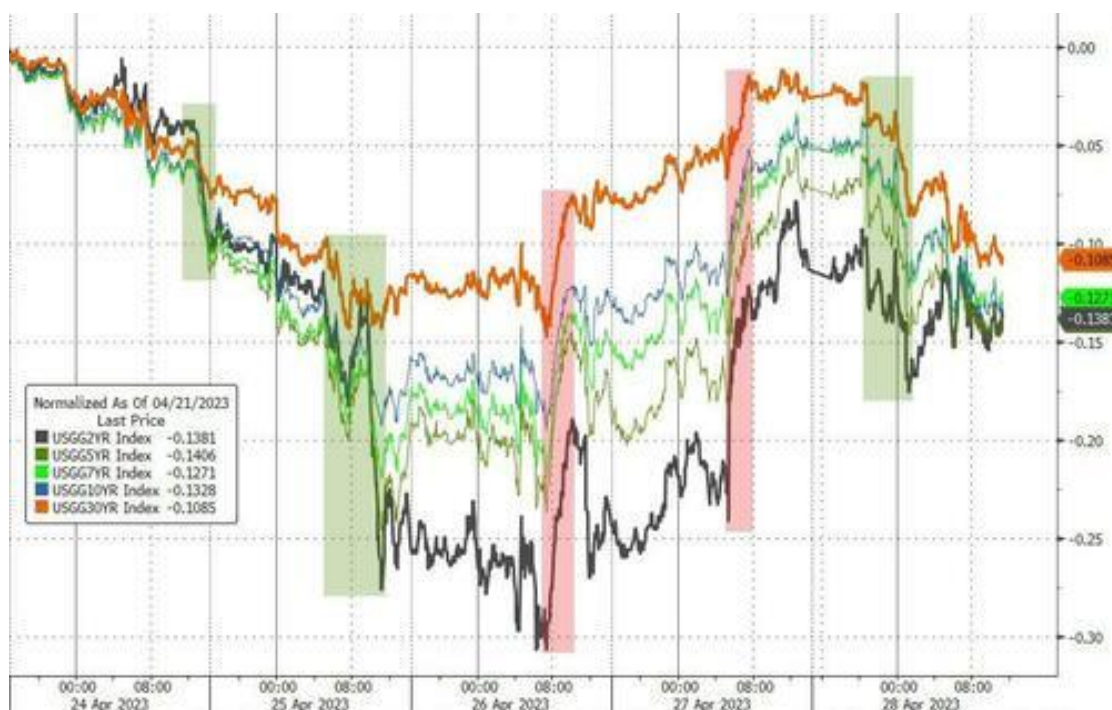
Is a US default looming?



Source: www.zerohedge.com, Bloomberg

#us #treasuries #weekly

While stocks were higher on the week, bond yields ended the week lower with the entire curve down around 11-13bps by the end, as mid-week underperformance of the long-end compressed...



Source: www.zerohedge.com, Bloomberg

#markets

#us #treasuries #monthly

On the month the picture was even less distributed with yields practically unchanged (belly modestly outperforming as wings underperform).

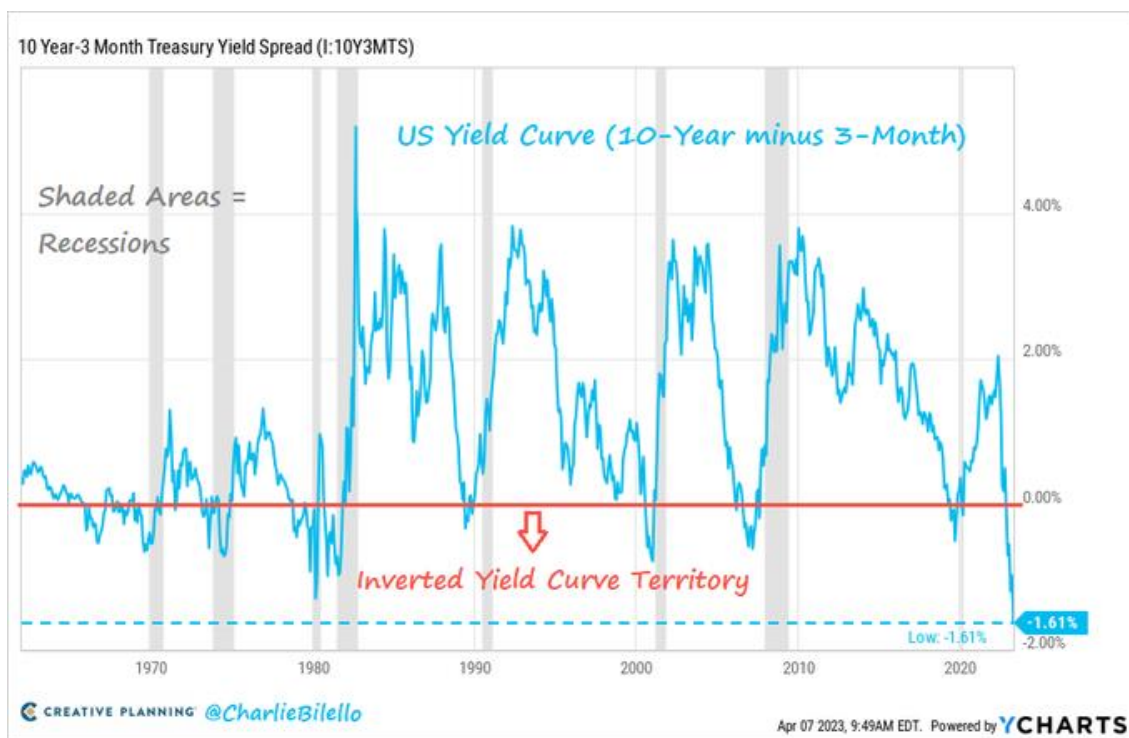


Source: www.zerohedge.com, Bloomberg



#us #yield-curve

The US Yield curve (10-year minus 3-month) has been inverted since last October...



Source: Charlie Bilello

#markets

#uk #rating

UK Ratings Outlook Revised to Stable From Negative by S&P. The credit assessor affirmed the country's AA rating. "We expect the U.K. economy to contract modestly this year, but we believe near-term downside economic risks have reduced," S&P said in a statement. "The government's decision to abandon most of the unfunded budgetary measures proposed in September 2022 has bolstered the fiscal outlook," as has a drop in energy prices. Still, medium-term growth will be below historical averages, S&P said.



Source: Bloomberg

#us #dollar #reserve-status

Billionaire investor Stanley Druckenmiller is betting against the US dollar as his only high-conviction trade in what he believes is the most uncertain environment for markets and the global economy in his 45-year career. Druckenmiller, who as George Soros's right-hand man helped break the Bank of England in an assault on the pound in 1992, said he felt confident taking a negative position against the greenback because of his dim view of US policymaking.

Druckenmiller takes aim at dollar in sole conviction trade

Billionaire investor says last year's dollar rally was the 'biggest miss' of his career



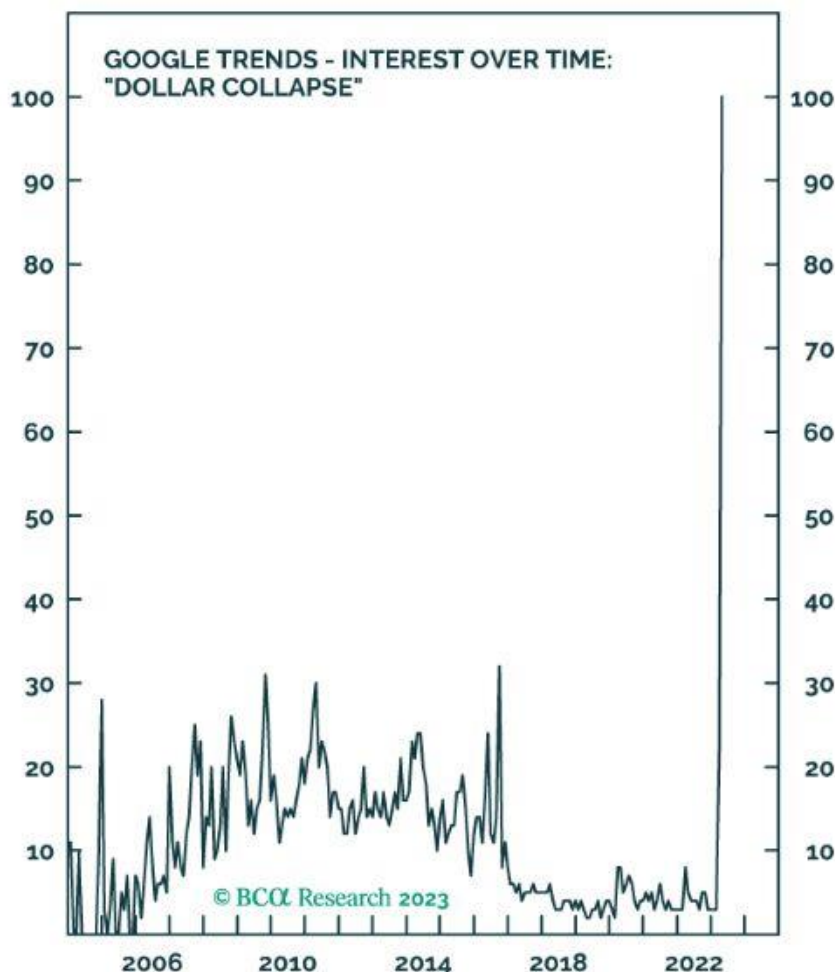
Stanley Druckenmiller says current market conditions and the global economy are more uncertain than at any time in his 45-year career © Victor J Blue/Bloomberg



#us #dollar #reserve-status

TOO MUCH BEARISHNESS ON THE DOLLAR? The dollar index (\$DXY) is down 11% from September's peak while mentions of a “dollar collapse” have proliferated on google search.

The Talk Of Barber Shops And Cab Rides



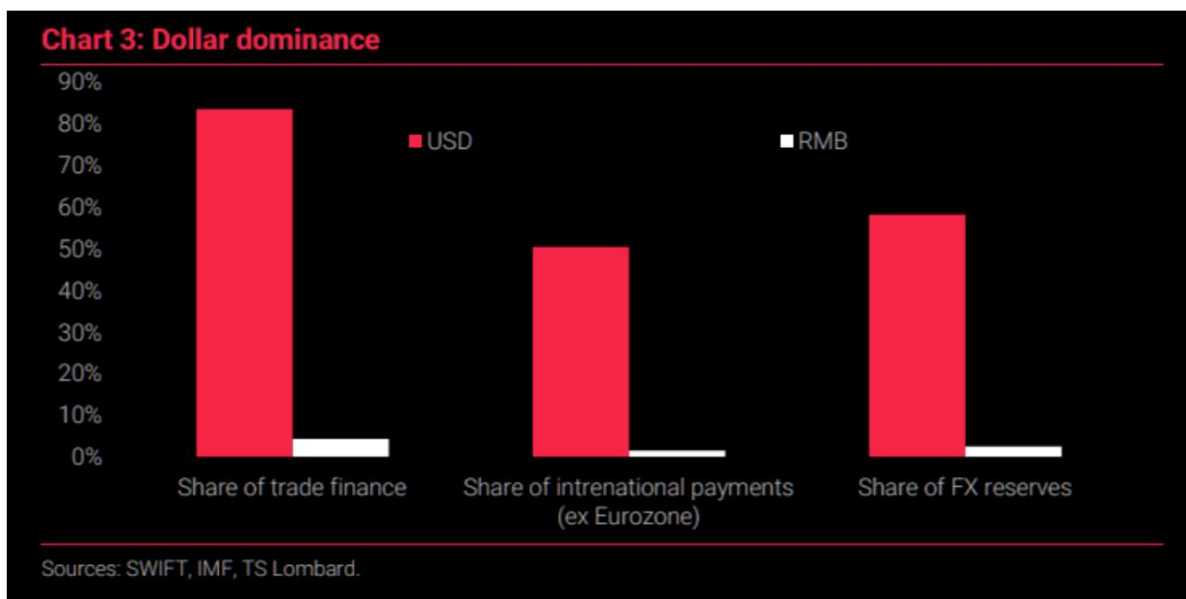
Source: BCA Research



#us #dollar #reserve-status

Long live the dollar. Mighty Yuan has a bit of catching up to do...

The dollar is dead



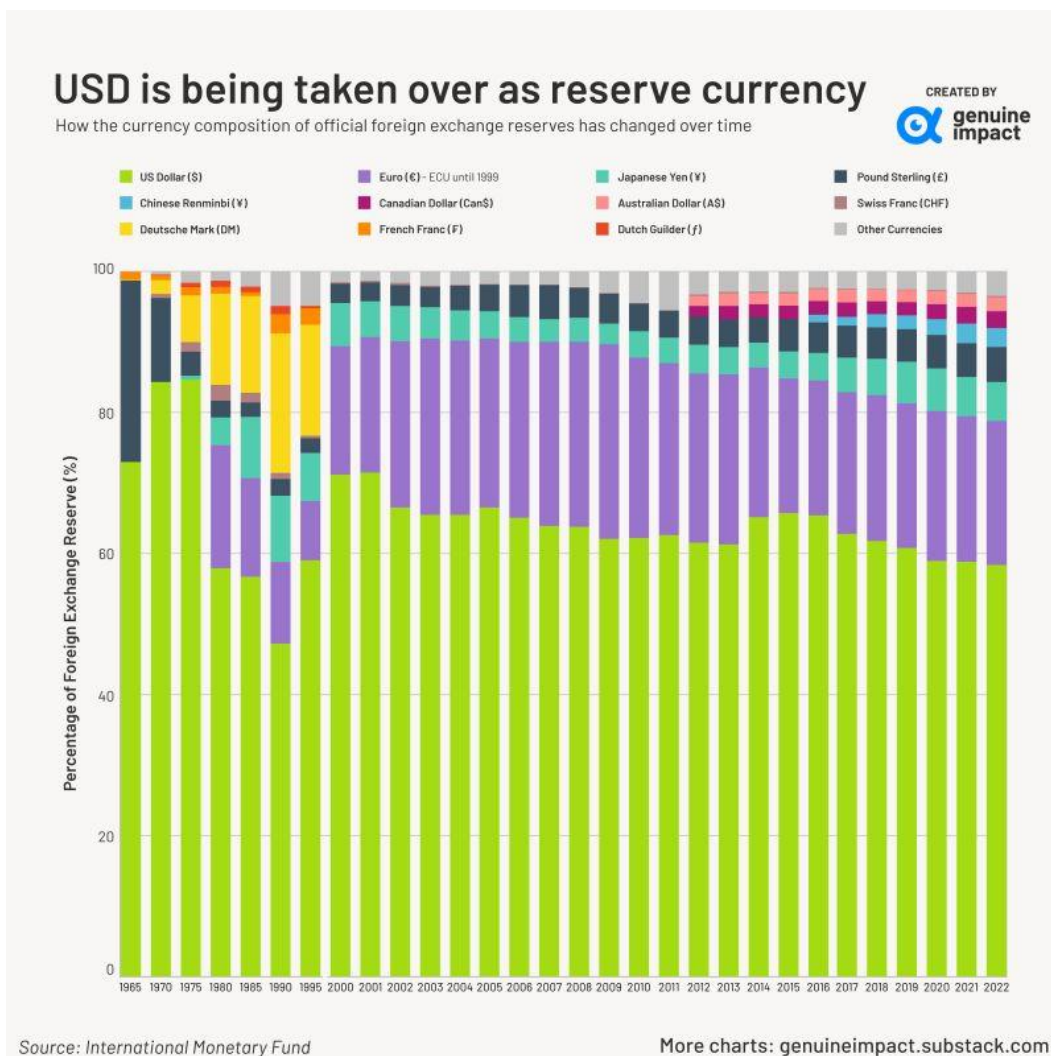
Source: TS Lombard

Source: TS Lombard



#us #dollar #reserve-status

Visualising reserve currencies mix over time by Genuine Impact. Will the USD continue to prevail as the main reserve currency, or will other contenders rise to challenge its position?

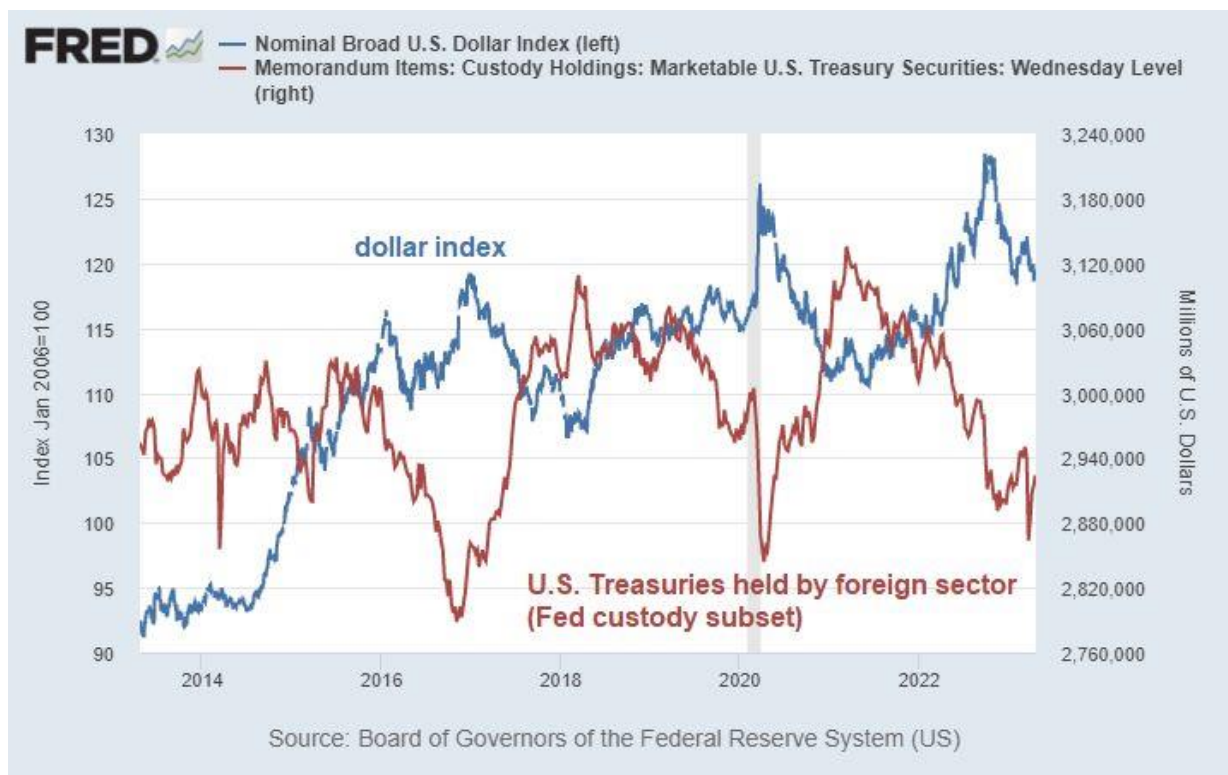


Source: Genuine Impact



#us #dollar #reserve-status

FOREIGNERS ARE NOT BUYING THE DOLLAR DIP... Usually when the dollar index drops significantly after a spike like it has since September 2022, the foreign sector re-accumulates US Treasuries that they had sold during the spike. They didn't this time. Will they do if the dollar has another down-leg? Let see

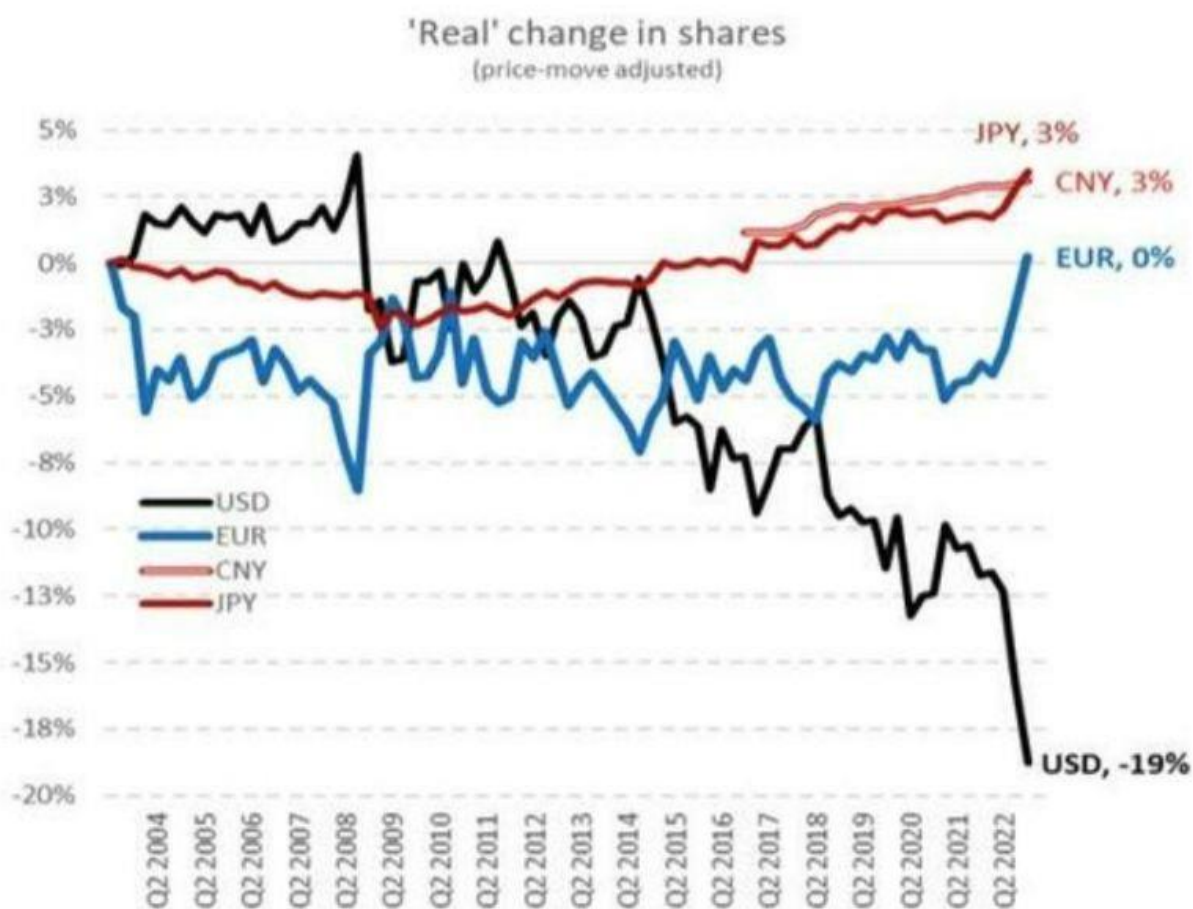


Source: Lyn Alden



#us #dollar #reserve-status

DE-DOLLARIZATION: THE GREENBACK MIGHT BE LOSING ITS RESERVE STATUS AT A FASTER PACE THAN GENERALLY ACCEPTED.



Source: Eurizon SLJ Capital



#chinese-yuan

Chinese Yuan overtakes the US dollar as most-used currency in China's cross-border transactions for the first time in history. Yuan-share rose to a record high of 48%, UP from nearly zero in 2010. U.S-share declined to 47%, DOWN from 83% over the same period.

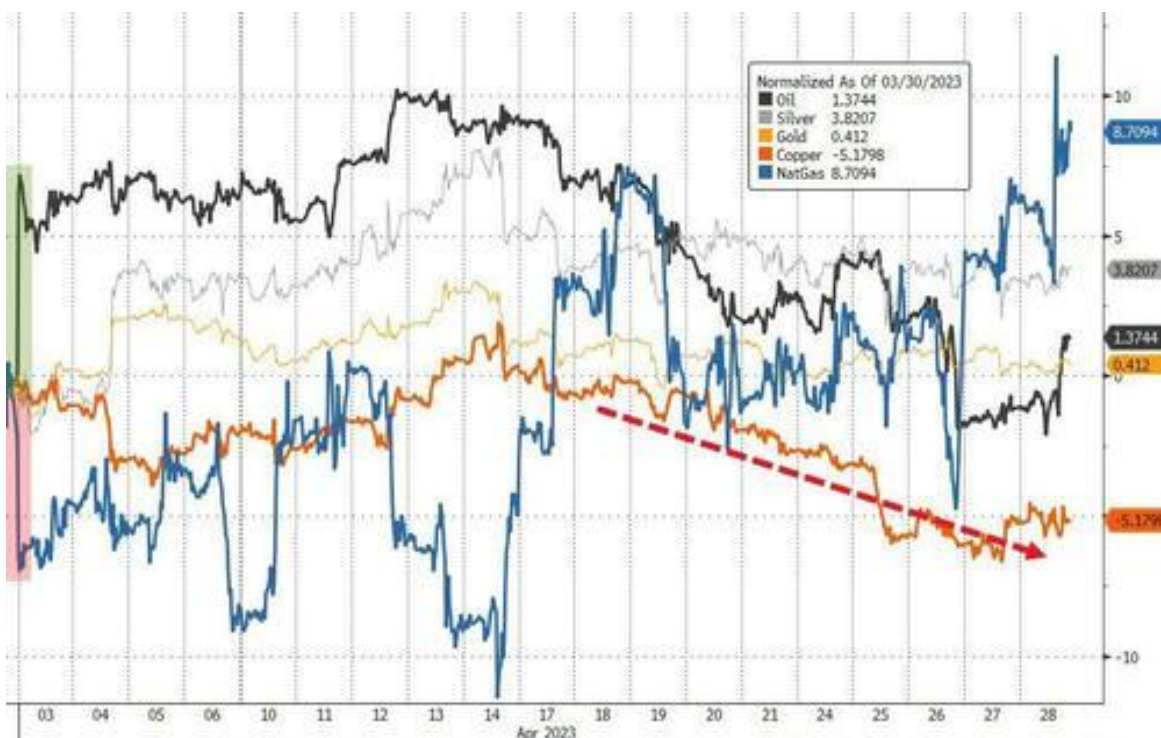


Source: Bloomberg, Genevieve Roch-Decter



#commodities #monthly

Oil managed very modest gains on the month having erased all of the post-OPEC+ production-cut spike that started the month off. NatGas did the opposite, soaring after a kneejerk lower on OPEC. Perhaps most ominously, we note that copper was hammered on the month as growth fears and China reopening hopes fade (that's the third straight month of drops for Dr.Copper)...



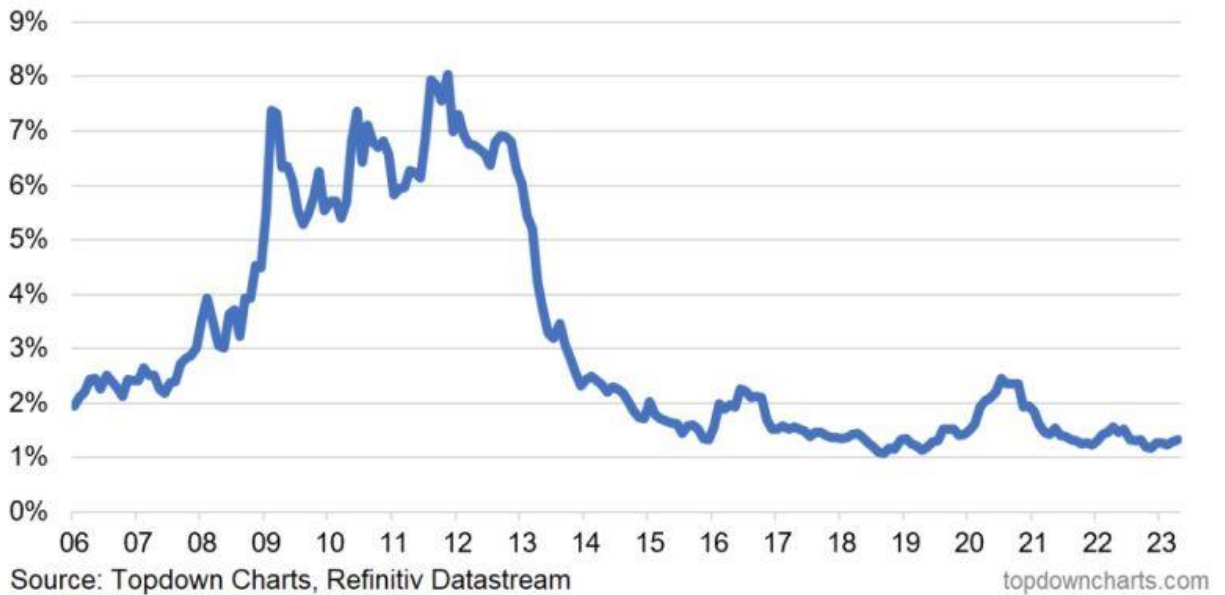
Source: Bloomberg, www.zerohedge.com



#gold #allocations

According to Topdown Charts, gold allocation (using ETF market share of Gold ETFs as proxy) is low versus historical average.

Implied Allocations: Gold
(ETF Market share of Gold ETFs vs All ETF Assets)

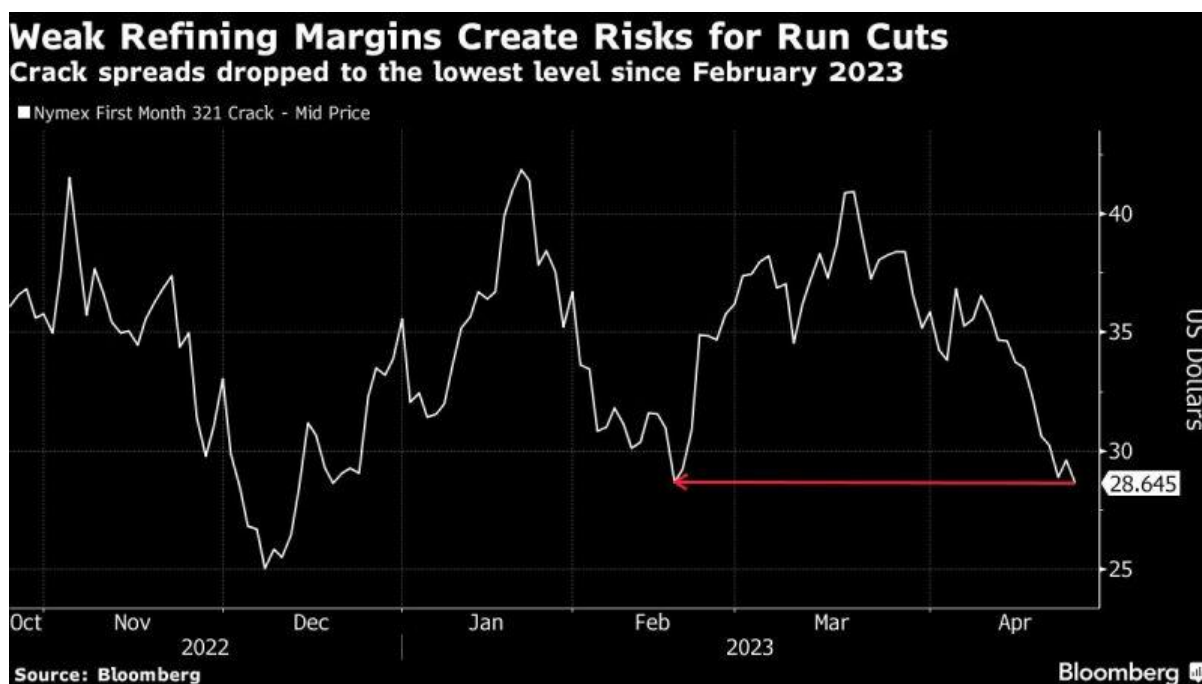


Source: Topdown Charts



#oil #crack-spreads

A MAJOR HEADWIND FOR CRUDE OIL highlighted by Jean-Charles Gand. CRACK SPREADS -- which show refiners' profit margins from products such as gasoline and diesel -- dropped to the lowest level since mid February. Lower profit margins for oil refiners can prompt companies to consider run cuts, which will DECREASE DEMAND for crude. This is taking place at a time when positioning data shows NET-LONG BETS reached the HIGHEST LEVEL since November 2022.



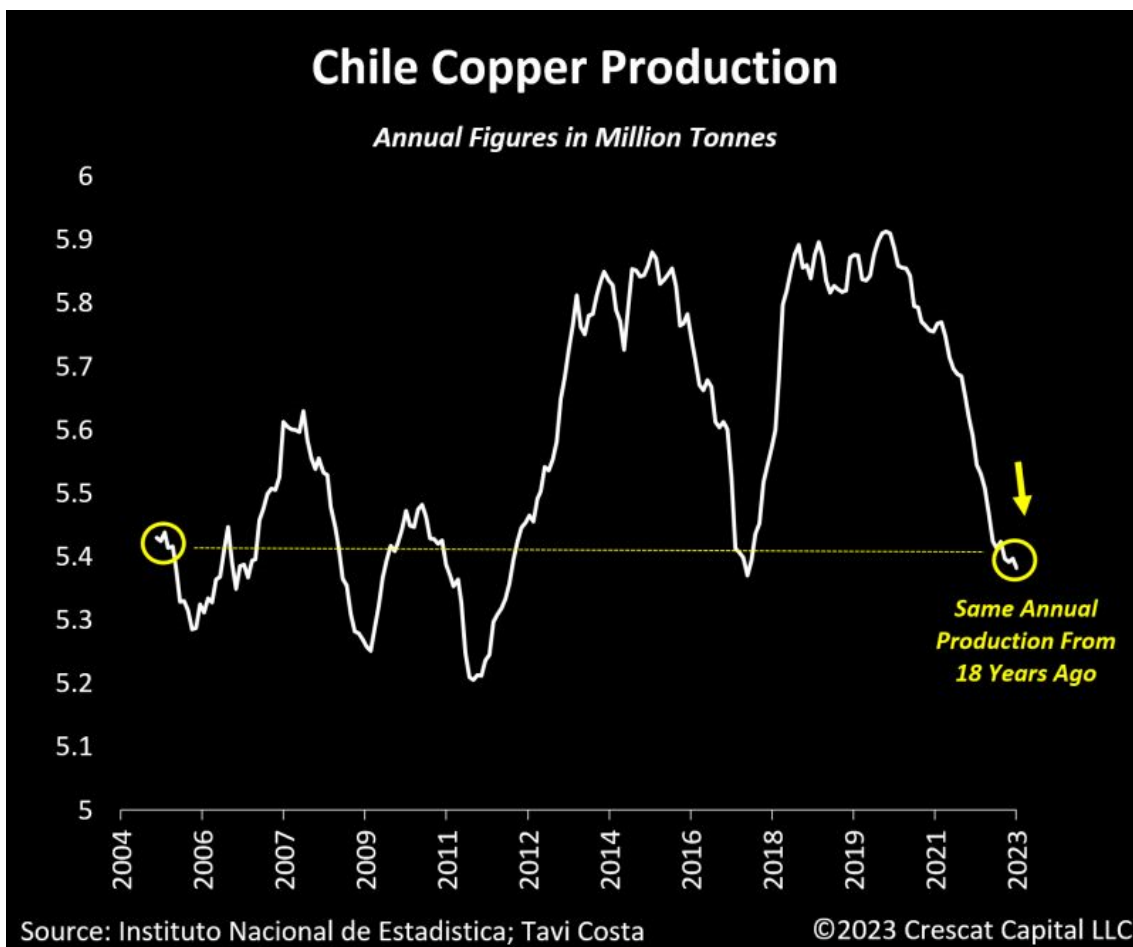
Source: Bloomberg





#copper

Chile's overall #copper production is currently as low as it was 18 years ago, nearly down 10% from its recent peak. Chile holds a dominant position in the supply of this metal, accounting for nearly 30% of the total global production, akin to the OPEC of the copper market.



Source: Tavi Costa, Bloomberg





#sugar

Sugar hits another 11-year high.

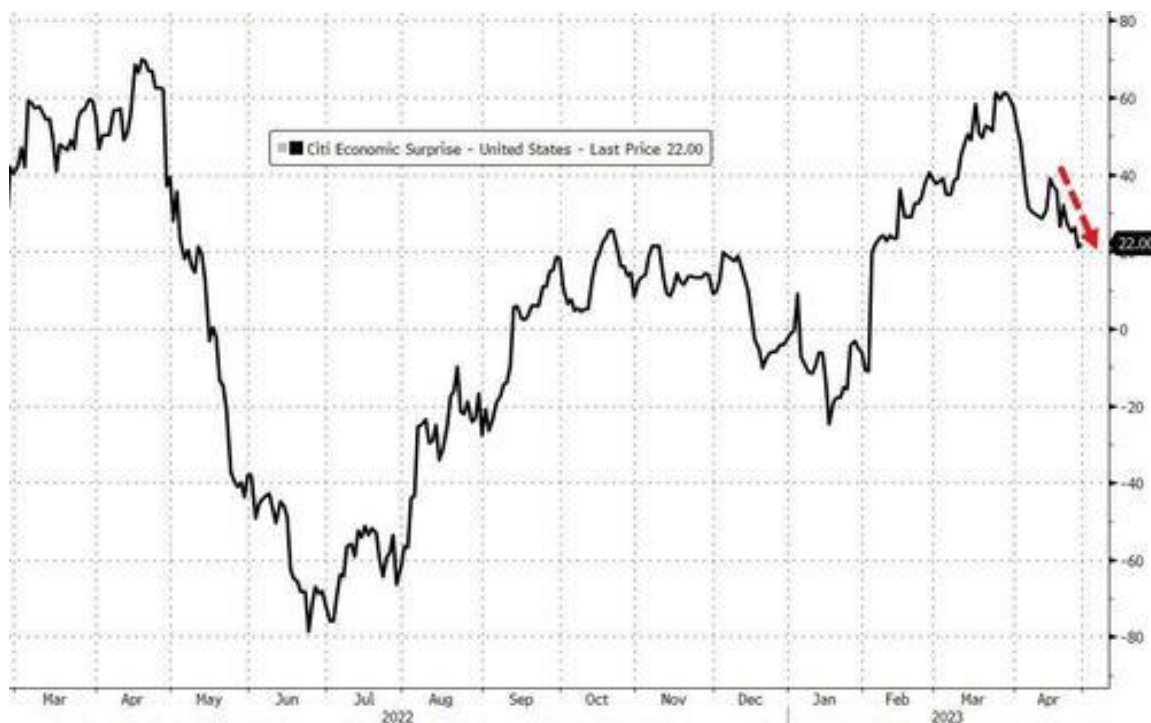


Source: Barchart



#us #macro #surprises

A week of disappointment in US macro data...

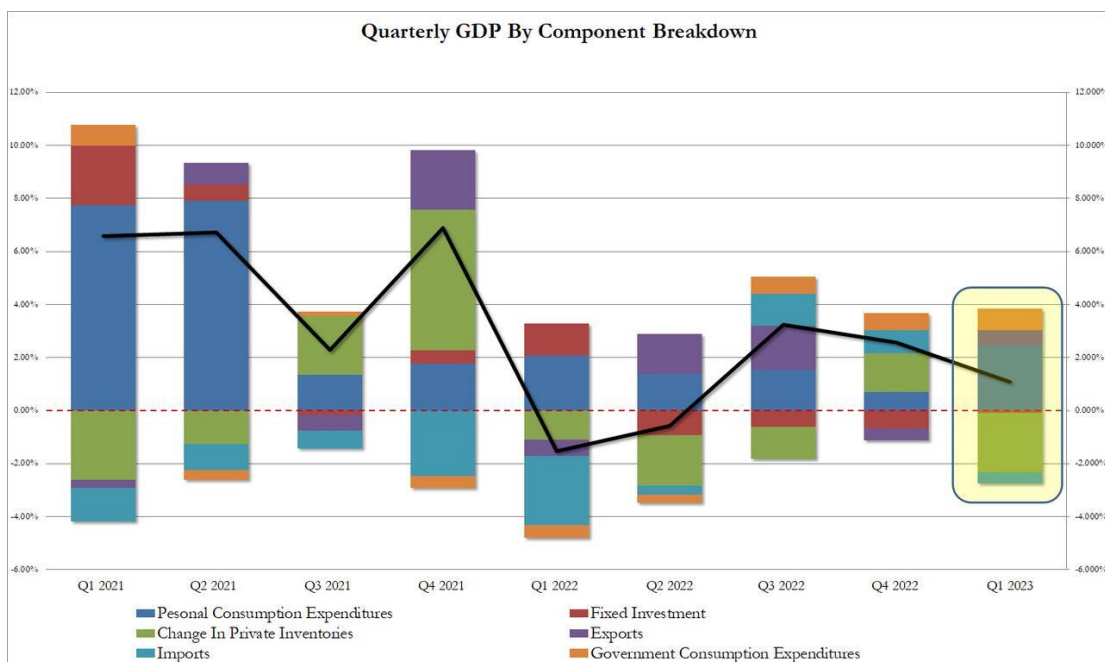


Source: www.zerohedge.com, Bloomberg



#us #gdp #q1

US real GDP rose just 1.1%, a big drop from the 2.6% GDP in Q4 and lower than estimates (1.9%). It was the lowest GDP print since Q2 2022 when growth was negative to the tune of -0.6%... Personal Consumption added 2.48%, up from 0.70% in Q4. Fixed Investment subtracted -0.07%. The big hit was the change in private inventories, which subtracted 2.26% from the GDP print. Net exports were a modest contributor to GDP, adding 0.11%. Government consumption added another 0.81% to the bottom-line number, effectively contributing more than 70% of the final print.



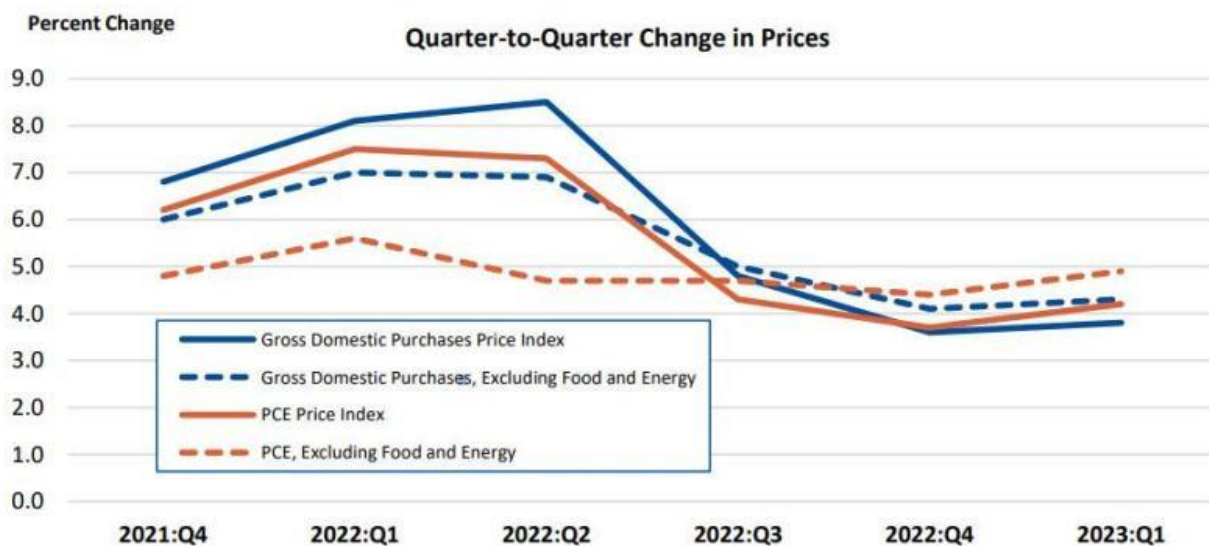
Source: Bloomberg, www.zerohedge.com





#us #pce #q1

Why are US bond yields moving higher despite GDP growth miss? US Q1 Core PCE is higher than expected? While US GDP Q1 growth rate came in well below expectations, PCE and core PCE prints were unexpectedly hot, the former coming in at 4.0% above the 3.7% expected and higher than the 3.9% in Q4, while core PCE came in at 4.9%, well above the 4.4% in Q4 and also hotter than the 4.7% expected. In fact, as shown below, this was the 5th consecutive "beat" of median core PCE expectations.



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates

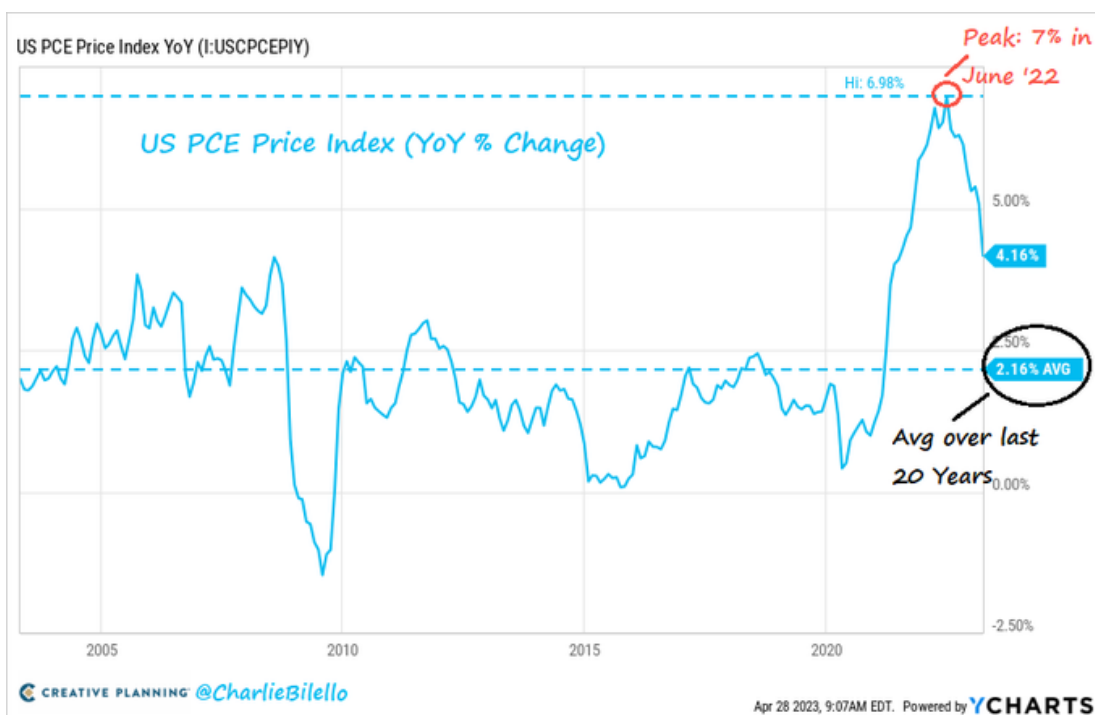
Source: Bloomberg





#us #pce #april

More evidence of a decline in the US Inflation Rate... The PCE Price Index moved down to 4.2%, its lowest level since June 2021. Peak was 7% in June 2022.

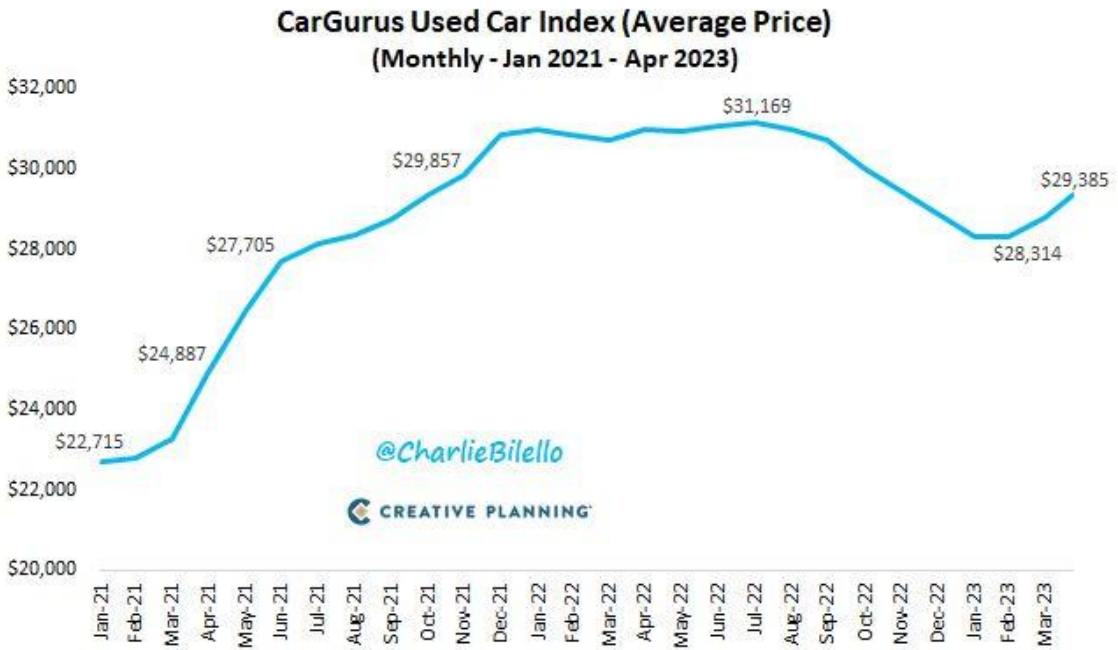


Source: Charlie Bilello



#us #inflation #used-cars

HIGHER INFLATION FOR LONGER? After 7 straight monthly declines following the peak last July, Used Car prices are moving higher again, up 3.8% in March-April...



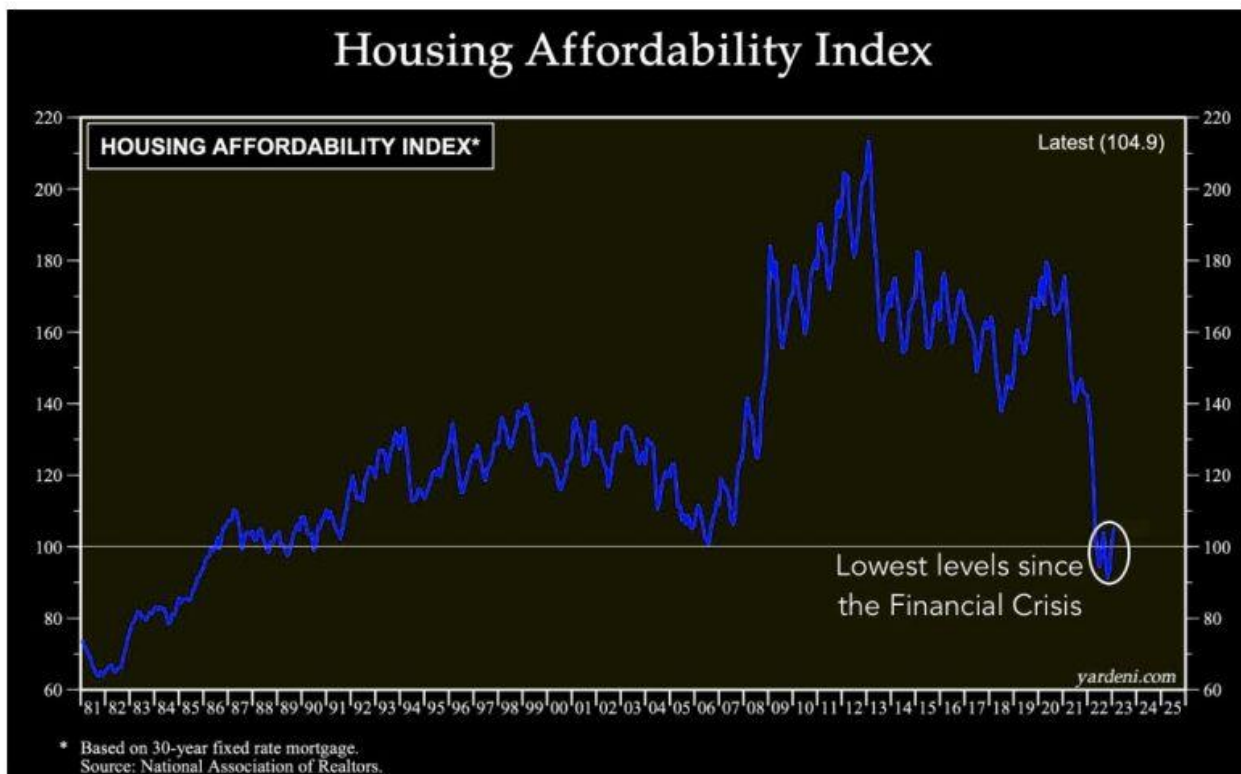
Source: Charlie Bilello

#macro

#us #housing #affordability

The US housing affordability index is at levels last seen during the 2008 Financial Crisis.

Unaffordable



Source: NAR

Source: TME, NAR

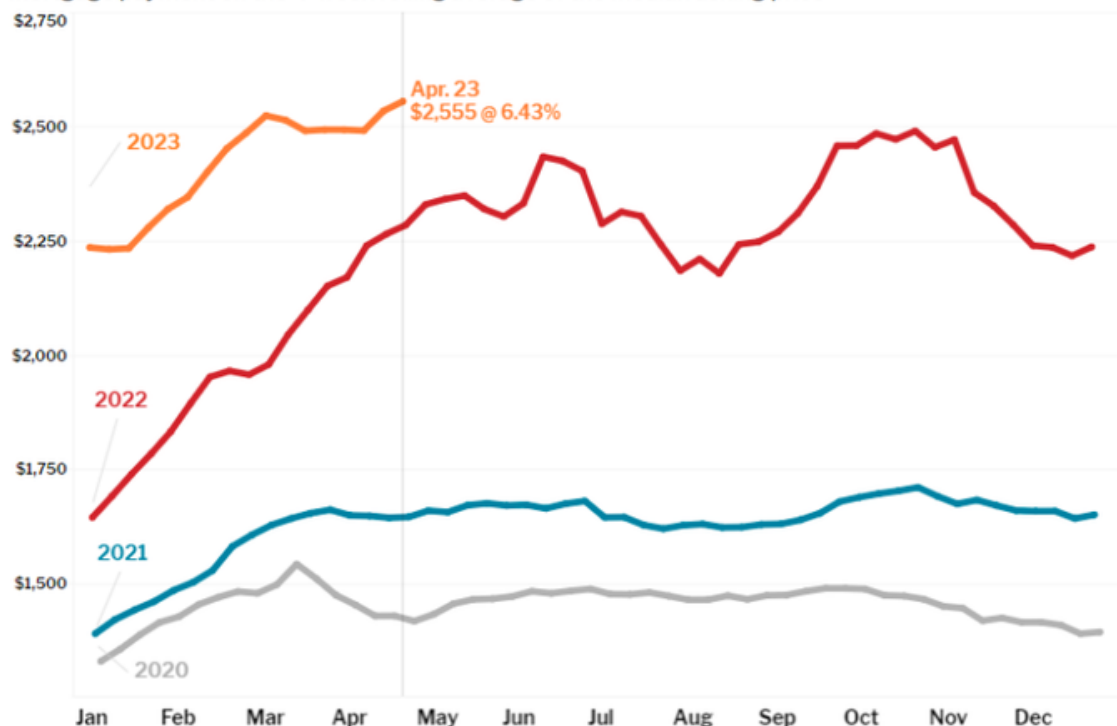


#us #housing #affordability

The mortgage payment needed to buy the median priced home for sale in the US has moved up to \$2,555, a new all-time high.

Homebuyer Housing Payments +11.8% Year Over Year

Mortgage payment on the 4-week rolling average of the median asking price



Source: Redfin analysis of MLS data, Freddie Mac Primary Mortgage Market Survey



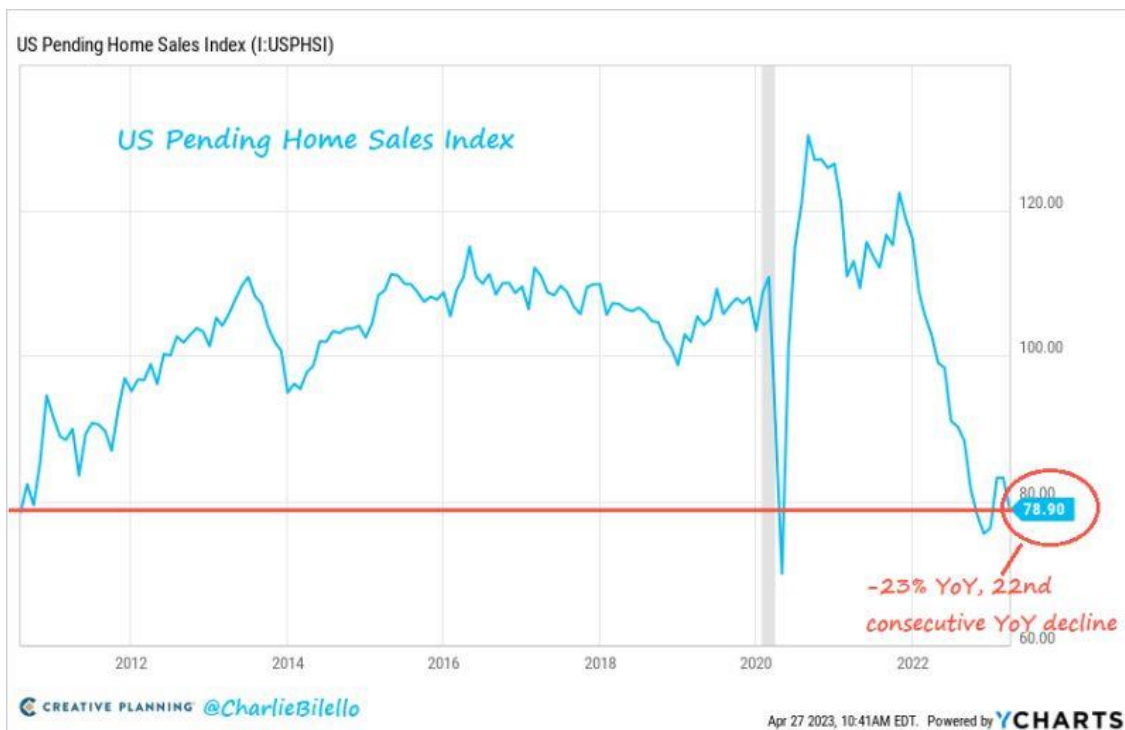
Source: Redfin, Charlie Bilello



#macro

#us #housing #sales

US Pending Home Sales remain weak, down 23% over the last year, the 22nd consecutive YoY decline. It tends to be a leading indicator of housing activity (as it is based on signed real estate contracts for existing homes/condos/co-ops).



Source: Charlie Bilello



#us #housing #lumber

Lumber futures are at their lowest levels since June 2020, down 80% from the peak in May 2021.



Source: Charlie Bilello

#macro

#us #commercial-real-estate

More pain ahead for #us #banks due to their exposure on Commercial Real Estate? An empty office tower in San Francisco is for sale at 80% discount from price 4 years ago. Lots of revaluations still need to be digested.



The image is a screenshot of a news article from the Wall Street Journal (WSJ). At the top left, there is a hamburger menu icon. The WSJ logo is centered at the top. Below the logo, the text 'U.S.' is displayed in blue. The main headline is in large, bold black font: 'Fire Sale: \$300 Million San Francisco Office Tower, Mostly Empty. Open to Offers.' Below the headline, a sub-headline in a smaller grey font reads: '350 California Street was worth \$300 million four years ago. It might sell for 80% less now, brokers say, in a market where office vacancy rates have soared.'

Source: WSJ

#macro

#ai #layoffs

Artificial intelligence is already being cited as a reason for layoffs.

Dropbox lays off 500 employees, 16% of staff, CEO says due to slowing growth and 'the era of AI'

Source: Wall Street Silver



#euro-area #gdp #growth

It looks like Germany is once again the sick man of Europe. In Q4, the economy contracted by 0.5%, more than in any of the other major economies in the Eurozone, and in Q1 2023, German GDP unexpectedly flatlined while GDP in Italy, Spain & France grew markedly.

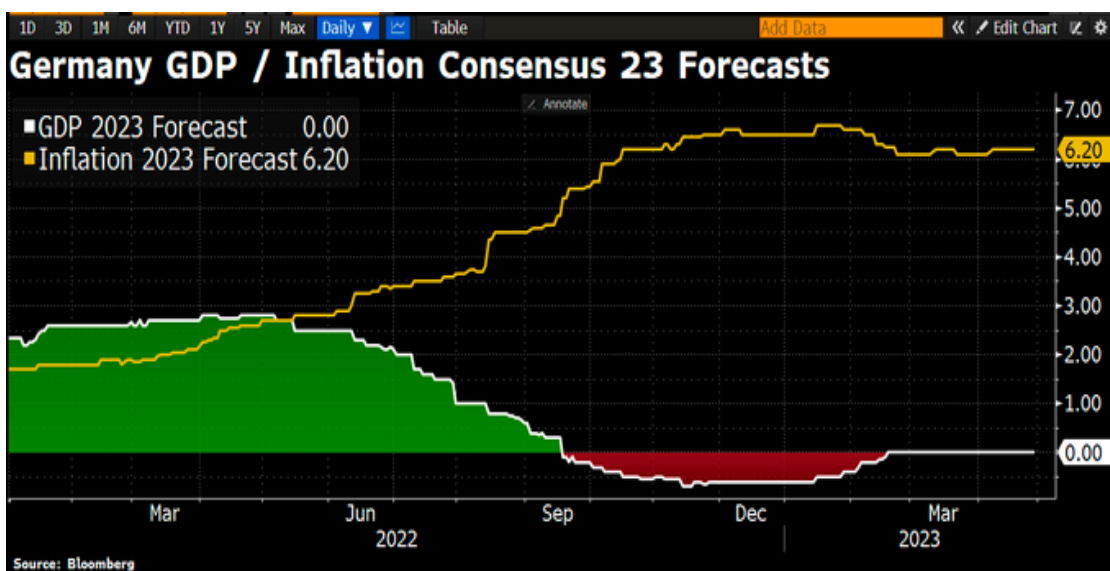


Source: HolgerZ, Bloomberg



#german #gdp #inflation #forecasts

German economy optimism keeps rising. The government has raised its GDP forecast for this year to 0.4% from a previously predicted 0.2%, above BBG consensus. Inflation forecast was adjusted down, w/rate for 2023 now seen 0.1ppt lower at 5.9%, below consensus.



Source: Bloomberg, HolgerZ



#german #inflation

German inflation keeps easing in April. April CPI dropped to 7.2% YoY from 7.4% in March because food inflation has weakened significantly from 22.3% in March to 17.2% in April. In contrast, energy prices accelerated again from 3.5 to 6.8%.



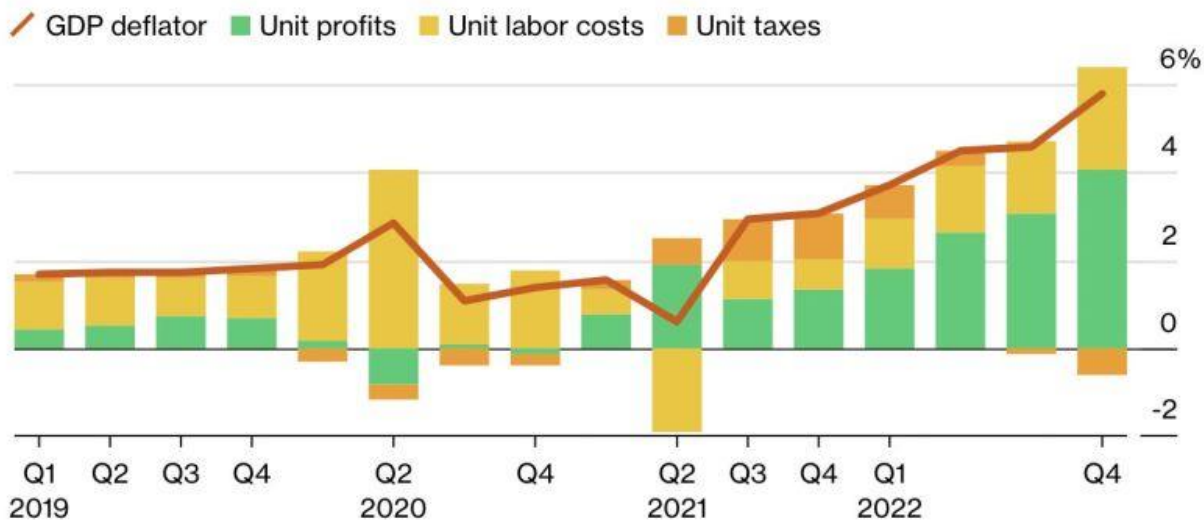
Source: Bloomberg, HolgerZ



#greedflation #europe

GREEDFLATION IN EUROPE... The #ecb wakes up to greedflation as key culprit in price struggle. Profit margins are outpacing wages as #inflation driver since 2021. Swelling earnings generated more than 2/3rd of inflation at end of last year.

Profits Outpace Wages in Driving Euro-Zone Inflation



Source: Eurostat, Bloomberg Economics

Source: Bloomberg, HolgerZ

#macro

#uk #cost-of-living

The "new normal"?

Bank of England

Britons 'need to accept' they're poorer, says Bank of England economist

Chief economist Huw Pill says workers and firms should stop trying to pass on rising costs by hiking prices or demanding better wages

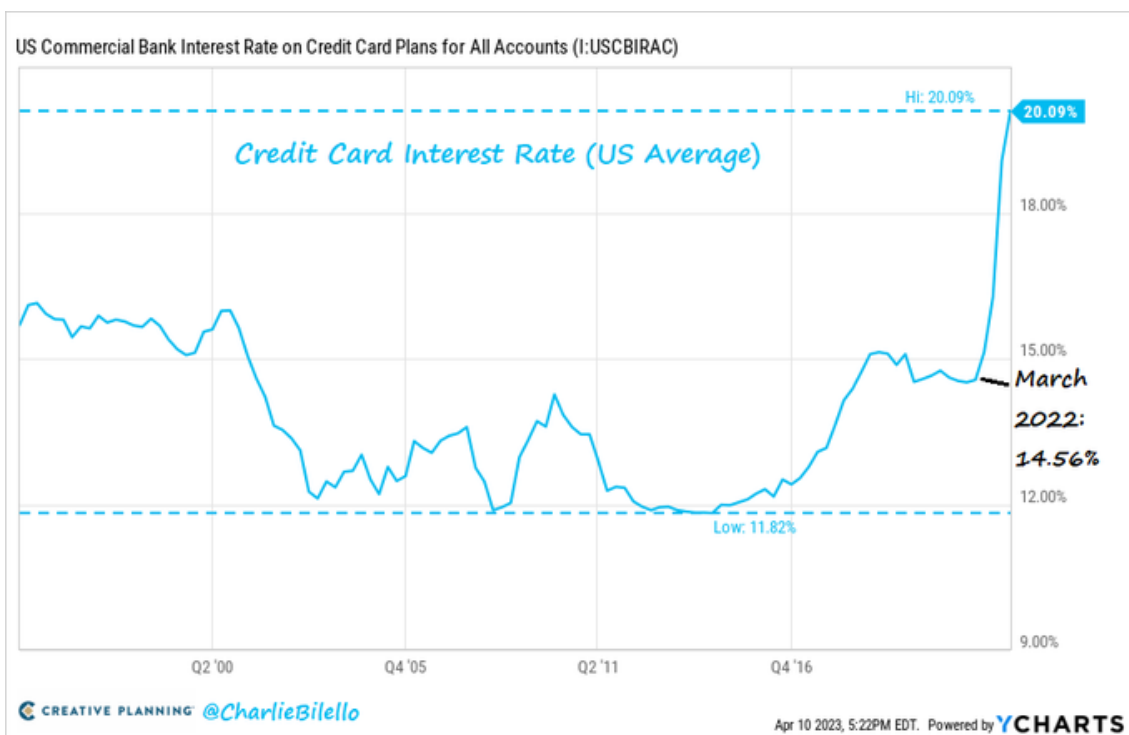
Graeme Wearden

Tue 25 Apr 2023 11.09 EDT



#credit-card #interest-rates

Credit card debt, which is more important than ever to pay off w/ interest rates at a record high, above 20% for the first time.



Source: Charlie Bilello





#china #growth #forecasts

China's Politburo is likely to shift focus from stimulus to reforms. Top leaders may convene this week to discuss economic policy. Meeting closely watched for potential changes in easing stance. Source: Bloomberg.

Optimism Growing on China's Economy

Economists raise forecast on 2023 growth after stronger-than-expected 1Q

● Previous projection ● Upgraded projection



Source: Bloomberg-compiled data

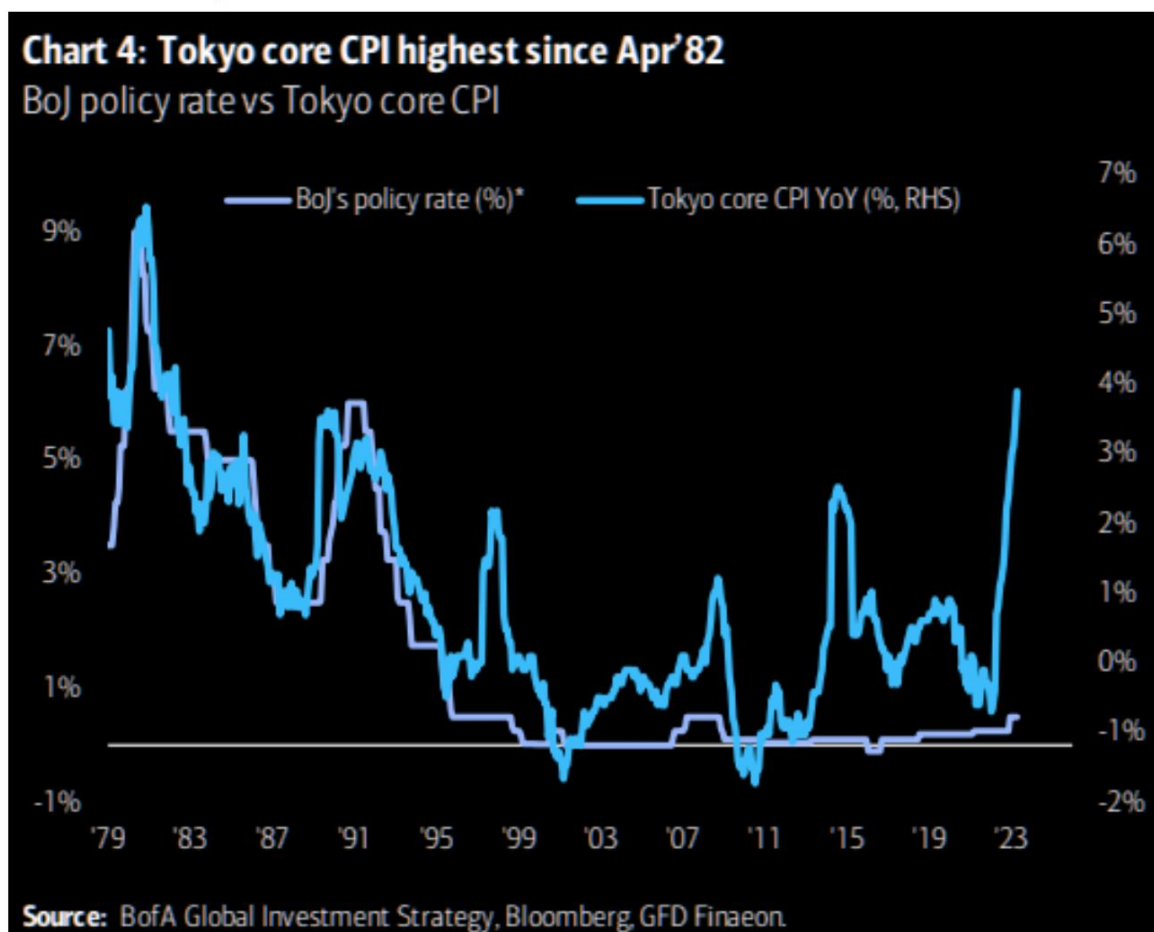
Source: Bloomberg

#macro

#japan #inflation

No inflation changed quickly. Japan edition...

Be careful what you wish for



Source: BofA

Source: BofA

#centralbanks

#global #rates

Global Central Bank Update: Sweden hiked rates for the 6th time, 50 bps increase to 3.50%.

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	3.2%	-3.3%	Cut	Jan-16
Switzerland	Target Rate	1.50%	2.9%	-1.4%	Hike	Mar-23
Thailand	Policy Rate	1.75%	2.8%	-1.1%	Hike	Mar-23
Taiwan	Discount Rate	1.88%	2.4%	-0.5%	Hike	Mar-23
Denmark	Deposit Rate	2.60%	6.7%	-4.1%	Hike	Mar-23
Malaysia	Policy Rate	2.75%	3.4%	-0.7%	Hike	Nov-22
Eurozone	Deposit Rate	3.00%	6.9%	-3.9%	Hike	Mar-23
Norway	Deposit Rate	3.00%	6.5%	-3.5%	Hike	Mar-23
Sweden	Repo Rate	3.50%	10.6%	-7.1%	Hike	Apr-23
South Korea	Repo Rate	3.50%	4.2%	-0.7%	Hike	Jan-23
Australia	Cash Rate	3.60%	7.0%	-3.4%	Hike	Mar-23
China	Loan Prime Rate	3.65%	0.7%	3.0%	Cut	Aug-22
UK	Bank Rate	4.25%	10.1%	-5.9%	Hike	Mar-23
Canada	Overnight	4.50%	4.3%	0.2%	Hike	Jan-23
US	Fed Funds	4.88%	5.0%	-0.1%	Hike	Mar-23
New Zealand	Cash Rate	5.25%	6.7%	-1.5%	Hike	Apr-23
Hong Kong	Base Rate	5.25%	1.7%	3.6%	Hike	Mar-23
Saudi Arabia	Repo Rate	5.50%	2.7%	2.8%	Hike	Mar-23
Indonesia	Repo Rate	5.75%	5.0%	0.8%	Hike	Jan-23
Philippines	Key Policy Rate	6.25%	7.6%	-1.4%	Hike	Mar-23
India	Repo Rate	6.50%	5.7%	0.8%	Hike	Feb-23
Poland	Repo Rate	6.75%	16.1%	-9.4%	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	15.0%	-8.0%	Hike	Jun-22
Russia	Key Policy Rate	7.50%	3.5%	4.0%	Cut	Sep-22
Peru	Policy Rate	7.75%	8.4%	-0.7%	Hike	Jan-23
South Africa	Repo Rate	7.75%	7.1%	0.7%	Hike	Mar-23
Turkey	Repo Rate	8.50%	50.5%	-42.0%	Cut	Feb-23
Chile	Base Rate	11.25%	11.1%	0.2%	Hike	Oct-22
Mexico	Overnight Rate	11.25%	6.9%	4.4%	Hike	Mar-23
Colombia	Repo Rate	13.00%	13.3%	-0.3%	Hike	Mar-23
Brazil	Target Rate	13.75%	4.7%	9.1%	Hike	Aug-22
Argentina	Benchmark Rate	81.00%	104.3%	-23.3%	Hike	Apr-23

CREATIVE PLANNING

@CharlieBilello

Data as of 4/28/23



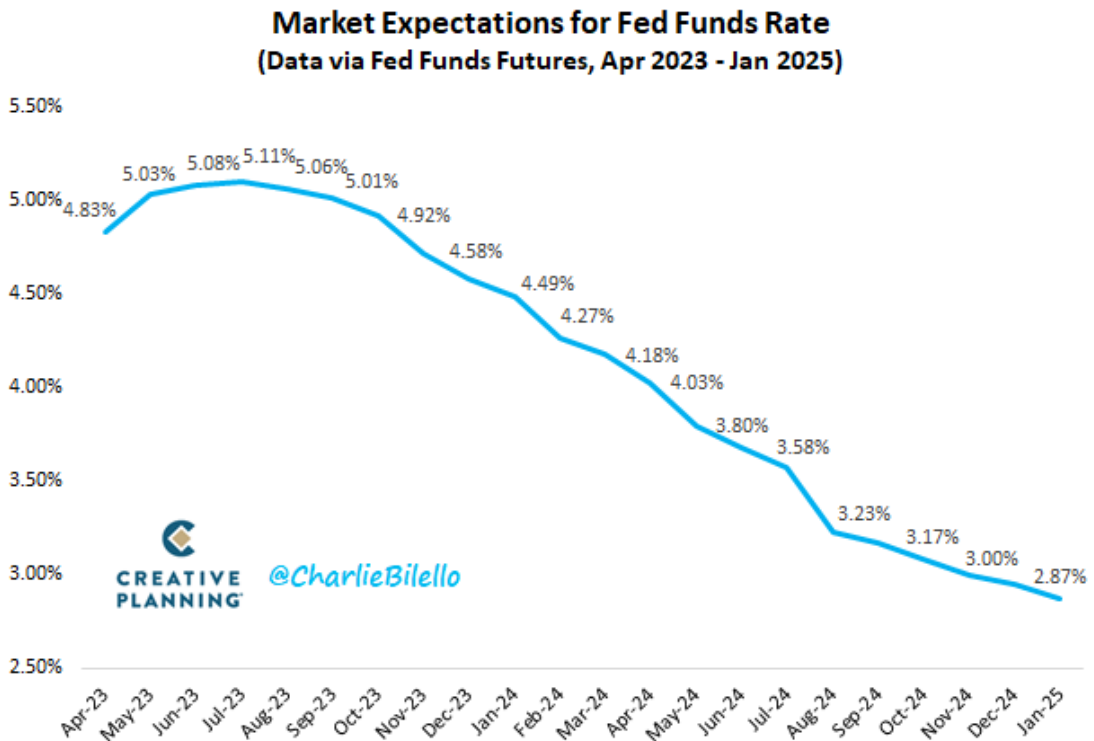
Source: Charlie Bilello

#centralbanks

#fed #rates #expectations

Current market expectations for path of the Fed Funds Rate...

- May 3, 2023: 25 bps hike to 5.00-5.25%
- Jun 14, 2023: Pause
- Jul 26, 2023: Pause
- Sep 20, 2023: 25 bps cut to 4.75-5.00%
- Nov 1, 2023: Pause
- Dec 13, 2023: 25 bps cut to 4.50-4.75%
- By Dec 2024: cuts to <3%

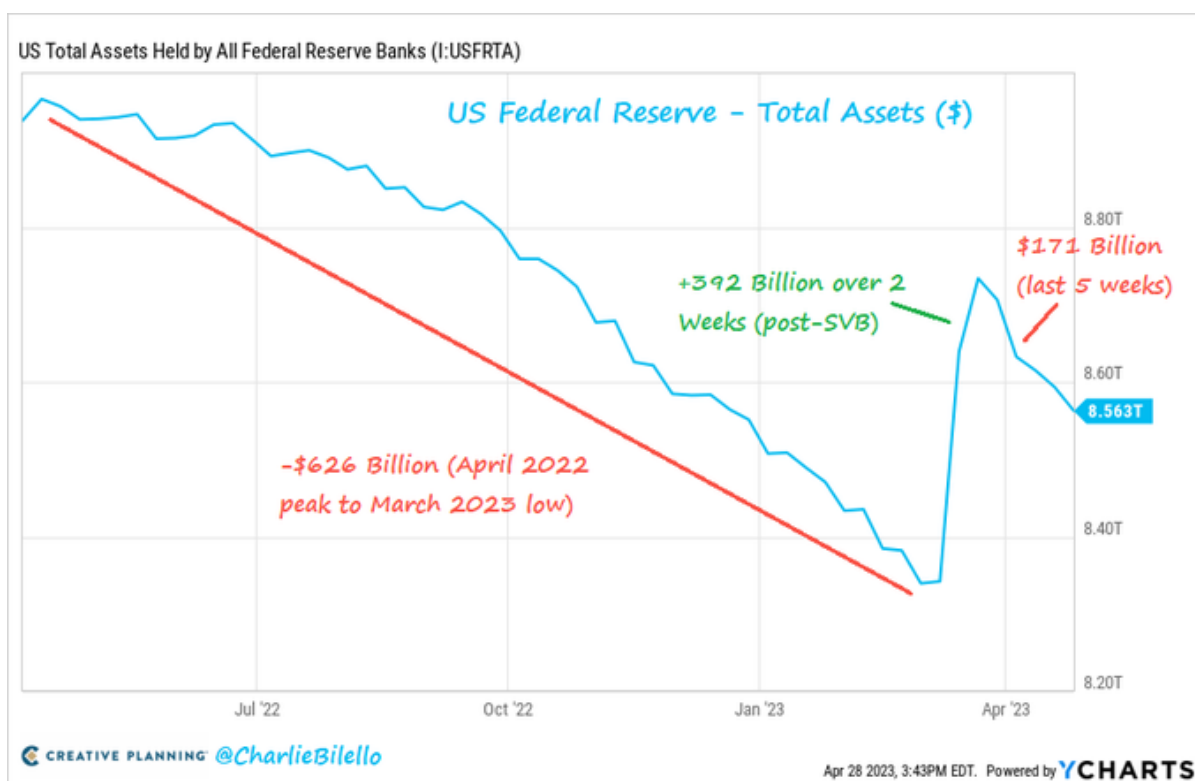


Source: Charlie Bilello

#centralbanks

#fed #balance-sheet

Over the last 5 weeks, the Fed's balance sheet has reversed 44% of the post-SVB liquidity injections (\$392 billion) with a total decline of \$171 billion..

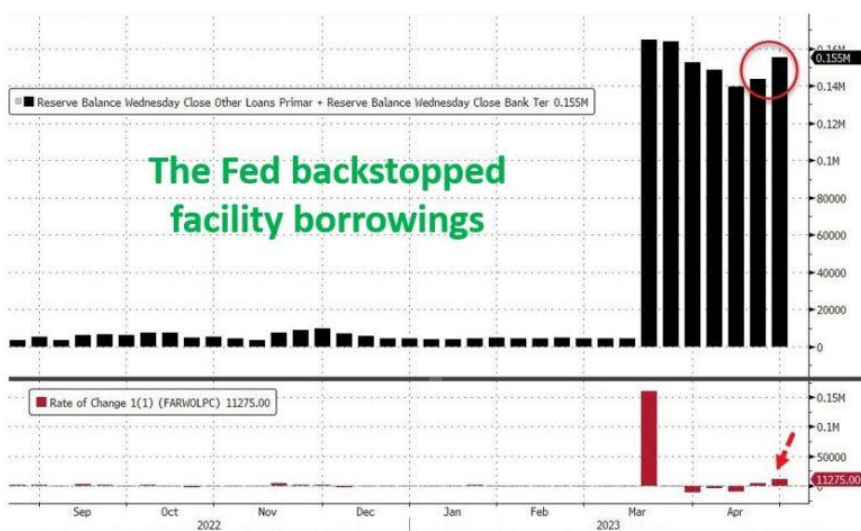


Source: Charlie Bilello

#centralbanks

#fed-bailout #money-market-funds

Bank Bailout Facility Usage Soars For 2nd Straight Week, Money Market Inflows Resume.



Source: Bloomberg, www.zerohedge.com

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

29 APRIL 2023

#centralbanks

#us #m2

M2 was down another -\$257.3bil last month. -4.05% YoY.

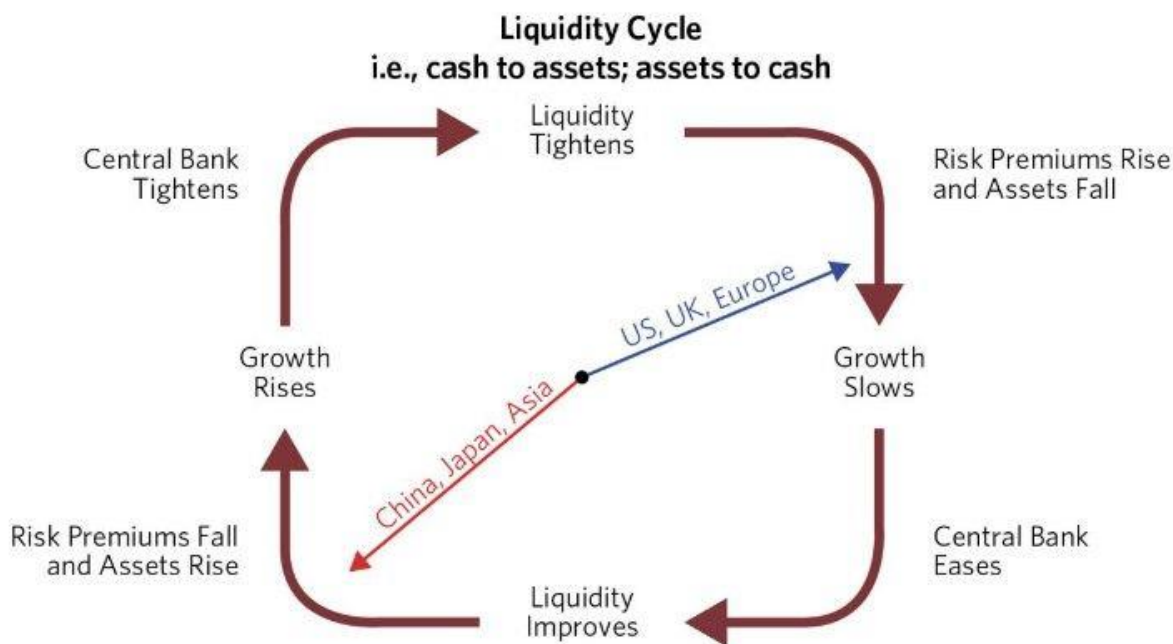


Source: Bloomberg, Randy Woodward

#centralbanks

#liquidity #cycle

How expansions and contractions of liquidity drive changes in growth and asset pricing - by Bridgewater Associates. In the US and Europe, tightening of #monetarypolicy have reversed the flow of liquidity and driven money from assets to #cash. The rise of discount rates so far hasn't had much impact on risk premiums or growth. But this could be the next step (and might bad for both stocks and bonds). In Japan, China and much of East #asia, policy makers are supporting the flow of money and credit. This lowers #disconrates and risk premiums and supports growth. This could lead to a multi-year bull market.



#centralbanks

#ecb #balance-sheet

The ECB balance sheet is shrinking again. Total assets dropped €16.7bn in the past week on ECB QT. ECB balance sheet now at €7,714.2bn, equal to 58% of Eurozone GDP vs Fed's 33%, SNB's 113%, BoJ's 131%.



Source: HolgerZ, Bloomberg

#centralbanks

#gold #purchases

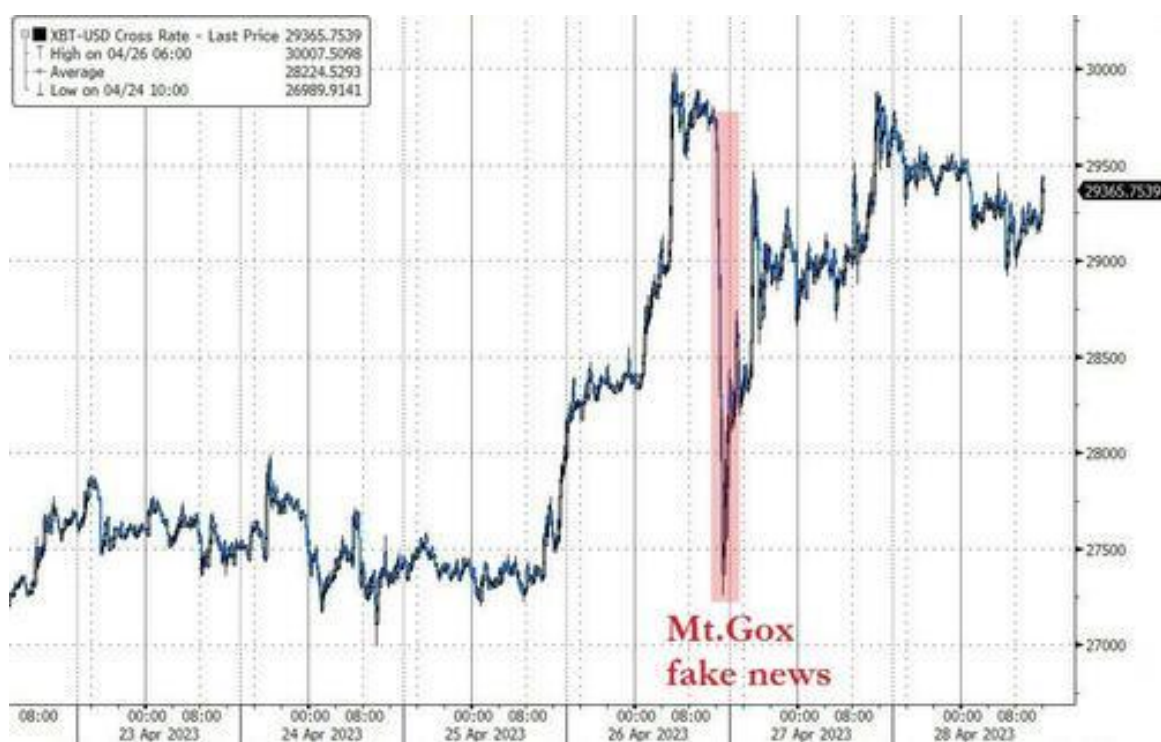
Central bank gold purchases hit the highest since 1967. The amount of gold bought by central banks rose by 152 per cent year on year in 2022 to 1,136 tonnes, according to the World Gold Council, a trade body.





#bitcoin #weekly

Amid a very volatile week, Bitcoin was notably higher, pushing back above \$29,000...

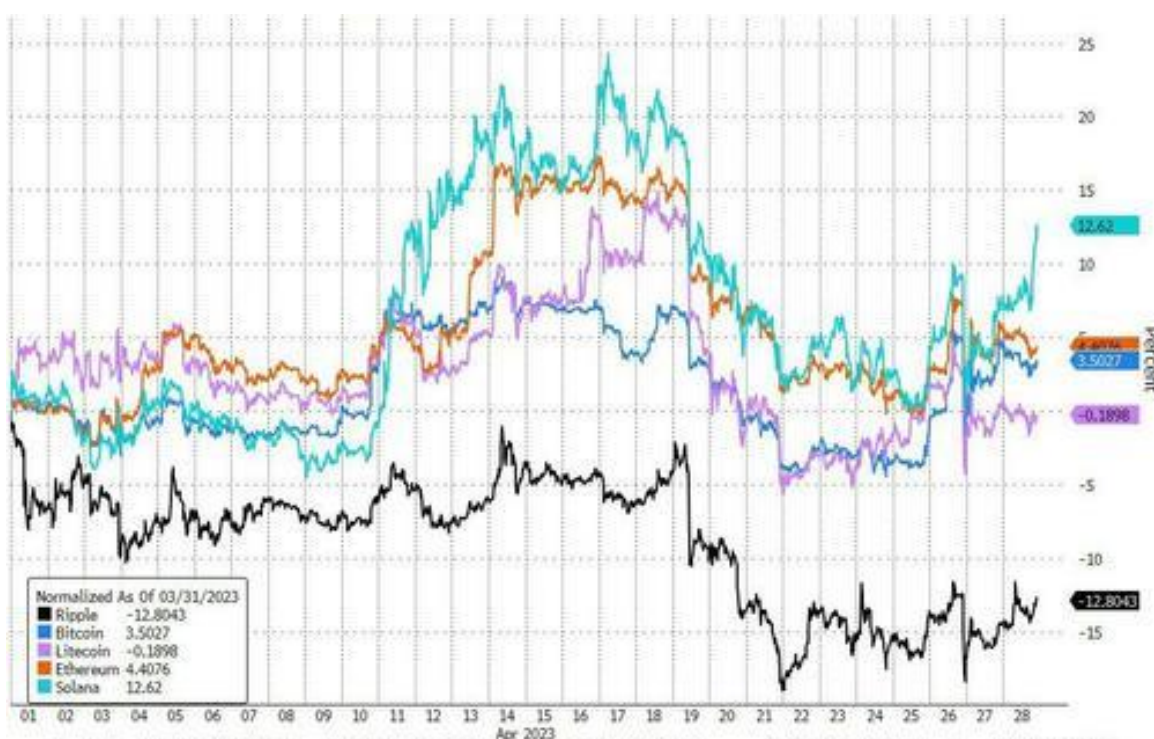


Source: www.zerohedge.com, Bloomberg



#cryptos #monthly

Solana, Bitcoin, & Ethereum all had a solid month while Ripple was down notably...



Source: www.zerohedge.com, Bloomberg

#food-for-thought

#ai #adoption

The Time it Took to Reach 100 Million users Worldwide

Telephone: 75 years
Mobile phone: 16 years
World Wide Web: 7 years
iTunes: 6.5 years
Twitter: 5 years
Facebook: 4.5 years
WhatsApp: 3.5 years
Instagram: 2.5 years
Apple App Store: 2 years
ChatGPT: 2 months

Source: Brianroemmele

#food-for-thought

#earnings-season #ai

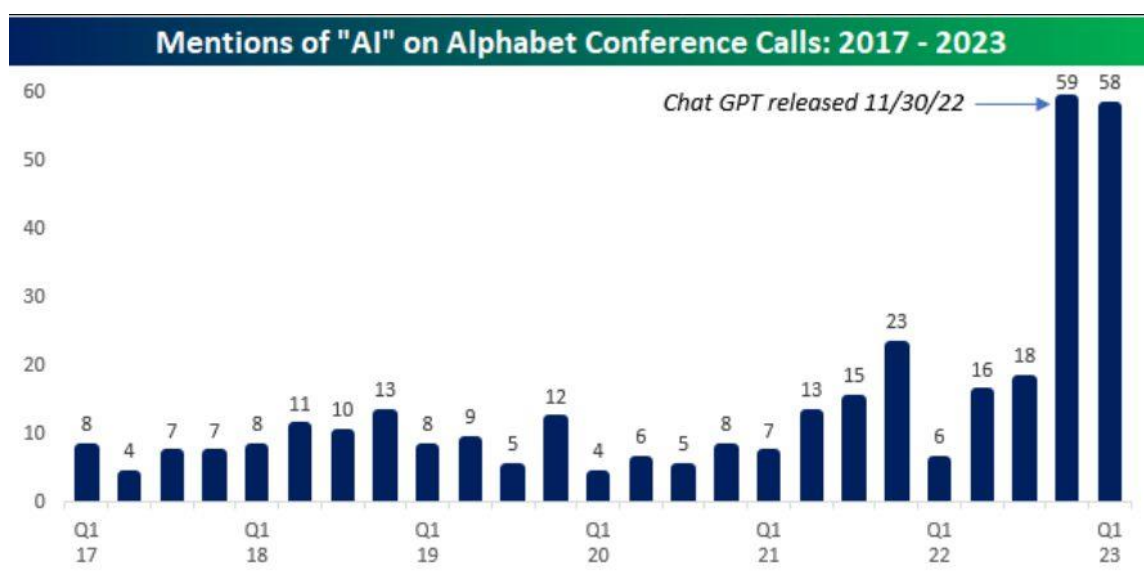


Image : mgflip

#food-for-thought

#ai #earnings

Quarterly mentions of the term AI on Alphabet conference calls. Looks like something changed in Q4.



Source : Bespoke

#food-for-thought

#ai #finance

All activity

Linas Beliūnas [@linas.beliunas](#)

ChatGPT for Finance is finally here.

FinChat.io is trained on:

- Up-to-date financial data
- Earnings call transcripts
- Quarterly + annual reports
- Investing books & more!

This is the dawn of a new era in finance.

The screenshot shows the FinChat.io v1.2 interface. On the left is a sidebar with a search bar and a list of companies including Apple Inc., Microsoft Corporation, Alphabet Inc., and Amazon.com, Inc. The main area displays a donut chart titled 'AAPL Revenue Breakdown' with a value of '\$394.33B (100%)'. Below the chart is a line graph. At the bottom, there are buttons for 'Start New Chat' and 'Regenerate'.

#food-for-thought

#ai #finance

Is it really a good idea?

Palantir shows off an AI that can go to war

The system aims to serve as an 'ethical' and 'legal' veneer for future military automation efforts.



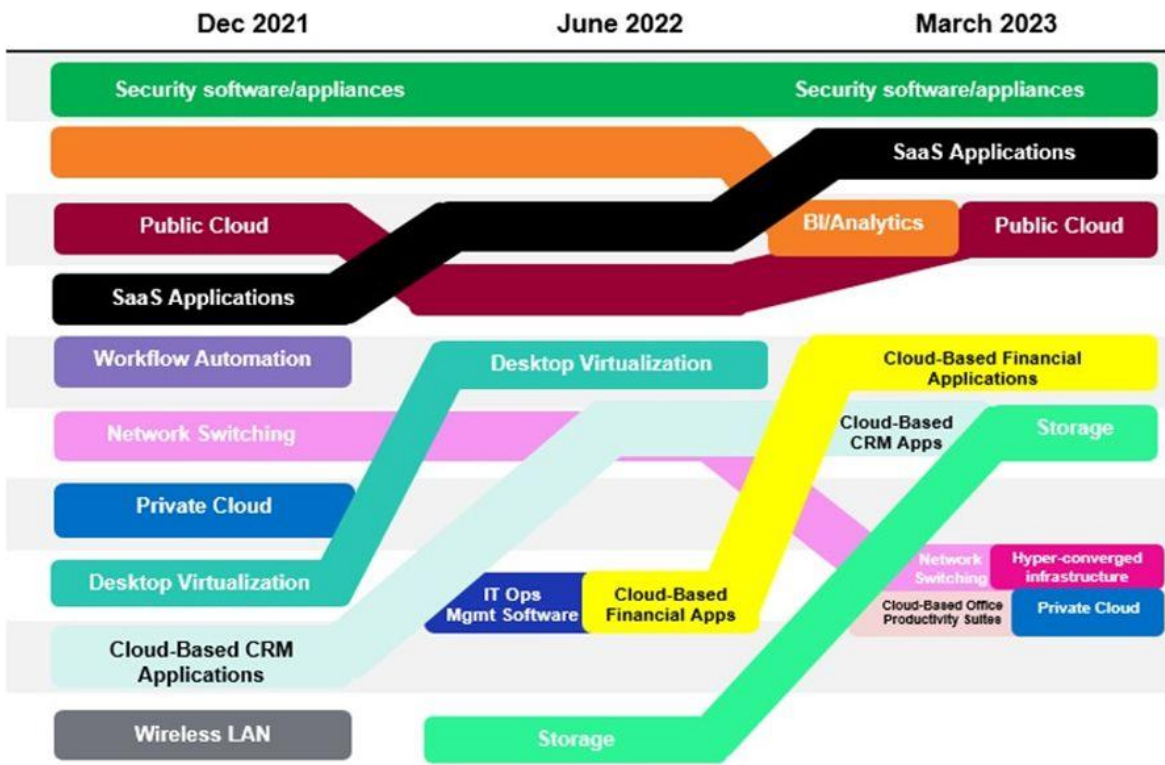
Source: Wall Street Silver

#food-for-thought

#spending #technology

Top 10 Spending Priorities, ranked over Time (Dec2021- March 2023 Survey)

Are you expecting to accelerate spending in any of the following technology areas in 2023?
Top 10 spending priorities, ranked over time (Dec 2021 – March 2023 surveys)

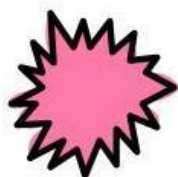


Source: Goldman Sachs

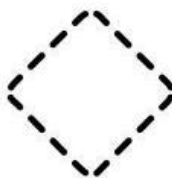
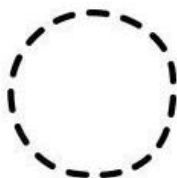
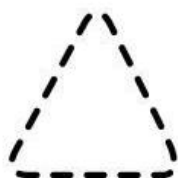
#food-for-thought

#products

YOUR PRODUCTS



CLIENT PROBLEMS

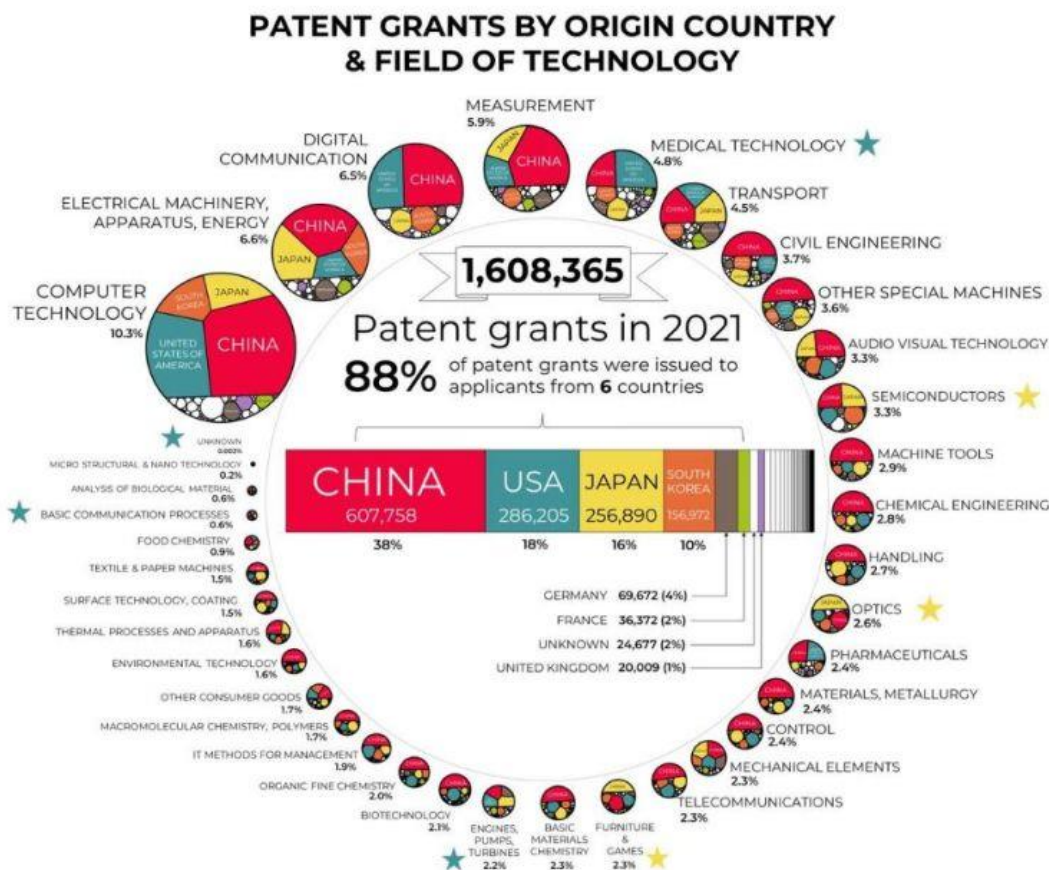


Source picture: Janis Ozolins

#food-for-thought

#patents

Which countries are granted the most new patents?



★ **Japan** tops 3 fields
Semiconductors, Optics, Furniture & Games

China
tops 29 fields

★ **USA** tops 4 fields
Medical technology; Engines, pumps, turbines;
Basic communication processes; Unknown



JACQUELINE@OMNIBISOLUTIONS.COM

* DATA SOURCE: WWW.WIPO.INT/IPSTATS (UPDATED FEB 2023)



#food-for-thought

#apple #refurbished #smartphone

Apple owns almost half of the global refurbished smartphone market. New figures by Counterpoint Research suggest Apple’s sales in the category grew 16% YoY in 2022. China’s secondary smartphone sales were impacted by COVID-19 lockdowns, allowing India and Latin America to take the top spots at 19% and 18% YoY growth. As for Apple, the tech giant captured over 49% of the secondary market in 2022, up from 44% a year earlier. The resale market allows Apple to capitalize on locations where consumers prefer lower-priced alternatives or cannot get the latest phone versions. 5G is growing in the secondary markets. It now makes up 13% of global refurbished sales.

Top OEMs’ Refurbished Smartphone Market Share

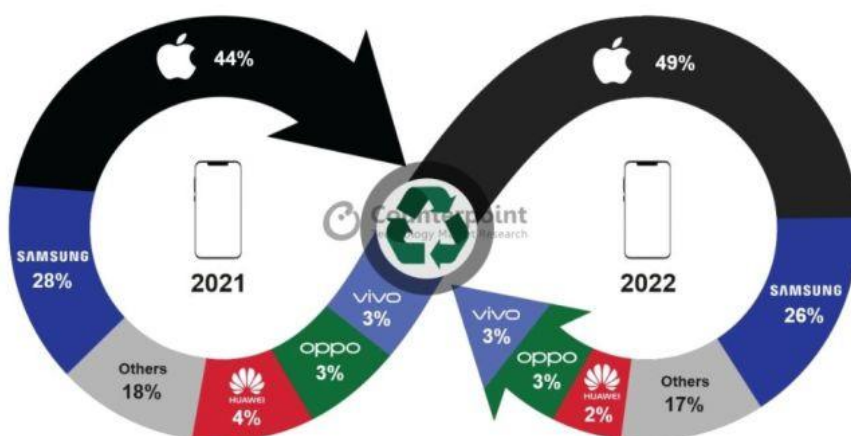
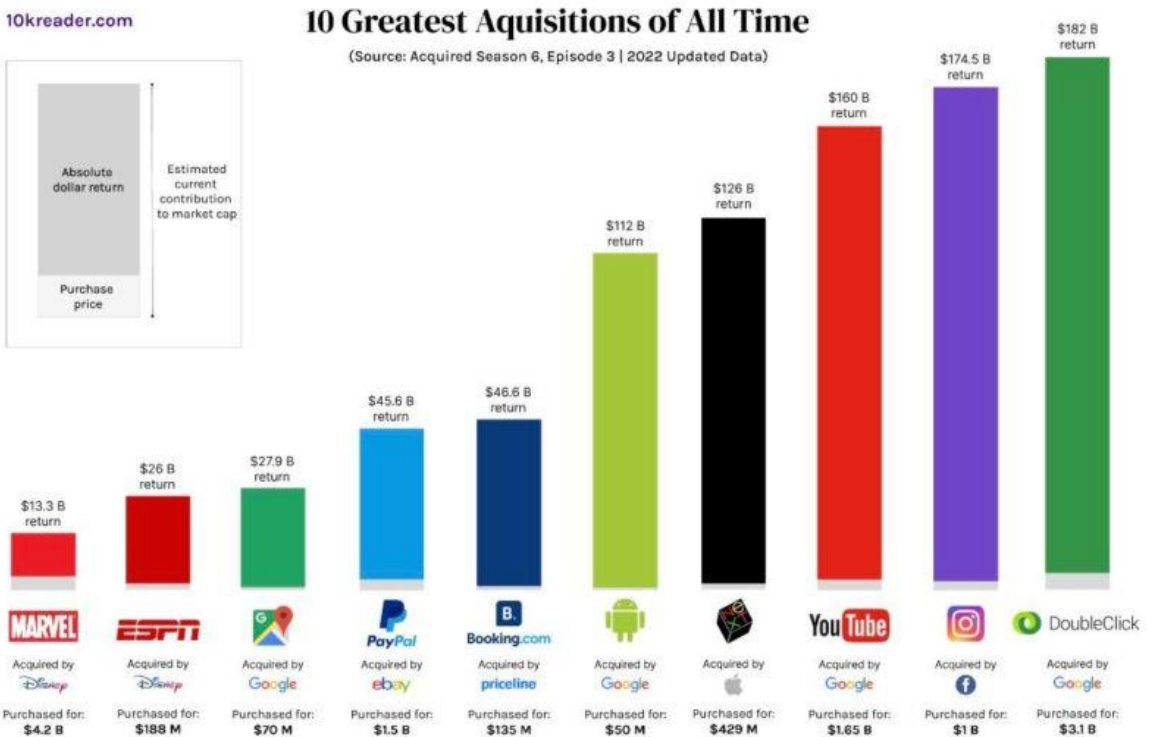


Image Credits: Counterpoint Research

#food-for-thought

#stocks #acquisitions

10 Greatest Acquisitions of All Time



Source: Compounding Quality

#food-for-thought

#tesla #deflation

Elon Musk’s latest round of price cuts has dropped his 2 best-selling vehicles to uncharted territory. At \$46,990, base Model Y now costs \$759 less than average car in US. Differential between these figures has changed by >\$20k since the middle of last year.

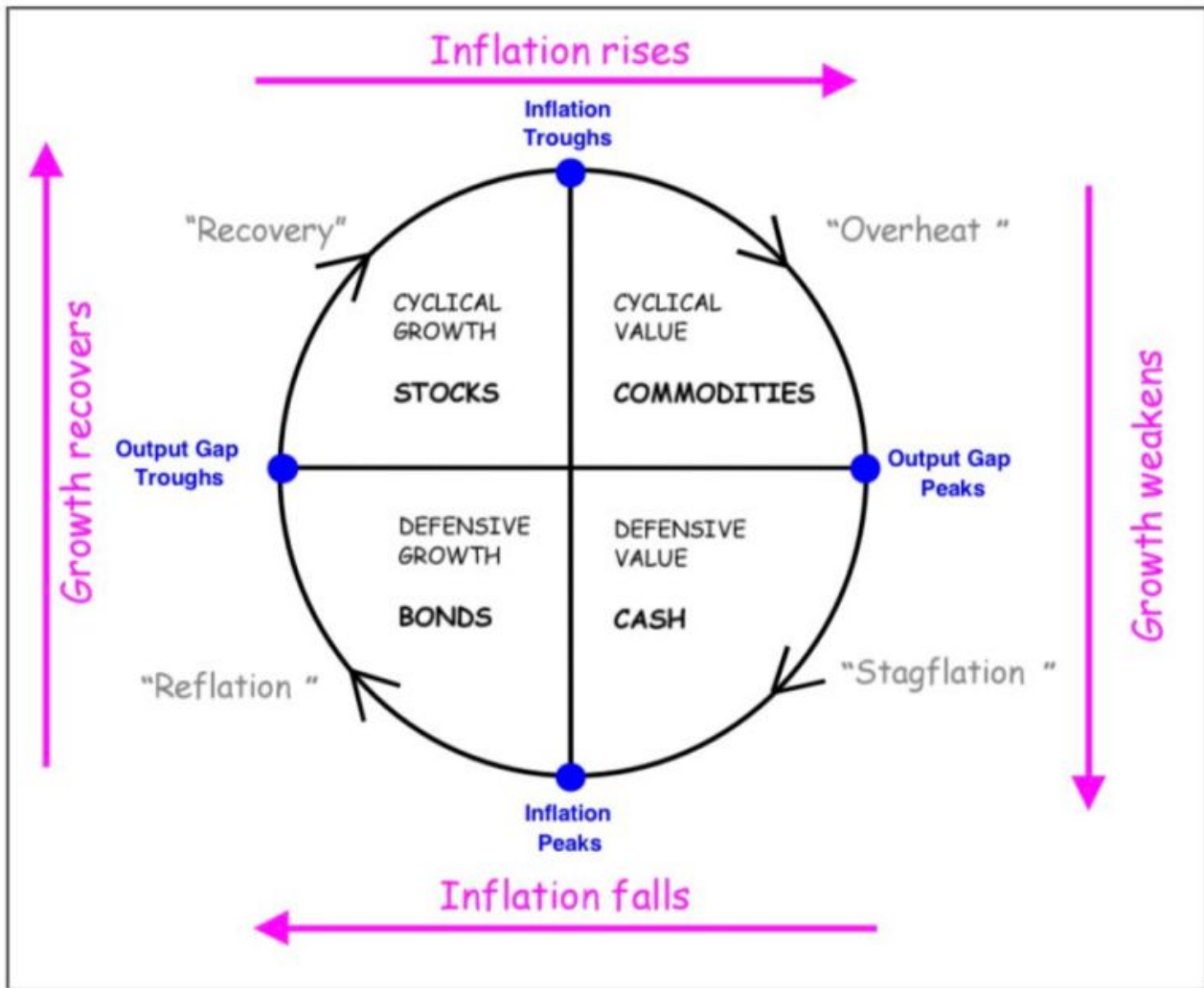


Source: Bloomberg, HolgerZ

#food-for-thought

#merrill #investment-clock

Chart 3: The Investment Clock



Source: ML Global Asset Allocation Team. Arrows denote the sequence of phases in a classic boom-bust cycle.

Source: Win Smart

#food-for-thought

#compounding

The first rule of compounding:

**“The first rule of
compounding:
Never interrupt it
unnecessarily.”**

— Charlie Munger

Source: Compounding Quality

#food-for-thought

#sp500 #buy-the-dip

Historically, investors are better off buying the dip than buying momentum. Since 1993, owning the S&P 500 ETF \$SPY the day after red days generated a total gain of 740% compared to just 10% when buying after a green or flat day.



Source: Bespoke

#food-for-thought

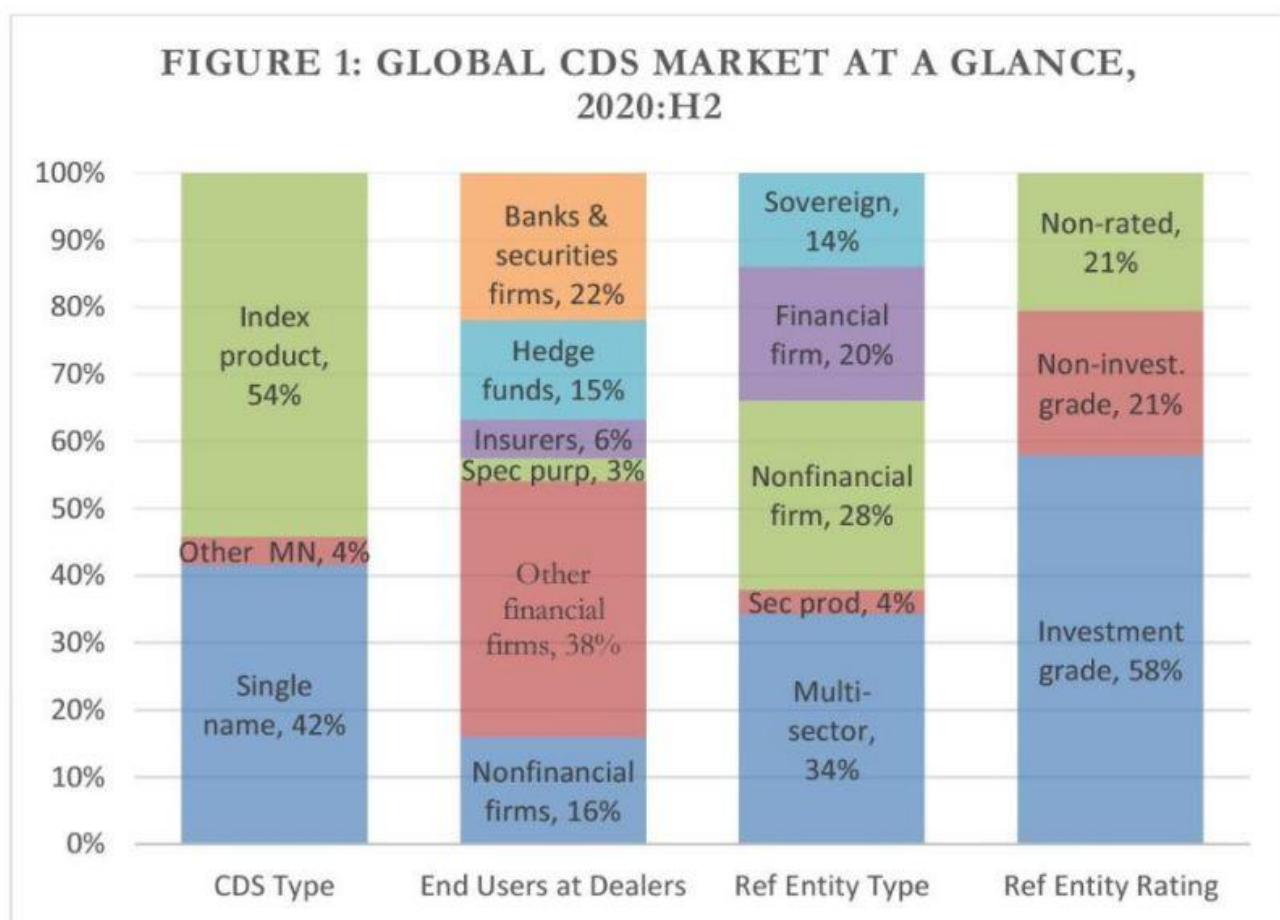
#bank-runs



#food-for-thought

#cbs

FIGURE 1: GLOBAL CDS MARKET AT A GLANCE, 2020:H2



Source: Bank for International Settlements (2021) and author’s calculations.

Note: “End Users” refers to non-dealer end users.

List of abbreviations used in Figure 1:

- Other MN: Other multi-name CDS (non-index product)
- Spec purp: Special-purpose vehicle, special-purpose corporation, or special-purpose entity
- Sec prod: Securitized products
- Ref Entity: Reference Entity

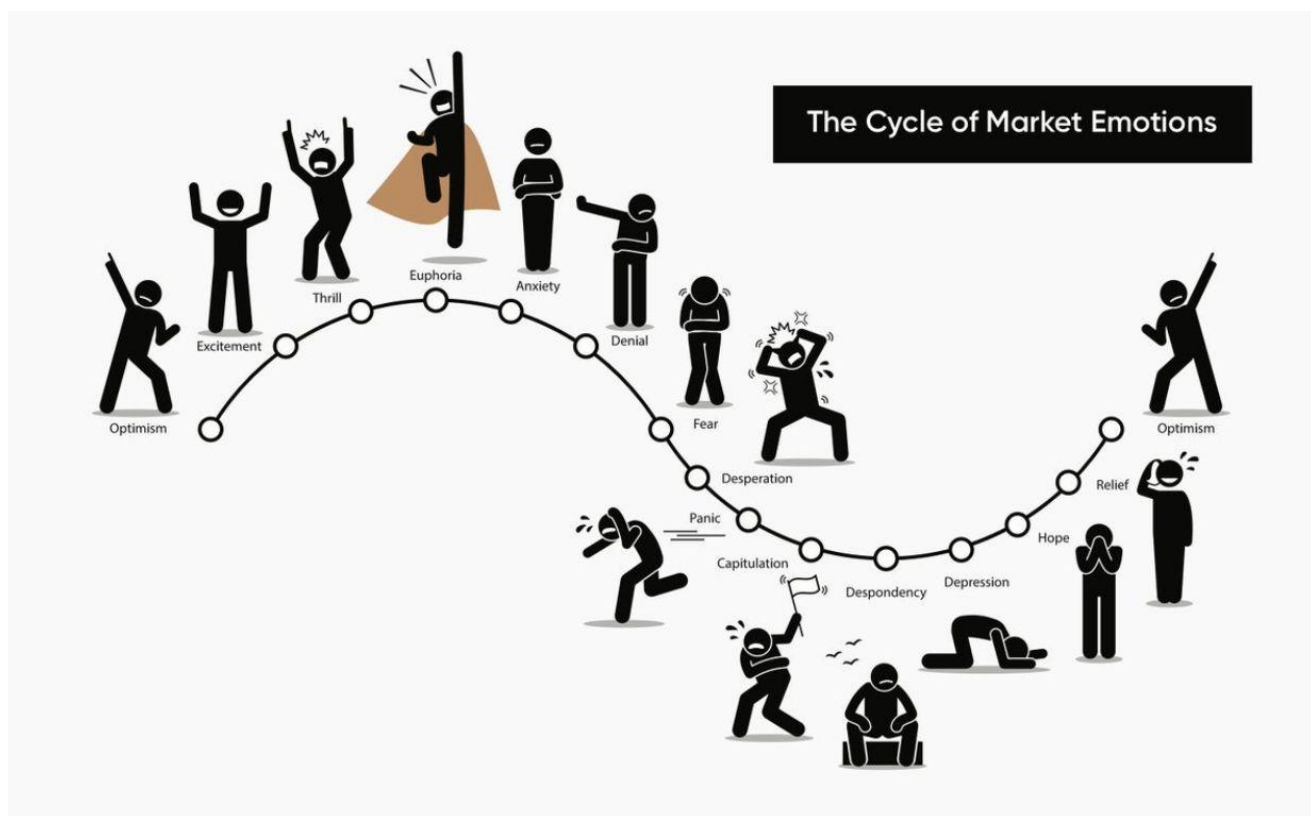


Source: Count Draghula

#food-for-thought

#market #emotions

The Cycle of Market Emotions



Source: Compounding Quality

#food-for-thought

#lipstickflation

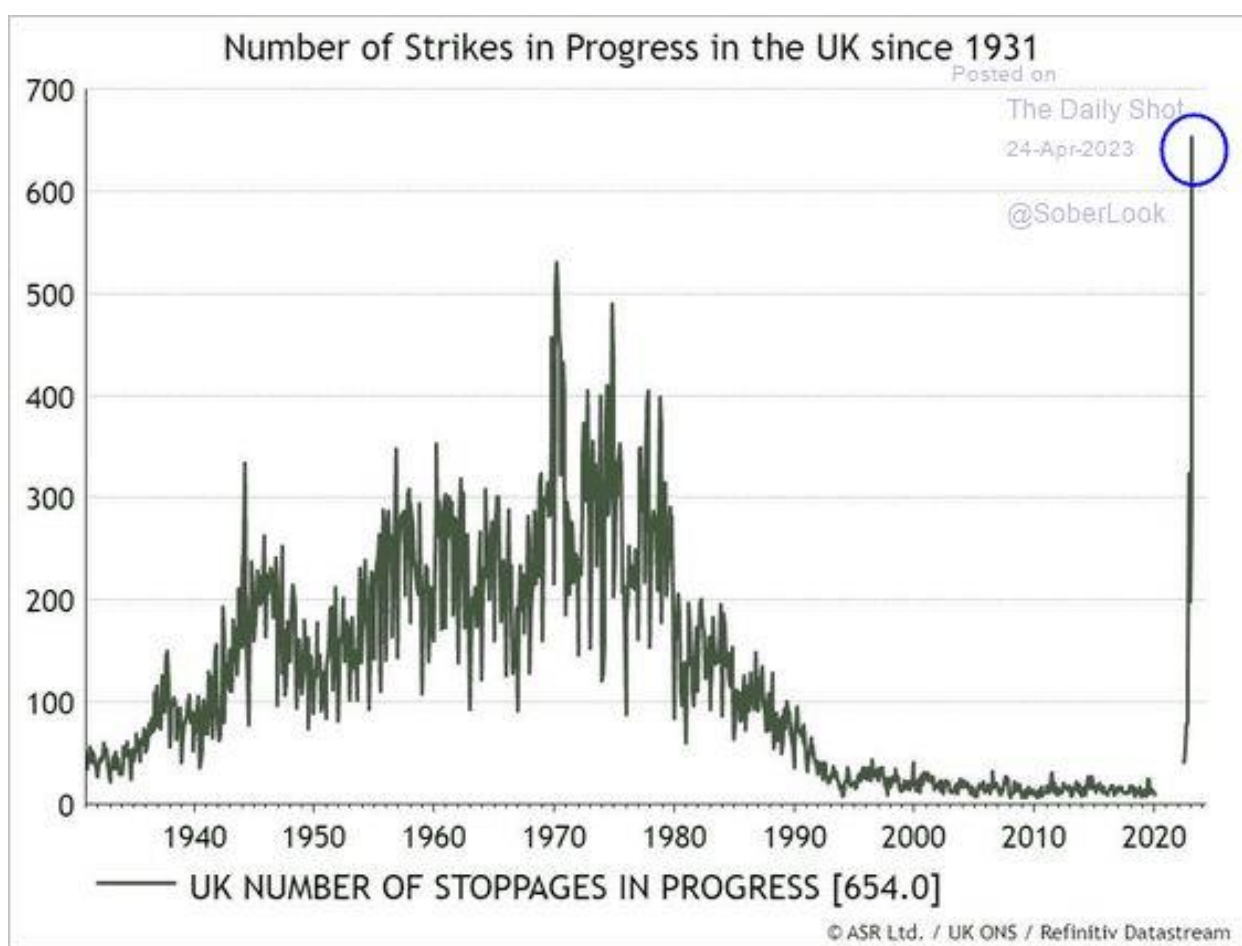
The lipstick index refers to a phenomenon where the sales of lipstick and other beauty products tend to increase during times of economic downturn. Purchasing luxury beauty items, such as lipstick, can provide people with a small indulgence that makes them feel good and boosts their overall mood, despite difficult financial circumstances. LipStick Index Graph shows lip cosmetics revenue from 2017 to 2022.



#food-for-thought

#uk #strikes

Number of strikes in progress in the UK Since 1931



Source: The Daily Shot

#food-for-thought

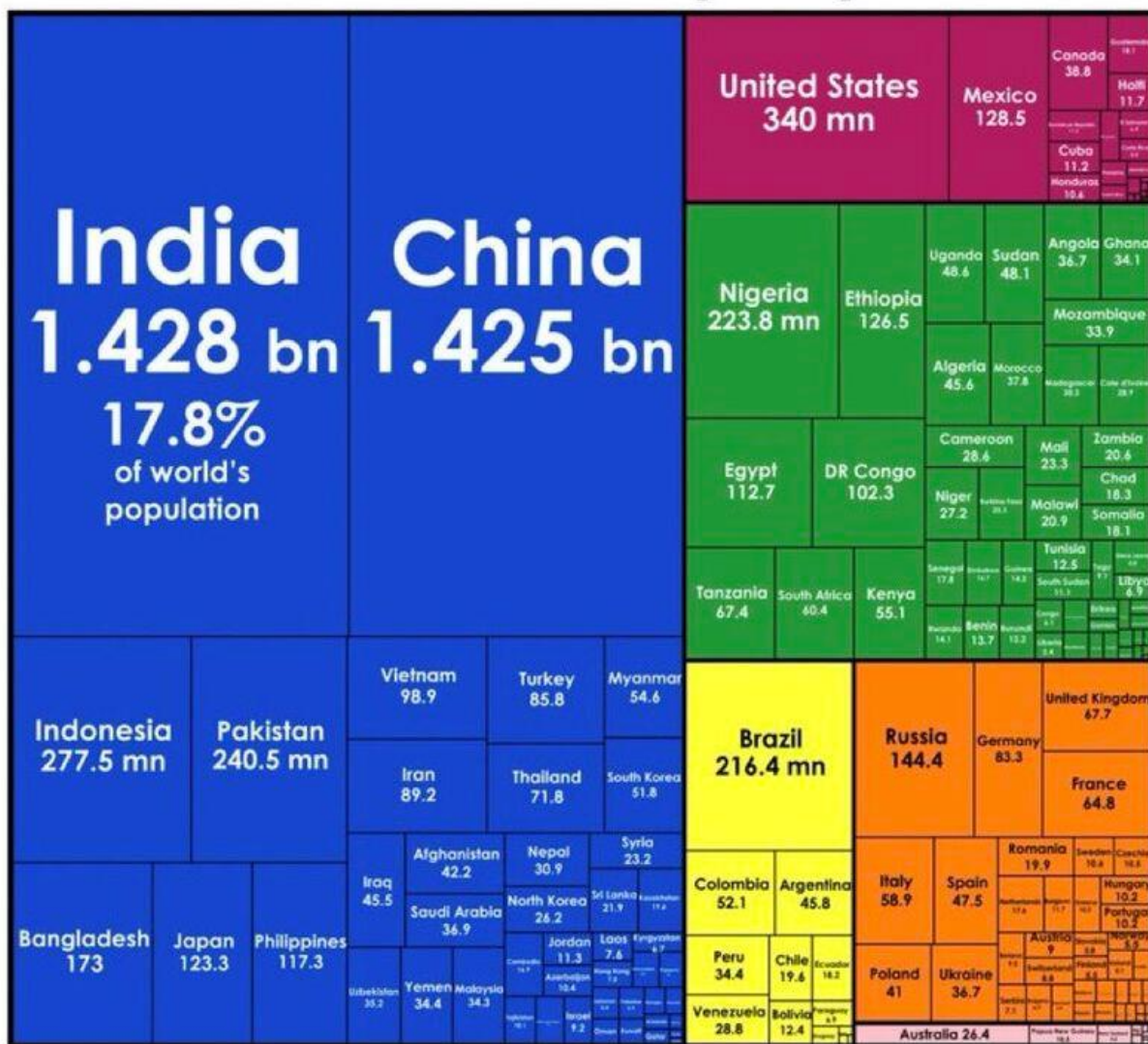
#global #forex #reserves



#food-for-thought

#earth

Where do 8 billion people live?



Source: UN FPA, 2023

Asia Africa Europe North America South America Oceania

statsofindia.in



Source: statsofindia.in

#food-for-thought

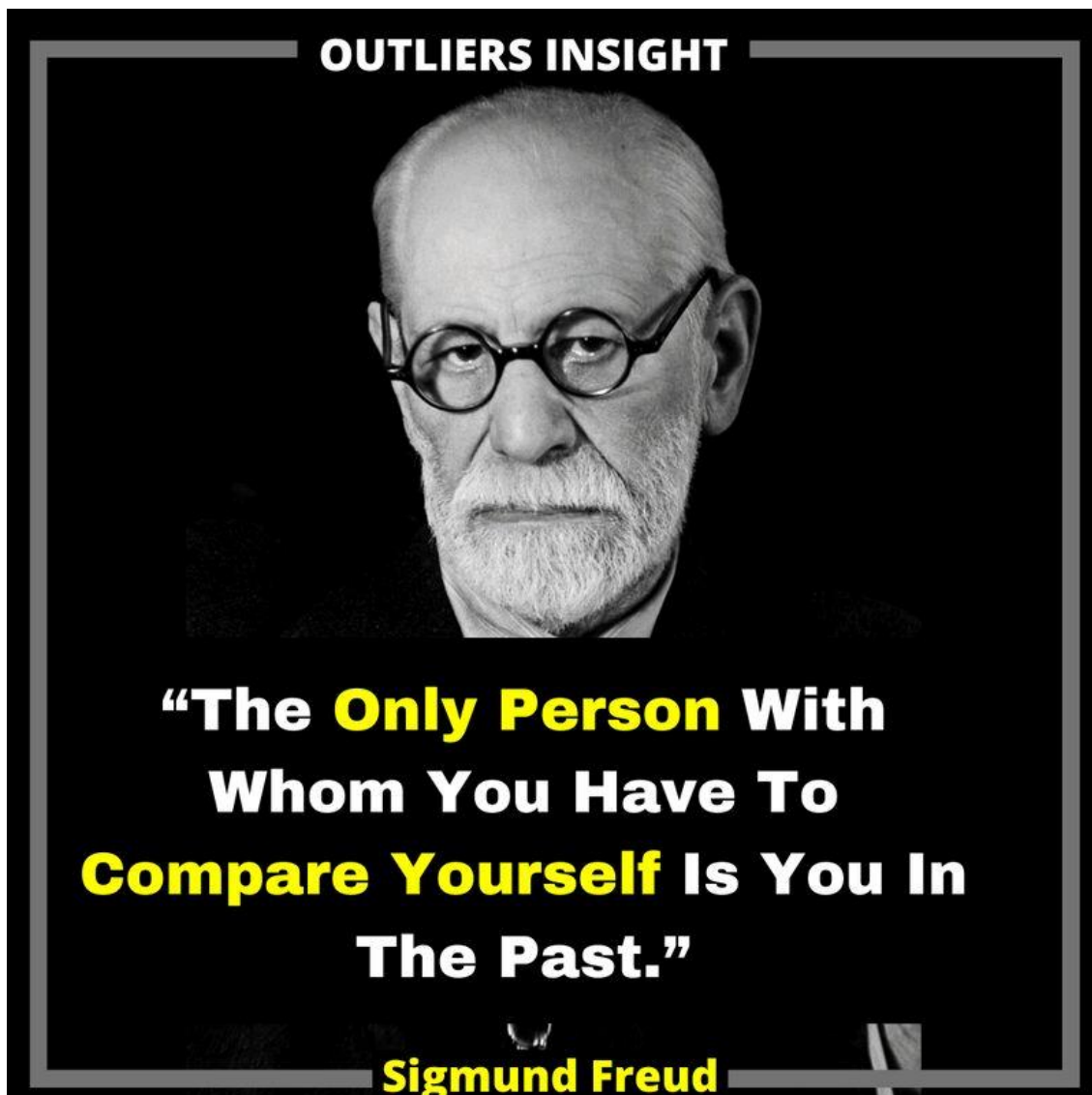
#us #politics #2024 #humor

Nice one by Chapatte



#food-for-thought

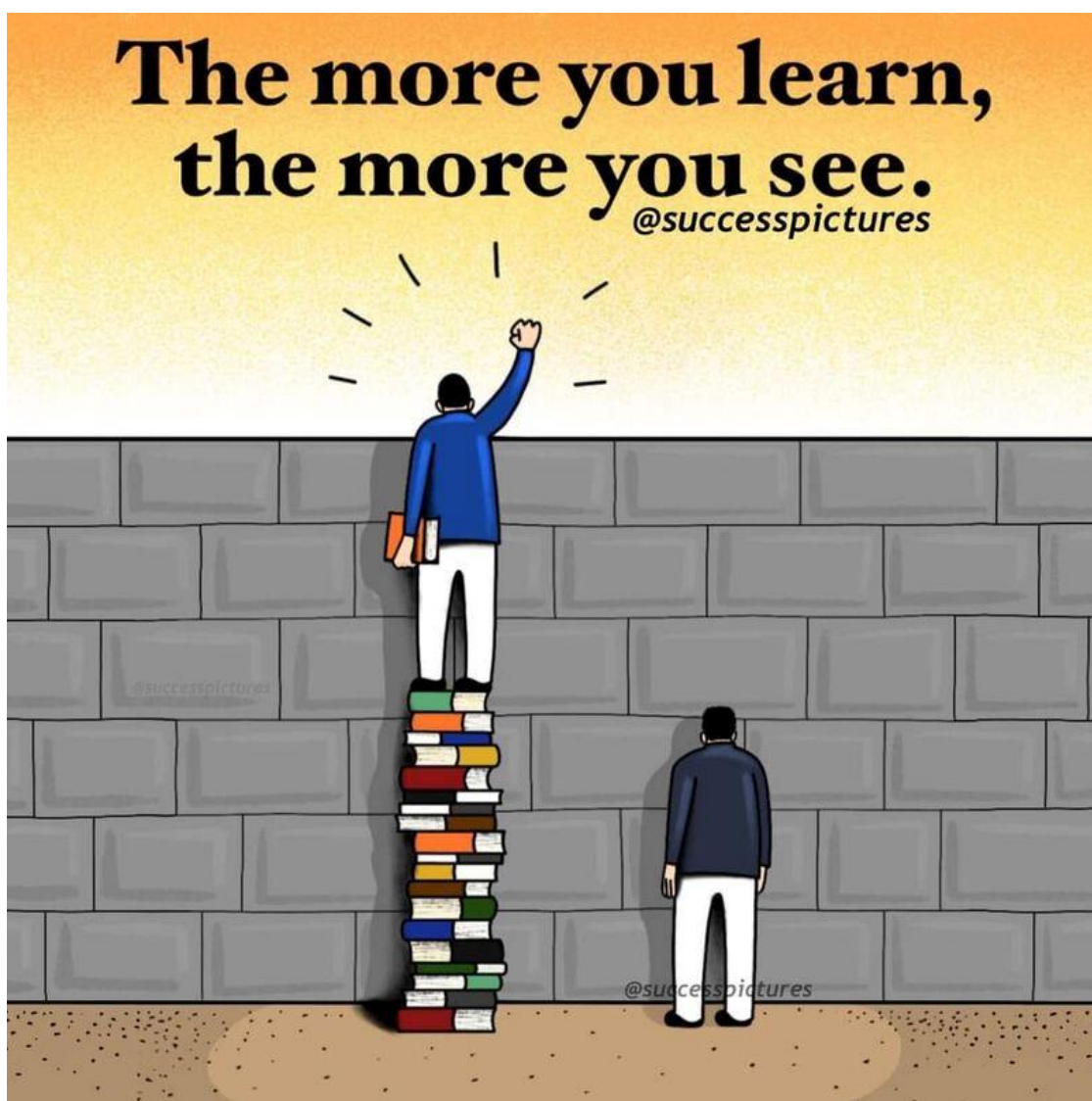
#leadership



Source: European leadership

#food-for-thought

#learning



Source: European leadership

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For the future...