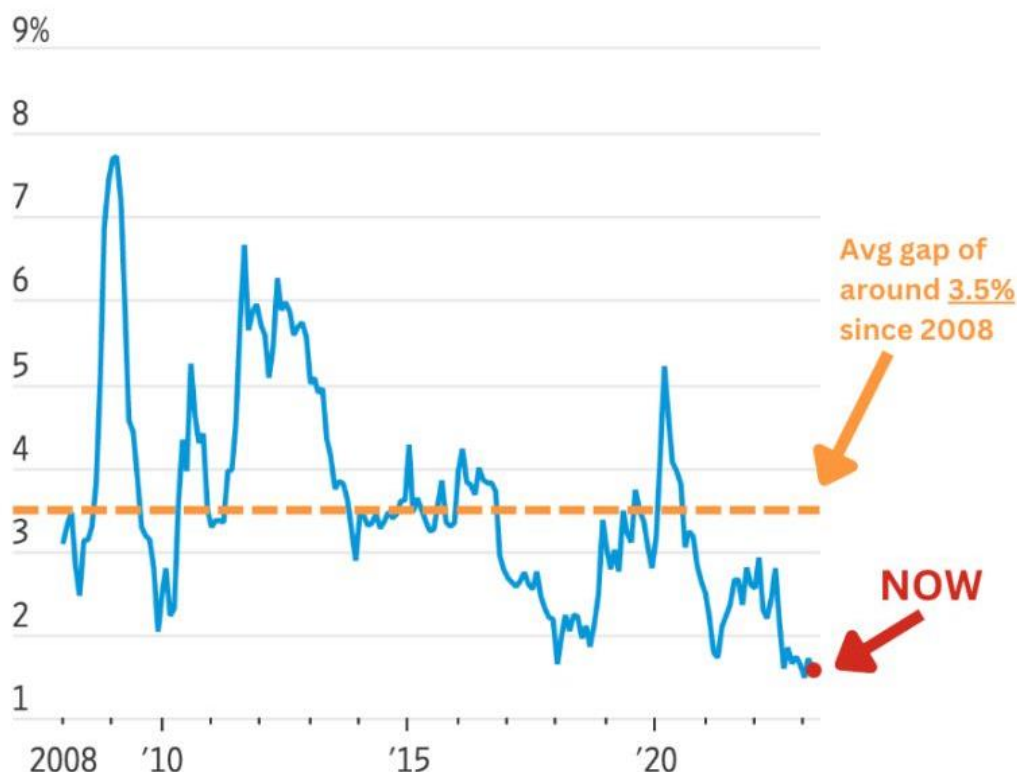


### Chart of the week

## S&P 500 ERP AT THE LOWEST SINCE 2007

US stocks haven't been this unattractive since 2007. The S&P 500 ERP (equity risk premium) is the gap between the S&P 500's earnings yield and that of 10-year Treasuries. The lower the ERP, the more expensive is the S&P 500 vs. bonds. At 1.59%, this is a low not seen since October 2007 (average is 3.5%).

### S&P 500 equity risk premium\*



### US equities end mostly lower in light trading

The major US equities indices were mostly lower over a holiday-shortened week that was characterized by light and choppy trading. Several important economic releases weighed on sentiment. On Monday, the ISM gauge of March factory activity fell back to a nearly three-year low. The ISM's services sector gauge, released two days later, indicated that the services sector was still expanding, but at a significantly slower-than-expected pace. The Labor Department reported on Tuesday that job openings declined much more than expected in February, falling to levels (9.9 million) last seen in May 2021. ADP private sector jobs survey, released Wednesday, indicated that the job market continued to expand in March, but at a slower pace. In a letter to shareholders, JPMorgan Chairman and CEO Jamie Dimon warned that "the [banking] crisis is not yet over" and that "there will be repercussions from it for years to come." The weak economic data pushed U.S. Treasury yields lower. Shares in Europe rose by nearly 1% as fears of a banking crisis abated while ECB's Lagarde, de Guindos, Lane hint at more rate hikes. Japanese stocks declined nearly 2% over the week, as investors continue to digest the potential impact of export restrictions on certain types of semiconductor manufacturing equipment. Chinese stocks advanced roughly 1% as a recovery in services activity and the property sector bolstered investor sentiment. Oil and Gold soared while cryptocurrencies were volatile.

## #GLOBALMARKETS WEEKLY WRAP-UP

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#markets

### #weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,485	0.6%	1.0%
S&P 500 Index	4,105	-0.1%	6.9%
NASDAQ	12,088	-1.1%	15.5%
MSCI EAFE *	2,102	0.4%	8.3%
10-yr Treasury Yield	3.30%	-0.2%	-0.6%
Oil (\$/bbl)	\$80.46	6.3%	0.2%
Bonds	\$100.44	0.8%	4.4%

Source: Edward Jones

#markets

## #us #equities #q1 #returns

Nice chart representation by Graphite Asset Advisory and John Haslett, CA(SA), FRM about market action in Q1 2023. The Q1 2023 attribution chart for the S&P 500 revealed that only 10 companies were responsible for a massive 90% of the market's 7.49% performance...

### S&P 500 Q1 2023 Return Attribution

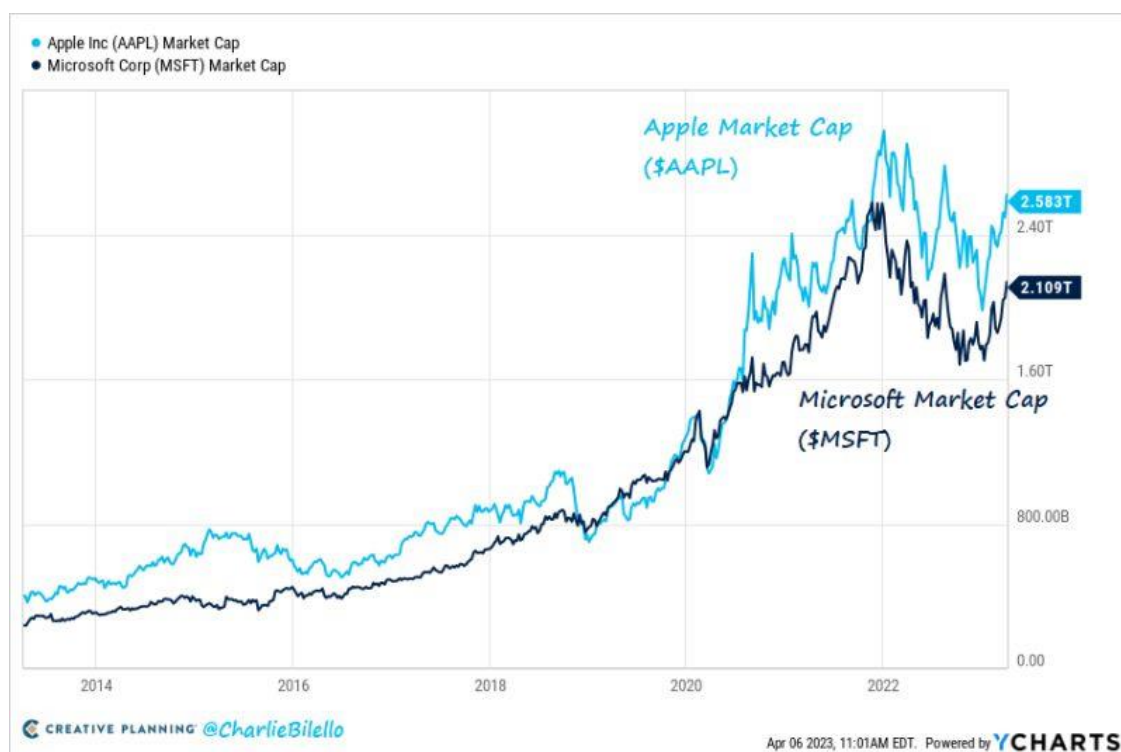


Source: Graphite Asset Advisory

#markets

### #apple #microsoft

At \$4.69 trillion, the market cap of Apple & Microsoft is now \$2 trillion higher than the combined market value of all the companies in the Russell 2000 (\$2.69 trillion).



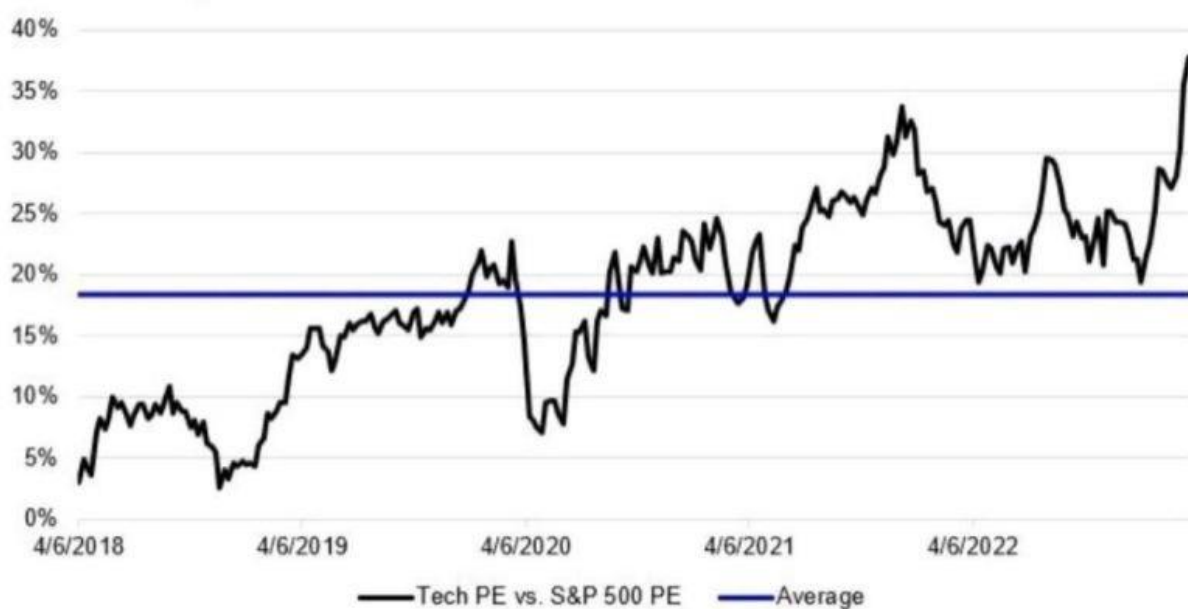
Source: Charlie Bilello

#markets

### #technology #valuations

Tech P/E now trades at 38% premium to S&P.

#### Technology PE Premium vs. S&P 500

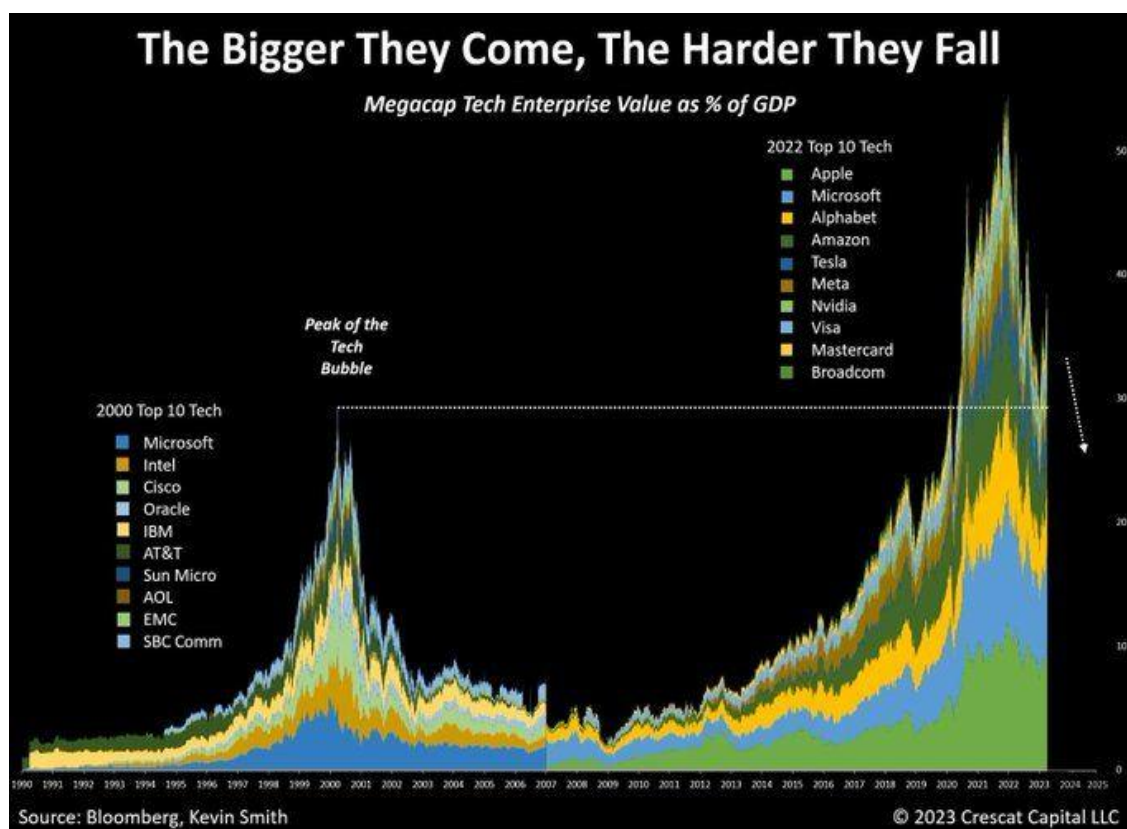


Source: Bloomberg, NewEdge Wealth, as of 3/31/23

Source: : Cheddar Flow

### #us #equities #mega-caps #tech #valuations

Great chart by Crescat Capital thru Tavi Costa: Valuation imbalances take time to deflate. Mega caps are ultra-long-duration assets that still need to reflect the current macro environment of higher discount rates than the historical average.



Source: Crescat Capital

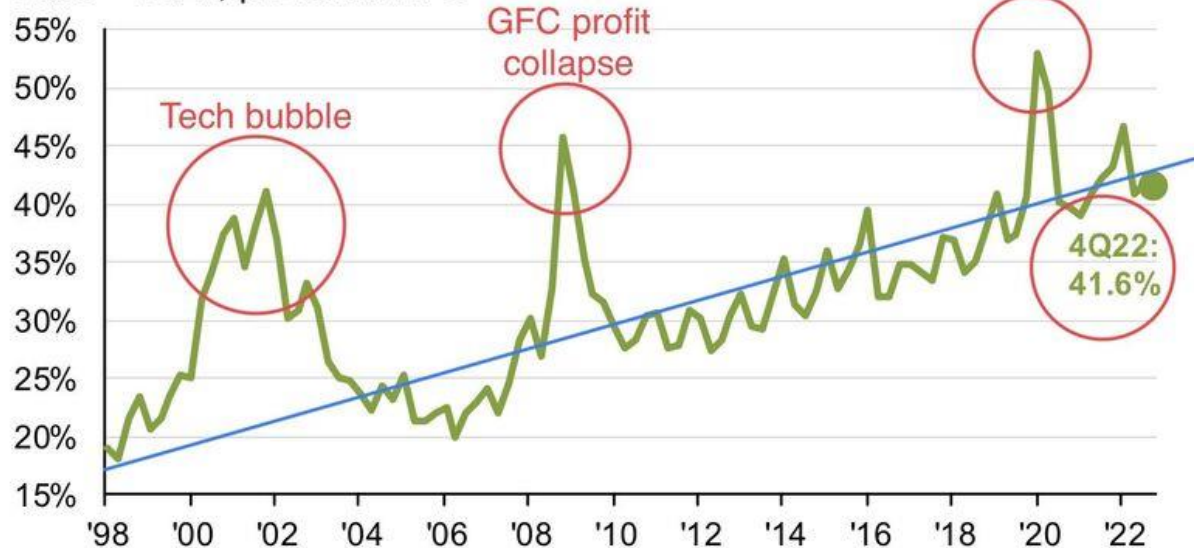
#markets

## #technology #unprofitable #companies

What a trend 🖱️ How exactly are these unprofitable companies supposed to roll their debt in higher rates

### Percent of unprofitable companies in the Russell 2000

1Q98 – 4Q22, pro-forma EPS



Source: Michel Arouet, ecommerceshares



#markets

## #us #banks #shorts

Shorts made over \$2 Billion betting against banks in meltdown.

### Banks Were the Most Profitable Short Trades in Q1

Traders who bet the stocks would fall reaped gains

■ Q1 Mark-to-Market Profit



Source: S3 Partners  
Data through market close 3/30/2023

Source: Bloomberg

#markets

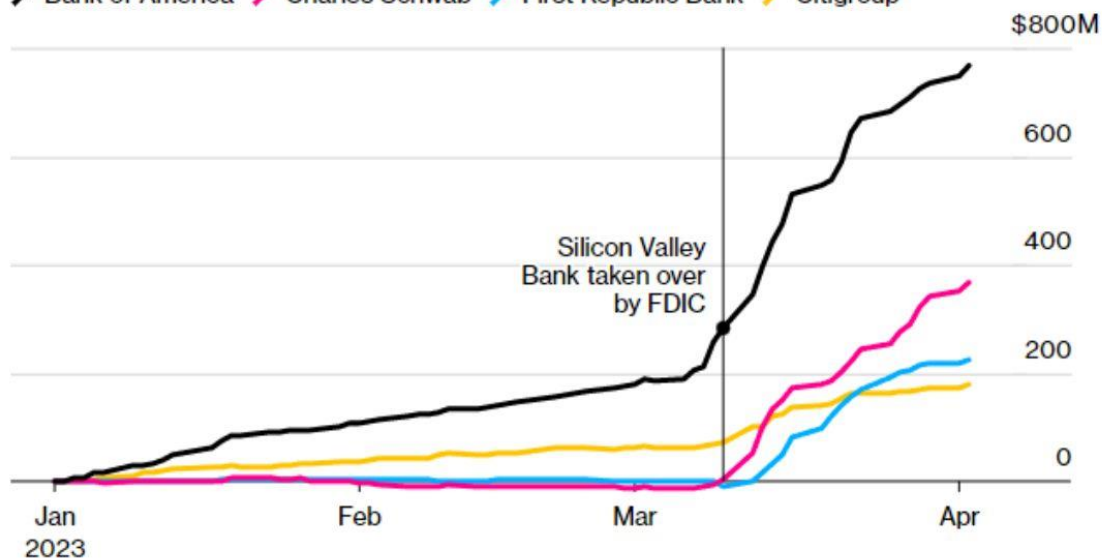
## #us #banks #retail-investors

Retail investors have piled into bank stocks.

### Retail Investors Have Piled Into Tumbling Bank Stocks

SVB's failure, bank contagion fears spur buying

Bank of America Charles Schwab First Republic Bank Citigroup



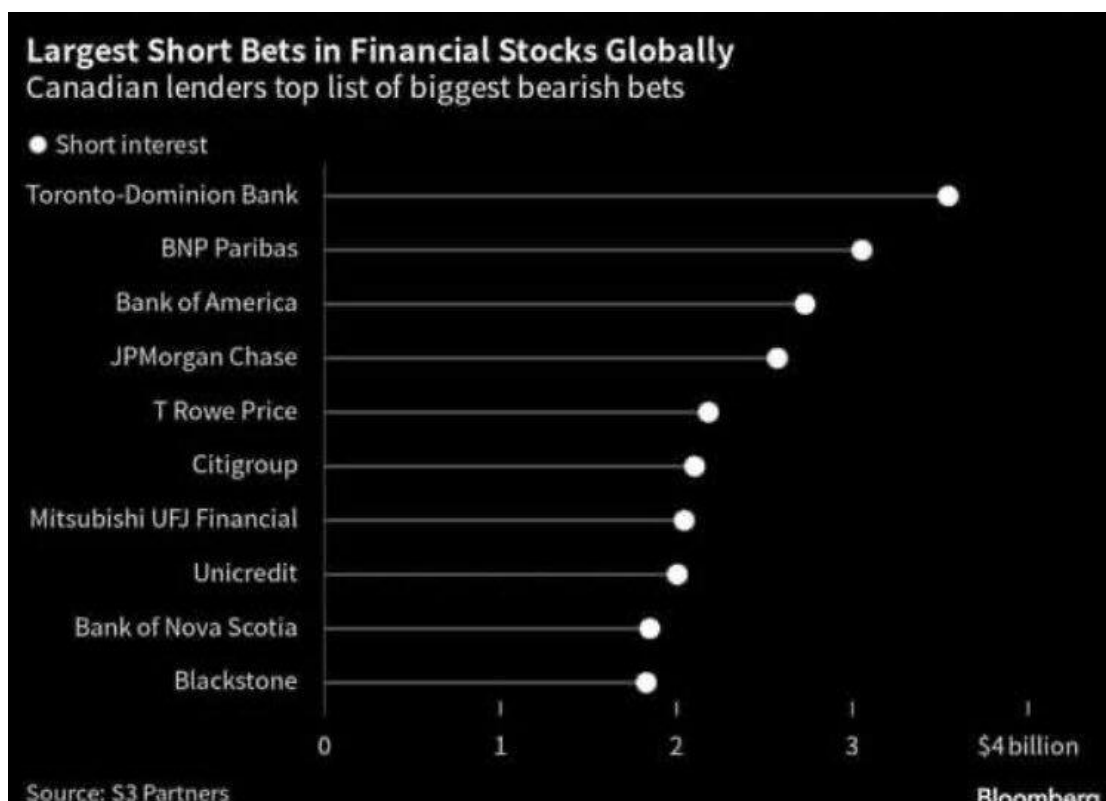
Source: Vanda Research

Note: Data show cumulative net buying this year

Source: Vedanta

### #global #financial #shorts

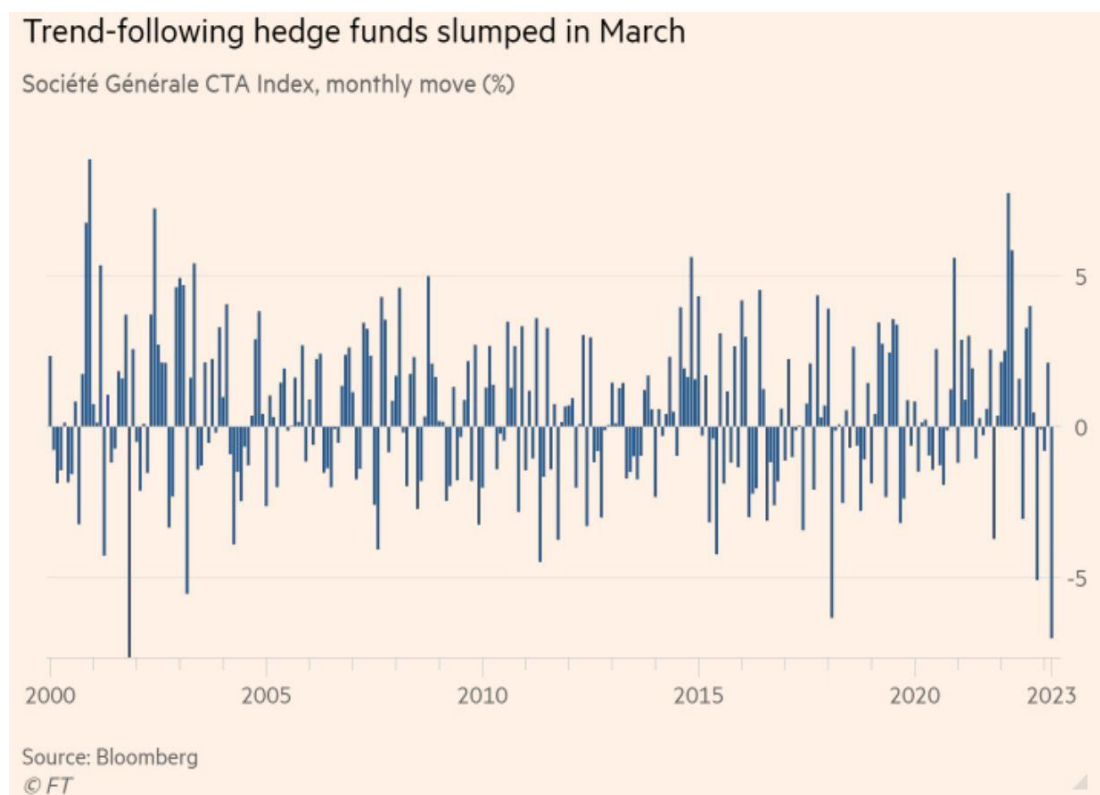
WHO'S THE MOST SHORTED BANK STOCK IN THE WORLD?  
Answer: Canada's second largest lender TD Bank is the most shorted bank in the world! Short sellers have bet \$3.7 BILLION against TD bank.



Source: Bloomberg

### #trends #ctas #march

Trend-Following Hedge Funds Slumped in March. Société Générale's CTA index, which tracks the performance of 20 of the largest such funds, dropped 6% in the space of two days in the wake of the Californian lender's collapse, and has slid further since. It declined 6.4% the month to March 30, the latest day for which data was available. That would mark its worst monthly performance since November 2001



Source: FT

#markets

## #market-sentiment

Greed is Back ... Jumped to 58 vs 37/100 a Week ago

### Fear & Greed Index

What emotion is driving the market now?

[Learn more about the index](#)



Source: CNN

#markets

### #markets #view

Calm Before the Storm? This is the Calm Before the Storm for stocks as they are likely to fall back to their 2022 lows warns JP Morgan strategist Marko Kolanovic. He says that recent gains have been driven by a short squeeze, fall in VIX and systemic investors.

## JPMorgan's Kolanovic Warns Stocks Are in 'Calm Before the Storm'

- Past two weeks of inflows driven by short squeeze, fall in VIX
- Equities likely to 'retest last year's low,' Kolanovic says

By Alexandra Semenova

April 3, 2023 at 4:36 PM CDT

Source: Bloomberg

#markets

### #s&p500 #technicals

Technical picture keeps improving for the S&P 500 index. Downtrend has been broken. The index now trades above the 200-day moving average, which is turning. The index keeps making higher lows.

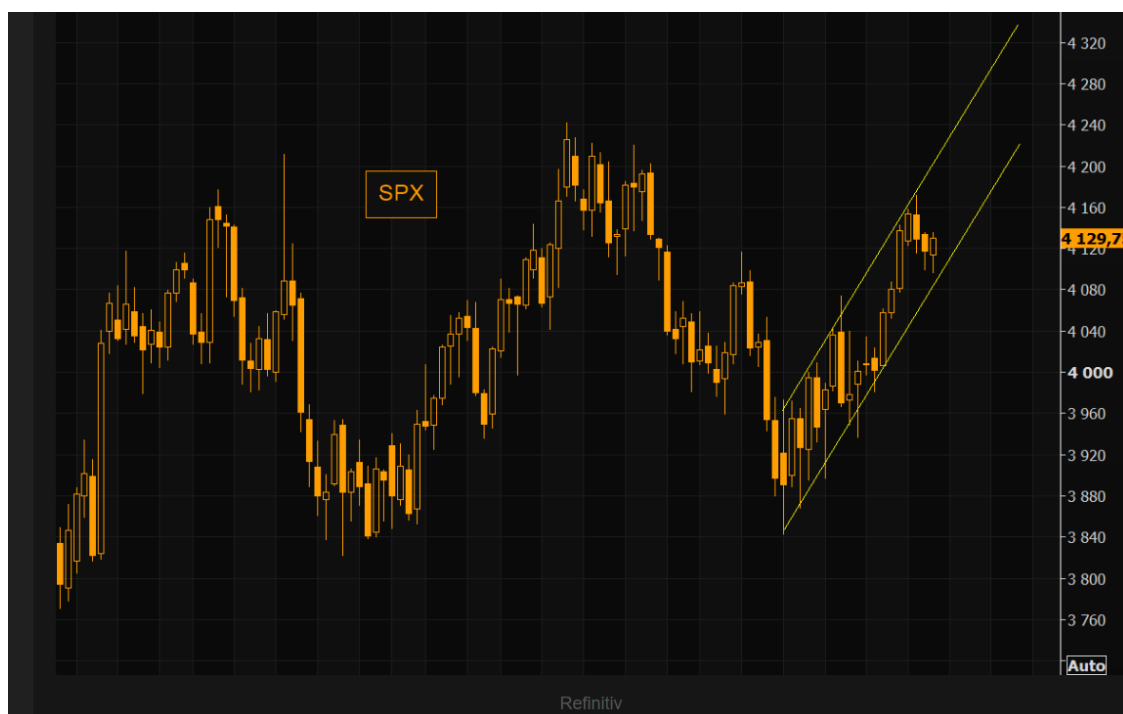


Source: Bloomberg

#markets

### #s&p500 #technicals

Trend perfection for the S&P 500...



Source: The Market Ear



#markets

### #nasdaq #technicals

Trend perfection for the Nasdaq...



Source: The Market Ear

## #GLOBALMARKETS WEEKLY WRAP-UP

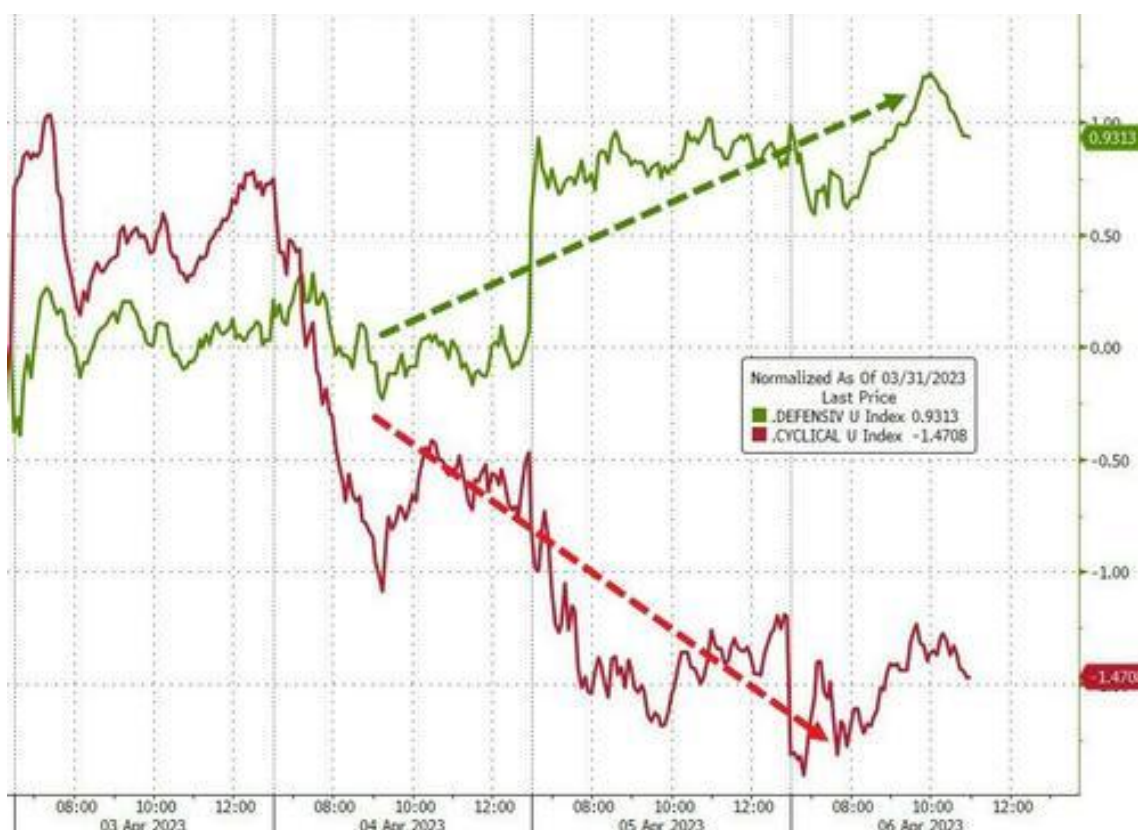
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### #us #equities #defensives #cyclicals

Defensives dominated Cyclicals this week (defensives are actually up 4 weeks in a row)...



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

## #GLOBALMARKETS WEEKLY WRAP-UP

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### #us #equities #sectors

Energy and Healthcare outperformed on this short week while Industrials and Consumer Discretionary lagged...

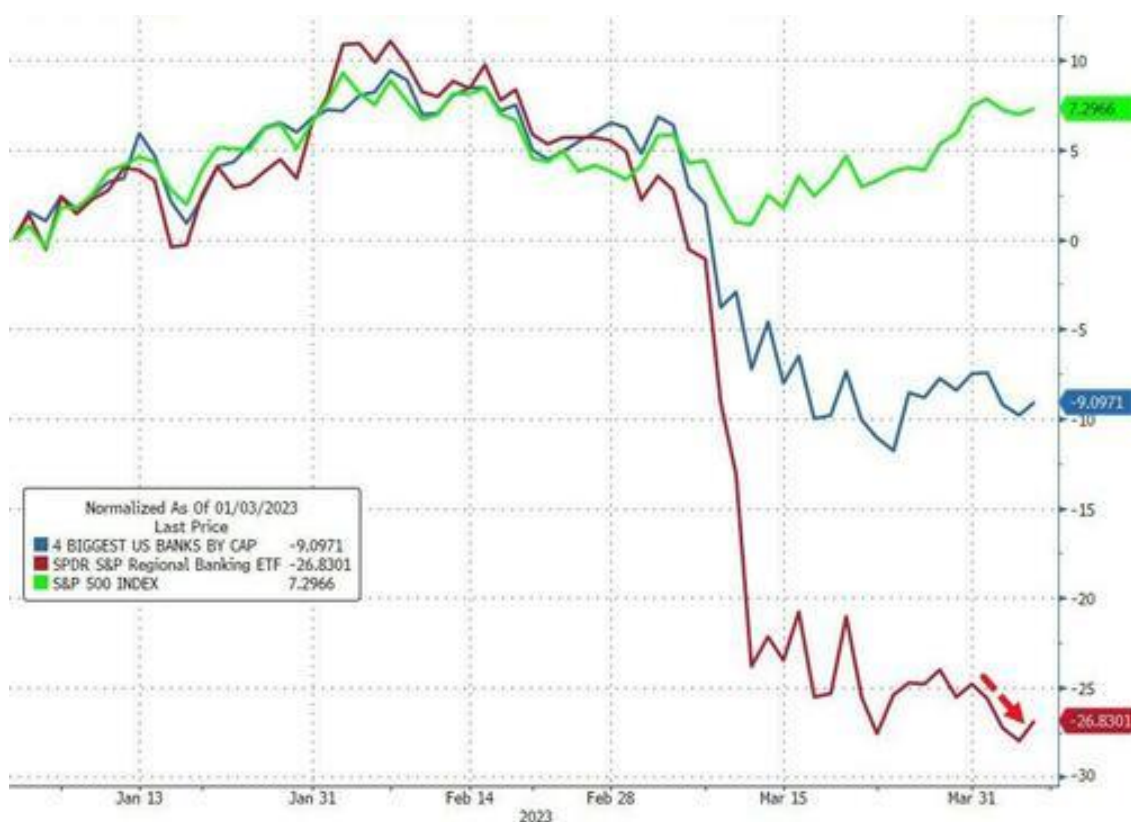


Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)

#markets

### #us #equities #banks

Regional Banks traded down to new post-SVB lows (still dramatically underperforming the big banks and the market)...



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

## #us #equities #midterm-election #statistics

### Market Correction During Midterm Election Years

Every time the S&P 500 had a 20%+ decline or more in Midterm Election year, 1-year later the market rallied ~30% or more.

### Market corrections during midterm election years



Source: Sethgolden

#markets

## #us #equities #cycle

What happened to stocks and the US 10Y Treasury bond after the last Fed rate hike?



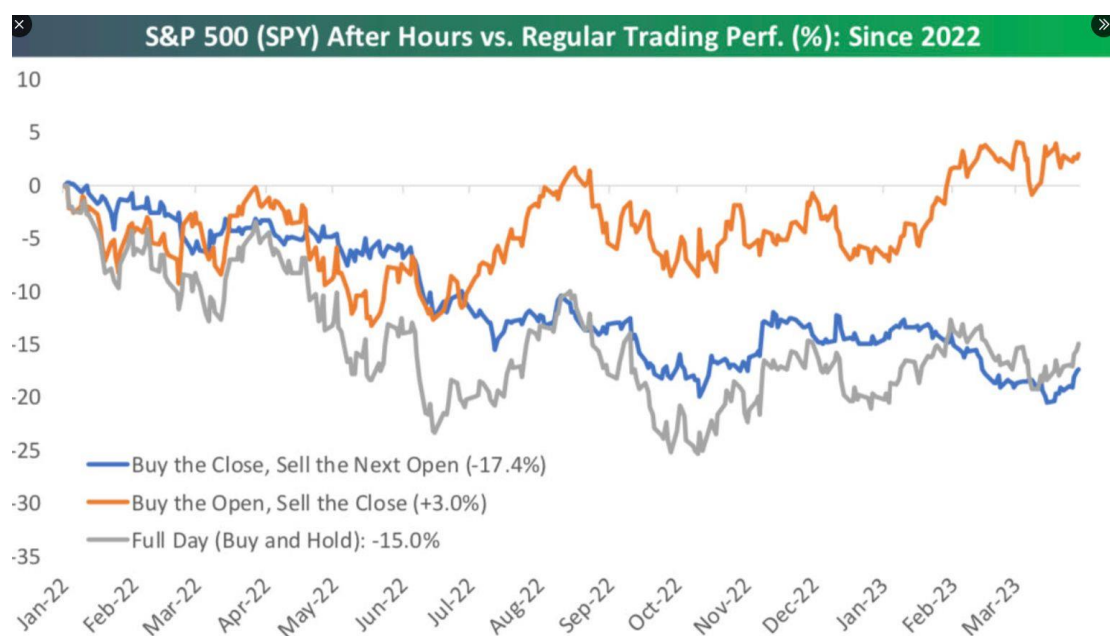
Source: Bloomberg



#markets

### #us #equities #intraday

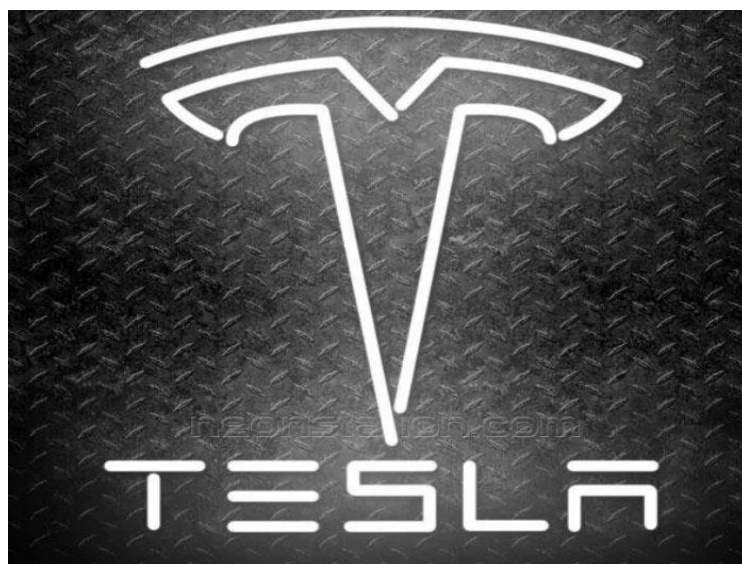
Intraday strength: only owning SPY intraday is up 3% since the end of 2021. Not typical based on the last 30 years.



Source: Bespoke

### #tesla

Tesla delivered 422,875 vehicles in the first three months of 2023, up 4% on the previous quarter. Tesla also produced a record 441,000 cars in the period. Musk dropped prices for the company's range of vehicles by as much as 9% last month. The company has benefited from changes to the tax regime for electric vehicles introduced in the US last year. Tesla has set a target of raising production by more than 10 times to 20mn vehicles a year by 2030. That could cost as much as \$175bn to achieve, according to Zach Kirkhorn, chief financial officer. Musk has indicated that the company will expand its range of vehicles with a more affordable model and has been increasing production levels at the company's new factories in Germany and in Austin, Texas, where Tesla is headquartered.





#markets

### #us #treasuries #weekly

Treasury yields were down across the board with the short-end outperforming... The 5Y and 10Y yield dropped to their lowest close since September 2022...

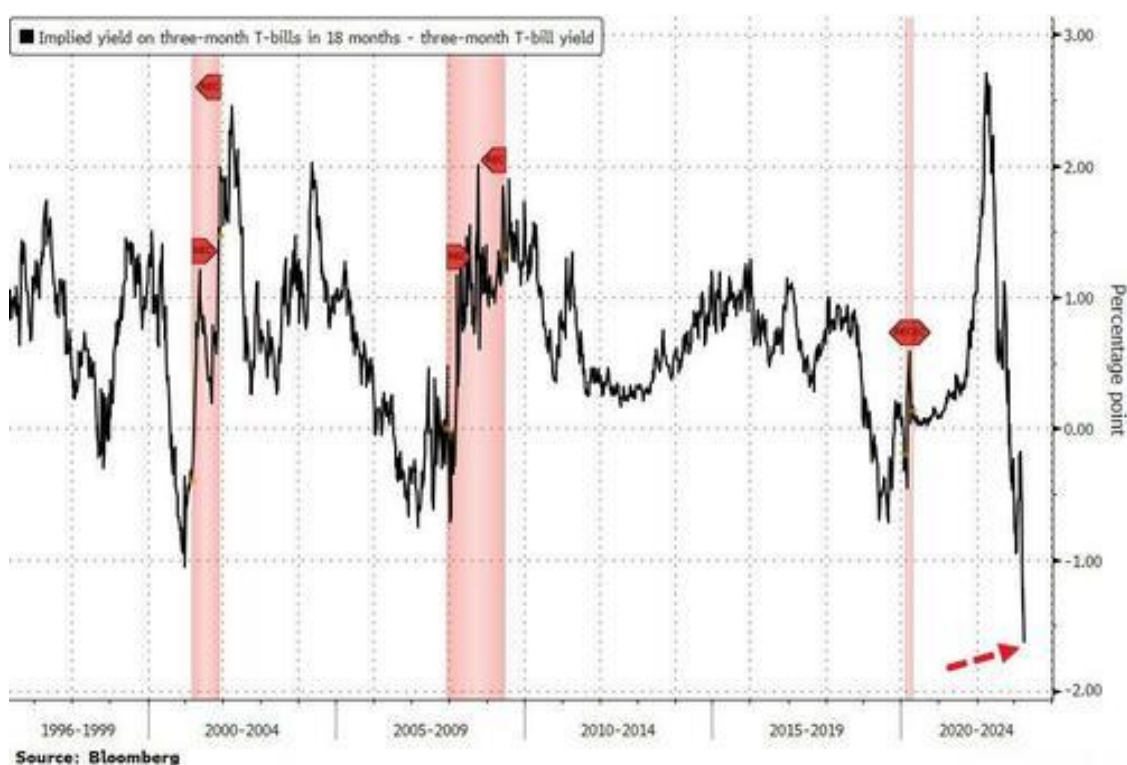


Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)

#markets

### #us #treasuries #weekly

Powell's favorite yield curve recession signal (3m18m forward - 3m) massively flattened this week to record levels of inversion... screaming recession imminent.



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

#markets

### #commodities #weekly

A wild week in commodity-land with oil surging on OPEC+'s surprise production cut, precious metals outperforming (dovish data) while Natural Gas continue to collapse.



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

## #GLOBALMARKETS WEEKLY WRAP-UP

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### #gold

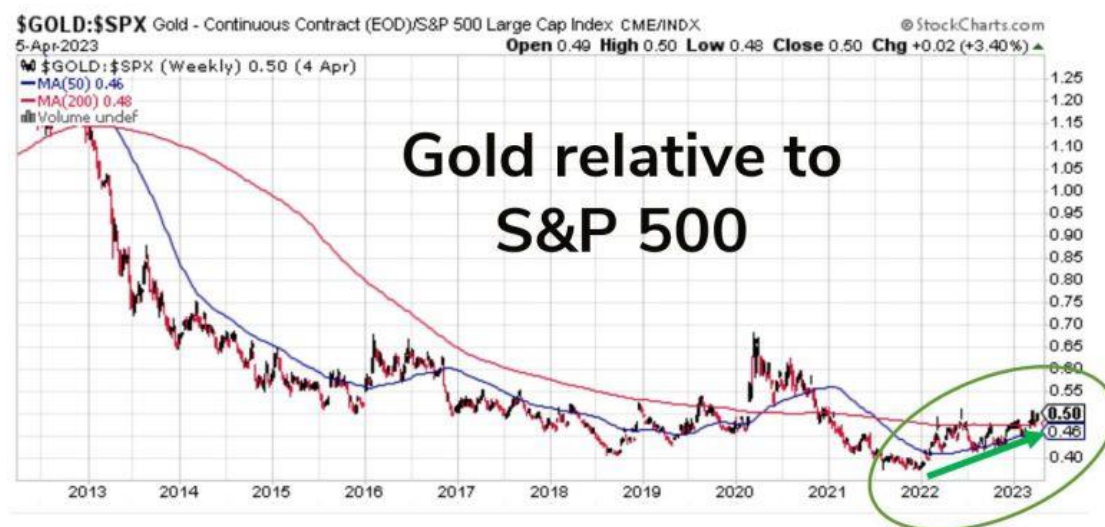
Gold surged this week to its second highest weekly close ever...



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

### #gold #relative

Gold broke the \$2k this week and is the only asset I know which is trading at a 5,000 years high... It is also interesting to note that Gold is outperforming US stocks since the start of 2022. It has been outperforming the S&P 500 since the through in Q3, which is a very rare event (usually stocks outperform Gold during bull markets). It seems that investors are ready to look away from the massive opportunity cost of owning gold against equities in last decade. Potential drivers: 1) Declining real bond yields: 2) High level of uncertainty (Banking crisis, geopolitics, etc.); 3) Central banks keep accumulating Gold.

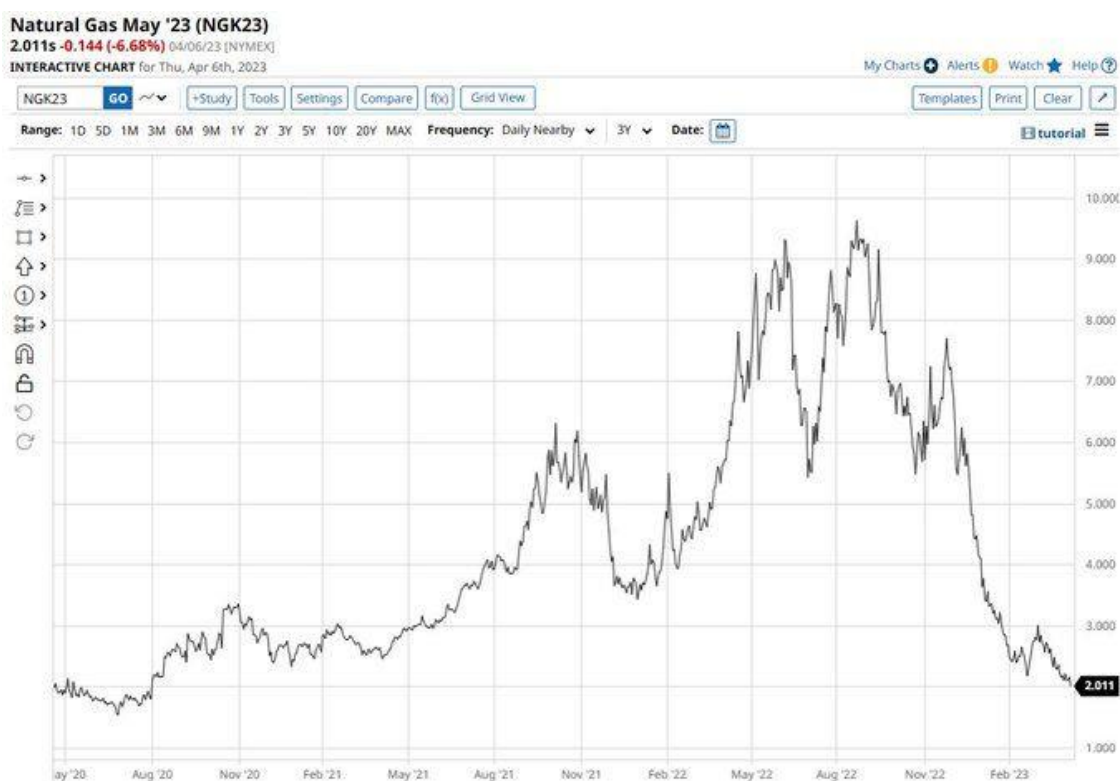


Source: Michel A.Arouet

#markets

### #us #natural-gas

Natural Gas continues to get crushed. Price traded briefly below \$2 for the first time since Summer 2020.



Source: Barchart



#markets

### #oil

Oil largely traded sideways from Sunday's open with WTI basically swinging between around \$80 and \$81 all week...

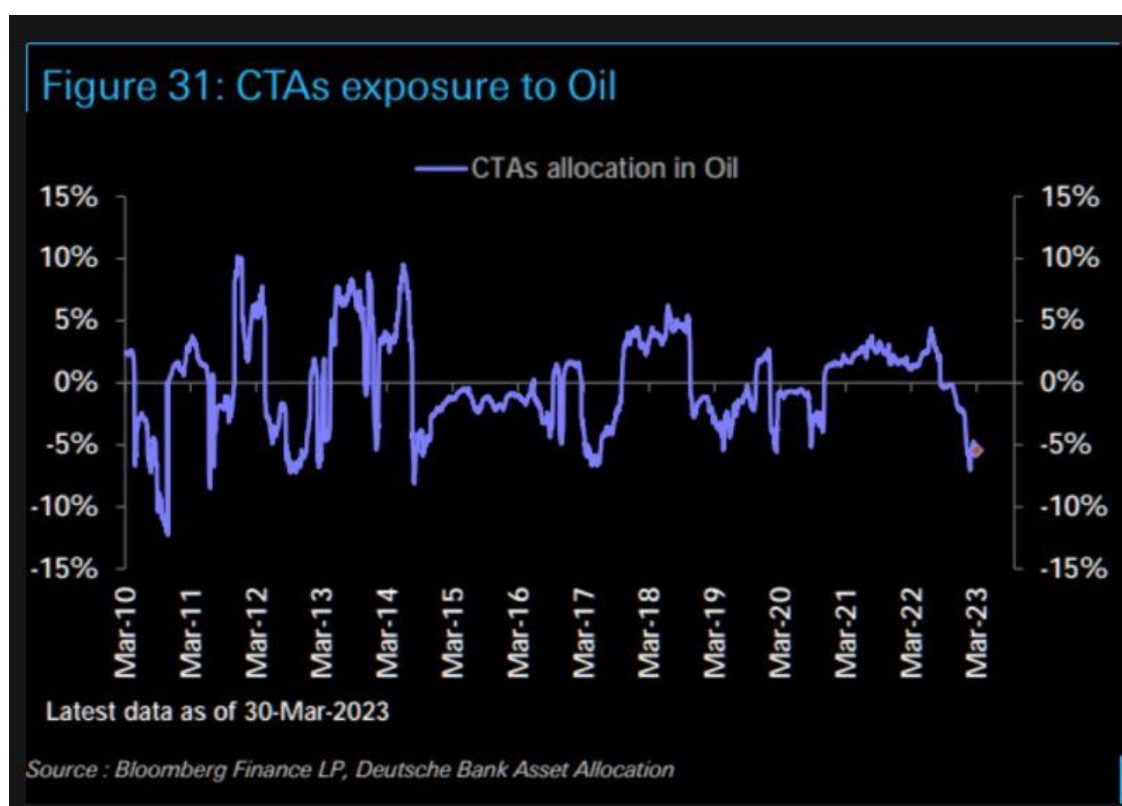


Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)

#markets

### #oil #ctas #positioning

Not overly surprising...the CTA crowd were caught short into the latest squeeze move in oil. They continue shorting lows, and buying highs, across assets...

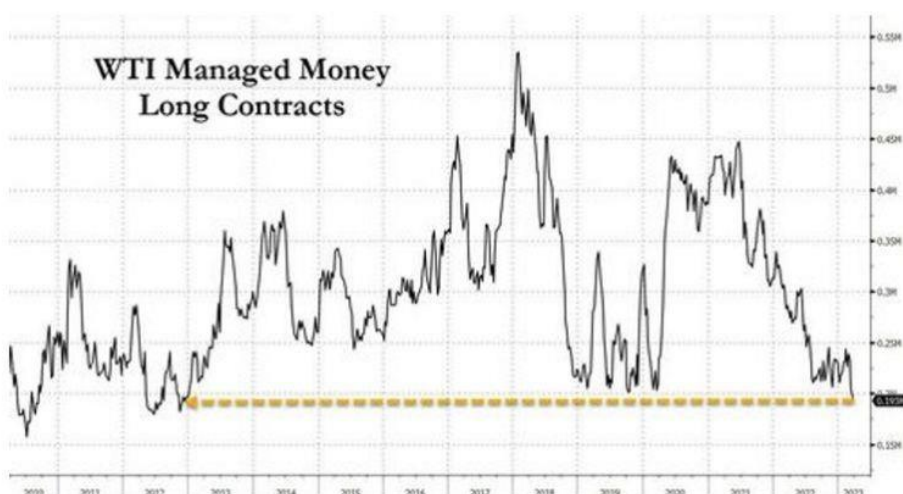


Source: DB, TME



### #oil #positioning

Heading into OPEC+ cut last weekend, WTI shorts had trimmed their total exposure by the most in 7 years. However, as the next chart shows, there are still a lot of #shorts left to cover...



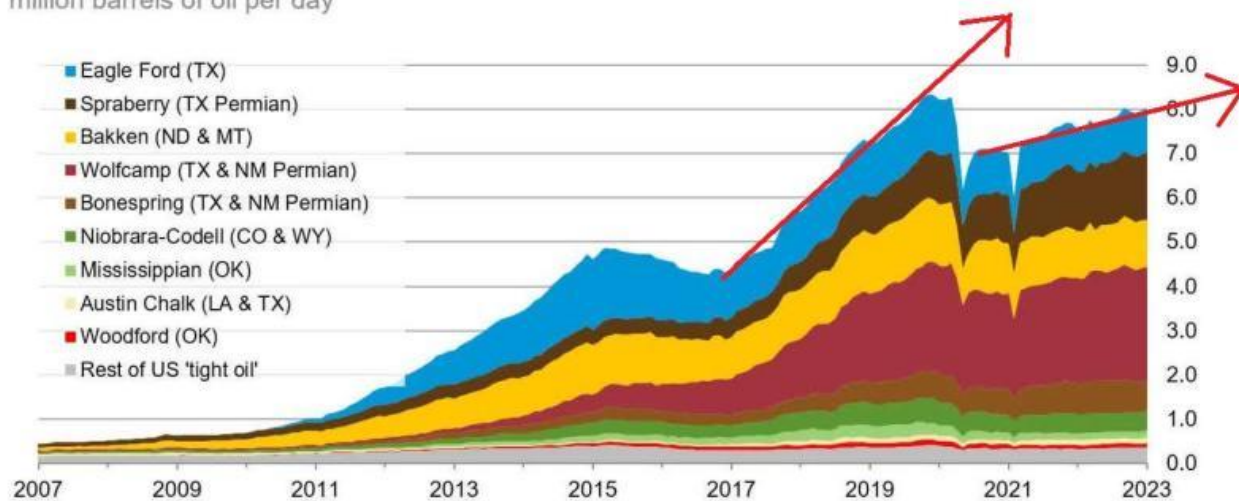
#markets

### #oil #production

Great point made by John Arnold on Twitter. The OPEC cut was only possible because of the inability/unwillingness of the US shale oil sector to grow at the same rate as it was in 2016-2020. With much less supply elasticity in the market today, OPEC is less worried about losing market share if it defends higher prices

#### U.S. tight oil production – selected plays

million barrels of oil per day



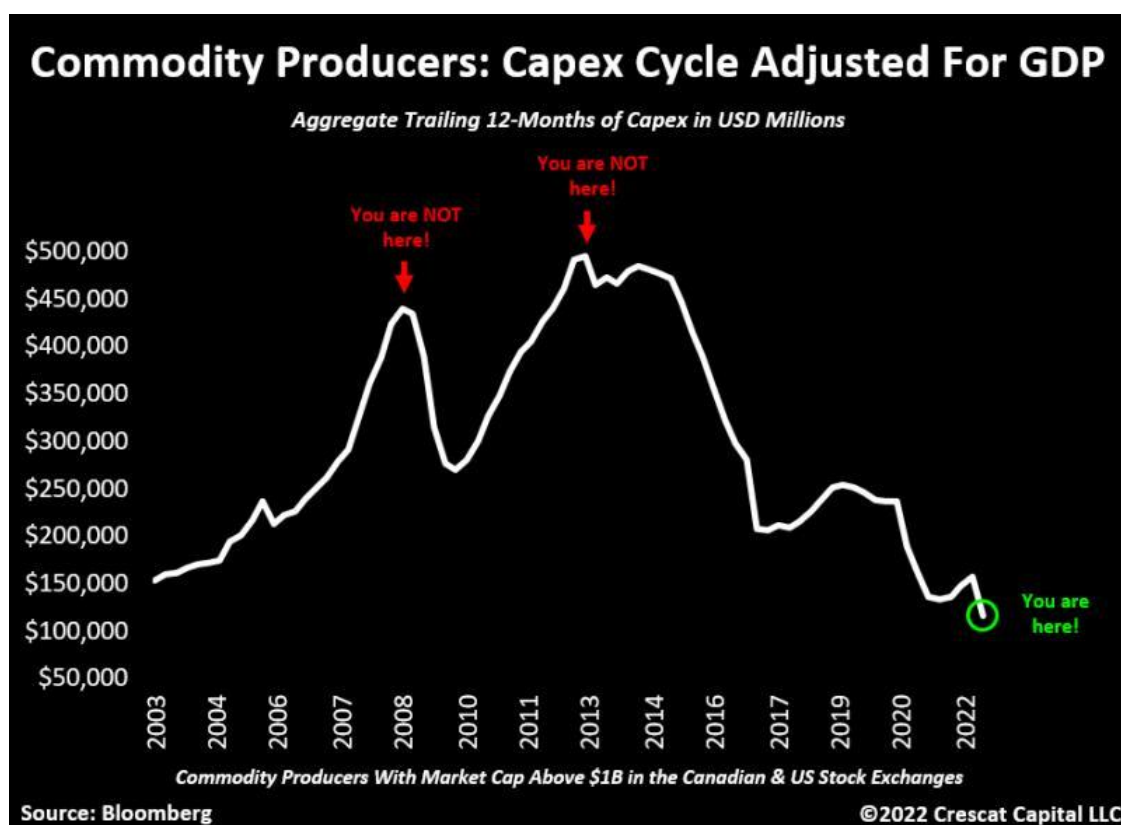
Data source: EIA derived from state administrative data collected by Enverus. Data are through January 2023 and represent EIA's official tight oil estimates, but are not survey data. State abbreviations indicate primary state(s).

Note: Improvements to play identification methods have altered production volumes of various plays.

Source: CNN Fear and greed index

### #commodities #capex

Commodities: why this time is different. To address the recent comparisons with 2008: today's macro setup could not be more different than the Global Financial Crisis. Back then, capital spending for oil producers was at record levels after a decade-long bull market in natural resource businesses. Today, aggregate capex is historically depressed while the commodities-to-equities ratio is near 50-year lows.



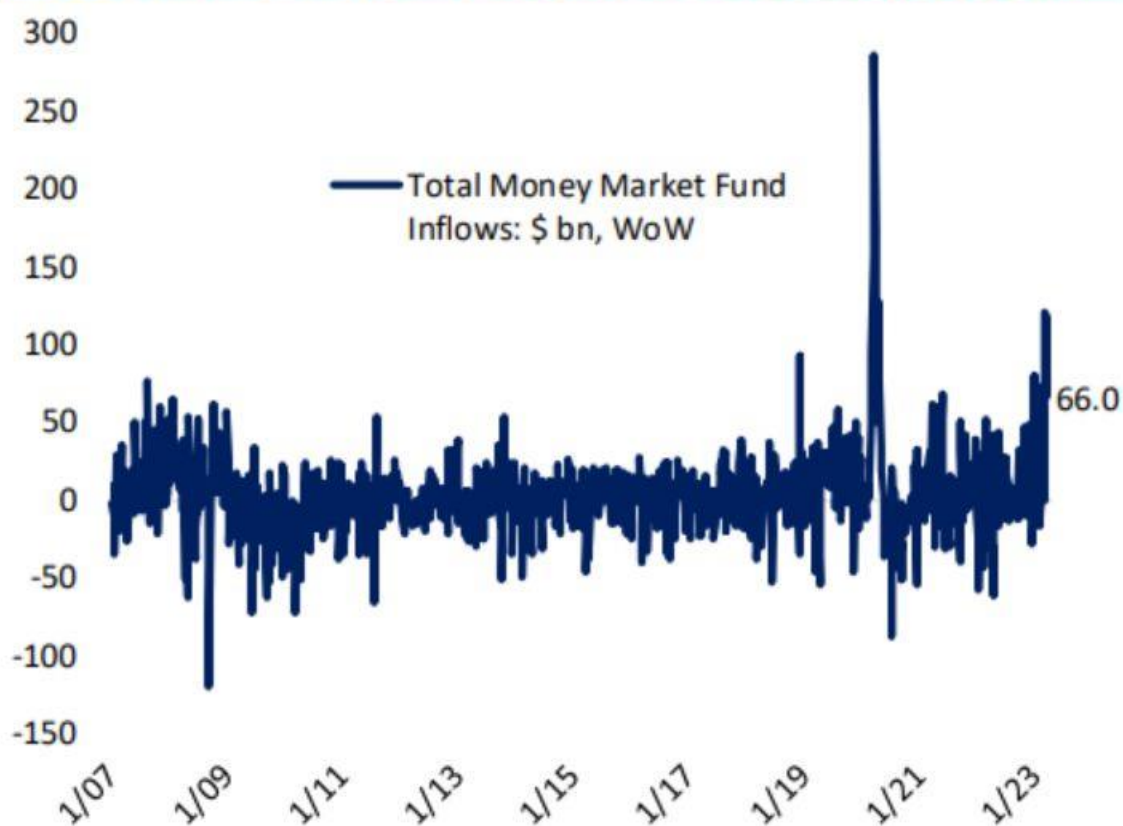
Source: Tavi Costa, Crescat Capital, Bloomberg

#markets

## #money-market #funds #inflows

Money market funds have seen \$300 billion of inflows in the past three weeks.

### \$300bn Flows Into Money Market Funds In 3 Weeks



Source Bespoke



#money-market #funds #inflows

Here's the Top 10 money market mutual funds by 2023 flows (\$B). For context all of these have taken in more cash than the top flow-getting ETF YTD, which is \$QUAL at \$7b.

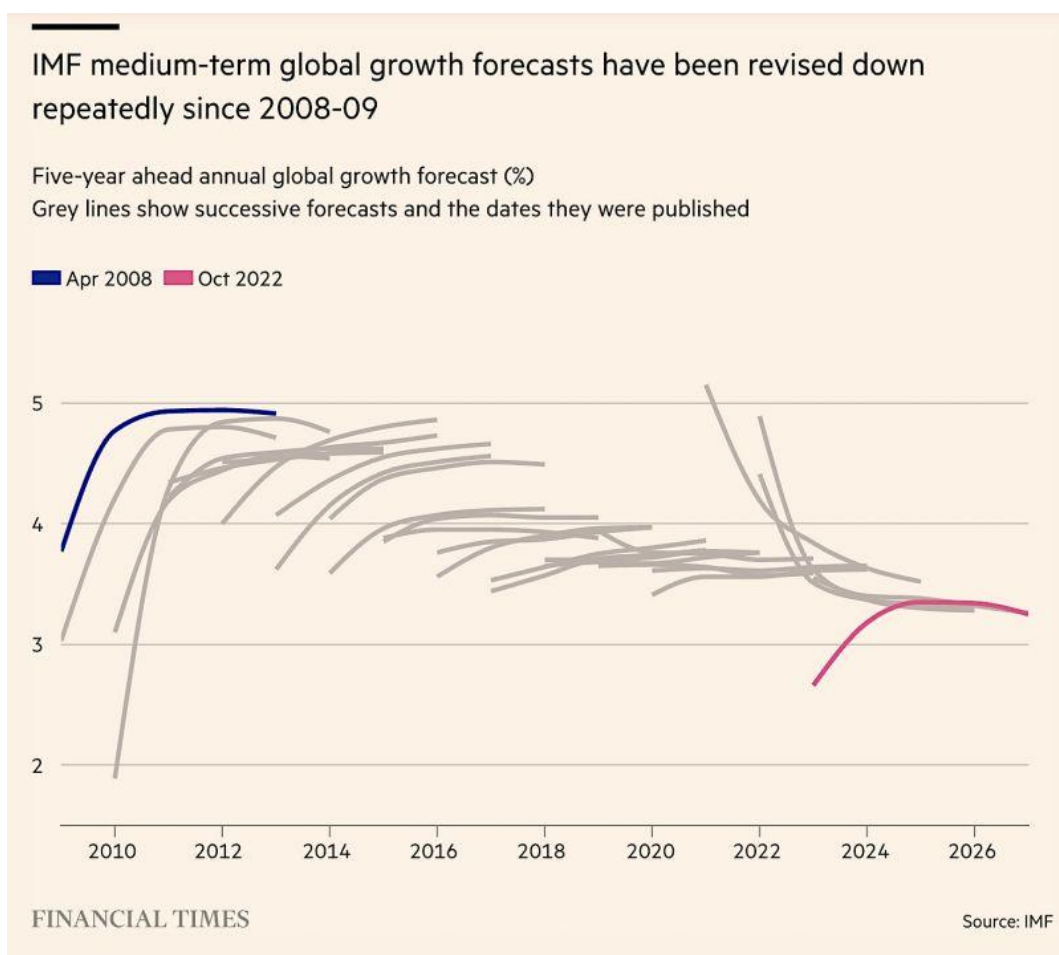
Money Market Funds Ranked by 2023 Flows		
Ticker	Fund Name	2023's Fund Flow
FGTXX	GLDMN SCHS FIN SQ GV-FST	34.32
OGVXX	JPMORGAN US GOVT MMKT-CAP	30.29
SWVXX	SCHWAB VALUE ADV MONEY-INV	26.47
SNOXX	SCHWAB TRSRY OBL MNY-INV	21.30
HLPXX	JPMORGAN LIQ ASST MMKT-INV	11.73
PCOXX	FED HERM PRIME CASH OBL-WLTH	9.99
MVRXX	MSILF GOVERNMENT-INST	9.80
UTIXX	FED HERM US TREA CASH RES-IS	8.30
HGOXX	JPMORGAN US TR PL MMKT-INV	8.04
AGPXX	INVESCO GVT & AGNCY-INST	7.54

Source: Bloomberg, Eric Balchunas

#macro

### #global #economic #growth #forecasts #imf

Global economy set for years of weak growth, IMF chief Georgieva warns. World to expand at average annual rate of ~3% over next 5yrs, well below average 3.8% of past 2 decades, & weakest projection for medium-term growth since 1990. But IMF not good at forecasting...





#macro

### #us #economic #surprises

US economic surprises are rolling over...

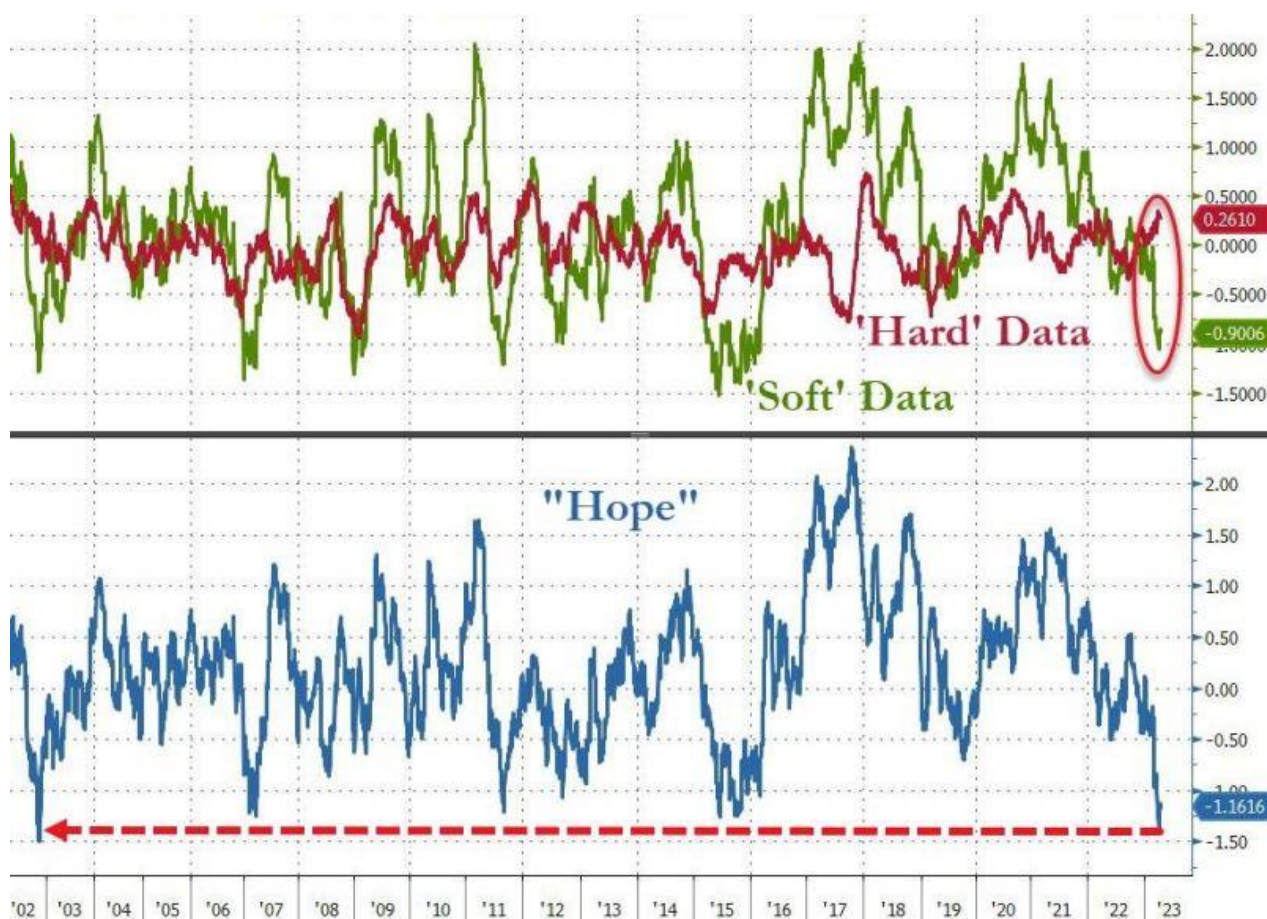


Source: The Daily Shot

#macro

### #us #soft #hard #macro-data

In the US, "Hope" - the spread between 'soft' and 'hard' macro data - has collapsed to its lowest since 2002...



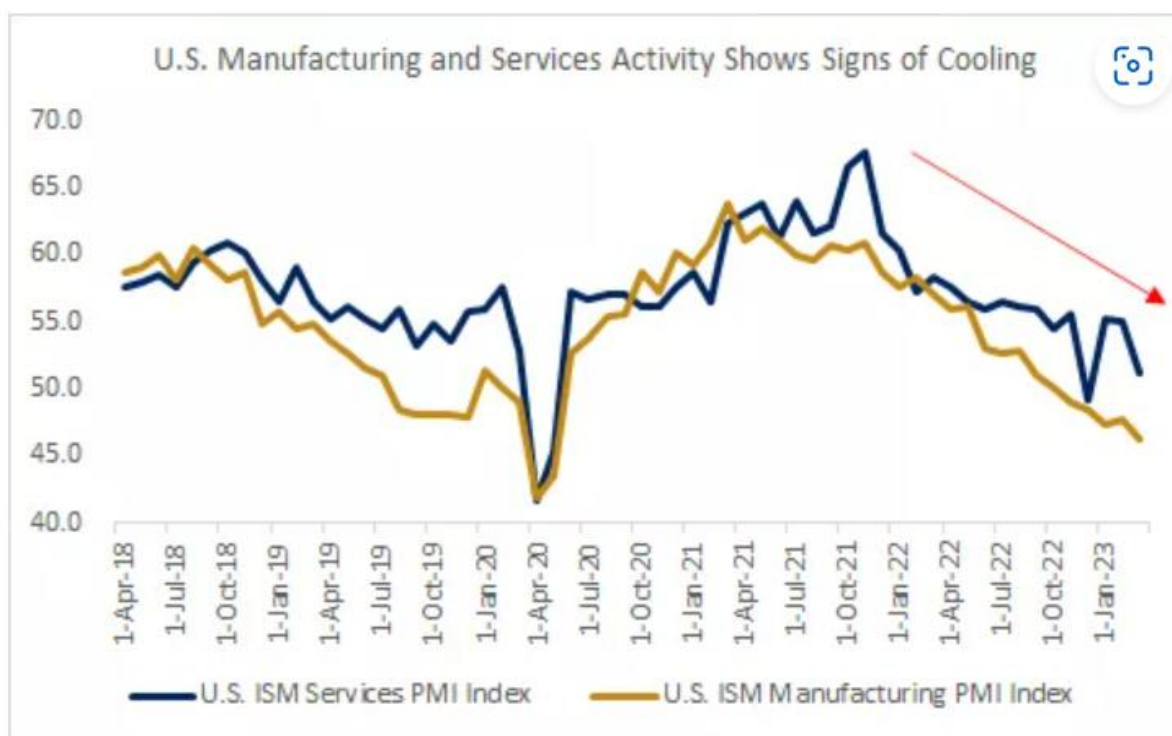
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



#macro

### #us #activity

U.S. manufacturing activity and services activity for the month of March came in well below expectations. The ISM manufacturing index, a gauge of manufacturing health, fell to a near three-year low to 46.3, below expectations of 47.5. Similarly, the ISM services index came in at 51.2, below expectations of 54.4, although still slightly in expansion territory.

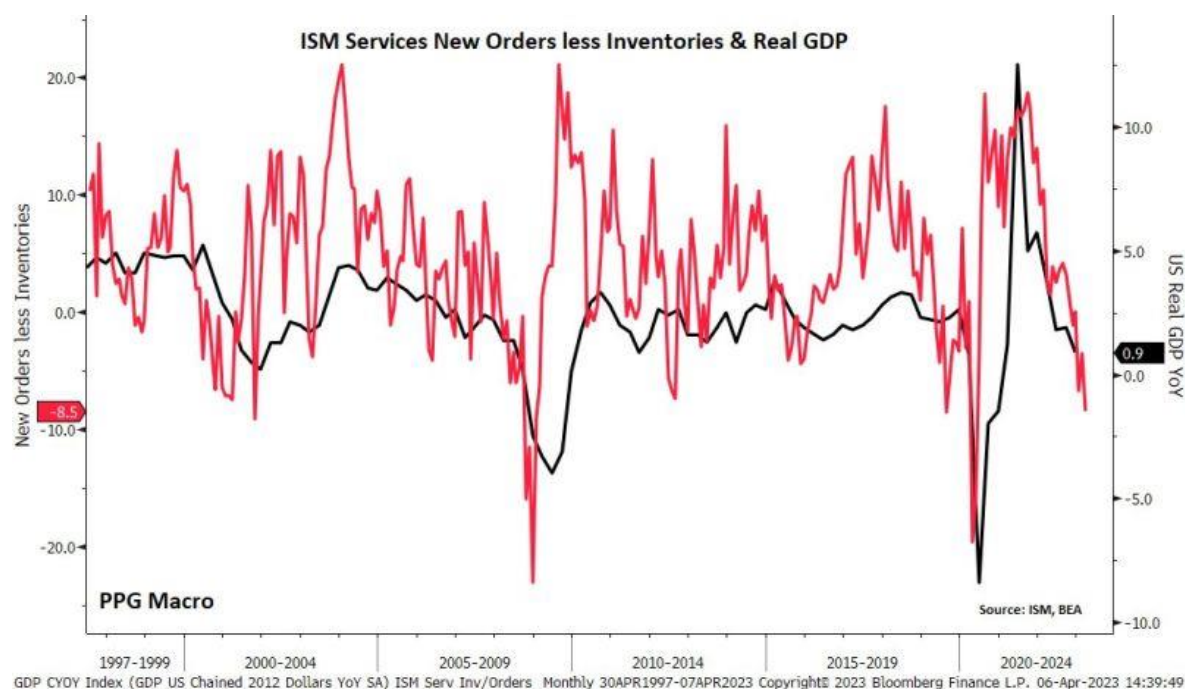


Source: Edward Jones, Factset

#macro

## #us #ism #services

One of the most negative signals in yesterday's ISM Services PMI was the fall in new orders and the rise in inventories. Now - 8.5

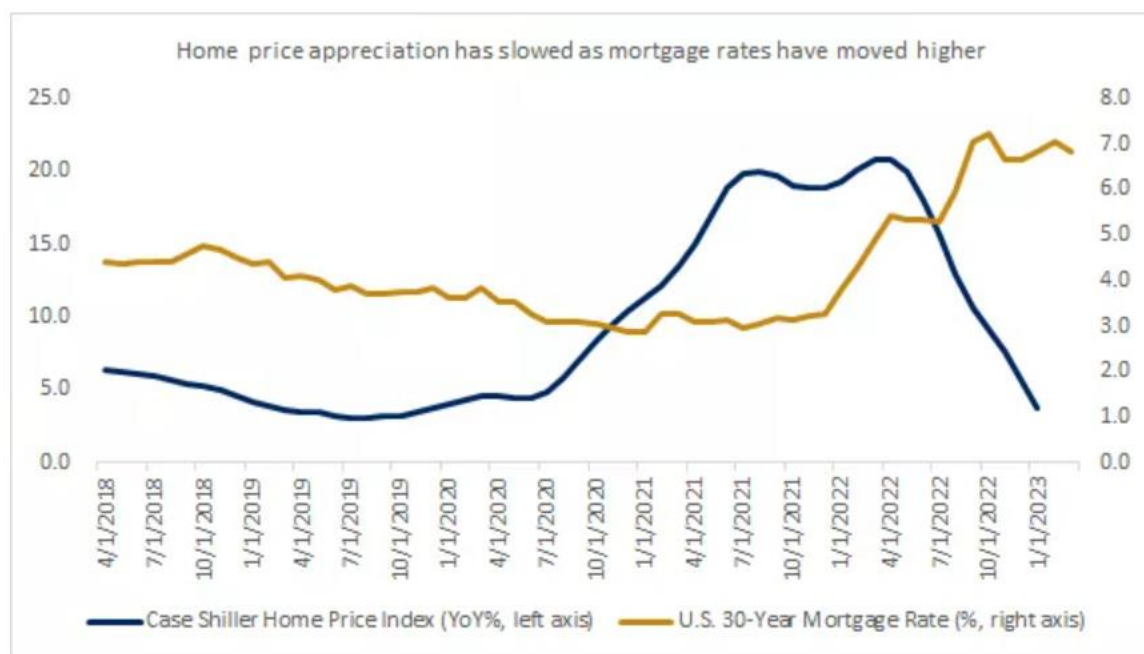


Source: PPG Macro

#macro

### #us #housing

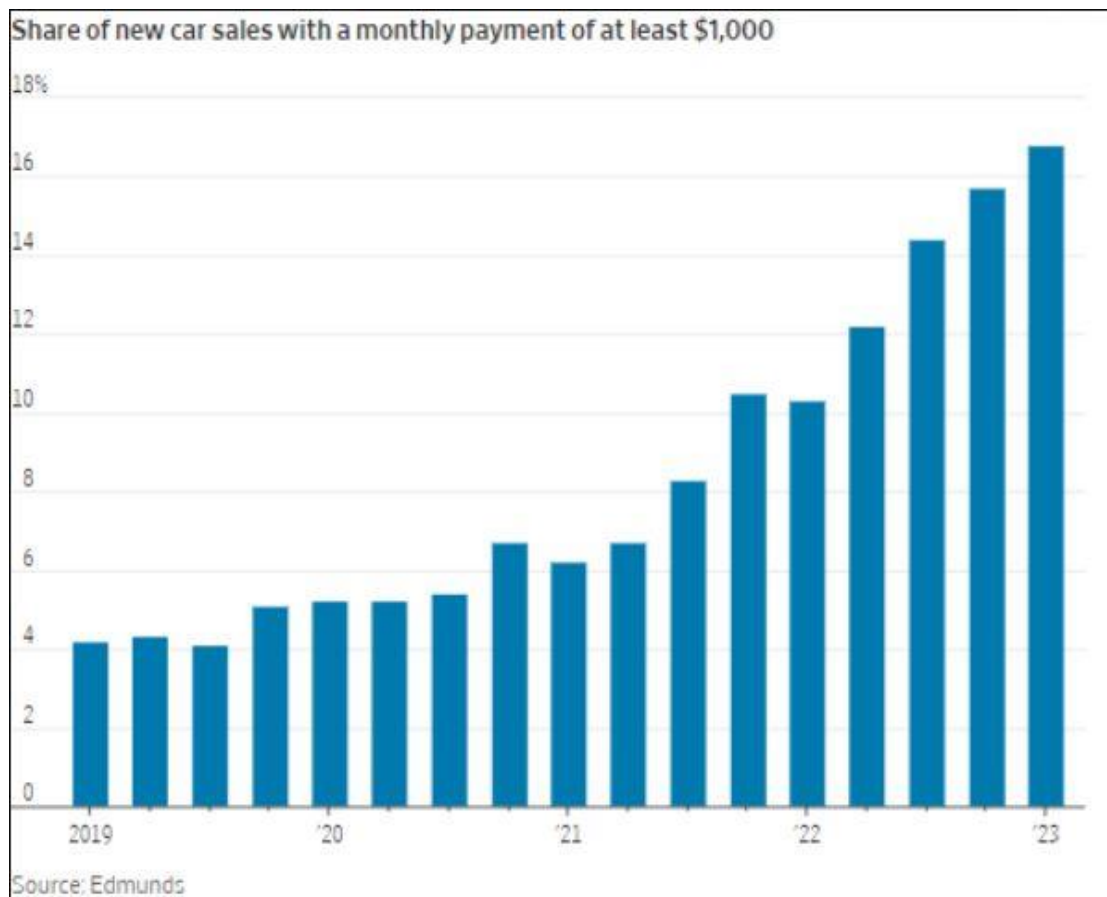
Over the past couple of weeks we have seen housing data come in softer than expected. The housing and rental components of inflation have remained elevated, although the real-time data indicate a housing market that has started to soften. Last week's Case-Shiller national home price index saw moderating gains for seven straight months, coming in at 3.8% year-over-year, which has not been seen since the pre-pandemic period<sup>1</sup>. Higher mortgage rates and cooling housing demand have weighed on the sector, which could also see further downside if mortgage-lending standards tighten.



#macro

## #us #car #loan-payments

More Car Payments Top \$1,000 a Month. Some 17% of people who bought new cars in the first three months of the year have an auto loan payment of \$1,000 or more, the highest share on record.



Source: WSJ

#macro

### #us #jobs

A BIG MISS FOR MARCH ADP US PAYROLLS REPORT -> +145k vs. +210k estimated & +261k in prior month (rev up from +242k). This comes after Monday's ugly JOLTS data and the employment weakness under the surface in the ISM Manufacturing report. So yes, it seems that US job market is finally cooling down.

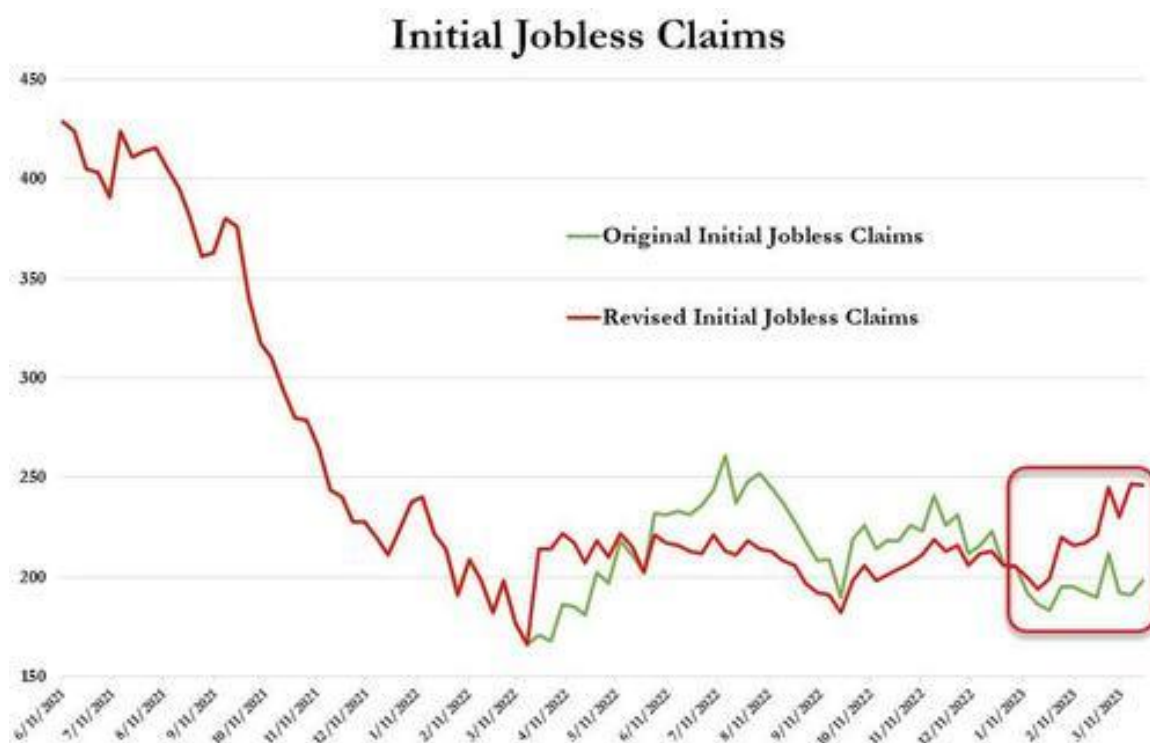


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg

#macro

### #us #jobs

Jobless claims data trend is now clearly 'bad' for the labor market.



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



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### #us #jobs



Holger Zschaepitz ✓

@Schuldensuehner

...

US bonds drop w/2y yields jump 14bps to 3.97% following solid jobs data. NFP payrolls rose 236k in March, in line w/forecasts BUT unemployment rate unexpectedly drop to 3.5%. Fed rate hike bets rose. Mkts see 70% probability for 25bp hike in May vs 50% before US jobs data.

United States		Browse		17:13:02		04/07/23		- 04/14/23	
Economic Releases		All Economic Releases				View		Agenda	
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior Revised
21	04/07 14:30				Two-Month Payroll Net Revision	Mar	--	-17k	-- --
22	04/07 14:30				Change in Nonfarm Payrolls	Mar	230k	236k	311k 326k
23	04/07 14:30				Change in Private Payrolls	Mar	218k	189k	265k 266k
24	04/07 14:30				Change in Manufact. Payrolls	Mar	-4k	-1k	-4k -1k
25	04/07 14:30				Unemployment Rate	Mar	3.6%	3.5%	3.6% --
26	04/07 14:30				Average Hourly Earnings MoM	Mar	0.3%	0.3%	0.2% --
27	04/07 14:30				Average Hourly Earnings YoY	Mar	4.3%	4.2%	4.6% --
28	04/07 14:30				Average Weekly Hours All Employees	Mar	34.5	34.4	34.5 --
29	04/07 14:30				Labor Force Participation Rate	Mar	62.5%	62.6%	62.5% --
30	04/07 14:30				Underemployment Rate	Mar	--	6.7%	6.8%



#macro

### #us #jobs

A US employment report very much in-line with expectations with some (positive) surprises (average earnings down, labor participation rate up) - S&P 500 and US Treasury yields are ticking higher. The Labor Department reported Friday that payrolls grew by 236,000 for the month, compared to the Dow Jones estimate for 238,000 and below the upwardly revised 326,000 in February. the total was the lowest monthly gain since December 2020 and comes amid efforts from the Federal Reserve to slow labor demand in order to cool inflation.

#### Monthly job creation in the U.S.

January 2022 through March 2023

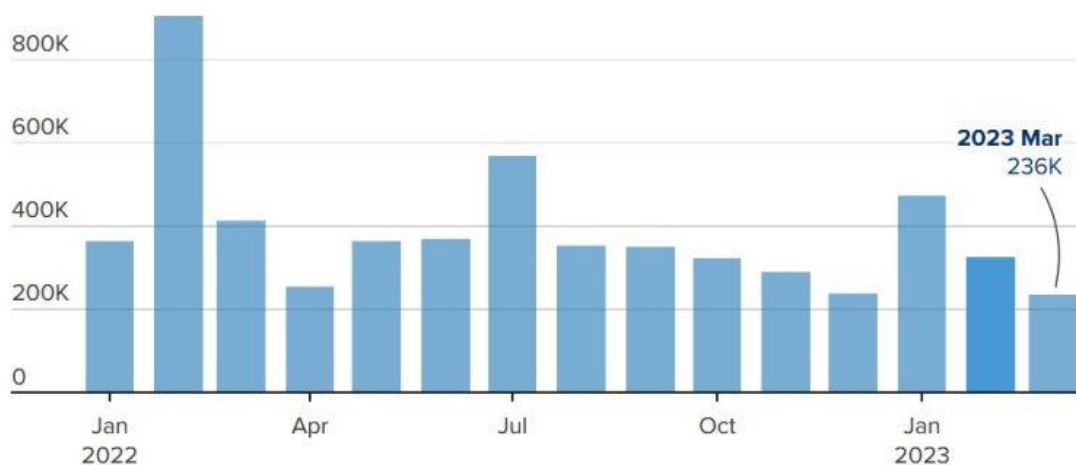


Chart: Gabriel Cortes / CNBC

Source: U.S. Bureau of Labor Statistics via FRED

Data last published April 7, 2023



Source: CNBC

#macro

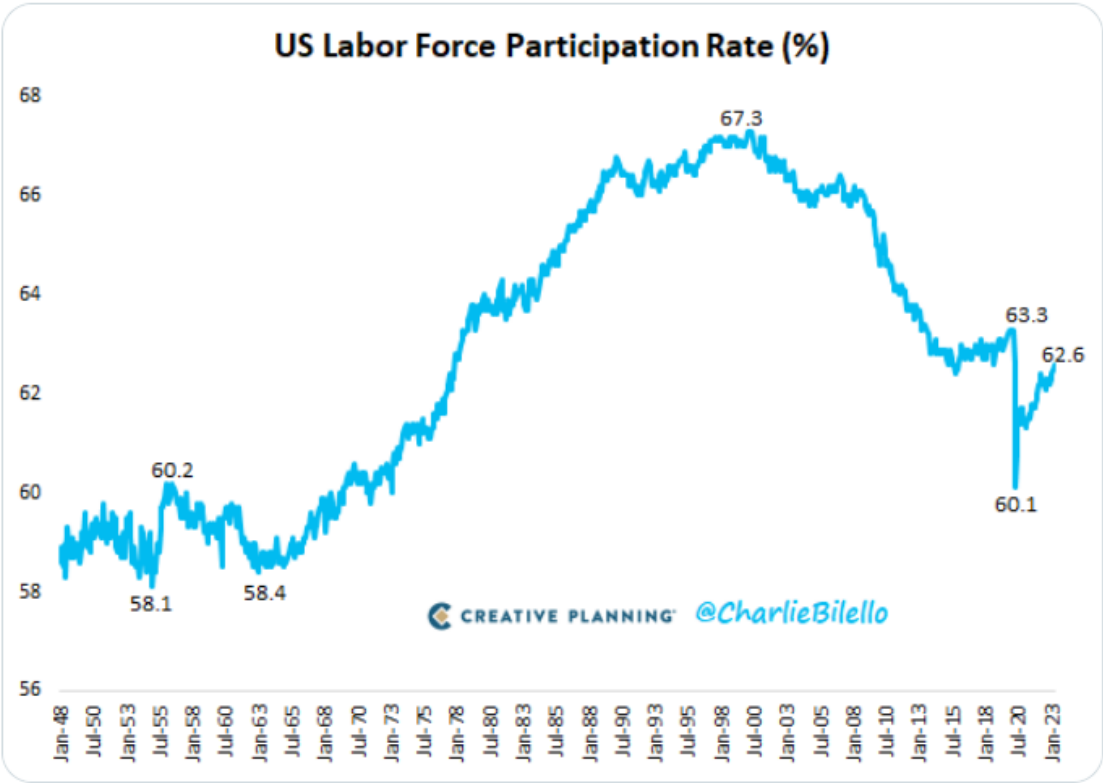
#us #jobs



Charlie Bilello  
@charliebilello

...

US Labor Force Participation Rate moves up to 62.6%, its highest level since March 2020. It was at 63.3% before the covid shutdowns and stimulus.



Source: Charlie Bilello

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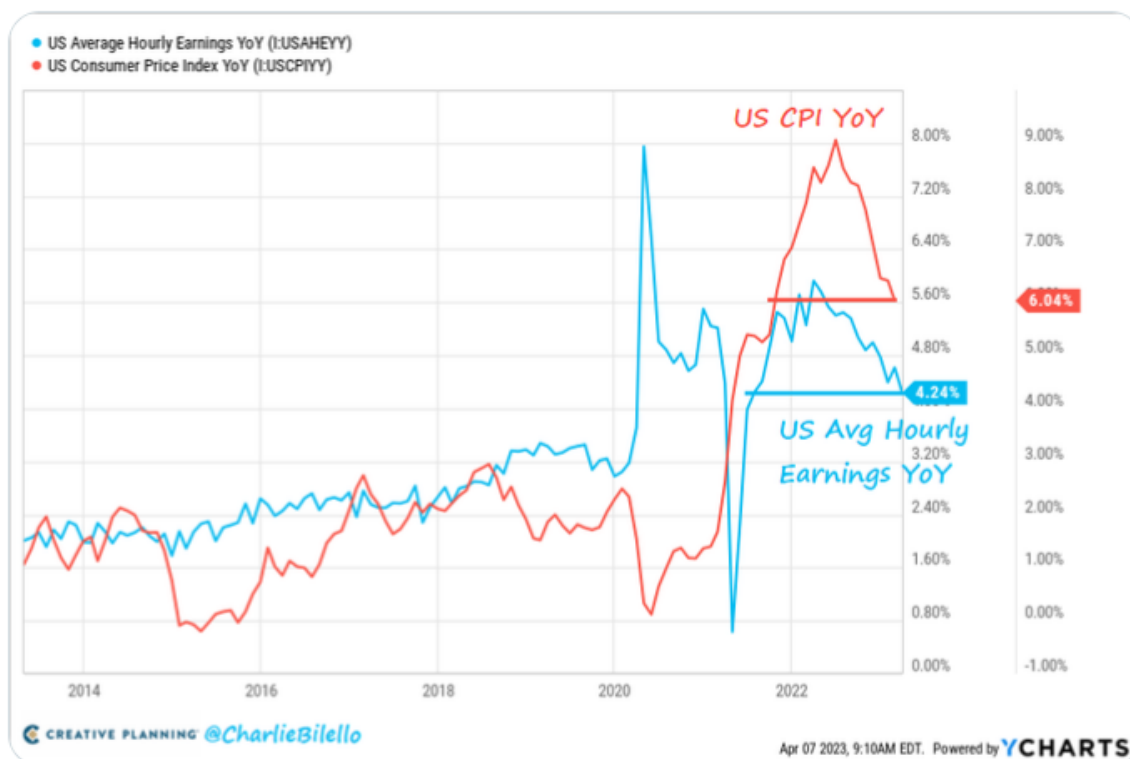
## #us #jobs



**Charlie Bilello** ✓  
@charliebilello

...

US Average Hourly Earnings increased 4.2% YoY in March, the slowest growth rate since June 2021. This will be the 24th consecutive month where inflation has outpaced the growth in wages (YoY), a decline in prosperity for the American worker.



Source: Charlie Bilello

#macro

### #us #jobs

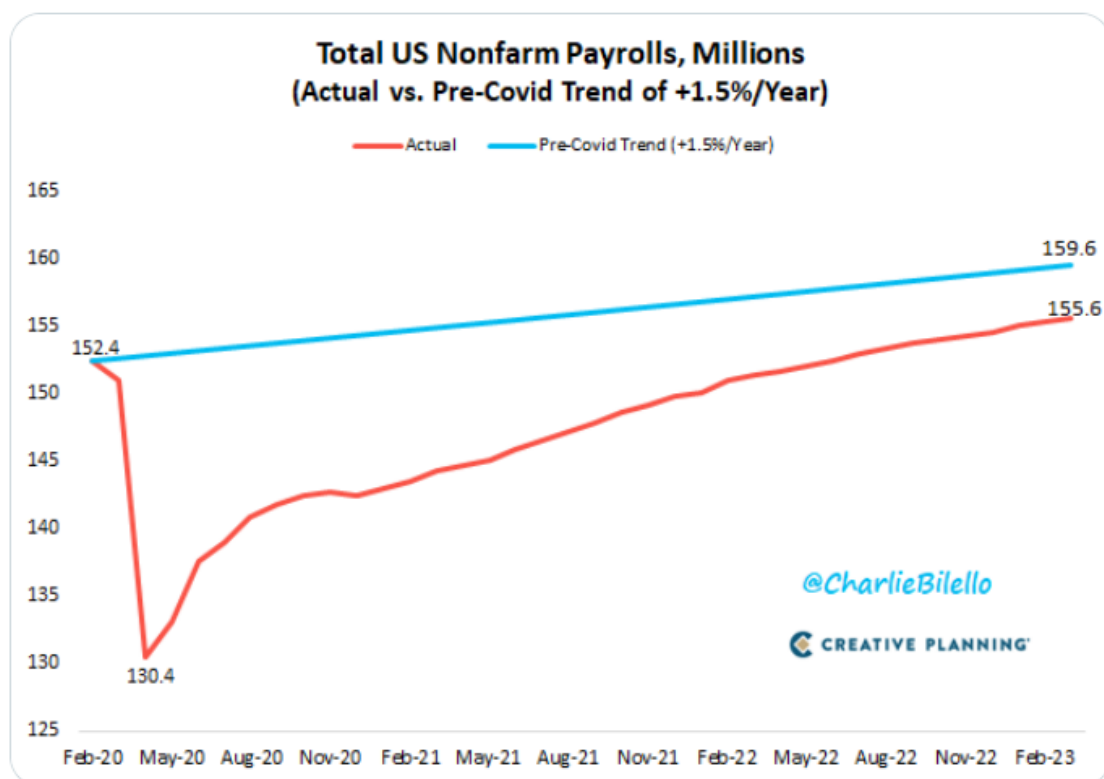


Charlie Bilello ✓

@charliebilello

...

The gap between actual payrolls the pre-covid trend (+1.5%/yr) narrowed again in March, but is still over 4 million. Explains the continued strength in the labor market and the wide spread between the # of job openings (9.9 million) and the # of unemployed (5.8 million).



Source: Charlie Bilello

#macro

## #jpmorgan #economic #report

2008 vs now by Jamie Dimon



Jamie Dimon, Chairman & CEO  
Letter to Shareholders 2022

JPMORGAN  
CHASE & CO.

→ **This is not anything like 2008:** While the current crisis has exposed some weaknesses in the system, it should not be considered, as I pointed out, anything like what we experienced in 2008. Nonetheless, we do have other unique and complicated issues in front of us, which are outlined in the chart below:

Here & Now	> In Front of Us: Storm Clouds Ahead	
Still Good Economy	Abnormal QT & Fiscal Spending	War, Energy Crisis, Trade, China
<ul style="list-style-type: none"><li>■ Healthy consumer</li><li>■ Healthy jobs</li><li>■ Higher wages</li><li>■ Good credit</li><li>■ Home values up over 10 years</li><li>■ Recovering supply chain</li><li>■ Normalized interest rates</li><li>■ Healthy business</li></ul>	<ul style="list-style-type: none"><li>■ Consumer excess savings close to zero by year-end</li><li>■ Large quantitative tightening (QT) and other unknowns, reducing liquidity and triggering higher long-term interest rates</li><li>■ Higher fiscal spending</li><li>■ Higher climate spending</li><li>■ Lingering effects of fiscal stimulus</li><li>■ Possible persistent inflation, requiring higher interest rates</li><li>■ Maybe no end in sight</li></ul>	<ul style="list-style-type: none"><li>■ Unpredictable war</li><li>■ Energy and food crisis averted for now</li><li>■ Disproportionate suffering imposed on poor people and nations</li><li>■ Inflationary trade adjustments</li><li>■ Economic alliances in flux</li><li>■ Potential for rising oil and gas prices</li><li>■ Huge economic and geopolitical strains</li></ul>

Get free access to our global database of transcripts and earnings calls! → Quartr

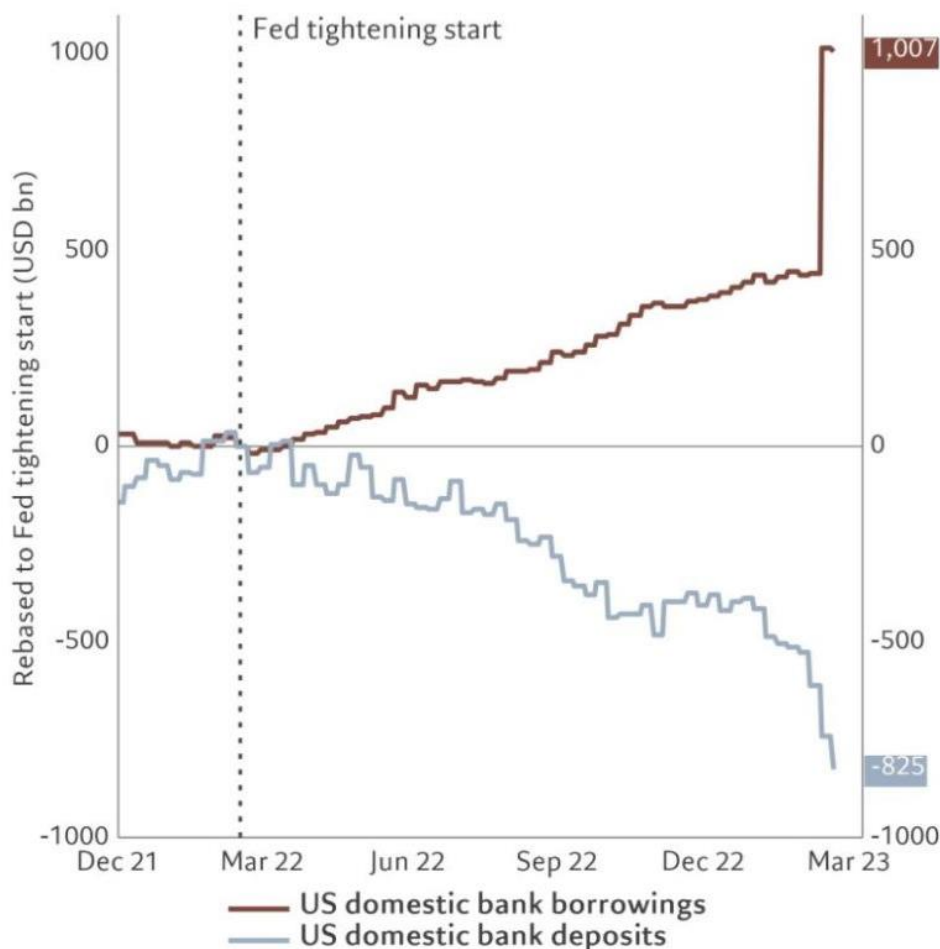
Source: Quartr

#macro

### #us #banks #deposits

The gigantic "crocodile jaws": US domestic borrowings are soaring while US domestic deposits are plummeting. Slowly at first, and then all at once.

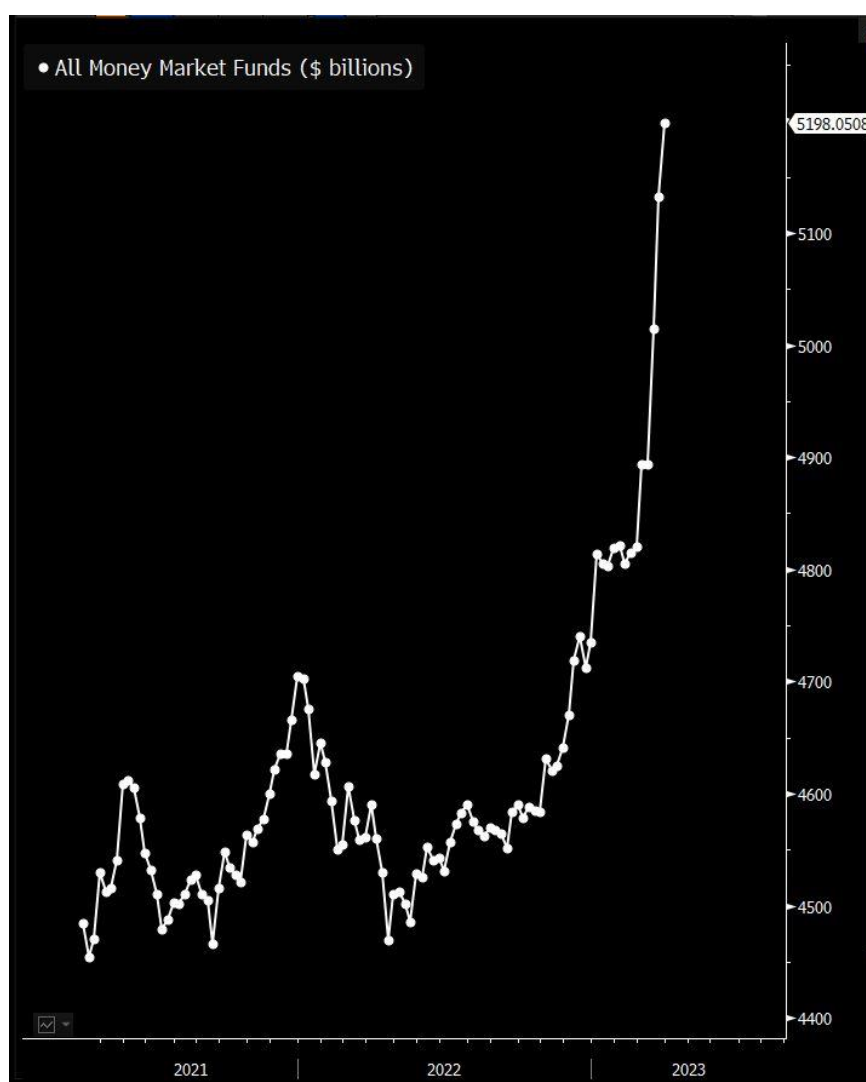
US domestic bank borrowings v. deposits (USD bn)



#macro

### #us #money-markets #funds

This chart of US money market mutual fund assets is breathtaking... They've grown by \$460b this year, that's >6x what all ETFs combined have taken in.

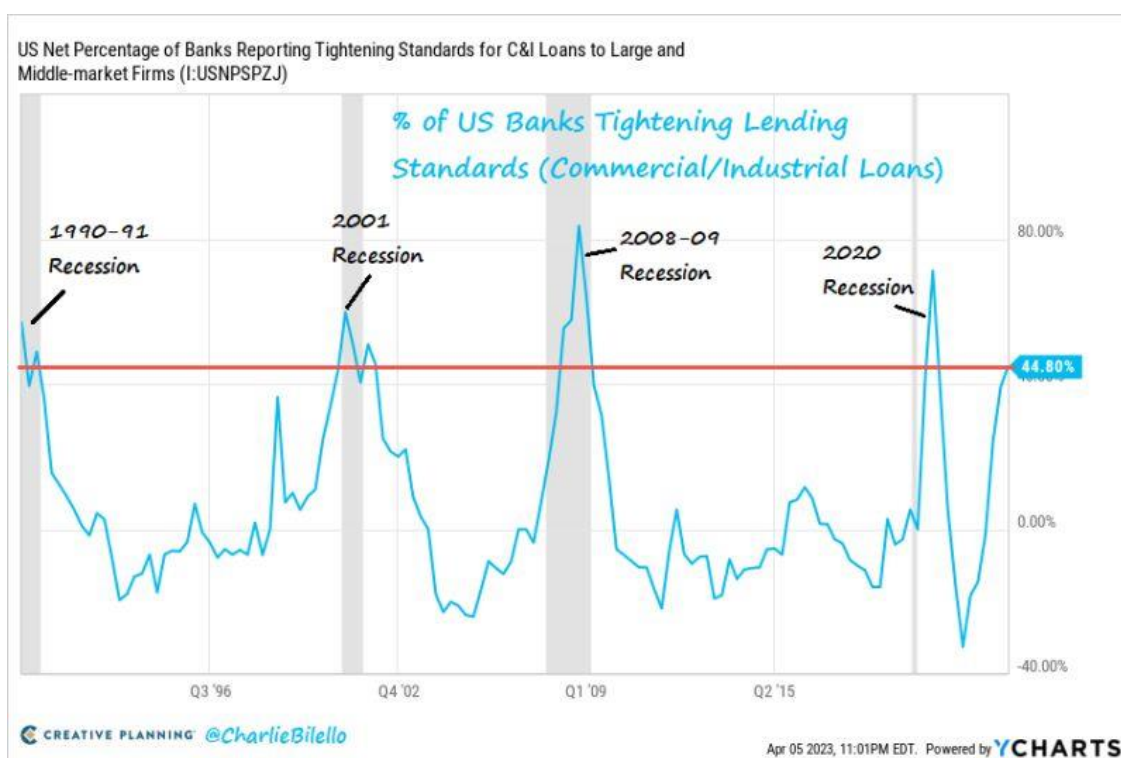




#macro

### #us #lending-standards

US Banks have tightened their lending standards to levels that have coincided with recessionary periods in the past...




Source: Charlie Bilello

#centralbanks

## #global #rates

New Zealand hiked rates for the 11th time, 50 bps increase to 5.25%.

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%	3.3%	-3.4%	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%	-0.6%	Hike	Mar-23
Denmark	Deposit Rate	2.60%	7.6%	-5.0%	Hike	Mar-23
Malaysia	Policy Rate	2.75%	3.7%	-1.0%	Hike	Nov-22
Norway	Deposit Rate	3.00%	6.3%	-3.3%	Hike	Mar-23
Eurozone	Deposit Rate	3.00%	6.9%	-3.9%	Hike	Mar-23
Sweden	Repo Rate	3.00%	12.0%	-9.0%	Hike	Feb-23
South Korea	Repo Rate	3.50%	4.2%	-0.7%	Hike	Jan-23
Australia	Cash Rate	3.60%	6.8%	-3.2%	Hike	Mar-23
China	Loan Prime Rate	3.65%	1.0%	2.7%	Cut	Aug-22
UK	Bank Rate	4.25%	10.4%	-6.2%	Hike	Mar-23
Canada	Overnight	4.50%	5.2%	-0.7%	Hike	Jan-23
US	Fed Funds	4.88%	6.0%	-1.1%	Hike	Mar-23
New Zealand	Cash Rate	5.25%	7.2%	-2.0%	Hike	Apr-23
Hong Kong	Base Rate	5.25%	1.7%	3.6%	Hike	Mar-23
Saudi Arabia	Repo Rate	5.50%	3.0%	2.5%	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%	6.4%	0.1%	Hike	Feb-23
Poland	Repo Rate	6.75%	18.4%	-11.7%	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	16.7%	-9.7%	Hike	Jun-22
Russia	Key Policy Rate	7.50%	11.0%	-3.5%	Cut	Sep-22
South Africa	Repo Rate	7.75%	7.0%	0.7%	Hike	Mar-23
Peru	Policy Rate	7.75%	8.4%	-0.7%	Hike	Jan-23
Turkey	Repo Rate	8.50%	50.5%	-42.0%	Cut	Feb-23
Mexico	Overnight Rate	11.25%	7.6%	3.6%	Hike	Mar-23
Chile	Base Rate	11.25%	11.1%	0.2%	Hike	Oct-22
Colombia	Repo Rate	13.00%	13.3%	-0.3%	Hike	Mar-23
Brazil	Target Rate	13.75%	5.6%	8.2%	Hike	Aug-22
Argentina	Benchmark Rate	78.00%	102.5%	-24.5%	Hike	Mar-23
<div>  CREATIVE PLANNING           @CharlieBilello Data as of 4/5/23         </div>						

#centralbanks

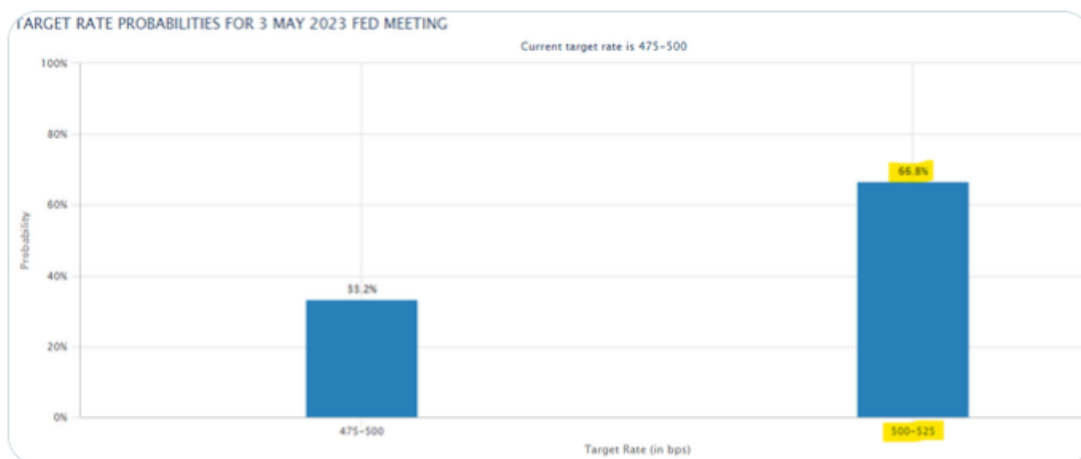
## #us #rates #expectations



**Charlie Bilello** ✓  
@charliebilello

...

After the payroll report the market is now saying the Fed won't pause at the May meeting but will instead hike one more time (25 bps increase to 5.00-5.25%).



3:21 PM · Apr 7, 2023 · 30.8K Views

Source: Charlie Bilello

#centralbanks

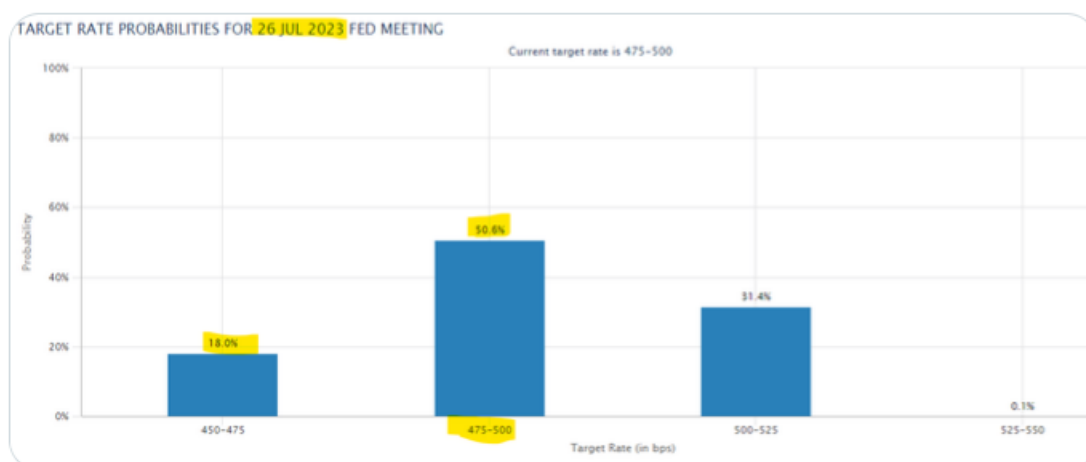
## #us #rates #expectations



**Charlie Bilello** ✓  
@charliebilello



But the market is also saying that rate hike will be erased by July with a 25 bps cut back down to 4.75-5.00%.



3:23 PM · Apr 7, 2023 · 14.6K Views

Source: Charlie Bilello

#centralbanks

## #us #rates #expectations



**Charlie Bilello** ✓  
@charliebilello

...

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

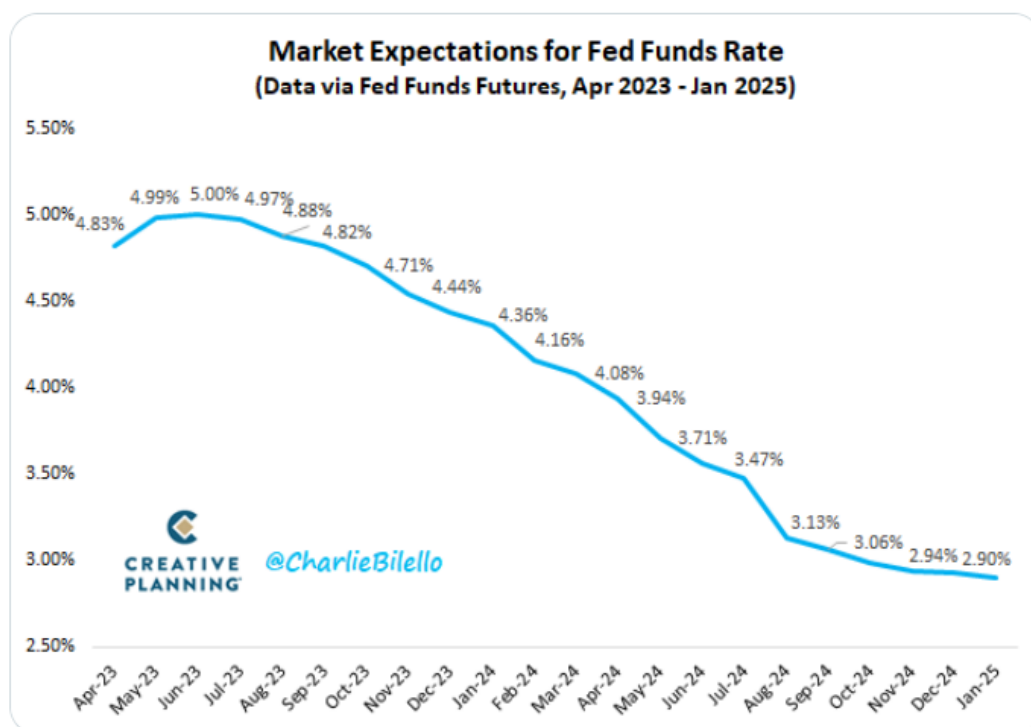
-Jul 26, 2023: 25 bps cut to 4.75-5.00%

-Sep 20, 2023: Pause

-Nov 1, 2023: 25 bps cut to 4.50-5.00%

-Dec 13, 2023: 25 bps cut to 4.25-4.50%

-By Dec 2024: <3%



Source: Charlie Bilello

#centralbanks

### #fed #balance-sheet

Fed balance sheet fell by \$73.6bn to \$8.63tn in past week as banks trim emergency borrowing from Fed due to stabilization in banking system. Financial institutions drew \$149bn, down from \$154bn previous week and \$164bn 2 weeks ago. Decrease in Fed balance sheet was primarily driven by QT.



Source: Source: Bloomberg, HolgerZ

#centralbanks

### #fed #reverse-repo

More than 40% of money market fund assets are being invested in the Fed's reverse repo facility, which is a concern for some in the banking industry as banks face pressure on deposits.

Overnight reverse repurchase transactions at Federal Reserve



Source: Federal Reserve

Source: WSJ, Nick Timiraos



#centralbanks

### #ecb #discount-window

Eurozone banks are also borrowing money from ECB discount window, although the so-called Marginal Rate is at 3.75%, well above the Main Refi Rate of 3.5%. Banks raised €168mln from ECB discount window in the past week, €111mln more than the previous week.



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

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

8 APRIL 2023

#cryptos

### #cryptocurrencies #weekly

Cryptos were mixed this week (since Friday's "close") with Bitcoin slightly lower, Ripple lagging, and Ethereum outperforming...

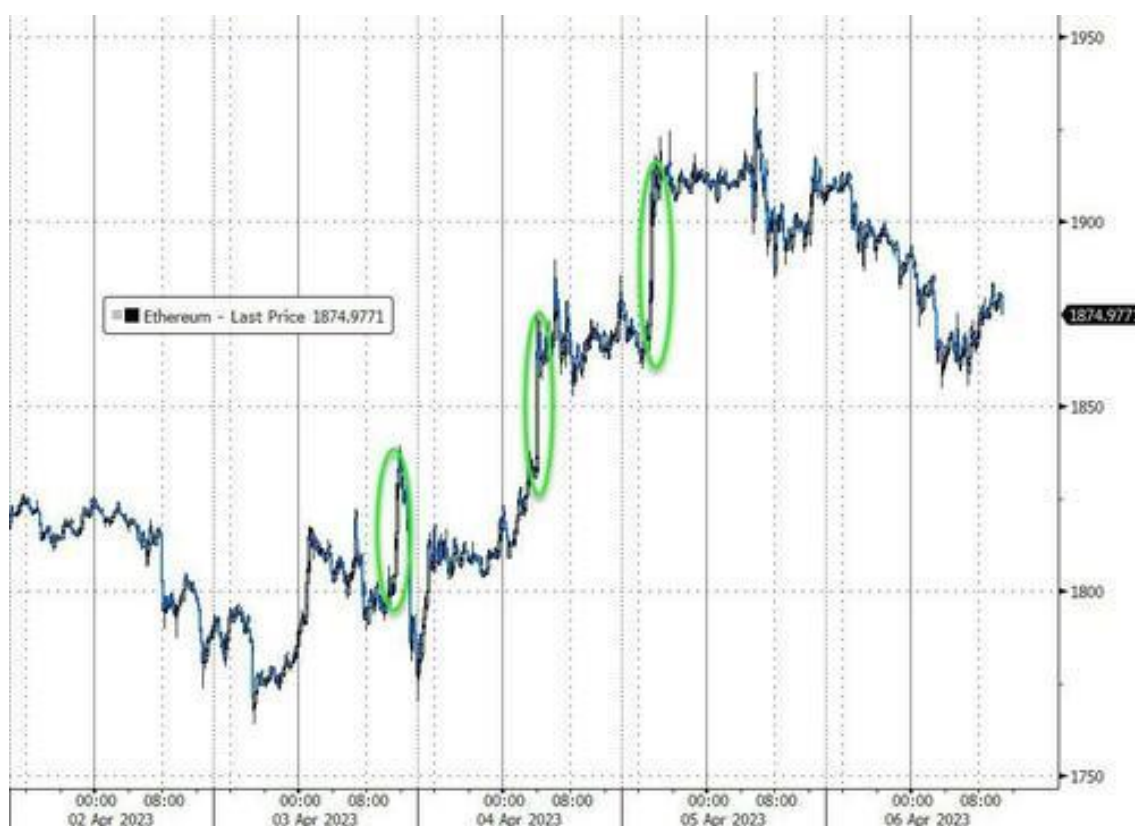


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg

#cryptos

### #ethereum #weekly

Ethereum neared \$1950 before fading back on Thursday (its highest since Aug 2022)...



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

#cryptos

### #bitcoin #apple

Satoshi Nakamoto's Bitcoin whitepaper is hidden on every Apple Mac computer manufactured since 2014! (~200 million of them...). And no one knows why.

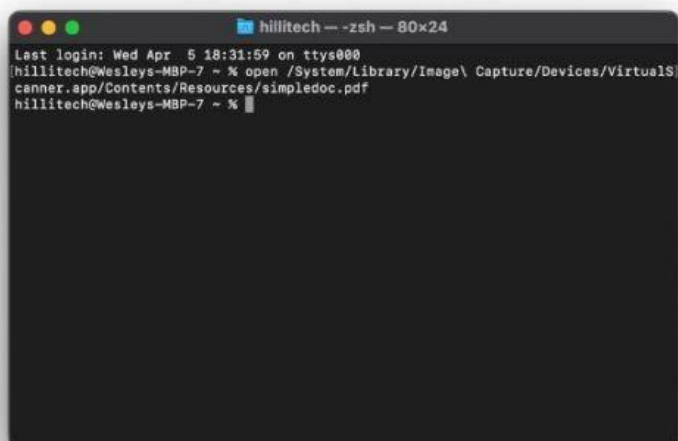
## Bitcoin whitepaper found hidden in macOS with unknown 'Virtual Scanner II' app



Wesley Hilliard | Apr 05, 2023

The Bitcoin whitepaper his hidden within macOS

### Bitcoin: A Peer-to-Peer Electronic Cash System



long as a majority of CPU power is controlled by nodes that are not cooperating to

Source: [www.appleinsider.com](https://www.appleinsider.com), Tom Robinson

#cryptos

### #bitcoin #microstrategy

Microstrategy \$MSTR announced yesterday it bought 1,045 bitcoin at an average price of \$28.0k. It now owns about 140k Bitcoin, purchased at an average price of \$29.8.



Source: Julien Moreno, Cryptoquant



## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

8 APRIL 2023

#cryptos

### #bitcoin #historical-returns

Asset class returns since 2011. Bitcoin (\$BTC) is the top performing asset 10 out of 13 years and the best performing by far on a cumulated basis

CREATIVE PLANNING		Asset Class Total Returns Since 2011 (as of 4/4/23 - Data via YCharts)													@CharlieBilello	
ETF	Asset Class	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 YTD	2011-23 Cumulative	2011-23 Annualized
N/A	Bitcoin	1473%	186%	5507%	-58%	35%	125%	1331%	-73%	95%	301%	66%	-65%	70.5%	9395074%	154.7%
QQQ	US Nasdaq 100	3.4%	18.1%	36.6%	19.2%	9.5%	7.1%	32.7%	-0.1%	39.0%	48.6%	27.4%	-32.6%	20.0%	557.6%	16.6%
GLD	Gold	9.6%	6.6%	-28.3%	-2.2%	-10.7%	8.0%	12.8%	-1.9%	17.9%	24.8%	-4.2%	-0.8%	10.8%	35.5%	2.5%
EFA	EAFE Stocks	-12.2%	18.8%	21.4%	-6.2%	-1.0%	1.4%	25.1%	-13.8%	22.0%	7.6%	11.5%	-14.4%	9.8%	76.8%	4.8%
TLT	Long Duration Treasuries	34.0%	2.6%	-13.4%	27.3%	-1.8%	1.2%	9.2%	-1.6%	14.1%	18.2%	-4.6%	-31.2%	8.4%	55.2%	3.7%
SPY	US Large Caps	1.9%	16.0%	32.2%	13.5%	1.2%	12.0%	21.7%	-4.5%	31.2%	18.4%	28.7%	-18.2%	7.3%	310.0%	12.2%
LQD	Investment Grade Bonds	9.7%	10.6%	-2.0%	8.2%	-1.3%	6.2%	7.1%	-3.8%	17.4%	11.0%	-1.8%	-17.9%	5.4%	53.7%	3.6%
EEM	EM Stocks	-18.8%	19.1%	-3.7%	-3.9%	-16.2%	10.9%	37.3%	-15.3%	18.2%	17.0%	-3.6%	-20.6%	4.3%	6.9%	0.5%
BND	US Total Bond Market	7.7%	3.9%	-2.1%	5.8%	0.6%	2.5%	3.6%	-0.1%	8.8%	7.7%	-1.9%	-13.1%	4.1%	28.6%	2.1%
TIP	TIPS	13.3%	6.4%	-8.5%	3.6%	-1.8%	4.7%	2.9%	-1.4%	8.3%	10.8%	5.7%	-12.2%	4.1%	38.2%	2.7%
CWB	Convertible Bonds	-7.7%	15.9%	20.5%	7.7%	-0.8%	10.6%	15.7%	-2.0%	22.4%	53.4%	2.2%	-19.4%	3.9%	177.4%	8.7%
HYG	High Yield Bonds	6.8%	11.7%	5.8%	1.9%	-5.0%	13.4%	6.1%	-2.0%	14.1%	4.5%	3.8%	-11.0%	3.3%	63.6%	4.1%
EMB	EM Bonds (USD)	7.7%	16.9%	-7.8%	6.1%	1.0%	9.3%	10.3%	-5.5%	15.5%	5.4%	-2.2%	-18.6%	3.3%	41.7%	2.9%
PFF	Preferred Stocks	-2.0%	17.8%	-1.0%	14.1%	4.3%	1.3%	8.1%	-4.7%	15.9%	7.9%	7.2%	-18.2%	3.2%	60.6%	3.9%
BIL	US Cash	0.0%	0.0%	-0.1%	-0.1%	-0.1%	0.1%	0.7%	1.7%	2.2%	0.4%	-0.1%	1.4%	1.1%	7.3%	0.6%
IWM	US Small Caps	-4.4%	16.7%	38.7%	5.0%	-4.5%	21.6%	14.6%	-11.1%	25.4%	20.0%	14.5%	-20.5%	0.9%	166.0%	8.3%
VNQ	US REITs	8.6%	17.6%	2.3%	30.4%	2.4%	8.6%	4.9%	-6.0%	28.9%	-4.7%	40.5%	-26.2%	0.7%	139.7%	7.4%
DBC	Commodities	-2.6%	3.5%	-7.6%	-28.1%	-27.6%	18.6%	4.9%	-11.6%	11.8%	-7.8%	41.4%	19.3%	-2.2%	-9.4%	-0.8%
Highest Return		BTC	BTC	BTC	VNQ	BTC	BTC	BTC	BIL	BTC	BTC	BTC	DBC	BTC	BTC	BTC
Lowest Return		EEM	BIL	GLD	BTC	DBC	BIL	BIL	BTC	BIL	DBC	TLT	BTC	DBC	DBC	DBC
% of Asset Classes Positive		61%	94%	44%	67%	39%	100%	100%	6%	100%	89%	61%	11%	94%	94%	94%

Source: Charlie Bilello

#cryptos

### #bitcoin #gold #correlation

Digital gold (bitcoin) correlation with gold is on the rise. While bitcoin's \$BTC correlation with the S&P 500 has been declining over the last year, it has been rising with Gold over the same period.

#### Bitcoin's correlations to the S&P 500 and gold

A coefficient closer to 1 indicates a stronger statistical correlation.



Chart: Gabriel Cortes / CNBC  
Source: Crypto Quant  
Data as of March 30, 2023 at 4 p.m. ET



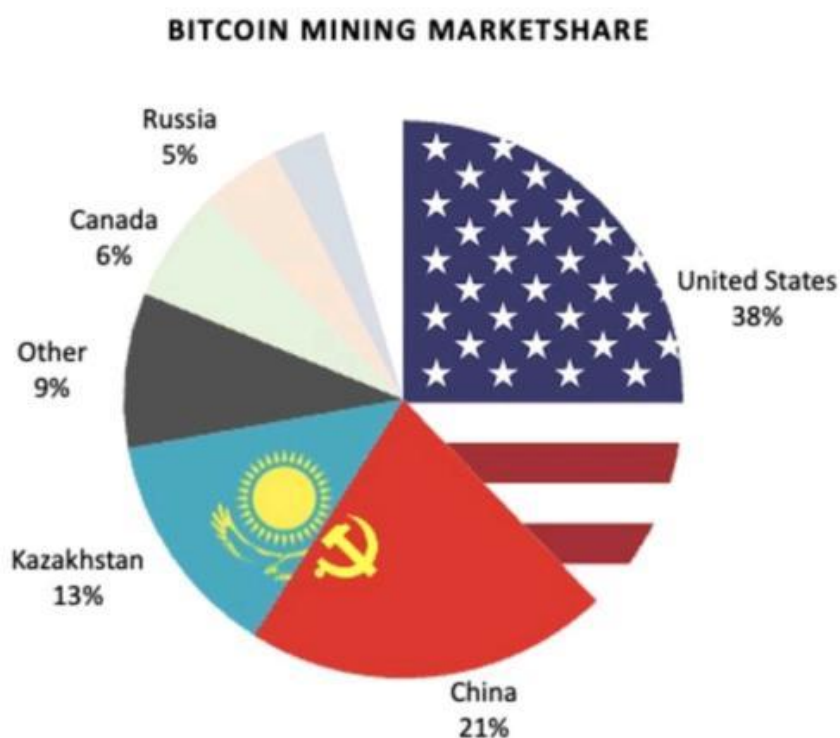
Source: CNBC, Cryptoquant, Barchart



#cryptos

## #bitcoin #mining

Bitcoin mining by country.



Source: Bitcoin News via BitcoinPierre

#cryptos

### #dogecoin #twitter

DOGECOIN SURGED BY 30% IN ONE HOUR ON MONDAY AFTER DOGE REPLACES BIRD LOGO ON TWITTER.

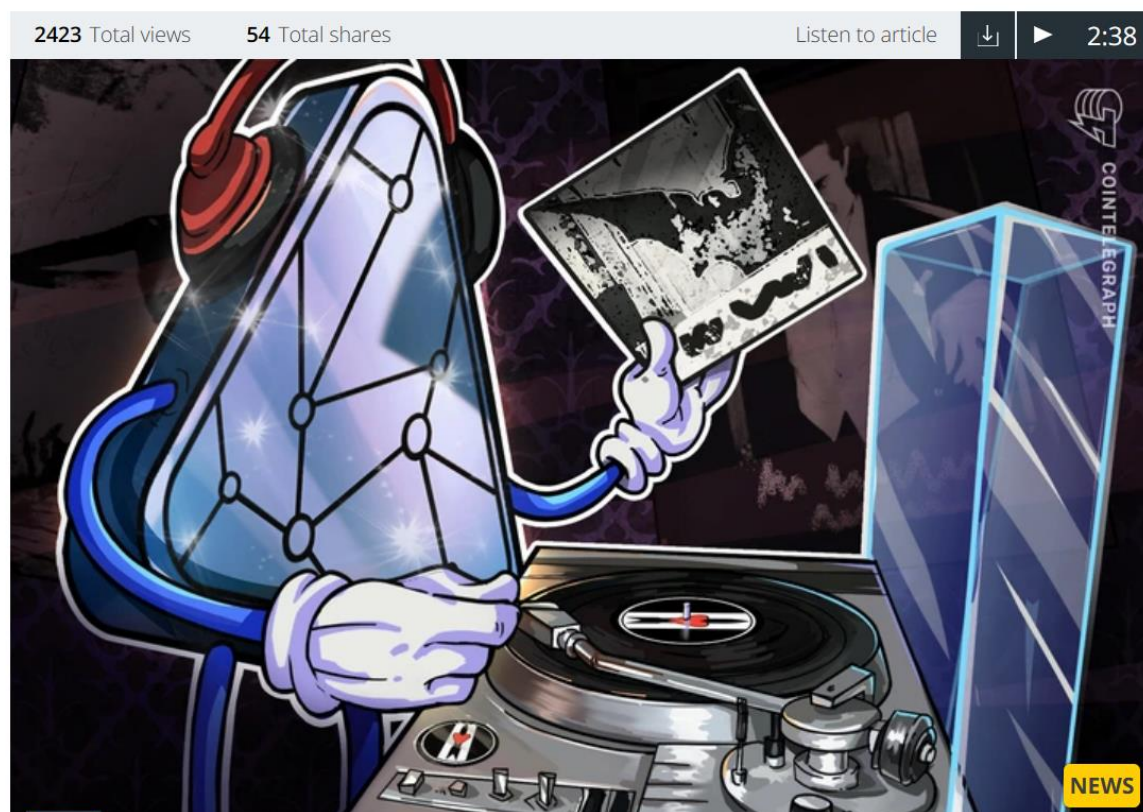


#cryptos

#nfts

# David Bowie unreleased record debuts as music NFT

Gala Music, a Web3 startup subsidiary, is launching 3,003 NFTs on April 14, with an unreleased version of David Bowie's "Let's Dance" included.

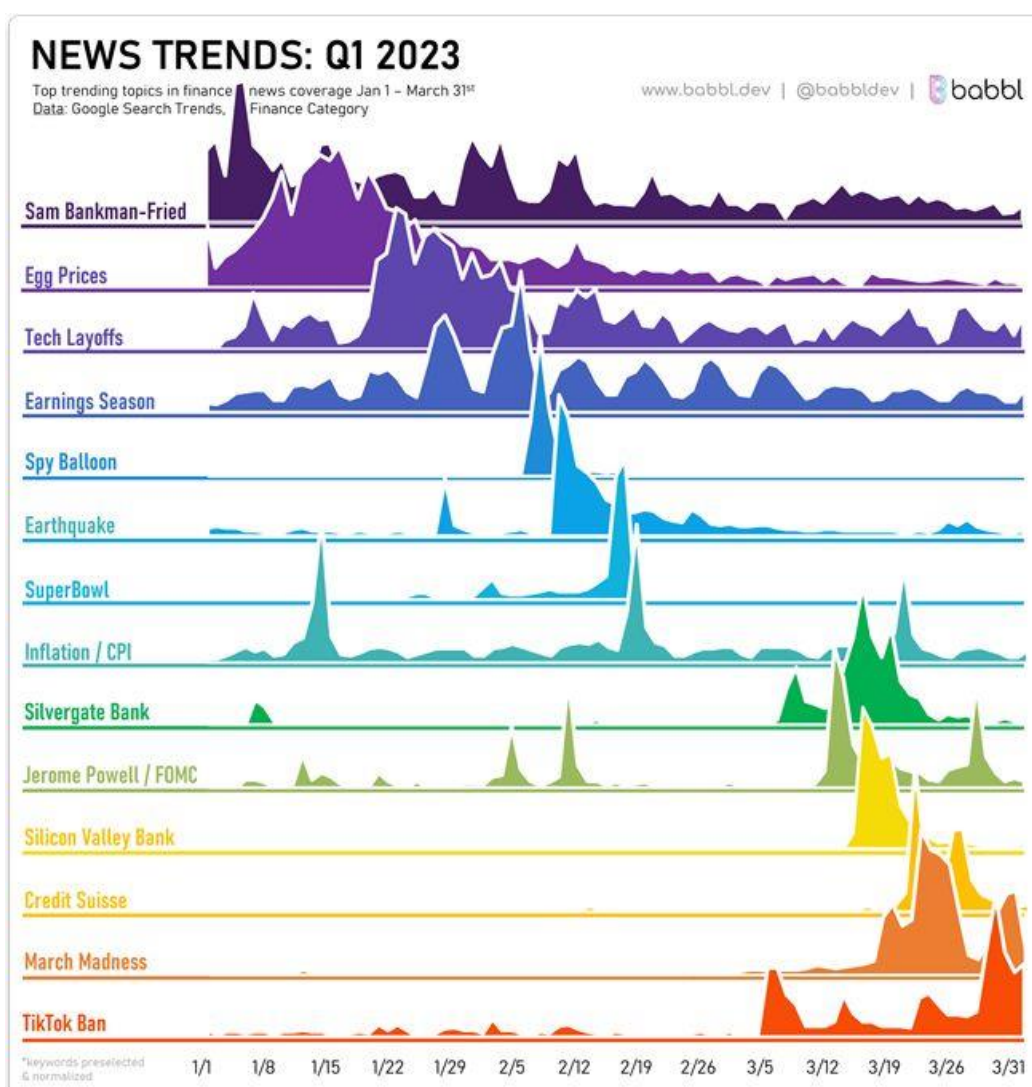


Source: [www.cointelegraph.com](https://www.cointelegraph.com)

#food-for-thought

### #trends

Top Trending Topics in Q1. A visualisation of how quickly our collective interest and attention moves from one thing to another



#food-for-thought

### #artificial-intelligence

Countries where ChatGPT is banned or officially partially/completely unavailable. Italy is a surprising addition.

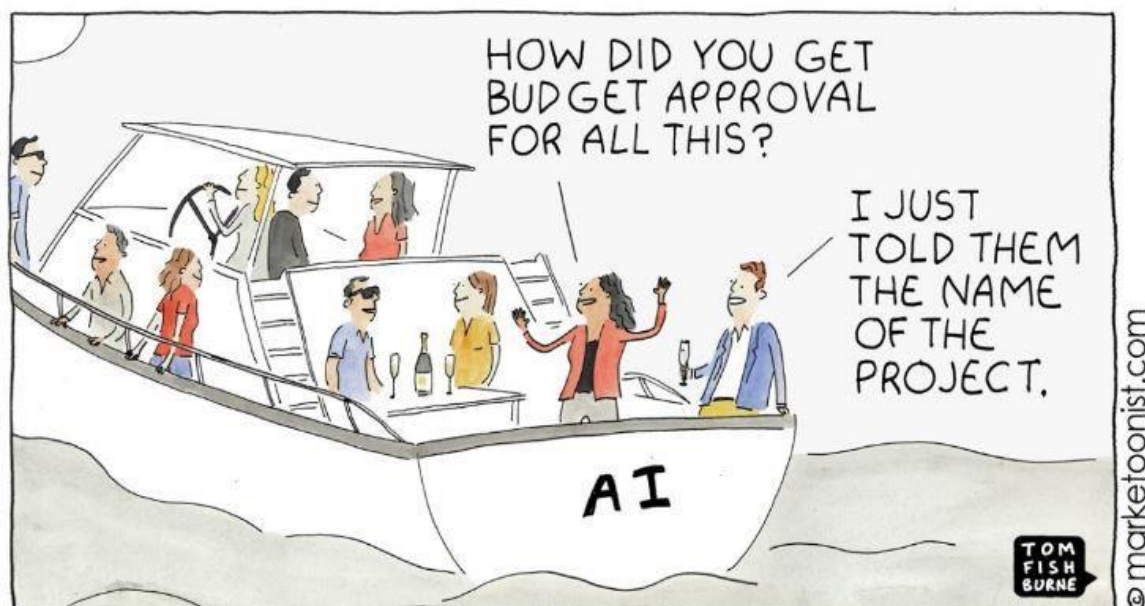


Source: Ian Bremmer, BBC, WePC



#food-for-thought

## #artificial-intelligence



Source: marketoonist.com

#food-for-thought

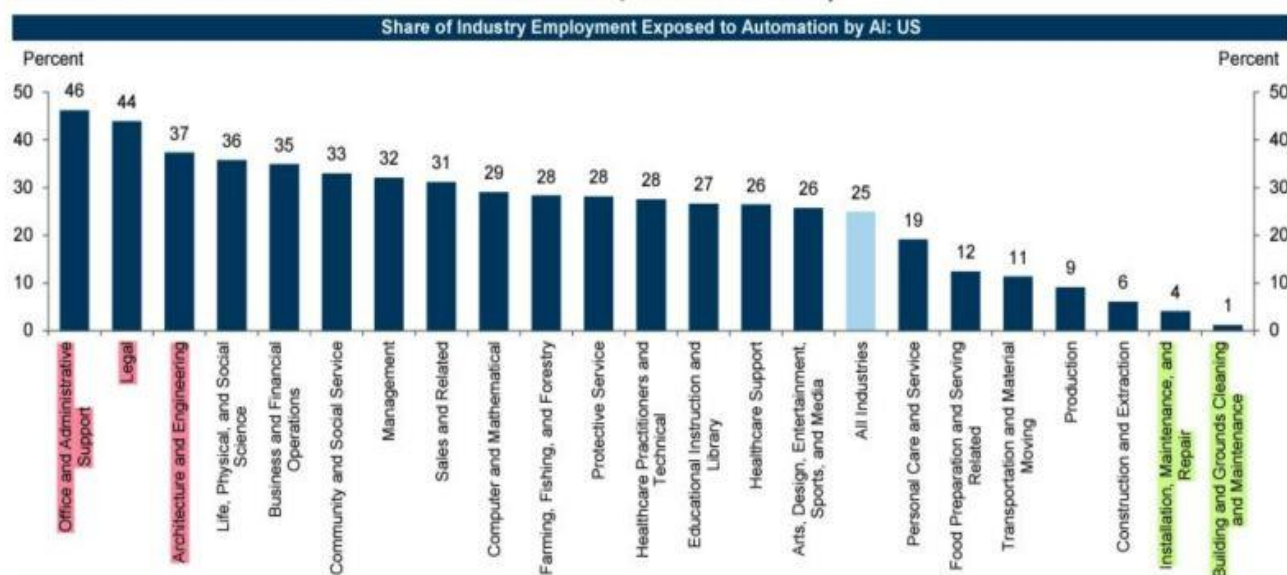
## #artificial-intelligence

Goldman Sachs just released their AI report on economic growth. They predict 300 million jobs will be lost to automation.

Goldman Sachs

Global Economics Analyst

Exhibit 5: One-Fourth of Current Work Tasks Could Be Automated by AI in the US and Europe



Source: Gatesnotes



#food-for-thought

## #artificial-intelligence



Linas Beliūnas 

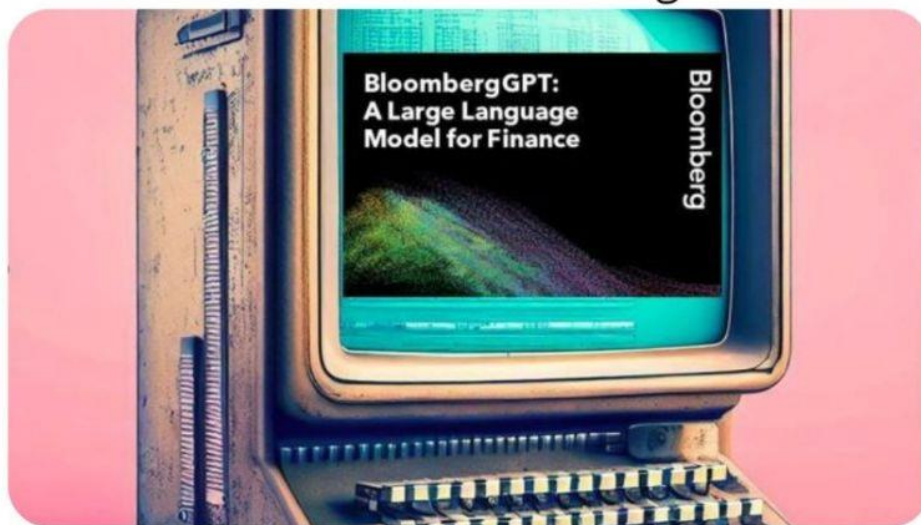
@linas.beliunas

**Bloomberg** has launched **BloombergGPT**.

It's a 50 billion parameter large language model (LLM), **purpose-built from scratch for finance**.

BloombergGPT **outperforms** similarly-sized open models on financial NLP tasks by significant margins.

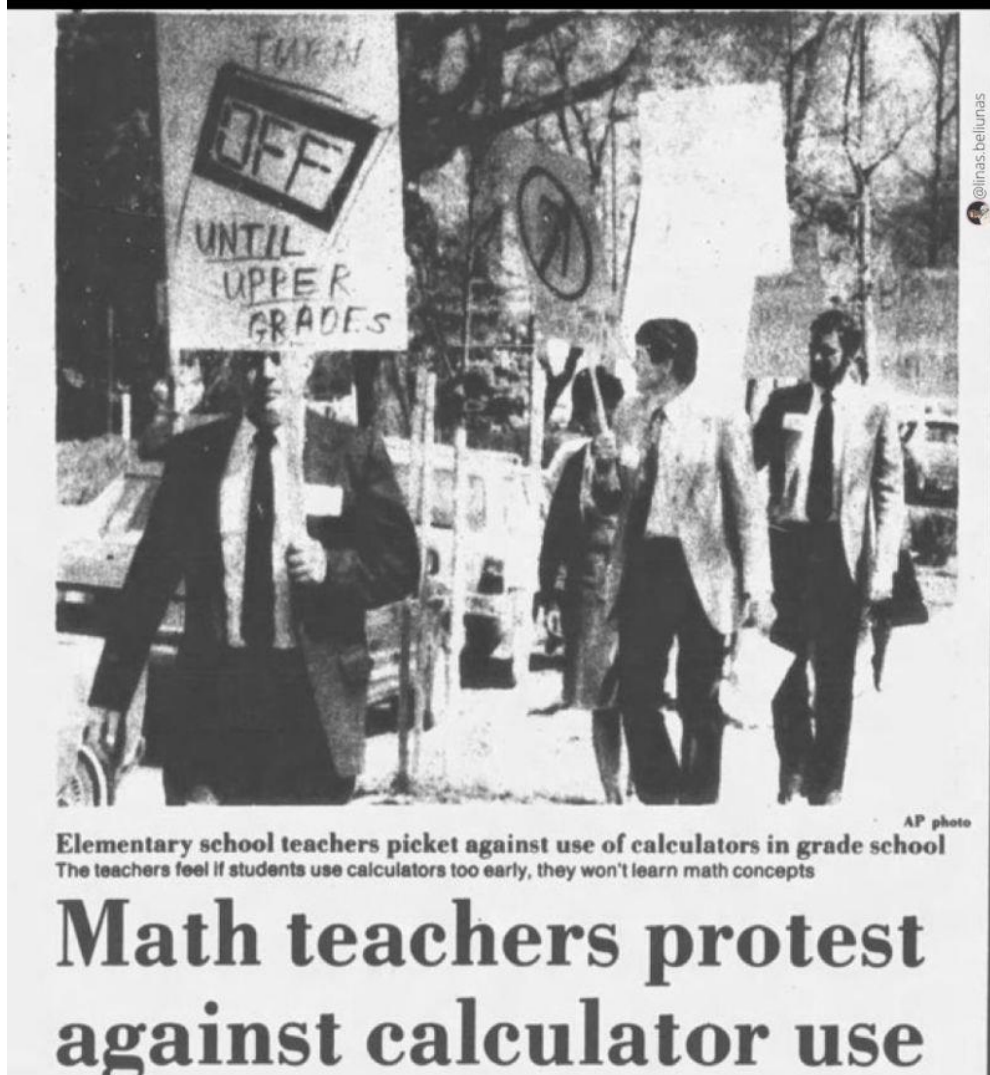
The future of finance has changed forever.



#food-for-thought

## #artificial-intelligence

**1988: We should ban Calculators**  
**2023: We should ban ChatGPT**



### #food-for-thought

## #mobile-phones

50 years ago the first Mobile Phone Call was made. On April 1973, Martin Cooper made the first ever cellphone call on the streets of New York. His invention, a brick-sized device, became the first cellphone available to the general public



Source: CNN business

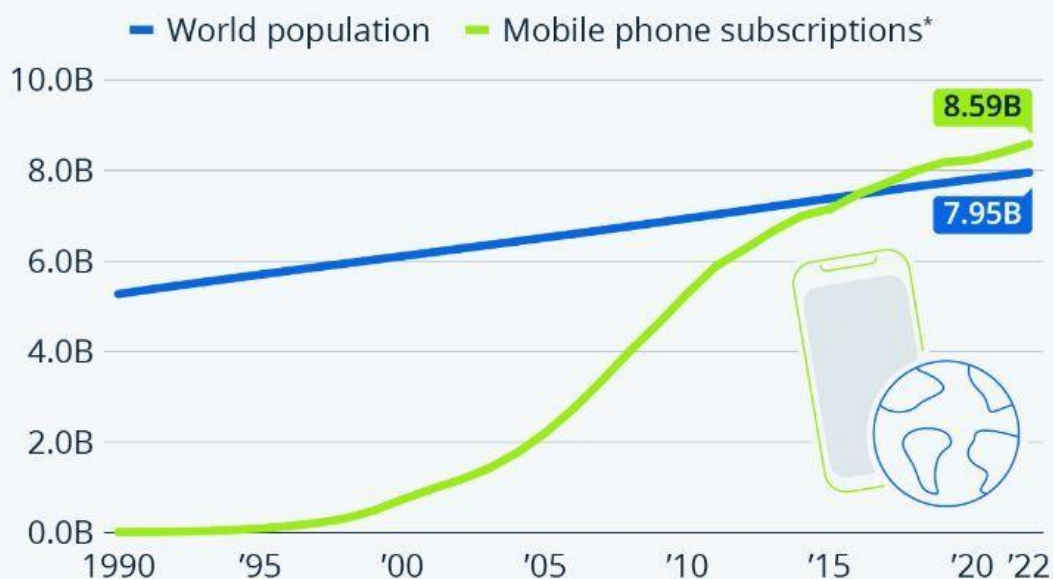
#food-for-thought

#mobile-phones

There are now more mobile phone than people...

## More Phones Than People

Estimated number of mobile-cellular phone subscriptions vs. world population estimates



\* includes postpaid and active prepaid subscriptions that offer voice communications; excludes subscriptions via data cards or USB modems, radio paging and telemetry services

Sources: ITU, World Bank, UN Population Division



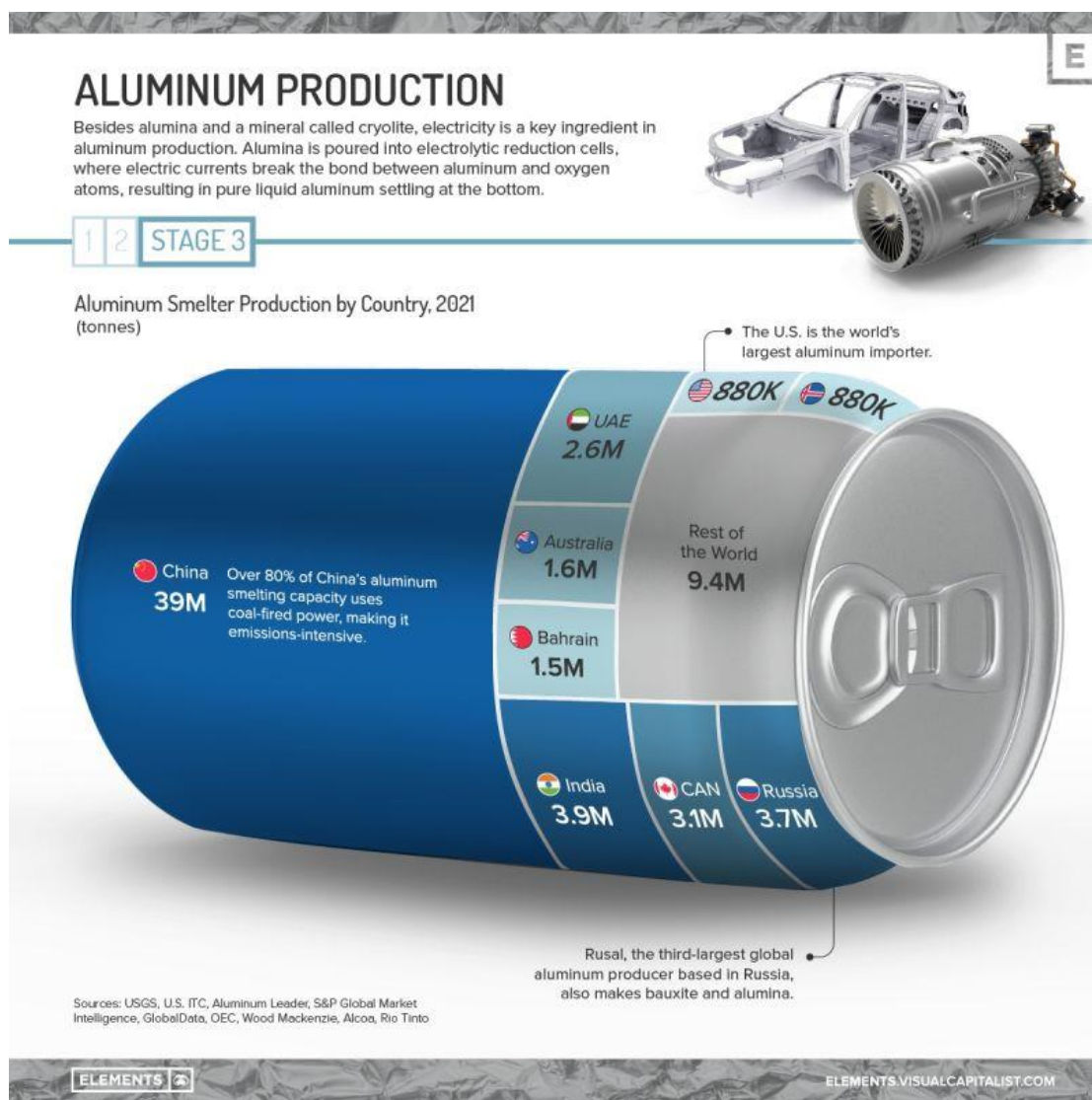
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#food-for-thought

## #aluminum #production

### Where Does Aluminum Come From?

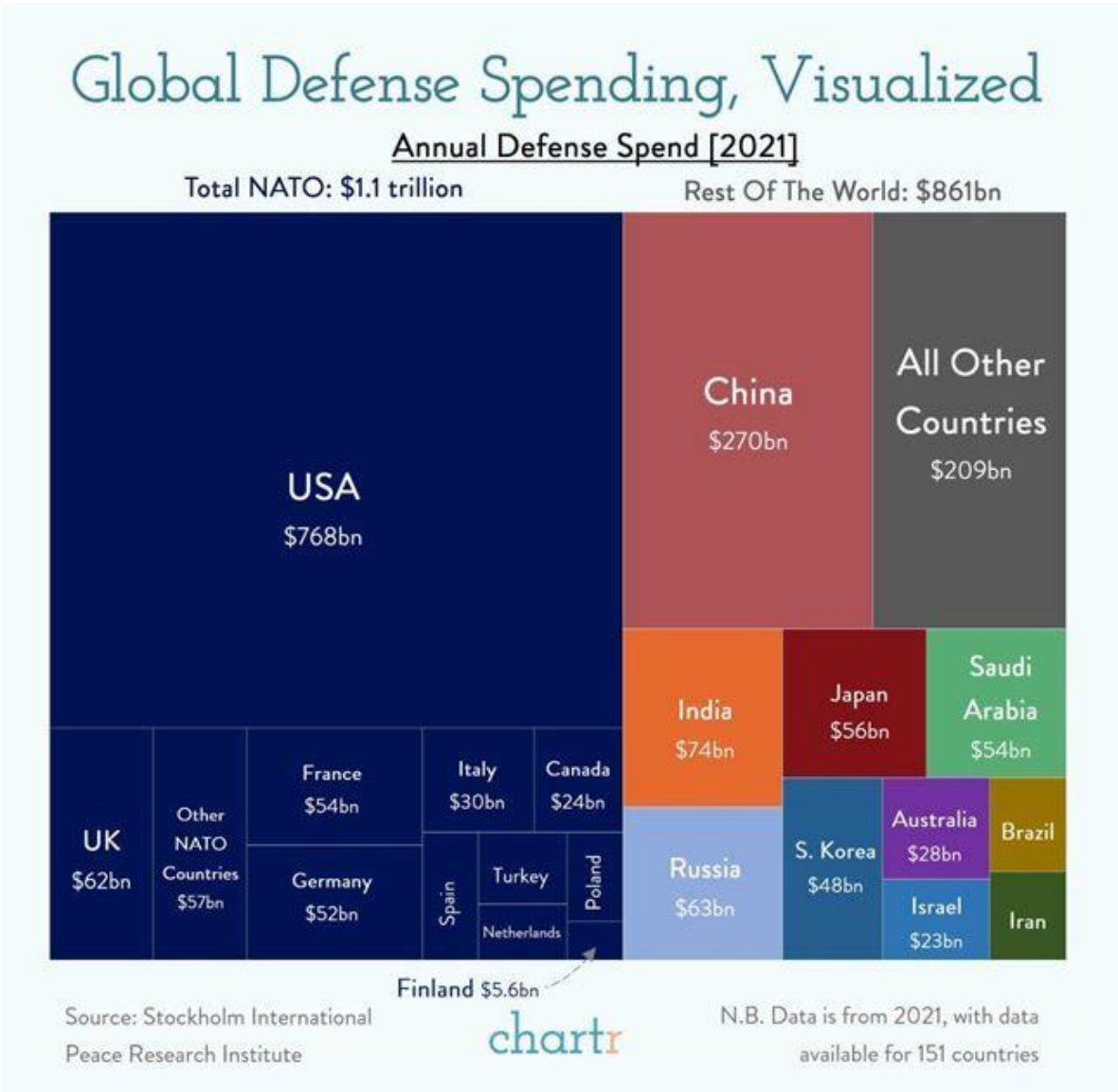


Source: ELEMENTS

#food-for-thought

#defense

Global Defense Spending by Chartr.



#food-for-thought

#us #debt

# Foreign Holders OF U.S. DEBT

Foreign investors held **\$7.3T** in U.S. debt in 2022. This is in the form of Treasuries, one of the most liquid markets in the world.



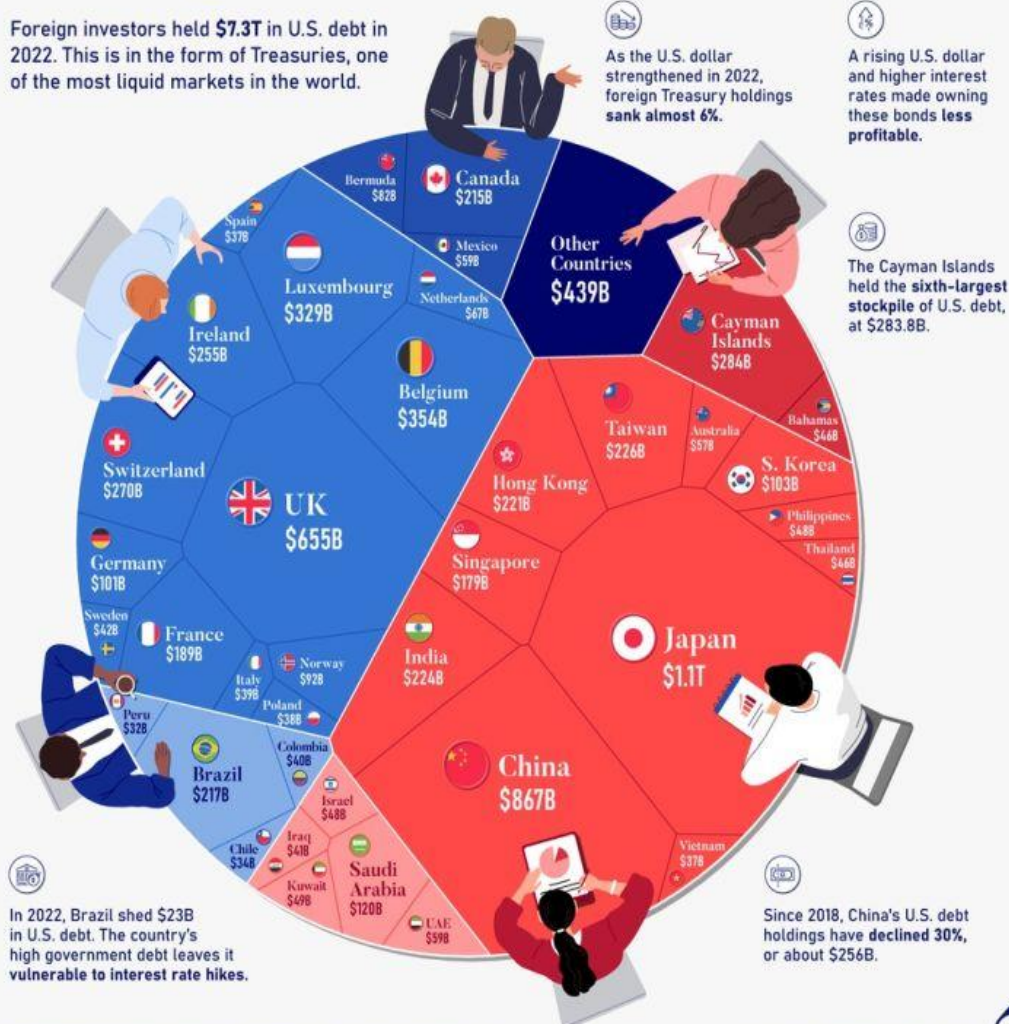
As the U.S. dollar strengthened in 2022, foreign Treasury holdings sank almost 6%.



A rising U.S. dollar and higher interest rates made owning these bonds less profitable.



The Cayman Islands held the **sixth-largest** stockpile of U.S. debt, at **\$283.8B**.



In 2022, Brazil shed \$23B in U.S. debt. The country's high government debt leaves it vulnerable to interest rate hikes.

Since 2018, China's U.S. debt holdings have declined 30%, or about \$256B.

Represents major foreign holders of Treasury securities. Data as of December 2022.

Source: U.S. Department of the Treasury





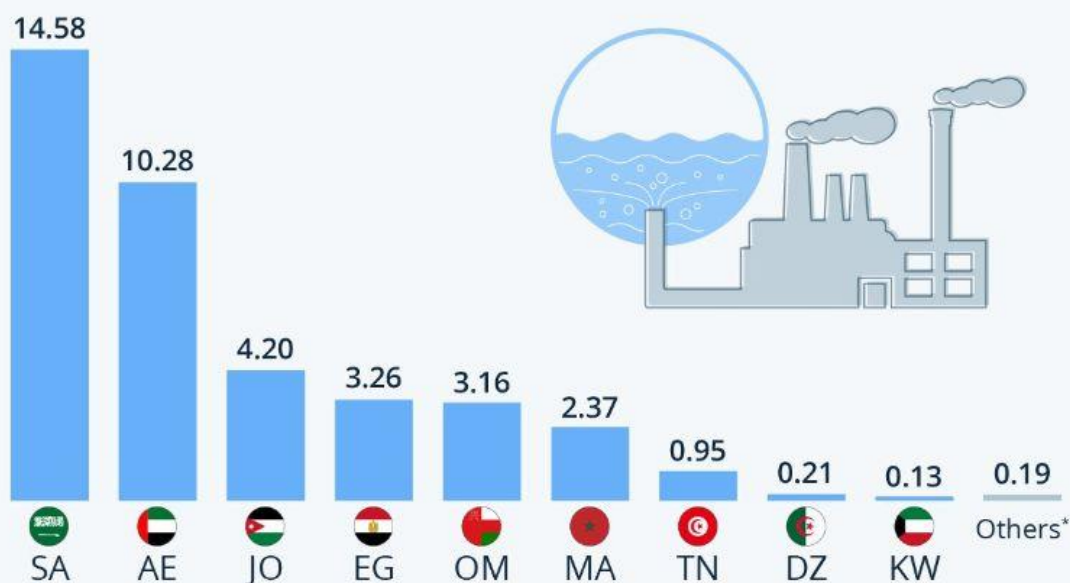
#food-for-thought

## #saudi #water

The Middle East and North Africa account for some 48% of the world's daily production of desalinated water, according to a report by BNC Intelligence. The following chart looks at some of the countries investing heavily in the industry, as water stress continues to rise.

## Saudi Arabia Is Investing Heavily in Desalination

Total cost of water desalination plant projects in MENA countries (in billion U.S. dollars)



\* Libya, Qatar and Bahrain

Source: BNC Intelligence via 4th MENA Desalination Projects Report 2023

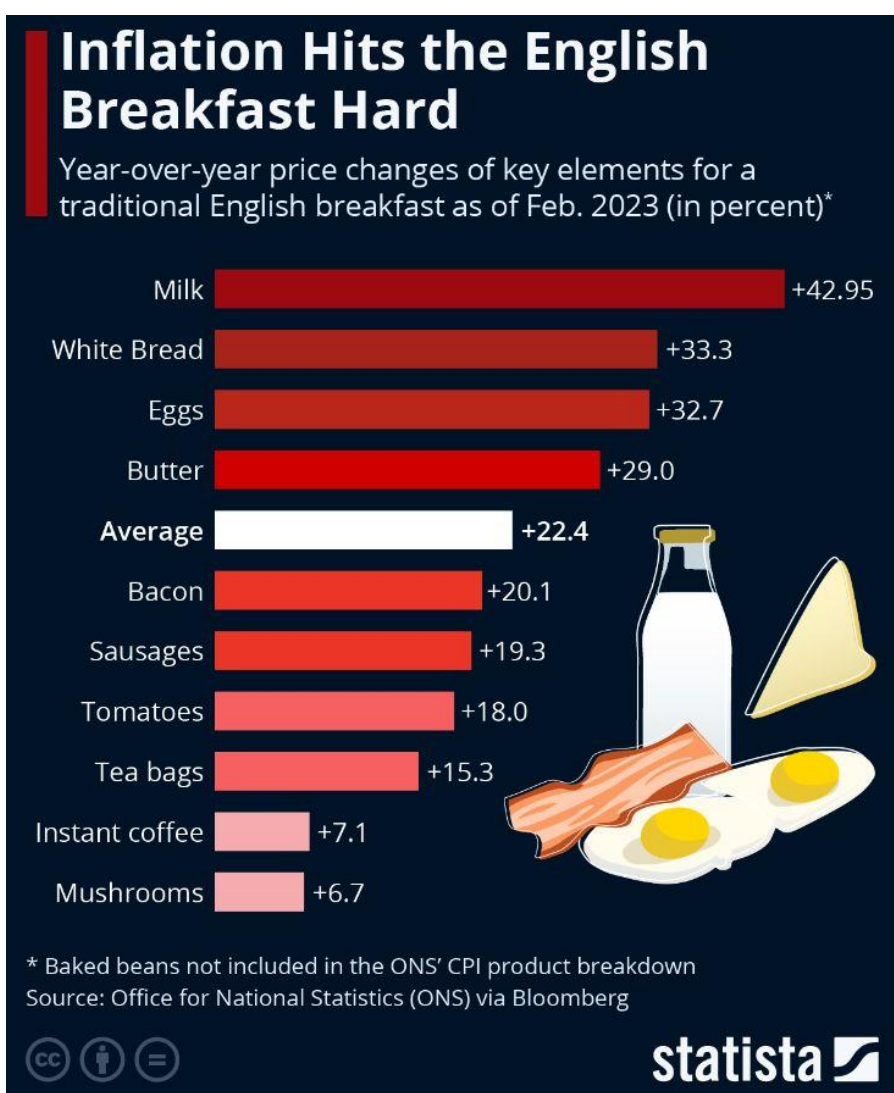


statista

## #food-for-thought

### #inflation

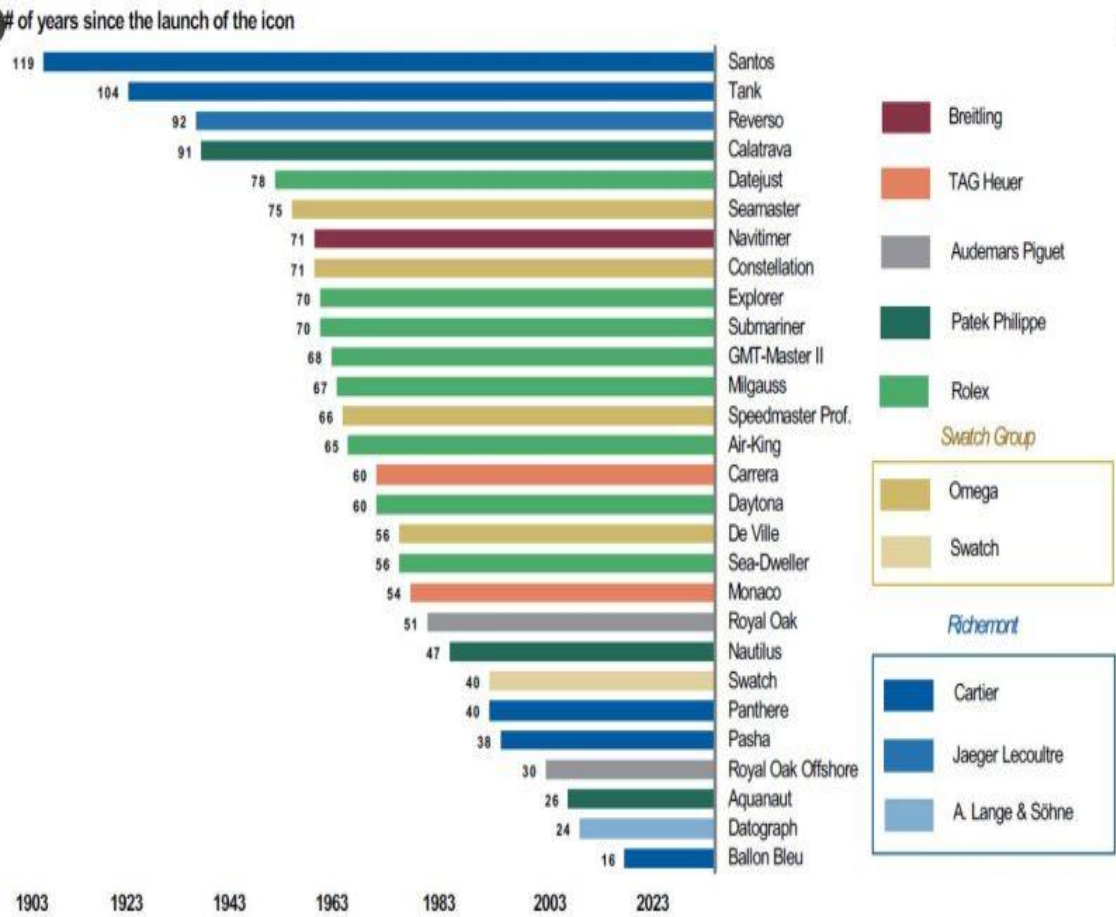
English Breakfast: the average annual increase in prices in February 2023 for key ingredients of the traditional English breakfast was 22.4%



#food-for-thought

#watches

It takes decades to become an iconic watch...



Source: Morgan Stanley

#food-for-thought

#compounding

The impact of taxes on compounding.



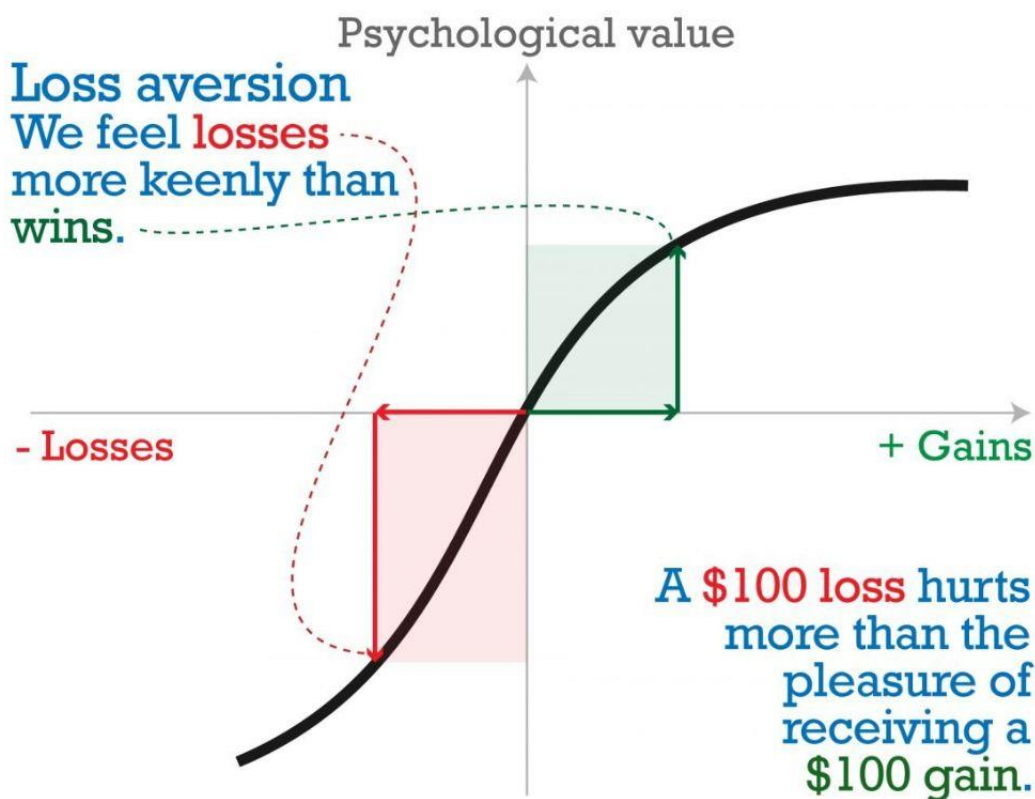
The impact of taxes on compounding:



### #food-for-thought

## #prospect-theory

It describes how individuals assess their loss and gain perspectives in an asymmetric manner. The theory suggests that people feel losses twice as hard as gains.



dreamendstate.com

Source: DKahneman

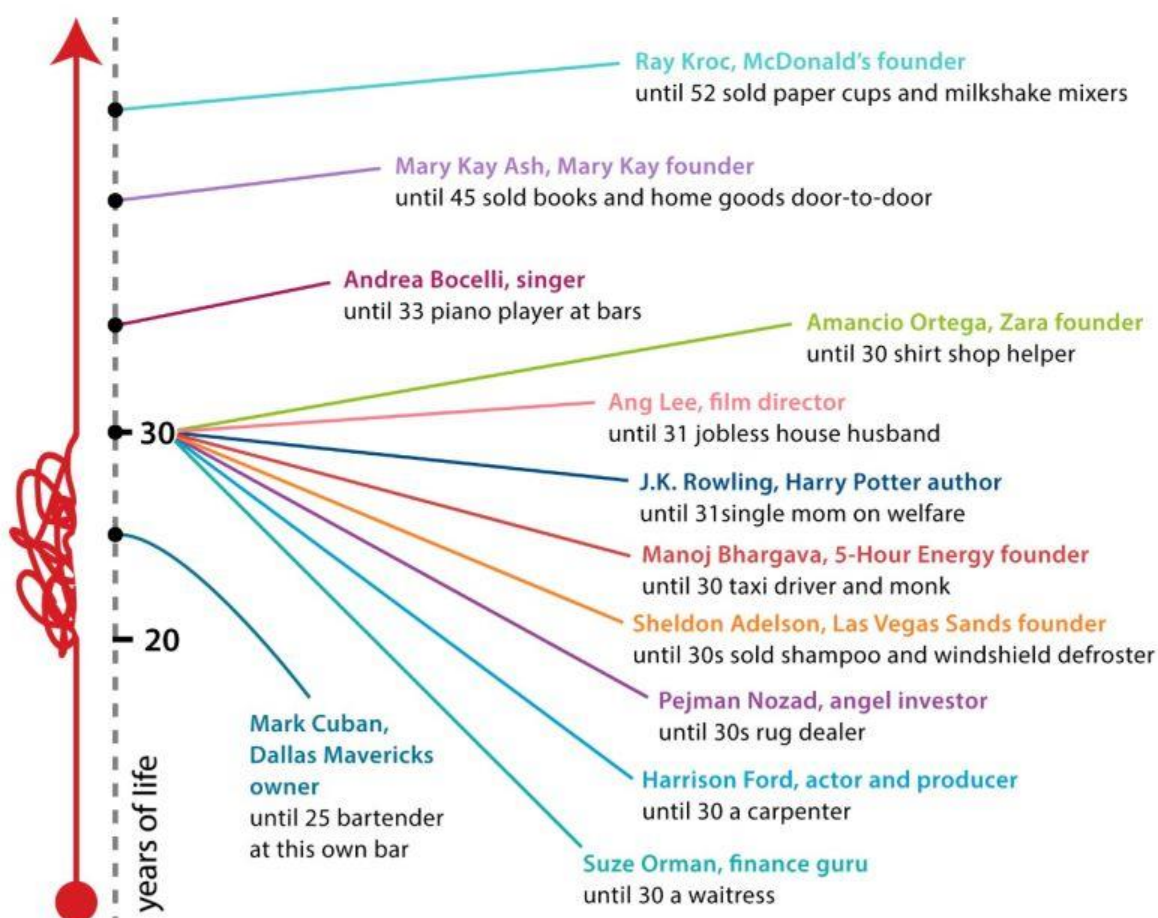
#food-for-thought

#success

# LOST IN LIFE?

People who took an indirect path to success

Original creativity: Anna Vital | Infographic redesign by @agrassoblog for educational and motivational purposes

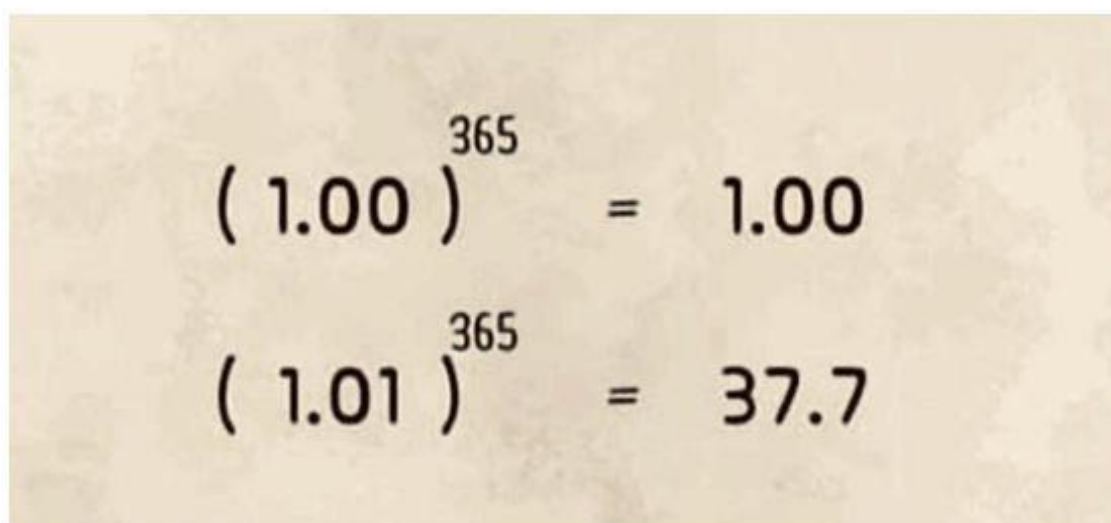




### #food-for-thought

#### #success

The power of compounding, not just in investment but also in real life. Just imagine that get 1% better every single day for a year...


$$\begin{aligned}(1.00)^{365} &= 1.00 \\ (1.01)^{365} &= 37.7\end{aligned}$$

Source: Compounding Quality



#food-for-thought

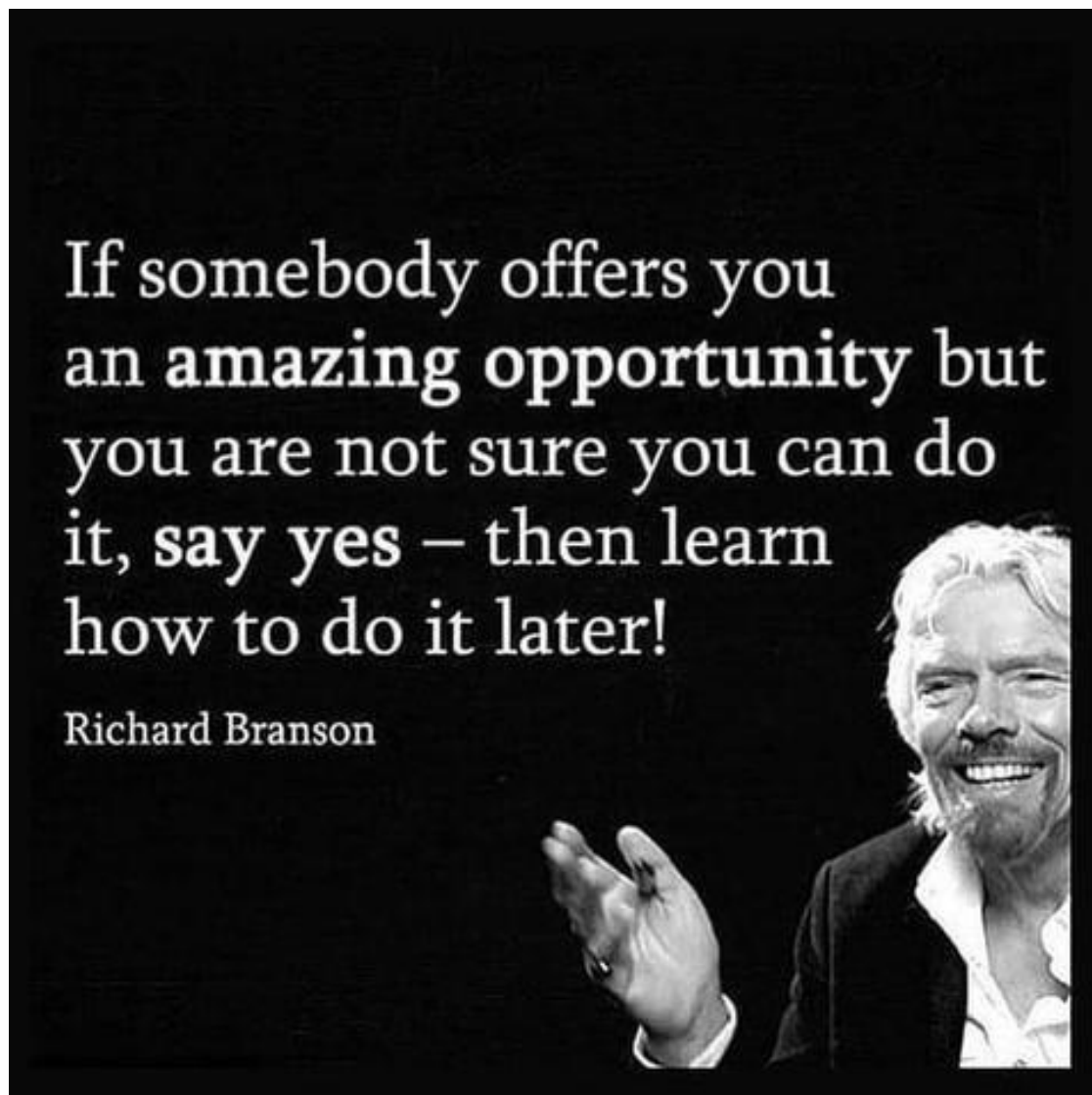
## #leadership



Source: European Leadership

#food-for-thought

## #leadership



Source: European leadership

#food-for-thought

## #leadership

NO MATTER  
HOW  
YOU FEEL,  
GET UP,  
DRESS UP,  
SHOW UP  
AND  
NEVER GIVE UP

#food-for-thought

## #leadership

**Respect your  
haters.  
They are the ones  
who think  
you are better  
than them.**

*FACE THE REALITY*



Source: European leadership

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**For the future...**