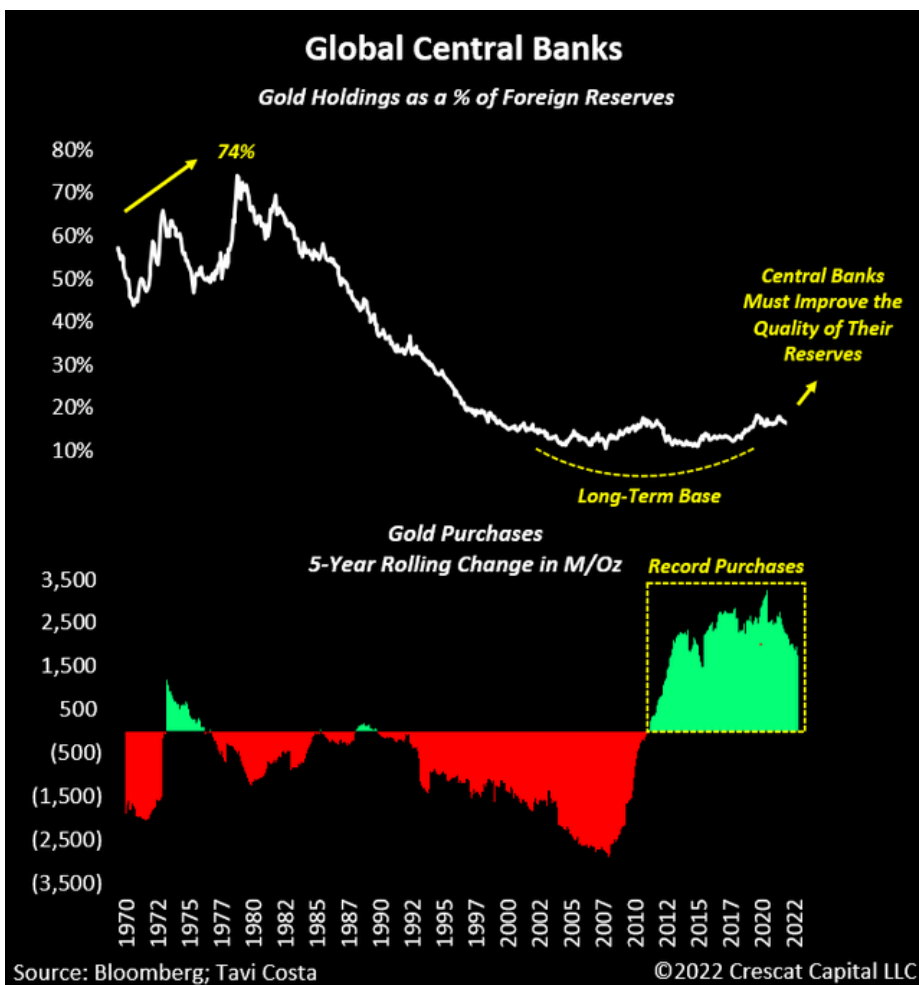


Chart of the week

RECORD GOLD PURCHASES BY CENTRAL BANKS

Probably one of the most important new secular trends in global macro today. Gold is in the early stages of becoming the preferred asset among central banks looking to improve the quality of their international reserves.



Hawkish central banks hammer stocks

Intensified fears over rising interest rates pushed the S&P 500 Index lower for a 2nd consecutive week and to levels last seen in early November. Nearly every sector within the index recorded sharp losses with the exception of energy shares, which were supported by a rebound in oil prices. A roughly USD 4 trillion expiration in options contracts on Friday sparked additional volatility. Two announcements during the week sent sentiment in opposite directions—much higher at the start of the week and sharply lower at its end. The first was the release of the US CPI on Tuesday. The data showed that headline inflation rose only 0.1% in November from October, a tick lower than consensus. The second, which was the release of the FOMC December policy meeting statement on Wednesday, sent stocks sharply lower. While the Fed slowed its pace of rate increases by announcing a 50 basis points increase, the official statement reiterated that ongoing rate increases are likely. Similar rate moves and commentary from European central banks on Thursday seemed to have further darkened investors' moods. The other notable surprise of the week may have been Thursday's data on retail sales, which dropped 0.6% in November, much lower than expected. While stocks pulled back on the week, U.S. Treasury yields decreased, especially on the front-end. In Asia, Chinese stocks fell as weaker-than-expected economic data dampened investor sentiment. The dollar is unchanged for the week. Bitcoin is trading below \$17k again.



Source: T-Rowe Price

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

17 DECEMBER 2022

#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	32,920	-1.7%	-9.4%
S&P 500 Index	3,852	-2.1%	-19.2%
NASDAQ	10,705	-2.7%	-31.6%
MSCI EAFE *	1,962	-0.9%	-16.0%
10-yr Treasury Yield	3.49%	-0.1%	1.9%
Oil (\$/bbl)	\$74.28	4.6%	-1.2%
Bonds	\$99.38	0.6%	-10.7%

Source: Factset. 12/16/2022. 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

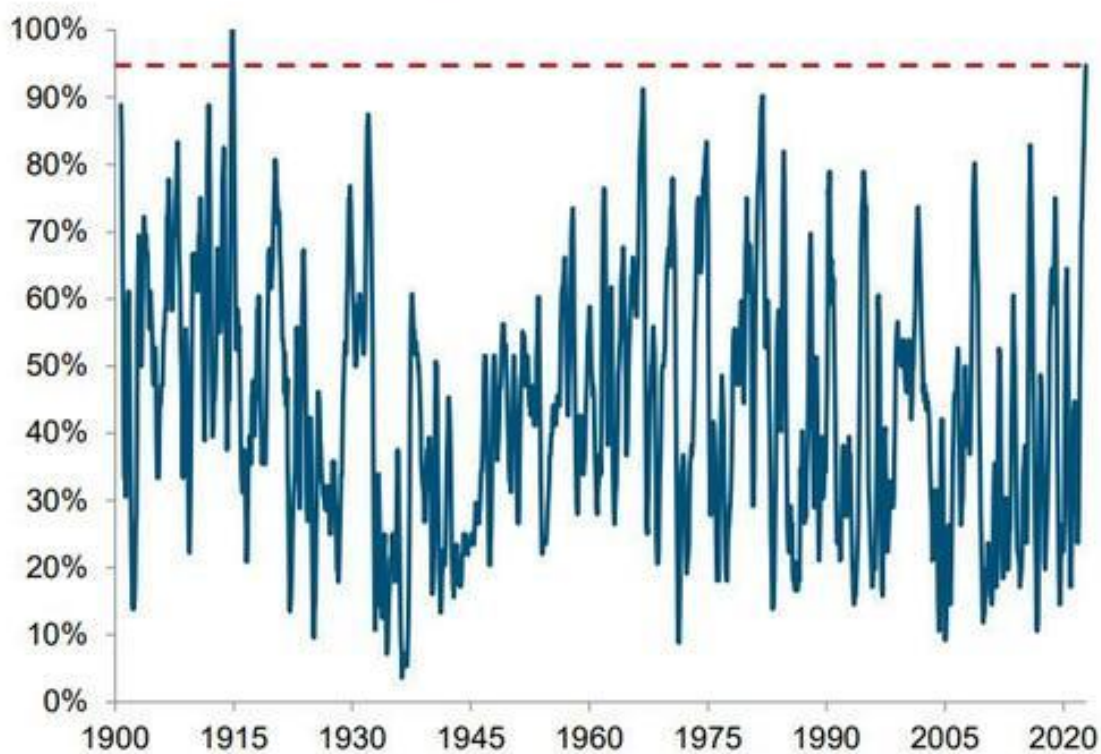


#cross-assets

Cash is NOT “trash” in 2022... More than 90% of assets have a lower 6 month returns than US Treasury Bills.

Cash continues to outperform most assets...

% of assets with 6m returns lower than T-Bills, 2m MA



Assets: S&P 500, SXXP, DAX, FTSE, TOPIX, MSCI EM, US 2y/10y/30y, Germany 10y, Japan 10y, UK 10y, gold, oil, copper, S&P GSCI, DJ Corp, USD IG, USD HY.
Source: Haver Analytics, Datastream, Goldman Sachs GIR (data as of 12/12/22).

Source: : www.zerohedge.com, Haver Analytics, Goldman Sachs





#us #equities #technicals

That's the week - exact same action as Sept. 16th quarterly OPEX, with two weeks to go in the month.



Source: Mac10



#markets

#us #equities #technicals

The S&P 500 trades below the 200d, 100d and 50d MA. But the ramp at the close on Friday lifted it closer to its 50DMA.



Source: www.zerohedge.com

#markets

#faangs

We note that the original FANG stocks have now lost over 50% of their peak market cap from Nov 2021 (down to \$2.5 trillion from a peak at \$5.11 trillion), tumbling over \$600 billion this week alone...



Source: www.zerohedge.com



#us #equities #valuations

S&P 500's P/E has taken a beating in year/year terms (currently -26.7%), but multiple is still higher than where it was at prior major bear market troughs

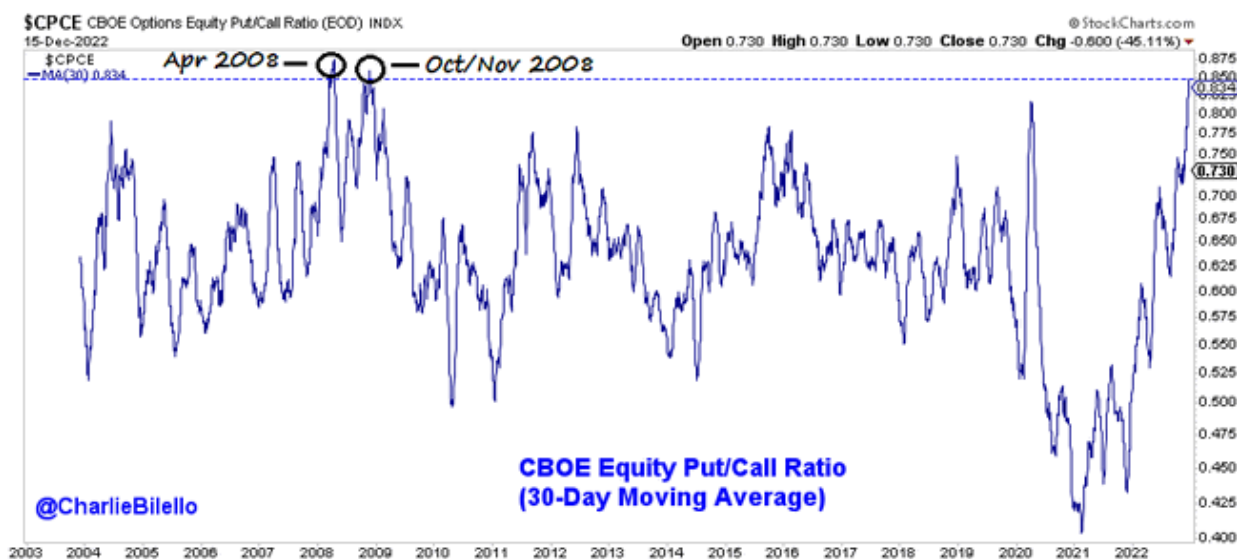


Source: Bloomberg, Liz Ann Sonders



#us #equities #sentiment

The ratio of equity puts (bearish bets) to calls (bullish bets) over the last 30 trading days has only been this high a few times in the past: April 2008 and Oct/Nov 2008.
(note: data set goes back to 2003)

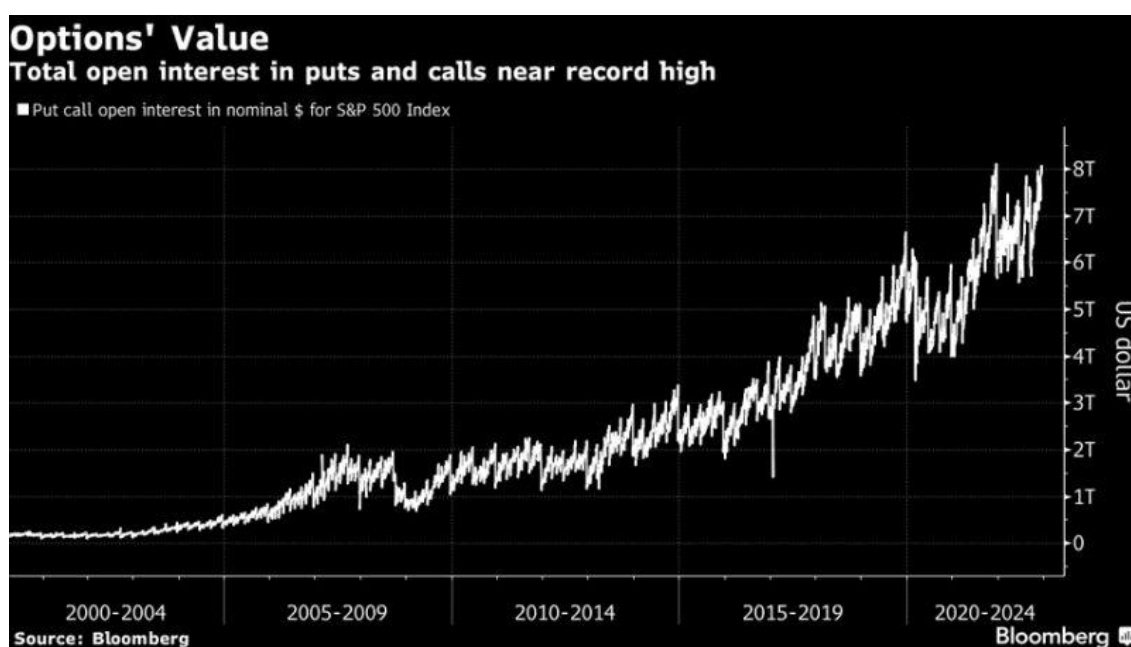


Source: Charlie Bilello

#markets

#us #equities #options

The importance of gamma levels... \$8T are exchanged in options 45%/40% of volumes in S&P 500.



Source: Alessio Urban, Bloomberg



#ark-invest

Ark ETF is back at key support.



Source: Mac10



#jepi #etf

\$JEPI (JP Morgan Equity Premium Income ETF) smashed the annual flow record for an active ETF with \$12b, surpassing \$ARKK's \$9.5b in 2020. JPM also had top two active flow-getters & grabbed 23% of all active flow (more than its 16% mkt share). DFA has more active AuM, but most is conversions, JPM almost all natural.

Ticker		30D Vol	Class Assets (...)	Fund Assets ...	YTD Rtn	YTD Class FL...
Average		157.88k	349.46	346.27	-13.56%	+80.06
Sum		151.88M	343,518.69	344,539.58	-10019...	+79,741.20
1) JEPI	US	3.49M	16,905.23	16,905.23	-3.09%	+12,095.79
2) JPST	US	4.88M	23,361.66	23,361.66	+0.87%	+5,033.82
3) DFAC	US	2.06M	16,175.19	16,175.19	-14.21%	+3,355.18
4) FTSM	US	1.51M	7,430.94	7,430.94	+0.80%	+3,196.05
5) AVUV	US	363.37k	4,624.52	4,624.52	-4.91%	+2,529.78
6) DFIC	US	1.75M	2,045.54	2,045.54	--	+1,956.84
7) DFCF	US	721.69k	2,003.97	2,003.97	-12.97%	+1,880.96
8) DFAI	US	1.21M	2,725.62	2,725.62	-12.84%	+1,806.31
9) PDBC	US	4.92M	6,689.81	6,689.81	+17.35%	+1,644.31
10) AVUS	US	250.79k	3,213.28	3,213.28	-12.95%	+1,642.41
11) ARKK	US	25.70M	6,721.81	6,721.81	-64.88%	+1,613.07
12) AVEM	US	520.37k	2,327.25	2,327.25	-18.50%	+1,561.34
13) PULS	US	1.21M	3,525.39	3,525.39	+1.27%	+1,543.42
14) DFAE	US	1.01M	1,962.22	1,962.22	-17.77%	+1,543.04
15) DIVO	US	532.01k	2,416.47	2,416.47	-1.37%	+1,513.36

Source: Bloomberg, Eric Balchunas

#markets

#us #homebuilders

S&P 500 Homebuilding Industry Index surged relative to S&P 500 lately; the ratio is now at its highest in a year.



Source: Bloomberg

#tesla #musk

Elon Musk sells another huge chunk of Tesla shares

KEY POINTS

- Tesla CEO Elon Musk sold about 22 million more shares in his electric vehicle business, which were worth around \$3.6 billion, according to a financial filing out Wednesday night.
- The transactions took place between Monday and Wednesday this week according to the filings with the Securities and Exchange Commission.




Source: CNBC

#markets

#tesla

Tesla is down 60.9% from its peak last November, now the largest drawdown to date (note: closing prices).

Tesla: Largest Drawdowns (Closing Prices, June 2010 - Today)			
Peak Date	Trough Date	% Decline	# Days
11/4/2021	12/13/2022	-60.9%	404
1/26/2021	3/8/2021	-36.2%	41
8/31/2020	9/8/2020	-33.7%	8
2/19/2020	3/18/2020	-60.6%	28
9/18/2017	6/3/2019	-53.5%	623
9/4/2014	2/10/2016	-49.8%	524
3/4/2014	5/8/2014	-29.9%	65
9/30/2013	11/26/2013	-37.7%	57
4/3/2012	8/2/2012	-31.3%	121
11/24/2010	2/23/2011	-38.5%	91
6/29/2010	7/7/2010	-33.9%	8

 COMPOUND @CharlieBilello

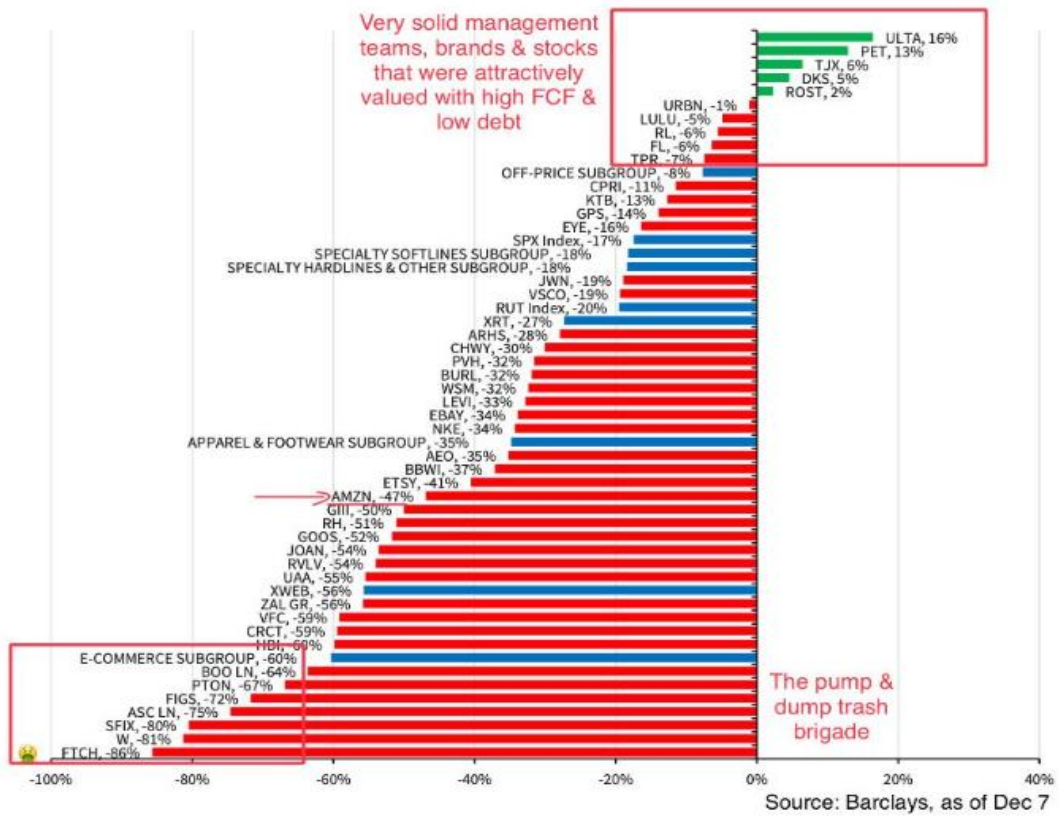
Source: Charlie Bilello



#us #retail #stocks #performance

Year to date performance for US Retailers (as of Dec 7). AMZN in the middle of the stack, down by half. FinTwit at the absolute bottom at -86%

FIGURE 17. YTD 2022 Retail Universe* Performance

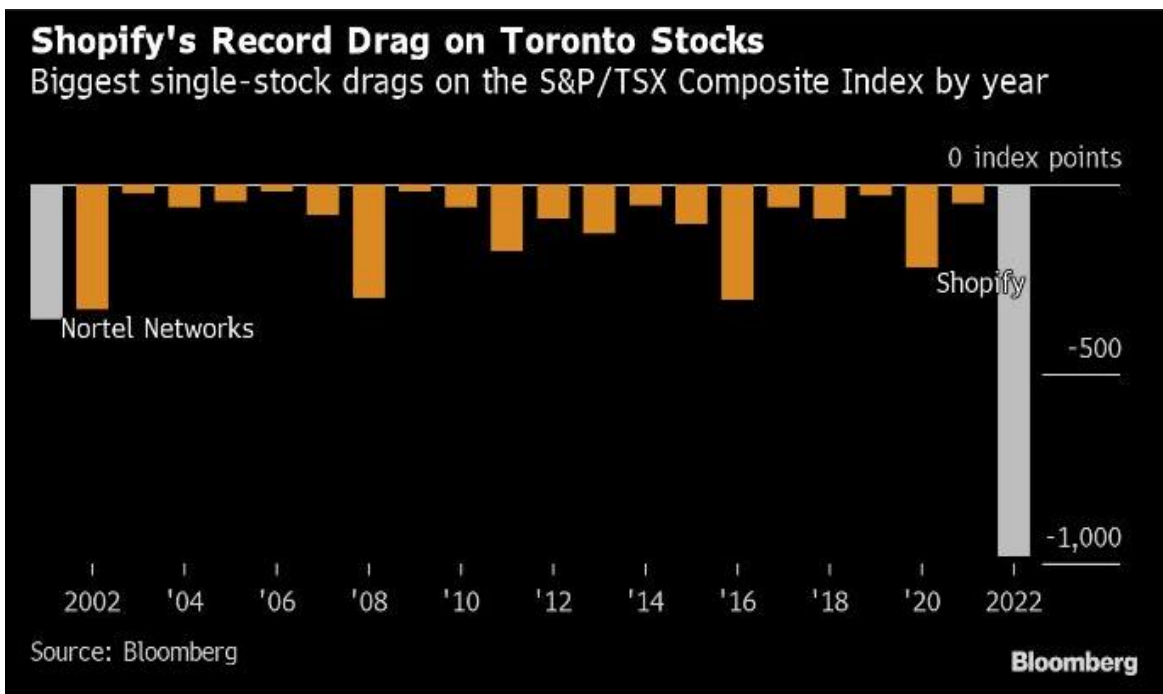


Source: xxx



#canada #stocks #shopify

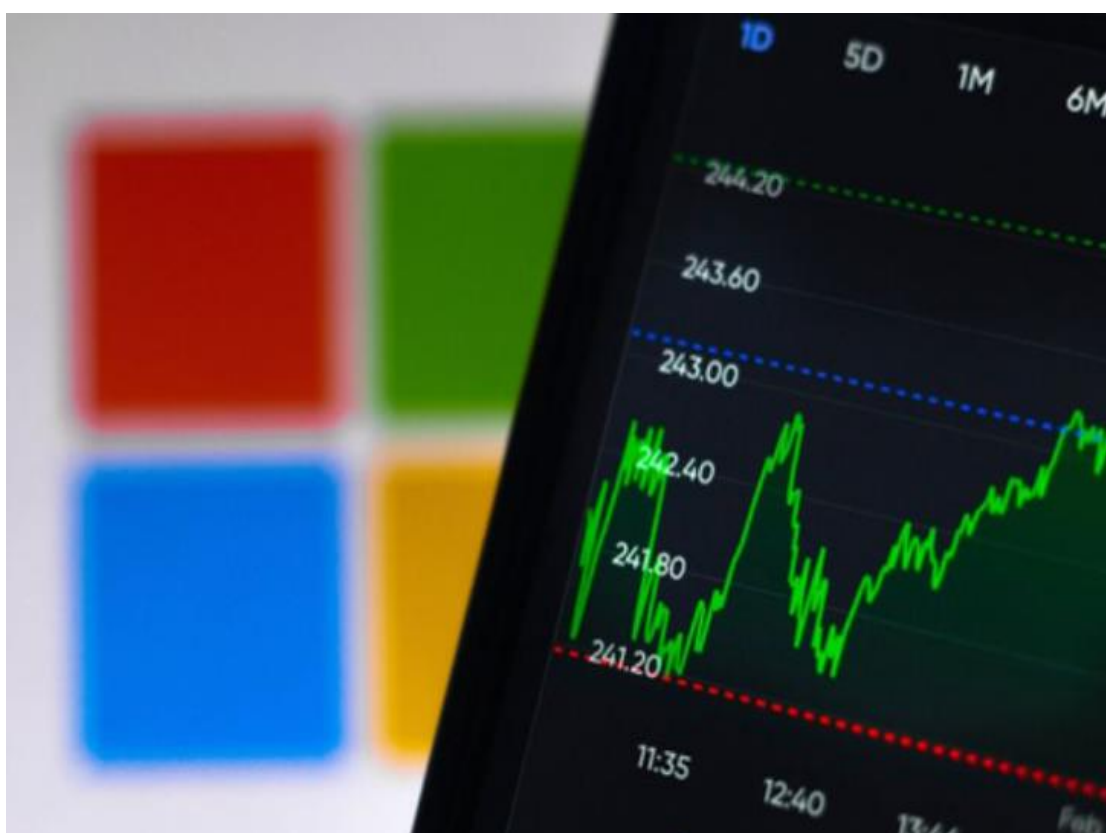
Shopify's 70% plunge has almost single-handedly dragged the Canadian stock market into the red this year, taking the shine off what would otherwise be one of the world's top-performing major equity benchmarks. The e-commerce software provider has lost C\$161 billion (\$118 billion) in market value in 2022, causing a 978-point drag on the S&P/TSX Composite Index. Without it, the index would be down less than 2% in Canadian dollars this year, rather than 6%.



Source: Bloomberg

#microsoft #lse #partnership

Microsoft announced a 10-year partnership with the London Stock Exchange Group and took a near 4% stake in the U.K. bourse operator. The partnership involves next-generation data and analytics, as well as cloud infrastructure solutions, according to a statement by the LSEG



Source: CNBC

#markets

#oil

Crude oil spikes after White House says it will start refilling Strategic Petroleum Reserve.

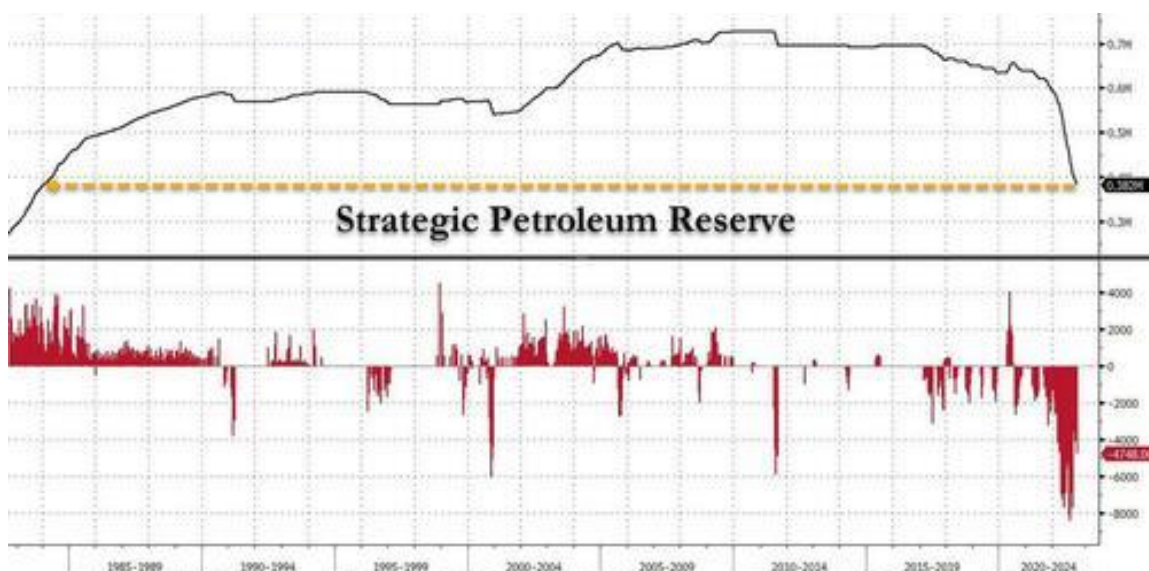


Source: www.zerohedge.com



#oil

Having drained more than a third of the SPR since the start of the year, helping push the price of oil to 2021 levels and with the midterm elections now history, the White House announced on Friday that it would begin unwinding its politically-motivated drainage of the US emergency reserve and will start replenishing the nation's emergency oil reserves, starting with a 3 million barrel purchase of crude in February.



Source: Bloomberg



#us #treasuries

Treasury yields were all lower on the week with the short-end outperforming (2Y -16bps, 30Y -3bps) on the week...



Source: www.zerohedge.com



#italy #btp #spreads

Italy BTP 10y spread over Germany has jumped to 215bps which leads Italian politicians to slam ECB monetary action. Three senior Italian politicians criticized the European Central Bank’s increase in borrowing costs, pointing to rising tensions between Giorgia Meloni’s government and Frankfurt officials. It’s “disconcerting and worrying” that the decision “burned billions of savings in Italy and all of Europe,” said Deputy Premier and Transport Minister Matteo Salvini.

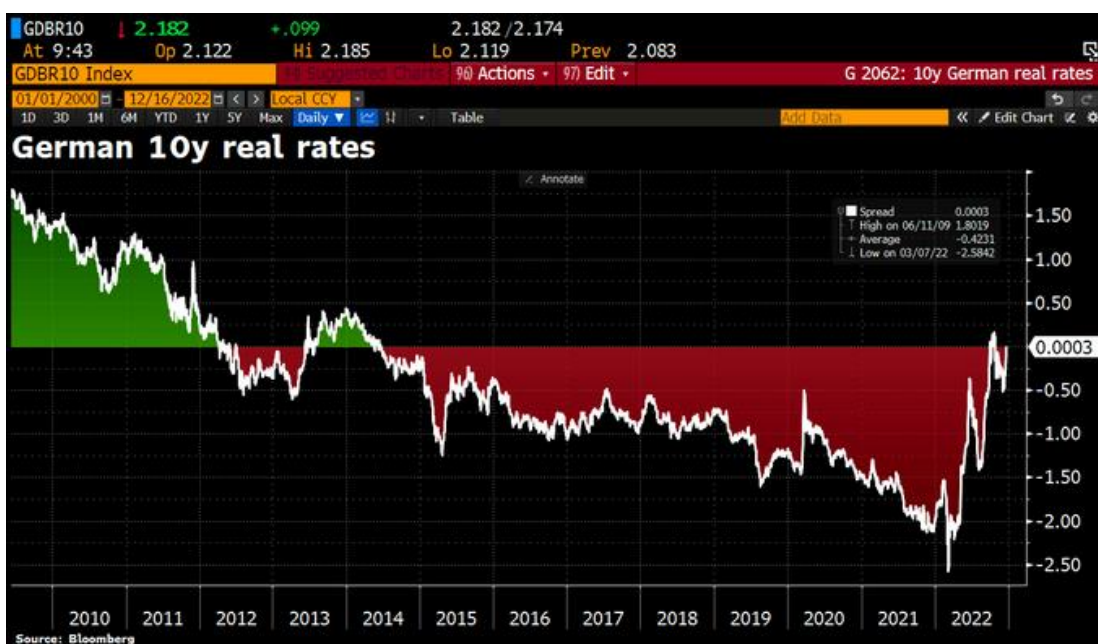


Source: Bloomberg, HolgerZ



#german #10y #real-yields

German 10y real yields (10y yields - 10y inflation expectations) have turned positive again after Thursday's hawkish ECB pivot.



Source: Bloomberg, HolgerZ



#dollar

The dollar ended the week unchanged, recovering all of its post-CPI plunge on the hawkish Fed statement...

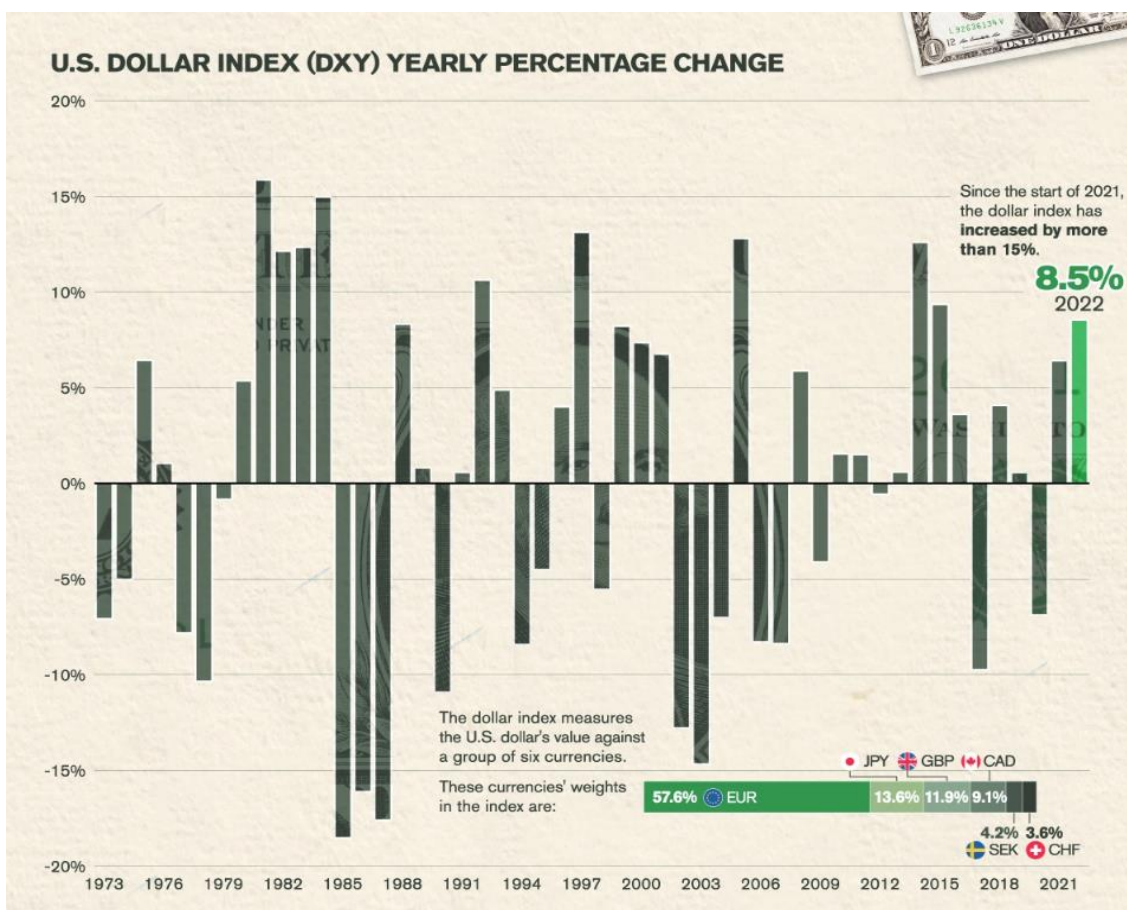


Source: www.zerohedge.com



#dollar #history

The US Dollar Index is having one of its strongest years since its inception in 1973




Source: The Visual Capitalist

#macro

#global #inflation

Global Inflation Rates	
Country/Region	CPI Inflation (YoY %)
CHINA	1.6%
TAIWAN	2.4%
SWITZERLAND	3.0%
SAUDI ARABIA	3.0%
JAPAN	3.7%
SOUTH KOREA	5.0%
INDONESIA	5.4%
THAILAND	5.6%
INDIA	5.9%
BRAZIL	5.9%
FRANCE	6.2%
SINGAPORE	6.7%
SPAIN	6.8%
CANADA	6.9%
AUSTRALIA	6.9%
US	7.1%
NEW ZEALAND	7.2%
SOUTH AFRICA	7.6%
MEXICO	7.8%
PHILIPPINES	8.0%
FINLAND	8.3%
IRELAND	8.9%
PORTUGAL	9.9%
NETHERLANDS	9.9%
GERMANY	10.0%
EUROZONE	10.0%
SWEDEN	10.9%
UK	11.1%
ITALY	11.8%
RUSSIA	12.0%
POLAND	17.4%
TURKEY	84.4%
ARGENTINA	88.0%
VENEZUELA	156%

 @CharlieBilello

Source: Charlie Bilello



#us #inflation

US CPI numbers continue to move in the right direction. The headline CPI came out lower than expected +0.1% MoM and +7.1% YoY, the lowest print since December 2021. This is also the biggest drop (-0.6%) in the YoY number since 2020.

Core CPI was also lower: +0.3% MoM (vs +0.2% MoM) and +6.1% YoY (vs +6.0% YoY). MoM annualized inflation is now BELOW 2%

The biggest drivers of the lower print were energy costs, medical care and used cars. But the very good news is that the softer read is widespread.



Source: Bloomberg, HolgerZ

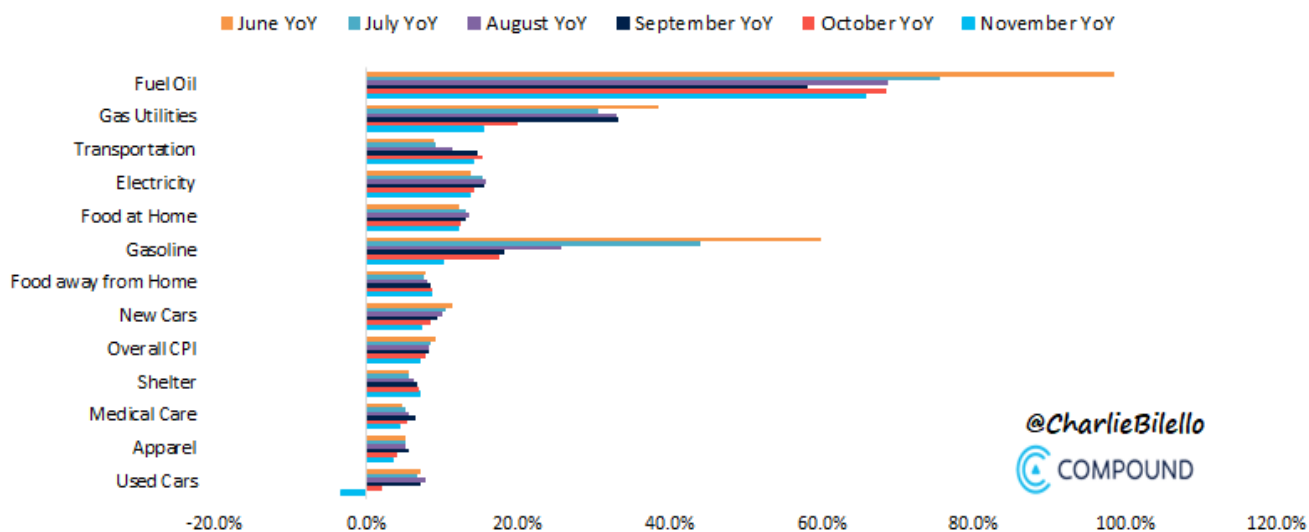




#us #inflation

With the exception of Shelter (which is lagging the real-time decline in rents & home prices), all of the major CPI components showed a lower YoY % increase in November than October.

YoY % Change (July - November 2022 CPI Reports)



@CharlieBilello
COMPOUND

	Used Cars	Apparel	Medical Care	Shelter	Overall CPI	New Cars	Food away from Home	Gasoline	Food at Home	Electricity	Transportation	Gas Utilities	Fuel Oil
June YoY	7.1%	5.2%	4.8%	5.6%	9.1%	11.4%	7.7%	59.9%	12.2%	13.7%	8.8%	38.4%	98.5%
July YoY	6.6%	5.1%	5.1%	5.7%	8.5%	10.4%	7.6%	44.0%	13.1%	15.2%	9.2%	30.5%	75.6%
August YoY	7.8%	5.1%	5.6%	6.2%	8.3%	10.1%	8.0%	25.6%	13.5%	15.8%	11.3%	33.0%	68.8%
September YoY	7.2%	5.5%	6.5%	6.6%	8.2%	9.4%	8.5%	18.2%	13.0%	15.5%	14.6%	33.1%	58.1%
October YoY	2.0%	4.1%	5.4%	6.9%	7.7%	8.4%	8.6%	17.5%	12.4%	14.1%	15.2%	20.0%	68.5%
November YoY	-3.3%	3.6%	4.4%	7.1%	7.1%	7.2%	8.5%	10.1%	12.0%	13.7%	14.2%	15.5%	65.7%

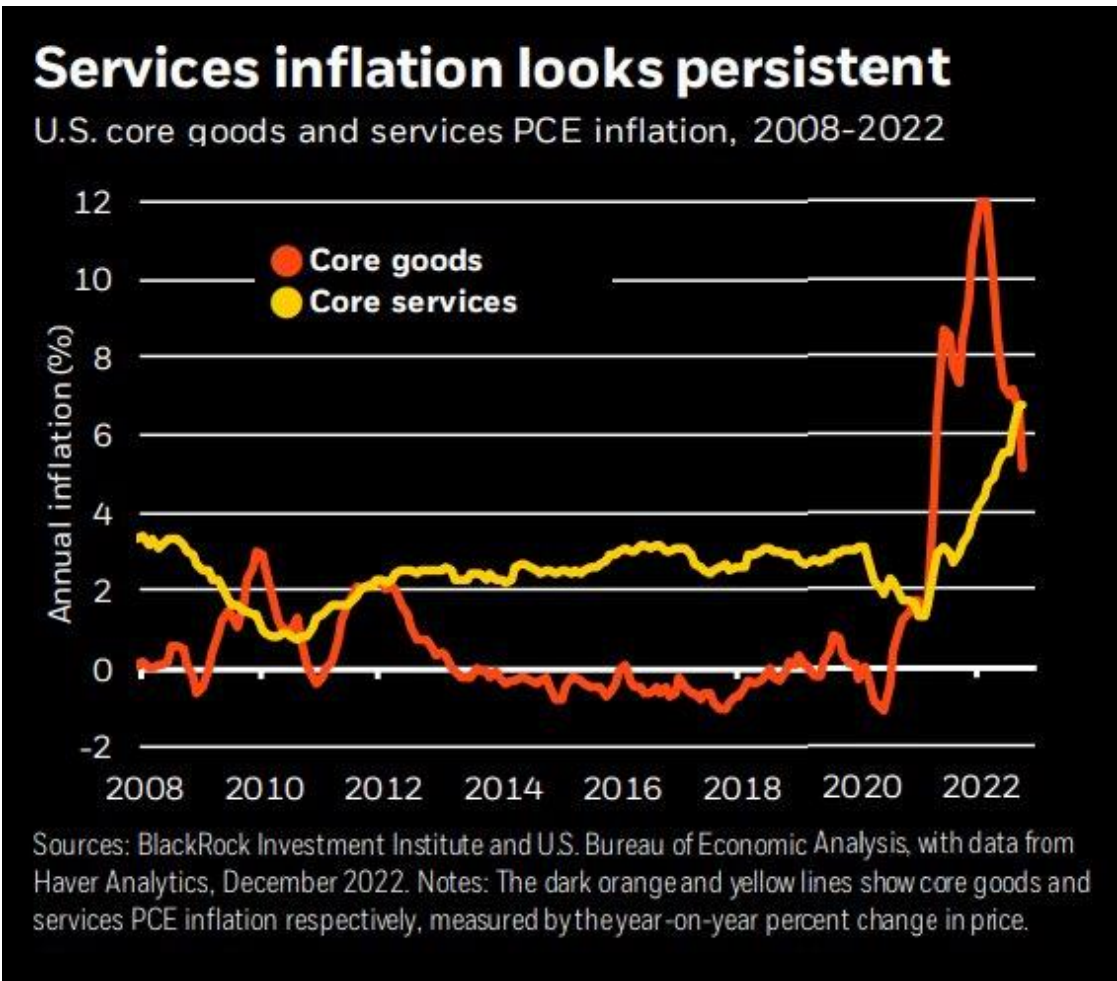
Source: Charlie Bilello



#macro

#us #inflation

Services inflation looks persistent.



Source: Blackrock

#macro

#us #inflation #cycle

Inflation develops through waves - see the 70s. Indeed, cyclical and secular forces are shaping the inflationary trend. Next year, very favorable base effects + recession could create a lower than expected inflationary surprise. But beyond 2023, we can not rule out that inflation might come back with a vengeance due to #supply shortages (commodity & labor), deglobalization / #reshoring and policy mistakes (#fiscal + #monetary).

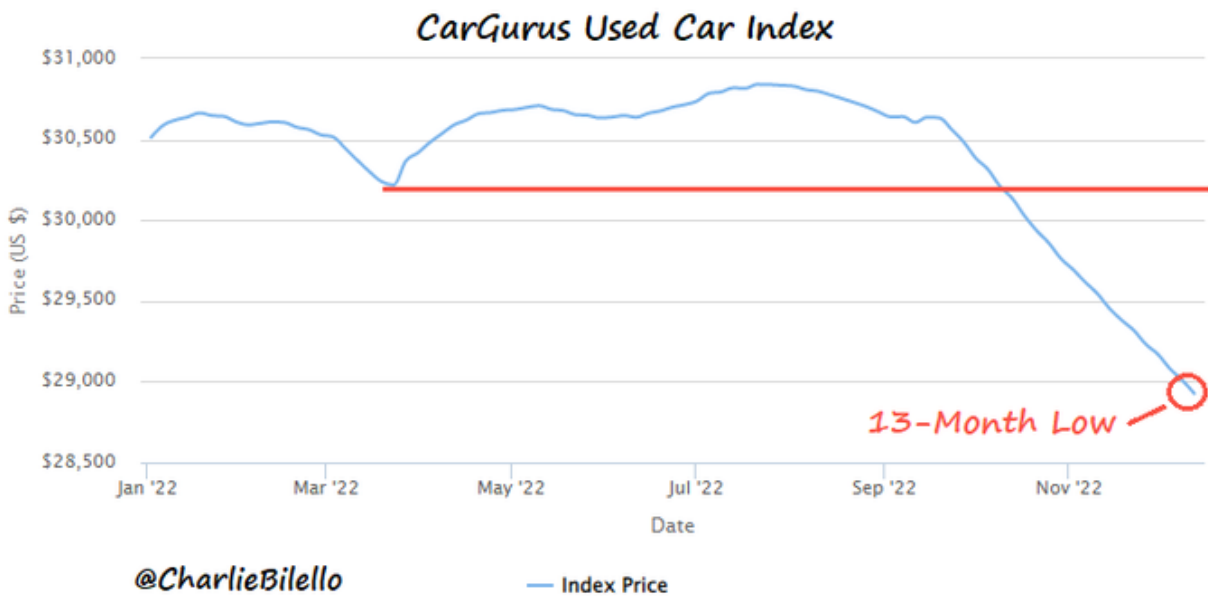


Source: Crescat Capital



#us #used-cars #inflation

The used car bubble is bursting...

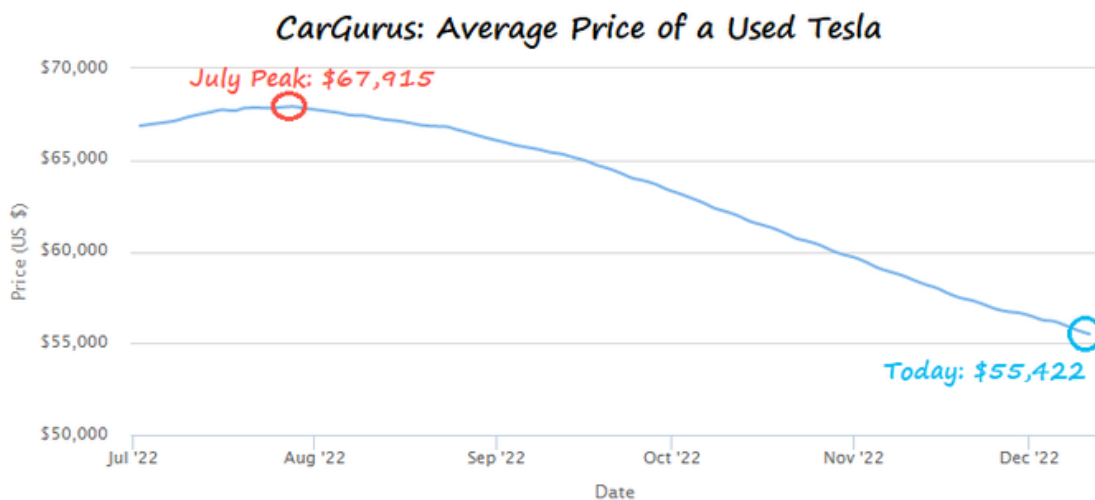


Source: Charlie Bilello



#us #used-cars #inflation

The average price of a used Tesla is now over \$12k lower than the peak in July.



@CharlieBilello

— Tesla

<input type="checkbox"/>	Make	Avg Price	Last 30 Days	Last 90 Days	YoY
<input checked="" type="checkbox"/>	CarGurus Index	\$28,921	-1.84%	-5.56%	-4.15%
<input type="checkbox"/>	Tesla 🔄	\$55,422	-4.94%	-15.05%	-9.21%
<input checked="" type="checkbox"/>	Tesla Model 3 🔄	\$45,284	-5.69%	-15.99%	-11.43%
<input checked="" type="checkbox"/>	Tesla Model S 🔄	\$58,753	-5.05%	-15.80%	-12.05%
<input checked="" type="checkbox"/>	Tesla Model X 🔄	\$78,705	-4.54%	-13.19%	-7.21%
<input checked="" type="checkbox"/>	Tesla Model Y 🔄	\$60,619	-4.94%	-13.90%	-9.47%

Source: Charlie Bilello



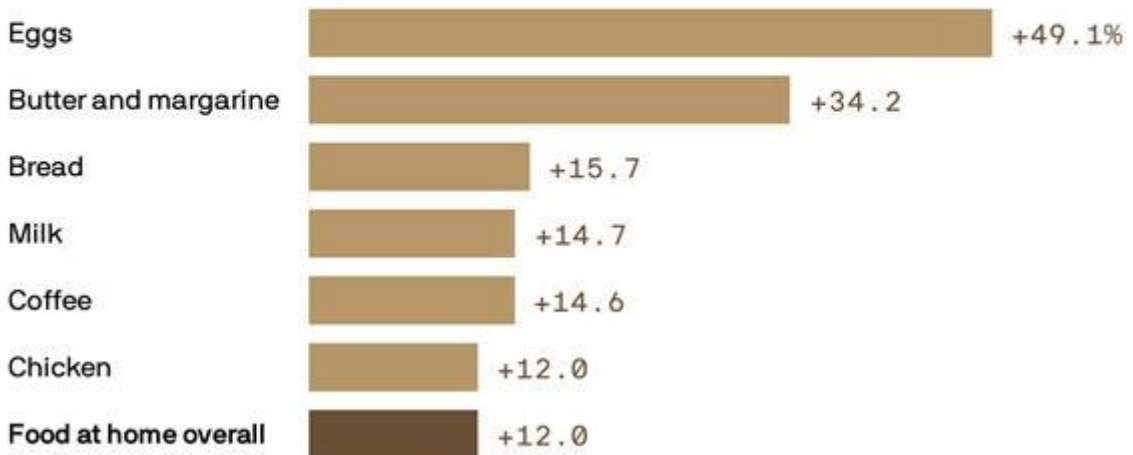
#macro

#us #food #inflation

Food prices keep soaring, with grocery prices up 0.5% in November alone. That followed an 0.7% rise in September, and 0.4% in October. By the numbers: Over the last year, bread is up 15.7%, milk is up 14.7%, butter and margarine up 34.2%, lettuce up 19.8%, and chicken up 12%.

Price change of household staples during the last 12 months

November 2021 to November 2022



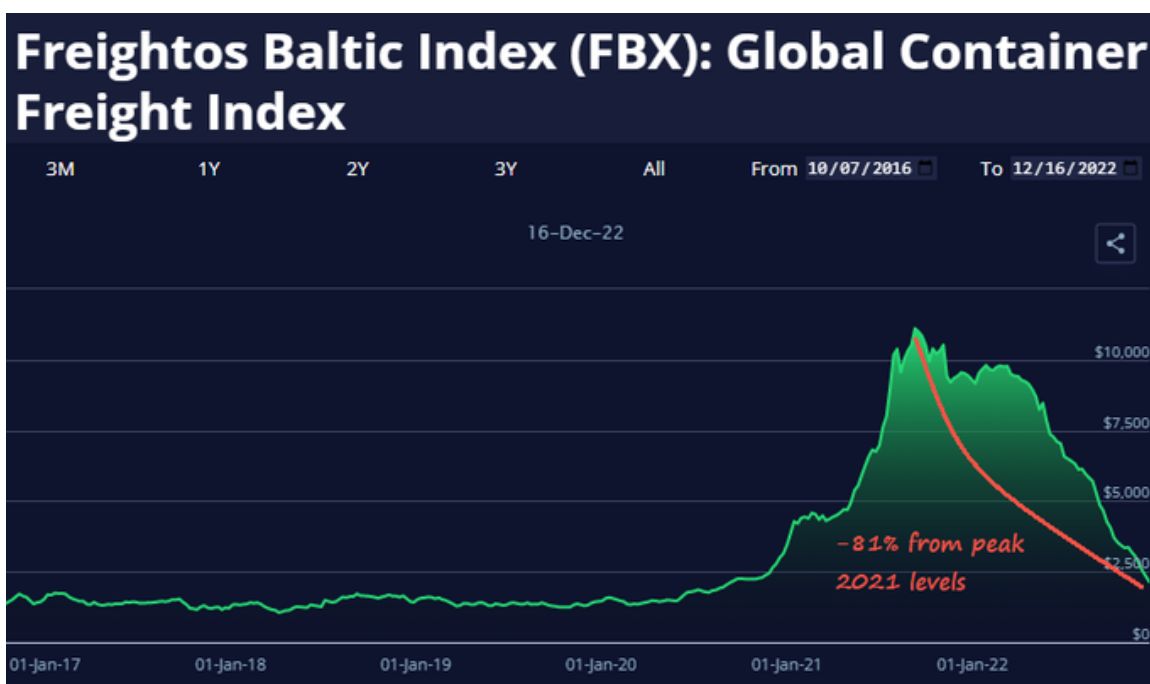
Data: Bureau of Labor Statistics; Chart: Axios Visuals

Source: Axios

#macro

#freight-prices

Global container freight rates moved down to their lowest levels since September 2020 this week, 81% below peak 2021 prices.

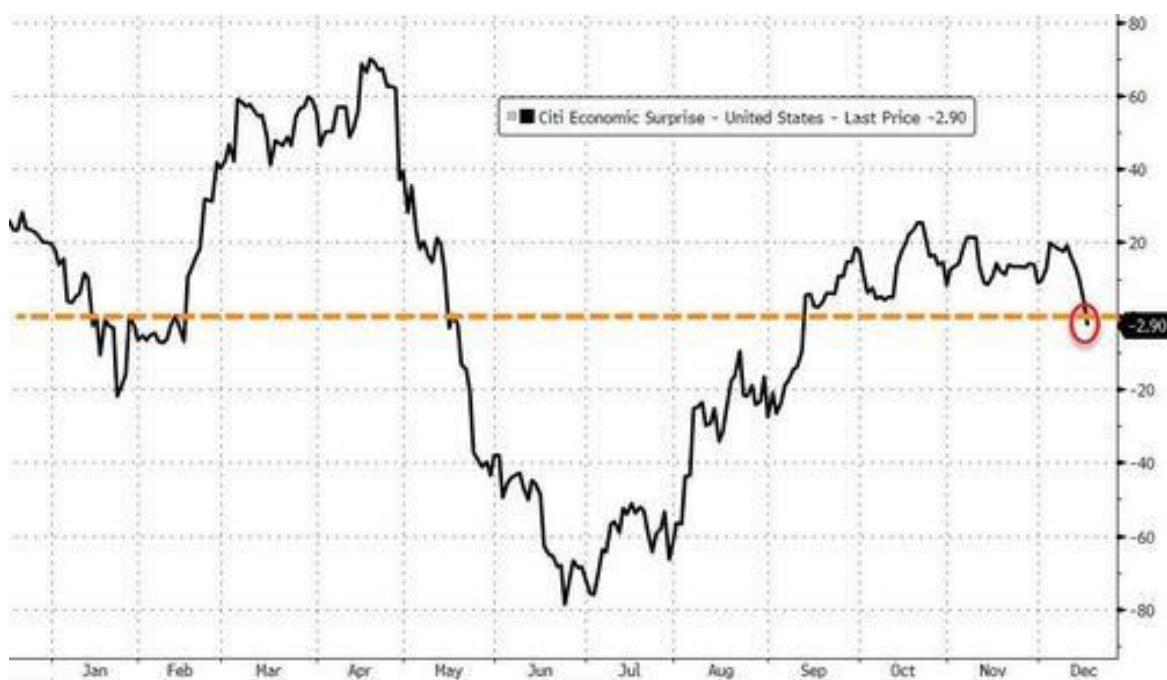


Source: Charlie Bilello

#macro

#us #growth

US Macro Surprise Index is back into the red (this was the biggest weekly drop since May)....



Source: www.zerohedge.com



#us #growth

The S&P Global flash December composite purchasing managers index slid 1.8 points to 44.6. (it was among the worst in data back to 2009).

S&P Global Flash US PMI Composite Output Index



Source: S&P Global



#us #growth

December Philadelphia Index at -13.8 vs. -10 est. & -19.4 prior; new orders sank further into contraction, prices moved down but are still expanding, delivery times sank, average workweek now firmly in contraction ... employment fell to lowest since June 2020



Source: Bloomberg

#macro

#us #growth

New orders component within Philadelphia Index is firmly in recessionary territory.



Source: Bloomberg

#macro

#us #growth

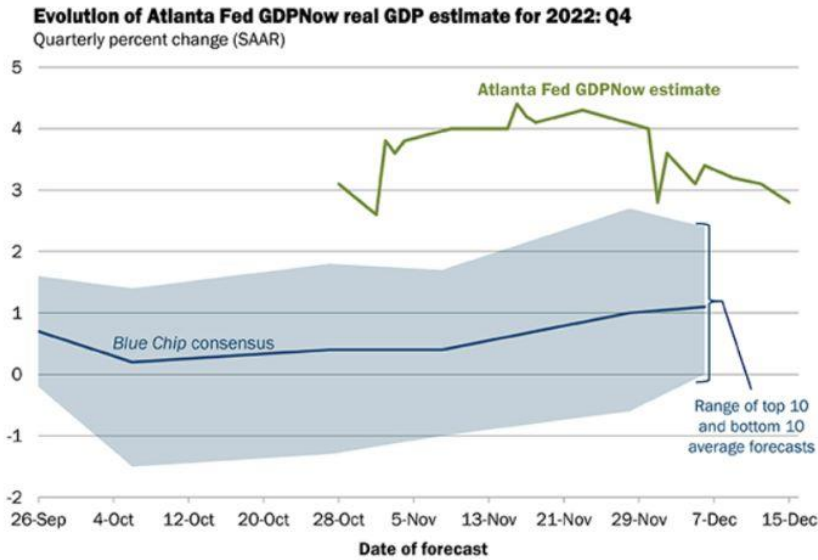
November industrial production -0.2% m/m vs. 0% est. & -0.1% prior ... factory production quite weak at -0.6% vs. -0.2% est. & +0.3% prior (revised up from +0.1%).



Source: Bloomberg



#us #growth



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

On December 15, the GDPNow model estimate for real GDP growth in the fourth quarter of 2022 is 2.8 percent, down from 3.2 percent on December 9. View GDPNow for more details.

From the Atlanta Fed’s EconomyNow App.

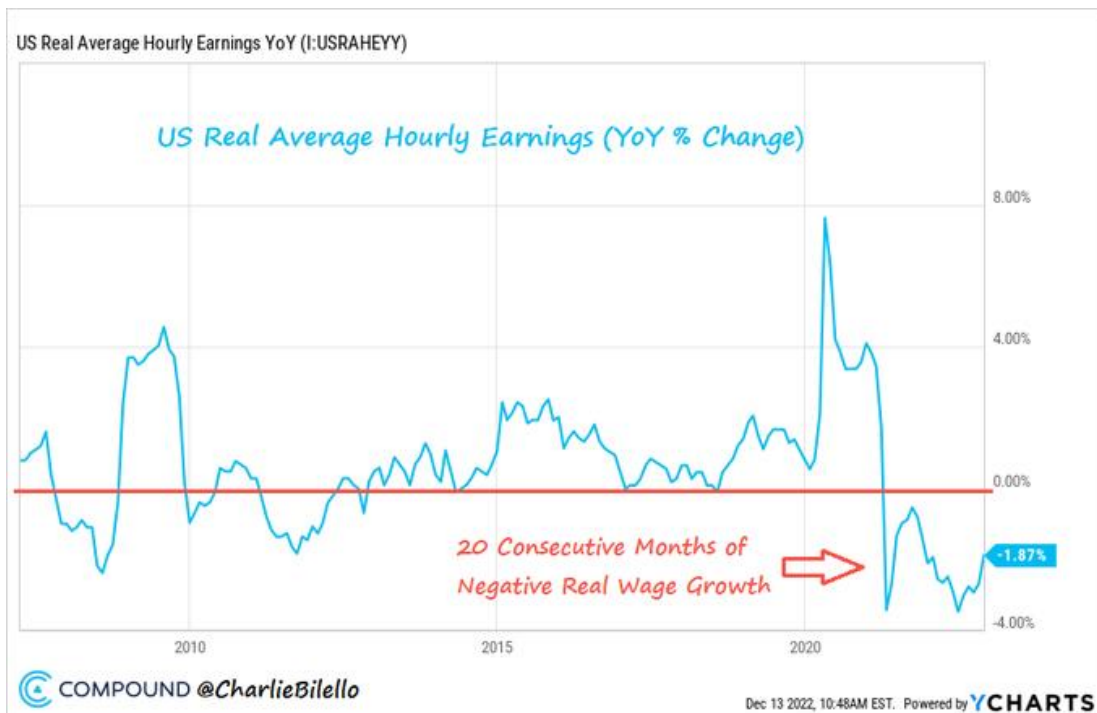
Please note that the Atlanta Fed's GDPNow is not an official forecast. It is only a running estimate of economic growth.





#us #real #wages

US wage growth has failed to keep pace with rising consumer prices for a record 20 consecutive months. This is a decline in prosperity for the American worker & the primary reason why the Fed will hike rates for the 7th time this year at tomorrow's meeting.

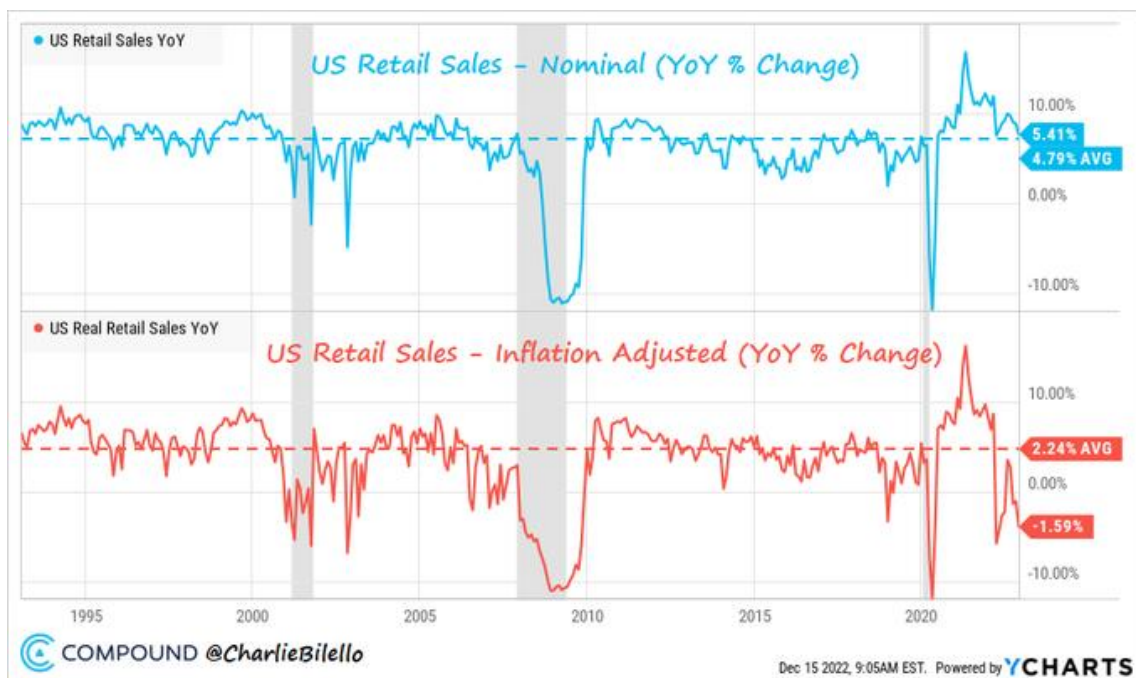


Source: Charlie Bilello



#us #retail-sales

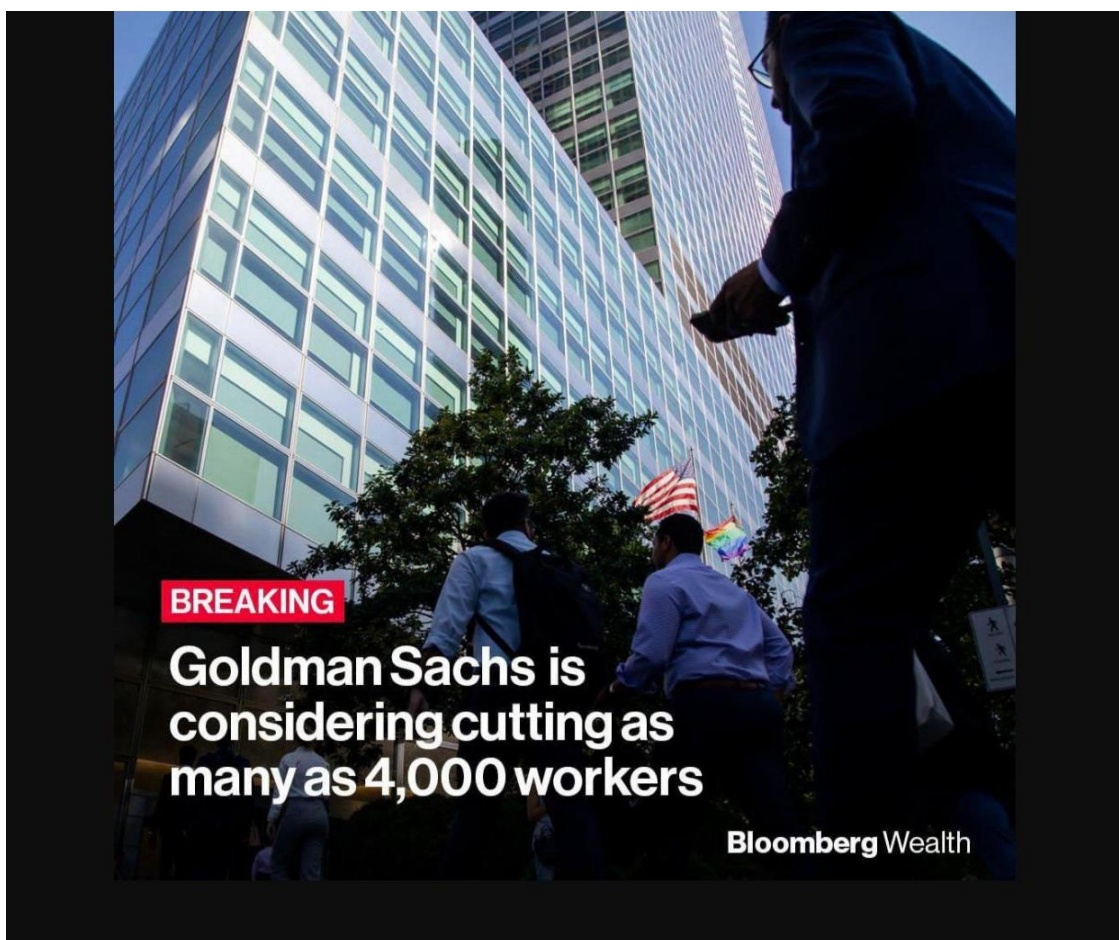
In nominal terms, US Retail Sales still appear to be strong, rising 5.4% over the last year. But after adjusting for inflation, the story changes. Real Retail Sales peaked in March 2021 & are down 1.6% over the last year.



Source: Charlie Bilello

#macro

#us #jobs



Source: Bloomberg



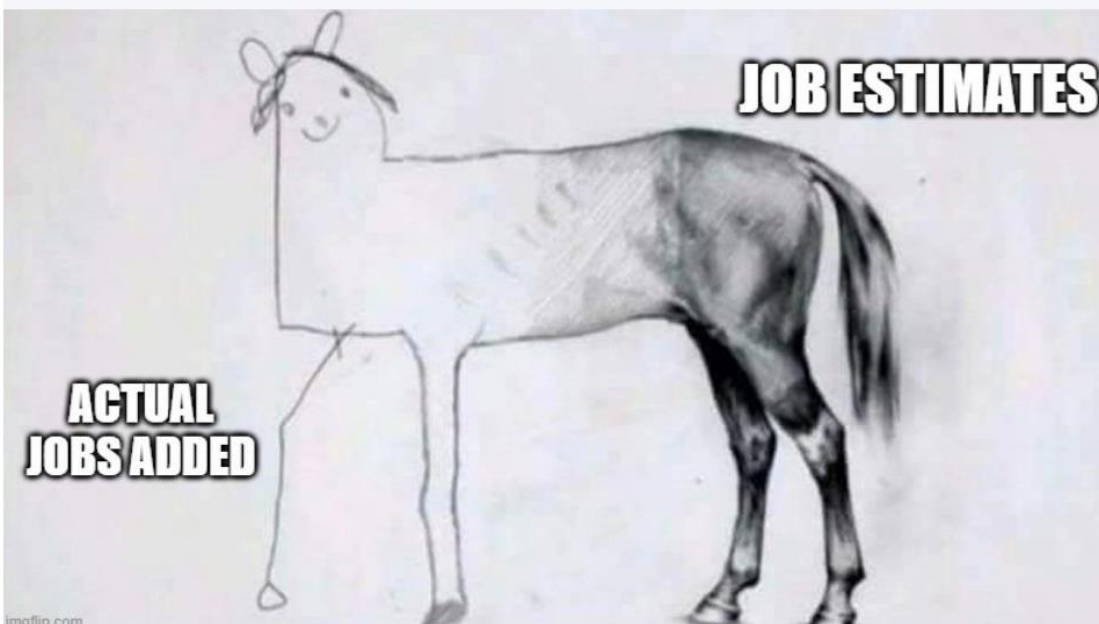
#us #jobs

Here Comes The Job Shock: Philadelphia Fed Admits US Jobs "Overstated" By At Least 1.1 Million



From [zerohedge.com](https://www.zerohedge.com)

Regular readers are well aware that back in July, Zero Hedge first (long before it became a running theme among so-called "macro experts") pointed out that a gaping 1+ million job differential had opened up between the closely-watched and market-impacting, if easily gamed and manipulated, Establishment Survey and the far more accurate if volatile, Household Survey - the two core components of the monthly non-farm payrolls report. We first described this divergence in early July, when looking at the June payrolls data, we found that the gap between the Housing and Establishment Surveys had blown out to 1.5 million ... [\(full story\)](#)



Source: Wall Street Silver

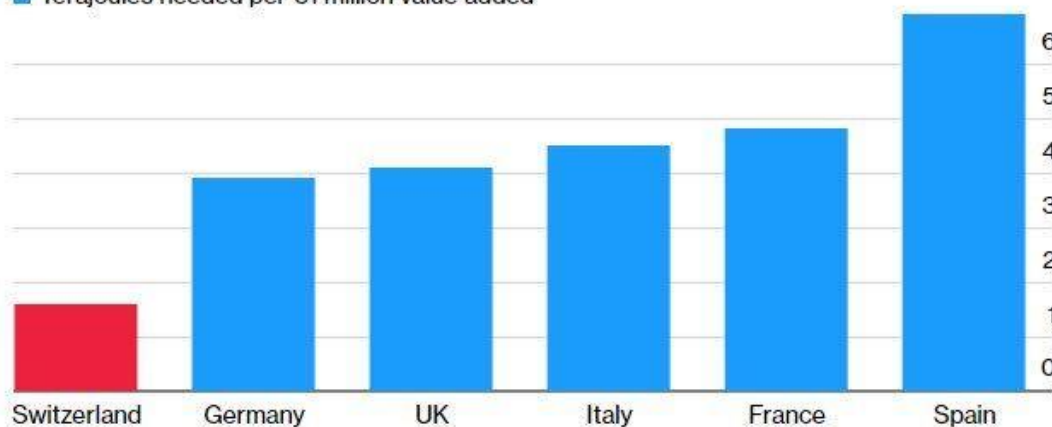


#european #energy-intensity

What are the most and least energy-intensive countries on the European continent? Switzerland is by far the least energy-intensive. Spain is even more energy-intensive than Germany.

Swiss Industry Less Energy-Intensive Than European Peers

■ Terajoules needed per €1 million value added



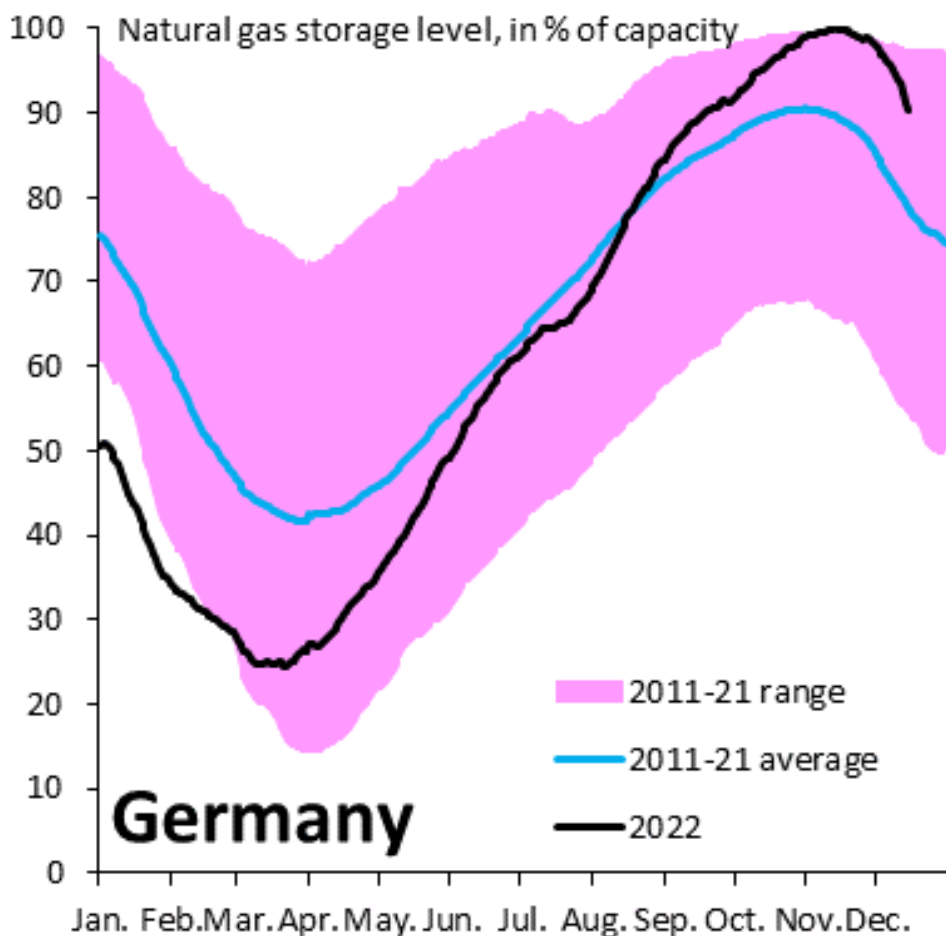
Source: IEA, Credit Suisse

Source: IEA, Credit Suisse

#macro

#european #energy-crisis

Anxiety levels in Germany are rising. Cold weather has taken gas storage from 98% at the end of November to 90% as of yesterday. Energy security through this winter remains a "live" issue and - with Nordstream gas flows at zero - Germany is very vulnerable to further cold snaps..



#macro

#china #retail-sales



CHINA ECONOMY

China's retail sales shrink far more than expected, while industrial production disappoints

PUBLISHED WED, DEC 14 2022•9:10 PM EST



#german #housing

During the NIRP regime there were not too many investment alternatives and real estate prices completely detached from German rents. As there are some alternatives now, current housing prices are not sustainable and the 15%-20% price drops may be just a start.



Source: Bloomberg

#centralbanks

#global #rates

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%	3.7%	-3.8%	Cut	Jan-16
Switzerland	Target Rate	1.00%	3.0%	-2.0%	Hike	Dec-22
Thailand	Policy Rate	1.25%	5.6%	-4.3%	Hike	Nov-22
Denmark	Deposit Rate	1.25%	8.9%	-7.7%	Hike	Oct-22
Taiwan	Discount Rate	1.75%	2.4%	-0.6%	Hike	Dec-22
Eurozone	Deposit Rate	2.00%	10.0%	-8.0%	Hike	Dec-22
Sweden	Repo Rate	2.50%	11.5%	-9.0%	Hike	Dec-22
Norway	Deposit Rate	2.75%	6.5%	-3.8%	Hike	Dec-22
Malaysia	Policy Rate	2.75%	4.0%	-1.3%	Hike	Nov-22
Australia	Cash Rate	3.10%	6.9%	-3.8%	Hike	Dec-22
South Korea	Repo Rate	3.25%	5.0%	-1.8%	Hike	Nov-22
UK	Bank Rate	3.50%	10.7%	-7.2%	Hike	Dec-22
China	Loan Prime Rate	3.65%	1.6%	2.1%	Cut	Aug-22
Canada	Overnight	4.25%	6.9%	-2.7%	Hike	Dec-22
New Zealand	Cash Rate	4.25%	7.2%	-3.0%	Hike	Nov-22
US	Fed Funds	4.38%	7.1%	-2.7%	Hike	Dec-22
Hong Kong	Base Rate	4.75%	1.8%	3.0%	Hike	Dec-22
Saudi Arabia	Repo Rate	5.00%	3.0%	2.0%	Hike	Dec-22
Indonesia	Repo Rate	5.25%	5.4%	-0.2%	Hike	Nov-22
Philippines	Key Policy Rate	5.50%	8.0%	-2.5%	Hike	Dec-22
India	Repo Rate	6.25%	5.9%	0.4%	Hike	Dec-22
Poland	Repo Rate	6.75%	17.4%	-10.7%	Hike	Sep-22
South Africa	Repo Rate	7.00%	7.6%	-0.6%	Hike	Nov-22
Czech Republic	Repo Rate	7.00%	16.2%	-9.2%	Hike	Jun-22
Peru	Policy Rate	7.50%	8.5%	-1.0%	Hike	Dec-22
Russia	Key Policy Rate	7.50%	12.0%	-4.5%	Cut	Sep-22
Turkey	Repo Rate	9.00%	84.4%	-75.4%	Cut	Nov-22
Mexico	Overnight Rate	10.00%	7.8%	2.2%	Hike	Nov-22
Colombia	Repo Rate	11.00%	12.5%	-1.5%	Hike	Oct-22
Chile	Base Rate	11.25%	13.3%	-2.1%	Hike	Oct-22
Brazil	Target Rate	13.75%	5.9%	7.9%	Hike	Aug-22
Argentina	Benchmark Rate	75.00%	88.0%	-13.0%	Hike	Sep-22

COMPOUND

@CharlieBilello

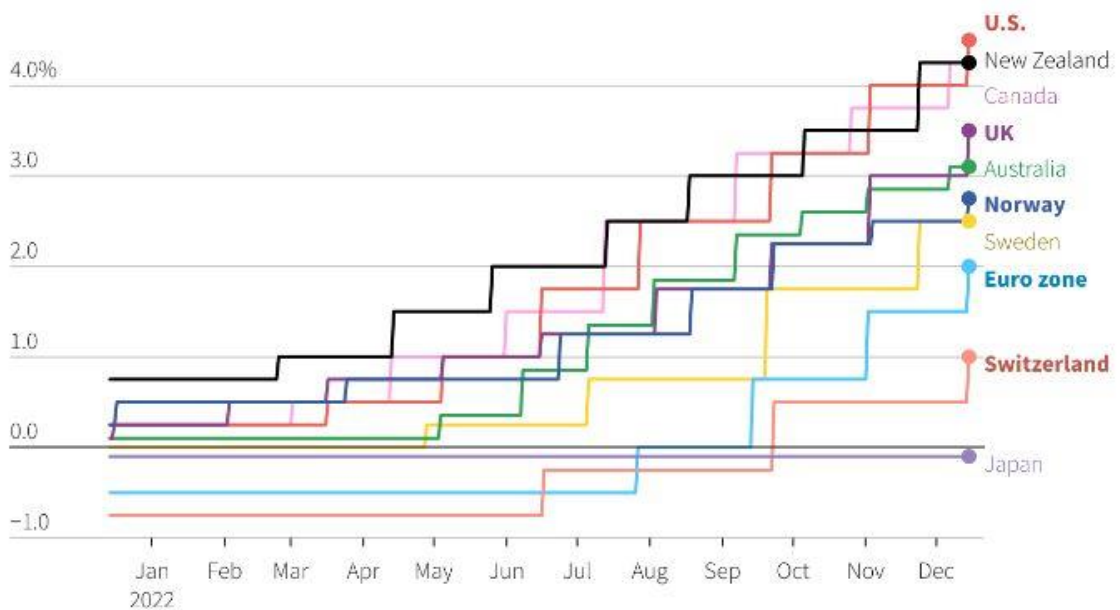
#centralbanks

#global #tightening

Policy Rates of Central Banks in 2022.

Central banks ramp up fight against inflation

Policy rates of central banks overseeing the 10 most traded currencies, last 12 months



Source: Refinitiv Datastream | Reuters, Dec. 15, 2022 | By Vincent Flasseur

Source: Reuters

#centralbanks

#global #rates

Central banks are contributing to global equity sell-off: following Fed's lead on Wednesday, six other central banks raised rates yesterday, taking YTD number of hikes around world to 348 ... more than in previous six years combined.

Global Central Bank Rate Decisions



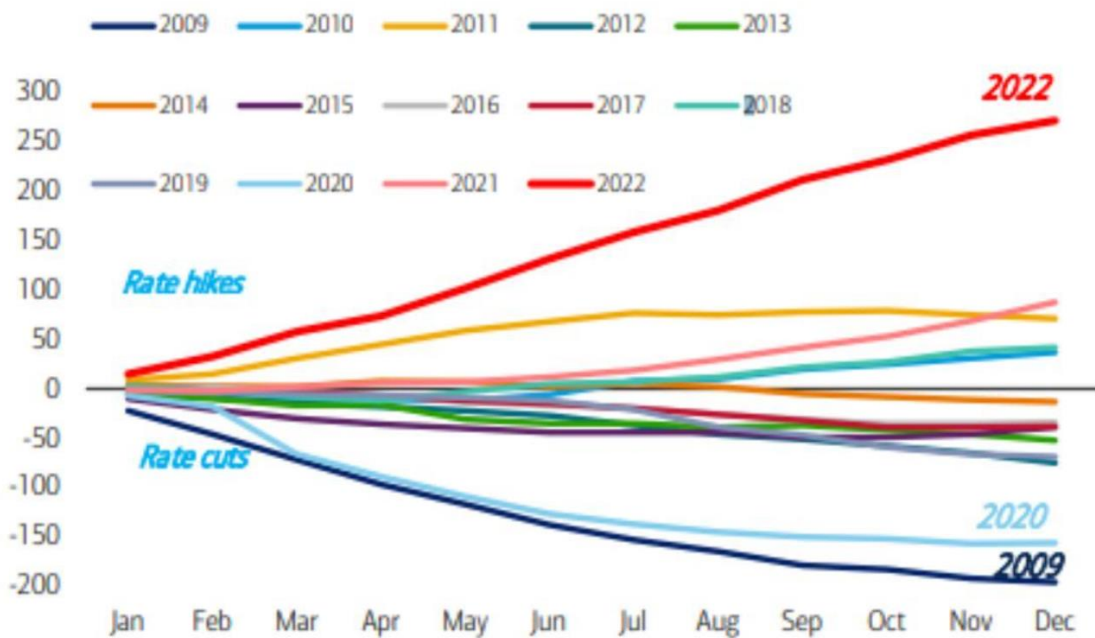
Sources: S&P Dow Jones Indices, cbrates.com. Data as of Dec. 15, 2022. Chart is provided for illustrative purposes. Past performance is no guarantee of future results.

Source: Liz Ann Sonders

#centralbanks

#global #tightening

Chart 7: 2022 the year of 'fast & furious' rate hikes
Global policy rate hikes per year



Source: BofA Global Investment Strategy, Bloomberg

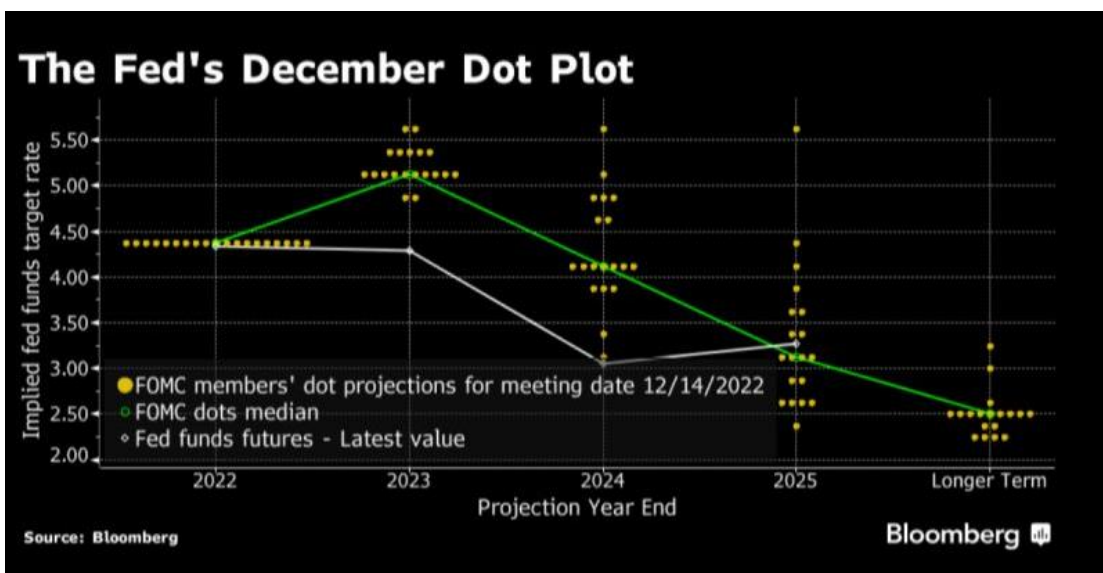
BofA GLOBAL RESEARCH

Source: BofA

#centralbanks

#fomc

Fed downshifts to 50bp hike (as expected). They increased key rate to 4.5%, the highest since 2007. Projected rates would end next year at 5.1% (+50bps beyond prior median of 4.6%), according to Fed median forecast, before being cut to 4.1% in 2024 - higher level than previously indicated (see FOMC dots below). Prior to decision, markets were expecting rates would reach ~4.8% in May.

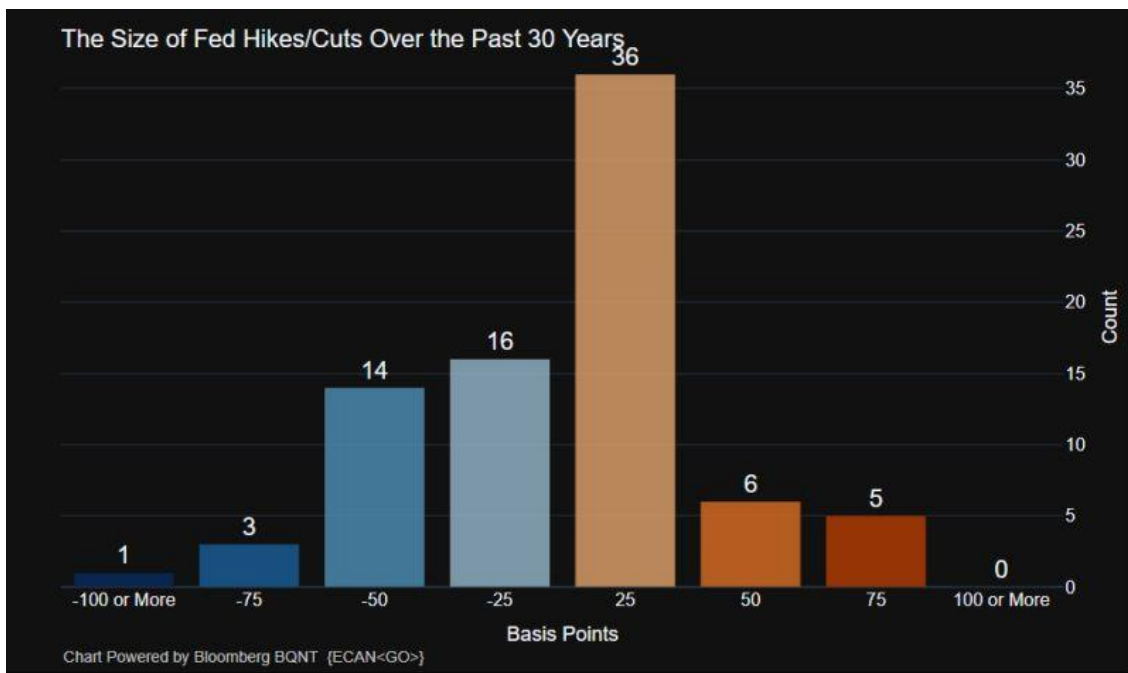


Source: Bloomberg

#centralbanks

#fomc

Fed’s December rate hike was indeed a “step down” but 50bps is still aggressive relative to history (25bps much more common) (Bloomberg)

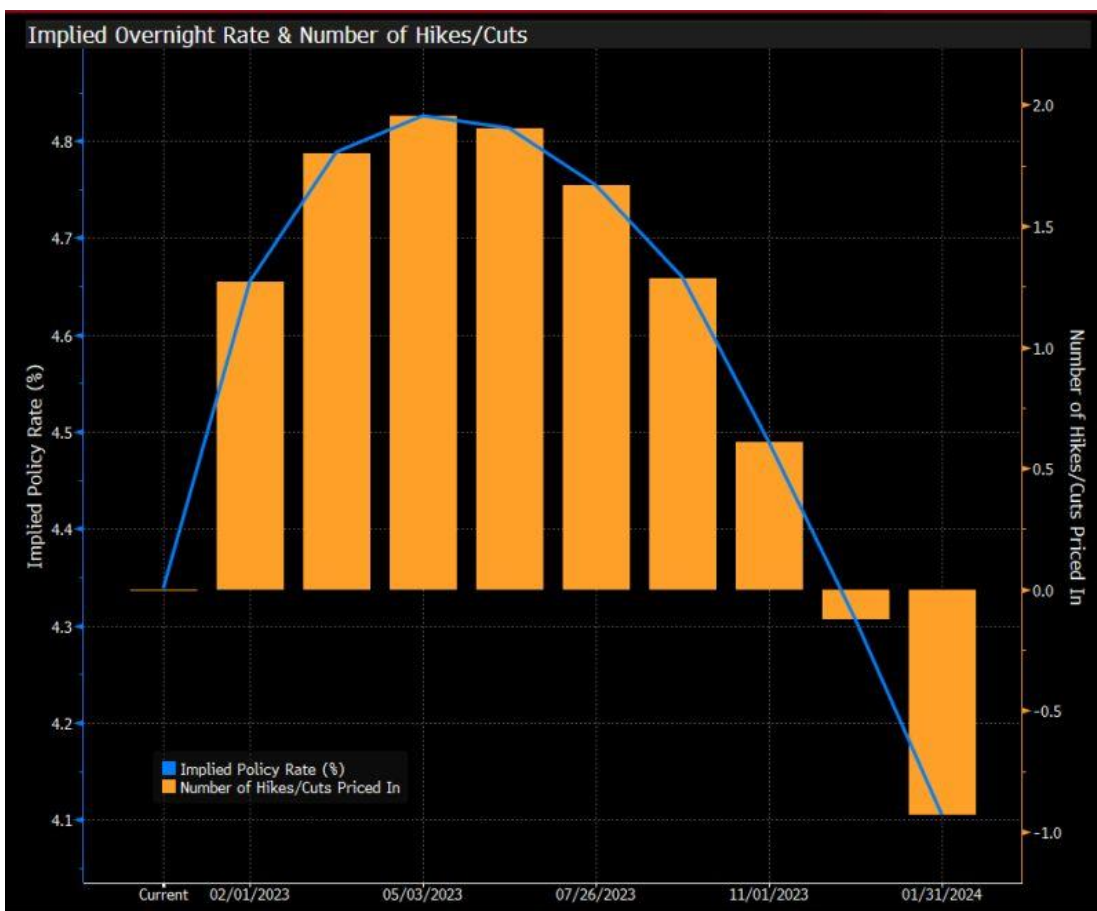


Source: Charles Schwab

#centralbanks

#fomc

Markets expect a rate cut of 60 bps in H2 2023, while Fed members don't see a rate cut in 2023 and see 100 bps rate cuts in 2024!



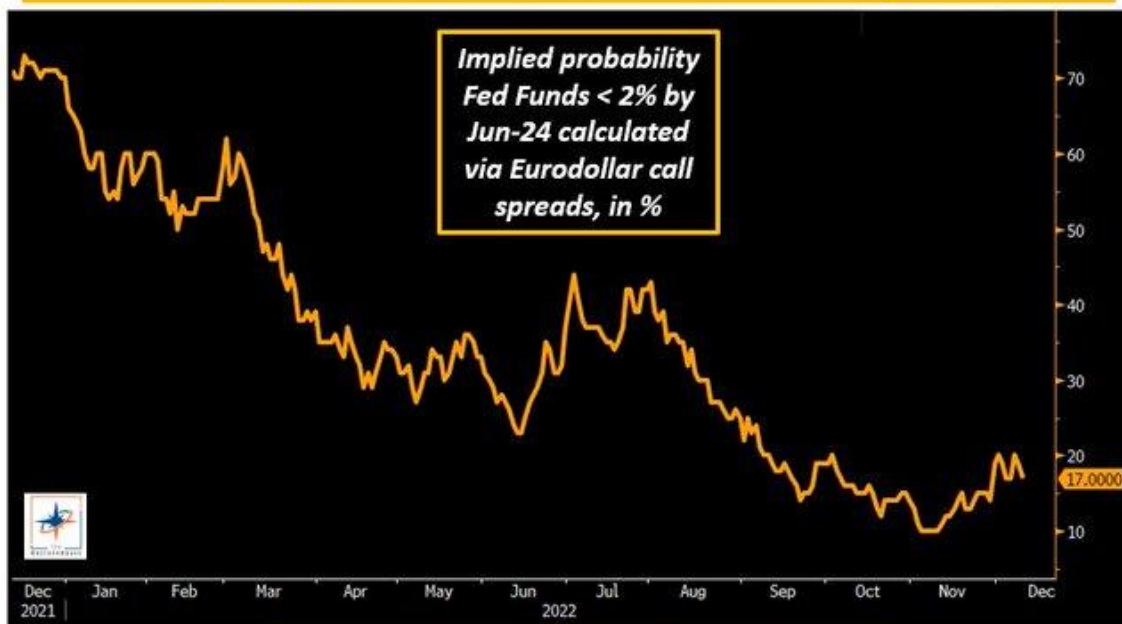
Source: Bloomberg

#centralbanks

#fomc

In a proper recession, historically the Fed cuts by 300 bps in one year. While bond markets are pricing "a" recession as base case, a "proper" recession remains priced as a low probability event. The market-implied prob the Fed cuts from 5% to 2% by June 2024 is below 20%.

Markets pricing a 17% chance Fed Funds will be at 2% by June 2024



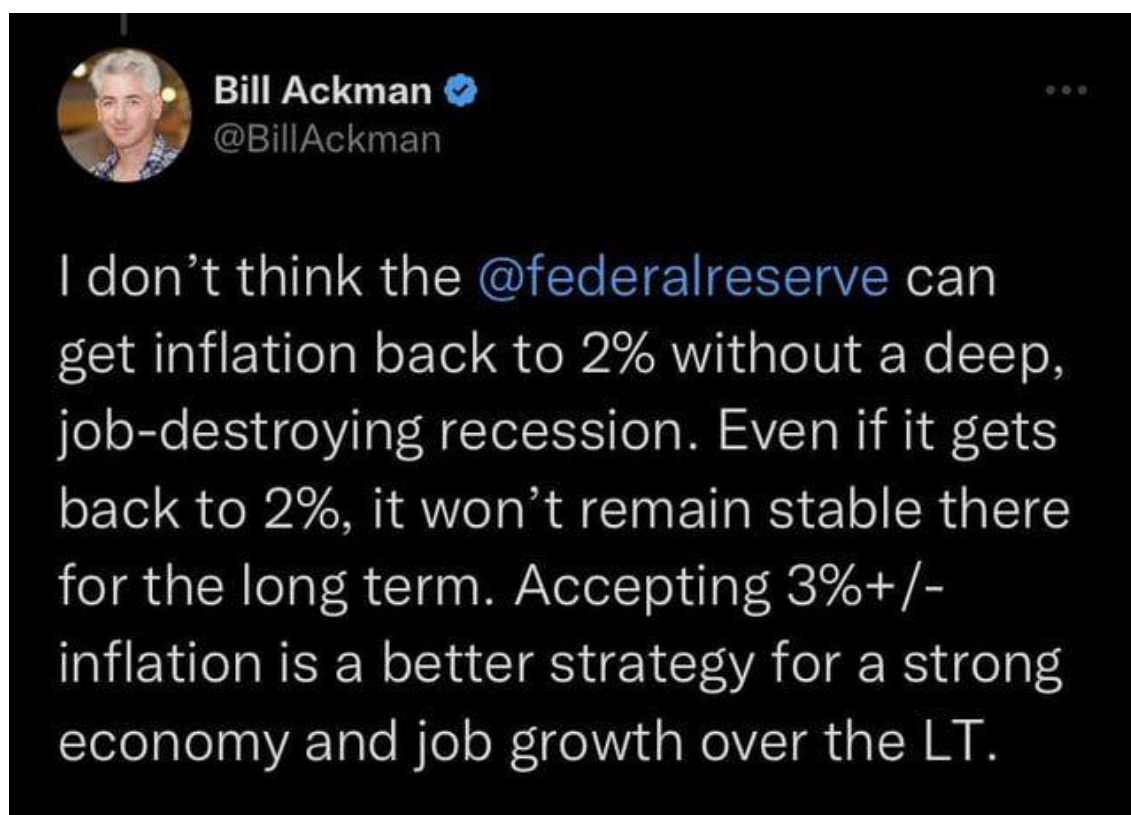
TheMacroCompass.substack.com

Source: MacroAlf

#centralbanks

#fomc

Bill Ackman warns of a deep job-destroying recession to get back to 2% inflation. He also expects inflation to skyrocket again after the recession because they can't fix the root causes of the inflation.

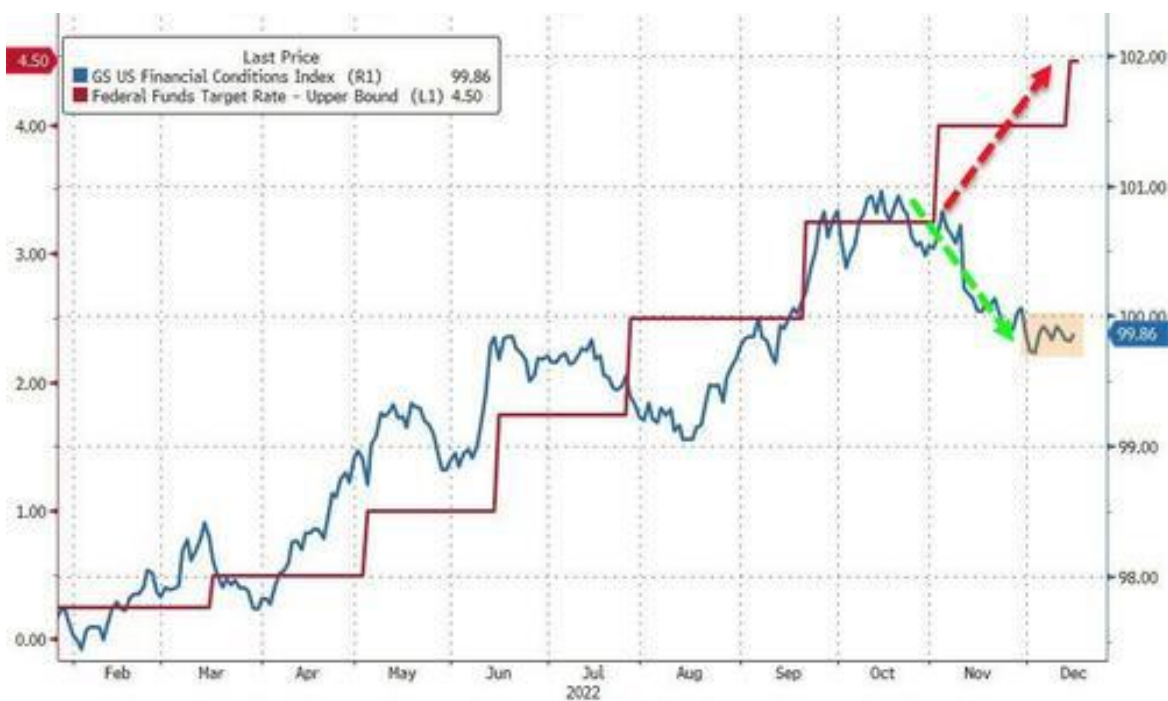


Source: WallStreetSilver

#centralbanks

#fomc

The 'good' news for The Fed is the hawkish talk has stopped financial conditions 'easing' any further from tightening policy positions...

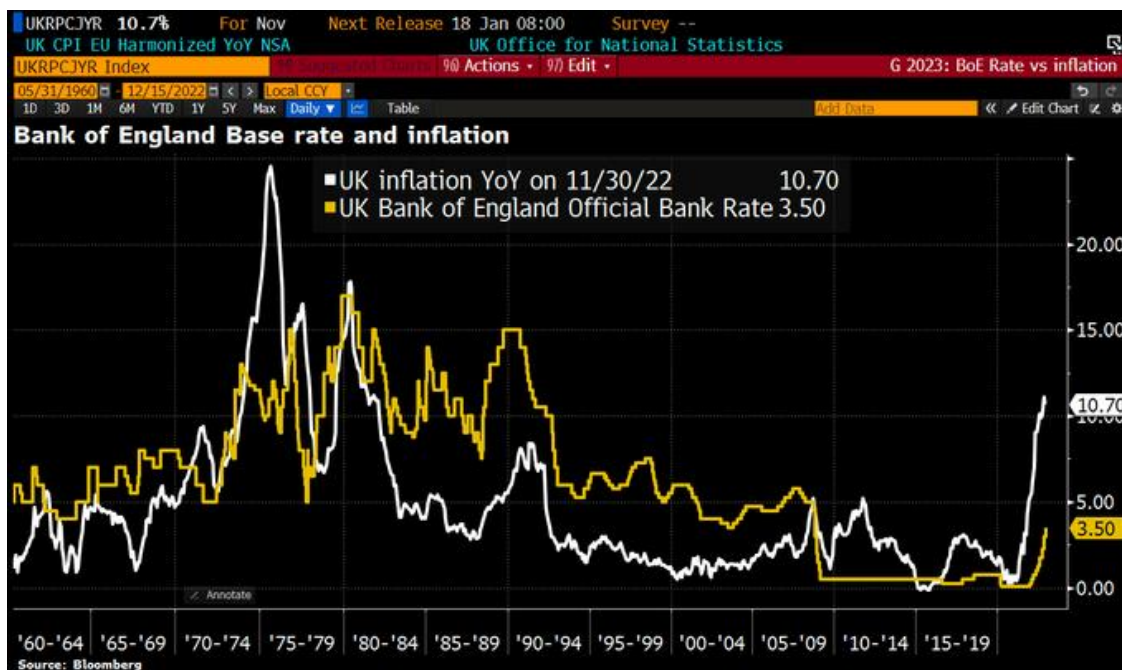


Source: www.zerohedge.com

#centralbanks

#boe

BoE raises key rate by 50bps as expected to 3.5%, highest since Oct2008, following Fed in slowing pace of increases as inflation edges lower. 2 BoE members - Swati Dhingra & Silvana Tenreiro - voted in favour of holding rates at 3%. Catherine Mann called for firmer 75bp increase.



Source: Bloomberg, HolgerZ

#centralbanks

#snb

Swiss Central Bank hikes interest rates by 50bps to counter 'further spread of inflation.' Officials raised the benchmark to 1%. SNB predicts #inflation of 2.4% in 2023, slowing to 1.8% the next year. That compares with prior forecasts for 2.3% & 1.7% in coming 2 years.

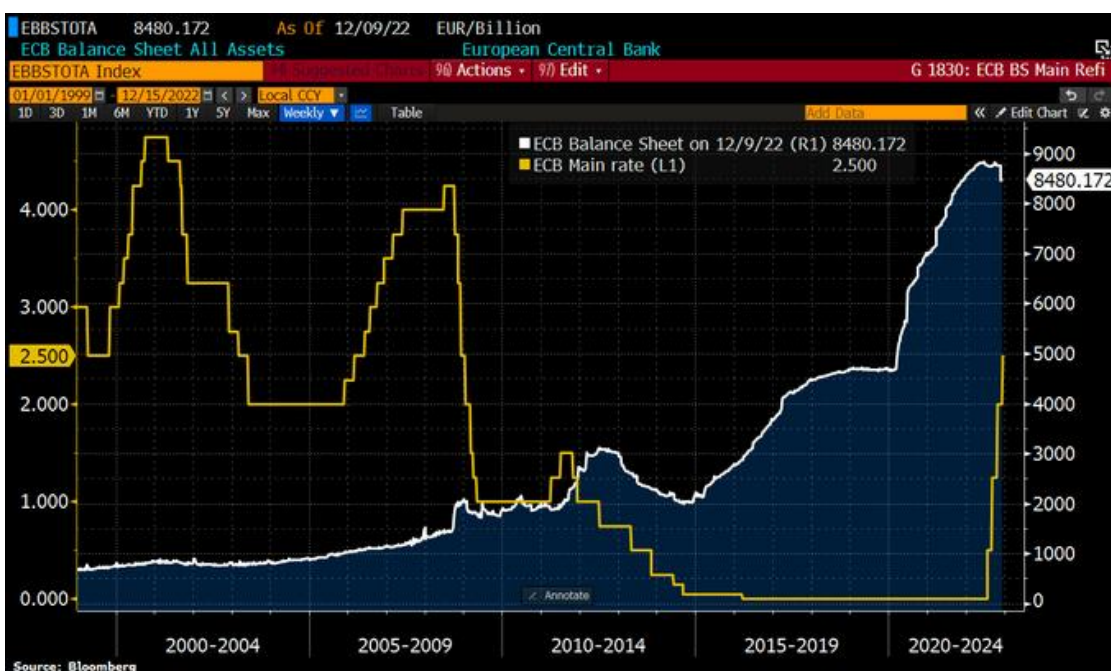


Source: Bloomberg, HolgerZ

#centralbanks

#ecb

ECB slows tightening pace. Hikes rate by 50bps. Main refi rate now at 2.5%, the highest since 2009. ECB says QT will begin in March at a measured, predictable pace. ECB says APP portfolio to fall by avg €15bn a month in 2Q.

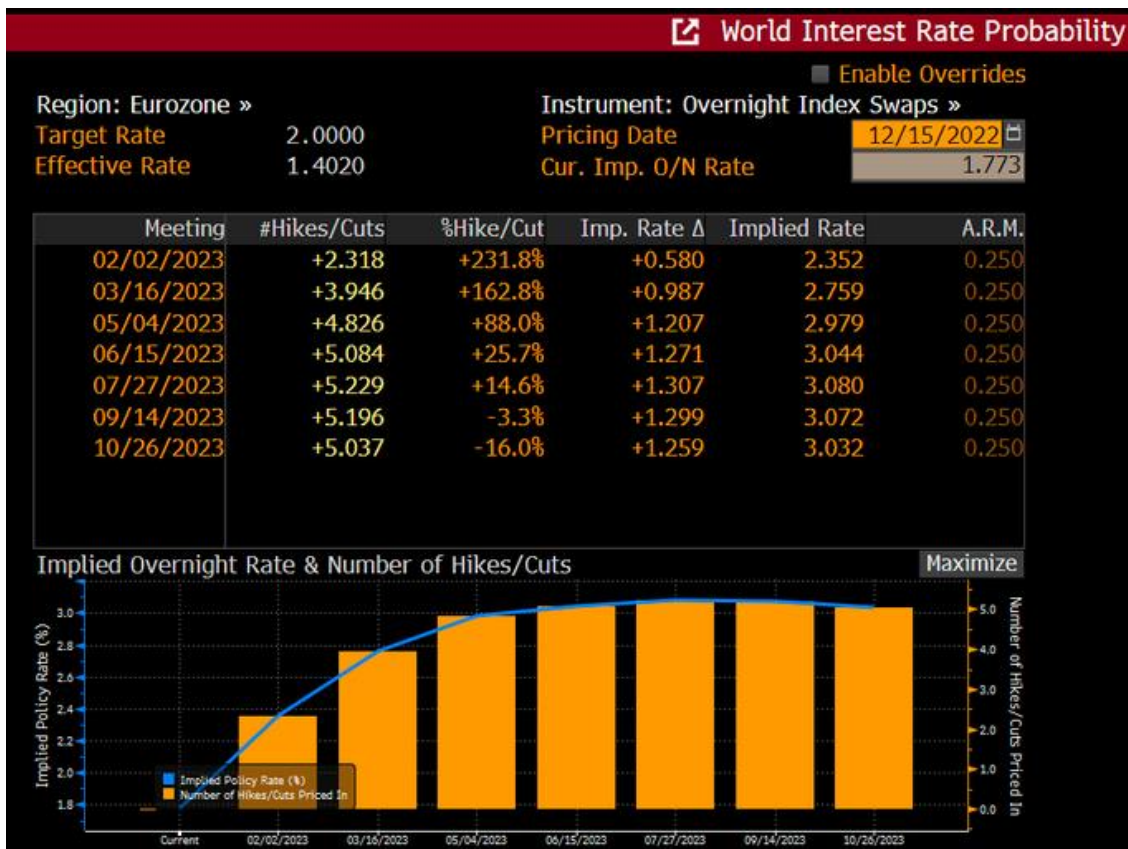


Source: Bloomberg, Holgerz

#centralbanks

#ecb

ECB's Deposit rate seen peaking at >3% after hawkish ECB.

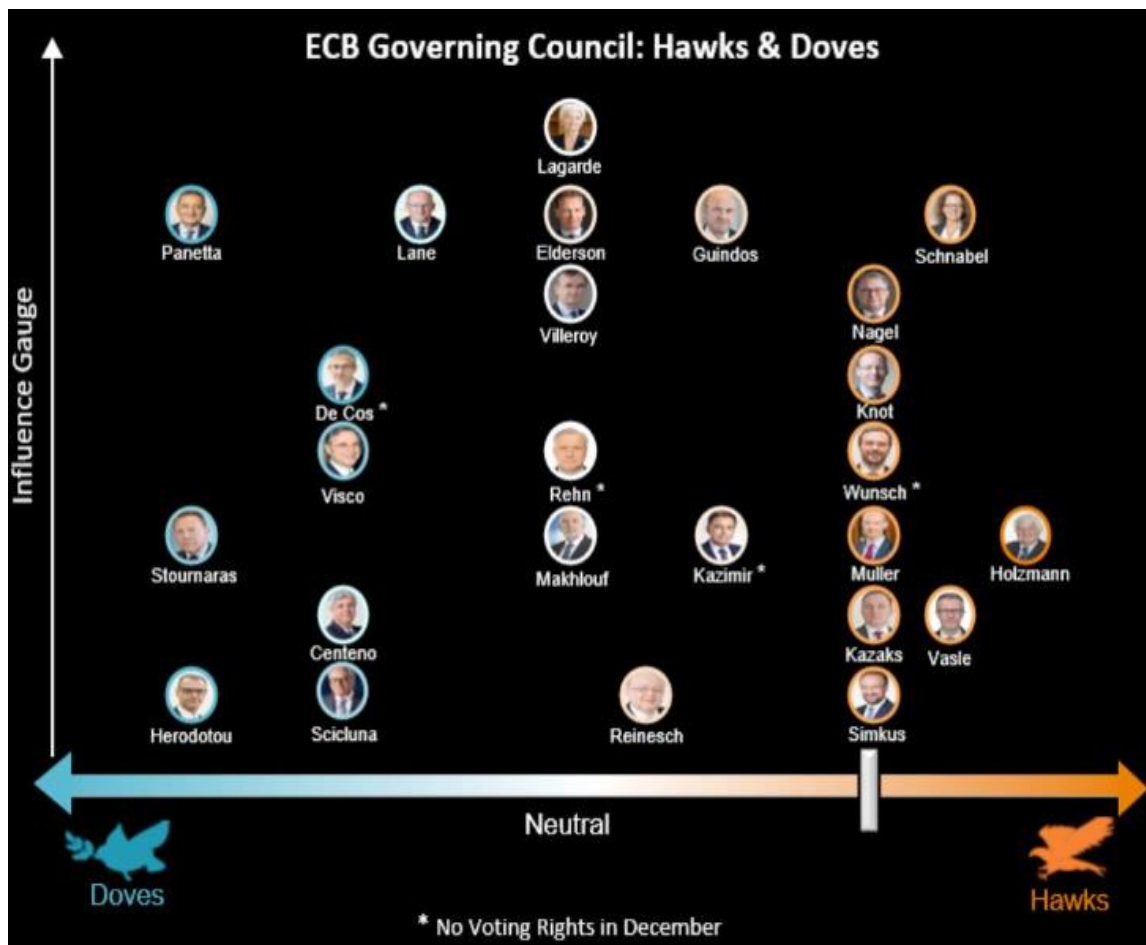


Source: Bloomberg, HolgerZ

#centralbanks

#ecb

Hawks and Doves at the ECB.



Source: mayhem4markets

#centralbanks

#bundesbank #assumptions

the Bundesbank sees high #inflation until at least 2025. Even in 2025, inflation is still expected to reach 2.8% after 7.2% in 2023 & 4.1% in 2024; ECB had shocked markets y'day w/2.3%. GDP is seen declining by 0.5% in 2023.

	2022	2023	2024	2025
Economic growth	1.8%	-0.5%	1.7%	
(prior forecast)	(1.9%)	(2.4%)	(1.8%)	1.4%
Inflation	8.6%	7.2%	4.1%	
(prior forecast)	(7.1%)	(4.5%)	(2.6%)	2.8%

Source: Bloomberg, HolgerZ

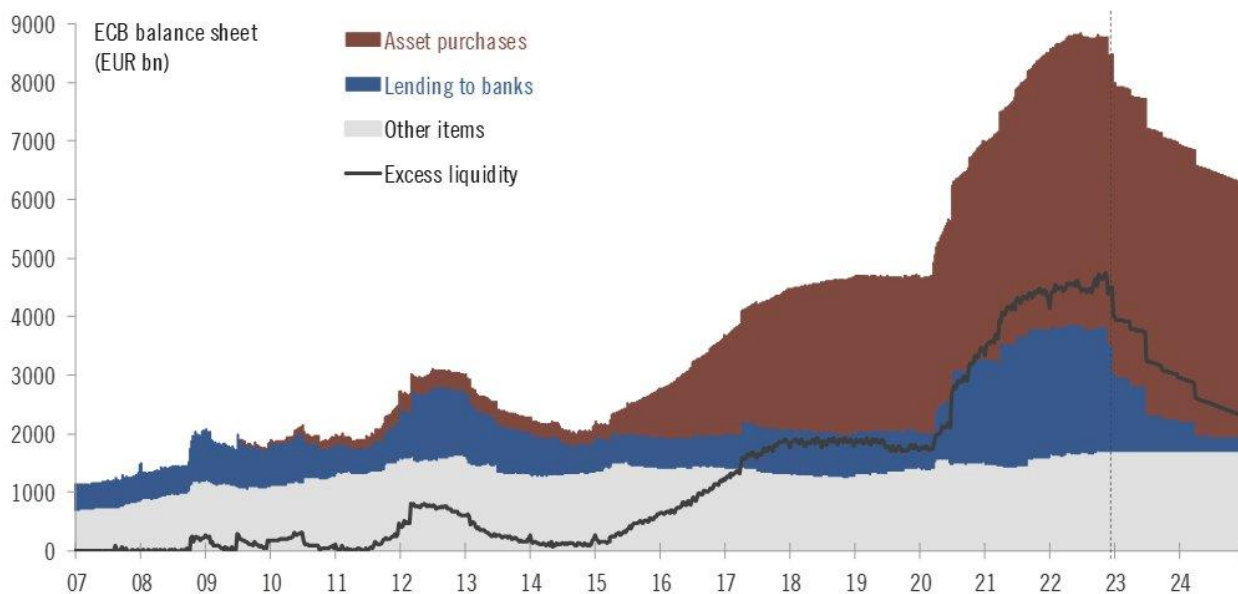
#centralbanks

#ecb #qt

Here's a projection of the ECB's balance sheet assuming QT at €15bn per month in Q2, and €25bn from Q3 2023, along with TLTRO repayments.

Excess liquidity would decline from €4.5tn today to €3tn by end-2023, and below €2.5tn by end-2024..

ECB: balance sheet breakdown and excess liquidity, including projections



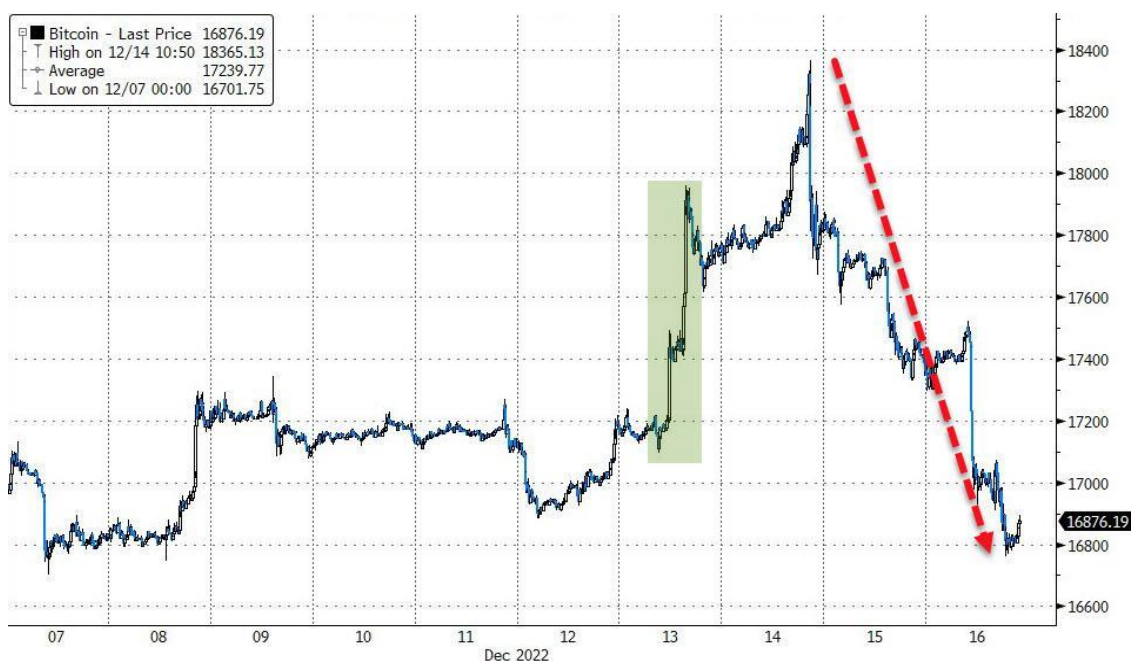
Source: Pictet Wealth Management, Eurostat, ECB, as of 15 December 2022

Source: mayhem4markets



#cryptos #weekly #performance

A big round-trip in cryptos this week, running higher on the soft CPI and erasing gains on a hawkish Fed...



Source: www.zerohedge.com, Bloomberg

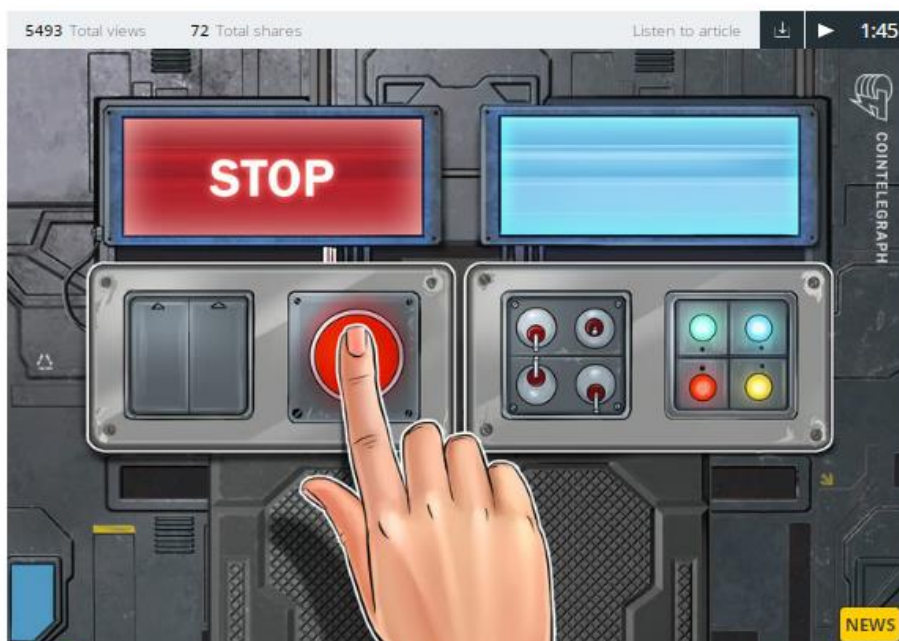
#cryptos

#crypto-exchanges #proof-of-reserves

Crypto exchange Binance has seen its proof-of-reserve audits removed from auditor Mazars' website. Mazars' official website shows they fully discontinued Mazars Veritas, a section dedicated to cryptocurrency exchange audits. The tool was developed by Mazars in order to bring "trust and transparency to the digital asset sector," using the Silver Sixpence Merkle Tree Generating tool to complement proof-of-reserve reports.

Binance proof-of-reserves removed from the auditor's site

Mazars Group, known for its proof-of-reserve audit services for crypto companies, reportedly removed the audits from its site.



Source: www.cointelegraph.com



#silvergate

Silvergate, a publicly traded and federally regulated bank, maintained accounts of both FTX and its affiliated company Alameda Research, with the plaintiff asserting that it was engaged in “first-hand participation in the commingling of funds, improper transfers, and lending out of customer money.”.

Crypto Bank Silvergate Hit With Class Action Lawsuit Over FTX, Alameda Dealings

Silvergate is liable for its role in “furthering FTX’s investment fraud” and breaches of fiduciary duty, alleges a new class action suit.

By Andrew Asmakov

Dec 16, 2022
2 min read



Lady justice. Image: Shutterstock

#food-for-thought

#markets #humor

Happy Weekend!

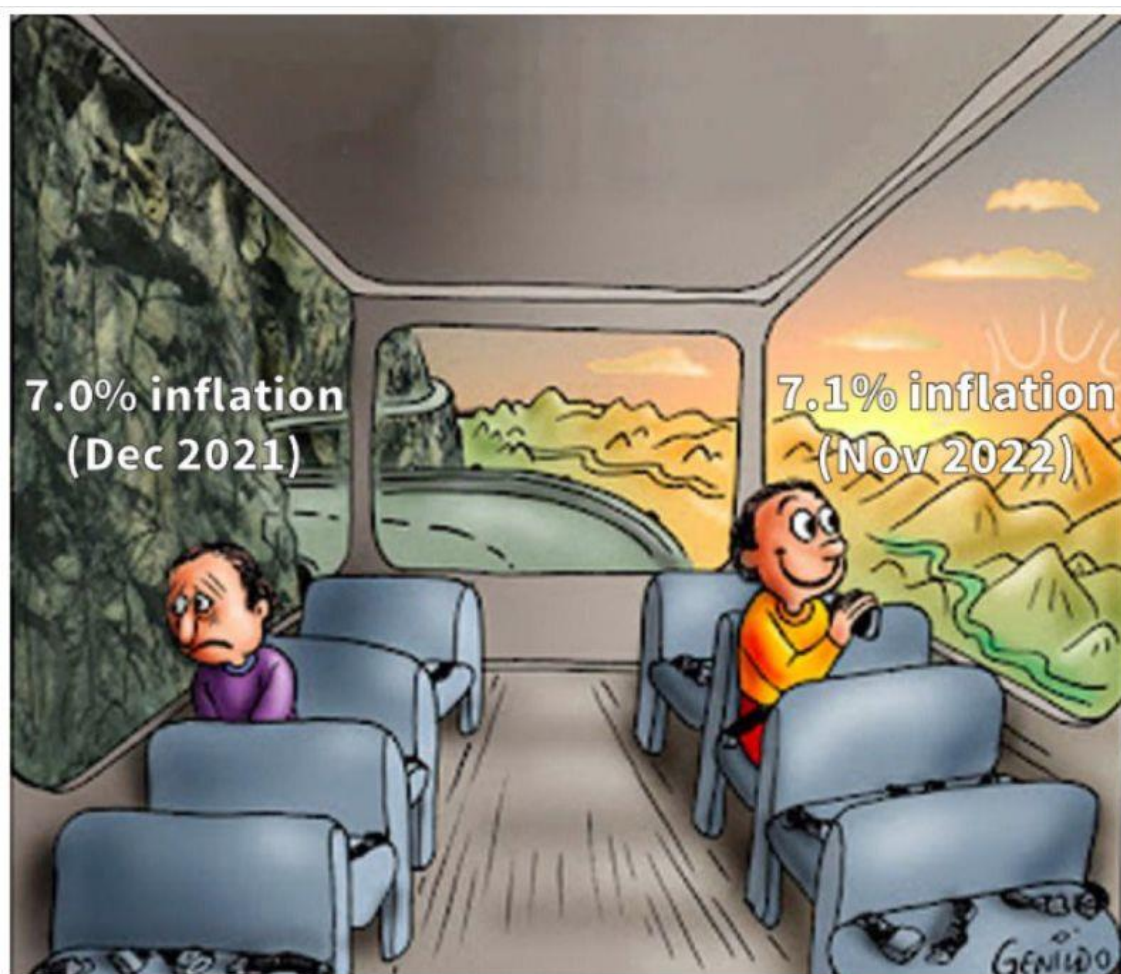


Source: hedgeye

#food-for-thought

#cpi #humor

The latest CPI print summarized in one image courtesy of GS.

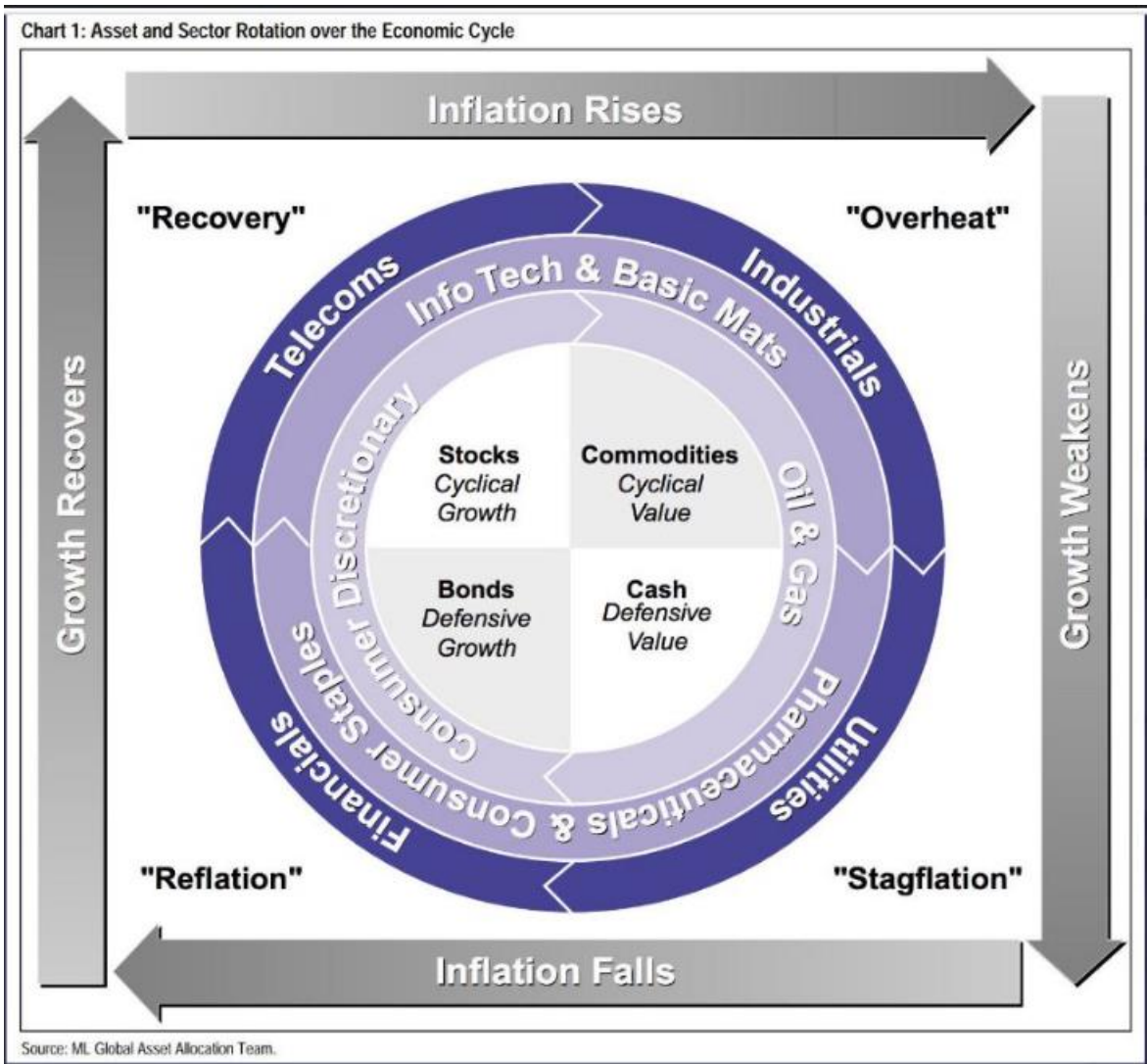


Source: xxx

#food-for-thought

#inflation #investment-clock

BAML's Investment Clock made in ...2004

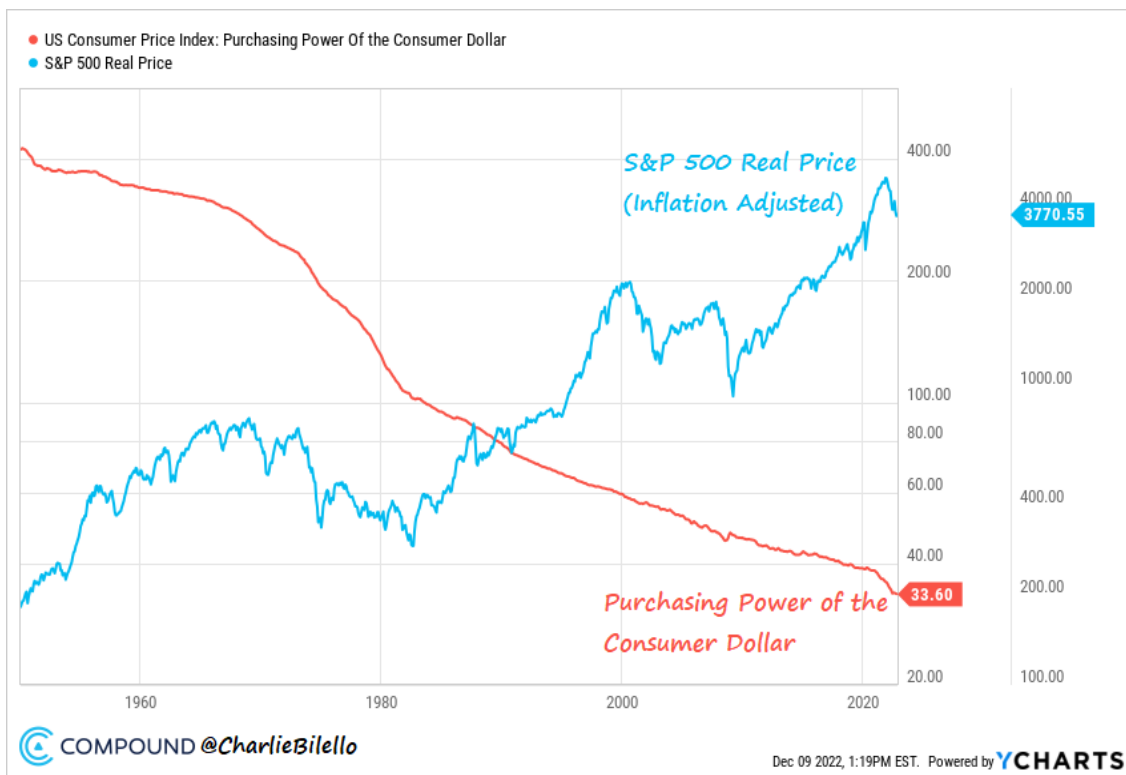


Source: Baml

#food-for-thought

#long-term #investing

Investing resolutions for Life...



Source: Charlie Bilello

#food-for-thought

#equity-markets #history

How often is the market down in consecutive years?

S&P 500 Annual Returns: 1928-2022

1928	43.81%	1952	18.15%	1976	23.83%	2000	-9.03%
1929	-8.30%	1953	-1.21%	1977	-6.98%	2001	-11.85%
1930	-25.12%	1954	52.56%	1978	6.51%	2002	-21.97%
1931	-43.84%	1955	32.60%	1979	18.52%	2003	28.36%
1932	-8.64%	1956	7.44%	1980	31.74%	2004	10.74%
1933	49.98%	1957	-10.46%	1981	-4.70%	2005	4.83%
1934	-1.19%	1958	43.72%	1982	20.42%	2006	15.61%
1935	46.74%	1959	12.06%	1983	22.34%	2007	5.48%
1936	31.94%	1960	0.34%	1984	6.15%	2008	-36.55%
1937	-35.34%	1961	26.64%	1985	31.24%	2009	25.94%
1938	29.28%	1962	-8.81%	1986	18.49%	2010	14.82%
1939	-1.10%	1963	22.61%	1987	5.81%	2011	2.10%
1940	-10.67%	1964	16.42%	1988	16.54%	2012	15.89%
1941	-12.77%	1965	12.40%	1989	31.48%	2013	32.15%
1942	19.17%	1966	-9.97%	1990	-3.06%	2014	13.52%
1943	25.06%	1967	23.80%	1991	30.23%	2015	1.38%
1944	19.03%	1968	10.81%	1992	7.49%	2016	11.77%
1945	35.82%	1969	-8.24%	1993	9.97%	2017	21.61%
1946	-8.43%	1970	3.56%	1994	1.33%	2018	-4.23%
1947	5.20%	1971	14.22%	1995	37.20%	2019	31.22%
1948	5.70%	1972	18.76%	1996	22.68%	2020	18.01%
1949	18.30%	1973	-14.31%	1997	33.10%	2021	28.47%
1950	30.81%	1974	-25.90%	1998	28.34%	2022	-13.80%
1951	23.68%	1975	37.00%	1999	20.89%		

Source: NYU

2022 Returns as of 12/13/2022

Source: Ritholtz Wealth Management



#food-for-thought

#equity-markets #history

Double-digit losses typically lead to gains: For those looking for possible silver lining after U.S. large caps' double-digit declines this year, history may offer some solace: since 1936, of nine prior years with double-digit losses, seven experienced double-digit gains in following year...

Exhibit 4: Double-Digit Losses Were Typically Followed by Gains

Year	S&P 500 Annual Return	Subsequent Year Return
1937	-34.7%	30.8%
1941	-11.6%	20.1%
1957	-10.7%	43.1%
1966	-10.0%	23.9%
1973	-14.7%	-26.3%
1974	-26.3%	37.1%
2001	-11.9%	-22.1%
2002	-22.1%	28.7%
2008	-37.0%	26.5%
2022 YTD	-15.0%	?
Average		18.0%

Source: Ritholtz Wealth Management

#food-for-thought

#equity-markets #history



Charlie Bilello ✓
@charliebilello

S&P 500 Cumulative/Annualized Total Returns by Decade...

1930-39: -9%/-1%

1940-49: +126%/+9%

1950-59: +492%/+19%

1960-69: +111%/+8%

1970-79: +78%/+6%

1980-89: +396%/+17%

1990-99: +433%/+18%

2000-09: -9%/-1%

2010-19: +256%/+14%

2020-22 (as of 12/14/22): +30%/+9%

[\\$SPX](#)

Source: Charlie Bilello

#food-for-thought

#asset #values

A gentle reminder that the biggest asset class in the world is not bonds or equities.

It's real estate.

And by far.



Source: MacroAlf

#food-for-thought

#ftx

Arrested:
Dec 12, 2022

Arrested:
Dec 11, 2008



Source: forex.com

#food-for-thought

#sec #regulations

The SEC is restricting when top executives can unload company shares and is forcing them to disclose more information about their planned stock sales as part of a renewed effort to combat insider trading. The Securities and Exchange Commission on Wednesday voted unanimously to adopt rules that will require company directors and officers to wait at least 90 days between when they schedule a trade and sell their shares, about a month less than initially proposed. Companies also will have to report on their executives' use of trading plans in quarterly reports.



#food-for-thought

#top-investors

CMG Venture Group
Investing Made Easy

Turn on Post Notifications

INVESTING GOATS

AND THEIR TOP 5 HOLDINGS

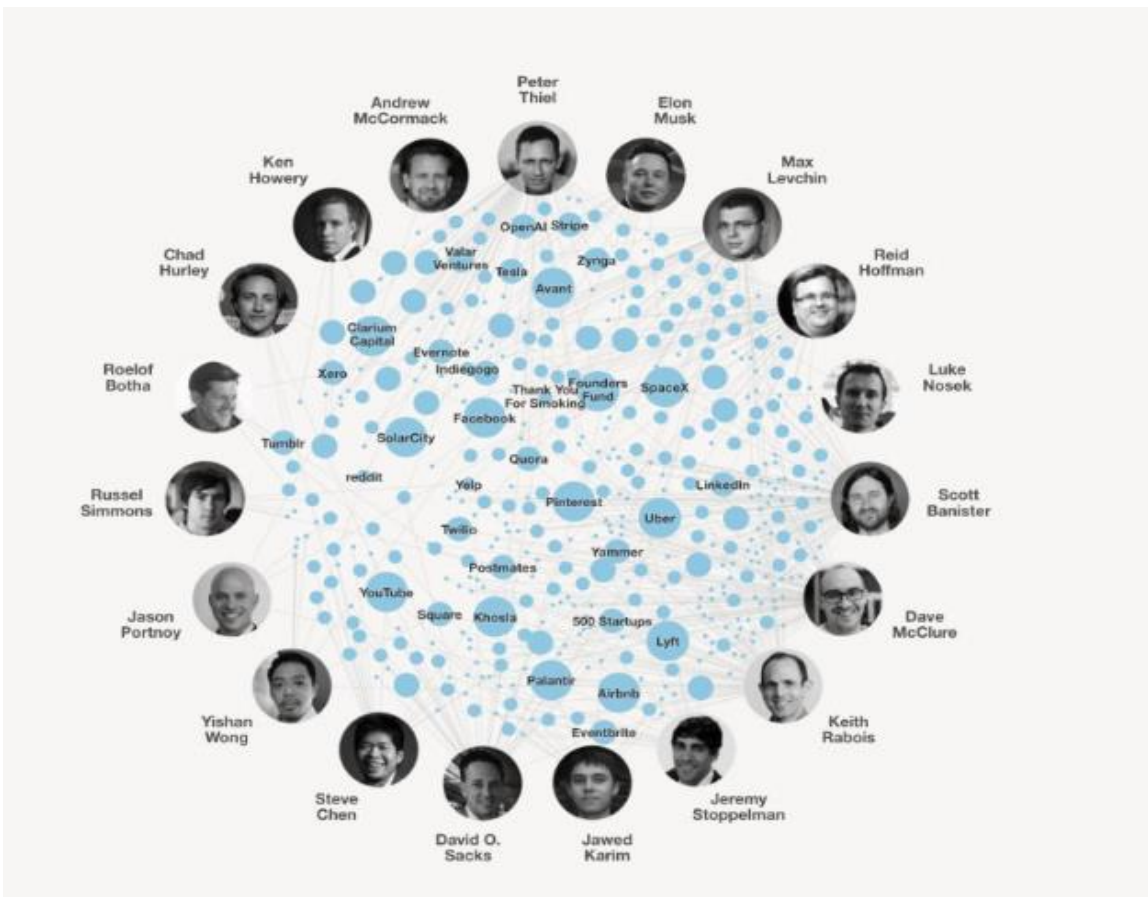
Investor	Stock	Weight
WARREN BUFFETT	\$AAPL	41.76%
	\$BAC	10.30%
	\$CVX	8.02%
	\$KO	7.57%
	\$AXP	6.91%
RAY DALIO	\$PG	4.23%
	\$JNJ	3.90%
	\$PEP	3.32%
	\$KO	3.25%
	\$IEMG	3.24%
STANLEY DRUCKENMILLER	\$CPNG	18.60%
	\$LLY	9.00%
	\$AMZN	5.88%
	\$CVX	5.69%
	\$TMUS	5.54%

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Read the caption



#paypal

One group in Silicon Valley has generated \$320 billion in company value. The PayPal Mafia refers to a group of former PayPal employees and founders who, after PayPal was sold off to eBay. Their scale has never been replicated since. Their members have gone on to build LinkedIn, SpaceX, YouTube and other generational companies . Here's the breakdown:



Source: businessmodelanalyst

#food-for-thought

#world #richest

Bernard Arnault becomes THE WORLD'S RICHEST PERSON. The LVMH boss has a fortune estimated at \$170.8bn, exceeding Elon Musk's personal net worth.



Source: Bloomberg

#food-for-thought

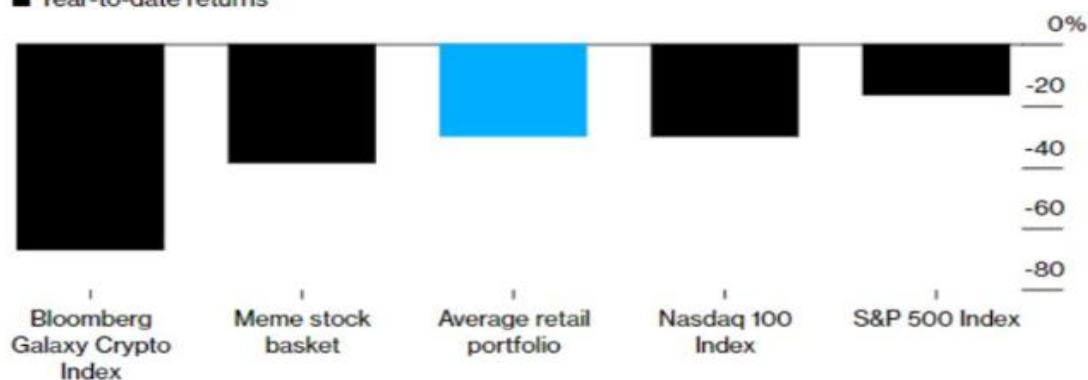
#retail-investors

Retail Traders Lose \$350 Billion in Brutal Year for Taking Risks.

Rough Year to Invest

Retail portfolios lag the S&P 500 but outperformed crypto, meme stocks

■ Year-to-date returns

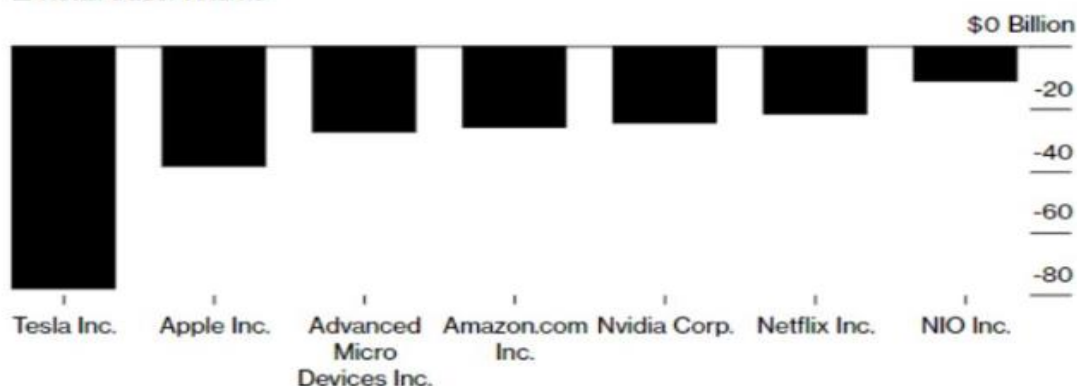


Source: Bloomberg

Rough Ride

Individual traders have been battered by former high-flying tech stocks

■ Retail trader returns



Source: VandaTrack

Source: fxmacro

#food-for-thought

#debt

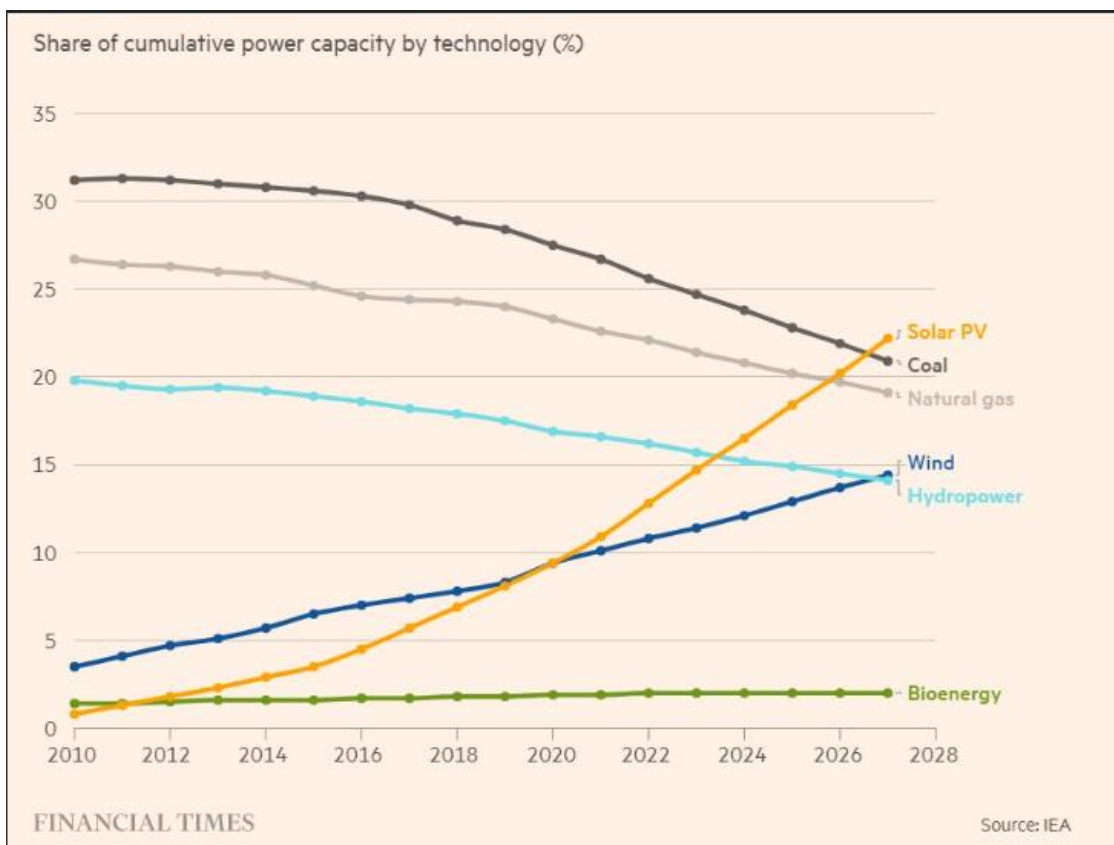
There are two ways to conquer
and enslave a country. One is by
the sword. The other is by debt.

~ John Adams

#food-for-thought

#renewables

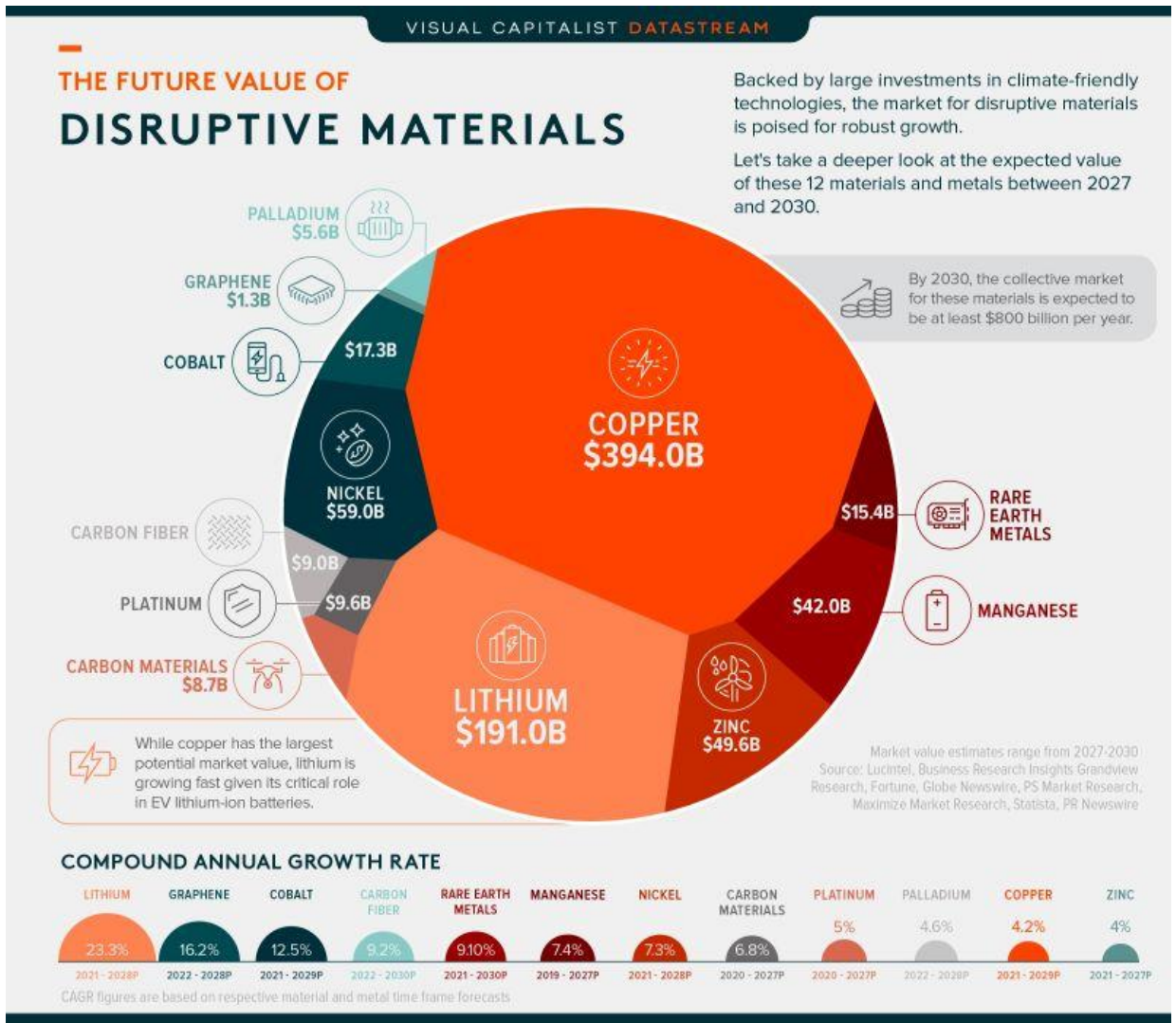
Solar power expected to surpass coal in 5 years, IEA says. Renewable energy forecast to become largest source of electricity generation as soon as 2025, bringing the total capacity to 2,950GW by 2027, the IEA said. But this would still leave a gap of 800GW to reach net zero greenhouse gas emissions by 2050.



Source: FT

#food-for-thought

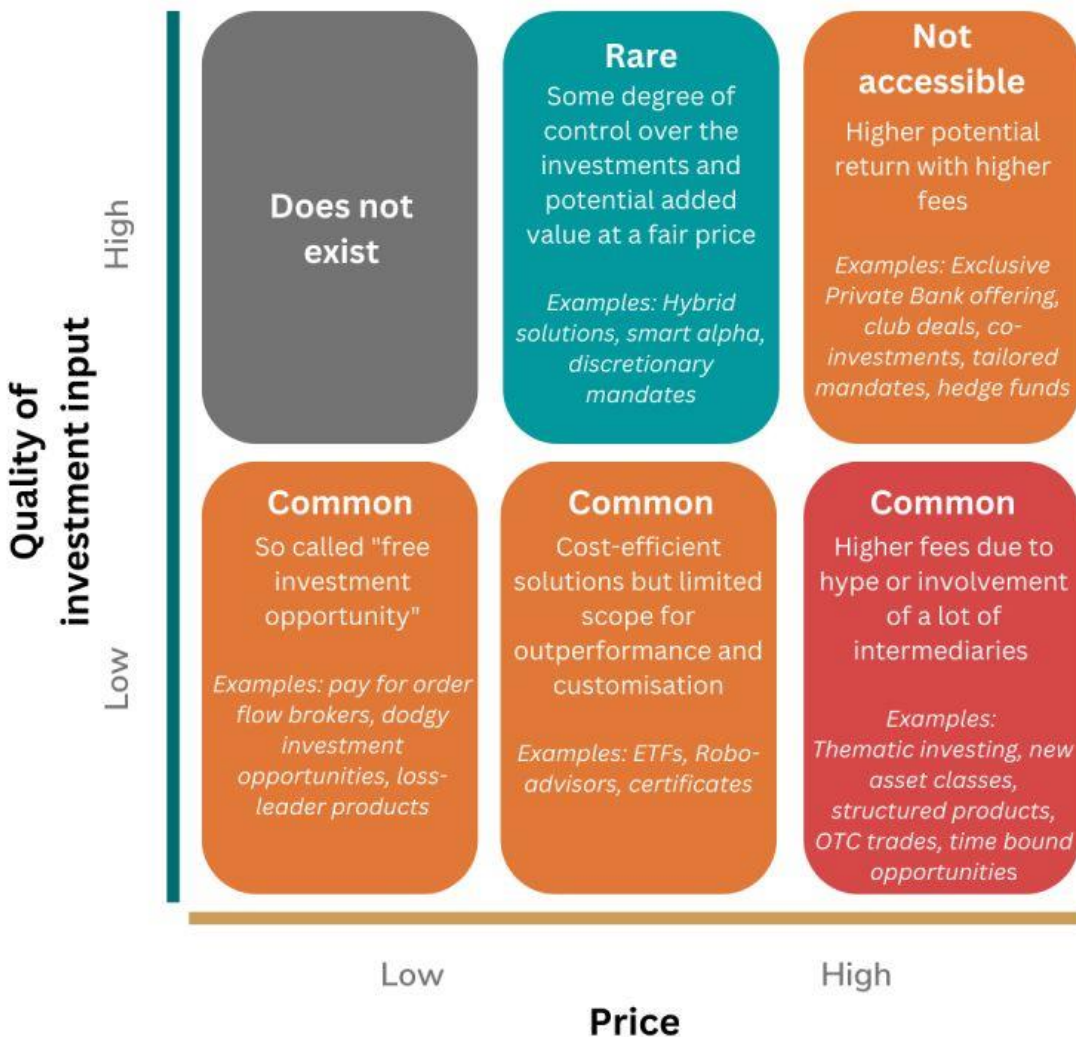
#materials



Source: The Visual Capitalist

#food-for-thought

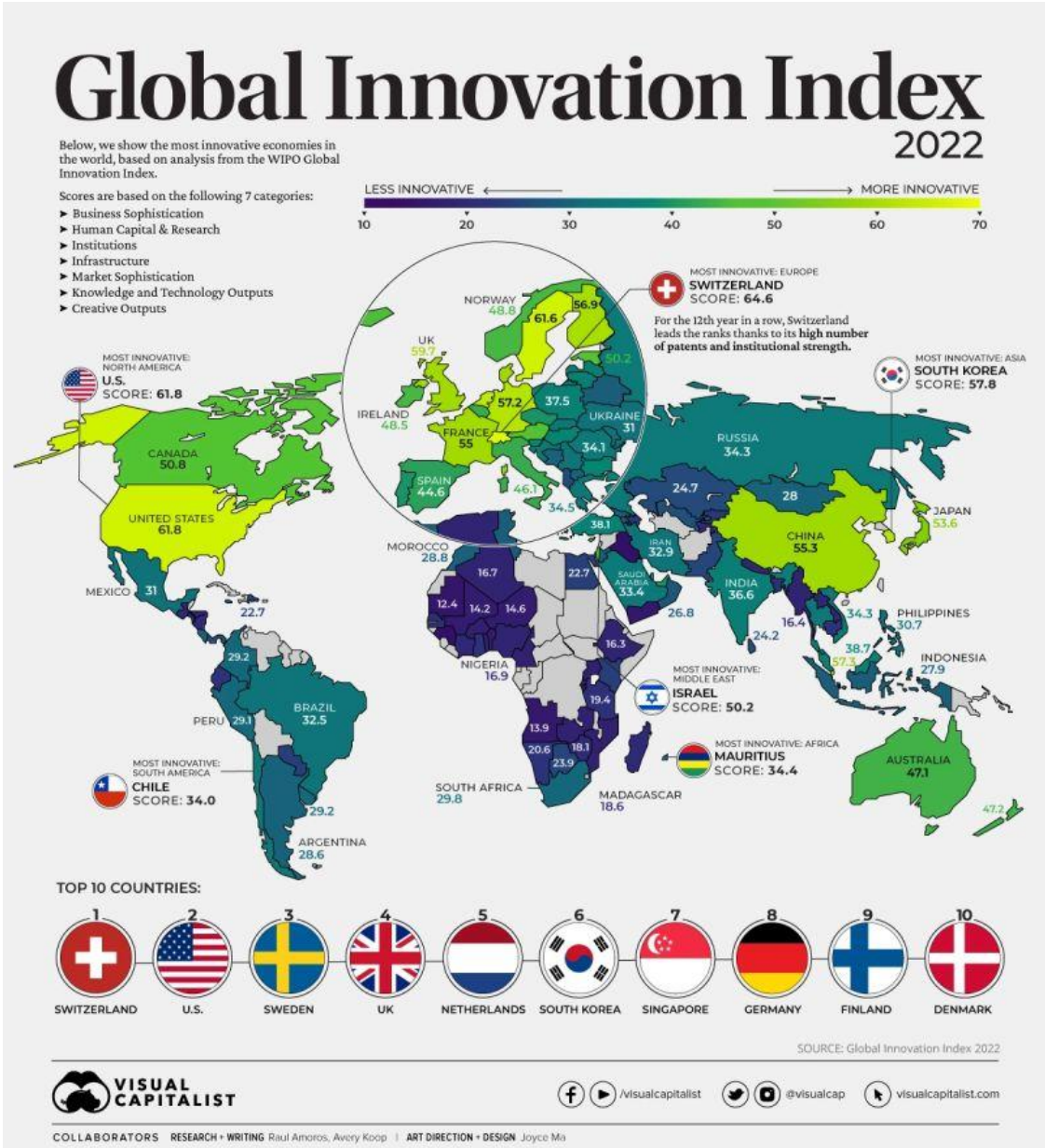
#quality #price



Source: Alpien

#food-for-thought

#innovation



Source: The Visual Capitalist



#food-for-thought

#expensive-cities

The EIU has recently published its Worldwide Cost of Living Index for 2022. In this edition, New York and Singapore jointly top the rankings as the world's most expensive cities to live in, while last year's number one, Tel Aviv, now ranks in 3rd place.



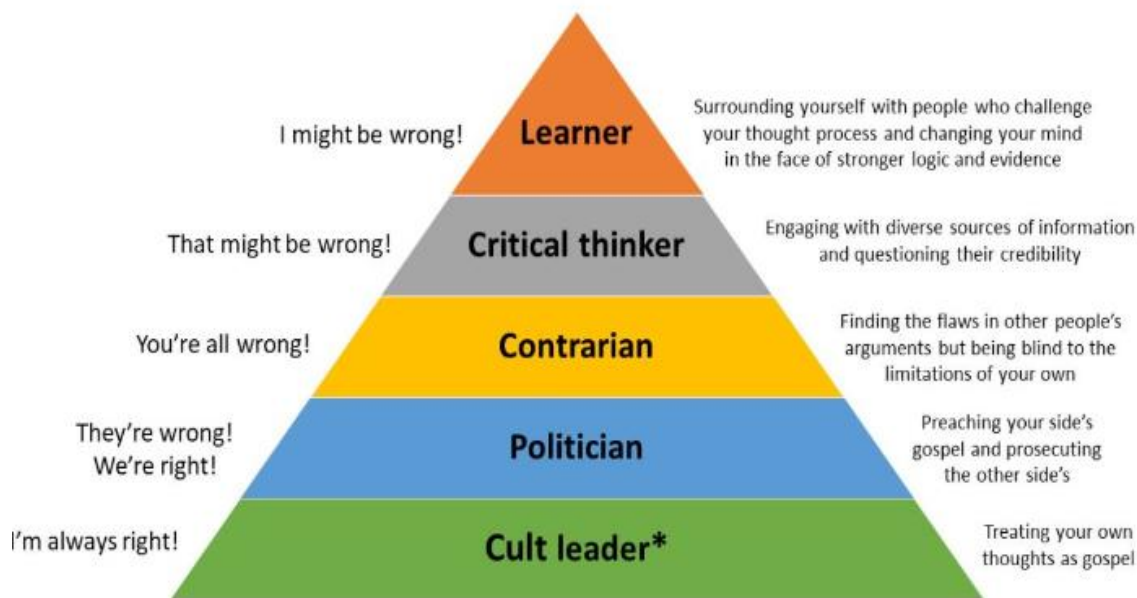
#food-for-thought

#leadership

A Hierarchy of Thinking Styles



A Hierarchy of Thinking Styles



*Does not apply to my spouse, who actually is always right

Source:adam grant

#food-for-thought

#open-minded

Open-minded people do not care to be right, they care to understand.
There is never a right or wrong answer.
Everything is about understanding.

Source: European leadership

#food-for-thought

#focus



When someone tries to trigger you by insulting you or by doing or saying something that irritates you, take a deep breath and switch off your ego. Remember that if you are easily offended, you are easily manipulated.

Source: European leadership

#food-for-thought

#relationship

CHOOSE PEOPLE WHO:

- Choose you
- Ask how you are
- See you
- Let you be you
- Feel good to your nervous system
- You can breathe easily around
- You don't need to perform for
- Are good for your mental health
- Want to see you win
- Don't try to control you

—SASHA TOZZI

tinybuddha.com

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For the future...