

Cartoon of the week

**MERRY CHRISTMAS**

Let it slow, let it slow, let it slow...



Source: Hedgeye

### December set to be 2<sup>nd</sup> worst ever for US stocks

The major US equities benchmarks were mixed in a week of generally quiet holiday season trading. Hawkish comments from the Fed and other global central banks over the previous week continued to be a key factor weighing on markets. Stronger than expected US GDP estimates (from 2.9% to 3.2%) and US weekly jobless claims surprising modestly on the downside intensified fears of future Fed rate hikes. US Treasury 10 year yield rose from 3.48% to 3.73% during the week. Bank of Japan's (BoJ) surprise decision to widen the allowed band around 10-year Japanese government bond (JGB) yields was seen as a driver of higher U.S. rates and a steeper Treasury curve. The Dow Jones recorded modest gains, while the Nasdaq Composite dropped nearly 2%, down three weeks in a row and down -9% month-to-date (which would be its 2nd worst December ever). Energy stocks outperformed as U.S. oil inventories came in well below consensus expectations. Consumer discretionary shares performed worst, dragged lower by a steep decline in Tesla. Shares in Europe gained slightly amid signs of slowing inflation and an improvement in consumer confidence. Japan's stock markets fell over the week, with the Nikkei 225 Index down 4.69% as BoJ policy developments also lent support to the yen, which strengthened to about JPY 132.55 against the U.S. dollar, from around JPY 136.71 the previous week. Chinese stocks fell as a spike in coronavirus cases weighed on the country's growth outlook. The dollar slipped modestly while cryptos were stable.

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

24 DECEMBER 2022

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### #weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,204	0.9%	-8.6%
S&P 500 Index	3,845	-0.2%	-19.3%
NASDAQ	10,498	-1.9%	-32.9%
MSCI EAFE *	1,946	0.5%	-16.7%
10-yr Treasury Yield	3.75%	0.3%	2.2%
Oil (\$/bbl)	\$79.65	7.2%	5.9%
Bonds	\$97.97	-1.4%	-11.8%

Source: Factset. 12/23/2022. 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



## #2022 #cross-assets #ytd

Many years feel historic, 2022 was! Stocks & bonds plunge >10%. German House Prices dropped 4%, Gold & Bitcoin didn't offer inflation protection.



Source: Bloomberg, HolgerZ



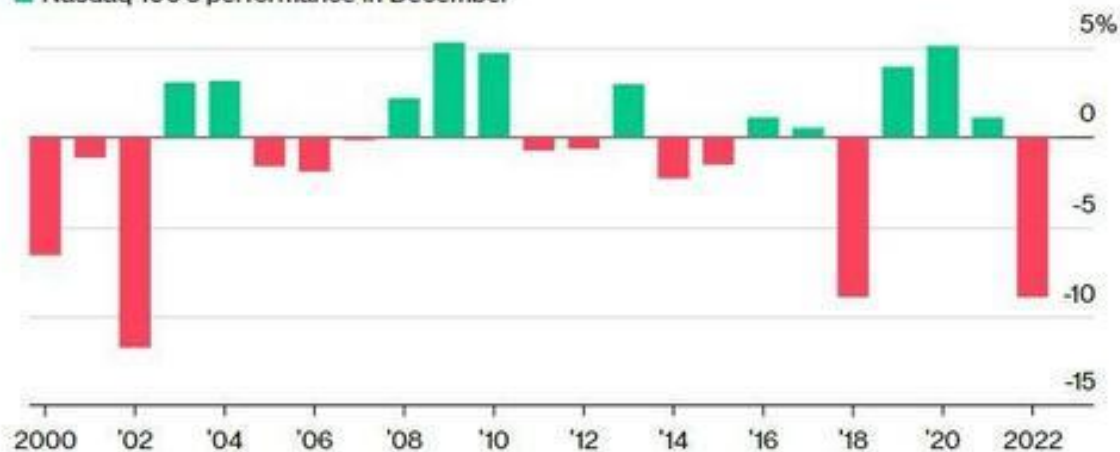
## #nasdaq #ytd

The Nasdaq is on course for its steepest slump since 2002.

### Worst in Two Decades

The Nasdaq 100 is on pace for its biggest December drop since 2002

Nasdaq 100's performance in December



Source: Bloomberg

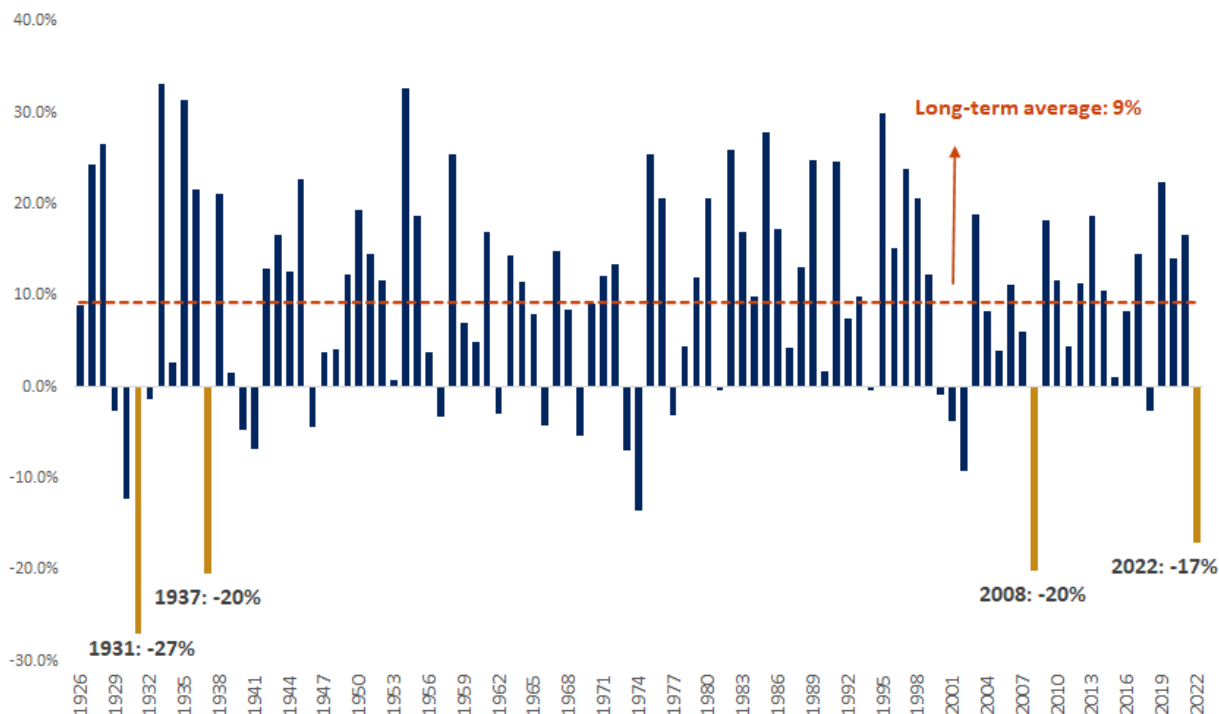
Source: Bloomberg



## #2022 #60-40 #ytd

This year was the perfect storm for balanced portfolios as both stocks and bonds declined in lockstep. With a week left before the year ends a traditional 60/40 equity-fixed income portfolio is on track to post its fourth-worst return since 1926. The only asset class in our framework that had a positive return was cash.

60/40 portfolio calendar year returns



Source: Edward Jones





# #sp500 #annual #chart

S&P 500 annual candlestick chart perspective.



Source: Mac10

#markets

#us #equities #bear-markets #history

The S&P 500's Bear Markets over the Past Century



Source: Bespoke



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### #sp500 #returns

The S&P 500 this week recorded its 62nd decline of 1% or more this year. Since 1950, the only years with more 1+% declines than 2022: 1974, 2002, and 2008.

S&P 500: Number of Large Down Days (1928 - 2022)														
Year	-1% Days	-2% Days	<-3% Days	Total	Year	-1% Days	-2% Days	<-3% Days	Total	Year	-1% Days	-2% Days	<-3% Days	Total
1928	23	2	2	27	1928	16	1	0	17	1992	11	0	0	11
1929	19	10	19	48	1929	2	1	0	3	1993	6	1	0	7
1930	38	16	16	70	1930	28	4	2	34	1994	14	1	0	15
1931	42	28	27	97	1931	2	1	0	3	1995	4	0	0	4
1932	27	18	50	95	1932	3	0	0	3	1996	14	2	1	17
1933	33	15	27	75	1933	7	0	0	7	1997	25	5	1	31
1934	32	20	7	59	1934	22	3	0	25	1998	20	7	5	32
1935	31	8	1	40	1935	9	0	0	9	1999	31	9	0	40
1936	18	6	5	29	1936	9	0	0	9	2000	35	15	4	54
1937	28	17	17	62	1937	17	1	0	18	2001	41	9	4	54
1938	40	15	12	67	1938	29	4	0	33	2002	43	22	7	72
1939	29	15	8	52	1939	14	0	0	14	2003	32	4	1	37
1940	23	4	8	35	1940	6	0	0	6	2004	20	0	0	20
1941	23	3	3	29	1941	37	5	1	43	2005	17	0	0	17
1942	24	2	0	26	1942	52	13	2	67	2006	13	0	0	13
1943	13	1	3	17	1943	32	3	0	35	2007	23	10	1	34
1944	7	1	0	8	1944	14	0	0	14	2008	34	18	23	75
1945	14	7	0	21	1945	12	0	0	12	2009	27	16	12	55
1946	23	4	10	37	1946	23	1	0	24	2010	27	5	5	37
1947	25	3	2	30	1947	12	1	0	13	2011	27	15	6	48
1948	19	2	5	26	1948	30	6	1	37	2012	18	3	0	21
1949	12	3	0	15	1949	26	4	0	30	2013	15	2	0	17
1950	15	3	4	22	1950	32	5	1	38	2014	15	4	0	19
1951	16	1	0	17	1951	25	1	0	26	2015	25	4	2	31
1952	8	0	0	8	1952	16	0	0	16	2016	17	4	1	22
1953	14	1	1	16	1953	7	0	0	7	2017	4	0	0	4
1954	4	1	0	5	1954	19	4	2	25	2018	17	10	5	32
1955	14	4	1	19	1955	22	14	6	42	2019	10	5	0	15
1956	21	0	0	21	1956	26	3	2	31	2020	20	9	16	45
1957	20	5	0	25	1957	12	1	1	14	2021	16	5	0	21
1958	4	1	0	5	1958	34	7	1	42	2022 YTD	39	15	8	62
1959	13	1	0	14	1959	23	1	1	25					



Data as of 12/22/22

@CharlieBilello

Source: Charlie Bilello





## #us #equities #december

After a strong October and November, the final month of 2022 has seen a brutal return to the same painful grind lower that marked most of 2022, and is on pace to record the 2nd worst December performance on record...

### US Stocks Are Having an Unusually Bad December

S&P 500 is on course for one of the worst Decembers on record

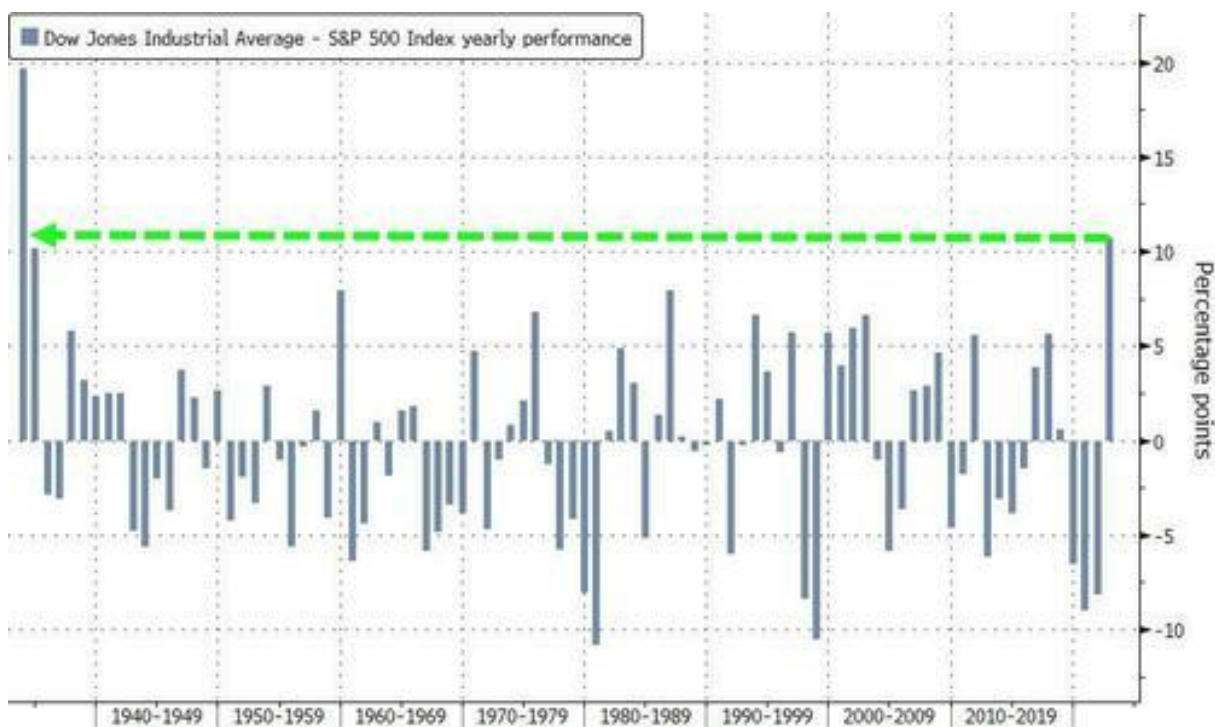


Source: Bloomberg



## #dow #december #relative-performance

The Dow is set for its best year since 1933 relative to the S&P 500... As Bloomberg notes, The Dow's reliance on blue-chip companies has made it a place of relative safety as rising interest rates pushed investors away from technology stocks. Some bears are betting the outperformance won't last: short interest in the SPDR Dow Jones Industrial Average ETF Trust is hovering at 3% of shares outstanding, the highest level since August 2020, IHS Markit data show.



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

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### #us #equities #sectors #weekly

Energy stocks outperformed on the week while Tech and Consumer Discretionary lagged...



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



## #faangs

This week, Amazon \$AMZN became the first of the mega-caps to see a \$1+ trillion drawdown in market cap. All six of \$AAPL \$AMZN \$GOOGL \$MSFT \$META and \$TSLA are in \$750+ billion market cap drawdowns for a combined drop of more than \$5 trillion.

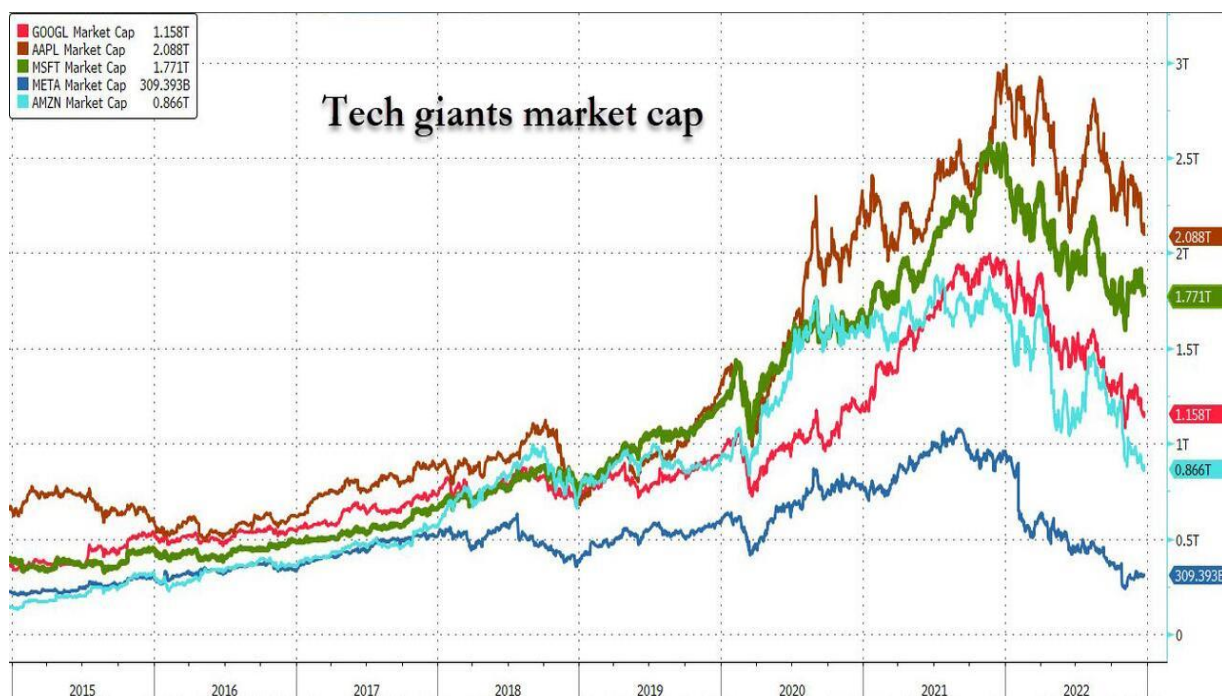


Source: Bespoke



## #faangs

The Big Tech cohort (AAPL, MSFT, GOOG, AMZN, TSLA, META & NVDA) has collectively shed ~\$4.9 trillion of market cap during the course of 2022.



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

### #microsoft #rating

Microsoft AAA Rating to be Withdrawn by Fitch in 2023 - Fitch Ratings said it will stop grading Microsoft Corp.'s debt in January, dropping coverage of one of the highest-rated companies in the world. The rating firm plans to remove its rankings on the technology company around Jan. 22, according to a statement Thursday. Fitch cited "commercial reasons" for the removal. Companies, S&P Global Ratings, Fitch and Moody's Investors Service. After the withdrawal, both companies will only have ratings from Moody's and S&P.

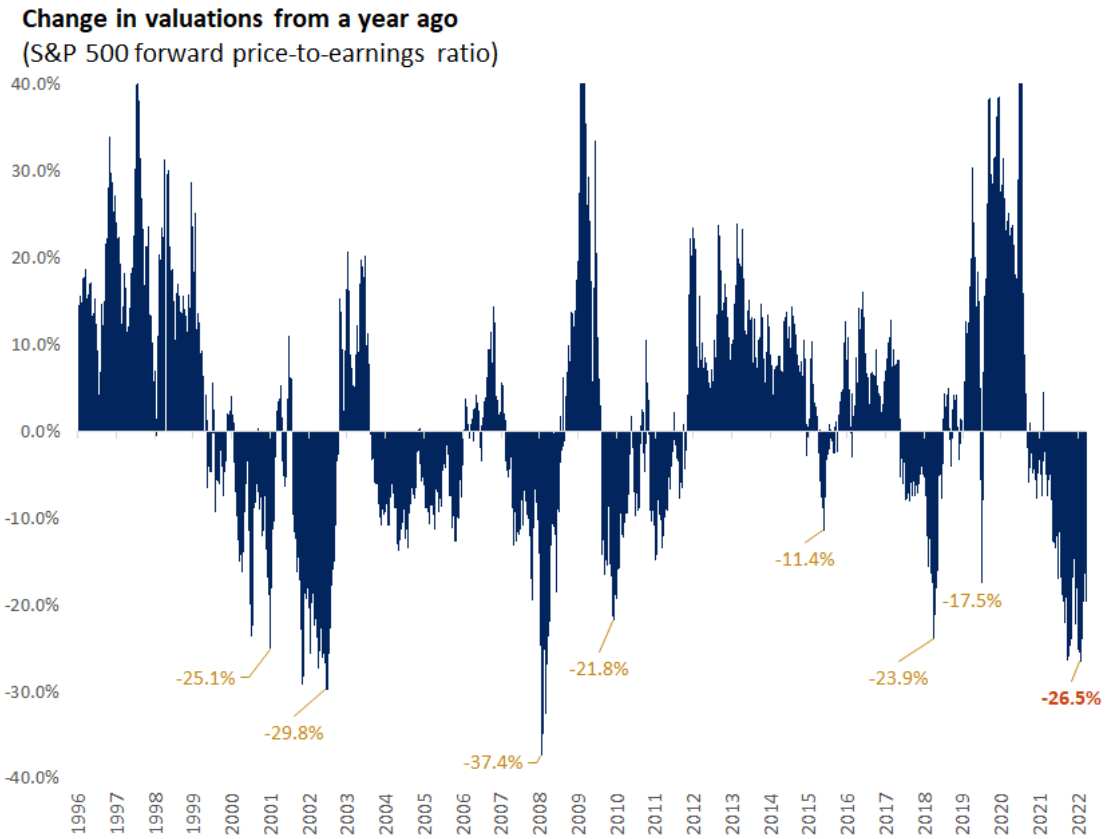


Source: Bloomberg



## #us #equities #valuations

Despite the economic headwinds, corporate earnings managed to stay fairly resilient in 2022, helped by strong pricing power as companies passed through the price increases. For perspective, S&P 500 earnings are expected to grow about 5% this year, on top of a 50% rise in 2021. But valuations were a direct victim of higher interest rates. The S&P 500 price-to-earnings ratio declined about 26% from its peak.



Source: Edward Jones





#markets

## #us #equities #valuations

August 2008 vs. Now (courtesy of Morgan Stanley).

**Exhibit 5: Past as Prologue? Don't Assume Market Has Priced the Severity of the Earnings Recession**

	<b>August 2008</b>	<b>Today</b>
P/E Ratio	13x	16.8x
10 year yield	3.80%	3.48%
CPI y/y	5.30%	7.10%
10 Year Breakevens	2.30%	2.13%
Equity Risk Premium	380bps	250bps
ISM Mfg PMI	50	49
S&P % Change From Peak	-18%	-19%
NTM EPS % Change From Peak	-5%	-3.90%
Unemployment Rate	6%	3.70%
Jobless Claims	435,000	211,000
3Month-10Year Spread	+200bps	-79bps
Fed Cuts to Date	325bps	0

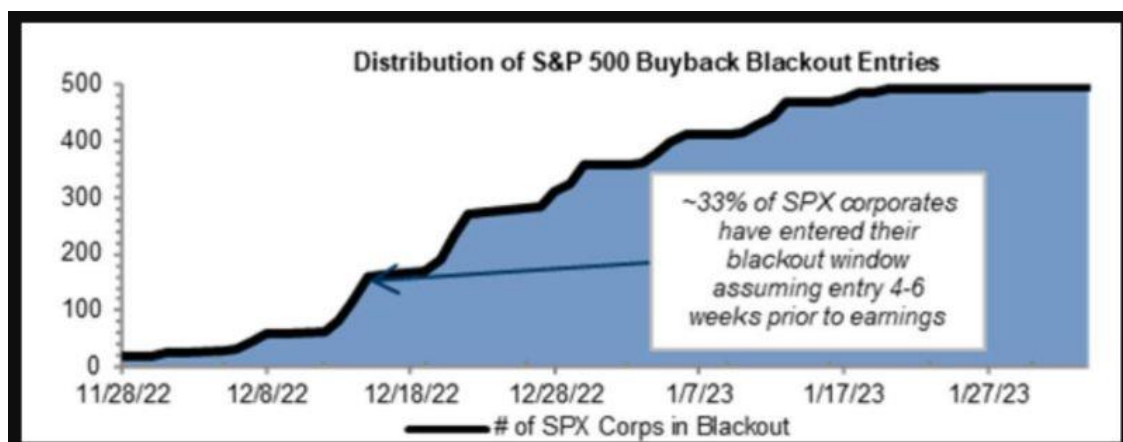
Source: Bloomberg, Morgan Stanley Research

Source: www.zerohedge.com, Morgan Stanley



## #us #equities #buybacks

One of bigger reasons for this week's market weakness was the start of buyback blackout period. As a reminder, weeks of aggressive buyback flows on Goldman's trading desk ended on December 19th as many companies entered their blackout period. According to Goldman, Monday was the start of the final blackout window of the year with ~33% currently in their closed window, and by Friday a majority, or ~54% of the S&P 500, will be in blackout. But while blackout period is telegraphed well in advance, a more ominous development have been observed as some share buybacks have been cancelled following earnings misses. Both Micron and CarMax quietly announced they are suspending repurchases of their shares in a tough macro environment, with Micron also cutting capex too. That could be interpreted as a shift from the confidence companies had displayed earlier this year. This also means that a key support for stock prices may be fading.



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



## #us #earnings #liquidity

Global liquidity leads company earnings with a lag... The Fed and ECB tightening of policy during 2022 has been the fastest in 30 years... Now we just wait to see the impact on earnings...



Source: Nordea, Wall Street Silver

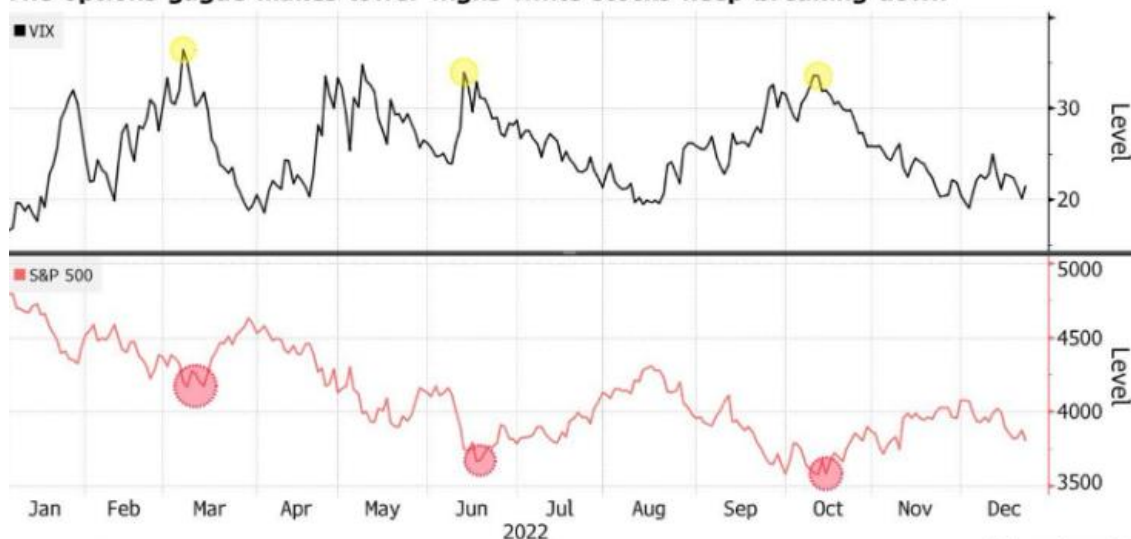


## #vix

The CBOE Volatility Index keeps making lower highs even as stocks continue to fall. In fact, the VIX hasn't topped 37 all year, a lower level than during every bear market over the last 32 years. Some analysts says the stock market floor won't be formed until the VIX hits 40.

### No Fear in VIX

The options gague makes lower highs while stocks keep breaking down



Source: Bloomberg

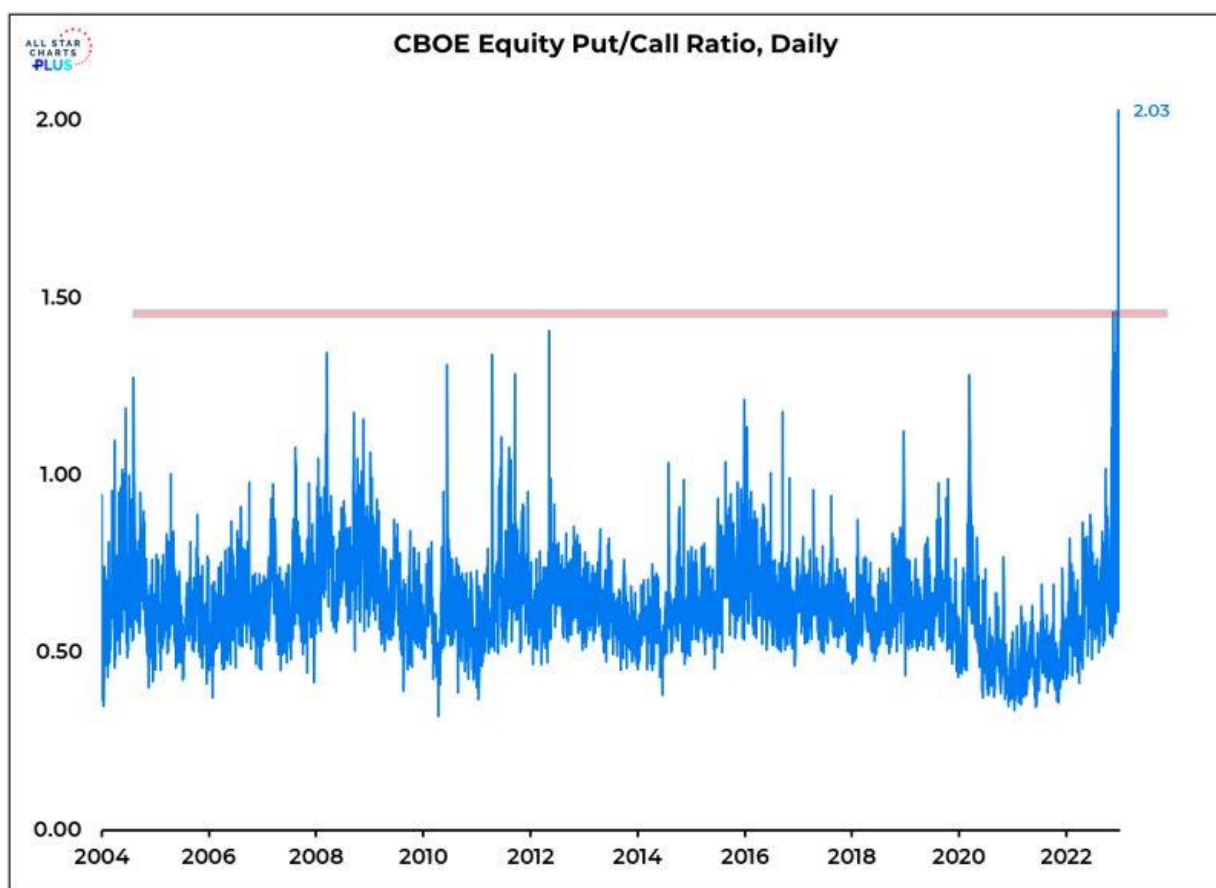


Source: Bloomberg

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## #us #equities #put-to-call

CBOE equity put/call ratio had never before been above 1.5. On Wednesday it was above 2.0.

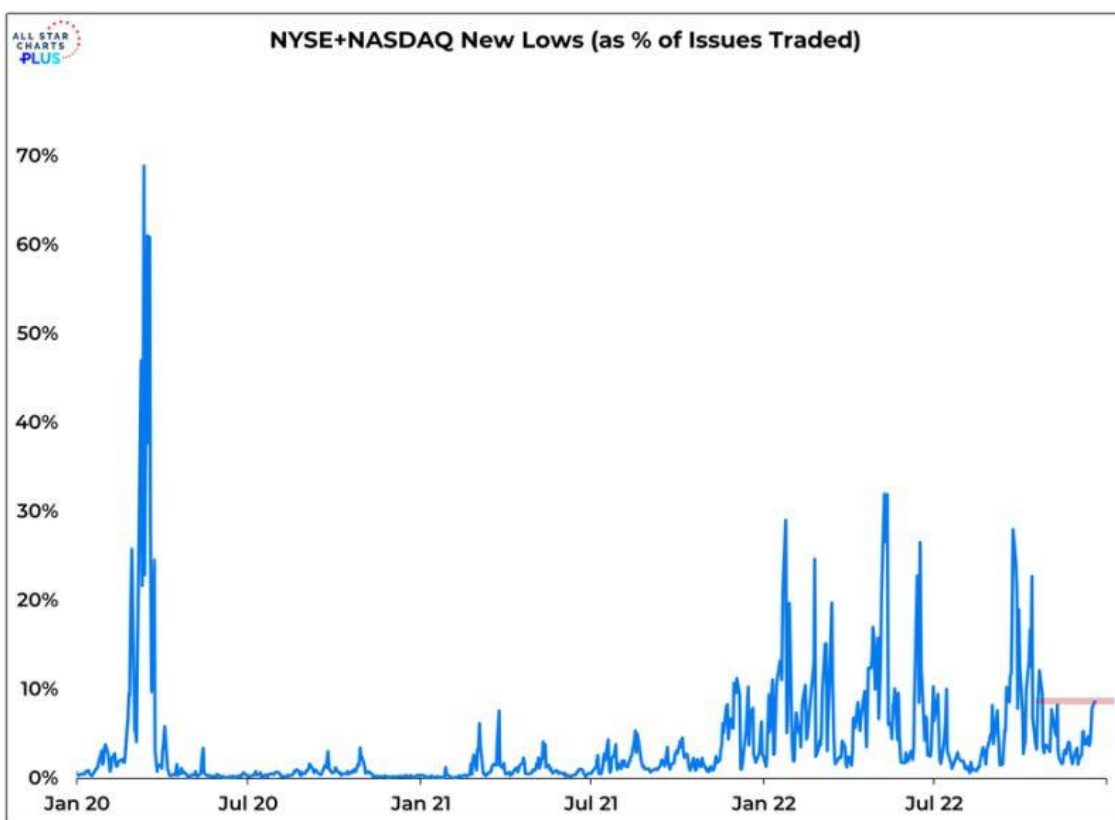


Source: Willie Delwiche

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## #us #equities #technicals

NYSE + Nasdaq New lows list creeping higher this month. Reached a two-month high this week.

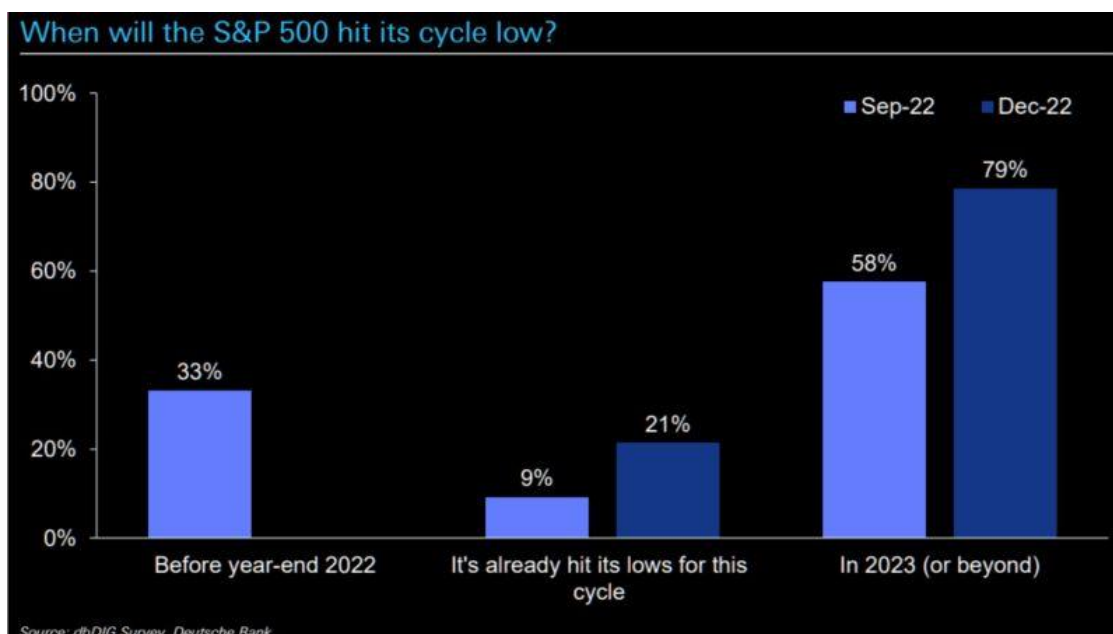


Source: Source: Willie Delwiche

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## #us #equities #sentiment

A CONTRARIAN BUYING SIGNAL? Everybody sees SPX hitting the cycle low later...and this view has become even stronger since September. Market would need to challenge this consensus view soon and create some real pain.

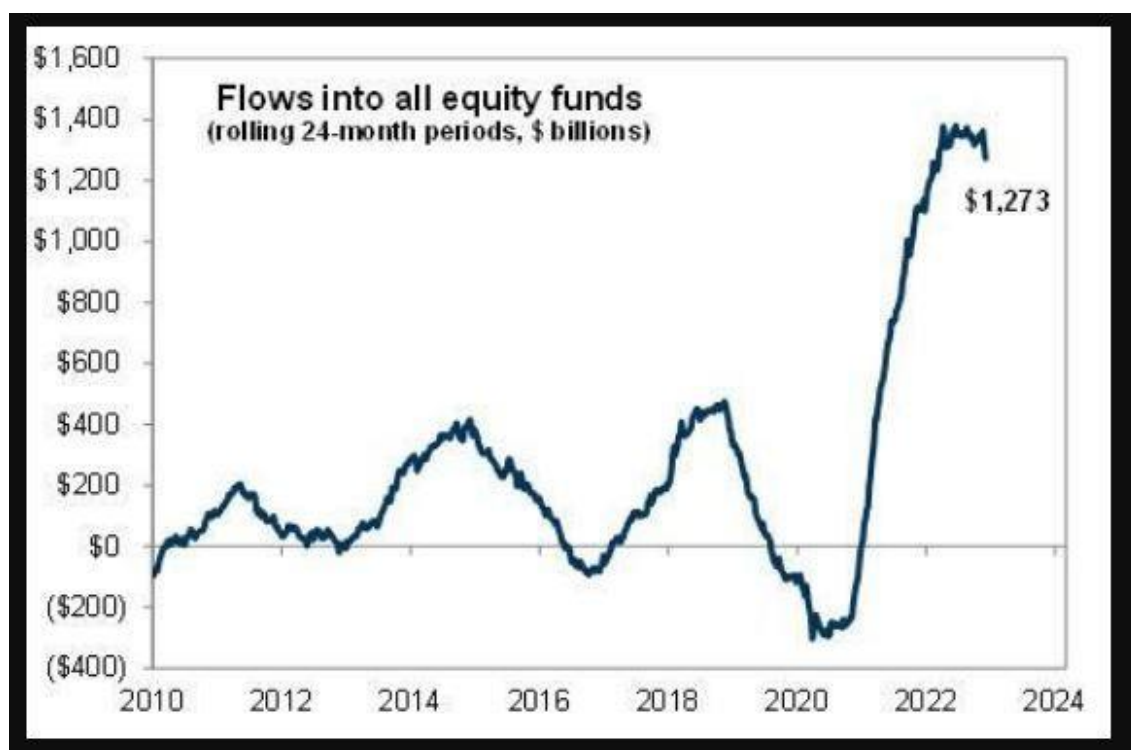


Source: The Market Ear, DB



## #us #equities #funds #flows

One of the biggest conundrum of 2022. Despite the equity bear markets and horrible headlines, we have seen a record number of inflows to equities. What happens here in 2023?



Source: Goldman Sachs





## #funds #etfs #flows

Mutual funds saw largest outflow ever in 2022. Investors are spurning mutual funds at a record clip, driving a \$1.5 trillion gap in the flow of money from the old-school investment vehicles and into ever-popular ETFs

<b>Fund Flows for 2022</b>					
Net flows into mutual funds and ETFs (\$ millions)					
	2022	2021	2020	2019	2018
<b>Mutual Fund</b>	<b>-950,180</b>	<b>-12,789</b>	<b>-505,335</b>	<b>-115,095</b>	<b>-317,175</b>
> Equity	-385,074	-412,494	-665,012	-353,910	-248,424
> Hybrid	-84,568	-11,078	-88,982	-54,214	-88,853
> Bond	-480,539	410,778	248,658	293,023	20,106
<b>ETF</b>	<b>587,690</b>	<b>919,541</b>	<b>505,422</b>	<b>320,439</b>	<b>297,731</b>
> Equity	405,170	715,100	254,732	161,284	197,807
> Hybrid	-3,121	6,465	4,115	5,611	1,675
> Bond	184,220	201,900	202,567	145,074	95,505
> Commodity	1,788	-3,922	44,014	8,467	2,733
<b>Net</b>	<b>-1,537,870</b>	<b>-932,330</b>	<b>-1,010,757</b>	<b>-435,534</b>	<b>-614,906</b>

Source: Bloomberg Intelligence  
Data as of Dec. 15, 2022

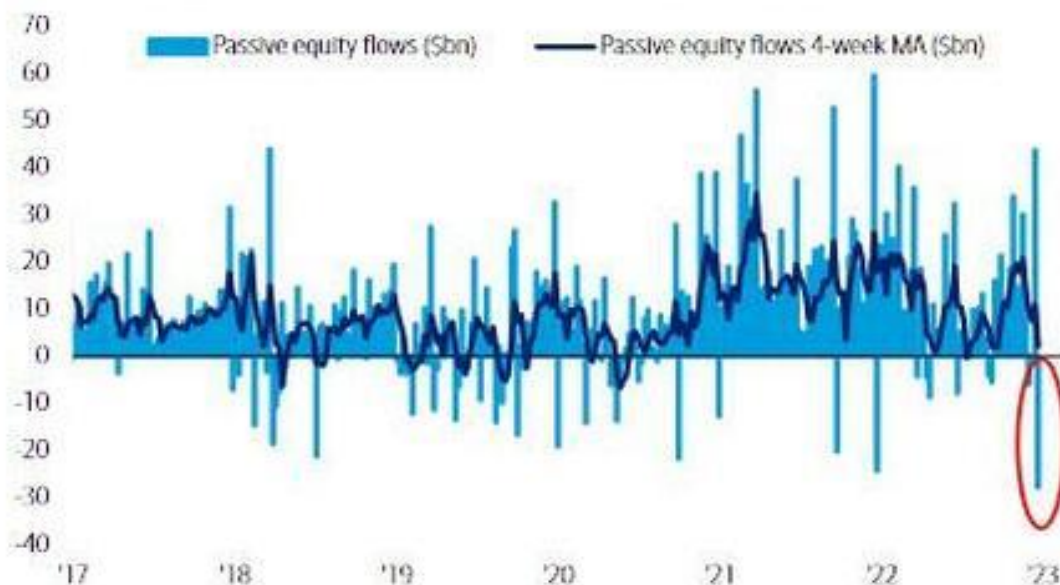
Source: Bloomberg



## #etfs #flows

According to EPFR, equity funds were hit by outflows of almost \$42 billion - the most ever in one week - after the Federal Reserve, the European Central Bank and the Bank of Japan all sounded staunchly hawkish in their policy outlook for next year, squashing bets of an imminent return to an era of cheap money. Specifically, the \$41.9 billion outflow consisted of \$27.8BN in outflows from ETFs, and \$14.1BN in outflow from mutual funds.

**Chart 6: Largest outflow on record from equity ETFs**  
Passive equity fund flows: weekly vs 4wk moving average (\$ bn)



Source: BofA Global Investment Strategy, EPFR

BofA GLOBAL RESEARCH

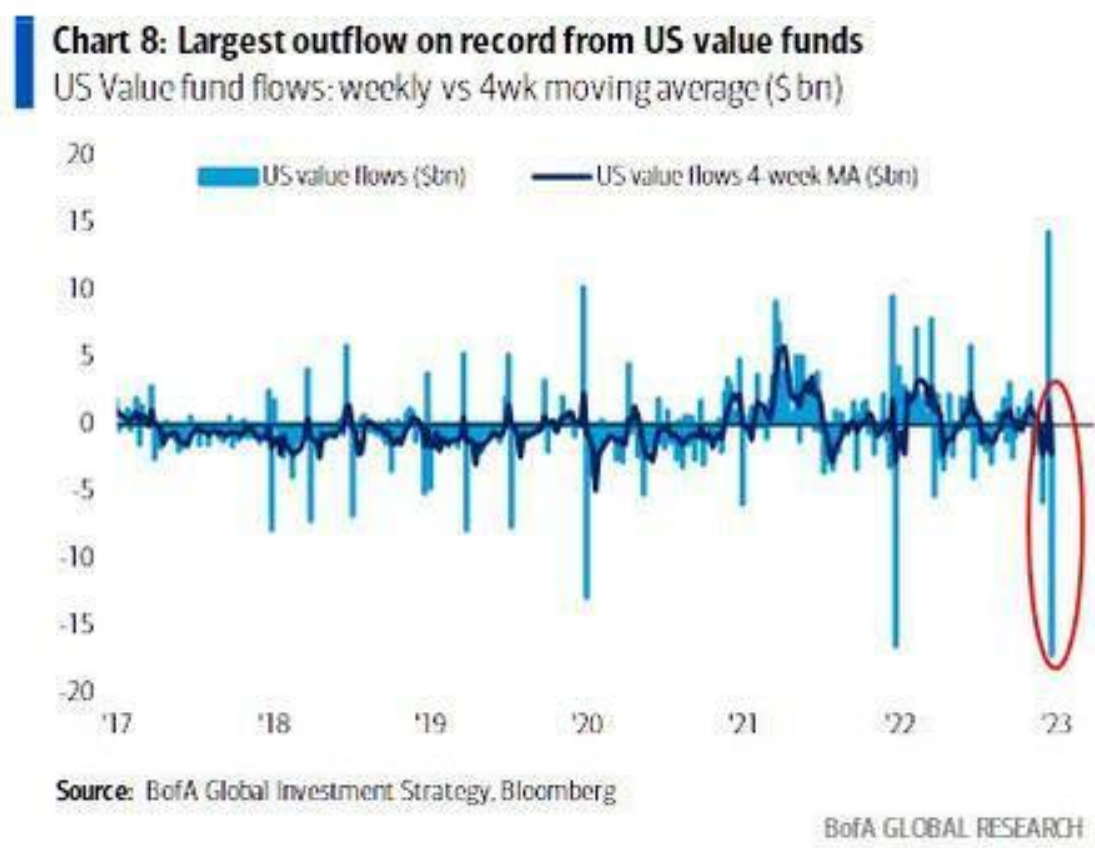


Source: BofA, EPFR



## #us #value #funds #flows

Last week saw a record 17.2bn outflow from US value funds:



Source: BofA, EPFR



## #ark #cathiewood

Total assets across ARK's nine ETFs have gone from \$60.3bn at peak to \$11.4b. Below, the percentage loss of ARKK investments from each stock's 2021 peak to closing price on Dec 19 (%)



Source: FT



## #twitter #elonmusk

Twitter CEO Elon Musk launched a poll on the social media platform on Sunday asking whether he should step down as head of the company, adding that he would abide by the poll results. The poll is scheduled to close around 11:20 GMT on Monday although the billionaire did not give details on when he would step down if the poll results said he should.



Source: Reuters



## #tesla #elonmusk

Tesla is now worth less than Exxon as stock of Electric vehicles maker plunges toward worst month, quarter and year in history. Reports say consumers are shunning away from Tesla due to Elon Musk behavior at Twitter.



Source: Bloomberg



## #tesla

The two worst months in Tesla’s history are December 2010 (-24.62%) and May 2019 (-22.43%). Unless something happens, December 2022 will handily beat both of those months. As it stands, Tesla is down -38% for this month and reaching a new 28-month low. Tesla is also on track for five consecutive months in the red and 2022 is on track to be the worst year, ever. In the thirteen years Tesla has traded, it’s only ever had one losing year before 2022, and that was 2016, when it closed down a paltry -10%. Investors and analysts believe that Musk’s absence from Tesla is one of the primary drivers of Tesla’s fall. Musk said he would step down as CEO of Twitter, but only if and when he finds a replacement.

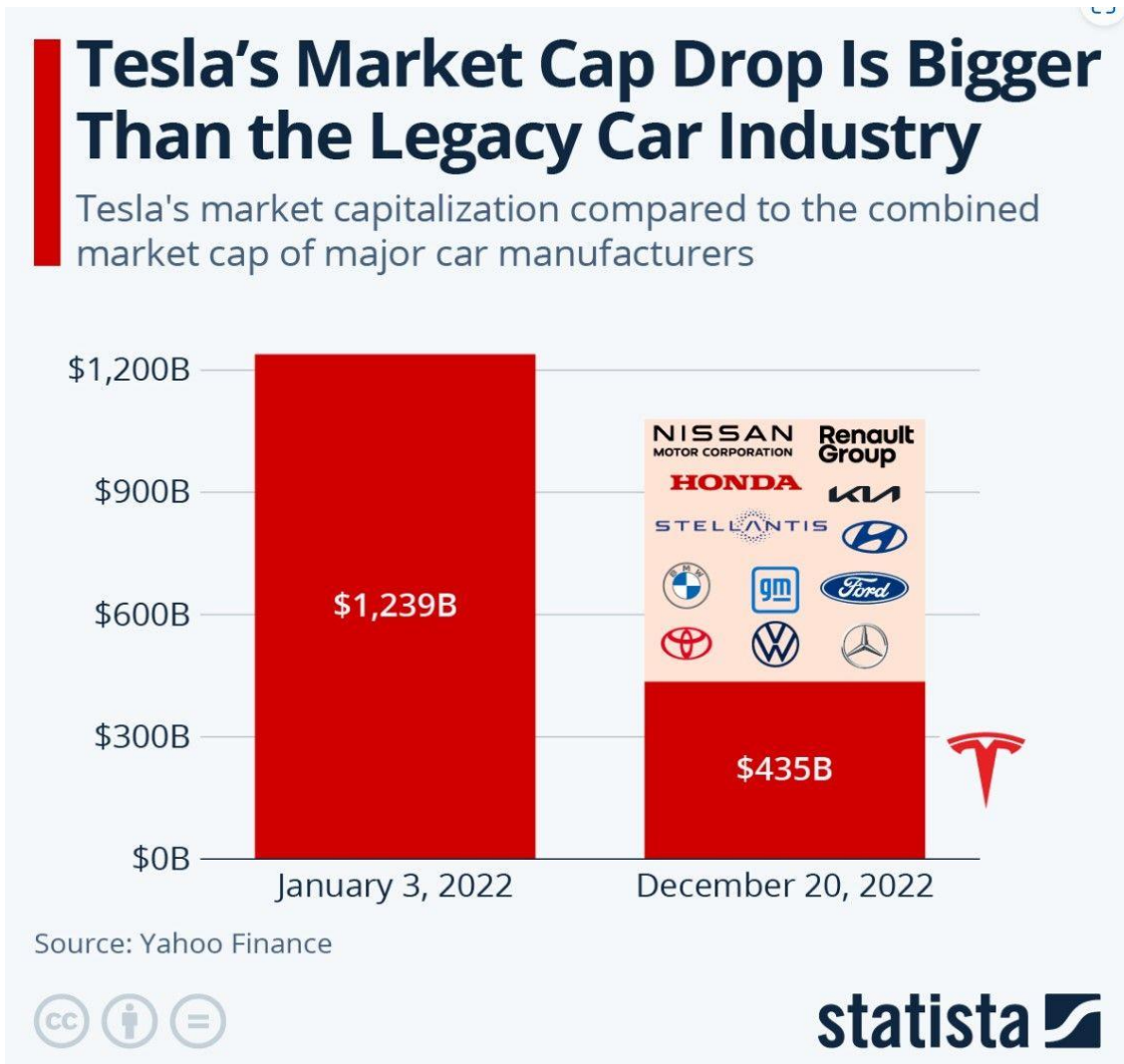


Source: Twitter



## #tesla

Tesla's drop in market capitalization, roughly \$800 billion from its peak, is bigger than the combined valuation of pretty much any legacy car manufacturer you could think of.



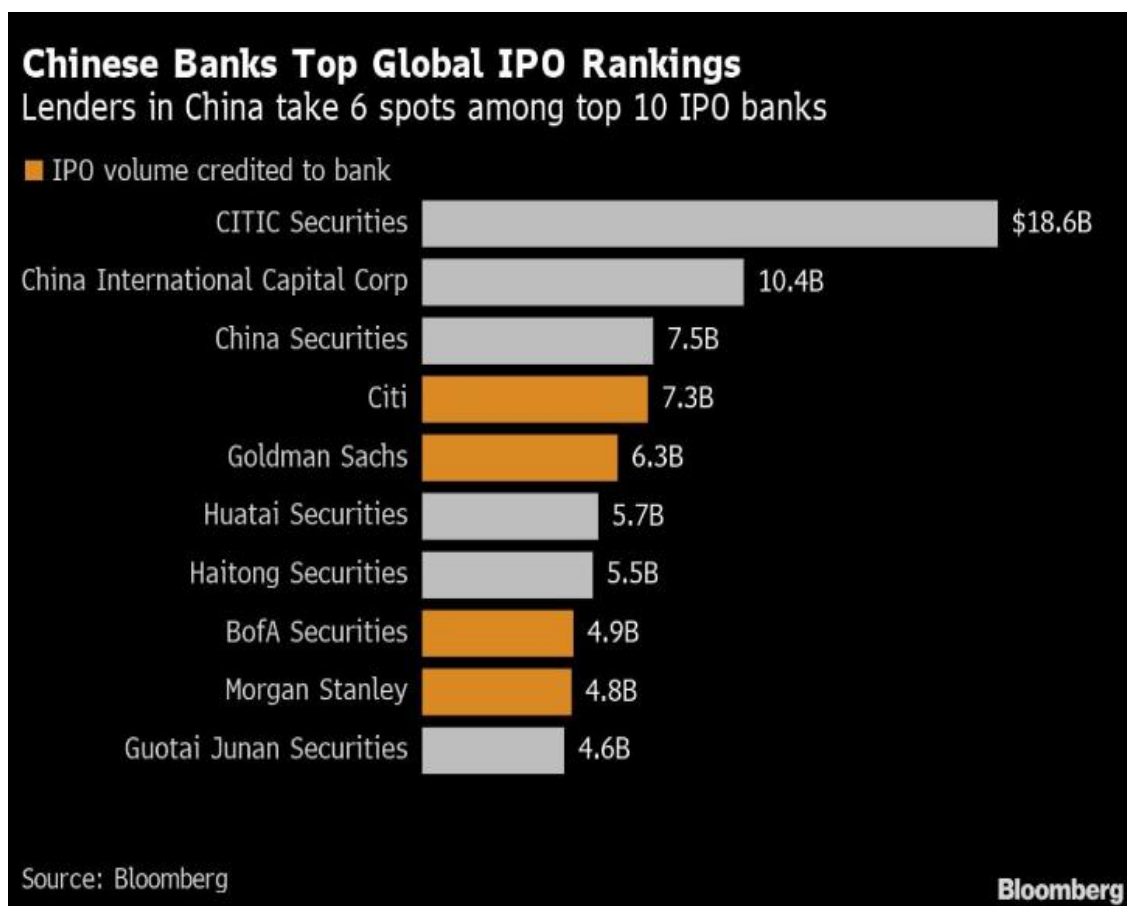
Source: Statista





#china #equities #banks #ipos

Chinese banks took gold, silver and bronze in the global IPO rankings for the first time since at least 1999



Source: Bloomberg



## #dollar

The dollar slipped lower on the week, back to post-CPI lows...

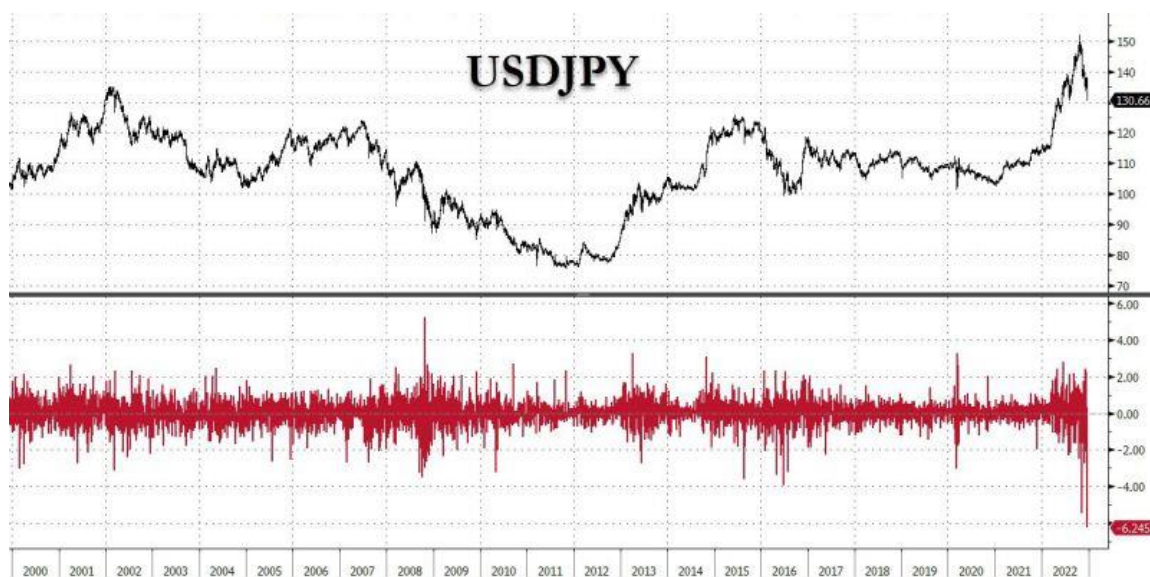


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #jpy

Tuesday's move on the USDJPY was the biggest of the century.

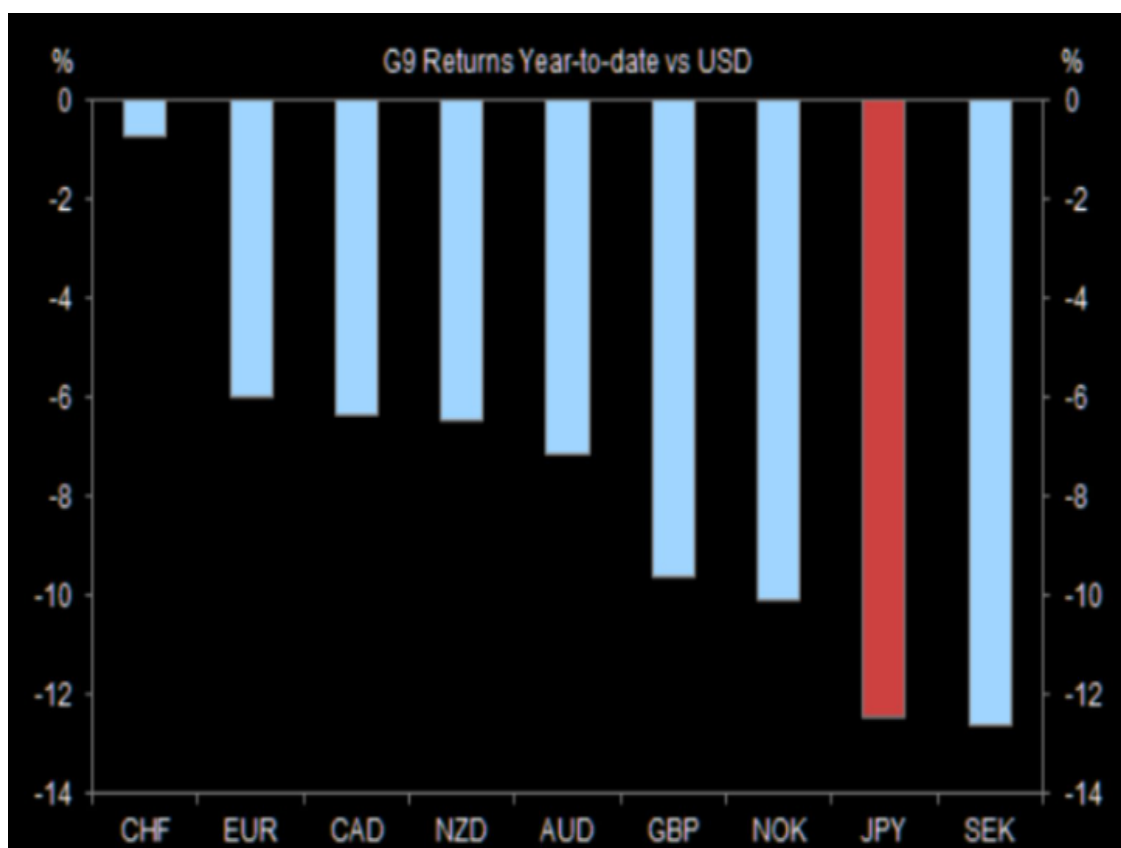


Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)



## #forex #yen

The Yen is no longer the worst performing G9 currency this year

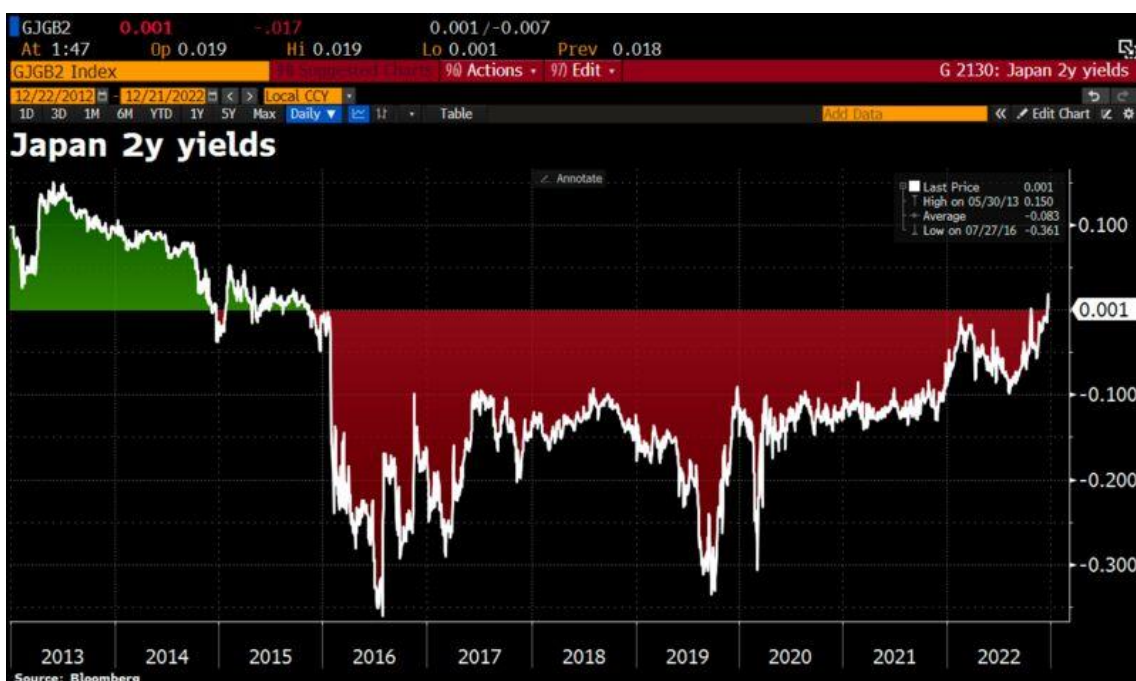


Source: Bloomberg



## #japan #2y #yields

Japan 2y yields have risen >0 for 1st time since 2015 after BoJ shock tweak.

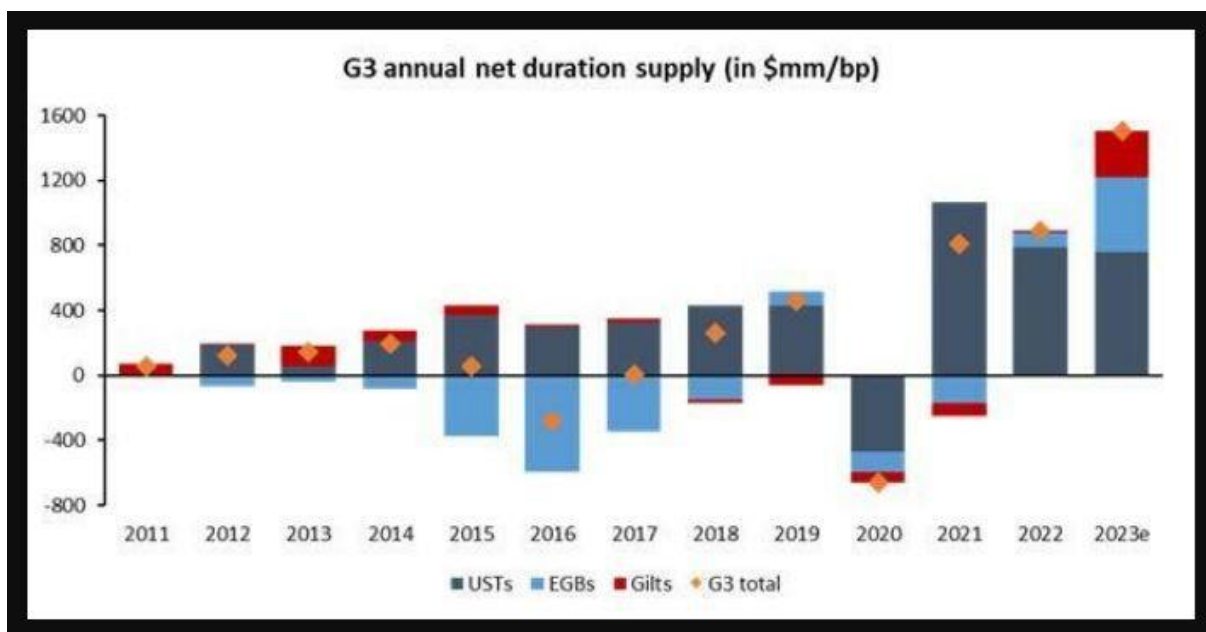


Source: Source: Bloomberg, HolgerZ



## #g7 #bonds

Are central banks reducing the size of their balance sheets at the worst time? Over the last decade, central banks have been one of the largest buyers in the market. With 2023e expected to be a year of record net supply for G3 issuers, these bonds need to find a home. If both #emergingmarkets and central banks reduce their G3 #bonds purchase, are there enough buyers elsewhere?



Source: Goldman Sachs

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### #us #treasuries

Bonds were dumped this week, led by the long-end with the 10Y yield up 26bps - the biggest weekly yield surge since April...

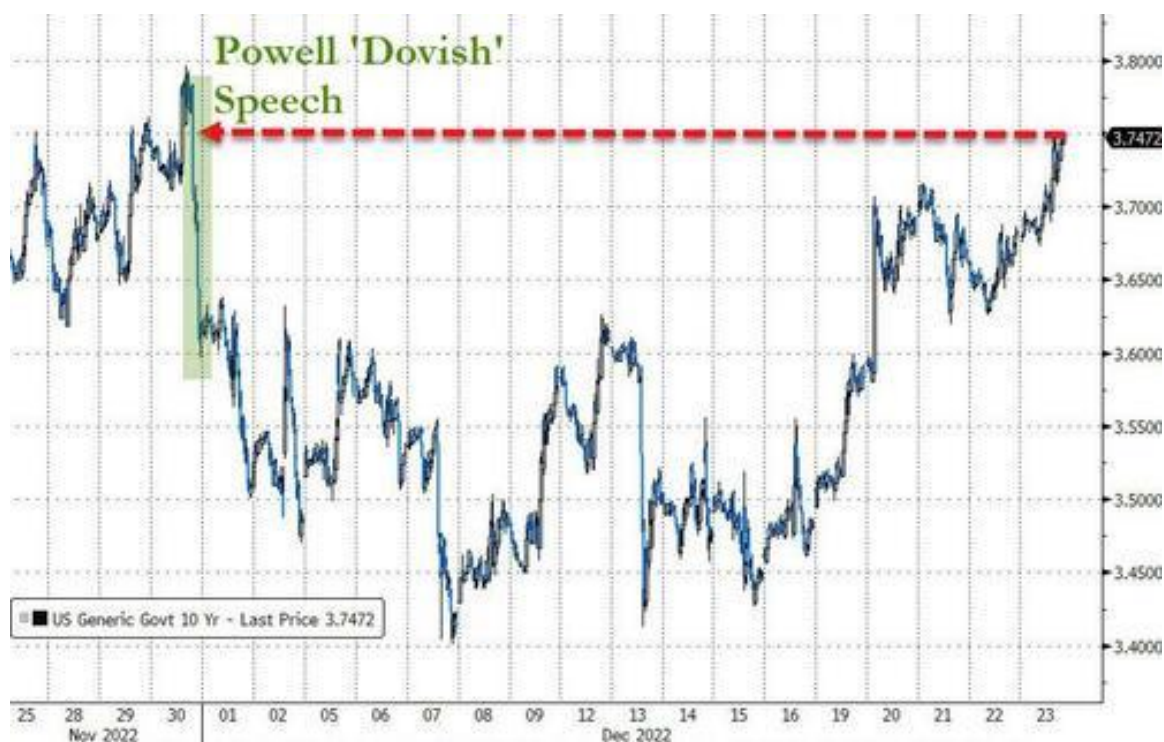


Source: [www.zerohege.com](http://www.zerohege.com), Bloomberg



## #us #treasuries

The 10Y Yield is back up at one-month highs (erasing all the price gains since Powell's dovish address in late November)...



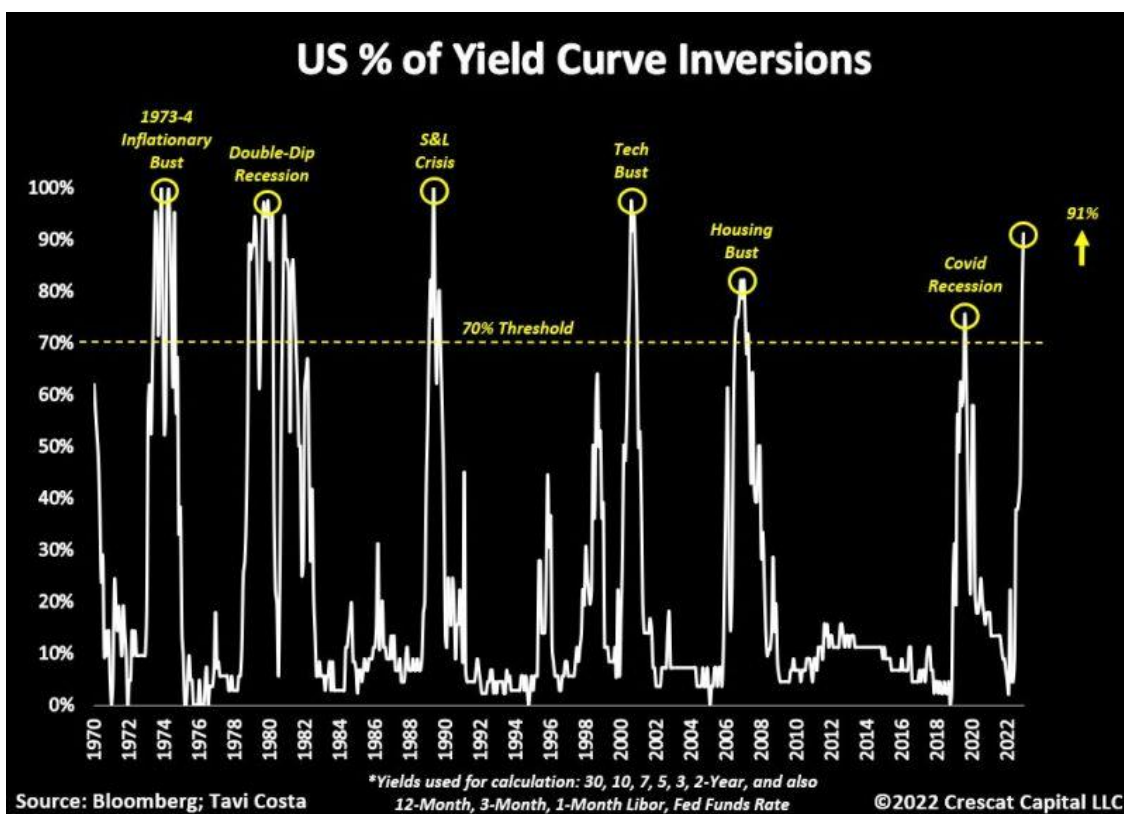
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg





## #us #reasuries #yieldcurve

The percentage of inversions in the US Treasury curve just shot up to 91%! This is now worse than the global financial crisis.

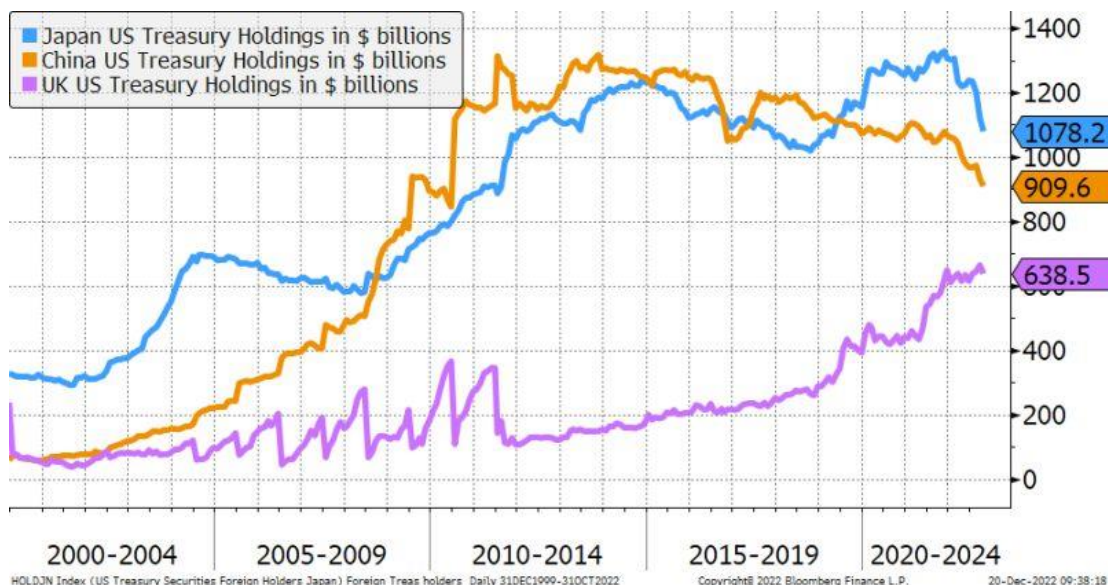


Source: Crescat, Bloomberg



## #us #treasuries #holders

While many think of China, it is actually Japan that is the biggest foreign holder of US Treasuries (China is 2nd and UK 3rd). Higher yields in Japan could further weaken Japanese investor demand for Treasuries.

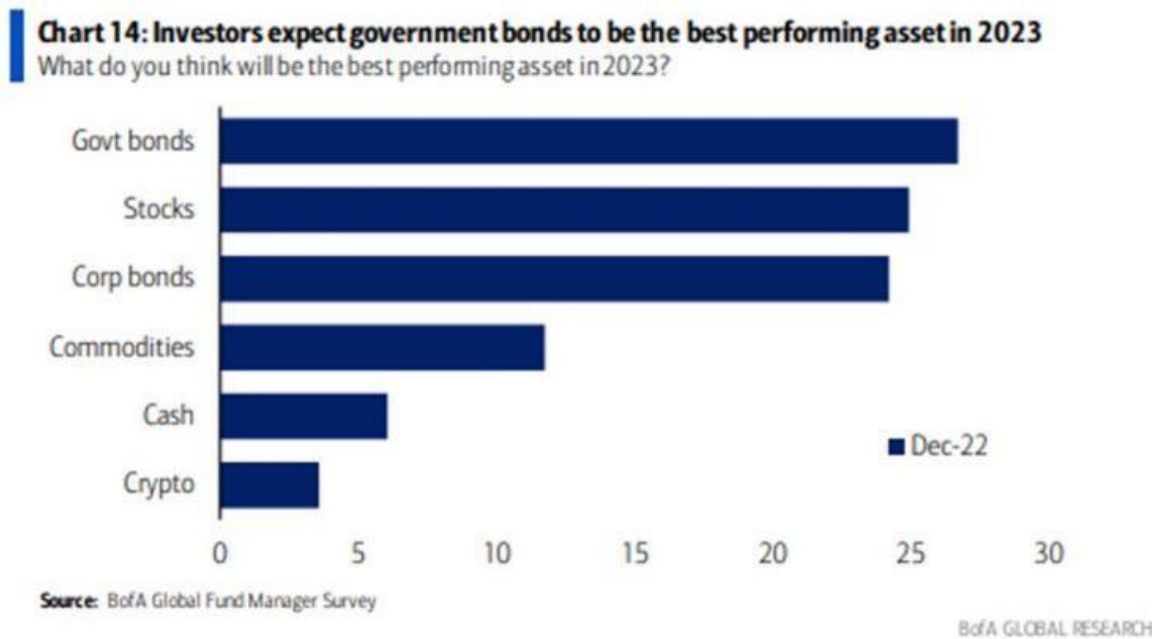


Source: Jeffrey Kleintop



## #bonds #sentiment

Which asset class will be the best performing one in 2023 according to BofA Fund manager survey? 27% of investors expect government bonds to be the best performing asset of 2023 followed by stocks, corporate bonds, commodities, cash and then cryptocurrencies.

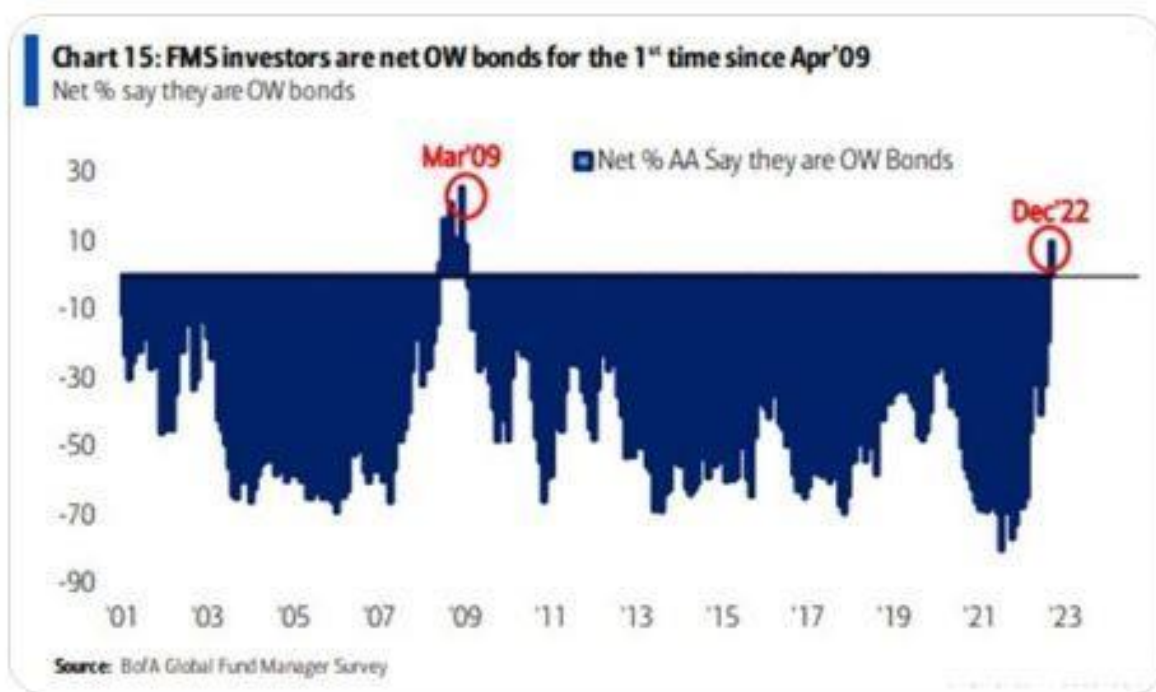


Source: BofA



## #bonds #sentiment

Long bonds is now a consensus trade. Source: BofA



Source: BofA



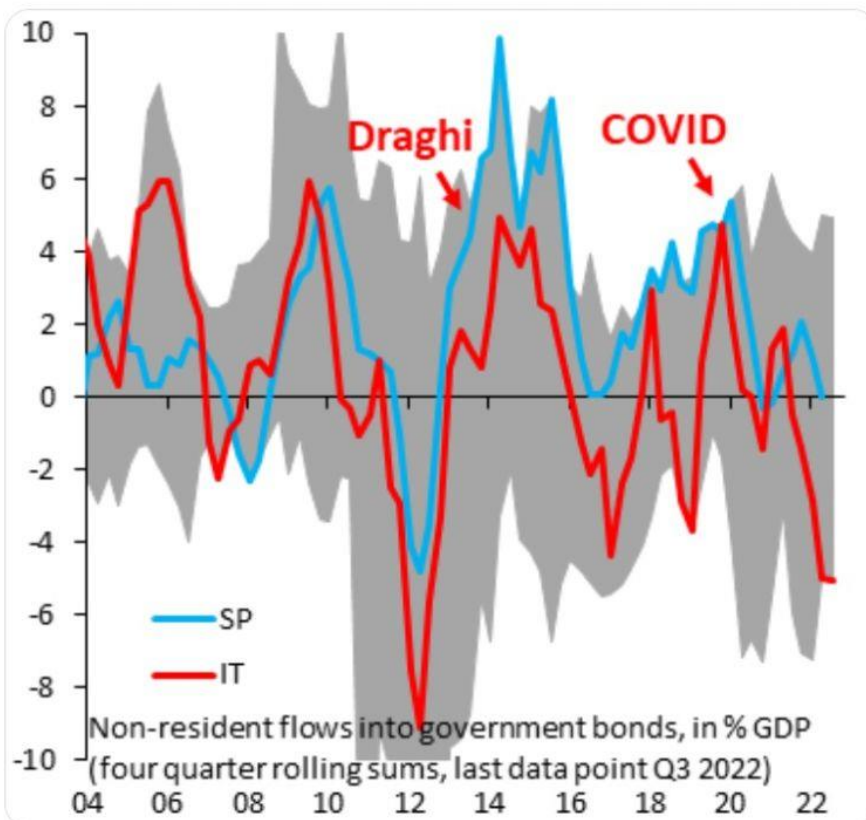
## #eu #periphery #bonds



Robin Brooks  
@RobinBrooksIIF



The Euro zone faces an Italy debt conundrum. The ECB can cap Italy's yield, but those investors that can easily sell - foreigners - are getting out. Pressure on the ECB to cap yields keeps growing, even as low yields discourage needed change in Italy. Not a good equilibrium...





## #oil

Oil prices rallied for the 2nd straight week with WTI topping \$80 on its best week since early October.

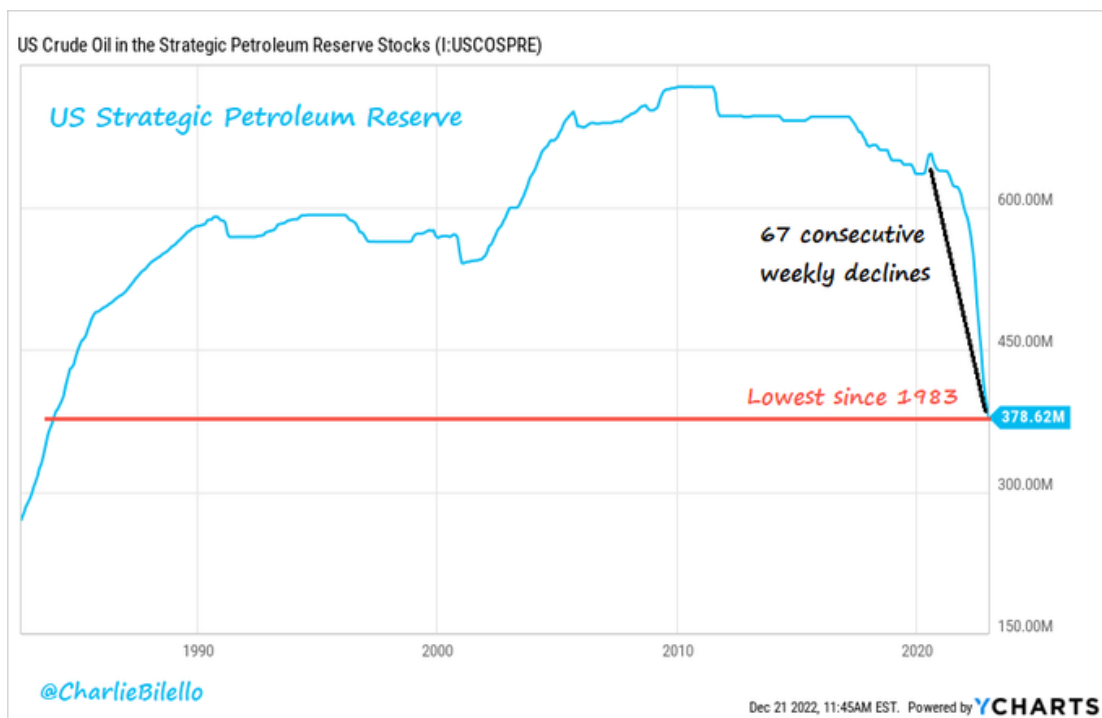


Source: [www.zerohege.com](http://www.zerohege.com), Bloomberg



## #oil

The US Strategic Petroleum Reserve moved down for the 67th consecutive week to its lowest level since 1983. The 36% decline in reserves this year is the largest on record by a wide margin.

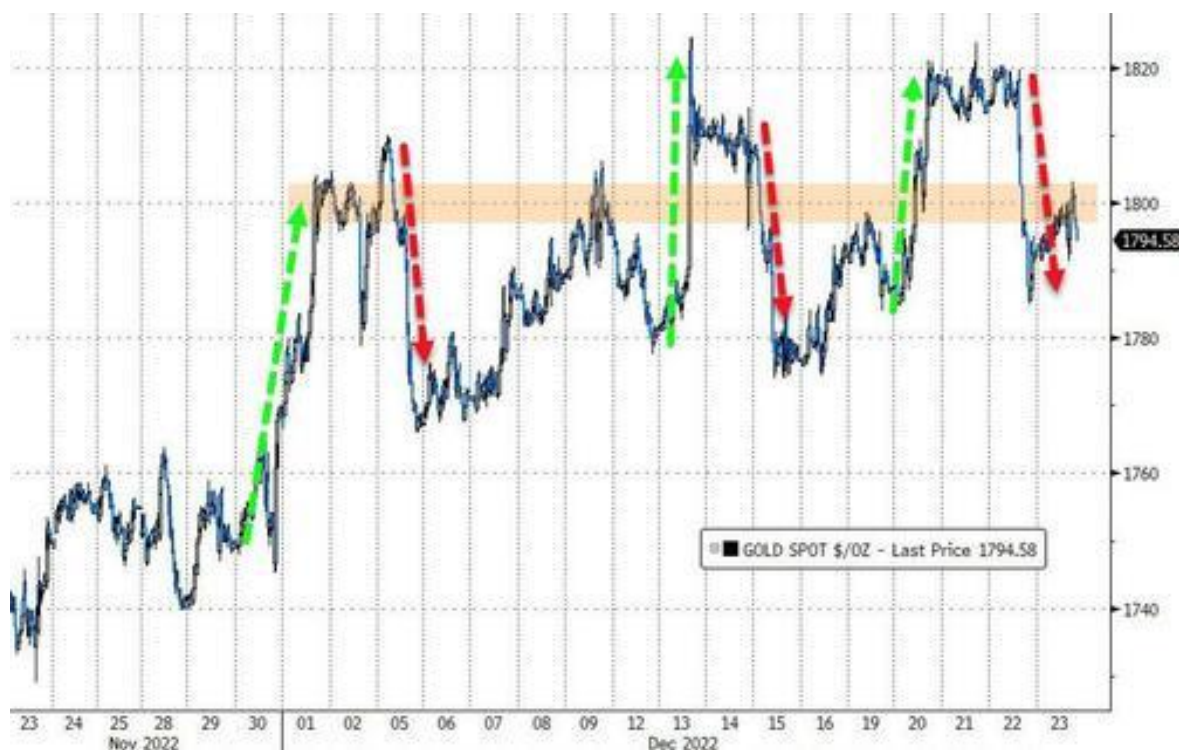


Source: Charlie Bilello

#markets

## #gold

Gold ended the week unchanged (basically the 3rd week in a row where - despite intra-week volatility - the precious metal has ended flat around \$1800)



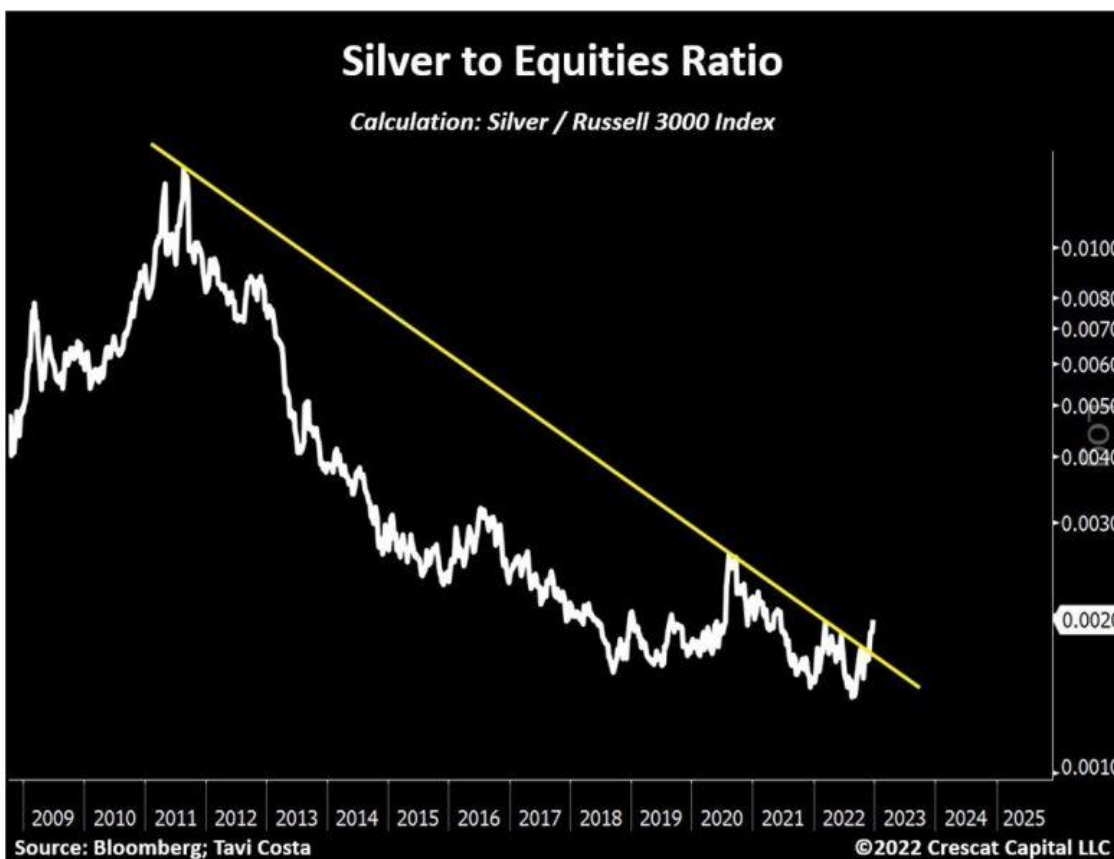
Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg





## #silver

Silver-to-equities ratio now breaking out from an over decade-long resistance. Based on history, excessive yield curve inversions leads to good times ahead for precious metals vs. overall stocks.



Source: Bloomberg, Crescat Capital



## #lumber

Lumber prices are at their lowest levels since June 2020, down 79% from the peak in May 2021.



Source: Charlie Bilello



## #us #hard #soft #data

After three months of divergence, hard data started to lag this week, catching down to the more sentiment-driven 'soft' survey data, and dashing hopes of a soft landing happening in the US economy...



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



## #us #leading-indicators

The 6-month growth rate in the Leading Economic Index fell further into negative territory in November and is at levels that have signaled a recession in the past (2020, 2008, and 2001)...



Source: Charlie Bilello

#macro

## #us #inflation

Bad news: The Fed's favorite inflation indicator - Core PCE Deflator - printed slightly hotter than expected in November +4.7% YoY vs +4.6% exp (MoM was in-line at +0.2% after an upward revision for October).

Good news: That is below the 4.8% forecast in the FOMC's December SEP. In other words, for the FOMC's forecast to be hit, December's PCE would have to accelerate significantly. What that means is that The Fed might be forced to admit that inflation is slowing faster than they expected - which is implicitly dovish from their 'higher for longer' narrative.

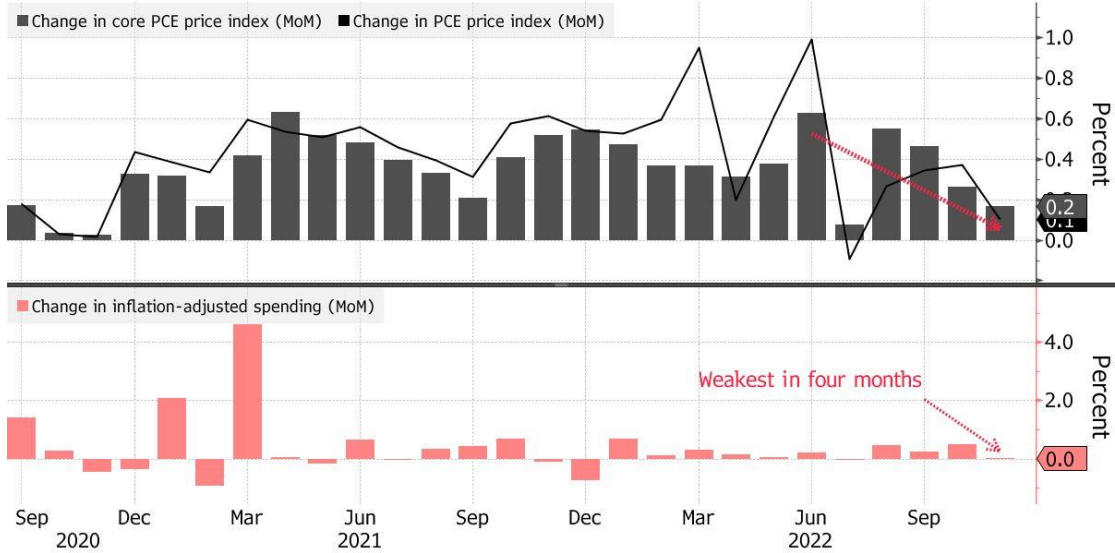




## #us #inflation

Key Inflation Gauge Cools, US Consumer Spending Misses Forecasts.

### Key US Inflation Gauges Moderate While Spending Stagnates

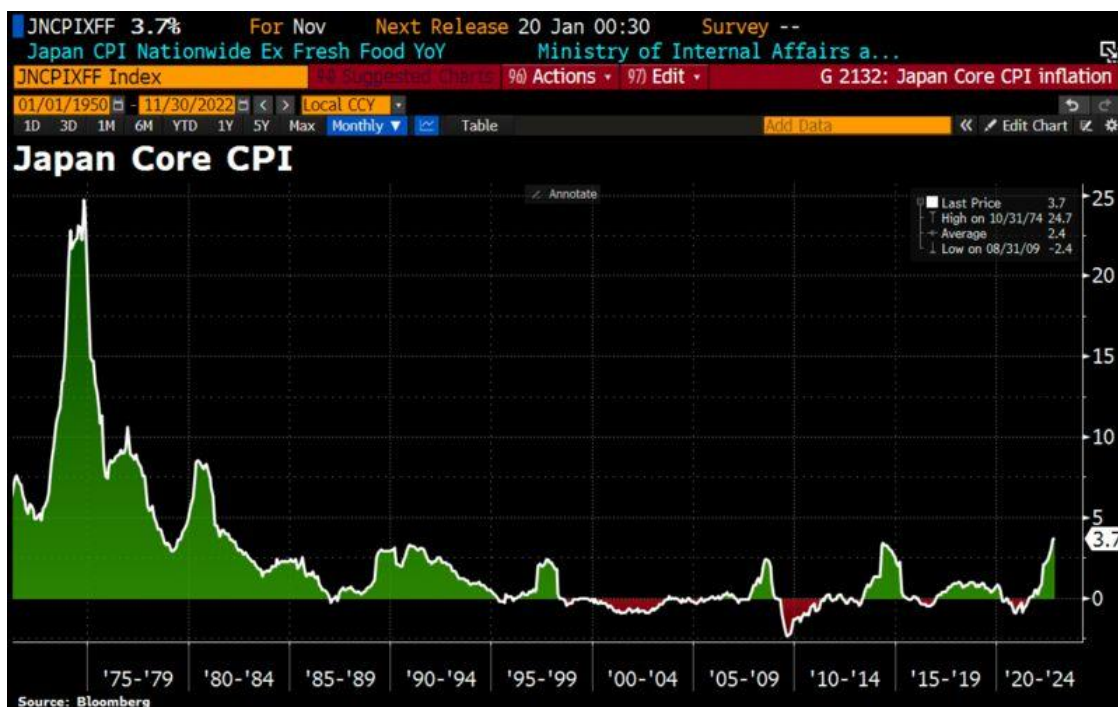


Source: Bloomberg



## #japan #inflation

Japan's consumer #inflation hits 40y high as firms increasingly passed on high energy, food & raw material costs to households. Core CPI jump to 3.7%, biggest rise since 4% jump seen in Dec1981, when inflation was still high from impact of 1979 oil shock.



Source: Bloomberg, HolgerZ



## #eu #energy-crisis

European gas fell to the lowest level since Jun as temperatures remain mild in much of Europe while near-record LNG imports & fuller-than-normal inventories further ease supply concerns. Gas settled 7.5% lower, falling <€100/MWh, while German 1y ahead power price dropped ~7%



Source: HolgerZ, Bloomberg



#macro

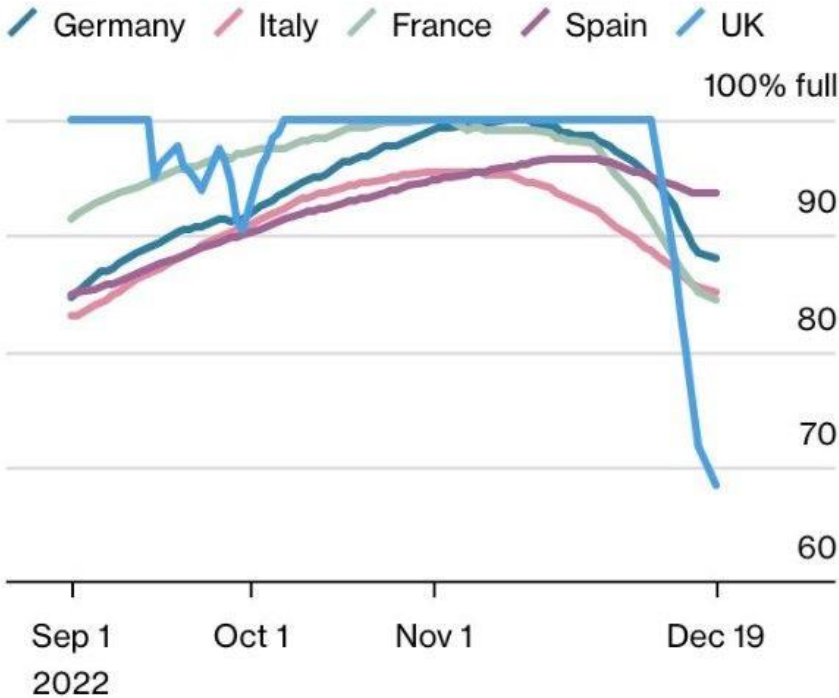
#eu #energy-crisis

Gianluca @MenthorQpro · 14h

Look how fast gas storage was depleted in the UK with cold weather and renewables failing. Now as Russian flows disappear the problem will become real across EU, making the cap even more inadequate

### National Gas Storage Levels

The cold snap eroded Europe's gas stockpiles, especially in the UK



Source: Gas Infrastructure Europe

Bloomberg

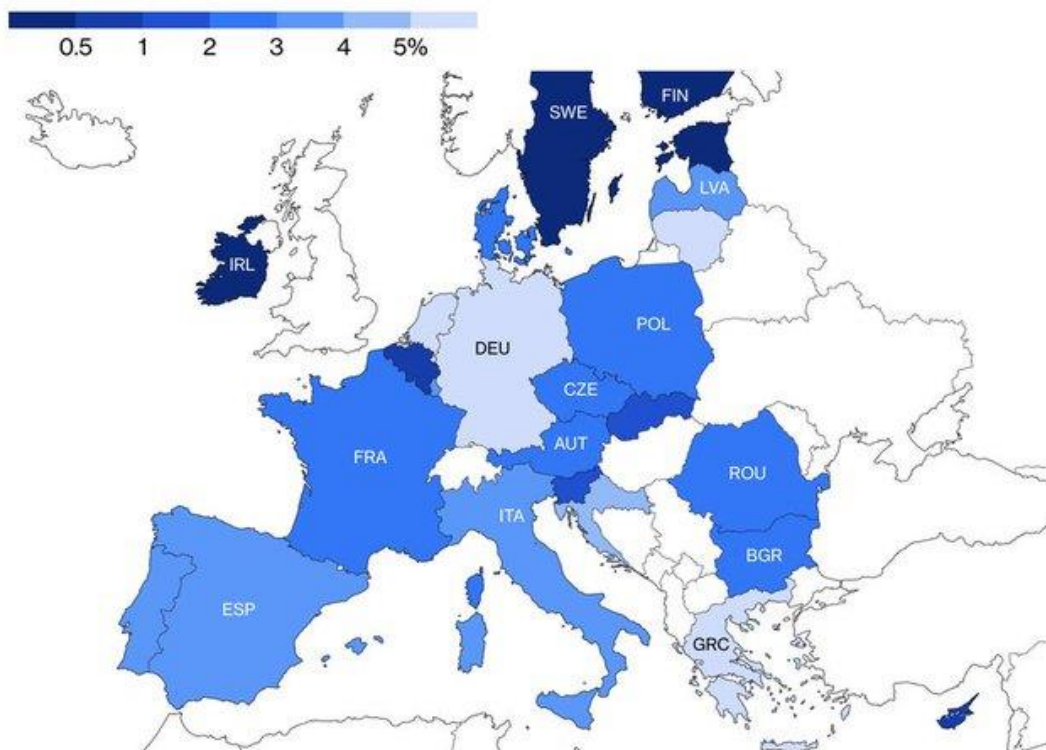


## #eu #energy-crisis

Another form of QE... This time by government...

### European Countries Are Spending Billions on Energy Support

Government expenditure as proportion of GDP



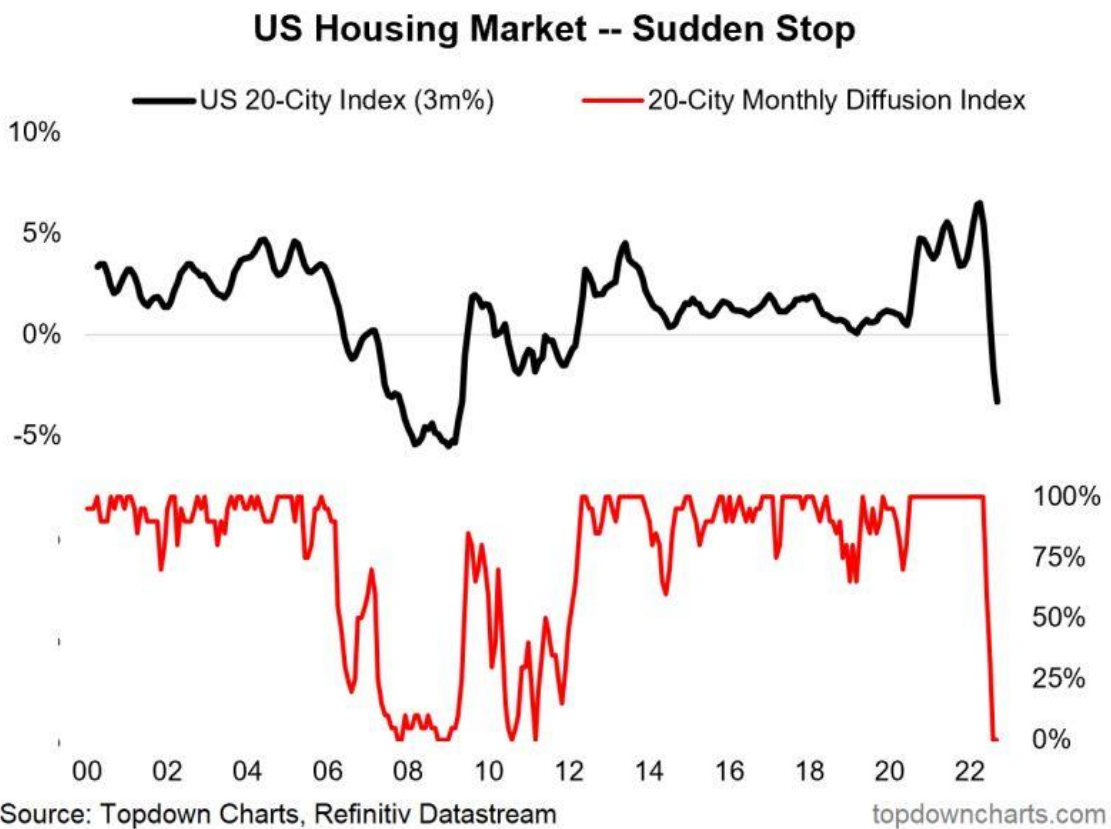
Source: Bruegel, Bloomberg

Source: Bloomberg, Alessio Urban

#macro

## #us #housing

The US housing market seems to be coming to a sudden stop.

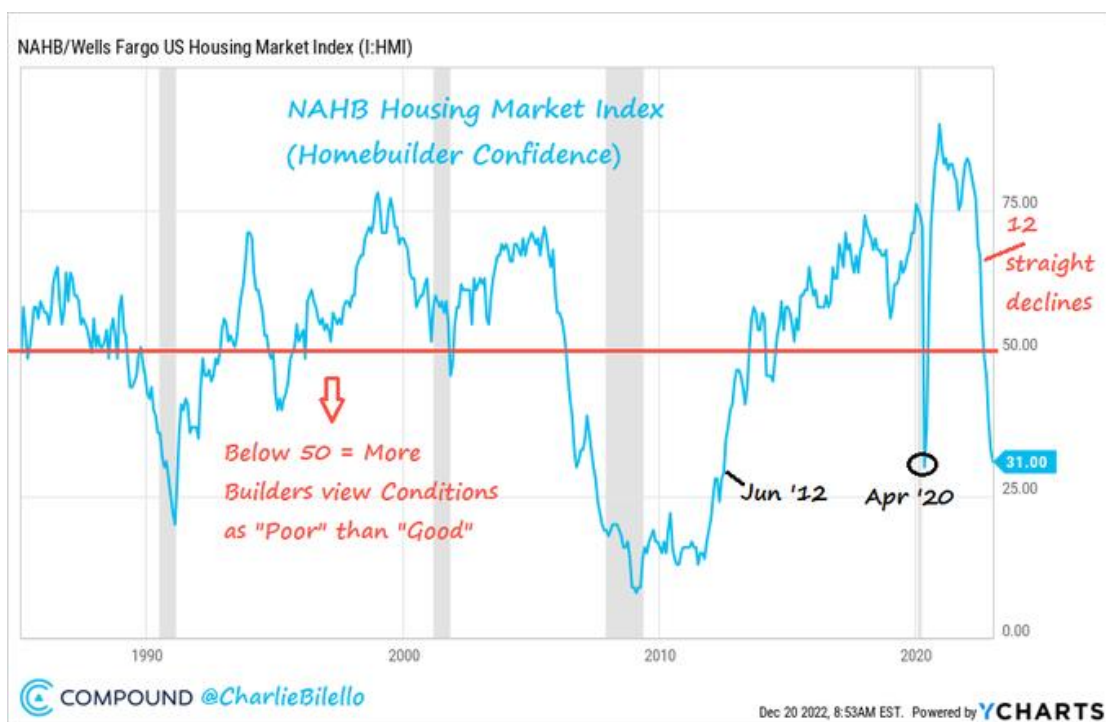


Source: Top down charts



## #us #housing

The US Housing Market Index (measure of homebuilder confidence) fell for the 12th consecutive month to its lowest level since April 2020. Before April 2020 (which was a short-lived decline during the pandemic shutdowns), this is the lowest since June 2012.



Source: Charlie Bilello





## #us #housing

Total housing under construction remained at record high confirming that more supply is coming, with a peak expected around 4Q23. In other words, more downward pressure for rents..



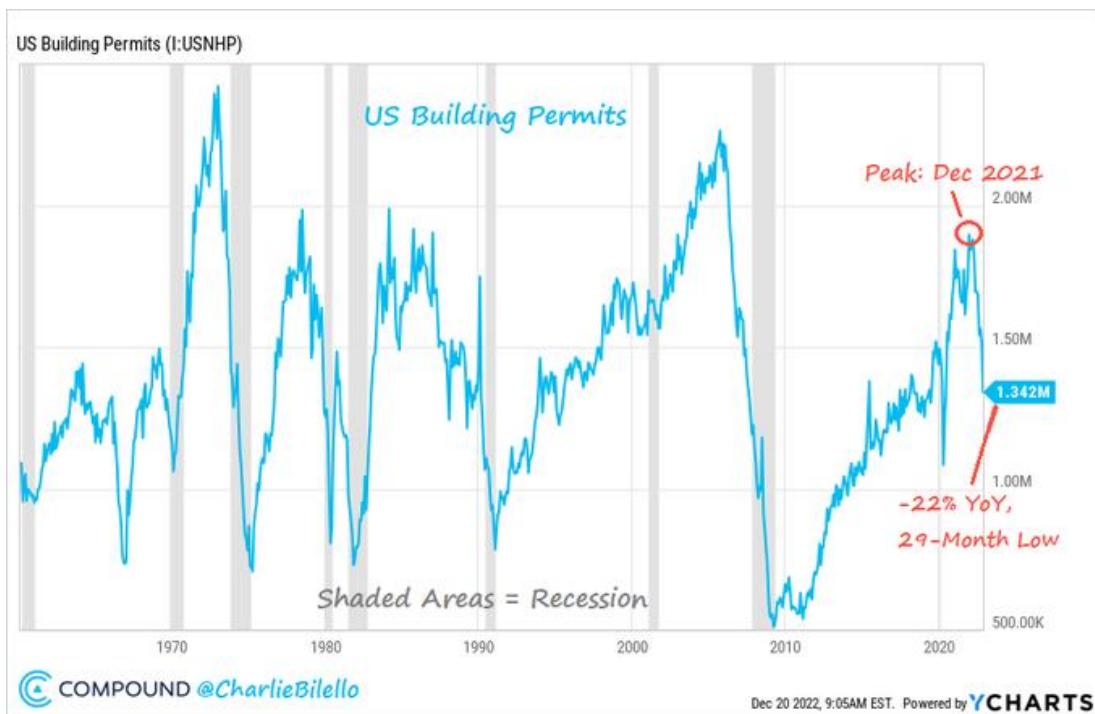
Sources: Bloomberg, christophe-barraud.com

Source: C.Barraud, Bloomberg



## #us #housing

US Building Permits hit a 29-month low in November, down 22% year-over-year. Tends to be a leading indicator for the economy, recessionary signals continue to build.



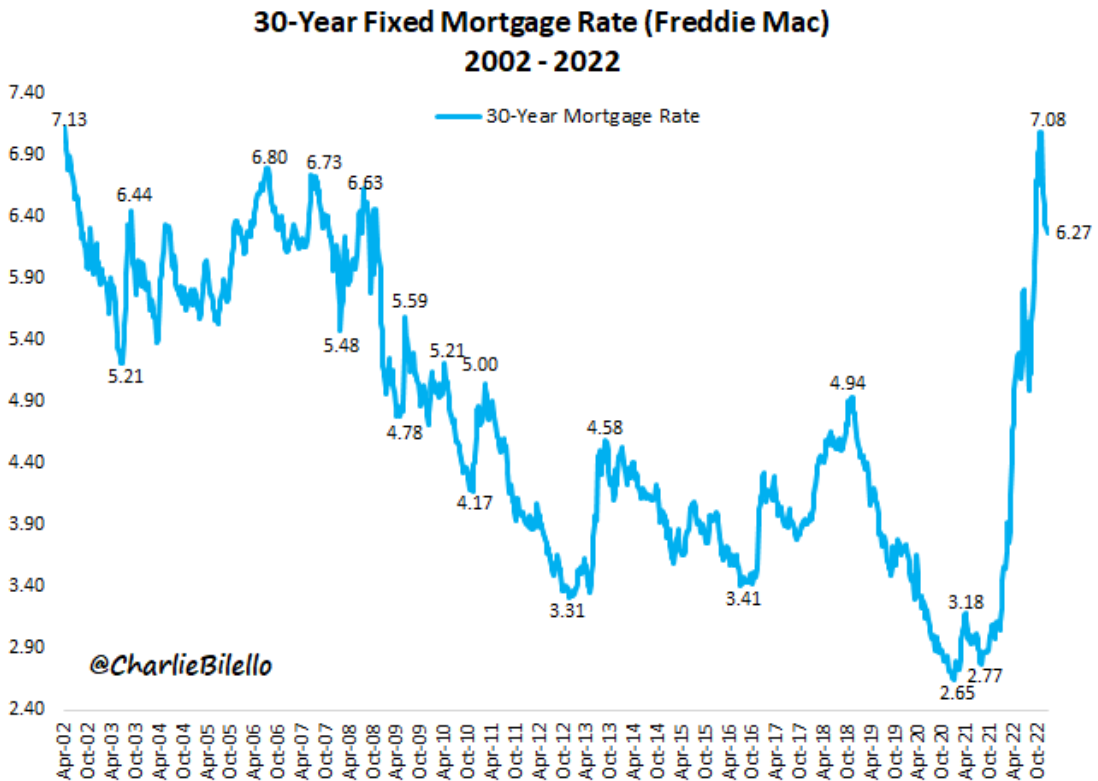
Source: Charlie Bilello



## #us #mortgages

Good news: the 30-year US mortgage rate has moved from 7.08% to 6.27% over the last 6 weeks, an 81 bps decline.

Bad news: the 30-year US mortgage has moved from 3.11% to 6.27% in 2022, the largest annual increase (+316 bps) on record.



Source: Charlie Bilello



#macro

## #canada #housing

Barring the huge drop during the global financial crisis, the last six months have been the fastest drop in Canadian home prices on record.



Source: Bespoke



#macro

#china #covid



Christophe Barraud @C\_Barraud · 6h

#China Estimates #Covid Surge Is Infecting 37 Million People a Day - Bloomberg



[bloomberg.com](https://www.bloomberg.com)

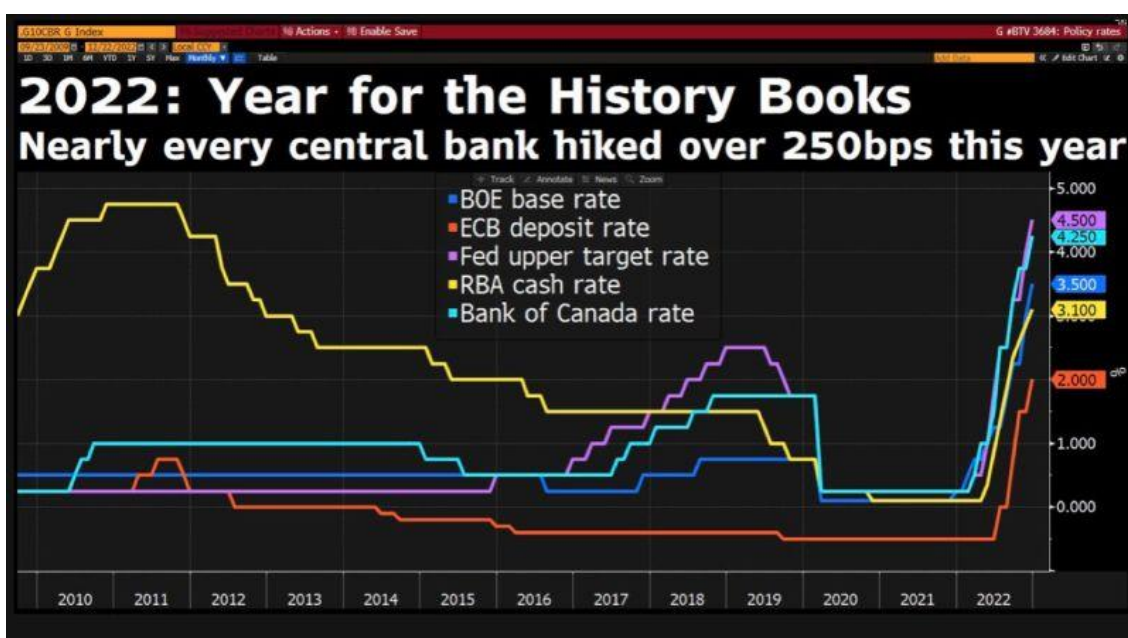
China Estimates Covid Surge Is Infecting 37 Million People a Day

Nearly 37 million people in China may have been infected with Covid-19 on a single day this week, according to estimates from the ...

#centralbanks

## #tightening

2022, year for the history books!  
All the major central bank hiked over 250bps.



Source: Bloomberg

#centralbanks

## #us #rates #expectations

The market has shifted hawkishly this week, with expectations for the terminal Fed rate rising and expectations of subsequent rate-cuts falling (both back up near pre-CPI levels)...



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

## #centralbanks

### #jgb #yield-curve-control #boj

Bank of Japan (BoJ) holds rates steady but WIDENS YIELD CURVE CONTROL BAND. This is a tightening monetary policy move allowing long-rates to rise from 25bps (the prior YCC limit) to 50bps (the current YCC limit)...

The Bank of Japan held its benchmark interest rates steady and announced it will modify its yield curve control band, the central bank said in a statement.

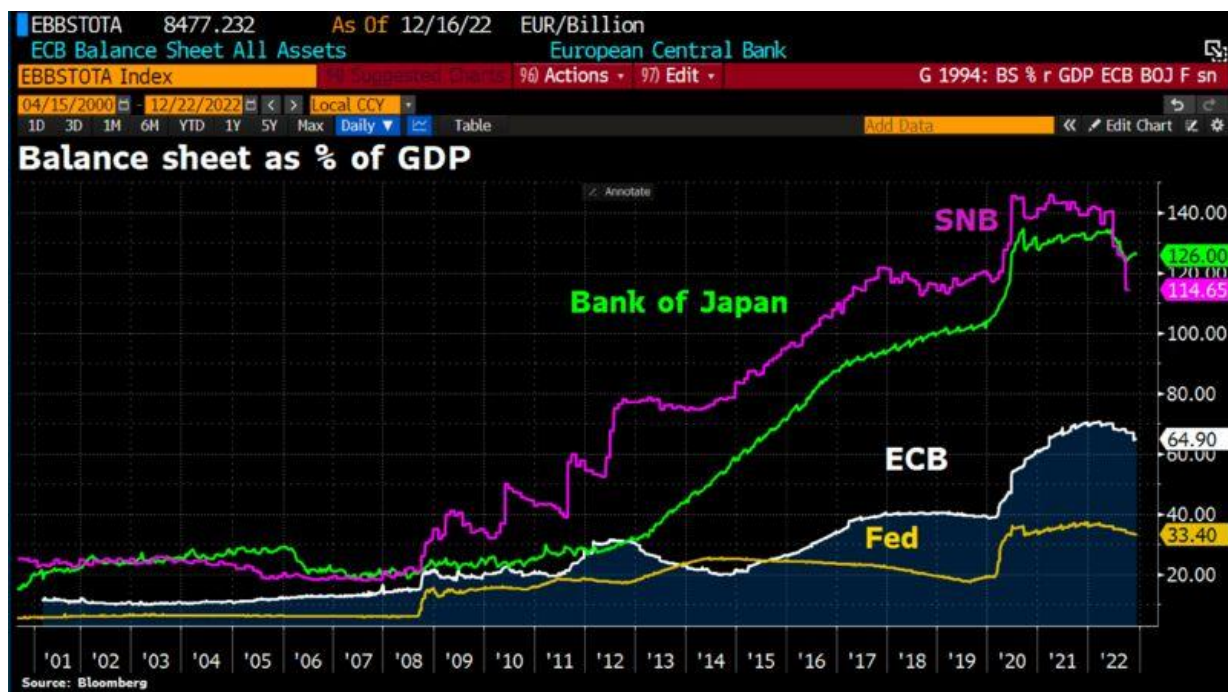
The BOJ will expand the range of 10-year Japan government bond yield fluctuations from its current plus and minus 0.25 percentage points to plus and minus 0.5 percentage points, it said.



#centralbanks

## #boj #balance-sheet

The biggest money printers now are the Bank of Japan. But with their Yield Curve Control tweak, total assets should no longer increase as much.



Source: Bloomberg, HolgerZ

#centralbanks

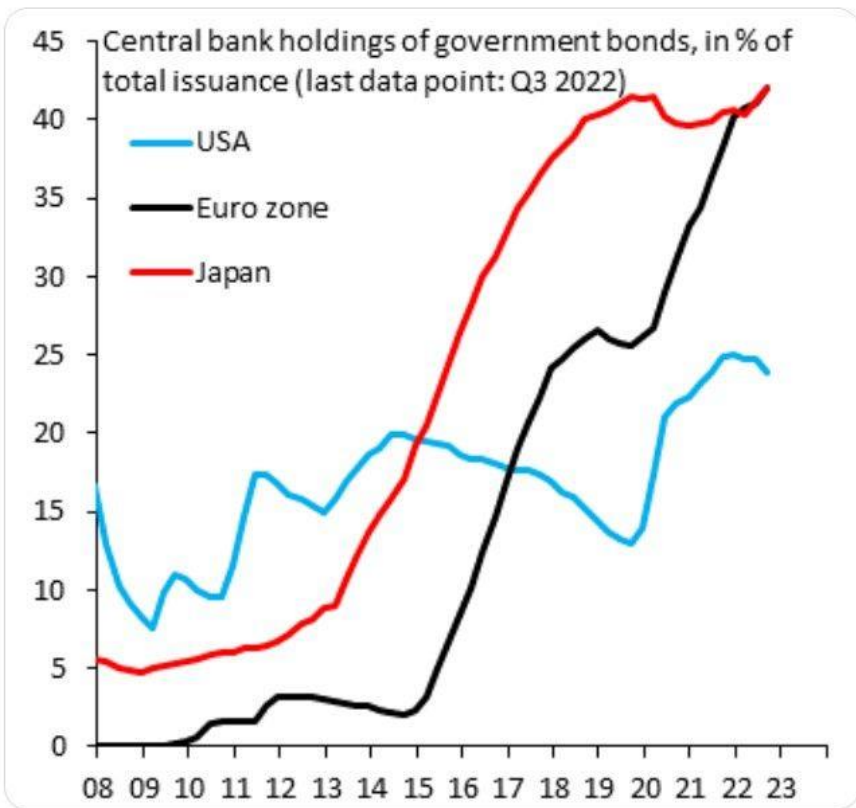
#bonds #holdings #ecb #boj #fed

Government bonds holdings by ECB and BoJ as a % of issuance.



Robin Brooks  
@RobinBrooksIF

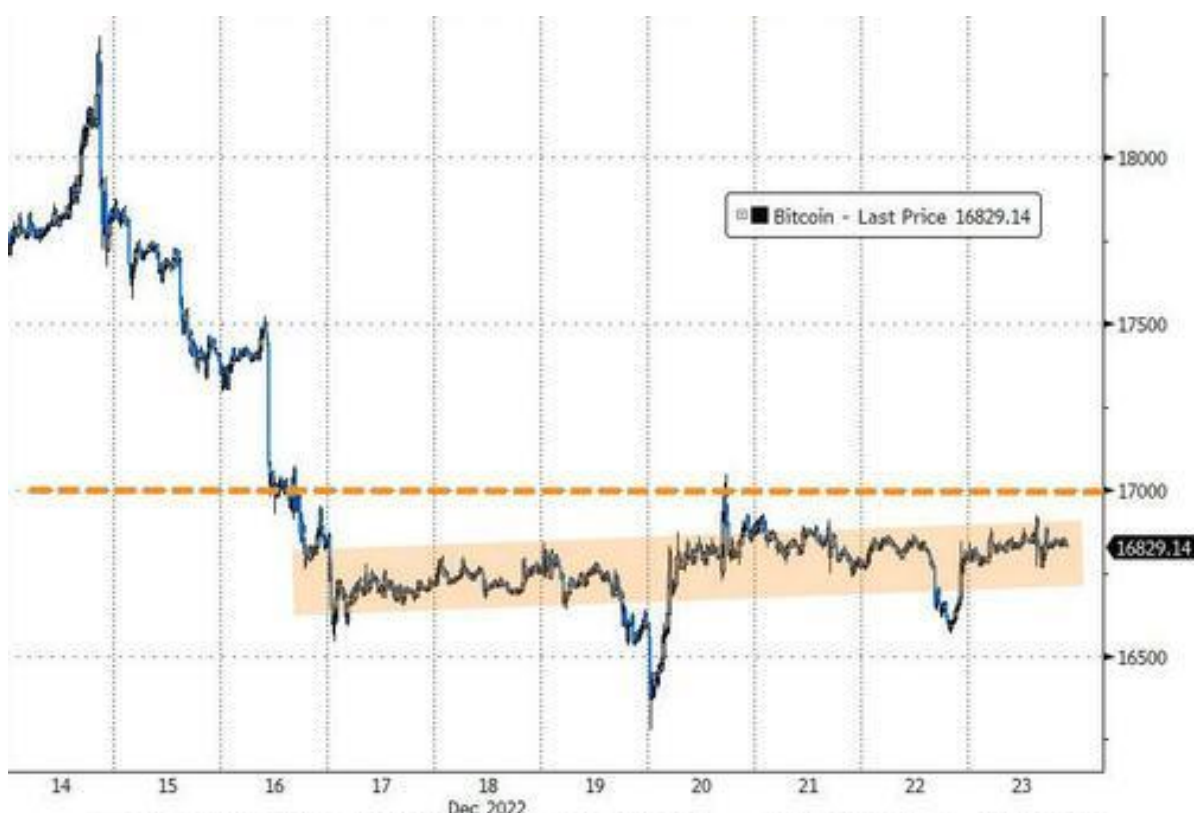
There's a lot of focus on how much of Japan's government bond market the BoJ owns. But the reality is that Japan (red) and the Euro zone (black) are on the same level in this regard. Relative to the outstanding issuance, the ECB is as big a holder of government debt as the BoJ...





## #bitcoin

Cryptos continued their low-vol range-bound trading with Bitcoin holding just below \$17,000 for the week...



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



### #cryptocurrencies #banks #reserves

From Jan 1 2025, banks can hold 2% of their reserves in cryptocurrencies. The report has categorized cryptocurrencies under groups called Group 1 and Group 2. The Group 1 asset includes tokenized traditional assets and digital assets which have effective stabilization mechanisms. Meanwhile, Group 2 has digital assets that do not conform to any of the classification terms and conditions. Thus, the report suggests that bank’s financial exposures to Group 2 crypto assets must not be more than 2% of the bank’s Tier 1 capital, within their reserves. The report warns banks that non-compliance of AML or CFT laws can cause operational losses.



Source: investing, bis





## #cryptocurrencies #drawdown



Source: The Daily Shot



## #bitcoin #drawdown

The worst year ever for bitcoin. 4 negative quarters in a row

Time	Q1	Q2	Q3	Q4
2022	-1.46%	-56.2%	-2.57%	-13.51%
2021	103.17%	-40.36%	25.01%	5.45%
2020	-10.83%	42.33%	17.97%	168.02%
2019	8.74%	159.36%	-22.86%	-13.54%
2018	-49.7%	-7.71%	3.61%	-42.16%
2017	11.89%	123.86%	80.41%	215.07%
2016	-3.06%	62.06%	-9.41%	58.17%
2015	-24.14%	7.57%	-10.05%	81.24%
2014	-37.42%	40.43%	-39.74%	-16.7%
2013	539.96%	-3.97%	40.6%	479.59%



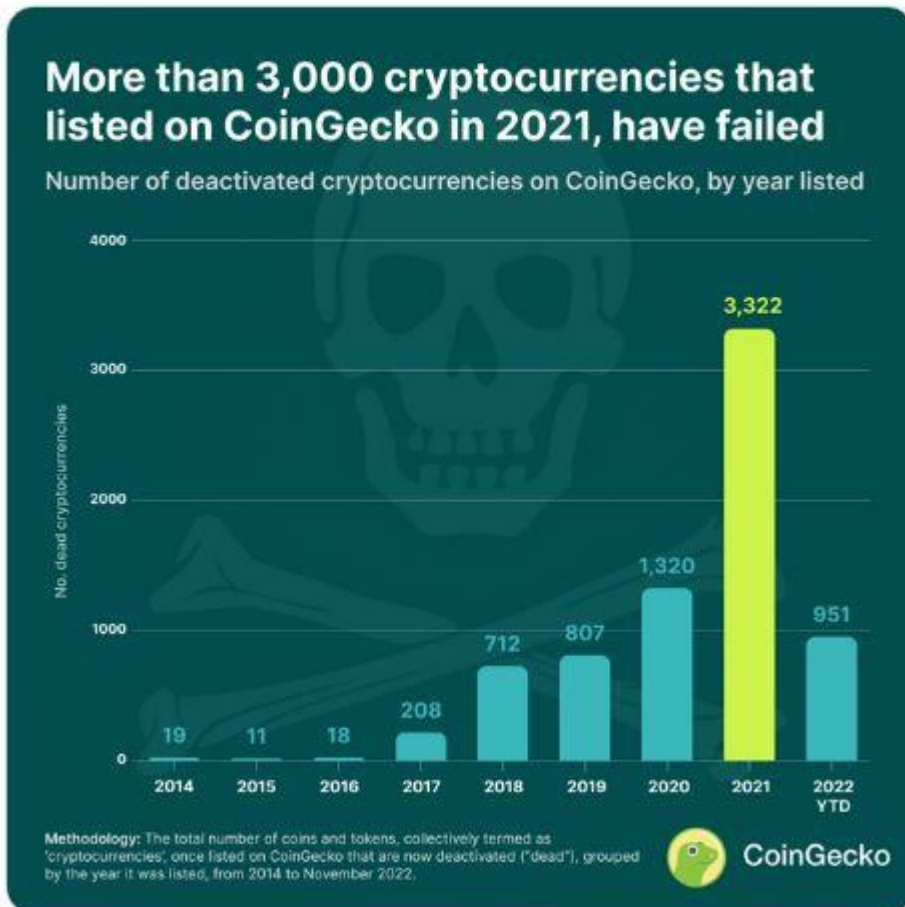
## #deadcoins

There are now more than 3,000 "dead coins"



**Wall Street Silver** @WallStreetSilv · 3h  
How Many Cryptocurrencies have Failed?

More than 3,000 crypto currencies that were listed on CoinGecko in 2021, have failed (categorized as a dead coin).



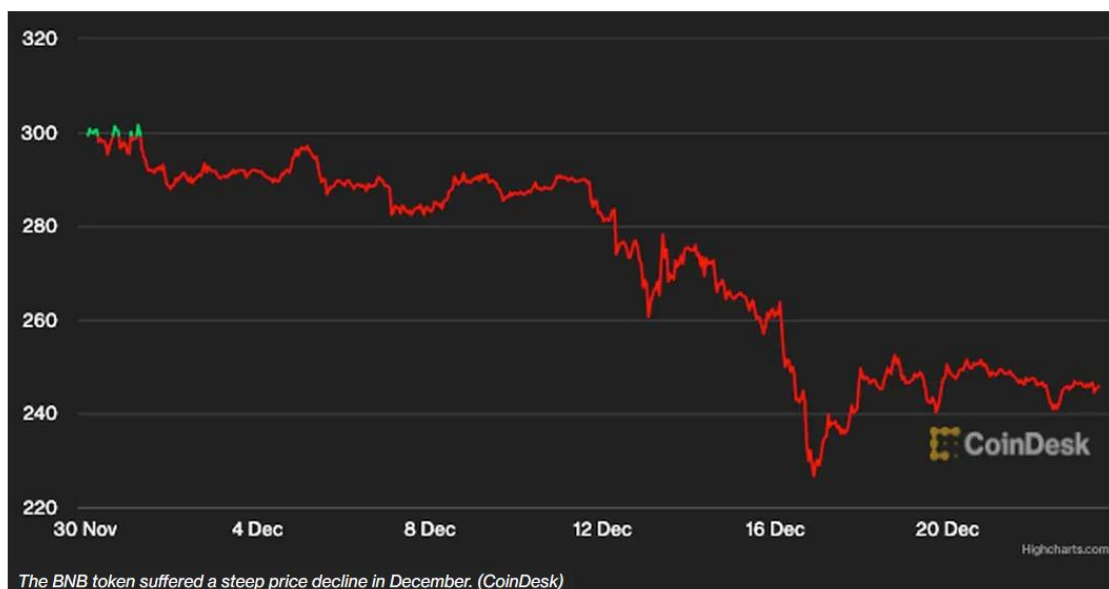


#binance

## Binance Failing to Get US Exchange Listings for BNB Is Yellow Flag for Crypto Analysts

The BNB token, with a market cap around \$40 billion, has failed to win a listing on major U.S. crypto exchanges – except on Binance.US. Crypto analysts say it might be due to risks that BNB could be deemed a security by U.S. regulators.

By Lyllah Ledesma Dec 23, 2022 at 10:14 p.m. Updated Dec 23, 2022 at 10:39 p.m.



Source: [www.coindesk.com](http://www.coindesk.com)

#cryptos

#ftx

## FTX Urges Bankruptcy Court to Freeze \$450M in Robinhood Shares Owed to Creditors

Given the list of creditors claiming the Robinhood shares, FTX asked the court to wait for a "fair" solution to be determined.

By [Liam J. Kelly](#)

Dec 23, 2022

2 min read



Source: Decrypt

#cryptos

#sbf



TECH

# FTX founder Sam Bankman-Fried to be released on \$250 million bail, will live with his parents

PUBLISHED THU, DEC 22 2022 1:35 PM EST  
UPDATED 12 MIN AGO

Rohan Goswami | MacKenzie Sigalos  
@ROGOSWAMI | @KENZIESIGALOS

WATCH LIVE

## KEY POINTS

- FTX founder Sam Bankman-Fried will be released on \$250 million bail, a federal judge ruled, while he awaits trial for eight federal criminal charges related to alleged fraud at his collapsed crypto empire.
- Bankman-Fried was extradited from the Bahamas to Westchester County in New York on Wednesday night after days of chaotic court hearings.
- Two of his top executives, Caroline Ellison and Gary Wang, pleaded guilty Wednesday to various criminal charges related to fraud at FTX, and are cooperating with the federal government.





#sbf

# Former Alameda CEO confirms firm borrowed billions from FTX customer deposits as part of plea deal

According to court documents, Caroline Ellison said she and SBF signed off on “materially misleading financial statements” for Alameda lenders — knowing it was illegal.



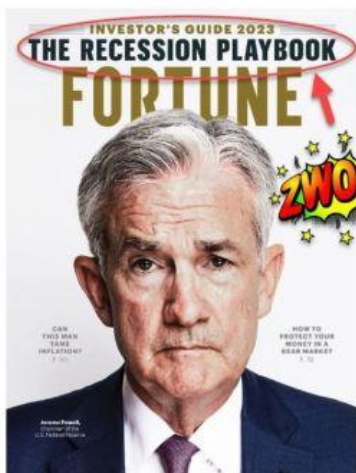
## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

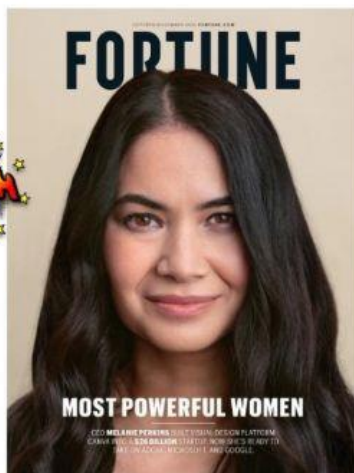
24 DECEMBER 2022

#food-for-thought

## #magazine #covers



December  
2022/January 2023



October/November  
2022



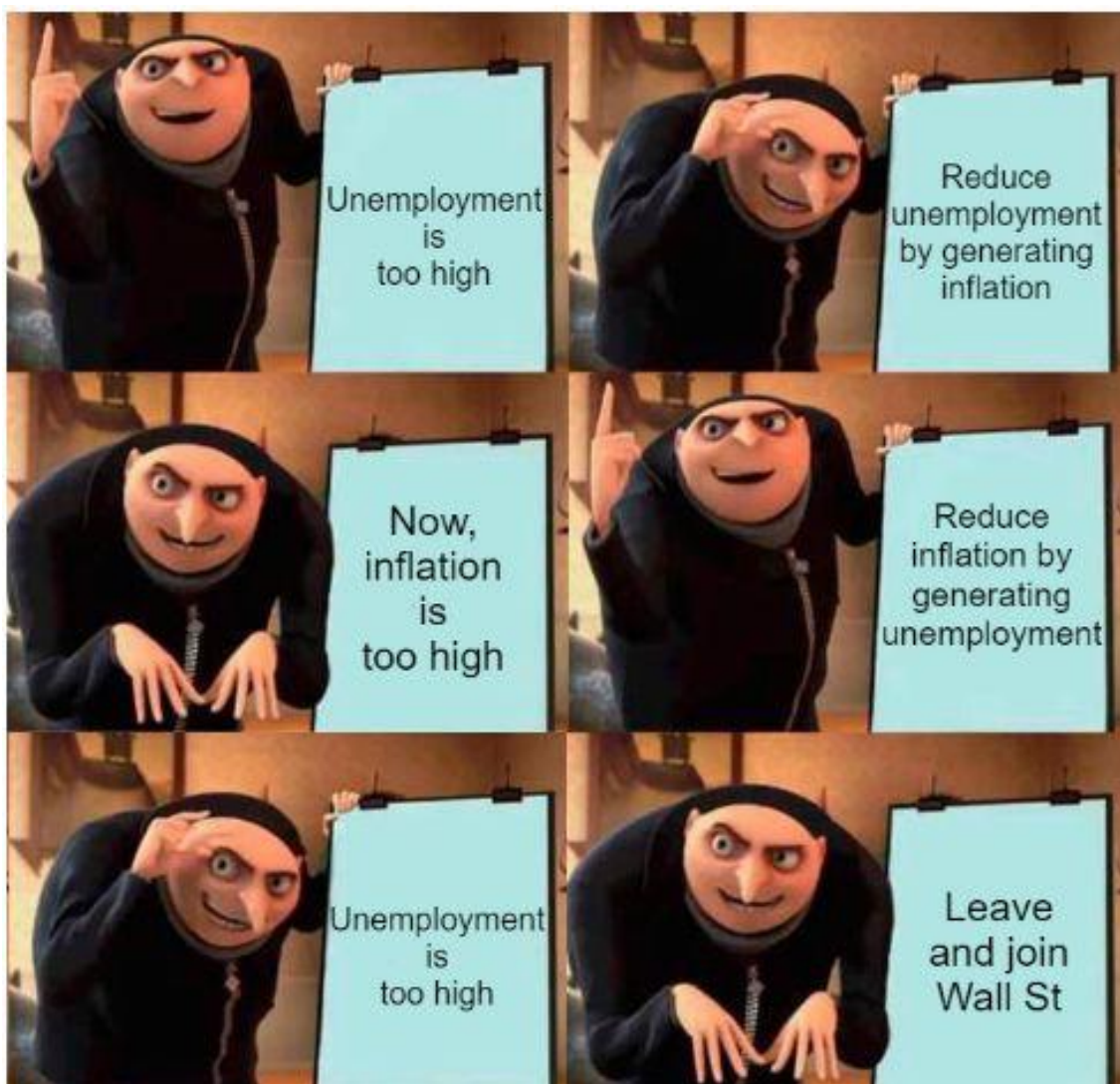
August/September  
2022

Source: Ronnie Stoeferle



#food-for-thought

#cycle



Source: Lyn Alden

#food-for-thought

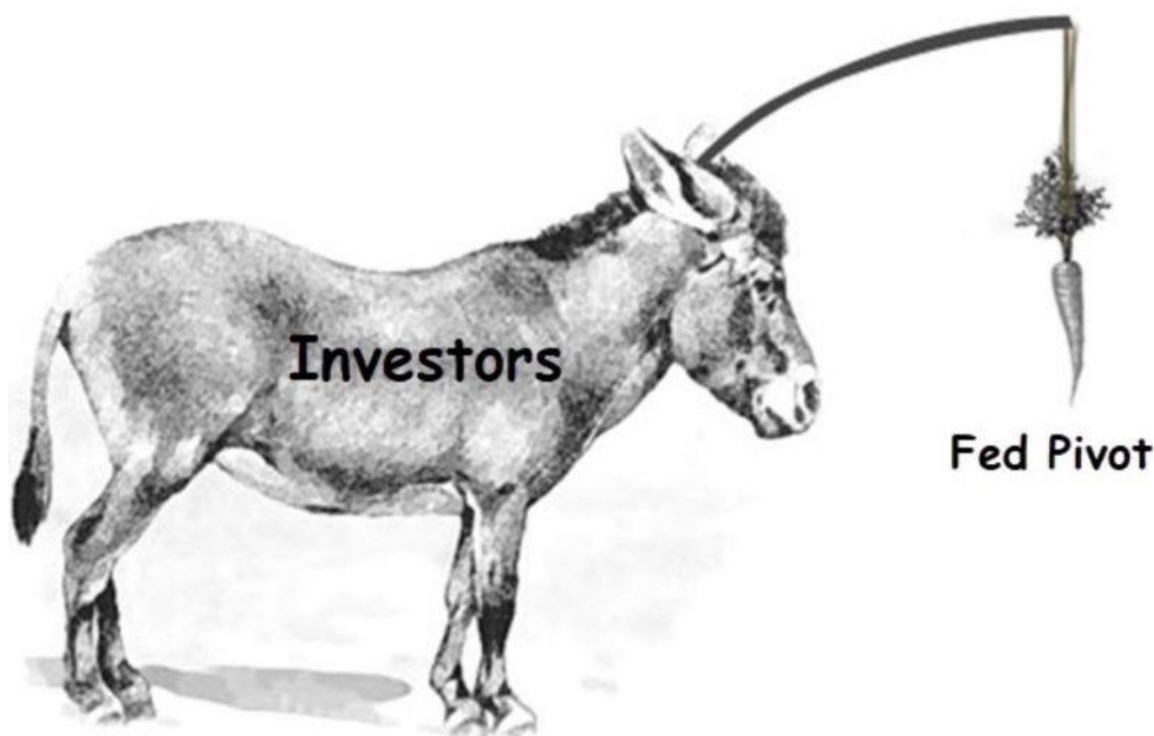
#fed

2022 Financial markets in one picture...



#food-for-thought

#fed-pivot #hopes



Source: Bianco Research

#food-for-thought

### #X-Mas Rally



Dear Santa, Green is also a Christmas Color...

The official Santa rally period includes the last five trading days of the year and the first two of the following year. Based on the 2022/2023 vacation schedule, that means this year's Santa Rally begins on Friday, December 23 and ends on Wednesday, January 4. These 7 days have historically proven successful, with the S&P500 averaging over 1.3% return and nearly 80% of the time a positive outcome. Since 1950, all other 7-day periods of the year have averaged only a 0.24% return and have been positive less than 60% of the time. "If Santa doesn't call, the bears might come to Broad and Wall". For those of you unfamiliar with lower Manhattan, the corner of Broad St. and Wall St. is where the New York Stock Exchange is located. In other words, if there is no Santa Claus Rally, and stocks don't go up during this time, it normally heralds dark days for stocks.

Source: allstarcharts

#food-for-thought

#X-Mas Rally

The official Santa Claus Rally period starts on Friday. Note these 7 days have been higher six years in a row. Hasn't made it to 7 years in a row since the '70s (hit 8 in a row then). The longest ever was 10 in a row in the '50's/'60s..

How The Seasonally Bullish Santa Claus Rally Period Could Foreshadow The Future

Santa Claus Rally Periods (Tech Bubble - Current)

Santa Comes To Town	Santa Goes Back To North Pole	Santa Claus Rally	S&P 500 Index Returns		
			January	Q1	Calendar Year
12/27/1999	1/4/2000	-4.0%	-5.1%	2.0%	-10.1%
12/22/2000	1/3/2001	5.7%	3.5%	-12.1%	-13.0%
12/24/2001	1/3/2002	1.8%	-1.6%	-0.1%	-23.4%
12/24/2002	1/3/2003	1.2%	-2.7%	-3.6%	26.4%
12/24/2003	1/5/2004	2.4%	1.7%	1.3%	9.0%
12/27/2004	1/4/2005	-1.8%	-2.5%	-2.6%	3.0%
12/23/2005	1/4/2006	0.4%	2.5%	3.7%	13.6%
12/22/2006	1/4/2007	0.0%	1.4%	0.2%	3.5%
12/24/2007	1/3/2008	-2.5%	-6.1%	-9.9%	-38.5%
12/24/2008	1/5/2009	7.4%	-8.6%	-11.7%	23.5%
12/24/2009	1/5/2010	1.4%	-3.7%	4.9%	12.8%
12/27/2010	1/4/2011	1.1%	2.3%	5.4%	0.0%
12/23/2011	1/4/2012	1.9%	4.4%	12.0%	13.4%
12/24/2012	1/3/2013	2.0%	5.0%	10.0%	29.6%
12/24/2013	1/3/2014	0.2%	-3.6%	1.3%	11.4%
12/24/2014	1/5/2015	-3.0%	-3.1%	0.4%	-0.7%
12/24/2015	1/5/2016	-2.3%	-5.1%	0.8%	9.5%
12/23/2016	1/4/2017	0.4%	1.8%	5.5%	19.4%
12/22/2017	1/3/2018	1.1%	5.6%	-1.2%	-6.2%
12/24/2018	1/3/2019	1.3%	7.9%	13.1%	28.9%
12/24/2019	1/3/2020	0.3%	-0.2%	-20.0%	14.4%
12/24/2020	1/5/2021	1.0%	-1.1%	5.8%	26.9%
12/27/2021	1/4/2022	1.4%	-2.0%	-4.9%	-19.8%*
12/23/2022	1/4/2023	?	?	?	?

Source: Carson Investment Research, FactSet 12/20/2022. The Santa Claus Rally is the final 5 trading days of a calendar year and the first two of the following year.

Source: Ryan Detrick

#food-for-thought

#gain-vs-loss

Why You Need to Cut Your losses : Gain required to make up for a loss:

- 10% → 11%
- 20% → 25%
- 30% → 43%
- 40% → 67%
- 50% → 100%
- 60% → 150%
- 70% → 233%
- 80% → 400%
- 90% → 900%

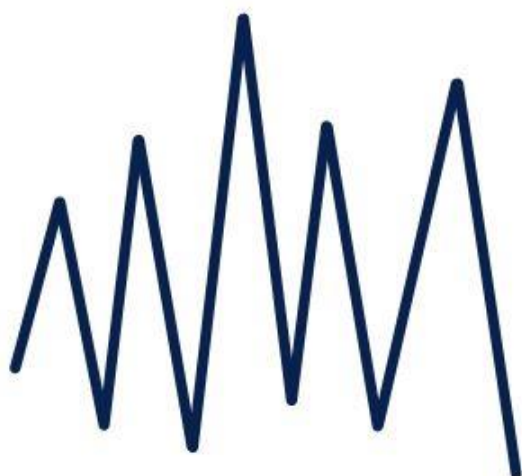


Source: cmg

#food-for-thought

#wealth

## BUILDING WEALTH TAKES TIME



GET RICH (AND POOR) QUICKLY



GET WEALTHY SLOWLY

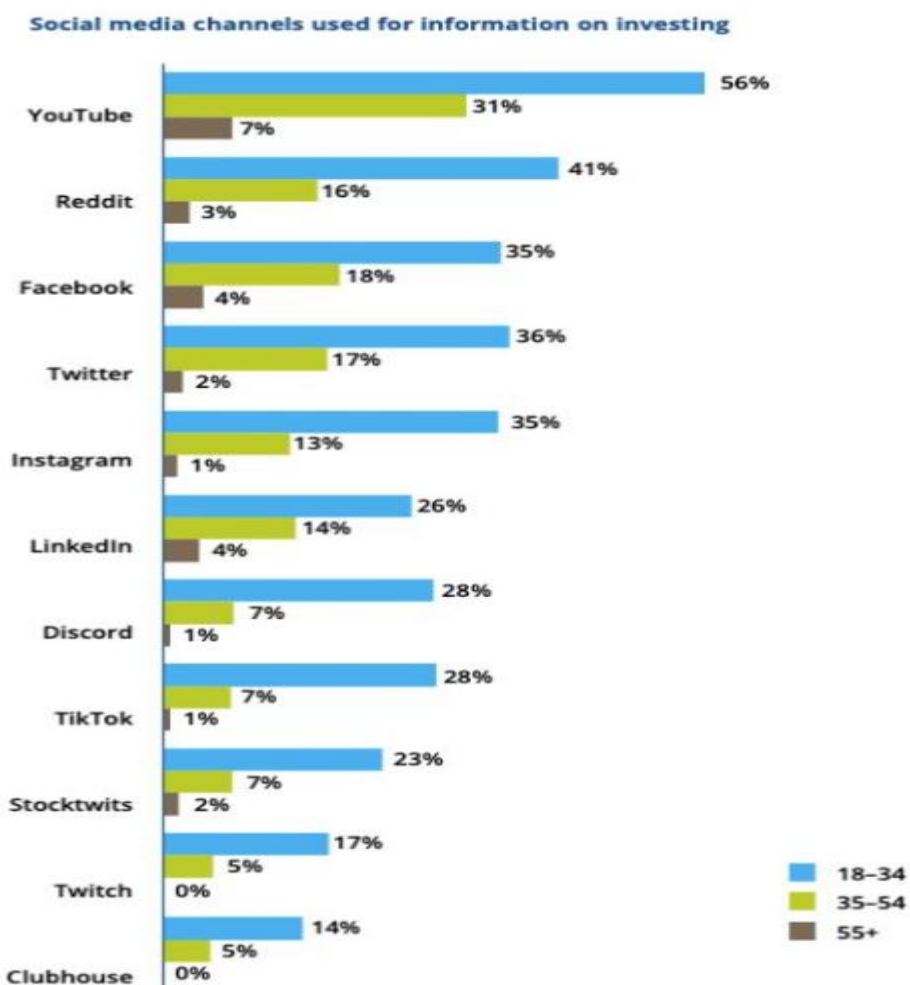
M

Source: MVMoneyVisuals, Michel Arouet

#food-for-thought

#retail-investors

More Than Half of Investors Under 35 Get Investing Advice from YouTube



Source: FINRA



#food-for-thought

### #sp500 #sectors

The S&P 500 is made up of 500 of the largest companies in the U.S. that span over 11 sectors.

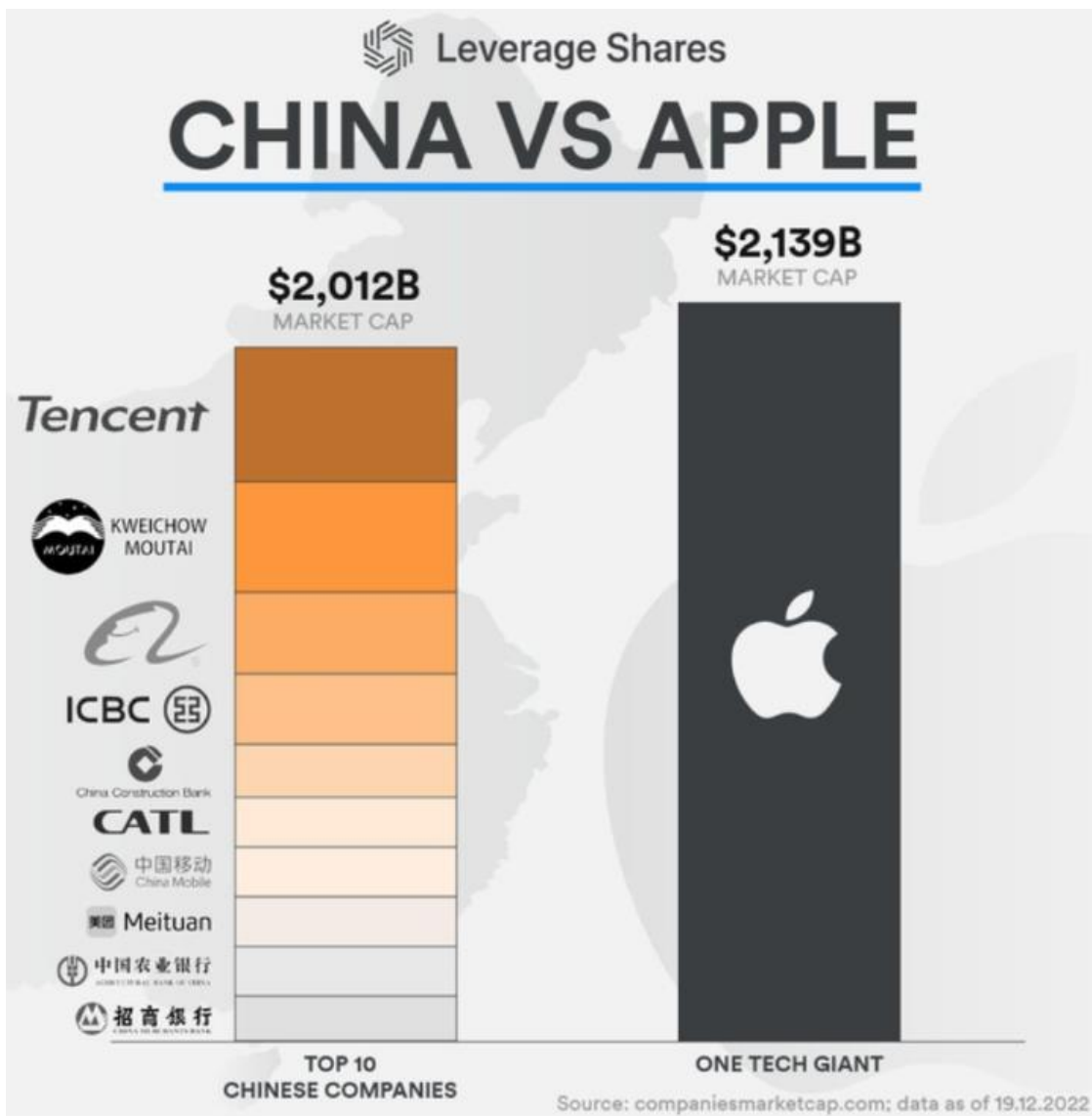


Source: cmgventure

#food-for-thought

## #apple

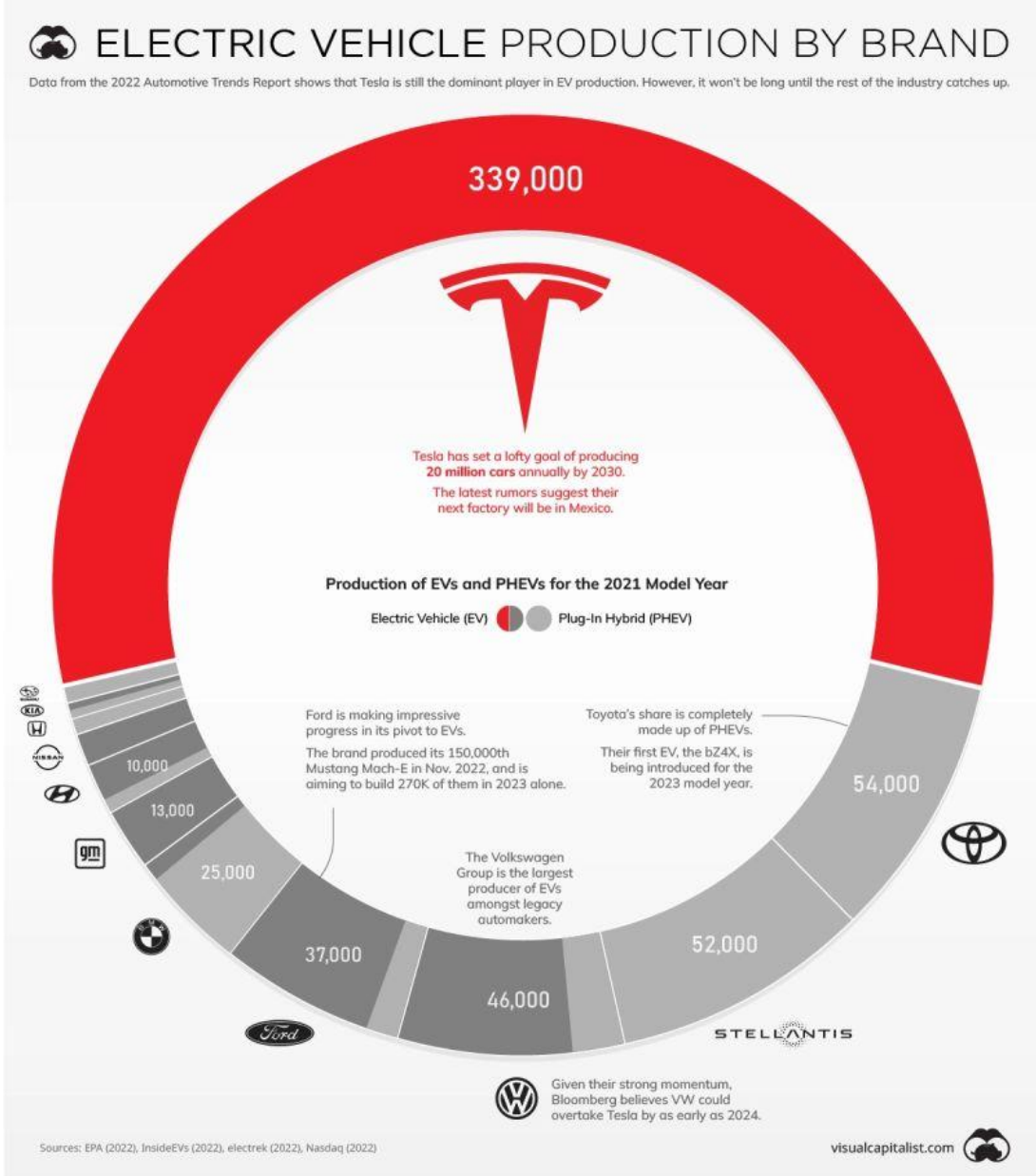
You are the AAPL of my Eye...



Source: leverageshares

#food-for-thought

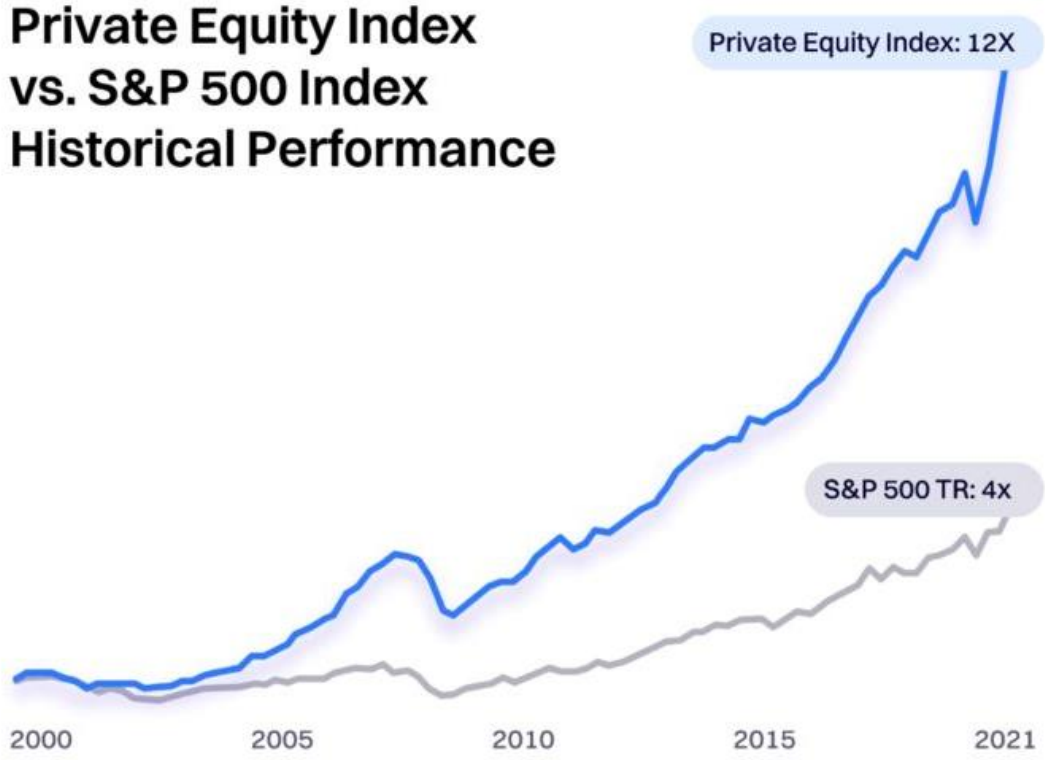
#electric-vehicles



#food-for-thought

#private-equity

### Private Equity Index vs. S&P 500 Index Historical Performance



Cambridge Associates' Q4 2020 'Index and Selected Benchmark Statistics; report For illustrative purposes only. Not drawn to scale.

Source: Cambridge Associates

#food-for-thought

#asset-managers

# Largest Asset Management Firms

(ranked by total assets under management)



Source: ADV Ratings

Created by genuine impact

More charts: [genuineimpact.substack.com](https://genuineimpact.substack.com)



Source: Genuine Impact

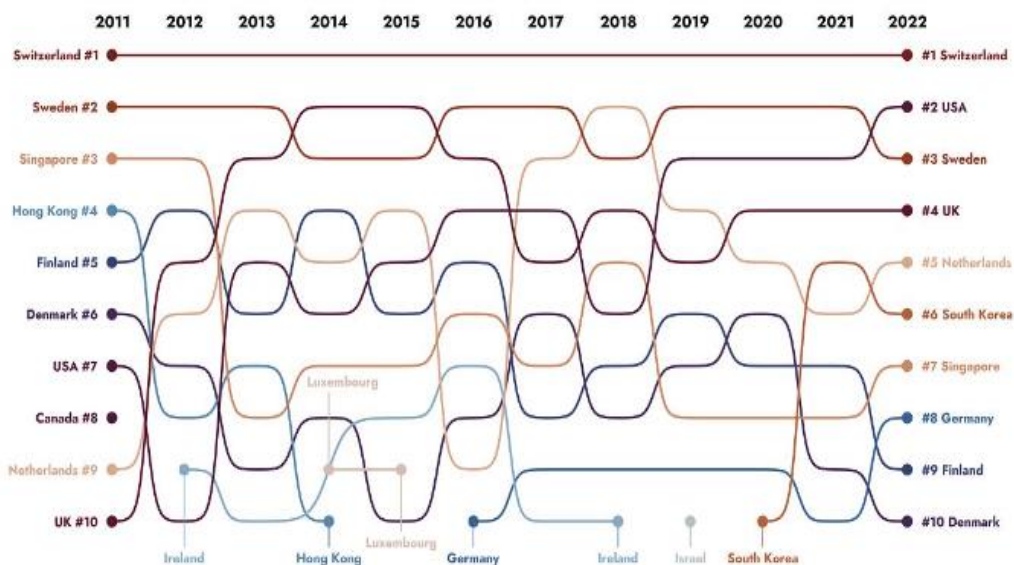


#food-for-thought

#innovation #switzerland

12 Years of the World’s Top 10 Most Innovative Countries  
Every year, the UN’s World Intellectual Property Organization (WIPO) scores countries on how innovative their economies are with the Global Innovation Index. The Index scores countries on indicators of a strong innovation economy. These include R&D spend, general market strength, patent systems and output, and local labor capital.

The Worlds Most Innovative Countries



Source: visualcapitalist

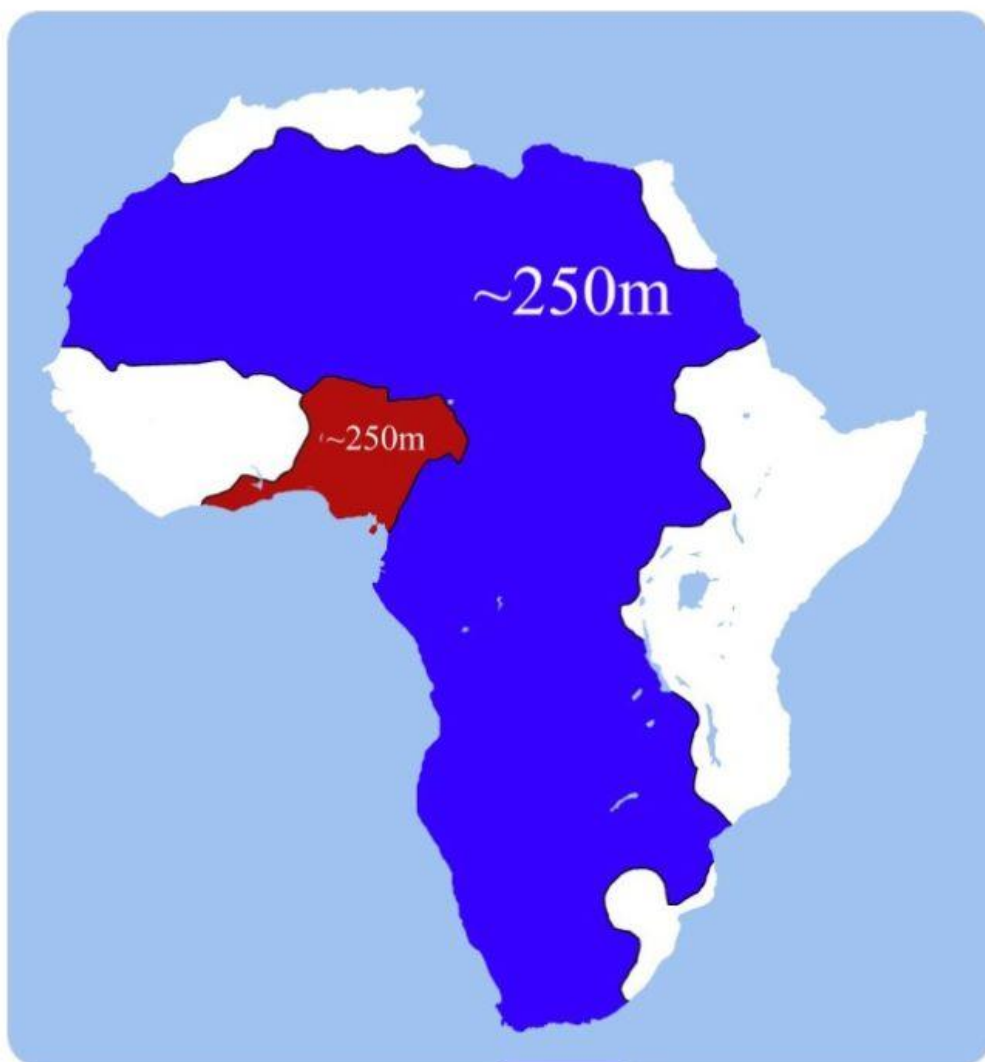
#food-for-thought

#africa #demographics



Amazing Maps @amazingmap · Jul 17

These two areas of Africa have roughly equal populations

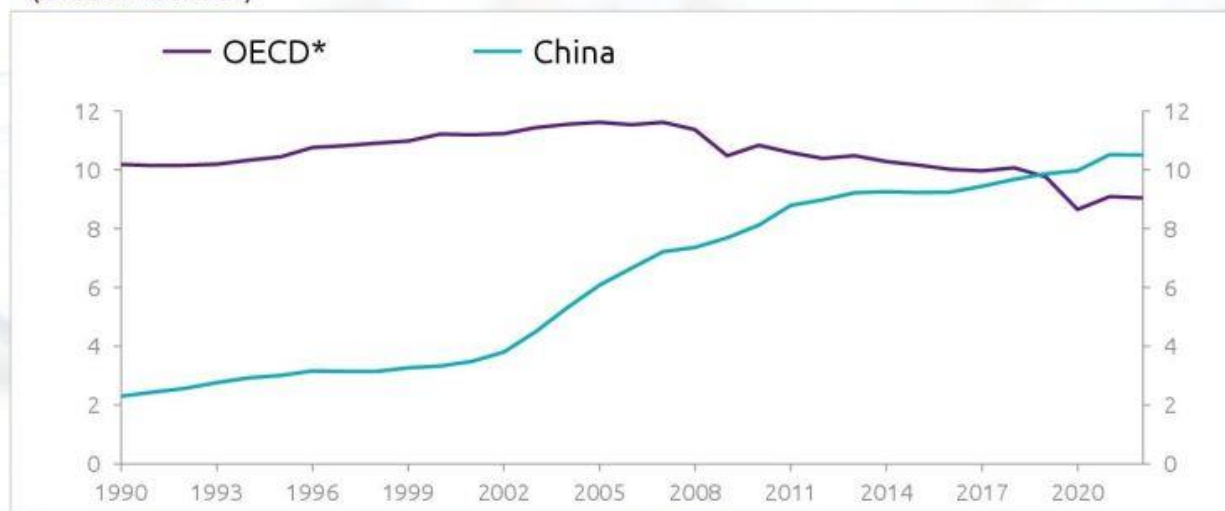




#food-for-thought

#co2 #emissions

CO<sub>2</sub> emissions  
(billion tonnes)



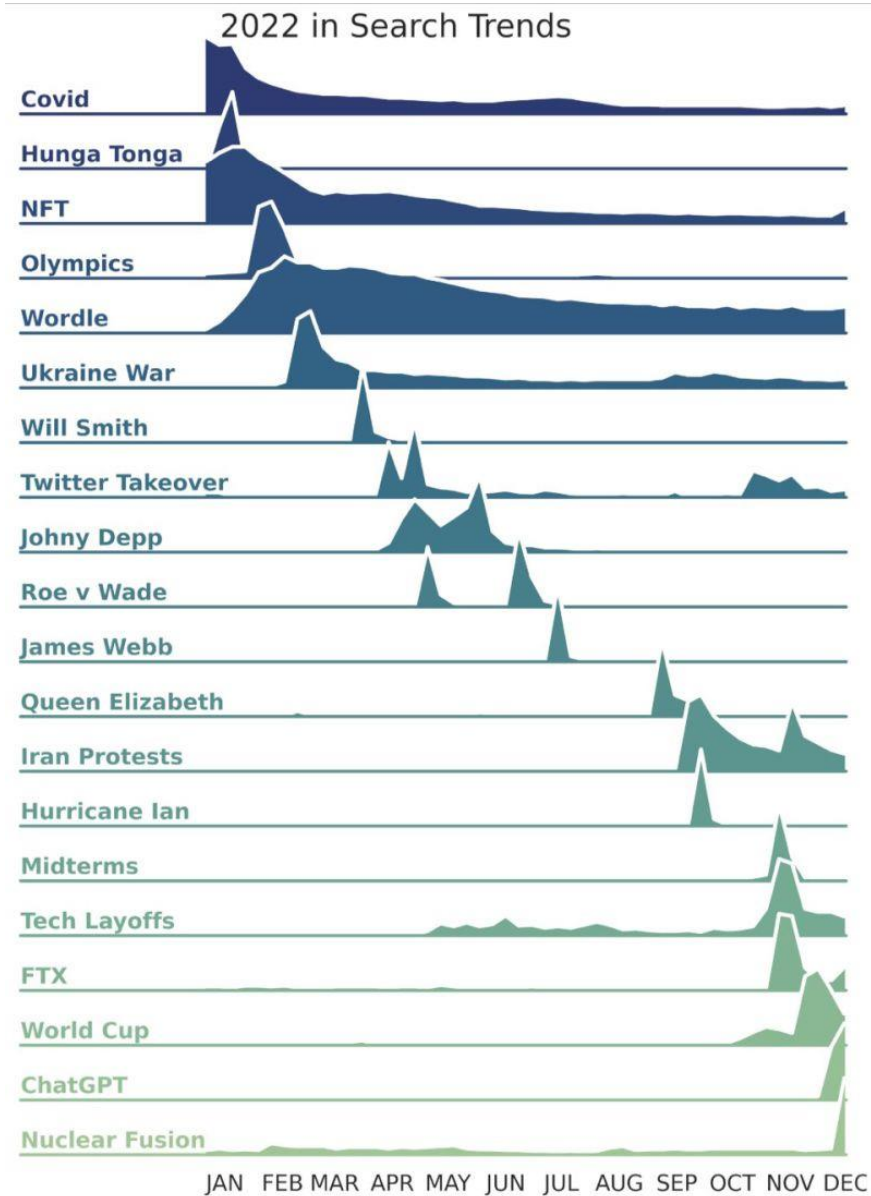
(\* United States, Canada, United Kingdom, Sweden, euro zone, Japan, Australia, New Zealand and Norway)

Sources: Refinitiv, Natixis

Source: Natixis

#food-for-thought

#2022 #google #trends



Data source: Google Trends  
www.google.com/trends

github.com/joweich/year-in-search-trends

Keywords preselected  
and normalized

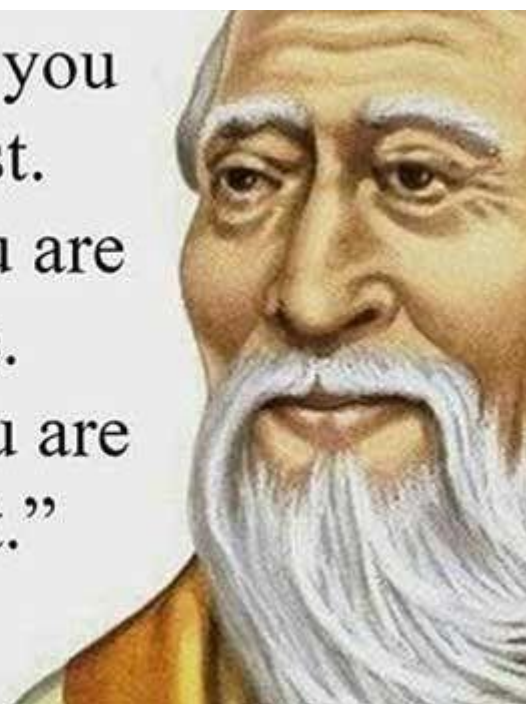


Source: github.com

#food-for-thought

#leadership

“If you are depressed you  
are living in the past.  
If you are anxious you are  
living in the future.  
If you are at peace you are  
living in the present.”  
Lao Tzu



Source: European leadership

#food-for-thought

#leadership

Good leadership requires you to surround yourself with people of diverse perspectives who can disagree with you without fear of retaliation.

Doris Kearns Goodwin

Source: European leadership

#food-for-thought

#success

In the absence of clearly-defined goals, we become strangely loyal to performing daily trivia until ultimately we become enslaved by it.

Robert Heinlein

Source: European Leadership

#food-for-thought

#success

Successful people are always looking for opportunities to help others. Unsuccessful people are always asking, What's in it for me?

Brian Tracy

quotesfancy

Source: European leadership

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[syzgroup.com/newsletter](https://syzgroup.com/newsletter)



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**For the future...**