

Chart of the week

A World of Pivots

Markets are pricing in an abrupt end to global monetary tightening, with most developed-market central banks cutting rates within the next year.



Source: Bloomberg

Nasdaq best start since 1975 after Fed & US jobs

Most of the US equity indexes extended their winning streaks into February, helped by some upside surprises in economic data and Q4 earnings reports, as well as some dovish signals from the Fed. The S&P 500 reached an intraday high of 4,195 on Thursday, its best level since late August. A 23% jump on Thursday in Meta Platforms (Q4 beat + positive outlook) provided a major boost to the Nasdaq. Some of the enthusiasm drained on Friday, however, following disappointing results and outlooks from Apple, Alphabet and Amazon.com. On Wednesday, the Fed raised official short-term interest rates by another quarter point, as was widely expected. Nevertheless, the major indexes jumped as investors seemed to interpret the overall tone of his remarks as more dovish than expected. On Friday, the US nonfarm jobs in January came out at 517k, roughly triple consensus estimates and the biggest gain in six months. The unemployment rate slipped to 3.4%, its lowest level since 1969. Investors were reassured by the fact that the monthly rise in average hourly earnings fell back to 0.3%, helping bring the year-over-year increase back down to 4.4%, the lowest level since August 2021. Meanwhile, US nonmanufacturing activity jumped to 55.2 from 49.2 in December. Shares in Europe rose while the ECB and BoE hiked by 50 basis points. The dollar soared, Gold and Oil dropped while Bitcoin was almost unchanged on the week.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

4 FEBRUARY 2023

#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,926	-0.2%	2.3%
S&P 500 Index	4,136	1.6%	7.7%
NASDAQ	12,007	3.3%	14.7%
MSCI EAFE *	2,134	1.2%	8.5%
10-yr Treasury Yield	3.52%	0.0%	-0.4%
Oil (\$/bbl)	\$73.23	-8.1%	-8.8%
Bonds	\$99.82	-0.3%	4.2%

Source: Factset. 02/03/2023. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * 4-day performance ending on Thursday.

Source: Edward Jones



#investors #sentiment

After spending much of 2022 at 0.0, the BofA Bull & Bear Indicator continues to rise, and in the latest week jumped to 4.2 from 3.5, the highest since Mar 2022, and the biggest 3-month surge since Aug 2020, driven by strong EM inflow, strong stock market breadth.

BofA Bull & Bear Indicator (B&B)

Our BofA Bull & Bear Indicator is at 4.2, signal is Neutral.

Chart 15: BofA Bull & Bear Indicator
Up to 4.2 from 3.7



Source: BofA Global Investment Strategy
BofA GLOBAL RESEARCH

Table 4: BofA B&B Indicator
BofA Bull & Bear current component readings

Components	Percentile	Sentiment
HF positioning	36%	Neutral
Credit mkt technicals	53%	Bullish
Equity market breadth	75%	VBullish
Equity flows	84%	VBullish
Bond flows	51%	Bullish
LO positioning	4%	VBearish

Source: BofA Global Investment Strategy, Bloomberg, EPFR Global, Lipper FMI, Global FMS, CFTC, MSCI

BofA GLOBAL RESEARCH

Source: BofA



#fund #flows #equities

Equity conviction returning: \$44.7bn into stocks past 4 weeks with evidence of return to US stocks (\$6.7bn inflow this week); tech not yet seeing love via flows...10th consecutive week of tech outflows (albeit smallest in 10 weeks).

Chart 5: Equity conviction returning
Flows to equities: weekly vs 4wk MA (\$bn)



Source: BofA Global Investment Strategy, EPFR

BofA GLOBAL RESEARCH

Source: BofA





#funds #flows #emerging-markets

Conviction in EM: 7th straight week of EM equity & debt inflows (\$8.3bn)

Chart 6: Conviction in EM

Flows to EM assets (debt + equity): weekly vs 4wk MA (\$bn)



Source: BofA Global Investment Strategy, EPFR

BofA GLOBAL RESEARCH

Source: BofA





#funds #flows #china

Foreigners are running the China squeeze

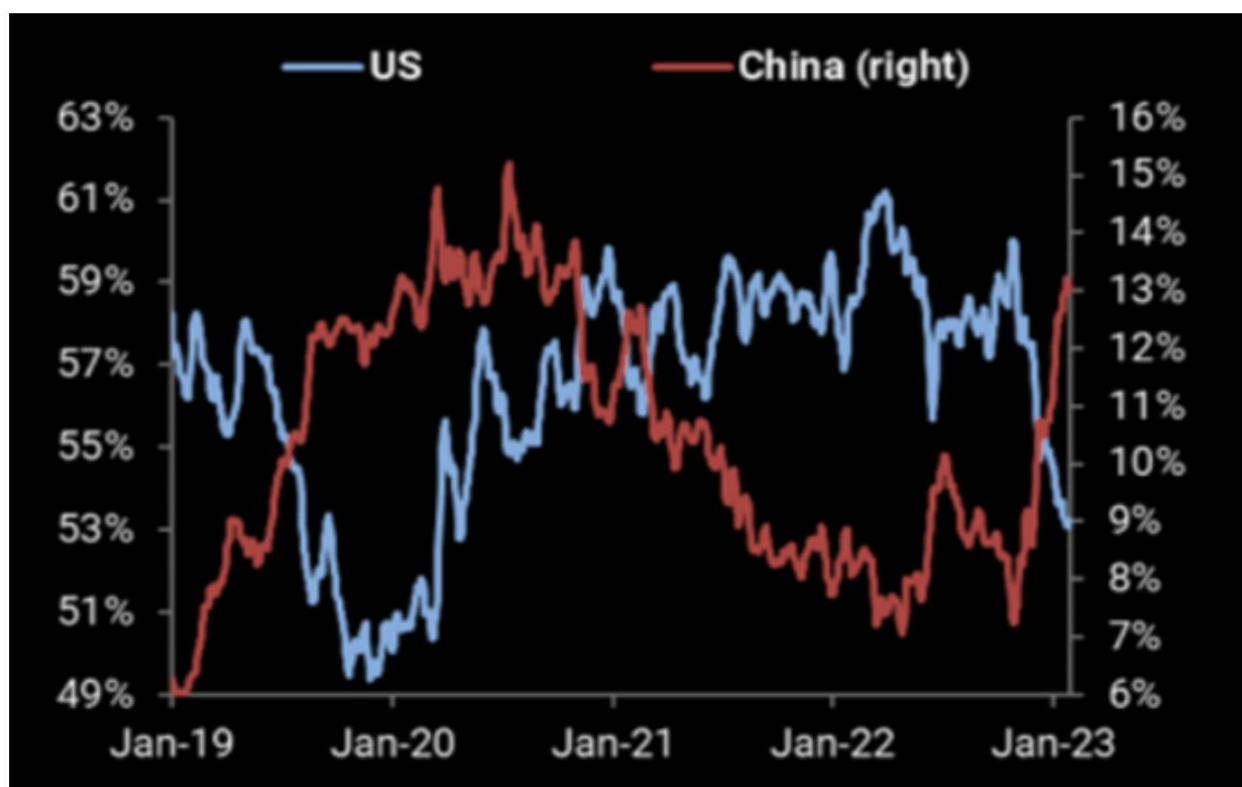


Source: JPM

#markets

#funds #flows #china

Unpatriotic hedge funds: Sell US and Buy China...



Source: GS Prime



#sp500 #january

S&P 500 was up 6.2% in January. This is the best January since 2019 (7.9%) and 1989 (7.1%) before that.

As many times, January is historically quite strong in a pre-election year.

January Is The Strongest Month In A Pre-Election Year

S&P 500 Average Monthly Performance And How Often Each Month Is Higher In Pre-Election Years (1950 - Current)



Source: Carson Investment Research, Factset 01/06/2023 @ryandetrick



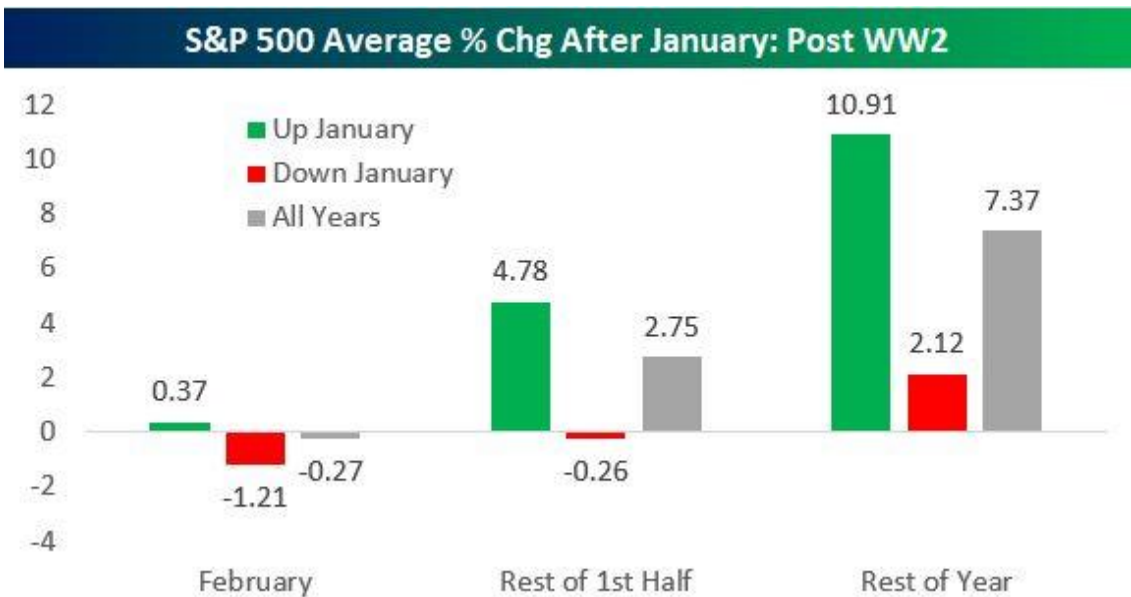
Source: Carson





#sp500 #january

How the rest of the year looks like when January has been a positive or negative month? Since WW2, the rest of the year has generally been stronger when January has been an up month versus a down month. As shown by Bespoke, the S&P has averaged a decline of 0.27% across all Februarys, but the index has averaged a gain of 0.37% in February when January has been up versus a decline of 1.21% in February when January has been down. The trend is the same when looking at the rest of the first half and the rest of the year.

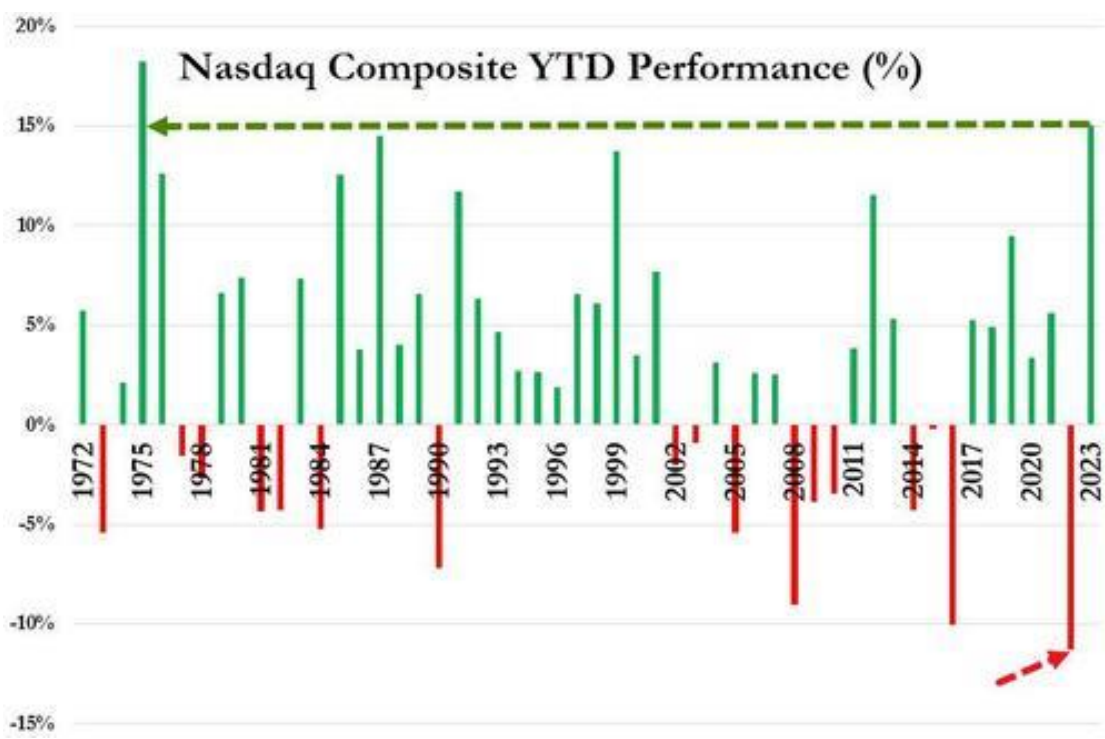


Source: Bespoke



#nasdaq #january

This is Nasdaq Composite's best start to a year since 1975...



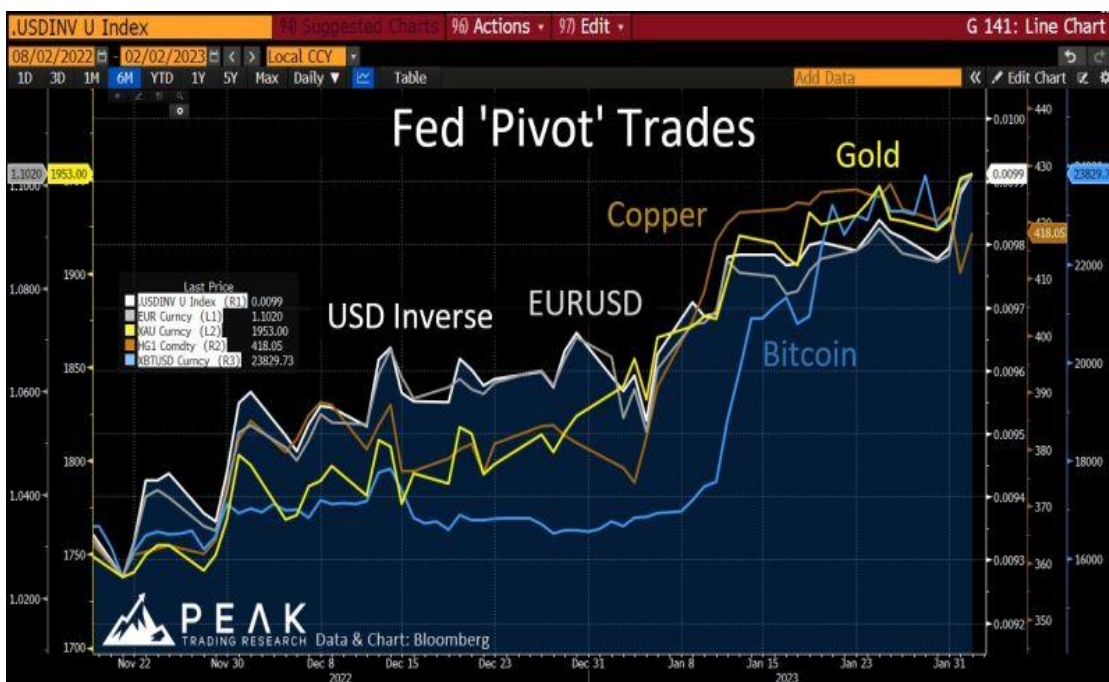
Source: www.zerohedge.com, Bloomberg



#cross-assets #fed-pivot

Fed 'pivot' trades keep outperforming as investors bet that the Fed will shift to more accommodative policies later in 2023.

This week less-hawkish-than-feared Federal Reserve message gave these markets another boost.



Source: Peak Trading Research, Bloomberg



#meme #stocks

US most shorted stocks and social media sentiment leaders baskets (BUZZ) have been strongly outperforming the S&P500 so far this year.



Source: Bloomberg, HolgerZ



#ark-invest #nasdaq

Cathie Wood says ARKK is ‘the new Nasdaq.’ Looking at the recent crash, she is right. Will she also be right about the rebound?

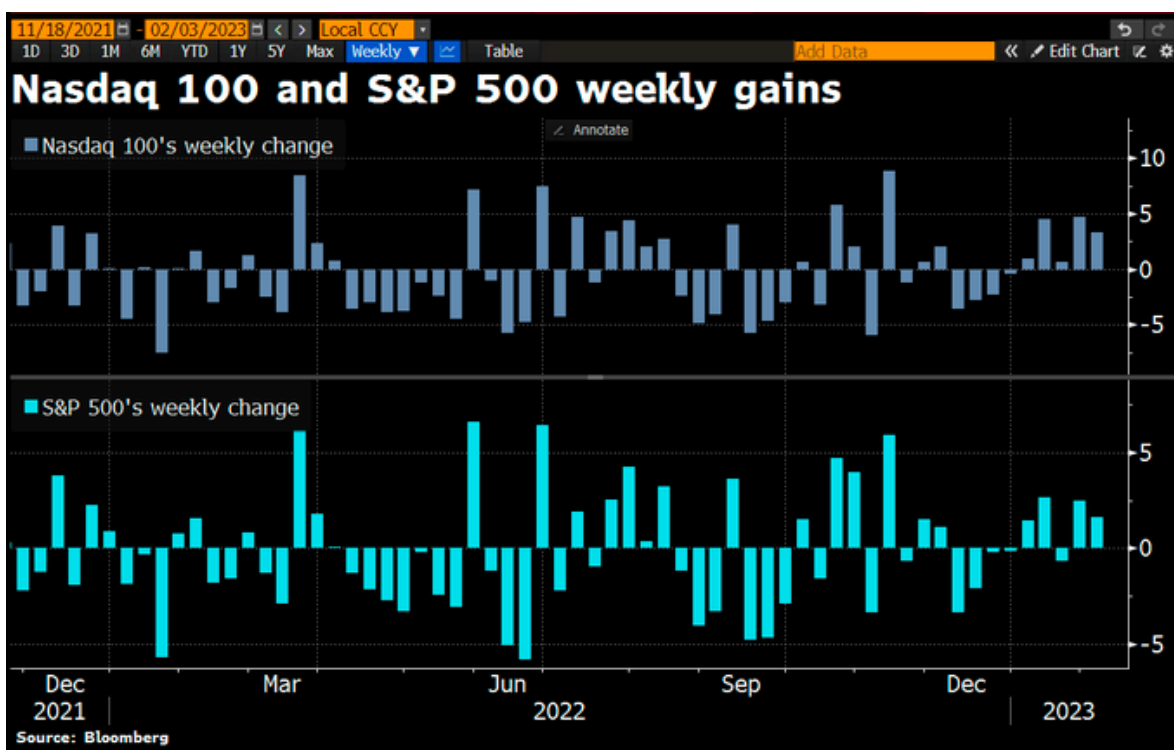


Source: Bloomberg, HolgerZ



#us #equities #weekly

Wall Street posts weekly gain despite blowout US jobs data and disappointing Big Tech earnings from Amazon, Apple & Alphabet. Nasdaq 100 scored a weekly advance of 3.3% while S&P 500 gained 1.6% in the past 5 days.



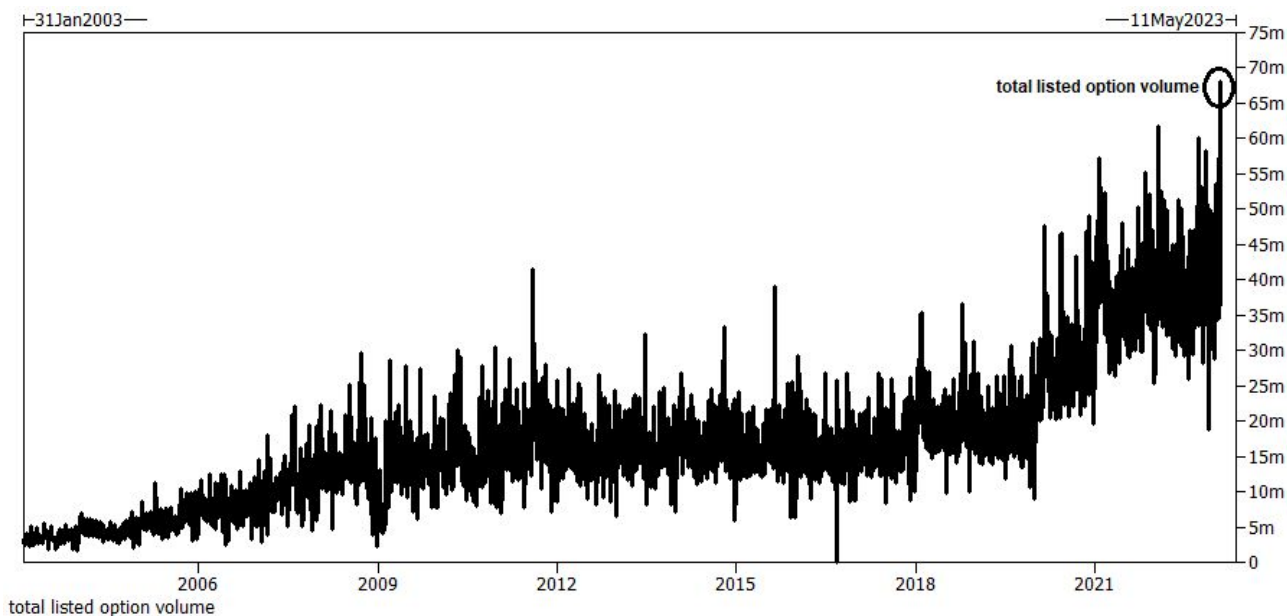
Source: Bloomberg



#us #equities #options

Options Trading Breaks Daily Record

More than 68 million options contracts traded on Thursday, a daily record in Cboe data back to 2018, including 40m calls and 28m puts. Upside buying on Megacap Tech was the main driver, with among others 2.7m TSLA calls (1.6m avg) / 1.8m AMZN calls (600k avg) / 1.4m META calls (225k avg) / 1.3m AAPL calls (600k avg).



Source: WSJ, Bloomberg



#dow-jones #baltic-dry

Something to worry about?



Source: Mac10

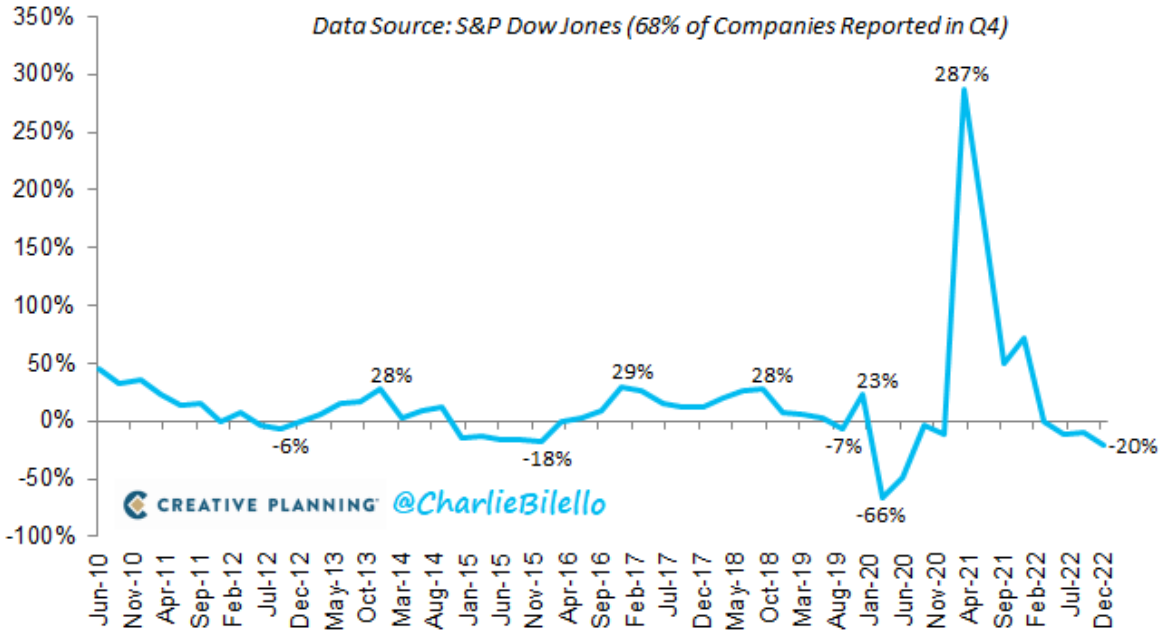


#us #q4 #earnings

With 68% of companies reported, S&P 500 Q4 GAAP earnings are down 20% year-over-year, the 3rd straight quarter of negative YoY growth and the largest decline since Q2 2020.

S&P 500 As Reported (GAAP) EPS Growth (YoY %)

Data Source: S&P Dow Jones (68% of Companies Reported in Q4)

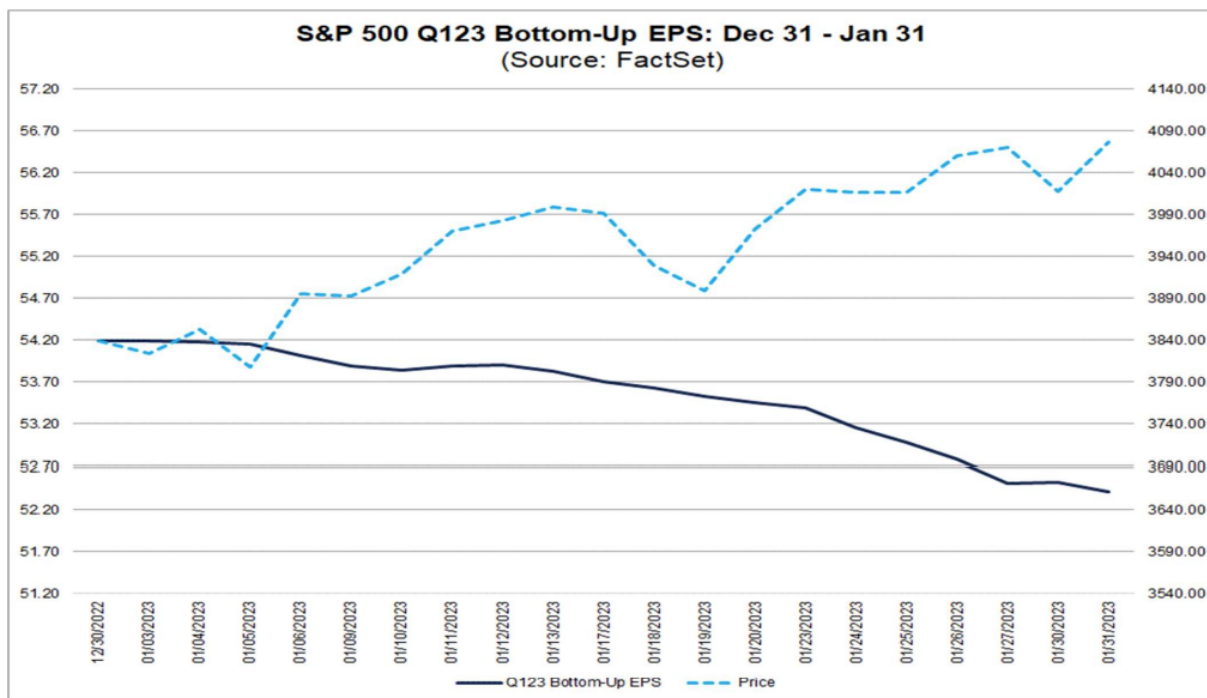


Source: Charlie Bilello



#us #q4 #earnings

During the month of January, analysts lowered EPS estimates for the first quarter by a larger margin than average. The Q1 bottom-up EPS estimate (which is an aggregation of the median EPS estimates for Q1 for all the companies in the index) decreased by 3.3% (to \$52.41 from \$54.20) from December 31 to January 31. Equity prices went the other direction...



Source: Factset

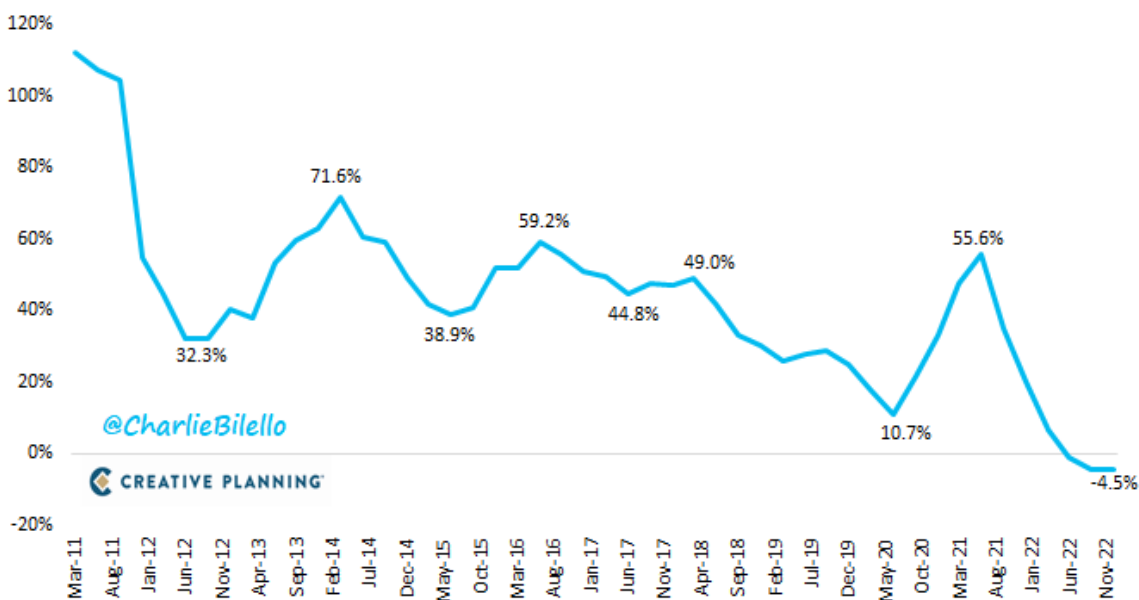


#meta #q4 #numbers

Facebook's Q4 revenues fell 4.5% over the prior year, the 3rd consecutive YoY decline. The stock jumped by 25%.

Meta (Facebook): Revenue Growth, YoY (%)

Data via YCharts

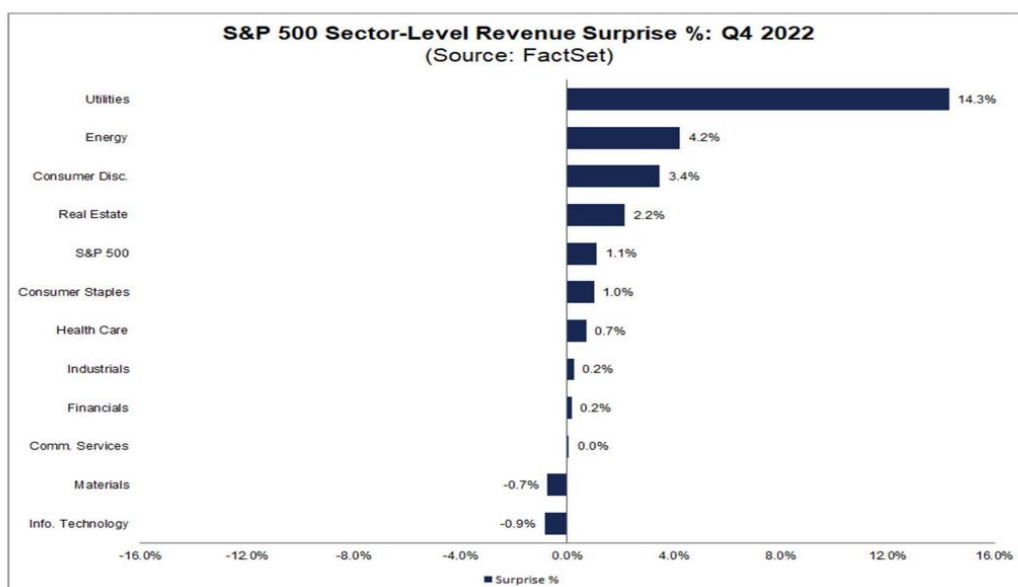
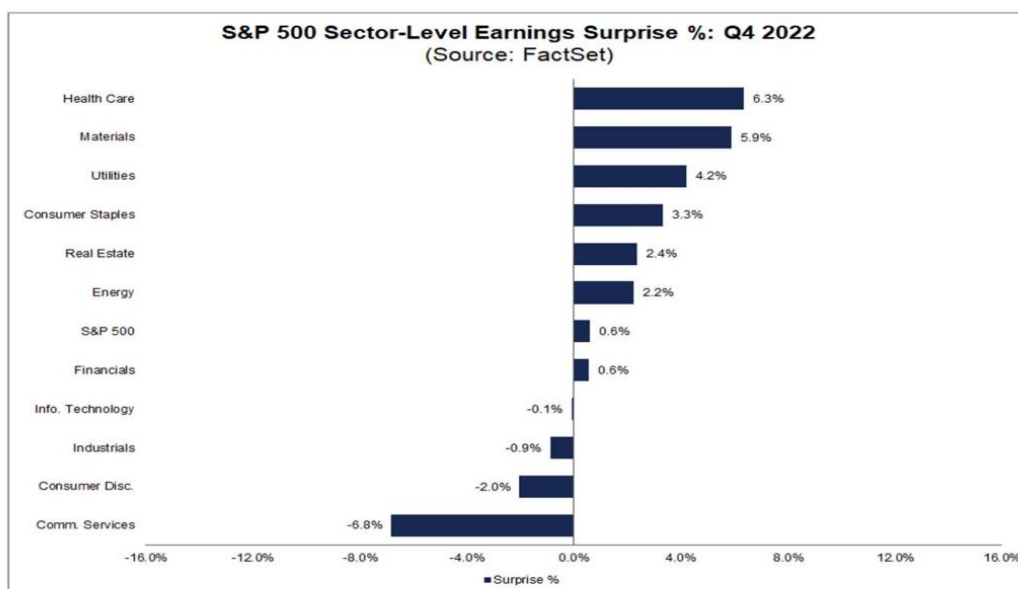


Source: Charlie Bilello



#us #q4 #earnings

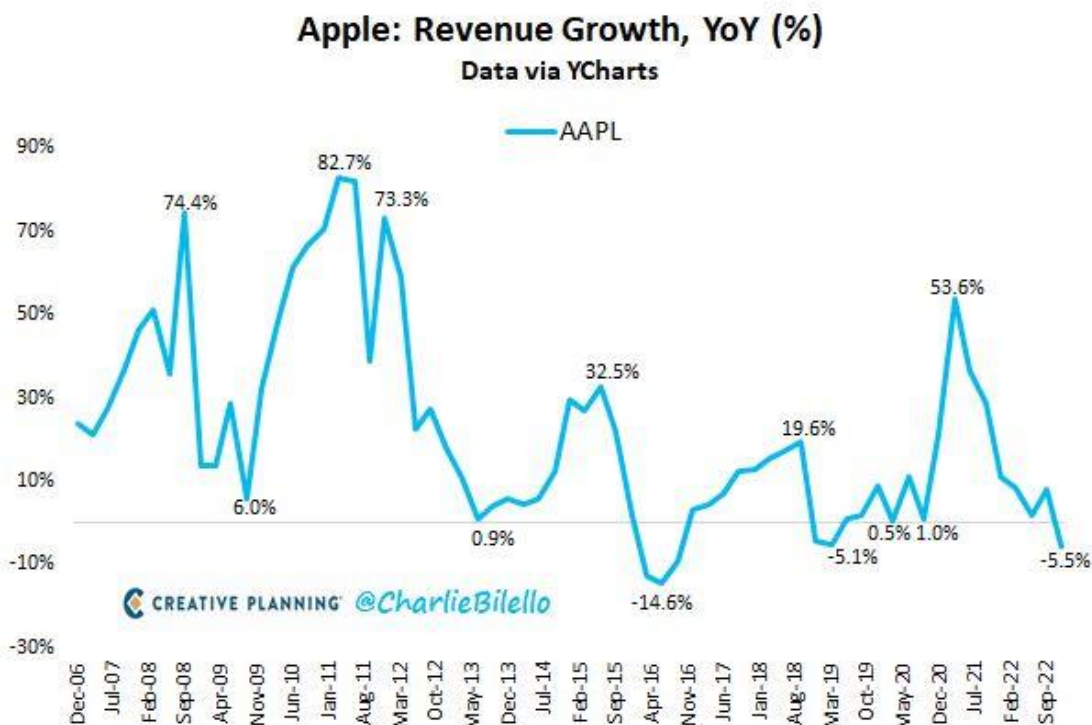
Q4 2022: Scorecard





#apple #q4 #numbers

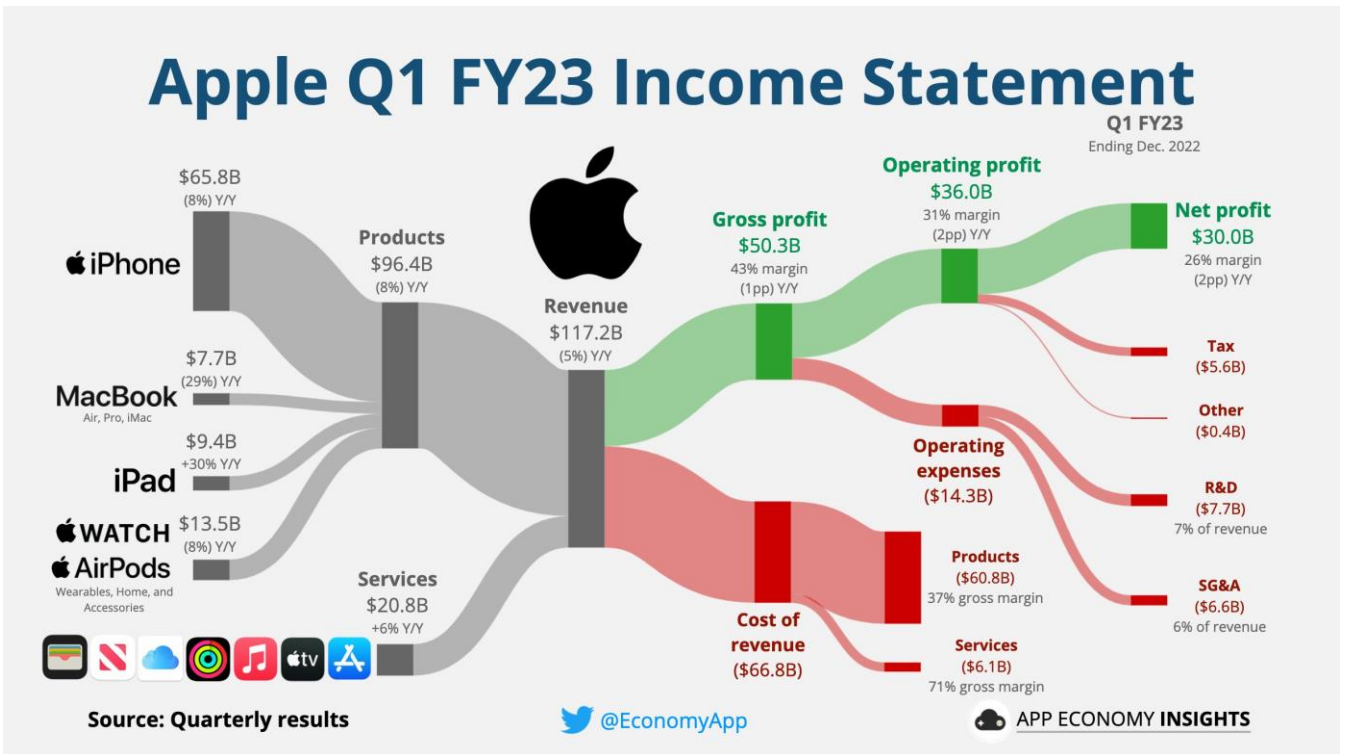
Apple's Q4 revenues fell 5.5% over the prior year, the largest YoY decline since 2016.



Source: Charlie Bilello



#apple #q4 #numbers



Source: App economy insights

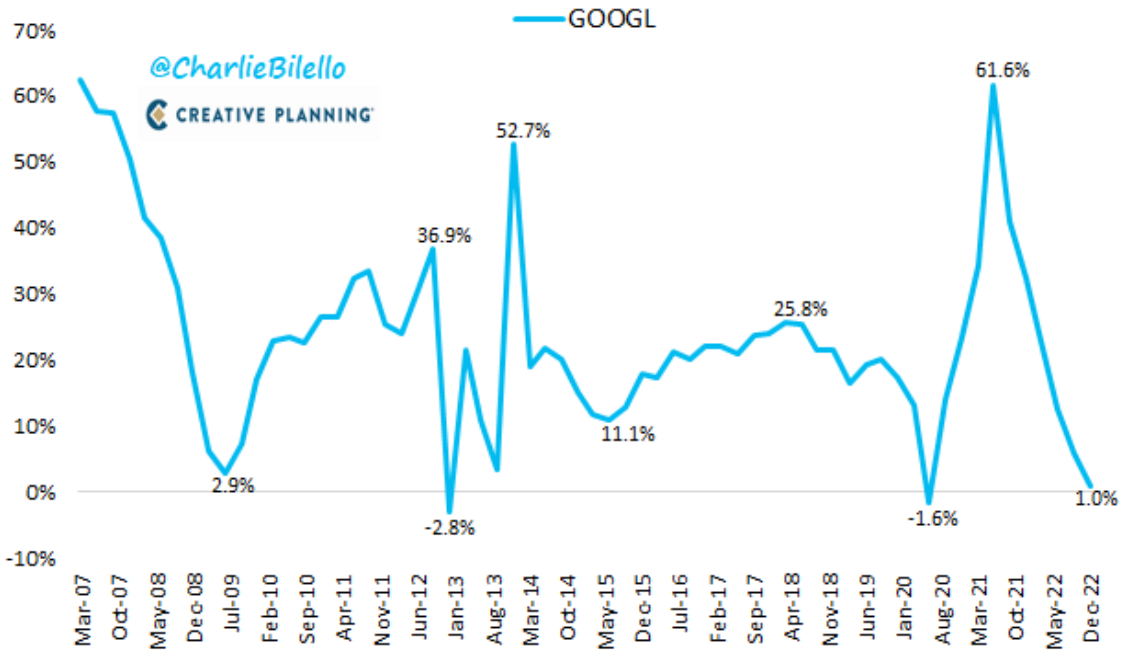


#alphabet #q4 #numbers

Google's Q4 revenues increased 1% over the prior year, the 3rd slowest growth rate in the company's history (only Q4 2012 & Q2 2020 were lower).

Alphabet (Google): Revenue Growth, Quarterly YoY (%)

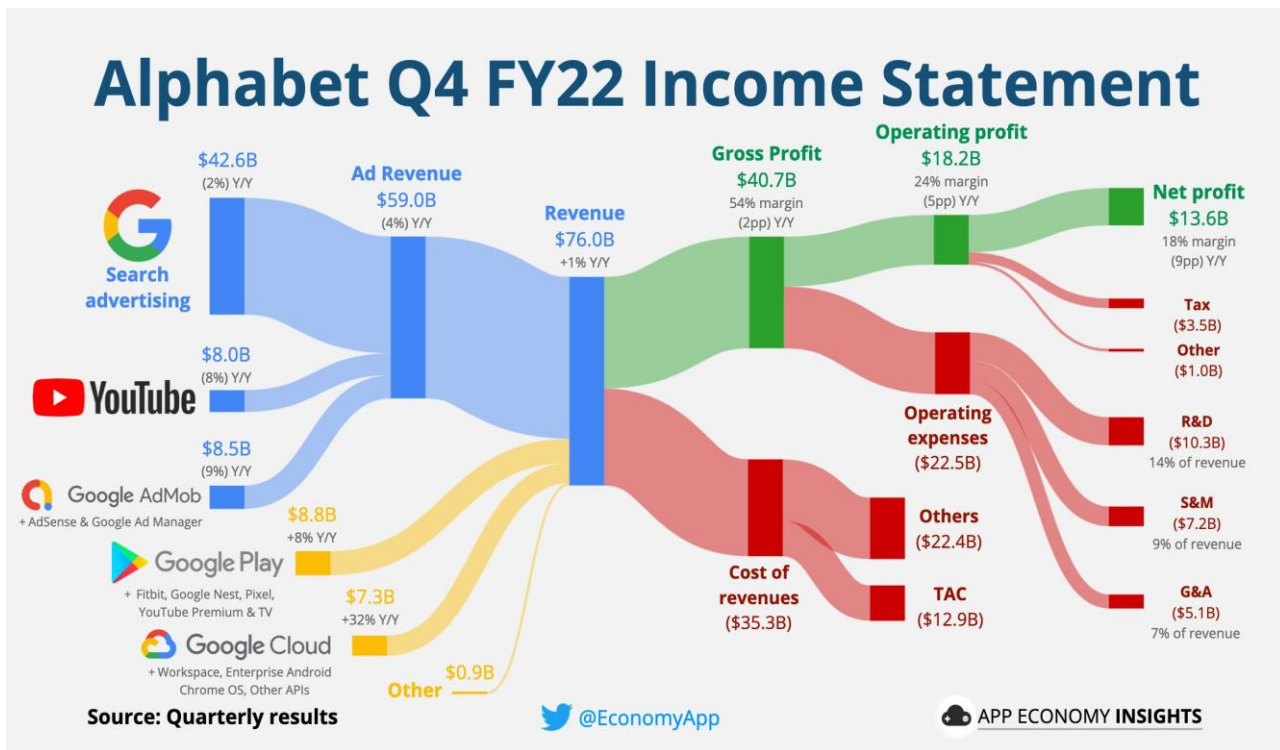
Data via YCharts



Source: Charlie Bilello



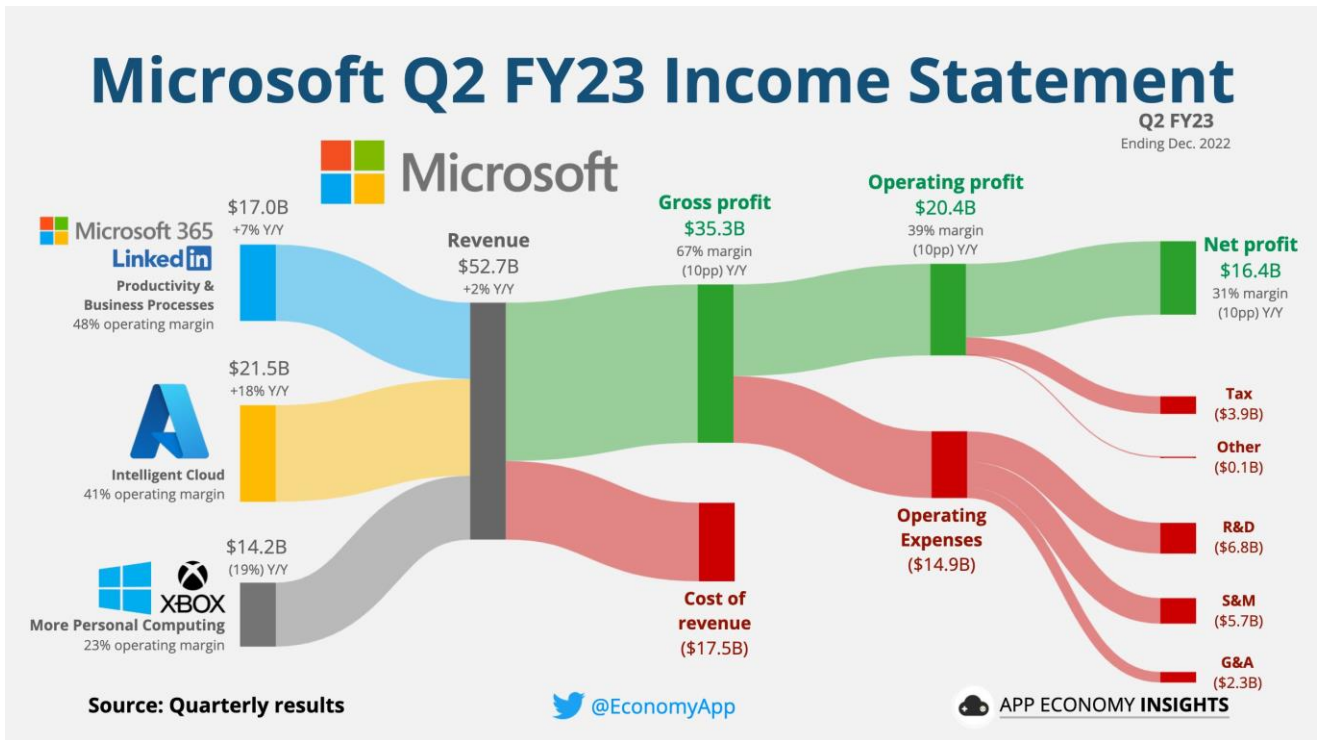
#alphabet #q4 #numbers



Source: App economy insights



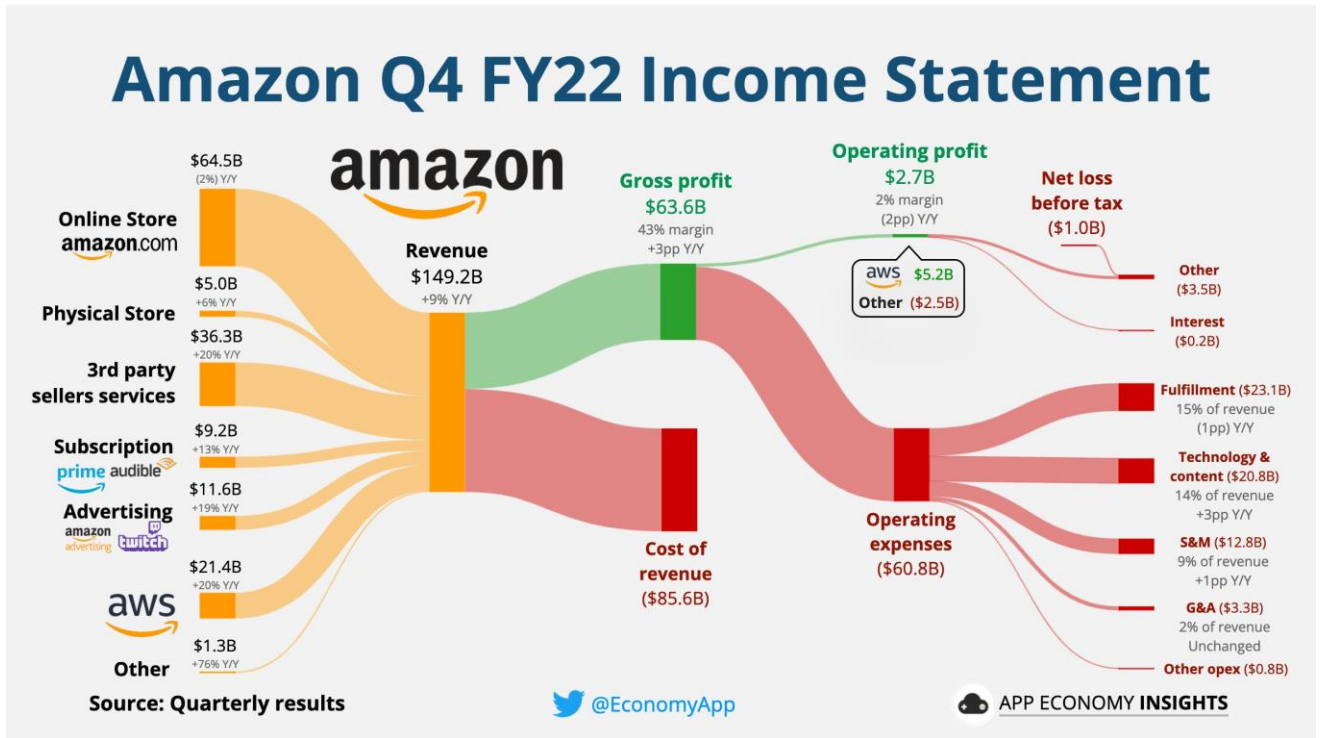
#microsoft #q4 #numbers



Source: App economy insights



#amazon #q4 #numbers



Source: App economy insights



#spotify



Charlie Bilello ✓
@charliebilello

...

Spotify monthly active users (Millions)...

2022: 489 (+20% YoY)

2021: 406 (+18% YoY)

2020: 345 (+27% YoY)

2019: 271 (+31% YoY)

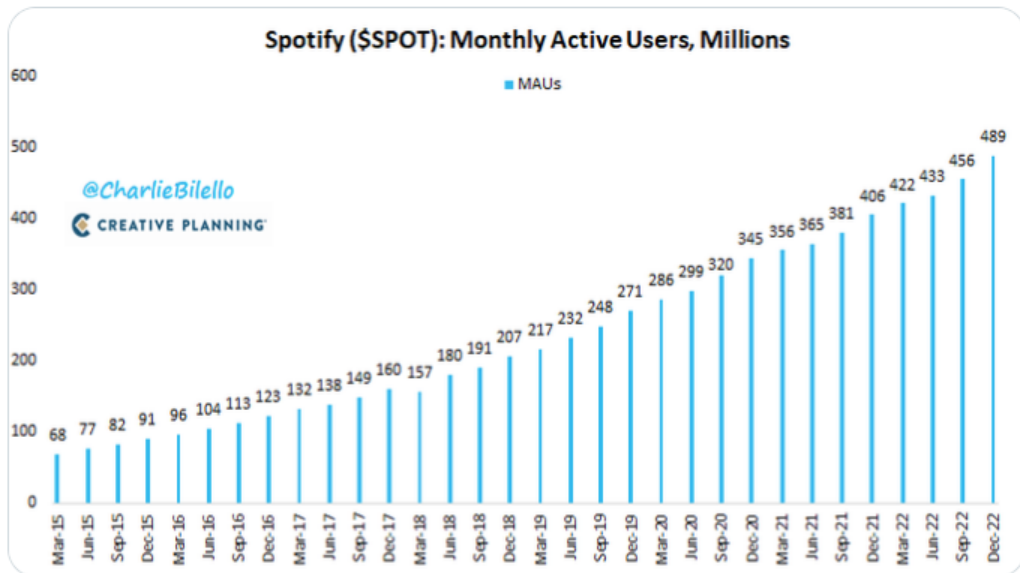
2018: 207 (+29% YoY)

2017: 160 (+30% YoY)

2016: 123 (+35% YoY)

2015: 91

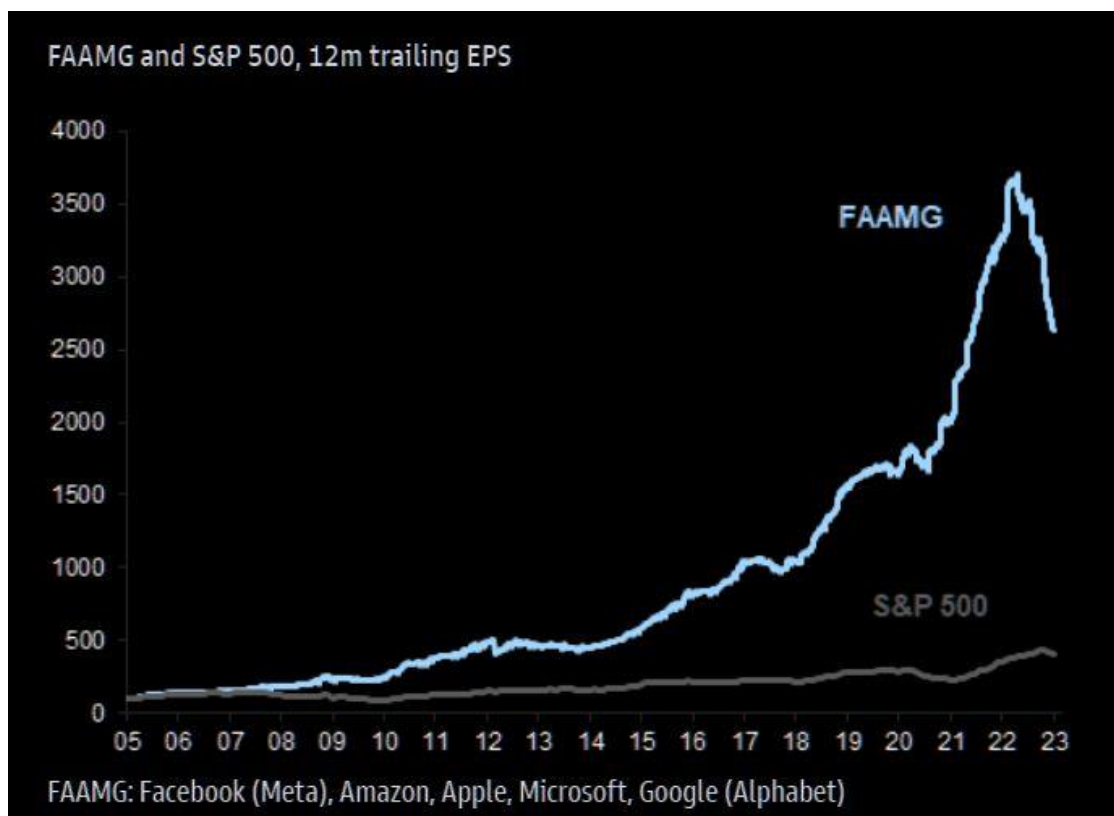
[\\$SPOT](#)





#faamg #earnings

The longer term perspective. FAAMG earnings have outstripped the broader US market but obviously had a tougher time in the recent quarters.



Source: Charlie Bilello



#us #equities #valuations

The P/E for the S&P and #Tech #stocks are at their highest since April...



Source: Bloomberg, www.zerohedge.com

#markets

#nasdaq #valuations

Here are the P/E ratios of the Top 20 companies in the NASDAQ right now.

In 1989, legendary fund manager Peter Lynch wrote:

“If the P/E of Coca-Cola is 15, you’d expect the company to be growing at about 15 percent a year.”

P/E Ratio: 20 Largest NASDAQ Components

Market Cap Rank	Company	P/E Ratio	Est. P/E Ratio	Market Cap Rank	Company	P/E Ratio	Est. P/E Ratio
1	Apple	23.79	23.76	11	Costco	39.42	35.79
2	Microsoft	26.20	26.97	12	Cisco Systems	17.24	13.68
3	Alphabet	17.90	21.35	13	AstraZeneca	1,619.57	19.26
4	Amazon	32.46	--	14	T-Mobile US	73.18	21.90
5	Tesla	50.10	46.71	15	Adobe	38.02	25.09
6	NVIDIA	54.44	64.05	16	Comcast	32.97	10.85
7	Meta Platforms	17.83	16.54	17	Texas Instruments	19.36	24.06
8	ASML Holding NV	43.71	33.26	18	Netflix	39.62	31.82
9	Broadcom	22.72	14.74	19	Qualcomm	12.12	13.59
10	PepsiCo	30.52	25.38	20	Honeywell	28.44	22.59

Source: Refinitiv, as of 2/2/2023. File #0763

@JeffWeniger

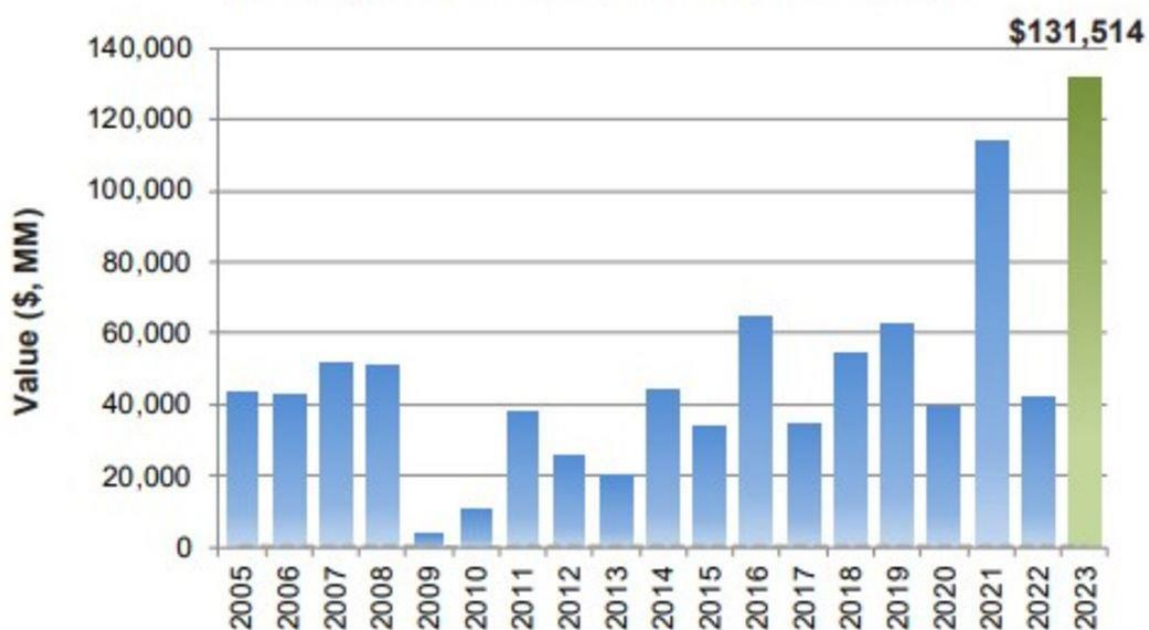
Source: Jeff Weniger



#january #buybacks

Stock buybacks hit record \$132 Billion, triple from a year ago.

January Authorizations: 2005 to Present

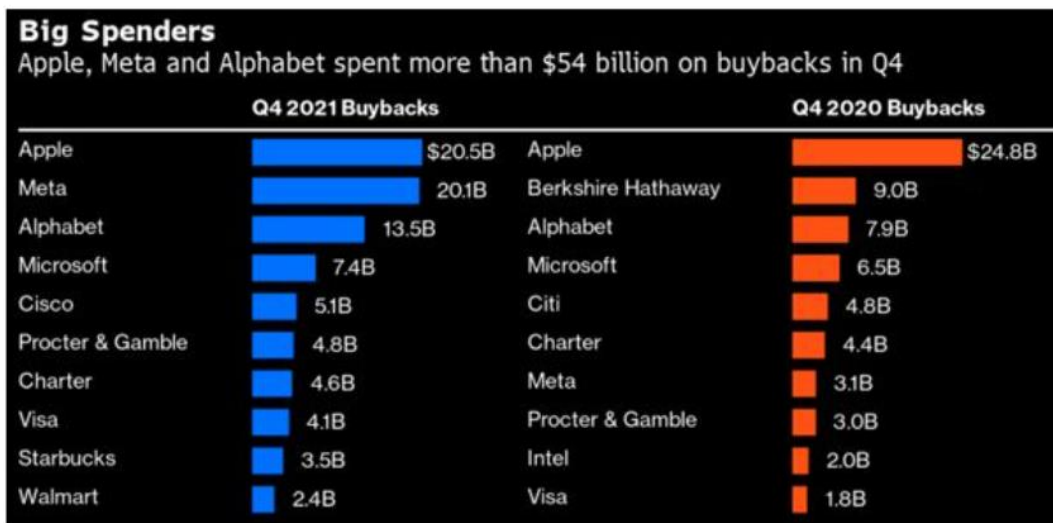


Source: Bloomberg



#big-tech #share-buybacks

Nothing new, but....Big Tech has spent billions buying back their own stock even in the "year of the bear" 2022.

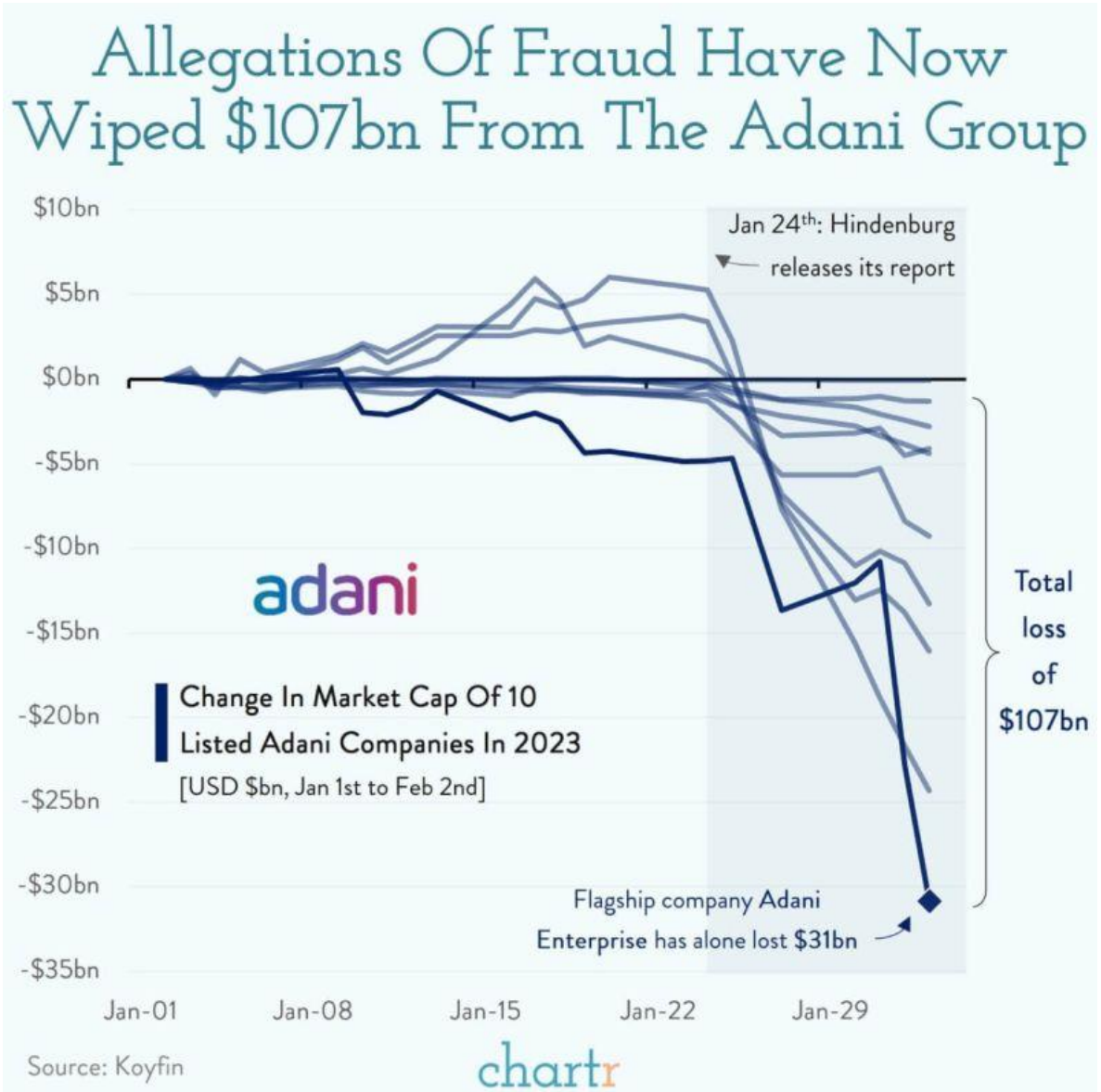


Source: Bloomberg





#adani



Source: Chart



#GLOBALMARKETS WEEKLY WRAP-UP

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#markets

#adani

This collapse in Adani Enterprises shares is just mental:

-28% Wednesday

-27% Thursday

-35% Friday

Share price has reversed a 2-year, 4-fold rally in a few days.



Source: David Ingles

#adani

Three-fourths of the calls by Hindenburg have led to a stock crash.

Three-fourths of the calls by Hindenburg have led to a stock crash
Performance of the stocks (excluding Adani Group) called so far by Hindenburg

Date of publication	Company	Performance (in %)	Date of publication	Company	Performance (in %)
7-Oct-17	Polarity TE	-99.9	15-Jun-21	DraftKings	-68.7
11-Jul-19	Predictive Technology	-99.9	13-Oct-20	Loop Industries	-68
7-Jun-19	Eros International	-99.8	23-Mar-20	HF Foods	-66.3
20-May-21	HUMBL	-98.9	13-Dec-17	Marathon Patent Group	-65.1
17-May-20	China Metal Resources	-96.5	21-Aug-20	GrowGeneration	-64.95
4-Oct-19	SmileDirectClub	-96	11-Dec-17	RIOT Blockchain	-57.8
6-Apr-21	Ebang	-94.16	6-May-21	PureCycle Technologies	-45.6
17-Apr-20	SCWorx	-94	3-Feb-22	Standard Lithium	-31.82
10-Sep-20	Nikola	-91.85	16-Jan-20	Opera	-28.9
12-Mar-21	Lordstown Motors	-91.3	14-Feb-18	Chicken Soup for the Soul Entertainment	-21.6
9-May-18	Genprex	-90.4	20-Apr-20	New Pacific Metals	-21.5
4-Feb-21	CloverHealth	-90.3	1-Mar-21	Ormat	14.36
5-Jun-20	Genius Brands	-88.72	7-Dec-22	Welltower	15.7
6-Apr-22	Mullen Automotive	-87.55	9-Mar-22	Natera	21.5
2-Mar-20	PharmaCielo	-87.4	21-Mar-18	Aphira Inc.	27.7
26-Jun-20	Ideanomics	-86.3	19-Oct-22	Establishment Labs	29.12
5-May-22	Singularity Future Technology	-86.25	16-Jun-22	Ebix	30.3
20-May-20	Sorrento	-80	13-Aug-19	DaVita	35.25
30-Nov-20	Kandi	-79.7	30-Jun-20	J2 Global	49.36
17-Nov-17	Opko Health	-79	4-Sep-18	Apollo Medical Holdings	109.6
24-Apr-18	Pulse Biosciences	-77.1	25-Feb-19	Sky Solar	300.6
10-Feb-20	NexTech AR	-72.1	17-Sep-19	Bloom Energy	423
1-Jun-22	Enochian Biosciences	-71.35			

Performance period is from the date of publication of the report on the respective company till 27 January 2023
 Source: Nasdaq, NYSE, Canadian Stock Exchanges, Hong Kong Exchange, Mint research



#us #treasuries

US Treasury yields ended the week higher after exploding higher on Friday following payrolls. The short-end notably underperformed...



Source: www.zerohedge.com, Bloomberg



#us #treasuries #2y

The US 2Y Yield exploded 20bps higher on Friday - its biggest daily rise since June 2022, back above 4.30% and back to CPI levels...



Source: www.zerohedge.com, Bloomberg



#us #rate #expectations

Friday's unemployment numbers sparked an aggressively hawkish response in STIRs with the terminal rate spiking up to 5.00% and rate-cut expectations sliding (after Powell's dovish speech). This move has erased almost all of the easing priced in from the early Jan CPI print..



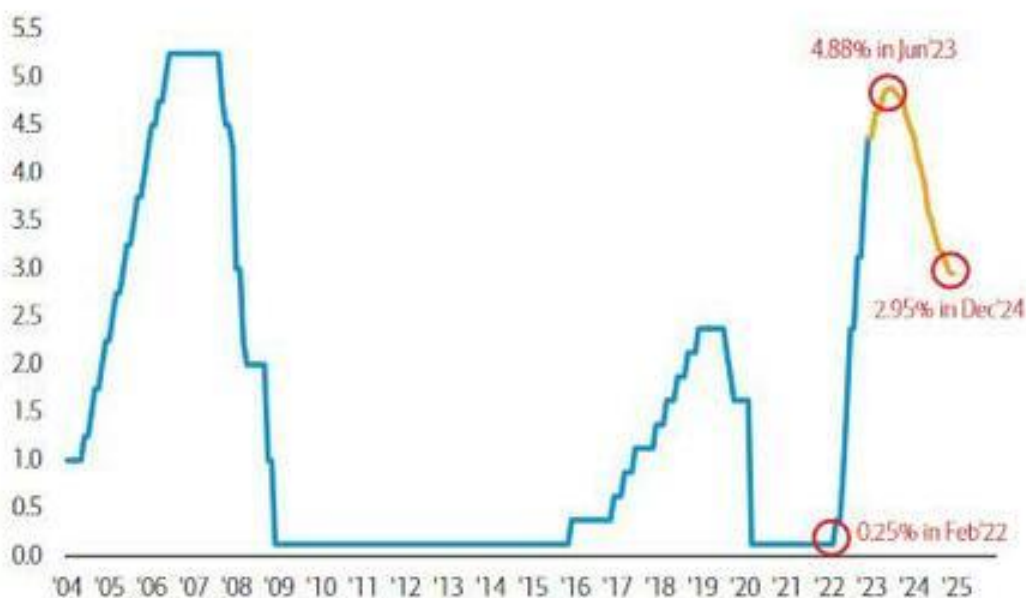
Source: www.zerohedge.com, Bloomberg



#us #rate #expectations

Despite the solid economic data, Fed futures still say just one last 25bps hike, then 200bps of cuts Jul'23 to Dec'24.

Chart 3: Consensus says Fed hikes 25bp in Mar, then 200bp cuts
Current market pricing for Federal Funds Rate (%)



Source: BofA Global Investment Strategy, Bloomberg. Pricing as of 02/02/2023.

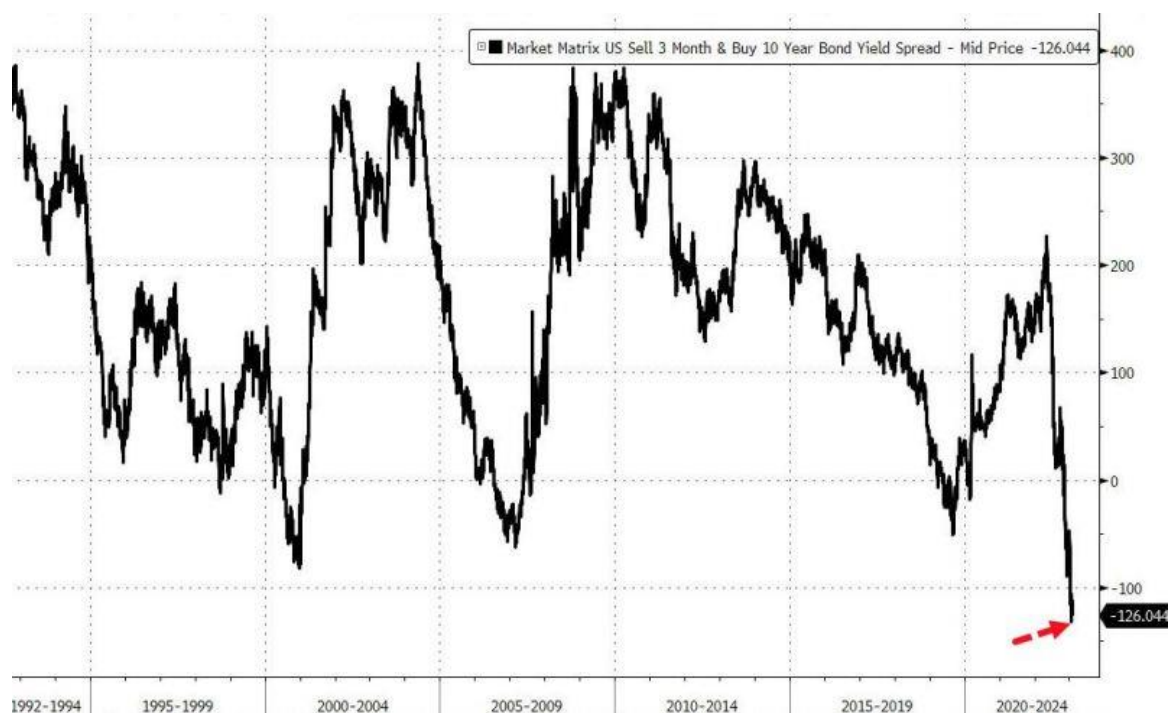
BoFA GLOBAL RESEARCH

Source: BofA



#us #yield-curve

The US yield curve is the most inverted ever...

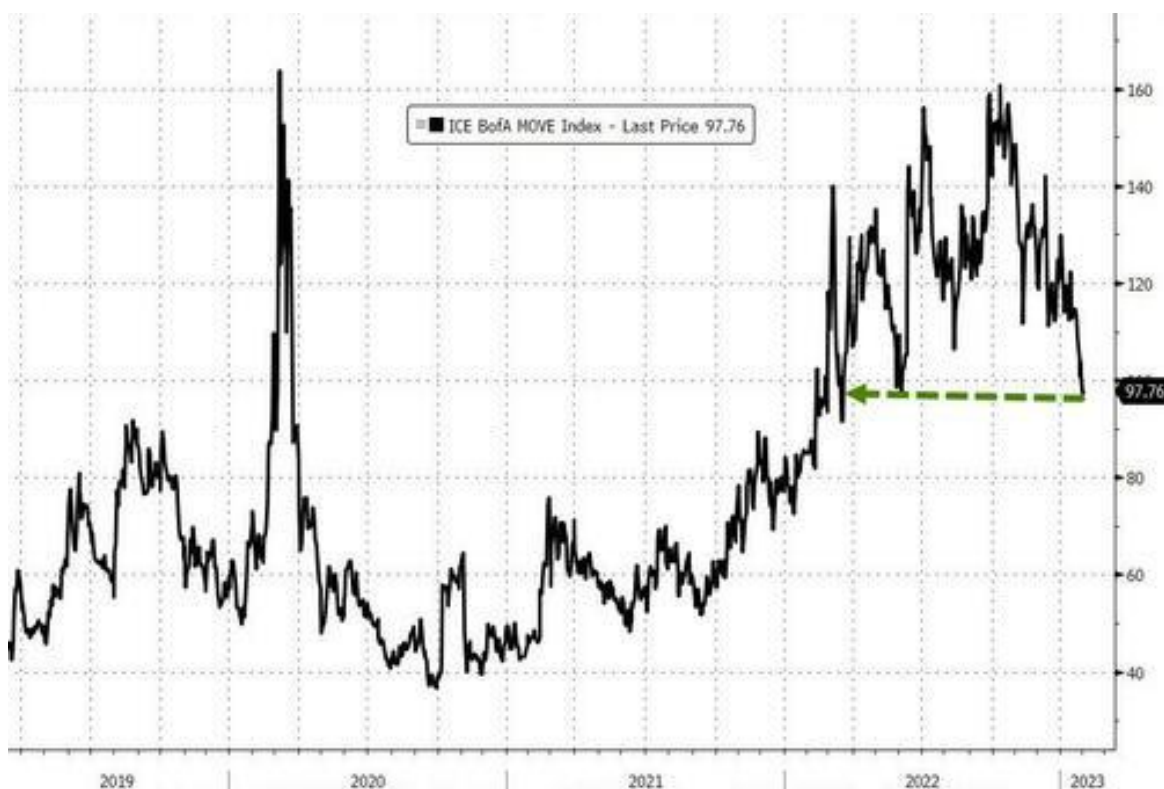


Source: www.zerohedge.com, Bloomberg



#move

Despite the volatility in bonds this week, the bond market's "VIX" index (MOVE) tumbled to its lowest since March 2022...



Source: www.zerohedge.com, Bloomberg

#markets

#us #treasuries #shorts

Hedge funds have never been this bearish on Treasuries

Traders Have Never Been This Bearish on Treasuries

■ Aggregate Treasuries net non-commercial futures contracts

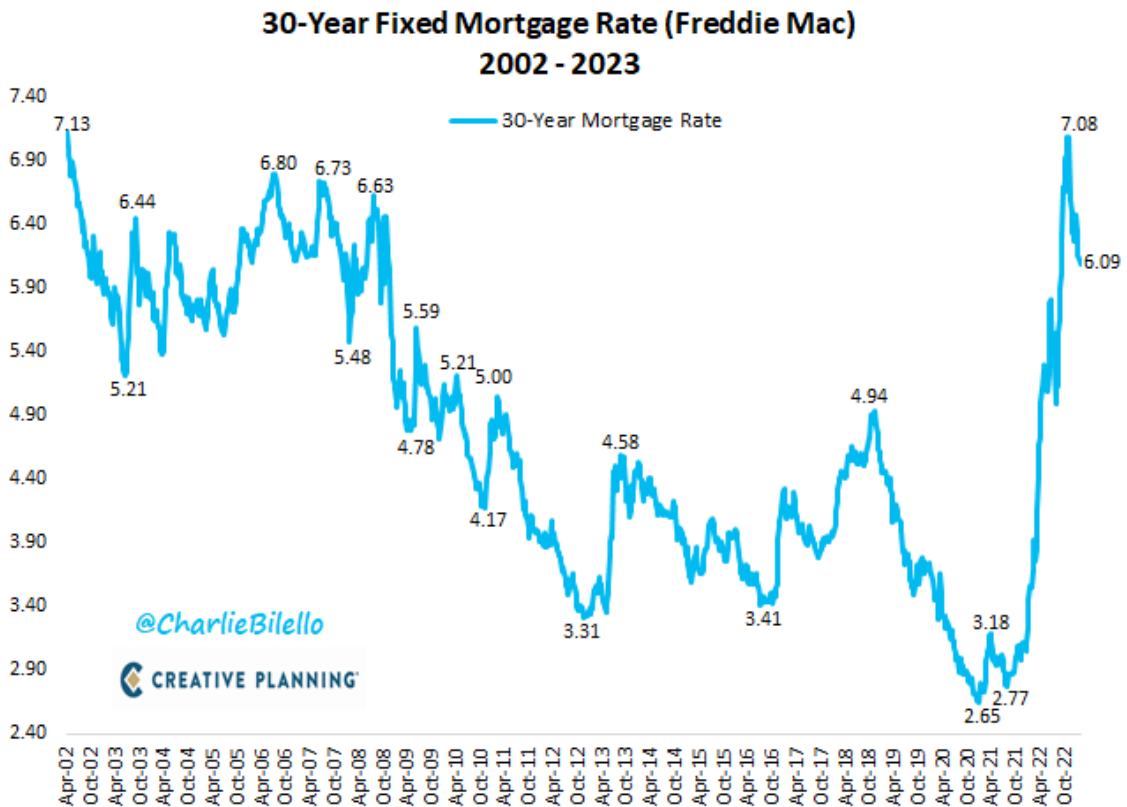


Source: Bloomberg



#us #mortgage #rates

The 30-year US mortgage rate has moved from 7.08% down to 6.09% over the last 12 weeks, the largest 12-week decline (-99 bps) in rates since January 2009.

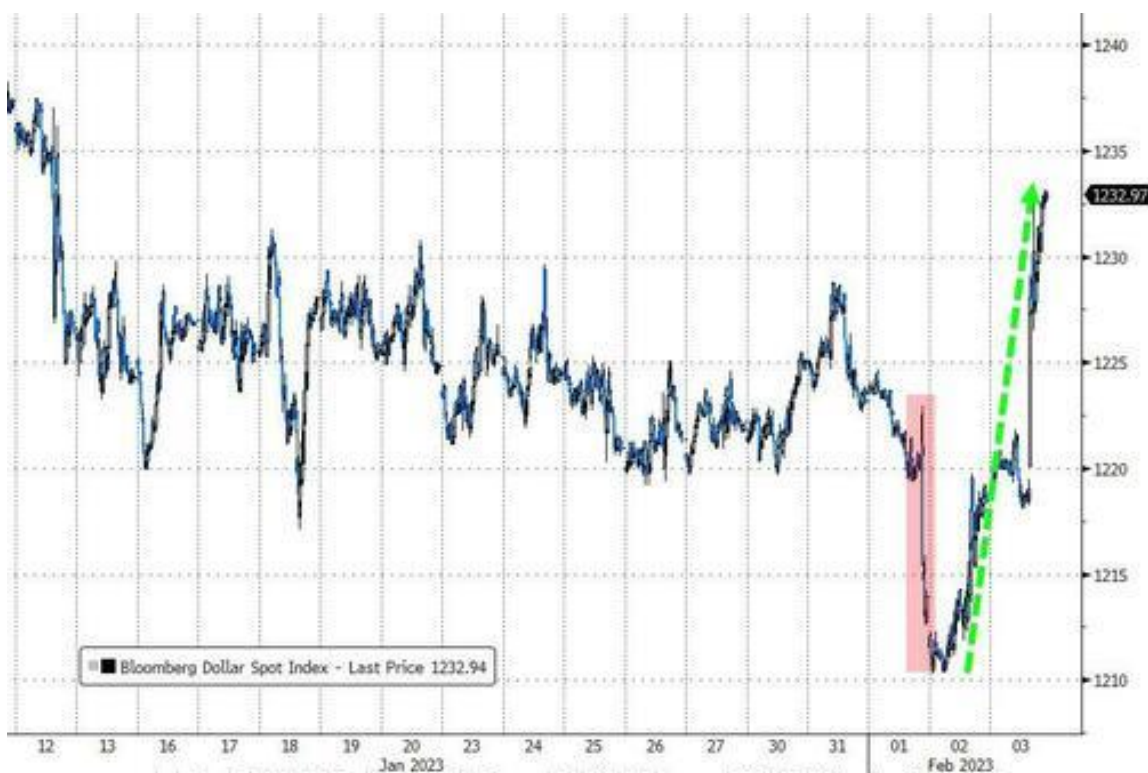


Source: Charlie Bilello



#dollar

The dollar roared higher off post-Powell lows on Friday.



Source: www.zerohedge.com, Bloomberg

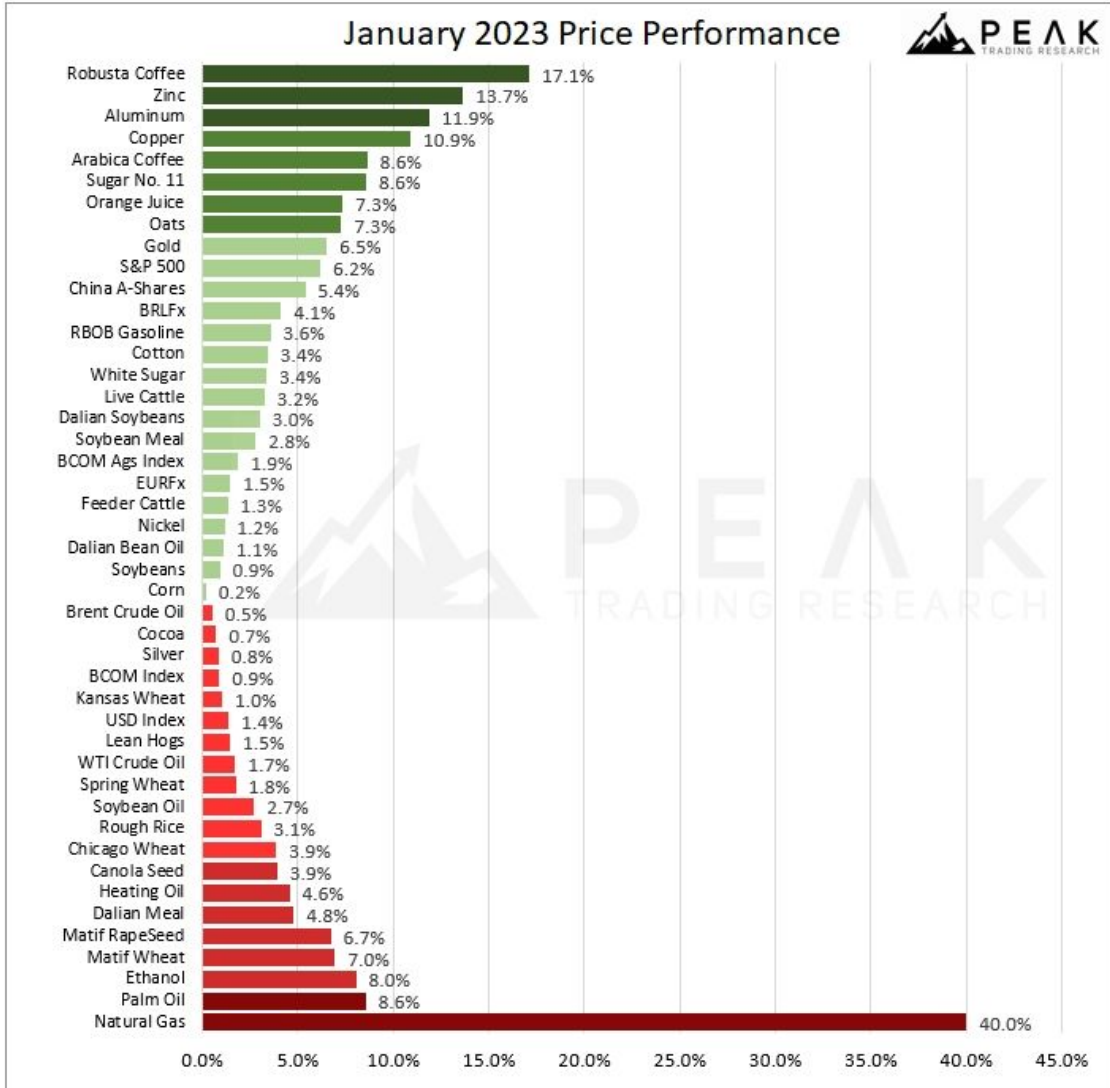
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#commodities #january



Futures return calculation basis front-month roll-adjusted contract prices

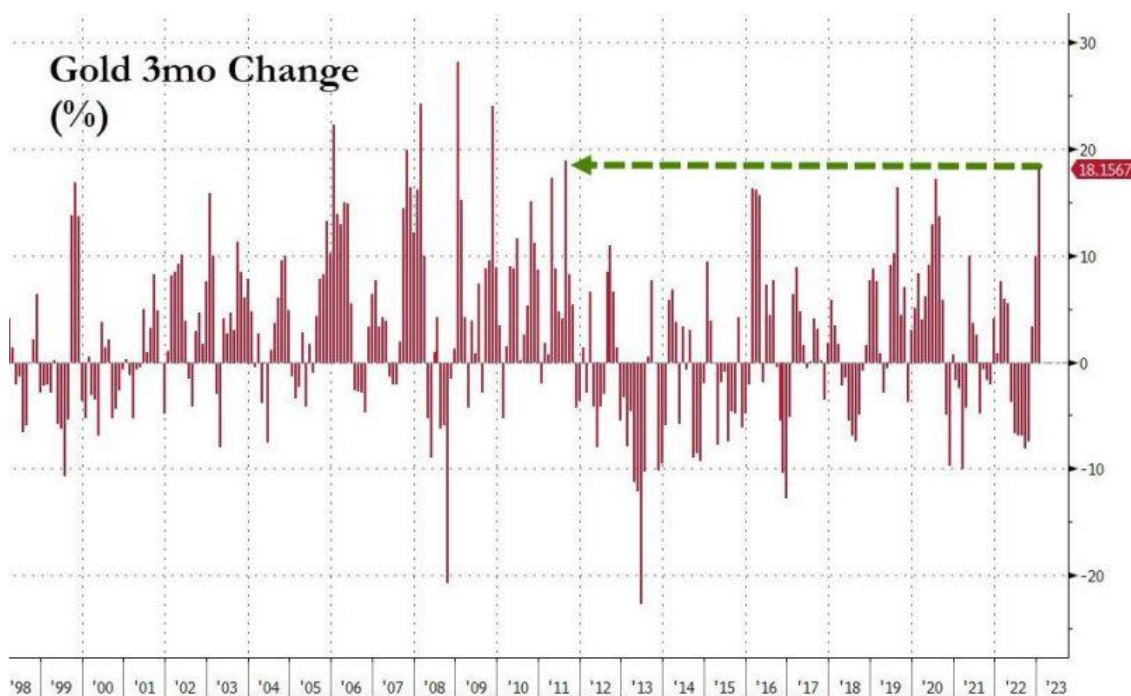
Source: Peak Trading View





#gold

Gold is up 18% over the last 3 months, its best such move since August 2011...



Source: Bloomberg, www.zerohedge.com



#gold

Gold collapsed this week (post-Powell), tumbling \$100 from high to low...



Source: www.zerohedge.com, Bloomberg



#oil

Crude dropped sharply on the week, with Brent back at \$80 and WTI tumbling to a \$73 handle...



Source: www.zerohedge.com, Bloomberg



#natural-gas

Natural Gas prices now almost back to 2020 pandemic levels.

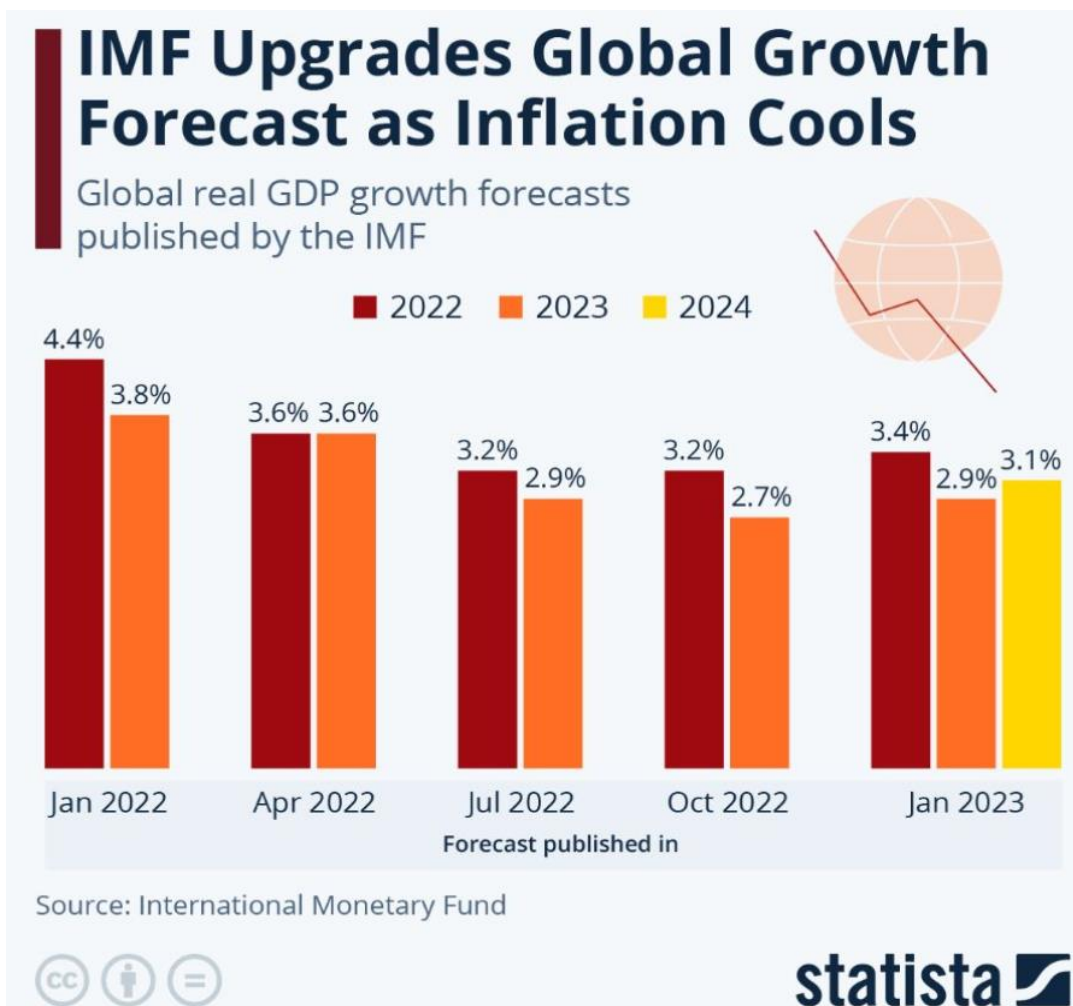


Source: Bloomberg

#macro

#global #gdp #forecasts

The IMF published its latest World Economic Outlook on Monday, painting a slightly less gloomy picture than three and a half months ago.



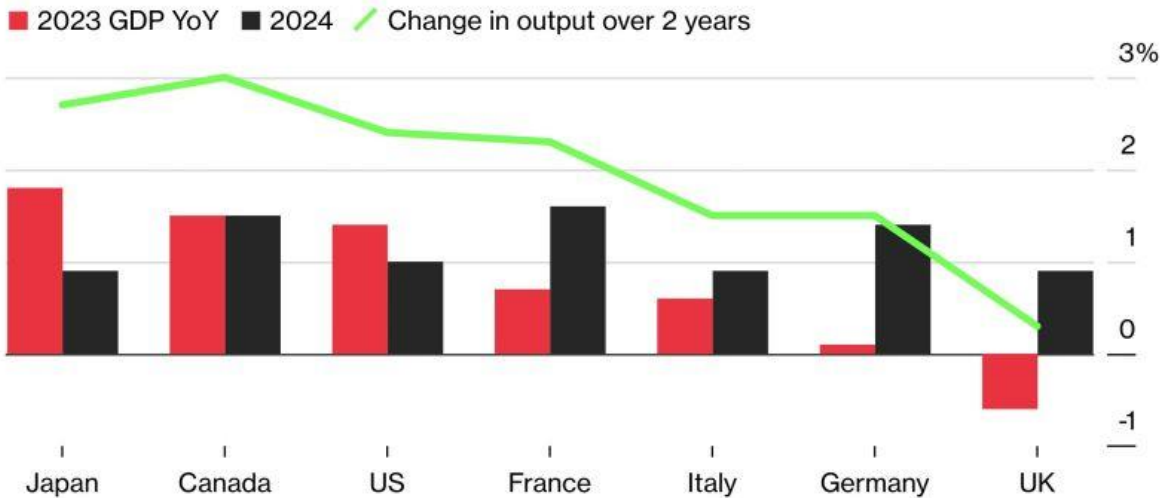


#uk #gdp

UK will be the only G7 member whose economy will shrink this year, w/contraction of 0.6%, IMF said. Higher rates and tighter fiscal policy blamed for slump. The forecast highlights the challenges PM Sunak’s govt faces in the leadup to the next election

The UK Faces the Worst Two Years of Any Major Economy

GDP forecast by IMF to be barely higher in 2024 than in 2022



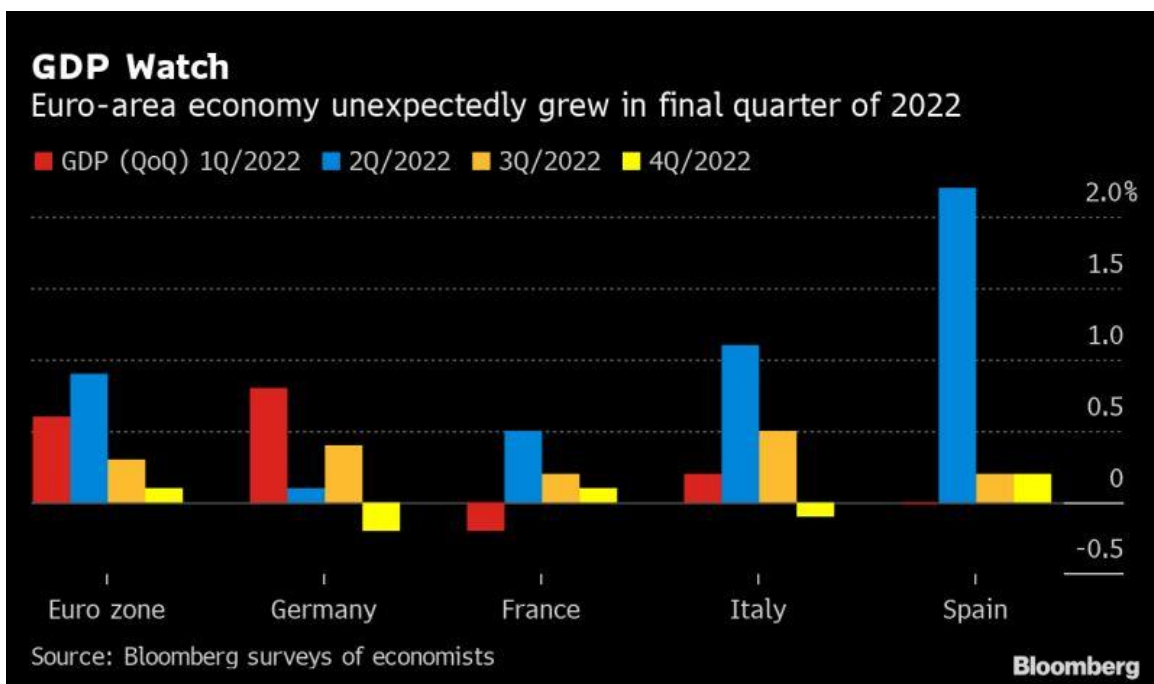
Source: International Monetary Fund

Source: IMF, Bloomberg



#eurozone #gdp #growth

Eurozone may dodge recession after surprise growth: Eurozone GDP grew 0.1% QoQ in 4Q, defying economist estimates for a contraction of 0.1%. While German & Italian GDP shrank, France and Spain recorded expansion.



Source: Bloomberg



#german #exports

German export model keeps eroding. Germany's once sizable export surplus falling off a cliff, more than halved YoY <€80bn in 2022 due to rising energy costs, the lowest figure since 2000 and 5th decline in succession.



Source: Bloomberg, HolgerZ

#macro

#us #macro #surprises

This week saw the biggest spike in US macro surprise data since June 2020 (thanks to the payrolls print and a shocking surprise surge in ISM Services)...



Source: www.zerohedge.com



#us #jobs

US NFP came out as a shock to the market with 517k instead of 188k expected, i.e this is a 8-sigma beat to expectations. This huge beat took place despite the fact that a whopping 440pct surge in corporate layoffs in January with 102k cuts in the month, more than twice those announced in December, a disappointing ADP report and PMI pointing towards a cooling down of the job market.

Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	02/03 14:30				Two-Month Payroll Net Revision	Jan	--	71k	--	--
22)	02/03 14:30				Revisions: Establishment Survey					
23)	02/03 14:30				Change in Nonfarm Payrolls	Jan	188k	517k	223k	260k
24)	02/03 14:30				Change in Private Payrolls	Jan	190k	443k	220k	269k
25)	02/03 14:30				Change in Manufact. Payrolls	Jan	7k	19k	8k	12k
26)	02/03 14:30				Unemployment Rate	Jan	3.6%	3.4%	3.5%	--
27)	02/03 14:30				Average Hourly Earnings MoM	Jan	0.3%	0.3%	0.3%	0.4%
28)	02/03 14:30				Average Hourly Earnings YoY	Jan	4.3%	4.4%	4.6%	4.8%
29)	02/03 14:30				Average Weekly Hours All Employees	Jan	34.3	34.7	34.3	34.4
30)	02/03 14:30				Labor Force Participation Rate	Jan	62.3%	62.4%	62.3%	--
31)	02/03 14:30				Underemployment Rate	Jan	--	6.6%	6.5%	--

Source: Bloomberg



#us #jobs

As highlighted by Goldman, there is very often a big SEASONAL ADJUSTMENT IN JANUARY. Last year it was 2.9 million. This year the final adjustment factor is the following: +517K seasonally adjusted number vs -2.505 million unadjusted, which brings us to a record 3+ million seasonal adjustment factor. Indeed, without the adjustment, NFP was MINUS 2.5 million...

Exhibit 3: January Seasonal Factors Evolving Favorably, Possibly Fitting to the January 2022 Omicron Wave



Source: US Bureau of Labor Statistics, Goldman Sachs Global Investment Research

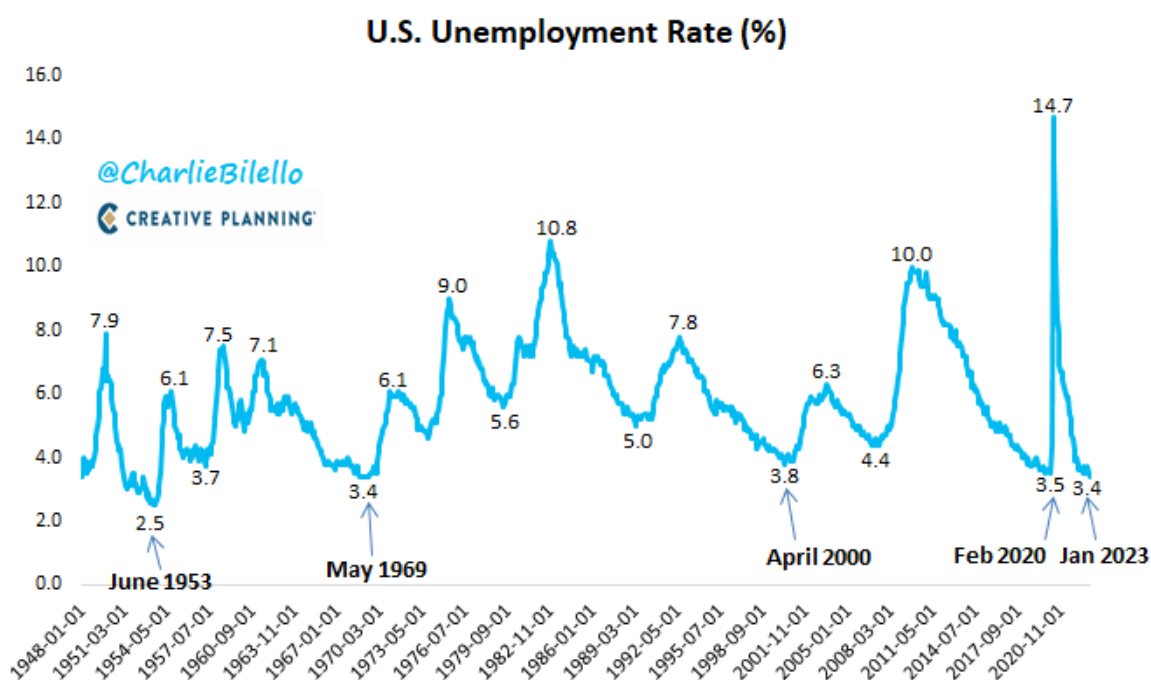
Source: Goldman Sachs, www.zerohedge.com





#us #jobs

The US Unemployment Rate moves down to 3.4%, the lowest level since 1969.



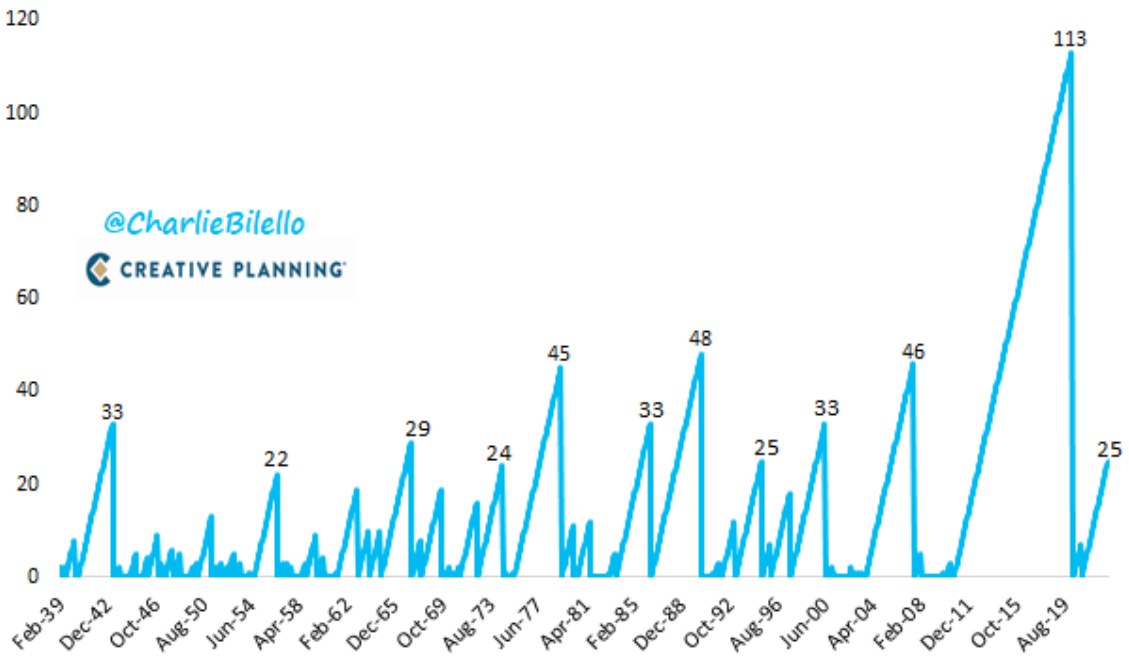
Source: Charlie Bilello



#us #jobs

25 consecutive months of jobs growth in the US...

US Non-Farm Payrolls: Consecutive Positive Months (1939 - 2023)

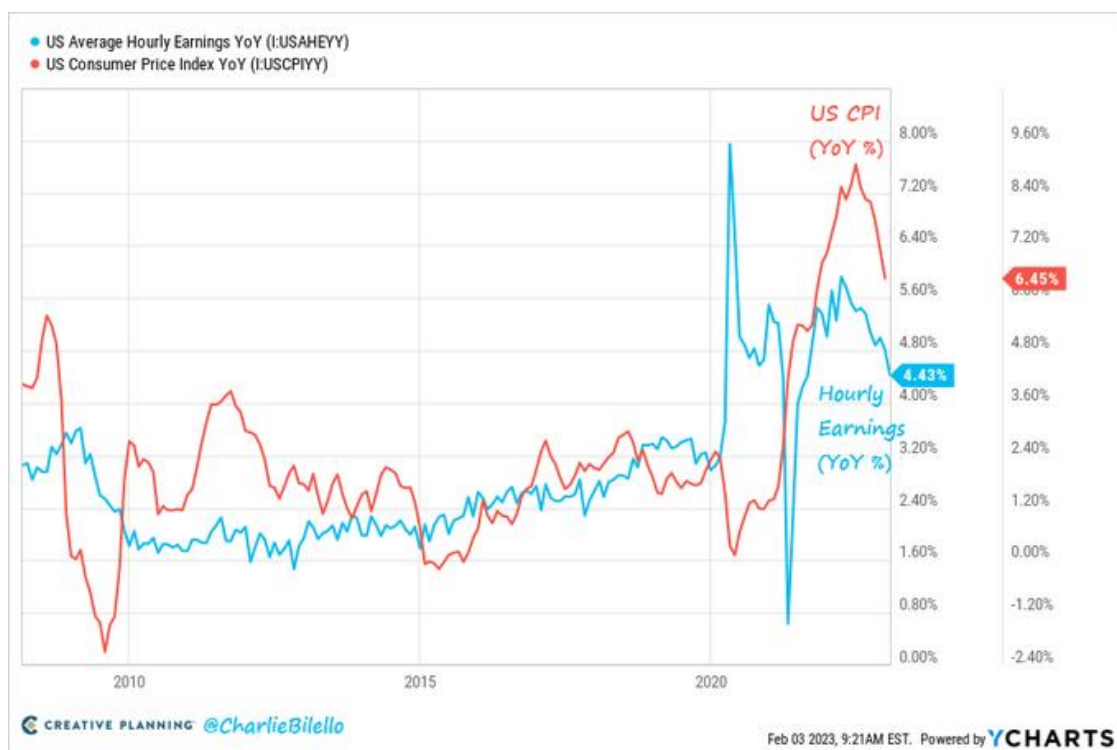


Source: Charlie Bilello



#us #jobs

US Average Hourly Earnings increased 4.4% YoY in January, the slowest growth rate since Aug 2021. This is the 22nd consecutive month where inflation outpaced the growth in wages (YoY), a decline in prosperity for the American worker and the primary reason why the Fed will hike again.



Source: Charlie Bilello



#macro

#global #inflation

Global Inflation Rates		
Country/Region	CPI Inflation (YoY %)	Trend vs. Prior Reading
CHINA	1.8%	Higher
TAIWAN	2.7%	Higher
SWITZERLAND	2.8%	Lower
SAUDI ARABIA	3.3%	Higher
JAPAN	4.0%	Higher
SOUTH KOREA	5.0%	Unchanged
INDONESIA	5.5%	Higher
SPAIN	5.7%	Lower
INDIA	5.7%	Lower
BRAZIL	5.8%	Lower
THAILAND	5.9%	Higher
FRANCE	5.9%	Lower
CANADA	6.3%	Lower
US	6.5%	Lower
SINGAPORE	6.5%	Lower
NEW ZEALAND	7.2%	Lower
SOUTH AFRICA	7.2%	Lower
MEXICO	7.8%	Higher
PHILIPPINES	8.1%	Higher
IRELAND	8.2%	Lower
AUSTRALIA	8.4%	Higher
GERMANY	8.6%	Lower
FINLAND	9.1%	Unchanged
EUROZONE	9.2%	Lower
PORTUGAL	9.6%	Lower
NETHERLANDS	9.6%	Lower
UK	10.5%	Lower
ITALY	11.6%	Lower
RUSSIA	11.9%	Lower
SWEDEN	12.3%	Higher
POLAND	16.6%	Lower
TURKEY	64.3%	Lower
ARGENTINA	94.8%	Higher
VENEZUELA	156%	Lower

CREATIVE PLANNING

@CharlieBilello

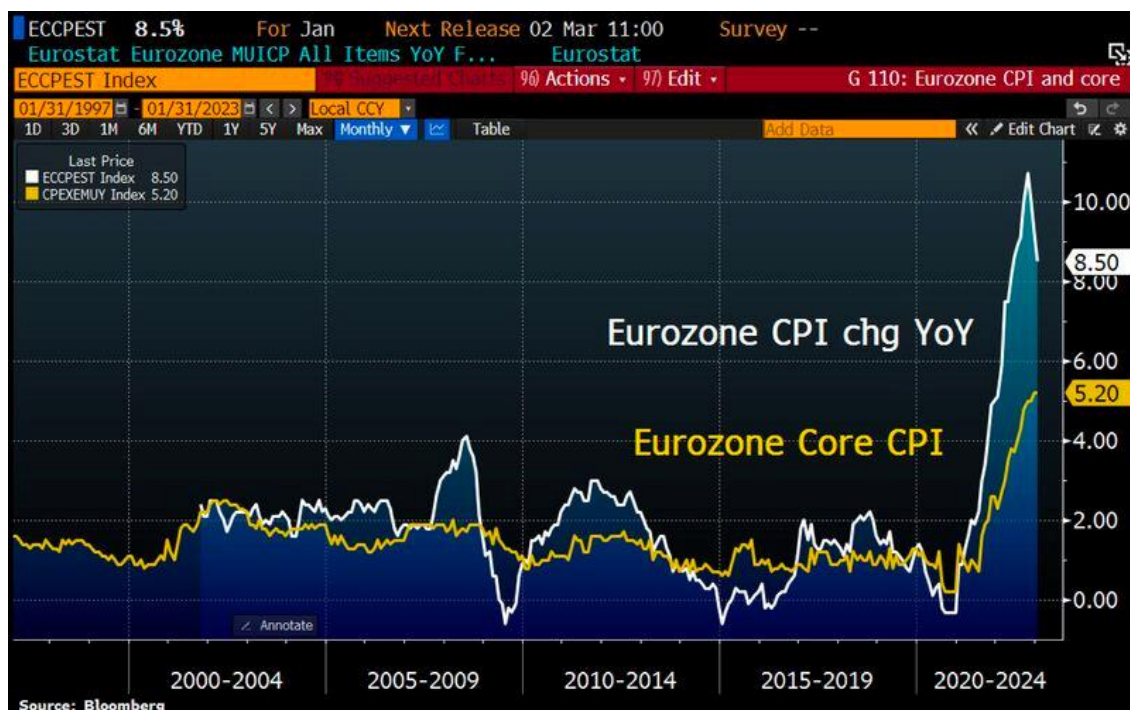


Source: Charlie Bilello



#eurozone #inflation

Eurozone inflation slowed to 8.5% YoY in January more than expected, suggesting a more heated debate to come at ECB meeting over how much more #interestrates must still rise as Core CPI - a gauge of underlying inflation that excludes volatile items - held at ATH of 5.2%



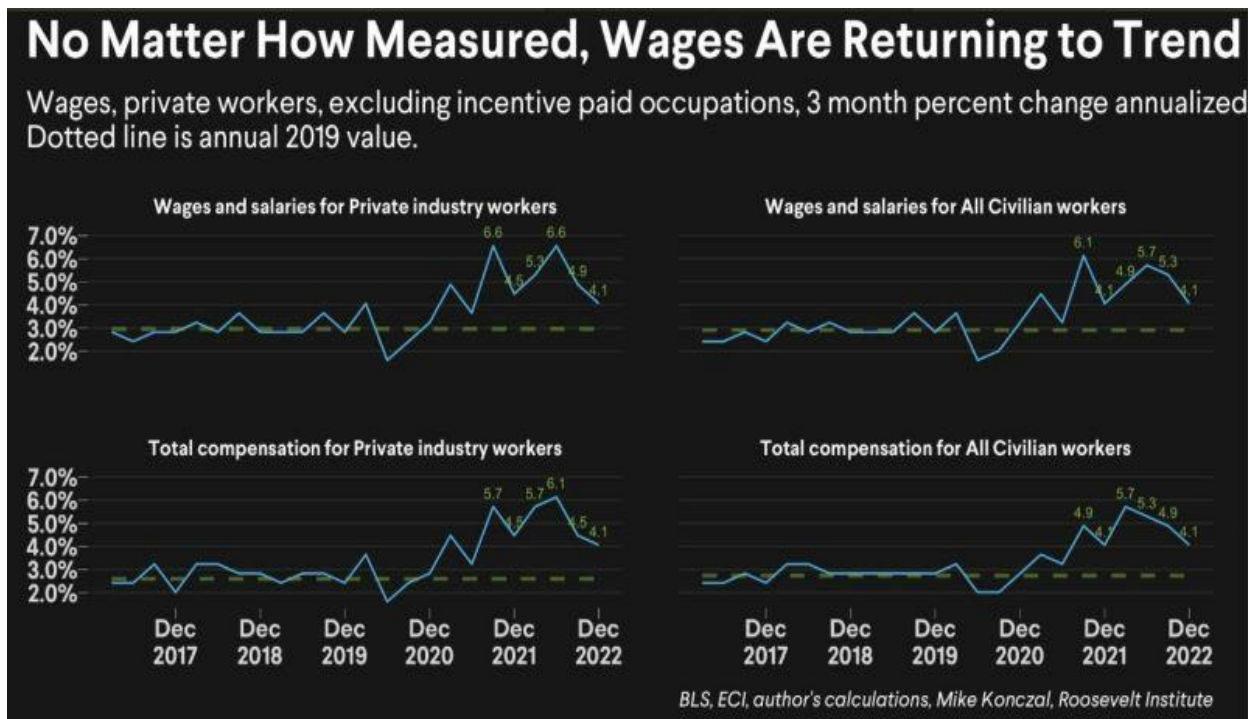
Source: Bloomberg, www.zerohedge.com



#us #wages #inflation

This is an important development for the Fed: US job market is cooling down and this is something also visible in wages, which are decelerating and quickly reverting back to their long-term trend.

Private sector wages were up 1.0% QoQ, which is the smallest quarterly increase since Q2 2021. Lower nominal wage growth means higher chances of inflation slowing down and thus higher probability for the Fed to pause.



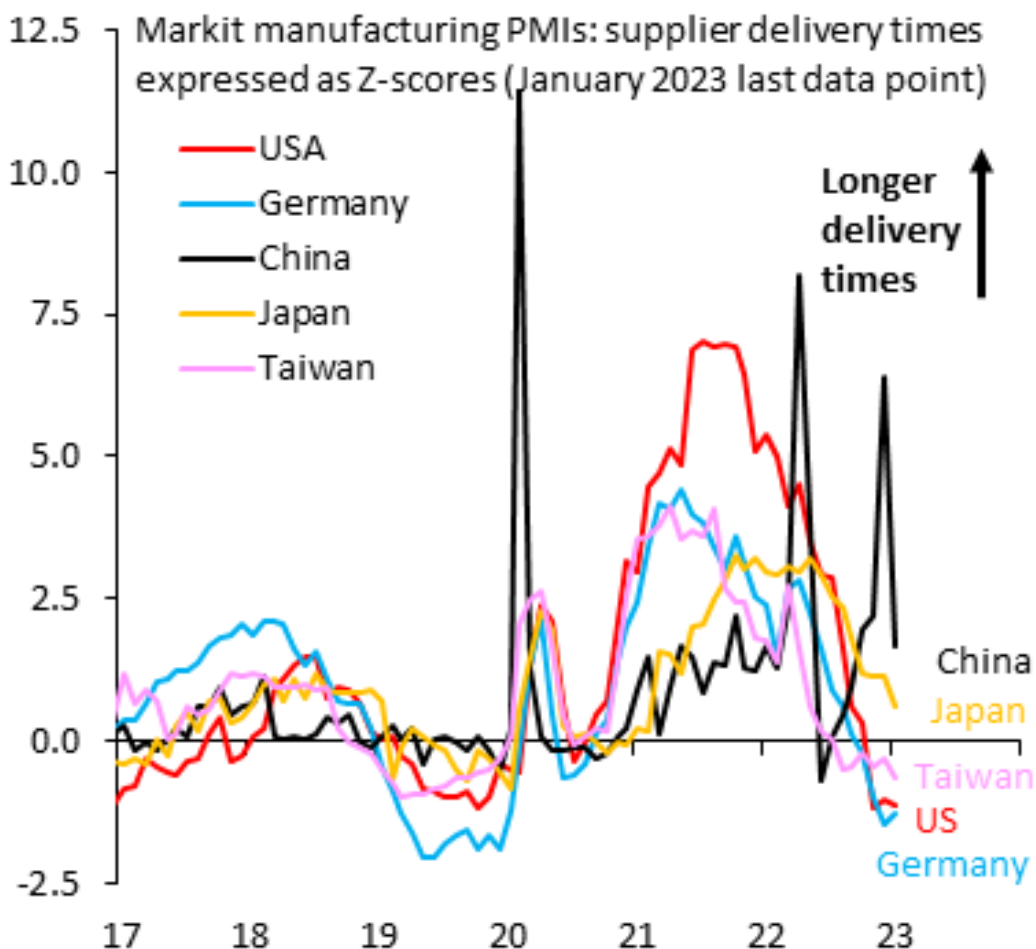
Source: MacroAlf



#macro

#china #inflation

Whatever is going on in China with the end of zero COVID, it's over. Delivery times in China's manufacturing PMI spiked in December 2022, but had almost normalized in January 2023. There is no inflation shock coming from China.

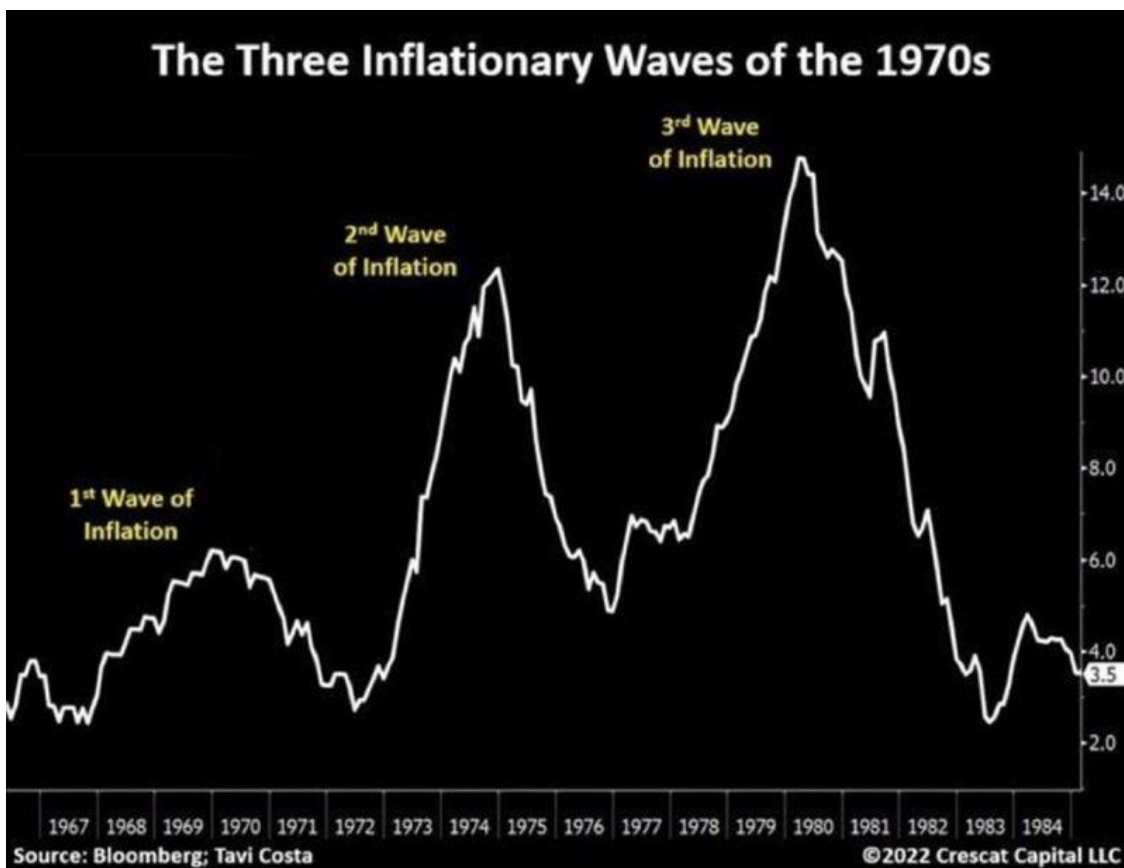


Source: Robin Brooks

#macro

#us #inflation #70s #cycle

As a remainder...



Source: Tavi Costa, Bloomberg

#us #debt-ceiling #looming-risk

The debt ceiling drama: what is the end game=

- 1) A last hour increase in the debt ceiling?
- 2) Spending to resume?
- 3) The Fed to turn back on the printer to lower rates so that interest payments \$32 trillion in the debt is reduced?



Source: WallStreetSilver



#us #debt-ceiling #looming-risk

The government last week started taking “extraordinary measures” to meet its obligations after the country hit its \$31.4tn borrowing limit. The debt limit, also known as the debt ceiling, is the statutory limit for the amount of money the US Treasury can borrow in the form of securities, including bills and savings bonds, to finance existing federal operations. Under the US Constitution, only Congress is authorised to set the amount the US can borrow – this is done through a vote. In the last such vote in December 2021, the debt ceiling was fixed at \$31.4 trillion. The US has touched or neared the debt limits at least 20 times in the past 20 years because of a host of measures – by both parties when in power–. The debt limit has been modified 20 times since 2002, most recently in December 2021, when the previous limit was increased by \$2.5 trillion to meet the rising borrowing needs and ensure the US government avoids a default. With the debt touching \$31.4 trillion in 2023, it accounts for close to 125% of the GDP.

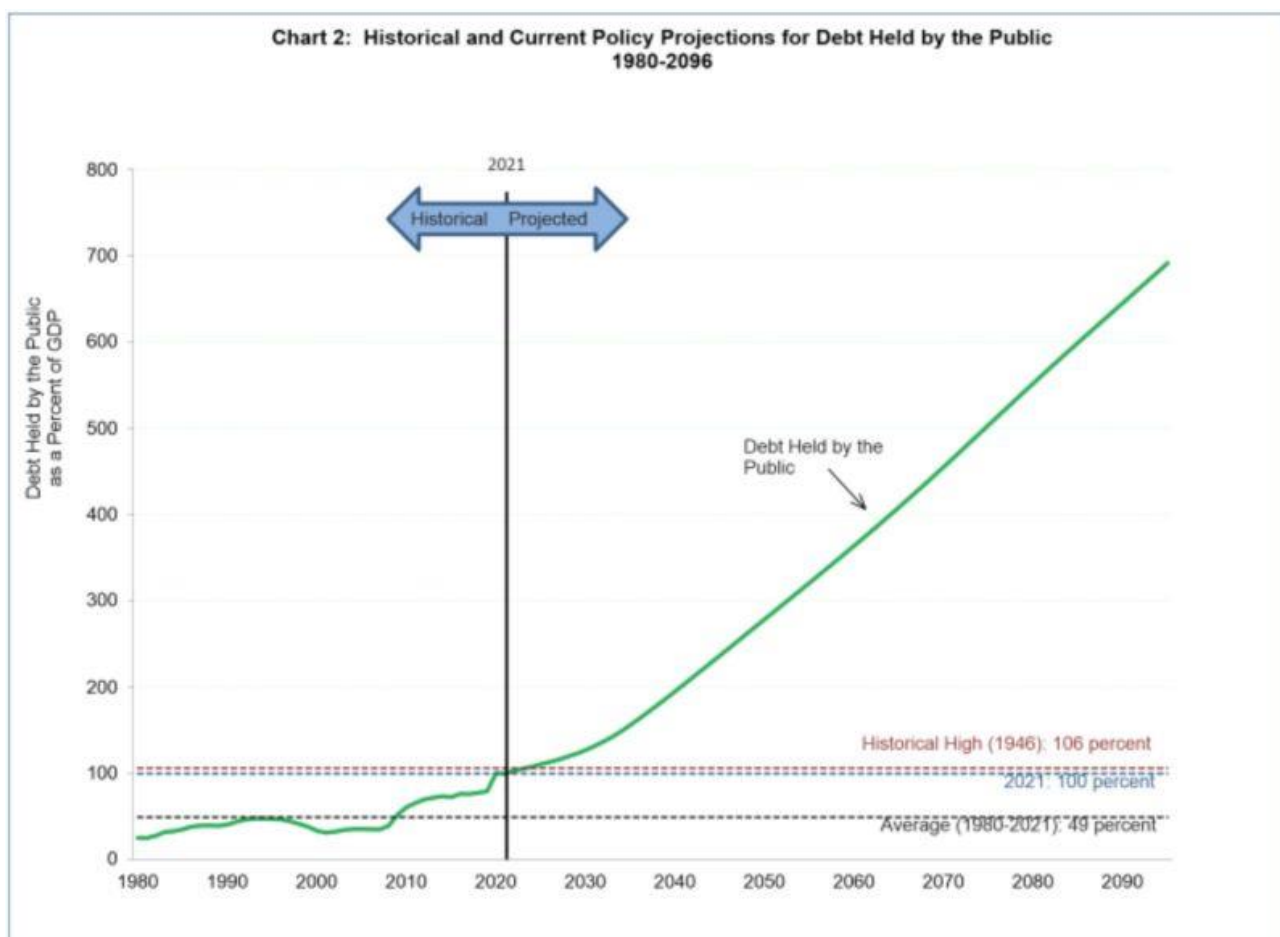


Source: Aljazeera

#macro

#us #debt #projections

The U.S. Treasury Department actually published this.



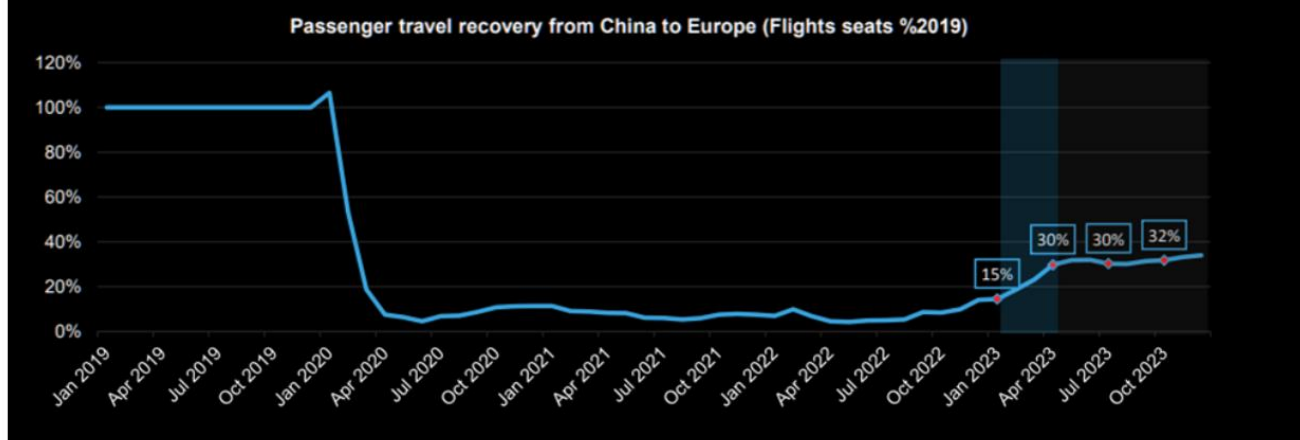
Source: Lyn Alden

#macro

#china #reopening

In January 2023, domestic travel within Mainland China fully recovered, reaching 110% of 2019 level. However, short[1]haul international travel including Hong Kong & Macau was only at 11%, and long-haul travel to Europe was only at 15%. Travel restrictions are still in place in most international destinations and obtaining tourist visas remains hard for Chinese nationals. Upcoming flight schedules are pointing to a gradual recovery of international travel: the number of available seats is expected to reach c.30% of 2019 levels by April 2023 for direct flights to Europe.

EXHIBIT 3: **Passenger air travel from China to Europe is scheduled to recover gradually, reaching c.30% of pre-pandemic level by March 2023**



Source: Sanford Bernstein

#centralbanks

#global #rates

ECB +50bp, BoE +50bps, Fed +25bps, Hong-Kong +25 bps, Saudi Arabia +25 bps

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%	4.0%	-4.1%	Cut	Jan-16
Switzerland	Target Rate	1.00%	2.8%	-1.8%	Hike	Dec-22
Denmark	Deposit Rate	1.25%	8.7%	-7.5%	Hike	Oct-22
Thailand	Policy Rate	1.50%	5.9%	-4.4%	Hike	Jan-23
Taiwan	Discount Rate	1.75%	2.7%	-1.0%	Hike	Dec-22
Eurozone	Deposit Rate	2.50%	8.5%	-6.0%	Hike	Feb-23
Sweden	Repo Rate	2.50%	12.3%	-9.8%	Hike	Dec-22
Norway	Deposit Rate	2.75%	5.9%	-3.2%	Hike	Dec-22
Malaysia	Policy Rate	2.75%	3.8%	-1.1%	Hike	Nov-22
Australia	Cash Rate	3.10%	8.4%	-5.3%	Hike	Dec-22
South Korea	Repo Rate	3.50%	5.2%	-1.7%	Hike	Jan-23
China	Loan Prime Rate	3.65%	1.8%	1.9%	Cut	Aug-22
UK	Bank Rate	4.00%	10.5%	-6.5%	Hike	Feb-23
New Zealand	Cash Rate	4.25%	7.2%	-3.0%	Hike	Nov-22
Canada	Overnight	4.50%	6.3%	-1.8%	Hike	Jan-23
US	Fed Funds	4.63%	6.5%	-1.9%	Hike	Feb-23
Hong Kong	Base Rate	5.00%	2.0%	3.0%	Hike	Feb-23
Saudi Arabia	Repo Rate	5.25%	3.3%	2.0%	Hike	Feb-23
Philippines	Key Policy Rate	5.50%	8.1%	-2.6%	Hike	Dec-22
Indonesia	Repo Rate	5.75%	5.3%	0.5%	Hike	Jan-23
India	Repo Rate	6.25%	5.7%	0.5%	Hike	Dec-22
Poland	Repo Rate	6.75%	16.6%	-9.9%	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	15.8%	-8.8%	Hike	Jun-22
South Africa	Repo Rate	7.25%	7.2%	0.1%	Hike	Jan-23
Russia	Key Policy Rate	7.50%	11.9%	-4.4%	Cut	Sep-22
Peru	Policy Rate	7.75%	8.7%	-0.9%	Hike	Jan-23
Turkey	Repo Rate	9.00%	64.3%	-55.3%	Cut	Nov-22
Mexico	Overnight Rate	10.50%	7.8%	2.7%	Hike	Dec-22
Chile	Base Rate	11.25%	12.8%	-1.6%	Hike	Oct-22
Colombia	Repo Rate	12.75%	13.1%	-0.4%	Hike	Jan-23
Brazil	Target Rate	13.75%	5.8%	8.0%	Hike	Aug-22
Argentina	Benchmark Rate	75.00%	94.8%	-19.8%	Hike	Sep-22

CREATIVE PLANNING

@CharlieBilello

Data as of 2/2/23

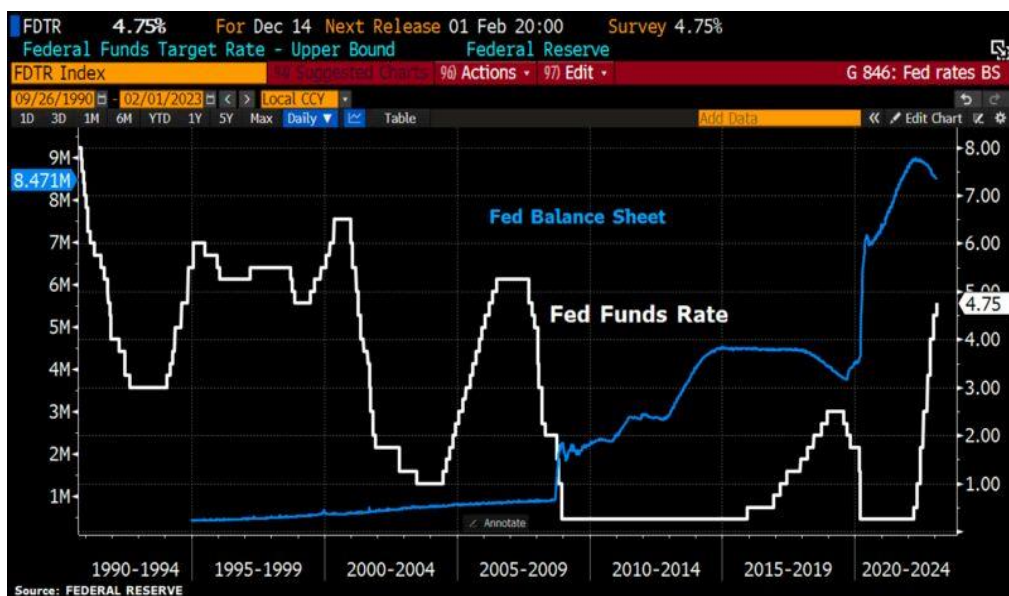


Source: Charlie Bilello

#centralbanks

#fed #dovish

Fed hike rates by 25bp to 4.5%-4.75% range (as expected) but signals more to come (they repeat 'ongoing increases' will be appropriate so no pause after March). But markets reacted in a DOVISH WAY: BOND YIELDS DOWN, THE DOLLAR DOWN, GOLD AND STOCKS UP. Reasons for that: 1) Markets were anticipating some hawkishness; 2) Powell made clear that we are close to the end of tightening ('we are not very far from the peak level' + 'we will be carefully watching the economy and disinflationary process'); 3) he said that there is "No incentive, desire to overtighten"; 4) Powell said that "our focus is not on short-term moves, but on sustained changes" to financial conditions. IT THUS SEEMS THAT POWELL IS OK WITH FINANCIAL CONDITIONS EASING.

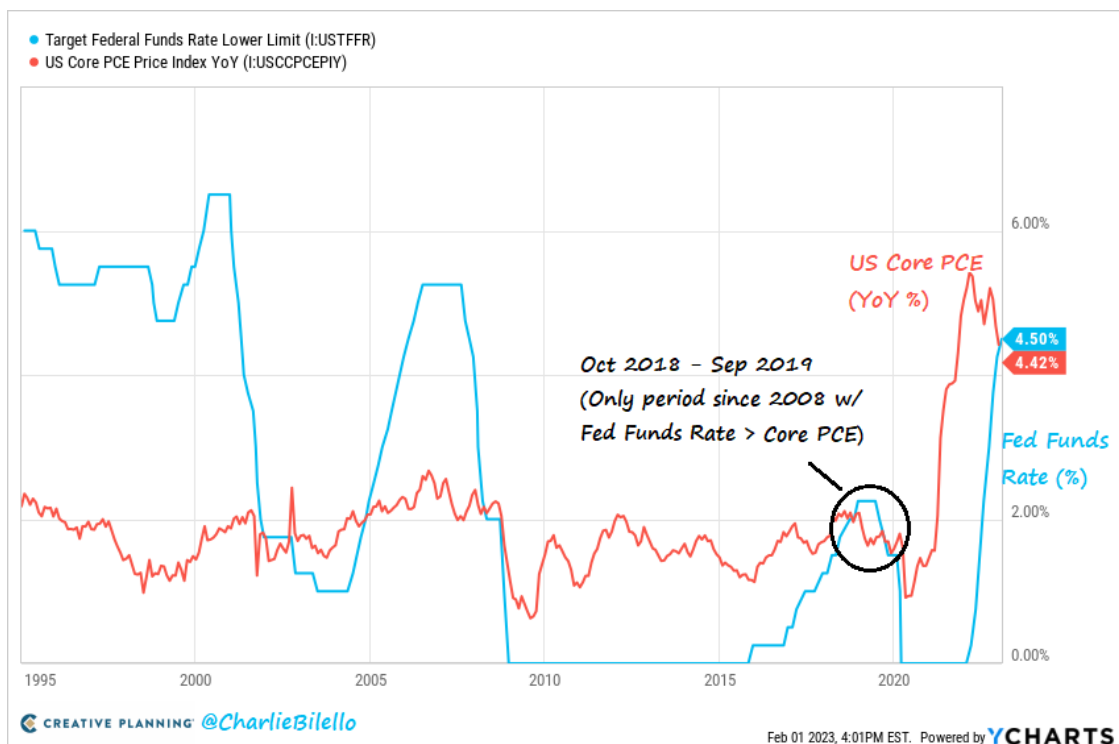


Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #core-pce

After today's 25 bps rate hike, the Fed Funds Rate has moved above Core PCE (the Fed's preferred measure of inflation). Since 2008, the only other period w/ a Fed Funds Rate above Core PCE: Oct 2018 - Sep 2019. That ended with Fed rate cuts in 2019 & a move back to easy money.

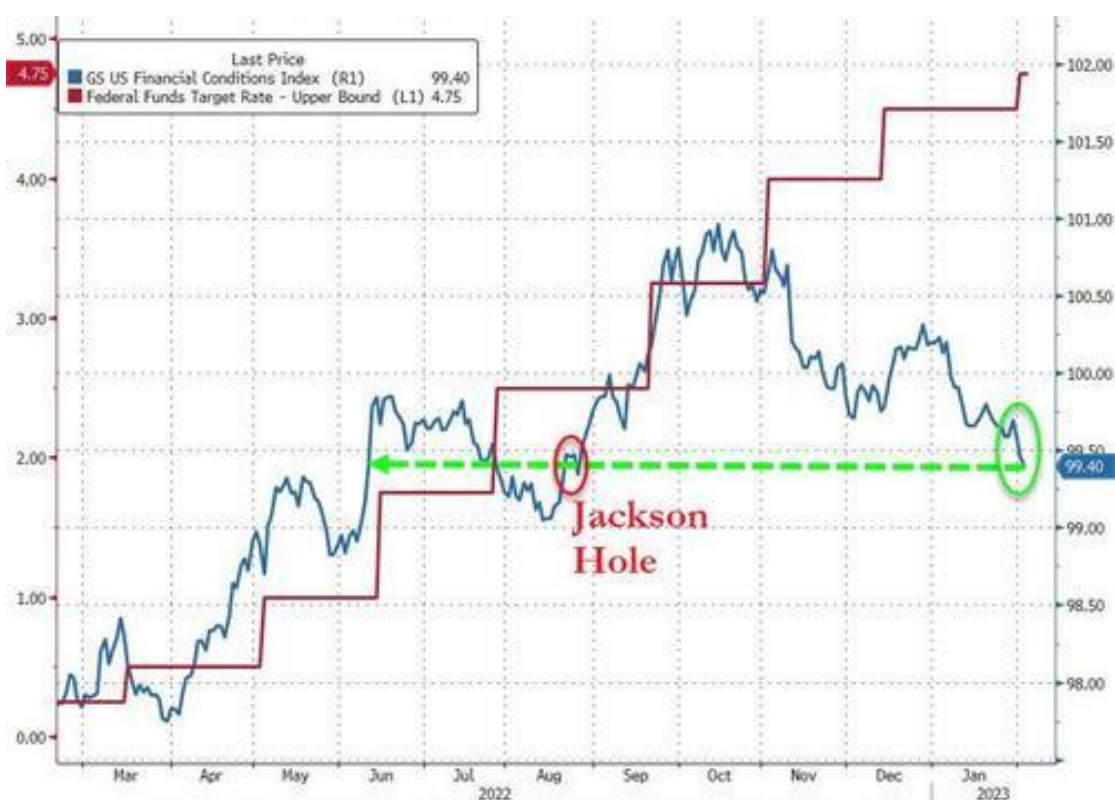


Source: Charlie Bilello

#centralbanks

#us #financial-easing-conditions

US financial easing conditions dichotomy with US rates continues.



Source: www.zerohedge.com

#centralbanks

#ecb #balance-sheet

ECB deleveraging continues. ECB Balance Sheet has shrunk by another €65.2bn in the past week to €7,894bn as banks have repaid €63.5bn of their TLTRO loans. Total assets stills equate to 60.4% of Eurozone GDP vs Fed's 32.4%, SNB's 114.7%, BoJ's 131.3%

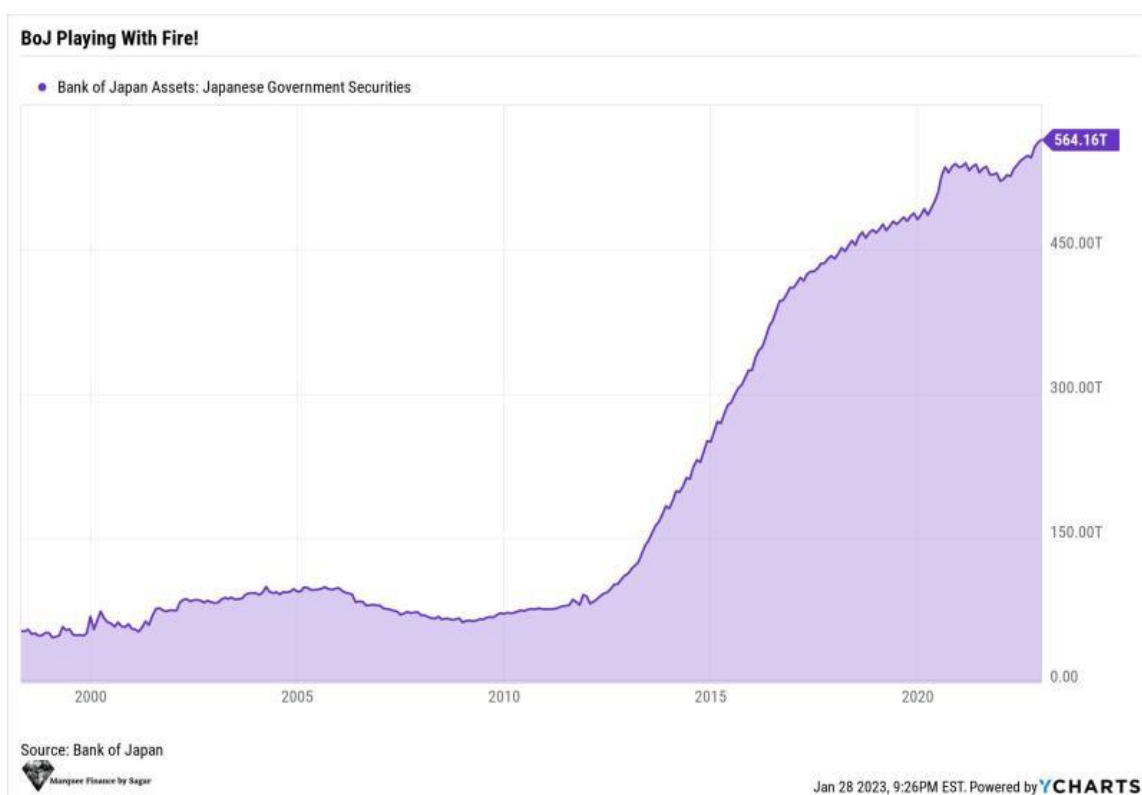


Source: Bloomberg, HolgerZ

#centralbanks

#boj

Bank of Japan owns 50pct of Japan's national debt.



Source: Wall Street Silver

#centralbanks

#gold #reserves

"Demand for gold surged to its highest in more than a decade in 2022, fuelled by “colossal” central bank purchases that underscored the safe haven asset’s appeal during times of geopolitical upheaval."

Gold [+ Add to myFT](#)

‘Colossal’ central bank buying drives gold demand to decade high

Fallout from US sanctions on Russia helped fuel 18 per cent leap in purchases last year



A gold smelter in Sydney, Australia. Central bank purchases of gold hit 417 tonnes in the final three months of 2022, roughly 12 times higher than the same quarter in 2021 © David Gray/Bloomberg

#centralbanks

#gold-reserves

Got Gold?

THE 10 COUNTRIES WITH THE LARGEST GOLD RESERVES



Source: Katusa



#bitcoin #weekly

Bitcoin ended the week practically unchanged from last Friday, finding support at \$22,500 and resistance at \$24,000 during the week...

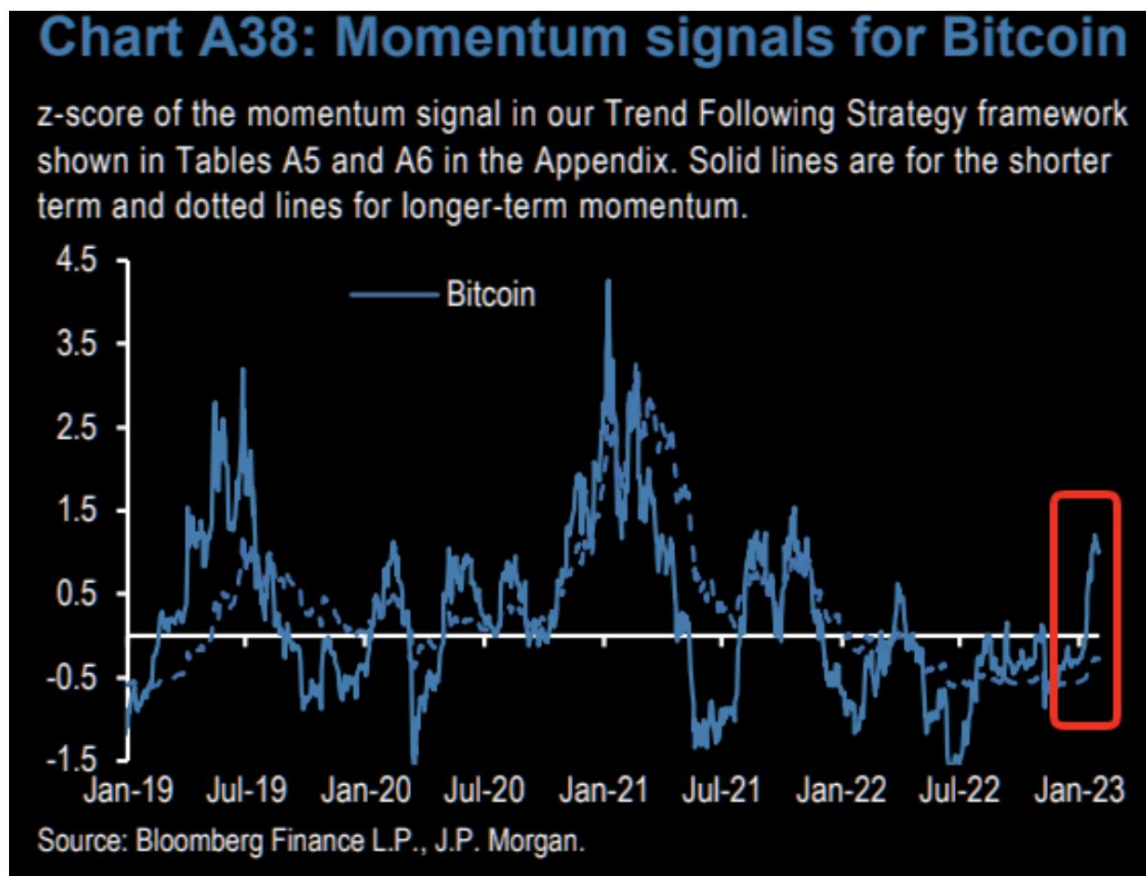


Source: Bloomberg www.zerohedge.com



#bitcoin #momentum

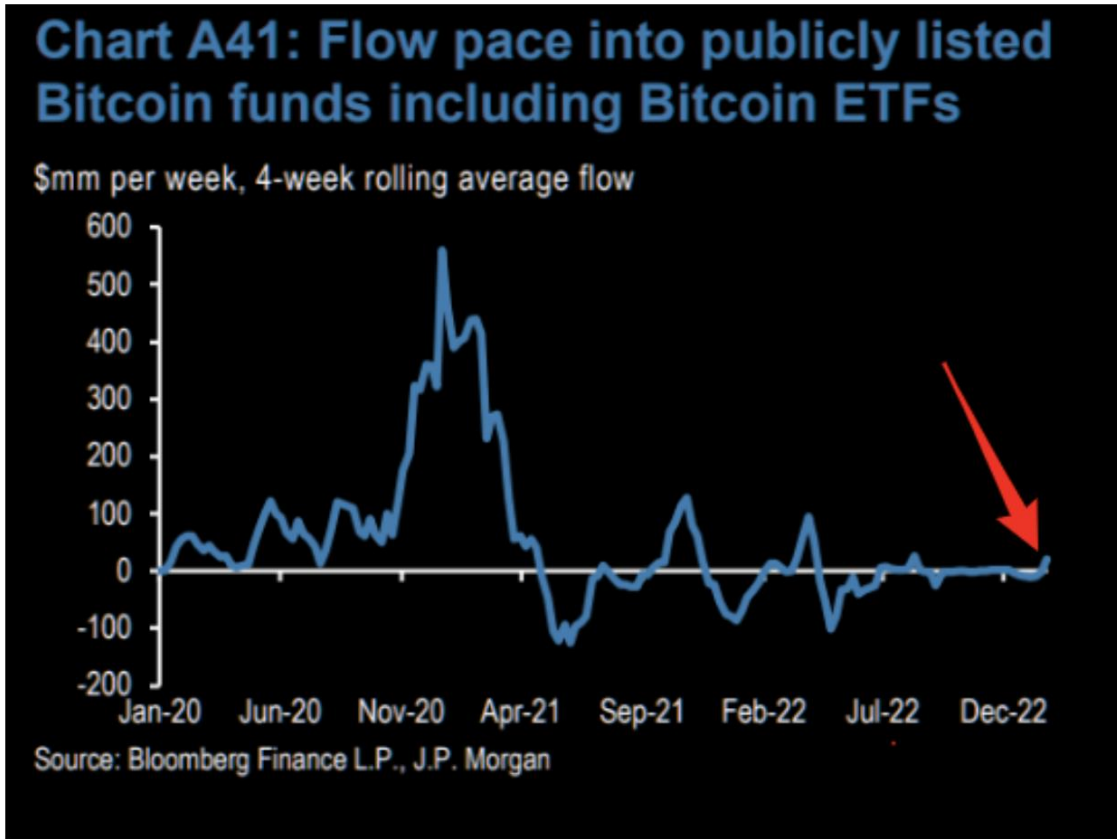
Holding recent "highs". Not bad given how forgotten it was at recent lows.



Source: JPM

#cryptos

#bitcoin #flows



Source: JPM

#cryptos

#microstrategy

MicroStrategy Stock Doubles Since January as Michael Saylor Stays Bullish on Bitcoin

The software company's co-founder is still long on Bitcoin—despite the company posting yet another quarterly loss.

By [Mat Di Salvo](#)

Feb 3, 2023

2 min read

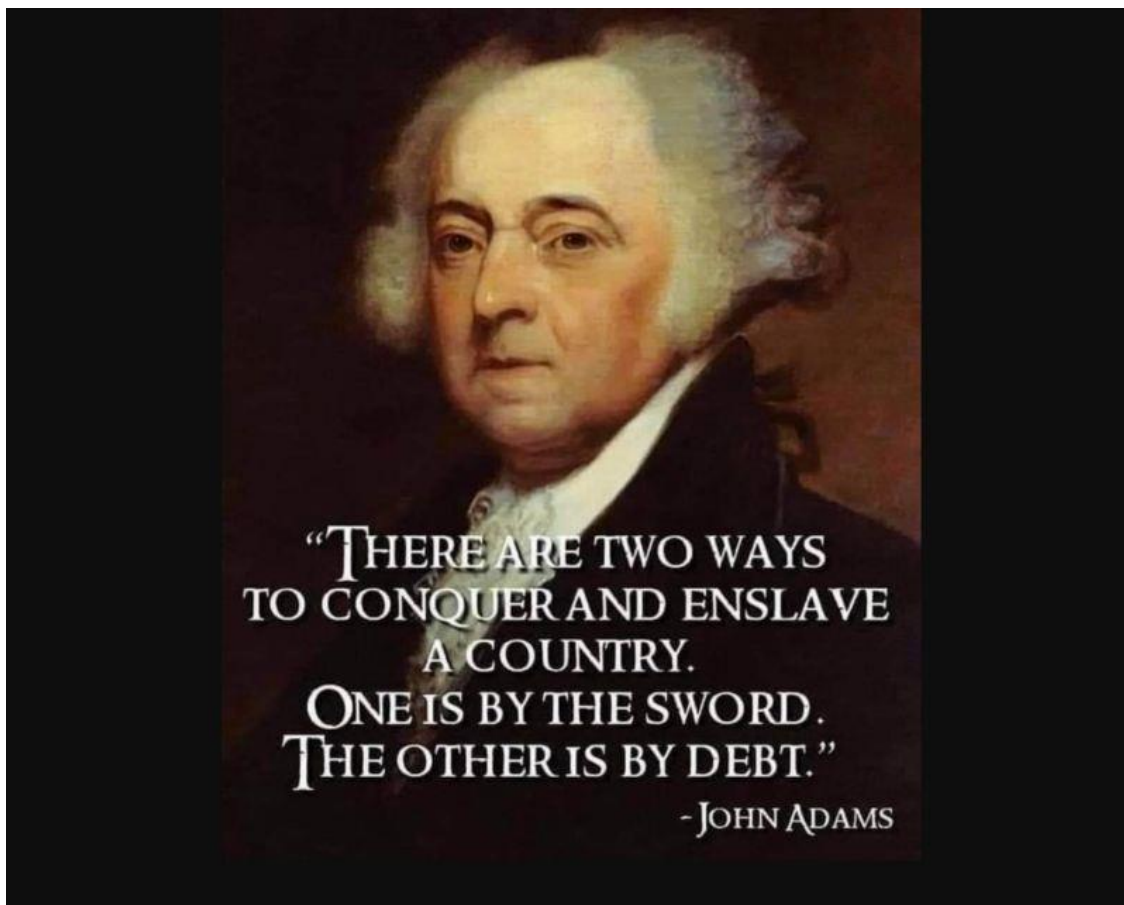


Michael Saylor, founder and chairman of MicroStrategy. Image: Swan Bitcoin/YouTube

Source: Decrypt

#food-for-thought

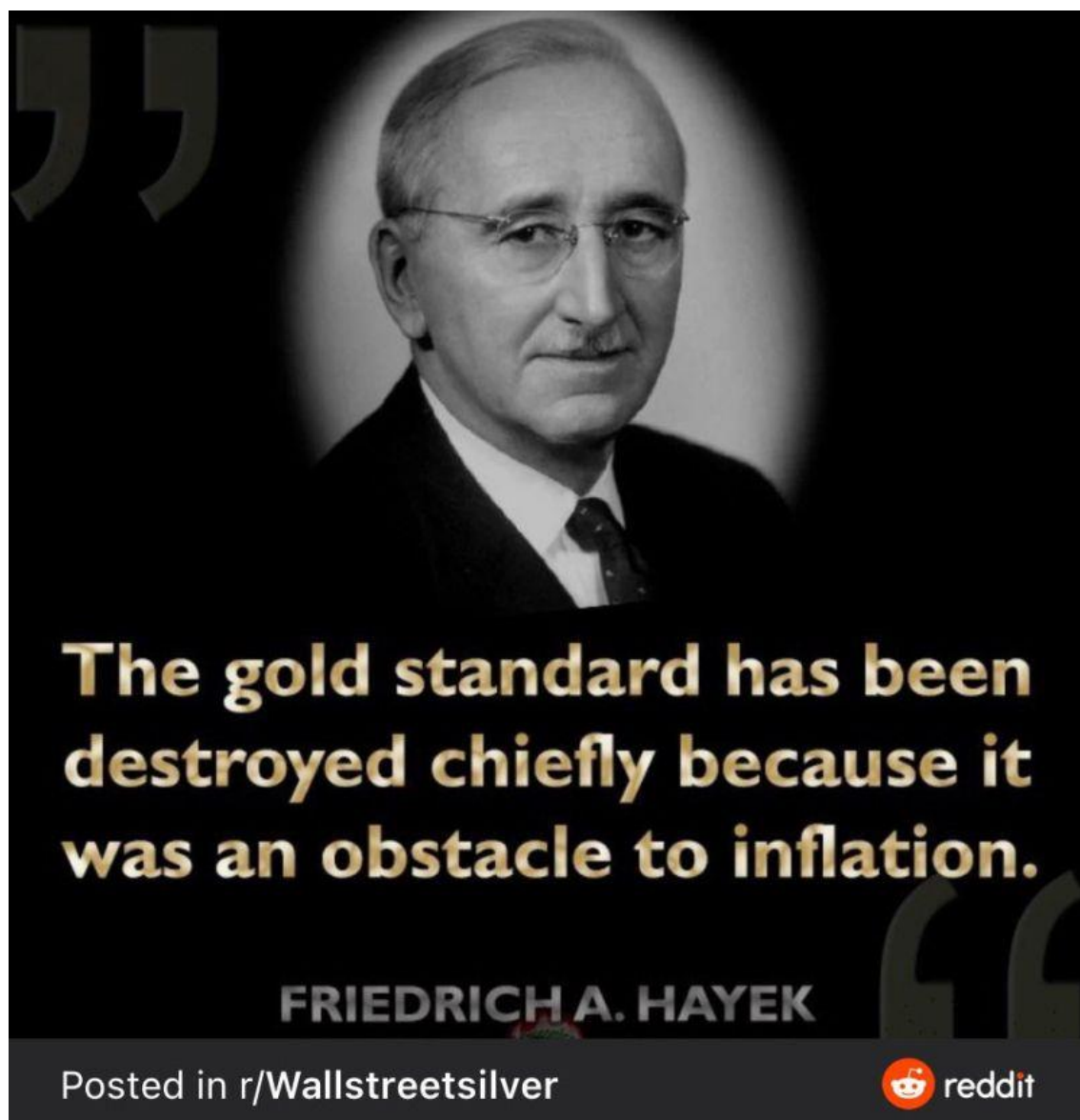
#debt



Source: WallStreetSilver

#food-for-thought

#gold #inflation

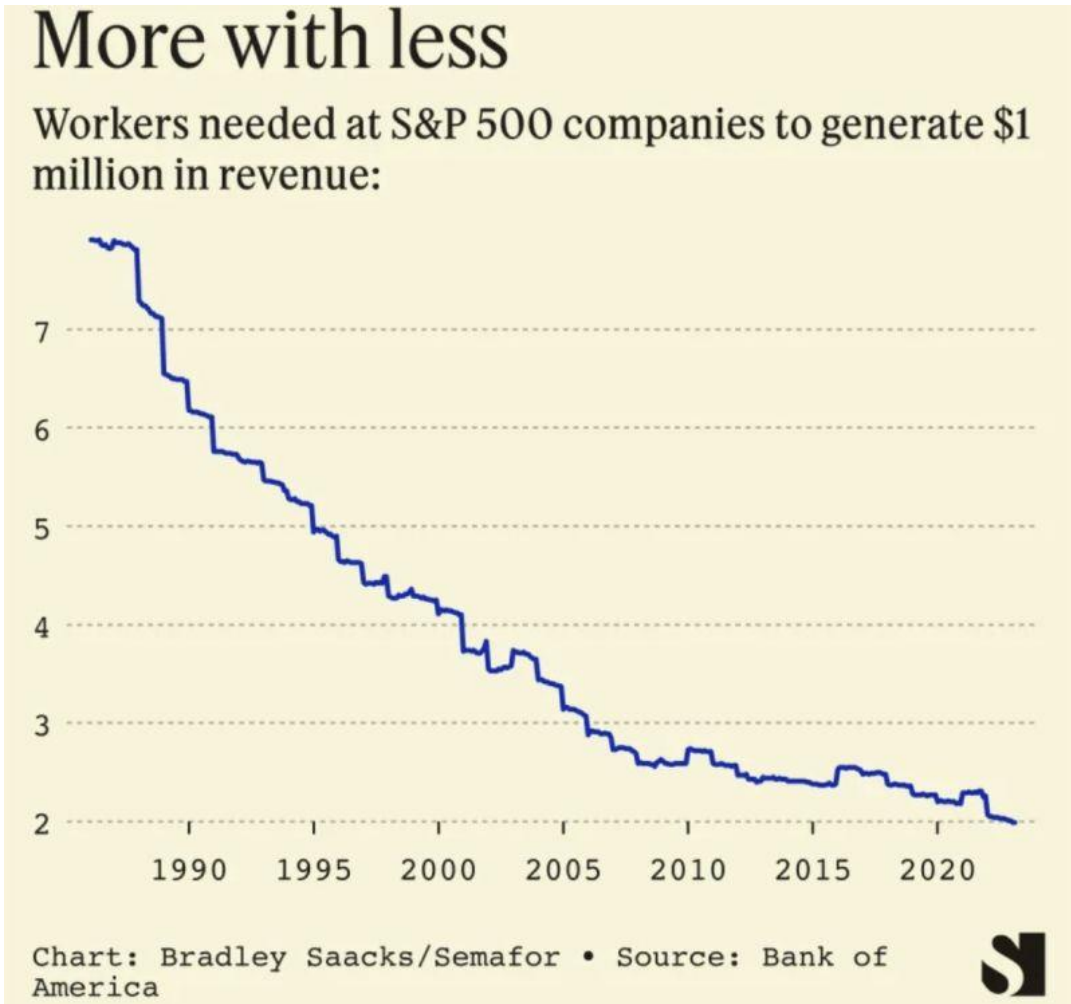


Source: WallStreetSilver

#food-for-thought

#productivity

With next-generation artificial intelligence on the horizon, white-collar workers — teachers, coders, journalists — are starting to get nervous. A look at the historical productivity gains aided by automation is unlikely to ease their angst.



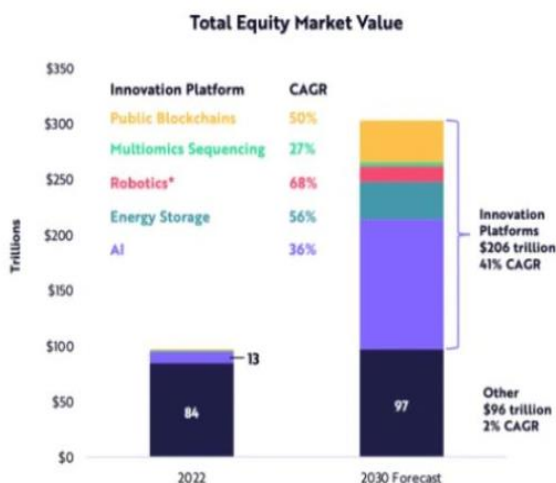
Source: Semafor, HolgerZ

#food-for-thought

#ark #cathie-wood #predictions

ARK Invest has released its annual “Big Ideas” report with the 153-page document delivering thoughts on everything from hypersonic flight to molecular biomarkers for cancer detection. The firm expects this category of “disrupters” to experience super-exponential growth to reach a value of \$200 trillion by 2030. It also mentions some company-specific forecasts. One of those is regarding Amazon. She says that the company is currently adding about a thousand automated robots to its operations each day, which will drastically impact its workforce mix in the coming years.

Disruptive Innovation Platforms Could Constitute The Majority Of The Global Equity Market Value By 2030



- AI, Energy Storage, Robotics, Multiomics Sequencing, and Public Blockchains could scale ~15-fold to ~\$200 trillion in equity value over the course of this business cycle.
- Even if non-innovation exposures to the market continue to accrue value, disruptive innovation is likely to dominate equity market values by 2030.
- Including cryptoassets, disruptive innovation exposures could constitute roughly 68% of risk asset value by 2030.

*CAGR: Robotics including home robots as opposed to industrial robots. Sources: ARK Investment Management LLC, 2023. Equity market value includes the value of public blockchain protocols. Forecasts are inherently limited and cannot be relied upon. For informational purposes only and should not be considered investment advice or a recommendation to buy, sell, or hold any particular security or cryptocurrency. Past performance is not indicative of future results. In this specific estimation, 2022 and 2030 total equity market values and CAGRs for Public Blockchains are inclusive of three technology platforms: Cryptocurrencies, Smart Contracts, and Digital Wallets.



Source: Yahoo! finance

#food-for-thought

#chatgpt



Linas Beliūnas 

@linas.beliunas

Time it took to reach **100 million users:**

Mobile phone - 16 years

Internet - 7 years

Facebook - 4.5 years

WhatsApp - 3.5 years

Instagram - 2.5 years

TikTok - 9 months

ChatGPT - 2 months

ChatGPT is the fastest-growing consumer app in internet history.

#food-for-thought

#alphabet #artificial-intelligence

Our long-term investments in deep computer science make us extremely well-positioned as AI reaches an inflection point, and I'm excited by the AI-driven leaps we're about to unveil in Search and beyond. There's also great momentum in Cloud, YouTube subscriptions, and our Pixel devices. We're on an important journey to re-engineer our cost structure in a durable way and to build financially sustainable, vibrant, growing businesses across Alphabet.



Sundar Pichai
CEO

Alphabet, Q4 2022 Earnings Report

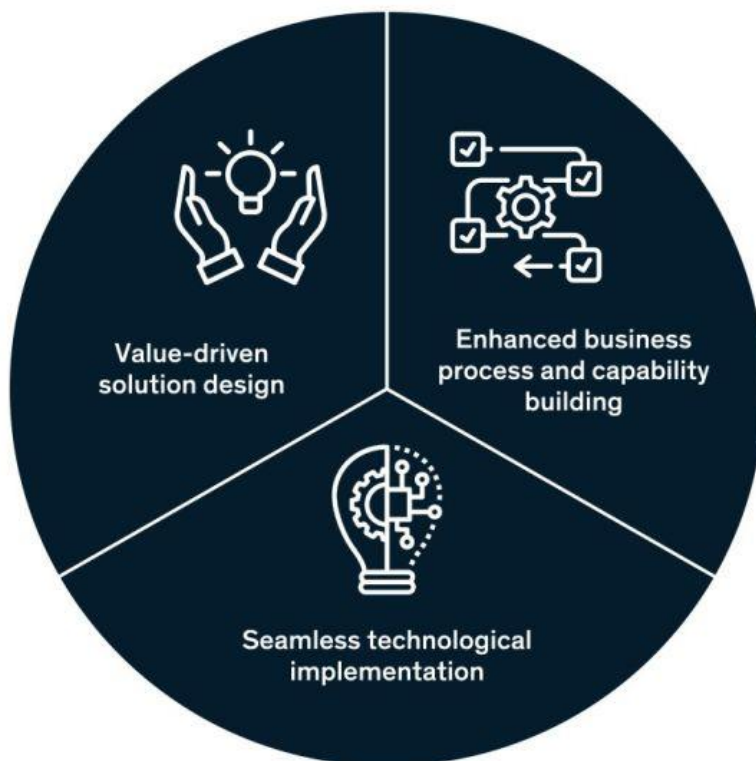
Alphabet

Source: Quartr

#food-for-thought

#artificial-intelligence #value #creation

Creating value with artificial intelligence requires a threefold approach



McKinsey & Company

Source: McKinsey

#food-for-thought

#start-ups #artificial-intelligence

A lot of artificial intelligence startup currently look like this...



Source: Sofia Shvets.

#food-for-thought

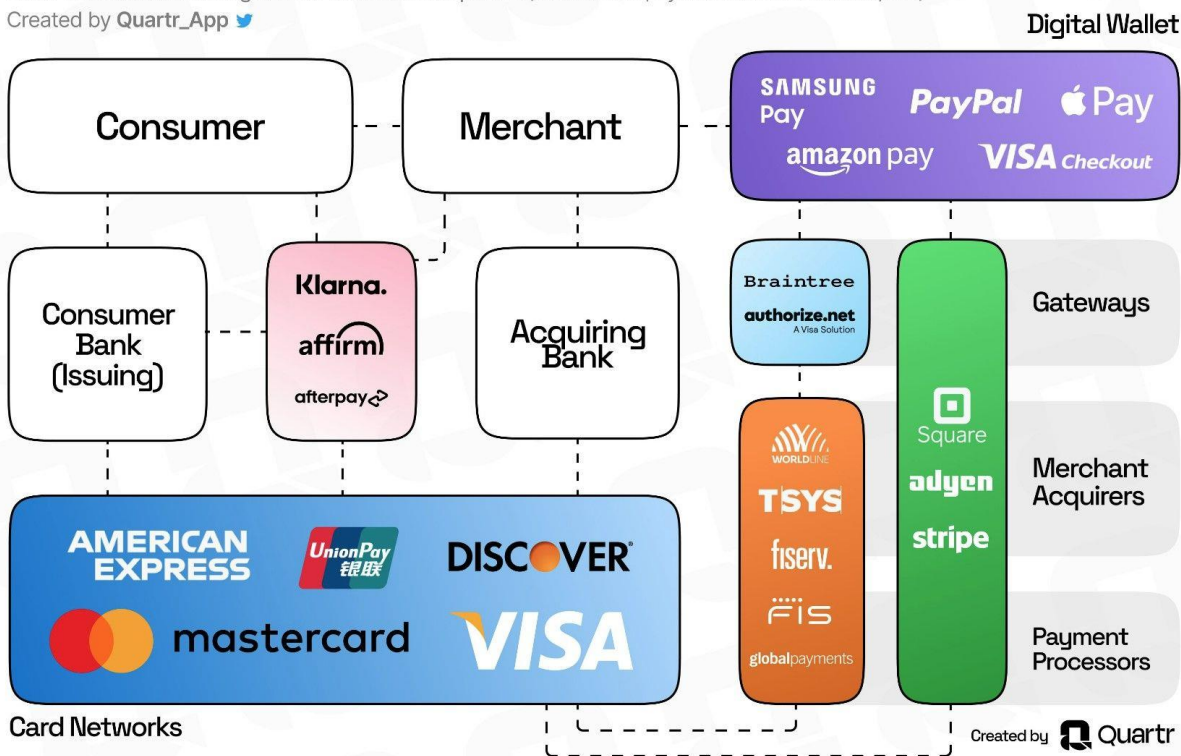
#payment #ecosystem

Quartr created an infographic explaining the complex dynamics of the payments ecosystem, showing how key players like \$V, \$MA, \$FISV, and \$ADYEN interact.

Payments Ecosystem Flowchart

Note: The exact flows might differ between companies (subsidiaries, hybrid business models, etc)

Created by Quartr_App

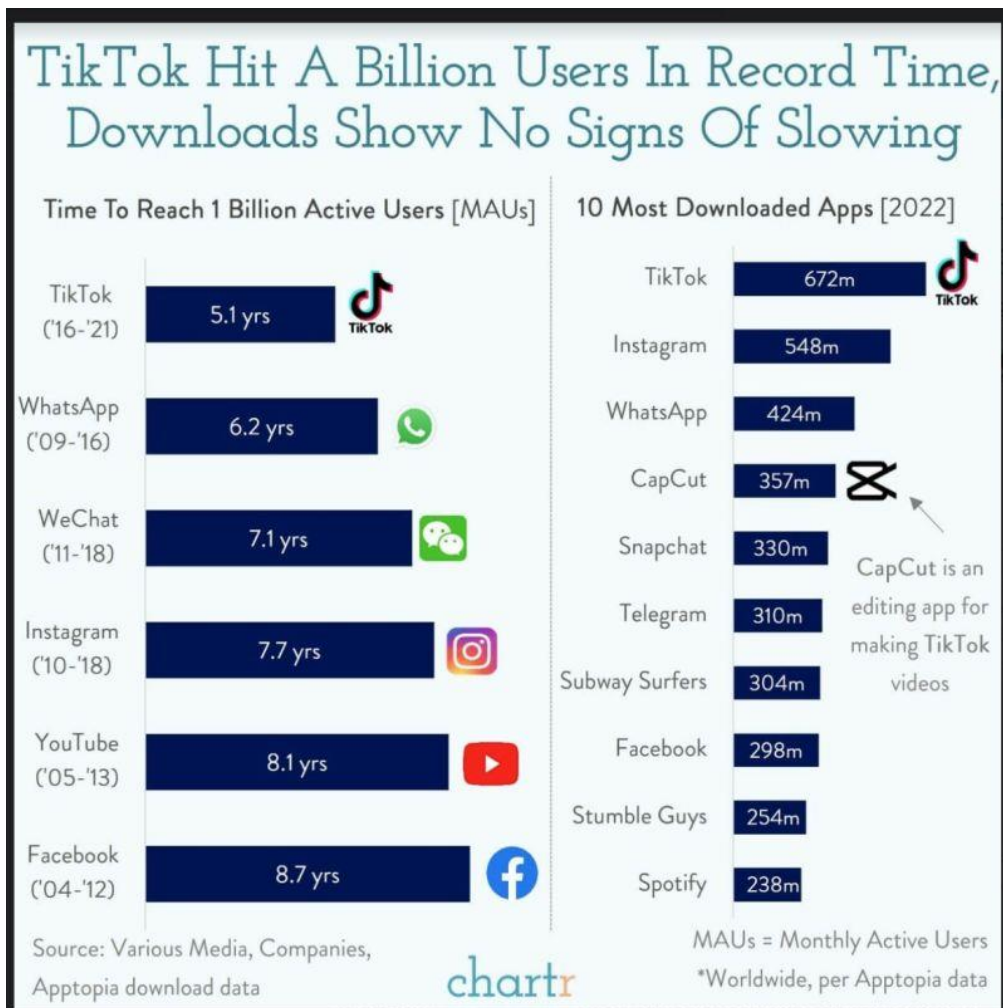


Source: Quartr

#food-for-thought

#tiktok

#TikTok became the quickest social platform to hit 1 billion active users in history, reaching the milestone in just over 5 years. That's ~2.6 years quicker than Instagram and ~3.6 quicker than Facebook too.



#food-for-thought

#apple



Source: Compounding Quality

#food-for-thought

#meme-stocks

Meme Stocks : 2-Year Anniversary.

A quick and short summary on Wallstreetbets culture



Source: Bloomberg TV

#food-for-thought

#economic-moat



Compounding Quality

"A good business is like a strong castle with a deep moat around it. I want sharks in the moat. I want it intouchable." -
Warren Buffett

COMPOUNDING QUALITY

Source: Compounding Quality

#food-for-thought

#china #solar #tech

“China is considering an export ban that would help the nation maintain its substantial dominance in solar manufacturing just as other countries are trying to strengthen their industries.”
Major implications for solar industry and #silver consumption?

Bloomberg

Subscribe



Green

China Mulls Protecting Solar Tech Dominance With Export Ban

- Export ban considered for technology used to make solar wafers
- China accounts for 97% of global output for the wafers

Source: Wall Street Silver

#food-for-thought

#success

SUCCESS IS NO ACCIDENT.
It is hard work, perseverance,
learning, studying, sacrifice
and most of all, **love** of what you are doing.
- Pele

Source: European leadership

#food-for-thought

#relationships



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For the future...