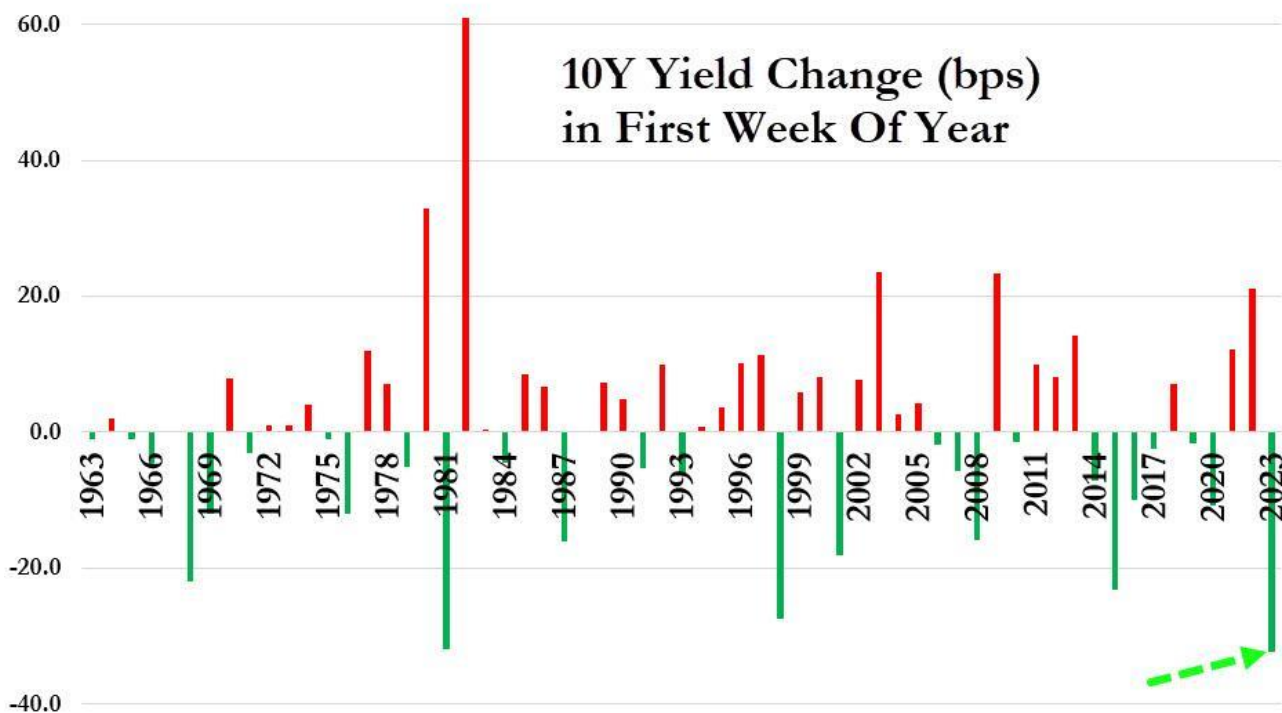


Chart of the week

Best start of the year ever for the UST 10-year

The 33bps plunge in US 10-year Treasury yield this week is the best start to a year on record (based on Bloomberg data back to 1963).



Source: Bloomberg, www.zerohedge.com

Slowing US wages & slumping ISM sparked a rally

An encouraging US jobs report pushed the major US equity indexes higher for the week – although we note that trading volumes were subdued. After a poor start of the week, Friday’s official payrolls report from the Labor Department appeared to turn sentiment back in a positive direction by raising hopes that the economy could be on its way to a “soft landing”. Nonfarm payrolls rose by 223,000 in December, the smallest increase in two years but above expectations. The separate household survey showed that unemployment fell back to its post-pandemic low of 3.5%. Average hourly earnings cooled down, rising 0.3% MoM in December, a tick below expectations. Friday also brought news that the Institute for Supply Management’s index of services sector activity fell to 49.6, well below consensus and into contraction territory (below 50) for the first time since May 2020, as new orders slowed sharply. This batch of softening data sent both short- and longer-term U.S. Treasury yields sharply lower on Friday, leaving the yield on the 10-year note down over 30 basis points for the week. Shares in Europe surged as data indicated that the pace of inflation has slowed. The cost of natural gas also fell to levels last seen before Russia invaded Ukraine. Chinese equities rose amid reports that Hong Kong would reopen its border to mainland China and that Beijing was considering relaxing curbs on borrowing for the ailing property sector. Gold soared to \$1875 while oil tanked.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

07 JANUARY 2023

#markets

#weekly #markets #performance

INDEX	CLOSE	WEEK	2022
Dow Jones Industrial Average	33,631	1.5%	-7.5%
S&P 500 Index	3,895	1.4%	-18.3%
NASDAQ	10,569	1.0%	-32.4%
MSCI EAFE *	1,961	0.9%	-16.0%
10-yr Treasury Yield	3.57%	-0.3%	2.0%
Oil (\$/bbl)	\$73.76	-8.1%	-1.9%
Bonds	\$99.09	2.2%	-12.0%

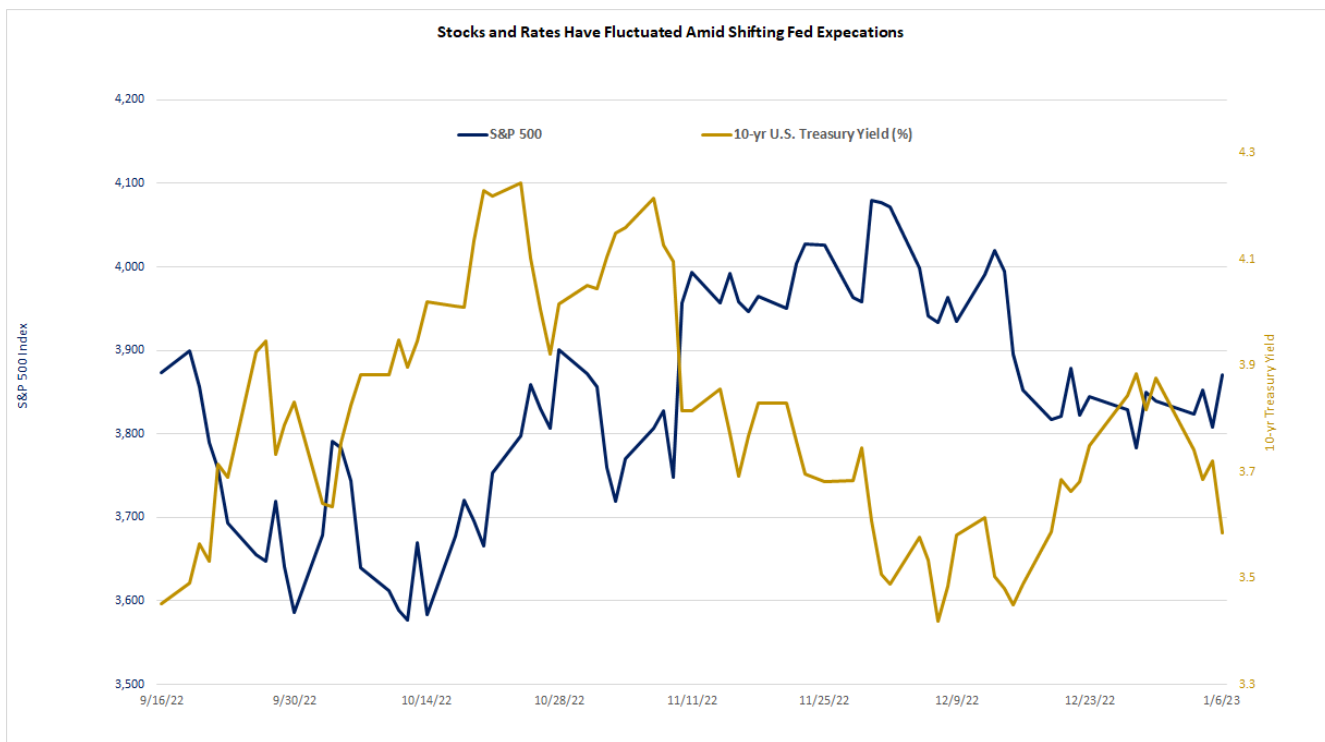
Source: Factset. 01/06/2022. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * 4-day performance ending on Thursday.

Source: Edward Jones



#stocks #bonds

We are in a phase of the cycle where good news may be interpreted as bad news, and vice versa. For example, stocks were under pressure earlier in the week as data revealed ongoing robust job openings and declining initial jobless claims. Stocks then rallied following the report that showed wage growth is fading.



Source: Edward Jones



#us #equities #technicals

The fat and flat market continues. We need new narratives in order to break out of this range that has been in place since mid Dec.

Range mania



Source: Refinitiv

Source: Bloomberg, www.zerohedge.com



#vix #seasonality

S&P 500 seasonality has historically kicked in mid-January, just at the start of the earnings season. Note that the VIX currently trades at 22 which doesn't seem outrageous given the number of headwinds the market currently needs to deal with.



Source: The Market Ear, Equity clock



#us #equities #january-effect

Will we see a "January effect"? A recent report by Goldman pointed out that since 1990 US equity returns have been the highest in October and November on average and have decreased into the following year - a pattern that has also emerged also over the past two months. This is notable because before 1990, #equities posted the strongest returns in January, the so-called "January effect", but the average performance at the start of the year has become weaker over the past 3 decade.

Exhibit 2: The "January effect" has shifted to November in recent years



Source: Datastream, Goldman Sachs Global Investment Research



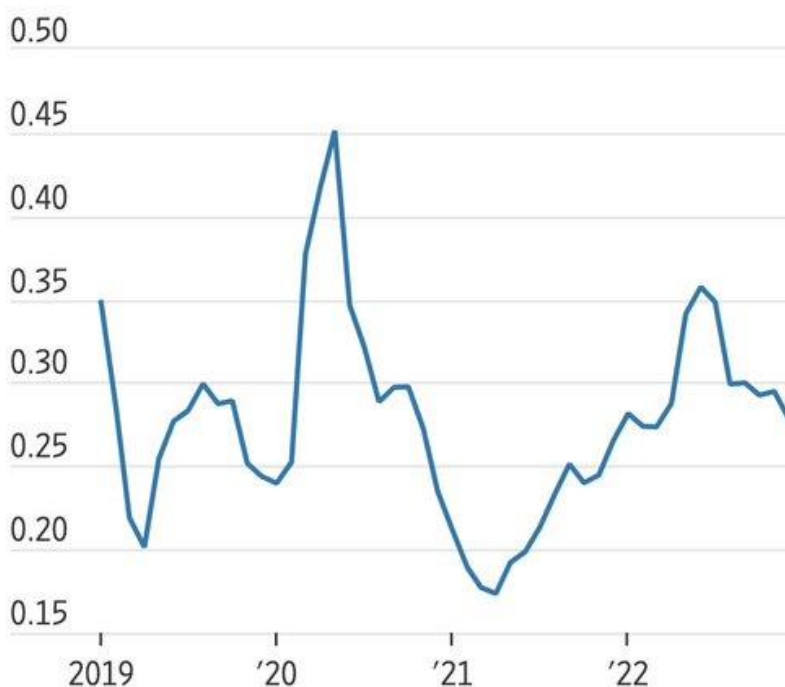
Source: Goldman Sachs

#us #corporate #sentiment

Corporate insiders aren't betting on a market rebound. Recent market declines have pushed stock prices lower, but executives and directors haven't been scooping up their companies' shares.

Falling Sentiment

Insider sentiment, trailing three-month average



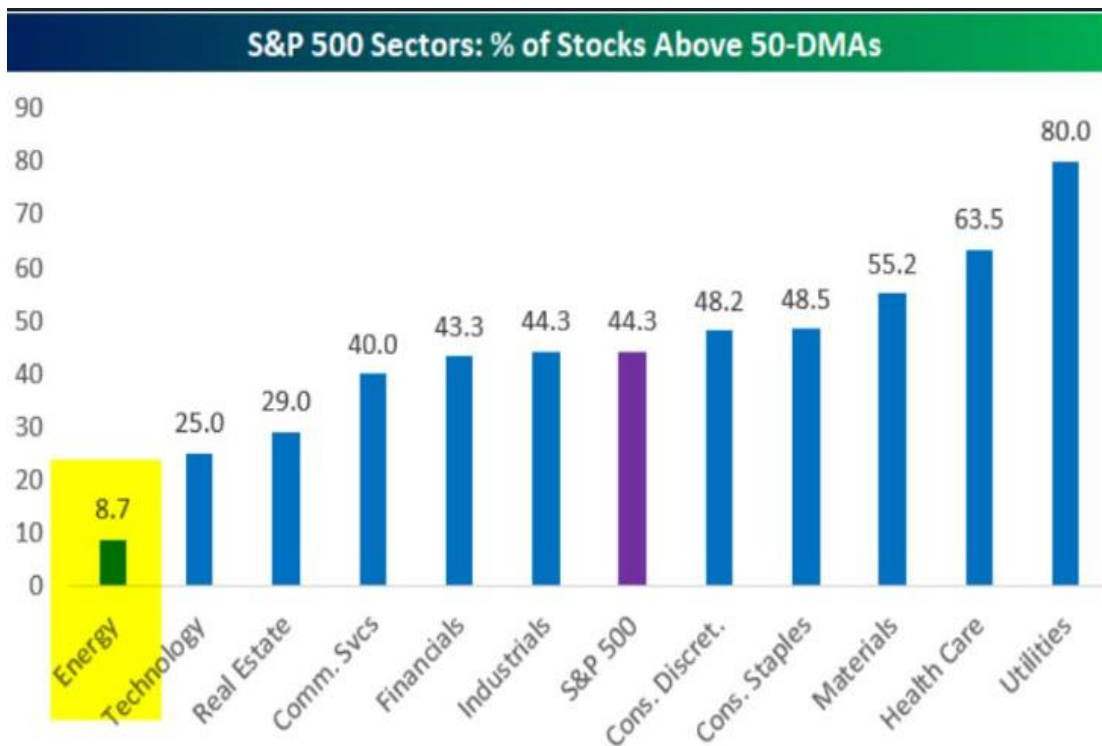
Note: Sentiment calculated as ratio of companies with net buying to those with net selling

Source: InsiderSentiment.com/Dr. Nejat Seyhun



#sp500 #sectors #technicals

Just 8.7% of S&P 500 Energy sector stocks are above their 50-DMA, the lowest reading of any sector after this first trading day of 2023. 44.3% of S&P 500 stocks are above their 50-DMA



Source: Bespoke



#us #equities #breadth

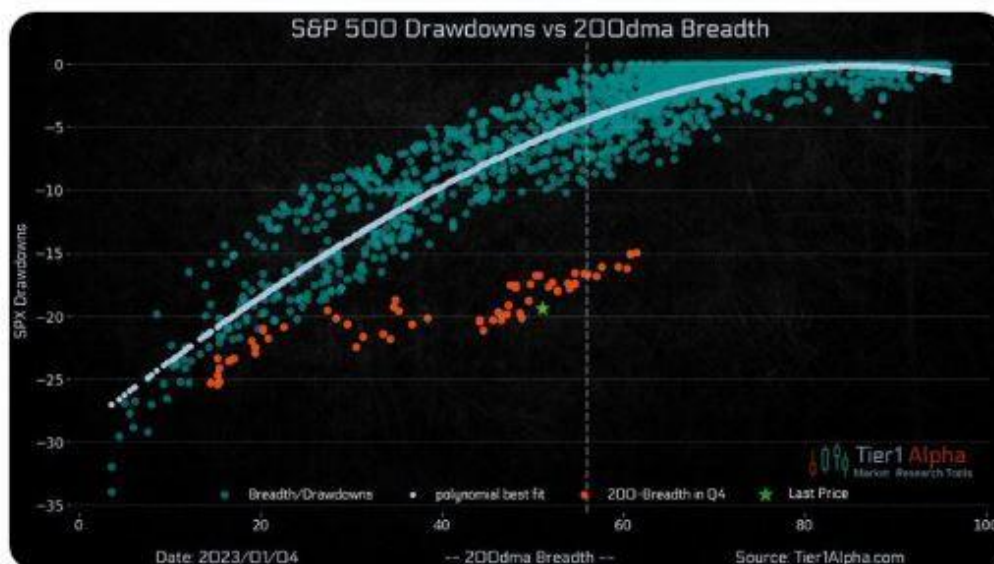
An equal-weight index is doing better than market-cap weight as the tech mega-caps are currently underperforming the broader market.



Tier1 Alpha
@t1alpha



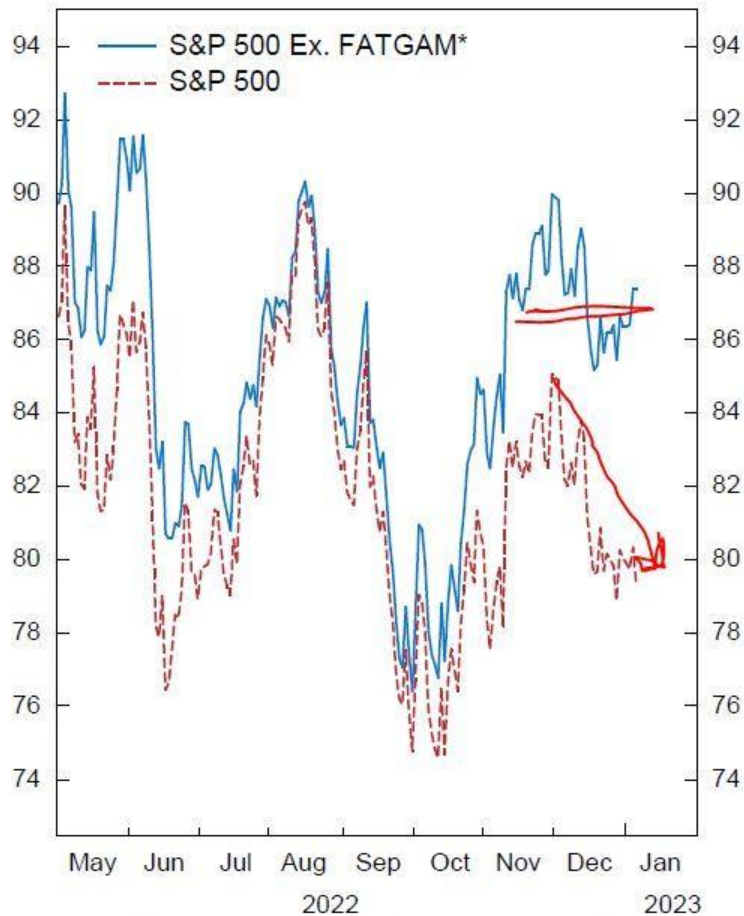
Right now, 51% of [\\$SPX](#) stocks are trading above their 200-day moving average, which is unusually high considering the -19.5% drawdown. This reflects the current market-cap distortion and implies the broader index may be better off than the spot price is suggesting.





#us #equities #fatgam

There has been a very interesting contrast between the S&P 500 index and the same index excluding FAAMG plus Tesla. This suggests that the recent drop in the equity market has been mostly caused by the meltdown in six or seven stocks, while the underlying strength of the market has been much stronger than many believed.



*Market Cap weighted average of Facebook, Apple, Tesla, Alphabet's Google, Amazon and Microsoft
Note: Both series are rebased to Jan 2022=100



Source: Alpine Macro



#megacrap

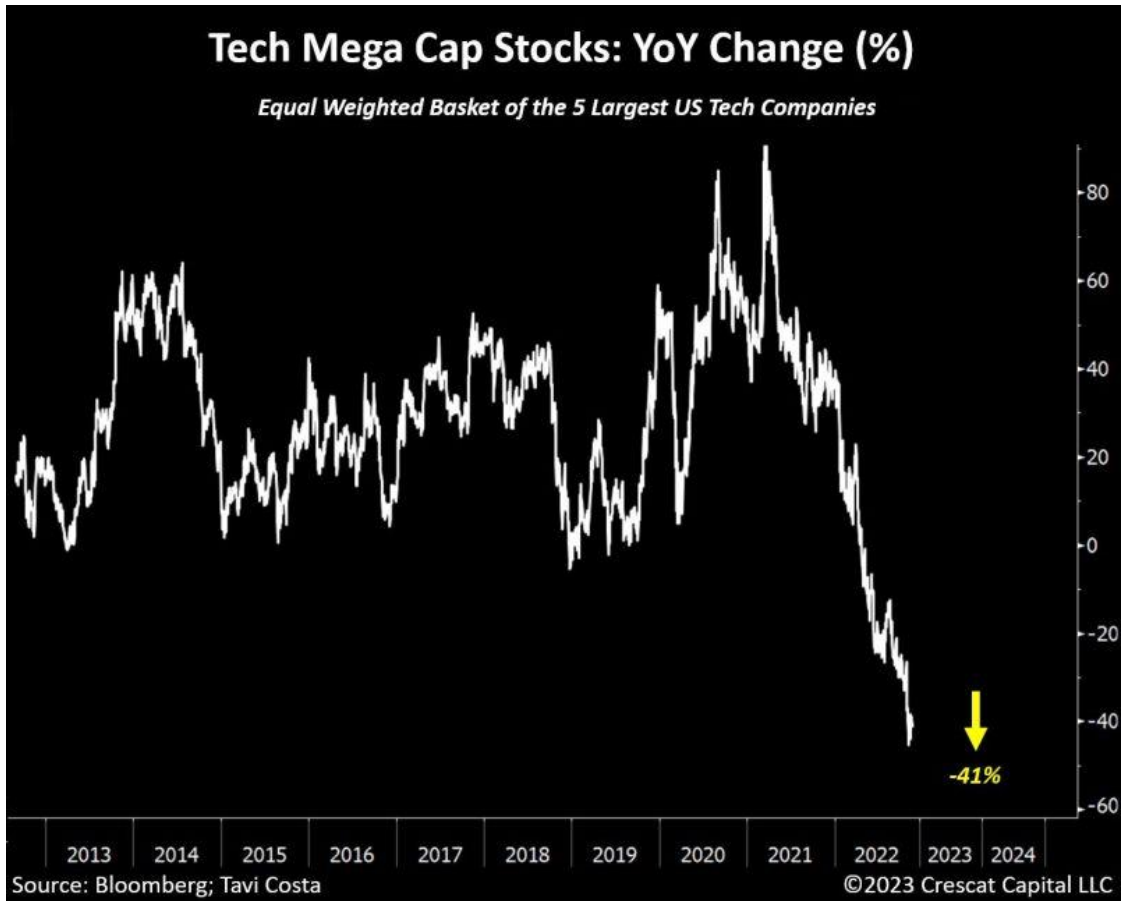
Megacap Destruction. Big Tech stocks (Amazon, Apple, Alphabet, Microsoft, Tesla, Meta) have lost a combined \$4.7tn in market tcap in 2022



Source:bloomberg



#megacrap



Source: Crescat Capital, Tavi Costa, Bloomberg



#2-trillion-dollar-club

The \$2 TRILLION CLUB DOES NOT EXIST ANYMORE. Apple's slide topples last stock in \$2tn value club. The iPhone maker's market cap shrunk by ~\$1tn. There is now no company with a \$2 trillion market valuation. However, we note that #aramco is getting very close to the become #1.

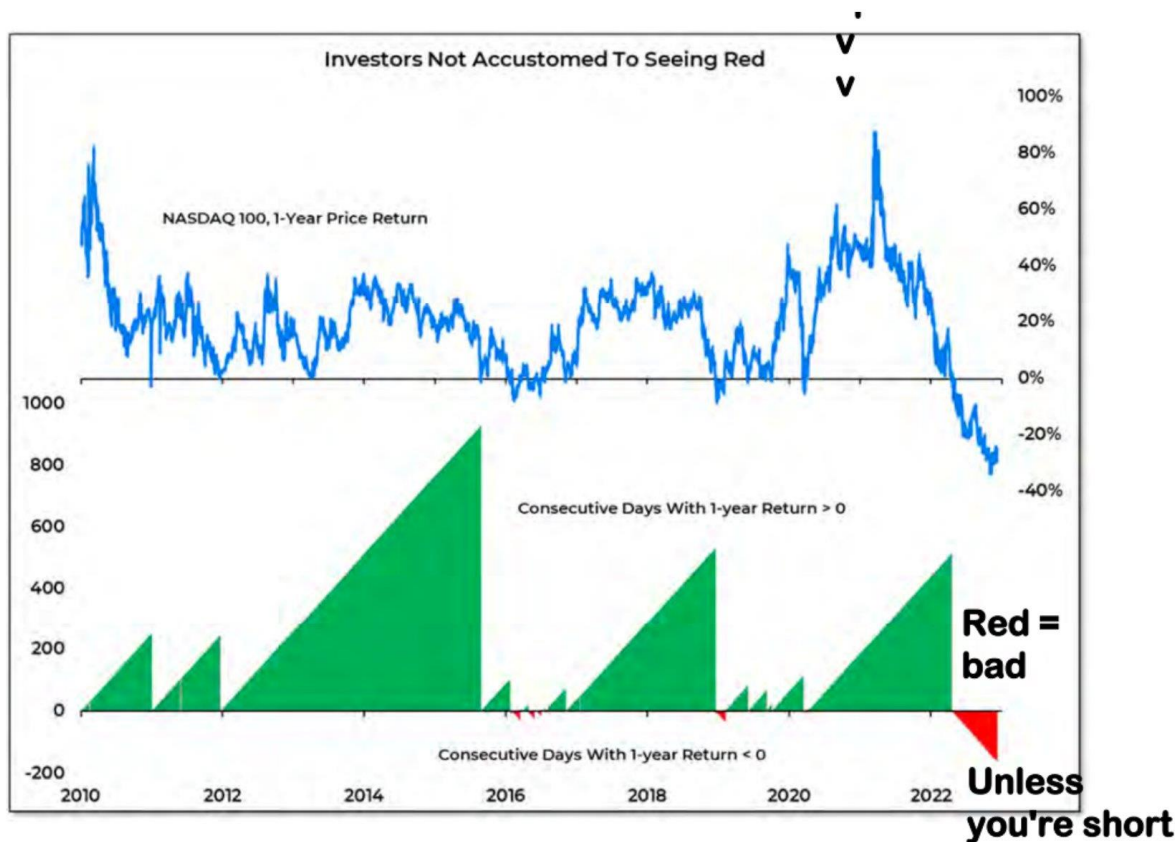


Source: Bloomberg



#nasdaq100

Nasdaq 100 year-on-year returns have been in the red for an unusually long period of time. Investors aren't used seeing red anymore...

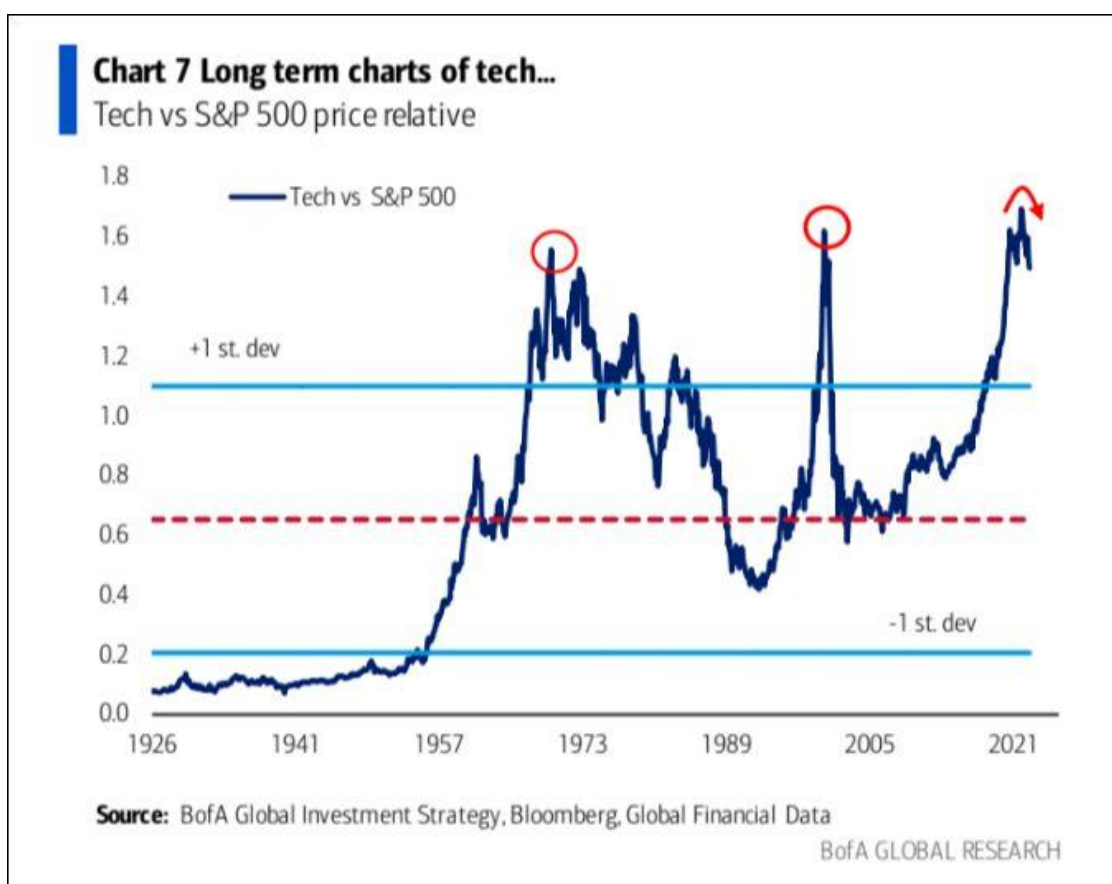


Source: Compounding Quality



#tech #valuations

Relative valuations of Tech sector vs. S&P 500 seems to have peaked. And there is still some room for (downward) adjustments...



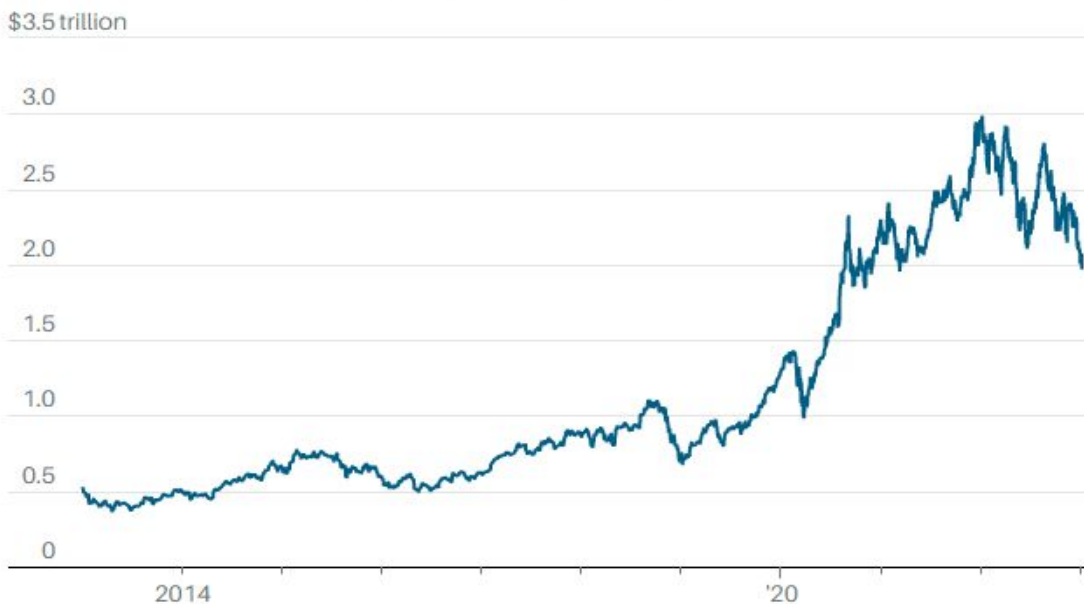
Source: BofA



#apple

Apple's stock market value falls below \$2 trillion market cap for the first time since March 8, 2021. The tech giant's current market cap is about \$1.98 trillion. Its market cap has declined slightly more than \$1 trillion since its peak closing market cap of nearly \$3 trillion one year ago, on Jan. 3, 2022.

Apple's market cap has dropped about \$1 trillion from its peak.



Source: FactSet

Source: Dow Jones Market Data, Barron's

#tesla

After an ugly 2022 for the stock, Tesla (\$TSLA) is not starting the new year in the best way. Tesla released q4 deliveries early this week. While a record 405,278 vehicles were delivered in q4, it fell short of estimates. For the year, total deliveries grew by 40pct to 1.31 million, which is short of the 50pct growth figure the company had once projected for the year. US market was closed but the stock initially fell in the European market before bouncing.



Source: FT

#tesla

Tesla made another round of price cuts on its Model 3 and Y electric vehicles in China on Friday, while also introducing its higher-end Model S sedan and Model X to get a better hold on the premium end of the world's biggest EV market. The starting price for the locally-built Model Y sports utility vehicle has been slashed to 259,900 yuan (\$37,875) from 288,900 yuan, according to the company's Chinese website. That's a record low for China and 43% cheaper than the \$65,900 starting price listed on Tesla's US website. The Model 3 goes to 229,900 yuan from 265,900 yuan, about 30% cheaper than in the US.



Source: Bloomberg



#tesla

This is why we shouldn't trust sell-side analysts price targets and ratings. Same story with broad market EPS forward estimates; they are lagging.



Holger Zschaepitz
@Schuldensuehner



How funny: Analysts are chasing the #Tesla price target and not the other way around, as it should be.



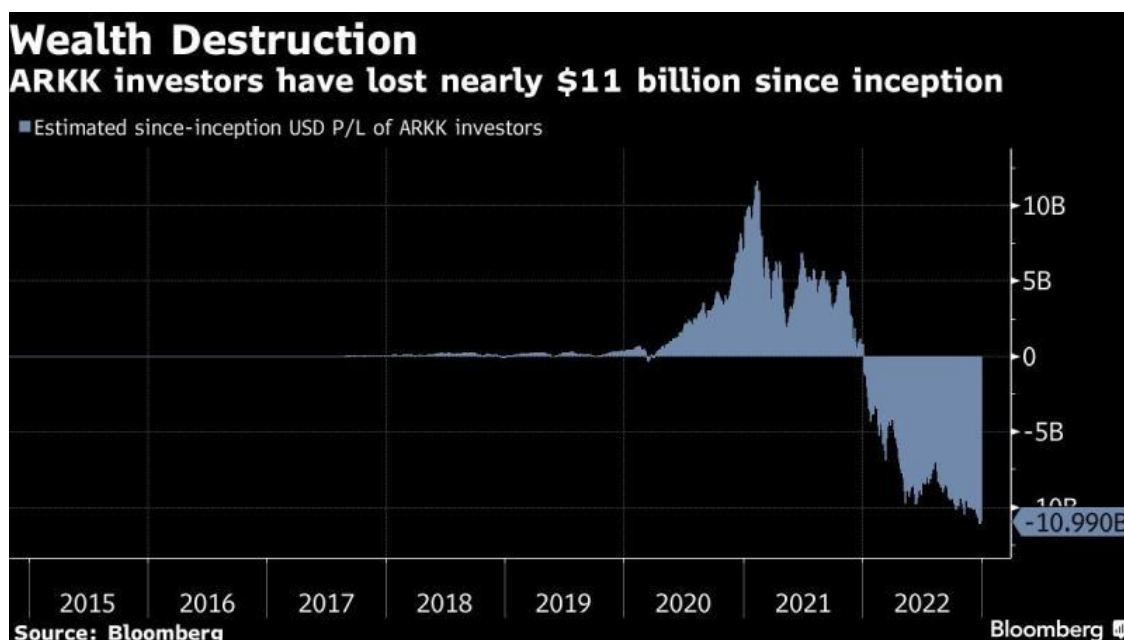
3:50 PM · Jan 4, 2023



#markets

#ark-invest

Ark Invest Innovation ETF (\$ARKK) investors have lost more than \$11 billion since inception. In other words, \$ARKK investors lost more than FTX customers after its collapse.



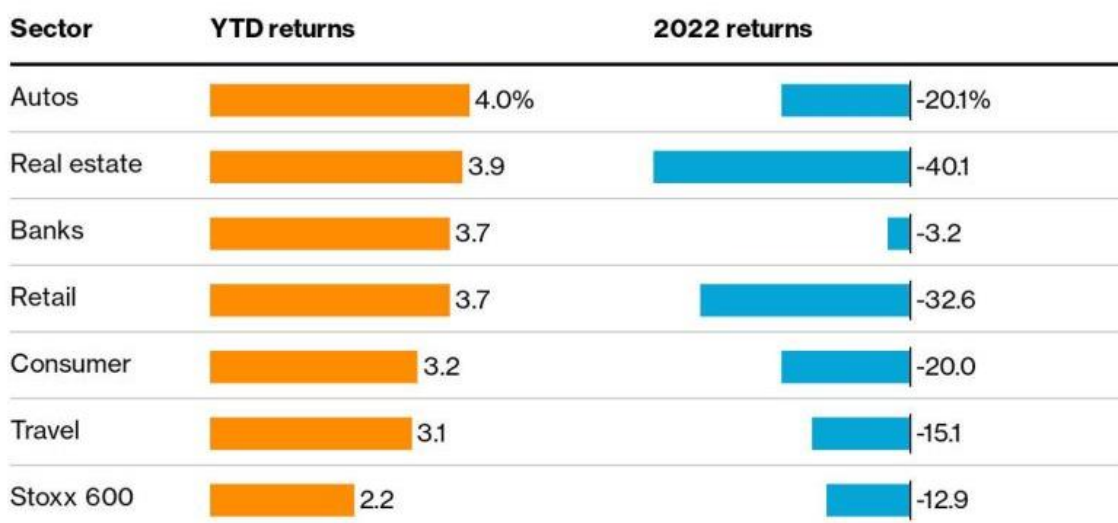
Source: Edward Jones

#european #equities #short-squeeze

IS A BIG SHORT SQUEEZE TAKING PLACE IN EUROPEAN EQUITIES? A basket of the 20 biggest stragglers of 2022 is up about 6% this week, more than three times the performance of the Stoxx 600. A similar picture of losers turning winners is evident in European sectors - see chart below. Autos, real estate and retail are among the pace-setting industry groups, after they all severely underperformed in 2022. Banks look like the exception in the top six performing groups so far. Real estate was the second most-shorted sector after food retail by mid-December, according to S&P Global data.

Turning the Tide

Some European sectors with strong start to the year are 2022 big losers



Source: Bloomberg

Bloomberg



Source: Bloomberg, www.zerohedge.com



#european #us #equities #performance

European Stocks are beating US Peers since September.

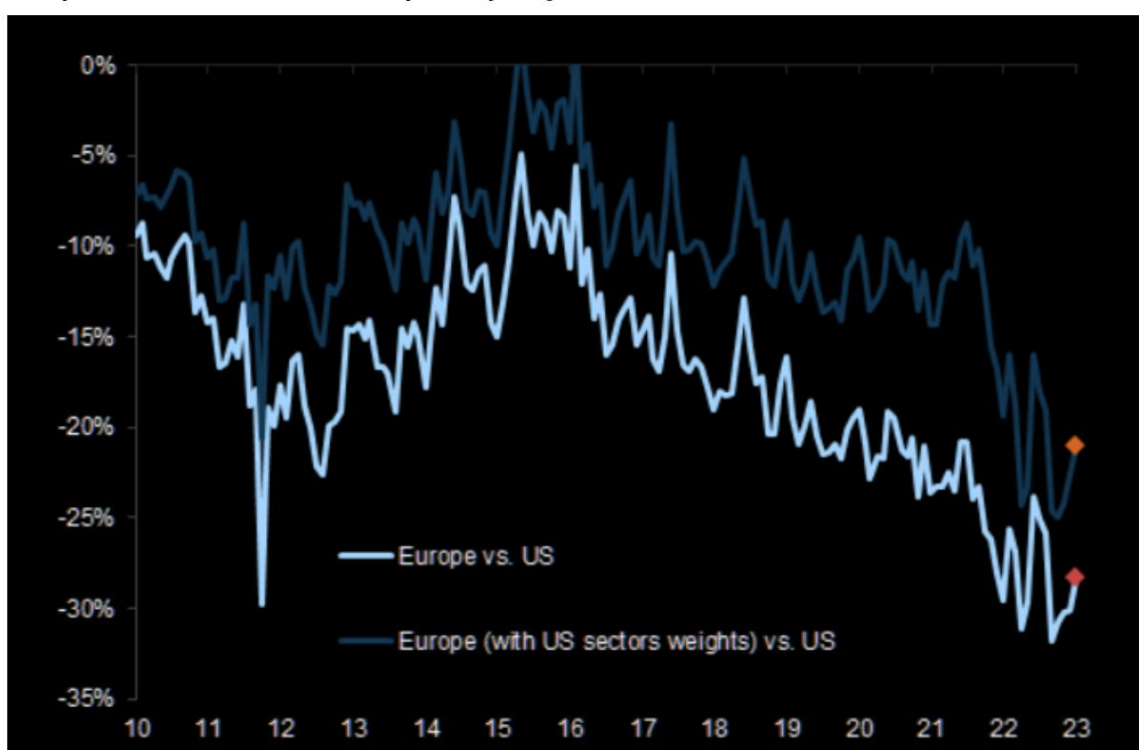


Source: Bloomberg

#markets

#european #us #equities #valuation

Europe's discount to the US is especially large. Chart shows Europe relative to US - 24m forward P/E.



Source: Goldman Sachs



#china #equities

China stocks trade at cheapest to Hong-Kong peers in almost a year.

A/H-share premium at lowest since February 2022

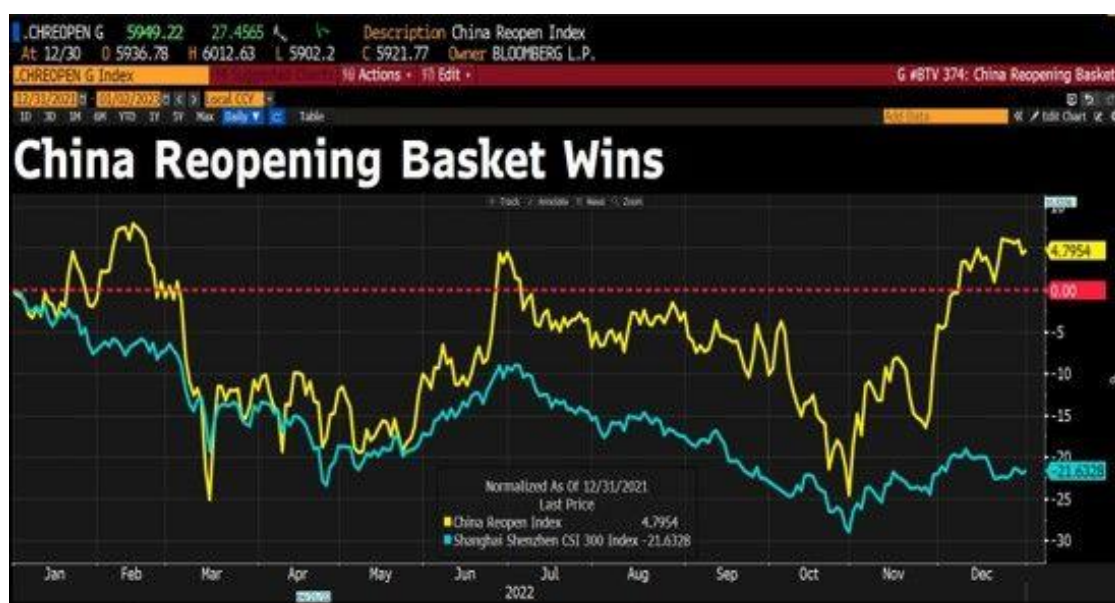


Source: Bloomberg, C.Barraud

#markets

#china #equities #reopening

How to play China reopening? China sectors and stocks benefiting from reopening can be found on .CHREOPEN G <Bloomberg> .



Source: Bloomberg



#china #tech

China tech, HSTECH, continues marching higher. Having spent December making a big flag, the index closed this week at the highest levels since last summer



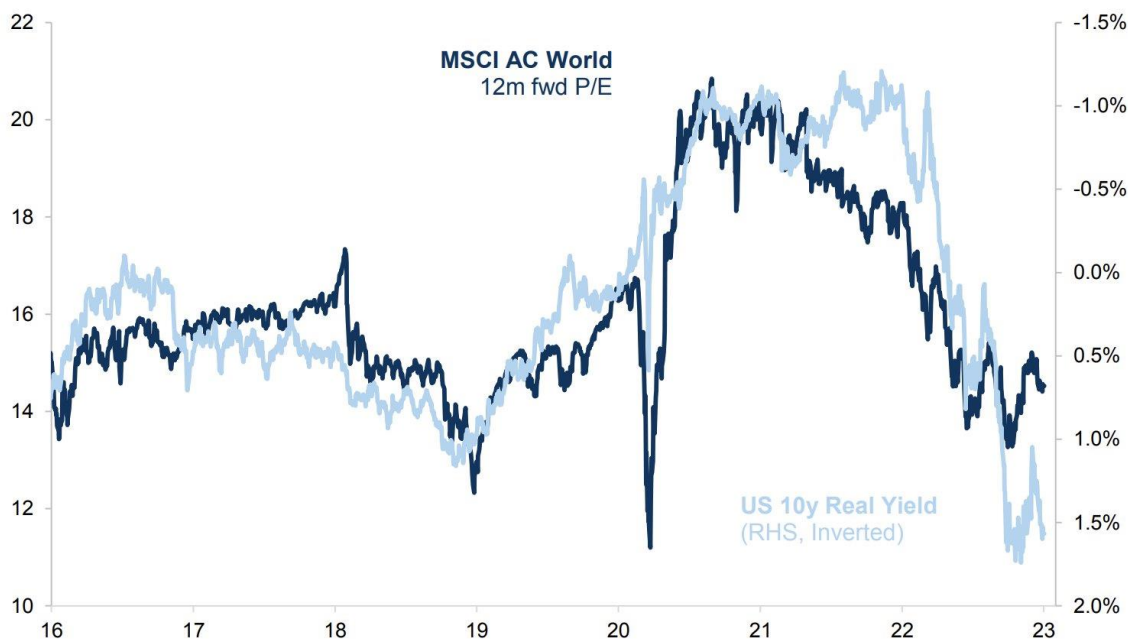
Source: TME



#global #equities #valuations #real-yields

Yields matter for equities: the value of the global equity market is heavily influenced by the path for real yields (as well as nominal).

Exhibit 1: Valuations remain vulnerable to rising yields
MSCI AC World 12m fwd P/E and US 10y Real Yield (RHS, Inverted)



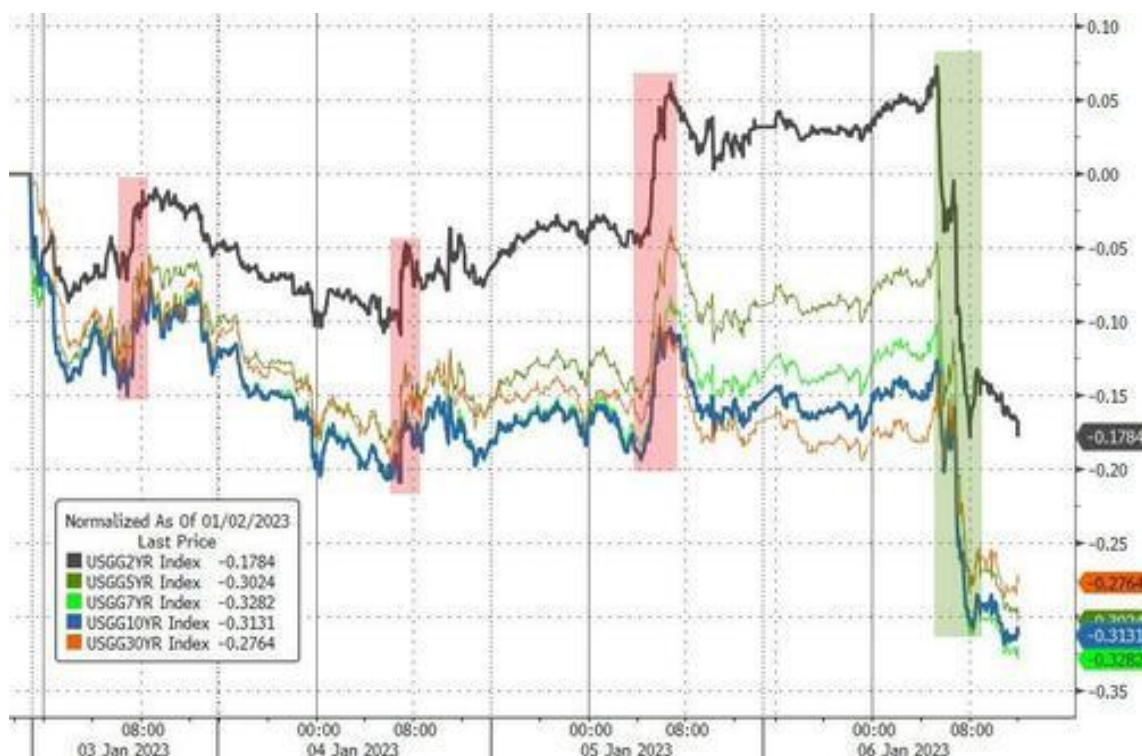
Source: FactSet, Goldman Sachs Global Investment Research

Source: Goldman Sachs, HolgerZ



#us #treasuries

US Treasuries were aggressively bid on Friday, slamming yields lower on the week with the 10Y yield down 32bps on the week (2Y -16)...



Source: www.zerohedge.com, Bloomberg



#us #10y

The US 10 year yield is trading just below the big 3.6% level. This is where the trend line comes in as well as the 100 day moving average. The entire 3.5-3.6% range is very important.

US 10 year at huge levels



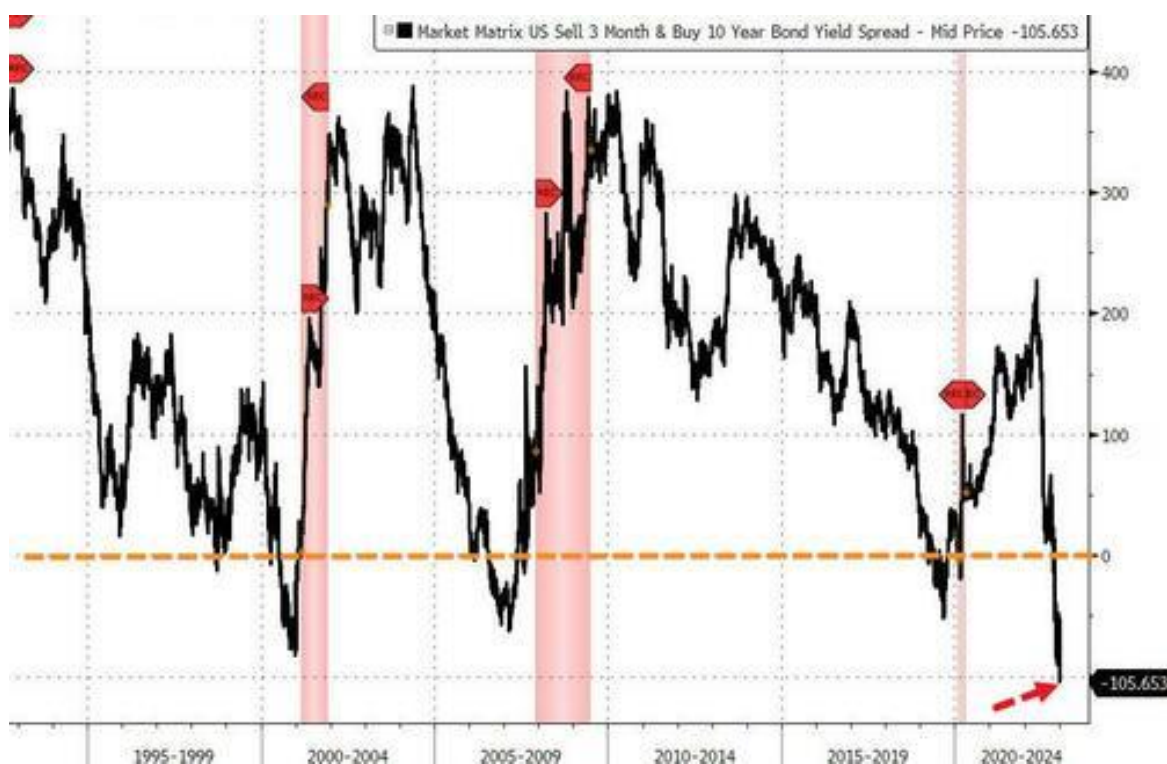
Source: Refinitiv

Source: The Market Ear



#us #yield-curve

The yield curve flattened even more dramatically on Friday, with the 3M10Y spread at a historically deep inversion of over 100bps...



Source: www.zerohedge.com, Bloomberg

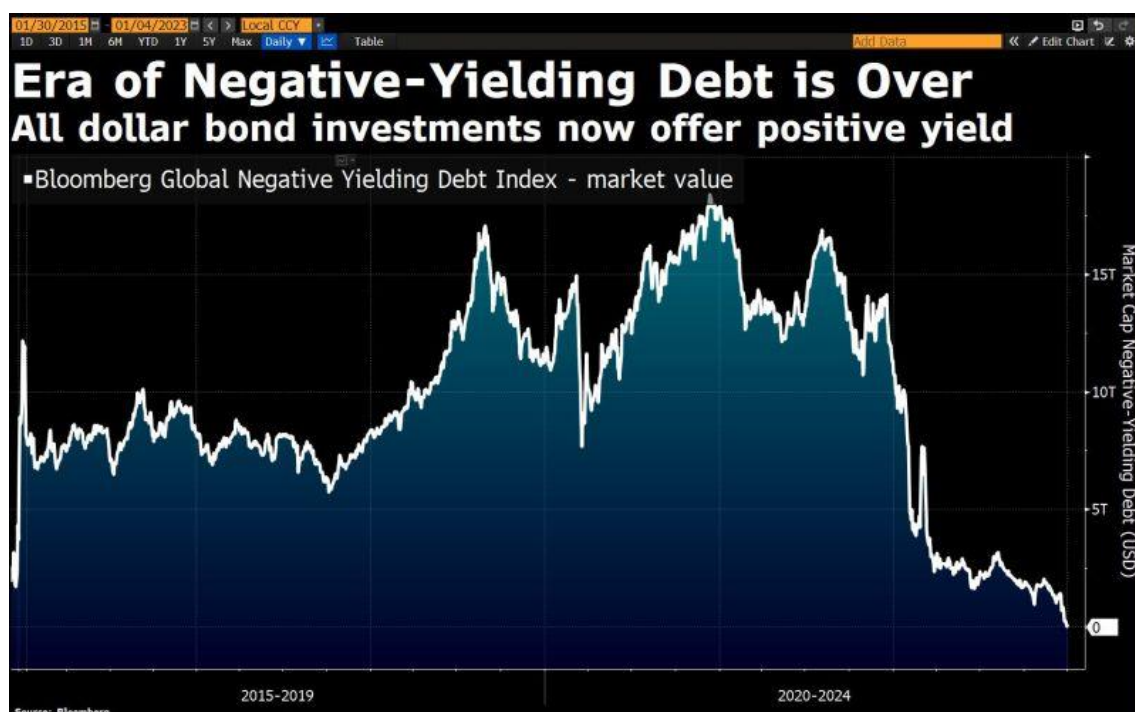


#global #debt #negative-yield

Value of negative-yielding debt.

December 2020: \$18 trillion

January 2023: 0



Source: Bloomberg, David Ingles

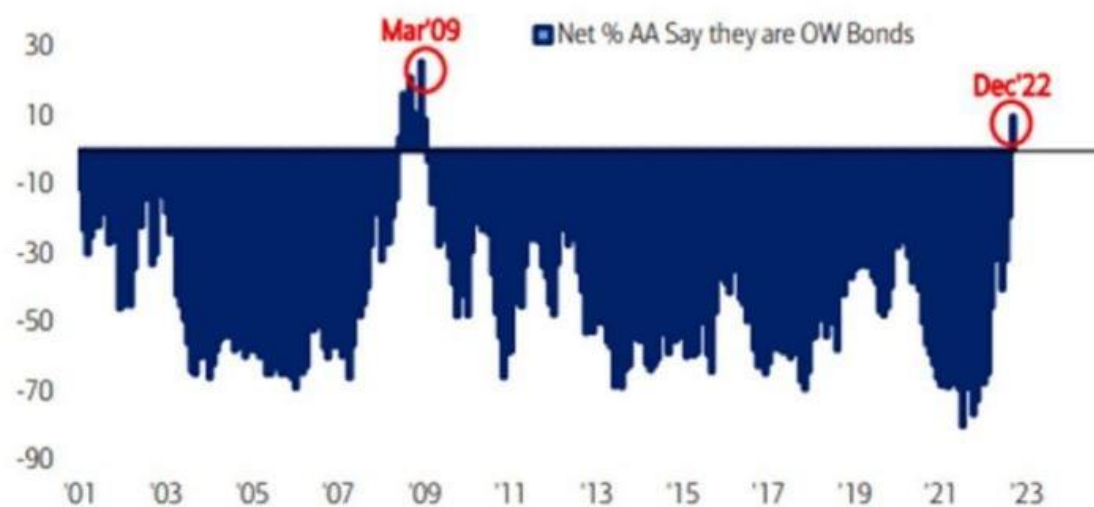


#global #bonds #positioning

Between March 2009 and December 2022, global fund managers were never overweight bonds. Fund managers surveyed by BofA are net overweight bonds for the 1st time since April 2009.

Chart 15: FMS investors are net OW bonds for the 1st time since Apr'09

Net % say they are OW bonds



Source: BofA Global Fund Manager Survey

Source: BofA Fund manager survey, Jeroen Blokland.

#markets

#gold

Gold soared in its first week of 2023, up over 2.5% to \$1875 for the first time since June 2022 (up 15% from the early November lows)...



Source: www.zerohedge.com, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

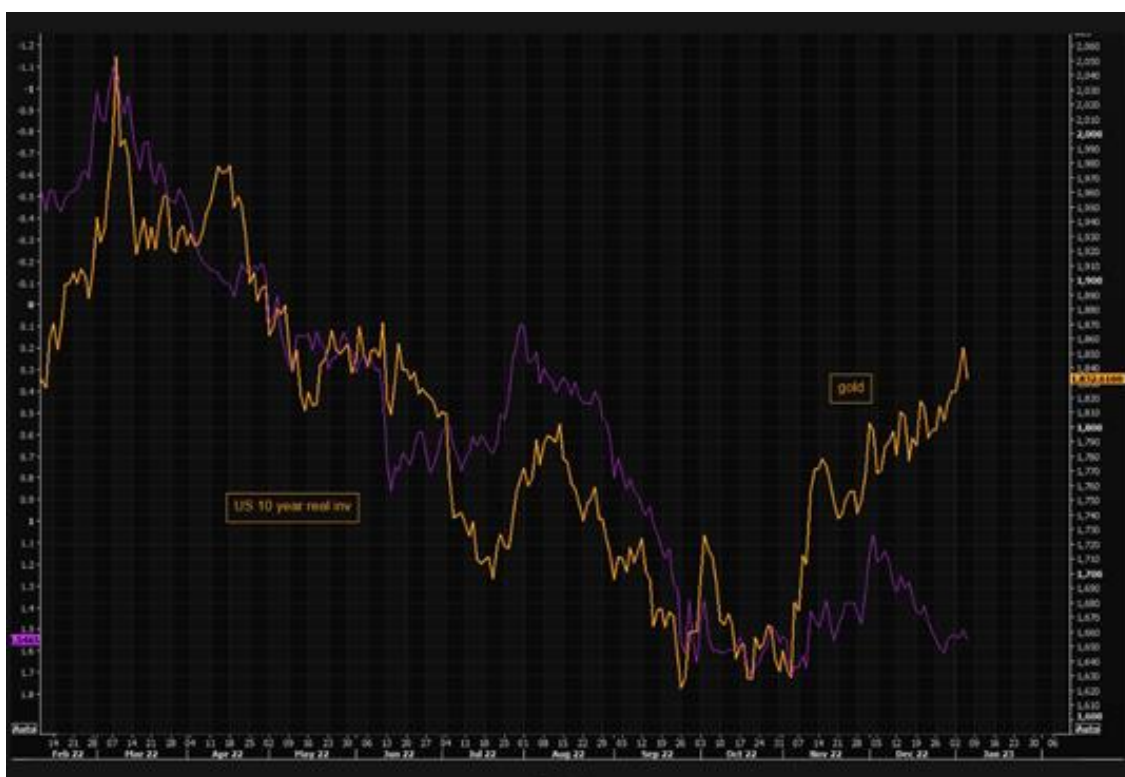
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#markets

#gold #us #real-yields

Gold has moved higher recently, leaving real yields behind.



Source: The Market Ear, Refinitiv

#GLOBALMARKETS WEEKLY WRAP-UP

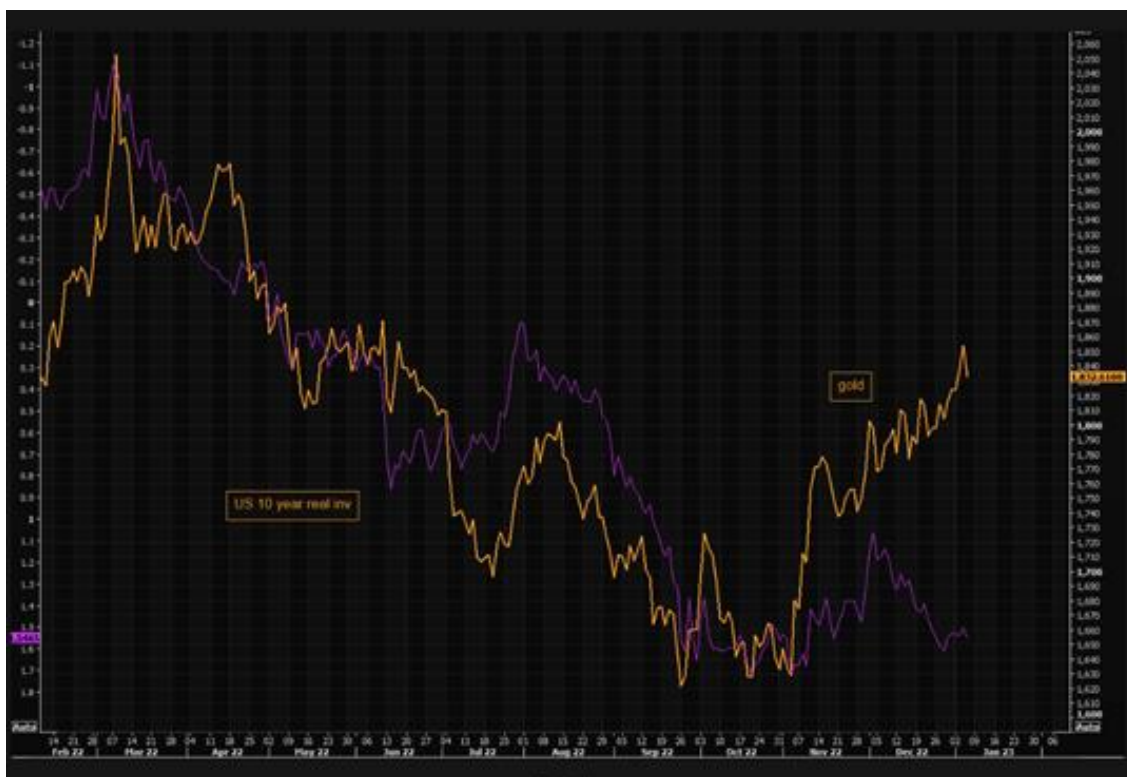
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#gold #tips

The gap between Gold and TIPs has become very wide lately.

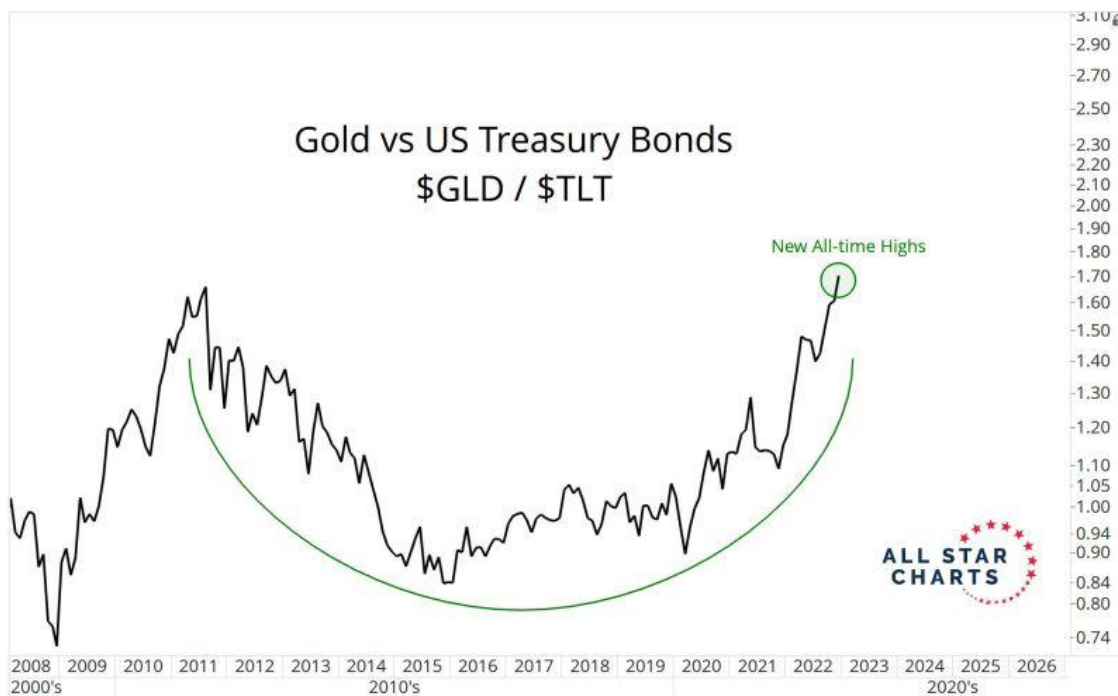


Source: The Market Ear, Refinitiv



#gold #us #treasuries

One asset is smiling... Gold is trading at 6-month high and the relative chart versus US long-term treasuries just hit a new all-time high...

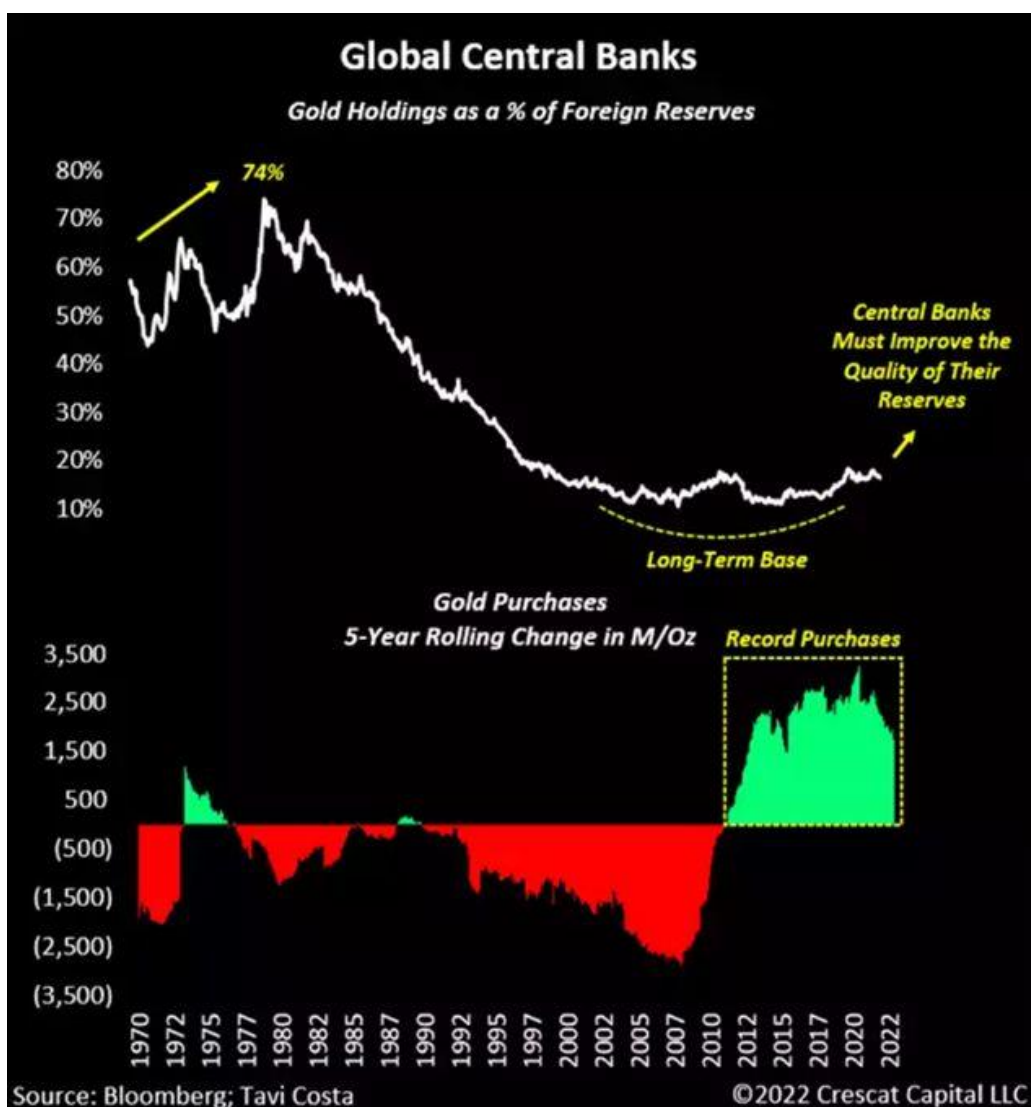


Source: J-C Parets



#gold #central-banks

Global central banks keep accumulating gold as they seek to improve the quality of their reserves.



Source: Crescat Capital

#markets

#oil

Oil tanked to start 2023 with WTI back to \$73 handle (after testing \$80 twice and failing)...

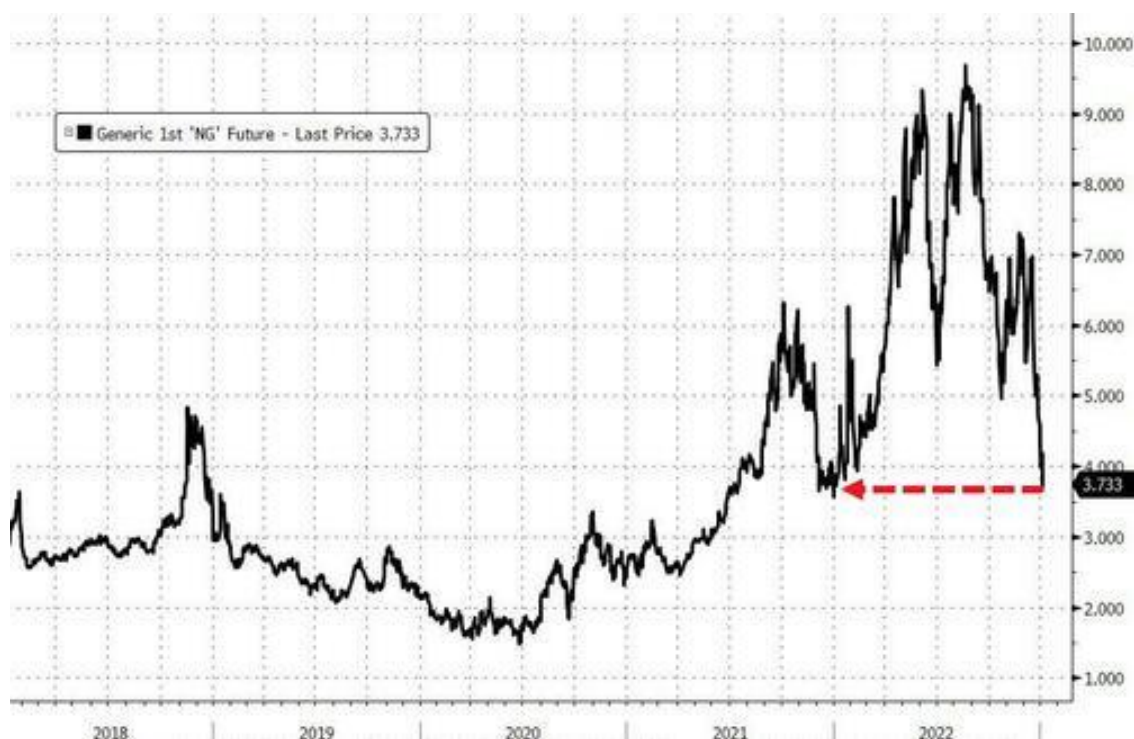


Source: www.zerohedge.com, Bloomberg



#natural-gas

NatGas was hammered after warmer than expected weather in Europe eased demand fears, sending Henry Hub back to a 3 handle - its lowest since Dec 2021...



Source: www.zerohedge.com, Bloomberg



#dollar-index

The dollar slumped on Friday, erasing a strong first week of the year's gains...



Source: www.zerohedge.com, Bloomberg



#us #ism #services

ISM Services tumbled into contraction at 49.6 (vs 55.0 exp) from 56.5 in November. That is the biggest drop since 2020 and the first contraction since May 2020...



Source: www.zerohedge.com, Bloomberg

#macro

#us #ism #services

ISM Services New Orders collapsed.

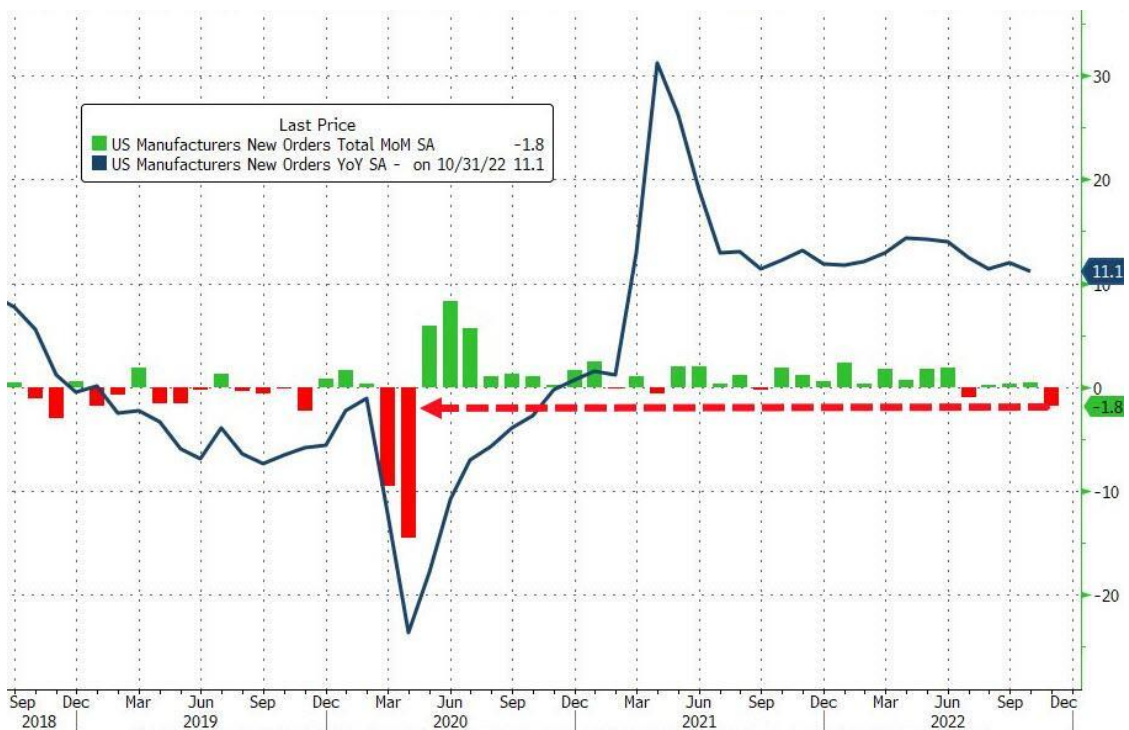


Source: www.zerohedge.com, Bloomberg

#macro

#us #manufacturing

US factory orders plunged more than expected in December (-1.8% vs -1.0% exp). That is the biggest drop since April 2020 (peak COVID lockdowns).

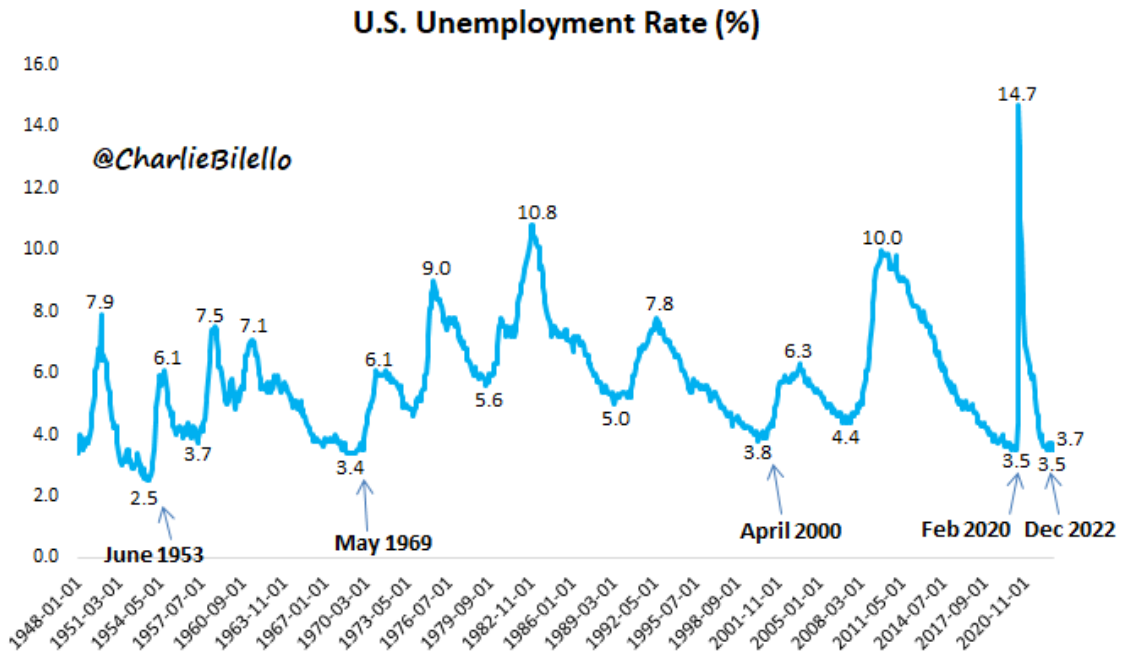


Source: Bloomberg, www.zerohedge.com



#us #jobs

There were both dovish and hawkish news in the December US job report. DOVISH -> Average hourly earnings is +0.3% MoM, lower than expectations (+0.4%) and lower than previous month (+0.4% revised lower from +0.6%). On a yearly basis: +4.6% vs. 5.1% expected and +4.8% in November. This is the lowest y/y growth since August 2021. HAWKISH -> Job growth is 223k which is lower than in November and higher than expected (200k). Unemployment rate dropped to 3.5%, which is the lowest since 1965... It is quite remarkable to see unemployment rate going lower after several quarters of rate hikes...



Source: Charlie Bilello



#us #jobs

The number of reported job openings in America fell in November, but not as much as expected, and the previous month's number of openings was revised higher. November openings print was 10.458MM, which while a drop of 54K from the previous month, was more than 400K higher than consensus expectations. US JOLTS data are thus pointing to still elevated job vacancies. The numbers are consistent with a strong labor market and further wage gains. They place pressure on the Fed to keep tightening. The latest labor market mystery: there is much more quitting than hiring, leading to persistently high job openings.



Source: www.zerohedge.com, Bloomberg





#us #jobs

There is a growing and dramatic divergence between the US labor market (strengthening) and financial conditions (tightening)...



Source: Bloomberg, www.zerohedge.com

#macro

#us #jobs

FAANGs continue to lay off employees.

The Wall Street Journal

Amazon to lay off more than 17,000 workers, more than originally expected

Last Updated: Jan. 4, 2023 at 6:47 p.m. ET

First Published: Jan. 4, 2023 at 6:33 p.m. ET

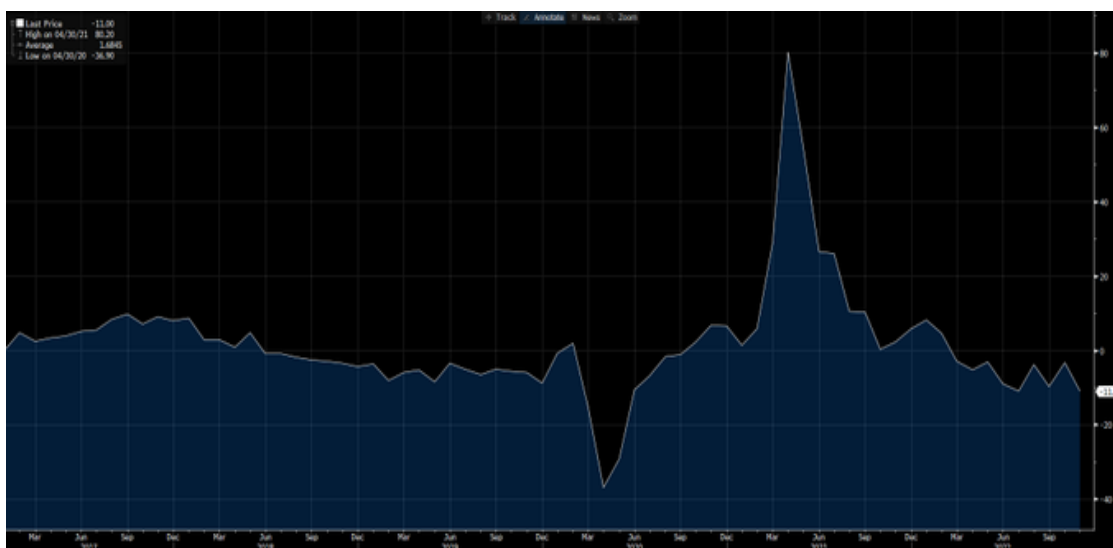
Source: Wall Street Journal, Wall Street Silver

#macro

#germany #factory-orders

GERMANY NOV. FACTORY ORDERS FELL 11.0% Y/Y (largest drop since July 2022); EST. -5.8% - BBG

*GERMANY NOV. FACTORY ORDERS FALL 5.3% M/M; EST. -0.5%.



Source: Bloomberg, C.Barraud

#macro

#wage #inflation

Wage growth seems to become an obsession for central bankers and financial media. It is even pointed out as the main culprit for high inflation..



POLITICO SIGN UP TO NEWSLETTERS SIGN IN

ECB chief: Limiting fast wage growth is needed to rein in inflation

'We must not allow inflationary expectations to become de-anchored or wages to have an inflationary effect,' Lagarde tells Croatian newspaper.



WSJ SUBSCRIBE SIGN IN

U.S. ECONOMY

Stay for Pay? Companies Offer Big Raises to Retain Workers

Recent record-high wage gains for workers who remain in their jobs are a factor contributing to inflation

Source: Politico, WSJ, Jeroen Blokland

#macro

#us #cpi #ism

Is the ISM Prices index right about where US CPI is heading?



AndreasStenoLarsen
@AndreasSteno

...

The most important piece of news out of the ISM report

Price pressure keeps fading. Inflation at 0% in July-23?



#macro

#us #inflation #cycle

"Big short" Michael Burry sees a repeat of the '70s, i.e inflation has peaked for now but might come back with a vengeance after 2023. As a reminder, 1974 recession reduced CPI from ~11% to ~5% by 1976. The #Fed declared victory, went back to easy money, inflation soared in the late 70s to over 13%. High Inflation continued until energy policy was fixed. Fast forward to 2023, energy policy hasn't been fixed yet..



#macro

#us #inflation #cycle

Could this be the inflation cycle of the current decade?



AndreasStenoLarsen @AndreasSteno · 4h

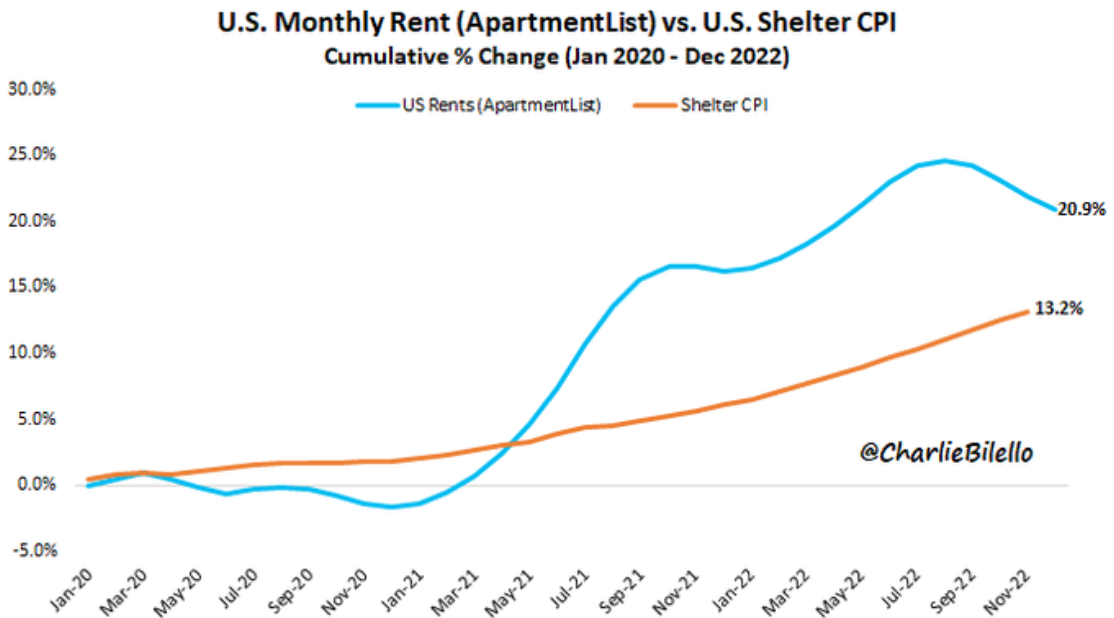
Love this meme 🤔🤔





#us #rents #inflation

US Rents increased by 4% yoy in November, this is the smallest YoY increase since April 2021. This is now well below the 7.1% increase in the shelter component of CPI. Why is Shelter CPI still moving higher while actual rents are moving lower? Shelter CPI is a lagging indicator & has significantly understated actual housing inflation over the last 2 yrs. Shelter CPI is now playing catch up but still only shows a 13.2% increase since the start of 2020 versus a 20.9% increase in actual Rents & 40.9% increase in Home Prices (nationally). Which means that we're likely to see more increases in Shelter CPI to close some of that gap.



Source: Charlie Bilello



#macro

#german #cpi

German inflation slows to 8.6% in December from 10% in November vs 9% expected. Last week Spain inflation numbers were also lower than expected and vs. previous month. Things are thus going in the right direction although these numbers remain way higher than ECB target.



Source: Bloomberg, HolgerZ

#japan #cpi

Consumer prices in Japan's capital likely rose in December at the fastest pace in nearly 41 years, a Reuters poll of economists showed on Friday, as the market looks to inflation data for clues on a possible shift in monetary policy.

Tokyo core CPI seen up 3.8% in December, new 40-year-high

By Kantaro Komiya



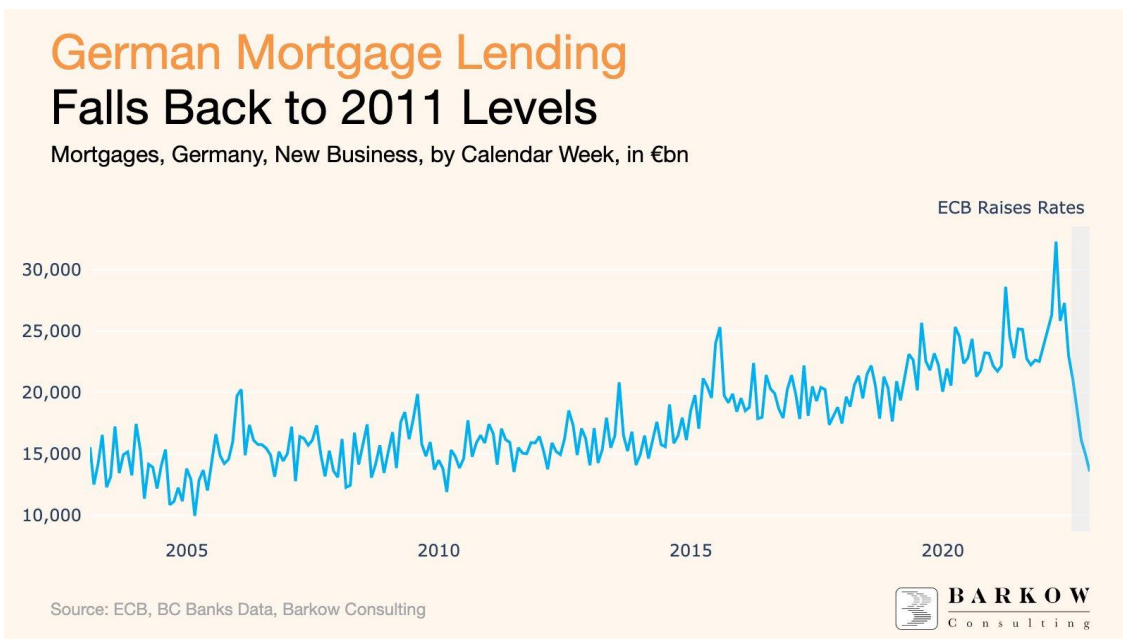
People make their way at a shopping district in Tokyo, Japan December 23, 2022. REUTERS/Kim Kyung-Hoon

Source: Reuters



#german #housing

German housing market has come to standstill. Monthly mortgage lending has collapsed by 40% in Nov YoY, representing 3rd neg record in a row since start of statistics in 2003. Mortgage volume dropped to €1.4Bn, lowest since 2011.

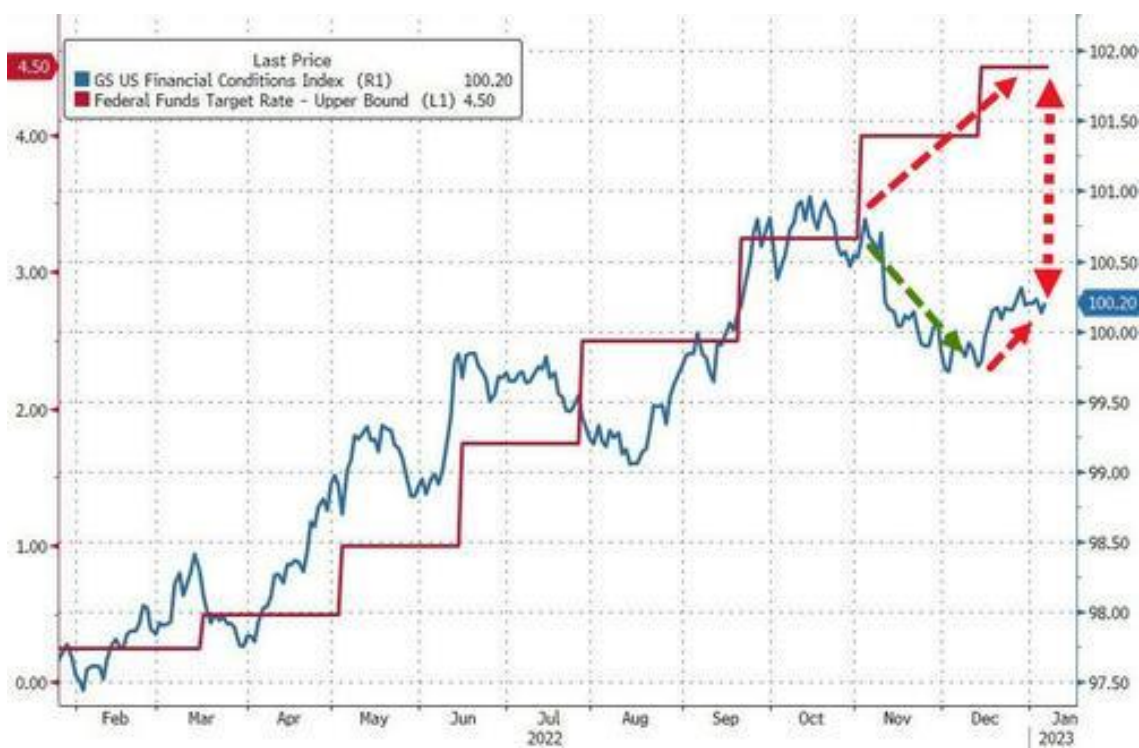


Source: Barkow Consult, HolgerZ

#centralbanks

#fed #financial-conditions

US financial conditions still has room to catch up with Fed target rate

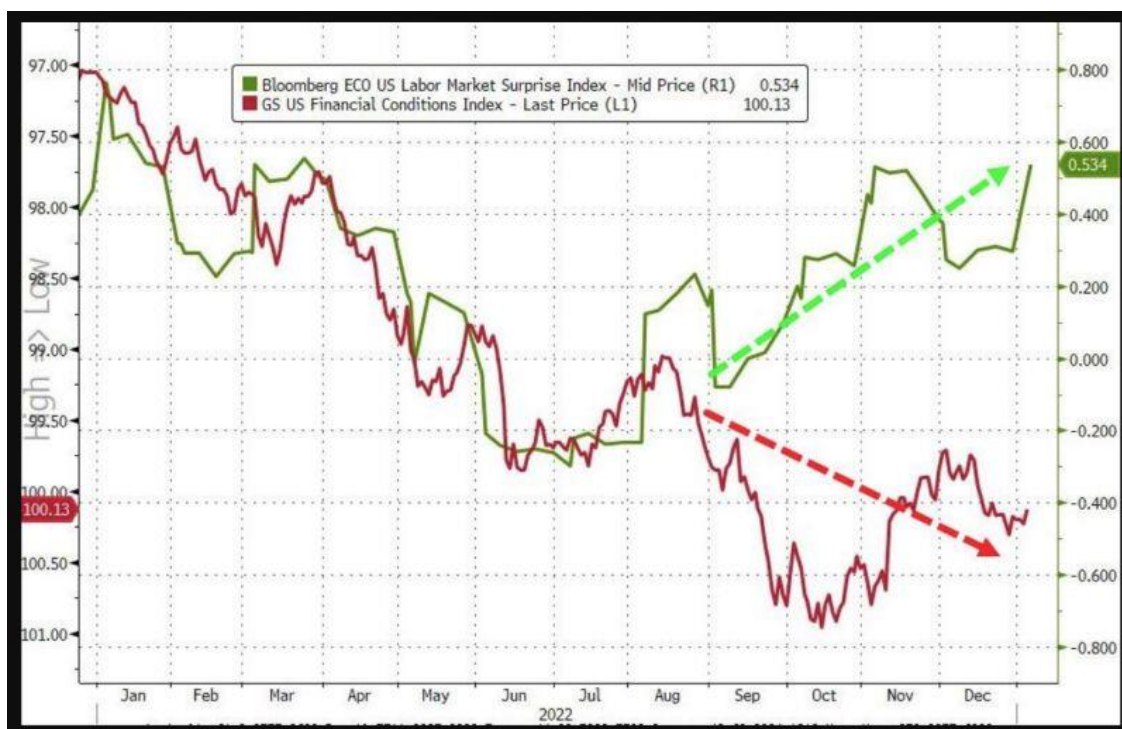


Source: www.zerohedge.com, Bloomberg

#centralbanks

#fed #us #labor-market

The Fed still has work to do. The US job market keeps surprising on the upside (see below job economic surprises in green) despite tightening financial conditions (see below financial conditions - inverted in red). As James Bullard said: "a strong job market means it's a good time to fight inflation".

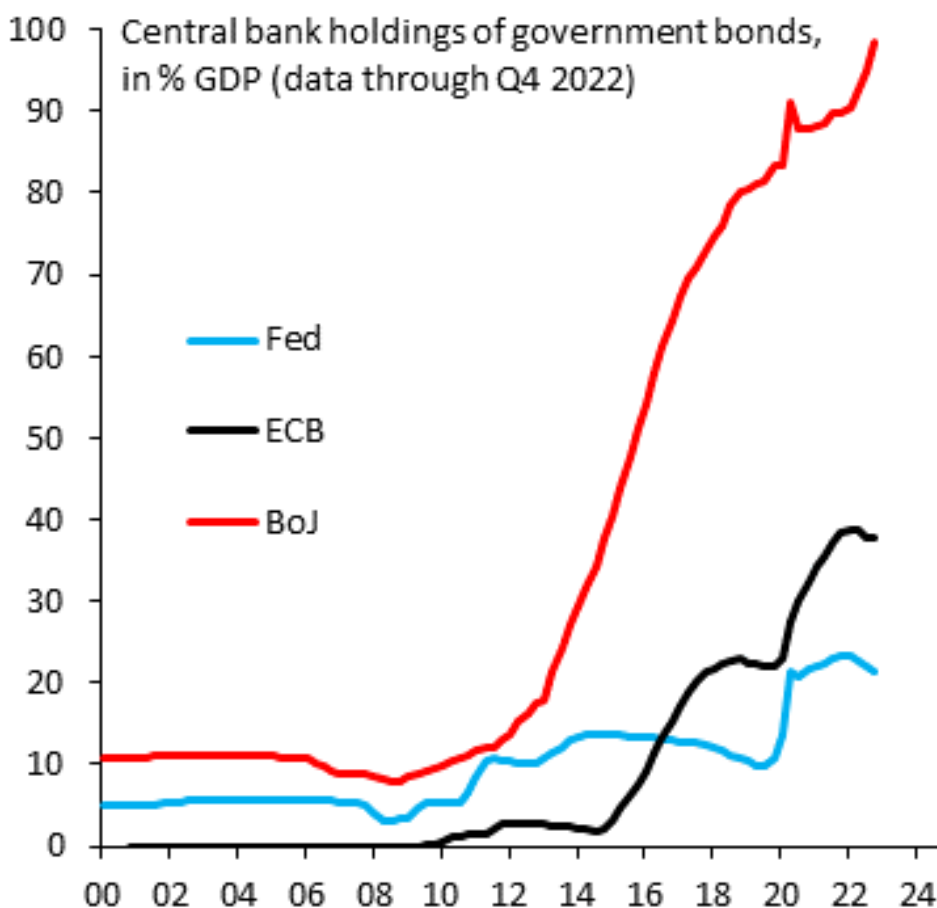


Source: www.zerohedge.com, Bloomberg

#centralbanks

#boj #government-bonds

Main reason for BoJ to exit yield curve control (YCC) is that it's had to buy unsustainably large amounts of JGBs to cap yields as global interest rates have risen. But the slow exit from YCC is now having the opposite effect. BoJ holdings of JGBs (red) are through the roof...

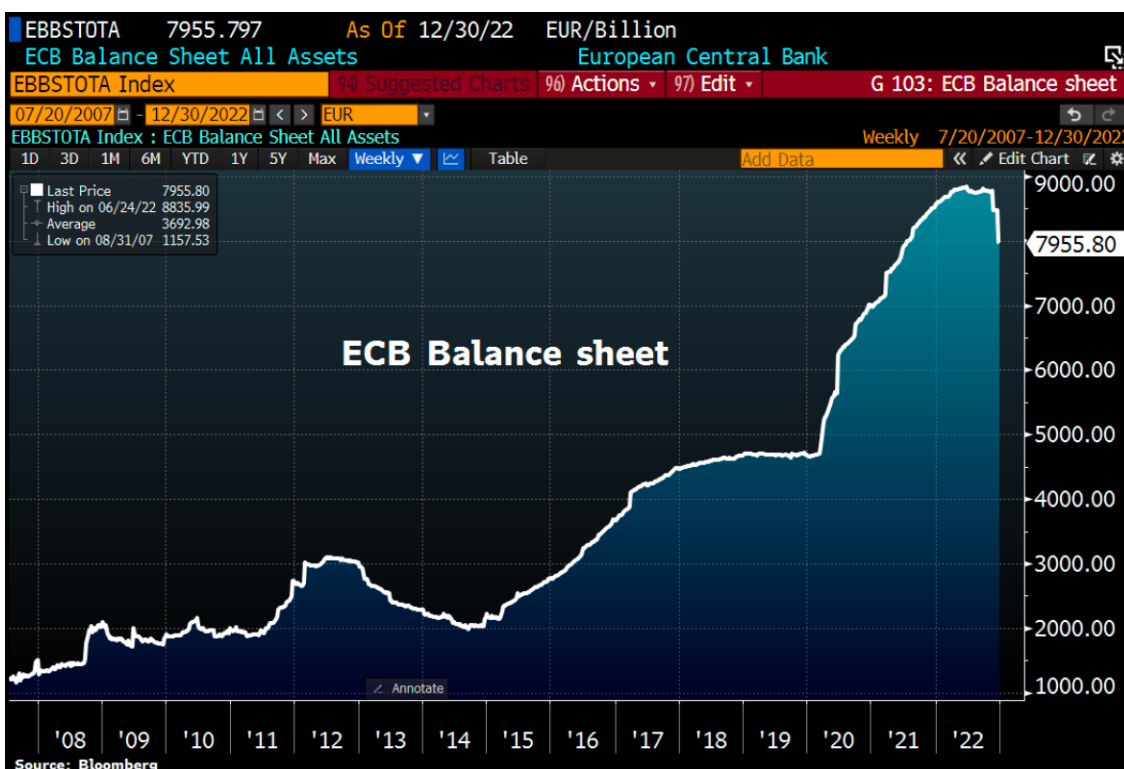


Source: Robin Brooks

#centralbanks

#ecb

ECB Balance Sheet keeps shrinking. ECB total assets drop by another €29.7bn due to quarter-end adjustments (-€42.7bn) to €7,955,8bn, the lowest level since July 2021. ECB Balance Sheet now equals 61% of Eurozone GDP vs Fed's 33% and BoJ's 126%

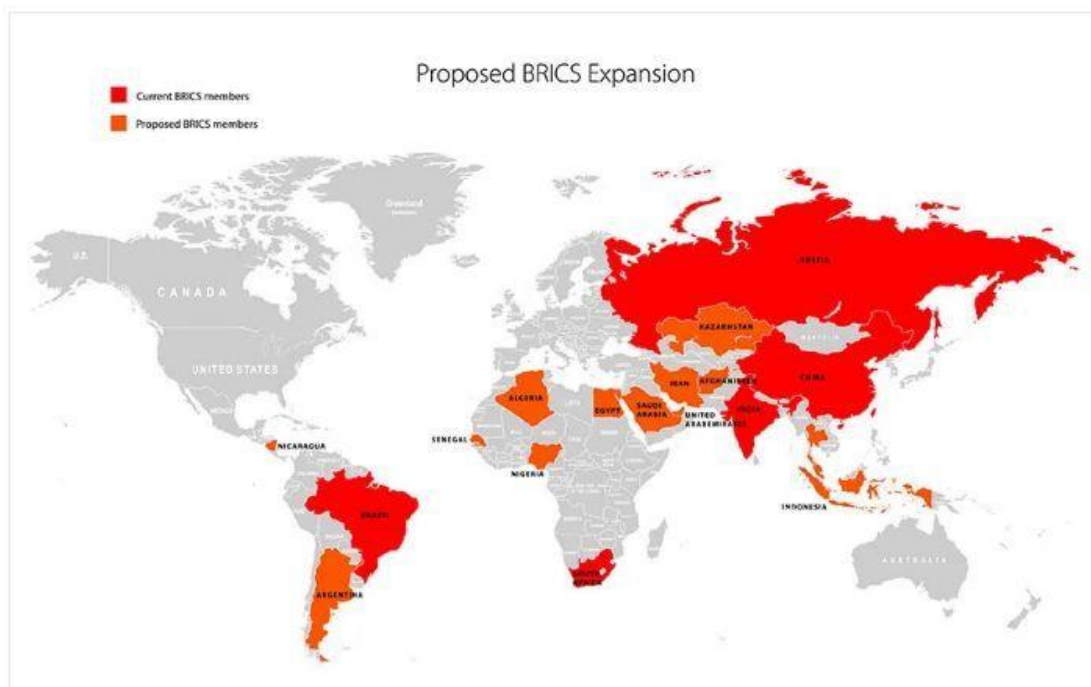


Source: Reuters

#geopolitics

#brics #expansion

Will 2023 be the year of BRICS expansion? Back in November 2022, the Russian Foreign Minister, Sergey Lavrov has stated that ‘over a dozen’ countries (Algeria, Afghanistan, Argentina, Egypt, Indonesia, Iran, Kazakhstan, Nicaragua, Nigeria, Saudi Arabia, Senegal, Thailand, Turkey and the United Arab Emirates) have formally applied to join the BRICS grouping following the groups decision to allow new members earlier this year. If accepted, the new proposed BRICS members would create an entity with a GDP 30% larger than the United States, over 50% of the global population and in control of 60% of global gas reserves.

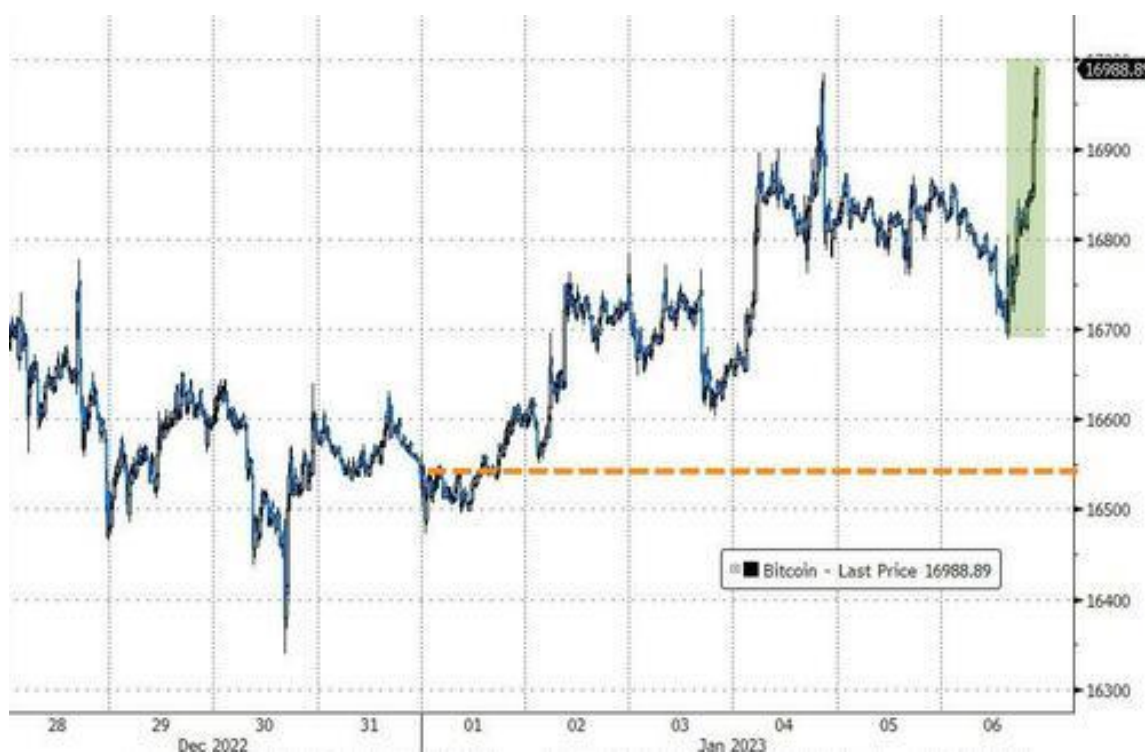


Source: Silk Road Briefing



#cryptos #weekly #performance

Cryptos had a good week to start the year with Bitcoin rallying back up to \$17,000 on Friday...



Source: www.zerohedge.com, Bloomberg

#cryptos

#bitcoin #birthday

Bitcoin is celebrating its 14th birthday today. On January 3, 2009, the first block of the Bitcoin blockchain, known as the Genesis block, was mined by the pseudonymous developer(s) known as Satoshi Nakamoto.

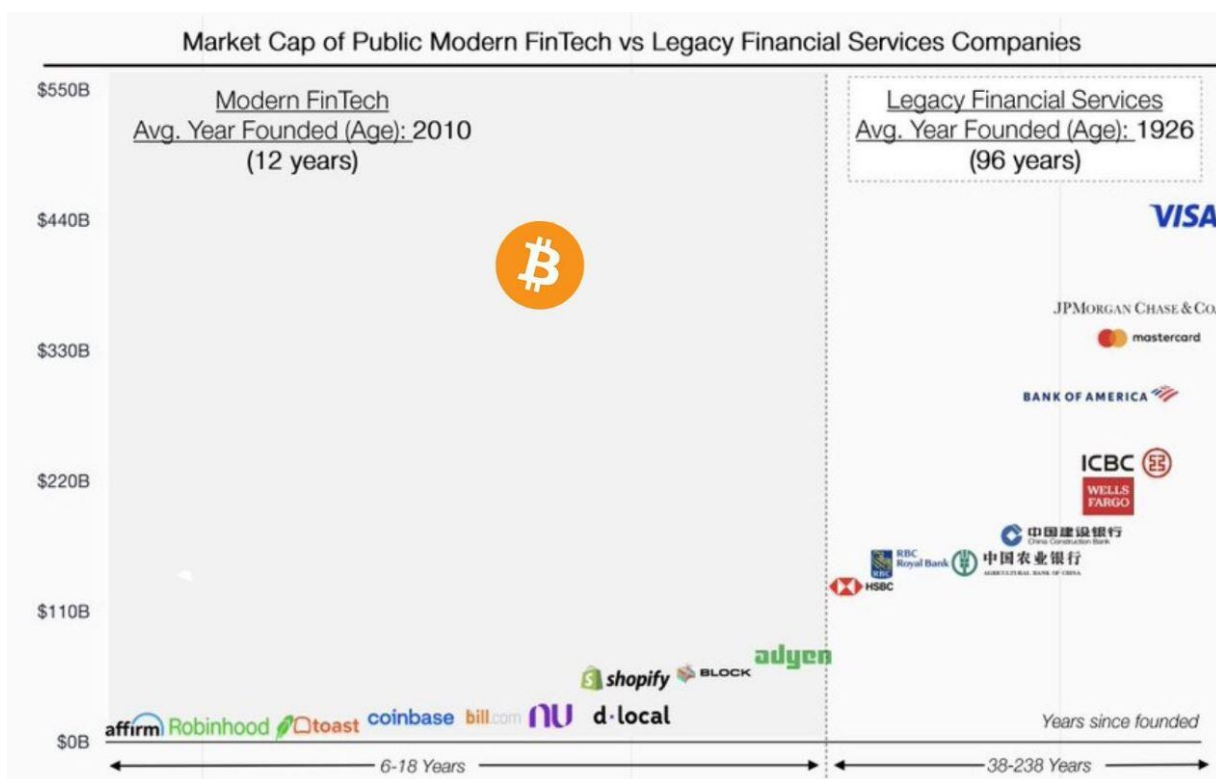


Source: Livemint



#bitcoin #growth

Bitcoin is growing faster than every financial company and bank in history.

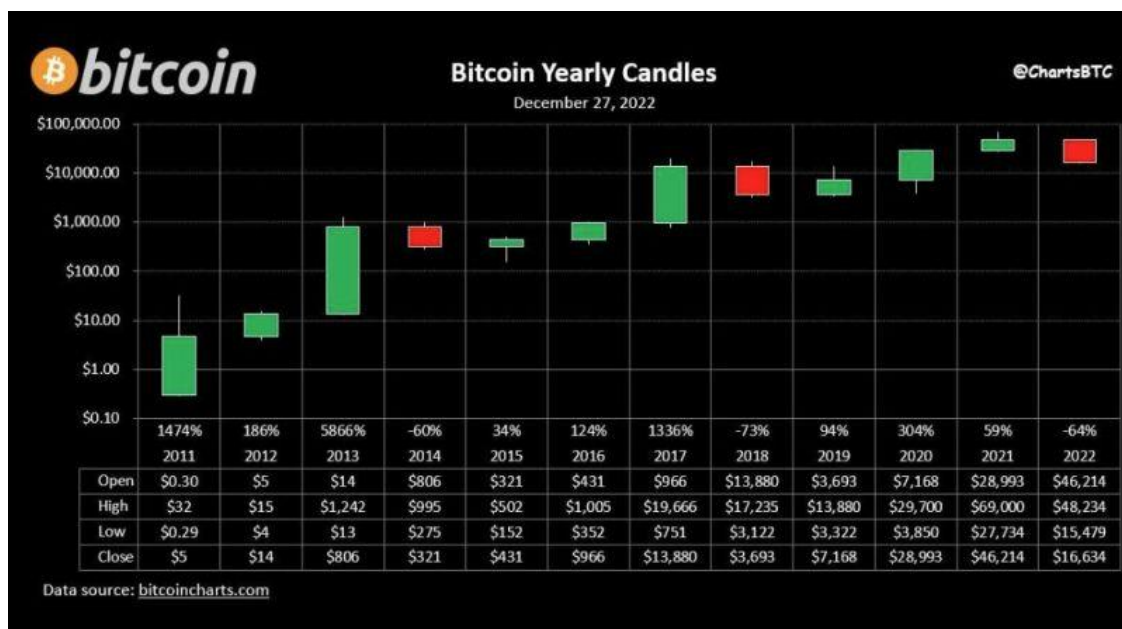


Source: Documenting Bitcoin



#bitcoin #yearly #performance

Bitcoin yearly candles and returns by bitcoincharts.com



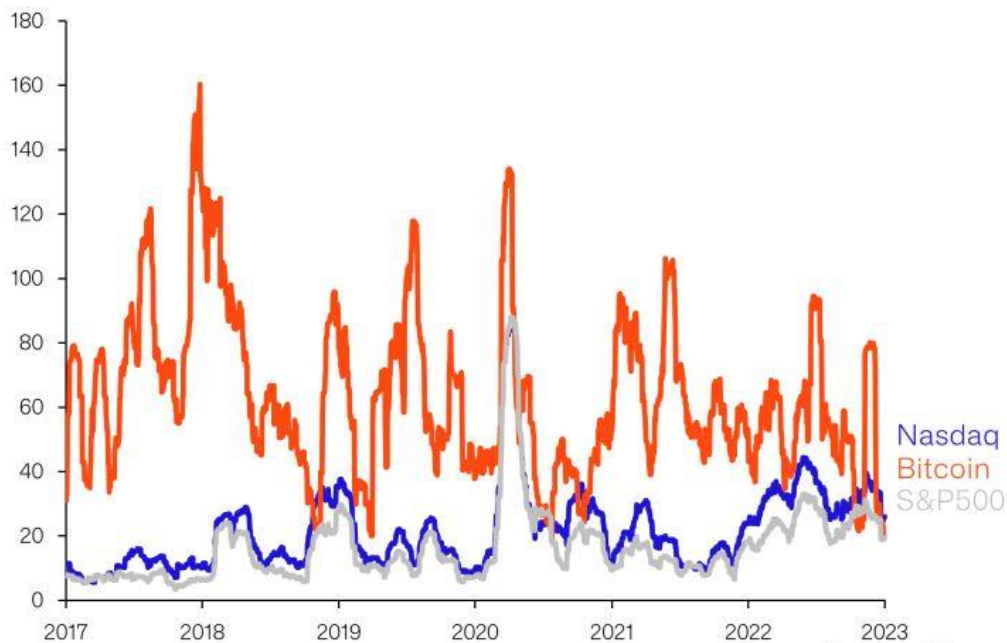
Source: www.zerohedge.com, Bloomberg



#bitcoin #volatility

Bitcoin 30d volatility is the lowest on record at 18.7, a true milestone and lower than the Nasdaq at 25.7!

Bitcoin Volatility vs Equities (30d annualised)



Source: Bloomberg, CoinShares, data available as of close 02 January 2023

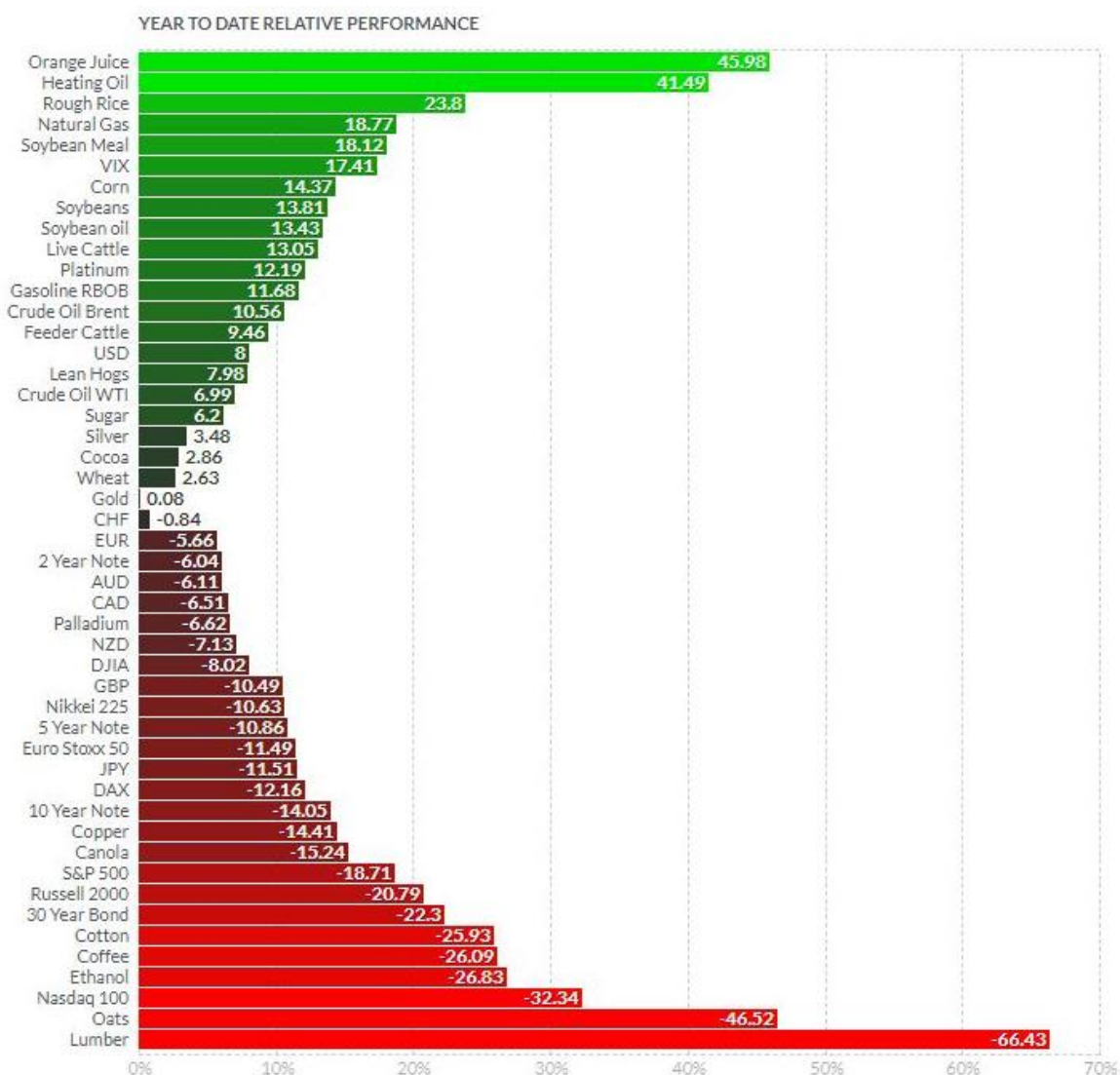
CoinShares

Source: coinshares

#food-for-thought

#2022 #winners #losers

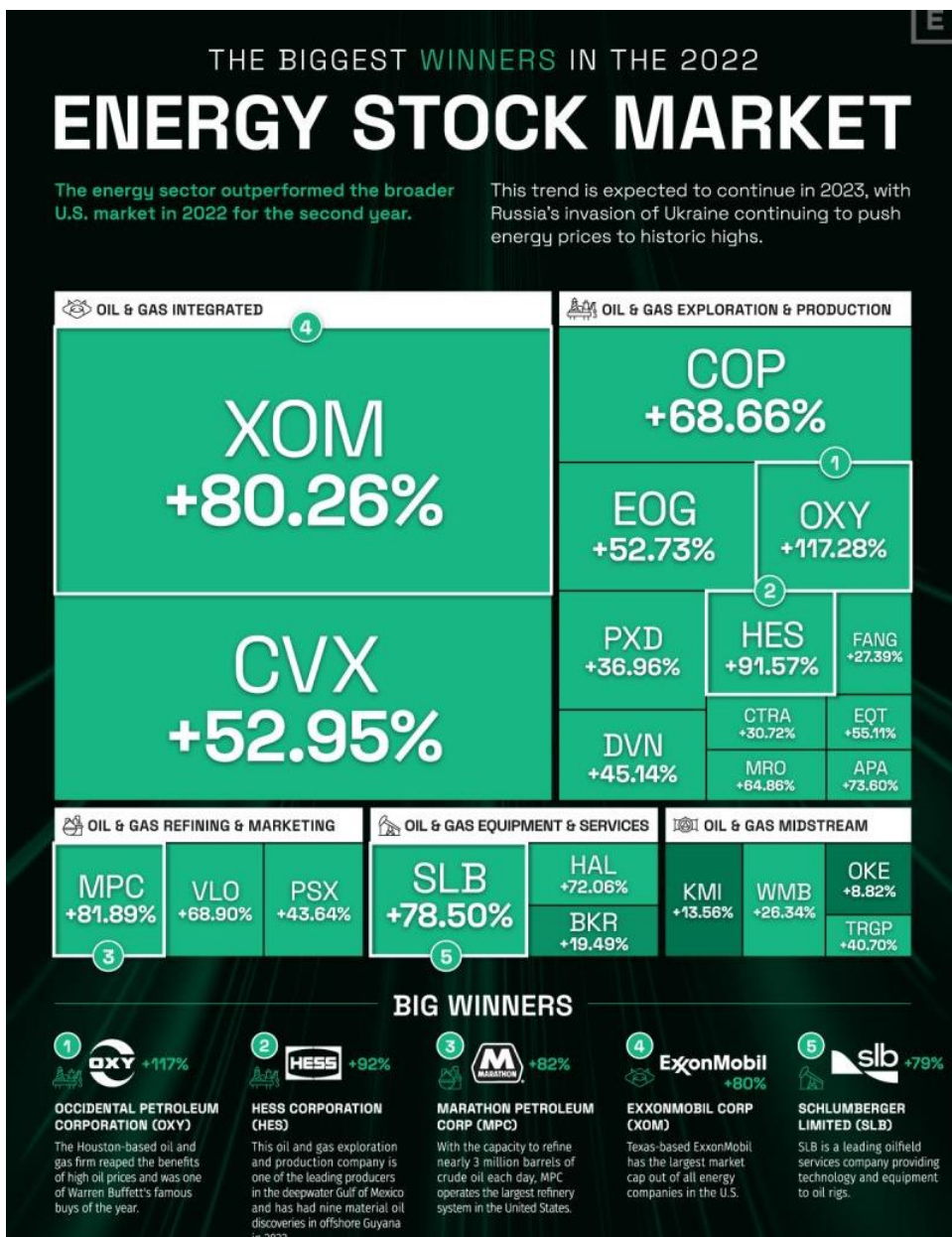
And the Winner for 2022 was...Orange Juice



Source: Finviz

#food-for-thought

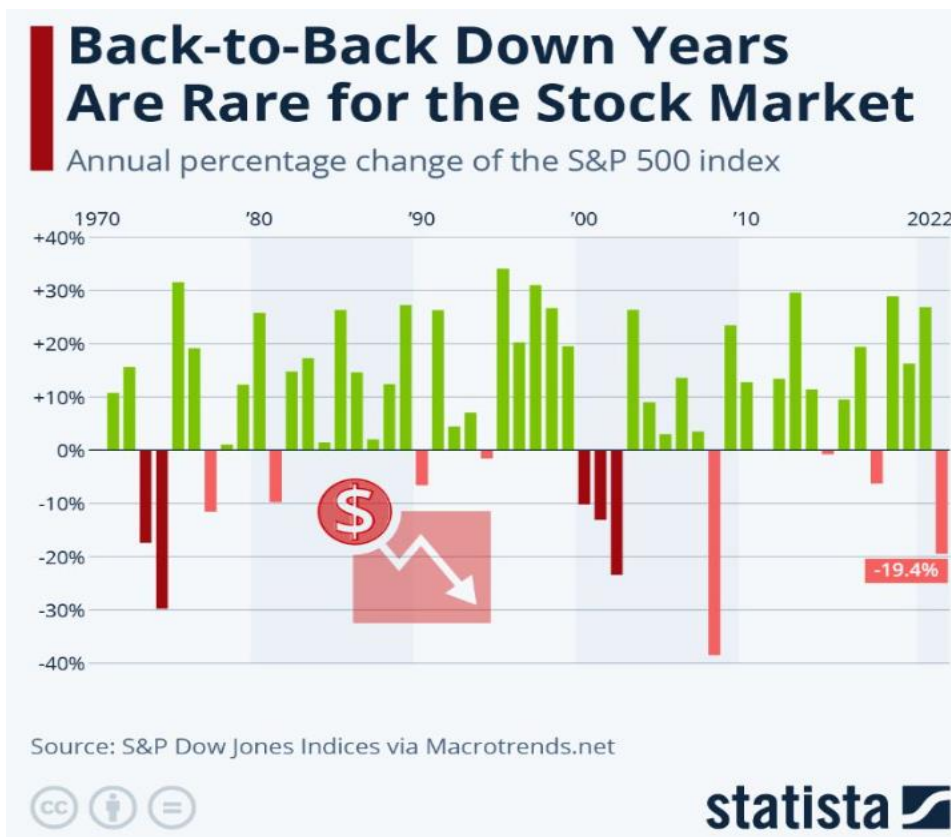
#2022 #energy #stocks #winners



#food-for-thought

#sp500 #history

Historically, back-to-back down years are a very rare occurrence, as the chart shows. According to Macrotrends.net, the S&P 500 has only seen consecutive years of negative returns three times since 1957, in 1973/1974 and in 2001/2002/2003 with returns getting worse in the second (and third) down year on each of those occasions. Since 1957, the S&P 500 has ended the year in the red 18 times including 2022. On 14 occasions, the index returned to growth the next year.

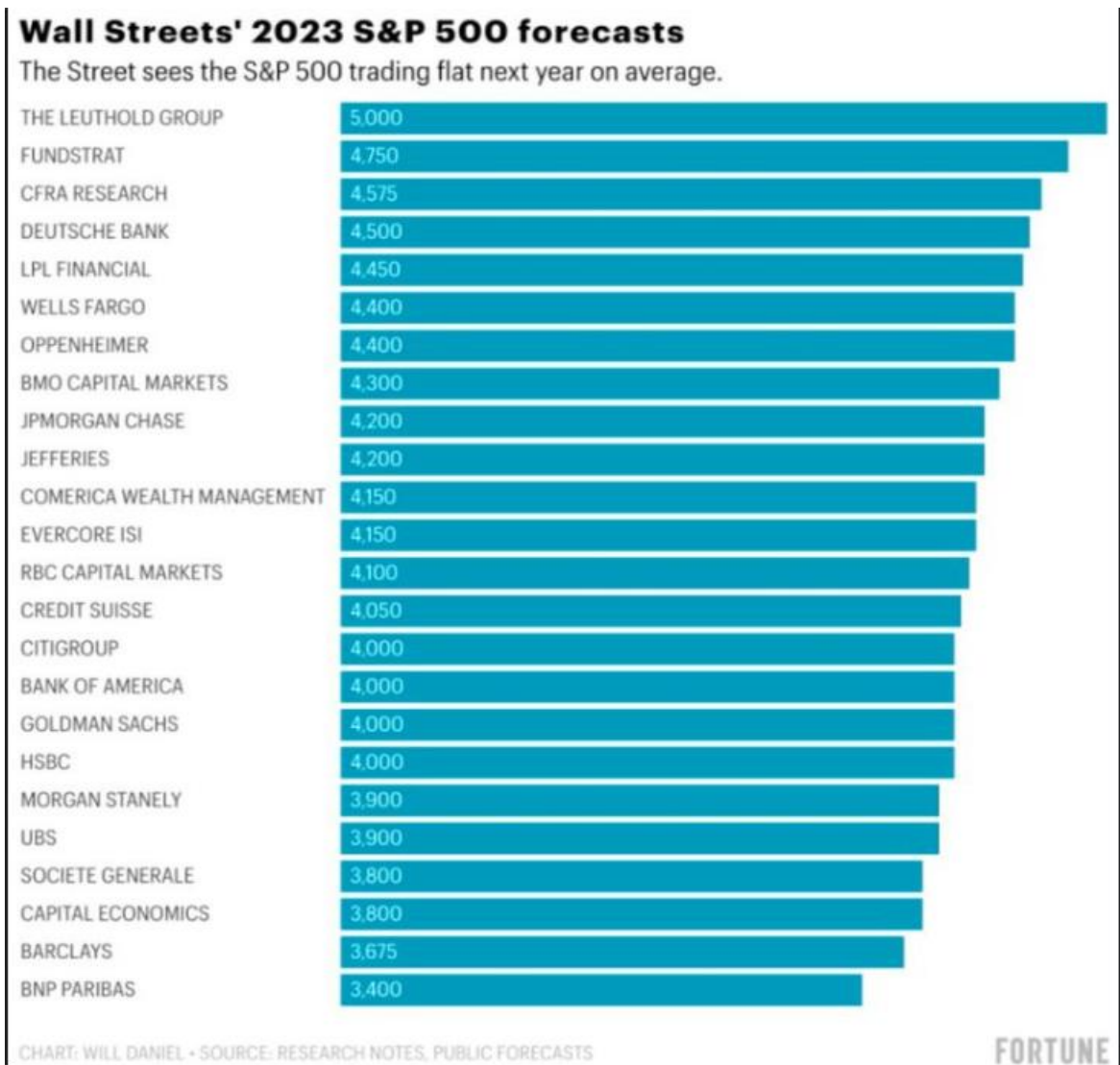


Source: Statista

#food-for-thought

#sp500 #2023 #forecasts

Place Your Bets...

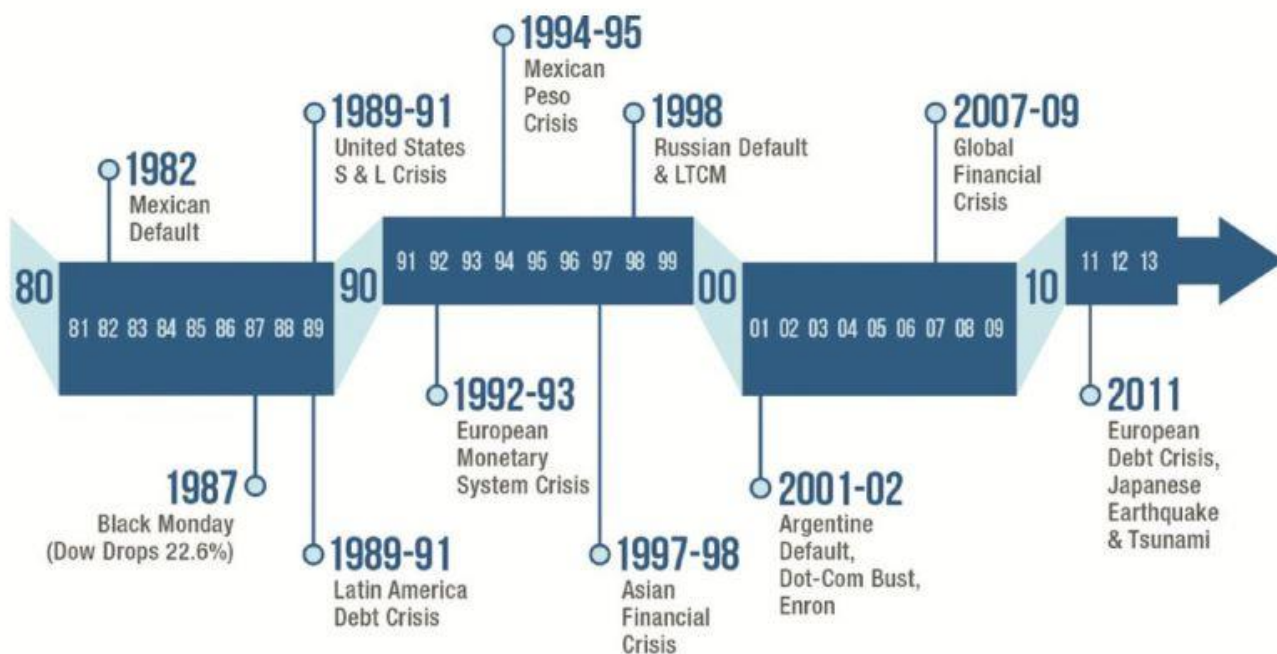


Source: Fortune

#food-for-thought

#financial #crisis

Financial crises occur about once a decade, with each one getting larger than the last.



Source: Mike Shell

#food-for-thought

#market-timing

Timing the market remains a very difficult task.

The difficulties of trying to time the market

Bank of America looked at the impact of missing the market's best and worst days each decade

Decade	Price return	Excluding worst 10 days per decade	Excluding best 10 days per decade	Excluding best/worst 10 days per decade
1930	-42%	39%	-79%	-50%
1940	35%	136%	-14%	51%
1950	257%	425%	167%	293%
1960	54%	107%	14%	54%
1970	17%	59%	-20%	8%
1980	227%	572%	108%	328%
1990	316%	526%	186%	330%
2000	-24%	57%	-62%	-21%
2010	190%	351%	95%	203%
2020	18%	125%	-33%	27%
Since 1930	17,715%	3,793,787%	28%	27,213%

Source: Bank of America, S&P 500 returns



Source: CNBC

#food-for-thought

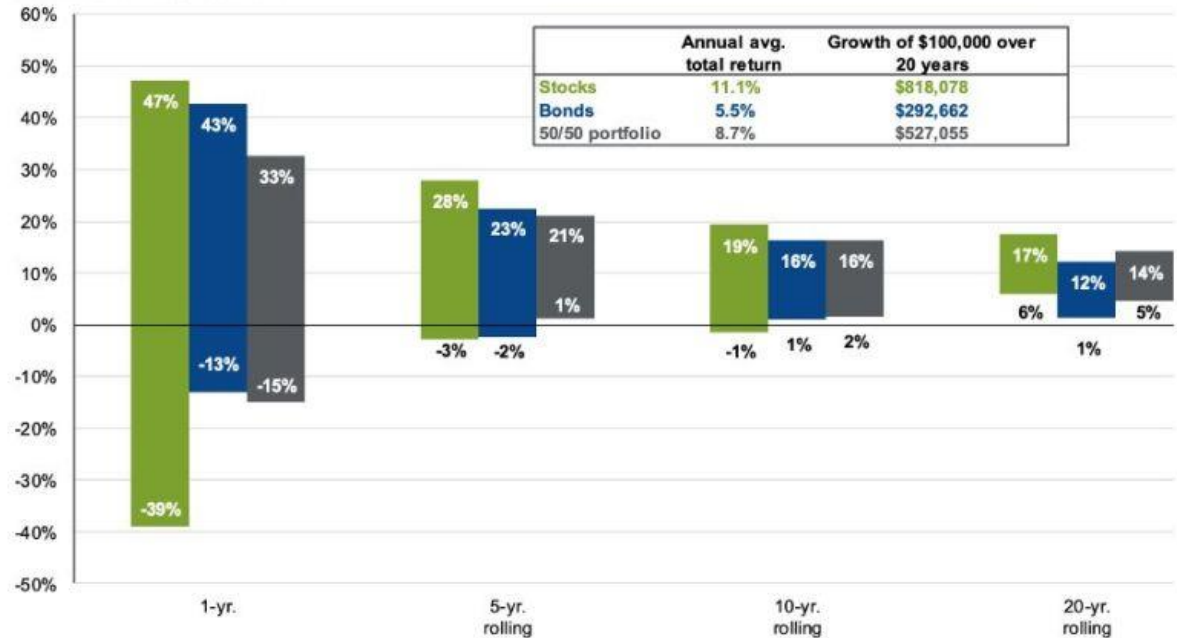
#market-timing

Here's why your time-horizon is key when you invest into risk assets. The longer you invest, the more chance you'll make money. Since 1950, there has never been a 20-year period in which you lose money by investing in stocks.

Time, diversification and the volatility of returns

GTM U.S. 64

Range of stock, bond and blended total returns
Annual total returns, 1950-2022



Source: Bloomberg, FactSet, Federal Reserve, Robert Shiller, Strategas/Ibbotson, J.P. Morgan Asset Management. Returns shown are based on calendar year returns from 1950 to 2021. Stocks represent the S&P 500 Shiller Composite and Bonds represent Strategas/Ibbotson for periods from 1950 to 2010 and Bloomberg Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2022. Guide to the Markets - U.S. Data are as of December 31, 2022.



Source: Compounding Quality, JP Morgan



#food-for-thought

#investment #mistakes

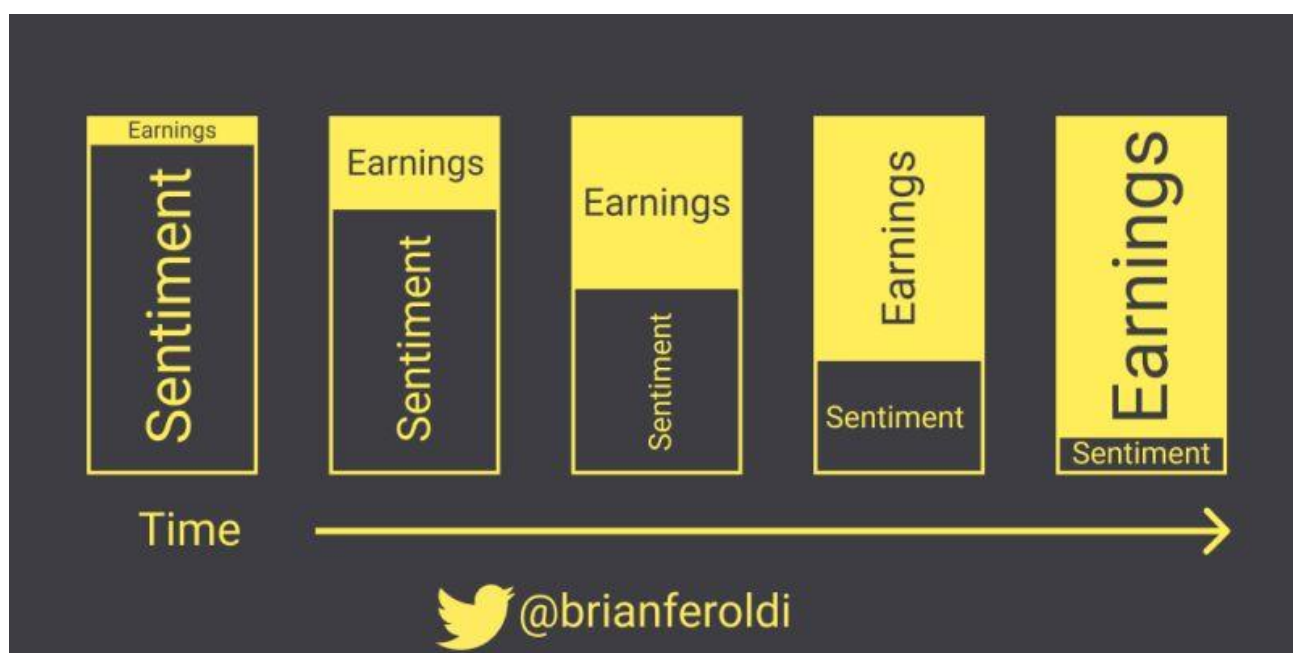


Source: Compounding Quality

#food-for-thought

#earnings

Sentiment rules the short term. Fundamentals rule the long term.

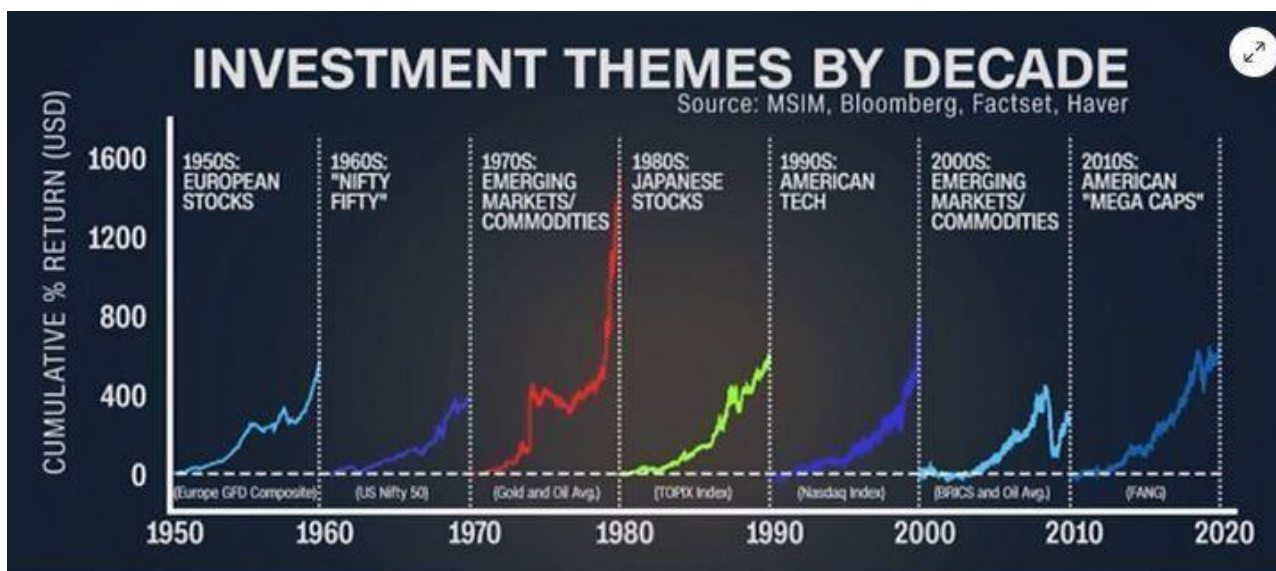


Source: Brian Feroldi

#food-for-thought

#investment-themes

Long duration US tech “was” the trade of the last decade. If we assume this trade is over, what will be the one to take over? Commodities? Value stocks?



Source: MSIM, Bloomberg, Factset, Haver

#food-for-thought


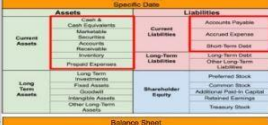


#nancy-pelosi #portfolio



#food-for-thought

#balance-sheet #ratios

HOW TO ANALYZE A BALANCE SHEET by Brian Feroldi. Here's a cheat sheet on a few simple balance sheet ratios.

Name	Like asking:	Equation	Where to Look	Judgement
Quick Ratio	“Can the company pay its bills?”	$(\text{Cash}) + (\text{Marketable Sec}) + (\text{Accts Rec})$ ----- Current Liabilities		Fragile = Lower than 1.0 Robust = 1.0 to 1.5 Antifragile = Higher than 1.5
Current Ratio	“How well does the company manage assets?”	Current Assets ----- Current Liabilities		Fragile = Lower than 0.7 Robust ~ 1.0 Antifragile = Higher than 2.5
Debt-to-Equity Ratio	“How much leverage is the company using?”	Liabilities ----- Shareholder Equity		Fragile = Higher than 2.0 Robust ~ 1.0 Antifragile = Lower than 0.7
Goodwill-to-Assets Ratio	“Is the company growing organically?”	Goodwill ----- Total Assets		Fragile = Higher than 50% Robust = Between 10% - 50% Antifragile = Lower than 10%

Source: Brian Feroldi

#food-for-thought

#hedge-funds

WOMEN IN HEDGE FUNDS. This is the biggest launch ever by a woman-led hedge fund. Mala Gaonkar’s SurgoCap Partners started trading Tuesday with \$1.8 billion under management, the largest debut of a woman-led hedge fund in the industry’s history.



The image is a screenshot of a tweet from Bloomberg Markets (@markets) posted 9 hours ago. The tweet text reads: "Mala Gaonkar's SurgoCap Partners started trading Tuesday with \$1.8 billion under management, the largest debut of a woman-led hedge fund in the industry's history". Below the text is a video thumbnail showing Mala Gaonkar, a woman with long dark hair wearing a blue blazer. Below the video is a link to bloomberg.com and a truncated headline: "Hedge Fund Debuts With \$1.8 Billion in Biggest Female-Led Launch Mala Gaonkar's SurgoCap Partners started trading Tuesday with \$1.8 billion under management, the largest debut of a woman-led hedge ...".

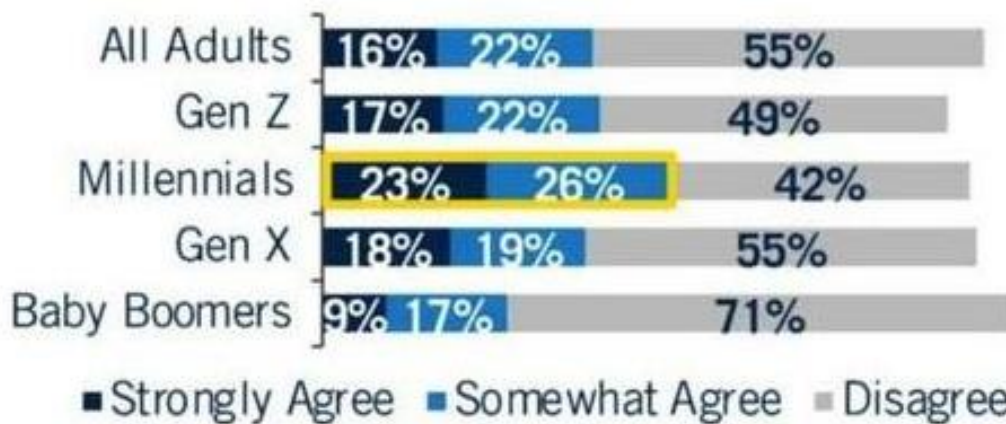
Source: Bloomberg

#food-for-thought

#millenials

A Prudential Pulse survey finds nearly half of millennials agree or somewhat agree with the statement "I regularly run out of money and have to rely on credit cards or family for financial support."

I regularly run out of money and have to rely on credit cards or family for financial support



Source: www.zerohedge.com

#food-for-thought

#oil #us

CEO of one of the largest US oil companies on Biden:

“The first US president that I know of that has not talked to anybody from our industry.”

Biden Has Not Spoken With US Oil and Gas CEOs, Pioneer Boss Says

- First US president to stiff oil leaders, Pioneer CEO says
- Biden administration had called for increased oil output

By Mitchell Ferman

(Bloomberg) -- President Joe Biden has not talked with US oil and gas CEOs even as his administration had called for increased output in recent months, said the boss of Pioneer Natural Resources Co., one of the biggest producers in the Permian Basin.

While Biden’s team has spoken with oil and gas leaders, the president himself has not, Chief Executive Officer Scott Sheffield said, “the first US president that I know of that has not talked to anybody from our industry.” Sheffield spoke on a panel at the Goldman Sachs Global Energy and Clean Technology Conference in Miami.

Sheffield added that the Biden administration doesn’t understand oil and gas inventory and inflationary pressures on the industry, and he predicted a stalemate between the sector and the White House until 2024.

LIVE Event
Biden Holds Meeting
01/05 12:50

Source: Bloomberg, Tavi Costa

#food-for-thought

#central-banks

We are entering 2023 with a hawkish tone from most G7 Central banks. But let's keep in mind that they rarely stick to what they previously said. E.g The #Fed was telling everyone it would be 2023 to 2024 before they would raise rates. In 2022, they changed course based on political winds and raised aggressively.



6/10/2020 4:22PM

Powell: 'We're Not Even Thinking About Thinking About Raising Rates'

Fed Chairman Jerome Powell said Wednesday that the central bank has no plans to raise interest rates, and that it was committed to supporting the economy following the shock caused by the pandemic. Photo: Andrew Harrer/Bloomberg News

#food-for-thought

#microsoft #satya-nadella



Linas Beliūnas 

@linas.beliunas

Microsoft under **Satya Nadella's** leadership:

Launched Windows 10 - a unified OS across all platforms. Today, **Windows has a 73% market share.**

Sold Nokia feature phone biz after observing stagnancy. **Bought LinkedIn - revenues tripled under him.**

Published "Hit Refresh" - all proceeds went to **Microsoft Philanthropies.**

Split the Windows Development Group into 2 segments. **Market cap grew from \$725B to \$1.8T today.**

Plans bringing **ChatGPT** capabilities into Bing **to counter Google Search.**

Microsoft's turnaround under Satya Nadella is simply incredible.

#food-for-thought

#chagpt

Microsoft owned OpenAI, the creator of AI Chatbot, ChatGPT To be valued at \$29 billion.

◆ WSJ NEWS EXCLUSIVE

ChatGPT Creator in Investor Talks at \$29 Billion Valuation

Tender offer at that valuation would make OpenAI one of the most valuable U.S. startups



Sam Altman, CEO of OpenAI, the creator of ChatGPT

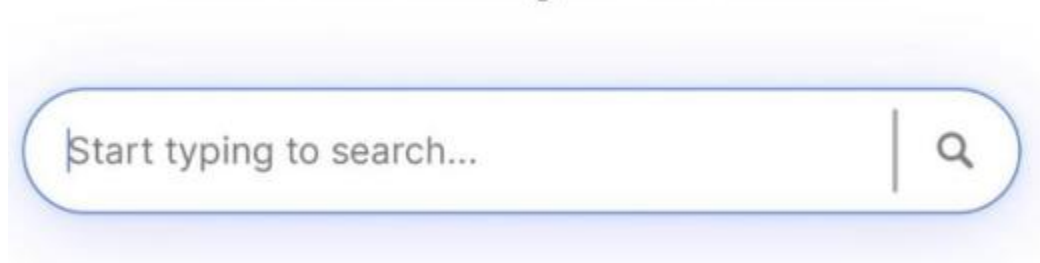
#food-for-thought

#chagpt

Could ChatGPT disrupt the #internet and #google? Welcome to You.com the first app that combines ChatGPT connected to Google. ChatGPT (Generative Pre-trained Transformer) is a #chatbot launched by OpenAI in November 2022. It is built on top of OpenAI's GPT-3.5 family of large language models, and is fine-tuned with both supervised and reinforcement learning techniques. ChatGPT was launched as a prototype on November 30, 2022, and quickly garnered attention for its detailed responses and articulate answers across many domains of knowledge. Its uneven factual accuracy was identified as a significant drawback (source: wikipedia)



The AI Search Engine You Control



#food-for-thought

#chatgbpt



Terence Tao

@tao@mathstodon.xyz

AI tools like #ChatGPT will soon be capable of answering a large fraction of traditional university homework type questions with reasonable accuracy. In the long term, it seems futile to fight against this; perhaps what we as lecturers need to do is to move to an "open books, open AI" mode of examination where we give the students full access to AI tools but ask them more challenging questions, both to teach the material and also to teach the students how best to use the AI tools of the future.

#food-for-thought

#metals

How much of each metal you can buy for \$1,000 USD ?



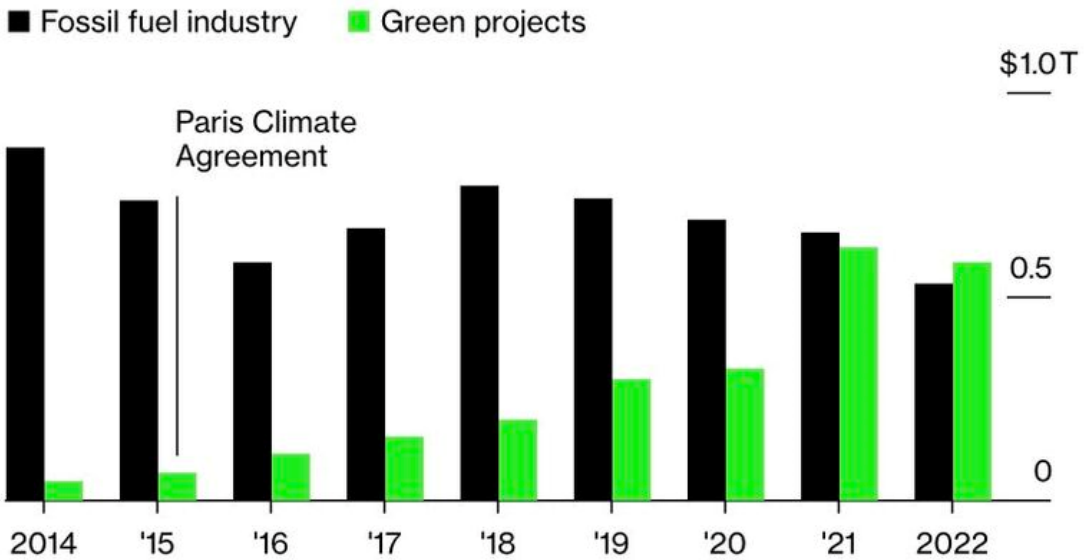
#food-for-thought

#green #bonds

For the first time, more money was raised in the debt markets for climate-friendly projects than for fossil-fuel companies.

Green Turnabout

Green debt issuance exceeds oil, gas and coal-related financing for first time since the Paris climate announcement at the end of 2015



Source: Bloomberg League Tables

Source: Bloomberg, Michael Jackson

#food-for-thought

#real-estate

BlackRock has suspended withdrawal requests from investors in its £3.5 billion (\$4.2 billion) U.K. property fund, in a move that highlights the sector's ongoing challenges when markets are volatile. The world's largest asset manager told clients in the BlackRock UK Property Fund in the past few days that it will defer redemption requests made at the end of September 2022 and due around now, according to a person familiar with the matter.

BlackRock halts withdrawals from \$4.2 billion U.K. property fund



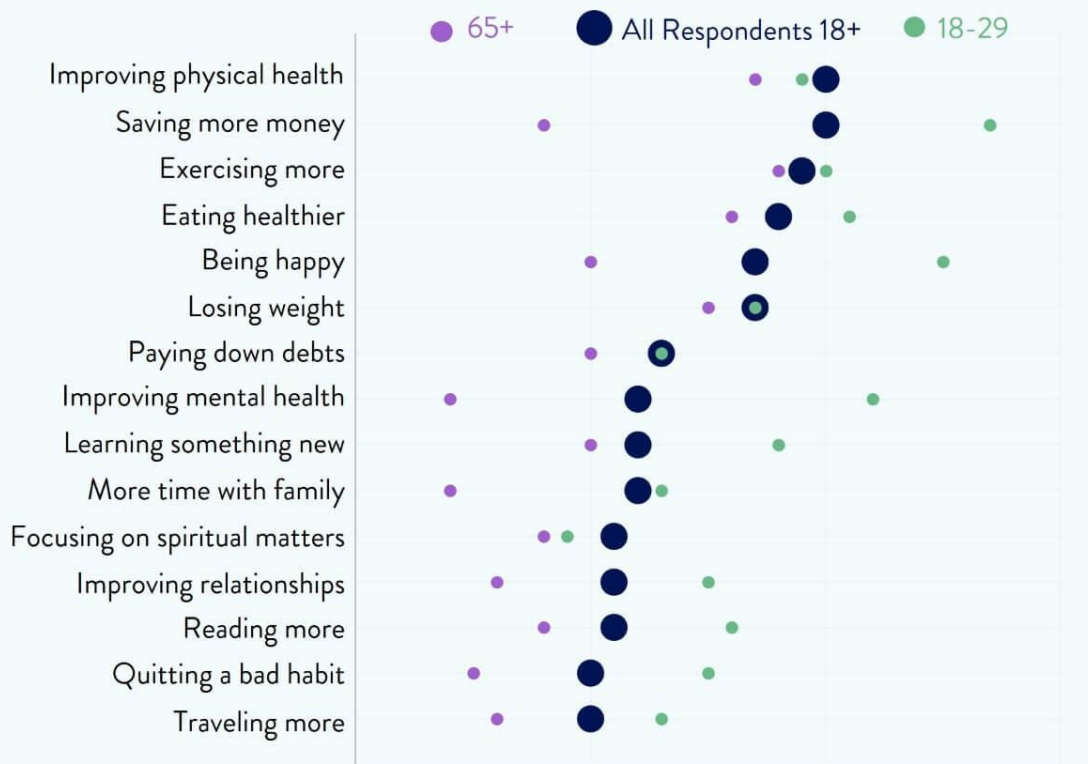
Source: Pension & Investments

#food-for-thought

#new-year #resolutions

New Year, New Me: Resolutions Tend To Change As We Age

Results of Poll: Which of the following will you resolve to start doing in 2023?*



*Respondents ticked all that apply, 0% American adults polled in Dec '22

chartr

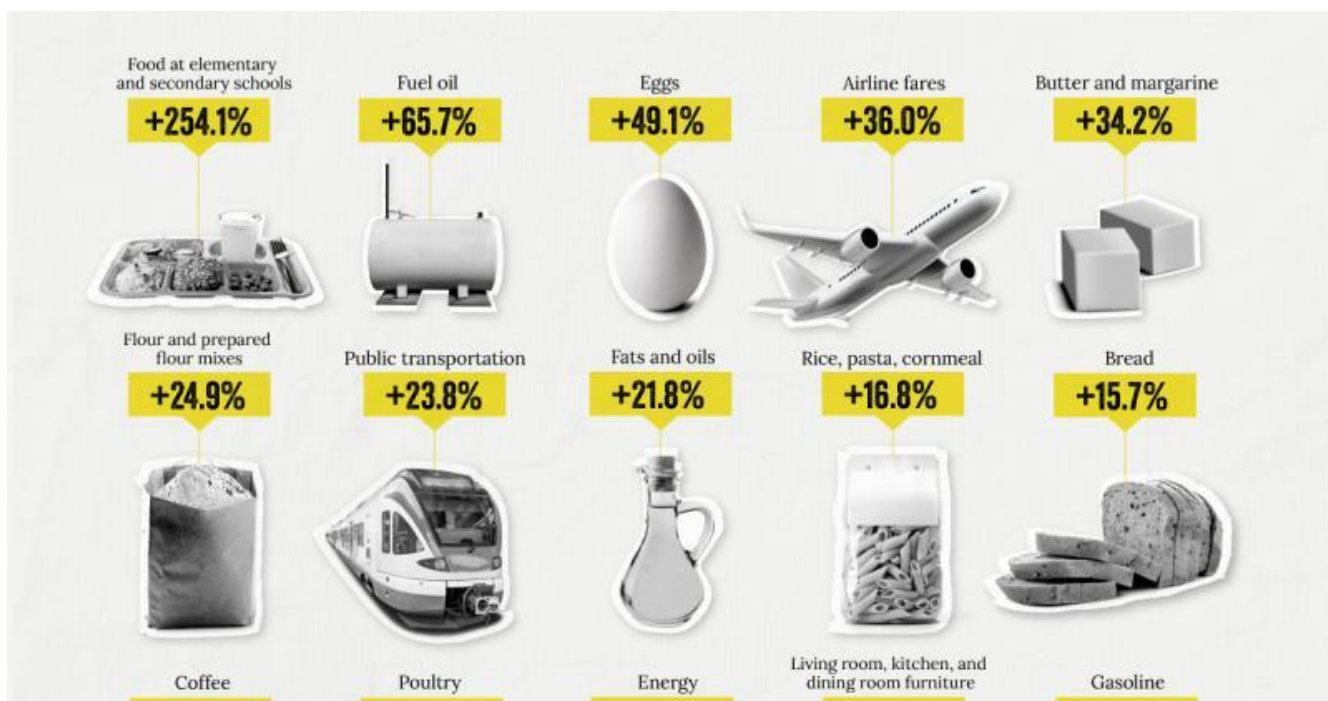
Source: YouGov

Source: Chartr, YouGov

#food-for-thought

#inflation

Here's a e visualization by Visual Capitalist showing the various inflation trends in 2022.



Source: Visual Capitalist

#food-for-thought

#week-end #humor



CartoonStock.com

#food-for-thought

#out-of-the-box #thinking

We should always think outside the box. It should be a mindset, not the way to escape troubles once they arise.



"I'll start thinking outside the box when the box is empty."

Source: Mark Ungewitter

#food-for-thought

#charliemunger

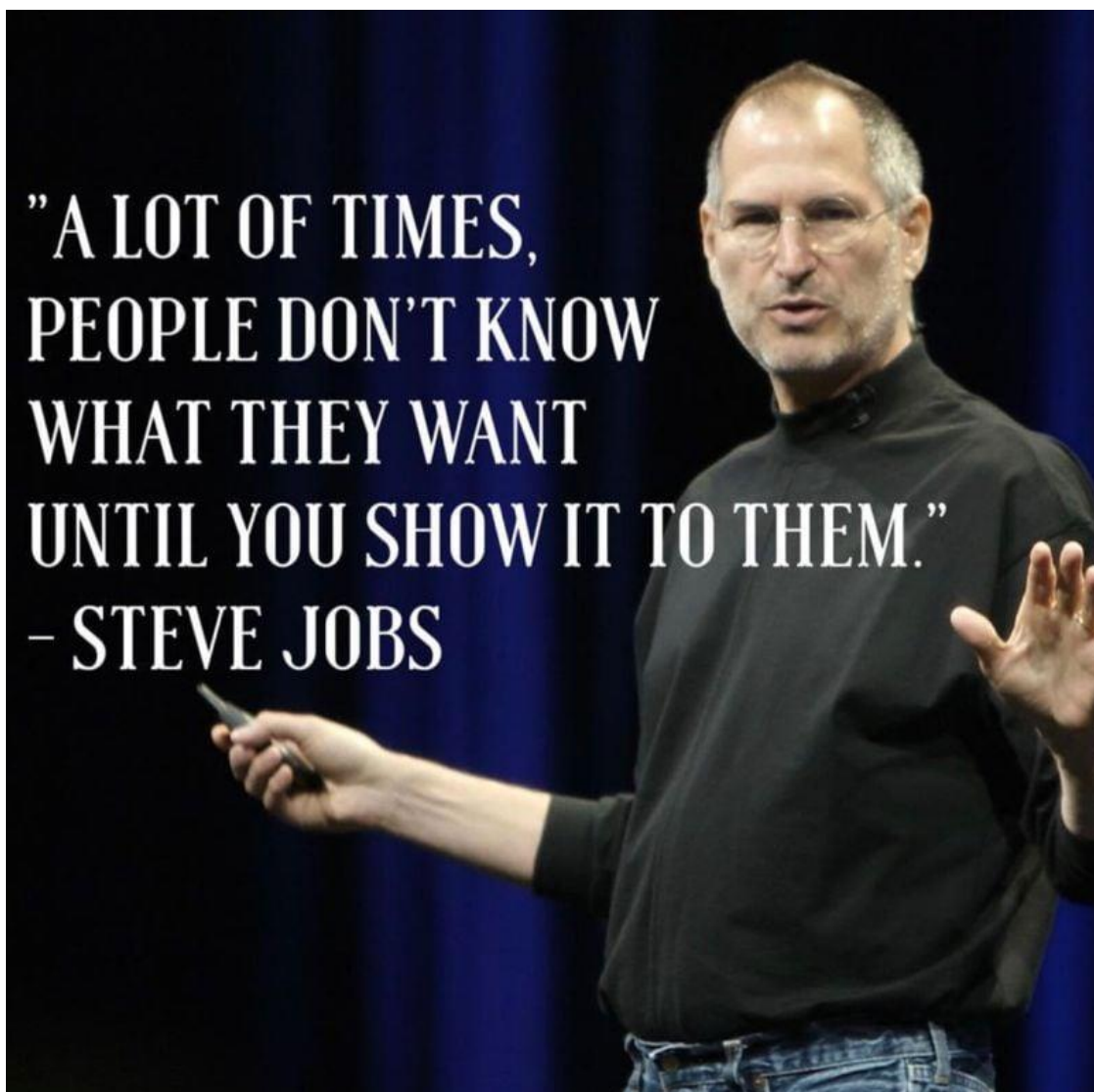
Happy 99th Birthday Charlie Munger



Source: wikipedia

#food-for-thought

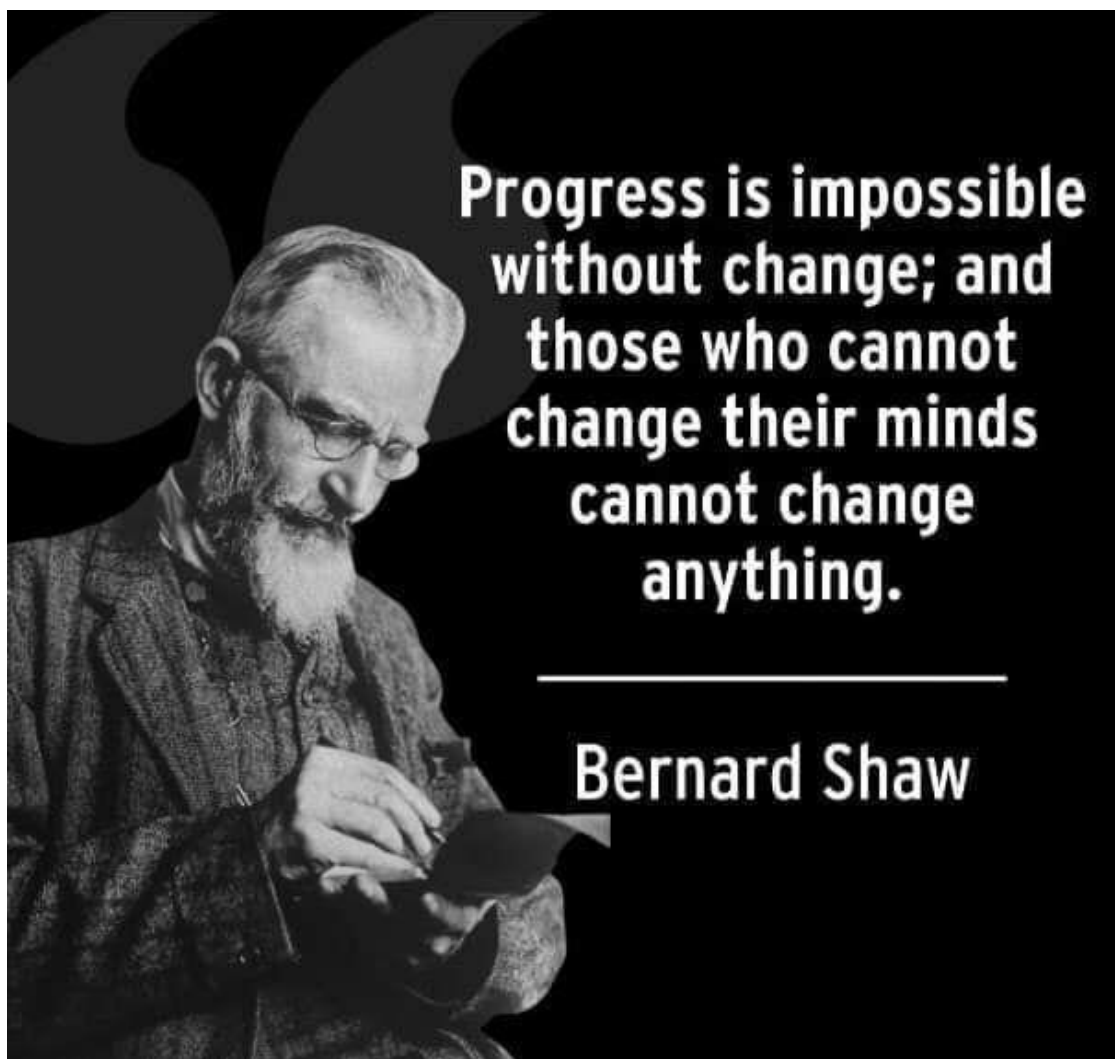
#steve-jobs #quotes



Source: Finimize

#food-for-thought

#progress



Source: European Leadership

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For the future...