

Chart of the week

The worst possible environment for stocks?

Looking back at history, a regime which combines Fed easing and credit tightening has been the weakest environment for equities. We are not there yet but beware of the “buy the last Fed rate hike” strategy... Usually it works the other way round...



Source: BofA, TME

Bonds, Bitcoin & Bullion soared as Banks tumbled

US stocks closed mixed for the week, reflecting the crosscurrents of stresses in the banking sector, worries that a steeper slowdown in the economy would follow, and hopes that the Fed would now be forced to pause its rate-hiking cycle. Sector returns within the S&P 500 Index varied widely: mega-cap tech stocks recorded strong gains while financials and energy shares suffered significant losses. Worries that the failure of SVB would set off a wave of new collapses eased over the weekend, as the FDIC and the Treasury Department announced on Sunday, March 12, that all SVB depositors would have full access to funds on Monday morning. Hopes that the Fed might also adjust its monetary policy in response to events seemed to drive a rally on Tuesday. By the end of the week, futures markets were pricing in zero likelihood of a 50-basis-point hike by the Fed in March compared with a 40% chance of one the week before. The US 10-year yield touched an intraday low of 3.37% on Thursday while Investment-grade credit spreads widened to a four-month high. Shares in Europe tumbled as the pan-European STOXX Europe 600 Index ended the week 3.8% lower. News that Credit Suisse (CS) was also experiencing problems sent markets sharply lower again. ECB sticks to half-point rate hike despite stress on European banks as they said that inflation is expected to stay above target. Oil tumbled while Gold and cryptocurrencies soared as Bitcoin recorded its best week since January 2021.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

18 MARCH 2023

#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	31,862	-0.1%	-3.9%
S&P 500 Index	3,917	1.4%	2.0%
NASDAQ	11,631	4.4%	11.1%
MSCI EAFE *	1,988	-3.1%	4.1%
10-yr Treasury Yield	3.41%	-0.3%	-0.5%
Oil (\$/bbl)	\$66.17	-13.7%	-17.6%
Bonds	\$99.61	1.5%	2.4%

Source: Edward Jones

#markets

#cross-assets #ytd #performance

Wall Street Week...

Bitcoin \$BTC: +21%

Silver \$SLV: +9%

Nasdaq 100 \$QQQ: +5.8%

Gold \$GLD: +5.7%

S&P 500 \$SPY: +1.5%

US Agg Bonds \$AGG: +1.4%

JP Morgan \$JPM: -6%

Oil \$USO: -13%

Regional Banks \$KRE: -15%

Credit Suisse \$CS: -24%

First Republic \$FRC: -72%

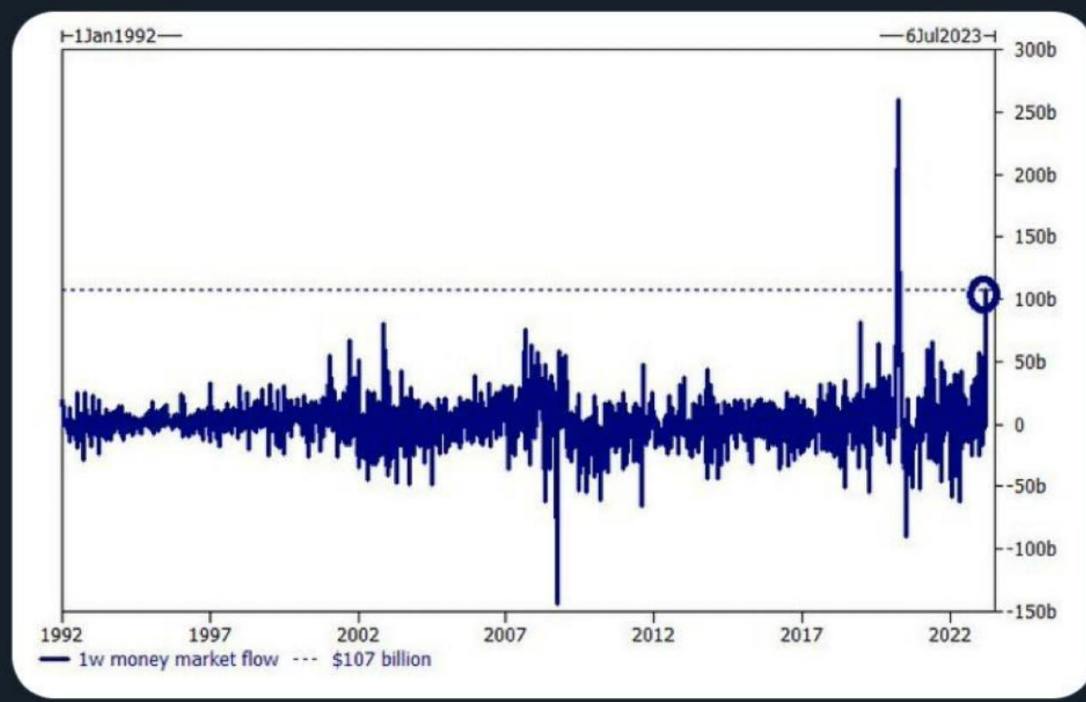
Source: Charlie Bilello

#markets

#cash-is-king

Money market funds saw \$150bn inflows over the past week, top 5 since 1992

Source: @GoldmanSachs



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#safe-havens

Safe-haven flows flooded bonds, bitcoin, and bullion...

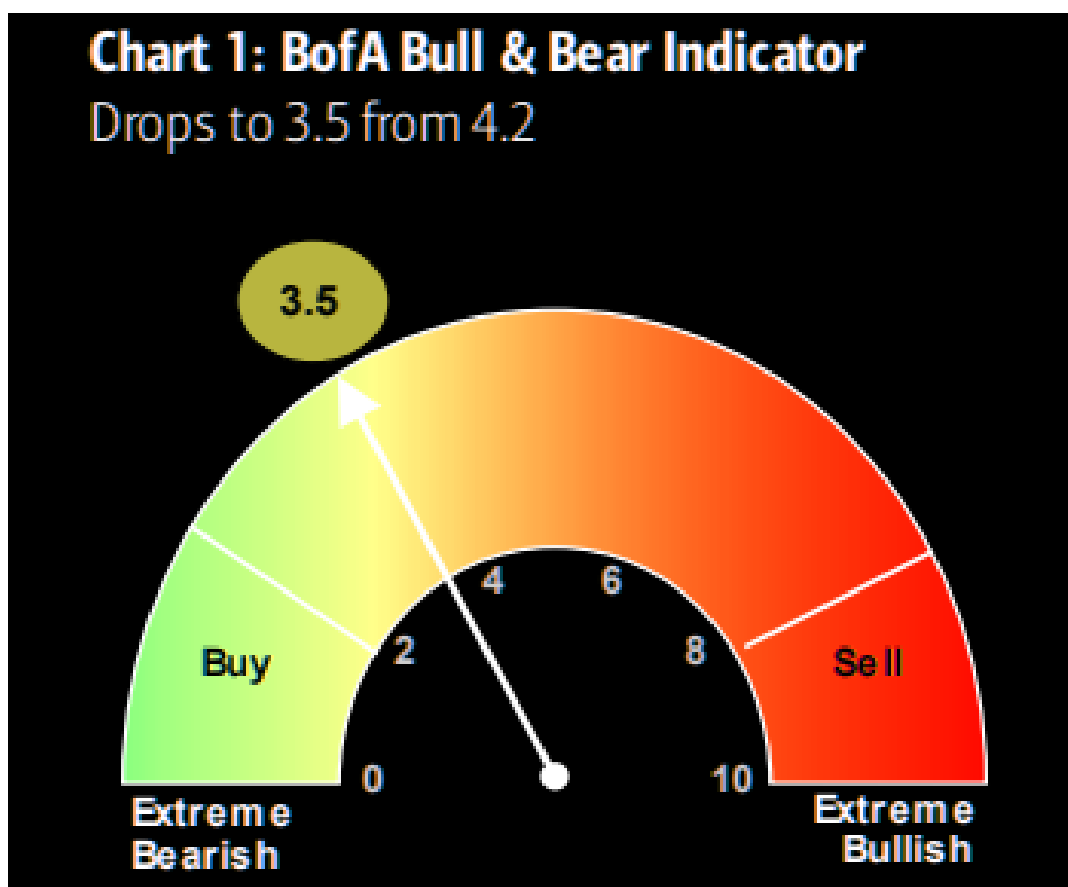


Source: Bloomberg, www.zerohedge.com

#markets

#investors #sentiment

BofA Hartnett reminder: "...the perfect market low is combo of extreme bearish positioning, extreme economic pessimism, and policy panic; perfect low is 0 on BofA Bull & Bear Indicator, <40 on ISM Index & a cut in Fed Funds (e.g. Mar'08, Dec'18, Mar'20); March 2023 is not a "perfect low".



Source: BofA

#options #expiry

Option contracts worth \$2.8 trillion expired during Friday's "quadruple witching" event (\$1.7tn AM settlement, \$1.2tn PM expiry). "Quadruple witching," as its known, happens when equity futures and option contracts tied to individual stocks and indexes -- as well as exchange-traded funds -- all expire on the same day. Some option contracts expire in the morning, while others expire in the afternoon. This typically happens four times a year, roughly once per quarter.



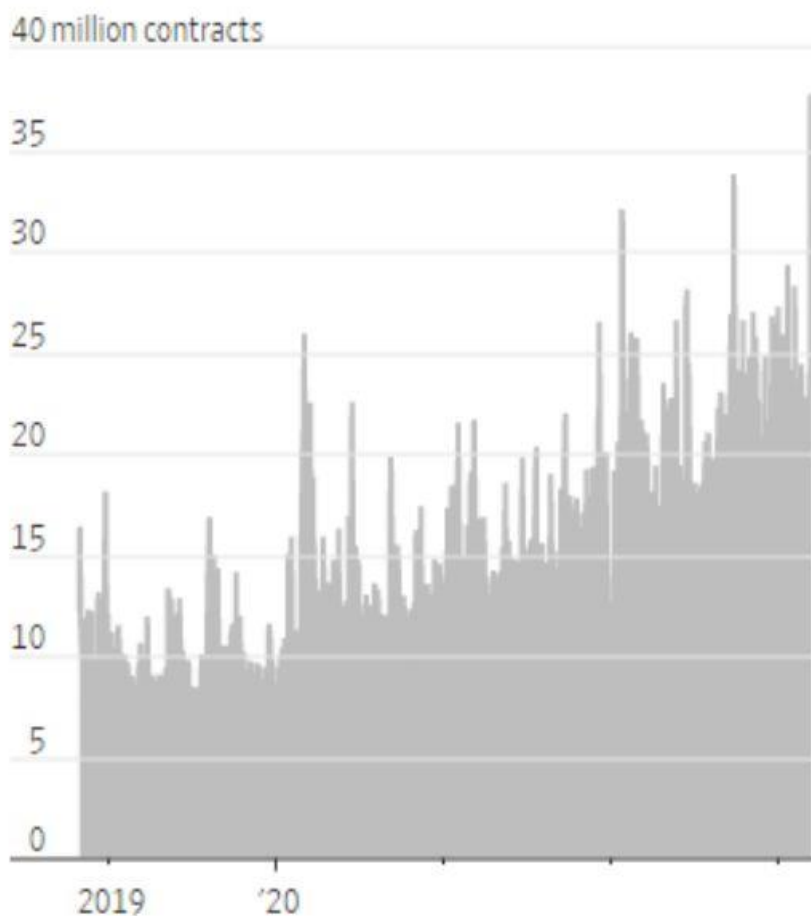
Source: Marketwatch

#markets

#options #sp500

S&P 500 put options activity hit all-time high going back to 1973...

Daily put options volume



Source: Cboe Global Markets

Source: WSJ



#volatility #equities #bonds

The real volatility is in bonds and not so much in stock markets. The MOVE Index – a gauge of implied volatility in the Treasury market – surged to 174, its highest level since 2009, while the Vix for equities is only slightly higher at 23.

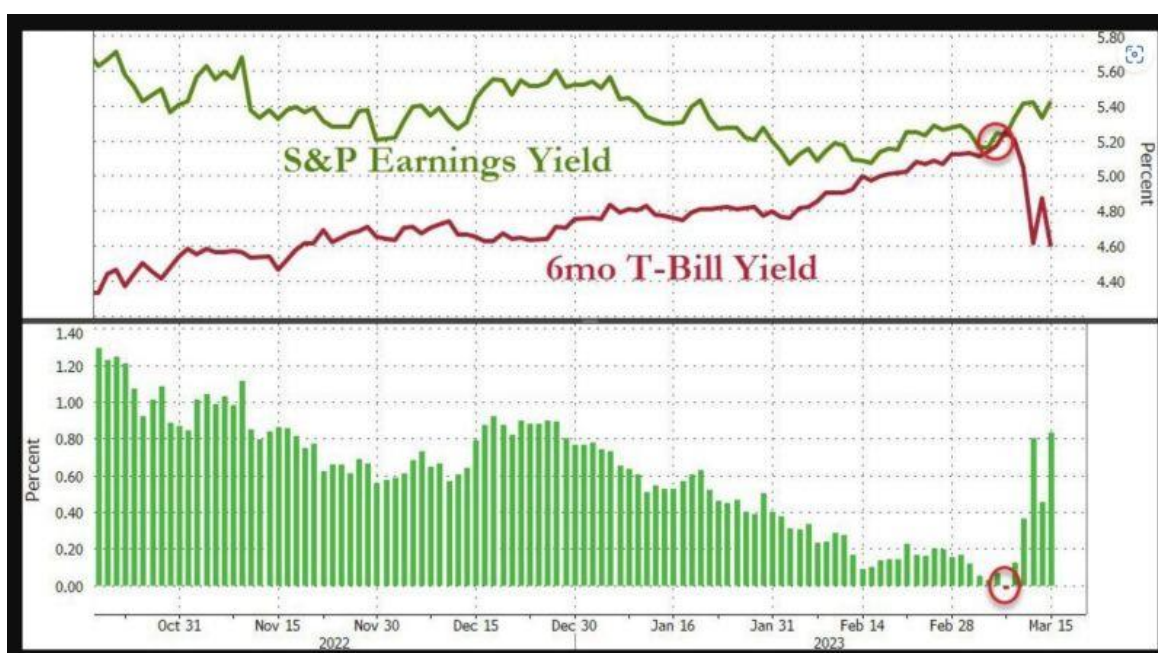


Source: HolgerZ, Bloomberg

#markets

#us #equities #valuations

The 6mo US T-Bill yield topping the S&P 500 earnings yield last week (for the first time since January 2001), appears to have marked an inflection point...



Source: www.zerohedge.com, Bloomberg



#us #equities #technicals

The S&P was unable to hold above its 200DMA...



Source: www.zerohedge.com, Bloomberg

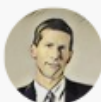
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#us #equities #technicals



Holger Zschaepitz @Schuldensuehner · 7h

While cap-weighted S&P 500 managed to finished the week 1.4% higher, underlying trends weren't nearly as robust. Equal-weight S&P 500 underperformed. When investors piled into the biggest stocks at expense of everything else, that doesn't speak to optimism, [@knowledge_vital](#) says.

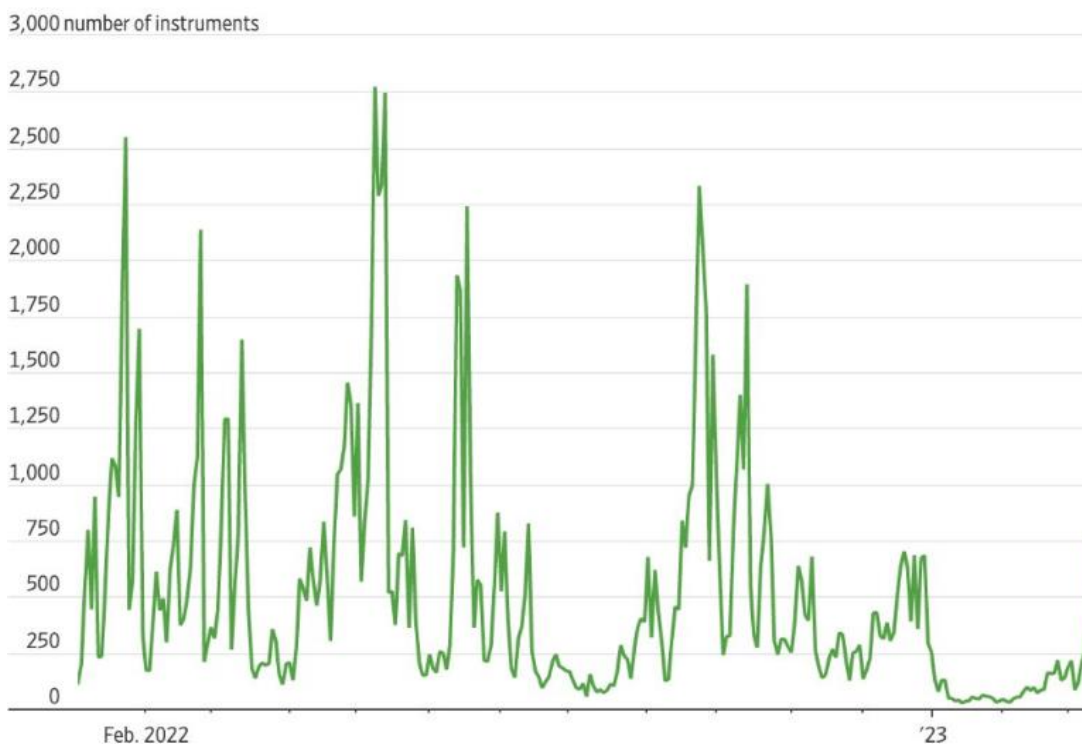




#nyse #nasdaq #new-lows

A High—for 52-Week Lows. The number of stocks, ETFs and other instruments trading on the New York Stock Exchange and Nasdaq that hit a new 52-week low friday was at the highest level since October, according to Dow Jones Market Data.

New lows on the NYSE and Nasdaq



Source: Dow Jones Market Data

Source: WSJ



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#us #equities #sectors

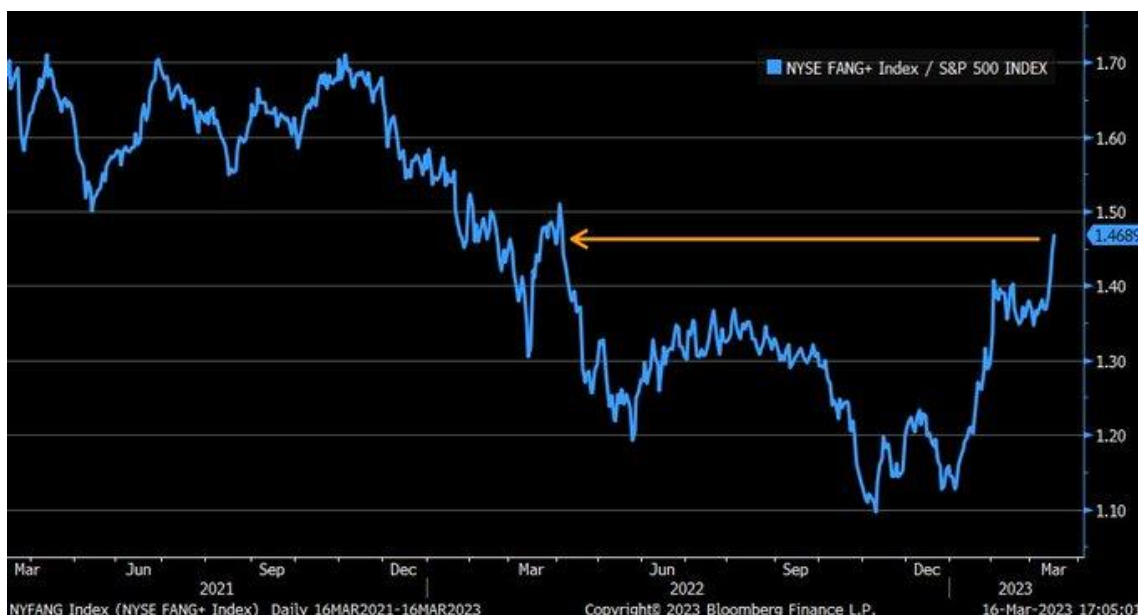
Energy and Financials were the week's ugliest horses in the glue factory while Technology (and Utilities!?) were the biggest gainers...



Source: www.zerohedge.com, Bloomberg

#fangs

Revenge rally for FANGs? Ratio of basket of largest/most popular growth stocks relative to S&P 500 is at its highest since April 2022



Source: Liz Ann Sonders, Bloomberg

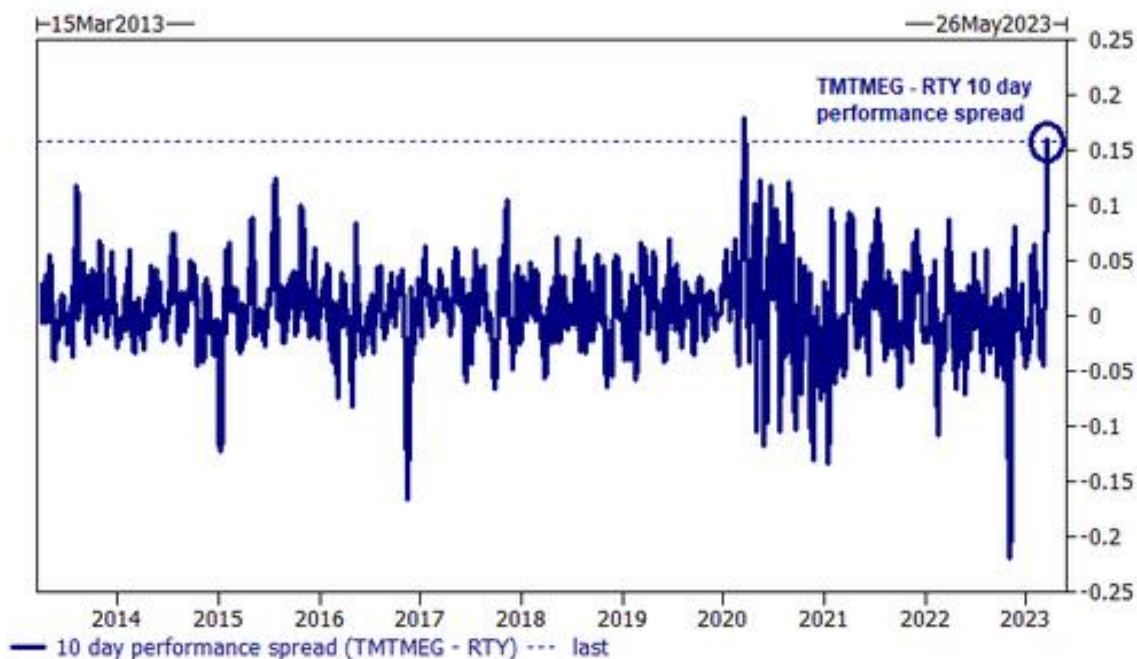


#mega-caps-tech

1/ Over the last 10 sessions, the GS basket of mega cap tech stocks is up 6.2%

2/ over the last 10 sessions, the russell 2000 is down 9.8%

3/ this 16% spread is the second highest of all time (one data point in Mar2020)..

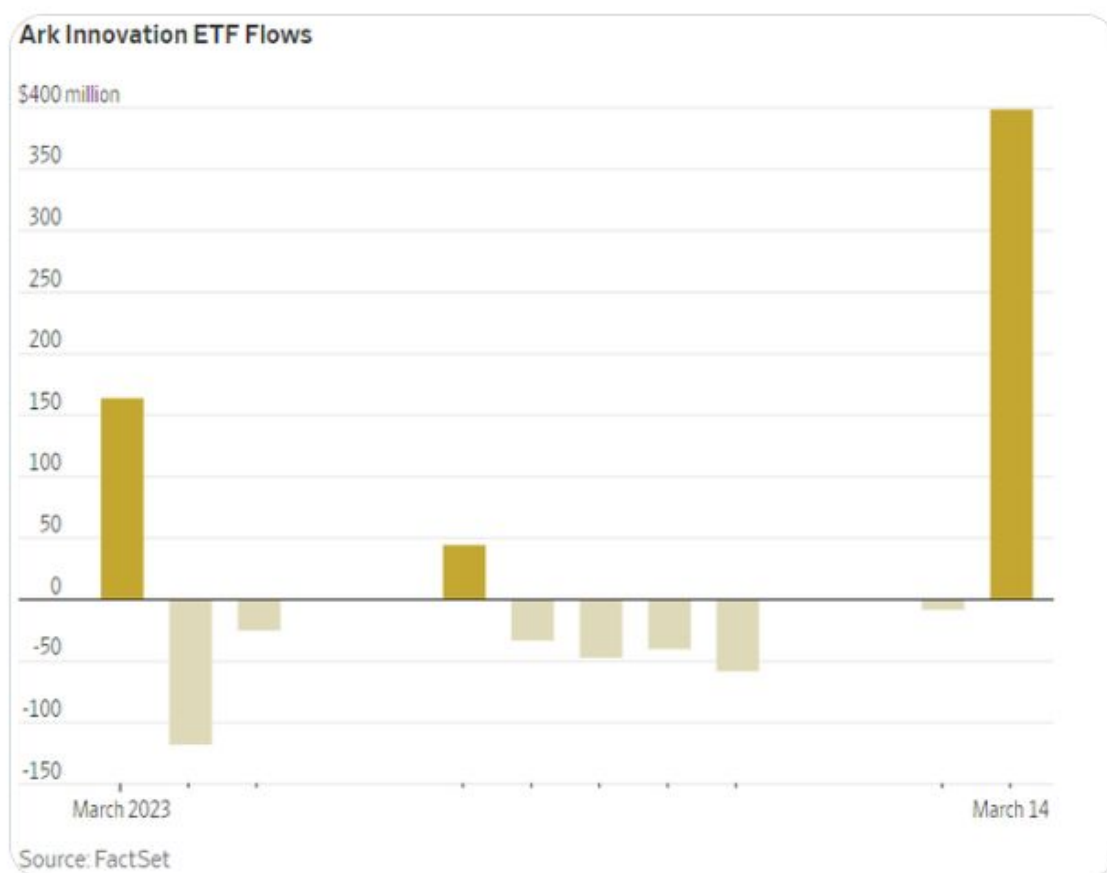


Source: Goldman Sachs



#arkk

ARKK recorded a \$397 million inflow on Tuesday alone--the single largest single-day inflow since April 2021



Source: WSJ

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#us #banks #stocks

Despite the bailout, US regional banks are down hard-er...



Source: www.zerohedge.com, Bloomberg



#first-republic-bank

First Republic Bank tumbled back down to recent lows, despite billions in handouts from the big banks...



Source: www.zerohedge.com, Bloomberg



#us #banks #stocks

Dichotomy between US 10-year bonds and US banks stocks performance explained.

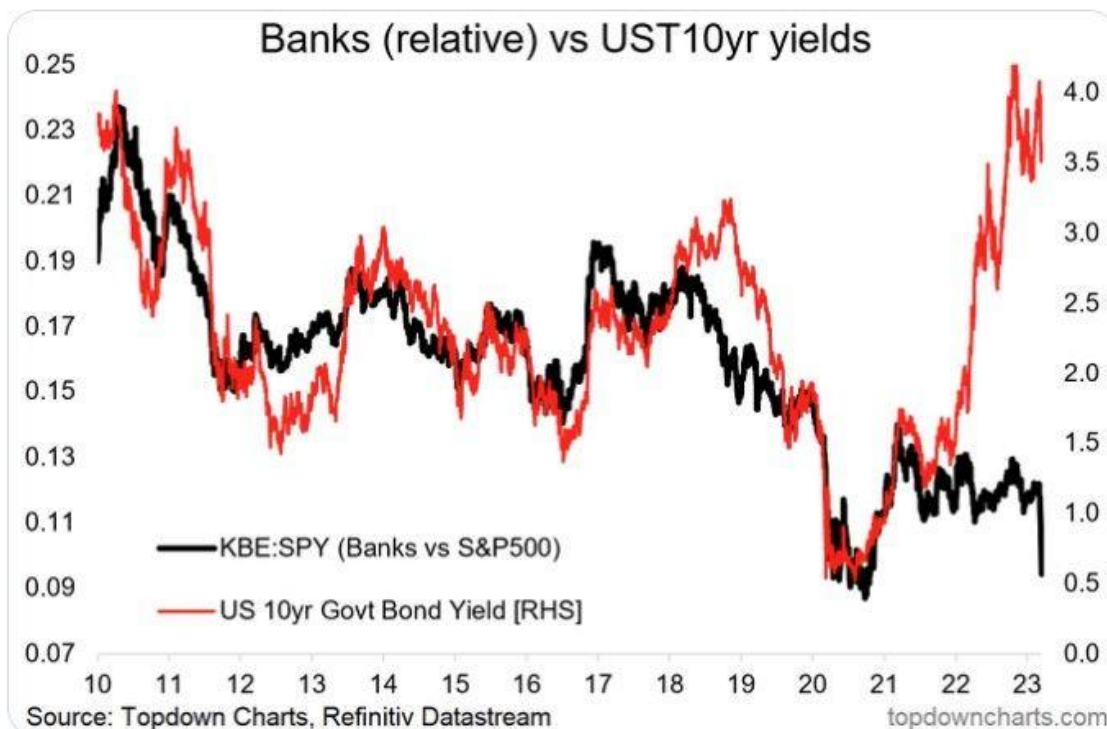


Callum Thomas
@Callum_Thomas



higher bond yields (driven by better macro) are good for banks, higher yields (driven by inflation + rates shock) are not good for banks...

(also, point to ponder: catch-down for red line?)



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#us #banks



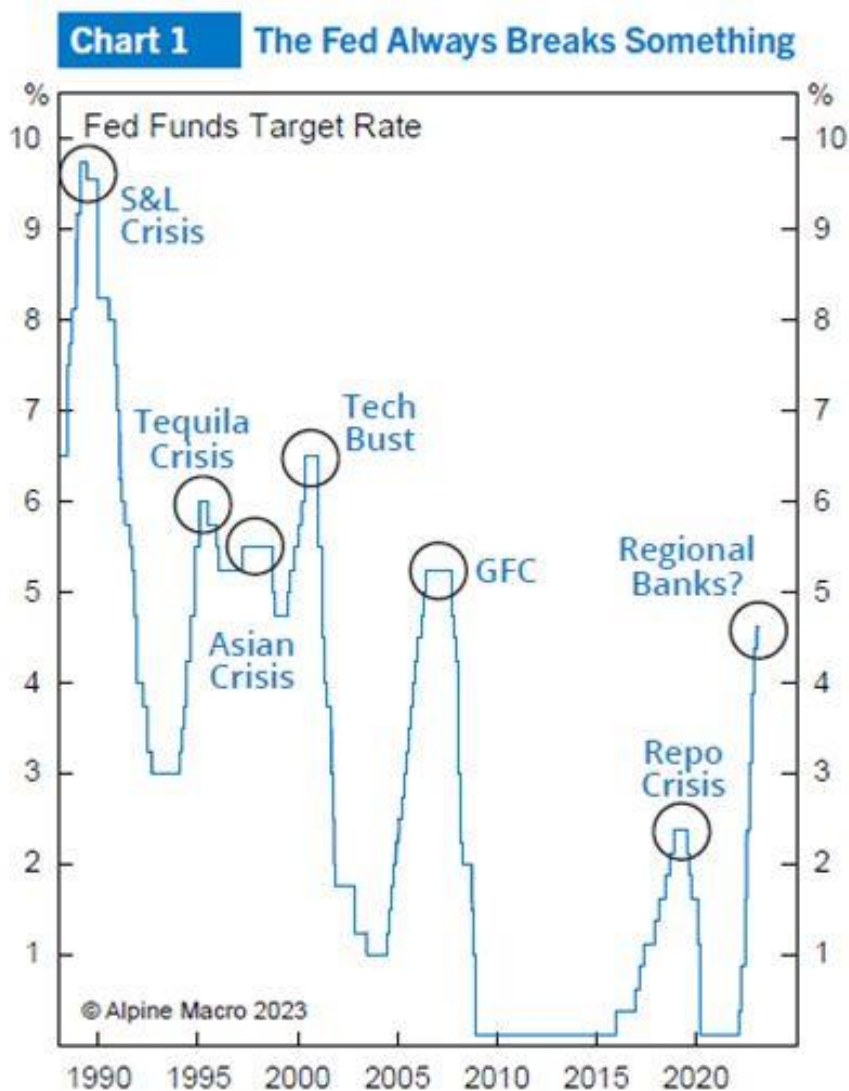
From Silicon Valley to Switzerland, depositors and taxpayers are facing a mighty scare. They should not have to live with the fear and fragility they thought had been consigned to history years ago econ.st/3LpGICD





#us #banks

The Fed always breaks something.




Source: Alpine Macro

#markets

#us #banks #crisis

The 2nd and 3rd largest bank failures in US history happened in the last few days.

Largest U.S. Bank Failures				
Bank	City	State	Year	Assets at time of failure
Washington Mutual	Seattle	Washington	2008	\$307 billion
Silicon Valley Bank	Santa Clara	California	2023	\$209 billion
Signature Bank	New York	New York	2023	\$118 billion
Continental Illinois National Bank and Trust	Chicago	Illinois	1984	\$40.0 billion
First RepublicBank Corporation	Dallas	Texas	1988	\$32.5 billion
IndyMac	Pasadena	California	2008	\$32 billion
American Savings and Loan	Stockton	California	1988	\$30.2 billion
Colonial Bank	Montgomery	Alabama	2009	\$25 billion
Bank of New England	Boston	Massachusetts	1991	\$21.7 billion
MCorp	Dallas	Texas	1989	\$18.5 billion
FBOP Corp banking subsidiaries	Oak Park	Illinois	2009	\$18.4 billion
Gibraltar Savings and Loan	Simi Valley	California	1989	\$15.1 billion
First City National Bank	Houston	Texas	1988	\$13.0 billion
Guaranty Bank	Austin	Texas	2009	\$13.0 billion
Downey Savings and Loan	Newport Beach	California	2008	\$12.8 billion
BankUnited FSB	Coral Gables	Florida	2009	\$12.8 billion
HomeFed Bank	San Diego	California	1992	\$12.2 billion
AmTrust Bank	Cleveland	Ohio	2009	\$12.0 billion
WesternBank	Mayaguez	Puerto Rico	2010	\$11.9 billion
United Commercial Bank	San Francisco	California	2009	\$11.2 billion
Southeast Bank	Miami	Florida	1991	\$10.5 billion

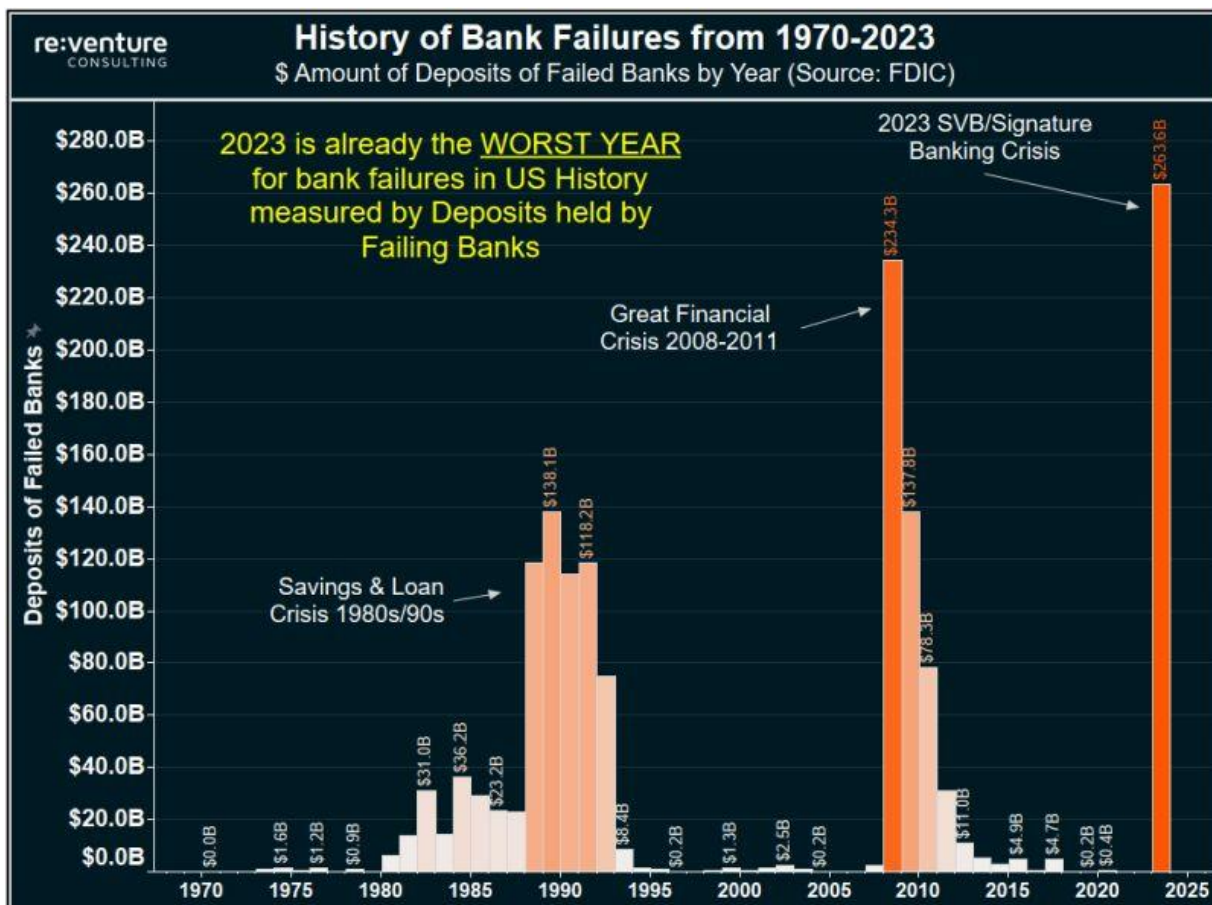
 @CharlieBilello

Source: Charlie Bilello



#us #banks #failures #history

2023 is already the worst year of Bank Runs in US History measured by deposits held by failing banks. SVB & Signature had \$263B in deposits combined.. Already more than the deposit exposure of failed banks in 2008.

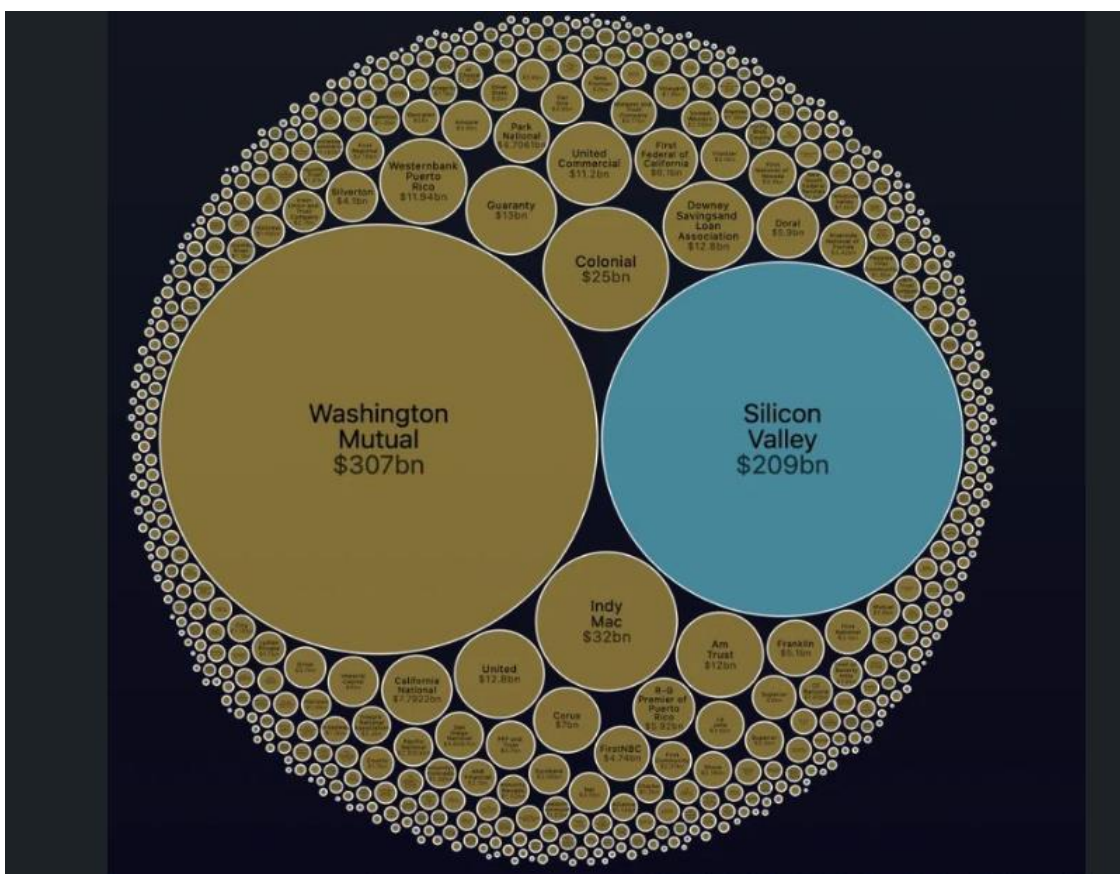


Source: Source: Nick Gerli



#us #banks #svb

\$1m Per Second. Silicon Valley Bank's customers withdrew \$42 billion from their accounts on Thursday. That's \$4.2 billion an hour, or more than \$1 million per second for ten hours straight. To put that in context, the previous largest bank run in modern U.S. history took place at Washington Mutual bank in 2008, and totaled \$16.7 billion over the course of 10 days. Image: size of bank failures since 2000



Source: Axios, Maheshwari

#us #banks #btfp

The most troubling part of the BTFP statement is probably the one highlighted below in yellow: all those bonds held on the banks' balance sheets and which are currently in deep negative territory (due to the rise of bond yields over the last 24 months) will qualify as collateral and WILL BE VALUED AT PAR...

March 12, 2023

Federal Reserve Board announces it will make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors

For release at 6:15 p.m. EDT

Share [➔](#)

To support American businesses and households, the Federal Reserve Board on Sunday announced it will make available additional funding to eligible depository institutions to help assure banks have the ability to meet the needs of all their depositors. This action will bolster the capacity of the banking system to safeguard deposits and ensure the ongoing provision of money and credit to the economy.

The Federal Reserve is prepared to address any liquidity pressures that may arise.

The financing will be made available through the creation of a new Bank Term Funding Program (BTFP), offering loans of up to one year in length to banks, savings associations, credit unions, and other eligible depository institutions pledging U.S. Treasuries, agency debt and mortgage-backed securities, and other qualifying assets as collateral. **These assets will be valued at par.** The BTFP will be an additional source of liquidity against high-quality securities, eliminating an institution's need to quickly sell those securities in times of stress.

With approval of the Treasury Secretary, the Department of the Treasury will make available up to \$25 billion from the Exchange Stabilization Fund as a backstop for the BTFP. The Federal Reserve does not anticipate that it will be necessary to draw on these backstop funds.

After receiving a recommendation from the boards of the Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve, Treasury Secretary Yellen, after consultation with the President, approved actions to enable the FDIC to complete its resolution of Silicon Valley Bank in a manner that fully protects all depositors, both insured and uninsured. These actions will reduce stress across the financial system, support financial stability and minimize any impact on businesses, households, taxpayers, and the broader economy.

The Board is carefully monitoring developments in financial markets. The capital and liquidity positions of the U.S. banking system are strong and the U.S. financial system is resilient.

Depository institutions may obtain liquidity against a wide range of collateral through the discount window, which remains open and available. In addition, the discount window will apply the same margins used for the securities eligible for the BTFP, further increasing lendable value at the window.

The Board is closely monitoring conditions across the financial system and is prepared to use its full range of tools to support households and businesses, and will take additional steps as appropriate.

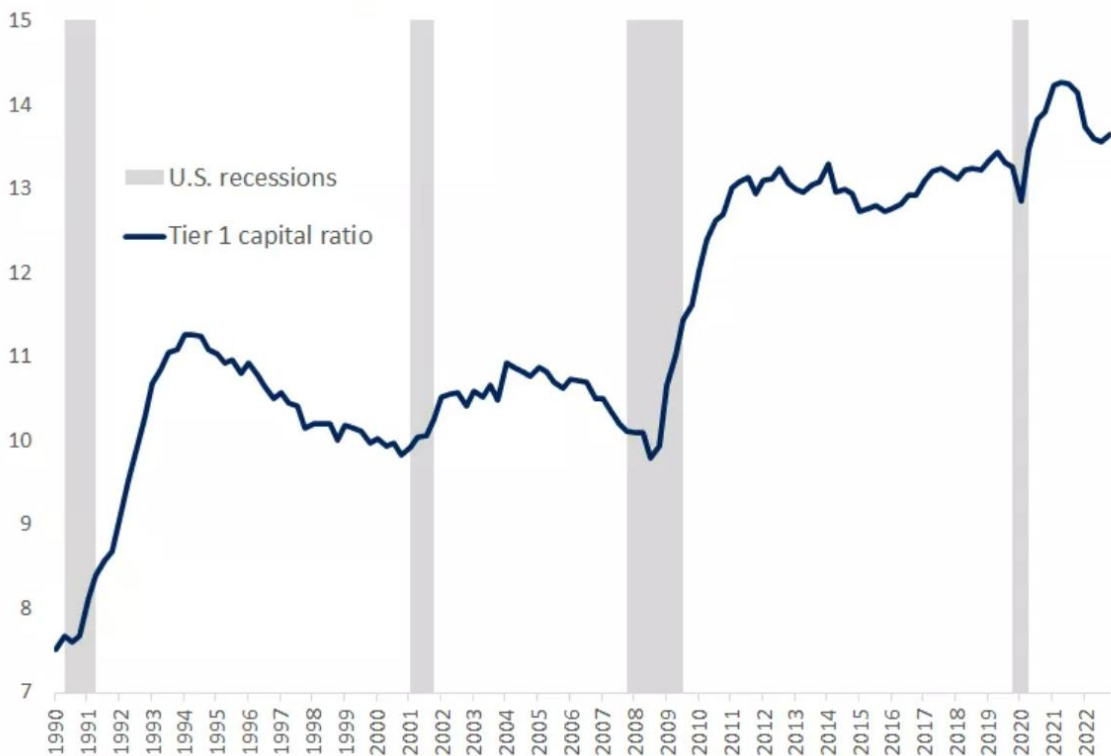


#us #banks

The graph shows the Tier 1 capital ratio for U.S. banks, a measure of financial strength, which is elevated compared to history suggesting that large banks are well-capitalized...

U.S. banks are well-capitalized

Tier 1 capital as % of risk-weighted assets



Source: FDIC, Bloomberg, Edward Jones calculations

Source: Edward Jones



#markets

#us #banks #htm

Very interesting table shared by Paul Noring - Berkeley Research group. It shows the unrealized depreciation on Hold to Maturity Securities (HTM) for top 100 banks versus equity. These unrealized losses are NOT reflected in profits or a deduct to equity via Other Comprehensive Income (OCI) - only in the footnotes! The losses are also NOT reflected in stress tests or measures of capital adequacy.

Top 100 Institutions by Asset Size (to change sort click header title)

#	Institution	Symb	# Emp	Total Securities	Equity Capital	HTM Appr (Dep)	Perc
12	Charles Schwab Corporation	SCHW	1,316	314,648,000,000	8,245,000,000	-14,137,000,000	-171.46
17	Silicon Valley Bank	SIVB	7,095	117,297,000,000	15,456,000,000	-15,159,000,000	-98.08
30	United Services Automobile Association		15,201	59,226,827,000	3,644,060,000	-3,048,115,000	-83.65
86	Bank of Hawaii	BOH	2,076	8,256,462,000	1,279,736,000	-798,504,000	-62.40
2	Bank of America Corporation	BAC	138,275	824,974,000,000	227,743,000,000	-108,563,000,000	-47.67
16	First Republic Bank	FRC	7,213	31,718,821,000	17,445,927,000	-4,771,404,000	-27.35
14	State Street Bank and Trust Company	STT	40,297	105,007,000,000	26,579,000,000	-6,788,000,000	-25.54
4	Wells Fargo & Company	WFC	209,843	404,719,380,000	163,911,799,000	-41,623,000,000	-25.39
11	Morgan Stanley	MS	1,624	123,255,000,000	35,948,000,000	-9,058,000,000	-25.20
62	Prosperity Bank	PB	3,633	14,476,005,000	6,683,154,000	-1,632,379,000	-24.43
84	First Hawaiian Bank	FHB	2,063	7,477,148,000	2,251,841,000	-505,817,000	-22.46
61	UMB Bank	UMBF	2,958	12,875,779,000	2,685,783,000	-580,940,000	-21.63
78	Simmons Bank	SFNC	3,218	7,627,585,000	3,434,969,000	-696,473,000	-20.28
26	The Northern Trust Company	NTRS	23,372	51,684,196,000	10,894,617,000	-2,156,763,000	-19.80
13	Bank of New York Mellon Corporation	BK	44,827	142,614,515,000	31,940,886,000	-6,200,000,000	-19.41
5	U.S. Bancorp		75,423	161,002,399,000	59,236,059,000	-10,866,212,000	-18.34
82	City National Bank of Florida		1,054	6,722,544,000	2,038,192,000	-370,001,000	-18.15
7	Truist Bank	TFC	51,428	130,037,000,000	59,920,000,000	-9,922,000,000	-16.56
85	United Community Bank	UCBI	2,800	6,213,519,000	2,661,884,000	-422,574,000	-15.87
80	Glacier Bank	GBCI	3,383	9,022,801,000	2,882,849,000	-440,260,000	-15.27
3	Citibank	C	191,685	485,347,000,000	164,337,000,000	-24,953,000,000	-15.18
32	First-Citizens Bank & Trust Company	FCNCA	10,536	19,269,898,000	9,934,614,000	-1,484,730,000	-14.95
95	Columbia State Bank	COLB	2,026	6,621,856,000	2,215,486,000	-312,014,000	-14.08
59	Associated Bank	ASB	4,171	6,708,415,000	4,036,273,000	-559,434,000	-13.86
21	The Huntington National Bank	HBAN	18,968	40,474,513,000	16,962,145,000	-2,297,384,000	-13.54
48	Wintrust Financial Corporation	WTFC	3,506	6,950,974,000	5,183,786,000	-691,237,000	-13.33
68	First Interstate Bank	FIBK	3,590	10,397,943,000	3,142,242,000	-397,643,000	-12.65
76	FirstBank		2,599	9,969,144,000	1,126,381,000	-141,775,000	-12.59
71	Stifel Financial Corp.	SF	354	7,624,448,000	2,046,187,000	-254,896,000	-12.46
1	JPMorgan Chase & Co.	JPM	220,271	631,123,000,000	303,682,337,000	-36,725,000,000	-12.09

#markets

#us #banks #svb

Silicon Valley Bank is urging customers to help them rebuild their deposit base by "transferring back deposits that left over the last several days."



Dear Clients:

Yesterday I shared the news that I was appointed as the CEO of Silicon Valley Bridge Bank, N.A. We are doing everything we can to rebuild, win back your confidence, and continue supporting the innovation economy. We recognize the past few days have been an extremely challenging time, and we are grateful for your patience.

We are open for business and are hard at work bringing all systems and solutions back online to support you. We are making new loans and fully honoring existing credit facilities.

The number one thing you can do to support the future of this institution is to help us rebuild our deposit base, both by leaving deposits with Silicon Valley Bridge Bank and transferring back deposits that left over the last several days.

As stated in yesterday's announcement, **depositors have full access to their money and both new and existing deposits are fully protected by the FDIC.** This action by FDIC effectively means that deposits held with SVB are among the safest of any bank or institution in the country.

If you, your portfolio companies, or your firm moved funds within the past week, please consider moving some of them back as part of a secure deposit diversification strategy. We are also open for business for any new customers. **We are actively opening new accounts of all sizes and making new loans.**

Please reach out to your SVB team with any questions. We will be sharing more updates as we continue our work to support the innovation economy.

Thank you.

Tim Mayopoulos, CEO
Silicon Valley Bridge Bank, N.A.

#us #banks #bofa

Are the big US banks that strong after all? Bank of America has \$113 Billion of unrealized losses on its balance sheet. This represents >60% of tangible book value...

NOTE 4 Securities

The table below presents the amortized cost, gross unrealized gains and losses, and fair value of AFS debt securities, other debt securities carried at fair value and HTM debt securities at December 31, 2022 and 2021.

Debt Securities	Bank of America							
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	December 31, 2022				December 31, 2021			
(Dollars in millions)								
Available-for-sale debt securities								
Mortgage-backed securities:								
Agency	\$ 25,204	\$ 5	\$ (1,767)	\$ 23,442	\$ 45,268	\$ 1,257	\$ (186)	\$ 46,339
Agency-collateralized mortgage obligations	2,452	—	(231)	2,221	3,331	74	(25)	3,380
Commercial	6,894	28	(515)	6,407	19,036	647	(79)	19,604
Non-agency residential ⁽¹⁾	461	15	(90)	386	591	25	(33)	583
Total mortgage-backed securities	35,011	48	(2,603)	32,456	68,226	2,003	(323)	69,906
U.S. Treasury and government agencies	160,773	18	(1,769)	159,022	197,853	1,610	(318)	199,145
Non-U.S. securities	13,455	4	(52)	13,407	11,933	—	—	11,933
Other taxable securities	4,728	1	(84)	4,645	2,725	39	(3)	2,761
Tax-exempt securities	11,518	19	(279)	11,258	15,155	317	(39)	15,433
Total available-for-sale debt securities	225,485	90	(4,787)	220,788	295,892	3,969	(683)	299,178
Other debt securities carried at fair value ⁽²⁾	8,986	376	(156)	9,206	8,873	105	(83)	8,895
Total debt securities carried at fair value	234,471	466	(4,943)	229,994	304,765	4,074	(766)	308,073
Held-to-maturity debt securities								
Agency mortgage-backed securities	503,233	—	(87,319)	415,914	553,721	3,855	(10,366)	547,210
U.S. Treasury and government agencies	121,597	—	(20,259)	101,338	111,859	254	(2,395)	109,718
Other taxable securities	8,033	—	(1,018)	7,015	9,011	147	(196)	8,962
Total held-to-maturity debt securities	632,863	—	(108,596)	524,267	674,591	4,256	(12,957)	665,890
Total debt securities ^(3,4)	\$ 867,334	\$ 466	\$ (113,539)	\$ 754,261	\$ 979,356	\$ 8,330	\$ (13,723)	\$ 973,963

⁽¹⁾ At December 31, 2022 and 2021, the underlying collateral type included approximately 17 percent and 21 percent prime and 83 percent and 79 percent subprime.

⁽²⁾ Primarily includes non-U.S. securities used to satisfy certain international regulatory requirements. Any changes in value are reported in market making and similar activities. For detail on the components, see Note 20 – Fair Value Measurements.

⁽³⁾ Includes securities pledged as collateral of \$104.5 billion and \$111.9 billion at December 31, 2022 and 2021.

⁽⁴⁾ The Corporation held debt securities from FNMA and FHLMC that each exceeded 10 percent of shareholders' equity, with an amortized cost of \$290.5 billion and \$176.7 billion, and a fair value of \$239.6 billion and \$144.6 billion at December 31, 2022, and an amortized cost of \$345.3 billion and \$205.3 billion, and a fair value of \$342.5 billion and \$202.4 billion at December 31, 2021.

Source: Jack Farley



#us #banks #reserves

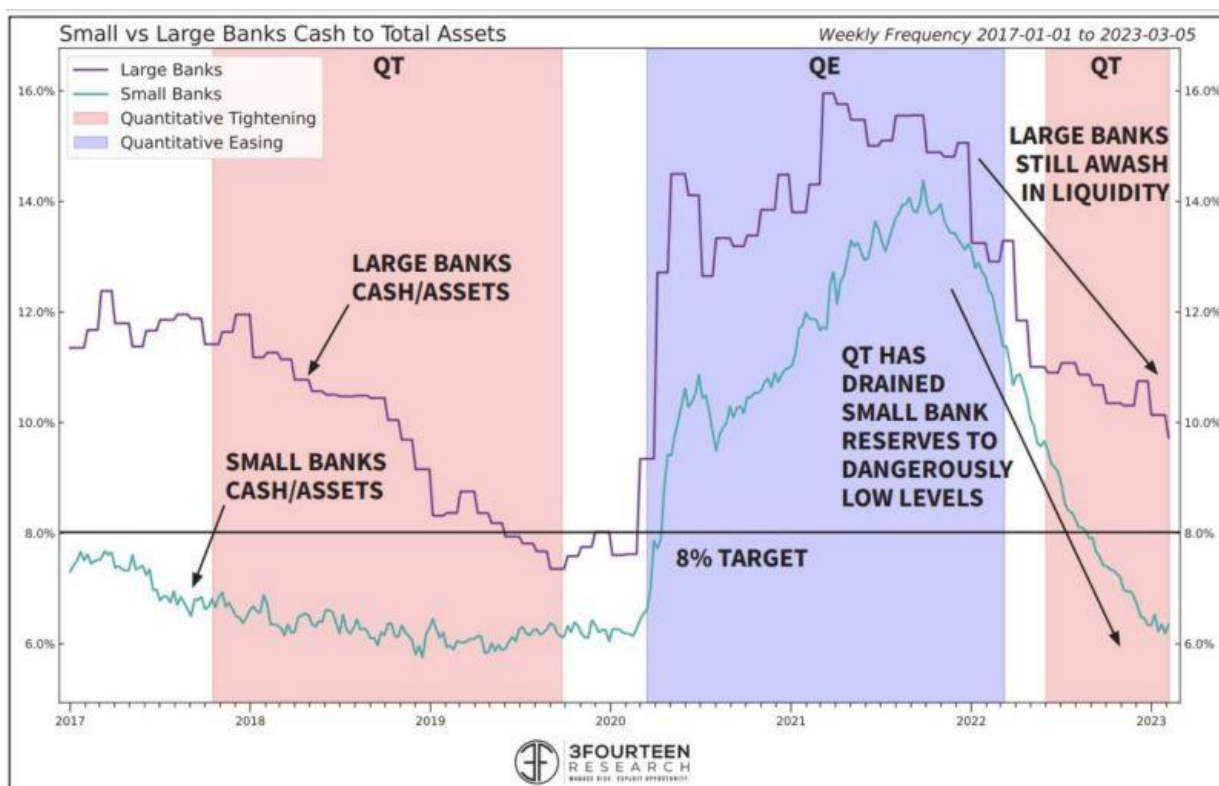
Bank cash as % of total assets:

-Small Banks = 6%,

-Large Banks = 10%

8% is the rough target.

The QT reserve drain has been lumpy. Most important Fed question = Will QT continue? And, for how long? Sacrifice small banks or risk reigniting "animal spirits"?



Source: 3Fourteen Research.



#markets

#us #banks #unrealized-losses

This is a roadmap to why some regional banks were selling off disproportionately this week. This is a measure of unrealized losses on banks' available for sale securities as a proportion of the firms' equity.

BANK	RATIO	USD LOSS
Comerica	42%	\$3.74B
Zions Bancorp	39%	\$3.1B
German American	32%	\$263M
Keycorp	32%	\$6.30B
Republic First	32%	\$108M
Community Bank	31%	\$686M

Source: FFM <GO>, Latest Filings

Source: via DavidInglesTV, Lisa Abramowicz

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Is the bank run really over?

Bloomberg

Schwab Clients Pull \$8.8 Billion From Prime Funds This Week



Breaking Market News  @fi... · 44m ...

IN A NEW STUDY, ECONOMISTS FOUND 186 BANKS THAT MAY BE PRONE TO SIMILAR RISKS AS SVB - WSJ CITING ECONOMISTS.



#us #banks

A self-medication for the US financial system? If the issue for US banks balance sheet is being too long duration, the drop of bond yields could ease the burden on the assets side. Meanwhile, in a typical darwinian process, the larger banks will eat the smaller ones...



Lyn Alden
@LynAldenContact



Since it's a duration problem rather than a credit problem, the banking system can potentially break itself back into solvency.

Meanwhile, the big banks eat up the small banks.

Good, stable, well-designed system we have here.



Daniel Saedi @TheRealDanSaedi · 6h

Well if yields keep falling like this the problem will fix itself, the hole has gotten \$100B smaller over the last week!

4:21 PM · Mar 13, 2023 · 139.1K Views

#markets

#us #banks #deposits

This is the \$64 trillion question....

Why would you keep your money in deposits unless the Fed cuts rates or banks raise?



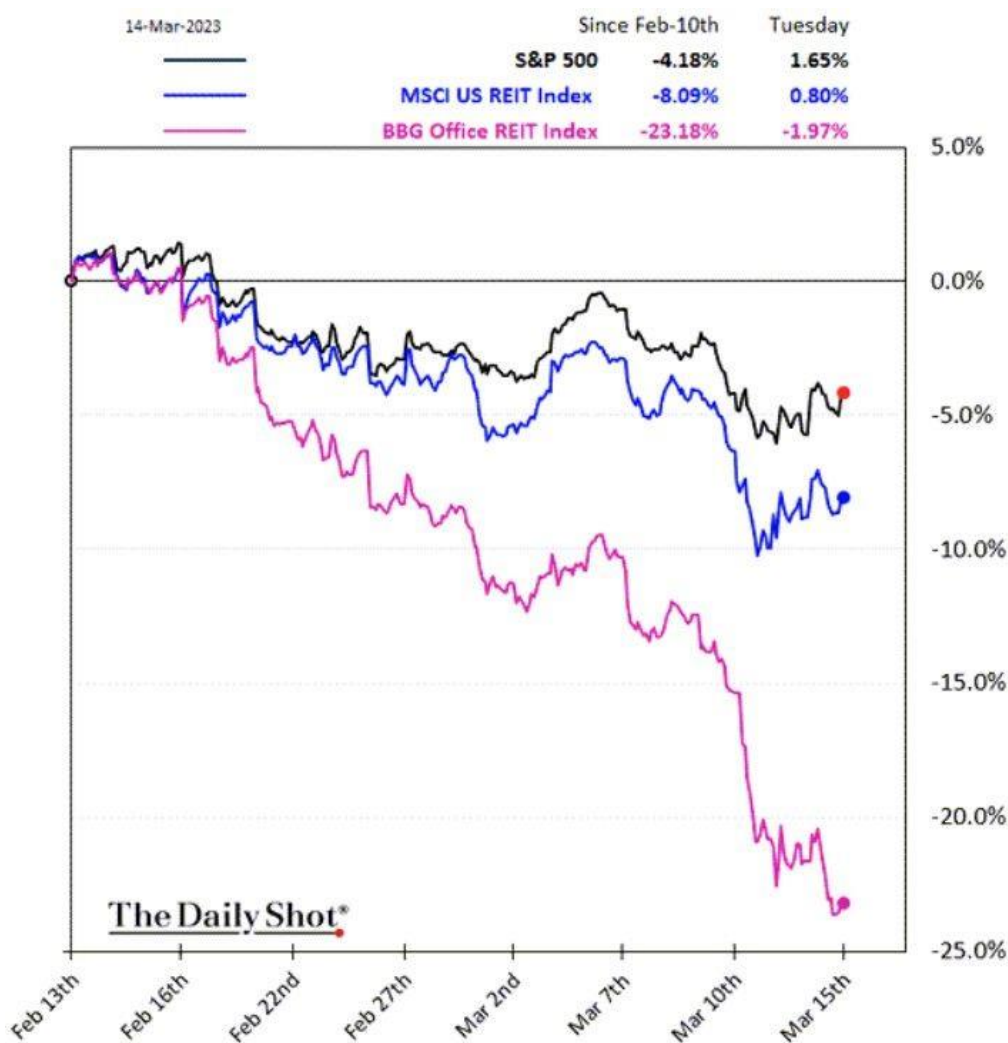
Source: Datastream, TS Lombard

Source: TS Lombard



#weakest-links #us #commercial #real-estate

The next shoe to drop? Office REITs are in trouble.



Source: Bloomberg



Source: The DailyShot, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

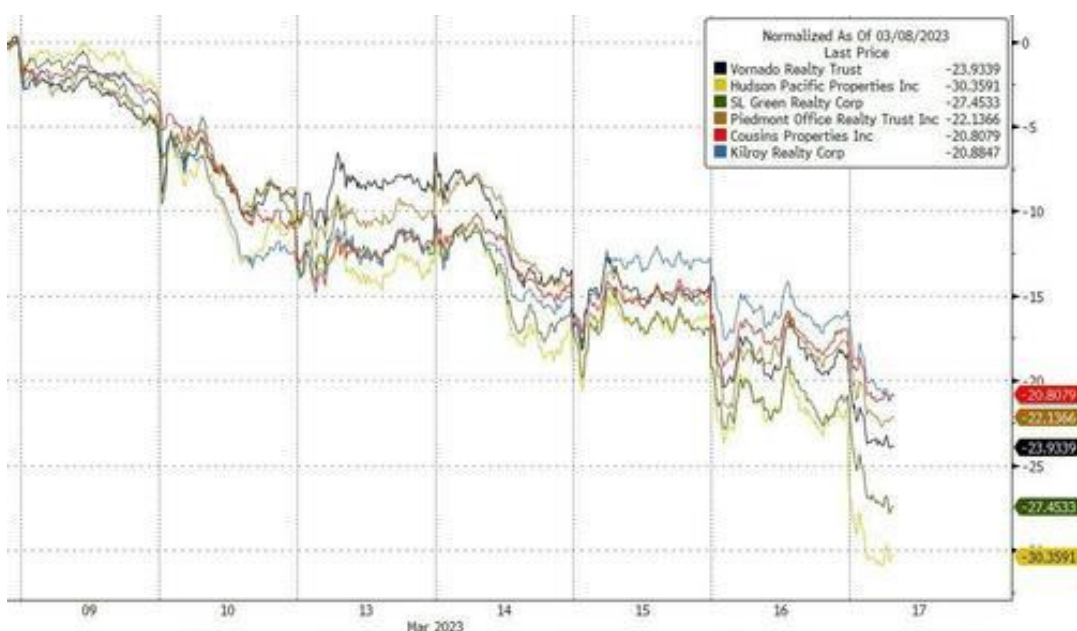
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#markets

#weakest-links #us #commercial #real-estate

Office REITS were hammered this week...

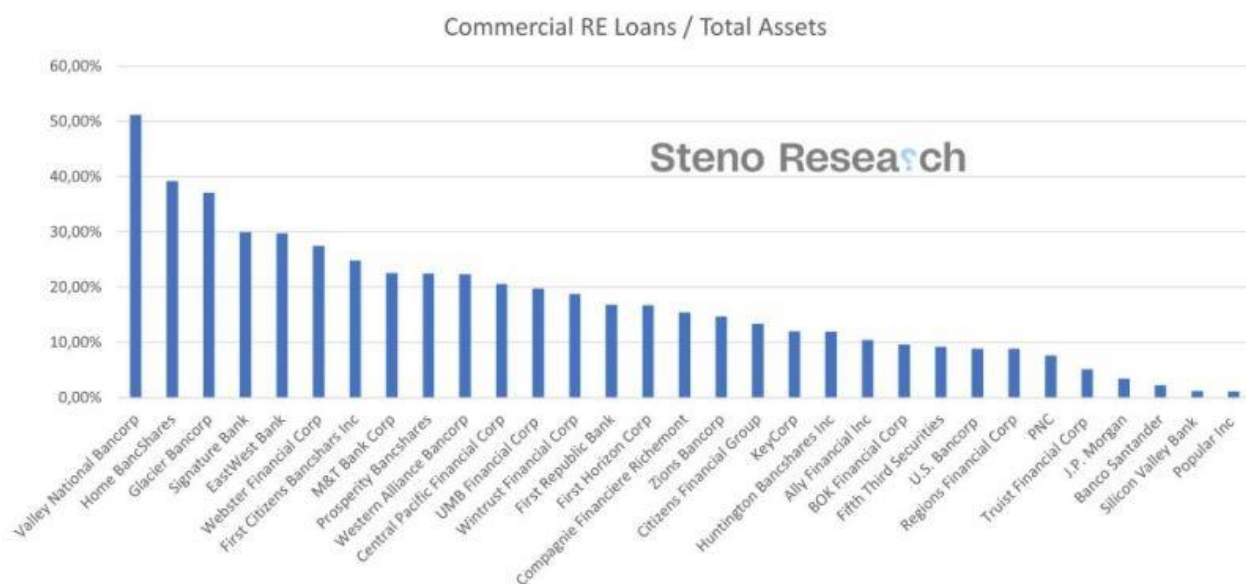


Source: www.zerohedge.com, Bloomberg



#weakest-links #us #commercial #real-estate

Below the list of regional banks with the WORST balance sheet exposure to Commercial Real Estate.



Source: Steno Research


#markets

#weakest-links #us #subprime-auto-lending


Monetary policy tightening will break the weakest links with a lag - e.g Subprime auto lending is entering serious turmoil.

 Fortune

Subprime auto lender folds as more Americans fall behind on car payments

 Bloomberg.com

Santander Halts \$942 Million Subprime Auto ABS Sale Amid Turmoil

 Auto Finance News

CPS tightens credit 'dramatically'

Source: CarDealerShip



#european #stocks

European bank stocks collapsed, erasing YTD gains and banking sector credit risk soared to 5-month highs...



Source: Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

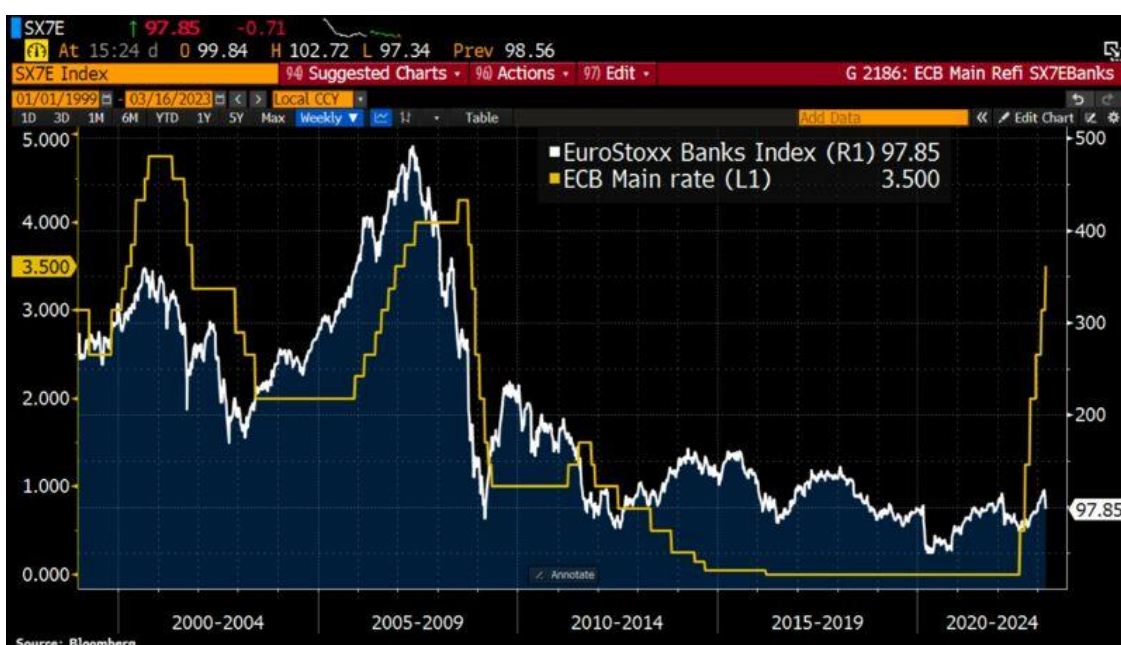
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#markets

#european #stocks

Is something broken between European banks stocks performance and ECB short-term interest rates?



Source: Bloomberg

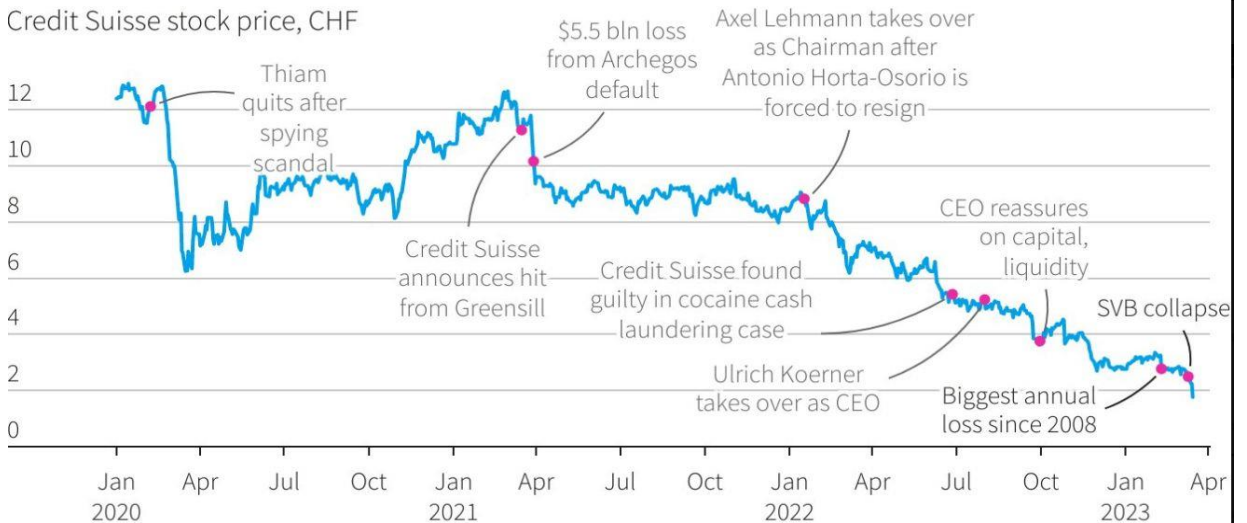


#credit-suisse #stock

Going Downhill...

Credit Suisse goes off piste

Credit Suisse stock price, CHF



Note: March 15, 2023 price as at 1054 GMT

Source: Refinitiv Datastream | Reuters, March 15, 2023 | By Vincent Flasseur

Source: Reuters, Vflasseur:

#credit-suisse #snb #finma #backstop

THE SNB & FINMA "WHATEVER IT TAKES" MOMENT... Swiss National Bank and Swiss regulator FINMA issued a very strong statement on Credit Suisse. In 2 sentences:

- 1) Credit Suisse meets the capital and liquidity requirements imposed on systemically important banks = "no need to panic"
- 2) If necessary, the SNB will provide CS with liquidity = "we will do whatever it takes".



Press release

Date:
15 March 2023

Embargo:
–

Contact:
Tobias Lux, Spokesperson
Phone +41 (0)31 327 91 71
tobias.lux@finma.ch

Vinzenz Mathys, Spokesperson
Phone +41 (0)31 327 19 77
vinzenz.mathys@finma.ch

FINMA and the SNB issue statement on market uncertainty

The Swiss Financial Market Supervisory Authority FINMA and the Swiss National Bank SNB assert that the problems of certain banks in the USA do not pose a direct risk of contagion for the Swiss financial markets. The strict capital and liquidity requirements applicable to Swiss financial institutions ensure their stability. Credit Suisse meets the capital and liquidity requirements imposed on systemically important banks. If necessary, the SNB will provide CS with liquidity.

FINMA and the SNB are pointing out in this joint statement that there are no indications of a direct risk of contagion for Swiss institutions due to the current turmoil in the US banking market.

Regulation in Switzerland requires all banks to maintain capital and liquidity buffers that meet or exceed the minimum requirements of the Basel standards. Furthermore, systemically important banks have to meet higher capital and liquidity requirements. This allows negative effects of major crises and shocks to be absorbed.

Credit Suisse meets regulatory capital and liquidity requirements

Credit Suisse's stock exchange value and the value of its debt securities have been particularly affected by market reactions in recent days. FINMA is in very close contact with the bank and has access to all information relevant to supervisory law. Against this background, FINMA confirms that Credit Suisse meets the higher capital and liquidity requirements applicable to systemically important banks. In addition, the SNB will provide liquidity to the globally active bank if necessary. FINMA and the SNB are following developments very closely and are in close contact with the Federal Department of Finance to ensure financial stability.



#credit-suisse #stock

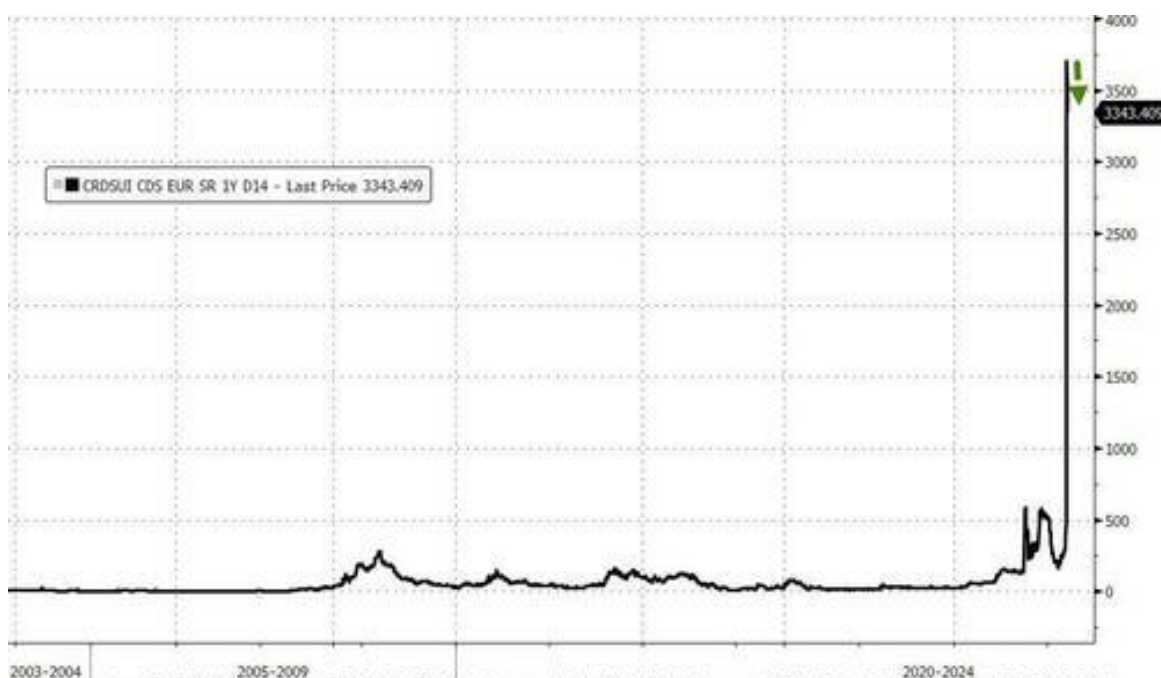
CS stock price continued to tank to record-er lows...



Source: www.zerohedge.com, Bloomberg

#credit-suisse #cbs

Cost of insuring against Credit Suisse's default remains at distressed level even after SNB's liquidity pledge. Bank will borrow as much as 50 billion Swiss francs from SNB. BUT 5y CDS price >3000bps, meaning to secure €10,000 in CS paper you have to pay more than €3,000.



Source: Bloomberg, www.zerohedge.com

#markets

#credit-suisse #ubs

UBS in talks to buy embattled Credit Suisse, FT says

Stefania Spezzati and Oliver Hirt

Mar 18, 2023 - 9:21am

Save Share

UBS Group is in discussions to take over all or part of Credit Suisse, the *Financial Times* reported, after [an emergency funding lifeline](#) failed to restore investor confidence in the smaller Swiss bank.

The boards of Switzerland's two biggest lenders are set to meet separately over the weekend to discuss a deal, the FT said, citing multiple people briefed on the talks.



UBS has been pushed to embrace its Swiss rival. [Bloomberg](#)

#GLOBALMARKETS WEEKLY WRAP-UP

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#markets

#credit-suisse #ubs



Holger Zschaepitz @Schuldensuehner · 9h

UBS in talks to acquire Credit Suisse. Swiss authorities press for merger to stem crisis of confidence in country's banking sector. UBS has a market value of \$65bn, while shares in Credit Suisse closed on Friday w/a value of \$8bn.

ft.com/content/17892f...





#global #commodities #drawdown

The S&P GSCI Commodity Index is down 37% from its peak in March 2022, at its lowest level since December 2021. The year-over-year decline of 25% is the largest since May 2020.



Source: Charlie Bilello





#oil #drawdown

Crude Oil futures break below \$70/barrel, down 47% from last year's peak of \$130/barrel and at lowest levels since December 2021.

Crude Oil WTI Futures ▼ **68.50** -2.83 (-3.97%)



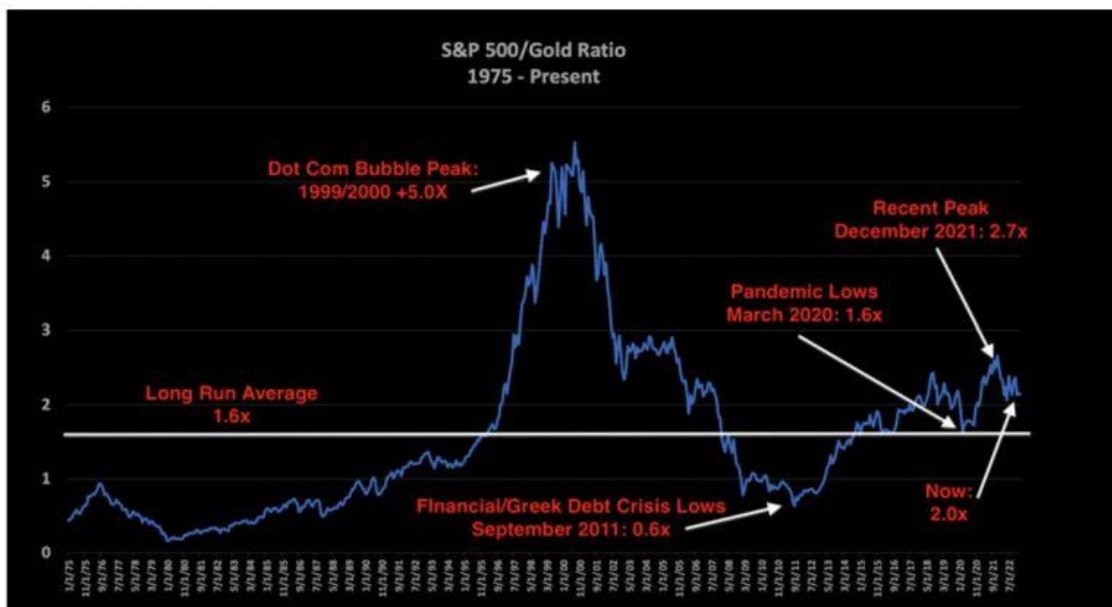
Source: Charlie Bilello



#gold

US large cap stocks are trading at a premium relative to gold on a long run basis, at 2.0x now versus the 1975 – present average of 1.6x. The March 2020 Pandemic Crisis was the last time the stock/gold ratio went to its 1.6x long run average. During the Financial/Greek Debt Crisis, it was below 1.6x for several years (2008 – 2013) and even below 1.0x from 2010 – 2012.

Stocks / Gold



Source: Data Trek

Source: DataTrek, TME



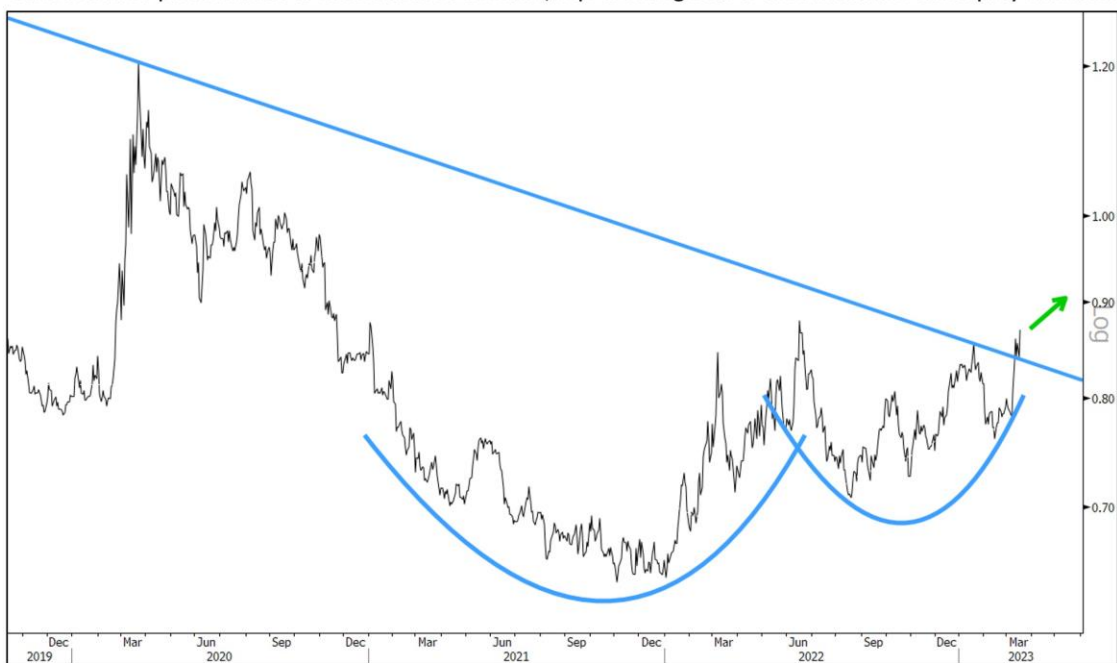


#gold

Gold vs. Russell 3000 index

Ratio Chart, updated:

Gold's relative performance to the Russell 3000 Index, representing 98% of the investable U.S. equity market...



Worth Charting



#us #treasuries #volatility

The MOVE index (bonds VIX) continues to soar

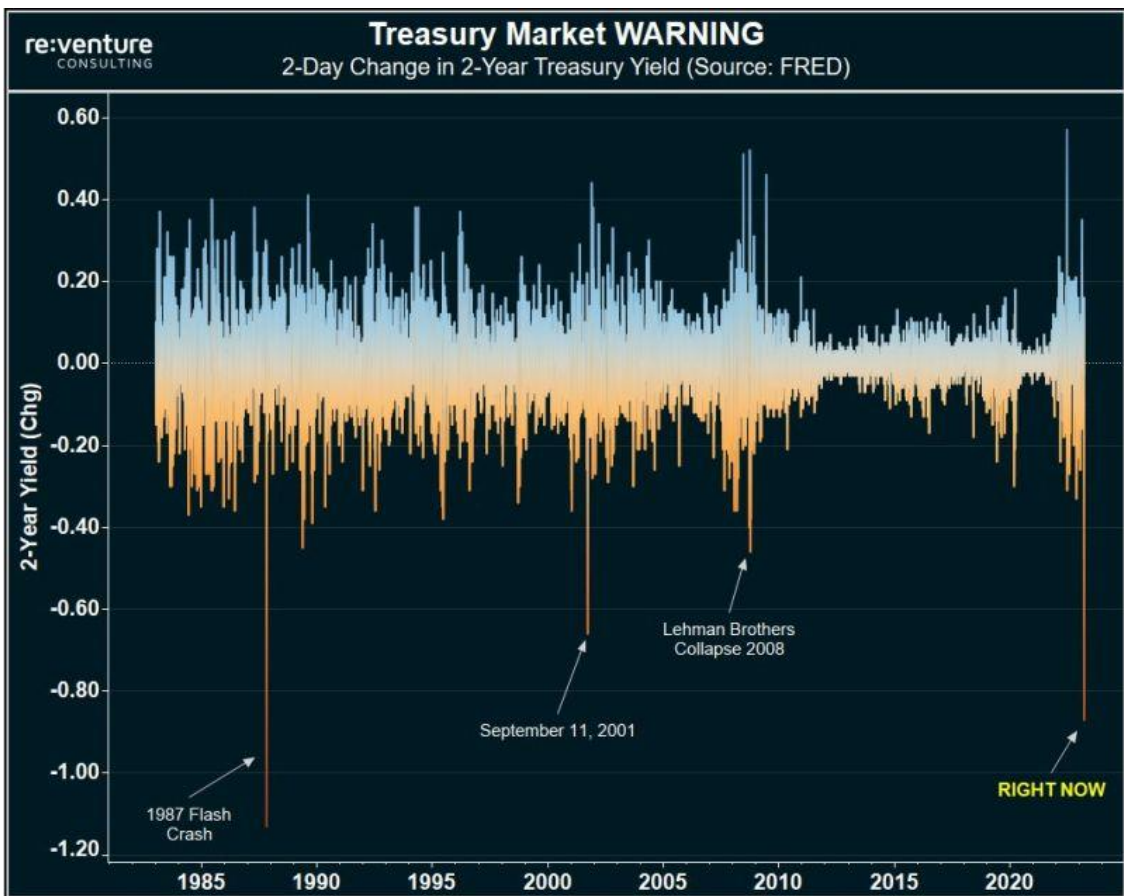


Source: TME



#us #treasuries #volatility

US Treasury Yields plummet an insane 80bps the last two days. This is the biggest drop in yield since 1987 Flash Crash. Bigger than what happened after 9/11 and Lehman Brothers.

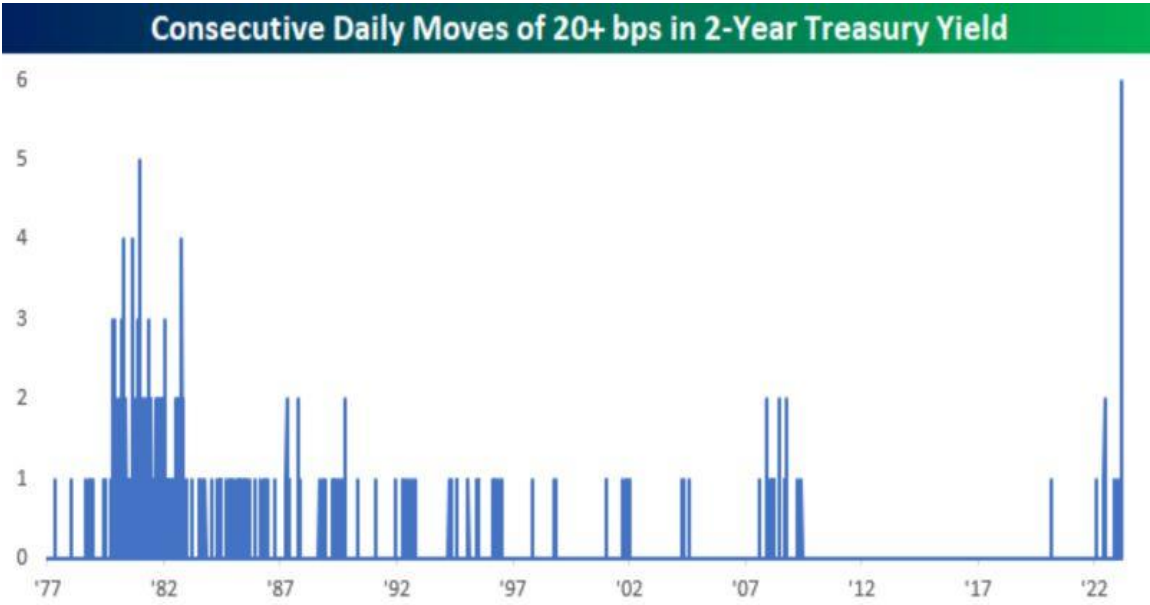


Source: Nick Gerli



#us #treasuries #volatility

There's a First for Everything. The yield on the 2-year treasury has moved 20 bps or more for six straight days. Longest streak since at least 1977.

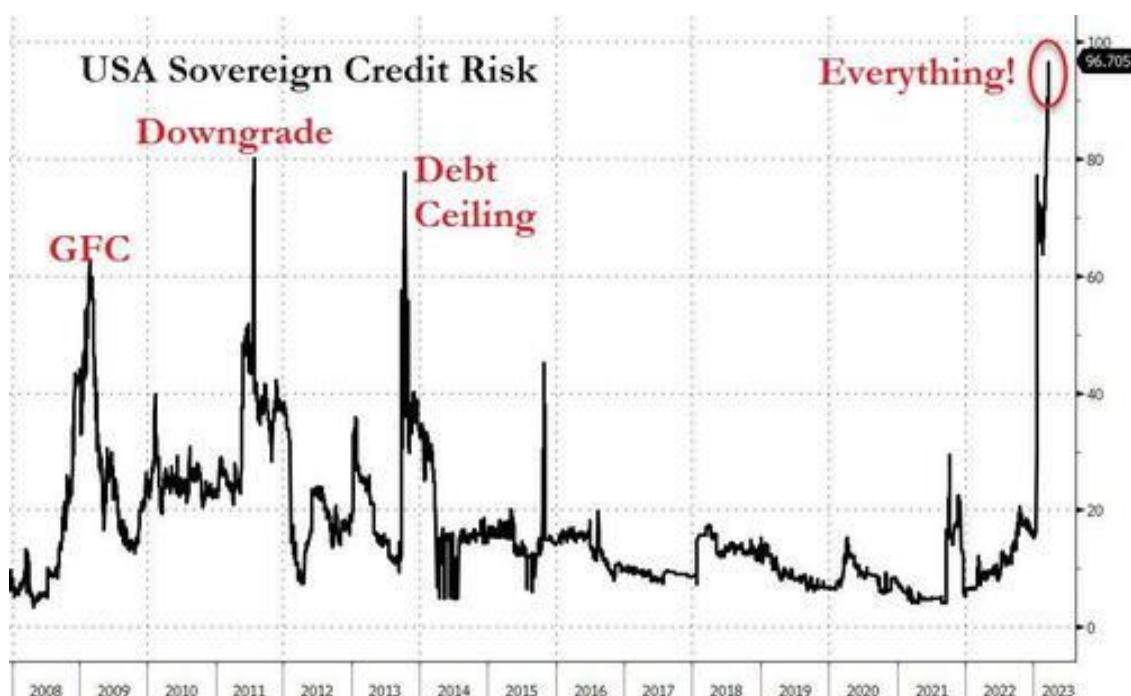


Source: Bespoke



#us #cbs

Despite equity market relief rally, USA sovereign risk reached a new record high yesterday...



Source: Bloomberg, www.zerohedge.com

#GLOBALMARKETS WEEKLY WRAP-UP

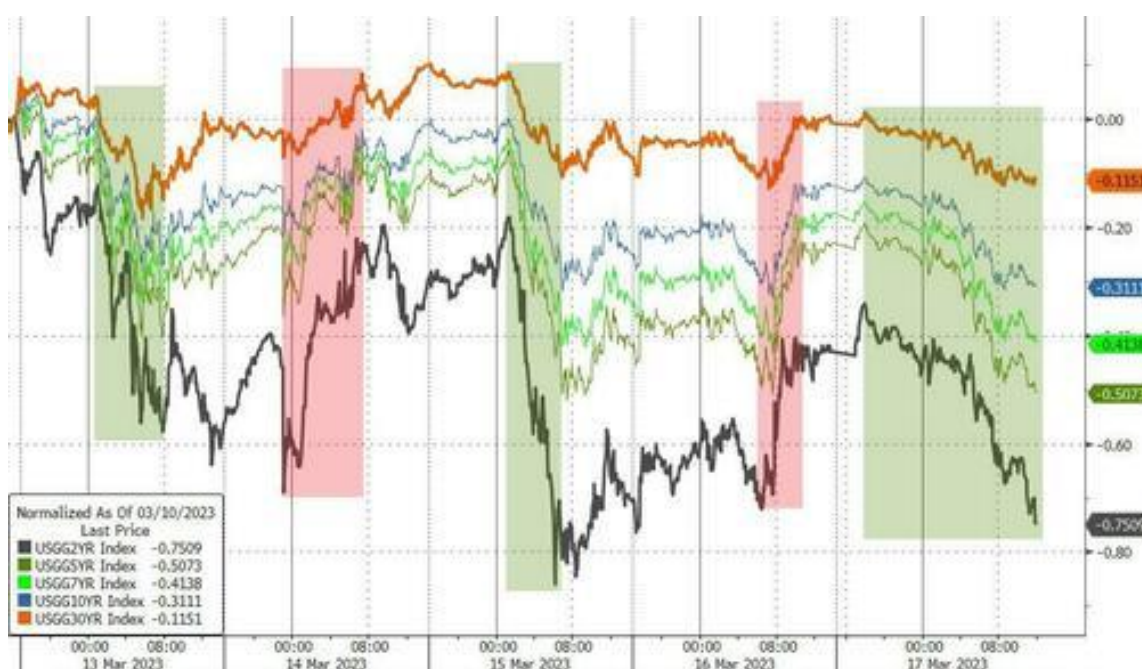
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#us #treasuries

All Treasury yields were lower on the week with the short-end massively outperforming...

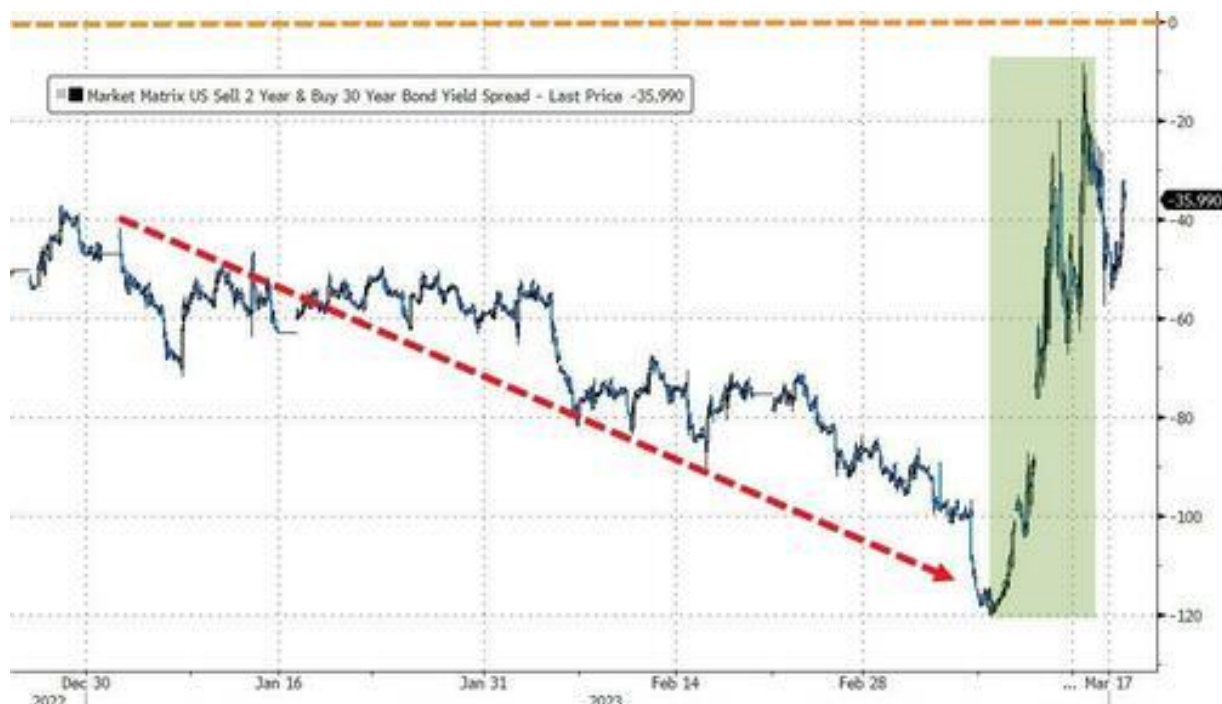


Source: www.zerohedge.com, Bloomberg



#us #yield-curve

The UST yield curve steepened dramatically this week.

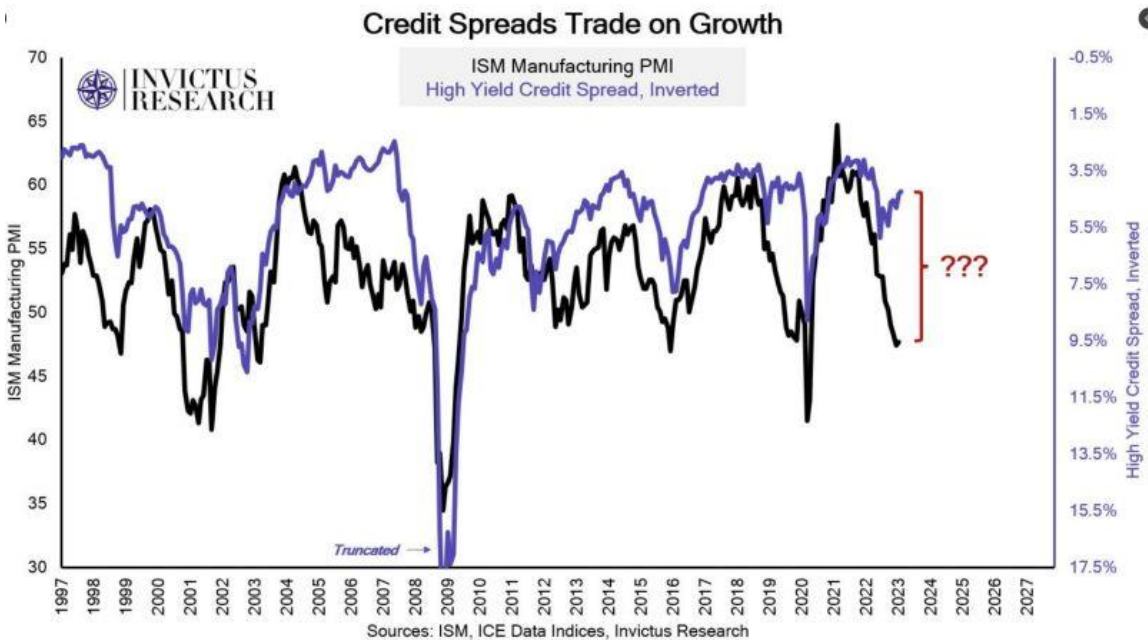


Source: www.zerohedge.com, Bloomberg



#us #high-yield #spreads

US High Yield credit spreads vs. US PMI: something needs to give up...



Source: Invictus Research via Michel Arouet

#GLOBALMARKETS WEEKLY WRAP-UP

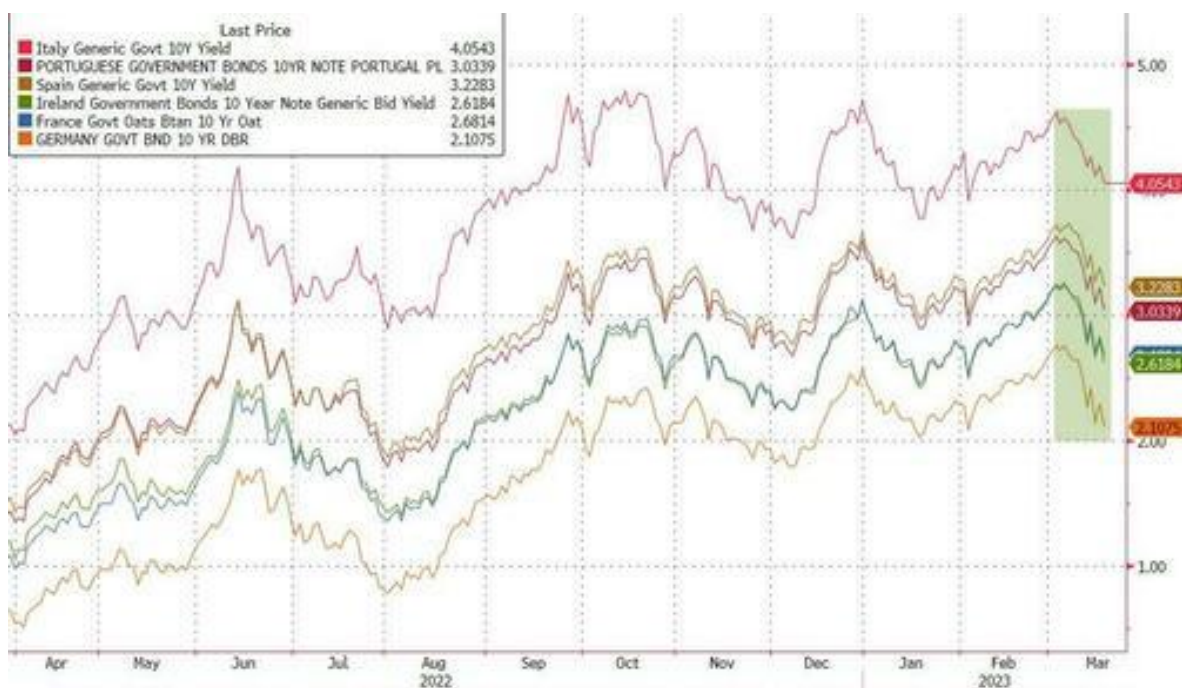
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#eu #sovereigns #yields

European sovereign yields plunged this week too...



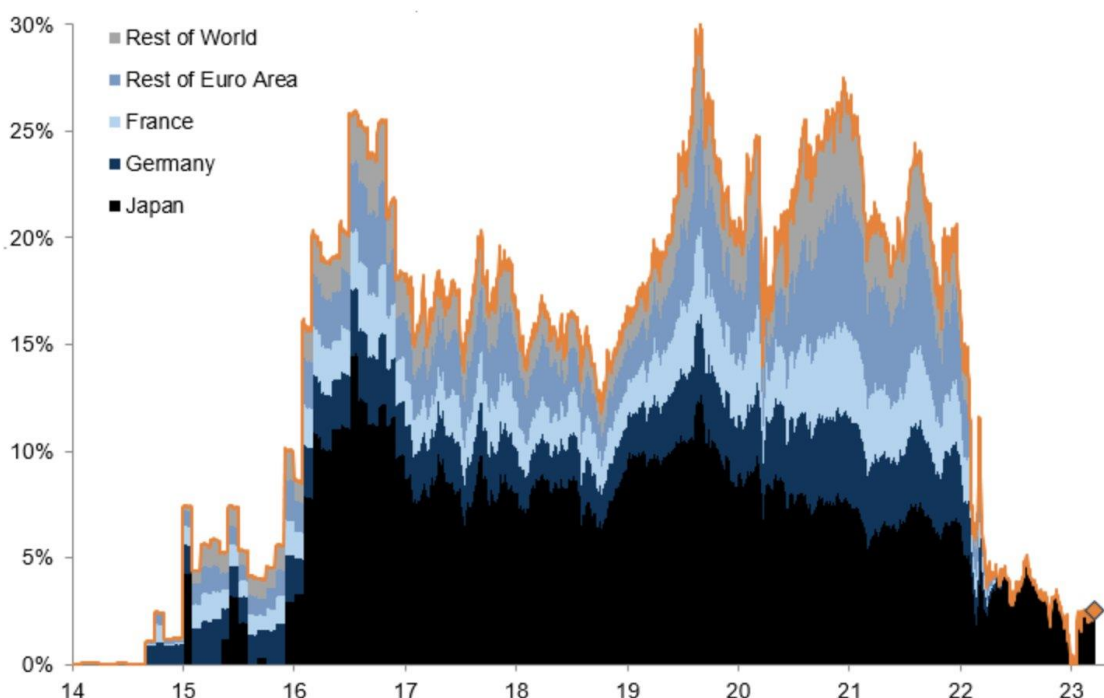
Source: www.zerohedge.com, Bloomberg



#bonds #negative-yield

18 months ago, 25% of all government debt had <0 yield

Exhibit 1: Only 18 months ago, roughly a quarter of all government debt had a negative yield
Proportion of negative-yielding global bonds



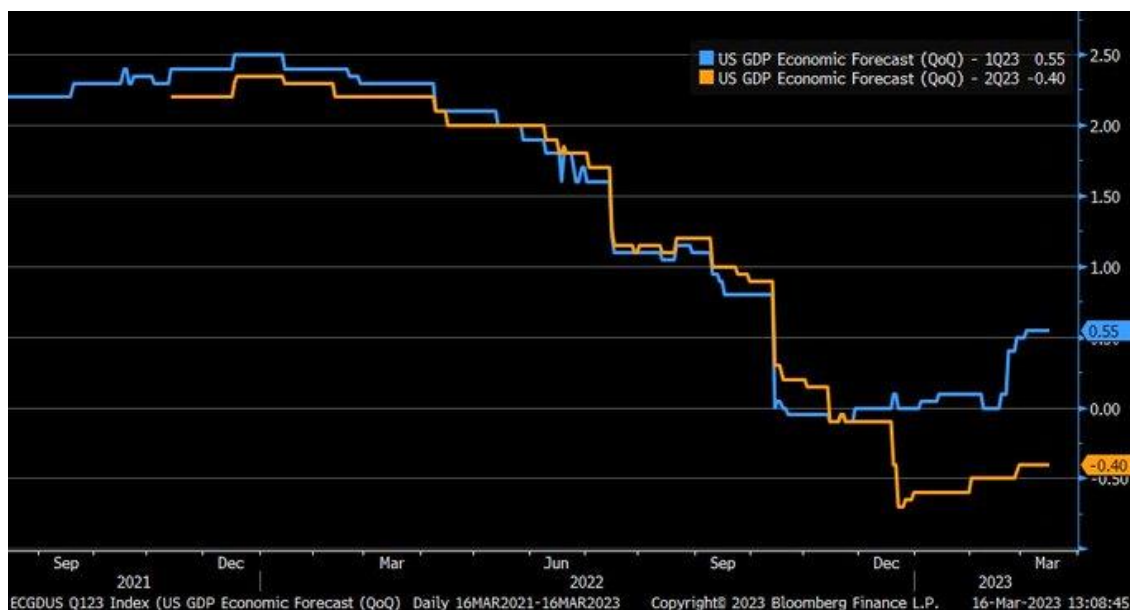
Source: Bloomberg, Goldman Sachs Global Investment Research

Source: GS



#us #gdp #estimates

GDP estimates—consensus gathered by Bloomberg —moving a bit higher but still quite low ... consensus looking for +0.55% (q/q ann.) in first quarter (blue) and -0.4% in second quarter (orange)



Source: Bloomberg, Liz Ann Sonders



#us #soft-data

New orders component of Philadelphia Fed Index sank further into contraction in March; now at level firmly consistent with prior recessions.



Source: Bloomberg, Liz Ann Sonders

#macro

#us #retail-sales

US retail sales increased 4% over the last year, the lowest growth rate since May 2020 & below the historical average of 4.8%. After adjusting for inflation, though, the picture is much worse. Real retail sales declined 1.8% over the last year, the 6th consecutive YoY decline.

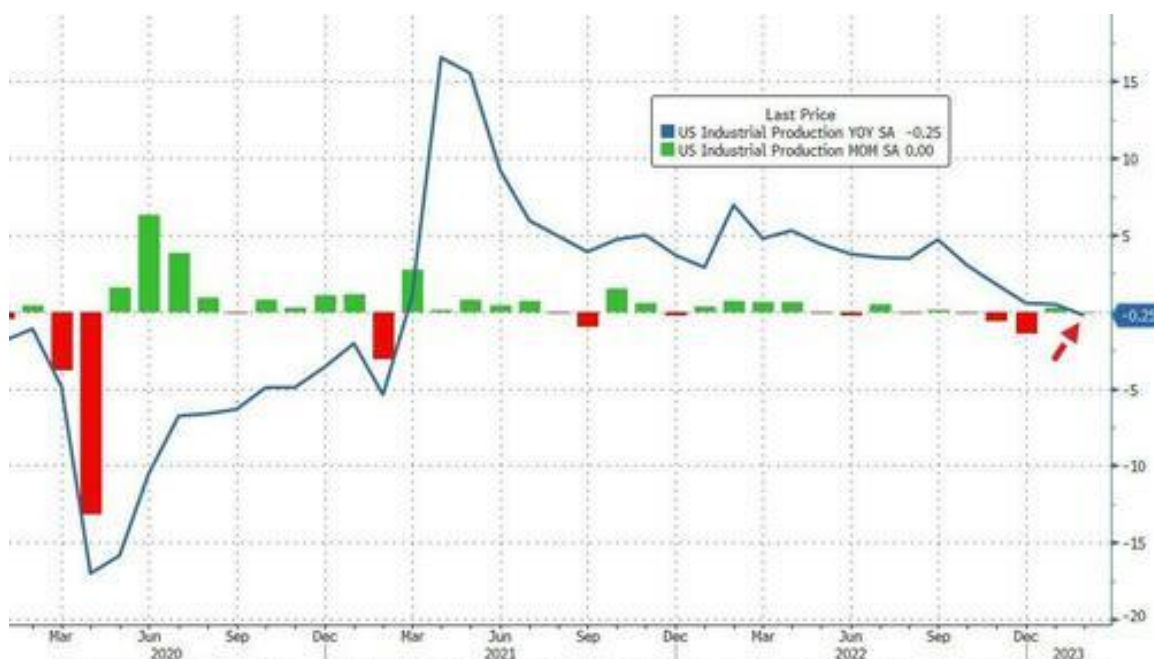


Source: Charlie Bilello

#macro

#us #industrial-production

US Industrial Production is down 0.25% YoY in February - its first YoY drop since Feb 2021...



Source: Bloomberg, www.zerohedge.com

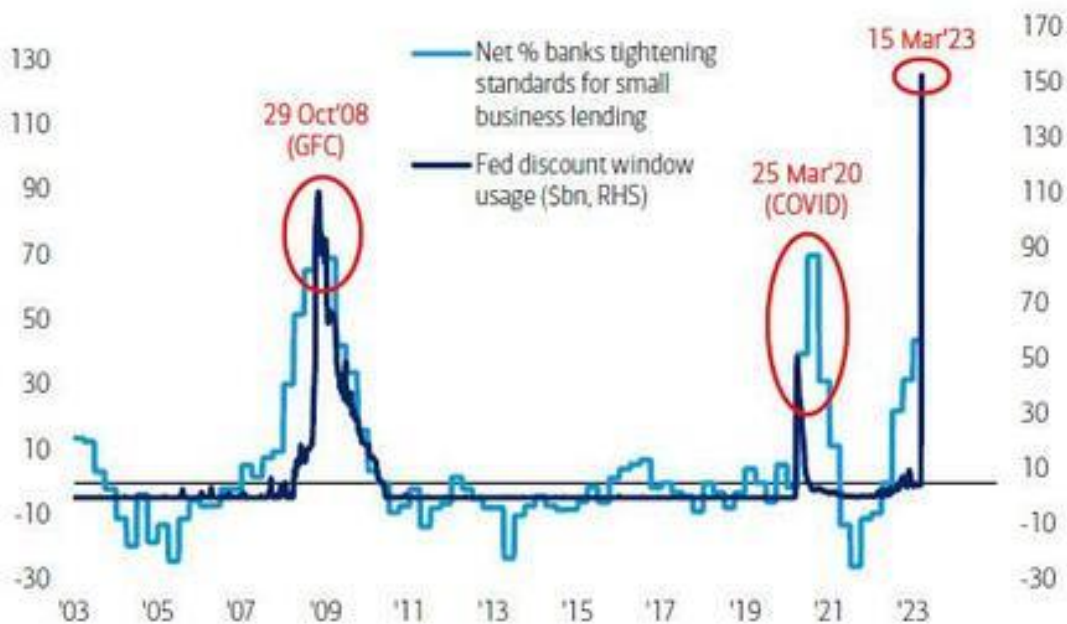


#us #credit #tightening

Credit crunch = recession: banking crises are followed by tighter lending standards (they have been getting tighter in recent quarters)...

Chart 3: Banking crises are followed by tighter lending standards

Tightening lending standards for small biz vs Fed discount window usage



Source: BofA Global Investment Strategy, Bloomberg

BoFA GLOBAL RESEARCH

Source: BofA

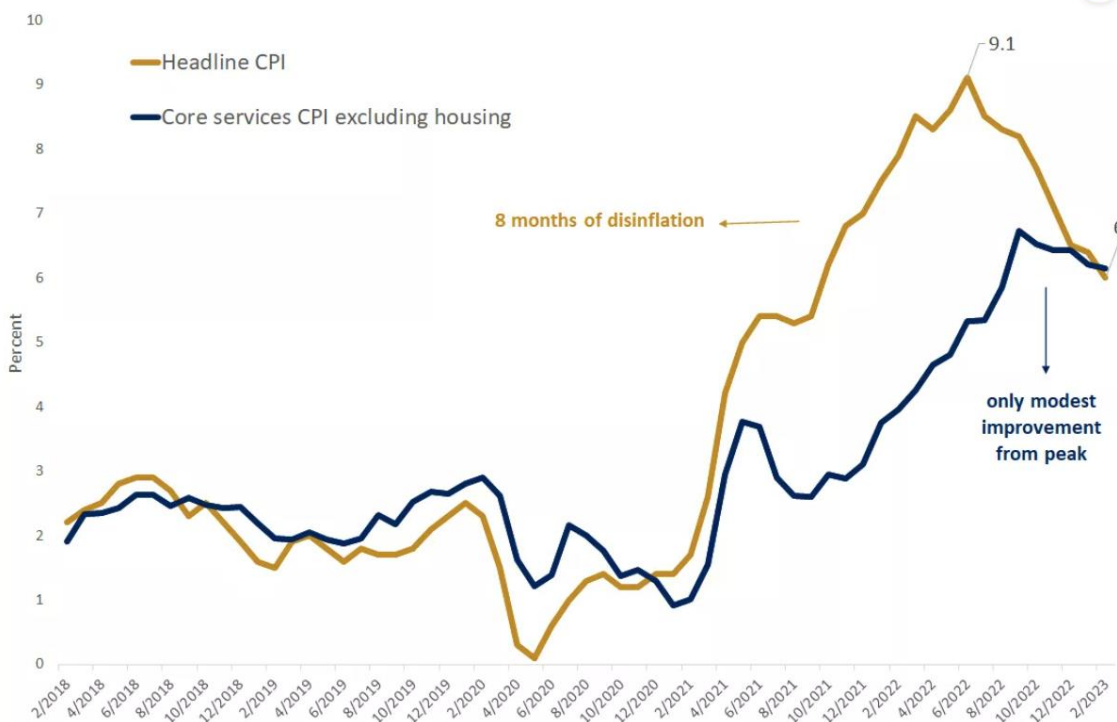




#us #inflation

The graph shows the headline CPI which has continued to slow for eight months. However services inflation remains sticky and has only improved modestly.

February inflation continued to cool but only modestly for services

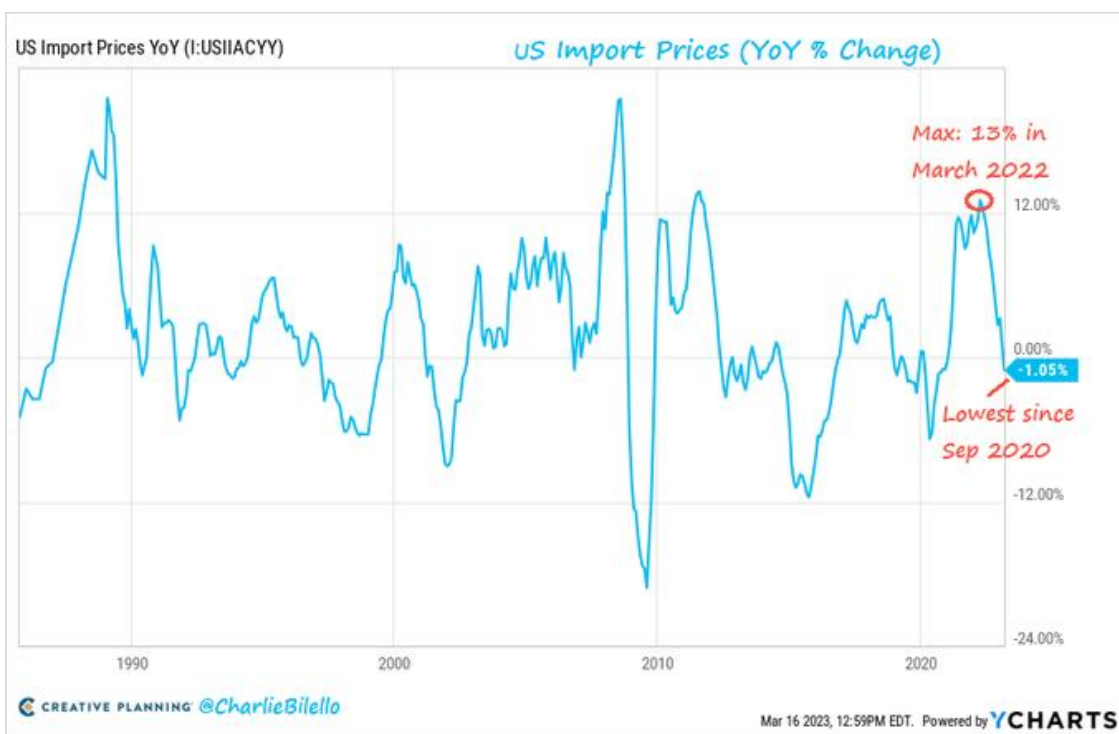


Source: Edward Jones



#us #inflation

US Import prices were down 1% over the last year, the largest YoY decline since September 2020.

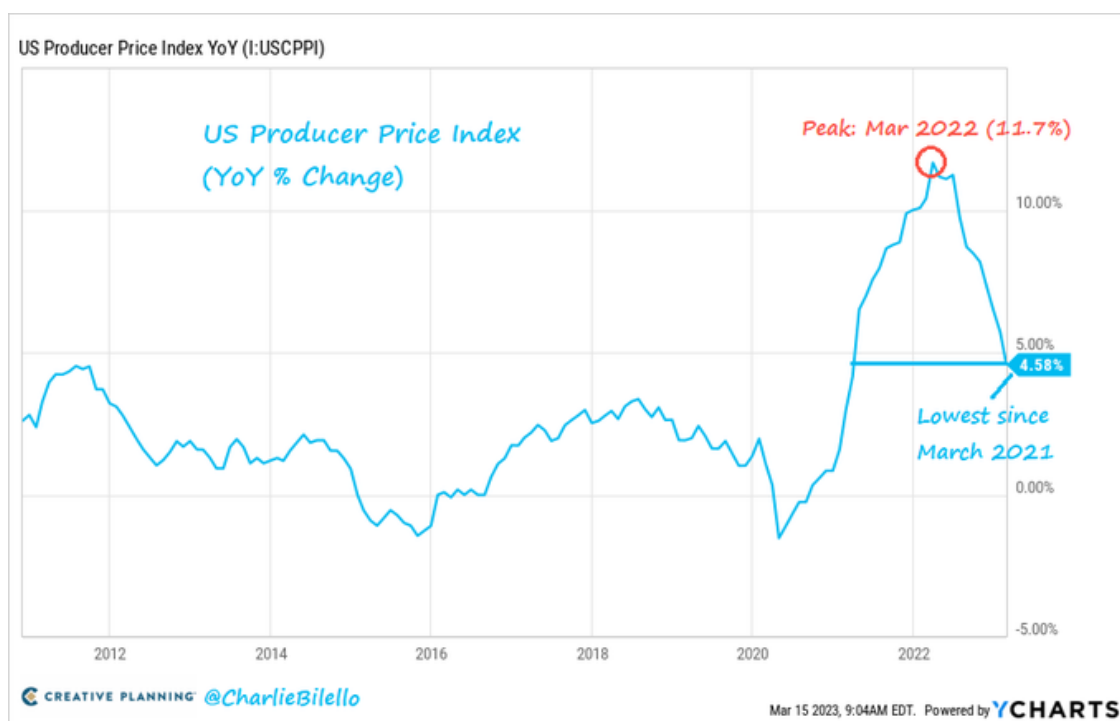


Source: Charlie Bilello



#us #inflation

US Producer Prices (PPI) increased 4.6% over the last year, the smallest YoY increase since March 2021. PPI peaked at 11.7% in March 2022.



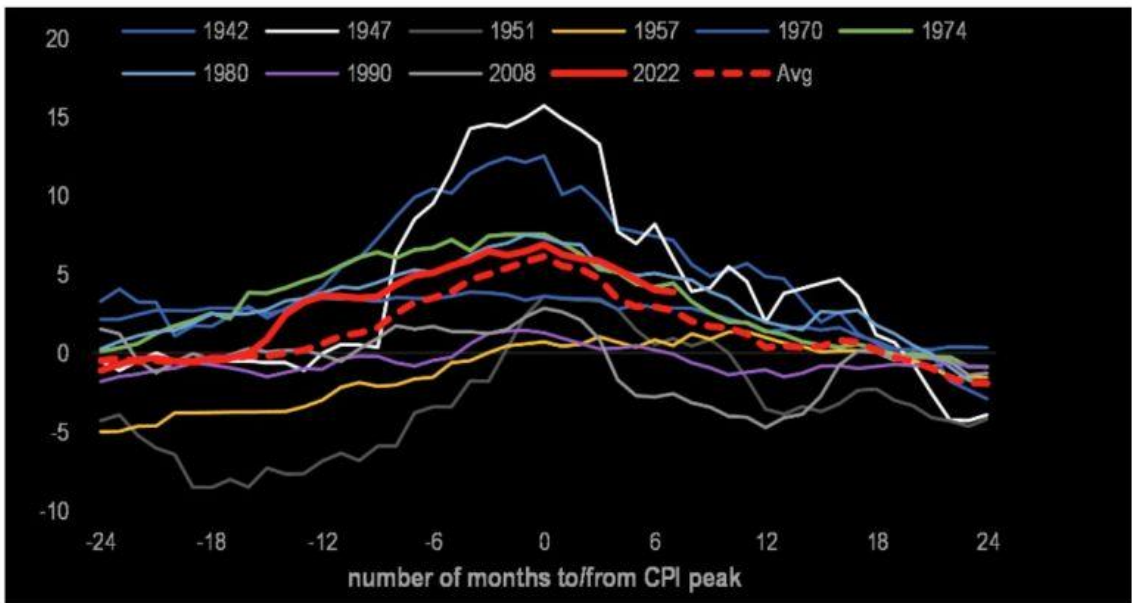
Source: Charlie Bilello

#macro

#us #inflation

Number of months to/from CPI peak in the post-war period vs CPI yoy rate (after removing 10Y rolling average).

The inflation downshifting argument remains



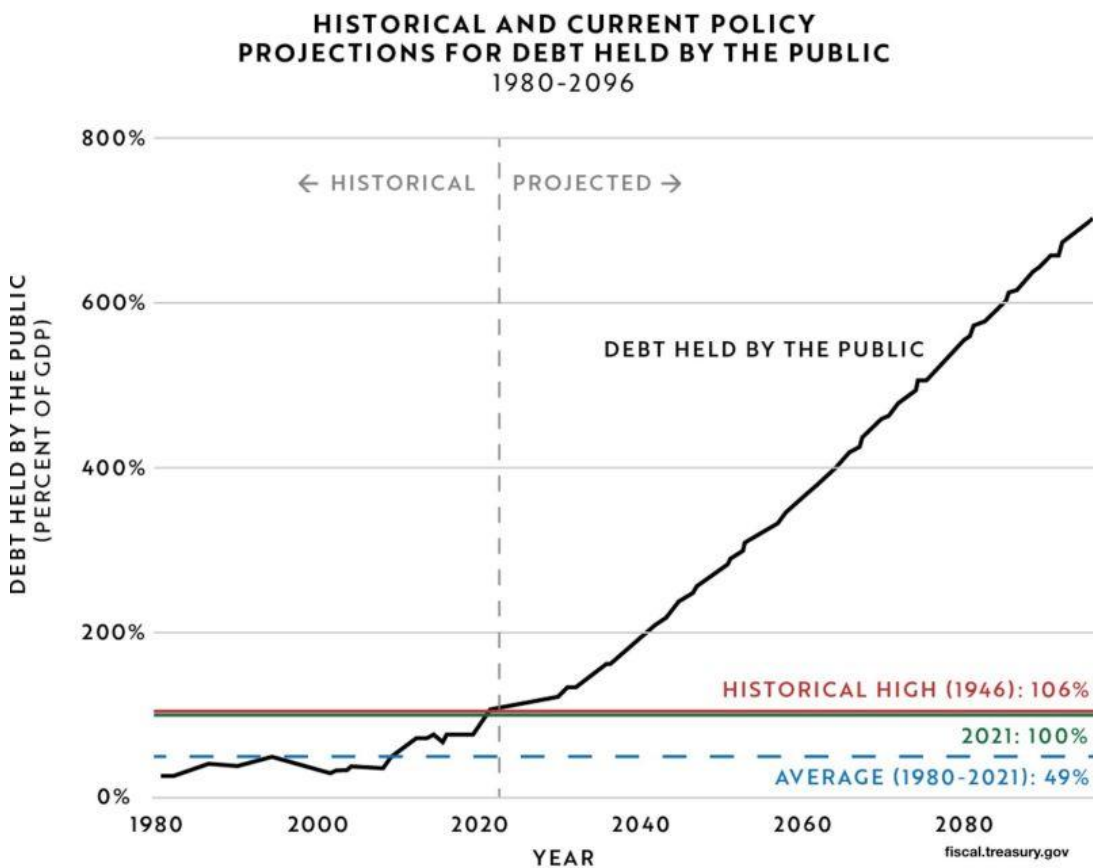
Source: Kolanovic

Source: TME, JP Morgan



#us #debt

US debt projections...



Source: James Lavish, Lyn Alden, treasury.gov

#macro

#real-estate #us

Number of multifamily units under construction continues to soar ... creeping higher towards peak in early 1970s...

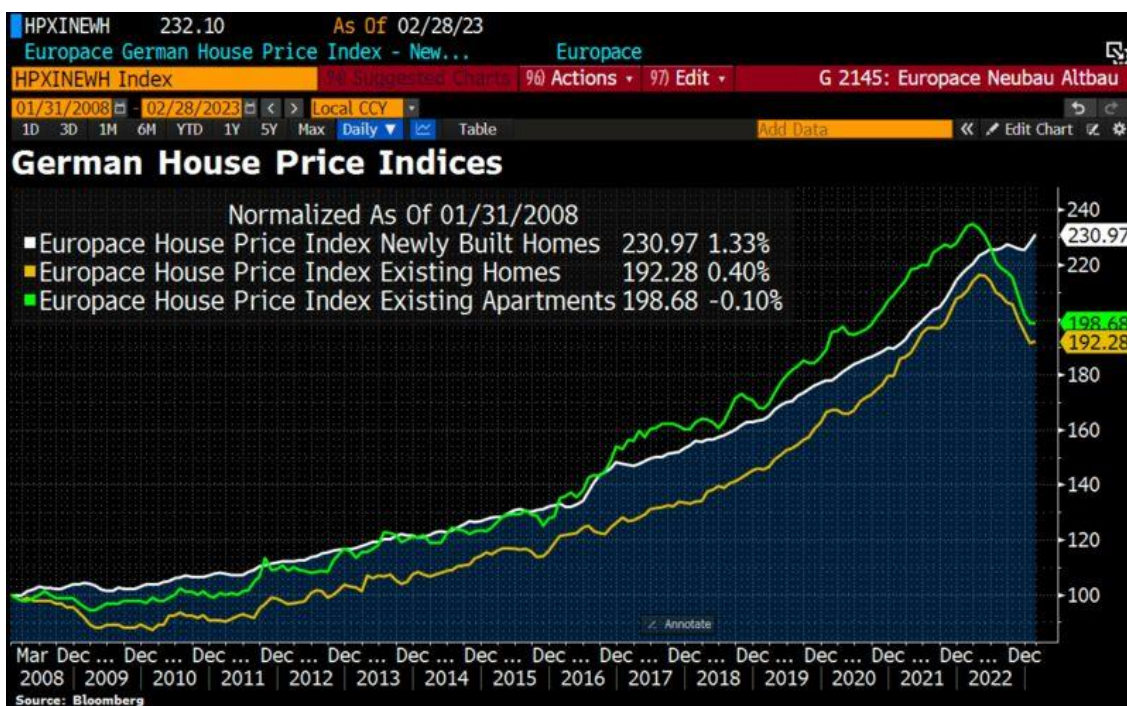


Source: Bloomberg, Liz Ann Sonders



#real-estate #germany

The German housing market is stabilizing. Prices for Existing Buildings rose slightly in February, price of Newly Built Homes marked a record. Only prices for existing apartments are still slightly down, but sharp downward trend seems to be over there, too.



Source: HolgerZ, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

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#centralbanks

#global #rates

Global Central Bank Policy Rates						
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	4.3%	-4.4%	Cut	Jan-16
Switzerland	Target Rate	1.00%	3.4%	-2.4%	Hike	Dec-22
Thailand	Policy Rate	1.50%	3.8%	-2.3%	Hike	Jan-23
Taiwan	Discount Rate	1.75%	2.4%	-0.7%	Hike	Dec-22
Denmark	Deposit Rate	2.10%	7.6%	-5.5%	Hike	Feb-23
Norway	Deposit Rate	2.75%	6.3%	-3.6%	Hike	Dec-22
Malaysia	Policy Rate	2.75%	3.7%	-1.0%	Hike	Nov-22
Eurozone	Deposit Rate	3.00%	8.5%	-5.5%	Hike	Mar-23
Sweden	Repo Rate	3.00%	11.7%	-8.7%	Hike	Feb-23
South Korea	Repo Rate	3.50%	4.8%	-1.3%	Hike	Jan-23
Australia	Cash Rate	3.60%	7.4%	-3.8%	Hike	Mar-23
China	Loan Prime Rate	3.65%	1.0%	2.7%	Cut	Aug-22
UK	Bank Rate	4.00%	10.1%	-6.1%	Hike	Feb-23
Canada	Overnight	4.50%	5.9%	-1.4%	Hike	Jan-23
US	Fed Funds	4.63%	6.0%	-1.4%	Hike	Feb-23
New Zealand	Cash Rate	4.75%	7.2%	-2.5%	Hike	Feb-23
Hong Kong	Base Rate	5.00%	2.4%	2.6%	Hike	Feb-23
Saudi Arabia	Repo Rate	5.25%	3.0%	2.3%	Hike	Feb-23
Indonesia	Repo Rate	5.75%	5.5%	0.3%	Hike	Jan-23
Philippines	Key Policy Rate	6.00%	8.6%	-2.6%	Hike	Feb-23
India	Repo Rate	6.50%	6.4%	0.1%	Hike	Feb-23
Poland	Repo Rate	6.75%	18.4%	-11.7%	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	16.7%	-9.7%	Hike	Jun-22
South Africa	Repo Rate	7.25%	6.9%	0.3%	Hike	Jan-23
Russia	Key Policy Rate	7.50%	11.0%	-3.5%	Cut	Sep-22
Peru	Policy Rate	7.75%	8.7%	-0.9%	Hike	Jan-23
Turkey	Repo Rate	8.50%	55.2%	-46.7%	Cut	Feb-23
Mexico	Overnight Rate	11.00%	7.6%	3.4%	Hike	Feb-23
Chile	Base Rate	11.25%	11.9%	-0.6%	Hike	Oct-22
Colombia	Repo Rate	12.75%	13.3%	-0.5%	Hike	Jan-23
Brazil	Target Rate	13.75%	5.6%	8.2%	Hike	Aug-22
Argentina	Benchmark Rate	75.00%	102.5%	-27.5%	Hike	Sep-22

CREATIVE PLANNING

@CharlieBilello

Data as of 3/16/23



Source: Charlie Bilello

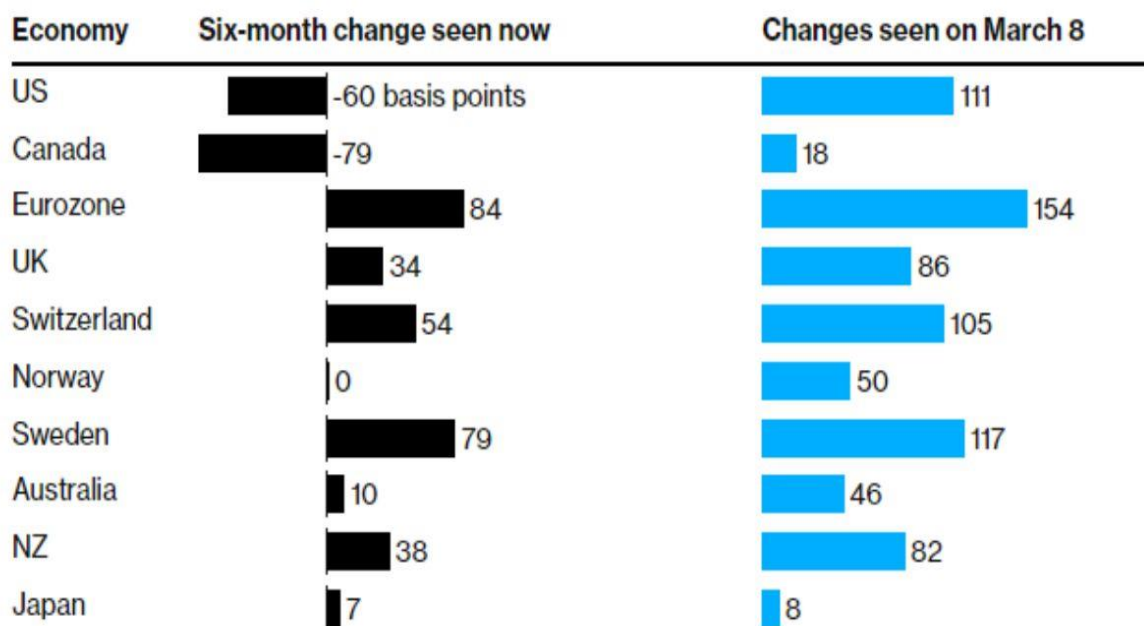
#centralbanks

#global #rates #expectations

Traders are now thinking that central banks around the world will take a more flexible approach to rate hikes in the future

Central Banks Seen Taking a Softer Approach

SVB crisis spurs traders to bet on some rate cuts within six months



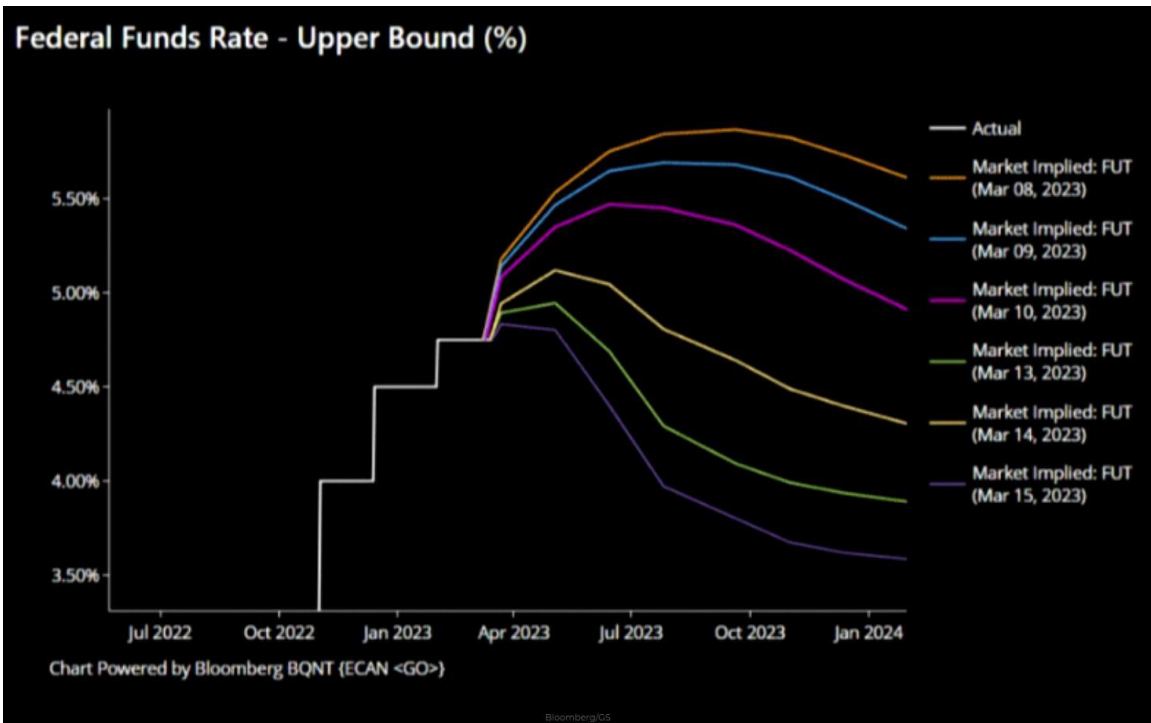
Source: Bloomberg

Source: Bloomberg

#centralbanks

#fed-funds-rates

A Week in Fed Funds



Source: GS, TME

#centralbanks

#fed #expectations

The terminal rate now appears to be in May (just one rate-hike) and by year-end, rates are expected to be 76bps lower (i.e. more than 4x25bps rate-cuts after May).

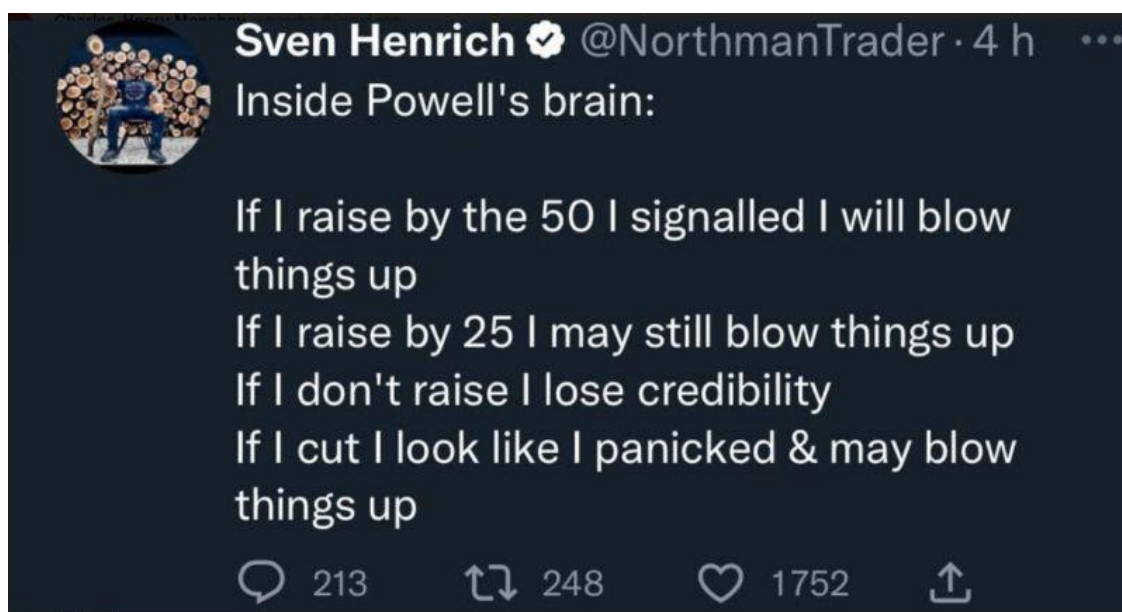


Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #equation

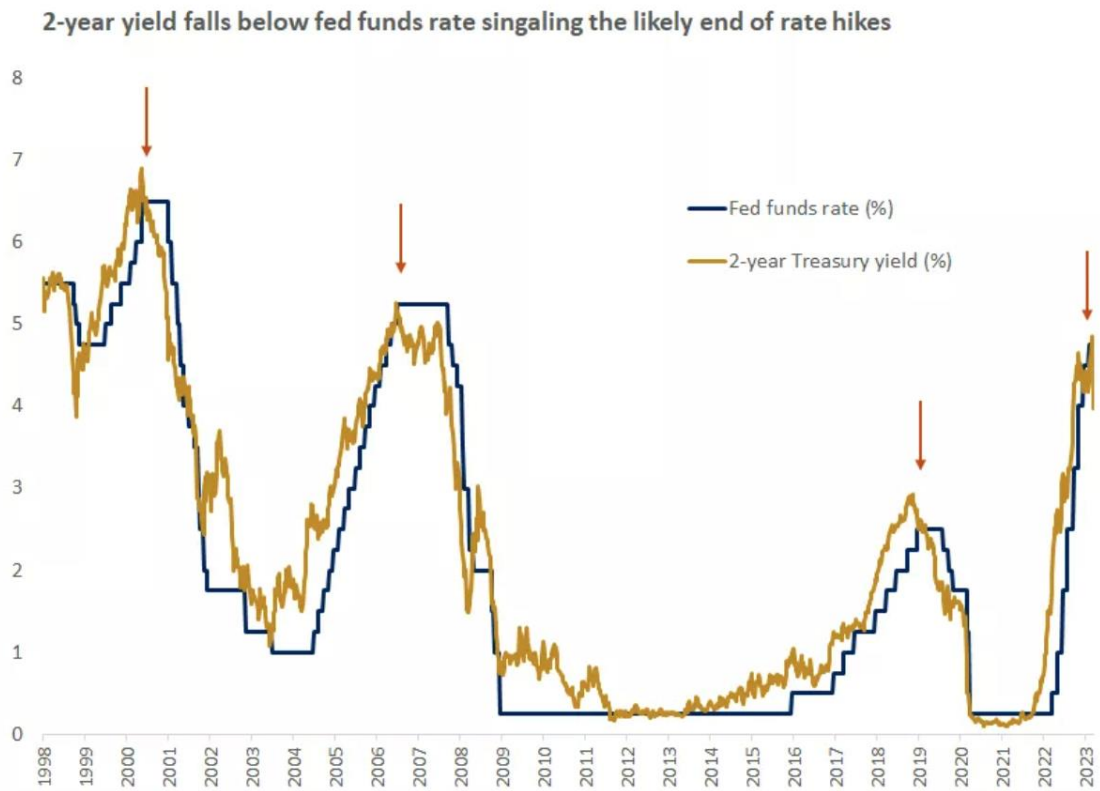
Tough times for the Fed and Powell.



#centralbanks

#fed-pause #2y

The graphs shows that, in the past 30 years, whenever the 2-year yield fell below the fed funds rate it has signaled the end of Fed hiking.



Source: Edward Jones

#centralbanks

#fed #last-rate-hike #stocks #performance

“Sell the last Fed hike” = correct strategy. DJIA returns post last Fed rate hike

Date of last Fed hike	Fed Funds %	Dow Jones return post-hike	
		3-mo	6-mo
5/1/1974	13.0%	(10.3%)	(22.8%)
3/3/1980	20.0%	(0.4%)	9.2%
5/8/1981	20.0%	(2.4%)	(12.0%)
1/4/1982	15.0%	(5.0%)	(9.7%)
8/21/1984	11.75%	(4.4%)	3.4%
Average return - inflationary period		(4.5%)	(6.4%)
2/24/1989	9.75%	10.6%	21.8%
2/1/1995	6.0%	12.5%	22.2%
5/16/2000	6.5%	2.2%	(3.8%)
6/29/2006	5.25%	4.5%	11.8%
12/19/2018	2.375%	11.0%	13.5%
Average return - disinflationary period		8.1%	13.1%

Source: TME

#centralbanks

#us #financial-conditions

Regardless if the Fed will hike or not things have changed 

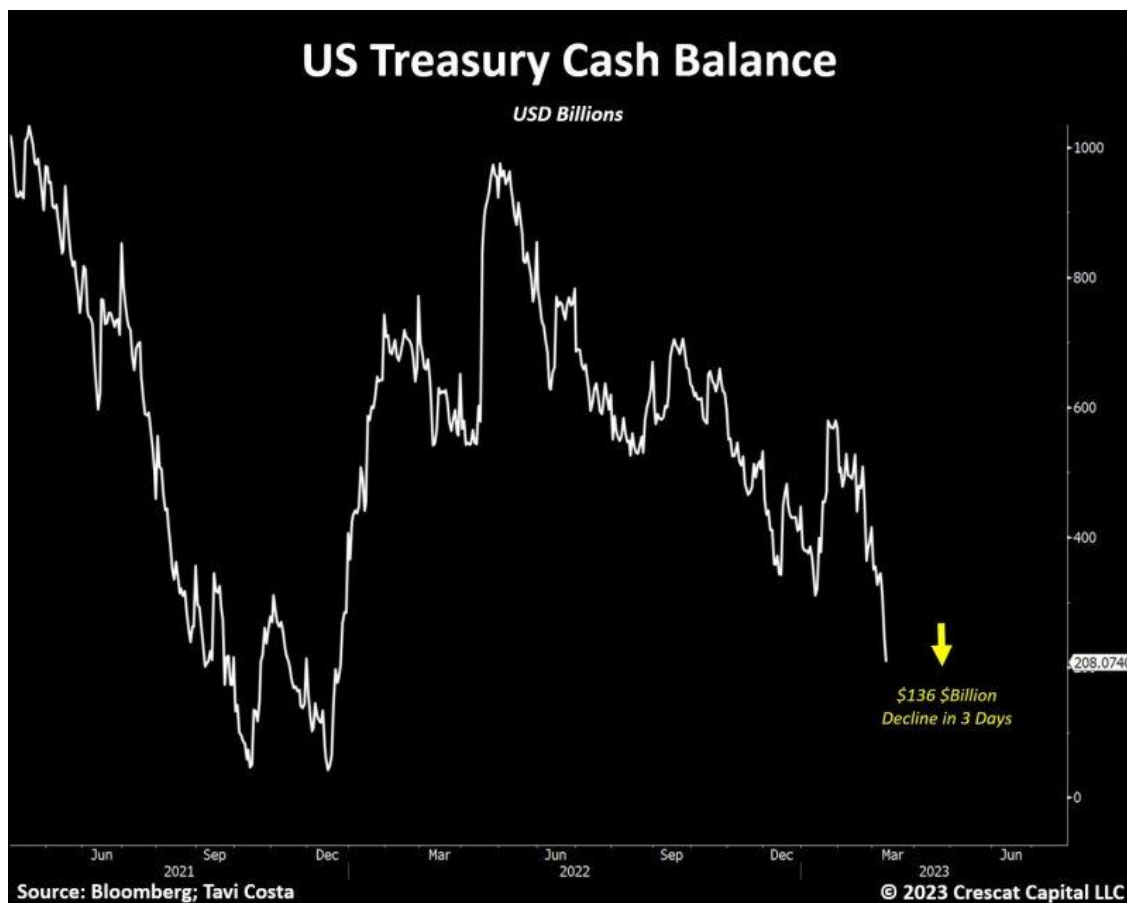


Source: Michel A.Arouet, Bloomberg

#centralbanks

#us #treasury #liquidity

Recent developments caused the US Treasury cash balance to be drawn by over \$135B just in the last 3 days. This is the largest 3-day decline in 1.5 yrs. The government cash balance is running low. The Fed might need to step in soon.



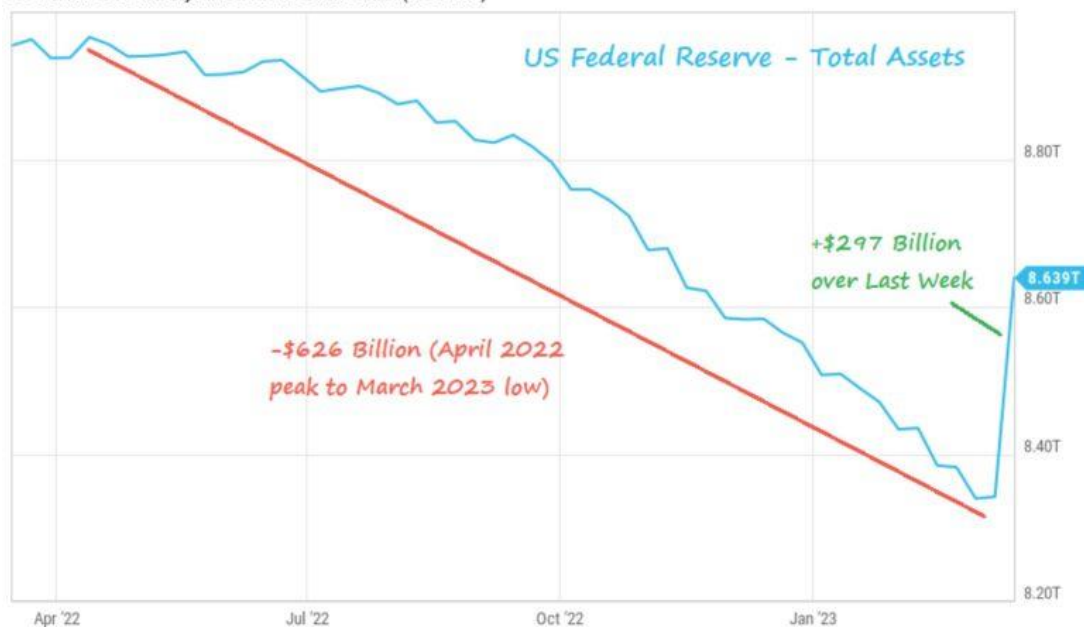
Source: Crescat Capital, Tavi Costa, Bloomberg

#centralbanks

#fed #balance-sheet

The "Fed Put" might be back as assets held on their balance sheet by all Federal Reserve banks increasing \$297 billion over the last week, the largest spike higher since March 2020. Thus nearly half of the Quantitative Tightening (QT) since last April was undone in a single week. Financial institutions took billions in short-term loans from Fed as the industry copes with a serious crisis of confidence and liquidity. Banks borrowed \$11.9bn from the new BTFP.

US Total Assets Held by All Federal Reserve Banks (I:USFRTA)



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Mar 16 2023, 5:19PM EDT. Powered by YCHARTS

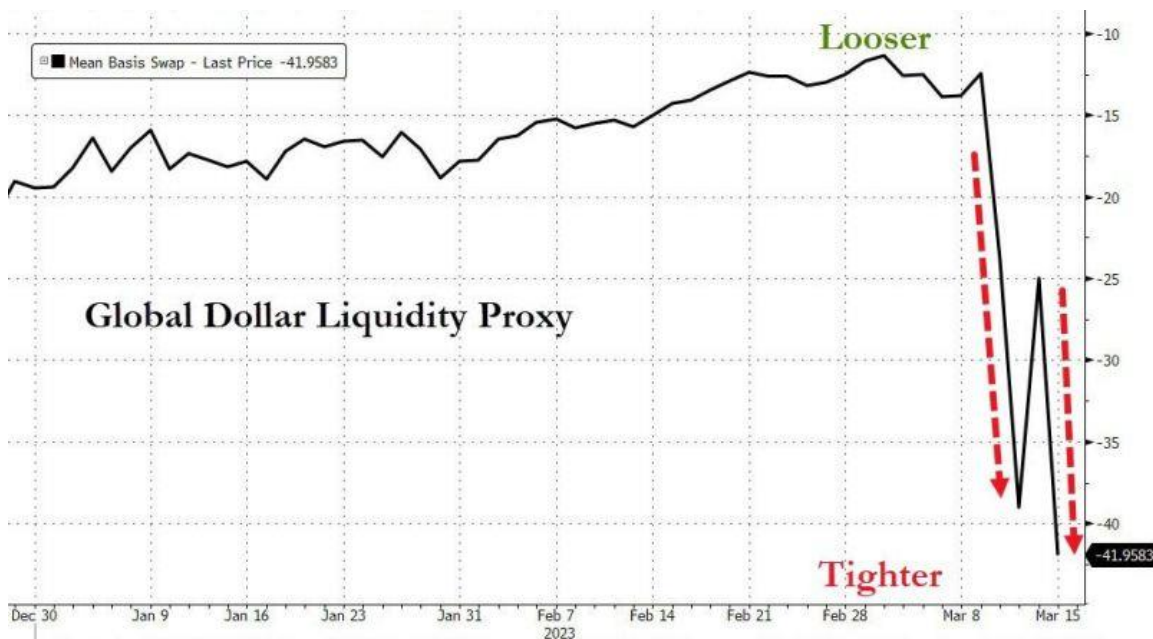
Source: Charlie Bilello



#centralbanks

#global #liquidity

Systemic risk indicators are flashing red as a global dollar liquidity proxy crashed further yesterday as demand for dollars abroad is soaring...



Source: Source: Bloomberg, www.zerohedge.com

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#centralbanks

#ecb #decision

ECB's Lagarde: 3-4 members didn't support ECB decision. ECB decision was supported by 'very large majority.'



Source: Bloomberg, HolgerZ

#centralbanks

#ecb #decision

German 2y yields drop following ECB rate hike by 50bps, meaning markets expect that an ECB pivot is near.

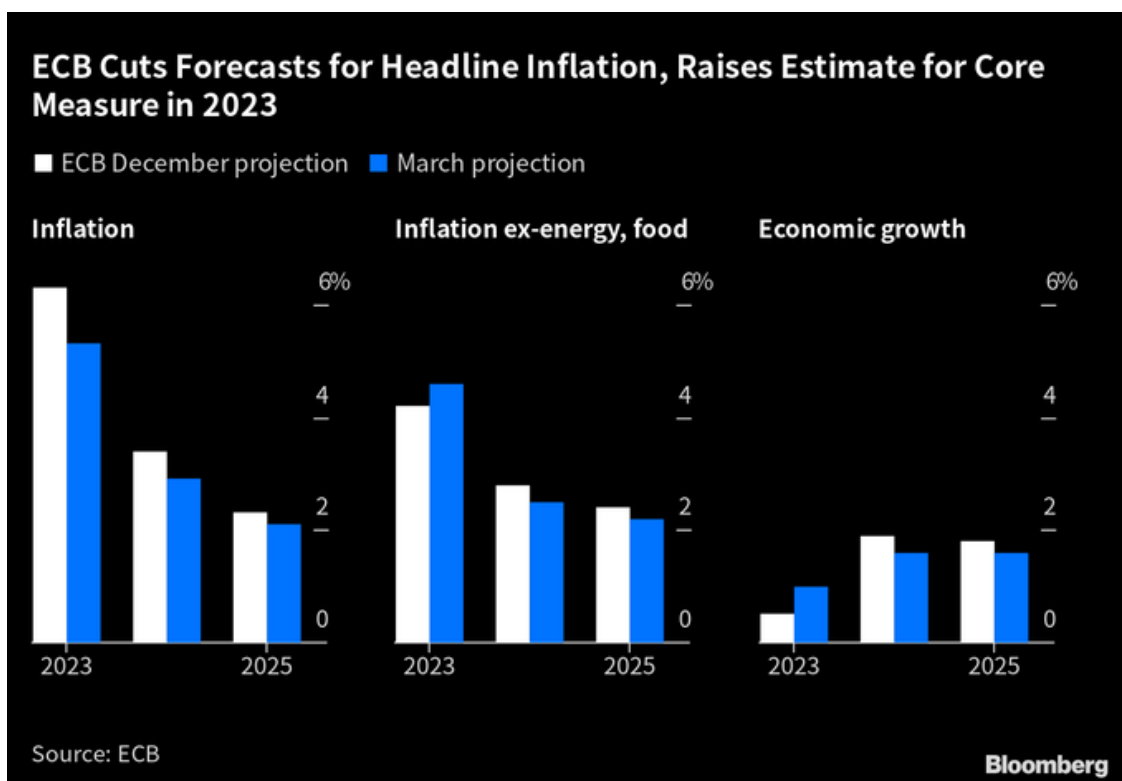


Source: Bloomberg, HolgerZ

#centralbanks

#ecb #inflation #forecasts

Fresh ECB forecasts look a tad more Goldi-lockish! #ECB cuts projections for headline inflation BUT raises estimates for Core CPI in 2023. BUT forecasts were finalized in early March, that is, before the global banking crisis.

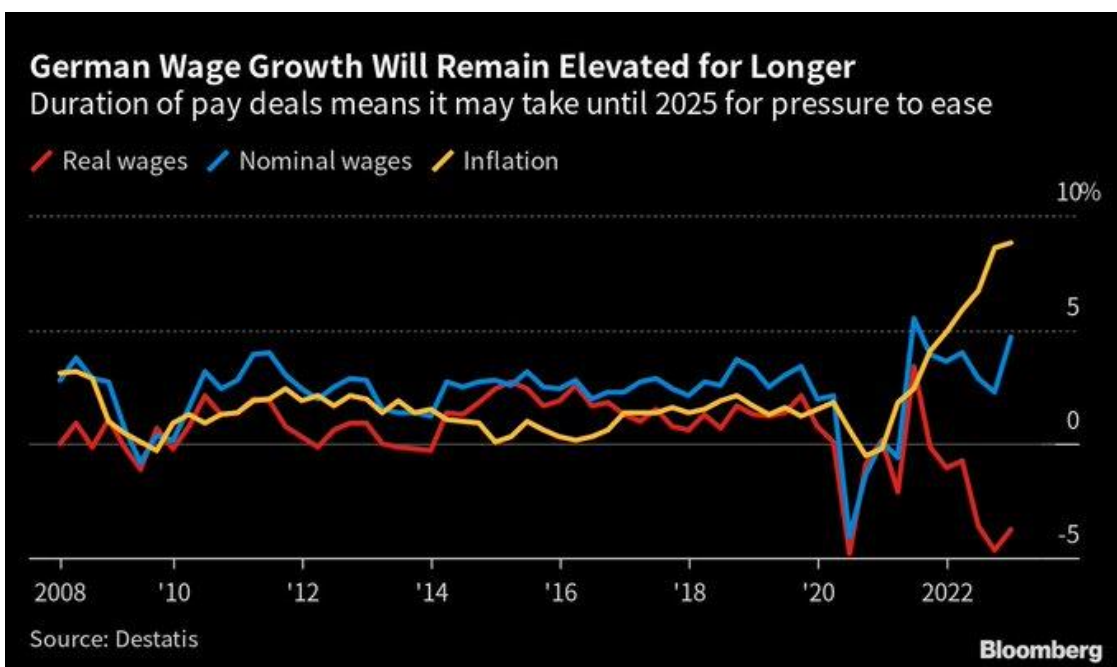


Source: Bloomberg, www.zerohedge.com

#centralbanks

#ecb #wages-inflation

ECB's Lagarde on wage rises: Hope for proper burden sharing of cost-push "tax." Burden sharing would reduce risk of second-round effects.

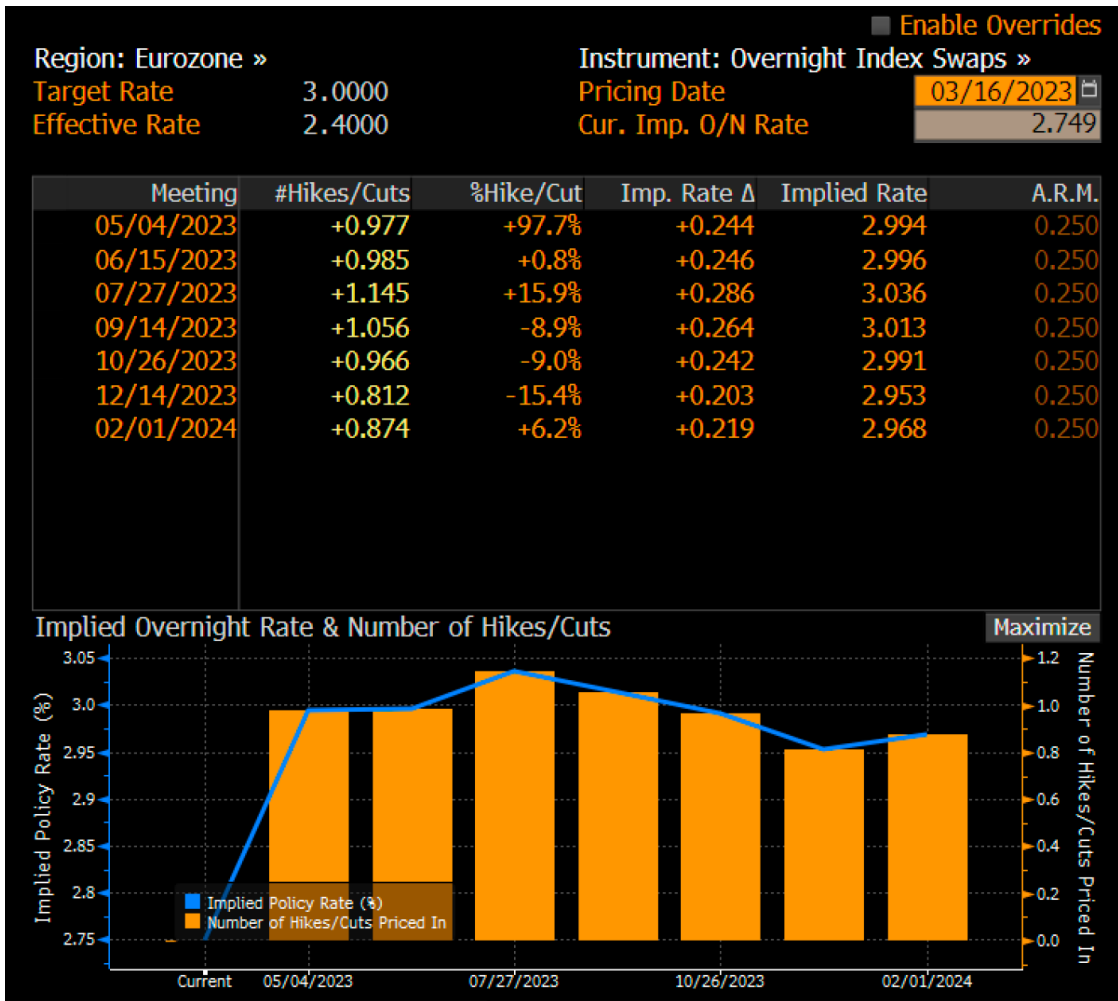


Source: Bloomberg, HolgerZ

#centralbanks

#ecb #terminal-rate #expectations

ECB refrains from signaling future rate moves in statement. The markets are now pricing the terminal rate at 3%.

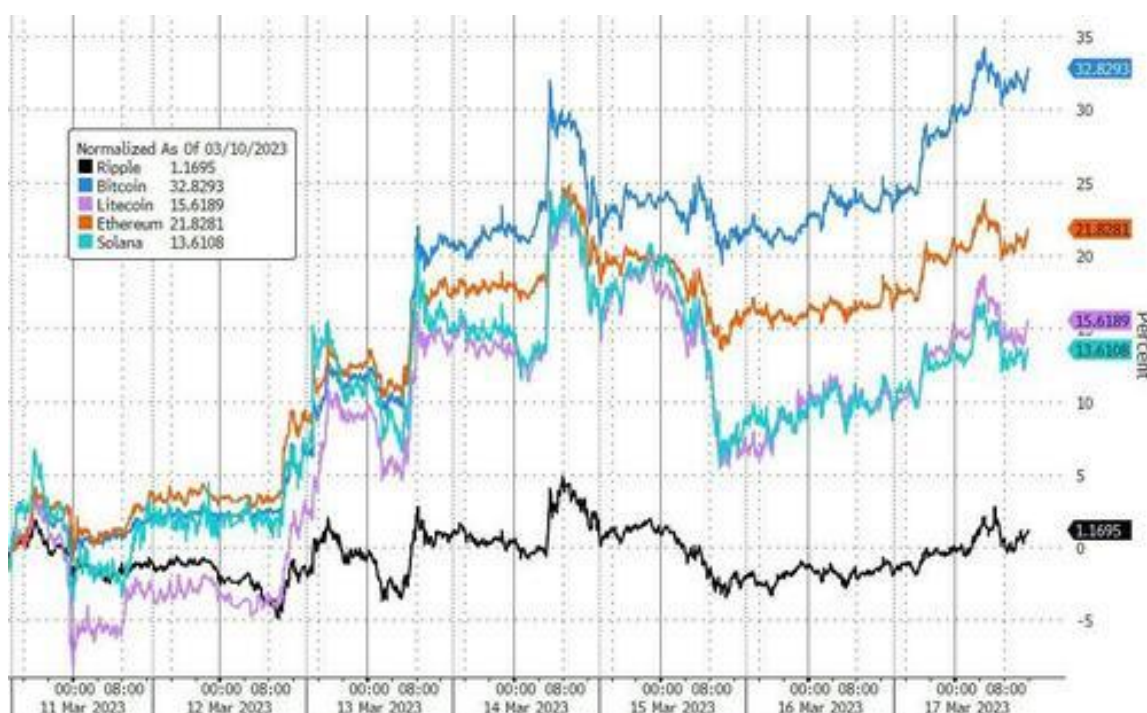


Source: Bloomberg, HolgerZ



#cryptocurrencies #weekly

Crypto had a big week as QE is back on the table with Bitcoin dramatically outperforming...

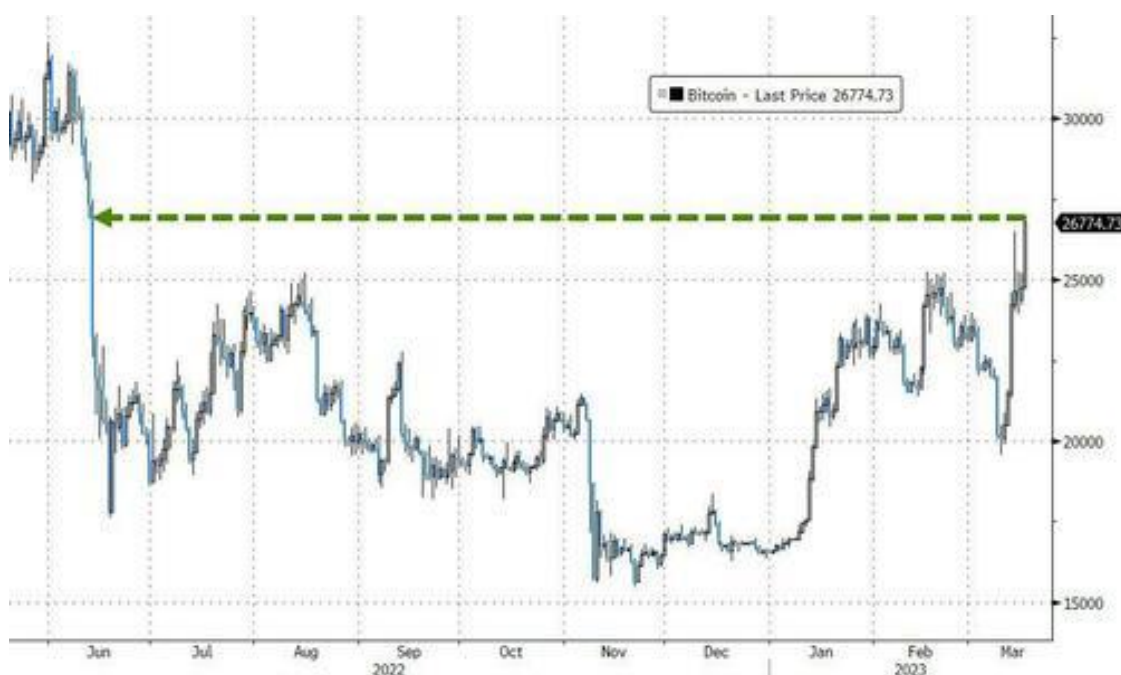


Source: www.zerohedge.com, Bloomberg



#bitcoin #weekly

Bitcoin topped \$27,000 today for the first time since June 2022...



Source: www.zerohedge.com, Bloomberg



#bitcoin #ethereum #technicals

If the BTFP is a "stealth QE", then the cryptocurrency bear market could indeed be behind us. Technicals have been improving for bitcoin and ethereum as former resistance has turned into support.



Source: J-C Parets

#cryptos

#native #cryptos

Binance Converts \$1B BUSD to Bitcoin, Ethereum, BNB. Binance CEO Changpeng Zhao (CZ) has confirmed that the exchange has converted the remaining \$1 billion in its industry recovery fund to native crypto assets — including Bitcoin, Ethereum, and BNB.



CZ  **Binance**  
@cz_binance



Given the changes in stable coins and banks, [#Binance](#)  will convert the remaining of the \$1 billion Industry Recovery Initiative funds from BUSD to native crypto, including [#BTC](#) , [#BNB](#)  and ETH. Some fund movements will occur on-chain. Transparency.

[Traduire le Tweet](#)

5:12 AM · 13 mars 2023 · **5 M** vues

Source: Twitter

#cryptos

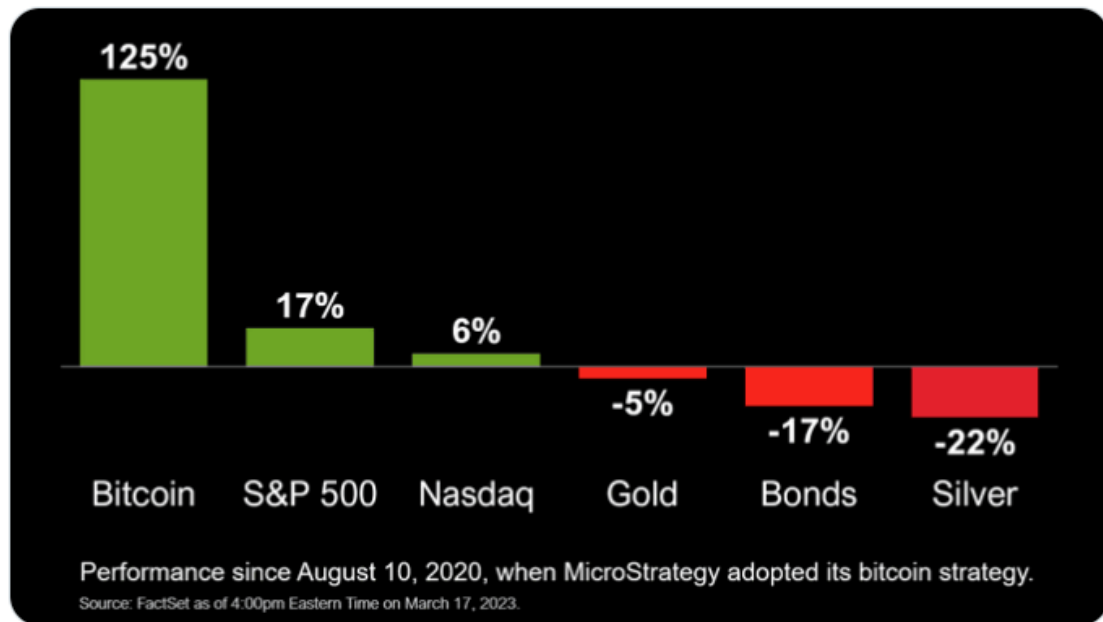
#bitcoin #performance #microstrategy



Michael Saylor ⚡ ✓
@saylor



The numbers speak for themselves. #Bitcoin ₿



9:42 PM · Mar 17, 2023 · 124.8K Views

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

18 MARCH 2023

#cryptos




#tether

This is embarrassing... Tether > dollar

Cryptocurrency Prices by Market Cap Show Stats

The global cryptocurrency market cap today is \$1.18 Trillion, a 4.5%↑ change in the last 24 hours. [Read More](#)

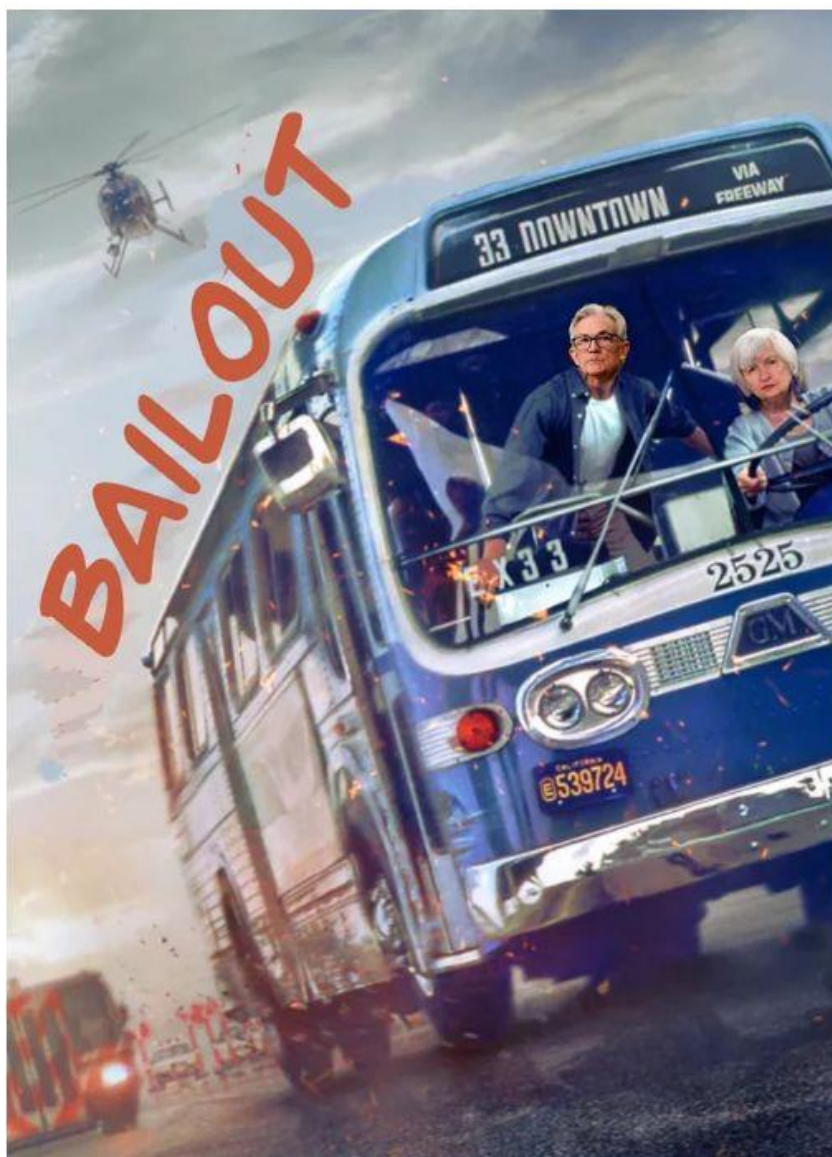
All Categories

#	Coin	Price	1h
☆ 1	 Bitcoin BTC	\$26,878.53	-0.2%
☆ 2	 Ethereum ETH Buy	\$1,749.33	-0.1%
☆ 3	 Tether USDT	\$1.01	-0.0%

#food-for-thought

#bailout #humor

On the road again...



#food-for-thought

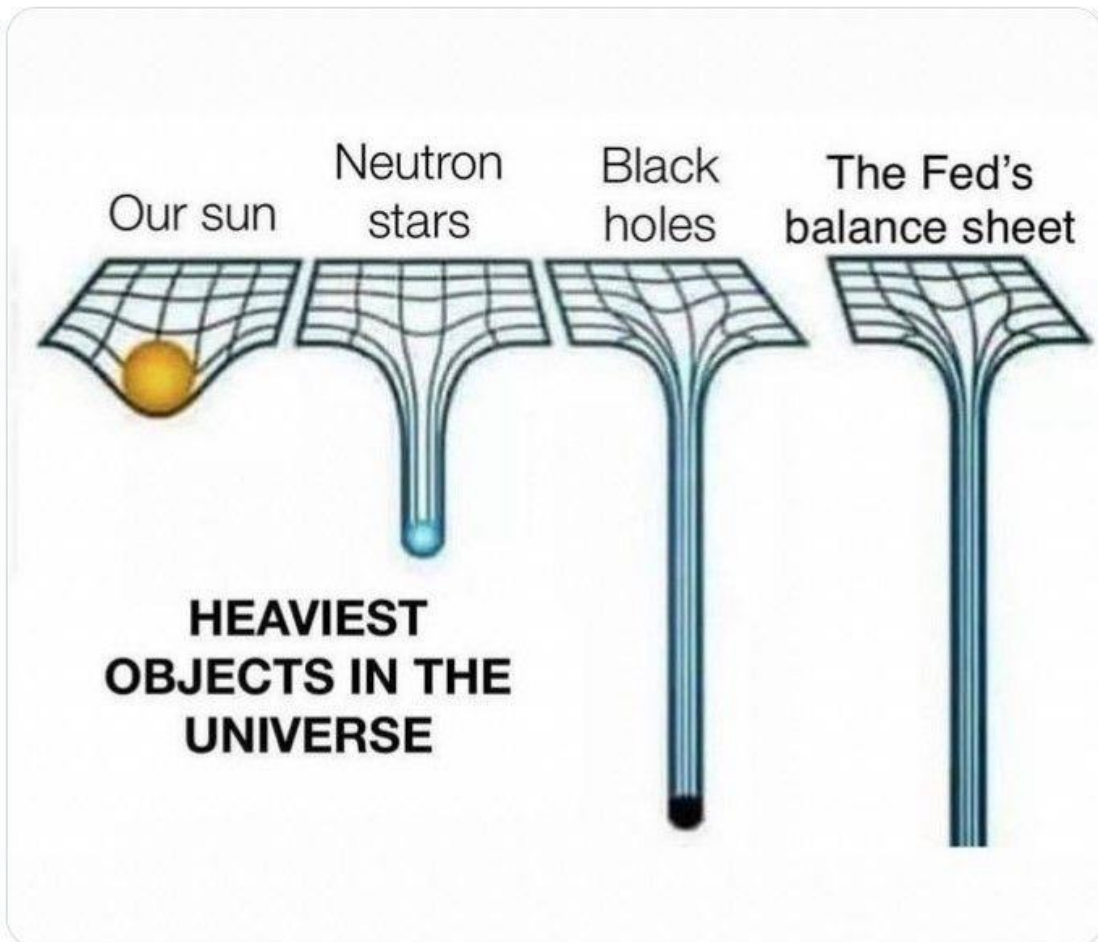
#fed #balance-sheet



Compounding Quality
@QCompounding

...

The heaviest objects in the universe:



#food-for-thought

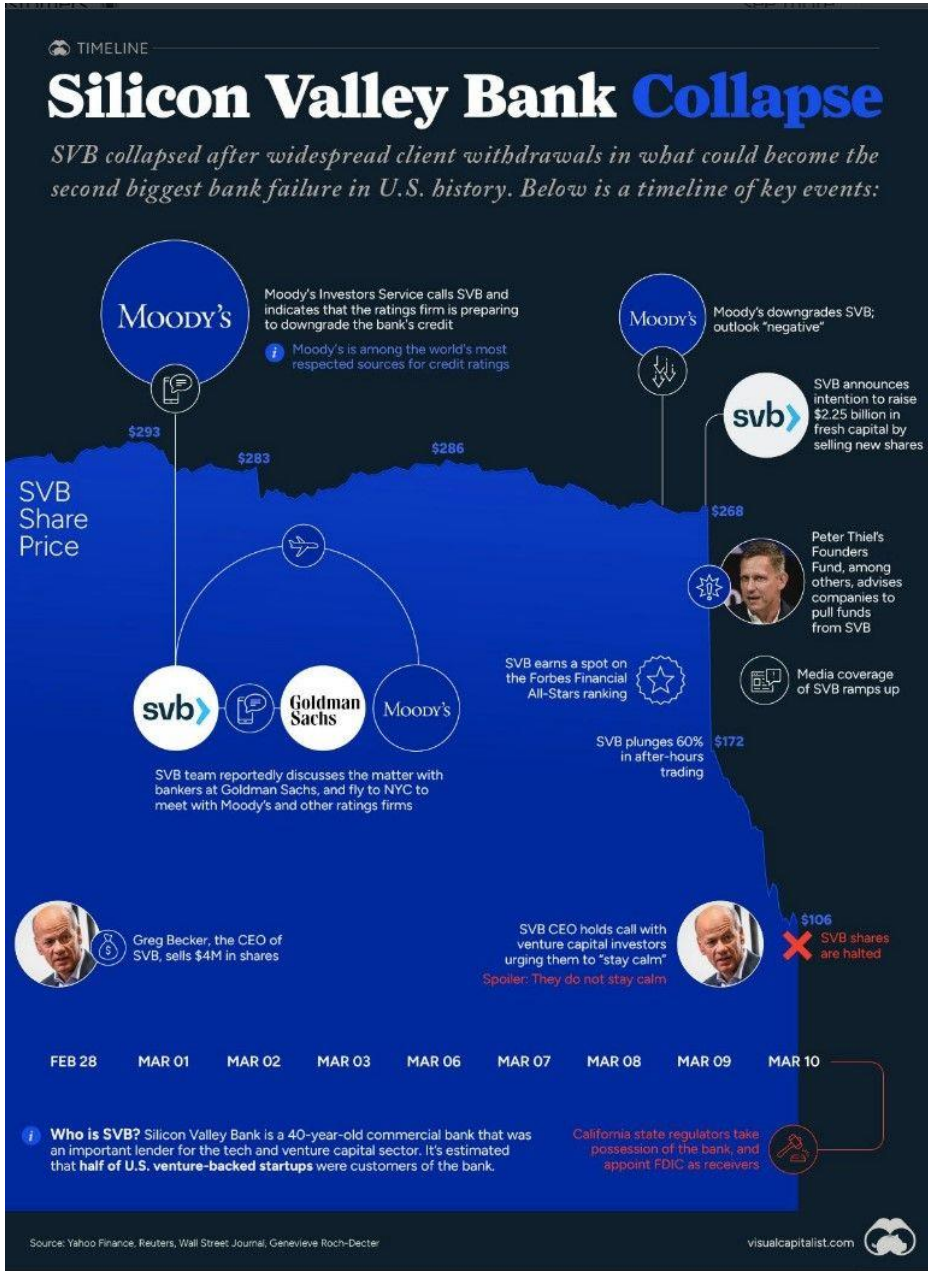
#mainstreet #wallstreet

Main Street vs Wall Street...



#food-for-thought

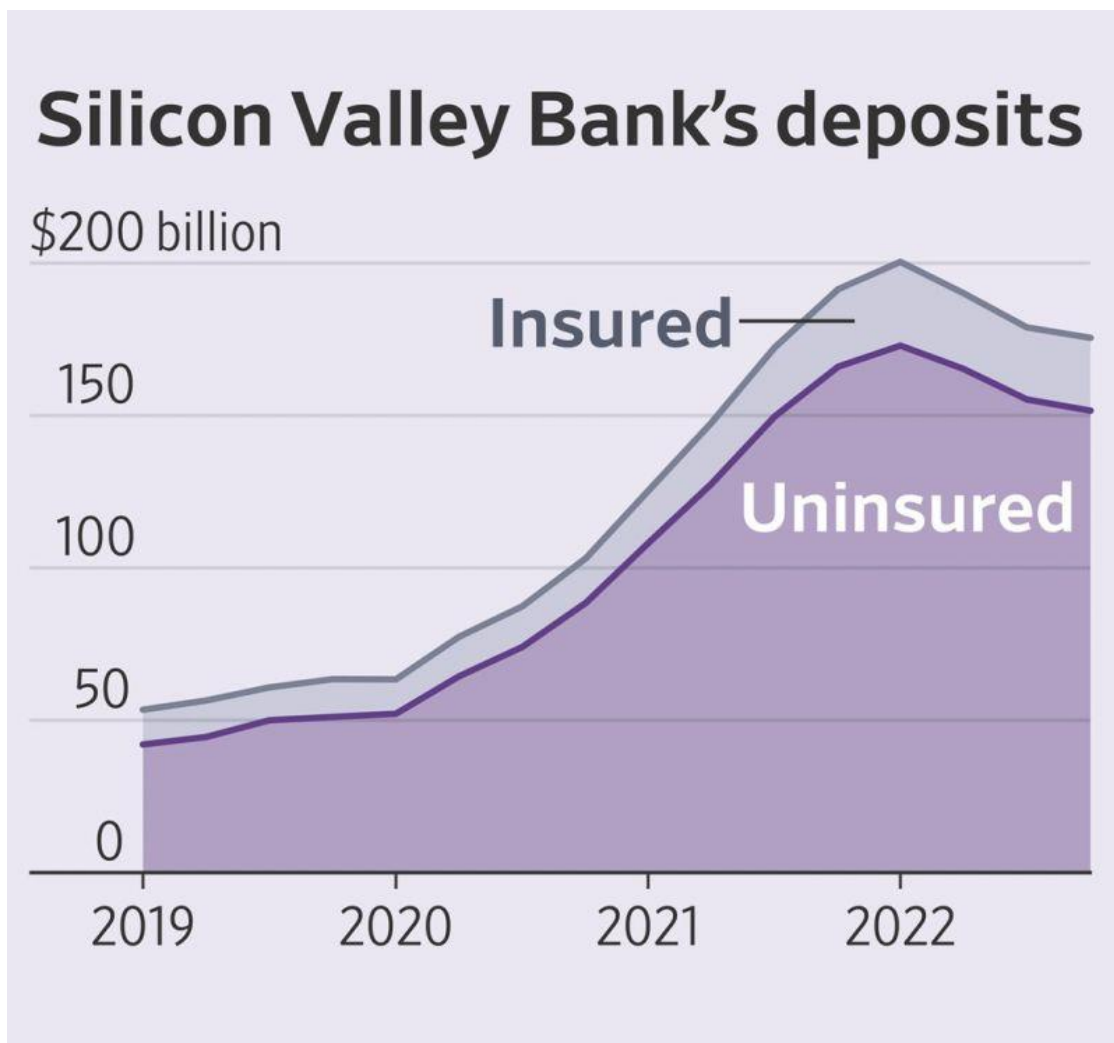
#svb



#food-for-thought

#svb

Federal authorities are considering safeguarding all uninsured deposits at Silicon Valley Bank, the Washington Post reported, citing three people with knowledge of the matter.



Source: Source: Bloomberg, HolgerZ

#food-for-thought

#banks #2008

Last time US government stepped in didn't end that well. This doesn't look like 2008 but we still need to be careful with markets over-reaction...

The New York Times

Stocks Soar 11 Percent on Aid to Banks

 Give this article  

By Michael M. Grynbaum
Oct. 13, 2008

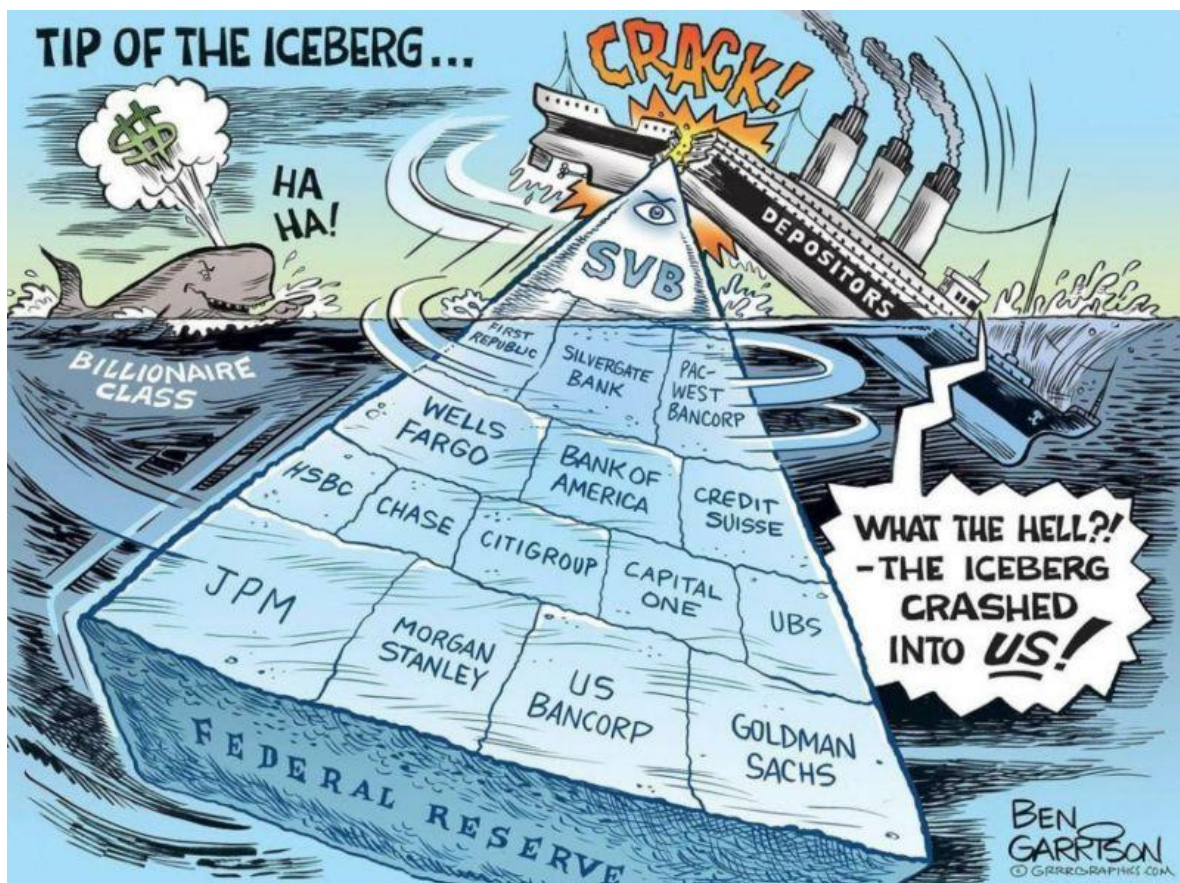
On Monday, for the first time this October, the Dow Jones industrial average ended the day higher than it began. Nine hundred and thirty-six points higher, to be exact, making for the biggest single-day percentage gain in 75 years.

The surge came as governments and central banks around the world mounted an aggressive, coordinated campaign to unlock the global flow of credit, an effort that investors said they had been waiting for.

Some experts greeted the rally as a turning point in the slow-motion crash that has erased five years worth of value from the stock market in the last few weeks. When Monday began, shares of some blue-chip companies were at their cheapest levels in years.

#food-for-thought

#cracks



Source: Ben Garrison

#food-for-thought

#principal #risk

Week-end humour...



Sarthak Agarwal

@sarthak_1977

I'm 22 and losing interest in everything. What should I do?

9:30 PM · 23/05/22 · [Twitter for Android](#)

190 Retweets **111** Quote Tweets **3,583** Likes



Ritesh Banglani

@banglani

Count yourself lucky. Some of us here are losing the principal too.

#food-for-thought

#stock-market #anniversary

March 16th, was the 3rd Anniversary worst Dow point loss ever! The Vix closed above 82 that day !



Source: Jaywood

#food-for-thought

#ai #predictions

March 15th.... the Day Chat GPT predicted the stock market will crash

The screenshot shows a news article from Market Insider. The header includes a menu icon, the word 'INSIDER', the 'MARKETS INSIDER' logo, a search bar, and a 'My Watchlist' button. The main headline reads 'Stock Market Crash Alert: ChatGPT Says Stocks Will Tank on March 15'. Below the headline, the source is identified as 'InvestorPlace' with a timestamp of 'Feb. 17, 2023, 01:50 PM'. A 'SHARE' button is visible. The article text states: 'While **OpenAI's** ChatGPT doesn't exactly have a perfect track record of projecting **stock market crashes**, that clearly hasn't stopped it from doing just that. Indeed, the heralded artificial intelligence (AI) tool has come out with yet another bold claim: The U.S. stock market will crash on March 15.' To the right, there is a 'Start Trading >>' button and a 'Translated' section for 'Une Entreprise Primée' with a 'Devis' button. Below this is a 'Your Market View' table with columns for NAME, PRICE, +/-, %, and DATE. The table contains one entry for 'TSLA' with a red triangle icon.

Source: Market Insider

#food-for-thought

#financial-crisis



Cassandra B.C.

@michaeljburry

2000, 2008, 2023, it is always the same. People full of hubris and greed take stupid risks, and fail. Money is then printed. Because it works so well.

7:30 PM · 12 Mar 23 · **427K** Views


Source: Twitter

#food-for-thought

#bear-markets

Bear markets happen more often than many realize, and most people will have to navigate multiple severe downturns during their investing years.

S&P 500 Bear Markets	% of Time (since 1928)	Happens Every __ On Average
-20%	24%	4.1 Years
-25%	16%	6.3 Years
-30%	12%	8.6 Years
-40%	7%	14 Years
-50%	5%	19 Years
-80%	1%	95 Years

 @PeterMallouk

Source: Peter Mallouk, Charlie Bilello

#food-for-thought

#long-term #investing

They have been many crisis over the last decades but over the long run, it paid out to stay invested.

 **Peter Mallouk**  @PeterMallouk · Mar 9
Always something, yet the market finds a way...

1940s **World War II**

1960s/1970s **Vietnam War**

1970/1980s **Hyperinflation**

1970s/1980s **Commodity Crisis**

1980s **Real Estate and Banking Collapse**

1980s **Emerging Markets Crisis**

1987 **Flash Crash**

1990s **Asian Contagion Crisis**

2000 **Tech Bubble Bursts**

2001 **9/11 Attack and Subsequent Afghanistan and Iraq Wars**

2008/2009 **Global Financial Crisis**

2020s **Coronavirus Pandemic, High Inflation**

S&P 500 Annualized Total Return, 1940-2022: +10.9%


 CREATIVE PLANNING® @PeterMallouk

#food-for-thought

#long-term-investing

xMany investors buy into funds after exceptional performance only to abandon those same funds after the inevitable decline. Result: investor returns tend to trail fund returns by a sizable margin, known as the “behavior gap.”

10-Year Annualized Returns (Investor vs. Fund) as of 12/31/21			
U.S. Category Group	Investor Return (%)	Fund Total Return (%)	Behavior Gap
Sector Equity	9.59%	13.84%	-4.25%
Nontraditional Equity	2.32%	5.19%	-2.87%
International Equity	7.18%	8.93%	-1.75%
Municipal Bond	2.33%	3.54%	-1.21%
U.S. Equity	14.67%	15.83%	-1.17%
Taxable Bond	2.41%	3.58%	-1.17%
Alternative	-0.52%	0.65%	-1.16%
Allocation	8.65%	9.43%	-0.77%
Overall	9.31%	11.04%	-1.73%

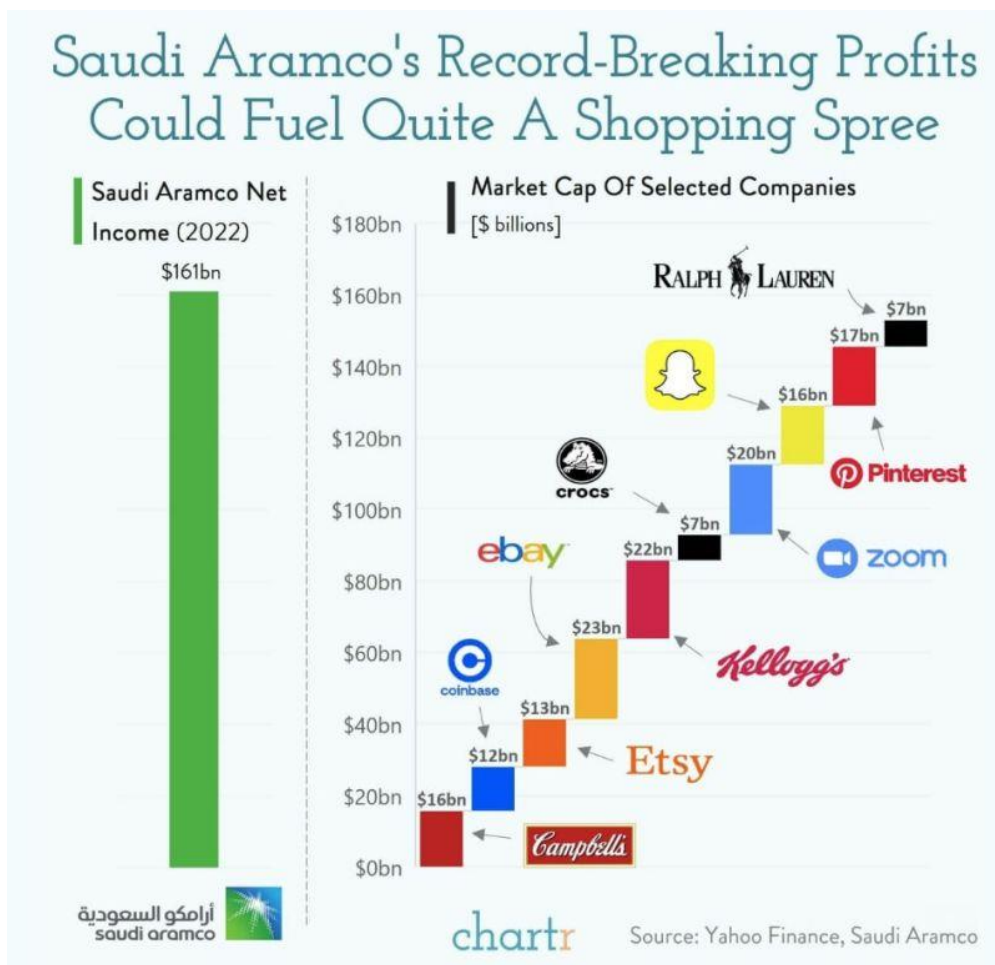
 @CharlieBilello Data: Morningstar

Source: Charlie Bilello

#food-for-thought

#aramco

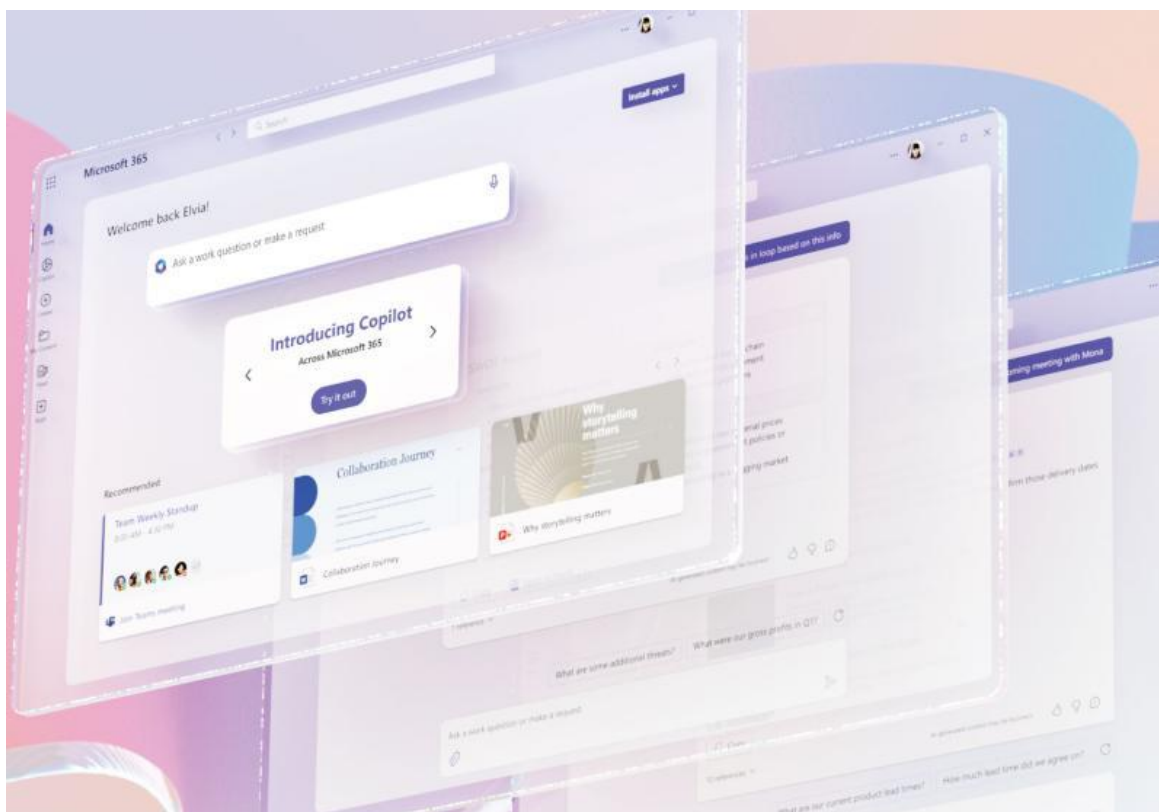
Saudi Aramco announced record profits of \$161bn for 2022, up 46% on the year prior. As highlighted by Chartr, 2022 Aramco profits are sufficient to (very theoretically) acquire ALL the following companies: Campbell's, Coinbase, Etsy, eBay, Kellogg's, Crocs, Zoom, Snap, Pinterest and Ralph Lauren...



#food-for-thought

#microsoft #chatgpt

Microsoft just unveiled Copilot for Office, adding #openAI #technology to Word and Excel. Microsoft said the new #ai features, dubbed Copilot, will be available in some of the company's most popular business apps like Word, PowerPoint and Excel. As a reminder, more than 1 billion people use Microsoft Office today...



Source: CNBC

#food-for-thought

#microsoft #artificial-intelligence



Linas Beliūnas 

@linas.beliunas

Microsoft is absolutely dominating in **AI**:

- Put \$1 billion in **OpenAI** (2019)
- Owns **GitHub** which has the world's first at-scale AI developer tool
- **Valle** which produces an **AI voice** from 3s of input
- **GPT-4** in **Excel, Word, PowerPoint, Outlook, and Teams** just redefined the future of work for 1.4 billion people
- **GPT-powered Bing** just crossed 100M daily active users
- Put **\$10B+ for 49% stake in OpenAI** + 75% profit. It's now the fastest-growing app in the history of the Internet.

Satya Nadella is the **Michael Jordan** of tech CEOs.

#food-for-thought

#elon-musk #town

Musk has reportedly been planning to develop a town for his employees to live in, which he plans to call Snailbrook (the name of the Boring Company mascot). The tech CEO allegedly has his eye on a portion of Bastrop County 35 miles outside Austin and has described the venture as a “Texas utopia” where his workers could live in newer houses for cheaper rents. The town is reportedly already under construction, with a Bastrop County site across from new Boring and SpaceX facilities already furnished with a set of modular homes, a pool, and a gym. County officials have approved street names in the area such as “Boring Boulevard,” “Cutterhead Crossing,” and “Waterjet Way.” Signs even hang from poles in the area with the line: “Welcome, snailbrook, tx, est. 2021.”



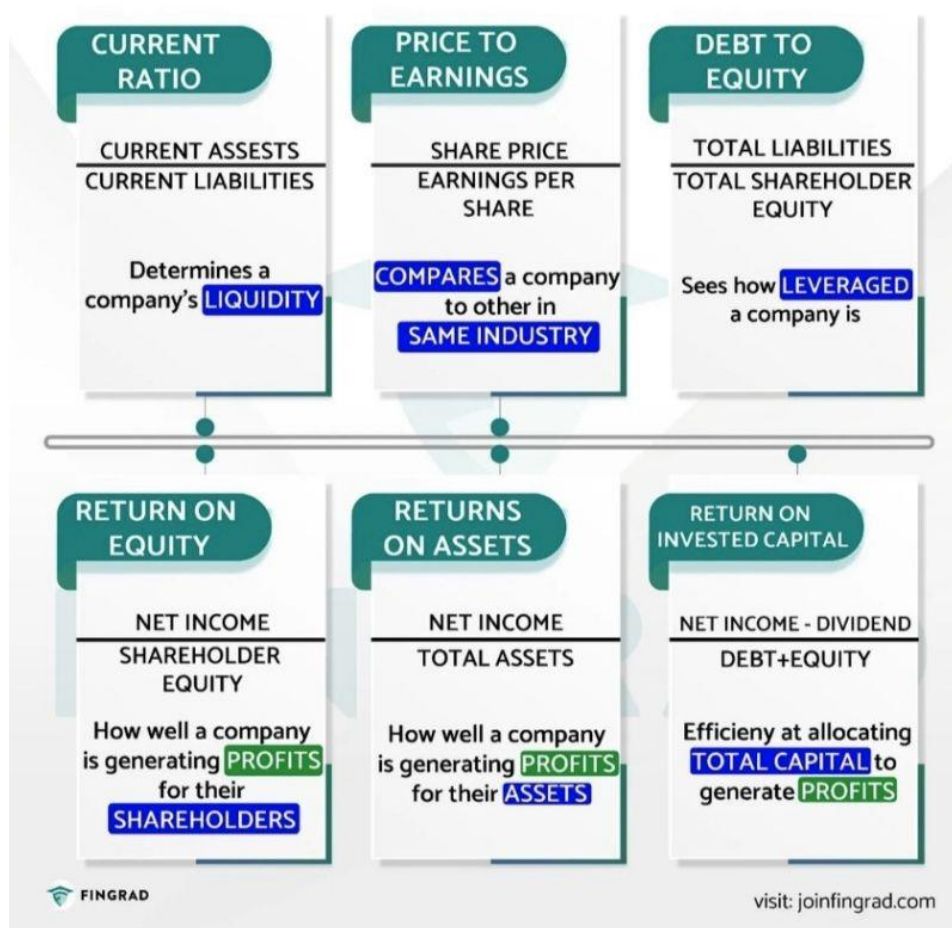
#food-for-thought

#financial-ratios

The Top 6 financial ratios everyone should know...

TOP SIX RATIOS

EVERY INVESTOR SHOULD KNOW



#food-for-thought

#success

12 KEYS to Success

@agrassoblog

<p>1  DREAM BIG</p>	<p>2  DO WHAT YOU LOVE</p>	<p>3  BE RESILIENT</p>
<p>4  DEVELOP YOUR UNIQUE SKILL SET</p>	<p>5  HAVE A CLEAR SENSE OF DIRECTION</p>	<p>6  REFUSE TO CONSIDER THE POSSIBILITY OF FAILURE</p>
<p>7  GET INTO A WORKAHOLIC MENTALITY</p>	<p>8  GET AROUND THE RIGHT PEOPLE</p>	<p>9  DEDICATE YOUR LIFE TO EXCELLENCE</p>
<p>10  DEVELOP COURAGE AND PERSISTENCE</p>	<p>11  BE PREPARED TO PIVOT</p>	<p>12  BE OPTIMISTIC</p>

data source: King_of_entrepreneur

Source: agrassablog

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

18 MARCH 2023

#food-for-thought

#hotels #inflation

Created by:  

Most expensive hotel rooms in the world

1.	Lover's Deep Submarine Hotel			\$150,000+
2.	Empathy Suite The Palms, Las Vegas			\$100,000
3.	Royal Penthouse Hotel President Wilson Geneva			\$80,000
4.	Mark Penthouse Mark Hotel, NYC			\$75,000
5.	Ty Warner Penthouse Four Seasons Hotel, NYC			\$60,000
6.	Penthouse Suite Hotel Martinez, Cannes			\$53,000
7.	Muraka Suite The Conrad, Rangali			\$50,000
8.	Hilltop Villa Laucalá Island			\$45,000
9.	Royal Suite The Plaza, NYC			\$40,000
10.	Royal Suite Burj Al-Arab, Dubai			\$28,000

Source: WealthyGorilla More charts: genuineimpact.substack.com

Source: Genuine Impact

#food-for-thought

#reading

Another Voice on the Value of Reading

“I read everything: annual reports, 10K’s, 10Q’s, biographies, histories, five newspapers a day. On airplanes, I read the instructions on the backs of the seats. Reading is key. Reading has made me rich over time.”

—Buffett

Source: Compounding Quality

#food-for-thought

#reading



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For the future...