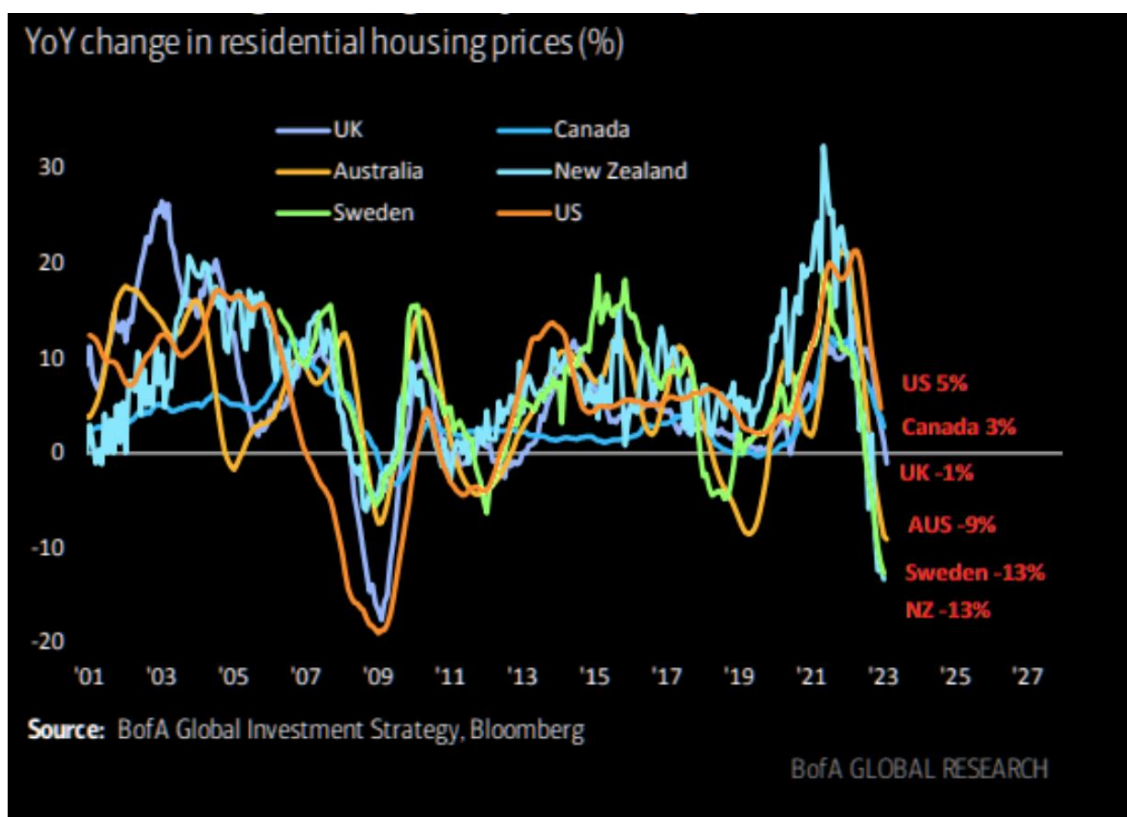


Chart of the week

HOUSING MARKETS GLOBALLY ARE CRACKING

The rise in mortgage rates is hitting US/UK/Canada/Aussie/NZ house prices anywhere between -13% to +5%. This is the segment of the economy where real estate/PE credit events could happen.



Source: BofA, The Market Ear

US stocks regain lost ground while US 10Y hit 4%

Main US equity benchmarks closed the week higher and regained some ground following their worst weekly decline in two months. Energy and materials shares outperformed. Economic reports were mixed. US durable goods orders posted their steepest decline since April 2020. The ISM Manufacturing PMI ticked higher in February for the 1st time since May (although it remained in contraction territory at 47.7) while services PMI fell slightly but less than consensus expectations and still indicated moderate expansion (55.1). The week's biggest data surprise was an 8.1% jump in pending home sales in January, marking the second month of gains. Hawkish Fed members' comments triggered a spike in US bond yields during the 1st part of the week as some Fed members opened the door to a 50 bps rate hike in March. But Atlanta Fed President Bostic appeared to help spark a modest rally on Thursday afternoon as he stated that he still supported only a quarter-point rate hike. The US 10-year pulled back from an intra-week high of 4.09% to end the week only slightly higher while credit spreads continued to compress. Shares in Europe rose as markets focused on signs of an improving economic outlook while ECB's Lagarde signaled a 50 bps rate hike in March. Chinese stocks rose for the 2nd week as strong economic data raised prospects for a better-than-expected recovery. The dollar dropped by 1% while Bitcoin broke down its 50-day moving average.

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#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,391	1.7%	0.7%
S&P 500 Index	4,046	1.9%	5.4%
NASDAQ	11,689	2.6%	11.7%
MSCI EAFE *	2,052	0.8%	5.8%
10-yr Treasury Yield	3.96%	0.0%	0.0%
Oil (\$/bbl)	\$79.79	4.5%	-0.6%
Bonds	\$97.08	-0.1%	-0.2%

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

Source: Edward Jones

#markets

#february #returns

Volatility \$VIX: +7%
Bitcoin \$BTC: +2%
Cash \$BIL: +0.4%
Nasdaq 100 \$QQQ: -0.3%
ARK Innovation \$ARKK: -1%
Small Caps \$IWM: -2%
S&P 500 \$SPY: -3%
Agg Bonds \$AGG: -3%
Crude Oil \$USO: -3%
Developed ex-US \$VEA: -3%
20+ yr Treasuries \$TLT: -5%
Gold \$GLD: -5%
EM \$VWO: -7%

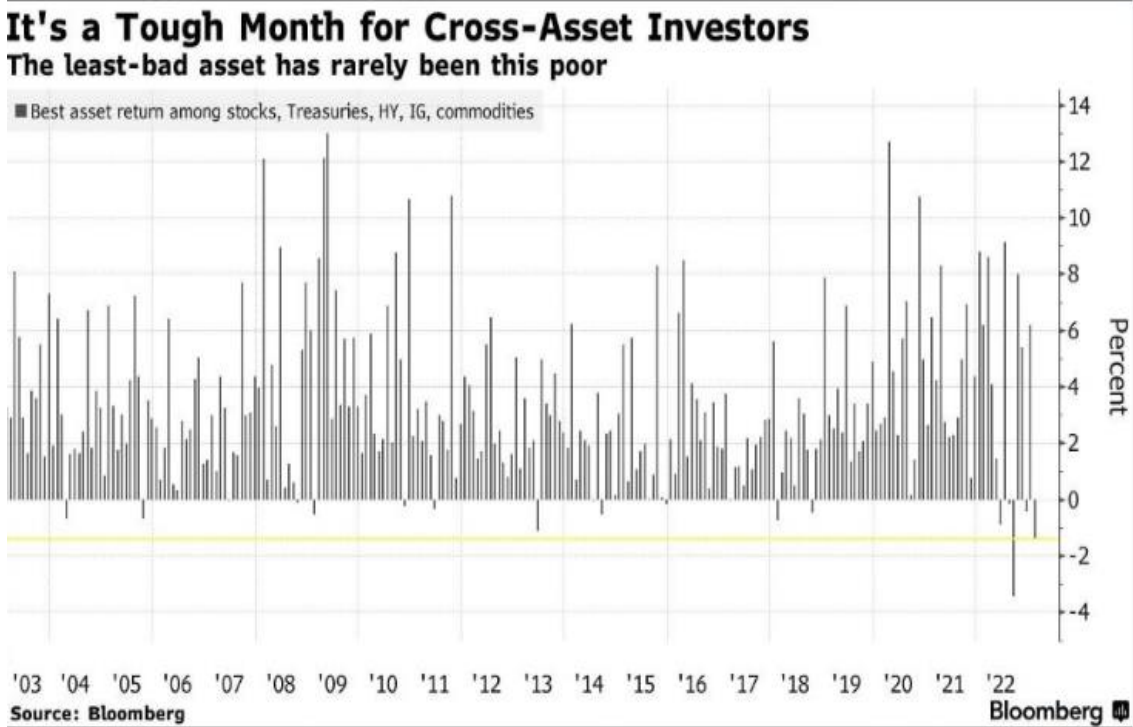
Source: Charlie Bilello



#february #cross-assets

Tough Month for Cross-Asset Investors

February was a tough month for all investors as the least-bad asset has only been worse one time over the last 2 decades

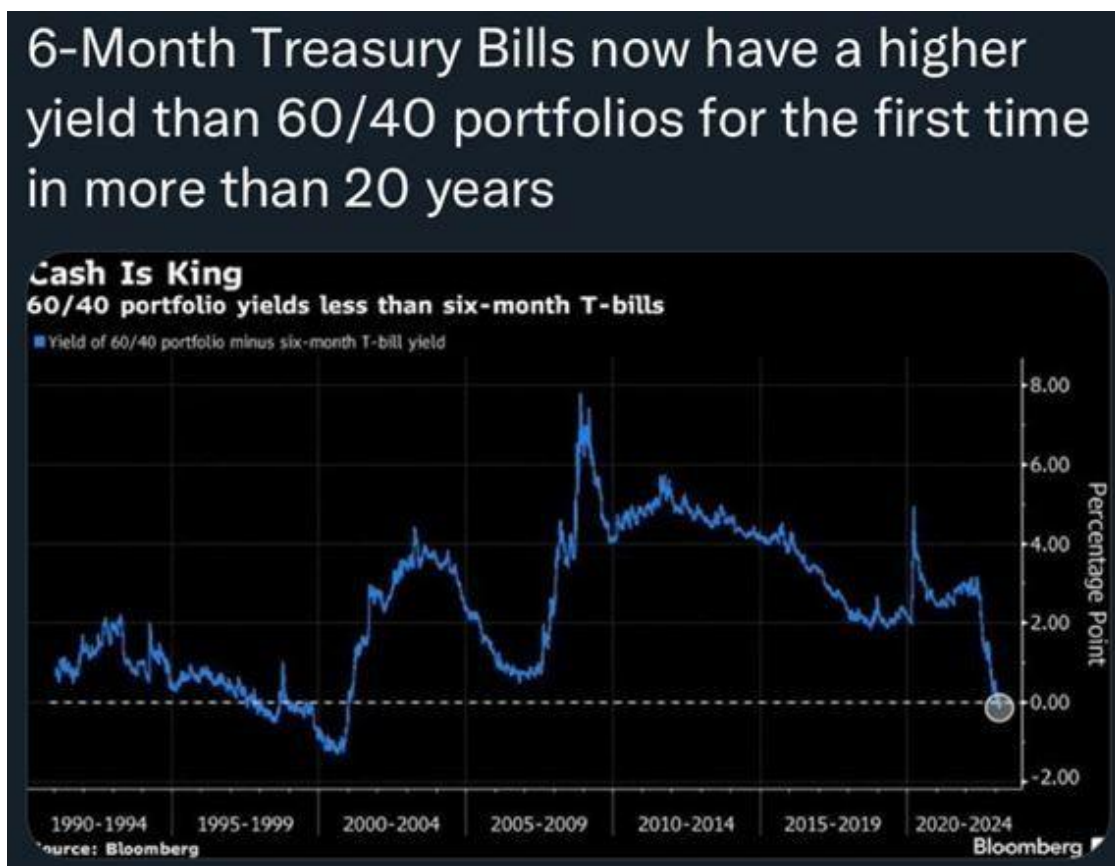


Source: Bloomberg



#cash-is-king

"There Is Alternative" might weigh on equities and bonds valuations

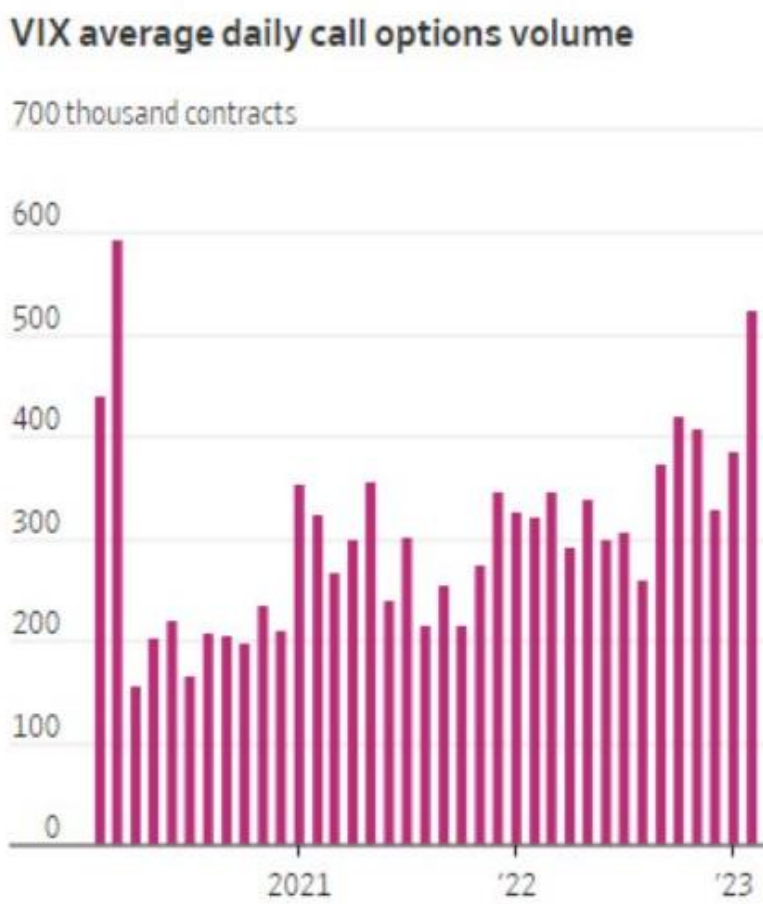


Source: Bloomberg



#vix #calls #volume #february

February monthly call volume for the CBOE Volatility Index VIX is on track to be the highest since the beginning of the Covid Pandemic (March 2020).



Note: monthly
Source: Cboe Global Markets

Source: Barchart





#us #equities #technicals

The Dow ended a 4-week losing streak, breaking back above its 100DMA.



Source: www.zerohedge.com, Bloomberg

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#us #equities #technicals

The S&P tested its 200DMA then ripped back higher, thru its 50DMA.



Source: www.zerohedge.com, Bloomberg

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#us #equities #technicals

The Nasdaq tested its 200DMA and then dip-buyers ran wild.



Source: www.zerohedge.com, Bloomberg

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#vix

VIX decoupled (to the downside) from stocks this week.

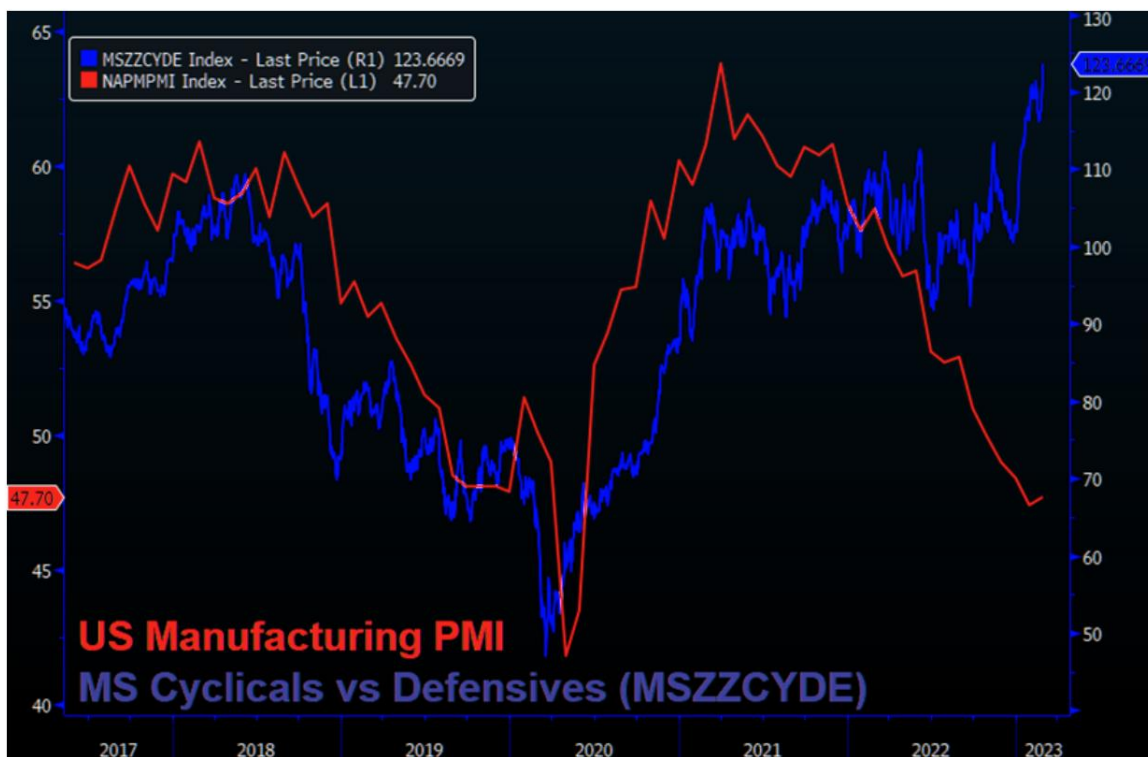


Source: www.zerohedge.com, Bloomberg



#us #cyclicals #defensives

Mr Market is telling us that US PMI should soon start to rebound. Indeed, PMIs have come off, yet Cyclicals vs Defensives has ripped since 4Q22 (as China reopening expectations began to work through the market).



Source: Morgan Stanley

Source: The Market Ear, Morgan Stanley

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#markets

#steel #stocks

Steel stocks hit a 12-years high.



Steven Strazza

@sstrazza









Steel stocks are on pace for their highest weekly close in almost 12 years
\$SLX





#us #q4 #earnings

Earnings By The Numbers Q4

<p>332 Mentions</p>  <p>HOT TOPIC Inflation</p> <p>The term "inflation" was mentioned at least once during the earnings conference calls of 332 S&P 500 companies from Dec. 15 through Feb. 27.</p>	<p>57%</p> <p>TOP GROWTH SECTOR Energy</p> <p>The Energy sector reported the highest earnings growth of all 11 sectors in the S&P 500 at 57%.</p>	
 <p>21 DJIA Companies</p> <p>GAAP VS. NON-GAAP</p> <p>For the 21 DJIA companies reporting non-GAAP EPS, the median difference between non-GAAP and GAAP was 22.8%.</p>	<p>67%</p> <p>GUIDANCE</p> <p>67% of S&P 500 companies provided negative EPS guidance for Q4 – above the five-year average of 59%.</p>	<p>- 4.9%</p> <p>Earnings</p>  <p>KEY TAKEAWAY</p> <p>The S&P 500 reported a decline in earnings of -4.9% – the first decline since Q3 2020.</p>
<p>68% of S&P 500 Companies Exceed EPS Estimates</p> <p>68% of S&P 500 companies reported actual EPS above estimated EPS – below the five-year average of 77%.</p> 		

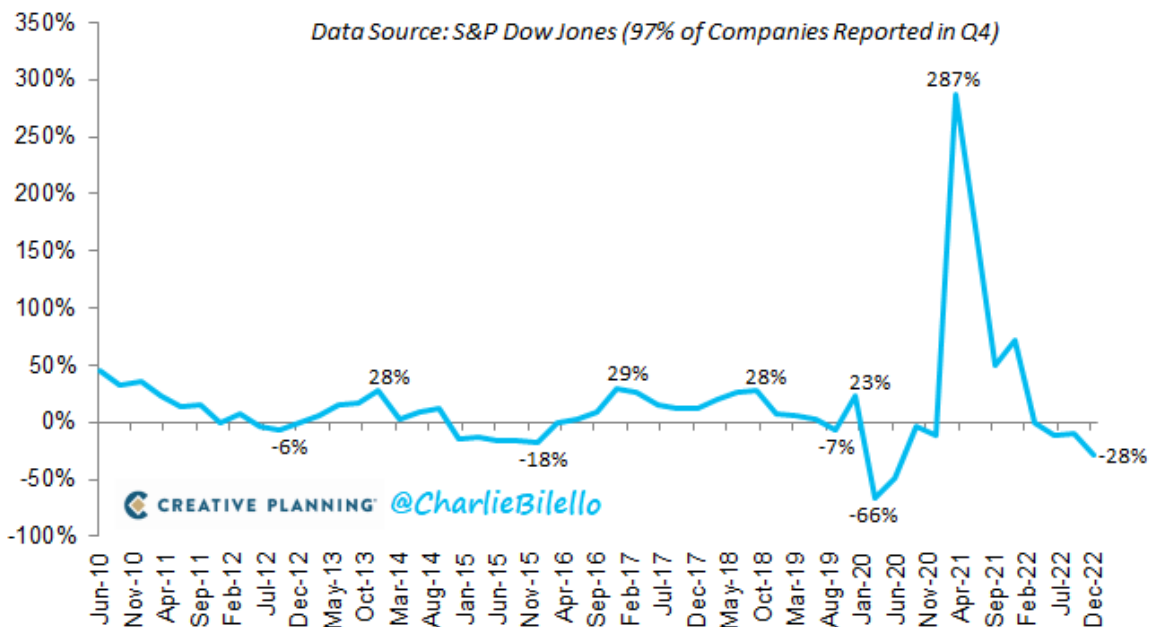
Source: Facstet



#us #q4 #earnings

With 97% of companies reported, S&P 500 Q4 GAAP earnings are down 28% year-over-year, the 3rd straight quarter of negative YoY growth and the largest decline since Q2 2020

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



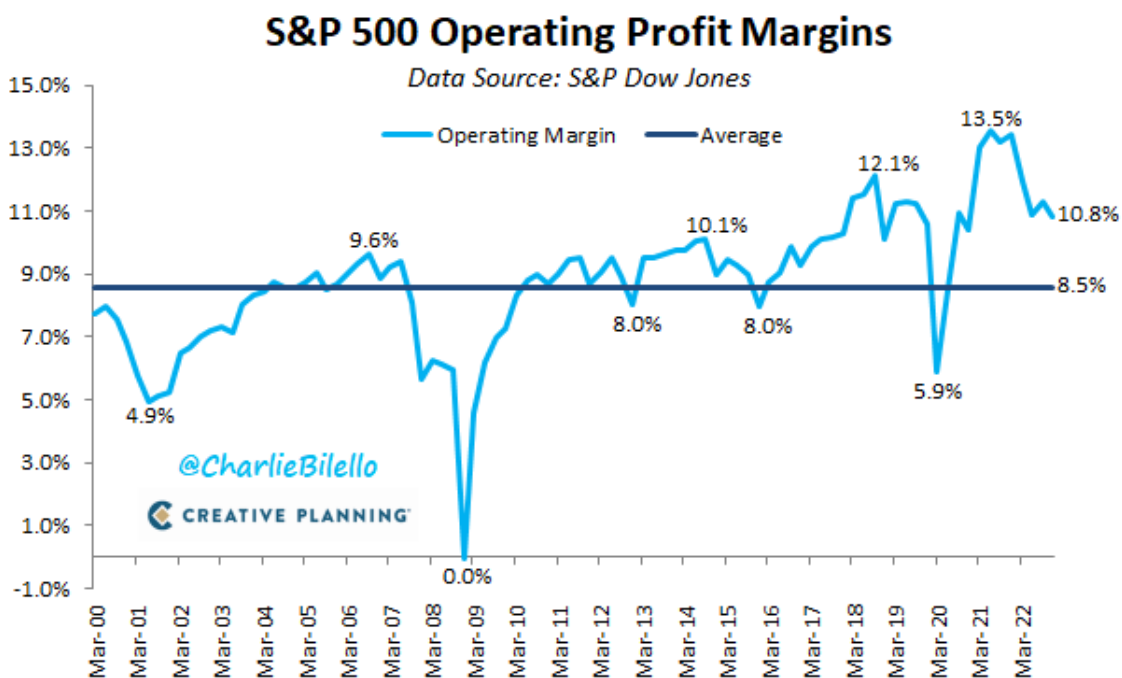
Source: Charlie Bilello



#us #q4 #earnings

S&P 500 profit margin in Q4 2021: 13.4%

S&P 500 profit margin in Q4 2022: 10.8%

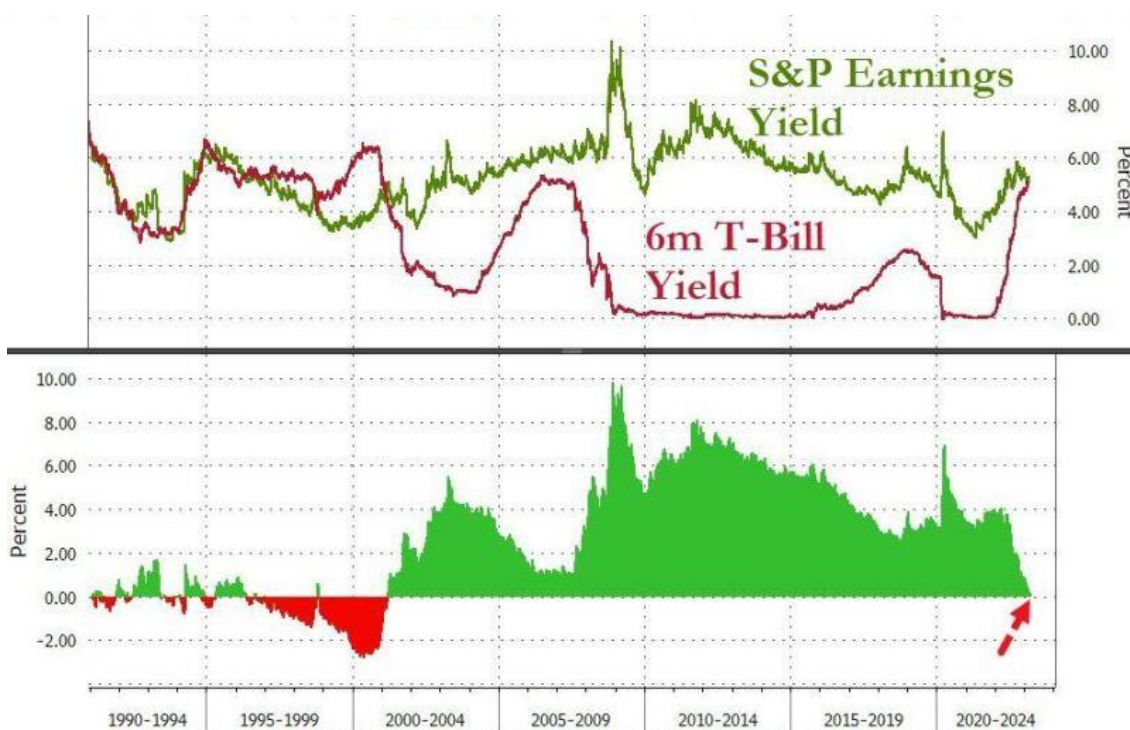


Source: Charlie Bilello



#us #equities #valuations

6mo T-Bills have not been this cheap to stocks since the peak of the dotcom bubble...

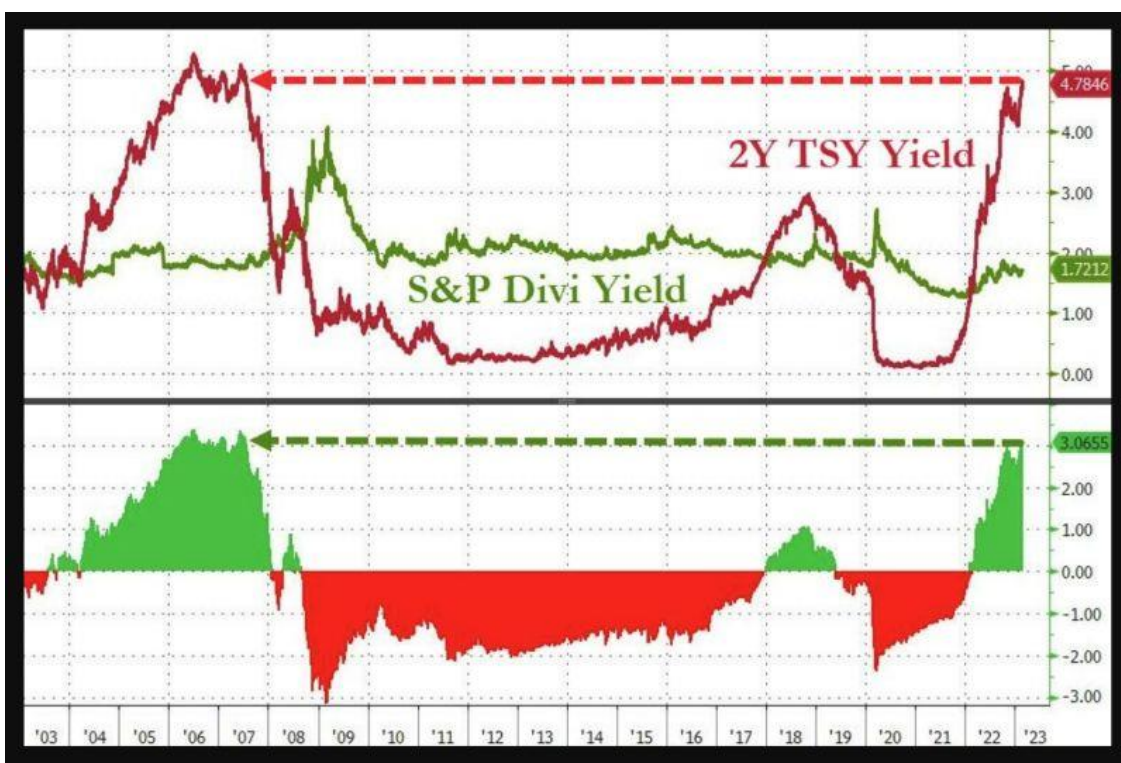


Source: www.zerohedge.com, Bloomberg



#us #equities #valuations

From TINA (There Is No Alternatives) to There Is An Alternative after All.... As shown on the chart below (UST 2-year yield vs. S&P 500 dividend yield), US bonds are at their cheapest to US stocks since the very peak in 2007...



Source: www.zerohedge.com, Bloomberg

#dividends #stocks

There were 68 companies that increased dividends last week. Of those, only 25 have managed to increase dividends for at least 10 years in a row. The companies are listed below:

Symbol	Name	New Quarterly Dividend	Old Quarterly Dividend	Dividend Increase	Years Consecutive Annual Dividend Increases	Forward P/E	Dividend Yield	5 Year Annualized Dividend Growth
AGO	Assured Guaranty Ltd.	0.28	0.25	12.00%	12	12.33	1.79%	11.90%
ALB	Albemarle Corporation	0.4	0.395	1.27%	29	8.44	0.64%	4.48%
ALRS	Alerus Financial Corporation	0.18	0.16	12.50%	25	10.66	3.62%	7.67%
AMSF	AMERISAFE, Inc.	0.34	0.31	9.68%	11	18.63	2.52%	9.16%
CB	Chubb Limited	0.86	0.83	3.61%	30	11.63	1.63%	3.09%
CFFI	C&F Financial Corporation	0.44	0.42	4.76%	12	7.16	3.00%	4.18%
CNS	Cohen & Steers, Inc.	0.57	0.55	3.64%	14	21.75	3.16%	14.46%
DPZ	Domino's Pizza, Inc.	1.21	1.1	10.00%	11	22.83	1.63%	19.05%
DHR	Danaher	0.27	0.25	8.00%	10	24.82	0.43%	11.99%
ESS	Essex Property Trust, Inc.	2.31	2.2	5.00%	29	15.38	4.03%	4.87%
ETN	Eaton Corporation plc	0.86	0.81	6.17%	14	20.9	1.99%	6.19%
EVBN	Evans Bancorp, Inc.	0.66	0.64	3.13%	12	9.81	3.40%	9.51%
GL	Globe Life Inc.	0.225	0.207	8.70%	18	12.04	0.74%	6.81%
GPC	Genuine Parts	0.95	0.9	5.56%	67	19.97	2.13%	6.11%
HD	Home Depot	2.09	1.9	10.00%	15	18.53	2.82%	16.40%
LHX	L3Harris Technologies, Inc.	1.14	1.12	1.79%	22	17.11	2.17%	15.28%
MGRC	McGrath RentCorp	0.464	0.455	1.98%	32	22.67	1.78%	11.70%
NRIM	Northrim BanCorp, Inc.	0.6	0.5	20.00%	14	8.45	4.56%	16.18%
ORI	Old Republic International	0.245	0.23	6.52%	42	11.35	3.71%	3.90%
PLD	Prologis, Inc.	0.87	0.79	10.13%	10	22	2.87%	12.42%
PRGO	Perrigo Company plc	0.273	0.26	5.00%	20	17.77	3.01%	10.20%
SLGN	Silgan Holdings Inc.	0.18	0.16	12.50%	20	13.16	1.35%	12.20%
UBCP	United Bancorp, Inc.	0.1625	0.1575	3.17%	10	10.56	4.40%	6.32%
WMT	Walmart Inc.	0.57	0.56	1.79%	50	23.15	1.60%	1.90%
XEL	Xcel Energy Inc.	0.52	0.49	6.12%	20	19.49	3.16%	6.22%

Source: Dividendgrowth

#markets

#us #equities #sectors #valuations

The PEG ratio makes it seem like Apple (\$AAPL) is overvalued and (\$XOM) is screaming buy. The PEG ratio obviously has its short comings but the extreme differential between the 2 is worth highlighting.

	Trailing P/E Ratio	Estimated Earnings Growth Rate	PEG Ratio
AAPL	25x	8%	3.1
MSFT	28x	12%	2.3
GOOG	20x	16%	1.3
XOM	8x	27%	0.3

Source: Yahoo! Finance as of March 1st, 2023

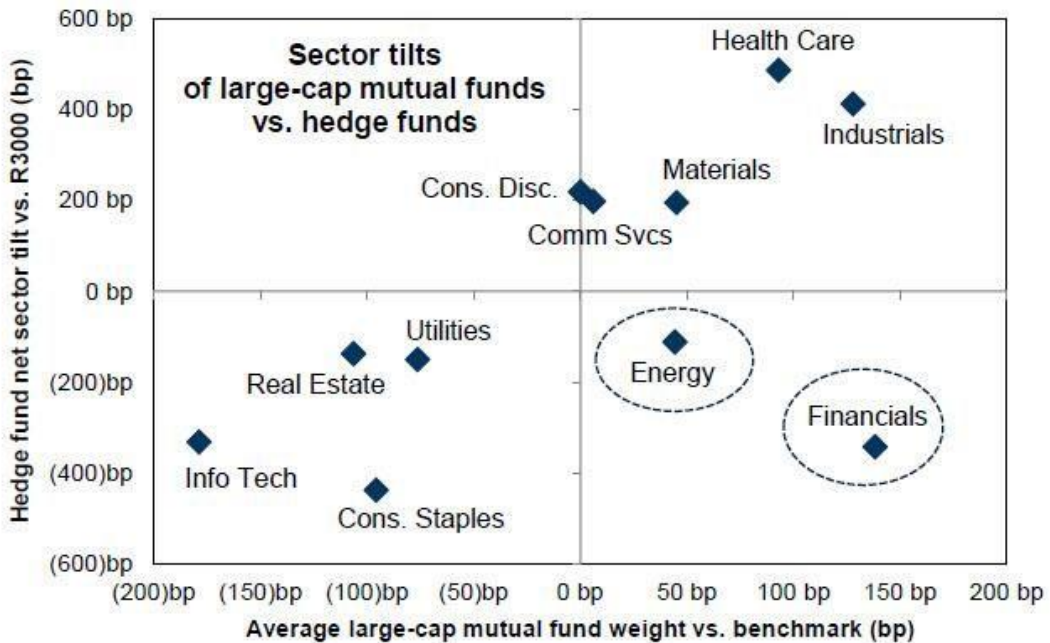
Source: Brian Feroldi



#investors #positioning

A Goldman research looked at long-only mutual funds and hedge funds positioning. Mutual funds and hedge funds generally agreed on sectors, except for in Energy and Financials. The average mutual fund is 138 bp overweight Financials, the largest of any sector, and 44 bp overweight Energy. Hedge funds are underweight Financials (-343 bp) and Energy (-112 bp) relative to the Russell 3000.

Exhibit 3: Hedge funds and mutual funds disagree on Energy and Financials
holdings as of December 31, 2022



Source: Goldman Sachs Global Investment Research



Source: Goldman Sachs



#investors #sentiment

BEARISH sentiment has risen sharply over past few weeks per AAll sentiment survey. The spike in share of bears is among the fastest over past couple decades (but not completely extreme).

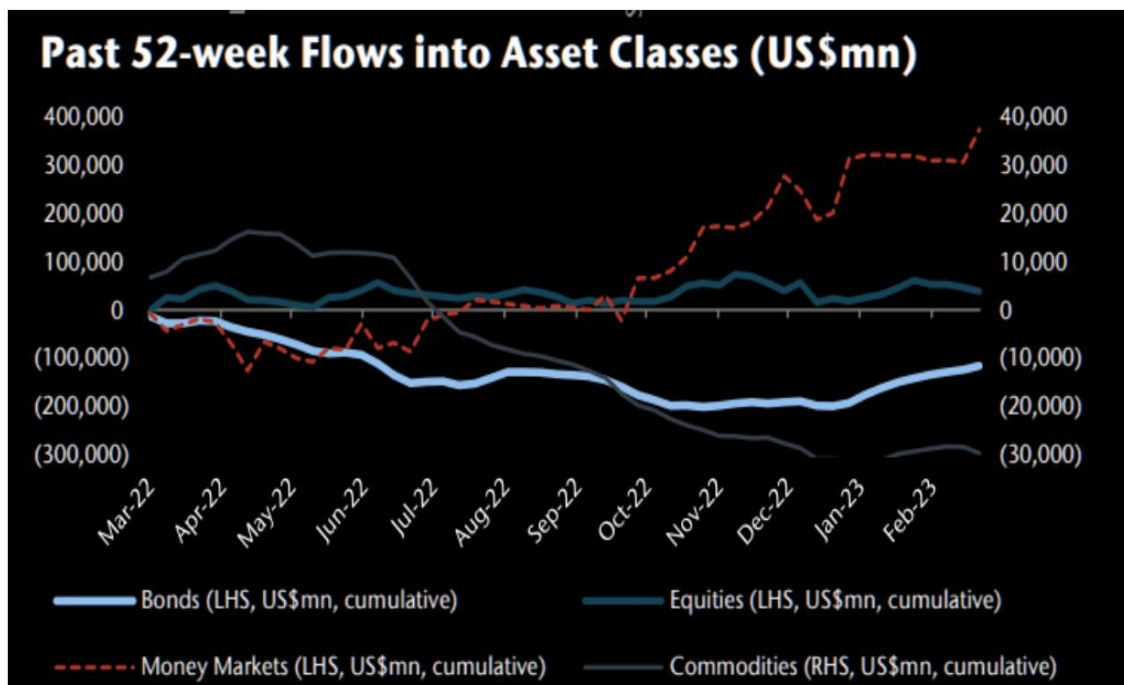


Source: Liz Ann Sonders, Bloomberg



#money #flows

Money market funds continue winning the inflows game.

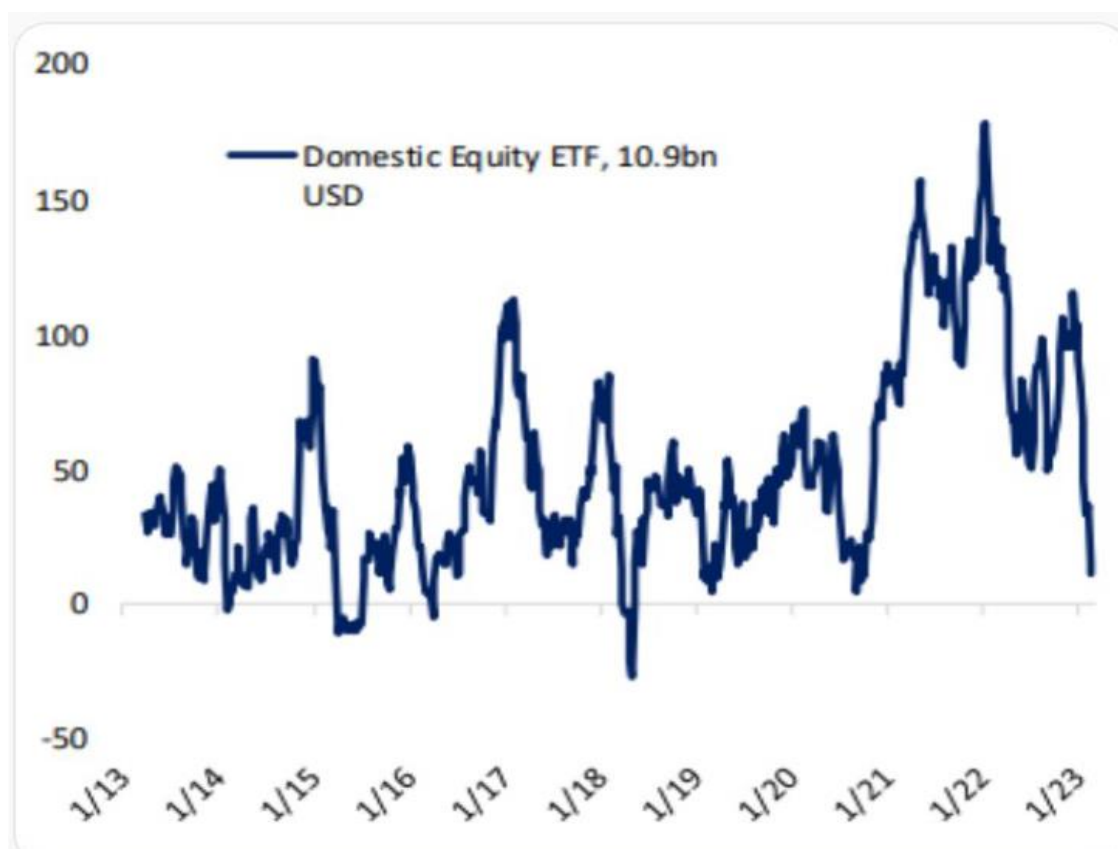


Source: Jefferies, The Market Ear

#markets

#etfs #flows

"More than \$100bn has flowed out of equity mutual funds and ETFs on a combined basis over the past 13 weeks, one of the worst flow collapses on record"



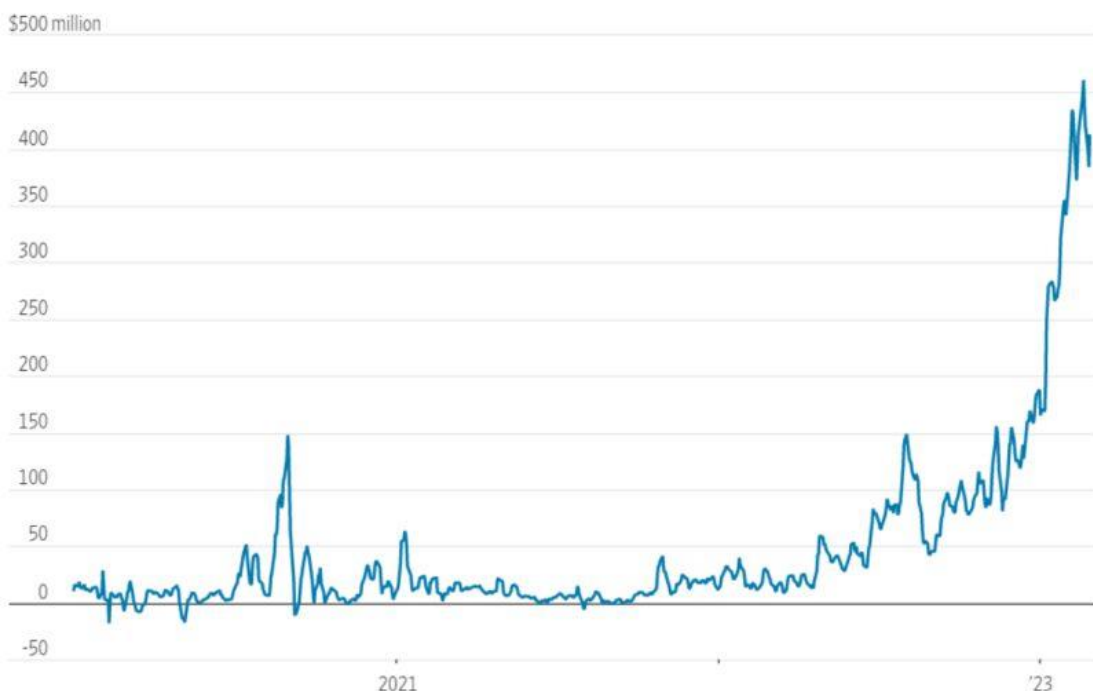
Source: Bespoke



#tesla #flows

“The aggregate retail inflows into Tesla have never been higher“. Individual investors have spent a net \$13.6 billion on TSLA shares in 2023, approaching the record sum of nearly \$17 billion for ****all of last year****

Net purchases of Tesla by individual investors, five-day moving average



Source: Vanda Research

Source: WSJ, Vanda Research



#esg #etfs #returns

ESG ETFs' best days may be behind them as market share slips to 1.5% and IMO may never grow beyond that. Political baggage one reason, but bigger one is the dismal returns over past 2 years. Eric Balchunas from Bloomberg shows the 10 most popular ESG ETFs performance vs benchmarks. Nine lag, and some lag a lot e.g \$ESGU \$ESGV



Source: Eric Balchunas, Bloomberg



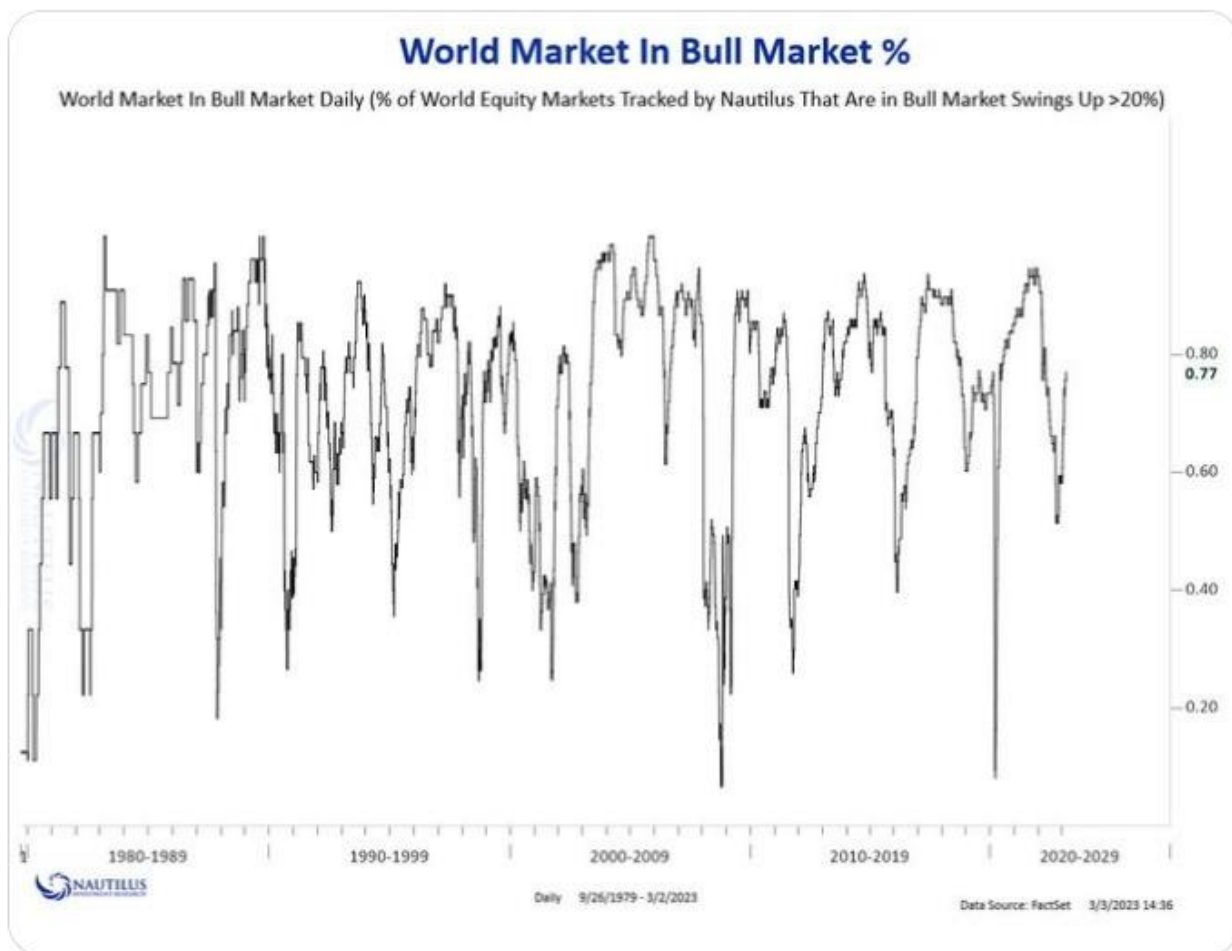
#global #equity #breadth



Nautilus Research 
@NautilusCap



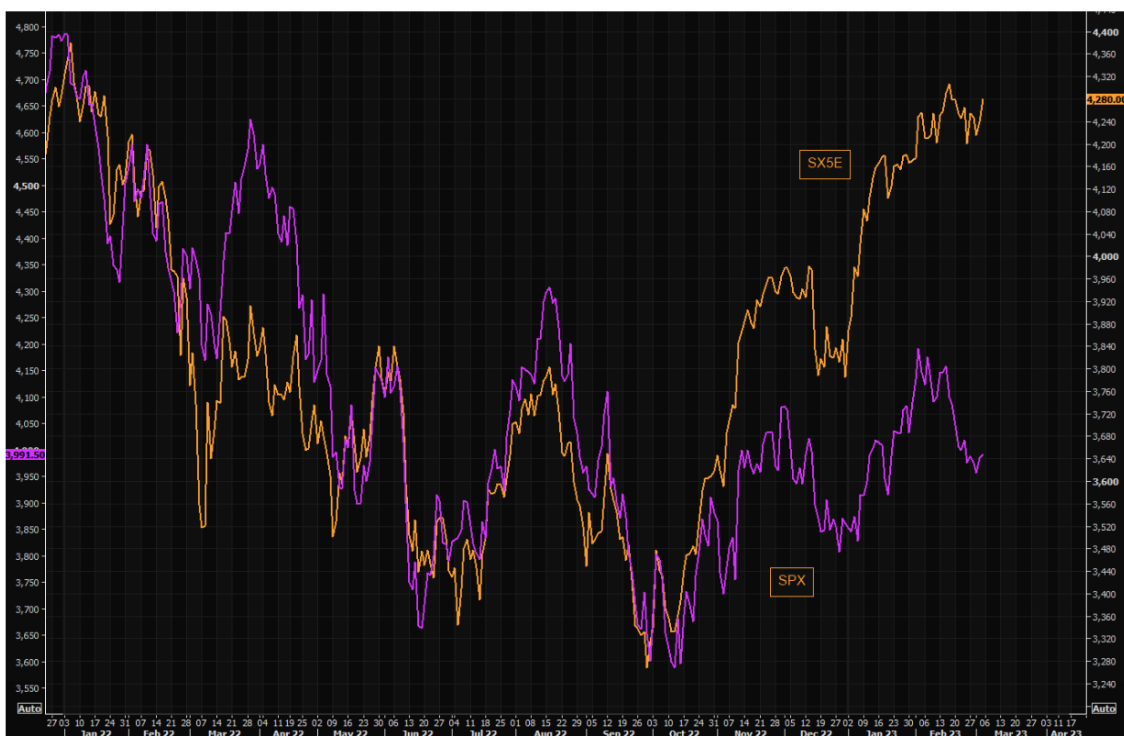
World Equity Markets in Bull Mkts. (>20% Swings Up.)





#european #stocks #outperformance

Eurostoxx50 continues to impress. What if Europe is the global aggregate psychology of this market...?

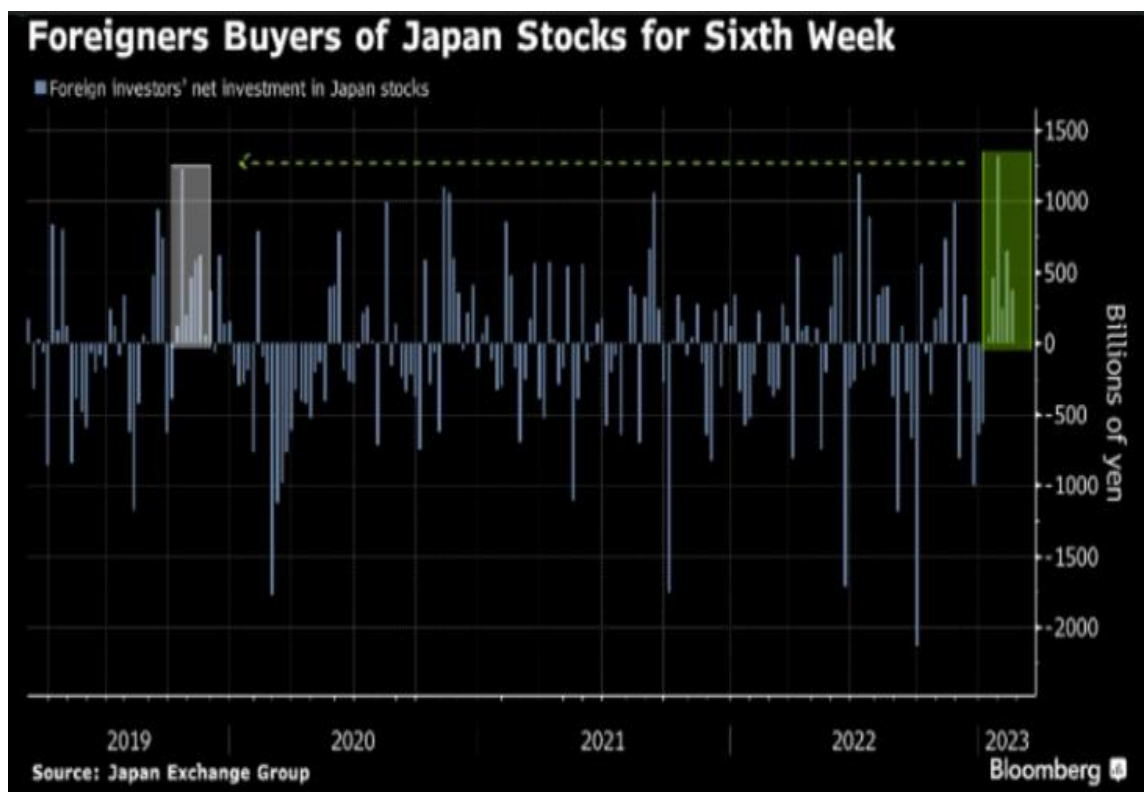


Source: Refinitiv

Source: The Market Ear, Refinitiv

#japanese-stocks

Foreign investors have been net buyers of Japanese stocks for six straight weeks, the longest streak since 2019, amid hopes for continued easy-money policy and expanding valuations as companies improve governance




Source: Bloomberg



#us #bonds #drawdown

The US bond Market now has been in a drawdown for 31 months, by far the longest drawdown in history.

Bloomberg US Aggregate Bond Index: Longest Drawdowns (Monthly Data, 1976 - 2023)			
Start of Drawdown	End of Drawdown	# Months	Max Drawdown (Monthly)
Aug-20	?	31	-17.2%
Jul-80	Oct-81	16	-9.0%
May-13	Apr-14	12	-3.7%
Aug-16	Jul-17	12	-3.3%
Feb-94	Jan-95	12	-5.1%
Mar-87	Nov-87	9	-4.9%
Aug-79	Apr-80	9	-12.7%
Apr-08	Nov-08	8	-3.8%
Feb-96	Sep-96	8	-3.2%
Jun-03	Nov-03	6	-3.6%
Feb-84	Jun-84	5	-4.9%
May-83	Aug-83	4	-3.5%

 @CharlieBilello (As of 2/28/23)

Source: Charlie Bilello



#us #treasuries

US 10Y and 30Y yields spiked during but closed the week back below 4.00%.

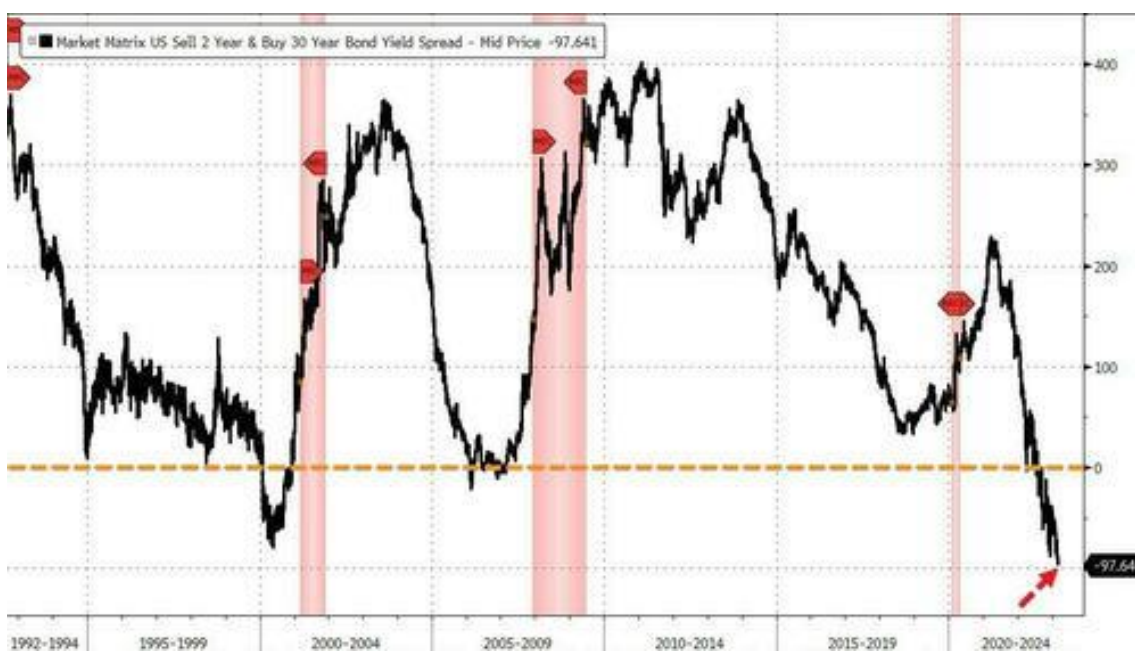


Source: www.zerohedge.com, Bloomberg



#us #yield-curve

The yield curve (2s30s) flattened even further this week nearing 100bps of inversion... That is its most inverted ever...

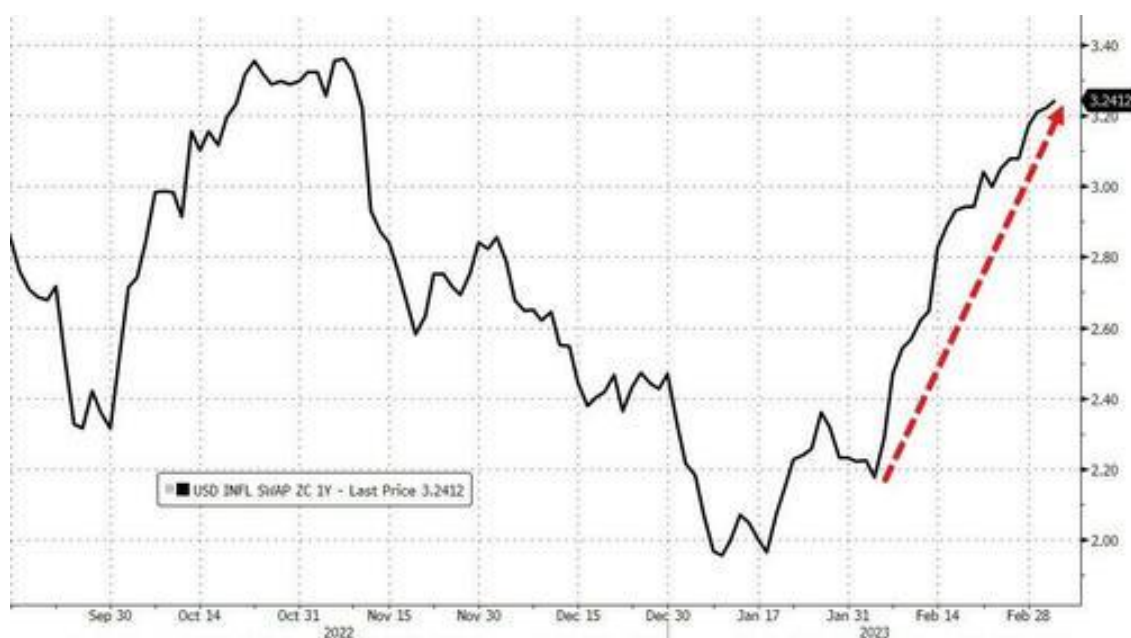


Source: www.zerohedge.com, Bloomberg



#us #inflation #expectations

US inflation expectations (swaps) have surged back up near cycle highs

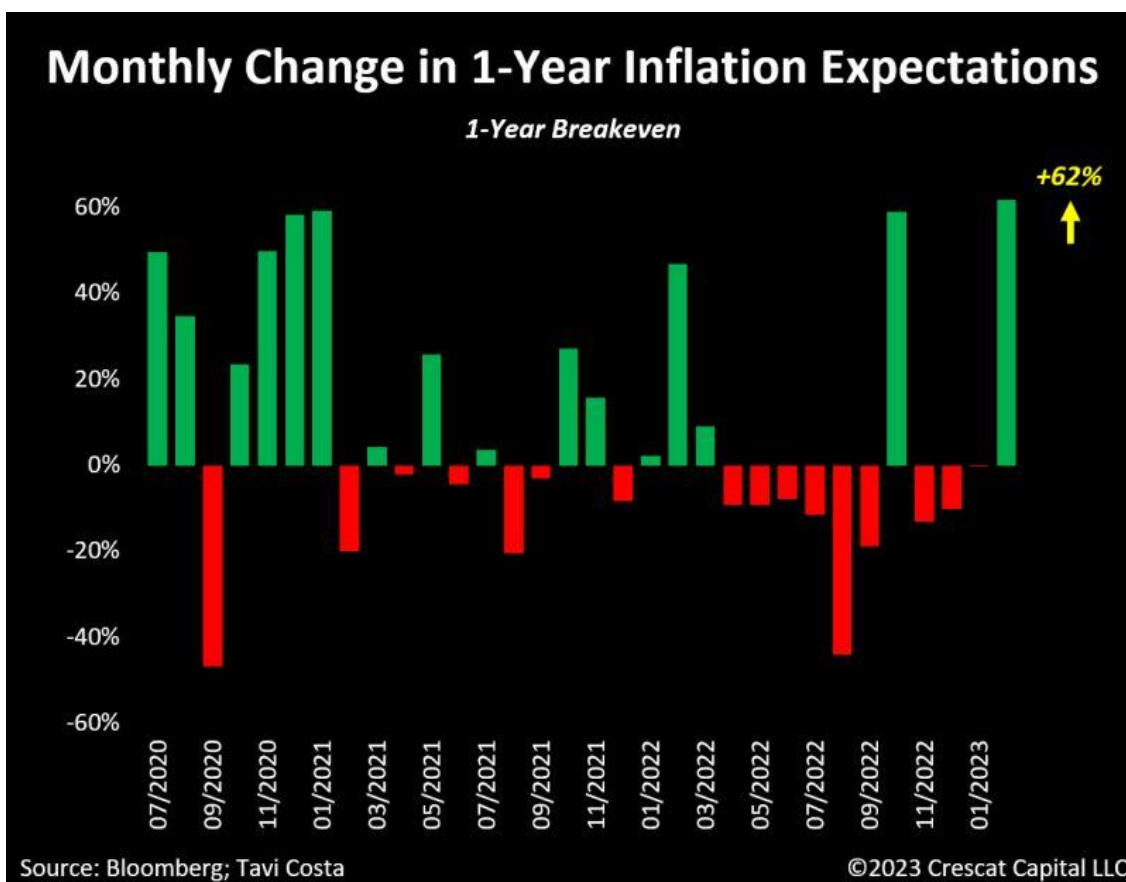


Source: www.zerohedge.com, Bloomberg



#us #inflation #expectations

We just witnessed the highest monthly increase in 1-year inflation expectations in 2.5 years. The 1-year breakeven rate has more than doubled since mid-January. 2-year inflation expectations just went from 2 to 3.2% in 6 weeks.

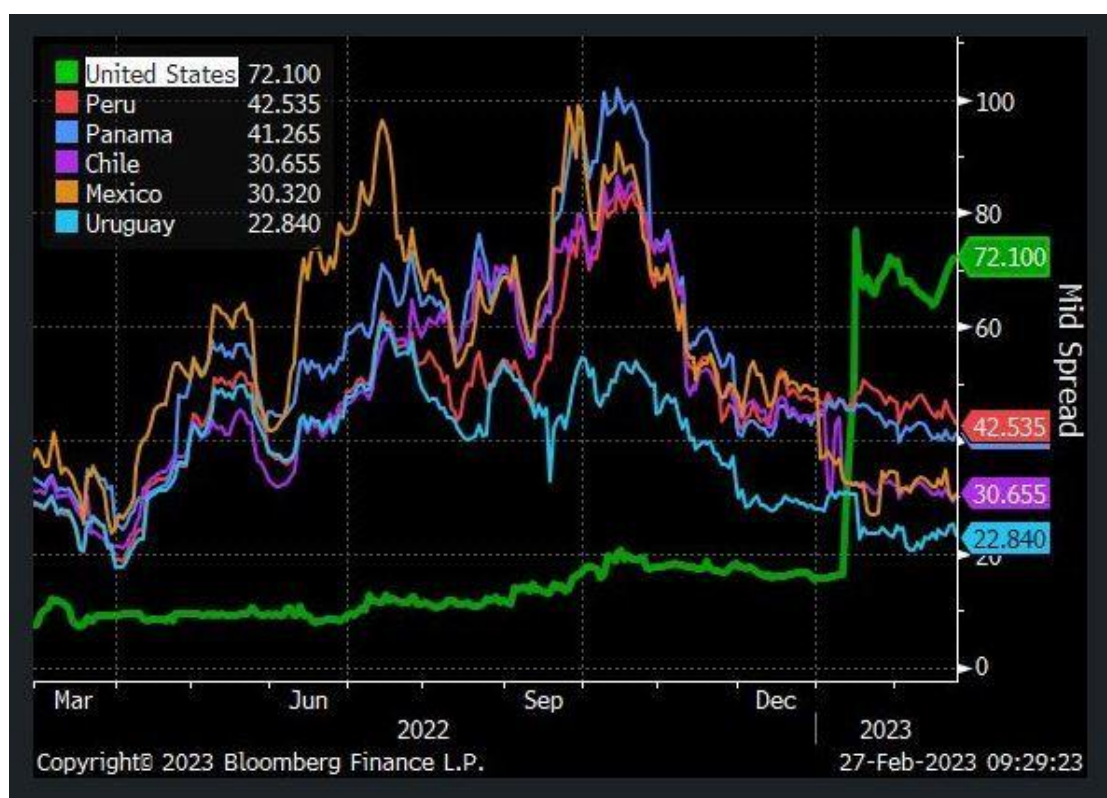


Source: Bloomberg, Crescat Capital



#us #cds

US 1-year CDS continue to hang near extreme levels (relative to history) as it now costs more to ensure against US Government default than many Latin American countries.

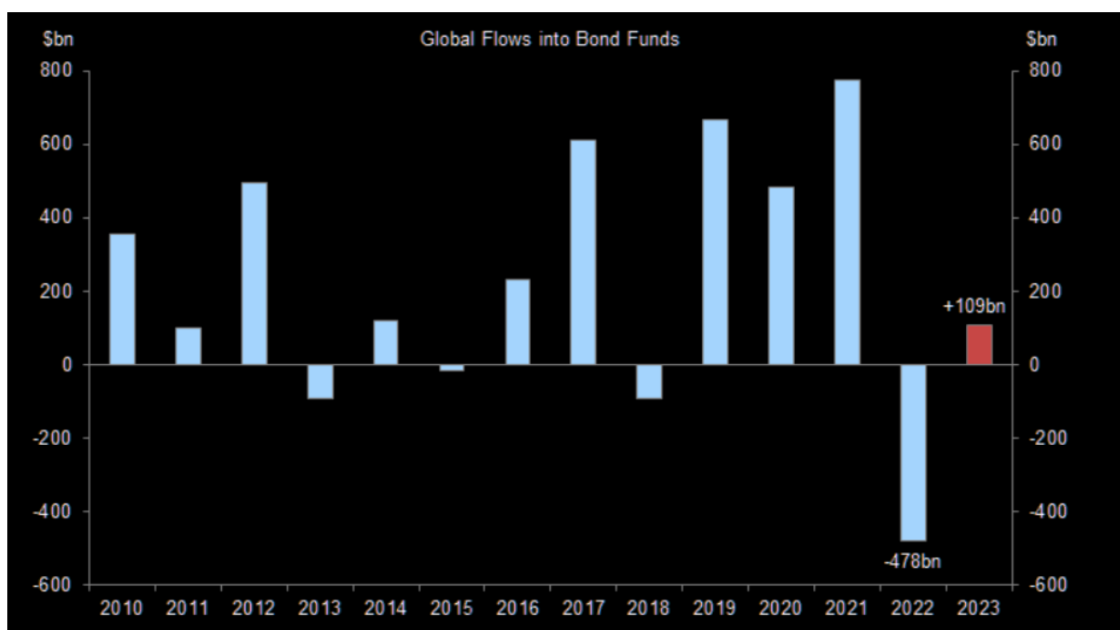


Source: Bloomberg, Oktay Kavrak - Leverage Shares



#bonds #flows

Overall flows into global bond funds have shown a clear shift in the last two months versus last year, and have so far reversed over 20% of the nearly \$500bn outflow in 2022.



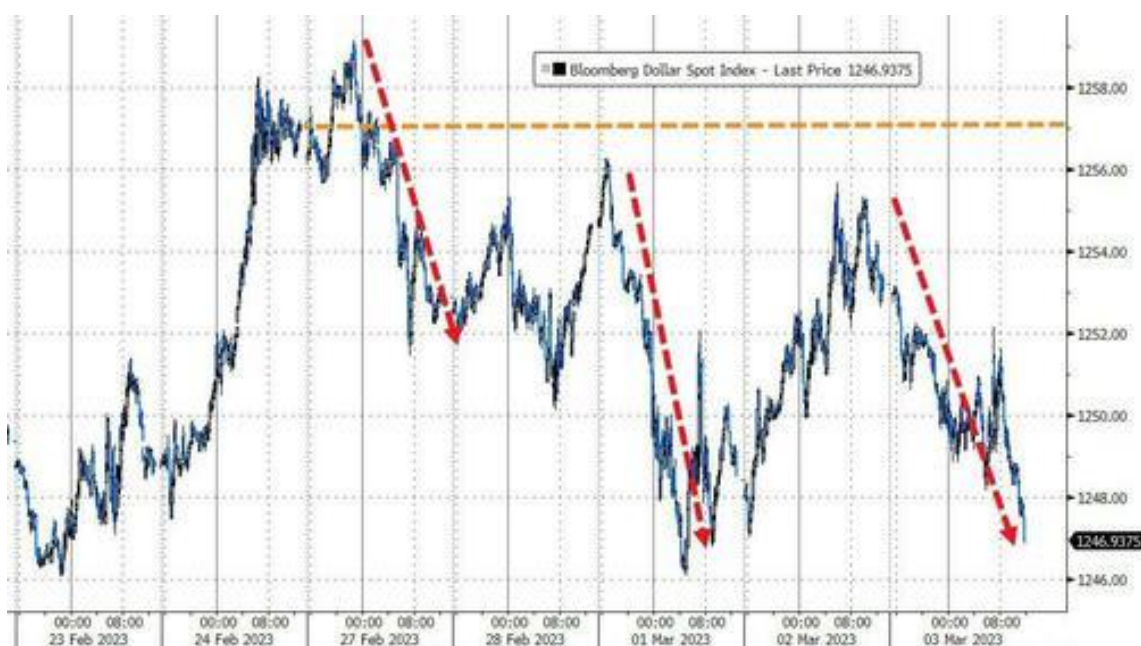
Source: EPFR

Source: EPFR, The Market Ear



#us-dollar

After 4 straight weeks higher, the dollar tumbled almost 1% this week.



Source: www.zerohedge.com, Bloomberg

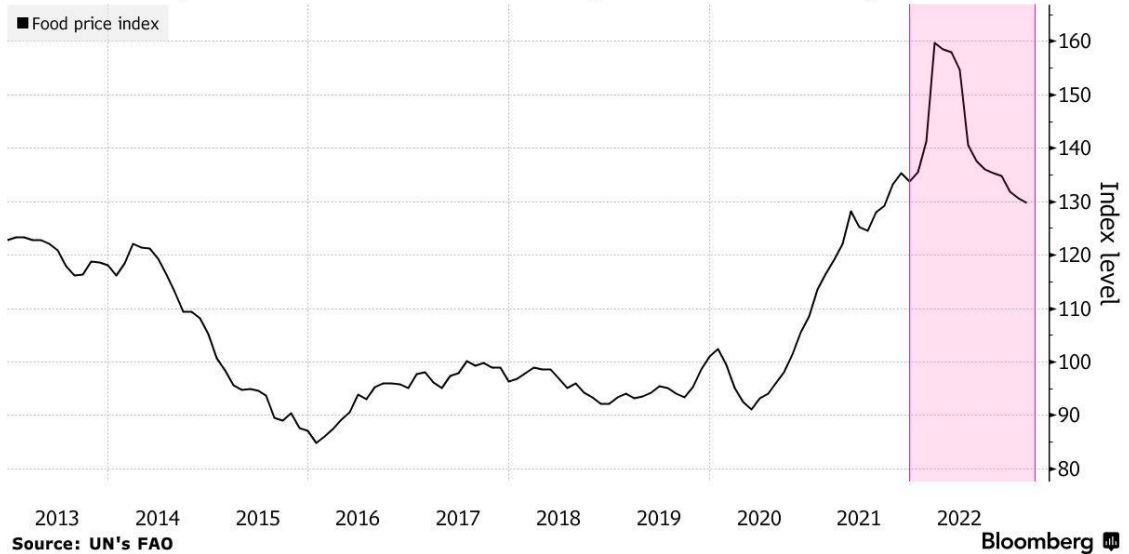


#commodities #food

Global food commodity costs ease for 11th straight month.

World Food Prices Ease Again

UN commodity index fell for a eleventh straight month in February



Source: Bloomberg

#markets

#us #natgas

NatGas ripping over 20% to a \$3 handle today, extending its big bounce off recent \$1 handle lows...



Source: www.zerohedge.com, Bloomberg



#oil

Oil prices plunged early on after WSJ report of a rift between Saudi and UAE - that was denied within an hour and WTI exploded higher, tagging \$79...



Source: www.zerohedge.com, Bloomberg

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#markets

#gold

Gold surged over 2% this week back above \$1850.



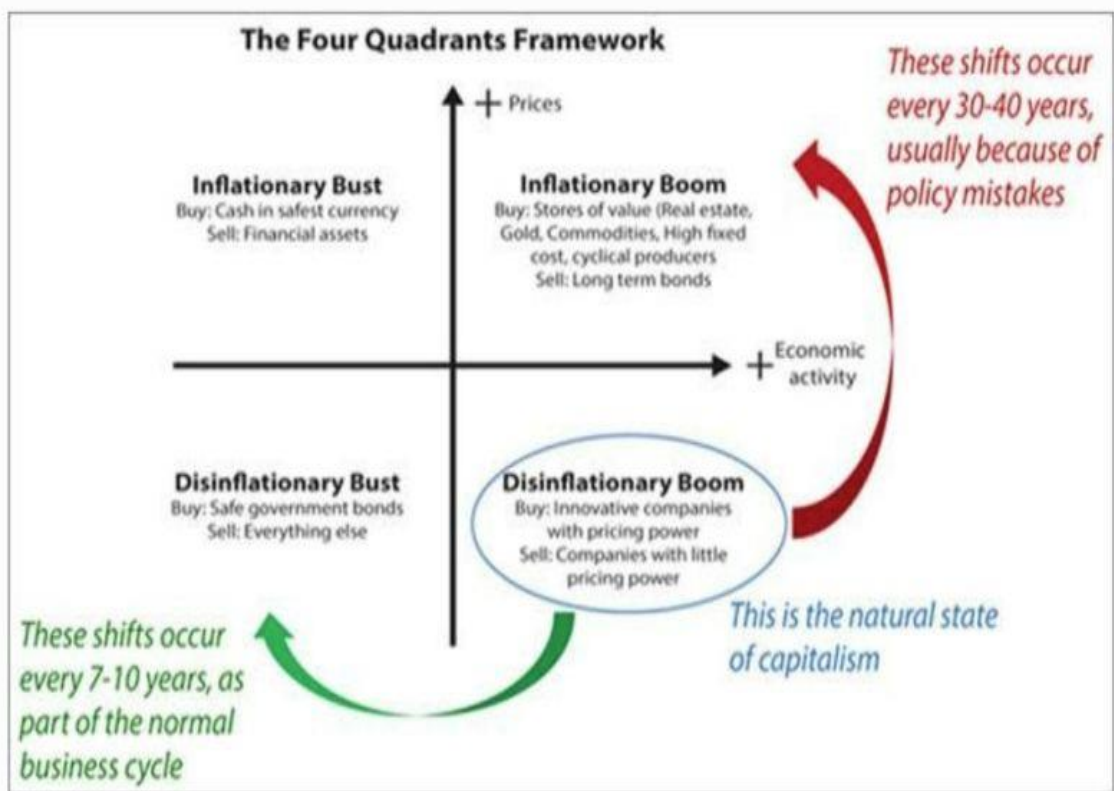
Source: www.zerohedge.com, Bloomberg

#macro

#business-cycle

Where are we going now? An inflationary boom where real assets, gold and cyclicals are the places to be? Or will Fed tighten too much with a disinflationary bust (buy government bonds) as a result?

The 4 quadrants by Gavekal:



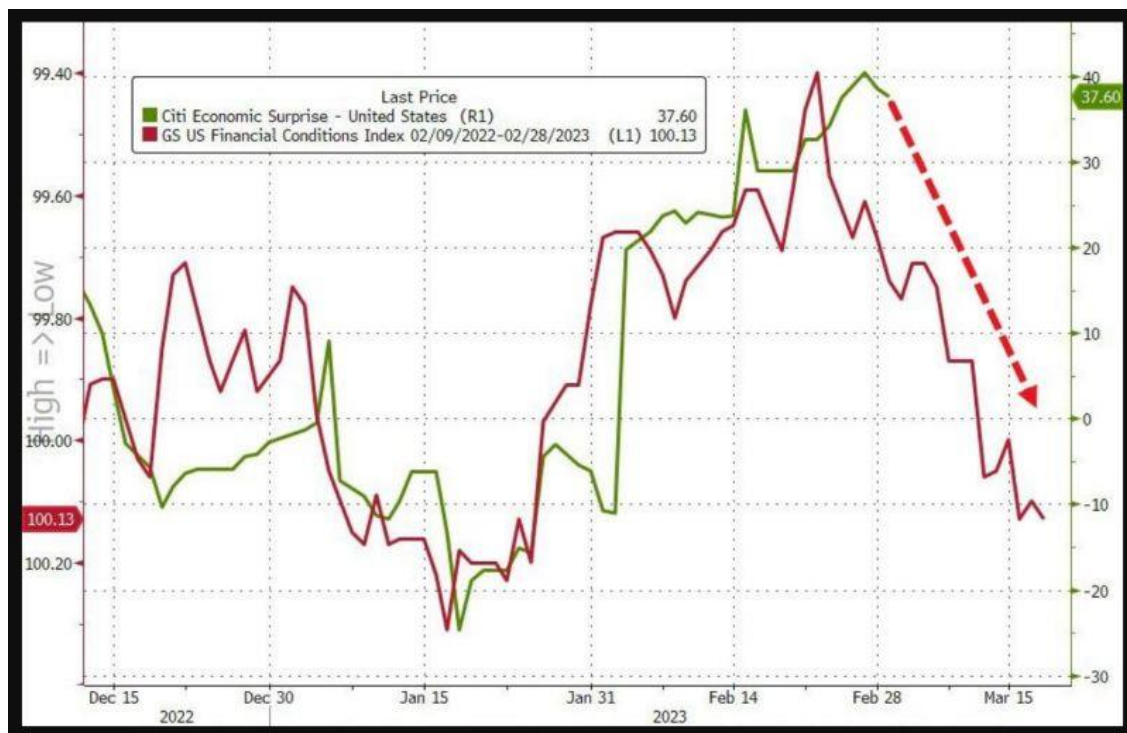
Source: Gavekal Research GAVEKAL RESEARCH

Source: Gavekal



#us #macro #surprises

There has been a strong correlation (with a 2-3 weeks lag) between US Financial conditions (going down when tightening - in red) and US Macro economic surprises (in green). With the Financial conditions tightening again, will we soon start to see negative surprises again (leading the markets repricing a Fed pivot)?

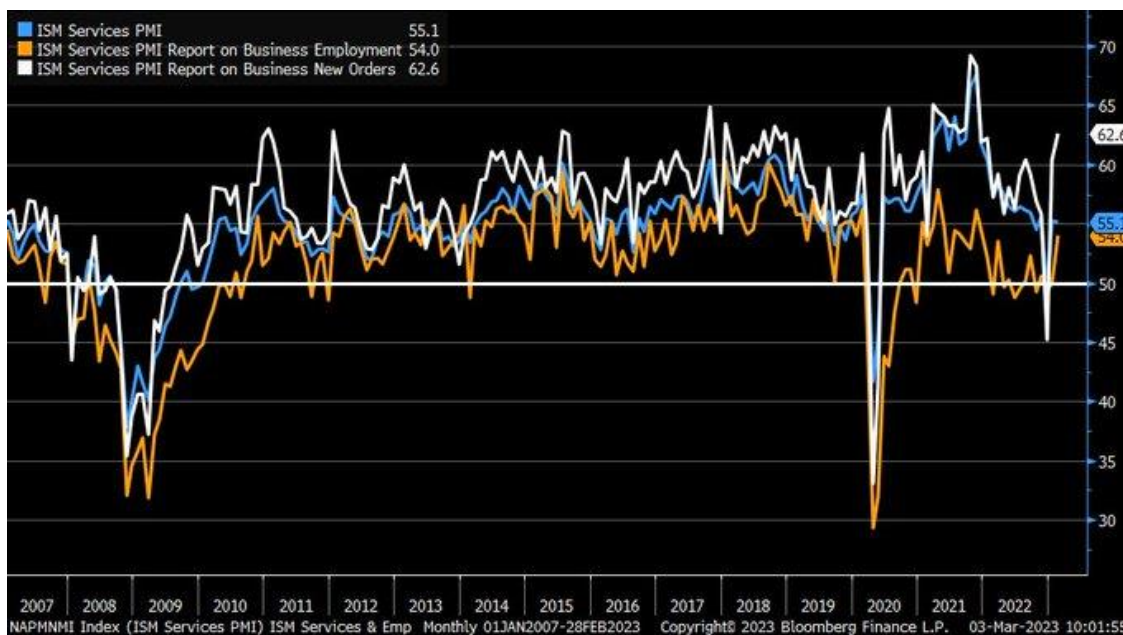


Source: Bloomberg, www.zerohedge.com



#us #ism #services

February ISM Services at 55.1 vs. 54.5 est. & 55.2 prior; new orders up to 62.6; prices down to 65.6; business activity fell to 56.3 ... notably, employment moved up to 54 and supplier deliveries is only component in contraction.

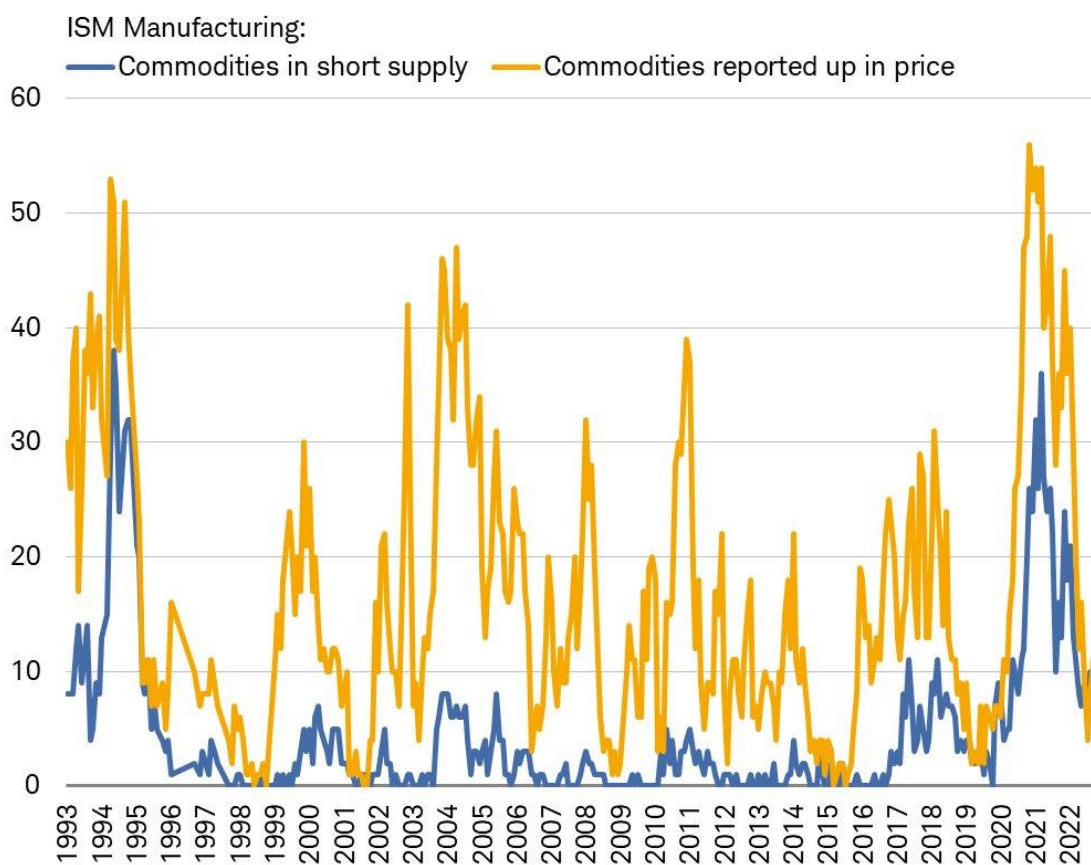


Source: Bloomberg



#us #ism #commodities

Commodities reported in short supply and up in price unchanged from January to February per ISM Manufacturing PMI ... both still down considerably from respective peaks.



Source: Charles Schwab, Bloomberg, ©Copyright 2021 Ned Davis Research, Inc., as of 2/28/2023.

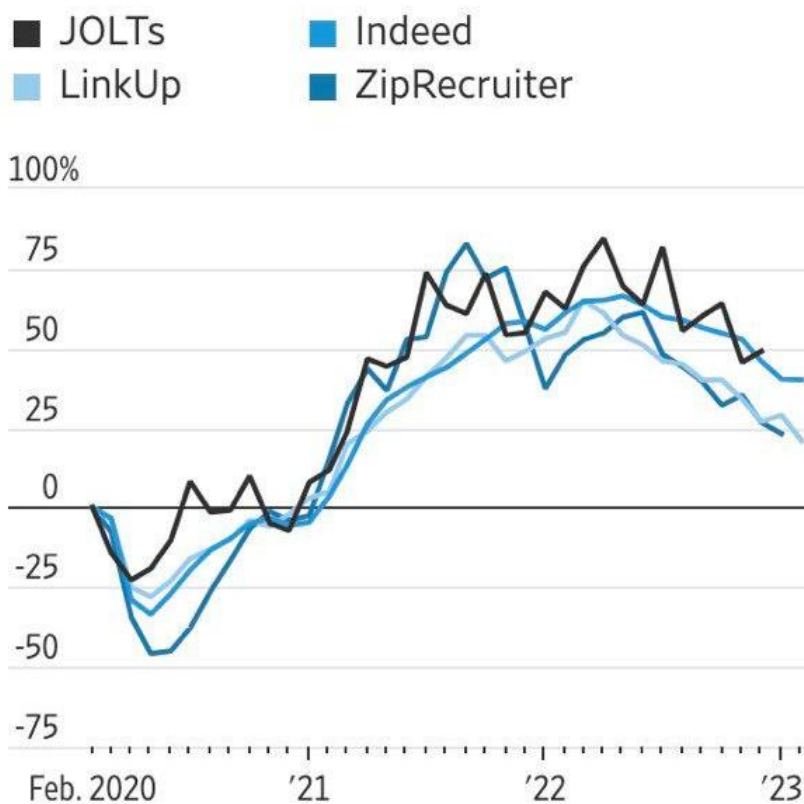
Source: Charles Schwab



#us #employment

US government data shows job openings have been elevated, suggesting strong demand, but private-sector measures of such vacancies have been heading lower of late.

Job openings, percentage change since February 2020



Sources: Bureau of Labor Statistics; Indeed; LinkUp; ZipRecruiter

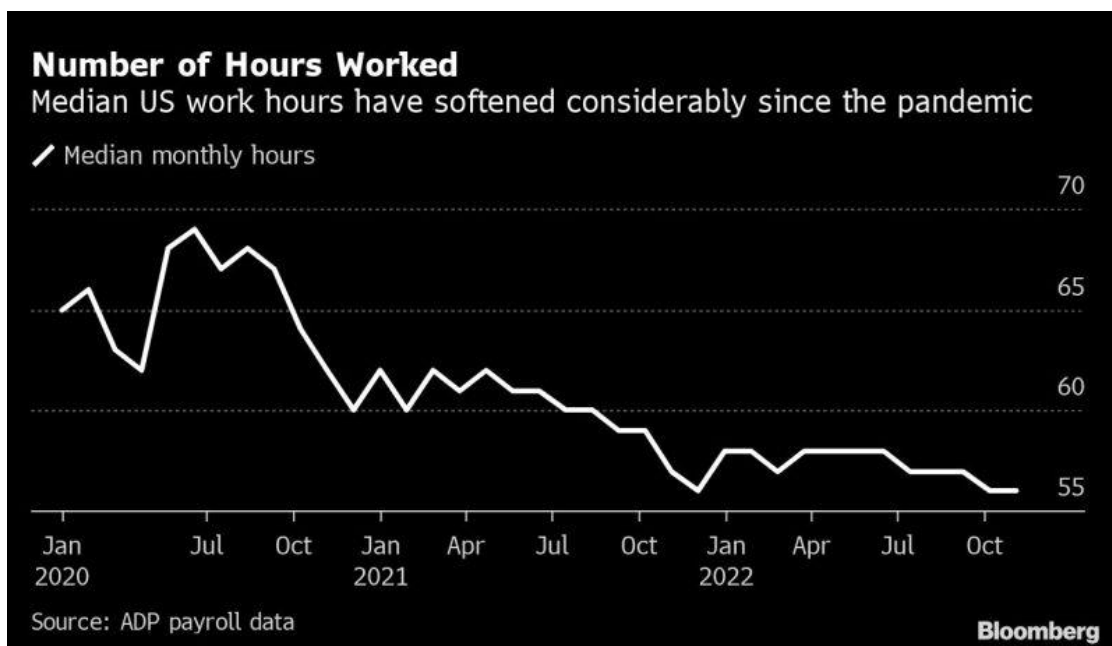


Source: WSJ

#macro

#us #employment

The median number of hours worked in the US fell to 56.2 last month from 65.2 in January 2020 — a drop of 9 hours in three years — based on a new dataset using about 10 million payrolls tracked by the ADP Research Institute. One explanation could be that people are working less because they’re earning more, according to Nela Richardson, chief economist at ADP. Median hourly wages rose to \$20 last month from \$17.20 three years earlier.



Source: Bloomberg

#macro

#us #housing

U.S home prices fell sharply from November 2022 to December 2022, with the national index down 0.81% and 11 of 20 cities down more than 1% sequentially. New York and Miami saw the smallest m/m declines with drops of less than 0.3%.

S&P CoreLogic Case Shiller Home Prices				
Region	MoM %	YoY %	Post-COVID % Chg (Since Feb. 2020)	% From Post-COVID Peak
San Francisco	-1.82	-4.19	23.08	-15.99
Seattle	-1.81	-1.78	35.32	-15.05
San Diego	-1.32	1.59	43.22	-11.09
Phoenix	-1.87	2.91	54.38	-9.44
Las Vegas	-1.84	3.58	39.05	-8.76
Denver	-1.32	3.55	34.73	-8.70
Los Angeles	-0.80	2.70	33.84	-8.06
Portland	-1.89	1.10	29.72	-7.90
Dallas	-1.08	7.95	47.10	-7.62
Boston	-0.90	5.20	33.40	-5.49
Minneapolis	-1.23	3.17	25.47	-4.66
Detroit	-1.07	4.50	30.40	-4.30
DC	-0.43	4.33	25.93	-4.30
Charlotte	-0.99	9.88	49.56	-4.06
Tampa	-0.94	13.93	62.20	-4.01
Chicago	-1.19	5.88	28.04	-3.34
Cleveland	-0.78	6.02	34.02	-3.25
Atlanta	-0.74	10.42	45.50	-3.21
Miami	-0.28	15.90	60.31	-2.62
New York	-0.20	6.65	33.08	-1.84
Composite 10	-0.77	4.43	33.65	-5.92
Composite 20	-0.93	4.65	35.87	-6.25
National	-0.81	5.76	38.19	-4.44



Source: Bespoke

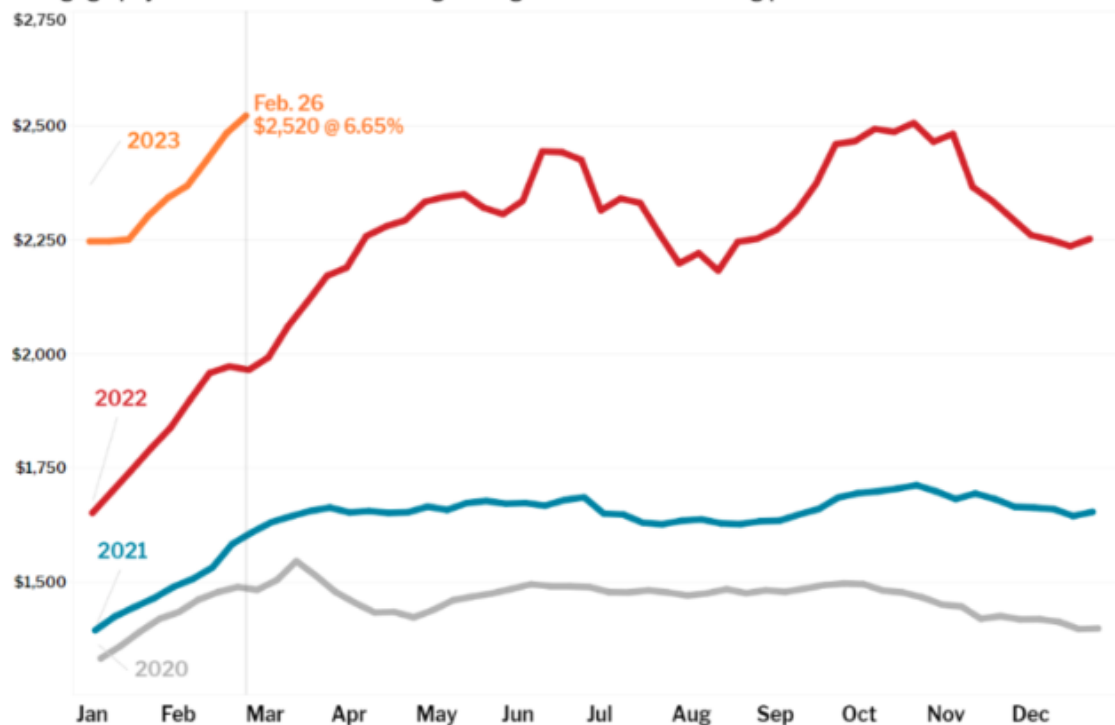


#us #housing #mortgages

The mortgage payment needed to buy the median priced home for sale in the US has moved up to \$2,520, a new all-time high. A year ago it was under \$2,000 and three years ago under \$1,500.

Homebuyer Mortgage Payments +28.3% Year Over Year

Mortgage payment on the 4-week rolling average of the median asking price



Source: Redfin analysis of MLS data, Freddie Mac Primary Mortgage Market Survey



Source: Redfin, Charlie Bilello



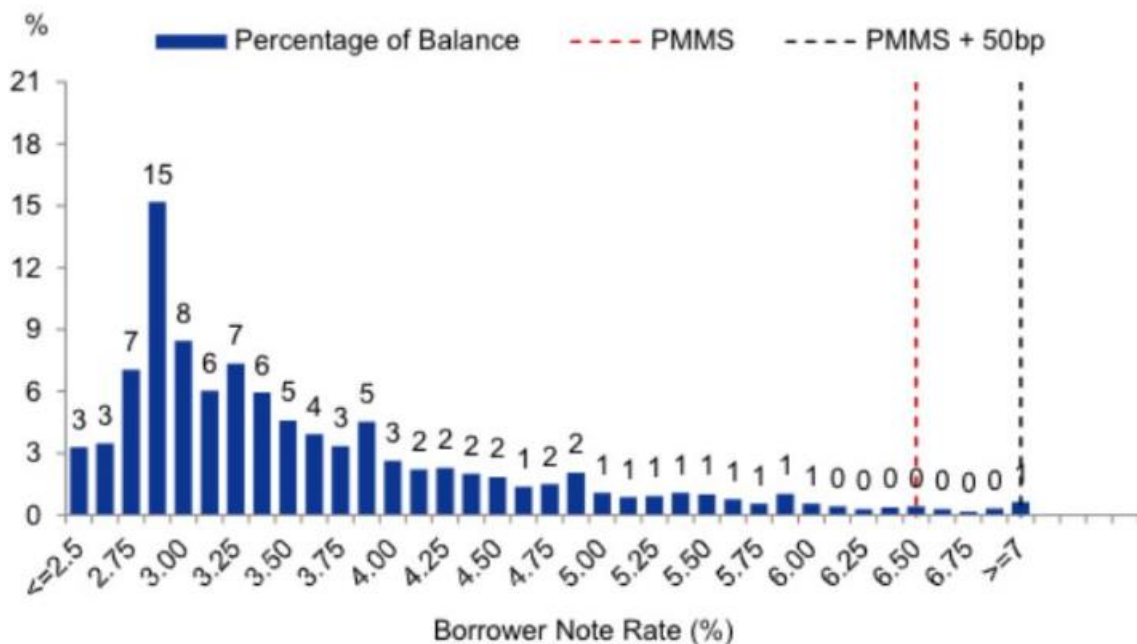


#us #housing #mortgages

99% of Borrowers have a mortgage rate lower than the current market rate

Exhibit 56: 99% of outstanding mortgages have interest rates below PMMS

Distribution of outstanding 30-year conventional mortgage borrower interest rates



Source: eMBS, Goldman Sachs Global Investment Research





#eurozone #inflation

More nasty inflation data. Eurozone inflation slowed to 8.5% in Feb BUT exceeded 8.3% median BBG estimate. Core inflation — the key focus right now for policymakers — quickened to 5.6% from 5.3%, a fresh ATH, reinforcing expectations that ECB will have to push rates ever higher.



Source: HolgerZ, Bloomberg



#eurozone #inflation

FT: "inflation rebounded in France and Spain in February." At 7.2%, France's is "the highest rate since the euro was launched in 1999". At 6.1%, Spain's also exceeded forecasts.

Rising inflation in France and Spain fuels fears of more ECB rate increases

Persistent price pressures in leading economies drive rise in eurozone governments' borrowing costs

Sticky prices: inflation rebounds in France and Spain



Harmonised index of consumer prices
Source: Eurostat
© FT

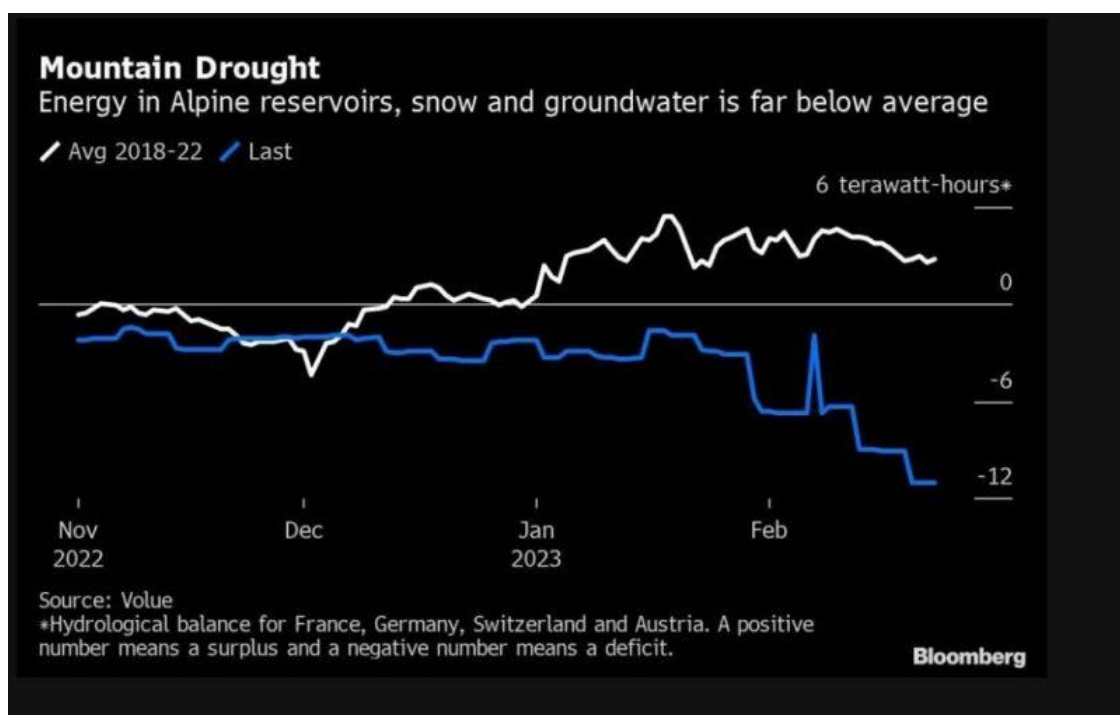
Source: FT



#macro

#eu #energy-crisis

Drought is worsening in Europe with energy in Alpine reservoirs, snow and groundwater far below average. This is bad for hydroelectric power in France, Germany, Switzerland and Austria and might push electricity prices upward.



Source: Bloomberg



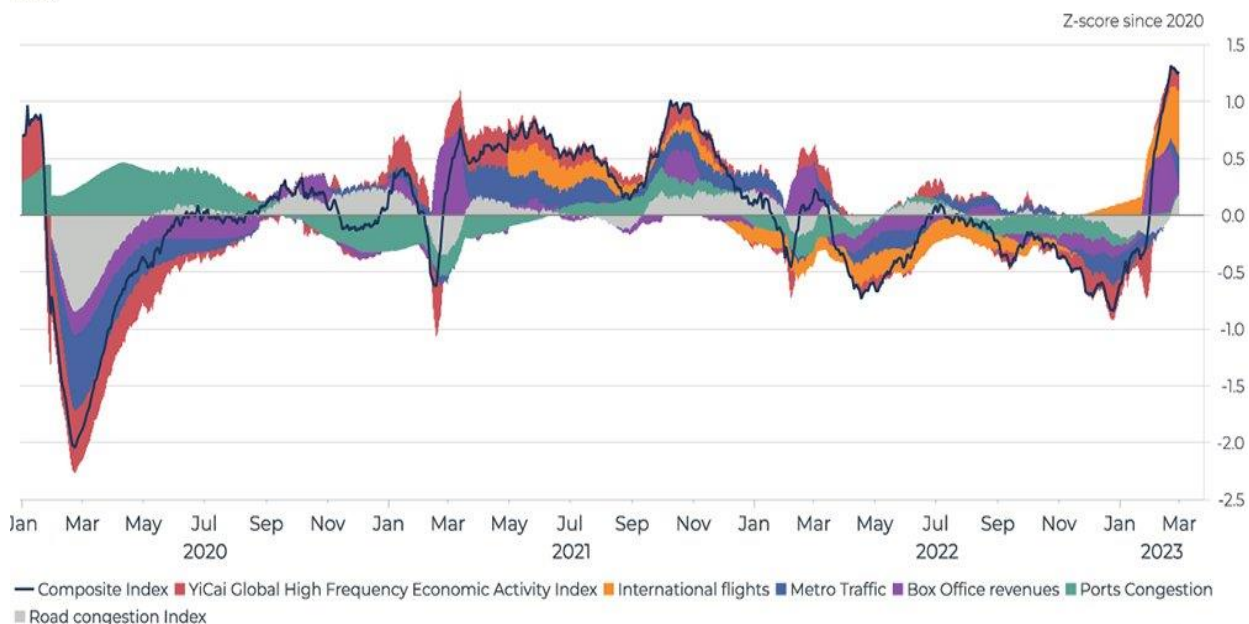
#china #reopening

If you had any doubts still, yes: the Chinese reopening is real.

Not sure markets have fully incorporated its implications for global growth & inflation, and therefore for several asset classes.

China: reopening composite index

The composite index is built using various alternative daily datasets (roads & ports congestion, subway traffic, international flights, box office and economic activity index)



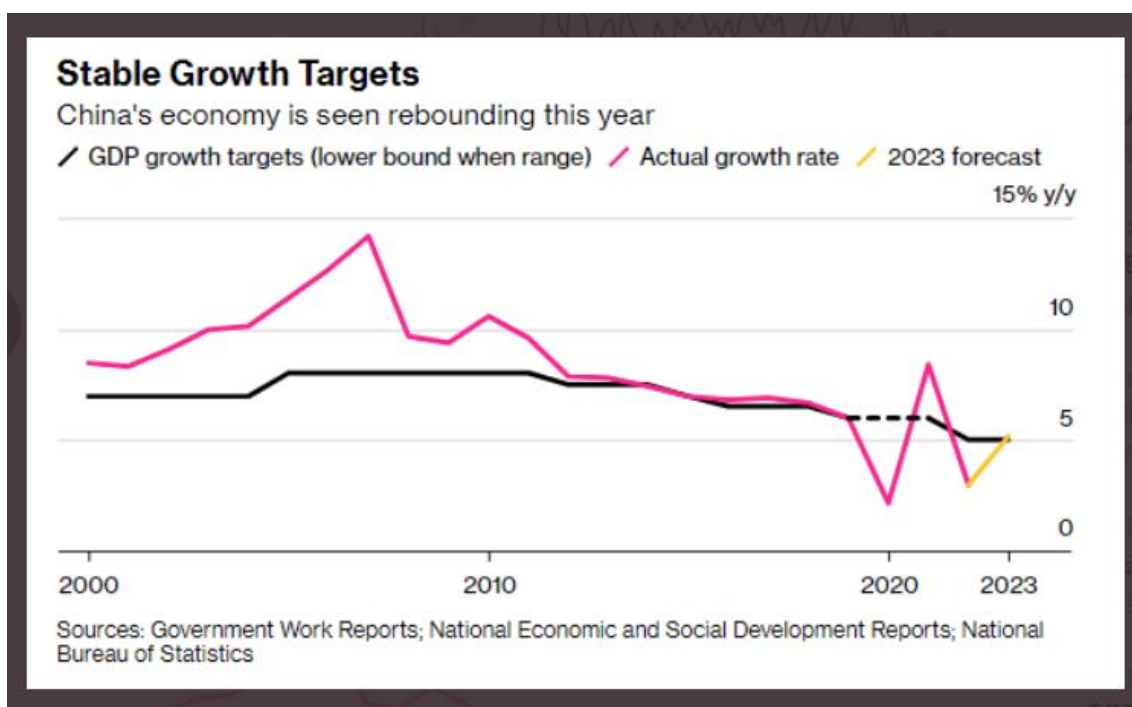
MACROBOND

Source: Macrobond, MacroAlf

#macro

#china #gdp #growth

China Central Bank signals stable policy as economy rebounds.



Source: Bloomberg

#macro

#china #manufacturing

The China manufacturing is beating US.



Source: BofA

Source: BofA



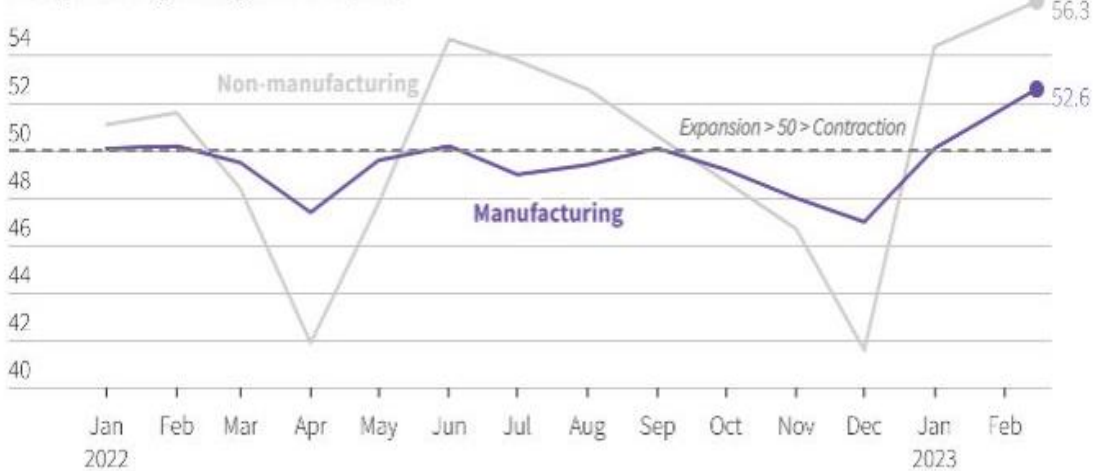
#china #pmi

China's Factory Activity Stuns with Fastest Growth in a Decade. The manufacturing purchasing managers' index (PMI) shot up to 52.6 from 50.1 in January, according to China's National Bureau of Statistics, above the 50-point mark that separates expansion and contraction in activity. The PMI was the highest reading since April 2012.

China's factory activity at a decade high

China's manufacturing activity expanded at the fastest pace in more than a decade in February 2023, smashing expectations as production zoomed after the lifting of COVID-19 restrictions late last year.

NBS purchasing managers' index (PMI)



Source: Refinitiv Datastream | Reuters, March 1, 2023 | By Kripa Jayaram

Source: Reuters



#macro

#china #pmi

What if recession is already behind us?

US ISM manufacturing index versus Chinese PMI



Source: Macrobond, ING

Source: Macrobond, ING



#global #supply-chain

UBS on Supply Chains: "Our composite global supply chain stress indicator has fallen to -0.66 standard deviation below normal (median). With the exception of 1 month in 2019, that's the lowest level of supply chain disruption since 2013."



Source: Copyright © 2022, UBS, S&P GlobalTM, Haver, Bloomberg, Reuters Refinitiv [Chart shows z-score of 20 different indicators, including delivery time and backlog indices, shipping and air freight cost, global demand imbalances, empty/full container ratios, the shipping queue outside LA, orders/inventory data, and cargo load factors.]

Source: UBS



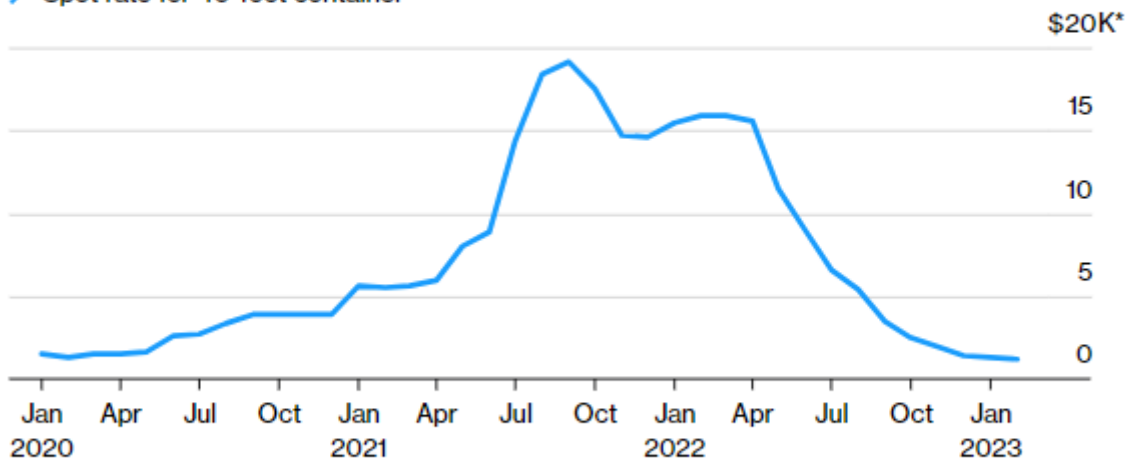
#freight-rates

Container rates sink near \$1,000 with demand ‘crashing’.

Searching for a Bottom

Transpacific container rates have plunged to the lowest since 2018

✓ Spot rate for 40-foot container



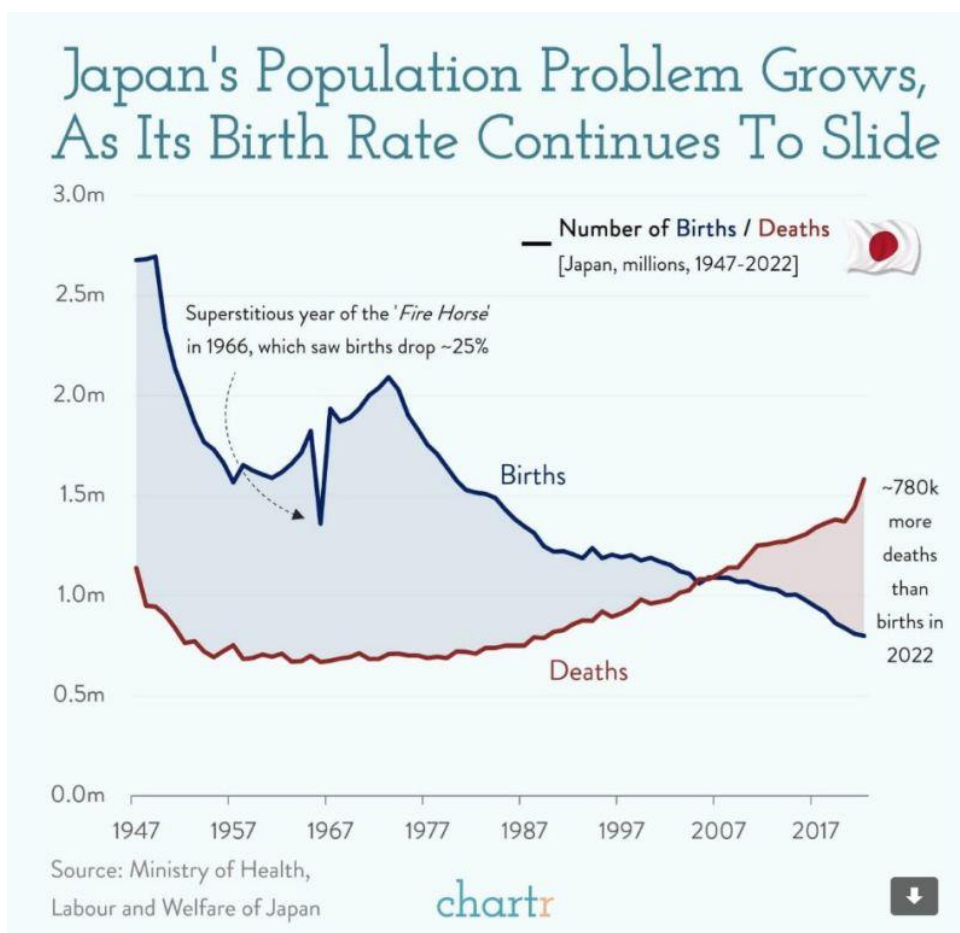
Source: Freightos
*FEU = 40-foot container unit

Source: Bloomberg



#japan #demographics

Japan's birth rate fell to its lowest level on record last year, with the country welcoming just 799,728 newborns in 2022, a 5% fall on the prior year. That fact alone would be enough to have demographers worried, but the nation also recorded 1.58 million deaths, a figure up 9% year-on-year, accelerating the decline of Japan's native population.



Source: charttr

#centralbanks

#fed #rates #expectations

Traders are now pricing in a 5.5% Fed funds rate by September.



Source: HolgerZ, Bloomberg

Source: xxx



#centralbanks

#fed #rates #expectations

Market's expectation of probability of 50bps rate hike at March Fed meeting has gone from 0% at beginning of February to 29% at beginning of March.

The Probability the Fed Hikes 50 Basis Points on March 22, 2023 to 5.00% - 5.25%
As Calculated by the Chicago Mercantile Exchange's Fed Watch Tool



Source: Chicago Mercantile Exchange
<https://www.cmegroup.com/trading/interest-rates/countdown-to-fomc.html>

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<https://www.biancoresearch.com/>

Source: Bianco Research



#centralbanks

#fed #rates #expectations

Hawkish Fed members comments pushed rate-hike odds for March and May higher (25% and 15% odds of 50bps respectively)...

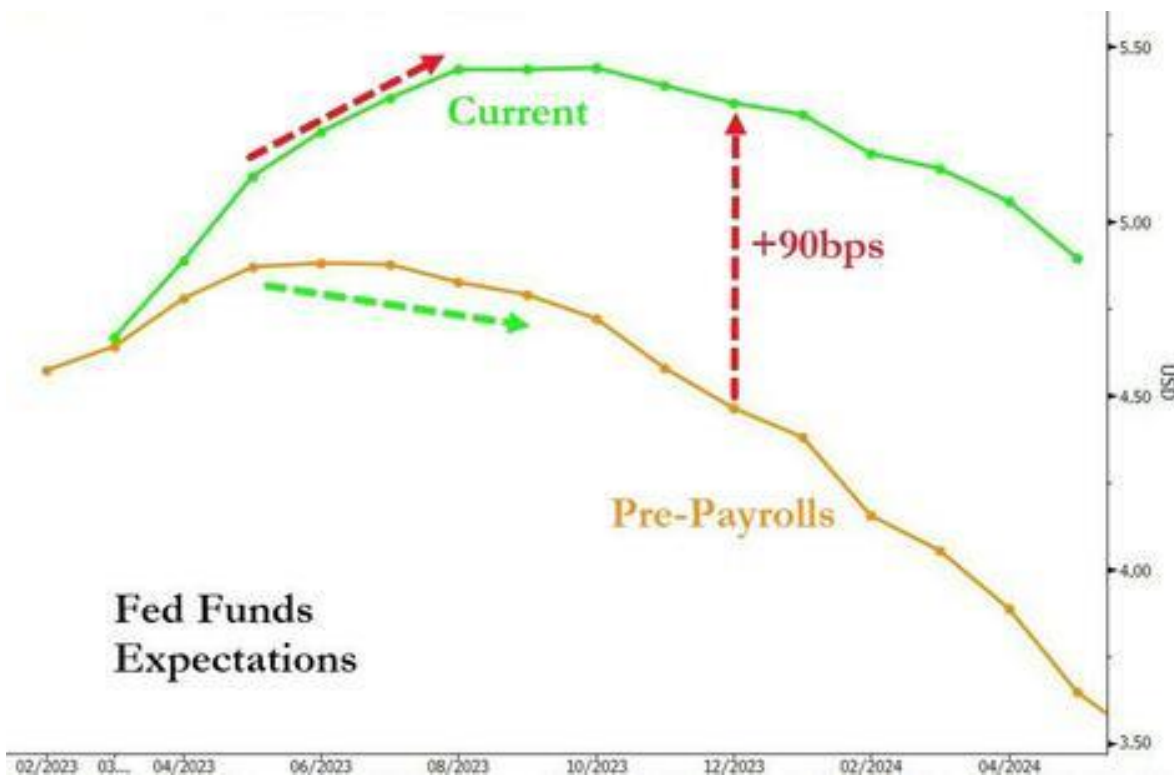


Source: www.zerohedge.com, Bloomberg

#centralbanks

#fed #rates #expectations

For some context as to how massively the market has shifted its perception about The Fed's rate trajectory, here is the before and after picture of the US short-term rate curve since February's blowout payrolls print.

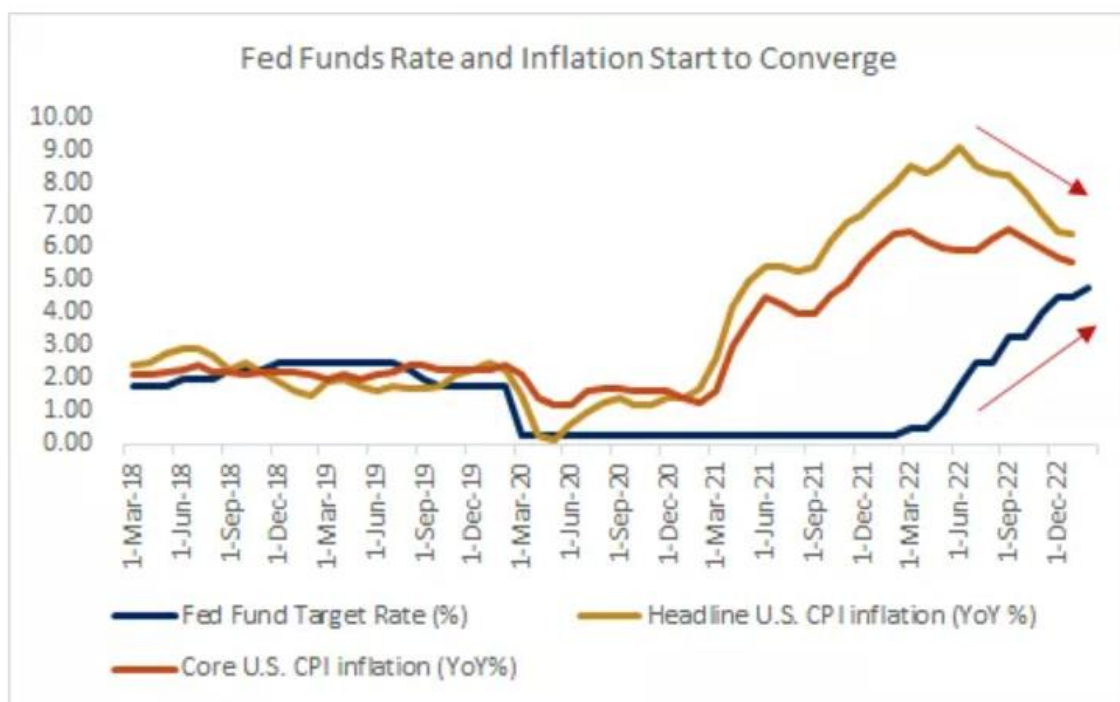


Source: www.zerohedge.com, Bloomberg

#centralbanks

#fed #rates #convergence

The big picture: The fed funds rate and inflation rates are converging, with the fed funds rate perhaps poised to exceed inflation in the months ahead.



Source: Edward Jones

#centralbanks

#fed #balance-sheet

Fed balance sheet drops by another \$42,5bn to \$8,339.7bn in the past week, lowest level since Aug 2022 as QT continues. Total assets now equal to 32% of US's GDP vs ECB's 60%, SNB's 113% and BoJ's 132%.



Source: HolgerZ, Bloomberg

#centralbanks

#fed #congressional-meeting



Mohamed A. El-Erian 
@elerianm

...

Looking forward to next week's semi-annual Congressional testimony, @LHSummers told @markets that #FederalReserve Chair Jerome Powell "has an important opportunity to reset expectations and to address the growing credibility problems that the Fed has"
[#economy](#) [#markets](#) [#inflation](#)

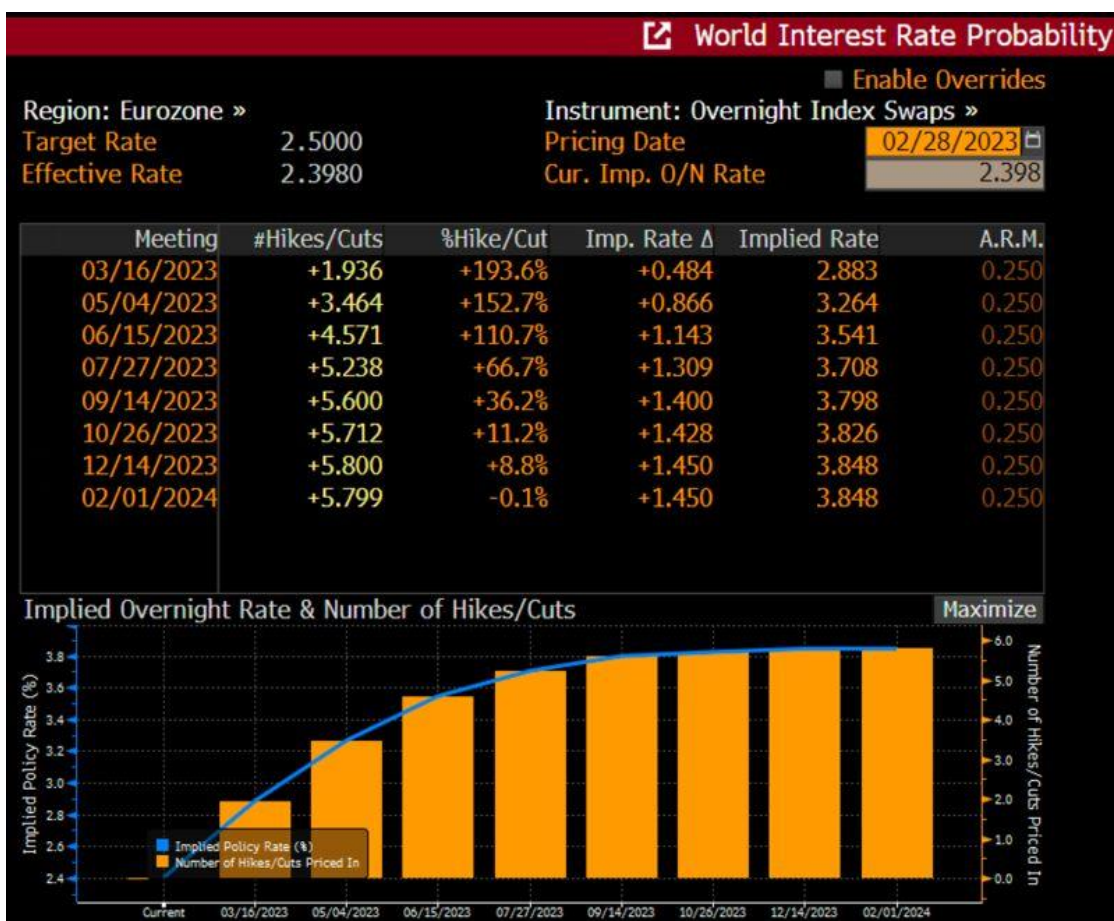
Six recent jolts have hurt the possibility of the soft landing that the Fed has sought, according to Summers:

- Seasonal revisions to the consumer price index that took the downward trend of inflation out of the data for the last several months of 2022.
- The CPI for January showed an acceleration in inflation.
- The personal consumption expenditures price index also picked up.
- January economic indicators "read strong."
- Wage figures "no longer show the kind of reductions that we had been expecting."
- The jump in Treasury yields, with 10-year rates climbing past 4%

#centralbanks

#ecb #rates #expectations

Money Market fully price 4% Peak ECB rate for 1st time following hotter than expected inflation data. 4% ECB terminal rate is expected to be reached by Feb2024. That compares to a 3.5% rate expected at the start of the year.

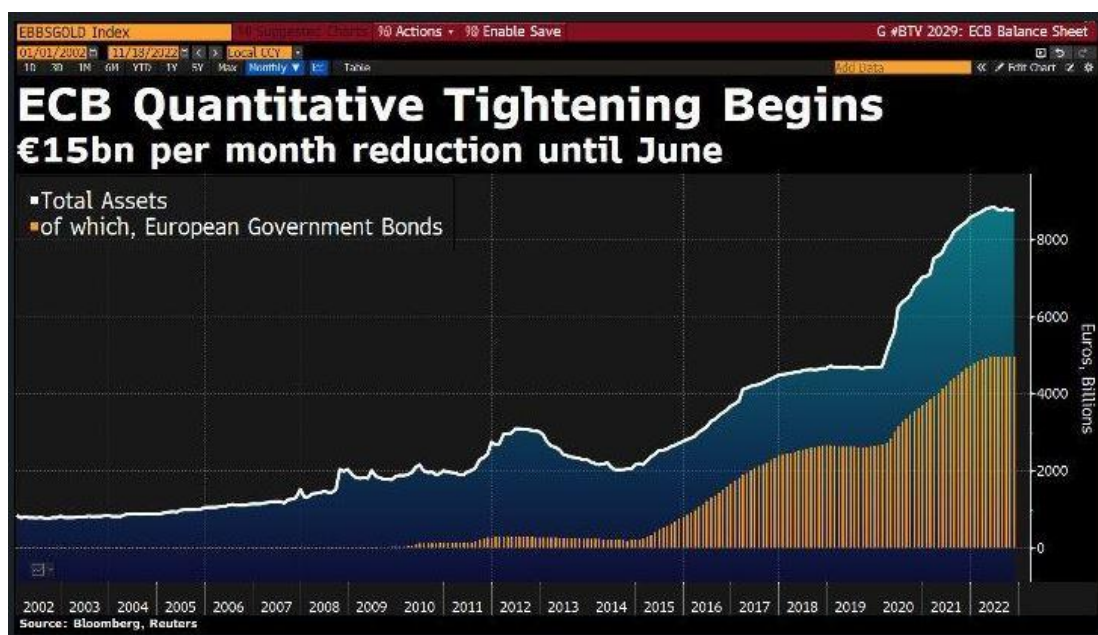


Source: Bloomberg

#centralbanks

#ecb #qt

ECB Passive Quantitative Tightening (QT) began on March 1st. From the start of this month onwards, the European Central bank (ECB) will reduce the size of its balance sheet by €15bn per month (until June). ECB assets currently stand at €9T, of which government bonds €5T. Markets swallowed an effective net debt supply of €280bn in 2022, but with QT 2023's it balloons to + €600bn.

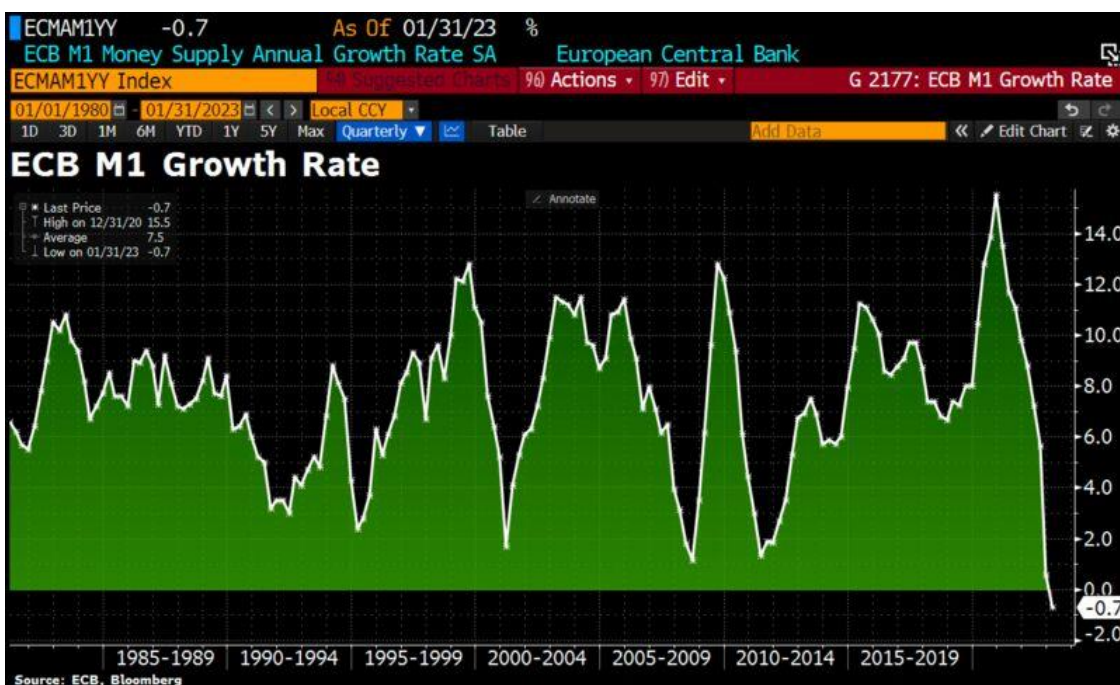


Source: Bloomberg, Valery Tytel, Gustavo Philippsen Fuhr

#centralbanks

#ecb #m1

Eurozone M1 money supply YoY turned negative for 1st time since start of the statistic. The annual growth rate of narrower monetary aggregate M1 decreased to -0.7% in January 2023 from 0.6% in December 2022, while M3 money supply slowed to 3.5% from 4.1% in December.



Source: Bloomberg



#bitcoin #weekly

Bitcoin trended sideways all week between \$23k and \$24k until Frisay night in Asia when it puked back to \$22k (potentially after all the headlines around Signature Bank), breaking below the 50DMA (\$22870) for the first time since January 4th...

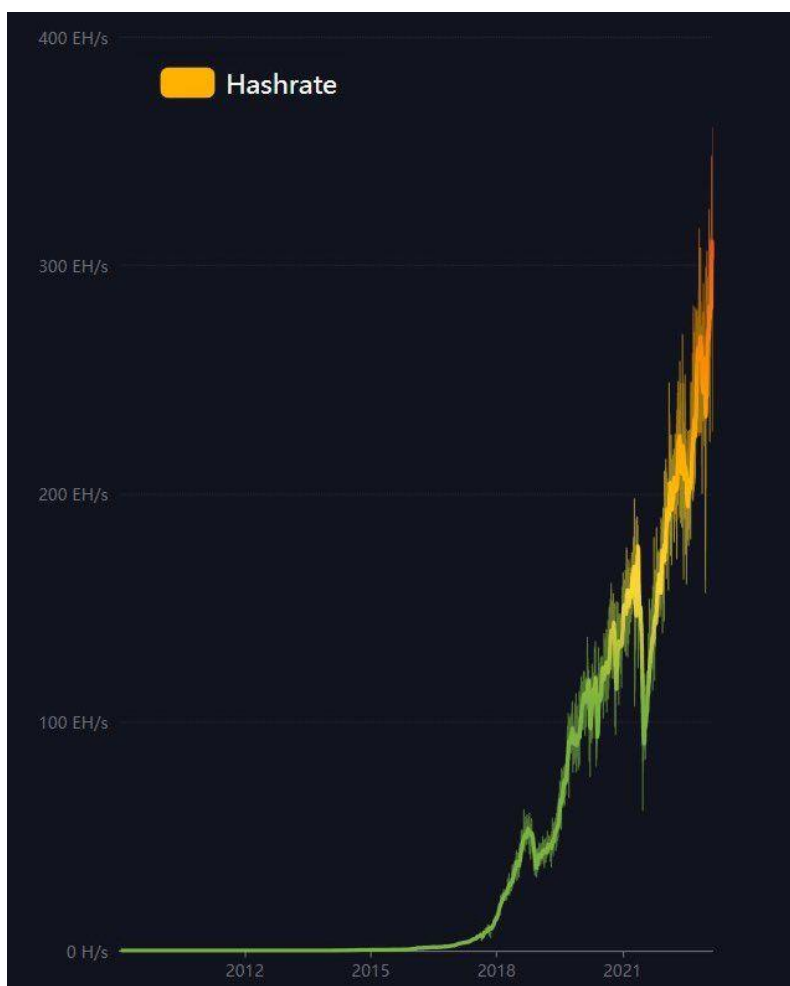


Source: www.zerohedge.com, Bloomberg



#bitcoin #hashrate

New record bitcoin hashrate 360,000,000,000,000,000x computations every second. As a reminder, the hashrate is the measure of the computational power in a proof-of-work (PoW) cryptocurrency network. The hash rate is used to determine the health, security, and mining difficulty of a blockchain network.



#cryptos

#tether

Tether Used Fake Documents to Open Bank Accounts: WSJ

A Friday WSJ report claims the stablecoin issuer had some shadowy backers.

By [Mat Di Salvo](#)

Mar 3, 2023

2 min read



Tether is the company behind the USDT stablecoin. Image: Shutterstock

Source: Decrypt

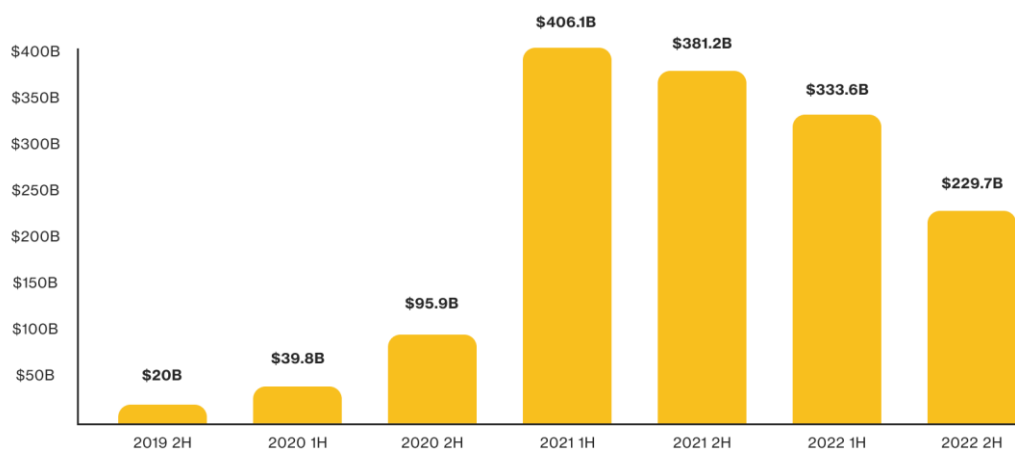


#silvergate

Silvergate Bank lost more than \$8 billion in deposits from its crypto customers in the final months of 2022 as its core block of business crumbled under the industry’s implosion – just as the bank’s regulators had predicted might happen for such institutions.



Silvergate Exchange Network Volume of Transfers



Source: Silvergate Bank Disclosures

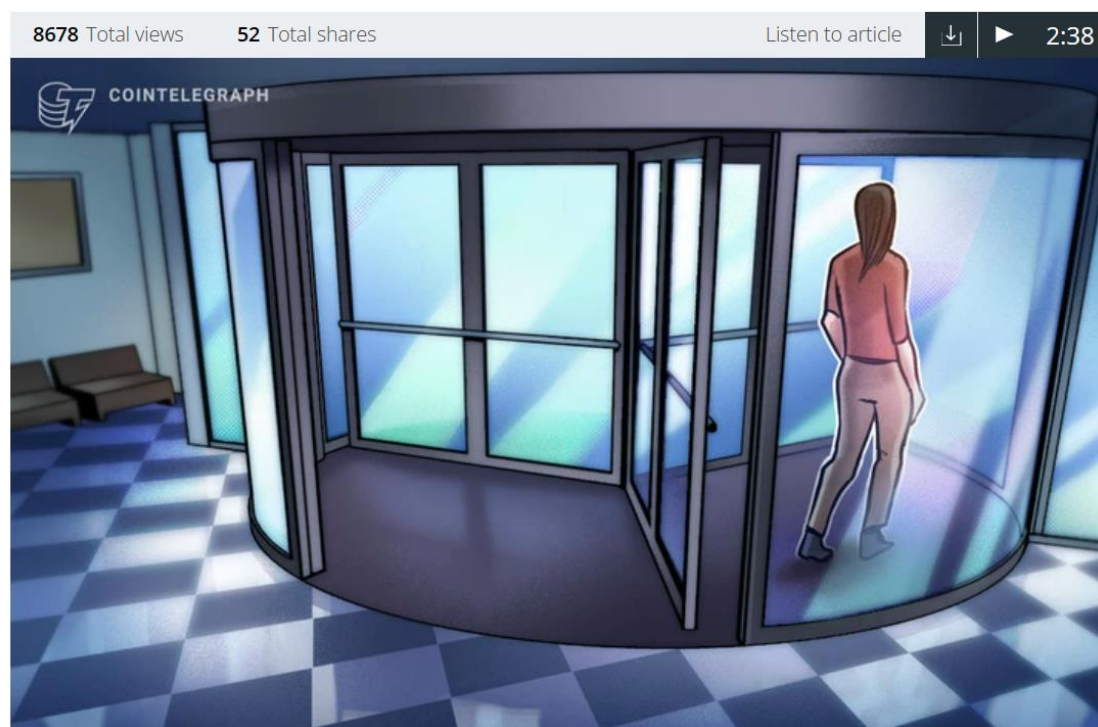
Source: coindesk



#silvergate

Coinbase cutting ties with Silvergate forces crypto hedge fund to find a new bank

A total of five crypto companies ended their partnership with Silvergate Bank on March 2 after a series of lawsuits and investigations against the bank.

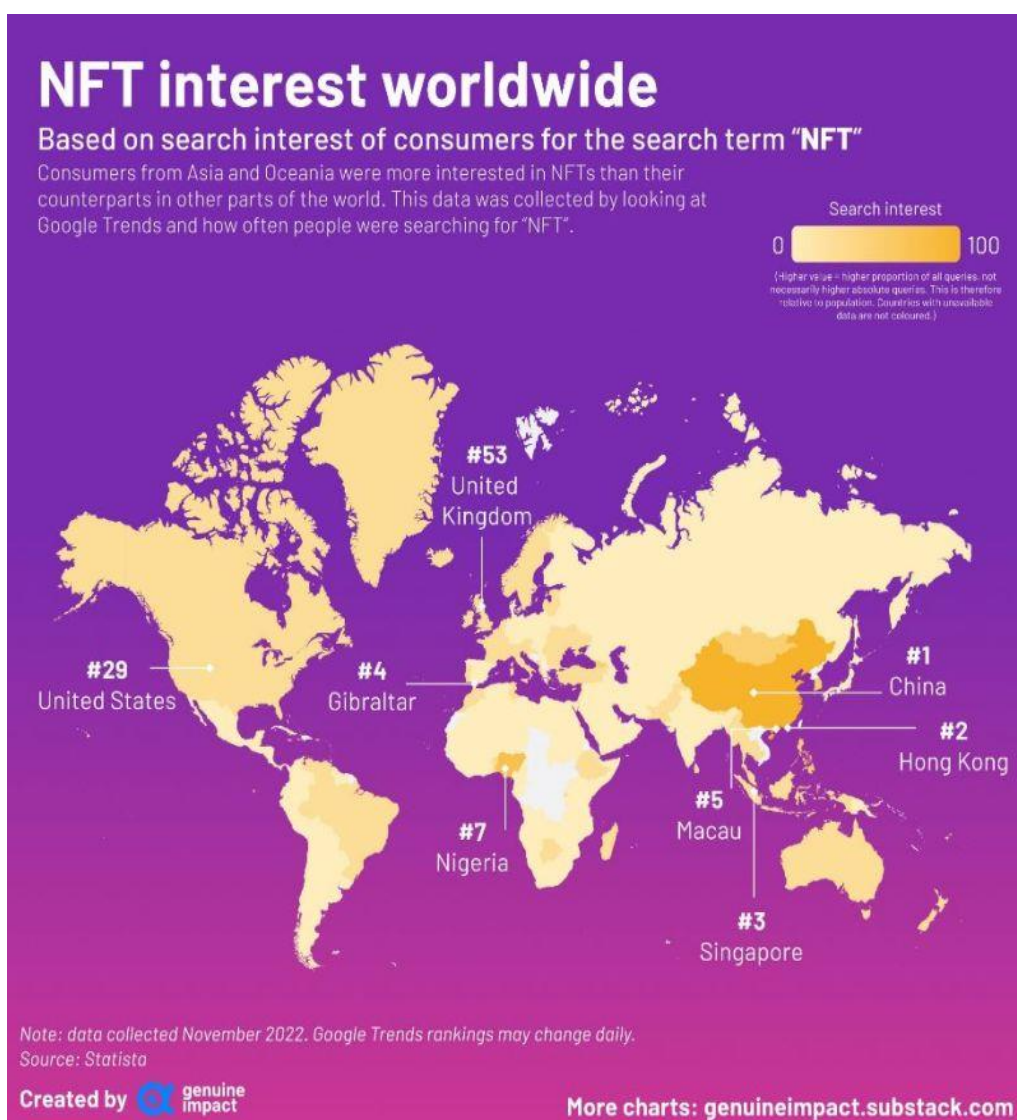


Source: www.cointelegraph.com



#nfts

Are NFTs still a thing? Interest is still high in Asia and Oceania, with 4 of the top 5 countries situated in SE Asia.



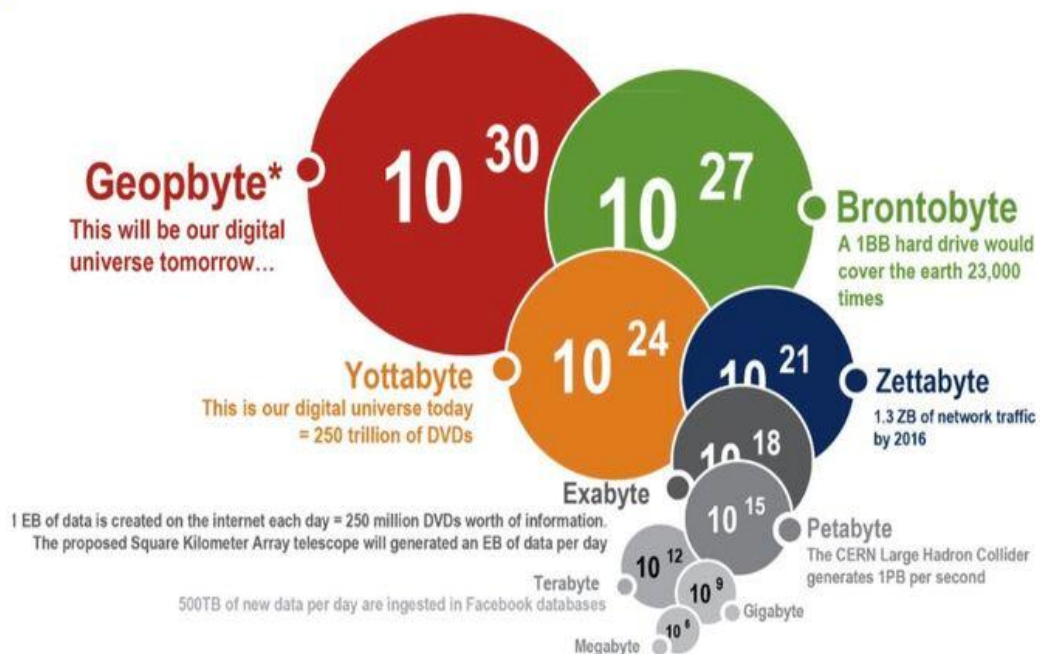
Source: Genuine Impact

#food-for-thought

#big-data

“.. More data is created per hour today than in an entire year just two decades ago .. We are entering the age of the Yottabyte ..” - B of A AI

Exhibit 11: It's a yottabyte world
Big data vocabulary 'cheat sheet'



Source: Hewlett Packard

BofA GLOBAL RESEARCH

Source: Hewlett-Packard, BofA via Carl Quintanilla

#food-for-thought

#elon-musk #artificial-intelligence #chatgpt

Elon Musk has approached AI researchers in recent weeks about forming a new research lab to develop an alternative to OpenAI's ChatGPT, the Information reported on Monday, citing people with direct knowledge of the effort. Tesla and Twitter chief Musk has been recruiting Igor Babuschkin, a researcher who recently left Alphabet's DeepMind AI unit, the report said. Musk, who had co-founded OpenAI along with Silicon Valley investor Sam Altman in 2015 as a nonprofit startup, had left its board in 2018, but chimed in with his take on the chatbot, calling it "scary good". Musk and Babuschkin have discussed assembling a team to pursue AI research but the project is still in the early stages, with no concrete plan to develop specific products, the report said quoting an interview with the latter..

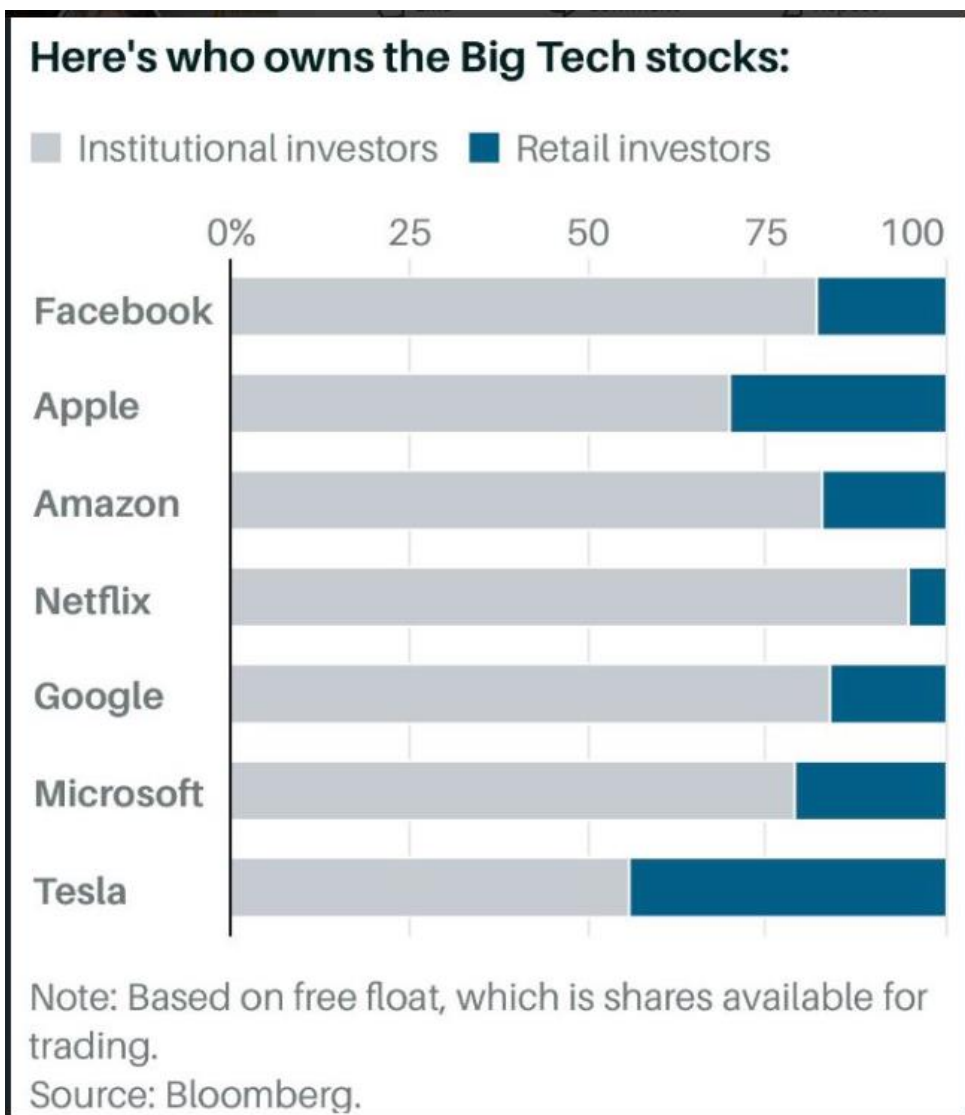


Source: Reuters

#food-for-thought

#big-techs

Who Owns The Big Tech Stocks - Institutional vs Retail



Source Barrons

#food-for-thought

#big-tech #employees

Big Tech Companies Makes Around \$1M - \$2.5M per Employee.

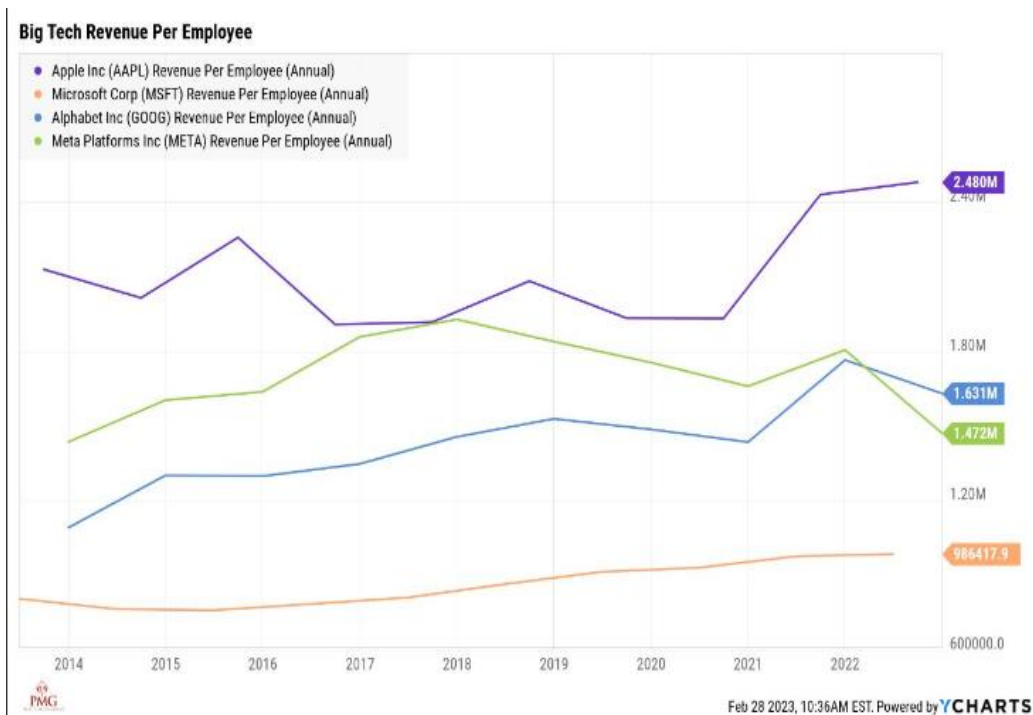
Employee headcount has grown rapidly:
(2010 - Today)

Apple 49K - 164K

Microsoft 89K - 221K

Google 24K - 190K

Facebook 2K - 87K



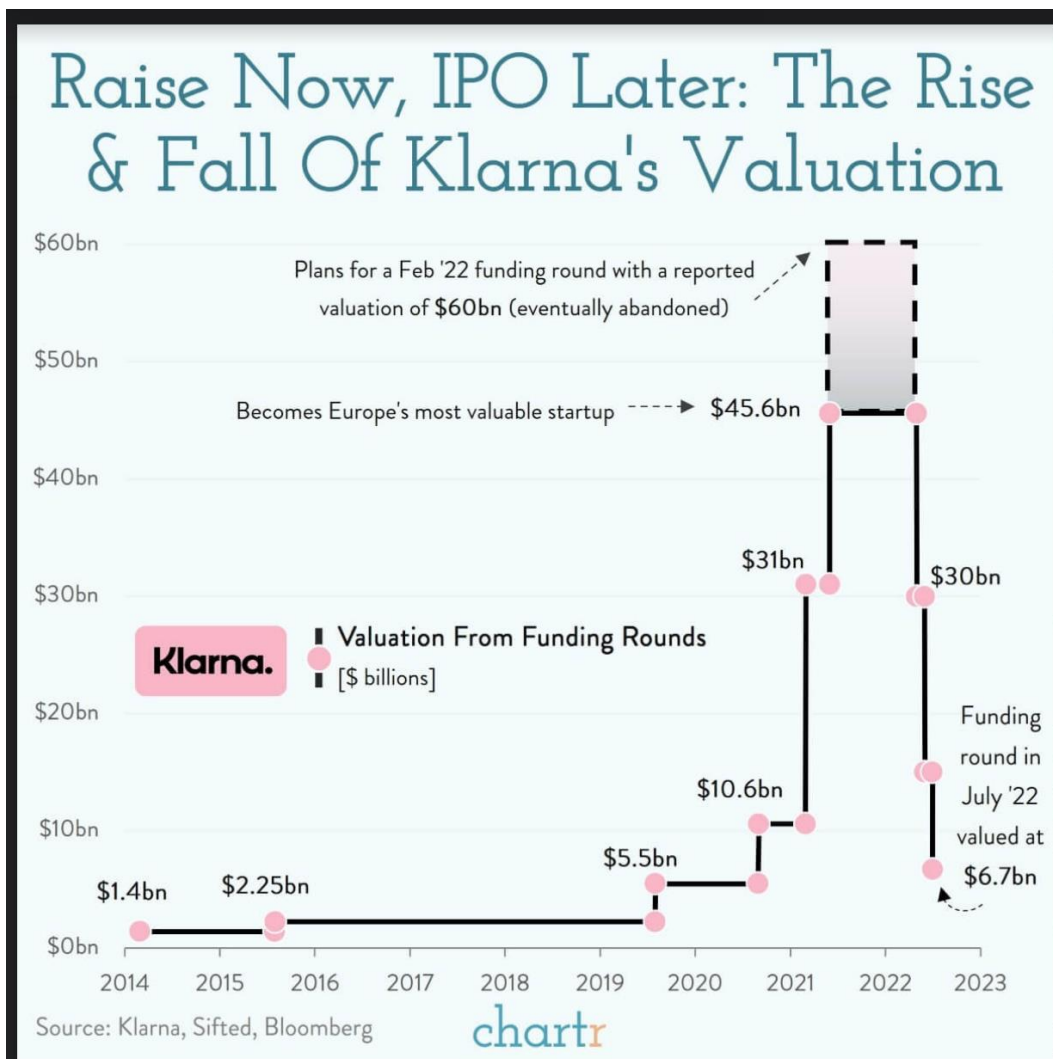
Source: PMW, Ychart



#food-for-thought

#klarna

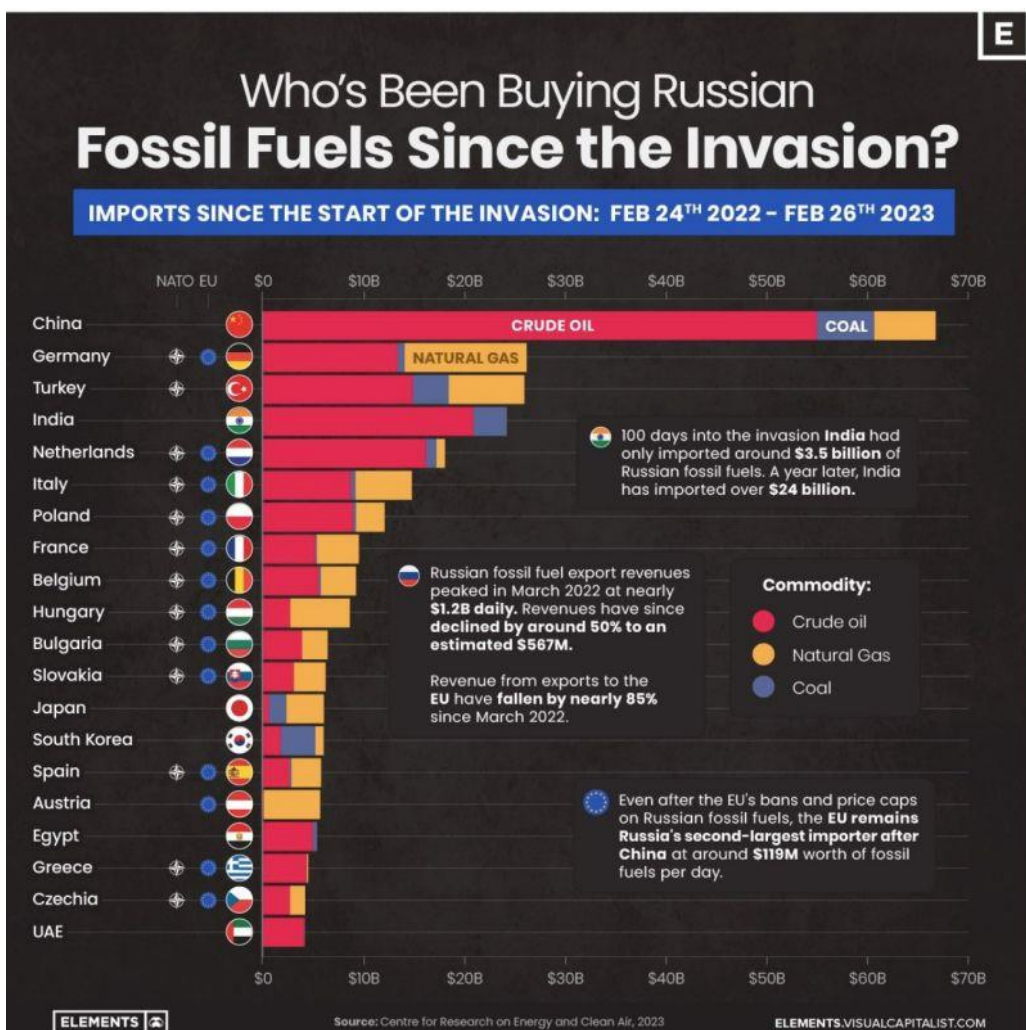
This week, “buy now, pay later” (BNPL) company Klarna announced its losses had deepened a further 47% on the year prior, reporting a cool \$1 billion loss for 2022.



#food-for-thought

#russian #fuel #exports

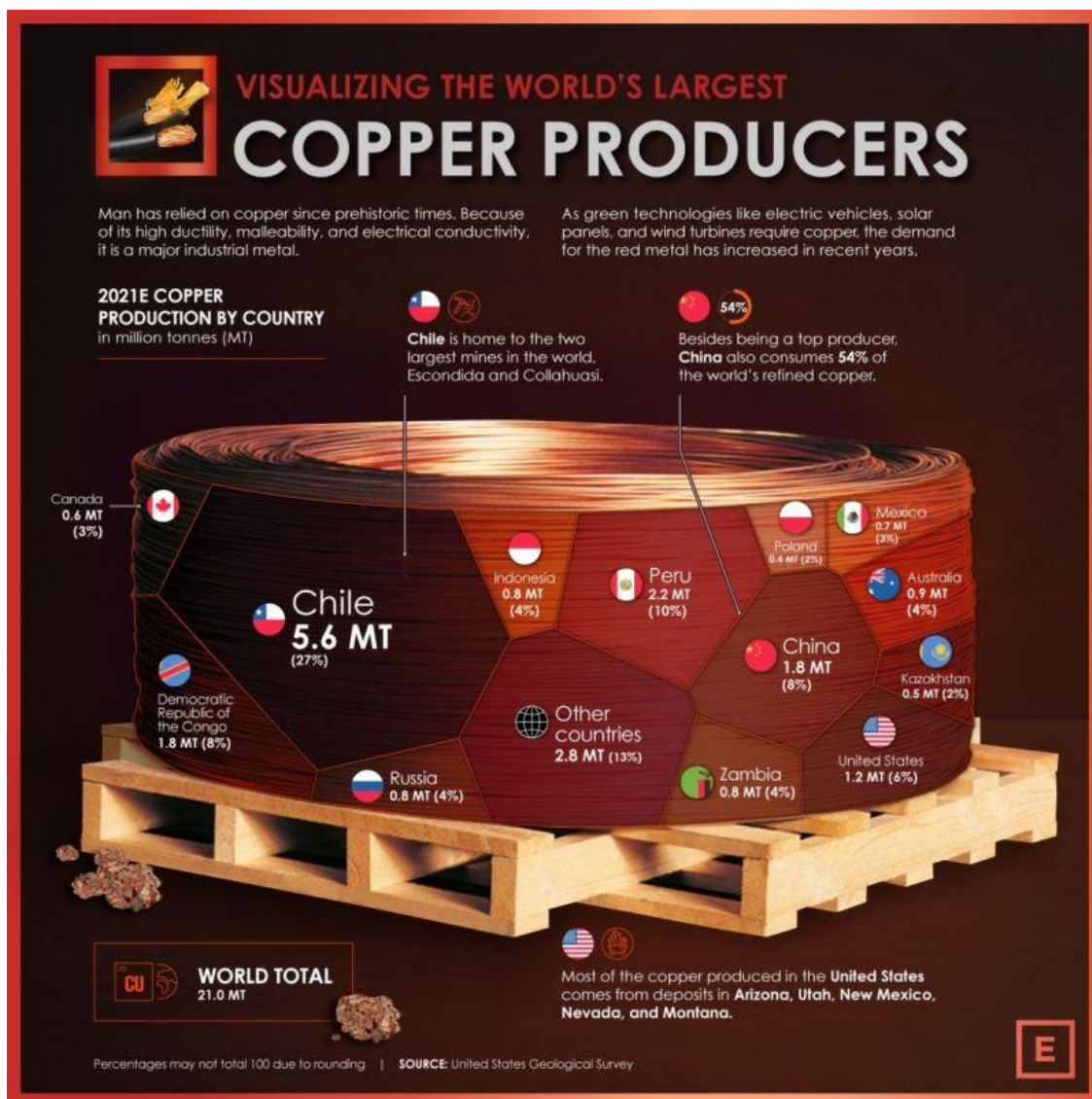
A year on from Russia’s initial invasion of Ukraine, Russian fossil fuel exports are still flowing to various nations around world; according to estimates from CleanAir. Russia has made > \$315B from fossil fuel exports, with ~1/2 from EU



#food-for-thought

#copper #producers

Visualizing the world's largest copper producers



Source: The Visual Capitalist


#food-for-thought


#lithium



Radar 
@RadarHits



NEW !!  Iran just discovered world's second largest lithium reserve at 8.5 million metric tons (MT) ready for extraction.

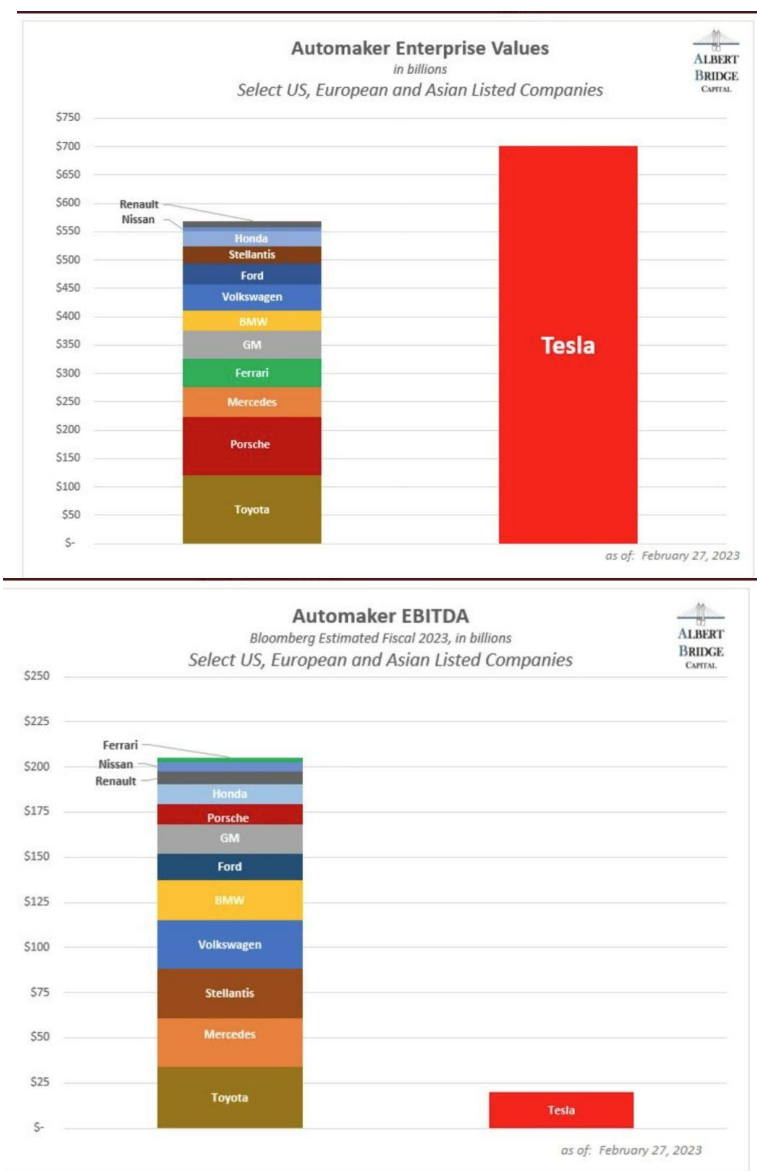
About those sanctions... 



#food-for-thought

#tesla #marketcap #valuation

Automakers Enterprises values vs. Market Cap: Tesla vs. rest of the world



Source: Michel Arouet, Albert Bridge Capital

#food-for-thought

#us #stocks #global-exchanges

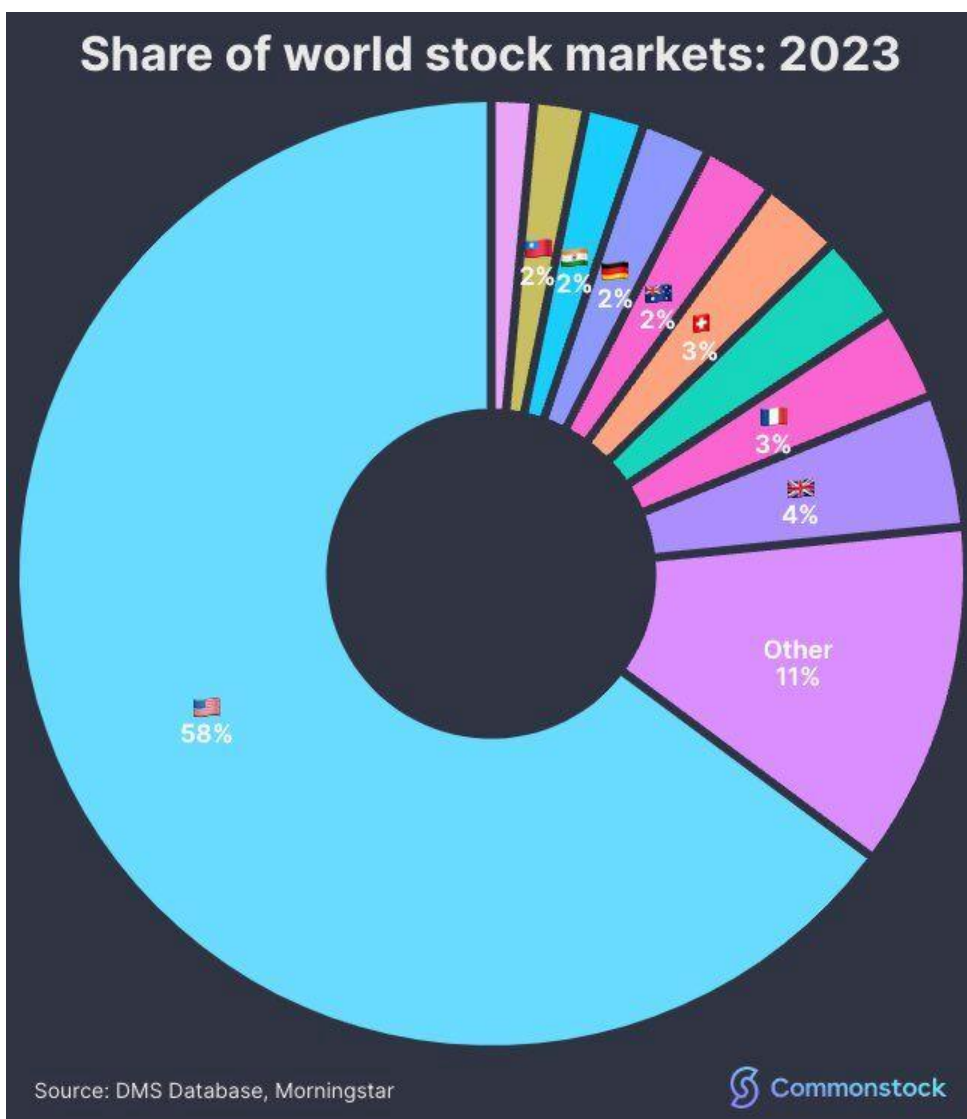
US Stock Market vs The Market Cap of Global Exchanges. Despite having 4% of the world's population, the value of U.S. equities still make up over 40% of the global total.



#food-for-thought

#global #stocks #breakdown

Germany is world's Number 4 economy, but German share of world stock market is just embarrassing.



Source: Commonstock

#food-for-thought

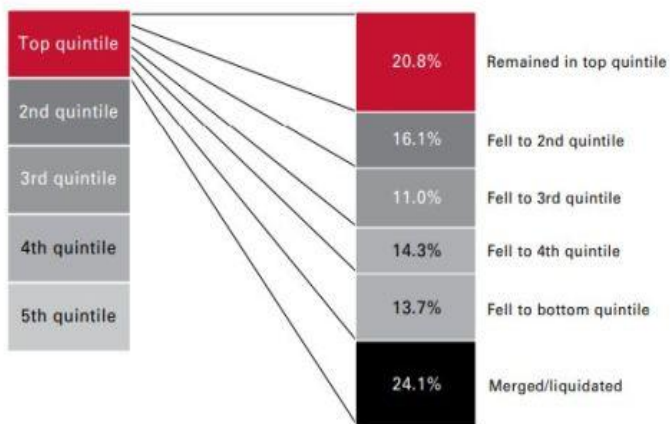
#active-management

Choosing a money manager based on past performance is a recipe for underperformance.

FIGURE 18

Fund leadership is quick to change

How the top-performing stock funds of 2014 fared in the rankings five years later



Notes: Vanguard ranks all active U.S. equity funds within each of the 9-style Morningstar categories based on their excess returns relative to their stated benchmark during the five-year period as of December 31, 2014. The columns show how funds in the first quintile performed over the next five years; we added a category for funds that were merged or liquidated.

Sources: Vanguard calculations, using data from Morningstar, Inc.

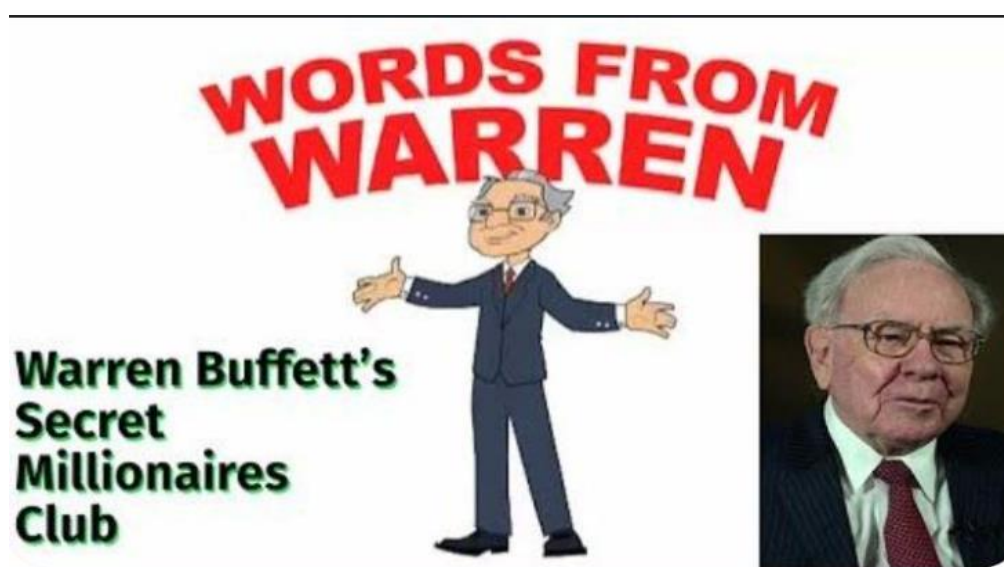
Source: Peter Mallouk, Morningstar

#food-for-thought

#warrenbuffet #lessons

"The Lesson for Investors : The Weeds Wither Away in Significance as the Flowers Bloom"

Warren Buffett published his famous annual letter to Berkshire Hathaway shareholders on Saturday. Berkshire CEO highlighted the best bets of his career, defended his conglomerate's stock buybacks and tax contributions, and slammed managers who manipulate their companies' earnings to meet Wall Street's expectations




Source: MarketsBusinessinder

#food-for-thought

#warrenbuffet #quotes

A few excellent quotes.



Excellent Quotes by Warren Buffet

On Earning: "Never depend on single income. Make investment to create a second source".

On Spending: "If you buy things you do not need, soon you will have to sell things you need".

On Savings: "Do not save what is left after spending, but spend what is left after saving".

On Taking Risk: "Never test the depth of river with both the feet".

On Investment: "Do not put all eggs in one basket".

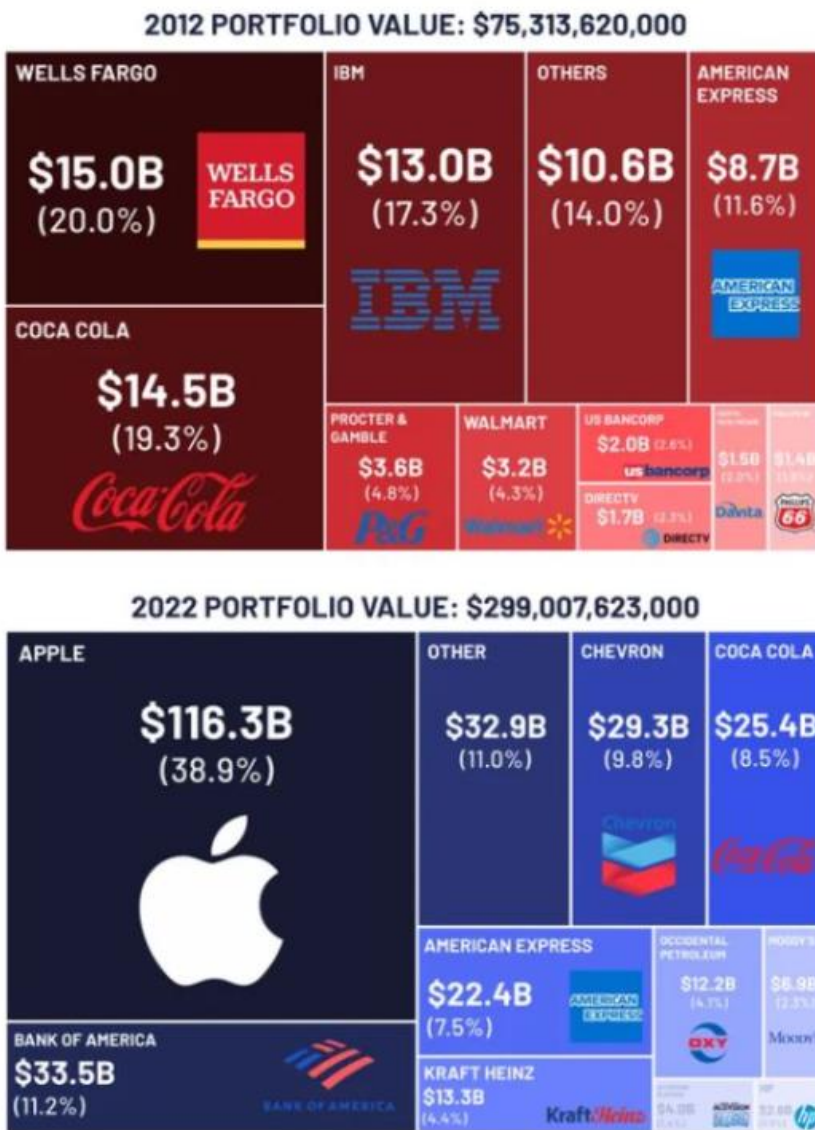
On Expectations: "Honesty is very expensive gift. Do not expect it from cheap people".

Source: Compounding Quality

#food-for-thought

#warrenbuffett #portfolio

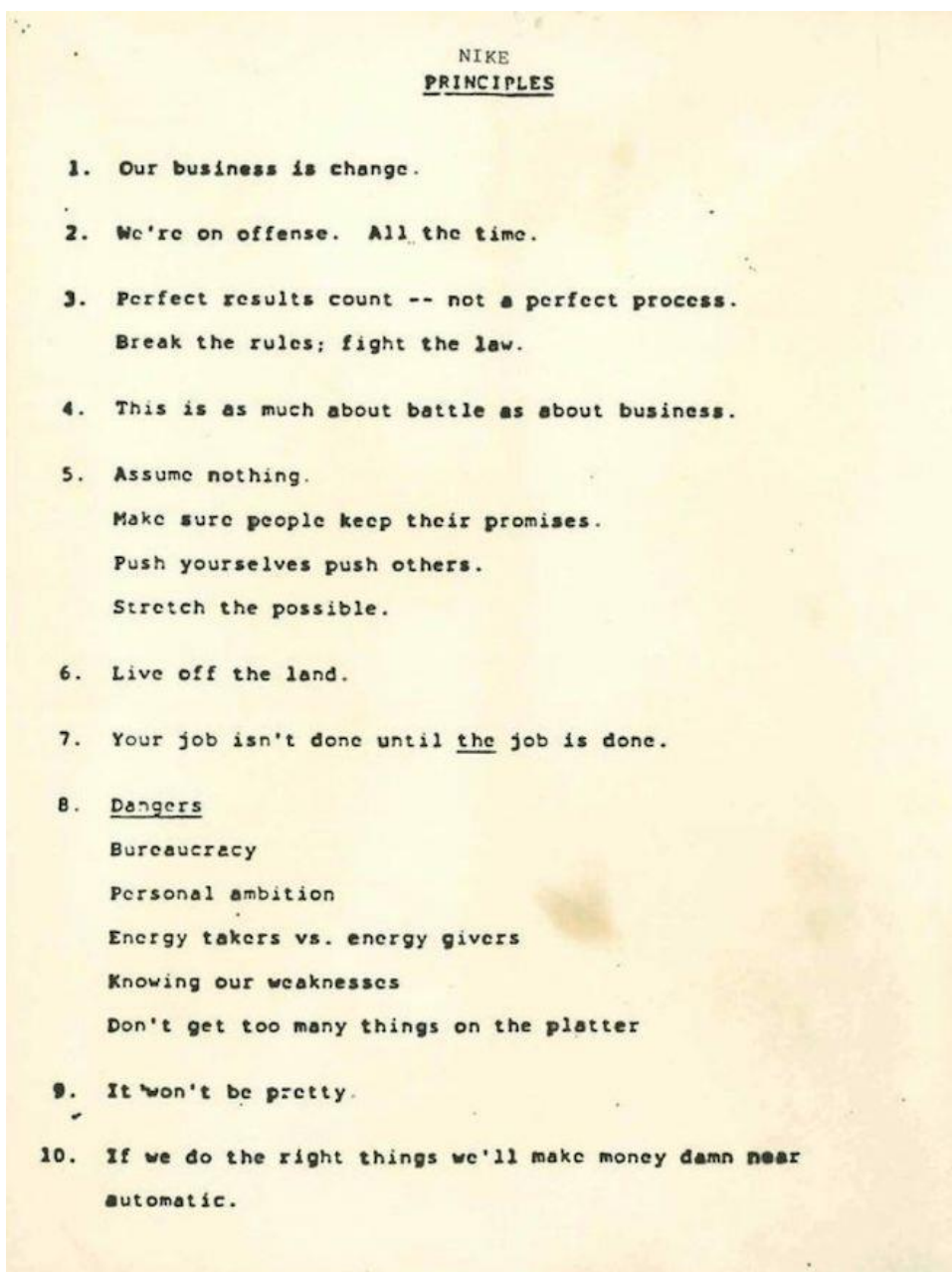
Warrren Buffett's Stock Portfolio in 2012 vs 2022



Source: Genuine Impact

#food-for-thought

#nike #principles



#food-for-thought

#investing #rules

The Market Technician's Association
Monthly Meeting 4/11/90

Marty Zweig's Investing Rules

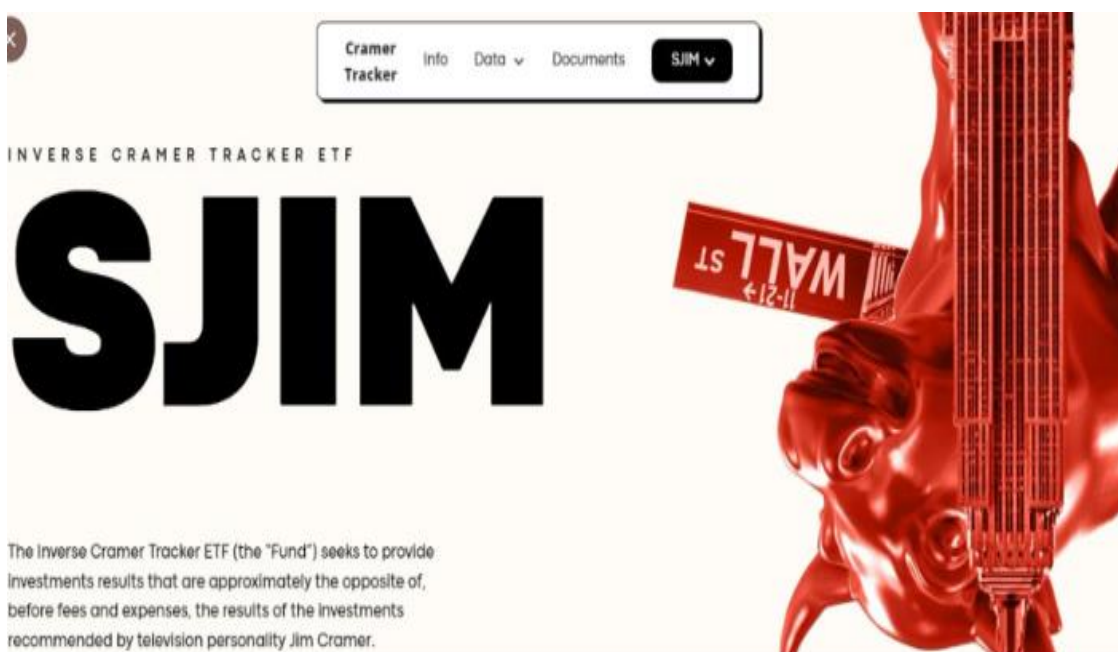
- 1) The trend is your friend, don't fight the tape.
- 2) Let profits run, take losses quickly.
- 3) If you buy for a reason, and that reason is discounted or is no longer valid, then sell!
- 4) If the values don't make sense, then don't participate. (2+2=4)
- 5) The cheap get cheaper,
the dear get dearer.
- 6) Don't fight the FED (less valid than #1).
- 7) Every indicator eventually bites the dust.
- 8) Adapt to change.
- 9) Don't let your opinion of what *should* happen, bias your trading strategy.
- 10) Don't blame your mistakes on the market.
- 11) Don't play all the time.
- 12) The market is not efficient, but is still tough to beat.
- 13) You'll never know all the answers.
- 14) If you can't sleep at night, reduce your positions or get out.
- 15) Don't put too much faith in the "experts."
- 16) Don't focus too much on short term information flows.
- 17) Beware "New Era" thinking, i.e. it's different this time because...

Source: Sir of Finance, Goldman Sachs

#food-for-thought

#etfs #newlaunch

The Inverse Cramer Tracker ETF (SJIM) Is Live

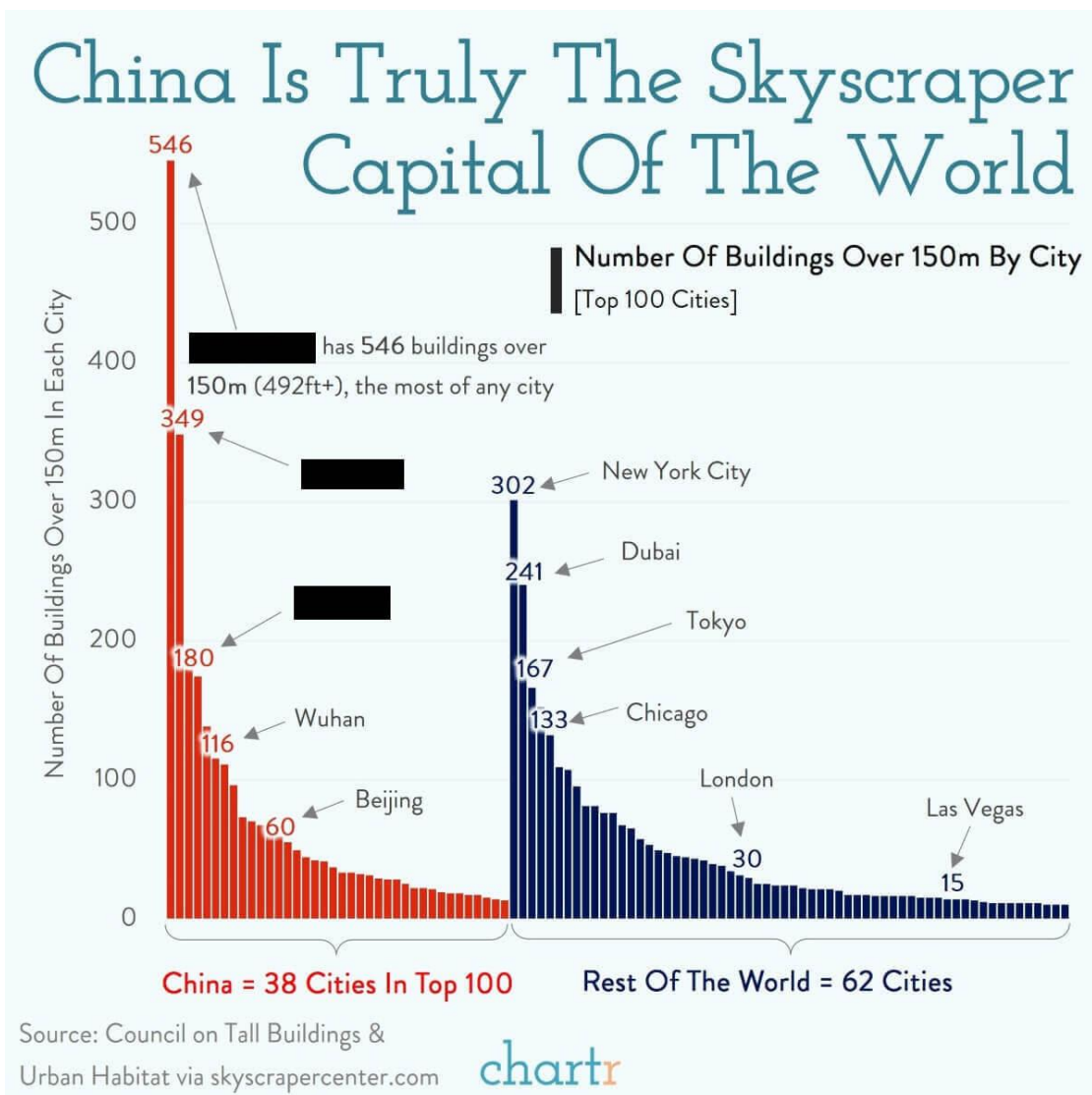


Source: TheStreet

#food-for-thought

#skyscrapers

China has 200 more skyscrapers than in any other country in the world.



Source: Charttr

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For the future...