

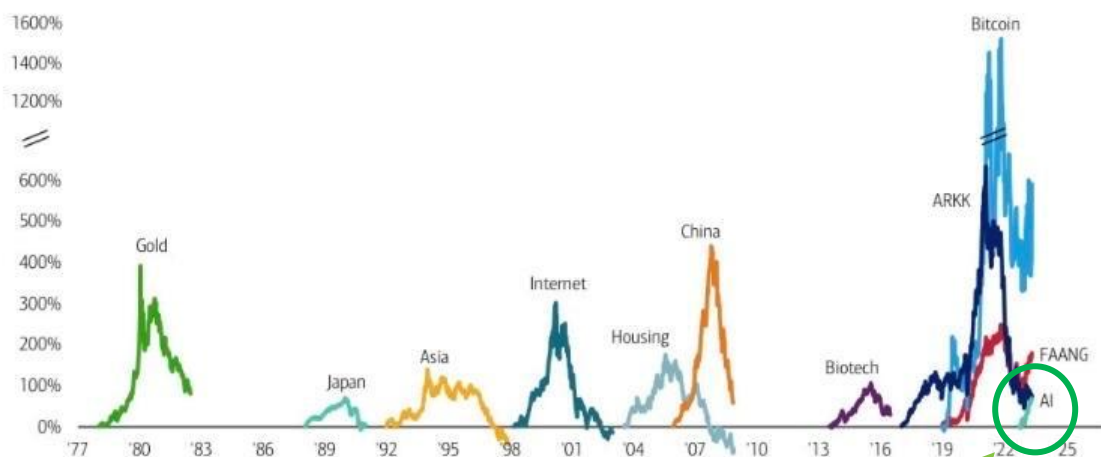
## Chart of the week

### The AI «baby bubble»

BofA said AI (Artificial Intelligence) for now is a “baby bubble,” noting that in the past bubbles always started with “easy money” and ended with rate hikes. They cited the lesson from 1999, when a rally in internet stocks and strong economic data caused the Fed to restart monetary tightening, and the bubble in tech stocks burst nine months later. The biggest “pain trade” in the next 12 months is the Fed funds rate rising to 6% instead of falling to 3%, given that the market expects rate cuts, according to BofA.

**Chart 2: Artificial Intelligence a “baby bubble” for now**

History of asset bubbles



Source: BofA Global Investment Strategy, Bloomberg (AI = NVDA + MSFT)

BofA GLOBAL RESEARCH

### S&P 500 briefly breaks out; advance remains narrow

US stocks recorded solid gains for the week, with the S&P 500 Index breaching the 4,200 level in intraday trading for the first time since late August. The market's advance remained notably narrow, however. The equal-weighted S&P 500 Index is up only 0.93% year-to-date, which is 825 basis points behind the weighted index. This dichotomy was again visible this week with outperformance by several mega-cap tech stocks (e.g Alphabet, Meta Platforms) as well as semiconductors such as NVIDIA and AMD. Regional bank shares also rallied and recouped some of their recent losses. Defensive sectors (consumer staples, health care and utilities) lagged. The catalyst for the week's gains appeared to be a notable shift in tone around debt ceiling negotiations. Stocks lost momentum on Friday, however, after Republican negotiators announced that they had decided to "press pause" in discussions. Economic data were generally in line with consensus expectations with some notable surprises e.g Retail sales rose 0.4% in April, below expectations (1.6%) while Industrial production and unemployment claims beat. Comments from Fed Chair Powell on Friday were hawkish ("inflation remains far too high"). The yield on the 10-year U.S. Treasury notes rose sharply over the week. Shares in Europe advanced amid optimism that interest rates could be close to peaking and that the U.S. would avoid a debt default. Japan's stock markets registered their sixth consecutive weekly gain, with the Nikkei 225 rising 4.8%.

## #GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

20 MAY 2023

#markets

### #weekly #returns

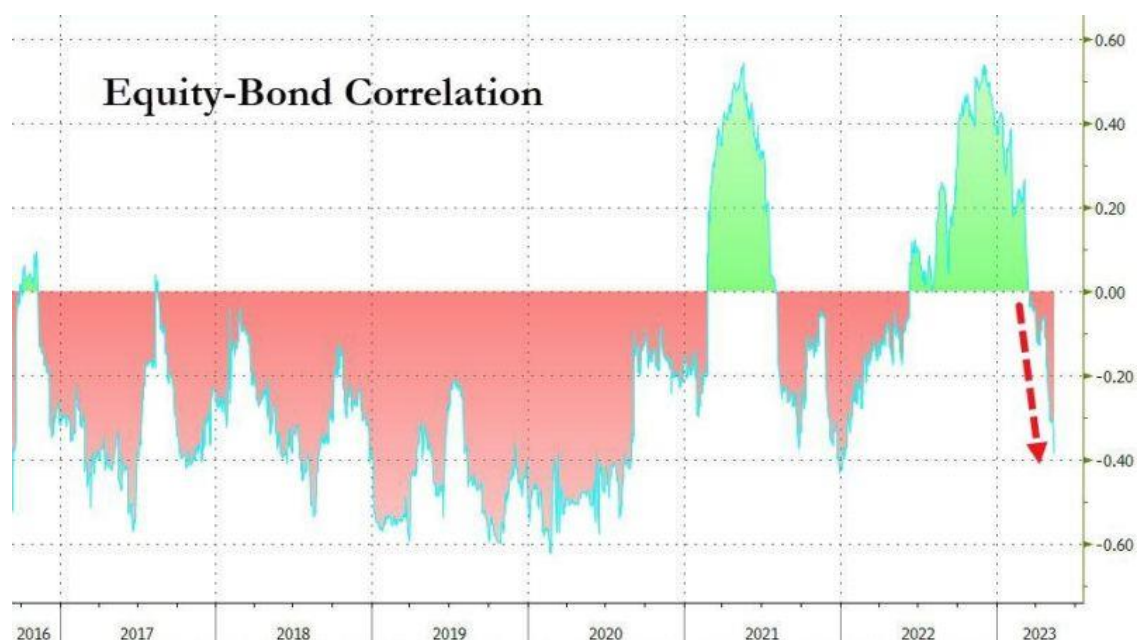
INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,427	0.4%	0.8%
S&P 500 Index	4,192	1.6%	9.2%
NASDAQ	12,658	3.0%	20.9%
MSCI EAFE *	2,116	-0.5%	9.8%
10-yr Treasury Yield	3.70%	0.2%	-0.2%
Oil (\$/bbl)	\$71.98	2.8%	-10.3%
Bonds	\$99.08	-1.3%	2.4%

Source: Factset 05/19/2023. 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

## #cross-assets #correlation

As Nomura's Charlie McElligott notes, the increasingly evident “dragging” global economic impact (that we noted at the top) is feeding a larger pivot back towards “Bonds As Your Hedge”... Treasury-Equity correlation has indeed swung significantly negative...



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

## #us #debt-ceiling #sp500 #sectors #returns

Average S&P 500 and sector historical returns around past Debt ceiling negotiations.

### AVERAGE S&P 500 AND SECTOR PERFORMANCE AROUND PAST DEBT CEILING NEGOTIATIONS

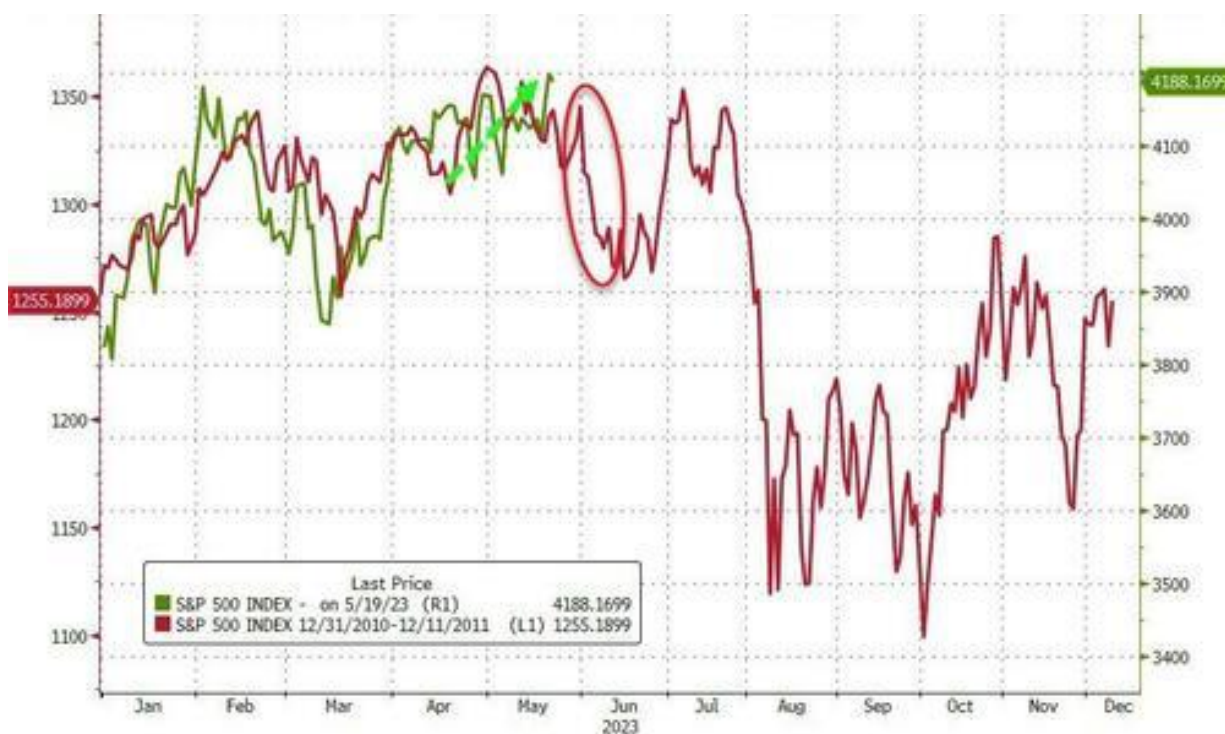
NAME/SECTOR	% gain 1 month after resolution	% gain 2 months after resolution	% gain 3 months after resolution	% gain 6 months after resolution
S&P 500	1%	-1%	4%	7%
CONSUMER DISCRETIONARY	1%	1%	5%	6%
CONSUMER STAPLES	3%	3%	4%	8%
ENERGY	-3%	-6%	0%	4%
FINANCIALS	0%	-2%	4%	4%
HEALTH CARE	3%	2%	6%	8%
INDUSTRIALS	2%	0%	6%	10%
INFO TECH	4%	2%	8%	11%
MATERIALS	1%	-4%	4%	5%
COMMUNICATION SERVICES	2%	-2%	-1%	1%
UTILITIES	3%	0%	2%	7%

Source: Bloomberg, Morgan Stanley Research

#markets

## #us #debt-ceiling #sp500 #returns

We've seen this pattern of debt-ceiling optimism turn into pessimism before (in 2011)...



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

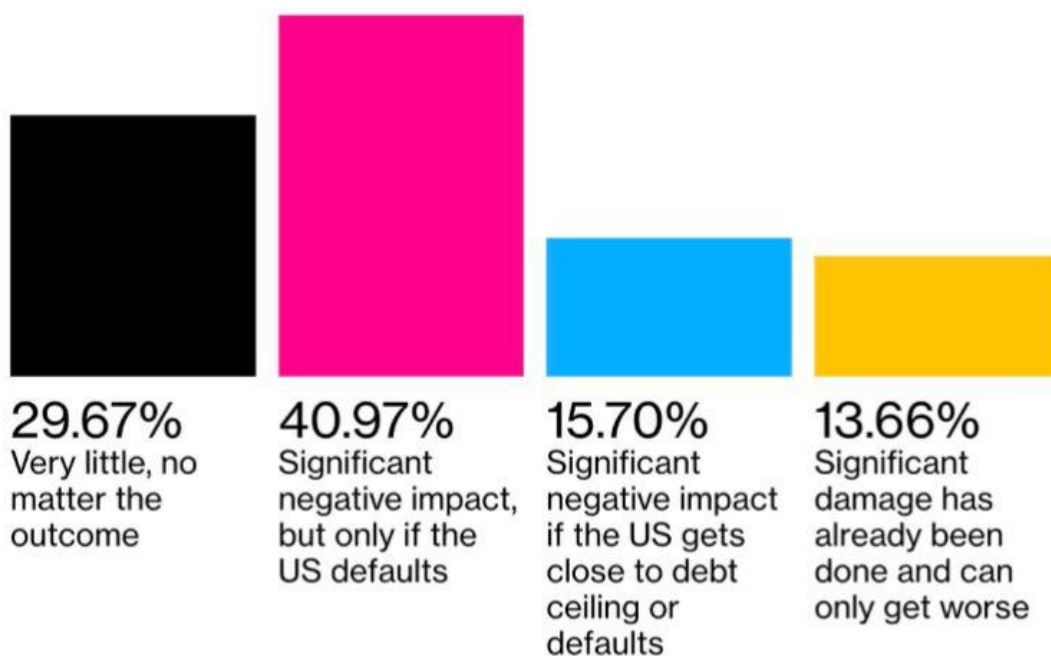


## #us #debt-ceiling #dollar

Would it hurt the dollar ?

### Debt Ceiling Standoff May Hurt the Dollar

Investors were asked: What impact will this standoff have on the dollar's standing as the primary global reserve currency?



Source: Bloomberg MLIV Pulse survey May 8-12 with 637 respondents

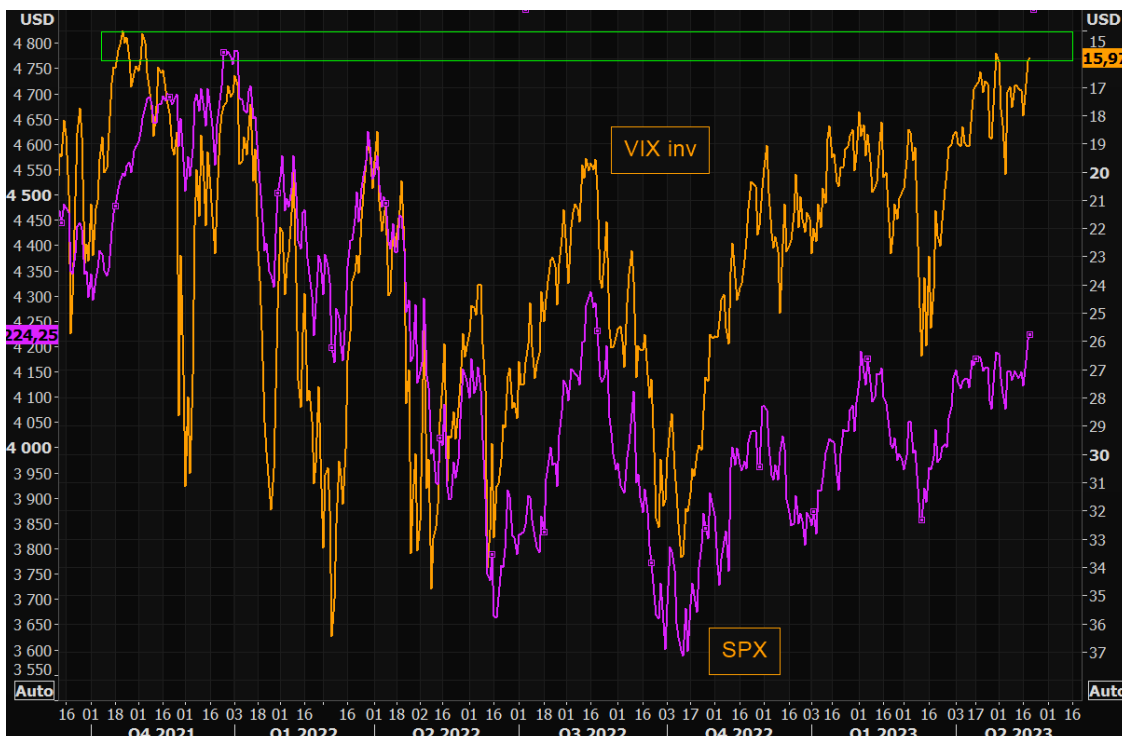
Source: Bloomberg





## #spx #vix

Today a macro strategist pointed out to us that we should be much higher based on where VIX is trading, the "last time VIX was here..." argument. You do not compare mean reverting assets (volatility) with trending assets over longer time periods.



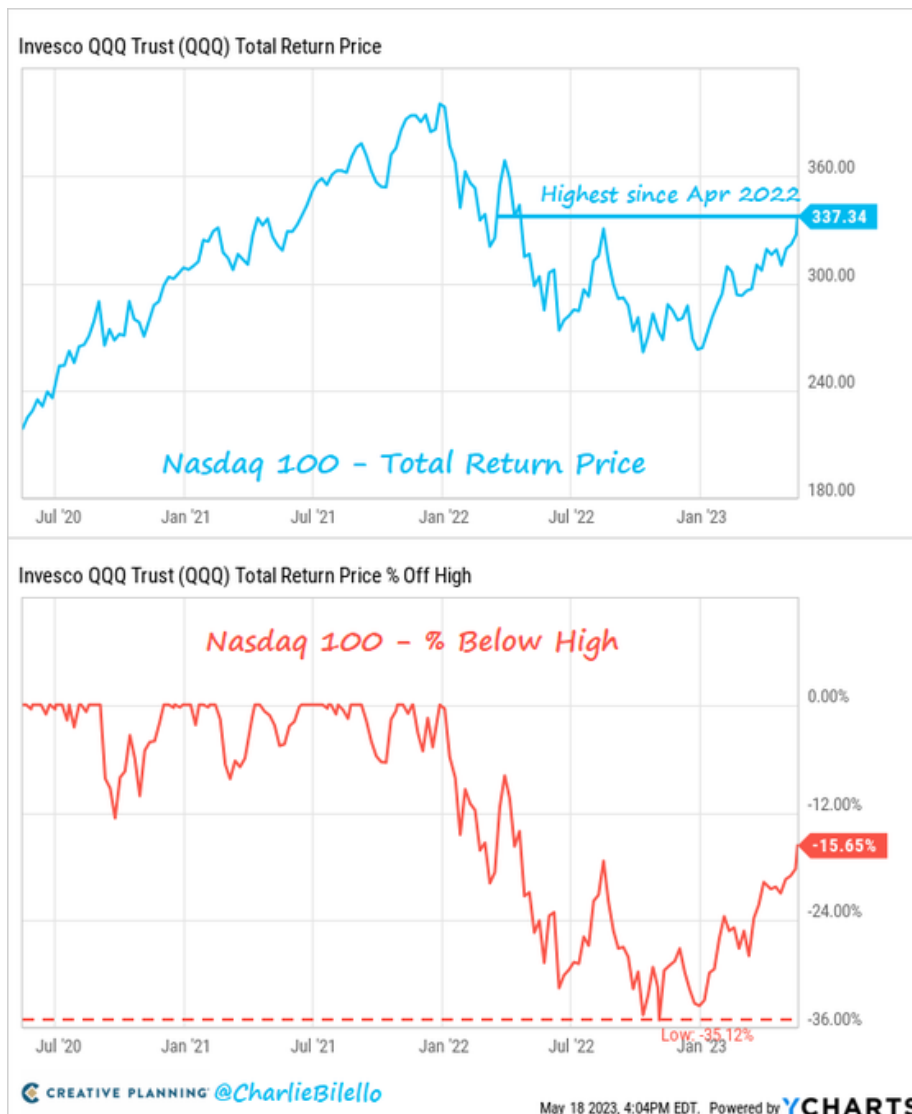
Source: TME, Refinitiv





## #nasdaq100

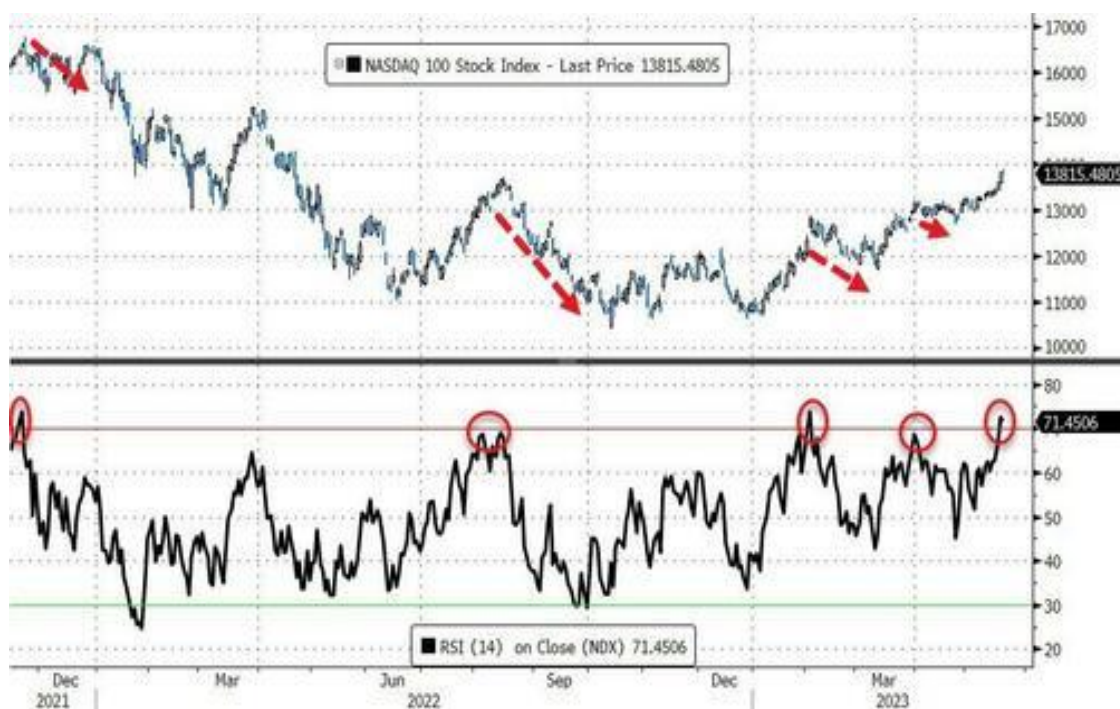
Nasdaq 100 closed at a 13-month high, up 33% from its low last October.



Source : Edward Jones

## #nasdaq100 #rsi #overbought

The Nasdaq 100 soared on Thursday to the highest level since April 2022, with its 14-day relative strength index closing in overbought territory for the first time since early February. The tech-heavy gauge is up 26% this year, one of the best performers among global indexes.



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



## #fangs #ark

Cathie vs. the FAANGs. Cathie Woods got the disruptor narrative right, but she managed picking all the stuff that isn't disrupting. ARKK vs NASDAQ chart needs little commenting.



Source: TME, Refinitiv



#us #stocks #performance

Nvidia and Meta Platforms are both up more than 100% YTD - The two best performing stocks in the S&P 500 this year, and also two of the seven largest.

### 8 Largest S&P 500 Stocks

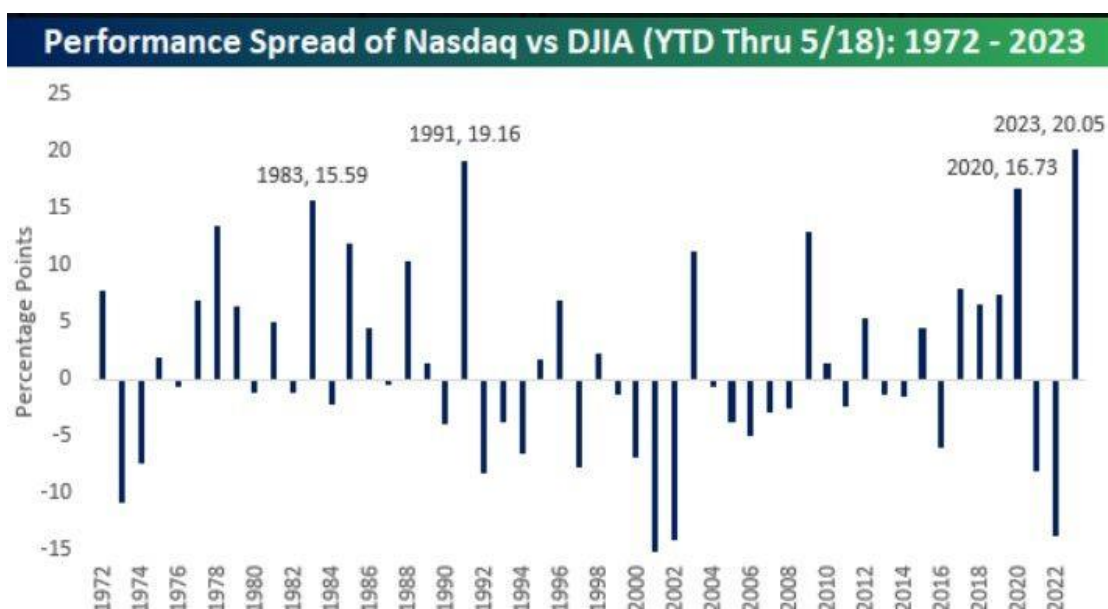
Stock	Company	Mkt Cap (\$, Bln)	YTD % Chg
AAPL	Apple	\$2,710	31.4
MSFT	Microsoft	\$2,320	30.0
GOOGL	Alphabet	\$1,520	35.2
AMZN	Amazon	\$1,160	36.9
NVDA	NVIDIA	\$723	103.4
BRK/B	Berkshire Hathaway	\$711	5.5
META	Meta Platforms	\$612	100.8
TSLA	Tesla	\$527	40.6

Source: Bespoke



## #nasdaq #dowjones #relative-performance

The Nasdaq is outperforming the Dow this year by an entire bull market.

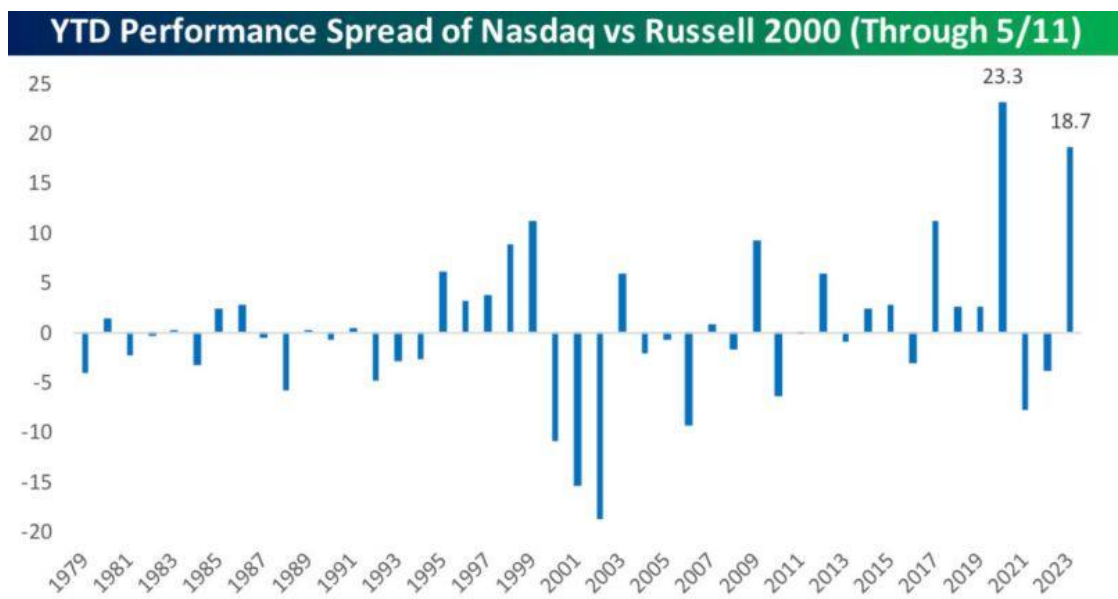


Source: Bespoke



## #tech #russel2k #relative-performance

The Tech-heavy Nasdaq is outperforming the small-cap Russell 2K by 18.7 percentage points at this point YTD. A record? Nope. The one year with a bigger spread at this point was 2020.



Source: Bespoke



## #tech #retail #us #stocks

While a handful of MegaCap Tech names led the markets higher, retail stocks were clubbed like a baby seal after TGT, WMT, and FL (FootLocker) also signaled the consumer may be weakening significantly this week...

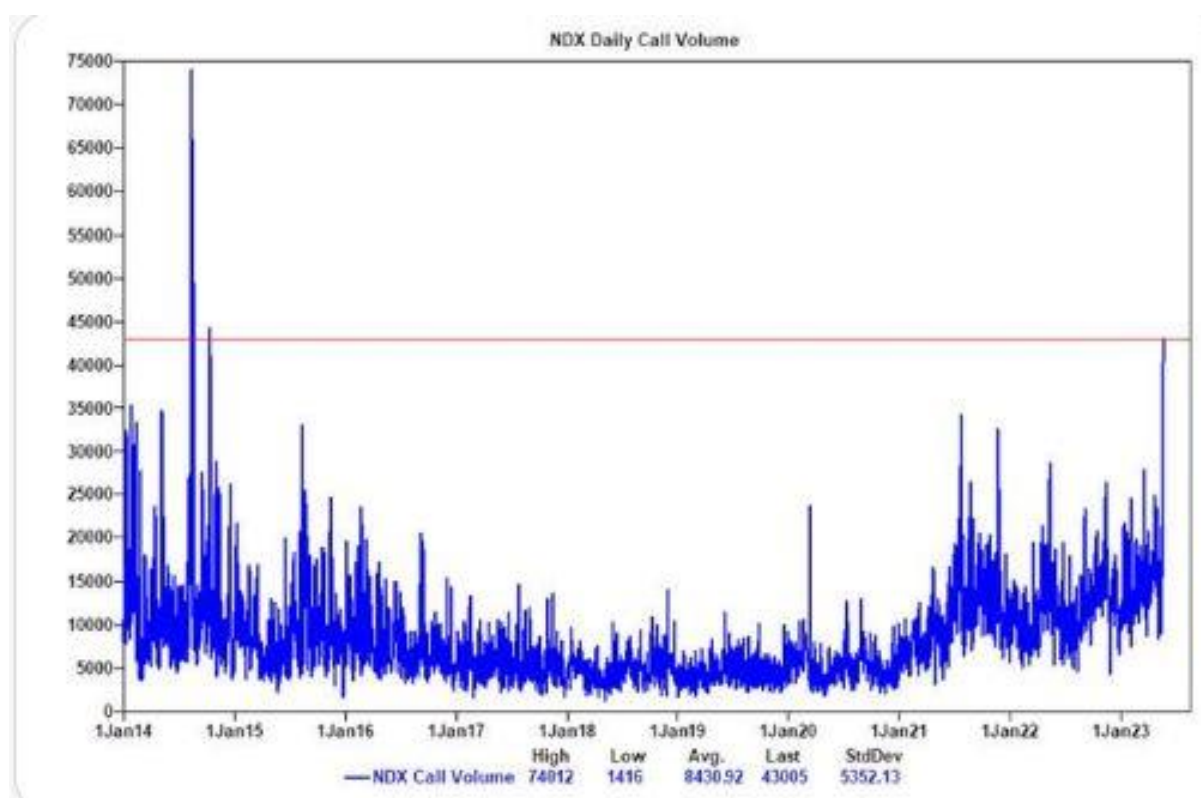


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #nasdaq #call #volume

Nasdaq Call volume hit the highest levels since 2014 on Thursday.



Source: Goldman Sachs





## #nasdaq #breadth

While weak market breadth and its divergence with main market trend is one of the current weakness on the technical side, it should be given too much emphasis, especially for the Nasdaq - see tweet below.

 **Frank Cappelleri** ✓  
@FrankCappelleri

When discussing weak internals, please never cite the #NASDAQ adv-dec line.

It has been "diverging" from the index for most of its existence.



**\$COMPQ** Nasdaq Composite INDEX  
18-May-2023 2:59 pm  
Last 12621.74 Volume 63.2B Chg +305.16 (+3.23%) ▲

**NASDAQ**

**NASDAQ Adv-Dec Line**

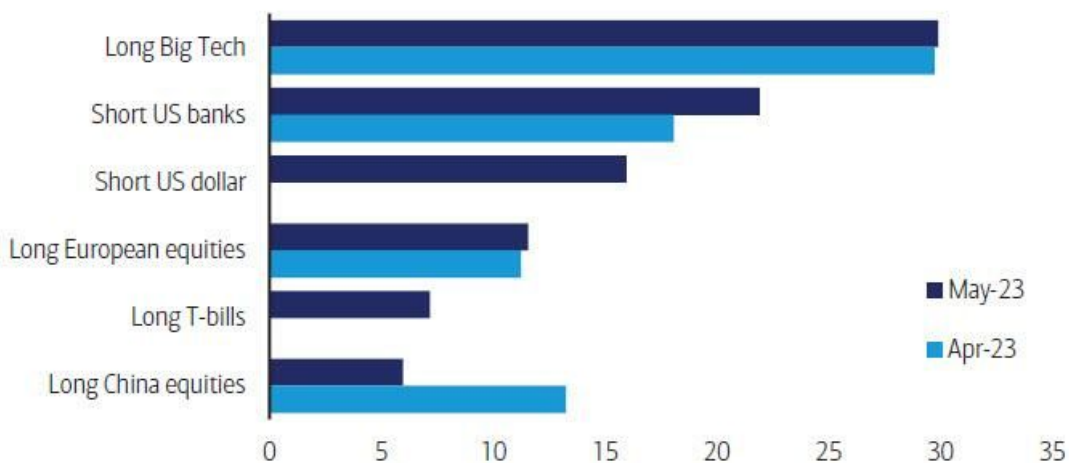
**CAPPTHESES**



## #crowded-trades

According to May 2023 BofA Fund manager survey, long Big Tech is perceived as the most crowded trade. Short US banks comes next.

**Chart 21: "Long Big Tech" the most crowded trade**  
What do you think is currently the most crowded trade?



Source: BofA Global Fund Manager Survey.

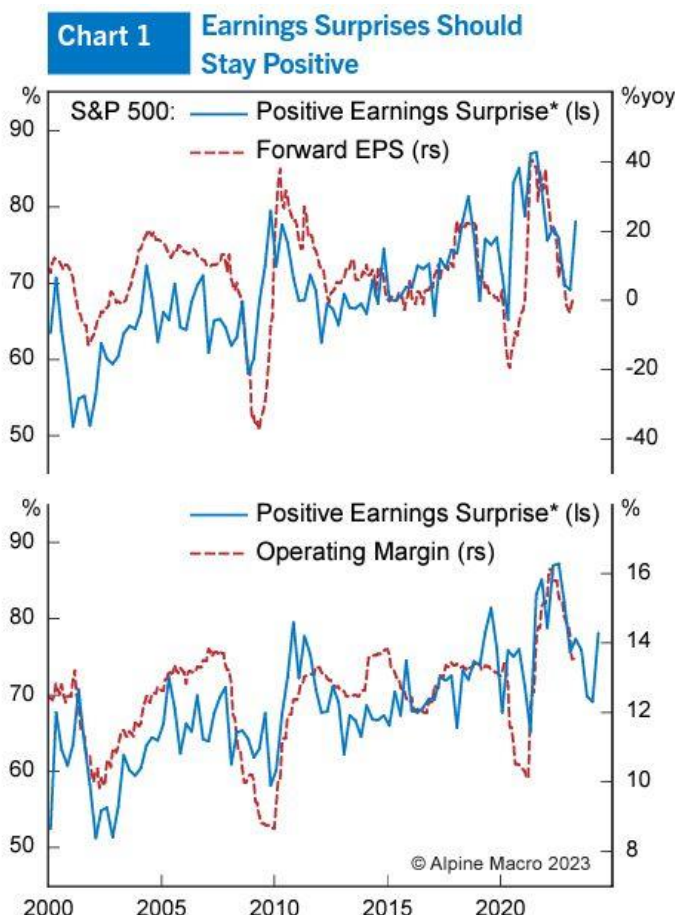
BofA GLOBAL RESEARCH

Source : BofA



## #us #earnings

What will drive equities: Positive EPS Surprises Or Looming Recession? The Chart shows that earnings surprises, which lead forward EPS, rose sharply in Q1. Is this sustainable as the #economy slows, the credit crunch intensifies, and Fed rate hikes have a lagged impact on demand? Cost inflation trends will be critical.



\*Source: Bloomberg Finance L.P.; bottom panel series is shown advanced by 4 quarters



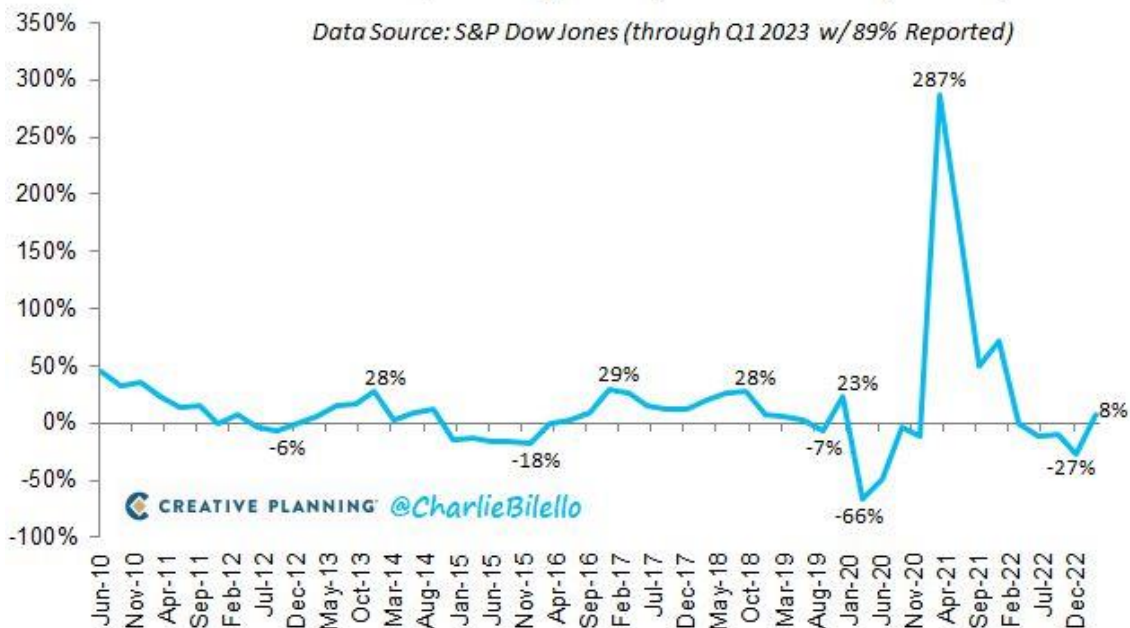
Source: Alpine Macro



## #us #earnings

No earnings recession so far...With 89% of companies now reported, S&P 500 GAAP earnings have come in much better than expected, flipping the YoY growth rate back into positive territory (+8% YoY) for the first time since Q1 2022. \$SPX

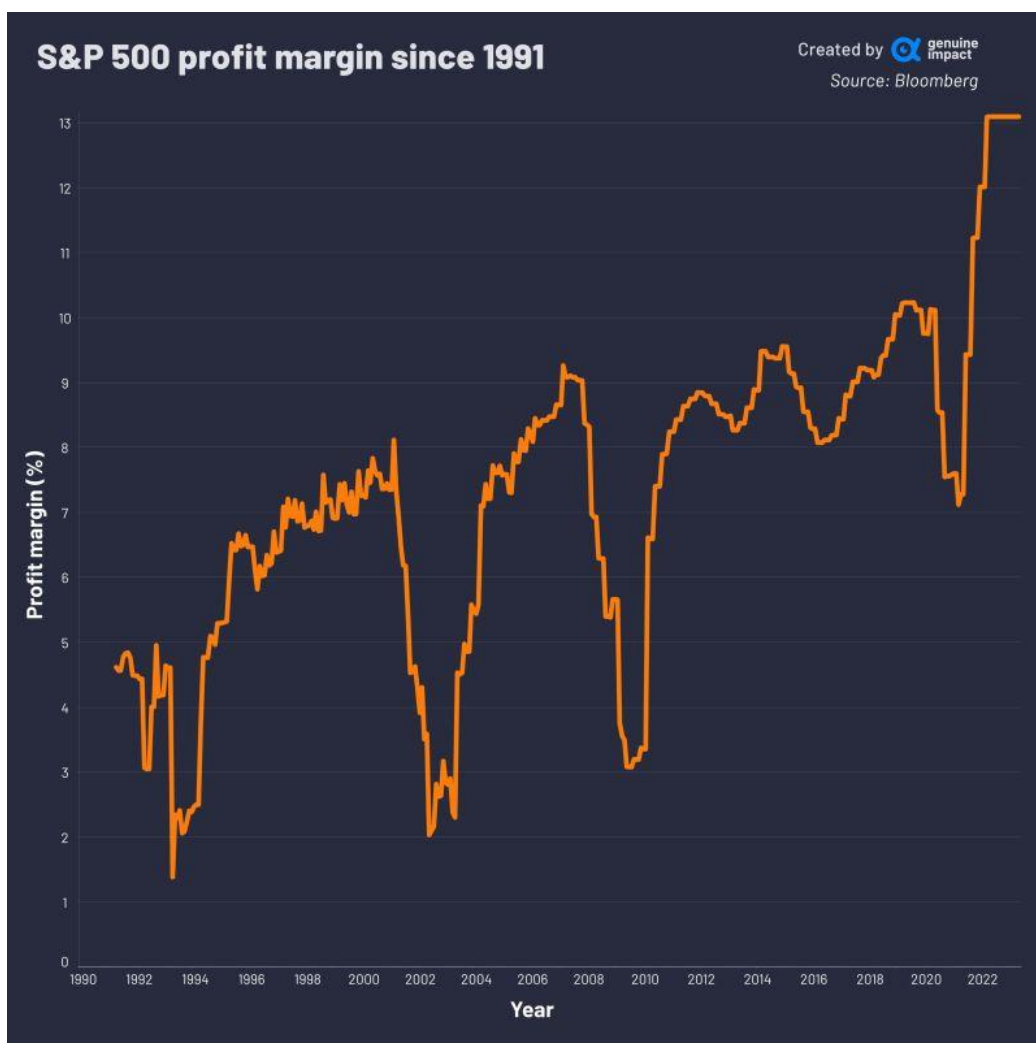
### S&P 500 As Reported (GAAP) EPS Growth (YoY %)



Source: Charlie Bilello

## #sp500 #profit #margins

The S&P 500's net profit margins have exhibited a cyclical pattern over time. It usually goes up and down through cycles. What will happen next ?



#markets

## #us #equities #valuations

The S&P 500 index advance over the last few months has been driven by a limited number of mega-caps. As shown below, they start to look pricey



**Charlie Bilello** ✓  
@charliebilello

### Price to Earnings Ratios...

Amazon: 281

NVIDIA: 182

Tesla: 52

Netflix: 40

Microsoft: 35

Facebook: 31

Apple: 30

Google: 27

S&P 500: 24

### Price to Sales Ratios...

NVIDIA: 29.4

Microsoft: 11.5

Apple: 7.3

Tesla: 7.1

Facebook: 5.6

Google: 5.6

Netflix: 5.2

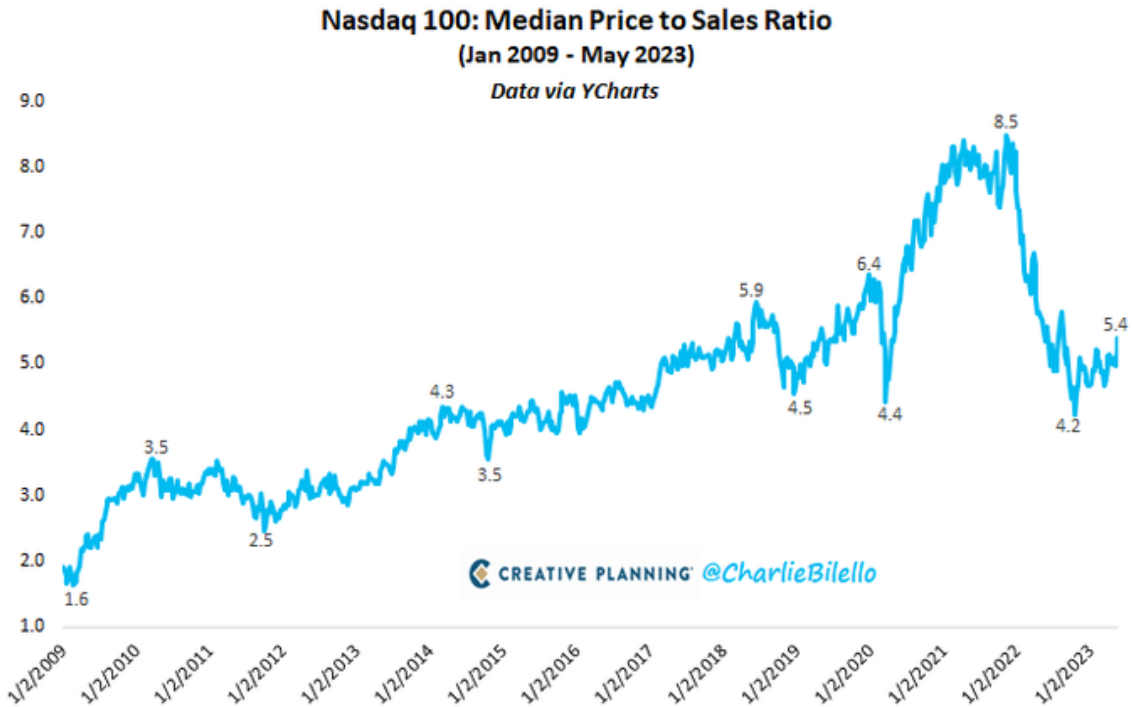
S&P 500: 2.4

Amazon: 2.3



## #nasdaq100 #valuations

The median price to sales ratio in the Nasdaq 100 has moved up to 5.4x, its highest level since last August. It bottomed at 4.2x last October, which was >50% lower than the peak valuation of 8.5x in November 2021.



Source: Charlie Bilello

#markets

#us #retailers #earnings

Oups... some bad news coming from US retailers



RETAIL

# Home Depot posts worst revenue miss in about 20 years, lowers forecast as consumers delay big projects

PUBLISHED TUE, MAY 16 2023•6:01 AM EDT

UPDATED 18 MIN AGO

Source: CNBC





#us #retailers #earnings



**\$WMT** Walmart up +1.25% this morning after posting a double beat for Q1!

~EPS: \$1.47 vs \$1.32 est  
~SALES: \$152.30B vs \$148.65B est

News for WMT (Benzinga), last... [Walmart](#)

**Today, 07:01 NY (an hour ago)** Benzinga Newsdesk — Walmart Q1 Adj. EPS \$1.47 Beats \$1.32 Estimate, Sales \$152.30B Beat \$148.65B Estimate

Walmart (NYSE:WMT) reported quarterly earnings of \$1.47 per share which beat the analyst consensus estimate of \$1.32 by 11.36 percent. This is a 13.08 percent increase over earnings of \$1.30 per share from the same



## #german #new-high

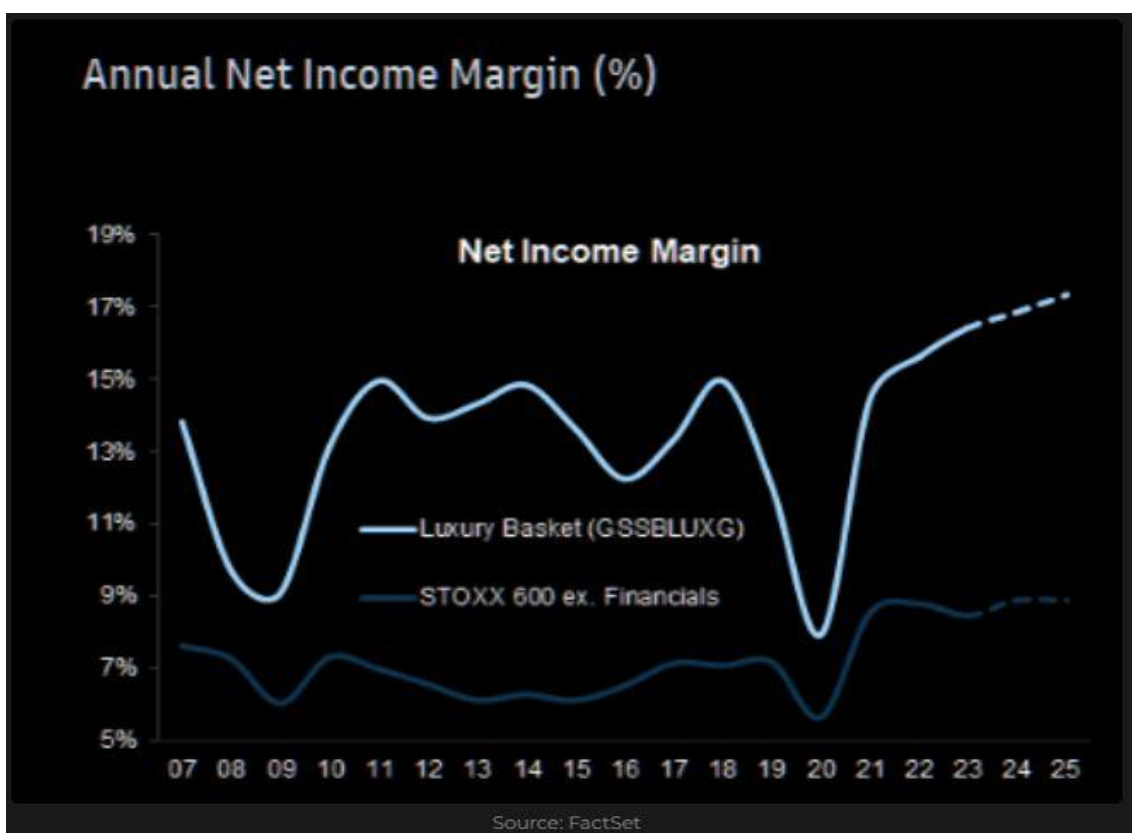
Germany's benchmark index Dax ends the week 2.27% higher at a fresh closing high of 16275.38. Year-to-date it is up 2351.79 points or 16.9%. Fun fact: Since it started in late 1987, the Dax has made an annualized return of 8.4% vs 10.6% for the S&P 500.



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

## #european #luxury #margins

Luxury does not have a margin problem...



Source: TME, Factset

### #ferrari

FERRARI as an antifragile asset? The waiting list for a new Ferrari now extends into 2025. Their Daytona SP3 model, of which Ferrari only plans on making 599 units, has a starting price of \$2.25 million and was sold out before its unveiling. Meanwhile, Ferrari #stock (\$RACE) is trading near an all-time high with a market cap of \$53B, up 36% YTD and trading at a P/E of 49x...





## #japan #equities

More than 30 years to reach a new peak in the stock market...



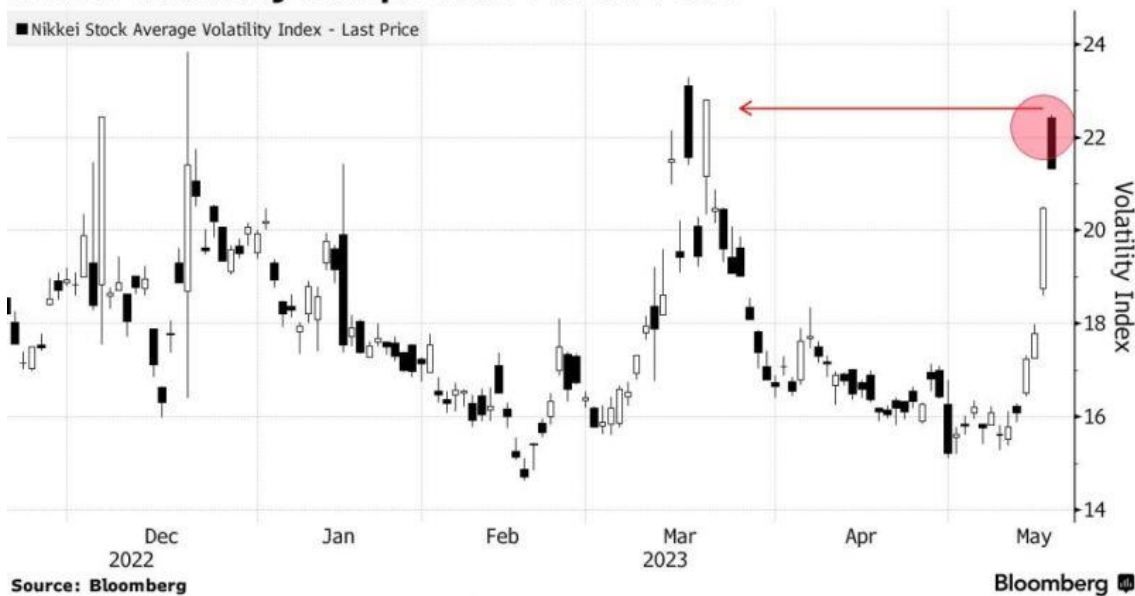
Source: FT



#japan #equities #volatility

Volatility is coming to life in Japan as the recent rally brings the Nikkei to multi-decade highs

Nikkei Volatility Jumps Near March Peak



Source: Bloomberg



## #us #treasuries #weekly

Yields exploded higher this week with the short-end massively underperforming. Note that the selling pressure was almost solely during the US day session...



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



## #us #treasuries #2y

That is the biggest weekly rise in 2Y yields since June 2022.



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





## #us #treasuries #2y

Note that the US 2-year plunged after the close as Bloomberg reported that the talks about US debt ceiling increase have pretty much collapsed after House Speaker Kevin McCarthy's top debt-ceiling negotiators "abruptly left a closed-door meeting with White House representatives soon after it began Friday morning, throwing the status of talks to avoid a US default into doubt."



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

## #GLOBALMARKETS WEEKLY WRAP-UP

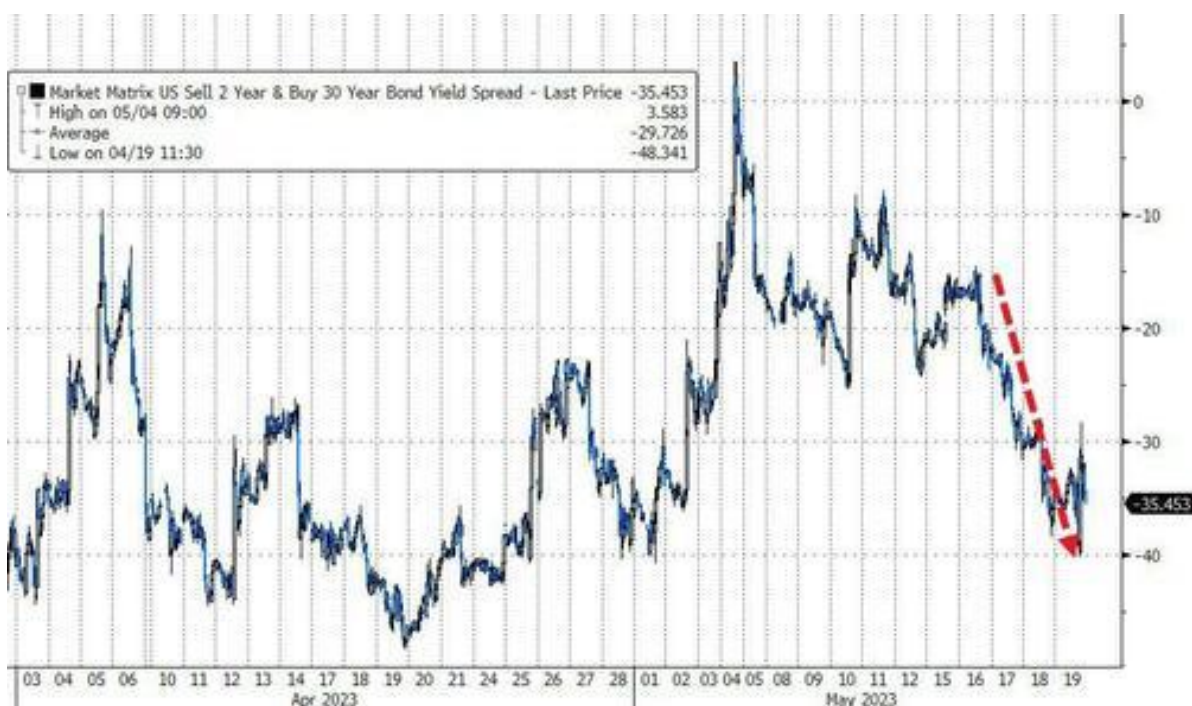
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#markets

### #us #treasuries #yield-curve

The US yield curve inverted further this week...



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



#us #natural-gas

NatGas soared 15% this week, back at 2-month highs...

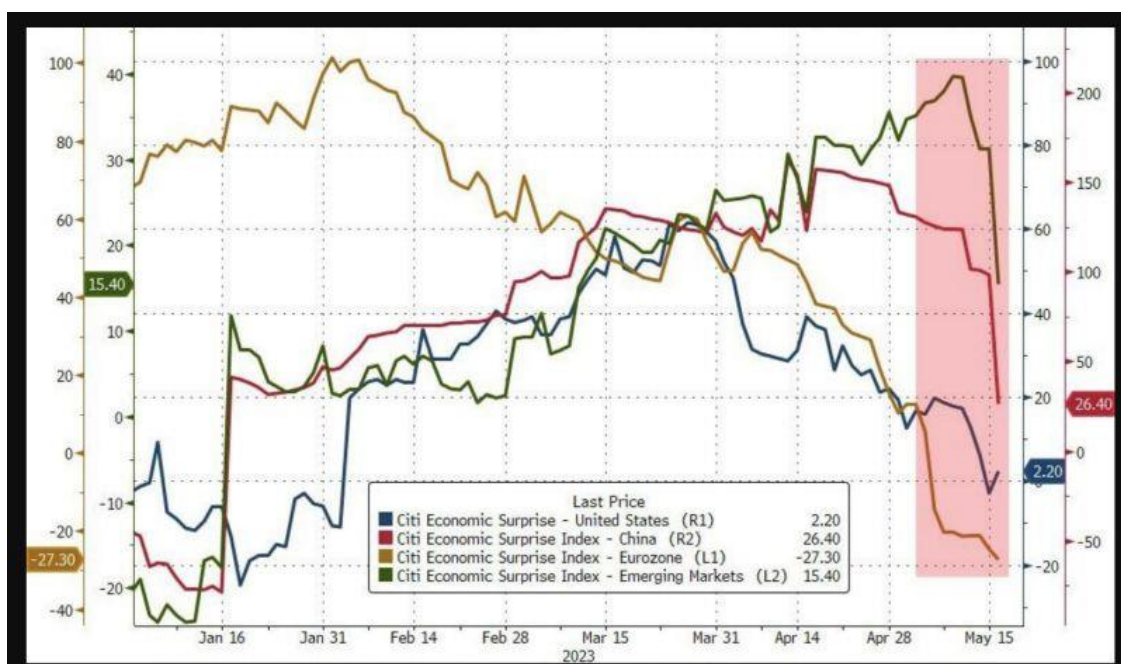


Source: Bloomberg, [www.zerohedge.com](http://www.zerohedge.com)



## #macro #economic-surprises

Global macro surprises indices are tumbling



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

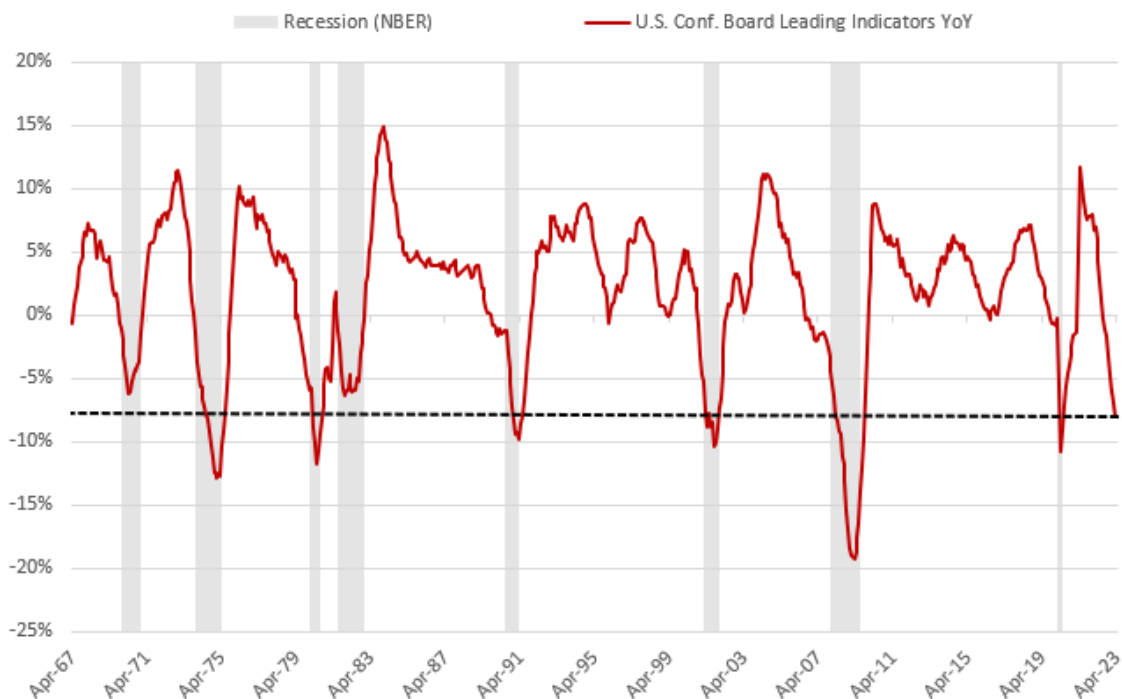


## #us #leading-indicators

\*US APRIL INDEX OF LEADING ECONOMIC INDICATORS FALLS 0.6% (13th straight drop)

\*On a YoY basis, the index fell 8.0%.

\*Usually, this level is associated with #recession.



Sources: Bloomberg, christophe-barraud.com

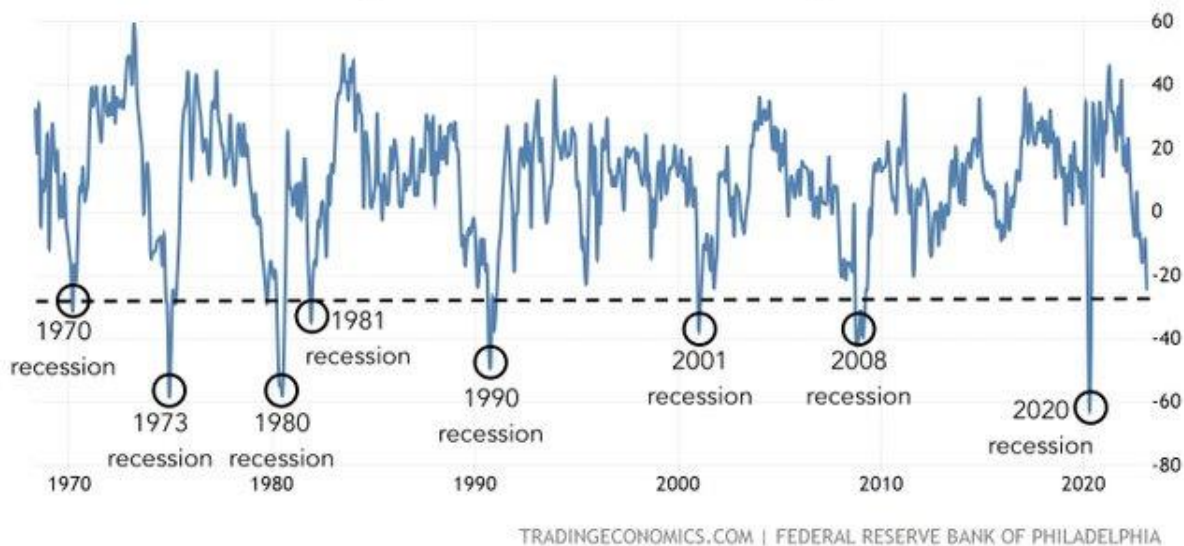
Source: C.Barraud, Bloomberg



## #us #manufacturing

Philly Fed index below -25 accurately predicted a recession since the 1970s. We're already at -31.3.

### Philly Fed Manufacturing Index



Source: [www.tradingeconomics.com](http://www.tradingeconomics.com), Game of Trades

## #GLOBALMARKETS WEEKLY WRAP-UP

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#macro

### #us #manufacturing

US MAY EMPIRE STATE FACTORY INDEX FALLS TO -31.8 (lowest since Jan.2023), EST. -3.9. The orders index also slid by the most since April 2020, hitting the lowest level since the start of the year. The shipments gauge plummeted more than 40 points.

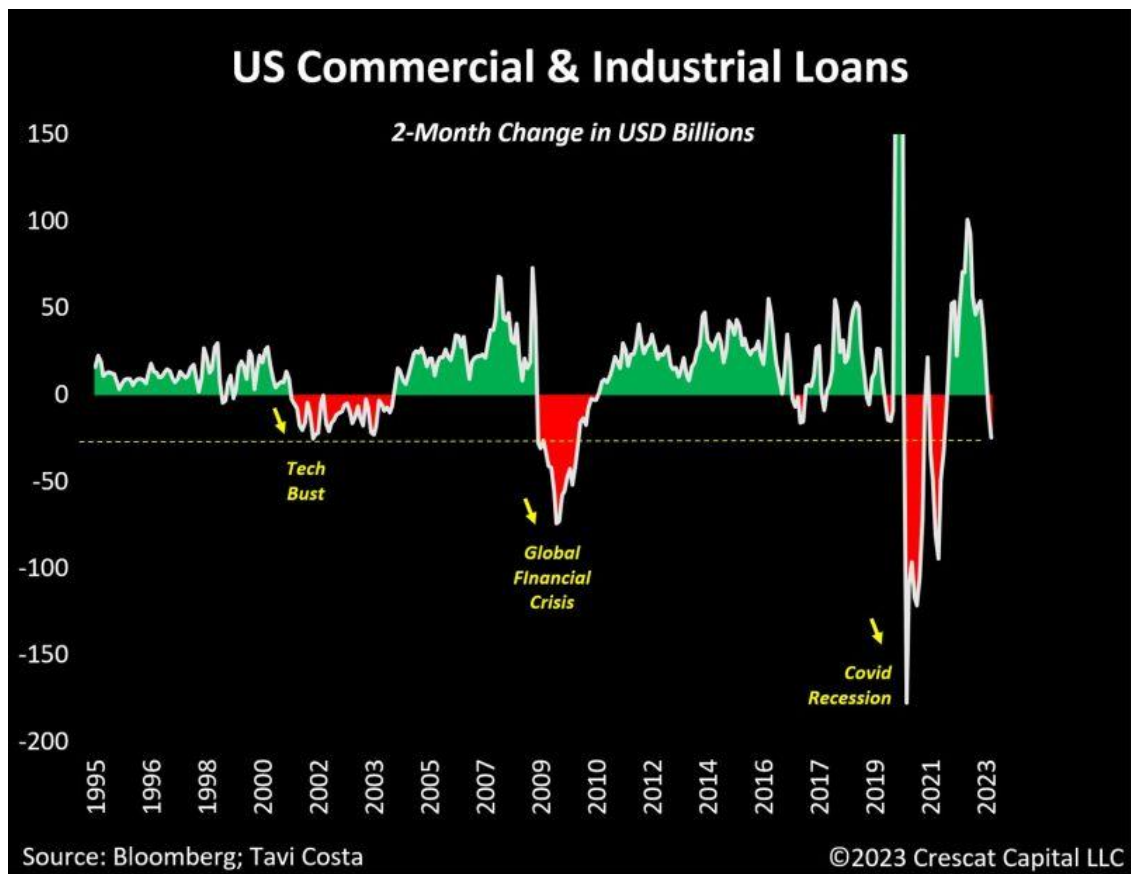


Source: [www.zerohedge.com](http://www.zerohedge.com), Bloomberg



## #us #commercial #industrial loans

Commercial and industrial loans just had one of their worst 2-month contractions in history. The only other times we have experienced a similar problem was during the three last economic recessions.



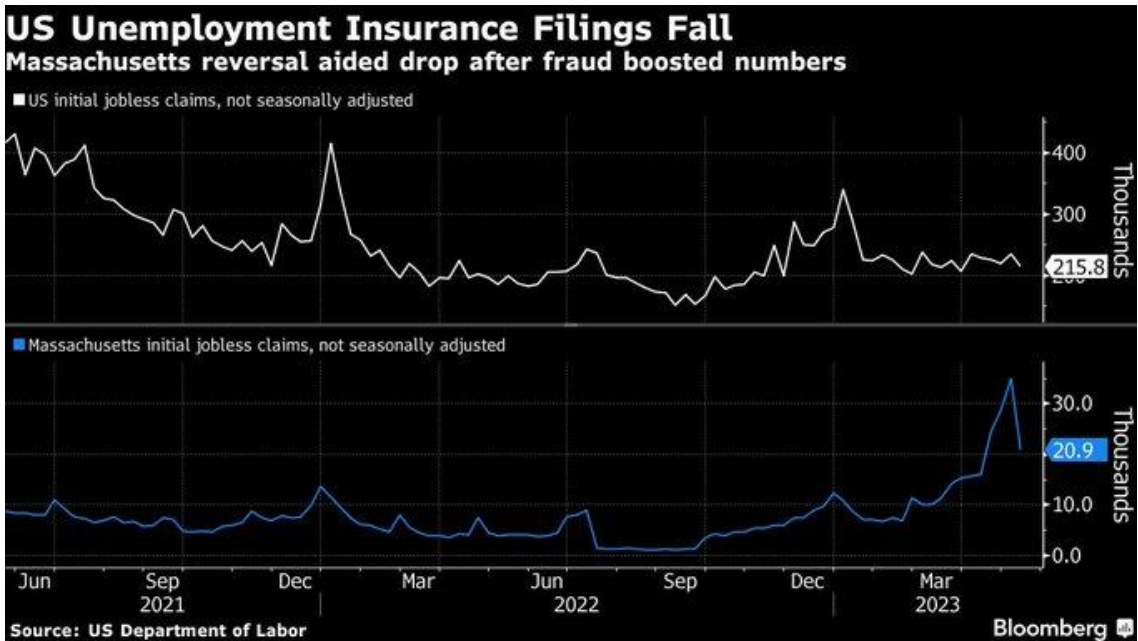
Source: Tavi Costa, Bloomberg





## #us #employment

Applications for US unemployment benefits fell by most since 2021 following fraud-inflated figures in previous weeks. Initial unemployment claims fell by 22k to 242k. On an unadjusted basis, claims decreased by most in 2mths, to 215,810, largely due to a drop in Massachusetts.

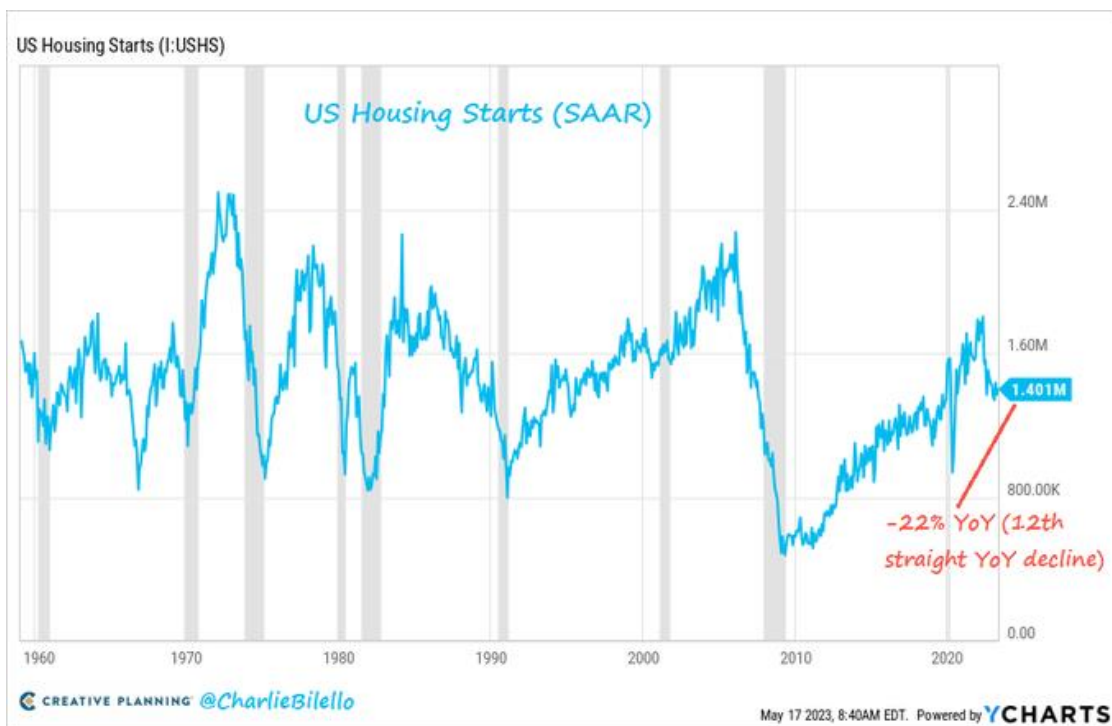


Source: HolgerZ, Bloomberg



## #us #housing-starts

US Housing Starts were down 22% over the last year, the 12th consecutive YoY decline (longest down streak since 2009). Tends to be a leading indicator for the economy, recessionary signals continue to build.



Source: Charlie Bilello

#macro

### #us #debt-ceiling

Treasury Secretary Janet Yellen on Tuesday delivered her most dire warning yet about the debt ceiling, urging Congress to raise it immediately so the government avoids running out of cash by early June. “A default would crack open the foundations upon which our financial system is built,” Yellen warned in prepared remarks. “It is very conceivable that we’d see a number of financial markets break – with worldwide panic triggering margin calls, runs and fire sales.”

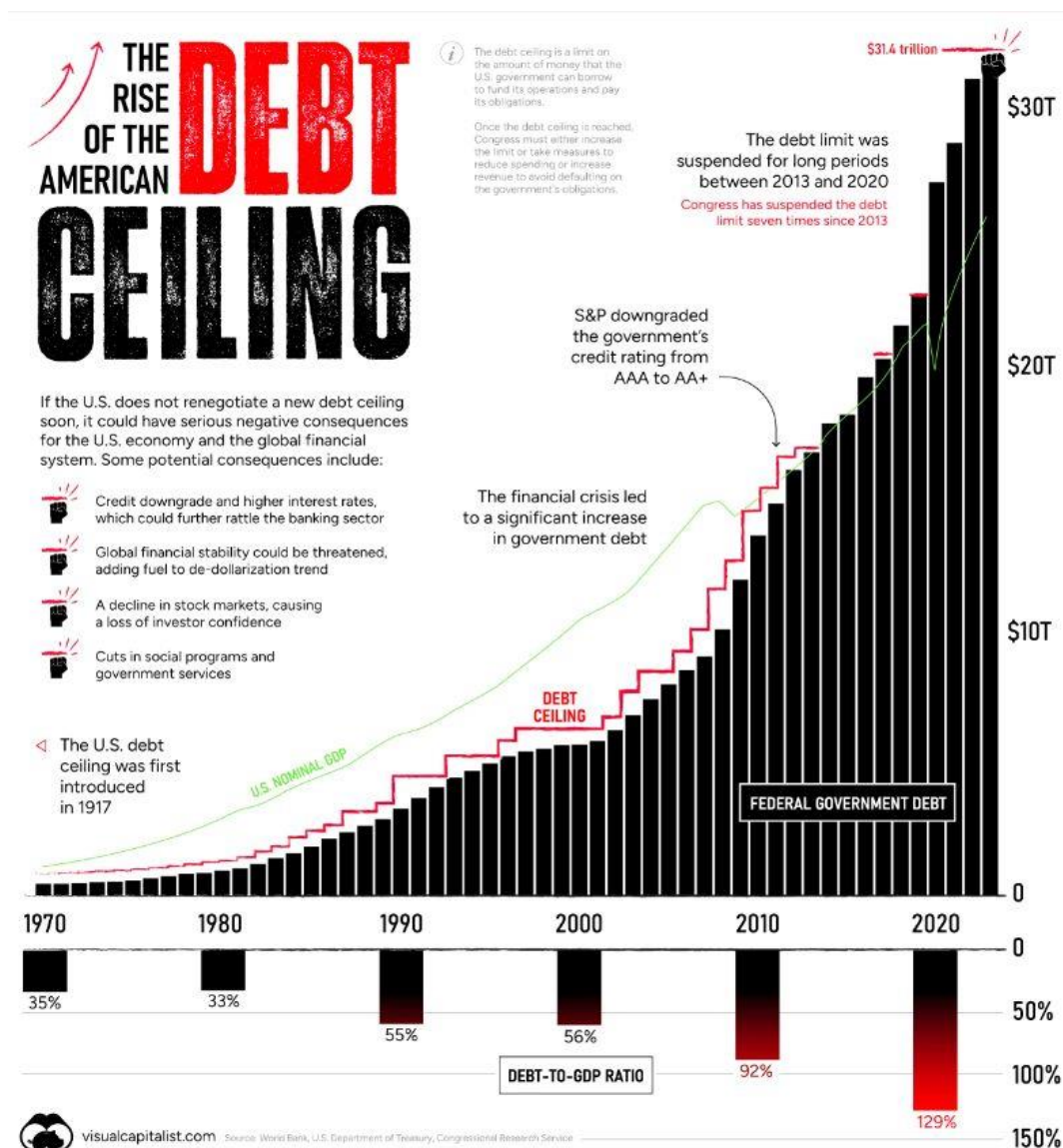
## Yellen warns of broken markets, disrupted services as she ramps up debt ceiling pressure

Source: CNBC



#us #debt-ceiling

The rise of The American Debt Ceiling.



Source: Visual Capitalist

#macro

### #us #debt

The total for borrowing across all categories hit \$17.05 trillion, an increase of nearly \$150 billion, or 0.9% during the January-to-March period, the New York Federal Reserve reported Monday. That took total indebtedness up about \$2.9 trillion from the pre-Covid period ended in 2019. That increase came even though new mortgage originations, including refinancings, totaled just \$323.5 billion, the lowest level since the second quarter of 2014. The total was 35% lower than in the fourth quarter of 2022 and 62% below the same period a year ago.



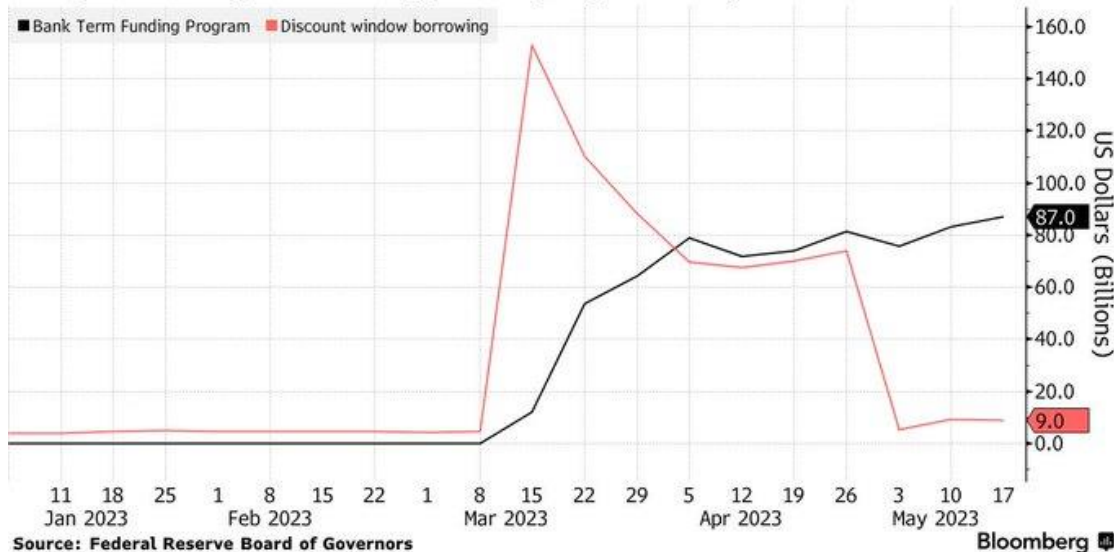
Source: CNBC



## #us #banking-crisis

Fed loans to banks rise as Term Funding Program reaches new high.

### Bank Term Funding Program Gets Bigger Rising Fed lending to banks suggests ongoing financial pressures



Source: C.Barraud, Bloomberg

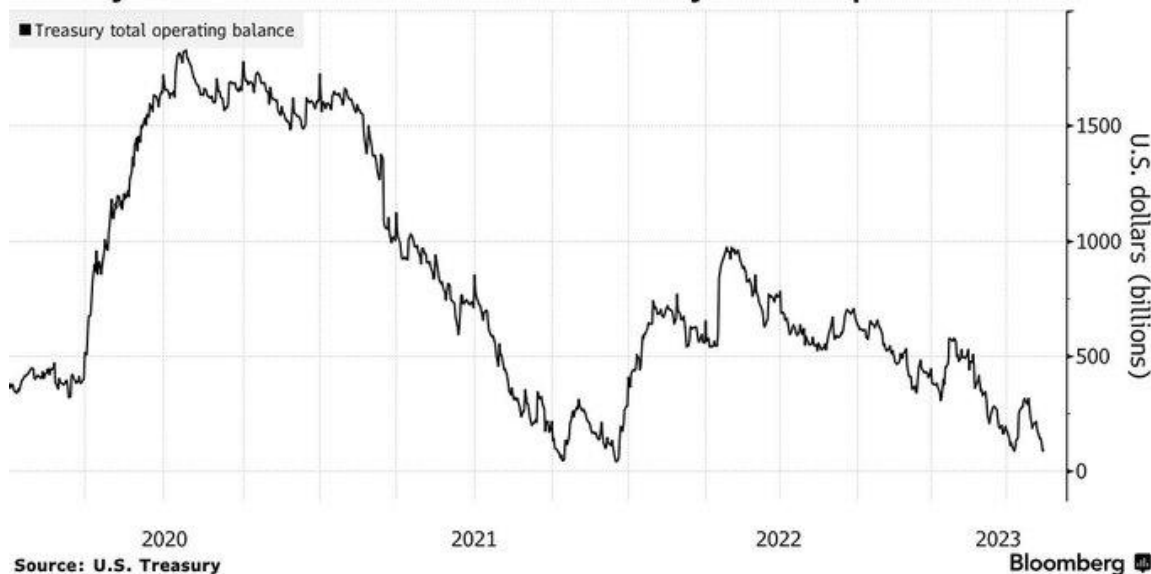
#macro

## #us #banking-crisis

Wall Street fears a \$1 Trillion aftershock from debt deal.

### In Need of Cash

Treasury's cash balance is below what's historically seen as a prudent level



Source: C.Barraud, Bloomberg



## #us #banking-crisis

Money Market inflows suggest deposit run is not over yet. With regional bank stocks squeezing higher, one could be forgiven for thinking everything's awesome again (if you memory or charts only go back a week or so) except last week's deposit flows did not support that narrative and Thursdays' ongoing inflows into #moneymarket funds suggest #banks are still struggling to keep hold of their deposits. Indeed, Money Market Funds saw \$13.6 billion of INFLOWS, pushing the aggregate to a record high of \$5.341 trillion. That is over \$520 billion of inflows in the last three months...



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





#macro

## #us #housing #conditions

According to the University of Michigan survey, these are the worst conditions to buy houses in 40+ years.



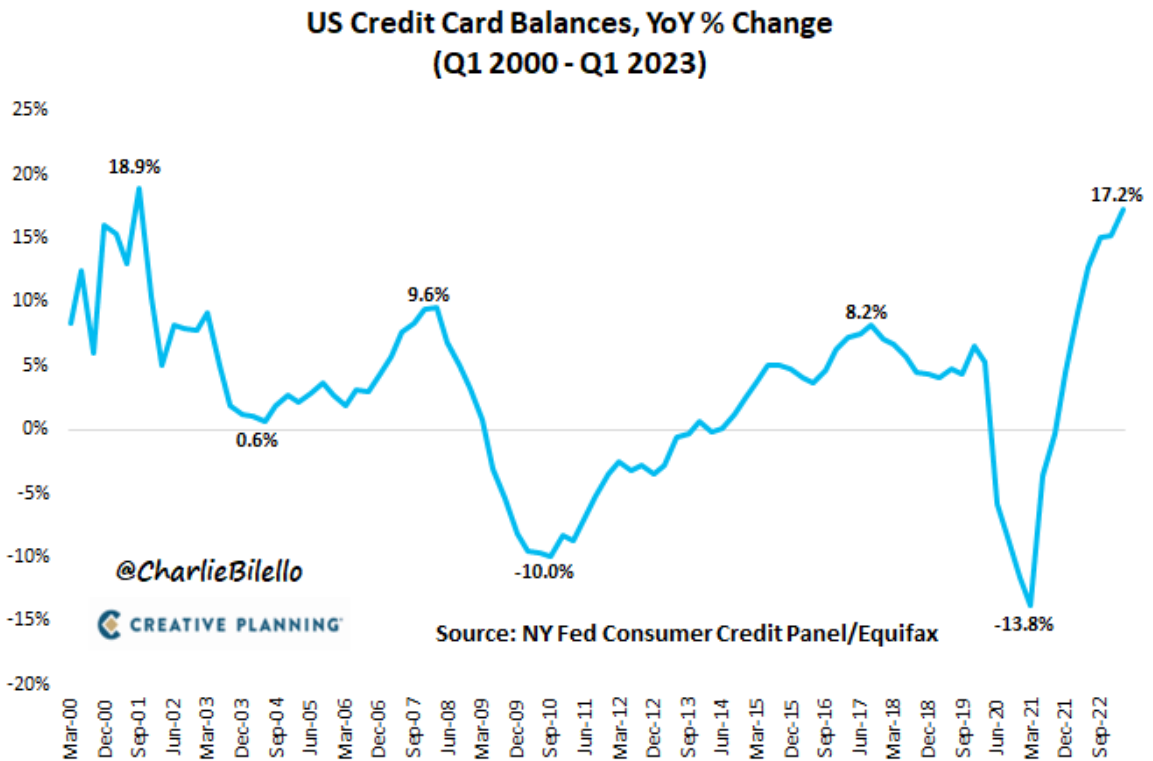
Source: TheMacroCompass.com, Bloomberg

Source: TheMacroCompass.com, Bloomberg



## #us #credit-cards

Credit Card balances in the US increased 17% over the last year, the biggest spike since the 2001 recession.



Source: Charlie Bilello



## #german #inflation

Producer price inflation keeps falling in Germany - a good omen for consumer price inflation. PPI dropped to 4.1% in April from 6.7% in March, so PPI now 3.1ppts below CPI.

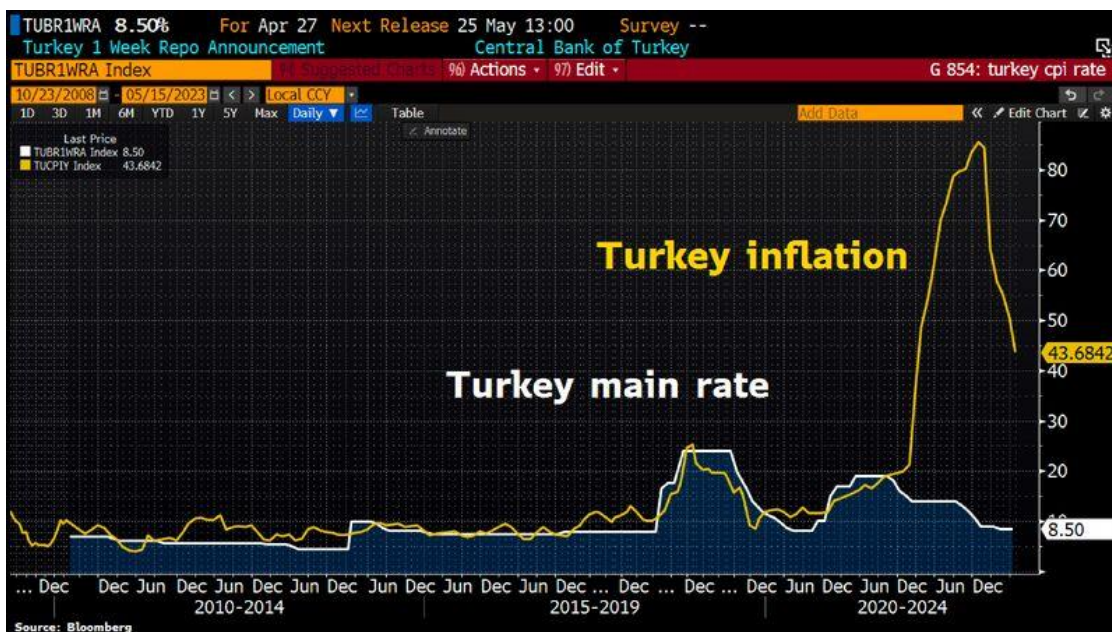


Source: HolgerZ, Bloomberg



## #turkey #inflation

Current President Erdogan seems to be in pole position for the runoff election in two weeks. The key question for investors is whether or not the unorthodox #monetarypolicy which has been in place for the last 2 years can be reverted. There is indeed a huge gap between #inflation and the key interest rate in Turkey. The massive negative real interest rate has been a bonanza for both equities and real estate and a disaster for the Turkish Lira. Can a come-back to more orthodox monetary policy revert this trend?



Source: Bloomberg

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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%	3.2%	-3.3%	Cut	Jan-16
Switzerland	Target Rate	1.50%	2.6%	-1.1%	Hike	Mar-23
Thailand	Policy Rate	1.75%	2.7%	-0.9%	Hike	Mar-23
Taiwan	Discount Rate	1.88%	2.4%	-0.5%	Hike	Mar-23
Denmark	Deposit Rate	2.85%	5.3%	-2.5%	Hike	May-23
Malaysia	Policy Rate	3.00%	3.4%	-0.4%	Hike	May-23
Eurozone	Deposit Rate	3.25%	7.0%	-3.8%	Hike	May-23
Norway	Deposit Rate	3.25%	6.4%	-3.2%	Hike	May-23
Sweden	Repo Rate	3.50%	10.5%	-7.0%	Hike	Apr-23
South Korea	Repo Rate	3.50%	3.7%	-0.2%	Hike	Jan-23
China	Loan Prime Rate	3.65%	0.1%	3.6%	Cut	Aug-22
Australia	Cash Rate	3.85%	7.0%	-3.2%	Hike	May-23
UK	Bank Rate	4.50%	10.1%	-5.6%	Hike	May-23
Canada	Overnight	4.50%	4.4%	0.1%	Hike	Jan-23
US	Fed Funds	5.13%	4.9%	0.2%	Hike	May-23
New Zealand	Cash Rate	5.25%	6.7%	-1.5%	Hike	Apr-23
Hong Kong	Base Rate	5.50%	1.7%	3.8%	Hike	May-23
Saudi Arabia	Repo Rate	5.75%	2.7%	3.1%	Hike	May-23
Indonesia	Repo Rate	5.75%	4.3%	1.4%	Hike	Jan-23
Philippines	Key Policy Rate	6.25%	6.6%	-0.4%	Hike	Mar-23
India	Repo Rate	6.50%	4.7%	1.8%	Hike	Feb-23
Poland	Repo Rate	6.75%	14.7%	-8.0%	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	12.7%	-5.7%	Hike	Jun-22
Russia	Key Policy Rate	7.50%	2.3%	5.2%	Cut	Sep-22
Peru	Policy Rate	7.75%	8.0%	-0.3%	Hike	Jan-23
South Africa	Repo Rate	7.75%	7.1%	0.7%	Hike	Mar-23
Turkey	Repo Rate	8.50%	43.7%	-35.2%	Cut	Feb-23
Chile	Base Rate	11.25%	9.9%	1.4%	Hike	Oct-22
Mexico	Overnight Rate	11.25%	6.3%	5.0%	Hike	Mar-23
Colombia	Repo Rate	13.25%	12.8%	0.4%	Hike	Apr-23
Brazil	Target Rate	13.75%	4.2%	9.6%	Hike	Aug-22
Argentina	Benchmark Rate	97.00%	108.8%	-11.8%	Hike	May-23

CREATIVE PLANNING

@CharlieBilello

Data as of 5/16/23



Source: Charlie Bilello

#centralbanks

### #powell #speech

Fed Chair Powell painted a hawkish picture of inflation-fighting warrior during this morning's panel discussion, highlighting that "failure to get inflation down would prolong pain," and that "inflation is still far above our 2% objective." Powell signaled a pause, stating that "we can afford to look at data", but he noted that the "market rate-path reflects a different forecast than The Fed."

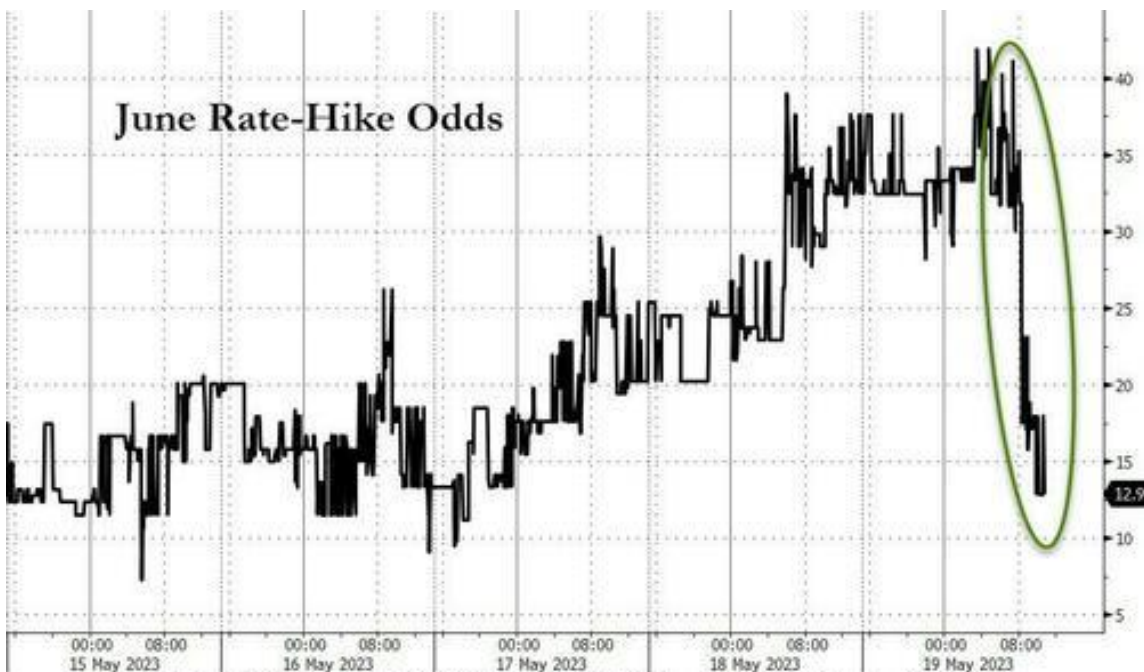


Source: Hedgeye

#centralbanks

#june-rates-odds

Comments from Yellen (banking crisis) and Washington (debt ceiling - no deal), sent June rate-hike odds plunging on Friday. CNN reported Janet Yellen told the big bank CEOs that "more mergers may be necessary"... Meanwhile, House Speaker Kevin McCarthy's top debt-ceiling negotiators reportedly "abruptly left a closed-door meeting with White House representatives soon after it began Friday morning, throwing the status of talks to avoid a US default into doubt." Thus crushing optimism over the debt-ceiling talks.

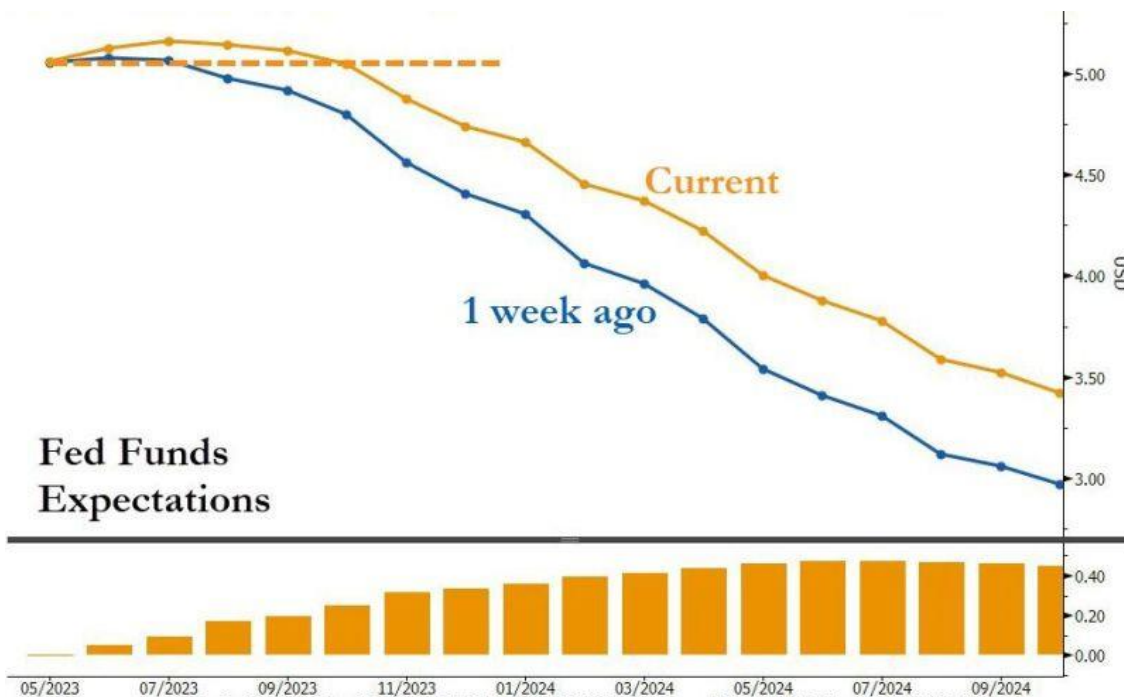


Source: Bloomberg

#centralbanks

#us #fed #curve

The Fed curve is adjusting upward. Market action was dominated today by some notably more-hawkish-than-recent-norms Fed speak to start the day. So, a pause at best, more hikes possible, no signs of cuts at all, and the curve is adjusting that way...



Source: Bloomberg



#centralbanks

#us #fed #curve

Rate cuts in September? Not so fast. Fed officials are likely to deliver their biggest upward revision to the economic outlook since 2021 next month. That will reinforce their expectations that rates will stay high into 2024. In a week with 14 Fed speakers, expectations are shifting rapidly. The Fed is NOT convinced the fight against inflation is over. Fed futures now show a 40% chance of a 25 bps rate HIKE in June, up from ~5% last week. Futures now see just a 4% chance of rate cuts beginning in July and 26% chance in September. Fed expectations have rapidly shifted in the hawkish direction

MEETING PROBABILITIES													
MEETING DATE	225-250	250-275	275-300	300-325	325-350	350-375	375-400	400-425	425-450	450-475	475-500	500-525	525-550
6/14/2023							0.0%	0.0%	0.0%	0.0%	0.0%	59.8%	40.2%
7/26/2023		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%	58.3%	37.3%
9/20/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	26.0%	49.9%	22.4%
11/1/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	21.3%	45.2%	27.7%	4.3%
12/13/2023	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	17.4%	40.6%	31.1%	8.9%	0.8%
1/31/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	15.1%	37.3%	32.4%	12.0%	2.0%	0.1%
3/20/2024	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	14.4%	36.2%	32.7%	13.0%	2.5%	0.2%	0.0%
5/1/2024	0.0%	0.0%	0.0%	0.2%	3.2%	18.1%	35.6%	29.3%	11.2%	2.1%	0.2%	0.0%	0.0%
6/19/2024	0.0%	0.0%	0.1%	2.1%	12.5%	29.0%	31.7%	18.1%	5.5%	0.9%	0.1%	0.0%	0.0%
7/31/2024	0.0%	0.1%	1.7%	10.5%	25.8%	31.2%	20.7%	8.0%	1.8%	0.2%	0.0%	0.0%	0.0%
9/25/2024	0.1%	1.2%	7.7%	20.9%	29.5%	24.1%	12.0%	3.8%	0.7%	0.1%	0.0%	0.0%	0.0%
11/6/2024	1.0%	6.6%	18.6%	28.0%	25.0%	14.1%	5.2%	1.3%	0.2%	0.0%	0.0%	0.0%	0.0%

#centralbanks

## #fed #balance-sheet

Fed balance sheet keeps shrinking for an 8th week. Total assets drop by \$46.3bn to \$8.457tn. Balances of the bank lending facilities shuffled around a little bit, as discount window & BTFP borrowing rose \$3.7bn while credit extended to FDIC fell \$4bn. Treasury holdings fell \$28.5bn, MBS holdings fell \$1.2bn.

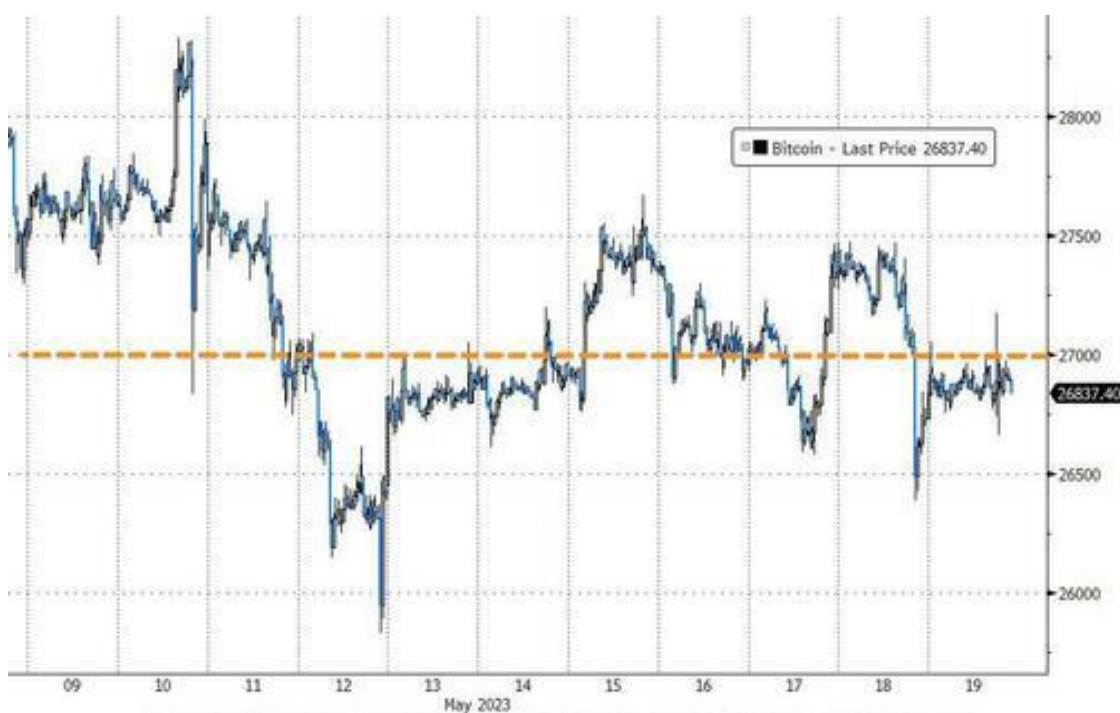


Source: Bloomberg, HolgerZ



## #bitcoin #weekly

Bitcoin chopped around \$27,000 (+/- \$500) all week...



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

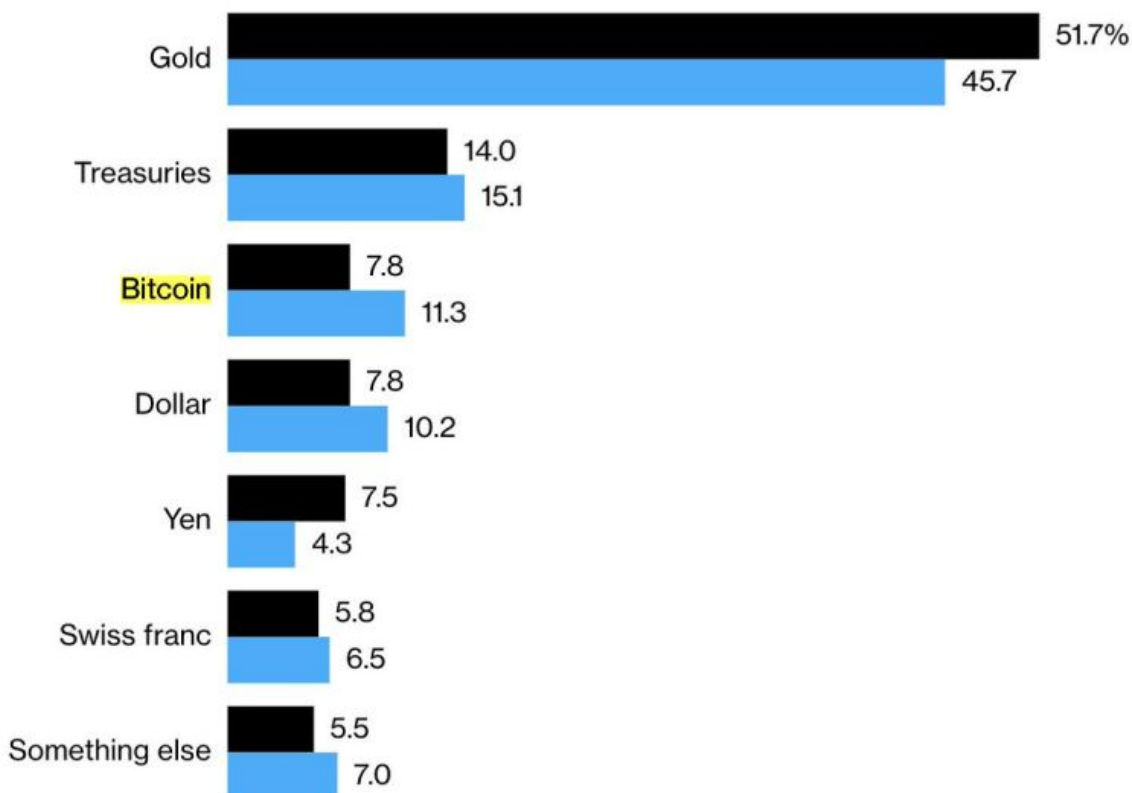


## #debt-ceiling #bitcoin

Bloomberg survey "What will you buy if the US hits the debt ceiling? Gold comes first ahead of US Treasuries. Note that Bitcoin flips #USD as preferred asset if the US defaults on debt...

We asked: What will you buy if the US hits the debt ceiling?

■ Professional investors ■ Retail investors



Source: Bloomberg

#cryptos

### #digital-currency #switzerland

Switzerland's government will hold a national vote on whether to enshrine the availability of cash in the constitution amid concerns about the rise in digital currency. A group called the Swiss Freedom Movement collected over 100,000 signatures in support of a plebiscite to safeguard cash at a higher level — under Swiss democracy, a referendum must be held if more than 100,000 citizens sign. The Swiss government has therefore responded positively towards this new cash referendum. "The Federal Council recognizes the importance of cash for the economy and society," it said in a statement. The government "is prepared to raise these concerns from the legal to the constitutional level in order to underline their importance." Finance and Justice ministries will draw up a draft referendum by the end of August, the government said — yet it remains unclear when a vote will take place.



Source: Bloomberg

#cryptos

#bitcoin #ordinals

MicroStrategy co-founder and Executive Chairman Michael Saylor said the company isn't just aware of Ordinals, it's interested in how the protocol that's set Bitcoin's community abuzz could lead to software innovation.

# MicroStrategy Looking at Bitcoin Ordinals for App Development, Says Michael Saylor

"Right now, enterprises have weak security compared to Bitcoin," Saylor told Decrypt.

By [André Beganski](#) ☆

May 19, 2023

3 min read



MicroStrategy co-founder and Executive Chairman Michael Saylor at Bitcoin 2023 in Miami. Source: André Beganski/Decrypt

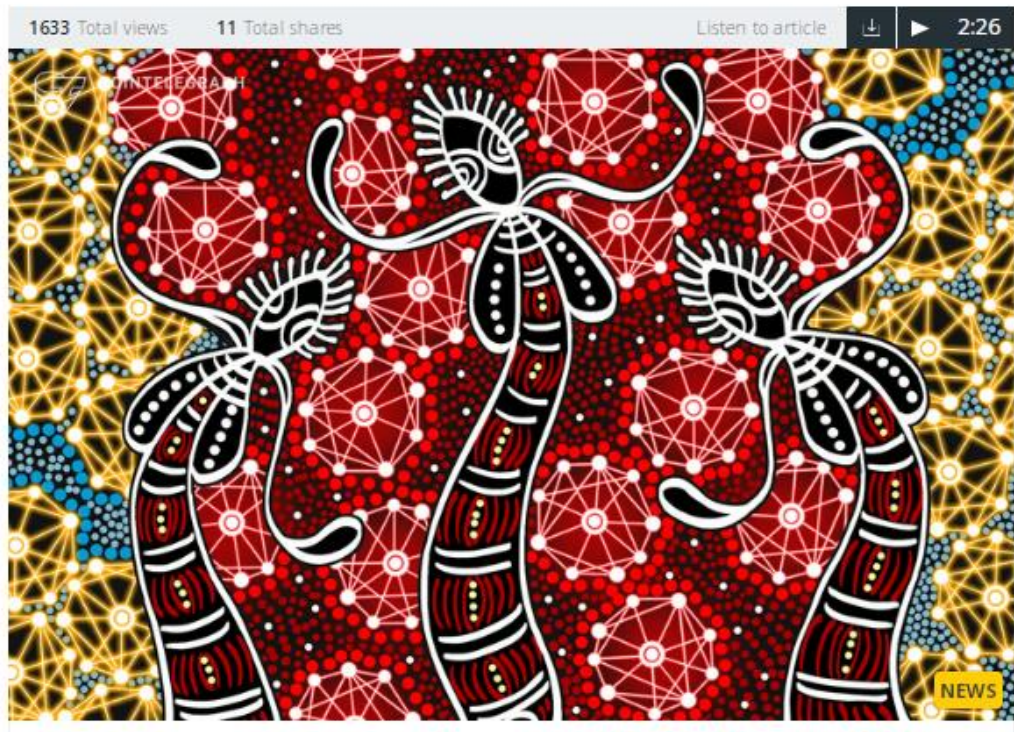


## #australia #stock-exchange

Australia’s stock market operator has abandoned plans to rebuild its software platform using blockchain technology, marking a significant rejection of the once-celebrated concept that gained prominence alongside cryptocurrencies.

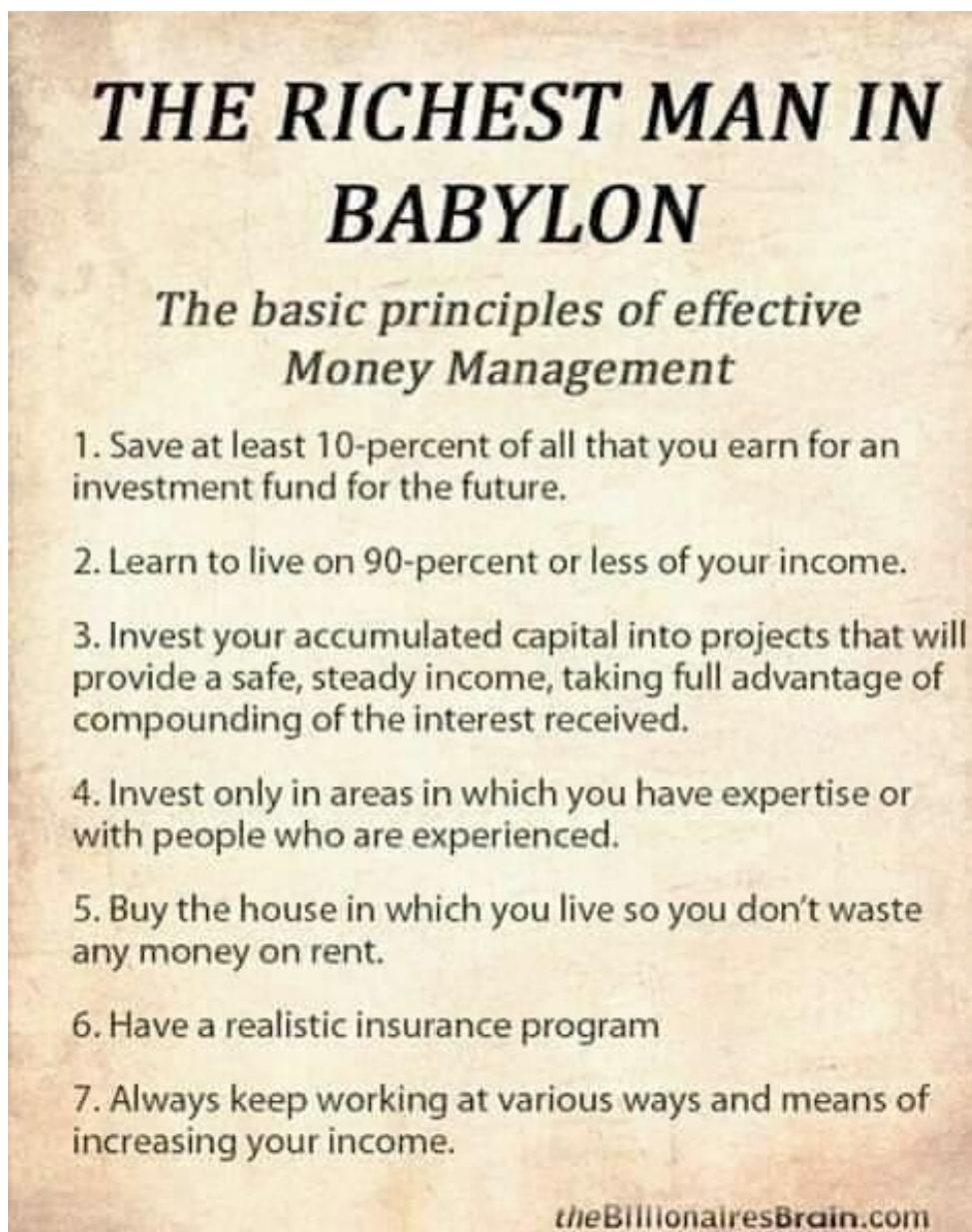
### Australian stock exchange officially abandons blockchain plans: Report

ASX has abandoned its software rebuild using blockchain technology to explore more conventional options.



#food-for-thought

#babylon





#food-for-thought

#laws-of-money

@incomepanda

# The Most Important LAWS OF MONEY

@incomepanda

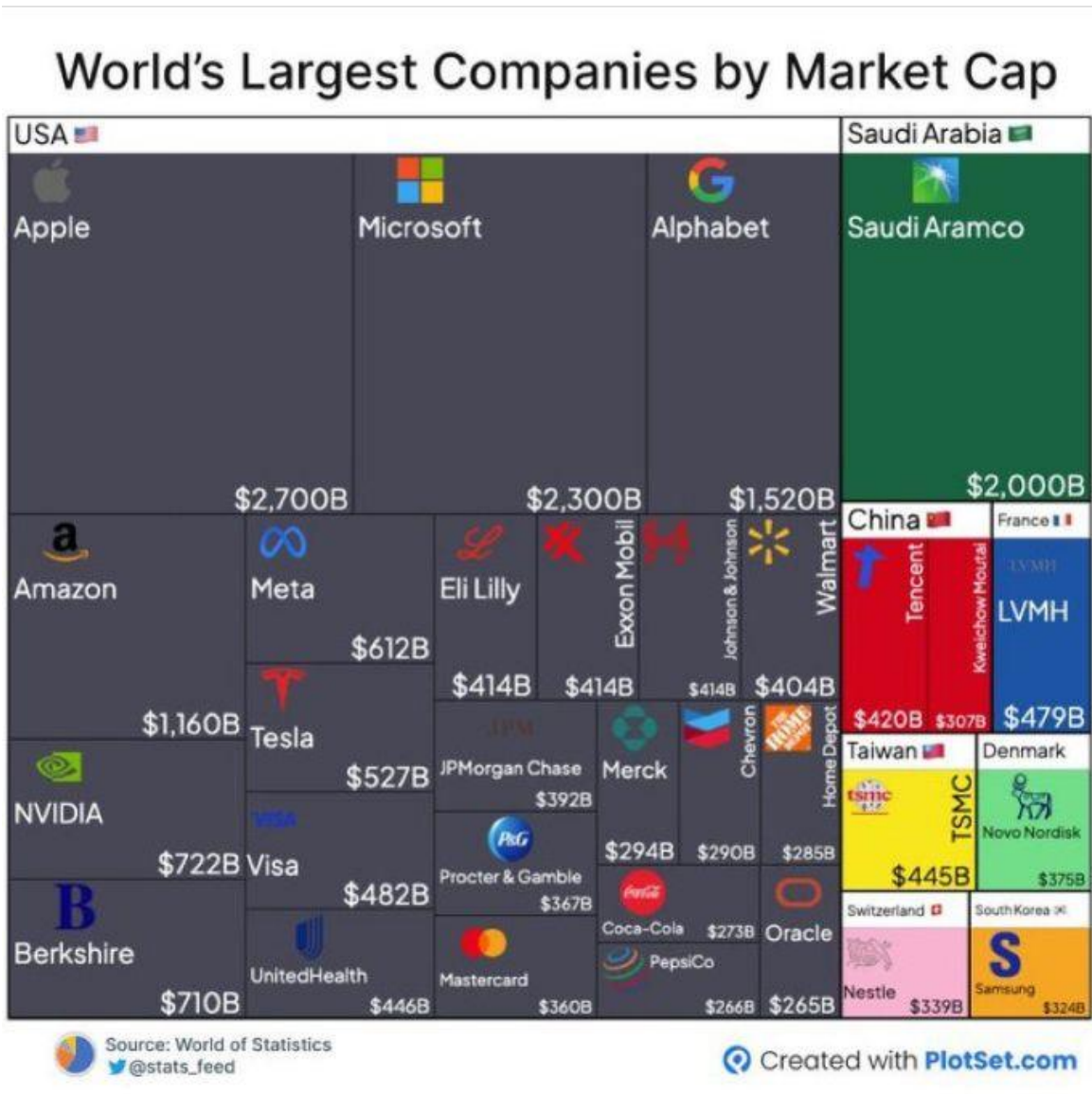
- **Don't spend more than you make**
- **Don't go into debt to impress others**
- **Actively invest & track your net worth**
- **Don't buy depreciating assets**



#food-for-thought

#world-companies

World's Largest Companies by Market Cap



Source: World of Statistics @stats\_feed

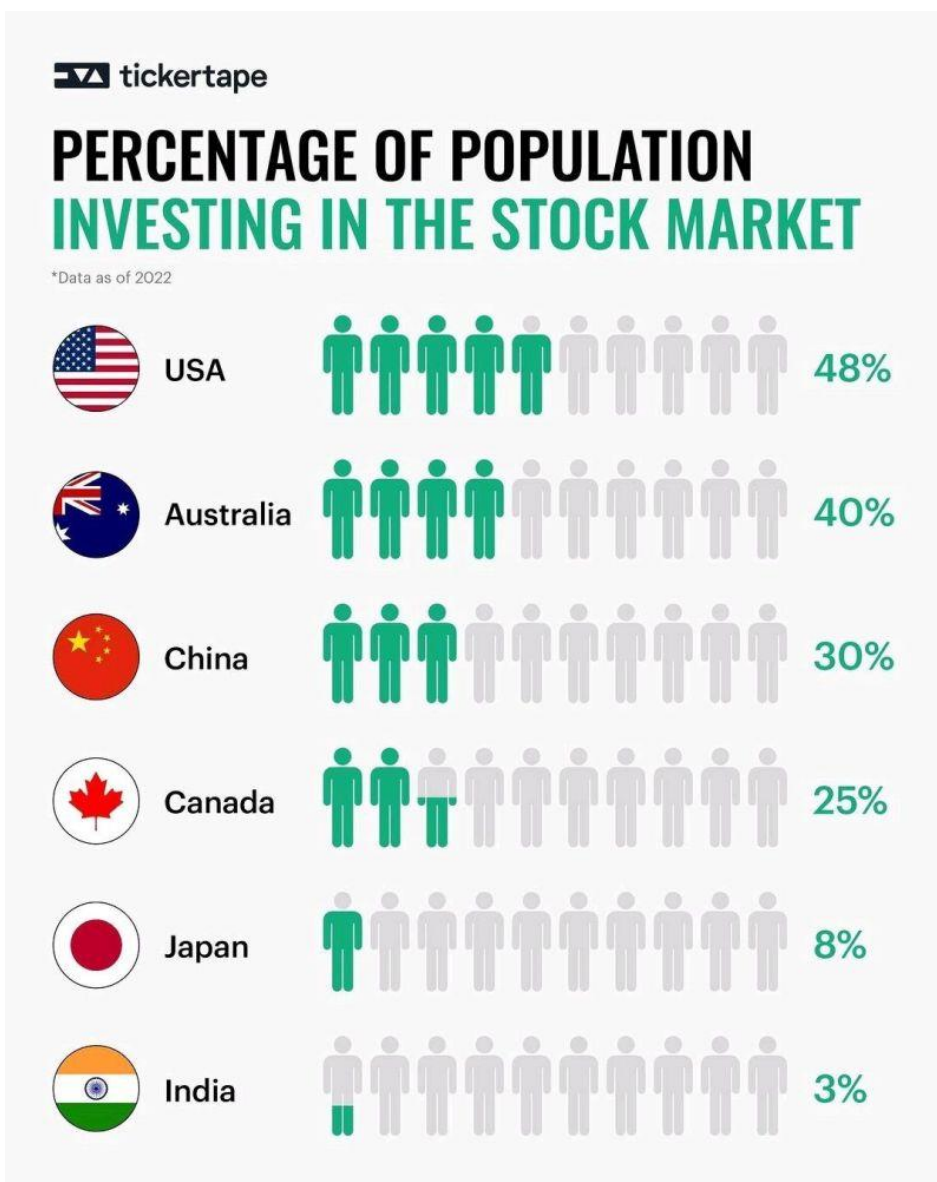
Created with PlotSet.com

Source: world of statistic, plotset

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#stocks #investing

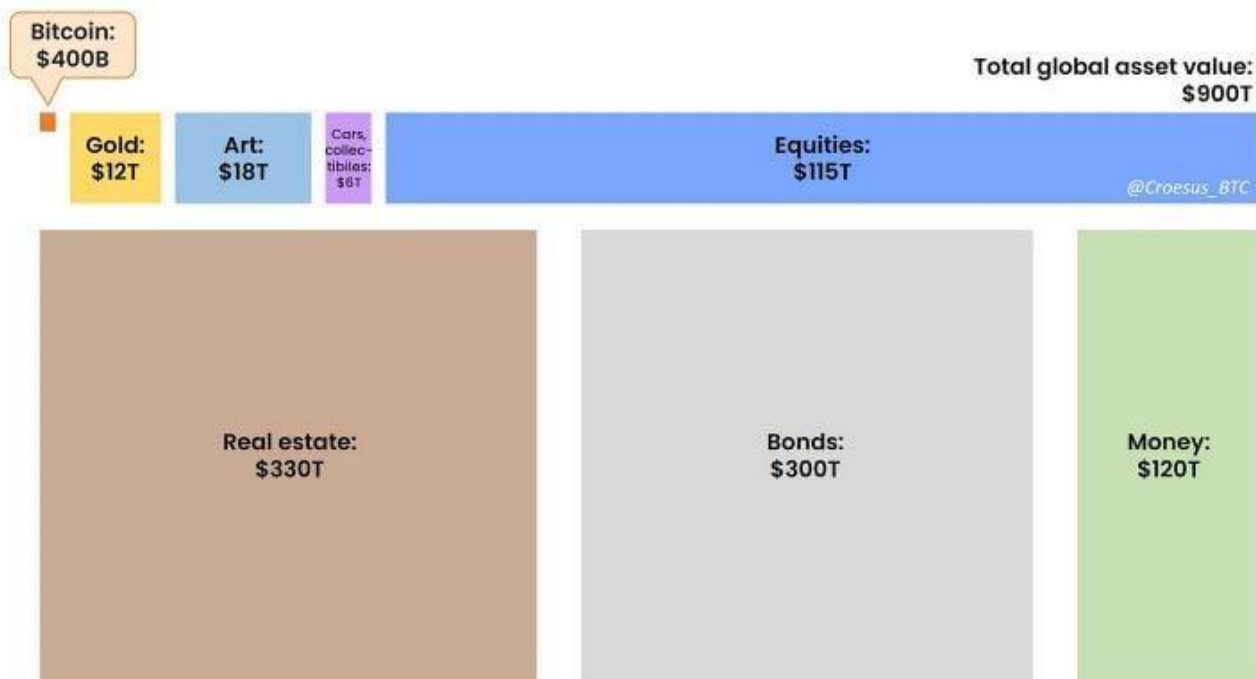
Percentage of population investing in the #stockmarket



#food-for-thought

#global #assets #value

The global asset landscape (as of 1/1/2023) by JESSE MYERS.



#food-for-thought

#60-40

Is the 60-40 portfolio the best #assetallocation mix for the current decade?

The 60/40 portfolio doesn't fit all macro regimes

Decade	Total Return	Inflation	Real Total Return
1880 - 1889	6.0%	-2.2%	8.2%
1890 - 1899	5.7%	0.1%	5.6%
1900 - 1909	10.2%	2.4%	7.8%
1910 - 1919	4.5%	6.6%	-2.1%
1920 - 1929	15.2%	-0.9%	16.1%
1930 - 1939	0.1%	-2.0%	2.1%
1940 - 1949	8.9%	5.4%	3.5%
1950 - 1959	19.3%	2.2%	17.1%
1960 - 1969	7.7%	2.5%	5.2%
1970 - 1979	5.7%	7.4%	-1.7%
1980 - 1989	17.4%	5.1%	12.3%
1990 - 1999	18.1%	2.9%	15.2%
2000 - 2009	-1.0%	2.5%	-3.5%
2010 - 2019	13.4%	1.8%	11.6%

Source: TheMacroCompass.com

Source: The Macro Compass

#food-for-thought

#60-40

The 60/40 portfolio: a relic of the past? For years, the 60/40 stock/bond portfolio has been a staple for investors. But, it needs a rethink. A study from investment giant KKR explored the benefits of adding alternative investments into the mix over almost a century of returns. Their findings? The 40/30/30 portfolio, which adds real estate, infrastructure and private credit assets into the holdings, offered higher returns — with lower volatility — during periods of high inflation.

Traditional Stock-Bond Portfolios Need A Rethink



\*The 40/30/30 portfolio adds real estate, private credit and infrastructure to a typical stock/bond portfolio

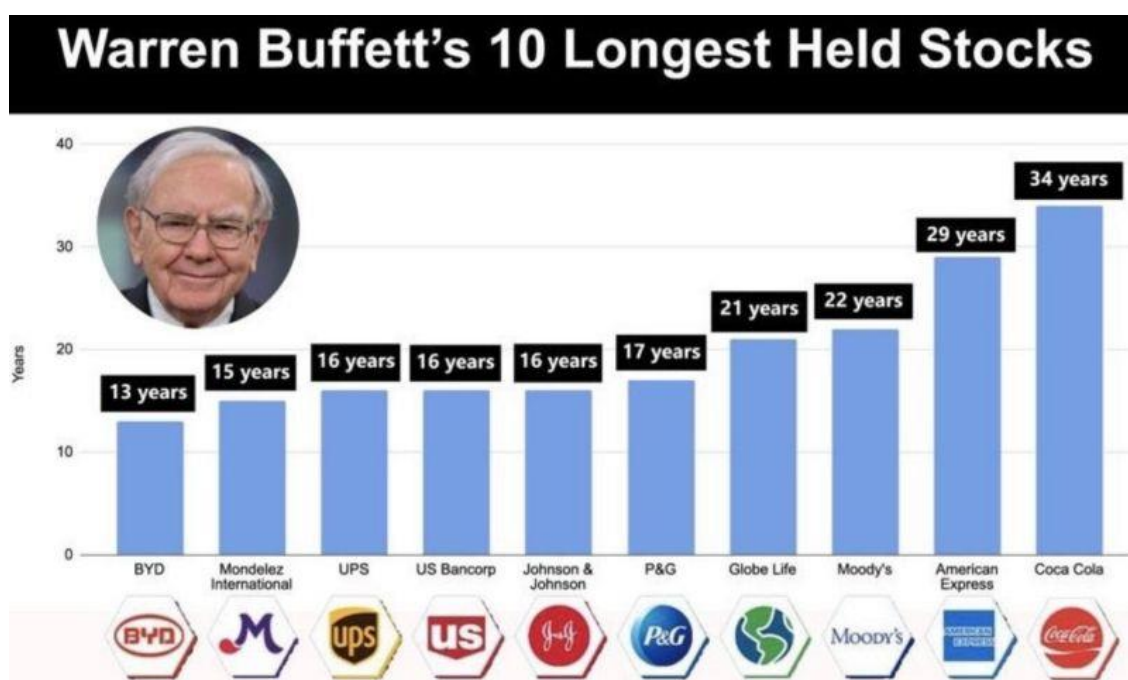


Source: chartr

#food-for-thought

#warren-buffet #stocks

Warren Buffett's 10 longest held stocks.

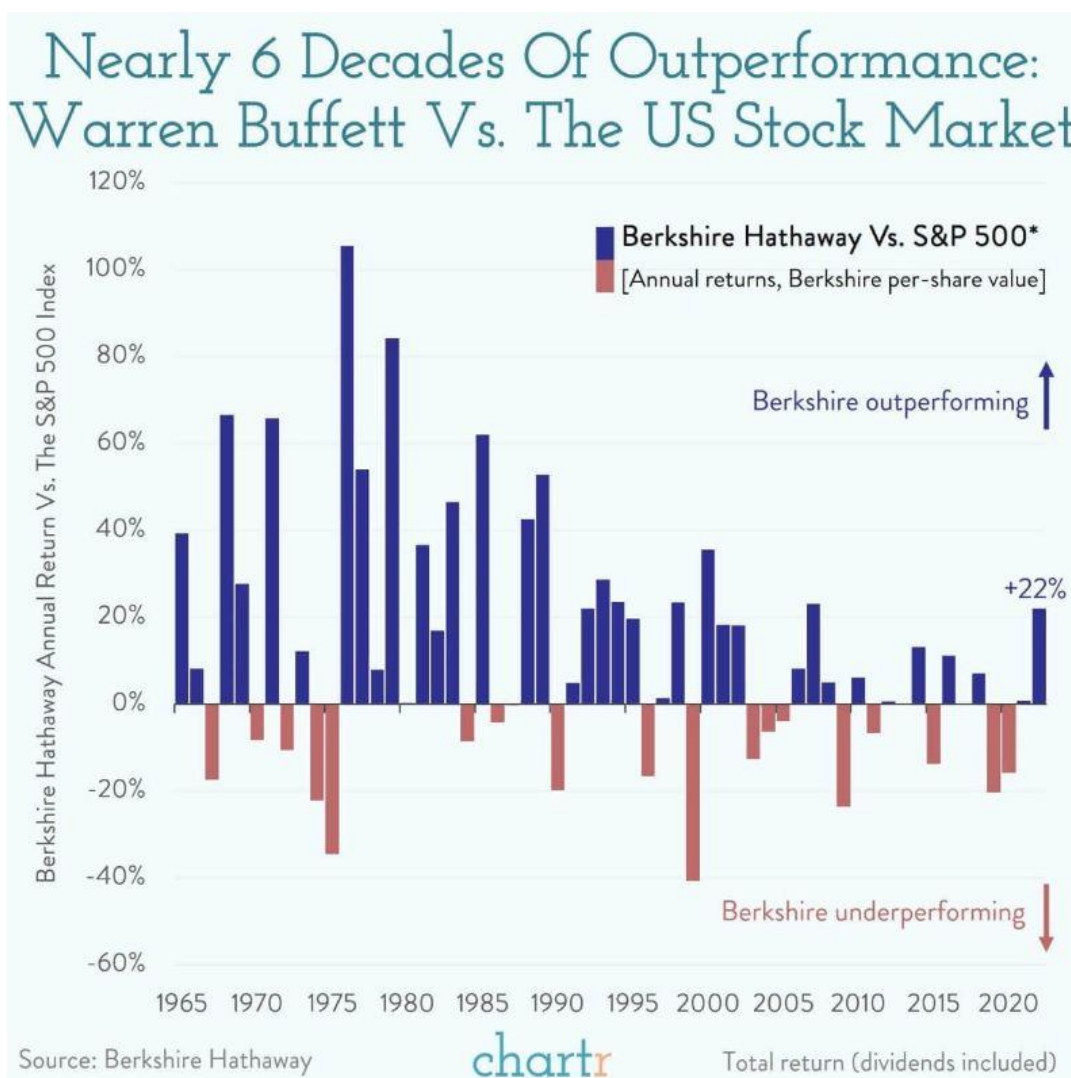


Source : Compounding Quality

#food-for-thought

## #warren-buffet #sp500

### Warren Buffett vs The US Stock Market



Source: ChartR



#food-for-thought

### #soros #portfolio #changes

Soros Fund Management, the family office of billionaire George Soros, slashed its stakes in electric vehicle makers Tesla Inc and Rivian Automotive filings released Friday showed. The firm added new positions in Walmart Netflix and Chinese e-commerce company JD.com during the quarter. It boosted its stake in Qualcomm Inc by 50.5% to 104,350 shares, nearly tripled its position in Nike Inc to 166,720 shares, and increased its holdings of Uber Technologies Inc by nearly 50% to 818,955 shares. The firm also added new stakes in railroad operators CSX Corp and Norfolk Southern Corp. It cut its stakes in Walt Disney by 75% to 46,400 shares, and in electric truck maker Rivian Automotive by a similar amount to 3.6 million shares

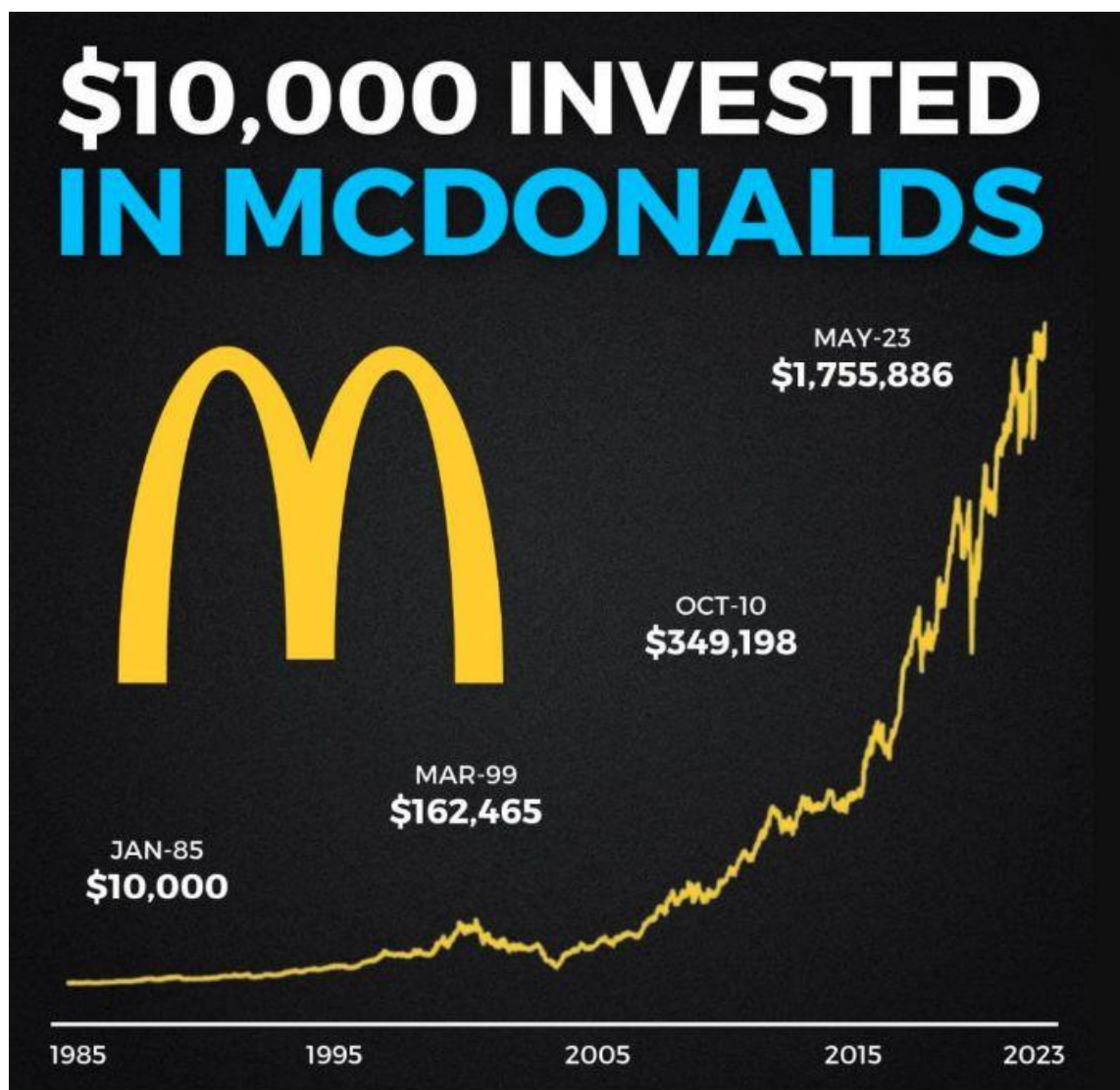


Source: Reuters

#food-for-thought

#mc-donalds

I'm lovin it !



Source: Compounding

#food-for-thought

#us #shares-buy-back

A record \$1.3 Trillion worth of shares were bought back last year by the world's 1200 largest publicly traded companies.

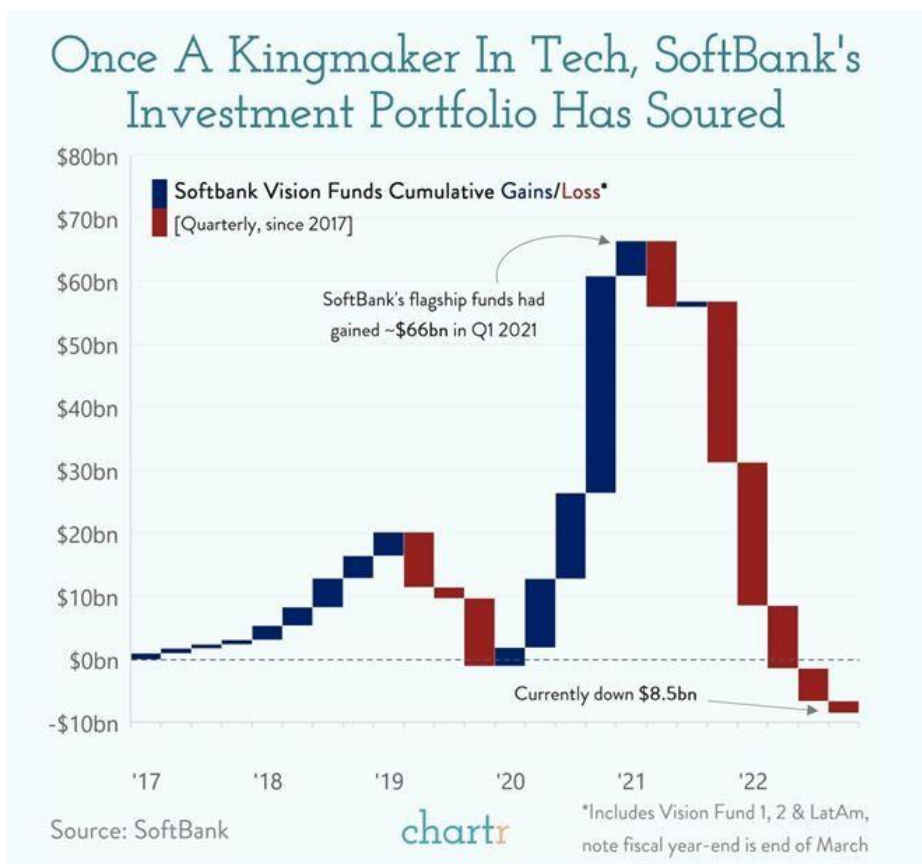


Source: FT

#food-for-thought

#softbank

Last week, SoftBank announced a staggering record loss of \$32 billion for its flagship Vision Fund during its most recent fiscal year, as the once seemingly unstoppable Japanese company continues to wrestle with mounting investment losses. At its peak, SoftBank’s funds had gained more than \$66bn in value — gains that have since been wiped out despite a modest resurgence in tech stocks this year.

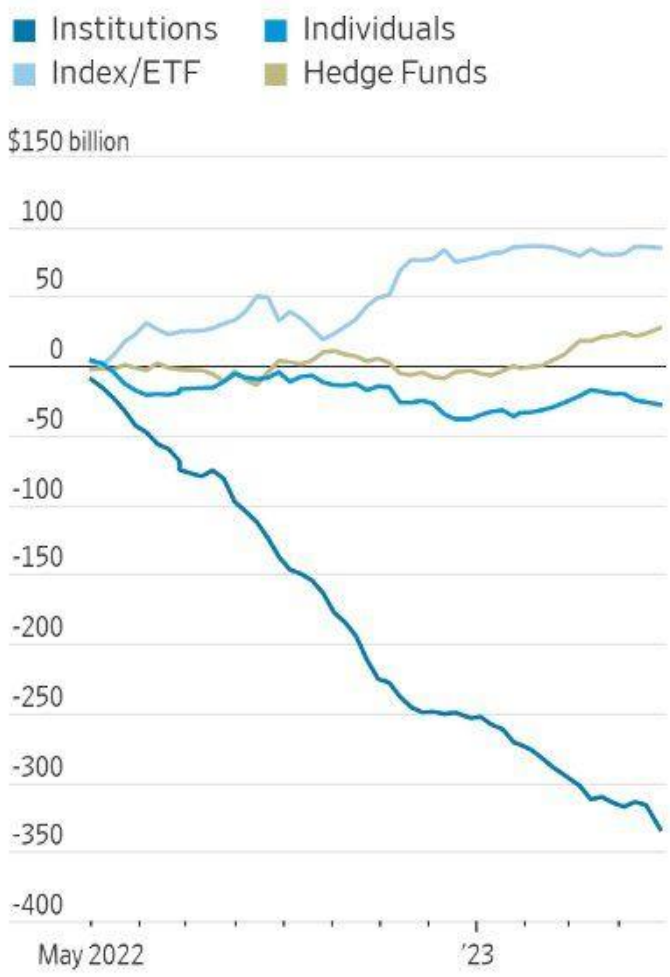


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#stock #flows

Institutional investors have been dumping #stocks for the last 12 months.

Cumulative capital flow to equities



Source: S&P Global Market Intelligence



Source: S&P Global Intelligence, Genevieve Roch-Decter

#food-for-thought

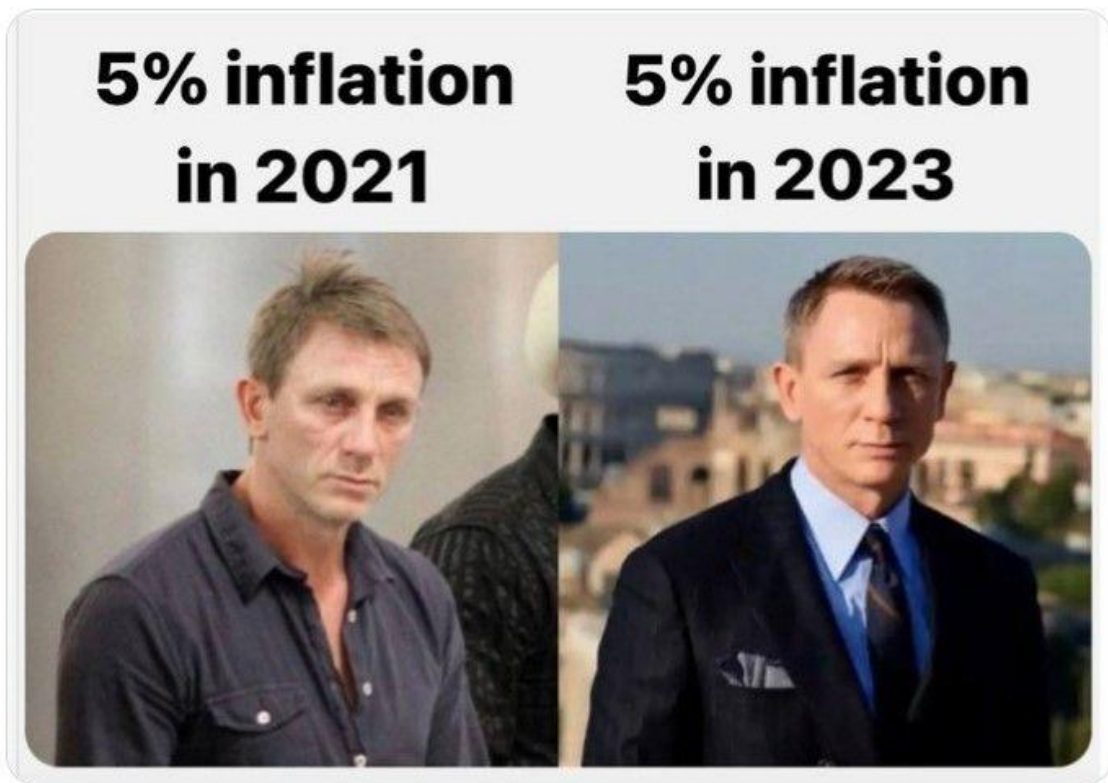
#inflation #humour



Compounding Quality ✓  
@QCompounding



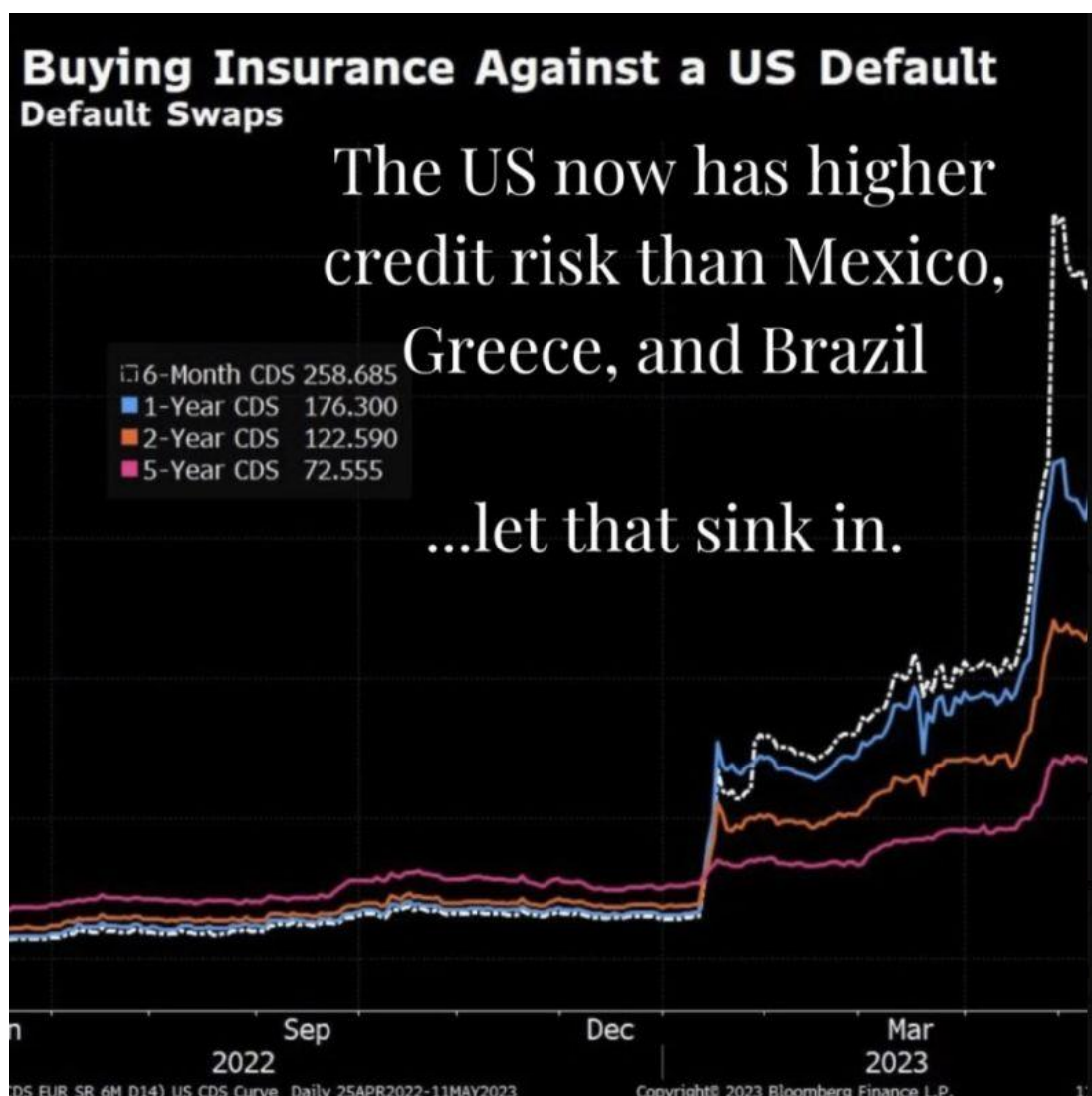
Inflation:



#food-for-thought

#us #cds

The US now has higher credit risk of default than Mexico, Greece, and Brazil.

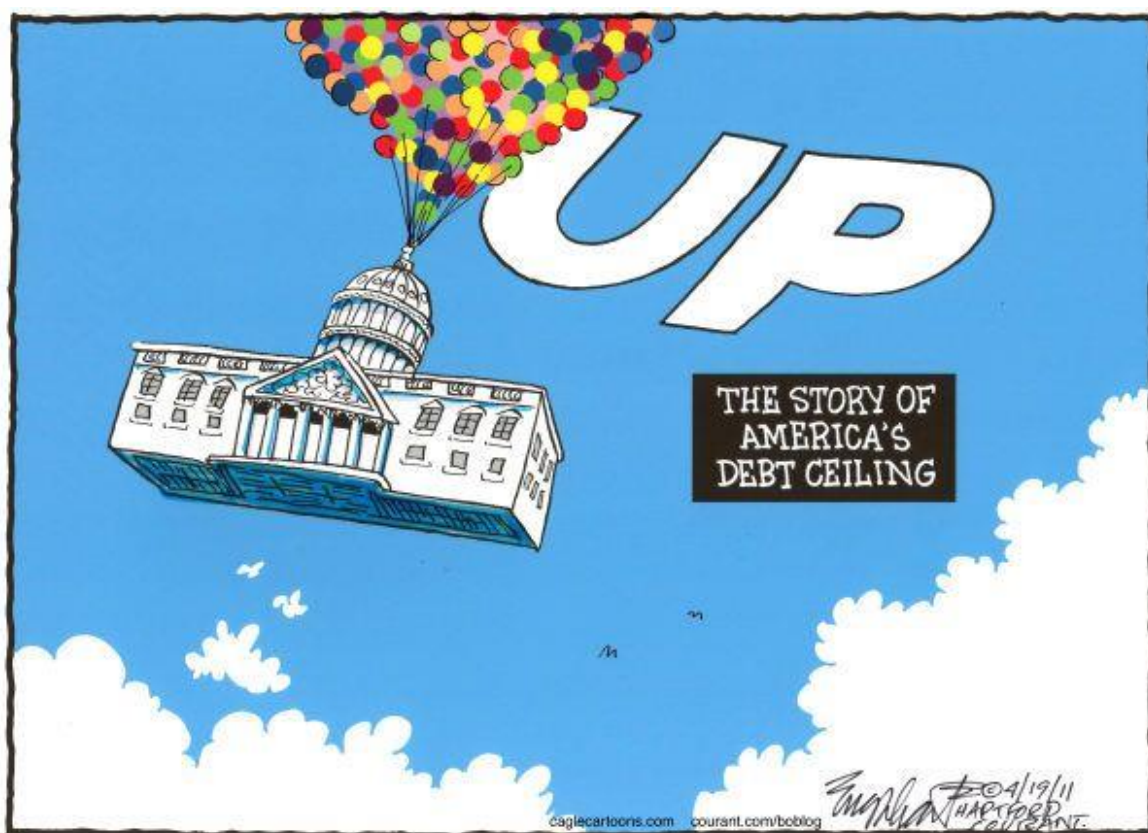


Source: <https://www.thesilvervigilante.com>

#food-for-thought

#debt-ceiling

The US debt ceiling story in one cartoon

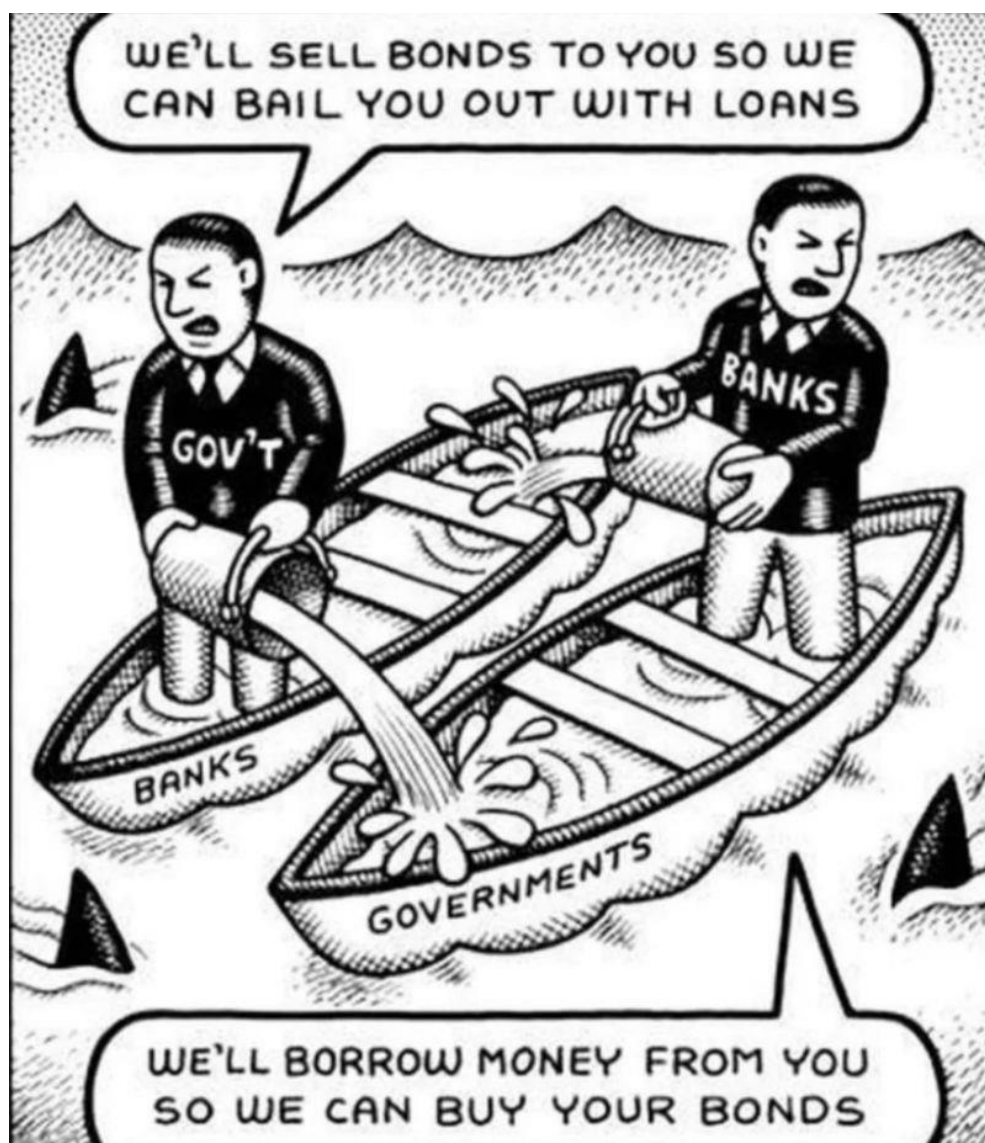




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## #governements #banks

Still up to date...



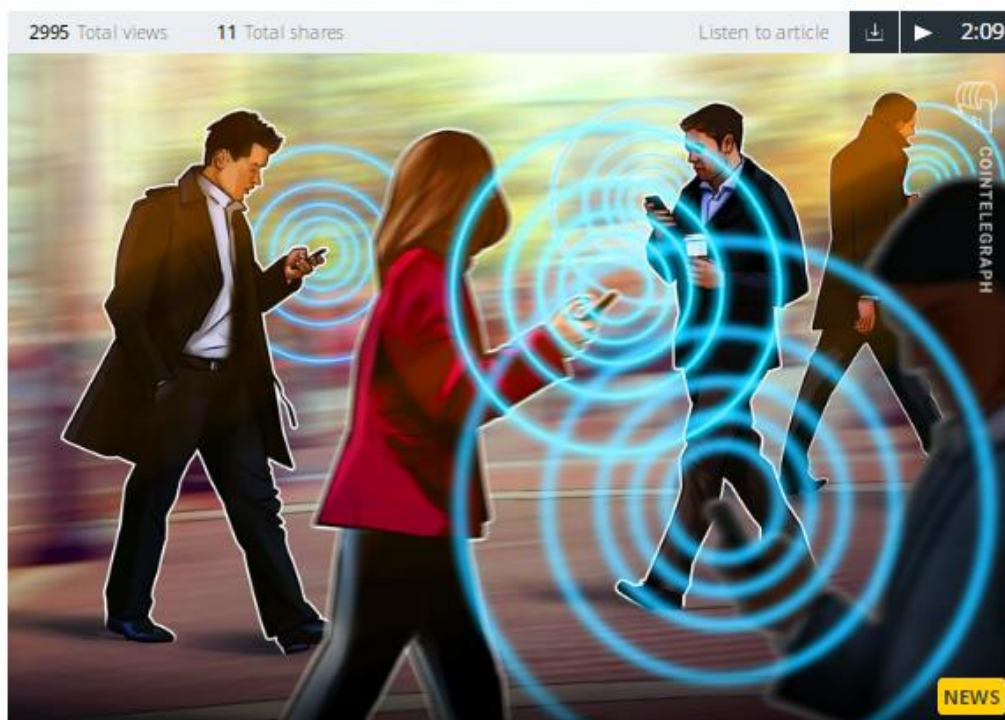
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## #chatgpt #apple #ban

A report by The Wall Street Journal revealed that an internal document to Apple employees had banned the usage of Microsoft-backed ChatGPT and similar AI tools while the company was developing its own AI technology.

### Apple bans ChatGPT use for employees over fears of data leaks

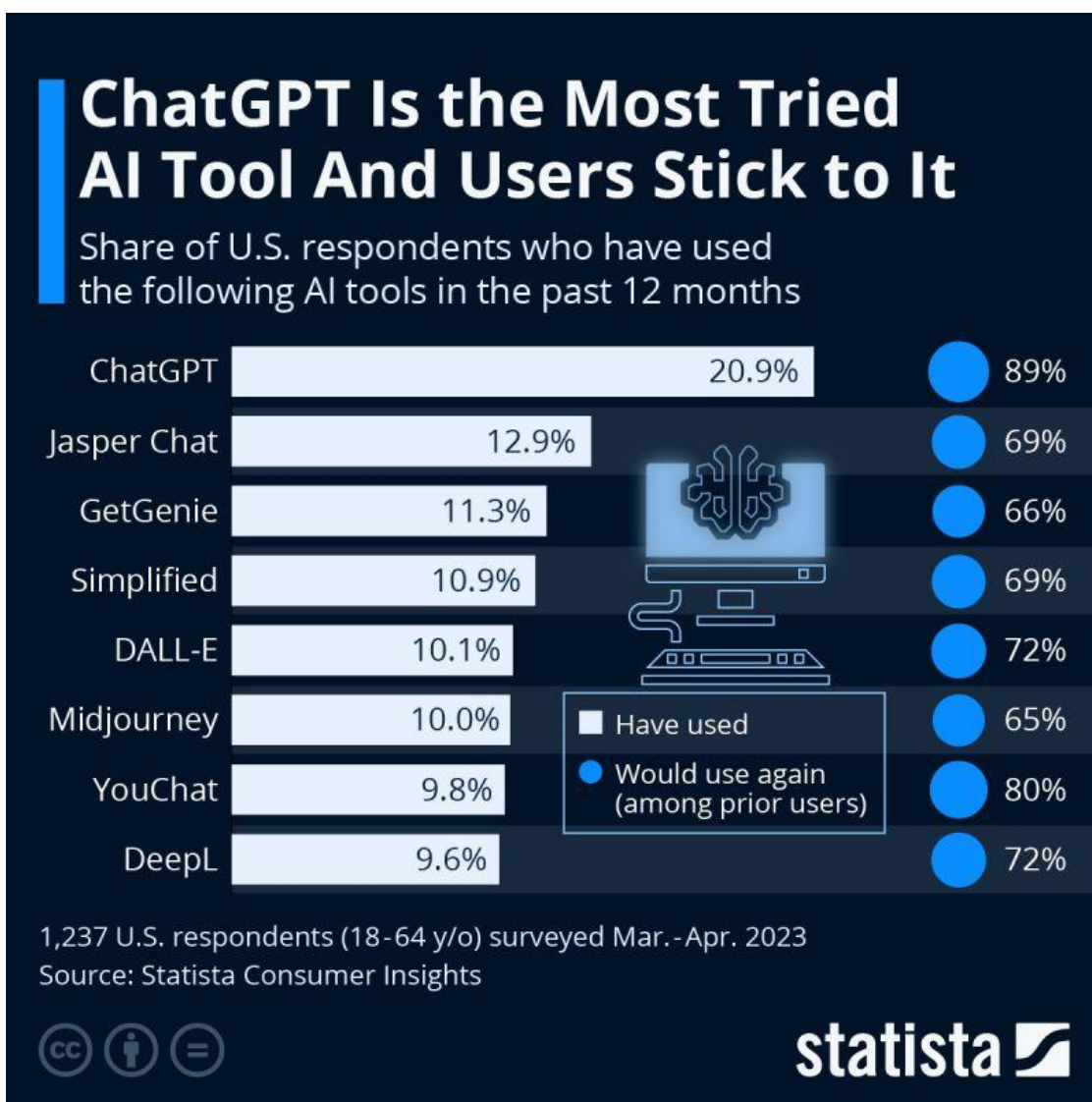
An internal document from the tech giant said that while it develops its own AI technology, employee usage of outside AI chatbots will be restricted.



#food-for-thought

#artificial-intelligence #chatgpt

ChatGPT is the most tried AI tool and users stick to it



#food-for-thought

### #chatgpt #smartphone

#### OpenAI Brings ChatGPT App to Your Smartphone

The software is now available in the US for iOS devices through Apple Inc.'s App Store. With it, users can type questions and receive responses from the chatbot. It also includes voice recognition so users will be able to speak their queries, according to a Thursday blog post from the Palo Alto, California-based startup. The bot will only respond in writing, however. The app also syncs text-based conversations across various devices. Users who pay for OpenAI's ChatGPT Plus subscription can also use its most powerful large language model, GPT-4, via the app, the company said. OpenAI plans to offer its app in more countries in the coming weeks and expects to roll out the Android version soon.



Source: Bloomberg

#food-for-thought

#irr #roi

IRR	VS	ROI
<b>Internal Rate of Return</b>		<b>Return on Investment</b>
IRR and ROI are financial metrics for evaluating investment profitability. IRR is complex and considers cash flows, time value of money (TVM) and risk. ROI is simple but not comparable, ignores TVM and disregards risk.		
<b>Definition</b> The <b>discount rate</b> at which the net present value (NPV) of investment cash flows equals zero.		<b>Definition</b> A <b>financial ratio</b> used to measure the profitability of an investment, as a percentage of the initial investment.
<b>Formula</b> $NPV = \sum(Cash\ Flow_t / (1 + IRR)^t) = 0$		<b>Formula</b> $\text{investment profit} / \text{initial investment} \times 100$
<b>Drivers</b> Time value of money, cash flow timing and amounts, discount rate, project duration, and risk.		<b>Drivers</b> Investment revenues, investment costs.
<b>Uses</b> <ul style="list-style-type: none"><li>• Evaluate investment profitability</li><li>• Compare investment profitability</li><li>• Determine the discount rate at which an investment breaks even.</li></ul>		<b>Uses</b> <ul style="list-style-type: none"><li>• Measure investment efficiency</li><li>• Assess investment profitability</li><li>• Make capital allocation decisions</li></ul>
<b>How Not to Use</b> When investment cash flows can be both negative and positive		<b>How Not to Use</b> When time value of money, cash flow timing, and risk are critical factors in investment decisions
 Follow @Oana Labes for more Finance, Business and Cash Flow Insights Upgrade your strategic finance skills with my Cash Flow Masterclass  <a href="https://oanalabes.com">oanalabes.com</a>		

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#taxi #index

The price of a 1 km taxi ride in selected countries.



Price of 1 km Taxi:

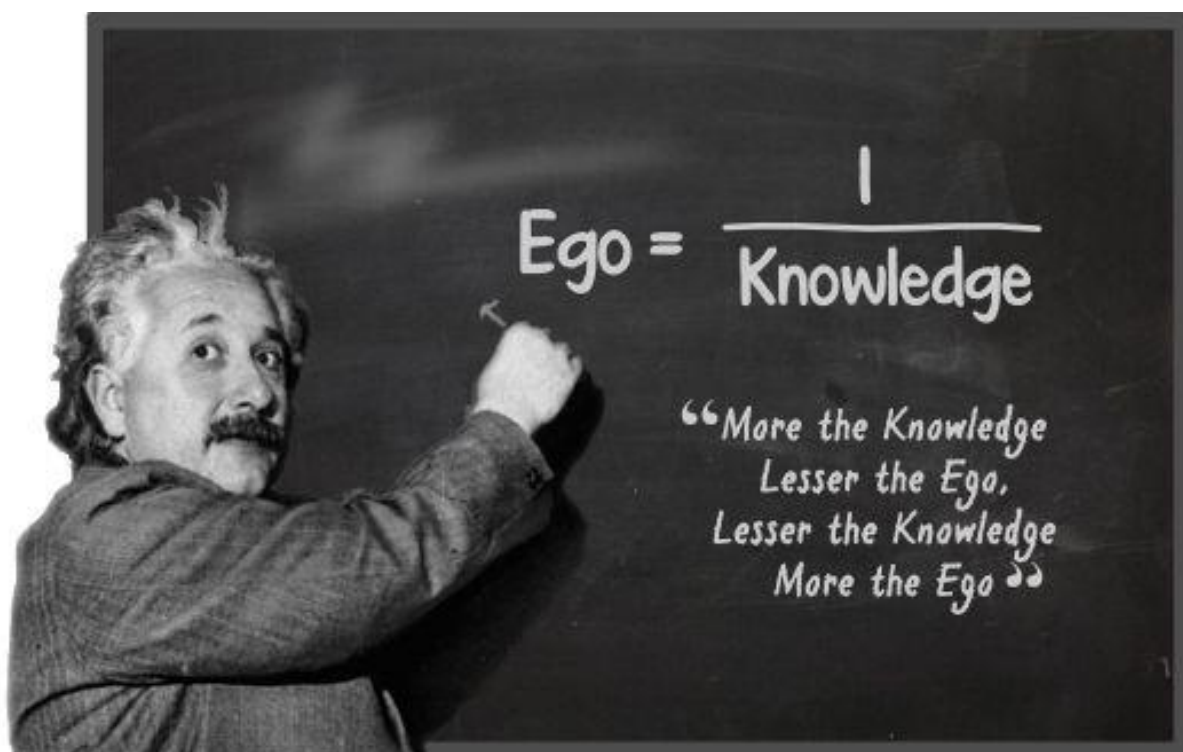
- Zurich: \$5.57
- Bern: \$4.99
- Basel: \$4.01
- Philadelphia: \$3.42
- Stockholm: \$3.37
- Luxembourg: \$3.28
- Houston: \$3.11
- Tokyo: \$3.09
- Reykjavik: \$2.94
- Heidelberg: \$2.84
- Amsterdam: \$2.61
- Stuttgart: \$2.50
- Belfast: \$2.41
- Cancun: \$2.27
- Munich: \$2.26
- Las Vegas: \$2.25
- London: \$2.24
- Copenhagen: \$2.20
- Turku: \$2.19
- Barcelona: \$2.18
- Milan: \$2.17
- Lagos: \$2.16
- Graz: \$2.06
- Ottawa: \$2.03
- Paris: \$2.02
- Cork: \$1.97
- Melbourne: \$1.97
- San Francisco: \$1.95
- Vienna: \$1.74
- Tijuana: \$1.70
- Stavanger: \$1.54
- Tel Aviv: \$1.43
- Bogota: \$1.39
- Prague: \$1.38
- Helsinki: \$1.31
- Rio de Janeiro: \$1.12



Source: World of statistics

#food-for-thought

#ego #knowledge



Source: European leadership

#food-for-thought

#leadership

If you want to go fast, go alone.  
If you want to go far,  
go with others.

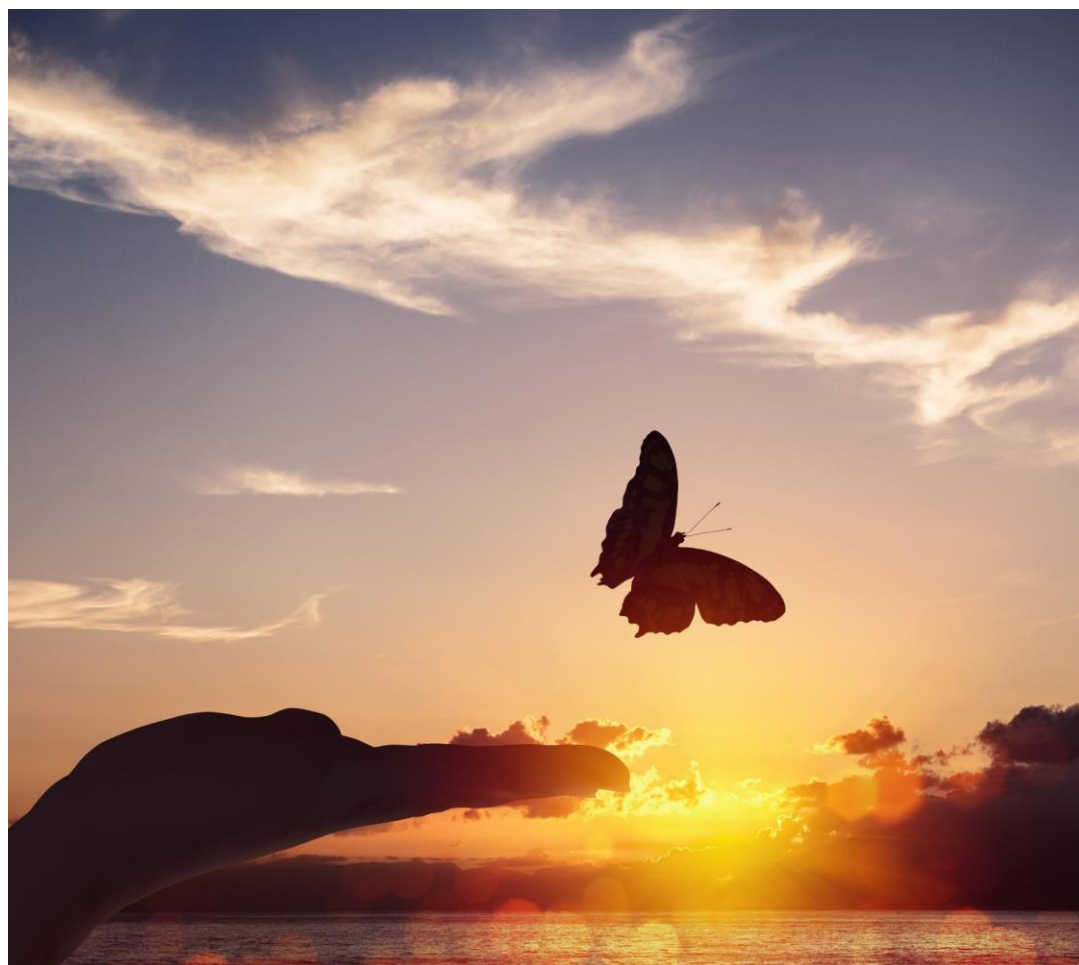
*African Proverb*



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**For the future...**