

Chart of the week

An Apple every day keeps the bear market away

After a 4 days losing streak, stocks popped on Friday as regional bank shares climbed off their lows and market-darling Apple jumped after posting better-than-expected quarterly earnings. Apple has been a major contributor to the S&P 500 performance over the last two decades but also year-to-date. Note that Apple (\$AAPL) vs. S&P 500 (\$SPX) ratio is breaking up here.



Source: Refinitiv



Source: TME, Refinitiv

The Friday rally didn't save the week

Despite a rally on Friday, the S&P 500 Index ended the week lower on comments from Fed Chair Jerome Powell that suggested a pivot to cutting rates might not occur as quickly as the market had hoped. Unease around the U.S. debt ceiling may also have weighed on sentiment, as U.S. Treasury Secretary Janet Yellen notified congressional leaders in a letter that the agency might not be able to meet its debt obligations “potentially as early as June 1.” Within the S&P 500, Tech stocks fared the best while Energy shares pulled back in sympathy with the price of WTI crude oil. The regional banks subsector in the S&P 500 experienced significant volatility during the week, reflecting concerns about the potential for additional bank failures. As expected, on May 3, the Fed increased interest rates by 25bps. During the press conference, Fed Chair Powell strongly hinted that the fed funds rate might be near the peak level for this cycle. Nevertheless, Powell also kept the option for further monetary tightening on the table, stating that “a decision to pause was not made today.” The US nonfarm payrolls report showed strength in the labor market, with the economy adding 253k new jobs in April—higher than the consensus estimate of 179k. Yields on 10-year U.S. Treasuries fell early in the week on concerns about regional banks and the debt ceiling but moderated during Friday’s trading session. European stocks ended the week slightly lower. Gold hit record highs.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

6 MAY 2023

#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,674	-1.2%	1.6%
S&P 500 Index	4,136	-0.8%	7.7%
NASDAQ	12,235	0.1%	16.9%
MSCI EAFE *	2,131	-0.6%	10.0%
10-yr Treasury Yield	3.43%	0.0%	-0.4%
Oil (\$/bbl)	\$71.36	-7.1%	-11.1%
Bonds	\$99.64	0.3%	4.1%

Source: Edward Jones

#markets

#sp500 #concentration

Apple and Microsoft account for 39% of the S&P's gain so far in 2023. Add in NVIDIA and Meta and it's 60%

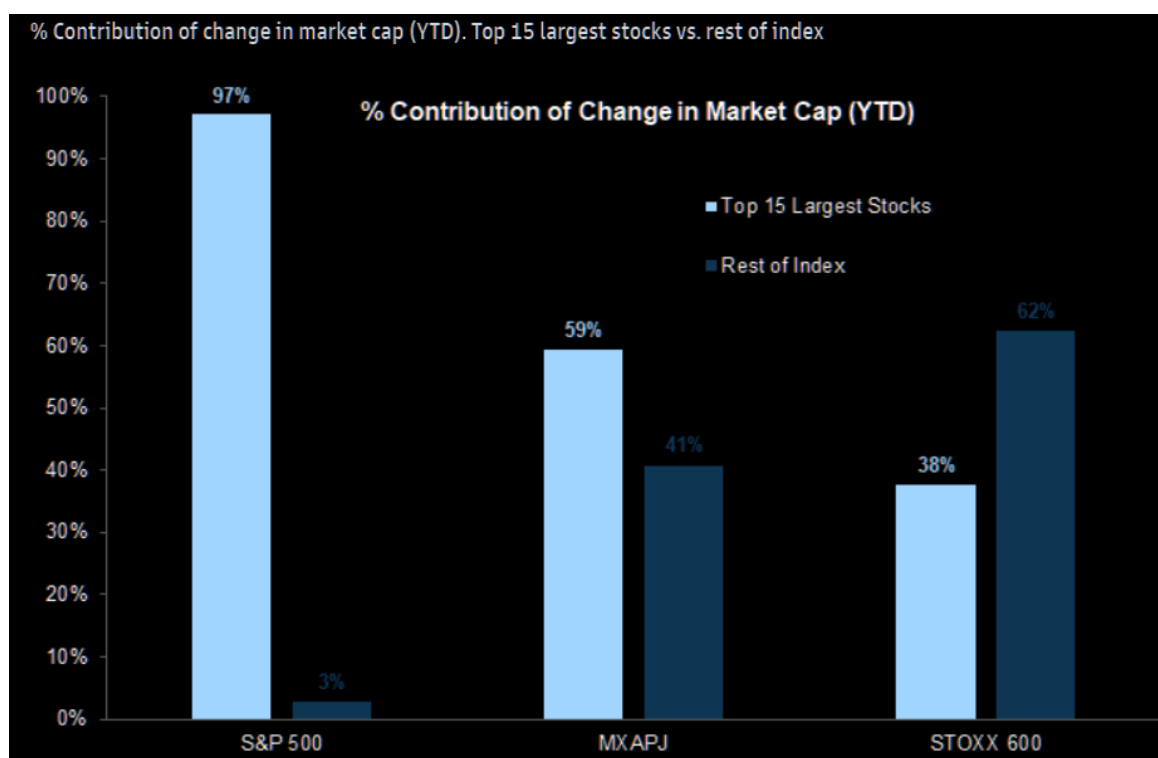
FAANG+ Stocks Contributions to S&P 500 YTD Performance						
Ticker	Company Name	Sector	Market Cap (bn USD)	YTD % Chg	S&P 500 Contribution	
					Index Points	% of Move
AAPL	Apple	Technology	2,664.57	30.34	70.06	21.27
MSFT	Microsoft	Technology	2,266.56	27.12	58.03	17.62
NVDA	NVIDIA	Technology	672.48	87.97	38.16	11.59
META	Meta Platforms	Comm. Svcs.	611.37	97.32	31.35	9.52
AMZN	Amazon.com	Cons. Discret.	1,125.35	25.46	22.76	6.91
TSLA	Tesla	Cons. Discret.	507.72	33.34	13.01	3.95
GOOGL	Alphabet (Class A)	Comm. Svcs.	1,371.00	20.19	12.74	3.87
GOOG	Alphabet (Class B)	Comm. Svcs.	1,371.00	20.51	11.48	3.49
AMD	Advanced Micro Devices	Technology	140.73	34.88	4.35	1.32
NFLX	Netflix	Comm. Svcs.	144.85	13.12	2.03	0.62
FAANG+ Stocks			9,504.63	39.03	263.97	80.15
Rest of S&P 500			27,266.14	2.22	65.39	19.85

Source : Bespoke

#markets

#spx #concentration

The recent performance has been very concentrated. 97% of SPX YTD performance comes from 15 stocks.



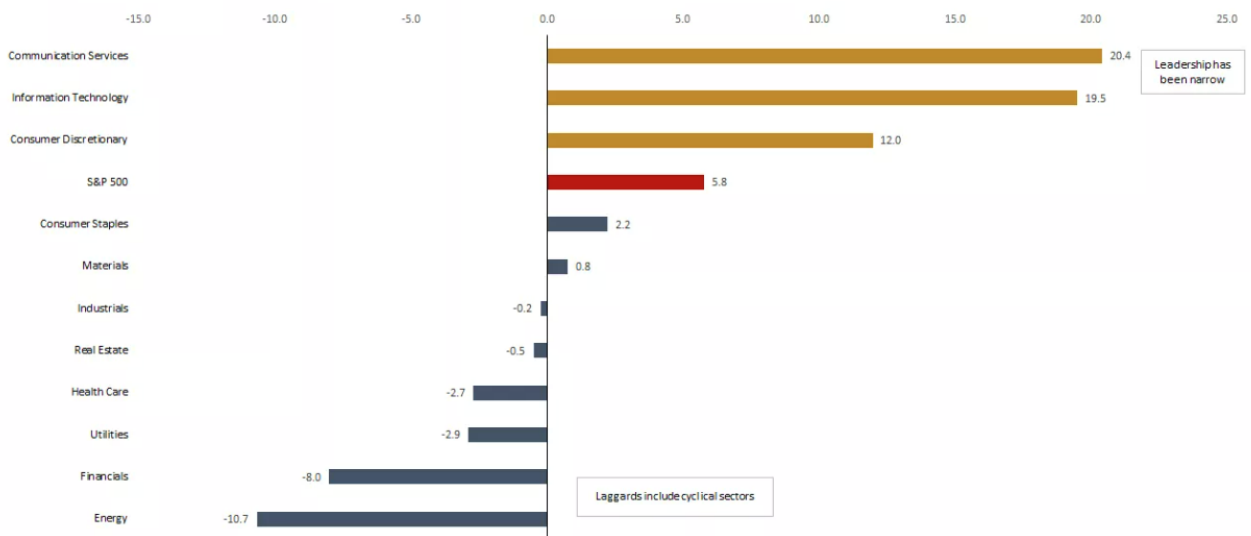
Source: Datastream



#us #equities #sectors

This chart shows that leadership this year in the S&P 500 has been narrow, driven by growth sectors like communication services, technology, and consumer discretionary. Past performance does not guarantee future results.

S&P 500 Sector Returns Year-To-Date, as of 5/4/23



Source: FactSet

Source: Edward Jones

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#dow-jones

Dow Jones just had its 2nd best day of the year on Friday with a gain of 1.65%



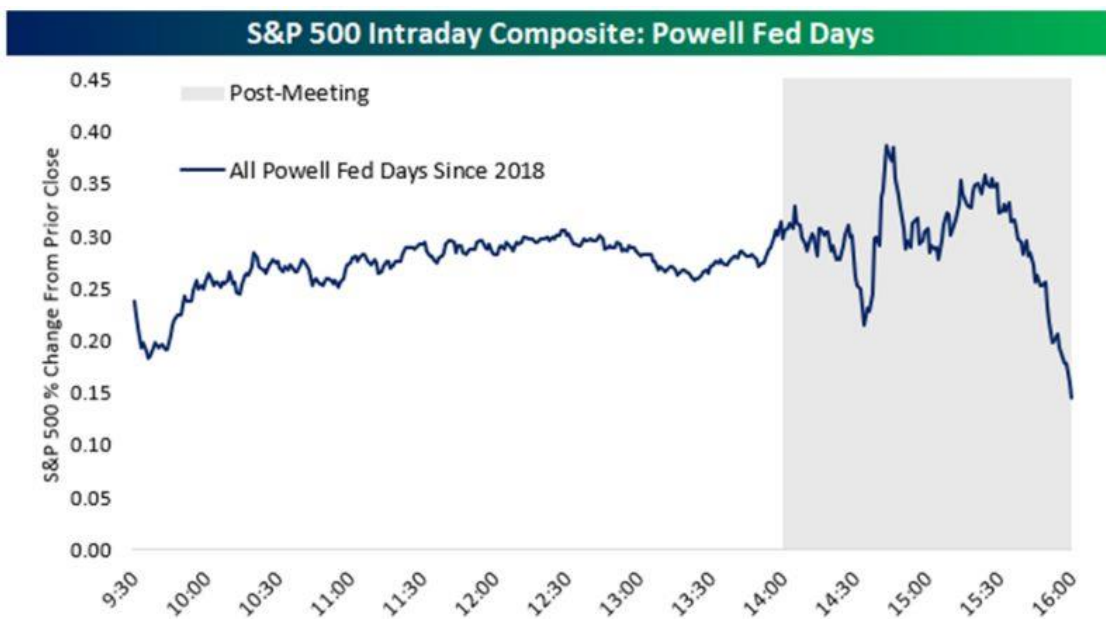
Source: Barchart





#fed #powell #sp500

S&P 500 Intraday Composite : Powell Fed Days Since 2018
Powell Fed days have typically seen a lot of back and forth action in the final two hours of trading, but the market tends to trade sharply lower into the close.

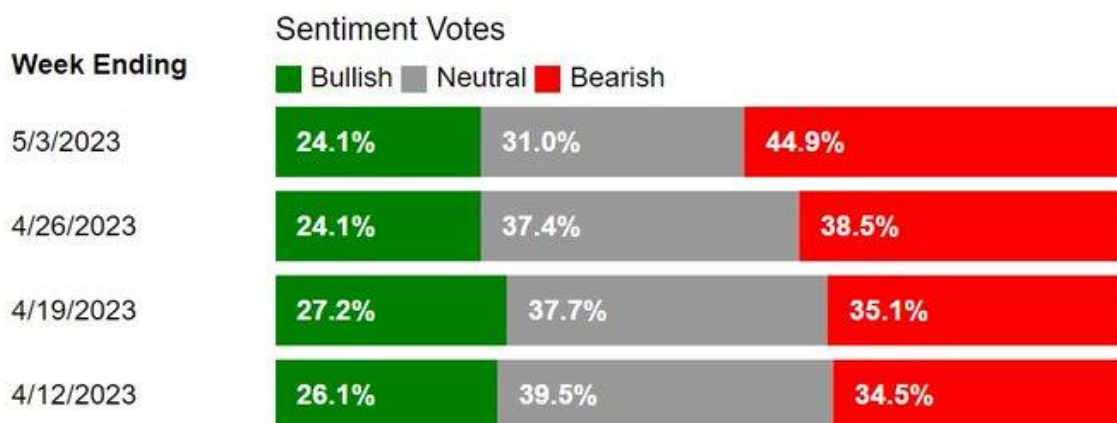


Source : Bespoke

#markets

#market #sentiment

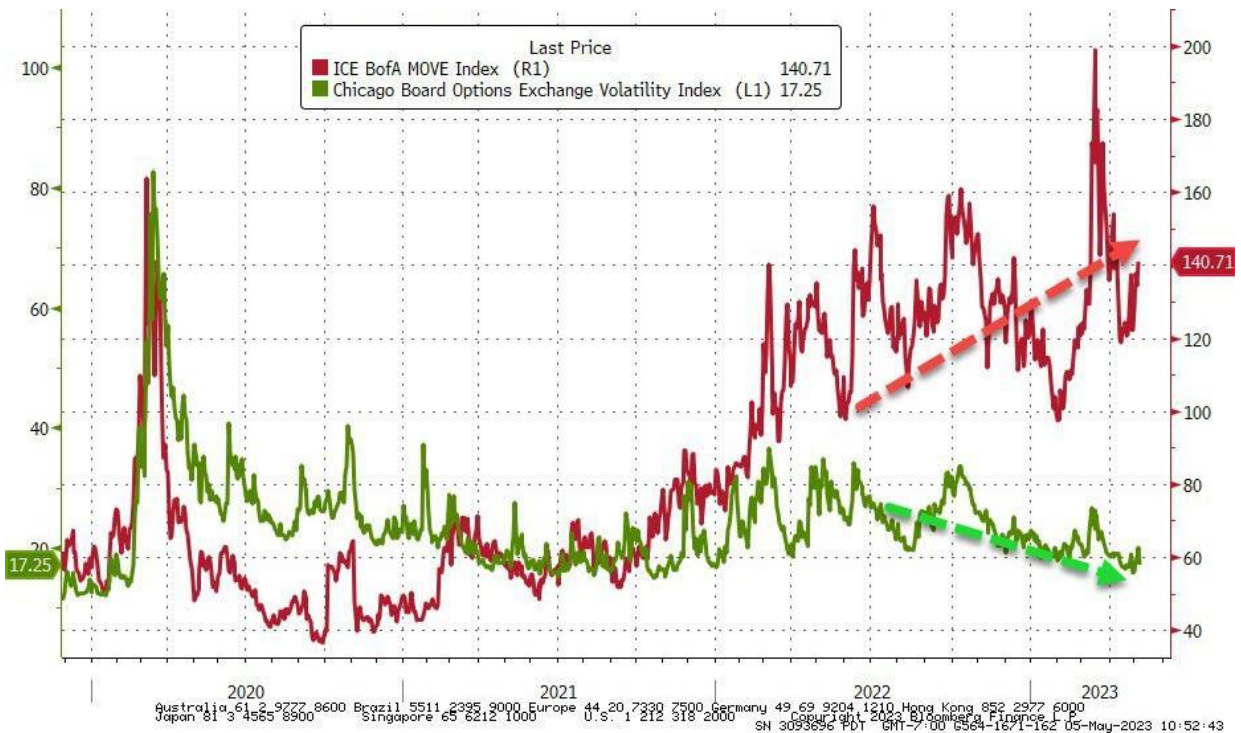
AAll Sentiment: Bears are in the top 10% of all historical readings





#vix #move

Will the uncertainty currently priced into bonds (MOVE index in red) going to spread to stocks (VIX in Green)?

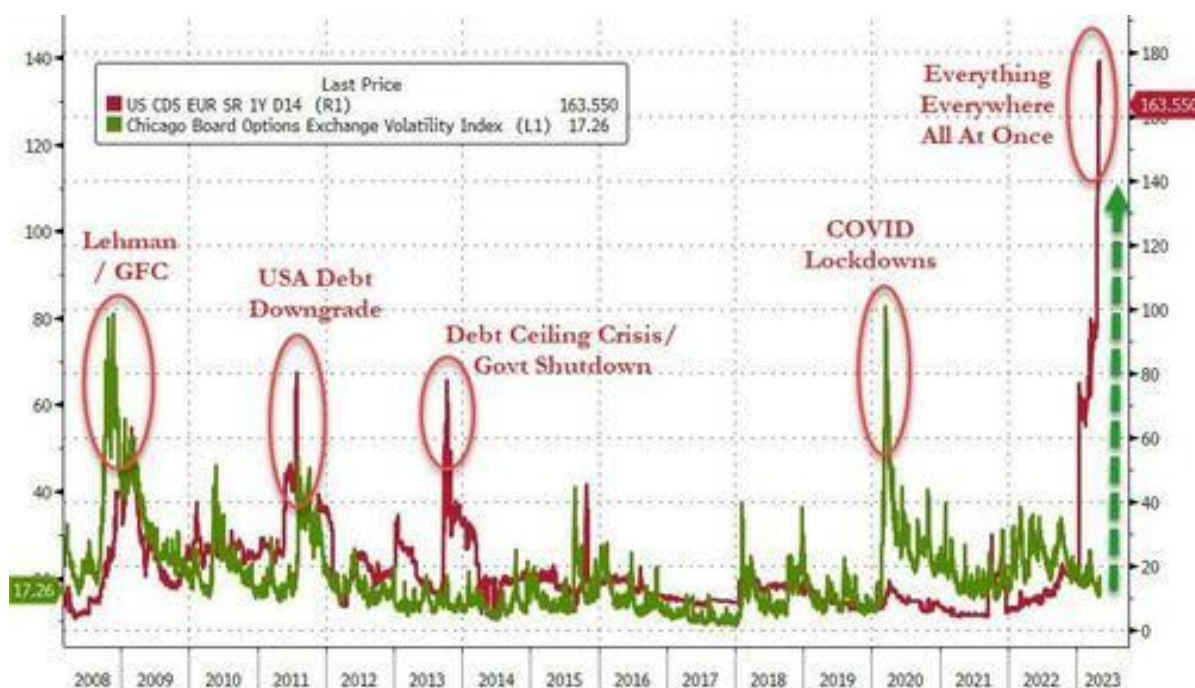


Source: Bloomberg



#vix #cbs

VIX is very complacent vs. spike in CDS.



Source: Bloomberg



#vix #seasonality

The VIX seasonality has actually worked pretty well this year. VIX rose until mid March (and we got the March spike). It reversed and has since then imploded. Let's see if we continue to follow the seasonality pattern going forward...

VIX has got seasonality too



Source: Equity Clock

Source: TME, Equity clock

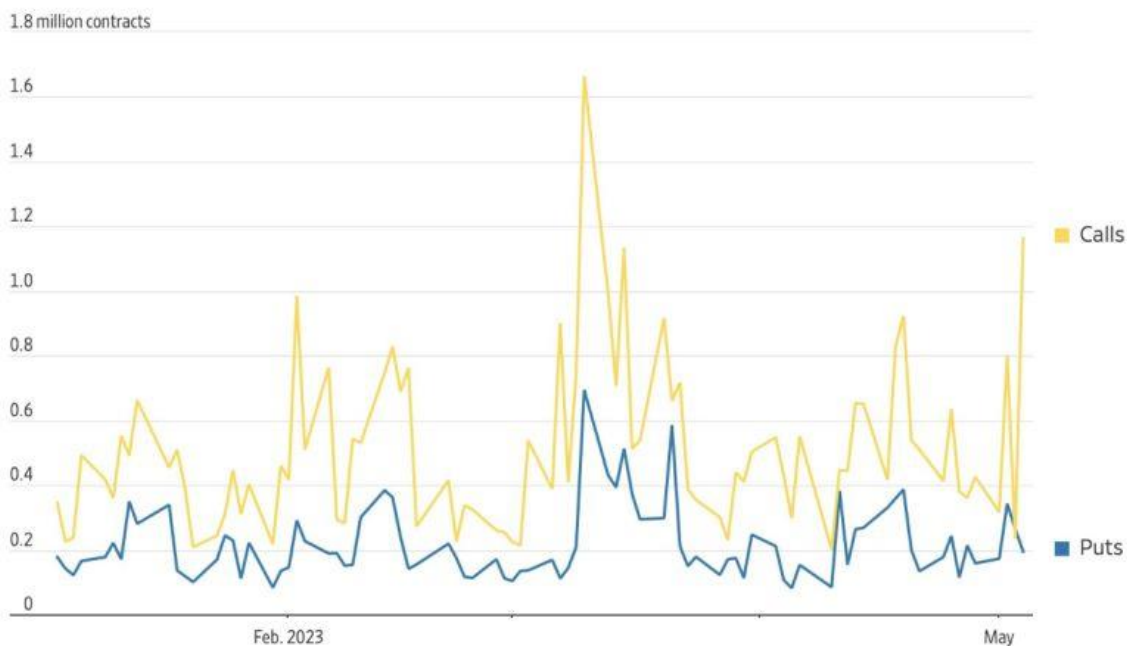




#vix #derivatives

CBOE Volatility Index VIX call volume surged above 1 million contracts yesterday the highest it's been since March.

VIX options volume, daily



Source: Cboe Global Markets

Source: BBOE, Barchart



#apple

Great earnings, but Apple is approaching big resistance levels shortly. Apple volatility is coming down hard post earnings. Make sure to use crashed implieds wisely..

Hedge your Apple(s)



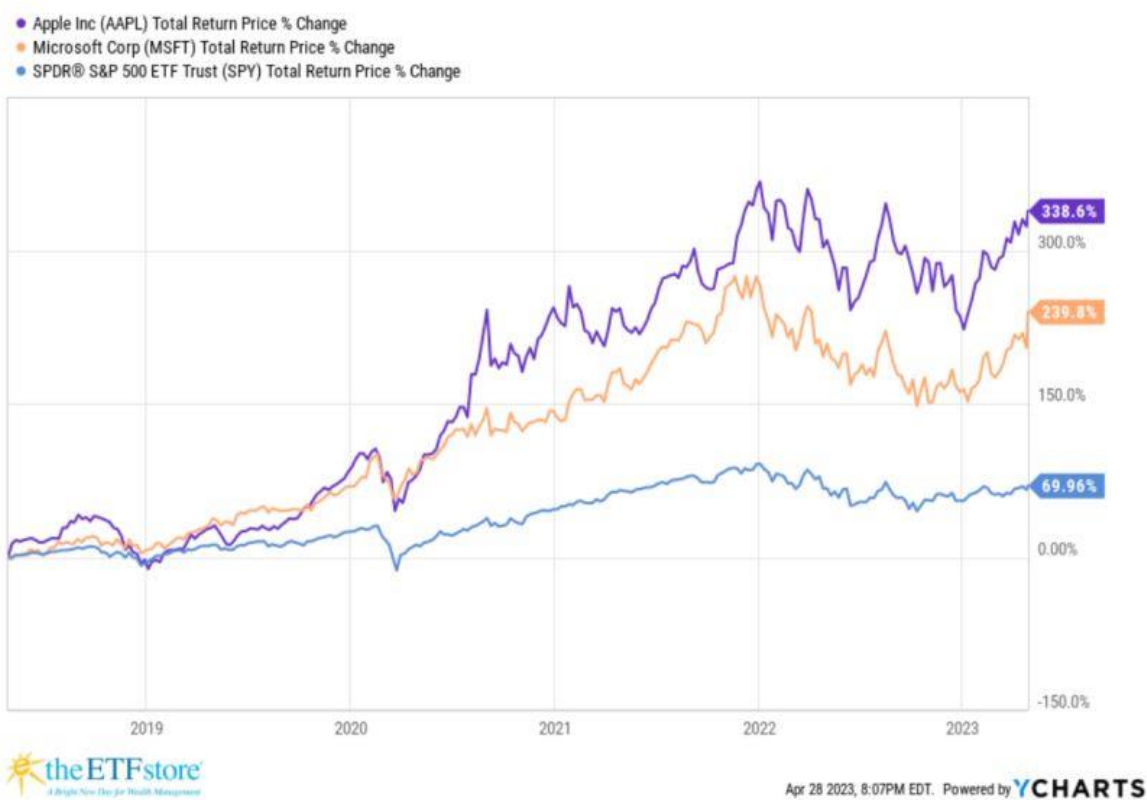
Source: Refinitiv

Source: The Market Ear



#stocks #aapl #msft

AAPL vs MSFT vs SPY over the past 5 years...



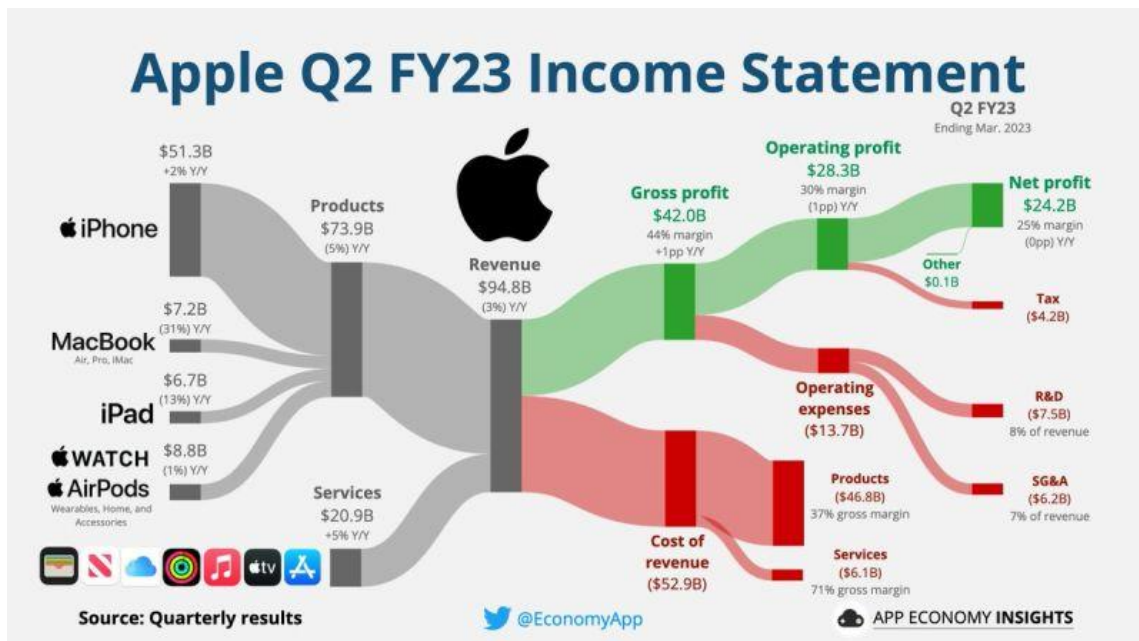
Source :The ETF Store



#apple #earnings

A strong Q1 for Apple, beating across the Board and announcing a massive \$90 Billion new stock buyback.

- Revenue -3% Y/Y to \$94.8B (\$2B beat).
- 📁 Services +5% Y/Y to \$73.9B.
- 📱 Products -5% Y/Y to \$20.9B.
- Operating margin 30% (-1pp Y/Y).
- EPS \$1.52 (\$0.09 beat).
- Stock buyback plan authorized up to \$90B.



Source: App Economy Insight

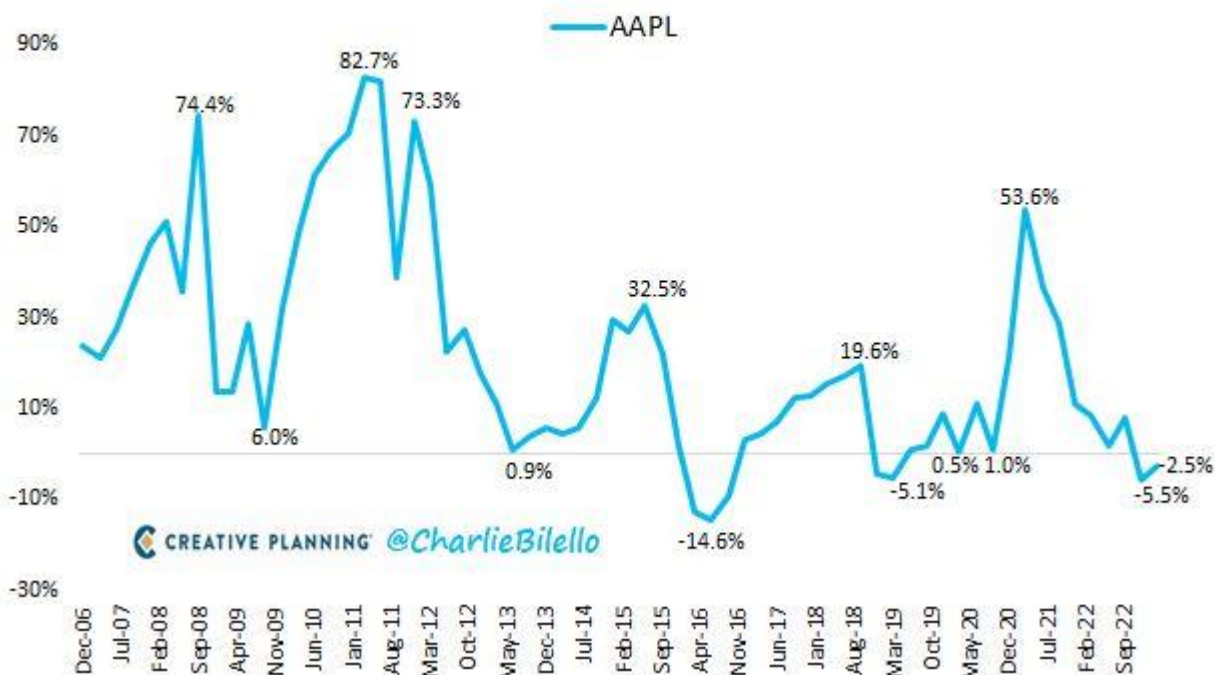


#apple #revenue #growth

Apple Q1 revenues were down 2.5% year-over-year, 2nd straight quarter of negative YoY growth. Net income was down 3% vs. same quarter last year. \$AAPL

Apple: Revenue Growth, YoY (%)

Data via YCharts

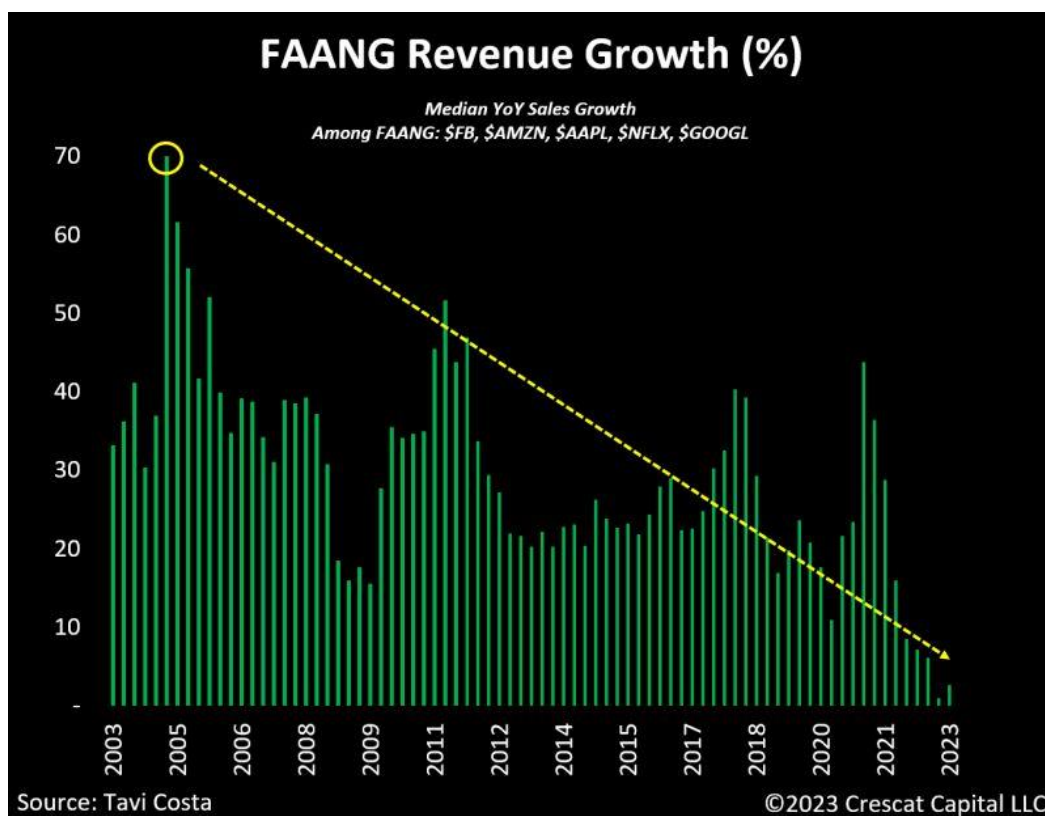


Source: Charlie Bilello



#faangs #earnings

All FAANG stocks have already reported earnings, and median revenue growth confirms the gradual long-term declining trend. As these data are calculated in NOMINAL terms, this means that the recent upsurge in consumer prices due to inflation has significantly contributed to top-line growth. Mega-caps pose a much greater risk to overall markets than what is currently acknowledged.



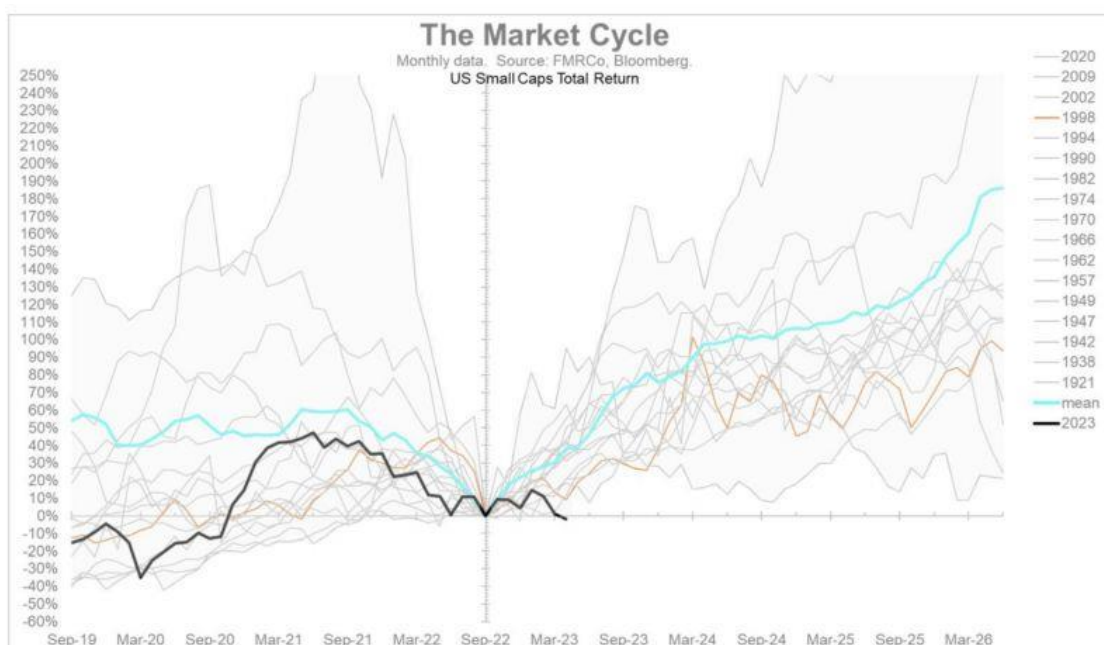
Source: Tavi Costa, Bloomberg





#us #small-caps

Small caps don't lag at the start of a new "bull market"



Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 04/30/2023. Past performance is no guarantee of future results.



Source: Timmer Fidelity

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#carl-icahn

Activist investor Carl Icahn is Hindenburg's latest short-selling target. The notorious research firm accused Icahn's fund of being inflated by 75% or more. Icahn and his son, Brett, own roughly 85% of the company. Stock plunges almost 20%.

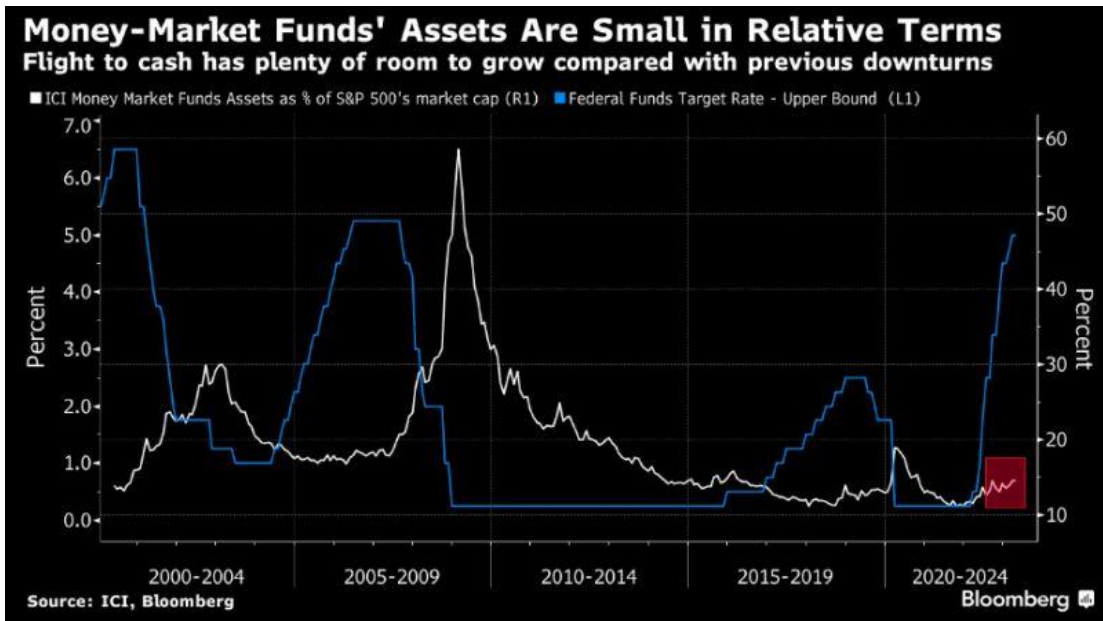


Source: HolgerZ, Bloomberg



#us #money-markets #funds

To put things into perspective: Money market fund assets relative to global equity market cap are low.



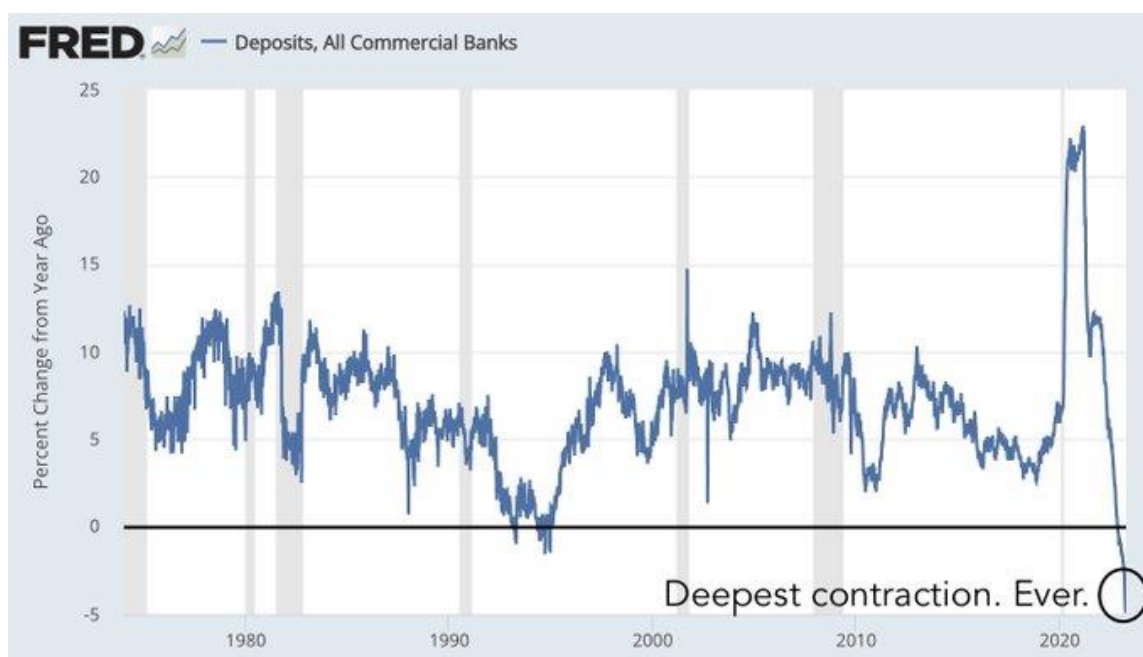
Source: Bloomberg, HolgerZ



#us #banking-crisis

The banking crisis keeps getting worse.

Deposits continue to contract at record levels...

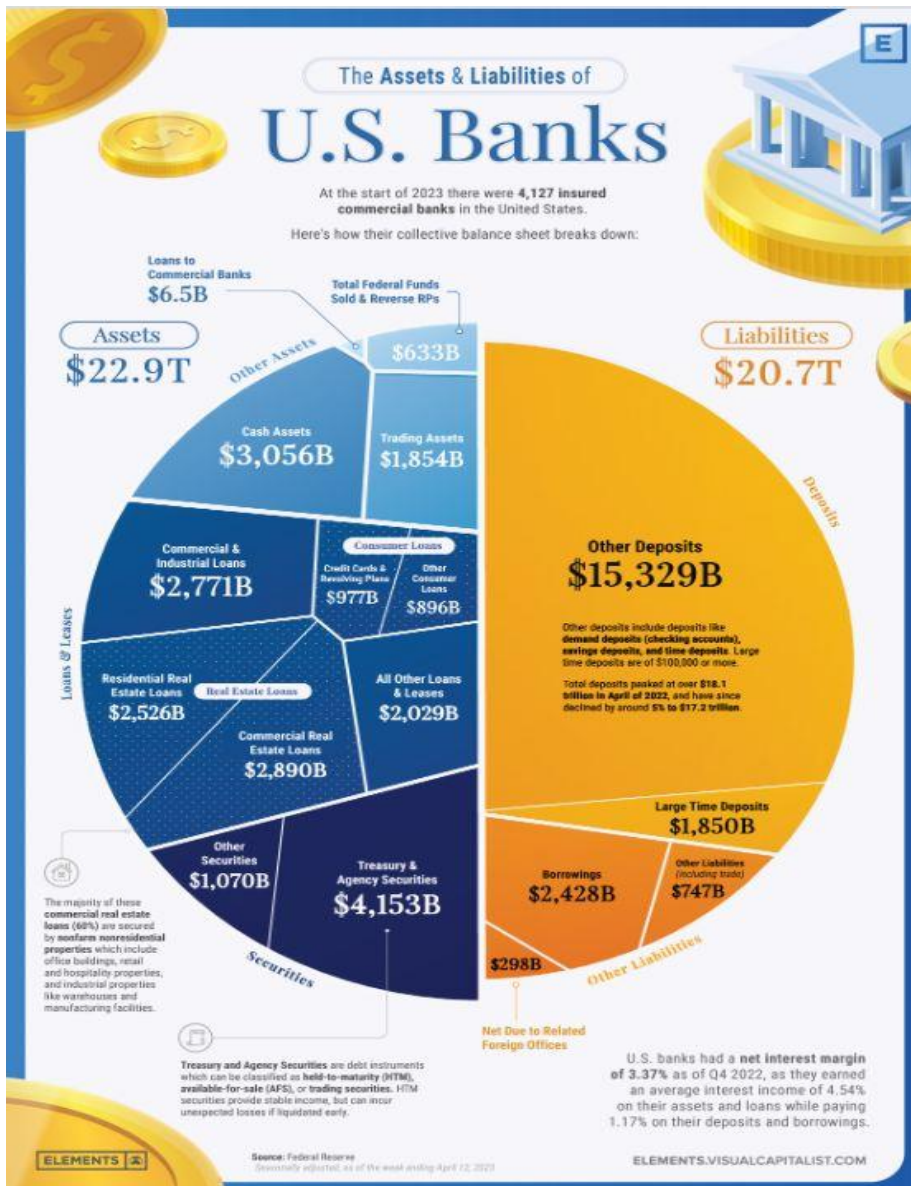


Source: FRED



#us-banks

Assets and Liabilities of U.S. Banks.

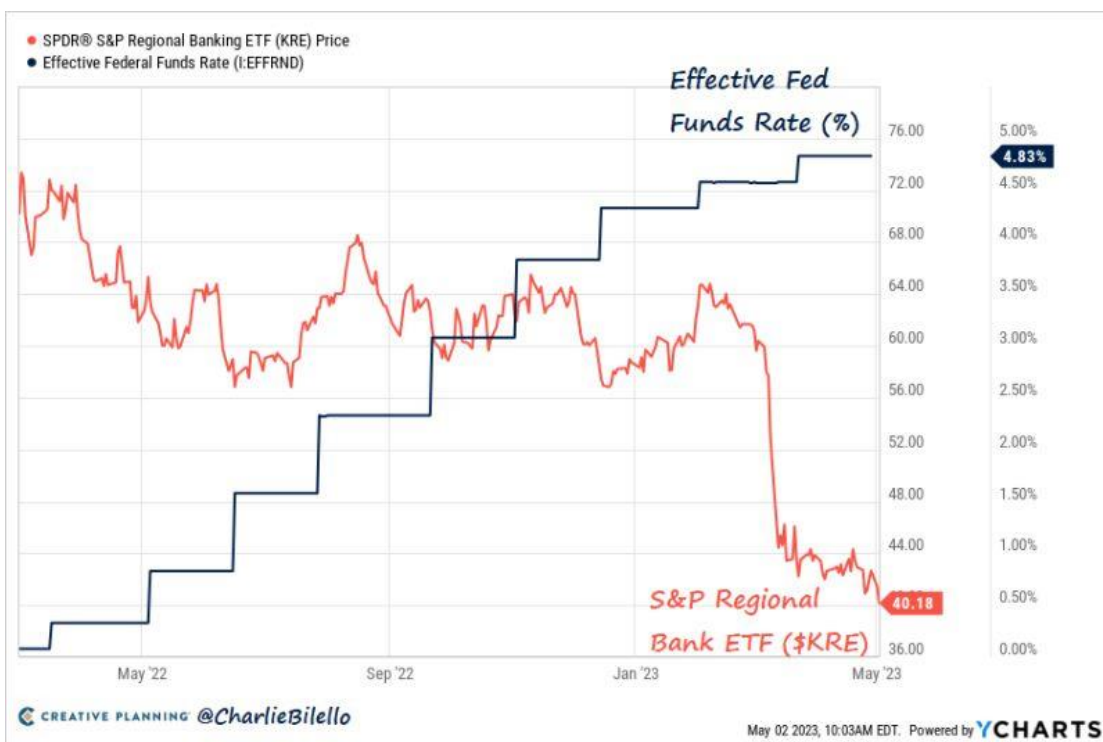


Source :Visual Capitalist



#us #banks #failures

"Rising interest rates are good for banks."



Source: Charlie Bilello





#us #banks #failures

First Republic Bank was the 2nd largest bank failure in US history. Only Washington Mutual was bigger...

Largest U.S. Bank Failures				
Bank	City	State	Year	Assets at time of failure
Washington Mutual	Seattle	Washington	2008	\$307 billion
First Republic Bank	San Francisco	California	2023	\$229.1 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 Republic Bank 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

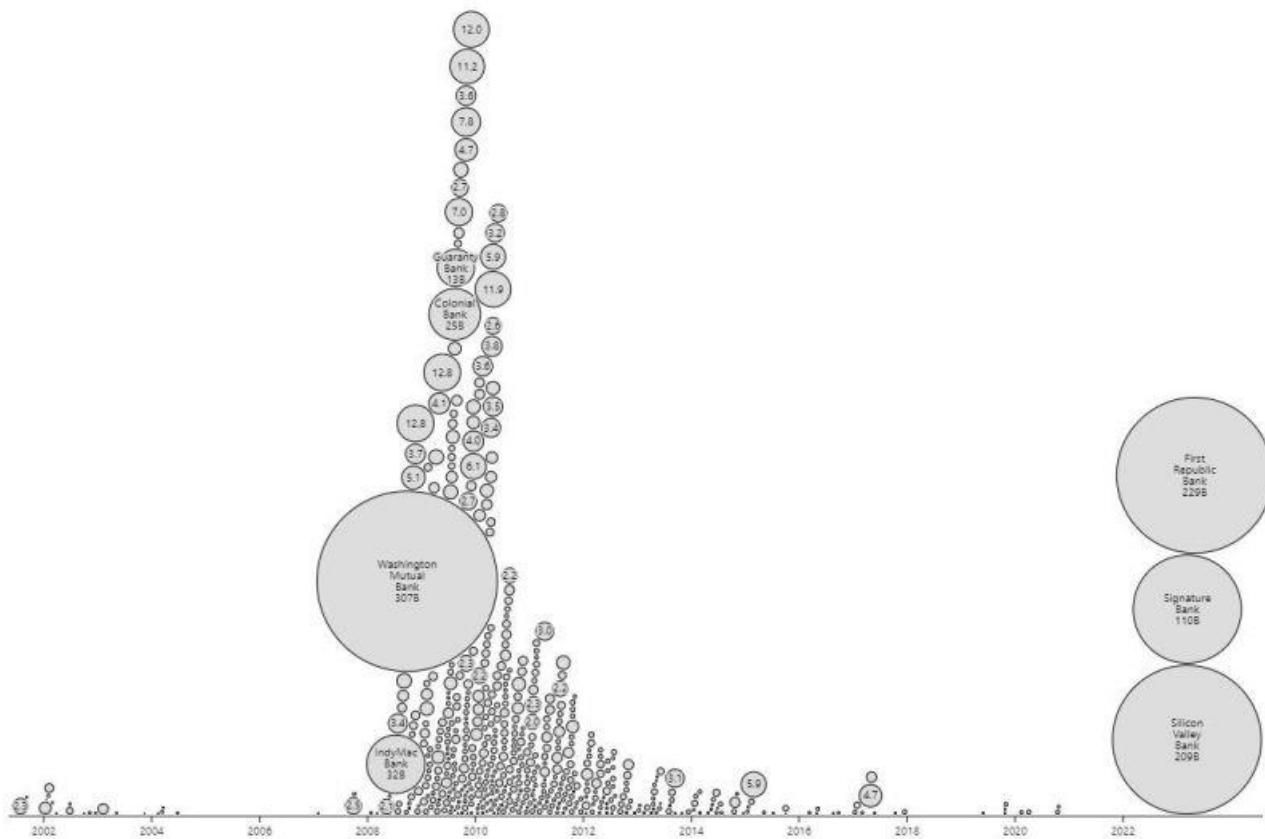
Source: Charlie Bilello





#us #banks #failures

Even including the \$170.9 billion in assets from failed banks in 2009, 2023 is still worse than the two 'great financial crisis' years combined.



Source: www.observablehq.com

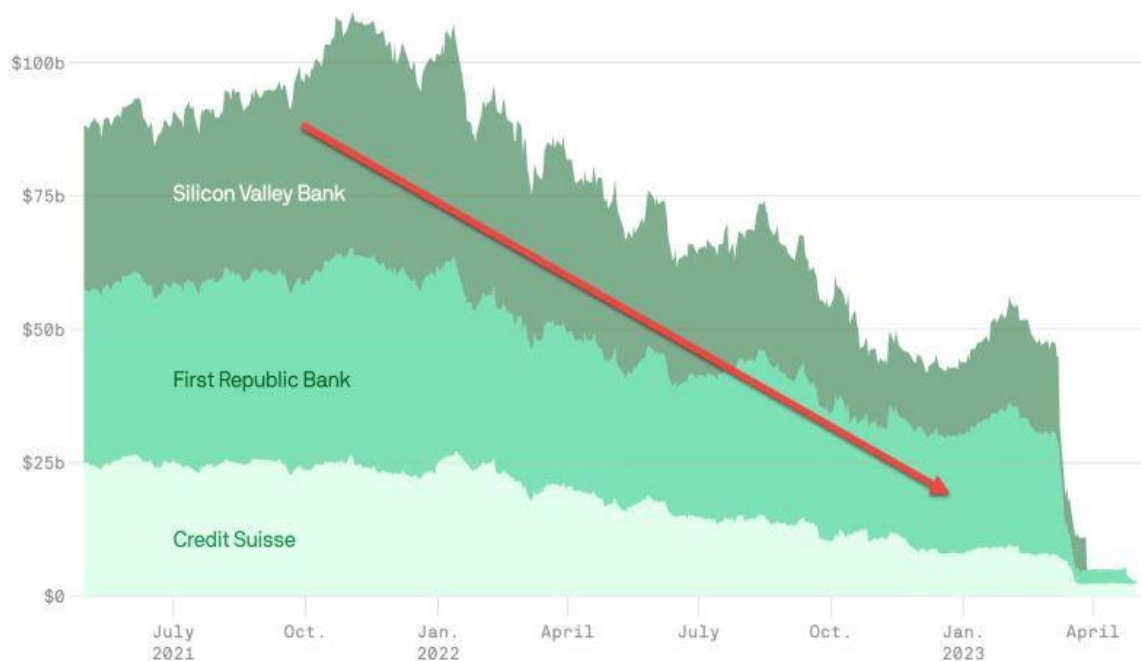


#us #banks #failures

Hedgeye: “At the beginning of last year, those 4 banks had an equity value of \$100 bil+. Today, their shareholders have been largely wiped out... The failure of First Republic, however, raises the specter of a more systemic weakness in the financial system. There's no silver lining here.”

Total market value of select banks

Daily; April 30, 2021, to May 1, 2023



Data: YCharts; Chart: Axios Visuals

Source: Brianroemmele

#markets

#us #banks #failures

#foodforthought on First Republic Bank \$FRC by JP Morgan by The Kobeissi Letter.



In Acquiring First Republic Bank, JP Morgan Has:

1. Bypassed laws against acquiring bank while controlling 10%+ of US deposits
2. Shared \$13 billion in losses with the FDIC
3. Received a \$50 billion loan from the FDIC
4. Effectively bought back its own deposits
5. Expects to profit \$5 billion+ over the next 5 years
6. Added \$18 billion in market cap this morning

This crisis has taught us that rules don't matter in times of panic.

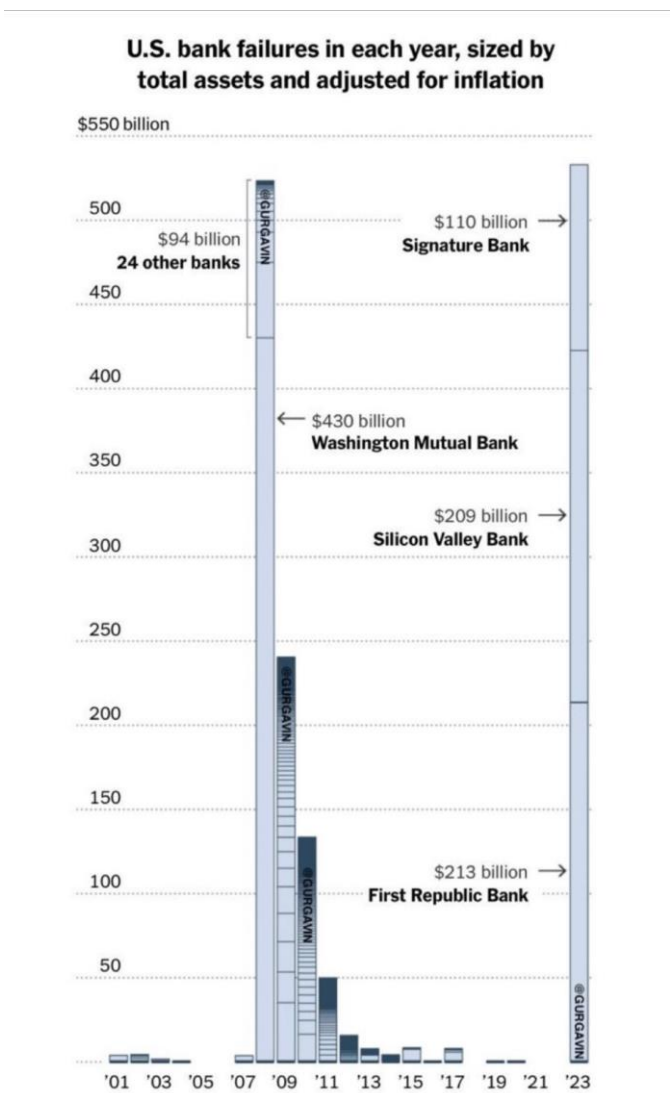
1:19 PM · May 1, 2023 · **22.5K** Views

Source: Brianroemmele



#us #banks #failures

The three banks that failed this year were bigger than 25 that crumbled in 2008 (even adjusted for inflation)



Source: [Federal Deposit Insurance Corporation](#) • Note: Data is as of Dec. 31, 2022. Chart includes failures of federally insured U.S. banks and does not include investment banks. • By Karl Russell

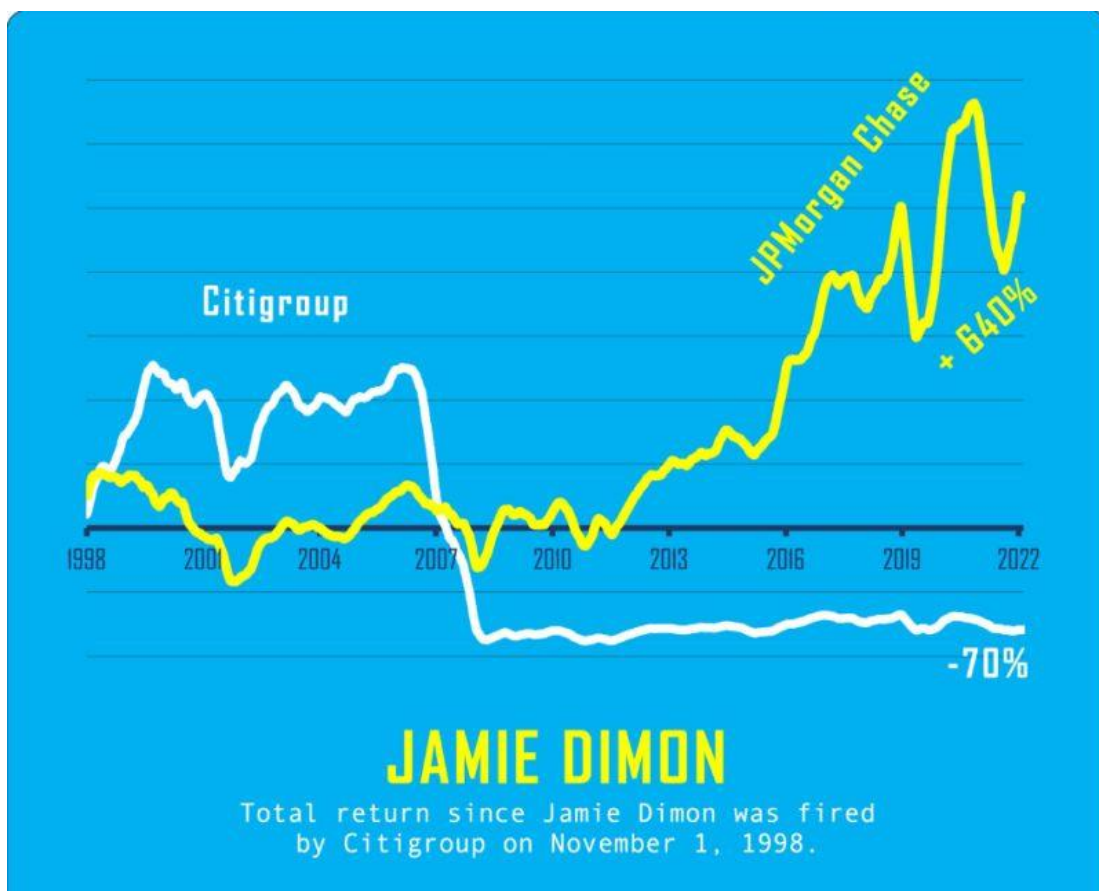


Source: Brianroemmele



#us #banks #jamie-dimon

Since Dimon left Citigroup in November 1998, After Being Asked to Resign. John Reed explaining Jamie Dimon's firing from Citigroup on November 1, 1998: "The right decision as we got to it did involve his leaving the firm. I think we feel, and I believe Jamie feels, we made the right decision to take this company forward."



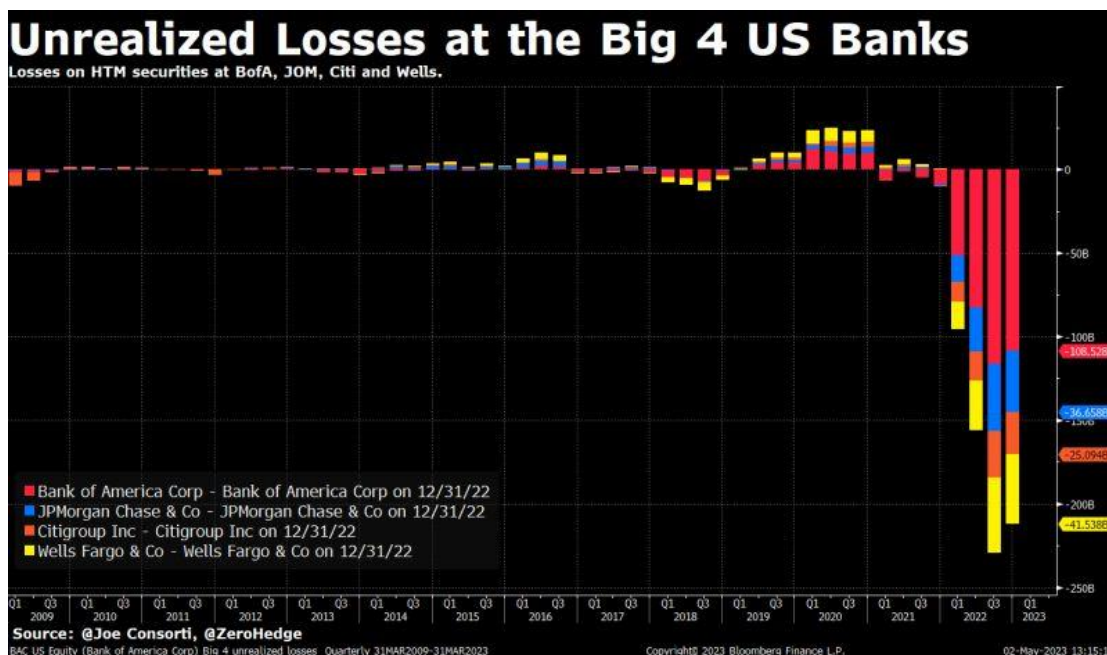
Source : MaxfieldOnBanks



#us #banks #unrealized-losses

All #us #banks are sitting on major securities losses. The Big 4 US banks have a combined \$211.5 billion in unrealized losses, BofA alone is stomaching 1/3 of it.

Regionals are getting slaughtered due to their small deposit bases, but large banks have these holes too.



Source: Joe Consorti



#us #banks #failures

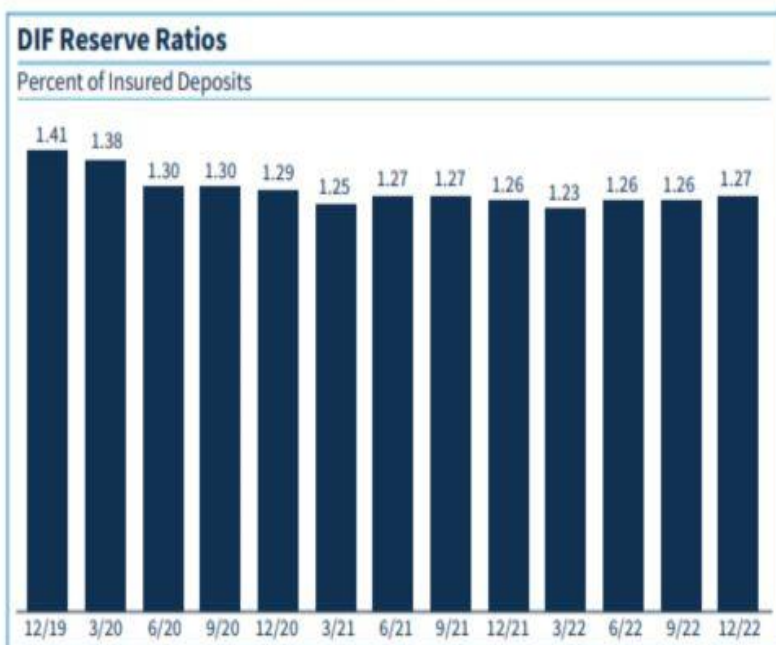
Estimated cost of recent bank failures to the Deposit Insurance Fund (DIF) is #35.5 billion

Silicon Valley Bank: \$20 Billion

First Republic Bank: \$13 Billion

Signature Bank: \$2.5 Billion

Deposit Insurance Fund Balance at the start of the year: \$128 Billion. So nearly 30% is gone in 4 months.



Deposit Insurance Fund Balance and Insured Deposits (\$ Millions)

Date	DIF Balance	DIF-Insured Deposits
12/19	\$110,347	\$7,824,654
3/20	113,206	8,181,082
6/20	114,651	8,840,599
9/20	116,434	8,926,807
12/20	117,897	9,128,608
3/21	119,362	9,519,014
6/21	120,547	9,493,550
9/21	121,935	9,588,373
12/21	123,141	9,743,587
3/22	123,039	9,972,566
6/22	124,458	9,912,197
9/22	125,457	9,925,602
12/22	128,218	10,067,996

Source: Charlie Bilello





#us #banks #failures

Bank fears...



NEW 🇺🇸 !! 48% of US adults are worried about leaving their money at the bank - CNBC

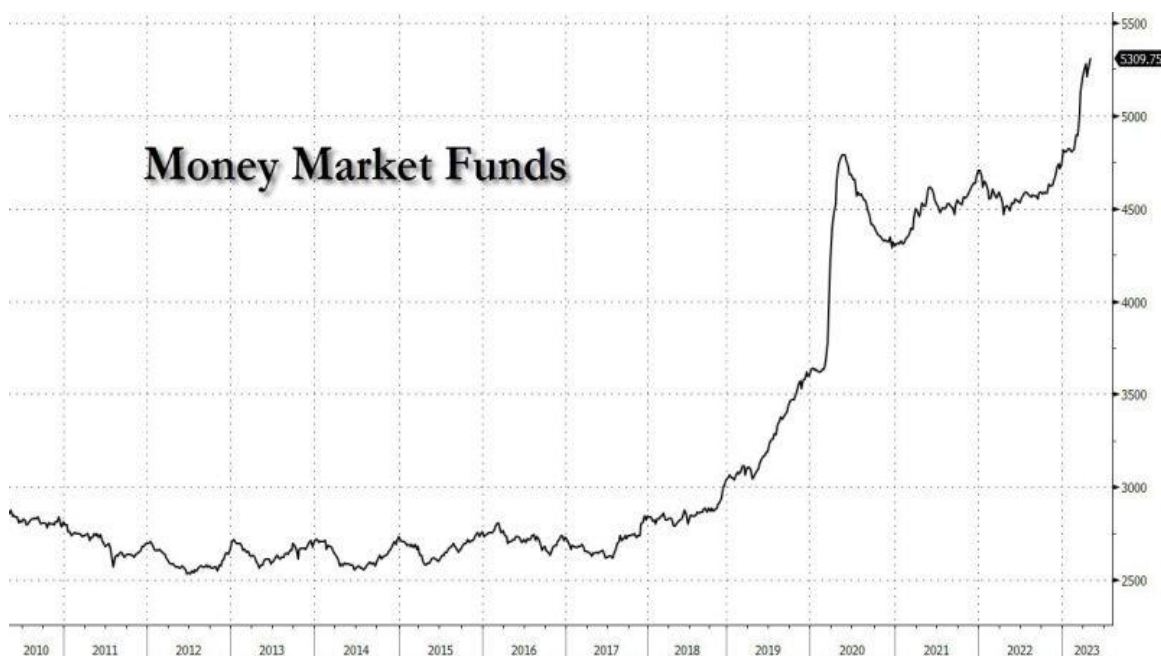




#us #banks #failures

MONEY MARKET HOLDINGS HIT RECORD \$5.31T IN WEEK ENDED MAY 3.

Up \$47BN in one week, up \$100BN in two weeks... the bank run is accelerating



Source: www.zerohedge.com, Bloomberg

#us #banks #failures

Banks are saddled with bad loans, signaling trouble ahead in the US commercial property market warns Berkshire Hathaway's Charlie Munger.

Munger Warns Banks Stuck with Commercial Property Debt, FT Says



Charlie Munger *Photographer: Patrick T. Fallon/Bloomberg*

By Alexandra Muller

April 30, 2023 at 7:14 AM CDT

Source : Bloomberg

#us #real-estate #stress

Blackstone said it had again limited withdrawals from its \$70 billion real estate income trust in April as investor redemption requests continued to pile up. Blackstone said BREIT had received \$4.5 billion worth of withdrawal requests in April, but the fund fulfilled only \$1.3 billion or 29% of the total redemption requests, the firm said in a letter to investors. Blackstone has been exercising its right to block investor withdrawals from BREIT since November after requests exceeded a preset 5% of the net asset value of the fund. It has so far paid out \$6.2 billion to investors who have been requesting redemptions since November, the firm said.



Source : Reuters

#markets

#us #banks #cre

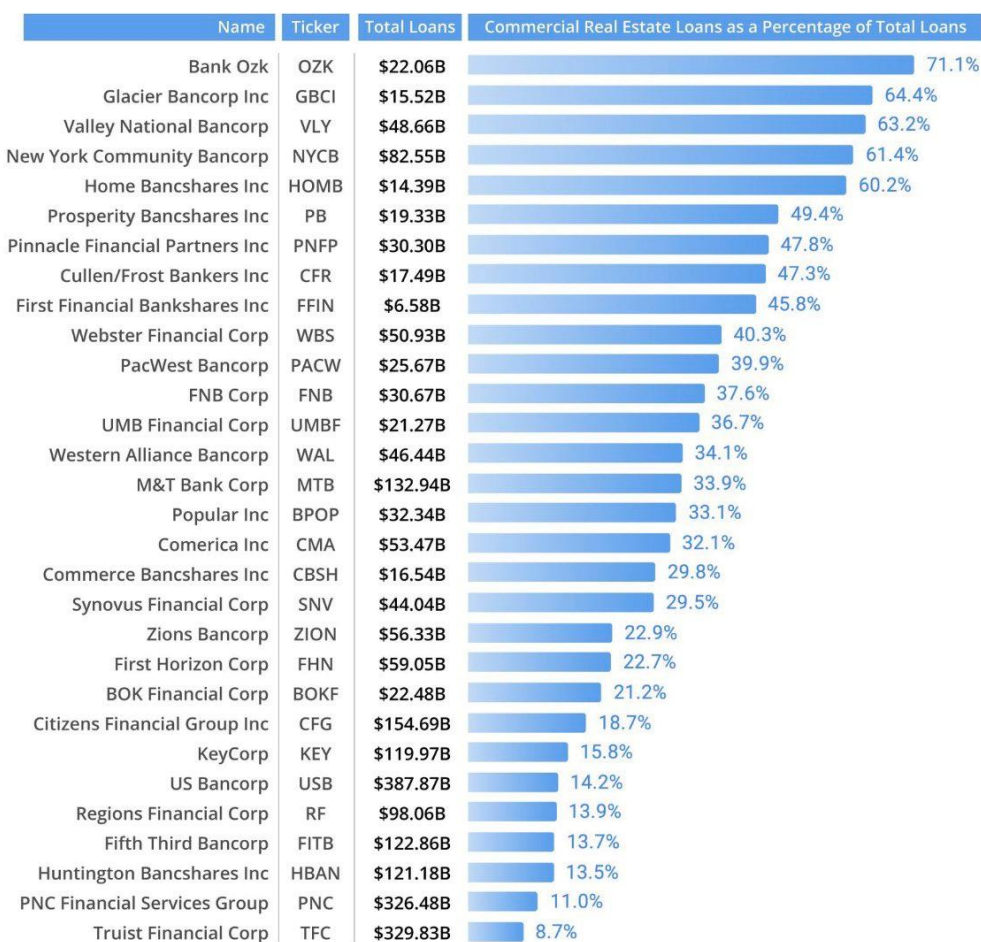
May 4, 2023

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U.S. Regional Banks' Exposure to Commercial Real Estate Loans

As of the end of Q1 2023



Source: BBAE Research

For our analysis, we define Commercial Real Estate loans to include the following categories: Commercial Real Estate, Construction/Land Development, Agricultural/Farm, Multifamily, and Non-Farm/Non-Residential.

www.bbae.com

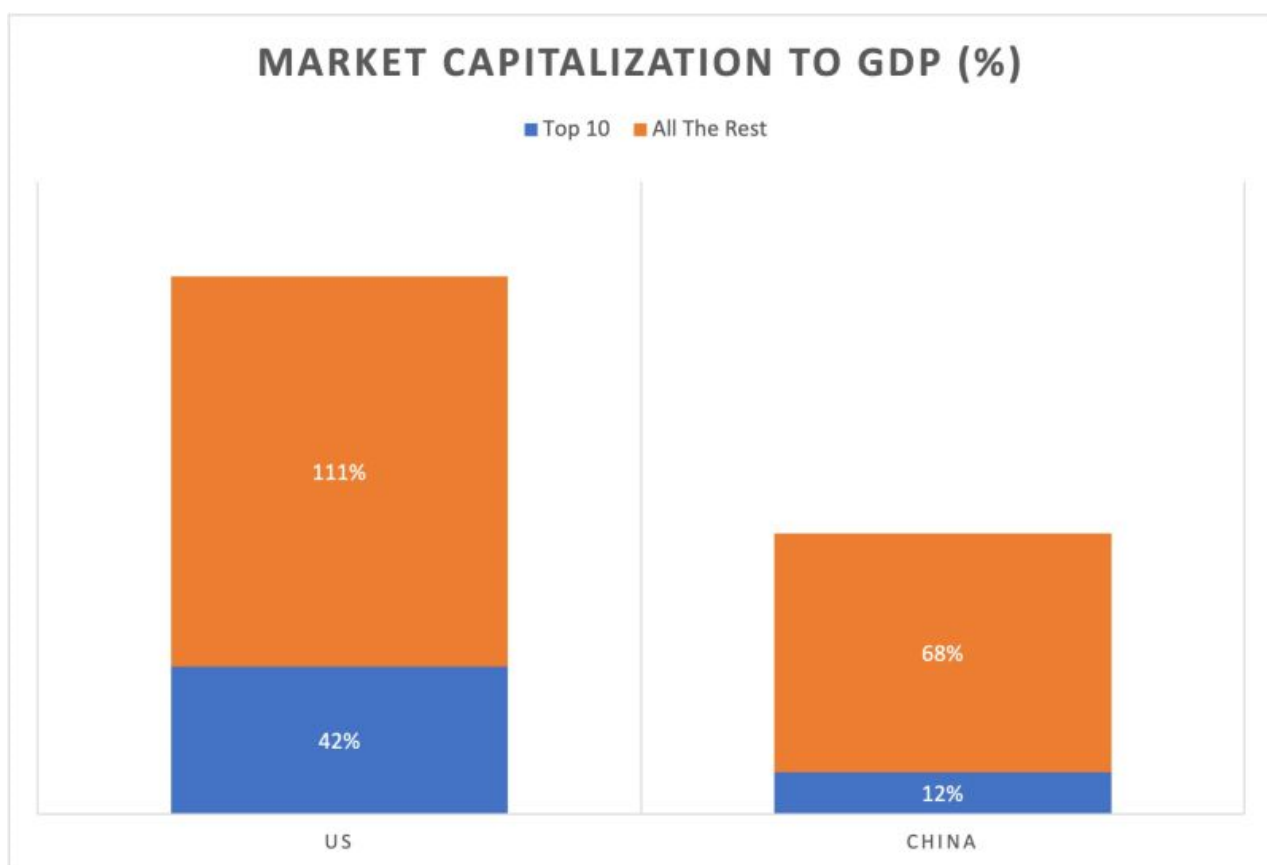


Source: BBAE Research

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#us #china #equities #valuations

This is Warren Buffet's favourite #equity valuation indicator used here to compare US vs. China equities.



Source: Bryan Tycango

#GLOBALMARKETS WEEKLY WRAP-UP

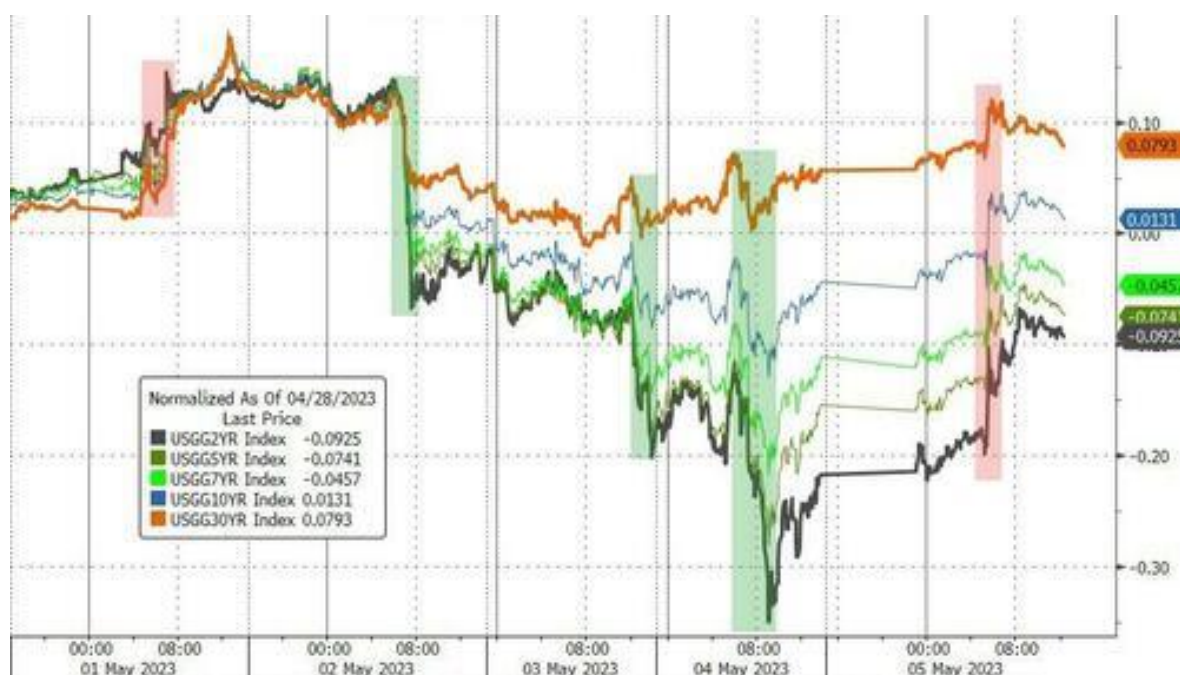
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#us #bonds

Bonds were mixed on the week with the short-end bid, long-end offered...

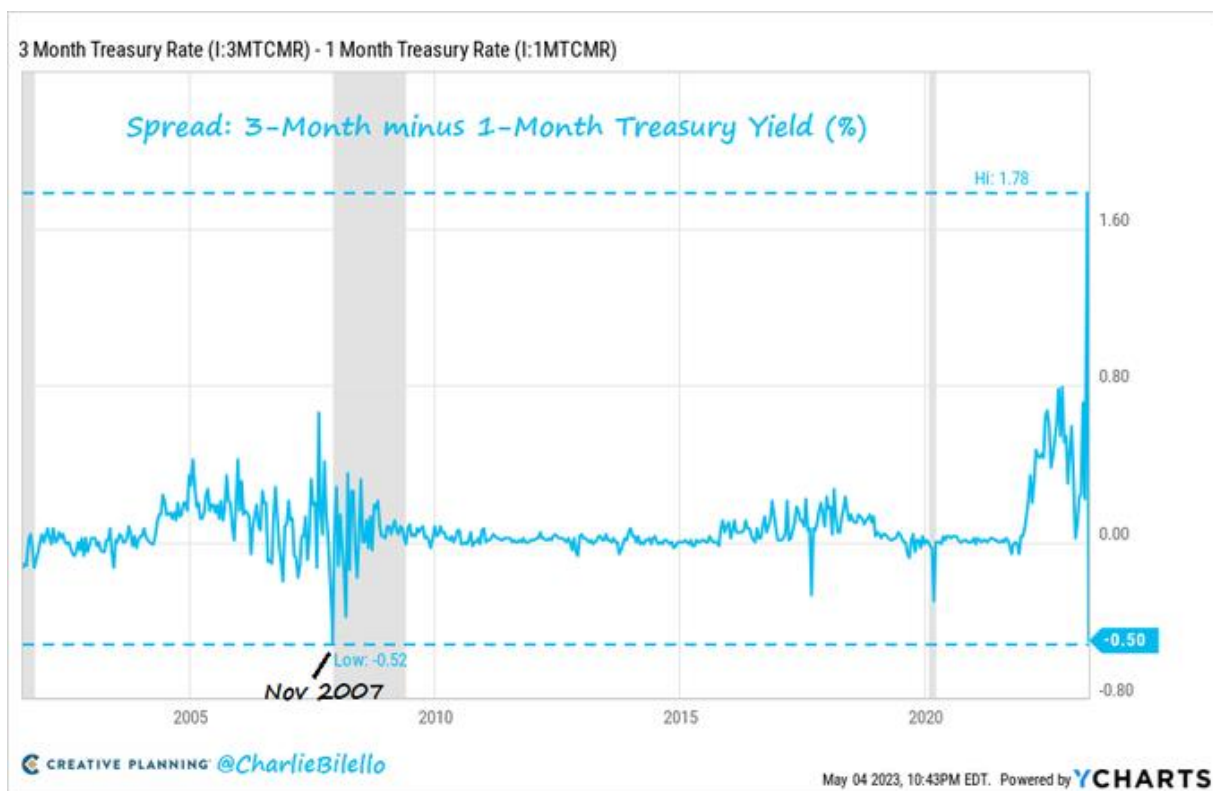


Source: www.zerohedge.com, Bloomberg



#us #bonds

The spread between the 3-month and 1-month Treasury bill yields has moved from a record high (1.78%) to nearly a record low (-0.50%) in just two weeks. Bond market is going haywire.



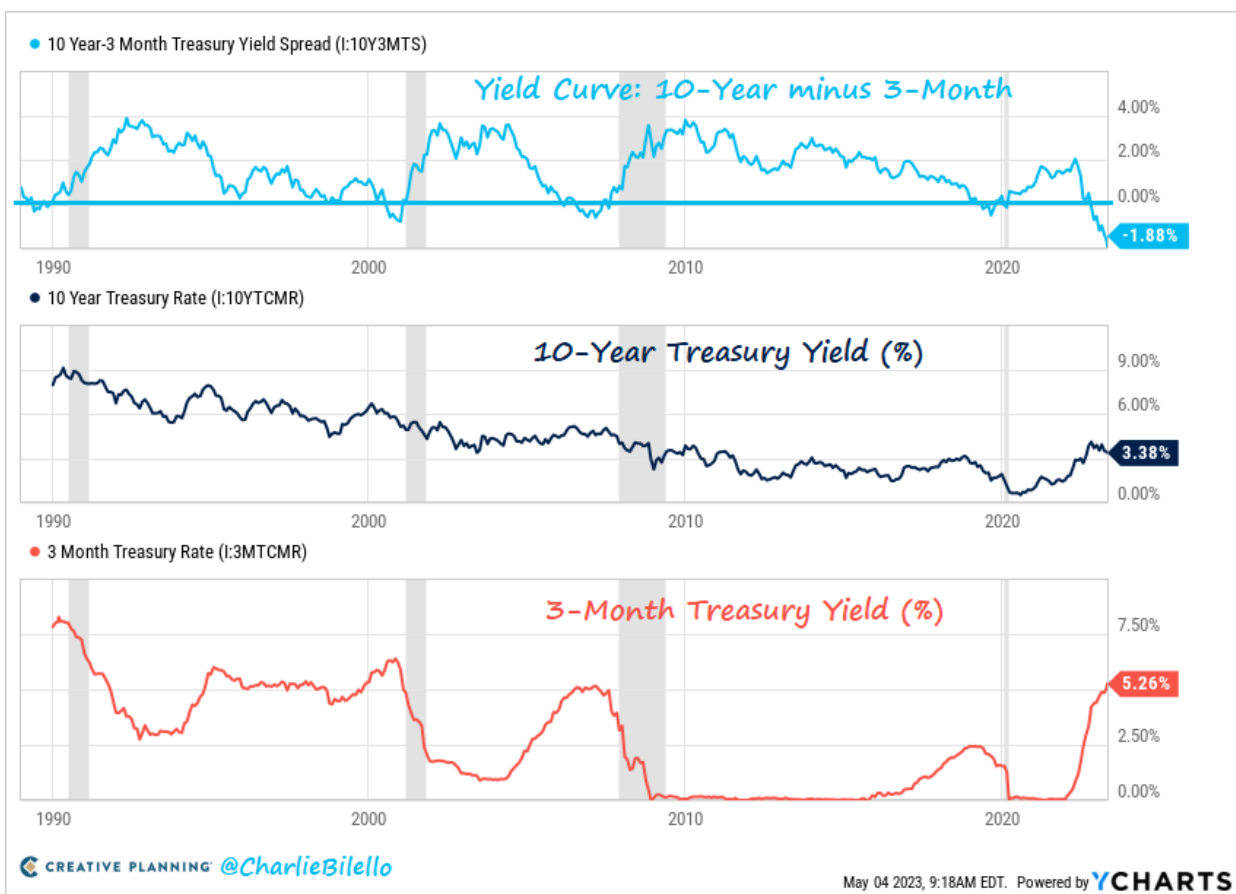
Source: Charlie Bilello





#us #yieldcurve

The 3-Month Treasury yield of 5.26% is now 1.88% higher than the 10-Year Treasury yield (3.38%). The bond market is screaming recession.



Source: Charlie Bilello

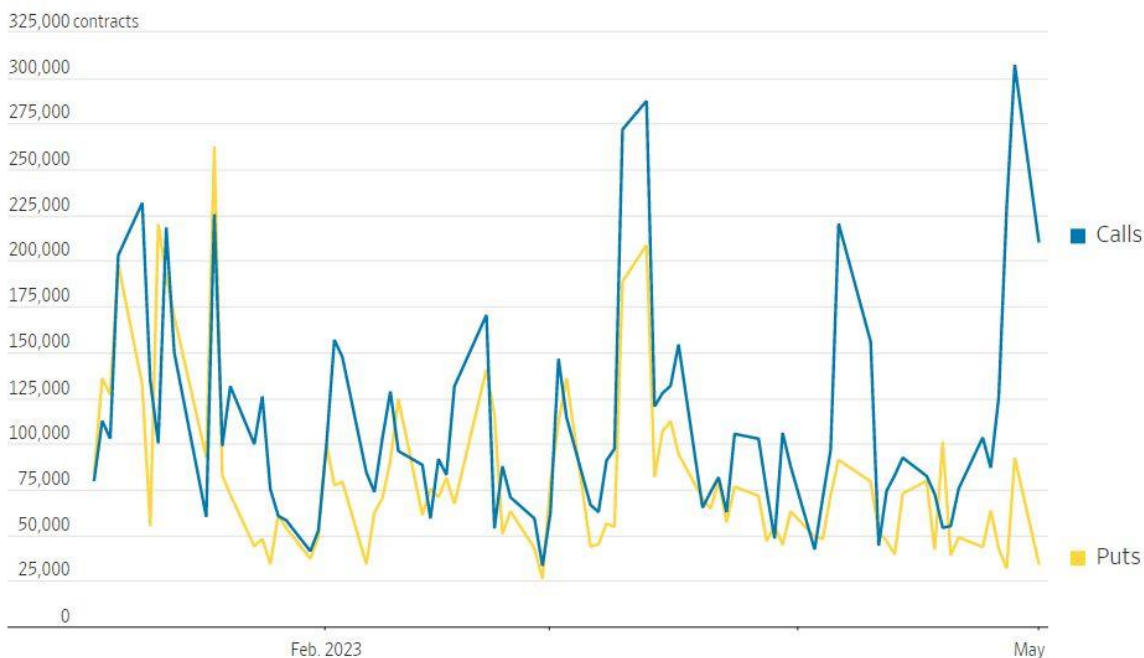




#us #treasuries #derivatives

Call options trading tied to the iShares 20 Plus Year Treasury Bond ETF hit its highest level of the year on Friday, Cboe Global Markets data show.

Options volume tied to the iShares 20 Plus Year Treasury Bond ETF



Source: Cboe Global Markets


Source : WSJ

#markets

#us #bonds #drawdown

The US Bond Market has now been in a drawdown for 33 months, by far the longest in history.

Bloomberg US Aggregate Bond Index: Longest Drawdowns (Monthly Data, 1976 - 2023)			
Start of Drawdown	End of Drawdown	# Months	Max Drawdown During Period (Monthly)
Aug-20	?	33	-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%

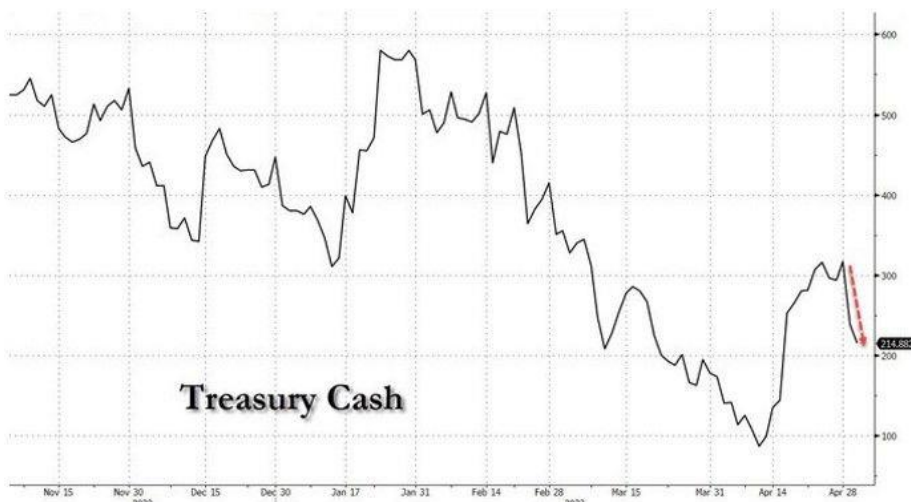
 CREATIVE PLANNING · @CharlieBilello (As of 4/30/23)

Source: Charlie Bilello



#us #default-risk

US Treasury cash down \$20BN yesterday, down \$100BN in 2 days, to just \$215BN Half of tax receipts gone in 2 days. Fed's Powell says Fed can't protect US economy from debt default.

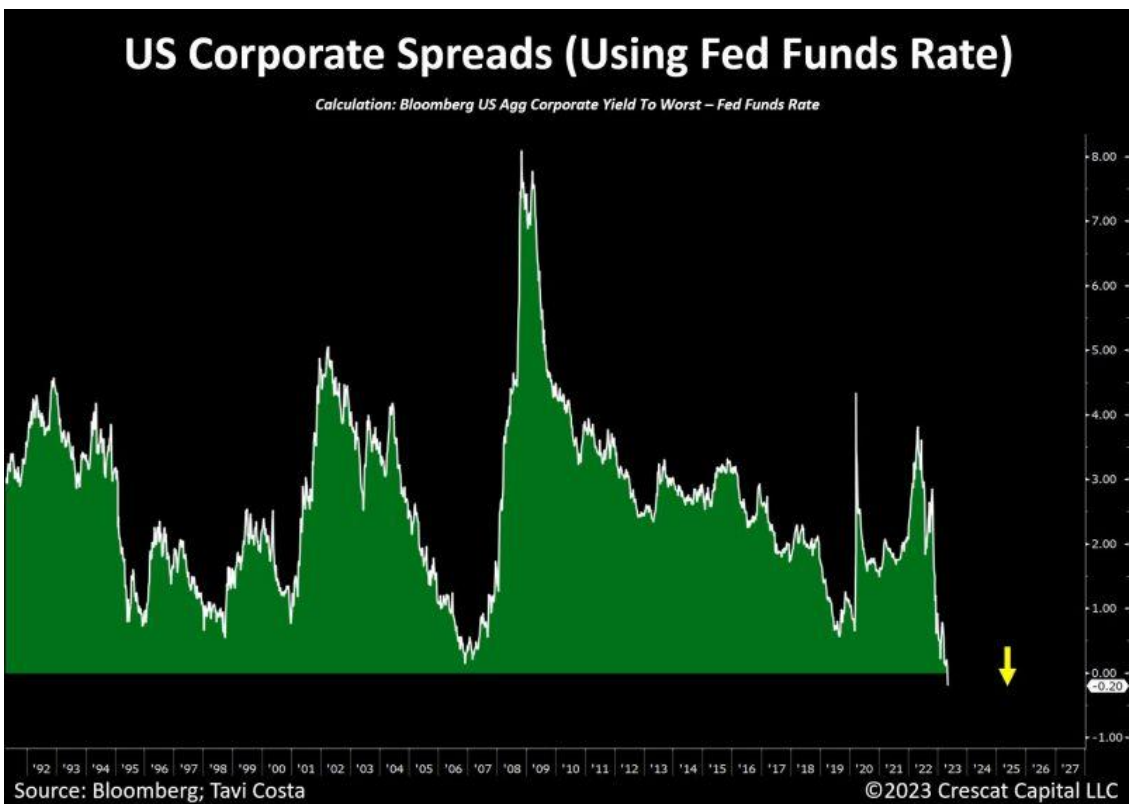


Source: Bloomberg, zerohedge



#us #corporate #spreads

Corporate bonds yield less than the Fed Funds rate today.

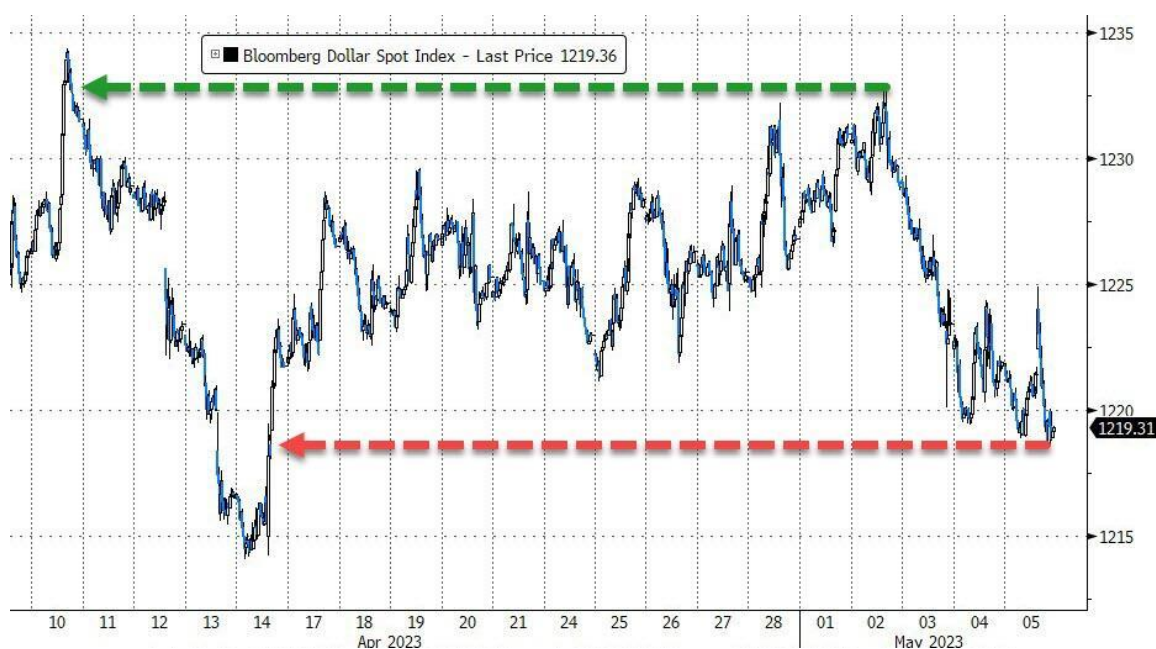


Source: Tavi Costa, Bloomberg



#dollar

Dollar is down notably again (down 7th of last 9 weeks)



Source: Bloomberg, www.zerohedge.com



#us #real-rates

US Real Rates are positive for the first time since 2019...

Real Fed Funds Rate

Calculated Using Actual CPI YoY vs. 12-Month Inflation Swap Implied CPI



Source: Bloomberg

#markets

#commodities #prices #1-year



Charlie Bilello 

@charliebilello

Commodity price changes over the last year...

Sugar: +35%

Silver: +15%

Gold: +9%

US CPI: +5.0%

Copper: -11%

Soybeans: -14%

Coffee: -16%

Corn: -26%

Zinc: -34%

Brent Crude: -35%

Gasoline: -36%

WTI Crude: -36%

Wheat: -41%

Heating Oil: -47%

Cotton: -49%

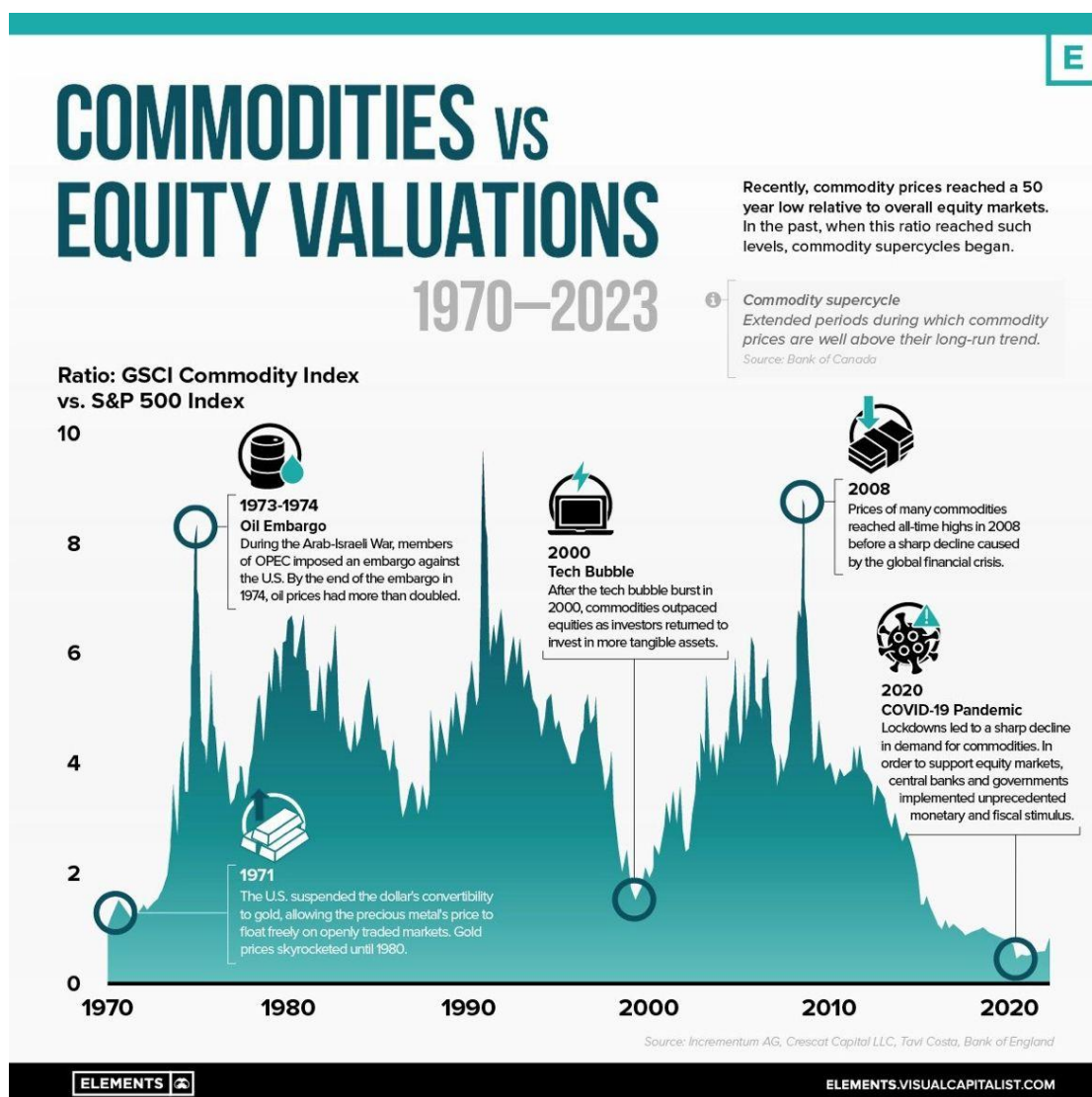
Lumber: -62%

Natural Gas: -74%



#commodities #equities

Commodities vs equity valuations from 1970-2023



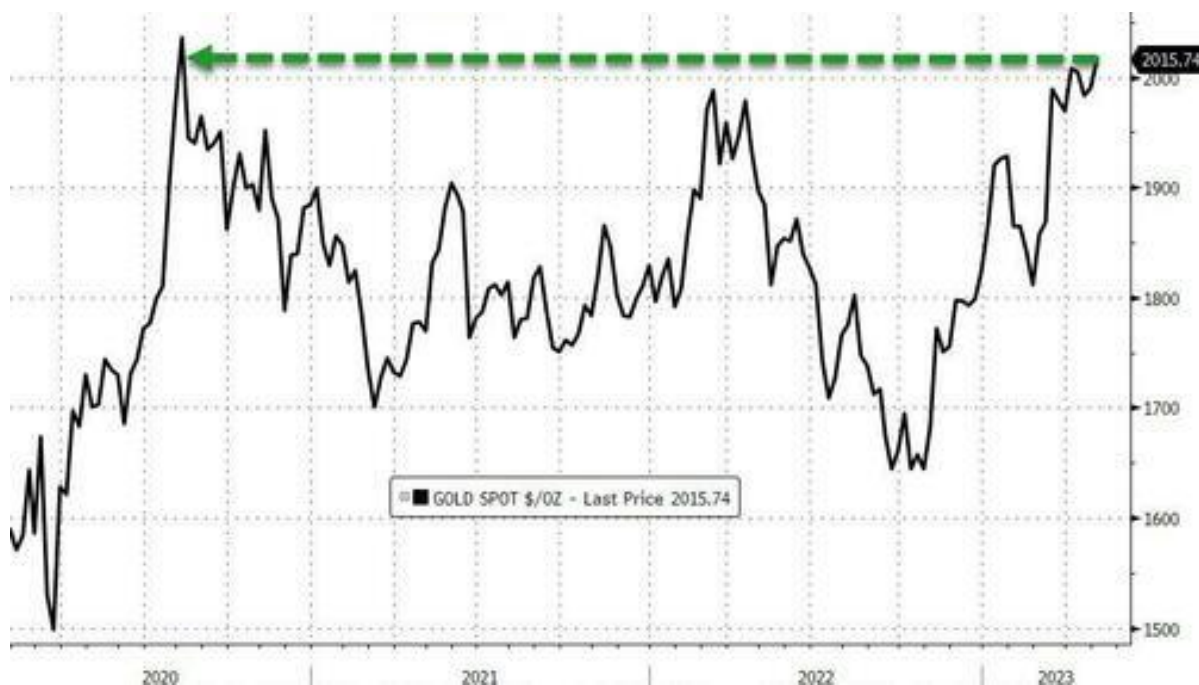
Source: Elements





#gold

Gold ended just shy of a record weekly closing record high...



Source: www.zerohedge.com, Bloomberg



#gold #oil

Will the massive gap between Gold and Oil ever revert?

Yellow vs black gold



Source: Refinitiv

Source: TME



#gold #technicals



Katie Stockton, CMT ✓

@StocktonKatie



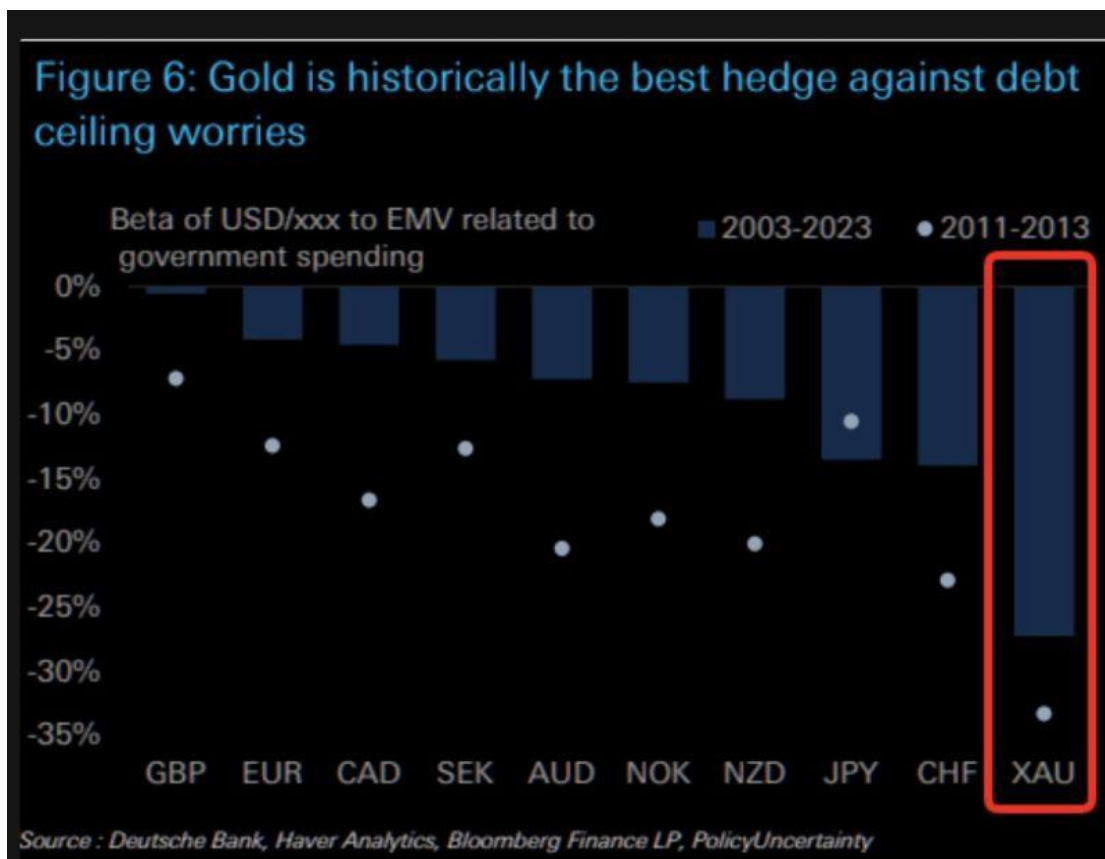
Gold is testing final resistance at \$2063/oz. today, defining the upper bound of a wide long-term range, a breakout from which would be a bullish multi-year development, noting long-term momentum is now positive behind gold per the monthly MACD [#fairleadstrategies](#)





#gold #debt-ceiling

Gold has been THE debt ceiling worries hedge...



Source: DB, TME

#markets

#soft-commodities #supply-shortage

Rice shortage is getting worse.


Global rice shortage is set to be the biggest in 20 years

Source: Wall Street Silver

#macro

#global #inflation

Global Inflation Rates		
Country/Region	CPI Inflation (YoY %)	Trend vs. Prior Reading
CHINA	0.7%	Lower
TAIWAN	2.4%	Lower
THAILAND	2.7%	Lower
SAUDI ARABIA	2.7%	Lower
SWITZERLAND	2.9%	Lower
JAPAN	3.2%	Lower
RUSSIA	3.5%	Lower
SOUTH KOREA	3.7%	Lower
SPAIN	4.1%	Higher
CANADA	4.3%	Lower
INDONESIA	4.3%	Lower
BRAZIL	4.7%	Lower
US	5.0%	Lower
NETHERLANDS	5.2%	Higher
SINGAPORE	5.5%	Lower
INDIA	5.7%	Lower
PORTUGAL	5.7%	Lower
FRANCE	5.9%	Higher
NEW ZEALAND	6.7%	Lower
MEXICO	6.9%	Lower
EUROZONE	7.0%	Higher
AUSTRALIA	7.0%	Lower
SOUTH AFRICA	7.1%	Higher
GERMANY	7.2%	Lower
PHILIPPINES	7.6%	Lower
IRELAND	7.7%	Lower
FINLAND	7.9%	Lower
ITALY	8.3%	Higher
UK	10.1%	Lower
SWEDEN	10.6%	Lower
POLAND	14.7%	Lower
TURKEY	43.7%	Lower
ARGENTINA	104%	Higher
VENEZUELA	501%	Lower

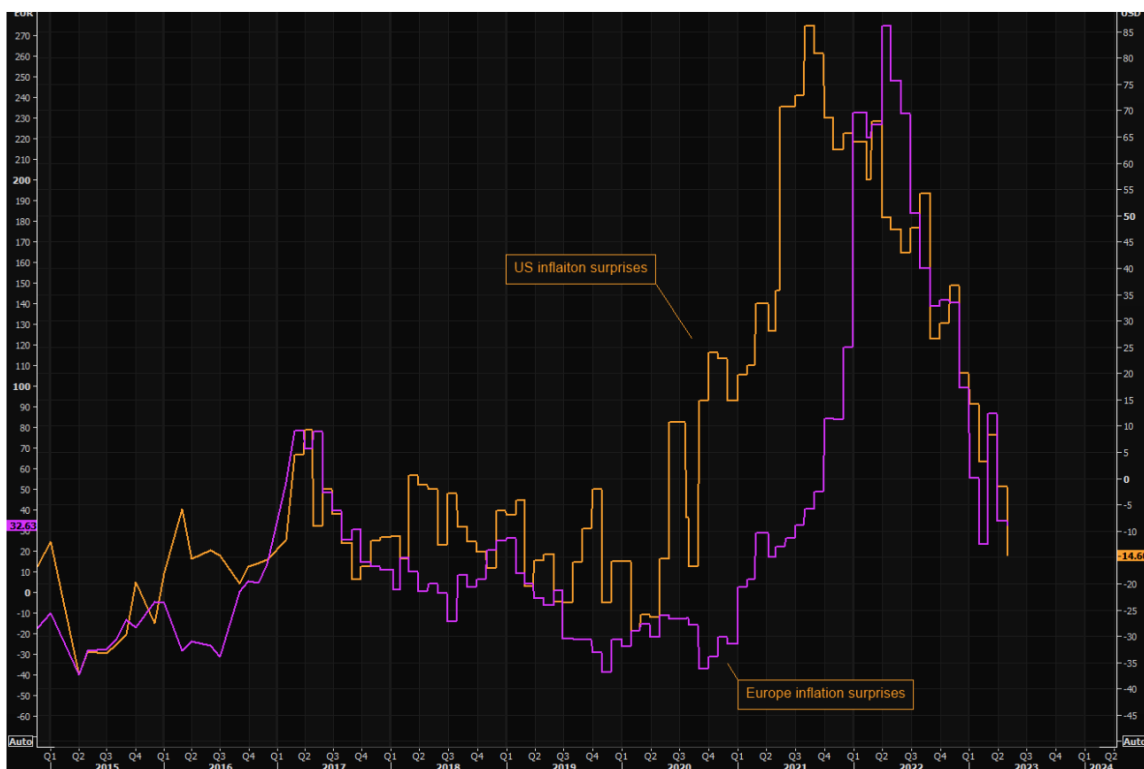
 @CharlieBilello



#inflation #surprises

The great "reset" continues...

Inflation surprises



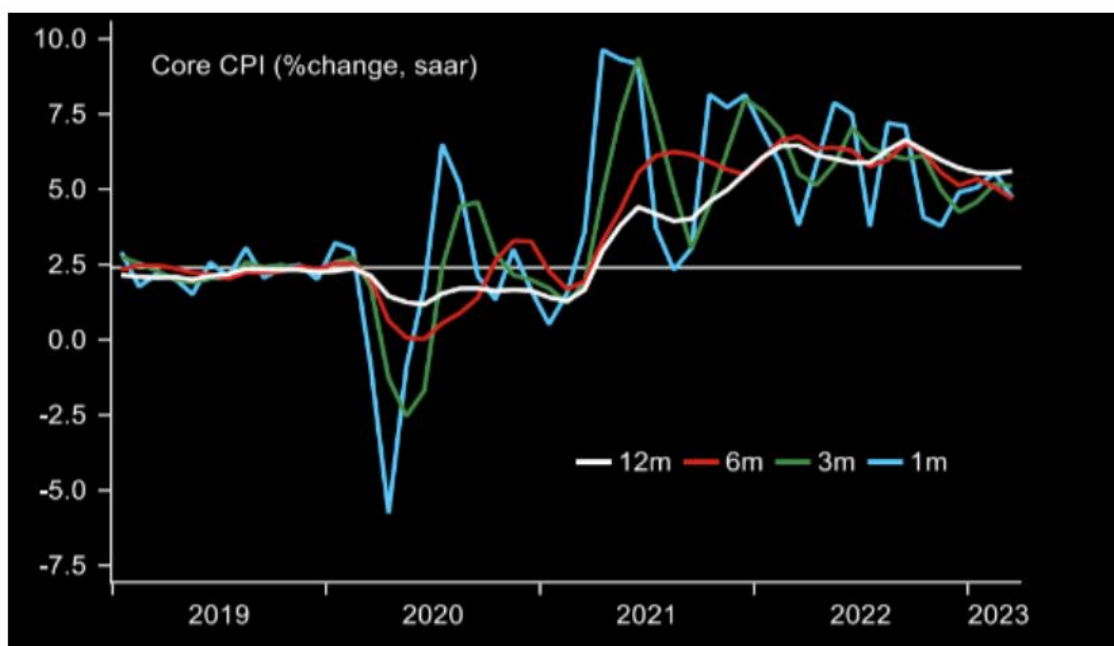
Source: Refinitiv

Source: TME

#macro

#us #inflation

Inflation likely peaked but has stayed elevated.



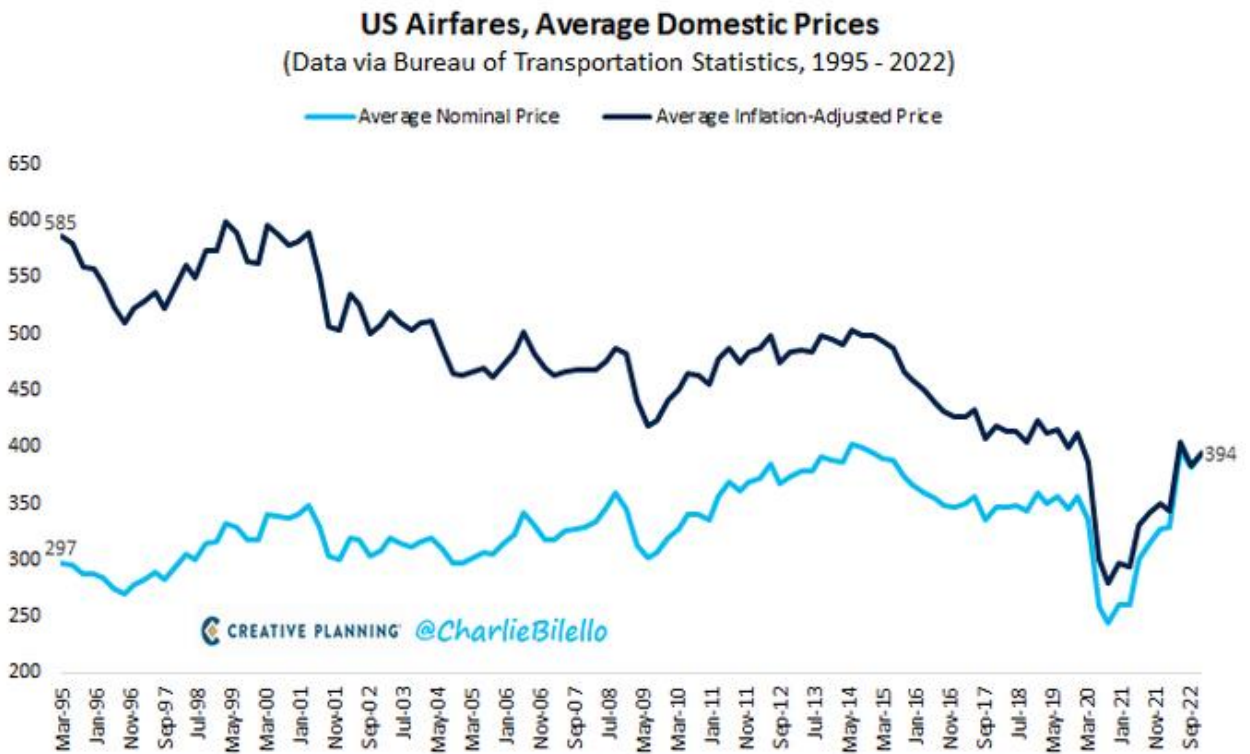
Source: BNP

Source: BNP



#us #real #airfares

Since 1995, US Airfares have increased 33% on a nominal basis but declined 33% after adjusting for inflation.

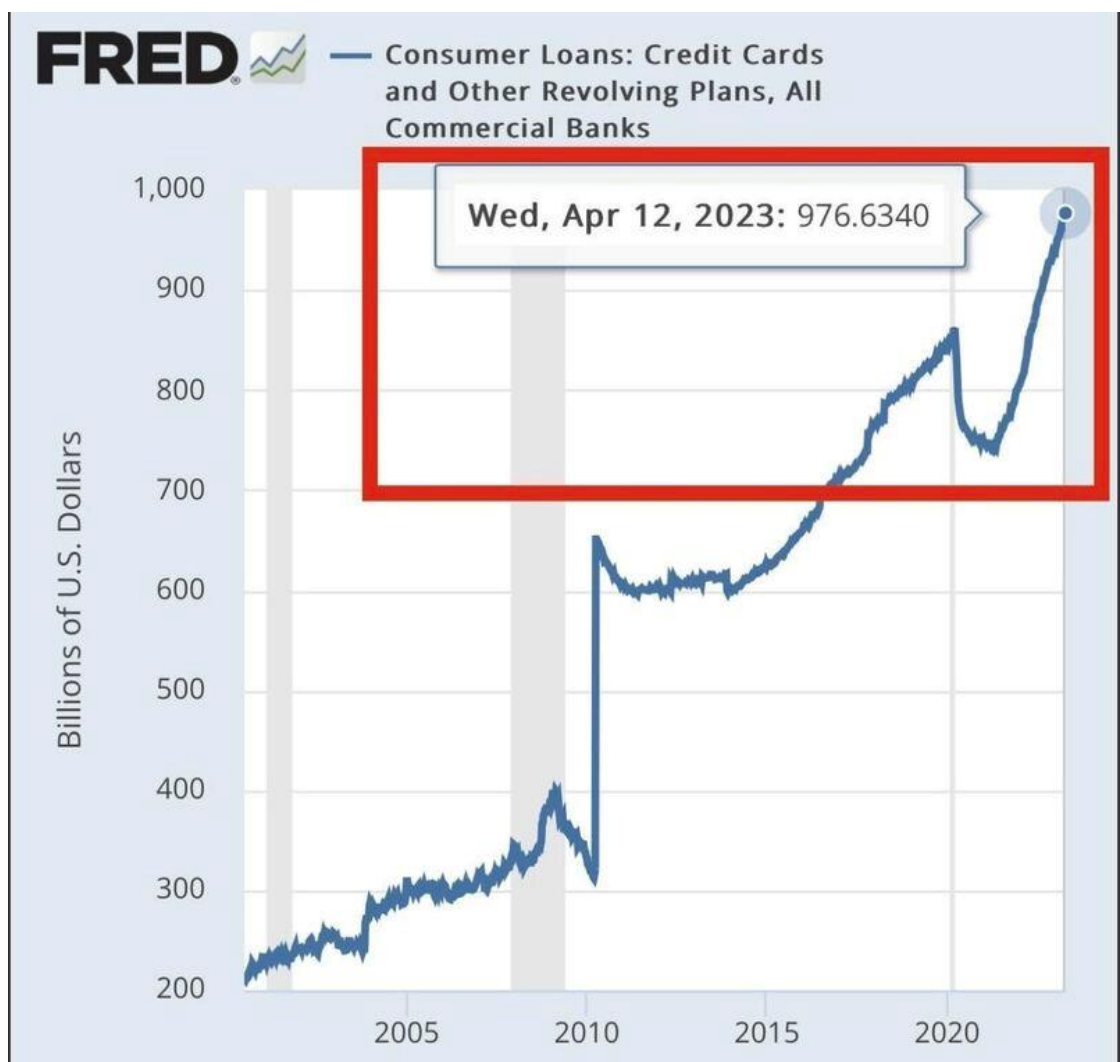


Source: Charlie Bilello

#macro

#us #credit-cards #debt

Credit Card debt in the U.S about to pass \$1 TRILLION. Average interest rate on that debt is 24.24%.



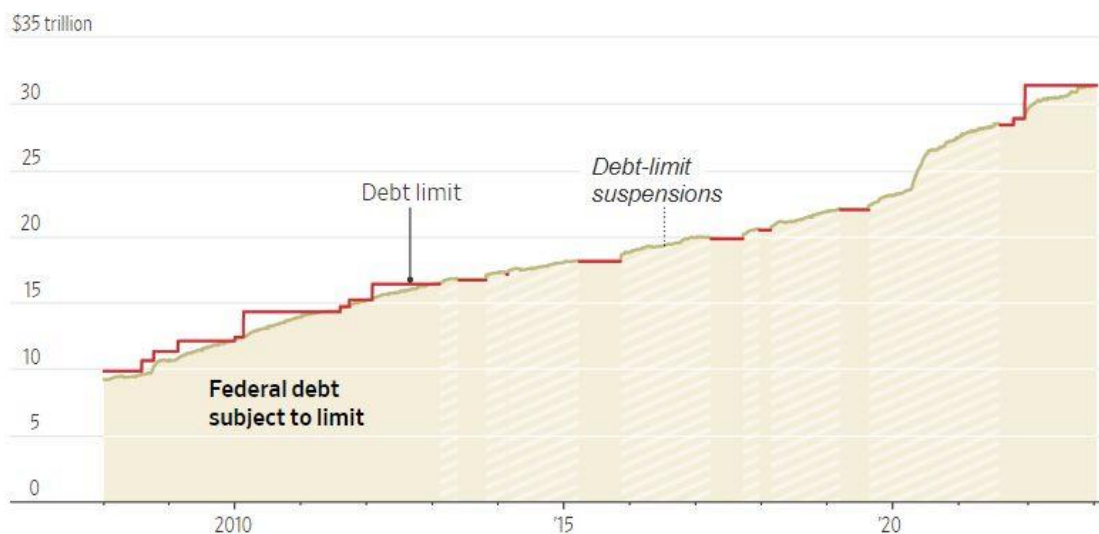
Source: Genevieve Roch-Decter, FRED



#us #debt-ceiling

The most likely outcome is that the #debtceiling will be raised, just like it always has in the past. The one constant is more #debt. Both Democrats and Republicans share the willingness to burden future generations with the consequences of excess spending.

National debt and the statutory limit



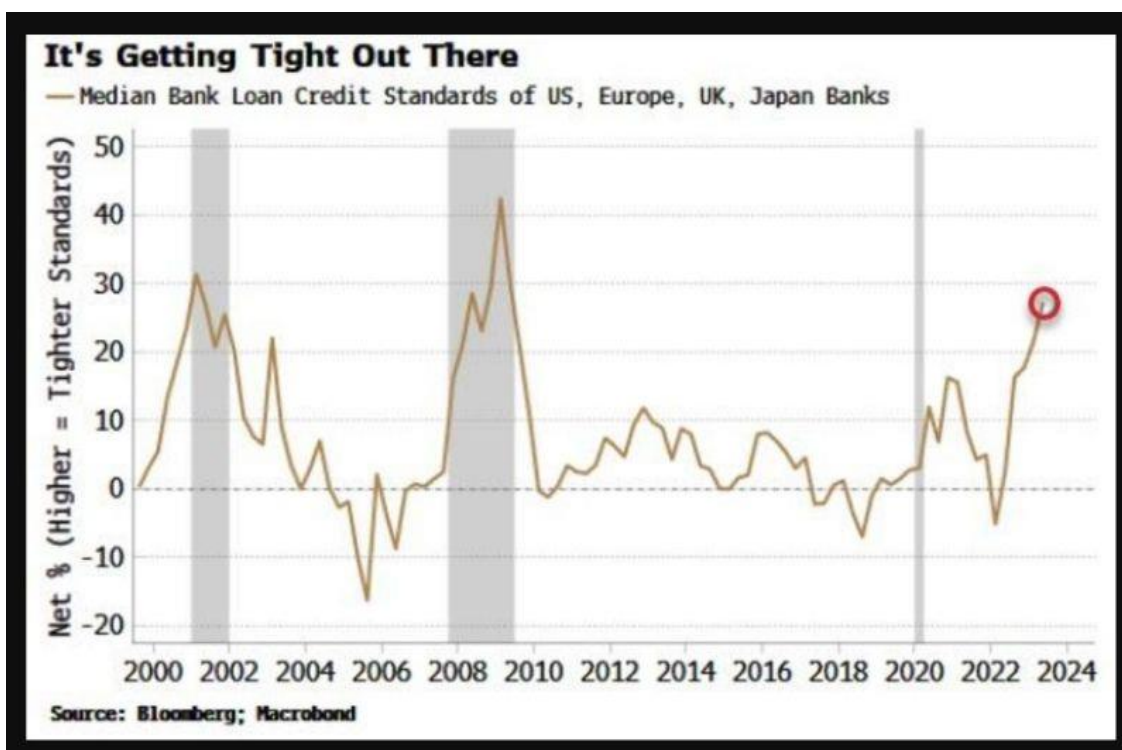
Sources: White House Office of Management and Budget (limit); Treasury Department (debt, suspensions)

Source: Peter Mallouk

#macro

#global #banks #lending

A global bank lending tightening?



Source: Bloomberg, ;Macrobond



#us #employment

US job openings in March sank to 9.59mln, more than forecasts and down from 9.93mln in February. In December 2022, this number was 11.2mln. This US JOLTs report has dovish implications for Fed's decision although the 25bps hike seems to be a done deal.



Source: Bloomberg



#us #employment

US job gains and wages pick up, really not the direction the Fed wanted to see things. US economy adds 253k jobs in April vs 185k exp, showing labor market resilience. Unemployment rate declined to historic low 3.4%, & monthly wage gains accelerated to fastest rate since July.

Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	05/05 14:30				Two-Month Payroll Net Revision	Apr	--	-149k	--	--
22)	05/05 14:30				Change in Nonfarm Payrolls	Apr	185k	253k	236k	165k
23)	05/05 14:30				Change in Private Payrolls	Apr	160k	230k	189k	123k
24)	05/05 14:30				Change in Manufact. Payrolls	Apr	-5k	11k	-1k	-8k
25)	05/05 14:30				Unemployment Rate	Apr	3.6%	3.4%	3.5%	--
26)	05/05 14:30				Average Hourly Earnings MoM	Apr	0.3%	0.5%	0.3%	--
27)	05/05 14:30				Average Hourly Earnings YoY	Apr	4.2%	4.4%	4.2%	4.3%
28)	05/05 14:30				Average Weekly Hours All Employees	Apr	34.4	34.4	34.4	--
29)	05/05 14:30				Labor Force Participation Rate	Apr	62.6%	62.6%	62.6%	--

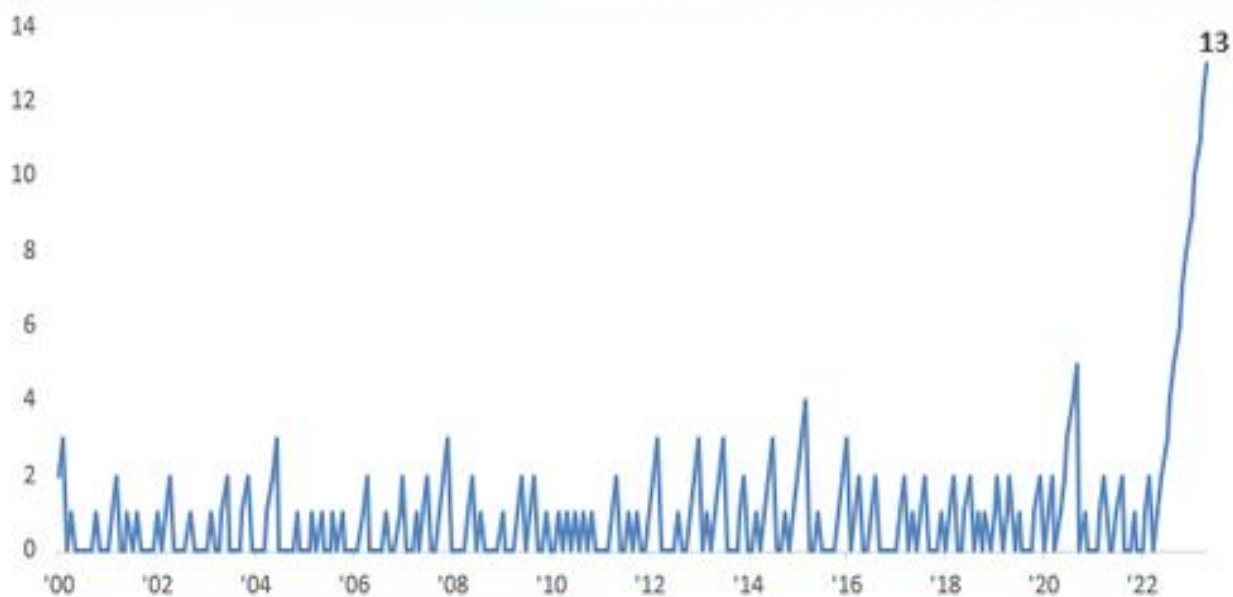
Source: Bloomberg, HolgerZ

#macro

#us #employment

The BLS jobs report reported a record 13th consecutive month of payrolls beating expectations...

Streaks of Better Than Expected Non Farm Payrolls Reports: 2000 - 2023

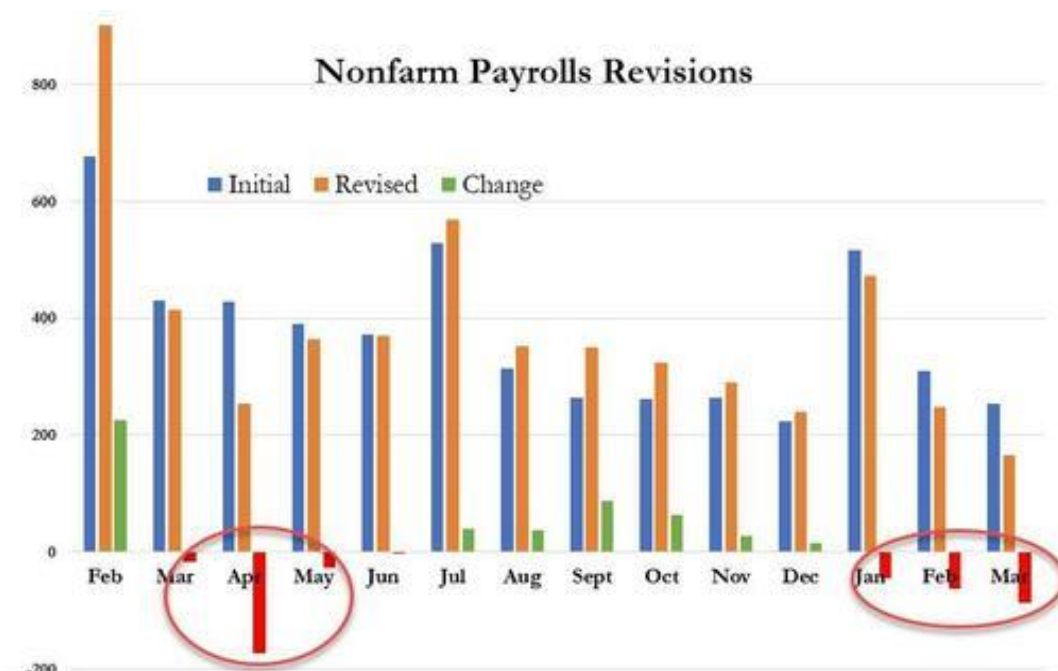


Source: Bespoke



#us #employment

The March number was unexpectedly revised sharply lower, from a consensus-beating 236K (exp. was 230K) to a huge miss at 165K, a number which surely would have impacted the Fed's thinking and potentially put a premature end to the rate hikes. But wait there's more, because February was also revised lower by 78K, from +326,000 to +248,000, which would also have missed the whisper estimate. With these revisions, employment in February and March combined is 149,000 lower than previously reported. And then there was a downward revision in January too... Combined, this is how the downward revision looked.



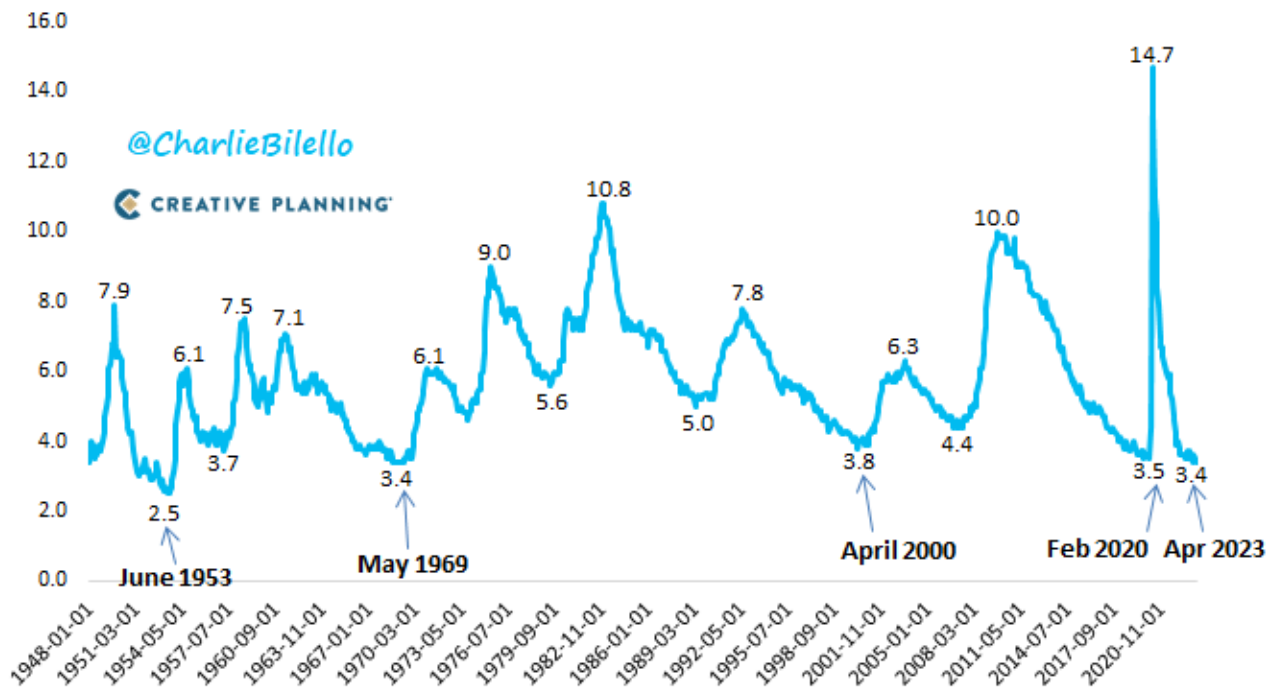
Source: Bloomberg, www.zerohedge.com



#us #employment

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

U.S. Unemployment Rate (%)

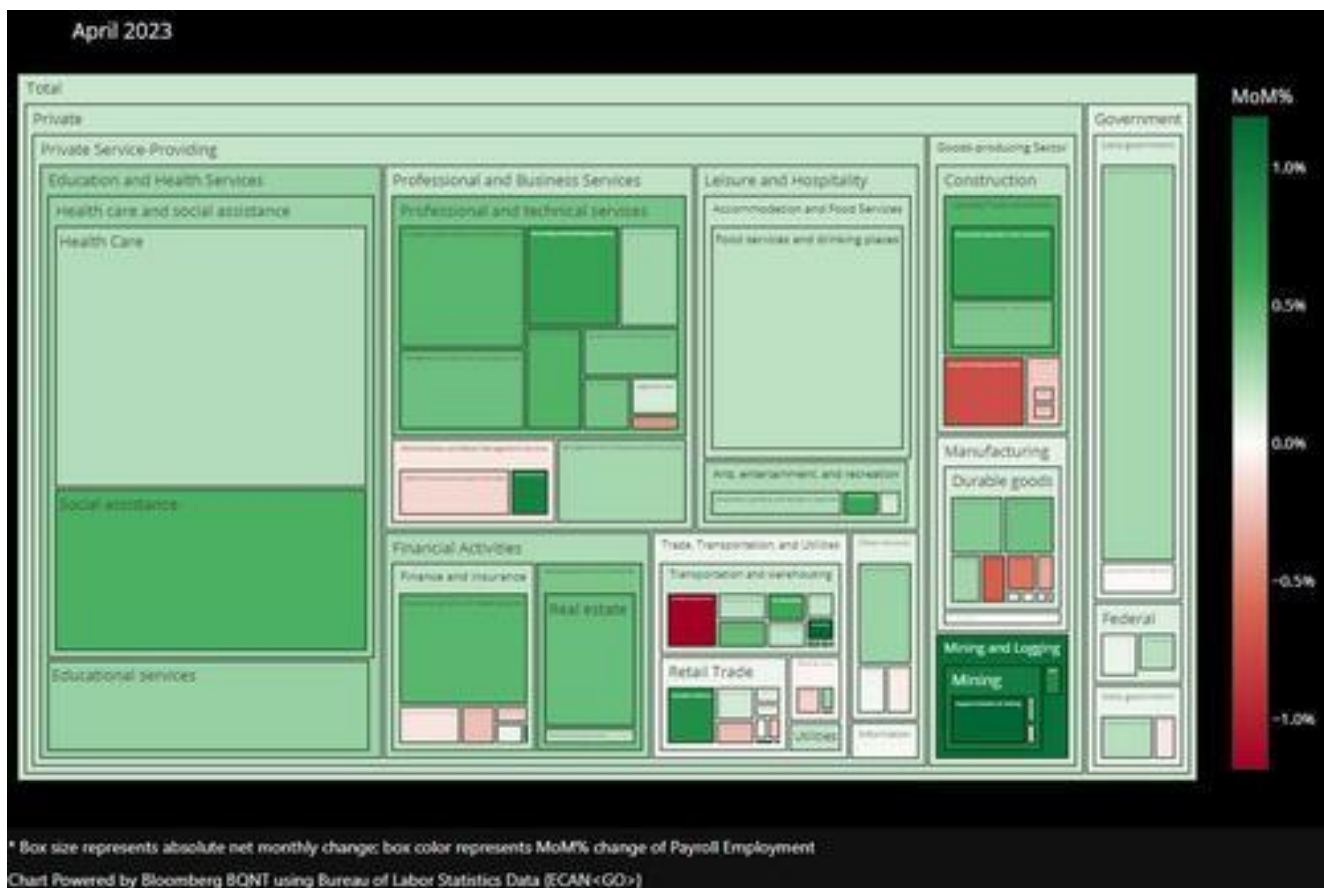


Source: Charlie Bilello



#us #employment

According to the BLS excel model, almost no job saw a drop in workers.



Source: Bloomberg

#macro

#eurozone #business #lending

Demand from Eurozone businesses for loans declined at the fastest pace since the 2008 Global Financial Crisis -> will the ECB slow down the pace of rates hike?

Barchart 
@Barchart

...

Demand from Eurozone businesses for loans declined at the fastest pace since the 2008 Global Financial Crisis

Eurozone business lending declines at fastest pace since 2008

Martin Arnold in Frankfurt

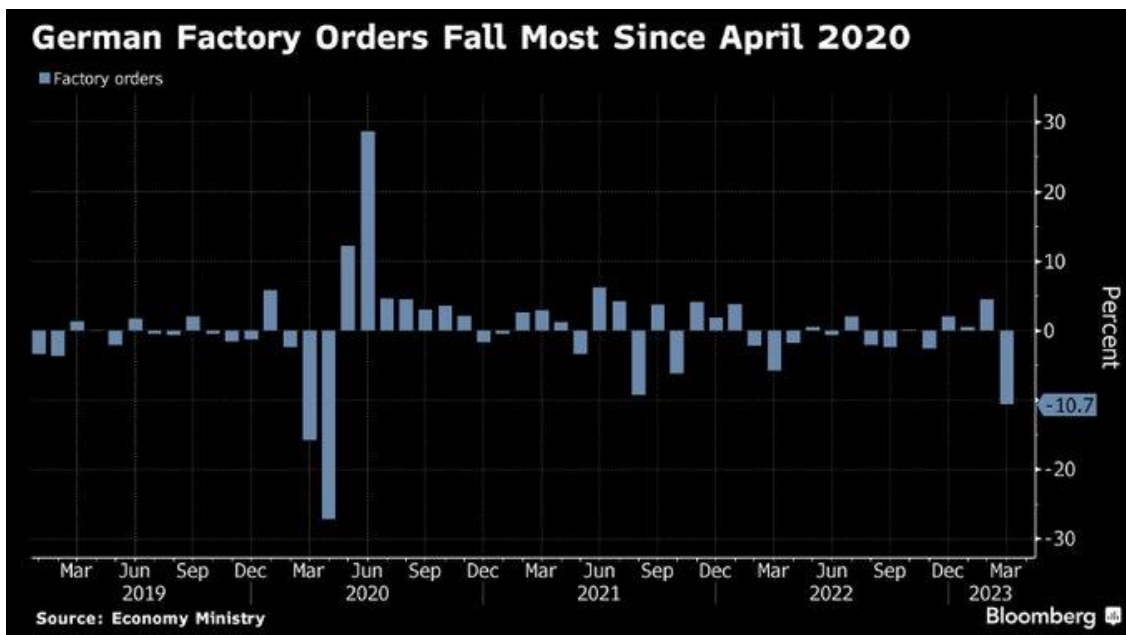


© AP

#macro

#germany #factory-orders

German factory orders fall most since pandemic as manufacturing continues to fare worse than other parts of Europe’s largest econ. March orders cratered 10.7% vs -2.3% expected. Slump was particularly pronounced in car industry.

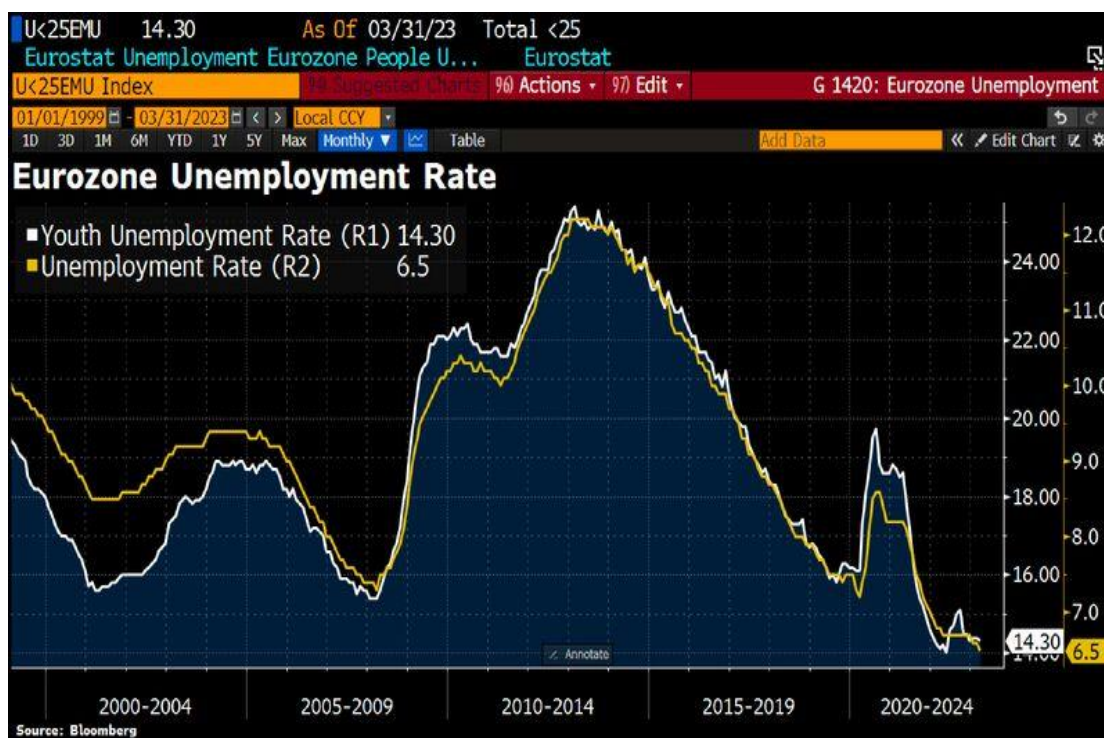


Source: Bloomberg



#eurozone #unemployment-rate

Eurozone's unemployment unexpectedly fell to 6.5% in March from 6.6% in Feb, a fresh record low, in a further sign of a persistently tight labor market, despite the ECB's efforts to cool the economy by raising interest rates. But youth unemployment still far from record low.

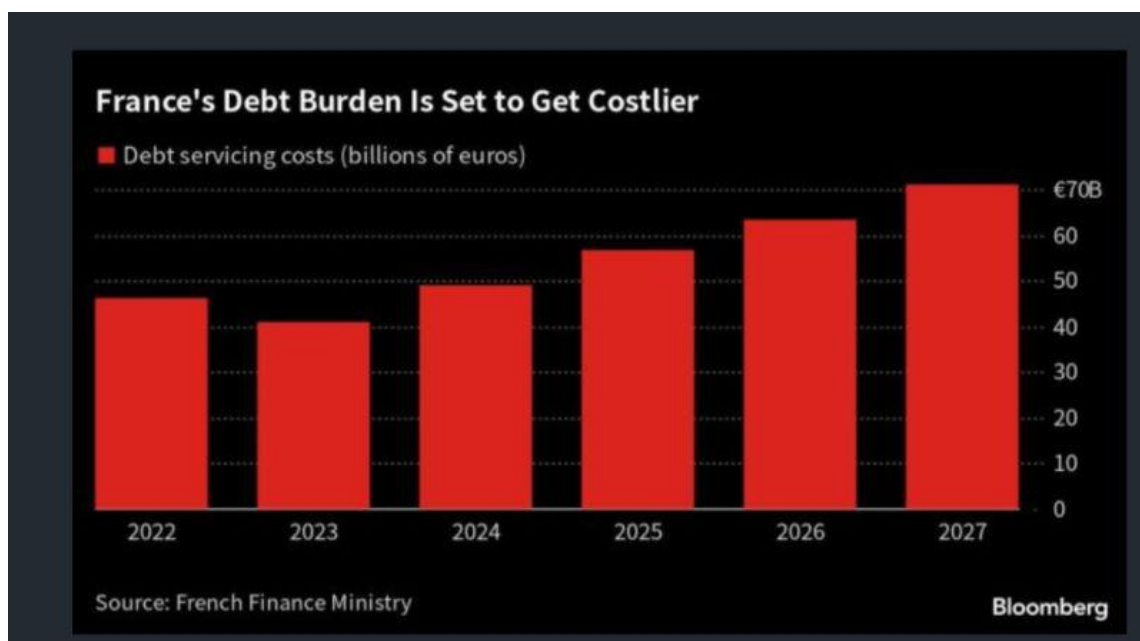


Source: Bloomberg, www.zerohedge.com

#macro

#rating #france

Fitch reduced France’s credit rating to AA- from AA, with a stable outlook, bringing the euro area’s second-largest economy to the same notch as countries including Ireland and the Czech Republic. France’s projected budget deficits for this year and next year “are well above” the median for countries with AA ratings, Fitch said in a note. It is only the second time France has been downgraded since Macron took office in 2017 and the first time by one of the three major rating firms. In 2020, DBRS Morningstar cut France to AA (high) from the top-notch AAA.



Source : Bloomberg

#macro

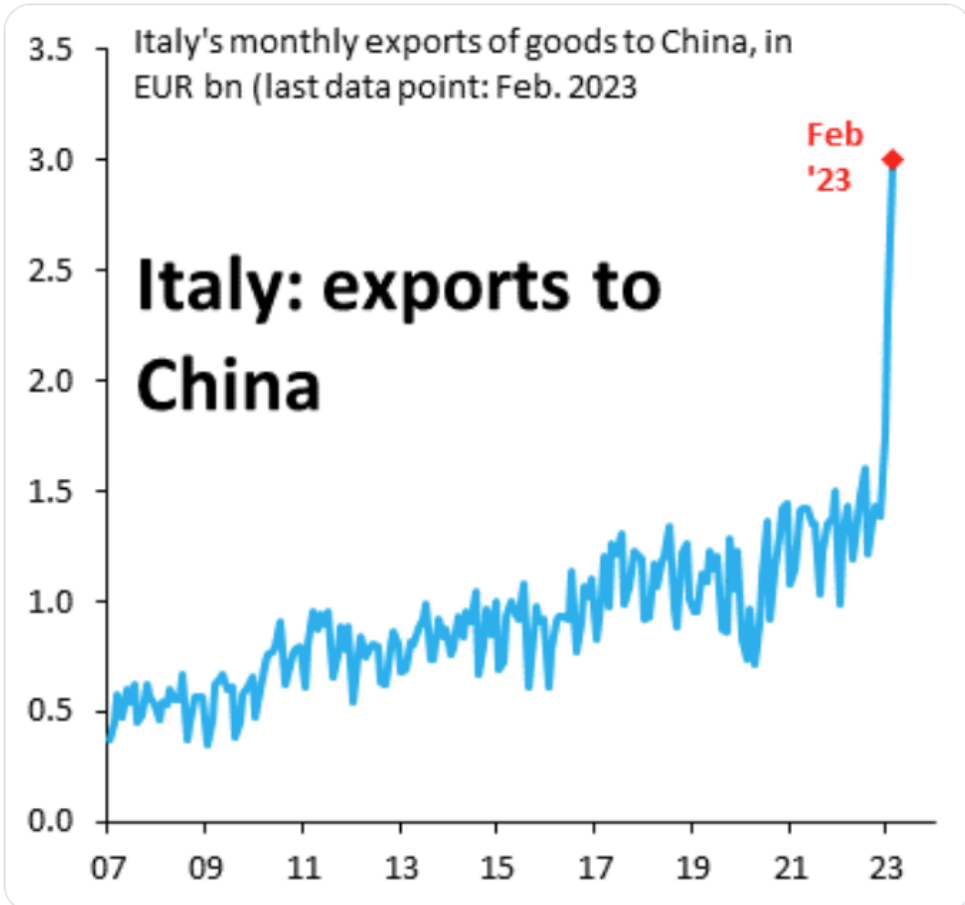
#italy #exports



Robin Brooks ✓
@RobinBrooksIIF

...

Italy's exports in Feb. 2023 were up 131% from Feb. 2022. Ordinarily, this'd be good news, but with export restrictions on Russia, inevitable question is where these goods are ultimately going. Maybe this is China "reopening," but German exports to China have no similar bounce...

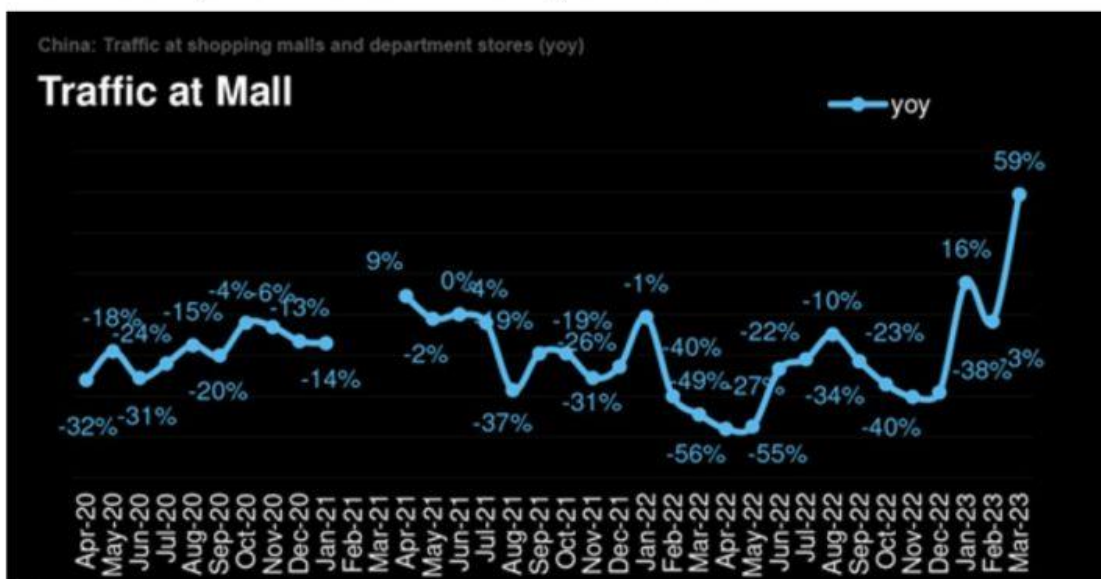


#macro

#china #reopening

Companies including ANTA, Li Ning, Pop Mart, Xtep, and Pou Sheng have been seeing 20-30% or above y/y sales growth in March and/or April, mainly driven by rising offline traffic and gradual recovery in consumer spending. MS: "We are still in the early stages of a consumption recovery so we believe general demand in 2H23 will be better than 1H23. Business quality is picking up too, as retail discounting and channel inventory for offline are returning to much healthier levels, suggesting good margin expansion this year."

China Consumption – Golden Week driving some record traffic



Source: Morgan Stanley

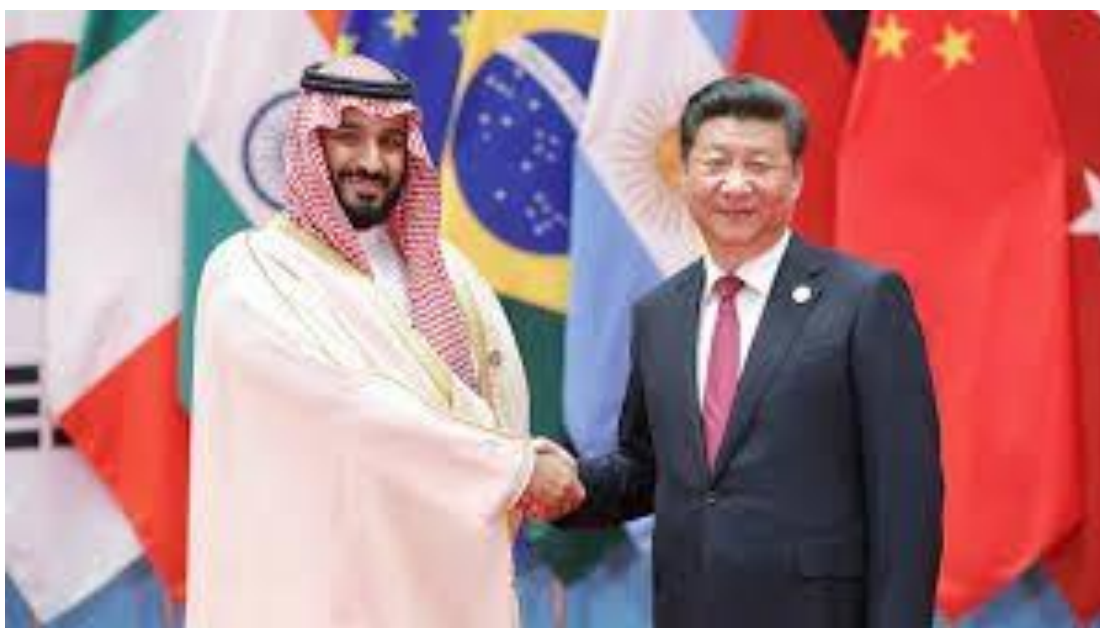
Source: MS, TME



#geopolitics

#brics+

Five Arab states plus Iran among 19 nations ready to join BRICS. Saudi Arabia, the UAE, Algeria, Egypt, Bahrain, and Iran have formally asked to join the BRICS group of nations as it prepares to hold its annual summit in South Africa. In total, 19 nations have expressed interest in joining the emerging-markets bloc of Brazil, Russia, India, China, and South Africa, according to Anil Sooklal, South Africa's ambassador to the group.



Source: The Cradle

#centralbanks

#fed #decisions

The Fed Raises Interest Rates by Another 0.25%

You said no
more rate hikes!

actually I said:
no, more rate hikes.

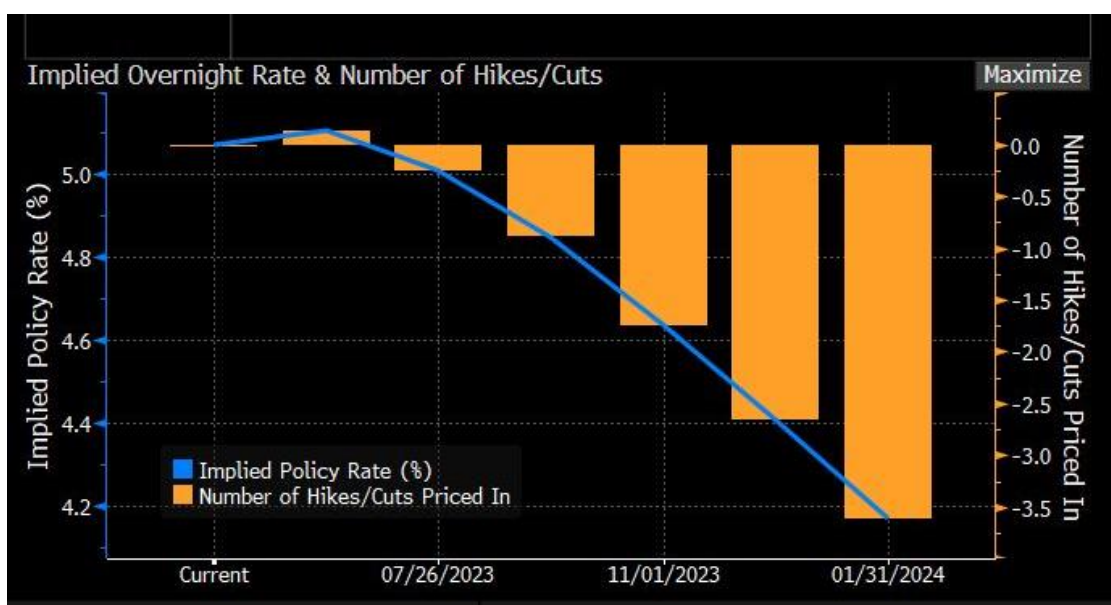


Source : Wallstreetmemes

#centralbanks

#fed #decisions

Fed hikes 25bp, which was largely priced in, but is NOT signalling any more hikes. Still, the statement is slightly more hawkish than expected as the Fed noted that it would take into account “the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments” in “determining the extent to which additional policy firming may be appropriate”.

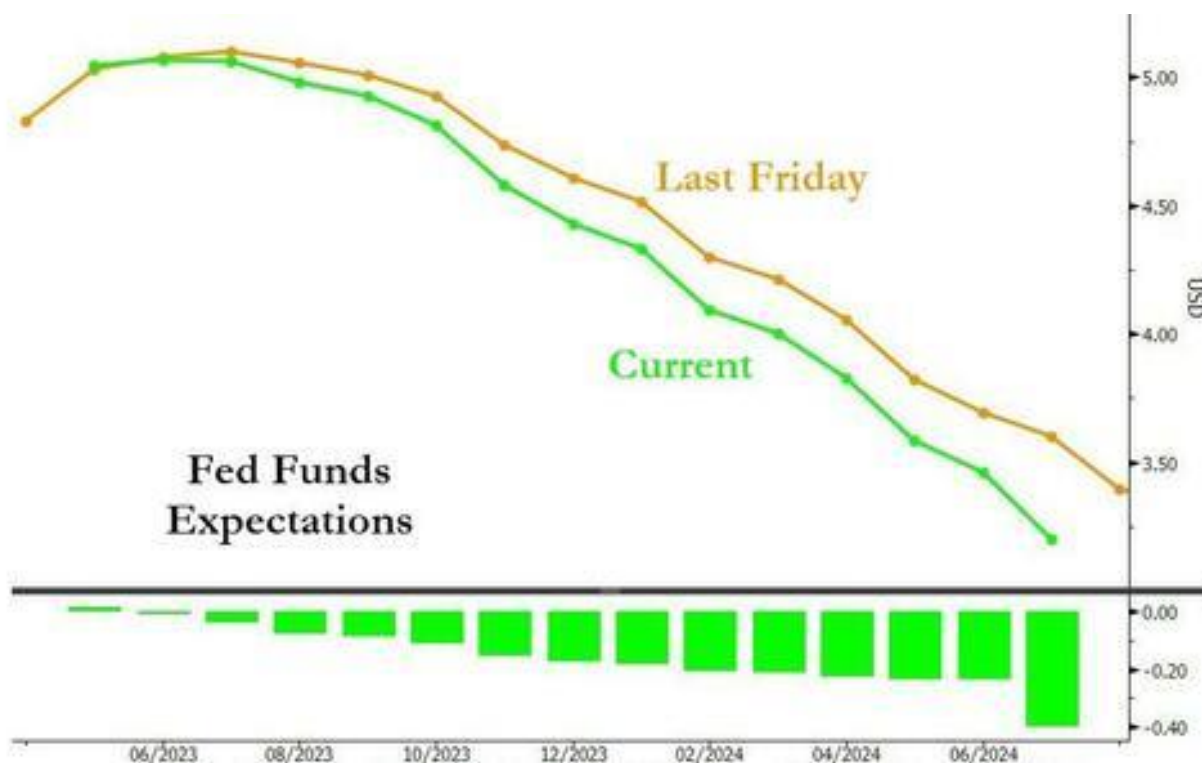


Source: HolgerZ, Bloomberg

#centralbanks

#fed #expectations

The market's expectations for The Fed tumbled dovishly this week as Powell hinted it's over...

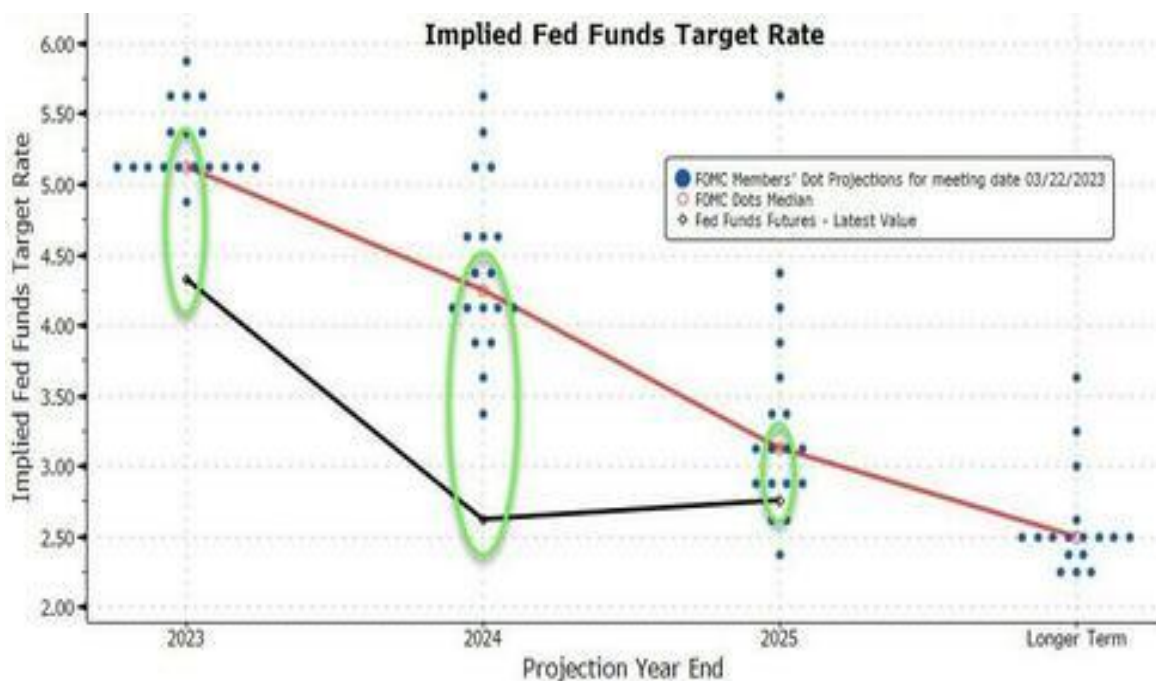


Source: www.zerohedge.com, Bloomberg

#centralbanks

#fed #expectations

the market is still massively more dovish than The Fed's expectations... (market sees a 38% chance of a cut in July). Problem: for The Fed to fold, the market will have to crash but the market won't crash because everyone knows The Fed will fold...



Source: Bloomberg, www.zerohedge.com

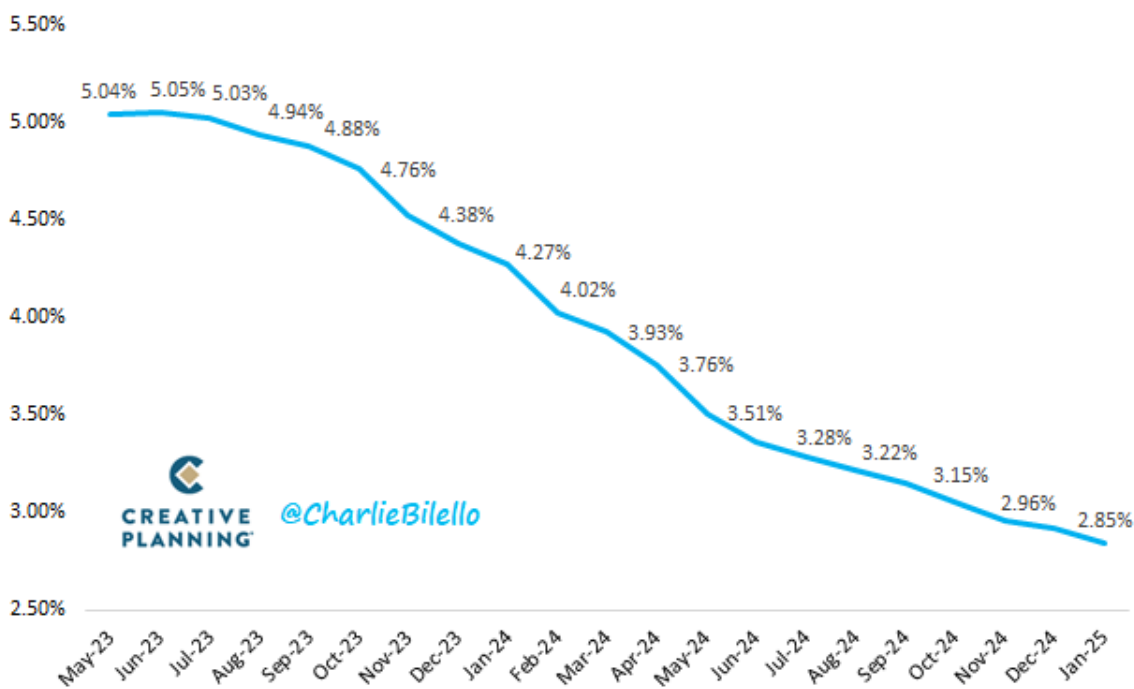
#centralbanks

#fed #expectations

Current market expectations for path of the Fed Funds Rate...

- Jun 14, 2023: Pause
- Jul 26, 2023: Pause
- Sep 20, 2023: 25 bps cut to 4.75-5.00%
- Nov 1, 2023: 25 bps cut to 4.50-4.75%
- Dec 13, 2023: 25 bps cut to 4.25-4.50%
- By Dec 2024: cuts to below 3%

Market Expectations for Fed Funds Rate
(Data via Fed Funds Futures, May 2023 - Jan 2025)



Source: Charlie Bilello

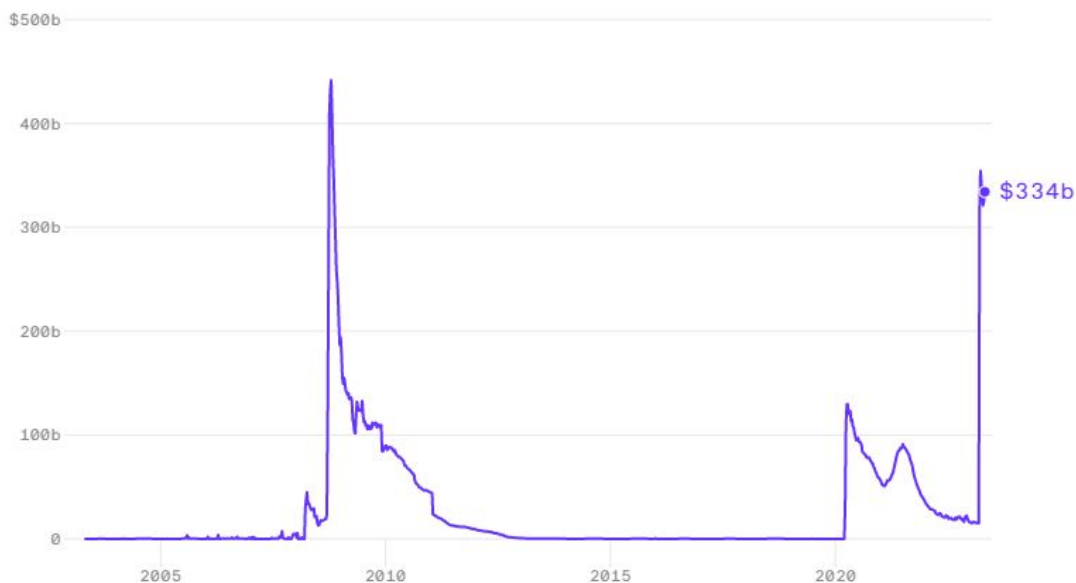
#centralbanks

#fed #banking-loans

The total value of Fed loans to banks is at highest level since 2008.

Total value of loans extended to the banking system by the Federal Reserve

Weekly; May 2, 2003, to April 28, 2023



Data: Federal Reserve; Chart: Axios Visuals

Source: Peter Mallouk

#centralbanks

#ecb #decisions

As expected, The ECB slowed its pace of rate-hikes, hiking by 25 basis points and taking the key rate to 3.25%. #inflation remains the key concern as “the inflation outlook continues to be too high for too long.” The ECB stresses its data-dependence through this key sentence by Lagarde: “We are not Fed-dependent.” The Governing Council said they will continue to follow a data-dependent approach to determining the appropriate level and duration of restriction. Decisions will continue to be based on its assessment of the inflation outlook in light of the incoming economic and financial data, the dynamics of underlying inflation, and the strength of monetary policy transmission.



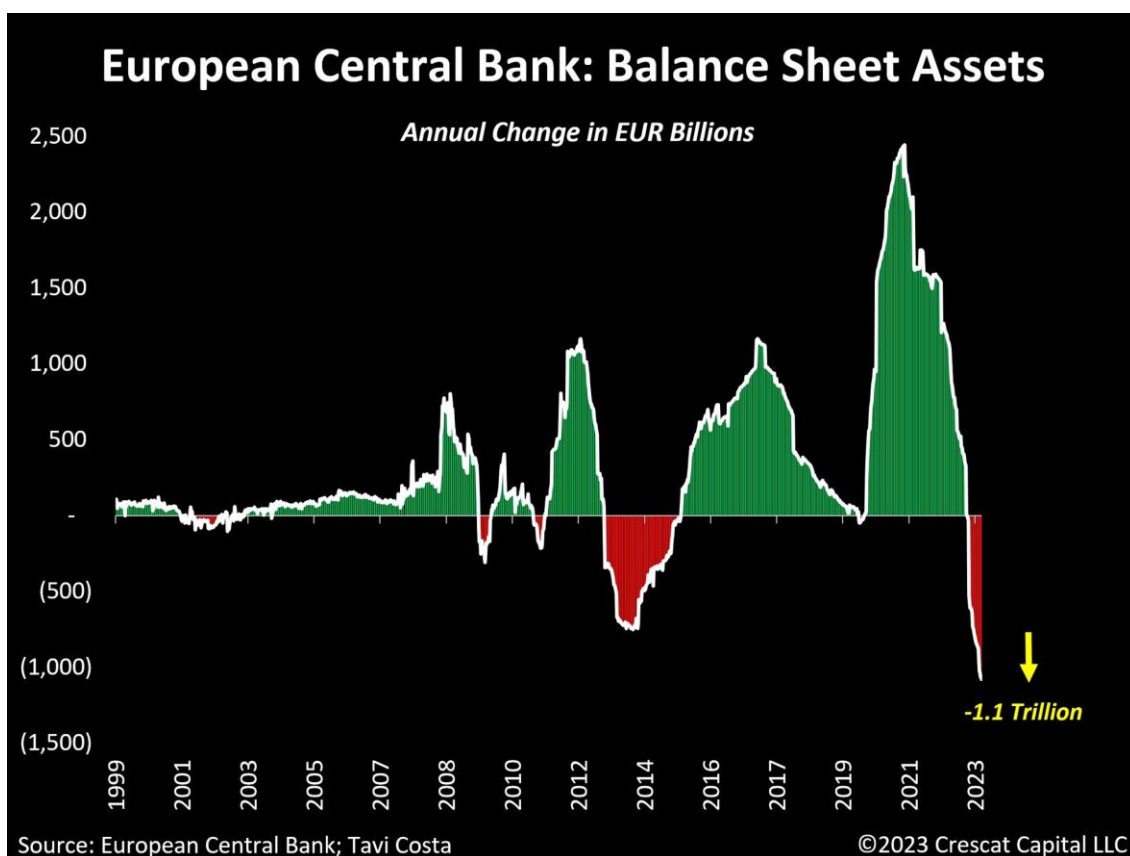
Source: Bloomberg, HolgerZ



#centralbanks

#ecb #quantitative-tightening

The ECB has already reduced its balance sheet by €1.1 trillion from peak levels. How long until something breaks again?

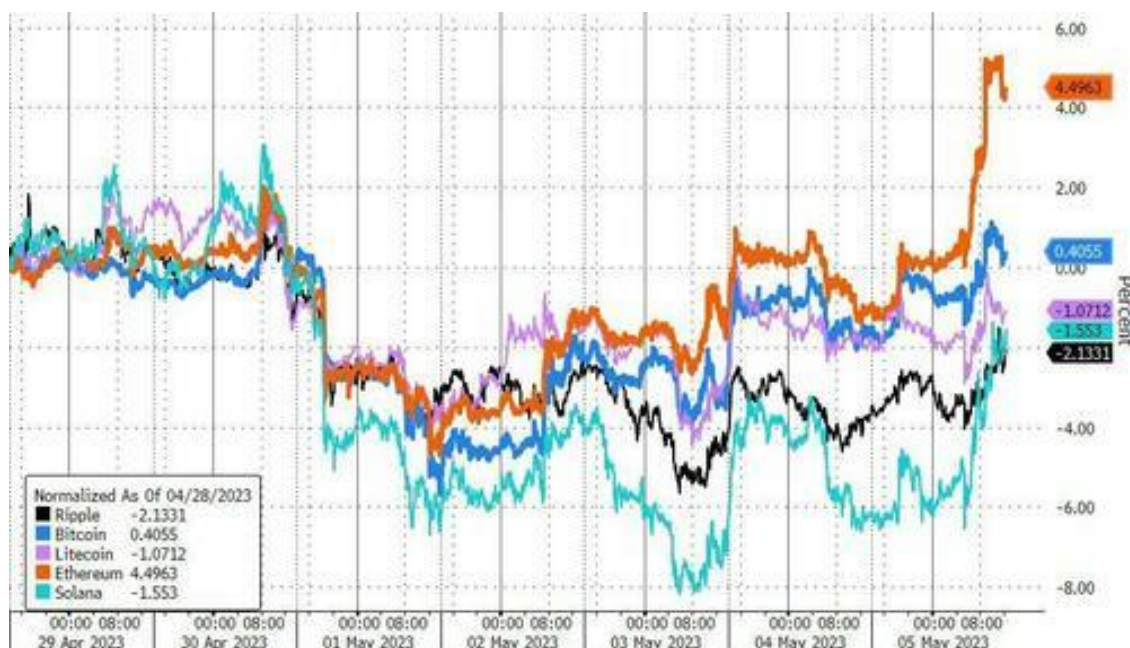


Source: Tavi Costa, Bloomberg



#bitcoin #weekly

Bitcoin was flat on the week while Ethereum notably outperformed (topping \$1950)...



Source: www.zerohedge.com, Bloomberg



#bitcoin #liquidity

Bitcoin liquidity continues to decline. At the end of last month, it would have taken an order of just 462 \$BTC to move the asset's price by at least 1% in either direction according to CCData. That would be the lowest market depth for BTC-USDT since May 2022 when crypto tanked.



Source: FT



#coinbase #earnings

"This quarter represented a turning point" - Coinbase posts smaller loss on cost cuts and more revenue sources. Coinbase first quarter earnings were boosted by trading in smaller cryptocurrencies—and a frenzy over a new “memecoin” to rival the likes of Dogecoin and Shiba Inu. COIN is up more than 13% currently and more than 50% YTD.



First Quarter 2023

Q1 EARNINGS SUMMARY

Strong Financial Performance

\$736M ↗

in Net Revenue
up 22% Q/Q

24% ↘

decrease Q/Q in Total
Operating Expenses

\$284M ↗

Adjusted EBITDA¹

\$362M ↗

in Subscription &
Services Revenue up
28% Q/Q

\$375M ↗

in Total Transaction
Revenue up 16% Q/Q

\$130B ↗

Assets on Platform
up 62% Q/Q

\$5.3B

in \$USD Resources



Source: www.investor.com

#food-for-thought

#market #humor

What a week...



Source : twitter

#food-for-thought

#sunday-calls

Warren Buffett on Sunday business calls...



"Any calls you get on Sunday, you're going to make money. Those rare calls are the best since they are inevitably from seriously distressed sellers."

Warren Buffett

Source: Brian Feroldi

#food-for-thought

#high-returns



Charlie Bilello

@charliebilello

Last 10 Years...

Bitcoin **\$BTC**: +25,500%

NVIDIA **\$NVDA**: +8,499%

Tesla **\$TSLA**: +4,375%

AMD **\$AMD**: +2,326%

Apple **\$AAPL**: +1,108%

Microsoft **\$MSFT**: +1,011%

Netflix **\$NFLX**: +940%

Amazon **\$AMZN**: +730%

Facebook **\$META**: 718%

Google **\$GOOGL**: +404%

S&P 500 **\$SPY**: +205%

Gold **\$GLD**: +34%

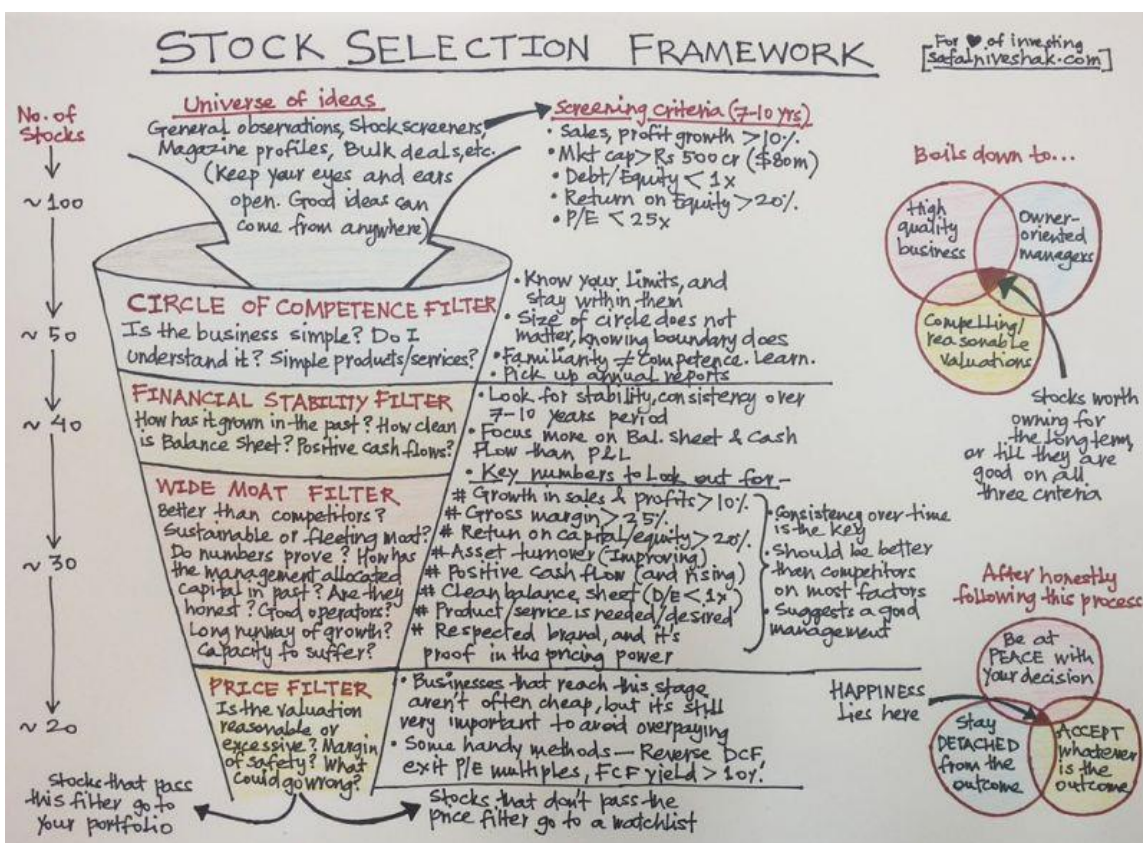
US CPI: +30%

5:53 PM · May 4, 2023 · **99.8K** Views

#food-for-thought

#stocks #selection

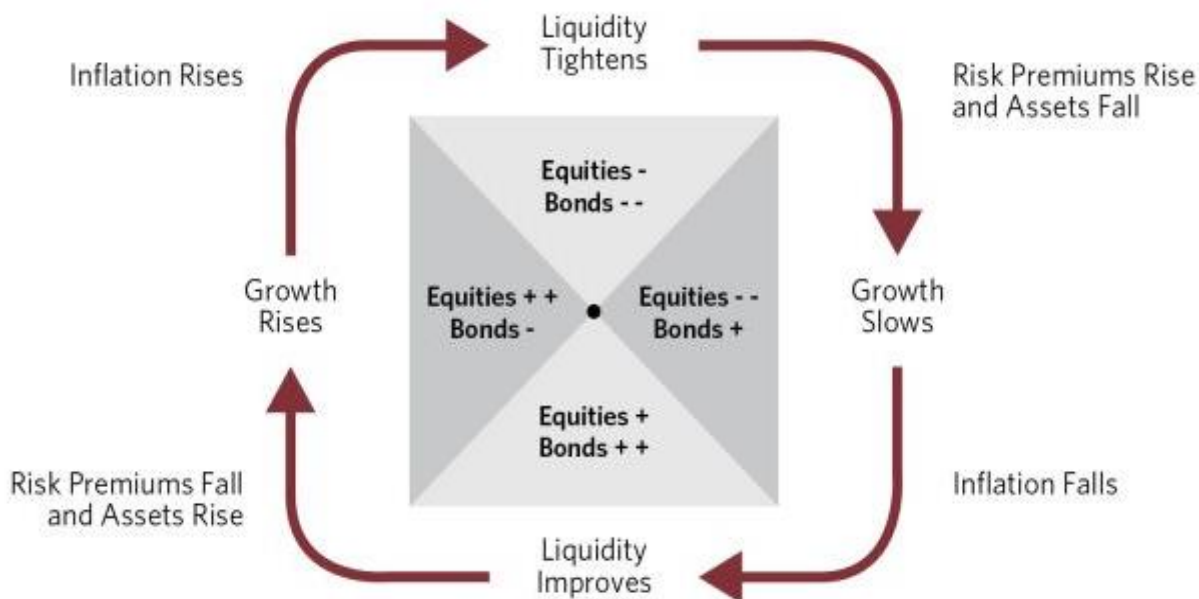
A stock selection framework by Vishal Khandelwal via Compounding Quality



#food-for-thought

#business #cycle #investing #bridgewater

The Factors that influence stock and bond prices according to Bridgewater Associates – and what they’re doing now.



Source: Bridgewater

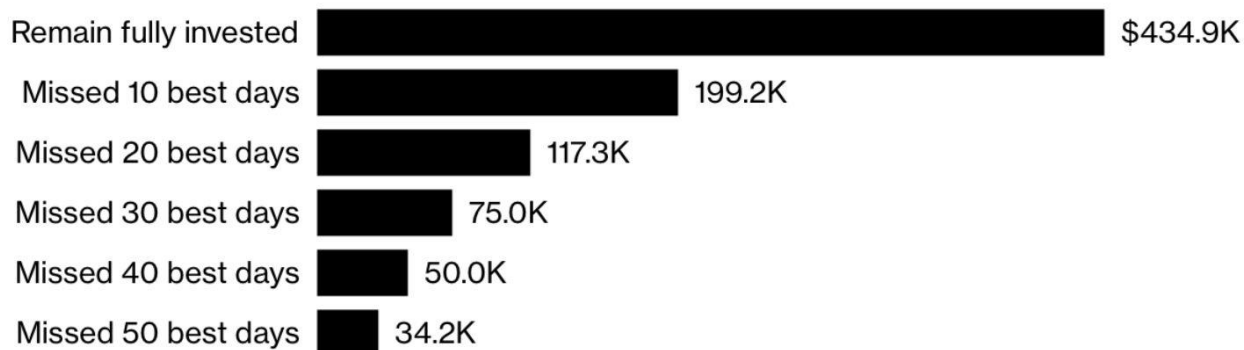
#food-for-thought

#market #timing

Market Timing's Toll

Market Timing's Toll

■ Gain in \$100,000 invested in the S&P 500 from Jan. 3, 2000 to Mar. 31, 2023*



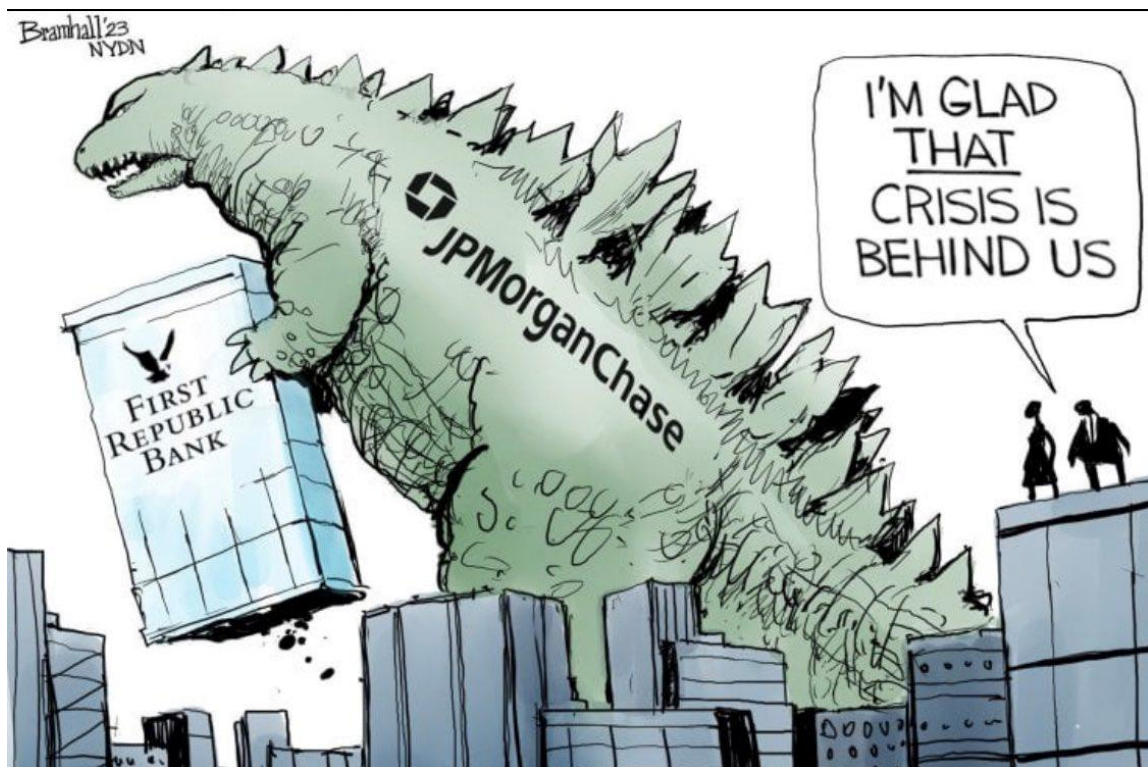
Source: JPMorgan Asset Management, Bloomberg
*Returns are based on the S&P 500 Total Return Index.

Source : Bloomberg

#food-for-thought

#jpmorgan

... or JP Mega ???



Source: Wall Street Silver

#food-for-thought

#us #banks #apple

Apple’s freshly launched high yield savings account brought in as much as \$990 million in deposits over its first four days, according to two sources familiar with the matter. On launch day alone, the savings account drew nearly \$400 million deposits



**We'll give you 4.15%
on your savings**

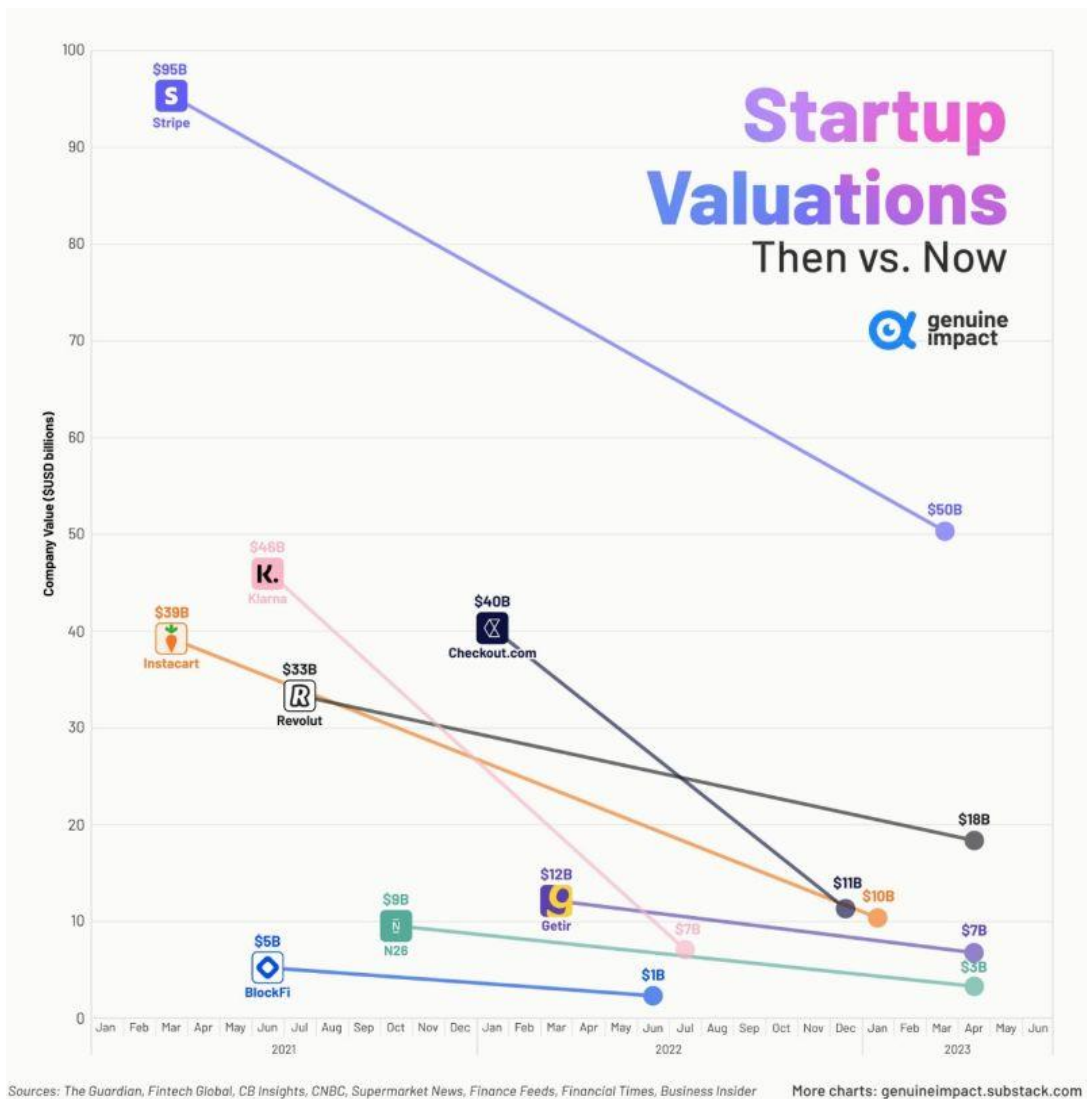


**Best we can
do is 0.01%**

#food-for-thought

#startup #valuations

Reality check: these startups have greatly dropped in valuation over the past 2.5 years.

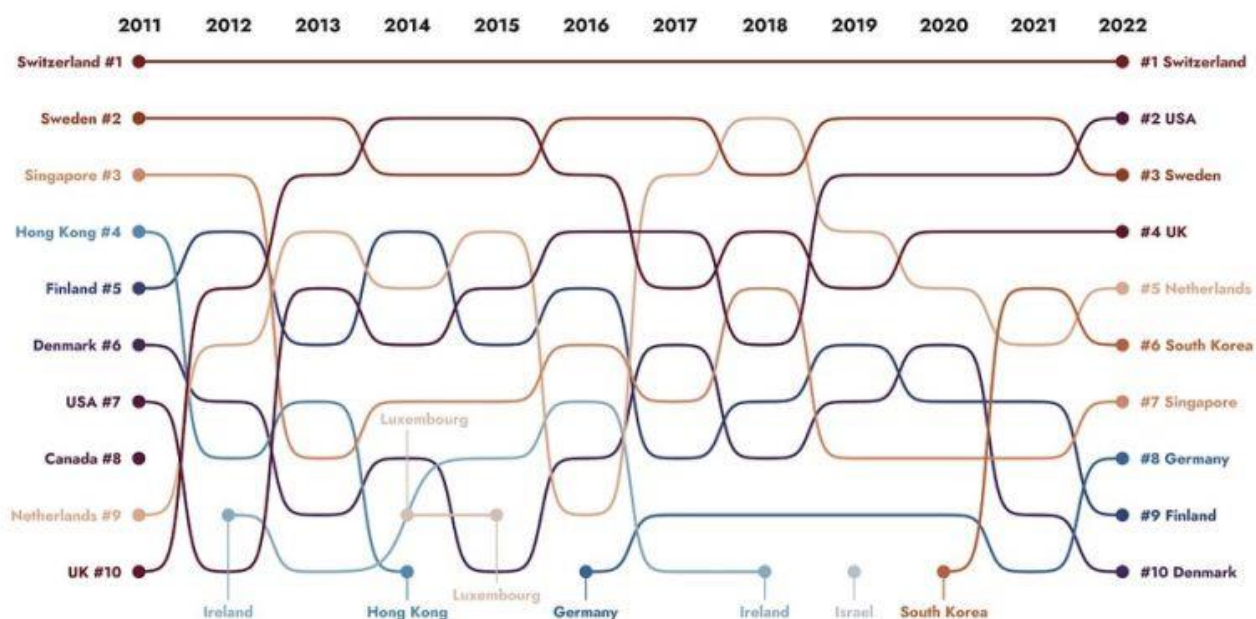


#food-for-thought

#innovation #countries

Over the last 12 years, Switzerland has ranked at the top of the innovation index on the strength of its IP laws and local economic strength.

The Worlds Most Innovative Countries



Design: Gilbert Fontana
gilberfontana / GilbertFontana
Data: World Intellectual Property Organization (WIPO)

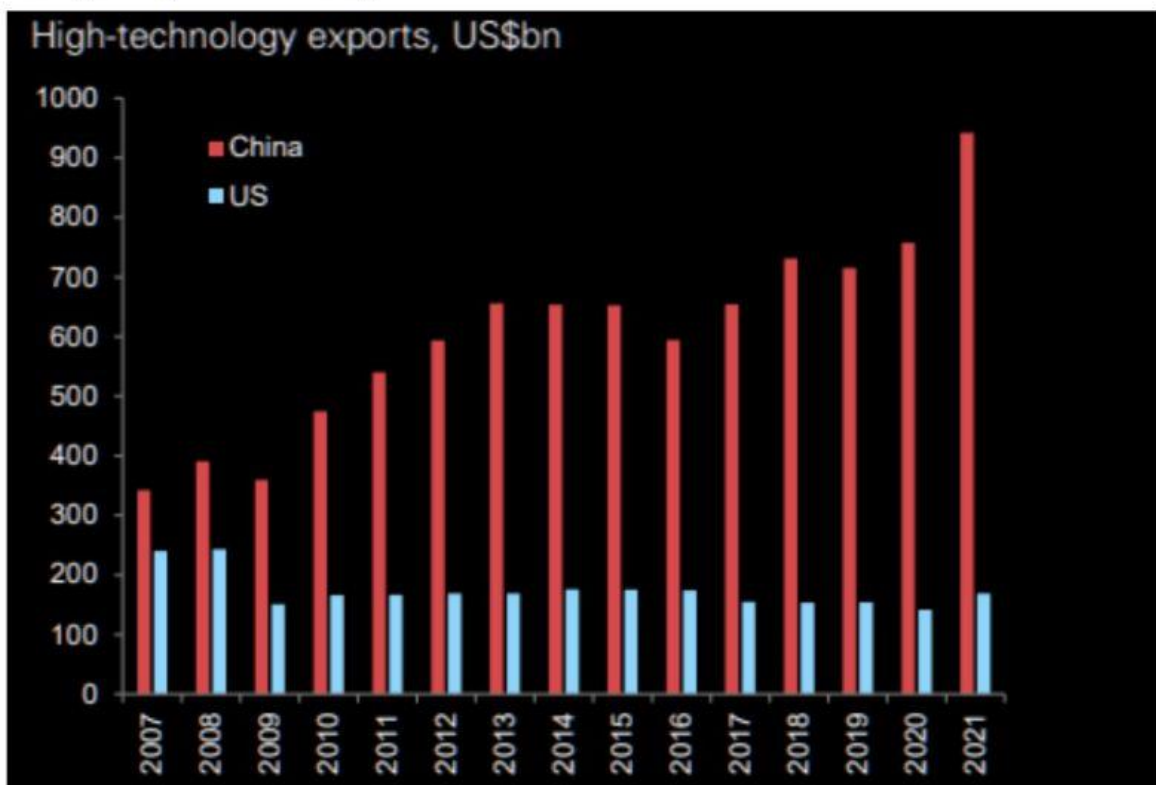
Source: Visual Capitalist

#food-for-thought

#china #exports

China exports significantly more high-tech products than the US.

China, the high-tech economy



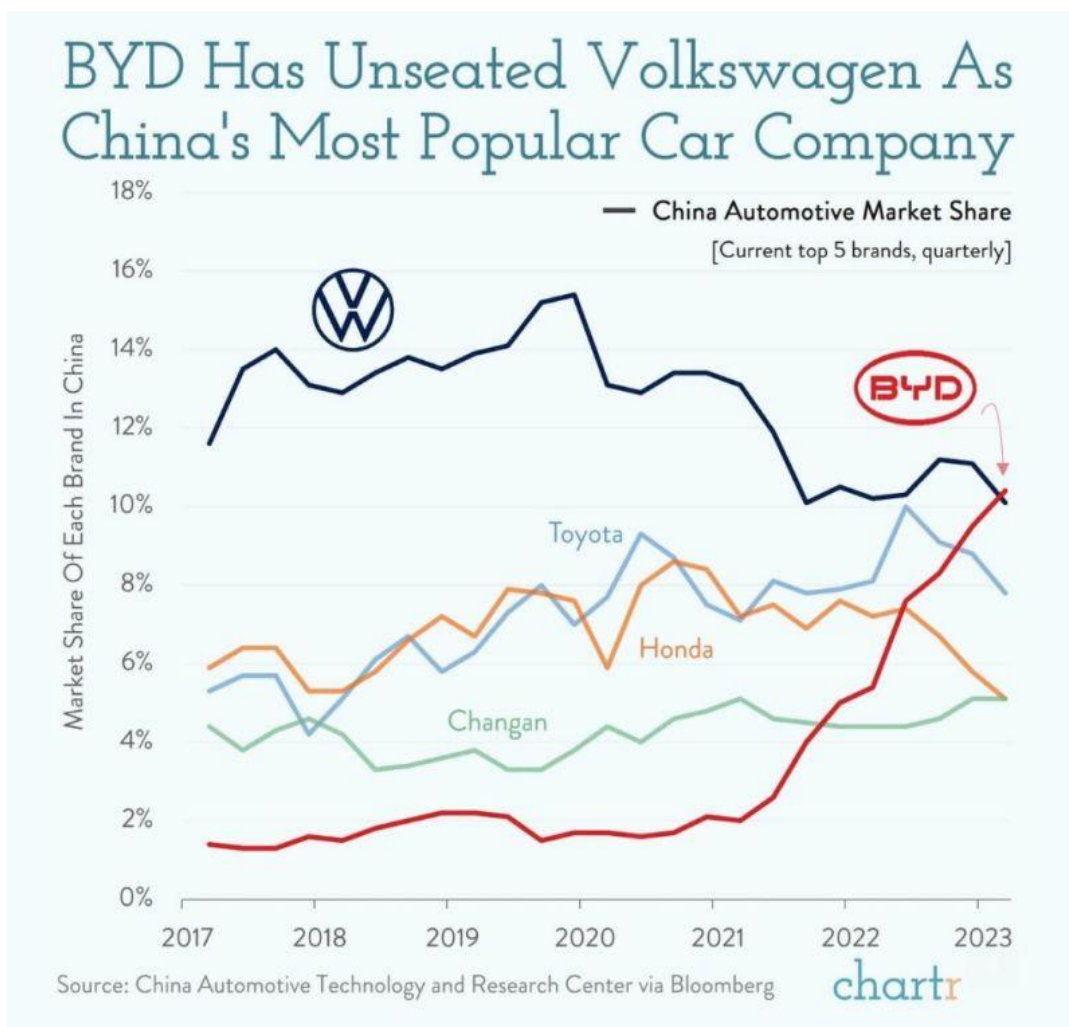
Source: World Bank

Source: World Bank, TME

#food-for-thought

#byd #china #cars

Volkswagen has lost its crown in #China, as new data reveals that domestic manufacturer BYD has become China's best-selling car brand for the first time, capturing 10.4% of the market in the most recent quarter.



Source: Charttr

#food-for-thought

#gender #equality


Women have long been under-represented in the boardrooms of big business, a phenomenon that led to a New York Times piece in 2015 which revealed that there were more Johns, Jons, or Jonathans running S&P 1500 companies than female-led organizations.

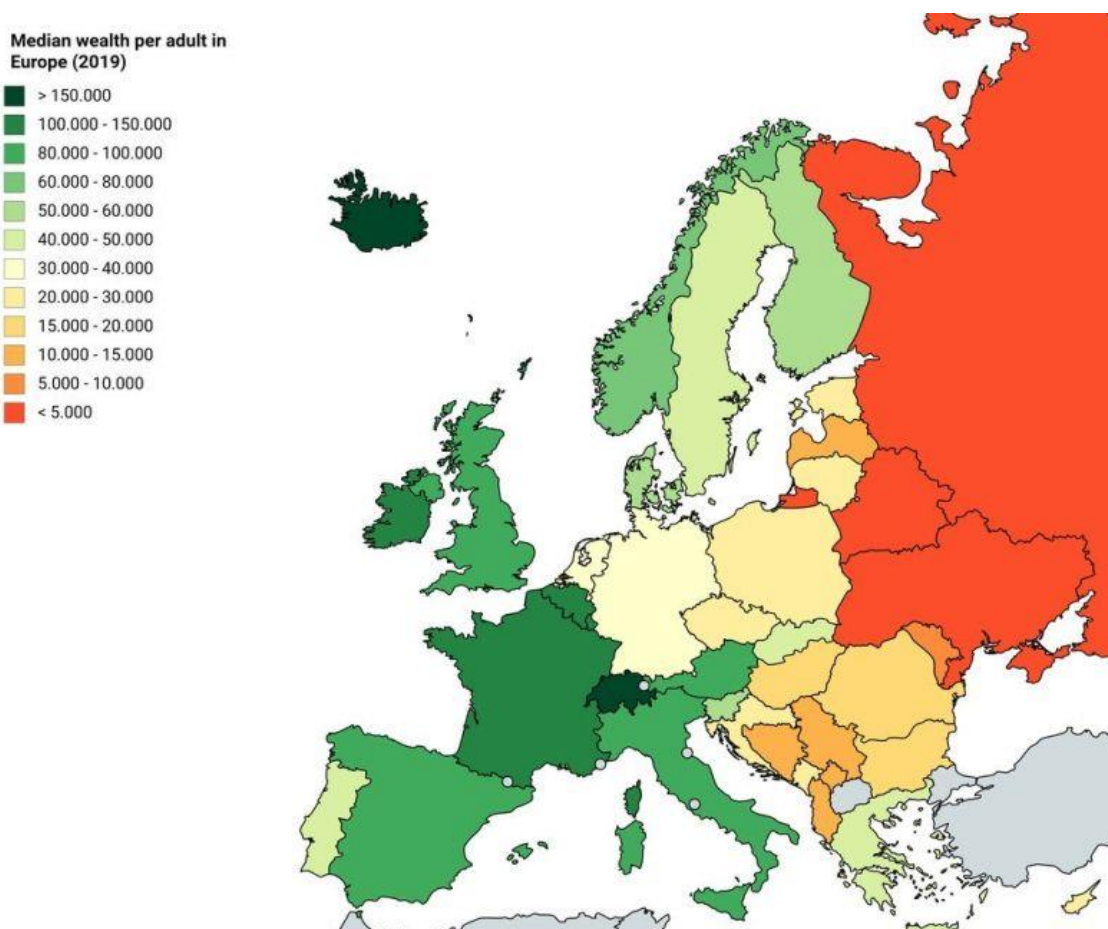


Source: Brianroemmele

#food-for-thought

#wealth #inequality

Median wealth per adult  Germany clearly sticks out as a rich country with poor people. Low home ownership and life savings in bank deposits yielding negative real yields.



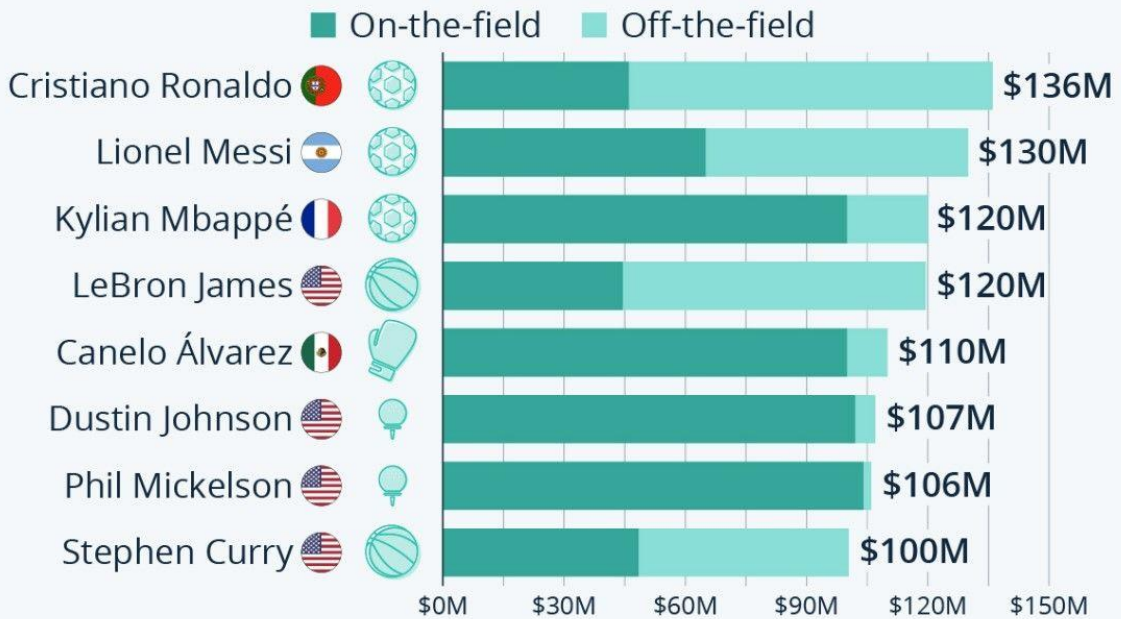
Source: Brianroemmele, Michel A.Arouet

#food-for-thought

#athletes #income

The World's Highest-Paid Athletes

Income of the highest-paid athletes in the world between May 1, 2022 and May 1, 2023*



* before taxes and agents' fees

Source: Forbes



Source: Statista

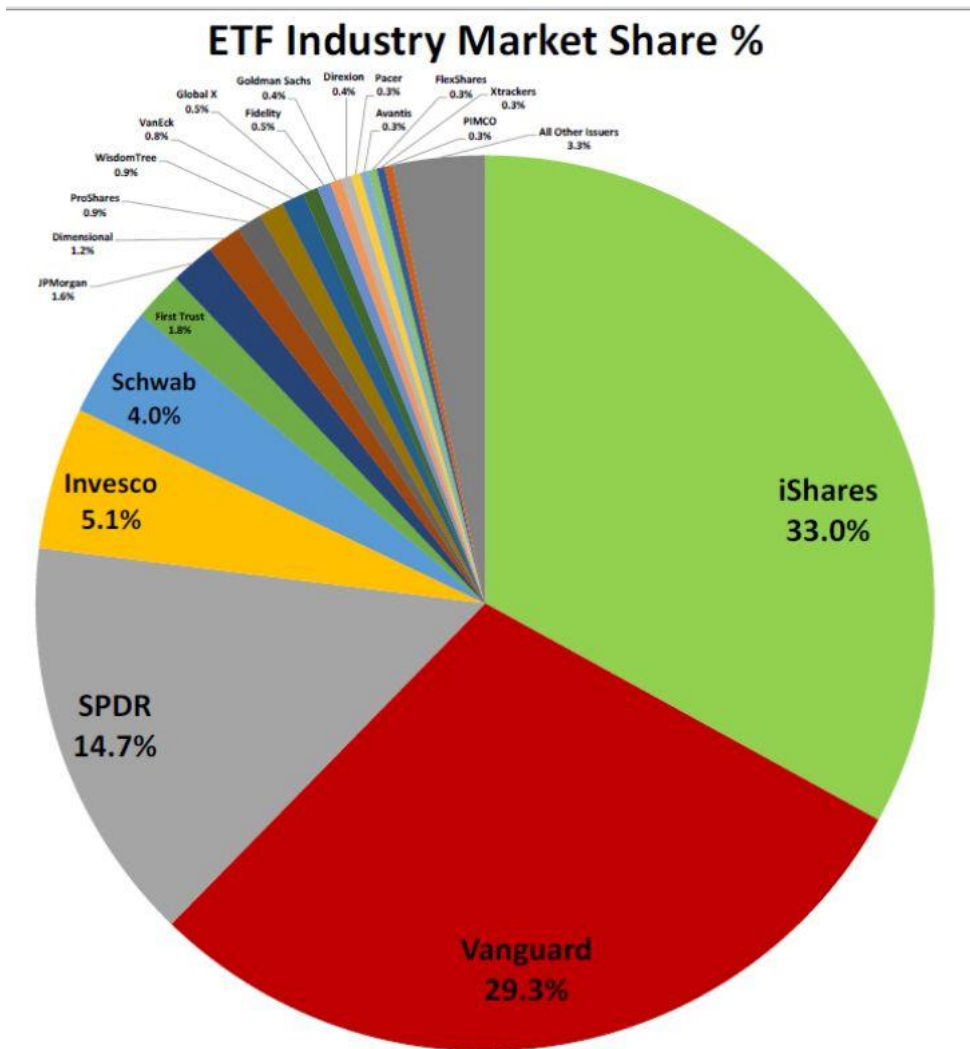
#food-for-thought

#etfs

Current ETF Industry Market Share %...

Top 3 = 77%

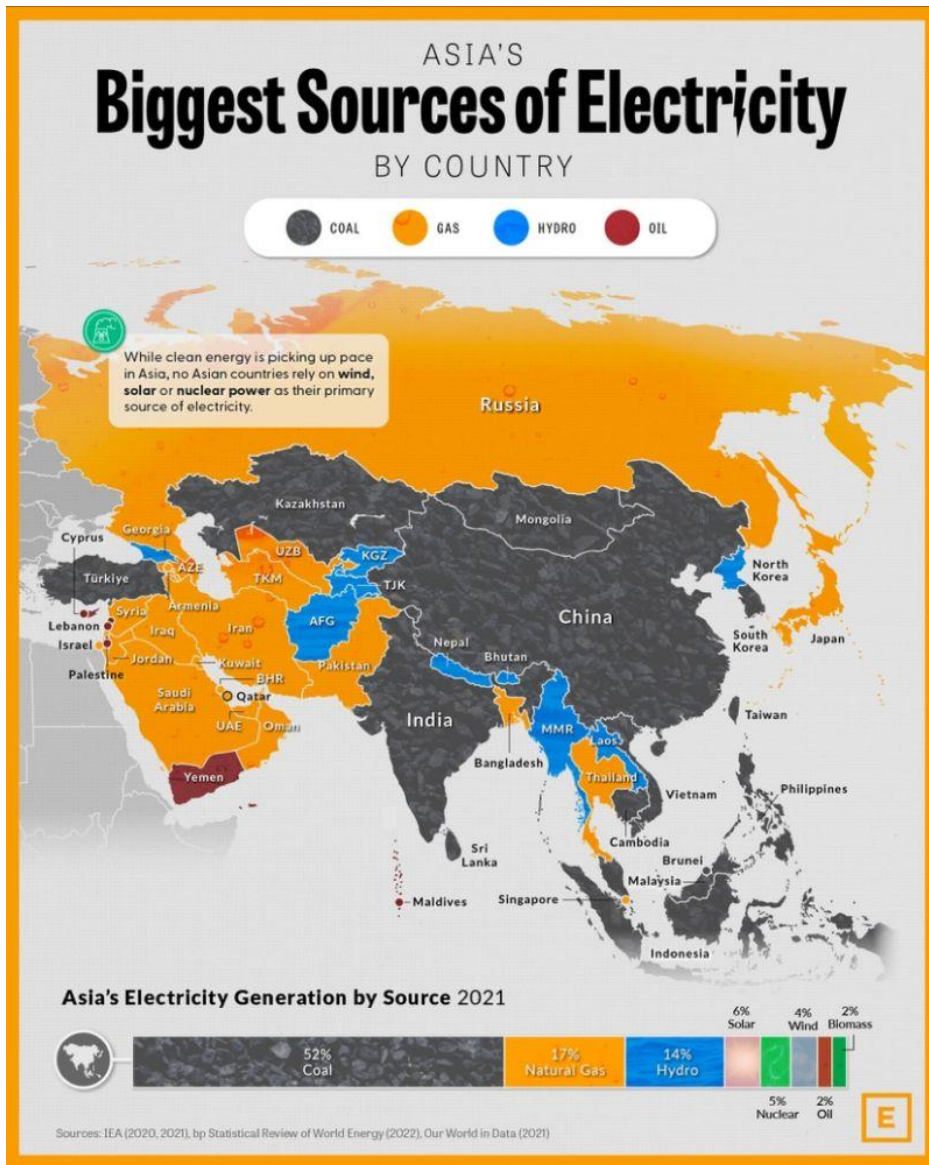
Top 10 = 93%



#food-for-thought

#electricity #resources #asia

The still-undisputed kingdom of coal...



#food-for-thought

#twitter

Twitter will allow media publishers to charge users for access to individual articles they post on the website as soon as next month. Users will end up paying a higher per-article price than what the cost of access to every article would amount to if they had a subscription instead. But Musk said it's for those who want to read the occasional story from a specific outlet, so each article probably wouldn't cost as much as a monthly subscription.



Elon Musk  
@elonmusk · [Follow](#)



Rolling out next month, this platform will allow media publishers to charge users on a per article basis with one click.

This enables users who would not sign up for a monthly subscription to pay a higher per article price for when they want to read an occasional article.... [Show more](#)

6:31 PM · Apr 29, 2023



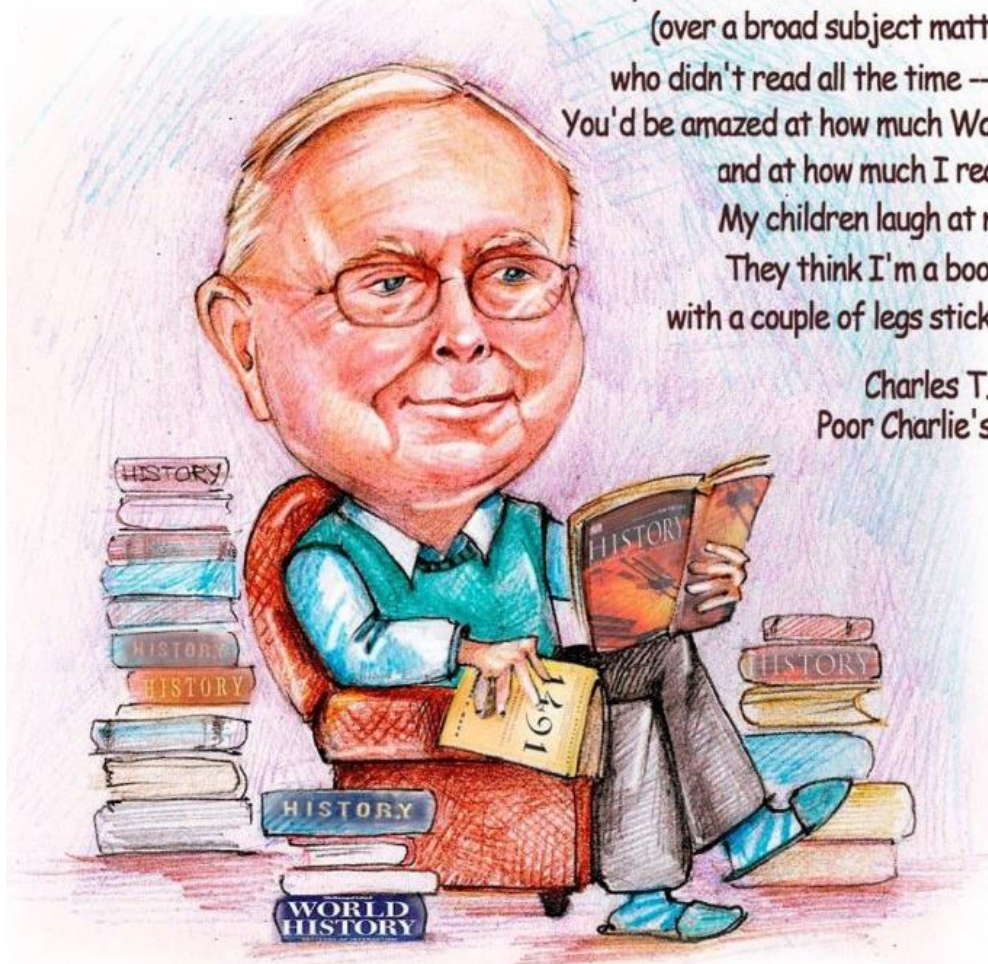
Source : Twitter

#food-for-thought

#reading

"In my whole life, I have known no wise people (over a broad subject matter area) who didn't read all the time -- none, zero. You'd be amazed at how much Warren reads-- and at how much I read. My children laugh at me. They think I'm a book with a couple of legs sticking out."

Charles T. Munger,
Poor Charlie's Almanack



Source: Compounding Quality

#food-for-thought

#leadership

**EVERY MORNING YOU
HAVE TWO CHOICES:

CONTINUE TO SLEEP
WITH YOUR DREAMS,

OR GET UP AND CHASE
THEM.**

Source: European leadership

#food-for-thought

#leadership

As you grow older you discover that you have two hands, one for helping yourself, the other for helping others.

Audrey Hepburn



Source: European leadership

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For the future...