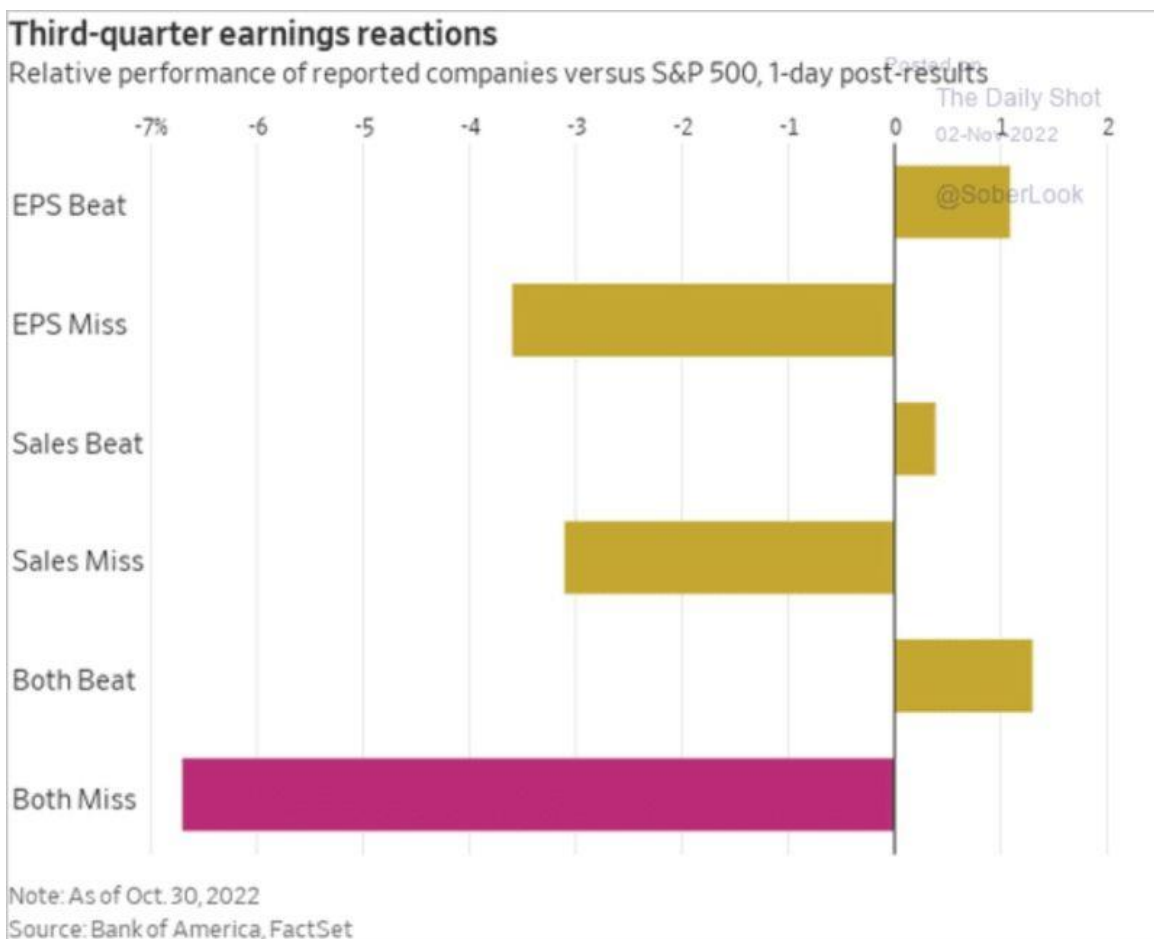


Chart of the week

THE MOMENT OF TRUTH FOR US EARNINGS

Companies which are missing consensus estimates are taking a beating...



Source: The Daily Shot, Bank of America

Nasdaq the biggest loser from Fed “No Pivot”

Stocks fell after the Fed dashed market hopes for an impending pivot in monetary policy in the form of a pause or slower pace of rate hikes. Nasdaq was the biggest loser (-5.6%) while the Dow outperformed (-1.4%). This was the Nasdaq's worst week since January. Indeed, Tech stocks suffered as the fallout from a largely disappointing earnings season for bellwethers such as Facebook, Amazon and Microsoft continued. Wednesday's FOMC announcement and Powell's post-meeting press conference were the focus of the week. Stocks were little changed until the press conference took a hawkish turn. Notably, Powell stated that it is “very premature” to consider pausing rate hikes, and the S&P 500 Index finished the day down 2.50%. U.S. Treasury yields increased through most of the week, with short-term rates climbing more than yields on long-maturity bonds. The two-year U.S. Treasury note yield reached a 15-year high above 4.75% on Friday morning. In Europe, shares rose for a third week running. In the UK, the BoE increased its benchmark interest rate by 0.75 percentage point to 3%, the highest level since 2008, to contain inflation. China's stock markets rallied (+5.3%) amid speculation that the country was preparing to relax its zero-tolerance approach to the coronavirus. Stocks in Brazil returned about 3.4% after Lula won the Presidential election. The dollar was volatile but ended the week unchanged. Cryptos soared with bitcoin reclaiming \$21k.

#GLOBALMARKETS WEEKLY WRAP-UP

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#markets

#weekly #returns

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	32,403	-1.4%	-10.8%
S&P 500 Index	3,771	-3.3%	-20.9%
NASDAQ	10,475	-5.6%	-33.0%
MSCI EAFE *	1,731	-1.0%	-25.9%
10-yr Treasury Yield	4.16%	0.1%	2.6%
Oil (\$/bbl)	\$92.53	5.3%	23.0%
Bonds	\$94.34	-0.9%	-15.7%

Source: Factset. 11/4/2022. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * 4-day performance ending on Thursday.

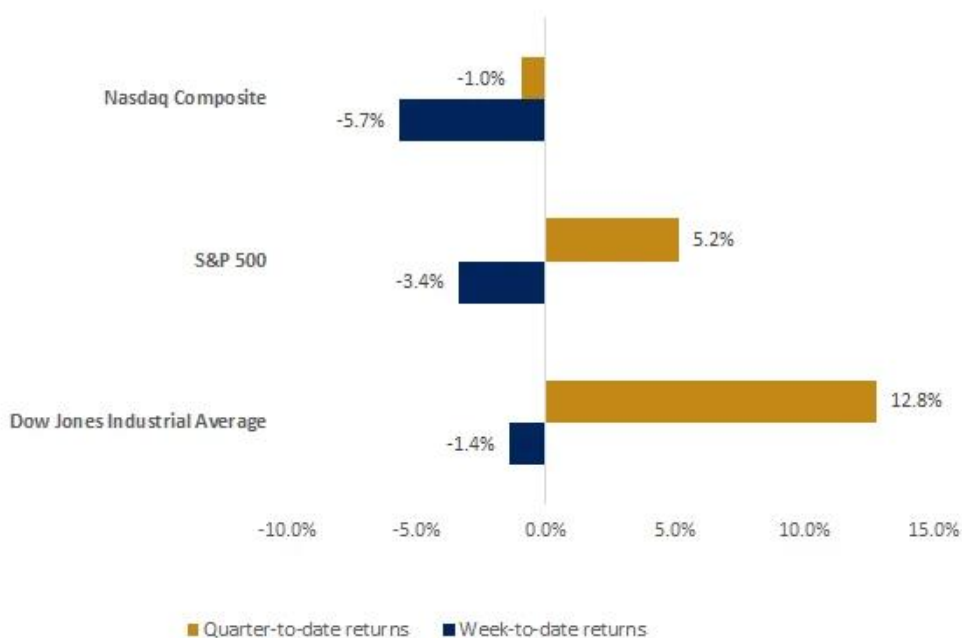
Source: Edward Jones



#quarterly #weekly #returns

The Dow and S&P 500 have held on to healthy gains this quarter, despite last week's volatility, while the Nasdaq has given up its gains quarter-to-date

Quarter-to-date and week-to-date returns in major indexes, as of 11/4/22

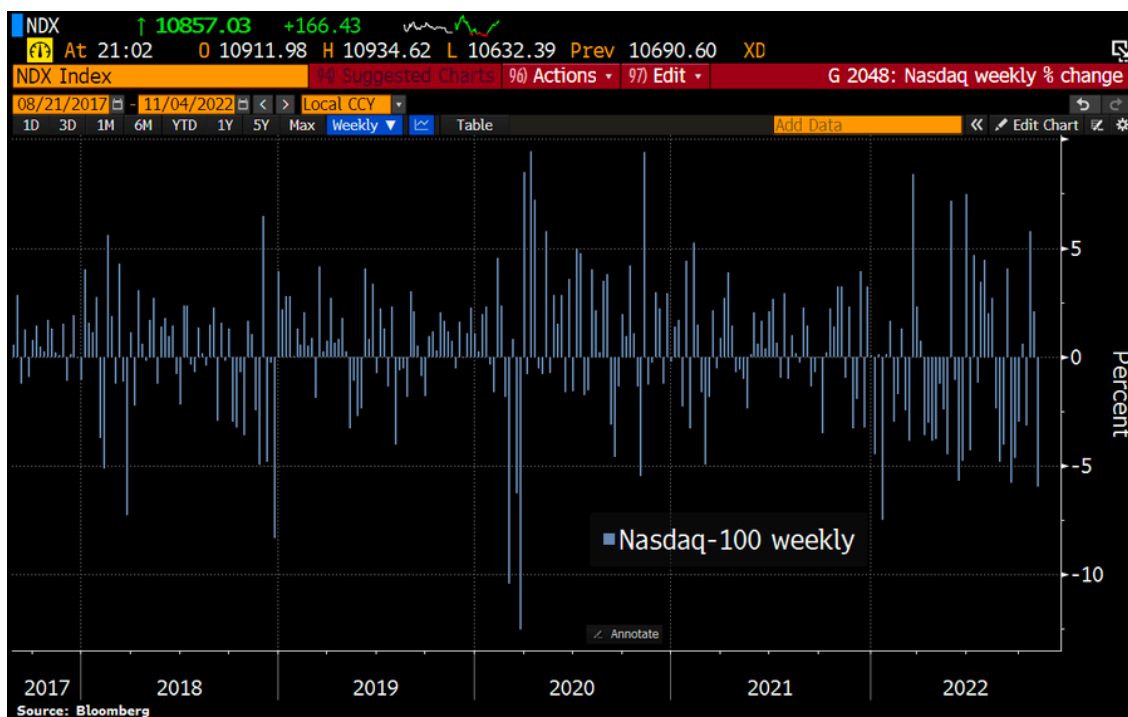


Source: Edward Jones



#nasdaq100

Nasdaq 100 plunged 5.6% for worst week since January.



Source: Bloomberg, HolgerZ



#nasdaq #technicals

The Nasdaq failed to re-gain the 200 days moving average while the market hopes the “Fed pivot”.





#s&p500 #vix

VIX and Stocks completely decoupled since Powell dropped the hammer as traders monetized hedges.

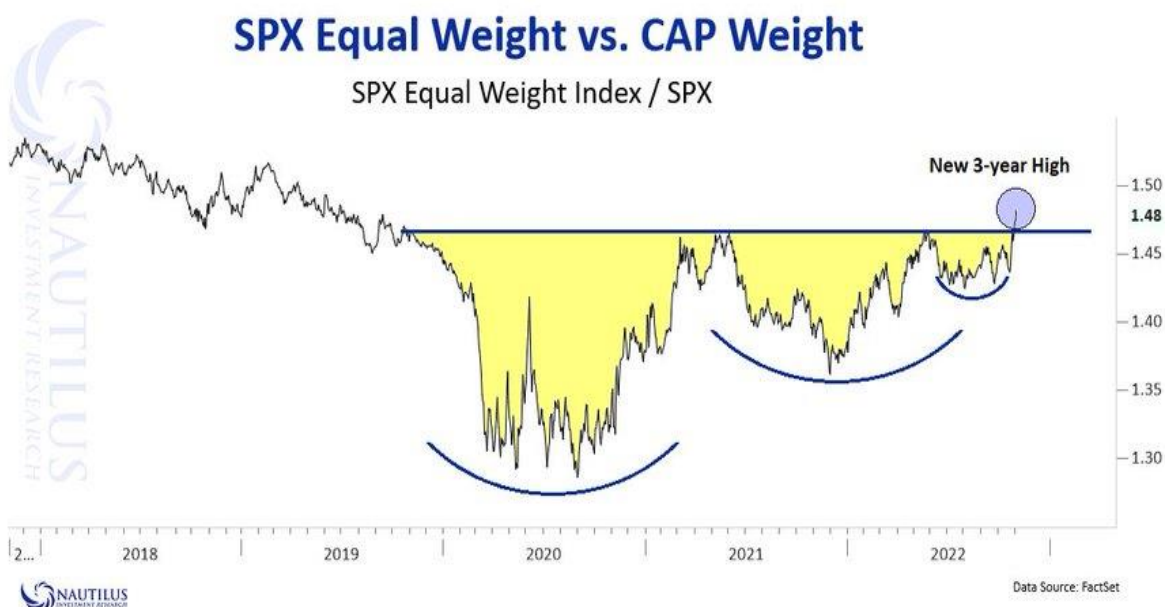


Source: Bloomberg, HolgerZ



#us #equities #equal-weight

SPX Equal Weight Index / SPX Cap. Weight is breaking out. A stock-picker market?



Source: Nautilus Research

#GLOBALMARKETS WEEKLY WRAP-UP

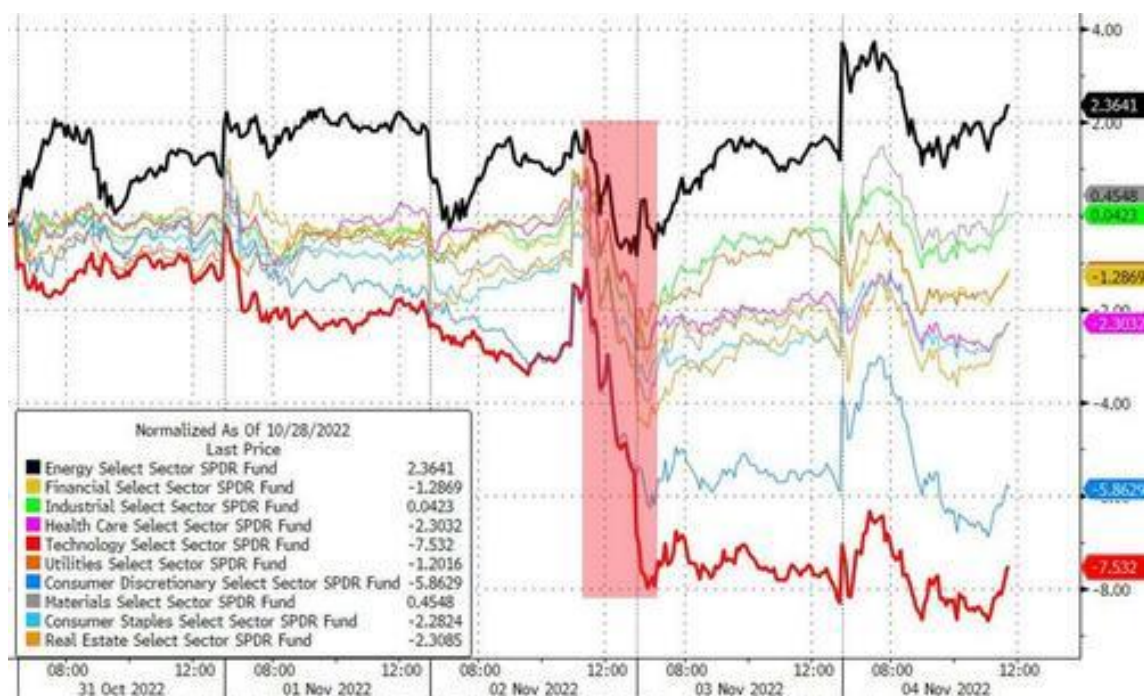
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#us #equities #sectors

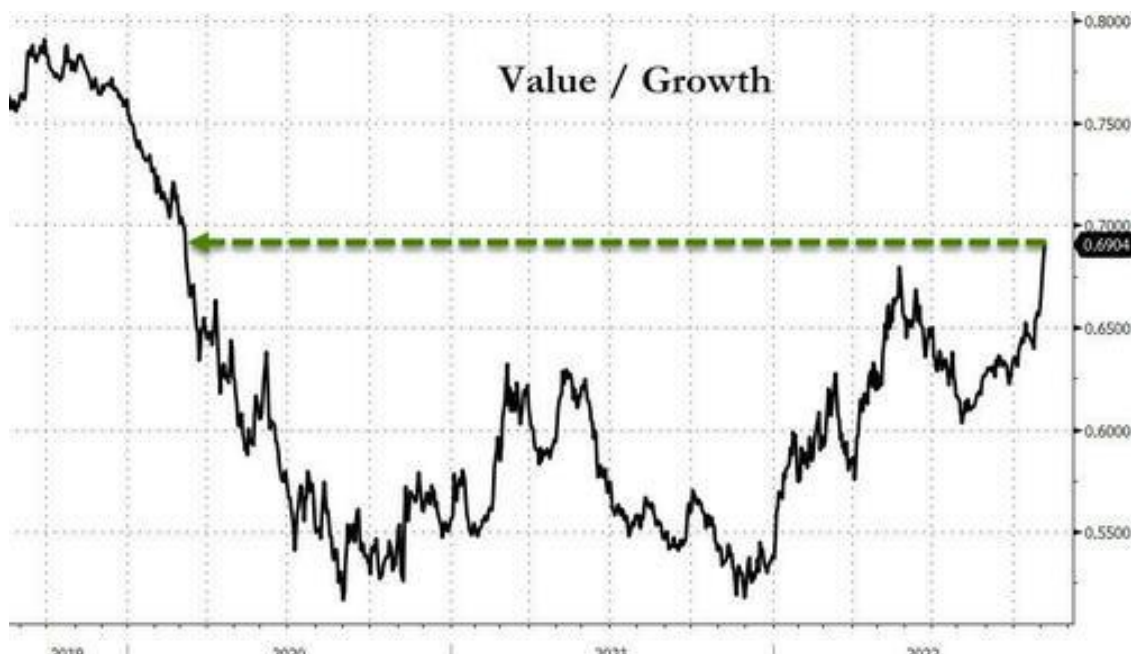
US Tech stocks puked around 8% on the week while Energy stocks outperformed (up 2% on the week)...



Source: www.zerohedge.com, Bloomberg

#us #equities #value

Value stocks dramatically outperformed Growth on the week, surging up to pre-COVID levels relative to one another. Value has outperformed growth for 7 of the last 8 days. This week was the biggest value outperformance of growth since Jan 7th...



Source: www.zerohedge.com, Bloomberg



#post-fomc #nasdaq #10year-yield

Post- FOMC conference in one chart: Nasdaq 100 plunges >3% after Fed's Powell killed pivot hope. 10y yields turned higher to 4.08%.

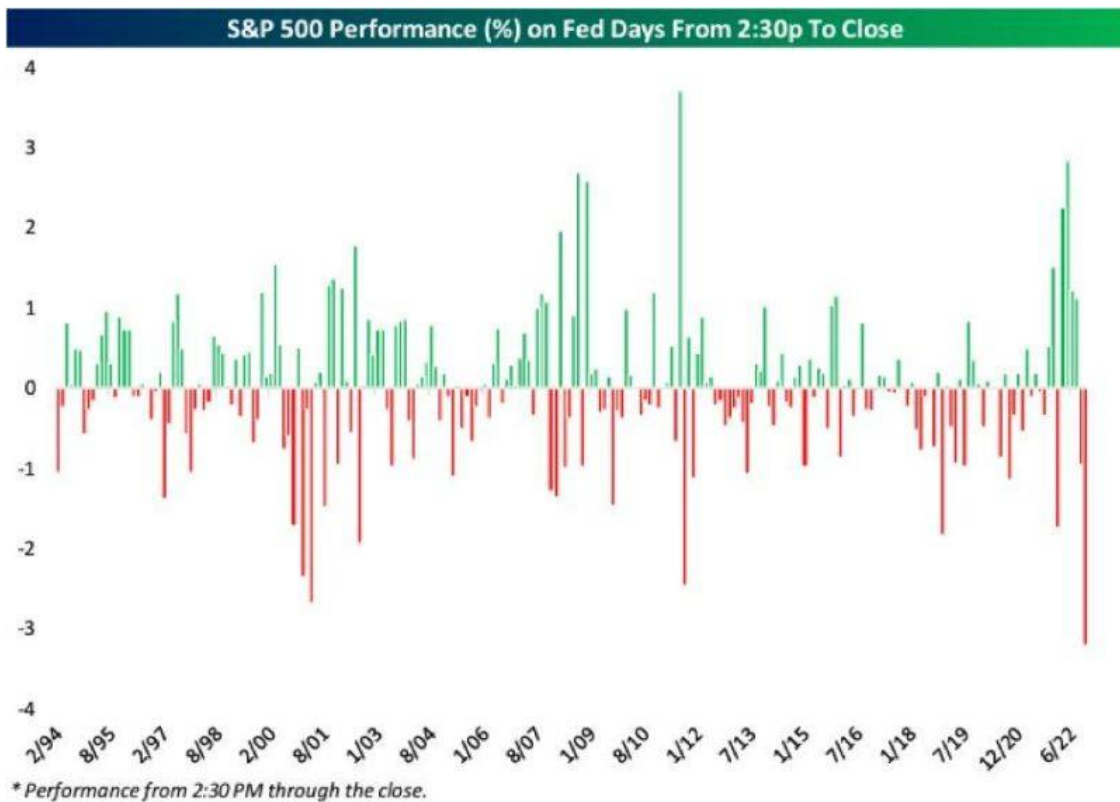


Source: Bloomberg



#us #equities #fed-day #performance

"HAS THE SQUEEZE BEEN SQUOZE?" asked JP Morgan as It Wednesday was the WORST FINAL 90 MINUTES TO A Fed DAY IN HISTORY according to Bespoke.

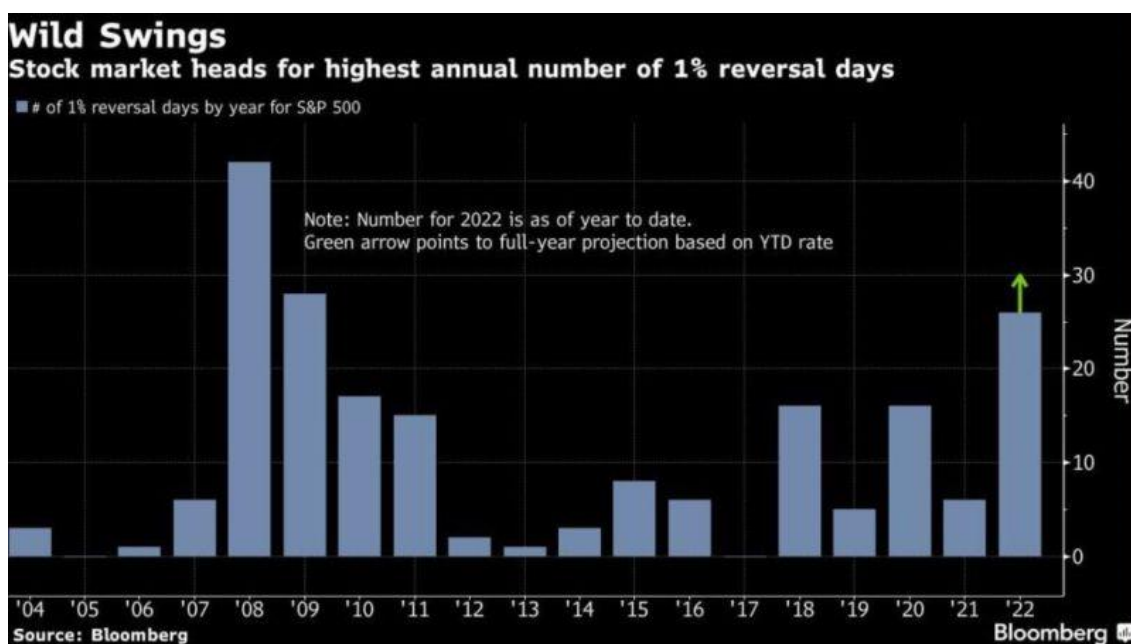


Source: Bespoke



#us #equities #volatility

It has been a wild year (and it is not over yet). The S&P 500 heads for highest annual number of 1% reversal days.



Source: Bloomberg



#us #equities #flows

Over the last few weeks, it has been hedgefunds and retail investors buying stocks as institutions were net sellers.

Rolling four-week average trends by client type

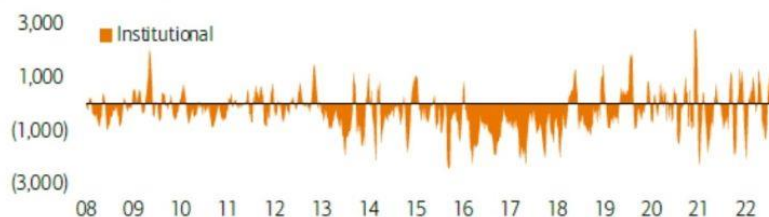
Exhibit 29: Hedge Funds: recent inflows
Net buys (4 week avg, \$ mn)



Source: BofA Securities

BofA GLOBAL RESEARCH

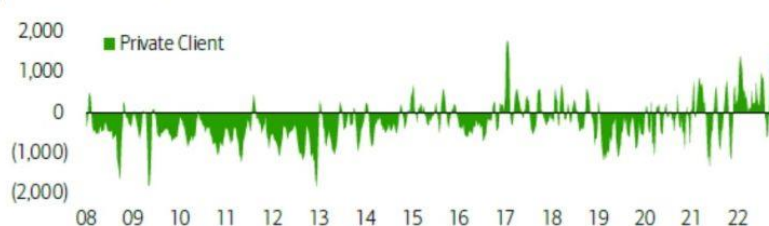
Exhibit 30: Institutional clients: recent inflows
Net buys (4 week avg, \$ mn)



Source: BofA Securities

BofA GLOBAL RESEARCH

Exhibit 31: Private clients: recent inflows
Net buys (4 week avg, \$ mn)



Source: BofA Securities

BofA GLOBAL RESEARCH



Source: BofA



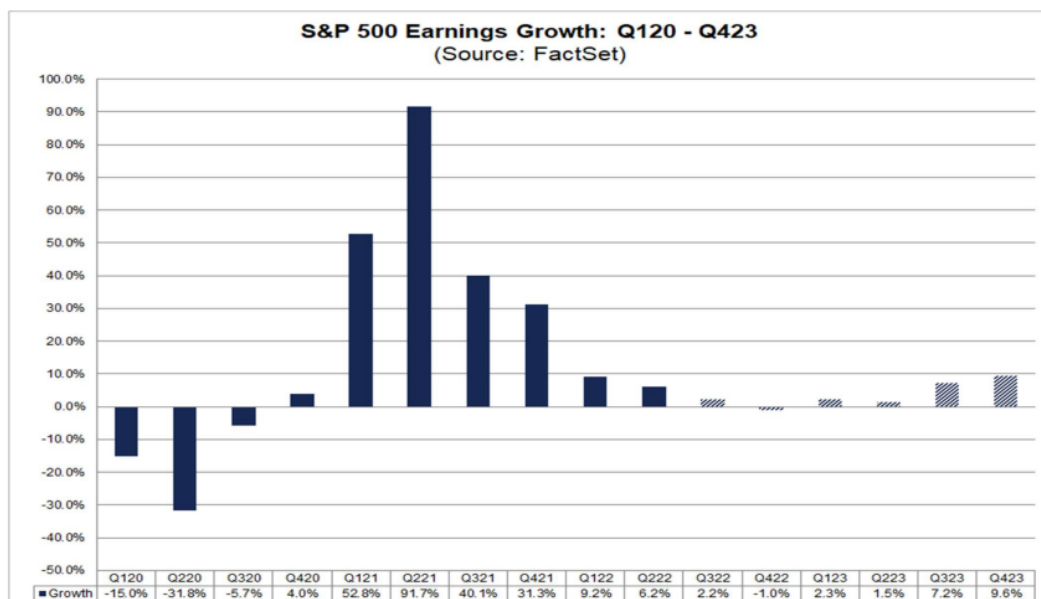
#us #earnings

85% of SPX companies have reported Q3 results:

70% EPS beat rate

71% sales beat rate (rare to have sales BR > EPS)

Blended SPX earnings growth rate +2.2%, lowest since Q3 2020
50 cos with negative EPS guidance, 23 positive.



Source: Factset



#us #earnings #estimates

Bloomberg notes that the outlook for US corporate profits outside the energy sector is deteriorating fast. Blended earnings estimates for the S&P 500 Ex-Energy Index have been slashed so much since June that they are now back to last December levels.



Source: Bloomberg

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#us #equities #valuations

The average 12-month trailing earnings yield on the S&P 500 is the lowest it has been vs U.S. 2-year yields since 2007.



Source: Bloomberg



#markets

#faangs



Charlie Bilello 
@charliebilello



The combined revenue of the 4 largest US companies hit a record \$1.38 trillion over last 12 months...

Apple **\$AAPL**: \$394 billion

Microsoft **\$MSFT**: \$203 billion

Google **\$GOOGL**: \$282 billion

Amazon **\$AMZN**: \$502 billion

That's larger than the GDP of all but 14 countries.

5:51 AM · Nov 1, 2022 · Twitter Web App

#markets

#faangs

The six mega-caps that have at one point had trillion \$ market caps have now lost more than \$5 trillion in market cap from their peaks. \$MSFT and \$AMZN have each nearly lost a trillion!

"Trillion Dollar Market Cap Club" Losses

Ticker	Company Name	Date of High	% Drawdown	Market Cap (\$ bn)		
				At Peak	Current	Change
AAPL	Apple	1/3/2022	-24.71	\$2,986.1	\$2,172.7	-\$813.4
MSFT	Microsoft	11/19/2021	-36.81	\$2,576.1	\$1,615.6	-\$960.5
GOOGL	Alphabet	11/18/2021	-43.34	\$1,995.1	\$1,098.3	-\$896.7
AMZN	Amazon	7/8/2021	-51.59	\$1,881.8	\$919.8	-\$962.1
TSLA	Tesla	11/4/2021	-46.38	\$1,235.2	\$694.3	-\$540.9
META	Meta Platforms	9/7/2021	-76.69	\$1,077.5	\$236.2	-\$841.4
Trillion \$ Club Avg.		10/20/2021	-46.59	\$11,751.8	\$6,736.9	-\$5,014.9
S&P 500		1/3/2022	-21.46	\$42,365.4	\$32,811.2	-\$9,554.2

Source: Bespoke



#amazon

Amazon, the darling of the last cycle is approaching its March 2020 lows is now down over 50% from its peak. Analysts are now valuing Amazon's core e-commerce business at \$0. ALL of the enterprise value is ascribed to Cloud AWS.

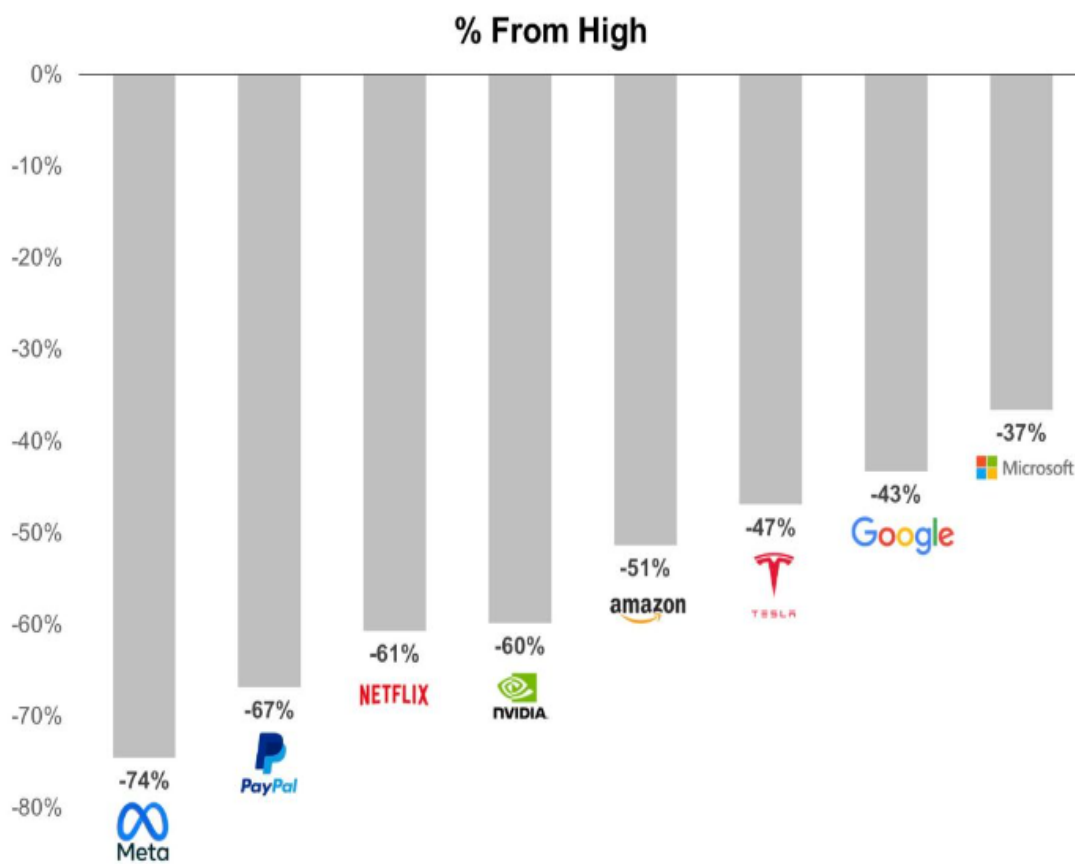


Source: Crescat Capital, Bloomberg



#big-tech #drawdowns

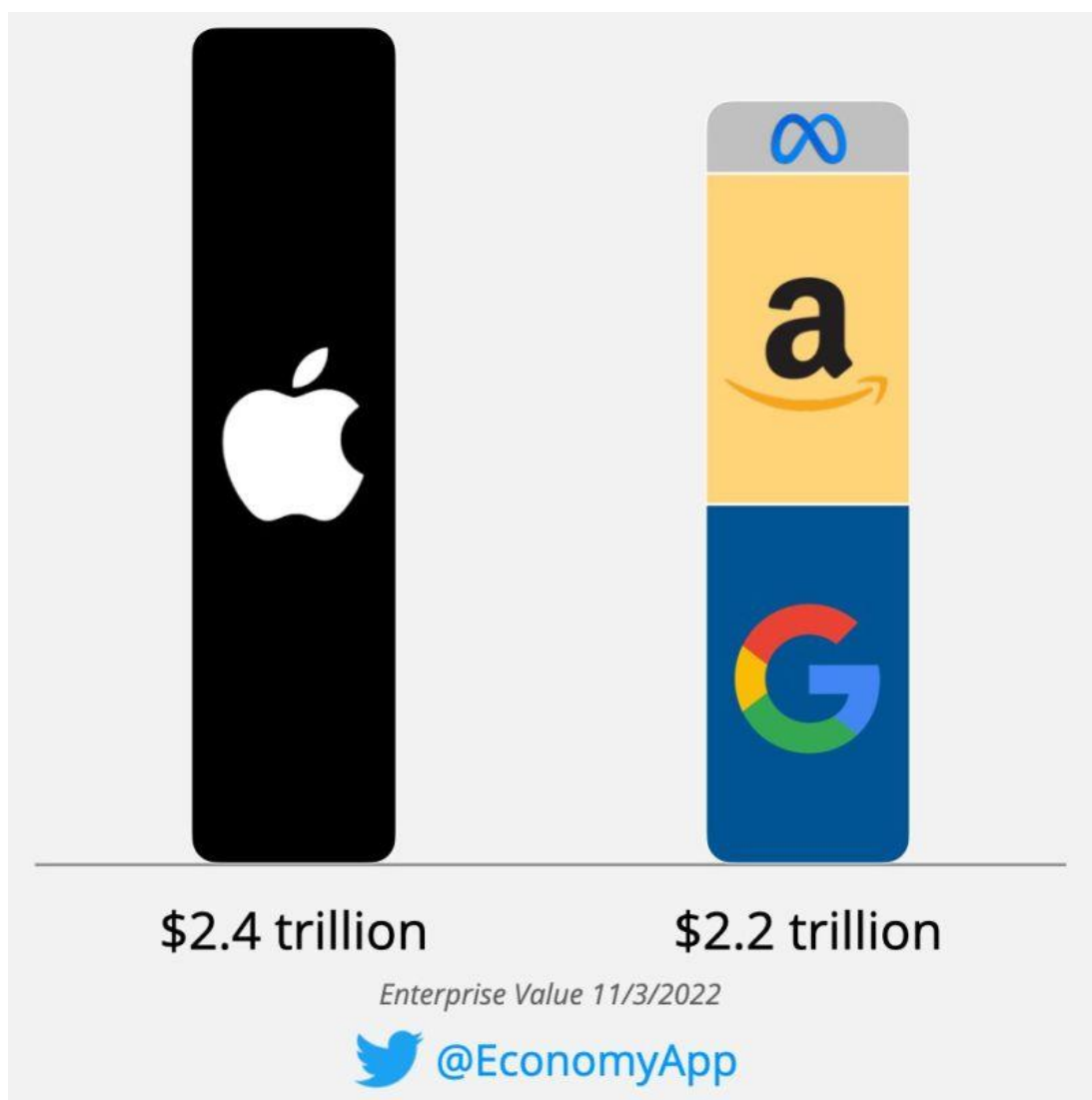
Drawdowns from Highs in Big Tech.



#markets

#apple

Apple is now worth more than Google, Amazon, and Meta combined.

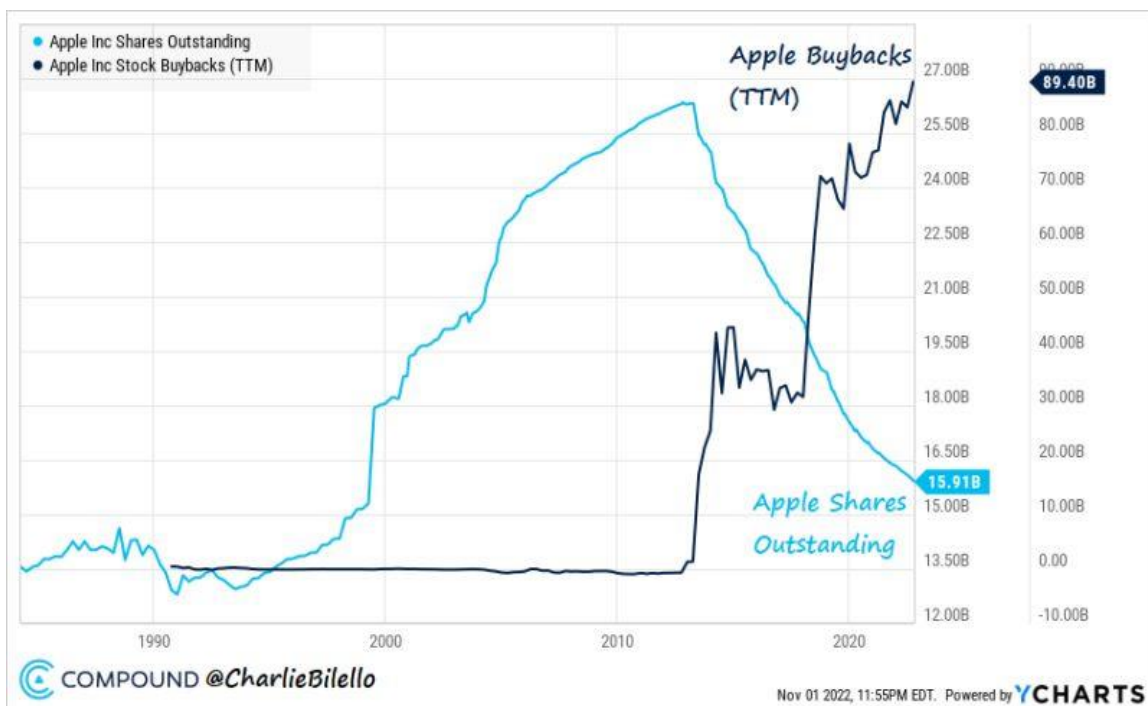


Source: App Economy Insights



#apple #buybacks

Apple has bought back \$549 billion in stock over the past 10 years, which is greater than the market cap of 494 companies in the S&P 500.

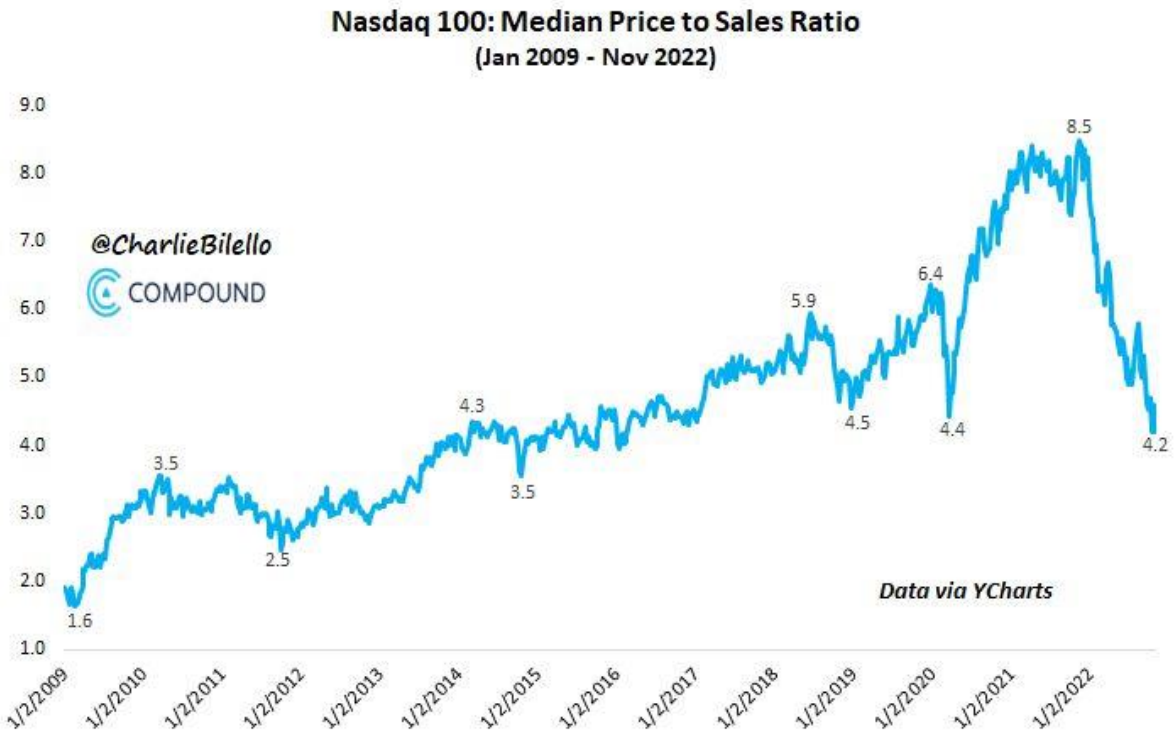


Source: Charlie Bilello



#nasdaq100 #valuations

The median price to sales ratio in the Nasdaq 100 has moved down to 4.2x, its lowest level since February 2016. It peaked last November at 8.5x and the Nasdaq 100 is down over 35% since.



Source: Charlie Bilello



#fangman #weight

Big Tech's crash in a chart: The combined market cap of FANGMAN (Facebook, Apple, Microsoft, Amazon, Netflix, Google) is only 20% of the S&P 500 market cap. Not long ago, Big Tech had a weight in the index of 27%.



Source: Bloomberg

#markets

#growth #stocks #valuations

Amazon: 94x
Tesla: 70x
Netflix: 26x
Apple: 25x
Microsoft: 25x
S&P 500: 20x
Google: 19x
Facebook: 9x

Price to Sales Ratios...

Tesla: 10x
Microsoft: 9x
Apple: 6x
Google: 4.4x
Netflix: 4.2x
S&P 500: 2.3x
Facebook: 2.2x
Amazon: 2.1x

#markets

#speculative-stocks

*DRAFTKINGS CLOSES 28% LOWER IN BIGGEST DROP EVER

*CARVANA TUMBLES A RECORD 39% TO CLOSE AT \$8.77

*TWILIO POSTS WORST ONE-DAY DROP OF 35%, CLOSES AT FOUR-YEAR LOW

#speculative #stocks

Nikola & Virgin Galactic

Nikola Net Income

Q3 '22: -\$236 mil.

Q2 '22: -\$173m

Q1 '22: -\$153m

Q4 '21: -\$159m

Q3 '21: -\$268m

Q2 '21: -\$143m

Q1 '21: -\$120m

Q4 '20: -\$142m

Q3 '20: -\$80m

Q2 '20: -\$116m

Q1 '20: -\$33m

Q4 '19: -\$26m

Q3 '19: -\$16m

Peak market cap: \$34 billion

Market cap today: \$1 billion

Virgin Galactic Net Income

Q3 '22: -\$146 mil.

Q2 '22: -\$111m

Q1 '22: -\$93m

Q4 '21: -\$81m

Q3 '21: -\$48m

Q2 '21: -\$94m

Q1 '21: -\$130m

Q4 '20: -\$104m

Q3 '20: -\$92m

Q2 '20: -\$72m

Q1 '20: -\$377m

Q4 '19: -\$220m

Peak market cap: \$15 billion

Market cap today: \$1 billion

Source: Charlie Bilello

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#markets

#cloud #stocks

Back to square zero.



Source: James Nianco



#tech #stocks

The ratio of Tech sector relative to S&P 500 has fallen to lowest since June 2020

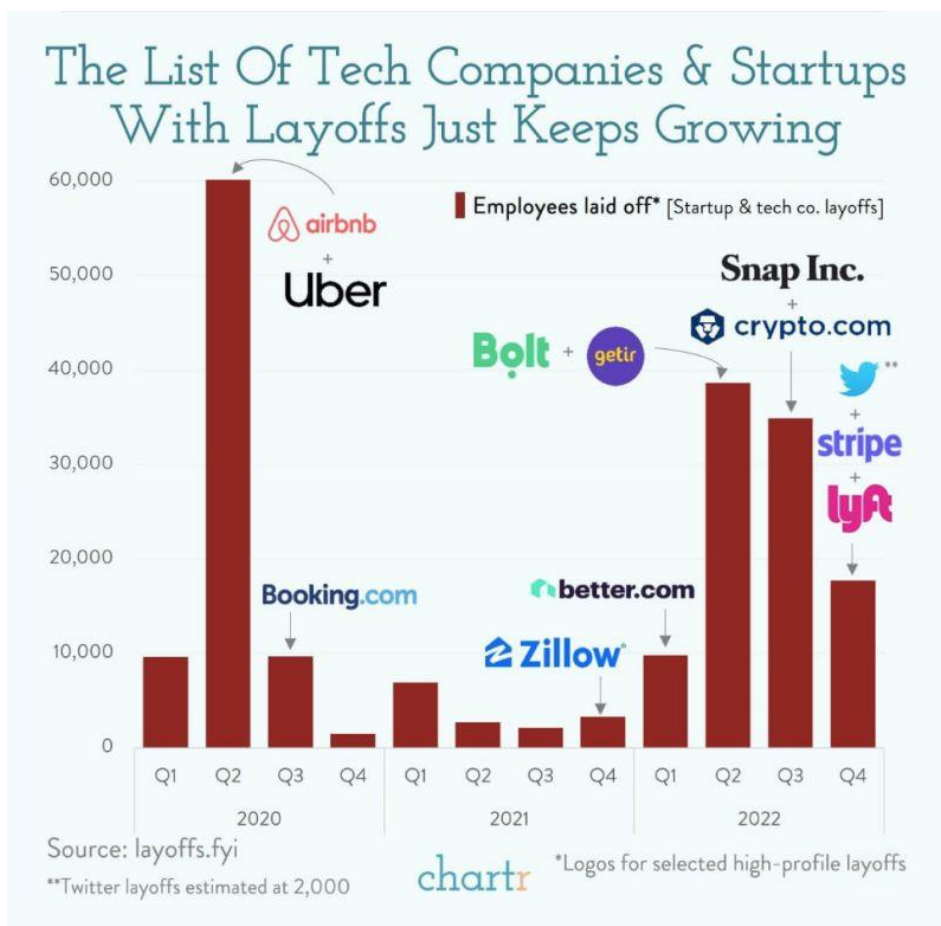


Source: Liz Ann Sonders



#tech #layoffs

A flurry of layoffs at high-growth companies and startups have again swept over the tech ecosystem in the last 2 days. Fintech company Stripe, one of the world’s most valuable startups, was one of the most high-profile to announce cuts along with Lyft, Opendoor, Chime and of course Twitter — where potentially up to half of employees are expected to be let go today via email.



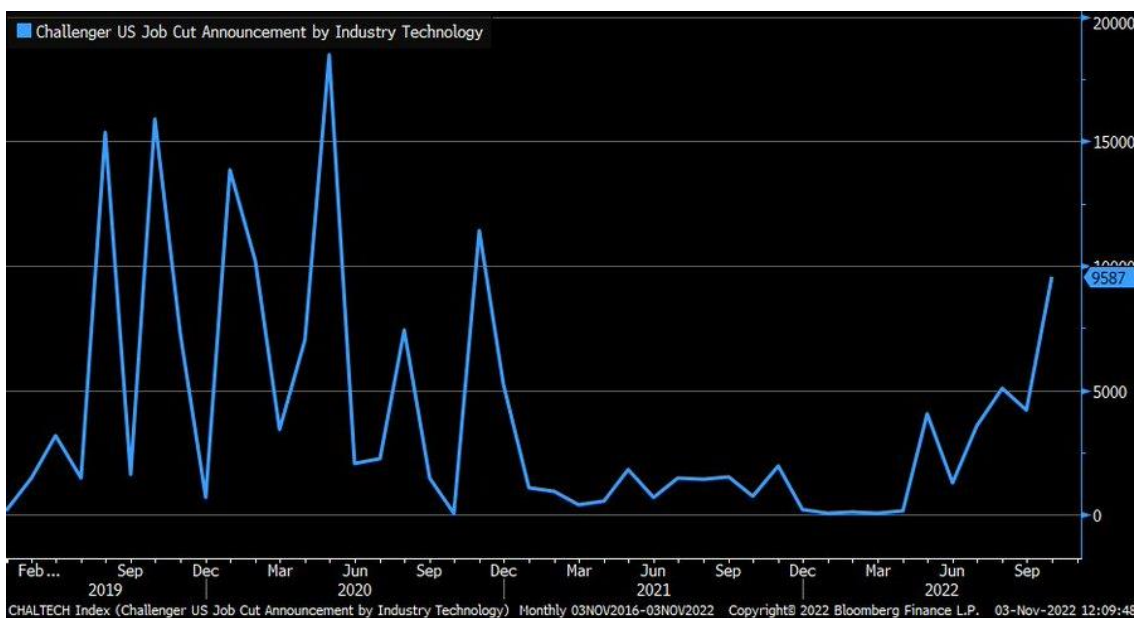
Source: Chartr





#tech #layoffs

Tech layoff announcements keep coming ... tally has been picking up since March per



Source: Bloomberg, Liz Ann Sonders

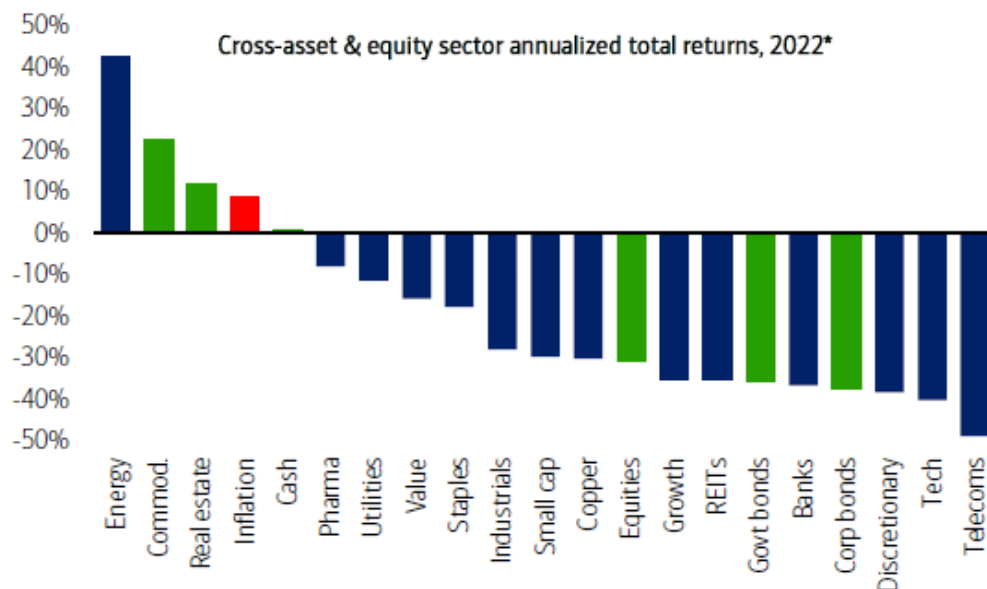


#us #equities #sector #leadership

Energy has been the only #sector making money this year.

Chart 10: Relative returns in 2022...

Cross-asset & equity sector annualized returns (2022 YTD)



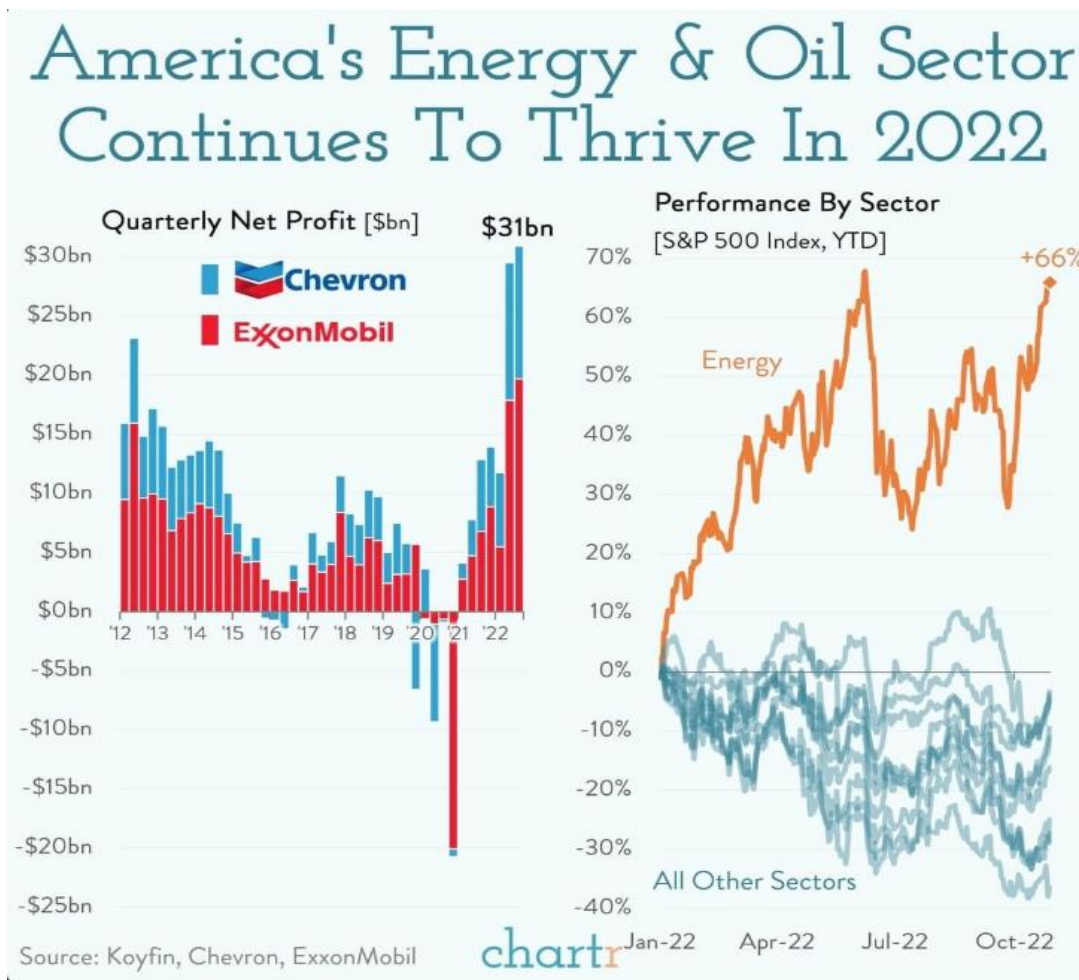
Source: BofA Global Investment Strategy, Bloomberg, Global Financial Data, 2022 YTD annualized
BofA GLOBAL RESEARCH

Source: BofA



#energy #exxon #chevron

Energy is up 66% this year. Every other sector in the S&P 500 Index has lost ground. ExxonMobil and Chevron combined raked in more than \$30bn of profit in the last 3 months, with Exxon printing their best quarter in the company's 156-year history.

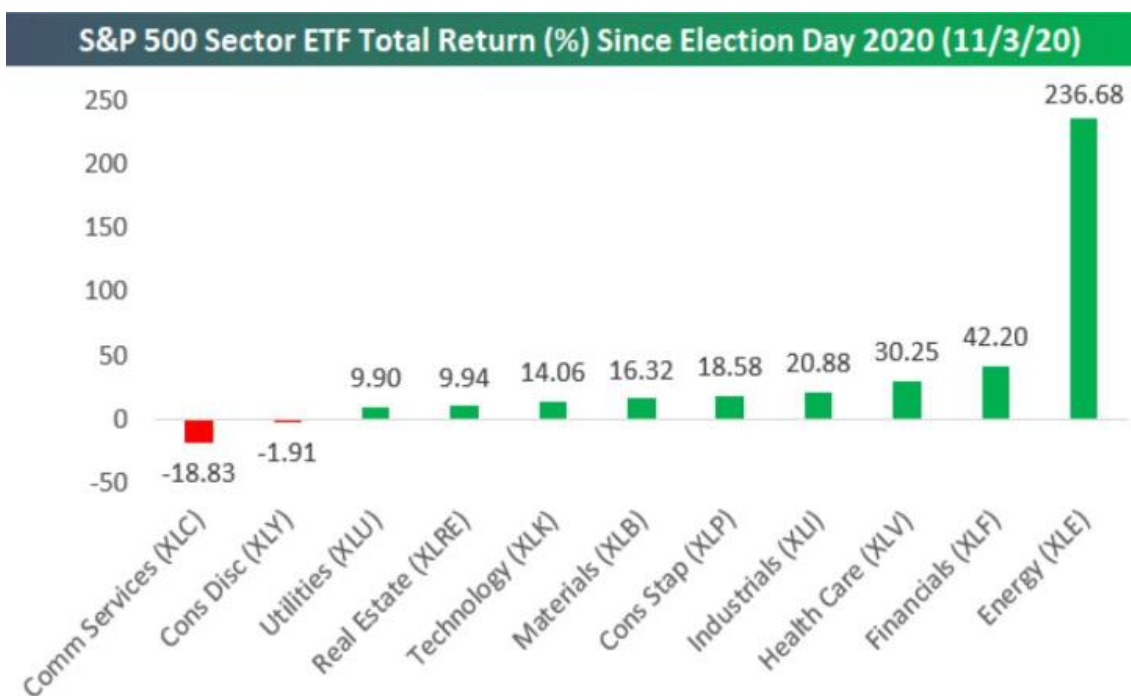


Source: Chart



#energy #performance

Here's a look at S&P sector ETF total returns since Election Day 2020.

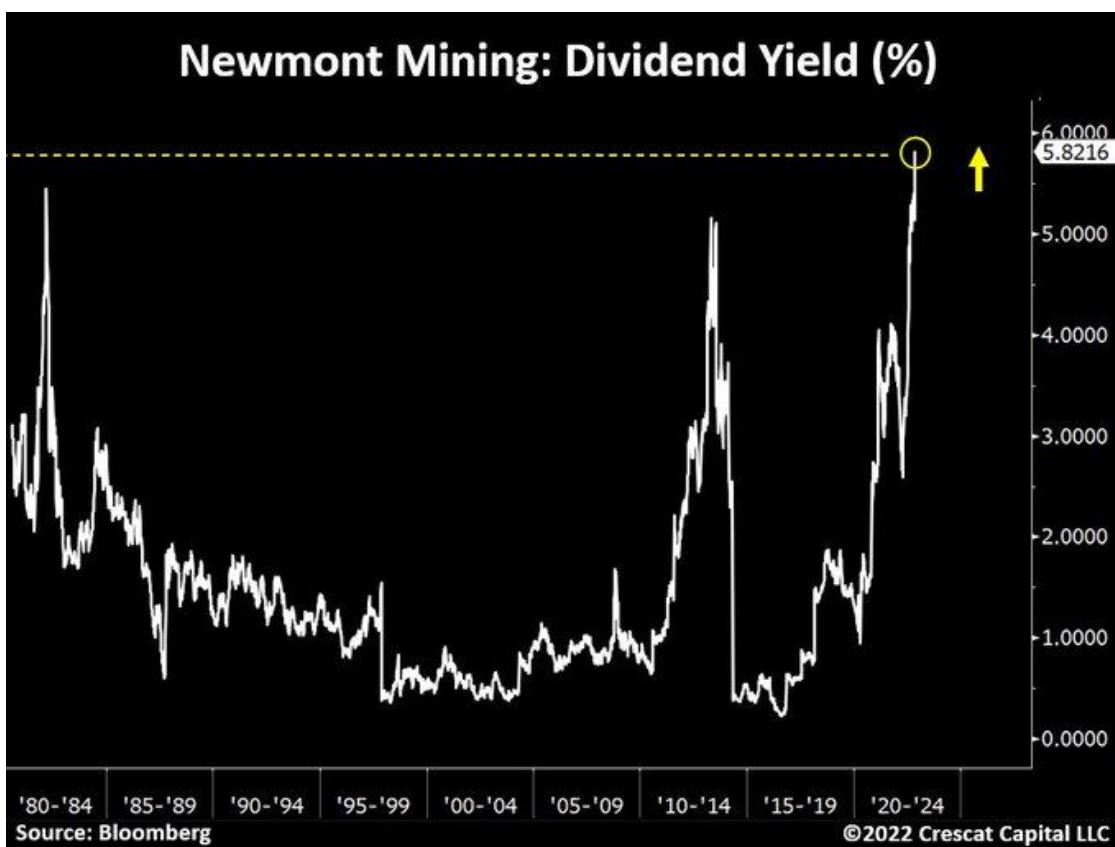


Source: Bespoke



#gold #miners

Newmont now paying more dividends than any other time in 42 years.



Source: Crescat Capital, Bloomberg



#china #internet #stocks

\$KWEB is up about 18% this week, easily it's best week ever. The bounce everyone was betting on last year finally came, but many couldn't hang in, as the fund has seen four straight months of outflows.



Source: Bloomberg, HolgerZ



#us #treasuries

Treasuries were very mixed on the day with the long-end underperforming (30Y +6bps, 2Y -5bps), but on the week, its the opposite picture with 2Y yield sup 25bps and 30Y up only 10bps as the entire curve repriced higher in yields...



Source: www.zerohedge.com, Bloomberg

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#markets

#us #treasuries #2y

U.S. 2-year yields are at new post-2007 highs.

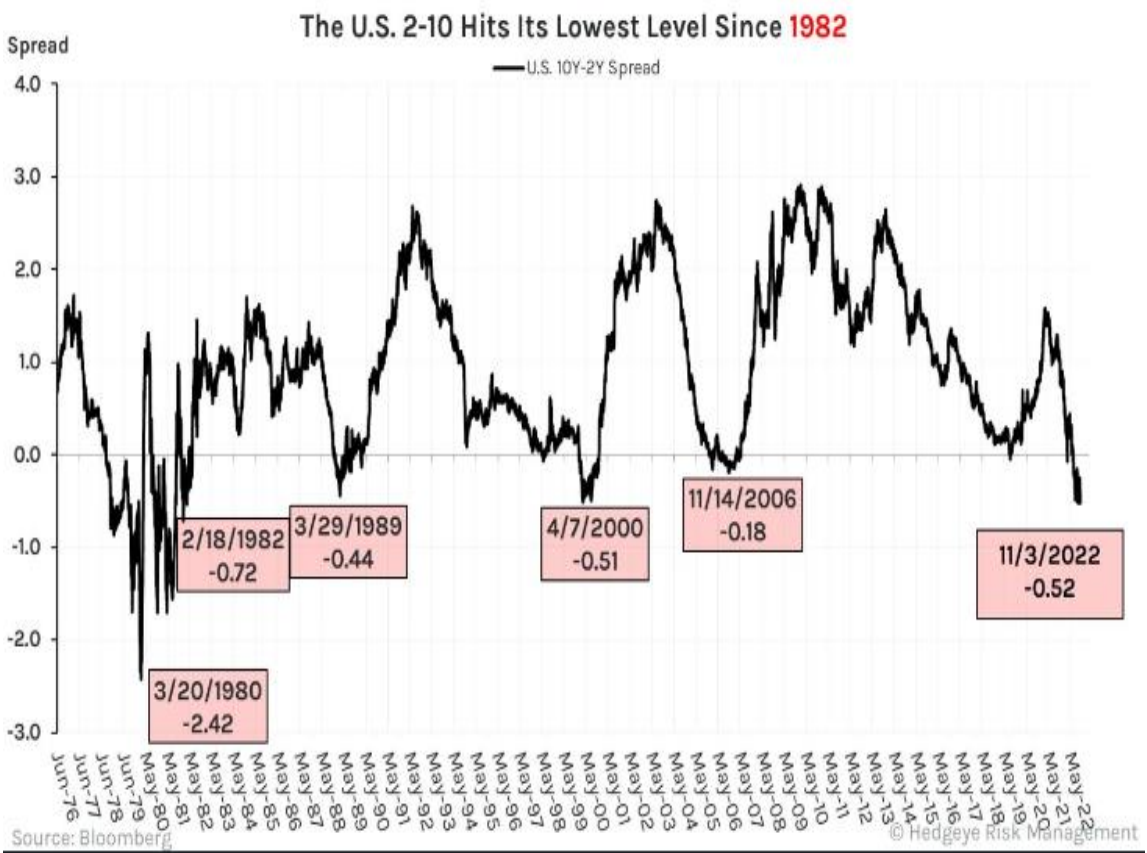


Source: Bloomberg



#us #yield-curve

The U.S. Yield Curve is the most inverted it has been in 42 years



Source: Hedgeye risk management



#italy #btp

Bundesbank's Nagel: TPI (Transmission Protection Instrument) isn't an instrument to finance certain countries... BTP-Bund spreads spiked



Source: Bloomberg, HolgerZ



#etfs #cash

CASH YIELD COMPETITION. Assets into cash-like ETFs have grown from \$5 billion to \$85b in five years with \$30b of it coming this year. And a lot of this money will likely stay for a while now that they have decent yields.



Source: Bloomberg

#credit-suisse #rating

Credit Suisse long-term rating was cut to BBB- from BBB, with a stable outlook. That's just one notch above the BB "speculative grade." The US ratings firm, echoing several analyst after the restructuring was announced on Thursday, said it sees "material execution risks amid a deteriorating and volatile economic and market environment." It also signaled that some details around asset sales remain "unclear."






#multi-assets

The last 8 times the S&P 500 was down in a calendar year, Bonds finished the year up, cushioning the blow.

Very different story thus far in 2022 with Stocks and Bonds both down over 10%, something we've never seen.

S&P 500 Down Years (1976 - 2022)			
Year	S&P 500 Total Return (Stocks)	Bloomberg US Agg Index TR (Bonds)	60/40 Portfolio (S&P 500 / Bloomberg Agg)
1977	-7.2%	3.0%	-3.1%
1981	-4.9%	6.2%	-0.5%
1990	-3.2%	9.0%	1.7%
2000	-9.1%	11.6%	-0.8%
2001	-11.9%	8.4%	-3.7%
2002	-22.1%	10.3%	-9.2%
2008	-37.0%	5.2%	-20.1%
2018	-4.4%	0.0%	-2.6%
2022 YTD	-17.7%	-15.7%	-16.9%

 **COMPOUND** Data as of 10/31/22 @CharlieBilello

Source: Charlie Bilello



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#markets

#forex

BRL and MXN the only currencies to rise against dollar this year.



Source: Bloomberg

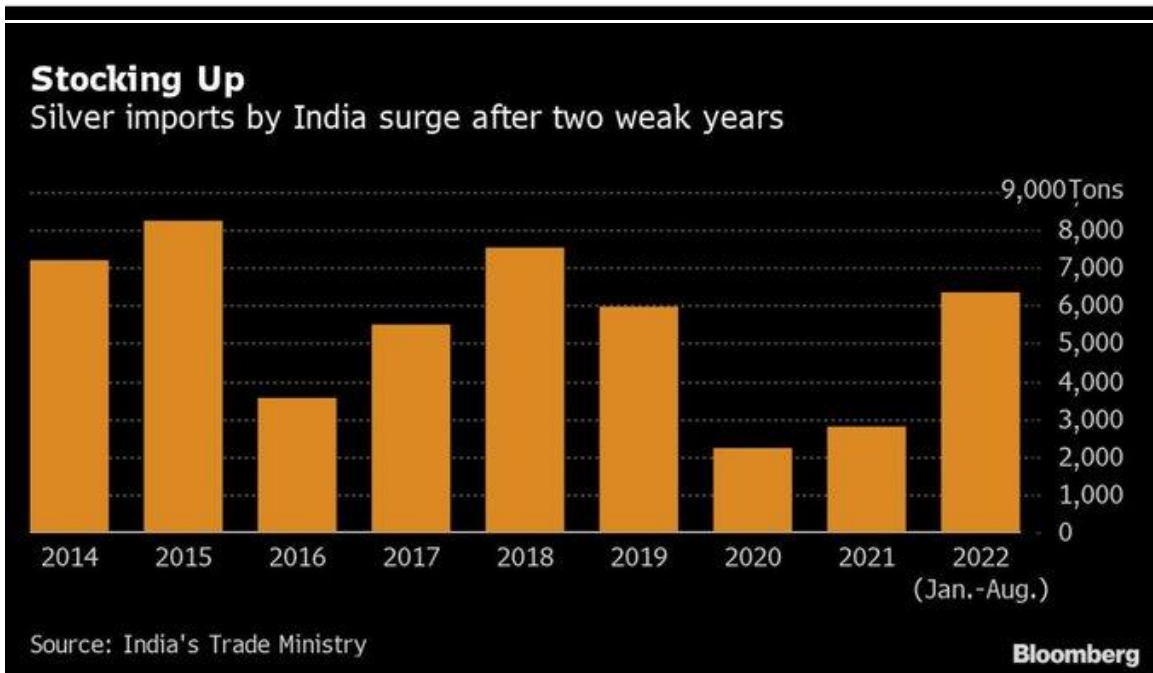


#silver

Markets

India's Massive Silver Demand Cutting World's Warehouse Stocks

- Consumption of precious metal may jump about 80% to a record
- 'Poor man's gold' remains popular in nation's rural regions



Source: Bloomberg



#oil #saudi

Saudi Arabia has lowered its official selling prices for oil for all its Asian clients, with the flagship Arab Light for December delivery now priced \$0.40 lower, Bloomberg reported, citing the slowdown across Asian economies. At the same time, the Saudis raised the price of the oil they will be selling to Europe in December. Prices for the United States remained unchanged.

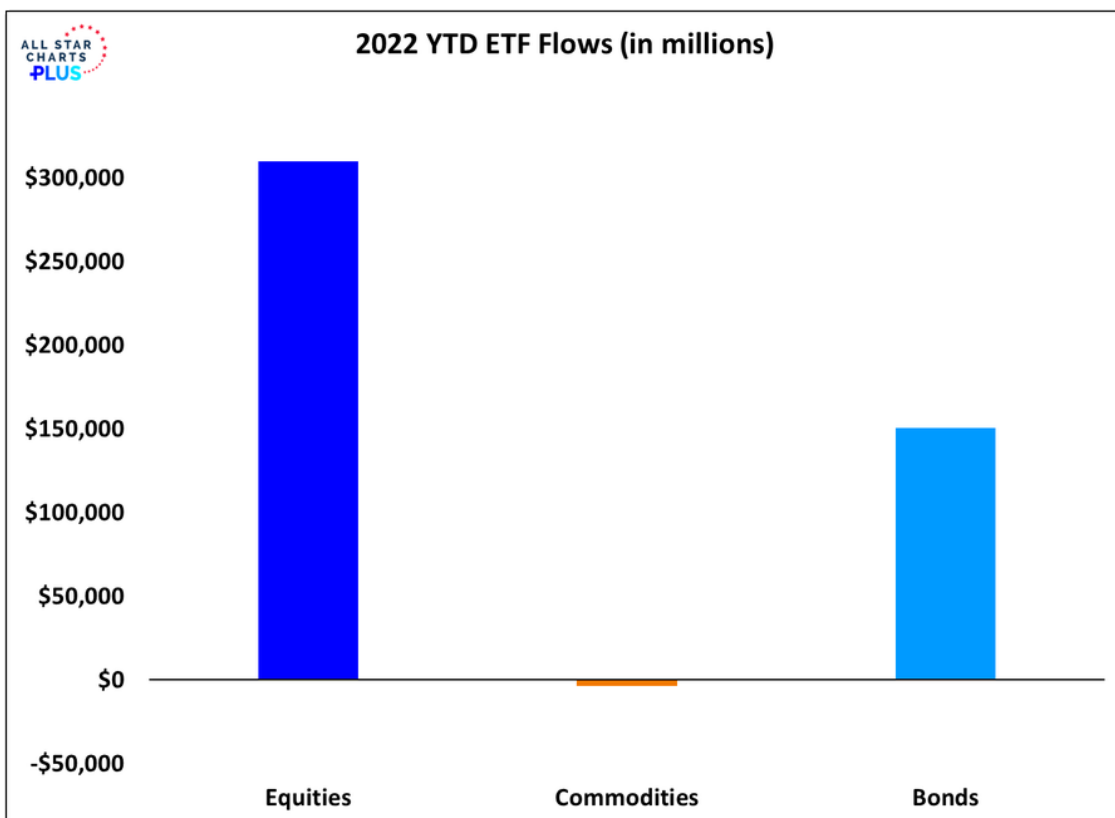


Source: Oilprice.com, Bloomberg



#commodities #flows

When it comes to buying equities and ignoring commodities, seems like investors can't stop, won't stop.

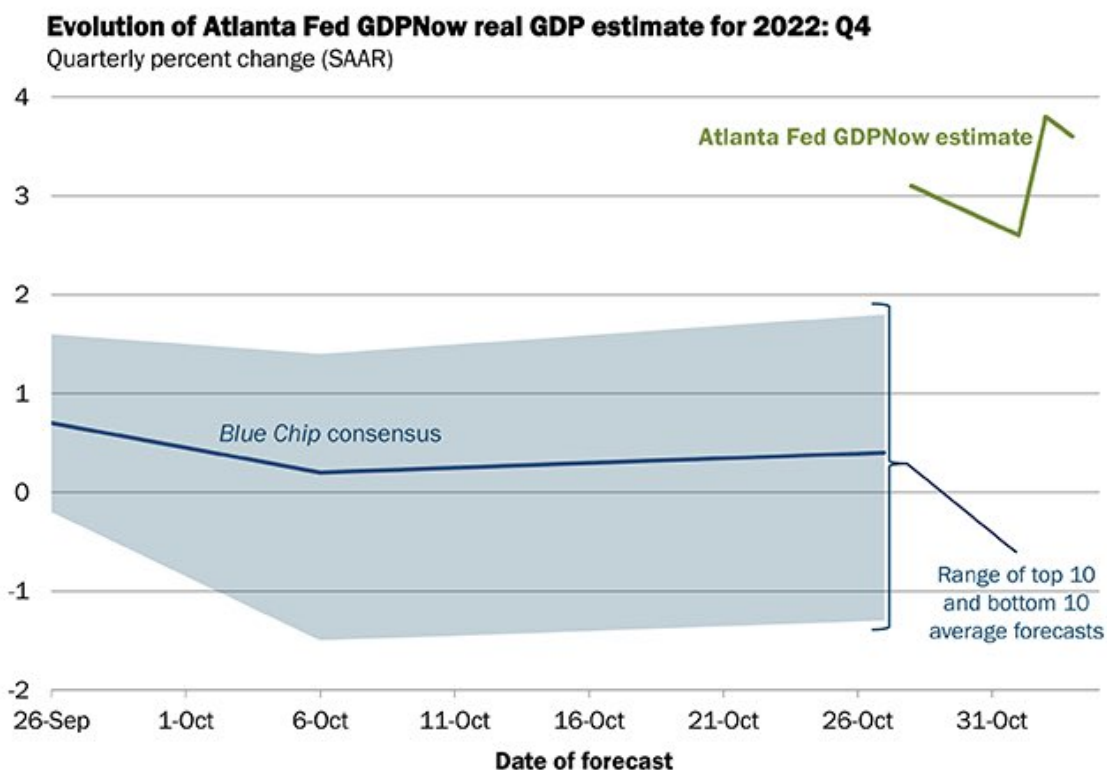


Source: All Stars Charts



#us #gdp

Current estimate for 4Q22 GDP is +3.6% (q/q ann.); most strength driven by consumer spending (contribution is +2.7%).



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts
Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

Source: Atlanta Fed



#us #housing

Homebuilders say 2023 is going to bring an even sharper downturn in the market, as high interest rates scare away buyers.

Housing starts for single-family homes dropped nearly 19% year over year in September, according to the U.S. Census. Building permits, which are an indicator of future construction, fell 17%.



Source: Mac10

#macro

#us #employment

US payrolls surged by 261k in October, better than expected as hiring remains strong. Unemployment rate ticked up to 3.7% from 3.5%. Average hourly earnings grew 4.7% YoY, 0.4% MoM, indicating that wage growth still likely to pressure inflation.



Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	11/04 13:30				Two-Month Payroll Net Revision	Oct	--	29k	--	--
22)	11/04 13:30				Change in Nonfarm Payrolls	Oct	193k	261k	263k	315k
23)	11/04 13:30				Change in Private Payrolls	Oct	200k	233k	288k	319k
24)	11/04 13:30				Change in Manufact. Payrolls	Oct	12k	32k	22k	23k
25)	11/04 13:30				Unemployment Rate	Oct	3.6%	3.7%	3.5%	--
26)	11/04 13:30				Average Hourly Earnings MoM	Oct	0.3%	0.4%	0.3%	--
27)	11/04 13:30				Average Hourly Earnings YoY	Oct	4.7%	4.7%	5.0%	--
28)	11/04 13:30				Average Weekly Hours All Employees	Oct	34.5	34.5	34.5	--
29)	11/04 13:30				Labor Force Participation Rate	Oct	62.3%	62.2%	62.3%	--
30)	11/04 13:30				Underemployment Rate	Oct	--	6.8%	6.7%	--

Source: Bloomberg



#us #employment



Lance Roberts
@LanceRoberts



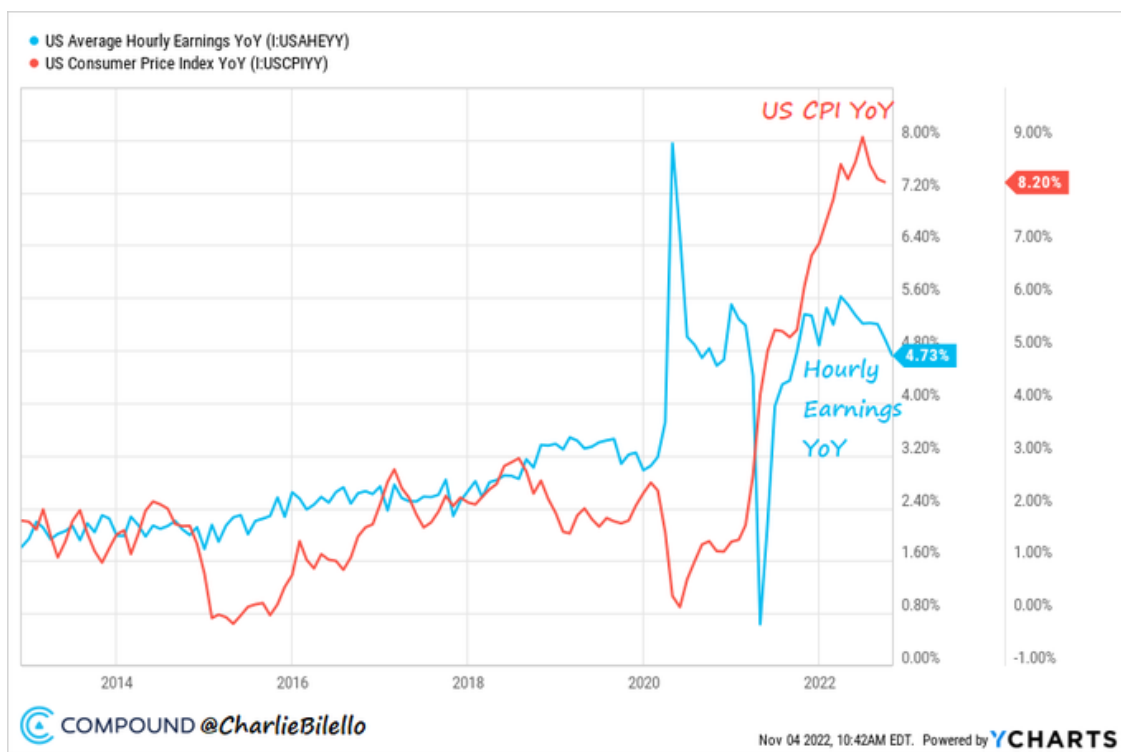
Here is where the #Fed is making a mistake. Yes, #employment has appeared to be strong, however, below the lowest wage paying (and highly temporary) jobs, a big bulk of the #economy is shedding #jobs. The #Fed is going to push until those jobs are lost as well.





#us #real-earnings

US Average Hourly Earnings increased 4.73% YoY in October, the slowest growth rate since August 2021. This is the 19th consecutive month that inflation outpaced the growth in wages, a decline in prosperity for the American worker.

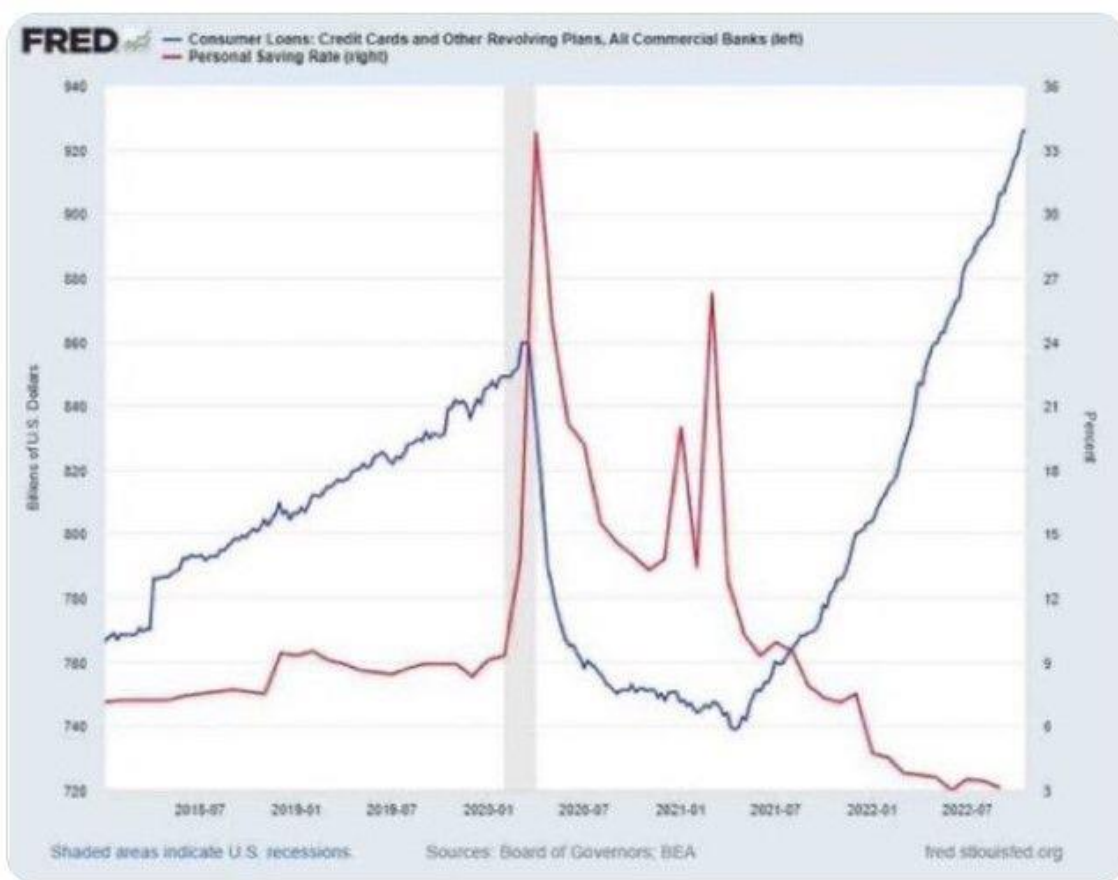


Source: Charlie Bilello



#us #savings-rate

The blue line below is not oil, a meme stock or even a shitcoin. It's credit card debt in America. The red line shows the savings rate which is collapsing.

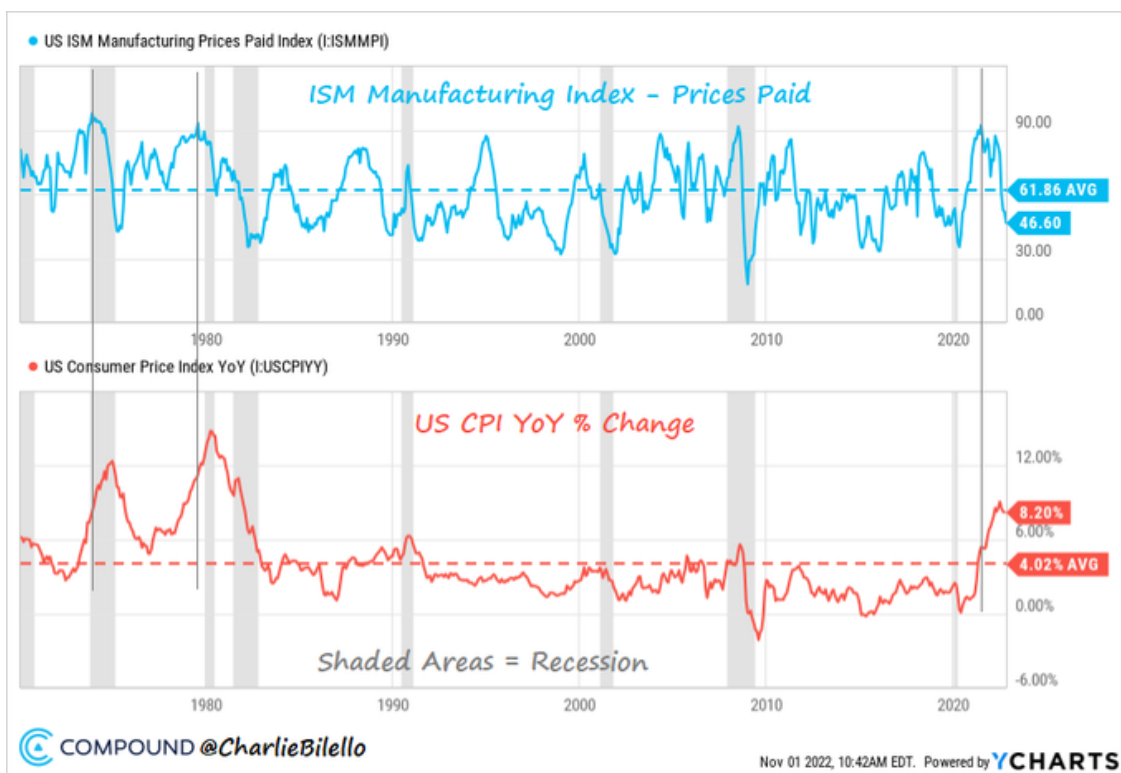


Source: FRED, Genevieve Roch-Decter



#us #inflation

The Prices Paid component of the ISM Manufacturing Index is moving sharply lower. During the inflationary spikes in the 1970s/80s, a downturn in Prices Paid was a leading indicator of lower inflation rates to come, which was associated with US recessions in both of those periods.



Source: Charlie Bilello



#us #eurozone #inflation

The Fed and the ECB are not fighting the same inflation.

Source: Allianz Research

Fed and ECB not fighting the same Inflation

difference Headline vs Core CPI (in pp)



Source: Refinitiv Datastream; Allianz Research

Source: Allianz Research



#eurozone #inflation

Eurozone inflation soars to new record. Prices jumped by record 10.7% in Oct, far exceeding the 10.3% BBG median estimate. Core Inflation accelerated to 5%, a fresh record as well.

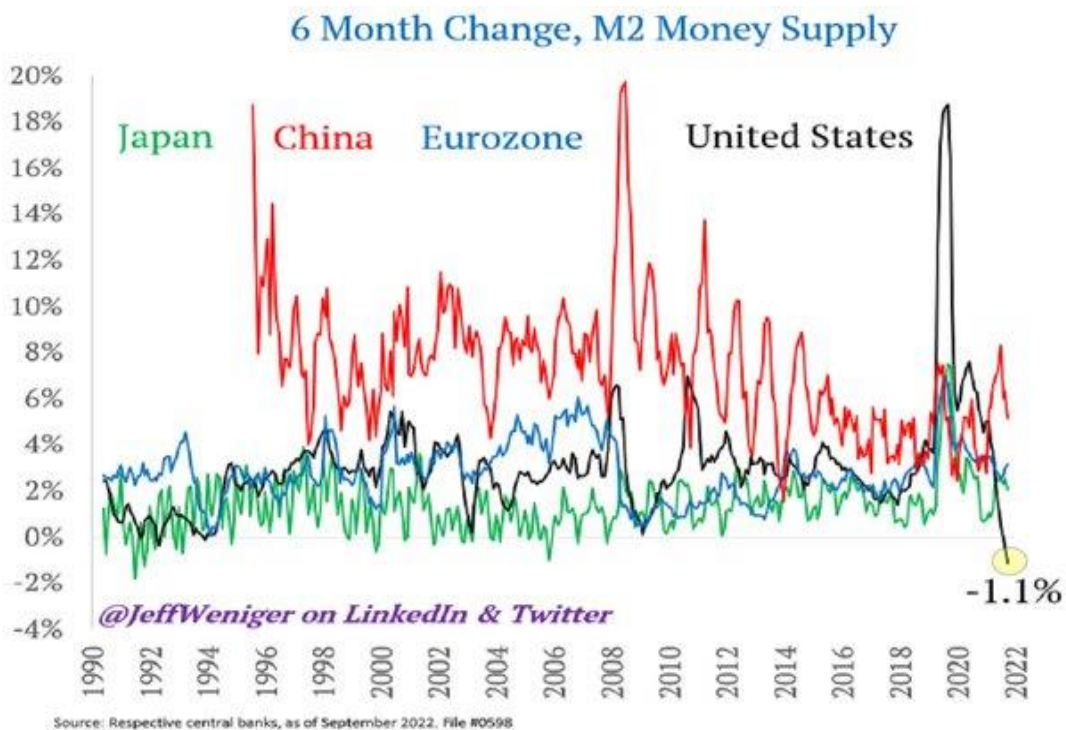


Source: Bloomberg

#centralbanks

#money-supply

One of these is not like the others.



Source: Jeff Weniger

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

5 NOVEMBER 2022

#centralbanks

#interest-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%	3.0%	-3.1%	Cut	Jan-16
Switzerland	Target Rate	0.50%	3.0%	-2.5%	Hike	Sep-22
Thailand	Policy Rate	1.00%	6.4%	-5.4%	Hike	Sep-22
Denmark	Deposit Rate	1.25%	10.0%	-8.8%	Hike	Oct-22
Eurozone	Deposit Rate	1.50%	10.7%	-9.2%	Hike	Oct-22
Taiwan	Discount Rate	1.63%	2.8%	-1.1%	Hike	Sep-22
Sweden	Repo Rate	1.75%	10.8%	-9.1%	Hike	Sep-22
Norway	Deposit Rate	2.50%	6.9%	-4.4%	Hike	Nov-22
Malaysia	Policy Rate	2.75%	4.5%	-1.8%	Hike	Nov-22
Australia	Cash Rate	2.85%	7.3%	-4.5%	Hike	Nov-22
UK	Bank Rate	3.00%	10.1%	-7.1%	Hike	Nov-22
South Korea	Repo Rate	3.00%	5.7%	-2.7%	Hike	Oct-22
New Zealand	Cash Rate	3.50%	7.2%	-3.7%	Hike	Oct-22
China	Loan Prime Rate	3.65%	2.8%	0.9%	Cut	Aug-22
Canada	Overnight	3.75%	6.9%	-3.2%	Hike	Oct-22
US	Fed Funds	3.88%	8.2%	-4.3%	Hike	Nov-22
Hong Kong	Base Rate	4.25%	4.4%	-0.1%	Hike	Nov-22
Philippines	Key Policy Rate	4.25%	6.9%	-2.7%	Hike	Sep-22
Saudi Arabia	Repo Rate	4.50%	3.1%	1.4%	Hike	Nov-22
Indonesia	Repo Rate	4.75%	5.7%	-1.0%	Hike	Oct-22
India	Repo Rate	5.90%	7.4%	-1.5%	Hike	Sep-22
South Africa	Repo Rate	6.25%	7.5%	-1.3%	Hike	Sep-22
Poland	Repo Rate	6.75%	17.9%	-11.2%	Hike	Sep-22
Peru	Policy Rate	7.00%	8.3%	-1.3%	Hike	Oct-22
Czech Republic	Repo Rate	7.00%	18.0%	-11.0%	Hike	Jun-22
Russia	Key Policy Rate	7.50%	13.7%	-6.2%	Cut	Sep-22
Mexico	Overnight Rate	9.25%	8.7%	0.6%	Hike	Sep-22
Turkey	Repo Rate	10.50%	85.5%	-75.0%	Cut	Oct-22
Colombia	Repo Rate	11.00%	11.4%	-0.4%	Hike	Oct-22
Chile	Base Rate	11.25%	13.7%	-2.5%	Hike	Oct-22
Brazil	Target Rate	13.75%	7.2%	6.6%	Hike	Aug-22
Argentina	Benchmark Rate	75.00%	82.9%	-7.9%	Hike	Sep-22

COMPOUND

@CharlieBilello



Source: Charlie Bilello

#centralbanks

#fomc #statement

Fed hikes by 75 basis points. A new sentence in the FOMC statement signals more increases but hints at possibly smaller increments.

For release at 2:00 p.m. EDT [November 2, 2022](#)

Recent indicators point to modest growth in spending and production. Job gains have been robust in recent months, and the unemployment rate has remained low. Inflation remains elevated, reflecting supply and demand imbalances related to the pandemic, higher food and energy prices, and broader price pressures.

Russia's war against Ukraine is causing tremendous human and economic hardship. The war and related events are creating additional upward pressure on inflation and are weighing on global economic activity. The Committee is highly attentive to inflation risks.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to raise the target range for the federal funds rate to 3 ~~to~~ 3-1/4 to 4 percent. The Committee ~~and~~ anticipates that ongoing increases in the target range will be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time. In determining the pace of future increases in the target range, the Committee will 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 addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in the Plans for Reducing the Size of the Federal Reserve's Balance Sheet that were issued in May. The Committee is strongly committed to returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

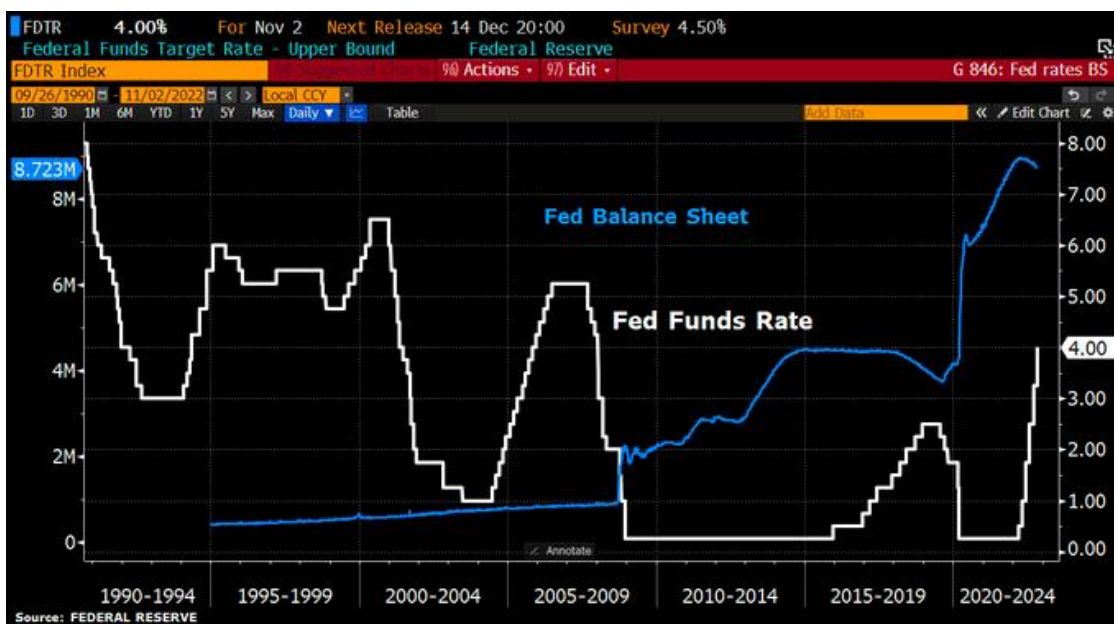
Voting for the monetary policy action were Jerome H. Powell, Chair; John C. Williams, Vice Chair; Michael S. Barr; Michelle W. Bowman; Lael Brainard; James Bullard; Susan M. Collins; Lisa D. Cook; Esther L. George; Philip N. Jefferson; Loretta J. Mester; and Christopher J. Waller.

Source: Fed, Nick Timiraos

#centralbanks

#fed #hawkish

Fed lifts rates by 0.75%, extending a rapid pace of hikes that brings main rate to 4%, the highest level in 15yrs but also signals go-slower strategy. Fed's forward guidance shifted in a dovish direction.





Source: Bloomberg, HolgerZ

#centralbanks

#fed #hawkish

No pivot + no pause = hawkish #fed

Hawkish vs. Dovish

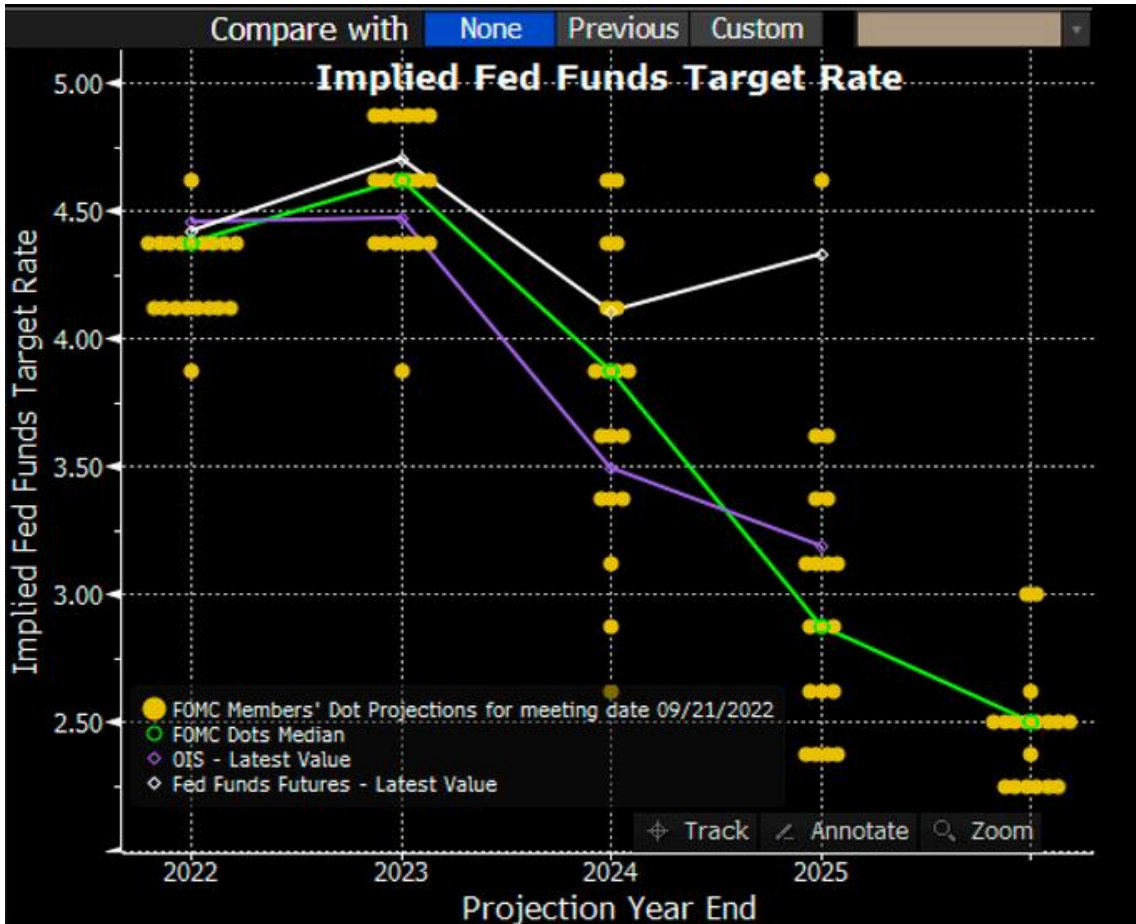
	
<ul style="list-style-type: none">Currency AppreciationIncreasing Interest RatesContractionary Monetary PolicyReduce Inflation	<ul style="list-style-type: none">Currency DepreciationDecreasing Interest RatesExpansionary Monetary PolicyStimulate Economic Growth

Source: Twitter

#centralbanks

#fed #dots

Fed's Powell: Dots should be higher vs Sep, given incoming data & the pattern seen to date. That underscores his early comments that there is still a ways to go in pushing rates up. And he again repeated pausing is not something analysts are thinking about.



Source: Bloomberg, HolgerZ

#centralbanks

#fed #75bps



Bespoke

@bespokeinvest

Six months ago today, Powell "took 75 bps off the table".

Since then:

+75 bps

+75 bps

+75 bps

+75 bps

Source: Bespoke

#centralbanks

#fed #markets-reaction

Post-FOMC conference in one chart: Nasdaq 100 plunges >3% after Fed's Powell killed pivot hope. 10y yields turned higher to 4.08%.

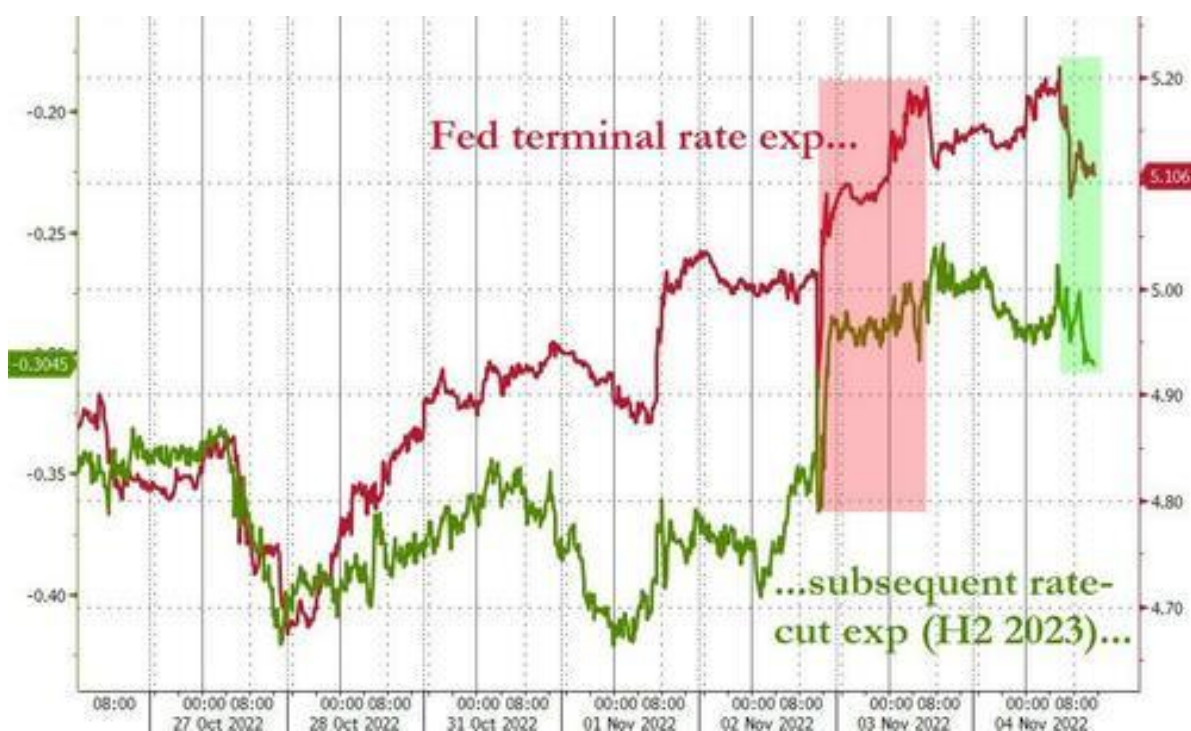


Source: Bloomberg

#centralbanks

#fed #terminal-rate

On the week, short-term interest rates signaled a notably hawkish tone shift...

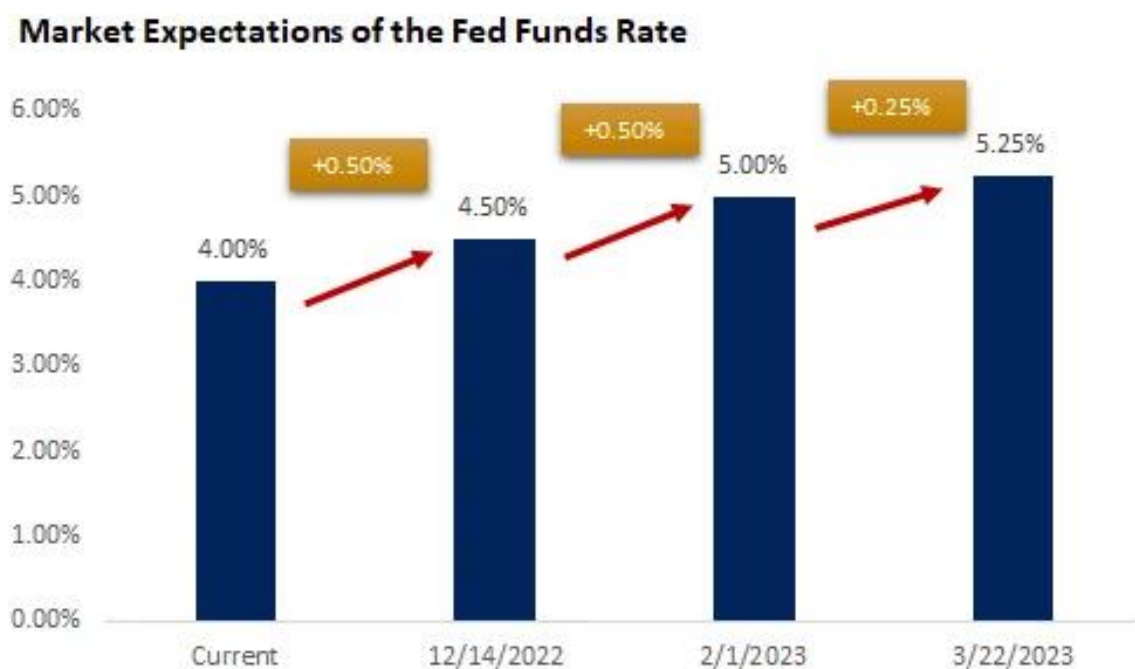


Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #marlet-expectations

This chart shows the market expectations for the Fed Funds rate next year, rising to 5.25% in 2023

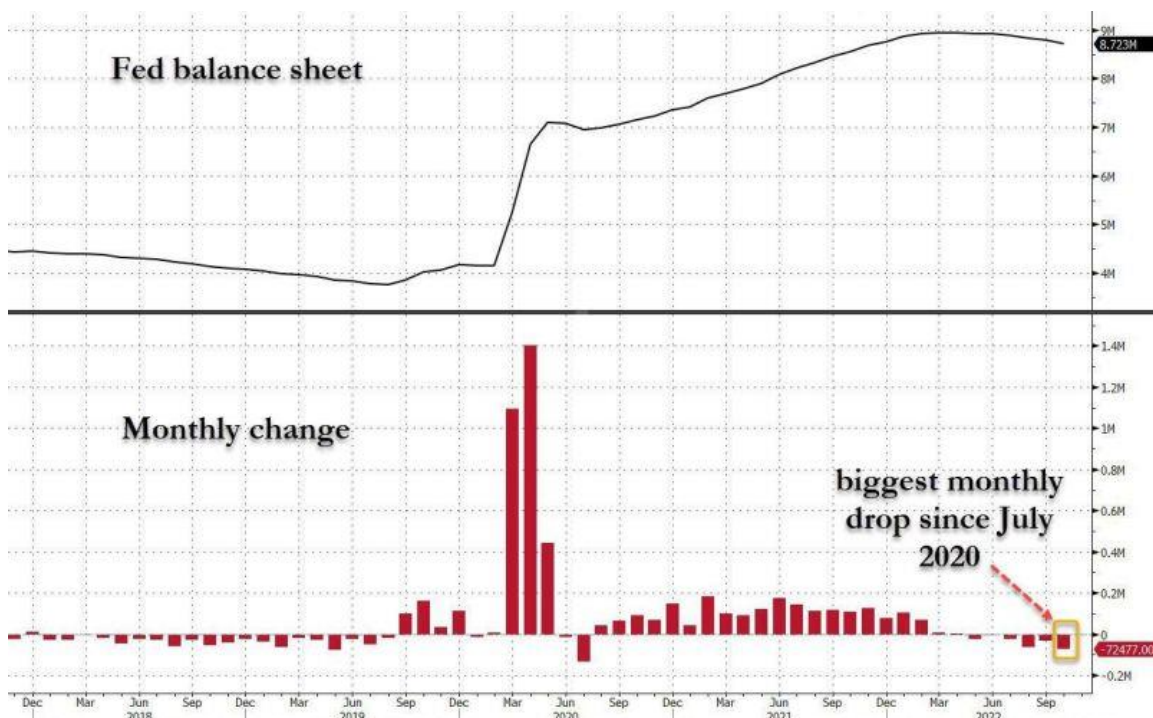


Source: Edward Jones

#centralbanks

#fed #balance-sheet

The Fed's balance sheet hit its lowest level of the year last week, down \$242 billion from its peak in April and \$94 billion over the last 5 weeks. This is the largest 5-week decline since July 2020. The Fed is finally starting to ramp up the pace of QT.



Source: Bloomberg

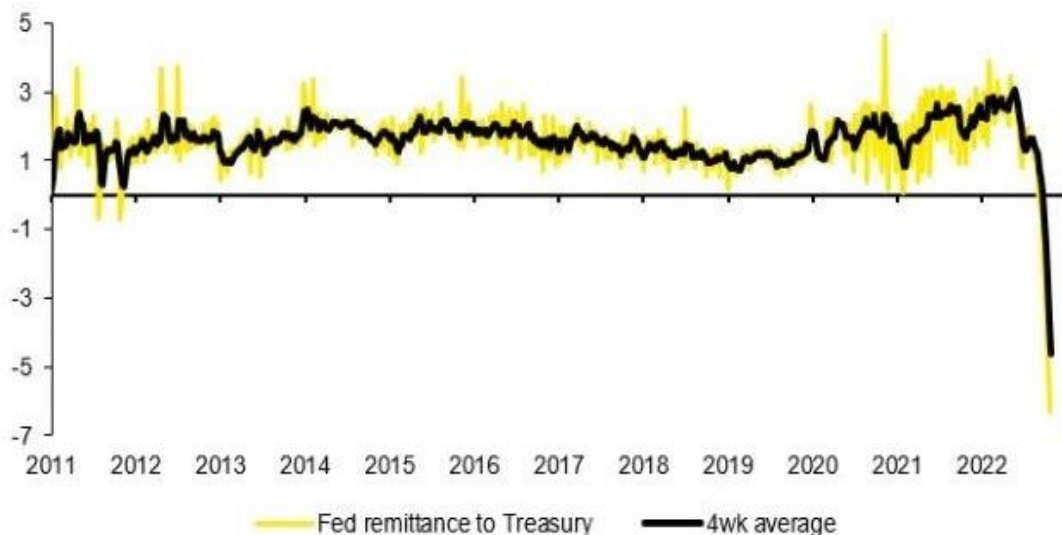
#centralbanks

#qe #balance-sheets

As the QE portfolio is taking a beating and interest on excess reserves to be paid to banks is quickly heading above 4%, the Fed will be delivering a negative P&L going forward...

Central bank profits take a deep dive!

Fed earnings remittances due to the U.S. Treasury, weekly data and 4-week average, in \$ bn



Source: Fed H.4.1, Commerzbank Research


Source: Macro Alf

#centralbanks

#fed #history

Jerome Powell wants to be Paul Volker... and it might be... During the previous 8 bear markets, the #Fed responded with easy money (rate cuts, QE, etc.). This year they're doing the opposite, hiking rates and reducing their balance sheet. When was the last time we saw a hawkish Fed during a bear market? Early 1980s under Paul Volcker.

Bear Market	Fed Chair	Fed Response
1987	Greenspan	Rate cuts from 7.3% to 6.5%
1990	Greenspan	Rate cuts from 8.0% to 3.0%
1998	Greenspan	Rate cuts from 5.25% to 4.75%
2000-02	Greenspan	Rate cuts from 6.5% to 1.0%
2007-09	Bernanke	Rate cuts from 5.25% to 0.0%
2011	Bernanke	Hold rates at 0% until 2015, Starts "operation twist", QE3 starts in 2012
2018	Powell	Ends rate hikes, Rate cuts in 2019 from 2.25% to 1.50% and starts QE4
2020	Powell	Rate cuts from 1.50% to 0%, Record balance sheet expansion with QE5
2022	Powell	Rate hikes from 0% to 3.75%, Additional hikes to >5% expected, Balance Sheet Reduction


@CharlieBilello

Source: Charlie Bilello

#centralbanks

#fed #history

Friendly reminder that market hits bottom when the Fed cuts rates, not when it is still hiking...

Exhibit 11: Fed historically cut before each market bottom
Federal Funds Rate and prior seven market bottoms (1973-8/22)



Source: Bloomberg, BofA US Equity & Quant Strategy

BofA GLOBAL RESEARCH

Source: BofA

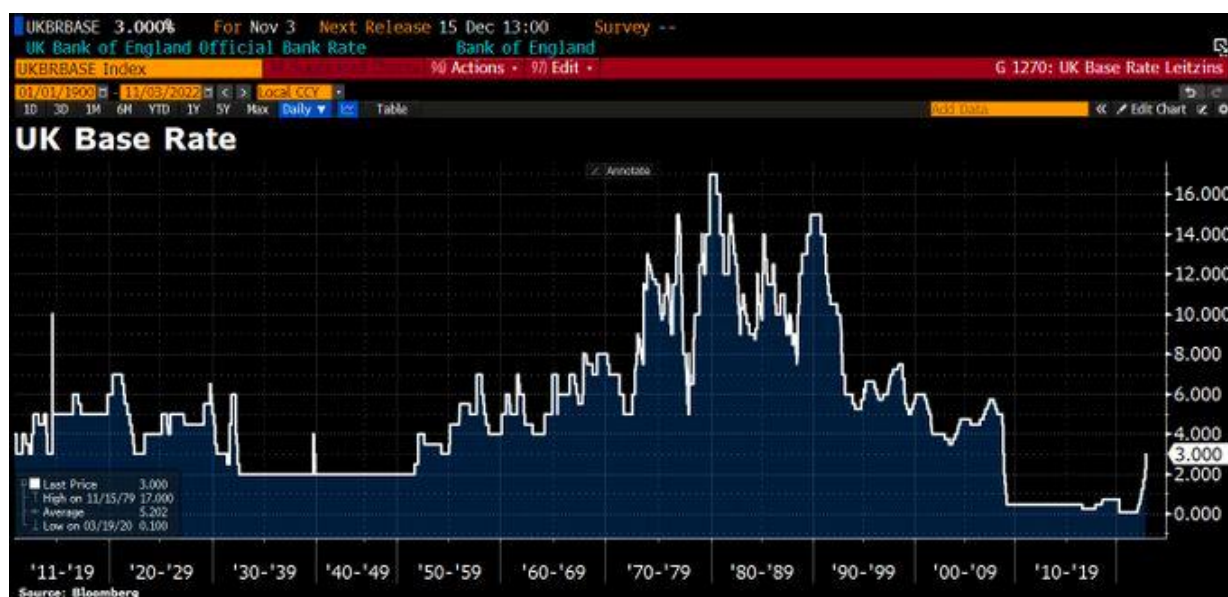
#centralbanks

#boe

Bank of England hikes interest rates by 0.75ppt to 3%, its biggest rise >30 years. British Pound drops 2% as the BoE rate hike is seen as DOVISH by the market due to:

"GOV. BAILEY: IF WE DO NOT ACT FORCEFULLY NOW, THE CONSEQUENCES WILL BE WORSE LATER.

BAILEY SAYS FORECASTS SHOW BOE SHOULDN'T INCREASE RATES TOO FAR"



Source: Bloomberg

#centralbanks

#snb

The Swiss National Bank recorded the largest loss in its history, hit by foreign exchange valuations. Through the first 3Q of the year, the SNB reported a loss of 142.4 billion Swiss francs (\$145.4 billion). During the same period last year, it reported a 41.4 billion profit. The bulk of the losses came from the SNB's foreign currency positions which suffered a loss of 141 billion francs. A valuation loss on gold holdings was 1.1 billion francs.

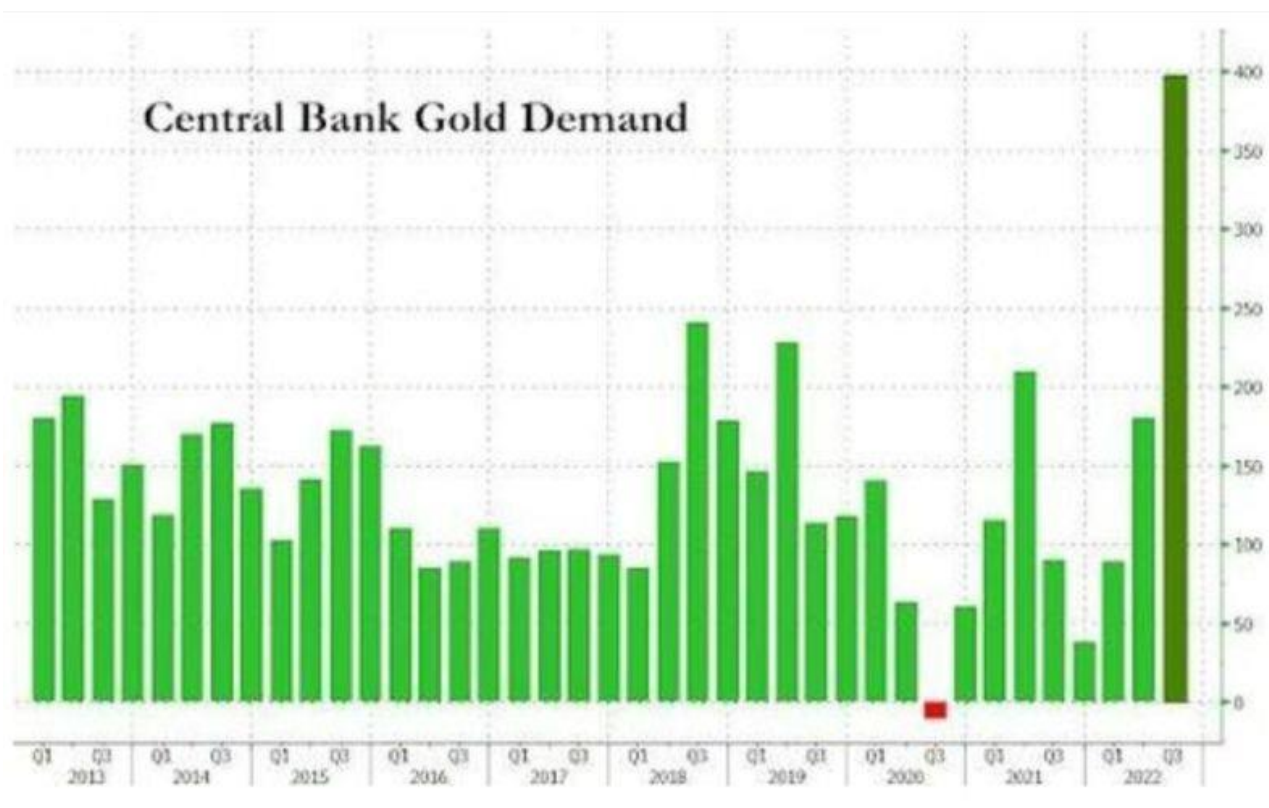


Source: Finews

#centralbanks

#gold #demand

Central Banks quietly going for gold at the fastest pace in 55 Years. Look at the demand last 10 years...



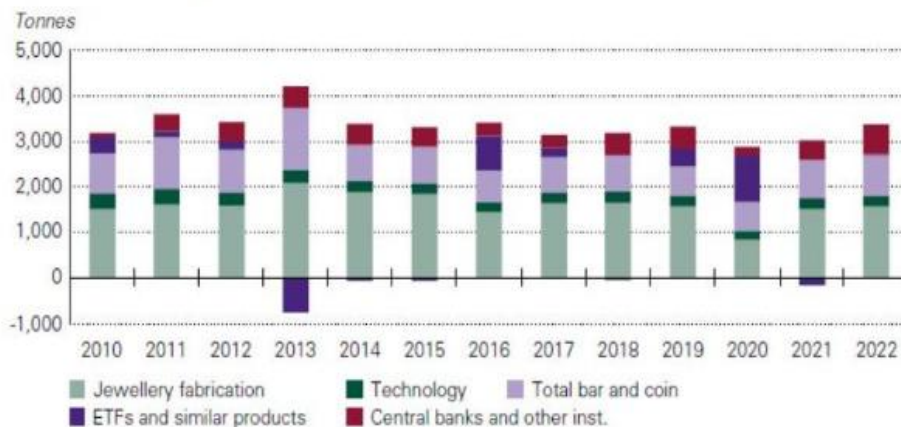
Source: Peter Herman

#centralbanks

#gold #central-banks #demand

Central banks bought a record 399 tonnes of gold worth around \$20 billion in the third quarter of 2022. In total, the world's gold demand amounted to 1,181 tonnes in July-September, up 28% from 922 in the same period in 2021, the WGC said. Among large buyers were the central banks of Turkey, Uzbekistan, Qatar and India, but the WGC said a substantial amount of gold was also bought by central banks that did not publicly report their purchases.

Year-to-date gold demand resumes its pre-pandemic pace*



*Data to 30 September 2022.

Source: Metals Focus, Refinitiv GFMS, World Gold Council

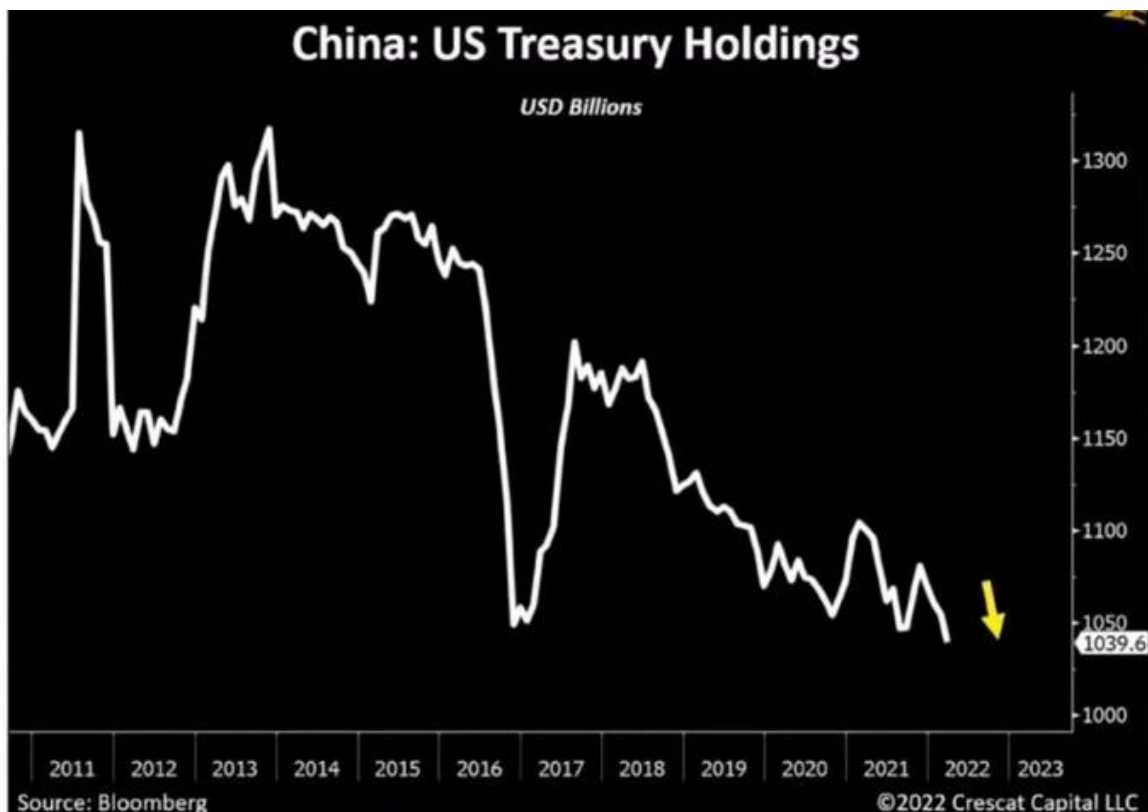
Charting global demand for gold for the first nine months of every year since 2010.

Source: Reuters

#geopolitics

#china #us

China is selling Treasuries...

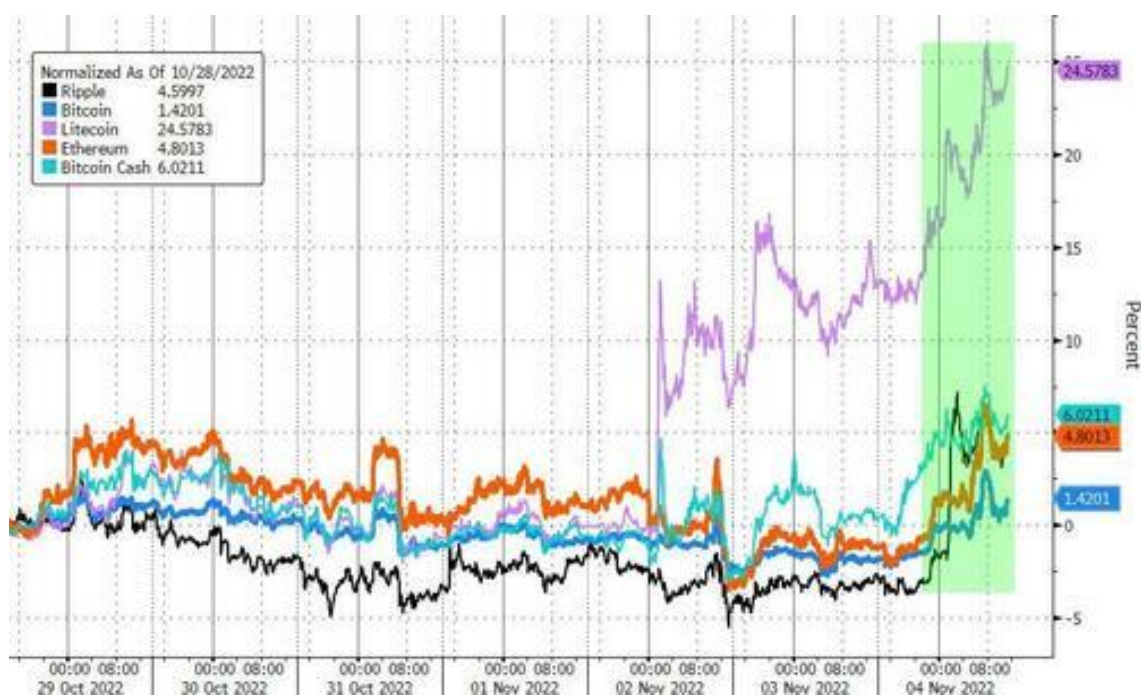


Source: Crescat Capital, Bloomberg



#cryptos

Cryptos rallied on Friday lifting them into the green for the week (Litecoin outperformed).



Source: www.zerohedge.com, Bloomberg



#bitcoin

Bitcoin rallied back above \$21k...



Source: www.zerohedge.com, Bloomberg



#bitcoin #discount

Bitcoin is trading at a -54% discount to its \$43K Energy Value today.

This level of discount only happened on 2 other days in the last 7 years; the epic 12 March 2020 collapse (Bitcoin \$4.8K) and on 7 February 2019 during the last cycle's bear market bottom (Bitcoin \$3.3K).



Source: Charles Edwards



#bitcoin

Bitcoin may be breaking out against the Nasdaq...



Source: Tuur Demeester

#bitcoin #anniversary

Satoshi Nakamoto's Bitcoin white paper released on Halloween, 2008.

Satoshi Nakamoto satoshi at vistomail.com

Fri Oct 31 14:10:00 EDT 2008

- Previous message: [Fw: SHA-3 lounge](#)
- Messages sorted by: [\[date \]](#) [\[thread \]](#) [\[subject \]](#) [\[author \]](#)

I've been working on a new electronic cash system that's fully peer-to-peer, with no trusted third party.

The paper is available at:
<http://www.bitcoin.org/bitcoin.pdf>

The main properties:
Double-spending is prevented with a peer-to-peer network.
No mint or other trusted parties.
Participants can be anonymous.
New coins are made from Hashcash style proof-of-work.
The proof-of-work for new coin generation also powers the network to prevent double-spending.

Bitcoin: A Peer-to-Peer Electronic Cash System

Abstract. A purely peer-to-peer version of electronic cash would allow online payments to be sent directly from one party to another without the burdens of going through a financial institution. Digital signatures provide part of the solution, but the main benefits are lost if a trusted party is still required to prevent double-spending. We propose a solution to the double-spending problem using a peer-to-peer network. The network timestamps transactions by hashing them into an ongoing chain of hash-based proof-of-work, forming a record that cannot be changed without redoing the proof-of-work. The longest chain not only serves as proof of the sequence of events witnessed, but proof that it came from the largest pool of CPU power. As long as honest nodes control the most CPU power on the network, they can generate the longest chain and outpace any attackers. The network itself requires minimal structure. Messages are broadcasted on a best effort basis, and nodes can leave and rejoin the network at will, accepting the longest proof-of-work chain as proof of what happened while they were gone.

Full paper at:
<http://www.bitcoin.org/bitcoin.pdf>

Satoshi Nakamoto

The Cryptography Mailing List
Unsubscribe by sending "unsubscribe cryptography" to majordomo at metzdowd.com

#cryptos

#matic

Polygon, an Ethereum sidechain network, is seeing major price gains for its token MATIC after Meta announced Instagram would be using the Polygon network for its upcoming in-app NFT minting feature earlier this week.

MATIC Jumps 20% in a Day After Instagram's Polygon NFT Minting Reveal

MATIC is pumping this month in the wake of Reddit's surging Polygon NFTs and Instagram's Polygon integration.

By [Kate Irwin](#)

Nov 4, 2022

3 min read



Image: GuerrillaBuz on Unsplash.

Source: Decrypt

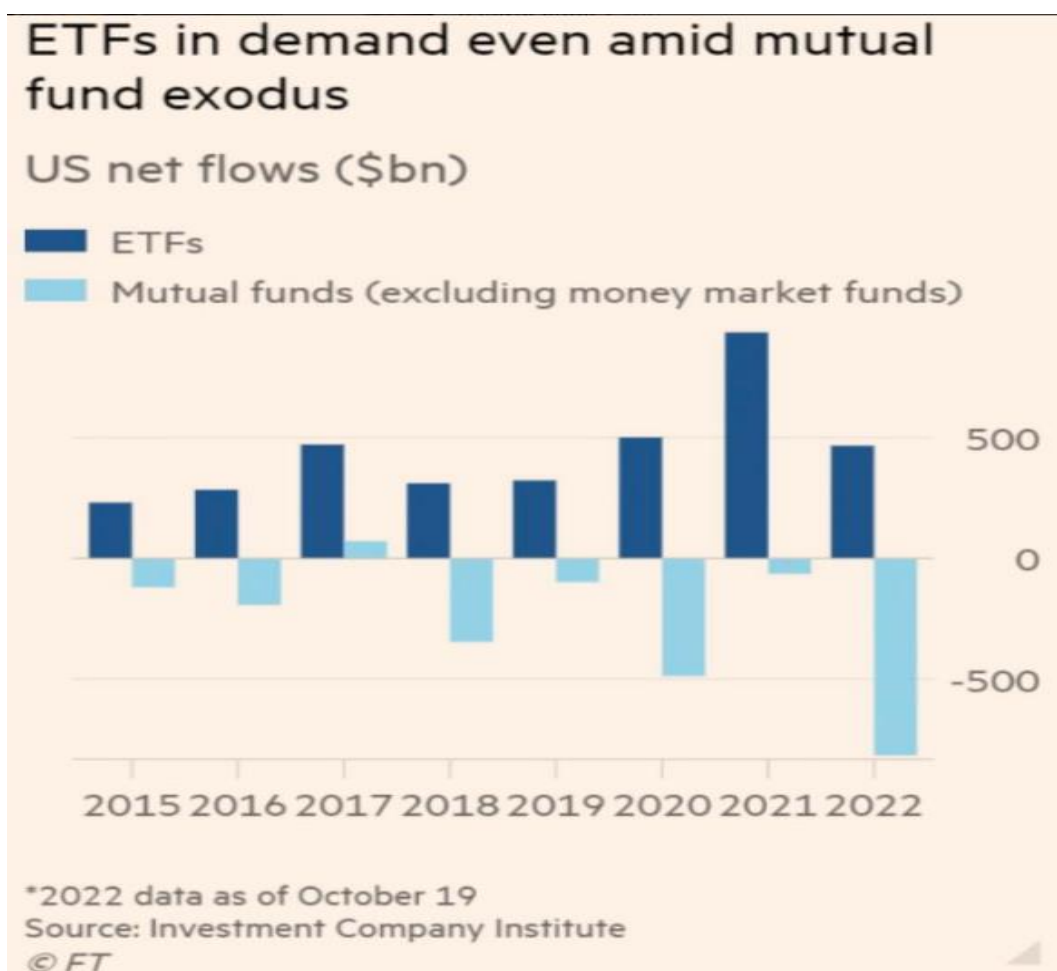
#food-for-thought

#etfs #mutualfunds

ETFs = \$500 billion *inflows*

vs.

Mutual funds = \$790 billion *outflows*



Source: FT

#food-for-thought

#us #housing

Latest cover from The Economist is about US real estate.



Source: The Economist

#food-for-thought

#loyalty

Some great companies with very loyal customers.

The Power of Loyalty

Company	Members	Key Loyalty Stat
	185M (2019)	Members account for 70% of sales in newly opened stores
	147M (2020)	Members spend 2.3x more
	130M (2019)	Members book 50% of rooms
	105M (2020)	Membership revenue accounted for 90% of operating income in 2019
	80M (2020)	Members drove 40% of sales during holiday in 2019
	32M (2020)	Members drive 95% of sales
	22M (2020)	Members drive 50% of sales
	18M (2020)	Returned \$204M to members through rewards in 2019
SEPHORA	17M (2018)	Members drive 80% of sales
NORDSTROM	10M (2018)	Members spend 4x more

Source: Compound Quality

#twitter #elonmusk

The new Twitter Blue subscription could let anyone rent a verified check attached to priority status for their tweets, longer audio and video posts, and fewer ads. Musk also says that the service will get you:

- Priority in replies, mentions, and search, which Musk argues is “essential to defeat spam/scam”
- Ability to post long video and audio
- Half as many ads
- And “paywall bypass for publishers willing to work with us”



Source: The verge

#food-for-thought

#ban



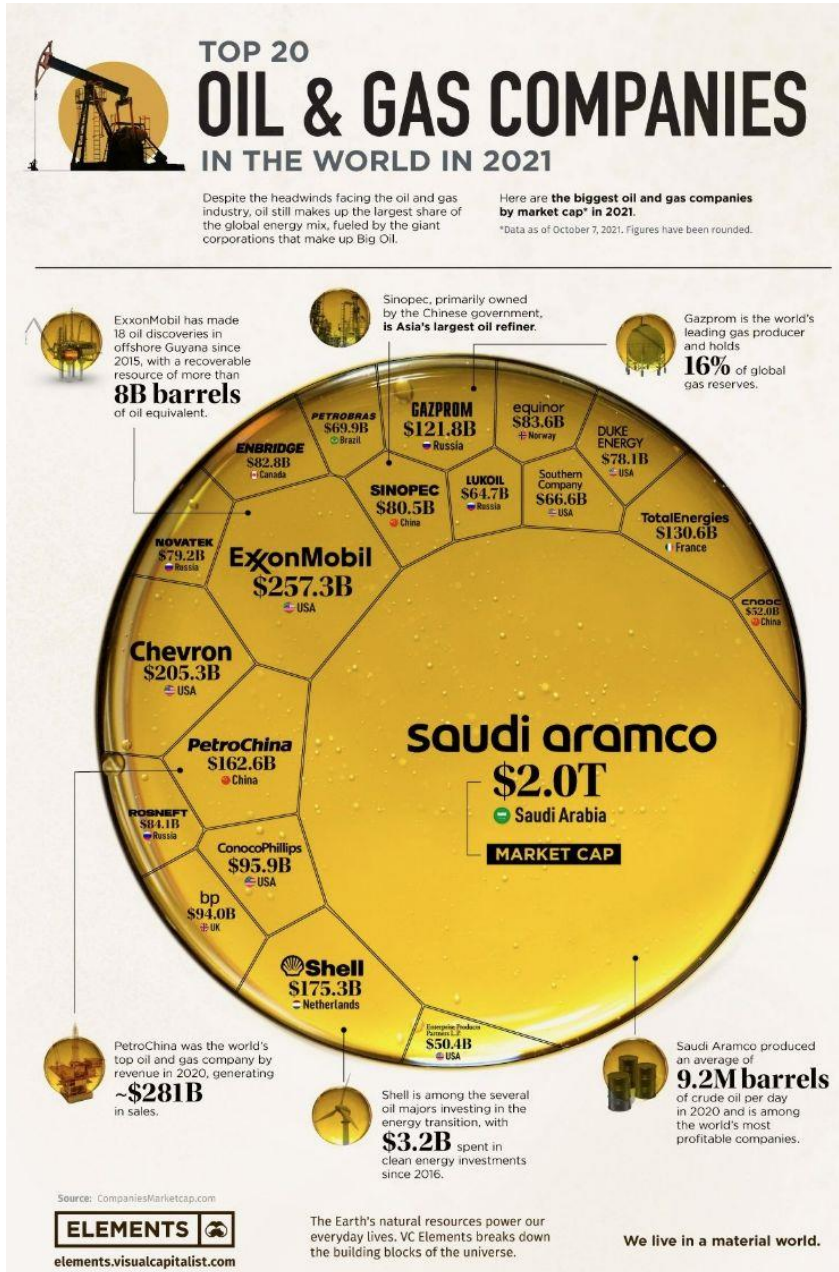
Documenting Bitcoin @DocumentingBTC

Something to think about...



#food-for-thought

#aramco



#food-for-thought

#global #real-estate

A Synchronized drawdown in global property markets

Chart 4: Synchronized drawdown in global property markets
Global house prices YoY %



Source: BofA Global Investment Strategy, Bloomberg

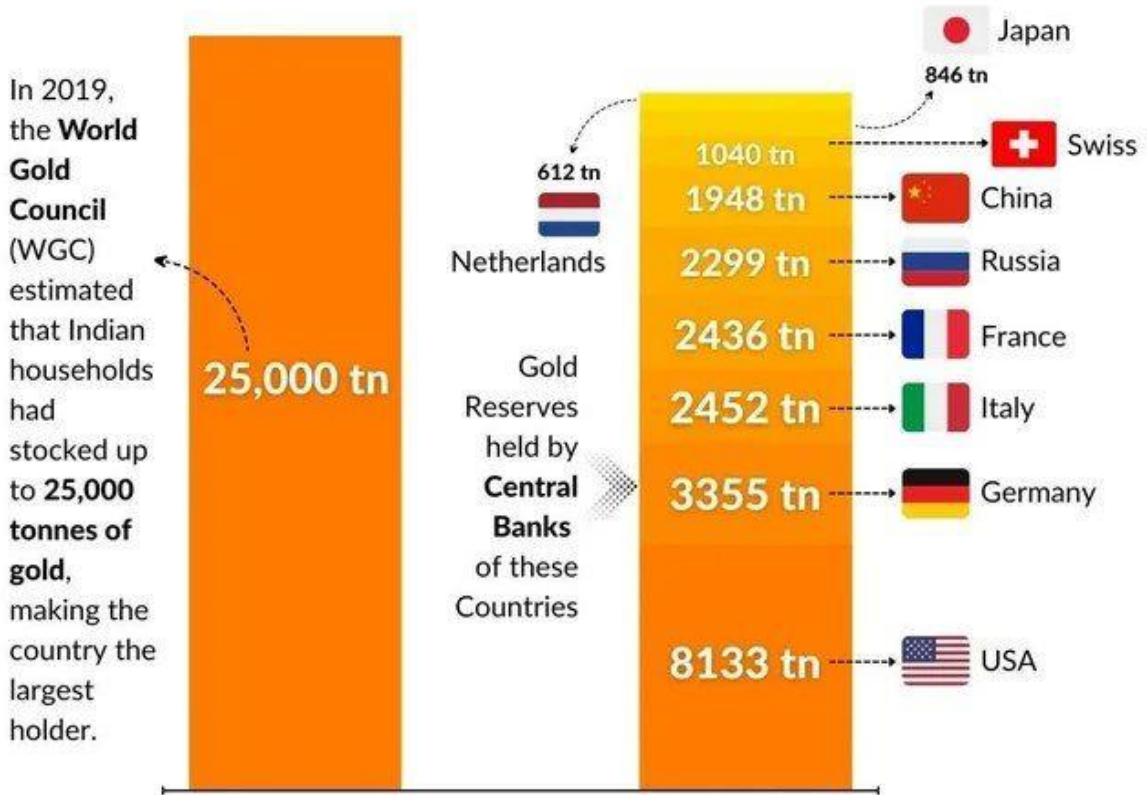
BofA GLOBAL RESEARCH

Source: BofA

#food-for-thought

#gold #india

How Much Gold Do Indians Have?



Source: Ronnie Stoeferle

#food-for-thought

#climate-change



Wall Street Silver
@WallStreetSilv



cough cough

World Leaders on
their way to another
climate conference



Source: xxx

#food-for-thought

#retails #investors #voting-rights

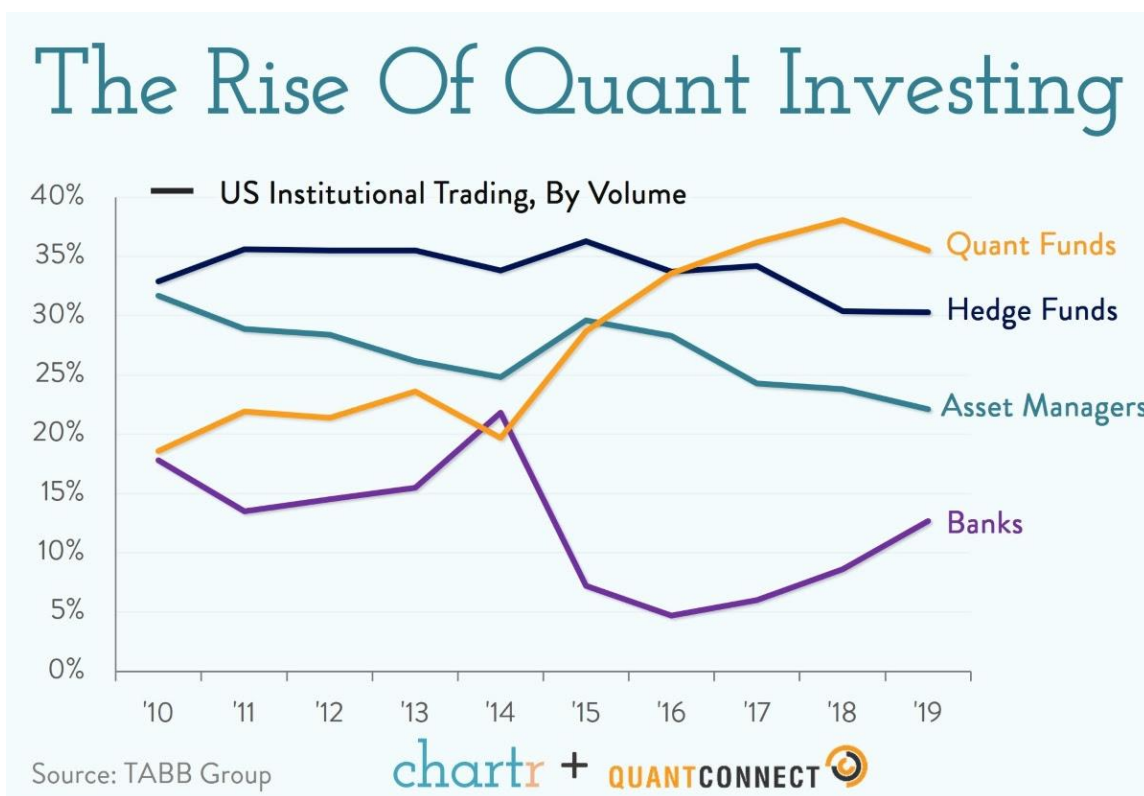
Instead of making decisions exclusively on its own, Vanguard will give individual investors in several equity index funds more options about how their shares are voted. It will begin testing the strategy early next year. Vanguard’s general counsel, said in an email. “This early 2023 pilot will give our investors-owners the chance to express their preferences for how the underlying shares of their equity index holdings are voted.”



#food-for-thought

#quant-investing

Algorithmic investing has taken off in the last decade, with trillions of dollars flowing into systematic and quantitative hedge funds.



Source: Chartr

#food-for-thought

#us #sovereign #debt #interest-rates



Wall Street Silver
@WallStreetSilv

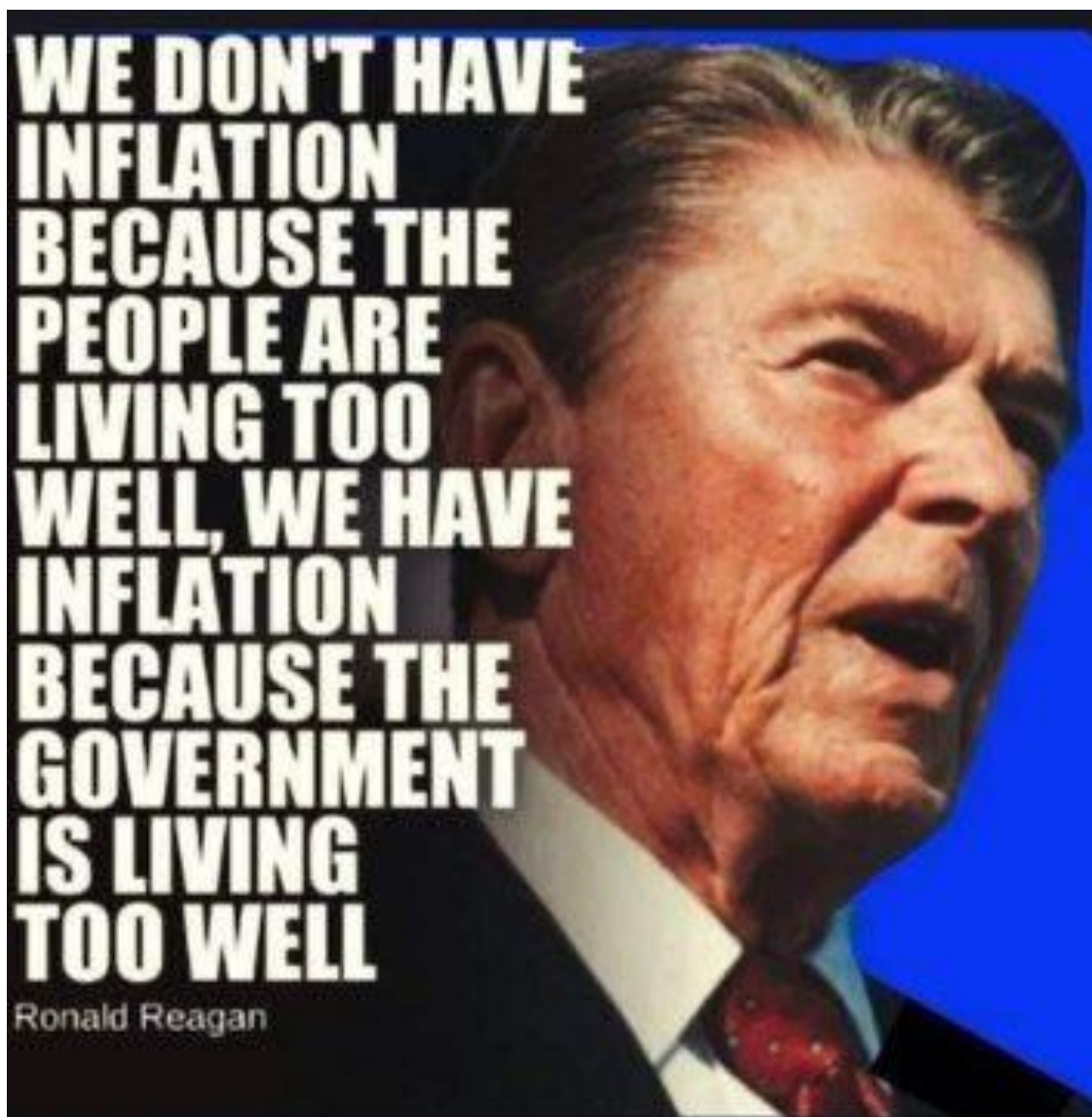


Coming soon ...



#food-for-thought

#inflation



Source: xxx

#food-for-thought

#investing #rules

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

Marty Zweig's Investing Rules

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

Source: MTA

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For the future...