

Chart of the week

APPLE HITS A NEW HIGH vs. NASDAQ 100

The only tech behemoth to emerge relatively unscathed from this week is Apple which, despite reporting slower than expected iPhone 14 sales, otherwise held up very well comparatively. Apple stock finished up 7.6% on Friday, its best day since 2020. The stock hits an all-time-high relative to the Nasdaq 100 index.



The Dow on pace for its best month since 1976

The Dow Jones is up 4 straight weeks (+14%) - its biggest 4-week gain since April 2020. Meanwhile, the Nasdaq is 'only' up 5% on the month. Indeed, stocks rose this week but offered widely divergent returns, as investors reacted to contrasted Q3 earnings reports. Energy and industrial stocks handily outperformed growth shares, with the latter weighed down by steep declines in several mega-cap tech stocks, including Microsoft, Amazon.com, Alphabet and especially Meta Platforms (parent of Facebook), following earnings misses and lowered outlooks. The Cboe Volatility Index (VIX) fell below its 50-day moving average on Wednesday—only the 4th time that has happened since February. Hopes that the Federal Reserve might slow its pace of rate increases seemed to be a driver of positive sentiment during the week. Stocks rose after the Bank of Canada's unexpected decision on Wednesday to raise rates by only 0.50% instead of the 0.75% widely anticipated, leading to hopes that the Fed might follow its example. S&P U.S. manufacturing activity fell into contraction territory but US GDP expanded at 2.6%, above estimates of 2.4%. In Europe, the ECB hiked rates by 75bps but hinted increases may slow as recession looms. STOXX Europe 600 Index ended the week 3.7% higher. China stocks tumbled on Monday following Communist Party's 20th Congress where Xi Jinping tightened its grip on power. US 10-year Treasury yield ended the week at roughly 4.00%.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

29 OCTOBER 2022

#markets

#weekly #returns

Weekly market stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	32,862	5.7%	-9.6%
S&P 500 Index	3,901	4.0%	-18.2%
NASDAQ	11,102	2.2%	-29.0%
MSCI EAFE	1,762	4.9%	-24.6%
10-yr Treasury Yield	4.01%	-0.2%	2.5%
Oil (\$/bbl)	\$88.19	3.7%	17.3%
Bonds	\$95.19	1.5%	-14.9%

Source: Factset. 10/28/2022. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * Source: 4-day performance ending on Thursday.

Source: Edward Jones



#us #stocks #weekly #performance

US stocks finished higher for the second consecutive week despite a series of earnings that caused investors to shed shares of some of the world’s biggest tech companies. S&P 500 gained almost 4% this week and finished >3,900 points

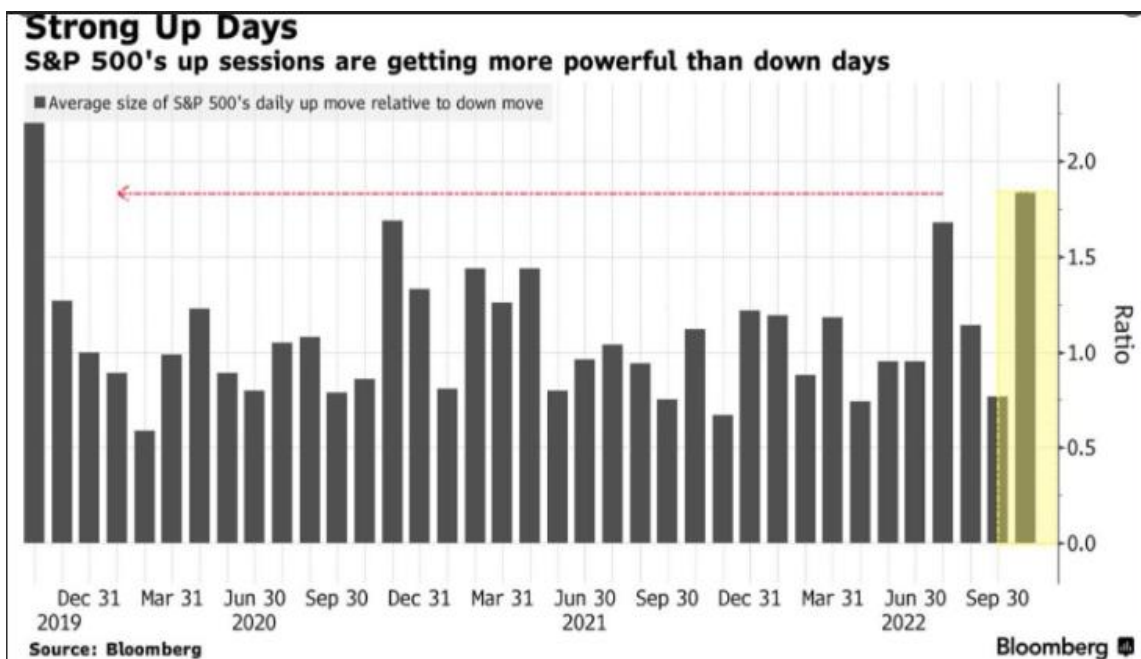


Source: Bloomberg



#us #equities #up-days

It would seem that up sessions for the SPX are becoming more powerful than down days...



Source: Bloomberg



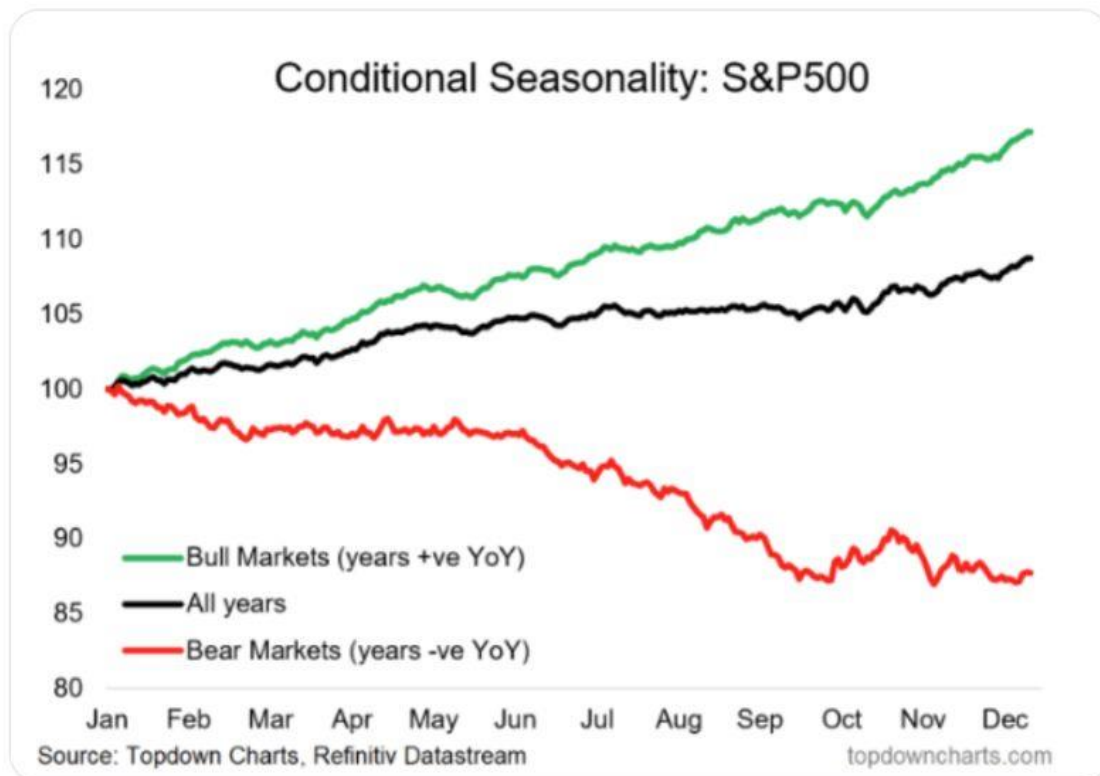
#us #equities #seasonality



Mike Zaccardi, CFA, CMT
@MikeZaccardi



While seasonality turns bullish about right now, take caution when in a bear market. Cool chart from [@topdowncharts](#)



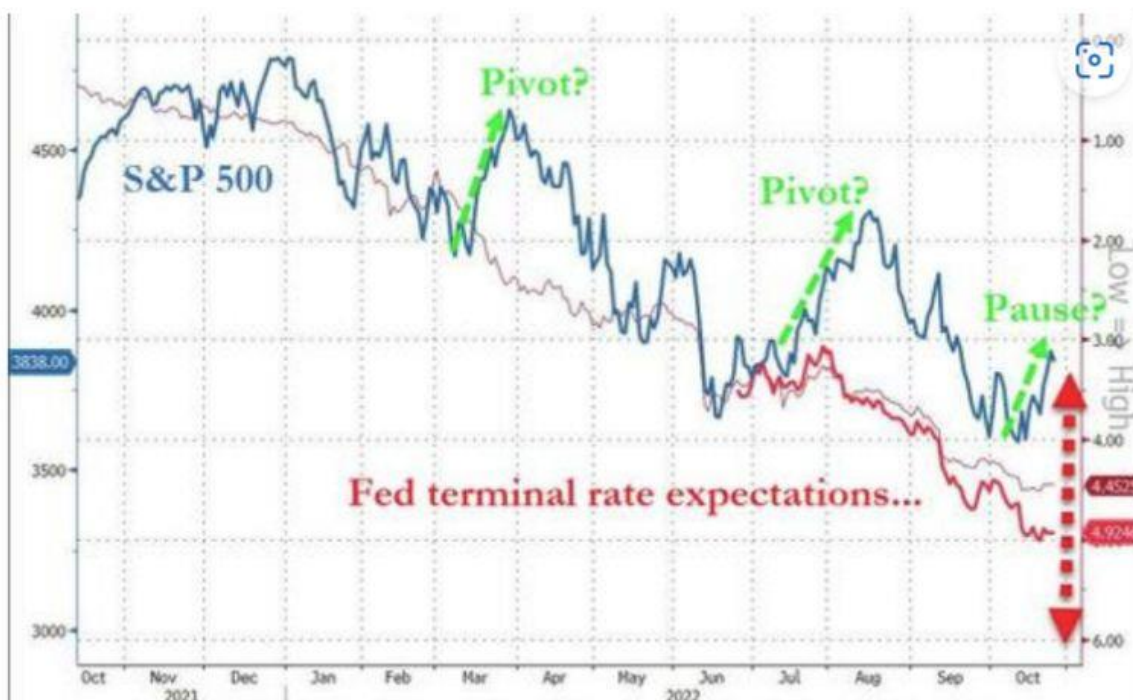
Source: Topdown charts





#sp500 #buy-the-dip #rates

Investors have repeatedly attempted to buy #us #stocks on every dip, though that hasn't been a successful strategy so far. Pivot expectations were the drivers of bear market traps in March and July. This time it looks like a pause is enough as a driver. But of the terminal rate is any guide for the #sp500, then there is more downside ahead. And if the #Fed needs to raise rates even further than levels of around 5% the markets anticipate, then the downside risk for the S&P 500 could be 2,700.



Source: www.zerohedge.com, Bloomberg





#sp500 #2008

Will FOMC or CPI be the short-term top?

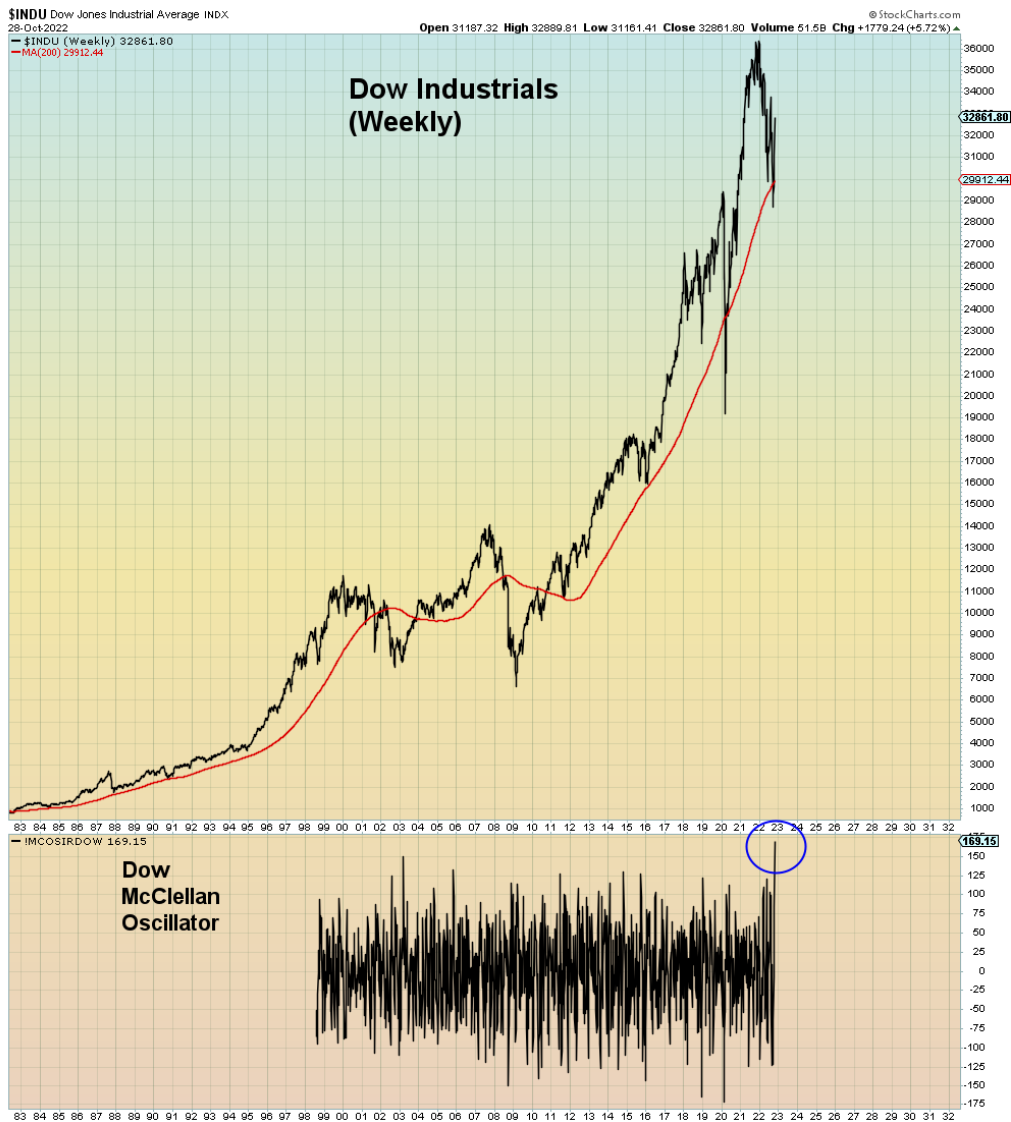


Source: Bloomberg, www.zerohedge.com



#dow-jones #technicals

The Dow Jones is record overbought.





#nasdaq-100 #technicals

The first back-test of the 200 week moving average since 2008.



Source: Mac10



#us #equities #sectors

Industrials led the week along with Staples, Real Estate, and Utilities. Discretionary and Energy lagged (but all sectors were up on the week...)

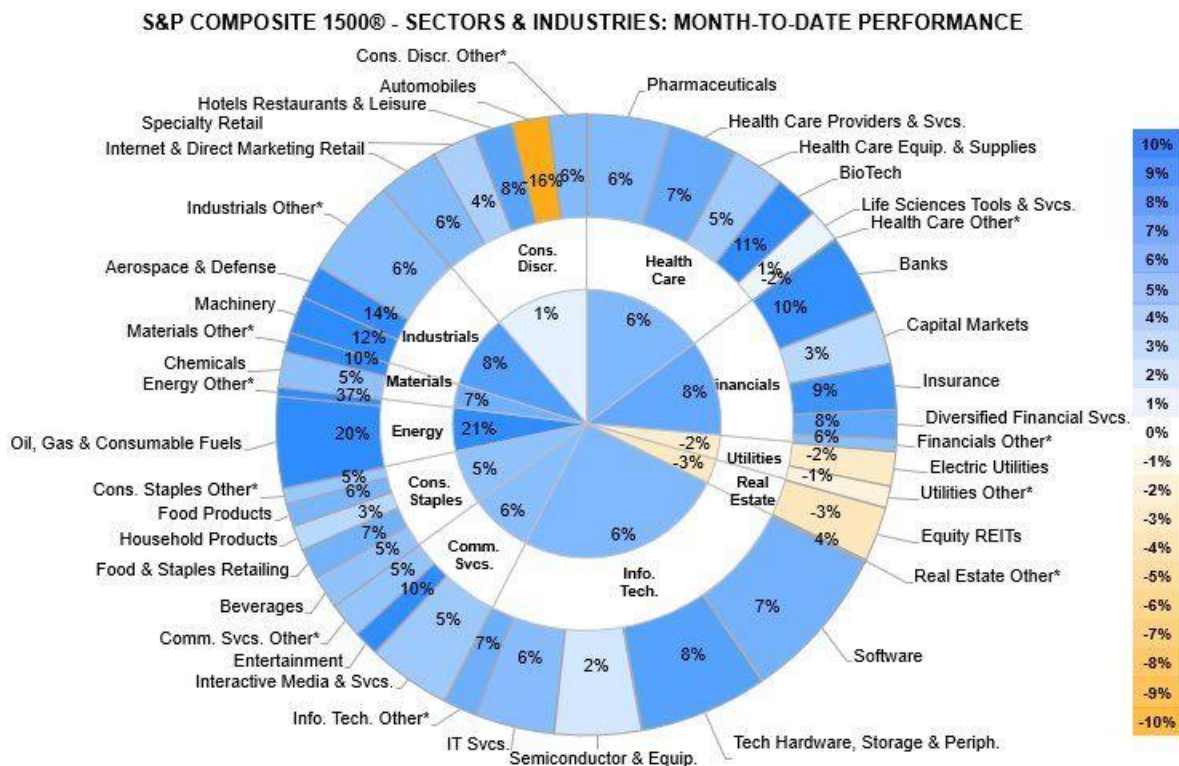


Source: www.zerohedge.com, Bloomberg



#us #equities #sector #performance #october

US EQUITIES SECTOR PERFORMANCE IN OCTOBER. In what has proved a rare occurrence in 2022, S&P Comp 1500 “disc of risk” shows overwhelmingly positive MTD returns among U.S. sectors/industries. Energy Equip & Services holds top spot among industries, +37% MTD, while Tesla-heavy Autos segment is -16%.



Source: S&P Dow Jones Indices. Data as of Oct. 24, 2022 Note: size of section is proportional to its index weight, coloured by month-to-date performance. Sign up at bit.ly/spdjidd to receive index insights.

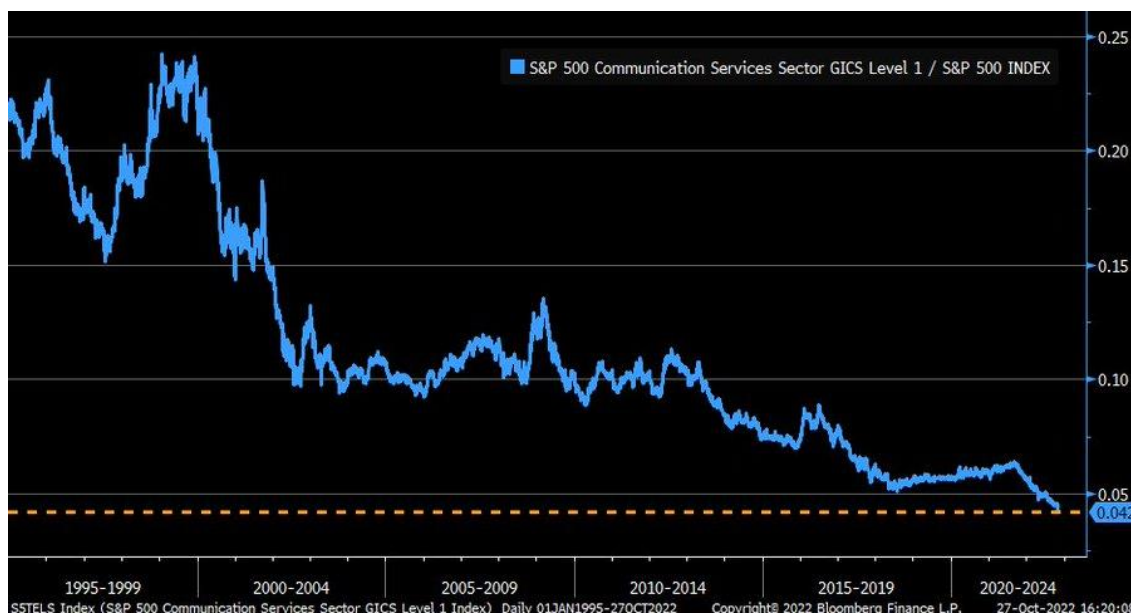
Source: Liz Ann Sonders, Charles Schwab





#us #equities #sectors #communication-services

Communication Services sector (reshuffled from Telecom, etc. sector in 2018) continues to weaken markedly relative to S&P 500, plumbing new relative lows.

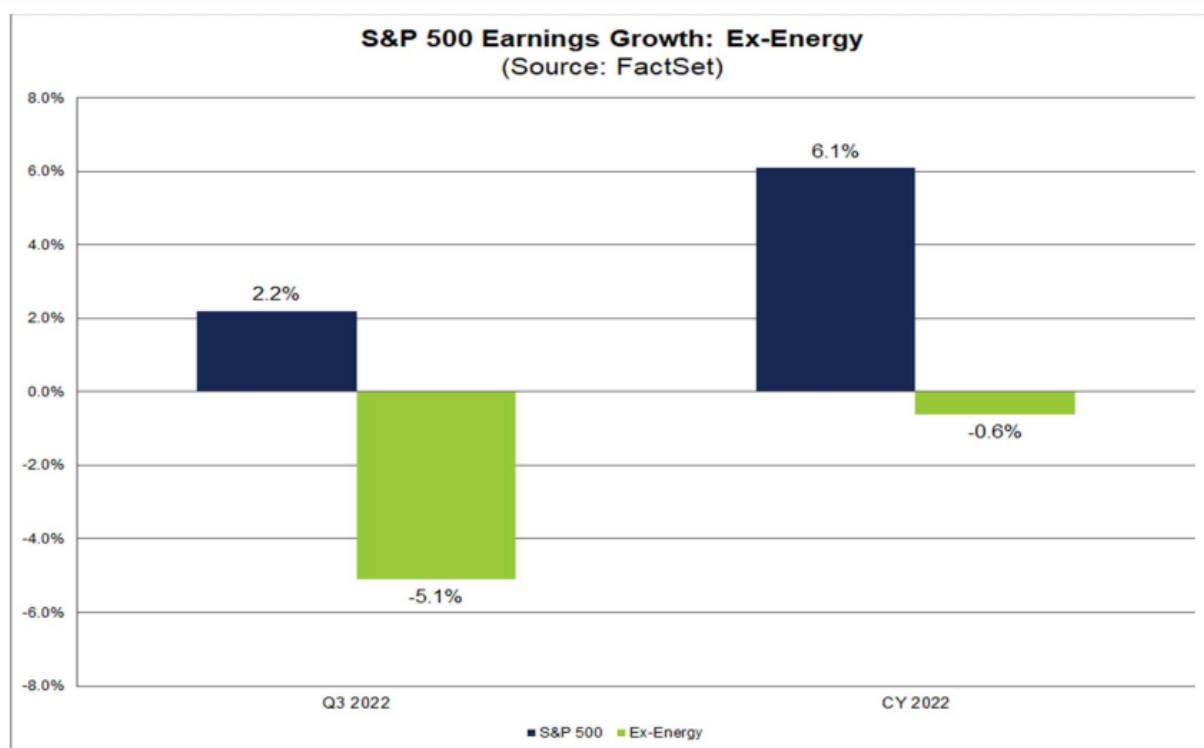


Source: Liz Ann Sonders, Bloomberg



#us #earnings

52% of SPX cos have reported Q3 results @FactSet:
71% EPS beat rate
68% rev beat rate
Blended earnings growth: +2.2%, lowest since 3Q20
2:1 negative : positive guidance (28 to 14)
Ex-Energy, SPX reporting a -5.1% EPS growth rate



Source: Mike Zacardelli

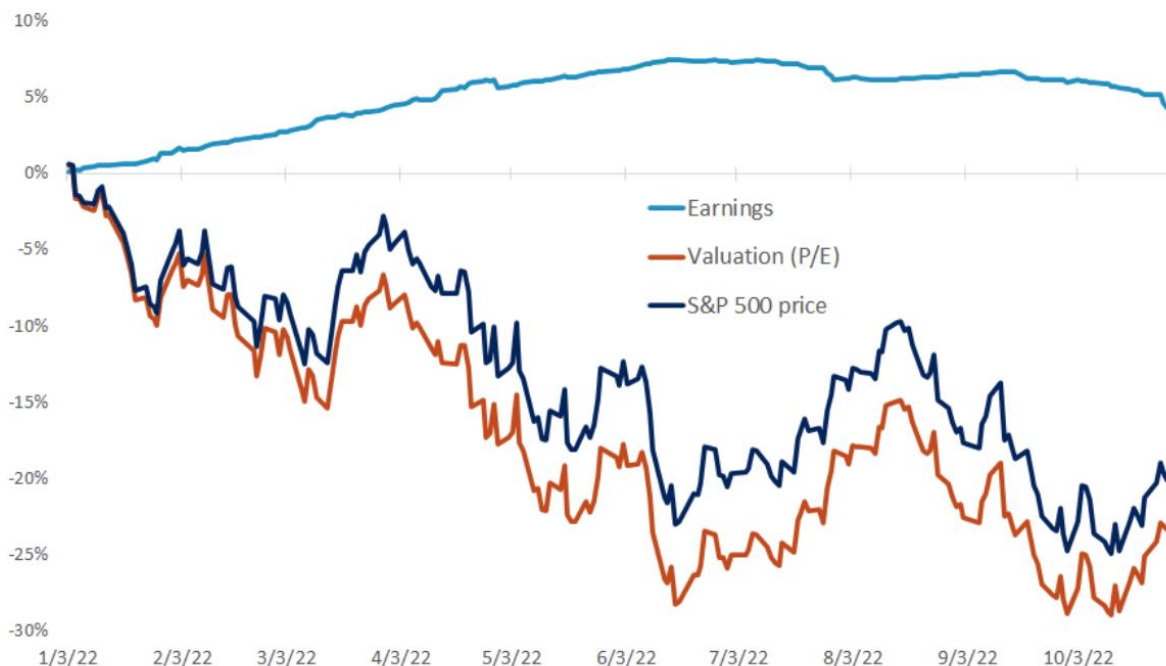


#us #earnings #valuations

Decline in valuations likely discounts some of the upcoming weakness in earnings.

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Change in earnings, valuations and the S&P 500 since the start of the year



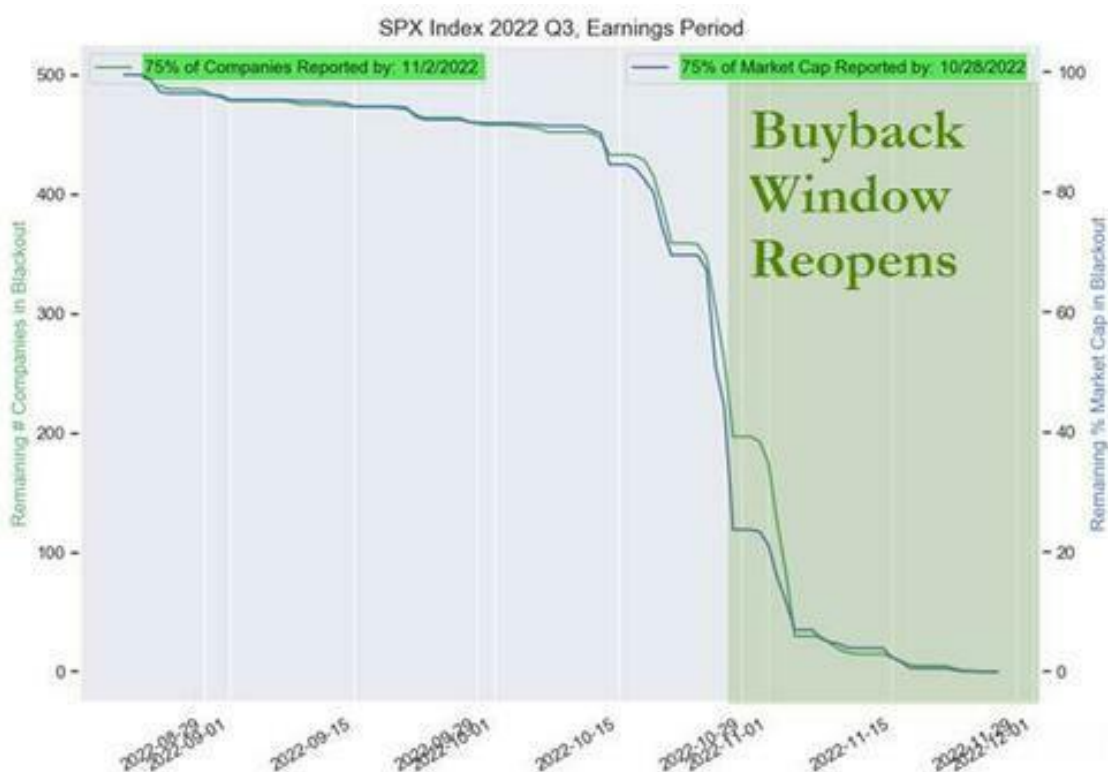
Source: FactSet, Edward Jones, the S&P 500 is an unmanaged index and cannot be invested in directly. Past performance is not a guarantee of future results.

Source: Edward Jones



#us #share-buybacks

The buyback window has reopened, fuelling the rally.



Source: www.zerohedge.com, Bloomberg



#market-sentiment

Let's see how far this greed can move...



Source: CNN

#markets

#vix

VIX plunged back to a 25 handle as puts were dumped.

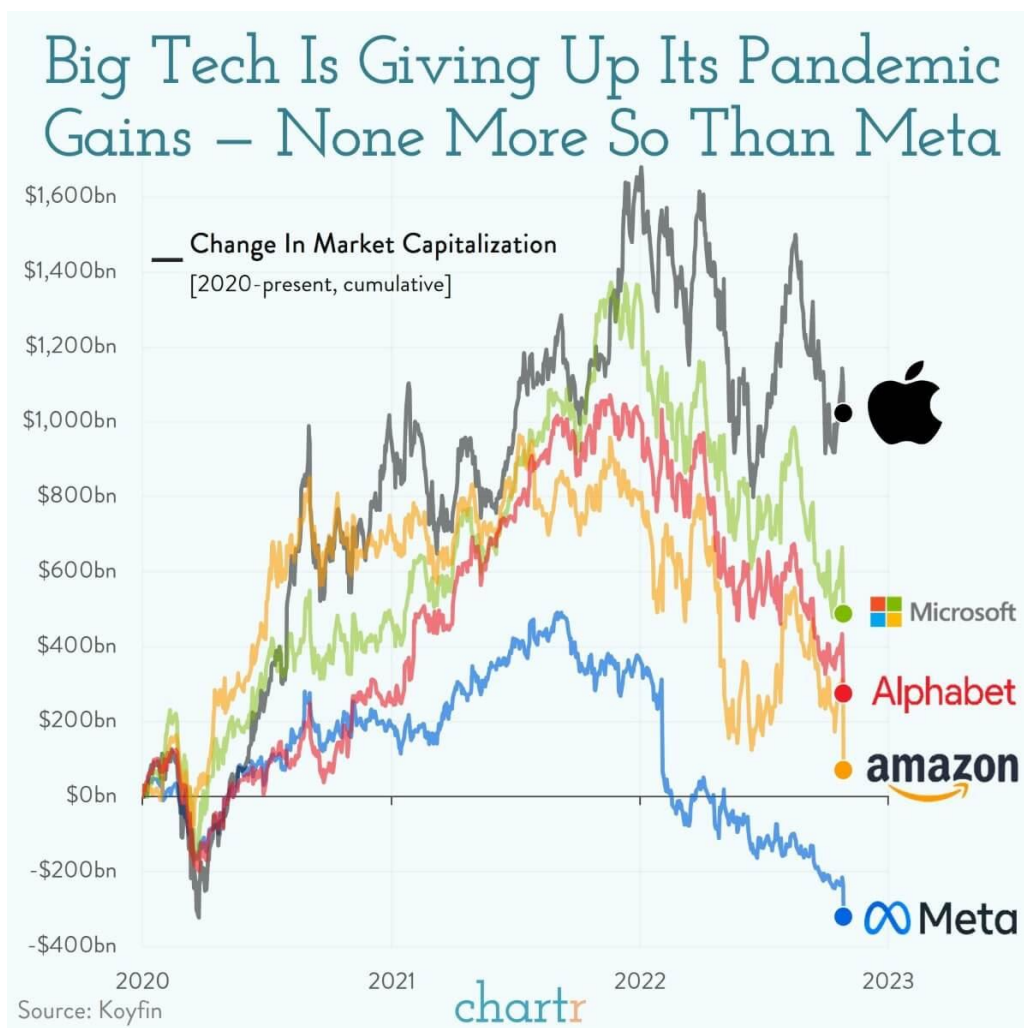


Source: Bloomberg, www.zerohedge.com



#faangs

All told, since the start of 2022 those 5 big tech companies have shed some \$3.6 trillion in value — roughly equivalent to the annual GDP of Brazil and Canada combined.



Source: chartr



#markets

#faangs

The "Trillion Dollar Market Cap" club is down to just three members with Amazon \$AMZN down to ~\$940 billion after hours.

"Trillion Dollar Market Cap" Club Losses

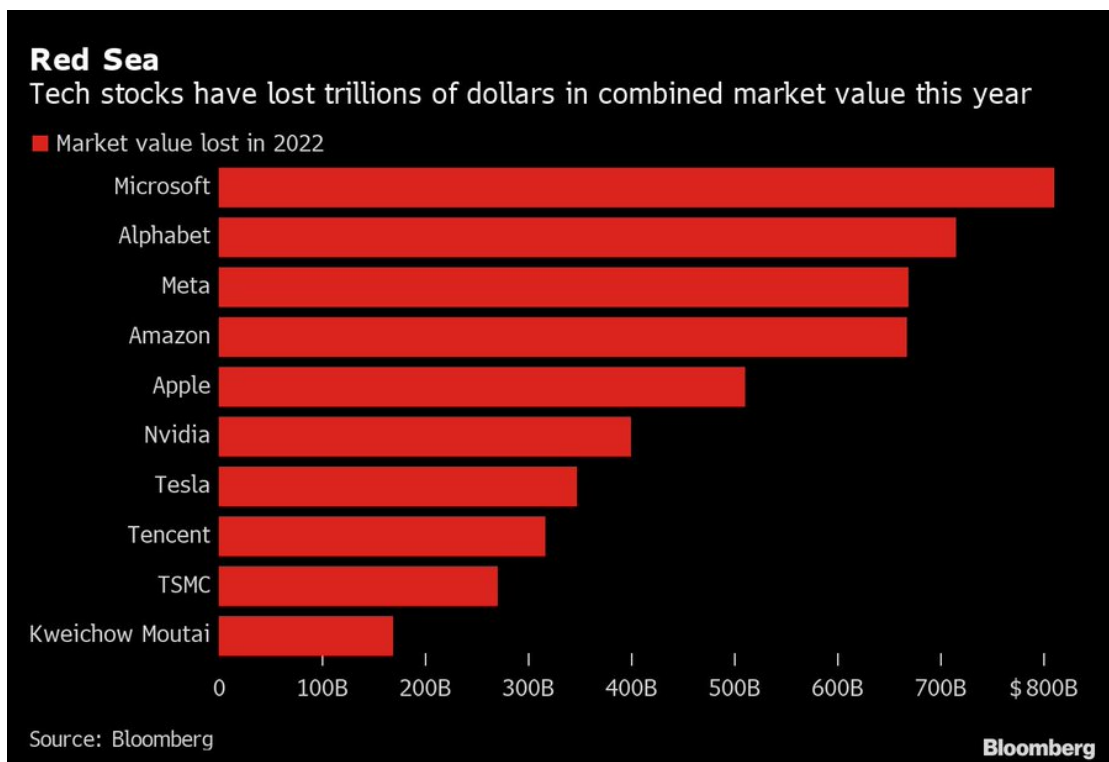
Stock	Company	% Drawdown	Peak Market Cap (\$, Bln)	Current Mkt Cap (\$, Bln)	Loss in Mkt Cap (\$, Bln)
AAPL	Apple	-21.7	\$2,986.1	\$2,290.3	-\$695.9
MSFT	Microsoft	-34.8	\$2,576.1	\$1,666.8	-\$909.3
GOOGL	Alphabet	-38.9	\$1,995.1	\$1,187.7	-\$807.4
AMZN	Amazon	-50.3	\$1,881.8	\$941.1	-\$940.8
TSLA	Tesla	-46.1	\$1,235.2	\$698.1	-\$537.1
META	Meta	-74.6	\$1,077.5	\$257.3	-\$820.2
	Sum		\$11,751.8	\$7,041.2	-\$4,710.5

Source: Bespoke



#faangs

Microsoft’s \$811bn rout is Big Tech’s worst in 2022, Bloomberg has calculated. Other big names among the largest losers this year include Meta Platforms, Nvidia and China’s Tencent Holdings.



Source: Bloomberg



#faangs

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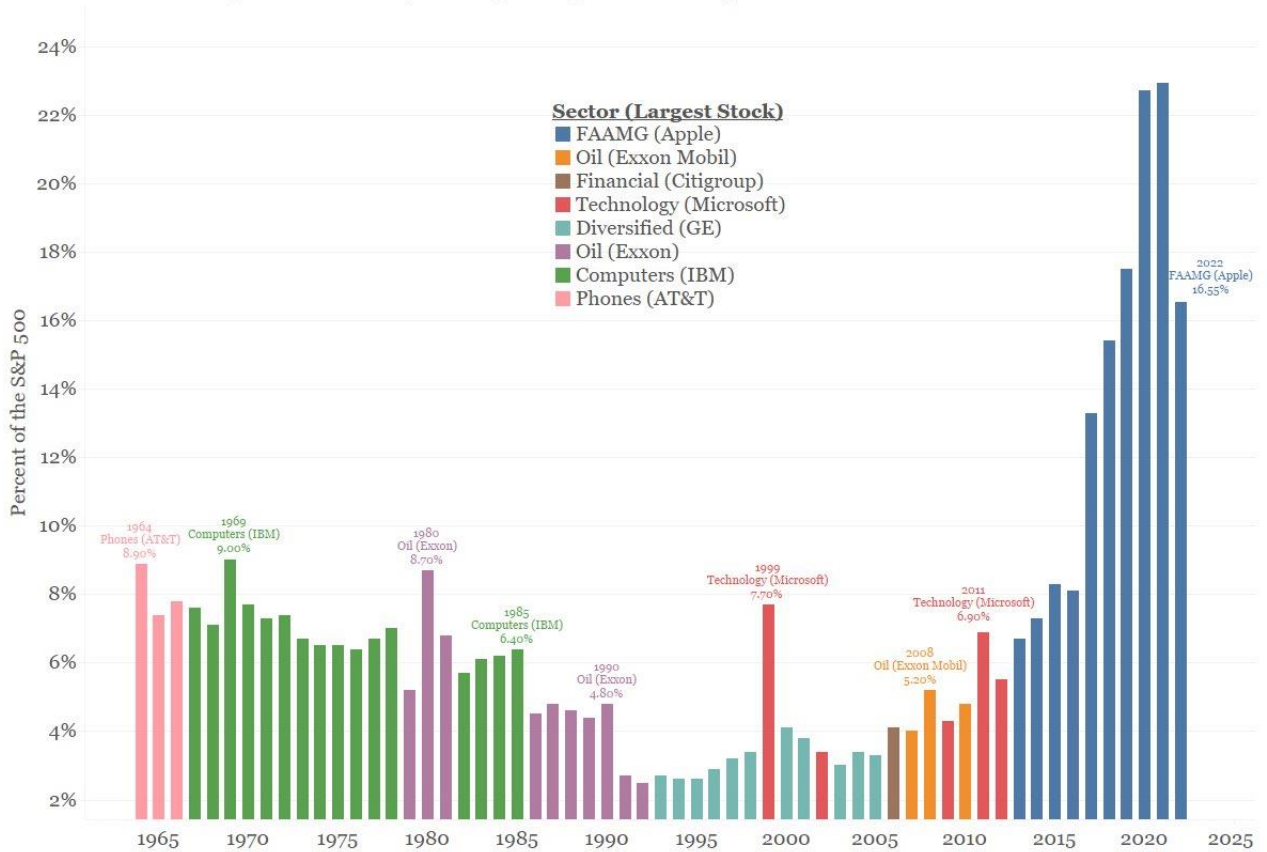
Source: Bloomberg



#faangs

Assessing fading dominance of "big 5" over time ... different eras have ushered in different leadership, with FAAMGs this time look to be slipping in terms of weight in S&P 500

The Largest Industry Weighting of the Top Five Stocks in the S&P 500



Source: S&P, Dow Jones, Bloomberg

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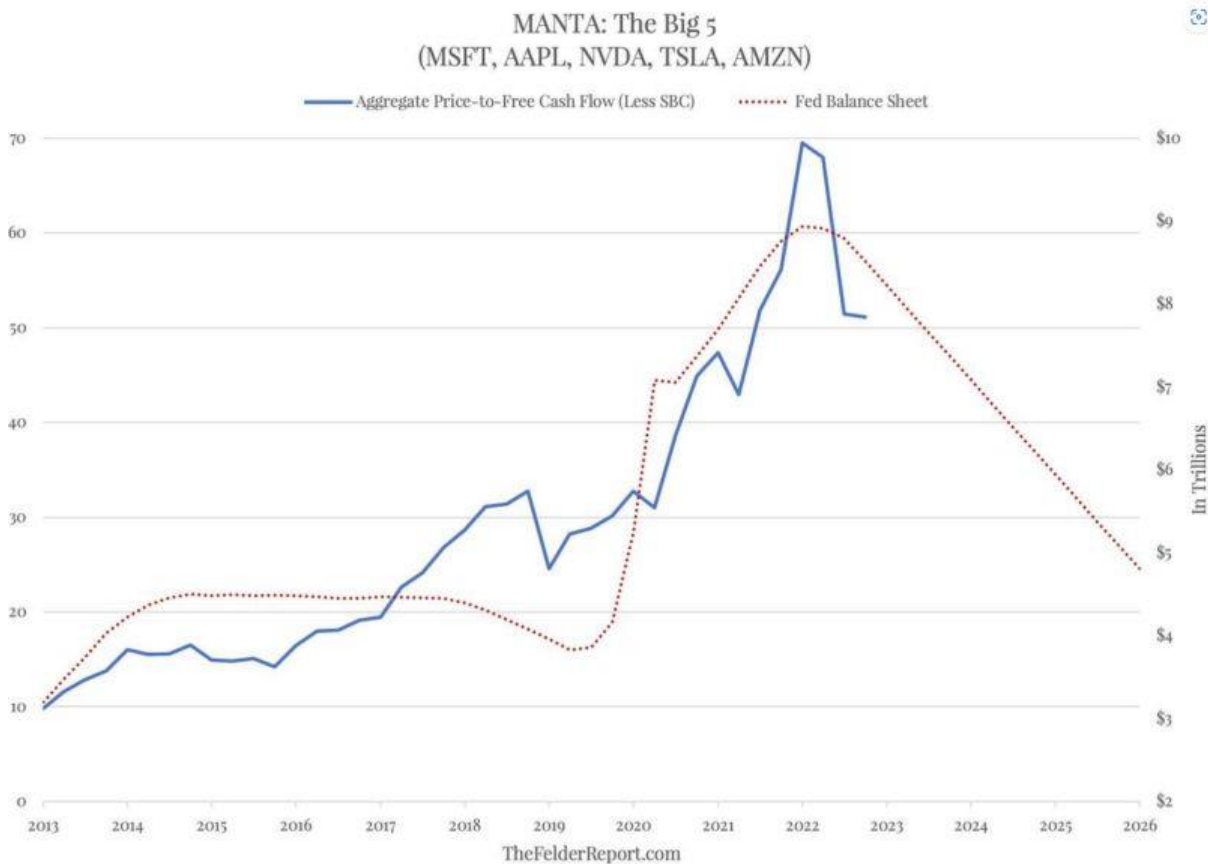
Source: Bianco Research





#faangs

THE DOUBLE WHAMMY FOR BIG TECH STOCKS: 1/ Lower Free Cash Flow growth; 2/ Lower Free Cash Flow Multiples (as Fed balance sheet stop growing and starts to decrease). If Fed QT accelerates, FCF multiple might shrink even more.



Source: The Felder Report

#markets

#faangs #revenues-yoy

Apple \$AAPL: +8%

Amazon \$AMZN: +15%

^Microsoft \$MSFT: +11%

S&P 500 \$SPY: +11%

Apple \$AAPL: +8%

^Google \$GOOGL: +6%

*Netflix \$NFLX: +6%

*Facebook \$META: -4%

*Slowest in company history.

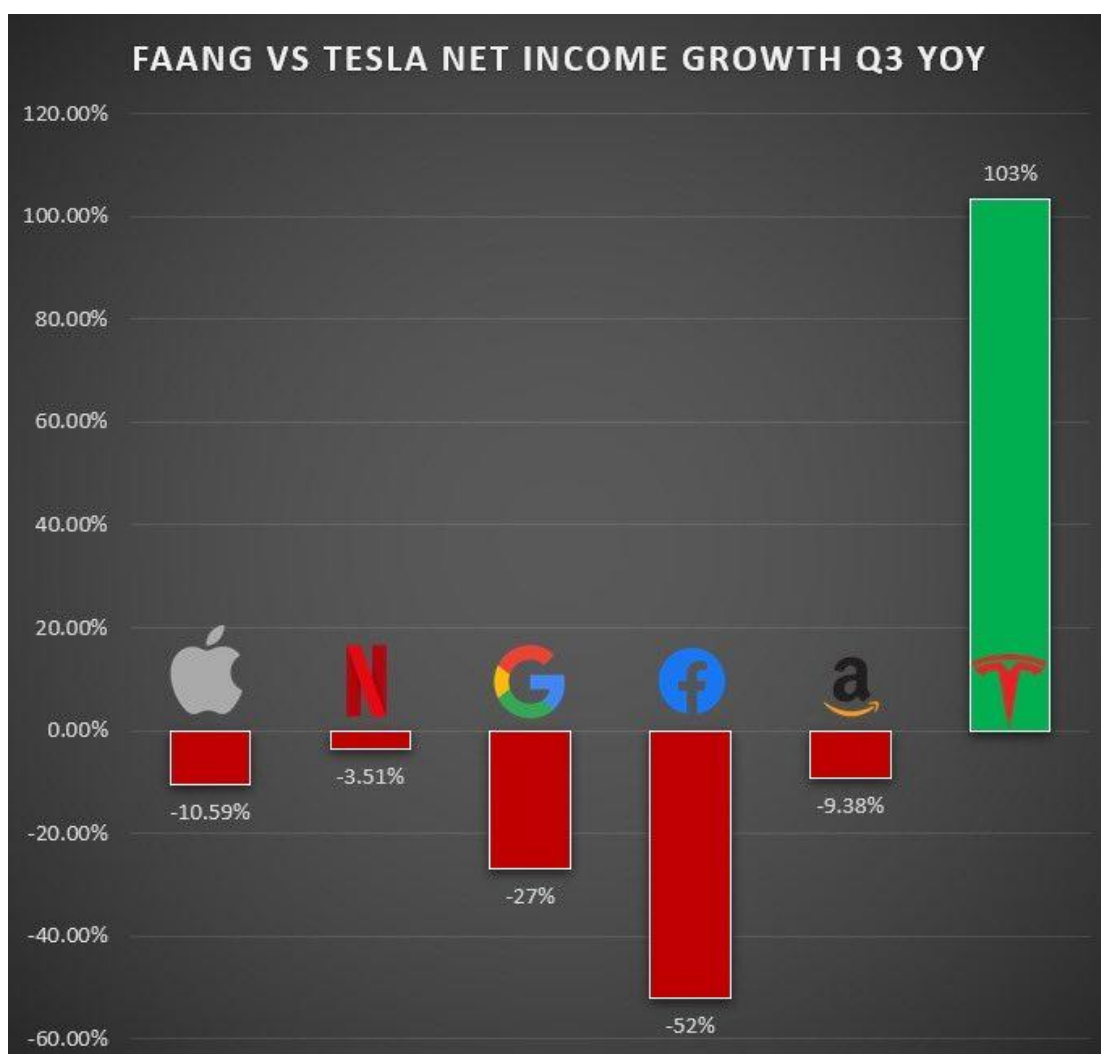
^Slowest since 2020.

Source: Charlie Bilello

#markets

#faangs #net-income

The "Trillion Dollar Market Cap" club is down to just three members with Amazon \$AMZN down to ~\$940 billion after hours.

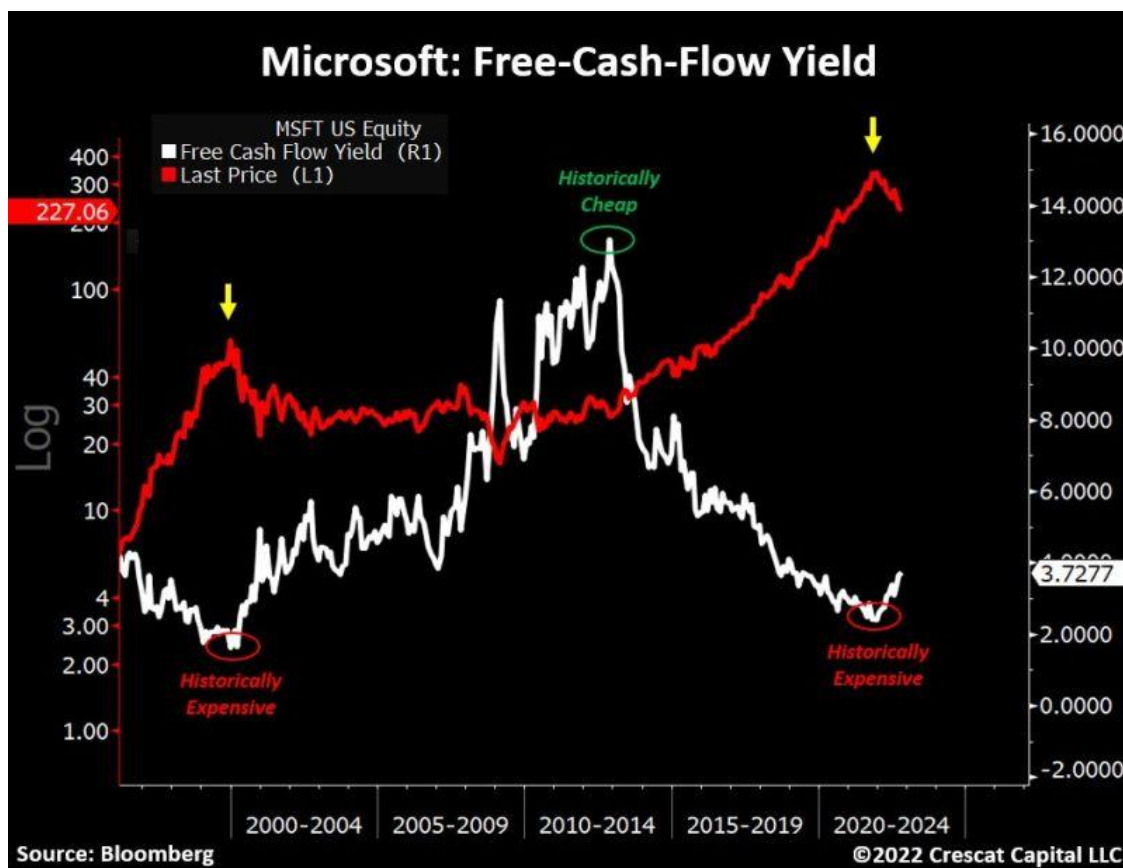


Source: Bloomberg



#faangs #microsoft

Are the FAANG(MAN) cheap enough? Probably not. As highlighted by Tavi Costa, Microsoft still trades at one of its most expensive valuations ever. Last time it reached similar levels was at the peak of the Tech Bubble. It then declined 65% subsequently. There is still a risk for \$MSFT to be de-rated further.



Source: Crescat Capital, Bloomberg

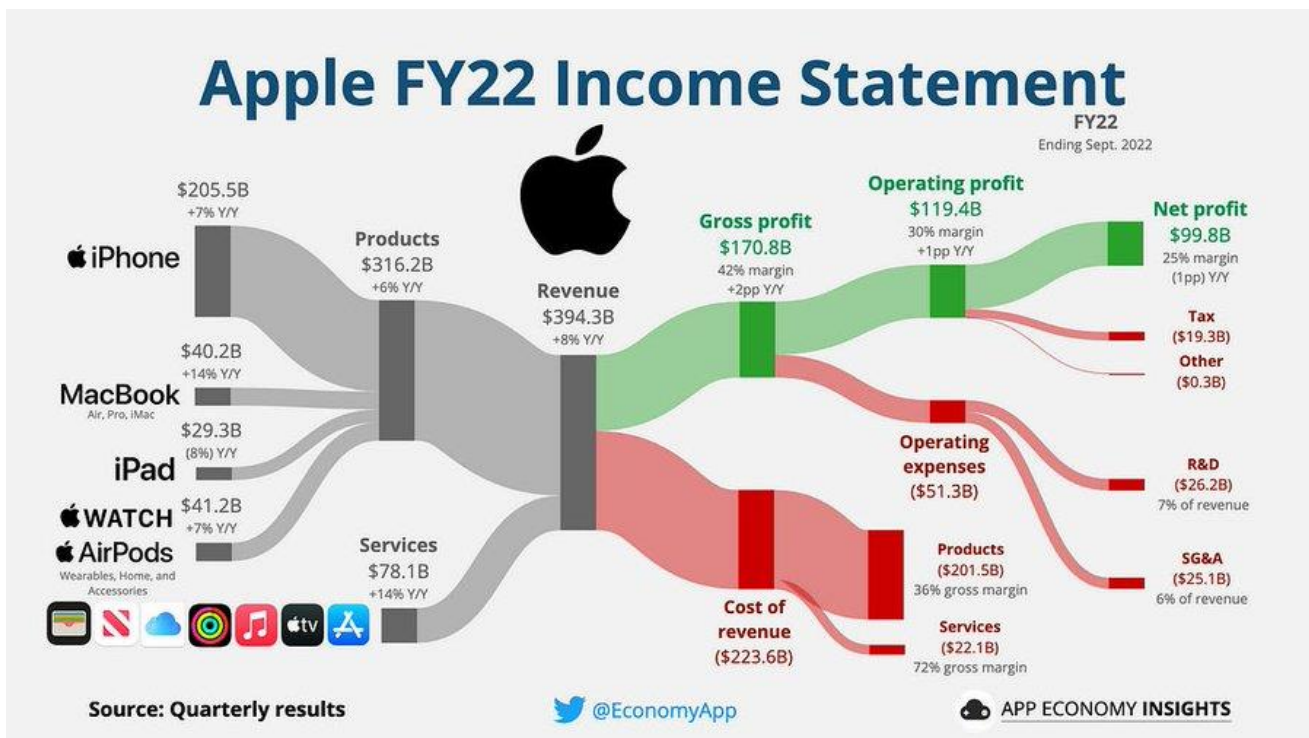




#faangs #apple

\$AAPL Apple Q4 FY22 results - Key metrics:

- Net sales +8% Y/Y to \$90.1B (\$1.4B beat).
- Services +5% Y/Y to \$19.2B.
- Products +9% Y/Y to \$71.0B.
- Operating margin 28% (-1pp Y/Y).
- Operating cash flow margin 31% TTM.
- EPS \$1.29 (\$0.02 beat).



Source: App Economic Insights



#faangs #amazon

\$AMZN Amazon Q3 FY22:

Key metrics:

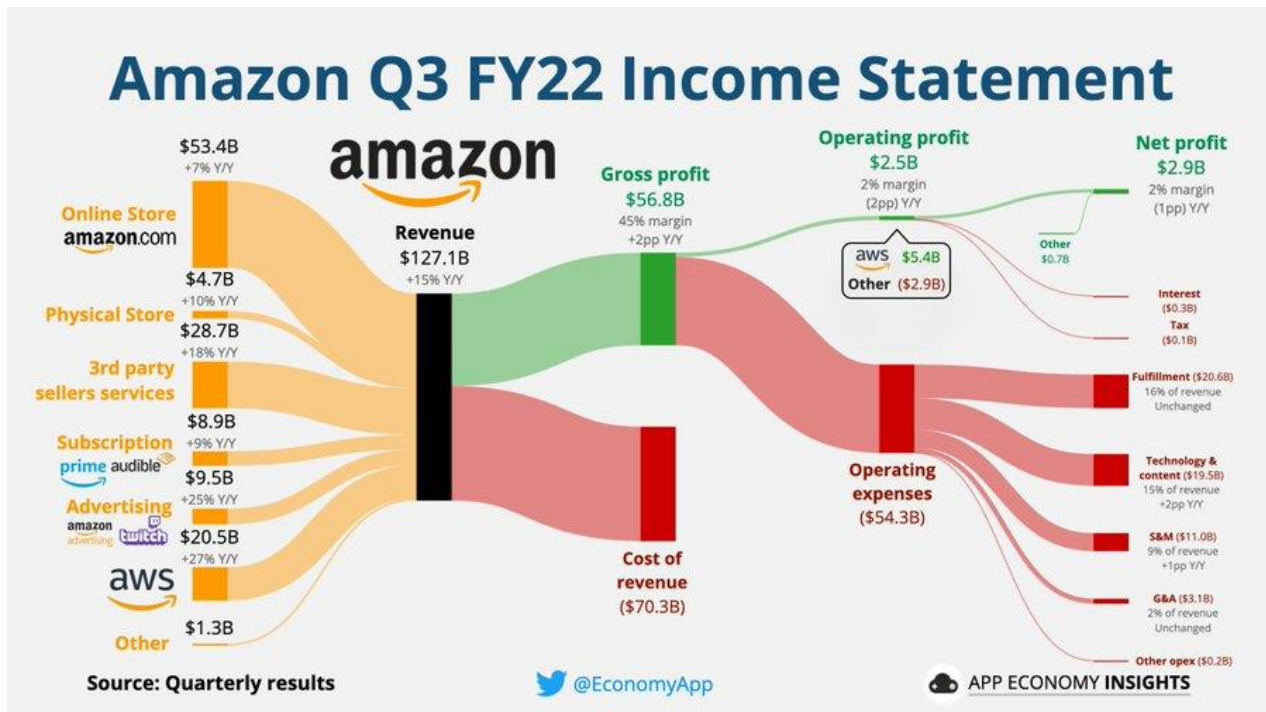
- Net sales +15% Y/Y to \$127.1B (\$0.4B miss).
- Operating margin 2% (-2pp Y/Y).
- EPS \$0.28 (\$0.07 beat).

AWS:

- Revenue +27% Y/Y to \$20.5B.
- Operating margin 26% (-4pp Y/Y).

Q4 Guidance:

- Revenue ~\$144B (\$9B miss).

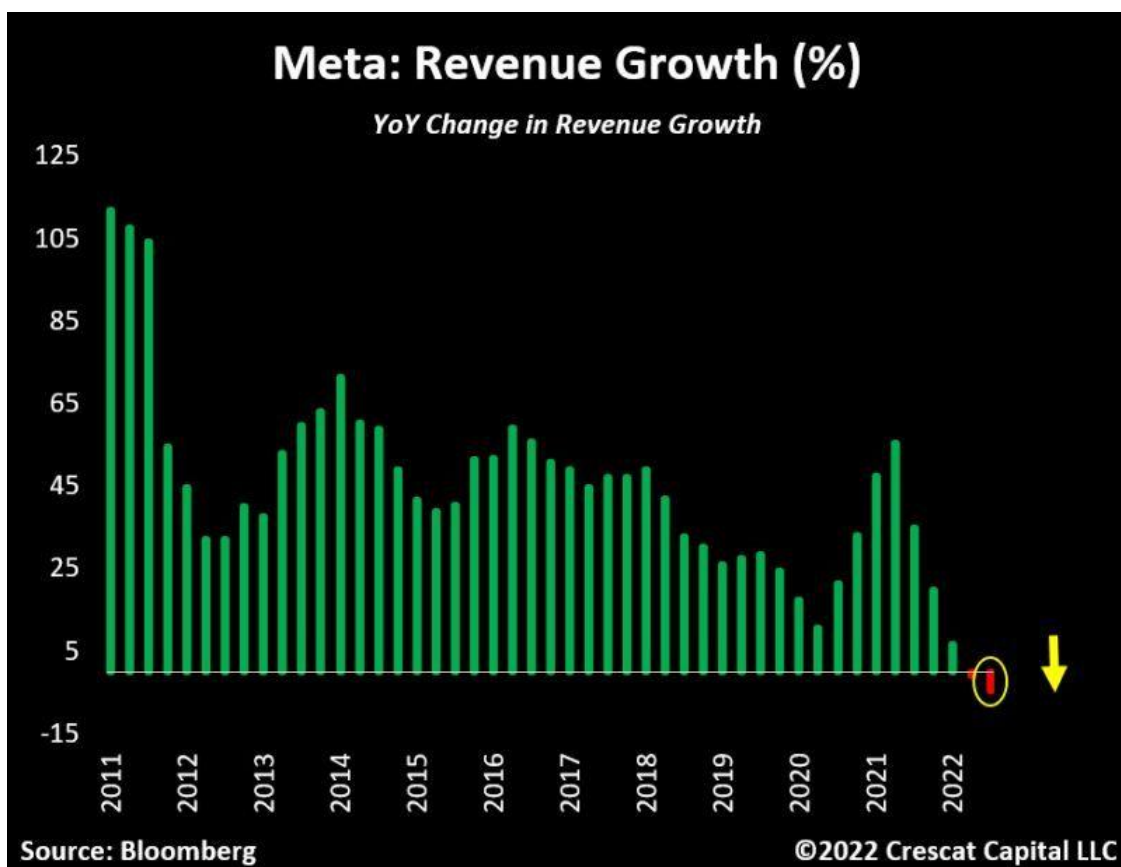


Source: App Economic Insights



#faangs #meta

Facebook revenues fell 4.5% over the last year, the largest decline in company history. Time to come-back in the real world?

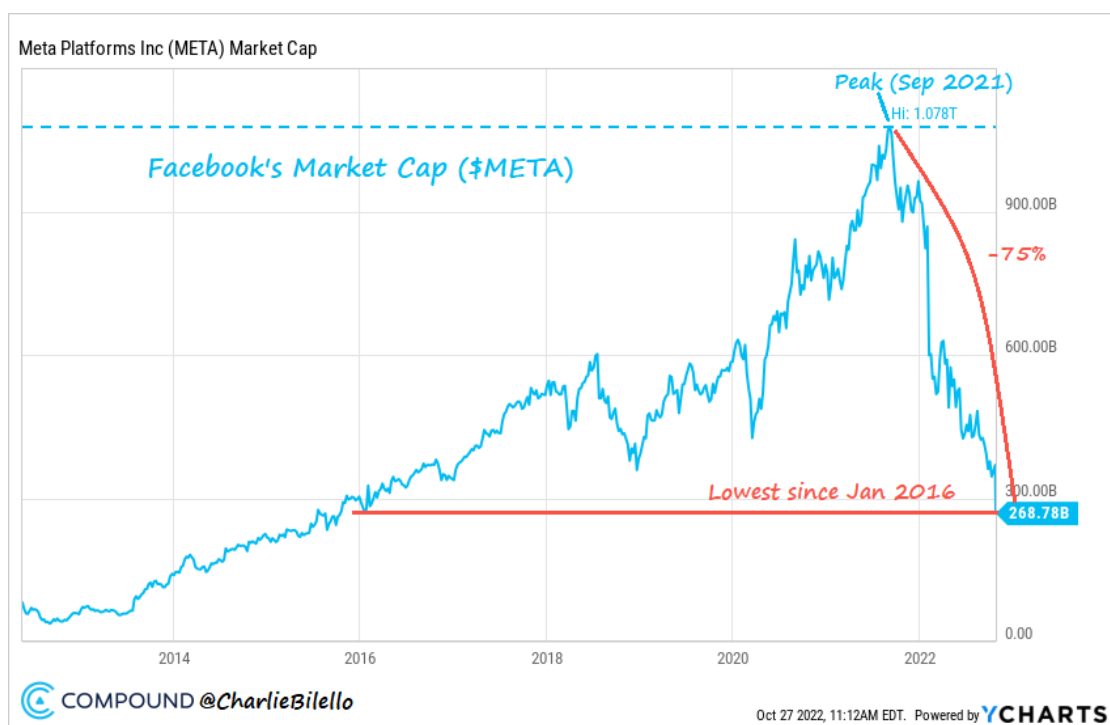


Source: Crescat Capital, Bloomberg



#faangs #meta

Meta / Facebook's market cap is down 75% from its peak last September, lowest level since Jan 2016. From \$1.08 trillion to \$269 billion.



Source: Charlie Bilello



#markets

#faangs #meta

BUSINESS
INSIDER

Meta spent \$45 billion on stock buybacks last year at \$330 a share. The stock is worth \$100 today after a post-earnings crash.

Theron Mohamed

Thu, October 27, 2022 at 9:37 AM



#markets

#faangs #meta #valuations

Price to Earnings Ratios...

Altria \$MO: 47

Clorox \$CLX: 38

Kraft Heinz \$KHC: 38

Colgate-Palmolive \$CL: 32

Hershey \$HSY: 30

Walmart \$WMT: 28

PepsiCo \$PEP: 26

Coca-Cola \$KO: 26

Procter & Gamble \$PG: 23

S&P 500 \$SPY: 20

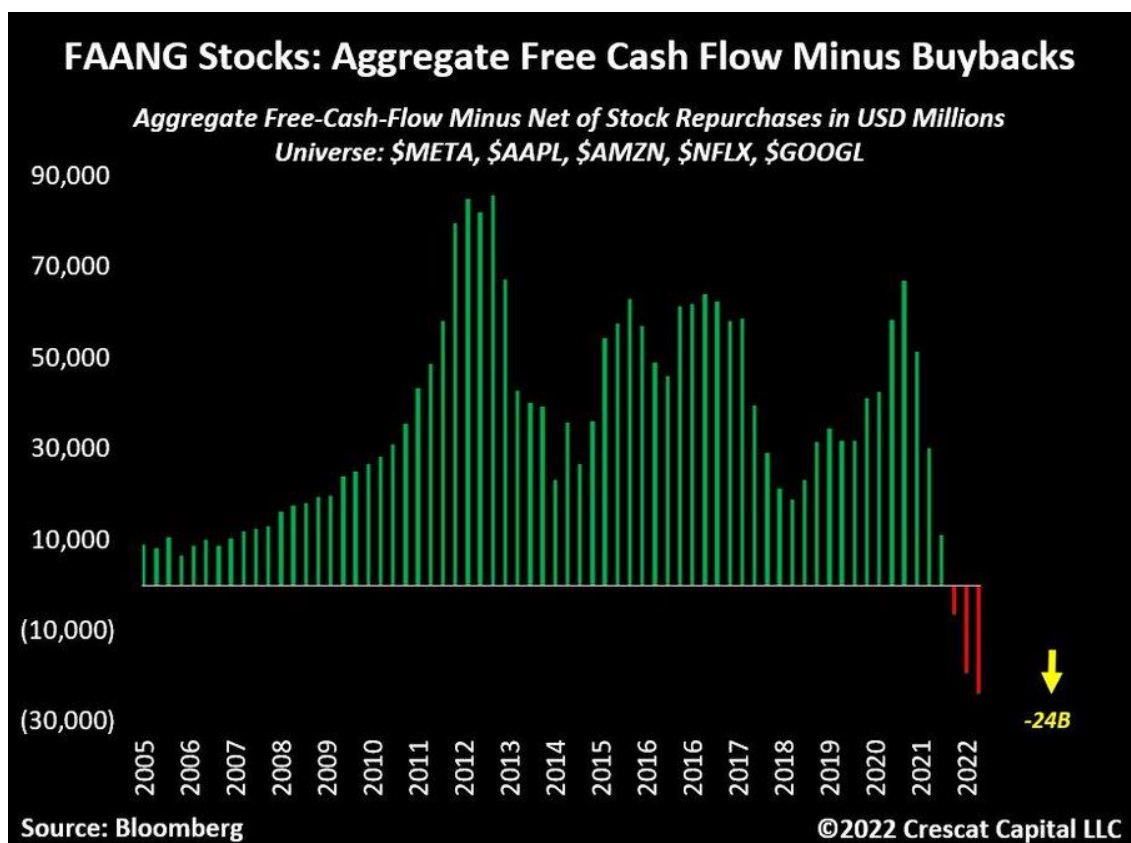
Facebook \$META: 9

Source: Charlie Bilello



#faangs #stocks #buybacks

Like never before, FAANG stocks are doing more buybacks than what they generate in free cash flow.



Source: Crescat Capital, Bloomberg



#twitter

Elon Musk officially owns #Twitter. He fired several top executives as one of his first moves, people familiar with matter say. Musk bought the company for \$44bn, matching the original price he offered earlier this spring, before trying to back out of the deal.

TWTR US \$ Acquired

TWTR US Equity 98 Report 99 Contact IR Page 1/5 Security Description: Equity

Profile Issue Info Ratios Revenue & EPS ESG

TWITTER INC FIGI BBG000H6HNW3
 BI Research Primer | BICO » Classification Internet Media & Services
 Twitter, Inc. provides online social networking and microblogging service. The Company offers users the ability to follow other users activity, read, and post tweets. Twitter serves customers worldwide. ... More

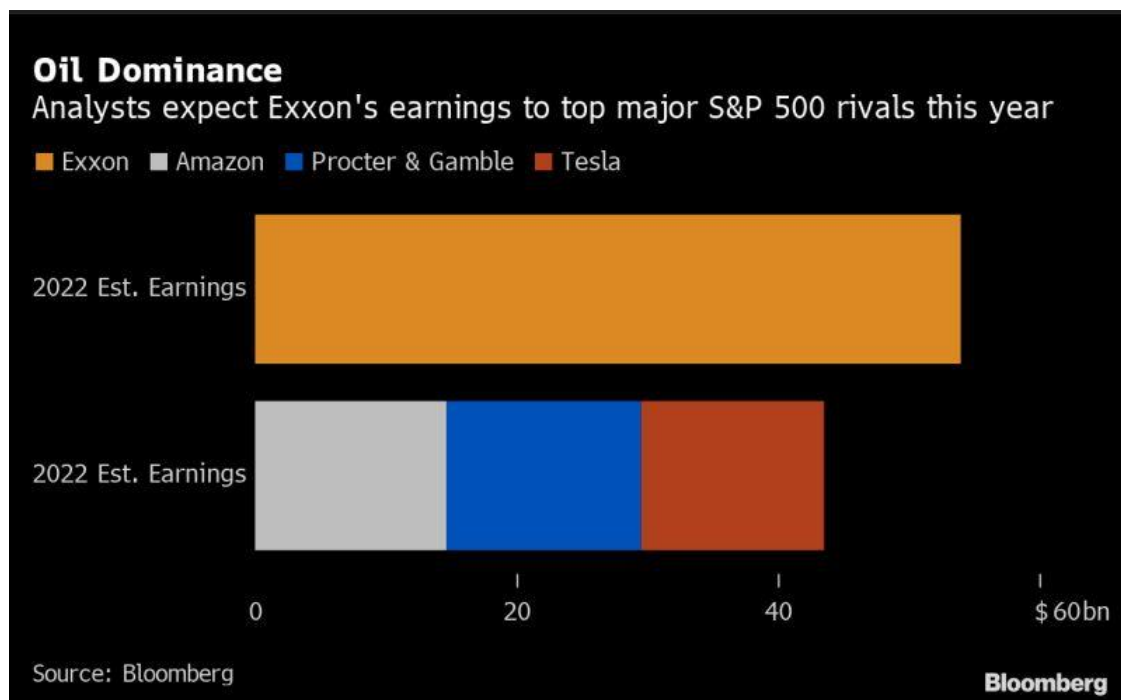
<p>8) Price Chart GP »</p> <p>Px/Chg 1D (USD) 53.70/N.A. 52 Wk H (10/28/21) 55.64 52 Wk L (02/24/22) 31.30 YTD Change/% 10.48/24.25% Mkt Cap (USD) 41,093.7M Shrs Out/Float 765.2M/631.9M SI/% of Float 37.5M/5.93% Days to Cover 1.2</p>	<p>9) Estimates EE »</p> <p>Date (E) 11/02/22 P/E N.A. Est P/E 12/22 66.71 T12M EPS (USD) -0.44 Est EPS 0.81 Est PEG N.A.</p> <p>12) Dividend DVD »</p> <p>Ind Gross Yield N.A. No cash dividends</p>	<p>13) Corporate Info</p> <p>14) www.twitter.com San Francisco, CA, US Empls 7,500 (12/31/21)</p> <p>15) Management MGMT »</p> <p>16) Parag Agrawal Chief Executive Officer</p> <p>17) Ned D Segal Chief Financial Officer</p> <p>18) Leslie Berland Chief Marketing Officer</p> <p>12M Tot Ret -1.09% Beta vs SPX 1.04</p> <p>21) Depository Receipts Active Receipts 2</p>
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Source: Bloomberg



#energy #earnings

Exxon Mobil posted the highest profit in its 152-year history. Its earnings will likely top those at Amazon, Procter & Gamble and Tesla combined this year.



Source: Bloomberg



#energy #tech

ENERGY vs. TECH

Chart up: Energy beating Tech. Chart down: Tech beating Energy

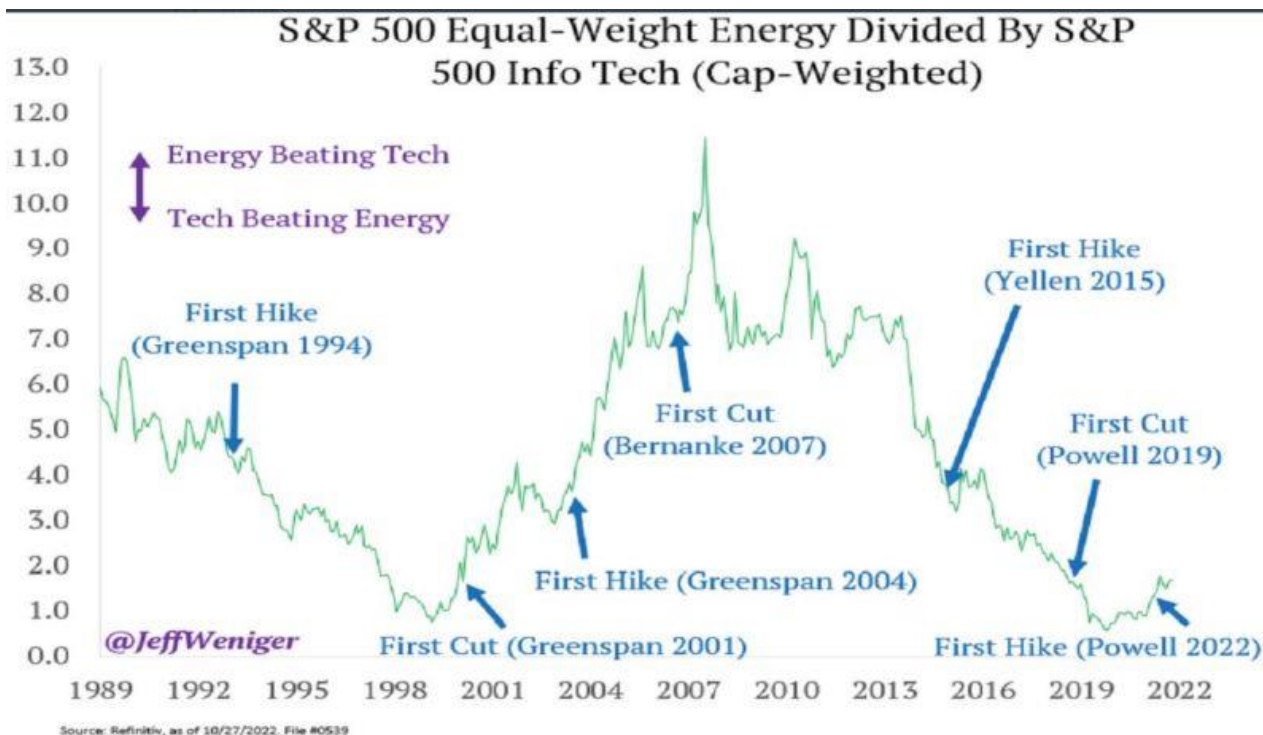
1994 hike: Inflation not in focus, Tech > Energy

2004 hike: Inflation in focus, Energy > Tech

2015 hike: Inflation not in focus, Tech > Energy

2022 hike: Inflation in focus, Energy > Tech

Source: Jeff Weniger

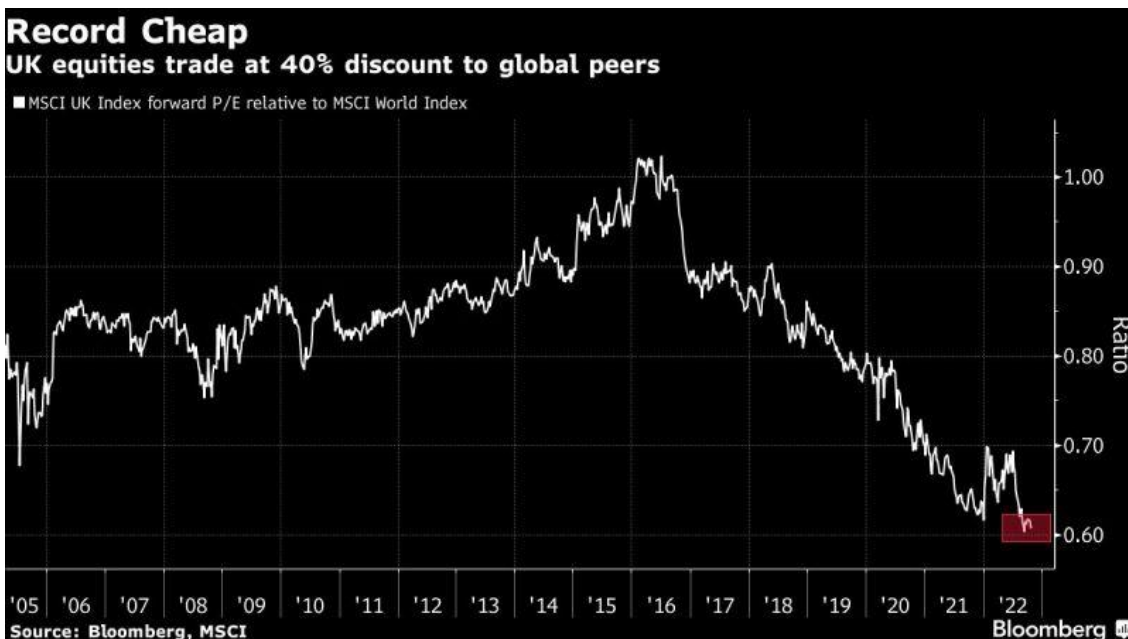


Source: Jeff Weniger



#uk #equities

UK equities are unloved, under-owned and undervalued. After 6 years of underperformance and messy political news flow, asset allocators are clearly underexposed to UK #stocks. As Rishi Sunak prepares to take power in the UK as the next PM, the nation's stocks are trading near a record cheap #valuation relative to global peers. W/a forward price-to-earnings ratio of about 8.8, an 11y low, MSCI UK Index has a 40% discount to the MSCI World, BBG has calculated. The equity risk premium hover around 700bps. Let's not forget that 70% of FTSE 100 revenues are generated overseas and that the index weights are tilted towards commodities-sensitive stocks and exporters.



Source: Bloomberg



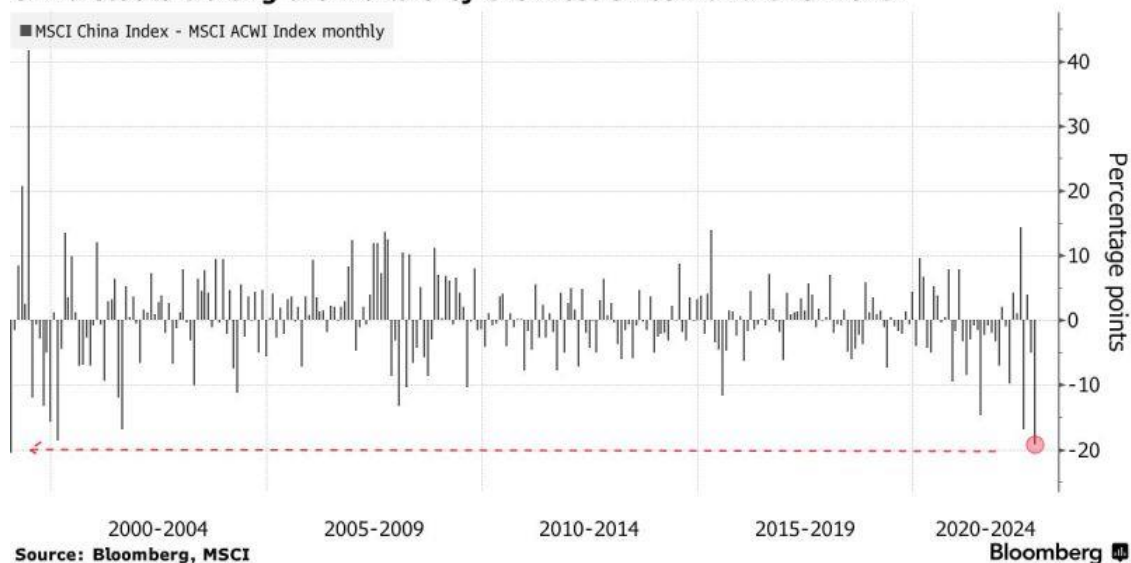


#china #stocks

RED OCTOBER - As shown on the chart below, the MSCI #China index is trailing the MSCI World by the largest percentage since 1999 this month

Historic Underperformance

China stocks trailing the world's by the most since 1999 this month

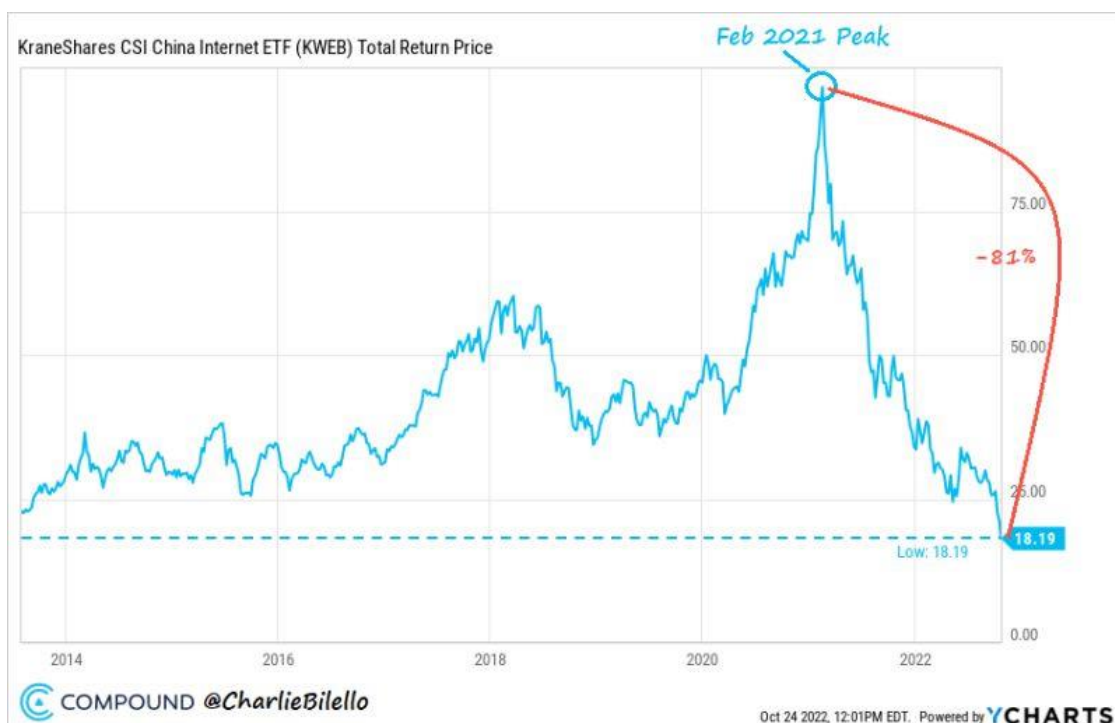


Source: Bloomberg



#china #equities

On Monday, the China internet ETF (KWEB) is at an all-time low, down 81% from its peak in Feb 2021. Source: Charlie Bilello

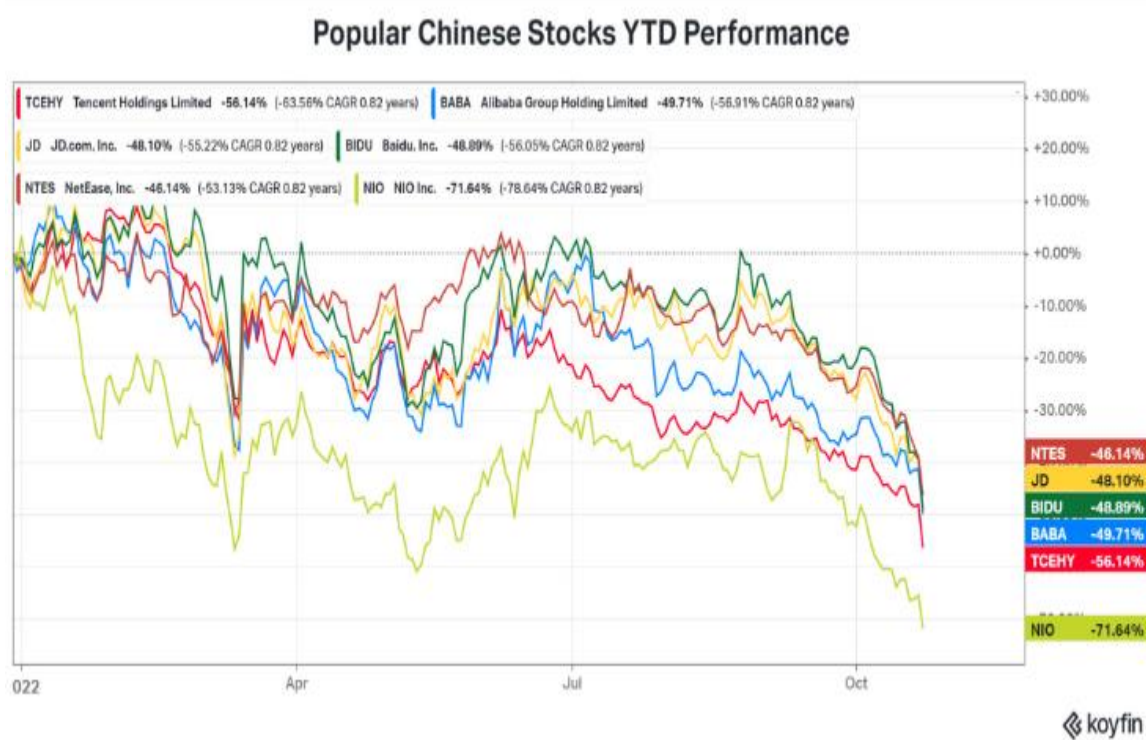


Source: Charlie Bilello



#china #equities

Popular Chinese Stocks YTD Performance.



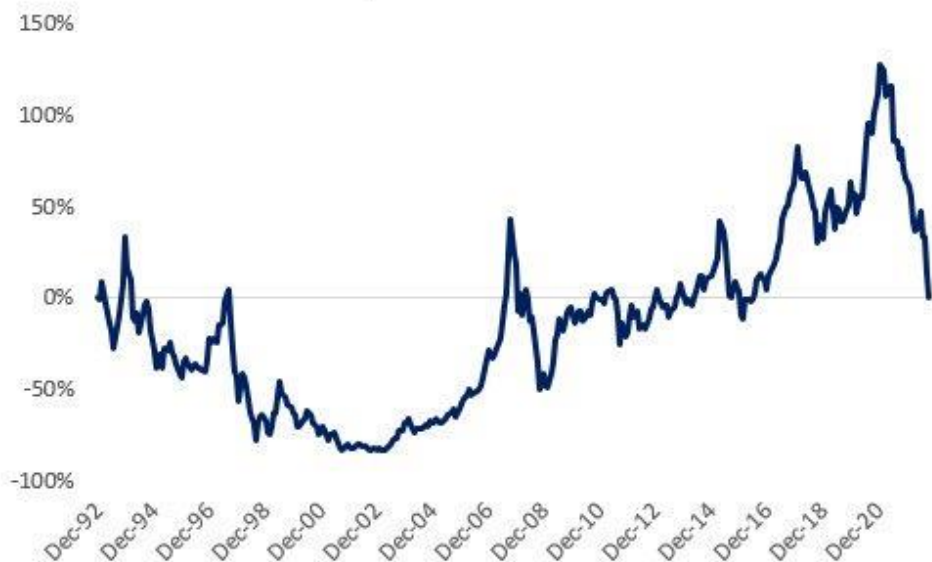


#china #equity #performance

What has been MSCI China performance in USD terms in last 30 years? 🖱️ Zero.

MSCI China has delivered a 0% return in the nearly 30 years since inception

Cumulative return since inception in USD terms



Source: Refinitiv, Schroders. Data as at 27 October 2022

Source: Michel Arouet



#hong-kong #stocks

Xi's Power Grab Spurs Historic Market Rout as Foreigners Flee #china stocks (Hang Seng down -6%) and yuan (offshore yuan hits 7.35) extend losses on Monday as Party congress ends. Traders worry leadership filled with Xi allies may disappoint. Note that Hang Seng Index is back to 2000 levels.

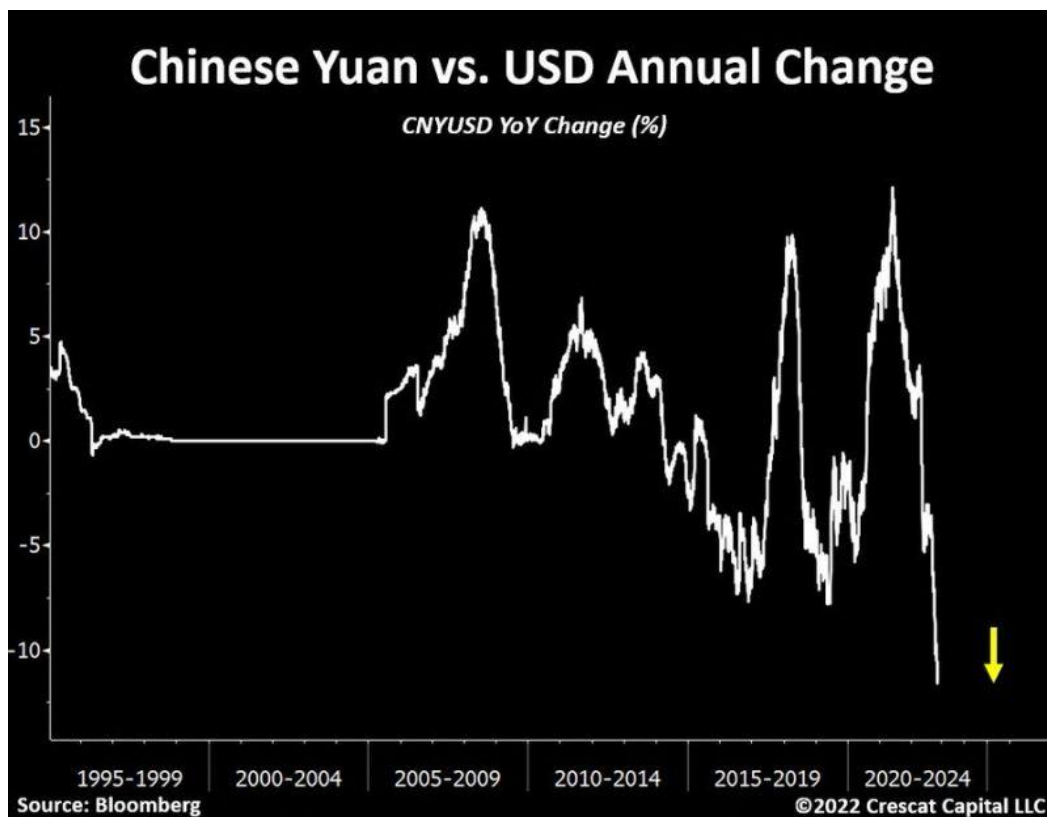


Source: Bloomberg, TradingView, Rich Kleinbauer



#yuan

We just saw the largest annual depreciation in the Chinese yuan in 27 years. This morning the onshore yuan fixing was the lowest in 14 years as China is suffering from yen weakness, a property crisis and much lower growth rate than in the past. With a -15% decline from peak, can we still call it a stealth devaluation? Will China be able to prevent capital flights? Will we see some Chinese money moving into #bitcoin as it happened in the past?



Source: Crescat Capital, Bloomberg



#yuan

The offshore yuan saw its biggest daily rise in history this week but by the end of the week, the yuan closed weaker against the dollar.



Source: www.zerohedge.com, Bloomberg



#us #treasuries #weekly

Treasuries were also bid on the week with the long-end outperforming...



Source: www.zerohedge.com, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

29 OCTOBER 2022



#us #treasuries #10y

10Y Yields fell back to 4.00% this week.

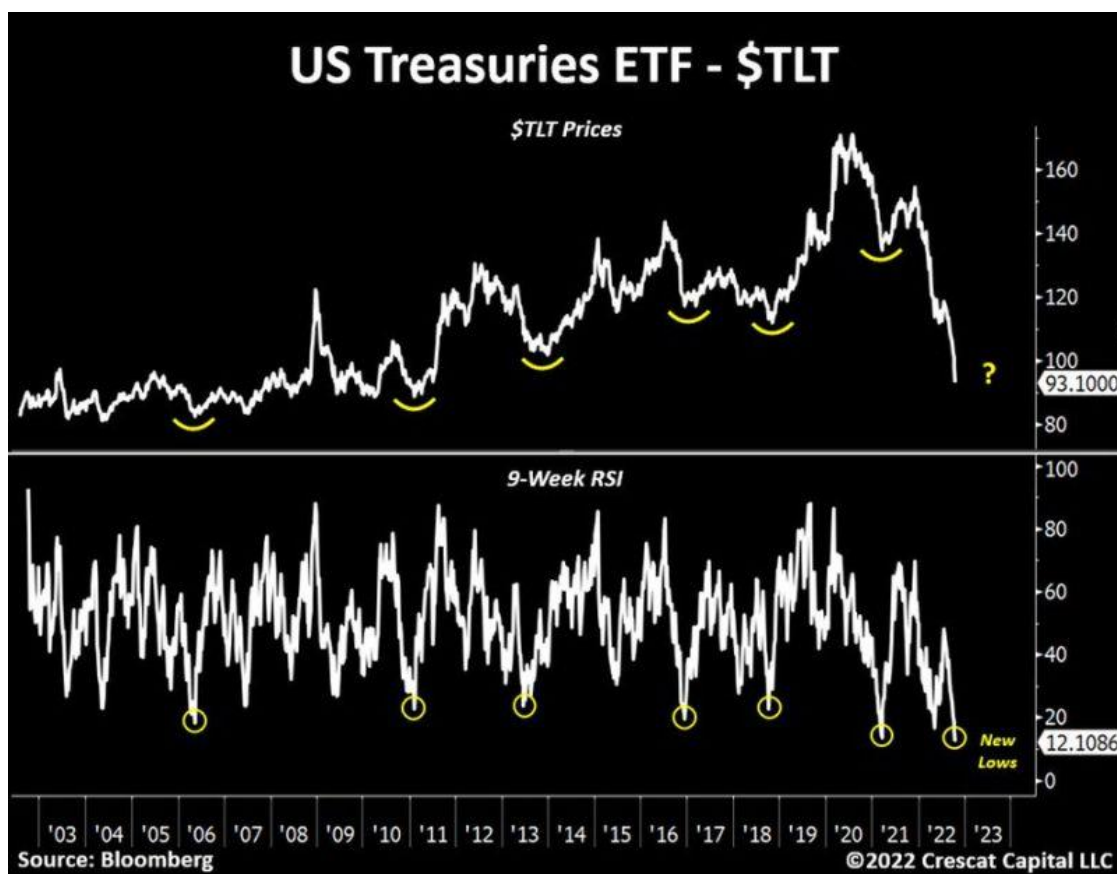


Source: www.zerohedge.com, Bloomberg



#us #treasuries #tlt

US Treasuries have never been this oversold on a 9-week RSI.



Source: Crescat Capital, Bloomberg



#us #treasuries #30-year

The US 30-yr Rate has only traded below the CPI Y/Y Inflation rate on a handful of moments. Except for now... So either inflation cools down to below 4.5% or #rates have much further to climb...



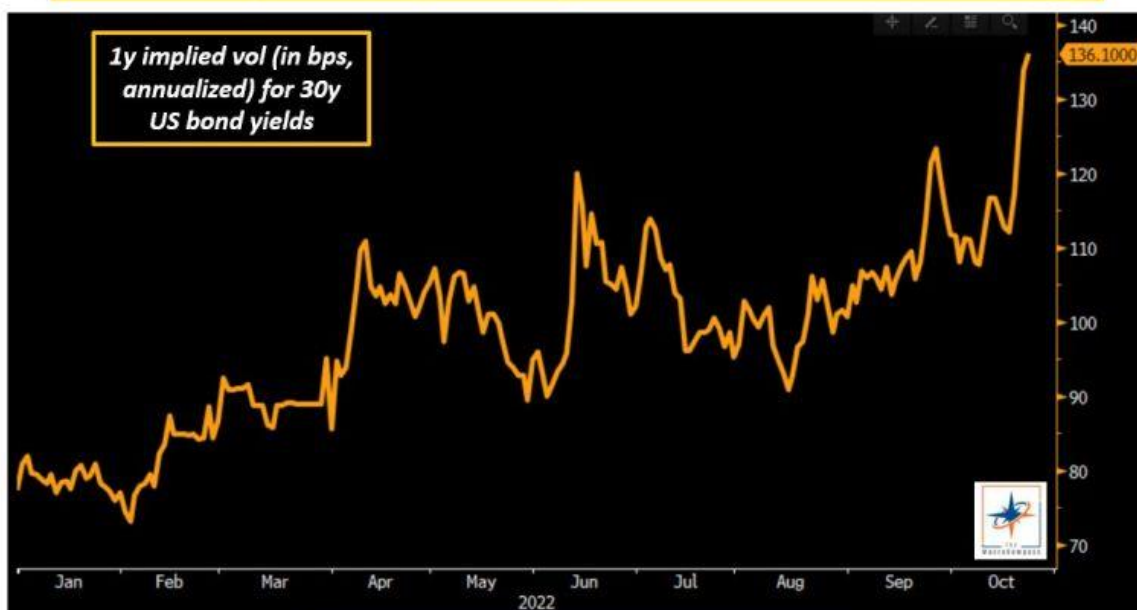
Source: Bloomberg



#us #treasuries #implied-volatility

The Fed "pivot" materially increased implied volatility in the long-end of the US bond market. Since the GFC, these levels have only been experienced very briefly in 2011 and during the pandemic. A volatile bond market in the long-end is a fertile ground for systemic risks.

Watch out: implied volatility in the long-end of the US bond market is increasing



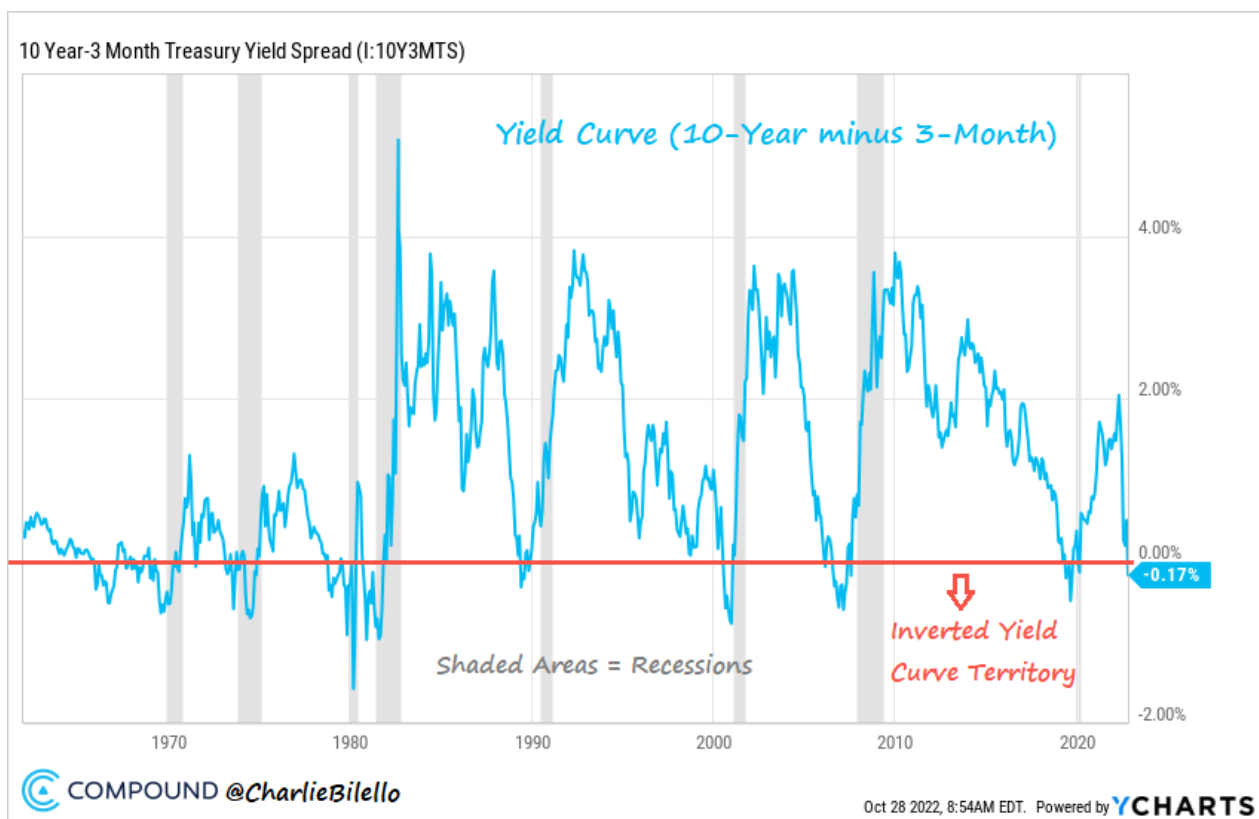
TheMacroCompass.substack.com

Source: MacroAlf



#us #yield-curve

The last 8 recessions in the US were all preceded by an inversion of 10-yr and 3-mo Treasury yields. That spread is now the most inverted since Feb 2020 with the 3-Month Treasury bill (4.13%) yield 17 bps higher than the 10-Year Treasury bond (3.96%).



Source: Charlie Bilello



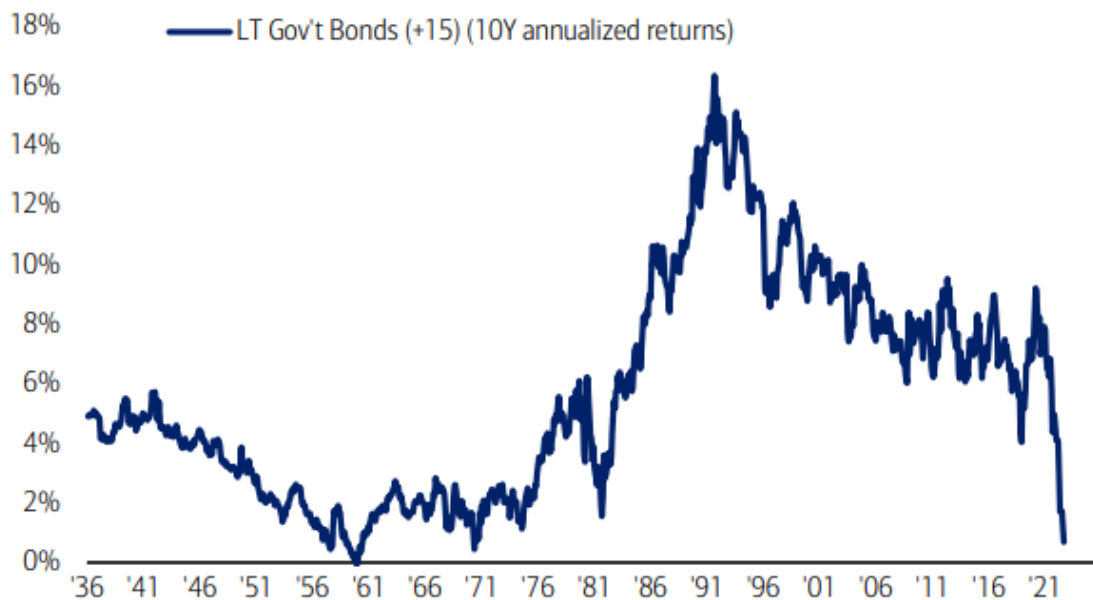


#us #treasuries #returns

Long-term return from US government bonds crashes to 50-year low of 0.7%, was 9.7% as recently as Mar'20 COVID shock.

Chart 2: Long-term returns for US Treasuries at 50-year lows

Long-term government bond returns, rolling 10-year annualized %



Source: BofA Global investment Strategy, Bloomberg, Datastream. 15yr+ government bonds.

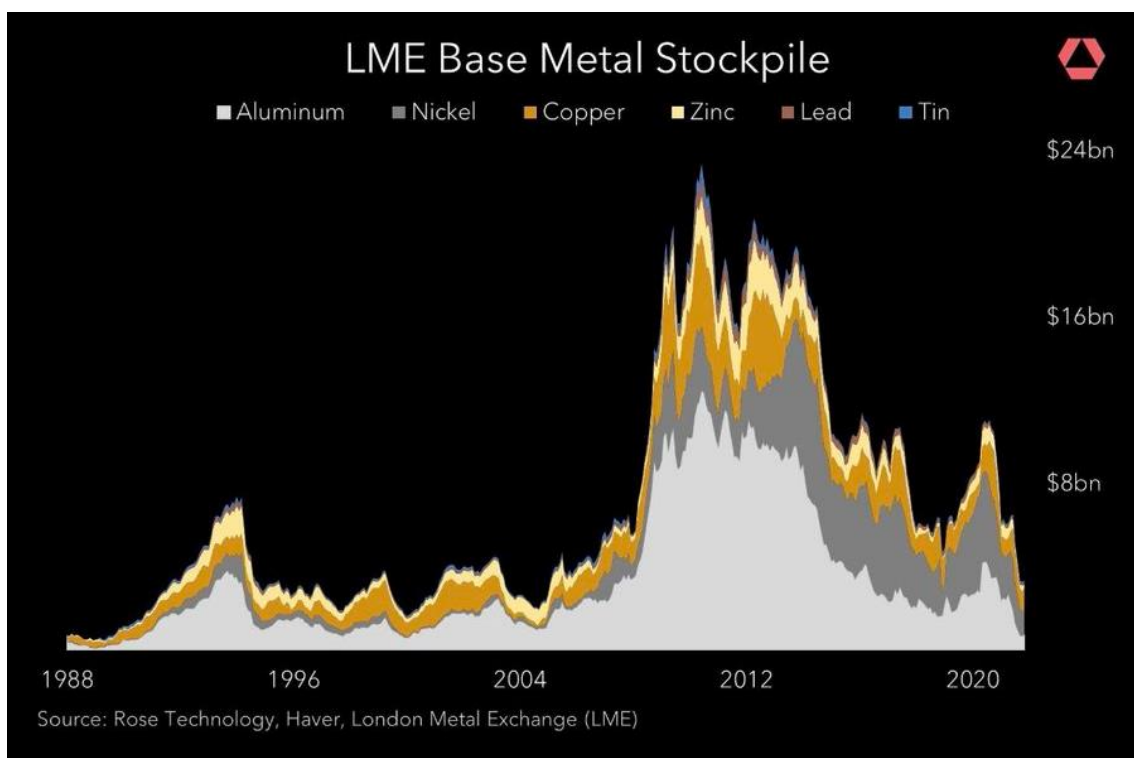
BofA GLOBAL RESEARCH

Source: BofA



#metals #lme #inventory

All of the base metals at the LME are running low. Remember the Nickel market squeeze a few months ago?



Source: Wall Street Silver

#macro

#us #gdp

For anyone wanting to “nerd out” on the internals of US GDP release, as well as the prior three quarters, please have a look at the table below. Exports (mainly energy and weapons being shipped to Europe) was more than 100% of GDP growth.

GDP components					
	% of real GDP	3Q22 real GDP	2Q22 real GDP	1Q22 real GDP	4Q21 real GDP
▪ Consumer spending	70.7%	1.4%	2.0%	1.3%	3.1%
▪ Government spending	17.0%	2.4%	-1.6%	-2.3%	-1.0%
-Federal: 6.8%		3.7%	-3.4%	-5.3%	0.0%
-State/local: 10.2%		1.7%	-0.6%	-0.4%	-1.6%
▪ Net exports of goods and services	(-6.4%)	2.8*	1.2*	-3.1*	-0.2*
-Exports: 13.0%		14.4%	13.8%	-4.6%	23.5%
-Imports: (19.4%)		-6.9%	2.2%	18.4%	18.6%
▪ Fixed investment	17.7%	-4.9%	-5.0%	4.8%	0.6%
-Nonresidential: 14.7%		3.7%	0.1%	7.9%	1.1%
-Residential: 3.1%		-26.4%	-17.8%	-3.1%	-1.1%
▪ Change in private inventories	--	-0.7*	-1.9*	0.2*	5.0*
	Real GDP	2.6%	-0.6%	-1.6%	7.0%

Source: Charles Schwab, Bureau of Economic Analysis, as of 9/30/2022. *Represents contribution to percent change in real GDP. Numbers may not add up to 100% due to rounding. Real GDP based on annualized Q/Q % change.

Source: Liz Ann Soncders

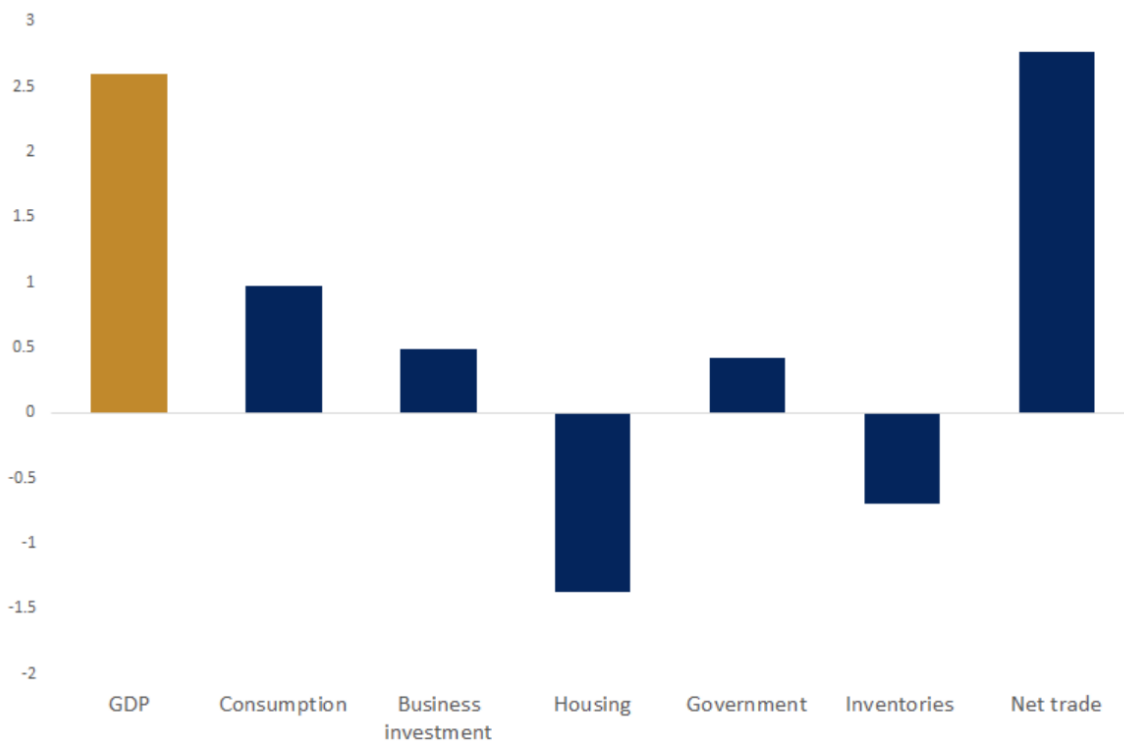


#us #gdp

Consumption, the primary driver of the U.S. economy, was muted and slowed to 1.4% from 2% in the previous quarter, helped by a rise in services spending but partly offset by a decline in goods consumption

Economic activity rebounded last quarter - but strength will likely fade

Contributions to Q3 GDP growth



Source: FactSet, Edward Jones

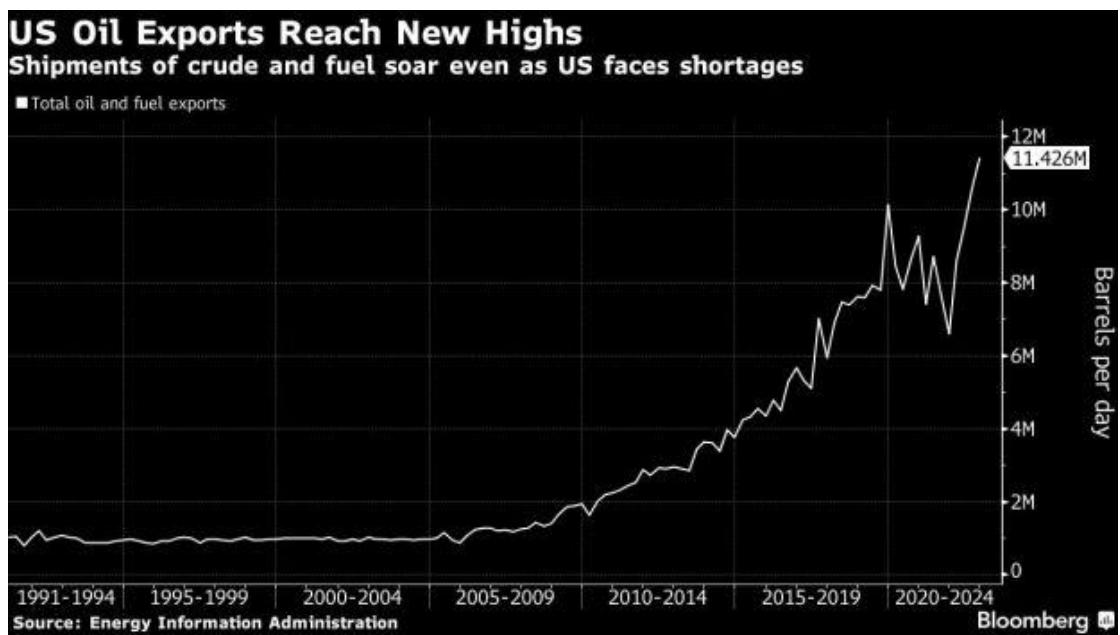
Source: Edward Jones



#macro

#us #oil #exports

Total #us #petroleum shipments reached 11.4 million barrels a day, according to the Energy Information. At the same time, domestic fuel inventories are at historic seasonal lows with pockets along the East Coast running out of -- or rationing -- supplies. Source: Bloomberg

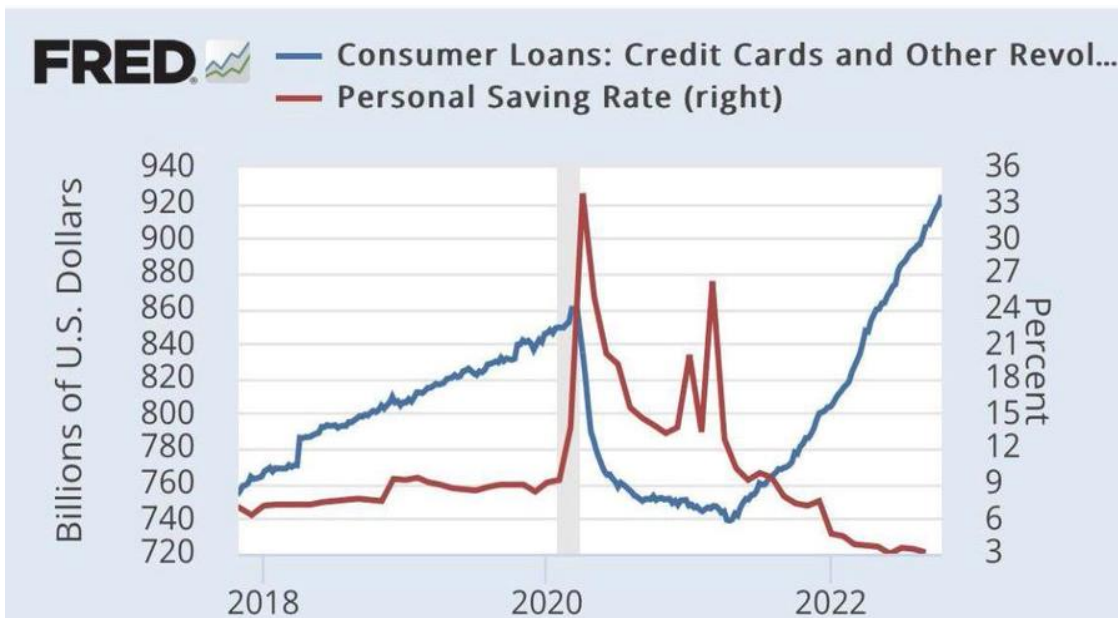


Source: Bloomberg



#us #savings

Personal excess savings from Covid stimulus are all gone...



Source: FRED



#us #housing

Average 30-Year Mortgage Rate in the US...

1970s: 8.9%

1980s: 12.7%

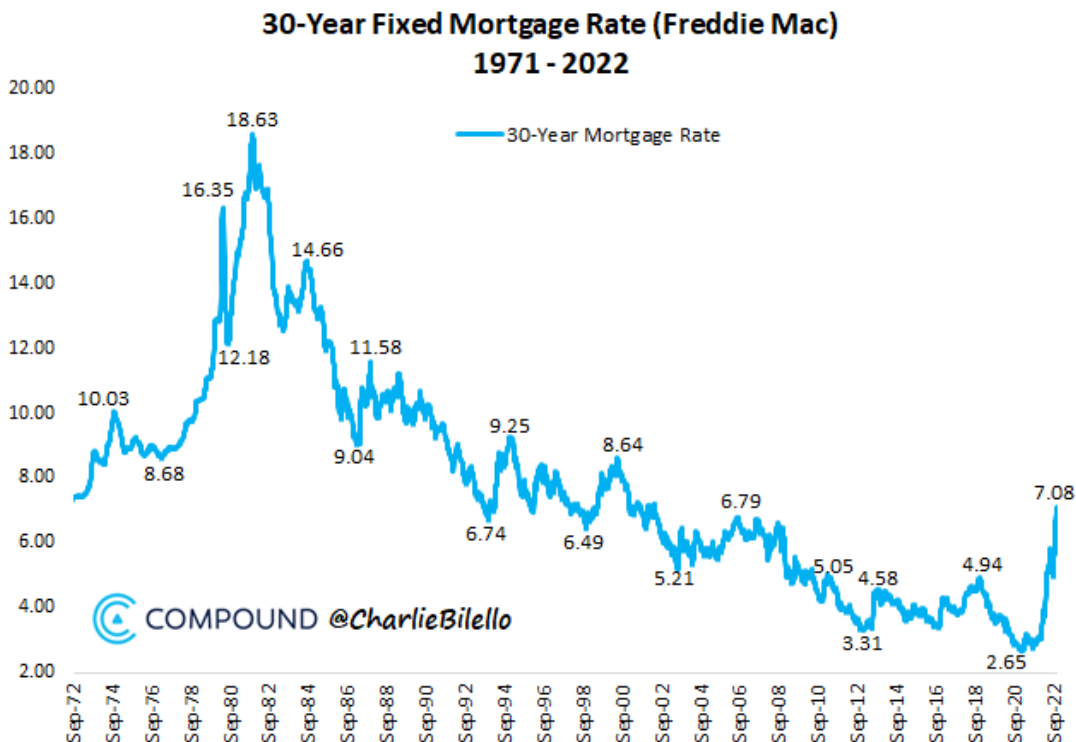
1990s: 8.1%

2000s: 6.3%

2010s: 4.1%

2020s: 3.6%

Today's Rate: 7.1%



Source: Charlie Bilello



#macro

#us #housing

Every city in the Case-Shiller 20-city index saw a decline in home prices in August. The last time all 20 cities were down in a single month was in March 2011. San Francisco is showing the largest decline in prices thus far, -8.2% from its peak in May.

@CharlieBilello Case-Shiller US Home Price Indices (as of August 2022) Data: YCharts									
City	1-Year %	3-Year %	5-Year %	10-Year %	15-Year %	20-Year %	All-Time High Date	Months From High	% Below All-Time High
Miami	28.6%	66.9%	80.5%	174.9%	60.7%	198.8%	7/31/2022	1	-0.1%
Tampa	28.0%	72.1%	92.5%	185.6%	79.8%	195.3%	7/31/2022	1	-0.5%
Charlotte	21.4%	57.6%	73.6%	126.0%	94.0%	142.6%	7/31/2022	1	0.0%
Dallas	20.2%	55.9%	68.4%	151.1%	141.3%	163.0%	6/30/2022	2	-1.9%
Atlanta	20.1%	51.9%	68.3%	150.5%	74.0%	103.5%	7/31/2022	1	-0.2%
Las Vegas	17.6%	52.2%	79.4%	209.1%	36.8%	149.6%	6/30/2022	2	-1.4%
Phoenix	17.1%	71.0%	95.0%	182.3%	61.6%	188.5%	6/30/2022	2	-2.4%
San Diego	12.7%	53.2%	64.3%	157.0%	79.1%	170.5%	5/31/2022	3	-5.4%
New York	12.4%	37.1%	44.5%	69.4%	34.4%	98.8%	6/30/2022	2	-0.4%
Los Angeles	12.1%	42.0%	52.5%	137.1%	58.8%	194.8%	5/31/2022	3	-3.9%
Denver	12.0%	43.1%	59.1%	142.8%	132.3%	155.0%	5/31/2022	3	-3.2%
Cleveland	11.5%	37.7%	49.6%	72.7%	49.9%	58.7%	7/31/2022	1	0.0%
Boston	11.4%	38.8%	52.6%	100.2%	84.3%	114.7%	6/30/2022	2	-1.1%
Chicago	11.3%	28.5%	34.2%	64.6%	14.1%	50.6%	7/31/2022	1	-0.4%
Seattle	9.9%	48.9%	64.9%	170.9%	98.6%	227.2%	5/31/2022	3	-6.9%
Detroit	9.7%	33.7%	47.4%	121.4%	55.4%	48.6%	5/31/2022	3	-1.0%
Portland	8.6%	37.6%	49.0%	137.7%	79.0%	192.7%	5/31/2022	3	-3.4%
Minneapolis	7.7%	29.7%	43.3%	91.5%	43.5%	72.8%	6/30/2022	2	-0.8%
Washington	7.4%	29.6%	37.2%	60.4%	33.4%	114.6%	5/31/2022	3	-1.9%
San Francisco	5.6%	33.3%	47.3%	156.0%	74.4%	151.5%	5/31/2022	3	-8.2%
20-City Index	13.1%	42.8%	54.8%	116.8%	59.0%	135.6%	6/30/2022	2	-2.0%

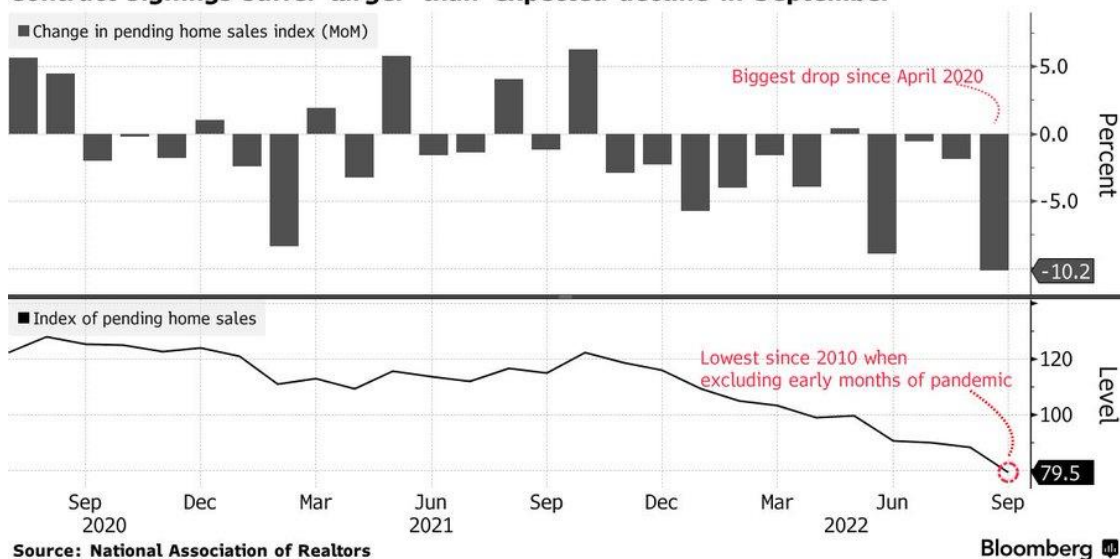
Source: Charlie Bilello



#us #housing

US pending home sales fall by most in two years as rates rise.

Pending Home Sales Battered by Rising Rates Contract signings suffer larger-than-expected decline in September

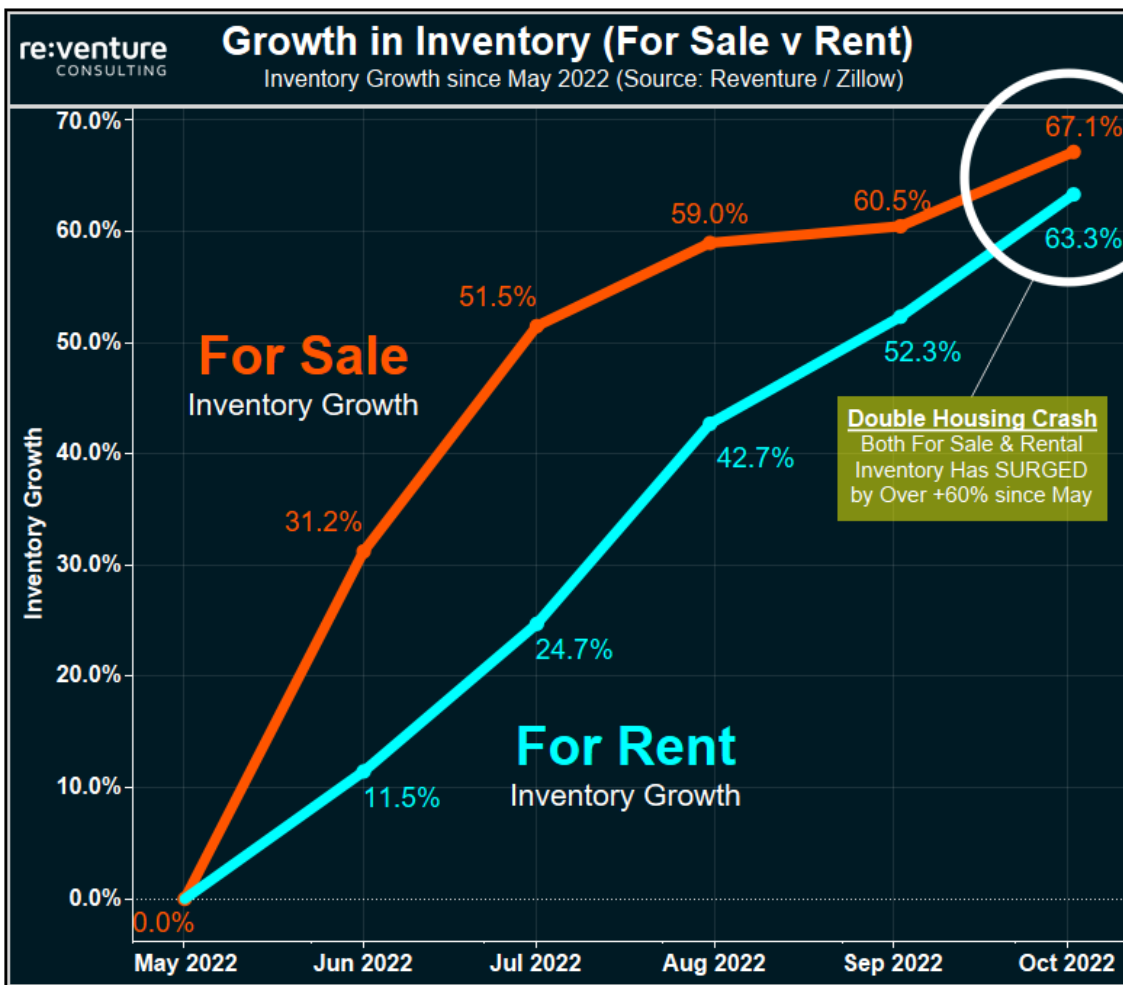


Source: Bloomberg

#macro

#us #housing

Inventory on For Sale and Rental Market is exploding at the same time.



Source: Nick Gerli



#german #gdp

German recession delayed as economy unexpectedly grows: GDP expanded 0.3% in Q3, defying analysts' estimates of a 0.2% contraction. Growth was driven primarily by private consumption. This is likely to be calm before storm. High inflation is causing consumers' purchasing power to plummet.



Source: Bloomberg



#german #confidence

German consumer mood stabilizes after heavy falls but remains muted due to high inflation. Pollster GfK's forward-looking barometer registered -41.9 points for Nov, an increase of 0.9 from previous month. Slight rise came after 4 consecutive months of declines



Source: Bloomberg



#eu #natural-gas

European next hour Dutch TTF natural gas is now « NEGATIVE ». Meanwhile, Henry Hub (U.S. nat gas) has been cut in half over the past two months.

Robin Brooks: "The collapse in European gas prices isn't about an abundance of gas. It's about lack of storage. Nothing about the fall in gas prices - whether in spot (white) or one year ahead (orange) - makes things in February or next winter easier. Because we can't store all this cheap gas..."



Source: Robin Brooks, Bloomberg



#macro

#uk #electricity-crisis

Note that winter hasn't even started yet...




The Observer

More than two million UK households are in debt on their electricity bills

#macro

#global #inflation

Global Inflation Rates	
Country/Region	CPI Inflation (YoY %)
TAIWAN	2.8%
CHINA	2.8%
JAPAN	3.0%
SAUDI ARABIA	3.1%
SWITZERLAND	3.3%
SOUTH KOREA	5.6%
FRANCE	5.6%
INDONESIA	6.0%
THAILAND	6.4%
PHILIPPINES	6.9%
CANADA	6.9%
BRAZIL	7.2%
NEW ZEALAND	7.2%
AUSTRALIA	7.3%
INDIA	7.4%
SINGAPORE	7.5%
SOUTH AFRICA	7.5%
FINLAND	8.1%
US	8.2%
IRELAND	8.2%
MEXICO	8.7%
ITALY	8.9%
SPAIN	8.9%
PORTUGAL	9.3%
EUROZONE	9.9%
GERMANY	10.0%
UK	10.1%
SWEDEN	10.8%
RUSSIA	13.7%
NETHERLANDS	14.5%
POLAND	17.2%
ARGENTINA	82.9%
TURKEY	83.5%
VENEZUELA	114%

 @CharlieBilello

Source: Charlie Bilello

#macro

#us #pce #inflation

September PCE inflation +6.2% y/y vs. +6.3% est. & +6.2% prior; core hotter at +5.1% vs. +5.2% est. & +4.9% prior.



Source: Liz Ann Sonders



#us #diesel #shortage

Diesel contract spread in east coast is surging.



Source: Alessio Urban



#german #inflation

German inflation unexpectedly accelerated in October. Consumer prices rose 10.4% YoY, most since 1951, HICP rose 11.6%, most on record vs. 10.9% expected.



Source: Bloomberg


#macro

#italy #inflation



Christophe Barraud   
@C_Barraud

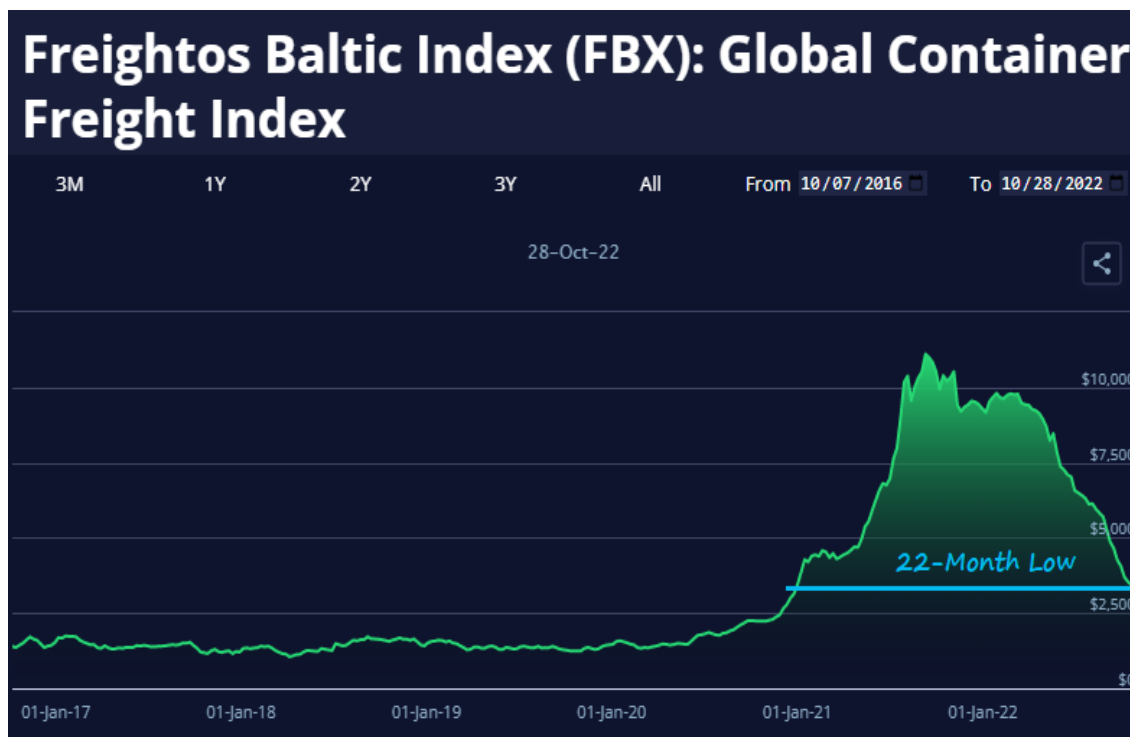
..

 **#ITALY** OCTOBER EU-HARMONIZED CPI RISES
4.0% M/M; EST 1.4% - BBG
*ITALY OCTOBER EU-HARMONIZED CPI RISES 12.8%
Y/Y; EST 9.9%

#macro

#global #freight-rates

Global container freight rates hit a 22-month low this week, down 70% from their peak. Still over 2x higher than pre-pandemic levels but continuing to move in the right direction



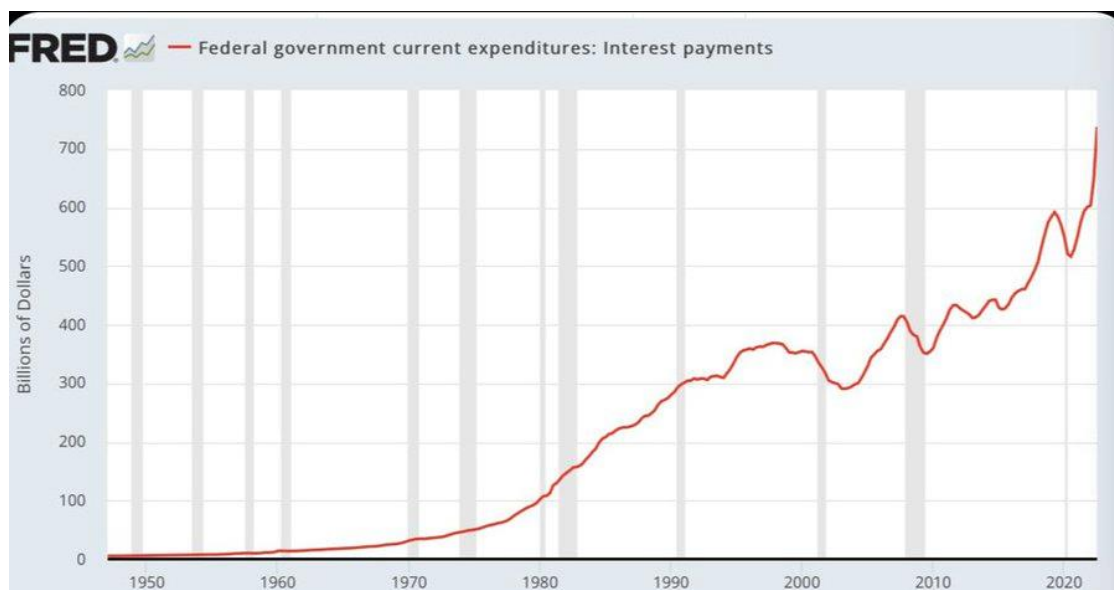
Source: Charlie Bilello

#macro

#us #debt #services

Interest on U.S federal debt is heading towards \$1 trillion a year at an alarming rate.

It is now the same size as the annual US military budget.



Source: FRED

#centralbanks

#centralbanks #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%	3.3%	-2.8%	Hike	Sep-22
Denmark	Deposit Rate	0.65%	10.0%	-9.4%	Hike	Sep-22
Thailand	Policy Rate	1.00%	6.4%	-5.4%	Hike	Sep-22
Eurozone	Deposit Rate	1.50%	9.9%	-8.4%	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	2.25%	6.9%	-4.7%	Hike	Sep-22
UK	Bank Rate	2.25%	10.1%	-7.9%	Hike	Sep-22
Malaysia	Policy Rate	2.50%	4.5%	-2.0%	Hike	Sep-22
Australia	Cash Rate	2.60%	7.3%	-4.7%	Hike	Oct-22
South Korea	Repo Rate	3.00%	5.6%	-2.6%	Hike	Oct-22
US	Fed Funds	3.13%	8.2%	-5.1%	Hike	Sep-22
New Zealand	Cash Rate	3.50%	7.2%	-3.7%	Hike	Oct-22
Hong Kong	Base Rate	3.50%	4.4%	-0.9%	Hike	Sep-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
Saudi Arabia	Repo Rate	3.75%	3.1%	0.7%	Hike	Sep-22
Philippines	Key Policy Rate	4.25%	6.9%	-2.7%	Hike	Sep-22
Indonesia	Repo Rate	4.75%	6.0%	-1.2%	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%	17.2%	-10.5%	Hike	Sep-22
Peru	Policy Rate	7.00%	8.5%	-1.5%	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
Colombia	Repo Rate	10.00%	11.4%	-1.4%	Hike	Sep-22
Turkey	Repo Rate	10.50%	83.5%	-73.0%	Cut	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

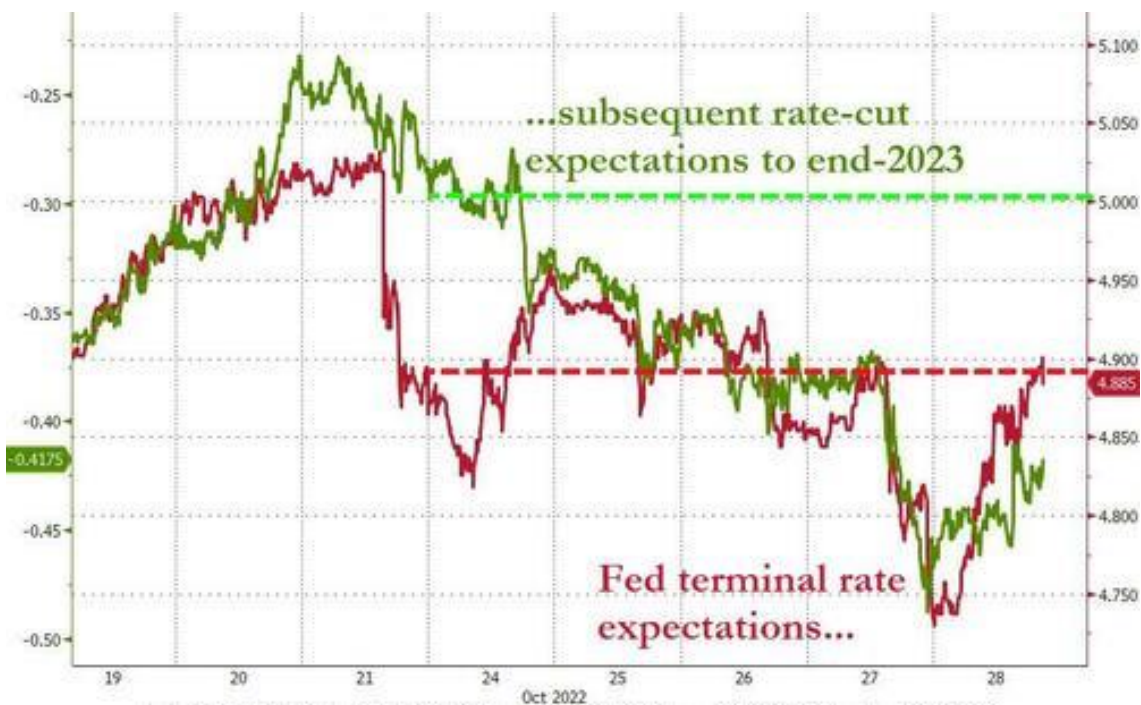


Source: Charlie Bilello

#centralbanks

#fed #rates #expectations

Lots of chatter this week about a Fed 'pause', 'mini-pivot', or 'step-down' in its hawkishness that provided the narrative for every buying-panic, and given that expectations for The Fed's terminal rate were unchanged on the week (shifting significantly hawkishly today), but the subsequent rate-cut expectations shifted dovishly, it appears traders are focused on the middle 'mini-pivot'...

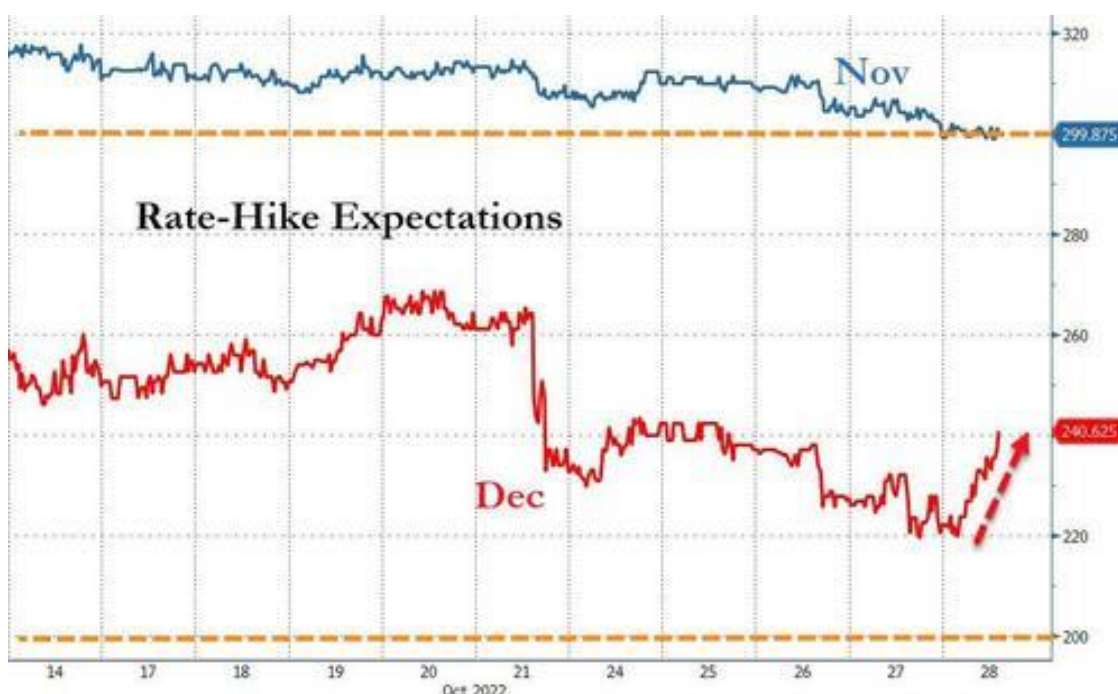


Source: Bloomberg, www.zerohedge.com

#centralbanks

#fed #rates #expectations

We also note that the odds of a 75bps rate-hike in December surged today (from around 20% to 40%) with next week's FOMC a lock for 75bps...



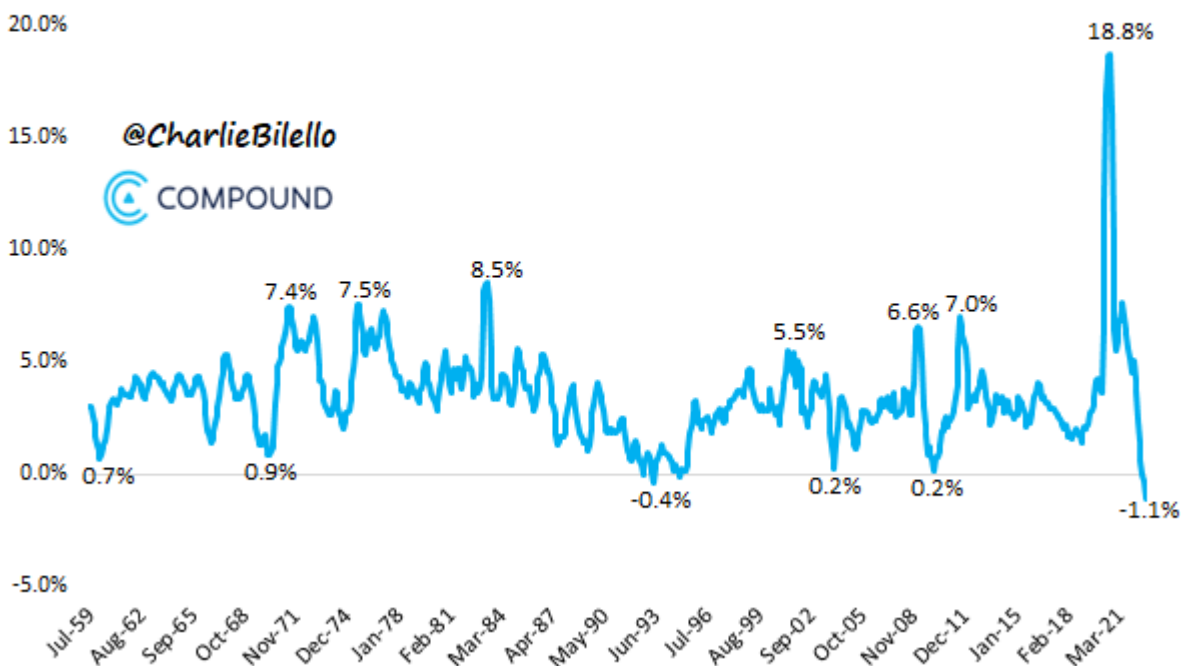
Source: Bloomberg

#centralbanks

#us #money-supply

The US Money Supply decreased 1.1% over the last 6 months, the largest decline over a 6-month period on record (note: M2 data goes back to 1959).

**US M2 Money Supply: Rolling 6-Month % Change
(Jul 1959 - Sep 2022)**

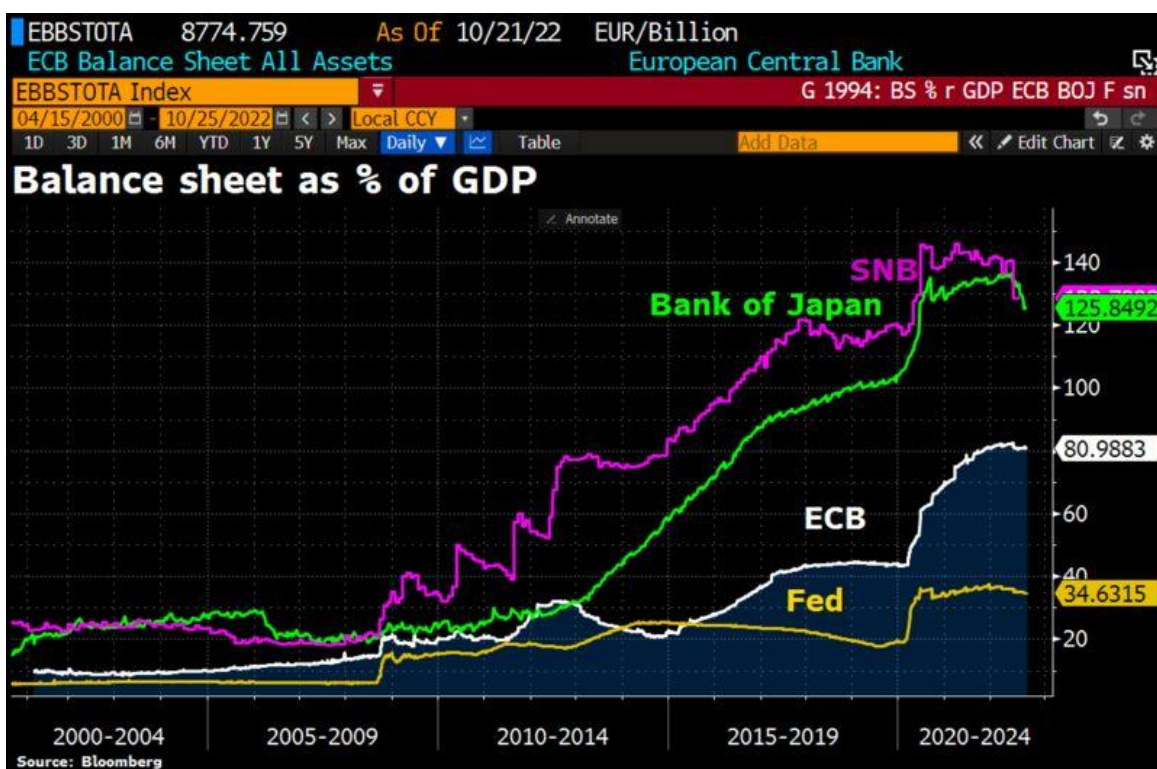


Source: Charlie Bilello

#centralbanks

#centralbanks #balancesheet

The ECB is not only very late in raising interest rates. The ECB is also hopelessly behind when it comes to reducing its balance sheet, as a comparison with #Fed, Bank of England or #SNB shows.

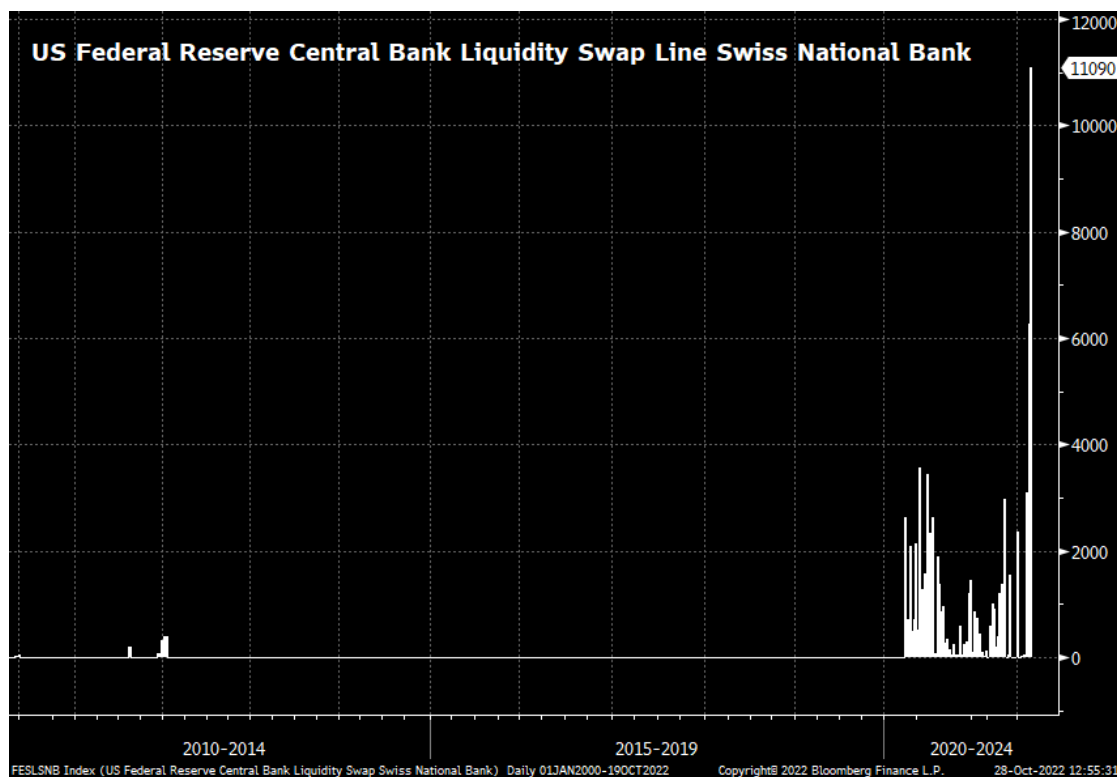


Source: Bloomberg

#centralbanks

#snb #swap-lines

Something to keep an eye on...



Source: Bloomberg



#bitcoin

Bitcoin was up on the week, holding mid-week gains above \$20,500 (note that the crypto surge coincided with yuan buying).

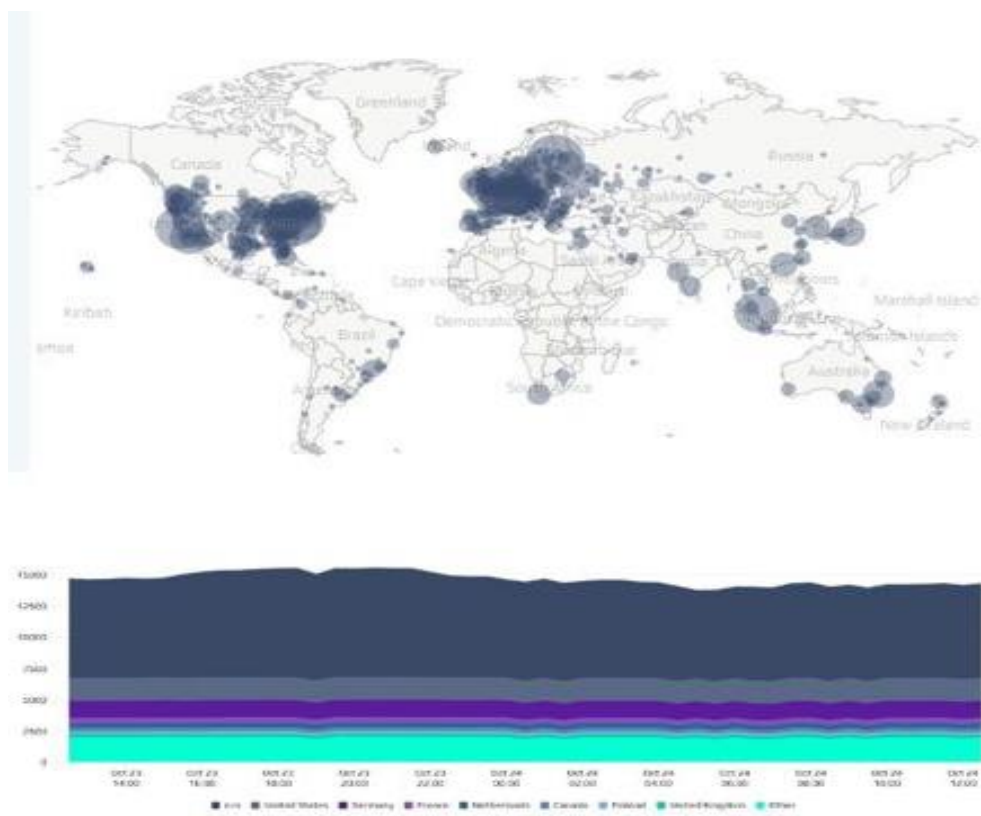


Source: www.zerohedge.com, Bloomberg



#bitcoin

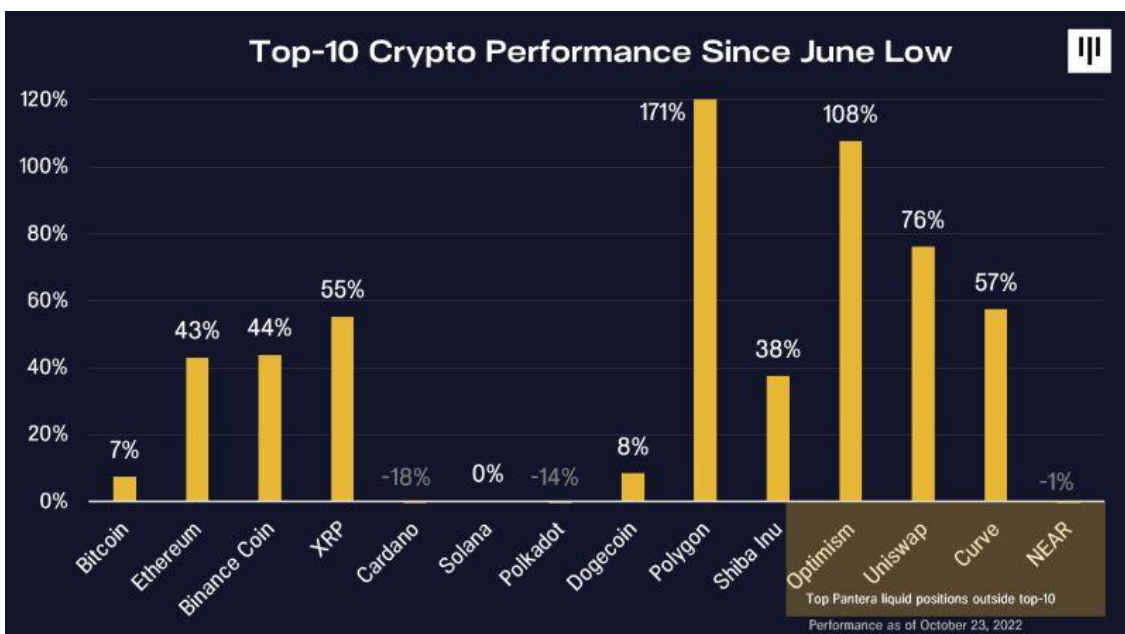
As much as 30.3% of the world’s reachable Bitcoin nodes are located in five countries – the United States, Germany, France, the Netherlands, and Canada, according to the data retrieved by Finbold from BTC nodes analytics platform Bitnodes on October 24. As the chart showing the distribution of reachable Bitcoin nodes across leading countries demonstrates, the U.S. is the leader among these countries, with 1,844 or 13.2% of reachable nodes.





#cryptocurrencies #performance

Bitcoin hasn't done much over the last four months, whereas some of the other protocols are really ripping.



Source: Pantera

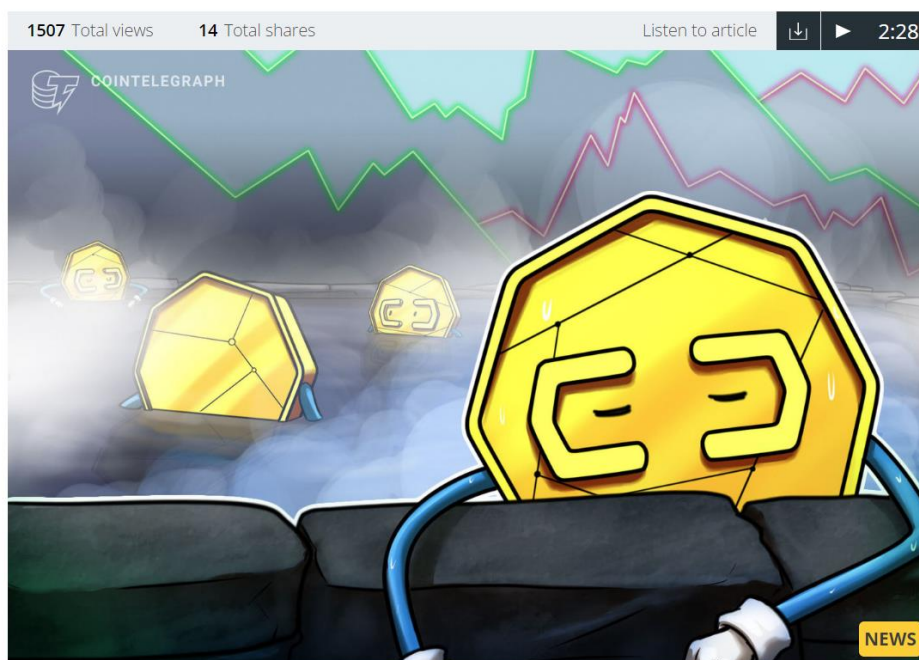


#crypto #trading #volume

According to the report from CryptoCompare, published on Oct. 27, the average daily trading volume of institutional crypto products had fallen 34.1% — to \$61.3 million in October. Almost all the products covered in the report recorded a large decline in average daily volumes, ranging from -24.3% to -77.5%.

October sees lowest-ever daily trading volume for crypto products: Report

Despite the bad numbers of daily trading, there are some signs of market revival, at least for Bitcoin-based products.



Source: www.cointelegraph.com

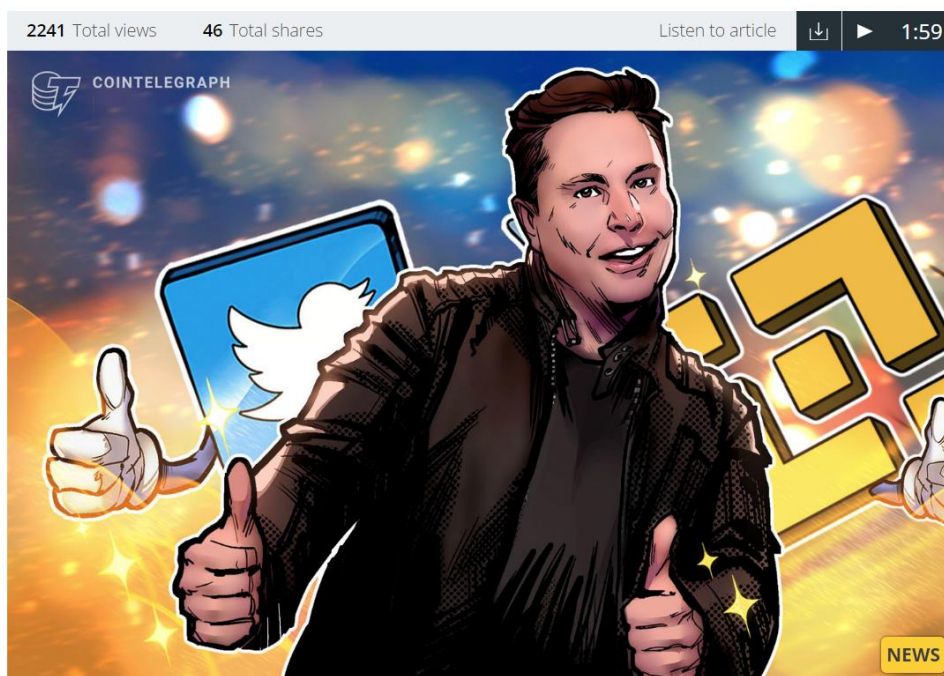


#binance #twitter

Binance CEO Changpeng “CZ” Zhao says the company followed through with a \$500 million commitment to back Elon Musk’s high-profile Twitter takeover. Musk reportedly sealed the deal on Oct. 27, with a handful of Twitter executives escorted to the door as the new owner of the social media platform cleaned house.

Binance wired \$500M to back Musk’s Twitter takeover — CZ

The Binance CEO said the company wired \$500 million to take a share of equity as Elon Musk’s Twitter takeover is finally sealed.





#dogecoin #musk

Popular meme coin Dogecoin has jumped over 9% on the news that Elon Musk has officially taken ownership of Twitter and fired its top executives on Thursday. As of Friday morning, DOGE was the ninth largest cryptocurrency at an \$11.5 billion market capitalization and trading at around \$0.084—a high it's not seen since August.

Dogecoin Up 9%, Doing Much Volume After Elon Musk's Twitter Takeover

The only times DOGE has done more volume in 2022 were when Musk said Tesla would accept it as payment and announced his intent to buy Twitter.



By [Stacy Elliott](#)

📅 Oct 28, 2022

🕒 2 min read



#food-for-thought

#2008 #2022

Are you watching closely?

The collage features several news snippets:

- Financial Times:** "US stocks record longest run of quarterly declines since 2008 crisis".
- CNBC:** "10-year Treasury yield tops 4.2% for first time since 2008".
- Bloomberg:** "US 30-Year Mortgage Rate Breaches 6.5%, Highest Since 2008".
- Yahoo Finance:** "Hedge fund launches plummet to lowest since 2008 financial crisis".
- Reuters:** "Yuan falls to lowest since 2008 global crisis, despite state bank support".
- Bloomberg:** "Goldman, BofA See Worst Year Since 2008 for European Equities".



Source: grahamstephen

#food-for-thought

#inflation #humor



Source: r/Wallstreetsilver

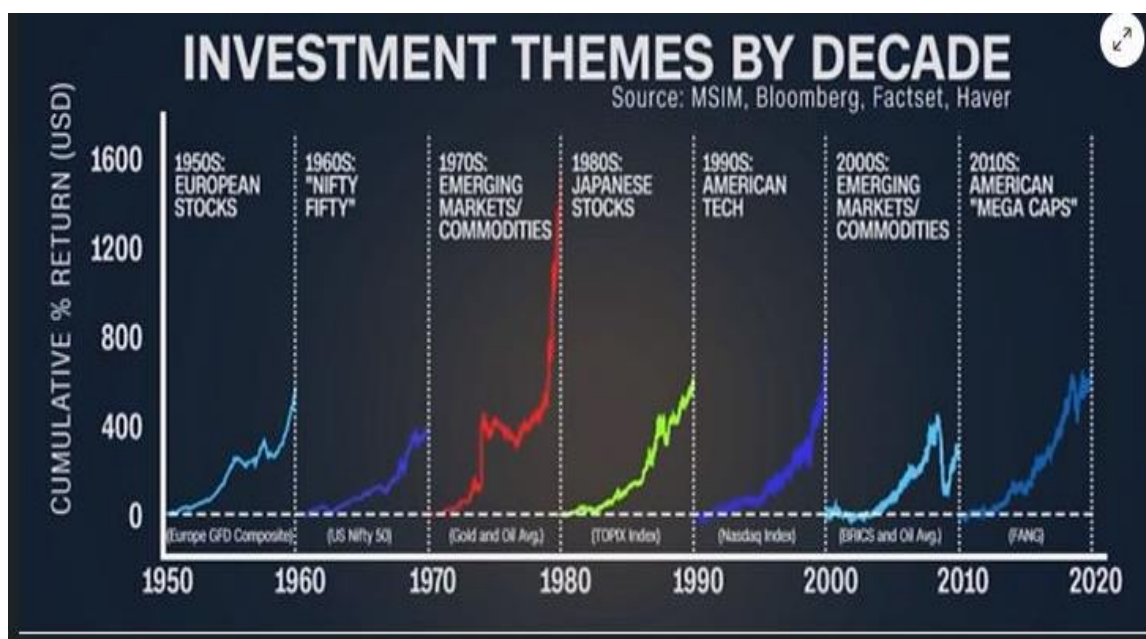
#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

#food-for-thought

#themes

A look back at seven decades of performance



Source: NS Capital

#food-for-thought

#new #faangs

FAANG 2.0 – New ETF File ... Co.s in national security and natural resource security: Fuel - Aerospace & Defense
Agriculture – Nuclear Gold +Base+Precious Metals



Source: SEC, Strive asset man

#food-for-thought

#vix #us #equities #investing #strategy



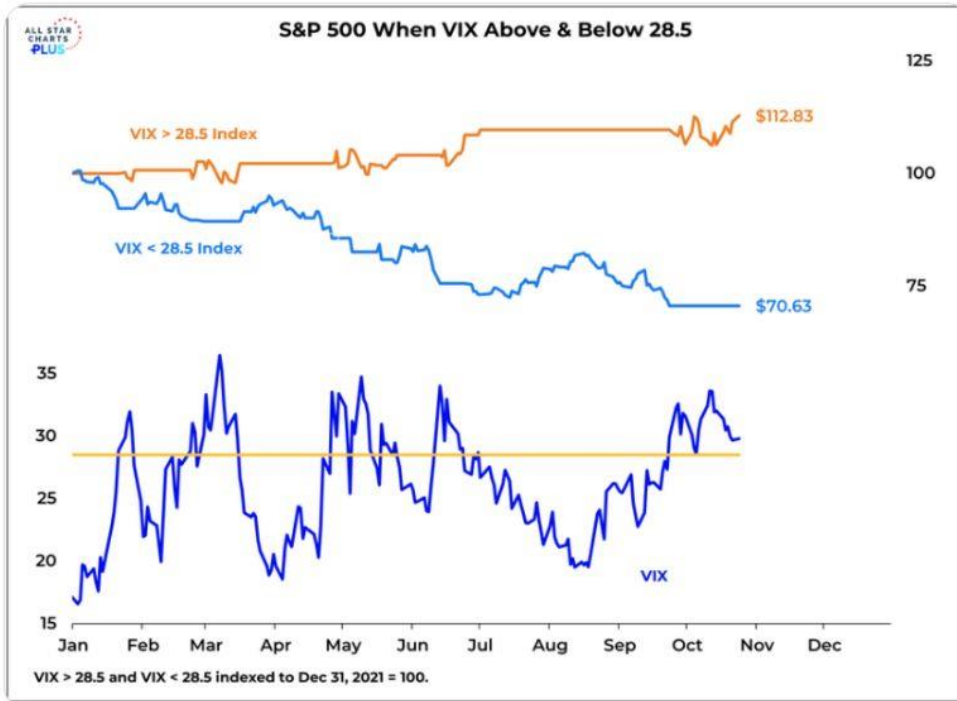
Willie Delwiche, CMT, CFA
@WillieDelwiche



This year:

If you bought S&P 500 when VIX closed above 28.5 and sold when it dropped below 28.5, you'd be up 13% YTD.

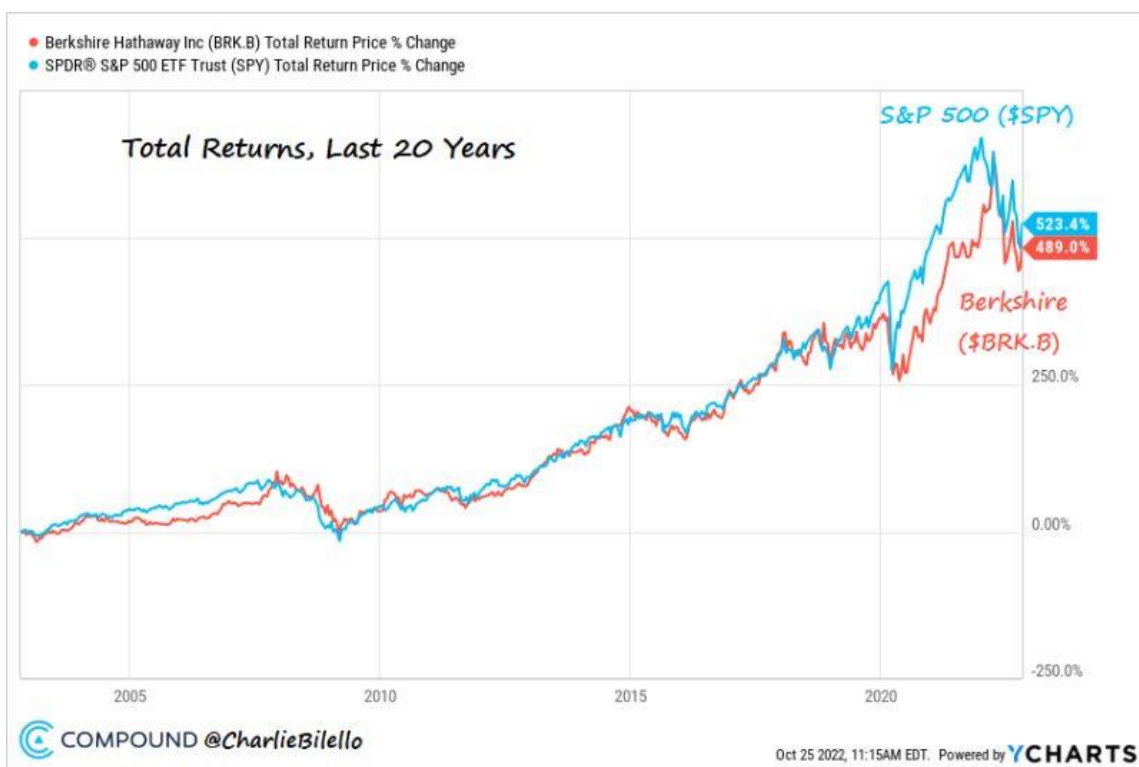
If you bought when it dropped below 28.5 and sold after it closed above 28.5, you'd be down 30% YTD.



#food-for-thought

#berkshire-hathaway

Picking stocks is hard, even for the best investors: Total Returns, Last 20 Years -> S&P 500: +523%; -> Berkshire Hathaway: +489%



Source: Charlie Bilello

#food-for-thought

#retail-investors

Personal portfolios in the US fell 44% between early January and October 18, according to data compiled by JPMorgan Chase. Interactive Investor, which runs one of the UK's largest platforms for self-directed investors, said its clients lost an average of 12 % since the start of the year.



Source: ft

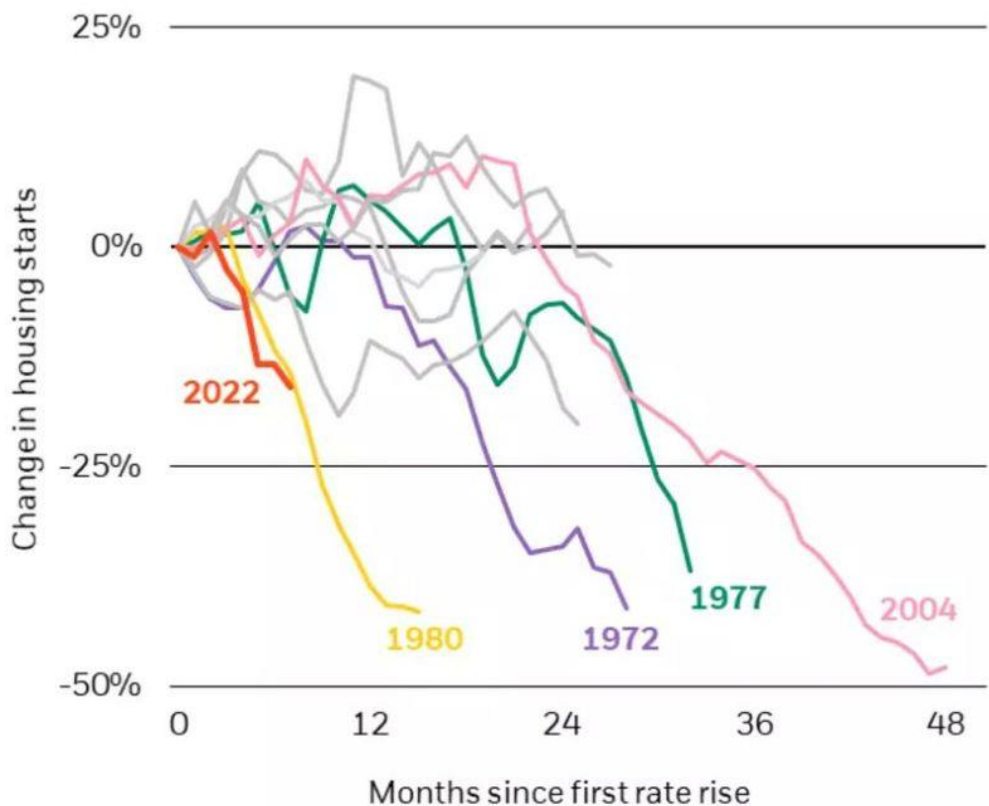
#food-for-thought

#us #housing #history

Housing in times of rate hikes.

Housing stops

U.S. housing starts during policy rate tightening cycles, 1972-2022



Sources: BlackRock Investment Institute and U.S. Census Bureau, with data from Refinitiv Datastream, October 2022. Notes: The chart shows how quickly in months housing starts changed during policy rate tightening cycles between 1972-2022. The colored, labeled lines highlight 2022 and the years when housing starts fell most quickly.

Source: Daniel Lacalle



#food-for-thought

#netherlands #housing #bubble



Edmund Simms
@ValuablOfficial



A friendly reminder of how insane property prices are. Here is 400 years of data from Amsterdam. We're living through the biggest real estate bubble ever.

Four centuries of boom and bust

Real house prices and rents, indexed¹
Amsterdam



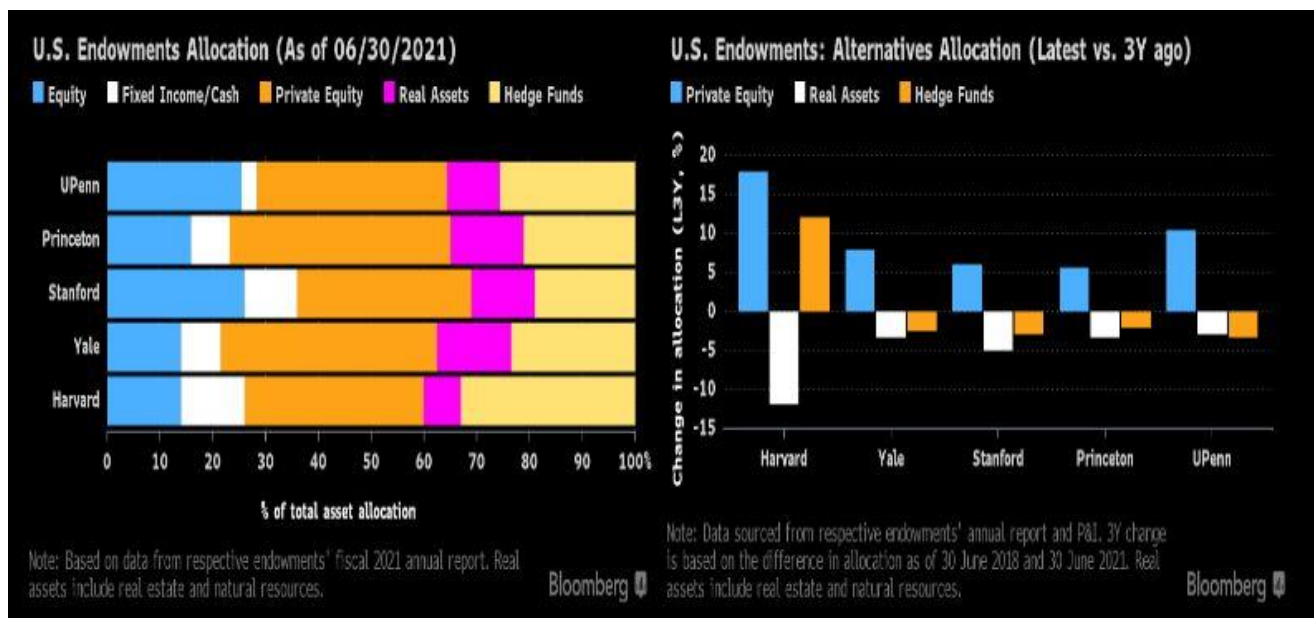
¹1620 = 100

Chart: Valuabl • Source: Matthijs Korevaar • Created with Datawrapper

#food-for-thought

#alternatives #endowments

Nice look at the massive increase in #privateequity exposure among the Top 5 #endowments, especially Harvard which went from 16% to 34% somewhat at the expense of real assets and #hedgefunds. Note this was as of 30/06/2021. Let see how it has evolved over last year as some Hedge Funds strategies (Macro, CTAs) have been performing very well over the last 12 months.



Source: Eric Balchunas

#food-for-thought

#fico #junk

In a bit of irony, the company FICO that develops and maintains the FICO credit score model for people, has junk-rated corporate debt

COMPANY INFO

GICS Sub-industry:	Application Software
Country:	United States
Market Cap:	11.302 B
S&P Credit Rating:	BB+
LT Debt/Capital:	162.27%
TEV:	13.147 B



Source: Lyn Alden

#food-for-thought

#meta #humor

"The name of the company is Meta it's a cutting edge high tech firm out of California awaiting imminent patent approval of next generation virtual reality headsets."



Source: WallStreetPro

#food-for-thought

#believe-in-yourself

It's not about who you are. It's about who you believe you are. Whatever is holding you back, you can break that. You can replace who you believe you are with a far more powerful you.

for help

Source: Jordan Belfort

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