

Chart of the week

Nasdaq and rates expectations are decoupling

While mega-cap tech is a long-duration asset, since the start of May, the markets have hawkishly priced higher rates (and most notably on Friday) and tech has soared (that's not how it's supposed to work)...



Source: www.zerohedge.com, Bloomberg

S&P 500 hits highest level since mid-August 2022

The major US equity indices recorded solid gains for the week, with the S&P 500 Index touching its highest intraday level since mid-August 2022. The tech-heavy Nasdaq index notched its sixth consecutive weekly gain and hit its best level since mid-April 2022. In contrast with the past several weeks, however, the rally was broad-based, with strong gains in both value and growth stocks, as well as small-caps. Risk assets benefited from 4 tailwinds: 1) News that the White House and Republican congressional leaders had reached an agreement to raise the federal debt limit and stave off a default on governmental obligations; 2) US banks recorded strong deposit inflows; 3) Friday's US nonfarm payrolls: while the report surprised on the upside, the details seemed to suggest that the labor market might be cooling; 4) On Thursday, the ISM's prices paid for supplies and other inputs by manufacturers contracted at the fastest pace since December. The encouraging inflation signals appeared to drive a decrease in longer-term U.S. Treasury yields, while the finalization of a debt ceiling agreement led to a plunge in the yield on 1-month Treasury bills, from 6.02% the previous Friday to 5.28% at the end of the week. In Europe, the STOXX Europe 600 Index was little changed as data showed that eurozone inflation had slowed. Amid continued strong foreign investor interest, Japanese equities rose over the week, with the Nikkei 225 rising 1.97%. In Hong Kong, the Hang Seng Index rose 1.1% after hitting a six-month low earlier in the week.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

3 JUNE 2023

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	33,763	2.0%	1.9%
S&P 500 Index	4,282	1.8%	11.5%
NASDAQ	13,241	2.0%	26.5%
MSCI EAFE *	2,070	-0.5%	7.0%
10-yr Treasury Yield	3.70%	-0.1%	-0.2%
Oil (\$/bbl)	\$71.94	-1.0%	-10.4%
Bonds	\$98.14	0.6%	2.9%

Source: Factset 06/02/2023. Bonds represented by the iShares Core U.S. Aggregate Bond ETF. Past performance does not guarantee future results. * 4-day performance ending on Thursday.

Source: Edward Jones

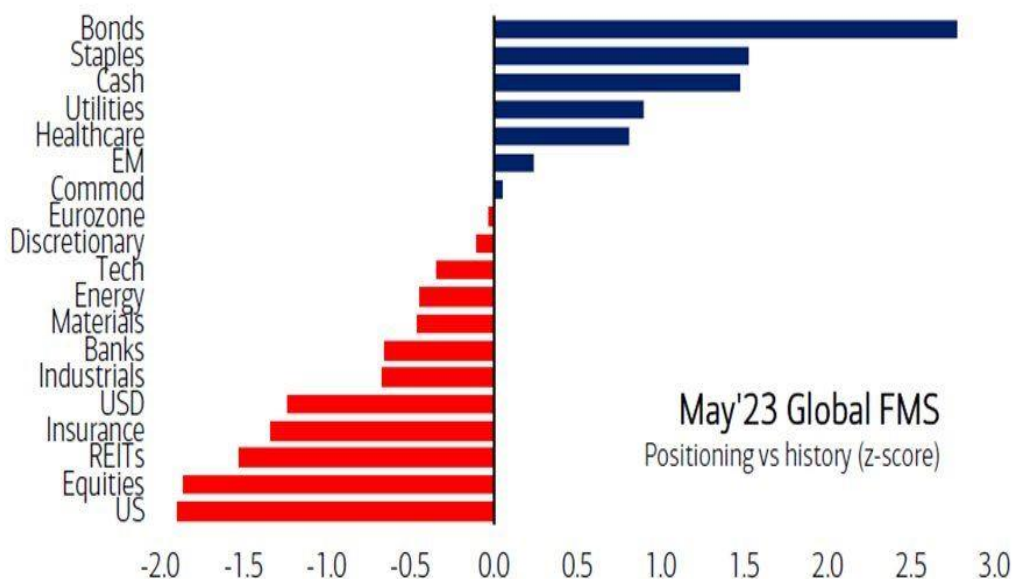


#cross-assets #fund-managers #positioning

Fund managers are positioned defensively. Will they run after the rally now that the debt ceiling issue is behind? Amazing to see that most OW things from global fund managers are bonds and defensive areas. The most UW? U.S. and equities.

Chart 23: Investors are OW bonds and UW USvs. history

FMS positioning vs history (z-score)



Source: BofA Global Fund Manager Survey.

BofA GLOBAL RESEARCH

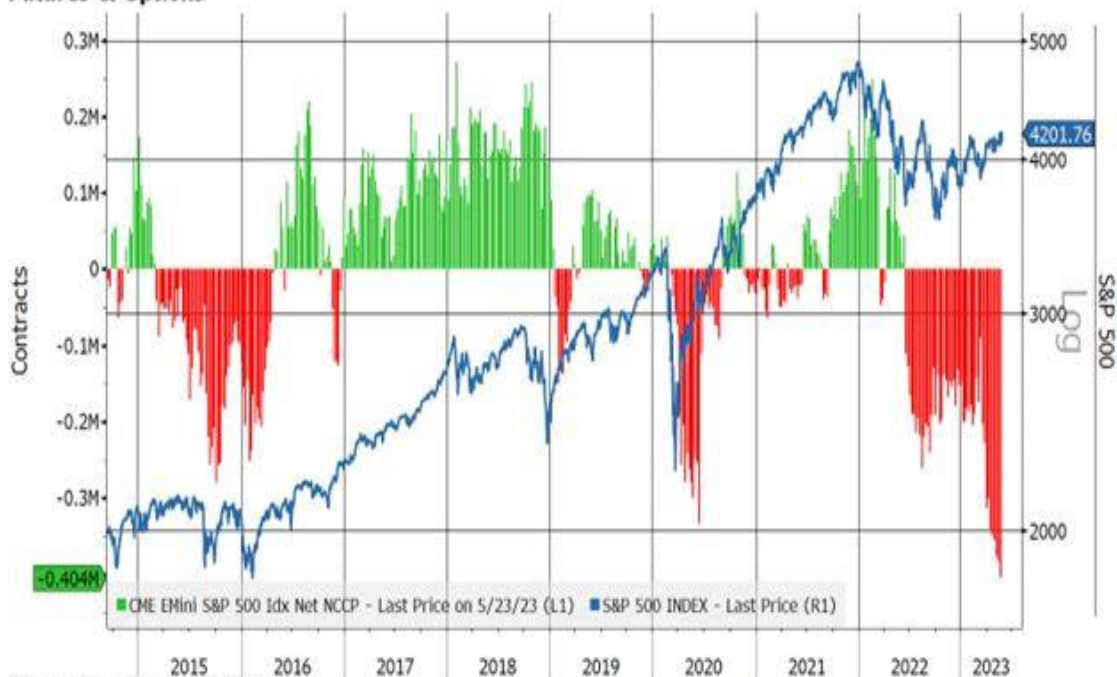
Source: BofA



#us #equities #speculators #positioning

A bullish contrarian signal -> Large speculators are record net short.

CFTC S&P 500 E-Mini Net Speculator Futures & Options



Source: Knowledge Leaders Capital

DBPITENXN Index (CME EMini S&P 500 Idx Net NCCP) CFTC SPS E-Mini Net Spec. Daily 14SEP2014-30MAY2023

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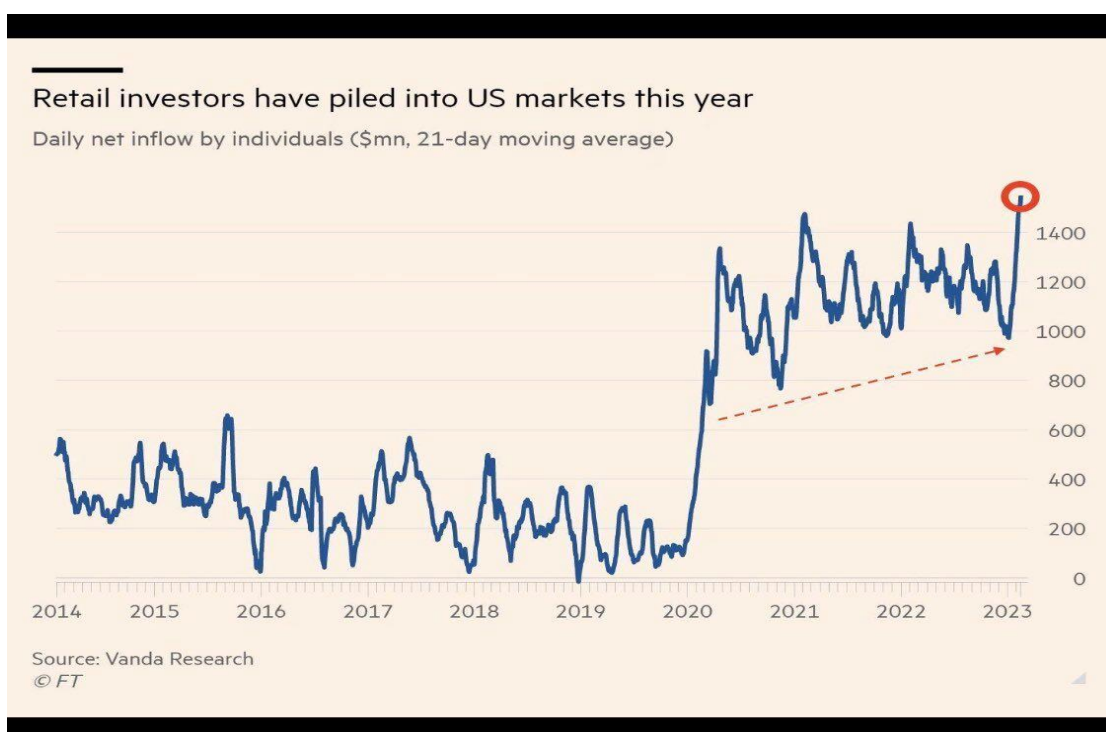
Source: Bloomberg





#us #equities #retail-investors #positioning

Retail investors have piled into us markets this year.

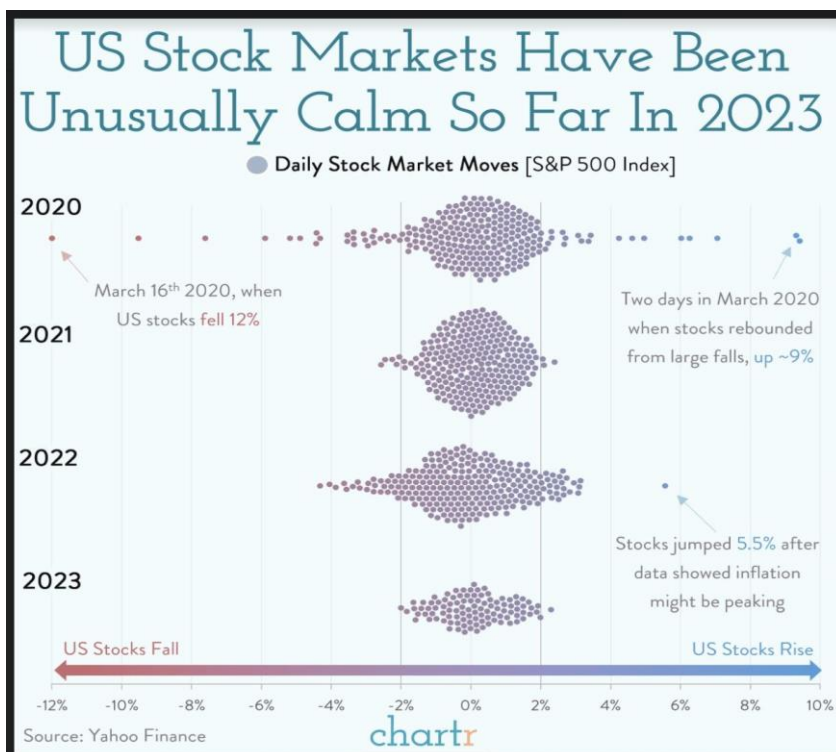


Source: FT, Vanda Research



#us #equities #volatility

Considering the backdrop of a potentially havoc-wreaking US government default, stock markets are remarkably quiet. Indeed, US stocks have been calm all year, swaying only gently from side to side on any given day. The sharpest drop in the flagship S&P 500 Index came on February 21st, when the market fell 2%. Last year, a 2% drop would have been the 24th worst day. It's nothing compared to the ~8%, ~10% and even 12% falls that we saw in 2020, during the early days of the pandemic.



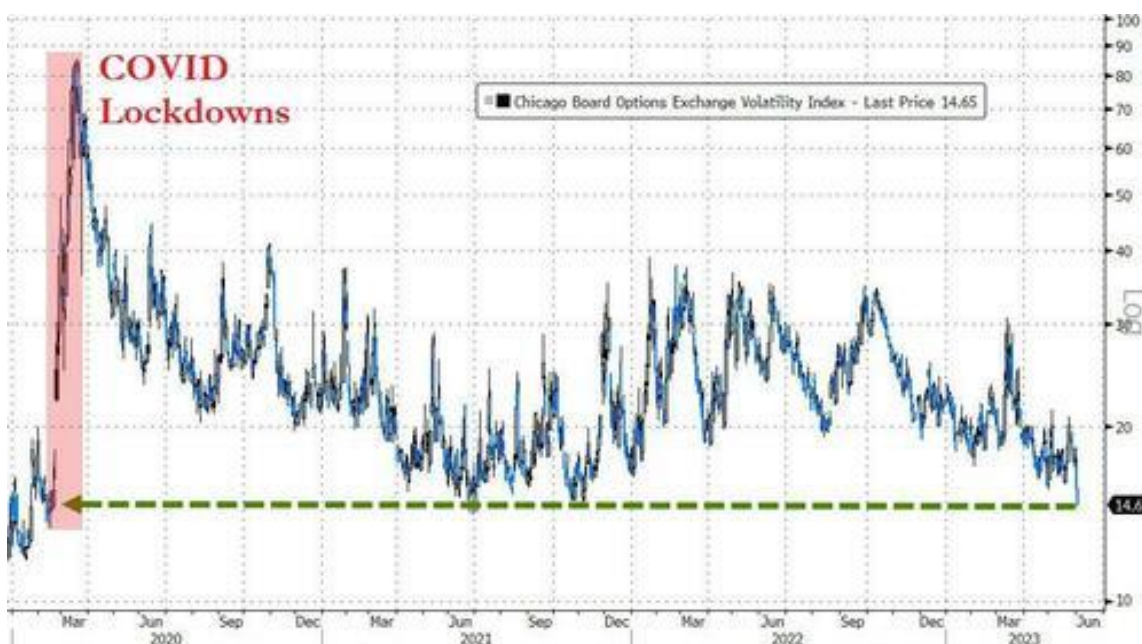
Source: Chartr





#us #equities #volatility

VIX tumbled to a 14 handle on Friday, breaking out of the three month range from 16-20..basically back to pre-COVID-lockdown levels...

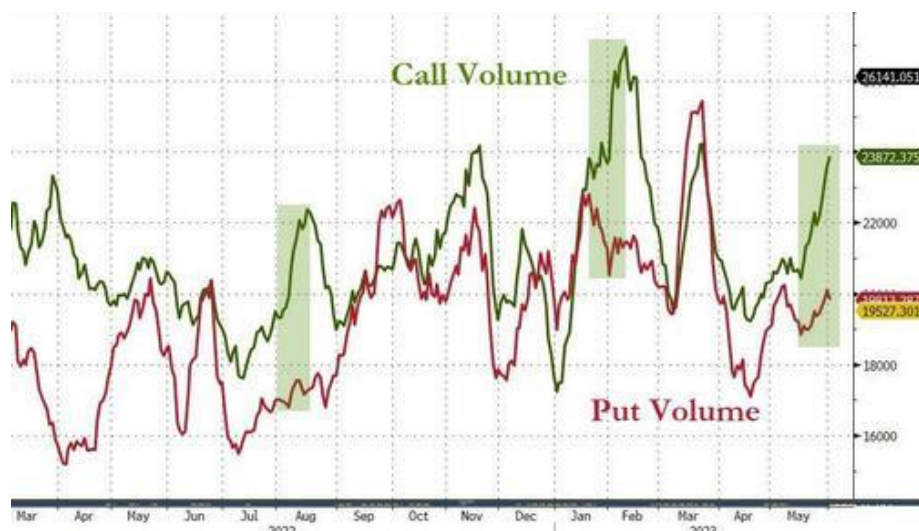
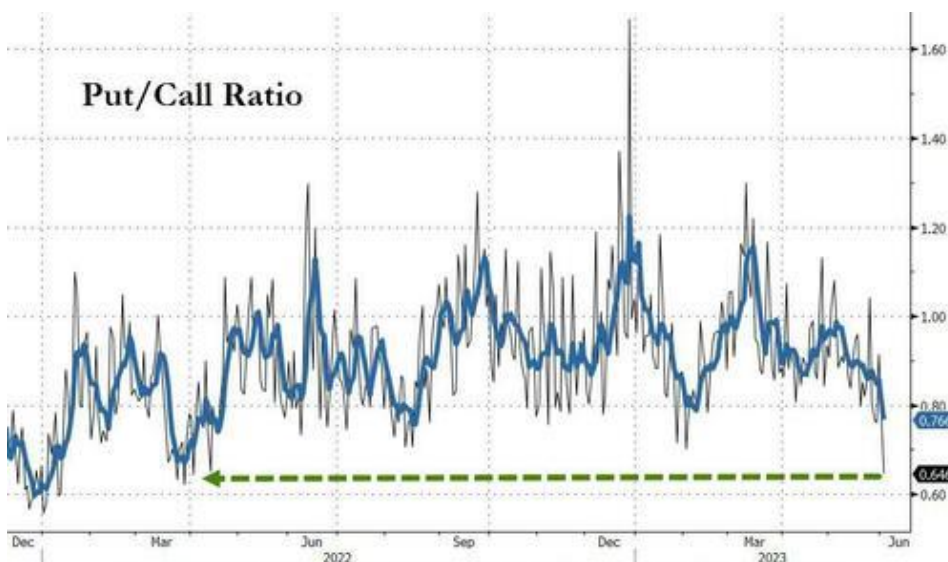


Source: www.zerohedge.com, Bloomberg



#us #equities #put-to-call

The Put/Call ratio across all stocks dropped to its lowest since March 2022...driven by a surge in call volumes...



Source: www.zerohedge.com, Bloomberg



#sp500 #technicals

S&P 500 finally scores a close above 4,200 for the first time since August 2022. Is the 3800-4200 trading range finally done?



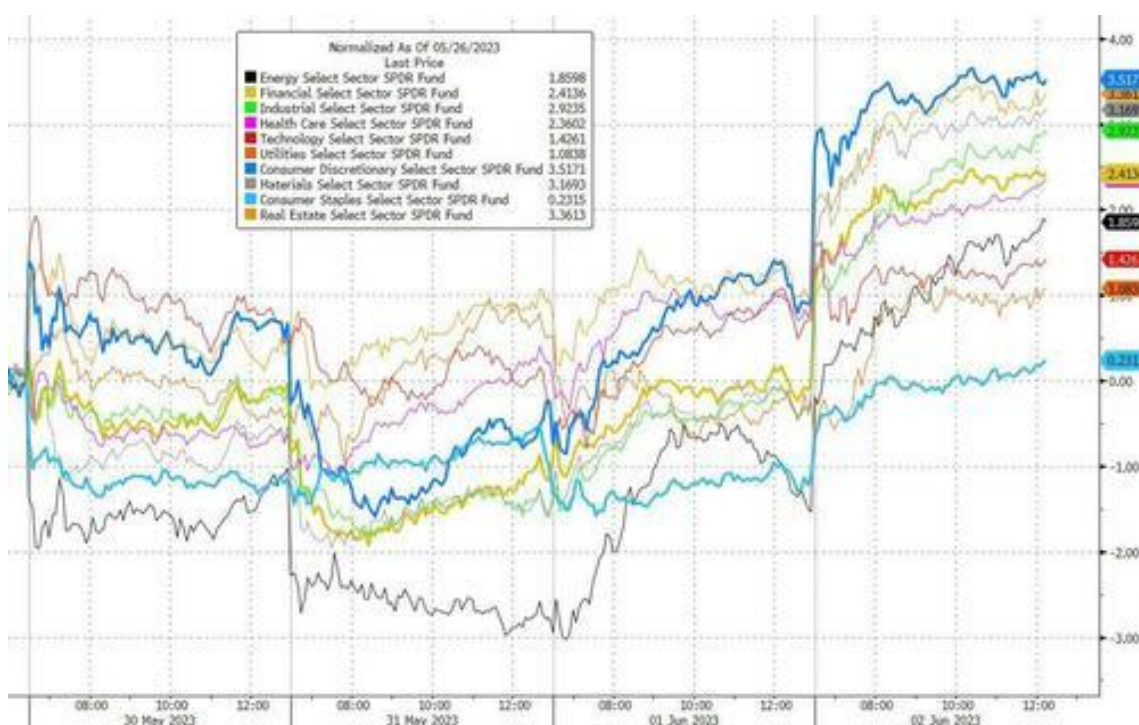
Source: Barchart





#sp500 #sectors

Consumer Discretionary stocks outperformed while Staples lagged but all sectors ended the week green...



Source: Barchart



#us #equities #2023 #leadership

The worst-performing areas of the US equity market in 2022 (Nasdaq/Tech/Growth) have been the best performers thus far in 2023. And the best performers from 2022 (Energy/Value/Equal Weight) have become the worst.



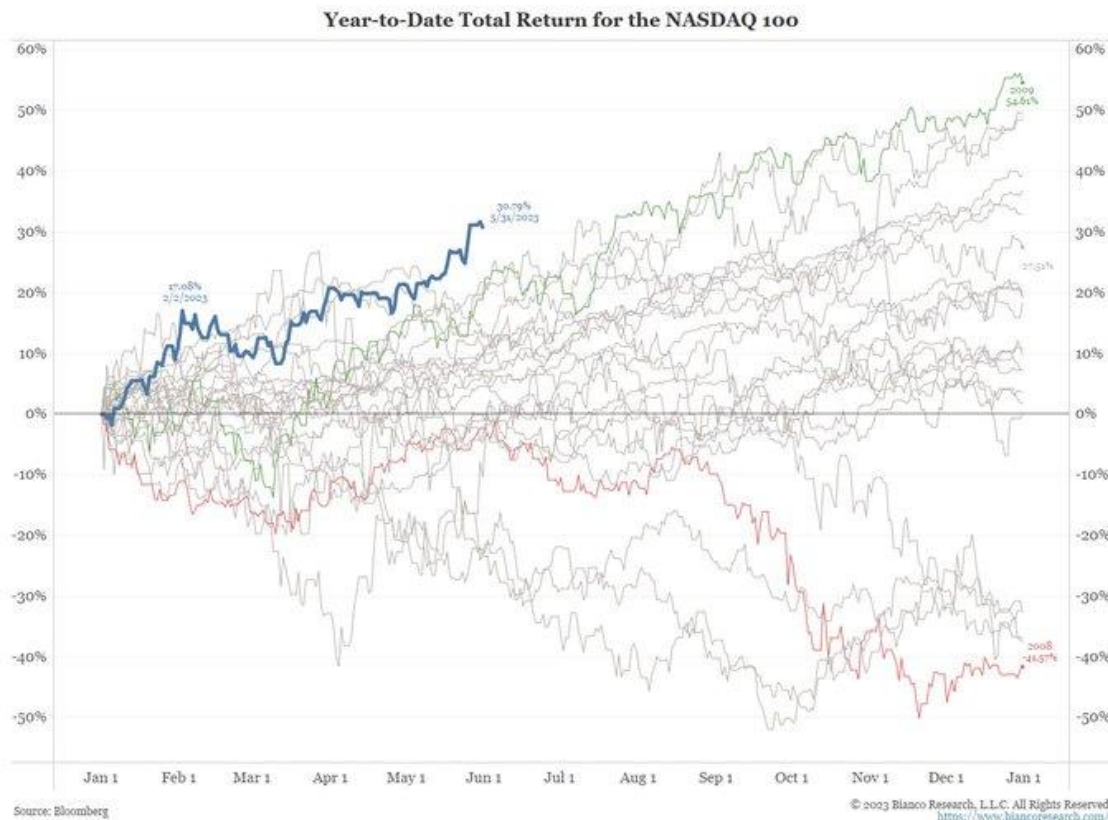
Source: Charlie Bilello





#nasdaq100 #2023

The Nasdaq 100 is off to its best start to a year since at least 1999 when total return data began. The index has returned almost 31% YTD on a total return basis, topping the next best five-month start to a year (2003, 22%) by a wide margin.

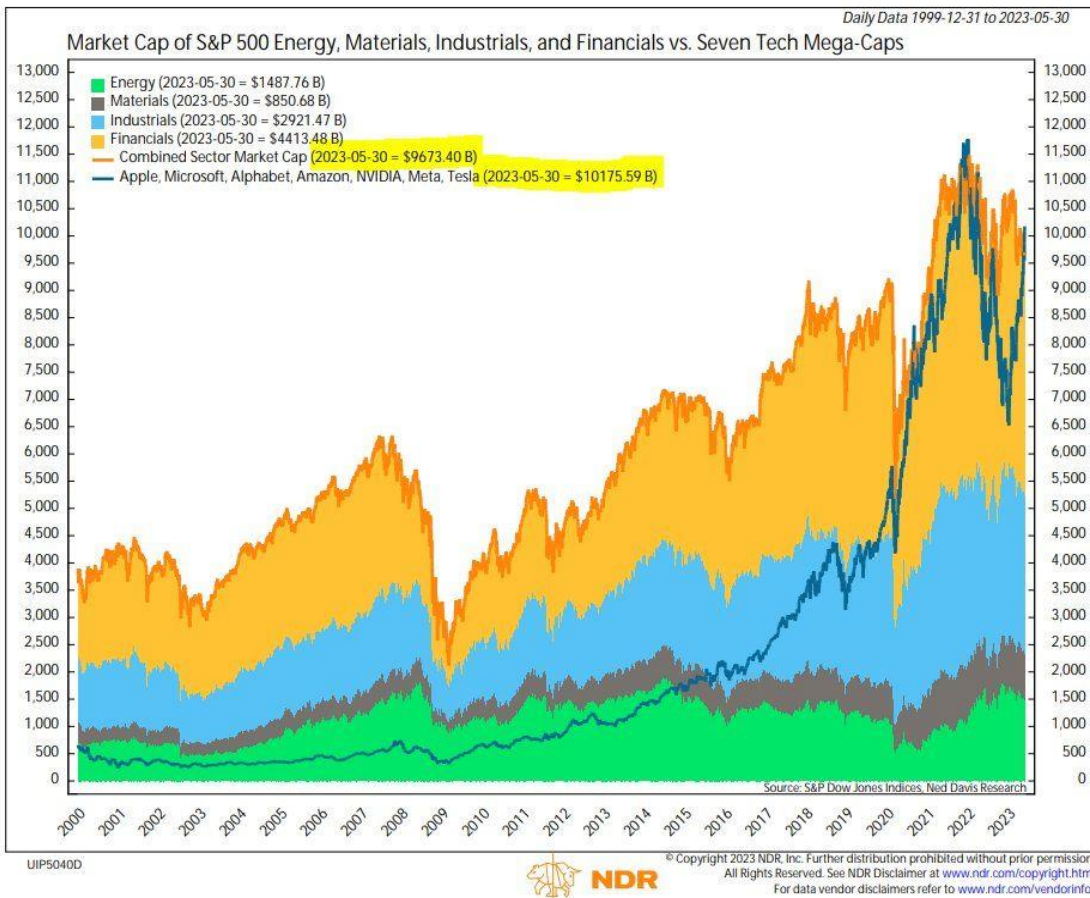


Source: Jim Bianco



#us #equities #leadership

The seven largest companies now have a market cap greater than the Energy, Materials, Industrials, and Financials sectors combined.



Source: NDR_Research



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#qqq #tlt #treasury #bonds #etf

The jaws are widening between \$QQQ and \$TLT!



Source: sotckchart, market&mayehm



#qqq #holdings

Weighting of Top 5 Holdings...

QQQ = 47% - SPY = 24%

	Invest in QQQ
1. Microsoft Corp	Allocation: 13.42%
2. Apple Inc	Allocation: 12.23%
3. NVIDIA Corp	Allocation: 6.76%
4. Amazon.com Inc	Allocation: 6.55%
5. Alphabet Inc Class A	Allocation: 4.16%
6. Alphabet Inc Class C	Allocation: 4.12%

SPDR® S&P 500® ETF Trust
SPY

Morningstar Fund Comparison

Overview Performance Holdings

Top Holdings ⓘ ^

Fund Top Holdings		Index Top Holdings
as of May 25 2023		as of May 25 2023
Name	Shares Held	Weight
APPLE INC	166,827,715	7.39%
MICROSOFT CORP	83,497,880	6.97%
AMAZON.COM INC	100,001,671	2.95%
NVIDIA CORP	27,594,029	2.68%
ALPHABET INC CL A	66,809,050	2.11%
ALPHABET INC CL C	58,240,967	1.86%

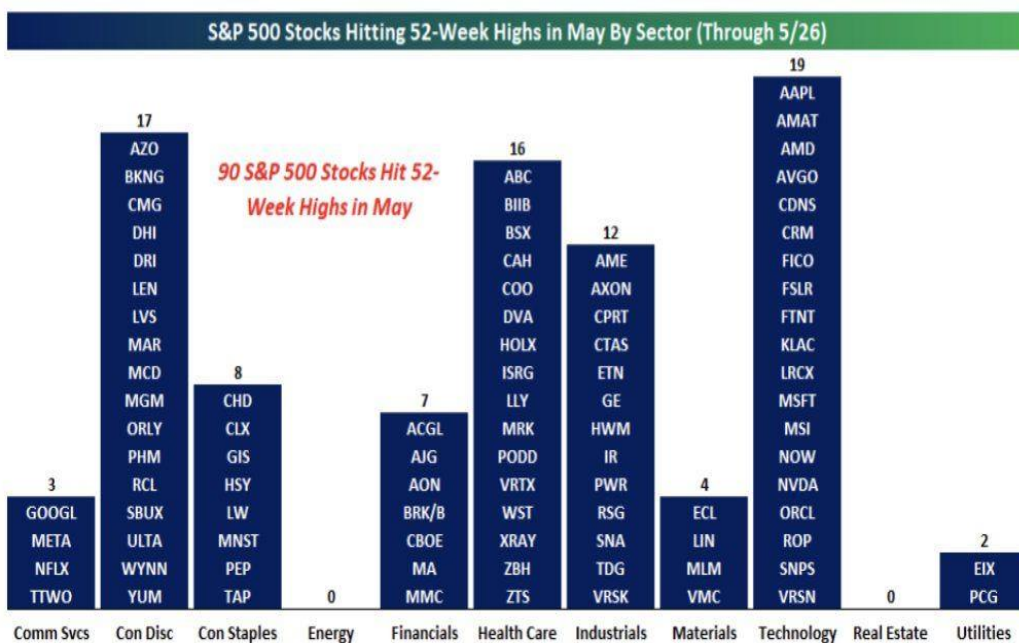
Source: nate geraci





#us #equities #breadth

Awesome chart from Bespoke showing the US market isn't 'just about 5 stocks' but that new highs are happening in various sectors.



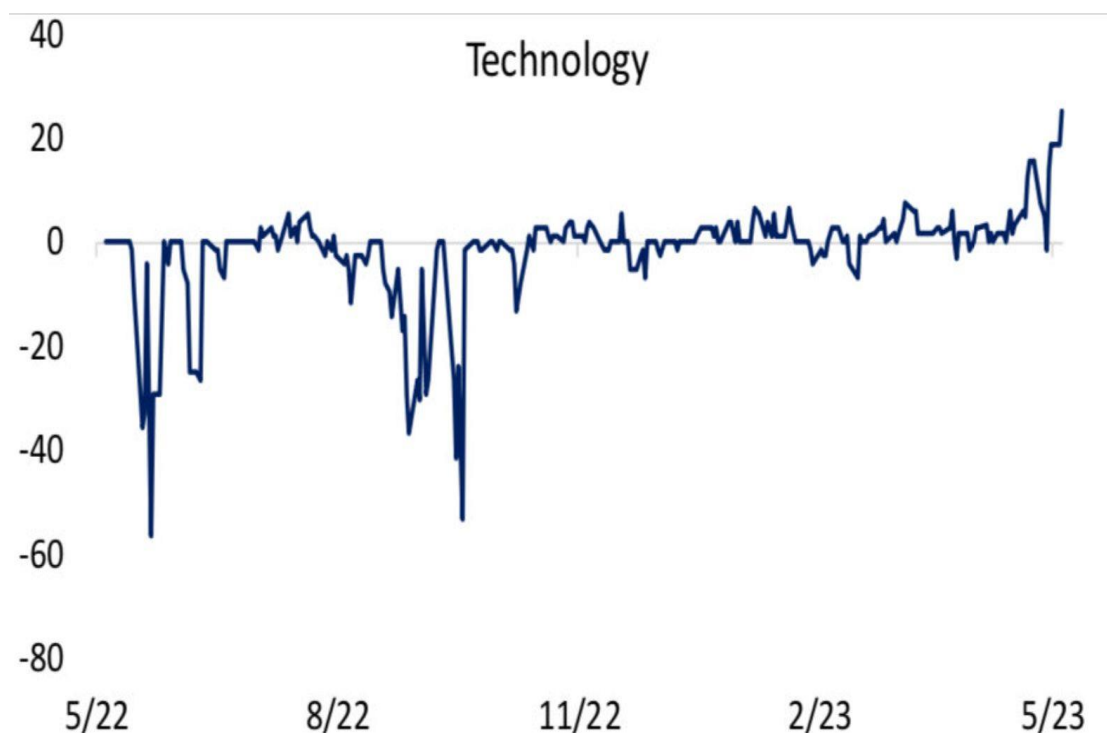
Source: Bespoke





#us #equities #tech

A quarter of stocks in the S&P 500 Tech sector hit 52-week highs this week.



Source: bespoke



#nasdaq #dow-jones

As of the end of May 2023, the Nasdaq is outperforming the Dow Jones Industrials by more than 24 percentage points year-to-date, the widest gap EVER since the Nasdaq launched in 1971.

Nasdaq Composite (\$NASX)

12,935.29 -82.14 (-0.63%) 05/31/23 [INDEX/NASDAQ]

INTERACTIVE CHART for Wed, May 31st, 2023

My Charts Alerts Watch Help

\$NASX GO +Study Tools Settings Compare f(x) Grid View Templates Print Clear

Range: 1D 5D 1M 3M 6M 9M 1Y 2Y 3Y 5Y 10Y 20Y MAX Frequency: Daily YTD Date:

tutorial



Source: Barchart

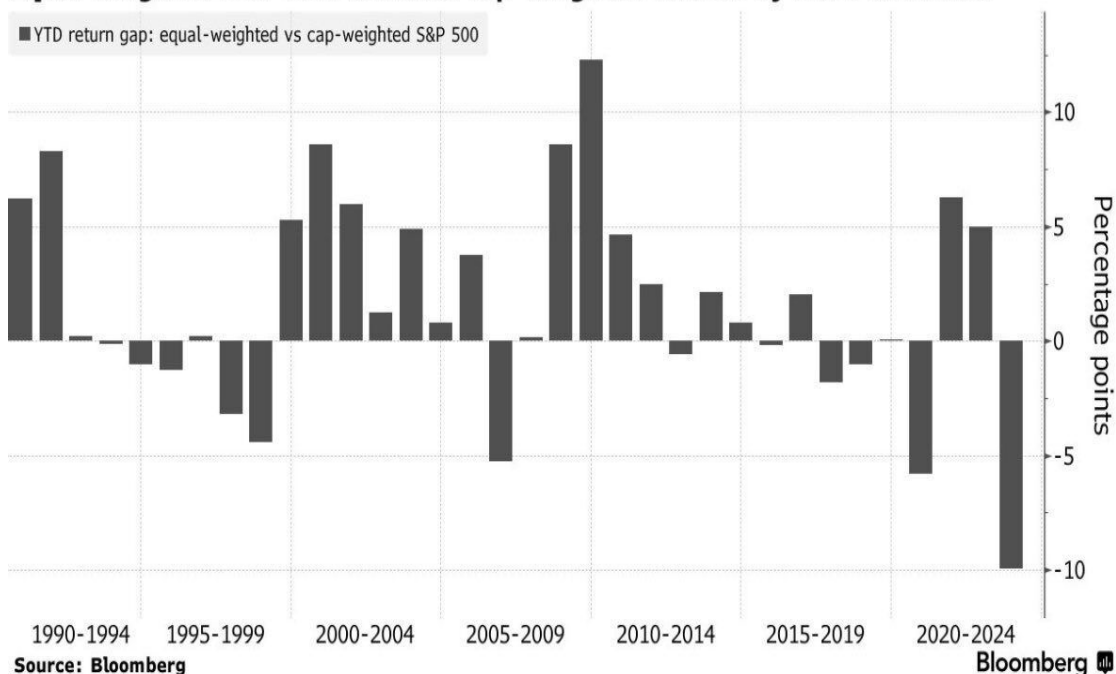




#sp500 #breadth

The underperformance of #sp500 equal weight vs. sp500 cap weight is the most on record. Market breadth was also narrow in 1999, 2007, 2020, 2023

Market Breadth Has Never Been This Narrow Equal-weighted S&P 500 trails its cap-weighted version by most on record



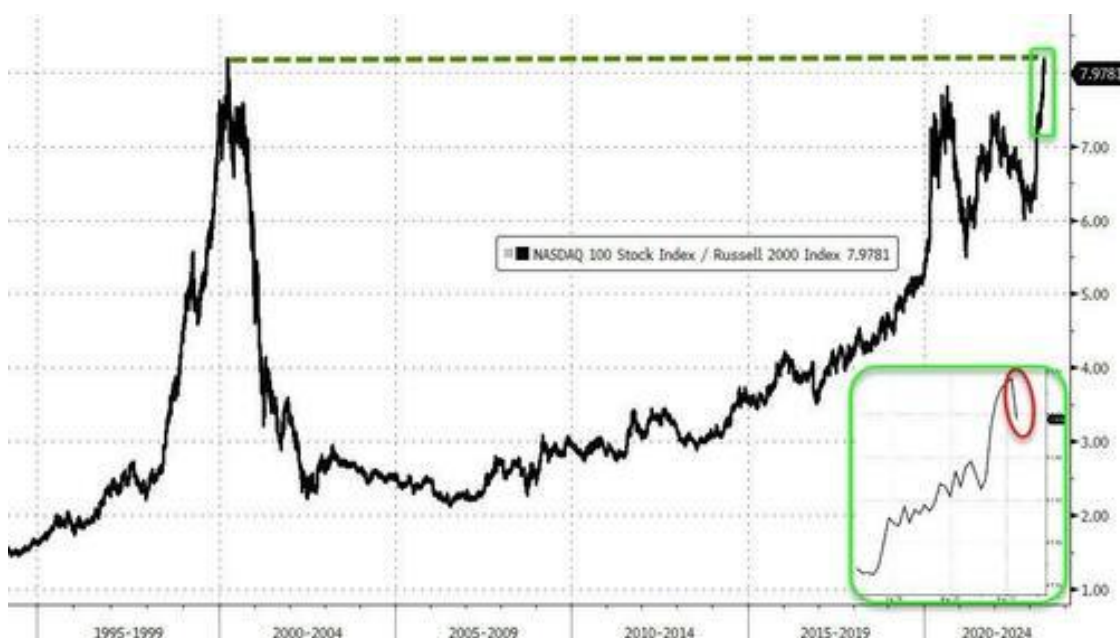
Source: Bloomberg





#nasdaq100 #russell2000 #relative

Friday saw the ratio of Nasdaq-to-Small-Caps hit its dotcom record high and reverse... all thanks to a huge short-squeeze in the last two days...

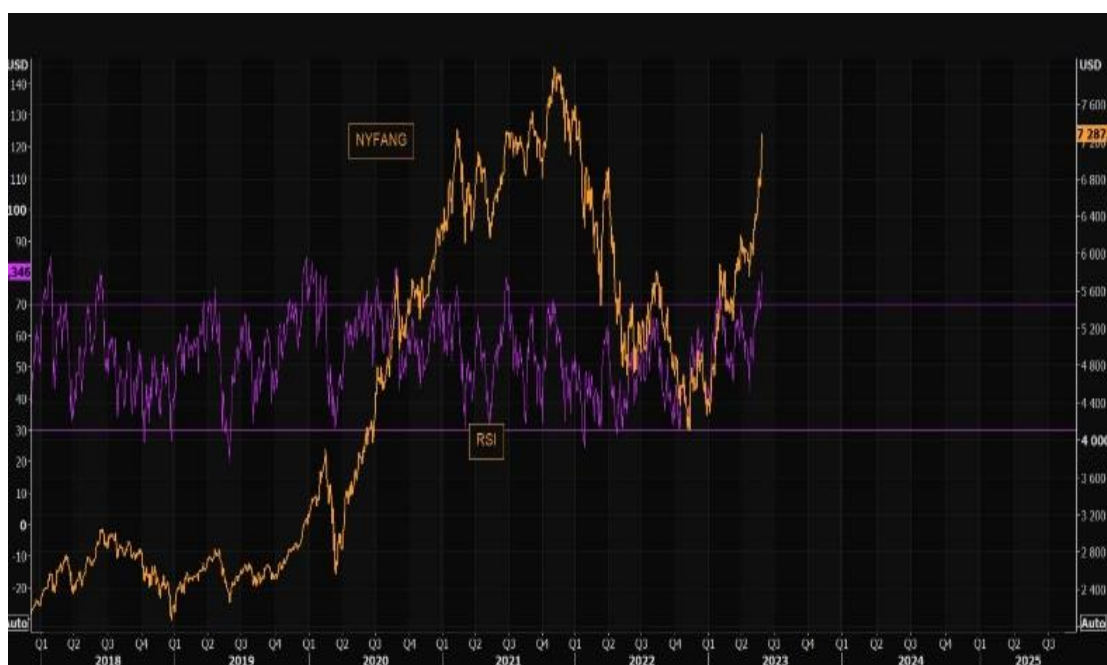


Source: Bloomberg, ZeroHedge



#fang #mania #overbought

FANG MANIA... NYSE FANG index RSI is in overbought territory.



Source: TME

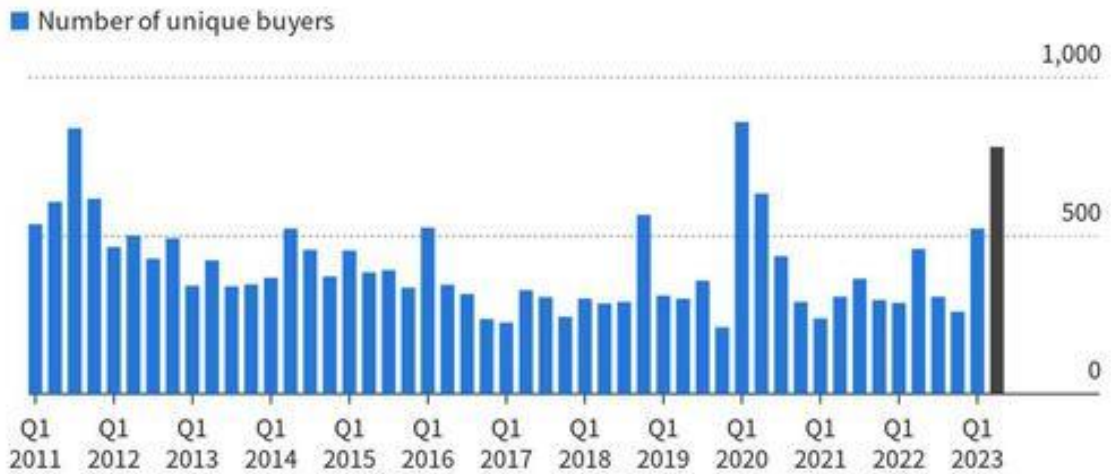


#us #banks #insiders

US small banks insiders are buying shares in their companies at a near record pace.

More Bank Insiders Are Buying Shares

A total of 778 insiders purchased stock in the second quarter



Source: VerityData
Note: Data for 2Q 2023 are through May 26

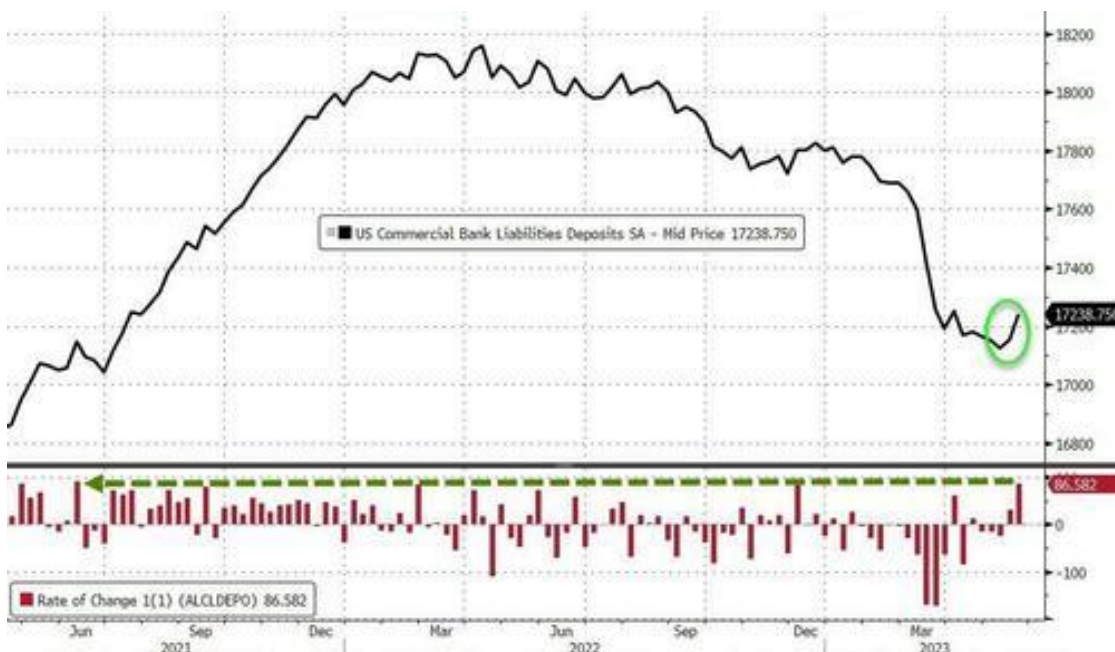
Bloomberg

Source: Bloomberg



#us #banks #deposits #inflows

According to the latest H8 report from The Fed, on a seasonally-adjusted basis, total US Commercial Bank deposits (including large time deposits) increased by \$86.5 billion during the week ended 5/24... That is the biggest (seasonally adjusted) weekly inflow since June 2021 (and \$116 billion of deposit inflows in 2 weeks).



Source: www.zerohedge.com, Bloomberg



#us #banks #deposits #inflows

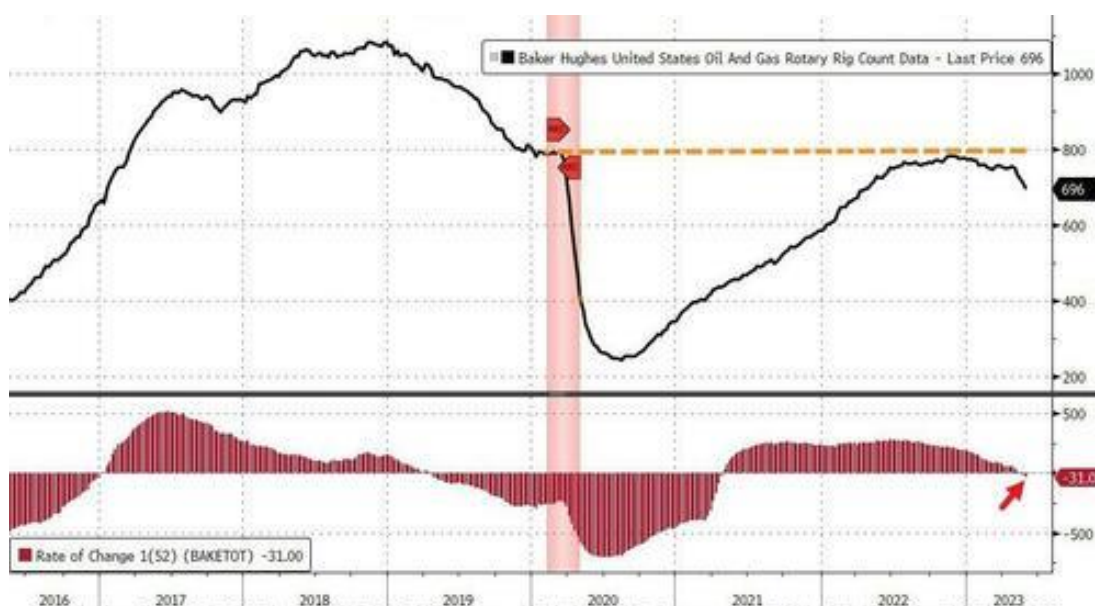
US banks deposits inflow occurred as money-market fund inflows hit a new record high (note that deposit data is one-week lagged to MM flows). This inflow occurred as money-market fund inflows hit a new record high (note that deposit data is one-week lagged to MM flows). So where is all this 'cash' coming from..



Source: BofA

#us #oil #rigs

Baker Hughes just reported that the total number of active drilling rigs in the US tumbled by 15 last week to 696 - down 31 rigs on a YoY basis... That drop in oil rigs suggests US crude production is due to decline, which should, all things being equal, imply higher prices (but for now it is not).

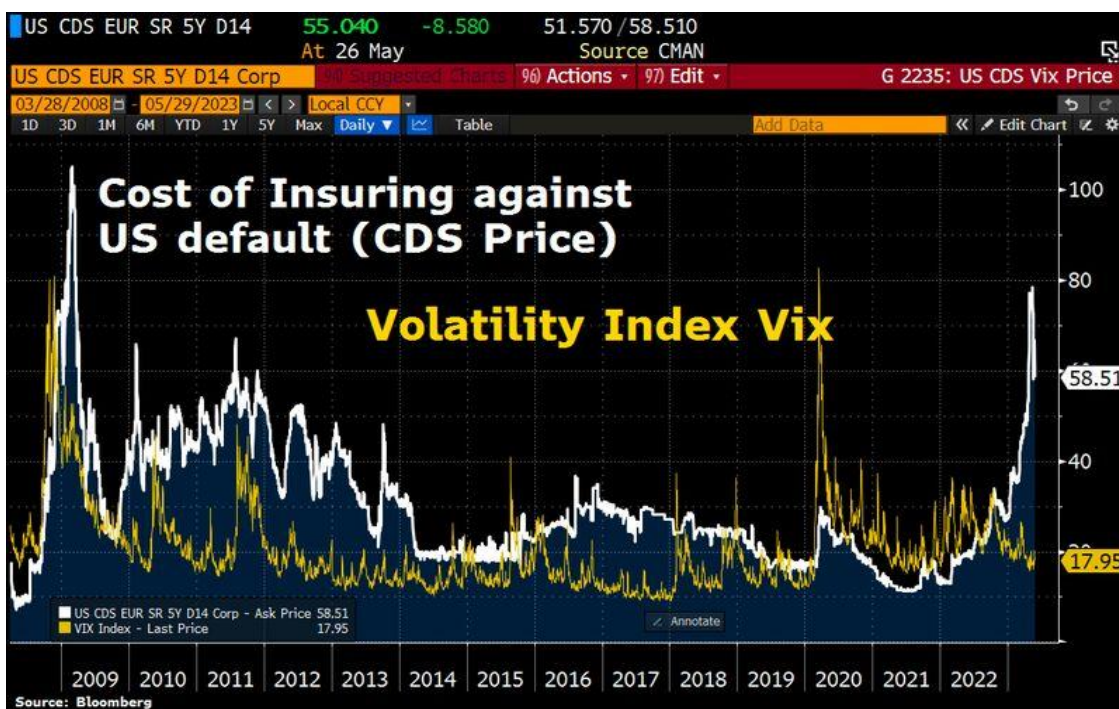


Source: www.zerohedge.com, Bloomberg



#debt-ceiling #vix #cbs

It is always said that bond investors are the smart guys compared to equity investors. This chart casts doubt on this thesis. Stocks never evinced much panic about the debt ceiling issue as evidenced by the Vix volatility index and that has proven to be correct in retrospect.



Source: HolgerZ, Bloomberg



#us #meme #stocks

Meme-stock mania struck in May with Goldman's 'high retail sentiment' basket soaring 18%...



Source: Bloomberg





#ai #bubble

The artificial intelligence "baby bubble"...Many AI stocks have more than doubled, and in some cases quadrupled, YTD. Nvidia is 1st chip stock that was even worth a trillion dollars for a short time. Is Generative AI the next tech bubble?

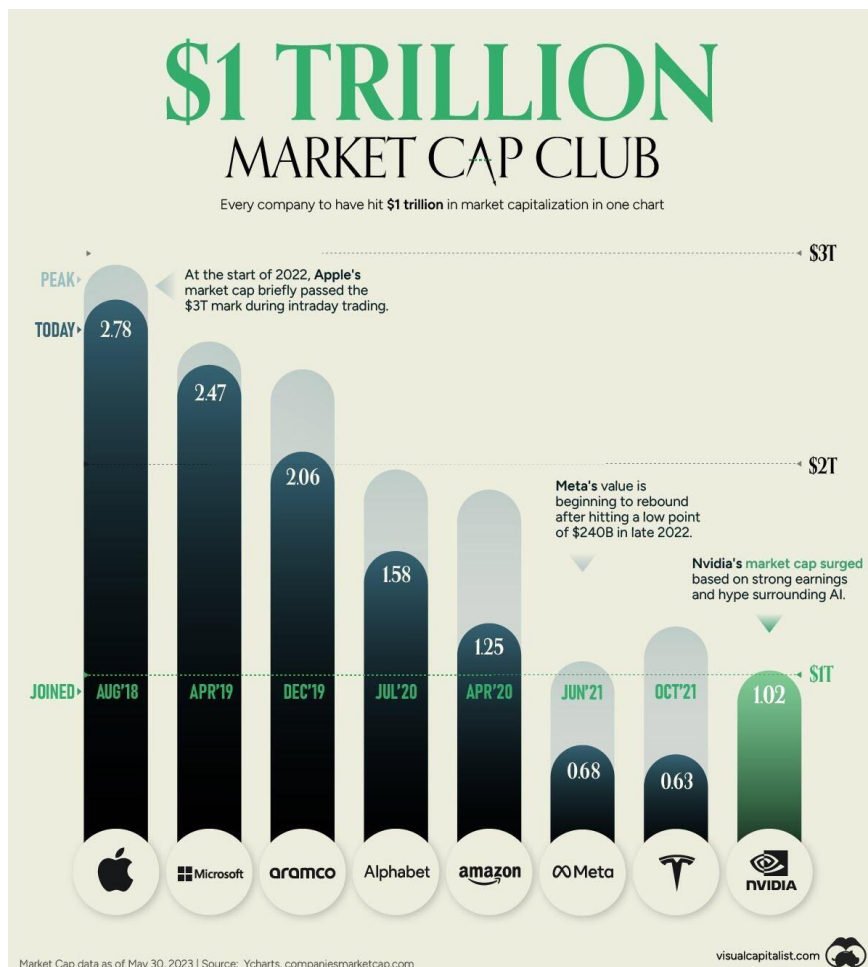


Source: HolgerZ, Bloomberg



#nvidia

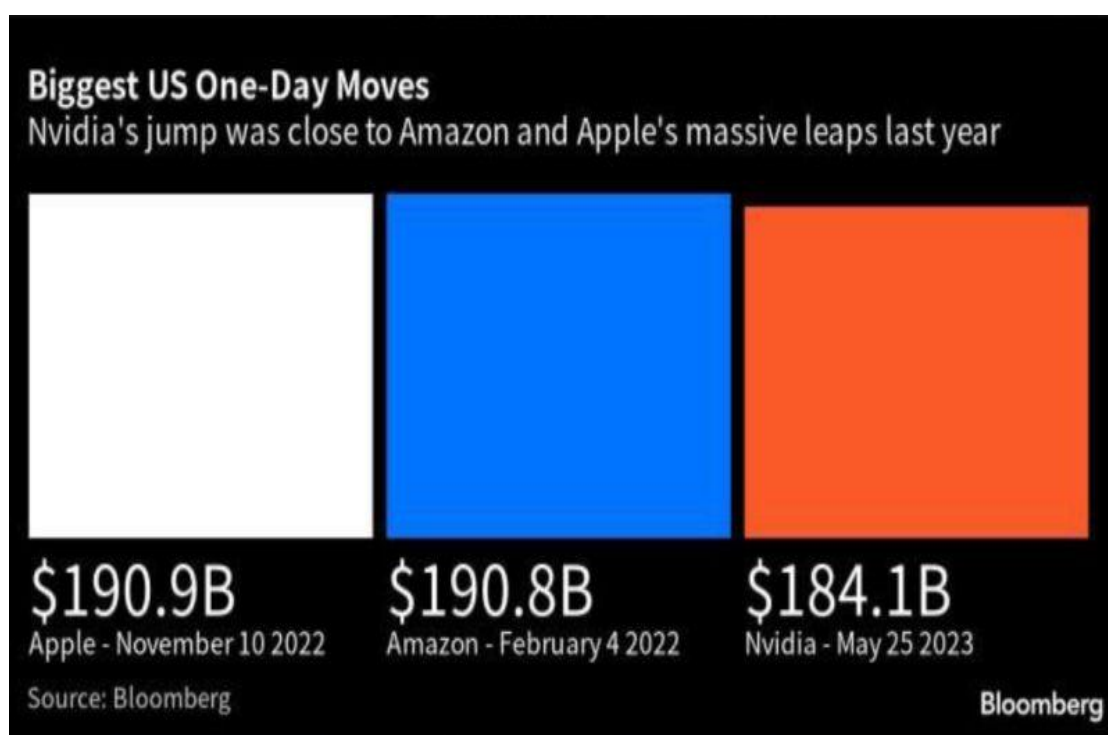
Chipmaker Nvidia is now worth nearly as much as Amazon, vaulting past the \$1 trillion market capitalization mark, a milestone reached by just a handful of companies including Apple, Amazon, and Microsoft. Nvidia has recently gained widespread attention amid the AI boom.



#markets

#one-da-ymove #nvidia #aapple

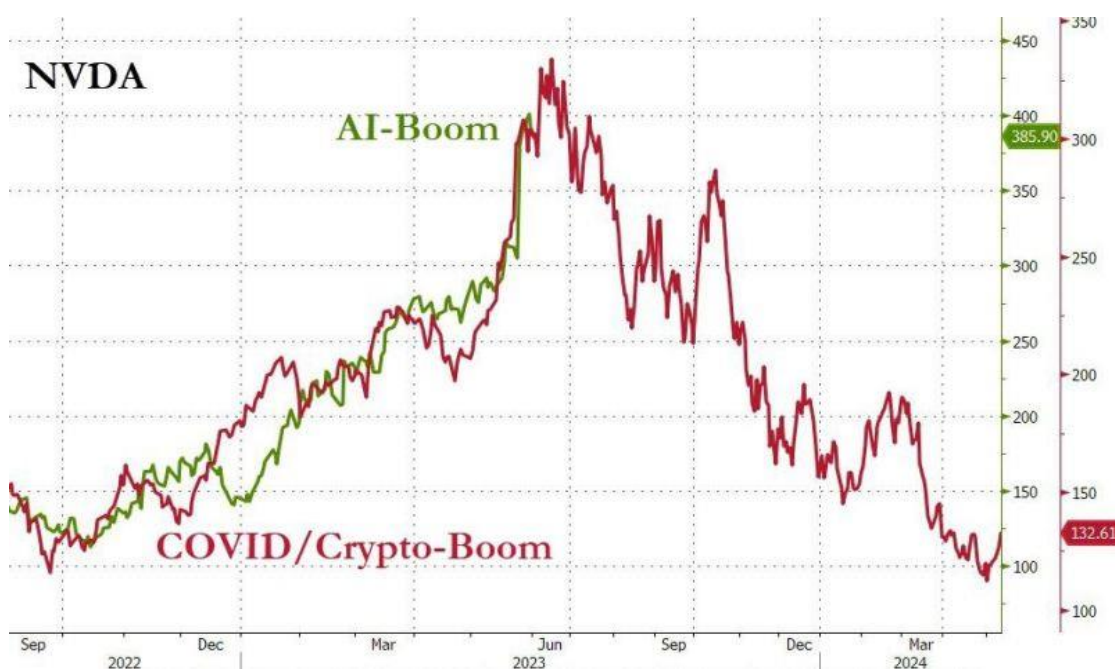
Biggest US One-Day Moves - Apple still number One.



Source: bloomberg, atariq

#ai #bubble #nvidia

Are we near peak AI-Bubble (echoing the COVID-supply-chain/crypto craze from 2021)?

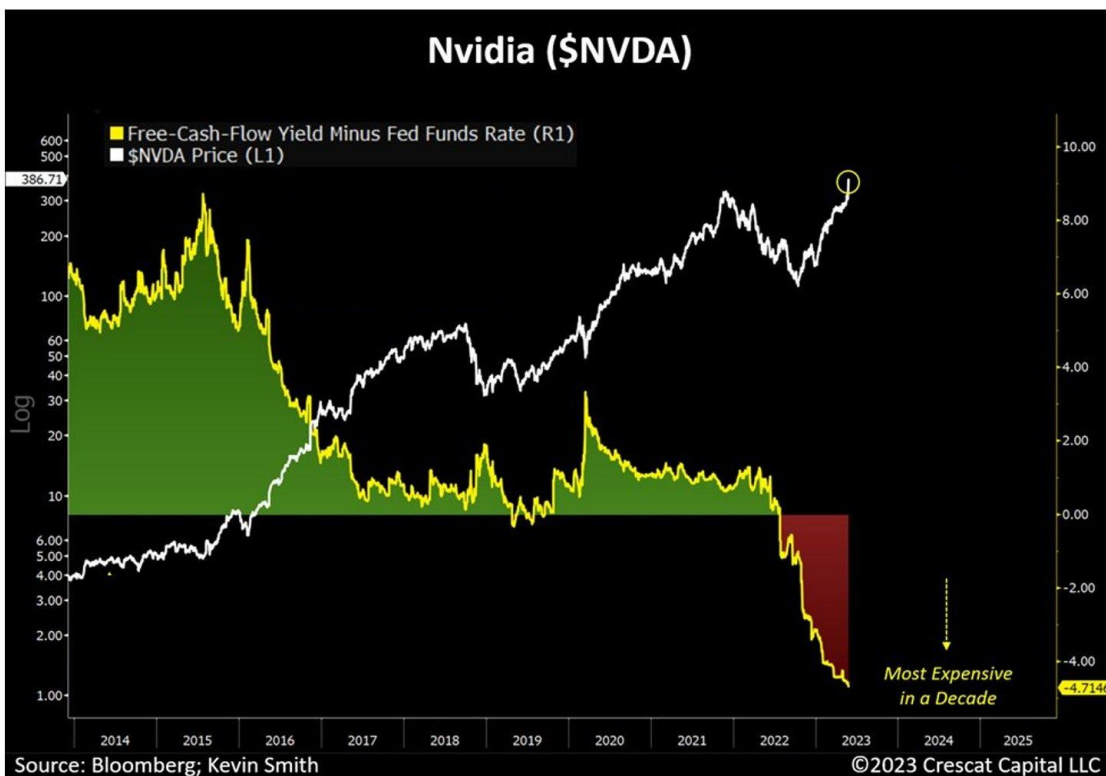


Source: Zerohedge, Bloomberg



#nvidia

Based on Free Cash Flow Yield - Treasury Funds rate, #nvidia is the most expensive in a decade.



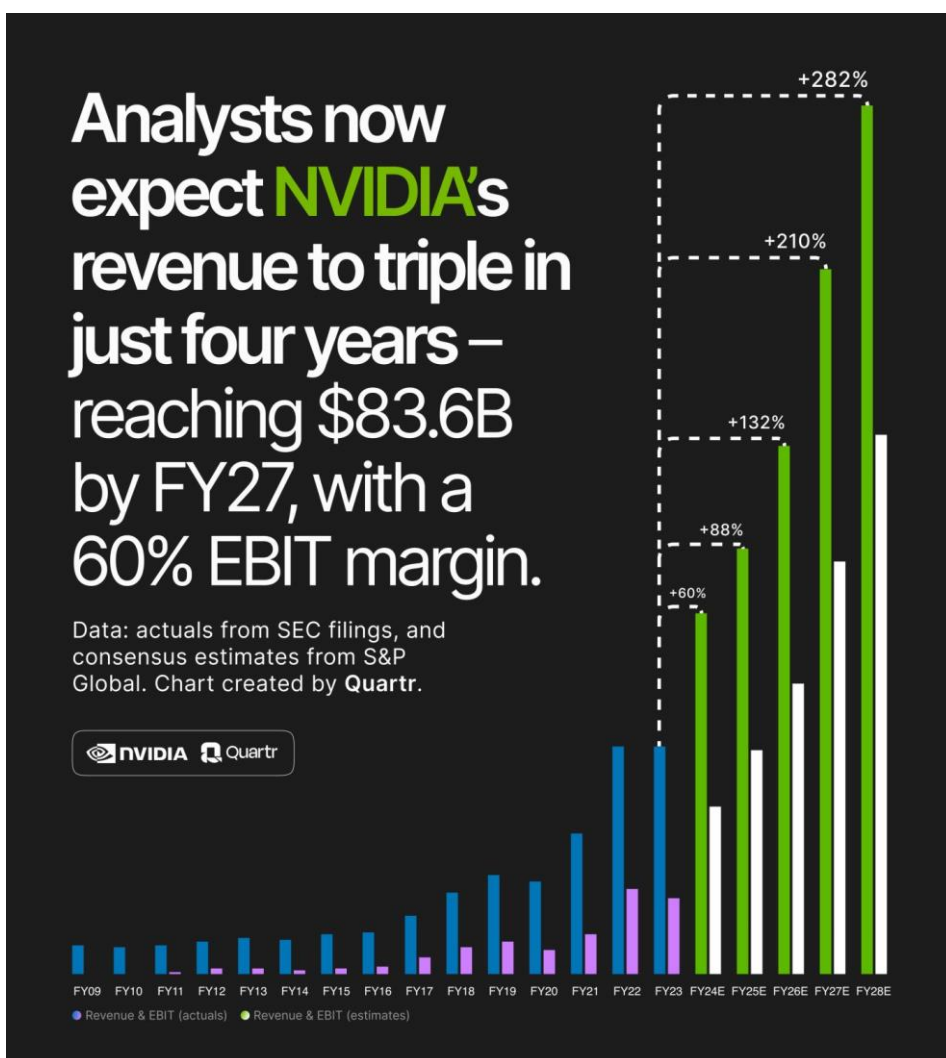
Source: Bloomberg, Crescat Capital, Kevin Smith





#nvidia

NVDA's Market Cap just crossed \$1T! According to the analysts' estimates, NVIDIA will generate roughly as much EBIT in two years (FY25) as they did in revenue last year...



#markets

#us #treasuries #weekly

In spite of Friday's selling pressure, Treasuries were bid during this holiday-shortened week with the short-end underperforming...



Source: www.zerohedge.com, Bloomberg

#GLOBALMARKETS WEEKLY WRAP-UP

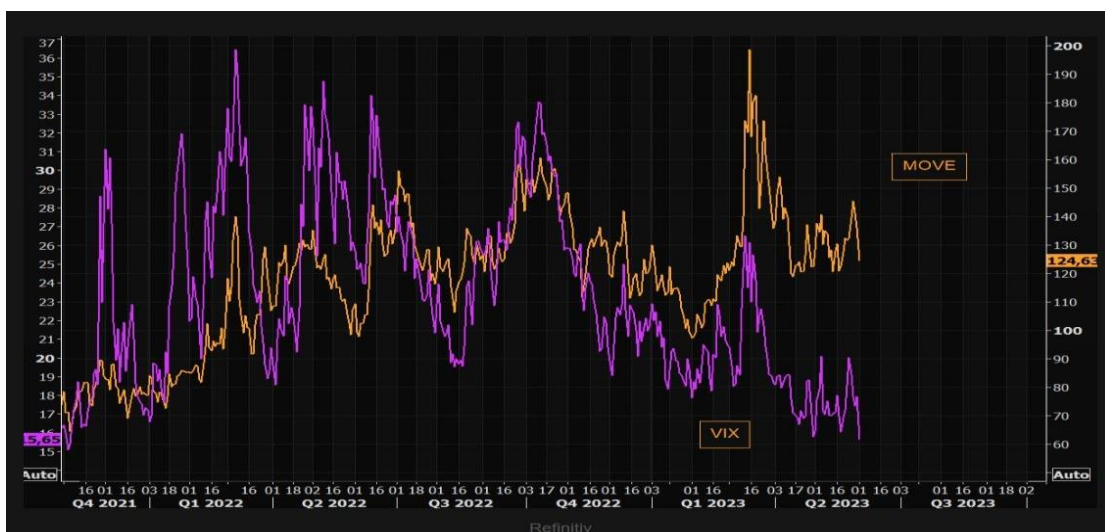
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3 JUNE 2023



#move #bonds #volatility

Even move (bonds volatility) is going lower.



Source: TME, Refinitiv

#fixed-income #etfs

Best performing fixed income ETFs in 2023 YTD.

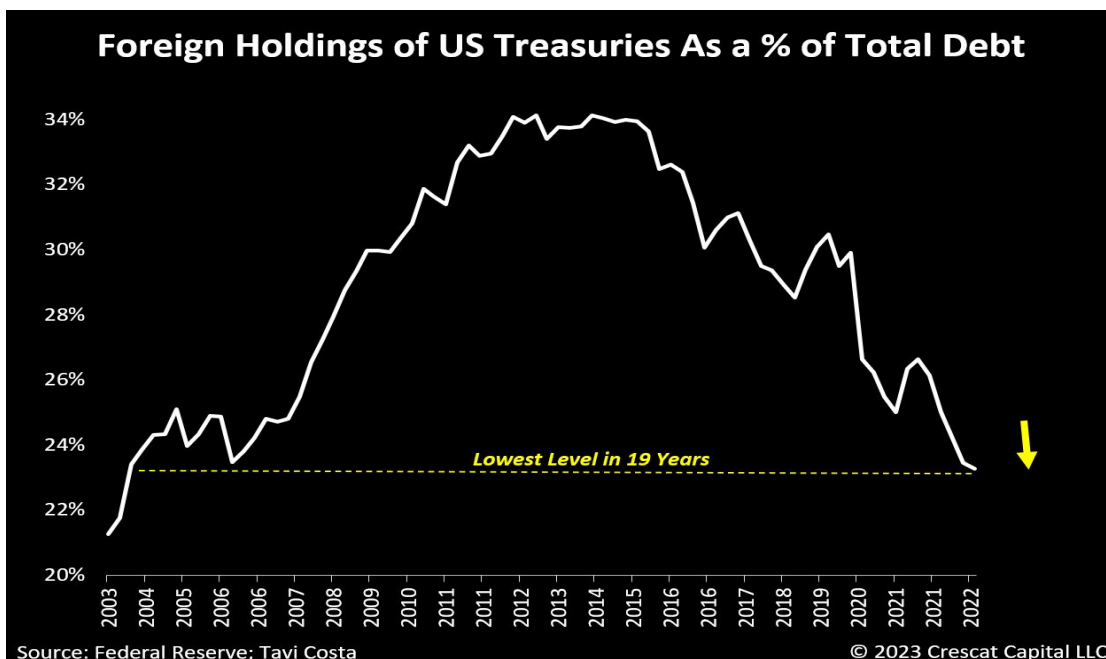
Best-Performing Fixed Income ETFs In '23

Ticker	Description	YTD Perf (%)
PUTW	Cash & writing SPX puts	9.21
TLTW	Bonds & writing SPX puts	7.19
RISR	Bonds & IO MBS	6.75
FEMB	EM local currency	6.64
XHYC	Consumer cyclicals HY debt	6.07
KDRN	Fund of bond funds	6.04
ELD	EM local currency	5.62
GLDB	Gold-backed bonds	5.54
EMLC	EM local currency	5.50
XCCC	CCC-rated HY bonds	5.44
LEMB	EM local currency	5.42
RVNU	Muni infrastructure revenue bonds	4.66
ICVT	Convertibles	4.63
JBBB	B, BB, BBB-rated CLOs	4.61
FLRT	Floating rate bonds	4.55
HYGW	HY credit & writing SPX puts	4.55
LQDW	IG credit & writing SPX puts	4.51
BNDD	Thematic: lower inflation/growth	4.44
PFFA	Preferreds	4.43
FLBL	Senior Loans	4.41



#us #treasuries #foreign-holdings

Foreign holdings of us Treasuries just reached the lowest level in 19 years. This concern is further amplified by the diminishing availability of buyers for Treasury securities. In the last three years, the responsibility of absorbing this debt fell on the Fed and US banks, but now both entities have withdrawn from that role.



Source: Crescat Capital, Tavi Costa





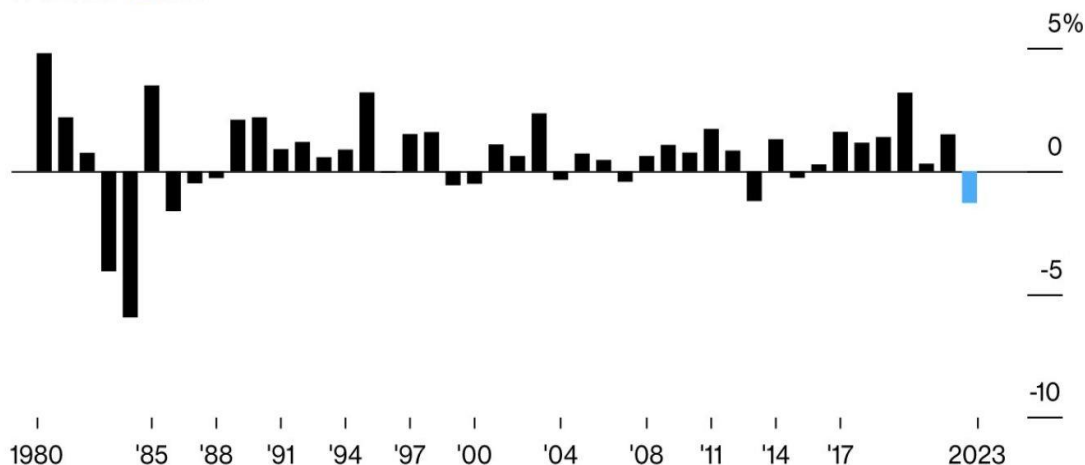
#municipal #bonds

Municipal Bonds are on track to have their worst May performance since 1986.

May Returns

This month is on track to be the worst May muni performance since '86

■ Return ■ MTD



Source: Bloomberg

Source: barchart, bloomberg

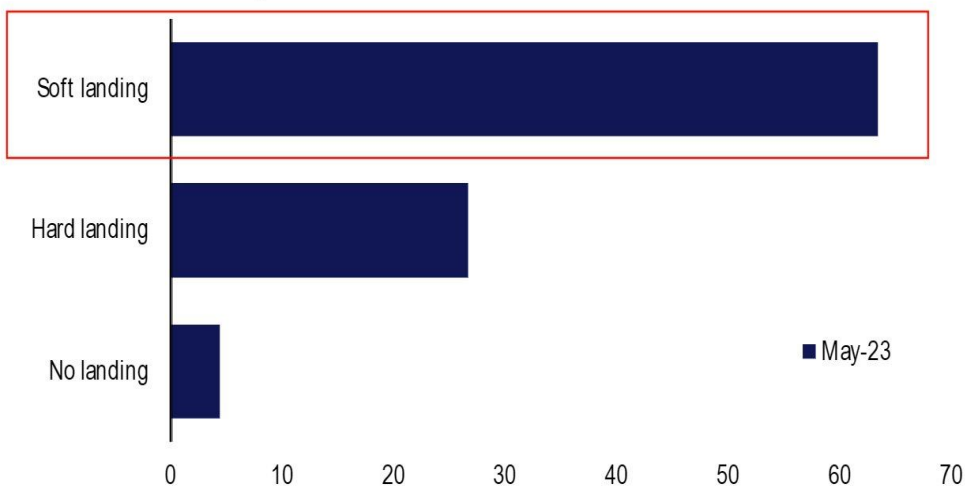




#us #economy #consensus

A soft landing (for the us economy) is now the consensus trade. Beware, the crowd is not always right...

What is the most likely outcome for the global economy in the next 12 months?



Source: BofA Global Fund Manager Survey.

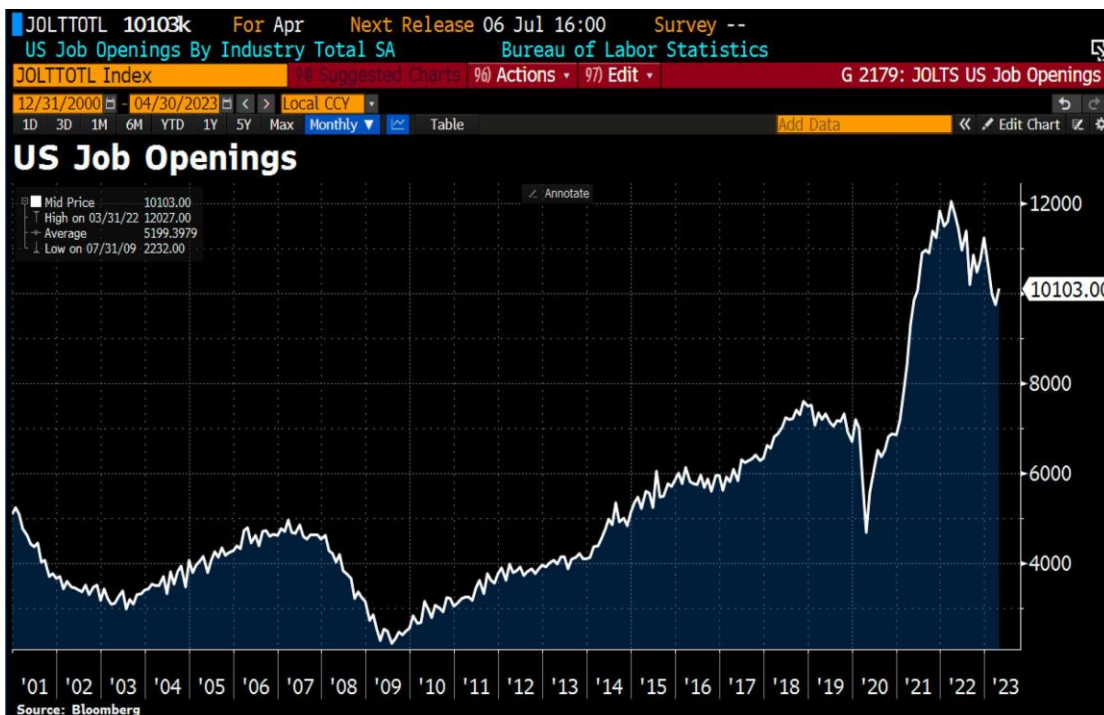
BofA GLOBAL RESEARCH

Source: Games of Trade, BofA



#us #jobs

US JOLTs report too hot to handle for stocks. JOLTs report came in hotter than anticipated for April at 10.1mln, up from 9.74mln in March (revised up from 9.59mln), and far above the Street’s 9.4mln forecasts. Chatter of June hike will grow louder.



Source: HolgerZ, Bloomberg





#us #jobs

Is it +339k or -310k? US jobs report was blow-out on Establishment survey w/339k additions, far ahead of 195k forecast. BUT according to separate Household survey, number of employed fell by 310k, which drove unemployment rate to 3.7% from 3.4% vs 3.5% expected. Note that details were rather dovish. Average weekly hours dropped to 34.3, which is back in line with a historical average after a sharp uptick in 2021/2022 relative to averages. Employers typically cut hours worked before they cut headcount...

Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	06/02 14:30				Two-Month Payroll Net Revision	May	--	93k	--	--
22)	06/02 14:30				Change in Nonfarm Payrolls	May	195k	339k	253k	294k
23)	06/02 14:30				Change in Private Payrolls	May	168k	283k	230k	253k
24)	06/02 14:30				Change in Manufact. Payrolls	May	5k	-2k	11k	10k
25)	06/02 14:30				Unemployment Rate	May	3.5%	3.7%	3.4%	--
26)	06/02 14:30				Average Hourly Earnings MoM	May	0.3%	0.3%	0.5%	0.4%
27)	06/02 14:30				Average Hourly Earnings YoY	May	4.4%	4.3%	4.4%	--
28)	06/02 14:30				Average Weekly Hours All Employees	May	34.4	34.3	34.4	--
29)	06/02 14:30				Labor Force Participation Rate	May	62.6%	62.6%	62.6%	--
30)	06/02 14:30				Underemployment Rate	May	--	6.7%	6.6%	--



Source: HolgerZ, Bloomberg

#macro

#us #jobs

Payrolls beat estimates 13 months in a row...

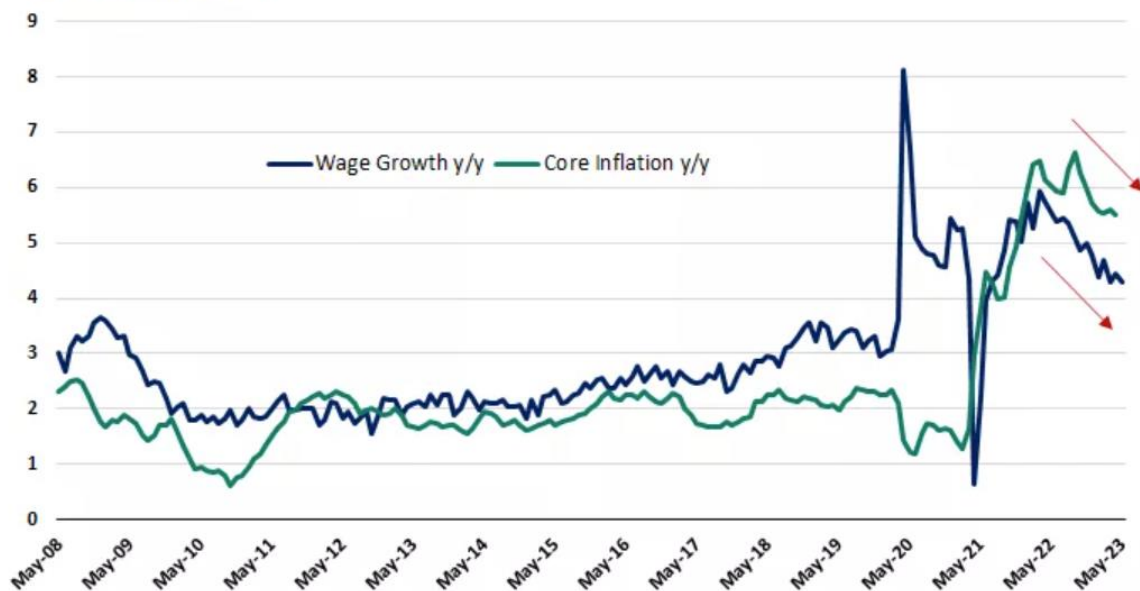




#us #jobs

Moderating wage growth ahead bodes well for further declines in inflation.

Wages vs. Inflation



Source: Factset



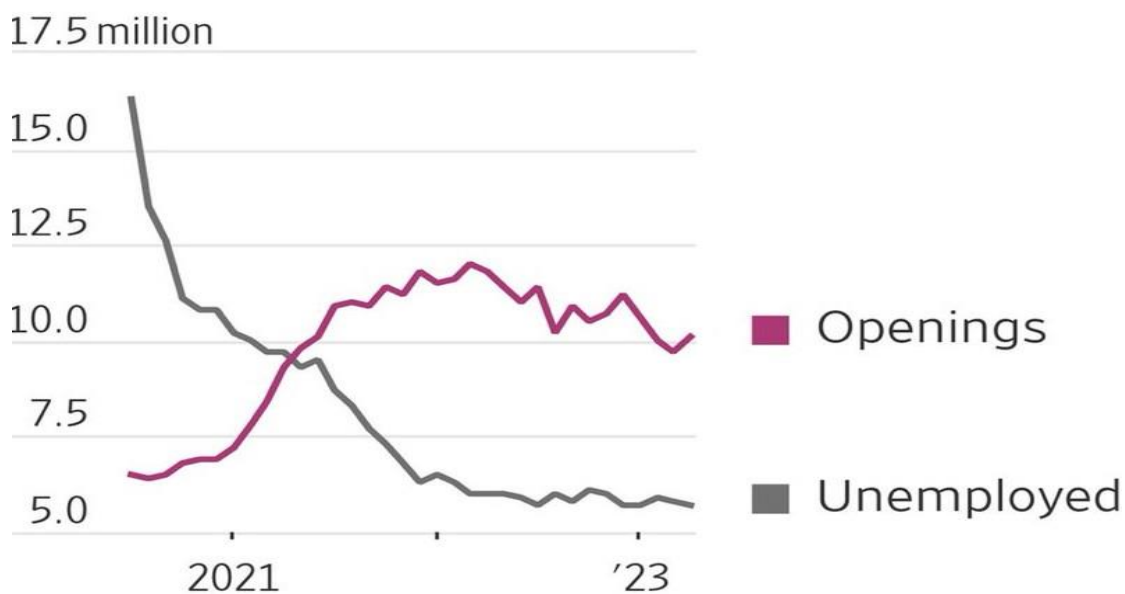
Source: Edward Jones



#us #jobs

The usual monthly WSJ chart comparing the US unemployment rate (we get the latest reading tomorrow) to job vacancies (which, yesterday, broke a three-month trend and went up to above 10 million, contrary to the consensus forecast).

Job openings compared with unemployed looking for work



Seasonally adjusted.
Source: Labor Department

Source: M. El Erian, WSJ

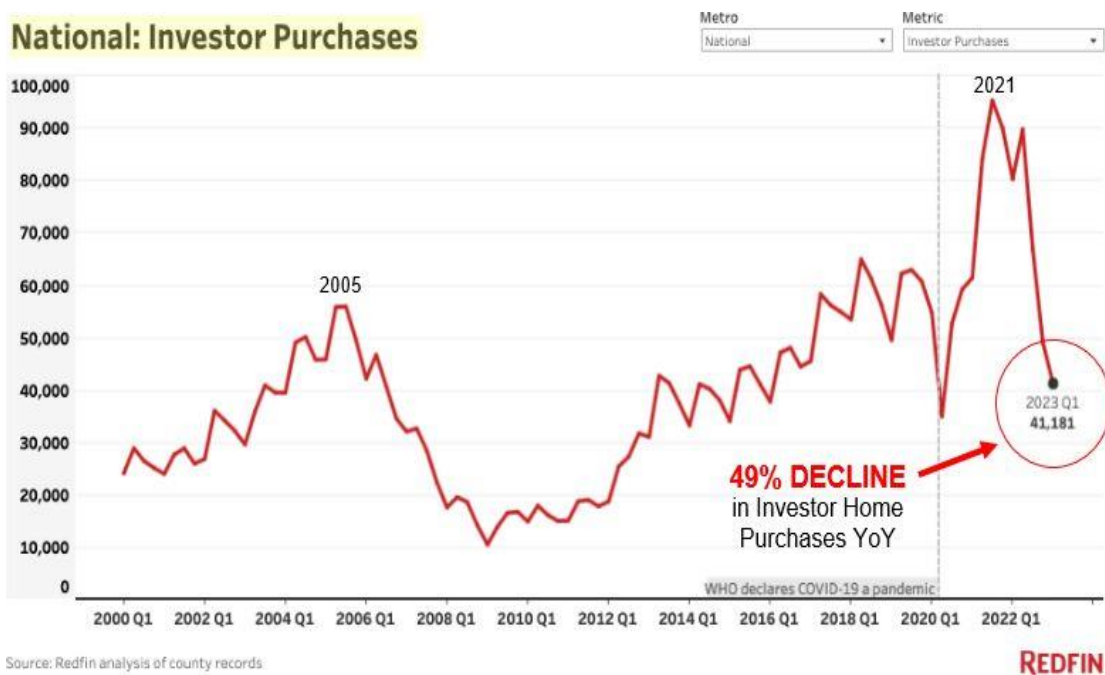




#us #housing-market

Wall Street Investors have officially abandoned the Housing Market. Redfin reported a colossal 49% crash in investor purchases in Q1 2023.

This is the biggest annual decline on record. Even bigger than the drop that occurred in 2005 right before the last crash.



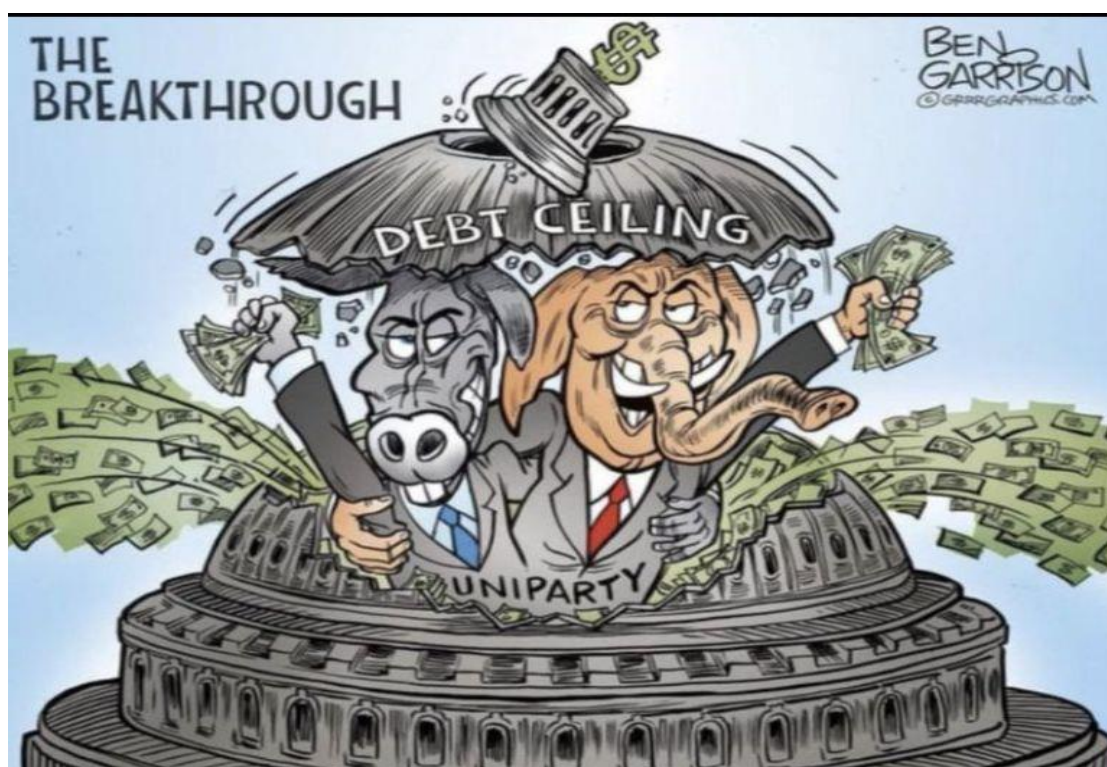
Source: Nick Gerli



#macro

#us #debt-ceiling #resolution

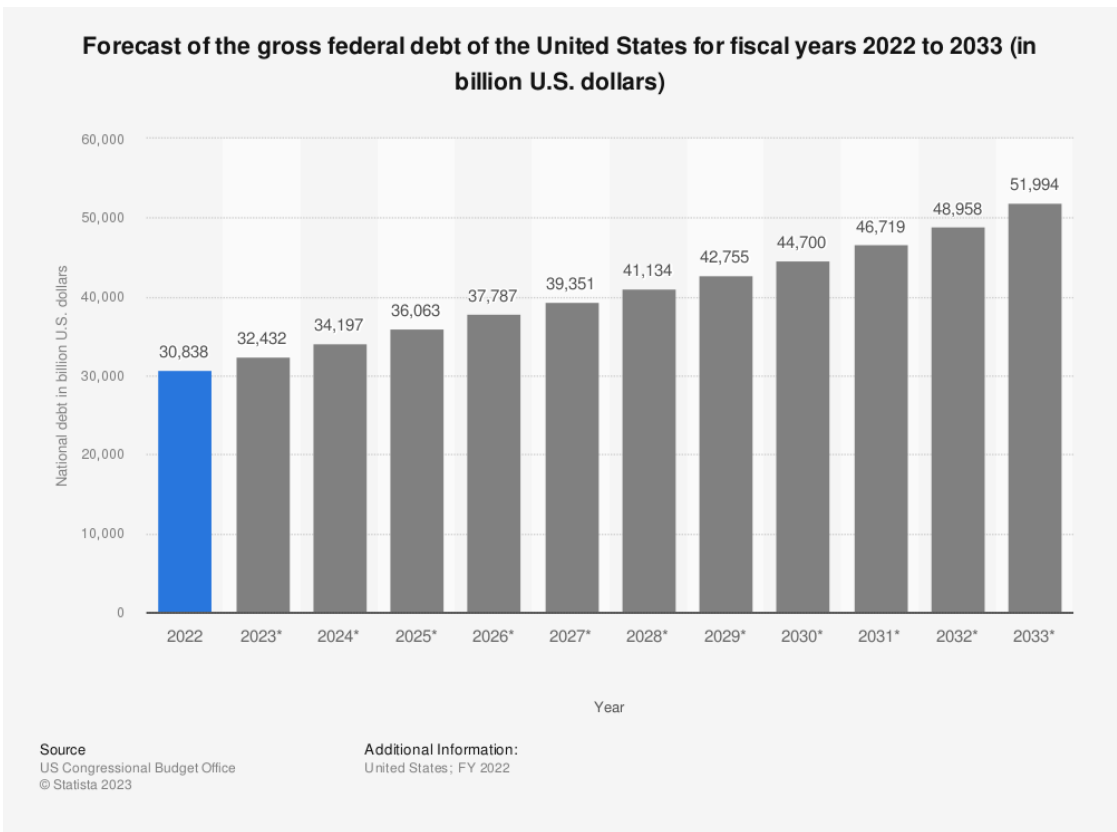
The Senate late Thursday passed a House-approved bill to raise the debt ceiling and cap government spending for two years, sending the legislation to President Joe Biden's desk. He is expected to sign it Friday and address the nation at 7 p.m. ET, just three days before the U.S. risked its first-ever sovereign debt default.





#us #debt-ceiling

It took the US 227 years to add the first \$8 trillion in debt. Now, they have added \$8 trillion in debt over the last 3 years alone. With the debt ceiling bill being passed, this will put federal debt near \$36 trillion by 2025. By 2033, nearly 25% of government revenue will go toward interest expense...



Source: Statista

#macro

#us #debt-ceiling

Goldman Sachs says the Treasury Department will have to raise \$1 trillion quickly if/when the debt ceiling deal is approved. liquidity will be drained from the market to purchase these treasuries. Can the market handle this?

**Goldman
Sachs**

As debt limit talks intensify, the US may have to quickly raise \$1 trillion



Source: Genevieve Roch-Decter, CFA, Goldman Sachs



#us #debt-ceiling

Interesting point of view from Andreas Steno Larsen "Biden and McCarthy have allegedly agreed on the principles for a 2-year debt ceiling deal...USD liquidity will dwindle in coming months as 1) The TGA cannot drop further, 2) QT is still running and 3) the FDIC may repay further emergency loans on behalf of banks." Andreas also highlights the correlation between the #sp500 and the TGA depletion as shown on the chart below. This could even be seen as a "stealth QE" as the amount injected has been stronger than QT. Now that the stealth QE is over, liquidity isn't likely to be supportive for risk assets.



Source: Steno Research, Bloomberg and Macrobond



Source: Steno Research, Bloomberg and Macrobond

#macro

#us #debt-ceiling

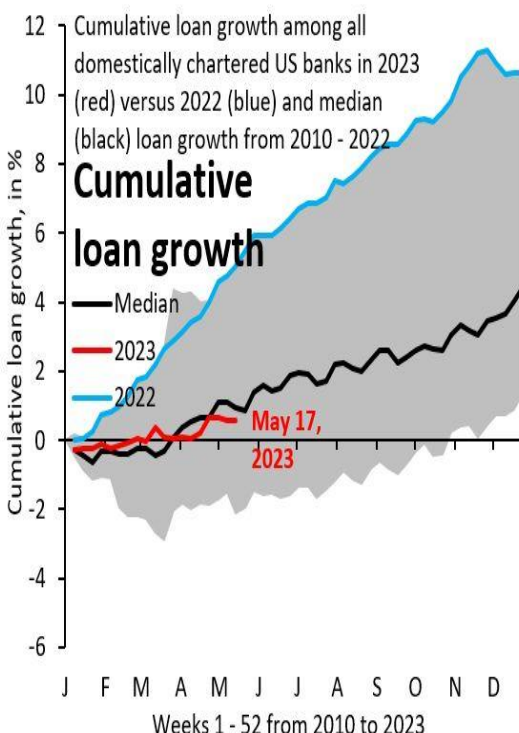
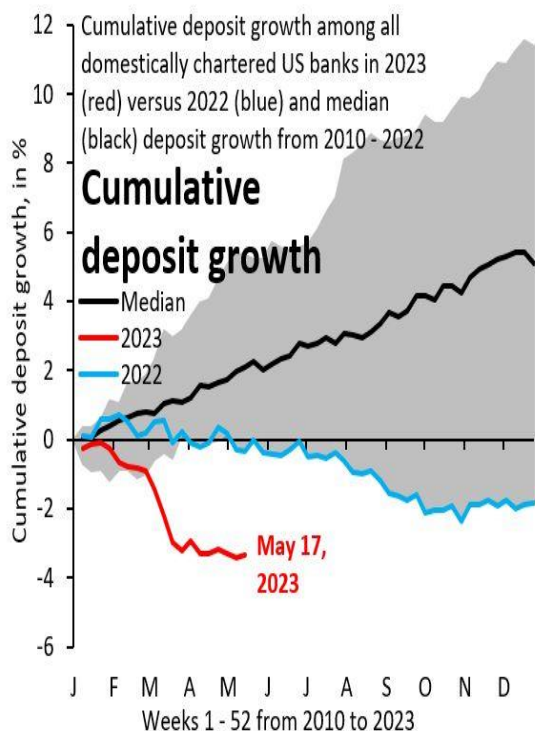
Shortly after 4pm ET, the debt-limit deal cleared a major hurdle in the House despite growing opposition, setting up the legislation for a vote around 8:15pm on Wednesday night, a vote which despite vocal showboating opposition from various republicans appears destined to pass.





#deposit-growth #loan-growth #svb

The SVB shock is now almost 3 months old. Since then, deposits have stabilized (lhs, red). The more noteworthy development is on lending, which has ground to a halt (rhs, red) vs torrid loan growth in 2022 (rhs, blue).

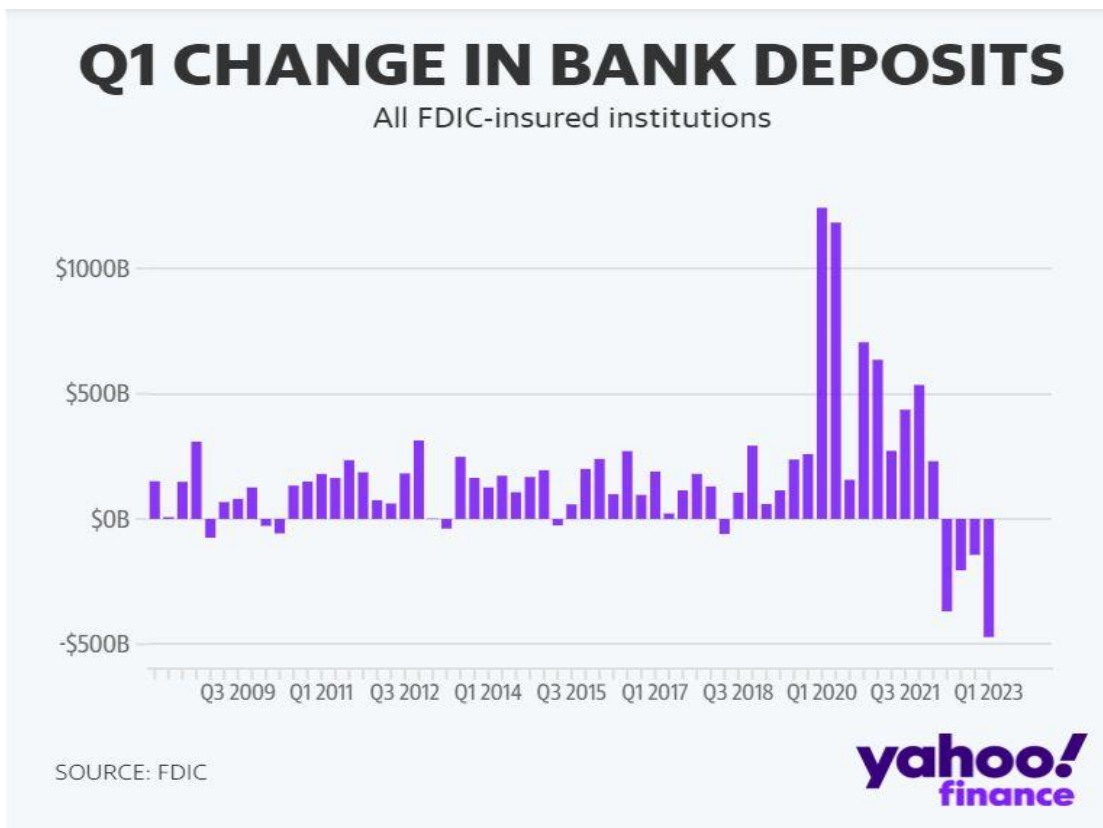


Source: Robin Brooks

#macro

#us-banks #deposits

US bank deposits dropped by most in 39 years to start 2023. US banks lost \$472 billion in deposits in the first quarter, according to a new quarterly report from the Federal Deposit Insurance Corporation (FDIC).





#exports #china #us

In 2021, China surpassed the US as the world's top exporter with a \$3.6 trillion export value. Besides the US, Germany has consistently been a significant exporter, ranking just below the US in the past decade.

COUNTRIES WITH LARGEST EXPORTS 1990 VS 2021

1990 GLOBAL TOTAL EXPORTS VALUE: \$4,312.1B



2021 GLOBAL TOTAL EXPORTS VALUE: \$27,878.6B



Source: The Atlas of Economic Complexity, World Bank. Current US\$.

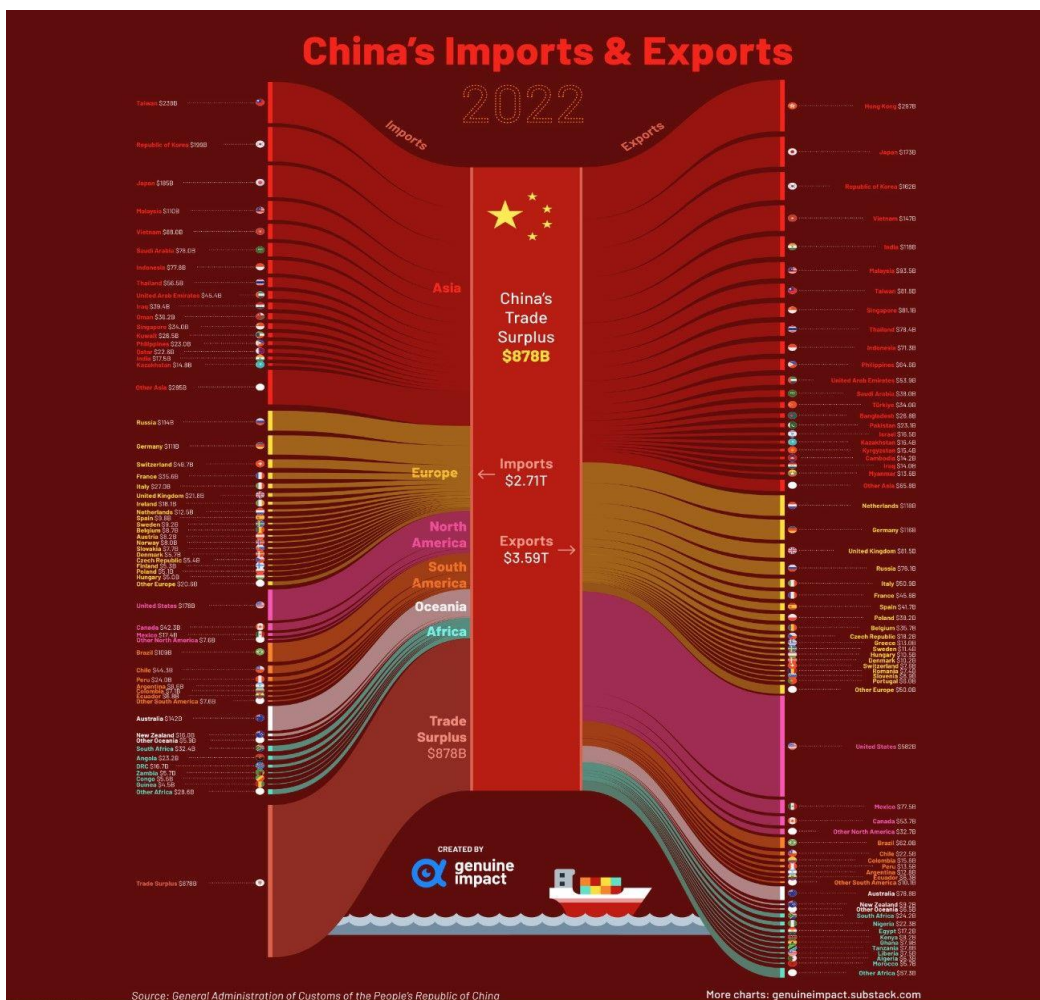


Source: Genuine Impact



#china #exports #imports

Why is everything made in China? In 2022, China had a hefty \$878 billion trade surplus. It's no surprise that the USA is China's largest customer, importing \$582 billion worth of goods and services from China in 2022.

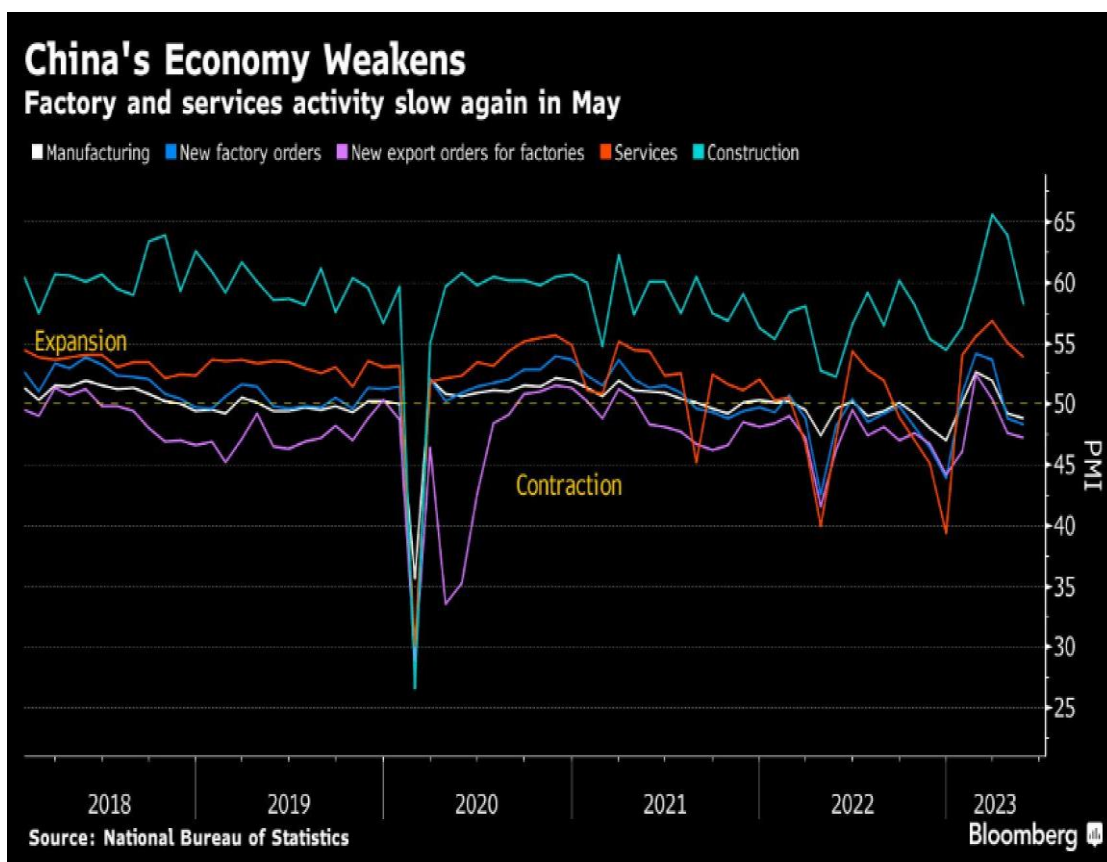


Source: Genuine Impact

#macro

#china #economic-activity

China's economy faces gloomy outlook as manufacturing slumps. Manufacturing PMI fell to 48.8, lowest since Dec2022, providing more evidence the post-Covid recovery in the world's 2nd-largest economy has slowed. A reading below 50 signals contraction.



Source: HolgerZ, Bloomberg

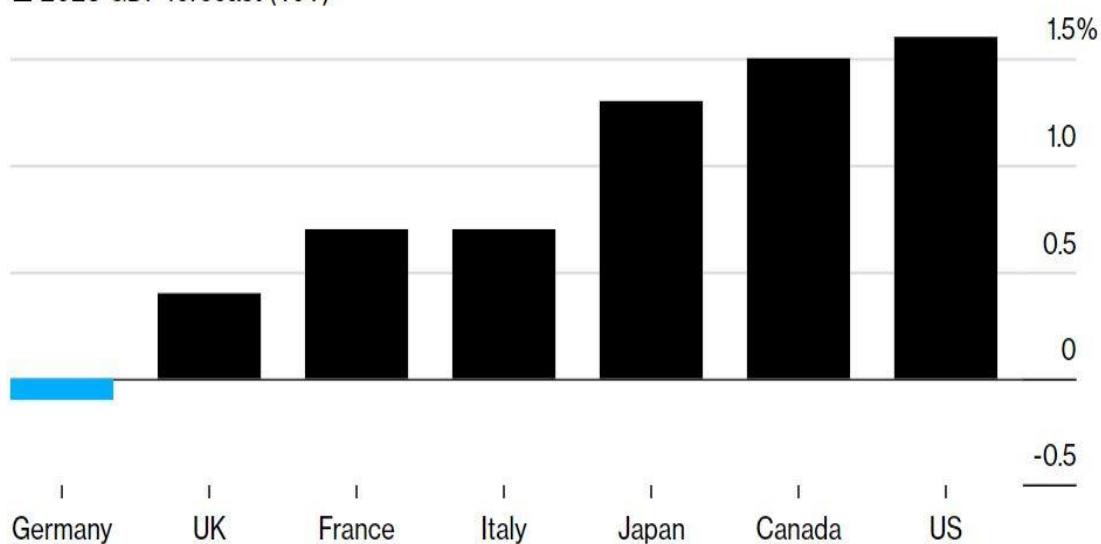
#macro

#germany #economy

Europe's Economic Engine Is Breaking Down.

Germany Has the Worst Outlook in the G-7

■ 2023 GDP forecast (YoY)



Source: IMF



#jobs #eurozone

Eurozone unemployment fell to record low in April. The bloc's broad unemployment rate was 6.5% in Apr, sliding from 6.6% in March. And even youth unemployment rate hit fresh All-Time Low at 13.9%.

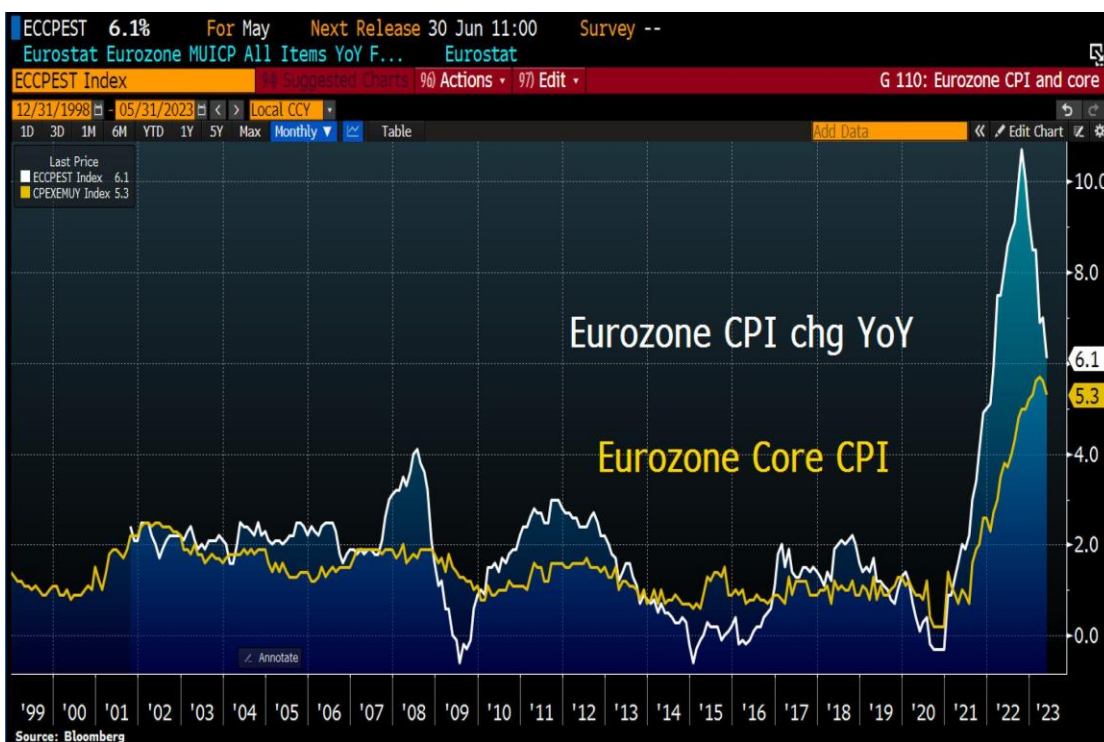


Source: HolgerZ, Bloomberg

#macro

#inflation #eurozone

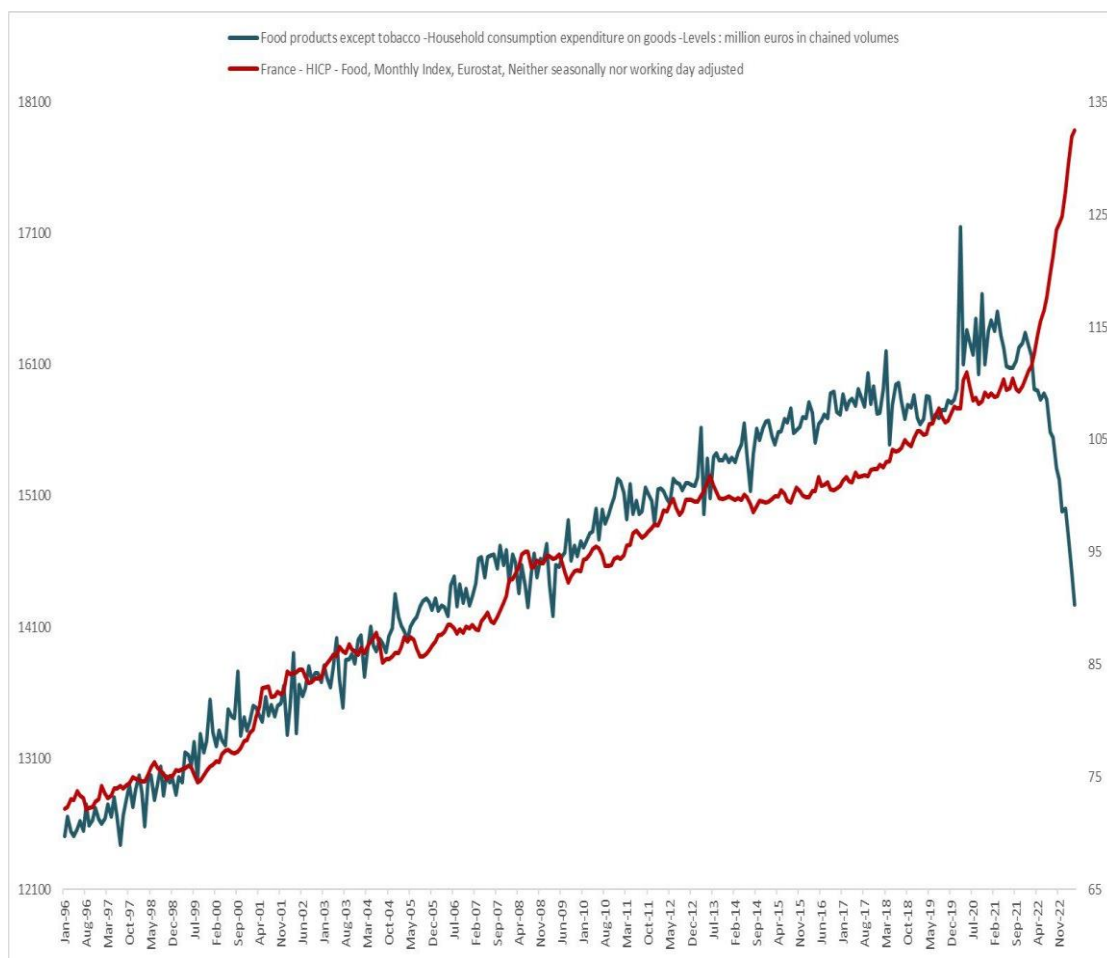
Eurozone inflation fell more than expected in May on easing food and declining #energy prices but core CPI also dropped. CPI slowed to 6.1% in May YoY vs +6.3% expected, tumbling from a 7.0% rise in April. Core CPI dipped to 5.3% in May vs. 5.5% expected from 5.6% in April.





#inflation #france

Why is inflation painful for consumers in one chart: French food prices and food consumption





#turkish #elections #turkish-lira

Turkish President Recep Erdogan sealed an election victory that appeared unlikely just weeks ago: With 99% of ballot boxes opened, results from competing news agencies showed Erdogan w/52% of the vote, compared w/48% for his challenger, Kemal Kilicdaroglu. #Turkey Lira hit fresh All-Time low despite Turkish President Recep Tayyip Erdogan will appoint market-friendly & orthodox-thinking Mehmet Simsek as his new treasury and finance minister.



Source: HolgerZ, Bloomberg



#centralbanks

#global #liquidity

According to BofA strategist Hartnett, global liquidity is set to collapse more than \$1 trillion next 3-4 months as follows: "\$100bn QT from Fed/ECB/BoE/BoC/RBA/RBNZ per month + \$1tn T-bill supply + \$200-300bn rise in Treasury general account (TGA) refill + MMF outflows (from RRP to T-Bills)". All in all, this could approach a \$1.5tn liquidity drain. TS Lombard agrees by stressing out that TGA dynamics flip (as Treasury refills its TGA account) from a 3% addition to nominal GDP over past 5 months to a potential drawdown nearing 10% of GDP in the next 3 months.

Chart 1: Debt ceiling increase models to a sharp drop in liquidity



Source: Federal Reserve, S&P, TS Lombard

Source: TS Lombard



#centralbanks

#blackoutperiod #federalreserve

Today is the last day Fed Presidents are allowed to speak before the next FOMC meeting. A Fed Blackout is a period where Fed officials are barred from making public comments. No interviews, no press releases, no buying or selling of any assets, nothing that could indicate to the market how they are feeling going into an event that is sure to drive stock market price action.

2023 Fed Blackout Schedule

- January 21-Feb. 2 (FOMC Meeting Date: February 1st)
- March 11-23 (FOMC Meeting Date: March 22nd)
- April 22-May 4 (FOMC Meeting Date: May 3rd)
- June 3-15 (FOMC Meeting Date: June 14th)
- July 15-27 (FOMC Meeting Date: July 26th)
- September 9-21 (FOMC Meeting Date: September 20th)
- October 21-November 2 (FOMC Meeting Date: November 1st)
- December 2-14 (FOMC Meeting Date: December 13th)

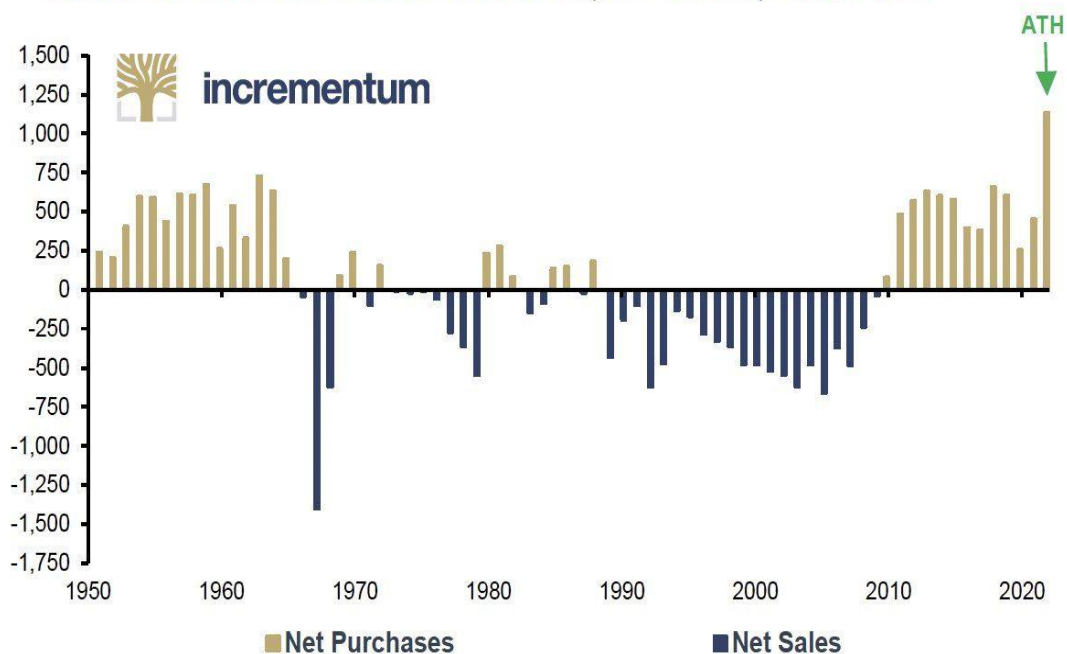
Source: [federalreserve.gov](https://www.federalreserve.gov)

#centralbanks

#global #centralbanks #gold

2022 saw the highest #gold buying by #centralbanks on record, i.e., since 1950, when the WGC started its records. Buying reached 1136t, with Türkiye reporting the largest purchases, adding 148t to its reserves.

Global Central Bank Gold Purchases, in Tonnes, 1950-2022



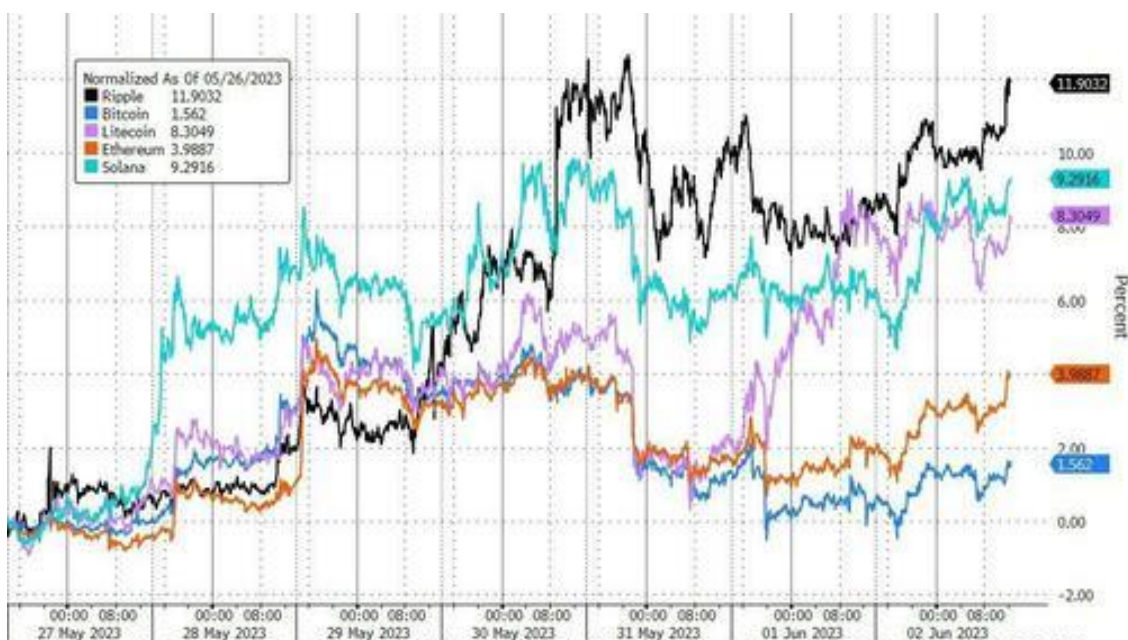
Source: World Gold Council, Incrementum AG

Source: IGWTreport, Incrementum



#cryptocurrencies #weekly

While BTC and ETH were the least exuberant, this week saw some strong gains in altcoins...

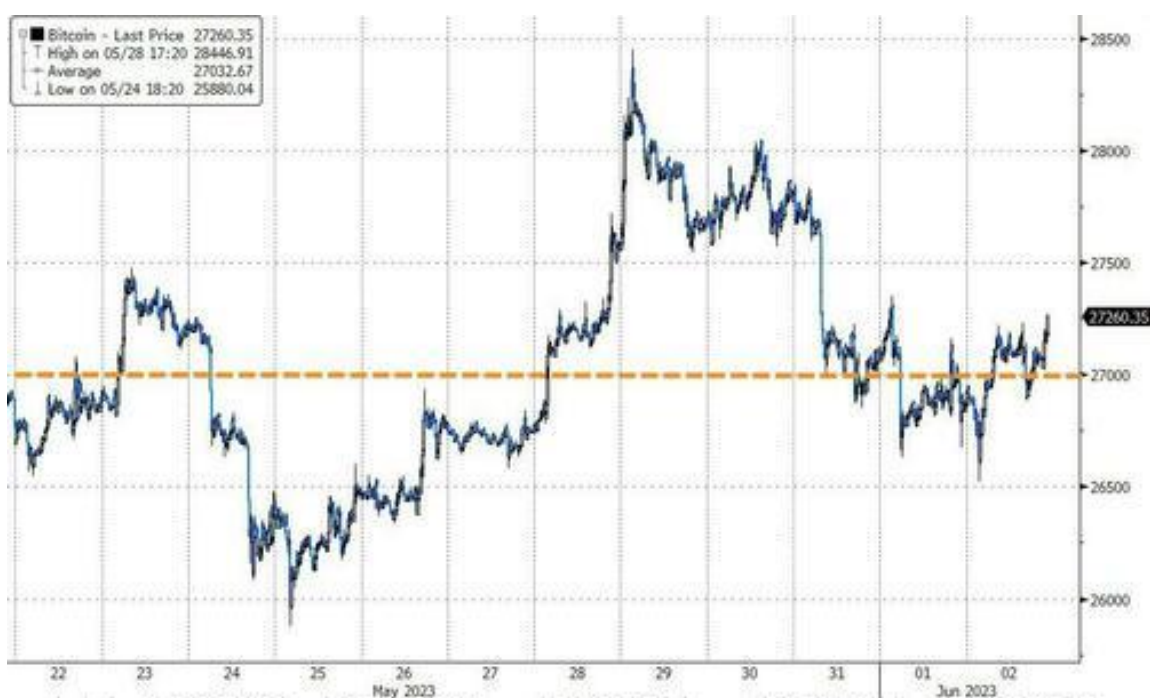


Source: www.zerohedge.com, Bloomberg



#bitcoin #weekly

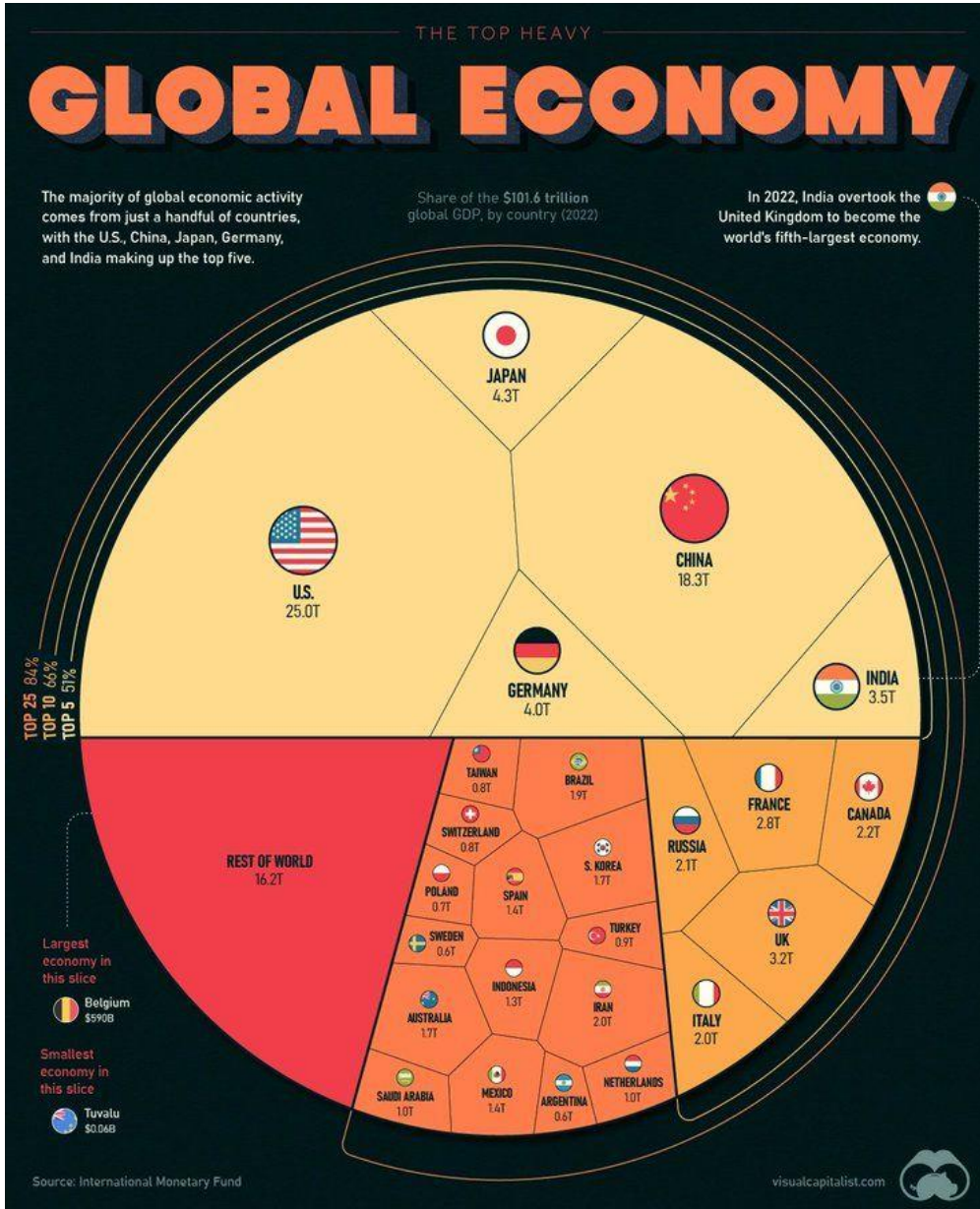
Bitcoin ended the week hovering around \$27,000...



Source: www.zerohedge.com, Bloomberg

#food-for-thought

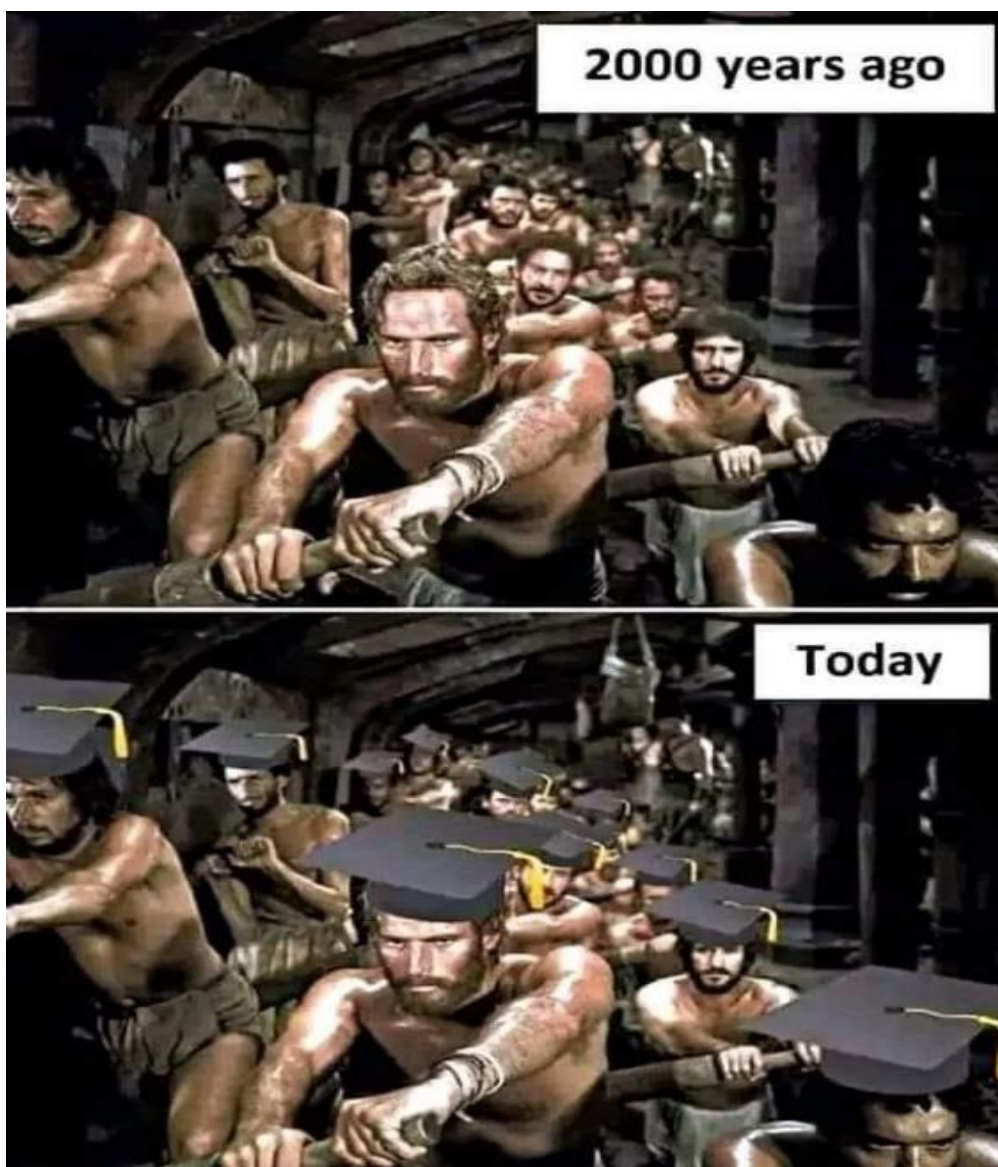
#global #economy



#food-for-thought

#capitalism

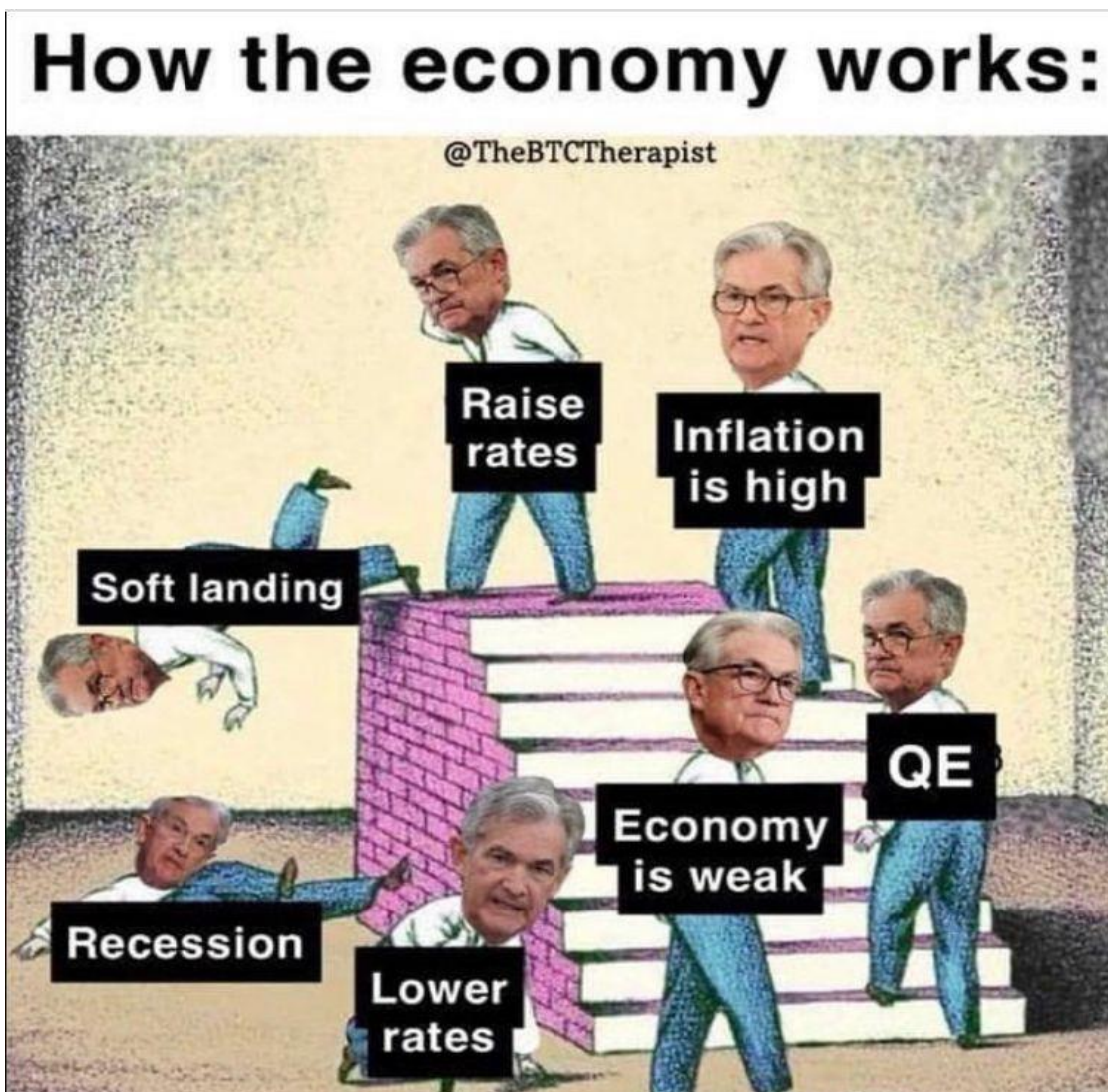
A funny (or not) one by Marco Pfeiffer.



#food-for-thought

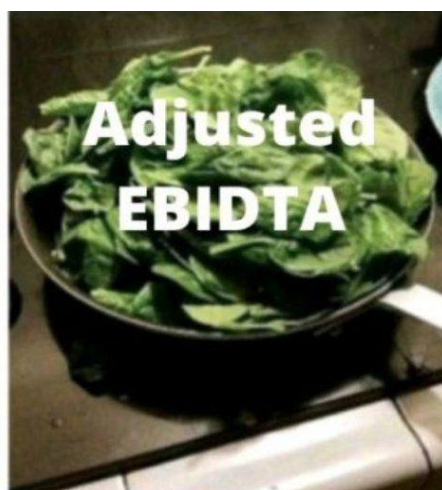
#economy #fed

Economy Made Easy.



#food-for-thought

#ebitda #net-income

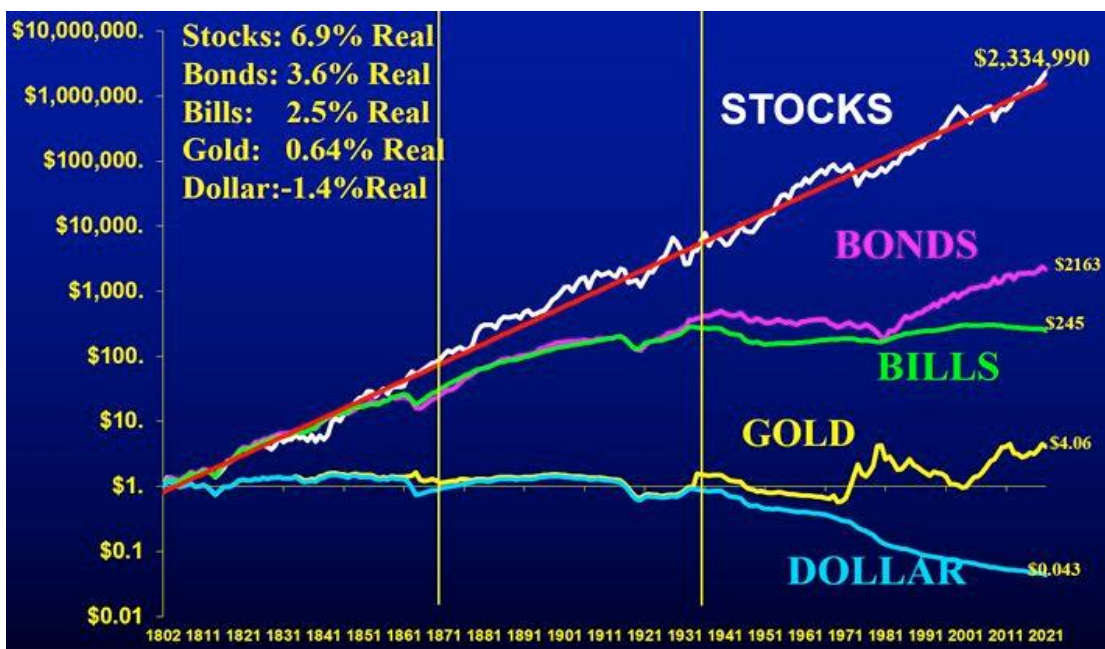


Source: Brian Feroldi

#food-for-thought

#stocks

stocks for the long run by J.Siegel through Compounding Quality



Source: Siegel, Jeremy, *Stocks for the Long Run* (2014), With Updates to 2021. Past Performance is not indicative of future results. **Stocks:** The total returns after inflation on the broadest index of stocks available at the time. (Stocks-real-total return Index: 1802-2022). **Bonds:** The total returns on an index on U.S. government bonds after inflation. (Bonds-real-total return Index: 1802-2022). **Bills:** Total returns on U.S. Treasury Bills after inflation. (Bills-real-accumulative Index: 1802-2022). **Gold:** The value of \$1 of gold bullion after inflation. (Gold-real-price Index: 1802-2022). **Dollar:** The purchasing power of one U.S. dollar. (Money: 1802-2022). Index performance assumes reinvestment of dividends, but does not reflect any management fees, transaction costs or other expenses that would be incurred by a portfolio or fund, or brokerage commissions on transactions in fund shares.

Source: Compounding Quality

#food-for-thought

#investment #etfs

Trends in Investing" survey... 90% of financial professionals currently use or recommend ETFs to clients. 50% expect to increase use or recommendation of ETFs in next 12mos. Just 3% plan to decrease ETF usage in next 12mos.

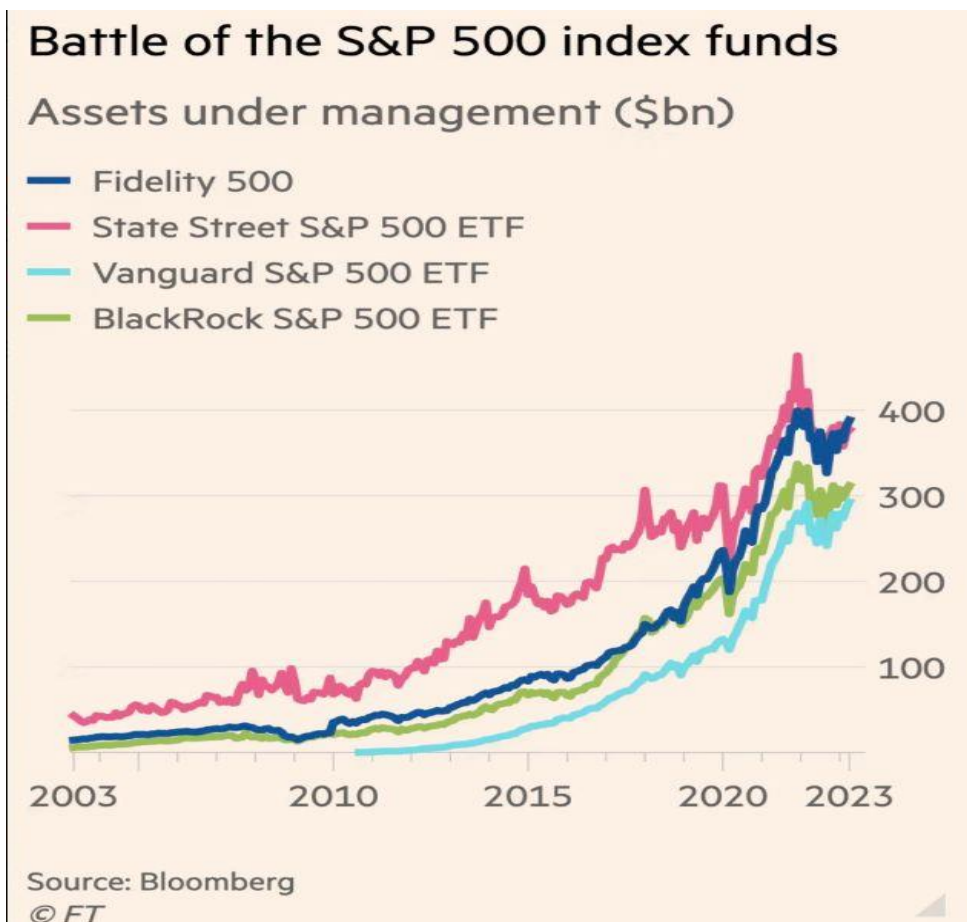
Which investment vehicles do you currently use/recommend with your clients

	2019	2023
Exchange-traded funds (ETFs)	88.0%	90.1% ▲
Cash and equivalents	79.9%	76.4% ▼
Mutual funds (non-wrap)	70.2%	63.9% ▼
Individual stocks	54.4%	50.8% ▼
Individual bonds	41.8%	47.1% ▲
ESG (environmental/social/governance) funds	25.5%	34.6% ▲
Separately managed accounts	26.1%	33.0% ▲
Fixed annuities (immediate and/or deferred)	22.6%	30.9% ▲
Variable annuities (immediate and/or deferred)	26.4%	30.4% ▲
Mutual fund wrap program(s)	32.4%	26.7% ▼
Fixed permanent life insurance products	24.4%	25.7% ▲
Private equity funds	12.3%	23.0% ▲
Variable permanent life insurance	14.0%	22.5% ▲
Indexed annuities	14.6%	22.0% ▲
Structured products	10.9%	20.9% ▲
Other alternative investments (if bought directly, not included in other investment vehicles)	13.2%	17.3% ▲
Individually traded REITs (not held in mutual funds)	20.3%	16.8% ▼
Non-traded REITs	13.2%	16.8% ▲
Options	9.2%	11.5% ▲
Hedge funds (directly, not through mutual funds)	8.0%	10.5% ▲
Precious metals	4.9%	7.9% ▲
Other	4.0%	4.2% ▲
Cryptocurrencies	0.3%	2.6% ▲

#food-for-thought

#us #etfs

The Battle is on Going. Strictly speaking, the Fidelity 500 Index Fund is not an ETF like State Street Global Advisors' SPDR S&P 500 ETF Trust (or BlackRock's iShares Core S&P 500 ETF or Vanguard's S&P 500 ETF), but Fidelity's S&P 500 index fund has grown recently.



Source: FT

#hedgefunds #securities

How Many Securities Large Hedge Funds Hold?

Appendix B: 100 largest hedge funds in our analysis ranked by equity assets

Institution Name	Number of Securities Held	Equity Assets (\$ Billions)	Institution Name	Number of Securities Held	Equity Assets (\$ Billions)
Millennium Management LLC	3,710	\$85	Zimmer Partners LP	86	\$5
Renaissance Technologies LLC	3,616	72	Southpoint Capital Advisors LP	54	5
Citadel Advisors LLC	3,139	63	Verition Fund Management LLC	1,624	5
D. E. Shaw & Co. LP	2,716	53	Starboard Value LP	99	5
AQR Capital Management LLC	3,843	49	Magnetar Financial LLC	502	5
Adage Capital Management LP	827	45	Armistice Capital LLC	214	4
Two Sigma Advisers LP	2,447	36	Rock Springs Capital Management LP	112	4
Acadian Asset Management LLC	3,924	31	Triam Fund Management LP	10	4
Point72 Asset Management LP	1,832	30	Glenview Capital Management LLC	51	4
Two Sigma Investments LP	2,666	29	Perceptive Advisors LLC	96	4
Balyasny Asset Management LP	1,835	28	Maverick Capital Ltd.	443	4
Viking Global Investors LP	81	22	Weiss Multi-Strategy Advisers LLC	582	4
Holocore Advisors, LP	679	20	SCGE Management LP	25	4
Numeric Investors LLC	2,106	19	Abrams Capital Management LP	18	4
Voloridge Investment Management LLC	1,320	19	EcoRT Capital, LLC	54	4
Baker Bros. Advisers LP	108	18	GMT Capital Corp.	95	4
Icahn Associates Holding LLC	19	16	Junto Capital Management LP	79	3
Farallon Capital Management LLC	123	15	Trexquant Investment LP	1,267	3
Coastal Management LLC	74	15	Route One Investment Co. LP	18	3
Pershing Square Capital Management LP	10	15	Meritage Group LP	50	3
Squarepoint OPS LLC	2,108	13	Divison Kempner Capital Management LP	158	3
Tiger Global Management LLC	56	12	Avidity Partners Management LP	84	3
Echo Street Capital Management LLC	1,290	11	Steadfast Capital Management LP	43	3
Alyeska Investment Group LP	412	11	Gotham Asset Management LLC	1,284	3
Lone Pine Capital LLC	29	11	Kayne Anderson Capital Advisors LP	96	3
Cubist Systematic Strategies LLC	2,651	10	Deerfield Management Co. LP	78	3
Schorfield Strategic Advisers LLC	1,713	10	BVF Partners LP	79	3
Mirova US LLC	105	8	Skye Global Management LP	30	3
ExodusPoint Capital Management LP	1,580	8	Moore Capital Management LP	301	3
ValueAct Capital Management LP	13	8	Candlestick Capital Management LP	70	3
Third Point LLC	34	8	Camber Capital Management LP	39	3
Soroban Capital Partners LP	17	8	Twin Tree Management LP	427	3
Avoro Capital Advisor LLC	38	7	Knighthood Capital Management LLC	5	3
Matrix Capital Management Co. LP	16	7	RWC Asset Advisors (US) LLC	139	3
Hudson Bay Capital Management LP	571	7	Redmile Group LLC	81	3
Woodline Partners LP	540	7	Atreides Management LP	30	3
Walleye Capital LLC	1,832	6	Servest Management LLC	45	3
SRS Investment Management LLC	20	6	Gates Capital Management, Inc.	23	3
RTW Investments LP	62	6	Foxhaven Asset Management LP	25	3
Oaktree Capital Management LP	276	6	Boothbay Fund Management LLC	1,435	3
The Baupost Group LLC	31	6	Valley Forge Capital Management LP	9	3
Eminence Capital LP	67	6	Scopus Asset Management LP	125	3
BlueSpruce Investments LP	10	6	PAR Capital Management, Inc.	42	3
Pentwater Capital Management LP	88	5	IndexIQ Advisors LLC	2,252	3
RA Capital Management LP	63	5	Dorsal Capital Management LLC	25	3
Samlyn Capital LLC	87	5	Cinctive Capital Management LP	353	3
Stockbridge Partners LLC	16	5	Rubric Capital Management LP	70	3
Tudor Investment Corp.	1,431	5	HMI Capital Management LP	13	2
Whale Rock Capital Management LLC	41	5	Ergoteles LLC	1,167	2
The WindAcre Partnership LLC	11	5	Kensico Capital Management Corp.	27	2

	Equity Assets (\$ Billions)	As a % of Total
Largest 50	\$903	64%
Largest 100	1,070	76
Total 740	\$1,414	100%

Source: FactSet, data compiled by Goldman Sachs Global Investment Research

#food-for-thought

#nvidia #faangs

The new FAANGs?



Source: Morning Brew Daily

#food-for-thought

#nvidia

Nvidia's very first product was a failure...In 1995, NVDA released its first chip, the NV1, and was a huge commercial bust.



Ming Zhao
@FabiusMercurius

4/ First Product = Failure

In 1995, NVDA released its first chip, the NV1, and was a huge commercial bust. Performance sucked, raw materials were too pricey, and nobody wanted to pay for it.

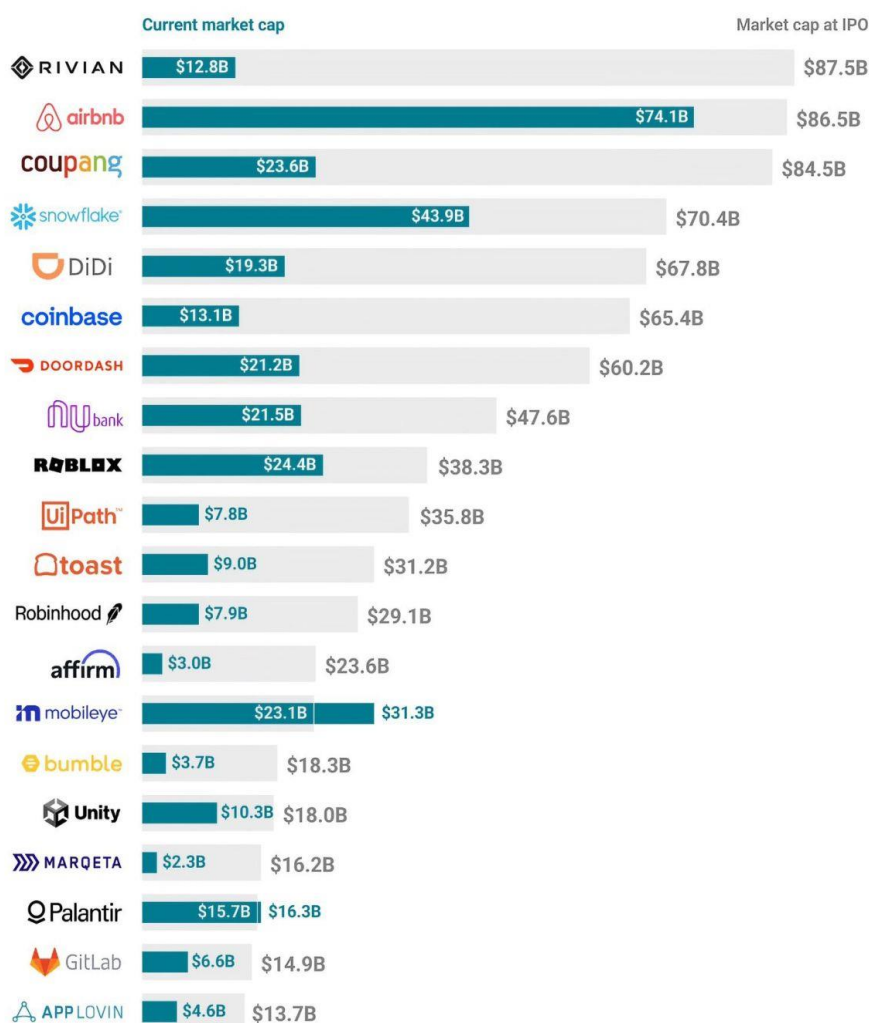
On the brink of bankruptcy, NVDA laid off 50% of its staff and went back to the drawing board.



#food-for-thought

#ipos

Market cap at IPO vs. current market cap



Source: CB Insights tech IPO and valuation data. IPO valuations based on EOD market cap on day of IPO; current valuations based on EOD market cap as of 3/13/2023.



Source: CB Insights

#food-for-thought

#apps

The most downloaded mobile apps in 2022, broken down into categories by Genuine Impact

Most popular apps worldwide
2022, by category (million downloads)



Source: BusinessofApps
Created by genuine impact

More charts: genuineimpact.substack.com

Source: Genuine Impact

#food-for-thought

#websites

OpenAI soars above Bing among World's Top 25 Websites.

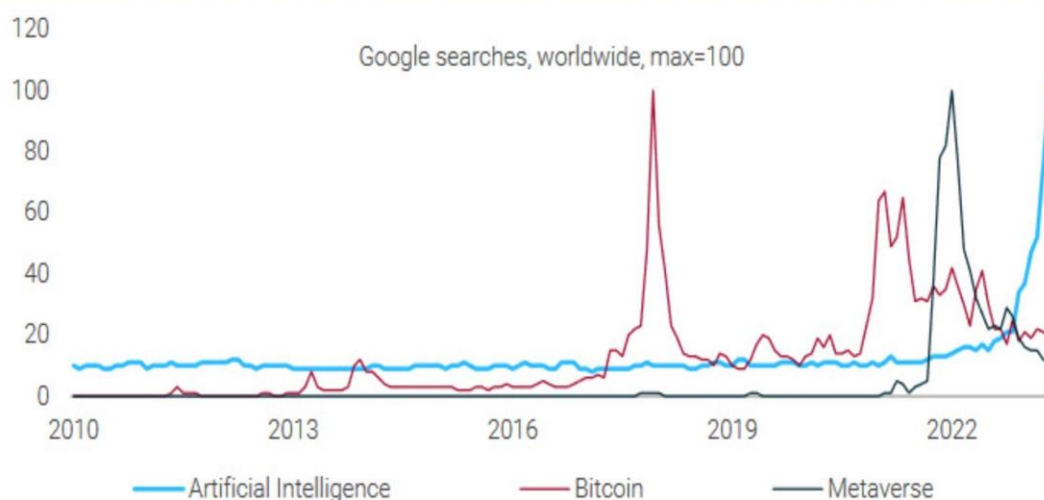


#food-for-thought

#ai #hype

Is it different this time?

Chart 1: Should investors believe the hype?



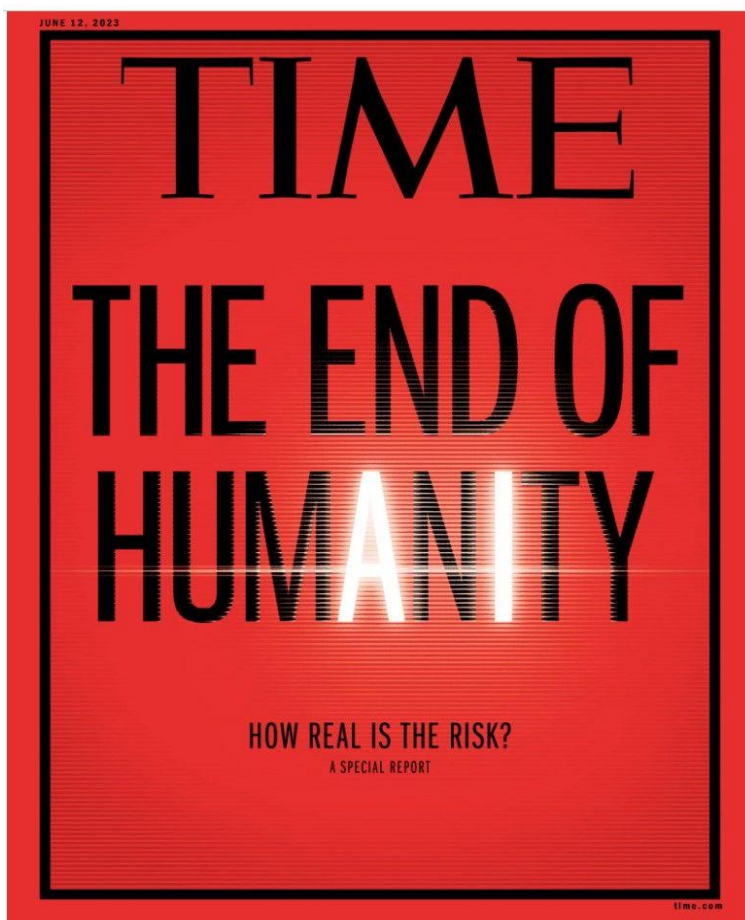
Source: Google Trends, TS Lombard

Source: TS Lombard, Google Trends

#food-for-thought

#ai

"End of HumAnlty" is the latest cover page by Time Magazine on artificial intelligence - How real is the risk? Moving too fast on ai could be terrible for humanity they say.



#food-for-thought

#chatGPT

20 prompts by ChatGPT... shared on Twitter by Jas Singh

The screenshot shows a Twitter post from a user with a verified account. The tweet text reads: "Name 20 prompts people can use to save hours in their day with GPT 4, turn it into a table chart form with number, how and prompt". The reply from ChatGPT provides a table with 20 rows, each containing a number, a task description (How), and a specific prompt. The table is as follows:

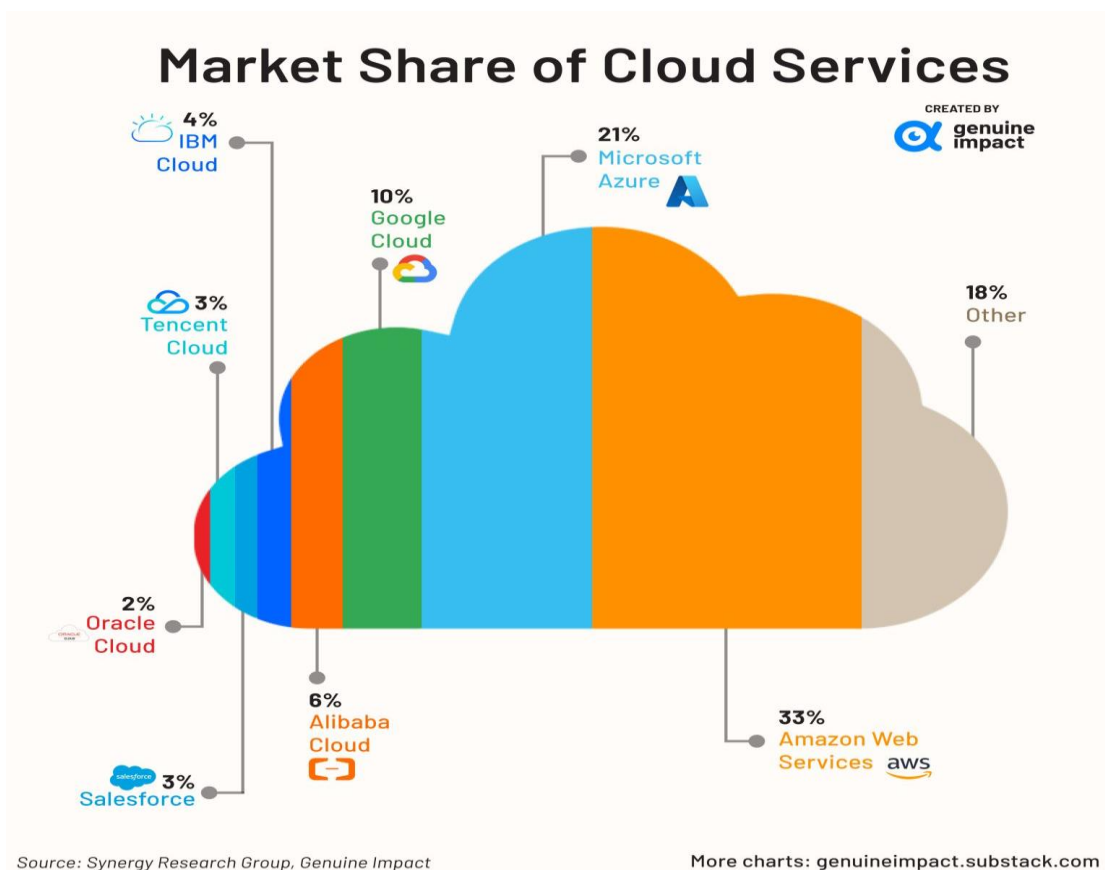
Number	How	Prompt
1	Automate email responses	"Generate a polite response to this email about scheduling a meeting."
2	Draft reports	"Create a summary report of these sales data."
3	Write code	"Write a Python script to automate data entry."
4	Generate content	"Write a blog post about the benefits of time management."
5	Create presentations	"Design a PowerPoint presentation on the topic of AI advancements."
6	Plan events	"Outline a plan for a corporate team-building event."
7	Brainstorm ideas	"Generate 10 innovative ideas for a new mobile app."
8	Write proposals	"Draft a proposal for a new marketing strategy."
9	Automate social media posts	"Create a week's worth of social media posts for a fitness brand."
10	Write business plans	"Write an executive summary for a tech startup business plan."
11	Create lesson plans	"Design a lesson plan for teaching Python programming to beginners."
12	Write resumes and cover letters	"Draft a cover letter for a software engineer position."
13	Generate marketing copy	"Write a catchy product description for a new smartphone."
14	Write research summaries	"Summarize this research paper on climate change."
15	Generate recipes	"Create a healthy recipe using these ingredients: chicken, broccoli, quinoa."
16	Write product reviews	"Write a review for the latest iPhone model."
17	Create workout plans	"Design a 4-week workout plan for weight loss."
18	Write newsletters	"Draft a monthly newsletter for a local book club."
19	Create meeting agendas	"Generate an agenda for a project status update meeting."
20	Write press releases	"Draft a press release for a new product launch."

Below the table, the text reads: "These prompts can help streamline various tasks, saving valuable time and effort."

#food-for-thought

#cloud-services

One of the reasons for the long-term outperformance in #tech: fast-growing markets concentrated in the hand of a few players. E.g. #cloudservice. The top three players in terms of market share are #Amazon Web Services (AWS), #Microsoft Azure, and #Google Cloud, collectively accounting for 64% of the global market share! Amazon AWS alone holds a significant 33% share.



#food-for-thought

#tesla

Tesla Model Y is the first EV to become the world’s bestselling car. The #Tesla Model Y outsold the Toyota Corolla in Q1, despite being almost double the price. Musk has been confident about the Model Y’s success even before it launched, estimating back in 2016 that it would draw demand “in the 500k to 1 million units per year level.”



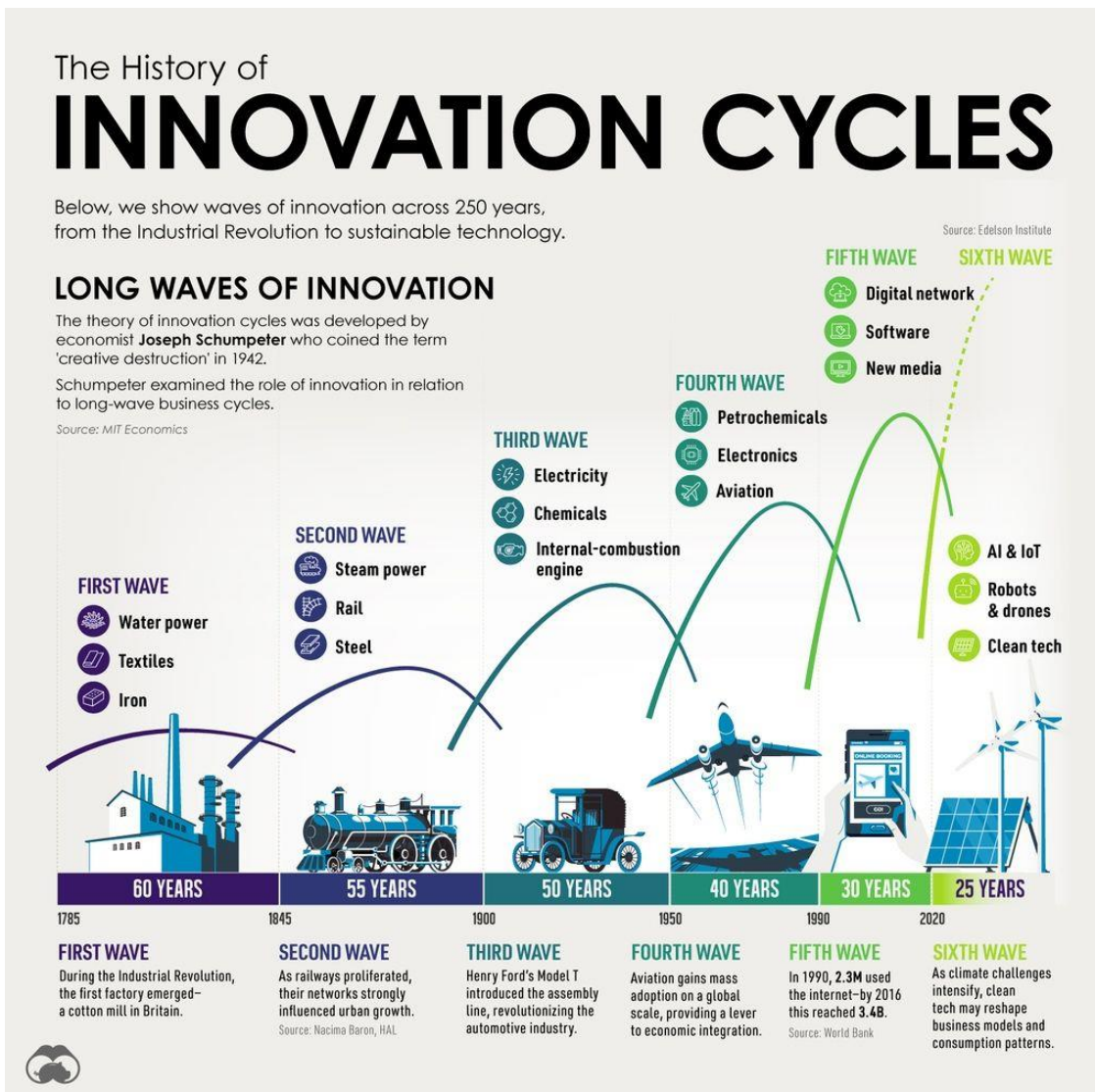
The Tesla Model Y has nabbed the top spot, but Toyota still occupies most of the rankings. Image: [Motor1](#)

Source: The Verge

#food-for-thought

#innovation #cycles

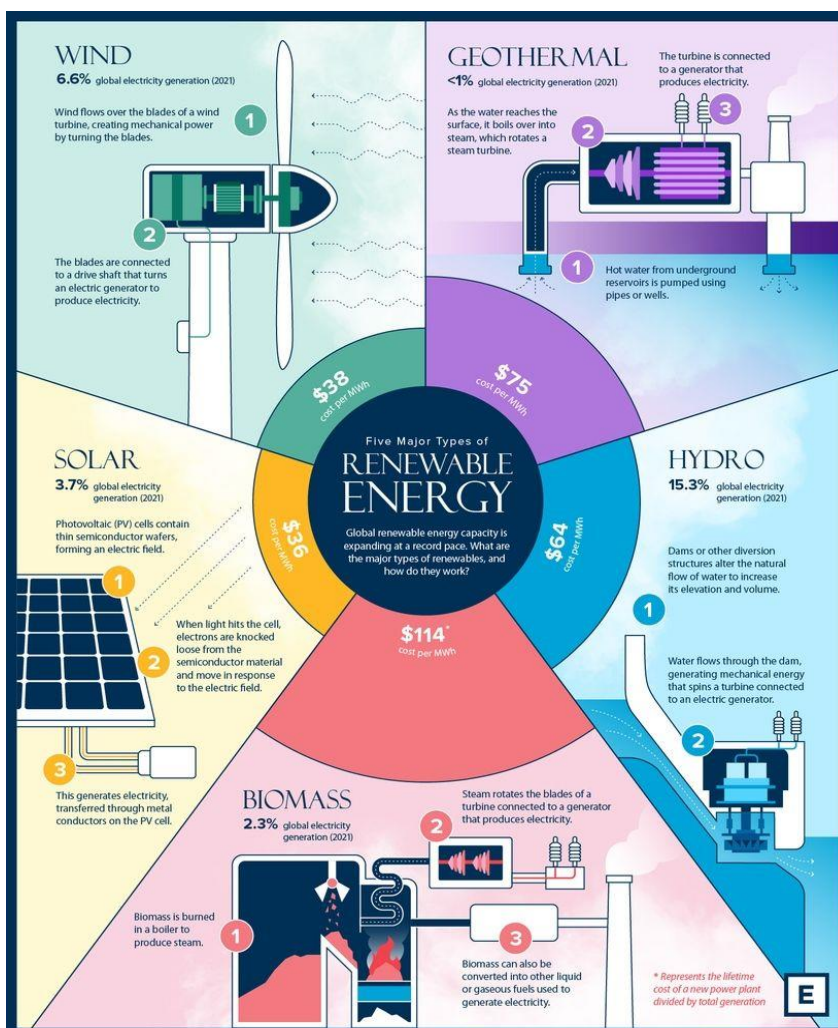
The history of innovation cycles by Visual capitalist



#food-for-thought

#renewable #energy

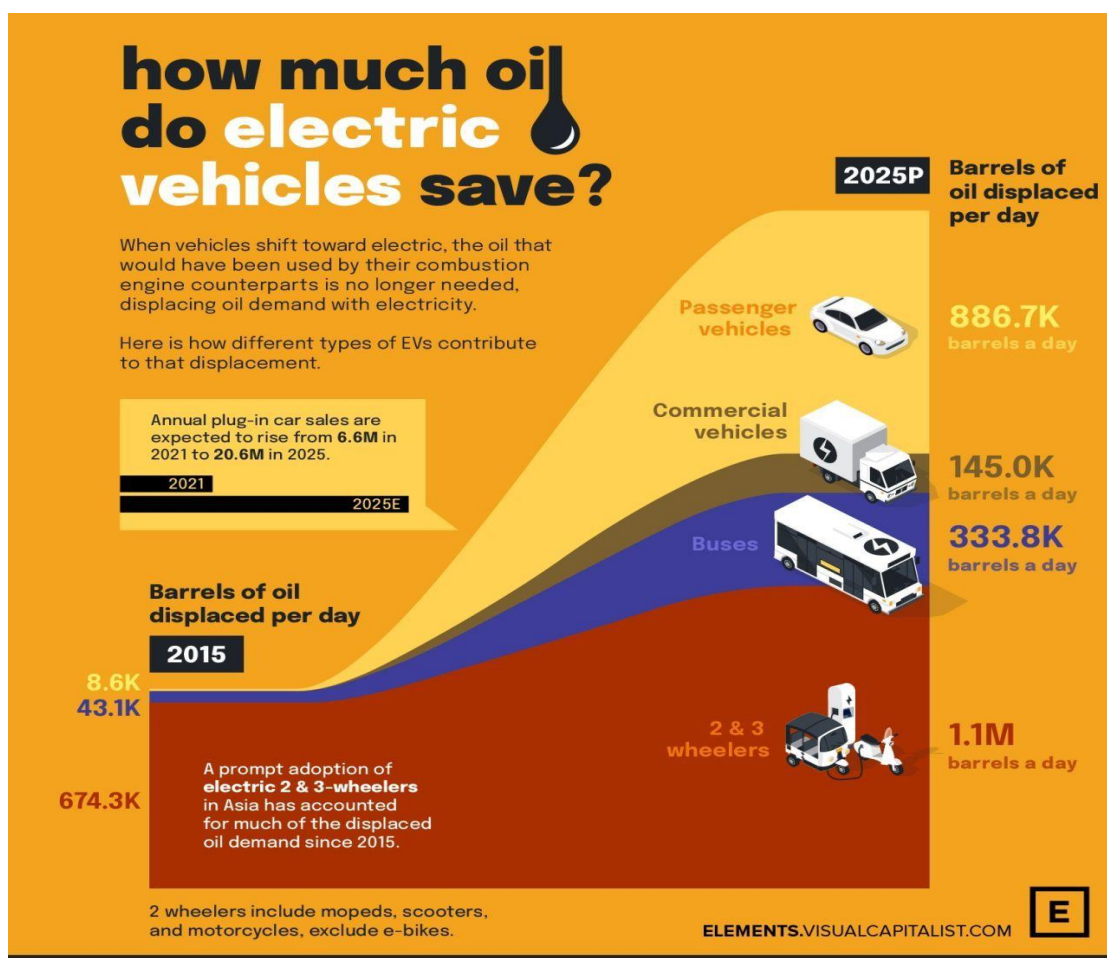
What Are the Five Major Types of renewable energy? From Visual Capital /Elements, bridging the gap between global trends shaping our future, and the raw materials powering them.



#food-for-thought

#oil #ev

How EV Adoption Will Impact Oil Consumption (2015-2025P)
 From VC Elements—bridging the gap between global trends
 shaping our future, and the raw materials powering them.



#food-for-thought

#pricing-power #lvmh

Are you looking for competitively advantaged businesses? Here's a transcript excerpt example where a company executive himself describes the company's advantage in detail – e.g. \$LVMH on luxury brand pricing power.



Jean-Jacques Guiony, CFO
LVMH, Q3 2022

LVMH

01:00:54

The reality is that pricing power is actually a function of the desirability of the brand. Desirable brands can increase prices and non-desirable brands cannot. It's as simple as that. So what it is about is really developing strategies, marketing, products, distribution strategies that will increase desirability of the brand, so that in tough times or in other times, we can reflect into prices the cost of doing business. It's as simple as that. [...] You have different types of inflation. You have energy. You have raw materials. You have labor pressure. We work on all fronts, having in mind, and that's probably the most important point, that unlike some industries, we have the ability to pass on to customers the cost impact if inflation materializes in a significant way in our business, which is not the case for the time being.

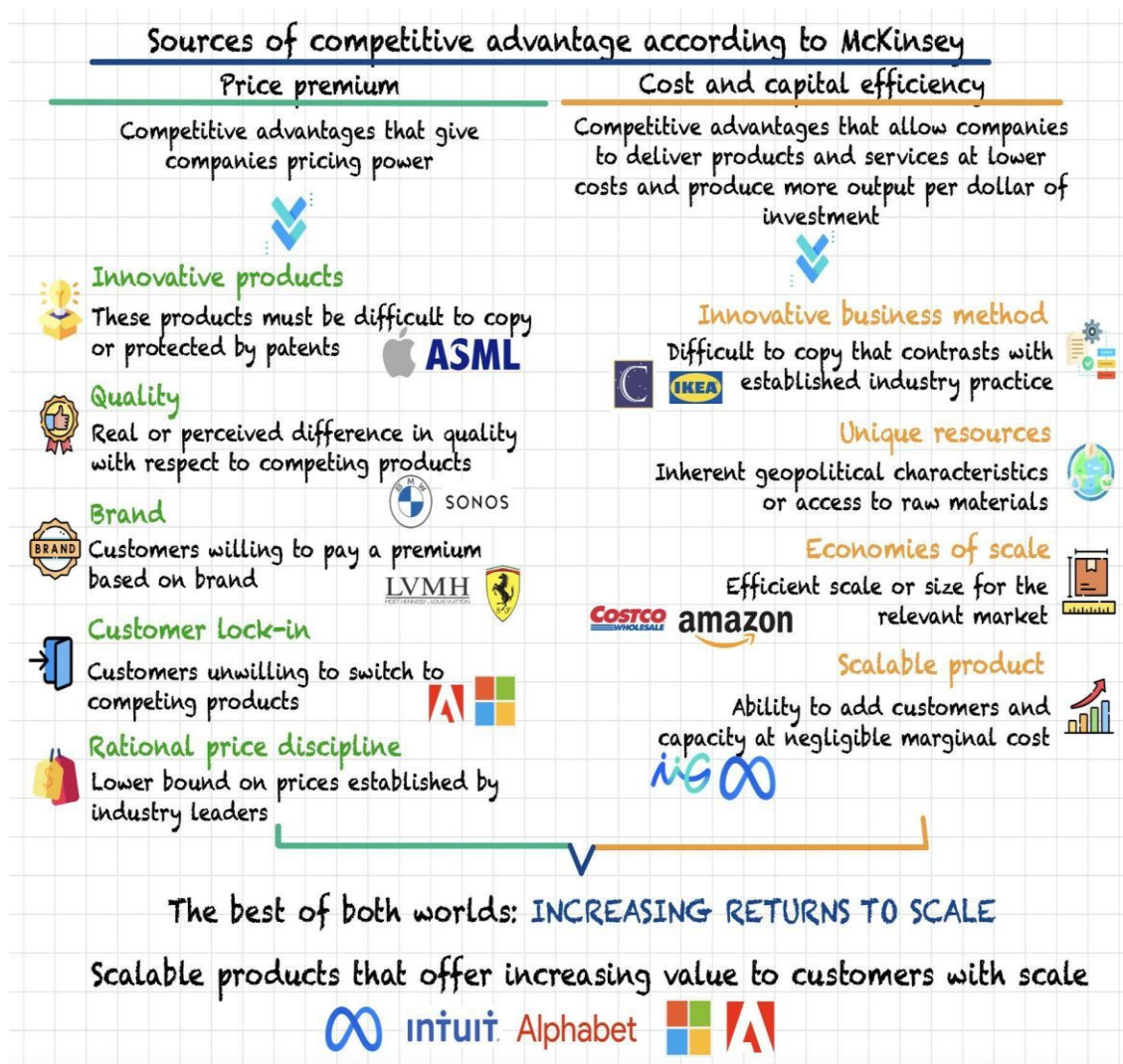
This excerpt was found using  Quartr

Source: Quartr

#food-for-thought

#competitive-advantage

Sources of competitive advantage according to McKinsey with some companies for each type.



#food-for-thought

#debt #equity

Debt vs. Equity by Oana Labes, MBA, CPA



DEBT VS. EQUITY

- Senior Secured
- Senior Unsecured
- Subordinated Debt
- Preferred Equity
- Common Equity

Term Loan	Unsecured term loan	Junior bonds	Cumulative preferred stock	Founder stock
Revolving loan	Unsecured revolving loan	Mezzanine debt	Non-cumulative preferred stock	Initial public offering (IPO)
Asset-backed loan	Corporate bond	High-yield bonds	Participating preferred stock	Secondary offering
Equipment financing	Commercial paper	Second-lien loans	Convertible preferred stock	Convertible notes/SAFEs
Mortgage loan	Private placements	Convertible bonds	Callable preferred stock	Employee stock option plan



Source: Oana Labes, MBA, CPA

#food-for-thought

#investment

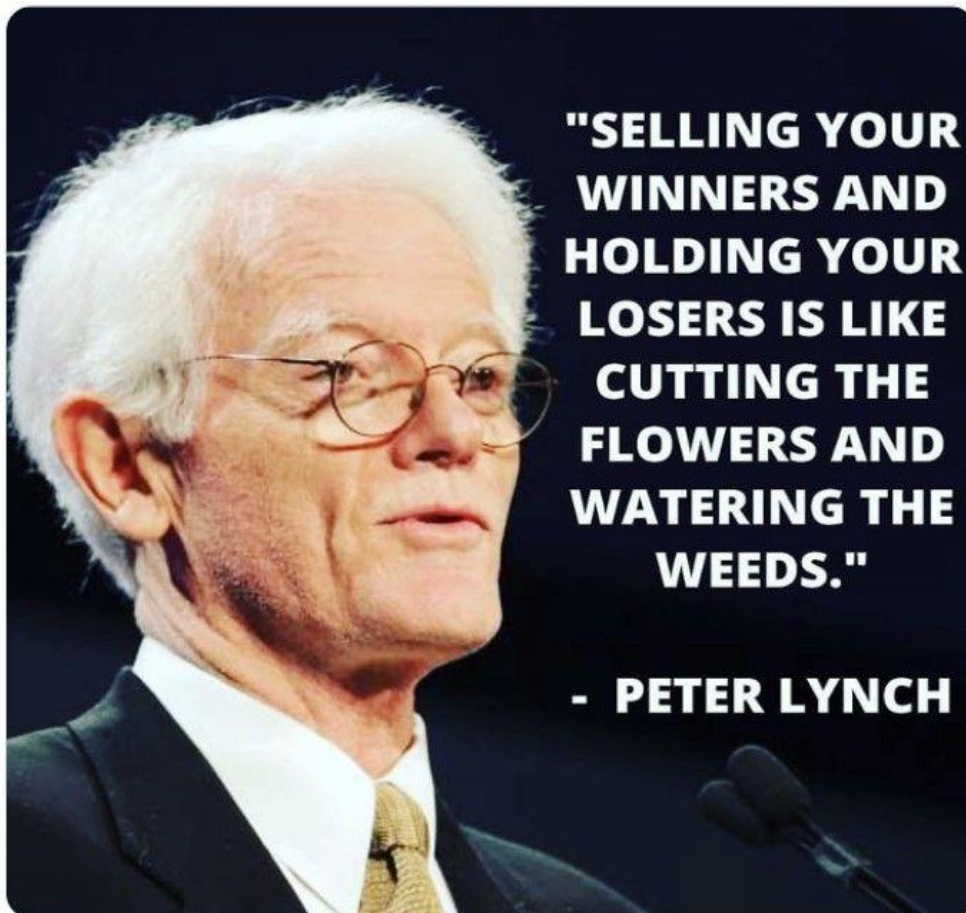
Let your winners run - Peter Lynch



Compounding Quality
@QCompounding

...

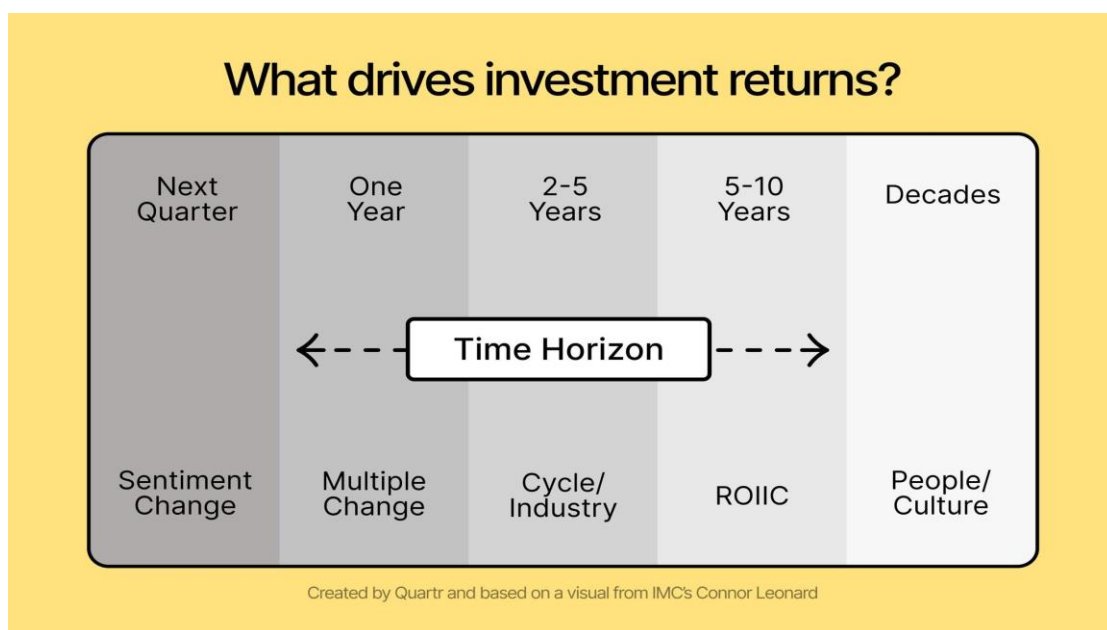
Let your winners run.



#food-for-thought

#investment #timevalue

Amazing infographic from Connor_Leonard shared by Quartr. What drives investment returns? It depends on your time horizon.



#food-for-thought

#family #business

"You don't own a family business.
You borrow it from your
grandchildren."

- Dumas Family (Hermès)



Source: Secrets of Old Money

#food-for-thought

#elon-musk #billionaire

Elon Musk has reclaimed his title as the world's richest person, knocking the boss of luxury goods giant LVMH, Bernard Arnault, off the top spot.

Rank	Name	Total net worth	\$ Last change	\$ YTD change	Country / Region	Industry
1	Elon Musk	\$195B	+\$2.57B	+\$57.8B	United States	Technology
2	Bernard Arnault	\$187B	+\$505M	+\$25.0B	France	Consumer
3	Jeff Bezos	\$146B	+\$1.95B	+\$39.3B	United States	Technology
4	Bill Gates	\$126B	+\$396M	+\$16.6B	United States	Technology
5	Larry Ellison	\$118B	-\$1.74M	+\$26.5B	United States	Technology
6	Steve Ballmer	\$115B	+\$1.20B	+\$29.5B	United States	Technology
7	Warren Buffett	\$113B	+\$900M	+\$5.62B	United States	Diversified
8	Larry Page	\$112B	+\$448M	+\$28.8B	United States	Technology
9	Sergey Brin	\$106B	+\$437M	+\$26.7B	United States	Technology
10	Mark Zuckerberg	\$99.2B	+\$2.72B	+\$53.6B	United States	Technology

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#productivity-hacks

7 Habits of highly effective people.

7 HABITS OF HIGHLY EFFECTIVE PEOPLE
BY STEPHEN R. COVEY | ILLUSTRATION BY NATHALIE TU

1 BE PROACTIVE
FOCUS ON YOUR **CIRCLE OF INFLUENCE**. TAKE RESPONSIBILITY FOR YOUR REACTIONS TO YOUR EXPERIENCES.

2 BEGIN WITH THE END IN MIND.
HOW DO I WANT TO BE REMEMBERED? WHO DO I WANT TO BE? WHAT ARE MY VALUES? WHAT DO I WANT TO ACHIEVE? ...
↳ WRITE A MISSION STATEMENT

3 FIRST THINGS FIRST

- 1 URGENT & IMPORTANT → DO!
- 2 NOT URGENT & IMPORTANT → PLAN!
- 3 URGENT & NOT IMPORTANT → DELEGATE
- 4 NOT URGENT & NOT IMPORTANT → ELIMINATE!

4 THINK WIN-WIN
CREATE MUTUALLY BENEFICIAL SOLUTIONS IN YOUR RELATIONSHIPS.

5 SEEK FIRST TO UNDERSTAND, THEN TO BE UNDERSTOOD.
USE EMPATHIC LISTENING TO UNDERSTAND A PERSON GENUINELY. THIS WILL CREATE A CARING & PROBLEM-SOLVING ATMOSPHERE.

6 SYNERGIZE
COMBINE YOUR STRENGTHS TO ACHIEVE GOALS THAT WOULD OTHERWISE BE IMPOSSIBLE FOR INDIVIDUALS TO ACHIEVE. $1 + 1 > 2$

7 SHARPEN THE SAW
CONTINUOUS SELF-RENEWAL & SELF-IMPROVEMENT

4 MAIN AREAS: MENTAL, PHYSICAL, SPIRITUAL, EMOTIONAL

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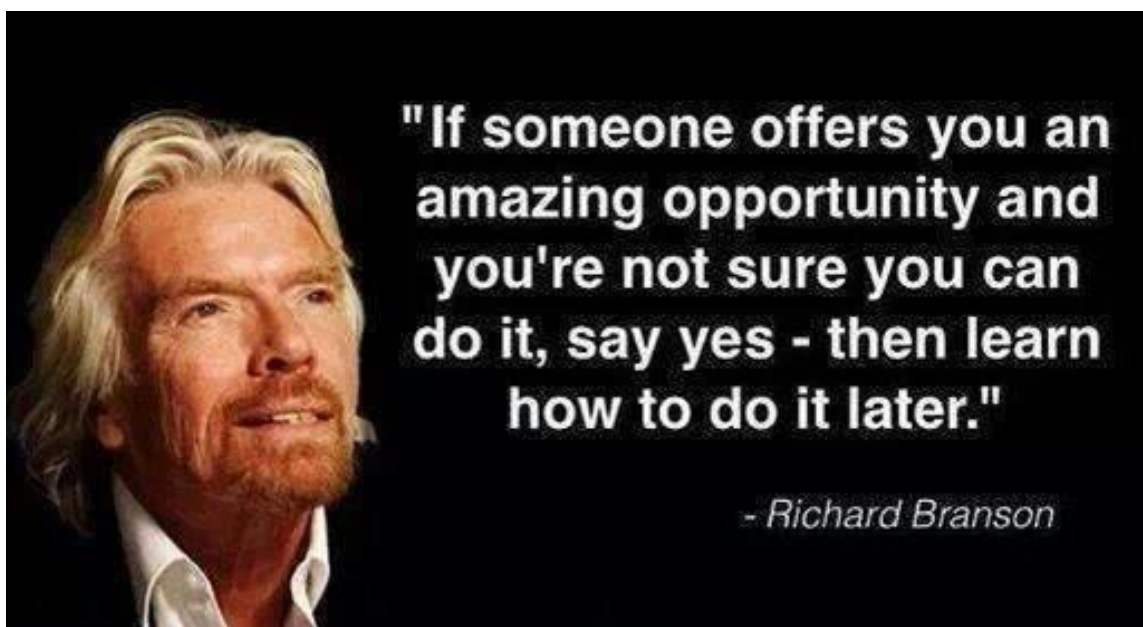
#disruption #apple

Change is inevitable so embrace it by Compounding Quality



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#opportunities



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#leadership

Leadership is not about titles,
positions, or flow charts.
It is about one life influencing
another.



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#leadership



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For the future...