

Chart of the week

BLACK GOLD IS BREAKING OUT

WTI Oil recorded its biggest week since March, soaring to \$86, the highest level since November 2022...It has surged over the past 2 weeks and has broken the upper part of a huge range. Note that a golden cross is in place (the 50 day has crossed the 200 day). Could this break out result in extreme moves and put upward pressure on headline inflation? Long-dated bonds reacted nervously on Friday...



Stocks, gold, oil and the \$ jumped. Cryptos dumped

Signs that the US jobs market is cooling down helped the major US equity indices to register solid gains for the week, although stocks closed out their first negative month since February. A decrease in bond yields over much of the week provided a boost to growth shares. Smaller-cap stocks outperformed. Indeed, bad news for the economy was considered good news for stock prices, given the interest rate implications. On Tuesday, the S&P 500 Index recorded its best one-day gain since June, following news that job openings unexpectedly fell by 338,000 in July and hit their lowest level since March 2001. Friday's closely watched nonfarm payrolls report appeared to confirm loosening labor market conditions. US employers added 187,000 jobs in August, somewhat above consensus expectations, but gains for the previous two months were revised lower by a combined 110,000. Meanwhile, the unemployment rate climbed from 3.5% to 3.8% to reach its highest point since February 2022. While short-term Treasury yields decreased considerably over the week, the 10-year U.S. Treasury yield increased sharply on Friday morning, leaving it modestly lower for the week. This could be linked to WTI soaring to \$86, the highest level since November 2022. Gold rallied for the second week in a row, topping \$1950 back at one-month highs. The pan-European STOXX Europe 600 Index ended the week 1.5% higher while Japan's Nikkei 225 rose by 3.4%. The dollar surged while Bitcoin dropped back below \$26,000.

#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

2 SEPTEMBER 2023

#markets

#weekly #stats

INDEX	CLOSE	WEEK	YTD
Dow Jones Industrial Average	34,838	1.4%	5.1%
S&P 500 Index	4,516	2.5%	17.6%
NASDAQ	14,032	3.2%	34.1%
MSCI EAFE	2,109	2.7%	8.5%
10-yr Treasury Yield	4.18%	-0.1%	0.3%
Oil (\$/bbl)	\$85.92	7.6%	7.1%
Bonds	\$96.09	0.2%	1.6%

Source: Edward Jones



#vix

CBOE Volatility Index \$VIX closes at 13.09, its 2nd lowest close in the last 3.5 years. It has closed under 19 for 66 consecutive trading days, the longest streak since early 2020.

CBOE Volatility Index (\$VIX)

13.09 -0.48 (-3.54%) 16:15 ET [INDEX/CBOE]

INTERACTIVE CHART for Fri, Sep 1st, 2023

My Charts Alerts Watch Help

\$VIX 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: Weekly 3Y Date:

tutorial



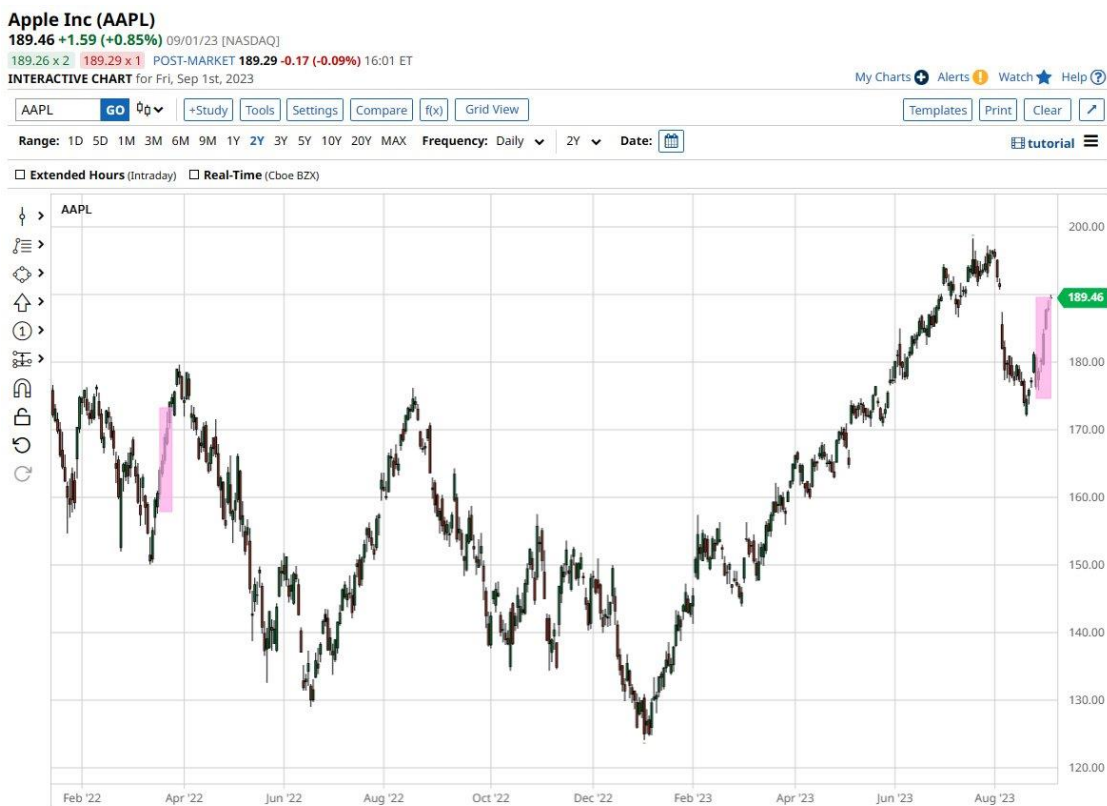
Source: Barchart





#apple

Apple \$AAPL posts its 6th consecutive green day, its longest winning streak in nearly 18 months



Source: Barchart



#GLOBALMARKETS WEEKLY WRAP-UP

Hand-curated selection of the best charts & news flow

2 SEPTEMBER 2023

#markets

#us #equities #short-squeeze

This week was the biggest weekly short-squeeze since January ('most shorted' stock up are up almost 7%)...



Source: Bloomberg, www.zerohedge.com

#GLOBALMARKETS WEEKLY WRAP-UP

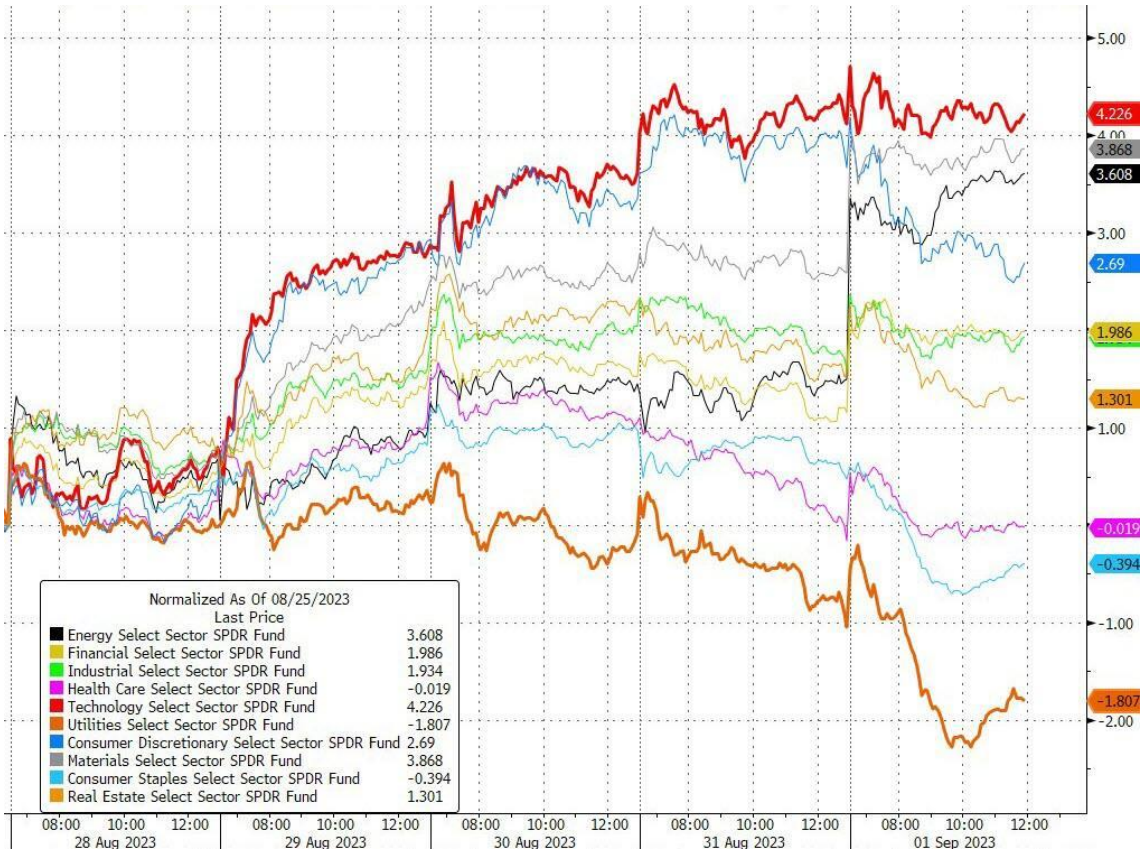
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2 SEPTEMBER 2023



#us #equities #weekly #sector #performance

Staples and Utes ended lower on the week while Tech, Materials, and Energy led the gains...



Source: Bloomberg, www.zerohedge.com





#investors #sentiment

Stock Market Fear & Greed Index = 56 (Greed)

And Greed is back for the first time in more than 2 weeks!

👤📈👤 Nice way to go into Labor Day Weekend.

Fear & Greed Index

What emotion is driving the market now?
[Learn more about the index](#)



Source: Barchart





#equity #gamma

As highlighted by Goldman, one of the biggest (short-term) danger for the equity markets currently is NEGATIVE GAMMA -> "GS index gamma is the shortest ever in our data set. We estimate that dealers will need to sell -\$2.5B worth of gamma per every 1% move lower (or vice versa). This is a market exacerbator, not a muting factor"

Gigantic Gamma



Source: Goldman



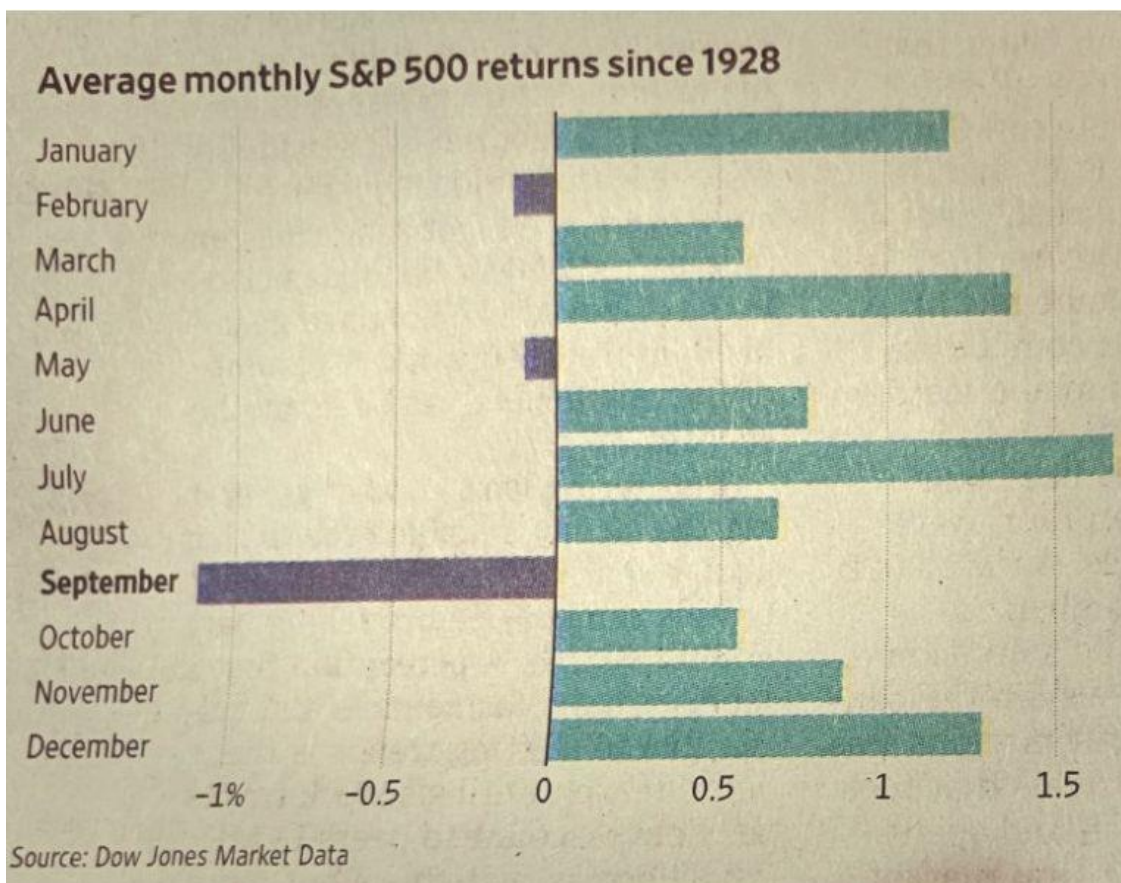
Source: TME, GS



#september #sp500 #historical-performance

September is coming up!

Over the years, October has witnessed several stock market crashes, while historically, September has remained the most unfavorable month for stocks.



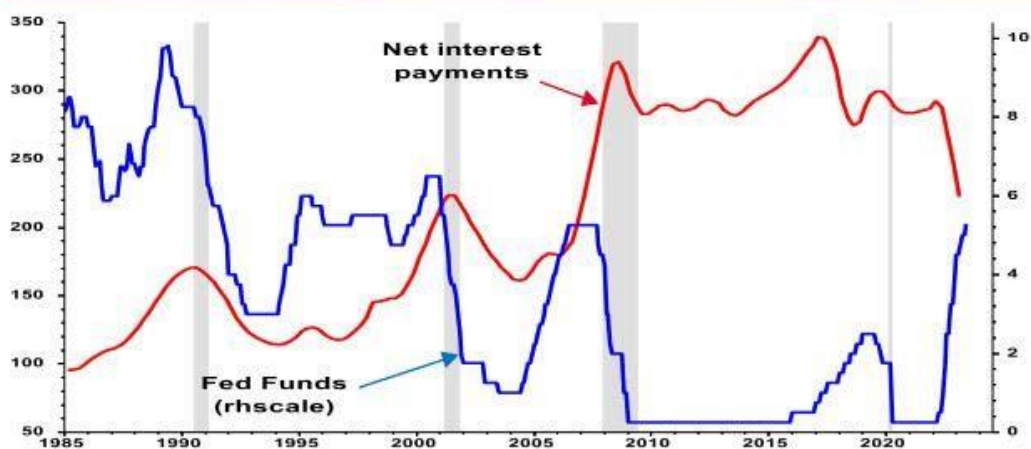
Source: Dow Jones market data



#us #interest #payments #profits #recession

The "maddest macro chart I have seen for many years." by Albert Edwards (SocGen). "The US corporate sector is a massive net borrower. Normally when interest rates rise, so too do net debt payments, squeezing profit margins and slowing the economy. BUT NOT THIS TIME. Corporate net interest payments have instead collapsed. What on earth is going on?" asked Edwards "This chart not only explain the resilience of corporate profits, but is a key reason why this recession has been delayed – especially as companies in aggregate are now a net beneficiary of higher rates

US company net interest payments have collapsed over the last year despite rising rates!



Source: Datastream

Source: SocGen, www.zerohedge.com





#ai #earnings #mentions

Here's a chart showing mentions of "AI" on earnings calls and transcripts. Mentions of "AI" in 2023 have basically broken this chart. We went from ~500 mentions in 2015 to ~30,000 this year and we still have 4 months left. Corporations really want to cash-in on the artificial intelligence hype.



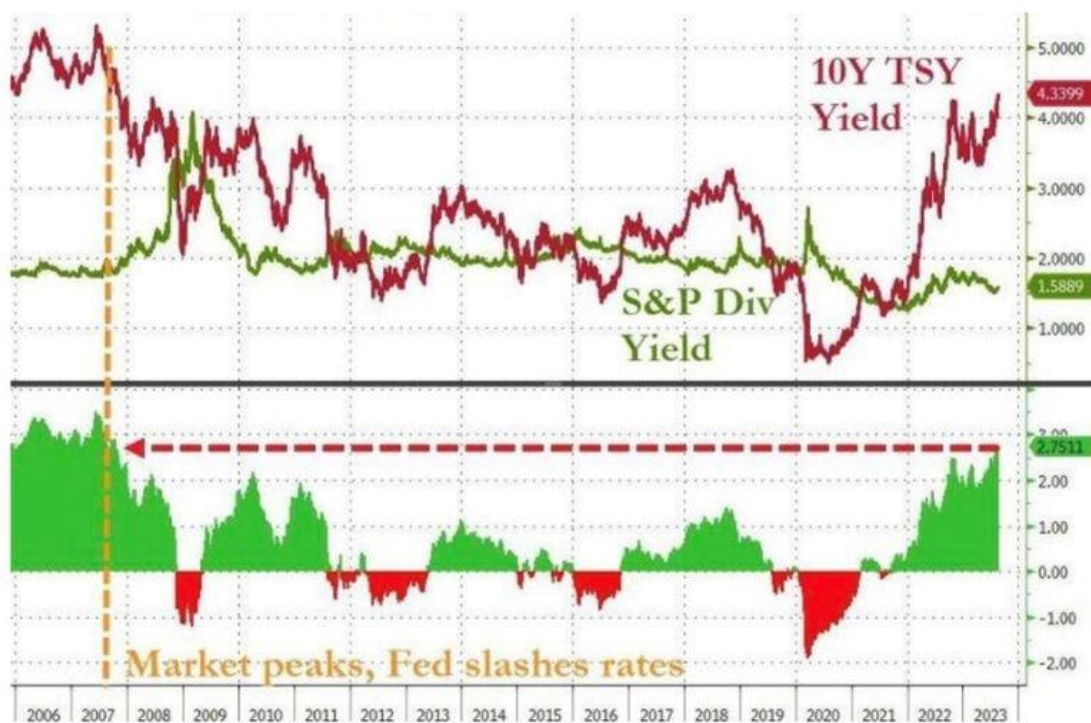
Source: Bloomberg, The Kobeissi Letter





#us #sp500 #relative #valuations

The last time 10Y yields were this far above \$SPX dividend yields was September 2007, the month stocks peaked.



Source: zero hedge



#us #sp500 #relative #valuations

Is the US stock market severely mispriced? Typically, the dividend yield on the S&P 500 is well above the US 30y real yield. That has changed.



Source: Bloomberg, HolgerZ



#liquidity #risk

Global liquidity slump could become a drag on risk assets.

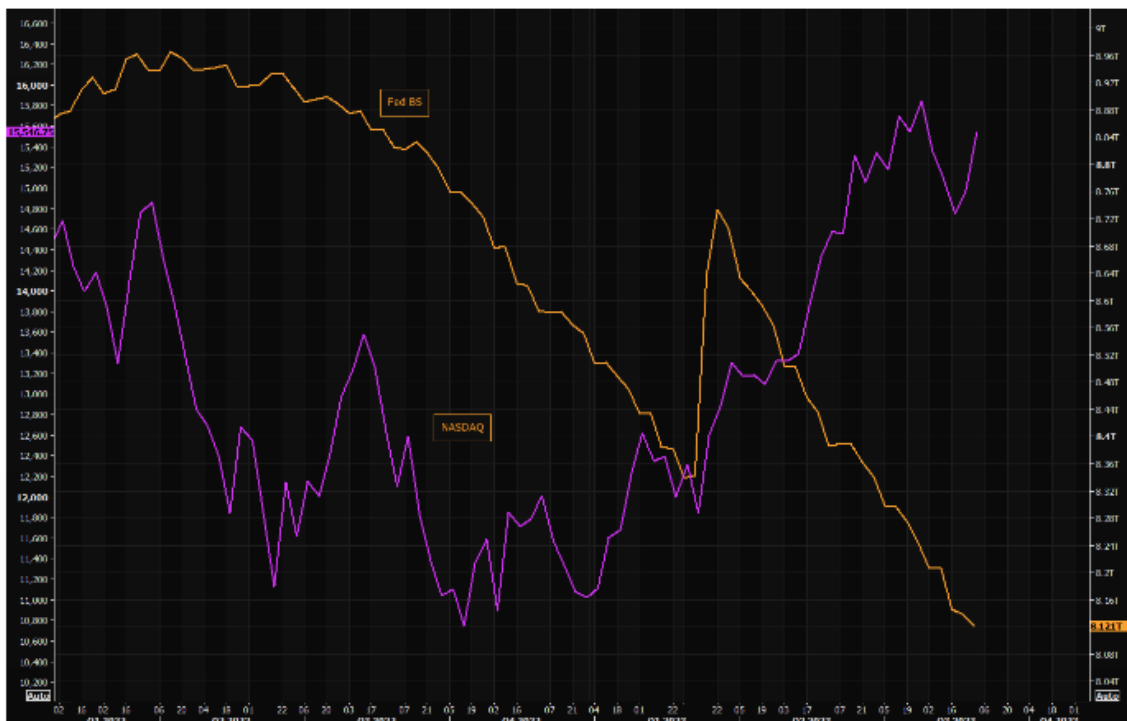




#tech #stocks #liquidity

The gap between the NASDAQ and Fed's BS is back to very wide levels again. Teflon tech, these days with a strong AI tilt, looks "immune", or?

Tech doesn't care



Source: Refinitiv

Source: TME





#us #equities #magnificent7

"Magnificent 7" stocks are up 93% YTD and the market cap as a % of the S&P 500 is nearing the level it hit in November 2021.



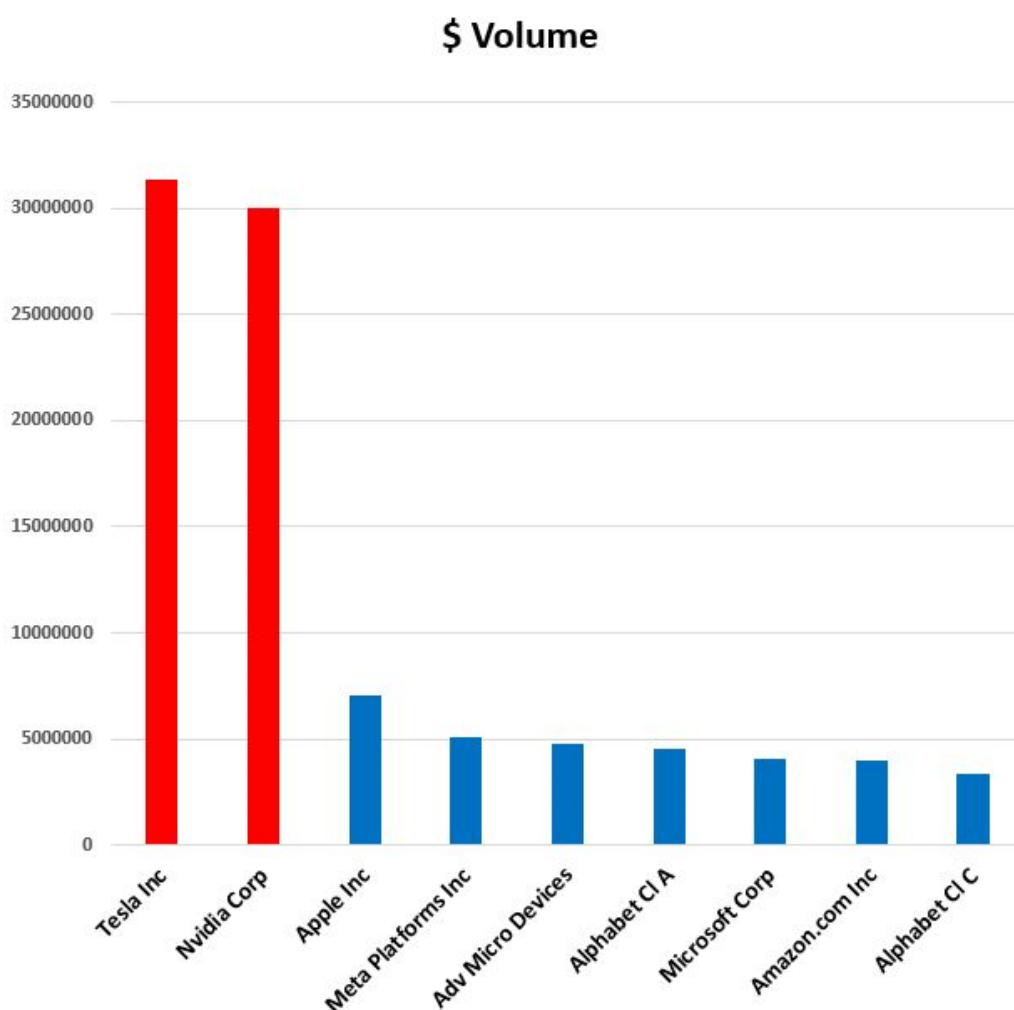
Source: BofA, zerohedge





#us #equities #tesla #nvidia

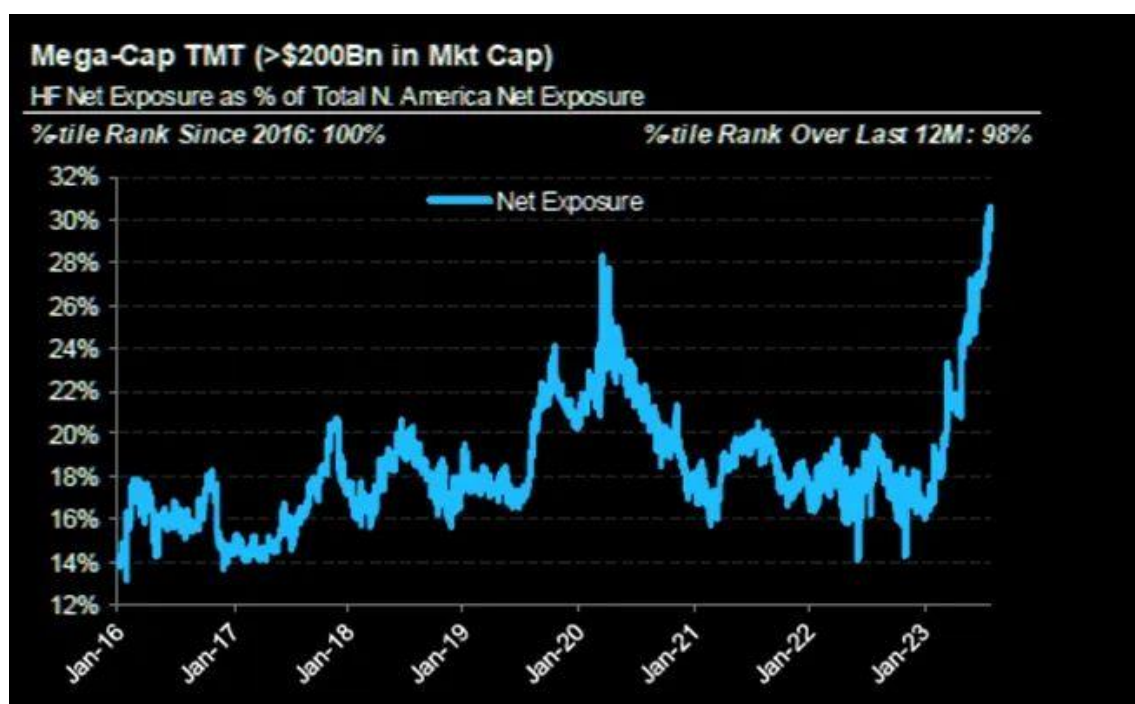
The importance of Nvidia and Tesla for the US equities market.



Source: Mac10

#hedgefunds #tech #stocks

Hedge funds exposure to mega cap tech stocks reaches highest level EVER RECORDED...



Source: Barchart, Bloomberg



#banks #index #returns

The KBW Bank Index fell by 8.8% in August, the weakest bank in the index is Citi with a -13.4% decline



Source: Bloomberg, HolgerZ

#options #europe #Odtte

Get ready for ODTEs, Europe.

Wall Street's Hot Options Come to Europe. Will They Take Off?

- Euro Stoxx 50 options to have daily expirations from next week
- ODTE trading makes up more than half of S&P 500 options volume

By [Justina Lee](#)

August 27, 2023 at 3:30 AM EDT

 Listen 3:52

Want the lowdown on European markets? In your inbox before the open, every day. [Sign up here.](#)

The zero-day options trade that has taken Wall Street by storm will finally arrive in Europe next week, in a fresh test for the region's long-struggling capital markets.

Starting Monday, Deutsche Boerse AG's Eurex will list  Euro Stoxx 50 (SX5E) derivatives that expire every weekday, following US peers who introduced the now-booming contracts tied to the S&P 500 last year. Every trading session, investors in Europe will be able to buy and sell derivatives expiring the same day, known as zero-days-to-expiration contracts, or ODTE.

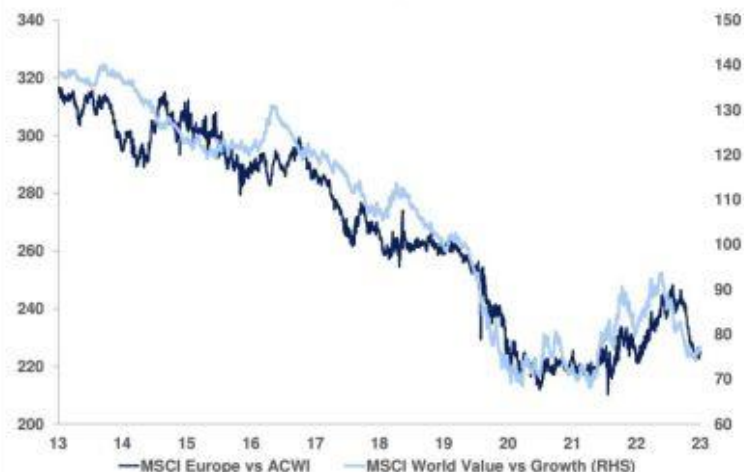
Source: Markets Mayhem, Bloomberg



#europe #stocks #growth

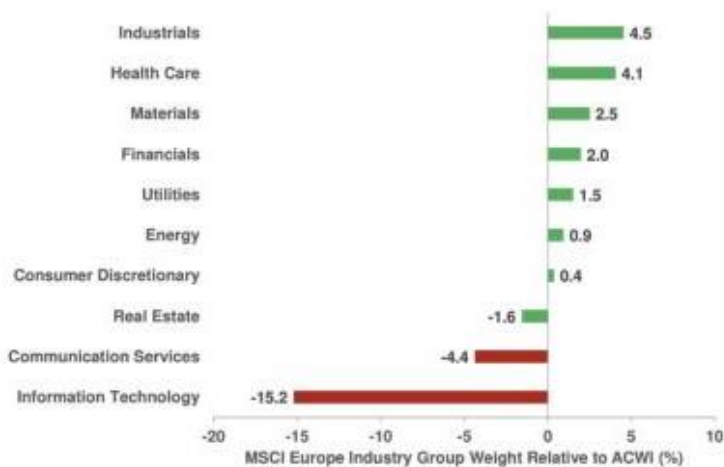
This chart from Morgan Stanley shows that growth stocks are missing in Europe. That's why European indices are trading like value stocks.

Exhibit 3: Europe remains a proxy for 'international value'



Source: MSCI, Morgan Stanley Research

Exhibit 4: Europe's underweight in Technology is significant compared to global peers



Source: Morgan Stanley, HolgerZ

#ubs #2q #earnings

UBS Group AG posted a \$29 billion second-quarter profit in first results since Credit Suisse takeover. This is the biggest-ever quarterly profit for a bank in the second quarter as a result of its emergency takeover of Credit Suisse and confirmed that it would fully integrate the local business of its former rival by next year. Key takeaways: - UBS said the result primarily reflected \$28.93 billion in negative goodwill on the Credit Suisse acquisition (i.e this huge profit is due to a huge one-off gain that reflects how the acquisition costs were far below Credit Suisse's value). Underlying profit before tax, which excludes negative goodwill, integration-related expenses and acquisition costs, came in at \$1.1 billion - The accounting gain for the quarter eclipses JPMorgan Chase & Co.'s \$14.3 billion profit in the first quarter of 2021, the modern record for US and European lenders



Source: Bloomberg, CNBC

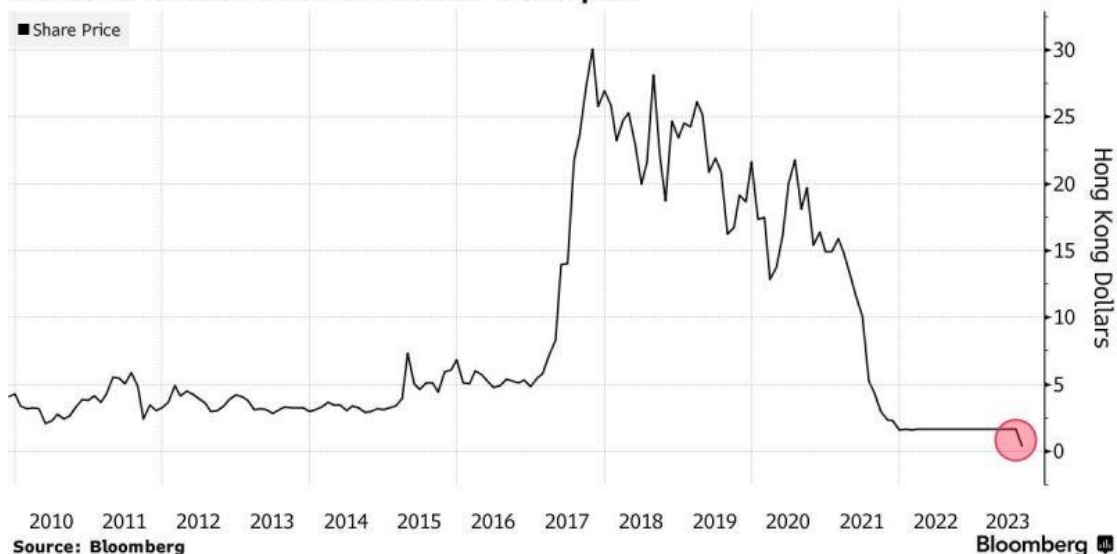
Source Illustration: Sonntagzeitung / Melk Thalmann



#evergrand #china #pennystock

There is a new penny stock... After a 17-month trading hiatus, Evergrande trading resumed only to quickly become a penny stock

Evergrande Is Now a Penny Stock After Trading Resumes Shares have fallen 99% from October 2017 peak



Source: Barchart, Bloomberg



#china #equities #investors

Foreign investors sell China shares at record pace in August

Calculations by the Financial Times based on exchange data show net sales of almost Rmb90bn (\$12.4bn) worth of Shanghai- and Shenzhen-listed shares by offshore traders in August, more than any month since the program launched in late 2014.



Source: ft



#us #treasuries #technicals

US 10 year continues moving lower, but note we remain trading inside the perfect trend channel that has held since

US 10 year - post NFP levels to watch



Source: Refinitiv

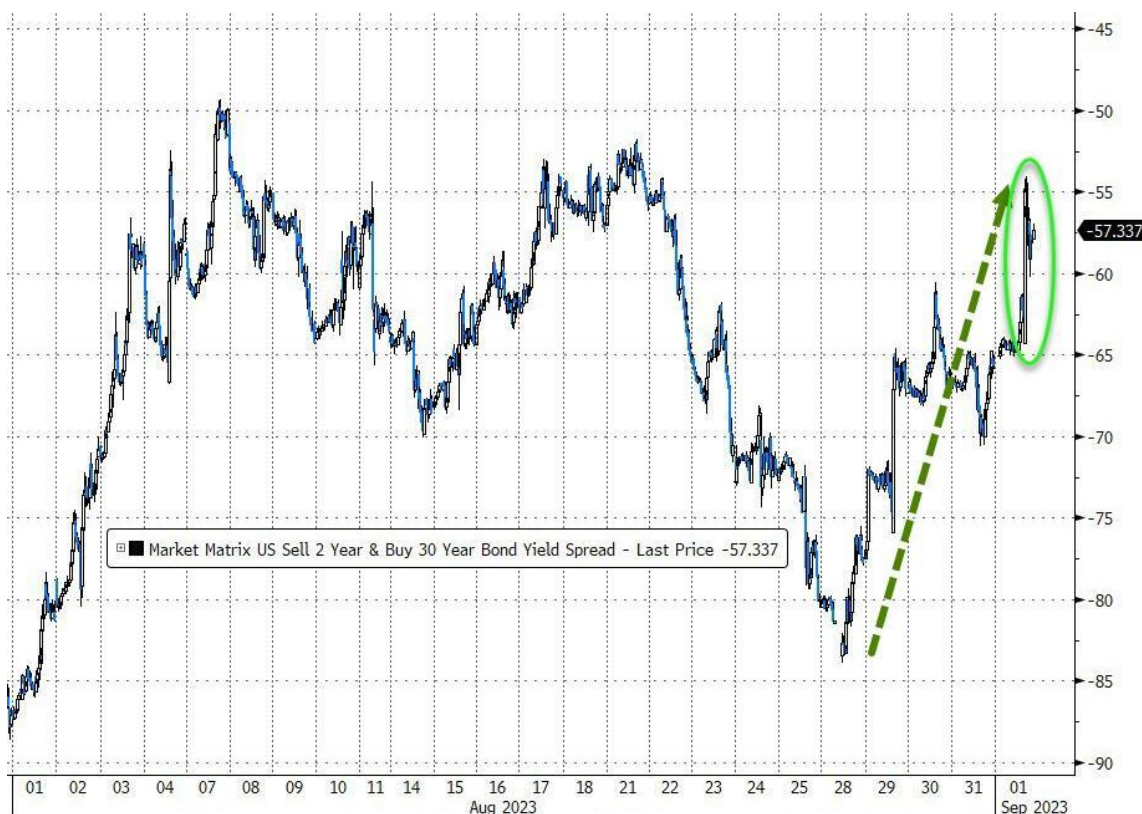
Source: TME





#us #treasuries #yield-curve

Treasury yields exploded higher today after the payrolls data to wreck the week's trend and push the long-end higher on the week (30Y +1bps, 2Y -21bps)... Which steepened the yield curve (2s30s) dramatically - up near recent highs. The 2s30s curve has risen for 5 straight sessions...



Source: Bloomberg, www.zerohedge.com





#us #treasuries #positioning

Bond investors are full of doubt... There is currently a tug of war between long only managers and hedge funds when it comes to US treasuries 10 year positioning

Hedge Funds and Asset Managers Are in Opposite Camps How investors stand overall in terms of 10-year future equivalents



Source: Bloomberg, CFTC

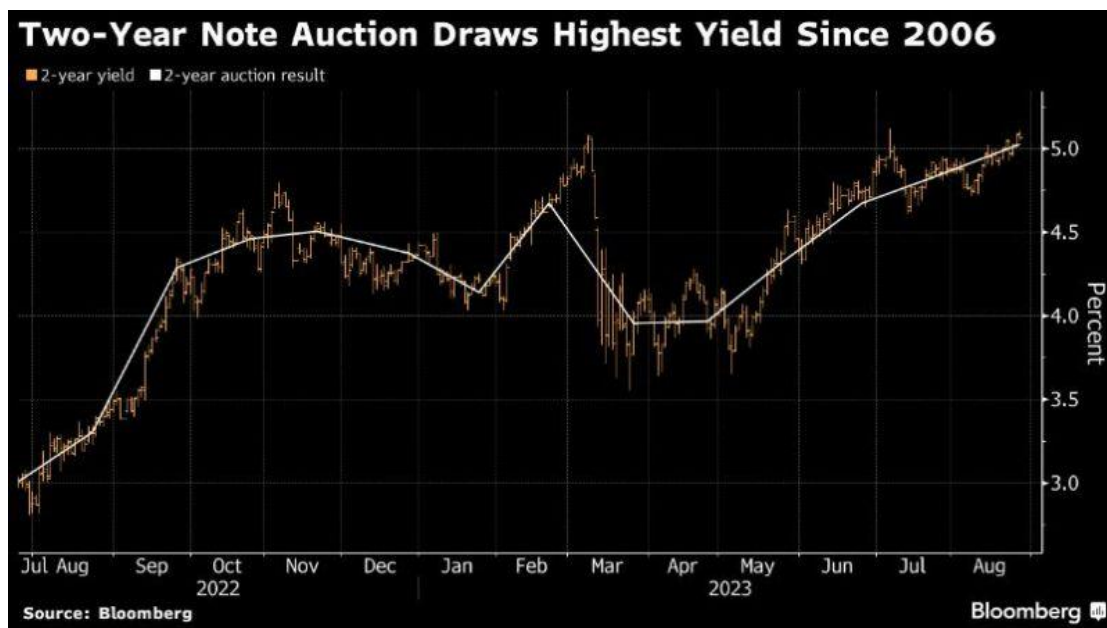




#us #treasuries #auction

Treasury Auctions Draw Highest Yields Since Before 2008 Crisis

The auctions of two- and five-year Treasury notes Monday drew the highest yields since before the 2008 financial crisis, reflecting the US bond-market selloff that deepened last week in anticipation of another Federal Reserve rate increase. The \$45 billion two-year auction at 11:30 a.m. New York time was awarded at 5.024%, eclipsing last month's result to become the highest since 2006. It will pay interest at a rate of 5%, also the most since that year.



Source: bloomberg

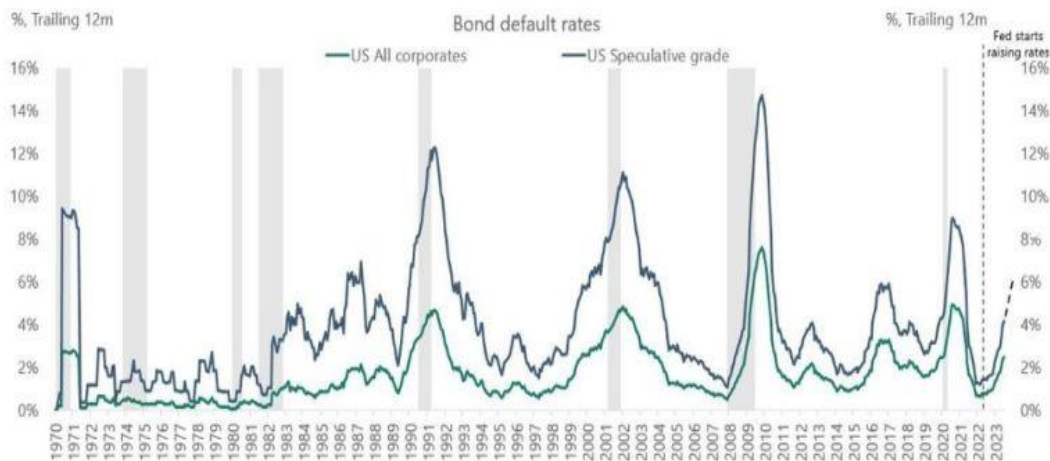




#us #default-cycle

As Torsten Slok from Apollo posted this weekend, a US corporate default cycle has started the markets are not paying attention

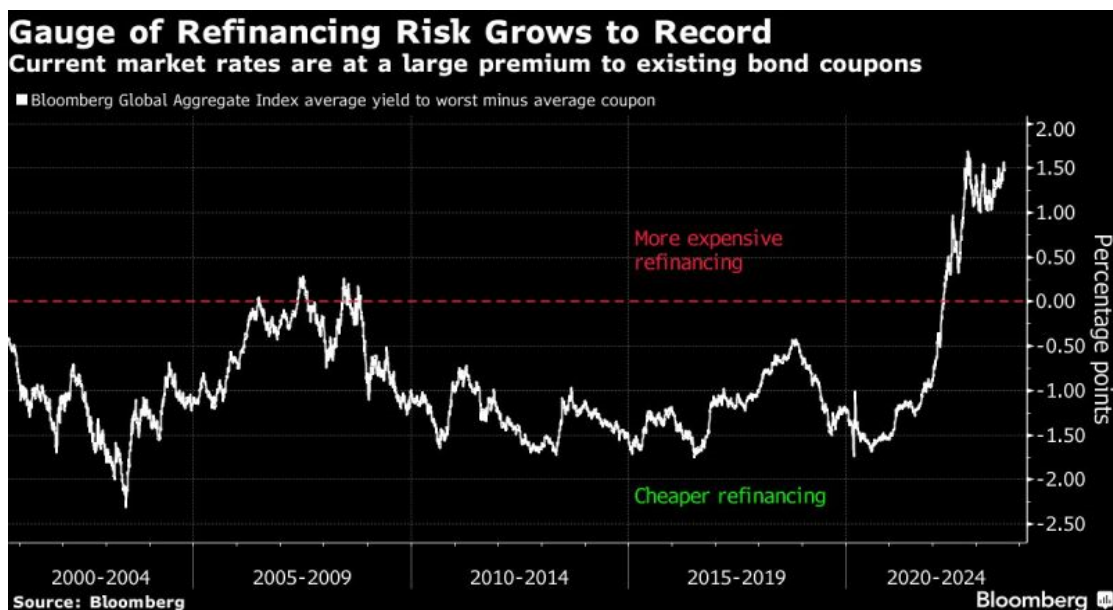
A default cycle has started, and markets are not paying attention





#refinancing #debt #default

Investors predict that the coming years will be marked with defaults and spending cuts as a larger portion of corporate, household and state income goes into financing debt. A stark indicator of the approaching sea change is the gap between what governments and companies globally are currently paying in interest and the amount they would pay if they refinanced at today's levels. Apart from a few months around the global financial crisis, the gauge has always been below zero. Now it's hovering around a record high of 1.5 percentage points



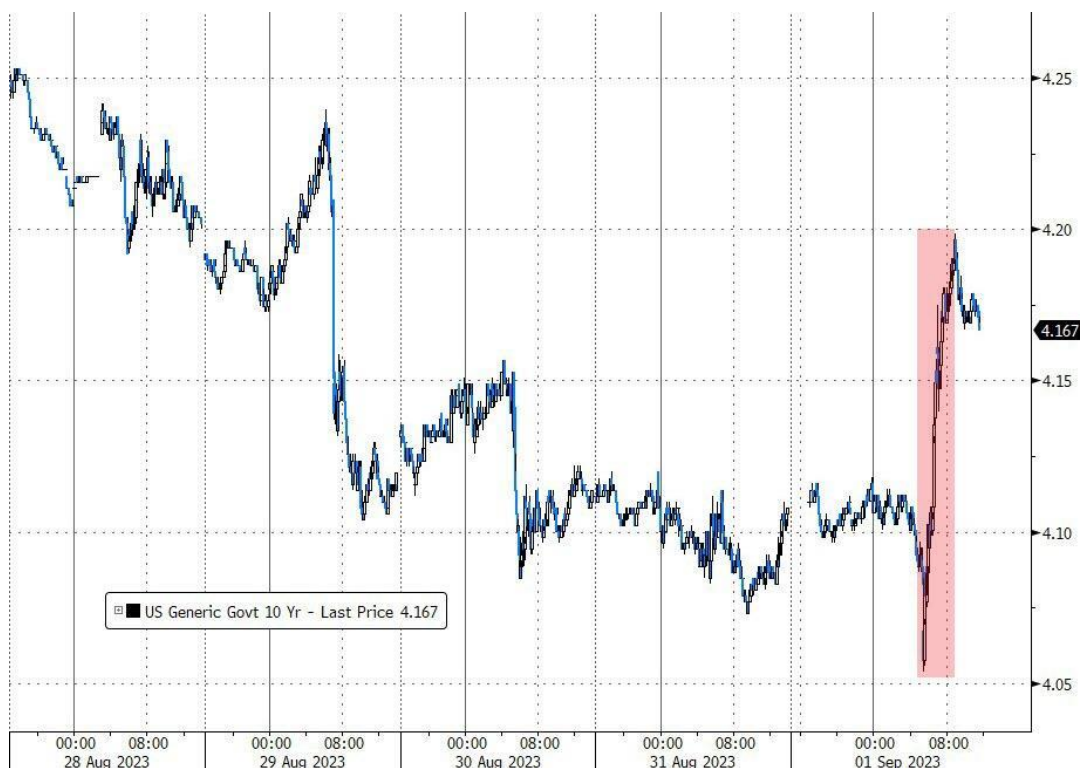
Source: Bloomberg





#us #treasuries #10y

It is worth pointing out today's huge jump in yields (despite the broad weakness in jobs data) after a kneejerk lower (that's a 15bps spike in 10Y yields). Among the reasons: 1) Breakout in crude oil as OPEC+ supply cuts tighten market; 2) Saudi Arabia Aramco is considering selling \$50 billion in shares. It would be advantageous for the Kingdom to keep oil supplies tighter thus prices higher through the offering; 3) Cleveland Fed President Loretta Mester said inflation remains too high despite recent improvements, and the labor market is still strong.



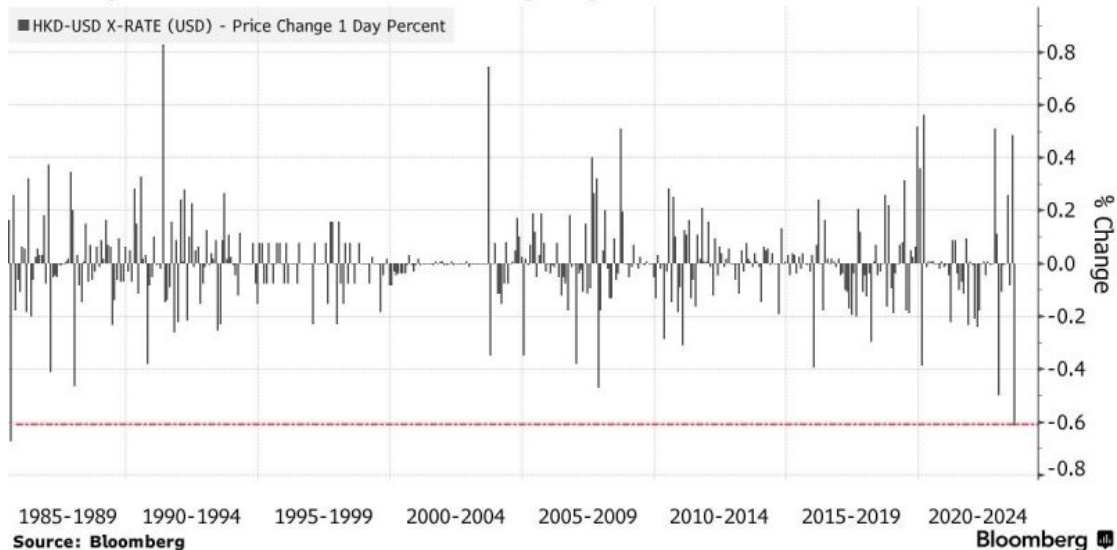
Source: Bloomberg, www.zerohedge.com



#usd #hkd #dollar #forex

Hong Kong Dollar is on track for its biggest monthly loss against the US Dollar in 38 years

Hong Kong Dollar Poised For Biggest Monthly Loss Since 1985
Currency has turned more volatile as liquidity shrinks



Source: Bloomberg, Barchart





#commodities #weekly

Energy dominated in commodity-land this week (led by NatGas) while silver was flat and Spot Gold improved...



Source: Bloomberg, www.zerohedge.com



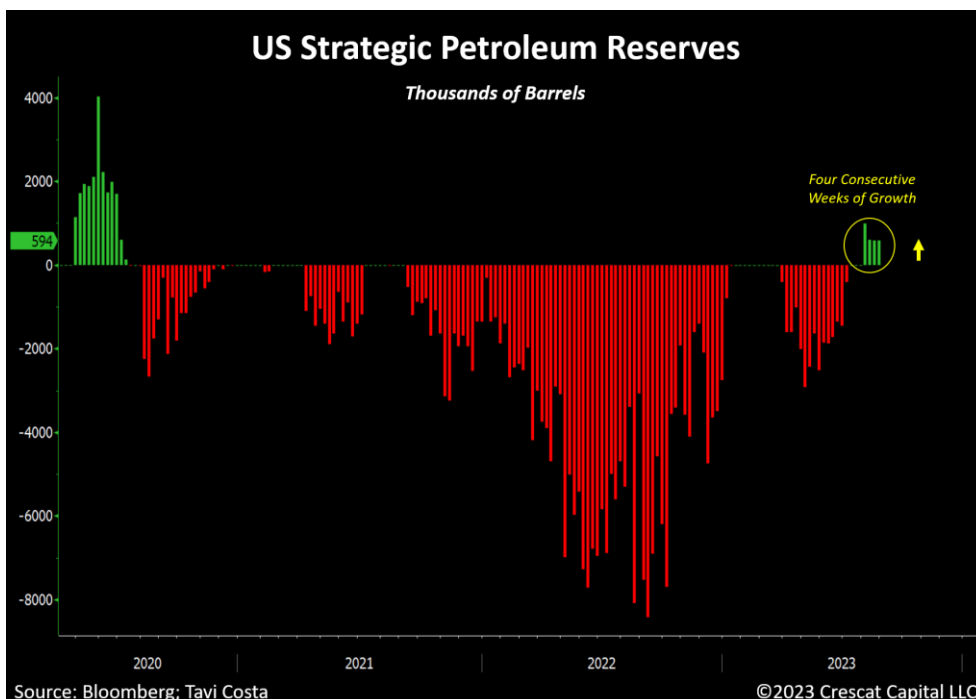


#us #oil #reserves

Oil prices rising to \$85 coincides with the 4 consecutive weeks of growth in the US Strategic Petroleum Reserves.

This is the largest sequence of weekly increases since the pandemic recession.

Energy prices have been steadily rising with implied demand for oil near all-time highs while gasoline prices are at the highest level in almost a year. Here is a reminder that US oil production has not yet returned to pre-pandemic levels, and aggregate capital spending for energy companies remains 52% from the 2014 peak.



Source: Tavi Costa, Bloomberg



#commodities #gold #technicals

Gold trying to break above the short-term negative trend line.

Gold - will you?



Source: Refinitiv

Source: TME



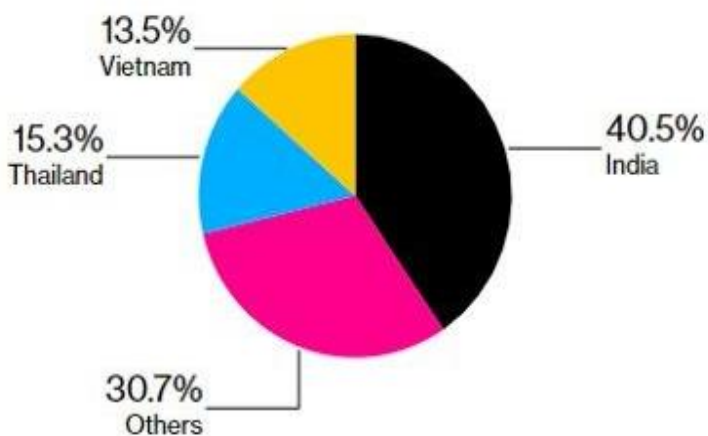


#commodities #rice #india

Rice likely to get even more expensive as India imposes additional restrictions. India further tightens rice exports as the government sets a floor price of \$1,200 per tonne for basmati rice exports. India also imposes a 20% tax on rice sales abroad.

India Is the World's Biggest Rice Exporter

Share of global trade in 2022-23



Source: USDA Foreign Agricultural Service

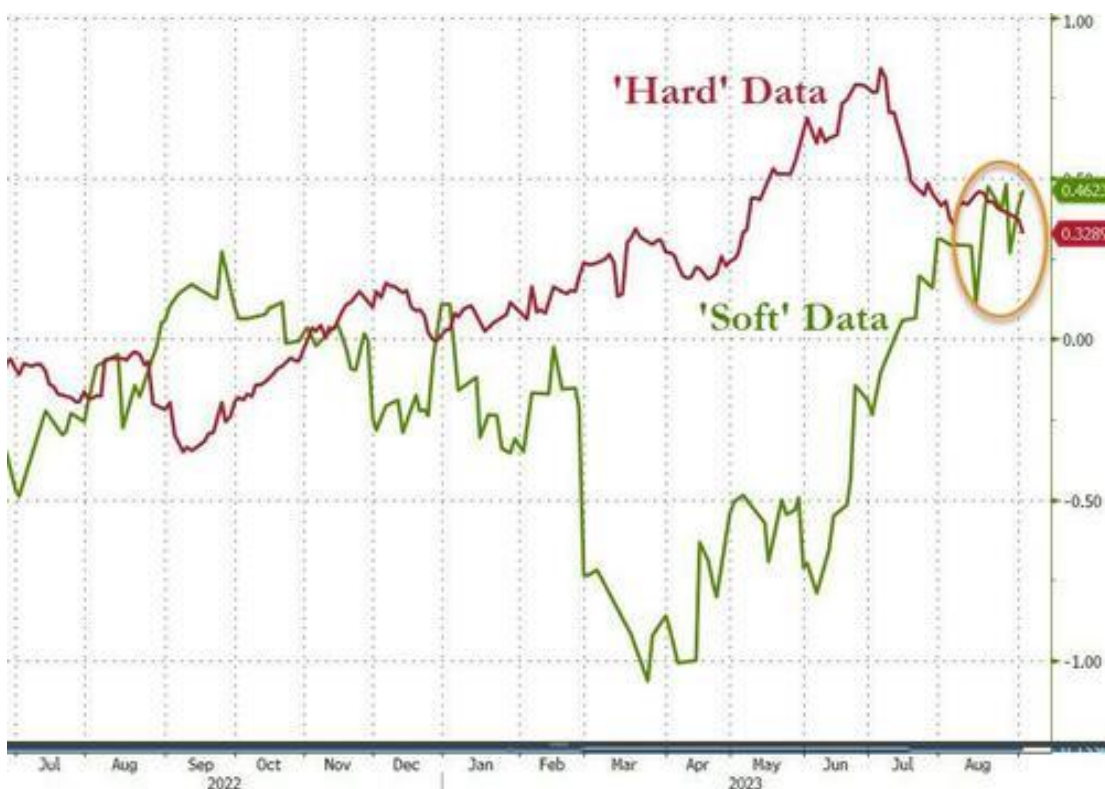
Source: Barchart, Bloomberg



#macro

#us #soft #hard #data

'Hard' data disappointed this week and fell to 4 month lows while 'soft' survey data surged back near cycle highs on the heels of hope...





#us #non-farm-payrolls

US Non-farm payrolls are mixed but they confirm that Private sector payroll growth is slowing and the unemployment rate is rising. This opens the door to a FED pause (i.e no mor rate hikes this year). In a nutshell: - The U.S. economy added 187,000 jobs in August vs. 170,000 estimates and 150,000 in July. - Unemployment Rate (Aug), Actual 3.8% Vs. 3.5% Est. (Previous 3.5%). - Average Hourly Earnings (YoY) (Aug), Actual 4.3% Vs. 4.3% Est. (Previous 4.4%). - US Average Hourly Earnings (MoM) (Aug), Actual 0.2% Vs. 0.3% Est. (Previous 0.4%). - US August average workweek was 34.4 hours vs. estimates 34.3 hours

Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
21)	09/01 08:30				Two-Month Payroll Net Revision	Aug	--	-110k	--	--
22)	09/01 08:30				Change in Nonfarm Payrolls	Aug	170k	187k	187k	157k
23)	09/01 08:30				Change in Private Payrolls	Aug	148k	179k	172k	155k
24)	09/01 08:30				Change in Manufact. Payrolls	Aug	0k	16k	-2k	-4k
25)	09/01 08:30				Unemployment Rate	Aug	3.5%	3.8%	3.5%	--
26)	09/01 08:30				Average Hourly Earnings MoM	Aug	0.3%	0.2%	0.4%	--
27)	09/01 08:30				Average Hourly Earnings YoY	Aug	4.3%	4.3%	4.4%	--
28)	09/01 08:30				Average Weekly Hours All Employees	Aug	34.3	34.4	34.3	--
29)	09/01 08:30				Labor Force Participation Rate	Aug	62.6%	62.8%	62.6%	--
30)	09/01 08:30				Underemployment Rate	Aug	--	7.1%	6.7%	--
31)	09/01 09:45				S&P Global US Manufacturing PMI	Aug F	47.0	--	47.0	--
32)	09/01 10:00				Construction Spending MoM	Jul	0.5%	--	0.5%	--
33)	09/01 10:00				ISM Manufacturing	Aug	47.0	--	46.4	--
34)	09/01 10:00				ISM Prices Paid	Aug	44.0	--	42.6	--
35)	09/01 10:00				ISM Employment	Aug	--	--	44.4	--
36)	09/01 10:00				ISM New Orders	Aug	--	--	47.3	--
37)	09/01				Wards Total Vehicle Sales	Aug	15.45m	--	15.74m	--

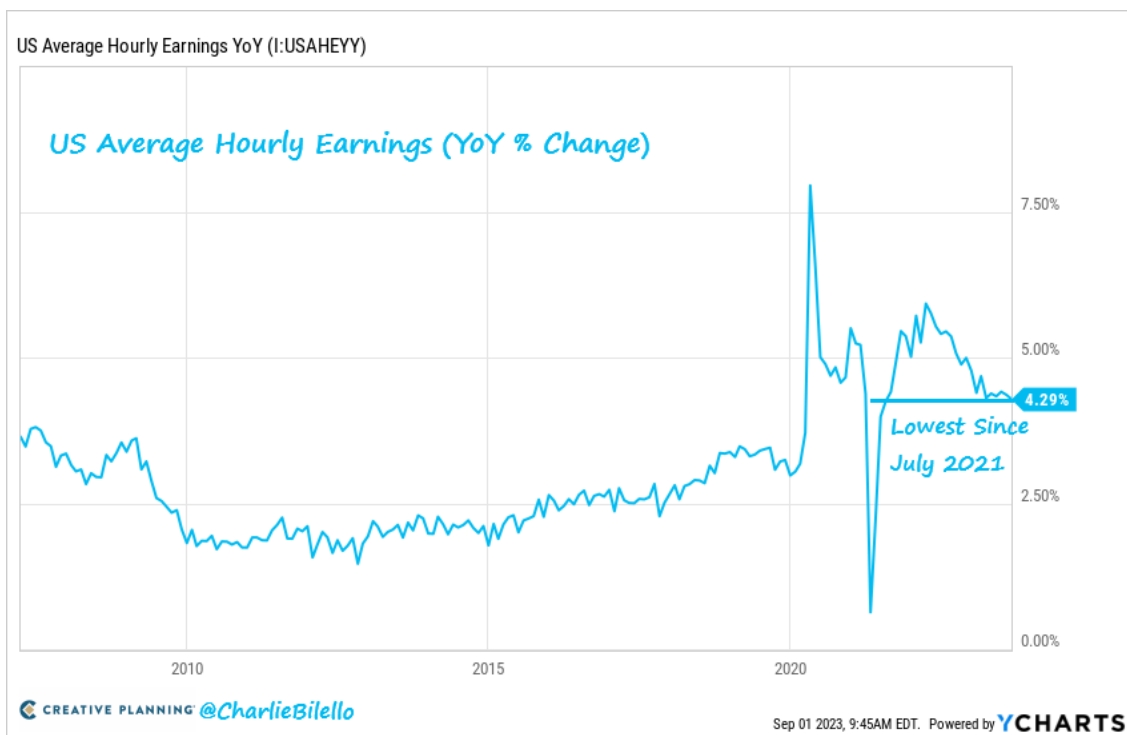


Source: Bloomberg



#us #non-farm-payrolls

US Average Hourly Earnings increased 4.29% YoY in August, the slowest growth rate since July 2021.

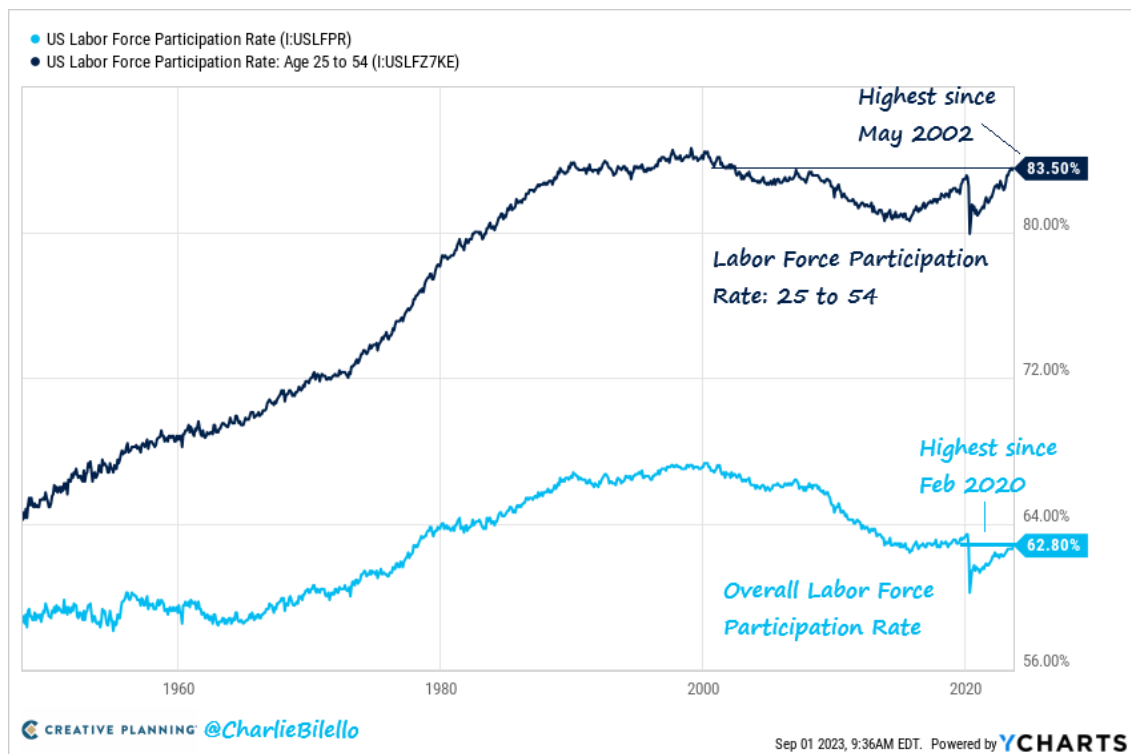


Source: Charlie Bilello



#us #non-farm-payrolls

US Labor Force Participation Rate moved up to 62.8% in August, highest since February 2020. Participation Rate among prime-age workers (25 to 54) is at 83.5%, highest since May 2002.

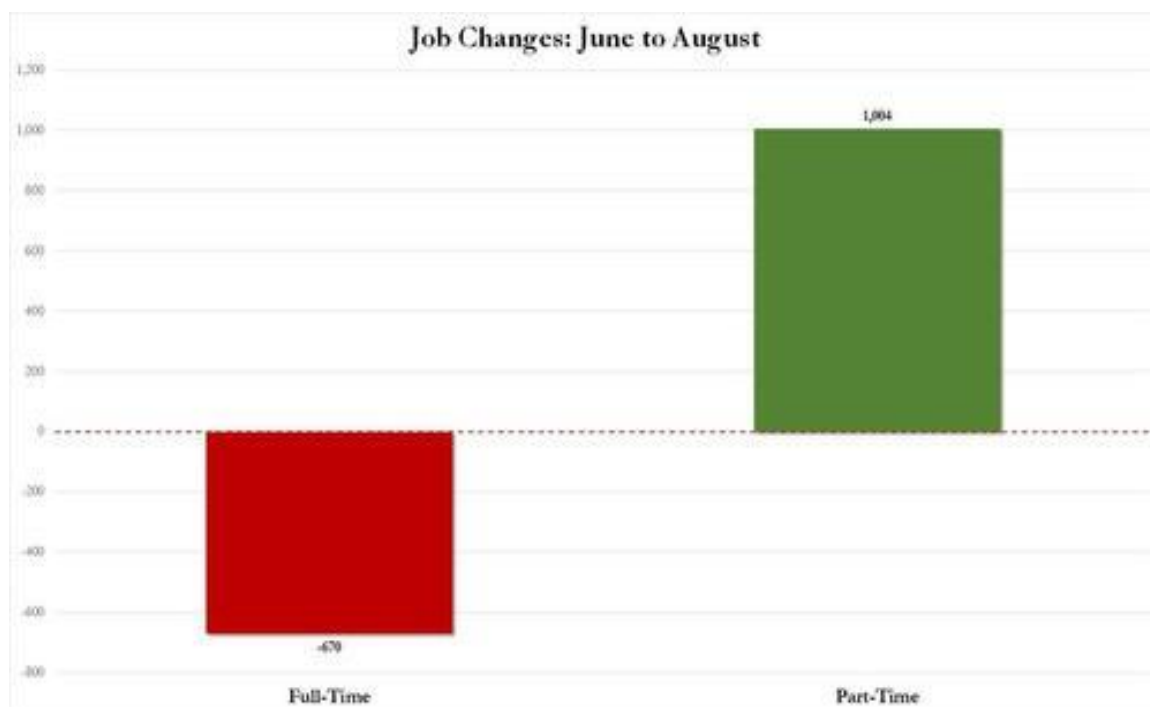


Source: Charlie Bilello

#macro

#us #non-farm-payrolls

Behind the August NFP numbers: we get a 670K drop in full-time workers in the past 3 months, offset by a 1,004K jump in part-time workers.





#us #job #openings

Is the US job market finally cooling down? The JOLTs report for July showed a huge drop in job openings (8.82mln vs the Street 9.5mln), and June was revised meaningfully lower to 9.16mln from previous 9.58mln

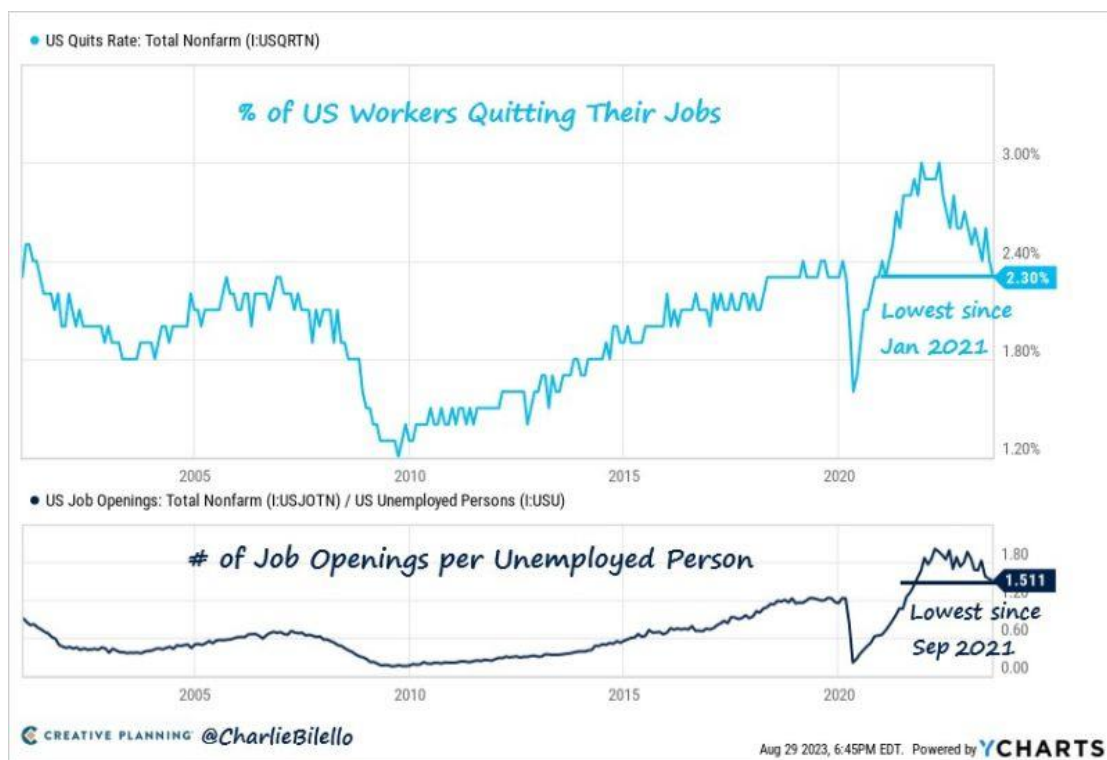


Source: Bloomberg, HolgerZ



#us #workers #employment

The percentage of US workers quitting their jobs has moved down to 2.3%, the fewest since January 2021. The 1.5 job openings per unemployed person in the US is lowest since September 2021. Labor market continues to loosen...



Source: Charlie Bilello



#us #manufacturing

US Factory activity gauge suggests stabilization at weak level.

Stabilizing at a Weak Level

Gauge of manufacturing improves to six-month high, yet still shows contraction



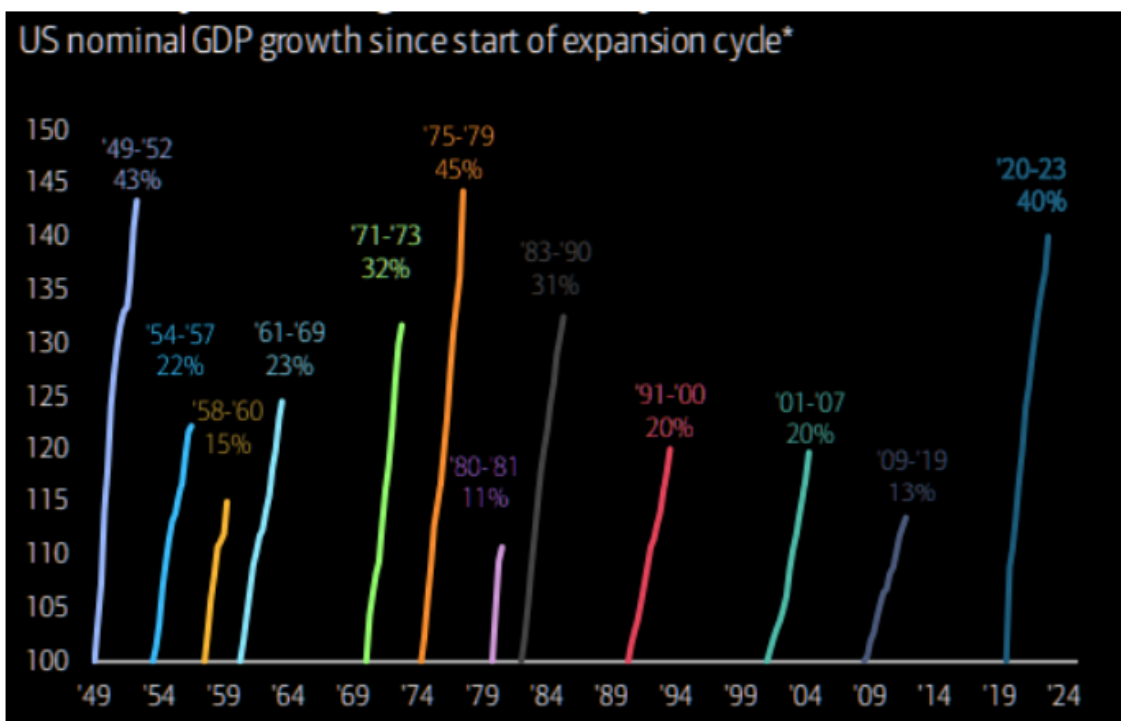
Source: Bloomberg

#macro

#us #nominal #gdp #growth

The importance of nominal growth.

3-year US GDP growth >40% only 2 other times since 1940s.

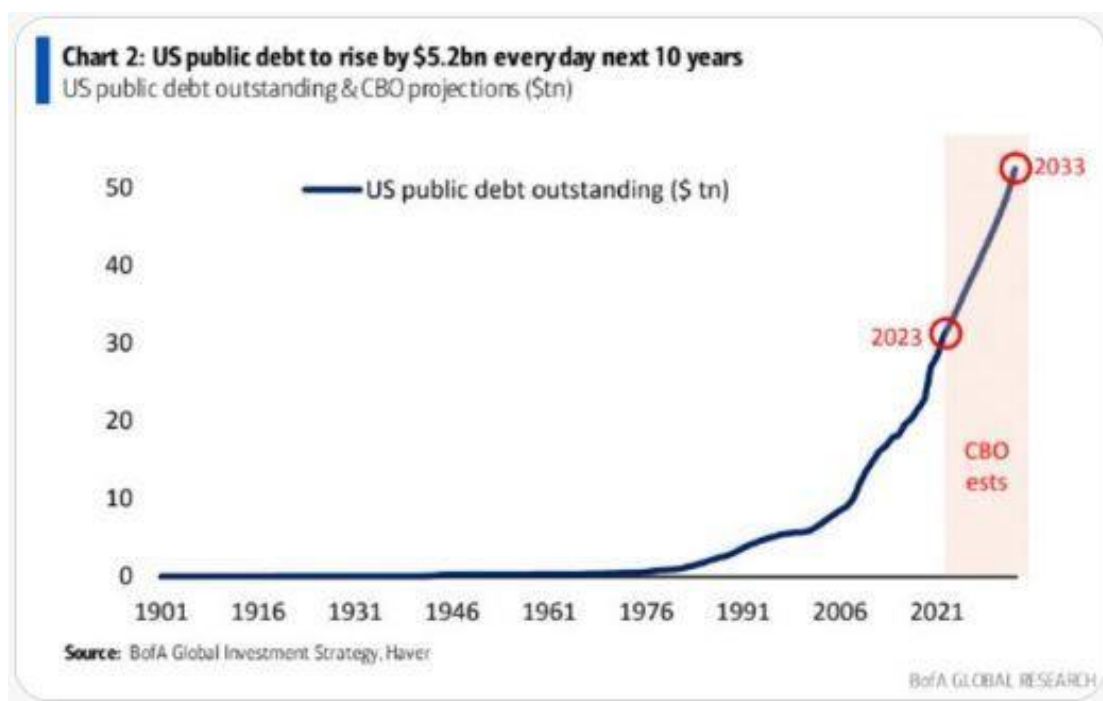


Source: BofA

#macro

#us #debt #cbo

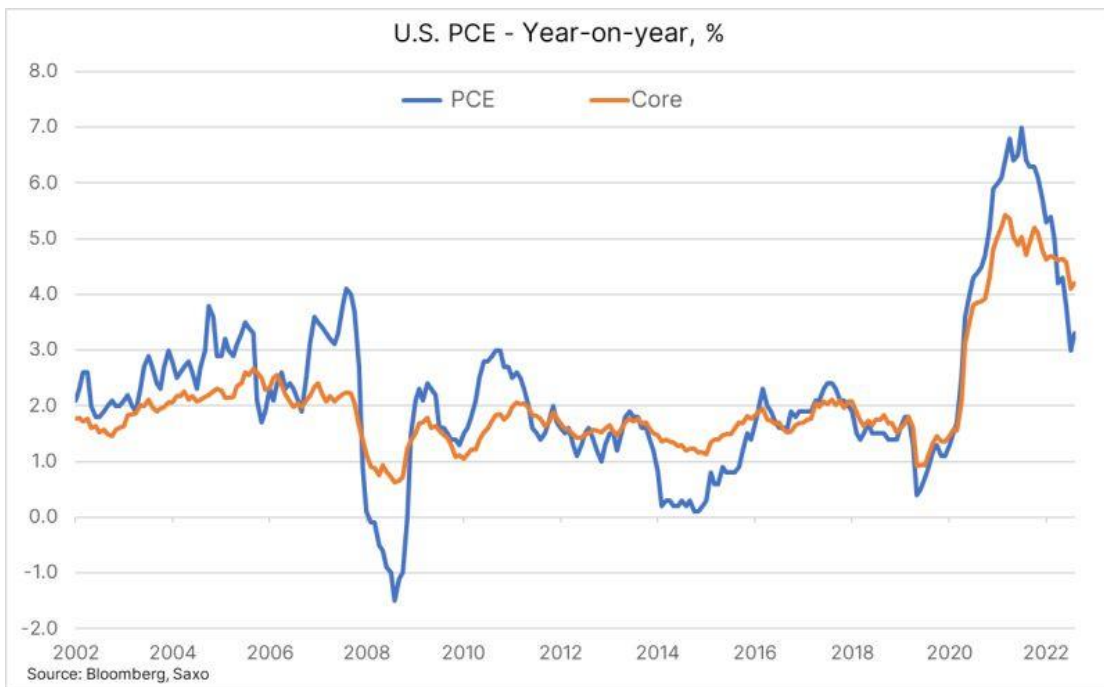
The Congressional Budget Office (CBO) estimates that the U.S. debt will surge by \$5.2 billion daily over the upcoming decade.





#us #inflation #fomc

PCE Deflator, the FOMC's favorite inflation number, show a rise as expected with the YoY at 3.3% (from 3%) and the core at 4.2% (from 4.1%). Jobless claims at 228k (235k expected) showing continued strength ahead of Friday's NFP report

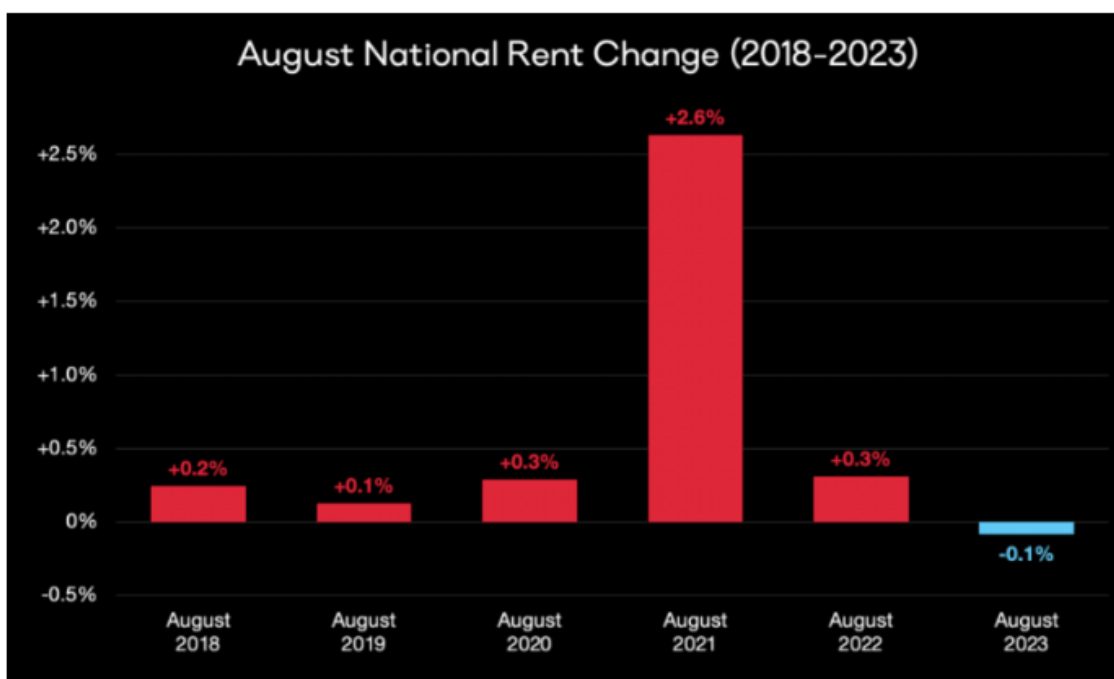


Source: Ole S.Hansen

#macro

#us #rents

Annual rent growth turned negative last month, for the first time since the beginning of the pandemic.

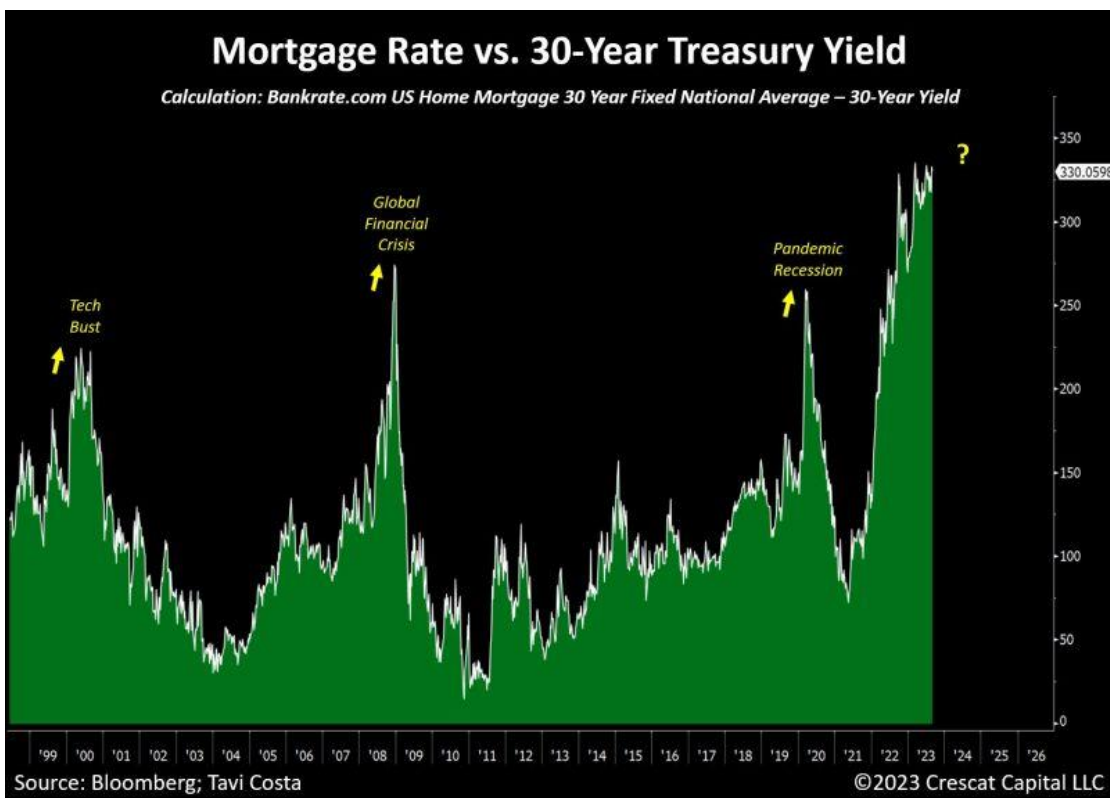


Source: Apartment list

#macro

#us #mortgage #yield

We are now seeing the widest spread between mortgage rates and 30-year risk-free rates in history. Should we see this as another barometer of credit tightness in the system?



#macro

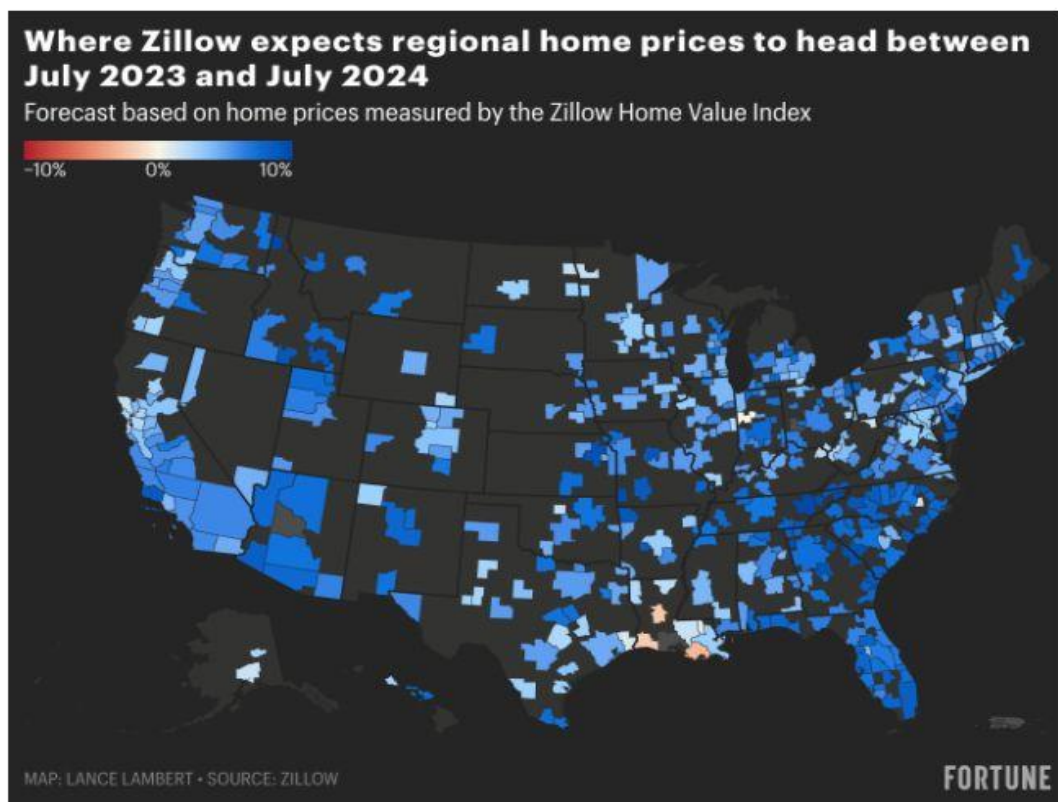
#us #housing #zillow

Zillow expects U.S. home prices to jump by 6.5% over the next 12 months

Zillow is a full-blown housing market bull—predicting that U.S. home prices will jump 6.5% by July 2024

↗ Zillow predicts 6.5% home price increase ↖

72 Fortune | FORTUNE by Lance Lambert / August 27, 2023 at 11:33AM // keep unread // hide

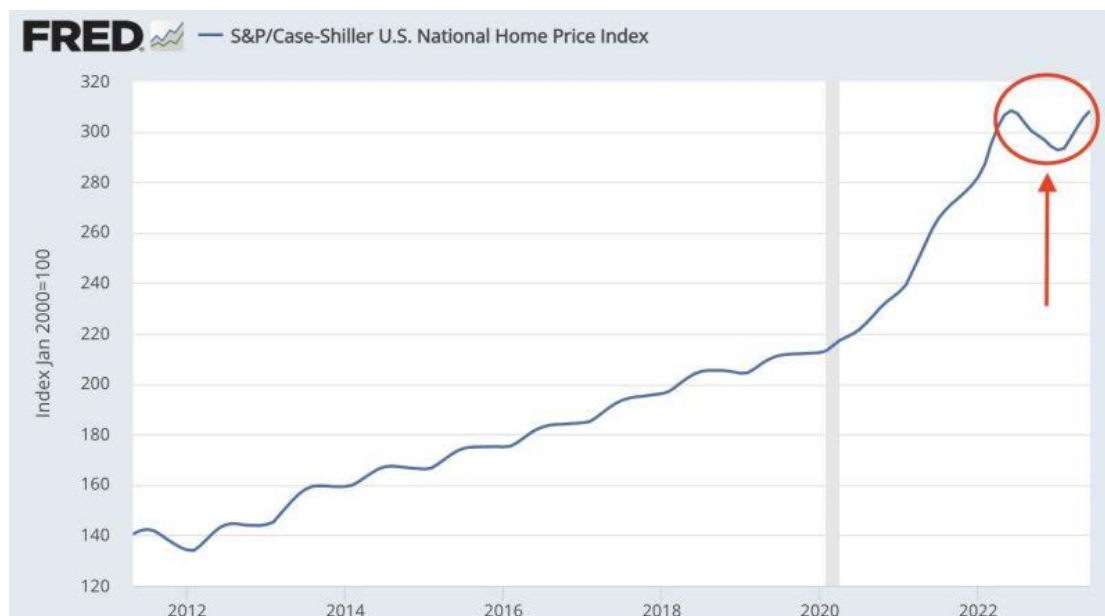


Source: Barchart, Fortune

#macro

#us #housing #rates

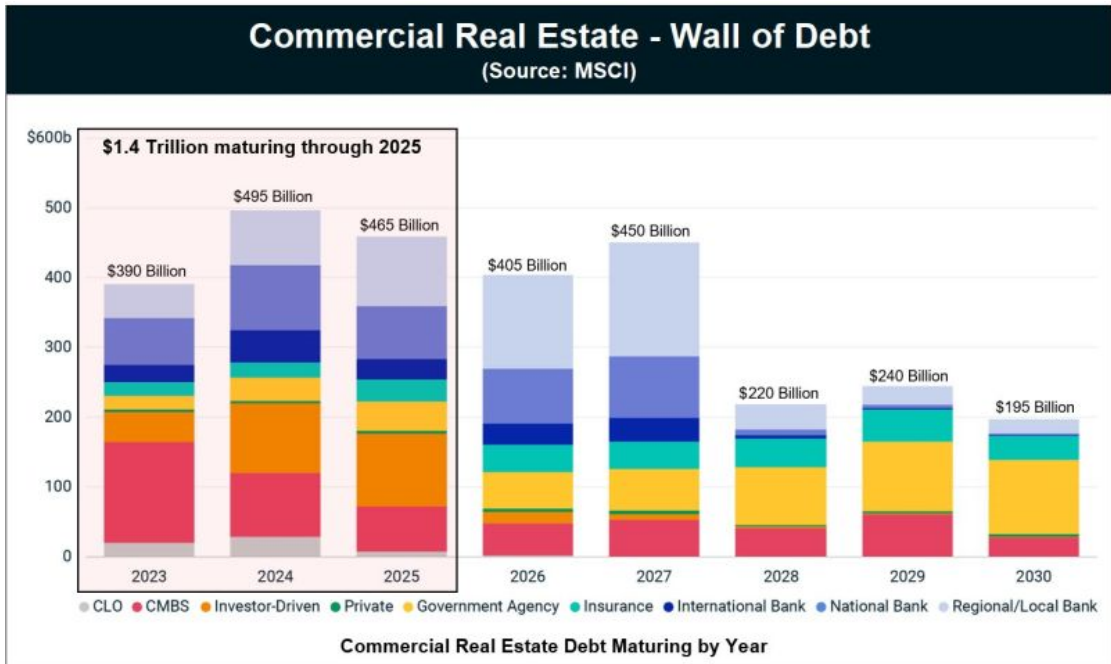
Despite surging mortgage rates, US home prices are RISING to ALL-TIME-HIGHS. Higher rates are having an INVERSE effect on price. Rather than prices falling with higher rates, they are actually rising. Why is this happening? As explained by The Kobeissi Letter, as rates rise, existing home sales are falling, now down 16.6% at their lowest since 2010. Borrowers are locked-in to sub-3% mortgages and do not want to sell their homes to get a 2.5x higher rate. We need LOWER rates for LOWER prices... Truly a historic occurrence...





#us #commercial #realestate #rates

US commercial real estate prices are down sharply this year with offices building prices down ~30%. On top of declining prices, there are nearly \$1.4 TRILLION of commercial real estate loans coming due by 2025. Meanwhile, rates on the commercial real estate loans have more than doubled since they were issued. Last but not least, vacancies in commercial real estate are skyrocketing (which means rent revenue is down). The cocktail of rising rates on loans that need to be refinanced and declining income looks like a rather toxic one.



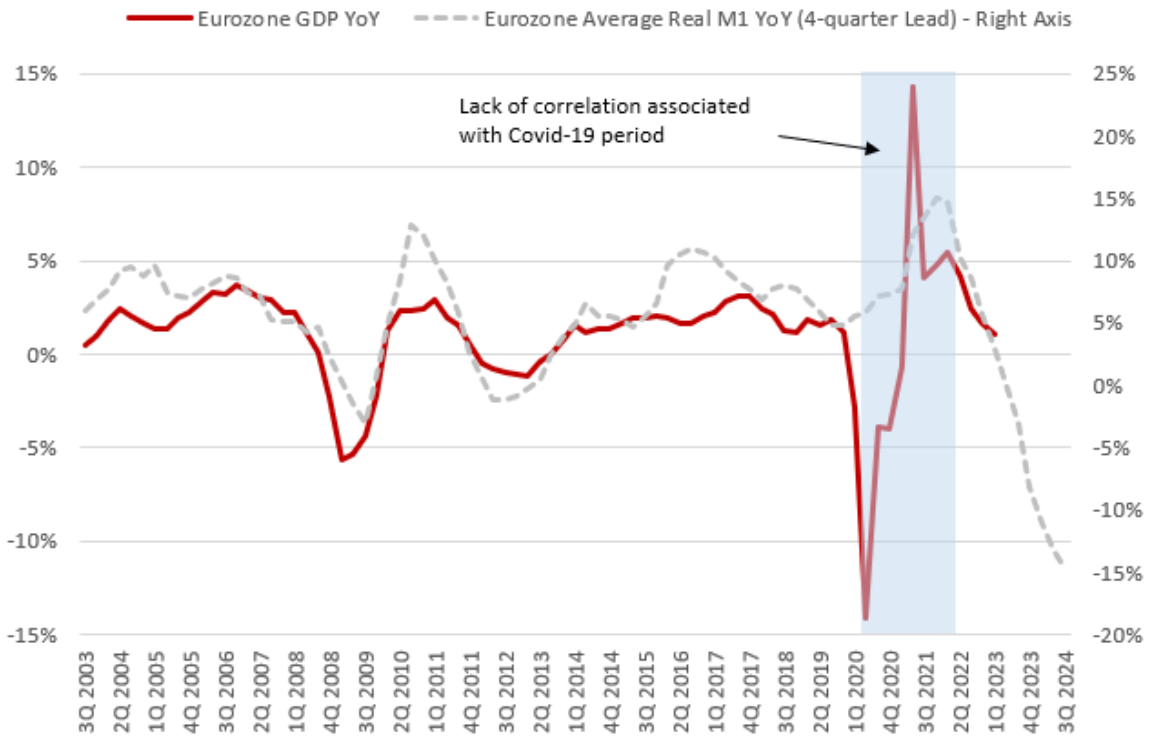
Source: The Kobeisi Letter





#eu #manufacturing

The downward revision of EZ PMI suggests that activity was under more pressure at the end of August.



Sources: Bloomberg, ECB, christophe-barraud.com



Source: C.Barraud

#macro

#europe #gdp #market-cap

The demise of Europe in one chart





#eurozone #disinflation #cpi

Disinflation pause? Eurozone inflation remained stuck at 5.3% in Aug, higher than the 5.1% that economists expected. Core inflation, which excl volatile energy, food, alcohol & tobacco prices & closely watched by ECB as measure of underlying inflation, tumbled to 5.3% in Aug from 5.5% in July, matching expectations

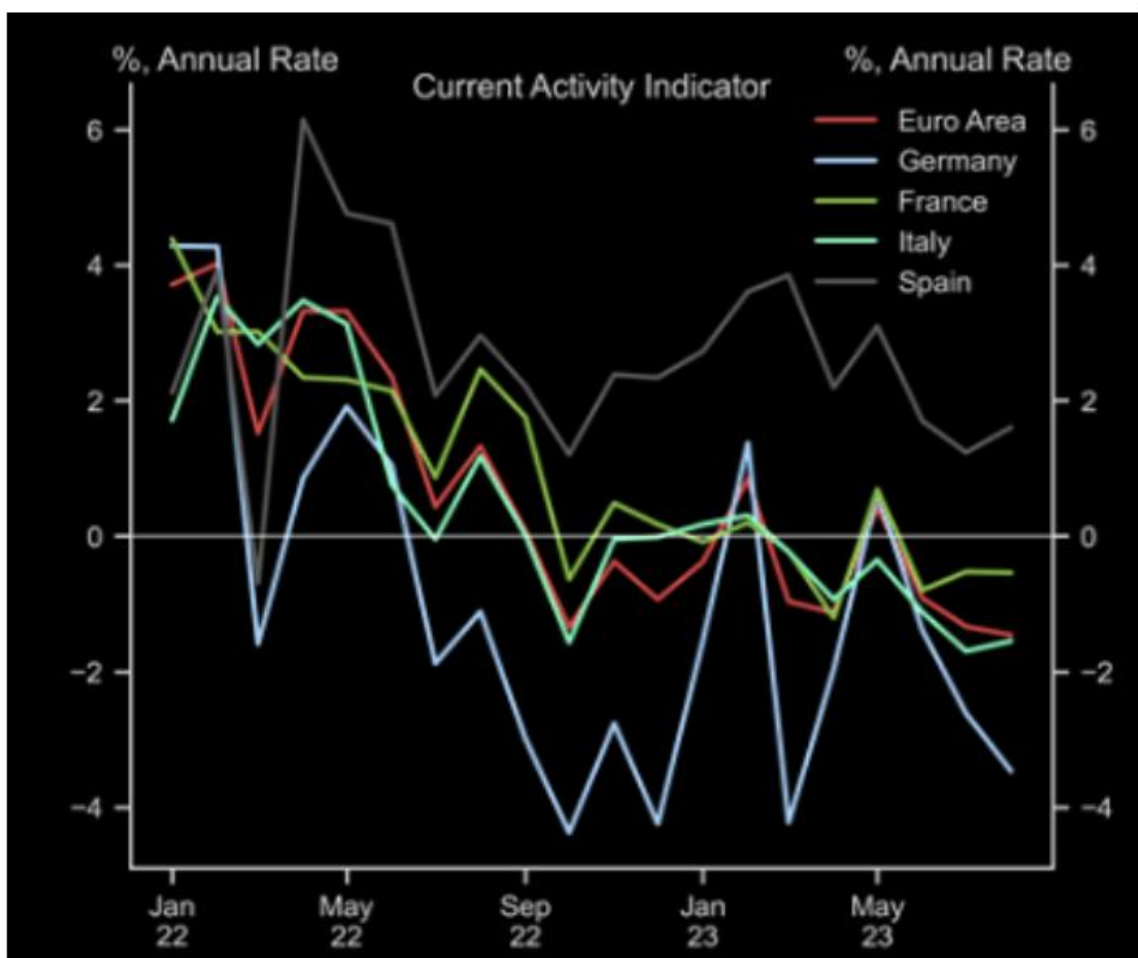


Source: HolgerZ, Bloomberg



#eu #activity

Euro area growth has weakened notably further during the summer....the notable cooling in the services dataflow points to weak growth momentum ahead....



Source: Goldman

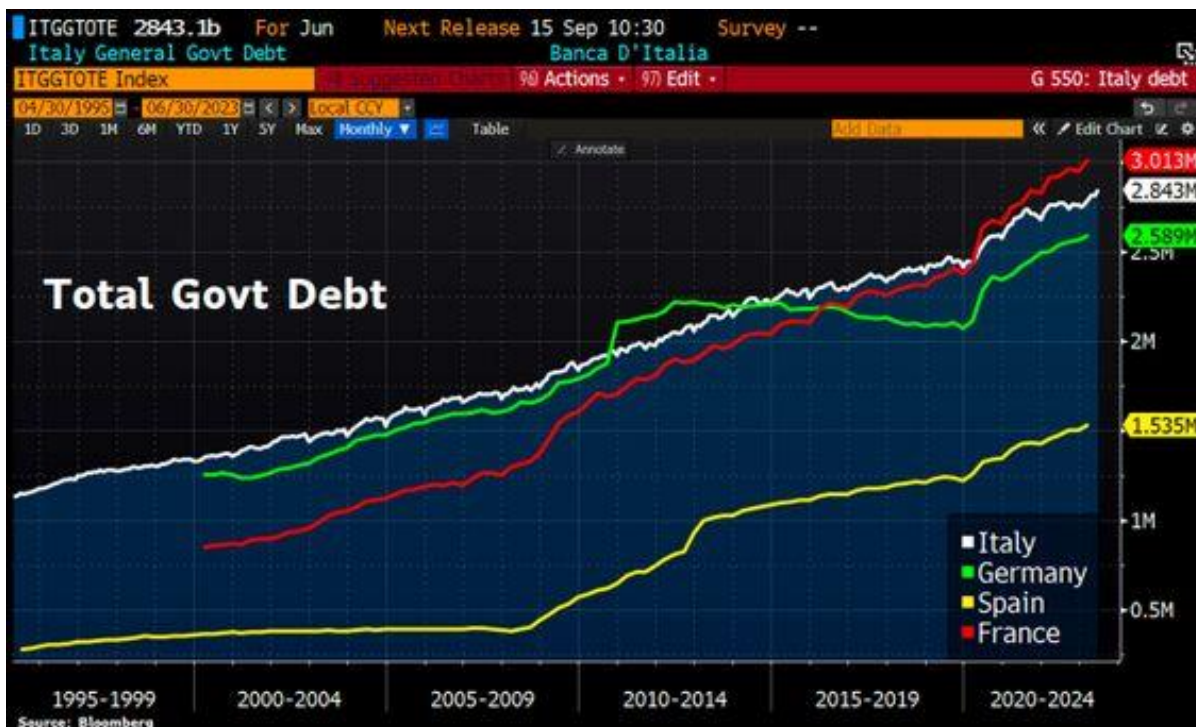


Source: Goldman Sachs, TME



#germany #deficit #debt

German government deficit increased to €42.1bn in H1 2023, €37.6bn higher than in H1 2022, as revenue rose by 3.5%, expenditure by 7.7% compared w/H1 2022. Deficit ratio was 2.1%. This means that Germany still compares favorably w/France or Italy in terms of debt. In France, debt recently topped €3tn mark, Italy is on its way to €3tn.



Source: HolgerZ, Bloomberg

#macro

#france #cpi #prices

French CPI a little hotter than expected, rising 50bp in August. This was all due to energy (including higher regulated prices) and the end of the summer sales, but services inflation is still easing driven by transports and "other services".

FRENCH CPI YOY NSA PRELIM ACTUAL 4.8% (FORECAST 4.6%, PREVIOUS 4.3%)

FRENCH CPI MOM NSA PRELIM ACTUAL 1% (FORECAST 0.8%, PREVIOUS 0.1%)

FRENCH HICP MOM PRELIM ACTUAL 1.1% (FORECAST 1%, PREVIOUS 0.0%)

FRENCH CONSUMER SPENDING MOM ACTUAL 0.3% (FORECAST 0.3%, PREVIOUS 0.9%)



France		Browse	07:48:53	08/31/23				
Economic Releases		All Economic Releases		View Agen				
Date	Time	A	M	R	Event	Period	Surv(M)	Actual
21)	08/31	07:45			CPI EU Harmonized MoM	Aug P	1.0%	1.1%
22)	08/31	07:45			CPI EU Harmonized YoY	Aug P	5.4%	5.7%
23)	08/31	07:45			CPI MoM	Aug P	0.8%	1.0%
24)	08/31	07:45			CPI YoY	Aug P	4.6%	4.8%



#germany #inflation

Germany's inflation drops to 6.1% in Aug from 6.2% in July while Core inflation stagnates at 5.5%. BUT 6.1% headline reading was 10 basis points above market predictions as energy prices accelerated to 8.3% in Aug from 5.7% in Jul. Food price inflation slowed to 9% in Aug from 11% in July.



Source: HolgerZ, Bloomberg

#germany #inflation #wages

German wages rose at a record annual pace of 6.6 per cent in the second quarter, boosting consumer spending power but fueling concerns about inflation being pushed up by rising labour costs. The increase, which compared with wage growth of 5.6 per cent in the previous quarter, was the highest since collection of the data began in 2008. It took German annual wage growth above the country's consumer price inflation rate — 6.5 per cent in the period — for the first time since 2021.

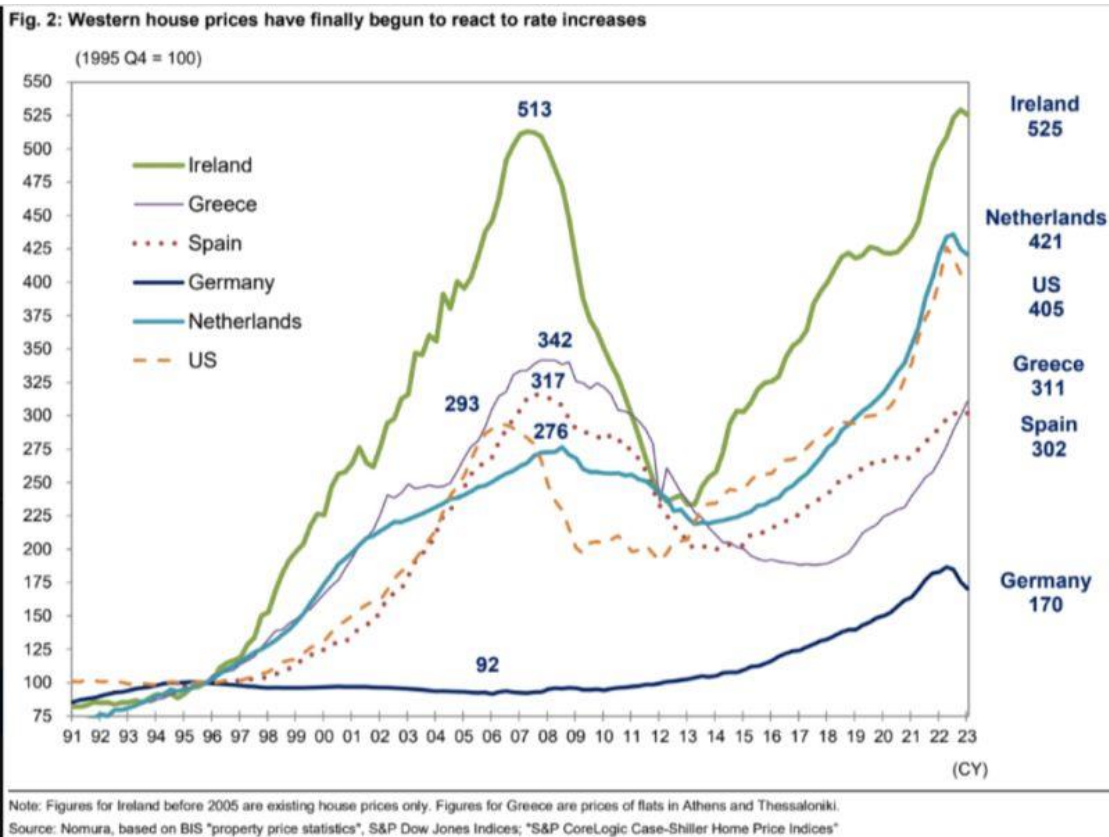


Source: FT



#europe #mortgage #rate

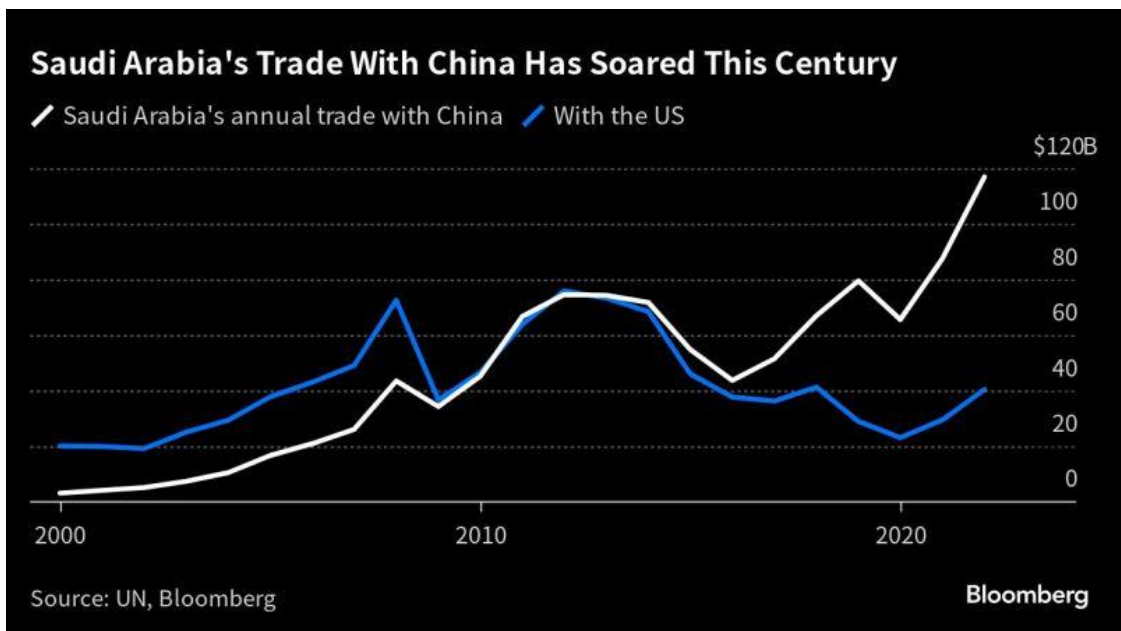
European House prices have begun to react to rate rises



#geopolitics

#saudi-arabia #trade #allies

Some of US's top Middle Eastern allies – including world's biggest oil exporter – moving closer into orbit of China & Russia, further complicating geopolitics. Saudi Arabia trade with China & India reached record of \$175bn last year. It was barely \$5bn at start of century.



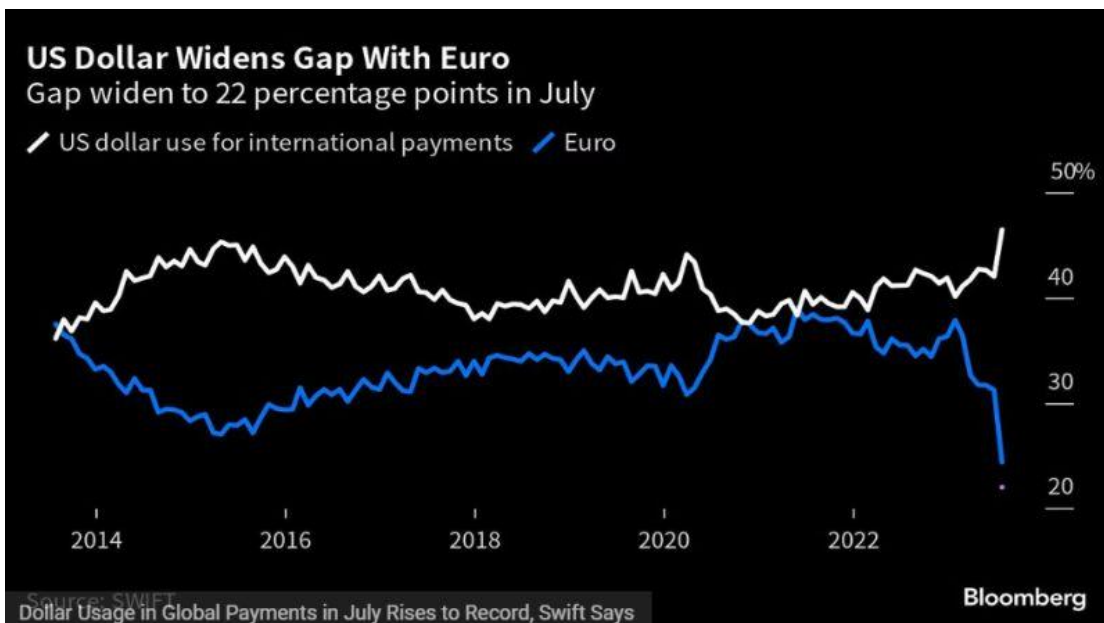
Source: HolgerZ, Bloomberg

#geopolitics

#us #dollar #euro

Swift Reports Record High Dollar Utilization in Global Payments for July.

Around 46% of all Swift foreign exchange transactions were conducted using the dollar, while the Euro's portion reached an all-time low, and the yuan's exceeded 3%.



Source: Bloomberg



#us #rates #expectations

Overall on the week, US short term interest rates pushed dovishly lower.



Source: Bloomberg, www.zerohedge.com

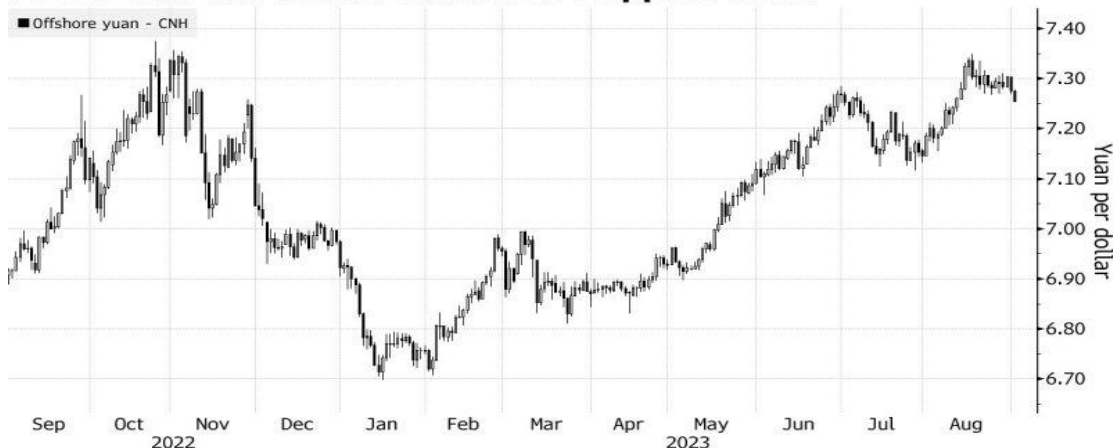


#centralbanks

#china #yuan #pboc

China Uses Another Tool to Aid Yuan in String of Market Support – Bloomberg. China moved to support the yuan by increasing the supply of foreign currency in its local market, part of a multi-pronged effort by Beijing to restore confidence amid sluggish growth. Financial institutions will need to hold just 4% of their foreign-exchange deposits in reserve starting Sept. 15, the People’s Bank of China said Friday, compared to the current level of 6%. The greater availability of overseas currency relative to the yuan effectively boosts the allure of the latter. The so-called FX RRR cut came on the heels of Thursday’s reduction in down payments for mortgages to help the country’s under-pressure residential property market and after policymakers lowered stamp duty for stock trading over the weekend.

PBOC Cuts FX Reserve Ratio to Support Yuan



Source: Bloomberg

Bloomberg

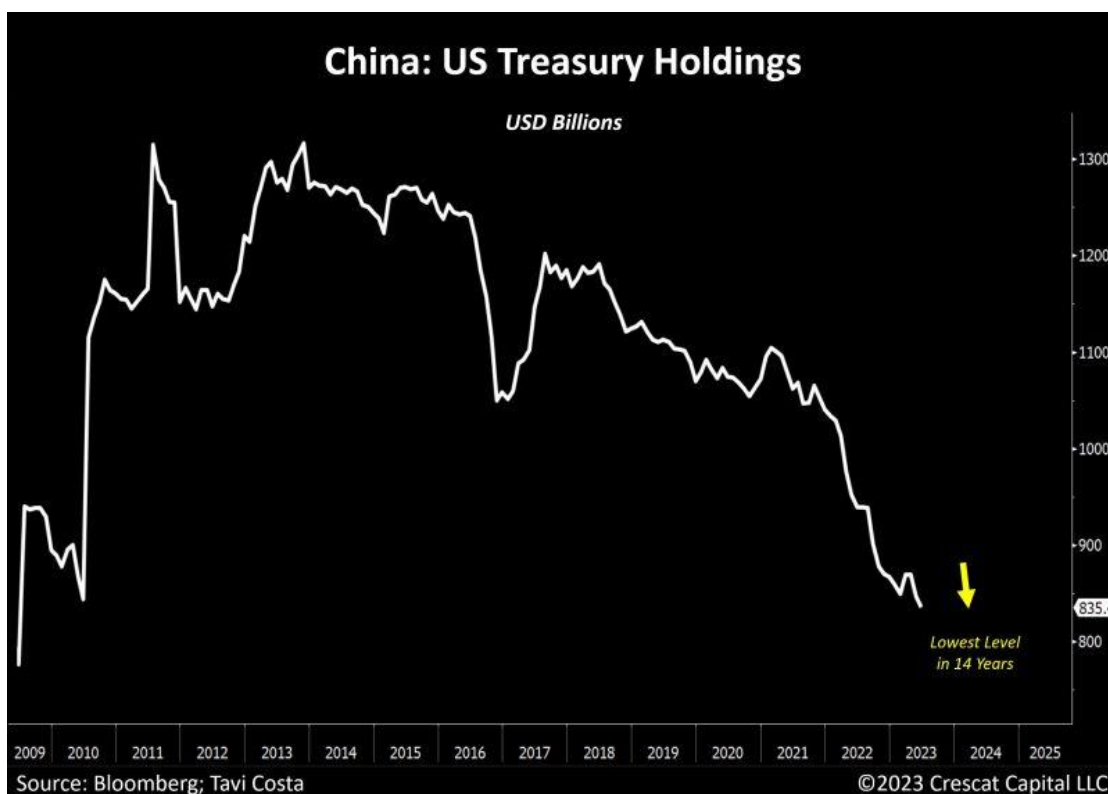
Source: Bloomberg



#centralbanks

#china #us #treasury

China's holdings of US Treasuries just reached its lowest level in 14 years. Now down almost \$481B from peak levels.



Source: Crescat Capital, Bloomberg



#bitcoin #weekly

Crypto had an ugly week, legging lower again today as the dollar spiked, with Bitcoin back below \$26,000. After three weeks hugging 26k, we spiked on the SEC losing but then three selling legs wiped all that lipstick off the pig...



Source: Bloomberg, www.zerohedge.com



#cryptos

#bitcoin #etf #grayscale

Bitcoin jumps after US Court paves way for ETF. Grayscale Investments LLC got a green light from a federal court to launch the first Bitcoin exchange-traded fund in the US, a watershed moment in the cryptocurrency industry's quest to tap billions of dollars from everyday investors. A three-judge appeals panel in Washington on Tuesday overturned a decision by the US Securities and Exchange Commission to block the ETF. The case is Grayscale v. SEC, 22-1142, US Court of Appeals for the District of Columbia Circuit.



Source: Bloomberg

#cryptos

#bitcoin #liquidity #grayscale

After rising ~\$3,000 on the Grayscale news, prices just fell \$1,000 in a matter of minutes. In less than a day, Bitcoin has shed nearly all the gains it made from Grayscale Investment's court victory against the United States Securities regulator. On Aug. 29, Bitcoin popped to a two-week high after a judge ruled that the Securities and Exchange Commission was "arbitrary and capricious" when it rejected Grayscale's spot Bitcoin ETF application. However, the SEC's Aug. 31 decision to delay seven pending spot Bitcoin ETF applications sent Bitcoin's price downward — falling nearly 5% in the 24 hours to 12 am UTC Sep. 1. This brutal move could also be a sign of drying liquidity in the market. This is indeed the 4th "flash-crash" happening on bitcoin this year.



Source: Cointelegraph, The Kobeissi Letter

#cryptos

#bitcoin #etfs #sec

The SEC postponed decisions regarding proposed rule changes related to spot Bitcoin ETFs. The SEC's latest notices push back decisions on proposed rule changes from Fidelity (Wise Origin), VanEck, WisdomTree, and Invesco, all of which intend to offer a spot Bitcoin ETF via Cboe BZX Exchange. Other notices delay decisions regarding Valkyrie Investments and BlackRock (iShares) which intend to offer ETFs via Nasdaq. Another delay concerns Bitwise, which intends to offer its ETF via NYSE Arca. The SEC has postponed most of its decisions until Oct. 17. However, its decision on Valkyrie is postponed to Oct. 19, and its decision on Bitwise is postponed to Oct. 16. It is unclear whether it is possible for the SEC to delay its decisions again when the next deadlines are reached. However, each of the above companies has had its previous Bitcoin ETF applications rejected by the SEC. If the SEC decides to reject the latest round of ETF proposals in October, the applicants may submit new applications, once again renewing the cycle of approvals, delays, and rejections.



#food-for-thought

#purchasingpower #dollar #cost

The Evolution Of The \$20 Bill

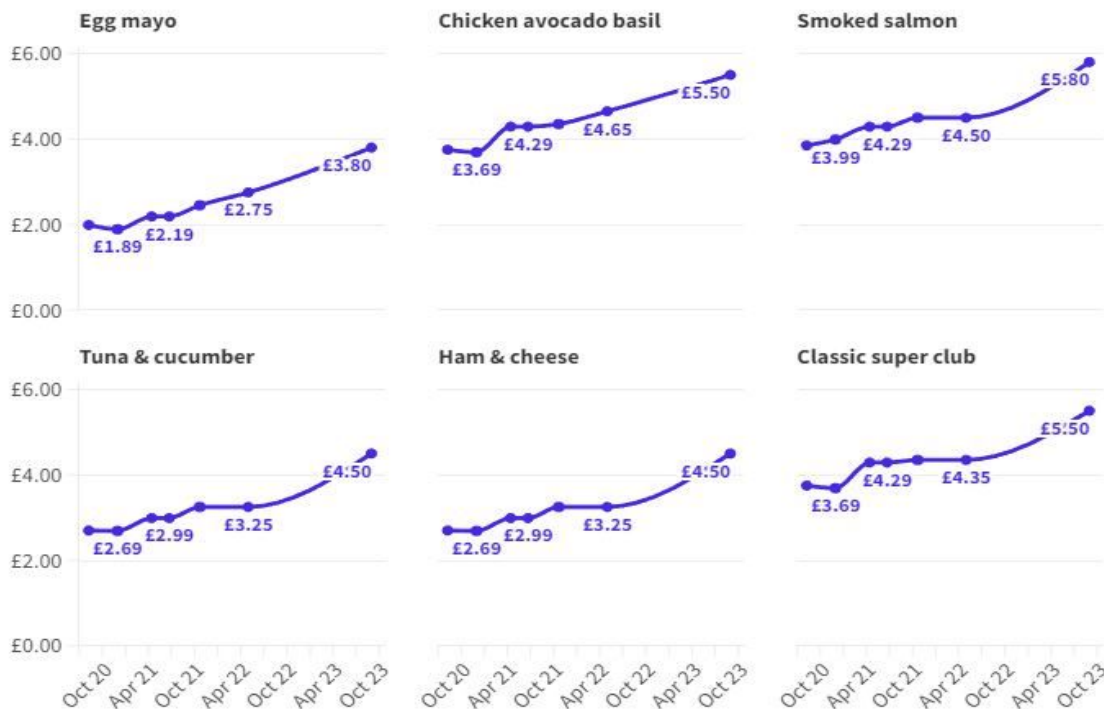


#food-for-thought

#pret-flation

Pret a Manger, which launched in 1986 from a single shop in London, became such a barometer for the health of financial districts that two years ago Bloomberg launched the Pret Index, tracking weekly transactions against pre-Covid levels to show just how many bankers, corporate lawyers and asset managers were returning to the office. Here's what the price looks like over time by some individual product.

Sandwich



Source: FT

#food-for-thought

#humor #cartoon #eggflation

EGGFLATION... With the price of eggs up +13% yesterday and +33% for the month, consumers are shelling out more and more for groceries. Thank you Hedgeye for the great cartoon...

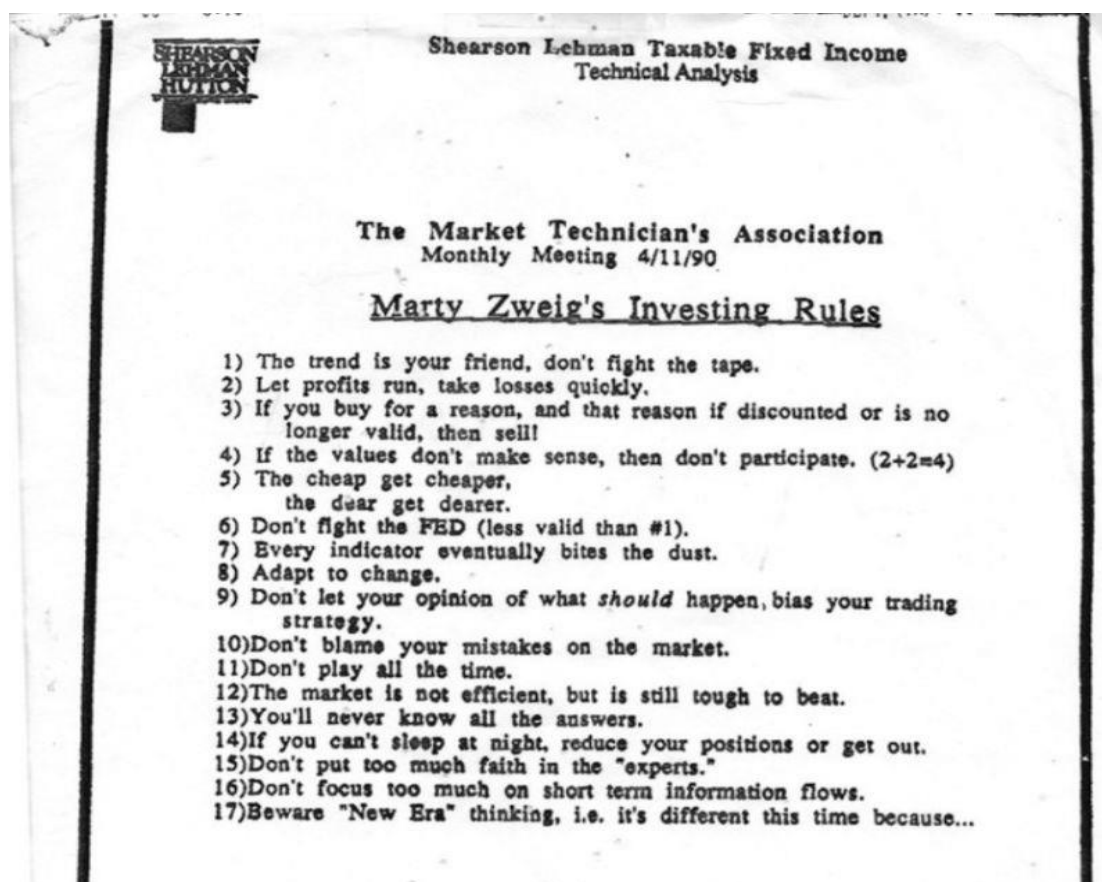


Source: WallStreetSilver, WSJ

#food-for-thought

#useful #investing

Martin Edward Zweig's Investing Rules
Martin Edward Zweig was an American stock investor, investment adviser, and financial analyst. His particular investing methodology was based on selecting growth stocks that also have certain value characteristics, through a system that uses both fundamental analysis and market timing.

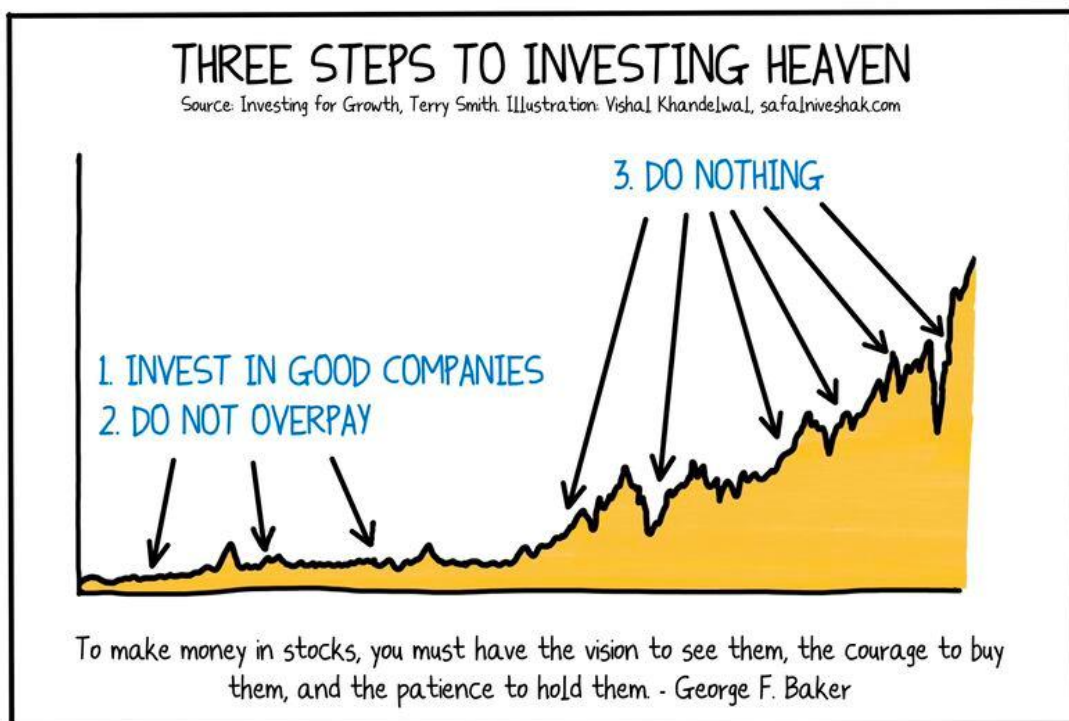


Source: shearson lehman, wikipedia

#food-for-thought

#useful #investing

Three steps to investing heaven...

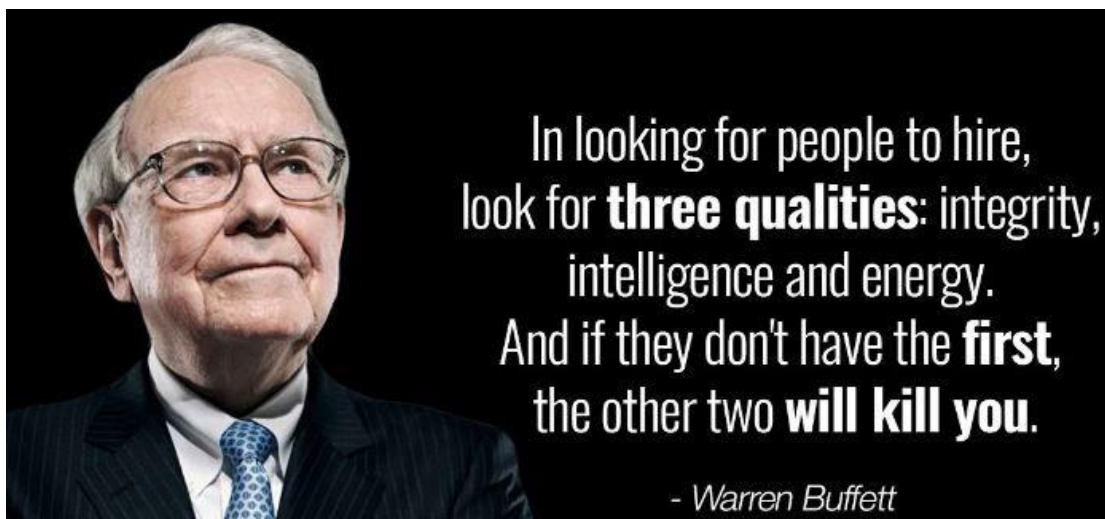


Source: Investing for Growth by Terry Smith thru Vishal Khandelwal

#food-for-thought

#warren-buffett #birthday

"Happy Birthday, Mr. Buffett!" Warren Buffett marked his 93rd birthday yesterday, August 30th. The investor anticipates the annual event with reluctance, as he despises the idea of growing older and remains indifferent to receiving gifts. Buffett's objective is to amass his wealth and cultivate strong friendships, much akin to a snowball rolling down a hill, gaining momentum.



Source: markets.businessinside

#food-for-thought

#buffet #rules-of-thumb

Warren Buffett's Financial Statement Rules of Thumb

Warren Buffett's Financial Statements Rules of Thumb



BY BRIAN FEROLDI

	METRIC	EQUATION	THRESHOLD
INCOME STATEMENT	Gross Margin	$\frac{\text{Gross Profit}}{\text{Revenue}}$	>40%
	SG&A Margin	$\frac{\text{SG\&A}}{\text{Gross Profit}}$	<30%
	R&D Margin	$\frac{\text{R\&D}}{\text{Gross Profit}}$	<30%
	Depreciation Margin	$\frac{\text{Depreciation}}{\text{Gross Profit}}$	<10%
	Interest Margin	$\frac{\text{Interest}}{\text{Operating Income}}$	<15%
	Tax Margin	$\frac{\text{Taxes}}{\text{Pre-Tax Income}}$	Corporate Tax Rate
	Net Income Margin	$\frac{\text{Net Income}}{\text{Revenue}}$	>20%
	EPS Growth	$\frac{\text{Year 2 EPS}}{\text{Year 1 EPS}}$	Positive & Growing
BALANCE SHEET	Cash & Debt	Cash > Debt	Cash > Debt
	Adjusted Debt to Equity	$\frac{\text{Total Liabilities}}{\text{Shareholder Equity} + \text{Treasury Stock}}$	Below 0.80
	Preferred Stock	NONE	NONE
	Retained Earnings	$\frac{\text{Year 2 Retained Earnings}}{\text{Year 1 Retained Earnings}}$	Consistent Growth
	Treasury Stock	Treasury Stock > 1	Exists
CASH FLOW STATEMENT	Capex Margin	$\frac{\text{Capex}}{\text{Net income}}$	<25%



Follow Brian Feroldi on LinkedIn

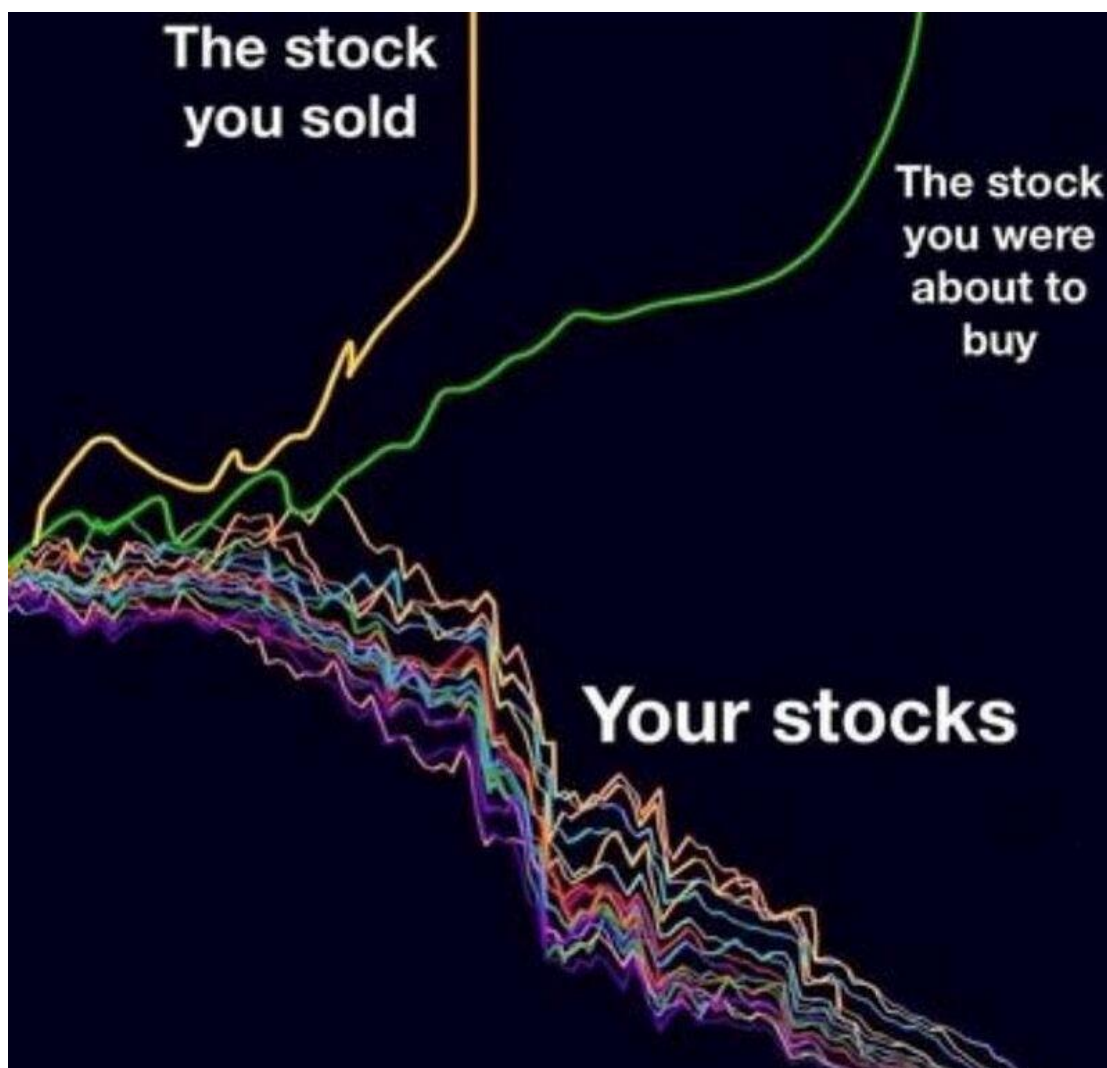


Source: [Brian Feroldi](#)

#food-for-thought

#humor #investing #timing

Painful 🤔

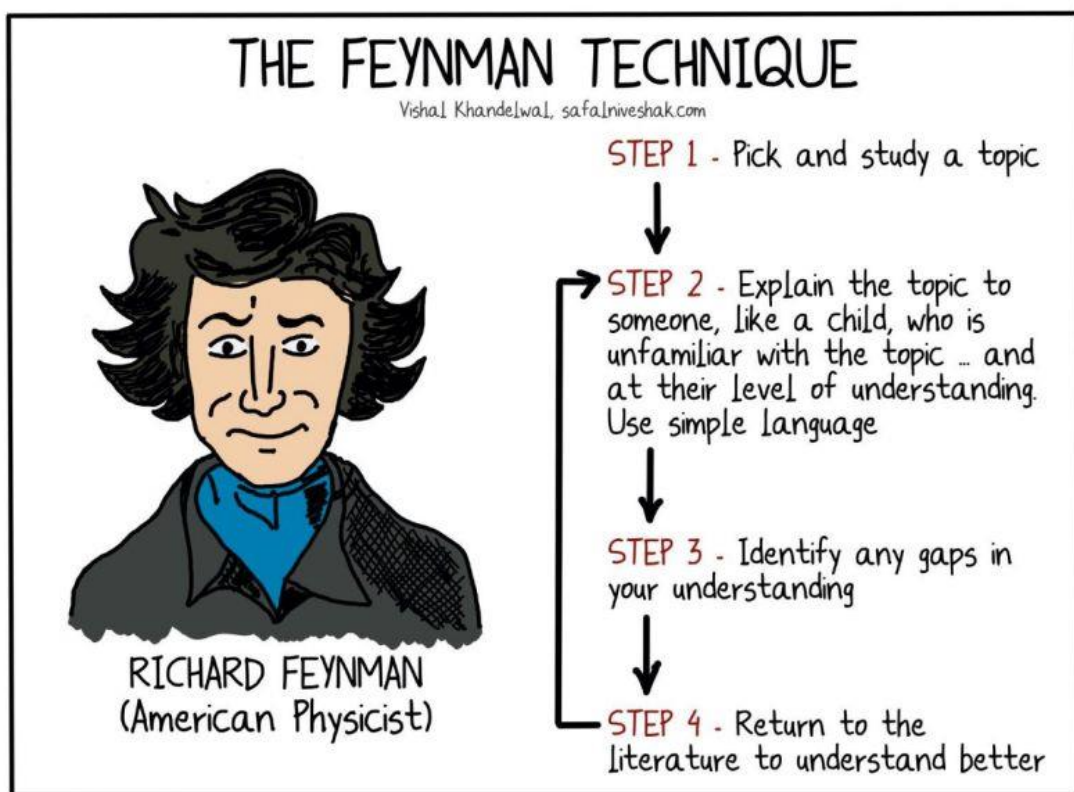


Source: Barchart

#food-for-thought

#feynman #learning

Learn anything...using the Feynman technique.



Source: Vishal Khandelwal

#food-for-thought

#financial-statements #yellow-flags

Financial Statement Yellow Flags

FINANCIAL STATEMENTS YELLOW FLAGS

BY BRIAN FEROLDI

BALANCE SHEET	INCOME STATEMENT	OTHERS
Goodwill More Than 50% of Assets	Revenue Sudden Slowdown In Growth Rate	Sudden Change in Auditor
Receivables Rising Faster than Sales	Gross Margin Declining	Negative Auditor Opinion
Inventory Rising Faster than Profits	Frequent, Large "Extraordinary" Charges	Sudden Exits of Top Managers
Debt Becoming Excessive	Tax Rate Suddenly Declines	Reduced Disclosures
Cash Less Than 25% of Total Debt	Net Profit Lower than Cash From Operations	Excessive Management Compensation
Retained Earnings Are Negative	Sales & Marketing Expenses Rising Faster Than Revenue	Excessive Dilution

Follow Brian Feroldi on LinkedIn

Source: Brian Feroldi

#food-for-thought

#university #endowments

The world's richest universities:

💰 Of the 25 wealthiest schools worldwide 🌐, only 2 are not from the United States.

💰 As of 2022, the University of Texas System had an endowment value of \$69 B, making it the wealthiest university in the world 🏦.



Source: [Genuine Impact](#) / [Chris Quinn](#)

#food-for-thought

#dotcom #bubble #sp500

March 27th, 2000 -- nobody knew it at the time, but it was the peak of the Dot Com bubble. This is what the ten largest stocks in the S&P 500 looked like at the time and what their market caps would be worth in today's in \$\$\$.

Largest S&P 500 Stocks at Dot Com Peak (3/27/00)			
Stock	Company	Mkt Cap on 3/27/00	In Today's \$\$\$
CSCO	Cisco Systems	\$551,630,602,240	\$984,991,603,359.74
MSFT	Microsoft	\$522,393,747,456	\$932,786,275,457.43
GE	General Electric	\$518,799,884,288	\$926,369,073,384.65
INTC	Intel	\$475,720,122,368	\$849,445,850,500.30
XOM	Exxon Mobil	\$266,017,669,120	\$475,001,149,980.67
ORCL	Oracle	\$249,529,057,280	\$445,559,084,679.17
WMT	Walmart	\$246,904,389,632	\$440,872,478,126.90
IBM	IBM	\$226,372,403,200	\$404,210,563,153.92
NOK	Nokia of America	\$207,407,431,680	\$370,346,710,007.81
C	Citigroup	\$202,261,970,944	\$361,158,975,317.61

Source: bespoke

#food-for-thought

#profitability #aramco

The most profitable companies in the world



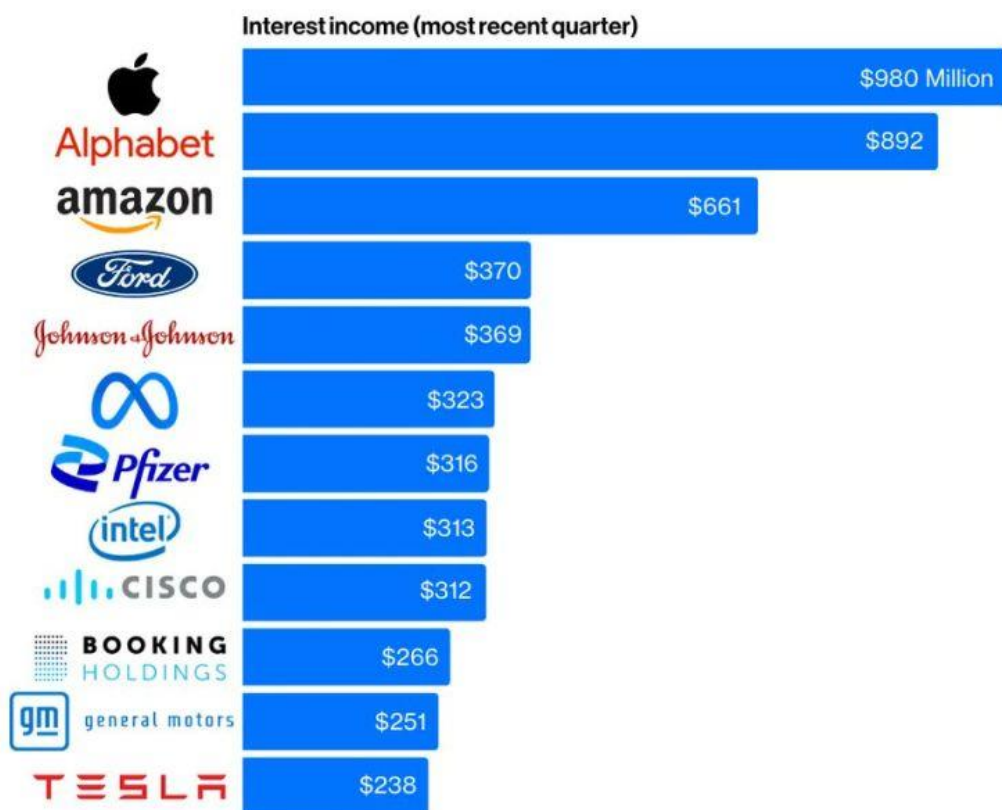
Source: InvestyWise

#food-for-thought

#us #equities #rates

US interest rates going up can be a benefit... it just depends on which side of the table you are on!

These companies are crushing it by just collecting interest



Source: Bloomberg
Note: excludes financial sector

BloombergOpinion

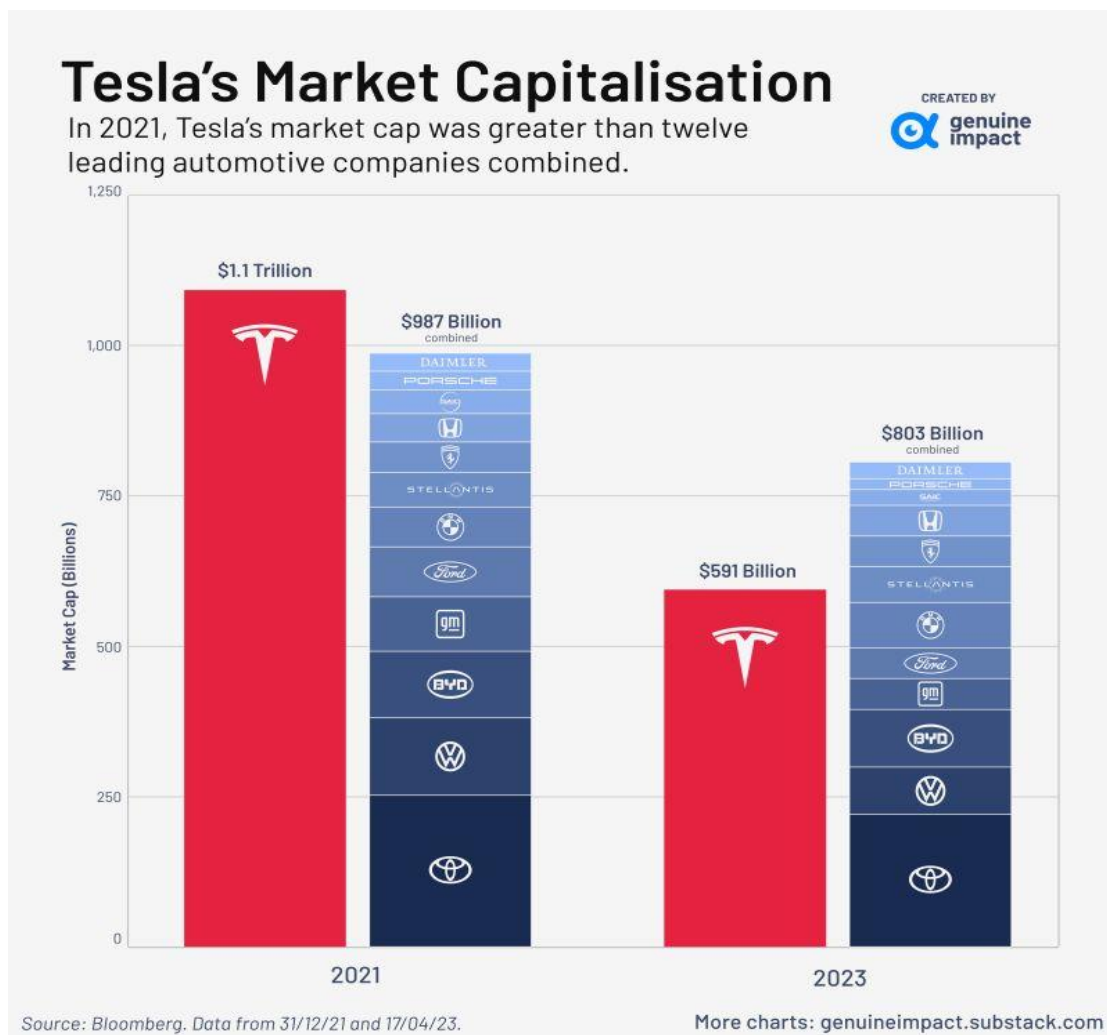
Source: Bloomberg Opinion



#food-for-thought

#tesla #market-cap

🚗 Surprisingly, even with Tesla's market capitalization drop, it still exceeds the combined valuation of virtually any traditional car manufacturer you can think of. 📊



Source: [Genuine Impact](https://genuineimpact.substack.com)

#food-for-thought

#lvmh #luxury

25 Years of \$LVMH Revenue Growth per Business Group



Source: [Quatr](#)

#food-for-thought

#openai #gpt #enterprise

OpenAI on Monday announced its biggest news since ChatGPT's debut: It's launching ChatGPT Enterprise, the AI chatbot's business tier, available starting today. The tool has been in development for "less than a year" and had the help of more than 20 companies of varying sizes and industries, including Block, Canva and The Estée Lauder Cos. ChatGPT Enterprise includes access to GPT-4 with no usage caps, as well as performance up to two times faster than previous versions and API credits. ChatGPT Enterprise provides all the core capabilities of ChatGPT like essay writing and coding assistance. But it also adds enterprise-grade features like enhanced privacy controls, usage analytics, and performance boosts. This puts it on par with Microsoft's Bing Chat Enterprise in terms of targeting workplace usage.



Source: CNBC, cyberkendra

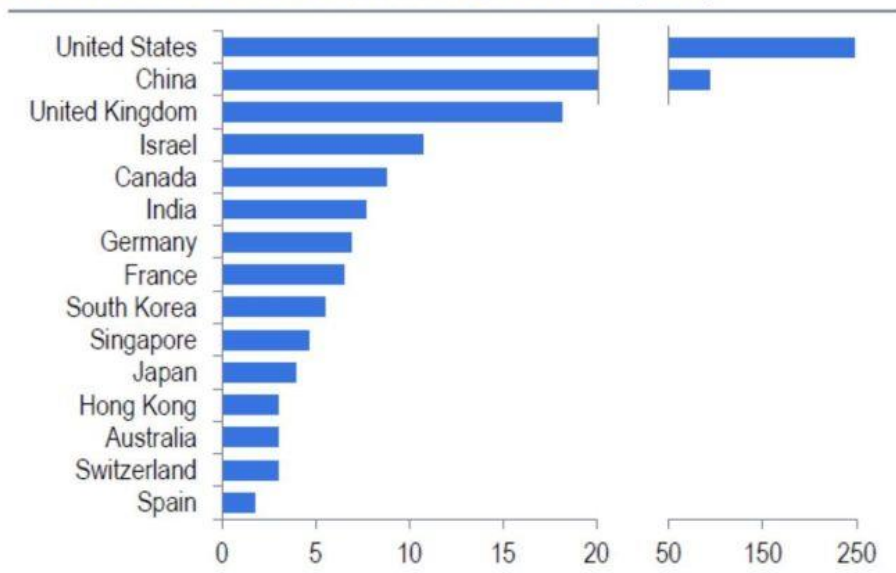
#food-for-thought

#us #china #ai #innovation

The US and China are the ones investing massively in innovation and the future. Europe is lagging and prefer first to debate about regulating AI. This could have serious consequences in terms of competitiveness, productivity and economic growth.

Figure 6: US investment in AI significantly outpaces that from other economies

Private investment in AI, USD bn, 2013- 22 (sum)



Source: 2023 AI Index Report, NetBase Quid, 2022, Standard Chartered Research

Source: Standard Chartered, Michael A.Arouet

#food-for-thought

#finance #evolution #technology

Survival of the fittest... The business world and financial markets are in constant evolution and some species get replaced by others...In 2000, Palm was worth more than Apple, Nvidia & Amazon combined.

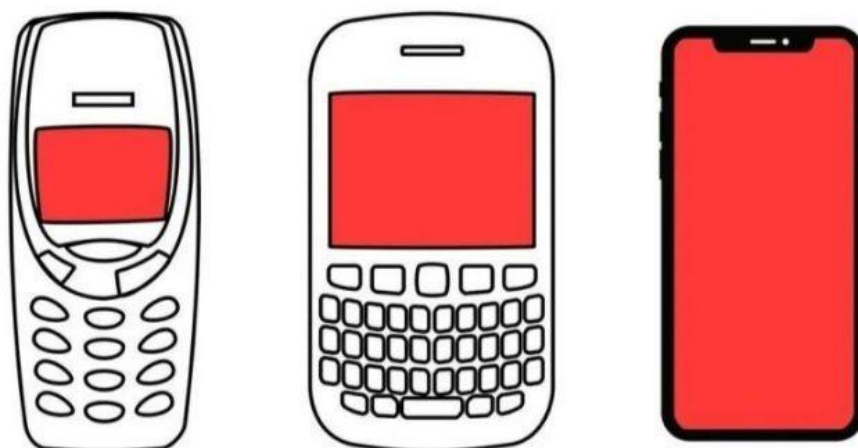


Source: John Erlichman Tweet

#food-for-thought

#tech #disruption #past&present

The last 30 years...



■ AMOUNT OF DISTRACTION

Source: Seek Wiser

#food-for-thought

#apple #iphone #launch

Apple announces the iPhone 15 launch event. Apple just sent invitations for an event on September 12th at 1PM ET / 10AM PT, where the company is expected to announce the iPhone 15 lineup and new Apple Watches. In the invite sent by Apple, the company says its “Wonderlust” event will take place live from Apple Park. The invite also includes the Apple logo in gray, blue, and black, which may tease the color options that the iPhone 15 Pro lineup is rumored to come in.



Source: theverge

#food-for-thought

#iphone #sales #apple

iPhone 14 Pro Max crowned as the most shipped smartphone of 2023. According to the report from Omdia Apple has shipped over 26.5 million units of the iPhone 14 Pro Max (review), making it the highest-selling smartphone of 2023. Similarly, the iPhone 14 Pro holds the second position with a shipment size of 21 million. Even the third and fourth highest-selling smartphones of 2023 — the iPhone 14 and the iPhone 13 — belong to Apple. The company has shipped 16.5 million iPhone 14 units and 15.5 million iPhone 13 units until in the first half of 2023. Samsung has managed to sell over 9.6 million units of its latest flagship, the Galaxy S23 Ultra (review) smartphone. Additionally, the company has sold 12.4 million units of the Galaxy A14, a budget 4G smartphone from Samsung.

Global Top 10 Most Shipped Smartphones

Ranking	Model Name	Brand	1H23	Model Name	Brand	1H22
1	iPhone 14 Pro Max	Apple	26.5	iPhone 13	Apple	33.7
2	iPhone 14 Pro	Apple	21.0	iPhone 13 Pro Max	Apple	23.0
3	iPhone 14	Apple	16.5	Galaxy A13	Samsung	16.2
4	iPhone 13	Apple	15.5	iPhone 13 Pro	Apple	14.8
5	Galaxy A14	Samsung	12.4	iPhone 11	Apple	11.7
6	Galaxy S23 Ultra	Samsung	9.6	Galaxy S22 Ultra 5G	Samsung	9.8
7	Galaxy A14 5G	Samsung	9.0	Galaxy A12	Samsung	9.5
8	Galaxy A54 5G	Samsung	8.8	Galaxy A03 Core	Samsung	7.7
9	Galaxy A34 5G	Samsung	7.1	Redmi Note 11	Xiaomi	7.6
10	iPhone 11	Apple	6.9	Redmi 9A	Xiaomi	7.4

Source: Omdia

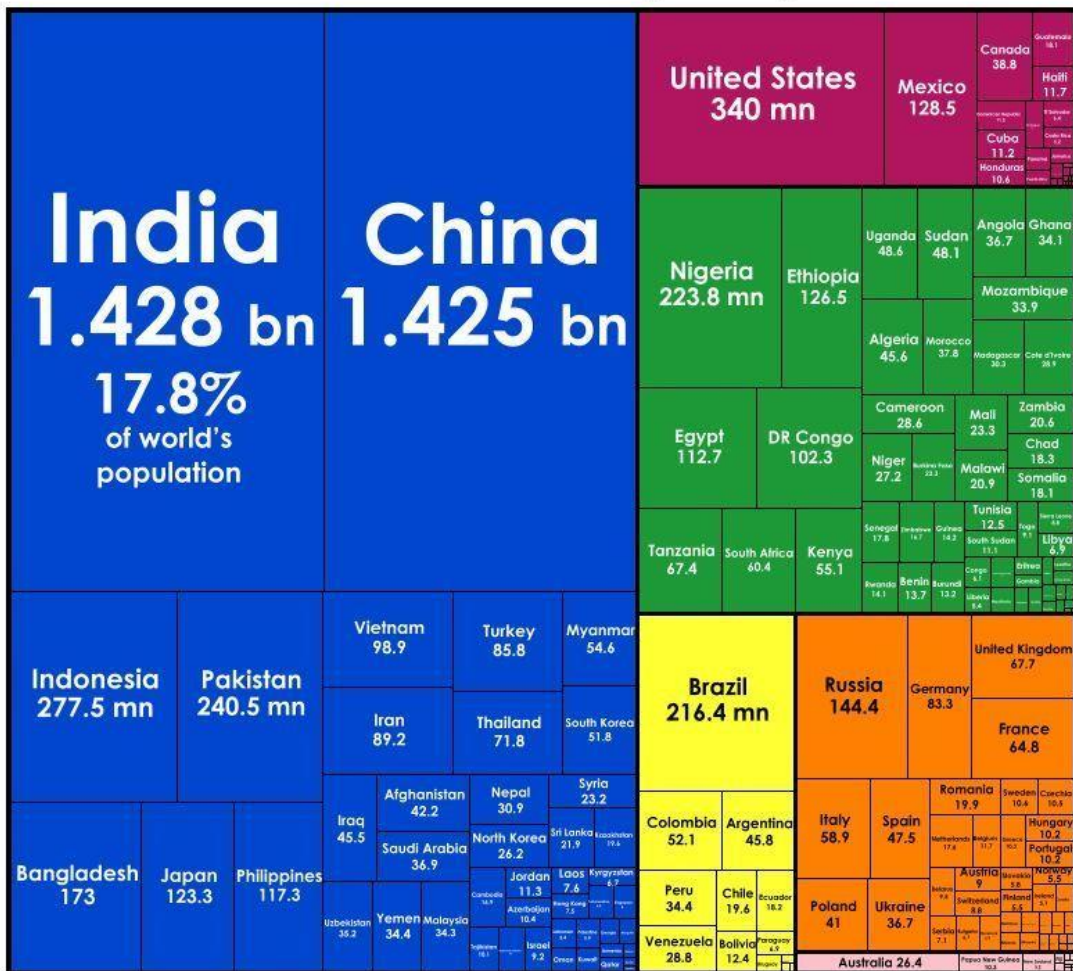
Source: omdia

#food-for-thought

#population #demographics

Where do 8 billion people live?

Where do 8 billion people live?



Source: UN FPA, 2023

statsofindia.in

Source: statsofindia.in

#food-for-thought

#millionaires #wealth

Visualizing the World's Growing Millionaire Population. Reaping the rewards of tech revolutions, market booms, and more, the last decade has seen a remarkable increase in the global number of millionaires. In 2022, 1.1% of all of the world's adults were millionaires, up from 0.6% in 2012.

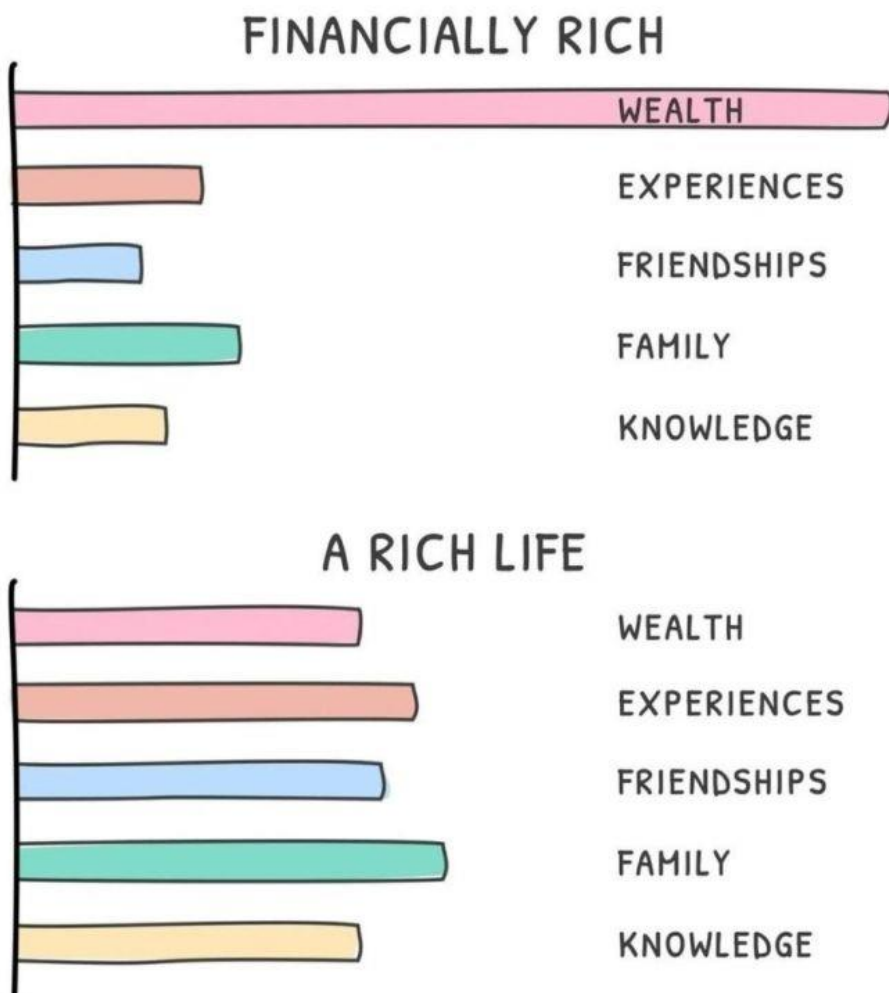


Source: visual capitalist, global wealth report by credit suisse.

#food-for-thought

#life-lesson #wealth

The difference between being financially rich and enjoying a rich life



Source: Seek Wiser

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For the future...