Athens Money Show 2025

Global Markets' Risks

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Θεμελιώδη Στοιχεία

ΧΡΗΜΑΤΙΣΤΉΡΙΟ ΑΘΗΝΏΝ

ΧΑ - Τράπεζες

				ΘΕΜΕΛΙΩΔΗ ΣΤΟΙΧΕΙΑ ΜΕΤΟΧΩΝ ΧΑ											
ΜΕΤΟΧΗ	ΤΙΜΗ*	P/E	ΚΕΦΑΛ/ΣΗ	P/BOOK	ROE	Revenues	Net Profit	Groos Margin	Net margin	Div.Yield	EPS	Beta	Debt/Equity	12m Target	Fair Value
ΕΤΕ	10,35	8,6	9,4b	0,98	14,38%	2,62b	1,10b	99,24%	42,02%	3,70%	1,21	1,66	68,40%	10,22	18,64
ALPHA	2,68	11	6,2b	0,59	7,70%	1,80b	564m	100,00%	31,37%	1,16%	0,24	1,75	100,40%	2,57	3,66
ΕΥΡΩΒ	2,66	6,63	9,8b	1,09	17,69%	3,09b	1,48b	100,00%	48,01%	3,55%	0,4	1,55	126,70%	3,011	4,38
ΠΕΙΡ	5,7	6,4	7,1b	0,71	13,64%	2,73b	1,12b	100,00%	40,86%	1,22%	0,9	1,56	80,90%	5,94	9,1
BOCHGR	6,62	5,7	2,9b	0,9	19,20%	1,05b	508,19m	100,00%	47,44%	8,40%	1,16	0,86	47,50%	6,4	7,87
OPTIMA	17,96	7,9	1,32b	1,8	24,80%	243,33m	146,49m	100,00%	60,20%	2,90%	1,99	1,2	21,90%	17,3	16,82

ΧΑ - Μεγάλη κεφαλαιοποίηση 1

ΜΕΤΟΧΗ	ΤΙΜΗ*	P/E	ΚΕΦΑΛ/ΣΗ	P/BOOK	ROE	Revenues	Net Profit	EBITDA	Groos Margin	Net margin	Div.Yield	EPS	Beta	Debt/Equity	12m Target	Fair Value
ΜΠΕΛΑ	28,76	12,1	3,9b	3,01	24,40%	1,15b	320m	394,2m	55,22%	27,84%	5,40%	2,34	0,64	6,23%	33,37	**28,3**
ΟΠΑΠ	20,06	14,8	7,2b	13,7	80,10%	1,57b	485,78m	774,7m	61,67%	30,94%	8,40%	1,24	0,93	136,38%	18,66	**18,91**
ΒΙΟΧ	5,84	9,4	1,53b	0,9	5,00%	6,33b	85,78m	455m	11,05%	2,43%	1,90%	0,33	1,27	112,80%	N/A	**13,21**
ΜΟΗ	22,34	8,7	2,5b	0,9	11,60%	12,717b	283,4m	949,4m	9,00%	2,33%	9,20%	2,85	0,88	104,26%	26,28	**34,91**
ΕΛΠΕ	7,75	39,87*	2,4b	0,9	2,10%	12,77b	59,79m	690,8m	7,11%	-0,89%	9,62%	-0,36	0,68	95,49%	7,65	**19**
ΔΕΗ	13,76	15,3	4,88b	1,1	7,50%	8,98b	324,6m	1,393b	48,53%	1,69%	1,80%	0,9	1,25	117,60%	17,57	**162,72**
ΑΔΜΗΕ	2,725	9,2	631,6m	0,7	8,90%	75,7	73,27m	72,97m	99,97%	99,17%	4,31%	0,31	0,89	0,01%	3,7	**14,98**
ΜΥΤΙΛ	43.94	10	6,1b	1,8	22%	5,68b	614,6m	978,6m	18,09%	10,81%	4,10%	4,46	0,76	137,79%	47,14	**25,86**
ΤΙΤ	41,55	11	3,05b	1,8	19%	2,64b	295,6m	543,5m	26,86%	10,55%	2,10%	3,97	1,02	51,02%	49,85	**73,4**
ΕΕΕ	40,95	20,8	14,86b	4,6	26,10%	10,75b	820,6m	1,49b	36,06%	7,63%	2,30%	2,25	0,95	120,51%	40,1	**54,6**

ΧΑ – Μεγάλη Κεφαλαιοποίηση 2

ΜΕΤΟΧΗ	ΤΙΜΗ*	P/E	ΚΕΦΑΛ/ΣΗ	P/BOOK	ROE	Revenues	Net Profit	EBITDA	Groos Margin	Net margin	Div.Yield	EPS	Beta	Debt/Equity	12m Target	Fair Value
Autoellas	11,92	6,7	572m	1,3	19,50%	989,3m	84,89m	254,6m	19,96%	8,61%	7,10%	1,68	0,91	182,83%	14,6	**8,22**
ΑΡΑΙΓ	13	8,1	1,06b	2,3	26,40%	1,772b	131,3m	241,4m	23,82%	7,20%	6,30%	1,46	1,64	271,62%	13,78	**2,4**
ΔΑΑ	8,89	12,8	2,65b	5,4	48,20%	665,5m	235,9m	515,6m	91,33%	35,48%	8,80%	0,76	0,85	190,88%	9,38	**3,52**
ΕΛΛΑΚΤΩΡ	1,32	10,4	806m	1,1	10,60%	400m	85,2m	173,3m	67,78%	17,35%	n/a	0,25	1,22	81,48%	-	**0,54**
ΓΕΚΤΕΡΝΑ	19,3	77,9	1,9b	1,68	12,26%	3,25b	24,80m	506,2m	10,48%	0,76%	1,33%	1,73	0,83	142,27%	24,57	**5,75**
ΑΚΤΡ	5,35	157,7	1,12b	6,8	-1,50%	1,25b	6,92m	58,55m	9,85%	0,55%	n/a	0,034	1,27	215,92%	n/a	**4,87**
ΑΒΑΞ	2,07	14,4	305,9m	2,1	17,00%	651,5m	21,27m	22,82m	12,64%	3,26%	1,40%	0,18	1,35	223,61%	-	**426**
ΛΑΜΔΑ	6,63	24,8	1,15b	1	1,60%	664,84m	46,25m	146,7m	48,32%	6,96%	6%	0,11	0,69	130,56%	10,24	**10,24**
ΟΤΕ	16,58	13,9	6,9b	3,1	24,50%	3,59b	492,9m	1,14b	63,91%	13,72%	4,70%	1,16	0,52	56,05%	18,19	**26,1**
ΚΟΥΕΣ	7,24	15,6	766m	2,5	17,70%	1,33b	49,11m	79,57m	13,72%	3,71%	3,50%	0,43	0,87	68,09%		**10,4**
ΕΥΔΑΠ	5,88	42,7	626m	0,7	3,50%	374m	14,65m	78,64m	39,59%	3,92%	1,70%	0,14	0,38	0,30%	5,78	**1,01**
ΕΧΑΕ	5,85	19,5	338m	3	16,20%	50,4m	16,61m	18,45m	91,31%	33,31%	4,70%	0,3	0,74	0,41%	6,63	**4,17**
CENER	9,42	14,3	2,01b	2,8	25%	1,8b	139,4m	265,7m	16,38%	7,76%	1%	0,72	0,69	129,50%	12,4	**16,43**
ΕΛΧΑ	2,18	7,9	818m	0,8	11%	3,44b	103,2m	242,7m	8,26%	3,00%	4%	0,28	1,05	67,30%	2,4	**3,39**
ΟΛΠ	45,5	13	823,8m	2,1	19%	230,1m	87,46m	123,5m	58,85%	37,88%	4,10%	3,5	0,57	22,87%	48	**39,52**
ΟΛΘ	33,3	12	335,66m	1,6	14,40%	100.65m	28,02m	37,36m	46,88%	27,84%	4,60%	2,78	0,35	25,43%	n/a	**50**

Ελλάδα - Κίνδυνοι

1. **Δημόσιο Χρέος (~160% του ΑΕΠ)**
   1. Αν και μειώνεται ως ποσοστό του ΑΕΠ, παραμένει **υψηλότερο στην Ευρώπη**.
   2. Εξαρτάται από τις **αξιολογήσεις rating agencies** (π.χ. Moody's, S&P).
   3. Τραπεζικά NPLs (Μη Εξυπηρετούμενα Δάνεια)
2. **Πλεόνασμα vs Ανάπτυξη**
   1. Η Ελλάδα **πρέπει να παράγει πλεόνασμα** λόγω χρέους, αλλά αυτό **περιορίζει τις επενδύσεις**.
   2. Οι τράπεζες έχουν βελτιώσει τα NPLs, αλλά η **αδυναμία χορήγησης νέων δανείων** μπορεί να επιβραδύνει την οικονομία.
3. **Γεωπολιτικοί Κίνδυνοι**

   α - Τουρκικές Εντάσεις (Αιγαίο, Κυπριακό)

   β - Παγκόσμια Αβεβαιότητα (Πόλεμος Ουκρανίας, Μέση Ανατολή) →

   => Επίδραση σε τουρισμό, ενέργεια
4. **Εσωτερικοί Κίνδυνοι**

   α - Δημογραφική Κρίση

   (Γήρανση πληθυσμού → πίεση σε συντάξεις).

   β - Αδυναμία Επενδύσεων σε Τεχνολογία

   (Η χώρα υστερεί σε ψηφιοποίηση).

US market fundamentals
Tech + Financial sector

Magnificent 7 + 2

Share	Price	M.Cap	P/E	P/BOOK	EPS	ROE	Revenues	EBITDA	Net Income	Cash from Oper.	Gross Margin	Net Margin	Debt/ Equity	Current Ratio	Div. Yield	Beta	12m Target	FV
NVDA	98.2	2,476B	34.53	3.24	2.99	98.06%	130.5B	83.32B	72.88B	64.09B	75.45%	55.85%	0.11	4.44	1.14%	2.4	166.53	130-144
AAPL	205.42	3,000B	27.86	42.91	6.40	168.79%	395.76B	117B	103.98B	108.29B	42.32%	26.09%	1.66	0.91	0.5%	1.18	240.37	220.31
GOOG	147.2	1,812.1B	18.83	5.55	8.04	33.8%	350.02B	105.7B	86.67B	125.3B	58.24%	29.38%	0.13	1.84	0.5%	0.97	203.6	237-248
AMZN	167.32	1,775B	30.3	6.2	5.52	24.32%	638B	121.38B	68.61B	115.88B	48.85%	9.3%	0.27	1.06	n/a	1.48	250.68	240-290
NFLX	1053.02	442.74B	32.76	6.98	12.03	26.87%	33.72B	7.98B	5.41B	7.97B	42.2%	16.05%	1.01	1.34	n/a	0.84	1,112.68	846.31
META	519.1	1,026B	22.75	7.63	23.89	35.57%	164.5B	85.27B	90.66B	91.33B	80.77%	31.43%	0.158	2.98	0.36%	0.77	697.01	890.39
TSLA	253.1	745.67B	157.35	12.33	2.42	9.16%	95.72B	16.64B	10.88B	16.48B	17.9%	6.72%	0.11	2,00	N/A	1.78	282.92	130.16
MSFT	374.95	2,073B	35.97	11.55	9.68	26.19%	211.9B	108.6B	72.4B	125.58B	68.85%	34.17%	0.64	1.35	0.79%	0.94	485.41	443.78
AVGO	174.00	797.3B	79.09	6.18	2.07	28.67%	54.53B	17.7B	9.27B	21.26B	75.36%	25.9%	0.53	1	4.1%	1.07	235.56	181.62

Tech sector

Share	Price	M.Cap	P/E	P/BOOK	EPS	ROE	Revenues	EBITDA	Net Income	Cash from Oper.	Gross Margin	Net Margin	Debt/Equity	Current Ratio	Div.Yield	Beta	12m Target	FV
INTC	20.11	85.08B	(4.55)	0.9	(0.13)	N/A	53.04B	(11.21)	(19.23B)	10.32B	31.67%	(37.11%)	0.502	1.31	1.23%	1.5	21.75	31.80
AMD	89.23	139.42B	85.99	6.17	0.53	2.07%	25.79B	5.7B	850m	3.04B	46.53%	3.77%	0.07	2.62	n/a	1.98	139.6	149.10
PLTR	92.1	219.85B	495.88	43.84	0.19	10.46%	2.87B	1.13B	489.17m	1.15B	80.25%	16.33%	0.00	5.96	n/a		90.6	66.0
SMCI	32.01	18.15B	14.32	3.11	2.29	31.02%	20.82B	1.252B	1.153B	(1.99)B	12.44%	6.93%	0.306	6.38	n/a	1.22	44.93	301.04
TSM	157.4	680.46B	20.50	4.79	5.37	23.37%	75.88B	45.8B	27.77B	2,015.44 B	54.40%	36.60%	0.33	1.83	0.38%	1.31	216.58	260.51
PANW	167.38	108.34B	102.56	8.52	(0.79)	(3.25)	8.00B	1.13B	(0.27)	3.11B	71.98%	(3.34)	0.48	1.09	N/A	0.96	209.39	238.13
MU	72.72	78.46B	157.35	1.65	0.67	4.34%	30.76B	7.6B	1.47B	13. 07B	30.85	4.78	0.13	2.38	0.6%	1.18	120.81	98.29
APM	104.77	105.98B	408.99	14.39	0.52	3.78%	2.68B	950m	520m	806M	71.12%	19.55%	0.13	4.96	n/a	1.26	151.21	61.4
CVNA	222.1	9.4B	160.69	42.46	1.57	27.94%	13.67B	400M	404M	918M	71.43	2.95%	4.47	3.64	N/A	3.04	256.37	193.52
ABNB	117.22	72.46B	30.11	9.18	4.12	31.95%	11.23B	3.33B	2.65B	4.38B	71.54%	23.85%	0.237	1.69	N/A	1.47	140.58	250.46

DJIA components

Share	Price	M.Cap	P/E	P/BOOK	EPS	ROE	Revenues	EBITDA	Net Income	Cash from Oper.	Gross Margin	Net Margin	Debt/ Equity	Current Ratio	Div.Yield	Beta	12m Target	FV
VISA	331.4	647.42B	34.4	19.65	9.96	51.67%	37.62B	24.5B	19.9B	21.89B	80.09%	52.86%	0.55	1.08	0.64%	0.92	376.99	296.31
MA	527.33	480.77B	39.35	77.04	13.89	148.24%	28.17B	17.41B	15.25B	14.78b	76.72%	45.71%	2.81	1.03	0.51%	1.02	614.31	642.97
IBM	240.9	223.38B	17.64	2.98	8.17	27.56%	63.90B	11.9B	7.50B	3.65B	55.34%	11.74%	1.36	1.35	2.79%	0.86	249.97	282.19
NKE	59.1	84.22B	18.89	5.99	3.01	31.39%	47.82B	6.7B	5.7B	5.85B	43.82%	9.43%	0.64	2.19	2.63%	1.19	74.69	109.52
XOM	110.2	468.43B	13.48	1.75	7.85	14.37%	339.25B	48.87B	35.03B	52.05B	29.53%	10.33%	0.158	1.31	3.65%	0.68	123.86	220.35
MRK	79.86	198.72B	12.1	6.7	6.87	40.81%	63.92B	20.17B	17.13B	21.47B	78.04%	27.3%	0.317	1.36	3.8%	0.81	105.89	213.83
GS	533.15	161.61B	12.99	11.64	14.2	9.32	126.24B	18.81B	14.28B	(22.4B)	85.3%	11.79%	5.92	0.87	2.26%	1.4	592.85	691.48
JPM	240.61	655.65B	12.24	2.09	20.37	18.25%	278.9B	76.2B	58.47B	(139.69B)	63.88%	32.99%	2.79	0.9	2.02%	1.08	261.05	376.96
NVDA	98.2	2,476B	34.53	3.24	2.99	98.06%	130.5B	83.32B	72.88B	64.09B	75.45%	55.85%	0.11	4.44	1.14%	2.4	166.53	130-144
AAPL	205.42	3,000B	27.86	42.91	6.40	168.79%	395.76B	117B	103.98B	108.29B	42.32%	26.09%	1.66	0.91	0.5%	1.18	240.37	220.31
MSFT	374.95	2,073B	35.97	11.55	9.68	26.19%	211.9B	108.6B	72.4B	125.58B	68.85%	34.17%	0.64	1.35	0.79%	0.94	485.41	443.78
AMZN	167.32	1,775B	30.3	6.2	5.52	24.32%	638B	121.38B	68.61B	115.88B	48.85%	9.3%	0.27	1.06	n/a	1.48	250.68	240-290

Major Banks

Share	Price	M.Cap	P/E	P/BOOK	EPS	ROE	Revenues	EBITDA	Net Income	Cash from Oper.	Gross Margin	Net Margin	Debt/Equity	Current Ratio	Div.Yield	Beta	12m Target	FV
GS	533.15	161.61B	12.99	11.64	14.2	9.32	126.24B	18.81B	14.28B	(22.4B)	85.3%	11.79%	5.92	0.87	2.26%	1.4	592.85	691.48
MS	112.61	177.38B	14.03	1,62	8.52	13.83%	110.15B	18.75B	13.53B	17.6B	86.5%	13.11%	7.9	0.66	3.09%	1.3	126.31	133.10
BAC	39.23	289.7B	12.28	1.13	3.35	9.76%	30.11B	30.11B	27.85B	4.55B	90.11%	26.83%	2.43	0.79	2.48%	1.25	47.48	67.97
C	65.97	121.5B	11.09	0.68	6.33	6.35%	107.76B	17.95B	12.7B	(19.67B)	48.54%	16.58%	0.245	1,00	3.19%	1.3	83.97	127.71
JPM	240.61	655.65B	12.24	2.09	20.37	18.25%	278.9B	76.2B	58.47B	(139.69B)	63.88%	32.99%	2.79	0.9	2.02%	1.08	261.05	376.96
WFC	73,00	216.02B	13.15	1.47	5.57	11.64%	82.3%	23.1B	19.96B	4.12B	66.84%	24.69%	0.144	1.81	2.12%	1.16	77.54	110.53

Global Markets and Economy

- LOOKING FOR :
- NEW HIGS FOR INDEXES AND STOCKS ?
- HIGHER YIELDS ?
- STAGFLATION ?
- GEOPOLITICAL TENSIONS ?
- NEW TARIFF ERA ?

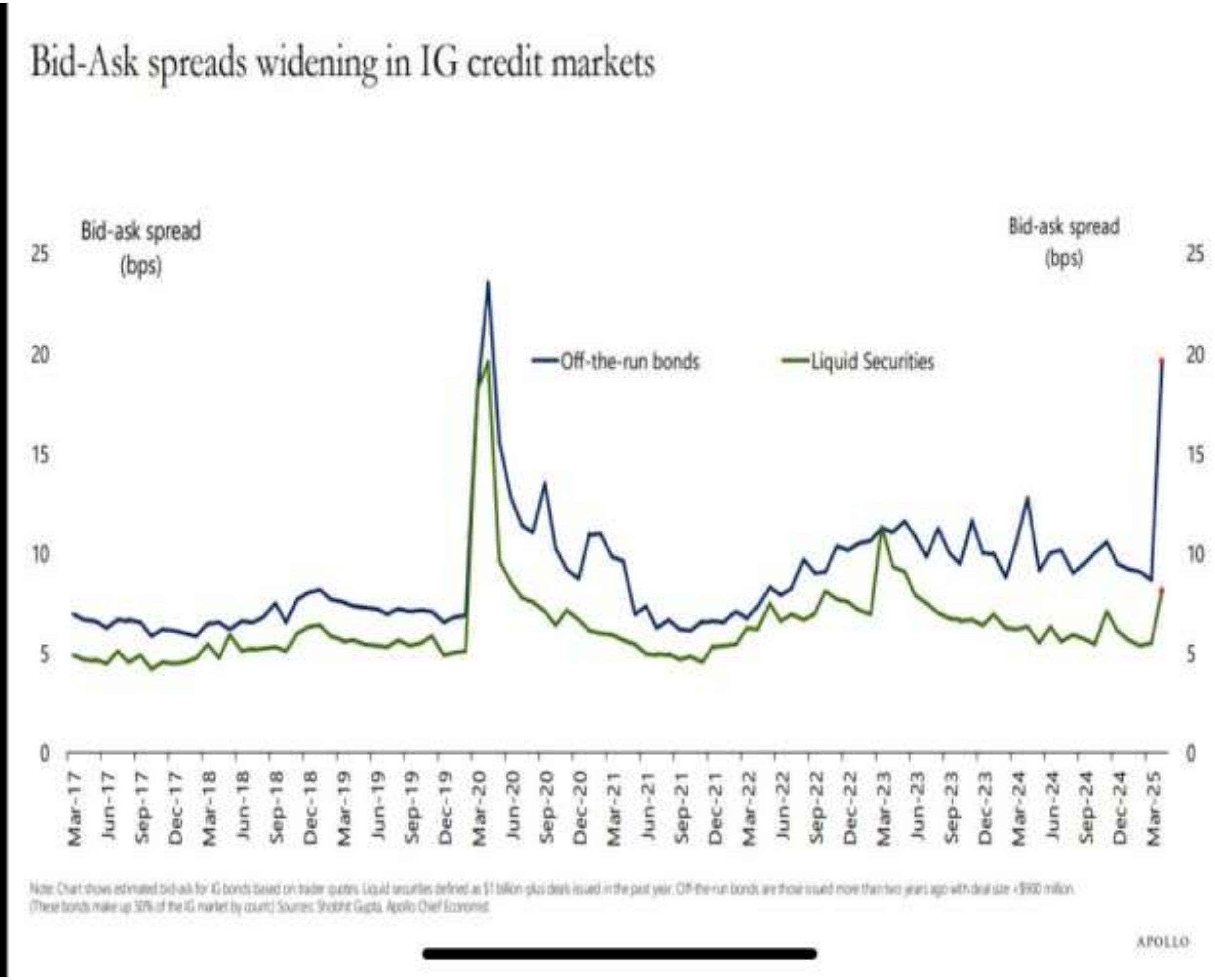
Trump tariffs won’t lead supply chains back to US, companies will go low-tariff globe-hopping:

Most companies say high costs will keep them from moving manufacturing back to the U.S., according to a new CNBC Supply Chain survey, and if they do, 81% expect automation to be favored over workers.

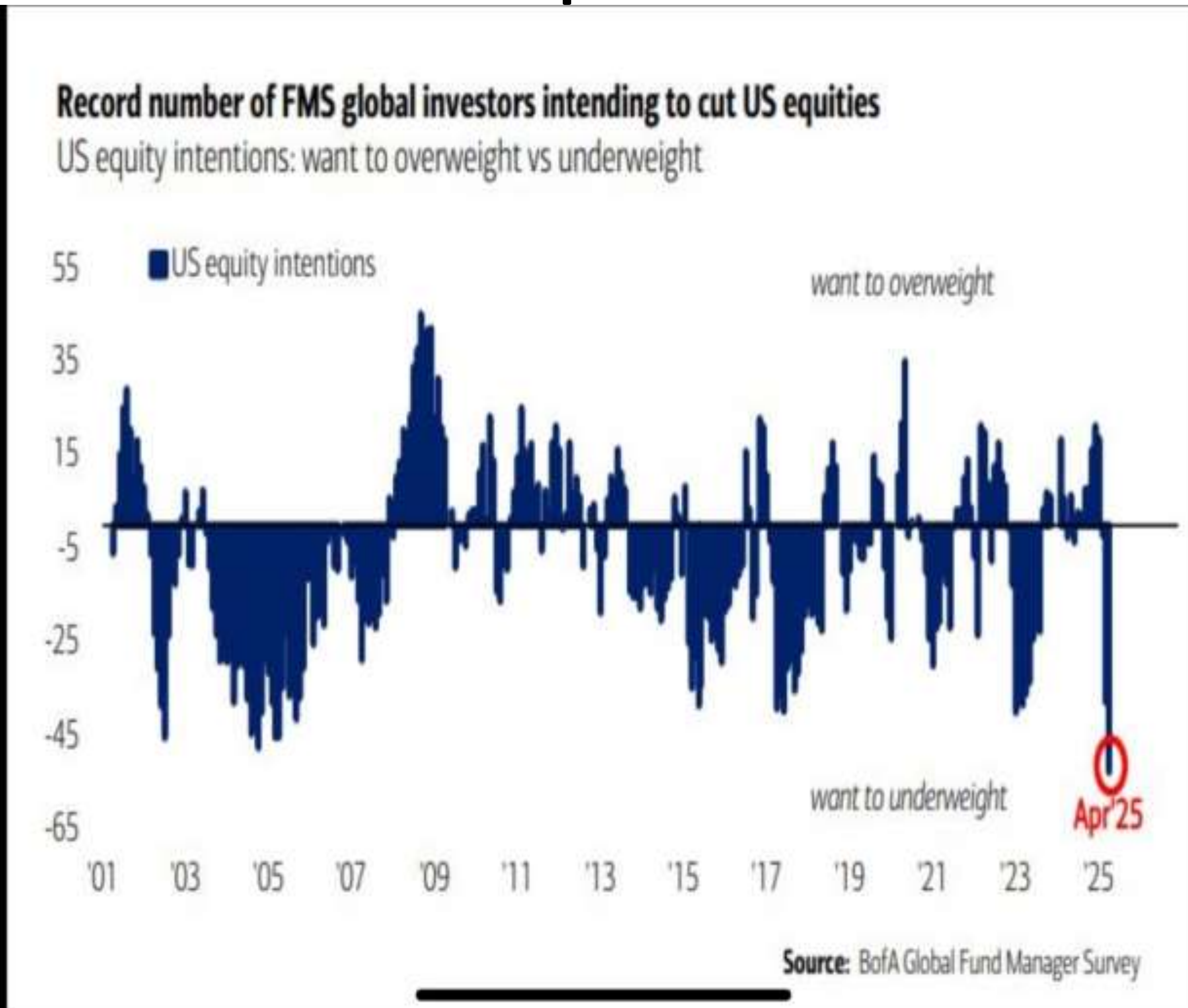
Nearly half say re-shoring would double costs and that President Donald Trump’s trade war is more likely to kick off a new global search for low-tariff regimes.

In the near term, 61% of survey respondents said price hikes are coming and consumer demand will decline, with recession the base case for 63% of respondents.

Bid – Ask spreads widening



FMS Global Investors want to sell US equities



8th worst start to a year in history ...

S&P 500: Worst Performance through First 63 Trading Days (1928 - 2025)				
Rank	Year	Price Return: First 63 Trading Days	Price Return: Day 64 to Year-End	Price Return: Full Calendar Year
1	2020	-23.5%	52.0%	16.3%
2	1938	-19.4%	54.6%	24.5%
3	1939	-14.3%	10.7%	-5.2%
4	2001	-13.2%	0.2%	-13.0%
5	1932	-13.1%	-2.0%	-14.8%
6	1935	-10.5%	58.0%	41.4%
7	1977	-8.4%	-3.4%	-11.5%
8	**2025**	**-8.2%**	**?**	**?**
9	2009	-7.6%	33.6%	23.5%
10	1960	-7.6%	5.0%	-3.0%
11	1933	-7.4%	55.5%	44.1%
12	1982	-7.1%	23.3%	14.5%
13	1978	-7.0%	8.6%	1.1%
14	2008	-6.9%	-34.9%	-39.3%
15	1942	-6.7%	20.5%	12.4%
16	1973	-6.7%	-11.5%	-17.4%
17	1941	-5.8%	-12.8%	-17.9%
18	1957	**-5.4%**	-9.4%	-14.3%
19	1980	-5.4%	32.6%	25.4%
20	1953	-5.0%	-1.7%	-6.6%

CREATIVE PLANNING @CharlieBilello (As of 4/3/25)

American Boomers are all IN..

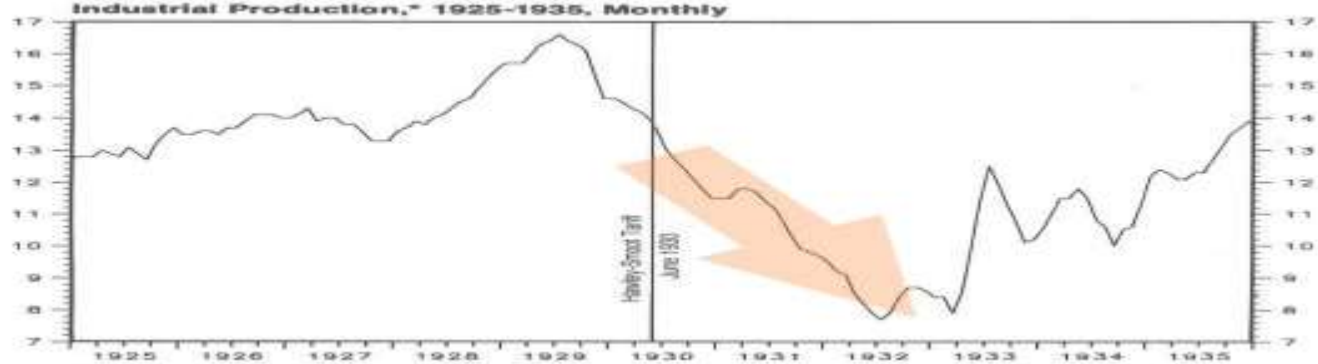
... imagine the avalanche that would occur if they all took their profits at the same time - because they have no (life) time left to ride out major setbacks ...

Stocks at record 29% of US household financial assets

US household holdings of equities as % of total financial assets

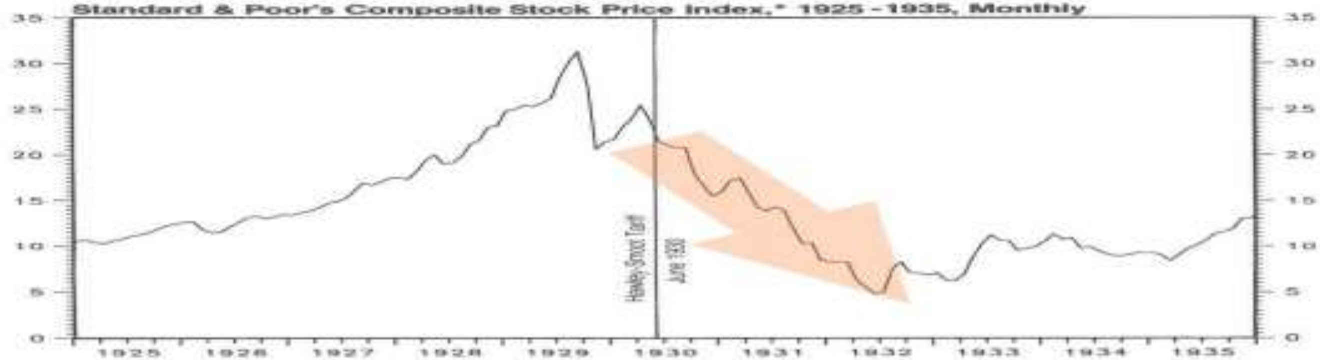
Source: BofA Global Investment Strategy, Haver, Fed Flow of Funds

Industrial Production,* 1925-1935, Monthly



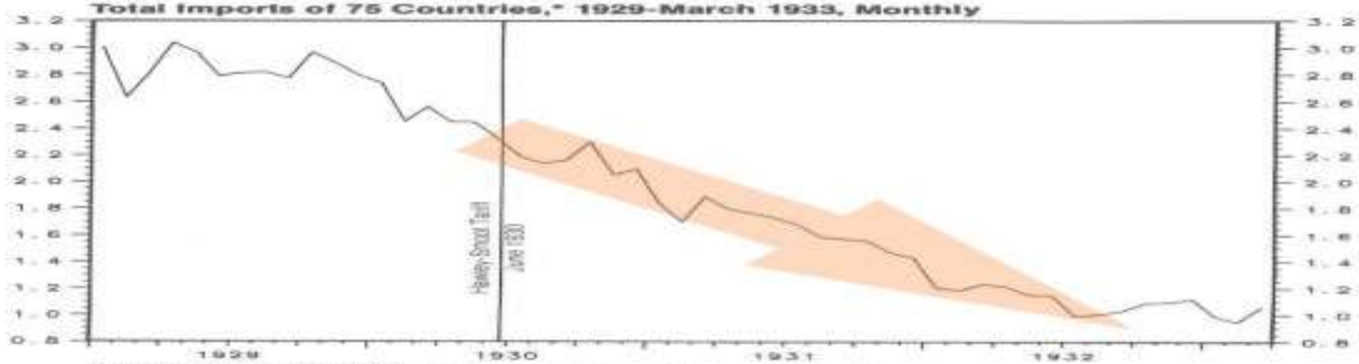
*1977 = 100
Source: Board of Governors of the Federal Reserve System

Standard & Poor's Composite Stock Price Index,* 1925 - 1935, Monthly



*1941-1943 = 10
Source: Banking and Monetary Statistics

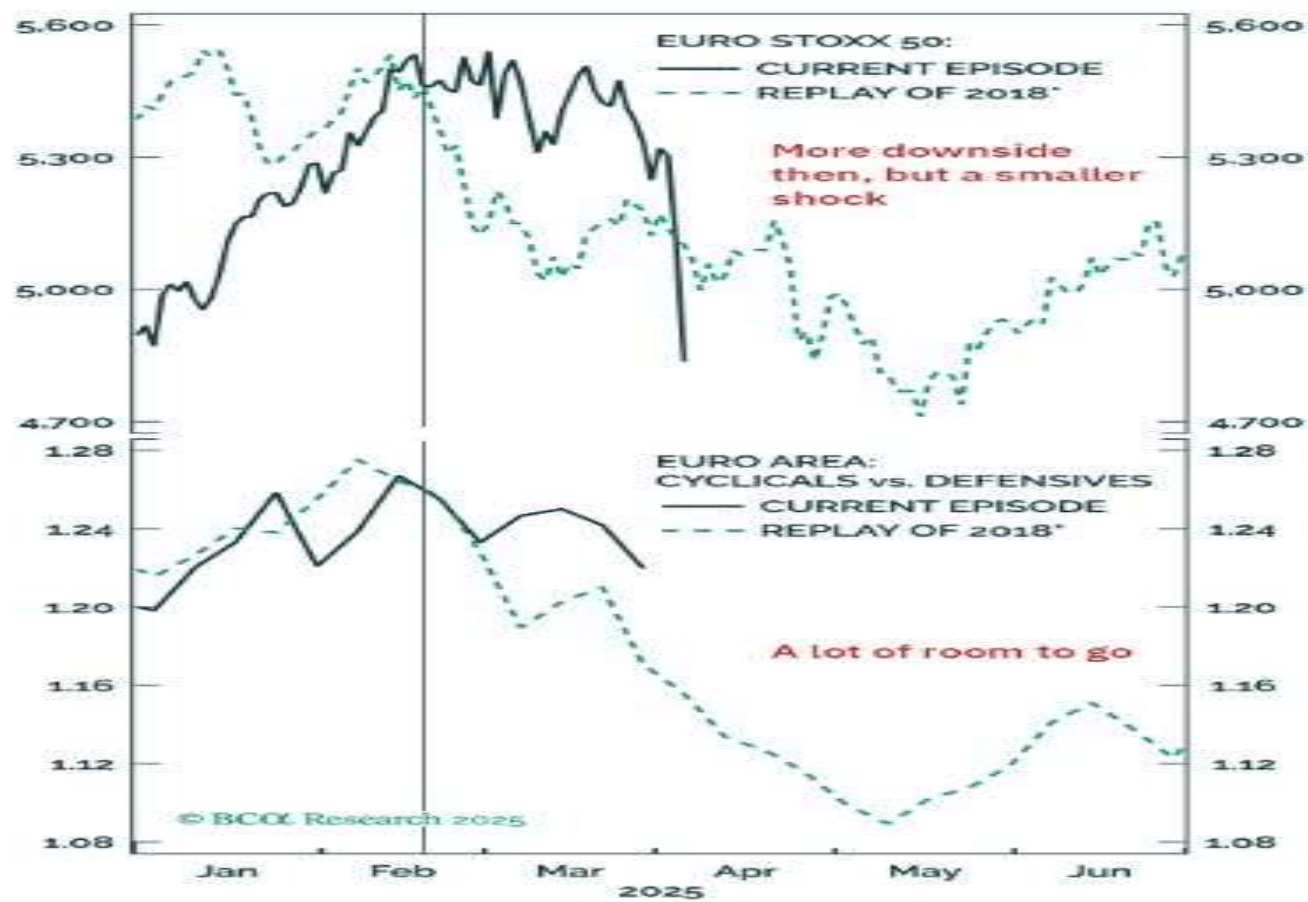
Total Imports of 75 Countries,* 1929-March 1933, Monthly



*Billions of old U.S. gold dollars
Source: League of Nations, Monthly Bulletin of Statistics, February 1934, p. 51

European Stocks ,
2018 repeats?

The Worrying 2018 Experience



* OCTOBER 3, 2018 VALUE ALIGNED AND REBASED TO FEBRUARY 19, 2025 VALUE

USD /CHF - Crashing

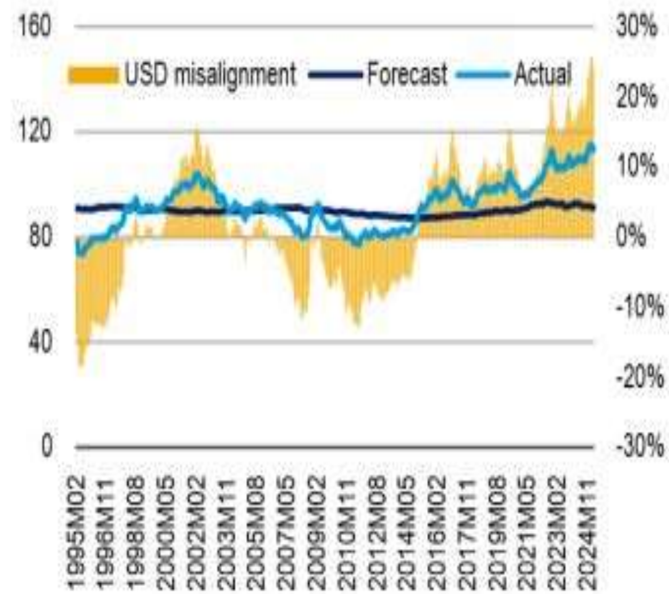
Valuation and positioning: USD remains vulnerable ...

G10 REER misalignment from equilibrium estimates

USD and CHF remain most overvalued, JPY and Scandies most undervalued

USD REER misalignment from equilibrium estimates

The USD remains substantial overvalued



Source: BofA Global Research. Note: BEER model estimates.

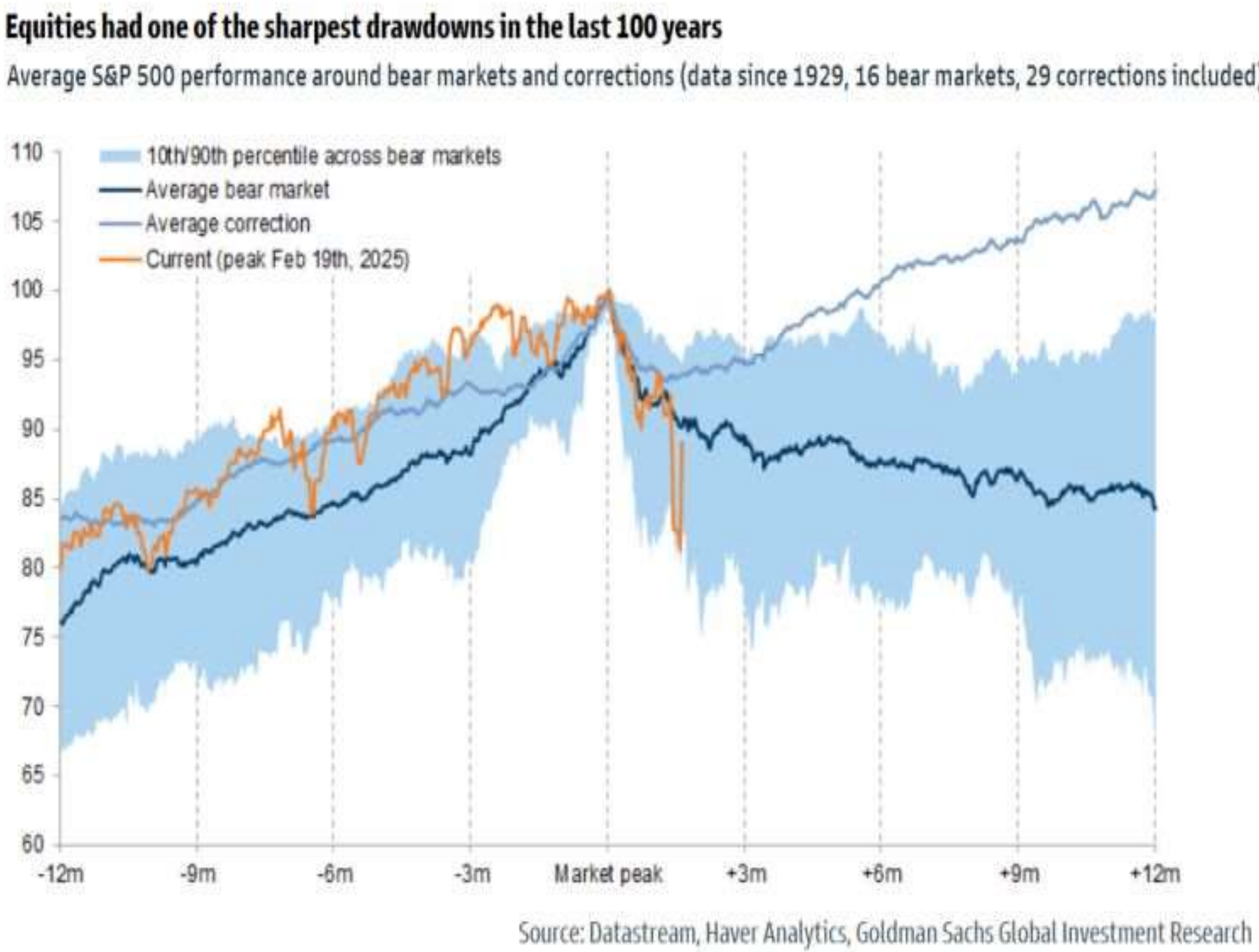
European Banks are sensitive to potential tariffs …

MARKET (most popular first)	SELL	BUY	CHANGE	% CHANGE
FinecoBank Banca Fineco SpA	16.365	16.38	-0.875	-5.07
ABN AMRO Group NV	17.505	17.515	-1.025	-5.53
BNP Paribas SA	68.82	68.85	-4.88	-6.62
Banca Generali SpA	46.8	46.92	-3.39	-6.75
Banca Monte dei Paschi di Siena SpA	6.508	6.518 ↓	-0.596	-8.38
Banca Popolare dell'Emilia Romagna SCRL	6.224	6.234	-0.56	-8.25
Banca Popolare di Sondrio SCARL	9.6	9.62	-0.85	-8.13
Banco BPM SpA	8.279 ↑	8.286 ↑	-0.742	-8.22
Banco Comercial Portugues SA	0.4991	0.4997	-0.0415	-7.67
Commerzbank AG	20.57	20.585	-1.00	-4.64
Credit Agricole SA	15.663	15.675	-0.80	-4.86
Deutsche Bank AG	19.116	19.124	-1.712	-8.22
ING Groep NV (NL)	16.148	16.154	-1.094	-6.33
Intesa Sanpaolo SpA	4.105 ↑	4.1065	-0.3485	-7.86
KBC Groep NV	74.68 ↑	74.74 ↑	-6.12	-7.57
Societe Generale SA	35.435	35.45	-3.12	-8.09
UniCredit SpA	44.225	44.24 ↓	-4.39	-9.03

Data as of 4/06/2025. Past performance is no guarantee of future results.

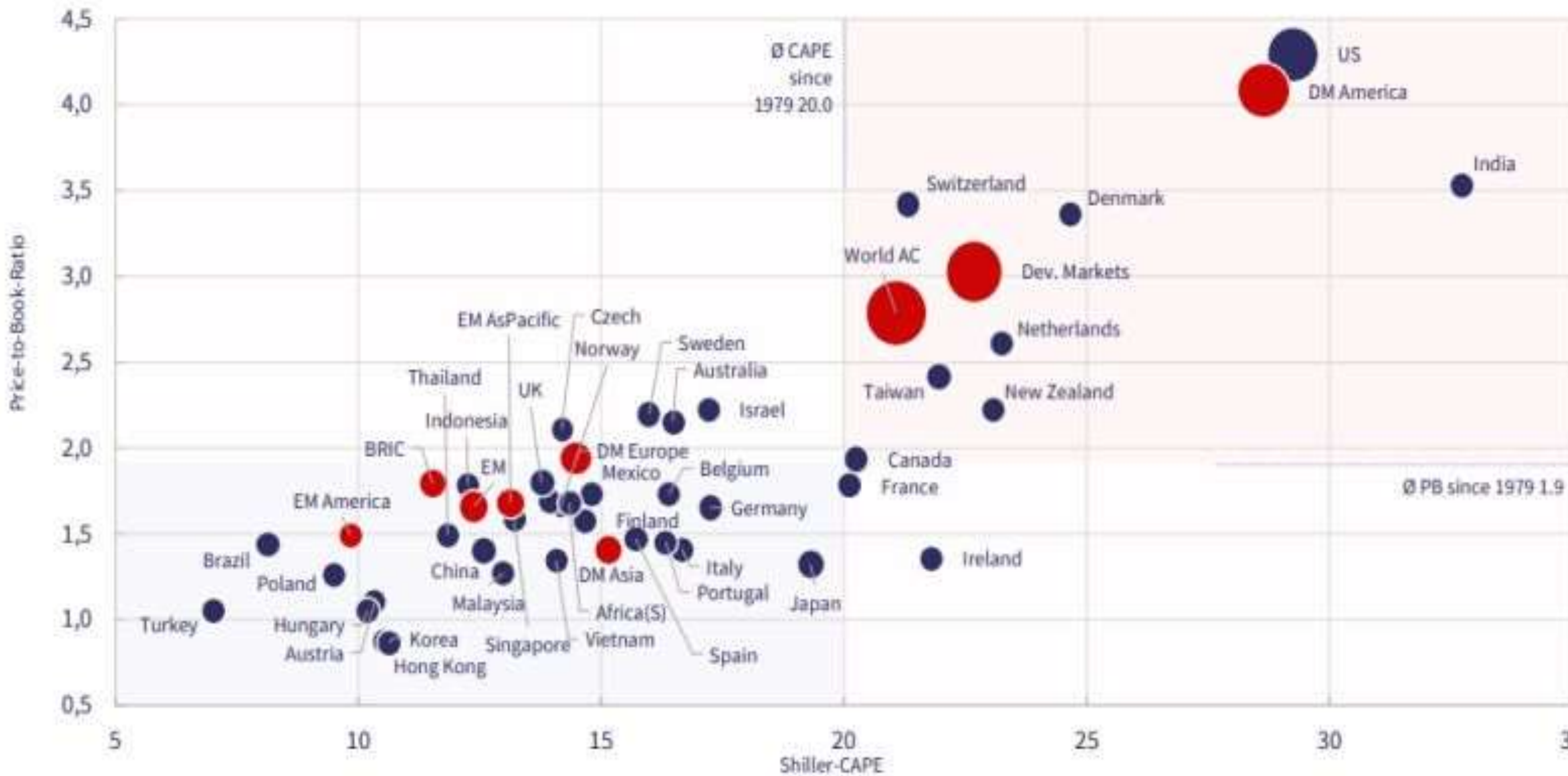
Fidelity

Bear Market or Correction



..but , despite setbacks 75% of the equity market cap still overvalued , especially in US, India, Swiss..

Trotz Rückschlägen nur 19% der globalen Marktkapitalisierung unterbewertet, 75% überbewertet



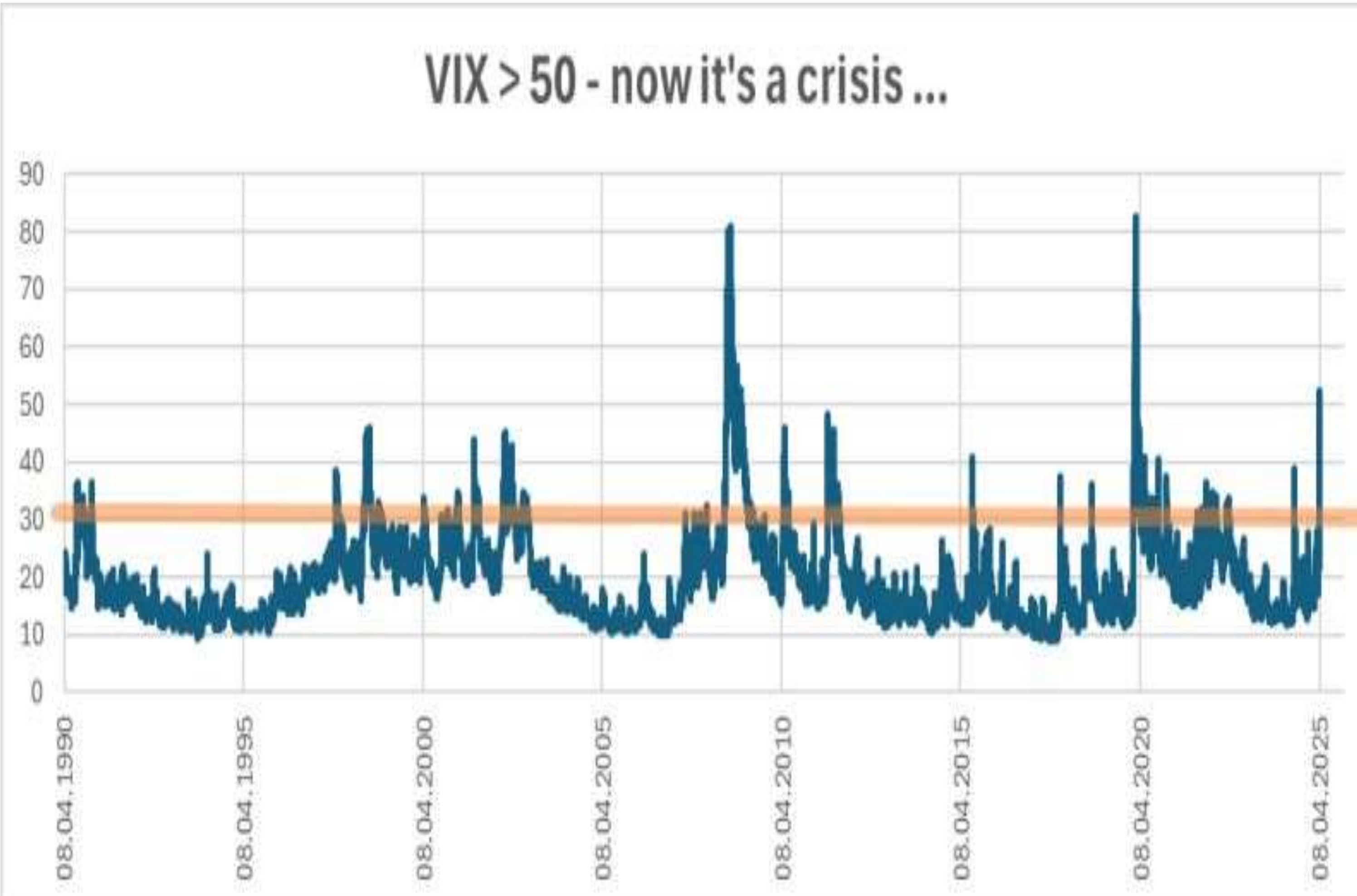
Regionen sind rot markiert. Quelle: Taunus Trust, Refinitiv per 09.04.2025 (A-003b-NK)

History repeats itself ?
1998 vs 2025

Data as of 4/06/2025. Past performance is no guarantee of future results.

Fidelity

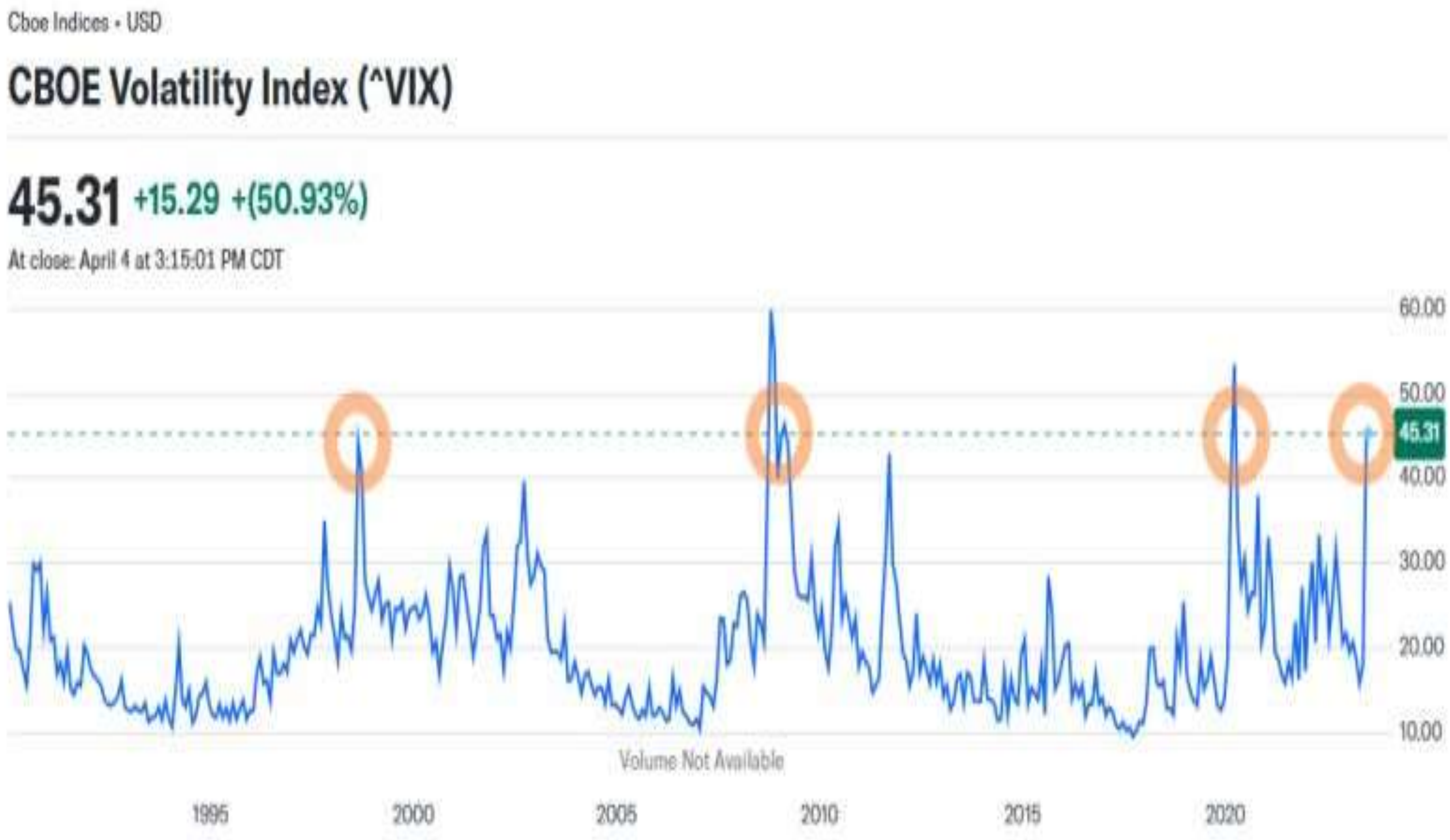
VIX > 50 => crisis



Valuation Bubble Has Burst ...
... but the shares are still far from being really cheap in view of the uncertain economic times and tariff confusion ...

Weekly data through April 4th.

VIX > 45 – 50 = panic phase

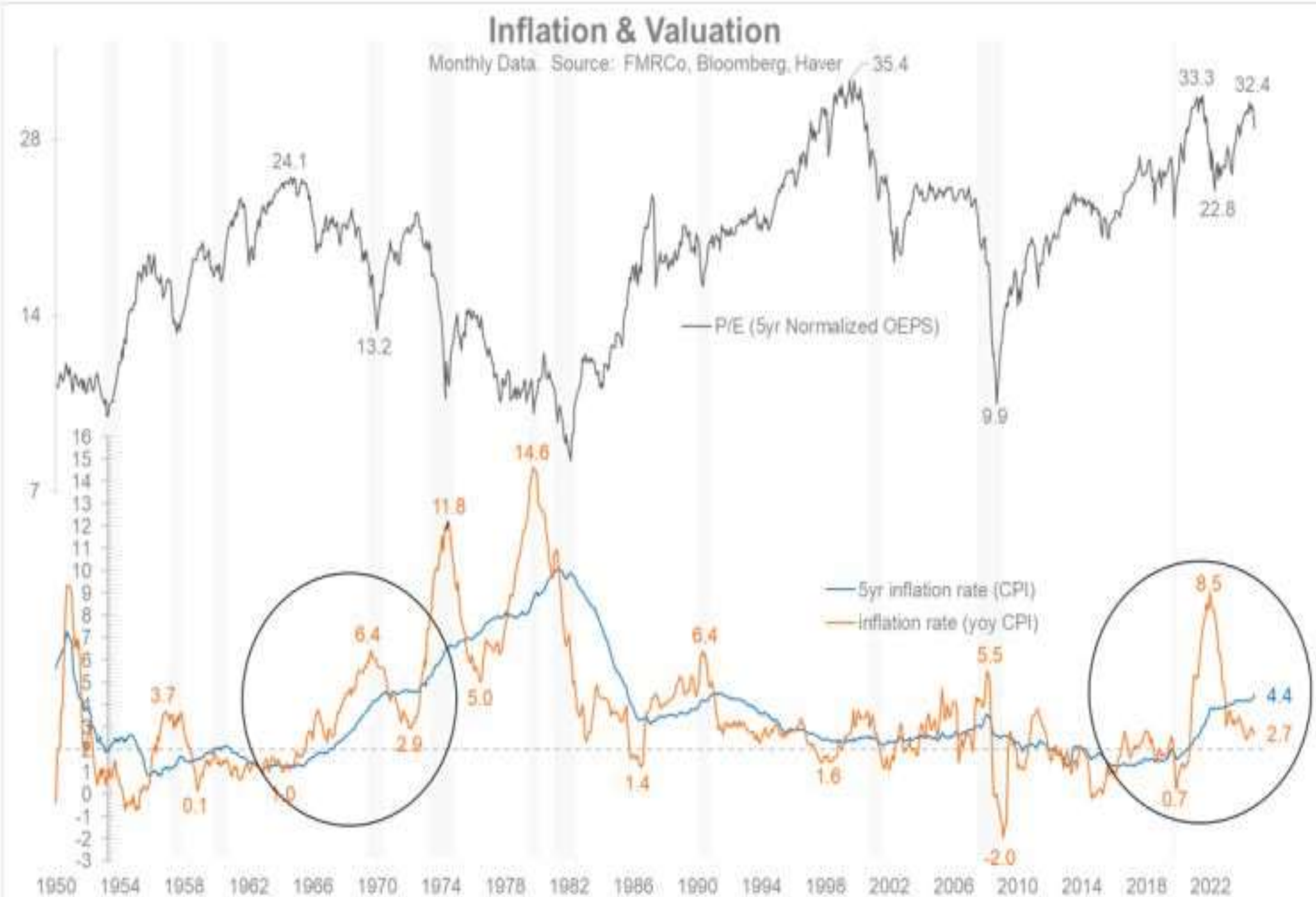


Inflation and Valuation

- One of the things that I have worried about since the pandemic is that the rate of inflation never round-tripped far enough below the Fed's 2% target to allow the longer term average to mean-revert back to 2%. The 5-year inflation rate is currently 4.4% and rising.

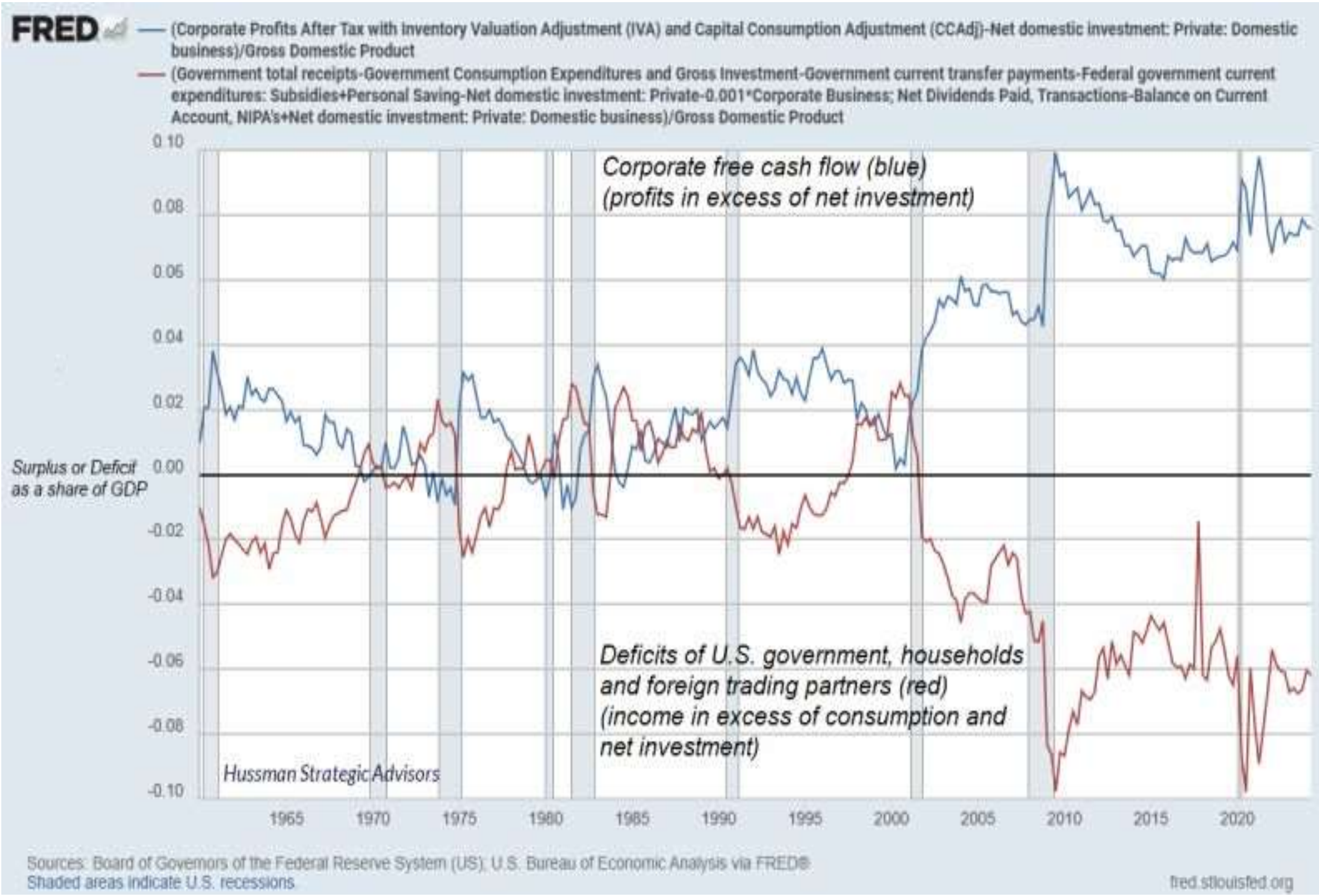
  In a disturbing parallel to the late 1960's, the COVID-induced inflation spike in 2022 mimics what happened during the late 1960's (Guns & Butter). See inflation and valuation chart below. Like then, inflation hasn't fallen enough to bring the 5-year average back to target. If we now get another inflation wave as a result of tariffs it would start from an elevated baseline, just like happened during the early 1970's. That's the stuff that could end not only the cyclical bull market but also the secular bull market.

  Speaking of the late 1960's, I have highlighted in the past the similarities between the 1966-1968 soft landing and 2022-2024 period. That analog remains uncomfortably close. The 1968 peak marked the end of that secular bull market. Will 2025 be the same? It's not my base case, but I wouldn't bet against it either. I will cover the secular context more next Sunday.

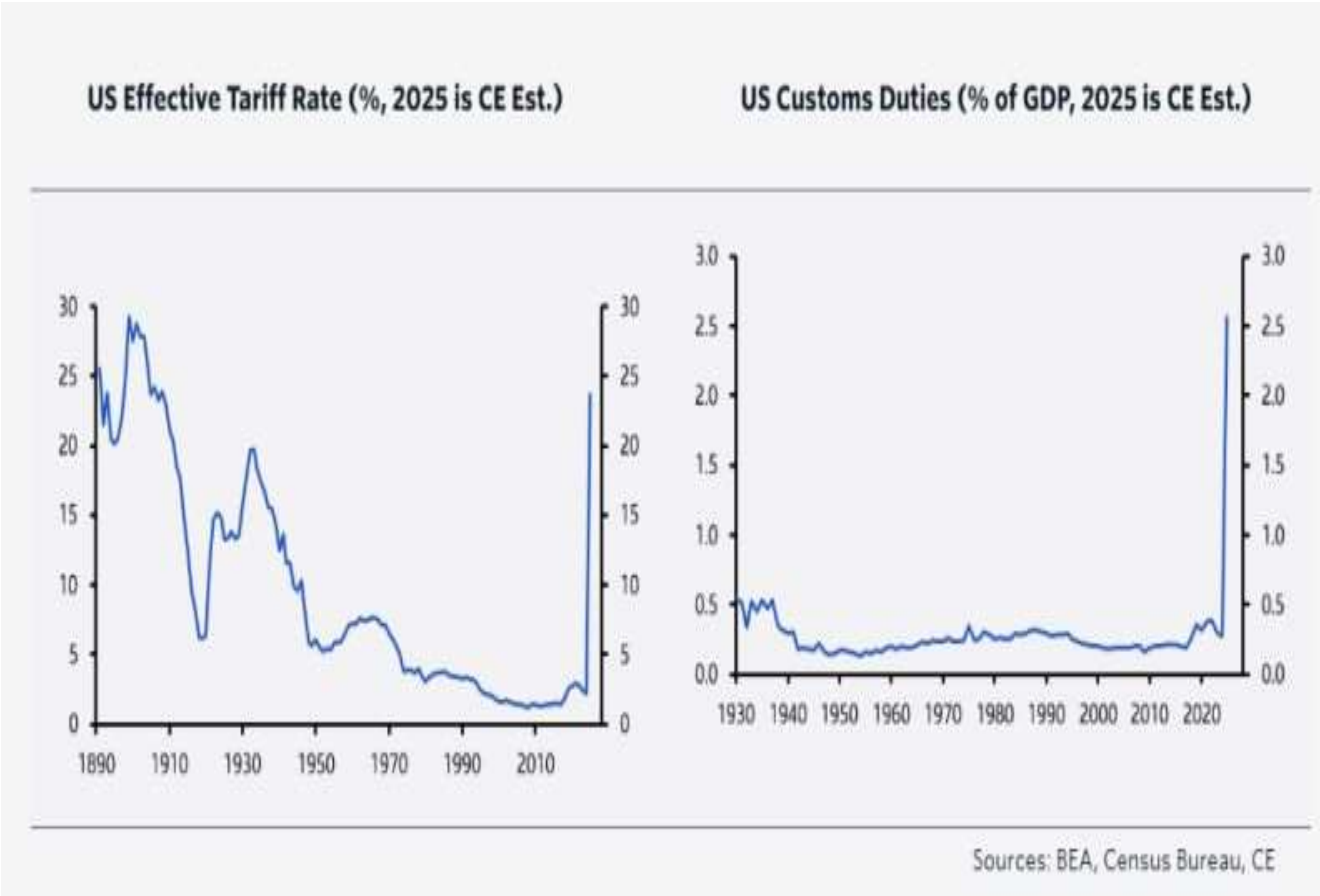


Data as of 4/06/2025. Past performance is no guarantee of future results.

Higher tariffs, more DOGE – lower corporate profits ... ?

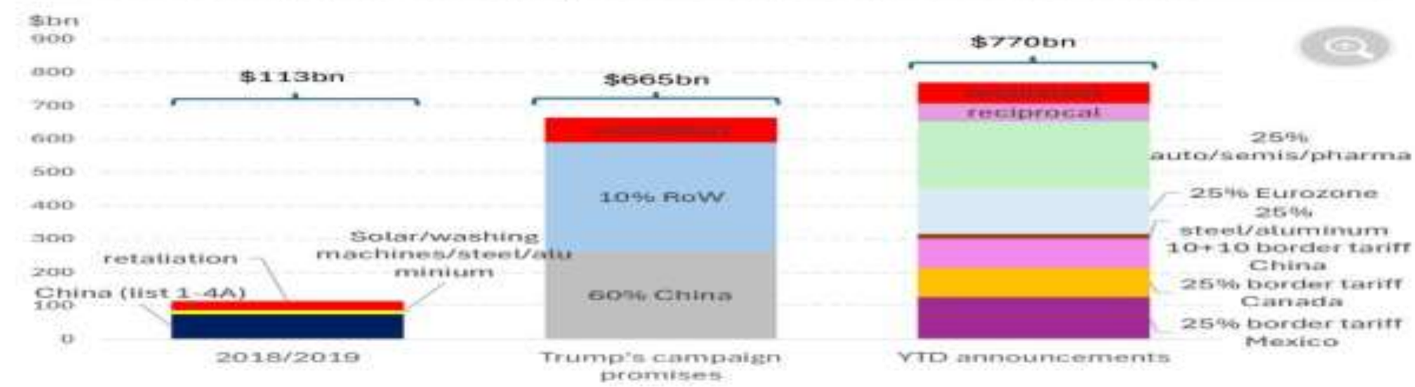


Tariffs : Back to the 19th Century



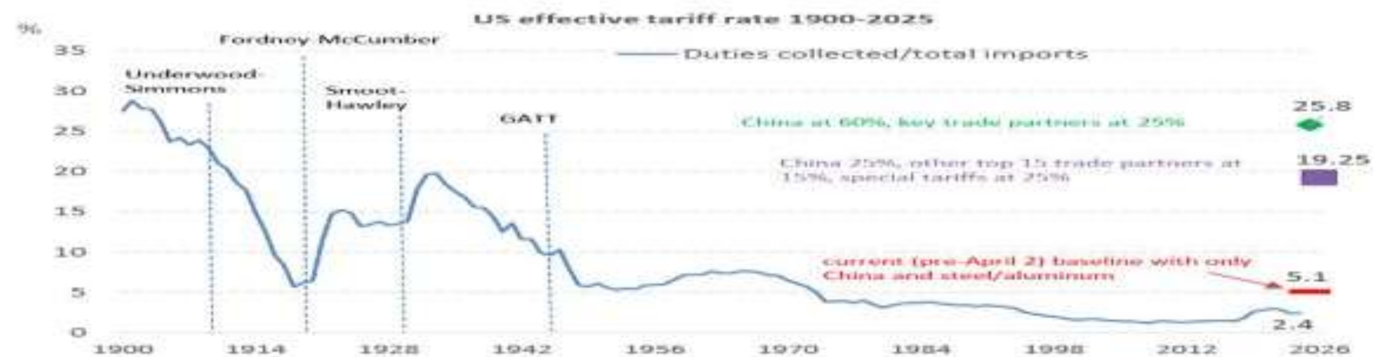
Tariffs 2 : not yet fully priced ?

The US administration has proposed over $700bn worth of tariffs



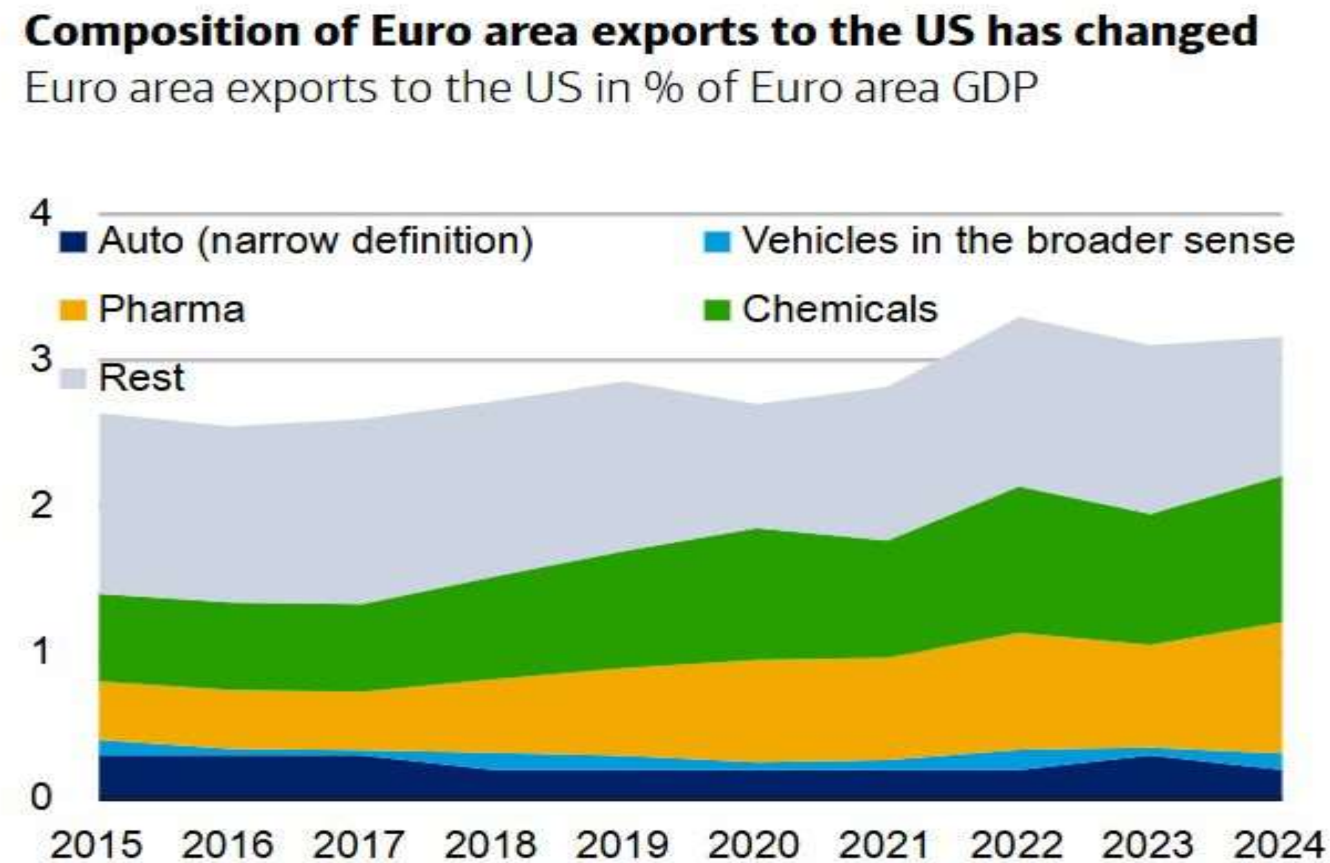
Source: UBS, White House press releases, Peterson Institute

The potential increase in tariffs could be historically large



Source: UBS, Haver [chart assumes imports decline with unit elasticity in response to tariffs]

Tariffs and Europe's vehicle exports to the USA - overrated ... ?



Source: BofA Global Research, Eurostat. We proxy aggregate sectors in the 4 Digit HS trade nomenclature to match the NACE one in standard national accounts

ECB and Euro undervaluation ?

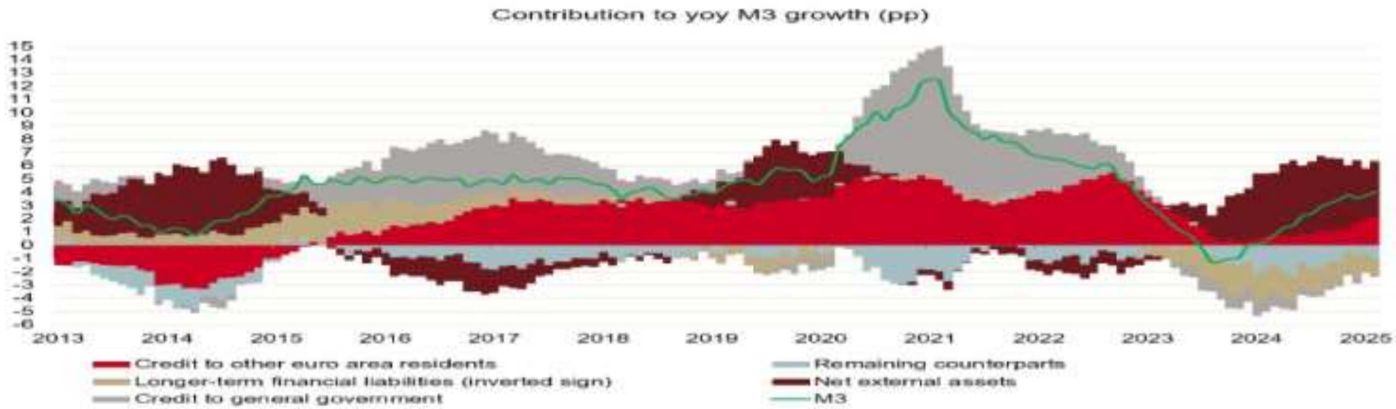
EUR/USD – a purchasing power parity view (PPP)

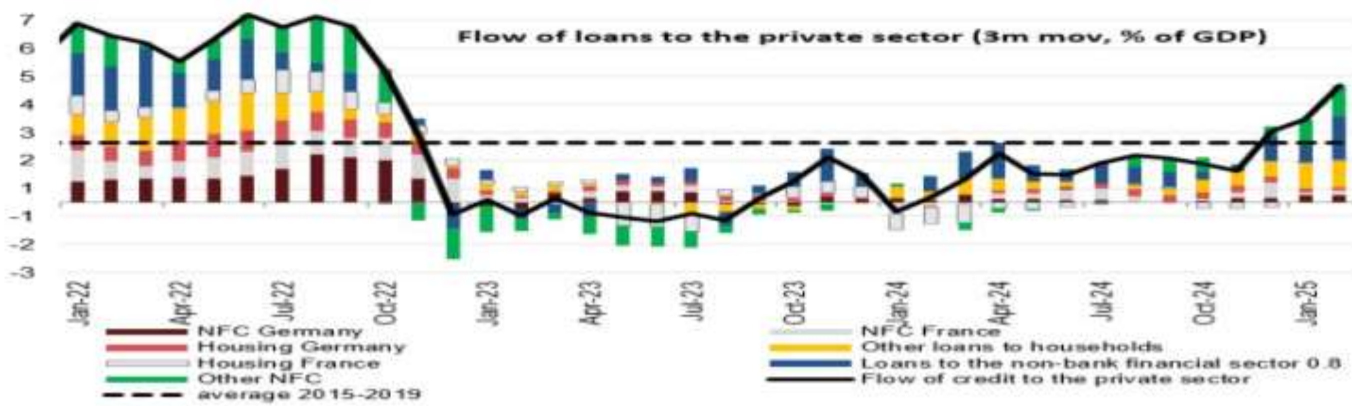
Source: Cross Asset Research/Global Asset Research, Refinitiv. *Data as of 05/03/2025

ECB’s money pump in full swing ..

M3 growth at 4% yoy

Monetary growth has been improving since August 2023 and moved from -1.3% yoy to 4.0% yoy in February. M3 flows are driven by higher loan demand in the private sector and large purchases of net external assets.



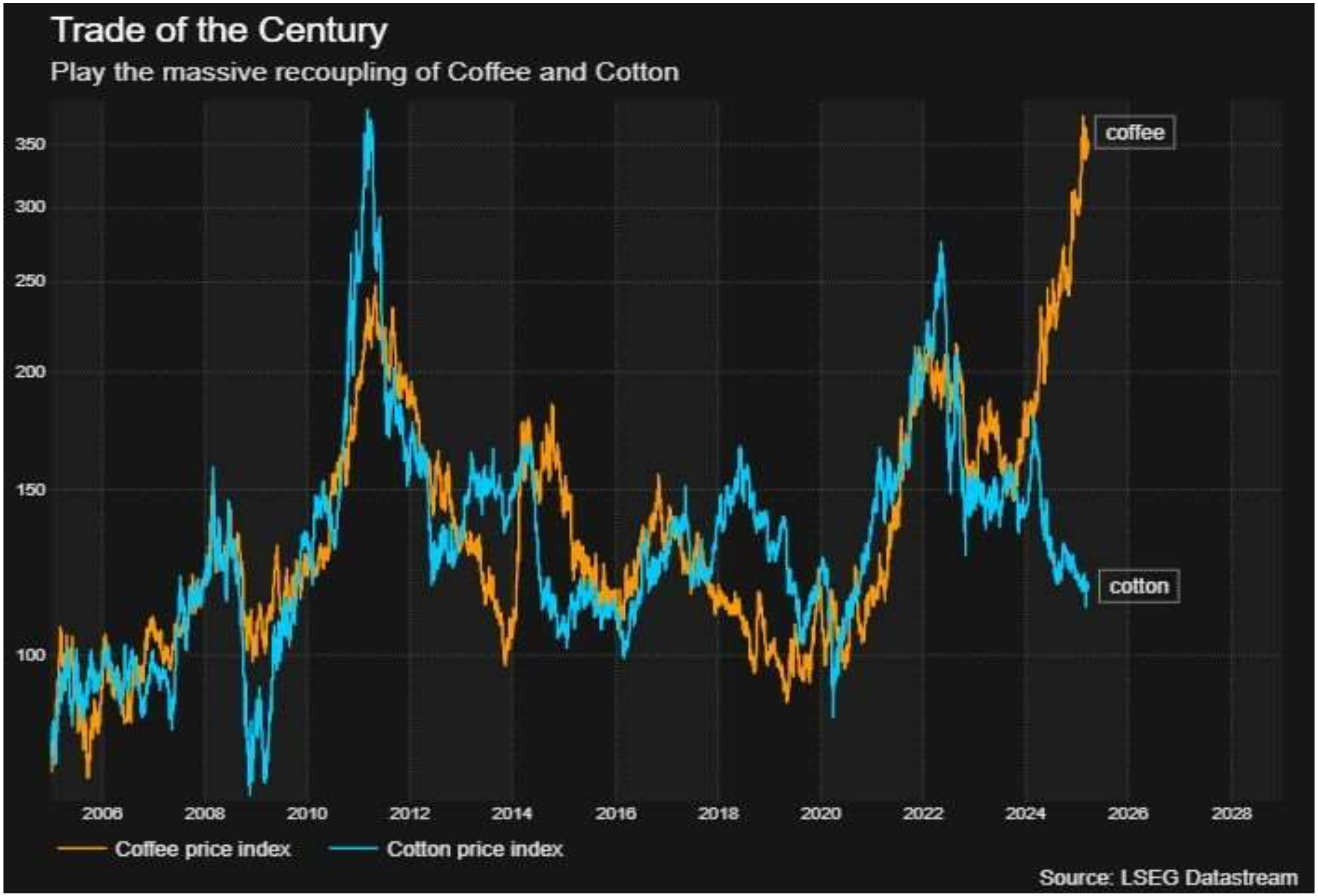


Source: SG Cross Asset Research/Economics, Refinitiv, Eurostat.

The Protectionist Road to Depression : déjà vu all over again ?

- In our opinion, the single most catastrophic cause of the Great Depression was the Smoot-Hawley Tariff of June 1930—not the stock market crash of October 1929, not the collapse of the Austrian Kreditanstalt Bank in May 1931, not the sharp increase in the Fed's discount rate during October 1931, not the tax increase of 1932, not the subsequent bank failures or collapse of the money stock. All these events contributed to the economic explosion, but the detonator was the tariff. ...

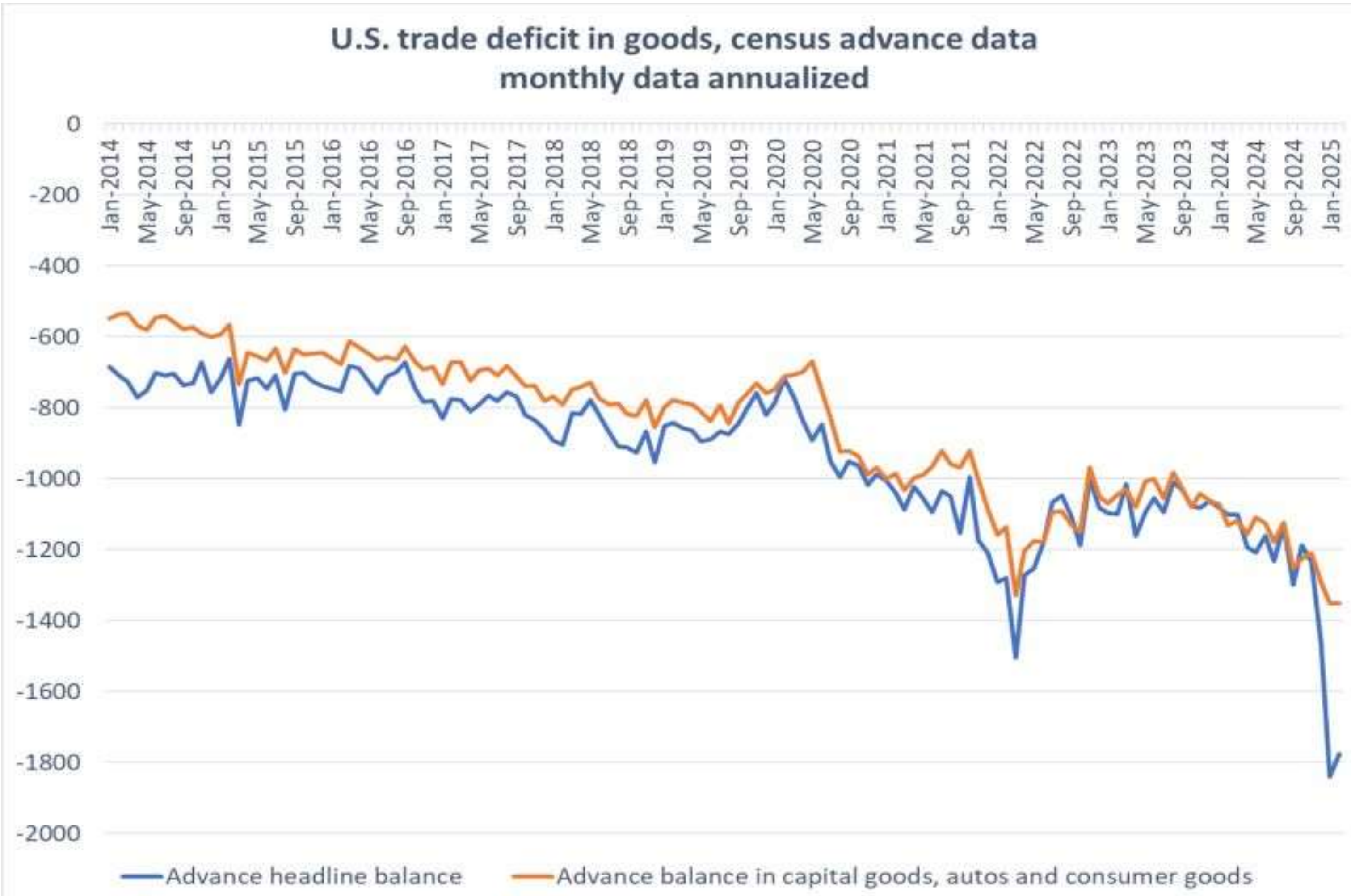
Could be the Trade of the Century …



Could it happen Again ?

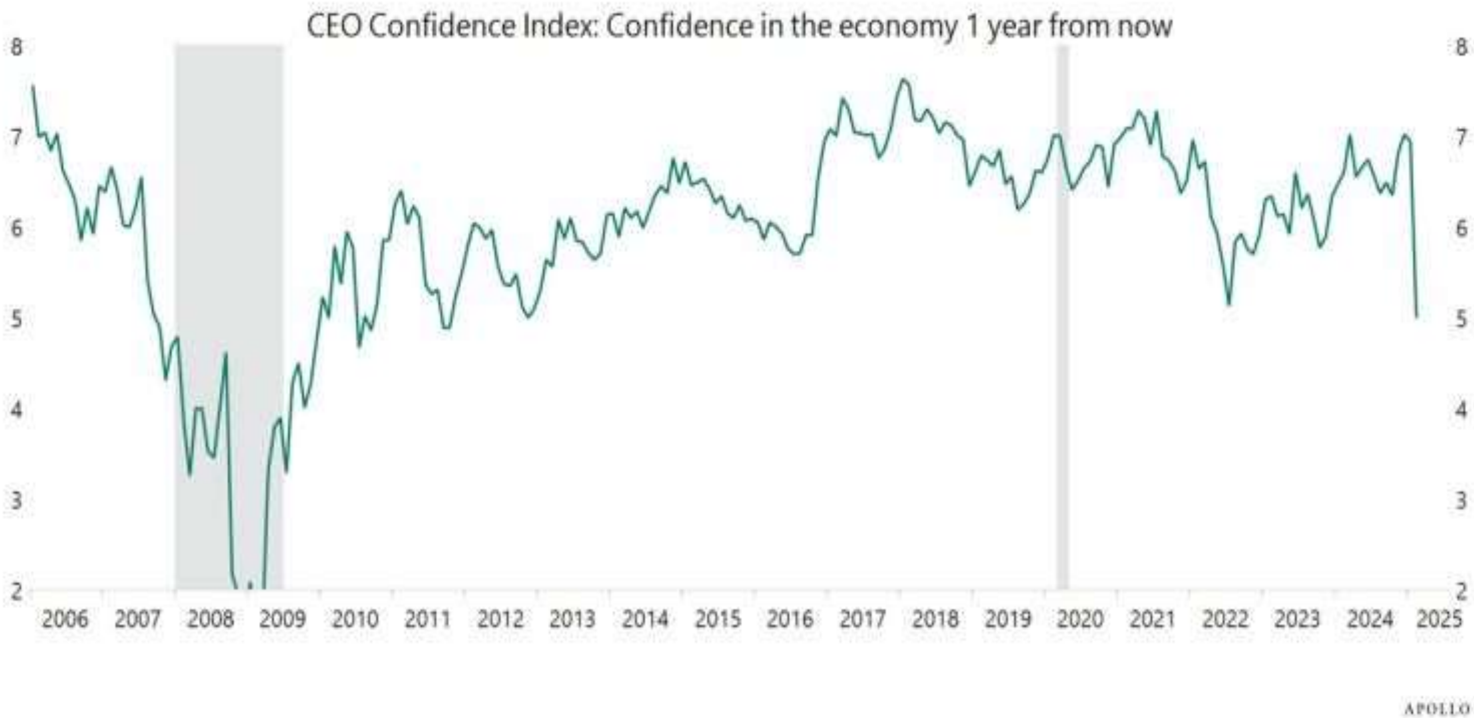
- A rerun of the 1930s is not very likely, in our opinion. Pollster Lou Harris notes that the public is ambivalent on trade issues. Three-quarters of the public say they like access to low-cost foreign products. At the same time, three-quarters say there is unfair competition from abroad that is costing the U.S. jobs. On Capitol Hill, most representatives favor free trade, but believe that no other countries are still practicing it.
- Clearly, some import-restricting legislation will pass Congress this fall. And protectionist sentiment could be strong enough to override a presidential veto. But a repeat of the Smoot-Hawley disaster is not very likely.
- Also, domestic banking and international debt problems are not causing financial panics and a monetary collapse. Recently, in Ohio and Maryland, runs on banks (which were covered by private deposit insurance) were contained and halted by requiring local depository institutions to apply for federal deposit insurance.
- International debtors are resisting IMF-style austerity programs. But the debtors have rejected the idea of walking away from their obligations and continue to work out rescheduling agreements with their creditors.
- The Federal Reserve is likely to drop interest rates further if the forces of deflation continue to dampen economic growth. Unlike the 1930s, domestic concerns should outweigh foreign exchange objectives in the conduct of Fed policy. Lower interest rates aren't likely to reaccelerate or reflate the economy, but they'll help to avert a recession. In other words, we should continue to muddle down the middle (Ed Yardeni).

Front-running from tariffs only exacerbates America's extreme trade deficit ...

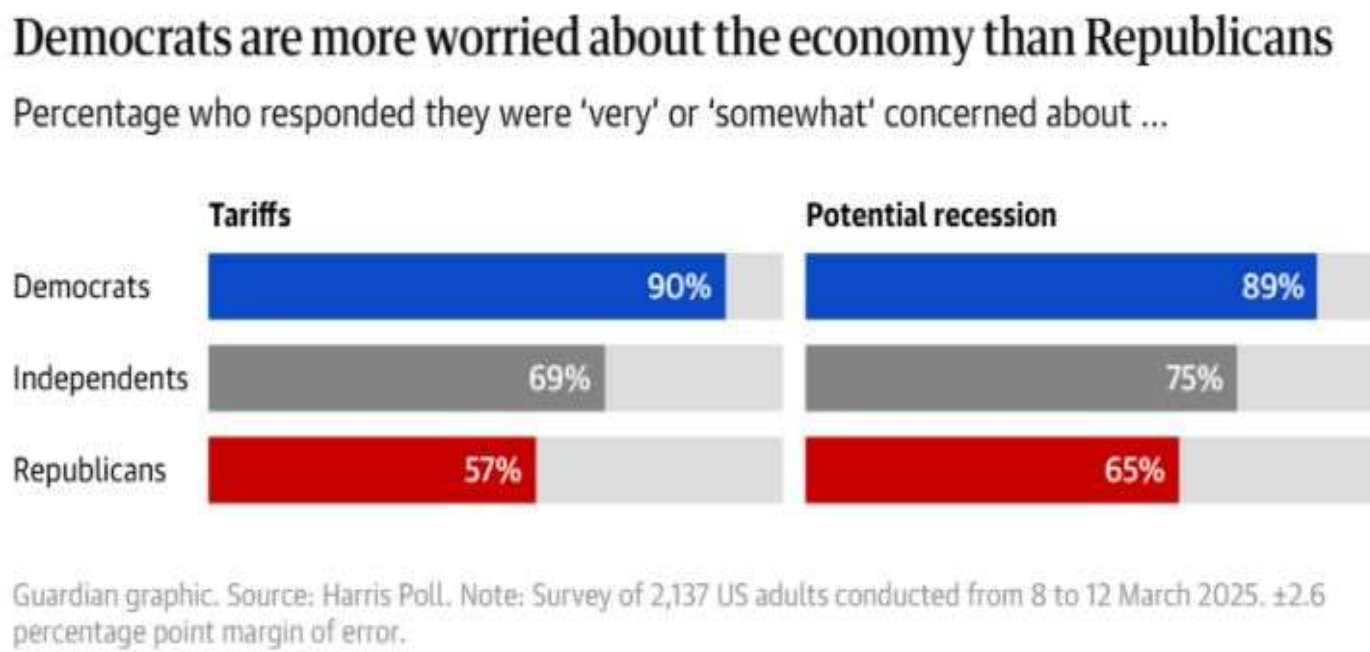


Corporate Confidence is declining ..

CEO confidence declining



Americans increasingly concerned about tariffs - especially Democrats, but also Republicans



USA - a net debtor nation

High Yield Spreads blow out - on a fairly low level ...

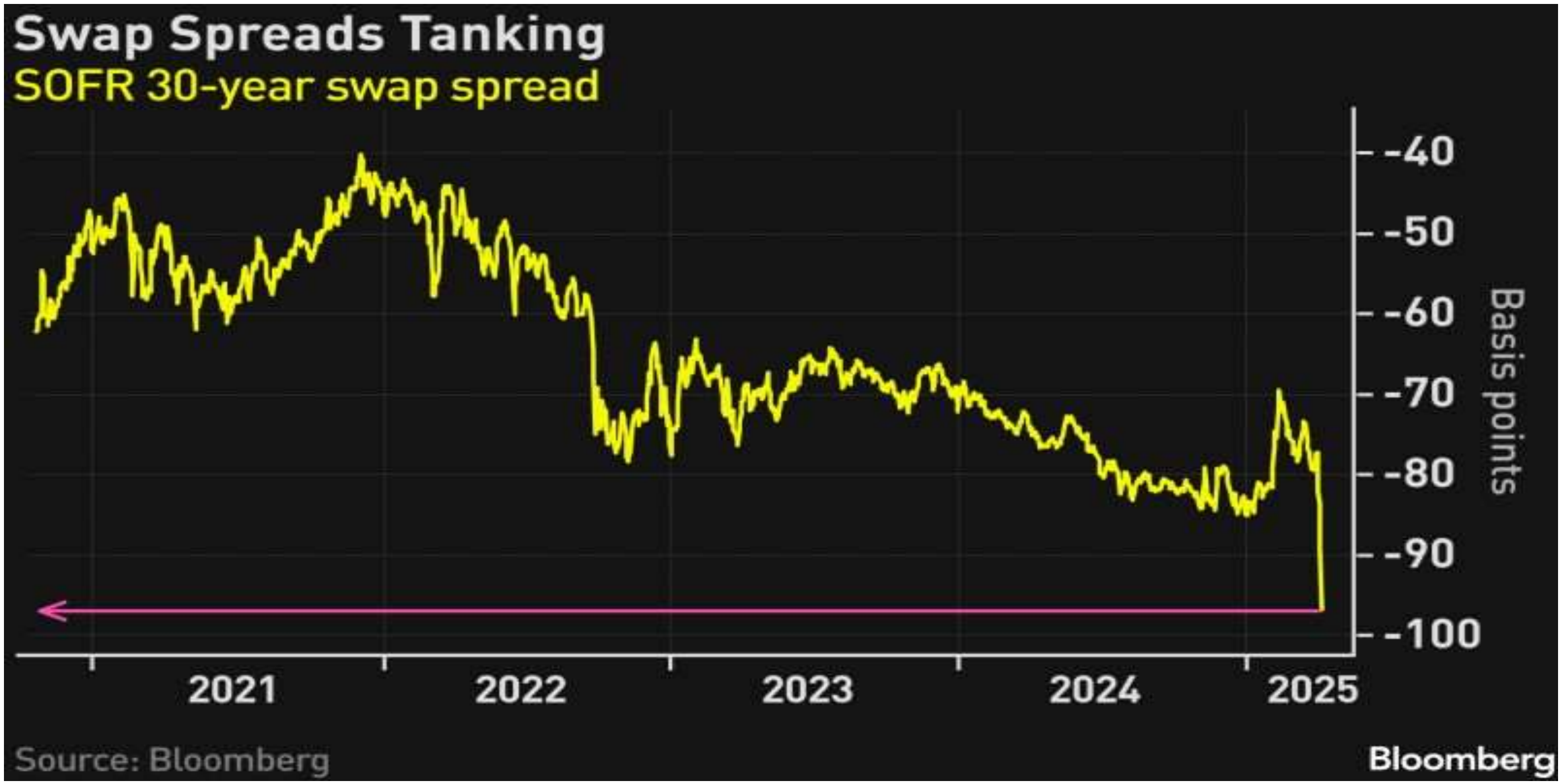
Source: LSEG Datastream and © Yardeni Research, Federal Reserve and Standard & Poor's.

Swaps Spreads Tanking..

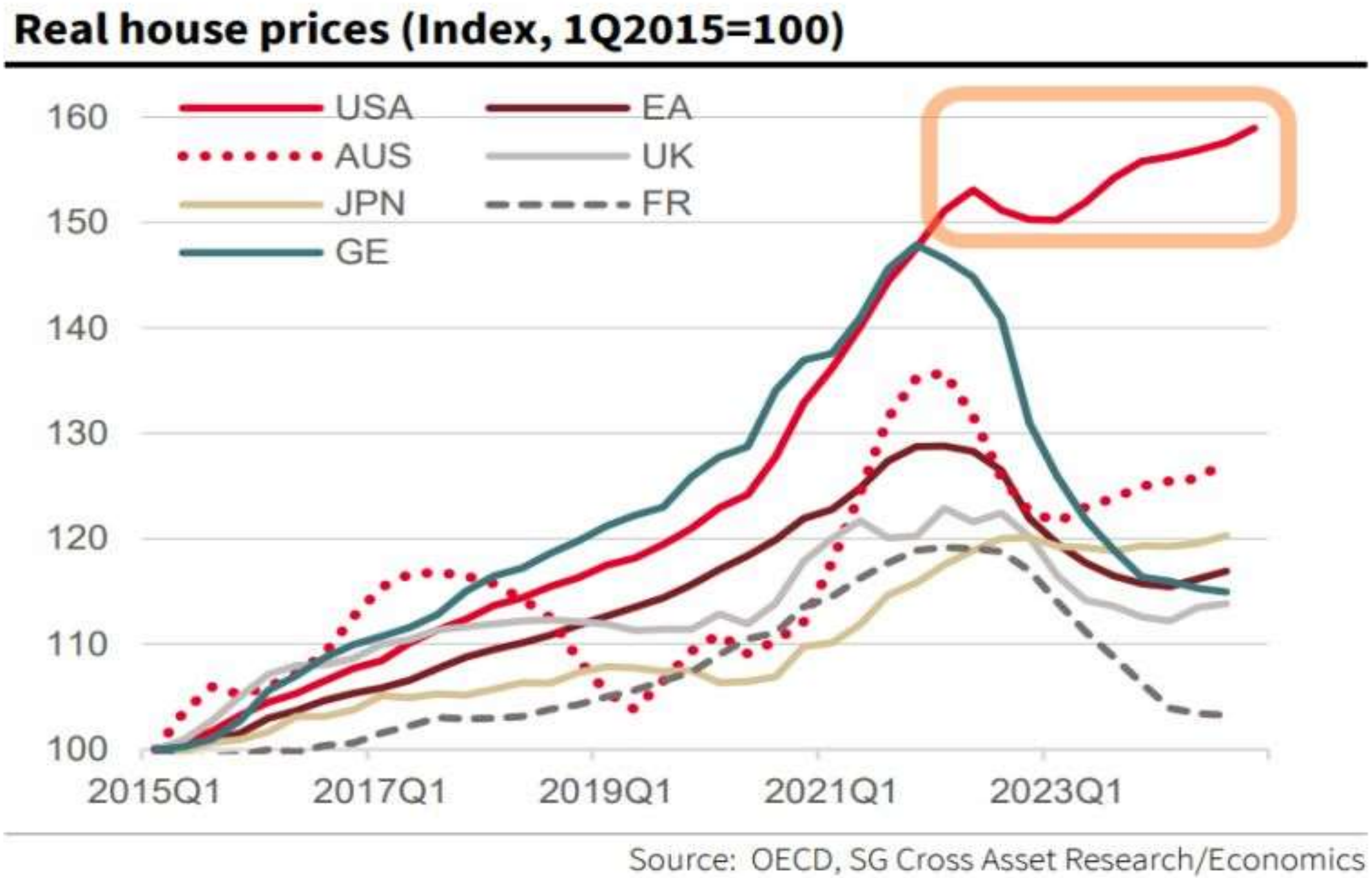
Banks are selling bonds to raise cash to meet clients' liquidity needs and adding swaps, pushing swap rates far below yields...

This violent move shows that banks are now looking to raise capital and looking to preserve cash !

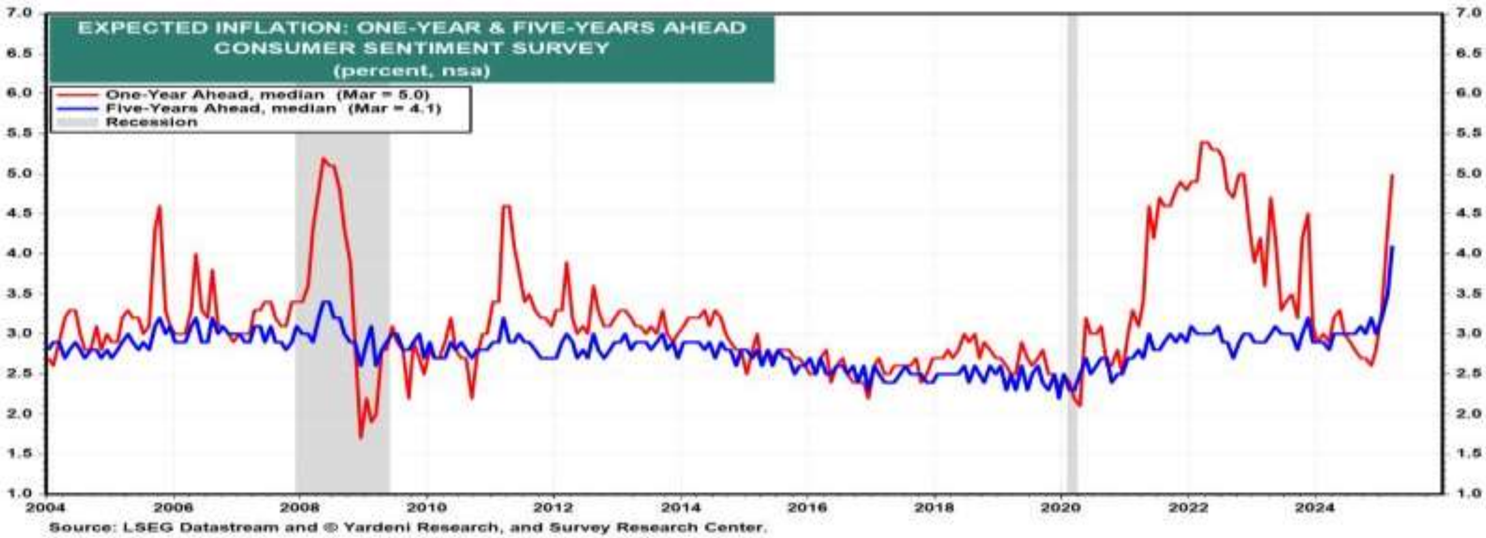
Source : Bloomberg, PCA-Research

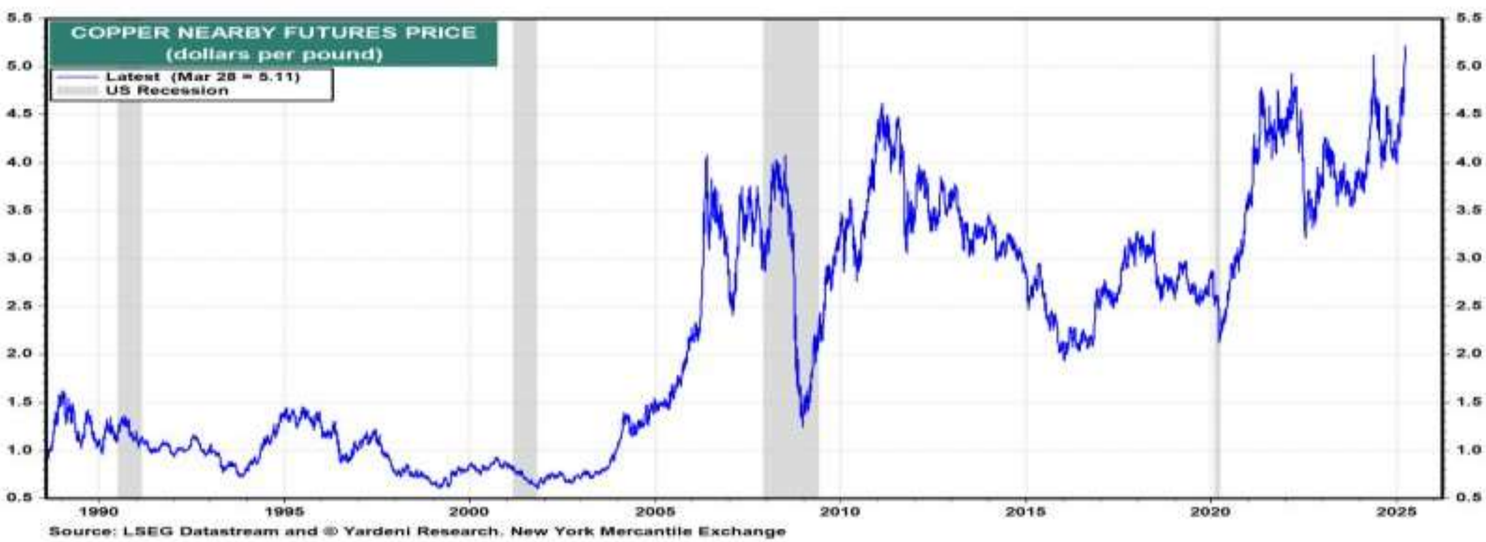


Extreme house price bubble in the US



Stagflation may comes into play..





Tariff mayhem hits credit spread

- ..which disrupts money supply ..

Semiconductor Index broke

SOX

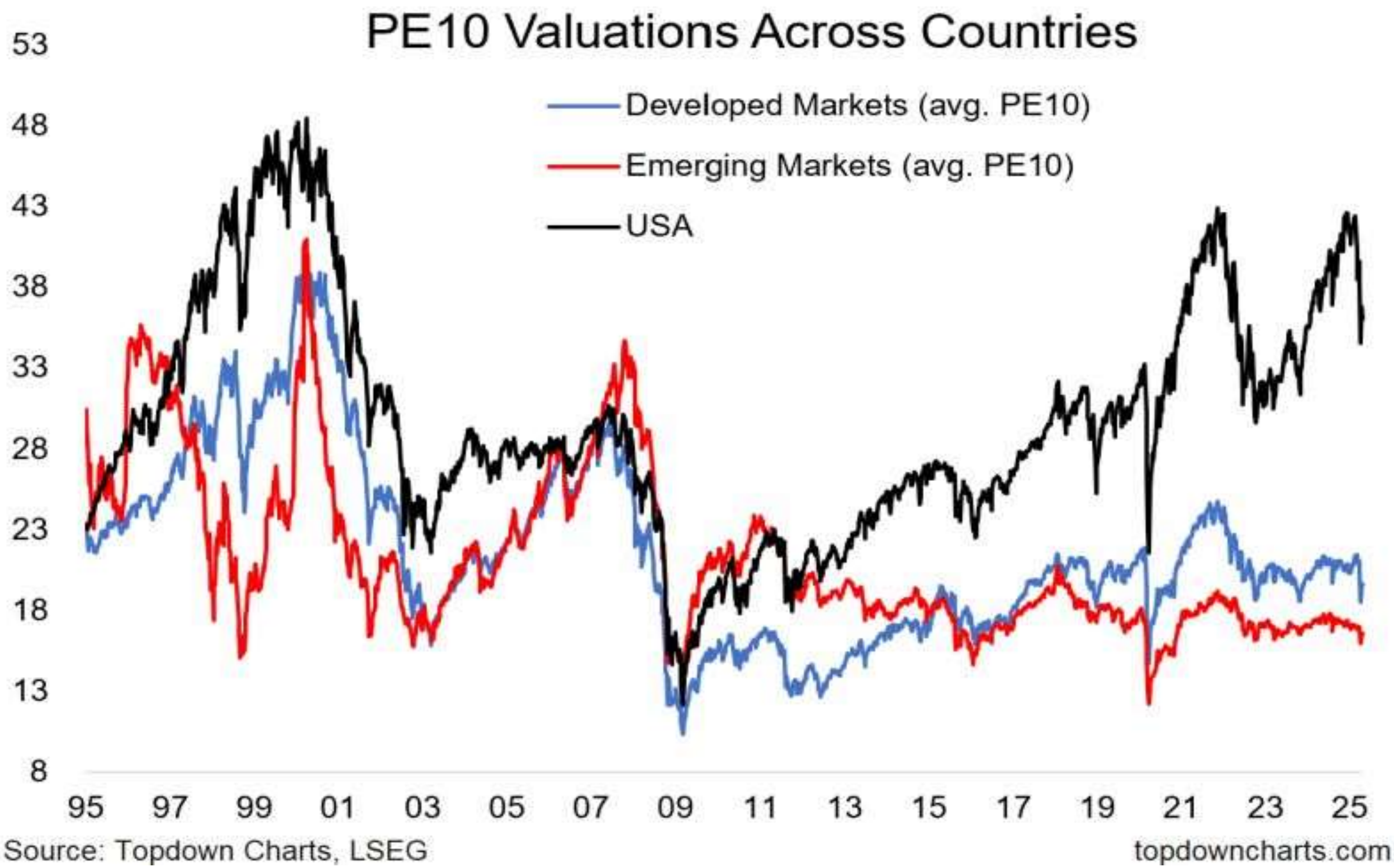

panesdan published on TradingView.com, Apr 16, 2025 10:11 UTC
Philadelphia Semiconductor Index · 1D · NASDAQ O4,019.78 H4,074.94 L4,000.93 C4,021.89 +18.67 (+0.47%)
Vol: The data vendor doesn't provide volume data for this symbol.
Vol: The data vendor doesn't provide volume data for this symbol.
6,200.00
6,000.00
5,800.00
5,600.00
5,400.00
5,200.00
5,000.00
4,800.00
4,600.00
4,400.00
4,200.00
4,021.89
3,800.00
3,600.00
3,400.00
3,200.00
3,000.00
2,800.00
2,600.00
2,400.00
2,200.00
RSI (14, close)
2023
Mar
May
Jul
Sep
Nov
2024
Mar
May
Jul
Sep
Nov
2025
Mar
May
Jul
Sep
Nov
2026
TradingView

The Bond market is on fire

•

unwinding of leveraged bond trades

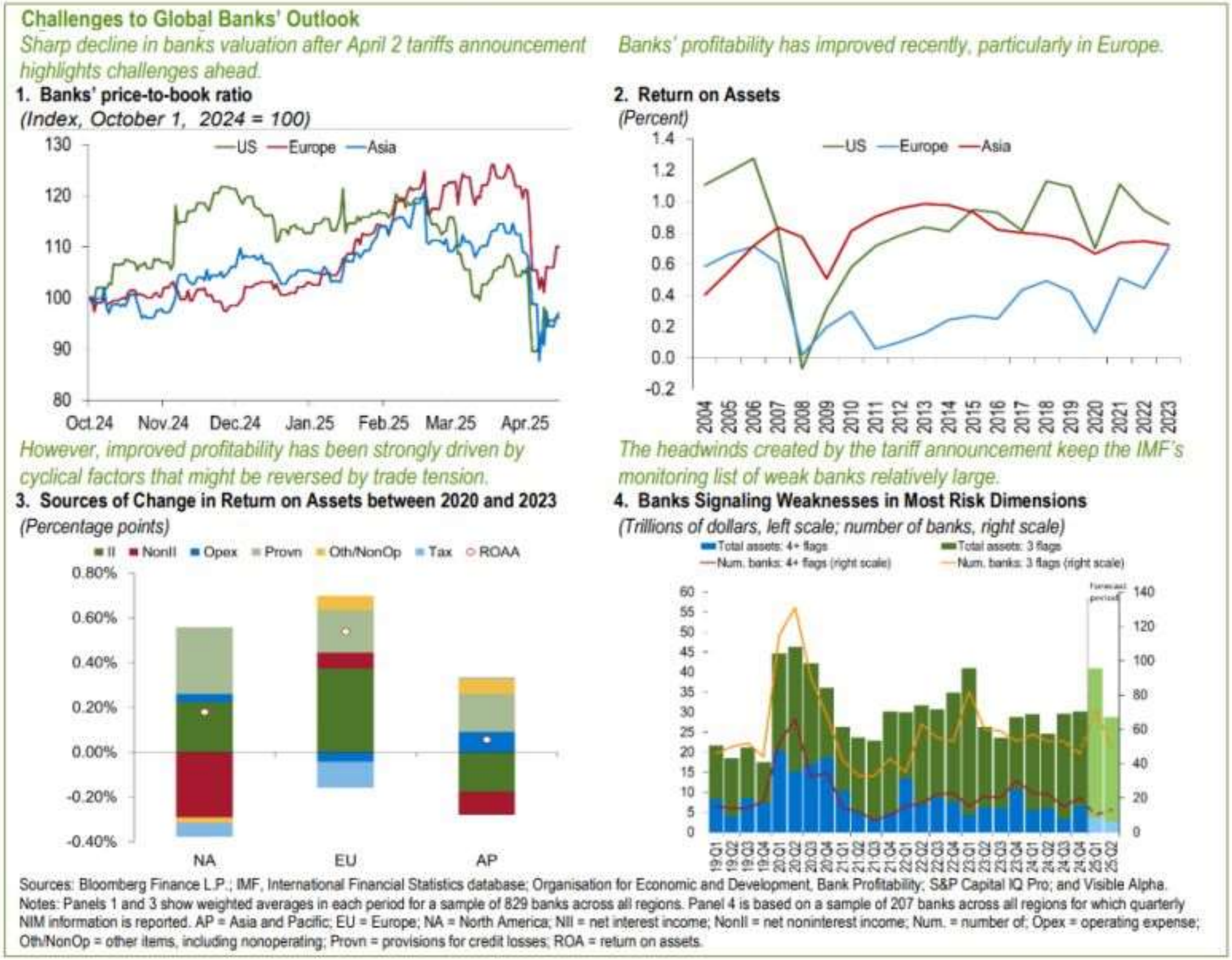
Actually the US government is acting and talking like an Emerging market



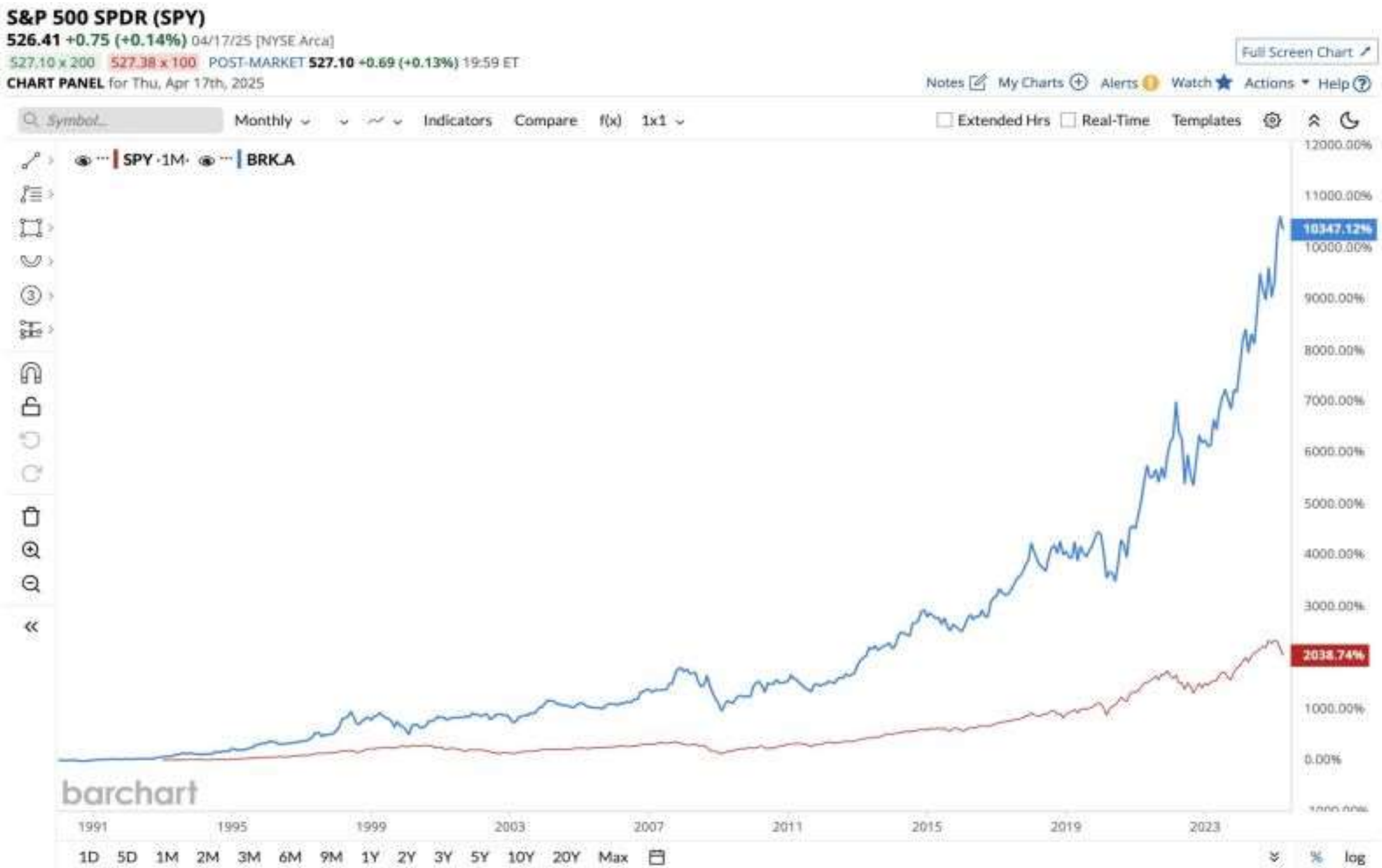
Financial Stability Risks…

- ….have increased considerably.
  ... Risk-blind banks and other less-regulated financial institutions are the weak links ...
  While accommodative financial market conditions boosted bank profits and valuations last year, the sharp decline in bank share prices seen after the April 2 tariff announcement highlights the risks facing the sector.
  Several cyclical factors that support profitability could be reversed by the trade shock:
  1. The negligent reduction in loan loss provisions by bonus-hungry managers has been a key driver of asset returns in all regions.
  2. The downward revision of the policy rate following the tariff announcement will weigh on banks' net interest margins and reduce their earnings.
  3. The tariffs could affect banks' trade finance, a business that supports over USD 10 trillion worth of transactions annually and generates USD 18 billion in bank revenues globally.
  Risk weights derived from internal models could overestimate the banks' capital buffers. Growing interconnectedness between banks and NBFIs increases the risk of contagion. Networked private credit funds can spread credit shocks across institutions and countries. The increasing use of derivatives by asset managers increases risks in the financial system. The increased use of leverage by hedge funds can exacerbate losses in turbulence (Global Financial Stability Report, IMF).

Financial Stability risks' charts



Warren Buffett's Berkshire Hathaway absolutely destroying the S&P 500 over the last 35 years



Forecasting Through Uncertainty

Trade War

- **China processes:**

  100% of the world's graphite
  90% of rare earth elements
  74% of cobalt
  65% of lithium
  42% of copper
  17% of nickel

  These materials are the building blocks of everything from electric vehicles to smartphones to military technology. China holds undeniable leverage—and in the midst of a tariff war, this leverage becomes not just economic, but strategic.

- While the U.S. has economic tools of its own, let's not forget: this is a battle with no winners. Tariffs ripple through supply chains, raise consumer prices, and hit low-income families the hardest. What starts as political posturing ends with real-world pain at the checkout counter.

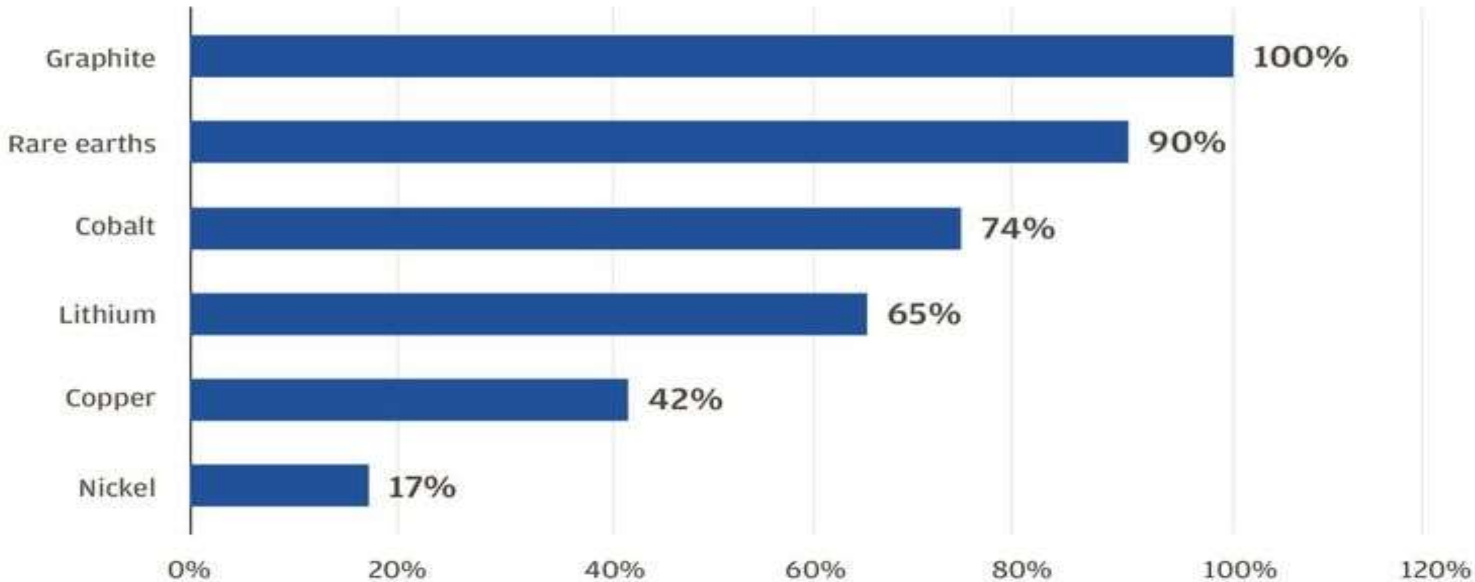
  Instead of media campaigns and tariff escalations, what was needed—and still is—is diplomacy. Confidential, professional, and high-stakes negotiations behind closed doors. If consensus fails, then yes, stronger measures could be debated. But starting with threats and tariffs as the first move? That's poor statecraft.

  This conflict is not just about minerals. It's about how global leadership is exercised—and whether it serves the long-term interests of citizens, or just the short-term headlines.

China

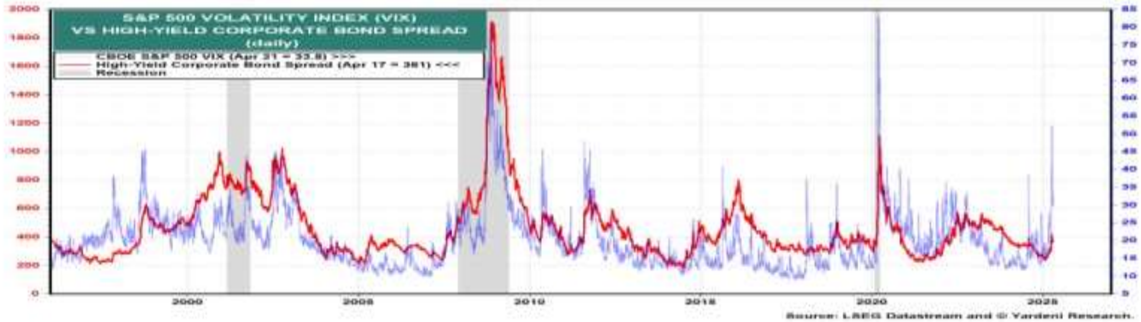
China processes 90% of the world's rare earth elements

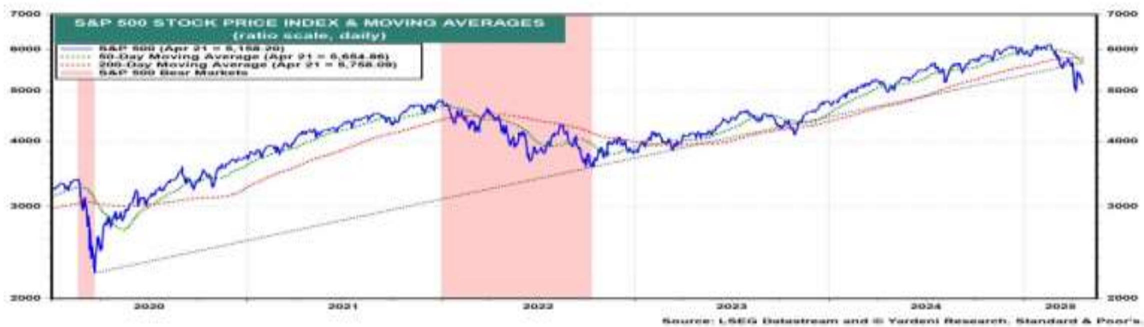
China % of global, %



Sources: IEA analysis based on S&P Global, USGS, Mineral Commodity Summaries, Benchmark Mineral Intelligence, Wood Mackenzie. Data as of 2022.

Trump’s Tariff Turmoil..





The Trump put

- But it wasn't the equity market put, it was once again:

  The bond "vigilantess" who forced the Trump administration to blink and roll back the draconian tariffs on all countries except China.

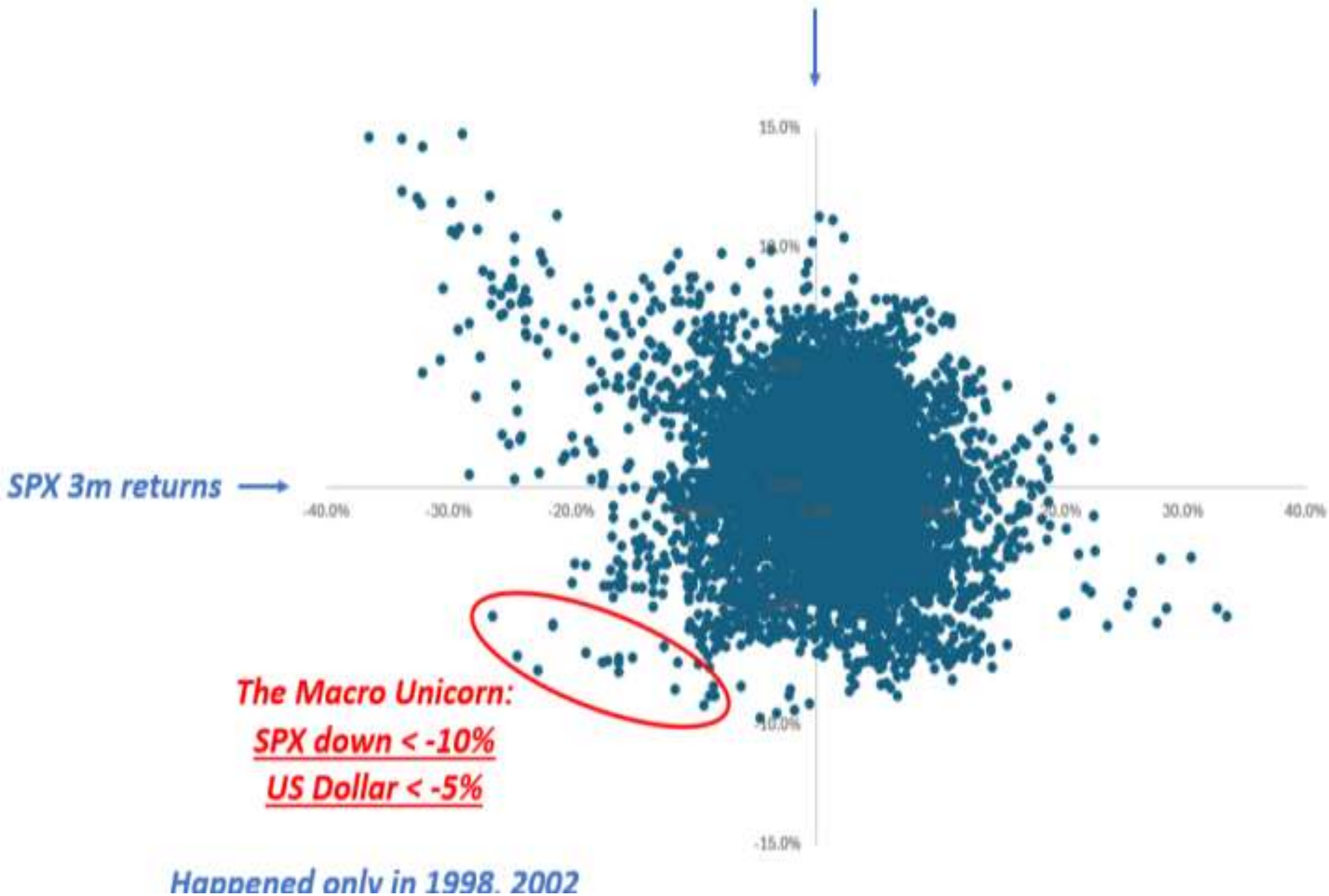
  Within less than 40 hours, the 30-year UST yield jumped by more than 65 bps, shocking the largest bond market in the world.

  There were talks of basis trade blowing off as the meltup in the USTs indicated that POTUS's "Lizz Truss" moment had arrived.

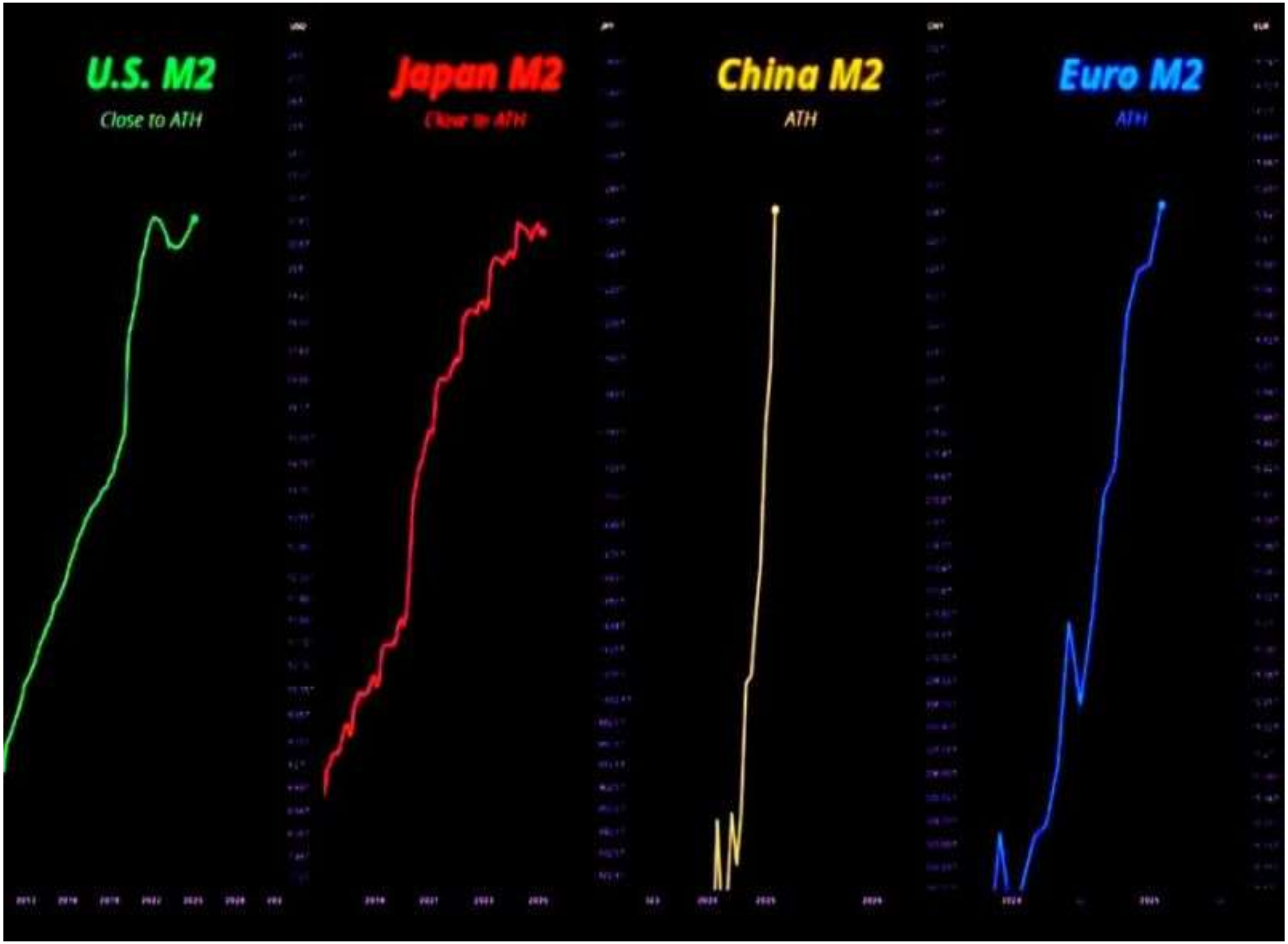
  Nonetheless, we are not out of the woods yet. There is no resolution to the China problem, and we are in the middle of a full-blown trade war, and nobody knows how it will end.

  So, trade cautiously and trade using minimum leverage.

A rare Macro pattern unfolding..
With big implications for markets

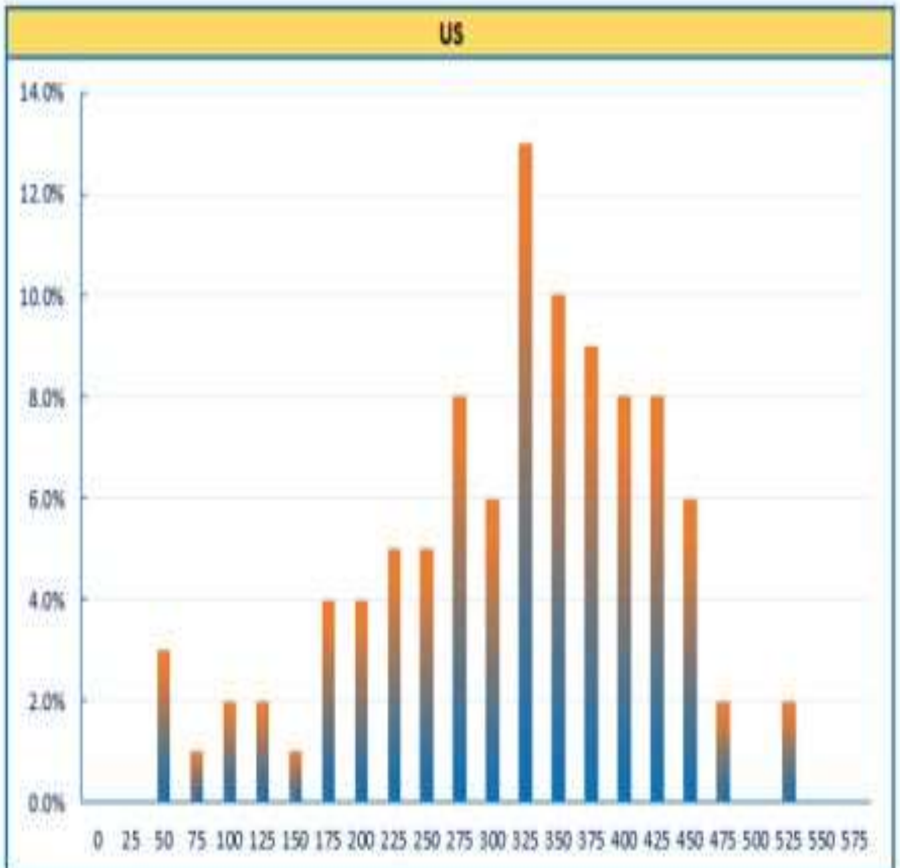


Global money supply is exploding..



Bond market investors are bumping up the odds of a US recession
The right table shows the market-implied probability of Fed Funds being within a specific range at a certain date (March 2026), and the left chart visualizes the probability distribution for Fed Funds in 1 year from now.

Option-implied probability distribution Fed Funds, 1y from today



SFRH6			
Fed Funds	Scenario	Probability	1w Chg
0 - 225	Recession	22.0%	9.0%
250 - 325	Soft Landing	32.0%	11.0%
350 - 425	Sticky Landing	35.0%	-15.0%
> 425	Fed Hikes	12.0%	-4.0%
Rate	Market Pricing	# Cuts	
325	Modal Outcome	-4.0	
310	SFRH6	-5.0	

A US recession is coming ?

- 1. There is still a 12% probability the Fed will end up hiking

  Investors are nervous about a recession, yes, but they also acknowledge the inflationary risks coming from tariffs and persistent deficits - hence, a non-trivial 12% probability of Fed hikes is still priced in

  2. The modal outcome is for 4 cuts, once per quarter

  The highest bar in the probability distribution (the ''mode'' of the distribution) says 4 cuts for a Fed Fund of 3.25% in 1 year from now

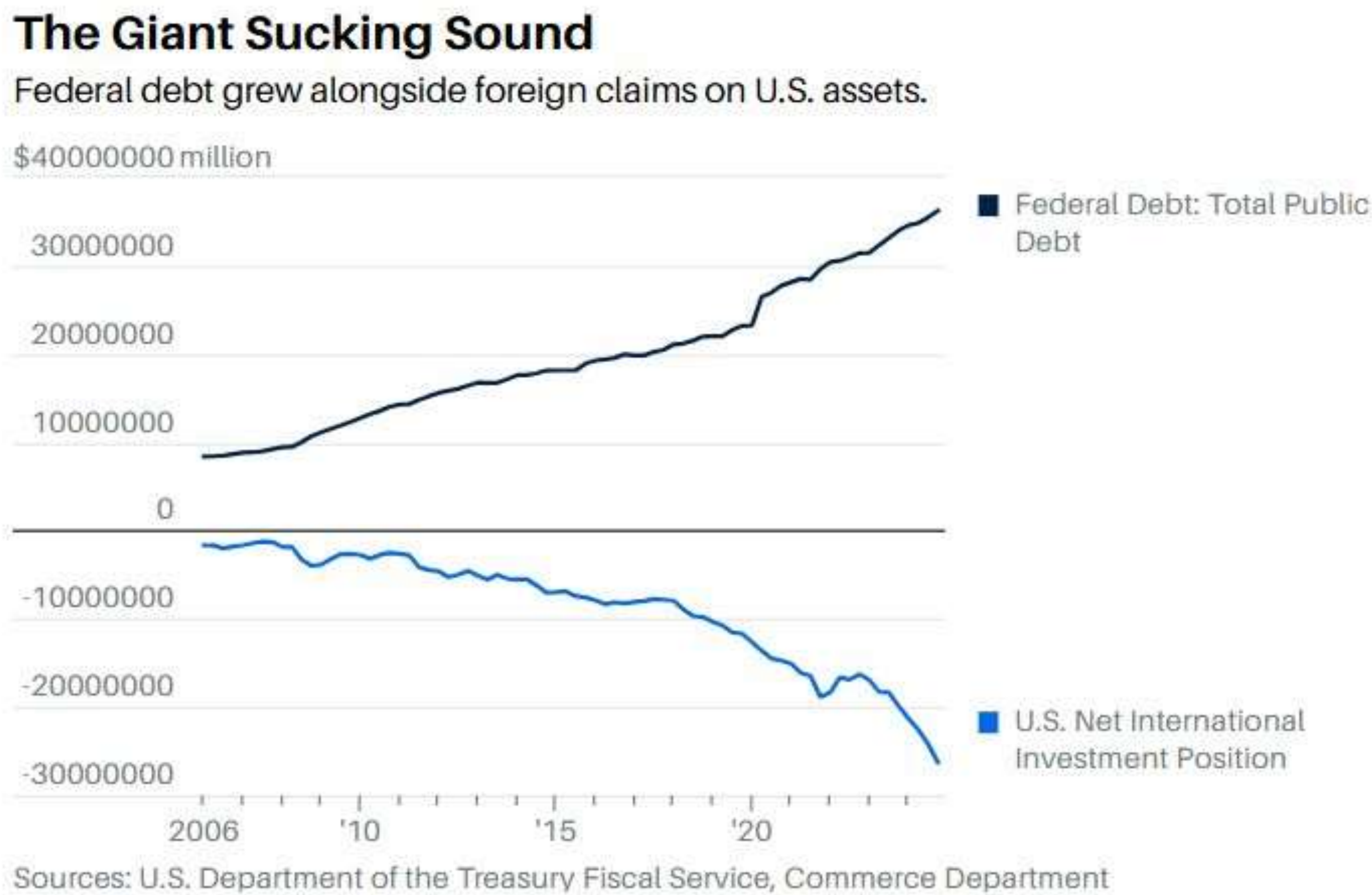
  3. Recessionary odds are on the rise!

  The market-implied probability that the Fed will deliver cuts in line with a recession (200+ bps in 1 year) has rapidly increased to 22%.

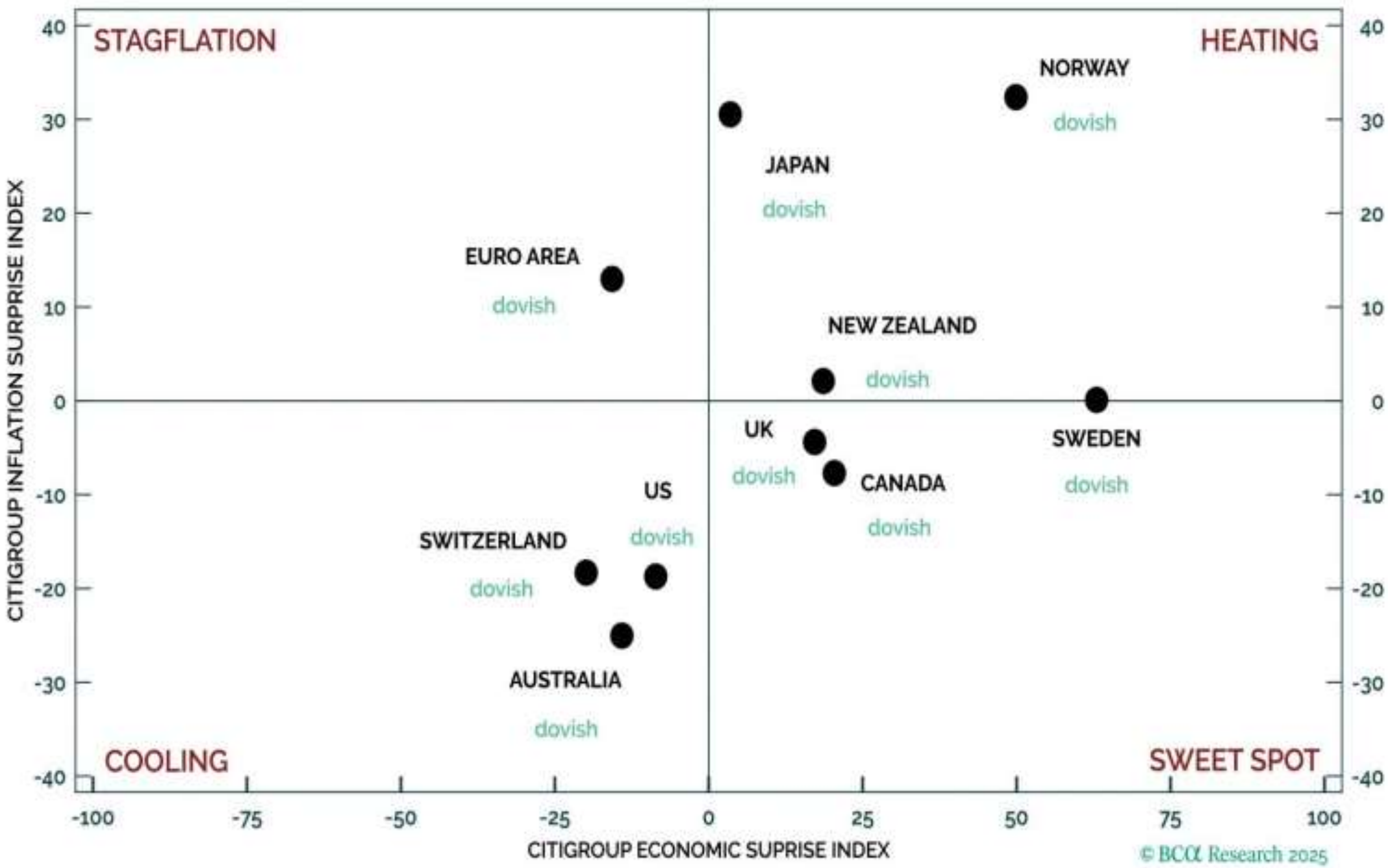
  The bond market is well aware of tail risks: inflationary pressures from tariffs and deficits, but also a potential recession looming large.

  Which risk do you think deserves the most attention?

The giant sucking sound as a result of too much cheap money, interest rates that have been kept far too low for too long, huge deficits and record government debt ...

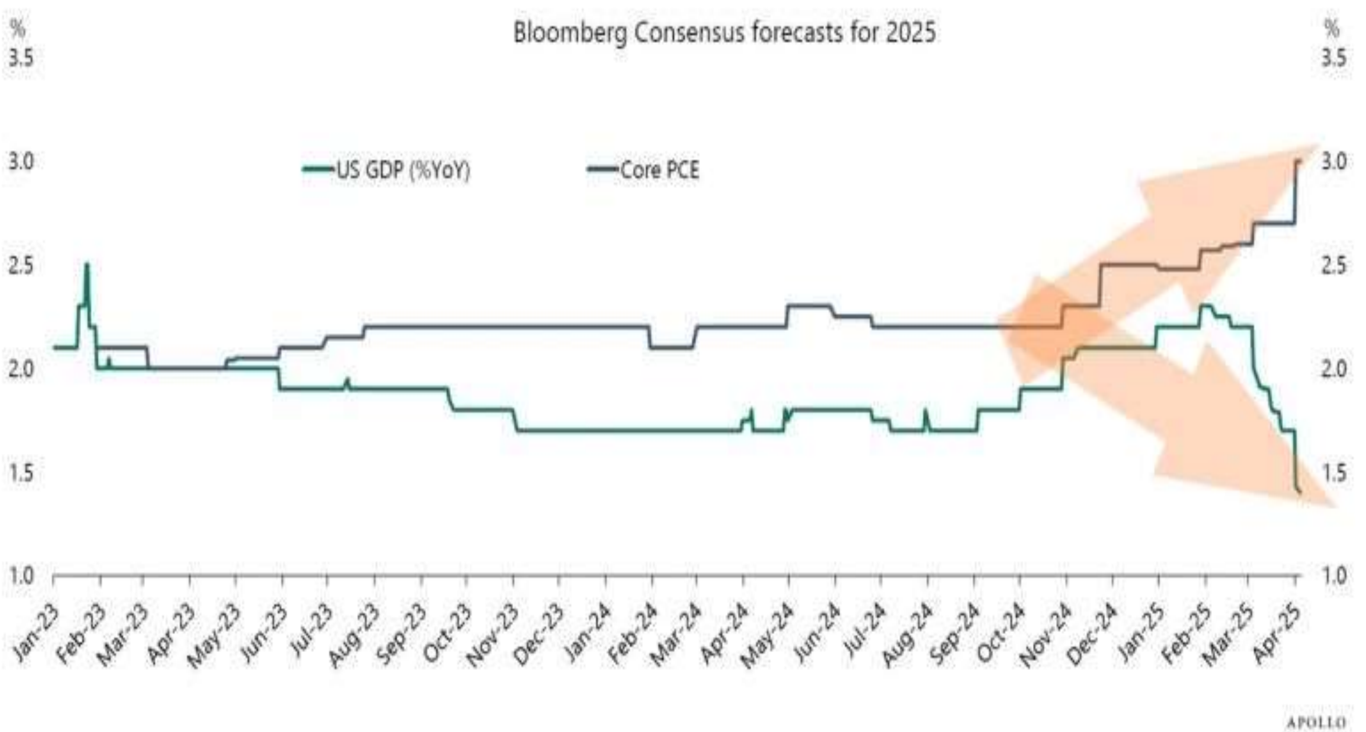


Stagflation coming ?

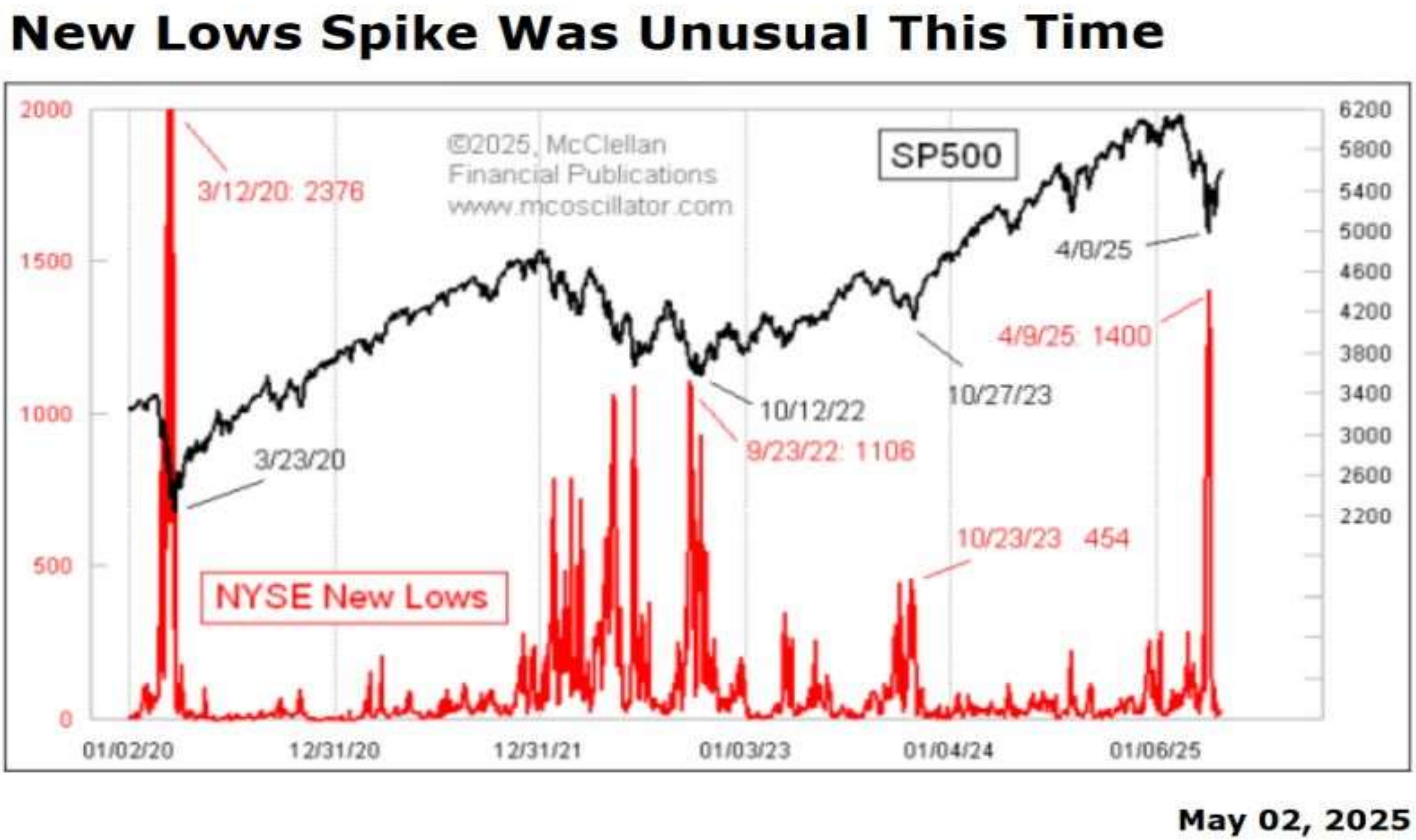


Stagflation - US

Consensus forecasting stagflation



Is the LOW in ?

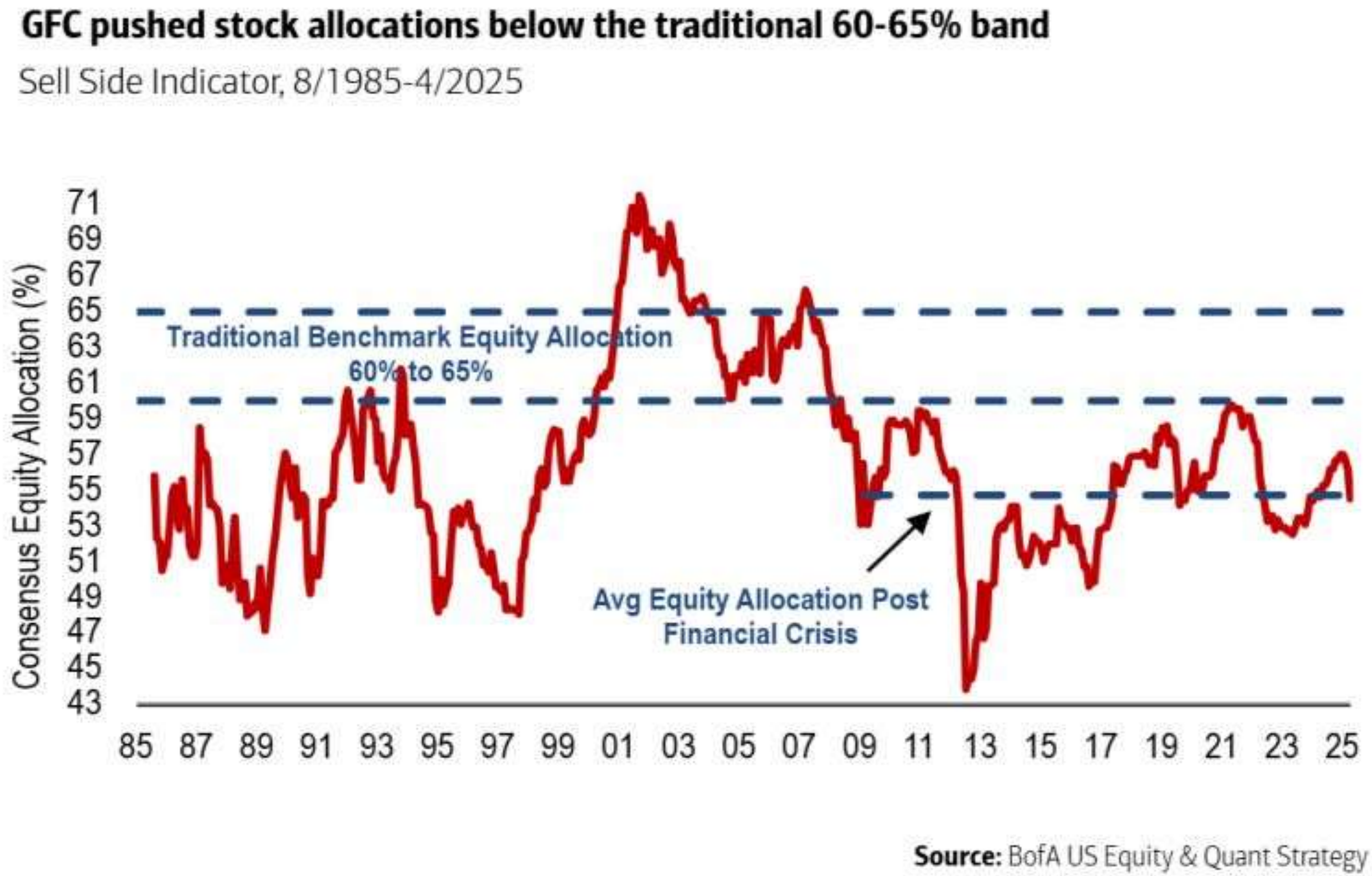


New Lows Spike Was Unusual This Time
©2025, McClellan Financial Publications www.mcoscillator.com
SP500
NYSE New Lows
3/12/20: 2376
3/23/20
10/12/22
9/23/22: 1106
10/27/23
10/23/23 : 454
4/8/25
4/9/25: 1400
2000
1500
1000
500
0
6200
5800
5400
5000
4600
4200
3800
3400
3000
2600
2200
01/02/20
12/31/20
12/31/21
01/03/23
01/04/24
01/06/25
May 02, 2025

The low in ?

- The price low on April 8, 2025 was unusual because it coincided with the highest reading for stocks making a new 52-week low on the NYSE. Usually the number of New Lows peaks before the final price low (Tom McClellan).

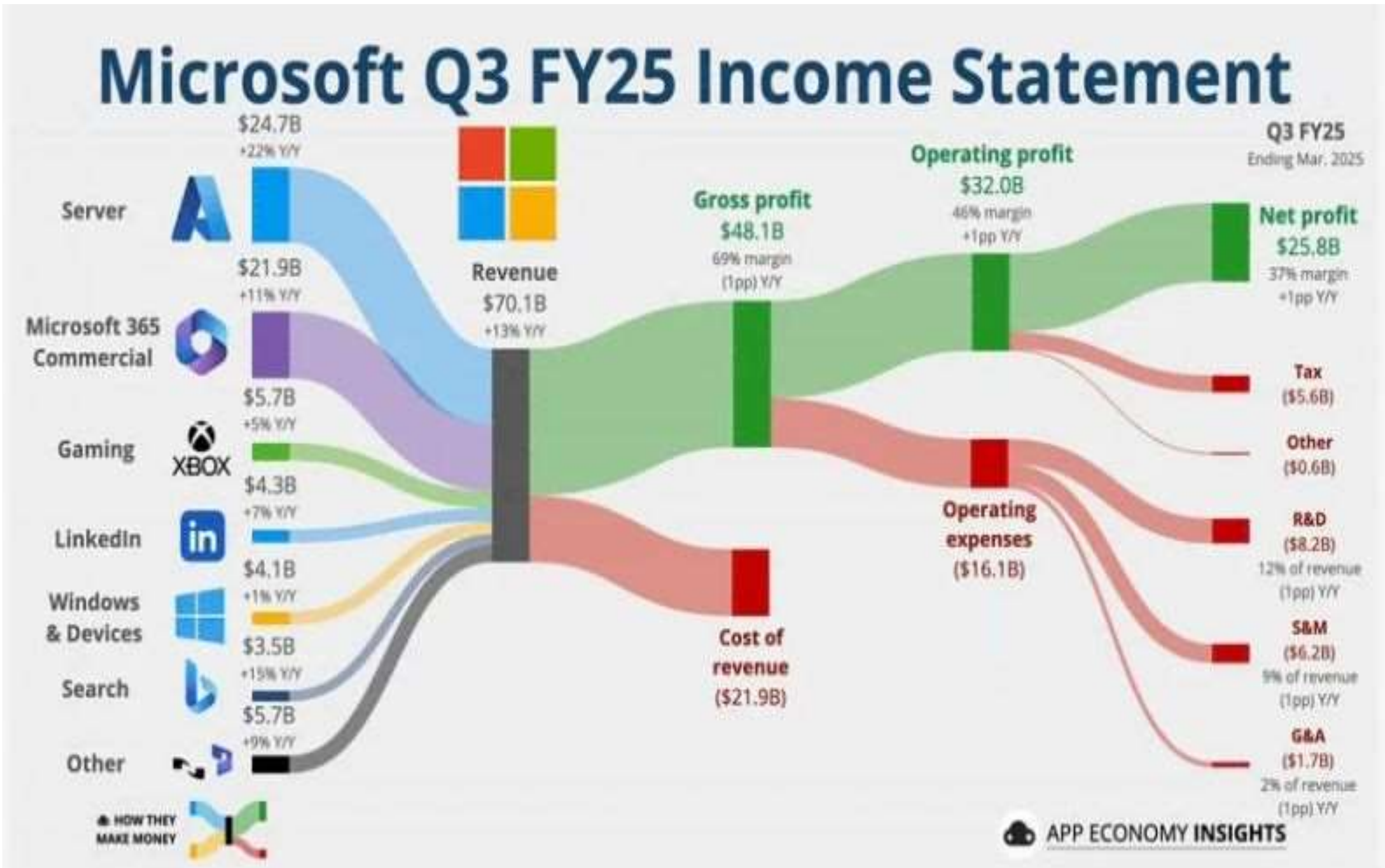
Equity allocations below the traditional 60-65% band



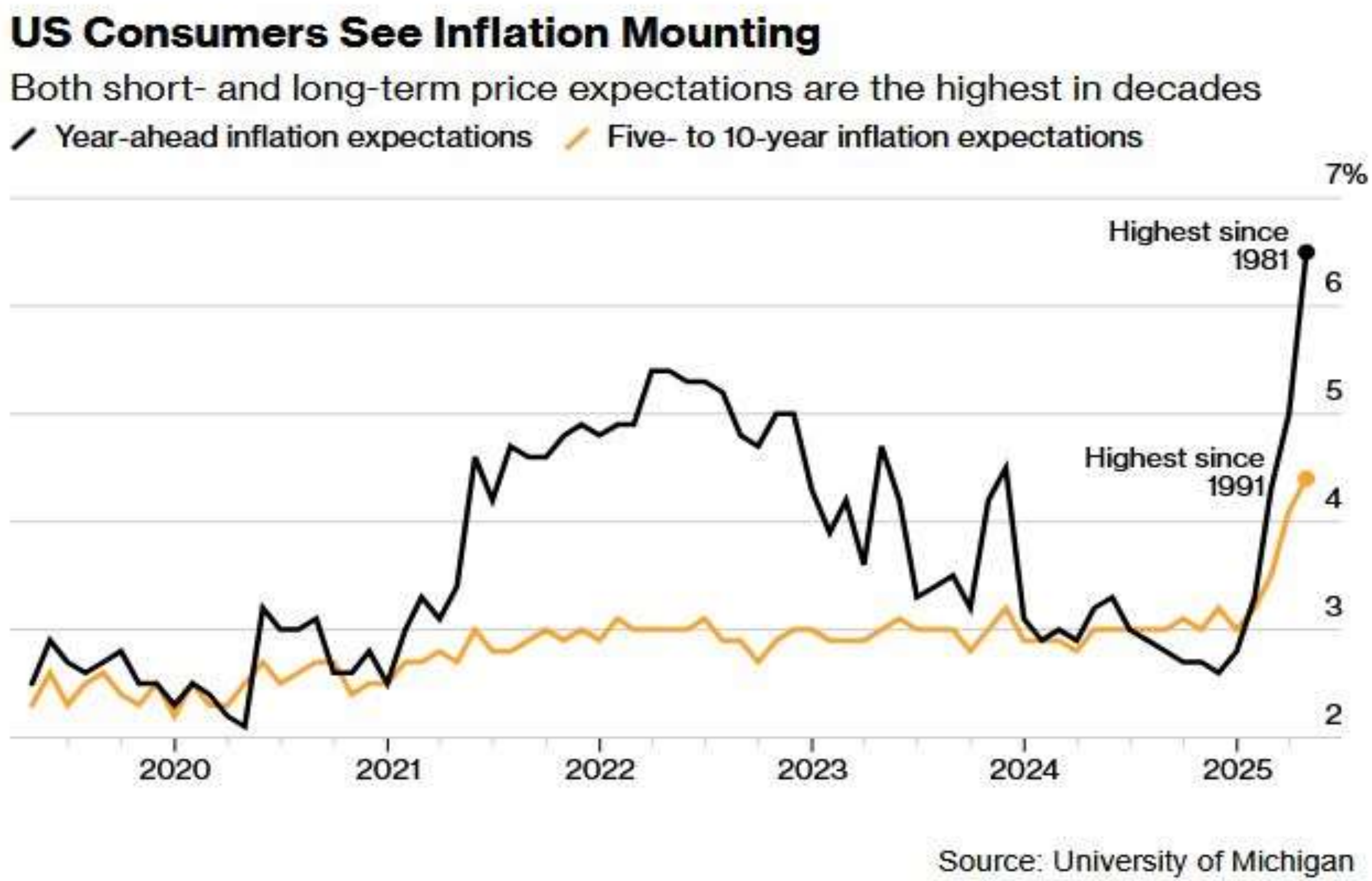
Strengthening Euro ...

Source: LSEG Datastream and © Yardeni Research. WM/LSEG.

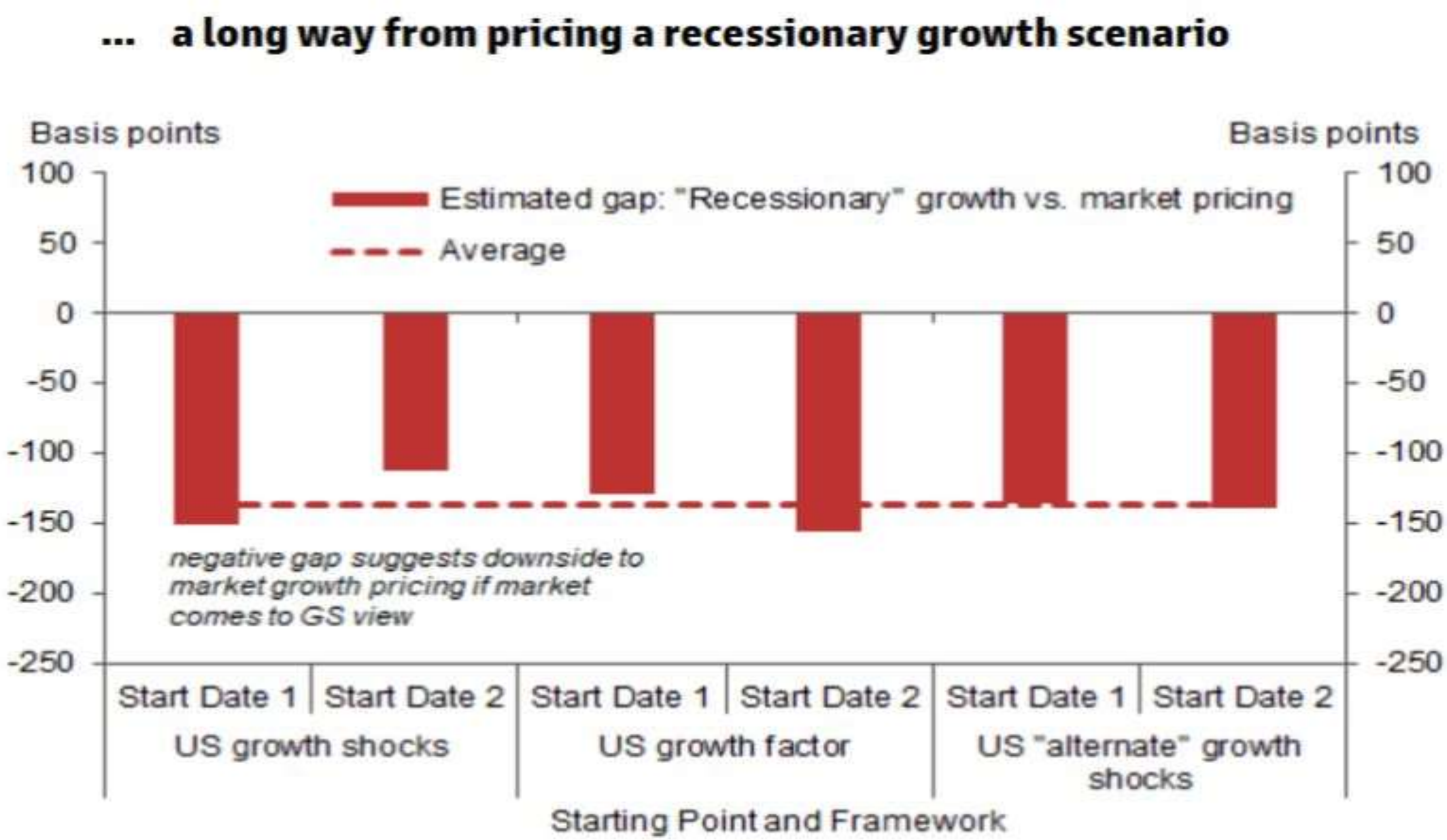
MSFT : amazing profit margins..



US consumers see Inflation



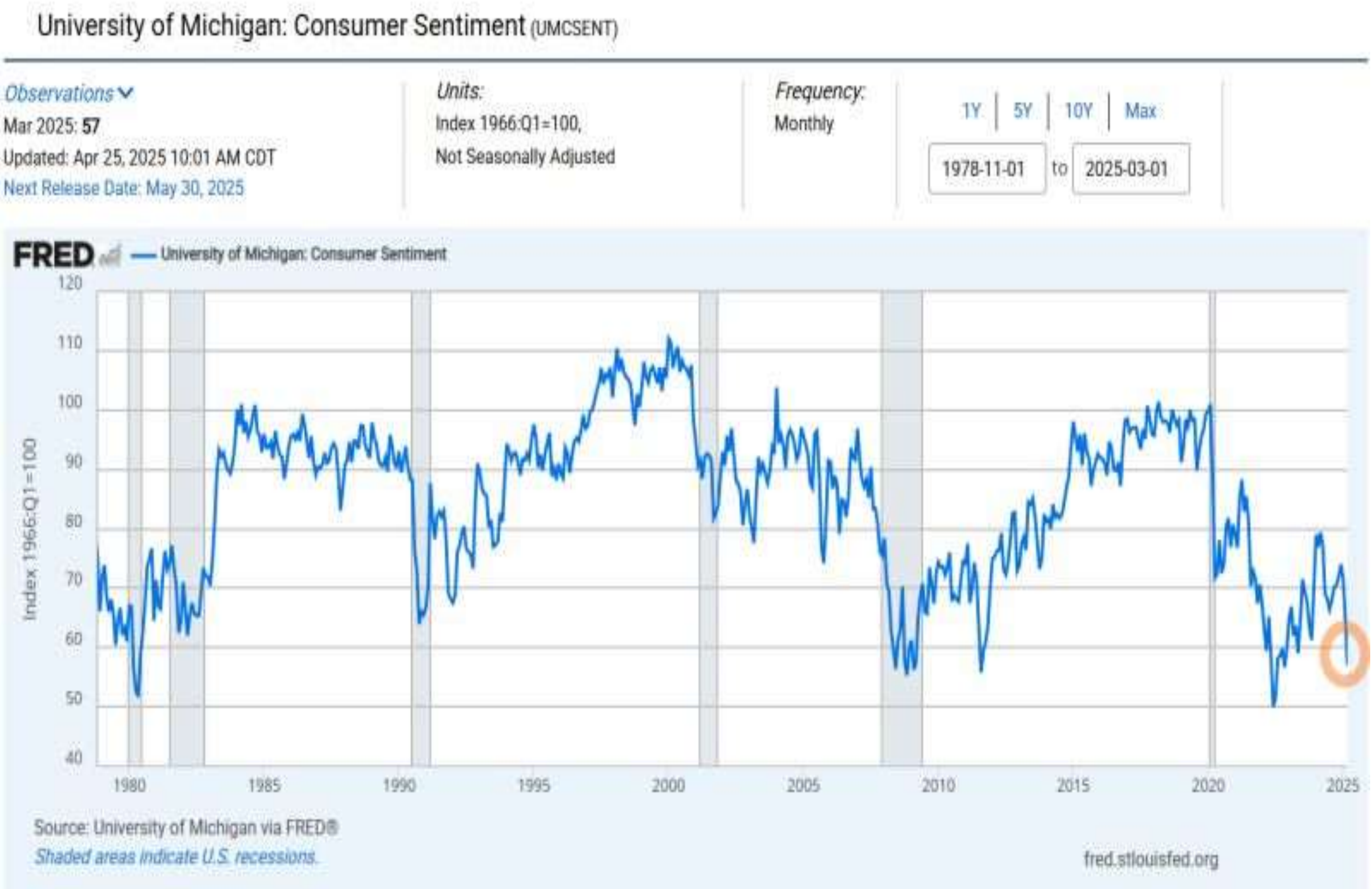
..but we are still away from pricing a recession..



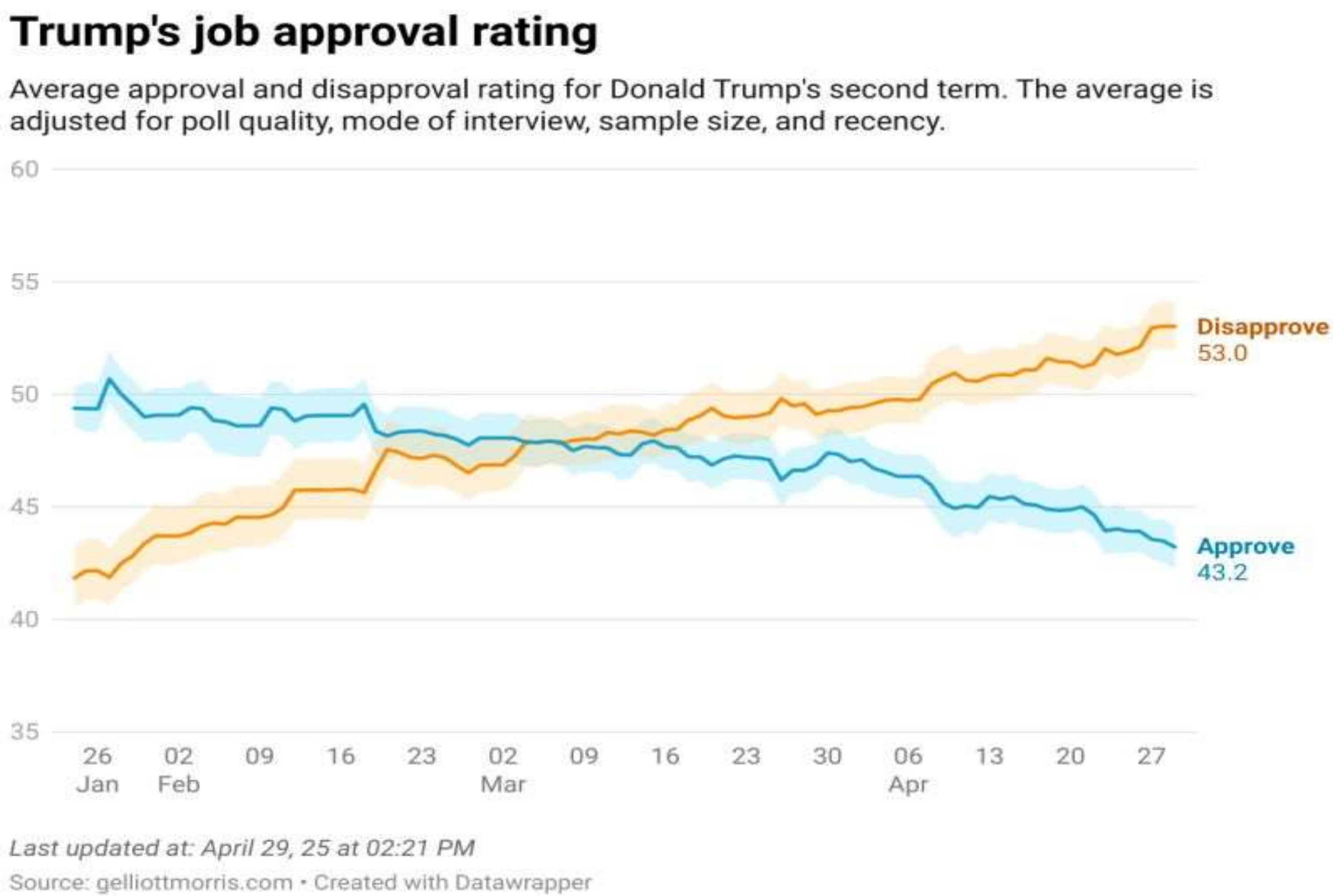
Start Date 1 considers changes in market pricing since August 2023, and Start Date 2 considers changes since July 2024

Source: Goldman Sachs Global Investment Research

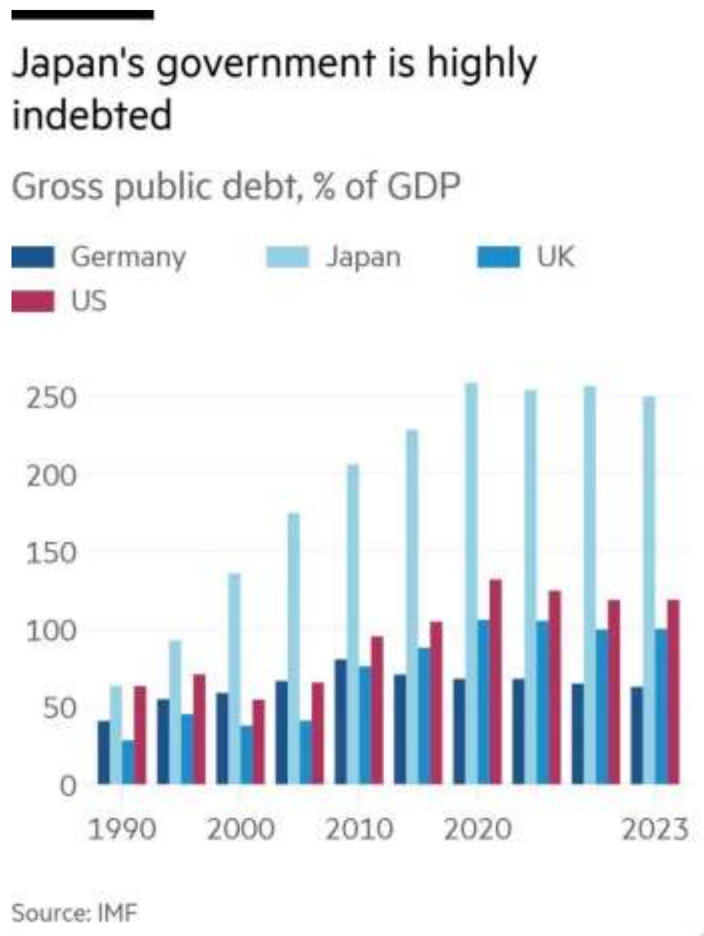
Sentiment recession in the USA ...



Trump’s job approval rating



Gross Public Debt



US is Facing a sovereign stress test

- The U.S. is facing a sovereign stress test — and markets are finally pricing it in.

  The first chart shows a sharp spike in U.S. 5-year credit default swaps (CDS) — the cost of insuring against a U.S. default — now exceeding 55 bps, a level not seen since the 2011 debt ceiling crisis.

  The second chart tells you why:
  The U.S. national debt has ballooned under every administration, regardless of party — now topping $36 trillion, with deficits structurally embedded.

  And now, there's a new twist:
  The U.S. has lost its AAA rating across all major agencies.
  • Fitch and S&P already downgraded.
  • Moody's followed suit just days ago.

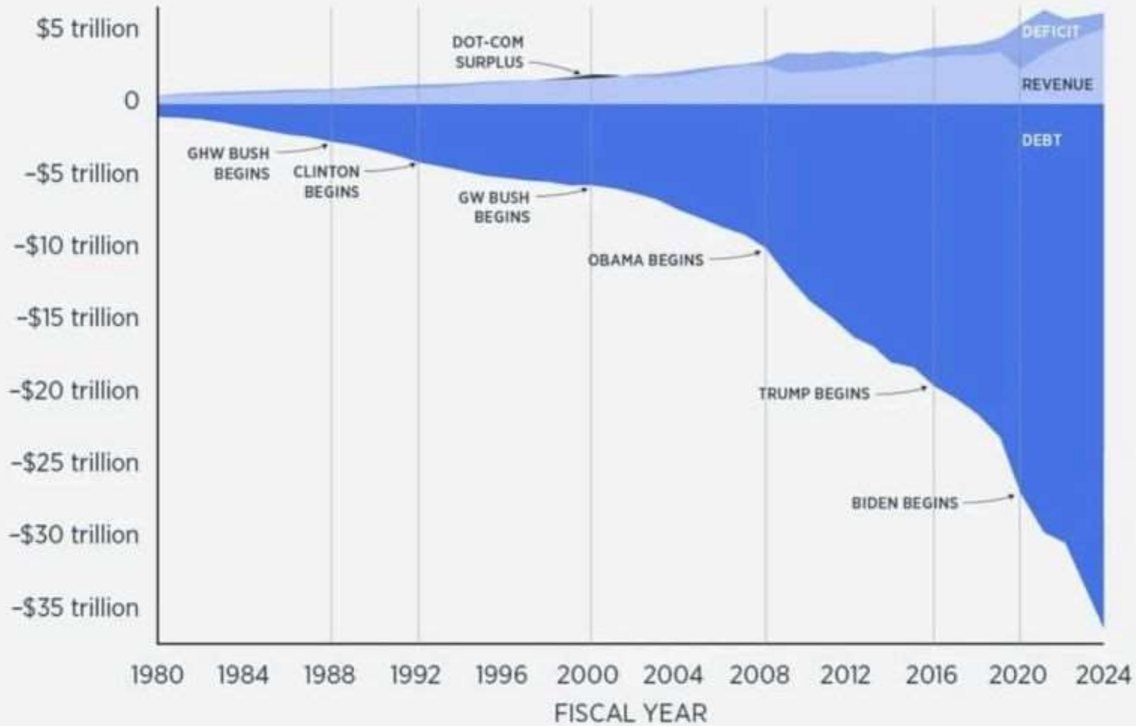
  The consequence?
  Even a marginal increase in U.S. borrowing costs adds hundreds of billions in annual debt servicing.
  In short, the world's reserve currency issuer is becoming more expensive to finance — and investors are taking notice.

  This isn't an emerging market story.
  This is what happens when fiscal dominance, rising rates, and market skepticism converge in the world's most systemically important economy.

  The question isn't whether the U.S. can repay its debt.
  It's how much the world will charge it to keep rolling it.

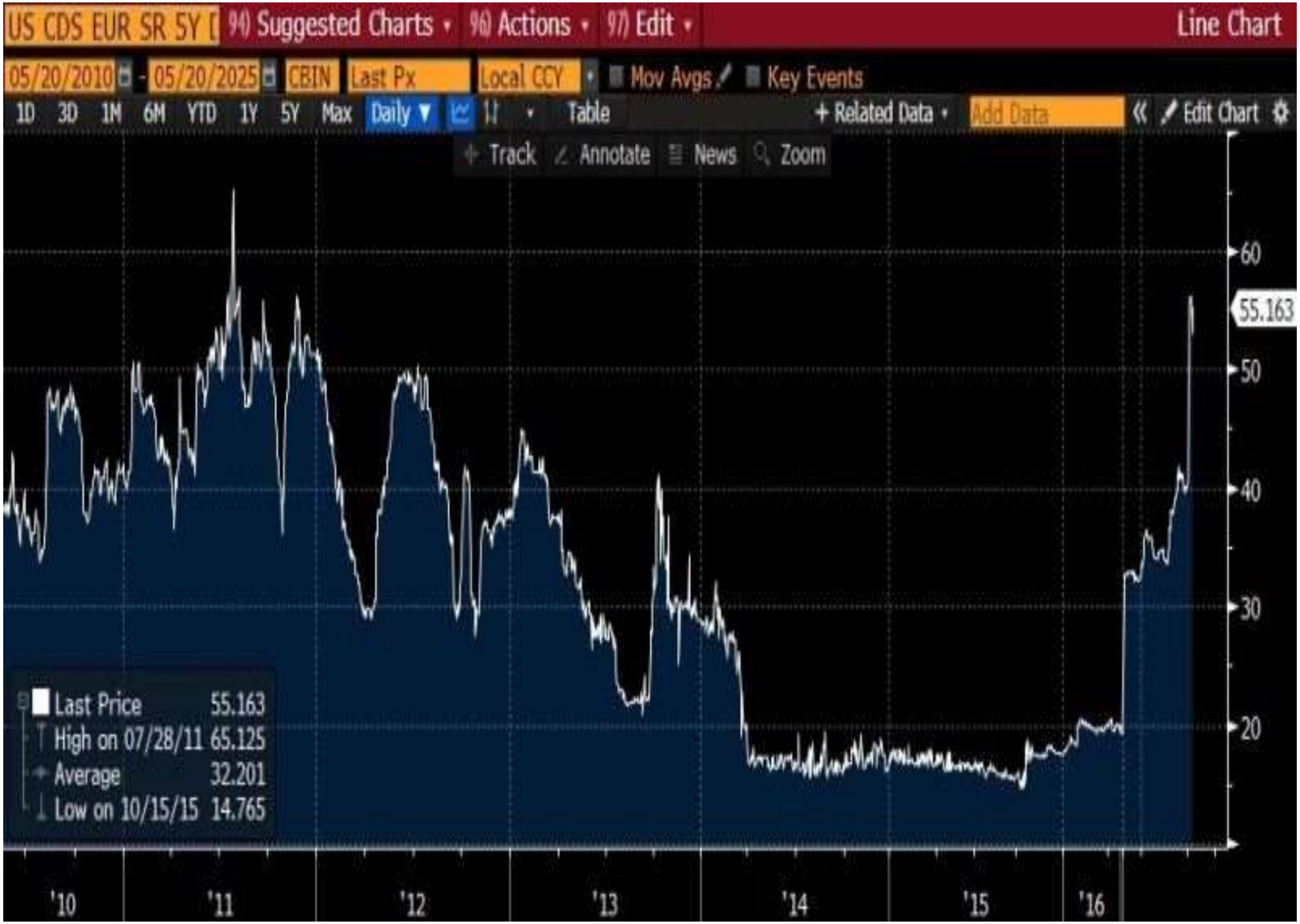
U.S. Deficit, Revenue and Debt Since 1981

The national debt has increased drastically under every recent president, regardless of political party.



SOURCE: THE BALANCE, "U.S. FEDERAL GOVERNMENT TAX REVENUE BY YEAR," MAY 15, 2024; FEDERAL RESERVE BANK OF ST. LOUIS, "FEDERAL SURPLUS OR DEFICIT (FYFSD)"; INVESTOPEDIA, "U.S. NATIONAL DEBT BY YEAR," NOV. 4, 2024.

DISCOURSE


US CDS EUR SR 5Y
94) Suggested Charts
96) Actions
97) Edit
Line Chart
05/20/2010 - 05/20/2025
CBIN
Last Px
Local CCY
Mov Avgs
Key Events
1D 3D 1M 6M YTD 1Y 5Y Max
Daily
Table
+ Related Data
Add Data
Edit Chart
Track
Annotate
News
Zoom
60
55.163
50
40
30
20
Last Price 55.163
High on 07/28/11 65.125
Average 32.201
Low on 10/15/15 14.765
'10
'11
'12
'13
'14
'15
'16


My tariffs aren't working
Have you tried turning them on and off again?
imgflip.com

Leading Economic Index….

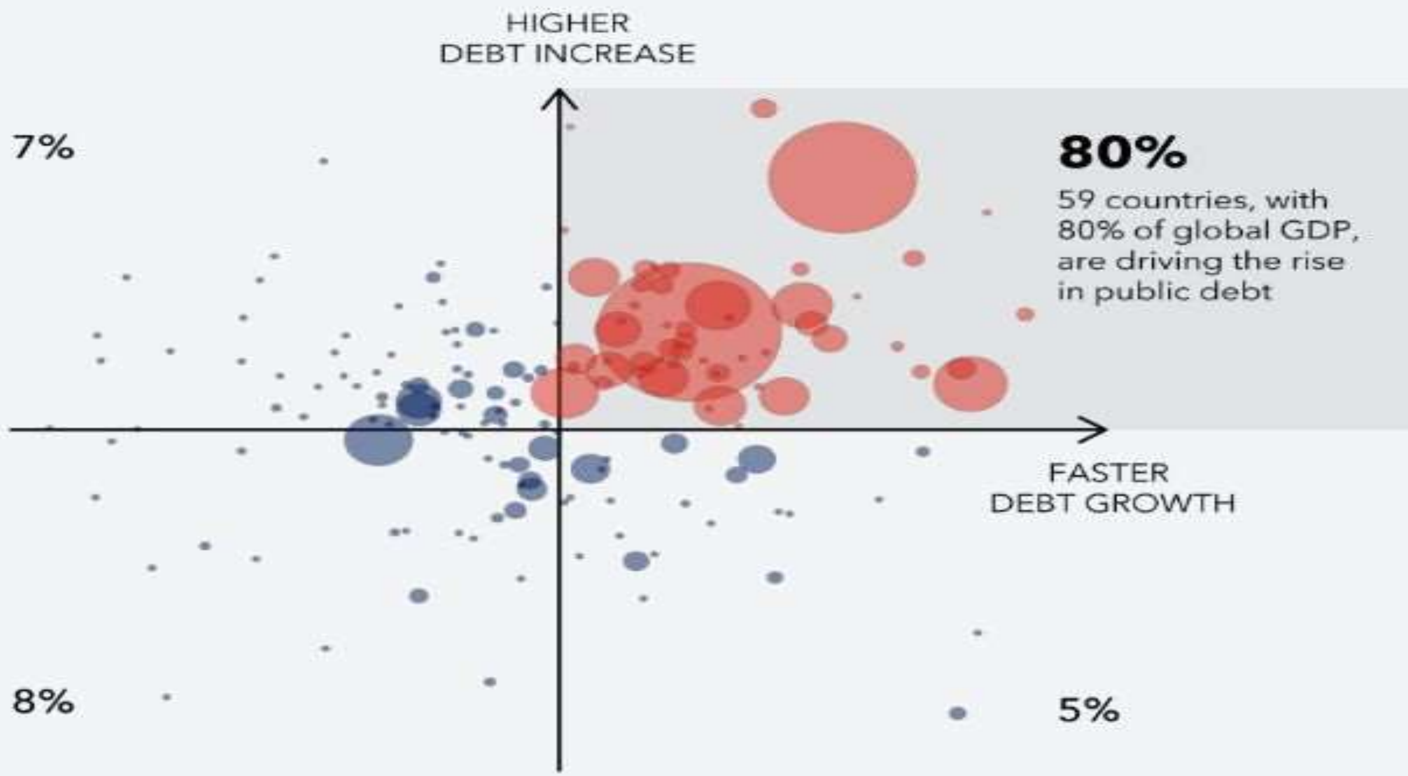
- The Leading Economic Index has never declined this much without a recession.

  What you're looking at is the Conference Board's LEI — a time-tested composite that captures forward-looking economic momentum. And it has now been in persistent, steep drawdown territory for nearly two years.
  • Current drawdown: –17.3%
  • Longest and steepest slump since the Global Financial Crisis
  • Historically, such drops have always preceded recessions

  Markets may be brushing it off. But history suggests it's wise not to.

  If this time is different, it would be the first.

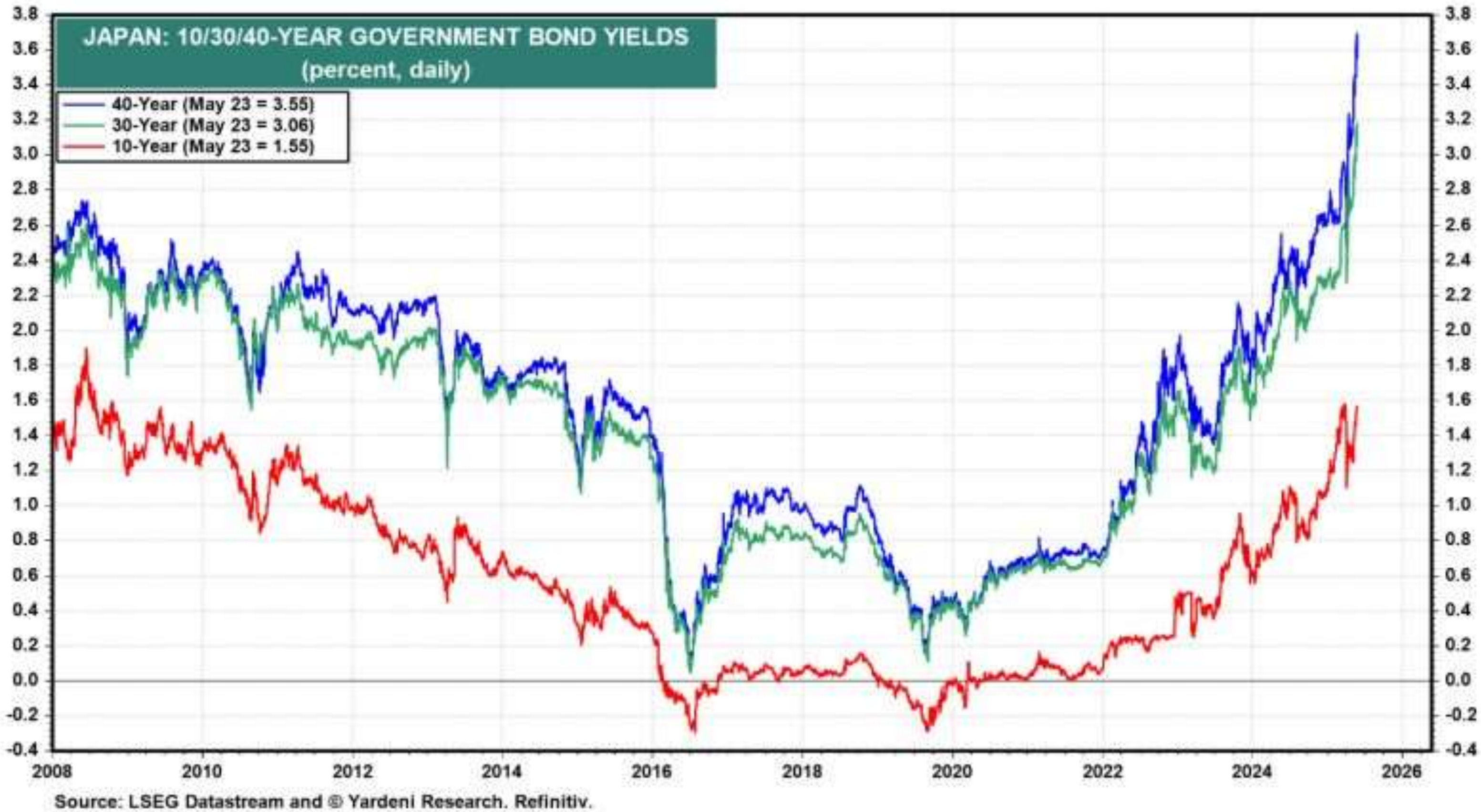
Public debt is higher and growing faster than before the pandemic, propelled by the largest economies



Sources: IMF staff calculations; and IMF, World Economic Outlook. Note: Y-axis shows change in debt to GDP between 2019 and 2025. X-axis shows the projected growth in debt to GDP from 2014–19 to 2024–29. Bubble size = 2024 share of world GDP .

IMF

Japan’s Bond market us out of control?



12-Month US Inflation Expectations - the highest level since 1981 ...

US is living beyond …

- The USA is notoriously living beyond its means ... government revenue, expenditure, balance, forecast in % of GDP

The Leading Economic Index alarms a recession

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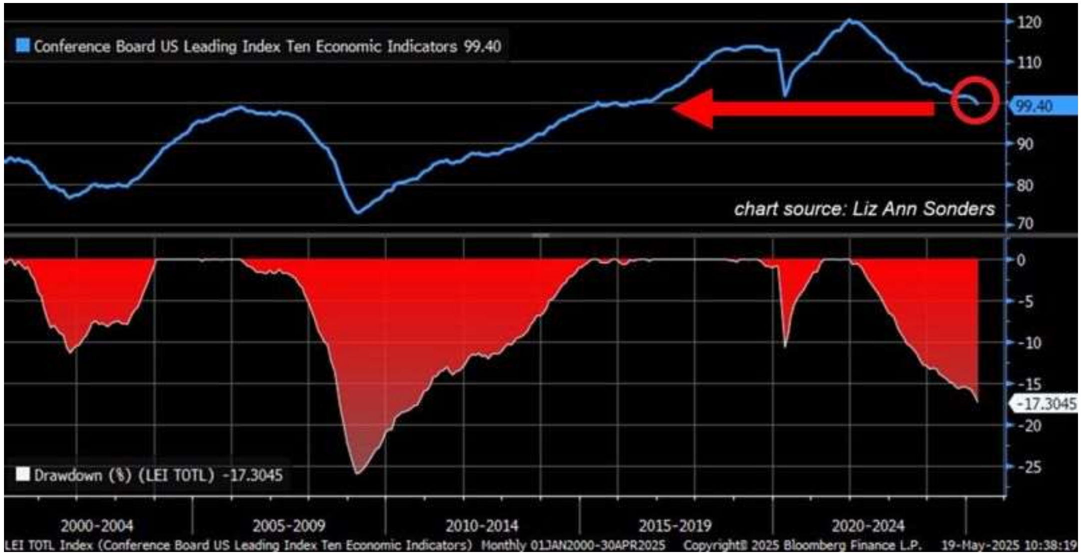
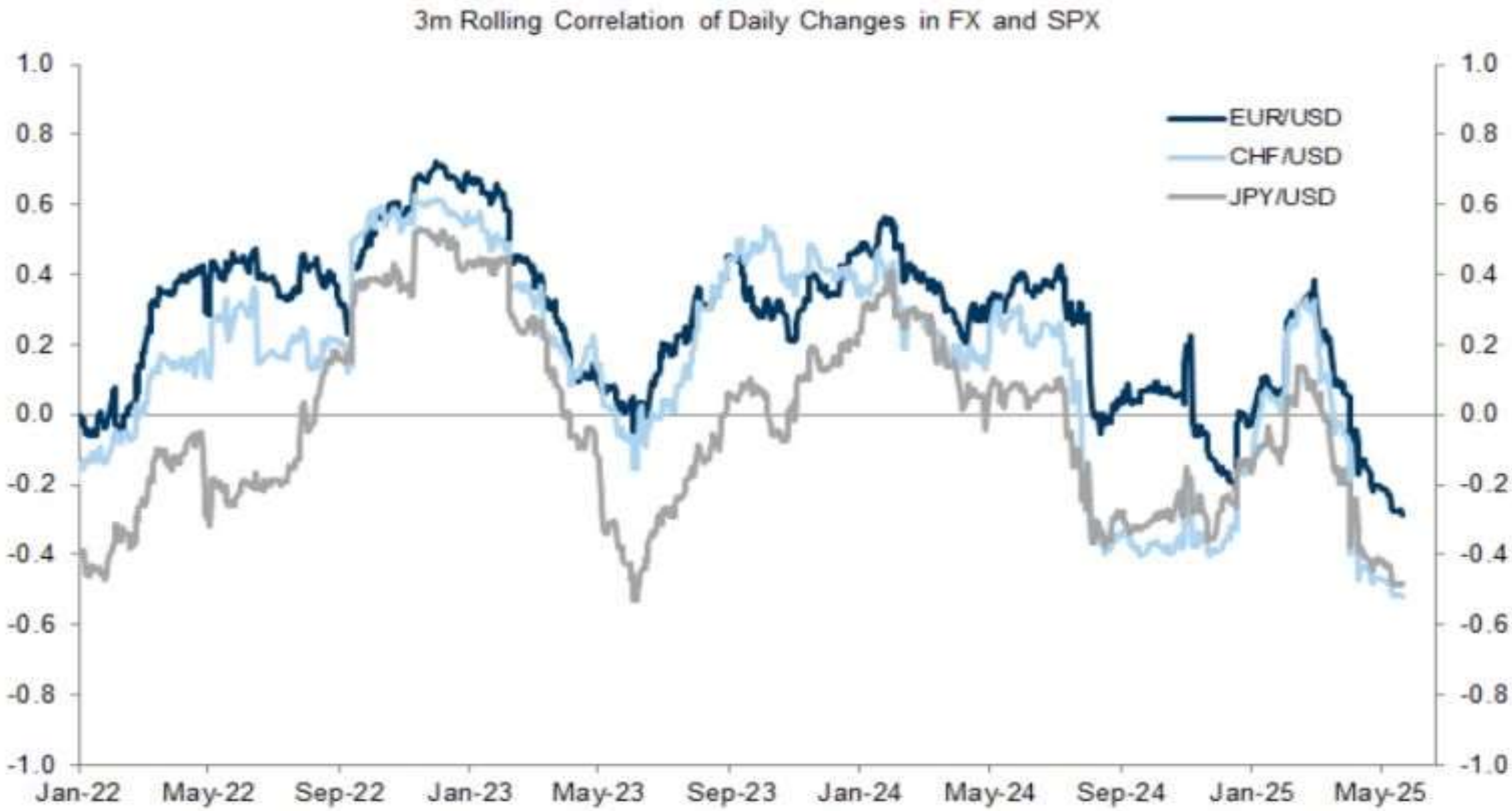
If this time is different, it would be the first



Supply driven corrections in Treasuries call into question their volatility reducing portfolio contribution offset to equity risk ...

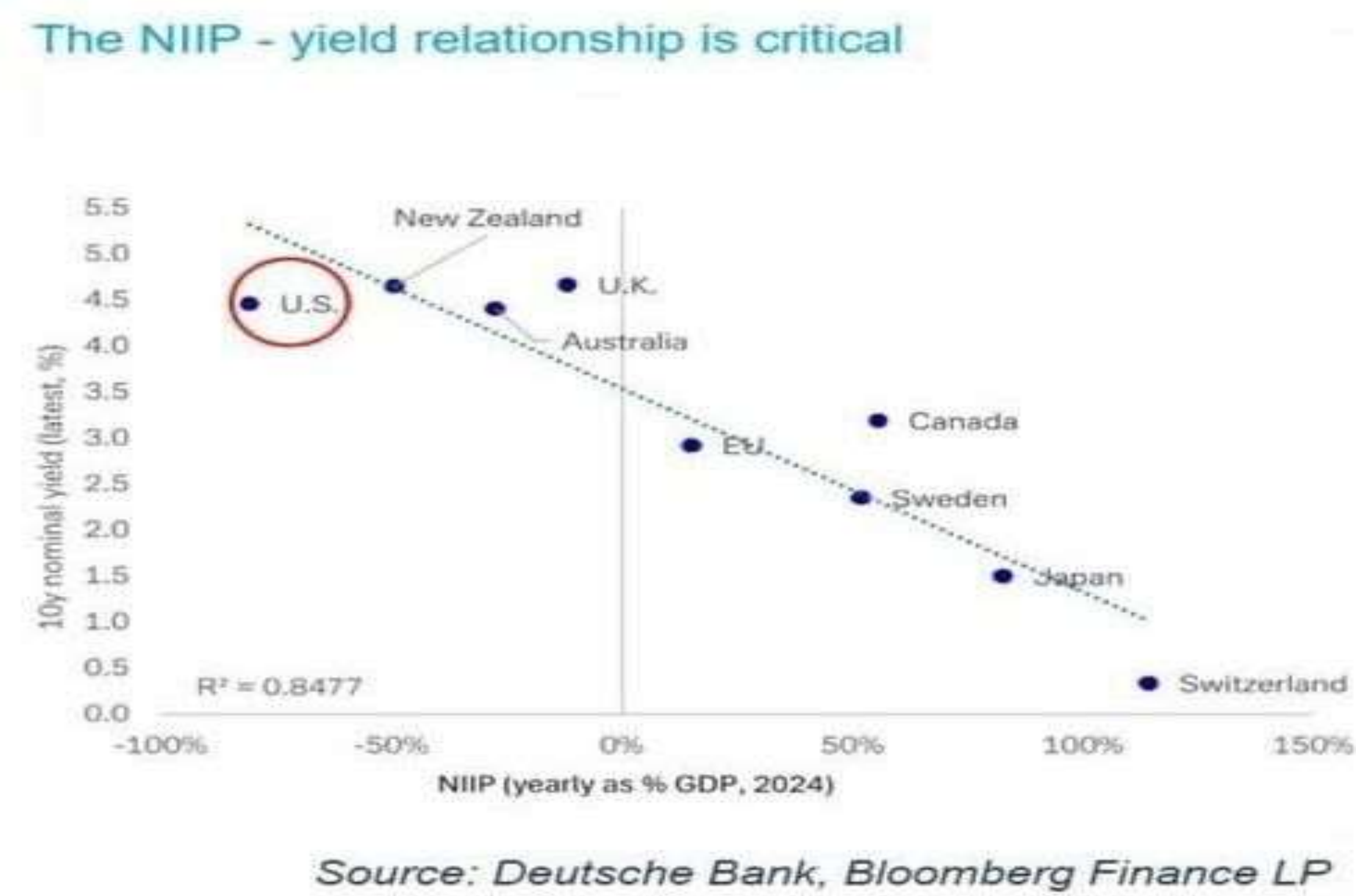
USD : risk on ?

The Dollar has become increasingly positively correlated with risk in recent months vs other safe havens and EUR



Source: Bloomberg, Goldman Sachs Global Investment Research

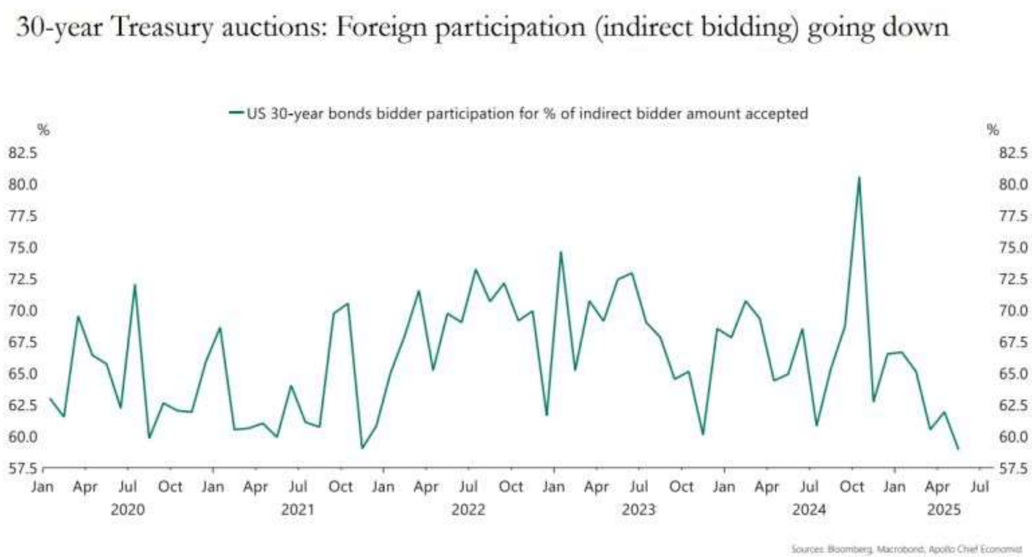
High Yields don't lie

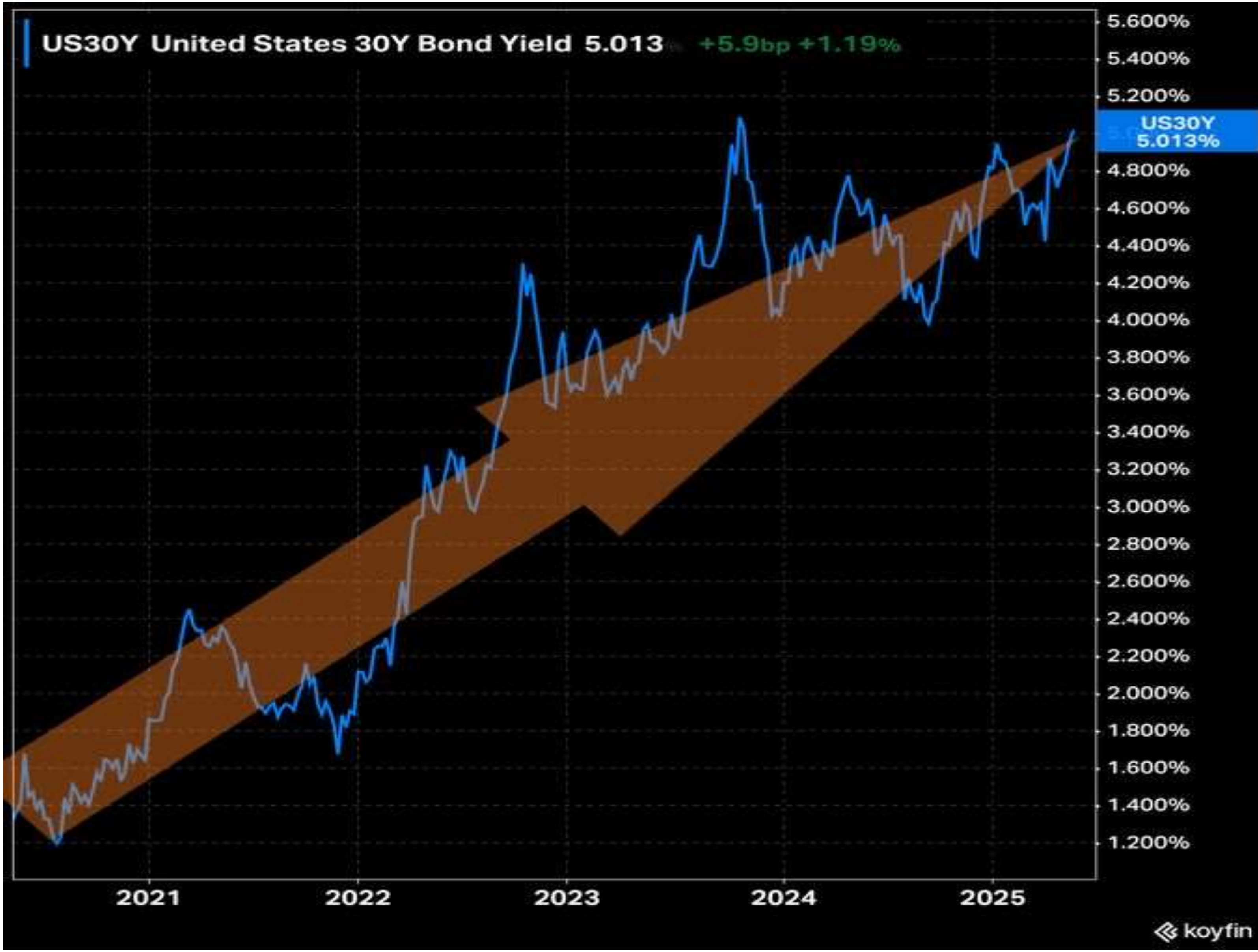


The most alarming chart in Global Markets

Participation is declining …

Declining Foreign Participation in US Treasury 30-Year Auctions . Indirect bidding in Treasury auctions refers to bids submitted on behalf of foreign institutions. These bidders don’t participate directly, but instead have their bids placed by intermediaries—hence “indirect.” Looking at foreign participation in 30-year Treasury auctions shows a downward trend in recent months





US30Y United States 30Y Bond Yield 5.013 +5.9bp +1.19%
US30Y
5.013%
5.600%
5.400%
5.200%
4.800%
4.600%
4.400%
4.200%
4.000%
3.800%
3.600%
3.400%
3.200%
3.000%
2.800%
2.600%
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2.200%
2.000%
1.800%
1.600%
1.400%
1.200%
2021
2022
2023
2024
2025
koyfin

Japan: yield curve control policy has begun to unravel ...