Twitter Thread by Christopher Seifel



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■Weekly Market Update #1■

I go through a daily and weekly process that helps me maintain a higher level perspective on markets and not lose the forest for the trees.

I use @KoyfinCharts for essentially this entire process - thank you @koyfman!

Time for a thread ■

1/ Domestic Markets

Note: I look at many time periods for everything presented here. For convenience I show trailing 3 months in this thread.

Nasdaq outperformance vs. the S&P and Dow is narrower when compared to T6M. Over the T12 period, the Nasdaq has outperformed by 26%.

2/ European (+Brazil) Markets

Germany (DAX) has lagged both the French (CAC) and UK (FTSE) markets. Including Brazil (Ibovespa) here - it has been outperforming Europe.

The DAX and IBOV have fully recovered from the March 2020 drawdown while the CAC and FTSE continue to recover

3/ Asian Markets

The KOSPI (Korea) has been on absolute fire, with the NKY close behind. The SHCOMP has lagged of late.

The KOSPI has also outperformed since the pandemic, with the NKY and SHCOMP lagging by 17% and 21%, respectively, over the T12 period (HSI is breakeven).

4/ US Sectors

Energy and Financials have been on a tear lately (economic recovery). Materials have also performed well, playing the recovery.

Technology and Consumer Discretionary have led over the T12 period, but are in the bottom half T3M.

Healthcare has held up strong.

5/ Factor Analysis (vs. S&P)

Small Caps (+21%) outperforming Large Caps / Value (+5.5%) outperforming Growth (-2%). This applies to the mix of each, i.e. Small Cap Value outperforming Small Cap Growth

Small Cap Growth has outperformed greatly over T12, Large Cap Growth is 2nd.

6/ Domestic Yields & Spreads

Note: These are actual yields.

Yields were ticking up quickly post-new year, but have eased slightly. While not back to March 2020 peak yields, the trend in yields looks to be up.

We are seeing parts of the yield curve steeper than March.

7/ Major FX Crosses (Base / Quote)

The dollar has been weakening across the board, potentially exacerbated by the November elections (notice start timing of the bigger movements) and expectation of massive fiscal spending.

8/ Commodities

@IAmAdamRobinson beautifully simplifies his approach to investing - starting w/ commodities (esp. copper) being a leading indicator.

Price appreciation in the commodity markets seem to be a result of higher demand.

Oil and Ag have been performing well too.

9/ Sentiment

Put / Call Ratio: 0.61 - above the 0.5 danger zone

Bulls v. Bears: Wide dispersion - Bearish sign

VIX: 24.34 - volatility looks to be compressing after spikes in March, June, Sept, & Oct

Fear vs. Greed: Greed seems to be driving the markets

10/ Conclusion

I wanted to cover the basics for equities, fixed income, currencies, & commodities.

I hope this was helpful in providing you with a higher level perspective.

I anticipate sending out an update every week.

Feel free to pass it along if you found it helpful!