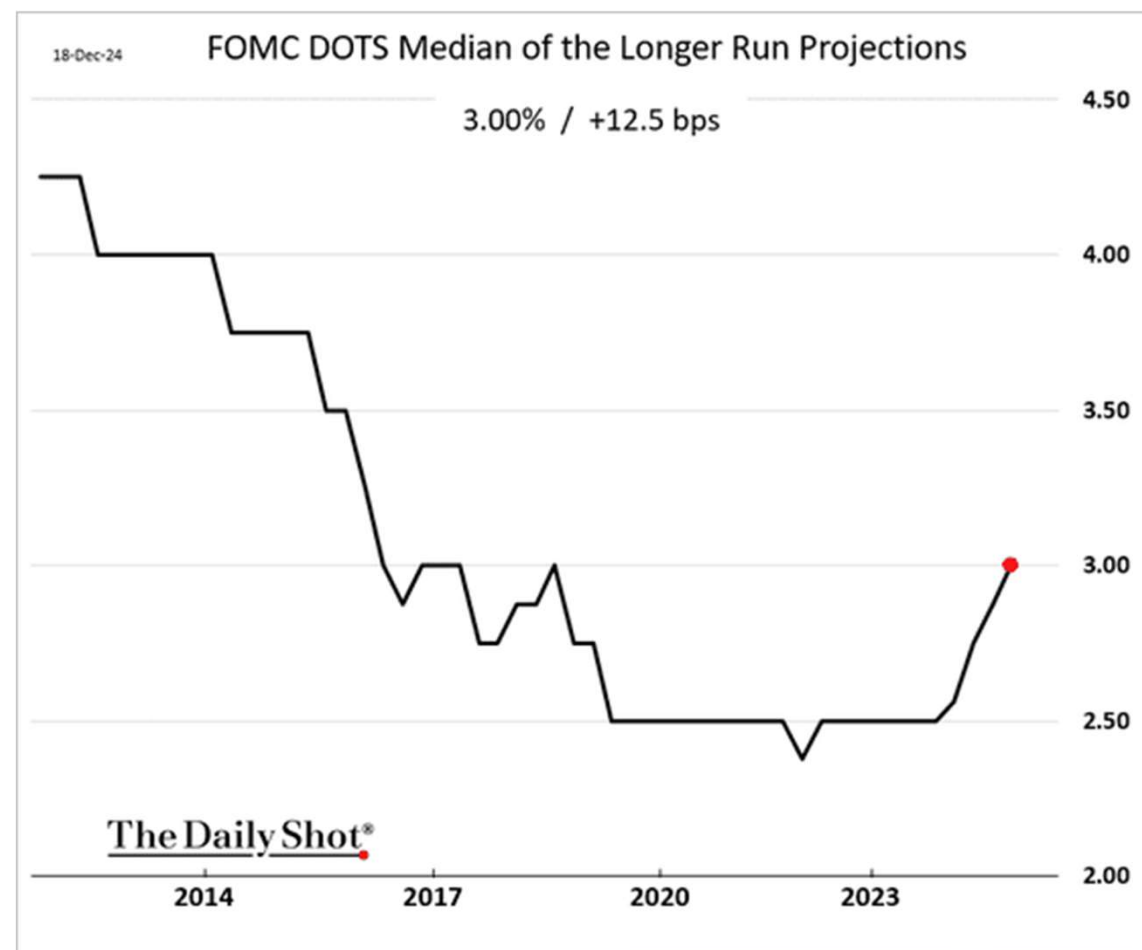
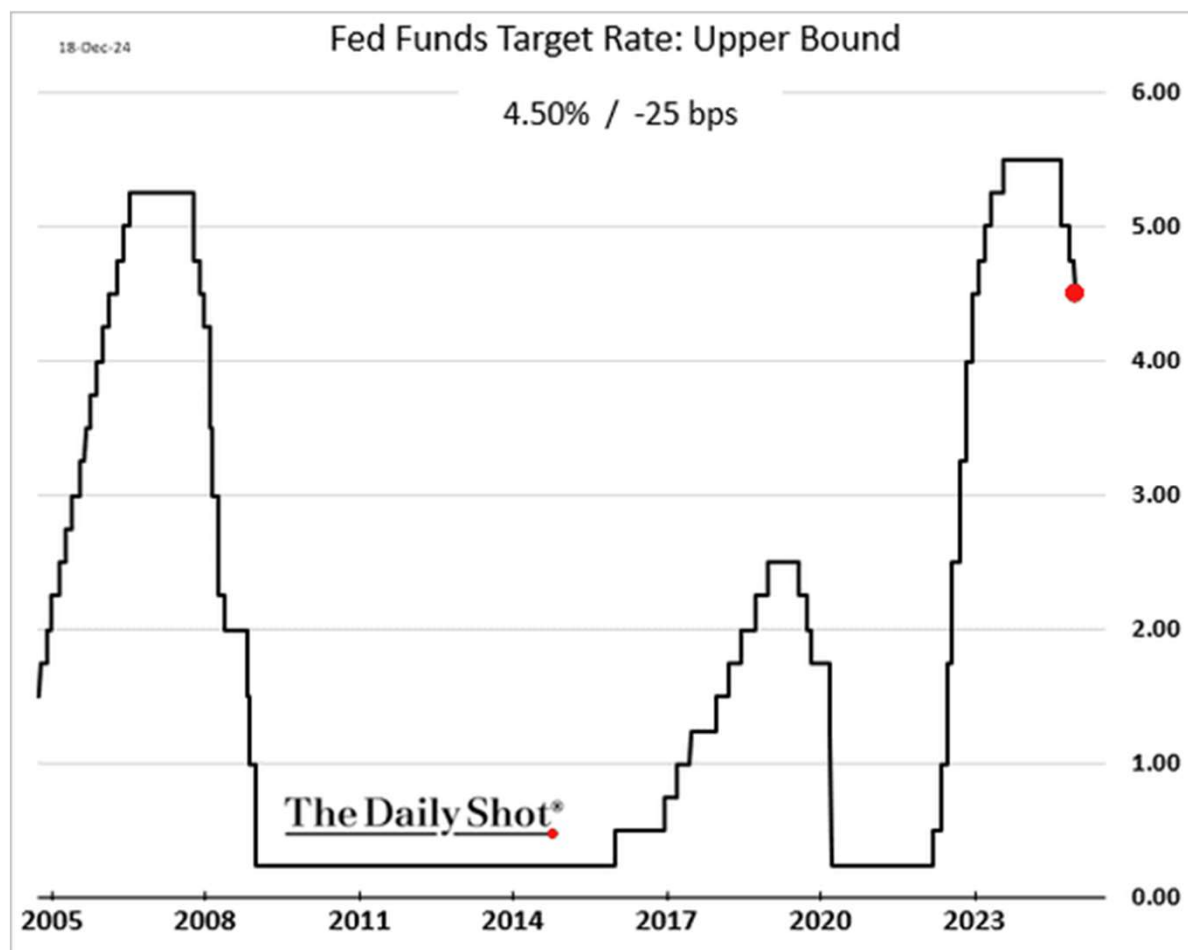


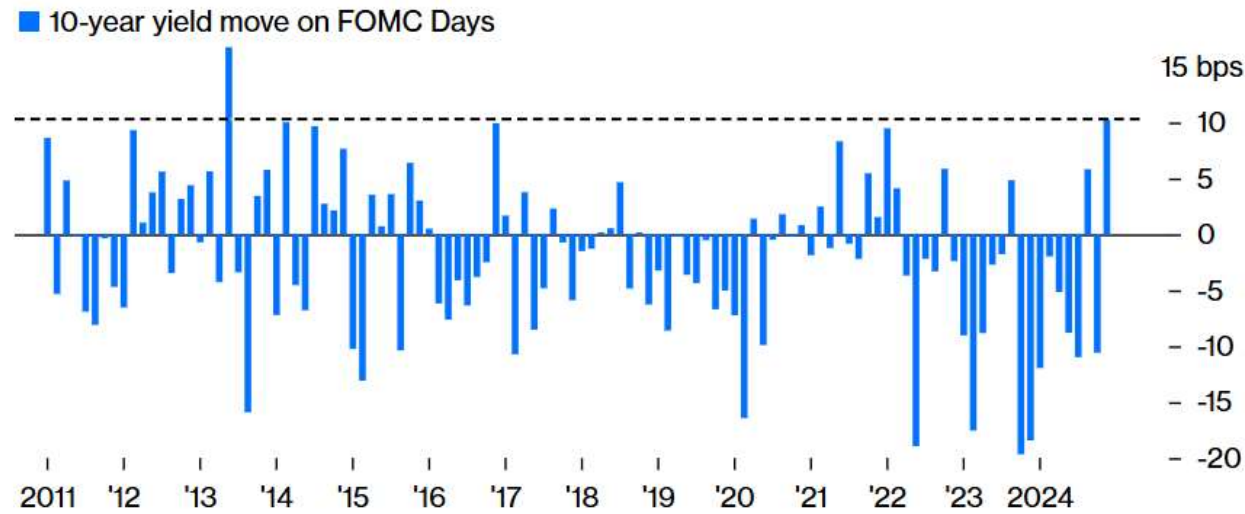
The Federal Reserve lowered its target rate by 25bp as expected but adopted a hawkish tone and raised its estimate of the “neutral rate” to 3%



The Fed “hawkish cut” triggered a sharp reaction across several asset classes

Biggest Yield Jump on FOMC Day Since 2013

Not since the Taper Tantrum have bonds received such a jolt

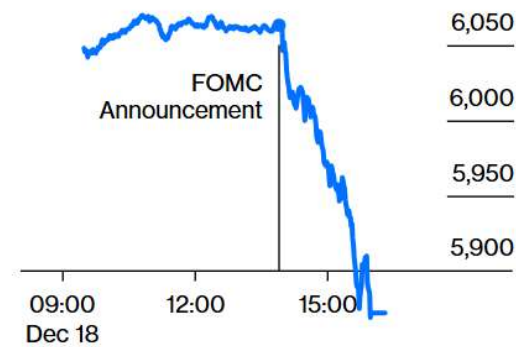


Source: Bloomberg

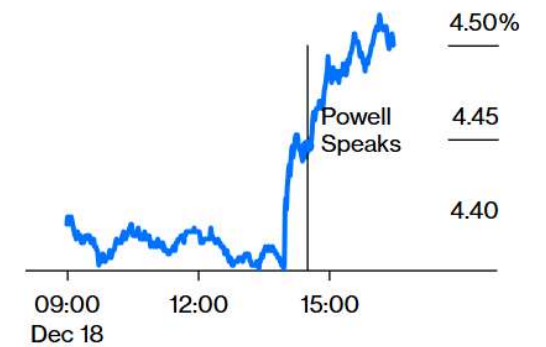
A (Very) Hawkish Cut

Markets made a brutal 'risk-off' reaction to the FOMC

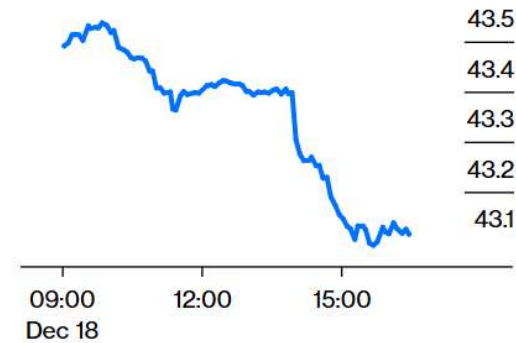
S&P 500



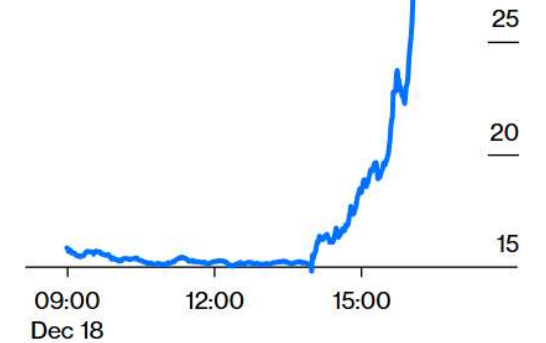
10-Year Treasury Yield



JPMorgan EM FX Index

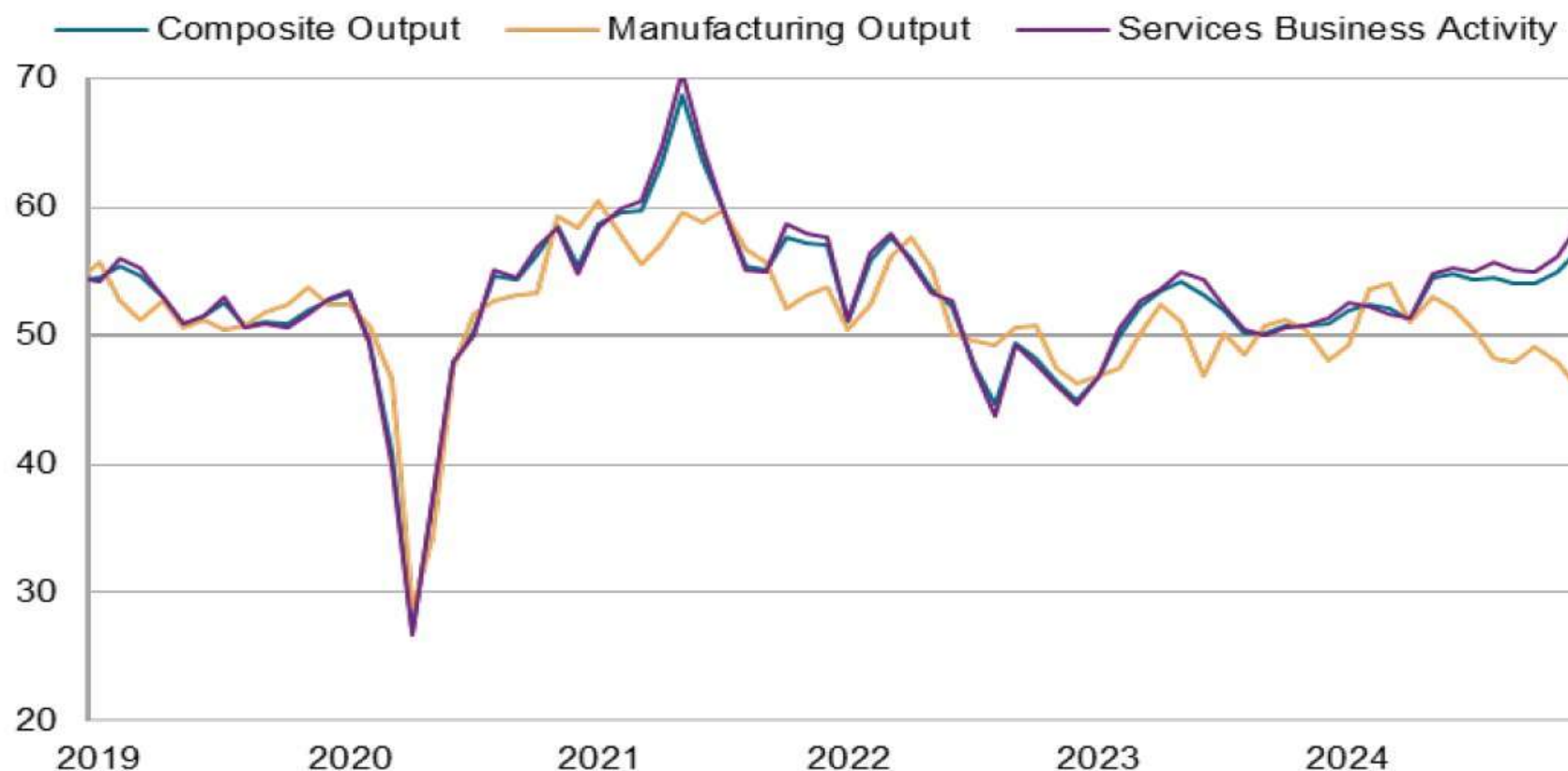


VIX Index



Flash US Composite PMI rose to 56.6 in December. The divergence between Services and Manufacturing is widening

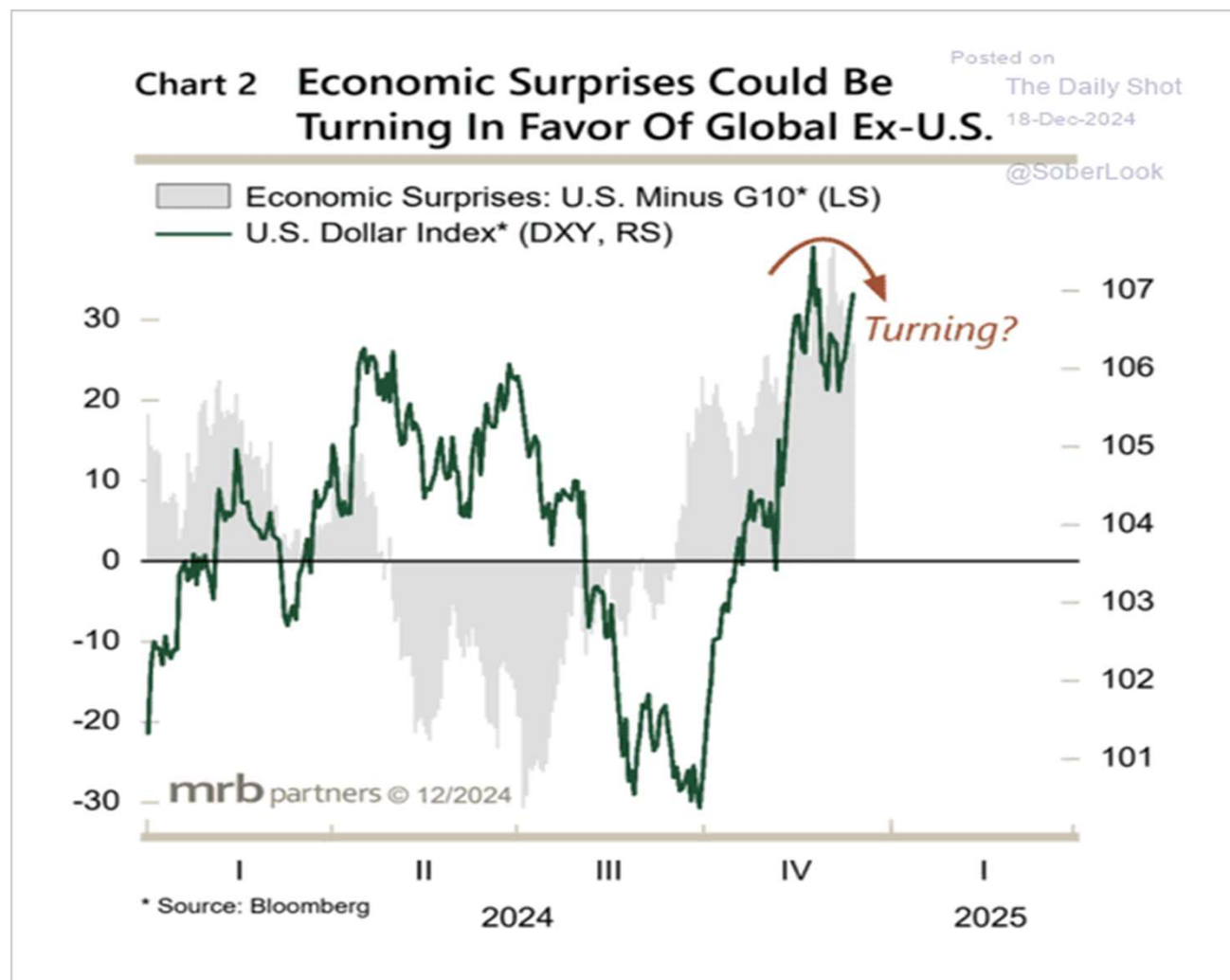
S&P Global Flash US PMI



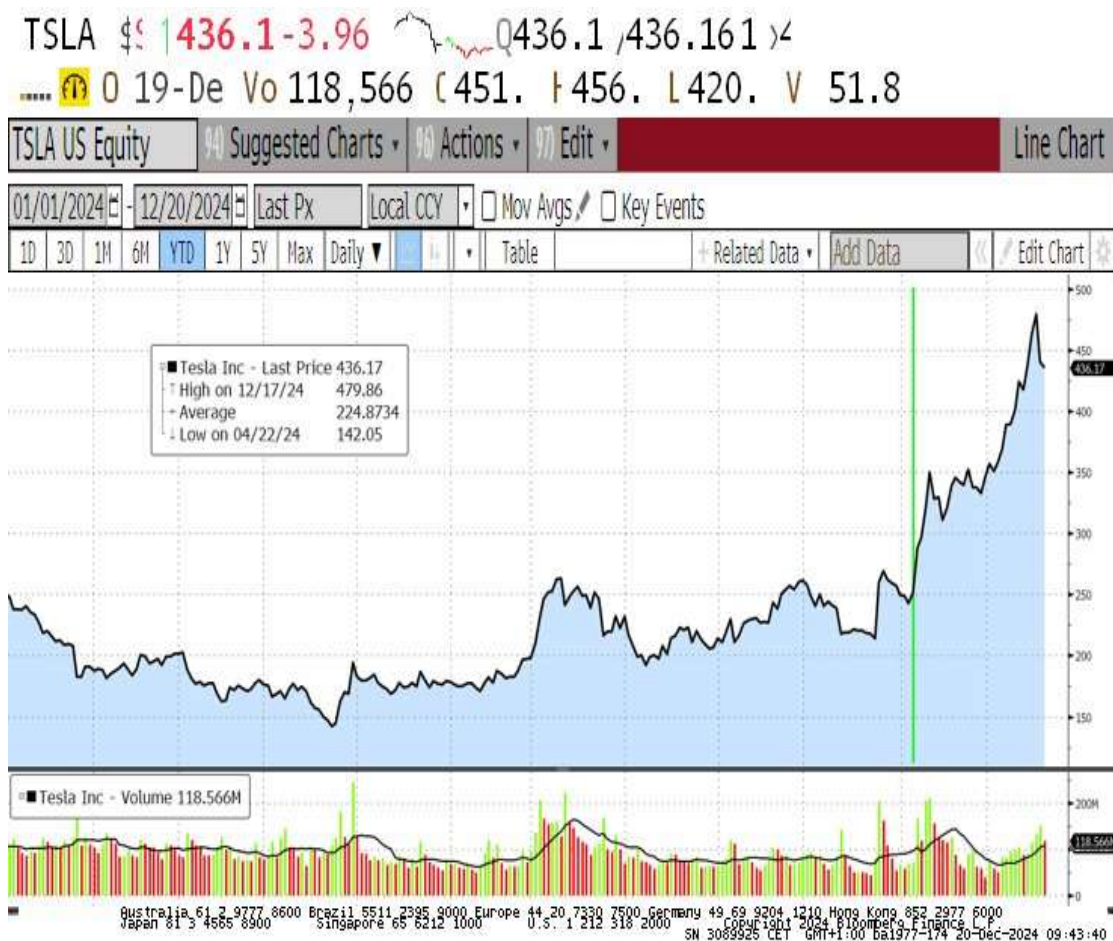
Data compiled December 16, 2024. Index, sa, >50 = growth since previous month.
Source: S&P Global PMI.
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The wide gap between US and non-US economic surprises is starting to narrow.
Will the US dollar peak in the next few months ?



Tesla's market capitalization has reached an impressive \$1.4 trillion (Est P/E 132x), surpassing the combined market value of the next 40 largest listed automakers. Following the U.S. election, the company's stock has experienced a surge of +77%. Tesla accounted for less than 5% of global vehicle sales and around 20% of electric vehicle sales



Tesla's \$1.4 Trillion Valuation In Context

Company Market Capitalizations [As of Dec 18th, 2024 close]



CHARTR

Source: CompaniesMarketCap, FactSet