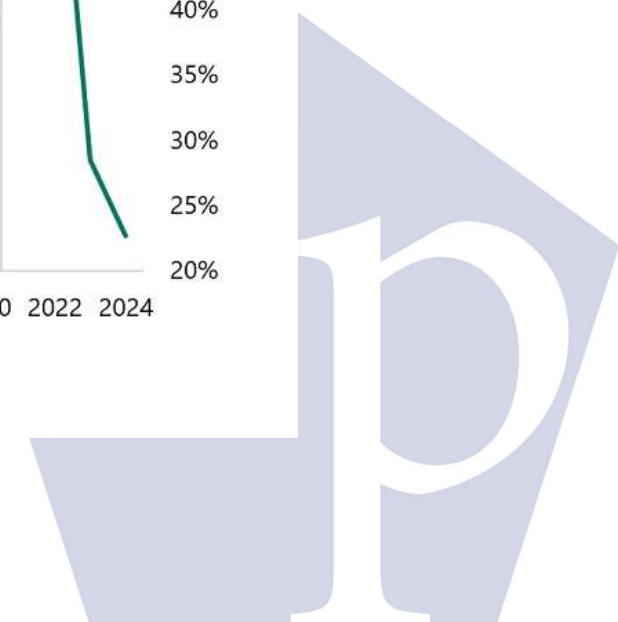
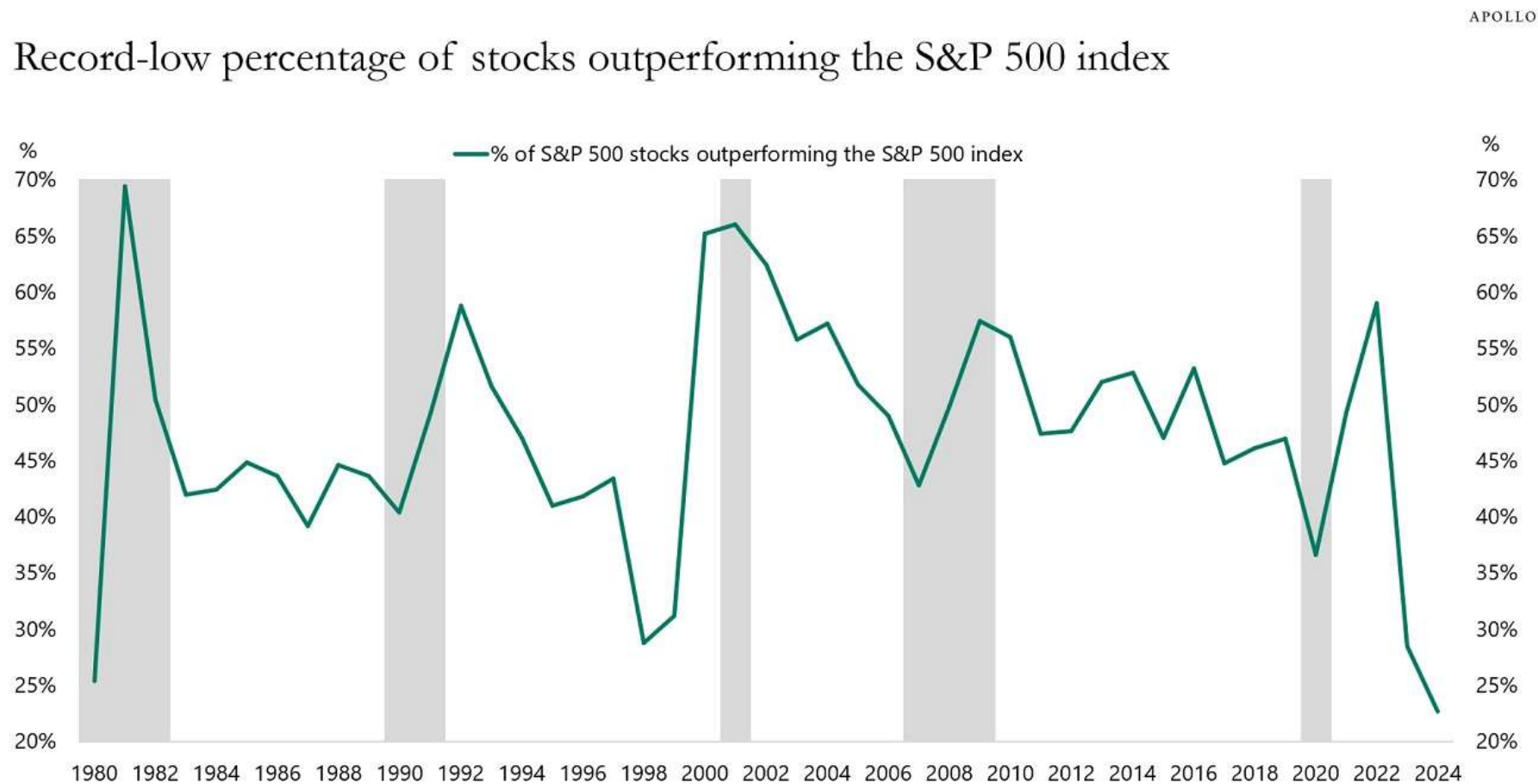
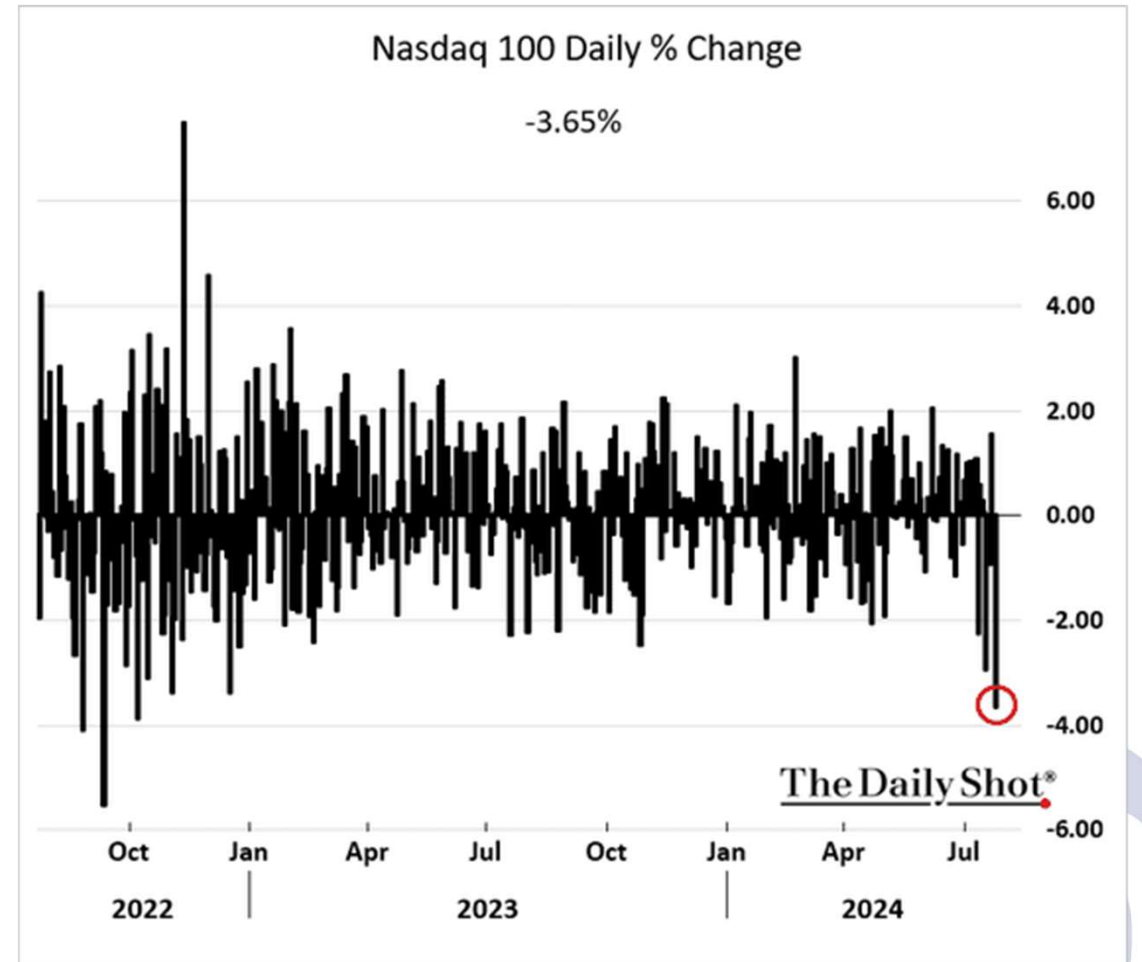


This chart illustrates the extreme concentration in the S&P 500 with record-low percentage of component stocks outperforming the index. So far, stock picking in the S&P 500 essentially boils down to whether you like tech or not

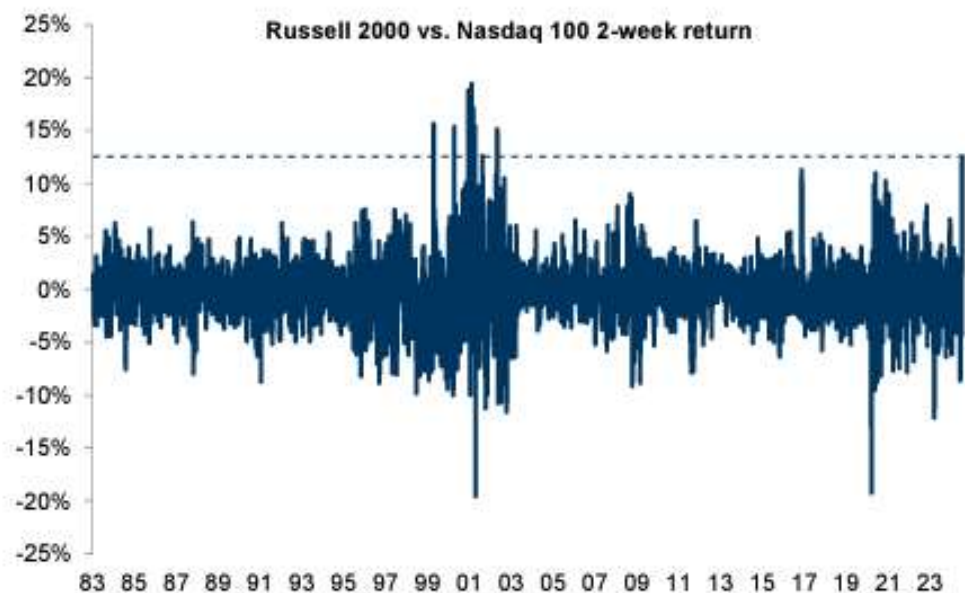


On Wednesday, the Nasdaq 100 saw its biggest daily decline since 2022



Small caps have recently recorded the largest two-week rally against Nasdaq since 2002 amid increased confidence the Fed will cut in September, shift in extreme positioning and forecast compression in the EPS growth premium of big-cap companies

Exhibit 1: One of the largest moves in Russell vs Nasdaq



Source: Bloomberg, Goldman Sachs Global Investment Research

Exhibit 3: US small caps had the largest rally, while non-US cyclicals lagged

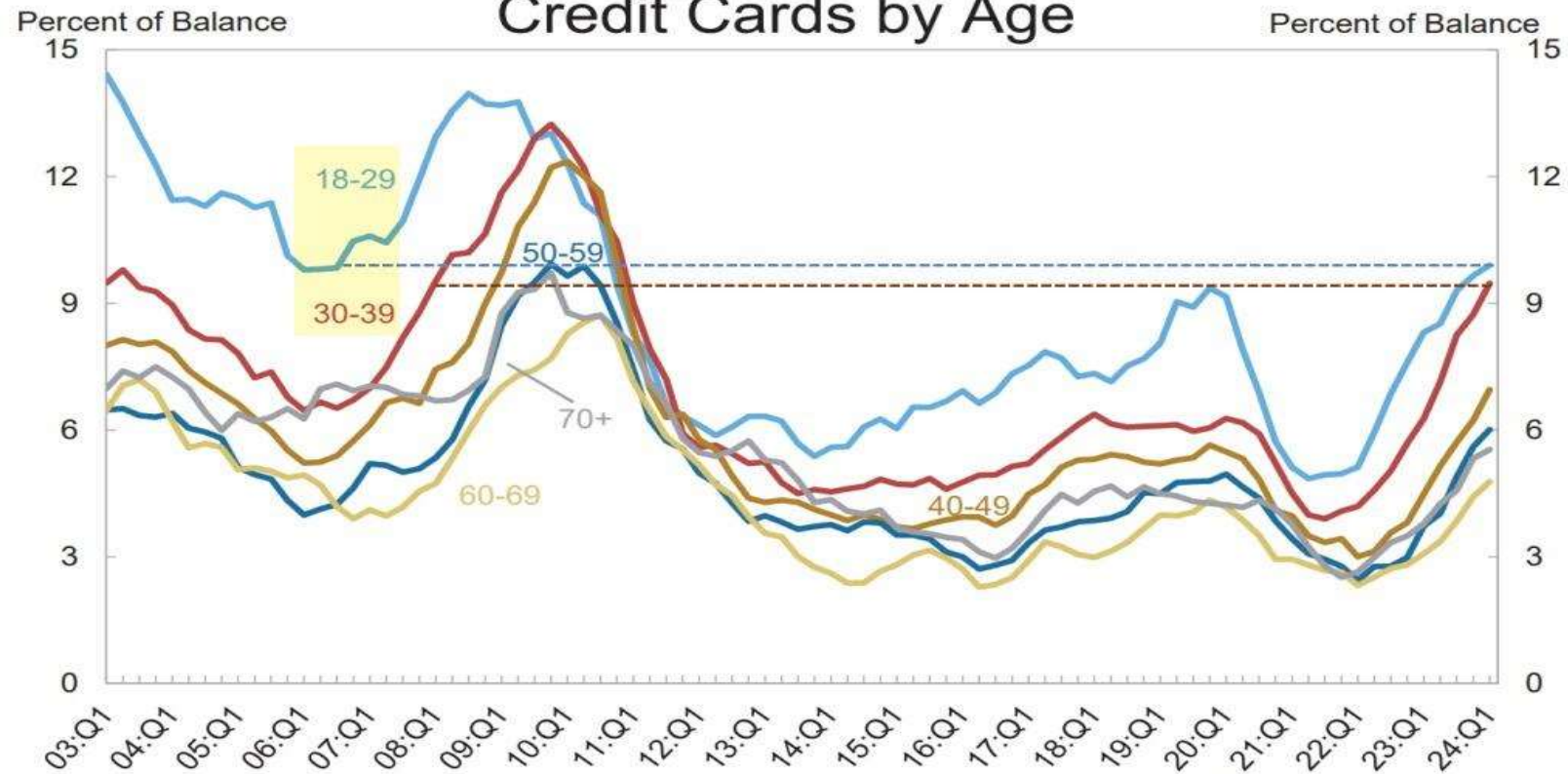


Source: Datastream, Haver Analytics, Goldman Sachs Global Investment Research



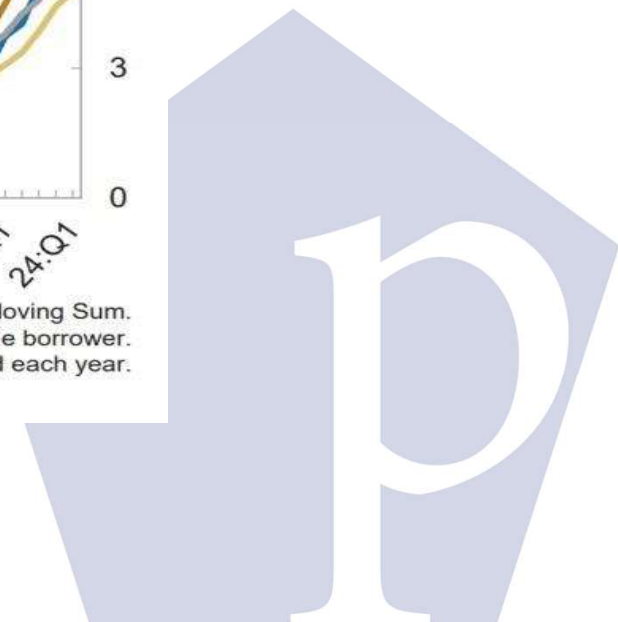
Credit Card delinquency rates continue to rise as economic stress increases. Most delinquencies are a result of unemployment (Lance Roberts)

Transition into Serious Delinquency (90+) for Credit Cards by Age



Source: New York Fed Consumer Credit Panel/Equifax

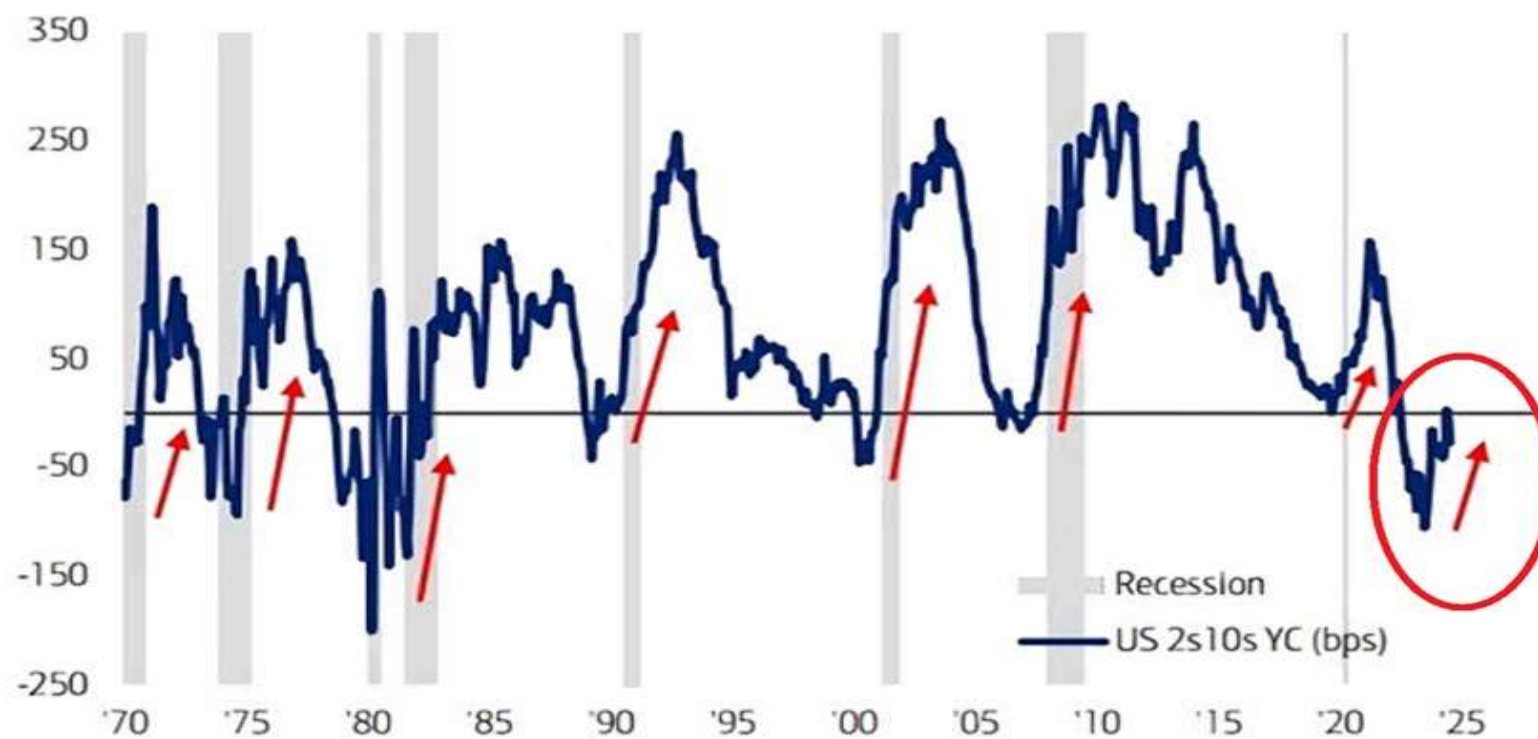
Note: 4 Quarter Moving Sum.
Age is defined as the current year minus the birthyear of the borrower.
Age groups are re-defined each year.



The US Treasury yield curve is on the verge of turning positive for the first time since 2022 as bond traders see Fed cuts looming

Chart 3: UST 2s10s yield curve steepens in run-up to US recession

US Treasury 2s10s yield curve (%) vs recession



Source: BofA Global Investment Strategy, Bloomberg, GFD Finaeon

POSTED BY @KOBESSILETTER

