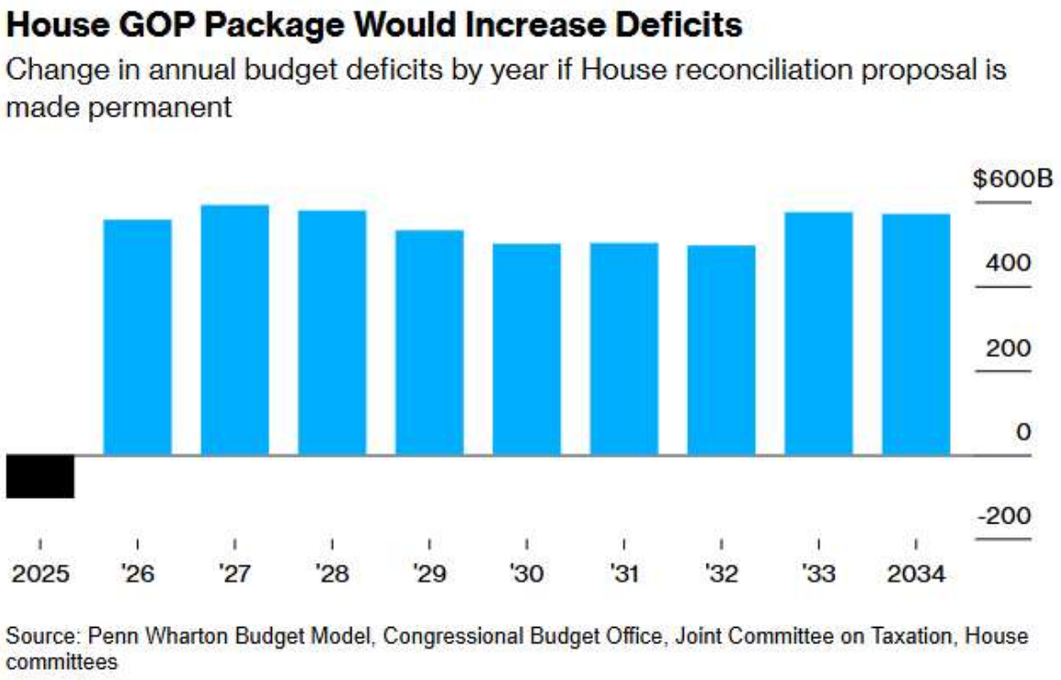
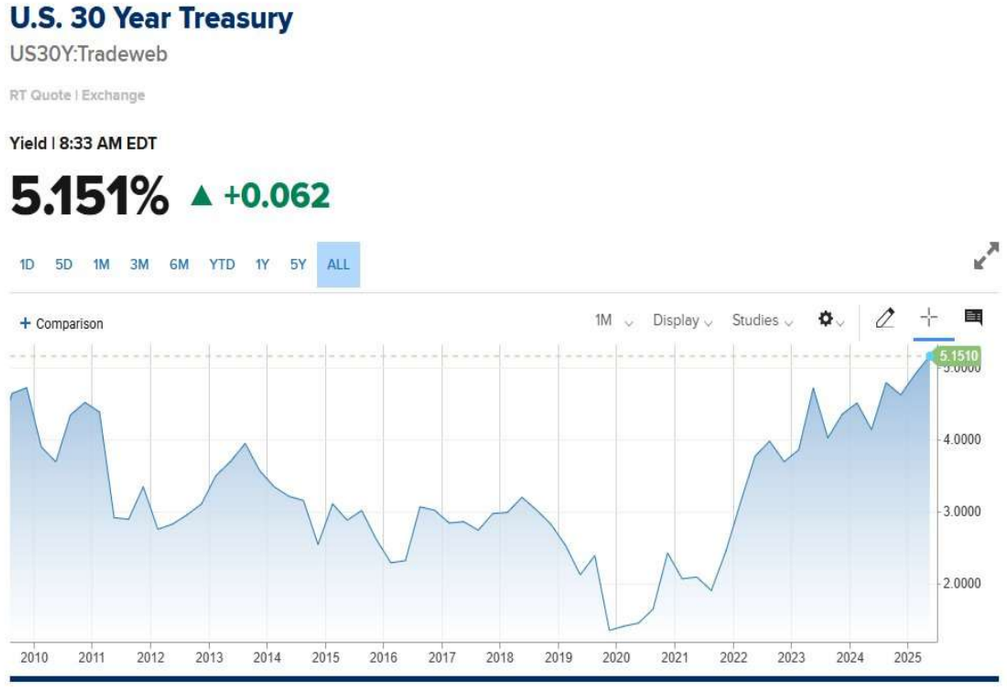
Donald Trump’s tax bill narrowly passed the House Thursday morning, advancing a sprawling multi-trillion-dollar package that would avoid a blow to US growth, though it’s expected to add hundreds of billions a year to the US debt burden. The bond vigilantes are awake





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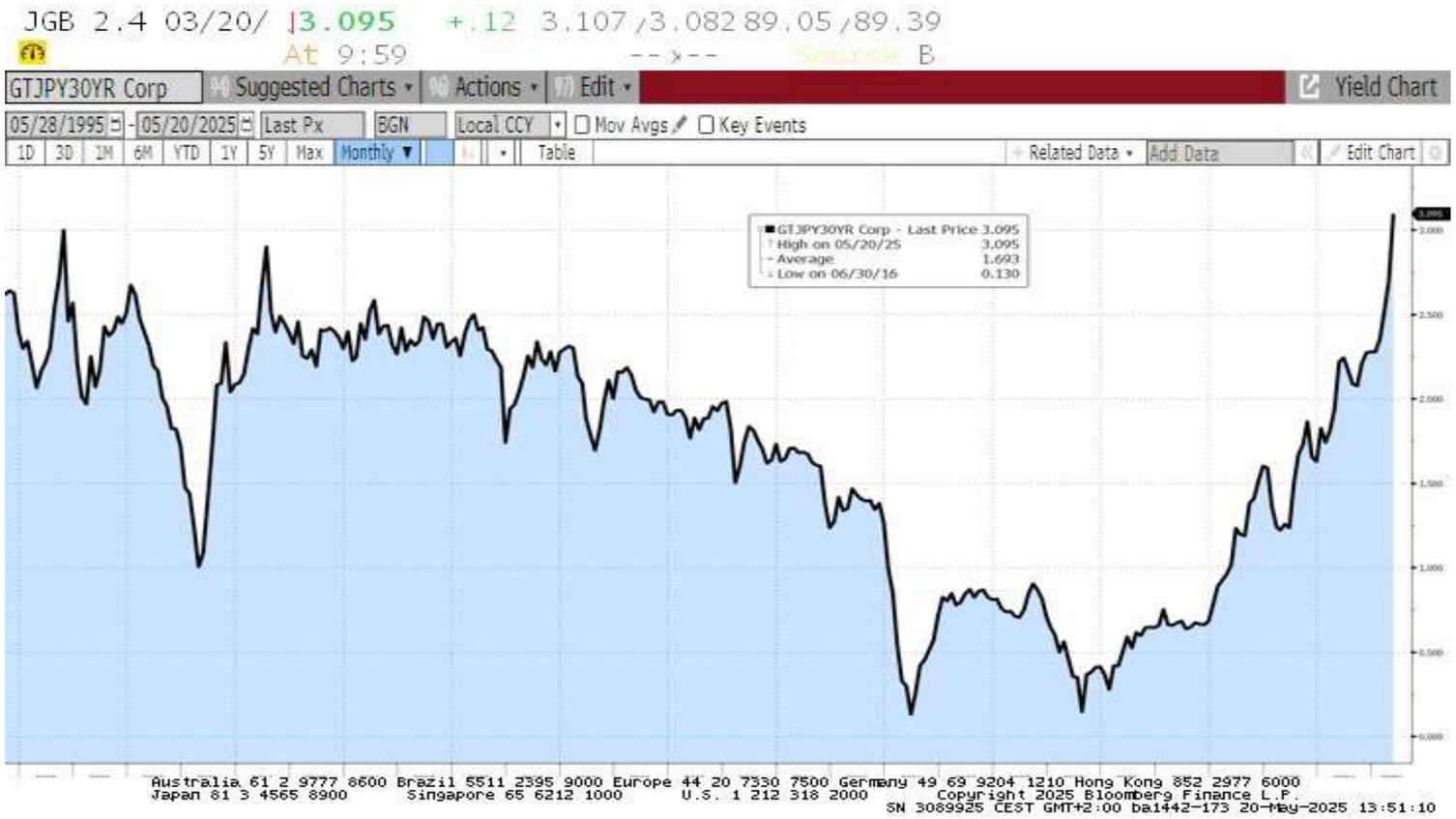
The jump in 30-yr Japanese government bonds yields worsened Tuesday, after the weakest demand at a government debt auction in more than a decade highlighted worries over the BOJ's retreat from the market. Is the carry trade at risk again ?



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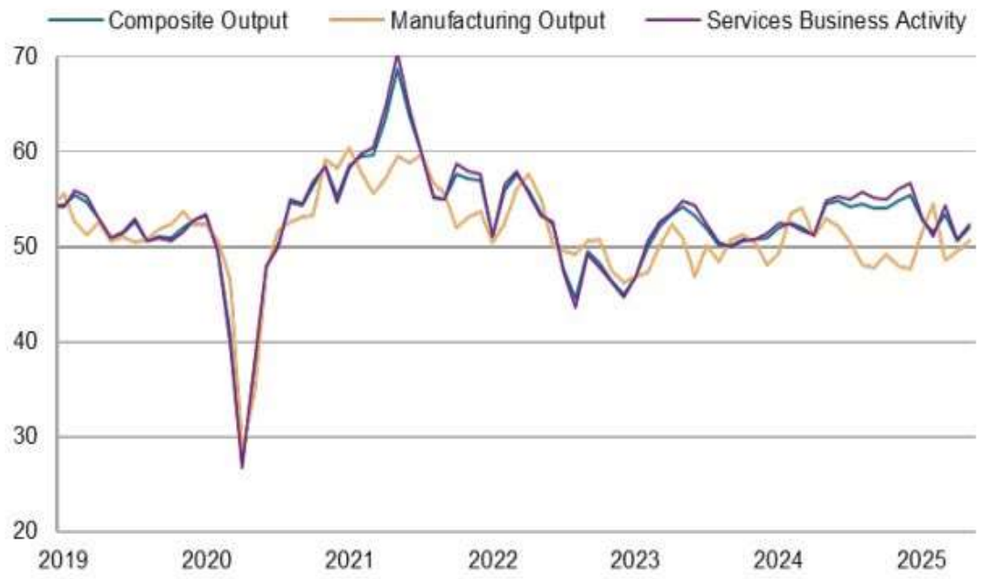
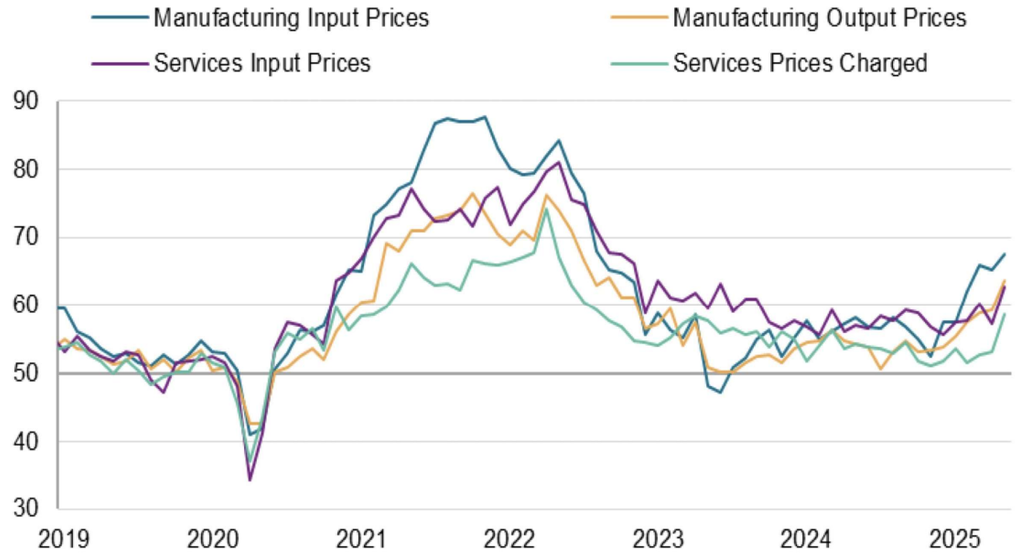
US business activity and output expectations improved this month as trade-related anxiety eased, but average prices charged for goods and services jumped higher, rising at a rate not witnessed since August 2022

S&P Global Flash US PMI



Data compiled May 22, 2025. Index, sa, >50 = growth since previous month.
Source: S&P Global PMI.

S&P Global Flash US PMI price indices



Data compiled May 22, 2025. Index, sa, >50 = inflation since previous month
Source: S&P Global PMI.

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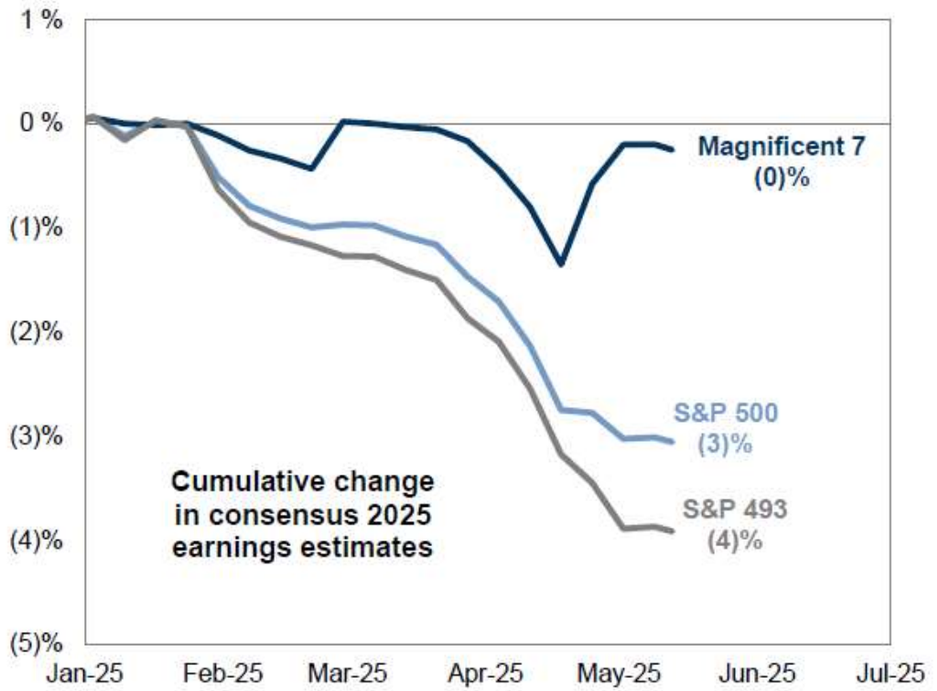
Despite the share price underperformance of the Magnificent 7 ytd, Q1 results demonstrated its continued earnings resilience (Nvidia reports on May 28th)

Exhibit 1: The Magnificent 7 has underperformed year to date

Source: FactSet, Goldman Sachs Global Investment Research

Exhibit 4: Earnings revisions year to date



Source: FactSet, Goldman Sachs Global Investment Research

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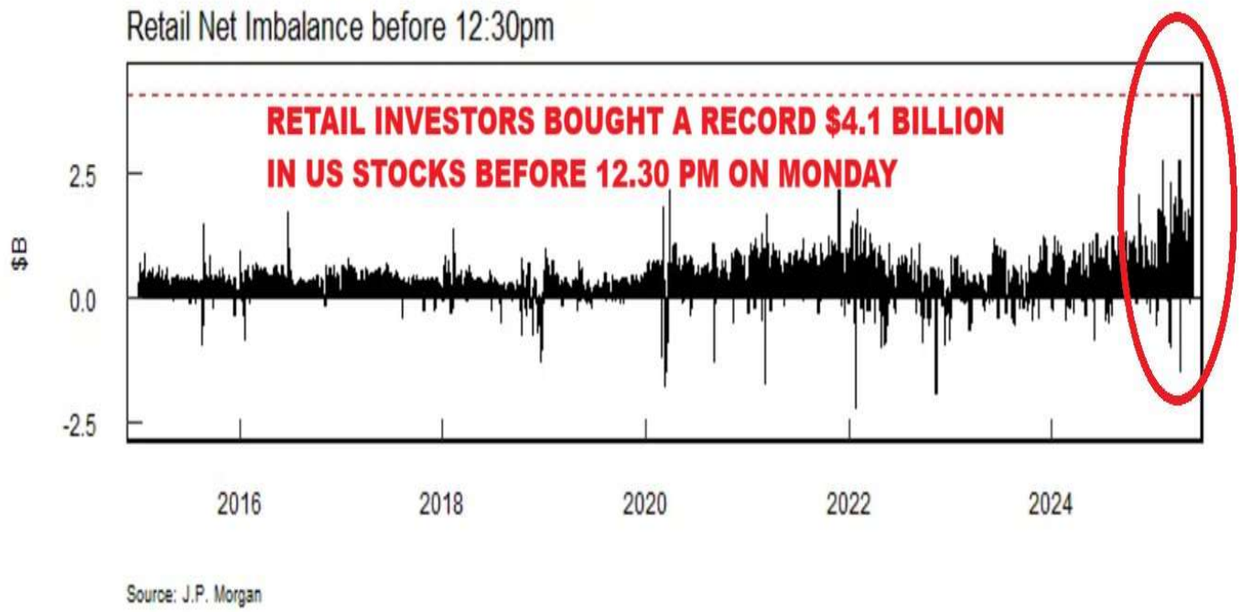
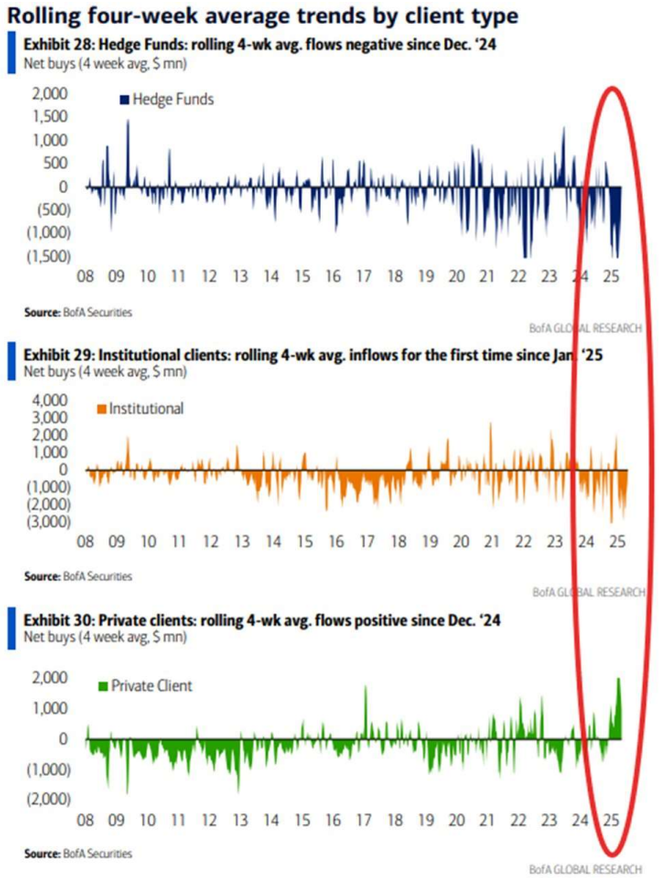
Such a divergence between retail and professional investors has never happened before.
Will the record buying spree from retail investors in recent weeks end up in tears ?



Source: Emma Wu, Quantitative and Derivative Strategist at JPMorgan *Source: Emma Wu, Quantitative and Derivative Strategist at JPMorgan*



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