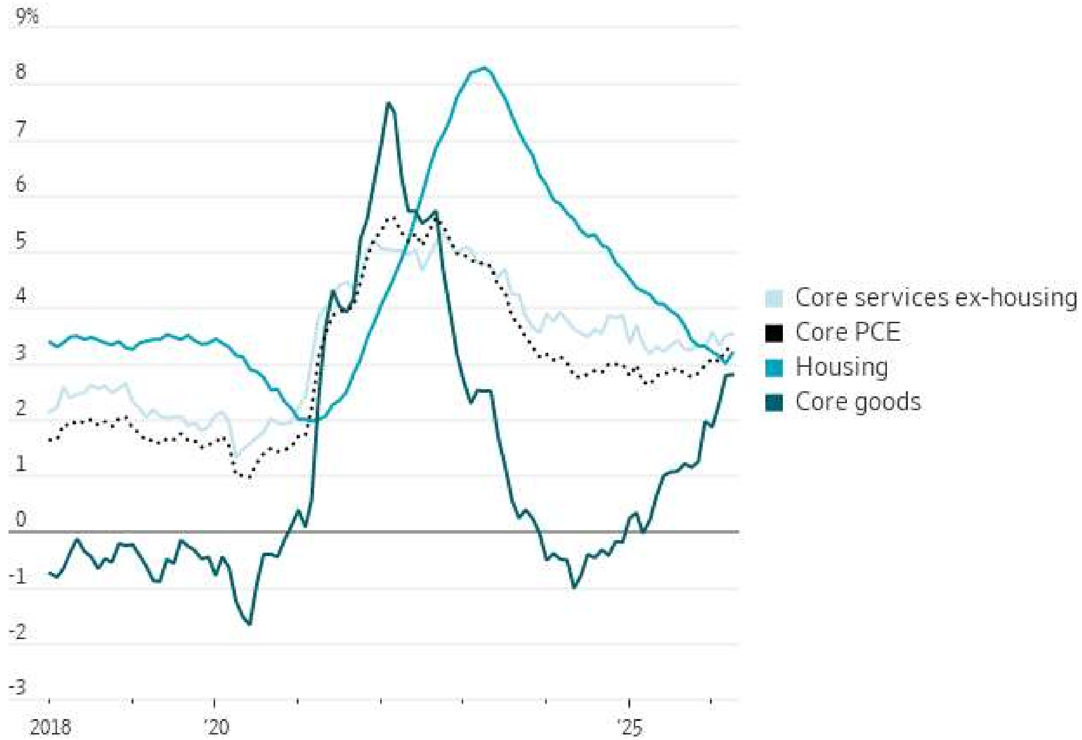
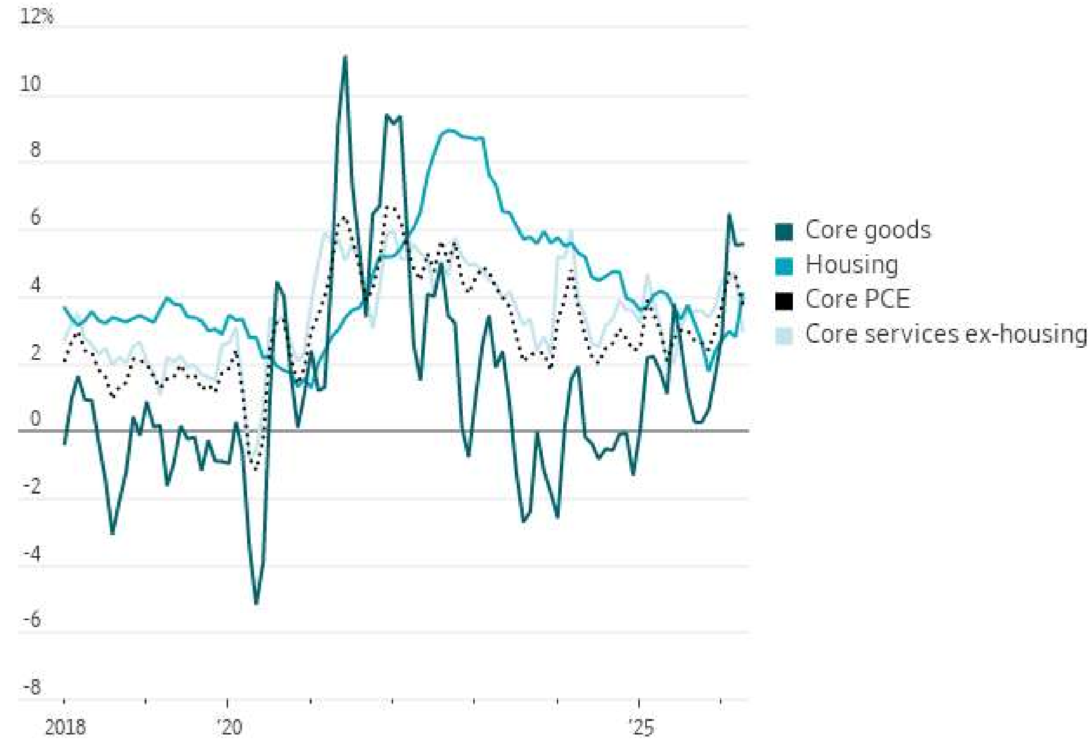
Inflation-adjusted consumer spending increased just 0.1% in April, while the personal consumption expenditures price index rose 3.8% from a year earlier, the most since 2023

Core personal-consumption-expenditures price index, change from year earlier



Note: Core excludes food and energy items
Sources: Commerce Department, Haver Analytics

Core personal-consumption-expenditures price index, three-month annualized rate



Note: Core excludes food and energy items
Sources: Commerce Department, Haver Analytics

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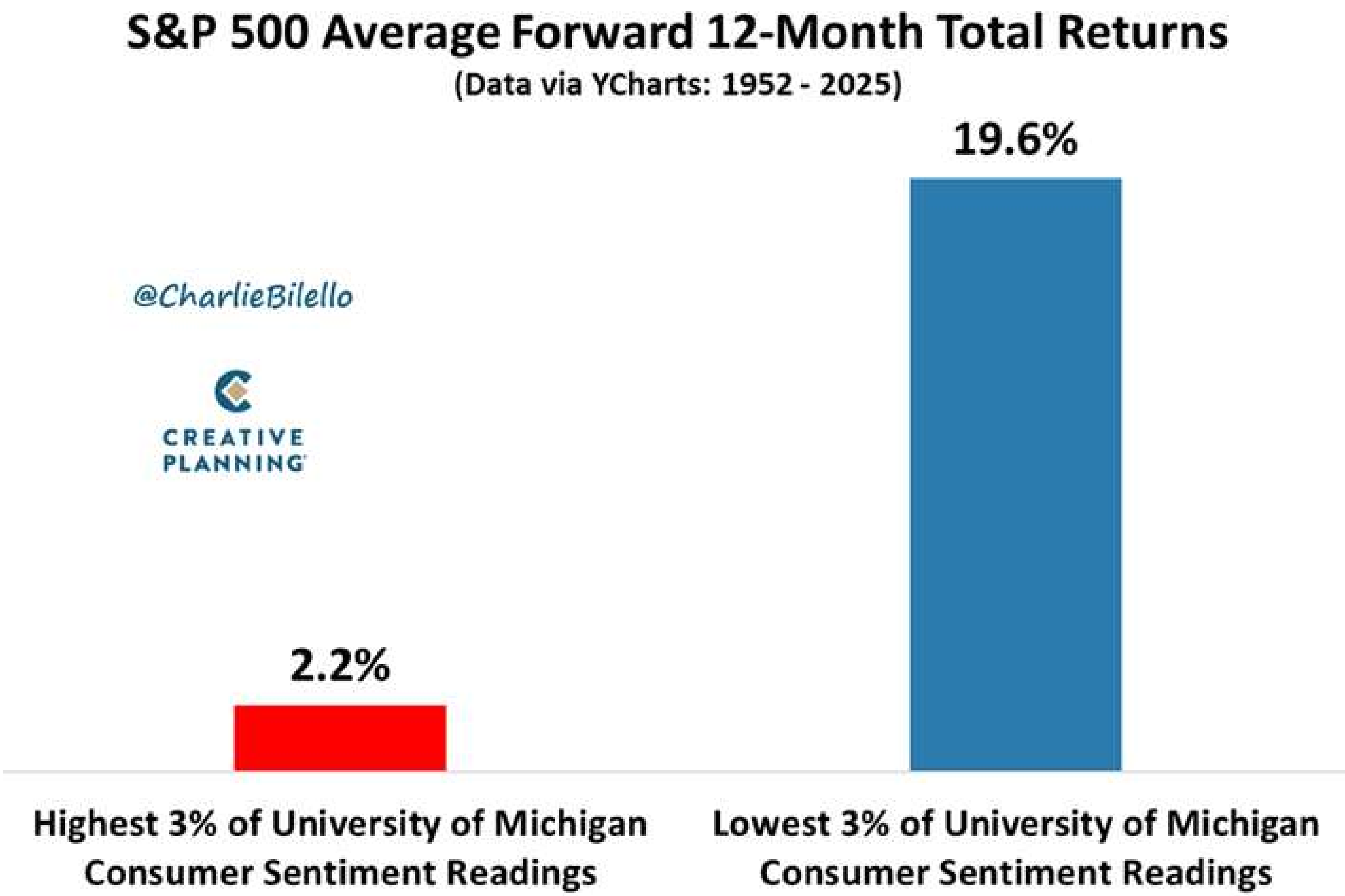
The bad news: Consumer sentiment just hit an all-time low
The good news: Historically, that's been a great contrarian indicator



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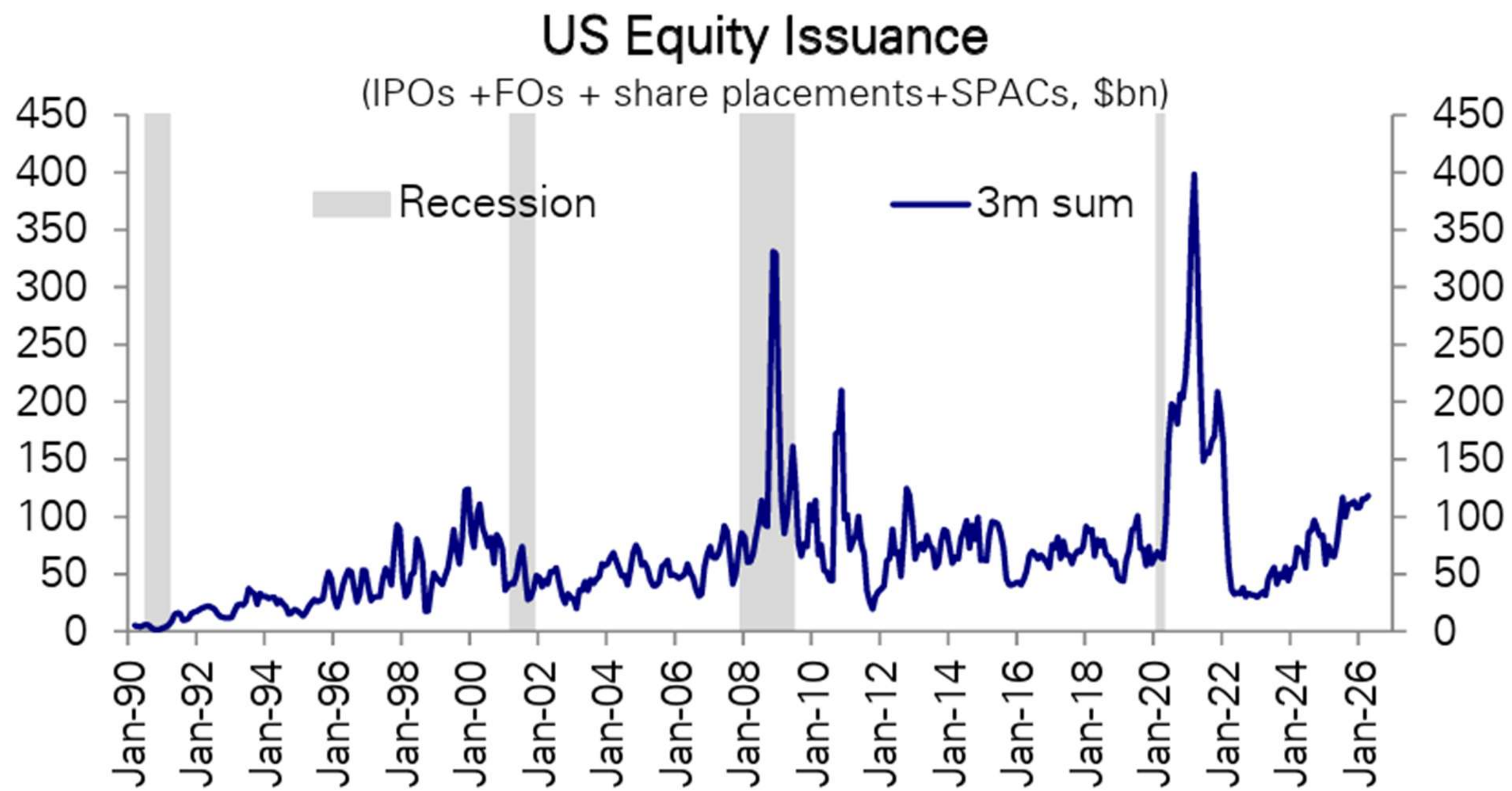
Equity issuance has been trending up since 2023 and should see a significant step up in the next few months on a wave of mega-IPOs (SpaceX, OpenAI, Anthropic)



Source : Dealogic, Deutsche Bank Asset Allocation

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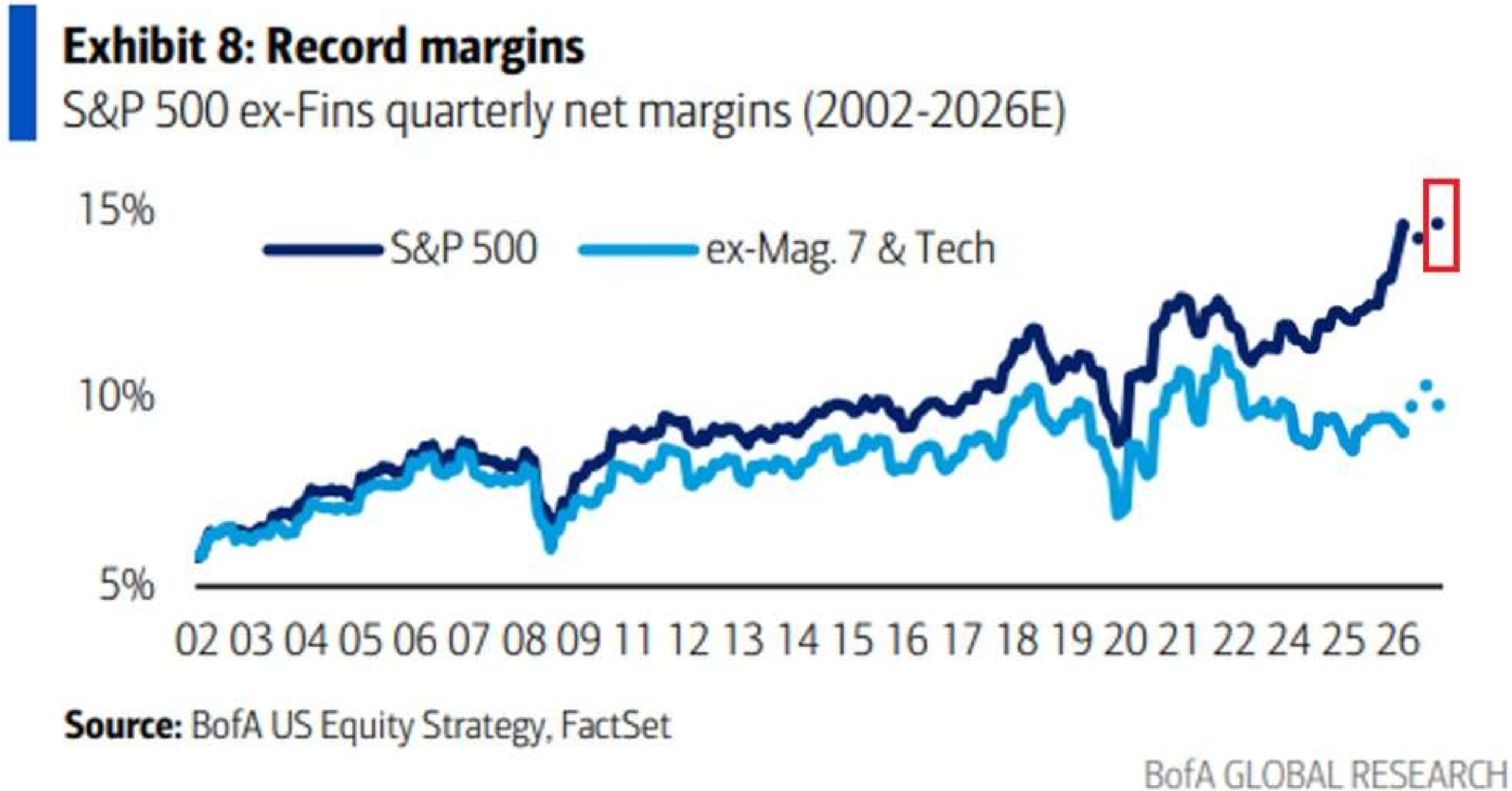
The S&P 500's net profit margin excluding financials is up to a record 15%. At the same time, the S&P 500's net margin excluding the Magnificent 7 and Tech is down to 8%, near the lowest since the 2020 pandemic



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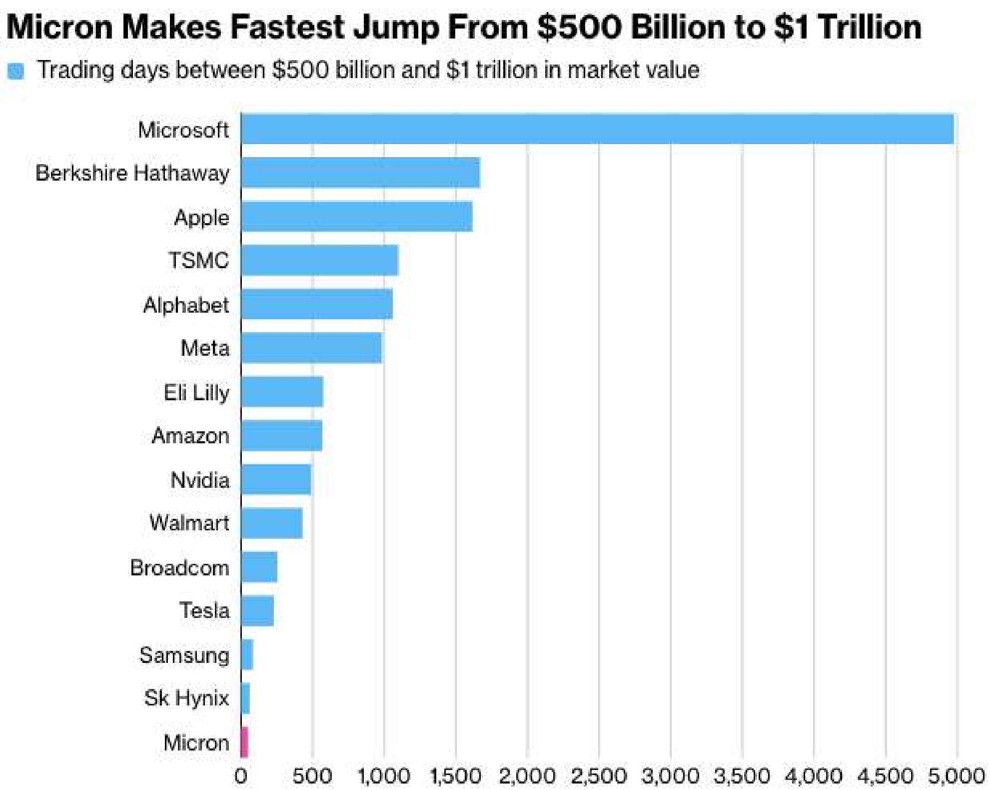
Trump said : "Micron is great." Few days later, UBS tripled its price target (from $535 to $1'625) and Micron jumped 19%, breaching the $1 trillion mark. FOMO was back in full force. Rational or irrational exuberance ?



Source: Bloomberg