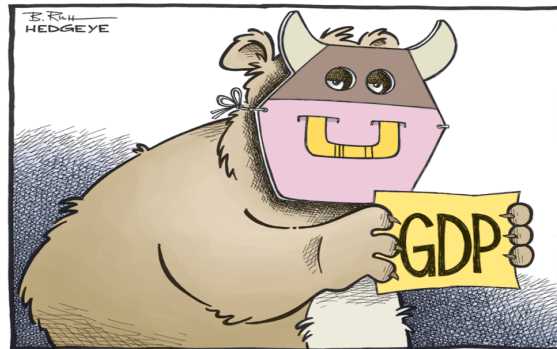


Noble Weekly Observations - January 30, 2022

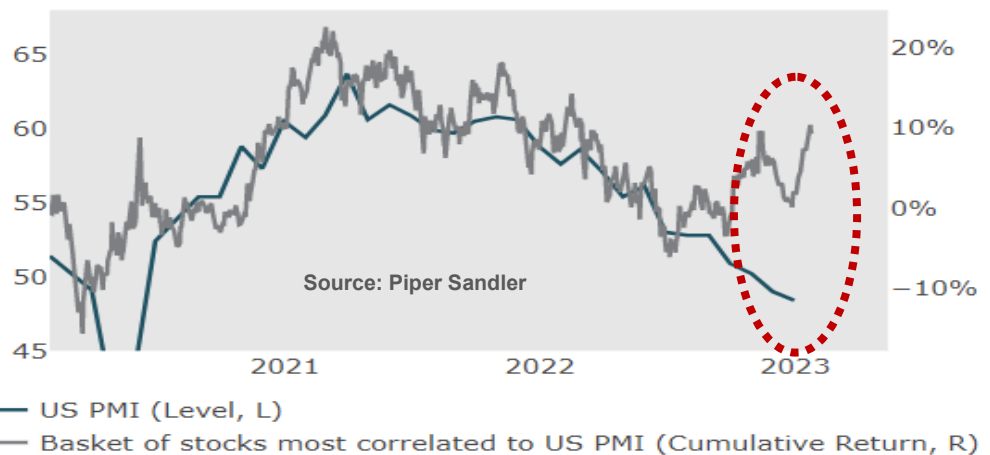
This publication is a collection of recently curated best charts and tweets from Noble-Impact Capital, LLC and Contributors



**Economy
bottomed or
slowing?**

**Why the
disconnect?**

US PMI vs Correlated Stock Basket



Source: Earnings Whisper



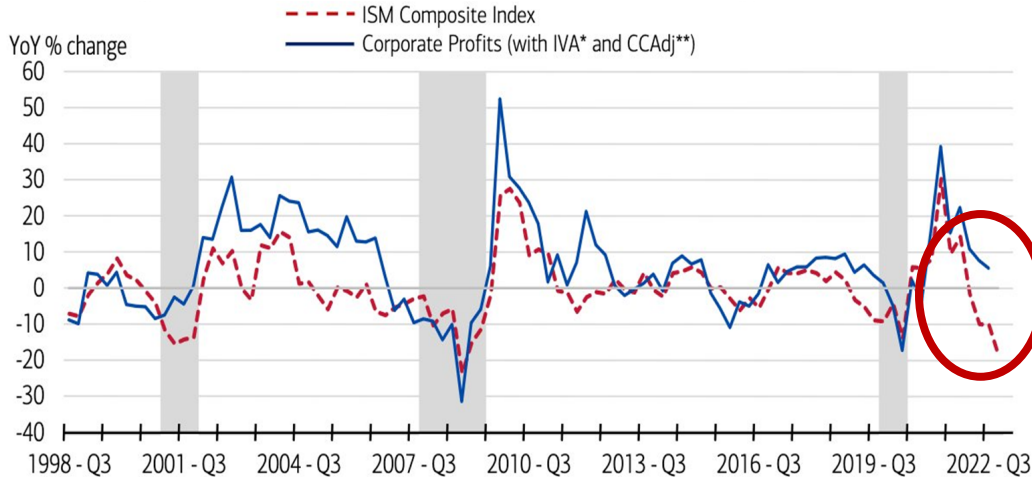
**Stay tuned
big earnings
week**

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Economy

ISM and Corporate Profits

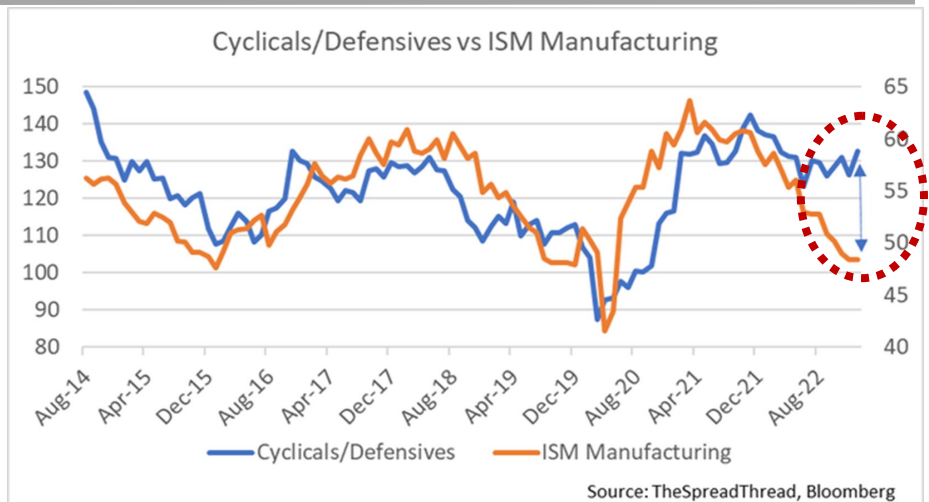


Profits to decline further?

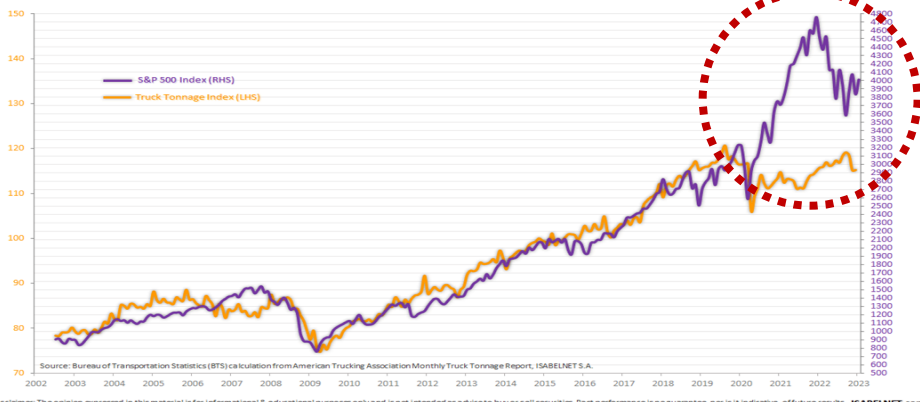
*IVA=Inventory Valuation Adjustment. **CCAdj=Capital Consumption Adjustment. Sources: Bureau of Economic Analysis; Institute for Supply Management/Haver Analytics. Data as of January 12, 2023.



Too early for cyclicals?



Truck Tonnage and S&P 500



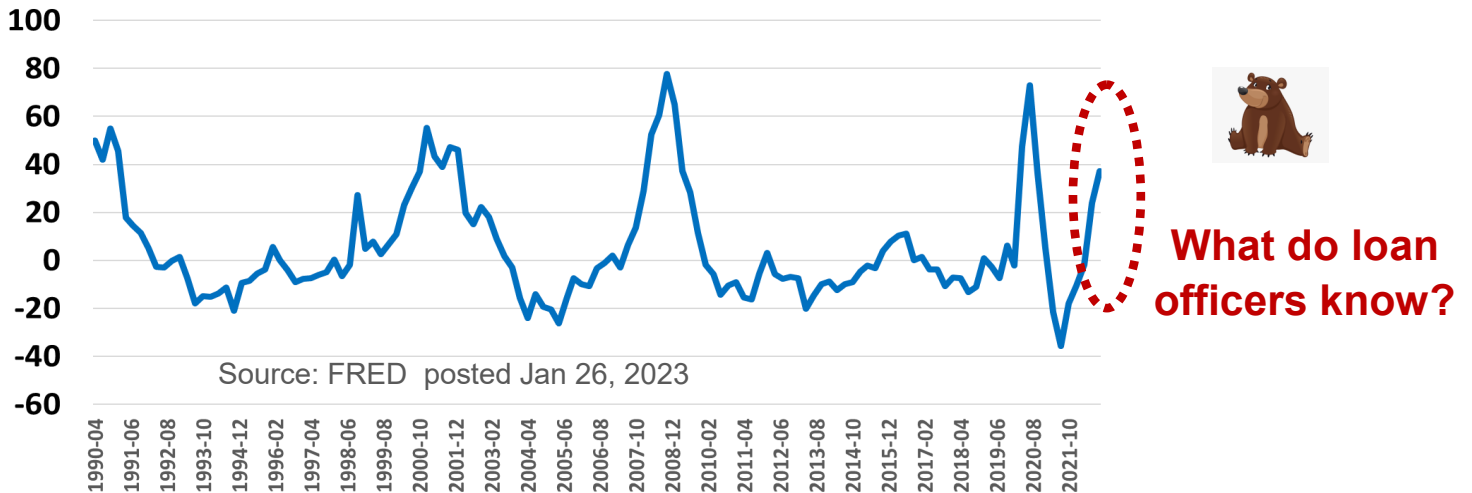
Speed trap?



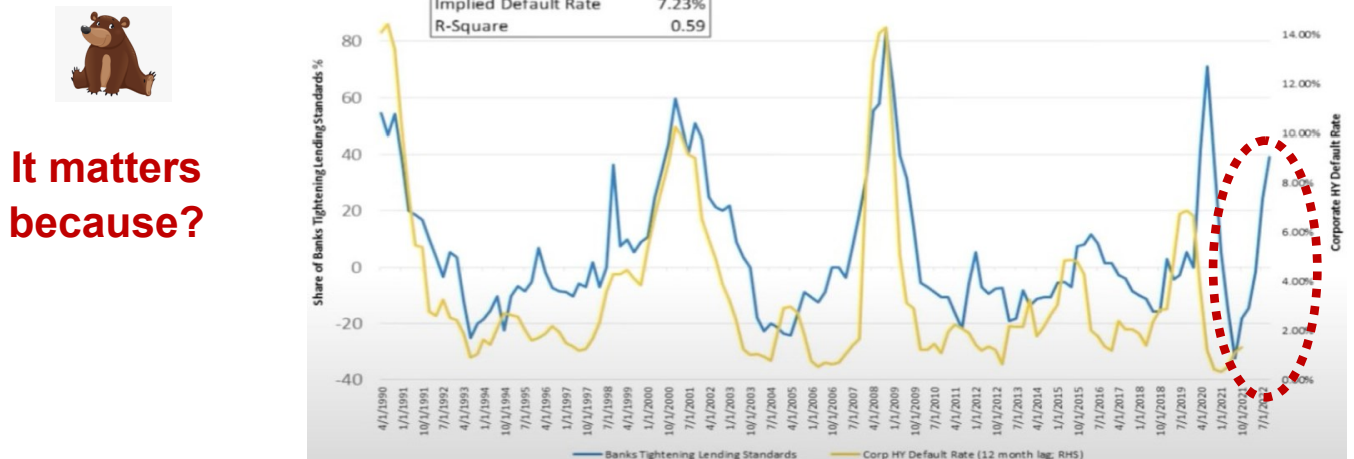
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Economy

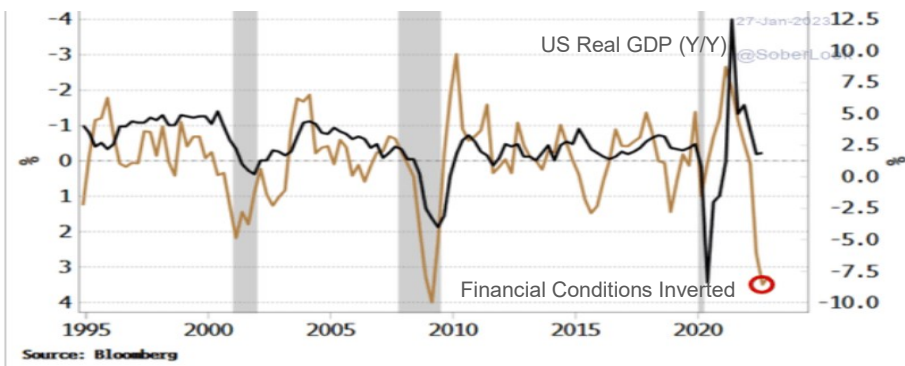
Composite Senior Loan Officer Lending Standards - % Tightening



Senior Loan Officer Lending Standards and Default Rates



Goldman Financial Conditions and Recessions



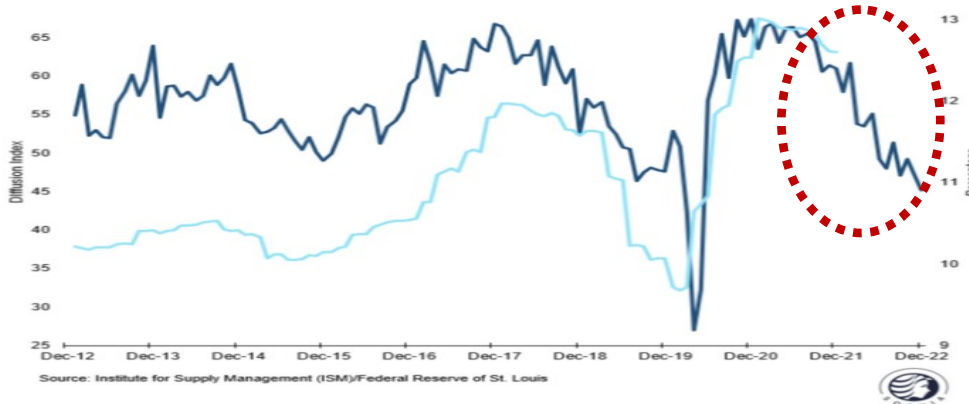
Goldman
says slowdown
to continue



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Economy

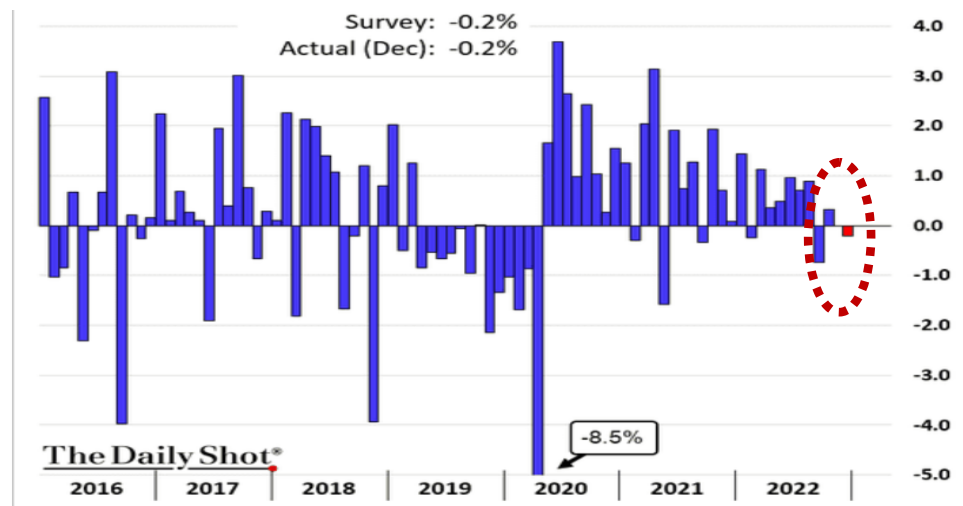
ISM New Orders Leads Corporate Profit Margins by 10 Months



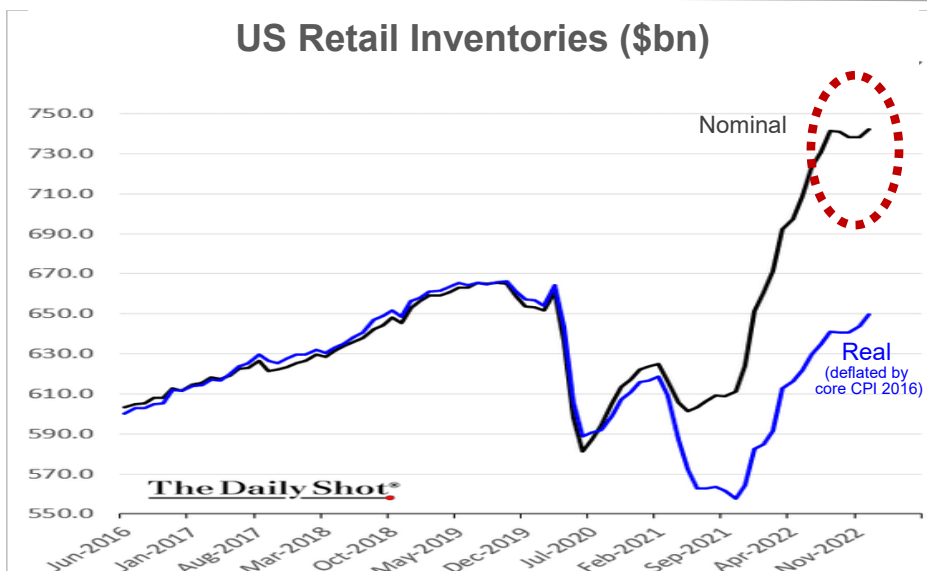
Trouble ahead?

Capital Good Orders Nondefense Ex Aircraft & Parts MoM

Recent hard data confirming trouble?



US Retail Inventories (\$bn)



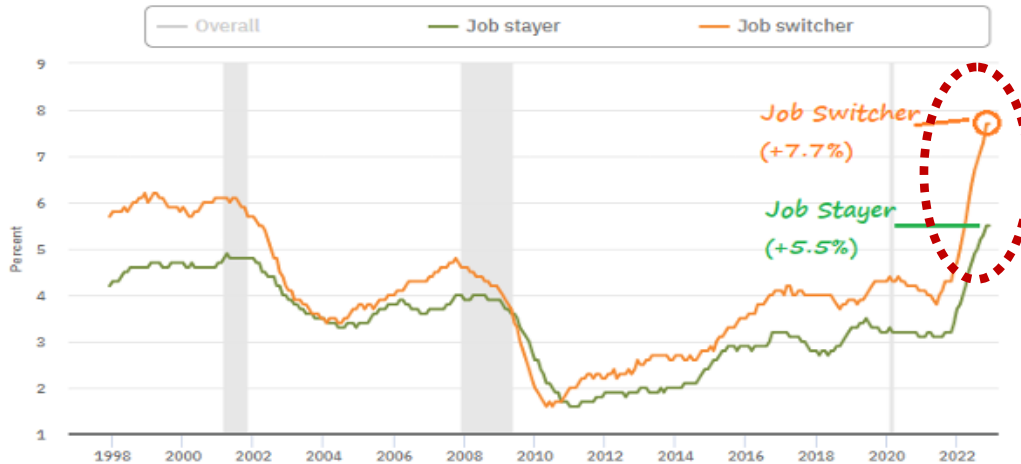
Retail inventories remain high



Labor

Wage Growth Tracker by Job Switcher/Stayer

12-month moving average of median wage growth, hourly data



Sources: Current Population Survey, Bureau of Labor Statistics and author's calculations

@CharlieBilello

**Wage
inflation
still high**

U.S. Workforce and Filler and Open Jobs (in million)



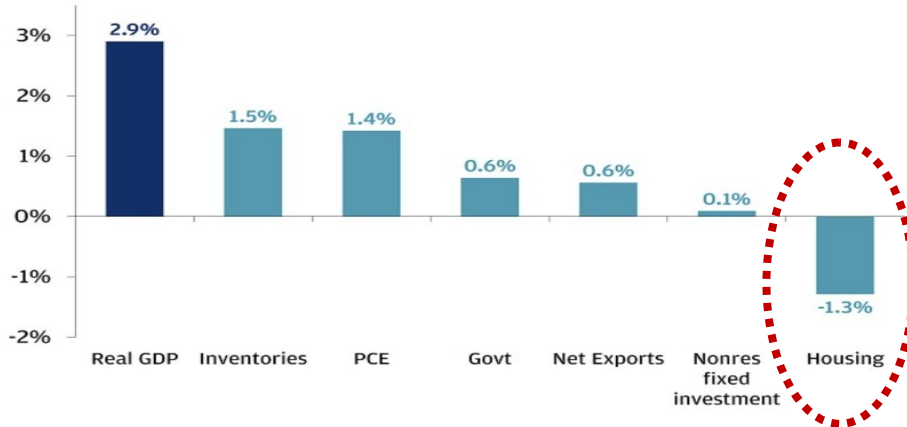
**Too early for
a Fed pivot?**

@DisruptorStocks



Housing

Contribution to U.S. Q4 real GDP, Q/Q



**Housing
investment
headwinds?**

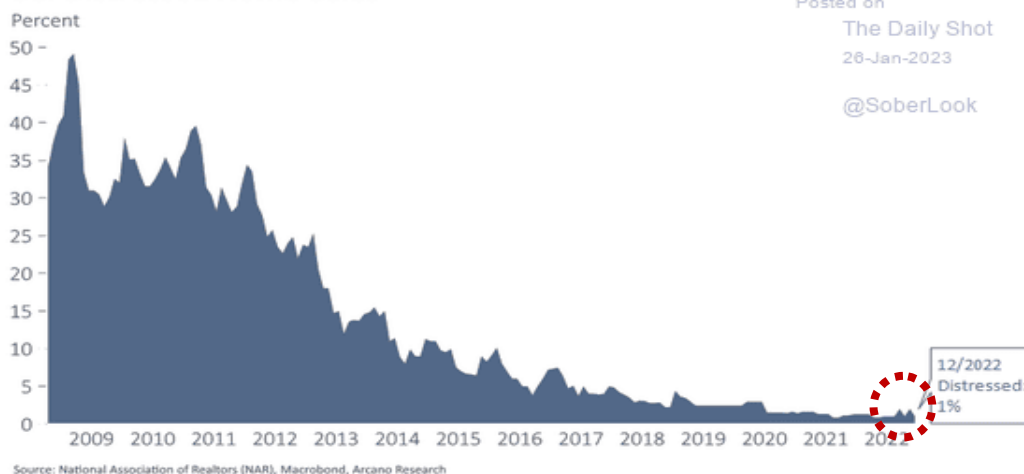


**Goldman says
affordability to
remain difficult**

US Housing Affordability



US. Distressed Home Sales



Posted on
The Daily Shot
28-Jan-2023
@SoberLook

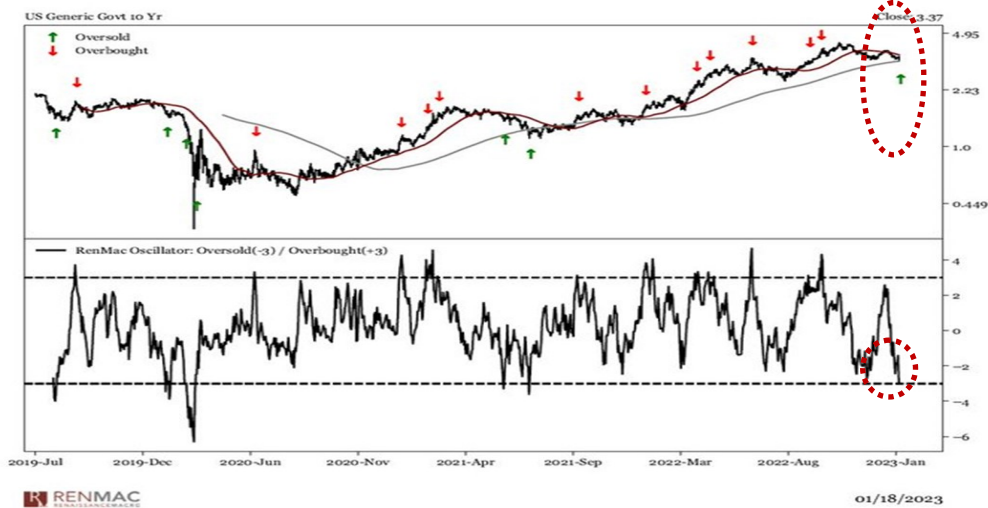


**Any
bargains
yet?**



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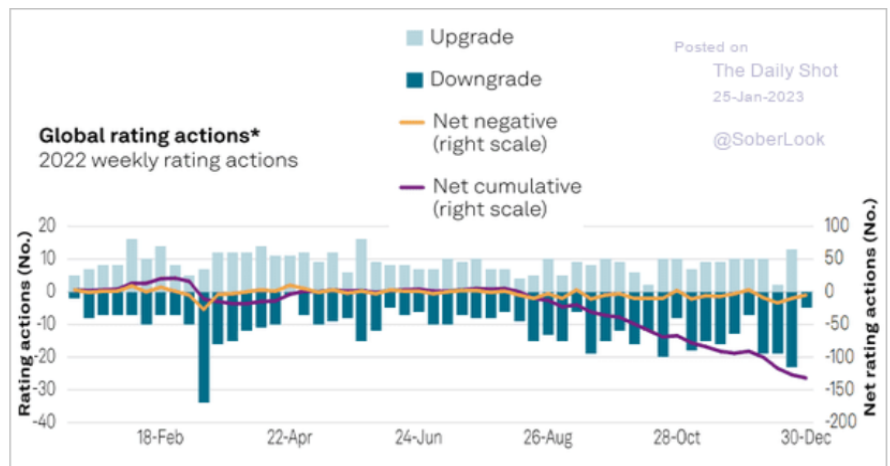
Fixed Income



**10 year bond
yields to rise?**



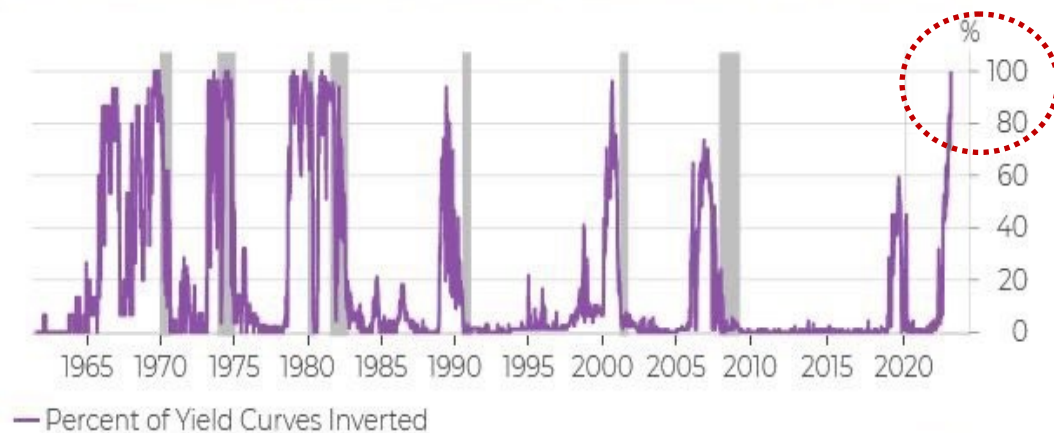
**Downgrades
to accelerate?**



Source: S&P Global Ratings

100% of US curve inverted - so recession isn't imminent?

Source: U.S. Department of Treasury, Macrobond Financial AB



MACROBOND

**How will
this play
out?**



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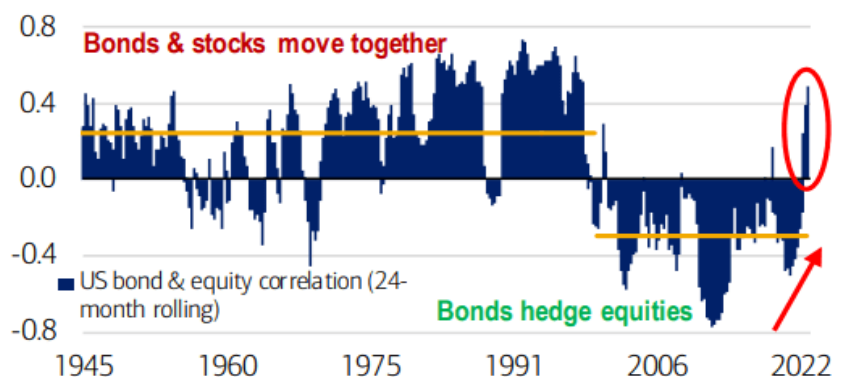
Fixed Income

Bonds vs Stocks



Bonds offer diversification?

Bonds vs Stocks Rolling 24 month Correlations

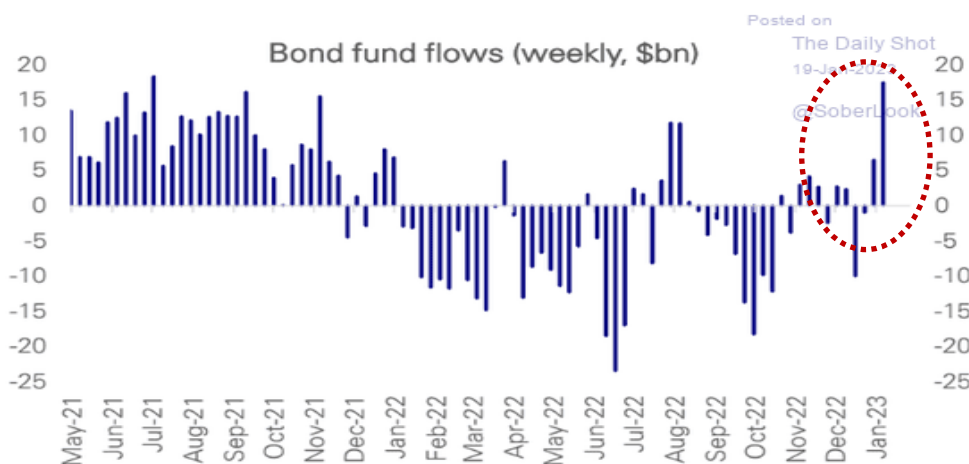


Its all about correlations!

Source: BofA Research Investment Committee, Global Financial Data

BofA GLOBAL RESEARCH

Bond fund flows (weekly, \$bn)



Source: EPFR, Haver, Deutsche Bank Asset Allocation

Will they be disappointed?



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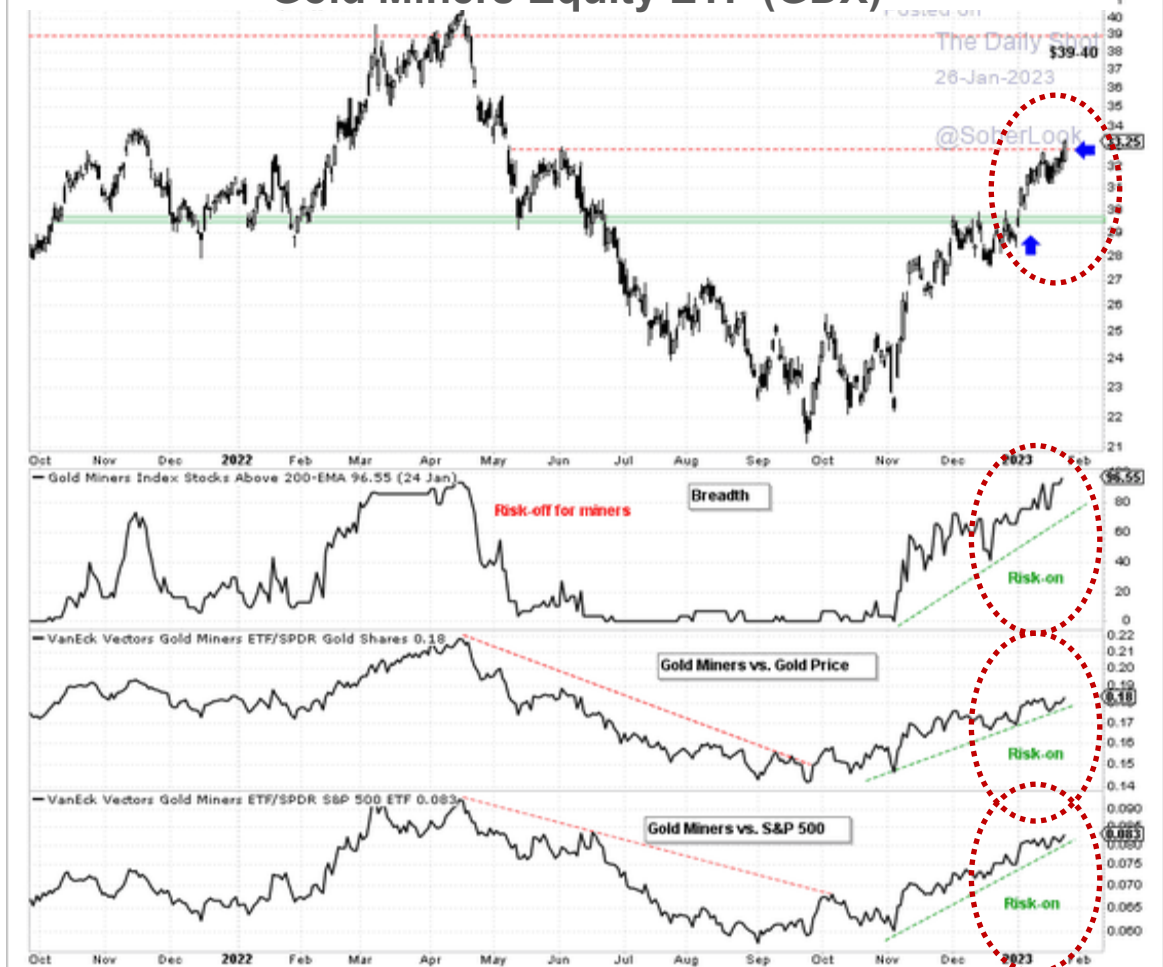
Gold & Gold Stocks

Commodities vs Stocks (1971 - 2022)



**Start of a
mega bull
market?**

Gold Miners Equity ETF (GDX)



**More to
come?**



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Dollar

US Dollar

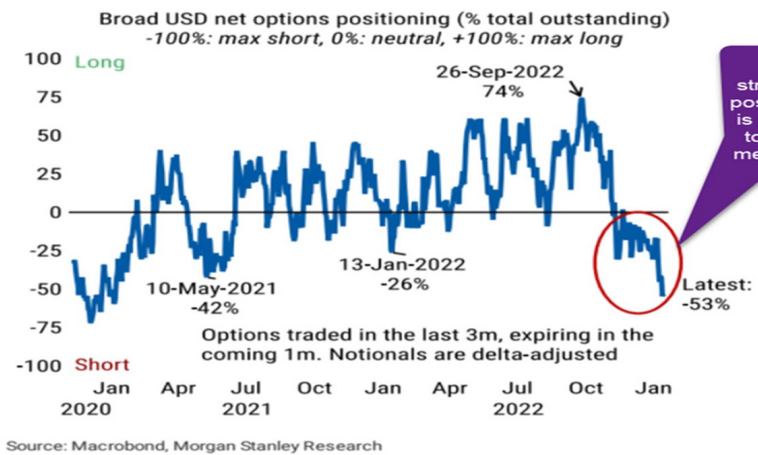


Overdone?

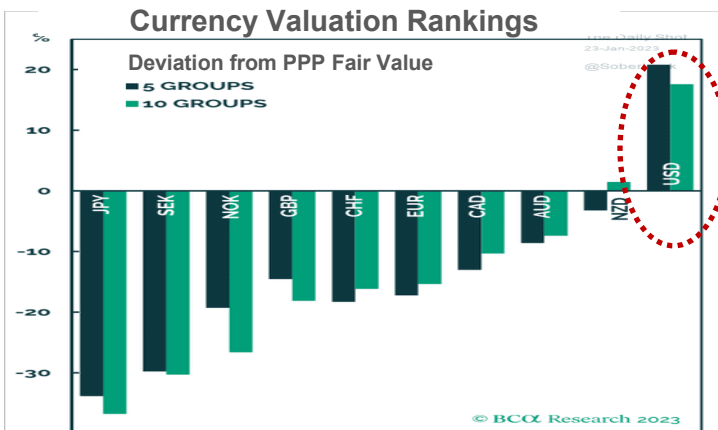
US Dollar Positioning



Crowded
trade?



Currency Valuation Rankings



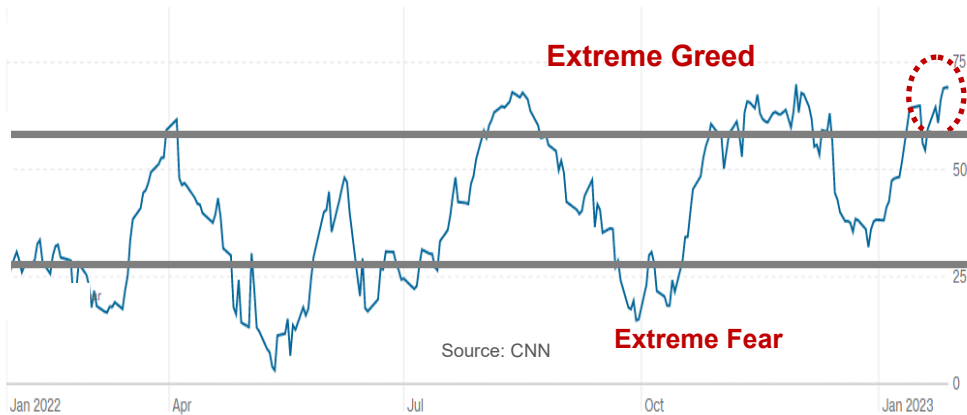
What about
valuation?



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Positioning

Composite Equity Sentiment Indicator



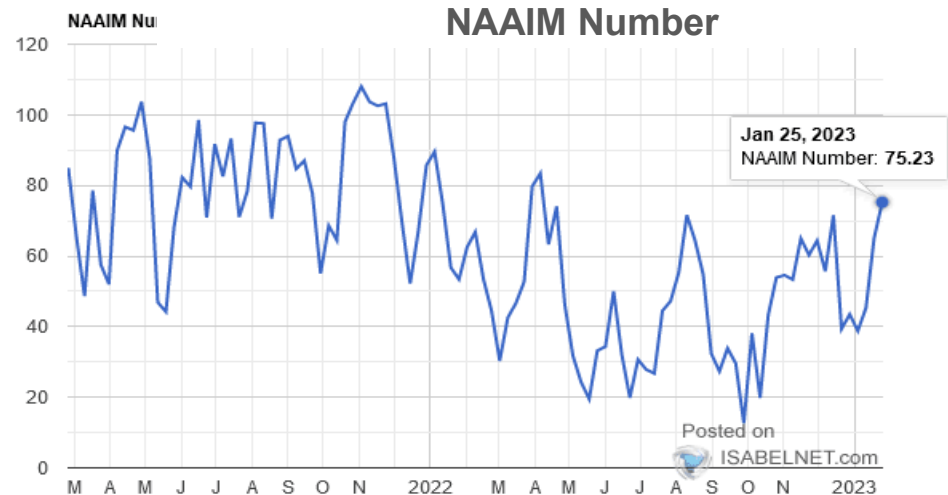
**More
Risk-On?**

7 Components

- Market Momentum (Neutral)
- Stock Price Strength (**Extreme Greed**)
- Stock Price Breadth (**Extreme Greed**)
- Put & Call Options (**Greed**)
- Market Volatility (Neutral)
- Safe Haven Demand (**Greed**)
- Junk Bond Demand (**Fear**)

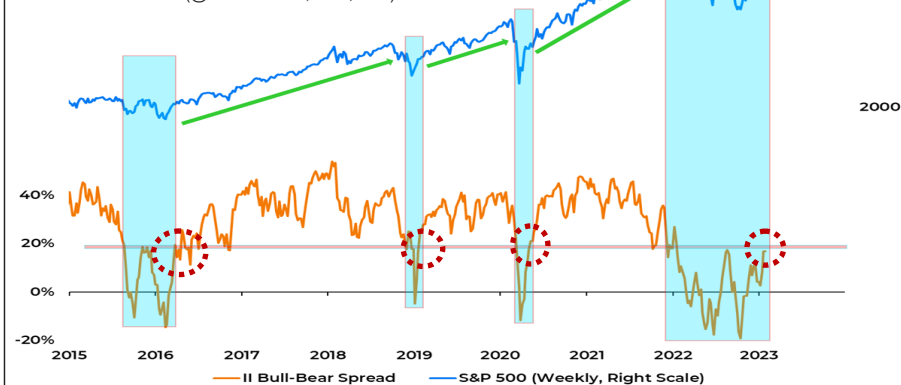


**Bulls are
back!**

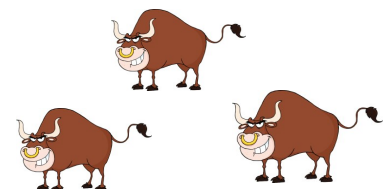


II Bull-Bear Spread

WillieDelwiche (@WillieDewlike, CMT, CFA) Tweeted:



**More bulls needed
for a sustained rally?**





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Equity Markets

US Excess Liquidity vs Equity Valuations



Source: Refinitiv, Pictet Asset Management

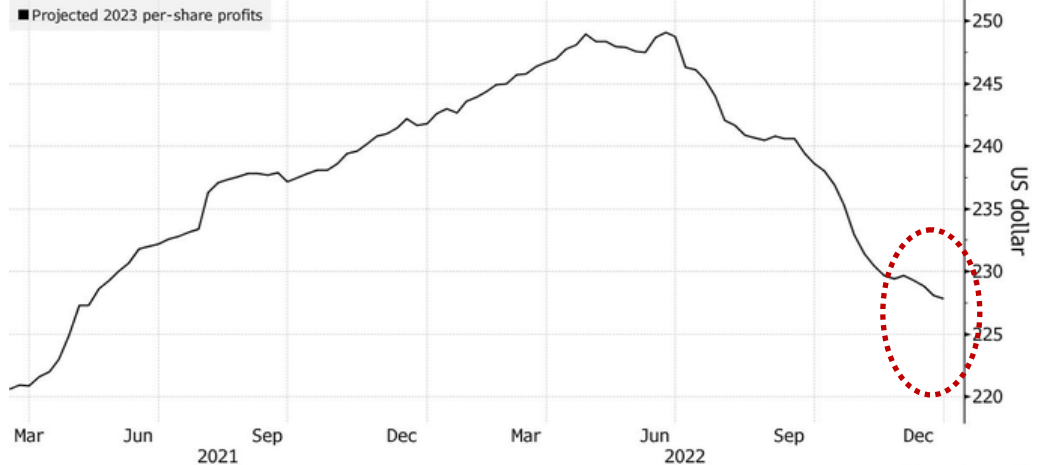


Excess liquidity improving?

Sidebar: Excess liquidity is the amount of capital created that doesn't go into the real economy

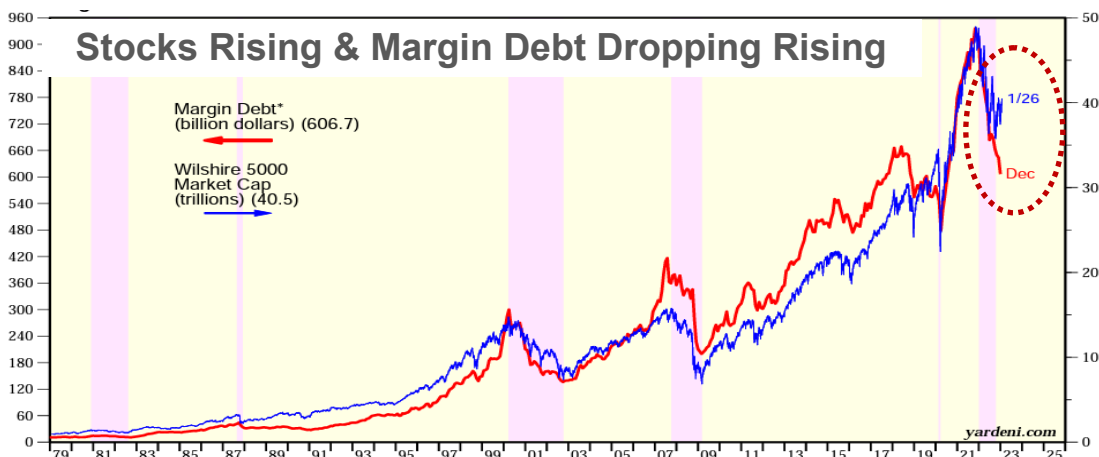
Profit Sentiment Worsens

Analysts keep cutting earnings estimates for corporate America



Earning estimates continue to fall!

Stocks Rising & Margin Debt Dropping Rising



* Debit balances in margin accounts at broker/dealers. Beginning in 1997 data are debit balances in customers' securities margin accounts.
Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: New York Stock Exchange through December 1996, FINRA thereafter, and Haver Analytics.



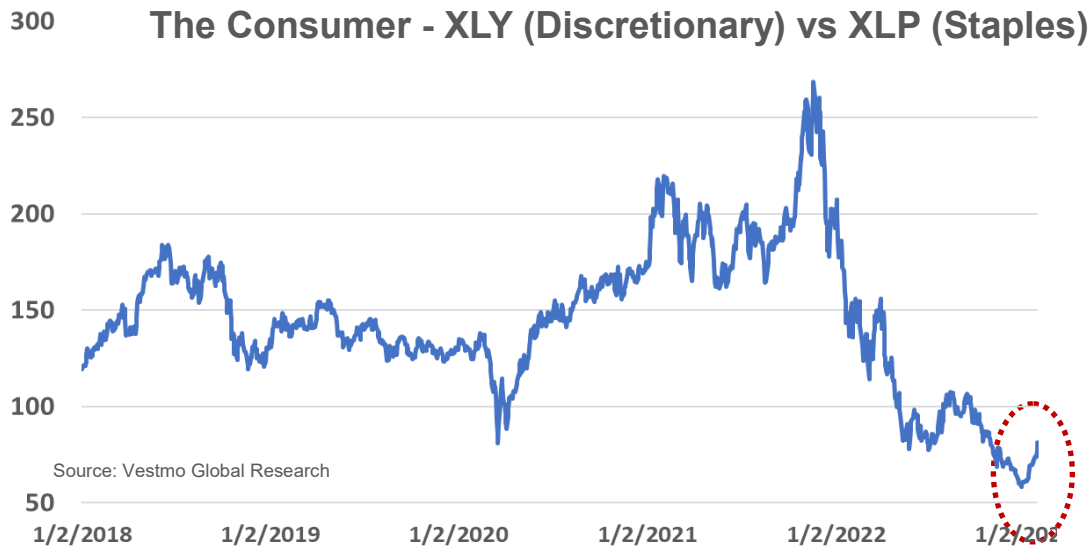
Disconnect!



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US Equity Market

The Consumer - XLY (Discretionary) vs XLP (Staples)



Sustainable?

Brokers (IAI) vs S&P 500 (SPY)



**Does this need
to confirm for a
new bull market?**



Momentum ETF vs S&P 500 ETF



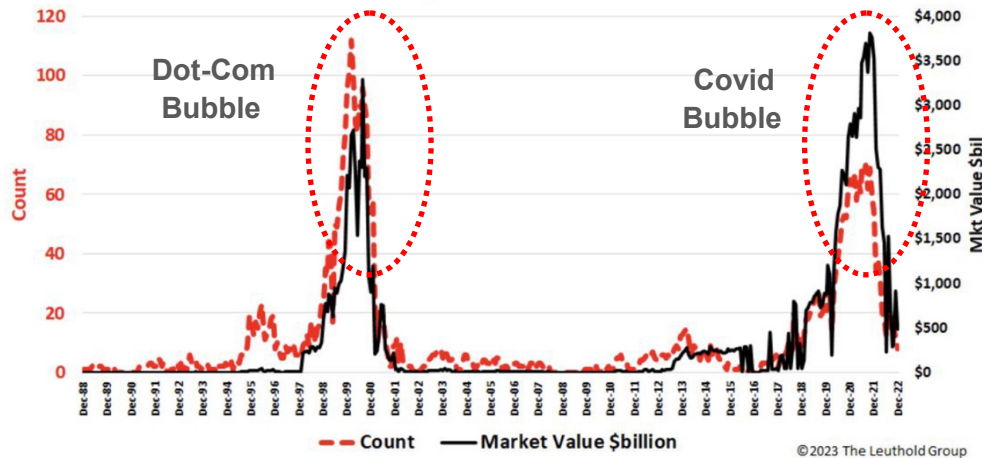
**Some
momentum
would also
help?**



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Equity Sectors

Mkt Capitalization of Tech Companies with Price/Sales > 15 (left axis)



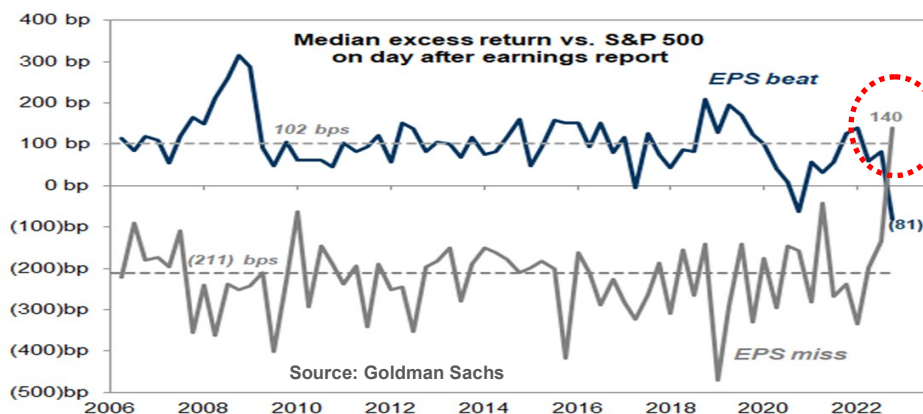
Double
bubble
valuation
trouble?

New York Stock Exchange Unweighted Average



Breadth very
impressive,
now what?

Never before have poor earnings been so rewarded



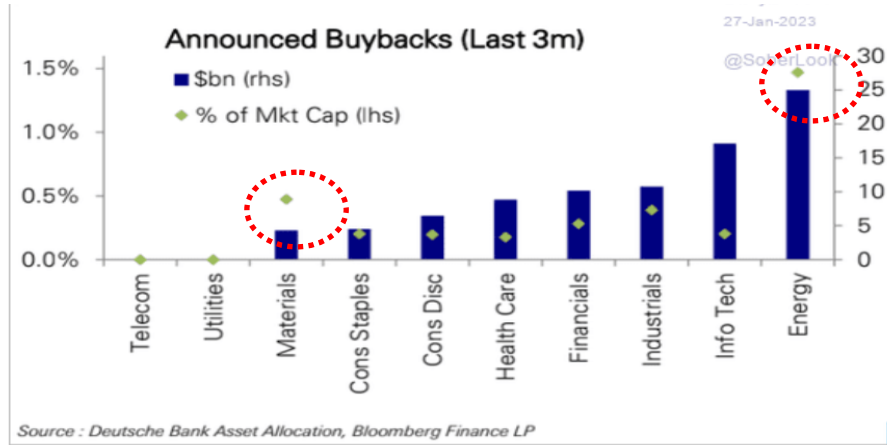
Unprecedented!



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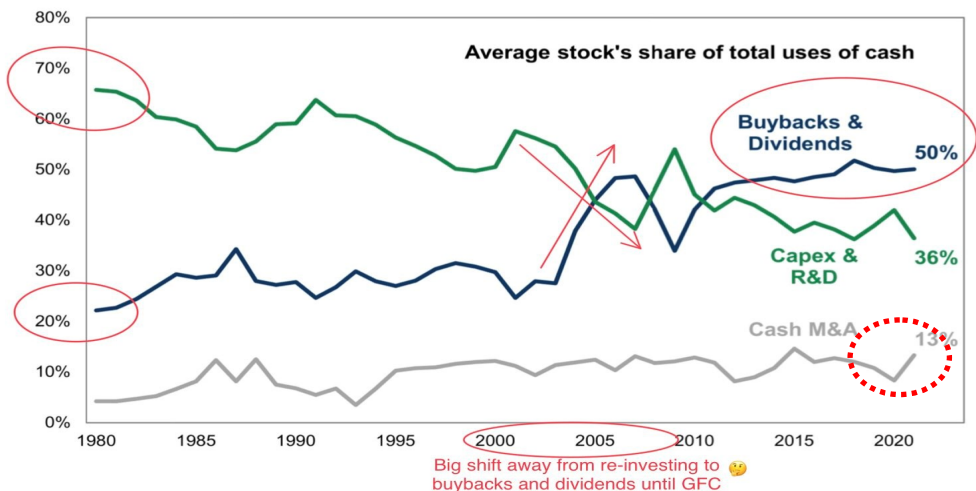
Equity Sectors

S&P 500 Announced Buybacks Relative to Mkt Cap



Where are the outsized buybacks?

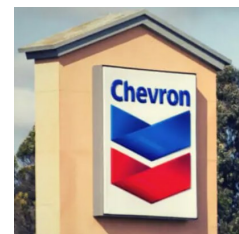
What do buybacks say about capital deployment?



Source: FactSet, Goldman Sachs Global Investment Research. As of full year 2021.

Global Investment Research

A \$75 billion share buyback program triples Chevron's budget for share buybacks



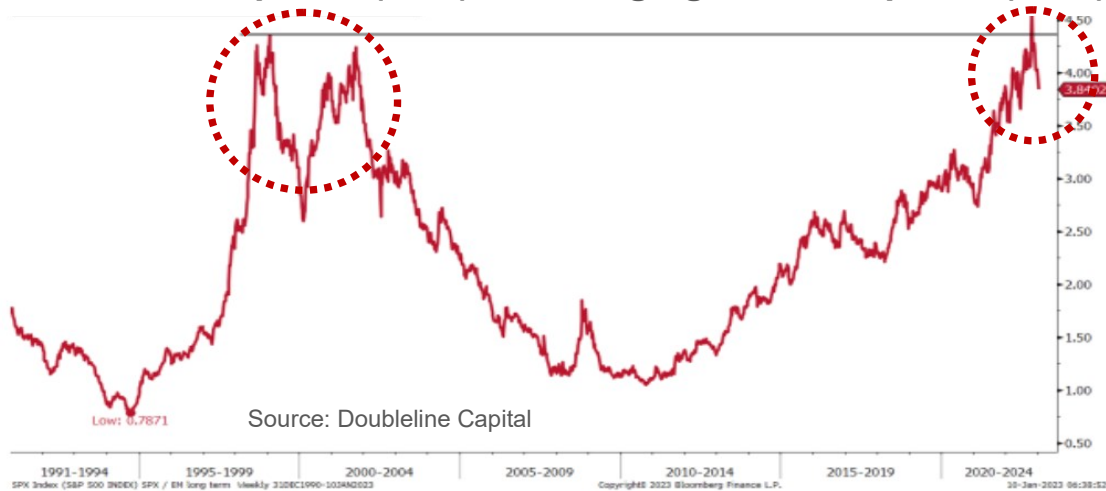
Impressive



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Foreign Markets

US Equities (SPY) vs Emerging Market Equities (EEM)



Morgan Stanley provides three reasons to buy emerging markets

Tactical buy?

1. China Stimulus
2. Peaking USD
3. Shifting Trade Relationships



Emerging Markets (EEM) Relative to S&P 500 Index (SPY)

Or not?



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