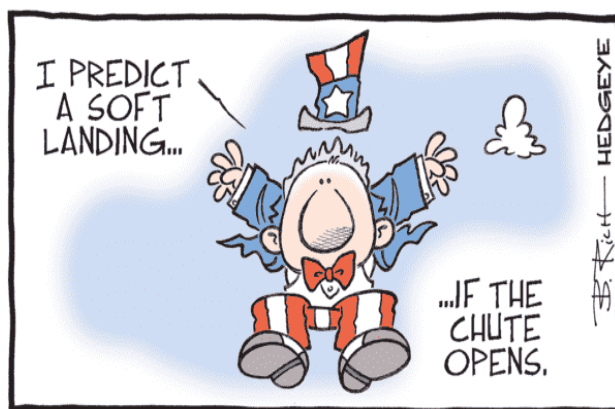


## Noble Weekly Observations - February 13, 2022

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

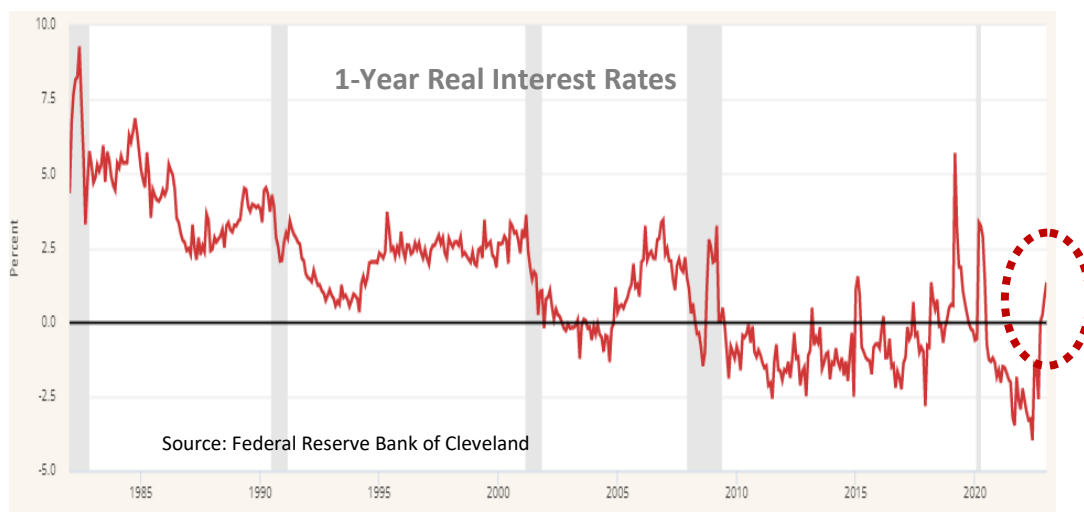
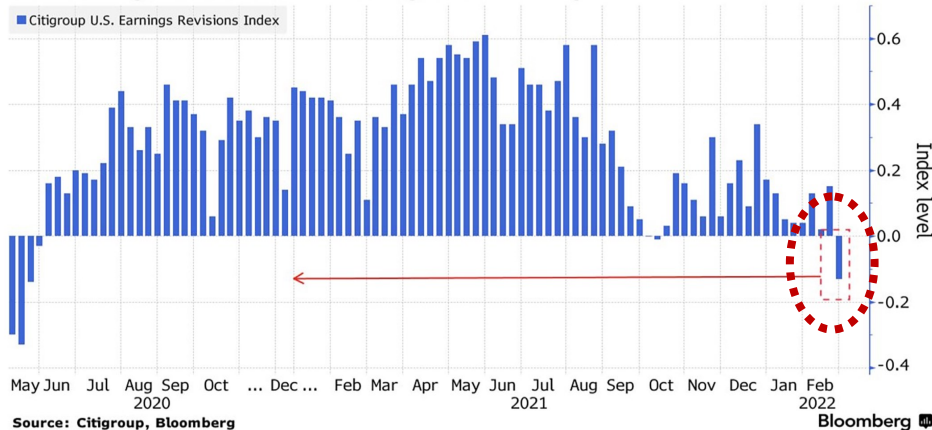


**Fed on  
standby?**

**What type of  
landing are  
we having?**

### Revised Down

U.S. earnings revisions turn most negative since May 2020



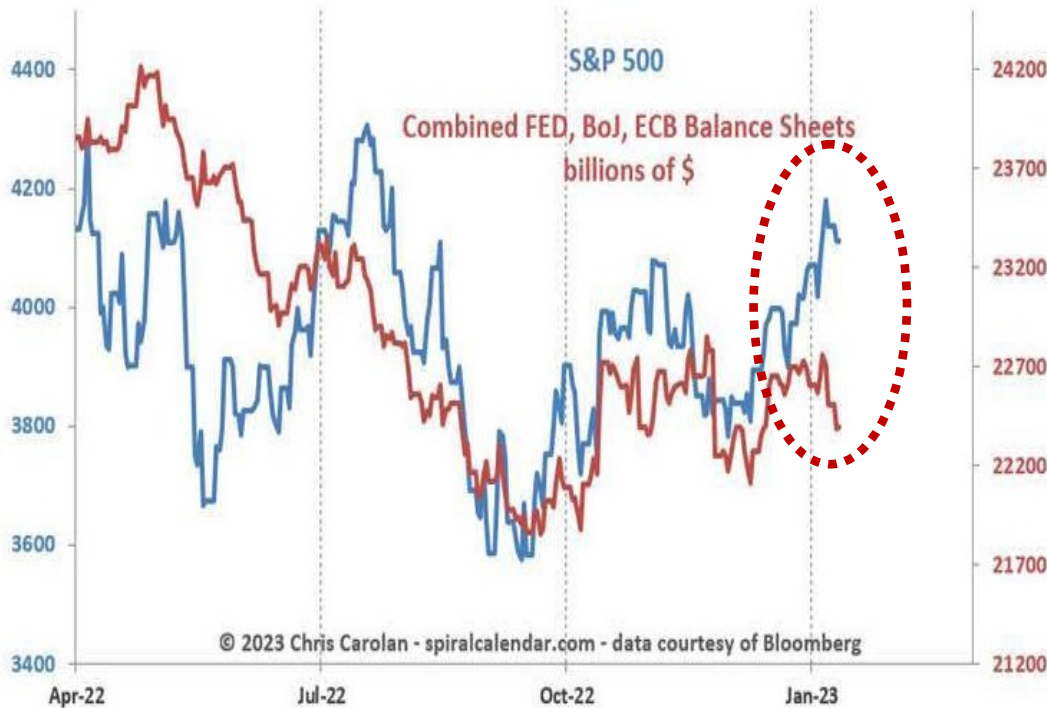
**Real rates now  
a headwind for  
risk assets!**



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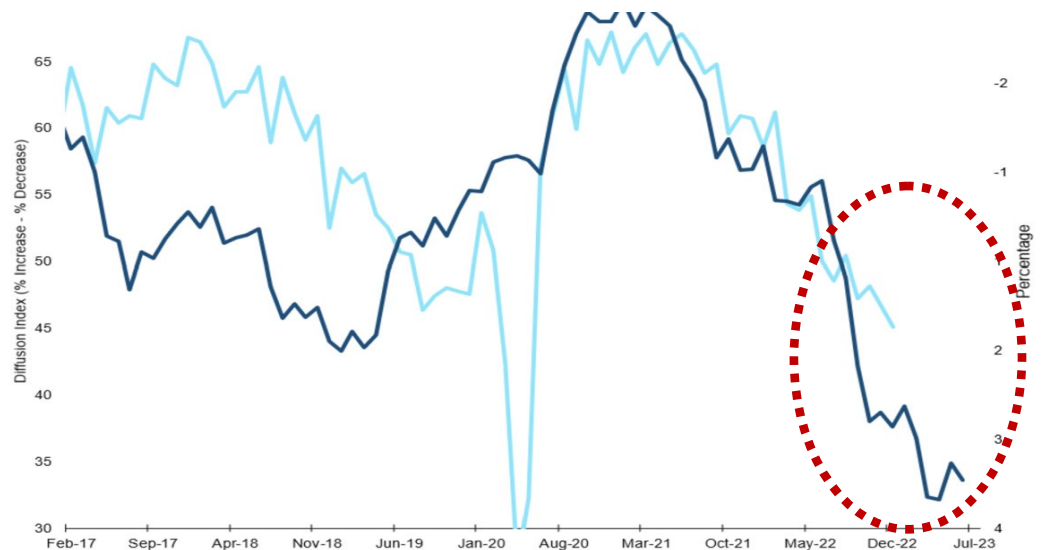
## Liquidity

### G-3 Central Bank Balance Sheet and S&P 500



**Mind the gap!**

### 10 Year Yield (Rolling y/y Change) Leads ISM New Orders (6m)



**This says  
be cautious**

Source: NFIB/Bureau of Labor Statistics (BLS)

Source: Chicago Fed





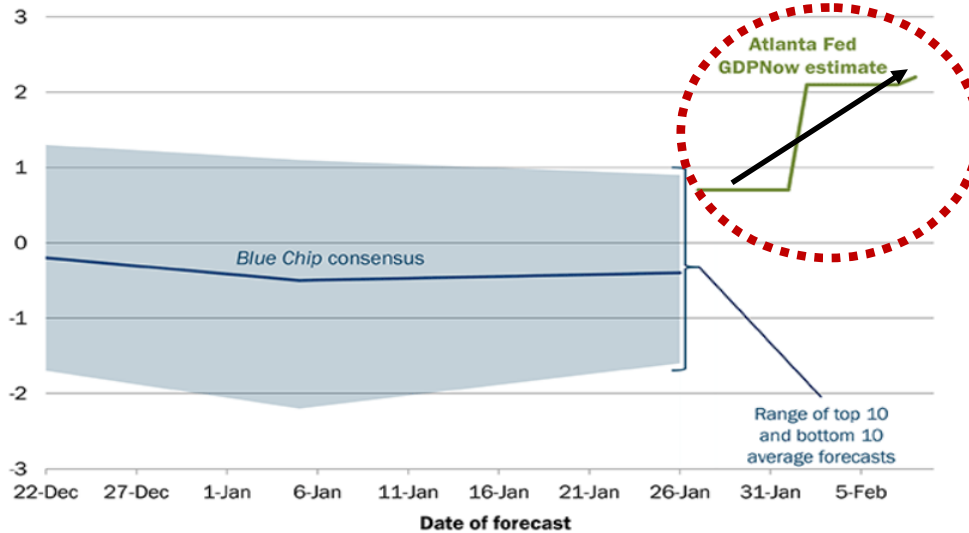
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## Economy

### 1st Quarter GDP Tracker

#### Evolution of Atlanta Fed GDPNow real GDP estimate for 2023: Q1

Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.



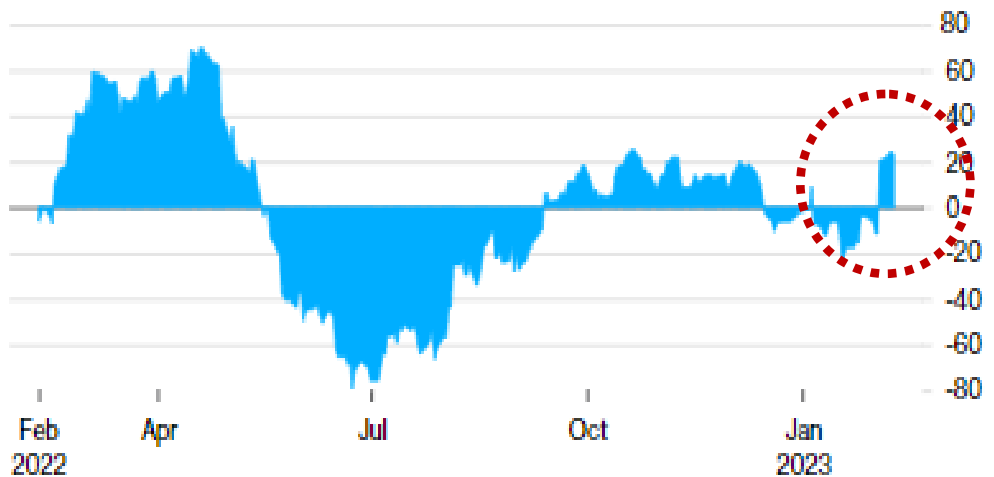
**Why the increase in GDP estimate?**

### US Economic Data Is Beating Expectations

#### ■ Citigroup US economic surprise index



**Why is the consensus surprised?**

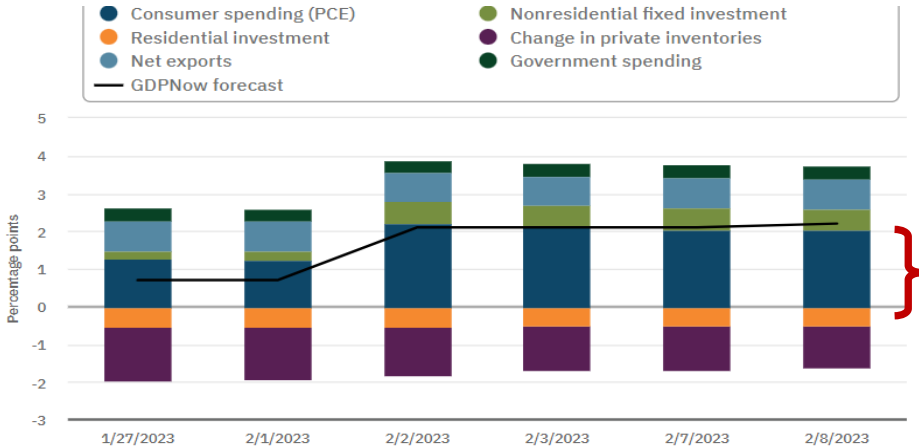


Source: Citigroup Inc.



## Economy

### Subcomponent Contribution To Atlanta GDPNow Forecast

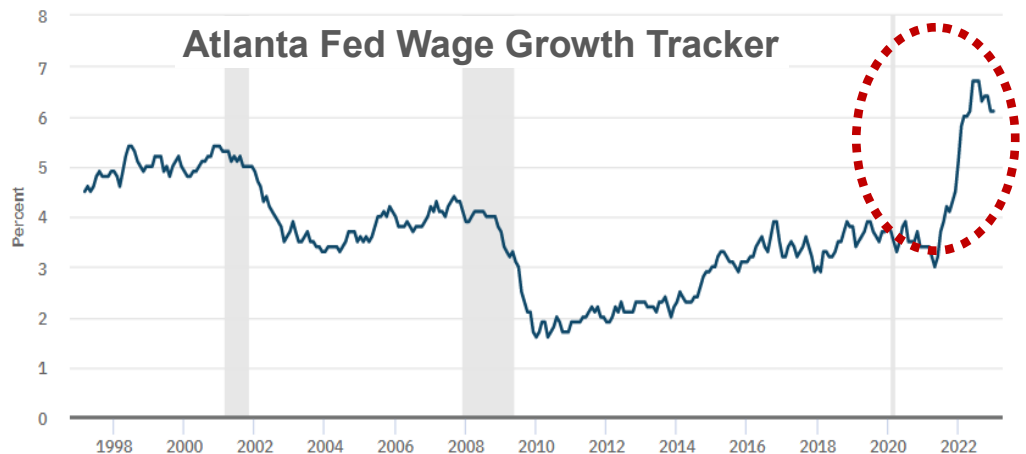


**It's the consumer!**

Source: Atlanta Fed

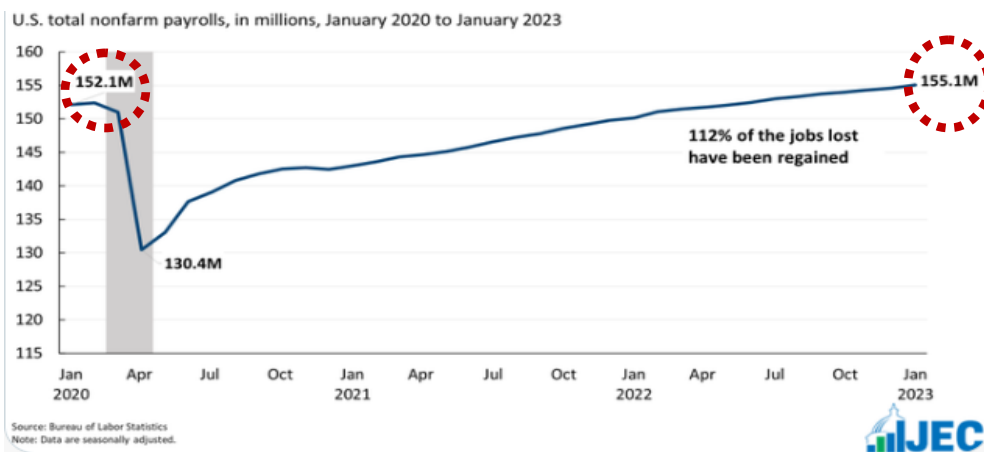


**Higher wages supporting consumption!**



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

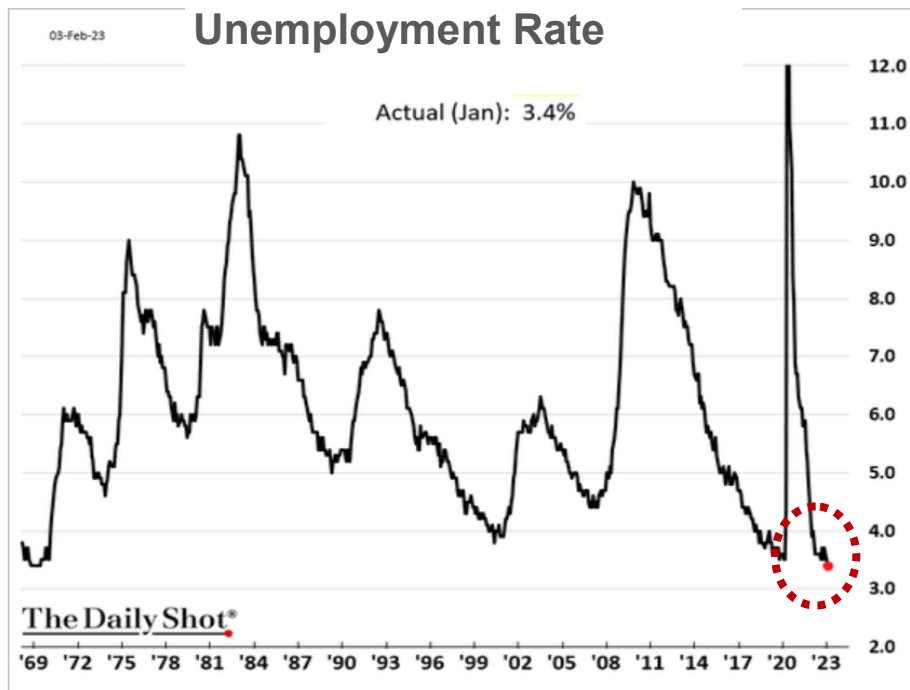
### U.S. Has Regained More Than All Jobs Lost From COVID



**Now what?**



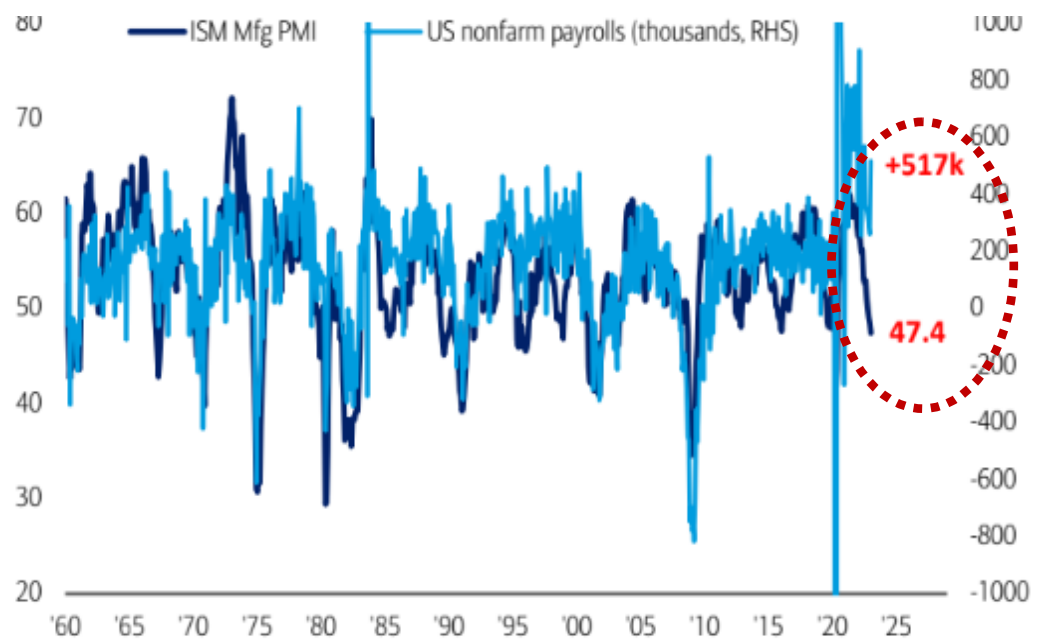
## Labor



**Lowest  
unemployment  
rate since 1969!**

### ISM < 45 Has Always Coincided With Layoffs

**Unprecedented  
disconnect  
between ISM  
mfg survey  
and payrolls!**



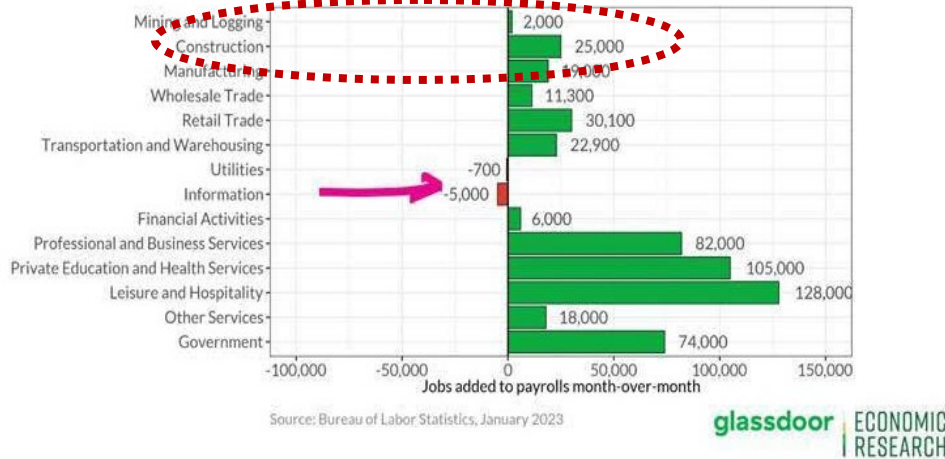
Source: BofA Global Investment Strategy, Bloomberg

BofA GLOBAL RESEARCH



## Housing

### Jobs Growth By Sector

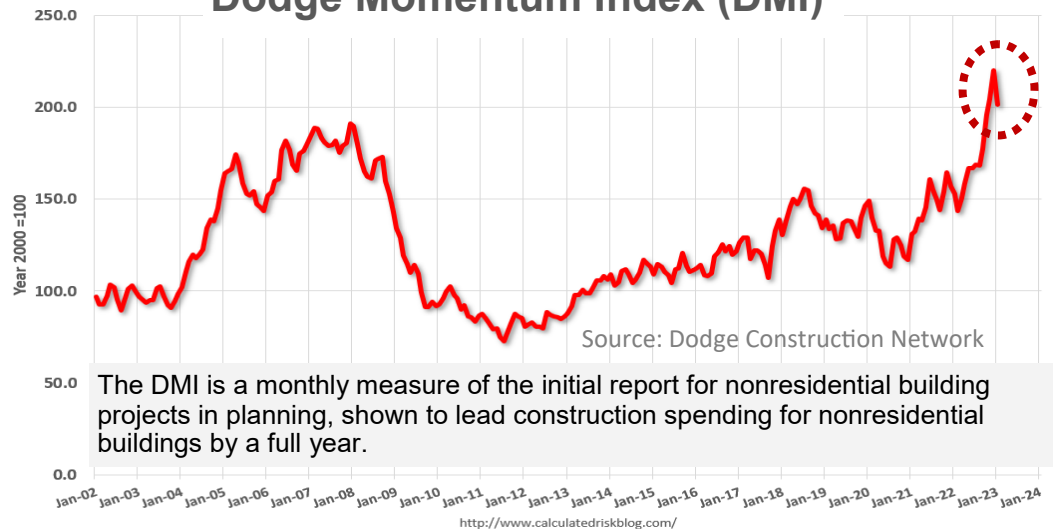


**Housing is poor,  
yet construction  
jobs are  
still growing!**

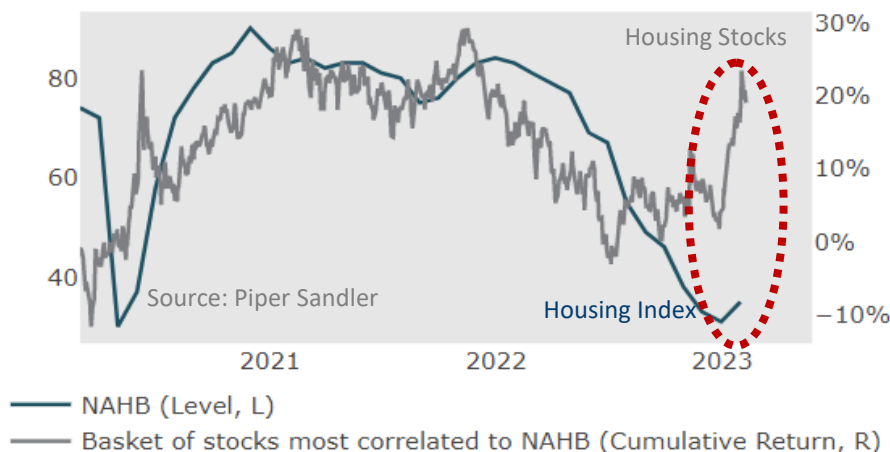


**Jan -8.4%  
but still  
elevated!**

### Dodge Momentum Index (DMI)



### NAHB vs Correlated Stock Basket



**Mind the gap!**



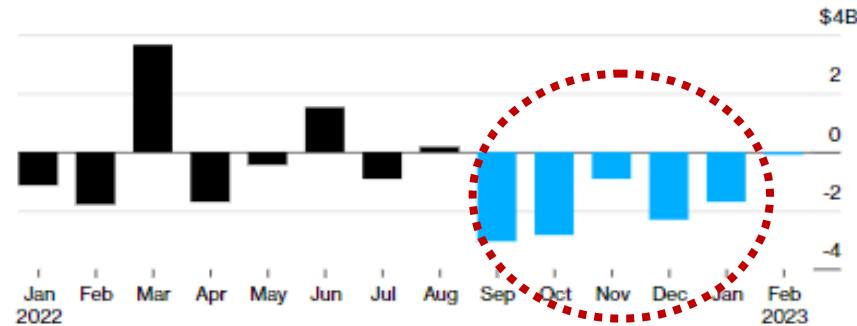
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## Fixed Income

### Inflation Protection Falls Out of Vogue

ETFs see six consecutive months of investor outflows

■ Inflows into inflation-linked ETFs ■ Run of Outflows



Source: Bloomberg Intelligence  
Note: Feb. data is month-to-date



**Inflation  
risk over?**

### Sticky Inflation Rate

**Blackrock,  
PIMCO and  
others say  
inflation to  
remain  
elevated.**



Source: Atlanta Federal Reserve Bank

### TIPS (ETF) versus Bond Market (ETF)

TIP:AGG iShares TIPS Bond ETF/Shares Core U.S. Aggregate Bond ETF NYSE  
10-Feb-2023

Open 1.098 High 1.099 Low 1.094 Close 1.094 Chg +0.001 (+0.07%)

— TIP:AGG (Daily) 1.094



Source: Vestmo Global Research



**Overweight  
TIPS?**

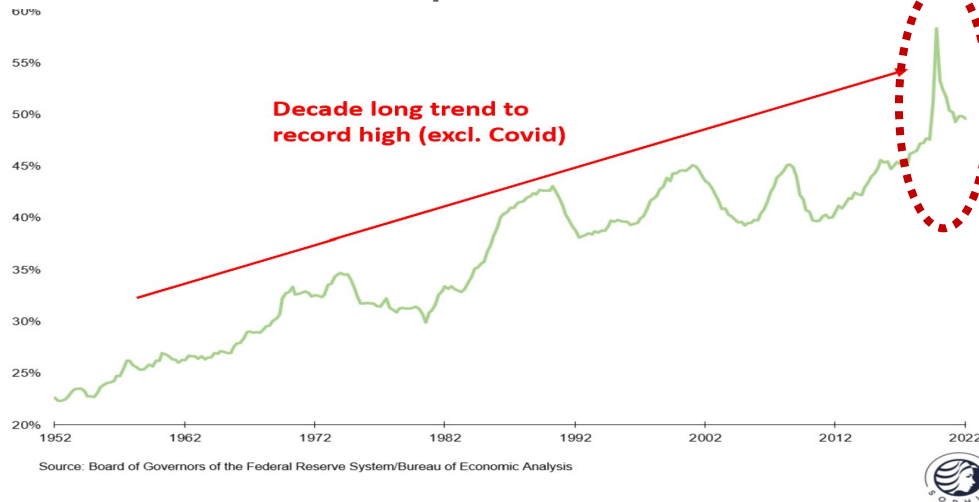




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## Fixed Income

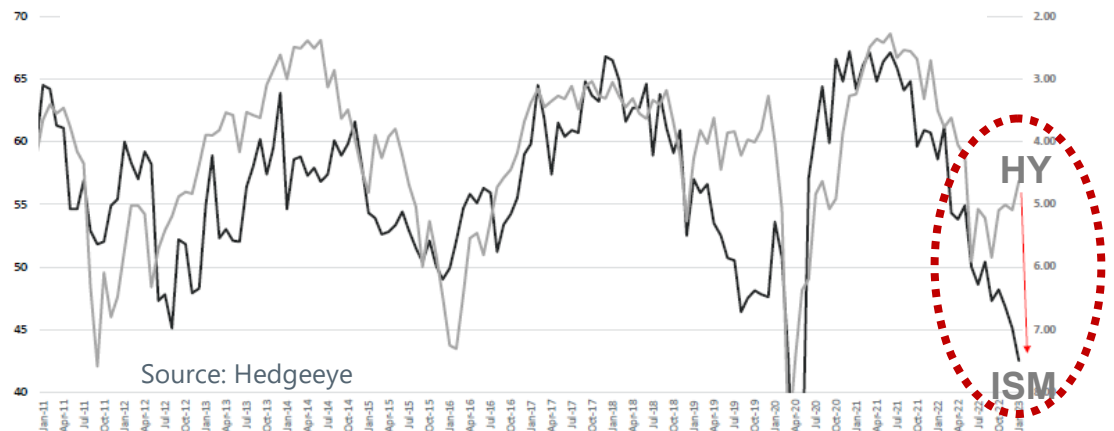
### US Non-Financial Corporate Debt as % of GDP



**Corporate debt elevated!**

### ISM New Order and High Yield Spreads

**Mind the high yield rally!**



### Junk Bonds (JNK ETF) vs Investment Grade (LQD ETF)



**Rally to continue?**





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## Commodities

### Natural Gas Prices

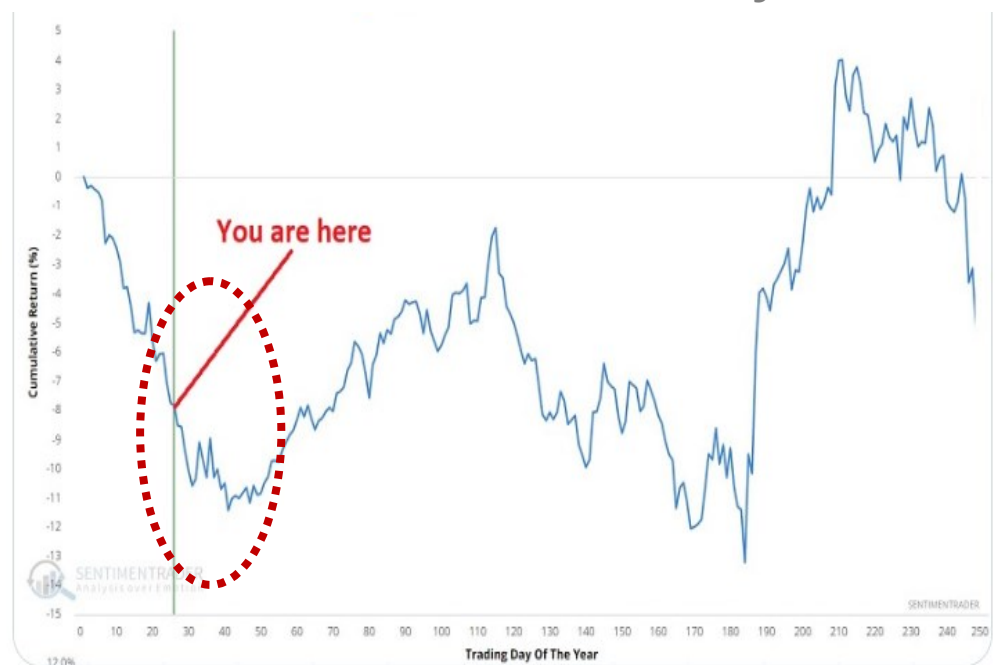


**Time to  
buy?**

### Natural Gas Seasonality



**Seasonality  
says patience!**





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## Dollar

### US Dollar (UUP ETF)



**Downtrend  
over?**

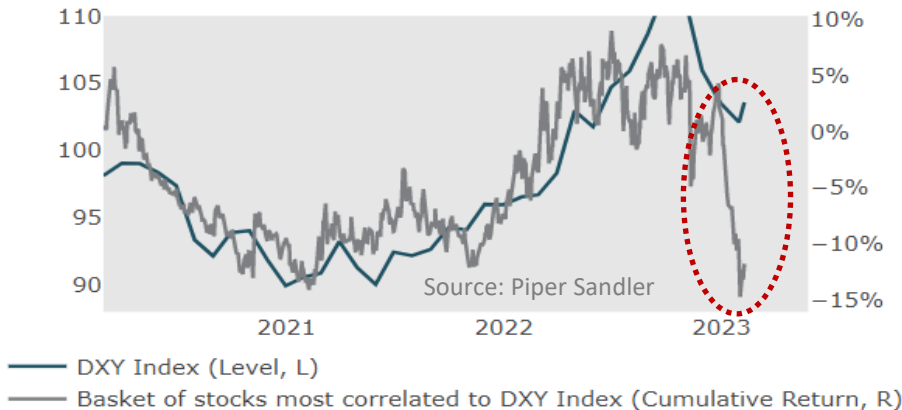
### US Dollar Seasonality



**Seasonality  
favors USD  
for now!**



### DXY Index vs Correlated Stock Basket



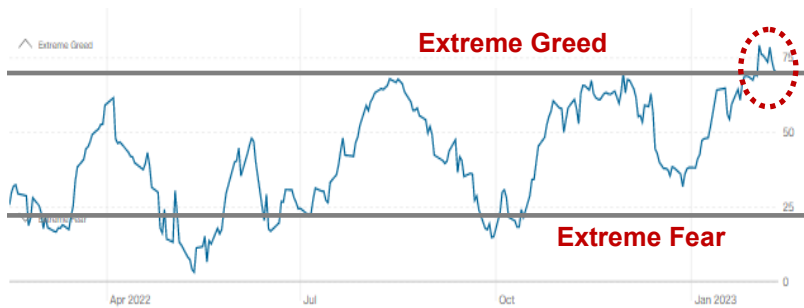
**Equities overly  
discounting a  
lower dollar?**



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## Positioning

### CNN Composite Equity Sentiment Indicator

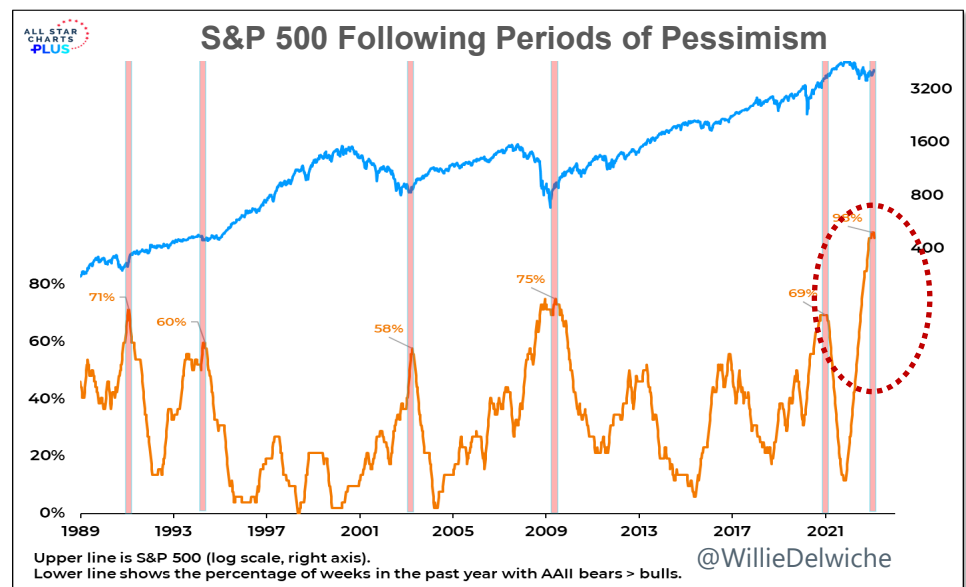


Source: CNN

7 Components	Last Week	This Week
Market Momentum	Greed	Greed
Stock Price Strength	Extreme Greed	Extreme Greed
Stock Price Breadth	Extreme Greed	Extreme Greed
Put & Call Options	Greed	Extreme Greed
Market Volatility	Neutral	Neutral
Safe Haven	Extreme Greed	Extreme Greed
Junk Bond Demand	Greed	Fear



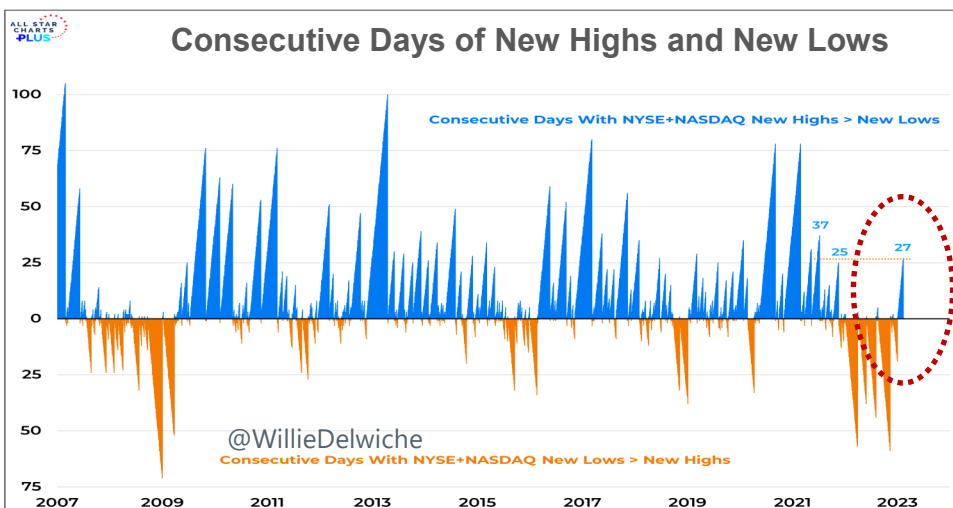
**Long-term  
negative  
sentiment  
peaked?**



Upper line is S&P 500 (log scale, right axis).

Lower line shows the percentage of weeks in the past year with AALL bears > bulls.

@WillieDelwiche



@WillieDelwiche

Consecutive Days With NYSE+NASDAQ New Lows > New Highs

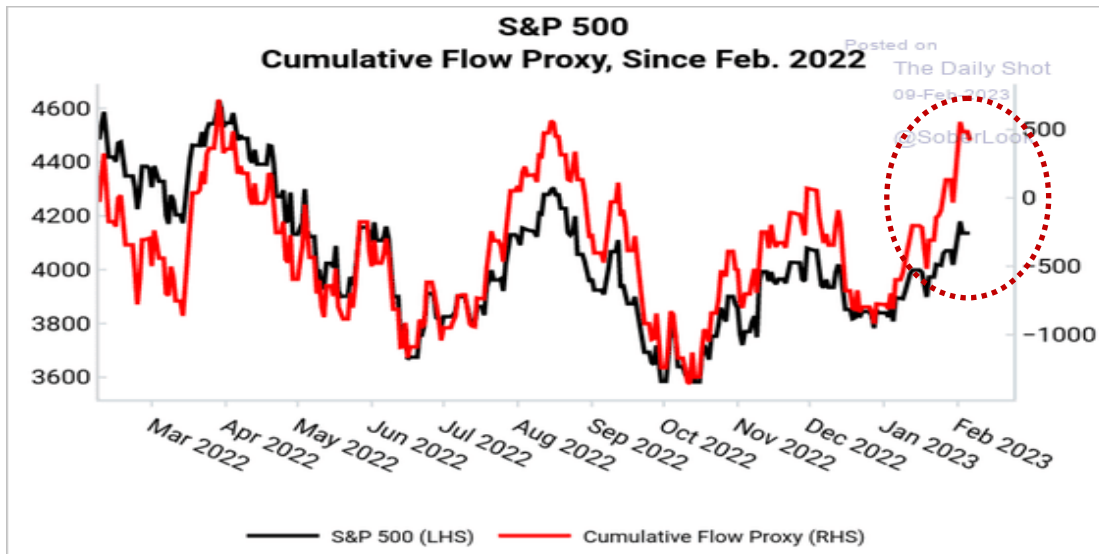


**The return  
of the bull?**



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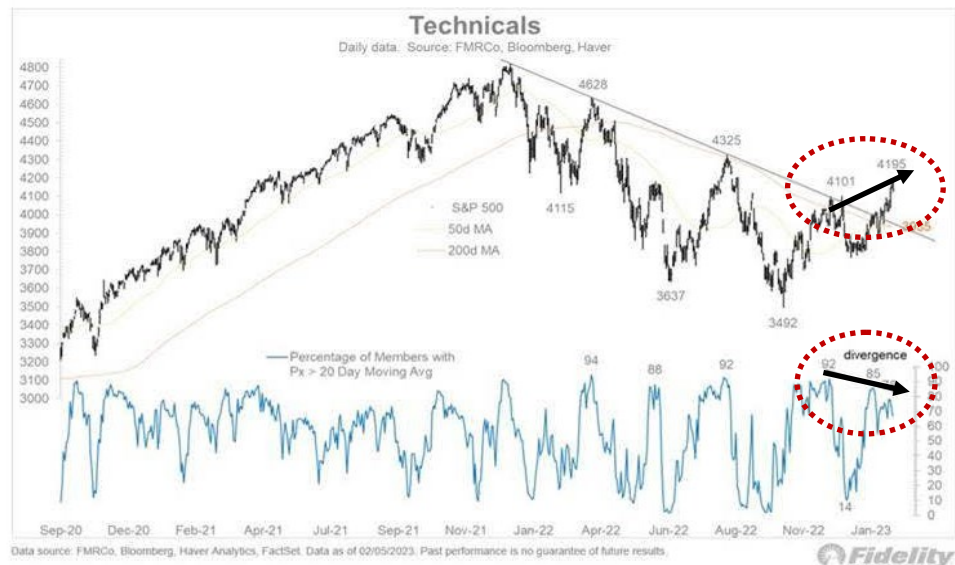
## Equity Market Internals



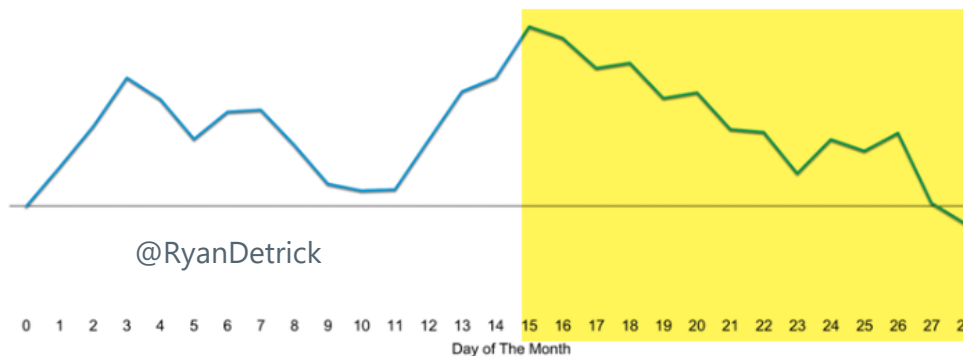
**Short covering over?**



**Rally running out of steam?**



## Month of February Seasonality - 2nd Half Weak



**Will this relationship hold?**



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## Equity Markets

S&P 500 Reported Earnings (GAAP, log scale) 1950 - 2023

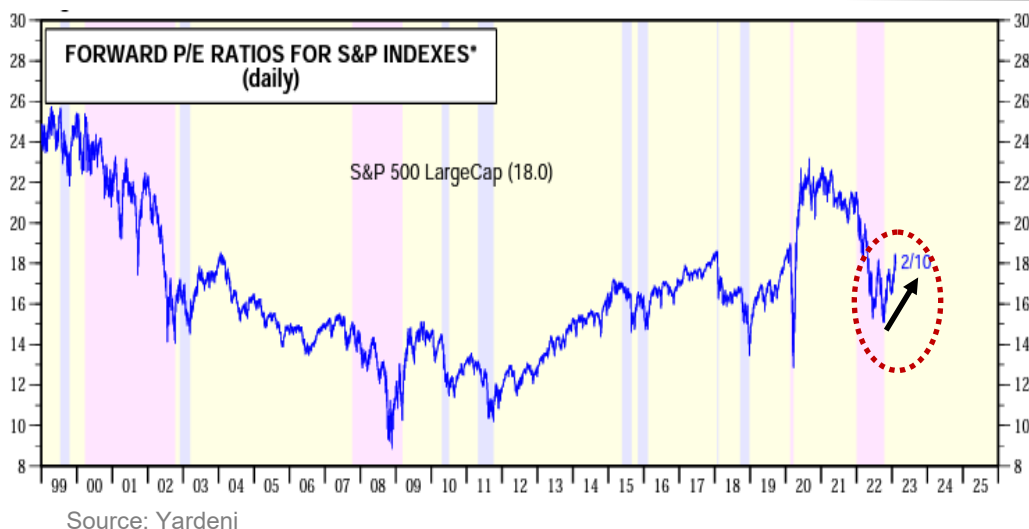


**Earnings  
to revert  
to trend?**



**Earnings  
revisions are  
declining!**

S&P 500 2023 Fwd Earnings



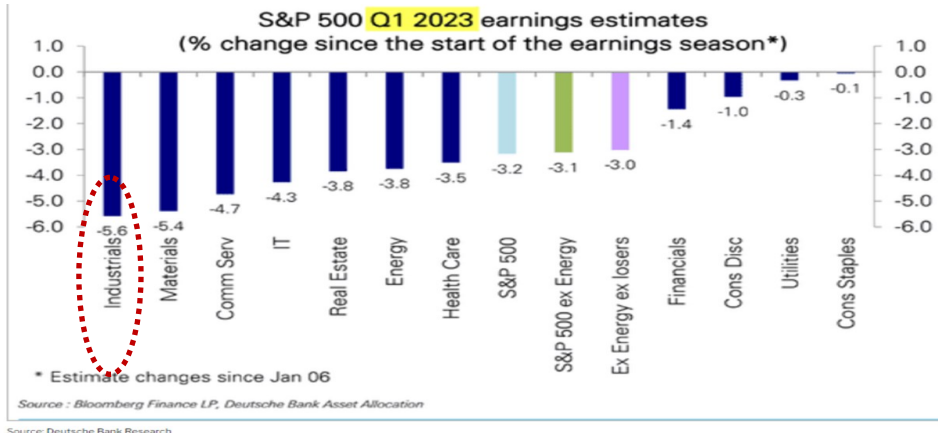
**P/E's are  
expanding.**



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## US Equity Market

### Downgrades Have Been Broad Based



**Earnings estimates for industrials getting hit!**

### Industrial (XLI ETF) vs Staples (XLP ETF)

**Then why are industrial stocks outperforming staples?**



### Cheapest 50% of US Equities vs 50% of Expensive US Equities



**Cheap outperforming expensive!**

As of 12/31/2022 | Source: GMO

Composite valuation measure is composed of Price/Sales, Prices/Gross Profit, Price/Book, and Price/Economic Book.





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## Equity Sectors

### This Week's Earnings Announcements

Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open	After Close	Before Open
monday.com	Palantir	Coca-Cola	devon	ROBLOX	shopify	SCORPIO THERAPEUTICS	DRAFT KINGS	JOHN DEERE
Check Point	solar edge	CLIFFS	airbnb	theTradeDesk	ROKU	DATADOG	APPLIED MATERIALS	AutoNation
Alexander's Inc.	inotiv	Peabody Energy	Upstart	BARRICK	ENERGY TRANSFER	CROCS	SHOCKWAVE	AMC NETWORKS
TreeHouse	avis budget group	Marriott	nu	GENERAC	CISCO	Fluor	DOORDASH	ARBOR
ROIVANT SCIENCES	ARISTA	ECOLAB	tripadvisor	KraftHeinz	ALBEMARLE	FBE	VALE	AIR CANADA
叮咚买菜	LATTICE	TransUnion	Livent	Biogen	Marathon Oil Corporation	Star Bulk	AMERISOL & WOODSTEERING	ADVANSIX
TERADATA	cadence	GreenPower MOTOR COMPANY	SUNCOR ENERGY	ANALOG DEVICES	twilio	Southern Company	STEMCELLS	CenterPoint Energy
Cemex	Amkor Technology	INMODE	The Andersons	SUNCOALP	CF	cenovus	REDFIN	ppl
MEDPAC	Entegris	Herbalife Nutrition	Ryder	SUNPOWER	HYATT	indie	Barnes Group Inc	
S&W	FirstEnergy	GlobalFoundries						

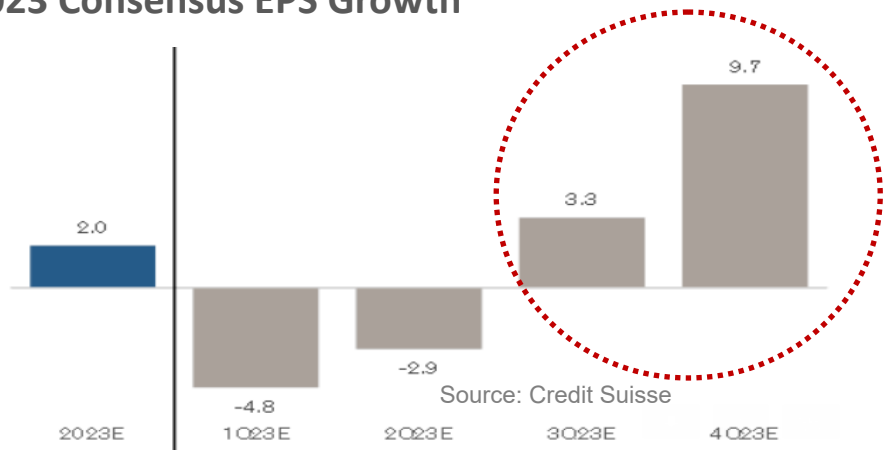


More goodies this week

### 2023 Consensus EPS Growth



Consensus discounting 2nd half recovery?



### Goldman Sachs Unprofitable Tech Index



Now what?

What is the GS unprofitable tech index?  
Goldman Sachs (GS) unprofitable technology basket consists of non-profitable U.S.-listed companies

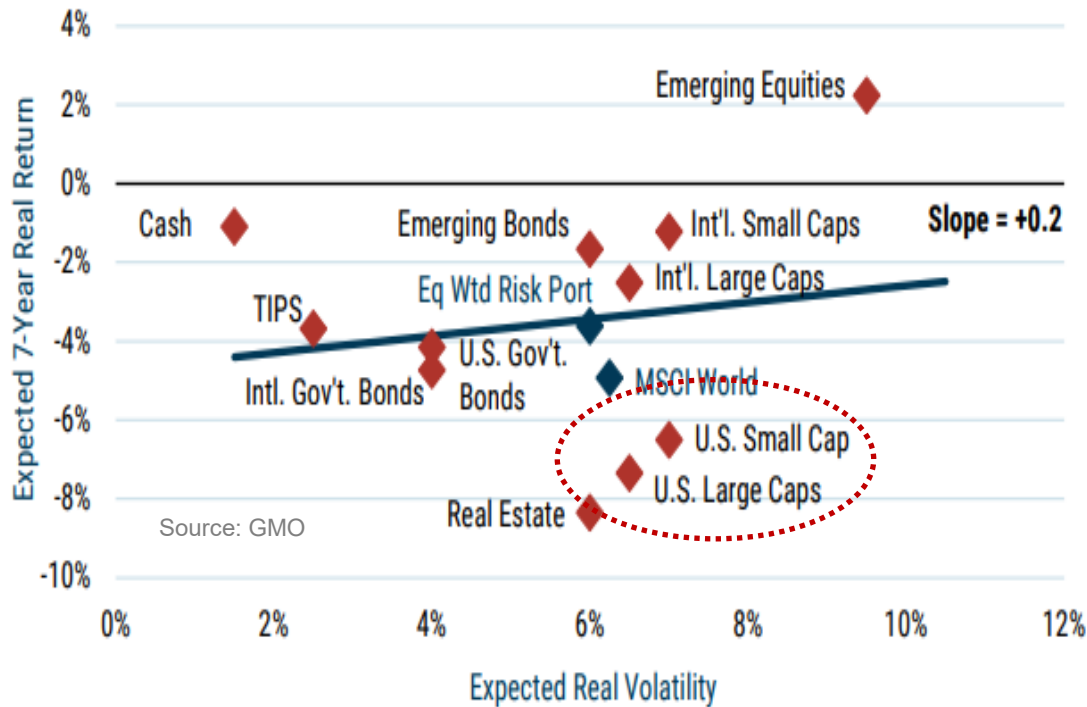




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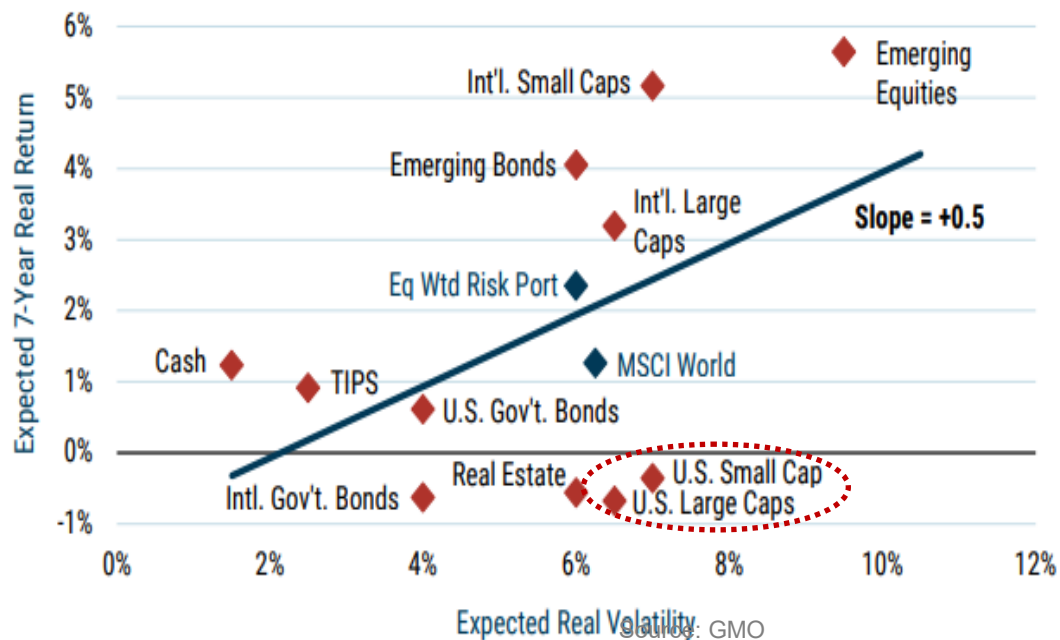
## 7 Year Expected Real Returns

### GMO 7 Year REAL Return/Risk as of Dec 2021



**Mostly  
negative  
expected  
returns**

### GMO 7 Year REAL Return/Risk as of Dec 2022



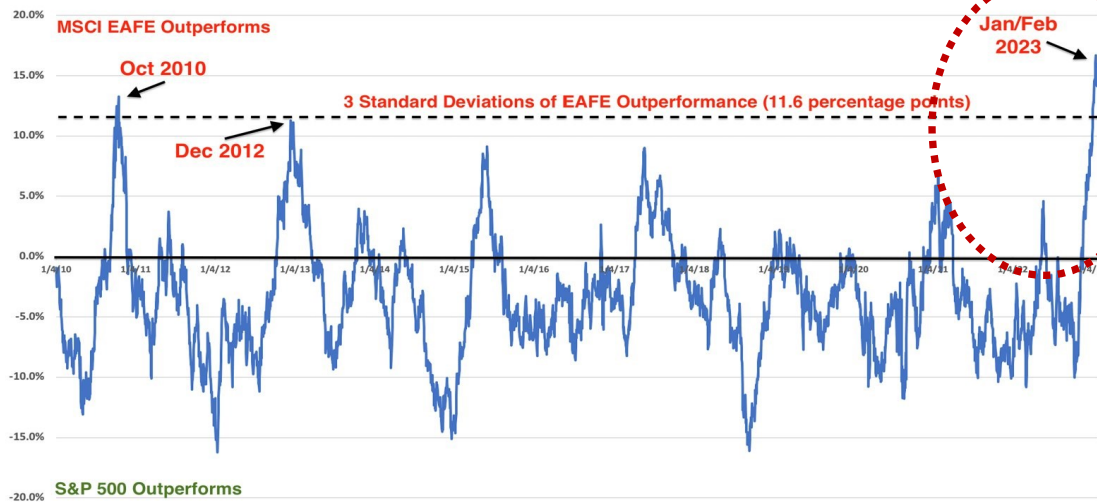
**Less bad  
expected  
returns**



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## Foreign Markets

### Rolling EAFE vs S&P 500 Trailing Price Returns

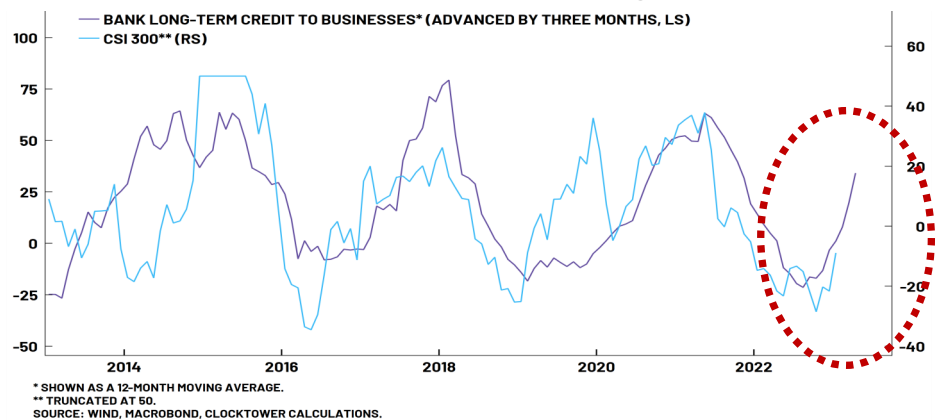


**Foreign equities relative overdone short term?**

### China Credit Leads Equities By 3 Months



**Chinese equity rally supported!**



### Chinese Equities (MCHI ETF) vs World Equities (ACWI ETF)



**Back to previous range?**

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