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Key Data

- Wrapping up 1st 100 days - bear market rally some would say
- Nothing in terms of new developments today, we heard from the whitehouse very early this morning but vague details on trade
- This week is still action packed from earnings to NFP, PCE & Trade, maybe war too (pakistan & india)
- Dallas fed manufacturing was terrible today kinda random data but don't be fooled it's a gigantic week
- This has been the worst 100 days since nixon - cant make this up lol
- We did good but take it with a grain of salt, I think we have a lot of room to go higher or lower. That answer will materialize with time and that will be the hardest part of this. BEAR MARKET RALLY makes this difficult
- The key number is 44 - which is the average of length of bear market rallies (in days) - see the 3rd picture below - and it goes up on average over those 44 days is 14.1%, basically what this means is we might revisit some of the uncertainty
- Texas & trade deals are bullish catalysts till then watch for the waves of negativity
- Retail is buying hand over fist & institutions are chilling out

Plays

- NVDA - Chips clobbered today but the news is Huawei developing Ai chips - let that sink in, maybe it hits 3 weeks from now lol
- SONY - News of spinning chip business. I didn't know they had chips but they had cheap plays, not a big mover but might catch a wave off the yen surprisingly
- UPS - I played it both ways for earnings. If they get clapped it most likely will be going in the long term
- I played 2 standard deviations of the expected move for \$40 each way - wicked cheap imo worth the shot



Chart 4: US household equity wealth est. -\$6tn YTD

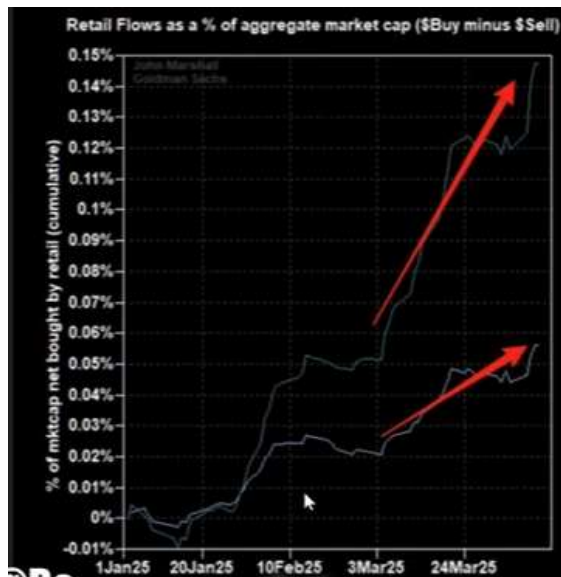
Fed US household equity holdings & BofA private client equity holdings



Exhibit 7: Historical examples of bear market rallies

MSCI AC World - Bear market rally

Global Bear Market Rally		Length (days)	MSCI AC World (%)
Recession & Stagflation	26-Oct-81 04-Dec-81	39	10.3
	17-Mar-82 07-May-82	51	9.2
Program trading collapse	20-Oct-87 21-Oct-87	1	7.9
Recession & Oil shock	02-Apr-90 17-Jul-90	106	15.3
Dot-com bubble	23-May-00 17-Jul-00	55	8.7
	22-Mar-01 21-May-01	60	14.7
	21-Sep-01 04-Jan-02	105	20.1
	06-Feb-02 19-Mar-02	41	9.2
	23-Jul-02 22-Aug-02	30	13.9
	09-Oct-02 28-Nov-02	50	18.6
Global Financial Crisis	22-Jan-08 27-Feb-08	36	8.4
	17-Mar-08 19-May-08	63	13.9
	17-Sep-08 19-Sep-08	2	8.2
	10-Oct-08 14-Oct-08	4	12.5
	27-Oct-08 04-Nov-08	8	21.8
	20-Nov-08 06-Jan-09	47	23.8
China & Oil turbulence	29-Sep-15 03-Nov-15	35	10.8
COVID-19	23-Mar-20 08-May-20	46	27.7
2022 Bear Market Rally	17-Jun-22 16-Aug-22	60	12.8
Average		44	14.1
Median		46	12.8



This is important for your longterm believe it or not

Figure 9: DB estimates of deficit impact from the "One big beautiful bill"

(\$bn)	Calendar Year			
	2025	2026	2027	2028
CBO baseline Jan 2025 (no TCJA extension)	-1827	-1707	-1743	-1918
Deficit impact of TCJA extension	-74	-461	-541	-533
Expand CTC to \$2500 - \$3000 fully refundable	-40	-41	-43	-43
SALT cap raise to 20k	-31	-31	-40	-42
Eliminate taxes on tips	-10	-10	-11	-12
Deduct auto loan interest	-5	-6	-6	-6
Lower corporate income tax rate to 15%	-55	-55	-55	-55
Increase defense/border funding	-50	-150	-100	0
Spending cuts	25	100	100	100
Tariff revenue	170	249	252	254
DB deficit forecast	-1897	-2112	-2187	-2255
DB deficit % of GDP	-6.2	-6.7	-6.6	-6.5

Source: CBO, Deutsche Bank