

General Market Notes

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Every Sunday an update on interesting reading or on general market is added below.

1 Sun 29 Jan 2023

1.1 Financial Times

1.1.1 China

- Majority of chinese growth has come from the property market
- They are trying to transition to a more consumer led economy
- General bullish vibes post 0 covid drop
- There was a recent housing market crash during the lockdown

1.1.2 Other

- Recent regional flight company into administration, bearish vibes on local aviation.
- In the energy sector new link between UK and Denmark to utilise danish biomass during low wind periods.
- Current pot of 8.4 GW connection abroad for the up, aiming to make that 18GW by 2030. (hampered due to brexit).
- Bearish UK policies for RD heavy startups.
- Texas bill to enforce vending machine payment visa crypto payments.

1.2 FTX Pre mortem substack

2021 - 2022 80 % drop in net asset value, 90 % of assets not very liquid.

FBO account (For benefit of account): Allows avoiding ownership interest and money transmission costs.

States lack of hedging as one of the main issues, "net leverage = (net position - hedge) / net asset value as 1.06 showing they we badly hedged.

Many crypto platform blew up due to margin position blowing up (ie borrowed positions failing.) FTX blew due to large margin position Alameda had on it failing. But doesn't account for why user funds were lost, in a lost leverage position? Shows clearly some Bank like partial user fund use.