

Capital Markets & Investments

Session 17: **Beyond CAPM (2) – Factor Investing (Part 2)**

Spring 2025
Professor Simon Oh

HOW TO TELL IF THE WORLD IS FALLING APART

CAPITAL MARKETS & INVESTMENTS EDITION

Framework

- **What People Say**
 - CEOs / Corporate Insiders
 - Financial Intermediaries (e.g. Banks)
 - Policymakers

- **What People Do**
 - Consumption
 - Policy Decisions
 - Trading Behaviors (e.g. flows)
 - Asset Prices

What People Say

"The dynamic macro environment has contributed to a more cautious consumer...Consumers are spending less due to increased concerns about inflation and the economy. This is manifesting itself into slower traffic across the industry in the U.S. in quarter 1, which we are experiencing in our business as well." — **Lululemon Athletica (\$LULU)** CEO Calvin R. McDonald

"In recent weeks, many retailers reported that customers, particularly middle income customers, are shifting towards alternatives that present value. Dollar Tree is also seeing middle income shoppers who make up about half of our customer base, focusing more on value. At the same time, we are seeing stronger demand from higher income customers who increasingly see Dollar Tree as a cost-effective source for an expanding range of products." — **Dollar Tree (\$DLTR)** CEO Michael Creedon

What People Say

"So the economy's still in that soft landing thing, but a lot of turbulence out there... I think this turbulence could force this [soft landing] in a completely different direction. So I'm a little cautious about that." — **JPMorgan (\$JPM)**
CEO Jamie Dimon

"I hear it from nearly every client, nearly every leader—nearly every person I talk to: They're more anxious about the economy than any time in recent memory. I understand why." — **BlackRock (\$BLK)** CEO Larry Fink

What People Say

"We are well positioned to wait for greater clarity before considering any adjustments to our policy stance. It is too soon to say what will be the appropriate path for monetary policy... It feels like we don't need to be in a hurry." — **Federal Reserve** Chair Jerome Powell

"This would be a PERFECT time for Fed Chairman Jerome Powell to cut Interest Rates. He is always 'late,' but he could now change his image, and quickly." — **President** Donald Trump

"I would advise none of the countries to panic. I wouldn't try to retaliate, because as long as you don't retaliate, this is the high end of the number...Right now, my advice to every country is not to retaliate. Let's see how things unfold, because if you retaliate, things will escalate." — **US Treasury** Secretary Scott Bessent

What People Say

The false posts may have originated from a real Fox News interview with National Economic Council Director Kevin Hassett at around 8:30 a.m. ET. Hassett was asked whether President Donald Trump would “consider a 90-day pause in tariffs,” and he replied in part: “The president is (going to) decide what the president is (going to) decide.”

According to CNN’s analysis, the first X post to claim Hassett said Trump would consider a 90-day pause in tariffs came at 10:11 a.m. ET from an account called “Hammer Capital” with the handle “yourfavorito,” which has barely 1,000 followers.

At about 10:12 a.m., CNN’s Vanessa Yurkevich, who was on the floor of the New York Stock Exchange, said that cheers had broken out, as stock indices — which were already recovering from early-morning lows — suddenly surged.

“Walter Bloomberg,” an account with a much larger following that uses the handle “Deltaone” copy-and-pasted the original rumor along with a siren emoji at 10:13 a.m.

What People Do

Change in seated diners by month / day, 2025 vs. 2024

This table measures the volume of seated diners from online reservations on a daily/monthly basis in 2025 vs. 2024. For example, in Los Angeles on January 4, 2025, seated diners were up 3% compared to 2024. In the monthly view, data for the current month shows the YoY change in seated diners for the month-to-date. For example, if the date is January 10, 2025, the data compares January 1 – 10, 2025 to the same range in 2024.

| Country | Daily | | | | | | | | | | | | | | | |
|----------------|-------|-----|-----|-----|------|-----|------|------|------|------|------|------|------|------|------|------|
| MONTH/DAY | 4/7 | 4/6 | 4/5 | 4/4 | 4/3 | 4/2 | 4/1 | 3/31 | 3/30 | 3/29 | 3/28 | 3/27 | 3/26 | 3/25 | 3/24 | 3/23 |
| Global | 7% | 8% | 10% | 7% | -1% | -1% | 2% | -13% | -24% | 17% | 3% | -7% | 1% | 1% | -3% | 4% |
| Australia | 13% | 13% | 19% | 17% | 1% | 3% | 0% | -45% | -11% | 12% | 64% | -16% | 12% | 14% | 16% | 19% |
| Canada | 8% | 13% | 24% | 29% | 34% | 19% | 35% | 6% | 2% | 26% | 19% | -9% | 16% | 18% | 15% | 20% |
| Germany | 19% | 26% | 16% | 3% | -12% | -6% | 7% | -59% | -27% | 18% | 1% | -27% | -13% | -15% | -21% | -6% |
| Ireland | 32% | 29% | 28% | 6% | -6% | -6% | -10% | -56% | 100% | 39% | 1% | -14% | -3% | -12% | -17% | 5% |
| Mexico | 23% | 25% | 21% | 14% | 13% | 14% | 14% | 7% | 20% | 28% | 13% | -10% | -2% | 7% | -2% | 2% |
| United Kingdom | 11% | 10% | 11% | 3% | -7% | -7% | -3% | -44% | 106% | 26% | -16% | -14% | -1% | -4% | -11% | 4% |
| United States | 5% | 5% | 7% | 5% | -3% | -1% | 0% | 0% | -39% | 15% | 2% | -4% | 1% | 0% | -2% | 3% |

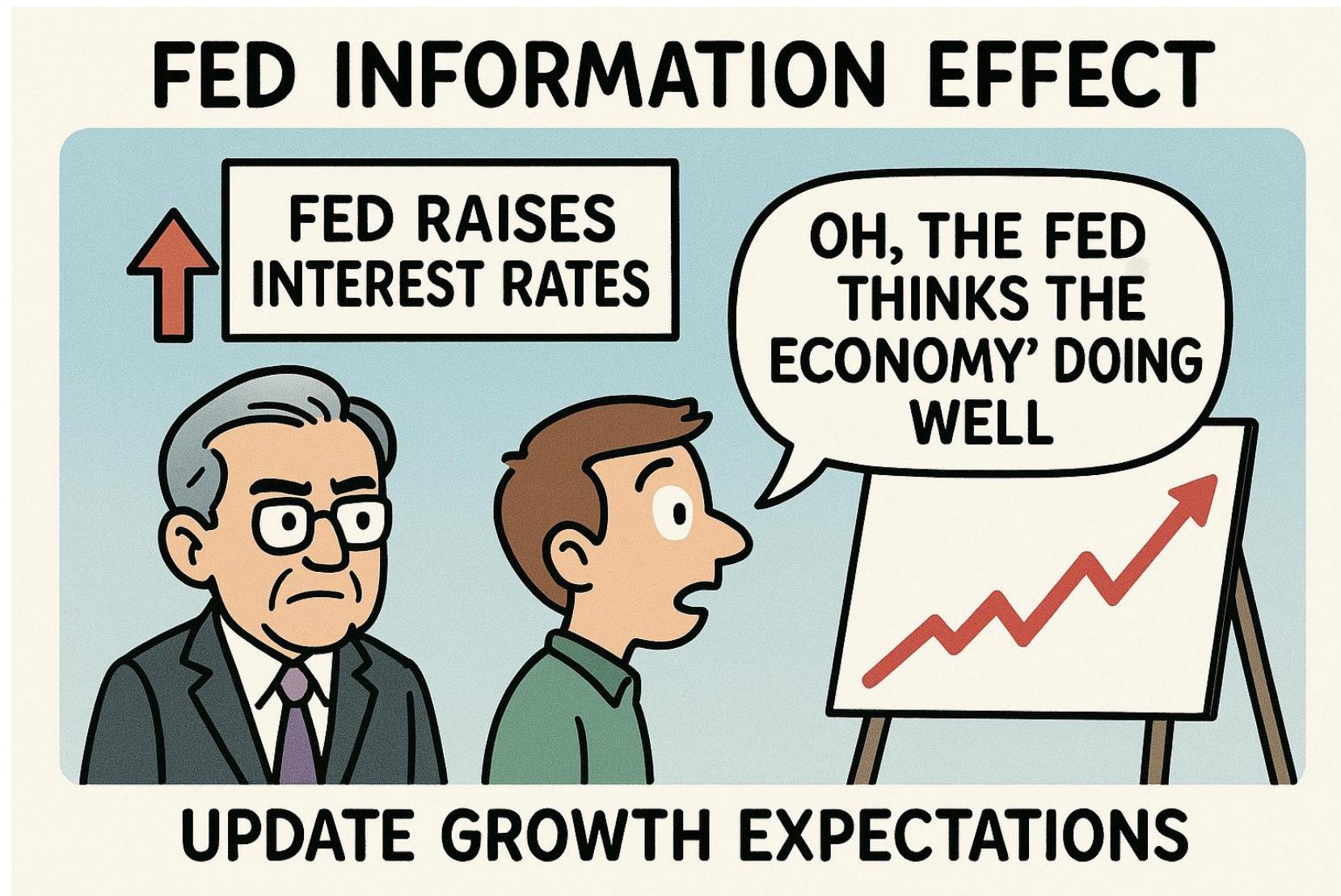
What People Do

TSA checkpoint travel numbers

Passenger travel numbers are updated Monday through Friday by 9 a.m. Travel numbers during holiday weeks though may be slightly delayed.

| Date | Numbers |
|-----------|-----------|
| 4/7/2025 | 2,532,108 |
| 4/6/2025 | 2,734,390 |
| 4/5/2025 | 2,240,317 |
| 4/4/2025 | 2,657,646 |
| 4/3/2025 | 2,619,267 |
| 4/2/2025 | 2,179,140 |
| 4/1/2025 | 2,182,067 |
| 3/31/2025 | 2,551,791 |
| 3/30/2025 | 2,699,290 |
| 3/29/2025 | 2,348,148 |

Fed Information Effect



What People Do

The world's largest exchange-traded fund, SPDR S&P 500 Trust (NYSEARCA:[SPY](#)), saw an outflow of \$12.32 billion for the week ending April 04. The broader index tracking SPDR S&P 500 Trust (NYSEARCA:[SPY](#)) slipped 9.67% during the last week.

MONEY > MARKETS

North America Drove Gold ETF Inflows In March, Says World Gold Council

By [Royston Wild](#), Contributor. ⓘ

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Apr 08, 2025, 09:58am EDT

What People Do

Apr 4, 2025, 10:44 AM ET

 Share  Save

- Retail investors poured billions into the market as the S&P 500 tanked Thursday.
- S&P 500 ETFs and Nvidia were popular buys, while investors sold Tesla shares.
- A day after individual investors bought \$4.7 billion stock, the S&P 500 dropped another 3%.

What People Do

MARKETS & FINANCE | INVESTING

Treasury Yields Rise Further Following Surprise Surge

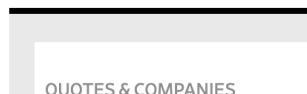
Updated April 8, 2025 9:44 am ET



Gift unlocked article



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U.S. 10 Year Treasury Note

TMUBMUSD10Y (Tullett Prebon)

9:57 AM EDT 04/08/25

YIELD

4.246%

0.069

PRICE

103 0/32

-6/32 (-0.17%)

1 Day Range

4.128 - 4.265

52 Week Range (Yield)

3.597 - 4.817

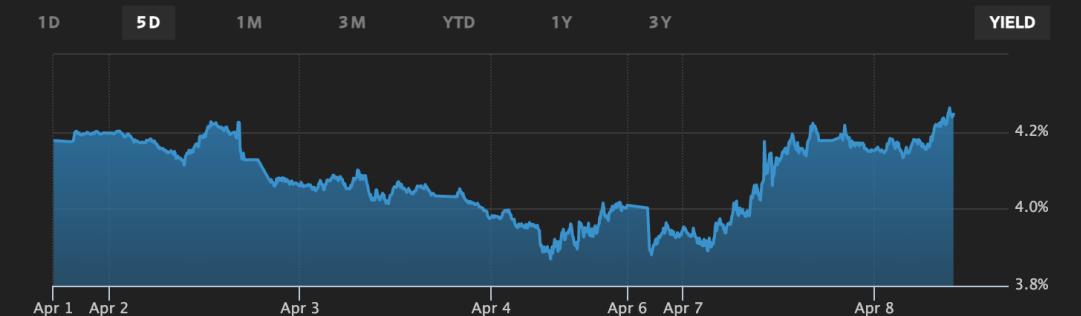
(09/17/24 - 01/14/25)

Coupon

4.625%

Maturity

02/15/35



Open **4.177** Prior Close (Yield) **4.177**

1 Day Price Chg TMUBMUSD10Y -0.17% Germany 10 Year -0.48% Japan 10 Year -1.45%