

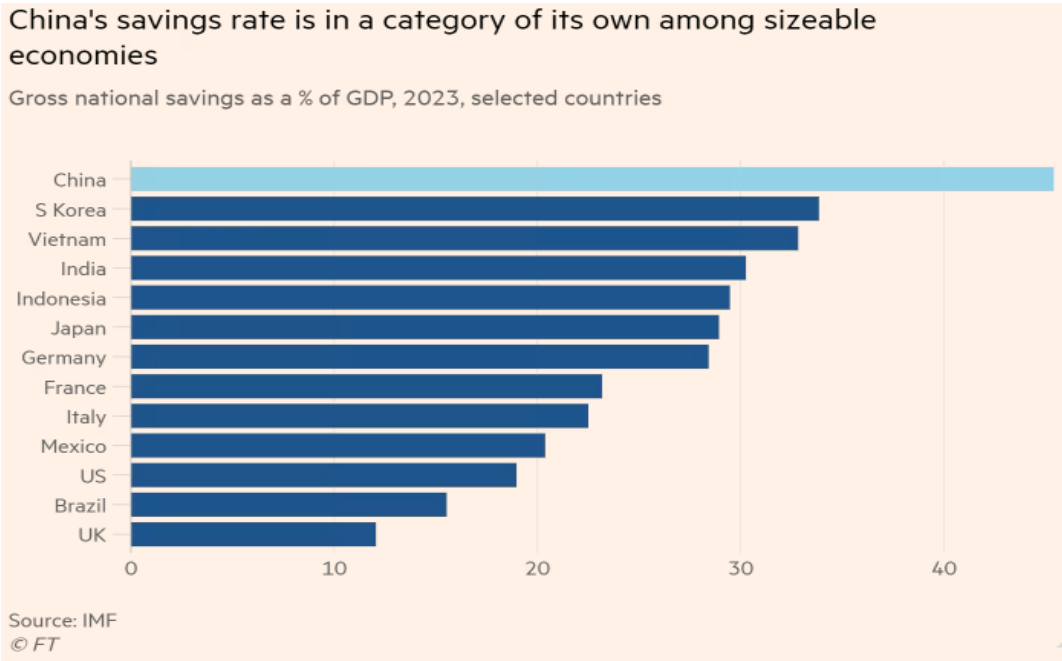


Here are this week's featured market charts:

Welcome to "Charting with Karim" - a weekly document that showcases a collection of interesting and informative charts. In this weekly report, I aim to provide readers with a collection of charts on the markets and the economy that I hope you will find engaging and informative. Whether you are a seasoned investor, a market enthusiast, or simply interested in staying up to date with the latest data and trends, "Charting with Karim" has something for everyone. So, sit back, relax, and join us on a journey through the week's most fascinating chart. I welcome any suggestions or feedback you have.

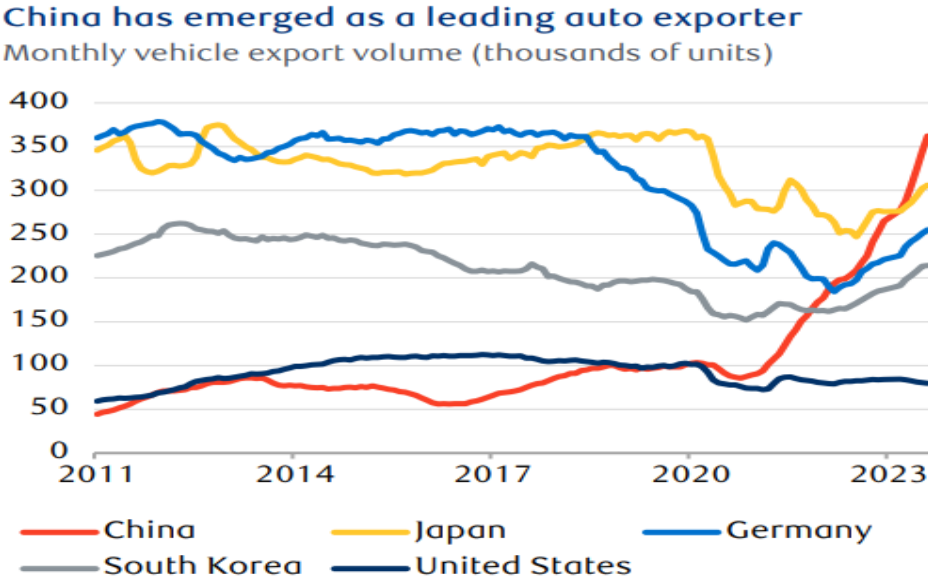
ONE:

China's savings (chart below from the [Financial Times](#)): Household consumption in China is only around 40% of GDP. This is partly because the household savings rate averaged about 35% of household disposable income before Covid.



TWO:

China has moved to be the top Auto exporter in the last 10-15 years. Back in 2011, they were the last auto exporter. Today, they are the Top exporter.

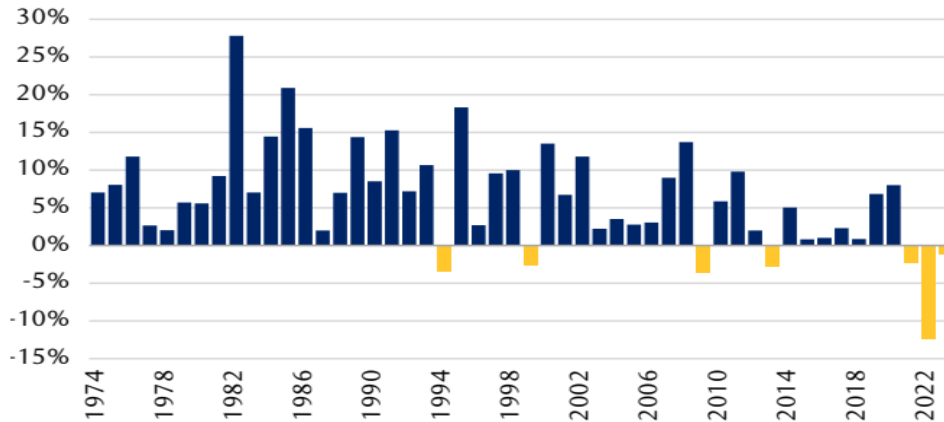


THREE:

In the last 2 year, we have seen once in a generation interest rate increases globally. This may result in for the first time, 3 consecutive years of in US treasuries.

U.S. Treasuries are on track for an unprecedented third year of negative returns as rising yields push bond prices lower

Bloomberg US Treasury Total Return Index

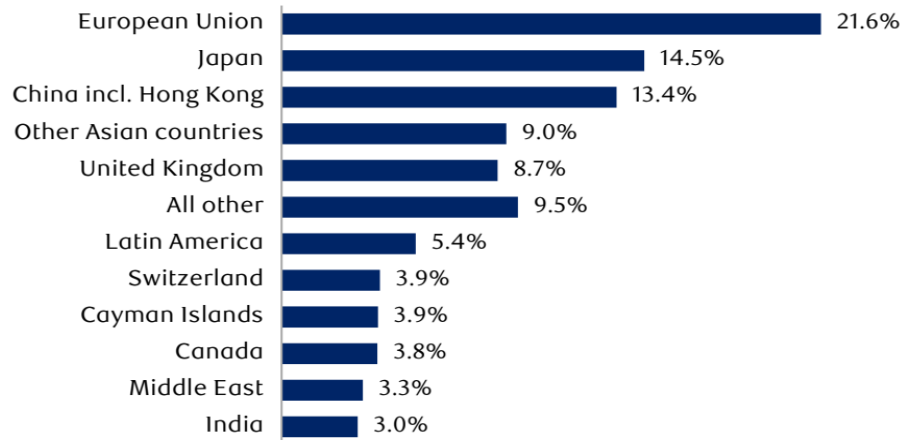


Source - RBC Wealth Management, Bloomberg US Treasury Bond Index; 2023 year-to-date return of -1.2% through 9/29/23

FOUR:

The world's largest savings account?

Share of overseas U.S. Treasury debt holdings by country/region

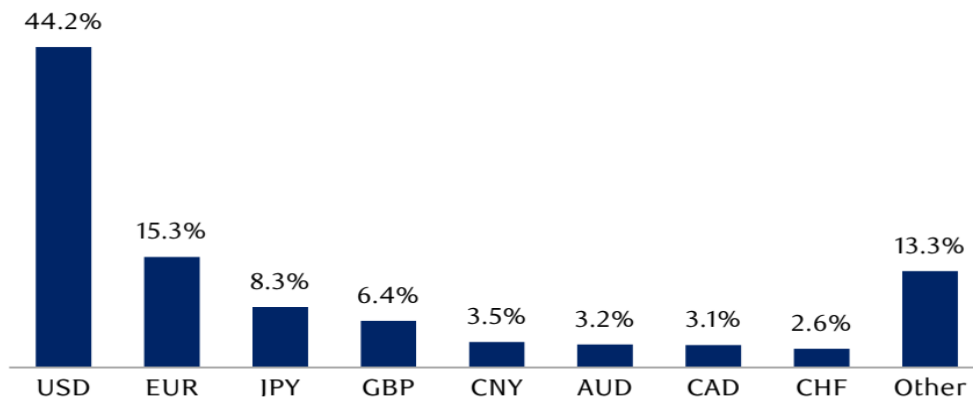


Source - RBC Wealth Management, U.S. Treasury Department; data as of August 2023

FIVE:

The U.S. dollar dominates the world of foreign exchange

Volume of global foreign exchange transactions by currency



Source - RBC Wealth Management, Bank for International Settlements; data as of 12/31/22

SIX:

Looking at all major non-war related geopolitical events, we find that the main factor influencing equity market returns is **not the incidents themselves**, but rather whether those shocks coincided with (or indirectly caused) a U.S. recession. In the absence of a recession, the US equity markets was relatively flat during the month following the beginning of the event and, on average, recovered over the next twelve months. If the geopolitical shocks overlapped with a recession, stocks typically declined over the next twelve months. So the big question is do we see a recession or not.

How Do Stocks Do After Major Events?

S&P 500 Index Performance After Select Major Geopolitical And Historical Events

Market Shock Events	Event Date	1 Month	3 Months	6 Months	12 Months	Near a Recession?
Germany Invades France	5/10/1940	(19.9%)	(12.7%)	(4.5%)	(18.7%)	No
Pearl Harbor Attack	12/7/1941	(1.0%)	(11.0%)	(6.5%)	4.3%	No
N. Korean Invades S. Korea	6/25/1950	(10.0%)	1.6%	4.1%	11.7%	No
Hungarian Uprising	10/23/1956	(2.1%)	(2.8%)	(1.3%)	(11.7%)	Yes
Suez Crisis	10/29/1956	(4.4%)	(3.6%)	(0.0%)	(11.6%)	Yes
Cuban Missile Crisis	10/16/1962	5.1%	14.1%	20.7%	27.8%	No
Kennedy Assassination	11/22/1963	6.8%	11.9%	15.5%	23.2%	No
Gulf of Tonkin Incident	8/2/1964	(1.5%)	1.9%	5.3%	2.7%	No
Six-Day War	6/5/1967	3.3%	5.9%	7.5%	13.5%	No
Tet Offensive	1/30/1968	(3.8%)	5.1%	5.2%	10.2%	No
Penn Central Bankruptcy	6/21/1970	(0.1%)	7.2%	16.8%	28.6%	Yes
Munich Olympics	9/5/1972	(1.0%)	5.7%	2.3%	(5.8%)	No
Yom Kippur War	10/6/1973	(3.9%)	(10.7%)	(15.3%)	(43.2%)	Yes
Oil Embargo	10/16/1973	(7.0%)	(13.2%)	(14.4%)	(35.2%)	Yes
Nixon Resigns	8/9/1974	(14.4%)	(7.0%)	(2.8%)	6.4%	Yes
Reagan Shooting	3/30/1981	(0.9%)	(1.8%)	(14.0%)	(16.4%)	Yes
Continental Illinois Bailout	5/9/1984	(3.1%)	1.0%	6.4%	12.8%	No
1987 Stock Market Crash	10/19/1987	8.1%	10.9%	14.7%	22.9%	No
Iraq's Invasion of Kuwait	8/2/1990	(8.2%)	(13.5%)	(2.1%)	10.1%	Yes
Soros Breaks Bank of England	9/16/1992	(2.5%)	3.0%	6.8%	9.9%	No
First World Trade Center Bombing	2/26/1993	1.7%	2.0%	4.0%	4.7%	No
Asian Financial Crisis	10/8/1997	(3.7%)	(1.8%)	14.1%	(1.5%)	No
U.S.S. Cole Yemen Bombing	10/12/2000	2.7%	(0.9%)	(11.3%)	(19.6%)	Yes
U.S. Terrorist Attacks	9/11/2001	(0.2%)	2.5%	6.7%	(18.4%)	Yes
Iraq war started	3/20/2003	1.9%	13.6%	18.7%	26.7%	No
Madrid Bombing	3/11/2004	3.5%	2.7%	1.5%	8.4%	No
London Subway Bombing	7/5/2005	3.3%	1.8%	5.3%	5.5%	No
Bear Stearns Collapses	3/14/2008	3.6%	5.6%	(2.8%)	(41.5%)	Yes
Lehman Brothers Collapses	9/15/2008	(16.3%)	(26.2%)	(34.8%)	(11.7%)	Yes
Boston Marathon Bombing	4/15/2013	6.3%	8.4%	9.7%	17.9%	No
Russia annexed Crimea	2/20/2014	1.5%	2.6%	8.0%	14.7%	No
BREXIT	6/24/2016	6.5%	6.2%	11.0%	19.7%	No
Bombing of Syria	4/7/2017	1.8%	3.1%	7.6%	12.8%	No
North Korea Missile Crisis	7/28/2017	(1.1%)	3.6%	14.8%	13.4%	No
Saudi Aramco Drone Strike	9/14/2019	(1.4%)	5.4%	(8.8%)	12.5%	No
Iranian General Killed In Airstrike	1/3/2020	1.9%	(23.1%)	(4.2%)	14.4%	Yes
U.S. Pulls Out of Afghanistan	8/30/2021	(3.7%)	2.8%	(3.4%)	(12.0%)	No
Escalation of Russia/Ukraine Conflict	2/17/2022	1.8%	(10.9%)	(2.2%)	(6.9%)	No
Israel-Hamas War	10/7/2023	?	?	?	?	?
Average if no recession		(0.1%)	3.1%	6.3%	9.2%	
Average if recession		(3.8%)	(6.7%)	(6.1%)	(11.5%)	

Source: LPL Research, Bloomberg, Factset, S&P Dow Jones Indices, CFRA, Strategas 10/09/23

All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

The modern design of the S&P 500 Index was first launched in 1957. Performance before then incorporates the performance of its predecessor index, the S&P 90

RIVETING READINGS!



RCA for players of Canadian NHL teams who retire outside of Canada

Although Canadian athletes may incur Canadian income taxes as high as 54%, proper tax planning for athletes... [read more](#)



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Registered retirement savings plan (RRSP) maturity options

Although you may wind up your RRSP at any time, you're required to mature your RRSP by December 31 of... [read more](#)

Thank you,