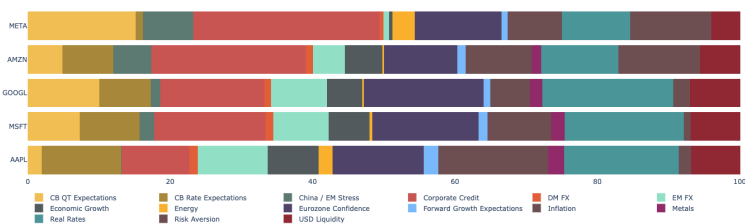




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## How to cheat at macro

- One of the reasons equity managers often ignore macro is because it feels too vague. It feels less relevant to day-to-day investing, let alone day-to-day life. It's also tricky to follow given it's traditionally all about opinions & therefore requires refereeing to judge the 'winner'.
- Fair, but that's why Qi provides a quantitative framework to help identify critical macro relationships.
- Consider the chart below. It takes US mega cap tech stocks & breaks each one down to show the respective influence of different macro drivers.
- Qi sensitivities simply show the percentage impact on stock price for a one standard deviation increase in that macro factor. Here we simply show the attribution of each factor & it's contribution to Qi model value.



- In one glance you can identify key differences in macro drivers between the FAANG stocks.
- [META](#) displays the biggest sensitivity to credit markets. Immediately equity PMs can see that if credit spreads resume widening, Meta is most vulnerable.
- In contrast, it is noticeable that [Google](#), [Microsoft](#) & [Apple](#) are significantly more reliant on real rates. If US financial conditions tighten more via rising real yields than credit, these names are – all else equal - more likely to suffer.
- [Apple](#) is arguably the most interesting. It is less sensitive than most of its peers to Fed Quantitative Tightening, to credit spreads, to spikes in VIX. The current macro regime backs up the idea of it as an effective defensive play in troubled times.

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