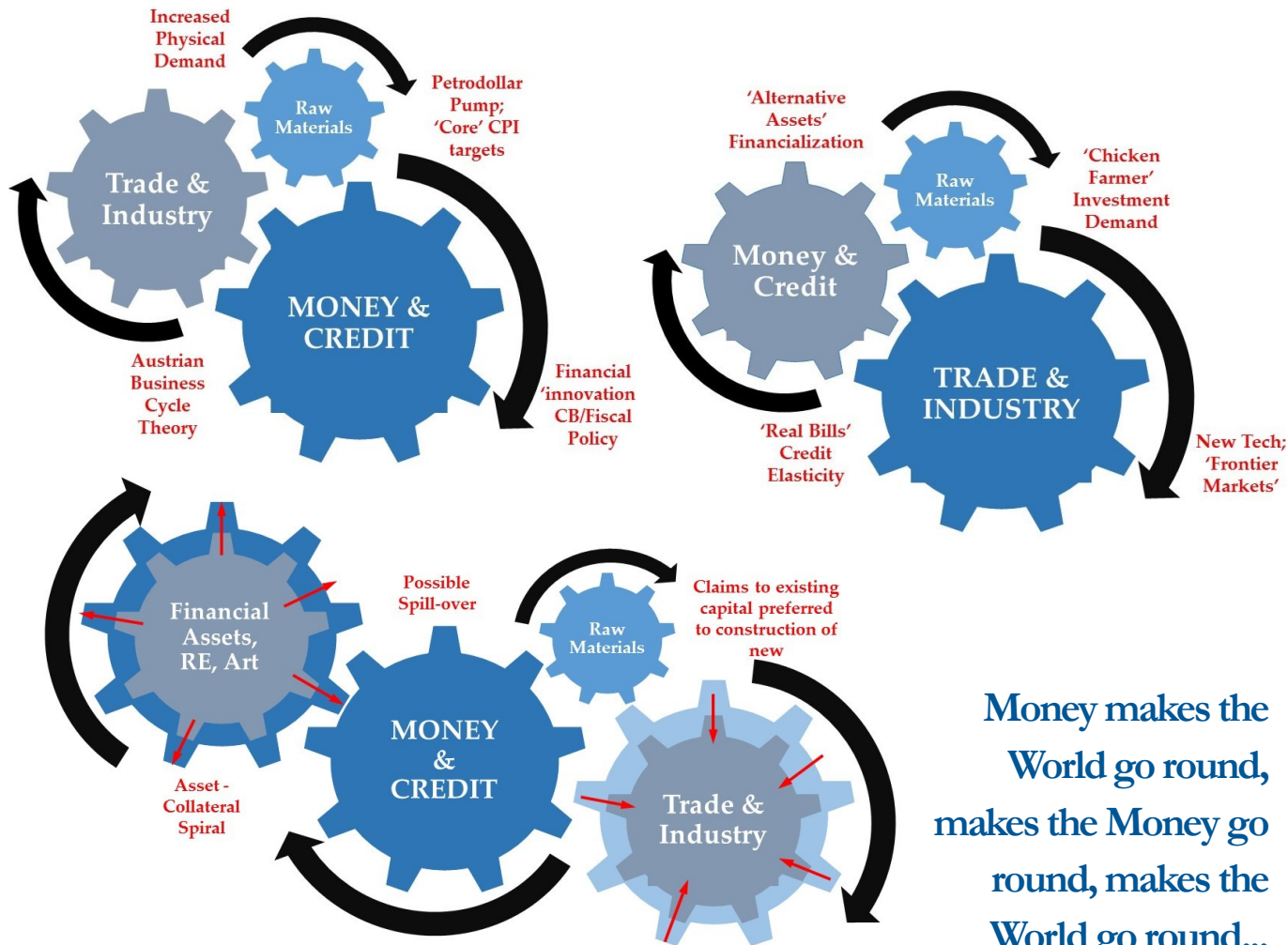


# Money, Macro & Markets Monitor



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May 2018 **IN THIS ISSUE:-**



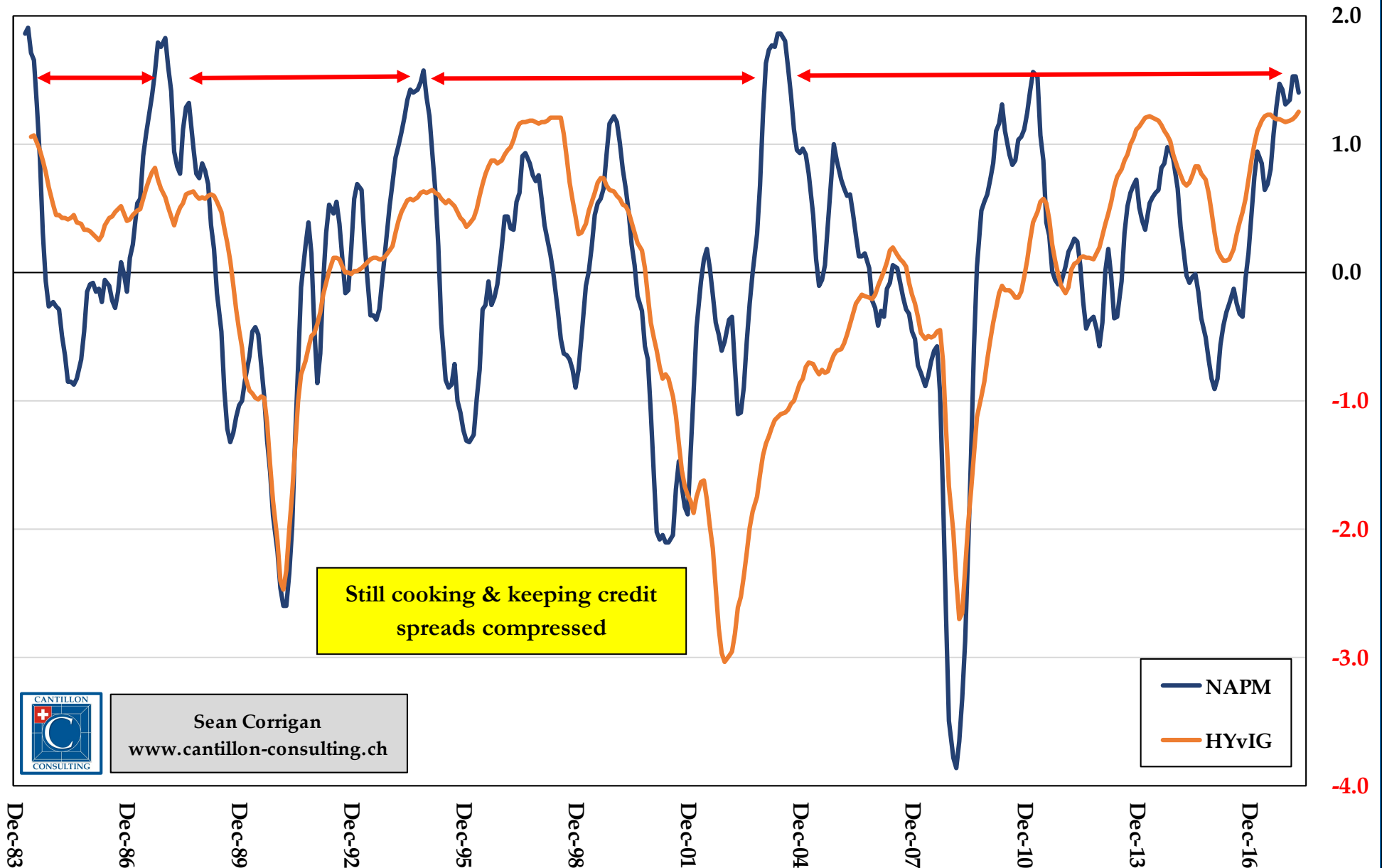
US economy still firing—credit still holding in  
Yield curve not yet critical  
But increases approaching key magnitude

Bonds v Commodities: An easy choice  
Best run in years, coming from low base  
What could go wrong? Positioning, the USD,  
monetary slowdown

Money makes the  
World go round,  
makes the Money go  
round, makes the  
World go round...

Market Briefing

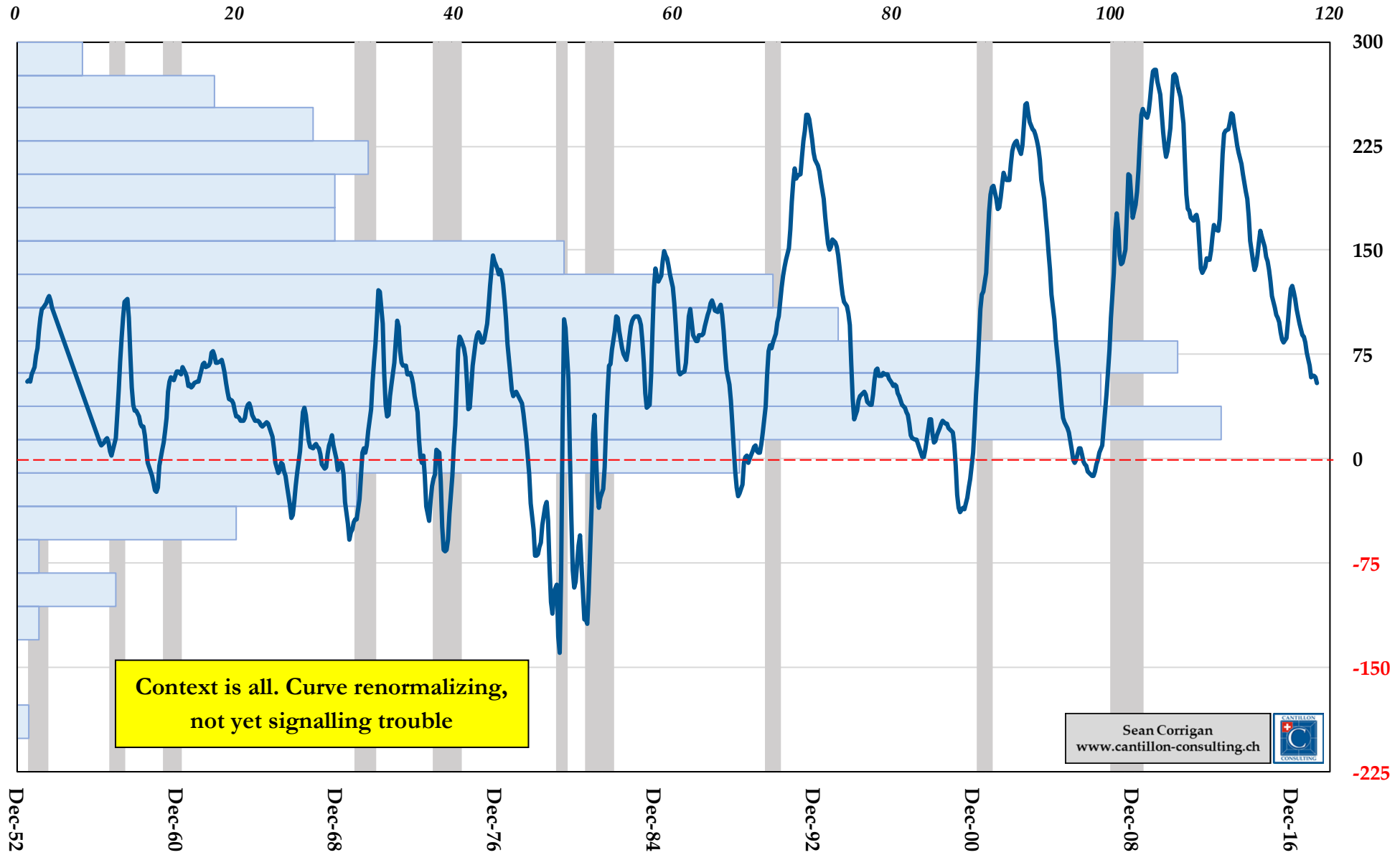
NAPM Index, 3mma normalized: Source - ISM



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— NAPM  
— HYvIG

## UST 10y v 2y: Source - FRED



Context is all. Curve renormalizing, not yet signalling trouble

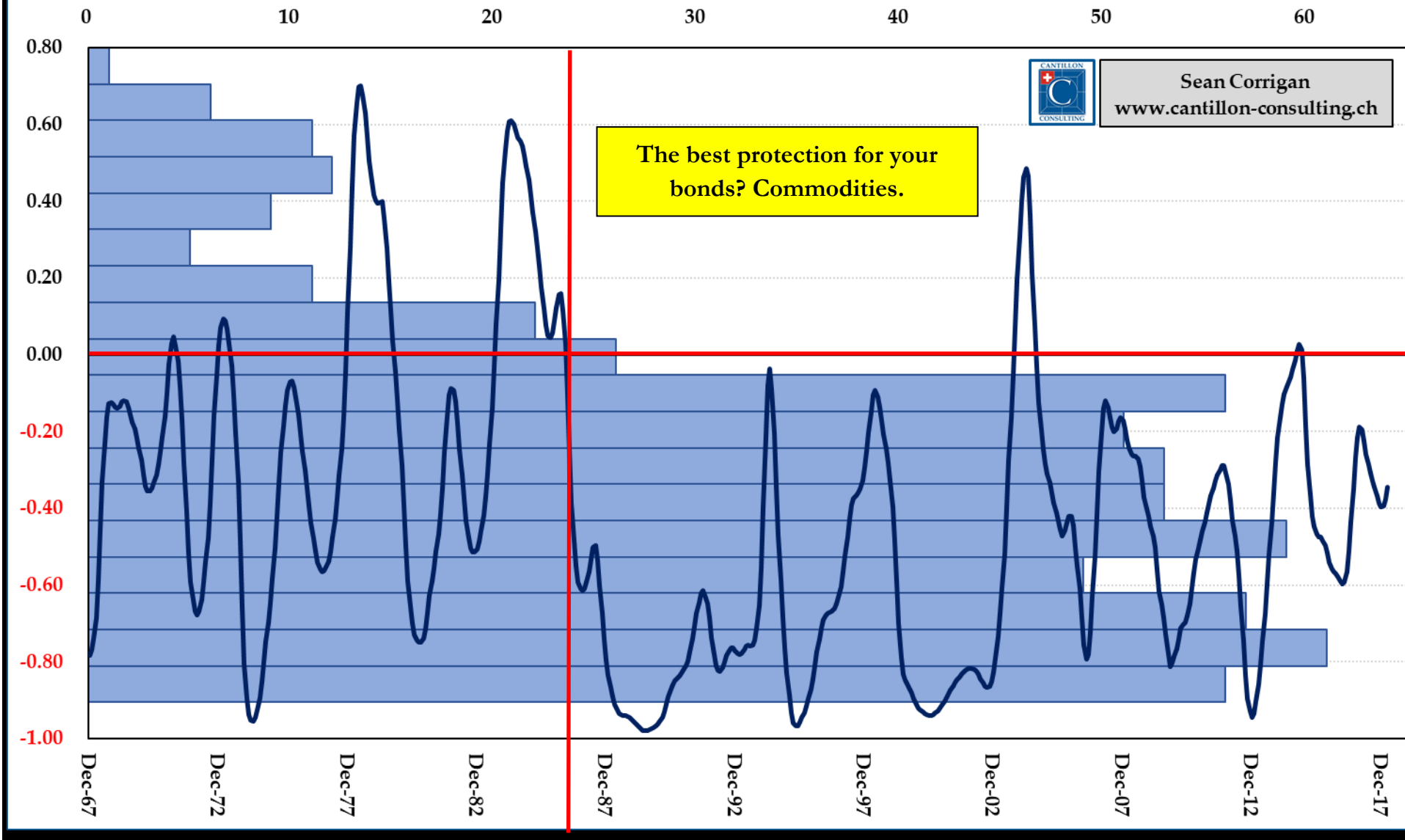
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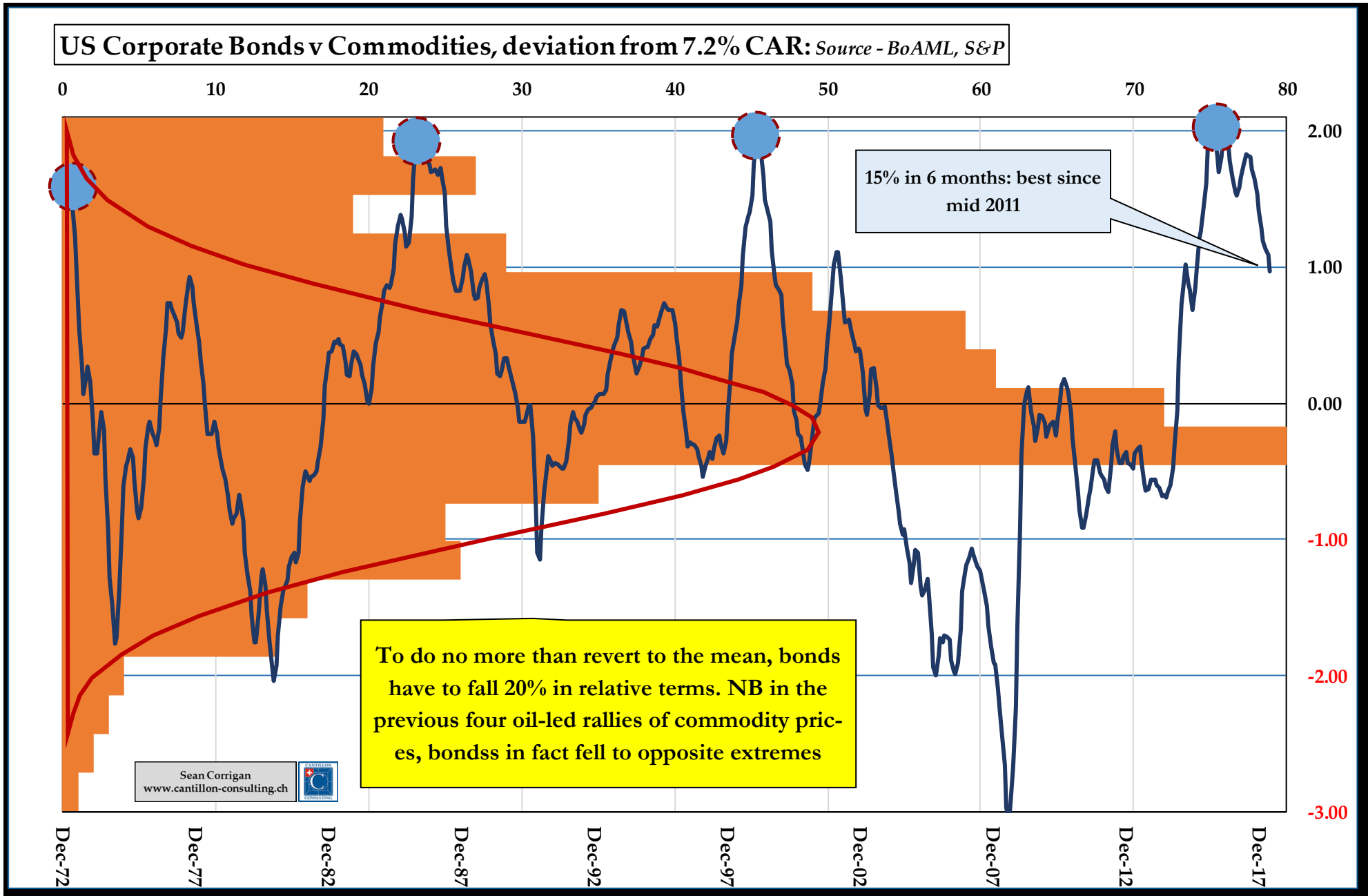


## US AAA Bond returns v Commodity Prices, Rolling 3-year correlation, 1967-2018

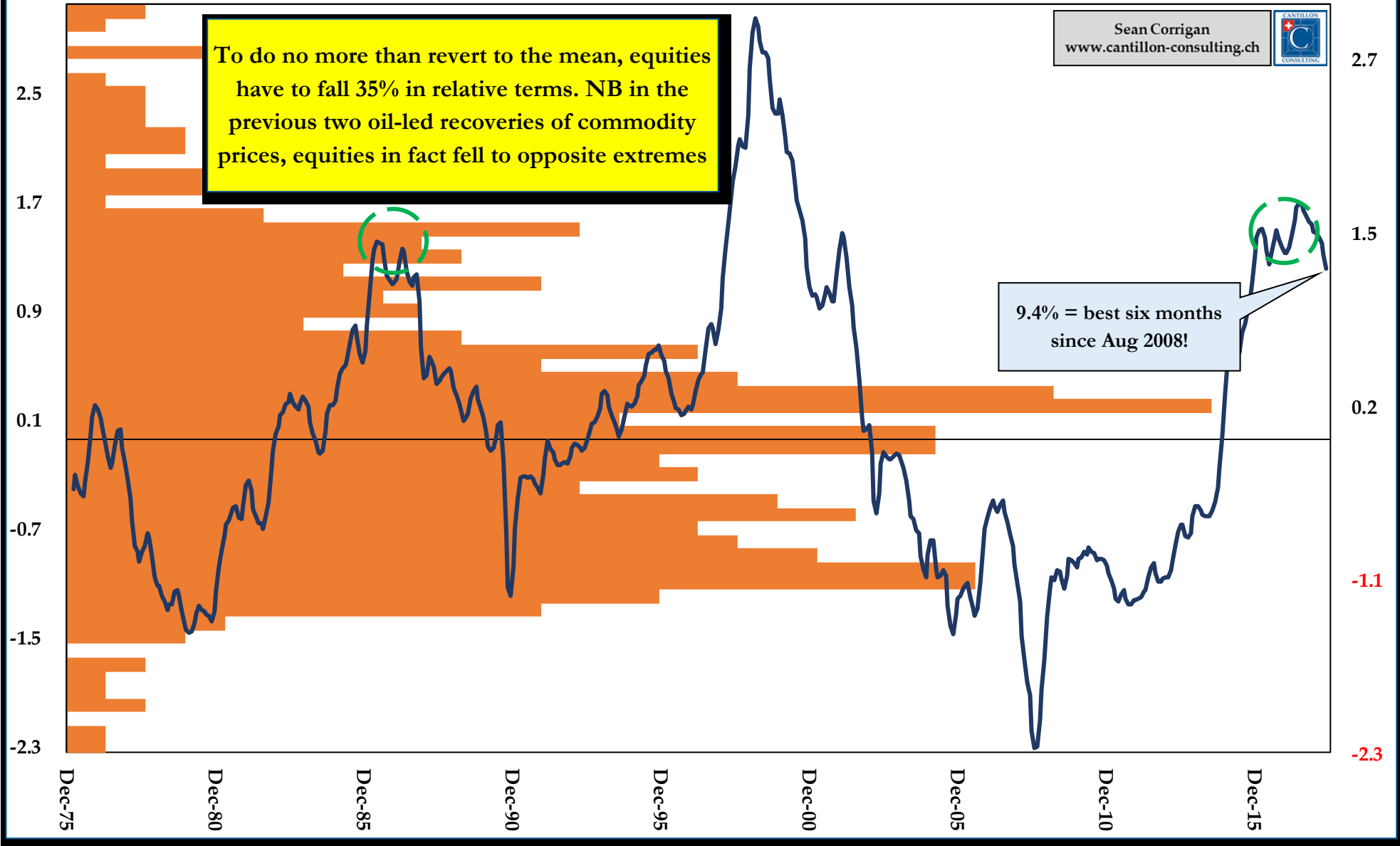
Source - Moody's, GSCI, IMF, WB



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US Equity v Commodity Returns; deviation from 9.3% log trend: *Source - MSCI, GSCI*

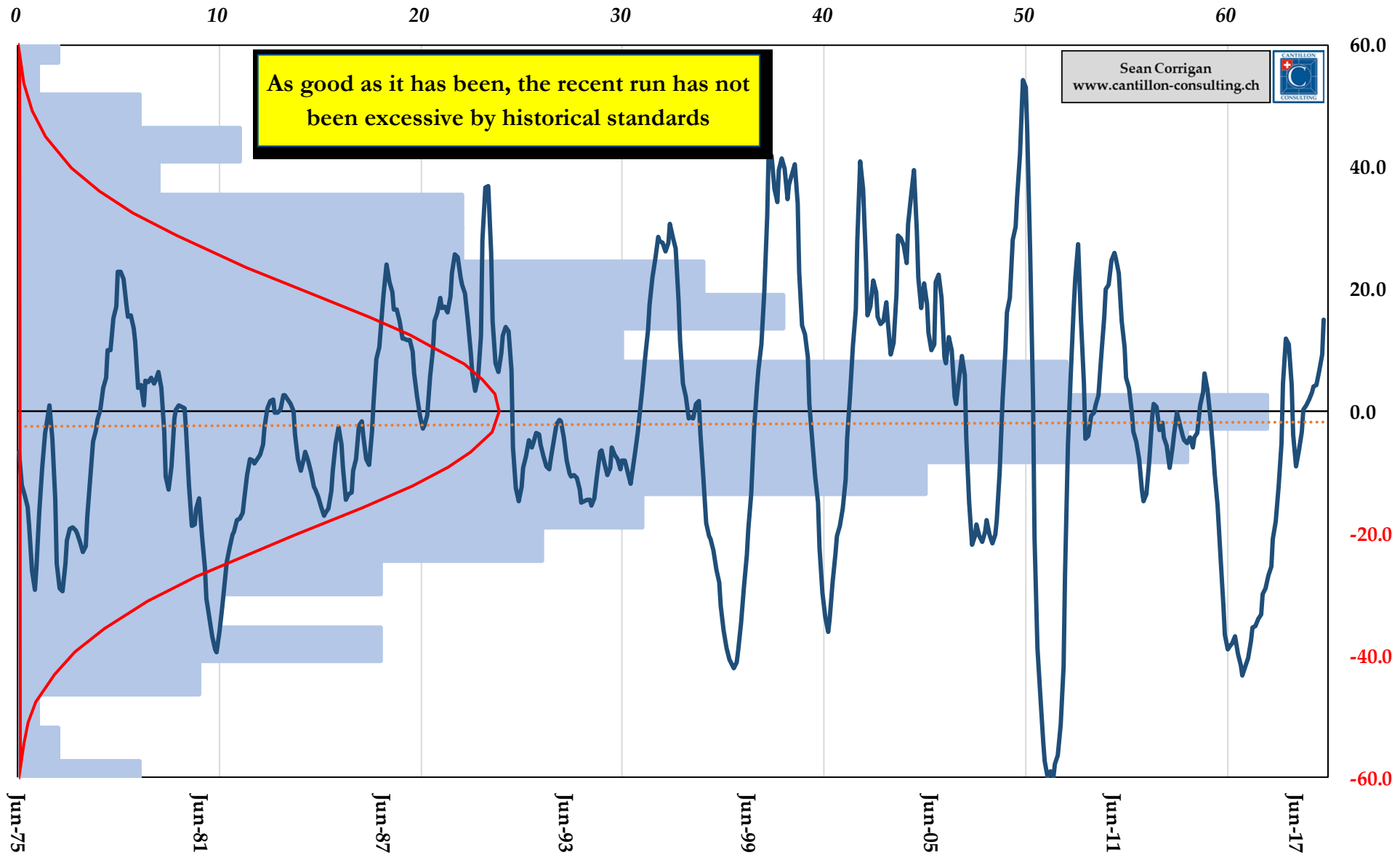


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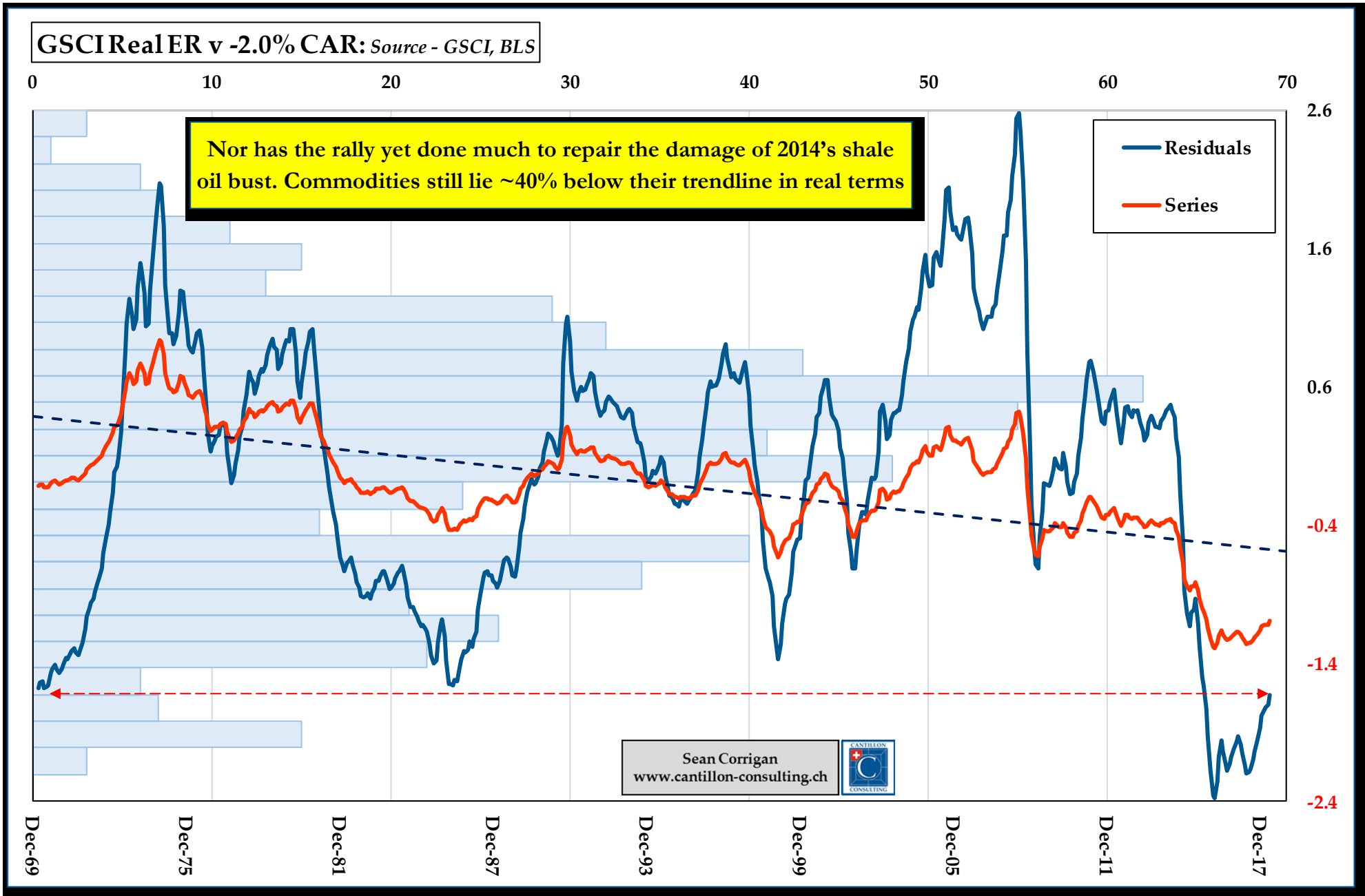
To do no more than revert to the mean, equities have to fall 35% in relative terms. NB in the previous two oil-led recoveries of commodity prices, equities in fact fell to opposite extremes

9.4% = best six months since Aug 2008!

### GSCI Real Excess Return, 3mmaYOY: Source - FRB, S&P

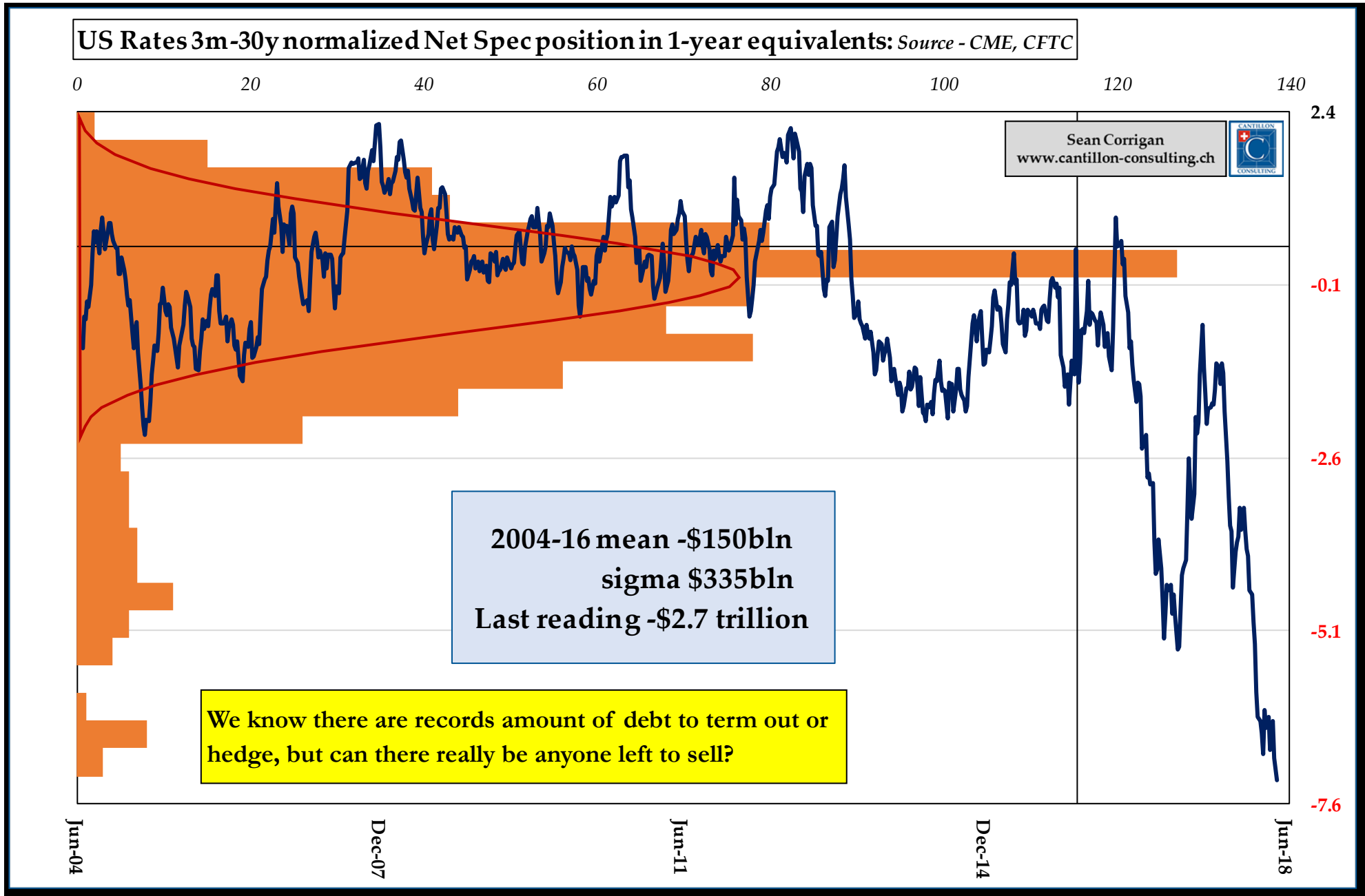






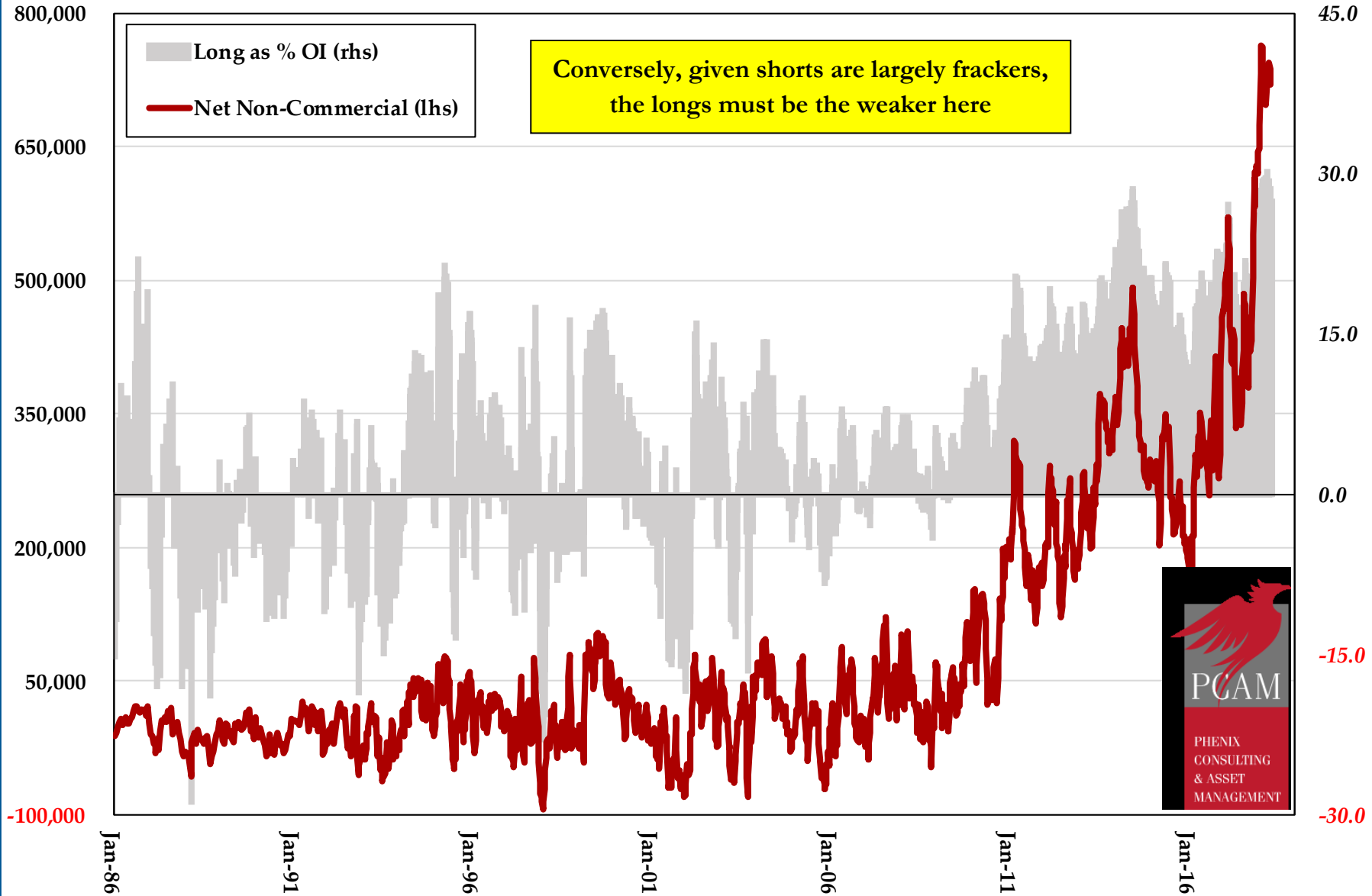




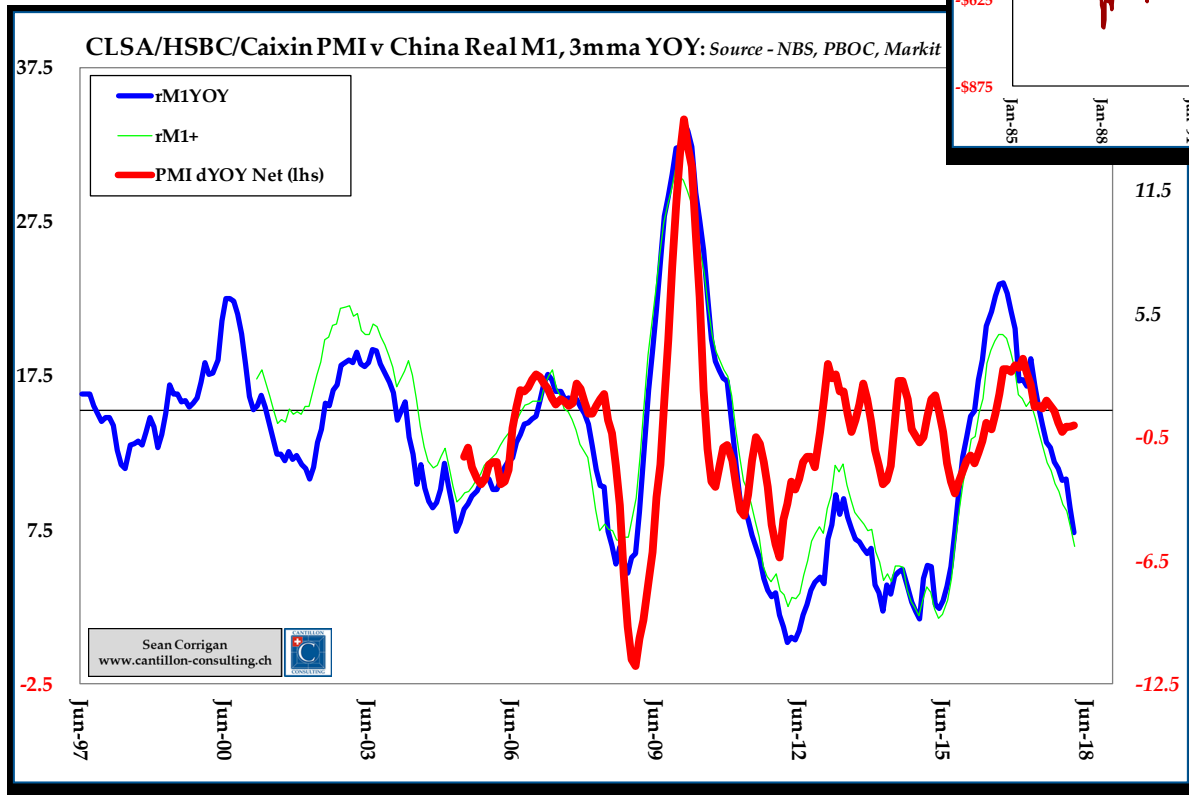
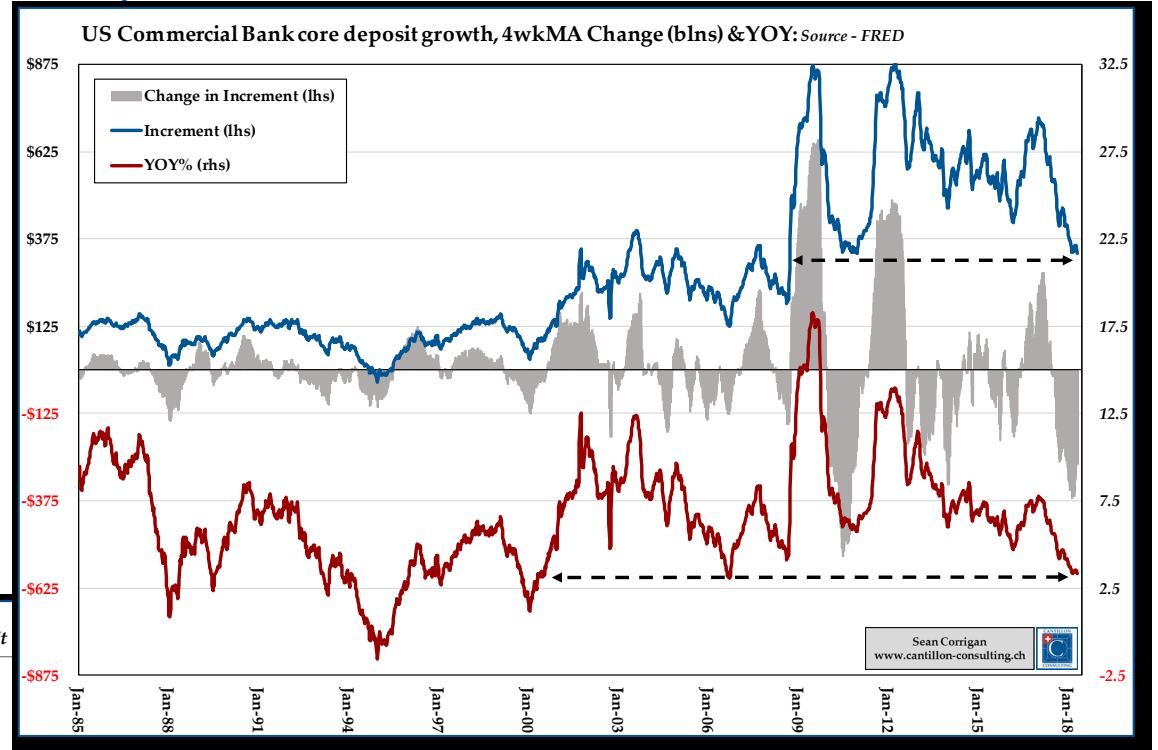


## WTI Net Non-commercial positions: Source - CFTC

contact[at]phenixcam.ch



Both Chinese and American banks are currently struggling to attract deposits, braking the rise in monetary aggregates



## USD TWI v Majors: Source - FRB



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More a matter of short covering than any committed bullishness as yet, but worth keeping an eye on

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