

## HIGHLIGHTS OF THIS ISSUE

In this issue, we briefly update our existing themes. We then present **Do the Rate Thing**, our spotlight piece, which explores the market implications from a further significant sell-off in US yields.

- The US Fed asked us to trust them and to look at the US data. Well, we trust inflation is coming and we haven't liked the data picture since July. European policy makers may be next, Portugal allowing. In turn, both the US data and European policy makers may finally be good for European banks.
- With regards to safe-haven fixed income, we focus on three market opportunities for the period ahead: a relative one between two geographies, another relative one between two tenors, and a directional view on inflation breakevens.
- In our **Do the Rate Thing** spotlight piece, we conduct a set of US market interest rate rising simulation exercises for several asset classes. We then compare and contrast results across different scenarios and within each asset class.

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