

HIGHLIGHTS OF THIS ISSUE

In this issue, we briefly update our existing themes. We then present in the **Errant Warrant**, our spotlight piece, a novel way to value the Greek GDP warrant.

- If our theory is correct, we are about to start descending the wall of worry encountered over the past month. China, EM equities, the Australian dollar, the euro and even Greek assets should be among the assets to resume their bounce and the likes of the Japanese yen their newfound slide.
- In our **Price is Right** theme, we note that EM inflation has likely found another bottom for now and the gap with developed market inflation is about to widen again.
- In our **Gem of GEMs** theme, we note that Brazilian equities have suffered a lot; especially now that the worst in activity is behind and the upside from a new infrastructure investment plan is ahead.
- In our **Hot Shots** theme, we note that tactics are king as long as there is plenty of event risk. And there is thanks to the fiscal cliff. But what fiscal cliff? We think four reasons argue that timing is good for a bullish tactic.
- In our **Errant Warrant** spotlight piece, we argue that while the Greek GDP warrant represents a sliver of the universe of tradable Greek assets, any insights on its valuation may shed light on that of the whole aforementioned universe. We attempt the exercise differently than the finance professionals; and, in the process, we also discover some surprising statistics about global growth dynamics.

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issue 63 - 07 Nov. 2012

