

HIGHLIGHTS OF THIS ISSUE

In this issue, we briefly update our existing themes. We then present in the spotlight piece the **Deli Special**, one of the aftershocks from our **Paying the Piper** theme. The sovereign debt crisis has reached a new maturity stage in the European banking sector and we explore its implications for credit markets.

- The second LTRO came and went, but it is likely a side show for March. This month will likely be about catch up in some lagging assets, mostly in safe haven fixed income and possibly in currencies.
- Meanwhile one of the star assets so far this year is threatening the outlook for the rest. In **Reservoir Dogs**, we revisit the near-term prospects for oil prices and conclude that the situation is still likely under control.
- In our **Pigs vs. Bacon** theme, we take a look at Portugal and contemplate its immediate future post-PSI. In our tactical themes, we check on developments in the US housing sector.
- In our **Deli Special** spotlight piece, we explore how **Deleverage** and **Liability Management Exercises (LMEs)** frame the new fixed income reality in a large part of the European banking sector.

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