

HIGHLIGHTS OF THIS ISSUE

In this issue, we briefly update our themes. We then proceed to expand on our inflation theme with a focus on **'The Spread Looks Bright'** and thus corporate debt.

- The market was erratic this month, starting optimistic and ending pessimistic. We believe the USD will be a good leading sentiment indicator for the remainder of the summer. We continue to remain on the sanguine camp and stress the importance of the recent Chinese move.
- In **Paying the Piper**, the UK has proven more cunning than the markets and than what we had estimated. In **Pigs vs. Bacon**, the fierce battle between officials and the market continues and we are cheering for the officials. In **Say Swiss!**, the Swiss central bank has obliged us by allowing their currency to move drastically in a short time. We would turn cautious now against the CHF.
- In **Earth, Wind & Fire** the projected infrastructure needs keep climbing while in **The Gem of GEMS**, Russia is making a serious effort to attract non-energy related external investment.
- In **Fleeced by Gold**, the IMF is selling and the central banks are buying.
- In our spotlight piece, as long as the **Price is Right**, the rest of the macro and technical backdrop makes a bullish argument for sectors of the corporate debt market.

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