



BOND YIELD BLOWOUT

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East West divide:

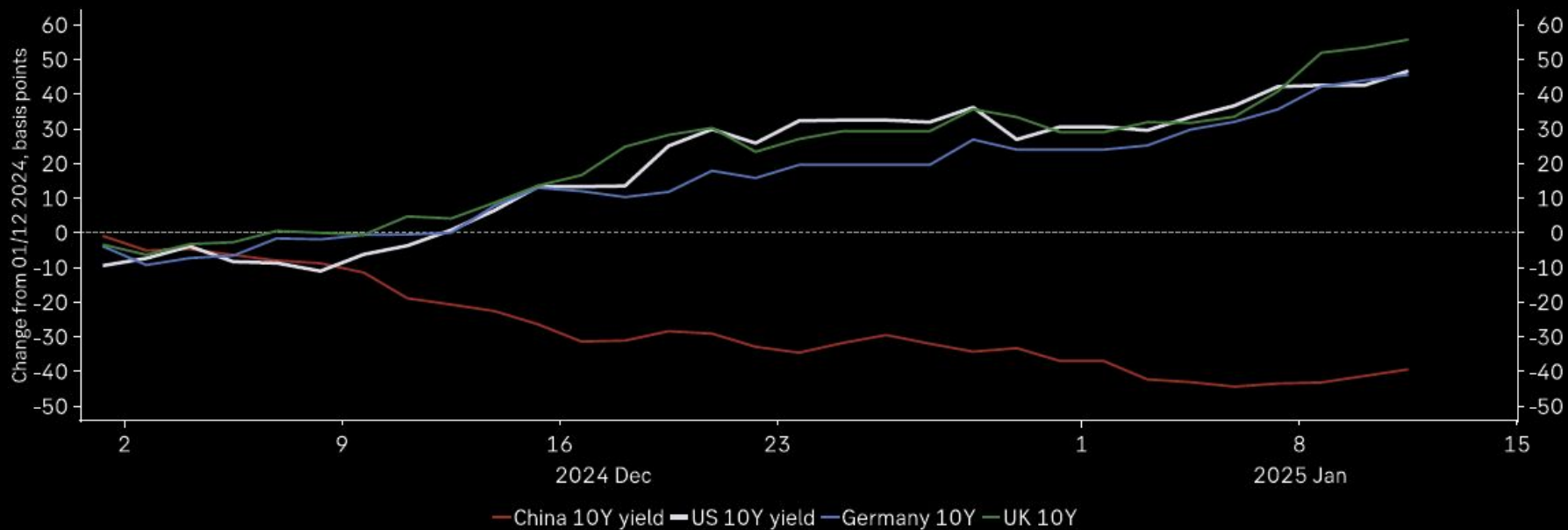


Chart 2: US Treasuries entering 6th year of 3rd great bond bear market of past 240 years

US 10-year Treasury yield since 1790

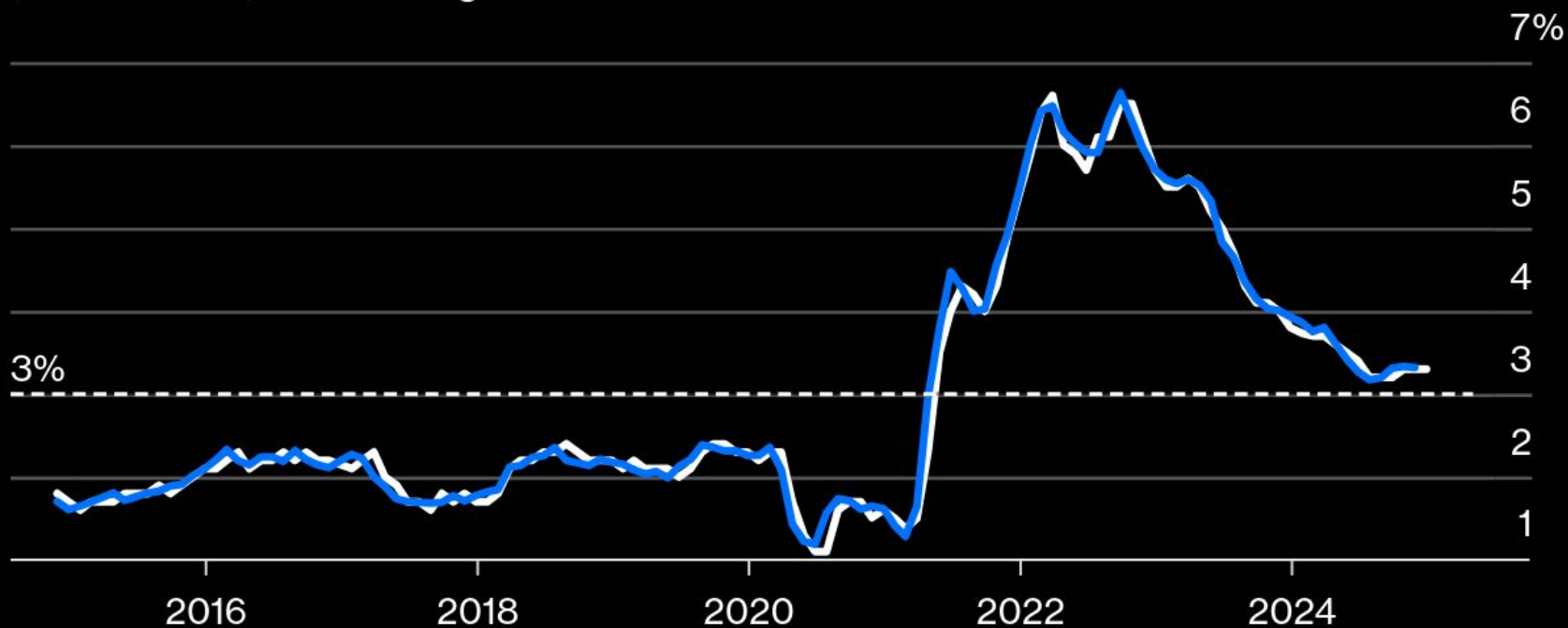


Source: BofA Global Investment Strategy, Bloomberg, GFD

More Frustration Ahead

Economists are braced for inflation to remain frozen above the Fed's target

Core CPI / Bloomberg News Median Estimate



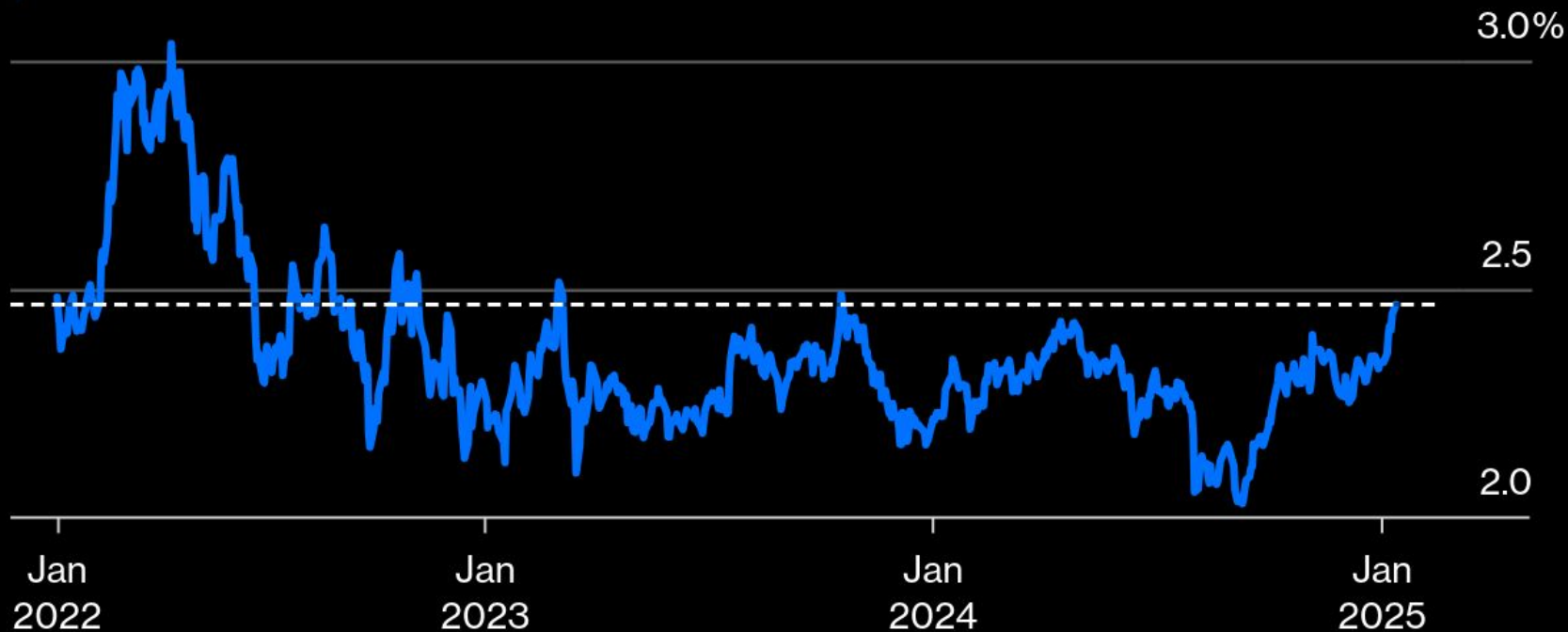
Source: Bloomberg

Bloomberg Opinion

Cause for Disquiet

US inflation breakevens are back at the top of their two-year range

US 10-Year Inflation Breakeven



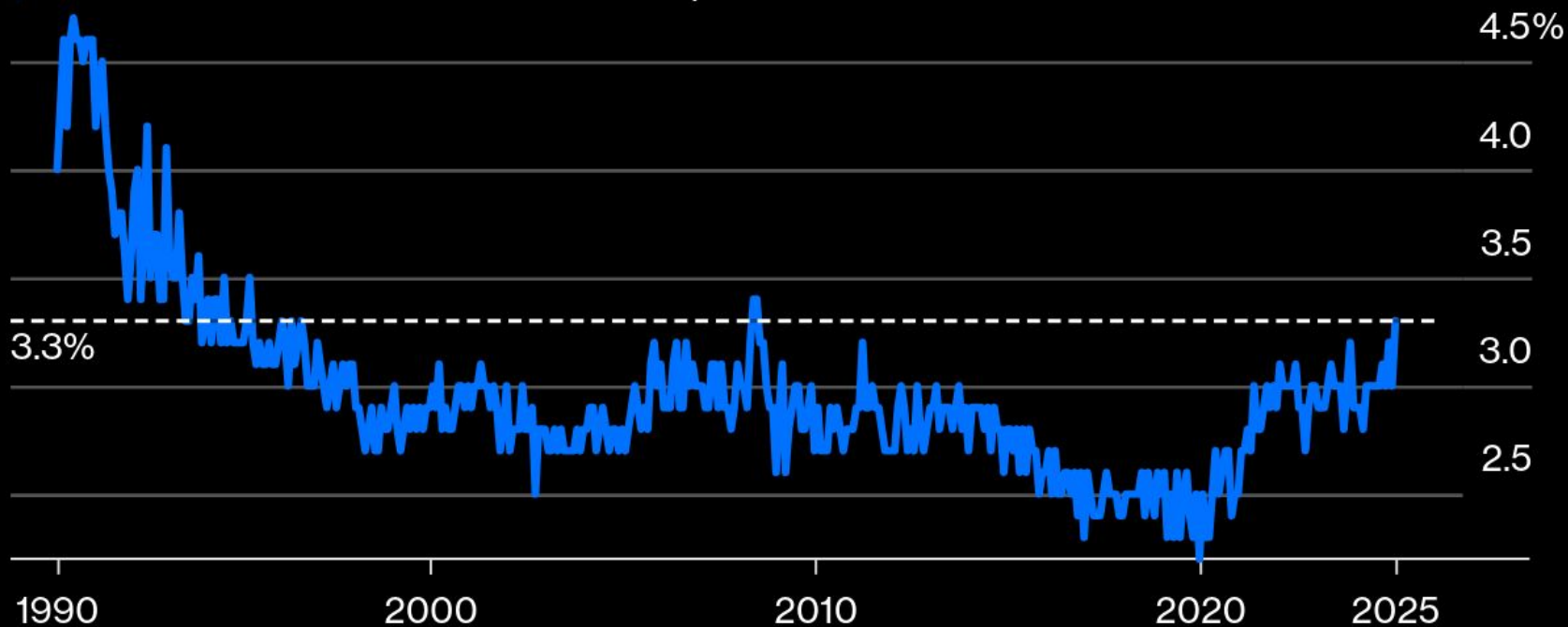
Source: Bloomberg

Bloomberg Opinion

Inflation Fears Haven't Disappeared

Median five-year forecasts are now the highest since 2008

Consumer Median 5-Year Inflation Expectation



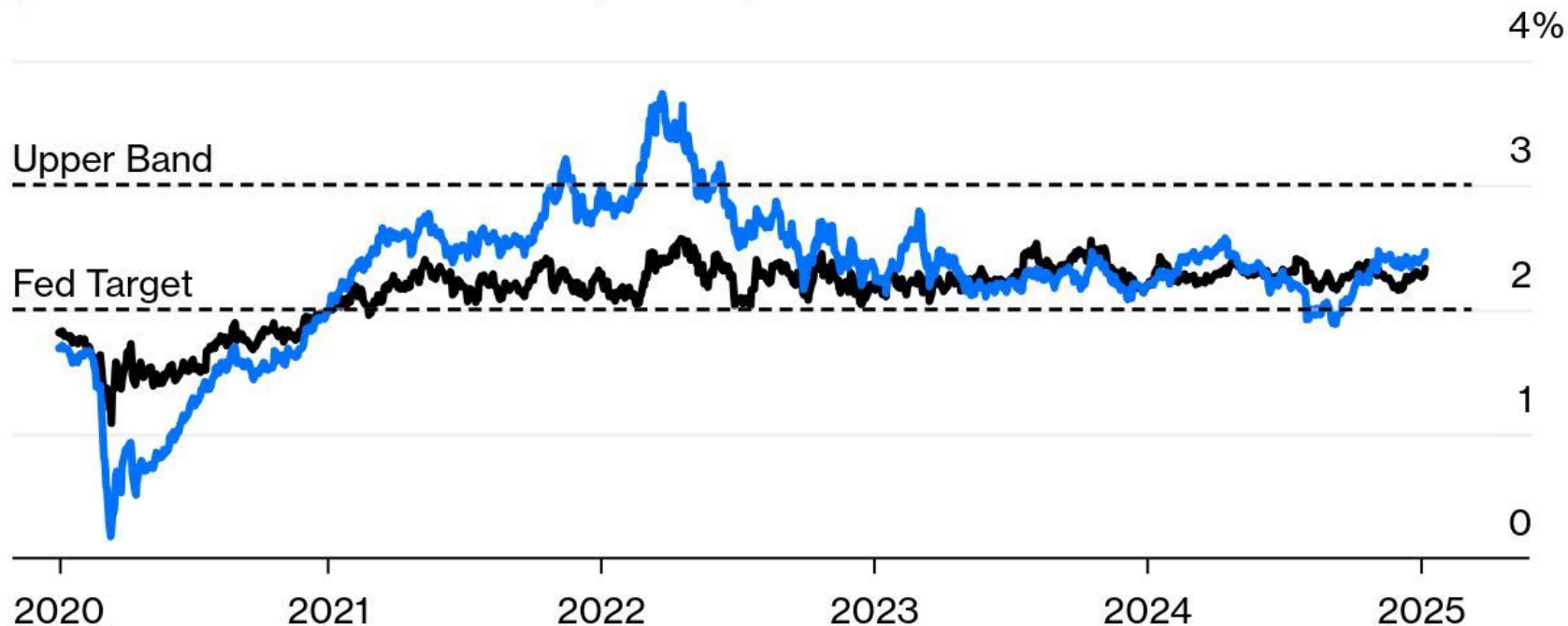
Source: University of Michigan, Bloomberg

Bloomberg Opinion

Well Anchored

The bond market does not as yet show any great alarm about inflation

5-Year US Inflation Breakeven 5-Year/5-Year US Inflation Breakeven



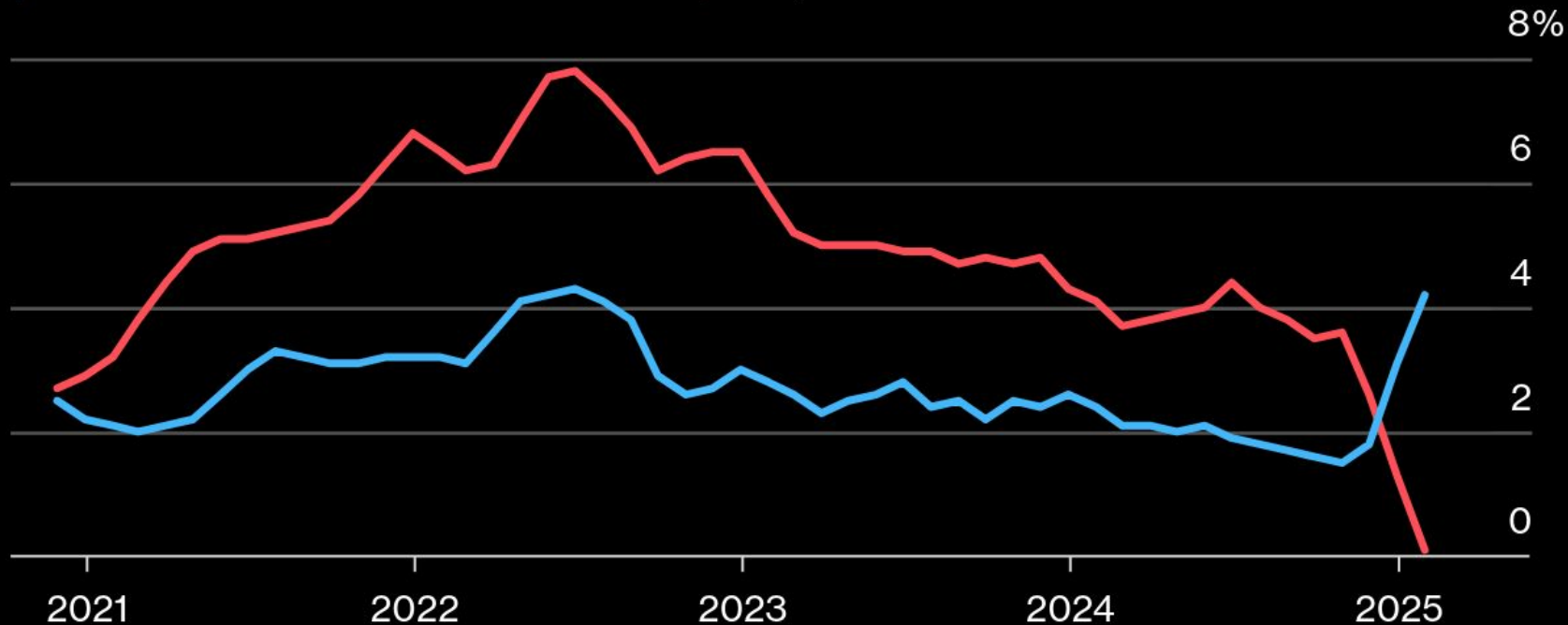
Source: Bloomberg

Bloomberg Opinion

Polarization and Inflation

Republicans expect inflation to disappear over the next 12 months

Democrats' 1-Year Inflation Forecast Republicans' 1-Year Inflation Forecast



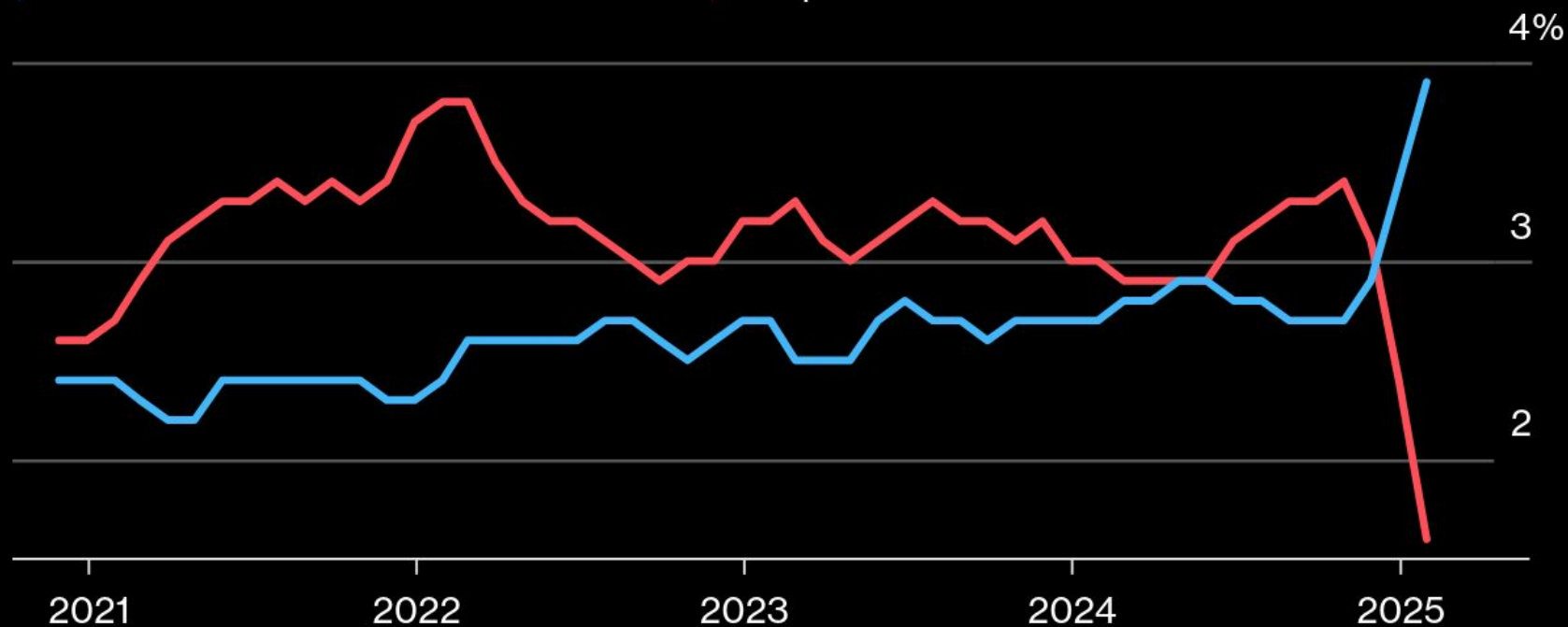
Source: University of Michigan, Bloomberg

Bloomberg Opinion

The Widening Inflation Divide

Republicans and Democrats were almost in agreement - but no longer

Democrats' 5-Year Inflation Forecast Republicans' 5-Year Inflation Forecast



Source: University of Michigan, Bloomberg

Bloomberg Opinion

What they are saying:



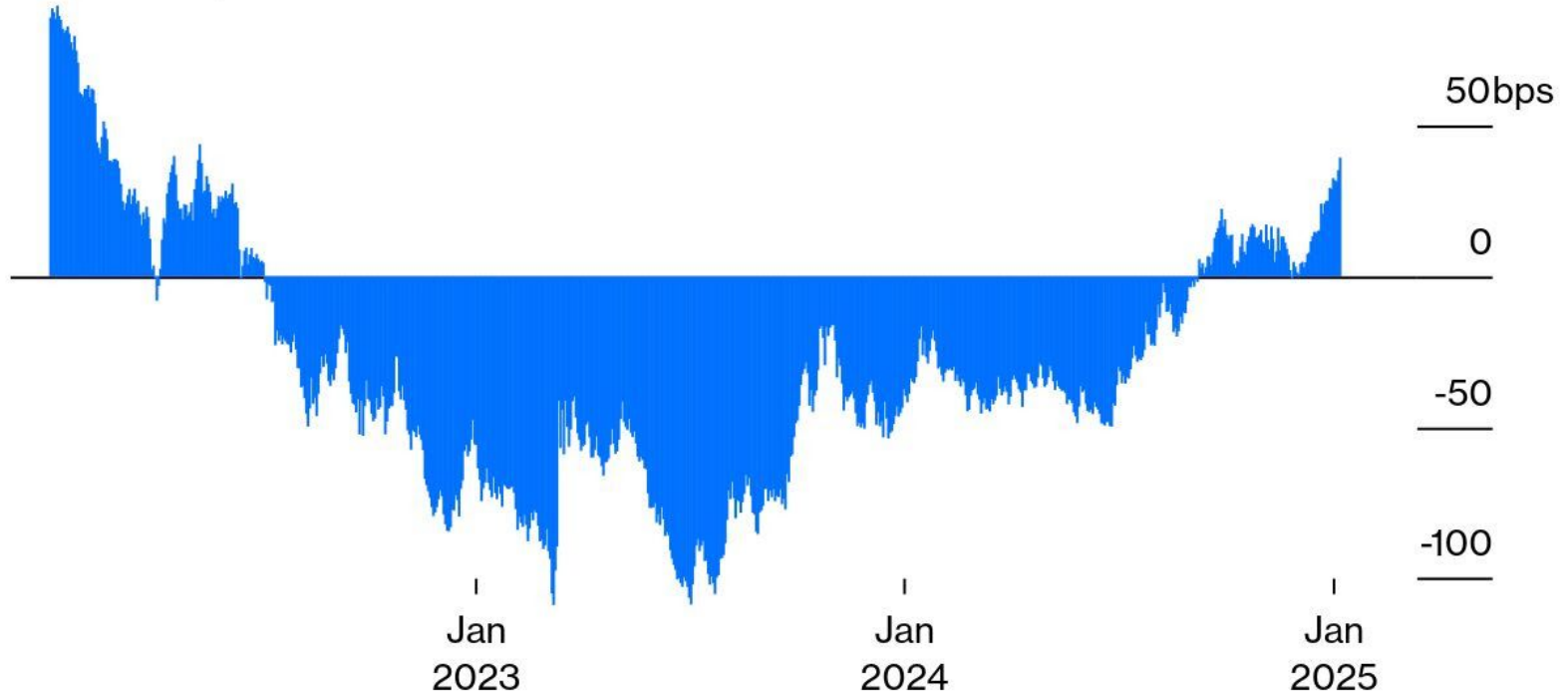
What they are doing:



Thoroughly Dis-Inverted

The Treasury yield curve is its steepest in 30 months

■ US 2-Year/10-Year Yield Curve

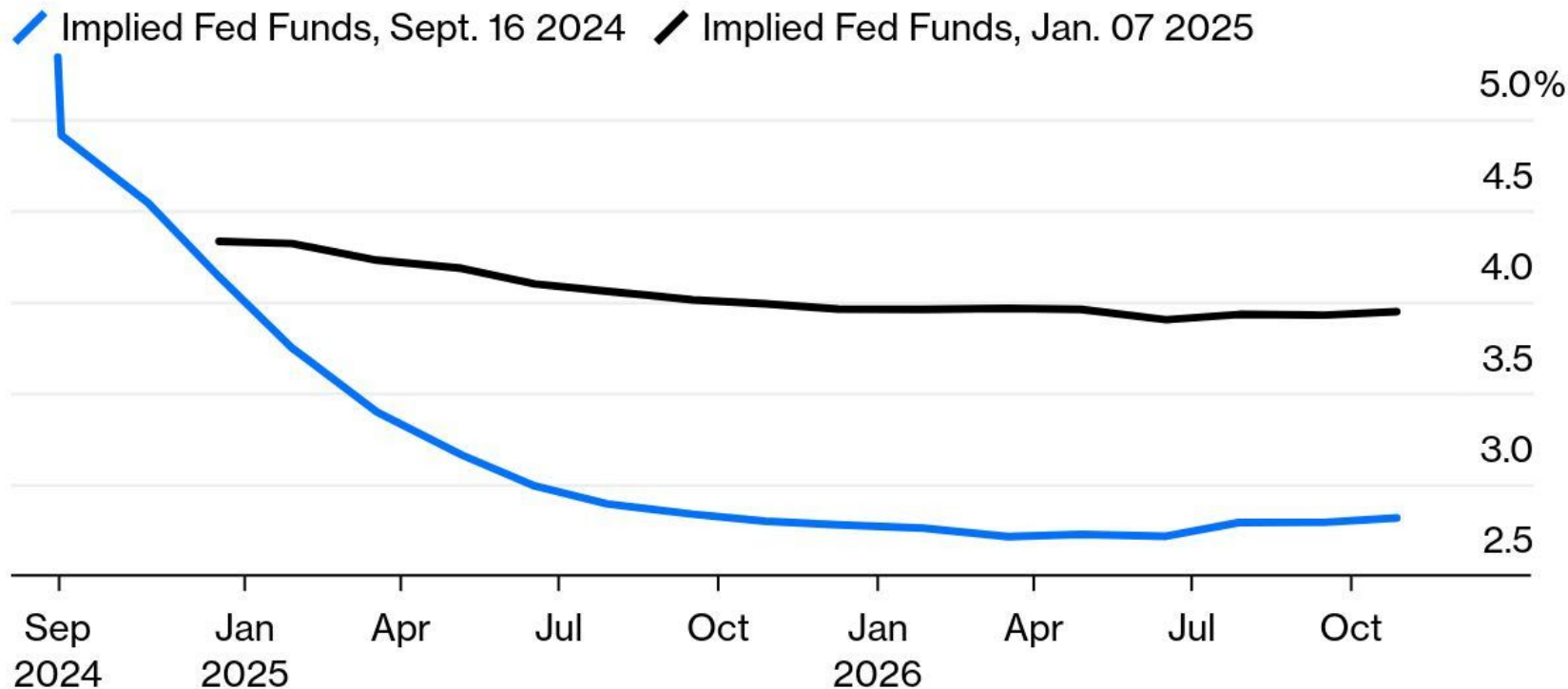


Source: Bloomberg

Bloomberg **Opinion**

Expectations Changed, Changed Utterly

Since the September jumbo cut, rate-cut hopes have evaporated



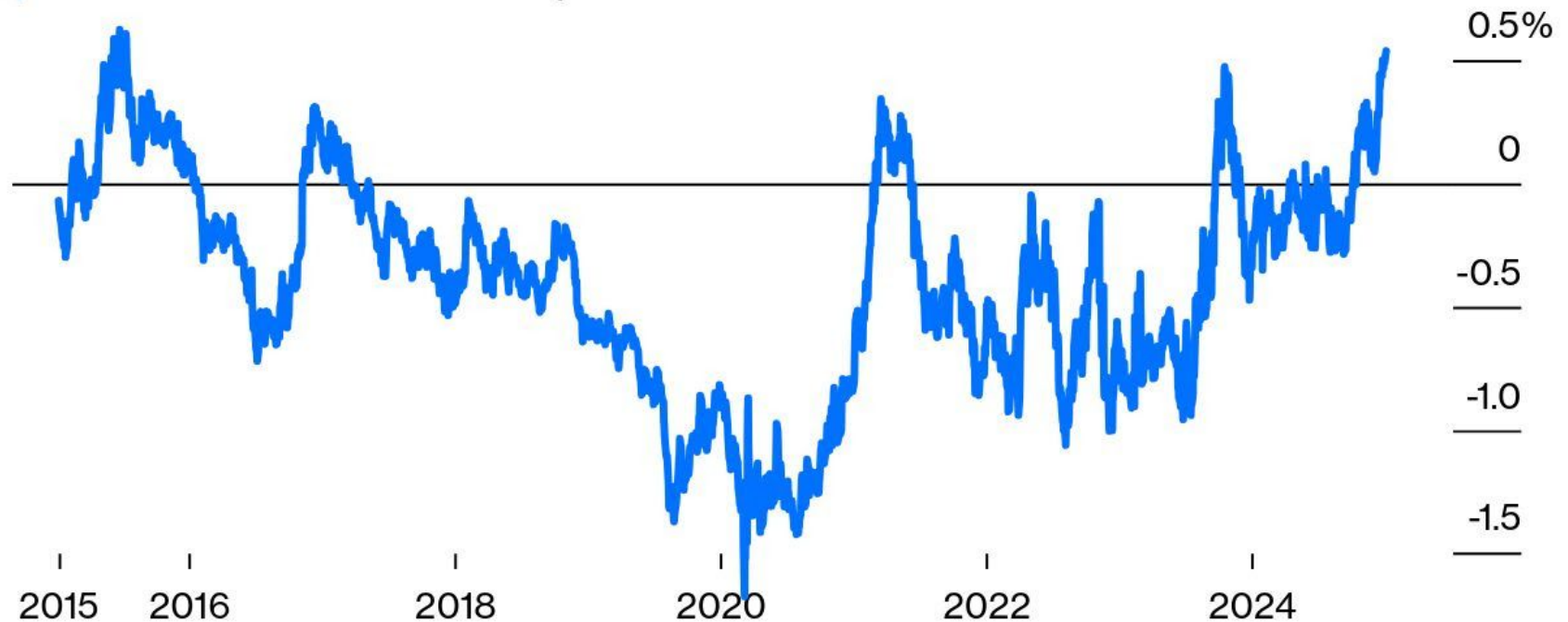
Source: Bloomberg World Interest Rate Probabilities

Bloomberg **Opinion**

The Highest Term Premium in a Decade

Investors are back to wanting protection against longer-term risks

NY Fed Adrian Moench Crump Term Premium



Source: Bloomberg

Bloomberg **Opinion**

	To Dec 2019 (annualised)			Pandemic Inflation (annualised)			To Aug.2024 (annualised)			Recent months (not annualised)			Trend	
	10y	5y	3y	2020	2021/22	3y	12m	6m	3m	Oct	Nov	Dec	10yr	12m
Commodities less food and energy comr	0.0%	-0.3%	-0.2%	1.5%	6.5%	0.7%	-0.5%	0.2%	1.6%	0.0%	0.3%	0.1%		
Household furnishings and supplies	-0.8%	-0.7%	-0.1%	3.0%	7.3%	1.9%	-0.9%	0.5%	1.7%	0.0%	0.7%	-0.2%		
Window and floor coverings and othe	-2.6%	-2.1%	-1.6%	-1.8%	7.8%	1.0%	-0.2%	2.4%	9.8%	-1.3%	2.7%	1.0%		
Furniture and bedding	-0.4%	-0.3%	0.7%	2.2%	9.1%	-0.4%	-1.5%	-0.9%	-0.4%	1.0%	-0.2%	-0.9%		
Appliances	-1.1%	-0.7%	1.3%	6.0%	3.6%	-1.9%	-3.5%	-5.9%	-11.1%	-0.6%	0.7%	-2.9%		
Other household equipment and furni	-3.6%	-3.4%	-3.6%	-0.3%	5.1%	0.8%	-0.3%	0.7%	1.8%	-0.6%	0.5%	0.6%		
Tools, hardware, outdoor equipment a	0.0%	-0.2%	0.3%	3.6%	8.8%	3.0%	-2.1%	-1.7%	0.4%	0.4%	0.1%	-0.4%		
Housekeeping supplies	0.4%	0.4%	0.8%	4.9%	6.8%	5.1%	1.2%	1.5%	1.7%	-0.3%	0.4%	0.4%		
Apparel	0.3%	-0.4%	-0.5%	-4.5%	4.3%	2.0%	1.2%	-0.5%	-4.6%	-1.5%	0.2%	0.1%		
Men's and boys' apparel	0.5%	-0.2%	0.1%	-4.2%	4.9%	2.4%	2.7%	1.4%	2.0%	-0.6%	1.0%	0.2%		
Women's and girls' apparel	-0.2%	-1.1%	-1.5%	-6.3%	4.2%	2.1%	0.6%	-2.3%	-10.6%	-2.9%	-0.2%	0.3%		
Footwear	0.8%	0.0%	-0.1%	-2.6%	3.4%	0.9%	0.6%	0.2%	0.2%	0.7%	-0.3%	-0.3%		
Infants' and toddlers' apparel	0.5%	-0.1%	0.6%	-5.2%	5.0%	2.6%	-0.4%	3.3%	1.3%	-0.3%	0.0%	0.6%		
Jewelry and watches	0.8%	1.3%	0.4%	0.7%	6.3%	2.9%	2.1%	-0.4%	-7.7%	-2.4%	0.8%	-0.3%		
Transportation commodities less moto	0.3%	-0.3%	-0.3%	5.0%	10.3%	-0.6%	-1.3%	3.2%	10.1%	0.8%	0.9%	0.7%		
New vehicles	0.7%	0.0%	-0.2%	1.8%	9.1%	2.3%	-0.4%	2.0%	4.1%	0.0%	0.6%	0.5%		
Used cars and trucks	-0.4%	-0.9%	-0.7%	10.4%	12.5%	-4.3%	-3.4%	5.9%	26.4%	2.7%	2.0%	1.2%		
Motor vehicle parts and equipment	0.6%	0.4%	1.2%	0.4%	10.6%	3.2%	1.3%	1.4%	-1.9%	0.1%	-0.6%	0.1%		
Medical care commodities	2.2%	2.0%	1.2%	-2.7%	1.8%	2.8%	0.5%	-2.1%	-1.3%	-0.2%	-0.1%	0.0%		
Recreation commodities	-2.2%	-2.4%	-1.9%	-0.3%	3.7%	0.5%	-1.5%	-3.5%	-3.7%	0.0%	-0.5%	-0.5%		
Video and audio products	-9.3%	-9.9%	-9.3%	-1.1%	-3.7%	-4.8%	0.0%	-2.3%	-1.0%	1.2%	-0.6%	-0.8%		
Pets and pet products	0.7%	0.5%	1.2%	-1.8%	7.6%	4.8%	-0.9%	-2.7%	-1.5%	-0.4%	0.4%	-0.4%		
Sporting goods	-0.4%	-0.2%	0.3%	2.6%	4.9%	-0.4%	-2.0%	-4.3%	-4.2%	-0.5%	-0.3%	-0.4%		
Photographic equipment and supplies	-2.2%	-1.5%	-1.3%	5.7%	5.0%	4.3%	1.7%	-8.3%	-6.4%	0.9%	-1.3%	-1.2%		
Recreational reading materials	1.8%	1.7%	2.0%	4.6%	2.3%	1.4%	-0.5%	-4.6%	-5.0%	3.4%	-4.9%	0.4%		
Other recreational goods	-5.5%	-6.7%	-6.9%	-3.8%	2.4%	-1.1%	-3.2%	-3.8%	-7.9%	-0.6%	-0.9%	-0.6%		
Education and communication commo	-3.7%	-3.9%	-4.1%	-2.7%	-5.2%	-7.8%	-6.1%	-7.5%	-12.0%	-1.1%	-1.1%	-0.9%		
Alcoholic beverages	1.3%	1.1%	1.2%	2.9%	4.1%	3.2%	1.4%	1.4%	1.1%	0.4%	0.1%	-0.3%		
Alcoholic beverages at home	0.7%	0.6%	0.9%	3.0%	3.2%	2.5%	1.0%	0.0%	-1.6%	-0.3%	-0.2%	0.1%		
Alcoholic beverages away from home	2.1%	1.7%	1.7%	2.8%	5.3%	4.4%	1.9%	2.9%	4.5%	1.2%	0.5%	-0.5%		
Other goods	1.4%	1.5%	1.7%	1.7%	5.9%	4.8%	2.7%	1.9%	0.8%	0.4%	0.2%	-0.4%		
Tobacco and smoking products	3.7%	4.5%	5.2%	5.1%	7.2%	6.6%	6.7%	5.8%	6.2%	0.6%	1.0%	0.0%		
Personal care products	-0.1%	-0.4%	-0.7%	-0.3%	3.8%	3.7%	0.5%	-1.3%	-3.6%	0.3%	-0.1%	-1.1%		

	To Dec 2019 (annualised)			Pandemic Inflation (annualised)		To Aug.2024 (annualised)				Recent months (not annualised)			Trend	
	10y	5y	3y	2020	2021/22	3y	12m	6m	3m	Oct	Nov	Dec	10yr	12m
Services less energy services	2.7%	2.9%	2.8%	1.5%	5.4%	5.6%	4.5%	4.0%	3.6%	0.3%	0.3%	0.3%		
Services less energy & shelter	2.3%	2.4%	2.2%	0.5%	5.2%	5.2%	4.1%	3.5%	3.1%	0.3%	0.2%	0.3%		
Shelter	2.9%	3.3%	3.2%	1.8%	5.8%	6.1%	4.6%	4.3%	4.0%	0.4%	0.3%	0.3%		
Rent of shelter	2.9%	3.3%	3.2%	1.9%	5.9%	6.1%	4.6%	4.1%	3.7%	0.4%	0.3%	0.3%		
Rent of primary residence	3.3%	3.7%	3.6%	2.3%	5.8%	6.3%	4.3%	4.0%	3.3%	0.3%	0.2%	0.3%		
Lodging away from home	2.2%	1.4%	0.4%	-10.6%	12.7%	1.8%	2.3%	5.3%	10.8%	0.4%	3.2%	-1.0%		
Owners' equivalent rent of residence	2.8%	3.3%	3.2%	2.2%	5.6%	6.2%	4.8%	4.3%	3.8%	0.4%	0.2%	0.3%		
Tenants' and household insurance	2.1%	0.9%	0.9%	0.1%	-0.2%	1.9%	1.7%	2.0%	2.8%	0.7%	0.0%	0.0%		
Water and sewer and trash collection s	4.0%	3.4%	3.3%	3.5%	4.2%	5.2%	5.2%	5.3%	5.0%	0.5%	0.6%	0.1%		
Medical care services	3.2%	3.2%	3.1%	2.8%	3.5%	2.3%	3.4%	2.4%	3.8%	0.4%	0.4%	0.2%		
Professional services	1.7%	1.5%	0.8%	1.9%	3.1%	2.3%	2.8%	3.3%	3.9%	0.5%	0.4%	0.0%		
Hospital and related services	4.2%	3.9%	3.7%	3.2%	3.7%	4.5%	4.0%	0.8%	3.0%	0.5%	0.1%	0.2%		
Health insurance	5.6%	6.8%	8.2%	4.8%	3.3%	-6.2%	4.8%	1.4%	2.6%	0.5%	0.2%	0.0%		
Transportation services	2.4%	2.6%	2.5%	-4.1%	9.7%	10.7%	7.5%	7.4%	3.7%	0.4%	0.0%	0.5%		
Car and truck rental	1.0%	1.3%	0.6%	3.0%	16.7%	-6.7%	-6.2%	-7.7%	-15.0%	-1.6%	-3.0%	0.6%		
Motor vehicle maintenance and repair	2.0%	2.2%	2.5%	3.4%	8.8%	8.7%	6.2%	5.5%	6.0%	1.1%	0.2%	0.2%		
Motor vehicle insurance	4.6%	5.1%	4.2%	-6.7%	10.3%	15.3%	11.3%	6.9%	1.7%	-0.1%	0.1%	0.4%		
Motor vehicle fees	1.8%	2.1%	2.0%	0.1%	1.8%	1.9%	1.3%	-1.0%	-7.2%	-0.1%	-0.9%	-0.9%		
Public transportation	-0.2%	-0.8%	-0.3%	-12.5%	11.2%	6.5%	5.7%	18.9%	22.0%	2.4%	0.0%	2.7%		
Recreation services	2.5%	2.8%	2.8%	1.4%	4.6%	4.7%	2.7%	3.6%	7.4%	0.7%	0.7%	0.4%		
Video and audio services	2.9%	2.9%	2.9%	3.2%	3.6%	3.8%	1.5%	1.8%	0.7%	-0.4%	-0.2%	0.8%		
Pet services including veterinary	3.2%	3.2%	3.2%	3.0%	7.4%	7.5%	6.2%	3.9%	6.7%	0.9%	0.6%	0.1%		
Photographers and photo processing	0.5%	-0.6%	-1.7%	1.9%	4.4%	1.9%	-6.0%	-2.9%	-3.8%	-0.5%	-0.2%	-0.2%		
Other recreation services	2.0%	2.7%	2.8%	-0.2%	4.3%	4.5%	2.8%	4.5%	11.3%	1.2%	1.2%	0.3%		
Education and communication services	1.1%	0.6%	0.3%	2.4%	2.1%	1.8%	1.8%	0.4%	-1.0%	-0.2%	-0.2%	0.2%		
Tuition, other school fees, and childcare	3.1%	2.7%	2.4%	1.6%	2.6%	3.2%	3.8%	4.0%	2.2%	0.2%	0.2%	0.1%		
Postage and delivery services	3.1%	2.2%	4.0%	4.1%	4.9%	4.9%	10.1%	10.4%	17.8%	3.9%	-0.1%	0.4%		
Telephone services	-1.3%	-1.9%	-2.5%	4.2%	1.3%	-0.1%	-0.3%	-0.5%	-1.8%	-0.4%	-0.2%	0.1%		
Internet services and electronic inform	0.3%	-0.2%	0.2%	0.4%	2.0%	1.4%	-0.4%	-7.2%	-8.4%	-1.0%	-1.6%	0.4%		
Other personal services	2.4%	2.7%	2.7%	2.9%	4.9%	5.2%	3.7%	1.9%	1.4%	0.3%	0.4%	-0.3%		
Personal care services	2.0%	2.4%	2.6%	5.6%	5.2%	4.9%	4.8%	3.2%	3.4%	0.2%	0.6%	0.0%		
Miscellaneous personal services	2.7%	2.9%	2.8%	0.9%	4.8%	5.4%	3.0%	1.0%	0.0%	0.3%	0.2%	-0.5%		
Funeral expenses	2.0%	2.1%	2.0%	1.0%	3.6%	4.3%	3.0%	1.5%	3.6%	0.7%	-0.1%	0.3%		
Laundry and dry cleaning services	2.5%	3.0%	3.2%	1.8%	7.8%	5.8%	5.1%	3.7%	3.1%	0.3%	0.4%	0.1%		
Apparel services other than laundr	2.6%	2.4%	2.7%	3.6%	8.9%	8.3%	7.5%	-0.7%	2.9%	0.3%	0.7%	-0.3%		
Financial services	3.8%	3.6%	3.0%	0.1%	2.3%	4.8%	4.4%	-2.0%	-5.0%	0.4%	0.5%	-2.1%		

	To Dec 2019 (annualised)			Pandemic Inflation (annualised)		To Aug.2024 (annualised)				Recent months (not annualised)			Trend	
	10y	5y	3y	2020	2021/22	3y	12m	6m	3m	Oct	Nov	Dec	10yr	12m
Food at home	1.1%	0.0%	0.8%	4.1%	9.2%	4.9%	1.8%	3.0%	3.6%	0.1%	0.5%	0.3%		
Cereals and bakery products	1.0%	0.3%	0.5%	3.1%	10.3%	6.4%	0.8%	1.5%	4.1%	1.0%	-1.1%	1.2%		
Meats, poultry, fish, and eggs	1.9%	-0.6%	1.6%	5.0%	10.0%	3.7%	4.2%	6.9%	4.3%	-1.2%	1.7%	0.6%		
Meats, poultry, and fish	2.0%	-0.4%	1.5%	5.3%	8.4%	2.8%	1.8%	3.4%	3.0%	-0.8%	1.1%	0.4%		
Meats	2.2%	-0.6%	1.7%	5.7%	8.0%	2.6%	2.7%	4.9%	4.7%	-1.1%	1.9%	0.3%		
Poultry	1.4%	-0.3%	0.9%	4.3%	10.9%	4.7%	1.0%	1.2%	-2.0%	-0.1%	-0.5%	0.1%		
Fish and seafood	2.0%	0.5%	1.5%	5.2%	6.8%	1.1%	-0.7%	0.1%	2.7%	-0.3%	0.1%	0.8%		
Eggs	0.5%	-4.1%	2.7%	-0.7%	35.0%	17.3%	36.8%	56.9%	19.1%	-6.4%	8.2%	3.2%		
Dairy and related products	1.0%	-0.8%	0.8%	4.4%	8.7%	5.1%	1.3%	3.2%	4.6%	1.0%	-0.1%	0.2%		
Fruits and vegetables	0.7%	0.1%	0.7%	3.2%	6.9%	3.3%	0.9%	4.1%	2.0%	0.4%	0.2%	-0.1%		
Fresh fruits and vegetables	0.7%	0.1%	1.0%	2.9%	6.0%	2.6%	1.3%	5.5%	2.8%	0.5%	0.5%	-0.2%		
Fresh fruits	0.7%	0.0%	0.0%	1.4%	6.0%	2.5%	-0.2%	8.8%	1.3%	1.5%	0.0%	-1.1%		
Fresh vegetables	0.7%	0.1%	2.0%	4.6%	6.1%	2.6%	3.1%	1.9%	4.6%	-0.7%	1.0%	0.8%		
Processed fruits and vegetables	0.8%	0.0%	-0.1%	4.4%	9.8%	5.7%	-0.3%	-0.5%	-0.5%	0.2%	-0.6%	0.3%		
Nonalcoholic beverages and beverage	0.5%	0.4%	0.9%	4.8%	8.9%	5.9%	2.3%	2.7%	6.5%	0.4%	1.5%	-0.4%		
Other food at home	1.1%	0.3%	0.3%	3.9%	9.8%	5.8%	0.8%	0.1%	2.3%	0.1%	0.1%	0.3%		
Sugar and sweets	1.0%	1.0%	1.0%	4.6%	8.3%	6.8%	3.1%	3.6%	7.5%	0.8%	0.2%	0.7%		
Fats and oils	0.9%	-0.5%	0.1%	2.8%	16.0%	8.1%	0.4%	-1.7%	-1.9%	0.1%	0.0%	-0.6%		
Other foods	1.1%	0.3%	0.2%	4.0%	9.2%	5.2%	0.4%	-0.2%	2.0%	0.0%	0.1%	0.4%		
Food away from home	2.6%	2.7%	2.8%	3.9%	7.1%	5.7%	3.6%	3.3%	3.3%	0.2%	0.3%	0.3%		

Macro Risk Sandwich: Industrial Metals know...



Source: Topdown Charts, LSEG

topdowncharts.com

Choose themes to screen from your portfolio away from (i.e. remove stocks)

Climate Change

War

Human Rights

Health

Vices

Animal Rights

Religion

Asset Class

Thematic

Climate Change

- No Fossil Fuels (Worst Offenders) ⌵
- No Fossil Fuels (Any) ⌵
- No Coal Seam Gas or Fracking ⌵
- No Nuclear Power ⌵
- No Old Growth Forest Logging ⌵

Are markets Trumps only constraint:

- High yields push prices down
- Early cuts = jobs more important than inflation (opposite in Aus?). Now impetus is up?
- Gradual tariffs, sign of backing down...
- Immigration bait and switch? Already Musk/Bannon fallout
- Known Unknowns: Tariffs, Bond yields weighing on stocks, inflation
- Unknown Unknowns. DOGE. Debt boom. Geopolitics: Denmark. Trade wars. Retaliatory tariffs.
- Wait for markets to break Trump or Trump to break markets.

Personalise Your Portfolio

Screens

You can exclude the below to customise your portfolio

Climate Change	War	Human Rights	Health	Vices
Animal Rights	Religion	Asset Class	Thematic	

- No Fossil Fuels (Worst Offenders) ?
- No Fossil Fuels (Any) ?
- No Coal Seam Gas or Fracking ?
- No Nuclear Power ?
- No Old Growth Forest Logging ?

Tilts

You can add the below to customise your portfolio

Investment Style Factors	Climate Change	Technology	
Consumption	Commodities	Military	GICS Sectors

- Quality Stocks ?
- Value Stocks ?
- Growth Stocks ?
- Defensives ?



Personalise your portfolio now >



Build Your Portfolio

Need help with this page? Video Tutorial

- Account Selection
- Investment Choice
- Risk Profile
- Build Your Portfolio**
- Ethical Overlay
- Review
- Applicants
- Bank Details
- Compliance
- Final Review

Portfolio Tilts



Quality Stocks

Value Stocks

Growth Stocks

Oil & Gas Stocks

Gold Stocks

Agribusiness

Large Technology Stocks

Cloud Computing Stocks

Robotics/AI

Video Gaming

Cybersecurity

Clean Energy

Defensives

Battery Supply Chain

Nuclear Power

Defense Contractors

Travel

Luxury Goods

Logistics

Global Communication Services

Global Consumer Discretionary

Global Consumer Staples

Global Energy

Global Financials

Global Health Care

Global Industrials

Global Information Technology

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