

# Macro Scouting Report

## Monthly



*Darius Dale #60*

Darius Dale, Founder & CEO

Friday, October 29, 2021

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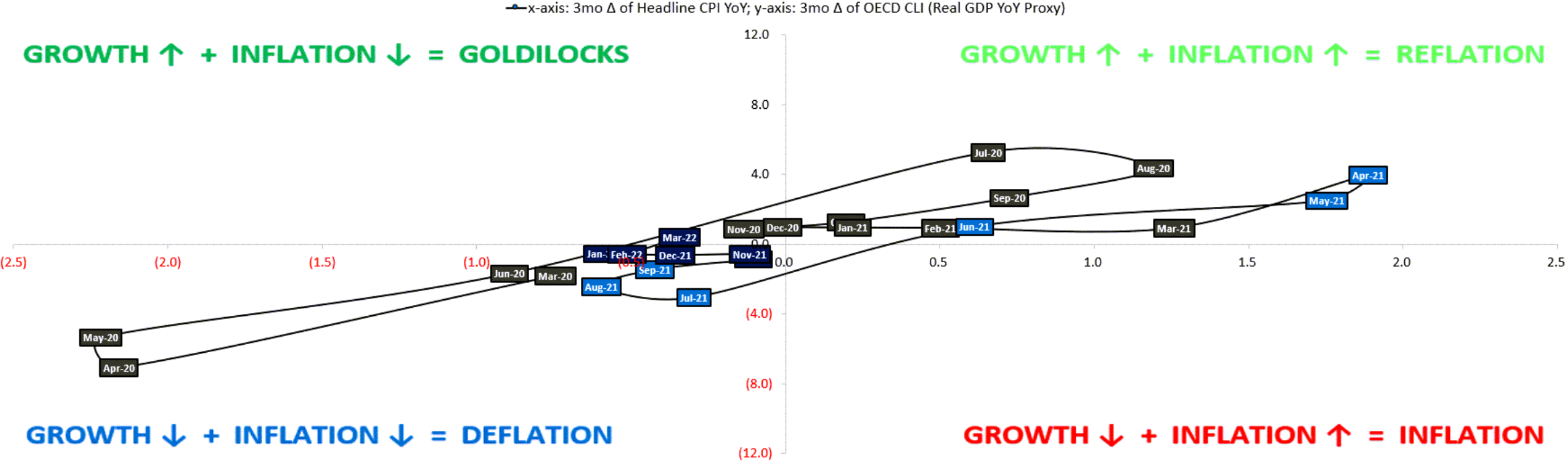
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# Introducing The 42 Macro GRID Framework, Which We Use To Measure And Map Bottom-Up MACRO Regime Cycles



# The GRIDs Are Global

42 Macro		Actuals																								Projections															
Macro Regime	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22				
United States	I	D	I	I	I	I	I	D	D	D	D	R	R	R	G	R	G	R	R	R	R	R	R	R	R	R	D	I	I	D	D	D	D	D	D	D	D	D	D	United States	
Australia	D	D	D	D	I	I	I	D	D	D	D	R	R	R	G	R	G	R	R	R	R	R	R	R	R	G	G	D	D	D	D	D	D	D	D	D	D	D	Australia		
Austria	D	D	D	R	R	R	D	D	D	D	D	R	R	R	G	G	G	G	R	R	R	R	R	R	R	R	R	I	G	G	G	D	D	D	D	D	D	D	Austria		
Belgium	D	D	D	G	I	I	D	D	D	D	D	R	R	R	R	G	G	G	R	R	R	R	R	R	R	I	I	I	I	D	D	D	D	D	D	D	G	G	Belgium		
Brazil	G	G	G	I	I	I	D	D	D	D	D	G	R	R	R	R	R	R	I	I	I	I	I	I	I	I	I	D	G	D	D	G	G	G	D	D	D	D	Brazil		
Canada	D	D	I	I	I	R	G	D	D	D	D	G	R	R	G	R	R	R	R	R	R	R	R	R	R	R	R	G	D	D	D	D	D	D	D	D	D	Canada			
Chile	D	I	I	I	I	R	R	I	D	D	D	G	G	G	R	R	R	R	D	I	I	I	I	I	I	R	I	I	D	D	D	D	D	D	I	D	D	D	Chile		
China	I	I	I	I	I	I	D	D	D	D	G	G	G	G	G	G	G	R	R	I	I	I	I	I	D	D	D	I	D	D	D	D	I	R	R	R	R	China			
Denmark	D	I	I	I	I	I	D	D	D	D	G	R	R	R	G	I	G	I	I	R	R	R	R	R	R	I	I	I	G	G	G	D	D	D	D	D	D	D	Denmark		
Finland	D	D	D	G	R	R	D	D	D	D	D	R	R	R	R	R	R	R	R	R	R	R	R	G	G	I	I	I	I	D	D	D	I	D	D	D	D	D	Finland		
France	G	G	D	I	I	I	D	D	D	D	G	R	G	G	G	G	R	R	R	R	R	R	R	R	G	R	R	I	R	G	G	G	G	D	D	D	D	D	France		
Germany	D	D	D	R	R	R	D	D	D	D	D	G	G	G	G	G	G	R	R	R	R	R	R	R	R	R	R	I	I	D	D	D	D	D	D	D	D	D	Germany		
Greece	R	G	R	R	I	I	D	D	D	D	D	G	G	G	R	G	G	G	R	R	R	R	R	R	R	R	I	I	D	G	G	G	G	D	D	D	D	D	D	Greece	
India	I	I	I	I	I	R	R	D	D	D	D	R	G	R	R	R	G	G	G	R	R	I	I	I	D	D	D	D	D	D	G	G	G	G	D	I	I	I	India		
Indonesia	R	R	G	D	D	I	I	D	D	D	D	D	G	G	G	R	R	R	G	G	G	R	G	R	G	R	I	D	D	D	G	G	G	G	D	I	I	I	Indonesia		
Ireland	D	I	I	I	I	I	D	D	D	D	D	G	G	G	G	G	R	R	R	R	R	R	R	R	R	R	R	R	D	D	D	D	D	D	D	D	D	D	Ireland		
Israel	D	G	G	R	G	D	D	D	D	D	D	G	G	I	I	D	R	I	R	R	R	R	R	R	R	R	R	R	D	D	D	G	D	D	D	D	D	D	Israel		
Italy	D	D	D	I	I	I	D	D	D	D	D	G	G	G	R	R	R	R	R	R	R	R	R	R	R	R	R	R	G	D	D	D	D	D	D	D	D	D	Italy		
Japan	D	D	I	I	I	I	D	D	D	D	D	R	I	G	G	G	G	G	R	R	G	G	G	R	R	R	R	I	I	D	D	D	I	I	I	D	D	D	Japan		
Korea	D	D	R	R	R	R	R	D	D	D	D	G	R	R	R	G	G	G	R	R	R	R	R	R	R	R	I	I	D	D	D	D	D	D	D	D	D	D	Korea		
Mexico	D	D	D	D	G	R	R	I	D	D	D	I	R	R	R	R	G	G	R	R	R	R	R	R	G	G	R	I	I	I	D	D	D	D	D	D	D	D	D	Mexico	
Netherlands	D	I	D	D	I	D	D	D	D	D	I	R	G	G	G	R	G	R	R	R	R	R	R	R	R	R	I	I	D	G	D	D	D	D	D	D	D	D	G	Netherlands	
Norway	D	D	I	D	I	D	D	D	D	I	R	R	R	R	R	G	G	R	R	R	R	R	G	G	R	R	R	I	I	D	D	D	D	I	D	D	D	D	D	Norway	
Poland	I	D	D	I	I	R	I	D	D	D	D	G	G	G	G	R	G	G	R	R	R	R	R	R	R	R	R	R	R	D	D	D	D	D	D	D	D	D	Poland		
Portugal	G	R	R	R	I	I	I	D	D	D	D	I	R	R	G	G	G	R	R	R	R	R	R	R	R	R	D	G	G	G	G	D	D	D	D	D	D	D	Portugal		
Russia	D	D	D	D	D	D	D	I	I	I	I	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	G	D	D	D	G	D	D	D	D	Russia		
South Africa	D	D	D	D	I	I	I	D	D	D	D	D	R	R	R	R	R	R	G	G	R	R	R	R	R	R	R	I	I	D	D	D	D	I	I	I	D	D	G	South Africa	
Spain	D	D	I	I	I	I	D	D	D	D	D	G	R	R	R	G	G	G	R	R	R	R	R	R	R	R	R	R	D	G	G	G	D	D	D	D	D	D	G	Spain	
Sweden	D	D	I	I	I	D	D	D	D	D	D	I	R	R	G	G	G	R	R	R	R	R	R	R	R	R	I	I	D	D	D	D	I	D	D	D	D	D	D	Sweden	
Switzerland	D	D	D	I	I	I	D	D	D	D	D	D	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	I	I	G	D	D	D	D	D	D	D	D	D	Switzerland	
Taiwan	G	G	R	I	I	D	D	D	D	D	G	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	R	G	D	D	D	D	D	D	D	D	D	Taiwan		
Turkey	G	G	G	R	R	R	I	D	D	D	I	R	R	R	G	R	I	I	I	R	R	R	R	R	R	R	R	R	G	G	D	D	D	D	D	D	D	D	Turkey		
United Kingdom	D	D	D	G	R	R	I	D	D	D	D	G	R	G	G	D	I	I	R	R	R	R	R	R	R	R	R	R	R	D	D	D	D	D	D	D	D	D	G	United Kingdom	
Eurozone	D	D	D	I	I	I	D	D	D	D	D	G	R	G	G	G	R	R	R	R	R	R	R	R	R	R	R	R	I	G	D	D	D	I	D	D	D	D	D	Eurozone	
World	D	D	D	I	I	I	D	D	D	D	D	G	R	R	R	G	R	R	R	R	R	R	R	R	R	R	R	I	I	D	D	D	D	G	D	D	D	D	D	G	World
MEDIAN Conditional Probability of GOLDILOCKS		23%	28%	24%	11%	5%	8%	9%	2%	2%	3%	29%	14%	39%	44%	34%	44%	27%	8%	2%	3%	2%	2%	14%	24%	16%	8%	14%	25%	28%	21%	13%	10%	7%	6%	9%	15%	28%			
MEDIAN Conditional Probability of REFLECTION		11%	12%	17%	31%	35%	24%	2%	0%	2%	67%	71%	48%	38%	40%	30%	54%	73%	90%	92%	77%	78%	52%	42%	45%	39%	27%	12%	7%	4%	3%	6%	3%	2%	2%	3%	7%				
MEDIAN Conditional Probability of INFLATION		19%	18%	25%	38%	46%	43%	23%	6%	5%	4%	2%	2%	2%	5%	4%	4%	7%	2%	2%	7%	11%	19%	21%	28%	39%	34%	18%	10%	10%	13%	18%	22%	15%	14%	10%	12%				
MEDIAN Conditional Probability of DEFLATION		40%	40%	32%	12%	7%	19%	58%	88%	93%	33%	1%	1%	1%	2%	6%	4%	4%	2%	0%	0%	1%	1%	6%	11%	11%	7%	16%	40%	50%	60%	65%	49%	63%	70%	68%	59%	43%			

Data Source: Bloomberg. Intellectual property of 42 Macro LLC. Macro Regime backtests performed on monthly observations on a rolling out of sample basis since the start of 1998.

# Why GRID Works

- “I knew which shifts in the environment caused asset classes to move around, and I knew that those relationships had remained essentially the same for hundreds of years. There were only two big forces to worry about: growth and inflation. *Each could be rising or falling, so I saw that by finding four different investment strategies – each one of which would do well in a particular environment (rising growth with rising inflation, rising growth with falling inflation, and so on) – I could construct an asset allocation mix that was balanced to do well over time while being protected against unacceptable losses.*”  
–Ray Dalio, Principles pg. 70
- “Subjective confidence in a judgment is not a reasoned evaluation of the probability that this judgment is correct. Confidence is a feeling, which reflects the coherence of the information and the cognitive ease of processing it. It is wise to take admissions of uncertainty serious, but *declarations of high confidence mainly tell you that an individual has constructed a coherent story in his mind, not necessarily that the story is true.*”  
–Danny Kahneman, Thinking, Fast and Slow pg. 212
- “You cannot beat the market, says the standard market doctrine. Granted. But *you can sidestep its worst punches.*”  
–Benoit Mandelbot, The (Mis)Behavior of Markets pg. 249

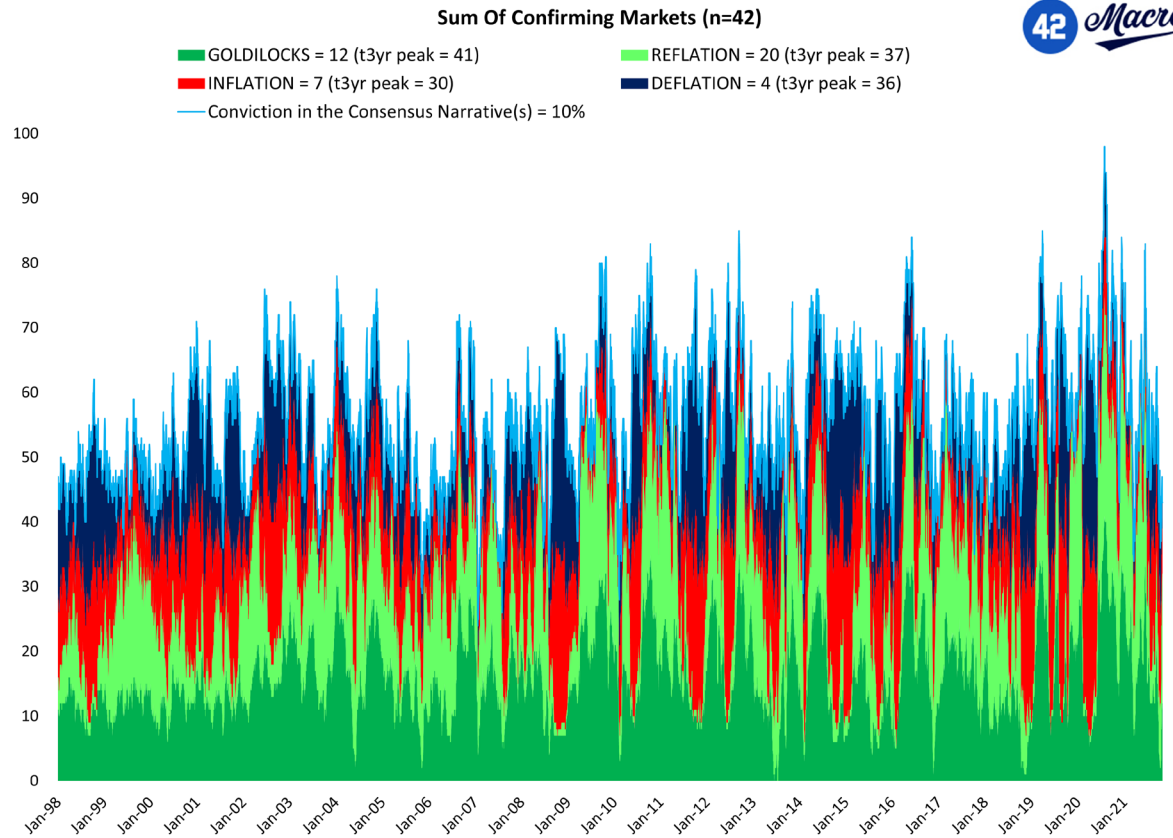
Introducing The **42 Macro Global Macro Risk Matrix**, Which We Use To Measure And Map Top-Down MARKET Regime Cycles ([Ticker Key](#))

	DAX	ES1	MESI	NKY	NQ1	RTY1	RVX	SHCOMP	VIX	VVIX	VXN	BGCI	CL1	CRB	CMDT	CRB	FOOD	CRB	RIND	HG1	NG1	XAG	AUD	BBDXY	CVIX	EUR	GBP	USDBRL	USDCAD	USDCHF	USDJPY	USDMXN	XAU	BEVHOAS	GDBR10	GJGB10	GSWISS10	GUKG10	USGG2YR	USGG10YR	USGG30YR	USGGBE10	USGGT10Y	USOAIGTO	USOHYTO
9/8/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓		✗	✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/9/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓		✗	✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/10/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓		✗	✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/13/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/14/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/15/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/16/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/17/2021	✓	✓	✓	✓	✓	✓	✗		✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/20/2021	✓	✓	✗	✓	✓	✓	✗		✓	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/21/2021	✓	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/22/2021	✓	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/23/2021	✓	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/24/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/27/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/28/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/29/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
9/30/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/1/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/4/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/5/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/6/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/7/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/8/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/11/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/12/2021	✗	✓	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/13/2021	✗	✗	✗	✓	✓	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/14/2021	✗	✗	✓	✓	✗	✗	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/15/2021	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/18/2021	✗	✓	✓	✗	✓	✓	✗		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/19/2021	✓	✓	✓	✗	✓	✓	✗		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/20/2021	✓	✓	✓	✗	✓	✓	✗		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/21/2021	✓	✓	✓	✗	✓	✓	✗		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/22/2021	✓	✓	✓	✗	✓	✓	✗		✓	✓	✓	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/25/2021	✓	✓	✓	✗	✓	✓	✗	✓	✗	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/26/2021	✓	✓	✓	✗	✓	✓	✗		✓	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/27/2021	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/28/2021	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	
10/29/2021	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓			✗		✗		✗	✓	✗	✗	✓	✓	✗		✓	✓	✓		✓	✗	✗	✗	✗	✗	✓	✗	✗		✗		✗	

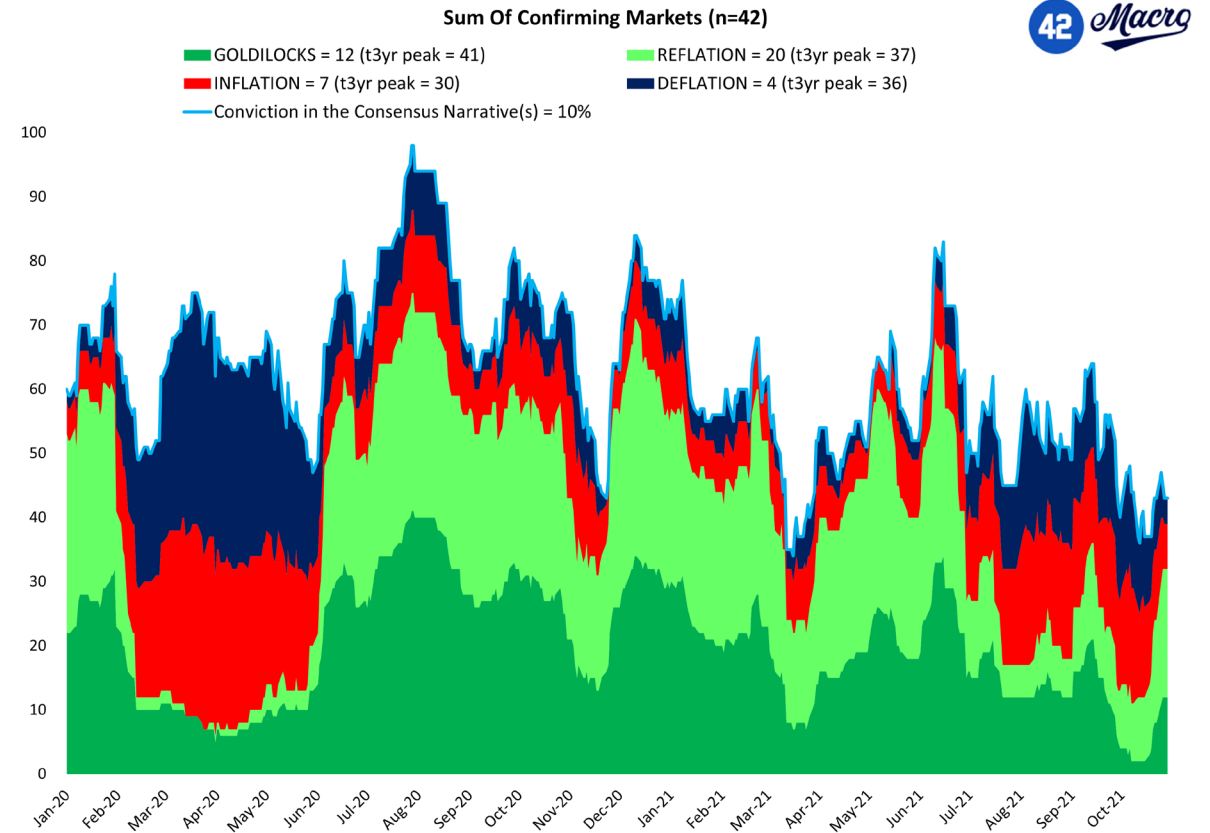
© 42 Macro LLC. Data Source: Bloomberg. **GREEN** check mark = bullish VAMS; **RED** x = bearish VAMS; and **ORANGE** exclamation point = neutral VAMS.



# Global Macro Risk Matrix: Sum Of Confirming Markets



Since Jan-20

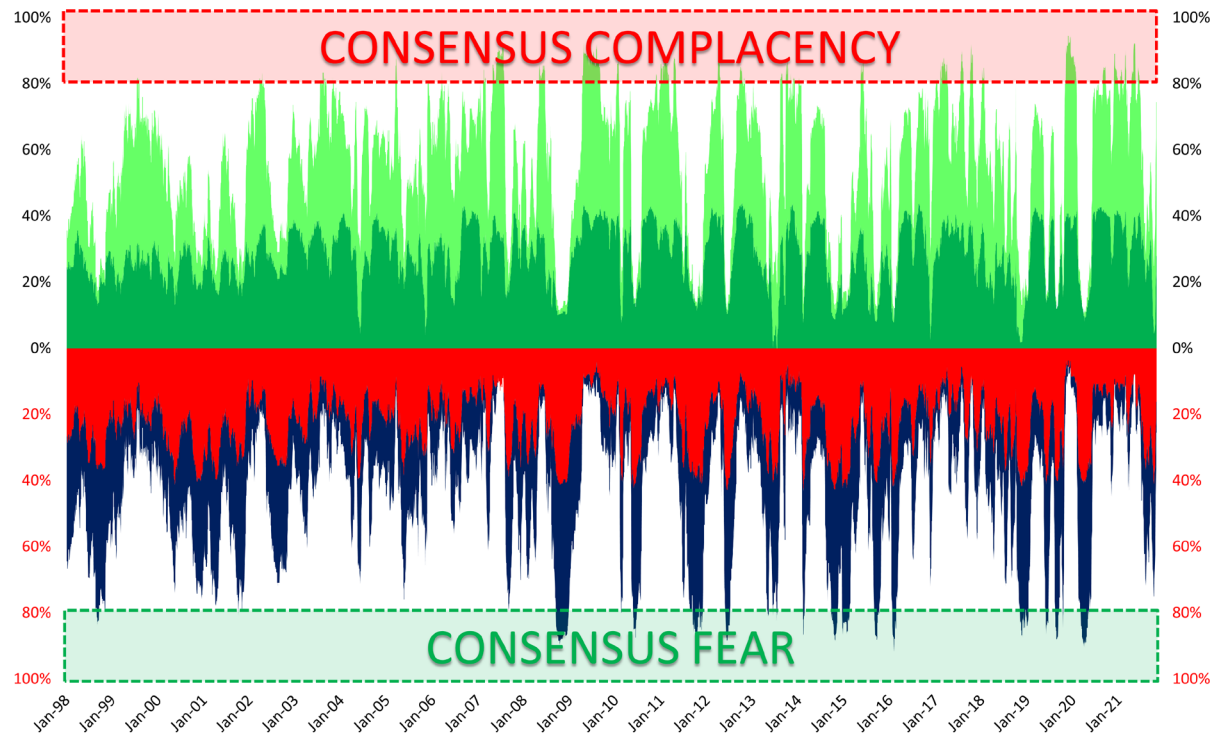


# Global Macro Risk Matrix: Share Of Confirming Markets

Share Of Confirming Markets



■ GOLDBLOCKS = 28% (t3yr peak = 43%) 
 ■ REFLATION = 47% (t3yr peak = 55%)  
■ INFLATION = 16% (t3yr peak = 42%) 
 ■ DEFLATION = 9% (t3yr peak = 50%)

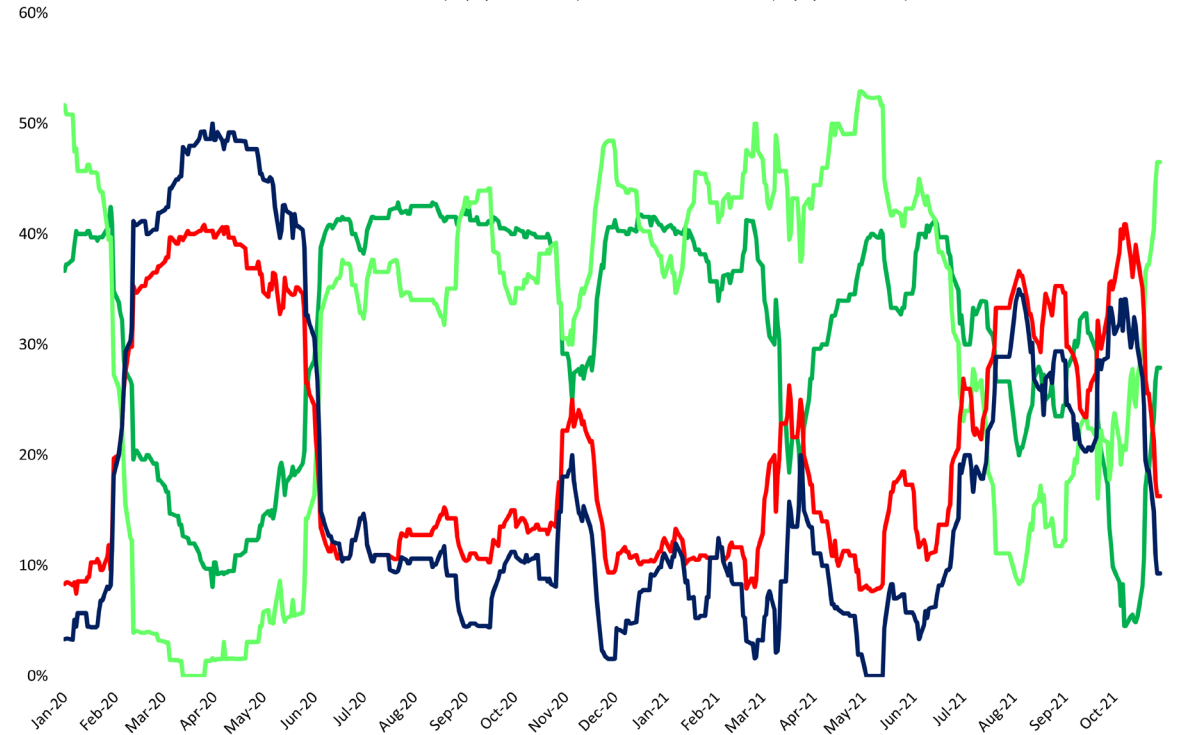


## Since Jan-20

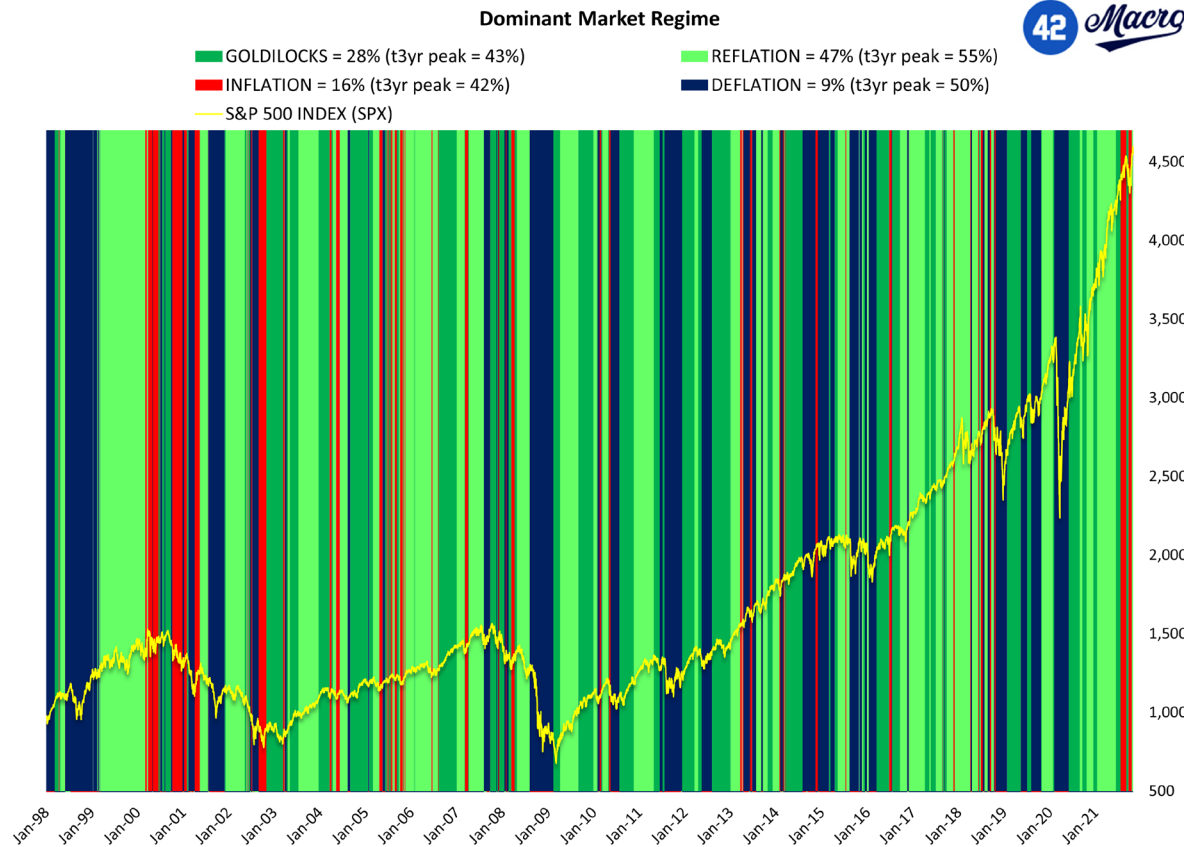
Share Of Confirming Markets



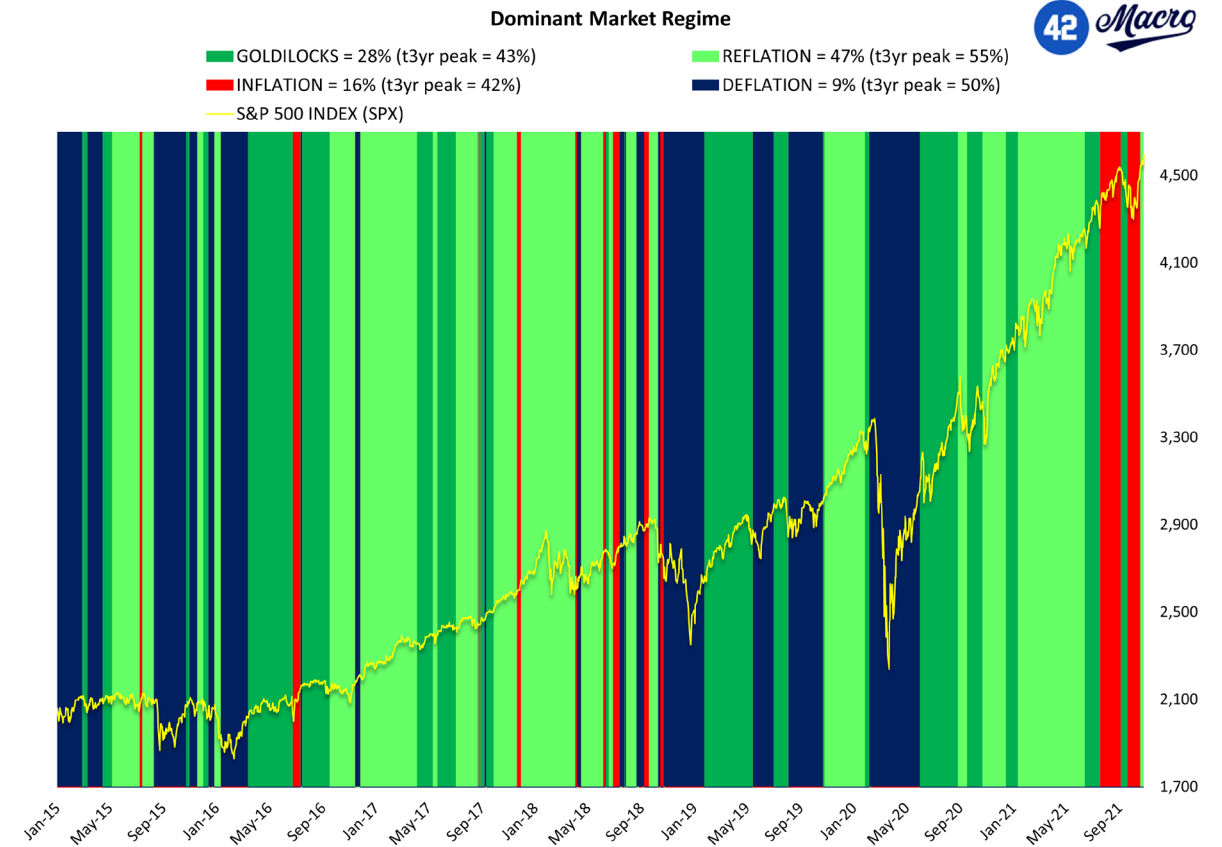
— GOLDBLOCKS = 28% (t3yr peak = 43%) 
 — REFLATION = 47% (t3yr peak = 55%)  
— INFLATION = 16% (t3yr peak = 42%) 
 — DEFLATION = 9% (t3yr peak = 50%)



# Global Macro Risk Matrix: Dominant Market Regime

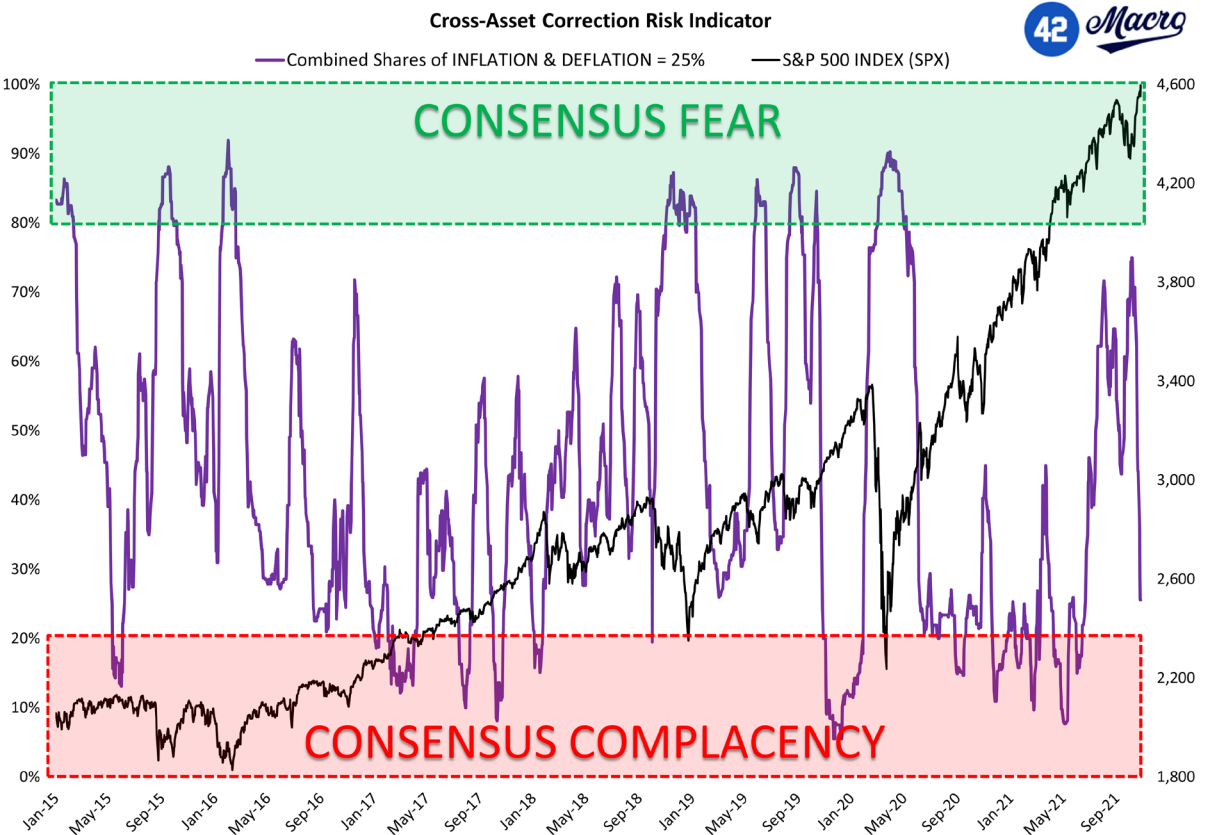
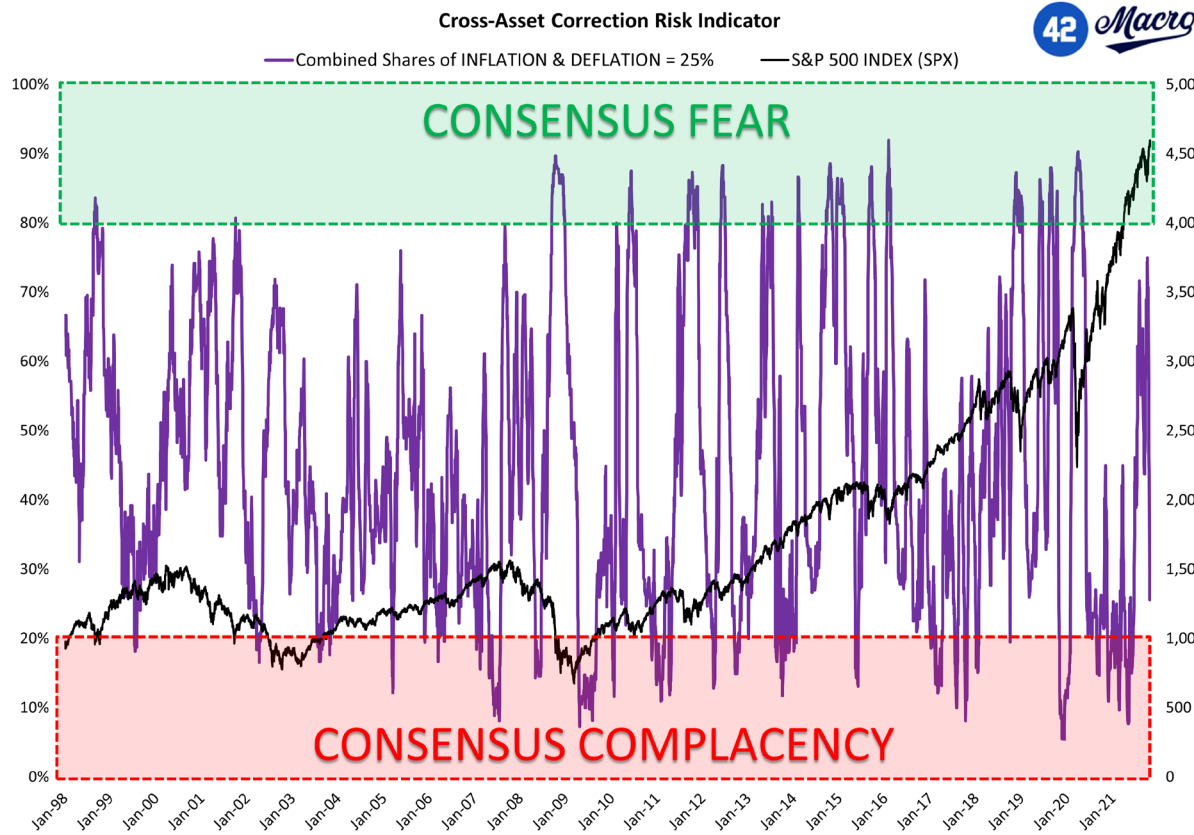


Since Jan-15



# Cross-Asset Correction Risk Indicator (CACRI)

Since Jan-15



# Top-Down Market Regime Summary Table

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	10/29/2021
<b>GOLDILOCKS Share of Confirming Markets</b>	37%	35%	33%	26%	24%	10%	28%
<b>REFLATION Share of Confirming Markets</b>	53%	42%	24%	11%	12%	23%	47%
<b>INFLATION Share of Confirming Markets</b>	8%	17%	24%	34%	35%	35%	16%
<b>DEFLATION Share of Confirming Markets</b>	2%	6%	18%	30%	29%	33%	9%

BOLD = Dominant Market Regime. End of month values displayed.

# Bottom-Up Macro Regime Summary Table

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22
<b>United States</b>	R	R	R	R	R	D	I	I	D	D	D	D
Conditional Probability of GOLDILOCKS	2%	2%	2%	7%	24%	27%	16%	17%	27%	28%	21%	5%
Conditional Probability of REFLATION	95%	91%	89%	74%	35%	15%	24%	22%	12%	6%	5%	2%
Conditional Probability of INFLATION	2%	7%	9%	17%	25%	20%	36%	35%	18%	12%	14%	24%
Conditional Probability of DEFLATION	0%	0%	0%	2%	17%	37%	24%	26%	43%	54%	59%	70%
<b>China</b>	I	I	I	I	D	D	D	I	D	D	D	D
Conditional Probability of GOLDILOCKS	3%	1%	5%	6%	8%	9%	8%	9%	25%	11%	10%	5%
Conditional Probability of REFLATION	21%	19%	14%	8%	5%	6%	6%	12%	23%	3%	2%	4%
Conditional Probability of INFLATION	65%	75%	62%	49%	34%	33%	37%	45%	25%	20%	13%	43%
Conditional Probability of DEFLATION	10%	5%	20%	37%	53%	52%	49%	33%	27%	66%	75%	48%
<b>Eurozone</b>	R	R	R	R	R	R	R	R	I	G	D	D
Conditional Probability of GOLDILOCKS	8%	2%	7%	12%	9%	1%	1%	3%	14%	71%	47%	39%
Conditional Probability of REFLATION	90%	95%	77%	60%	57%	58%	53%	53%	36%	3%	3%	4%
Conditional Probability of INFLATION	2%	2%	14%	23%	30%	39%	45%	42%	36%	1%	3%	6%
Conditional Probability of DEFLATION	0%	0%	1%	5%	5%	1%	1%	2%	14%	25%	47%	51%
<b>Japan</b>	G	G	G	R	R	R	R	I	I	D	D	D
Conditional Probability of GOLDILOCKS	69%	72%	52%	9%	10%	26%	7%	4%	19%	28%	22%	13%
Conditional Probability of REFLATION	28%	20%	33%	55%	44%	34%	44%	36%	22%	8%	6%	4%
Conditional Probability of INFLATION	1%	2%	6%	31%	38%	23%	42%	54%	31%	14%	16%	19%
Conditional Probability of DEFLATION	2%	6%	9%	5%	8%	17%	7%	6%	28%	50%	56%	65%
<b>World</b>	R	R	R	R	R	R	I	I	D	D	D	D
Conditional Probability of GOLDILOCKS	2%	2%	2%	18%	37%	22%	13%	14%	24%	24%	25%	9%
Conditional Probability of REFLATION	95%	79%	93%	52%	40%	33%	27%	20%	10%	7%	5%	2%
Conditional Probability of INFLATION	3%	19%	5%	12%	27%	23%	41%	39%	19%	15%	11%	16%
Conditional Probability of DEFLATION	0%	0%	0%	8%	11%	18%	20%	27%	46%	54%	58%	74%



# What Tends To Outperform/Underperform In Each GRID Regime?

## GOLDILOCKS

### Top 5 Equity Style Factors

High Beta  
Small Caps  
Mega Cap Growth  
Cyclicals  
Mid Caps

### Bottom 5 Equity Style Factors

Low Beta  
Defensives  
Size  
Quality  
Dividends

### Top 5 Equity Sectors

Consumer Discretionary  
Financials  
Technology  
Materials  
Industrials

### Bottom 5 Equity Sectors

Utilities  
Communication Services  
Real Estate  
Consumer Staples  
Health Care

### Top 3 Fixed Income Sectors

BDCs  
Convertibles  
High Yield

### Bottom 3 Fixed Income Sectors

Long Bond  
0-5yr TIPS  
Treasury Belly

## REFLATION

### Top 5 Equity Style Factors

Mega Cap Growth  
High Beta  
Cyclicals  
Momentum  
Small Caps

### Bottom 5 Equity Style Factors

Low Beta  
Dividends  
Defensives  
Quality  
Large Caps

### Top 5 Equity Sectors

Technology  
Industrials  
Consumer Discretionary  
Financials  
Energy

### Bottom 5 Equity Sectors

Real Estate  
Consumer Staples  
Utilities  
Communication Services  
Health Care

### Top 3 Fixed Income Sectors

BDCs  
Convertibles  
High Yield

### Bottom 3 Fixed Income Sectors

Long Bond  
Treasury Belly  
Short Rates

## INFLATION

### Top 5 Equity Style Factors

Low Beta  
Mega Cap Growth  
Quality  
Dividends  
Defensives

### Bottom 5 Equity Style Factors

High Beta  
Small Caps  
Cyclicals  
Value  
Mid Caps

### Top 5 Equity Sectors

Utilities  
Health Care  
Real Estate  
Consumer Staples  
Communication Services

### Bottom 5 Equity Sectors

Energy  
Materials  
Financials  
Industrials  
Consumer Discretionary

### Top 3 Fixed Income Sectors

Long Bond  
EM \$ Debt  
5-10yr TIPS

### Bottom 3 Fixed Income Sectors

BDCs  
Convertibles  
EM Local Currency

## DEFLATION

### Top 5 Equity Style Factors

Dividends  
Low Beta  
Quality  
Defensives  
Growth

### Bottom 5 Equity Style Factors

High Beta  
Cyclicals  
Value  
Small Caps  
Mid Caps

### Top 5 Equity Sectors

Real Estate  
Health Care  
Consumer Staples  
Utilities  
Consumer Discretionary

### Bottom 5 Equity Sectors

Financials  
Industrials  
Technology  
Communication Services  
Energy

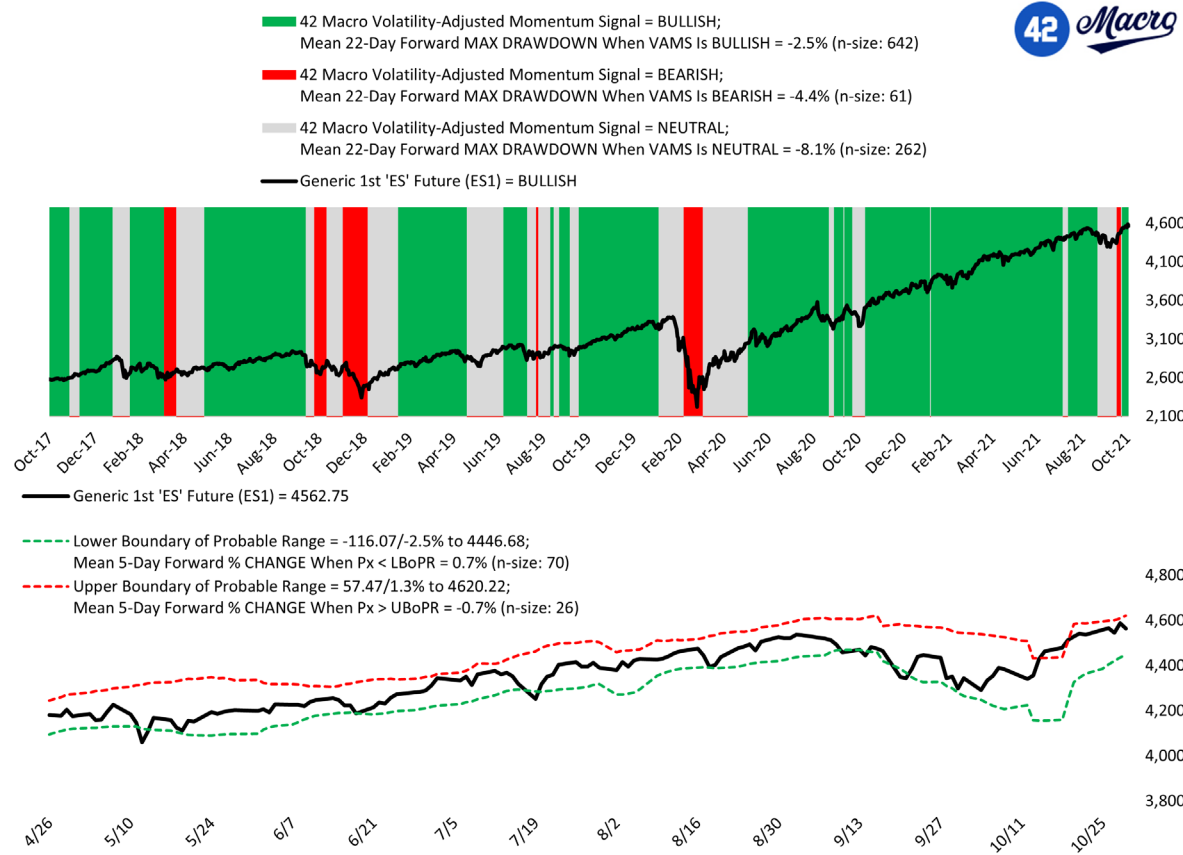
### Top 3 Fixed Income Sectors

Long Bond  
Treasury Belly  
IG Credit

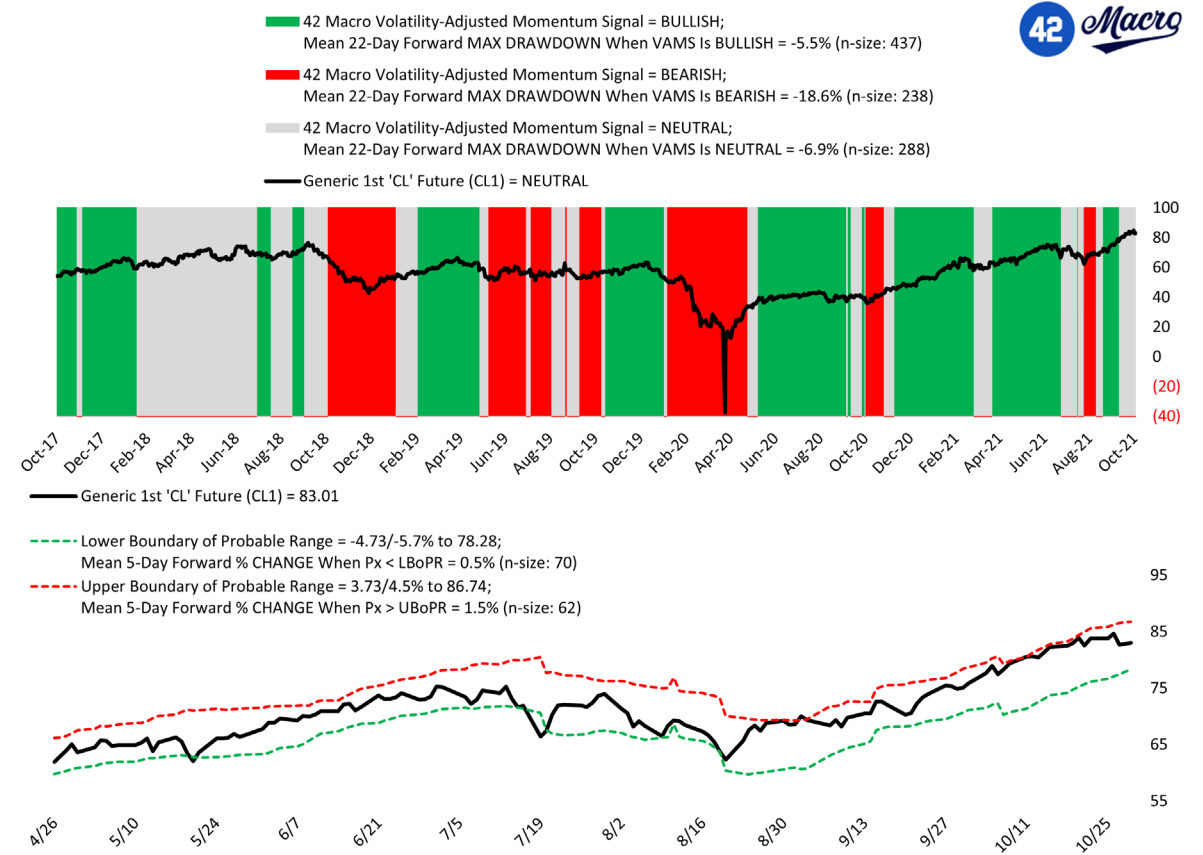
### Bottom 3 Fixed Income Sectors

Preferreds  
BDCs  
EM Local Currency

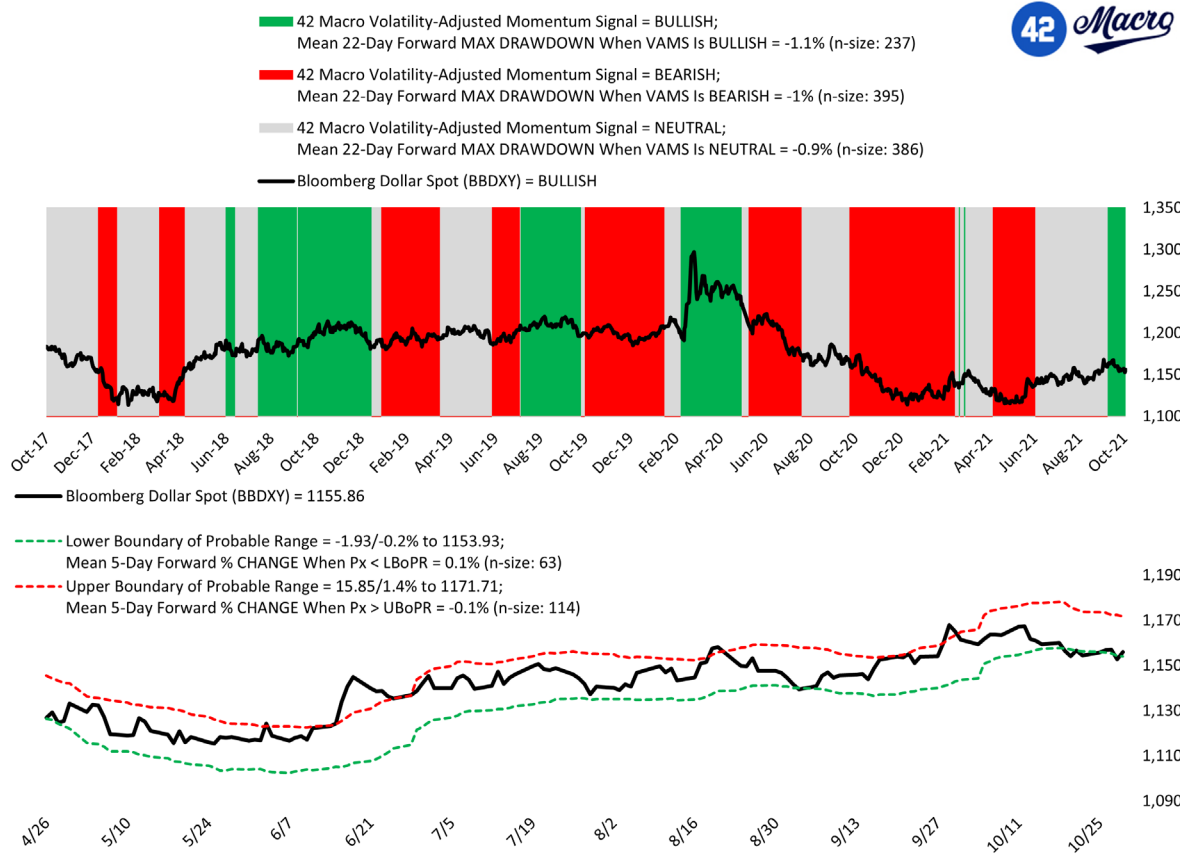
# S&P 500 VAMS & Probable Range Model



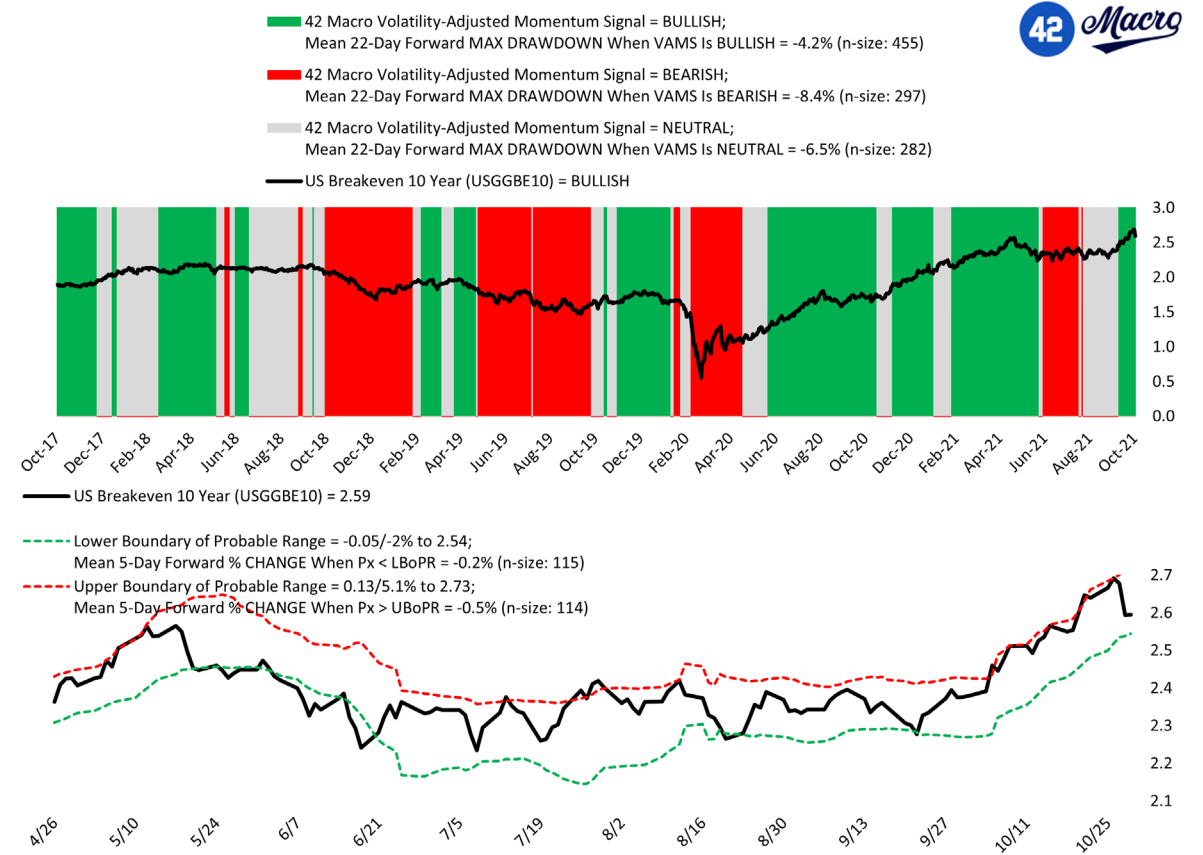
# WTI VAMS & Probable Range Model



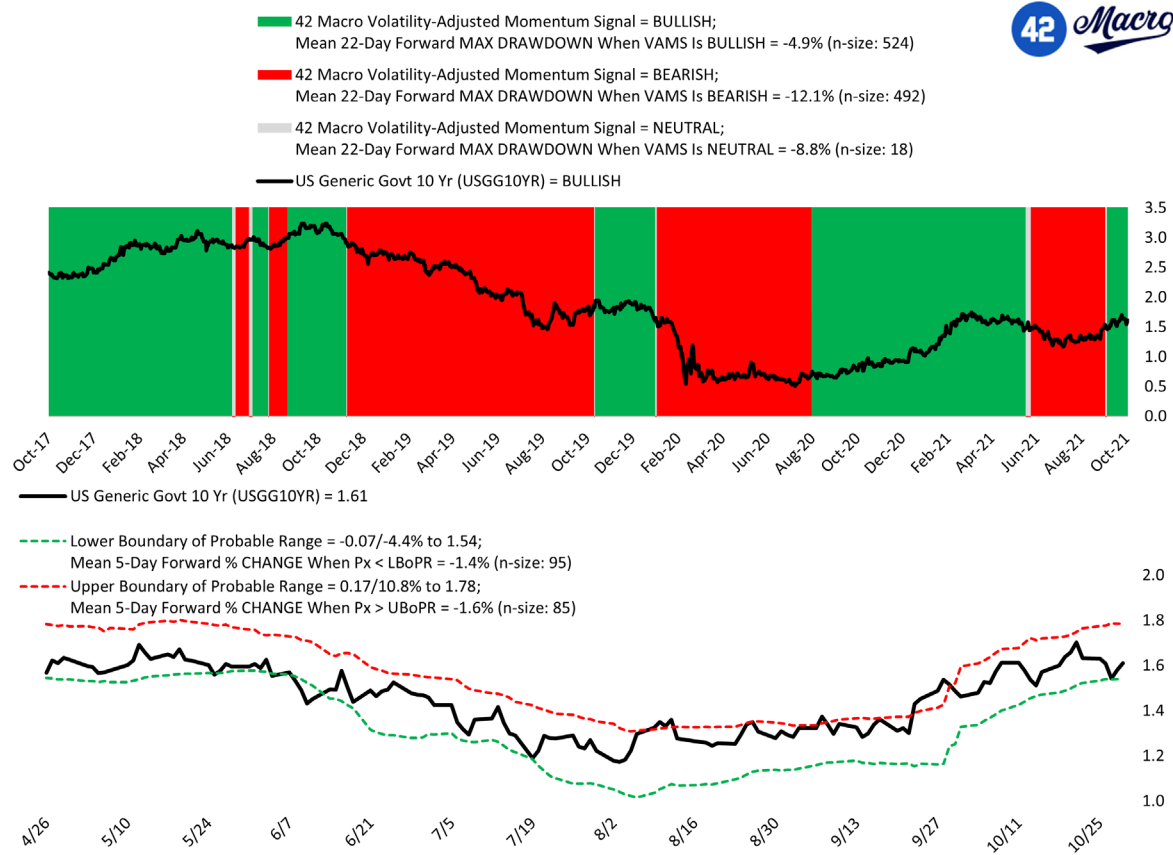
# Bloomberg US Dollar Index VAMS & Probable Range Model



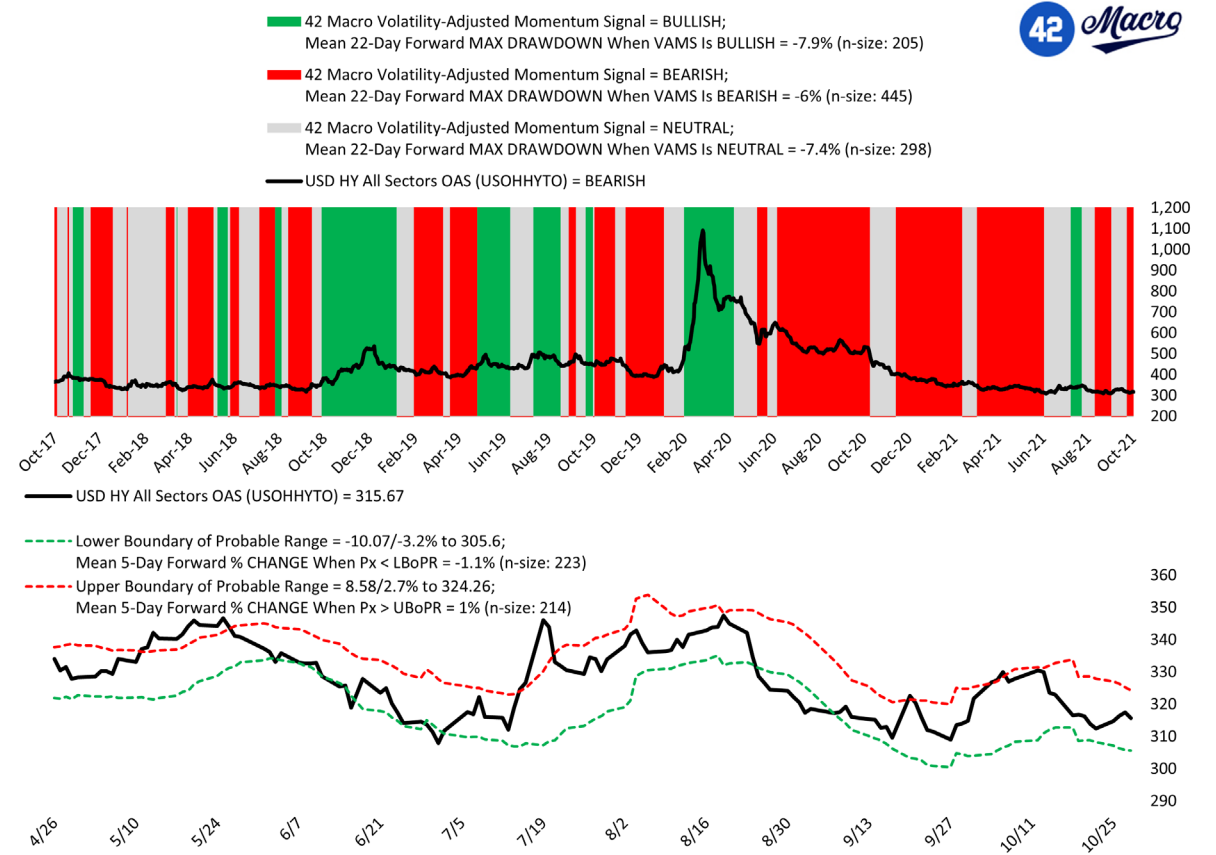
# 10yr TIPS Breakeven Rate VAMS & Probable Range Model



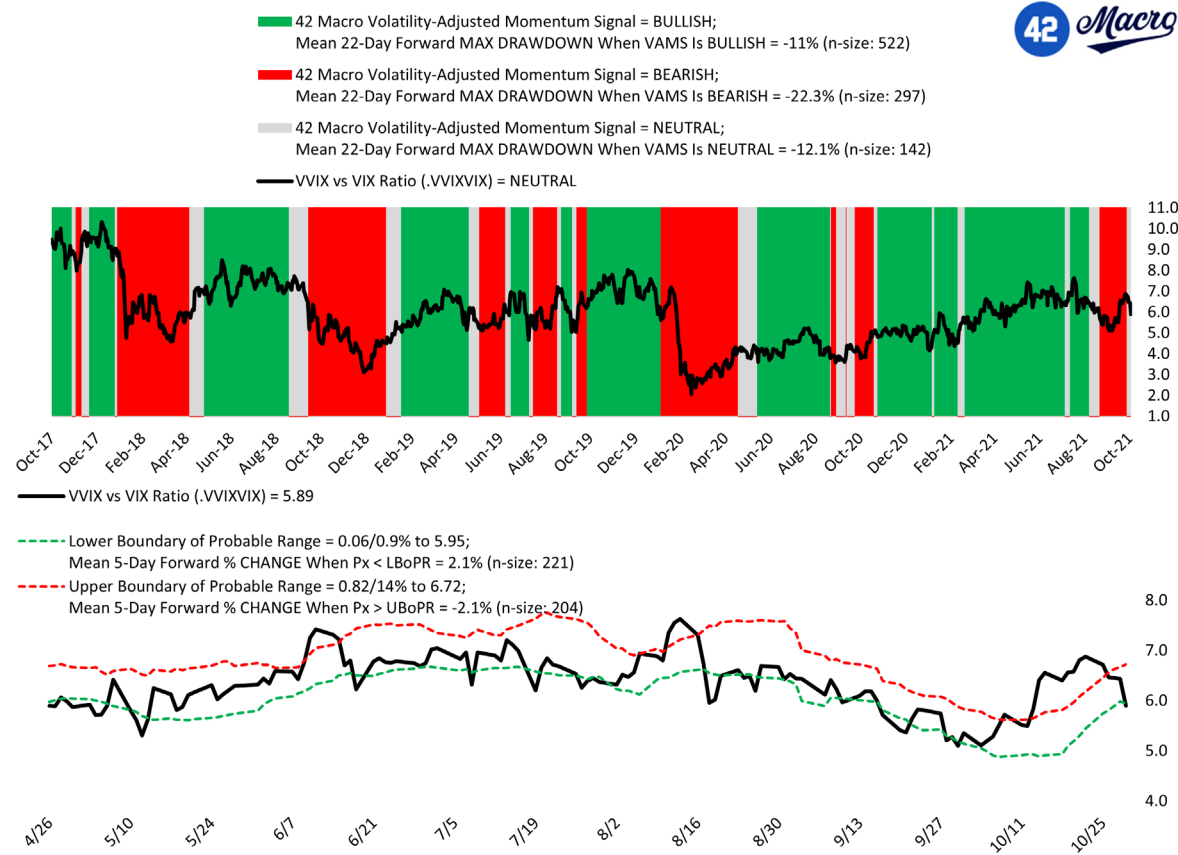
# 10yr Nominal Treasury Yield VAMS & Probable Range Model



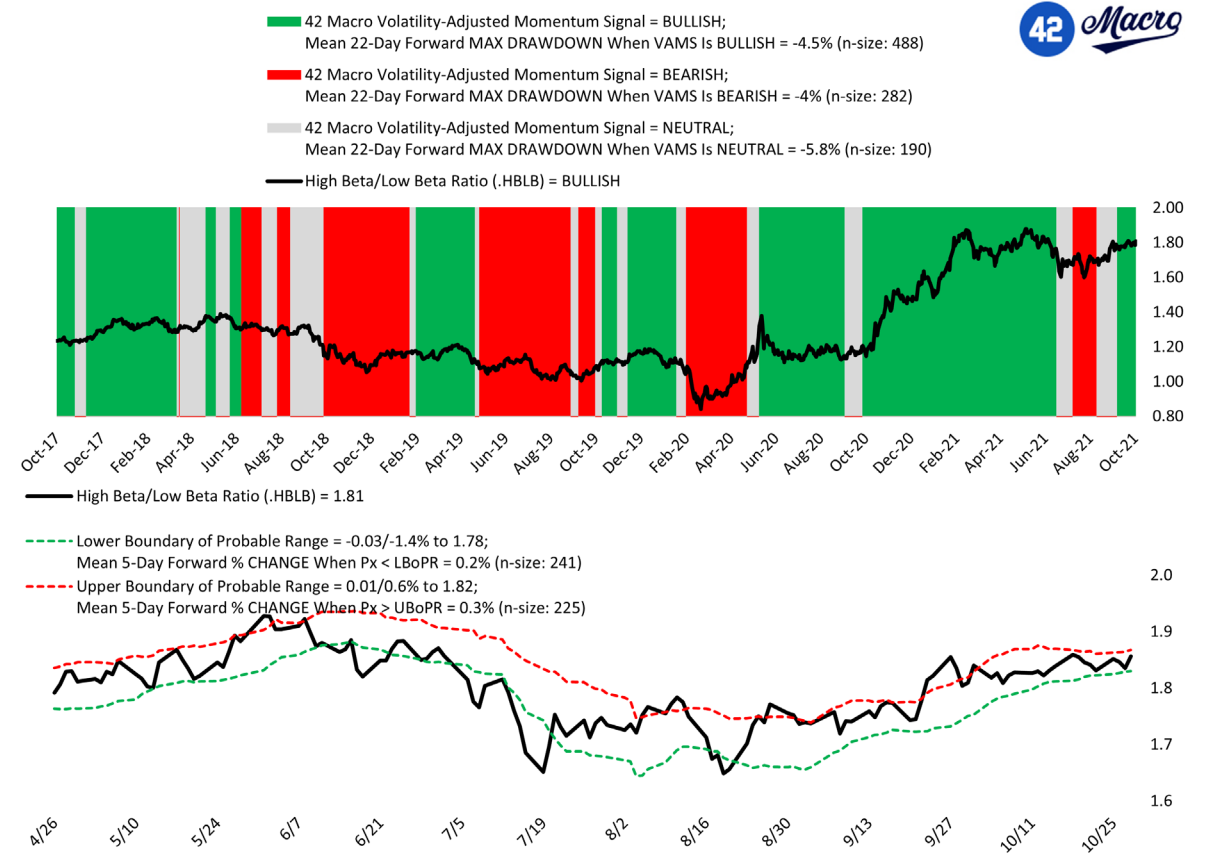
# USD High Yield OAS VAMS & Probable Range Model



# VVIX/VIX Ratio VAMS & Probable Range Model

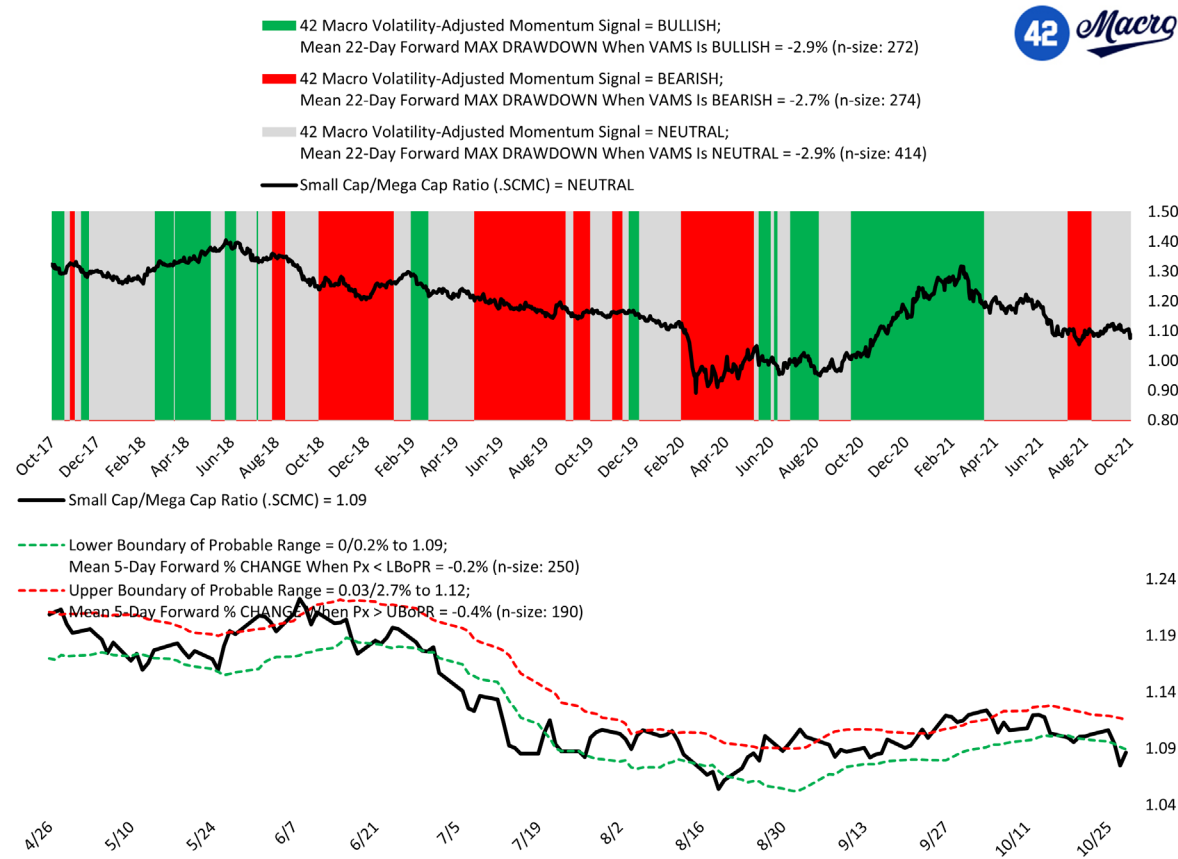


# High Beta/Low Beta Ratio VAMS & Probable Range Model

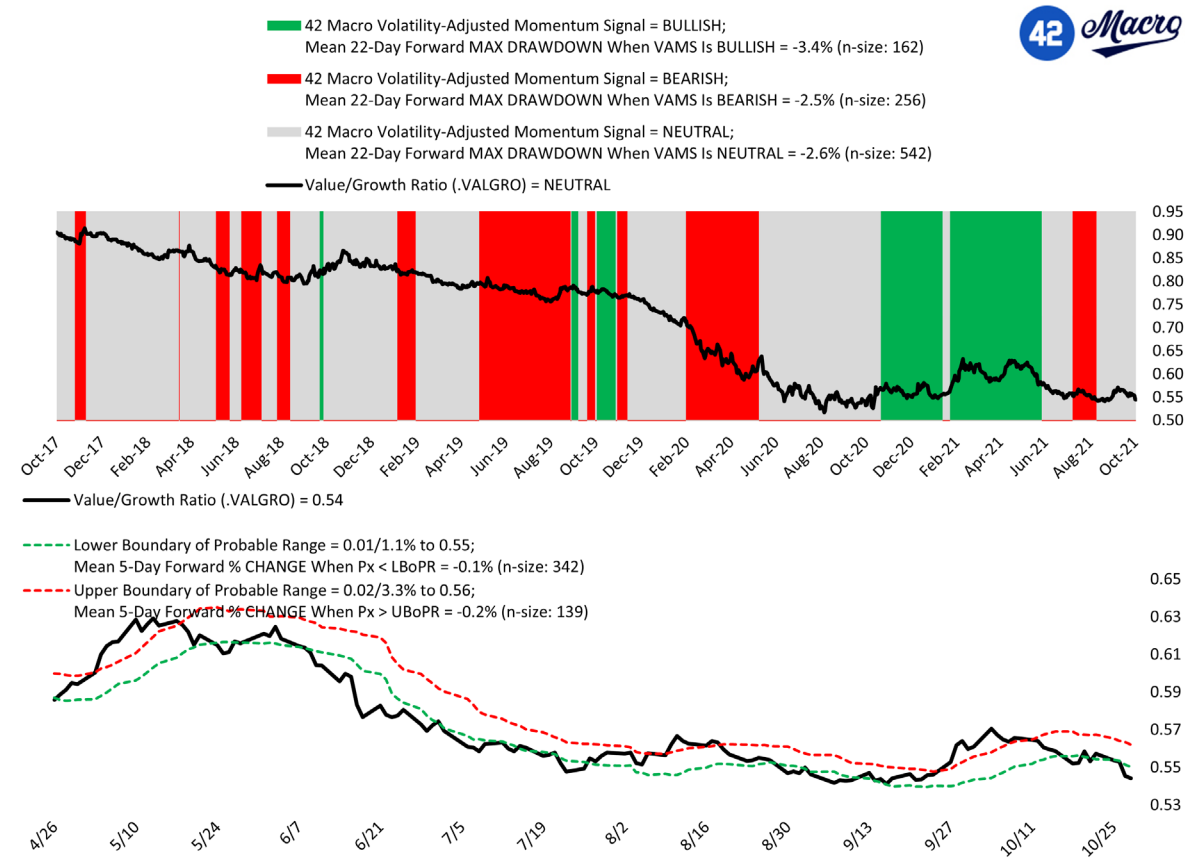




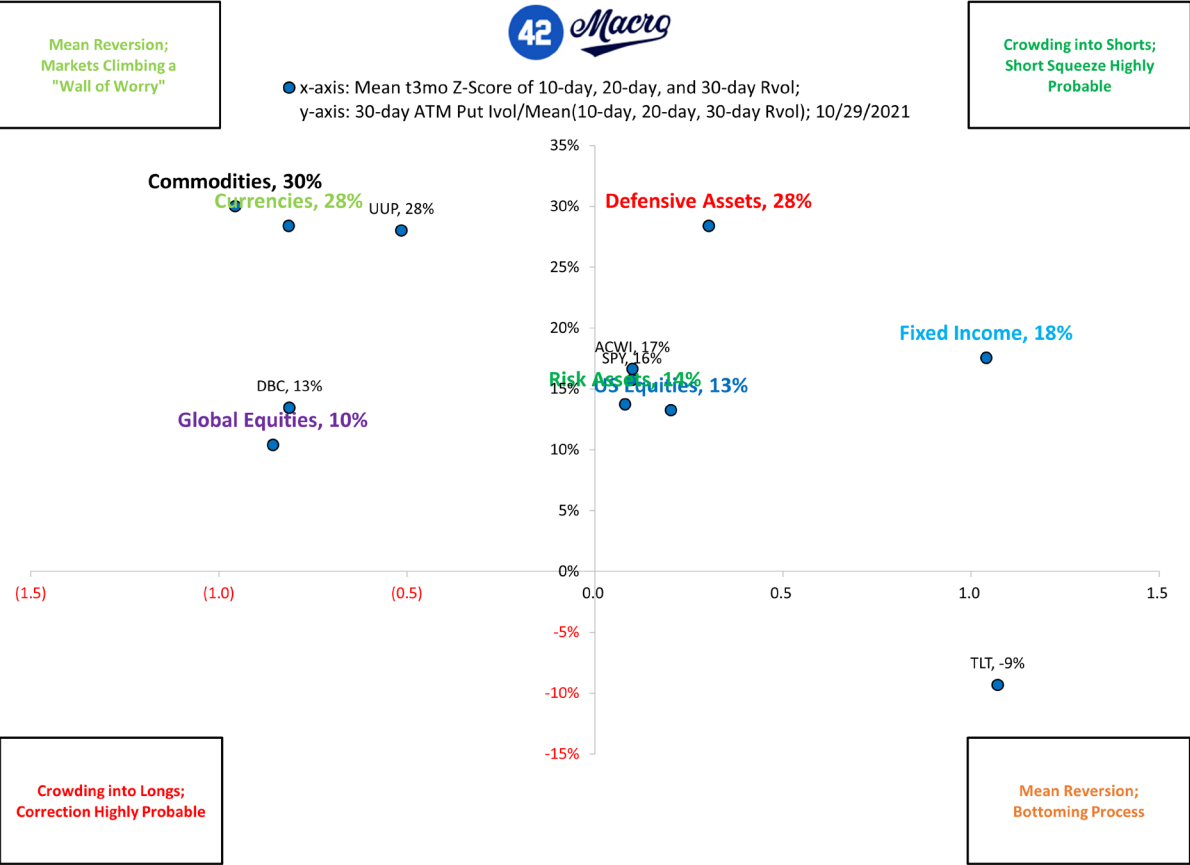
# Small Cap/Mega Cap Ratio VAMS & Probable Range Model



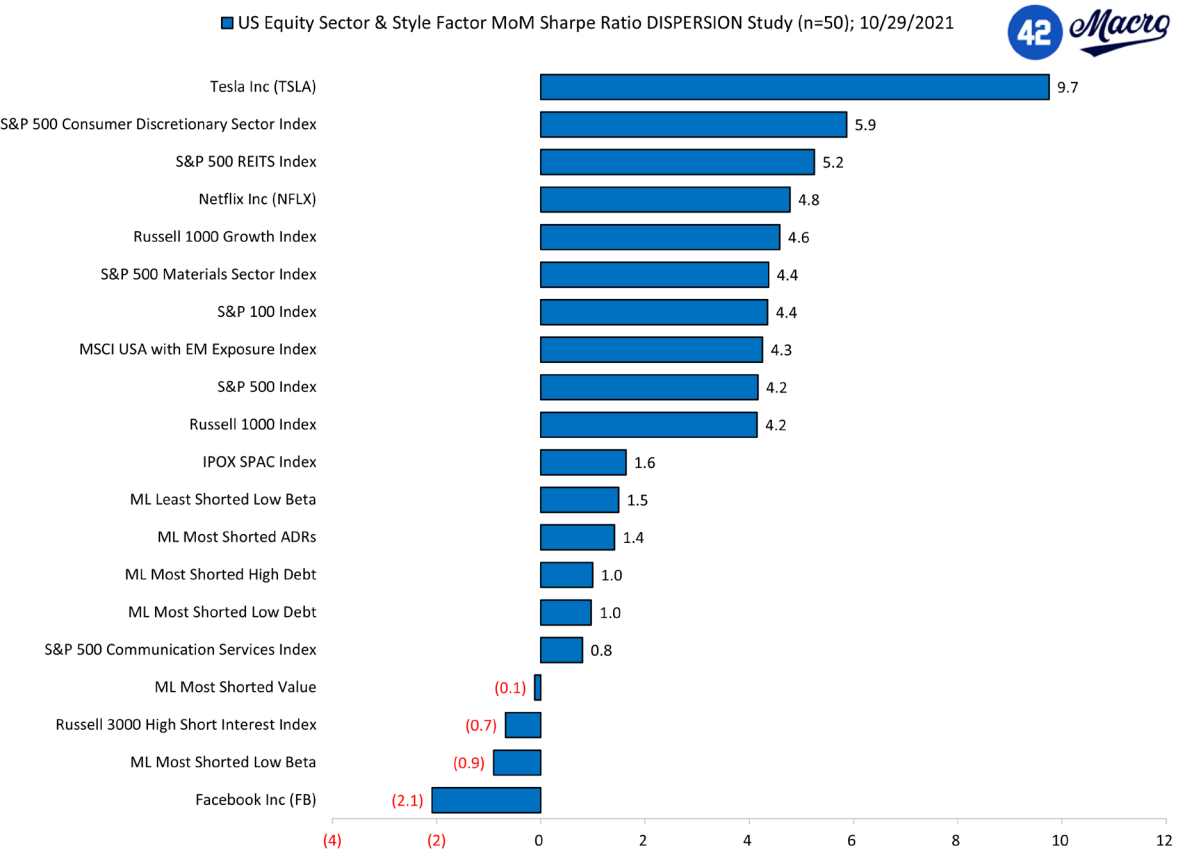
# Value/Growth Ratio VAMS & Probable Range Model



# CROWDING: Volatility Risk Premia



# DISPERSION: MoM Sharpe Ratios

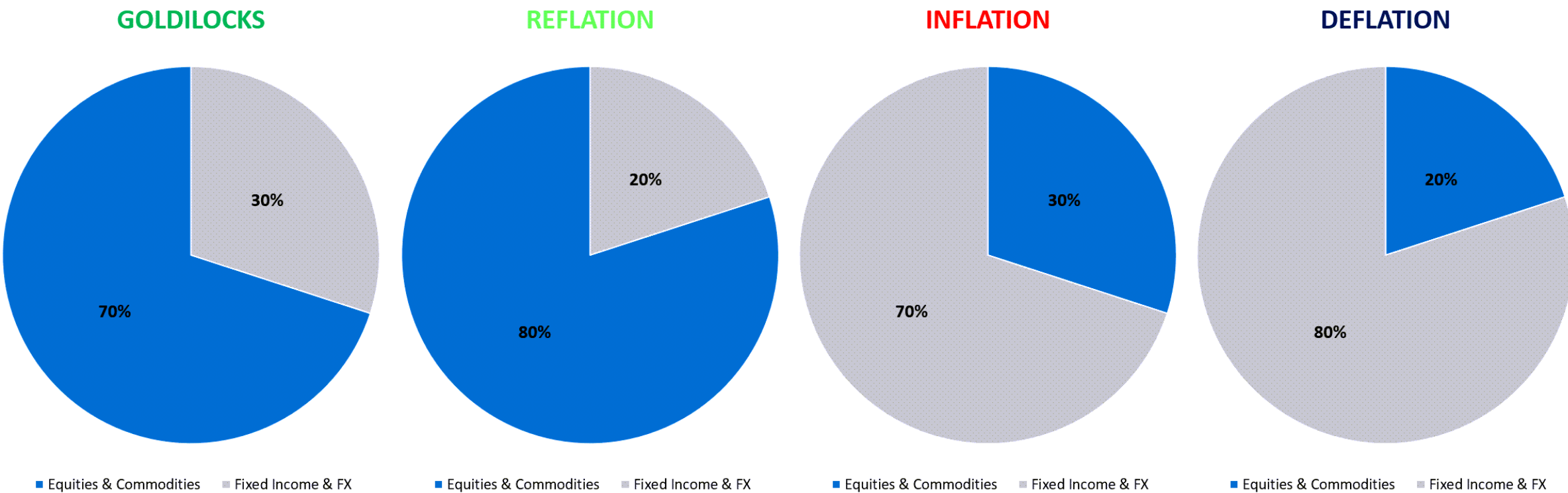


# POSITIONING: CFTC CoT Net Speculative Futures & Options Positions

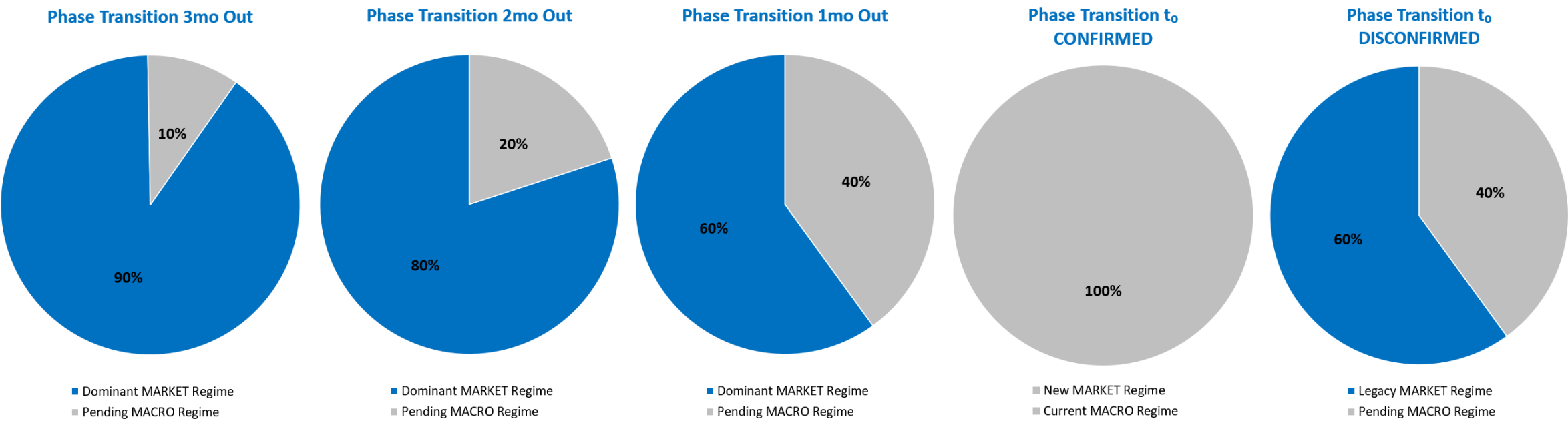
42 Macro CFTC CoT Crowding Analysis	Non- Commercial Net Length	3yr Z-Score	Mean 6mo Forward Performance <= -2σ	Mean 6mo Forward Performance ≥ +2σ	WoW Δ	1yr Z-Score	Mean 3wk Forward Performance <= -2σ	Mean 3wk Forward Performance ≥ +2σ	MoM Δ	1yr Z-Score	Mean 1mo Forward Performance <= -2σ	Mean 1mo Forward Performance ≥ +2σ	3mo Δ	3yr Z-Score	Mean 6mo Forward Performance <= -2σ	Mean 6mo Forward Performance ≥ +2σ
10yr	9,243	0.5	1.5%	-2.4%	(176,931)	(2.4)	-0.4%	0.3%	(99,246)	(0.9)	-0.3%	0.1%	(187,417)	(1.6)	0.5%	-0.4%
2yr	(132,600)	0.8	-0.1%	-0.1%	(92,808)	(1.5)	0.0%	0.0%	(103,738)	(1.0)	0.0%	-0.0%	(73,942)	(0.6)	0.0%	-0.1%
3mo Eurodollars	(389,189)	(0.7)	-0.1%	0.9%	(61,813)	(0.3)	0.0%	0.0%	(24,793)	0.2	0.0%	0.0%	(128,614)	(0.4)	-0.1%	-0.0%
5yr	(273,041)	(0.8)	0.0%		54,822	0.7	0.0%	0.1%	(157,690)	(1.2)	0.1%	-0.0%	(219,364)	(1.2)	-0.1%	0.7%
AUD	(74,528)	(1.7)	-0.9%	-2.8%	12,999	2.8	-0.2%	-0.1%	12,635	1.7	2.1%	0.2%	(35,604)	(1.4)	-0.8%	-1.0%
Bitcoin	(2,824)	(1.5)	100.5%	-14.5%	(1,405)	(3.2)	9.7%	1.8%	(1,822)	(3.2)	10.1%	6.5%	(1,728)	(2.5)	103.0%	38.6%
BRL	(658)	0.7	-12.6%	-13.0%	(285)	(0.2)	-0.9%	-0.6%	(6,430)	(0.8)	-1.7%	-2.8%	(22,128)	(1.1)	-14.7%	-15.0%
CAD	(6,355)	(0.0)	1.4%	-2.6%	17,289	2.3	0.9%	0.5%	19,729	1.1	0.4%	0.4%	(16,227)	(0.5)	1.1%	-2.7%
CHF	(18,406)	(1.0)	0.5%	2.0%	(3,715)	(1.0)	-0.5%	-1.9%	(8,194)	(0.9)	1.2%	-1.6%	(24,985)	(2.1)	0.4%	0.6%
Cocoa	15,518	(0.3)	-4.6%	8.2%	(17,683)	(2.1)	2.8%	-2.9%	(3,985)	(0.2)	3.8%	-1.7%	25,979	0.7	6.1%	-0.8%
Coffee	63,032	1.3	-3.5%	-6.3%	(1,678)	(0.4)	2.2%	-0.5%	10,466	0.6	3.3%	-0.5%	9,207	(0.1)	-6.7%	3.3%
Copper	40,619	0.8	-0.0%	6.0%	17,595	2.6	-0.3%	-0.4%	21,329	1.6	-1.2%	-3.1%	19,991	0.6	1.9%	-0.2%
Corn	285,986	0.6	1.0%	26.8%	(4,276)	(0.1)	-4.0%	1.6%	4,322	0.0	1.6%	0.9%	(17,109)	(0.2)	13.7%	-18.5%
Cotton	109,108	1.7	4.6%	-0.9%	(9,276)	(1.4)	0.4%	-1.5%	14,113	0.8	-0.8%	-1.1%	30,922	0.8	12.5%	5.7%
Dow Jones	3,663	(0.2)	10.8%	10.3%	7,968	1.5	-0.4%	0.2%	20,539	2.2	0.5%	2.8%	7,637	0.7	8.1%	8.1%
DX	35,922	1.3	-3.4%	1.2%	883	0.1	0.6%	0.3%	10,844	1.1	-0.3%	0.1%	23,697	1.9	1.3%	-2.8%
EUR	(11,401)	(0.4)	-2.3%	2.9%	7,685	0.9	-0.3%	-1.0%	(21,111)	(0.3)	1.0%	-0.9%	(59,958)	(0.9)	-4.6%	7.4%
GBP	3,554	0.5	0.3%	-4.8%	14,581	1.7	-0.8%	-1.7%	2,766	0.2	-1.3%	-0.8%	10,029	0.1	2.0%	3.5%
Gold	199,446	(0.3)	1.1%	-0.9%	8,123	0.5	1.7%	0.2%	4,461	0.3	2.7%	-0.5%	(9,781)	(0.3)	2.0%	1.2%
JPY	(112,950)	(2.0)	-3.1%	8.7%	(23,768)	(2.1)	1.0%	-0.8%	(56,614)	(1.9)	0.0%	-1.3%	(55,281)	(1.2)	0.2%	5.6%
Lean Hogs	76,532	0.8	-14.1%	11.7%	(7,961)	(1.6)	-0.5%	4.3%	1,755	(0.0)	-4.4%	7.1%	(12,943)	(0.7)	7.0%	-18.4%
Long Bond	(70,254)	0.4	-3.7%	-3.0%	13,541	0.6	0.7%	0.3%	26,444	0.6	-0.7%	1.6%	37,393	0.8	-5.5%	0.6%
MXN	(38,570)	(1.4)	-3.8%		990	0.3	-1.1%	-0.0%	(19,471)	(1.1)	1.7%	-0.6%	(10,088)	(0.1)	6.6%	-0.8%
NASDAQ	(2,140)	(0.4)	9.8%	6.5%	(1,278)	(0.1)	1.1%	-1.0%	(10,521)	(0.5)	3.1%	0.3%	(4,028)	(0.0)	13.0%	8.6%
Natural Gas	(132,125)	(0.6)	-13.3%	-8.7%	(836)	0.2	2.7%	2.7%	7,487	1.0	7.4%	-1.6%	(6,784)	0.0	-1.8%	11.6%
NZD	6,372	0.8	0.8%	-2.8%	(2,356)	(1.0)	-0.7%	0.5%	(1,728)	(0.4)	-1.0%	-1.2%	3,486	0.1	2.6%	-1.5%
Platinum	16,164	(0.5)	-1.5%	-8.9%	4,253	1.3	-1.2%	0.4%	14,543	2.2	-1.2%	-0.4%	3,689	0.1	0.2%	-4.3%
Russell 2000	(59,280)	(1.3)	3.6%	-8.1%	(10,418)	(1.0)	-8.4%	3.8%	7,575	0.9	5.3%	2.9%	(3,937)	(0.0)	-0.9%	
S&P 400	6,649	(0.2)	20.9%	10.2%	108	0.1	1.3%	1.5%	(2,696)	(1.7)	4.8%	1.1%	(1,037)	(0.0)	10.4%	11.6%
S&P 500	66,525	0.7	12.0%	7.9%	(28,174)	(0.9)	1.3%	2.1%	16,842	0.3	3.7%	3.1%	34,407	0.3	12.4%	9.7%
Silver	30,162	(0.4)	-1.6%	-1.6%	13,972	2.8	-0.1%	1.1%	17,082	2.0	4.8%	-2.5%	(4,679)	(0.2)	-3.2%	-14.9%
Soybeans	36,474	(0.3)	-6.1%	17.6%	(2,676)	0.1	2.1%	0.7%	(12,694)	0.2	4.6%	-1.7%	(63,224)	(0.9)	-2.0%	-1.1%
Sugar	203,658	0.7	-6.0%	7.8%	(38,378)	(2.0)	-1.6%	1.5%	(45,461)	(1.1)	0.6%	-3.2%	(34,241)	(0.5)	-2.7%	-8.0%
VIX	(86,768)	0.1			(13,199)	(1.2)		-16.8%	(24,841)	(1.1)		-6.2%	(36,030)	(0.5)		
Wheat	(18,056)	(1.0)	-4.4%	-10.4%	(6,707)	(0.6)	-0.0%	0.8%	(17,235)	(0.7)	0.0%	-1.9%	(38,527)	(0.9)		-12.4%
WTI	506,352	0.3	53.7%	-1.7%	19,182	1.1	-1.5%	13.1%	75,336	1.9	0.6%	20.9%	(13,763)	(0.0)	-24.1%	0.9%

Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Trailing 10yr backtests performed on the underlying front-month futures contract for each exposure.

# 42 Macro Dynamic Asset Allocation Framework



# 42 Macro Portfolio Construction Process

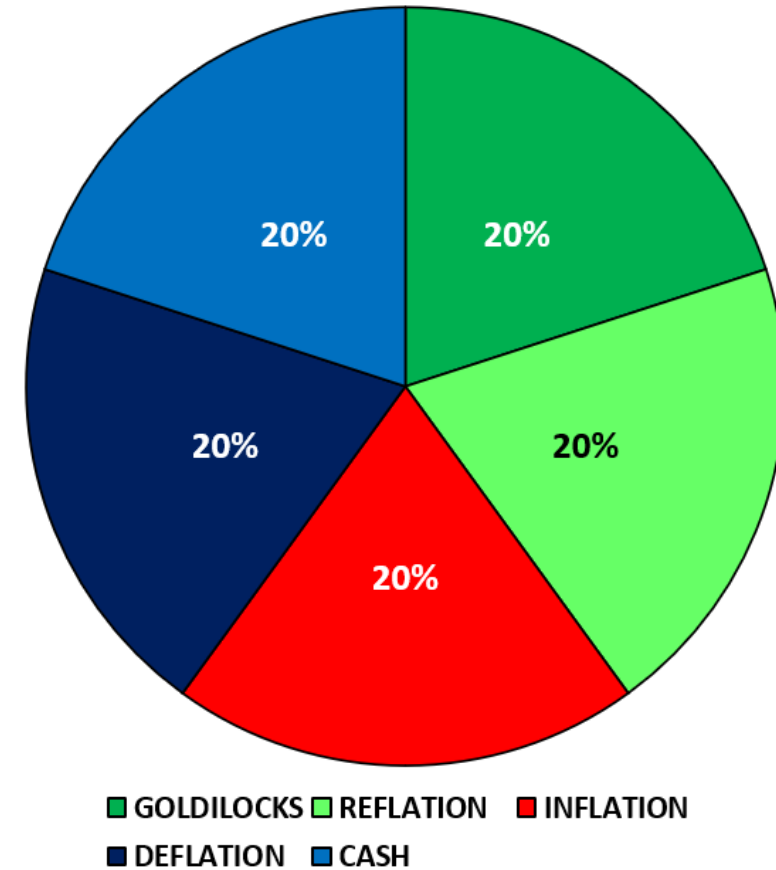




# Our Current Portfolio Construction

Oct-21	TARGET ALLOCATIONS	GOLDILOCKS	REFLATION	INFLATION	DEFLATION	CASH
		20%	20%	20%	20%	20%
Ticker	Equity & Commodity Exposures	8%	20%	20%	8%	n/a
BNO	United States Brent Oil Fund LP		4.0%			
DEF	Invesco Defensive Equity ETF				4.0%	
ETHE	Grayscale Ethereum Trust			4.0%		
EUSA	iShares MSCI USA Equal Weighted ETF		4.0%			
EZU	iShares MSCI Eurozone ETF	4.0%				
GBTC	Grayscale Bitcoin Trust BTC			4.0%		
MGK	Vanguard Mega Cap Growth ETF				4.0%	
QQQ	Invesco QQQ Trust Series 1	4.0%				
RSP	Invesco S&P 500 Equal Weight ETF		4.0%			
UGA	United States Gasoline Fund LP			4.0%		
UNG	United States Natural Gas Fund LP			4.0%		
URNM	North Shore Global Uranium Mining ETF			4.0%		
USO	United States Oil Fund LP		4.0%			
VTI	Vanguard Total Stock Market ETF		4.0%			
Ticker	Fixed Income & FX Exposures	12%	0%	0%	12%	n/a
EDV	Vanguard Extended Duration Treasury ETF				4.0%	
HYG	iShares iBoxx High Yield Corporate Bond ETF	4.0%				
JNK	SPDR Bloomberg Barclays High Yield Bond ETF	4.0%				
TIP	iShares TIPS Bond ETF	4.0%				
TLT	iShares 20+ Year Treasury Bond ETF				4.0%	
UUP	Invesco DB US Dollar Index Bullish Fund				4.0%	

42 Macro Portfolio Construction:  
October 2021



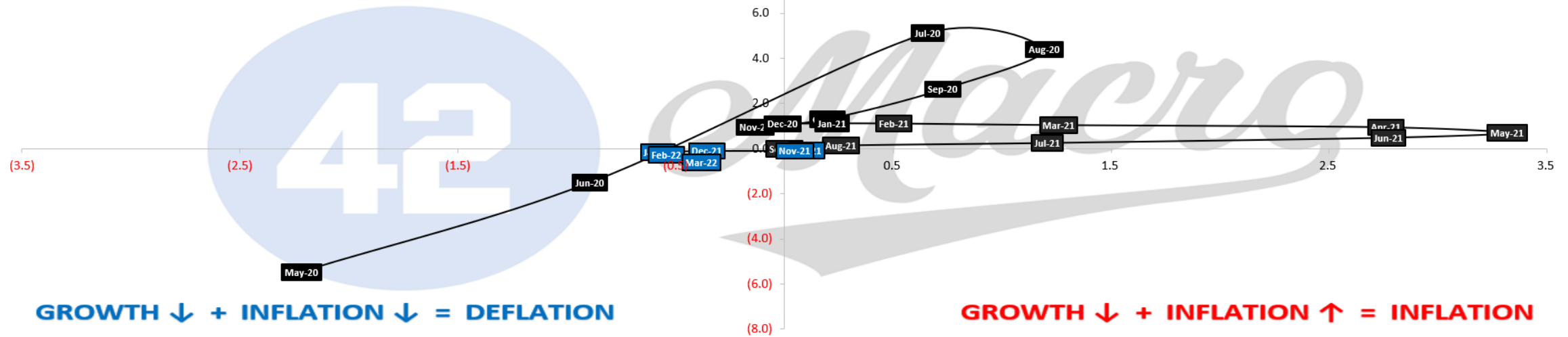
# US GRID Outlook: Welcome To “GRID 0”

United States		Actuals																			Projections											
42 Macro GRID Framework		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Macro Regime		D	D	D	D	R	R	R	R	G	G	R	R	R	R	R	R	R	R	D	I	I	D	D	D	D	D	D	D	D	D	D
Conditional Probability of GOLDILOCKS		5%	2%	2%	2%	27%	4%	9%	32%	50%	53%	27%	19%	9%	2%	2%	2%	7%	24%	27%	17%	17%	28%	28%	21%	5%	5%	6%	20%	32%	33%	31%
Conditional Probability of REFLATION		1%	0%	0%	0%	71%	93%	88%	65%	43%	42%	70%	73%	88%	95%	91%	89%	74%	35%	15%	23%	21%	11%	6%	5%	2%	1%	1%	1%	3%	6%	18%
Conditional Probability of INFLATION		18%	2%	2%	4%	2%	2%	2%	2%	3%	2%	2%	7%	2%	2%	7%	9%	17%	25%	20%	35%	34%	17%	12%	14%	24%	20%	13%	5%	6%	9%	19%
Conditional Probability of DEFLATION		76%	95%	95%	94%	1%	0%	0%	1%	3%	3%	1%	2%	0%	0%	0%	0%	2%	17%	37%	26%	28%	44%	54%	59%	70%	74%	80%	73%	58%	52%	32%
OECD CLI (Real GDP YoY Proxy)		96.8	91.8	93.2	95.3	96.9	97.6	97.9	98.2	98.6	99.0	99.3	99.7	100.0	100.3	100.4	100.5	100.5	100.5	100.5	100.4	100.4	100.4	100.3	100.1	99.8	99.6	99.6	99.5	99.5	99.4	99.5
3mo Δ		-2.1	-7.1	-5.5	-1.5	5.1	4.4	2.6	1.3	0.9	1.1	1.1	1.1	1.0	0.9	0.7	0.5	0.2	0.1	0.0	-0.1	-0.1	-0.1	-0.2	-0.3	-0.6	-0.7	-0.6	-0.3	-0.1	-0.1	0.0
Headline CPI YoY		1.5	0.3	0.1	0.6	1.0	1.3	1.4	1.2	1.2	1.4	1.4	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4	5.5	5.3	5.0	4.9	4.8	4.7	4.4	4.1	3.7	3.6	3.5	3.5
3mo Δ		-0.7	-2.2	-2.2	-0.9	0.7	1.2	0.7	0.2	-0.1	0.0	0.2	0.5	1.3	2.8	3.3	2.8	1.2	0.3	0.0	0.1	0.0	-0.4	-0.6	-0.5	-0.4	-0.5	-0.7	-1.0	-0.8	-0.6	-0.2

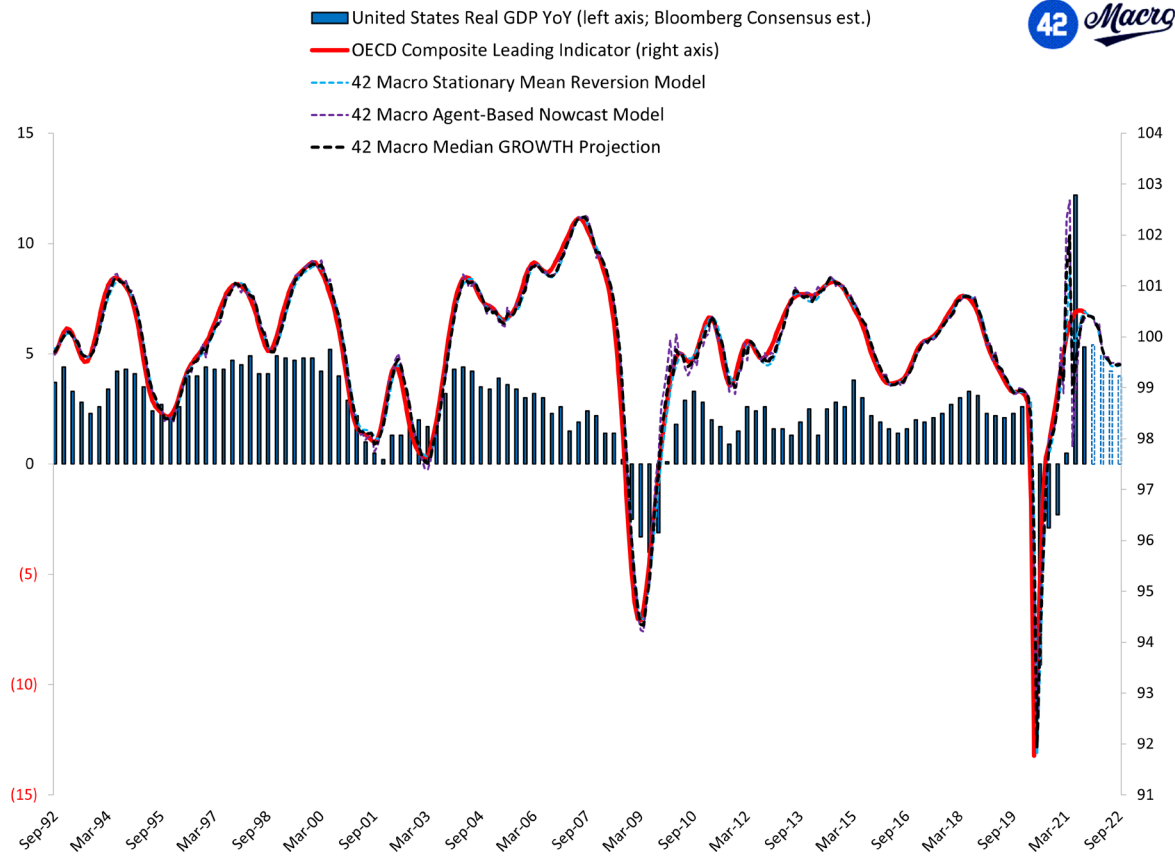
— x-axis: 3mo Δ of Headline CPI YoY; y-axis: 3mo Δ of OECD CLI (Real GDP YoY Proxy)

GROWTH ↑ + INFLATION ↓ = GOLDILOCKS

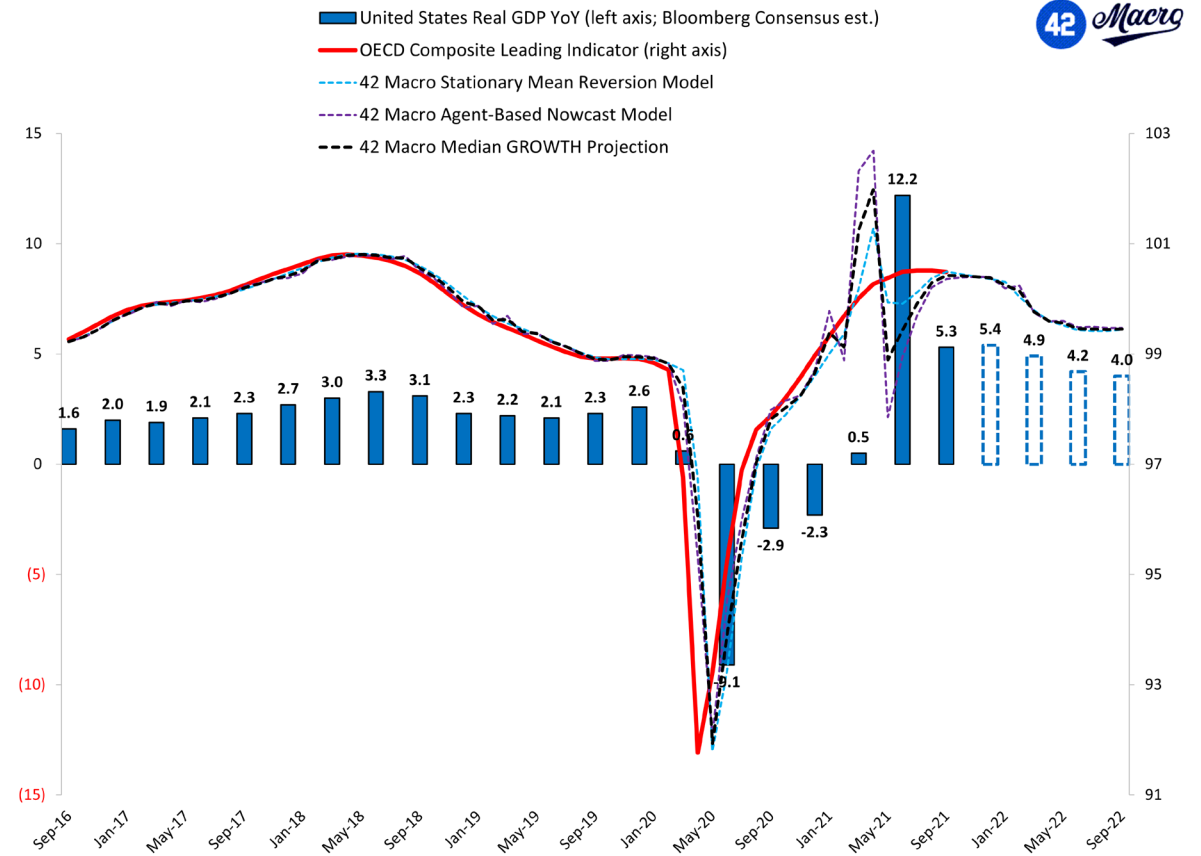
GROWTH ↑ + INFLATION ↑ = REFLATION



# US GROWTH: Secular View



# US GROWTH: Cyclical View

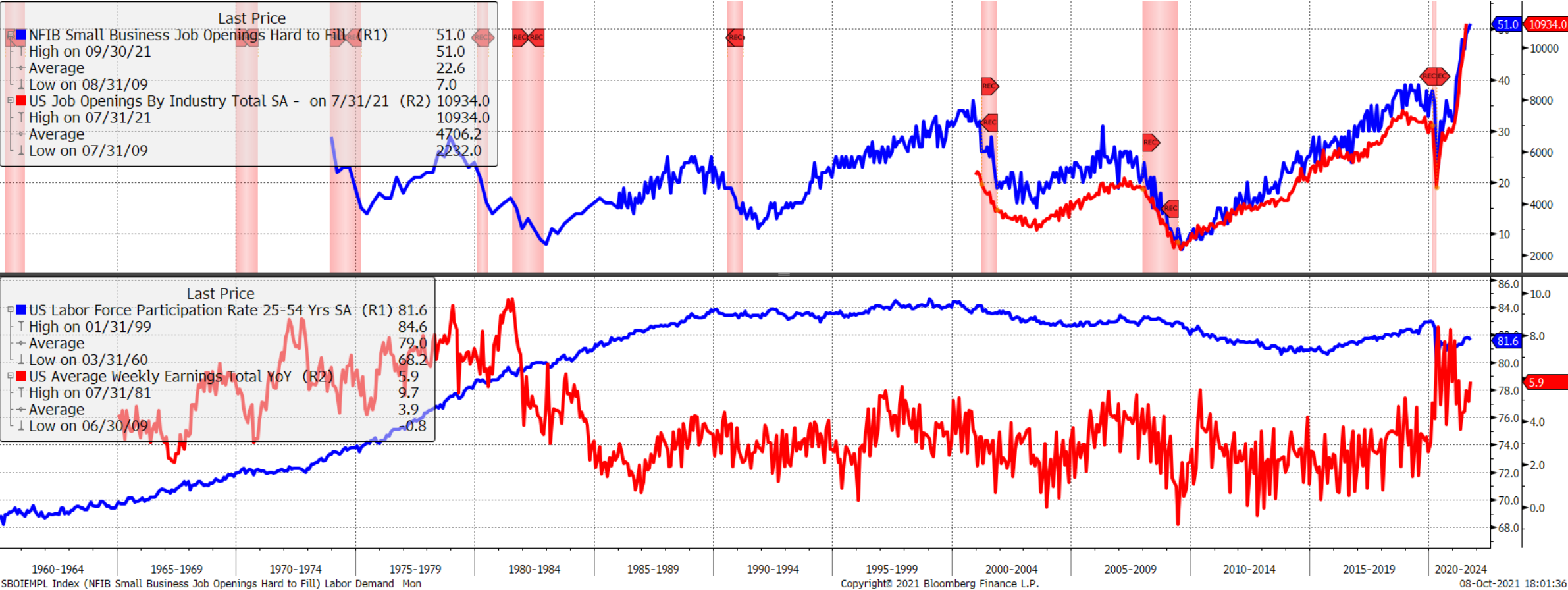


# US GROWTH Agent-Based Nowcast Model

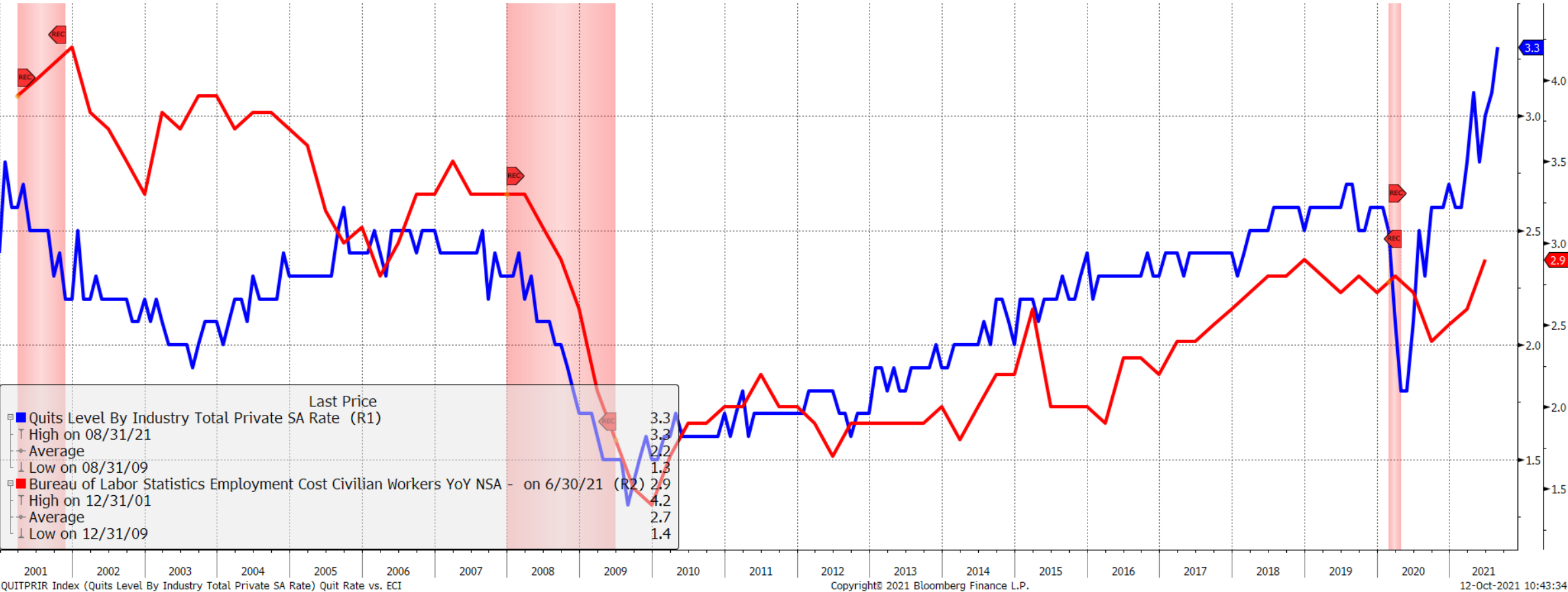
United States		42 Macro Agent-Based Nowcast GROWTH Model Features																															
		Ir-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	
USA OECD Leading Indicators CLI Amplitude Adjusted SA		99.5	99.4	99.2	99.1	99.0	99.0	98.9	98.9	98.9	98.8	98.7	96.8	91.8	93.2	95.3	96.9	97.6	97.9	98.2	98.6	99.0	99.3	99.7	100.0	100.3	100.4	100.5	100.5	100.5	100.5	100.5	100.5
US Industrial Production YOY SA (6%)		0.6	-1.1	-0.1	-0.9	-1.4	-1.4	-1.8	-2.4	-1.9	-2.2	-2.1	-1.4	-5.3	-17.7	-16.2	-11.0	-7.0	-6.6	-6.6	-4.8	-4.7	-3.3	-1.7	-4.9	1.8	17.9	16.4	10.2	6.9	5.7	4.6	
US Trade Balance of Exports YOY SA (4%)		0.3	-1.4	-1.0	-1.5	-0.2	-0.3	-1.9	-1.7	-0.3	1.0	-1.9	-2.5	-12.3	-28.6	-31.7	-24.6	-19.2	-17.2	-14.7	-13.0	-11.7	-9.1	-5.2	-7.0	9.3	37.8	42.9	32.3	24.5	22.6		
Retail Sales Less Food Services Auto Dealers & Building Mat& Gas Station SA YoY (4%)		3.6	3.5	3.1	4.5	4.4	4.7	4.1	3.8	2.4	6.0	3.9	4.4	6.3	-7.1	1.8	7.2	8.5	8.5	10.6	10.2	9.3	6.0	14.1	10.2	16.3	31.7	18.3	13.5	9.5	12.2	11.5	
ISM Manufacturing PMI SA (6%)		55.3	53.6	52.2	51.3	51.0	48.4	48.3	48.3	48.2	47.7	51.1	50.3	49.7	41.7	43.1	52.2	53.7	55.6	55.7	58.8	57.3	60.5	58.7	60.8	64.7	60.7	61.2	60.6	59.5	59.9	61.1	
ISM Services PMI (7%)		57.0	55.6	56.2	55.0	54.2	55.8	52.9	54.6	53.9	55.6	55.9	56.7	53.6	41.6	45.4	56.5	56.6	57.2	57.2	56.2	56.8	57.7	58.7	55.3	63.7	62.7	64.0	60.1	64.1	61.7	61.9	
USA Business Tendency Manufacturing Confidence Composite OECD Normalisd SA (4%)		100.2	100.0	99.8	99.6	99.4	99.1	98.8	98.8	98.8	98.9	99.1	99.0	98.5	98.0	98.3	99.2	100.0	100.5	100.8	101.1	101.3	101.5	101.6	101.9	102.1	102.0	101.9	101.7	101.6	101.6	101.8	
USA Consumer Opinion Confidence Composite OECD Normalised SA (3%)		101.4	101.5	101.6	101.5	101.3	100.9	100.9	101.2	101.5	101.7	101.7	101.2	100.1	98.9	98.3	98.3	98.3	98.5	98.9	99.0	99.0	99.0	99.2	99.6	99.9	99.8	99.6	99.0	98.3	97.7		
US Employees on Nonfarm Payrolls Total SA (6%)		1.4	1.4	1.3	1.2	1.3	1.2	1.3	1.3	1.4	1.3	1.4	1.6	0.4	-13.5	-11.7	-8.5	-7.5	-6.6	-6.3	-5.9	-5.9	-6.2	-6.2	-6.1	-4.5	10.9	9.0	5.8	5.3	4.4	4.0	
US Employees on Nonfarm Payrolls Total Private SA (6%)		1.5	1.5	1.4	1.4	1.4	1.3	1.4	1.4	1.5	1.4	1.4	1.6	0.3	-15.3	-12.7	-9.1	-8.0	-7.3	-6.7	-6.1	-6.0	-6.3	-6.4	-6.1	-4.3	13.3	10.4	6.5	5.9	5.2	4.6	
US Avg Weekly Hours Nonfarm Total Private Production and Nonsupervisory SA (0%)		0.0	-0.3	-0.6	-0.6	-0.6	-0.6	-0.3	-0.3	-0.6	-0.6	-0.6	0.3	-0.9	-0.6	1.5	0.9	1.2	1.2	1.5	1.8	2.1	2.1	2.4	0.9	3.0	2.4	0.6	0.6	0.6	0.3	0.3	
Average Weekly Earnings Total (1%)		3.6	1.4	3.0	4.7	1.5	3.4	3.4	3.1	3.3	2.6	3.0	4.8	4.1	7.5	8.4	4.8	6.1	7.7	3.9	6.7	8.3	5.9	7.8	4.8	5.9	3.6	4.4	4.5	5.4	4.9	5.9	
US Job Openings By Industry Total SA (2%)		7.3	5.0	4.2	-1.5	-1.0	-0.7	-3.4	0.6	-8.7	-9.5	-4.3	-0.7	-21.3	-36.2	-25.2	-14.7	-5.9	-9.8	-6.9	-6.4	-2.2	0.3	-0.8	7.3	43.7	98.6	74.1	66.6	65.2	61.8		
Bureau of Labor Statistics Employment Diffusion Nonfarm Payrolls +1 Month SA (2%)		55.8	59.7	53.7	58.6	55.3	54.7	58.0	55.3	67.1	55.3	58.2	55.1	12.5	4.5	63.2	76.1	61.9	69.1	70.6	70.4	64.4	61.7	50.4	61.7	73.0	60.9	64.0	69.8	70.0	66.9	61.7	
US Personal Consumption Expenditures Chained 2012 Dollars SAAR (6%)		2.3	2.1	2.1	2.2	2.2	2.2	2.4	2.0	1.9	2.8	2.8	2.8	-4.7	-16.4	-9.6	-4.6	-3.5	-3.1	-1.9	-1.6	-2.4	-3.3	-0.8	-2.2	9.6	25.4	15.1	9.3	7.3	7.0		
Real Personal Consumption Expenditures of Goods (5%)		3.3	3.3	2.8	3.8	3.7	3.8	3.9	3.4	2.5	5.2	4.1	4.2	2.0	-10.8	1.3	6.7	8.0	7.3	9.5	9.6	7.9	5.5	12.8	9.1	21.1	37.3	17.1	11.2	6.6	7.3		
US Personal Consumption Expenditures Services Chained 2012 Dollars SAAR (6%)		1.8	1.6	1.8	1.5	1.5	1.5	1.7	1.4	1.7	1.8	2.2	2.1	-7.6	-18.9	-14.4	-9.5	-8.5	-7.7	-7.0	-6.6	-7.1	-7.2	-6.8	-7.2	4.1	19.7	14.0	8.4	7.7	6.9		
US Disposable Personal Income Chained 2012 Dollars SA (1%)		3.0	2.4	2.1	1.9	1.6	1.8	2.1	2.0	2.3	0.8	1.8	2.2	0.8	17.0	11.3	9.3	9.8	5.3	5.6	5.0	3.2	3.7	13.4	3.2	28.8	-6.2	-4.5	-3.4	-3.2	0.2		
Adjusted Retail & Food Services Sales Total SA (4%)		3.4	3.5	2.6	3.3	3.3	4.0	3.6	3.0	3.1	5.5	4.8	4.6	-5.9	-20.0	-5.8	2.0	2.7	3.1	5.8	5.6	3.8	2.3	9.4	6.5	29.7	53.4	28.0	18.9	15.3	15.4	13.9	
MBA US Purchase Index SA (1%)		9.6	0.5	4.3	9.7	6.3	4.8	9.6	9.9	7.8	16.7	6.6	7.6	-23.5	-19.8	16.9	14.6	18.9	27.6	21.6	21.8	27.3	24.7	17.9	1.5	40.4	32.0	-11.7	-17.3	-17.7	-16.3	-12.6	
US Auto Sales Total Annualized SAAR (2%)		0.6	-3.9	2.9	-0.5	0.8	2.2	-1.2	-5.4	-1.8	-4.6	1.4	1.6	-35.0	-47.7	-29.4	-24.6	-13.7	-10.5	-4.9	-2.1	-9.0	-2.6	-1.2	-6.9	56.1	115.7	39.1	17.7	1.6	-14.0	-25.5	
US Capacity Utilization % of Total Capacity SA (6%)		-0.8	-2.5	-1.6	-2.5	-3.0	-3.0	-3.3	-3.9	-3.2	-3.4	-3.2	-2.3	-6.0	-18.2	-16.6	-11.3	-7.2	-6.7	-6.6	-4.7	-4.6	-3.2	-1.5	-4.7	1.9	17.9	16.4	10.1	6.8	5.5	4.4	
US Manufacturers New Orders Total SA (4%)		2.3	1.6	-2.4	-2.3	0.6	-3.5	-3.1	-0.9	-0.6	-0.7	-5.4	-4.3	-18.6	-26.5	-20.5	-13.8	-10.0	-7.7	-6.7	-6.8	-2.1	-2.0	3.2	4.0	21.2	34.7	31.2	22.4	16.3	16.0		
Capital Goods New Orders Nondefense Excluding Aircraft SA (3%)		4.6	1.3	-1.4	-1.6	-4.3	-1.8	-1.8	-2.2	1.4	0.2	-0.1	-0.5	-3.5	-8.9	-6.1	-2.8	0.6	3.4	5.3	6.1	8.2	10.1	10.1	11.2	14.4	25.8	23.6	19.0	15.9	13.7	13.2	
US Durable Goods New Orders Industries SA (3%)		7.0	5.4	-0.5	1.4	6.8	-1.0	0.1	4.7	2.1	-0.8	-9.3	-5.1	-28.5	-36.0	-25.4	-18.6	-12.4	-9.2	-7.6	-8.7	-0.1	-1.2	6.2	6.7	36.3	53.0	42.8	29.3	18.3	17.6	15.3	
US Trade Balance of Imports SA (5%)		2.5	0.8	3.3	0.9	0.0	0.0	-2.8	-5.0	-4.1	-3.1	-2.9	-4.5	-11.0	-22.0	-24.4	-19.7	-11.4	-8.8	-6.4	-2.6	0.9	0.5	3.8	4.9	18.1	34.7	37.9	35.2	22.2	20.6		
Association of American Railroads Total Traffic US Freight Carloads (1%)		-4.6	-3.2	-15.4	-5.5	-4.4	-4.6	-7.4	-8.8	-23.0	-9.2	-2.3	-8.5	-11.9	-22.4	-17.4	-13.8	-8.7	-6.2	-2.1	1.5	3.7	8.4	2.1	1.7	16.1	30.6	34.0	12.4	3.0	-0.7	-1.3	
Census Bureau US Construction Spending Total SA (2%)		-1.3	0.2	0.2	3.0	5.5	6.3	8.1	9.7	12.3	13.5	13.9	13.6	12.8	6.5	5.0	3.6	2.2	2.5	2.2	2.9	2.5	3.1	4.3	2.1	2.8	7.0	8.8	10.1	10.0	8.9		

Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Nowcast feature weights are dynamically retrained monthly according to the relative strength of the first difference regressions between the independent and the dependent variables.

# The Unwind Of “Peak Delta” May Serve To Mitigate Supply Chain Disruptions Stemming From The US Labor Market

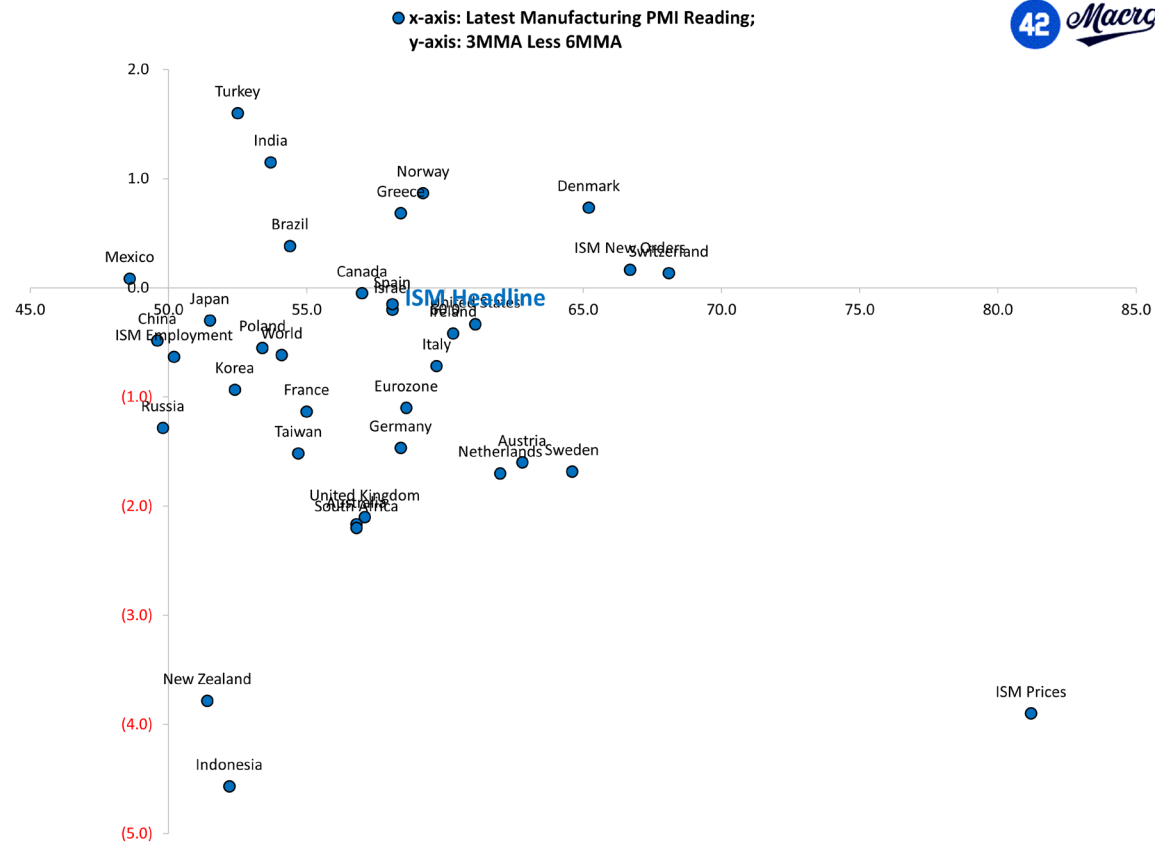


# That Said, The Cost Of Doing Business Is Likely To Continue To Creep Higher Over The Medium Term

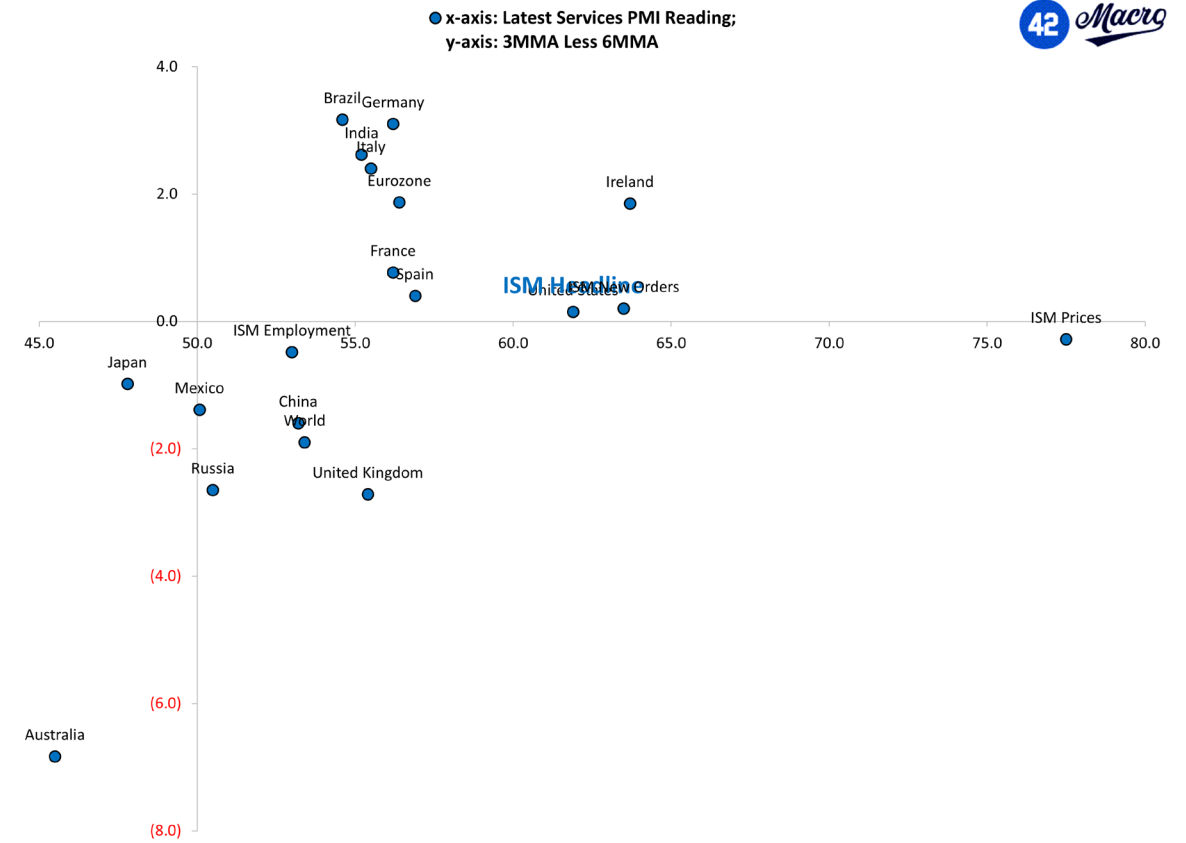




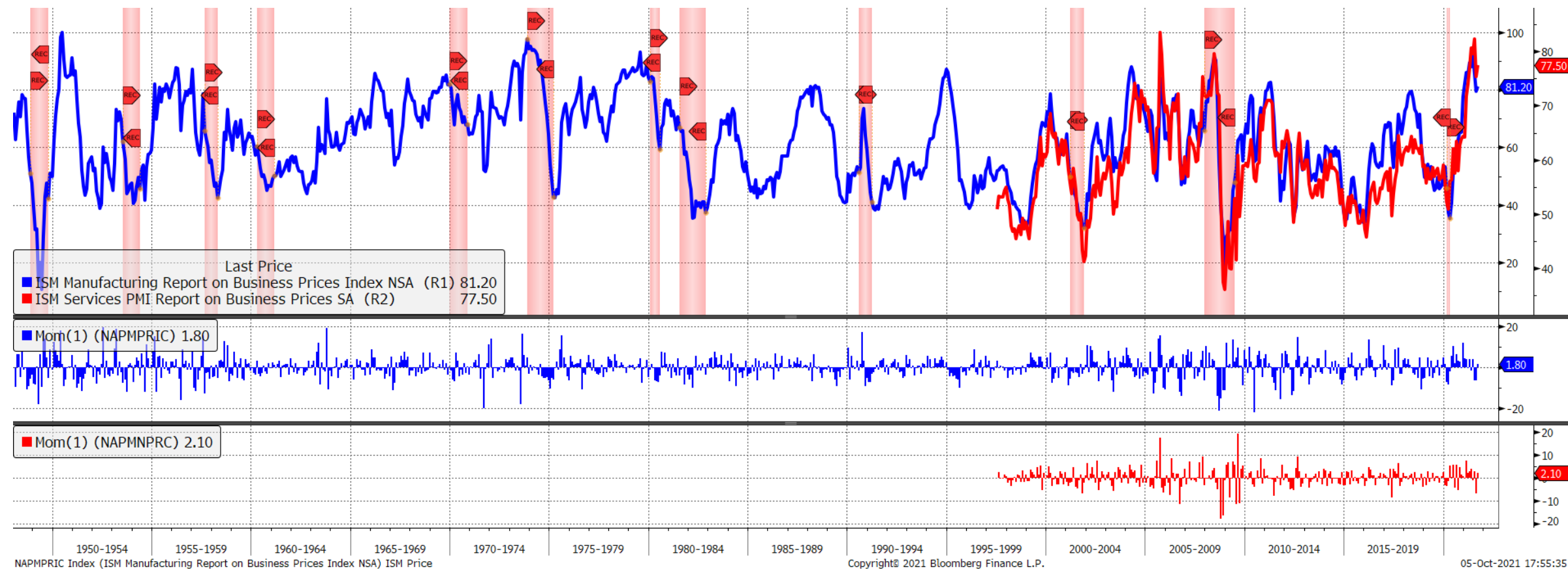
## Global Manufacturing PMIs Need To Demonstrate Strength To Start Q4 To Stave Off **Negative RoC** Trends



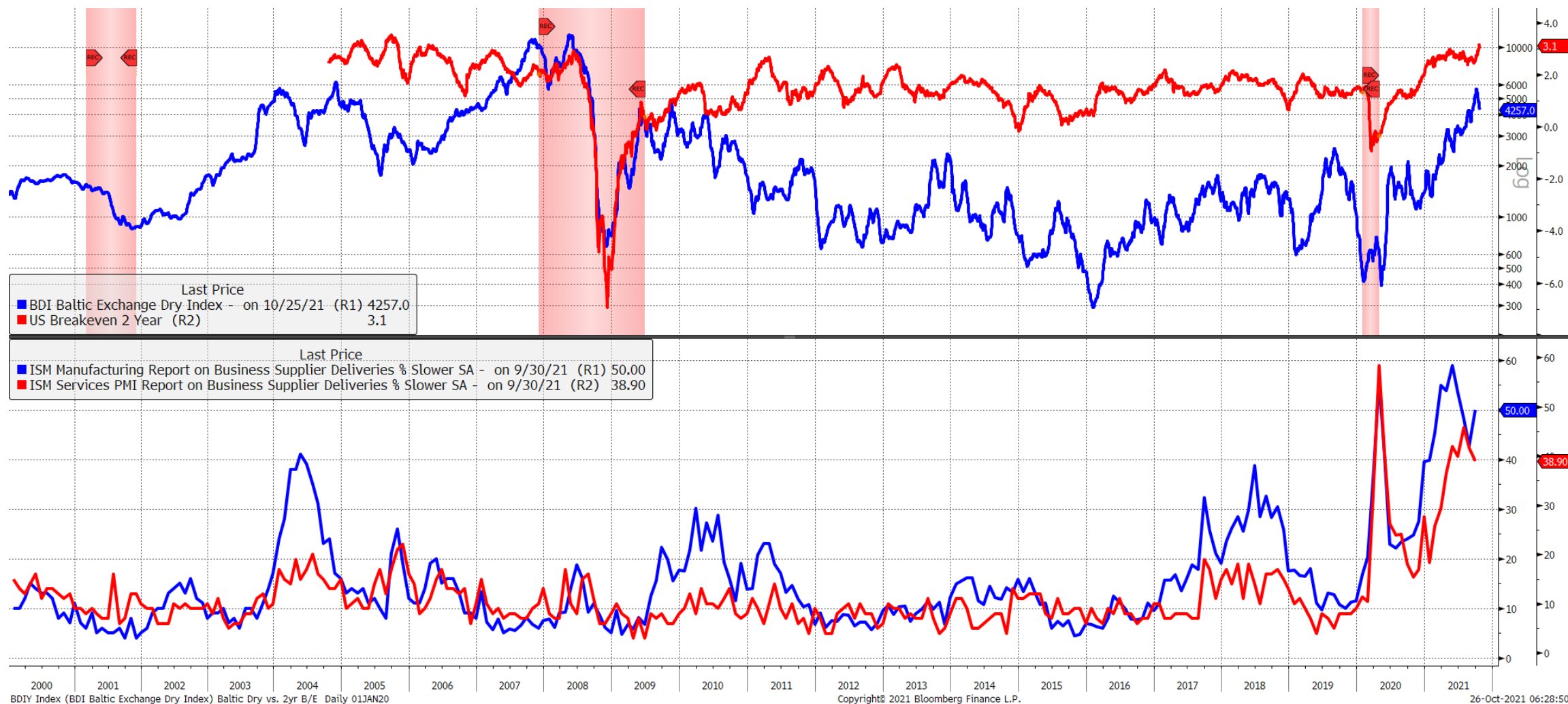
## Global Services PMIs Should Bounce Post The Peak Impact Of The Delta Variant, But For How Long?



# Supply Chain Disruptions May Be Past Peak In Impulse Terms, But...

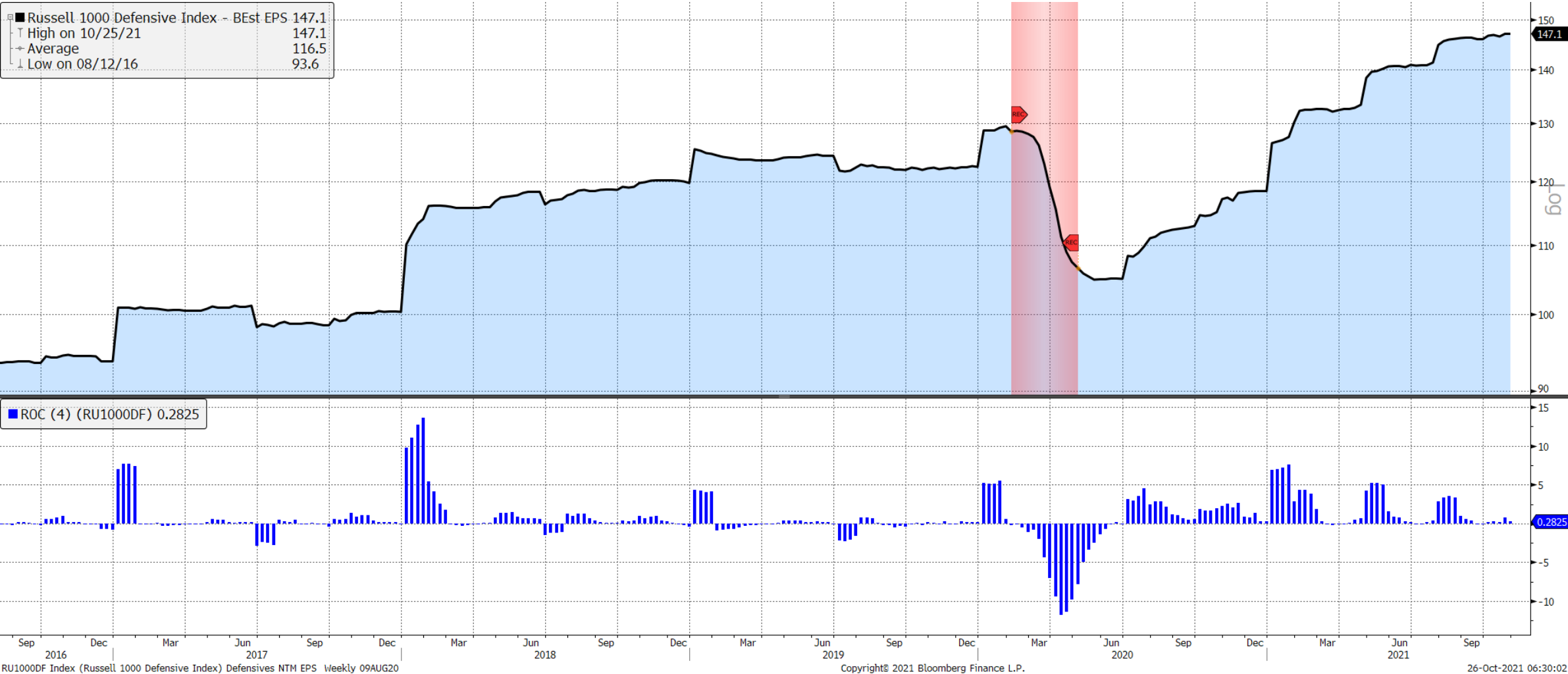


# ... Past-Peak Supply Chain Disruptions ≠ No Supply Chain Disruptions

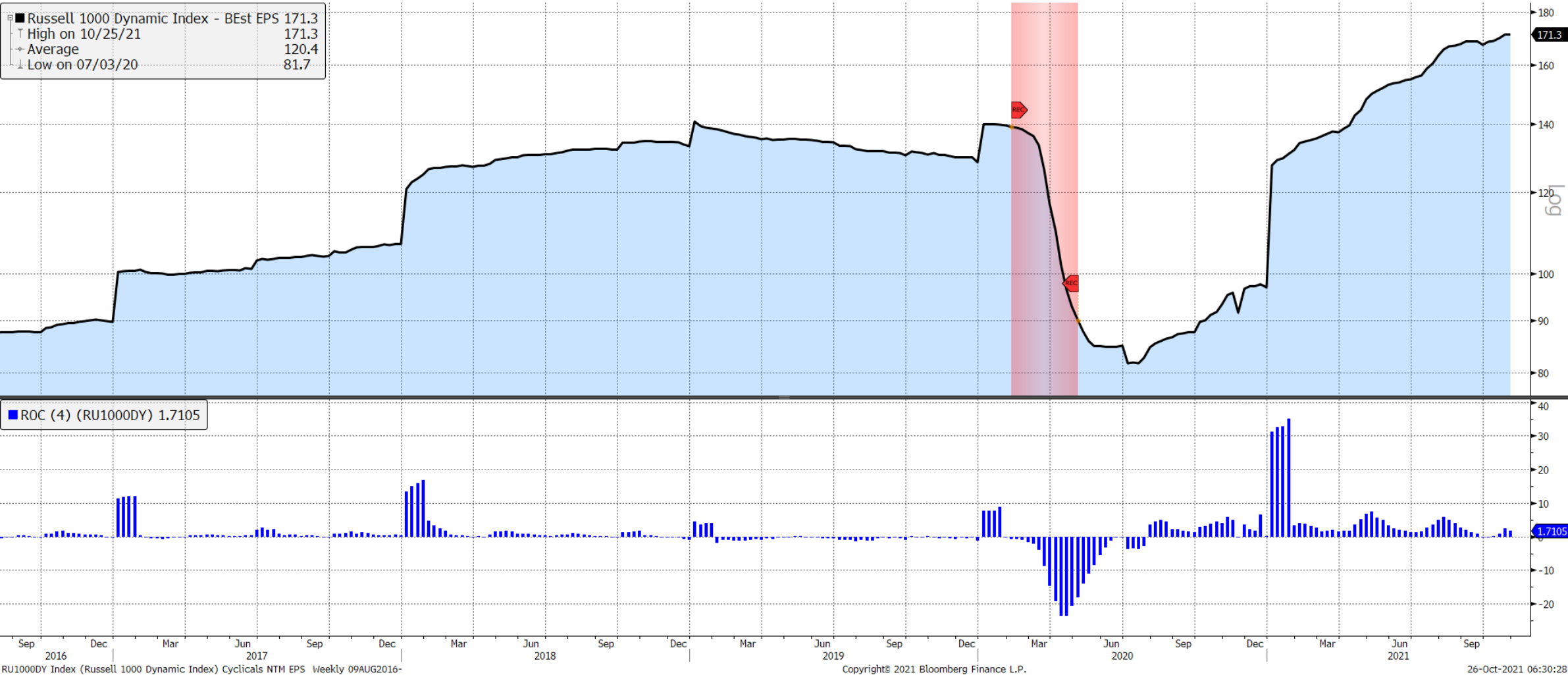


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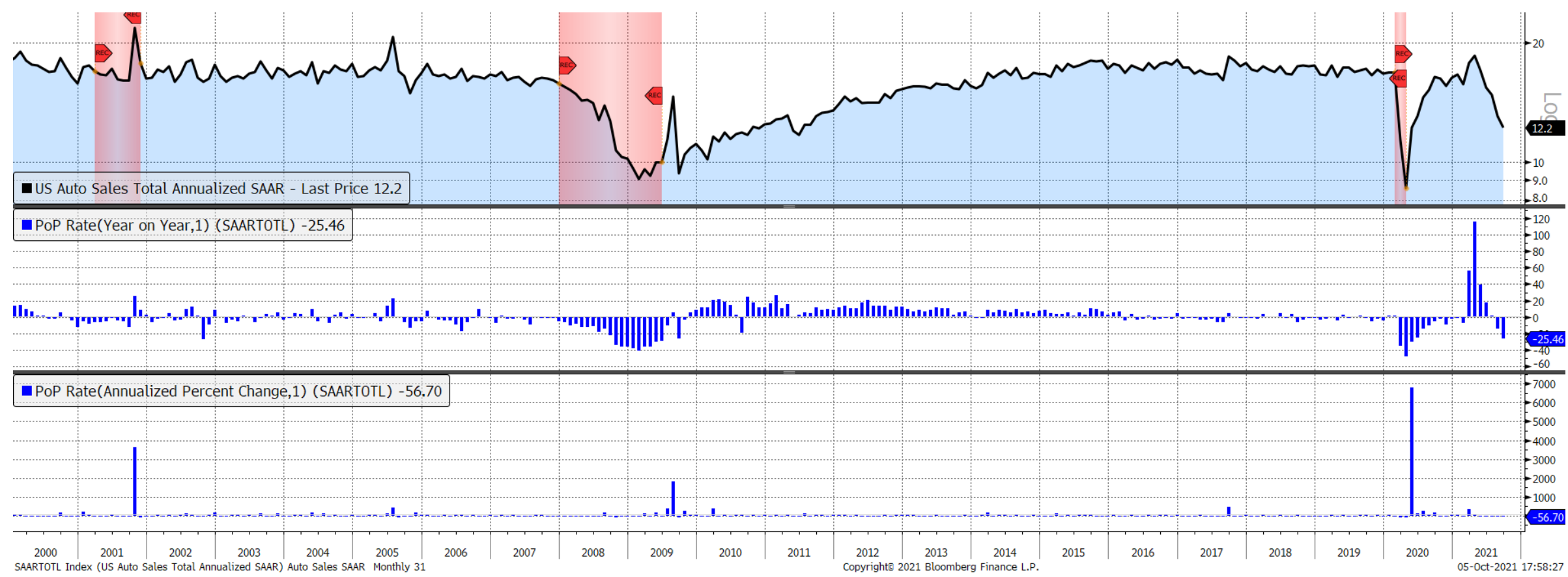
# Supply Chain Disruptions Are Hardly Impacting Earnings: Defensives



# Supply Chain Disruptions Are Hardly Impacting Earnings: Cyclical



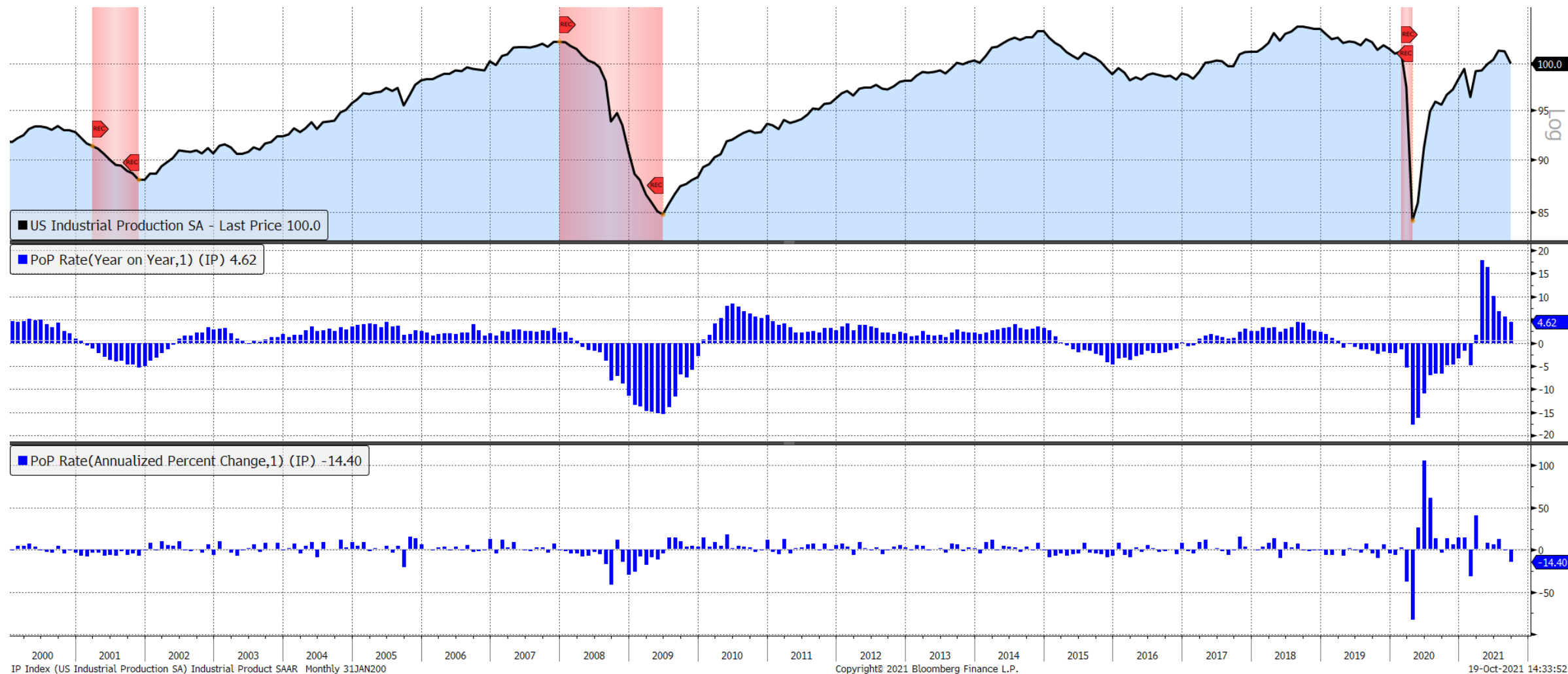
# Thus Far, The Impact Of Supply Chain Disruptions Has Mostly Been Felt Via Rising INFLATION, But Slowing GROWTH Is An Emergent Risk: Auto Sales



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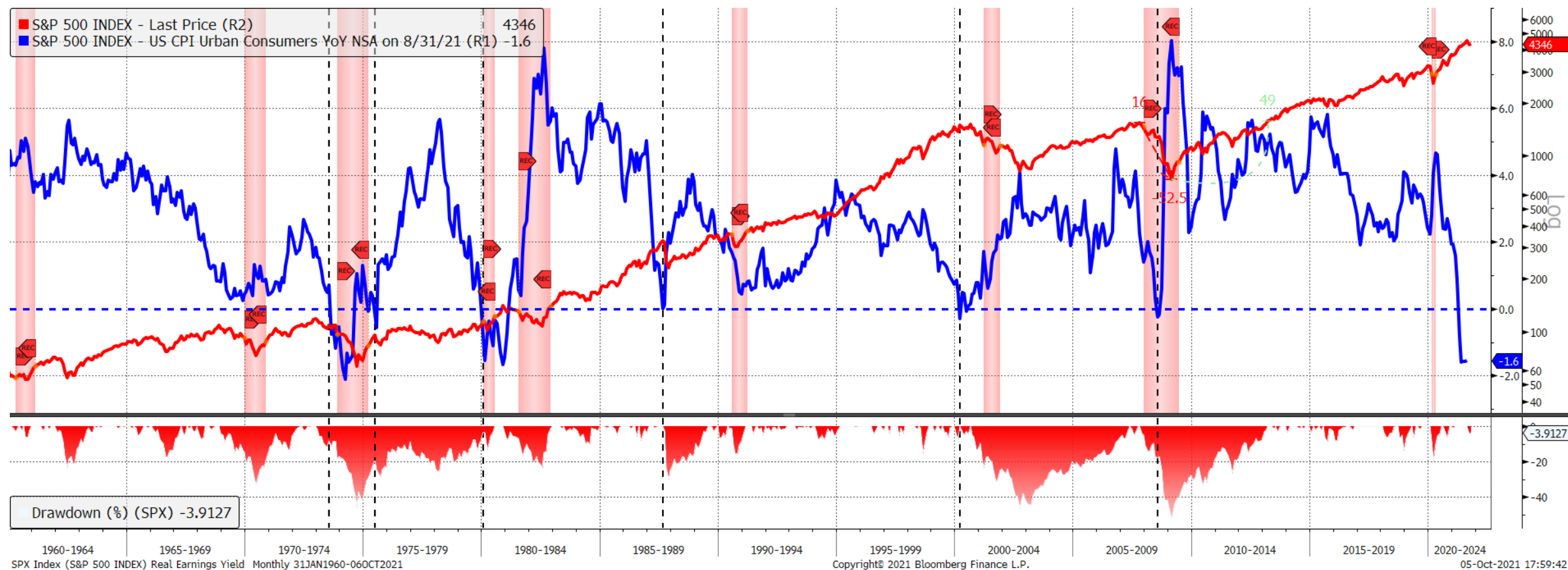


# Thus Far, The Impact Of Supply Chain Disruptions Has Mostly Been Felt Via Rising INFLATION, But Slowing GROWTH Is An Emergent Risk: Industrial Production

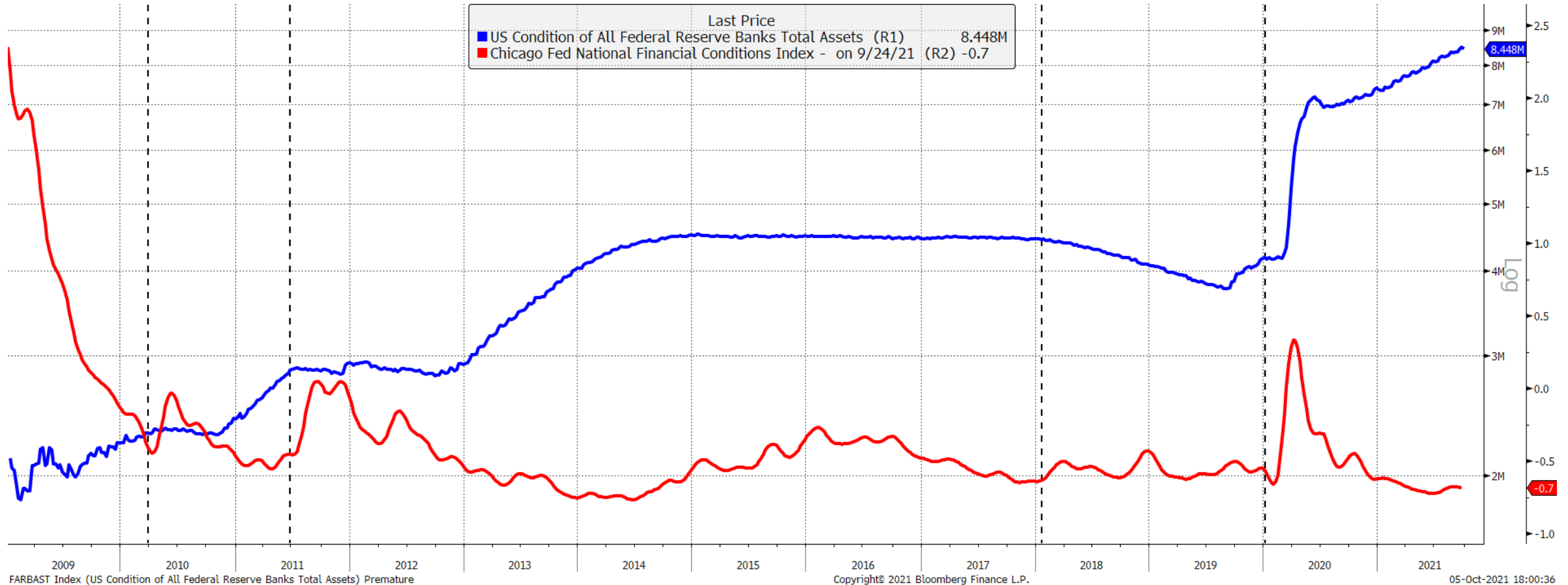


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# If INFLATION Continues To Surprise To The Upside From Here, Risk Assets Are Likely Doomed...

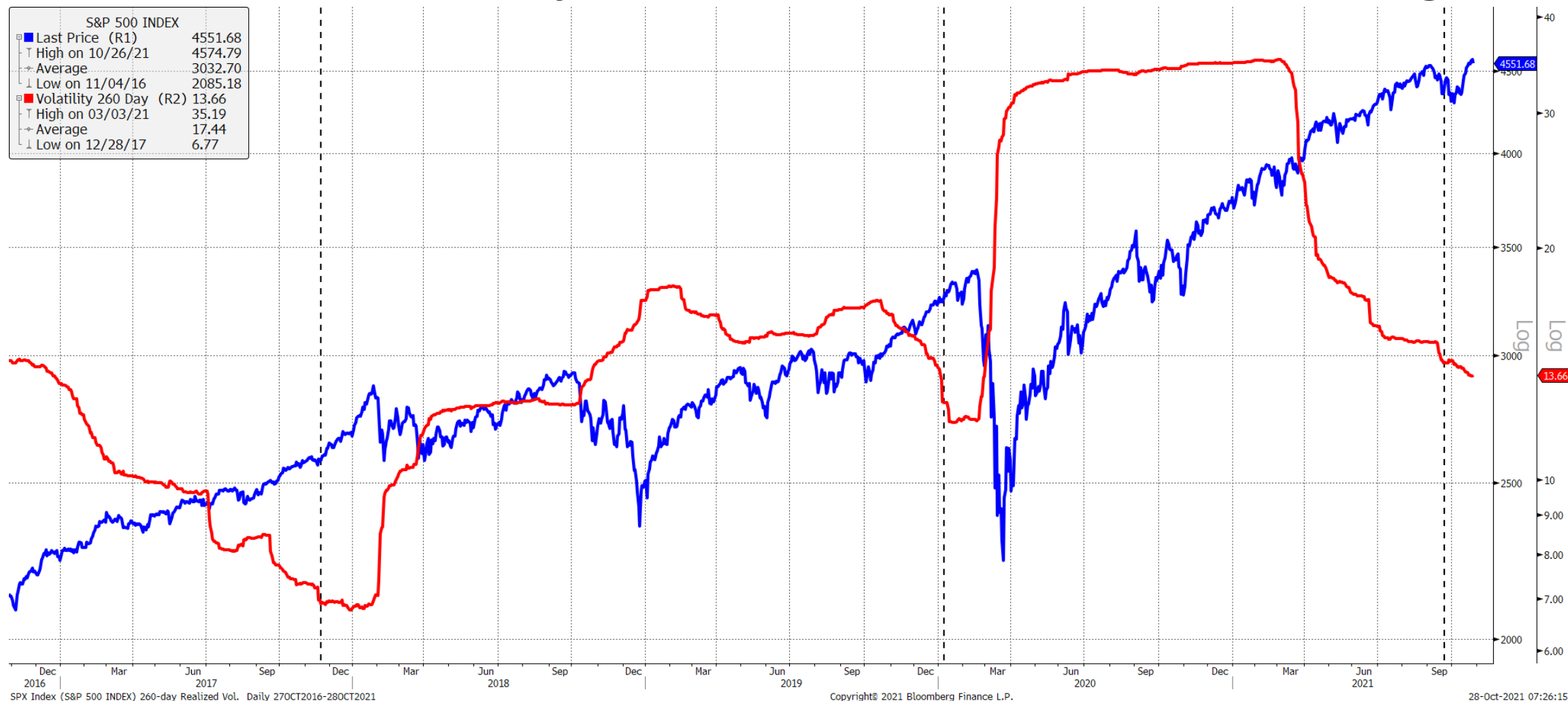


# ... Because The “Patient” (Read: Risk Assets) Cannot Survive Without Increasing Quantities Of “Medicine” (Read: Liquidity)



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# Will The Consensus Wall Of Worry Surrounding INFLATION Catalyze Another “Santa Claus Rally” On The Other Side Of The Debt Ceiling?



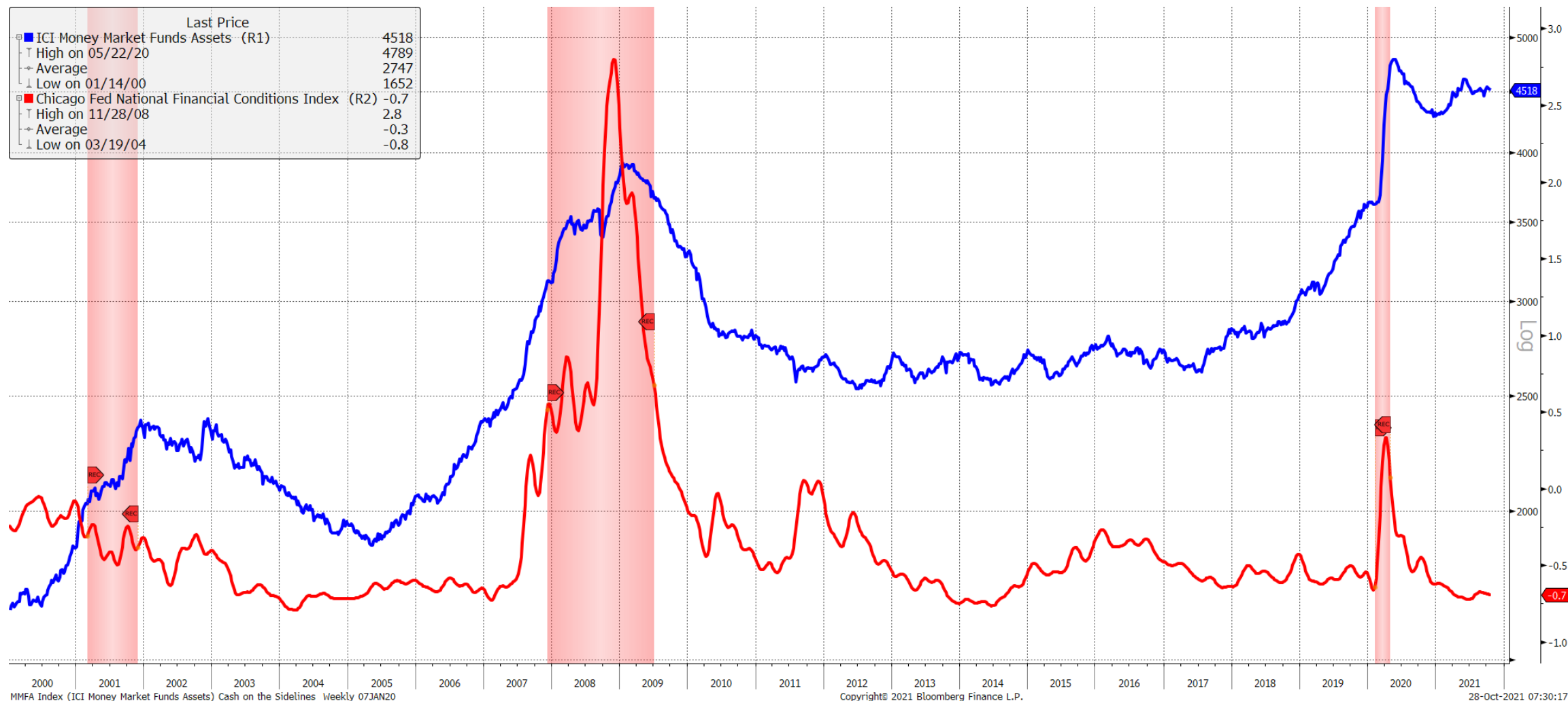
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# With A Two-Thirds Chance Of A Positive Resolution, Investors Should Continue To Ignore How The Fiscal POLICY “Sausage” Is Made Down In D.C.

- **Bull Case (33%):** Debt Ceiling lifted with no GOP support and President Biden’s \$3.5tn “Build Back Better” Agenda is haircut by \$1.5tn and both that and the \$550bn physical infrastructure get signed into law by mid-November
- **Base Case (33%):** Debt Ceiling lifted with no GOP support and President Biden’s \$3.5tn “Build Back Better” Agenda is haircut by \$2tn and both that and the \$550bn physical infrastructure get signed into law by late-November/early-December
- **Bear Case (33%):** Debt Ceiling breached in early-to-mid December and both President Biden’s \$3.5tn “Build Back Better” agenda and the \$550bn physical infrastructure bill languish in the halls of Congress indefinitely amid the growing ideological divide among progressive and moderate Democrats... will the party in control of both houses of parliament and the executive branch sow the seeds of its own destruction in the 2022 mid-terms and beyond?



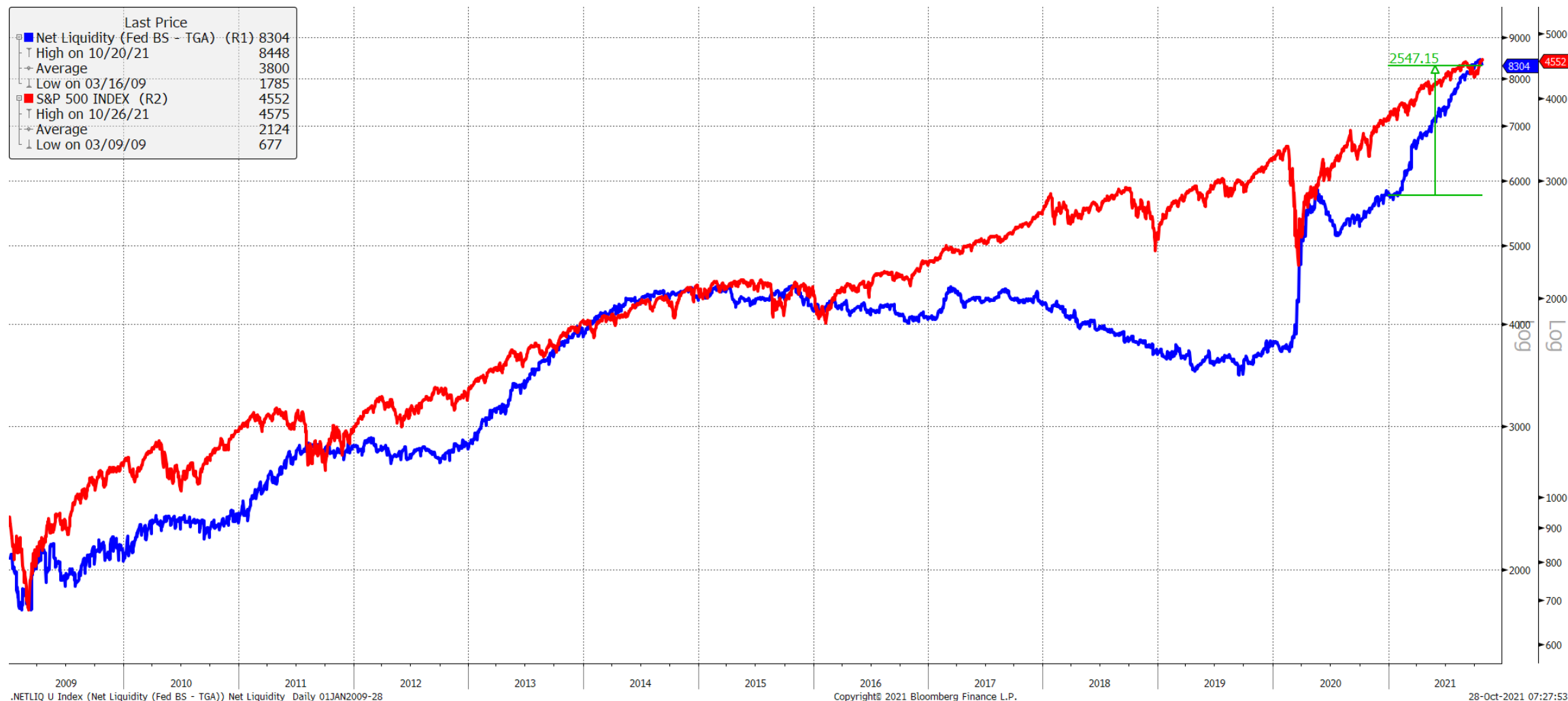
# This We Know: Investors Have Near Record Amounts Of Cash On Hand



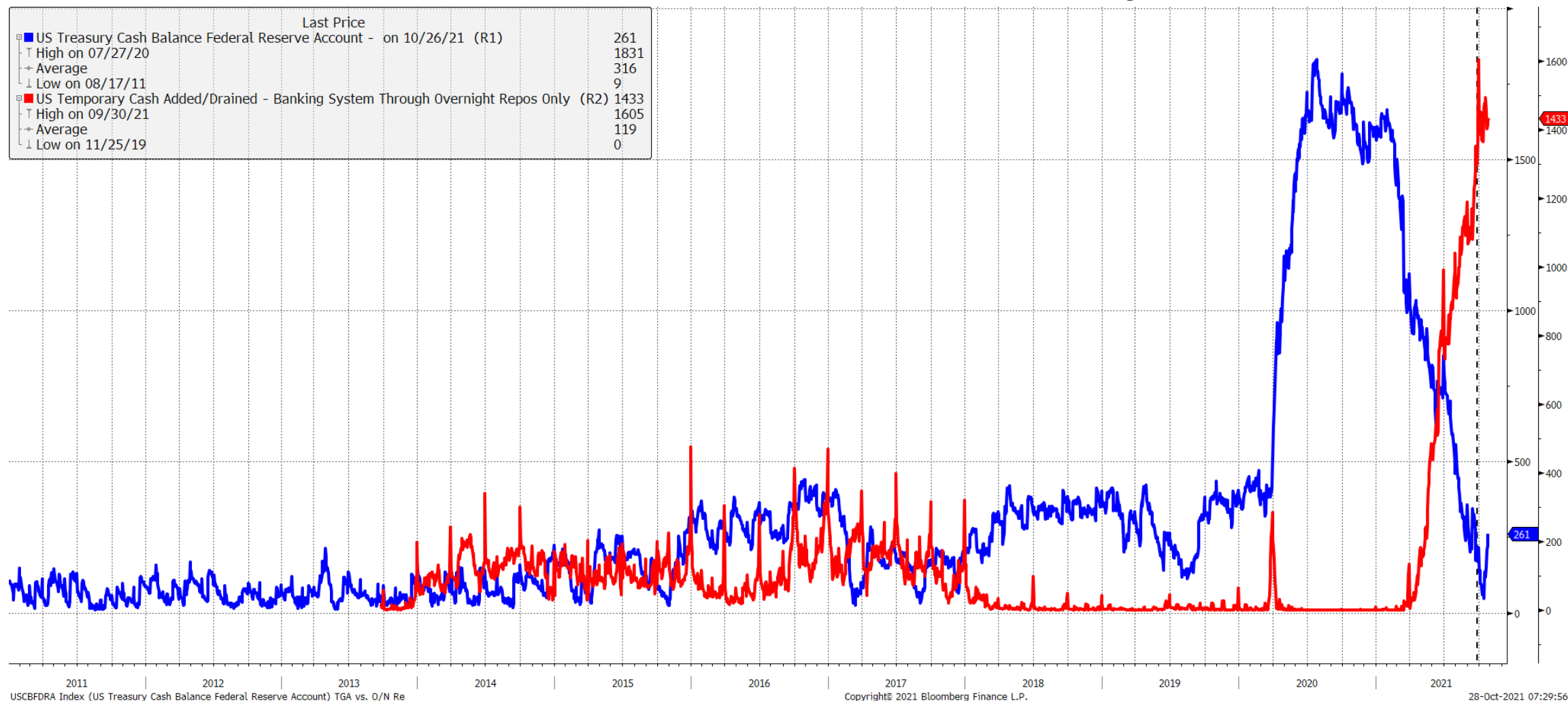
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# This We Know: Net Liquidity Supply Is Unlikely To Inflect Lower For At Least Another Quarter Or Two

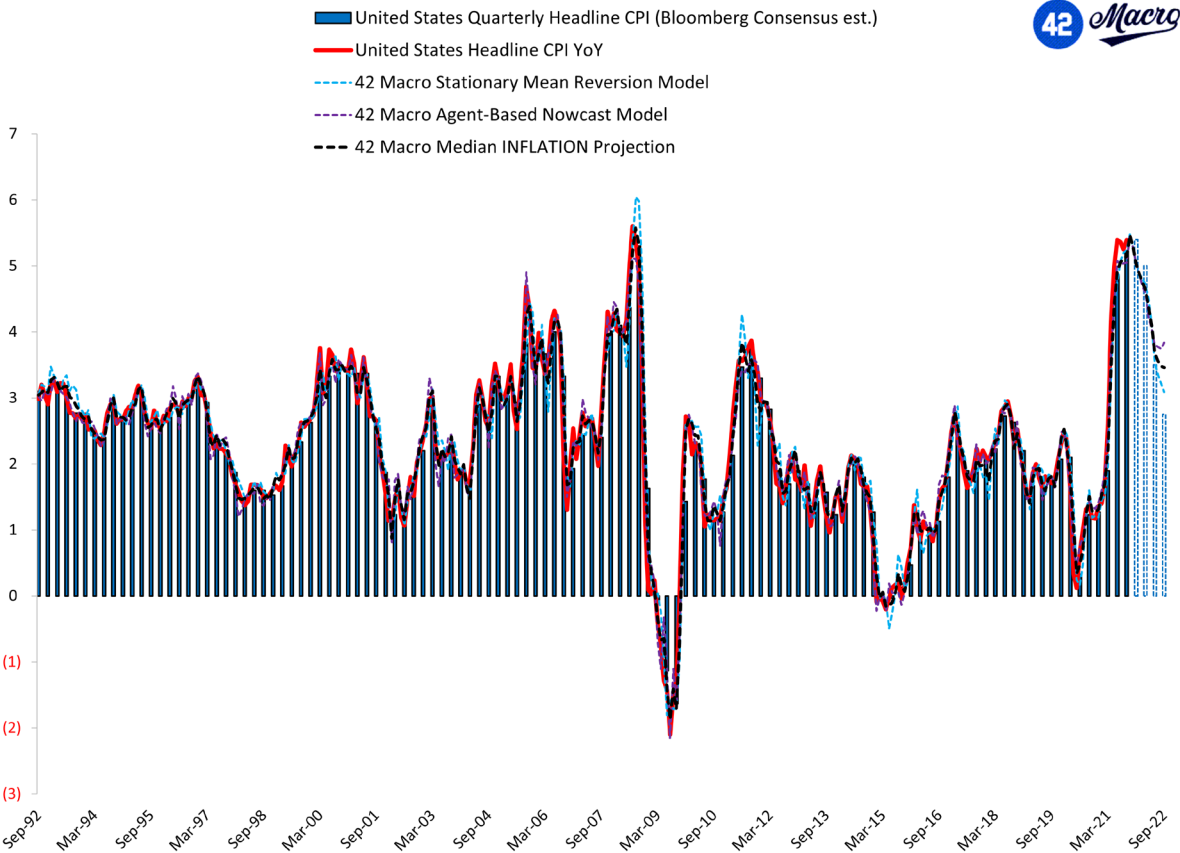


# This We Know: Overnight Repo Market Activity Suggests Ample Capacity For Asset Markets To Offset The Return Of “The Bully” Later In Q4

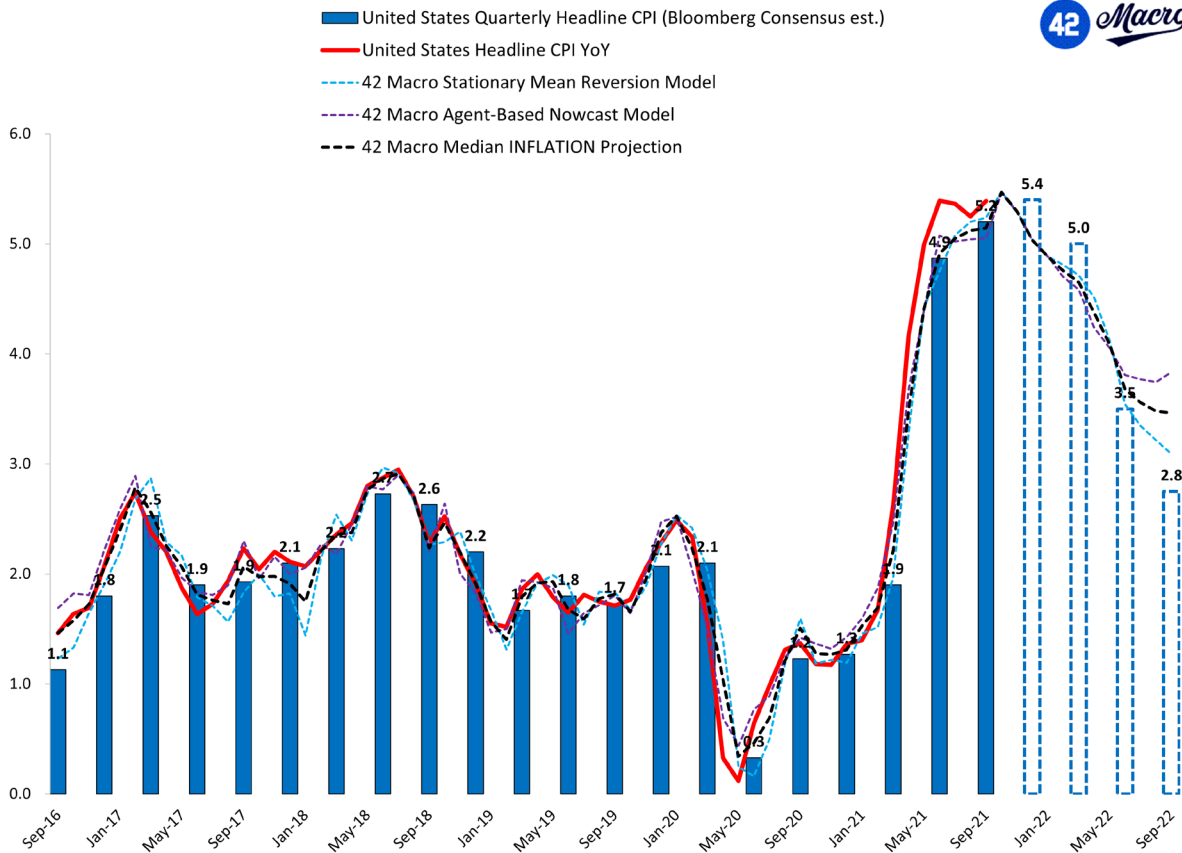


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# US INFLATION: Secular View



# US INFLATION: Cyclical View



# US INFLATION Agent-Based Nowcast Model

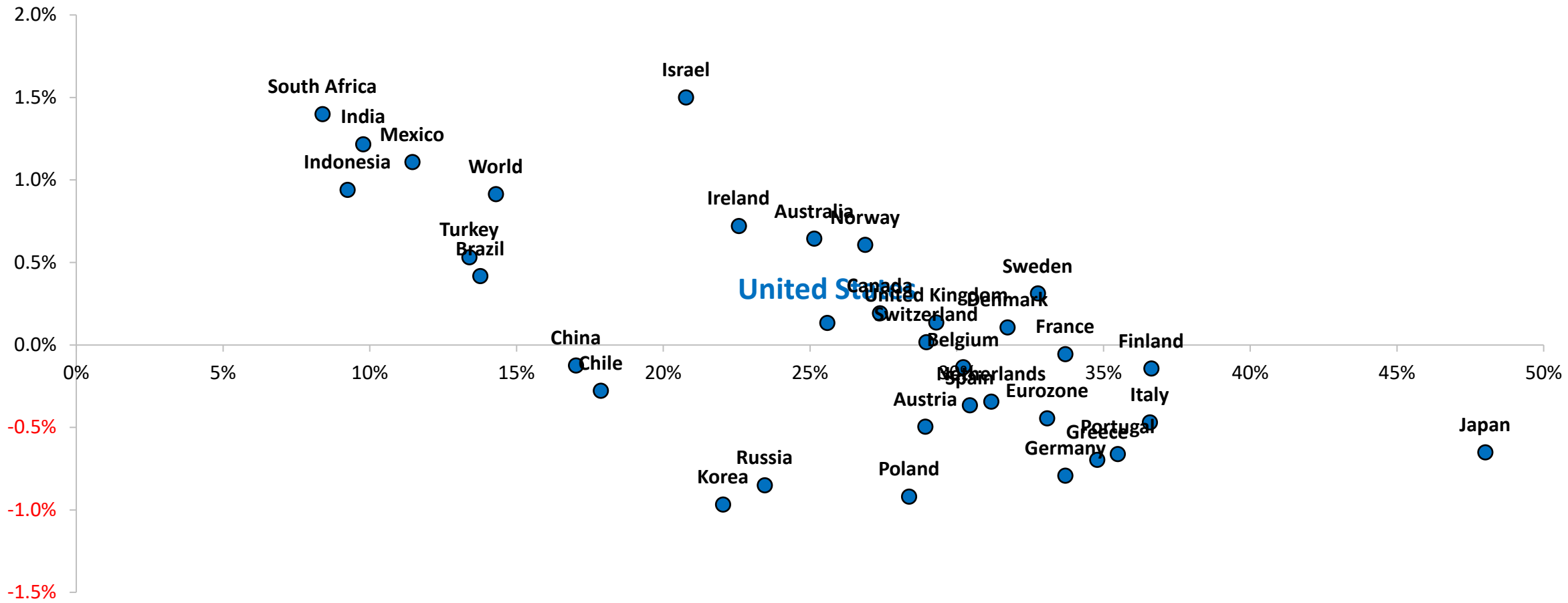
42 Macro Agent-Based INFLATION Nowcast Model Features																															
United States	yr-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
US CPI Urban Consumers NSA YoY	1.9	2.0	1.8	1.6	1.8	1.7	1.7	1.8	2.1	2.3	2.5	2.3	1.5	0.3	0.1	0.6	1.0	1.3	1.4	1.2	1.2	1.4	1.4	1.7	2.6	4.2	5.0	5.4	5.4	5.3	5.4
US CPI Urban Consumers Less Food & Energy YoY NSA (7%)	2.0	2.1	2.0	2.1	2.2	2.4	2.4	2.3	2.3	2.3	2.3	2.4	2.1	1.4	1.2	1.2	1.6	1.7	1.7	1.6	1.6	1.6	1.4	1.3	1.6	3.0	3.8	4.5	4.3	4.0	4.0
US PPI Final Demand YoY NSA (8%)	2.0	2.4	2.1	1.6	1.6	1.9	1.5	1.0	1.0	1.4	2.0	1.1	0.3	-1.5	-1.1	-0.7	-0.3	-0.3	0.3	0.6	0.8	0.8	1.6	3.0	4.1	6.5	7.0	7.3	7.8	8.3	8.6
Commodity Research Bureau BLS/US Spot All Commodities (5%)	-2.4	-5.2	-6.8	-7.1	-6.9	-5.9	-6.6	-6.4	-7.1	-1.9	-2.1	-4.3	-13.2	-16.3	-11.7	-11.7	-6.3	2.0	4.7	5.2	10.9	10.5	13.4	23.1	36.9	50.6	49.4	54.4	48.8	41.8	36.4
Commodity Research Bureau BLS/US Spot Foodstuff (5%)	1.6	-3.3	-1.2	-0.3	1.7	-0.3	-3.4	-2.1	-2.7	4.4	1.6	0.3	-10.0	-17.4	-13.0	-16.5	-11.6	2.4	5.2	2.6	10.6	7.0	9.5	23.4	39.6	66.0	57.3	68.3	58.6	48.5	38.4
Commodity Research Bureau BLS/US Spot Raw Industrials (4%)	-5.4	-6.5	-10.5	-11.6	-12.5	-9.6	-8.7	-9.3	-10.1	-6.0	-4.6	-7.3	-15.1	-15.5	-10.8	-8.2	-2.5	1.6	4.4	7.0	11.1	13.0	16.2	22.9	35.0	40.8	44.2	45.5	42.5	37.3	35.0
US CPI Urban Consumers Food NSA (5%)	2.1	1.8	2.0	1.9	1.8	1.7	1.8	2.1	2.0	1.8	1.8	1.8	1.9	3.5	4.0	4.5	4.1	4.1	3.9	3.9	3.7	3.9	3.8	3.6	3.5	2.4	2.2	2.4	3.4	3.7	4.6
US CPI Urban Consumers Energy NSA (10%)	-0.4	1.7	-0.5	-3.4	-2.0	-4.4	-4.8	-4.2	-0.6	3.4	6.2	2.8	-5.7	-17.7	-18.9	-12.6	-11.2	-9.0	-7.7	-9.2	-9.4	-7.0	-3.6	2.4	13.2	25.1	28.5	24.5	23.8	25.0	24.8
US CPI Urban Consumers Commodities Less Food & Energy NSA (4%)	0.0	-0.2	-0.2	0.2	0.4	0.8	0.7	0.3	0.1	0.1	-0.3	0.0	-0.2	-0.9	-1.0	-1.1	-0.5	0.4	1.0	1.2	1.4	1.7	1.7	1.3	1.7	4.4	6.5	8.7	8.5	7.7	7.3
US CPI Household Furnishings & Supplies NSA (0%)	1.5	0.4	1.1	1.6	1.6	1.4	1.6	0.9	0.6	0.3	0.0	-0.2	-0.4	0.6	0.9	1.3	1.5	2.6	2.1	1.9	2.9	2.9	2.4	2.3	2.8	3.2	3.7	3.4	3.0	3.3	4.8
US CPI Urban Consumers Apparel NSA (4%)	-2.2	-3.0	-3.1	-1.3	-0.5	1.0	-0.3	-2.3	-1.6	-1.2	-1.3	-0.9	-1.6	-5.7	-7.9	-7.3	-6.5	-5.9	-6.0	-5.5	-5.2	-3.9	-2.5	-3.6	-2.5	1.9	5.6	4.9	4.2	4.2	3.4
US CPI Transportation Commodities Less Motor Fuel NSA (3%)	0.7	1.1	0.7	0.9	0.8	1.0	1.1	0.7	-0.1	-0.1	-0.6	-0.2	-0.1	-0.5	-0.2	-1.1	0.1	2.0	4.5	5.3	5.1	5.0	4.6	4.2	4.5	9.2	13.3	20.3	19.8	17.2	14.9
US CPI Urban Consumers Medical Care Commodities NSA (1%)	-0.6	0.2	-0.7	-1.5	-0.4	0.1	-0.3	1.0	0.6	2.5	1.7	1.8	1.3	0.7	0.8	1.3	1.1	0.8	0.9	-0.8	-1.1	-2.5	-2.3	-2.5	-2.4	-1.7	-1.9	-2.2	-2.1	-2.5	-1.6
US CPI Recreation Commodities NSA (2%)	-1.7	-1.7	-1.0	-0.9	-1.4	-0.9	-0.2	0.7	0.8	-0.9	-1.1	-0.4	-1.1	-2.0	-2.1	-2.1	-1.3	-0.4	-0.8	-1.3	-1.0	-0.2	-0.2	0.3	0.8	2.9	3.5	3.2	3.2	3.3	3.5
US CPI Education & Communication Commodities NSA (0%)	-4.4	-5.0	-6.0	-6.1	-4.1	-3.4	-4.7	-5.2	-4.2	-6.0	-6.4	-5.2	-4.7	-3.8	-3.5	-3.0	-4.3	-4.8	-6.0	-5.0	-4.3	-2.5	-1.9	-2.7	-4.9	-2.2	-1.4	-1.2	-0.2	-0.5	2.6
US CPI Urban Consumers Alcoholic Beverages NSA (2%)	1.5	1.2	1.6	1.5	1.9	2.0	1.3	1.0	0.5	0.5	0.8	0.9	1.4	1.9	2.2	2.2	1.5	1.7	1.8	2.3	3.0	2.8	2.4	2.0	2.0	1.9	1.6	1.9	2.4	2.6	2.8
US CPI Urban Consumers Services Less Energy Services NSA (7%)	2.7	2.8	2.7	2.8	2.8	2.9	2.9	3.0	3.0	3.0	3.1	3.1	2.8	2.2	2.0	1.9	2.3	2.2	1.9	1.7	1.7	1.6	1.3	1.3	1.6	2.5	2.9	3.1	2.9	2.7	2.9
US CPI Urban Consumers Shelter NSA (4%)	3.4	3.4	3.3	3.5	3.5	3.4	3.5	3.3	3.3	3.2	3.3	3.3	3.0	2.6	2.5	2.4	2.3	2.3	2.0	2.0	1.9	1.8	1.6	1.5	1.7	2.1	2.2	2.6	2.8	2.8	3.2
US CPI Urban Consumers Water and Sewer and Trash Collection Services NSA (0%)	3.6	3.6	3.3	3.3	3.3	3.0	3.1	3.3	2.3	2.2	3.0	3.2	3.2	3.0	2.9	2.9	3.0	3.4	3.4	3.3	3.3	3.6	3.6	3.6	3.5	3.6	3.4	3.6	3.7	3.5	3.7
CPI All Urban Consumers Household Operations Not Seasonally Adjusted 1997=100 (0%)	3.4	3.9	2.7	5.2	5.4	5.4	5.2	5.5	5.4	3.5	3.2	4.3	4.5	3.9	4.5	1.8	1.5	2.1	2.7	2.7	2.2	4.1	4.7	4.3	4.3	4.9	8.3	7.2	7.0	7.3	6.6
US CPI Urban Consumers Medical Care Services NSA (1%)	2.3	2.3	2.8	2.8	3.3	4.3	4.4	5.1	5.1	5.1	5.1	5.3	5.5	5.8	5.9	6.0	5.9	5.3	4.9	3.7	3.2	2.8	2.9	3.0	2.7	2.2	1.5	1.0	0.8	1.0	0.9
US CPI Urban Consumers Transportation Services NSA (7%)	1.0	1.1	1.1	0.9	0.7	0.9	0.8	0.8	0.8	0.6	0.7	1.2	-0.7	-5.5	-8.7	-7.0	-3.7	-4.0	-5.1	-5.1	-3.4	-3.5	-4.1	-4.4	-1.6	5.6	11.2	10.4	6.4	4.6	4.4
US CPI Recreation Services NSA (0%)	2.6	3.1	2.2	1.7	1.7	2.2	1.6	2.3	2.4	2.7	2.6	2.3	2.4	2.4	4.3	3.4	2.1	2.2	2.7	2.6	2.6	1.6	0.3	1.1	1.2	1.8	0.6	1.9	3.7	3.5	3.5
US CPI Education & Communication Services NSA (0%)	1.3	1.5	1.3	1.2	1.0	1.0	0.9	1.1	1.9	2.0	2.2	2.1	2.1	2.1	2.0	1.8	2.9	2.9	2.8	2.7	2.4	2.3	2.0	2.1	2.0	2.0	2.2	2.4	1.2	1.3	1.7
US Personal Consumption Expenditures Chain Type Price Index SA (10%)	1.5	1.6	1.5	1.5	1.5	1.5	1.4	1.4	1.4	1.7	1.9	1.9	1.3	0.4	0.5	0.9	1.0	1.3	1.4	1.2	1.1	1.3	1.4	1.6	2.5	3.6	4.0	4.0	4.2	4.3	
US Personal Consumption Expenditures Ex Food & Energy Deflator SA (7%)	1.6	1.7	1.6	1.7	1.7	1.9	1.7	1.7	1.6	1.6	1.8	1.9	1.7	0.9	1.0	1.1	1.3	1.5	1.6	1.4	1.4	1.5	1.5	1.5	2.0	3.1	3.5	3.6	3.6	3.6	
ISM Manufacturing Report on Business Prices Index NSA (2%)	54.3	50.0	53.2	47.9	45.1	46.0	49.7	45.5	46.7	51.7	53.3	45.9	37.4	35.3	40.8	51.3	53.2	59.5	62.8	65.5	65.4	77.6	82.1	86.0	85.6	89.6	88.0	92.1	85.7	79.4	81.2
ISM Services PMI Report on Business Prices SA (0%)	58.4	56.5	56.5	58.6	57.0	57.8	58.5	56.3	56.8	59.1	55.8	52.3	50.9	56.1	56.4	62.1	57.6	63.4	60.0	62.7	63.9	64.4	64.2	71.8	74.0	76.8	80.6	79.5	82.3	75.4	77.5

Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Nowcast feature weights are dynamically retrained monthly according to the relative strength of the first difference regressions between the independent and the dependent variables.

# DEMOGRAPHICS: Still Disinflationary Across The Developed World

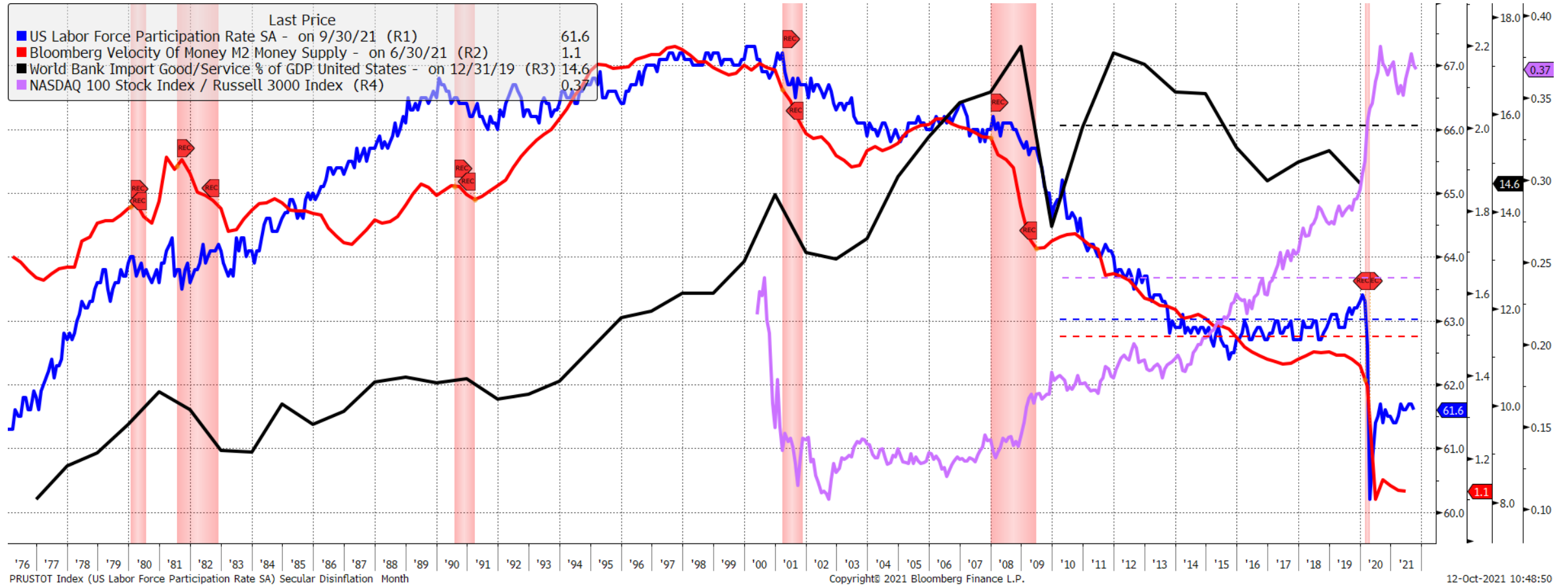


x-axis: 5yr Forward Old-Age Dependency Ratio  
y-axis: Working Age Population 5yr Forward CAGR



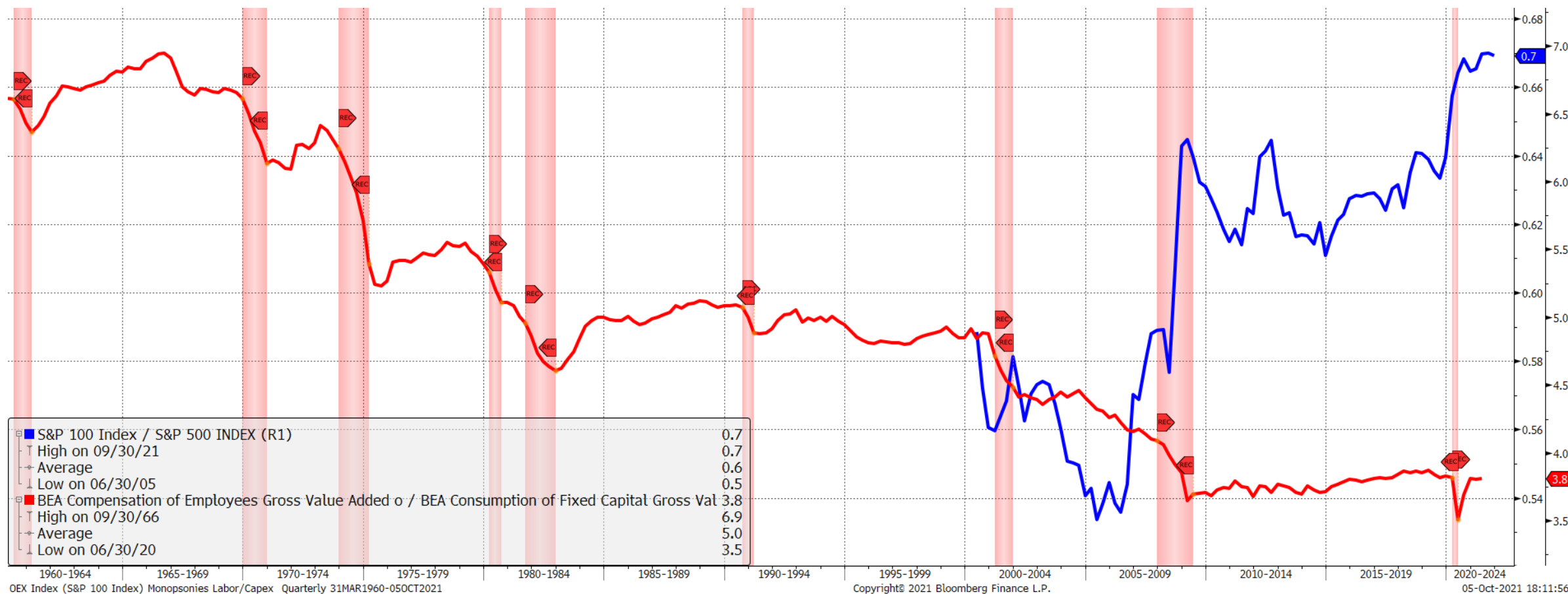
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# The Secular Drivers Of US Disinflation – i.e. Demographics, Technology, And Globalization – Are Still Largely Intact

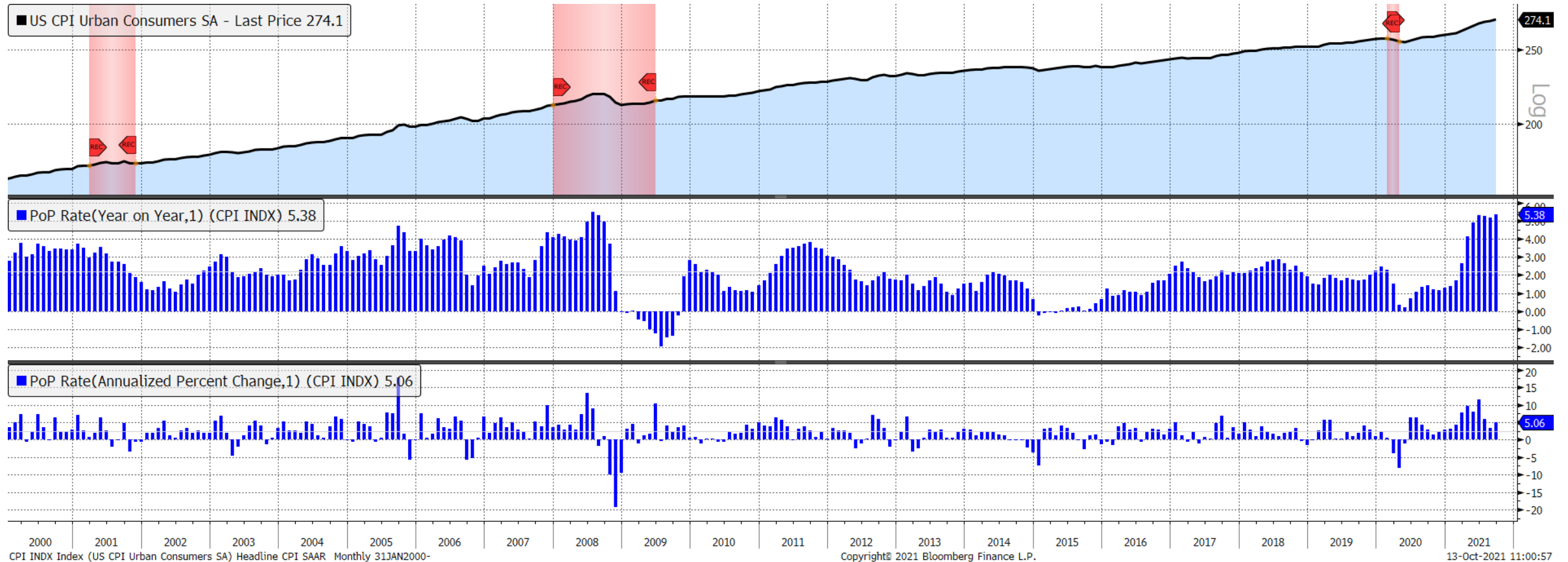




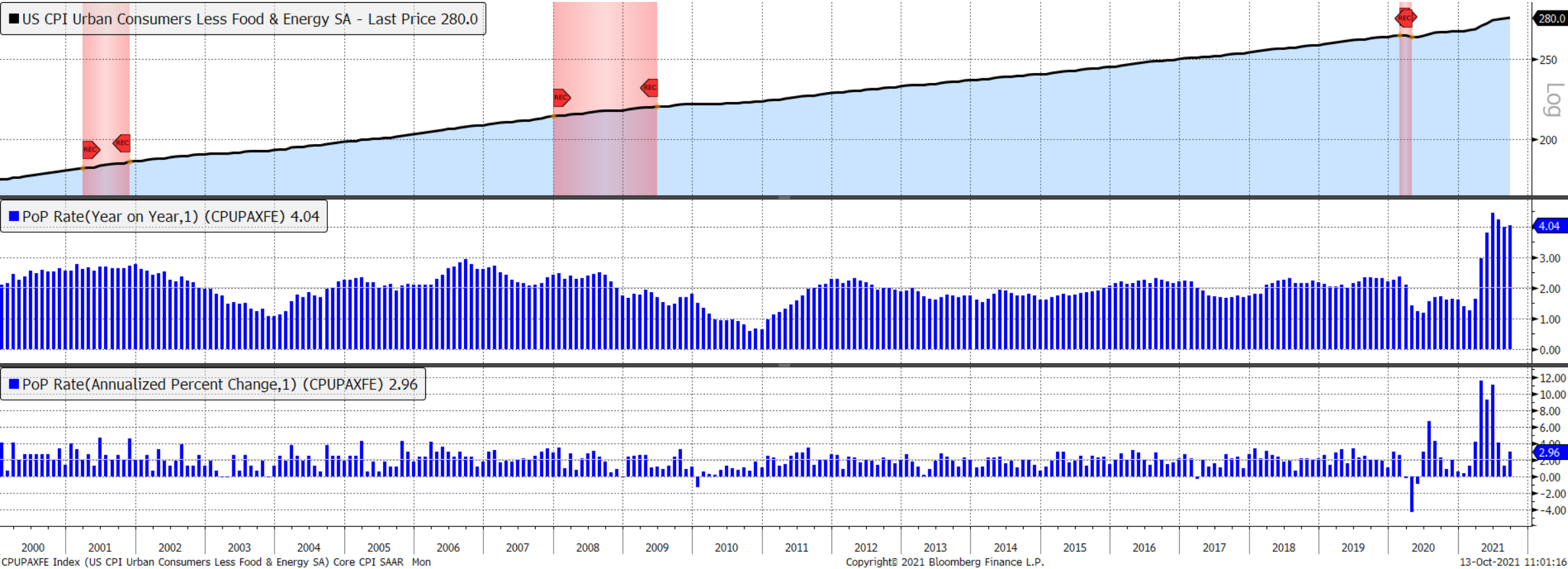
# Corporate America Continues To Be Dominated By Monopsonies And A Broad-Based Preference For Capital Expenditures Over Labor



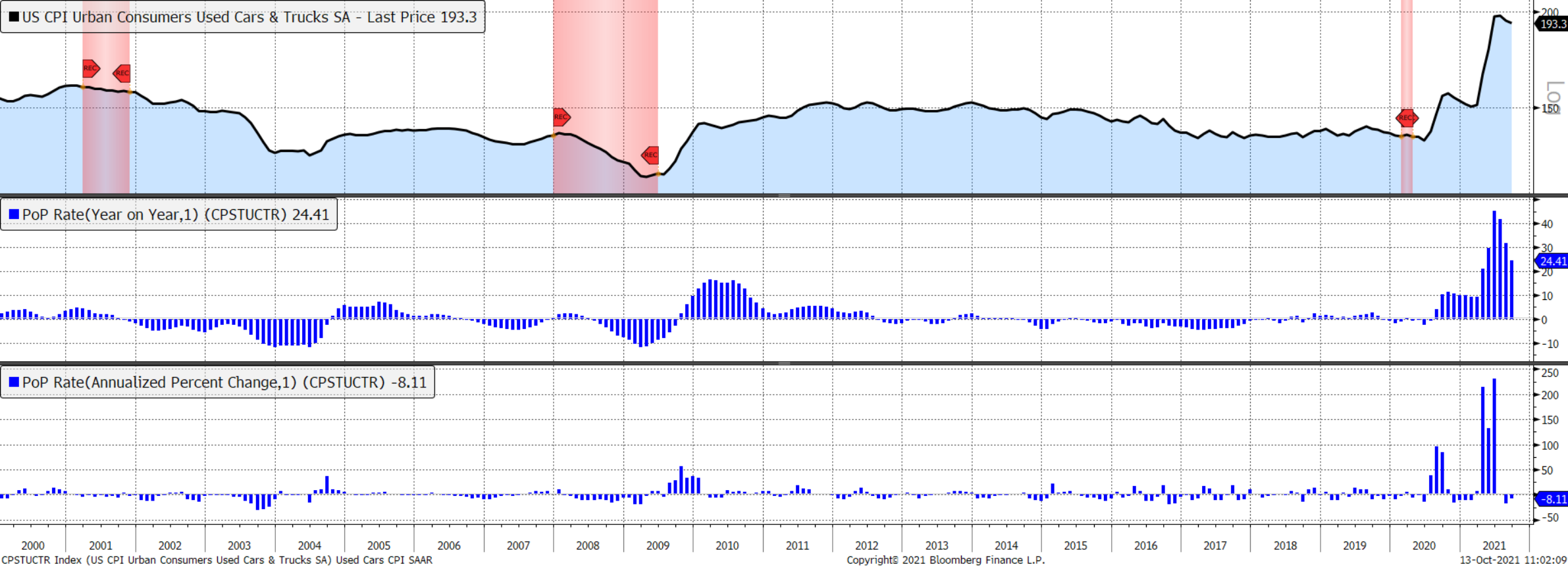
# Cyclically Speaking, We Are Starting To Observe Evidence Of Past-Peak Domestic Price Pressures



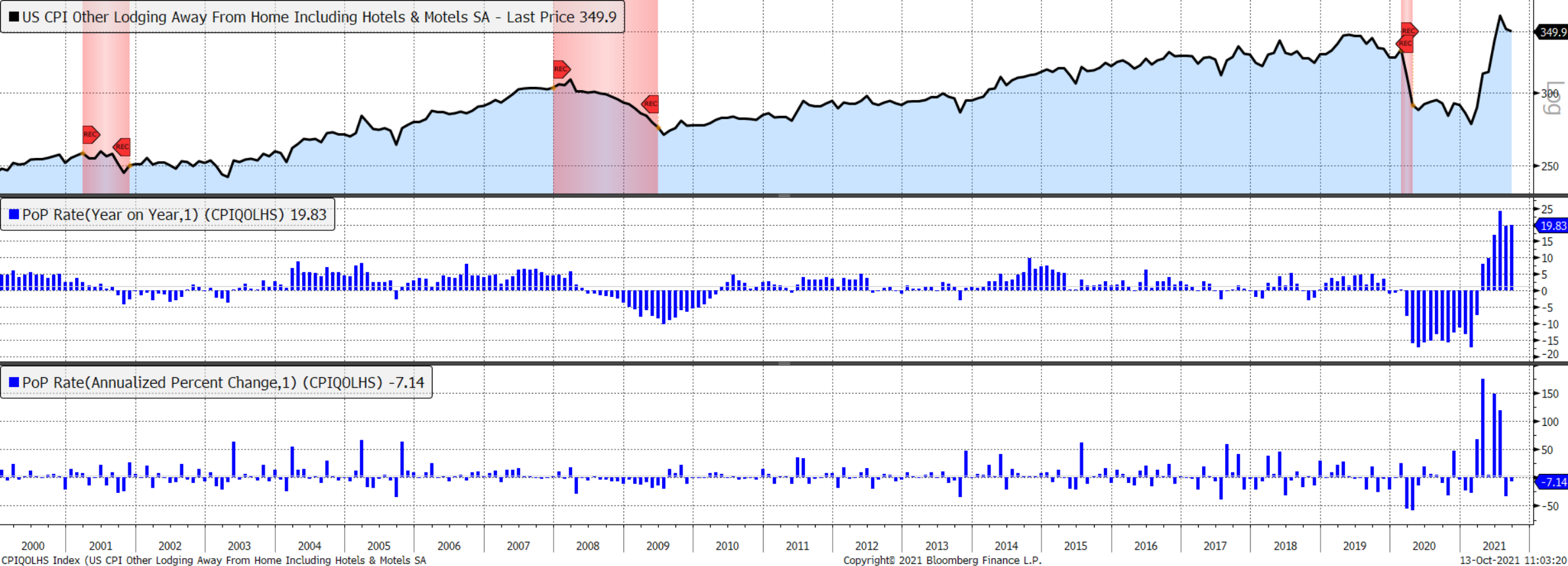
# Core CPI Momentum Has Been Cut By 75%



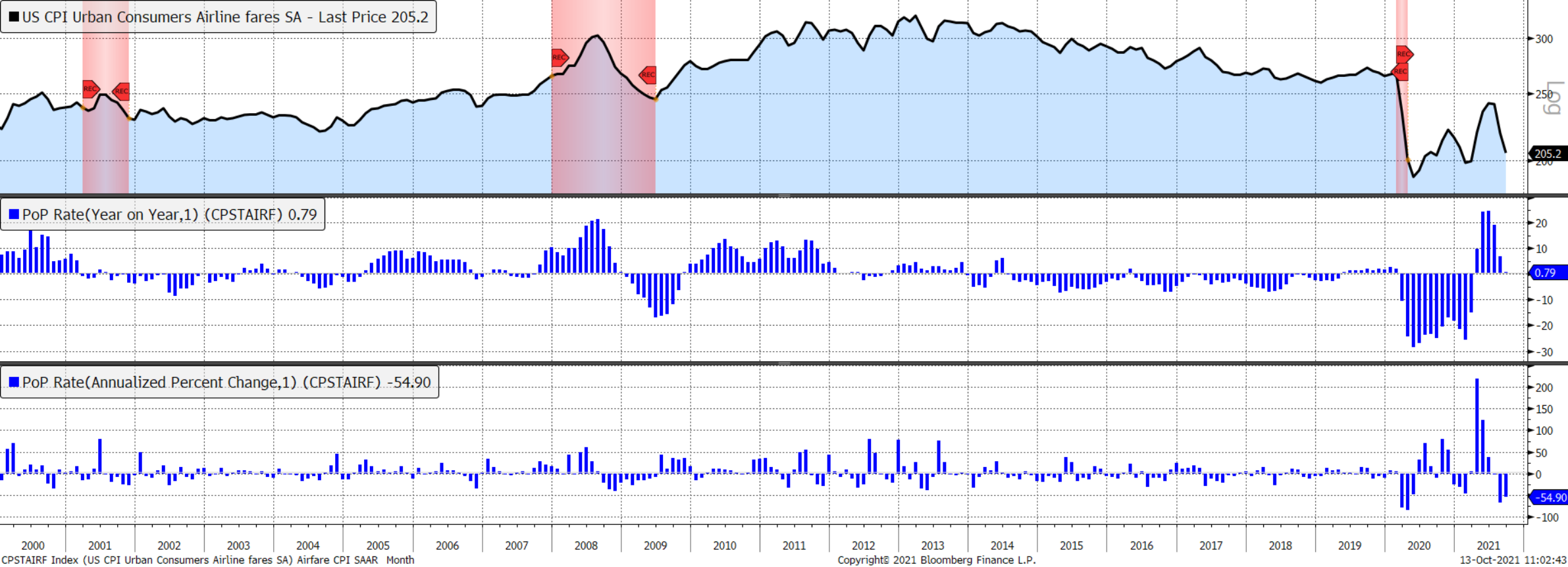
# The Key Drivers Of INFLATION At Present Do Appear To Be Driven By Temporary Supply/Demand Imbalances, Rather Than Something More Permanent: Used Cars



# The Key Drivers Of INFLATION At Present Do Appear To Be Driven By Temporary Supply/Demand Imbalances, Rather Than Something More Permanent: Hotels

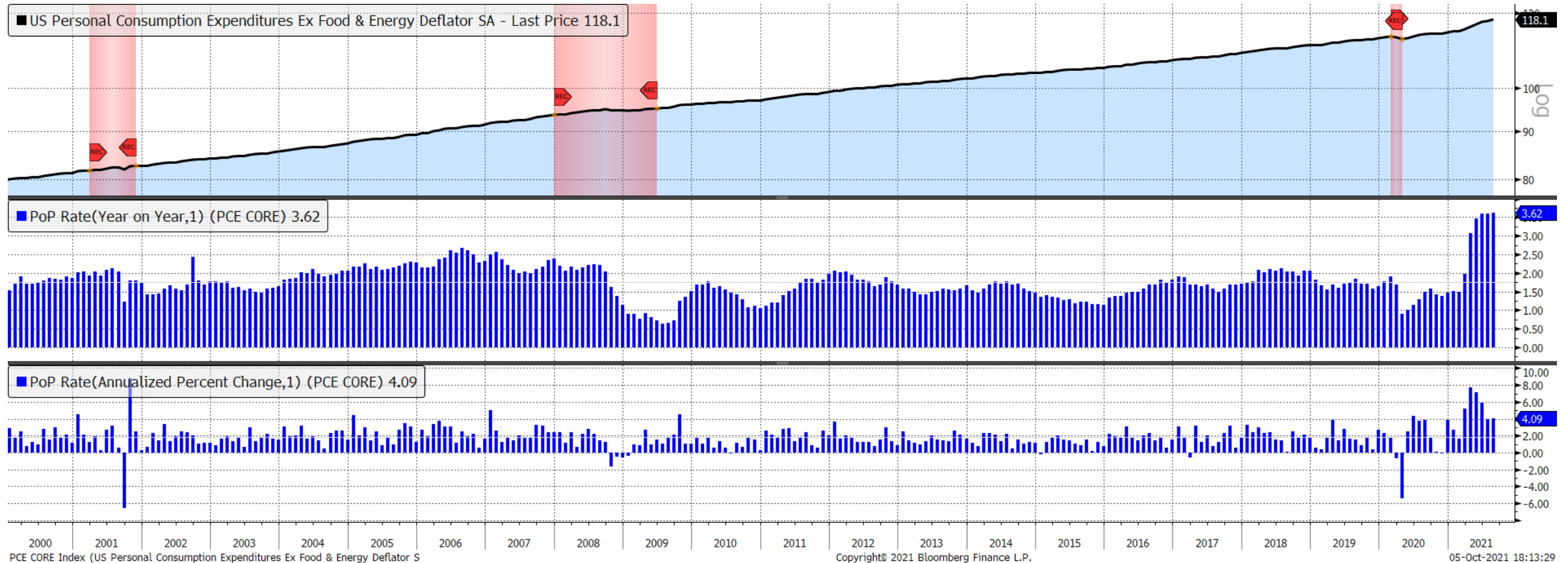


# The Key Drivers Of INFLATION At Present Do Appear To Be Driven By Temporary Supply/Demand Imbalances, Rather Than Something More Permanent: Airfares



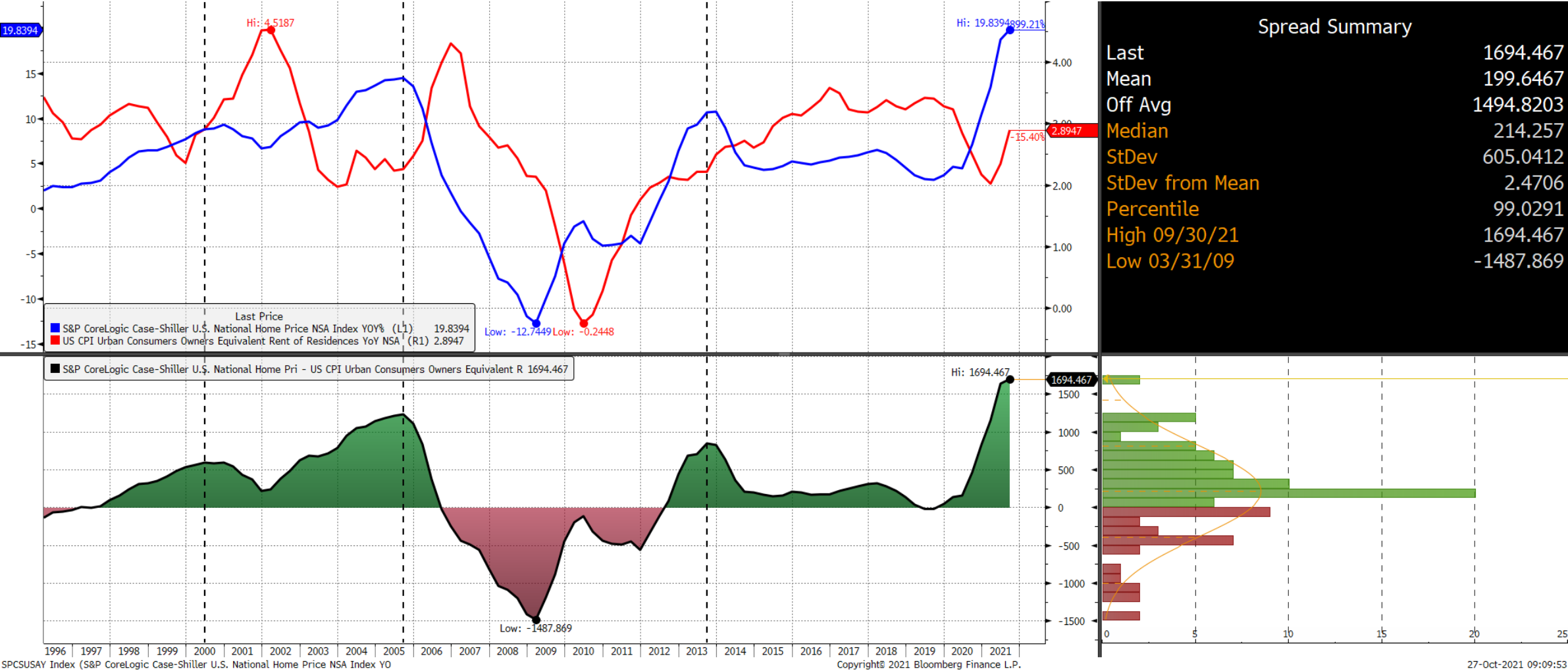


# Less Volatile Measures Of INFLATION Are Showing Signs Of Slowing Down As Well

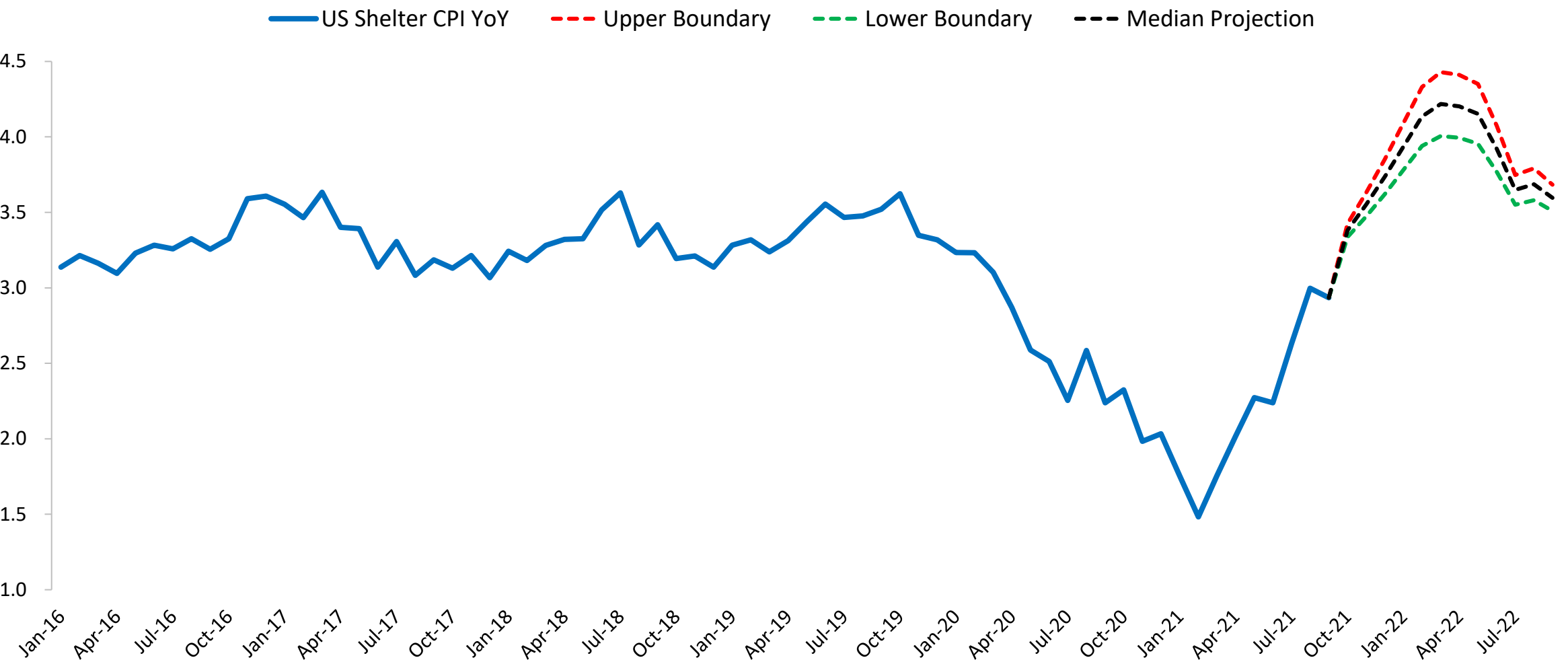


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# Even If We Are Proven Right On Our Call For INFLATION To Trend Lower Over The NTM, OER Will Keep An Elevated Floor Under Those Metrics

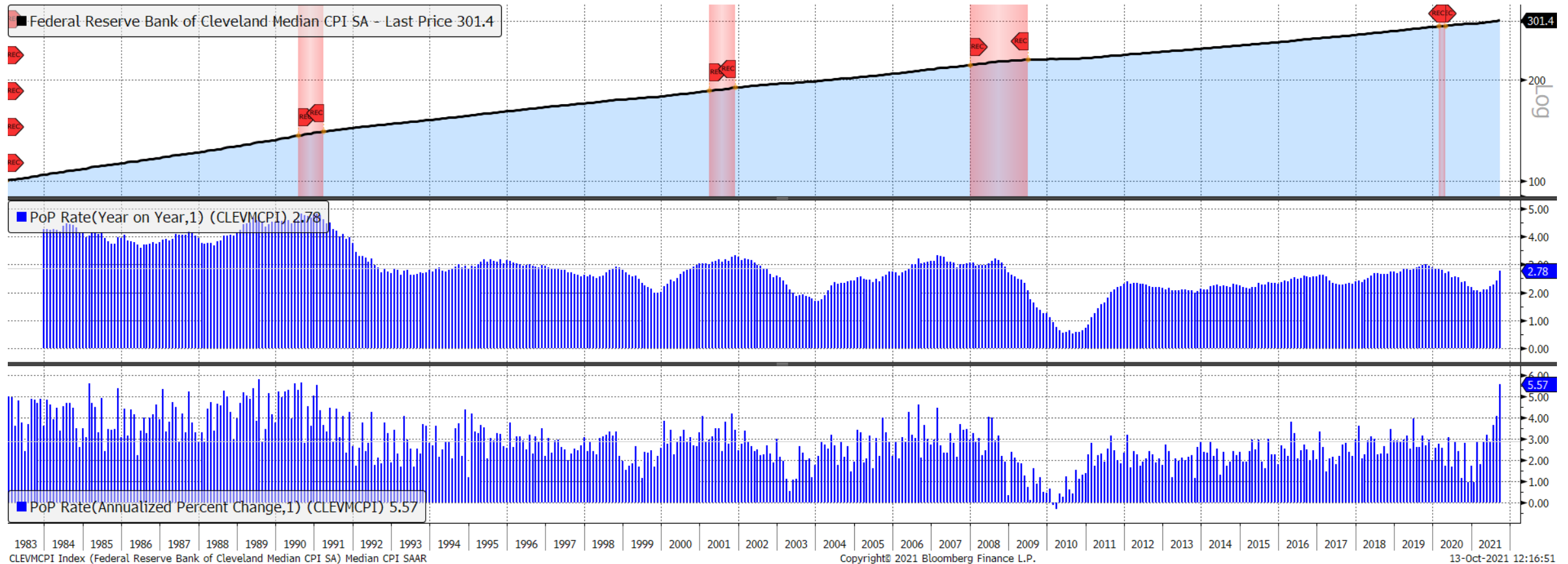


# Our Model Is Calling For Just Shy Of 4.5% Shelter CPI Over The NTM

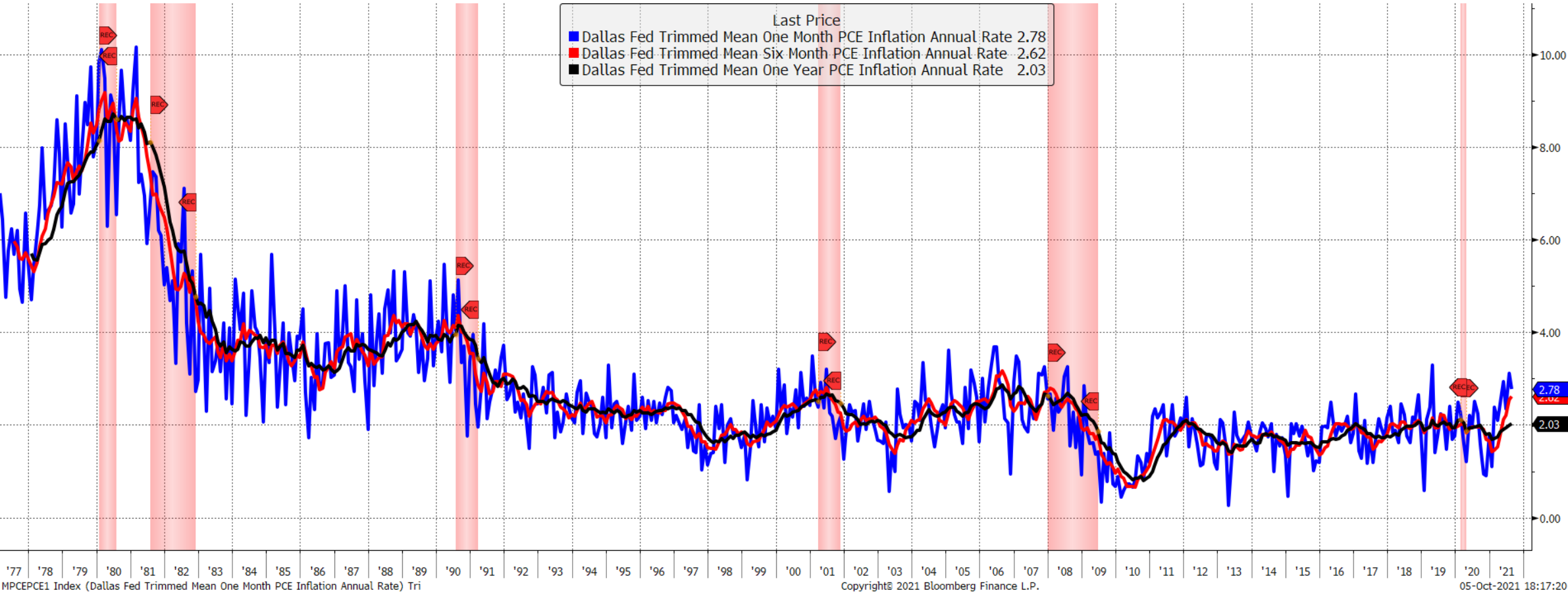


© 42 Macro LLC. Data Source: Bloomberg

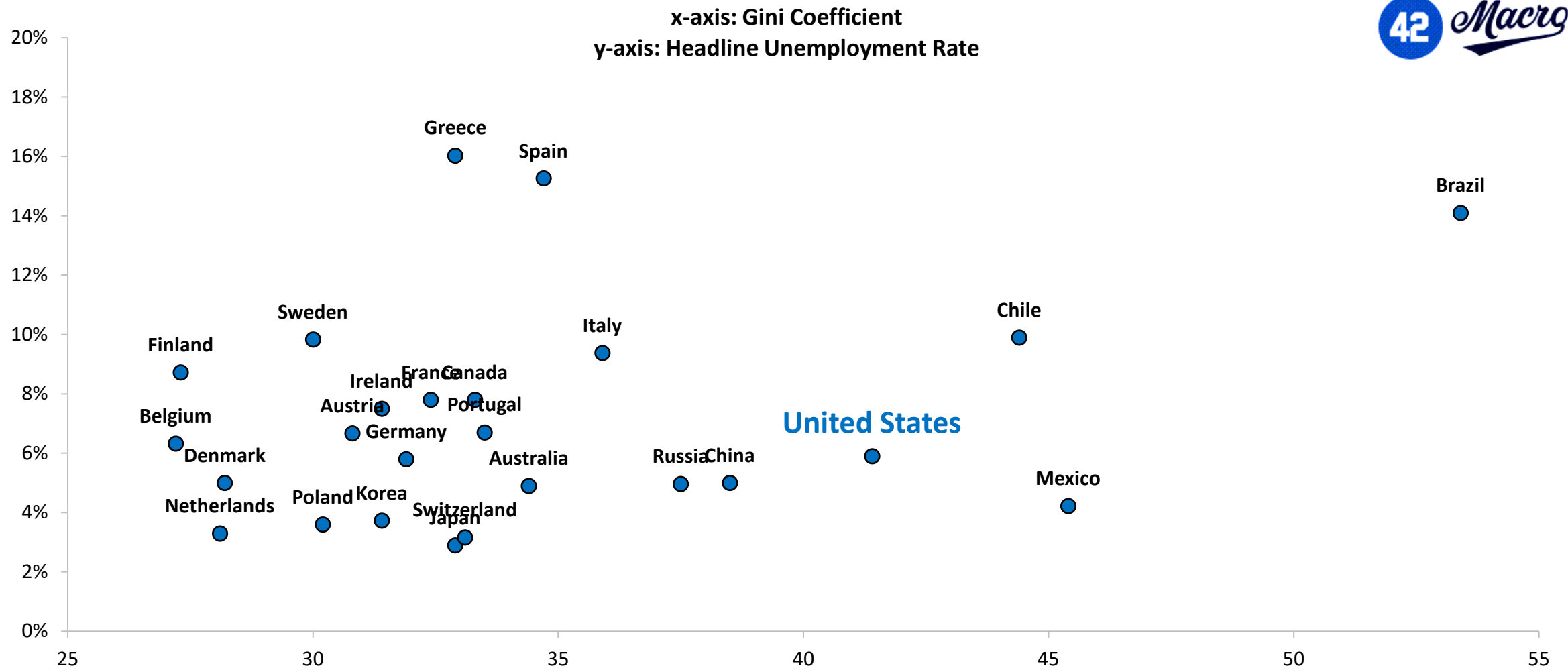
# Median CPI Has Exploded Out Of Its Post-GFC 2-4% SAAR Range



# Trimmed Mean PCE INFLATION Remains Structurally Depressed, But New Highs For The Six-Month Annualized Time Series Bears Watching

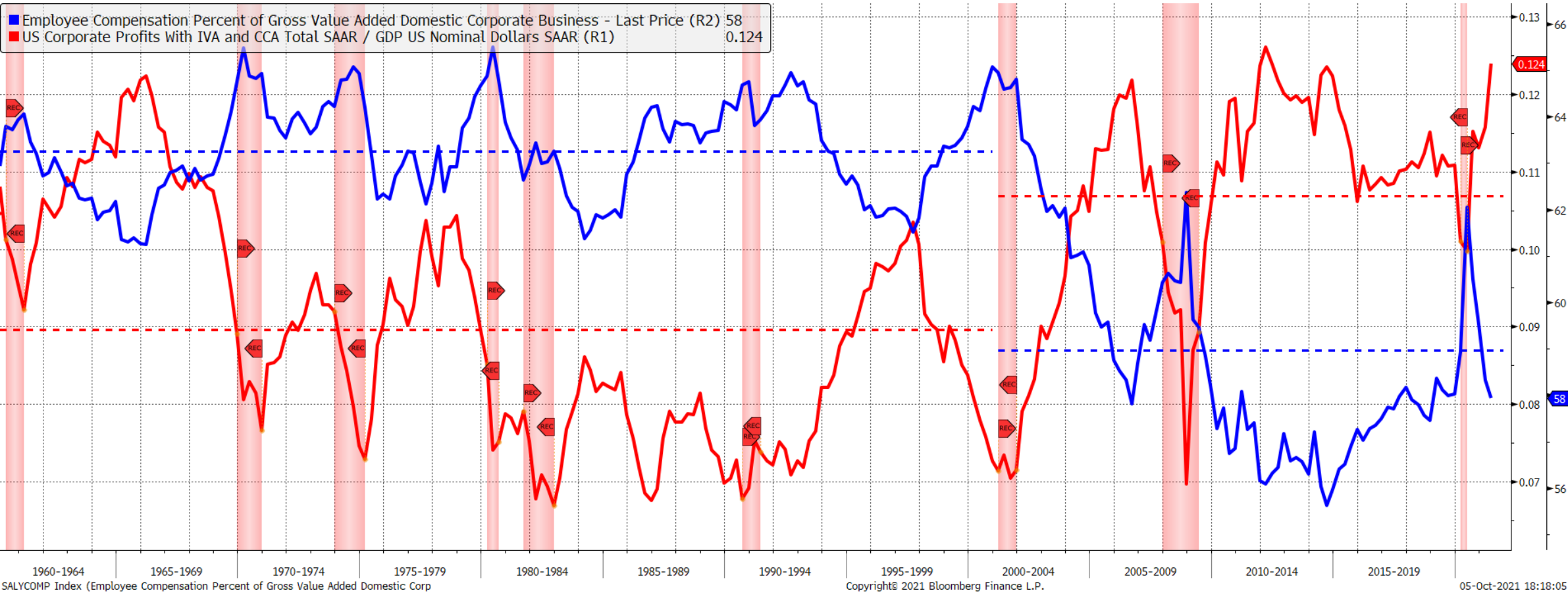


# POLITICS: The Drivers Of Populism Suggest The US Has Become An Emerging Market From A Political Risk Perspective



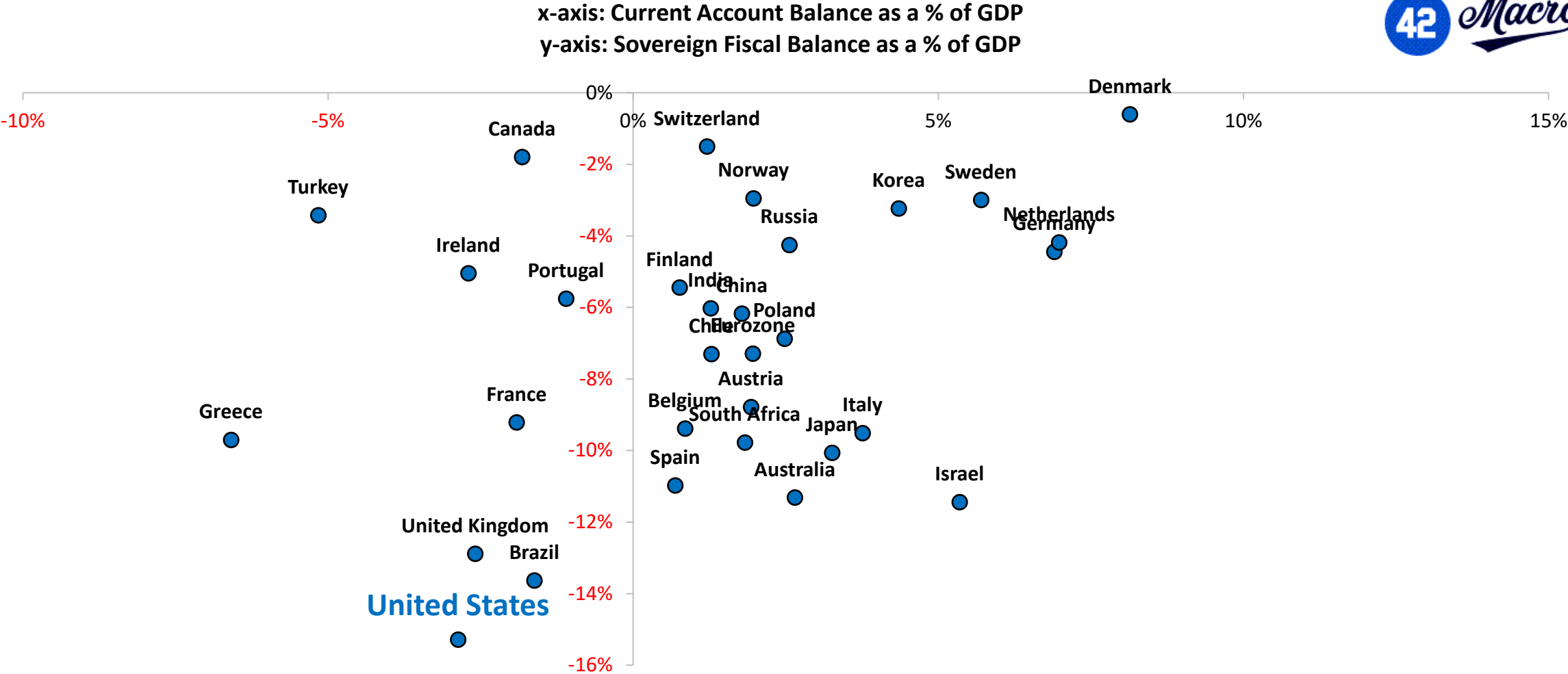


# The Most Important Chart In Macro Proves Why [Inflationary] Populism Has Bi-Partisan Support In The US



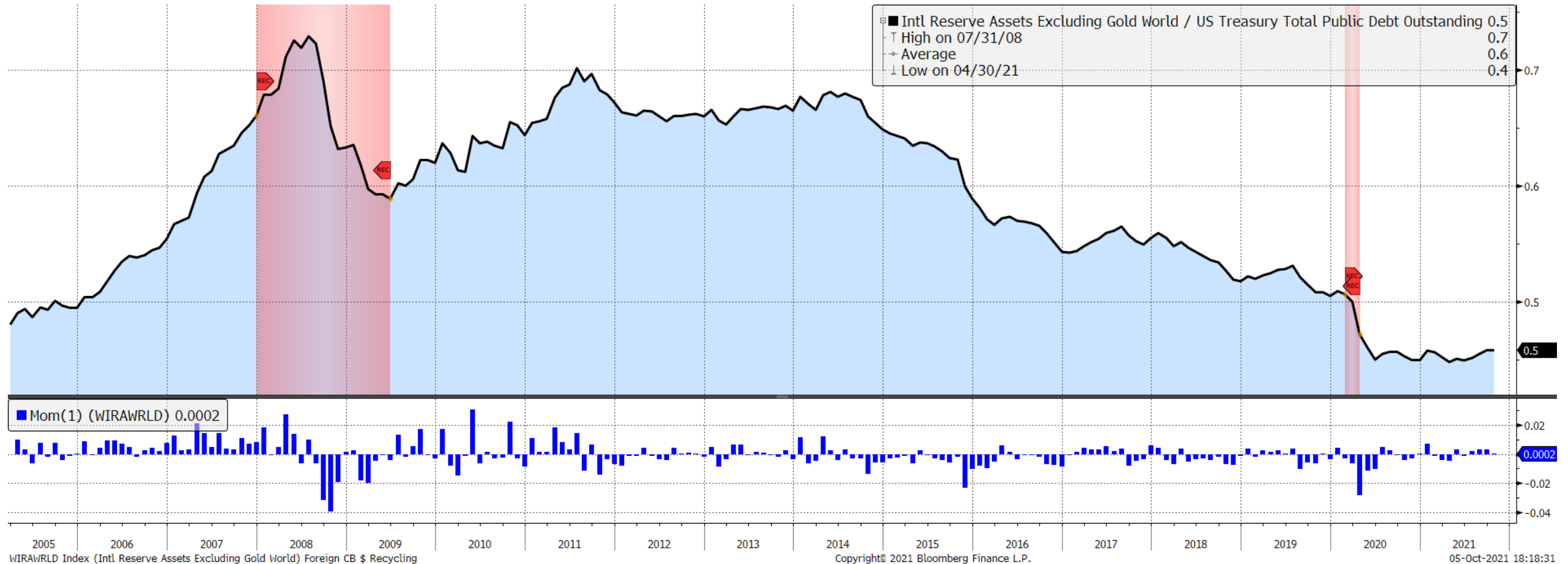
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# BALANCE OF PAYMENTS: Who Will Be Called Upon To Finance Bipartisan Populism In The US?



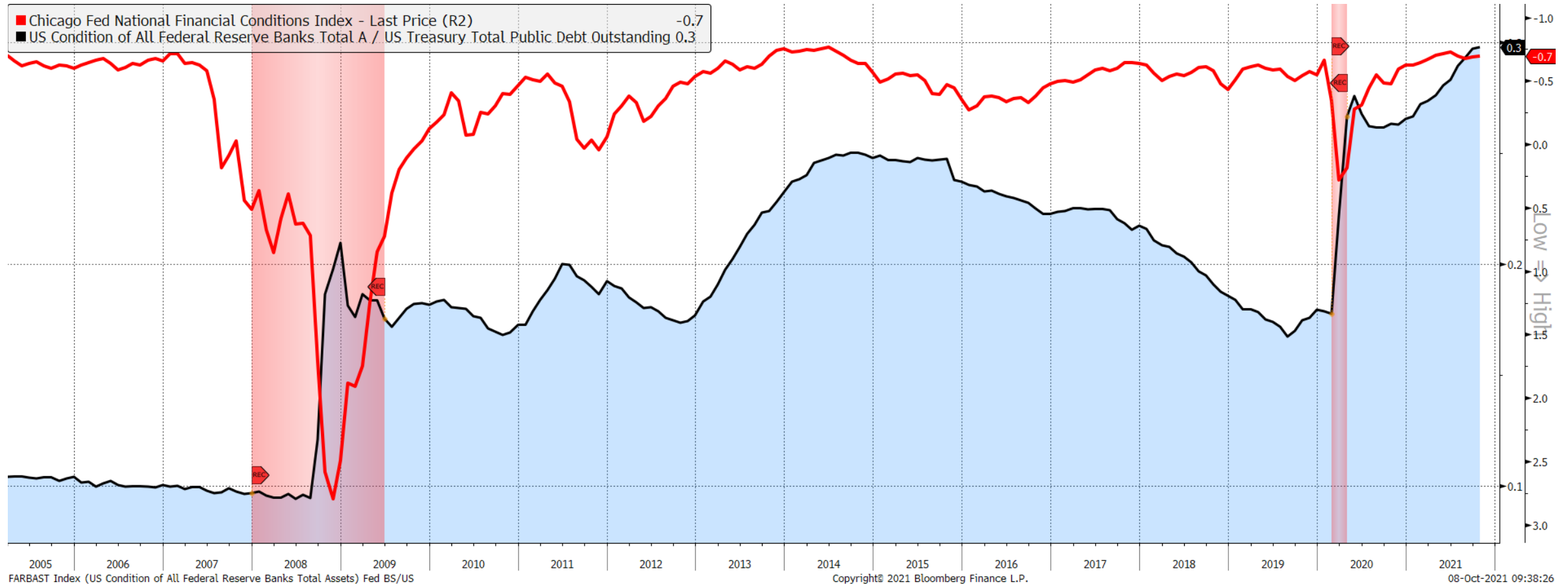
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# Foreign Central Banks Have Eschewed Dollar Recycling Since 2014



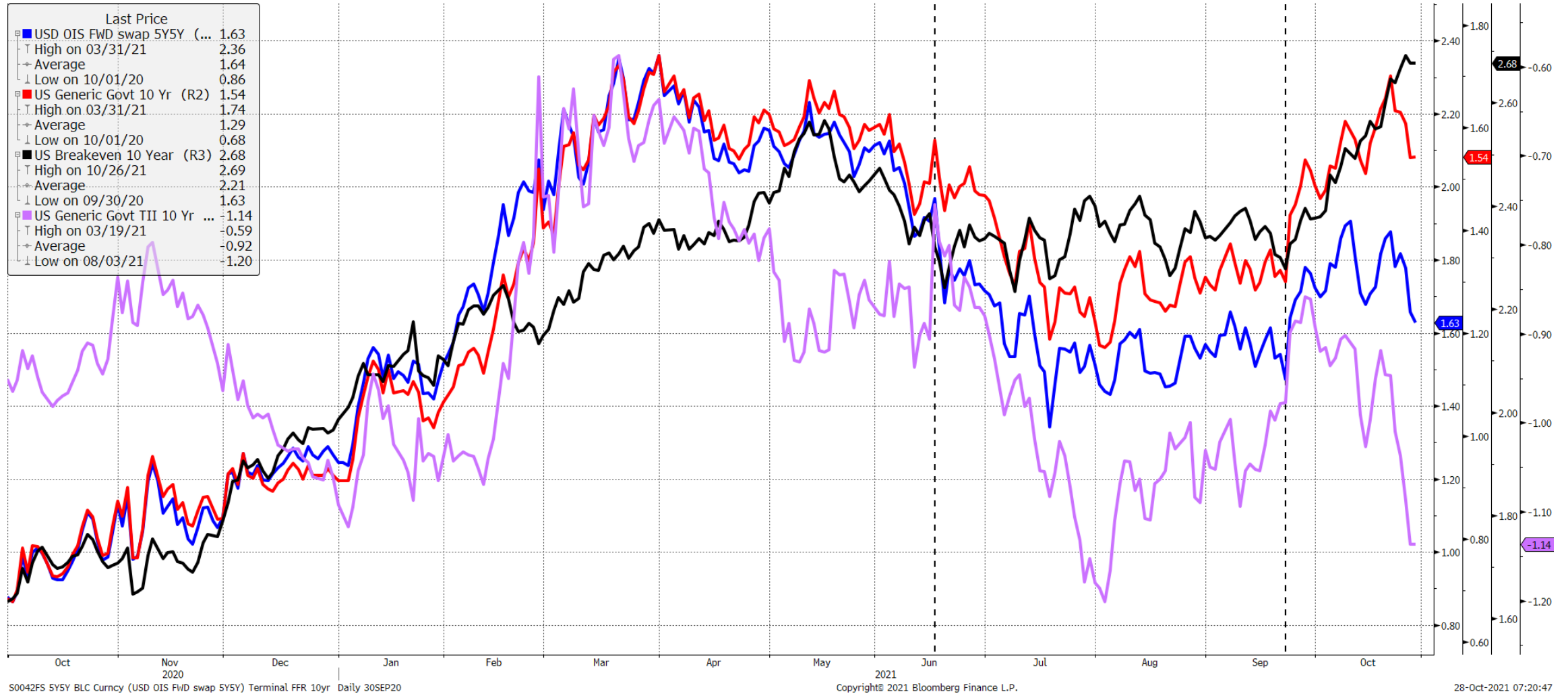
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# ... Which Implies The Fed Will Be Increasingly Called Upon To Finance Bloated US Budget Deficits Throughout The Remainder Of This Fourth Turning



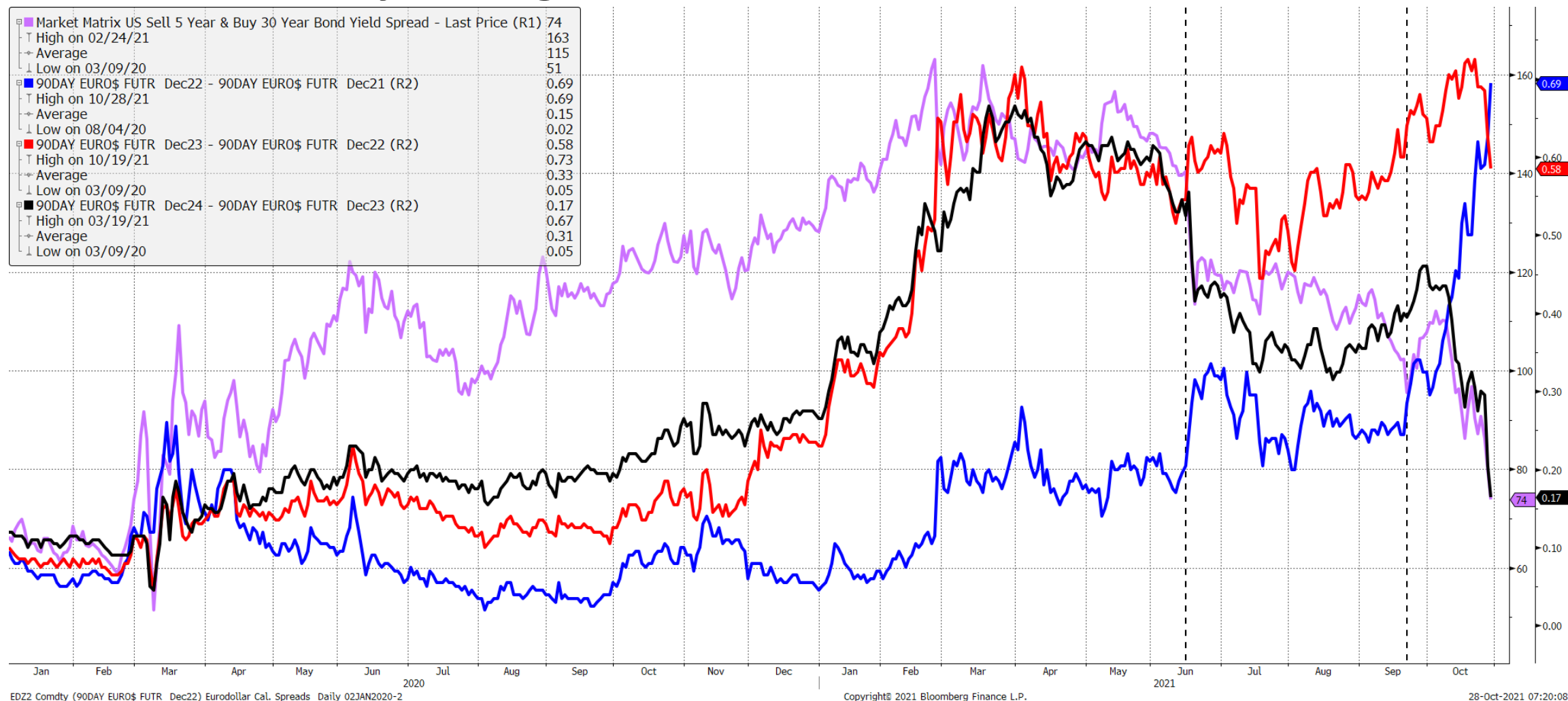
© 42 Macro LLC. Data Source: Bloomberg

# Rising Terminal Fed Funds Rate Expectations Suggest The Probability Of A Structurally Dovish Fed Has Risen Modestly Since The September FOMC



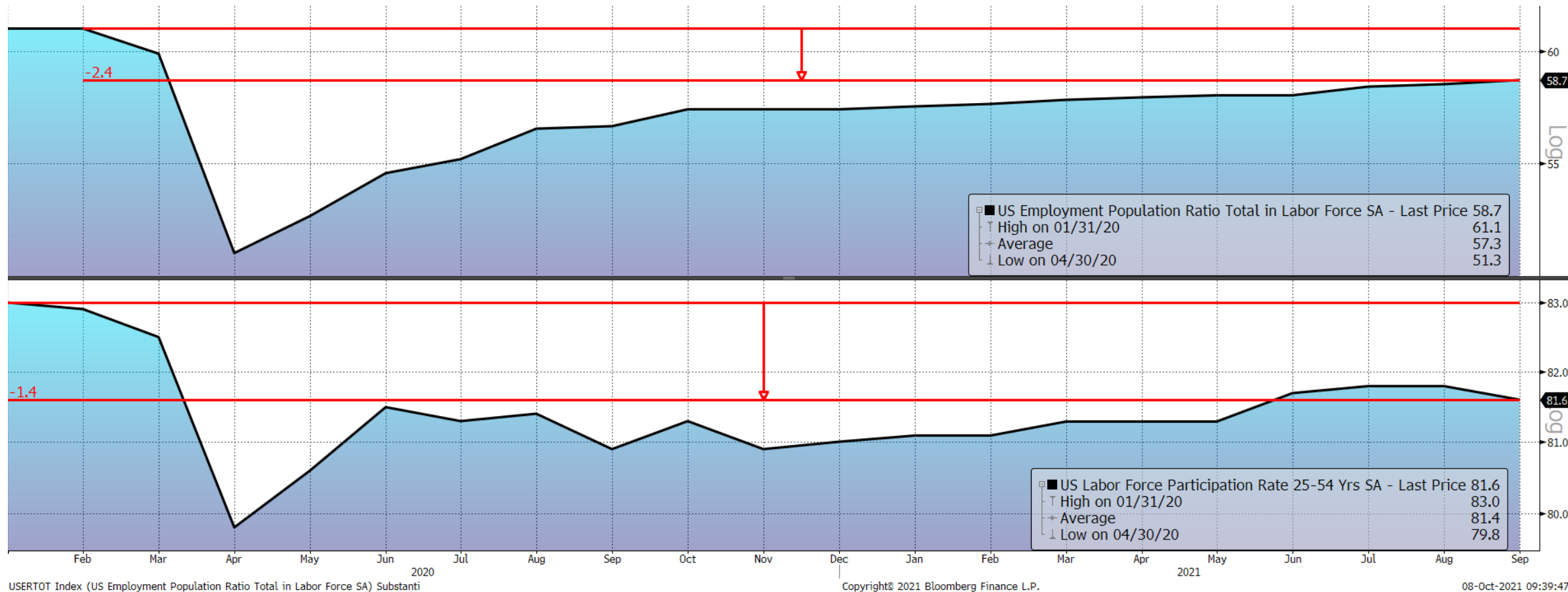
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# That Said, The Market Is Increasingly Pricing In The Risk Of A [Current] POLICY Mistake By Pulling Forward Rate Hikes Into 2022

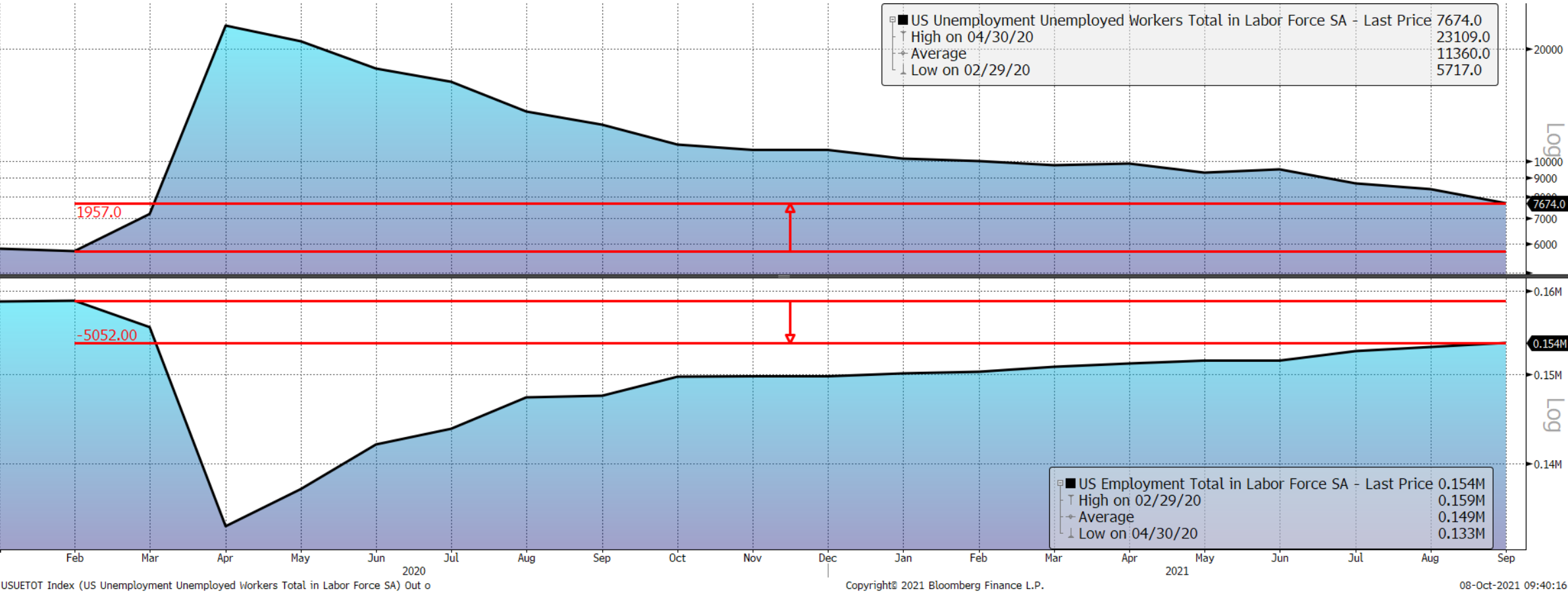




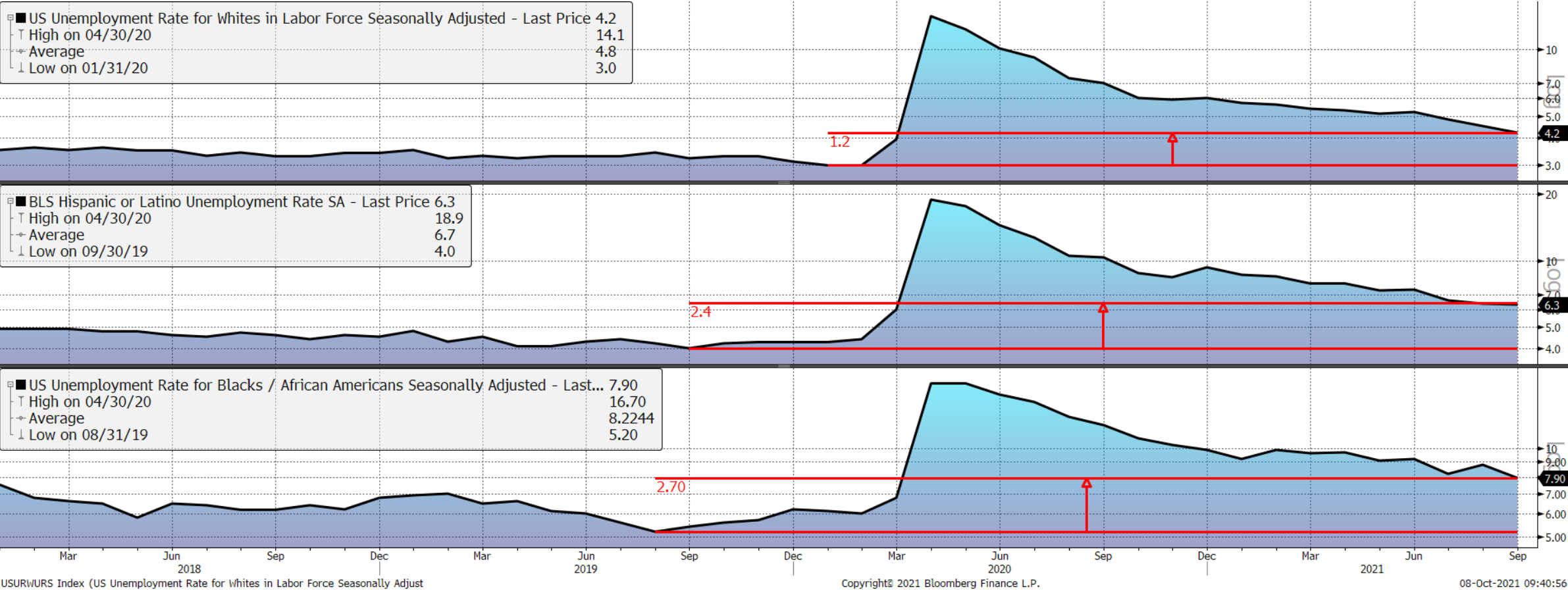
# Can The Fed “Set It And Forget It” With Respect To Tapering Or Will They Have To Giddy Up In The Coming Months?



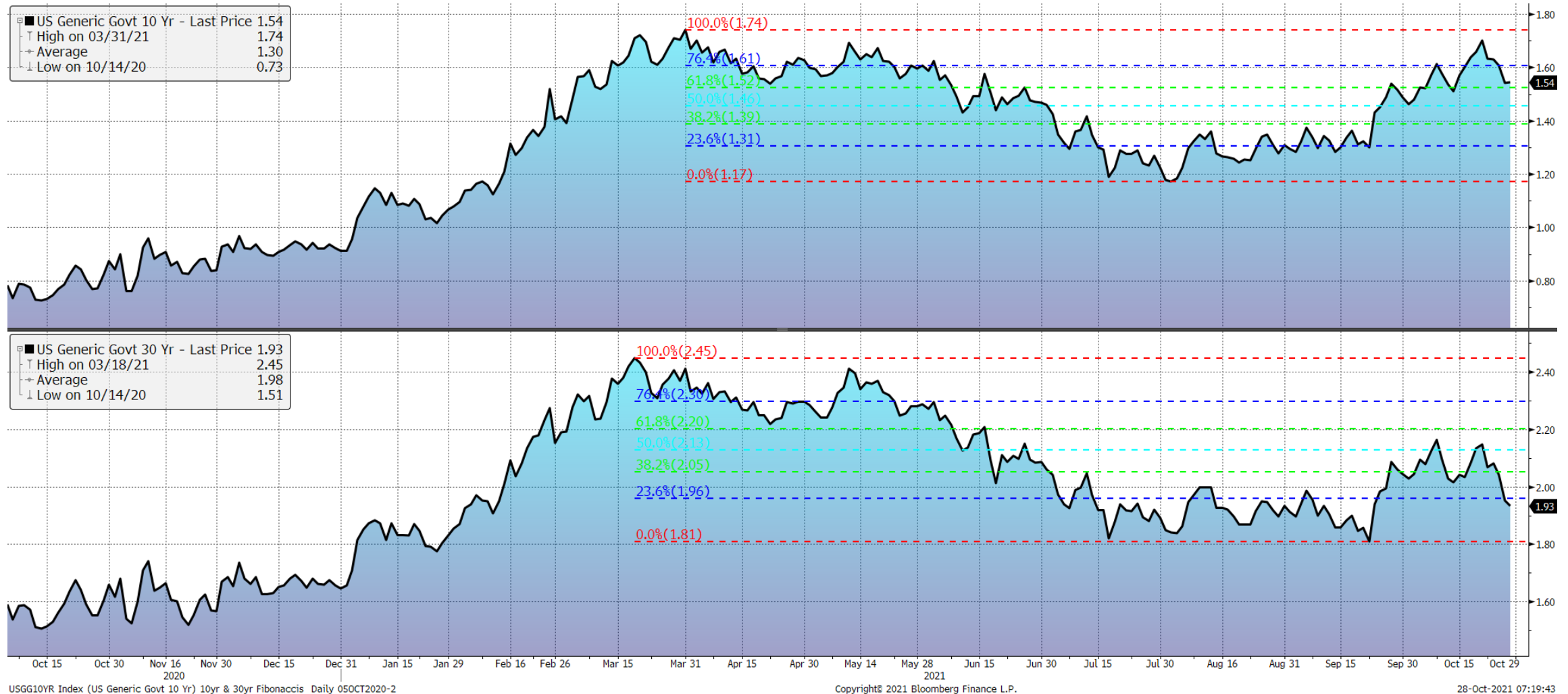
# Absent Substantial Further Progress On The Vaccine And Treatment Fronts, The 7+ Million Americans Out Of Work Due To The Pandemic Are Unlikely To Quickly Return To Work Anytime Soon



# We Are Already Observing Evidence Of Hysteresis Starting To Set In Within The US Labor Market



# How Much Higher Can Long Rates Go In Light Of Our “Jackson Five” vs. “Hanson Brothers” View?



© 42 Macro LLC. Data Source: Bloomberg

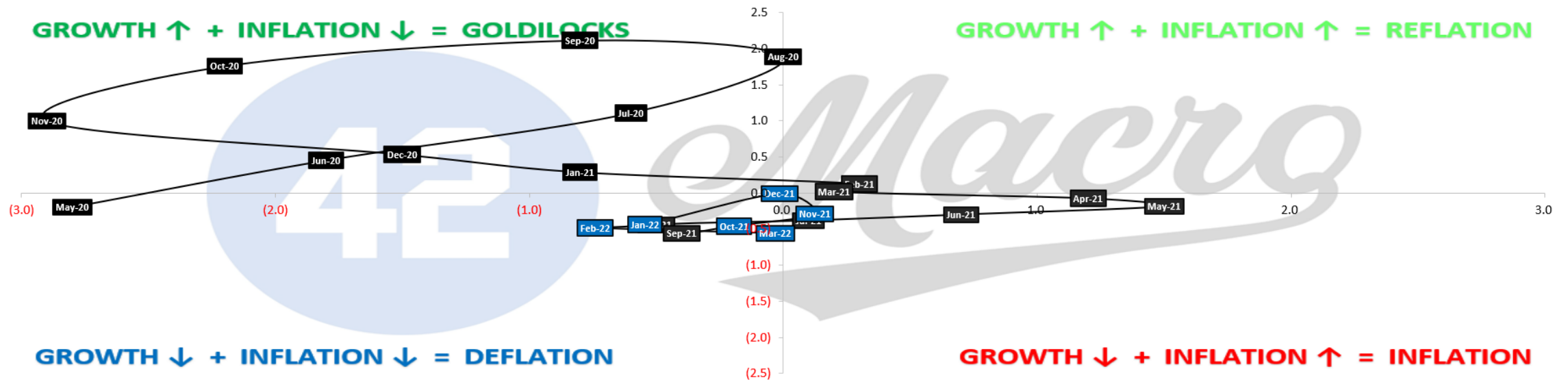
# US VALUATION Overlay

42 Macro Asset Market VALUATION Overlay																																												
United States	p-00	Mar-01	Sep-01	Mar-02	Sep-02	Mar-03	Sep-03	Mar-04	Sep-04	Mar-05	Sep-05	Mar-06	Sep-06	Mar-07	Sep-07	Mar-08	Sep-08	Mar-09	Sep-09	Mar-10	Sep-10	Mar-11	Sep-11	Mar-12	Sep-12	Mar-13	Sep-13	Mar-14	Sep-14	Mar-15	Sep-15	Mar-16	Sep-16	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21	
NTM P/E Ratio Spread 1yr Z-Score				-0.7	0.7	0.5	1.0	-1.7	0.6	2.1	1.2	-1.2	-0.4	-1.3	-0.3	-0.3	1.9	-1.9	-0.9	0.8	1.0	1.6	-0.6	-0.4	0.4	-0.5	0.5	1.4	0.5	-1.6	1.2	0.3	1.0	1.1	1.3	-1.5	0.8	0.0	1.0	-1.2	0.2	0.4	0.8	
REER 1yr Z-Score			0.4	1.9	-1.1	-1.3	-0.6	-1.3	0.1	-1.2	0.4	-0.3	-1.0	-1.0	-1.6	-1.5	0.1	1.6	-1.2	-0.6	-0.2	-1.4	-0.9	0.2	0.8	-0.5	1.3	0.7	1.2	2.0	1.5	1.2	-0.2	1.0	-1.8	-1.6	1.5	0.2	2.0	0.0	-0.3	-1.3	1.2	
10yr Spread vs. Barclays Global Agg YTW 1yr Z-Score			-0.4	0.3	-2.5	0.7	0.5	-0.4	-1.2	0.7	-0.1	-0.2	-2.0	-1.1	-1.3	-1.7	-1.2	-0.5	1.2	1.5	-1.7	0.4	-2.3	0.3	1.3	1.1	1.3	0.7	-0.1	-0.8	-1.2	-0.9	0.7	0.8	0.0	1.3	0.3	-1.6	-1.5	-2.8	-0.4	2.1	0.2	
Communication Services MSCI Index Weight	7%	7%	13%	5%	4%	4%	3%	3%	3%	3%	3%	3%	3%	4%	4%	3%	3%	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	2%	3%	3%	3%	3%	2%	2%	10%	11%	11%	11%	11%	11%		
Consumer Discretionary MSCI Index Weight	12%	14%	13%	14%	14%	14%	12%	12%	12%	13%	12%	11%	12%	12%	11%	10%	9%	9%	10%	10%	11%	11%	12%	12%	12%	12%	14%	13%	13%	14%	14%	14%	13%	13%	13%	14%	14%	11%	11%	10%	13%	13%	13%	
Consumer Staples MSCI Index Weight	6%	8%	8%	8%	10%	9%	11%	11%	10%	10%	10%	9%	9%	9%	9%	10%	12%	13%	11%	11%	12%	10%	12%	11%	11%	11%	10%	10%	10%	10%	10%	10%	11%	10%	10%	9%	8%	7%	8%	8%	8%	7%	6%	6%
Energy MSCI Index Weight	5%	5%	5%	6%	6%	6%	6%	6%	7%	8%	9%	9%	9%	9%	11%	13%	13%	13%	11%	11%	11%	13%	11%	11%	11%	10%	10%	10%	8%	7%	6%	7%	6%	6%	6%	5%	4%	2%	2%	2%	2%	2%		
Financials MSCI Index Weight	14%	17%	16%	19%	20%	19%	21%	22%	21%	20%	20%	21%	22%	22%	20%	17%	17%	12%	16%	16%	15%	16%	14%	15%	15%	16%	16%	16%	16%	16%	17%	16%	12%	14%	14%	14%	13%	12%	13%	11%	9%	11%	11%	
Health Care MSCI Index Weight	13%	15%	16%	15%	15%	16%	14%	13%	13%	13%	13%	13%	12%	11%	12%	13%	14%	13%	12%	11%	11%	12%	11%	11%	11%	12%	12%	13%	13%	15%	14%	14%	14%	13%	14%	13%	14%	14%	13%	15%	14%	13%	13%	
Industrials MSCI Index Weight	10%	11%	10%	11%	12%	11%	10%	10%	11%	11%	10%	11%	11%	10%	11%	12%	11%	10%	10%	11%	11%	11%	10%	10%	10%	10%	10%	11%	10%	10%	10%	10%	9%	10%	10%	10%	10%	10%	10%	8%	8%	9%	8%	
Information Technology MSCI Index Weight	29%	18%	14%	17%	13%	15%	18%	17%	16%	16%	16%	16%	15%	17%	16%	16%	18%	19%	19%	19%	18%	19%	20%	20%	18%	18%	19%	19%	20%	20%	20%	21%	21%	22%	23%	25%	26%	21%	22%	25%	28%	27%	28%	
Materials MSCI Index Weight	2%	2%	2%	2%	2%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%	4%	4%	3%	3%	4%	4%	3%	4%	3%	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	2%	3%	3%	2%	3%	2%		
Real Estate MSCI Index Weight												1%	1%	2%	2%	2%	2%	1%	1%	1%	2%	2%	2%	2%	3%	3%	2%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	
Utilities MSCI Index Weight	3%	4%	3%	3%	3%	3%	3%	3%	3%	3%	4%	3%	3%	4%	3%	4%	3%	4%	4%	3%	3%	3%	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%	2%	
Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Color coding endemic to each indicator.																																												

# China GRID Outlook: The **Negative RoC** Trend In GROWTH Appears Set To Deepen Over The Next Few Months

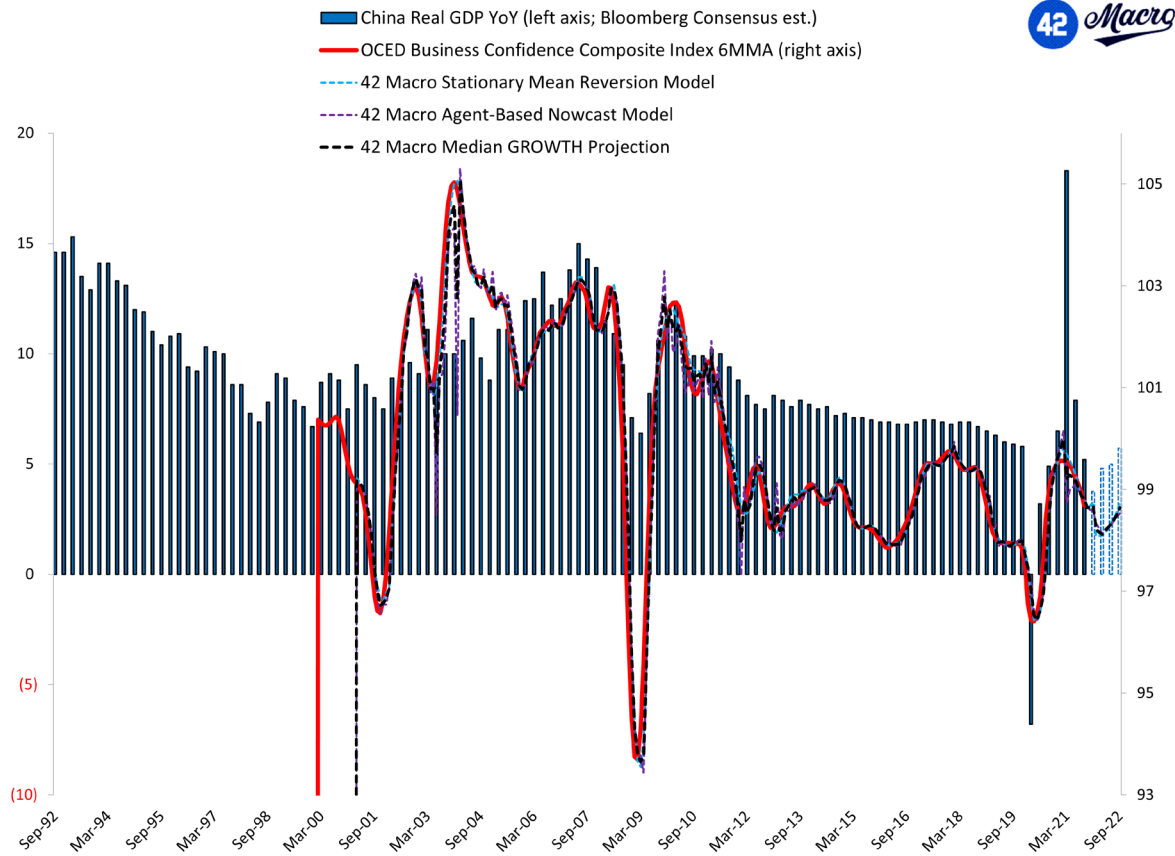
China		Actuals																		Projections												
42 Macro GRID Framework		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22
Macro Regime		D	D	D	G	G		G	G	G	G	G	R	R	I	I	I	I	D	D	D	I	D	D	D	D	I	R	R	R	R	R
Conditional Probability of GOLDLOCKS		3%	5%	21%	66%	68%	1%	89%	95%	91%	87%	66%	42%	23%	3%	1%	5%	6%	8%	9%	8%	9%	25%	11%	10%	5%	5%	3%	5%	11%	8%	4%
Conditional Probability of REFLATION		2%	0%	1%	2%	17%	1%	9%	2%	2%	3%	21%	46%	56%	21%	19%	14%	8%	5%	6%	6%	12%	23%	3%	2%	4%	38%	58%	68%	65%	68%	78%
Conditional Probability of INFLATION		42%	2%	2%	1%	3%	1%	0%	0%	0%	0%	3%	6%	15%	65%	75%	62%	49%	34%	33%	37%	45%	25%	20%	13%	43%	51%	36%	26%	21%	17%	
Conditional Probability of DEFLATION		53%	92%	76%	32%	12%	1%	2%	2%	6%	10%	10%	6%	6%	10%	5%	20%	37%	53%	52%	49%	33%	27%	66%	75%	48%	7%	2%	2%	3%	2%	1%
OECD CLI (Real GDP YoY Proxy)		96.4	96.4	96.6	96.9	97.5	98.4	99.0	99.3	99.4	99.5	99.6	99.5	99.5	99.5	99.4	99.2	99.1	98.9	98.7	98.6	98.6	98.7	98.2	98.2	98.1	98.2	98.3	98.3	98.4	98.5	98.6
3mo Δ		-1.4	-1.0	-0.2	0.5	1.1	1.9	2.1	1.8	1.0	0.5	0.3	0.1	0.0	-0.1	-0.2	-0.3	-0.4	-0.4	-0.6	-0.5	-0.3	0.0	-0.4	-0.5	-0.6	0.0	0.1	0.2	0.2	0.3	0.3
Headline CPI YoY		4.3	3.3	2.4	2.5	2.7	2.4	1.7	0.5	-0.5	0.2	-0.3	-0.2	0.4	0.9	1.3	1.1	1.0	0.8	0.7	0.8	0.9	0.7	0.3	0.2	0.7	1.2	1.7	1.9	1.9	2.6	3.4
3mo Δ		-0.2	-2.1	-2.8	-1.8	-0.6	0.0	-0.8	-2.2	-2.9	-1.5	-0.8	0.3	0.2	1.2	1.5	0.7	0.1	-0.5	-0.4	-0.2	0.1	0.0	-0.5	-0.7	0.0	0.9	1.5	1.2	0.7	0.9	1.5

— x-axis: 3mo Δ of Headline CPI YoY; y-axis: 3mo Δ of OECD CLI (Real GDP YoY Proxy)

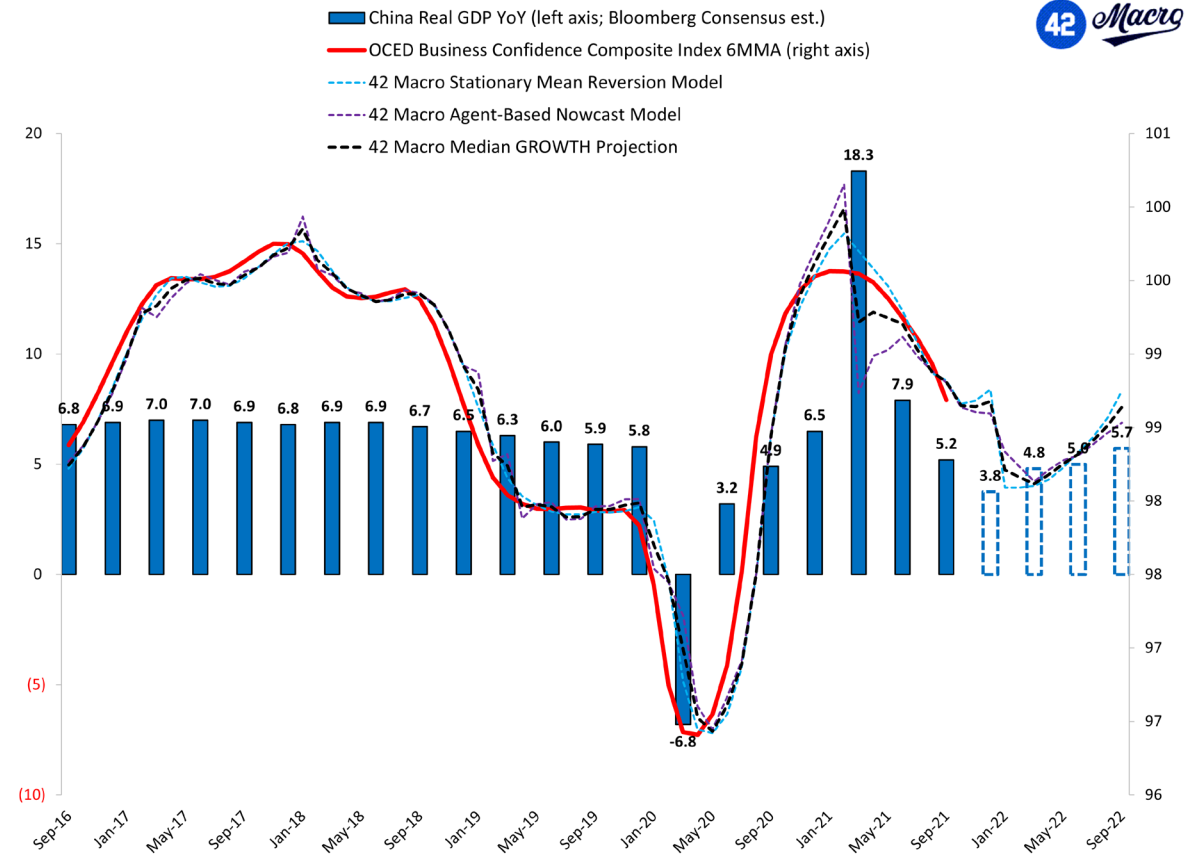




# China GROWTH: Secular View



# China GROWTH: Cyclical View



# China GROWTH Agent-Based Nowcast Model

	42 Macro Agent-Based Nowcast GROWTH Model Features																														
China	Jan-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
China Business Tendency Manufacturing Confidence Composite OECD Normalsd SA 6MMA	98.1	98.1	97.9	97.8	97.8	97.9	98.0	98.1	98.0	97.2	95.4	93.8	96.1	98.0	98.8	99.2	99.3	99.3	99.5	99.6	99.8	99.7	99.5	99.3	99.4	99.3	99.1	98.9	98.6	98.3	97.9
China Value Added of Industry YoY (4%)	8.5	5.4	5.0	6.3	4.8	4.4	5.8	4.7	6.2	6.9			-1.1	3.9	4.4	4.8	4.8	5.6	6.9	6.9	7.0	7.3			14.1	9.8	8.8	8.3	6.4	5.3	3.1
China Export Trade USD YoY (1%)	14.0	-2.7	1.1	-1.5	3.4	-1.0	-3.2	-0.8	-1.3	7.9	-2.9	-40.6	-6.9	3.1	-3.5	0.2	6.8	9.1	9.4	10.9	20.6	18.1	24.6	154.7	30.5	32.1	27.8	32.2	19.3	25.6	28.1
China Retail Sales Value YoY (6%)	8.7	7.2	8.6	9.8	7.6	7.5	7.8	7.2	8.0	8.0			-15.8	-7.5	-2.8	-1.8	-1.1	0.5	3.3	4.3	5.0	4.6			34.2	17.7	12.4	12.1	8.5	2.5	4.4
China Manufacturing PMI SA (3%)	50.5	50.1	49.4	49.4	49.7	49.5	49.8	49.3	50.2	50.2	50.0	35.7	52.0	50.8	50.6	50.9	51.1	51.0	51.5	51.4	52.1	51.9	51.3	50.6	51.9	51.1	51.0	50.9	50.4	50.1	49.6
China Non-Manufacturing PMI SA (4%)	54.8	54.3	54.3	54.2	53.7	53.8	53.7	52.8	54.4	53.5	54.1	29.6	52.3	53.2	53.6	54.4	54.2	55.0	55.9	56.2	56.4	55.7	52.4	51.4	56.3	54.9	55.2	53.5	53.3	47.5	53.2
China Leading Index (12%)	100.8	100.5	100.0	99.6	99.4	99.4	99.4	99.0	98.3	97.3	96.7	96.8	97.8	99.3	101.0	102.5	103.4	103.9	104.1	104.4	104.8	105.3	105.6	105.3	104.4	103.1	101.8	100.4	99.6		
China Coincident Index (17%)	99.6	99.2	98.7	98.4	98.3	98.3	98.0	96.8	94.3	90.8	87.4	85.8	86.4	88.8	92.0	94.7	96.7	98.2	99.9	102.4	106.1	110.8	115.1	117.3	116.4	113.5	110.1	107.2	105.1		
Bloomberg Economics China Credit Impulse (3%)	-8.3	-10.3	-4.9	0.2	-0.6	-3.2	-0.9	2.2	7.7	7.6	1.1	2.0	9.0	19.2	22.7	23.0	29.0	35.7	38.2	41.4	39.3	35.9	31.2	34.5	11.0	-1.8	-11.8	-13.6	-17.7	-22.6	-26.4
Bloomberg Economics China Credit Impulse 12 Month Net Change (2%)	-2.2	-2.7	-1.2	0.0	-0.1	-0.8	-0.2	0.5	1.7	1.6	0.3	0.5	2.2	4.4	5.4	5.6	6.7	8.2	8.9	9.4	9.1	8.3	7.2	8.0	2.9	-0.5	-3.4	-4.1	-5.3	-7.1	-8.5
China All-system Financing Aggregate YTD (2%)	42.1	24.1	27.5	27.7	19.7	15.3	14.5	13.4	14.2	13.7	8.0	5.0	29.1	38.3	45.1	42.8	41.9	44.5	43.7	44.4	41.2	36.0	2.6	16.6	-7.4	-14.6	-19.0	-14.7	-16.3	-16.4	-16.4
China Social Financing New Loan in Local Currency YTD (1%)	29.7	20.5	17.8	14.3	7.8	6.8	8.6	6.9	7.2	7.7	-2.1	-2.7	15.3	23.9	24.9	23.0	23.3	21.7	20.1	20.2	19.5	18.6	9.3	22.5	9.1	3.6	1.9	5.0	3.2	1.9	0.8
China Monthly Money Supply M0 YoY (1%)	3.1	3.5	4.3	4.3	4.5	4.8	4.0	4.7	4.8	5.4	6.6	10.9	10.8	10.2	9.5	9.5	9.9	9.4	11.1	10.4	10.3	9.2	-3.9	4.2	4.2	5.3	5.6	6.2	6.1	6.3	5.5
China Monthly Money Supply M1 YoY (0%)	4.6	2.9	3.4	4.4	3.1	3.4	3.4	3.3	3.5	4.4	0.0	4.8	5.0	5.5	6.8	6.5	6.9	8.0	8.1	9.1	10.0	8.6	14.7	7.4	7.1	6.2	6.1	5.5	4.9	4.2	3.7
China Monthly Money Supply M2 YoY (5%)	8.6	8.5	8.5	8.5	8.1	8.2	8.4	8.4	8.2	8.7	8.4	8.8	10.1	11.1	11.1	11.1	10.7	10.4	10.9	10.5	10.7	10.1	9.4	10.1	9.4	8.1	8.3	8.6	8.3	8.2	8.3
China Total Loans of Financial Institutions YoY (3%)	13.7	13.5	13.4	13.0	12.6	12.4	12.5	12.4	12.4	12.3	12.1	12.1	12.7	13.1	13.2	13.2	13.0	13.0	13.0	12.9	12.8	12.8	12.7	12.9	12.6	12.3	12.2	12.3	12.3	12.1	11.9
China PPI Manufacturing YoY (6%)	0.4	0.9	0.5	0.0	-0.2	-0.8	-1.2	-1.5	-1.6	-0.9	-0.6	-0.7	-1.2	-2.2	-2.4	-2.0	-1.8	-1.4	-1.3	-1.2	-0.8	0.0	1.0	1.7	3.4	5.4	7.4	7.4	7.5	8.0	8.9
China Retail Sales Cumulative Value YoY (20%)	8.3	8.0	8.1	8.4	8.3	8.2	8.2	8.1	8.0	8.0		-20.5	-19.0	-16.2	-13.5	-11.4	-9.9	-8.6	-7.2	-5.9	-4.8	-3.9		33.8	33.9	29.6	25.7	23.0	20.7	18.1	16.4
China Value Added of Industry YoY Cumulative (1%)	6.5	6.2	6.0	6.0	5.8	5.6	5.6	5.6	5.6	5.7		-13.5	-8.4	-4.9	-2.8	-1.3	-0.4	0.4	1.2	1.8	2.3	2.8		35.1	24.5	20.3	17.8	15.9	14.4	13.1	11.8
China Fixed Assets Investment (Excluding Rural Households) Cumulative YoY (1%)	6.3	6.1	5.6	5.8	5.7	5.5	5.4	5.2	5.2	5.4		-24.5	-16.1	-10.3	-6.3	-3.1	-1.6	-0.3	0.8	1.8	2.6	2.9		35.0	25.6	19.9	15.4	12.6	10.3	8.9	7.3
China Fixed Assets Investment (Cumulative) YoY - State-owned & State holdings (0%)	6.7	7.8	7.2	6.9	7.1	7.1	7.3	7.4	6.9	6.8		-23.1	-12.8	-6.9	-1.9	2.1	3.8	3.2	4.0	4.9	5.6	5.3		32.9	25.3	18.6	11.8	9.6	7.1	6.2	5.0
China Fixed Assets Investment (Cum) YoY- Infrastructure (excluding electricity) (0%)	4.4	4.4	4.0	4.1	3.8	4.2	4.5	4.2	4.0	3.8		-30.3	-19.7	-11.8	-6.3	-2.7	-1.0	-0.3	0.2	0.7	1.0	0.9		36.6	29.7	18.4	11.8	7.8	4.6	2.9	1.5
China Private Investments in Fixed Assets YTD YoY (3%)	6.4	5.5	5.3	5.7	5.4	4.9	4.7	4.4	4.5	4.7		-26.4	-18.8	-13.3	-9.6	-7.3	-5.7	-2.8	-1.5	-0.7	0.2	1.0		36.4	26.0	21.0	18.1	15.4	13.4	11.5	9.8
China Completed Investment in Real Estate(Cumulative)YoY (1%)	11.8	11.9	11.2	10.9	10.6	10.5	10.5	10.3	10.2	9.9		-16.3	-7.7	-3.3	-0.3	1.9	3.4	4.6	5.6	6.3	6.8	7.0		38.3	25.6	21.6	18.3	15.0	12.7	10.9	8.8
China Import Trade USD YoY (2%)	-7.2	4.5	-8.2	-6.8	-4.9	-5.5	-8.2	-6.2	0.8	16.5	-12.7	7.7	-1.3	-14.4	-16.7	2.3	-1.6	-2.3	12.7	4.4	3.9	6.5	28.6	18.8	39.1	43.9	51.6	36.9	28.2	33.1	17.6
China Property - Land Areas Purchased YTD YoY (0%)	-33.1	-33.8	-33.2	-27.5	-29.4	-25.6	-20.2	-16.3	-14.2	-11.4		-29.3	-22.6	-12.0	-8.1	-0.9	-1.0	-2.4	-2.9	-3.3	-5.2	-1.1		33.0	16.9	4.8	-7.5	-11.8	-9.3	-10.2	-8.5
China Property - Floor Space of Newly Started Cumulative YoY% (0%)	11.9	13.1	10.5	10.1	9.5	8.9	8.6	10.0	8.6	8.5		-44.9	-27.2	-18.4	-12.8	-7.6	-4.5	-3.6	-3.4	-2.6	-2.0	-1.2		64.3	28.2	12.8	6.9	3.8	-0.9	-3.2	-4.5
China Property - Total Sales of Buildings YoY (2%)	5.6	8.1	6.1	5.6	6.2	6.7	7.1	7.3	7.3	6.5		-35.9	-24.7	-18.6	-10.6	-5.4	-2.1	1.6	3.7	5.8	7.2	8.7		133.4	88.5	68.2	52.4	38.9	30.7	22.8	16.6
Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Nowcast feature weights are dynamically retrained monthly according to the relative strength of the first difference regressions between the independent and the dependent variables.																															

# LEVERAGE: In Line With Past Cycles, “Extend And Pretend” Was The Global POLICY Response To The COVID Crisis As Well... Now Beijing Wants Out

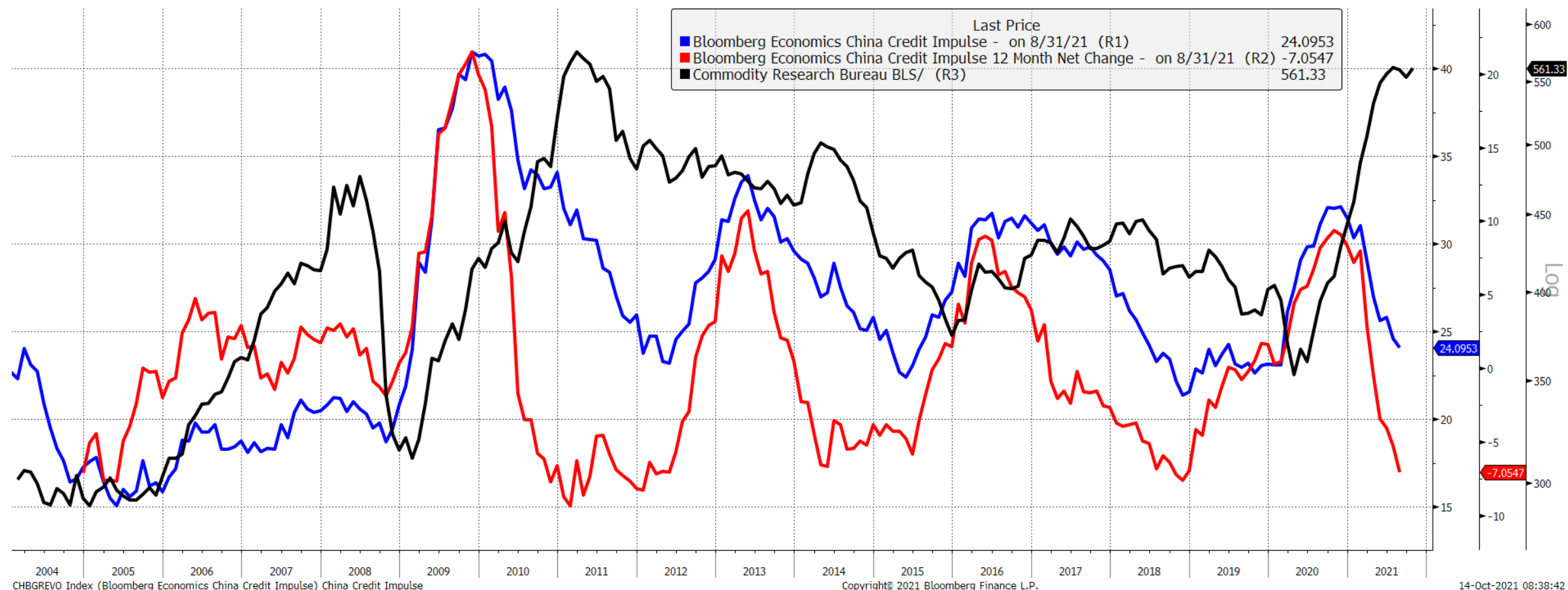


x-axis: Private Nonfinancial Sector Credit/GDP Ratio 3yr Z-Score  
y-axis: Private Nonfinancial Sector Debt Service Ratio 3yr Z-Score



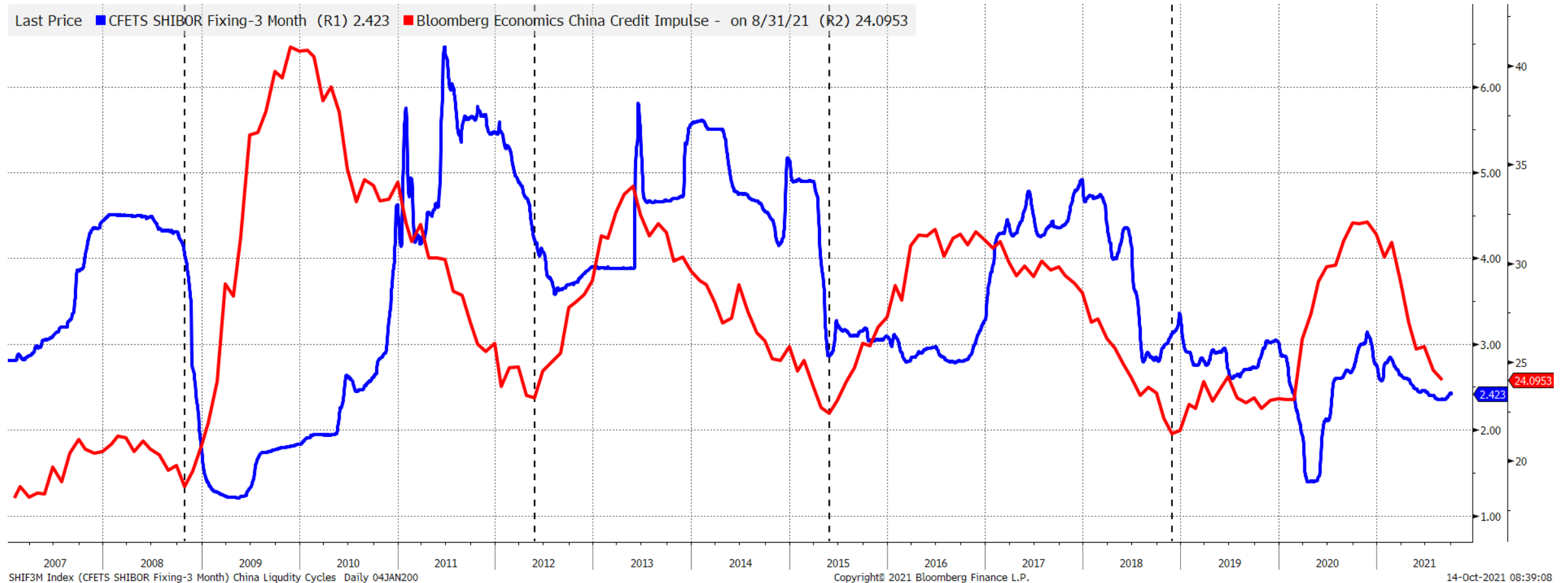
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# China's Credit Impulse Continues To Trend Lower, Which Is A Factor Investors Should Consider When Increasing Their Allocation To Commodities

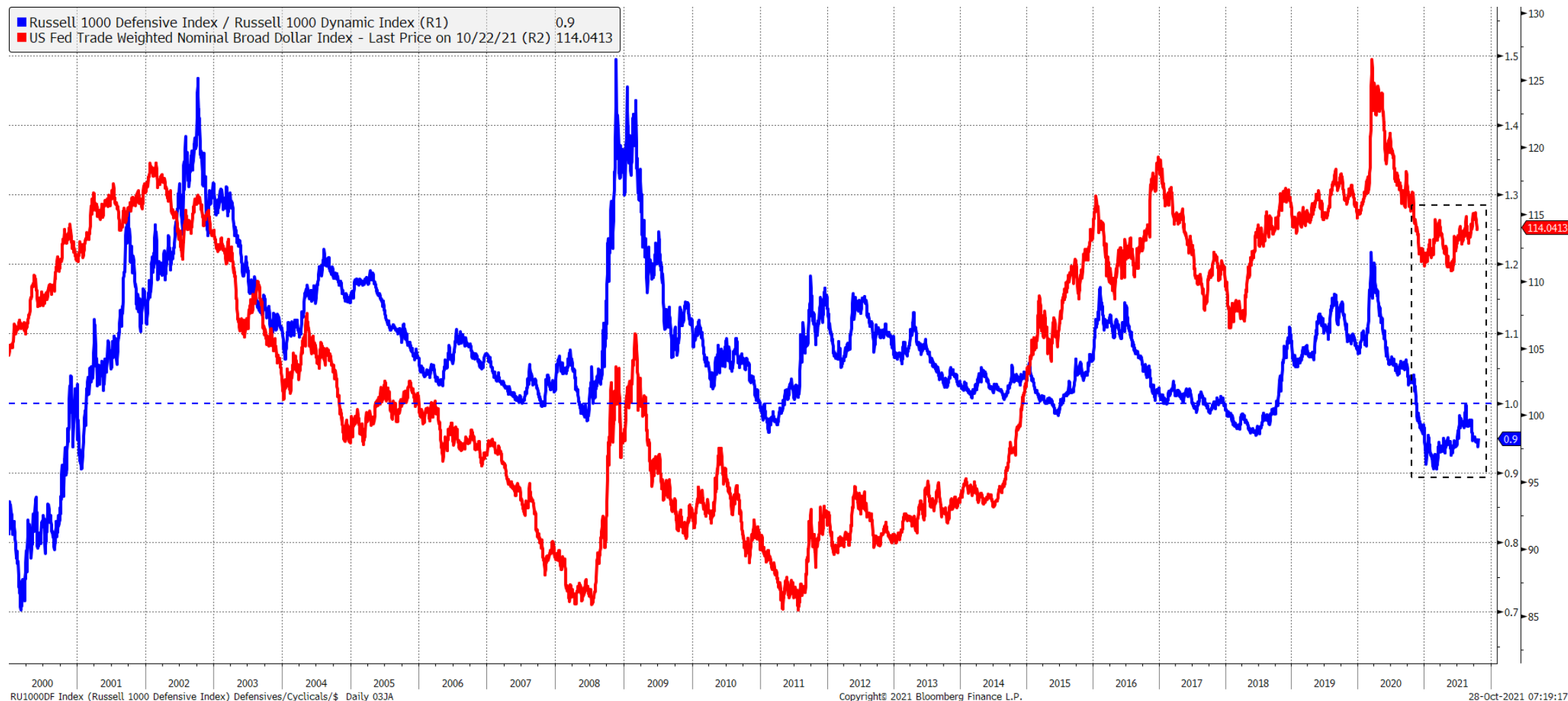


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# Liquidity Dynamics On The Mainland Suggest China's Credit Impulse Is Unlikely To Inflect Meaningfully Higher Anytime Soon

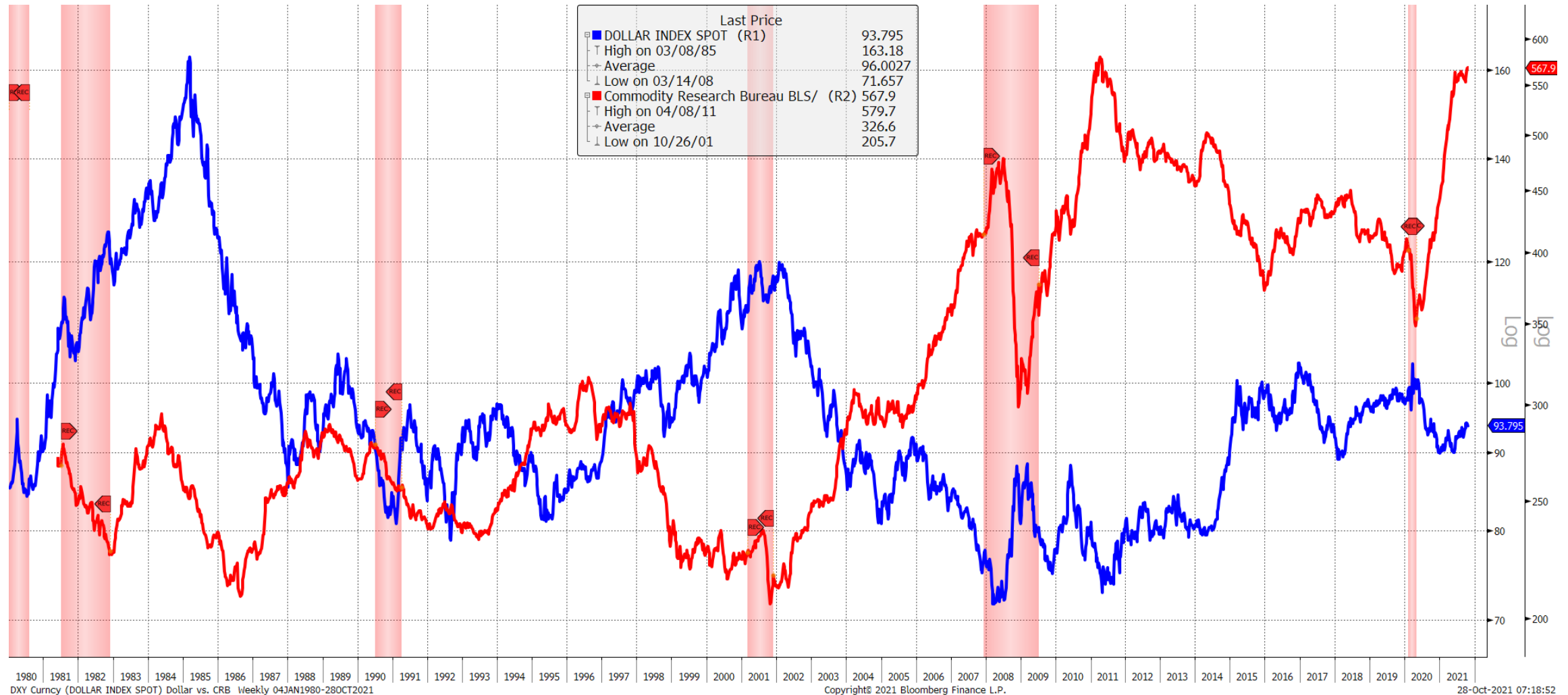


# The Transition To A Secular Weak Dollar/Higher Nominal GDP Environment Will Not Be Nearly As Linear As The Path Investors Convinced Themselves Of At The Early-June Peak Of The REFLATION Trade



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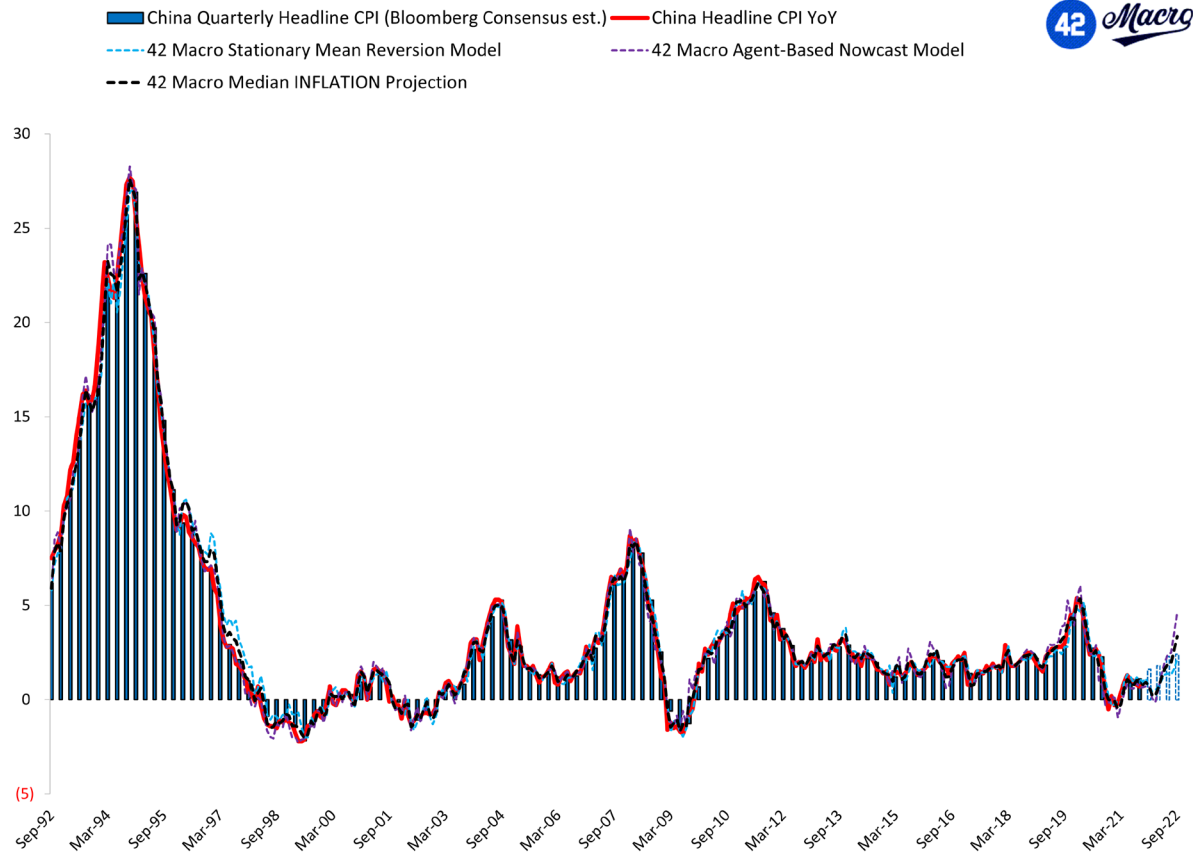
# Ultimately The Dollar Will Determine Whether Commodities Can Broadly Break Out Of Their Multi-Month Consolidations And Form New Bubble Highs



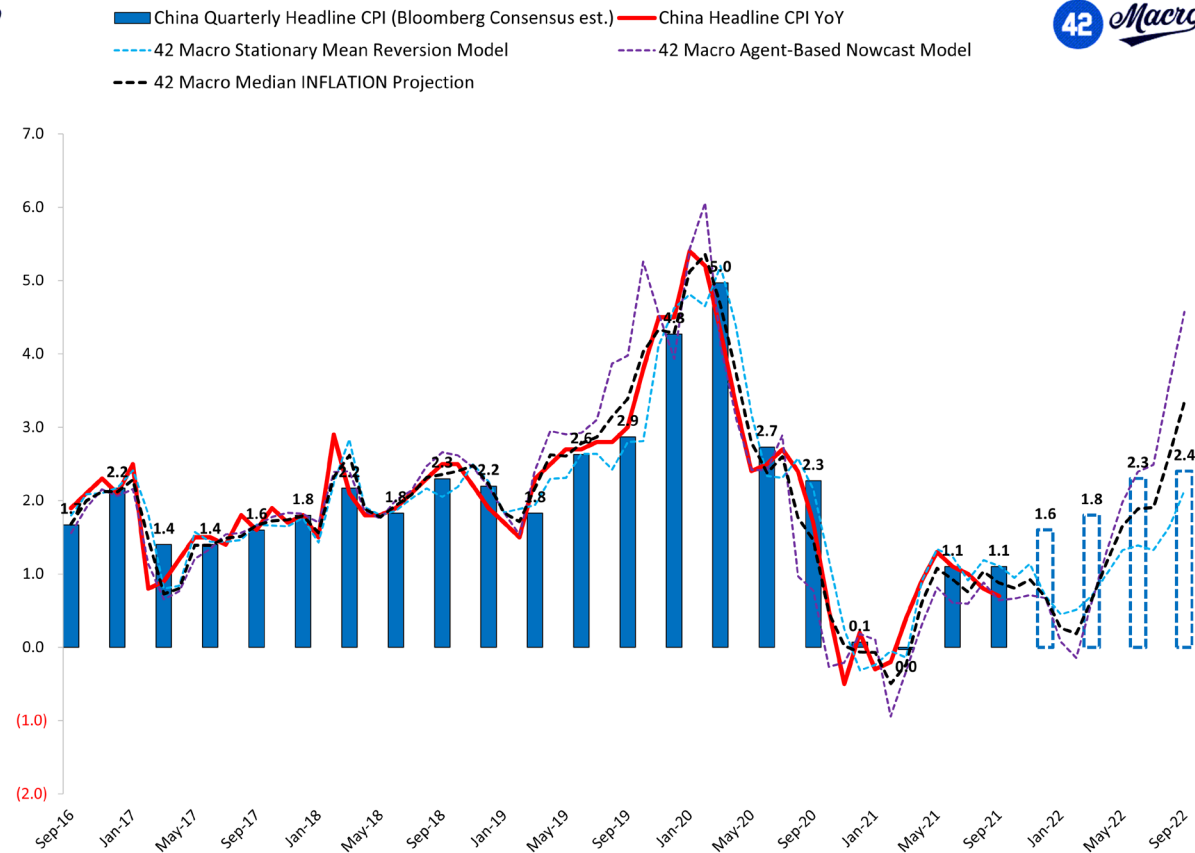
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# China INFLATION: Secular View



# China INFLATION: Cyclical View



# China INFLATION Agent-Based Nowcast Model

		42 Macro Agent-Based INFLATION Nowcast Model Features																																			
China		Jan-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21					
China CPI YoY		2.3	2.5	2.7	2.7	2.8	2.8	3.0	3.8	4.5	4.5	5.4	5.2	4.3	3.3	2.4	2.5	2.7	2.4	1.7	0.5	-0.5	0.2	-0.3	-0.2	0.4	0.9	1.3	1.1	1.0	0.8	0.7					
China Core CPI (excluding Food & Energy) YoY (1%)		1.8	1.7	1.6	1.6	1.6	1.5	1.5	1.5	1.4	1.4	1.5	1.0	1.2	1.1	1.1	0.9	0.5	0.5	0.5	0.5	0.5	0.4	-0.3	0.0	0.3	0.7	0.9	0.9	1.3	1.2	1.2					
China PPI YoY (9%)		0.4	0.9	0.6	0.0	-0.3	-0.8	-1.2	-1.6	-1.4	-0.5	0.1	-0.4	-1.5	-3.1	-3.7	-3.0	-2.4	-2.0	-2.1	-2.1	-1.5	-0.4	0.3	1.7	4.4	6.8	9.0	8.8	9.0	9.5	10.7					
Commodity Research Bureau BLS/US Spot All Commodities (4%)		4.0	0.6	0.4	-3.7	-6.1	-1.5	-2.8	-5.6	-6.2	-0.6	1.0	0.0	-8.4	-12.2	-8.8	-9.2	-5.1	-2.4	-0.5	0.0	3.7	3.6	5.5	14.0	26.6	38.1	33.3	41.1	37.9	33.7	29.4					
Commodity Research Bureau BLS/US Spot Foodstuff (4%)		8.2	2.7	6.4	3.4	2.6	4.4	0.5	-1.2	-1.7	5.7	4.8	4.7	-5.0	-13.4	-10.1	-14.1	-10.4	-2.0	-0.1	-2.4	3.4	0.3	1.8	14.3	29.2	52.2	40.3	53.8	46.9	40.1	31.3					
Commodity Research Bureau BLS/US Spot Raw Industrials (2%)		0.8	-0.7	-3.6	-8.3	-11.7	-5.4	-5.0	-8.4	-9.2	-4.8	-1.6	-3.2	-10.4	-11.4	-7.9	-5.6	-1.2	-2.7	-0.8	1.7	3.9	6.0	8.1	13.8	24.9	29.1	28.7	32.9	32.0	29.5	28.2					
China CPI Food YoY (40%)		4.1	6.1	7.7	8.3	9.1	10.0	11.2	15.5	19.1	17.4	20.6	21.9	18.3	14.8	10.6	11.1	13.2	11.2	7.9	2.2	-2.0	1.2	1.6	-0.2	-0.7	-0.7	0.3	-1.7	-3.7	-4.1	-5.2					
China CPI Pork YoY (26%)		5.1	14.4	18.2	21.1	27.0	46.7	69.3	101.3	110.2	97.0	116.0	135.2	116.4	96.9	81.7	81.6	85.7	52.6	25.5	-2.8	-12.5	-1.3	-3.9	-14.9	-18.4	-21.4	-23.8	-36.5	-43.5	-44.9	-46.9					
China CPI Non Food YoY (9%)		1.8	1.7	1.6	1.4	1.3	1.1	1.0	0.9	1.0	1.3	1.6	0.9	0.7	0.4	0.4	0.3	0.0	0.1	0.0	0.0	-0.1	0.0	-0.8	-0.2	0.7	1.3	1.6	1.7	2.1	1.9	2.0					
China PPI Manufacturing YoY (4%)		0.4	0.9	0.5	0.0	-0.2	-0.8	-1.2	-1.5	-1.6	-0.9	-0.6	-0.7	-1.2	-2.2	-2.4	-2.0	-1.8	-1.4	-1.3	-1.2	-0.8	0.0	1.0	1.7	3.4	5.4	7.4	7.4	7.5	8.0	8.9					
China 1st Tier Cities Newly Built Commercial Residential Bldgs Price YoY Avg (2%)		4.2	4.8	4.8	4.4	4.3	4.3	4.6	4.7	4.9	3.9	3.8	3.5	3.4	2.9	2.9	3.3	3.6	3.9	3.9	4.1	3.9	4.0	4.2	4.8	5.2	5.8	5.9	6.2	6.0	5.7	5.3					
China 2nd Tier Cities Newly Built Commercial Residential Bldgs Price YoY Avg (0%)		11.7	11.8	11.6	11.0	10.2	9.4	8.9	8.4	7.4	7.0	6.5	5.9	5.4	5.2	4.9	4.8	4.6	4.4	4.2	3.8	3.7	3.5	3.6	4.0	4.4	4.5	4.6	4.4	4.3	4.1	3.8					
China 3rd Tier Cities Newly Built Commercial Residential Bldgs Price YoY Average (0%)		11.7	11.7	11.7	11.3	10.7	9.4	8.7	8.0	7.4	7.0	6.7	6.2	5.7	5.5	5.3	5.2	5.1	5.1	4.9	4.5	4.2	3.9	3.8	4.1	4.3	4.2	4.2	4.0	3.7	3.1	2.5					
Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Nowcast feature weights are dynamically retrained monthly according to the relative strength of the first difference regressions between the independent and the dependent variables.																																					

Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Nowcast feature weights are dynamically retrained monthly according to the relative strength of the first difference regressions between the independent and the dependent variables.

# China VALUATION Overlay

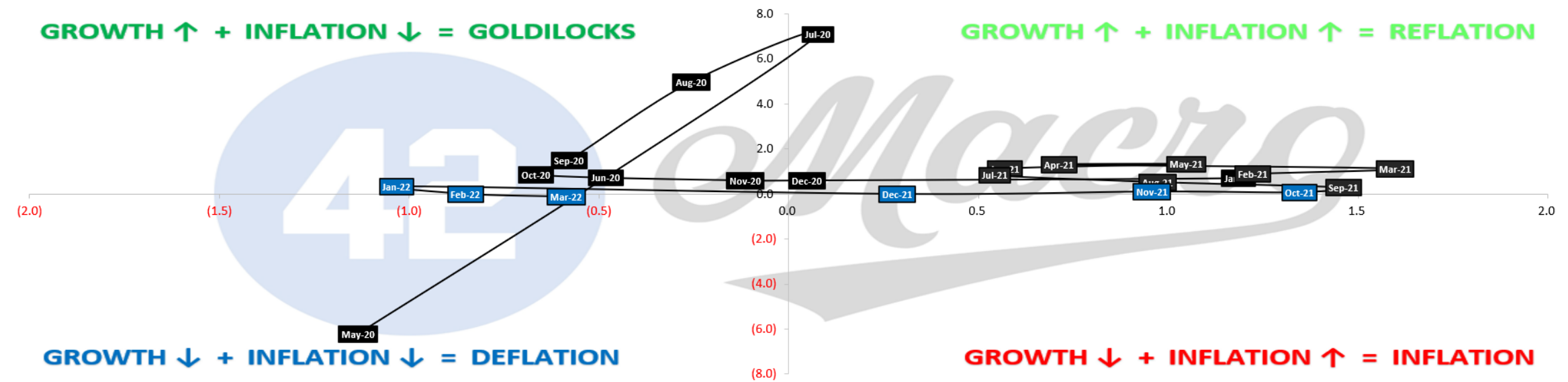
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Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Color coding endemic to each indicator.

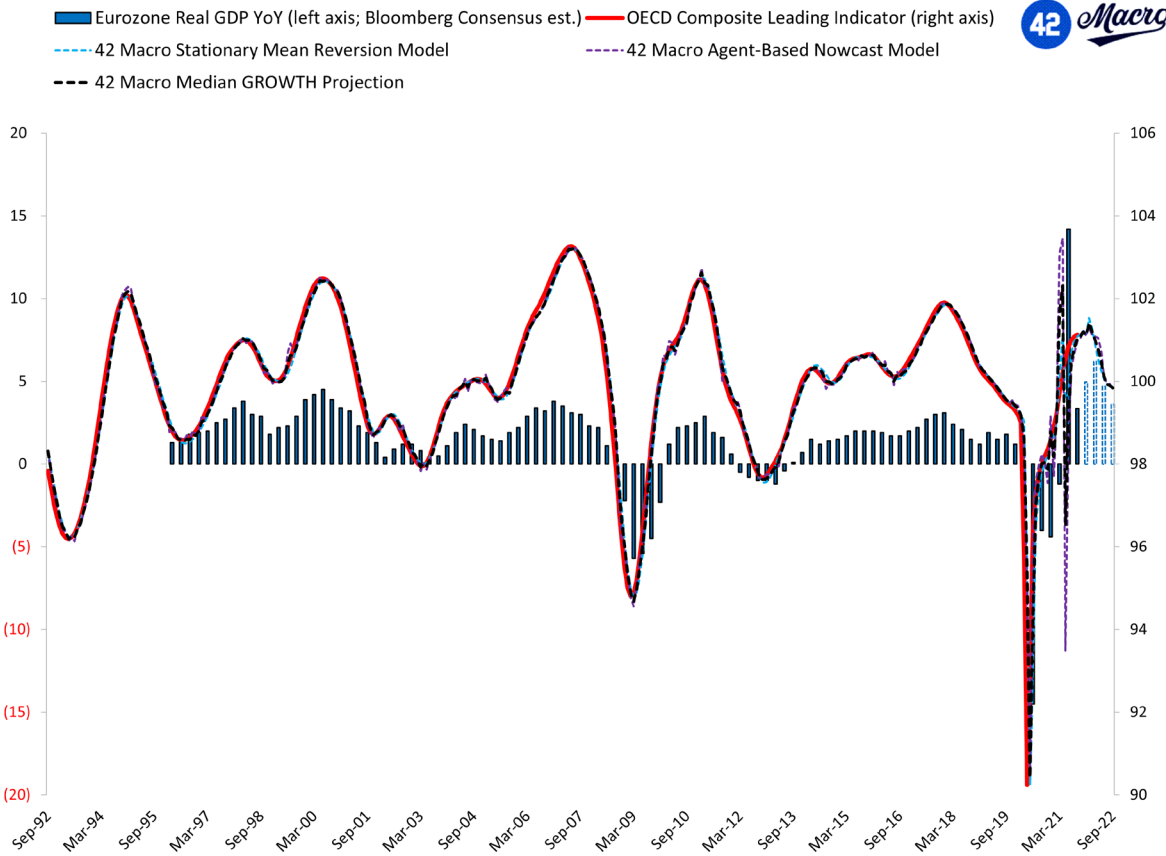
# Eurozone GRID Outlook: GROWTH Should Be Flat-To-Up Through Q1, But Upside Surprises INFLATION From Here Will Perpetuate A Negative RoC Inflection

Eurozone		Actuals																				Projections															
42 Macro GRID Framework		Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22					
Macro Regime		D	D	D	G	R	G	G	G	G	R	R	R	R	R	R	R	R	R	R	R	R	I	G	D	D	I	D	D	D	D	D					
Conditional Probability of GOLDILOCKS		6%	2%	2%	90%	46%	74%	80%	86%	30%	36%	10%	2%	2%	8%	2%	7%	12%	9%	1%	1%	3%	14%	71%	47%	39%	4%	5%	3%	4%	8%	25%					
Conditional Probability of REFLATION		1%	0%	0%	8%	52%	24%	18%	5%	27%	58%	40%	90%	95%	90%	95%	77%	60%	57%	58%	53%	53%	36%	3%	3%	4%	6%	4%	2%	1%	2%	5%					
Conditional Probability of INFLATION		13%	3%	2%	0%	1%	1%	0%	0%	20%	4%	40%	8%	2%	2%	2%	14%	23%	30%	39%	45%	42%	36%	1%	3%	6%	53%	41%	35%	18%	16%	11%					
Conditional Probability of DEFLATION		79%	95%	95%	2%	1%	2%	2%	8%	23%	2%	10%	0%	0%	0%	0%	1%	5%	5%	1%	1%	2%	14%	25%	47%	51%	36%	49%	60%	77%	74%	59%					
OECD CLI (Real GDP YoY Proxy)		95.8	90.2	92.8	96.5	97.3	97.8	98.0	98.2	98.4	98.6	98.9	99.2	99.7	100.2	100.6	100.8	101.0	101.1	101.1	101.1	101.2	101.1	101.4	101.2	101.0	100.8	100.5	100.1	99.9	99.9	99.8					
3mo Δ		-3.5	-8.9	-6.2	0.7	7.1	5.0	1.5	0.9	0.6	0.6	0.7	0.9	1.1	1.3	1.3	1.1	0.8	0.5	0.3	0.1	0.1	0.0	0.3	0.0	-0.1	-0.6	-0.7	-0.9	-0.6	-0.3						
Headline CPI YoY		0.7	0.3	0.1	0.3	0.4	-0.2	-0.3	-0.3	-0.3	-0.3	0.9	0.9	1.3	1.6	2.0	1.9	2.2	3.0	3.4	4.1	3.9	3.6	3.0	3.1	3.1	3.1	3.0	2.9	2.7	2.5	2.4					
3mo Δ		-0.6	-1.0	-1.1	-0.5	0.1	-0.3	-0.6	-0.7	-0.1	0.0	1.2	1.2	1.6	0.7	1.0	0.6	0.5	1.0	1.5	1.3	1.0	0.3	-1.0	-0.9	-0.6	0.1	-0.1	-0.2	-0.5	-0.5	-0.5					
x-axis: 3mo Δ of Headline CPI YoY; y-axis: 3mo Δ of OECD CLI (Real GDP YoY Proxy)																																					

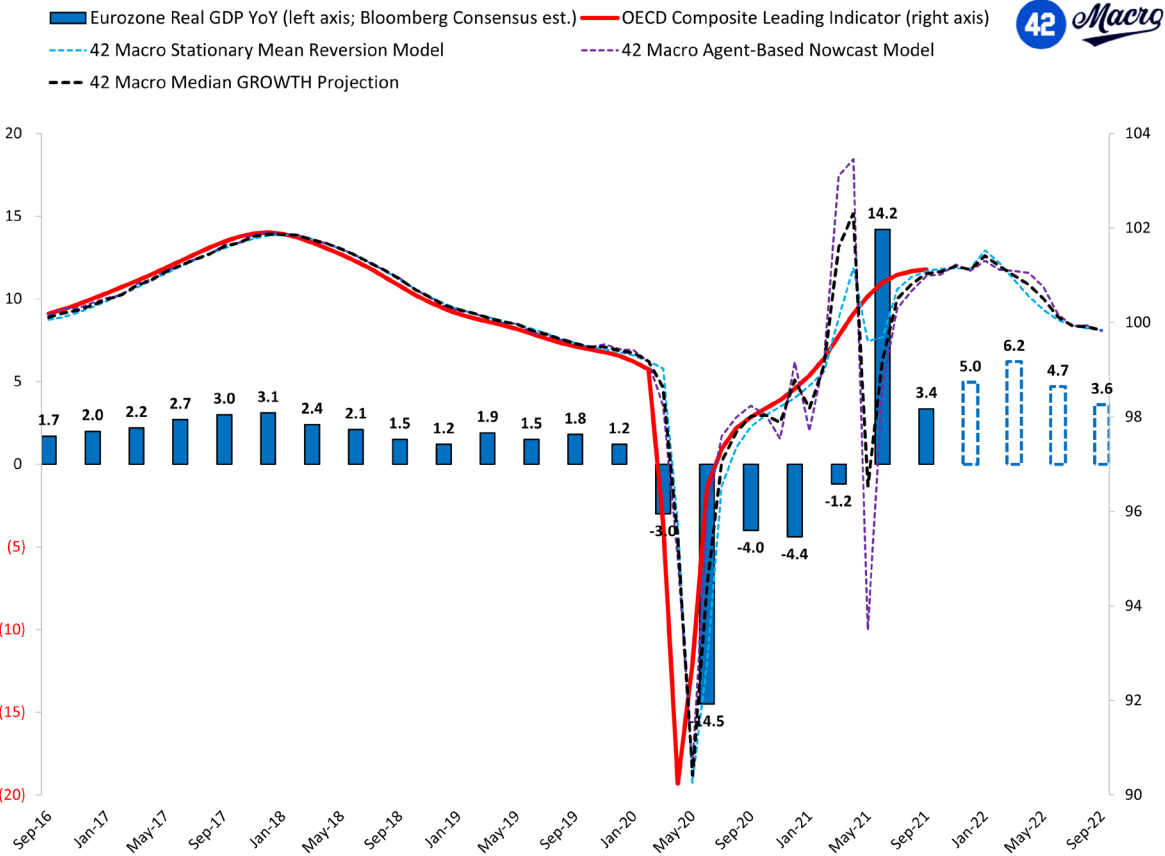
— x-axis: 3mo Δ of Headline CPI YoY; y-axis: 3mo Δ of OECD CLI (Real GDP YoY Proxy)



# Eurozone GROWTH: Secular View



# Eurozone GROWTH: Cyclical View

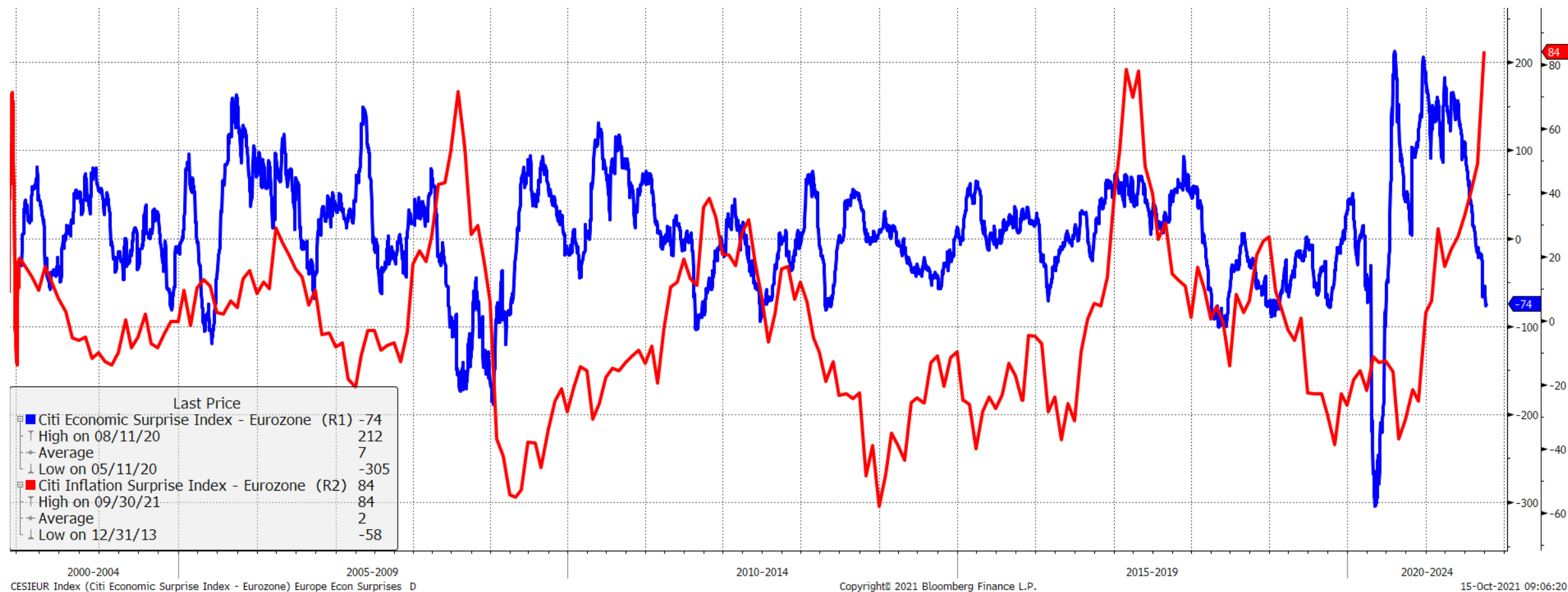


# Eurozone GROWTH Agent-Based Nowcast Model

Eurozone		42 Macro Agent-Based Nowcast GROWTH Model Features																														
		▼ Jr-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Euro Area OECD Leading Indicators CLI Amplitude Adjusted SA		100.0	99.9	99.9	99.8	99.7	99.6	99.5	99.4	99.3	99.2	99.0	95.8	90.2	92.8	96.5	97.3	97.8	98.0	98.2	98.4	98.6	98.9	99.2	99.7	100.2	100.6	100.8	101.0	101.1		
Eurostat Industrial Production Eurozone Industry Ex Construction YoY WDA (4%)		-0.5	-0.6	-1.1	-2.3	-1.3	-2.2	-1.2	-1.7	-1.2	-3.4	-2.1	-1.9	-13.3	-28.7	-20.2	-11.8	-6.9	-7.0	-6.6	-3.6	-0.7	-0.1	0.4	-1.7	12.0	39.8	20.5	10.6	8.0	5.1	
OECD Euro Area International Trade Exports Value YoY SA (3%)		-3.2	-5.1	-2.4	-1.9	-1.3	-2.9	-3.4	0.1	-1.8	-0.3	-1.7	-1.3	-9.9	-32.6	-26.4	-16.0	-9.0	-4.1	-0.4	-1.0	4.2	6.6	6.4	7.2	16.7	61.1	50.5	29.1	19.2	13.3	
Eurostat Retail Sales Eurozone Volume YoY WDA (4%)		2.2	2.3	1.2	2.9	2.4	2.9	3.0	1.9	2.4	2.1	2.2	2.3	-7.8	-18.9	-2.4	1.7	0.5	4.5	2.5	4.6	-1.3	1.5	-4.8	-1.3	13.8	23.7	8.7	5.6	3.1	0.0	
Markit Eurozone Manufacturing PMI SA (9%)		47.5	47.9	47.7	47.6	46.5	47.0	45.7	45.9	46.9	46.3	47.9	49.2	44.5	33.4	39.4	47.4	51.8	51.7	53.7	54.8	53.8	55.2	54.8	57.9	62.5	62.9	63.1	63.4	62.8	61.4	58.6
Markit Eurozone Services PMI SA (8%)		53.3	52.8	52.9	53.6	53.2	53.5	51.6	52.2	51.9	52.8	52.5	52.6	26.4	12.0	30.5	48.3	54.7	50.5	48.0	46.9	41.7	46.4	45.4	45.9	49.6	50.5	55.2	58.3	59.8	59.0	56.4
Euro Area Business Tendency Manufacturing Confidence Composite OECD Normalisd SA (3%)		100.7	100.4	100.2	100.0	99.8	99.6	99.4	99.2	99.3	99.4	99.4	99.0	97.7	96.1	95.7	96.4	97.3	98.1	98.7	99.0	99.2	99.5	99.9	100.7	101.7	102.8	103.5	103.8	104.0	104.0	104.0
Euro Area Consumer Opinion Confidence Composite OECD Normalised SA (3%)		101.1	101.1	101.2	101.2	101.2	101.1	101.1	101.0	101.0	101.0	100.8	100.3	99.1	97.7	97.5	98.0	98.4	98.6	98.6	98.3	98.1	98.3	98.4	98.9	99.8	100.7	101.5	101.9	102.0	101.9	102.0
Europe Eurozone New Passenger Car Registrations YoY (1%)		-4.4	0.5	1.3	-6.2	1.1	-9.6	19.4	10.3	5.0	21.9	-7.1	-6.8	-58.5	-79.6	-52.4	-22.6	-5.8	-17.1	1.9	-7.4	-12.5	-2.8	-24.5	-20.9	95.5	265.0	51.7	8.4	-23.6	-21.8	-24.1
Europe EU 27 New Passenger Car Registrations YoY (2%)		-3.9	-0.4	0.1	1.4	1.4	-8.4	14.5	8.7	4.9	21.7	-7.5	-7.4	-55.1	-76.3	-52.3	-5.7	-5.7	-18.9	3.1	-7.8	-12.0	-3.3	-24.0	-19.3	87.3	218.6	53.4	10.4	-23.2	-19.1	-23.1
European Commission Consumer Confidence Indicator Eurozone (7%)		-6.4	-7.2	-6.3	-7.0	-6.4	-7.1	-6.5	-7.5	-7.1	-8.0	-7.8	-6.4	-11.5	-21.9	-18.9	-14.6	-14.9	-14.6	-13.6	-15.5	-17.6	-13.8	-15.5	-14.8	-10.8	-8.1	-5.1	-3.3	-4.4	-5.3	-4.0
European Commission Economic Sentiment Indicator Eurozone (8%)		106.0	104.2	105.5	103.5	102.9	103.2	101.7	100.9	101.3	101.5	103.2	104.0	95.3	67.8	70.2	78.1	84.2	89.1	92.3	92.5	89.3	92.4	91.5	93.4	100.9	110.5	114.5	117.9	119.0	117.6	117.8
European Commission Manufacturing Confidence Eurozone Industrial Confidence (7%)		-1.5	-4.0	-2.7	-5.4	-7.1	-5.6	-8.8	-9.3	-8.9	-9.4	-7.1	-6.2	-11.3	-32.5	-27.6	-21.7	-16.3	-12.9	-11.5	-9.3	-10.2	-6.8	-6.1	-3.2	2.1	10.9	11.5	12.8	14.5	13.8	14.1
European Commission Services Confidence Indicator Eurozone (6%)		11.6	11.9	12.2	11.1	10.6	9.2	9.6	9.1	9.3	11.4	11.1	11.2	-2.3	-38.6	-43.5	-35.4	-26.0	-17.0	-11.0	-12.0	-17.0	-17.1	-17.7	-17.0	-9.6	2.2	11.3	17.9	18.9	16.8	15.2
European Commission Euro Area Business Climate Indicator (4%)		0.6	0.5	0.4	0.2	-0.1	0.2	-0.2	-0.2	-0.2	-0.3	-0.2	-0.1	-0.3	-1.9	-2.4	-2.2	-1.8	-1.4	-1.2	-0.8	-0.7	-0.4	-0.3	-0.2	0.3	1.1	1.5	1.7	1.9	1.7	1.7
ZEW Eurozone Expectation of Economic Growth (0%)		-2.5	4.5	-1.6	-20.2	-20.3	-43.6	-22.4	-23.5	-1.0	11.2	25.6	10.4	-49.5	25.2	46.0	58.6	59.6	64.0	73.9	52.3	32.8	54.4	58.3	69.6	74.0	66.3	84.0	81.3	61.2	42.7	31.1
Eurostat Industrial Production Eurozone Capital Goods YoY WDA (3%)		1.1	-2.2	-2.6	-3.7	-1.5	-1.6	-0.3	-2.7	-1.3	-4.9	-2.2	-3.8	-22.2	-41.1	-28.2	-15.5	-9.3	-13.0	-13.2	-8.0	0.0	-1.3	1.7	-2.7	17.4	64.2	27.0	6.8	5.9	2.8	
Eurostat Industrial Production Eurozone Consumer Durables YoY WDA (3%)		-0.9	-1.1	0.6	-1.3	1.9	0.1	0.4	1.9	1.6	0.4	3.9	1.6	-25.9	-51.6	-25.0	-8.5	-3.2	4.5	0.5	0.5	0.0	1.3	1.1	0.5	34.4	117.3	37.6	16.1	9.5	-1.9	
Eurostat Industrial Production Eurozone Consumer Non Durables YoY WDA (3%)		0.3	2.5	3.0	1.2	0.5	-1.3	1.6	3.2	1.0	2.0	0.6	0.8	-0.2	-13.9	-12.9	-6.9	-1.6	-3.8	-1.8	-2.3	-2.8	-4.3	-3.4	-3.0	3.5	19.8	11.9	12.6	10.7	11.6	
ECB Money Aggregates M1 YoY (1%)		7.5	7.4	7.2	7.2	7.6	8.7	7.7	8.4	8.6	8.0	7.9	8.4	10.3	11.7	12.8	12.5	13.6	13.0	13.8	14.1	14.3	15.5	16.7	16.4	13.5	12.4	11.4	11.6	11.3	11.1	11.1
ECB Money Aggregates M2 YoY (1%)		5.2	5.4	5.3	5.0	5.4	6.4	5.8	6.1	6.1	5.7	5.5	5.8	7.3	8.2	9.3	9.2	10.1	9.4	10.3	10.6	10.7	11.7	12.3	12.1	10.1	9.2	8.2	8.2	7.8	7.8	7.5
ECB M3 Annual Growth Rate SA (1%)		4.7	4.8	4.9	4.6	5.2	5.8	5.7	5.7	5.6	4.9	5.2	5.5	7.5	8.2	9.0	9.3	10.1	9.5	10.4	10.5	11.0	12.3	12.5	12.2	10.0	9.2	8.5	8.3	7.6	7.9	7.4
Eurostat Retail Sales Germany Volume YoY WDA (1%)		4.4	1.4	1.5	4.1	3.2	3.6	4.0	2.4	3.5	2.4	2.2	2.0	0.9	-5.1	8.1	4.2	4.9	6.9	5.1	9.0	9.7	2.1	-5.2	-2.2	7.9	7.6	0.0	5.4	0.7	0.9	
Eurostat Retail Sales France Volume YoY WDA (4%)		1.4	4.0	2.1	2.6	0.9	4.3	2.7	1.6	3.3	2.8	2.6	1.3	-13.5	-29.7	-3.7	3.6	0.1	6.3	2.9	5.2	-11.5	8.3	2.2	4.2	25.2	43.0	11.3	5.5	6.0	-2.1	
Eurostat Retail Sales Netherlands Volume YoY WDA (2%)		3.0	1.8	2.0	2.4	1.4	0.8	2.6	1.7	0.9	3.8	1.8	2.9	0.2	-5.3	4.2	6.1	5.6	8.1	3.8	3.0	7.0	-5.9	-9.3	-5.4	5.3	9.7	9.1	4.6	2.0	1.4	
Eurostat Retail Sales Italy Volume YoY WDA (4%)		-0.4	1.4	-1.7	2.8	1.7	0.2	1.7	1.0	-0.8	0.7	0.9	2.9	-22.2	-33.2	-14.6	-5.5	-7.8	0.8	-0.1	0.0	-8.3	-6.0	-10.4	-5.6	23.2	39.2	18.0	9.1	7.9	2.1	
Eurostat Retail Sales Spain Volume YoY WDA (5%)		1.6	0.9	3.1	2.5	3.2	3.3	3.6	2.6	3.1	1.3	1.7	2.0	-13.6	-29.8	-17.9	-4.5	-3.5	-3.0	-3.5	-2.0	-4.9	-0.1	-9.0	-6.2	13.5	37.2	17.6	1.1	-0.1	-1.3	
Eurostat Retail Sales Portugal Volume YoY WDA (4%)		4.3	6.8	4.2	3.8	5.0	4.4	3.3	3.5	4.7	2.7	4.4	9.5	-4.8	-21.2	-10.8	-4.2	-2.1	-3.2	1.8	0.8	-3.9	-2.1	-9.9	-15.0	0.9	27.4	15.3	6.6	2.3	2.9	

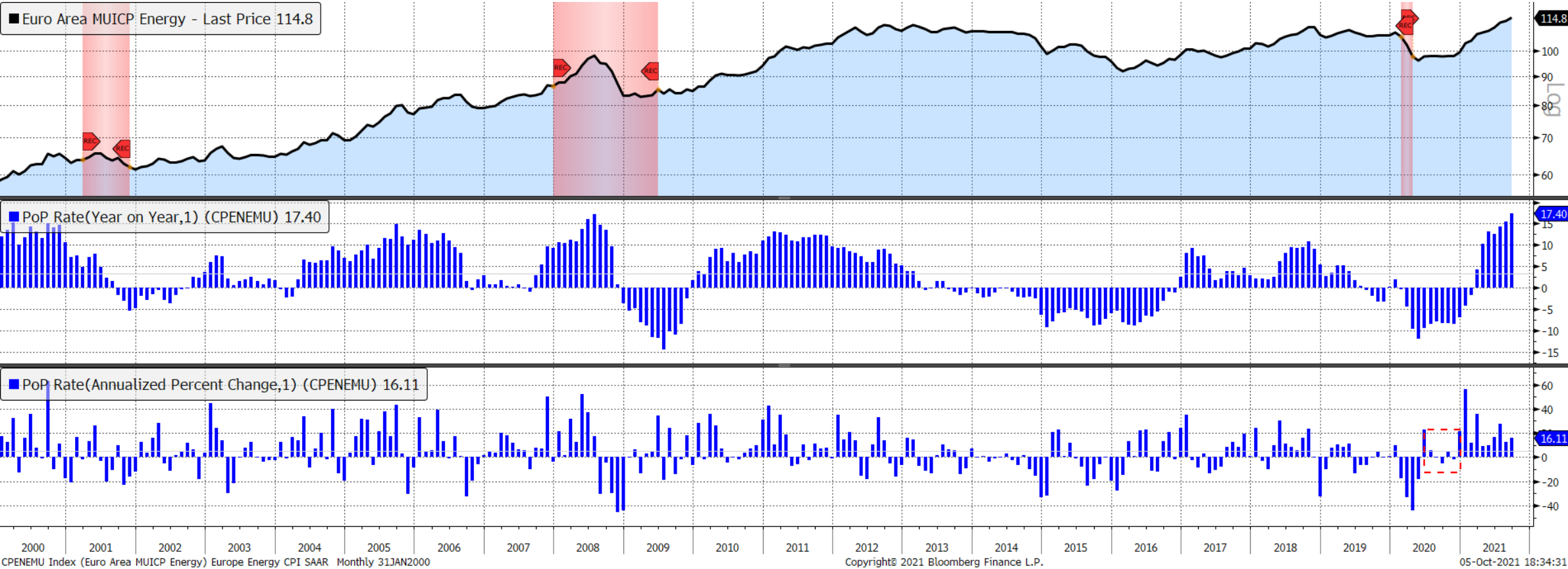
Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Nowcast feature weights are dynamically retrained monthly according to the relative strength of the first difference regressions between the independent and the dependent variables.

# An Energy Crisis Has Quickly Overtaken COVID-19 Complications As The Biggest Threat To Europe's GROWTH Outlook

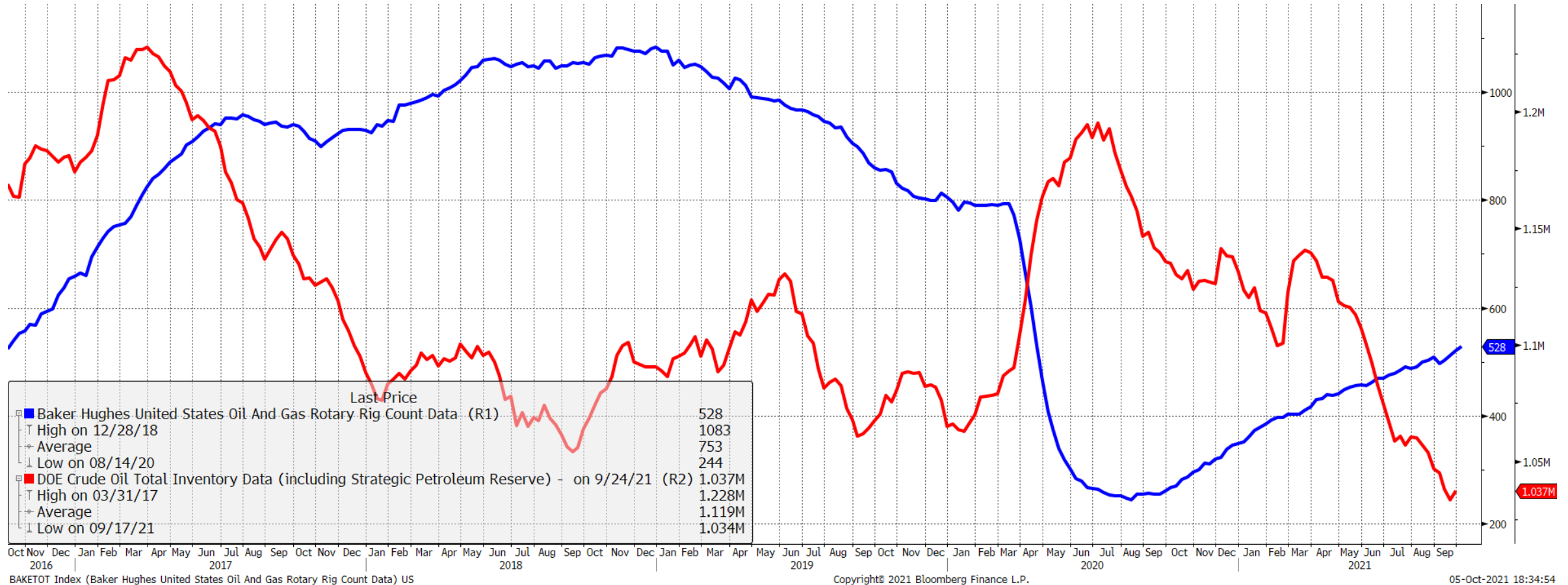




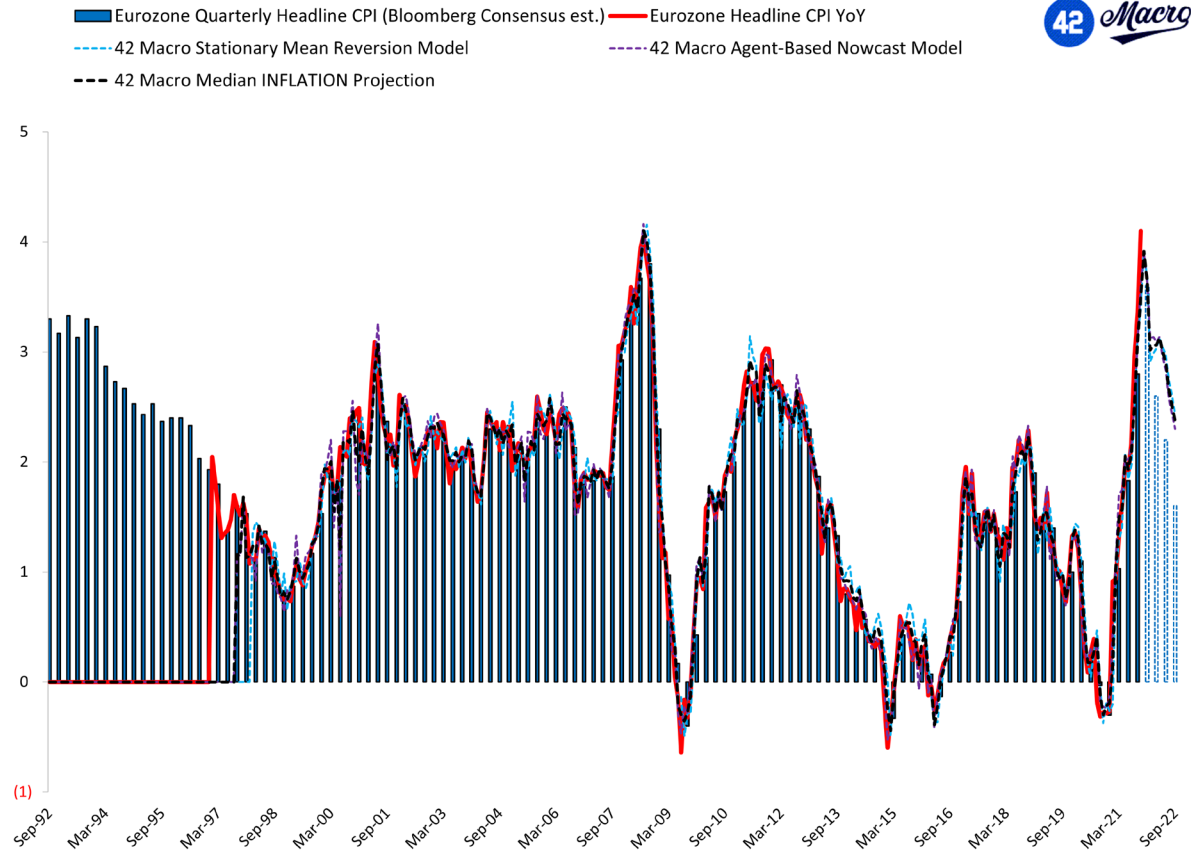
# Comparative Base Effects Imply Incremental Pain On The INFLATION Front In Q4



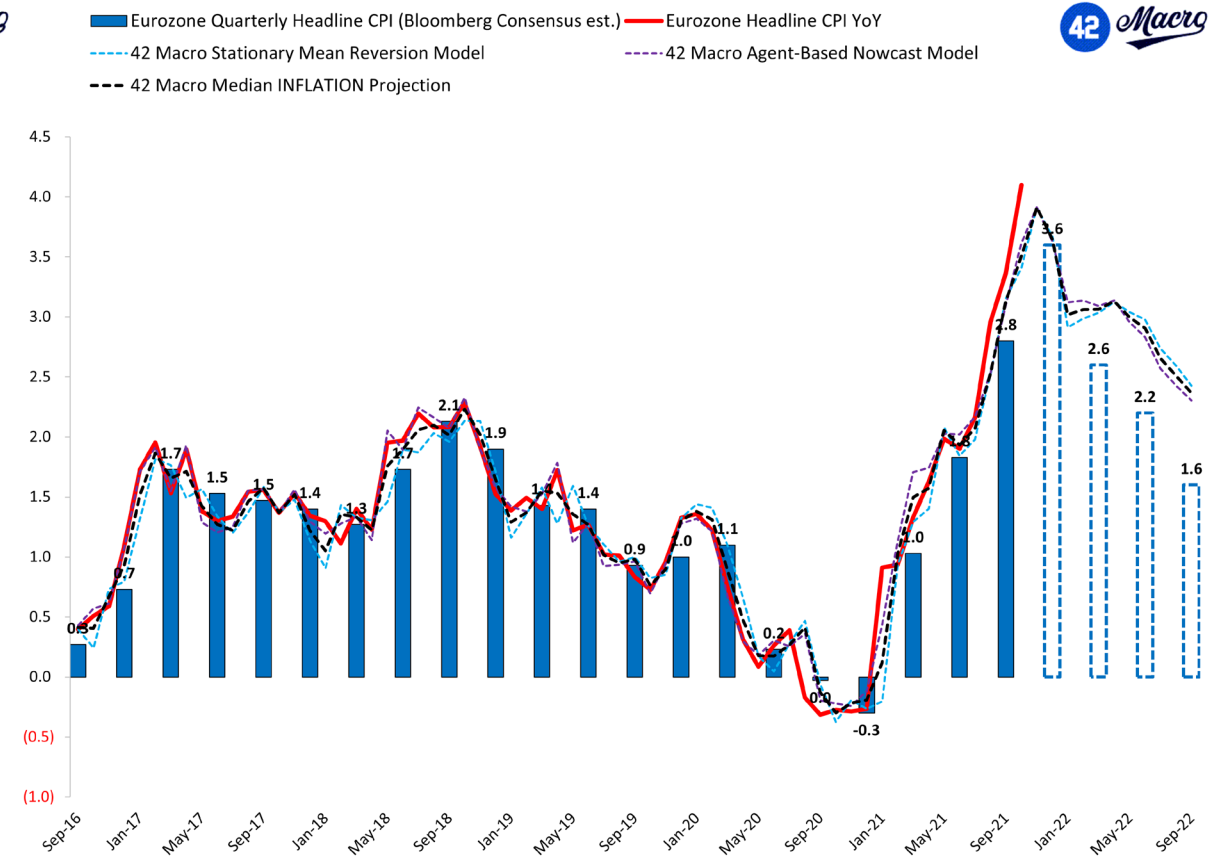
# Where Will The Incremental BOEs Come From?



# Eurozone INFLATION: Secular View



# Eurozone INFLATION: Cyclical View



# Eurozone INFLATION Agent-Based Nowcast Model

42 Macro Agent-Based INFLATION Nowcast Model Features																															
Eurozone	Ir-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21
Euro Area MUICP All Items NSA YoY	1.4	1.7	1.2	1.3	1.0	1.0	0.8	0.7	1.0	1.3	1.4	1.2	0.7	0.3	0.1	0.3	0.4	-0.2	-0.3	-0.3	-0.3	-0.3	0.9	0.9	1.3	1.6	2.0	1.9	2.2	3.0	3.4
Eurostat Eurozone Core MUICP YoY NSA (8%)	0.8	1.3	0.8	1.1	0.9	0.9	1.0	1.1	1.3	1.3	1.1	1.2	1.0	0.9	0.9	0.8	1.2	0.4	0.2	0.2	0.2	0.2	1.4	1.1	0.9	0.7	1.0	0.9	0.7	1.6	1.9
Eurostat PPI Eurozone Industry Ex Construction YoY (7%)	2.8	2.6	1.6	0.7	0.1	-0.9	-1.2	-2.0	-1.4	-0.7	-0.8	-1.4	-2.8	-4.6	-5.0	-3.7	-3.2	-2.6	-2.3	-2.0	-2.0	-1.1	0.4	1.5	4.4	7.6	9.6	10.3	12.4	13.4	
Commodity Research Bureau BLS/US Spot All Commodities (2%)	4.4	-4.1	-8.4	-10.0	-5.1	-1.8	-1.5	-11.7	-10.8	-5.8	-3.1	-1.8	4.8	5.8	-0.3	6.1	9.8	11.5	17.0	16.3	14.2	16.8	22.5	30.5	19.1	26.7	34.1	33.7	32.7	29.9	27.3
Commodity Research Bureau BLS/US Spot Foodstuff (1%)	5.5	-1.3	1.4	-1.3	-0.9	-4.8	-8.2	-9.4	-4.1	0.2	0.6	1.8	2.6	-12.3	-10.6	-14.6	-7.3	5.6	10.3	7.7	10.9	7.6	11.5	23.4	25.2	58.9	53.1	69.5	55.9	44.6	33.3
Commodity Research Bureau BLS/US Spot Raw Industrials (3%)	6.3	3.2	0.6	-8.1	-3.8	-4.4	1.1	-3.3	7.6	2.0	16.5	15.7	6.8	4.4	1.2	11.2	5.6	9.6	12.5	11.6	5.9	6.7	6.6	9.4	13.5	19.2	29.6	29.6	42.9	36.5	39.4
Euro Area HICP Food & non Alcoholic Beverages (0%)	1.3	1.1	1.1	1.3	1.7	1.9	1.2	1.2	1.5	1.7	1.7	1.8	2.3	3.6	3.4	3.0	1.6	1.2	1.4	1.7	1.5	0.9	1.0	0.8	0.7	0.0	0.1	0.2	1.4	1.9	1.9
Euro Area HICP Alcoholic Beverages Tobacco & Narcotics (0%)	3.4	2.9	3.0	2.8	2.7	2.8	2.8	2.8	3.4	3.4	3.5	3.3	3.0	3.2	3.5	3.8	3.6	3.6	3.4	3.3	3.1	3.0	3.3	3.5	2.7	2.8	2.3	1.9	2.2	2.3	2.3
Euro Area MUICP Clothing & Footwear (3%)	-0.1	0.3	0.4	0.4	1.3	1.2	0.5	0.6	0.7	0.9	0.3	0.9	1.0	-0.4	-0.7	-0.9	6.3	-1.1	-1.4	-0.5	-0.9	-2.2	2.5	0.7	-1.3	-0.2	0.4	1.8	-3.3	3.6	1.7
Euro Area MUICP Housing NSA (8%)	2.9	2.8	2.3	2.3	1.5	1.3	1.0	0.4	0.2	0.7	0.6	0.2	-0.4	-1.0	-1.3	-1.1	-1.2	-1.1	-1.2	-1.2	-1.0	-0.6	0.3	0.5	1.6	3.0	3.5	3.7	4.7	5.2	5.9
Euro Area MUICP Furnishings & Household Equipment (4%)	0.3	0.4	0.5	0.4	0.5	0.5	0.4	0.5	0.5	0.6	0.4	0.7	0.7	0.8	0.7	0.7	0.8	0.3	0.2	0.1	0.0	0.1	1.2	0.8	0.8	0.7	0.8	1.0	1.3	2.0	2.1
Euro Area MUICP Health NSA (0%)	0.9	0.8	0.7	0.7	0.7	0.9	0.8	0.7	0.7	0.8	0.7	0.7	0.8	0.9	0.9	0.9	0.8	0.5	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.3	0.4	0.6
Euro Area MUICP Transport (9%)	2.1	2.9	2.0	1.1	1.0	0.6	0.0	-0.2	0.0	1.9	3.0	1.8	-0.6	-3.6	-4.5	-3.1	-3.0	-3.2	-3.2	-3.5	-3.6	-2.9	-1.1	0.4	3.5	5.1	6.6	6.0	6.8	7.4	8.5
Euro Area MUICP Communications (1%)	-2.1	-2.7	-3.0	-2.6	-2.5	-2.1	-1.8	-1.5	-1.3	-1.4	-1.4	-1.1	-1.3	-1.4	-0.8	-0.9	-1.7	-2.0	-2.2	-3.0	-2.5	-2.5	-1.3	-1.3	-1.7	-1.1	-1.1	-1.0	-0.1	0.1	0.2
Euro Area MUICP Recreation & Culture (5%)	0.0	1.8	-0.8	0.7	-1.0	-0.9	-0.1	-0.1	1.6	1.1	0.0	0.4	0.1	0.4	0.3	0.6	0.7	0.0	0.0	0.0	-0.3	0.1	2.7	1.9	1.7	0.7	1.4	-0.4	-1.4	-0.5	1.1
Euro Area MUICP Education (0%)	0.0	0.0	-0.1	-0.6	-0.7	0.8	0.6	1.0	1.0	0.9	0.5	0.4	0.4	0.3	0.3	0.9	1.0	1.0	1.1	-0.1	-0.1	-0.1	0.0	0.1	0.1	0.1	0.3	0.2	0.2	0.2	-1.8
Euro Area MUICP Restaurants & Hotels (1%)	1.6	2.4	2.1	2.4	2.0	2.0	2.0	2.0	1.9	2.0	2.0	2.0	1.7	1.5	1.5	1.1	0.6	0.8	0.2	0.5	0.8	0.9	0.8	0.7	0.7	0.4	0.2	0.6	1.7	2.1	2.6
Euro Area MUICP Misc Goods & Services (5%)	1.4	1.6	1.5	1.6	1.6	1.7	1.7	1.7	1.6	1.7	1.6	1.7	1.7	1.6	1.7	1.5	1.7	1.4	1.3	1.4	1.4	1.3	1.8	1.7	1.7	1.7	1.7	1.9	1.9	2.0	2.1
Euro Area MUICP Goods (12%)	1.7	1.5	1.3	1.0	0.9	0.7	0.4	0.1	0.3	1.0	1.3	0.9	0.2	-0.4	-0.9	-0.5	-0.1	-0.9	-1.1	-0.9	-1.0	-1.0	0.5	0.7	1.3	2.1	2.6	2.8	3.3	4.5	4.6
Euro Area MUICP Food Alcohol & Tobacco (0%)	1.8	1.5	1.5	1.6	1.9	2.1	1.6	1.5	1.9	2.0	2.1	2.1	2.4	3.6	3.4	3.2	2.0	1.7	1.8	2.0	1.9	1.3	1.5	1.3	1.1	0.6	0.5	0.5	1.6	2.0	2.0
Euro Area MUICP Energy (7%)	5.3	5.3	3.8	1.7	0.5	-0.6	-1.8	-3.1	-3.2	0.2	1.9	-0.3	-4.5	-9.7	-11.9	-9.3	-8.4	-7.8	-8.2	-8.2	-8.3	-6.9	-4.2	-1.7	4.3	10.4	13.1	12.6	14.3	15.4	17.6
Euro Area MUICP Services (6%)	1.1	1.9	1.0	1.6	1.2	1.3	1.5	1.5	1.9	1.8	1.5	1.6	1.3	1.2	1.3	1.2	0.9	0.7	0.5	0.4	0.6	0.7	1.4	1.2	1.3	0.9	1.1	0.7	0.9	1.1	1.7
Euro Area CPI Services Related to Housing (1%)	1.2	1.3	1.3	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3	1.2	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.4	1.4	1.4	1.5
Euro Area CPI Services Related to Transport (5%)	1.1	2.5	1.5	2.2	2.1	2.3	2.1	2.4	2.4	2.5	2.0	2.0	1.2	0.7	1.4	1.1	0.2	-0.8	-0.6	-0.9	-0.6	-0.3	1.0	0.8	1.5	0.5	1.2	0.7	1.7	2.3	3.3
Euro Area CPI Services Related to Communication (1%)	-0.7	-1.2	-1.5	-0.9	-1.1	-0.8	-0.6	-0.4	-0.1	-0.1	-0.2	0.0	0.1	-0.4	0.3	0.3	-0.6	-0.8	-0.8	-1.8	-1.3	-1.4	-0.3	-0.3	-0.7	0.1	-0.1	-0.1	0.7	0.7	0.6
Euro Area CPI Services Related to Recreation Incl Repairs & Pers Care (5%)	1.2	2.8	1.0	2.1	0.8	0.9	1.5	1.5	2.4	2.1	1.5	1.8	1.4	1.3	1.3	1.2	0.9	0.7	0.3	0.4	0.5	0.7	1.8	1.2	1.3	0.6	0.8	0.1	0.3	1.0	1.9
Euro Area CPI Services Rel to Recr & Pers Care Excl Pack Holidays & Accom (0%)	1.9	2.0	1.9	2.0	1.9	1.9	2.0	1.9	2.0	1.9	1.9	1.9	1.9	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.7	1.7	1.6	1.5	1.6	1.7	1.5	1.7	1.8	1.8	2.1
Euro Area CPI Services Related to Package Holidays & Accommodation (5%)	-1.2	6.0	-1.5	3.4	-0.4	-0.1	1.0	0.9	3.1	3.0	0.7	1.9	-0.2	-0.2	-0.3	-1.2	-2.2	-3.1	-4.4	-4.1	-3.2	-2.5	0.1	-0.9	-0.6	-2.4	-0.5	-3.3	-0.5	3.0	3.7

Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Nowcast feature weights are dynamically retrained monthly according to the relative strength of the first difference regressions between the independent and the dependent variables.

# Eurozone VALUATION Overlay

42 Macro Asset Market VALUATION Overlay																																												
Eurozone	▼ p-00	Mar-01	Sep-01	Mar-02	Sep-02	Mar-03	Sep-03	Mar-04	Sep-04	Mar-05	Sep-05	Mar-06	Sep-06	Mar-07	Sep-07	Mar-08	Sep-08	Mar-09	Sep-09	Mar-10	Sep-10	Mar-11	Sep-11	Mar-12	Sep-12	Mar-13	Sep-13	Mar-14	Sep-14	Mar-15	Sep-15	Mar-16	Sep-16	Mar-17	Sep-17	Mar-18	Sep-18	Mar-19	Sep-19	Mar-20	Sep-20	Mar-21	Sep-21	
NTM P/E Ratio Spread 1yr Z-Score											1.5	0.2	-0.5	-0.5	-2.1	-0.9	-0.3	-2.5	1.2	0.8	0.1	-0.3	0.1	-1.5	1.7	-0.7	1.9	0.6	0.1	0.6	-1.6	-2.3	-0.9	1.5	0.6	0.8	-0.6	-1.2	0.9	0.8	1.5	-0.9	-0.6	
REER 1yr Z-Score			1.0	-0.6	1.6	1.6	0.7	1.4	0.0	-0.2	-1.3	-1.3	1.2	0.0	0.3	0.3	-0.9	-0.5	0.8	-2.5	-1.1	-0.6	0.2	-1.8	-1.5	1.2	1.8	0.9	-1.7	-2.0	-0.2	0.9	0.5	-2.1	2.1	0.6	1.6	-2.1	-0.4	-2.1	1.6	-0.6	-1.6	
10yr Spread vs. Barclays Global Agg YTW 1yr Z-Score			1.6	-0.2	1.0	0.9	-0.6	-0.4	-1.3	-1.9	-1.6	-0.6	-1.2	1.6	1.4	0.6	-2.6	-0.6	1.4	0.1	-1.4	1.5	-2.4	-0.7	1.2	-0.3	0.7	-1.4	-1.7	-1.5	-0.2	-0.8	-0.4	-0.7	0.7	-1.7	-1.2	-0.9	-1.0	1.0	0.8	-0.4	0.5	
Communication Services MSCI Index Weight	15%	13%	11%	10%	10%	13%	10%	11%	11%	11%	9%	8%	7%	7%	8%	7%	7%	9%	8%	7%	7%	7%	8%	6%	6%	5%	6%	5%	6%	5%	5%	5%	5%	5%	4%	4%	4%	6%	5%	5%	5%	5%	5%	
Consumer Discretionary MSCI Index Weight	10%	12%	10%	13%	13%	12%	12%	12%	11%	11%	12%	12%	12%	12%	12%	11%	12%	12%	11%	11%	13%	13%	13%	15%	15%	15%	16%	16%	15%	19%	18%	18%	17%	17%	17%	17%	17%	17%	16%	18%	19%	20%	22%	22%
Consumer Staples MSCI Index Weight	7%	8%	9%	8%	10%	9%	9%	8%	7%	7%	7%	7%	8%	8%	8%	7%	8%	9%	9%	10%	11%	10%	12%	12%	14%	15%	13%	12%	12%	13%	14%	15%	13%	13%	13%	12%	14%	14%	13%	12%	10%	10%		
Energy MSCI Index Weight	9%	10%	11%	10%	13%	12%	10%	10%	11%	10%	9%	7%	7%	6%	7%	6%	7%	9%	8%	8%	7%	8%	8%	8%	7%	7%	6%	7%	5%	5%	5%	5%	5%	5%	5%	6%	6%	5%	4%	3%	4%	4%		
Financials MSCI Index Weight	24%	25%	25%	25%	21%	22%	26%	26%	27%	28%	29%	32%	32%	31%	29%	26%	26%	20%	26%	24%	22%	21%	19%	18%	18%	18%	20%	22%	22%	21%	21%	18%	15%	18%	19%	18%	17%	16%	15%	13%	11%	13%	13%	
Health Care MSCI Index Weight	4%	5%	6%	5%	6%	5%	5%	5%	5%	4%	4%	4%	4%	3%	3%	3%	4%	5%	5%	5%	5%	5%	6%	6%	7%	8%	7%	6%	7%	7%	7%	7%	6%	6%	7%	7%	8%	7%	7%	9%	9%	8%	8%	
Industrials MSCI Index Weight	6%	6%	5%	7%	8%	7%	7%	8%	8%	9%	10%	10%	10%	11%	11%	11%	11%	11%	11%	12%	12%	13%	13%	13%	13%	14%	14%	14%	13%	13%	13%	14%	15%	15%	15%	15%	14%	14%	14%	13%	13%	14%	14%	
Information Technology MSCI Index Weight	13%	9%	7%	9%	6%	7%	8%	8%	6%	5%	5%	5%	5%	4%	5%	4%	4%	4%	4%	4%	4%	4%	4%	5%	5%	5%	5%	5%	5%	5%	6%	7%	7%	7%	7%	8%	8%	8%	10%	11%	11%	12%		
Materials MSCI Index Weight	4%	5%	5%	5%	6%	5%	6%	5%	6%	6%	6%	6%	6%	7%	8%	11%	7%	6%	7%	8%	7%	8%	7%	8%	8%	7%	7%	7%	6%	7%	6%	6%	7%	7%	7%	7%	6%	5%	5%	6%	6%	5%		
Real Estate MSCI Index Weight											1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%	2%	2%	2%	2%	1%	1%	2%	2%	2%	2%	2%	2%	1%	1%	
Utilities MSCI Index Weight	8%	7%	8%	6%	8%	7%	7%	8%	8%	8%	9%	9%	10%	10%	11%	13%	14%	15%	13%	12%	11%	11%	11%	9%	8%	7%	7%	8%	8%	7%	7%	6%	6%	5%	6%	6%	6%	7%	7%	8%	8%	7%	7%	
Data Source: Bloomberg. Intellectual Property of 42 Macro LLC. Color coding endemic to each indicator.																																												

# Bull Case: Post-Delta Bounce In GROWTH Coupled With Flat-To-Up INFLATION In Q4 = REFLATION

	Macro Regime	GROWTH Δ Z-Score	INFLATION Δ Z-Score	POLICY Rate	POLICY Balance Sheet	POLICY Fiscal Balance	US-World Regime	Blended Annualized Expected Return	Dynamic Macro Regime Ranking
	R	1σ	0σ	n/a	Easing	Tightening	R-R	R	R
SPX Index	15.3%	11.8%	12.8%	-	14.6%	24.0%	16.7%	15.7%	12
S&P 100 Index	15.8%	11.6%	12.5%	-	15.0%	26.2%	17.1%	16.1%	13
NASDAQ 100 Stock Index	28.1%	14.8%	21.5%	-	24.6%	49.0%	26.6%	27.7%	25
S&P Midcap 400 Index	18.9%	16.9%	14.5%	-	19.0%	26.5%	20.6%	19.2%	19
Russell 2000 Index	17.0%	17.2%	12.6%	-	14.8%	39.9%	20.5%	19.0%	18
MSCI USA Consumer Discretionary Index	16.5%	11.1%	17.8%	-	15.7%	27.9%	16.8%	17.2%	15
MSCI USA Consumer Staples Index	5.2%	2.9%	1.5%	-	7.3%	-1.7%	6.6%	4.3%	2
MSCI USA Communication Services Index	9.3%	7.7%	8.6%	-	8.5%	24.1%	11.5%	10.7%	7
MSCI USA Energy Index	15.9%	17.4%	13.6%	-	17.3%	42.4%	17.5%	18.8%	17
MSCI USA Financials Index	16.1%	15.7%	12.6%	-	14.5%	14.6%	17.1%	15.5%	11
MSCI USA Health Care Index	10.4%	6.8%	5.5%	-	7.7%	-6.2%	11.9%	7.8%	3
MSCI USA Industrials Index	18.5%	16.8%	18.7%	-	19.5%	35.5%	23.9%	20.7%	21
MSCI USA Information Technology Index	25.9%	17.1%	20.1%	-	22.6%	44.2%	22.7%	25.6%	24
MSCI USA Materials Index	14.5%	17.8%	15.5%	-	16.8%	23.5%	20.5%	16.7%	14
MSCI US Real Estate Index	3.6%	-1.5%	-8.8%	-	7.5%	-	9.7%	2.7%	1
MSCI USA Utilities Index	6.7%	8.3%	5.2%	-	5.8%	16.2%	12.5%	8.2%	4
S&P 500 High Beta Index	24.2%	20.3%	17.1%	-	22.5%	38.5%	25.4%	24.5%	23
S&P 500 Low Volatility Index	8.3%	9.1%	6.6%	-	8.2%	4.2%	12.4%	8.2%	5
Russell 3000 Defensive	11.9%	8.3%	9.0%	-	11.7%	17.9%	14.3%	12.1%	8
Russell 3000 Dynamic	19.7%	16.2%	16.2%	-	18.1%	33.7%	20.7%	20.4%	20
S&P 500 Dividend Aristocrats Price Index	10.2%	10.8%	8.7%	-	10.7%	5.8%	12.5%	9.9%	6
MSCI USA Momentum USD PR	20.2%	16.3%	18.9%	-	19.5%	36.1%	19.5%	21.2%	22
MSCI USA Quality Price USD Index	14.6%	10.1%	10.7%	-	13.4%	16.7%	15.2%	13.9%	10
MSCI United States Growth Index	18.2%	10.7%	15.8%	-	16.2%	28.7%	18.5%	18.1%	16
MSCI United States Value Index	12.9%	13.3%	10.9%	-	13.1%	20.8%	15.1%	13.8%	9



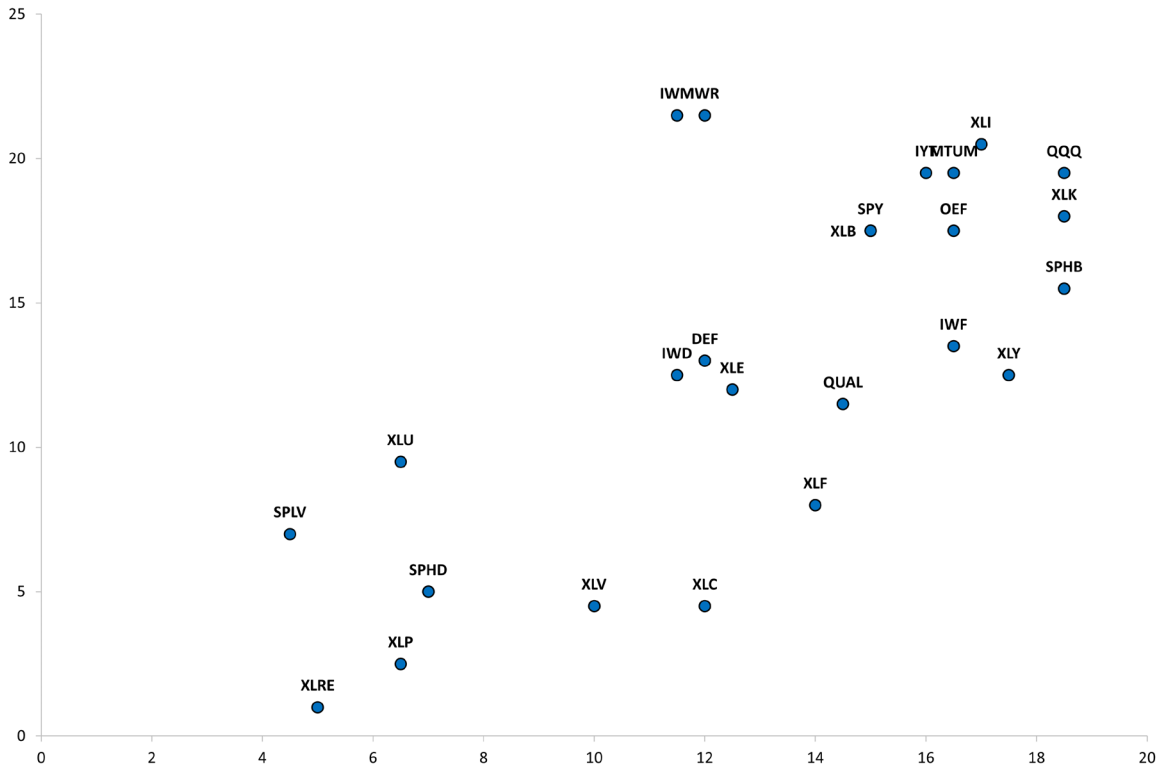
# Bear Case: Supply Chain Disruptions Feed Into Festering Cost-Push INFLATION, Causing Consumers And Businesses To Retrench = INFLATION

	Macro Regime	GROWTH Δ Z-Score	INFLATION Δ Z-Score	POLICY Rate	POLICY Balance Sheet	POLICY Fiscal Balance	US-World Regime	Blended Annualized Expected Return	Dynamic Macro Regime Ranking
	I	0σ	1σ	n/a	Easing	Tightening	I-I	I	I
SPX Index	-6.6%	-6.3%	-8.7%	-	-6.5%	20.6%	-10.3%	-4.4%	11
S&P 100 Index	-5.5%	-7.5%	-7.0%	-	-6.6%	23.1%	-9.4%	-3.5%	12
NASDAQ 100 Stock Index	-2.5%	13.4%	-3.4%	-	-11.4%	23.8%	-0.7%	0.9%	22
S&P Midcap 400 Index	-7.2%	0.4%	-13.4%	-	-6.2%	13.8%	-10.7%	-5.2%	10
Russell 2000 Index	-11.4%	4.9%	-14.6%	-	-7.1%	-4.6%	-12.1%	-9.1%	4
MSCI USA Consumer Discretionary Index	-6.0%	-6.6%	-5.2%	-	-6.6%	27.5%	-9.7%	-3.1%	13
MSCI USA Consumer Staples Index	-3.1%	-9.5%	-4.6%	-	5.2%	2.8%	-3.0%	-2.5%	16
MSCI USA Communication Services Index	-3.6%	-20.7%	-4.0%	-	-4.3%	29.6%	-7.4%	-2.5%	15
MSCI USA Energy Index	-16.7%	-27.6%	-27.2%	-	-13.8%	5.7%	-24.1%	-17.0%	1
MSCI USA Financials Index	-9.8%	-14.6%	-7.8%	-	-9.5%	26.8%	-15.9%	-7.0%	6
MSCI USA Health Care Index	-0.3%	1.7%	4.0%	-	14.7%	21.4%	-4.5%	3.6%	24
MSCI USA Industrials Index	-7.9%	-11.5%	-13.4%	-	3.0%	19.5%	-12.9%	-5.5%	9
MSCI USA Information Technology Index	-3.2%	6.1%	-5.6%	-	-13.4%	33.3%	-6.0%	-0.2%	21
MSCI USA Materials Index	-14.7%	-20.7%	-20.3%	-	0.1%	-0.7%	-17.4%	-13.3%	2
MSCI US Real Estate Index	-1.4%	-8.3%	-4.6%	-	-31.8%	-	0.6%	-6.2%	8
MSCI USA Utilities Index	5.2%	0.4%	-0.8%	-	0.2%	15.4%	4.8%	4.6%	25
S&P 500 High Beta Index	-16.2%	-10.6%	-14.4%	-	-14.7%	14.3%	-21.6%	-12.8%	3
S&P 500 Low Volatility Index	1.4%	-5.1%	-3.9%	-	3.9%	16.6%	0.4%	1.9%	23
Russell 3000 Defensive	-3.9%	-5.9%	-6.7%	-	-2.8%	22.1%	-6.7%	-2.0%	17
Russell 3000 Dynamic	-10.8%	-1.6%	-12.1%	-	-11.5%	12.8%	-14.0%	-8.1%	5
S&P 500 Dividend Aristocrats Price Index	-3.3%	-9.5%	-8.2%	-	2.8%	22.0%	-7.7%	-1.7%	18
MSCI USA Momentum USD PR	-4.1%	2.0%	-9.9%	-	-6.6%	27.4%	-6.4%	-1.4%	19
MSCI USA Quality Price USD Index	-3.3%	-2.2%	-4.7%	-	-2.6%	27.2%	-7.0%	-0.6%	20
MSCI United States Growth Index	-5.9%	2.0%	-7.6%	-	-7.3%	25.8%	-8.3%	-2.5%	14
MSCI United States Value Index	-8.1%	-14.1%	-9.9%	-	-5.9%	16.9%	-13.0%	-6.7%	7



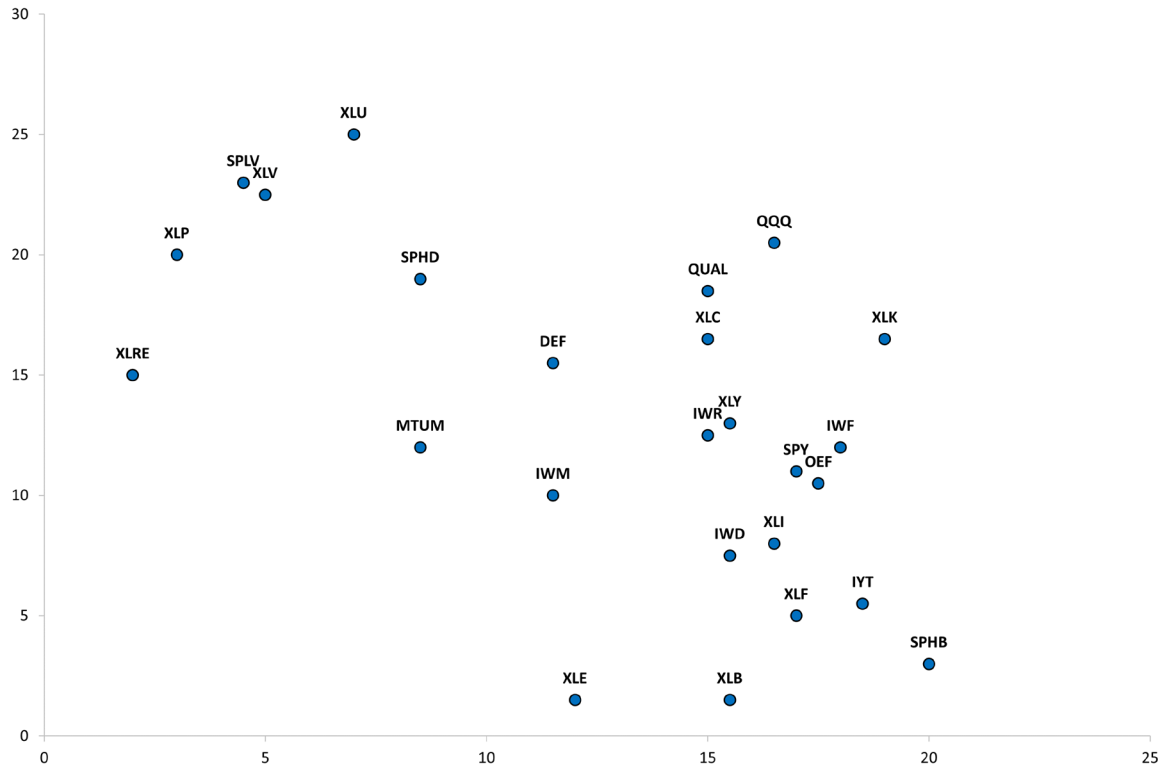
# REFLATION: US Equities

x-axis: 42 Macro Regime RISK Score (Mean Volatility & Covariance Ranking)  
y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



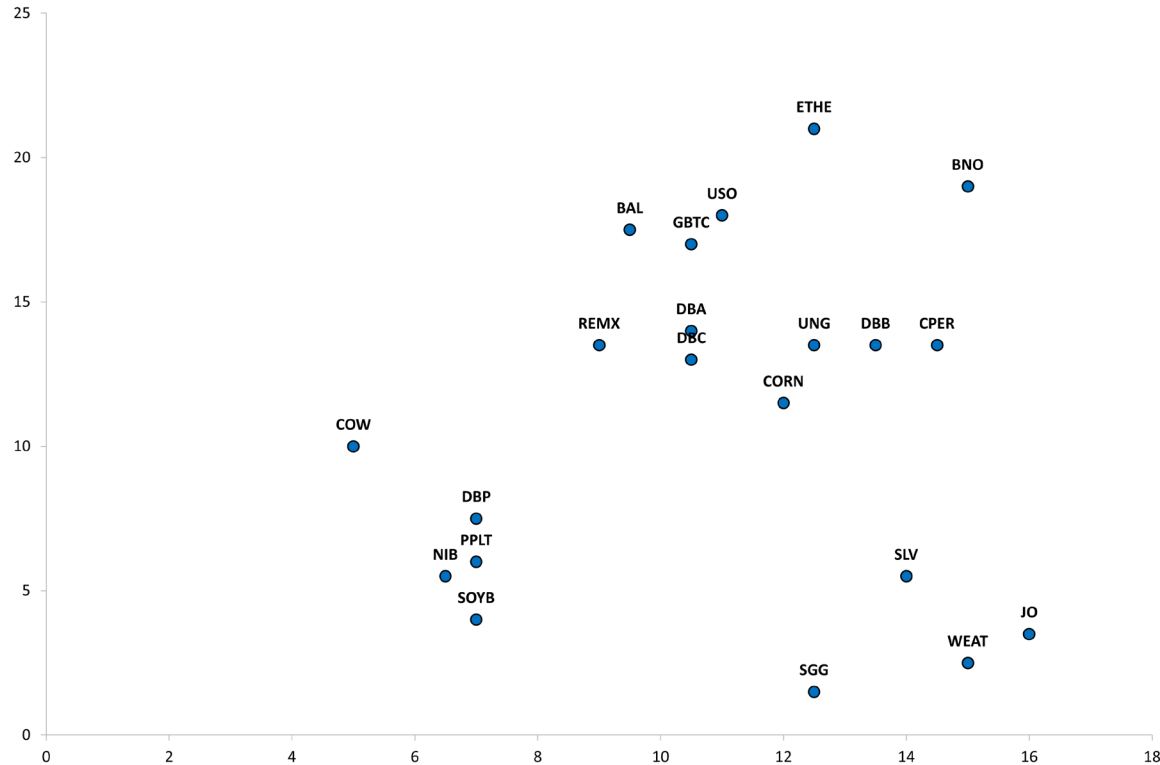
# INFLATION: US Equities

x-axis: 42 Macro Regime RISK Score (Mean Volatility & Covariance Ranking)  
y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



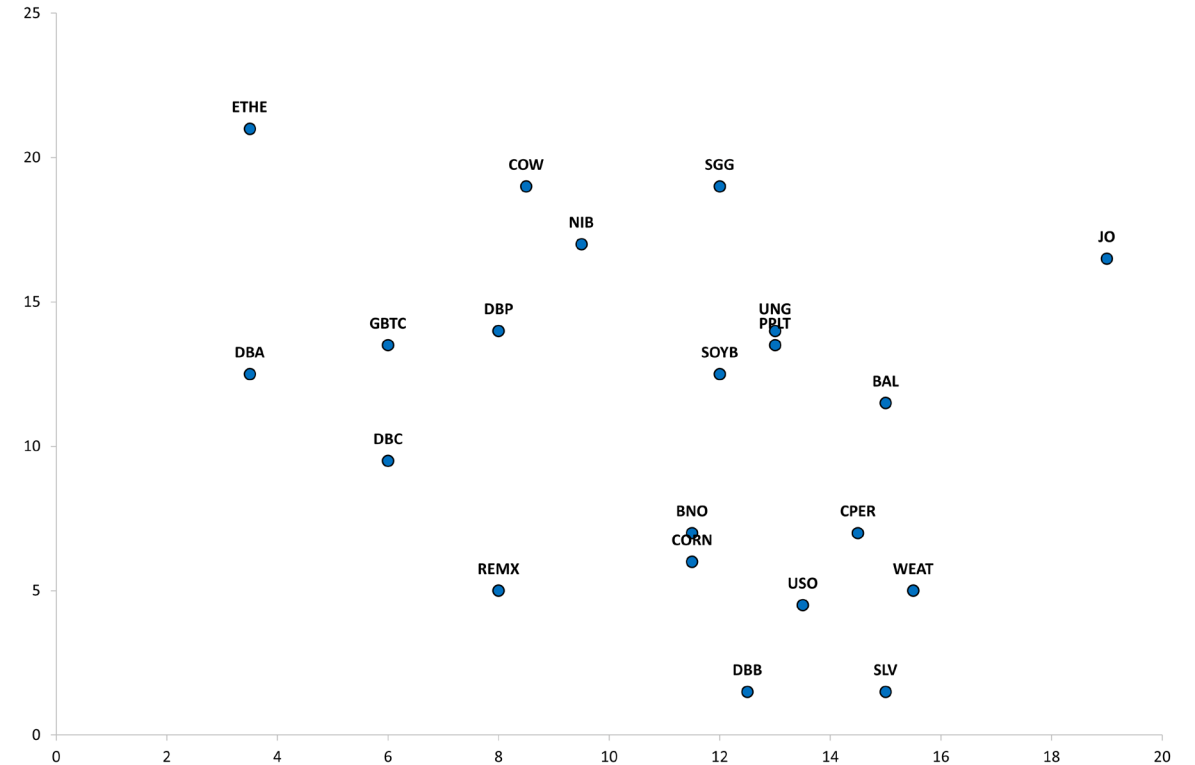
## REFLATION: Commodities

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y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



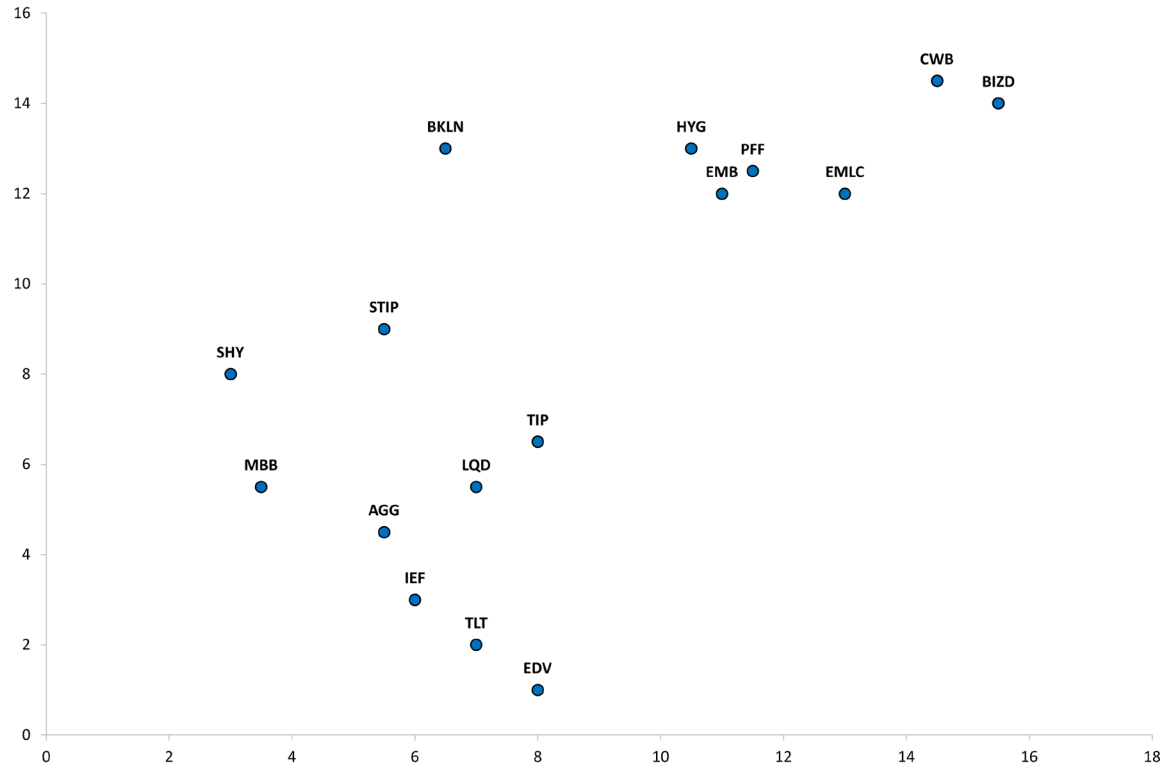
## INFLATION: Commodities

x-axis: 42 Macro Regime RISK Score (Mean Volatility & Covariance Ranking)  
y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



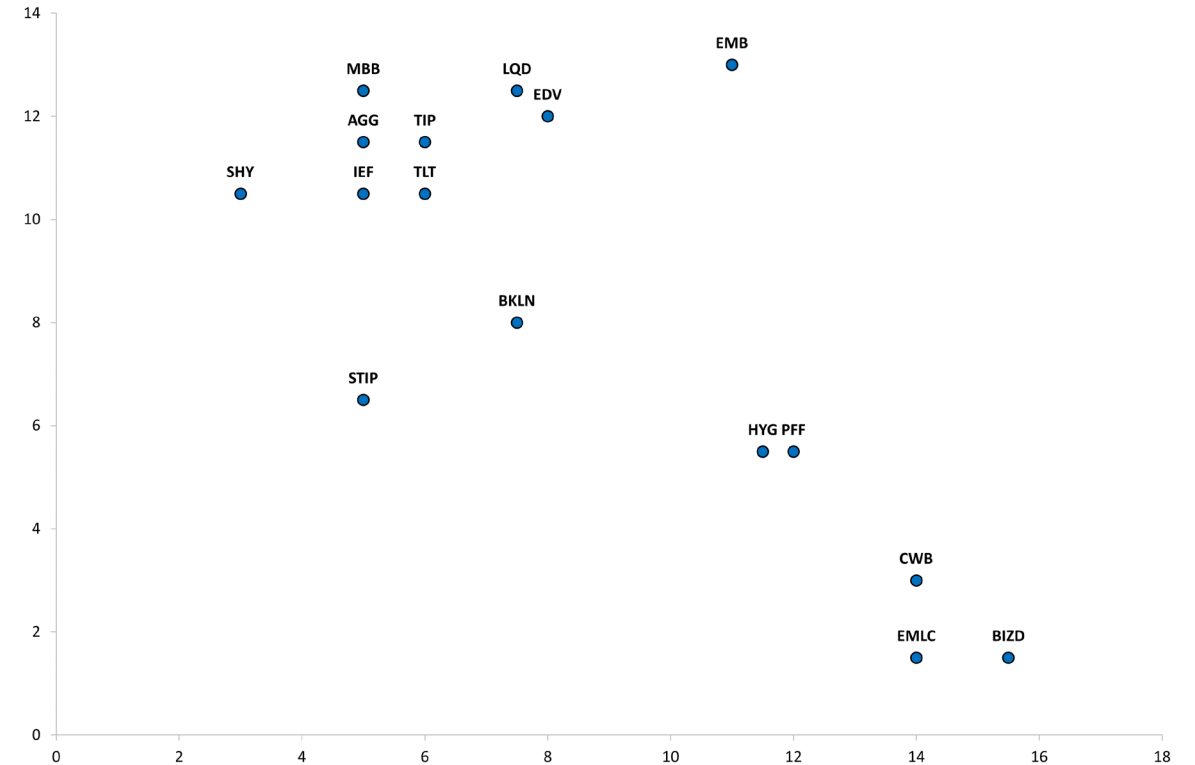
## REFLATION: Fixed Income

x-axis: 42 Macro Regime RISK Score (Mean Volatility & Covariance Ranking)  
y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



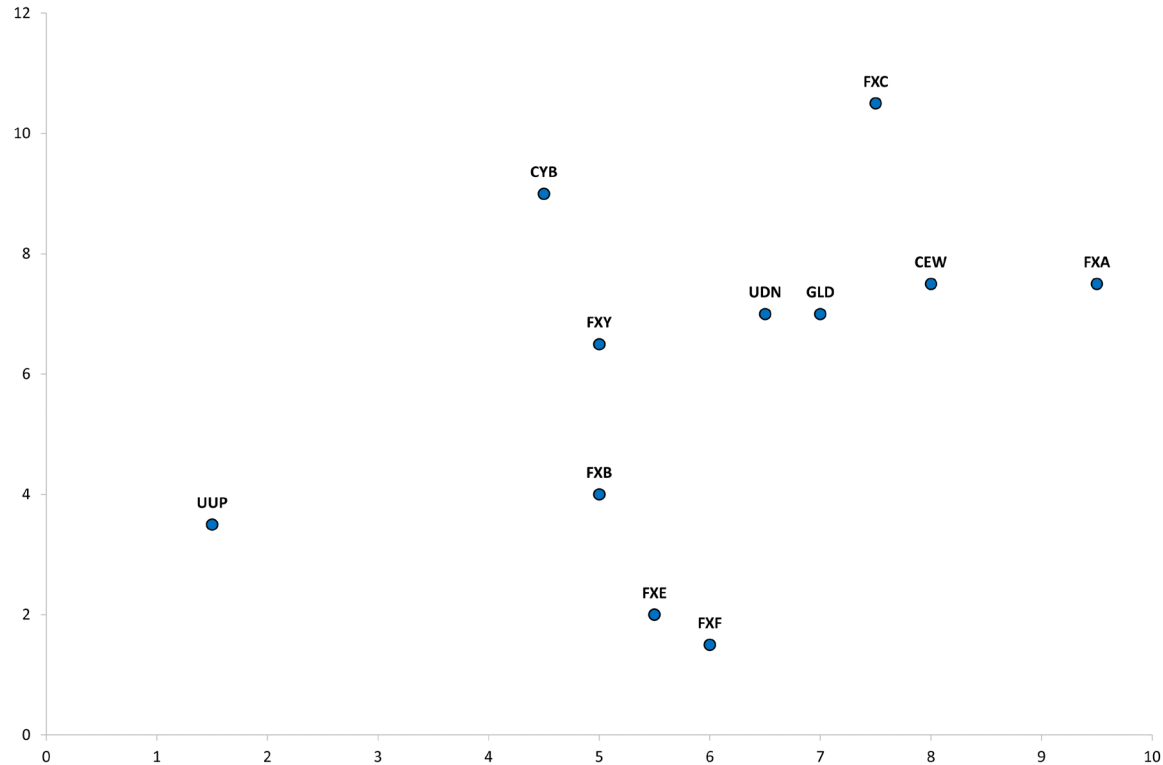
## INFLATION: Fixed Income

x-axis: 42 Macro Regime RISK Score (Mean Volatility & Covariance Ranking)  
y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



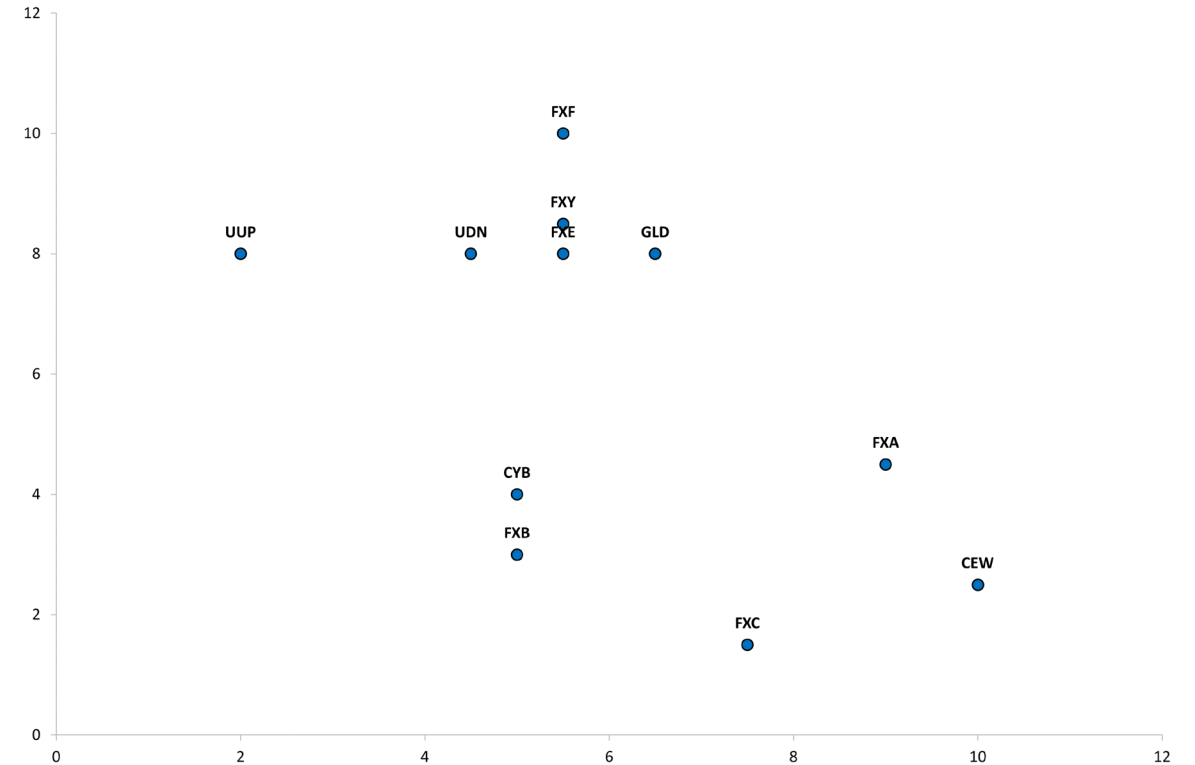
## REFLATION: Foreign Exchange

x-axis: 42 Macro Regime RISK Score (Mean Volatility & Covariance Ranking)  
y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



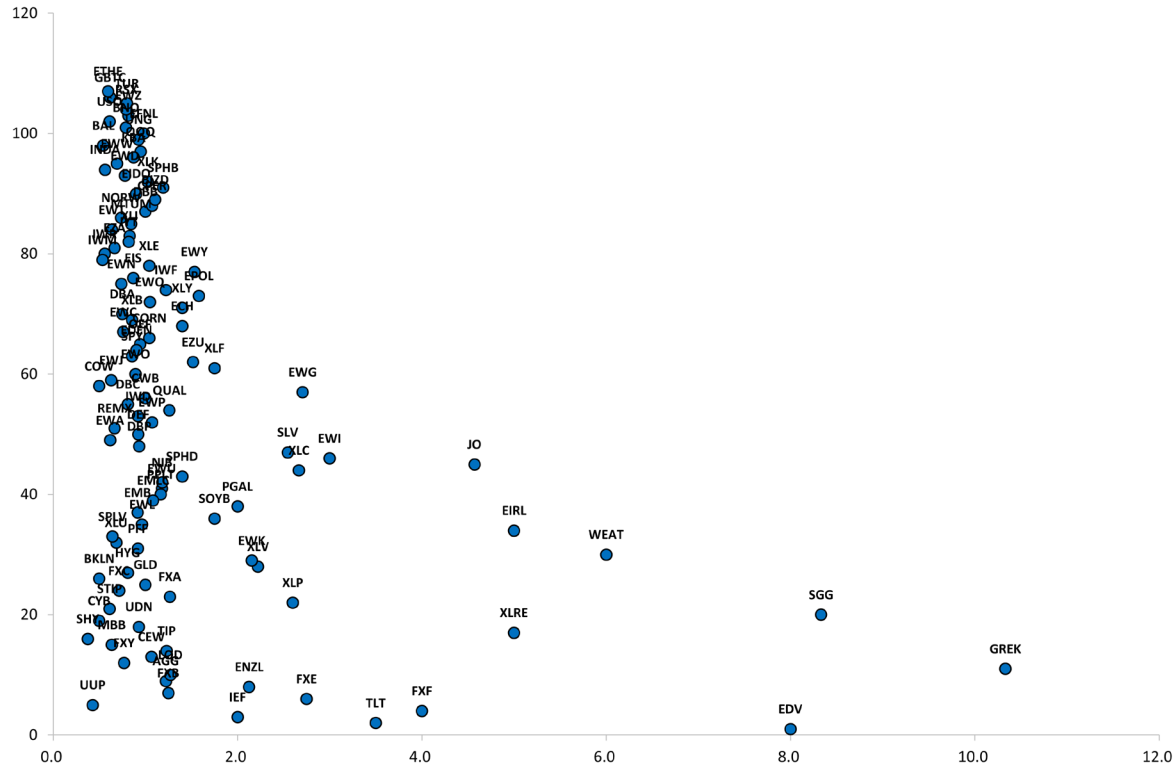
## INFLATION: Foreign Exchange

x-axis: 42 Macro Regime RISK Score (Mean Volatility & Covariance Ranking)  
y-axis: 42 Macro Regime REWARD Score (Mean Expected Return & Percent Positive Ranking)



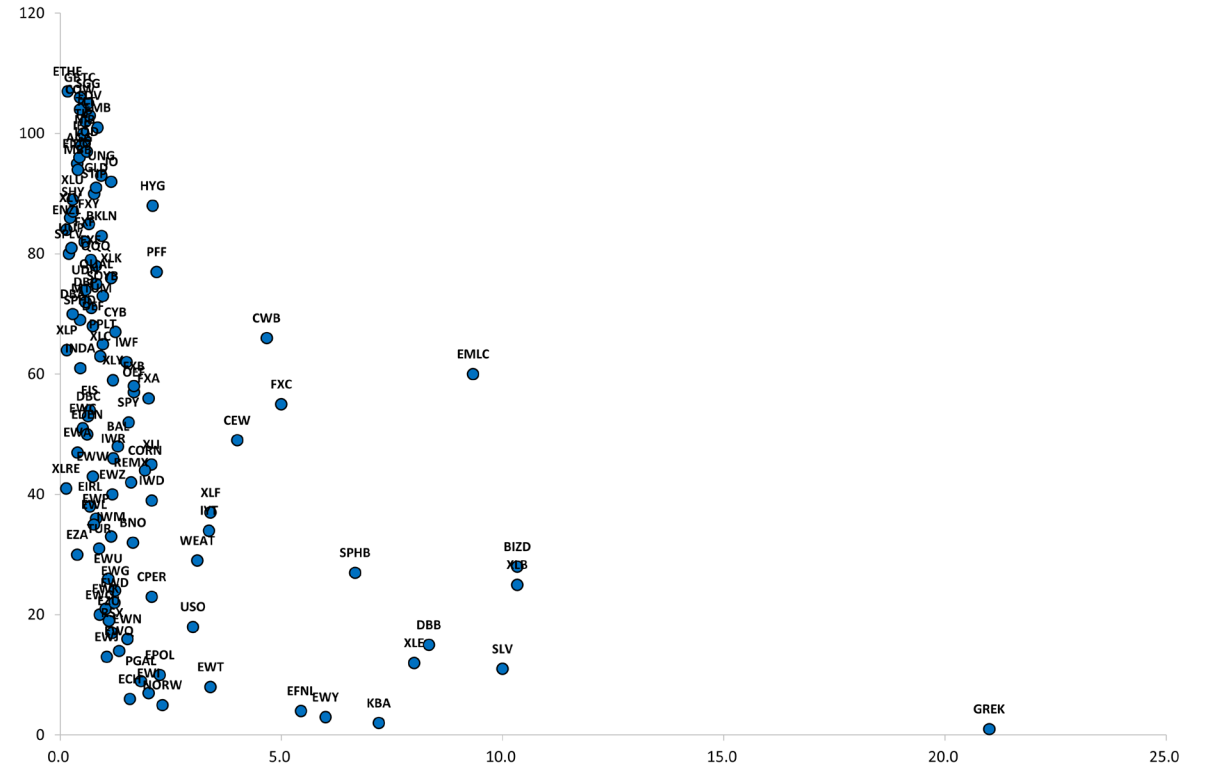
# REFLATION: Global Macro

x-axis: 42 Macro Regime RISK/REWARD Ratio  
y-axis: 42 Macro Regime Blended ANNUALIZED EXPECTED RETURN Ranking



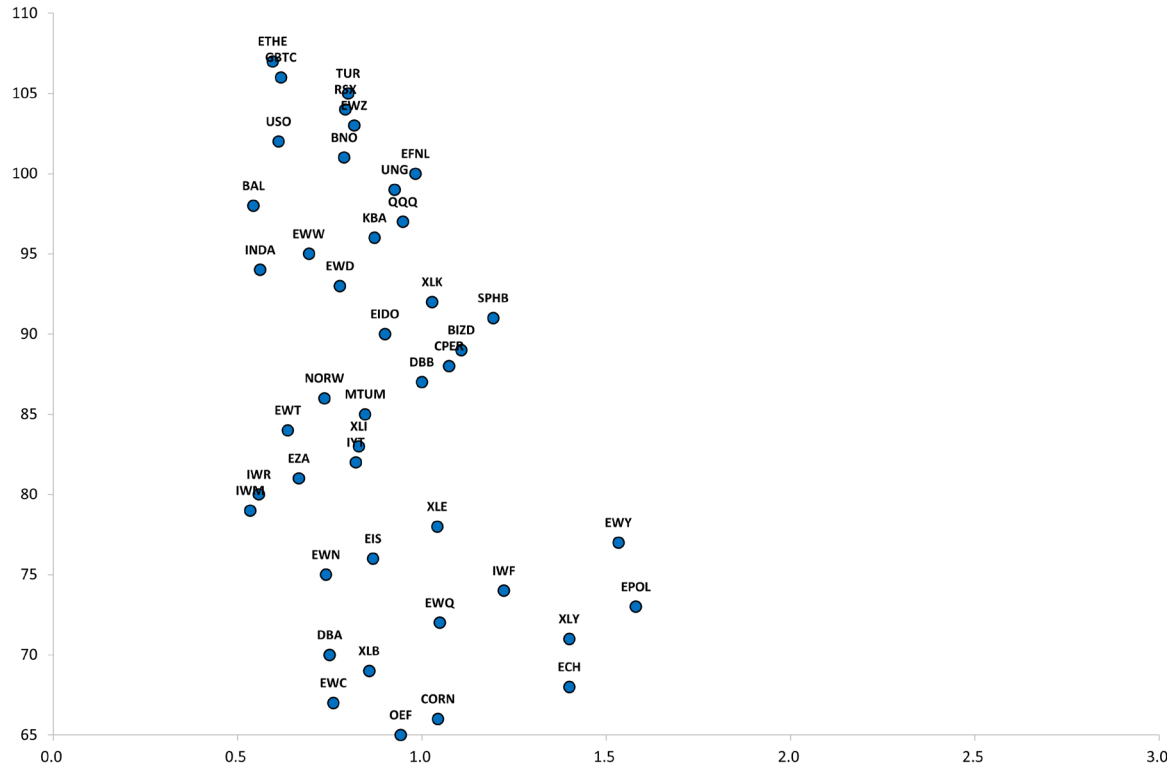
# INFLATION: Global Macro

x-axis: 42 Macro Regime RISK/REWARD Ratio  
y-axis: 42 Macro Regime Blended ANNUALIZED EXPECTED RETURN Ranking



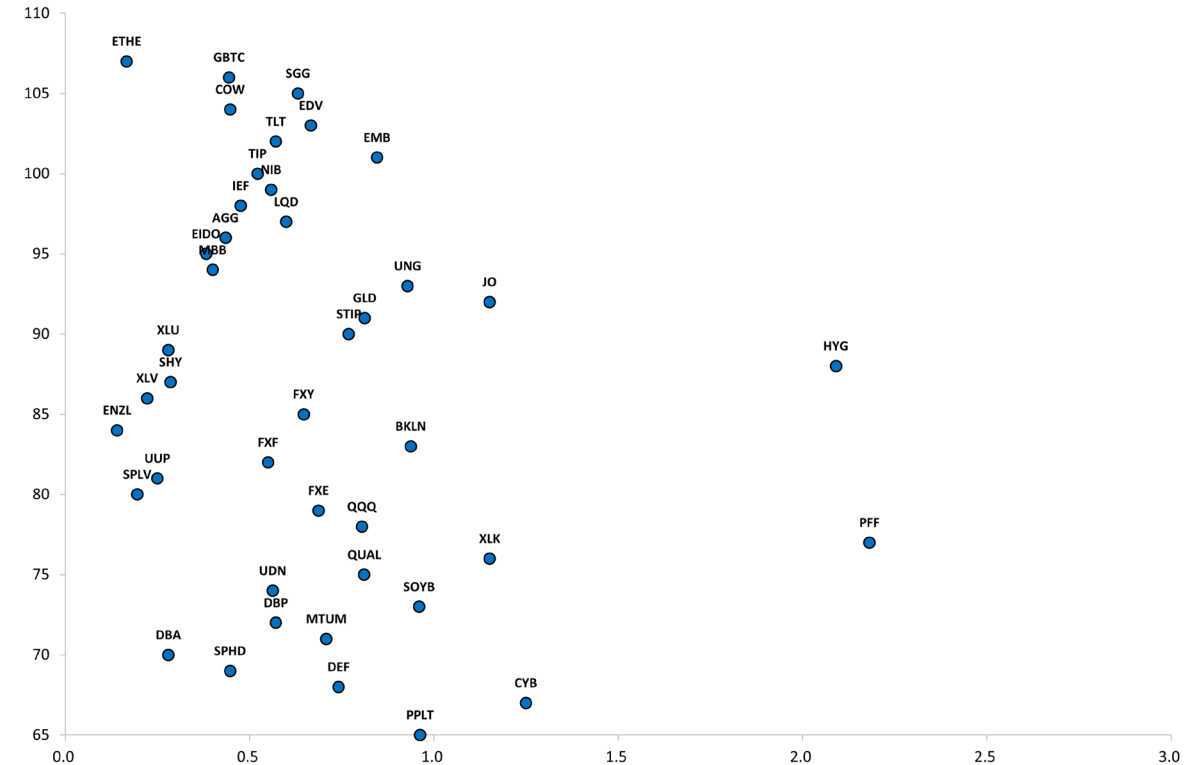
## REFLATION: Portfolio Construction Candidates

x-axis: 42 Macro Regime RISK/REWARD Ratio  
y-axis: 42 Macro Regime Blended ANNUALIZED EXPECTED RETURN Ranking



## INFLATION: Portfolio Construction Candidates

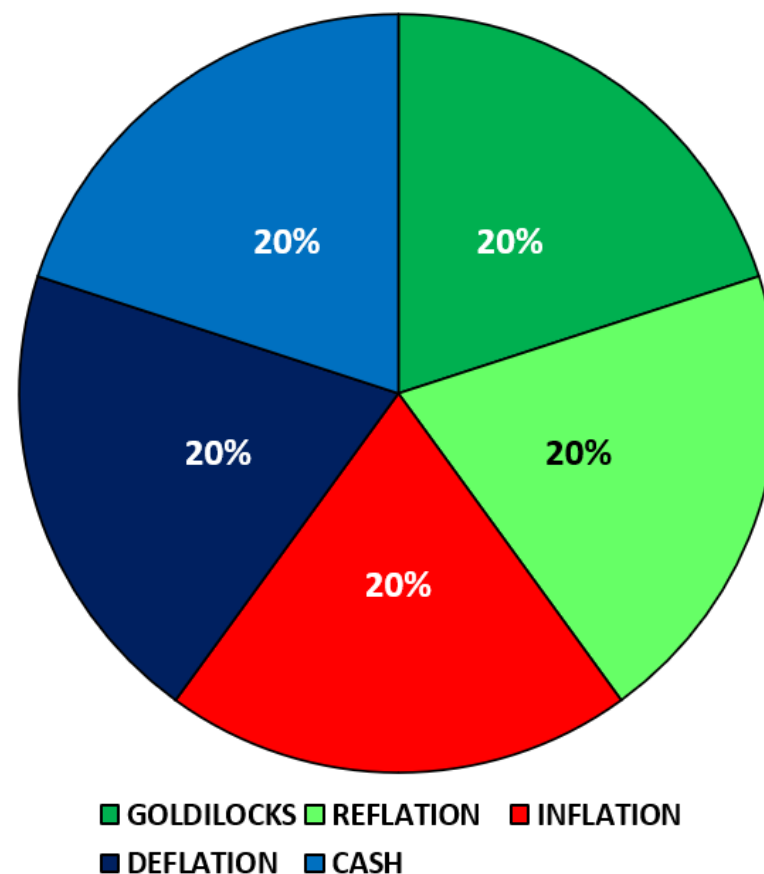
x-axis: 42 Macro Regime RISK/REWARD Ratio  
y-axis: 42 Macro Regime Blended ANNUALIZED EXPECTED RETURN Ranking



# Our Current Portfolio Construction

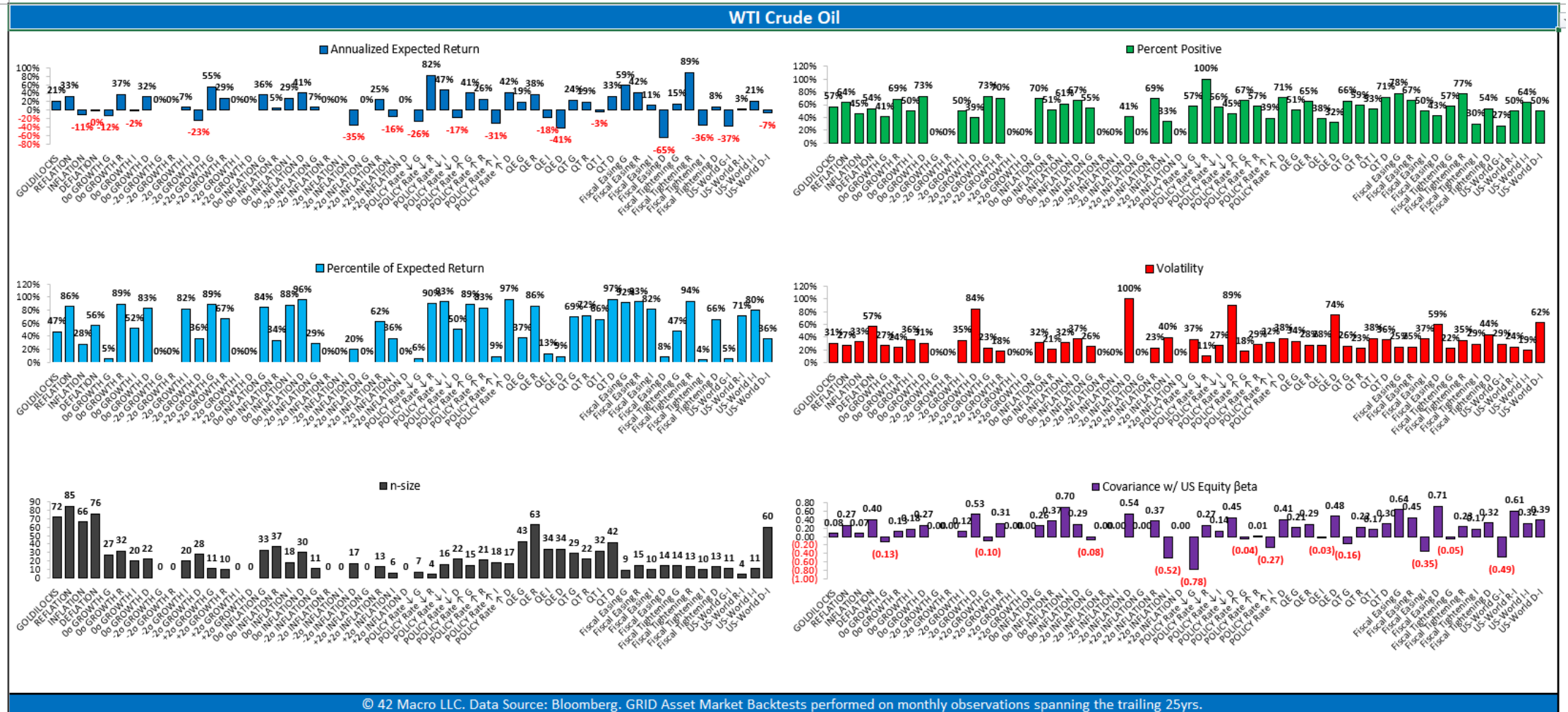
Oct-21	TARGET ALLOCATIONS	GOLDILOCKS	REFLATION	INFLATION	DEFLATION	CASH
		20%	20%	20%	20%	20%
Ticker	Equity & Commodity Exposures	8%	20%	20%	8%	n/a
BNO	United States Brent Oil Fund LP		4.0%			
DEF	Invesco Defensive Equity ETF				4.0%	
ETHE	Grayscale Ethereum Trust			4.0%		
EUSA	iShares MSCI USA Equal Weighted ETF		4.0%			
EZU	iShares MSCI Eurozone ETF	4.0%				
GBTC	Grayscale Bitcoin Trust BTC			4.0%		
MGK	Vanguard Mega Cap Growth ETF				4.0%	
QQQ	Invesco QQQ Trust Series 1	4.0%				
RSP	Invesco S&P 500 Equal Weight ETF		4.0%			
UGA	United States Gasoline Fund LP			4.0%		
UNG	United States Natural Gas Fund LP			4.0%		
URNM	North Shore Global Uranium Mining ETF			4.0%		
USO	United States Oil Fund LP		4.0%			
VTI	Vanguard Total Stock Market ETF		4.0%			
Ticker	Fixed Income & FX Exposures	12%	0%	0%	12%	n/a
EDV	Vanguard Extended Duration Treasury ETF				4.0%	
HYG	iShares iBoxx High Yield Corporate Bond ETF	4.0%				
JNK	SPDR Bloomberg Barclays High Yield Bond ETF	4.0%				
TIP	iShares TIPS Bond ETF	4.0%				
TLT	iShares 20+ Year Treasury Bond ETF				4.0%	
UUP	Invesco DB US Dollar Index Bullish Fund				4.0%	

42 Macro Portfolio Construction:  
October 2021



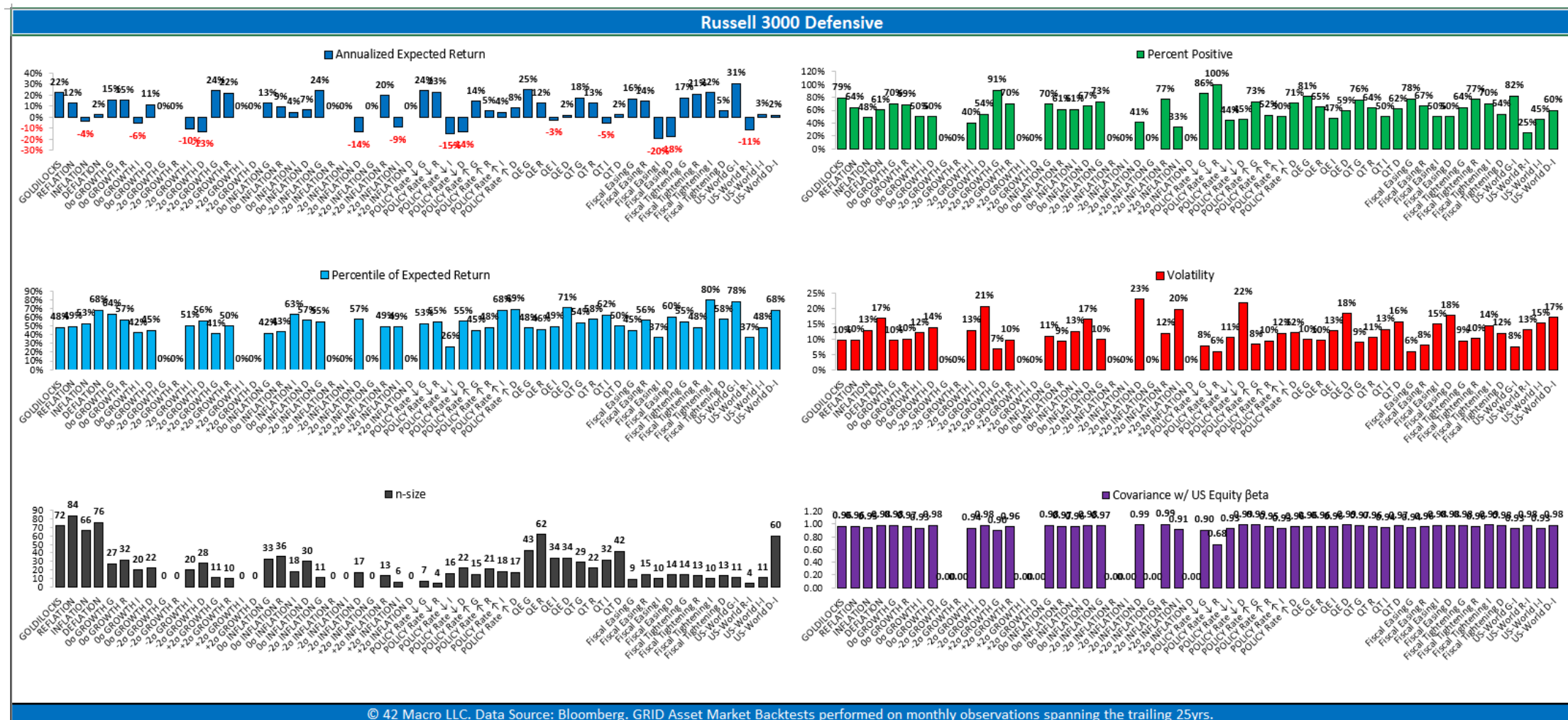


# Crude Oil (BNO, USO)

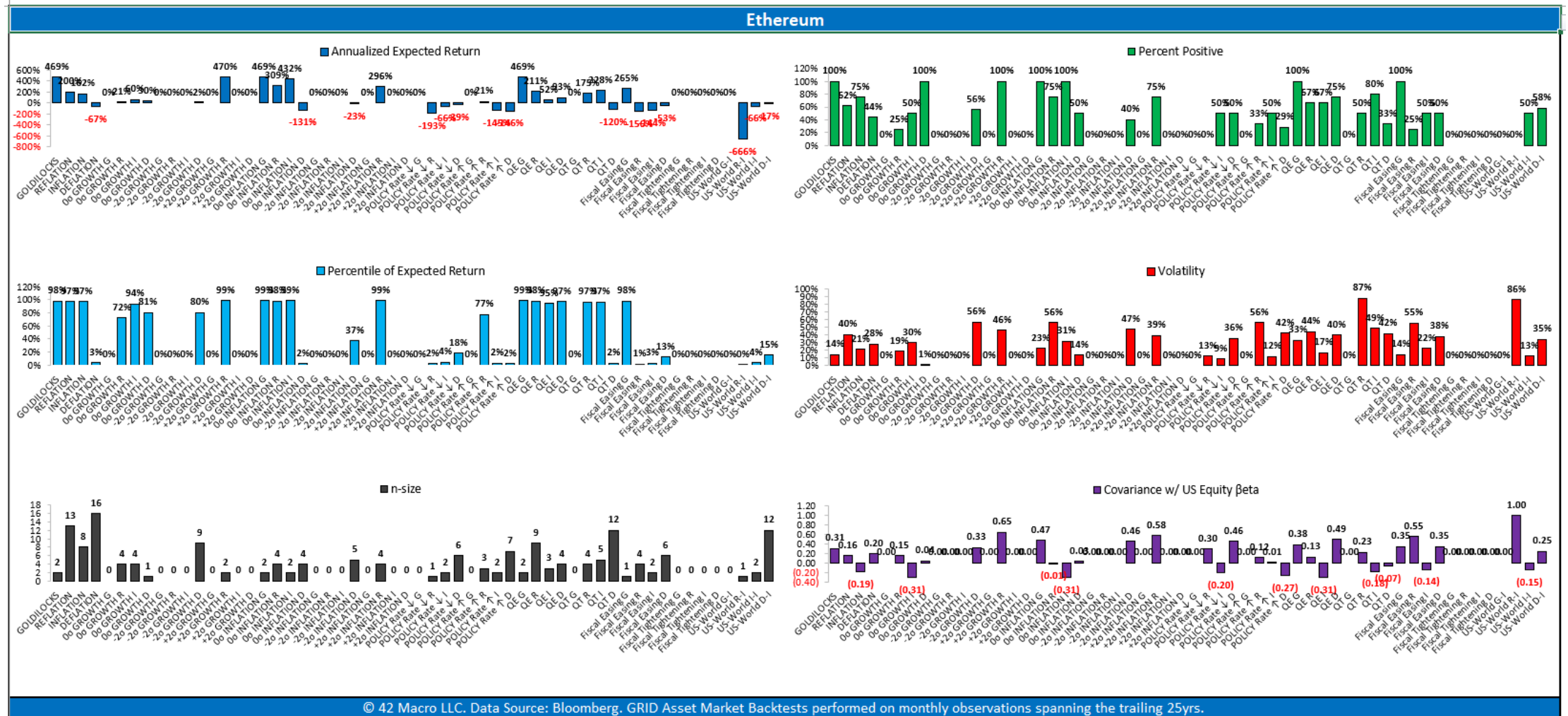


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## Defensives (DEF)



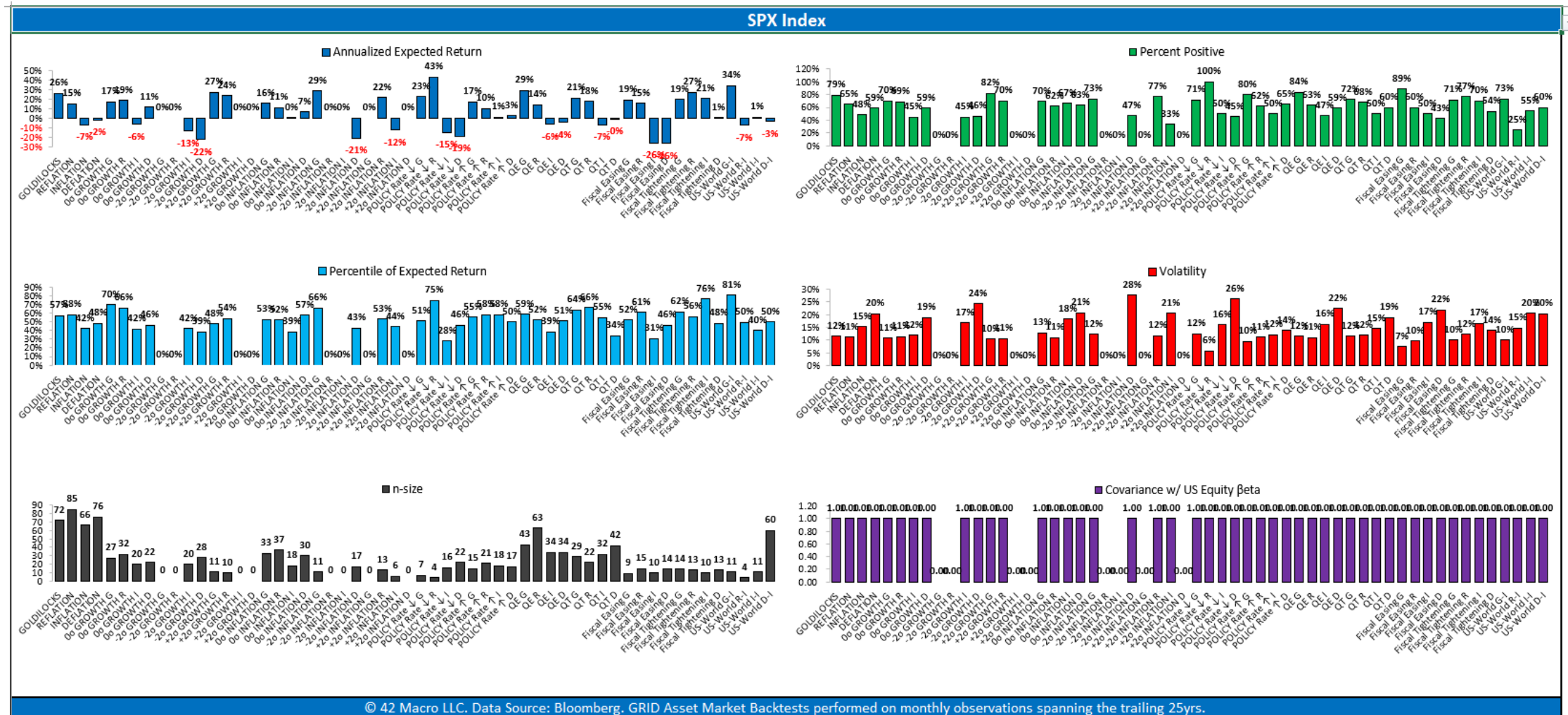
# Ethereum (ETHE)



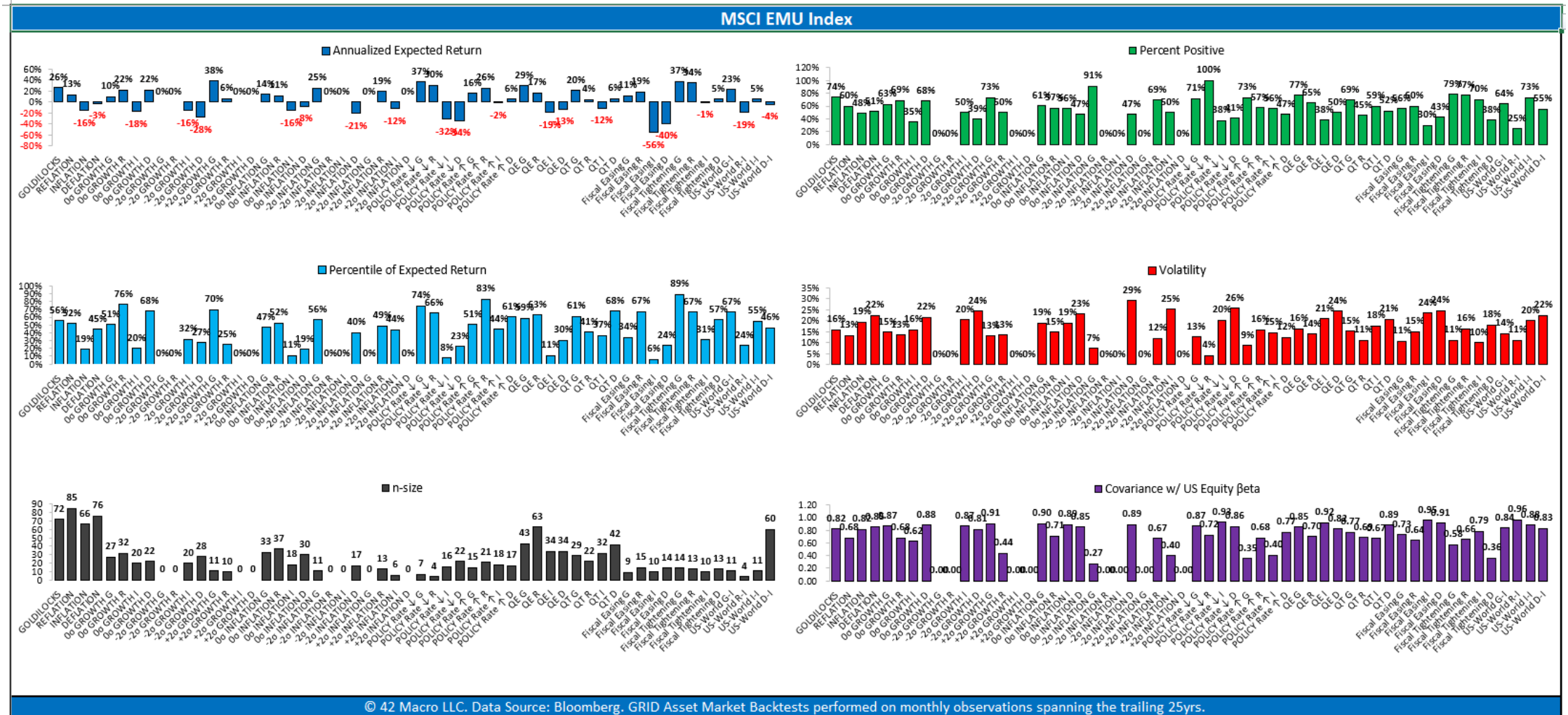
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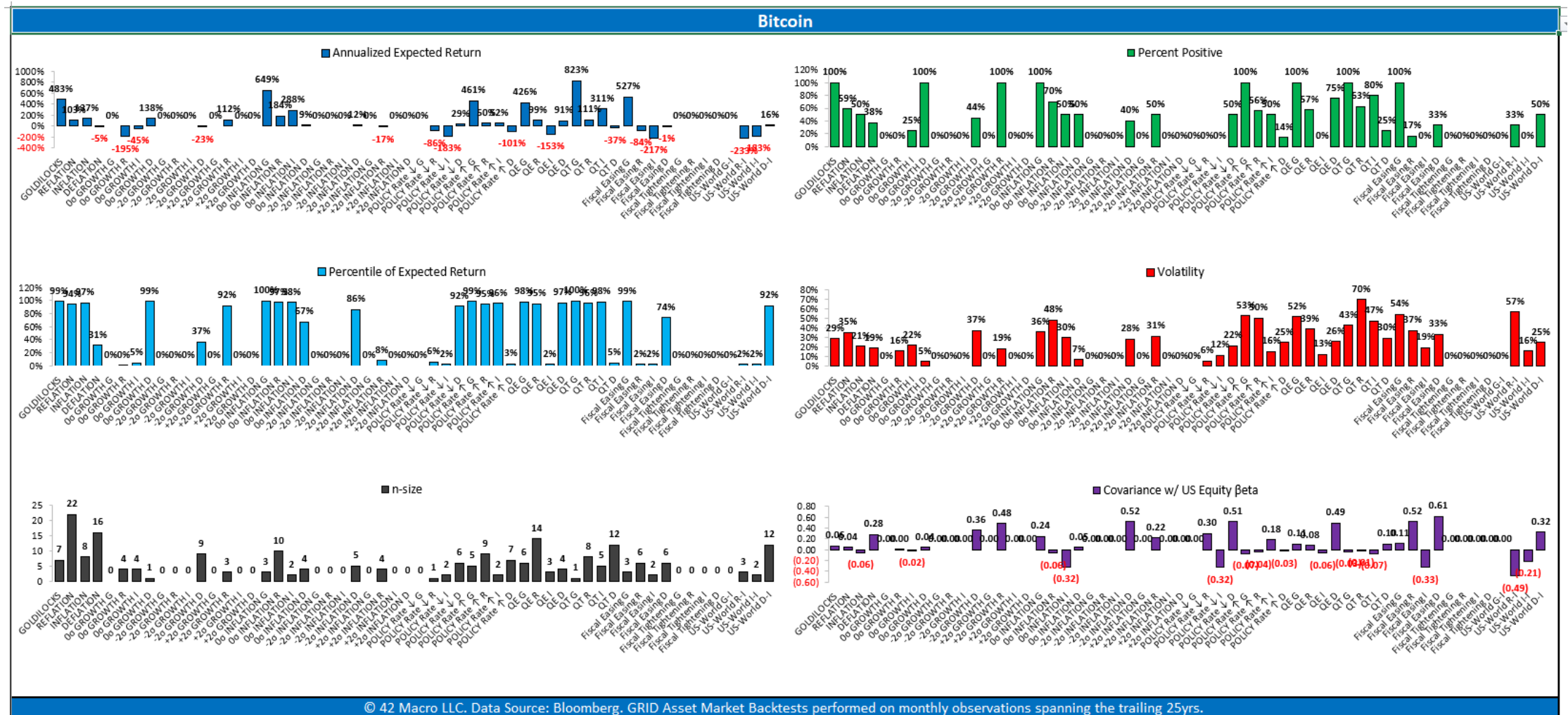
# Broad US Equity Beta (EUSA, RSP, VTI)



# Eurozone (EZU)

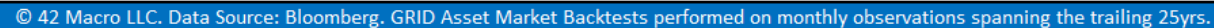


# Bitcoin (GBTC)





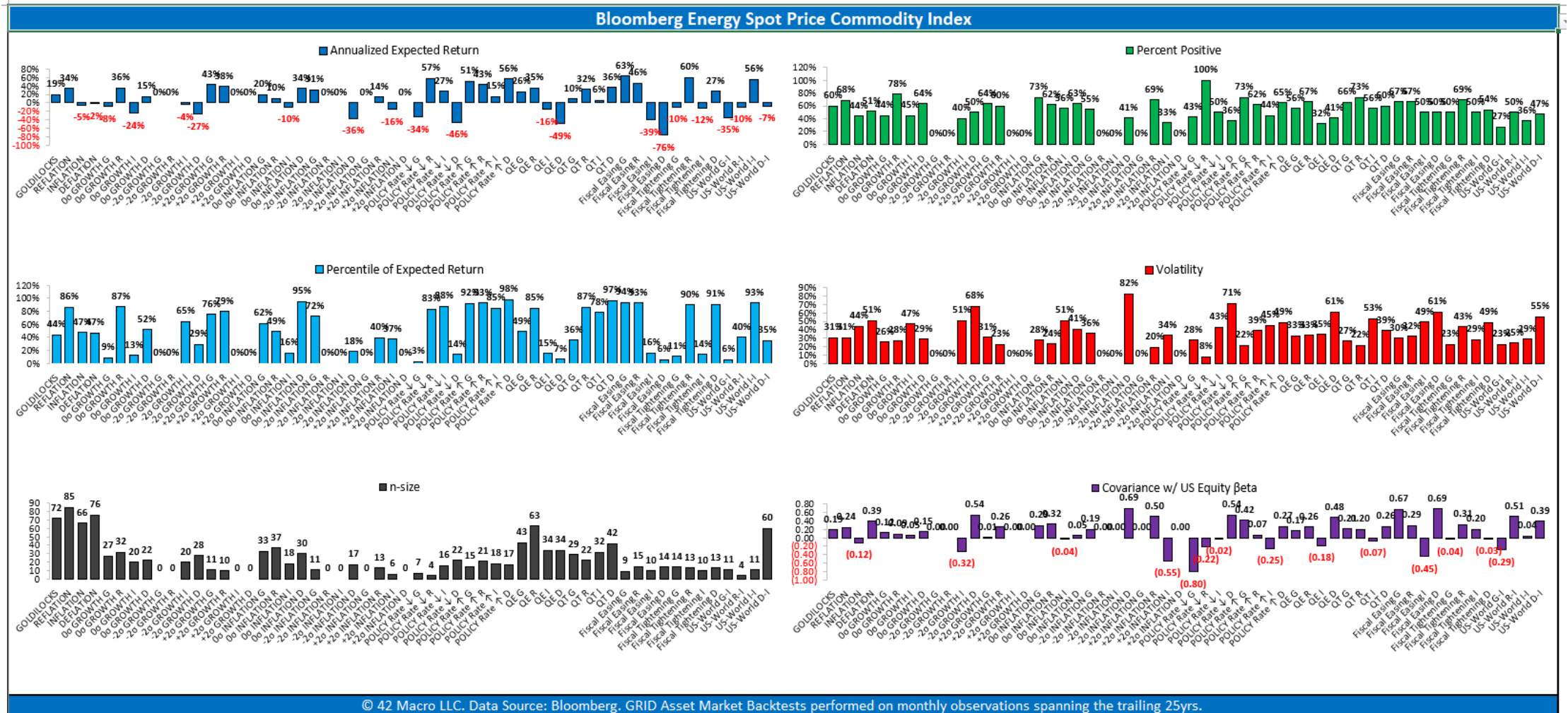
## NASDAQ 100 Stock Index



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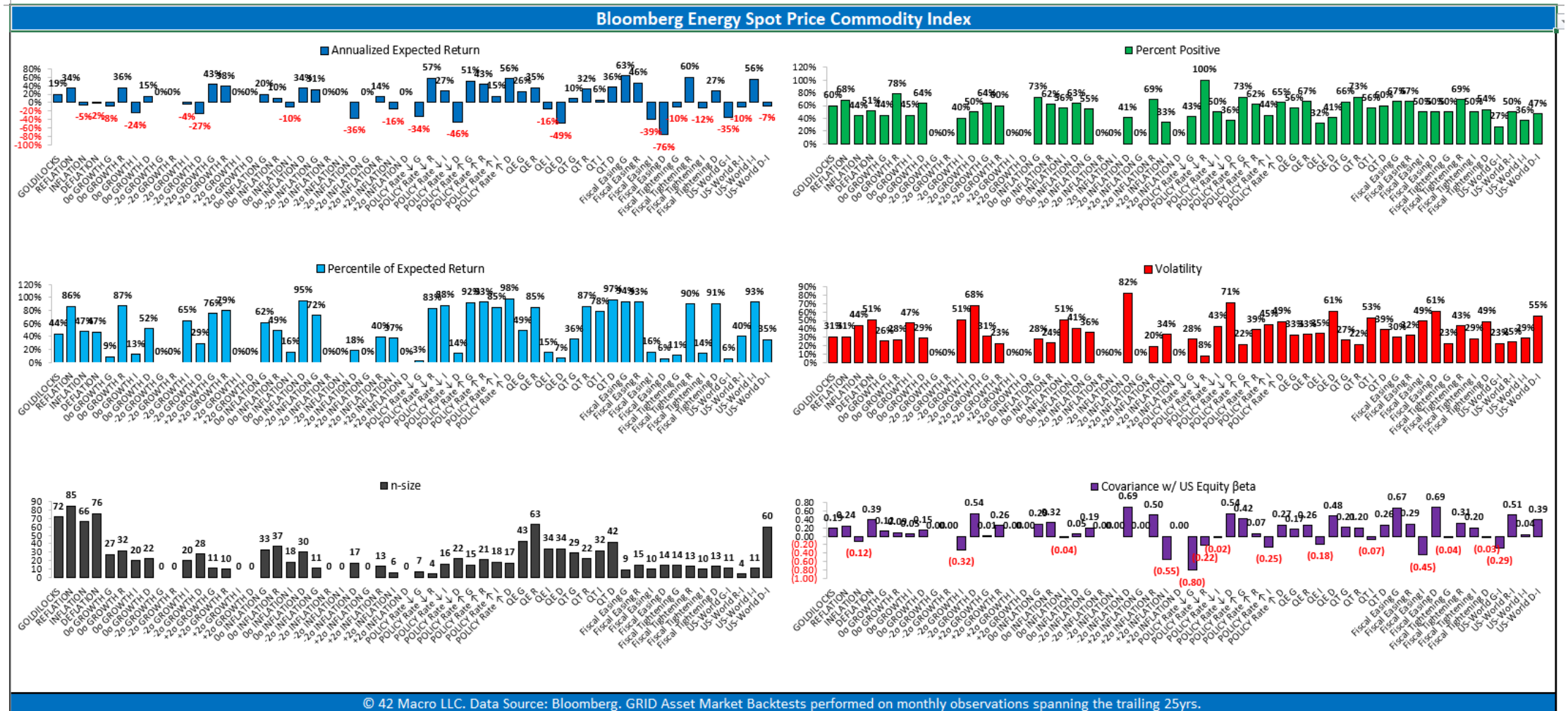
# Gasoline (UGA)



# Natural Gas (UNG)

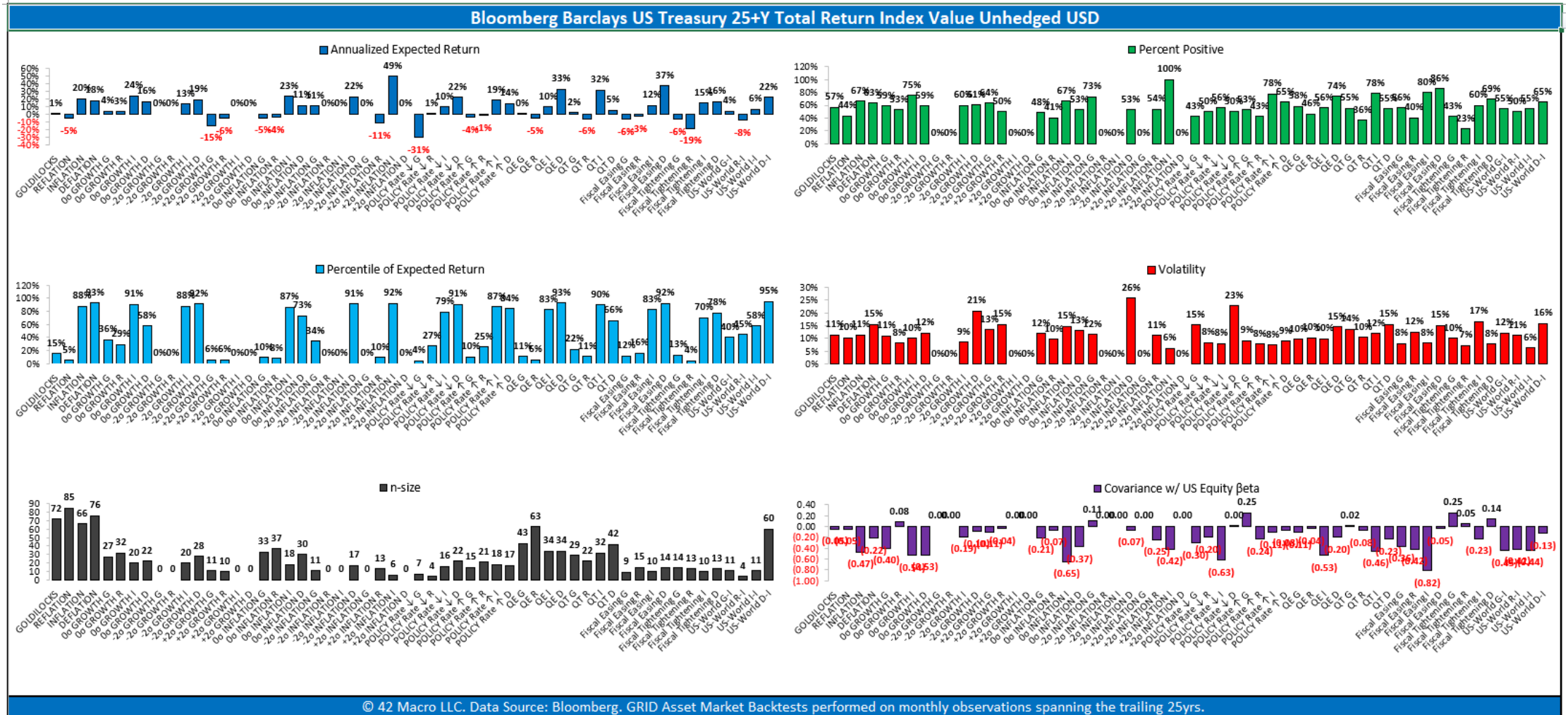


# Uranium (URNM)

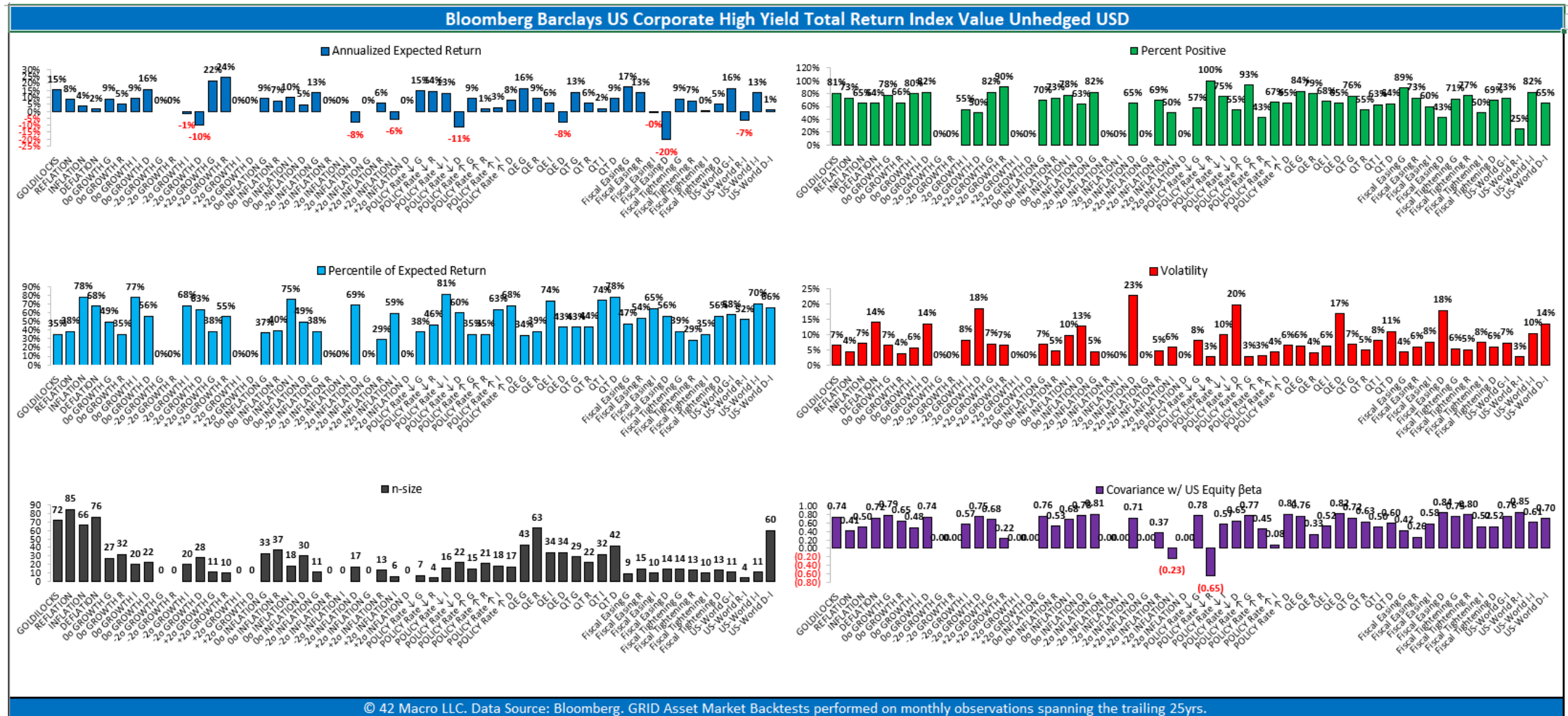




## Long Bond (EDV, TLT)

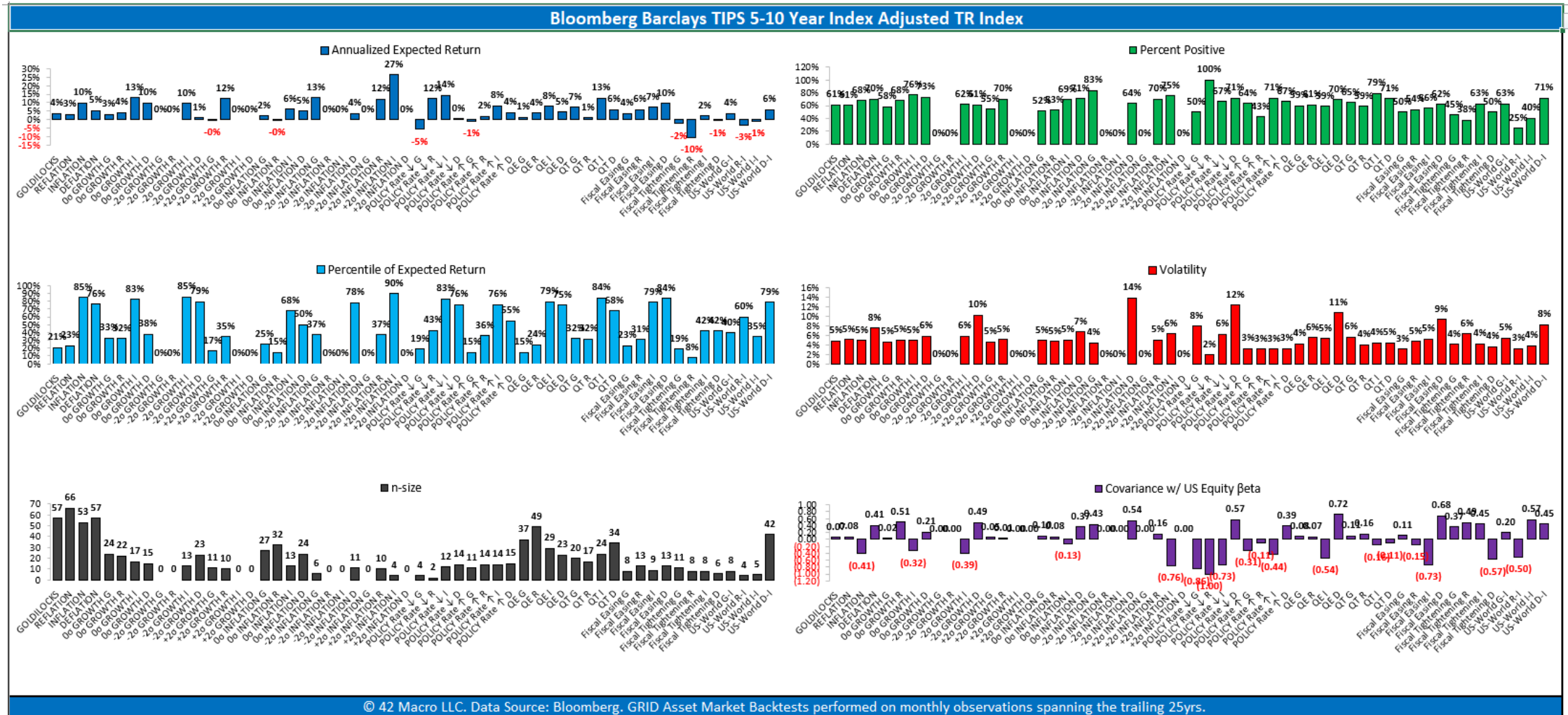


# High Yield Credit (HYG, JNK)



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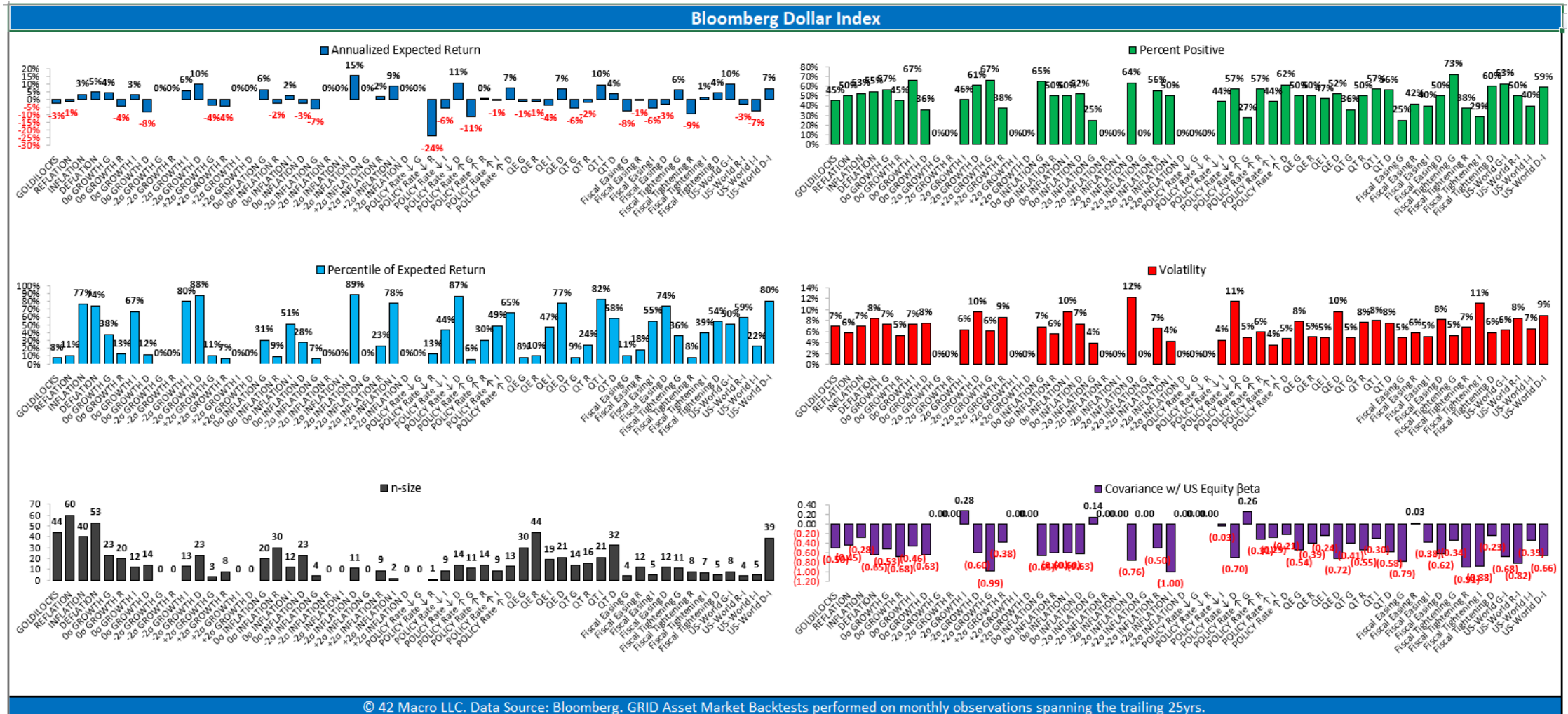
# 5-10 Year TIPS (TIP)



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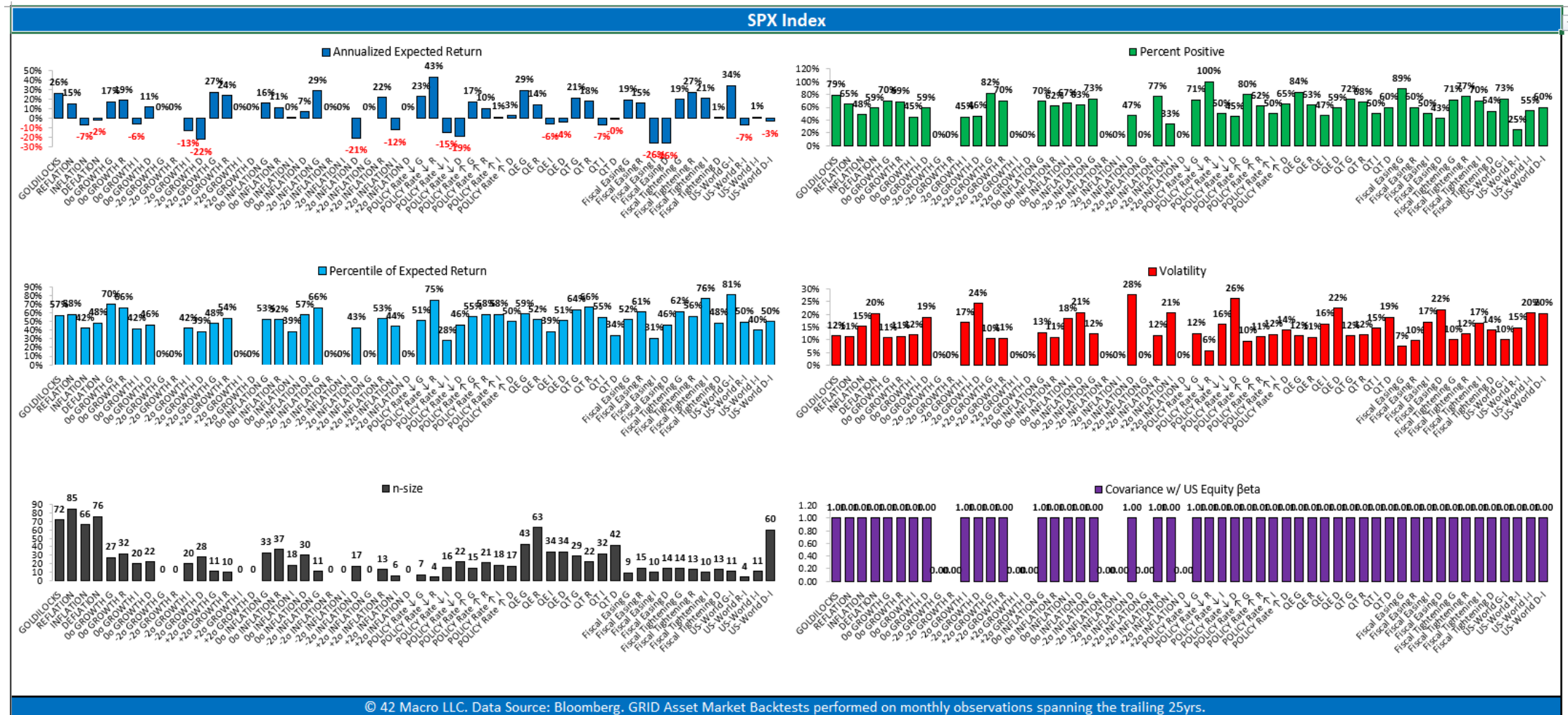
# US Dollar (UUP)



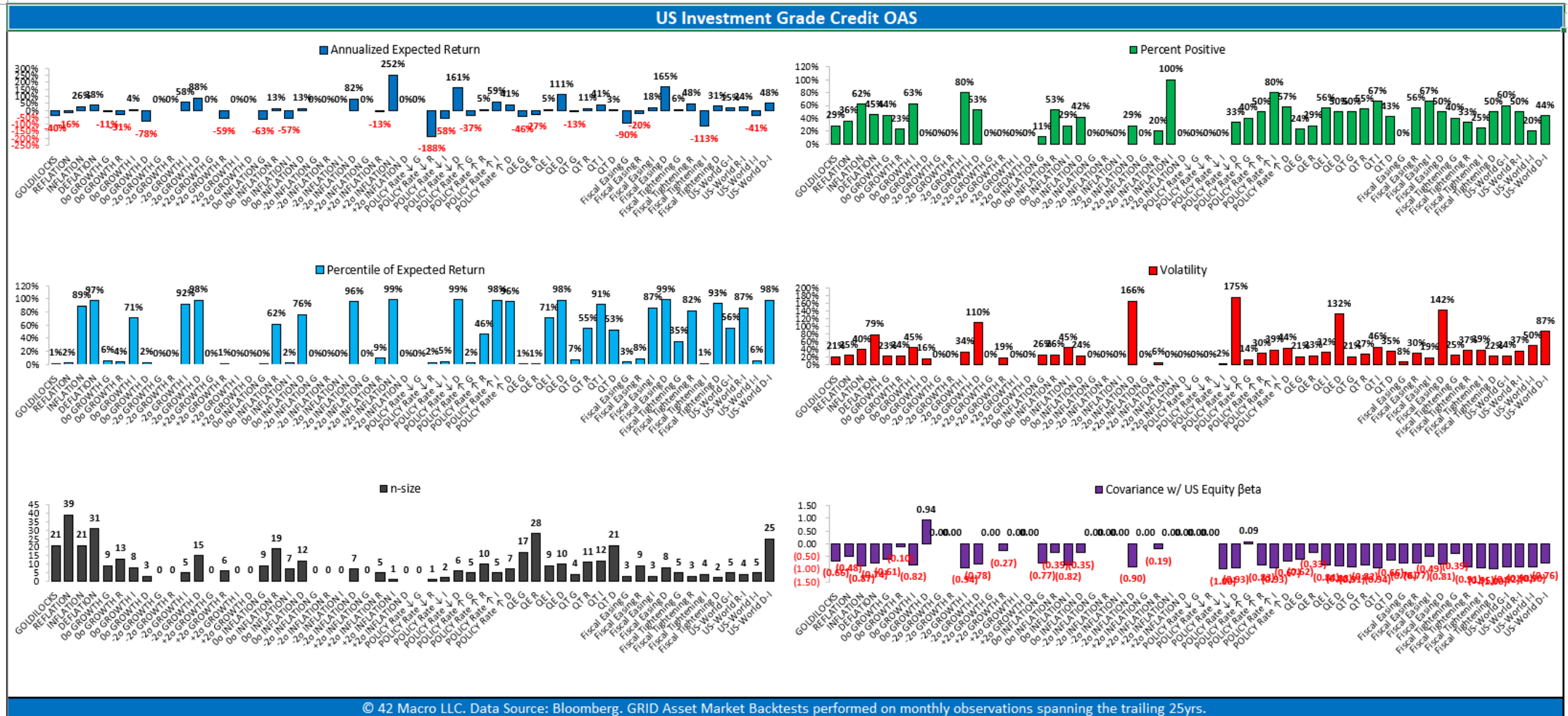
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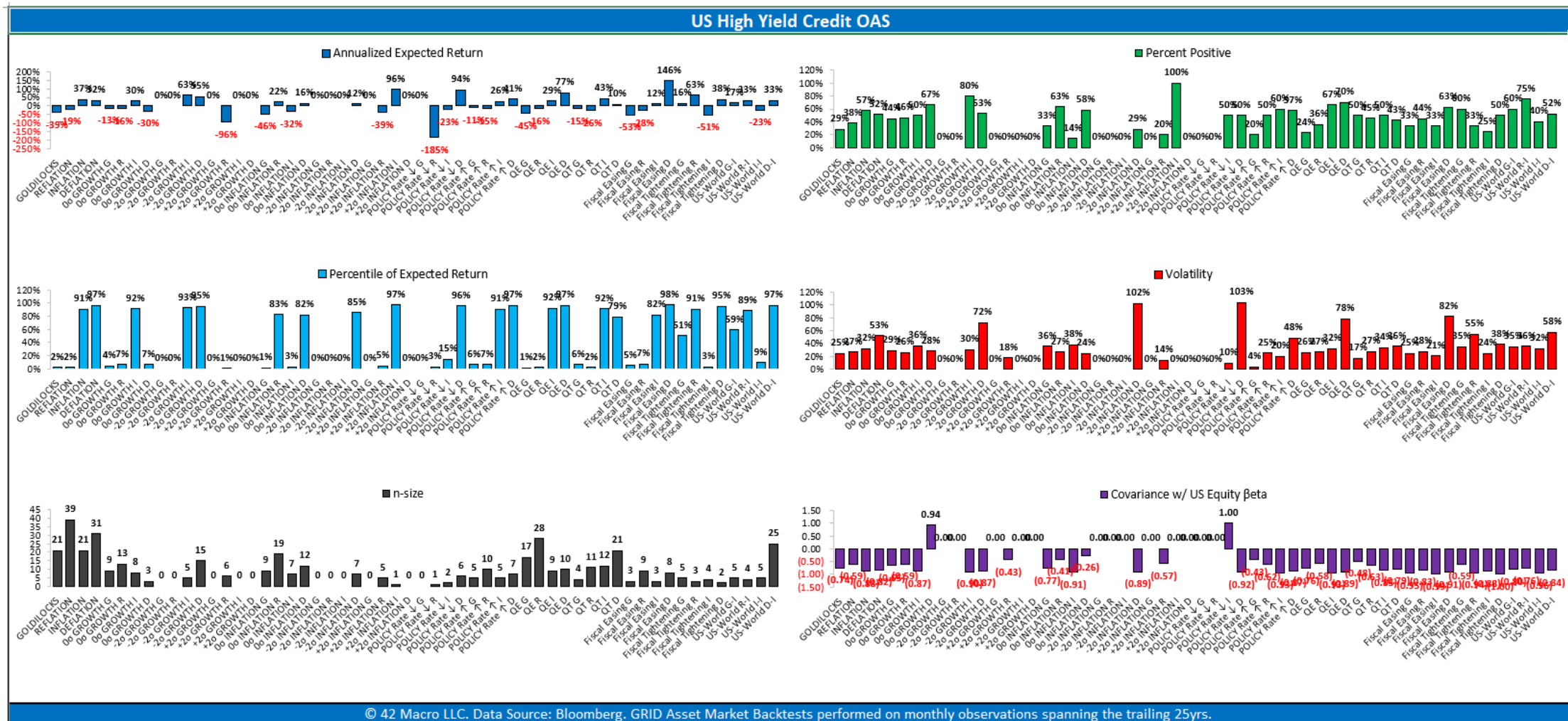
# GRID Asset Market Backtests: US Equities



# GRID Asset Market Backtests: US IG Credit

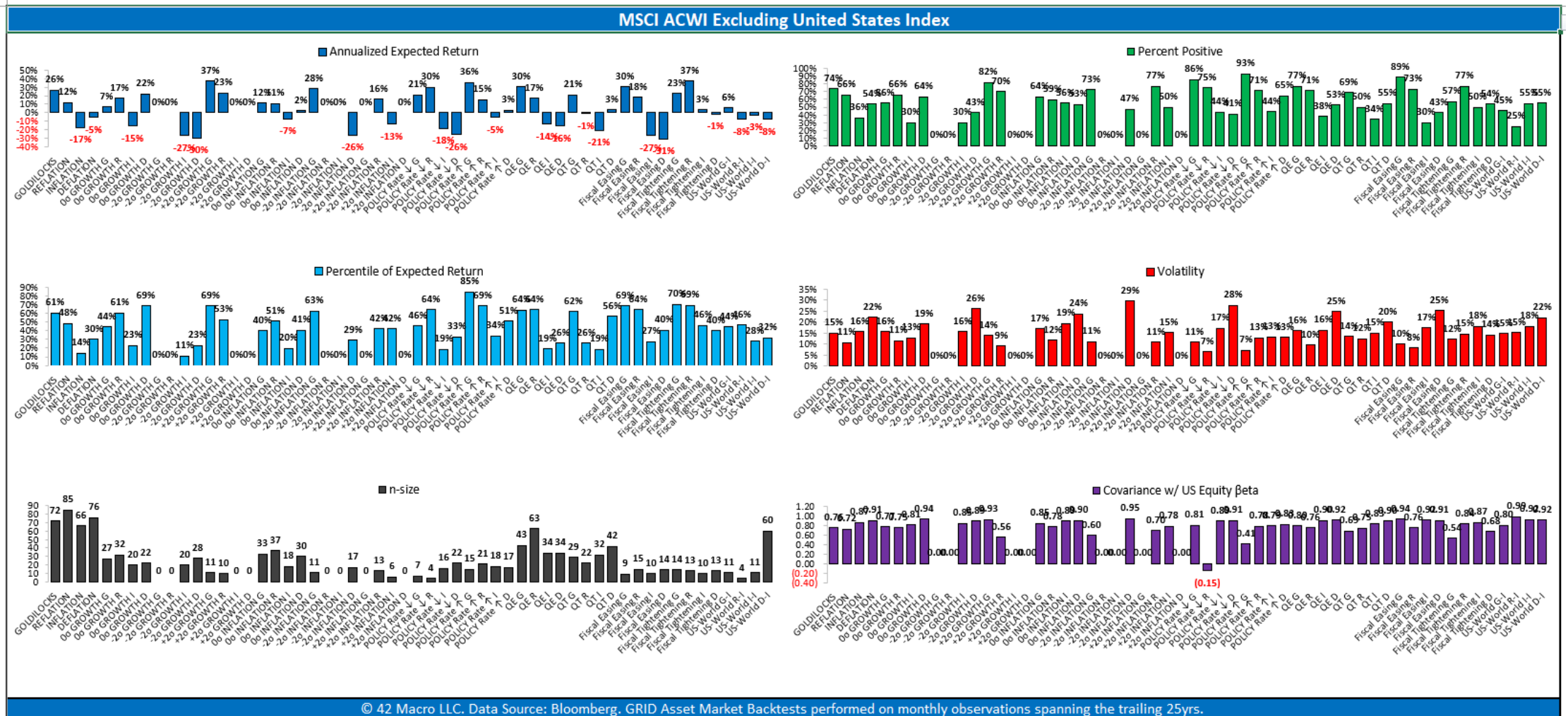


# GRID Asset Market Backtests: US HY Credit

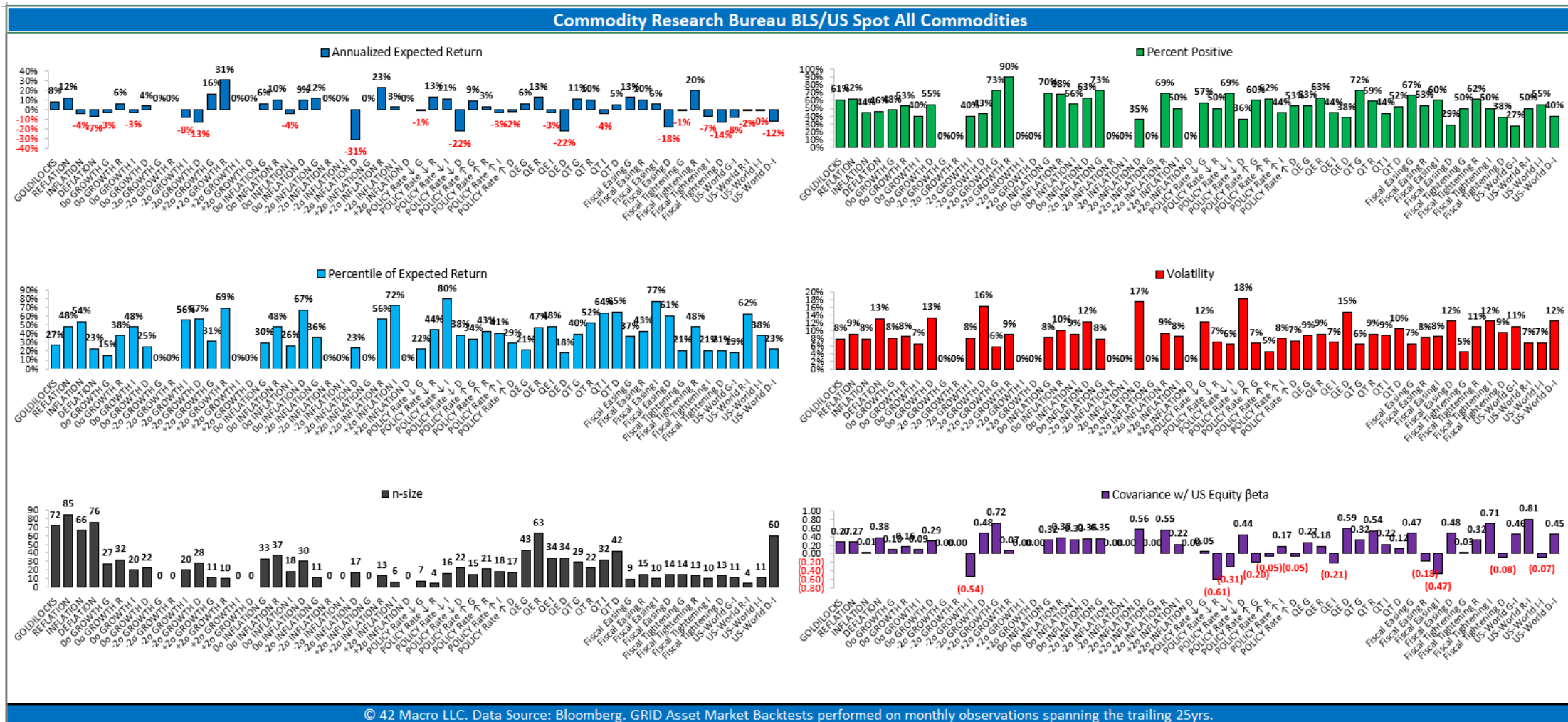




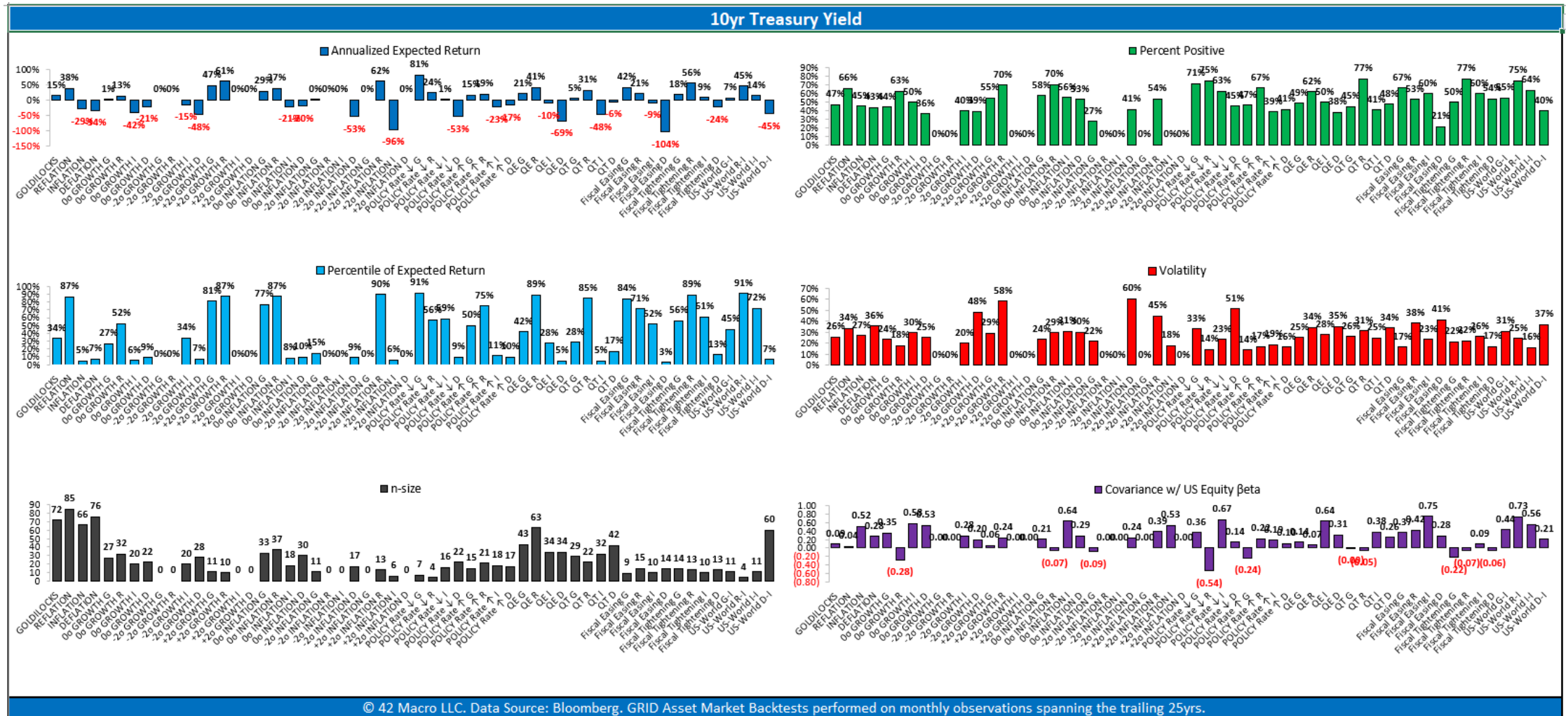
# GRID Asset Market Backtests: Global Equities



# GRID Asset Market Backtests: Commodities



# GRID Asset Market Backtests: Fixed Income



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# GRID Asset Market Backtests: Foreign Exchange





Thank you for participating.  
We look forward to [#collaborating](#) with you next month.