



JULY 27TH, 2021

Hedgeye TV

Harley Bassman

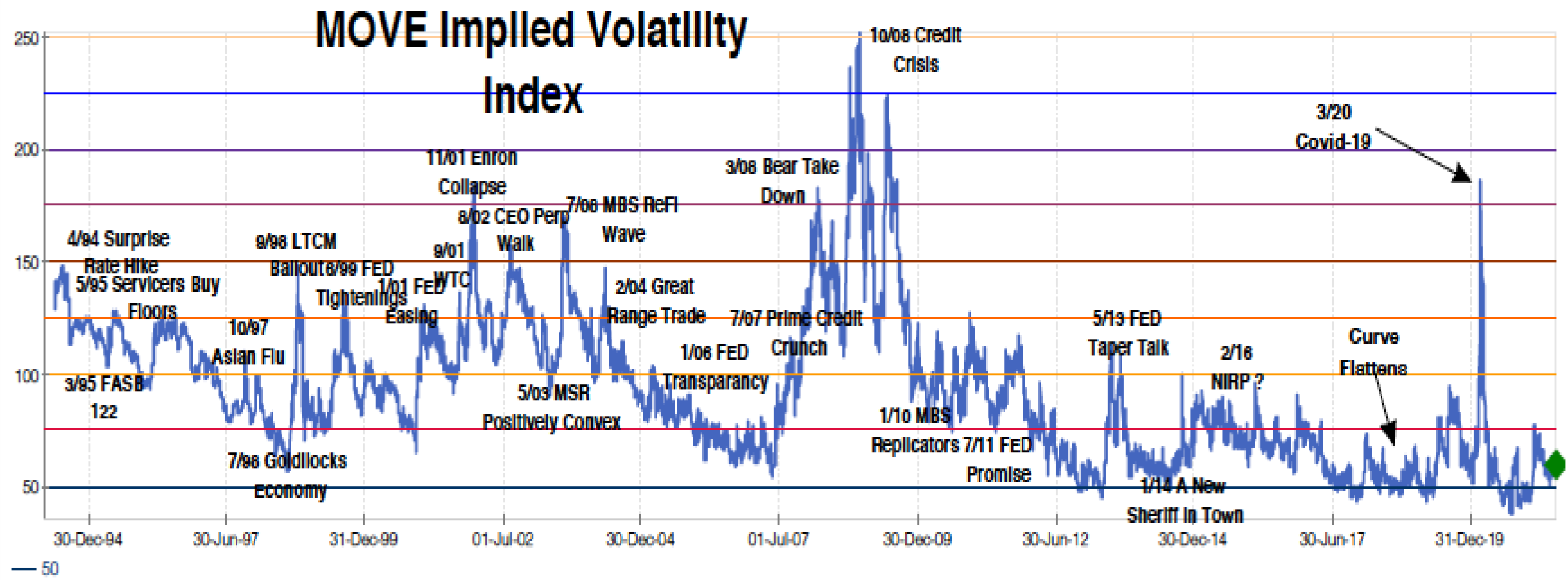
Simplify Asset Management



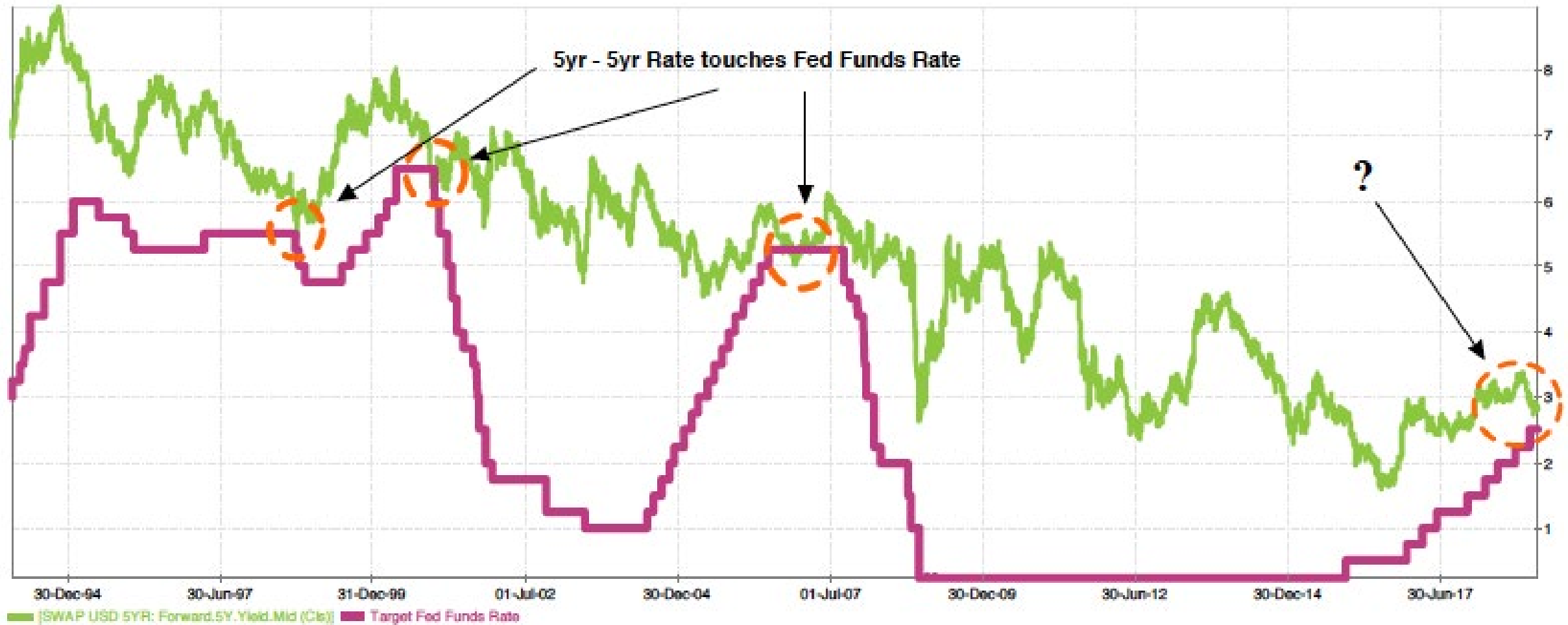
HARLEY BASSMAN
MANAGING PARTNER

HEDGEYE TV

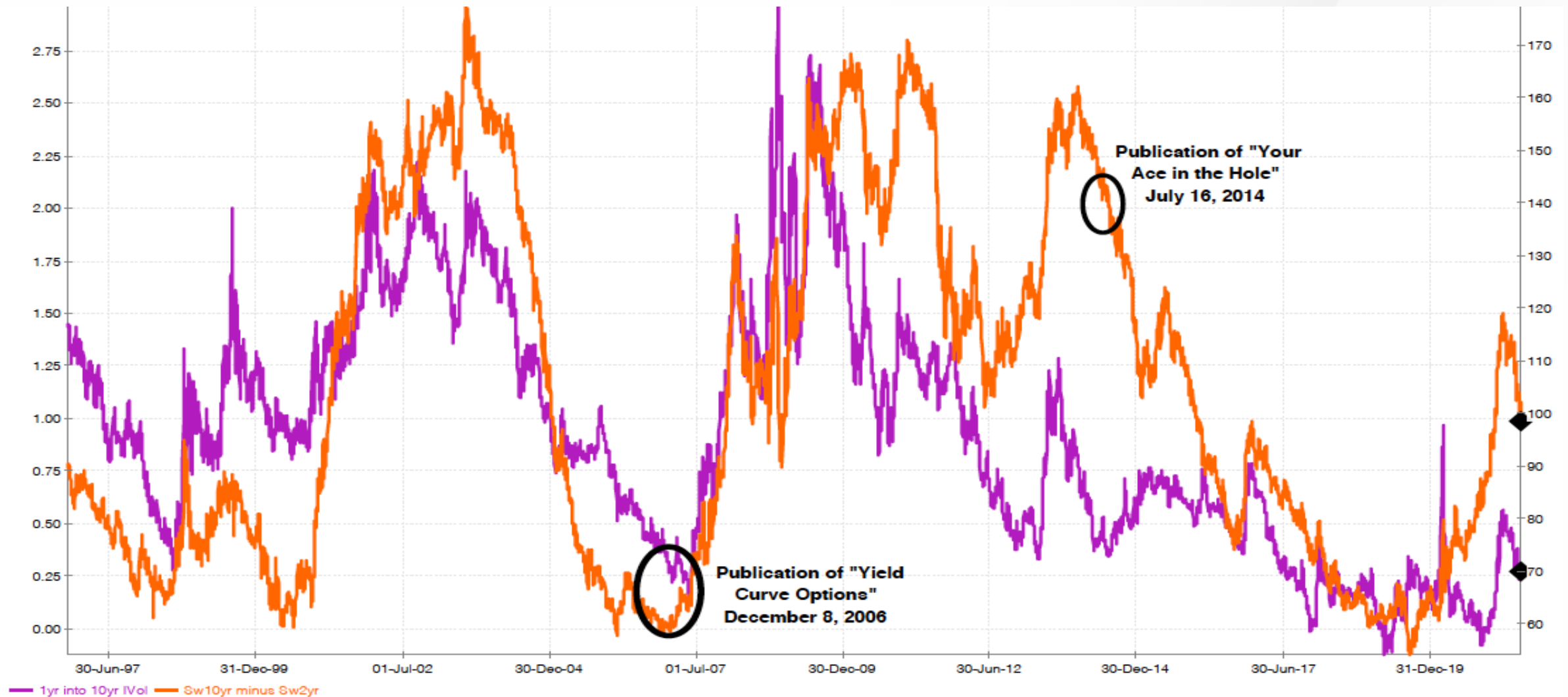
MOVE Implied Volatility Index



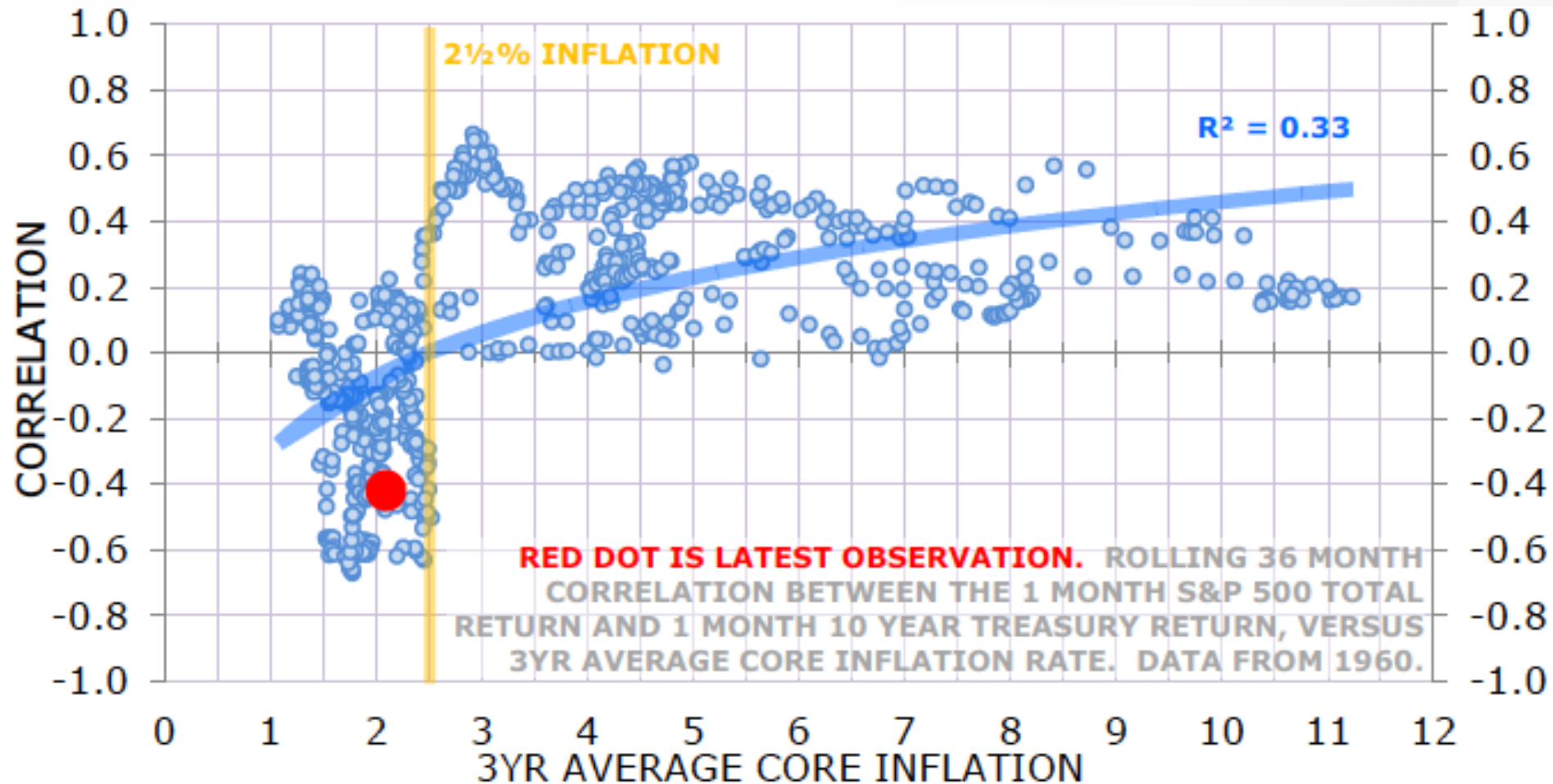
Fed Funds Rate vs 5yr Forward 5yr Rate



Implied Volatility vs. Yield Curve



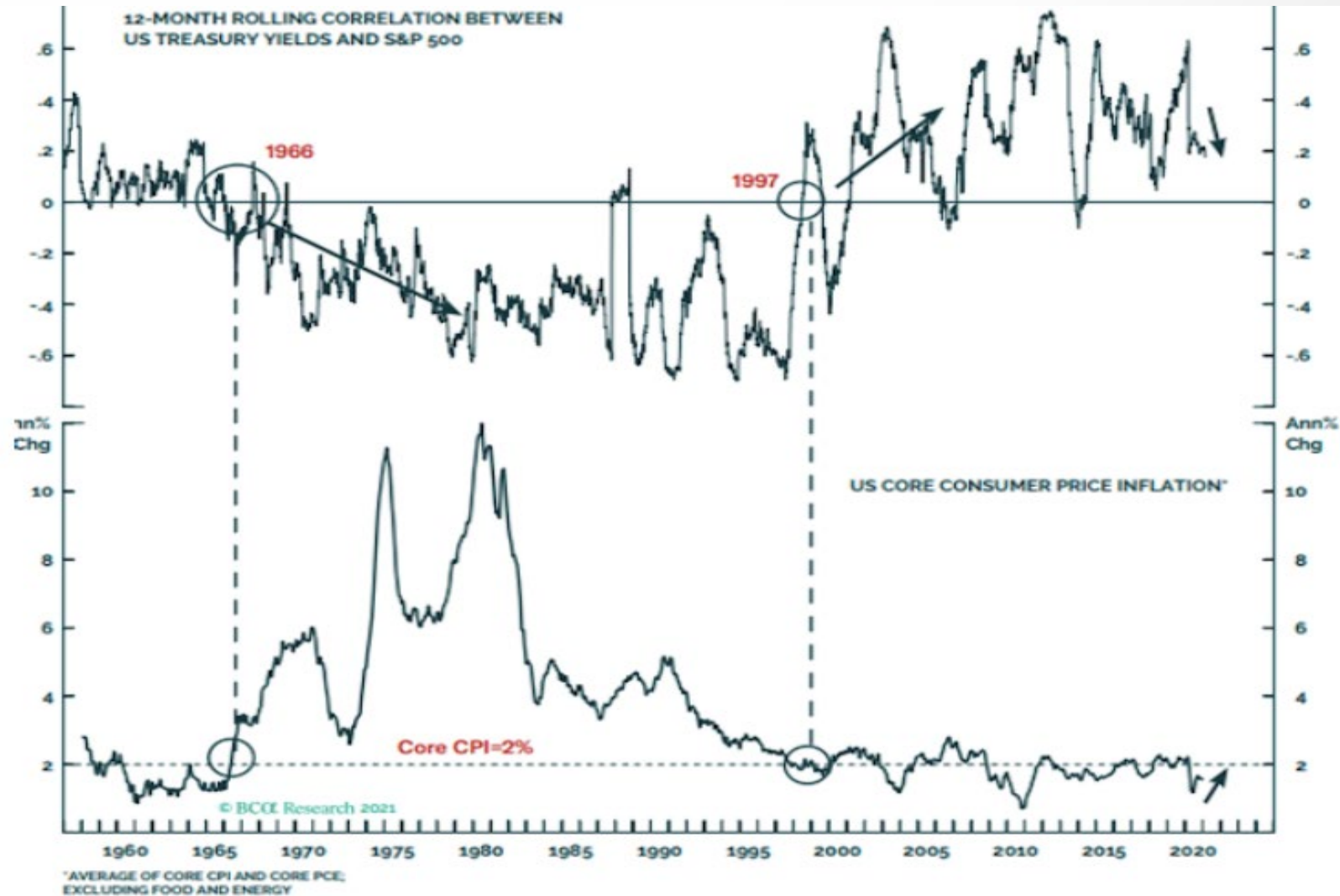
US-Equity Bond Correlation & Core Inflation



Source: S&P, Bloomberg-Barclays, GFD, BLS; Minack Advisors



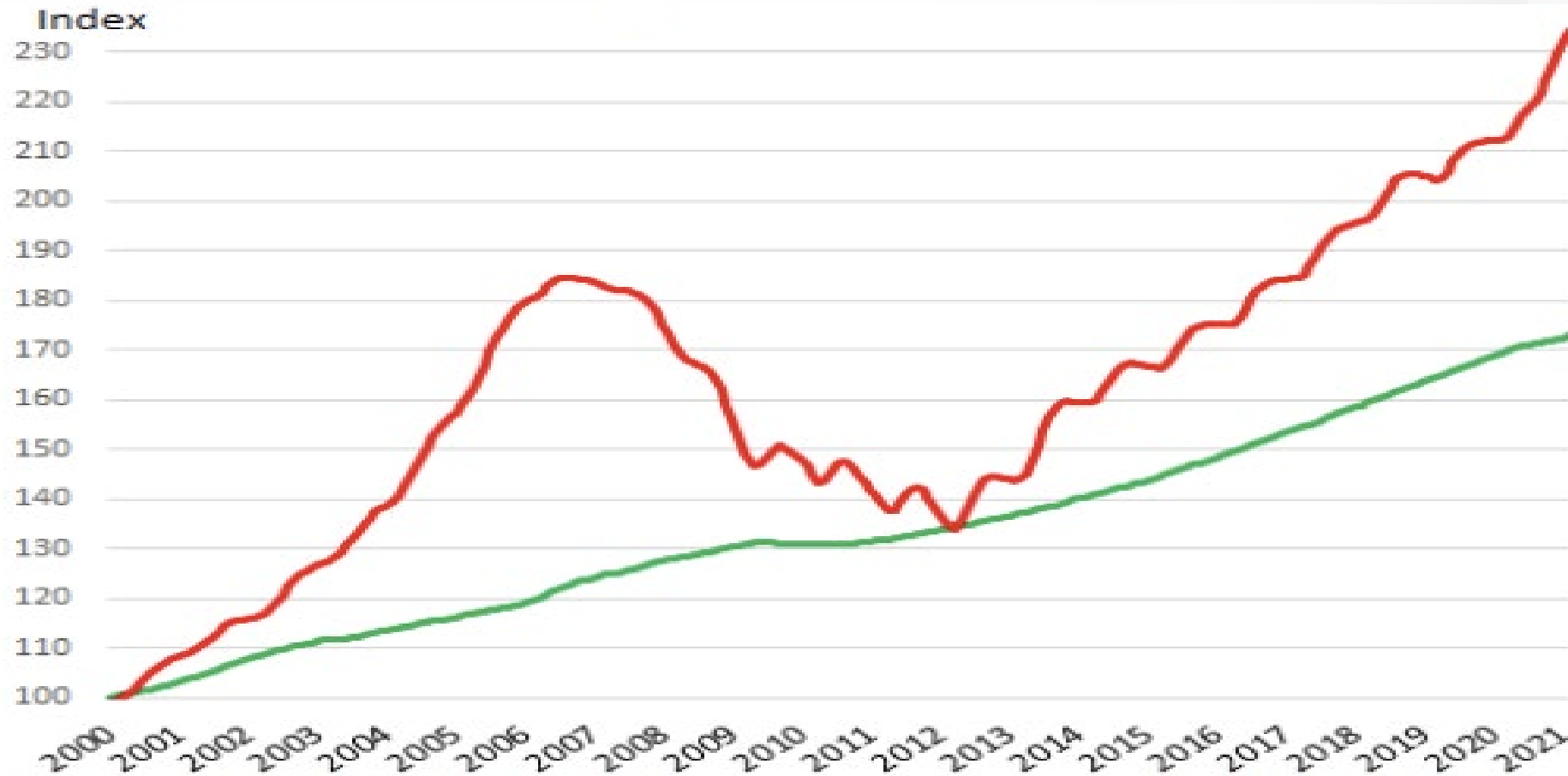
US Stock-Bond Correlation: Paradigm Shifts in 1966 and 1997



Par MBS Rate vs. 10CMS Rate



Case-Shiller National Home Price Index v. CPI "Owner's Equivalent Rent of Residence

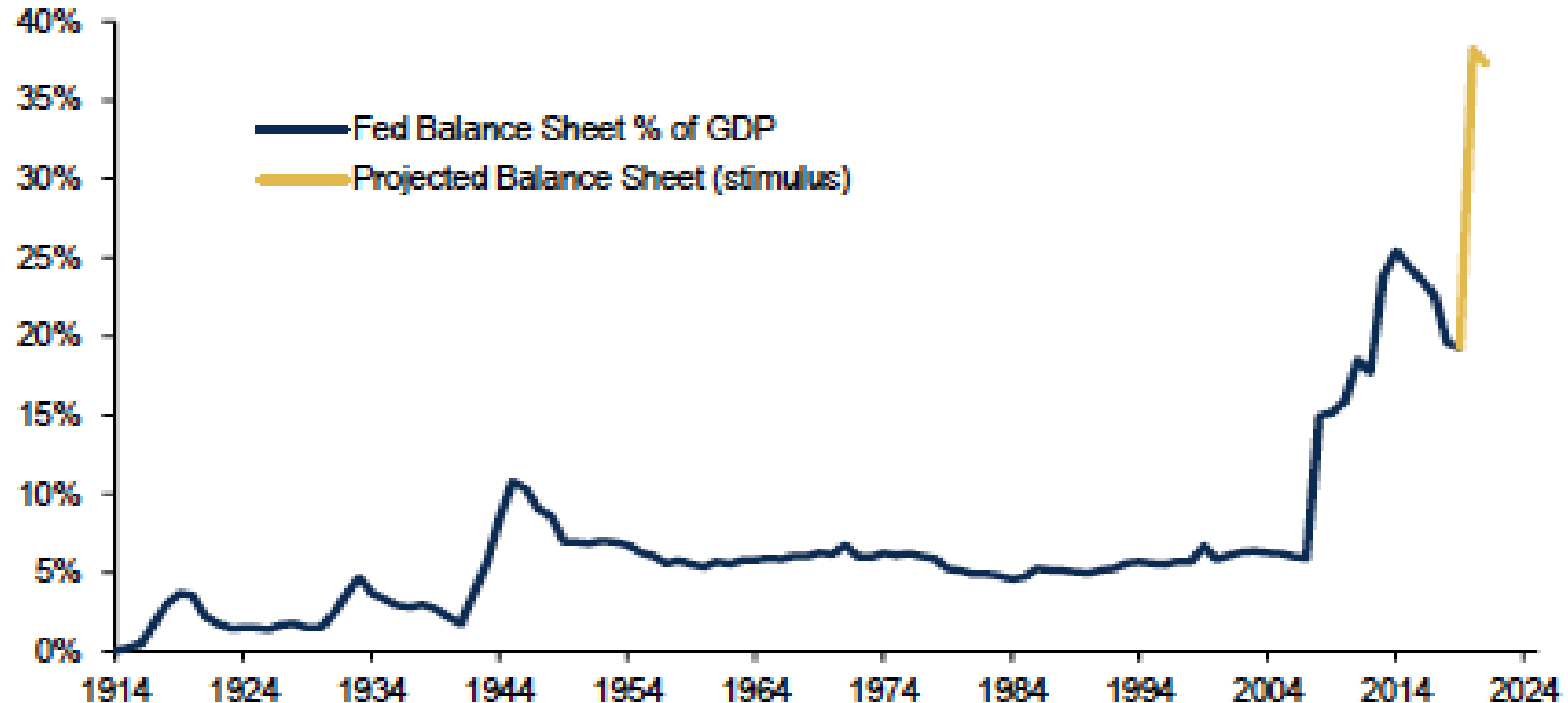


Sources: S&P Case-Shiller, BLS

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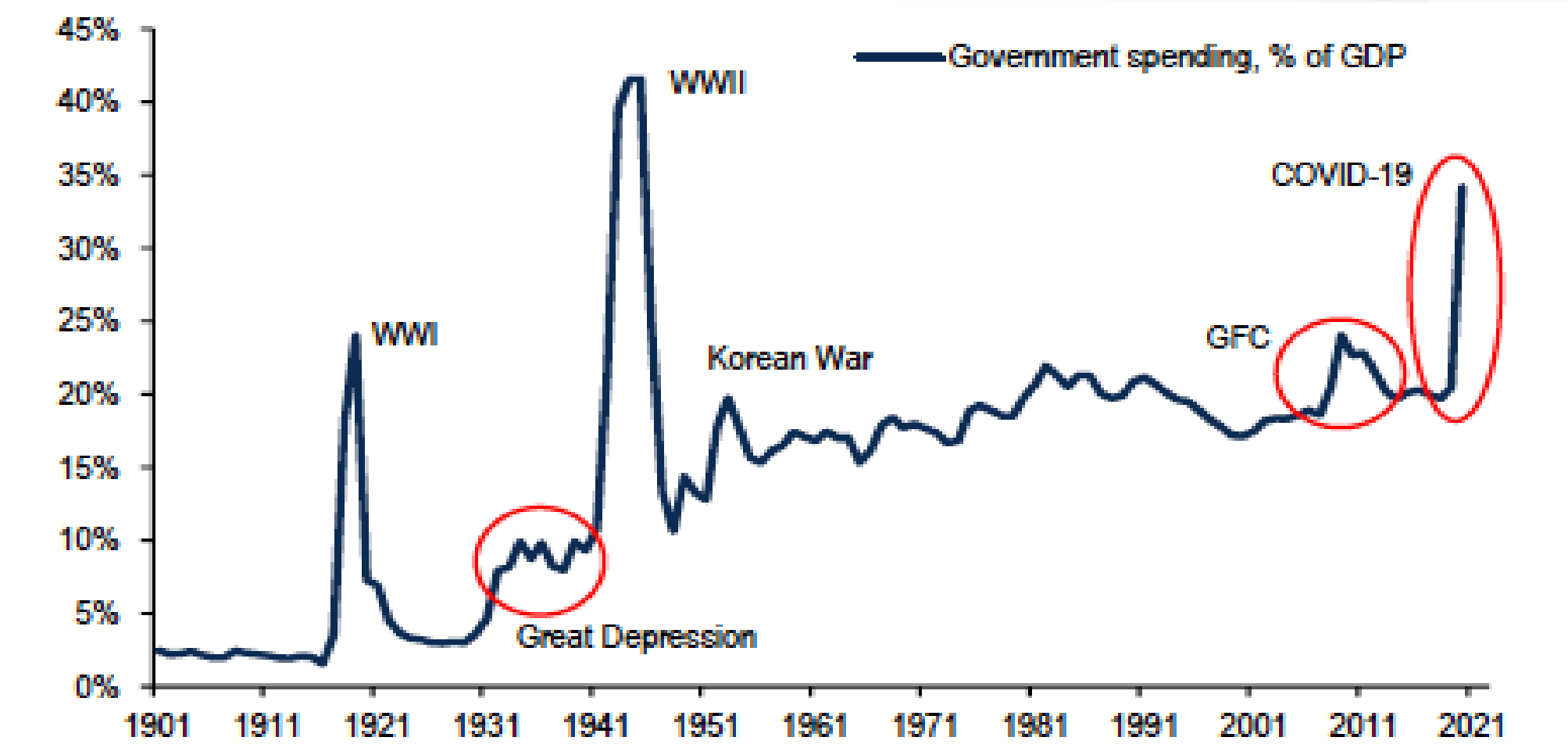
Chart 19: Federal Reserve Balance Sheet Since 1914



Sources: BofA Global Investment Strategy, Haver, Federal Reserve Board



Chart 18: US Government Spending as a % of GDP since 1901



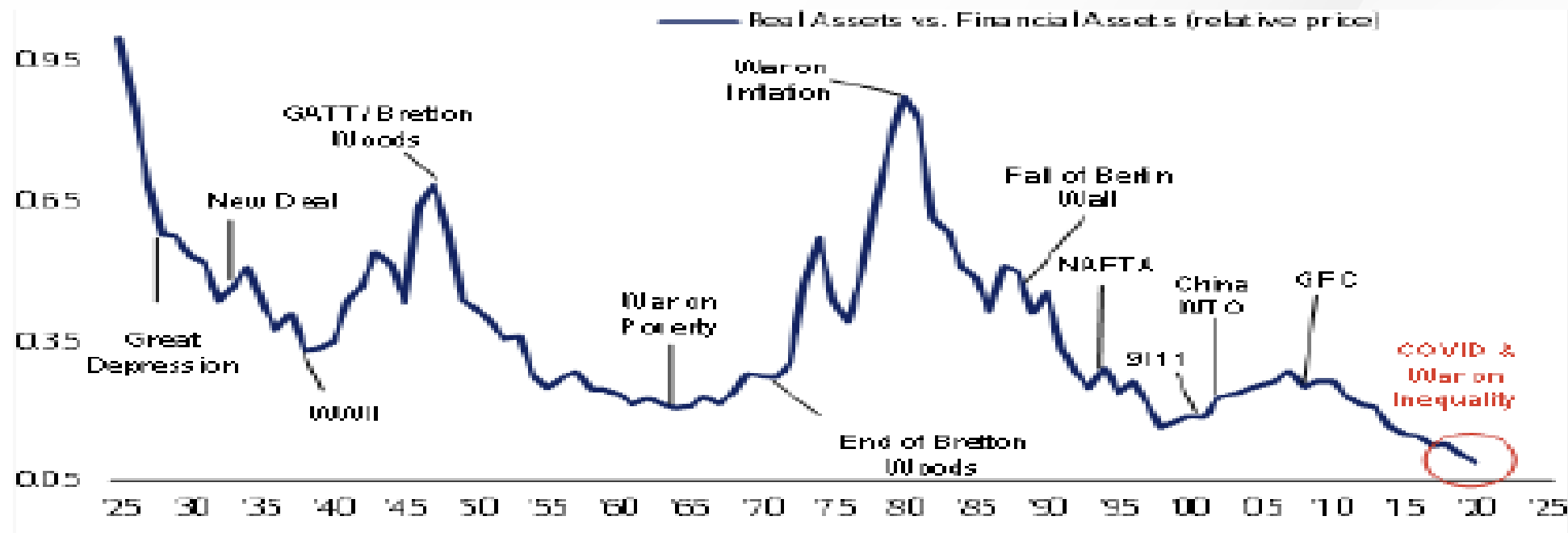
Source: BofA Research Investment Committee, Global Financial Data



Major Central Bank Assets vs. Global Stock & Bond Market Value



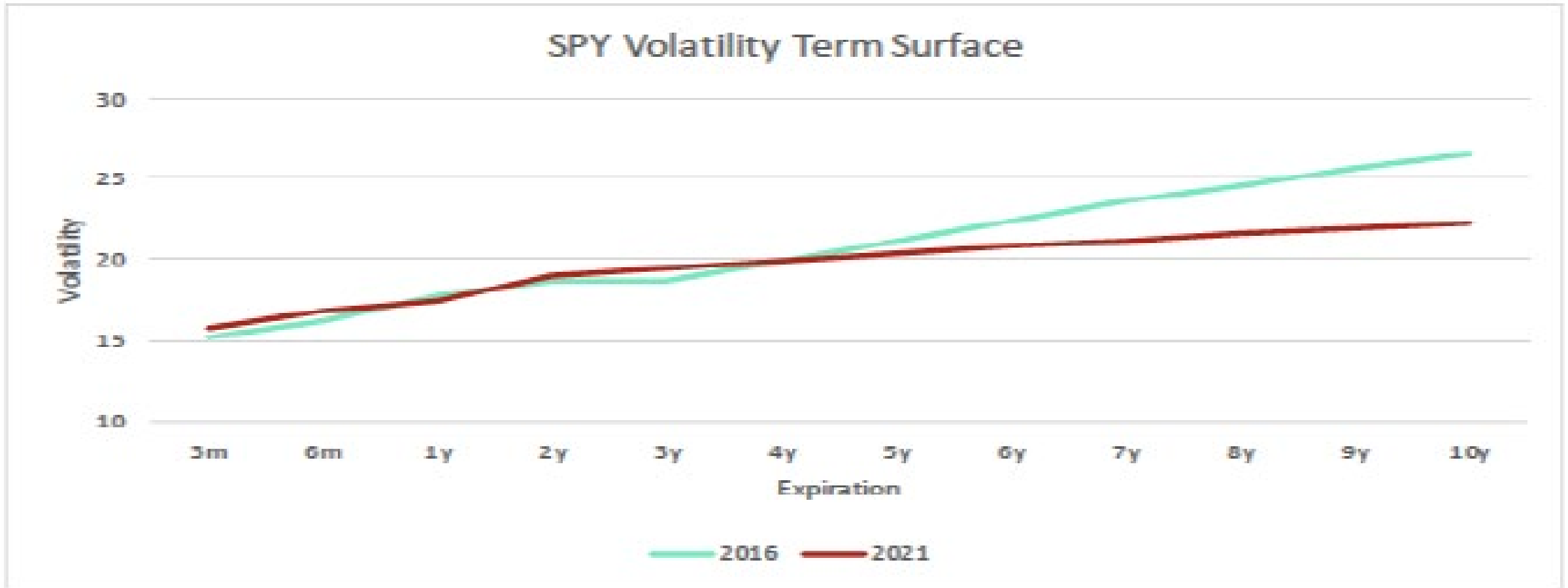
Real Assets (Commodities, Real Estate, Collectibles) vs. Financial Assets (Large Cap Stocks, Long-term Gov't Bonds) since 1925



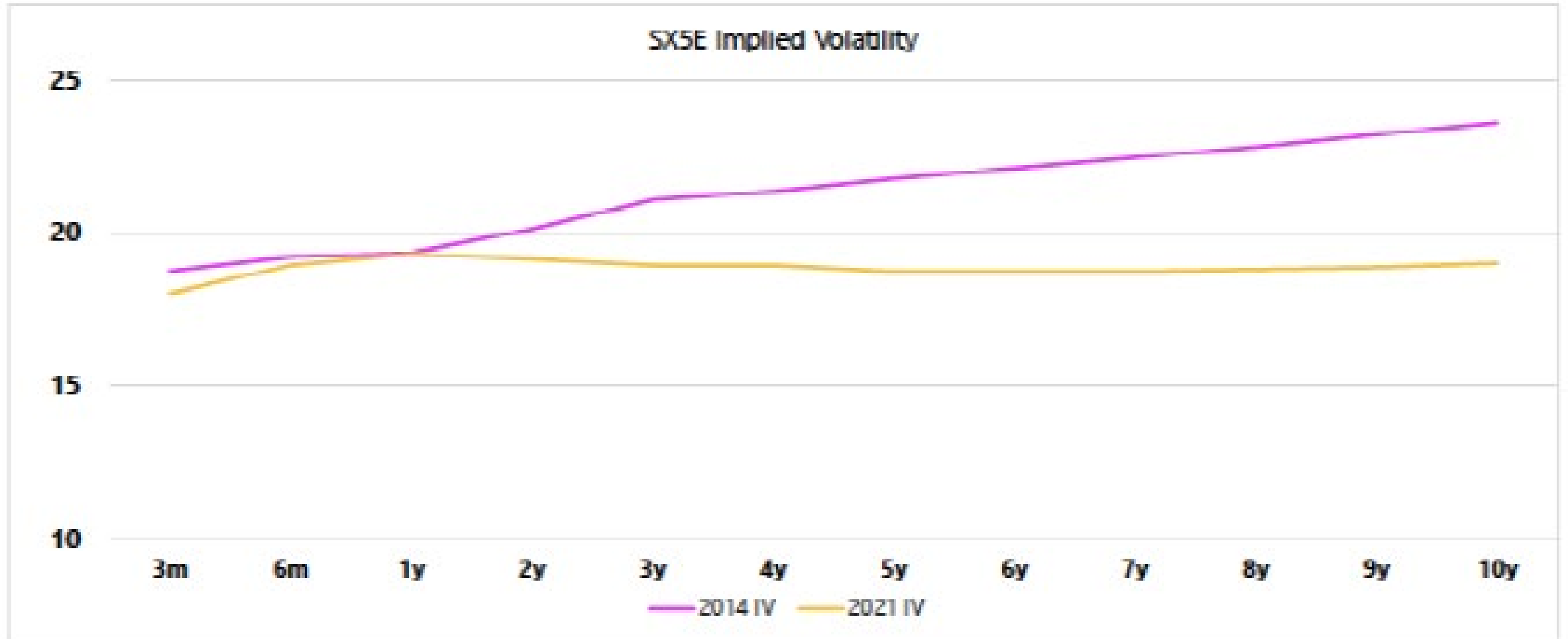
Source: BofA Global Investment Strategy, Global Financial Data, Bloomberg, USDA, Savills, Shiller, ONS, Spaenjers, Historic Auto Group. Note: Real Assets (Commodities, Real Estate, Collectibles) vs. Financial Assets (Large Cap Stocks, Long-term Govt. Bonds)



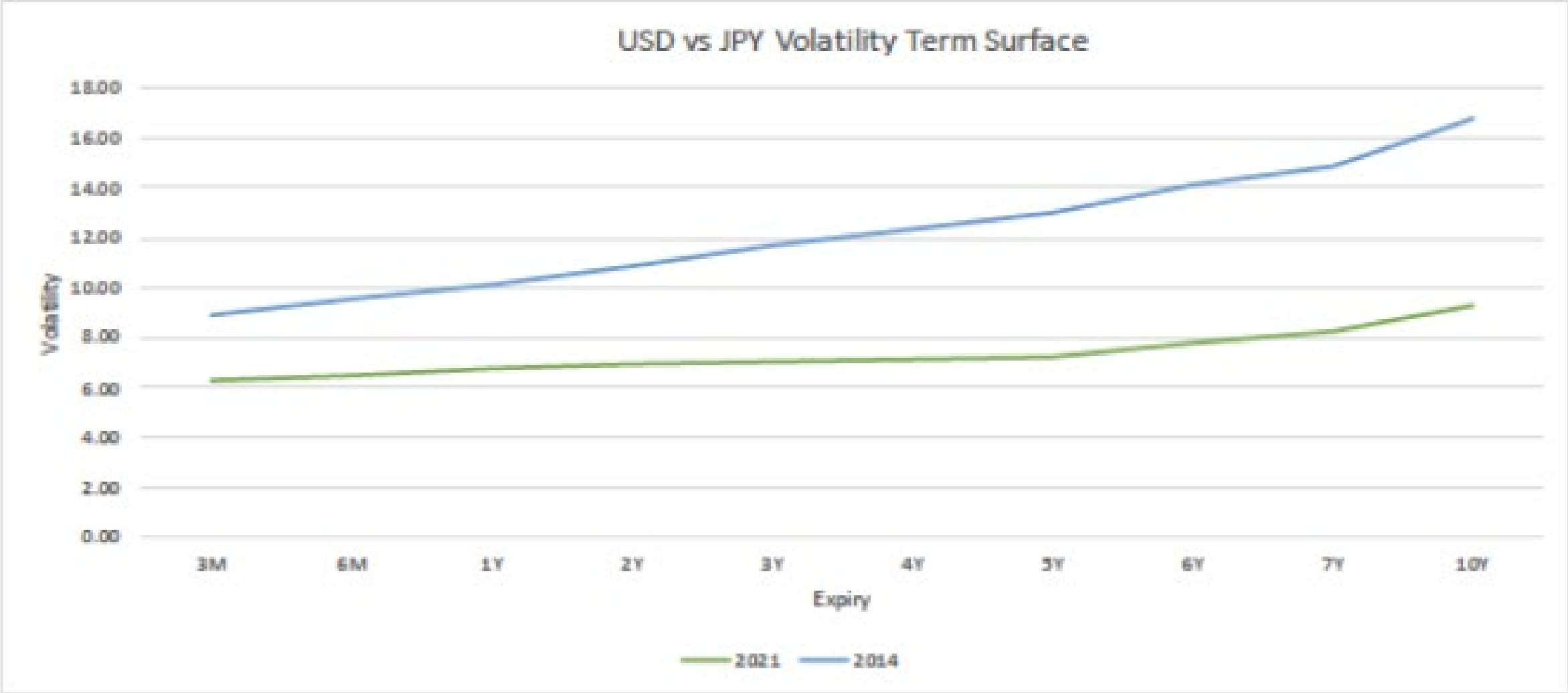
SPY Volatility Term Surface



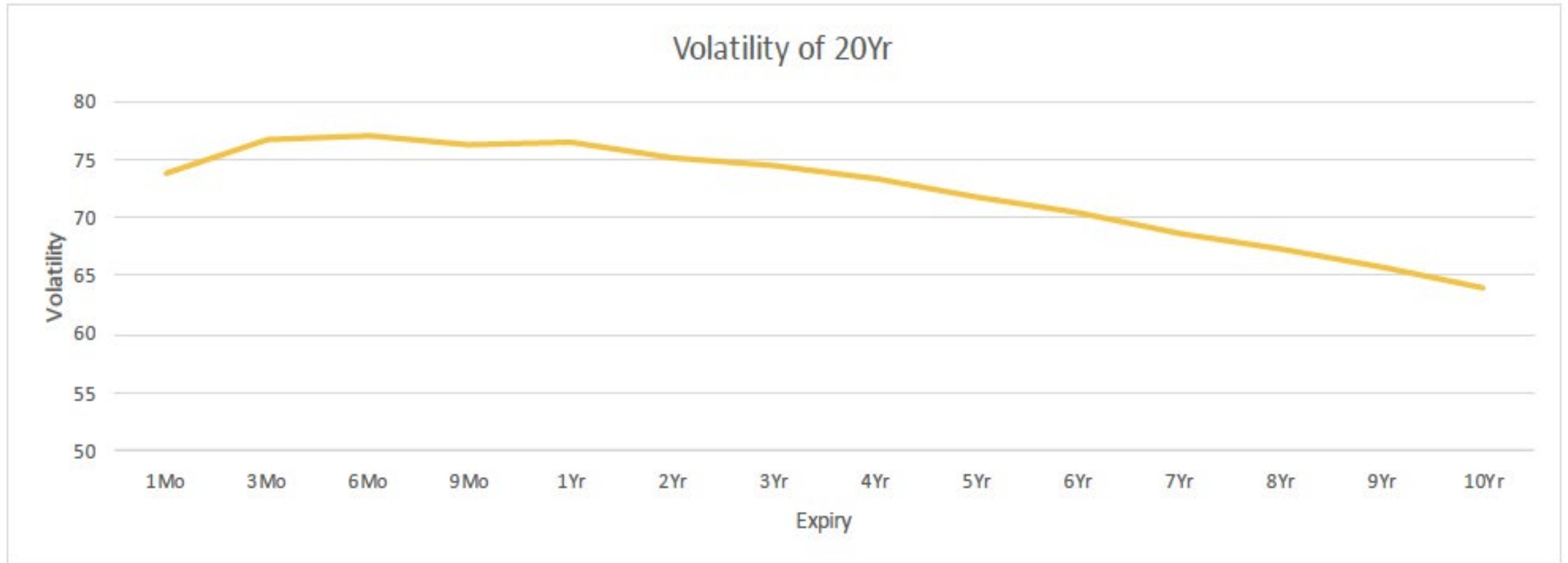
SXSE Implied Volatility



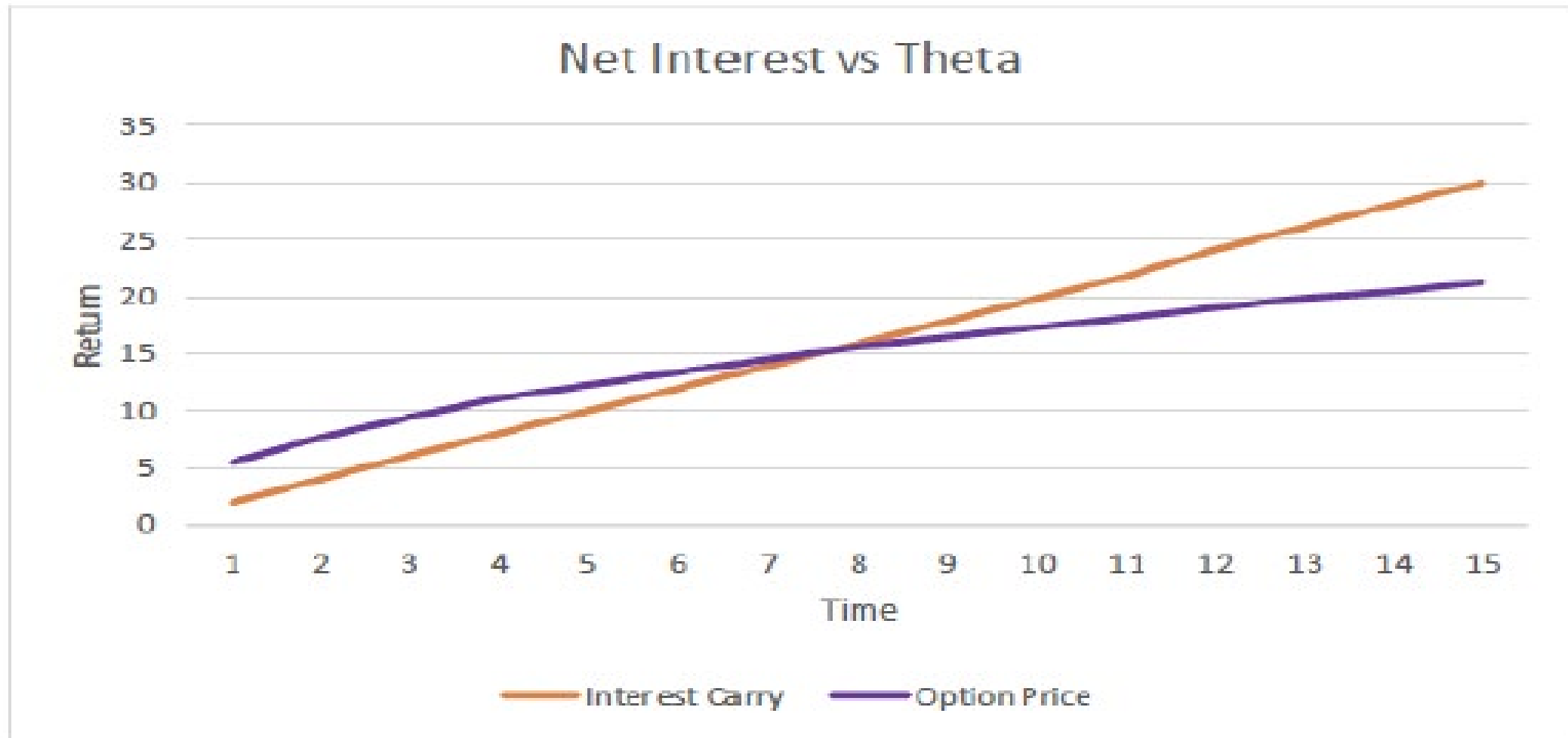
USD vs JPY Volatility Term Surface



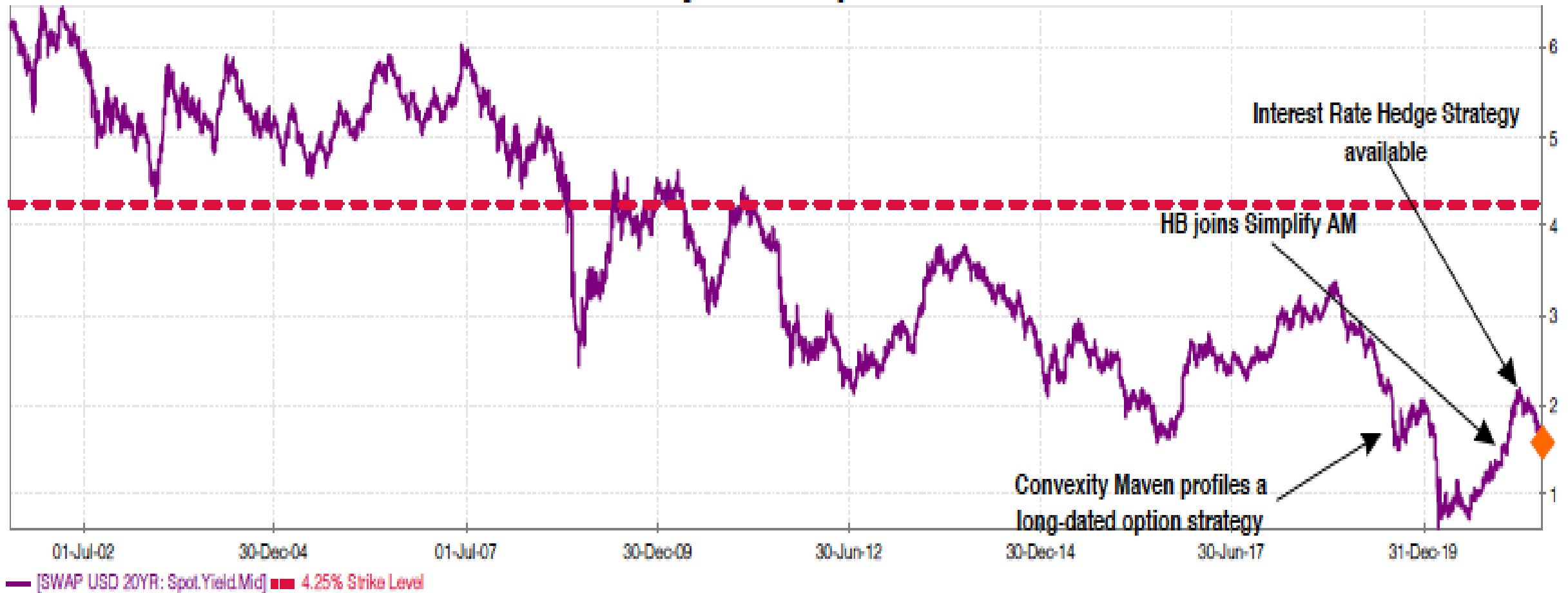
Volatility of 20-Year



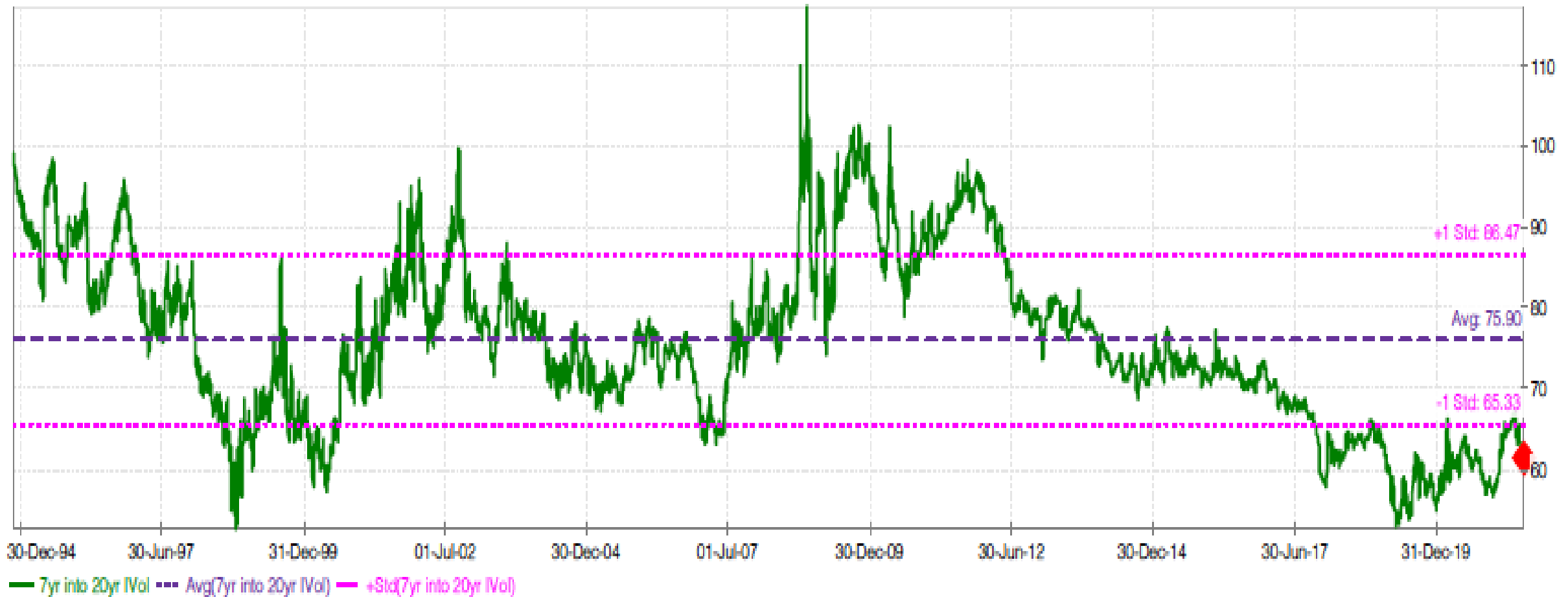
Net Interest vs. Theta



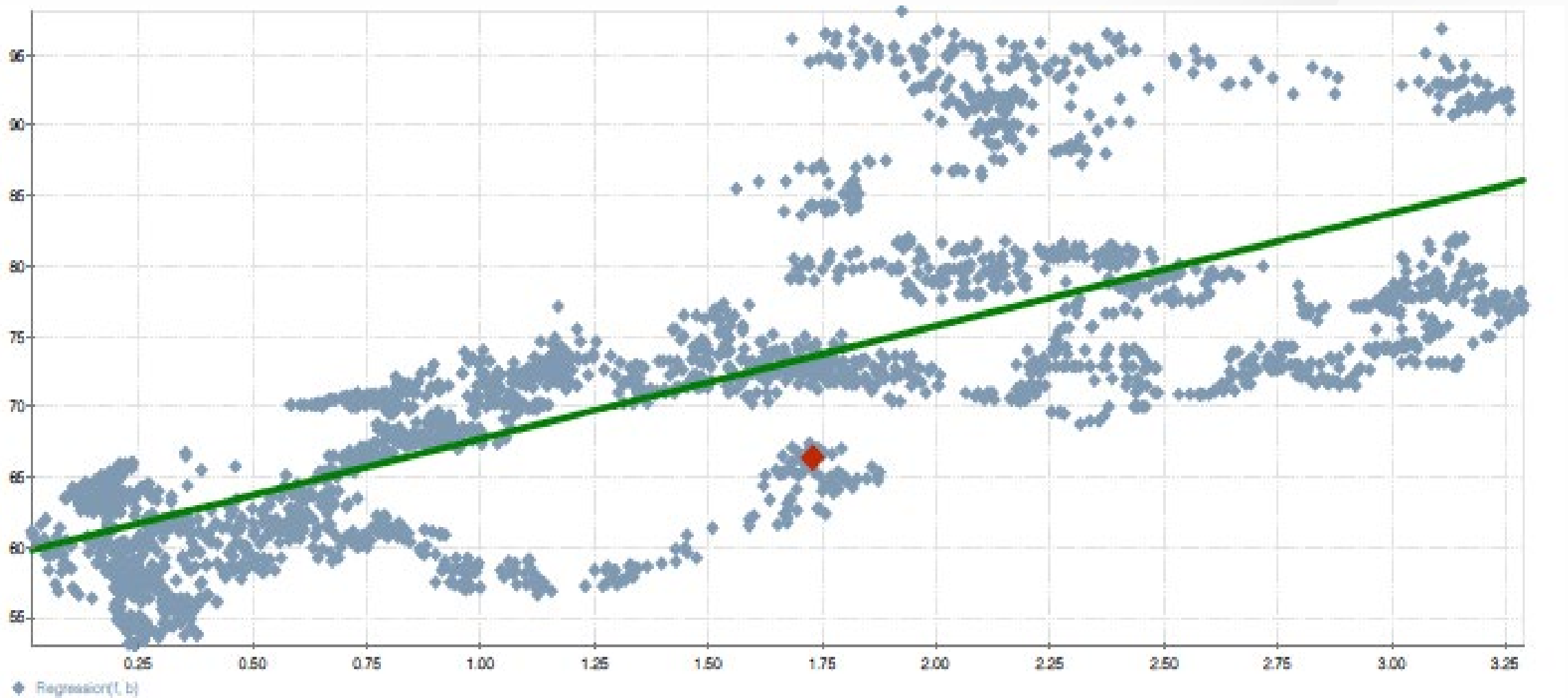
20-Year Swap Rate



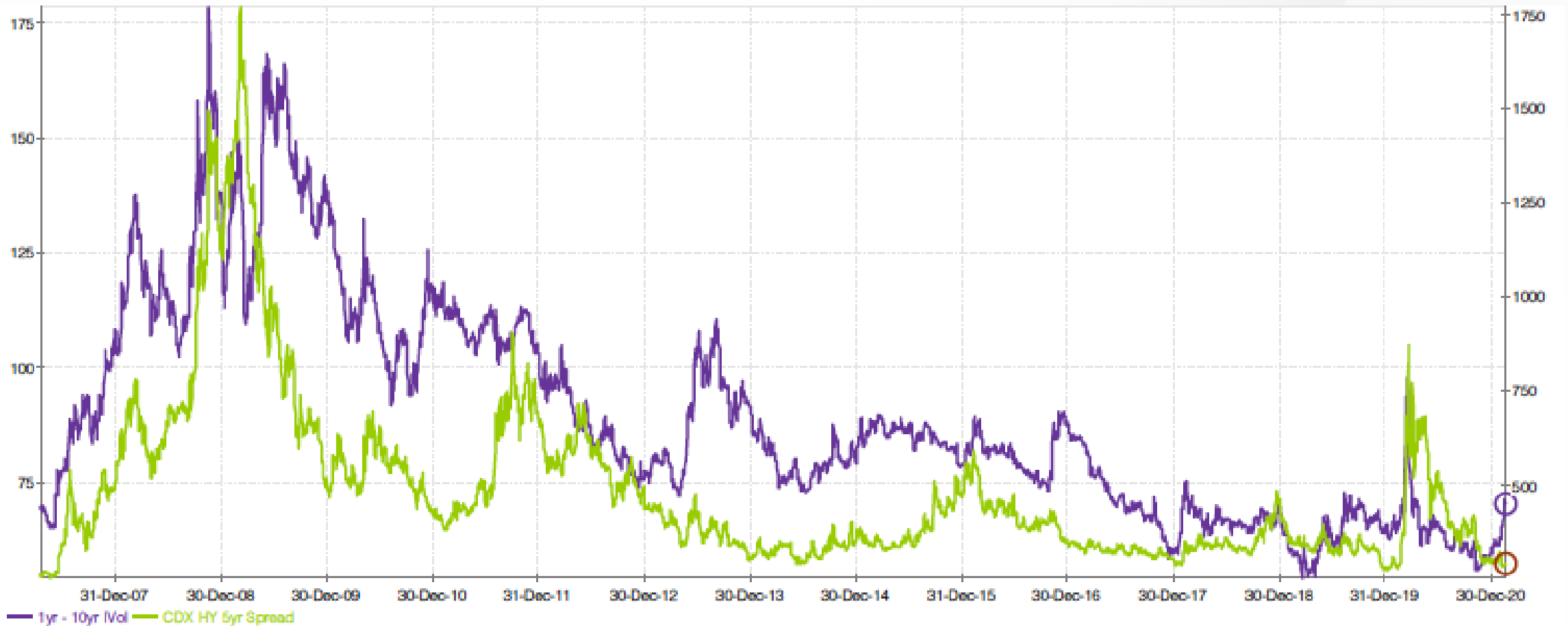
7-Year into 20-Year Implied Volatility

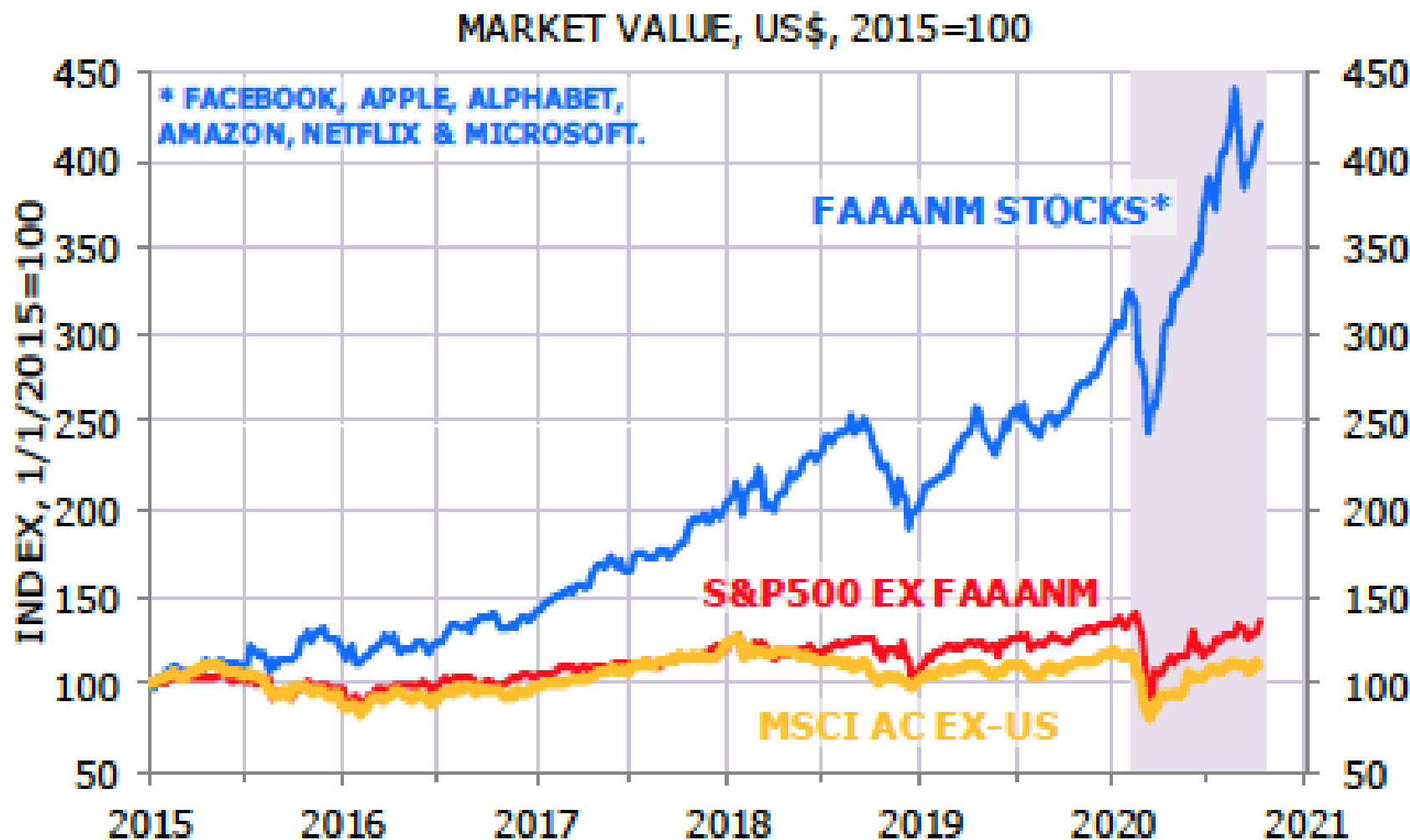


7-Year – 20-Year IVOL vs. Yield Curve



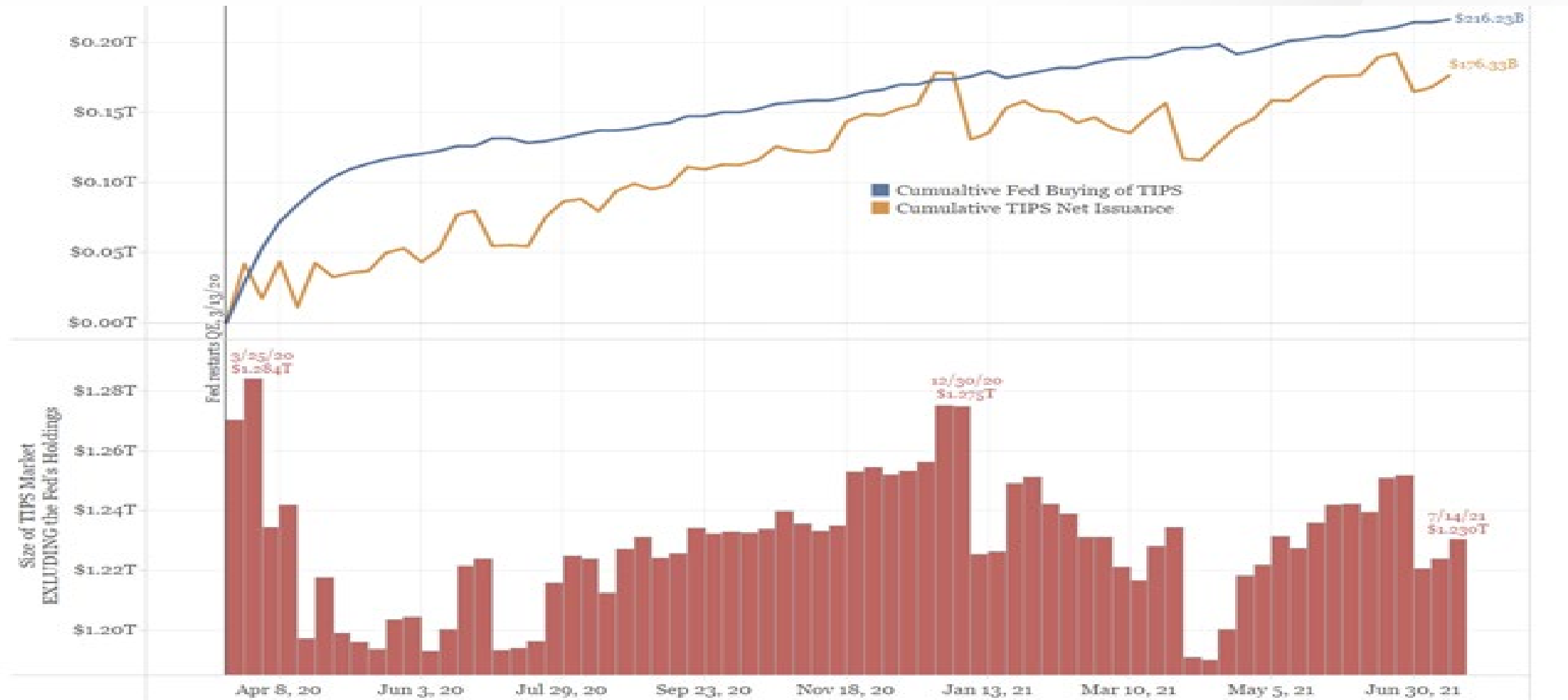
Interest Rate Volatility vs. HY Credit





Source: Gerard Minack, Downunder Daily

The Fed is Buying More TIPS Than the Treasury Has Net Issued



Source: Bloomberg, Federal Reserve

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Fed % of TIPS Market vs. Reserve Balance Wednesday Close Inflation Index



THANK YOU!



HELPING ADVISORS BUILD BETTER PORTFOLIOS

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