



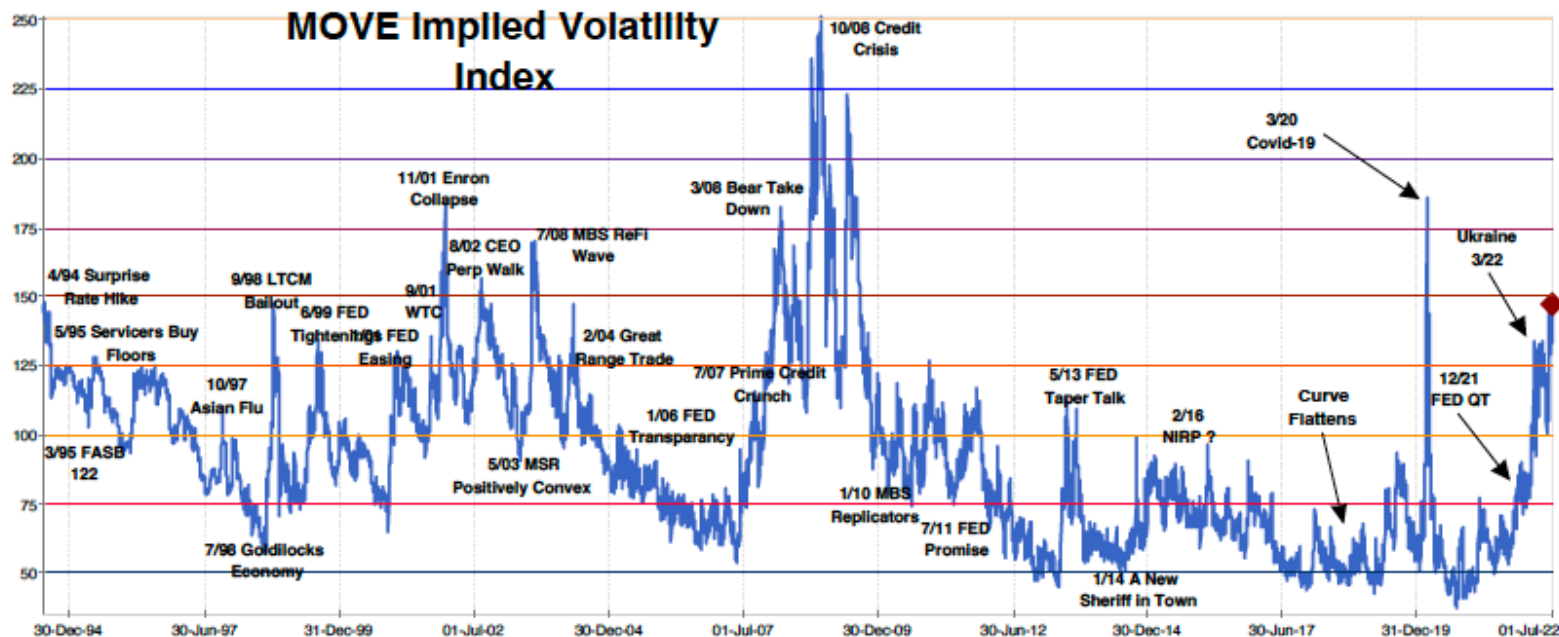
MacroVoices

Special Guest:
Harley Bassman

Hosts
Erik Townsend and Patrick Ceresna

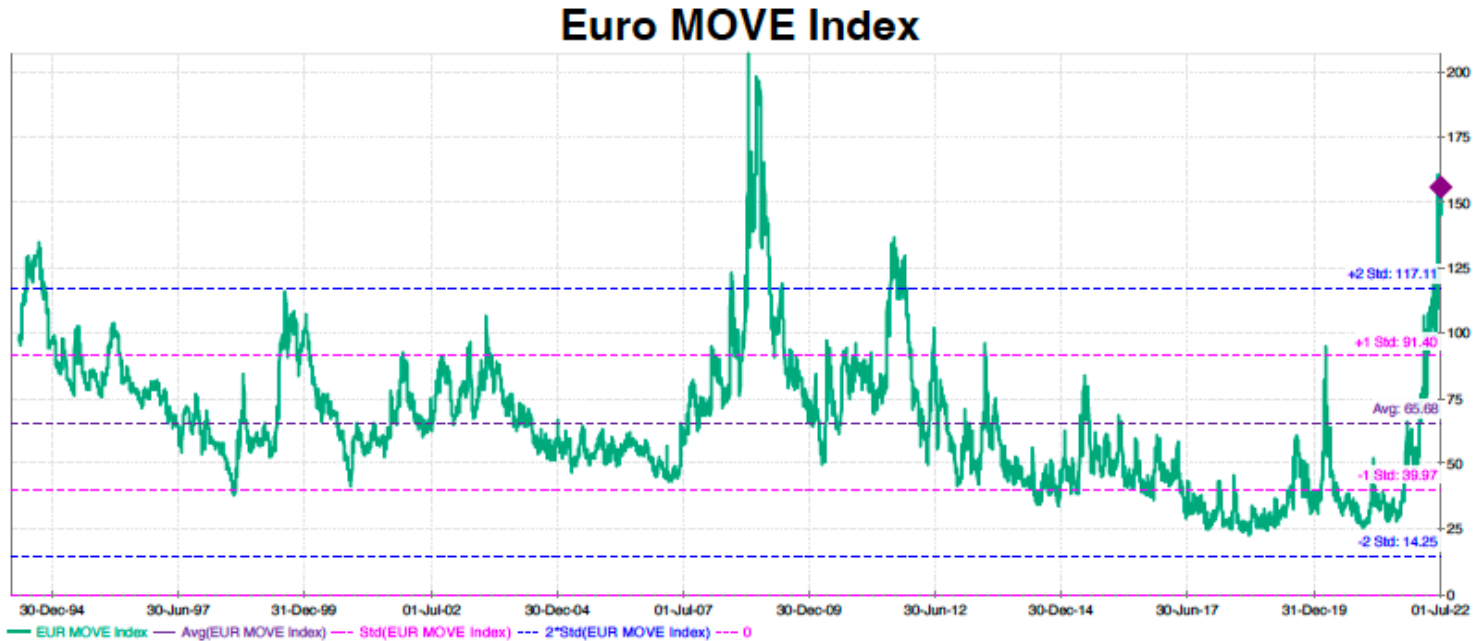
July 21st, 2022

MOVE Implied Volatility Index – [VIX for Bonds]



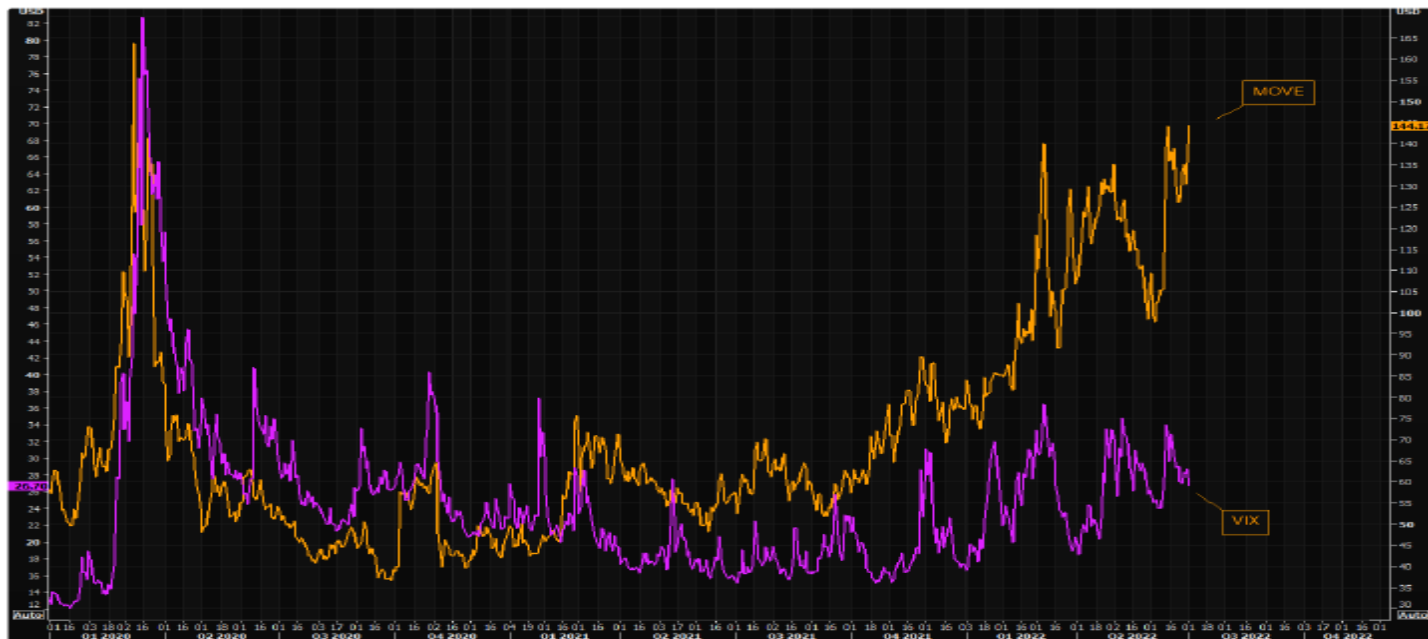
Source: Credit Suisse LOCUS

Euro MOVE Index



Source: Credit Suisse LOCUS

MOVE Index [bonds] vs VIX Index [stocks]



Source: Heisenberg Report

Pure S&P 1yr Skew 85% vs 105%



Source: Credit Suisse LOCUS

Par MBS Rate versus 10CMS Rate



Source: Credit Suisse LOCUS



* Using the National Association of Realtors' median house price and the prevailing 30-year mortgage rate while assuming a 20% down payment.

source: The Bloomberg

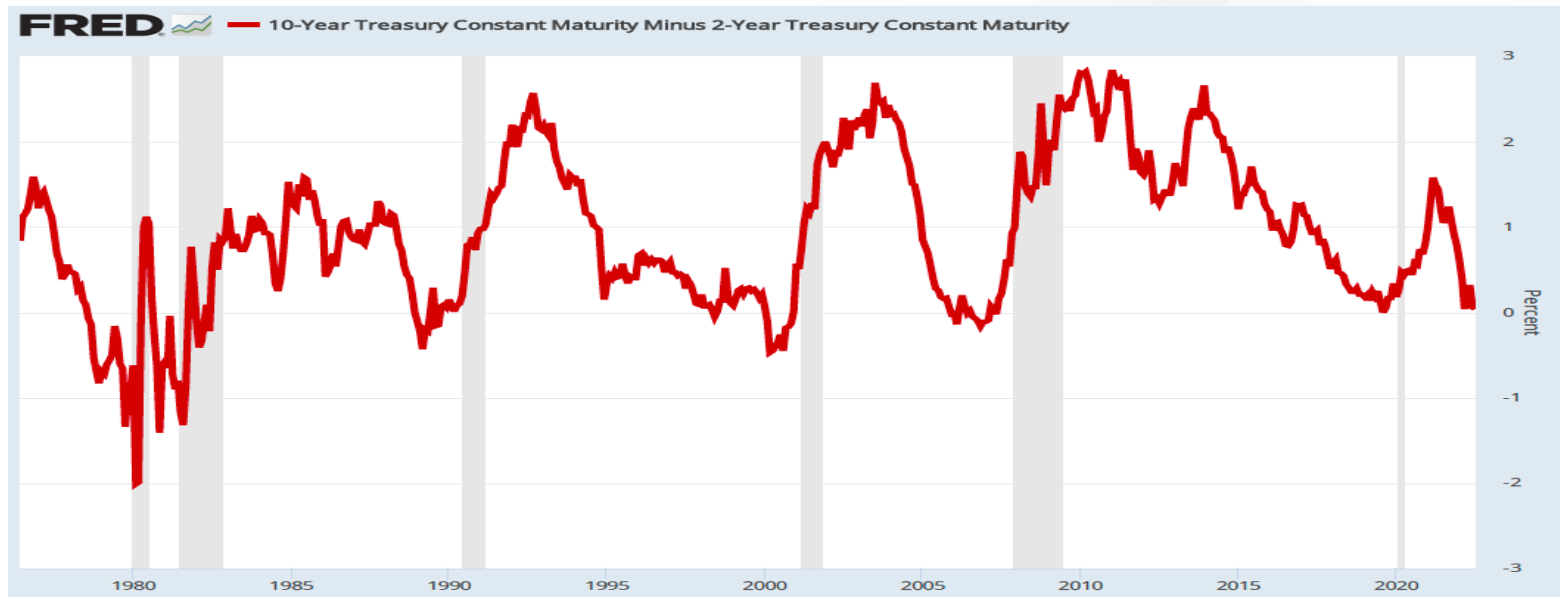
MBS Coupon Distribution

\$, millions

| Coupon | 30 Year UMBS Outstanding MBS/PCs | | | | | QE Fed Owned | | Non-Fed Owned | |
|--------|----------------------------------|---------|---------------------|---------|--------------|---------------------|---------|---------------------|---------|
| | 12/2008 | | 02/2022 | | Coupon Shift | 02/2022 | | 02/2022 | |
| | Balance Outstanding | % Total | Balance Outstanding | % Total | | Balance Outstanding | % Total | Balance Outstanding | % Total |
| 1.5 | 0 | 0% | 211,437 | 4% | 4% | 69,302 | 33% | 142,136 | 67% |
| 2.0 | 0 | 0% | 1,656,556 | 35% | 35% | 747,030 | 45% | 909,525 | 55% |
| 2.5 | 34 | 0% | 1,216,264 | 26% | 26% | 498,115 | 41% | 718,149 | 59% |
| 3.0 | 2 | 0% | 659,277 | 14% | 14% | 193,364 | 29% | 465,913 | 71% |
| 3.5 | 94 | 0% | 443,180 | 9% | 9% | 127,173 | 29% | 316,007 | 71% |
| 4.0 | 1,080 | 0% | 303,477 | 6% | 6% | 76,791 | 25% | 226,686 | 75% |
| 4.5 | 78,192 | 3% | 137,083 | 3% | 0% | 22,192 | 16% | 114,890 | 84% |
| 5.0 | 682,384 | 24% | 51,180 | 1% | -22% | 7,843 | 15% | 43,337 | 85% |
| 5.5 | 1,087,652 | 38% | 27,090 | 1% | -37% | 2,223 | 8% | 24,867 | 92% |
| 6.0 | 744,173 | 26% | 17,234 | 0% | -25% | 304 | 2% | 16,930 | 98% |
| 6.5 | 224,211 | 8% | 6,789 | 0% | -8% | 46 | 1% | 6,743 | 99% |
| 7.0 | 58,355 | 2% | 2,180 | 0% | -2% | 0 | 0% | 2,180 | 100% |
| 7.5 | 12,405 | 0% | 520 | 0% | 0% | 0 | 0% | 520 | 100% |
| 8.0 | 4,626 | 0% | 227 | 0% | 0% | 0 | 0% | 227 | 100% |
| All | 2,895,611 | 100% | 4,732,572 | 100% | | 1,744,384 | 37% | 2,988,188 | 63% |

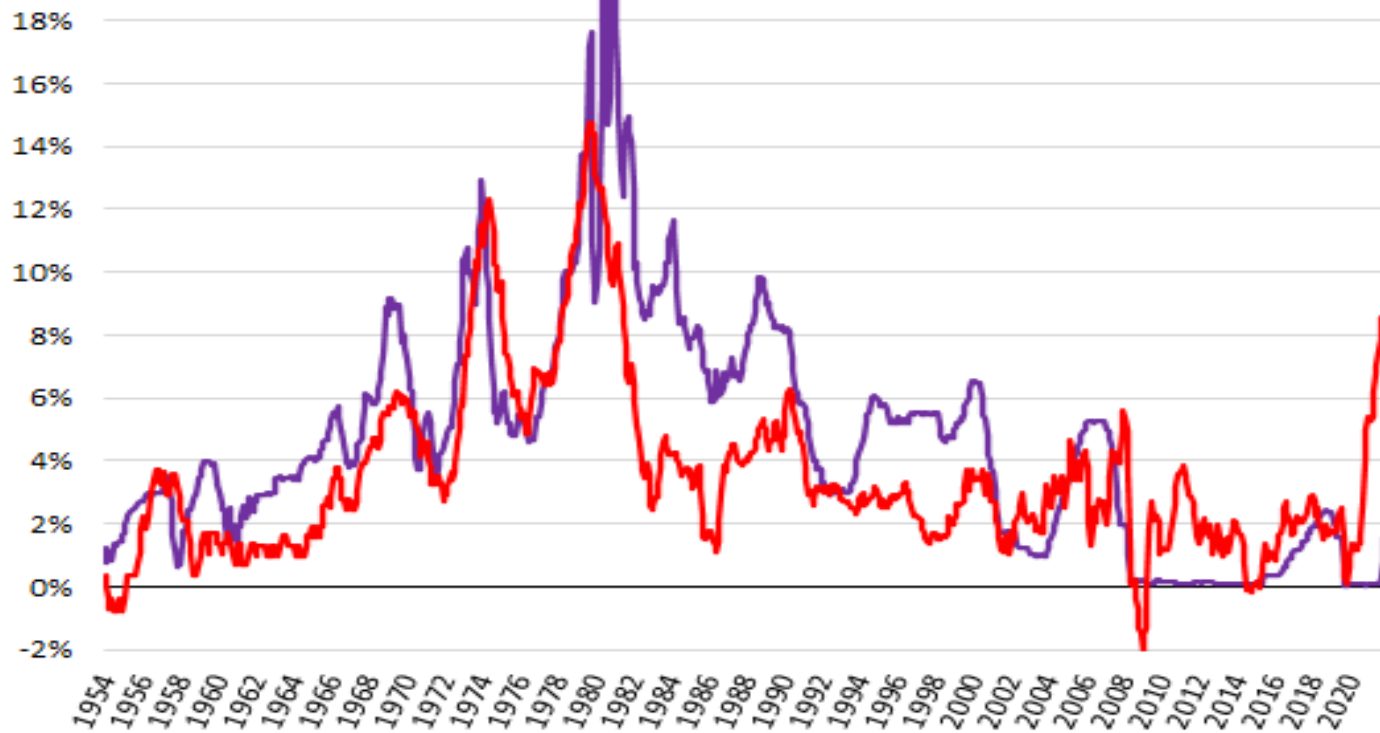
Source: CPR/CDR Technologies





Source: Federal Reserve Economic Data

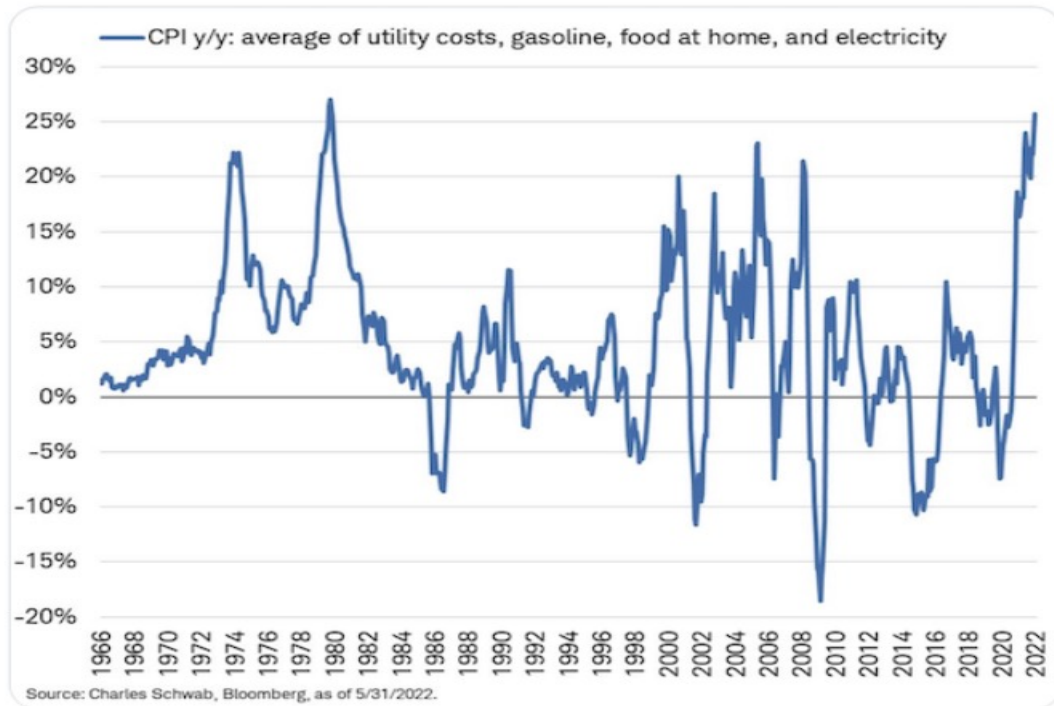
CPI Inflation v. Federal Funds Rate



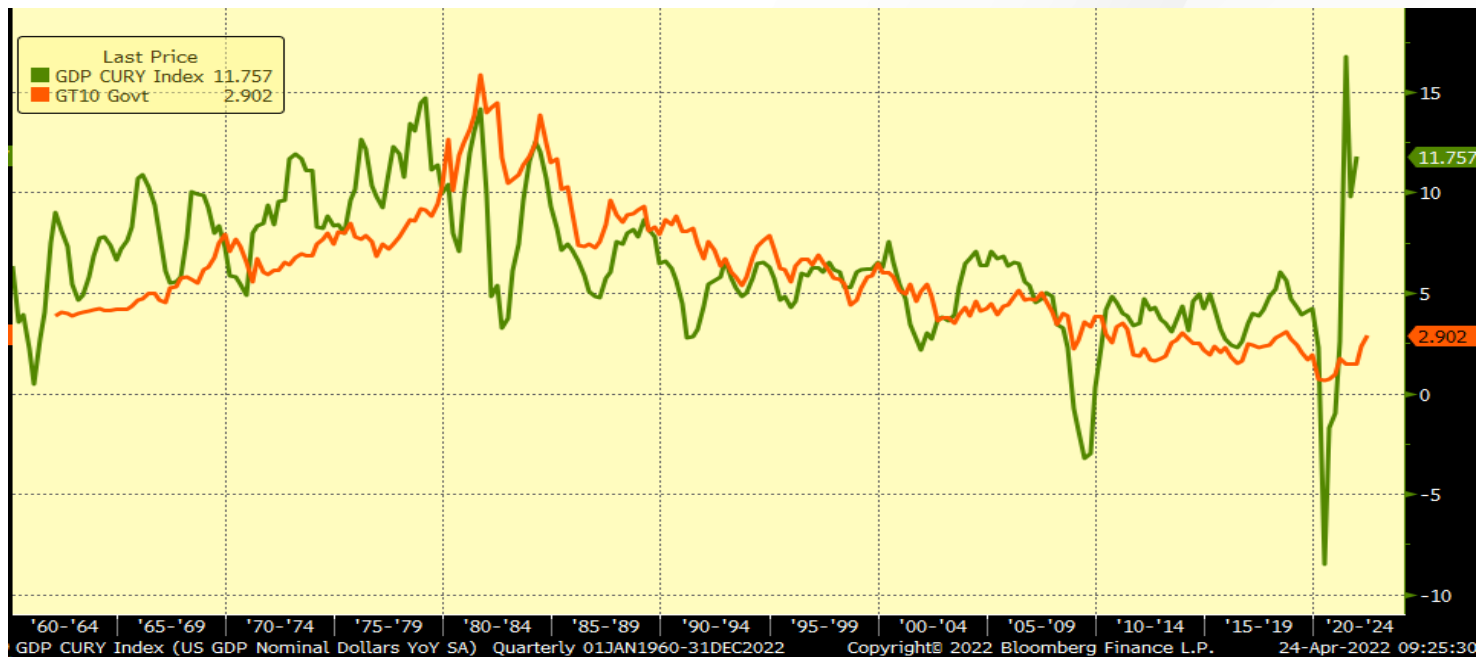
Sources: BLS, Federal Reserve

WOLFSTREET.com





Nominal GDP vs. 10-year Treasury Rate



Source: Bloomberg Finance L.P.

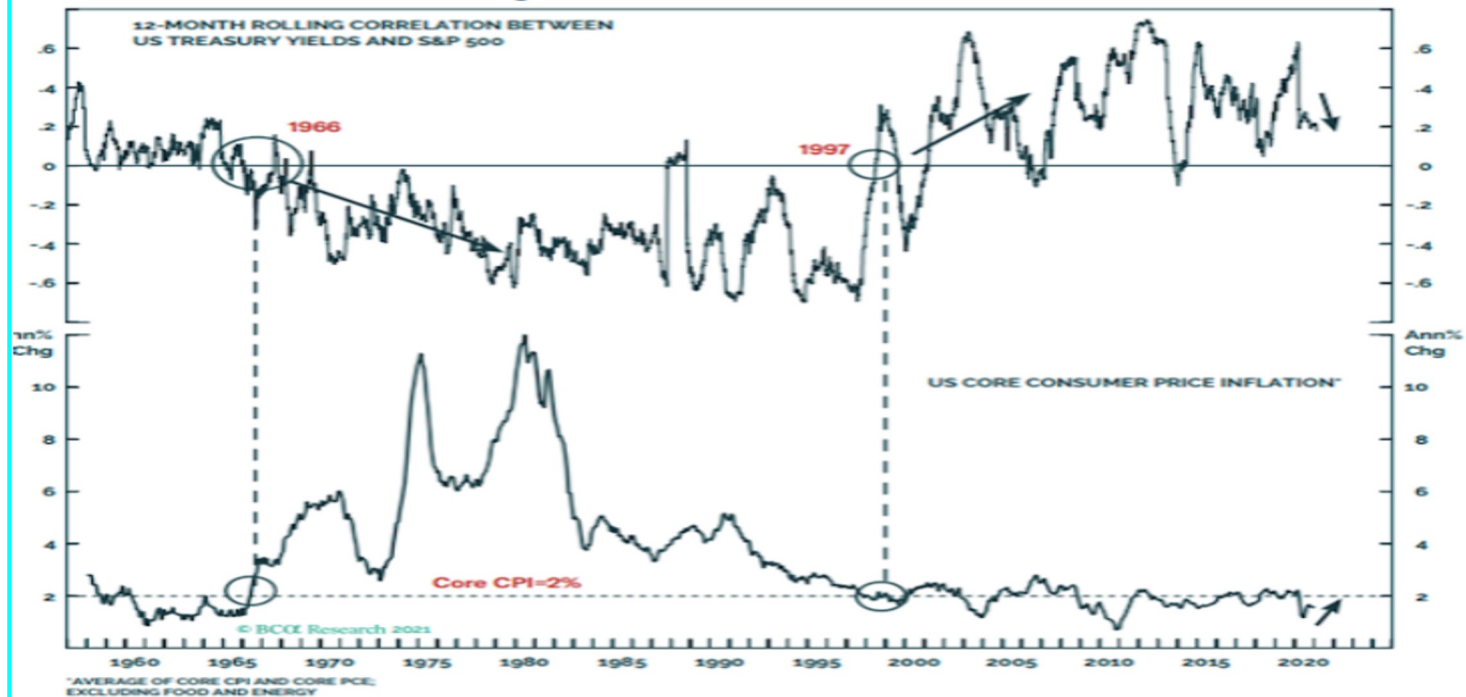


Major Central Bank Assets vs Global Stock & Bond Market Value



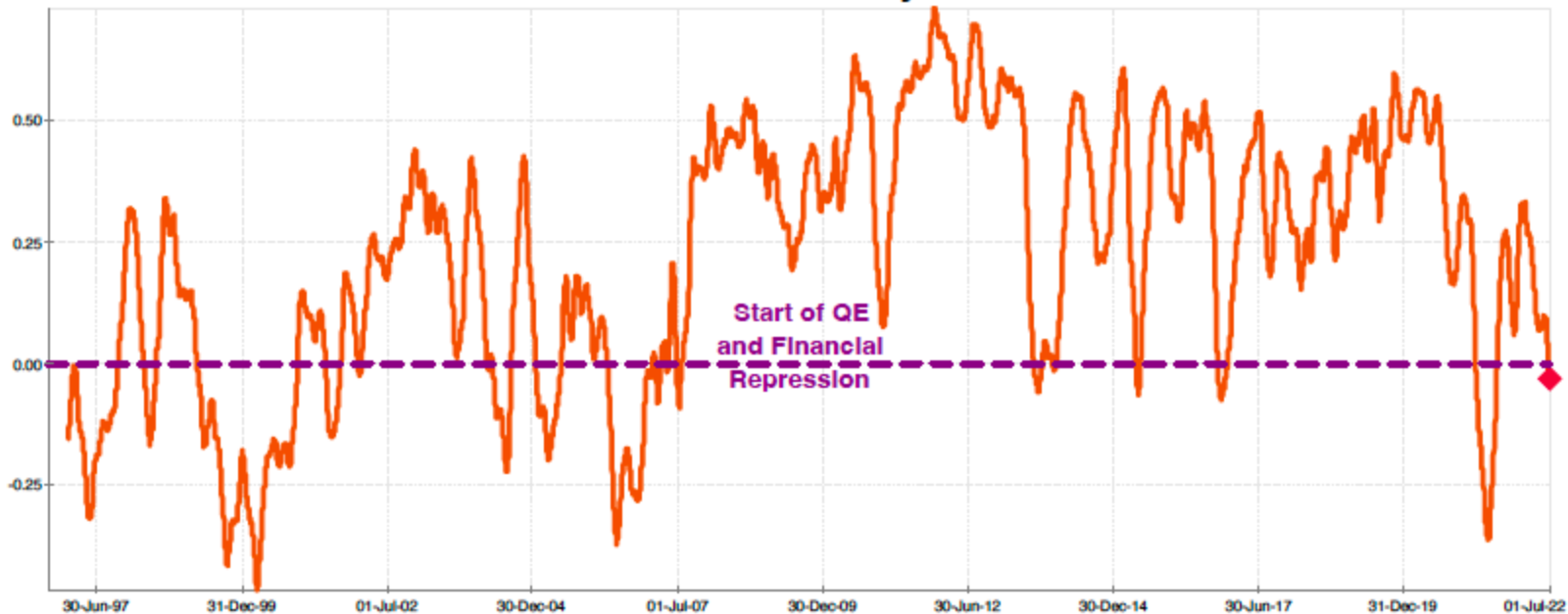
Source: Bloomberg Finance L.P.

CHART 1
US Stock-Bond Correlation: Paradigm Shifts In 1966 And 1997



Source: Market Watch

Correlation of SPX and 10yr Yield



Source: Credit Suisse LOCUS

Net International Migration: July 1, 2010–June 30, 2021



Source: U.S. Census Bureau, Vintage 2021 Population Estimates.



Source: Minack Advisors 2021

Net worth of people 70 and older as a share of U.S. gross domestic product

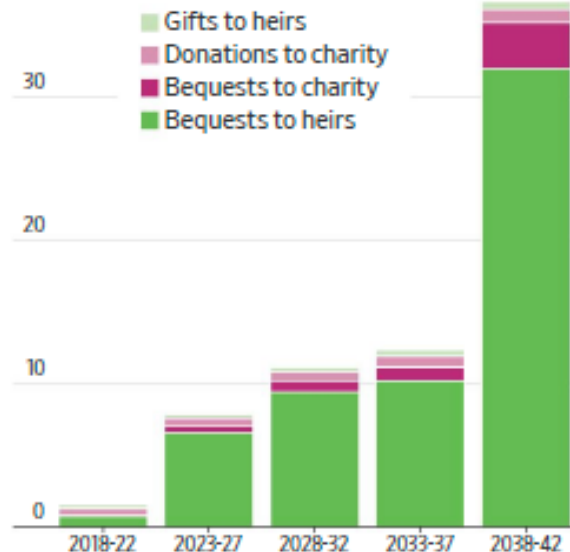
200%



Source: Robins & Associates, LLC

Wealth transfer*

\$40 trillion



A steeper Yield Curve supports the plumbing of our financial system.

Higher long-term interest rates improve the health of our pension and insurance systems.

Higher long-term rates make private long-term health care policies more affordable and thus reduce the reliance upon Medicare.

It is a public policy benefit for corporate borrowers to enhance retirement income via higher interest rates, and thus reduce the need for Government assistance.

Yield Curve Control conceals market information and encourages Moral Hazard, to the detriment of both policy makers and investors.



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