MACRO Voices

with hedge fund manager Erik Townsend

Julian Brigden: On Opportunistic Disinflation

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Erik: Joining me now is MI2 founder, Julian Brigden. Julian, it's great to have you back on the show. I want to start with inflation. A lot of people are saying that it's topped. Okay, my question is, well, we all know that inflation was driven, at least partly by pandemic effects. That's probably why we got so high. But even if it's topped, does that mean we're going back to 2% or does that mean that we're really in a new regime that is going to be more inflationary?

Julian: So I mean structurally, we don't know that for definite, right. But if you ask me the likely path of the dots over the next decade, and are they structurally inflationary? My answer would be probably yes. Now, I mean, my analogy has always been the sort of late 60s into the 1970s, to some degree. And even then, in that period we saw four big waves of inflation. The point is, if you never rang, we never were truly successful in ringing out the inflation. And so each sort of low was slightly higher after that initial burst. And that's kind of the world I think we're living in. Right here, right now that would almost certainly suggest that we are and this has certainly been our view. And since late summer, last year that inflation has topped, at least for now. And it is coming down. I think there is a couple of things that the bulls don't quite understand about the relationship between inflation and nominal GDP. And how just even if we were to wake up tomorrow morning, and inflation would be zero, the Fed would still be raising rates. Because I think, the equity boys myopically focus on that inflation component of nominal GDP and don't look at nominal GDP in aggregate, that's very important. So bottom line, I think it is coming down. Certainly headline, I can see quite a lot of stickiness in core and services. And that means the labor market has to be addressed and that's a different question Erik.

Erik: Julian, describing the Fed strategy, which drives all of this, you've used the phrase opportunistic disinflation, what's that about?

Julian: So I used to work at Medley Global Advisors, which was the sort of Premier policy think tank in its day. And we'd go off and see Alan Greenspan, in those days, not seeing and all those sorts of guys from the various central banks, and then charge you $250,000 a year just to talk to us. And people, we're beating our doors down, because we were incredibly good at what we did. I still interact with a lot of my policy friends who are in that sort of space and do this for a living. And one of the things that we'll be discussing is the nature of the policy approach that you adopt as a central bank when you have very high inflation, right. What do you do? Well, there's really only two options. And they are deliberate disinflation, which is what Volcker did. In other words, you can deliberately push the economy into disinflation. If you want an analogy, you take

the patient out to the swimming pool Erik or the economy out to the swimming pool, sorry, and then you stick its head under the water till it drowns. Like literally drowns, you forced this economy into a deep, deep recession, and you wring out inflation. Clearly not a great option.

Option number two, is what is referred to as opportunistic disinflation. And this is really what Greenspan did in the mid 90s. And in that scenario, it's not painless, right? So if you want to go back to the analogy, again, you take the economy out of the pool, and you hold your head or hand over its head, so that it's barely able to breathe it spluttering, at best, it's a pretty unpleasant place to be. Now, that's clearly better than drowning the patient, although it doesn't preclude the patient drowning, because the patient may just run out of puff and dry and drown under their own weight, in which case, tough, okay, and in which case, you embrace that as a central bank banker is an opportunity, right? Hence the expression opportunistic to lower inflation. But what you're really hoping for is what Greenspan saw in the mid 90s. And that's a burst of huge productivity advancements. If you remember in the mid 90s. We're heading into the.com bubble. It was some of the most rapid advancements in productivity we've seen in our careers Erik, and that helps to lower inflation, but the point is, it isn't a painless place. And the second thing and this is what the markets don't understand: if you pursue a policy of opportunistic versus deliberate disinflation, while you may not push rates up as high and as painful, the whole process takes much, much longer Erik. We are talking about years of high, restrictive, not killing, but restrictive rates, not months, not even quarters, years, under Alan Greenspan rates essentially remained within a 75 basis point range for four and a half years to bring headline CPI down 2%.

And so this whole concept that the markets been laboring under that you just march rates up, and then you march them immediately down, again, was delusional. The only way that was possible ever was if you've pursued deliberate disinflation, and in that case, you'd be lucky if the S&P would be above 2500, let alone 4000. So this is what the market does not understand. They really, really do not understand and they've priced in a scenario both in the bond market, it's increasingly getting priced out a little bit. But certainly in the equity market, where somehow miraculously we get a sort of miracle collapse in inflation, right, that it's somehow goes back. I mean, the bond markets basically, basically pricing in a 400 basis point collapse and inflation in the next two years. Well, even in recessions, we've never even come close to that in the post war period, let alone outside of recession. You know, in a no landing, which the equity market wants to see, right? Delusional.

Erik: Julian, a lot of people seem to be saying, okay look, the Fed is either at their terminal rate or they're really close to it. Okay, I can believe that part. And then in the very next breath, they say, so therefore, we should expect the policy reversal to occur very soon, where we'll begin cutting. Wait a minute, does that leap of logic actually make sense?

Julian: No I mean, it can't Erik right? I mean this is why both the bond market in a way, but certainly the equity market has been delusional. So the bond market is priced in a scenario where to your point, you march rates up, and then you immediately March and back down again. But the only way that that made sense, is if you delivered a swindling recession. And yet,

that's certainly not what the equity market is priced. So these markets have been utterly incompatible. Right? I mean, this, this latest narrative we've had about no landing. I mean, I don't know who's been talking about that. But it's crack, speak, right? There is no option for a no landing. Right? We have to have a landing. And it's either going to be a hard landing, or it's going to be a soft landing right? Now, can you pull off a soft landing? Maybe, but the soft landing takes a long time. Alright, this is the point, right? You'll be sitting here, if unemployment doesn't materially rise, right? You're going to be sitting here for a long, long time, trying to grind out inflation. And we're not talking months, we're talking years. Greenspan was only dealing with four and a half percent on CPI. And it took him two years to grind that out. I mean, my concern is if the equity market doesn't go, right, given what I've talked about, to my clients about hyper financialization, in other words, the correlation between equities and the real economy whereby, your logic would kind of dictate, I guess, that if you thought of it from a chicken and egg perspective, that chicken was real economy, right? It sets profits, it sets wages, it sets, you know, employment, etc, etc. And that should drive stocks.

Not in the US, not in the US. Financial markets drive the real economy, through hyper financialization, through the behavior of CEOs, but CEOs are paid only to do one thing and that is to constantly inflate the value of equity prices. So the minute that that equity price goes down, they start to cut jobs. And that's what we can see in the tech sector. But the point is, is if for some reason, the equity market actually rallies over the summer into the second half of the year, then what weakness we're seeing now, won't even occur, it will be transitory. And then inflation will be back up, wages will we back up because jobs are back up in the second half of the year. So this concept that the bond market has been pricing that this thing goes up and down and this concept that the equity market that you know, oh, and because it goes up and down, we never have to go down... utterly incompatible.

Erik: Let's talk about how this translates to an outlook for the bond market. Because one of the views that I've heard, including from some very smart people is, look, this is the buy the dip opportunity in the bond market. And the reason is the Fed is either at or near its terminal rate. And yeah, it might take a while before they reverse, it might not be as straight up and down. But the thing is, as long as rates don't go substantially up from here, hey if you go long bonds, you're making a coupon for holding those bonds. It's a positive carry trade. And eventually, you know, those interest rates are coming back down, and there's going to be principal appreciation as a result. What's wrong with that and that's not my view, just to be super clear. But what's wrong with that? I think fallacy...

Julian: So look, I mean, I don't disagree. And we bought bonds back in November of last year, and we got out. We did a great run and we got out of them, a couple of months back. And that was our first bond buy that we'd had for two and a half years, Erik, because you know that we were mega inflation bulls back in late 2020, early 2021. So here's a covenant promises I've got with that. Look, I think growth is slowing. So at some point, I think you do want to get back in. I think what we're pricing now is bond weakness is a repricing of that higher for longer. And as it's rippled down the curve, we started off with the front end with the sofa contracts in the IDI contracts, and kind of two years. And it's been led by two years right of these, as they've had to

price out this assumed, rates go up, and then they immediately start to get cut scenario. And that's now rippling down into sort of five years that we'll be breaking out 10 years of breaking out like so I can see everything kind of revisiting it's high. But I do think the economy is slowing. So I do. So I'm inclined to want to buy what are my structural reservations? Apart from a tactical trade, right, what am I structural reservations to want to be long the bond market? Well, there's a few.

The first one is fungibility. And by that I mean the impact of other sovereign bond yields on US Treasuries, because we tend to forget that the only reason why our bond yields dropped as low as they did, in part was because of the actions of people like the ECB and the BOJ. Both of those central banks are actually reversing that policies at present. So, I'm very worried that if we do not get this collapse in activity in Europe, which at least initially looked to be on the cards, then bond yields look 100 basis points out of whack to me. And if you put 100 basis points on Burns, you're going to put another 75 on treasuries. So fungibility is tactical considerations aside a major concern. Same obviously through the BOJ, we don't think they're moving rapidly to end under Ueda to end YCC. And they're their pegged rates, but we do believe they will gradually move that way. And that will have a enormous implication for global fixed income. So fungibility is one issue.

Second issue is, technically Erik, we've done inordinate damage to these bond markets. There isn't a single part of the curve from 2s to 30s, that hasn't blown through some version of a 40-year trend line technically. So you could get retracements on those lines to say in 10 years, that would get you back down to about three, maybe up twos, depending on how you draw the line. But technically, until we get down below that line, I think it's hard to infer that we are in a bull market again. And thirdly, and this is the one that you know, we started to talk about if I connect the dots as to where I think or fear this is going to go. I believe that between Trump's spending and then COVID related spending. Now defense related spending, not just in the US but Europe and Japan, that fiscal rectitude has been you and I've talked about this in the past has been taken out to the woodshed and shot through the forehead, in the budget numbers of various countries are now getting increasingly out of hand and we saw, you know, nascent signs of that in the UK with the Guilt crisis. I'm not sure that the long end of the bond market if we were to move into recession, which is greeted by let's say more fiscal spending from politicians eager to get reelected in 2024 that the bond market would take it too well.

Erik: Is it time to start worrying again about divestiture of US assets by foreign central banks and the general theme of the possibility that the US dollar is beginning to lose its reserve currency status? That's a view that I'll admit that I had more than 10 years ago. And it turned out to be way too early. Is it finally time that that's to me, and I don't think it was wrong. I just think it was way too early. Is it still too early?

Julian: Yeah on balance, Erik, I would say yes, I think it's probably early. But it doesn't mean that you couldn't get quite a weak dollar, right. I mean, I think what people don't understand is the nature of how the global funding pipelines are all connected, right? I mean, we've had an extraordinary period of the last or at least especially since 2014. But even starting in 2011,

where we've had this booming US economy, ballooning current account deficit and budget deficit, which has been funded by foreigners. And that's fine. As long as they keep funding, and as long as that budget deficit needs funding, and that current account deficit needs funding. But it is it by its very nature, an unstable-stable equilibrium Erik, right. So if one day we woke up, and the US economy was in deep recession, and we the current account deficit as a result had collapsed, because Americans are not importing as much as they did before, then we wouldn't need foreigners money. And that money would go home and the dollar would weaken against the countries that have lent us that money, because on definition, they've done it on an unhedged basis anyway. They can fund the current account deficit.

The other option is we could wake up one day and we could find out that the US equity market really was a bubble. And all the vast outperformance of the US tech sector, which is really in dollar terms, the only sector that has performed in the last decade plus since the lows of 09, we could find that it was a bubble and that bubble bursts. And as that bubble bursts, the US economy goes into recession and the money that we need to fund the deficits goes home. And likewise, we could wake up one day and the dollar could drop and the returns of foreigners in US dollars. If they look at their NASDAQ holdings unhedged could start to deteriorate, and they can take their money home. So there is even before we get into the thorny topic of is the dollar going to be replaced as a reserve currency. I've got quite a lot of sympathy with that, and quite a lot of concern about it. I don't think it's prescient in the next six to nine months, but you know, three years, four years, we'll have a different conversation. But he doesn't take that to cause an unwind of this. What has been a reflexively positive cycle on the upside Erik, with US economic strength, rising current account deficit, rising US asset prices, foreign inflows into the dollar any US assets unhedged to unwind.

Erik: Let's come back to the recession outlook. We've had quite a few guests recently tell us various different rationales that all lead to the same conclusion, which is recession still coming. Bear market in stocks not over yet, but probably not till the second half of the year. How does that fit into your outlook?

Julian: So look, it's always tough to know exactly when this thing starts. But I like to use the PMIs. And I tend to listen a lot to what the chairman of ISM manufacturing says and he said, May-June is when he thinks we'll probably go into recession. I mean, certainly the PMI internal metrics are starting to suggest that. So I'm more in the maybe in the second quarter, but probably in the third quarter. I certainly look at my credit related models Erik, and they look, pretty friggin' ugly and what they suggest in terms of defaults as we move into the second half of the year, what they suggest in terms of employment, what they suggest in terms of GDP, all are recessionary at this point.

Erik: Julian and let's translate that to the stock market outlook then because usually we expect that it's around the time the recession is starting, that the stock market may already be bottoming. If anything I mean it looks like the bottom is behind us. I don't think it is I think we've got another wave down coming. But what's your outlook?

Julian: So I'm struggling with this one Erik. Look, I I got short, the S&P. You know, I kind of use very simple moving averages to keep me kind of honest because look, I'm a macro guy. There's nothing better than I would like to see the equity boys burn in hell. It's my natural inclination is great for the bond market. So I got short end of 2021, they got confirmed by my moving averages in May. Recently, I got a signal, which would suggest that the bottom is in place. Now like you, I'd always assumed that we were going materially lower. So kind of 3000 was my base case. And it's possible, it's possible. But it would be pretty unusual since because since the 1960s, every time I've got the signal, I got 95% of the time, it suggests the bottom is already in place. So I'm going to have to think quite hard if we get the S&P down to let's say, 38 right 37 that I've always assumed that we will go into 32 maybe... May not get that.

Erik: Let's talk about how the war cycle fits into all of this. The US has already spent more than $100 billion with a B, in supporting the war in Ukraine. It's more than the entire budget of the Russian military. What does this mean? I don't think it's over now in Ukraine, and I don't think it ends with Ukraine. I think that it looks very likely to me that a conflict between the US and China, either proxy through Taiwan, or direct conflict with China may be coming as well. If I'm right, that there's going to be a new cycle of more war spending, what does that mean for the markets?

Julian: So I would concur, it's not over. You know, I wrote a year or so ago, couple of years ago that and looked at these papers at the Bank of England done looking at 700 years of bond markets, and how you get cycles, you end up with these, what they call real rate depression, so these extended periods with very, very low interest rates, and so they went back and looked at various periods, and this would be the ninth that we've just lived through. And what systematically ended those periods of very low rates, real rates and bond bull markets were a war and or pandemic. And, we tend to be arrogant and think it's always different, but it bloody isn't different Erik, right. I mean, we think that there's been, you know, we're so technologically savvy, that productivity advancement is so much higher now than it was in the past, really? Do you not think the wheel, fire, the spinning jenny, clipper ships, internal combustion engine, the aeroplane did not create huge technological advancements as opposed to salesforce.com and cloud computing? Right? You know, all of these factors come through time and time and time again, and the war one intrigued me because, to me, to your point, we're fighting a kinetic war with Russia. It ain't gonna be cheap. And it's not any of the US right, this is Europe, this having to pony up a lot.

Secondly, we're fighting an accelerative, but hope it only remains a cold war with China. And we're fighting a climate change war. All of those factors demand vast quantities of money to be redirected away from the private sector, towards the public sector. That is not bullish for fixed income, it is structurally bearish for fixed income. What does it mean for equities? I mean, probably should mean that duration assets which just bounced yet again, right, almost, I find it you know, incredible how foul like the NASDAQ could bounce back and some of these names should trade pretty poorly. And generally speaking, while the equity market will do better in that higher inflation, higher bond yield, kind of environment, the bond market, per se, it's not great for markets. We've been writing this now for four years. But this end of this, suddenly people have

woken up to oh shit, this relationship with, between China and the US is breaking down, it was obvious four or five years ago. You know, I can point to pieces we wrote in 2018 and 2019 where this relationship is deteriorating rapidly. Well, ahead of you know, people are getting concerned should they have, you know, China being investable and all of a sudden China is investable again, God forbid, God forbid, that it is upcoming meeting between the Russians and the Chinese, the Chinese openly come out and support Russia.

What's it going to do to the US corporate sector? Are they going to really be able to treat Russia differently from China or China differently from Russia? I mean, if McDonald's pulled out of Russia, and suddenly the Chinese backing the Russians with lethal aid, shouldn't they be pulling out of China too. And the same for Nike, and the same for Tesla, and the same for Apple in the face of what's going to be huge public and political outcry in this country, if that happens. I mean, that's not even remotely priced in. And I'm not saying that's where the Chinese are going to want to go. But it sure is shit a risk. So war manifests itself in very, very different ways Erik, and none of them are great for any market as far as I can figure out.

Erik: Now, if I assimilate several of the things that you've said in this interview, which is that there's going to be a whole lot more money that's going to be needed to support the war cycle that I think we both agree has begun. And we've talked about what's going on in the bond market. And although you don't think it's immediate, you are projecting in the next several years that there is a risk of US dollar hegemony over the global financial system at least diminishing, if not an actual loss of reserve currency status, at least a reduced presence.

Julian: Yes.

Erik: You would think all of those things would lead to a structural rally in precious metals, and we sort of had one going, but boy, it just reversed pretty darn hard. Is this just a hiccup here? What should we make of the gold and other precious metals charts?

Julian: So I think really what you're dealing with is still a very robust Fed, right? That's the fundamental problem that you've got right here right now. Right? The Fed is not stepping off the gas as a result. And if you look at when precious metals did exceptionally well, I mean, gold's traded very well for a while, right. But we know it's got very strong hands bid underneath it. It did well until the Fed started to get more hawkish and the danger started to come through right? I mean, it's still both of those at the end of the day, especially silver are really heavily correlated both to nominal yields, which have been rising and to the door. That's part of your problem.

Erik: Julian let's move to Europe, I think that the situation in their energy market is maybe at least going to feel some relief for a short while. I'm not sure about longer term, it seems like the impending dire crisis is at least on hold. And of course, we're about to get warmer weather in the next few months. So that should ease things as well, is the worst behind us for Europe, or if we just only seen a taste of what's to come.

Julian: So, I think the catastrophic, you know, go to jail, do not pass go, do not collect $200 scenario is probably off the table. But the Community Service Card is still kind of there, Erik. And the reason that I say that is when I look at Europe, there are a couple of things that still materially worry me. The first one that worries me is that while we are seeing some business sentiment rebound quite sharply, and particularly some of my Ford indicators in German industry, as energy prices have come down, have rebounded very robustly. What I'm not seeing much of is a bounce in the consumer. Consumer confidence still seems to be nailed to the floor. And this looks really very problematic for me, because we've seen instances most notably in 2012 around the sovereign crisis, where consumer confidence is gone. The business sector is gone. It's all right, fine, everything's fine, right. And then all of a sudden, they've looked down and gone, Jesus look where the consumer is. And then they followed in short succession, so that still remains a real risk to me. The second issue that I've got is we're starting to see quite a material tightening of credit in Europe. And as a result, that also suggests quite a material slowdown in growth.

And I will add at this point that I'm quite suspicious that on both sides of the pond, some of the strength in data that we're seeing. Here in the US and in Europe is really a function of very, very warm weather that we've seen relative to seasonals. And in fact, some of the PMIs are particularly commenting on the danger of seasonal adjustments this time of the year, perhaps portraying excessive strength, particularly in the service sector where, people have kept going out to restaurants, right and doing that sort of stuff. I mean, a colleague of mine is in Innsbruck, which is basically a ski town, or right next to ski town in Austria, and they were eating outside last week. On bloody February, you should be buried up to your neck in snow which is not happening. So I'm still cautious about this. It's, you know, everything's rebounded, we've got to get out of jail free card. I'm still concerned that there are risks in Europe. And I'm also concerned, I'll be honest with you that I worry if this is just building integrated policy error by the ECB, right? That they could end up being more hawkish as the Fed is being more wonky, even though the data is actually underneath the surface moving quite negatively, and quite quickly. And that's certainly the case, for example, here in the US when I look at some of my indicators, which is why I've said to you, I'm still that we're going to be in that recessionary camp. The idea that the US goes into recession in Europe somehow avoids it completely. I'm highly skeptical that.

Erik: Julian, let's talk about the return of volatility to markets. One thing that I'm definitely noticing is that there are so many conflicting views that we are seeing a lot more up and down chop in the markets. Something that was a popular topic a couple of years ago, that seems to have kind of fallen off the radar screen for a lot of people is the question of whether at some point, this passive investing trend is going to blow up where eventually people figure out that if everybody's, you know, all in index funds, and you get a big market move, and everybody starts to panic, it could really spell a bad situation for the markets. What do you think about the passive investing trend and the reemergence of volatility in markets?

Julian: So short term Erik, I'm definitely in the in the view that... I mean, we can already see it right. We've been in a more volatile. While it may not be reflected by things like the VIX, we've

seen a more volatile trading environment and realized vol has steadily risen right, as the Fed has shrunk the balance sheet. And that's not unusual. I mean, if you look, at one year, S&P realized vol, it's gone from 12 to 24. Since they basically started QT. So short term, definitely we're in that kind of camp. The bigger picture I think gets rather interesting. And I've postulated this question to clients and you know, are we coming to the end of what I would call a Great Moderation. So this sort of heightened period or this extended period since the mid 80s of significantly lower economic and as a result, central bank and as a result market volatility. And I think there's a decent chance we are Erik, right. And we're not there yet. And I think we need a couple of other things to slot into place. But I can see kind of the writing on the wall. And one of the things that would get us there. And while I'm still sort of formulating this view, one of the things that would definitively guests there would be returned to what you used to be referred to and you'll remember this because you're old enough like me, is stop-go economics, right and stop-go policy. And as a result boom-bust economics, right? That you go from this period, where if you think about the nice kind of reactive policy environment, which we've been in where inflation has been benign and controlled, and the economic cycles have been nice and predictable, and kind of, you know, that sort of predictable kind of sine wave, right? And policymakers can kind of run interference at the top of the cycle where they come in, and they dampen down the animal spirits a bit. And at the bottom of the cycle where they stoke them a little bit, but nothing gets out of whack, right where the amplitudes of the cycles are predictable, where they're contained.

And yet, if you go back and you look at physics and you look at you know, this is something I've looked at with some of my quants right. You get these periods of what is referred to as accelerative oscillations where typically, if you have a set of explosion or something that the wave emanates out from the from the center of the explosion in a predictable kind of pattern. But if it's met by some other opposing force, then it can either kill the wave, or it can absolutely increase the amplitude of the right wave by hitting at the wrong point of the cycle. And I think there's a real danger that we're moving into that period. So I look at, Trump for example, I think that Trump's fiscal spending was very, very poorly timed. And it really started the cycle of inflation, starting in sort of 2016. Then the Federal reacted to that. They had to be more aggressive than they normally did, they were a little late to react. And as a result, they over tighten and we push things down. And then, that's why they had to reverse in 2019, then comes COVID. And obviously, that's really added to the amplitude, because of the virtue of all the fiscal and monetary stimulus that we did and they never thought they were going to get inflation, and now they're having to overly tighten.

Well the risk is Erik, that actually… what they're going to do is they're going to bust this economy, right? And we will get a very sharp downturn, okay, that's still a risk. That we get a very, very sharp downturn. And as a result, on the other end of it, they'll have to ease even more aggressively. And so you go from these nice, smooth, predictable, dictated sine wave cycles, to the cycles that become increasingly erratic, which is what we actually saw in the 60s, and the 70s, where the amplitude of the rate hikes and cuts got ever larger, larger, larger, and where central banks go from a nice benign, vol dampening force, to actually a force that exaggerates the cycle, because they become reactive, not proactive, and their reactions tend to

be late and overly aggressive on both sides of the equation. You know, in throwing the fiscal authorities and you've got even bigger problems. I think that's a real, real risk, Erik. And if that is the case sir, and some of my clients certainly believe this. We're going to see assets switching at an insanely rapid rate where you're going to want to go from owning no bonds to all bonds to no duration stocks to all duration stocks, in rapid succession. And wealth can get eviscerated in that environment, particularly if it isn't actively managed.

Erik: Are we headed toward a moment of reckoning where the industry wakes up and says, Oh, wait a minute. The reason that we rationalized passive investing is because everybody was trying to do active investing. And if everybody's trying to do it at once, it can't possibly work. But now that everybody's doing passive investing, it actually makes more sense to switch back to active investing. Does that finally hit the consciousness of not not just us on macro voices, but the broader financial community?

Julian: Yeah, I mean, I think so. The bloody problem may is there aren't many people who are very good at active investing. Right? I mean, look at the difficulty that even the macro hedge funds have got retaining and keeping talent. Right? It's just not there anymore. You know, where does the young kid come whose experience high vol while he didn't exist? If he's entered the market post 09, really? I mean, with the exception of COVID, right? I mean, this is this is an old man's game, and there aren't that many of us left. So yes, is the answer. But it isn't going to be easy to find those people.

Erik: Well Julian, I can't thank you enough for a terrific interview. Before I let you go, please tell us a little bit more about what you do at MI2 Partners and how people can follow your work.

Julian: So we've been around I think 12 years now Erik. Gosh time flies when you're having fun. Well, tell me that on Presidents Day while I was working. So you could find us on Twitter @JulianMI2 if you just want to follow me there. If you're actually interested in our work, contact support@mi2partners.com. And, you'll find me either with the institutional product under the MI2 umbrella or in the joint product I push out with Raul under the macro insiders tab at real vision.

Erik: Patrick Ceresna, Nick Galarnyk, and I will be back as MacroVoices continues right here at macrovoices.com.