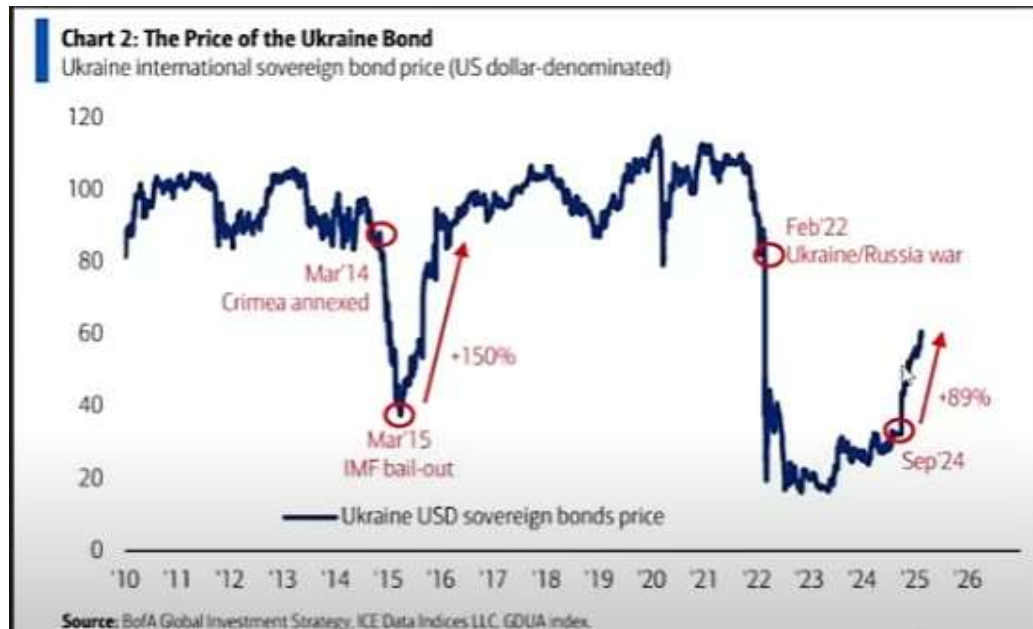


2.18.25

Wednesday, February 19, 2025 8:53 AM

Key Data



- This going up is a good thing. Peace talks should push it higher
- Bessent/Trump comments will be the driver in the morning. Trump seems to be talking about ukraine/russia this week & reminding people about april tariffs
- This is still the tariff pre-game and the market is taking it well, the problem is things are starting to diverge hard. Curve is uninverted. Gold is up & spreads are still blown out. Cash is low, repos low, retail vs funds

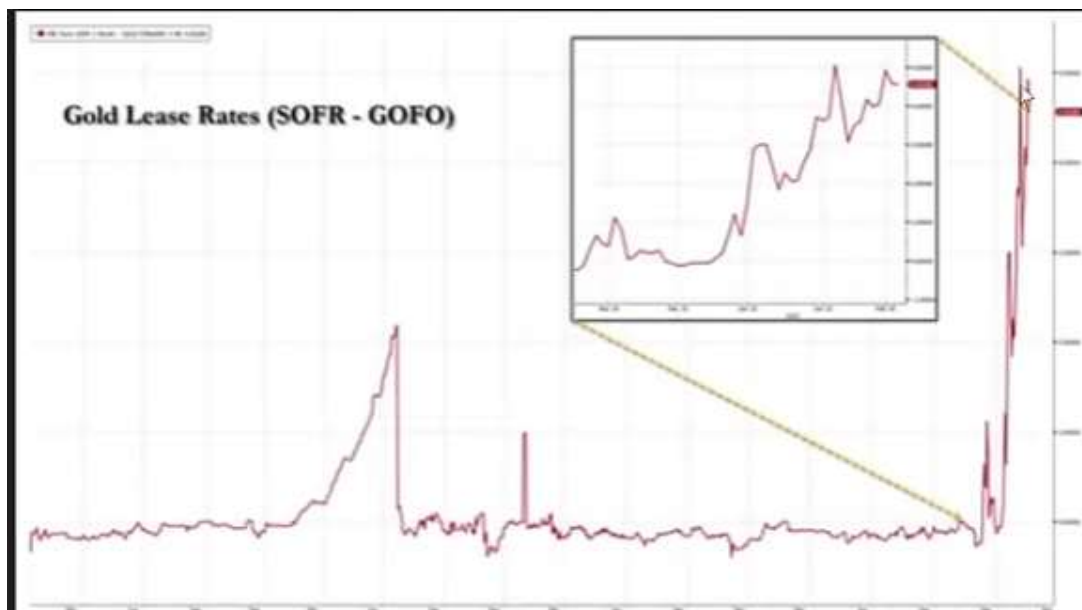


Exhibit 3: Tariffs Are Already a Much More Prominent Feature of Management Discussion Than at Any Point During the Last Trade War



BofA Global FMS average cash level (%)



Cash is low



Hedge funds are exiting the market & they are still behind

- Be on the lookout for China/Farmland & Mexico remittances. Fed minutes might get market jumpy but I think it's going to be more about overseas & politics (or lack thereof) this week