

“Yen strengthens below 102”

There was a clear short-term narrative developed in the financial media last week creating a focal point at 102 in the Yen/USD exchange rate. The short-Yen trade is perhaps the most crowded trade in the world right now, so a strengthening of the Yen to break below the focal point is a big deal for market game-playing behavior. The Yen broke below 102 today, which will put plenty of game-playing pressure on levered short-Yen positions in particular, and the entire equity market in general. Be careful out there.

If you want to read more about focal points, check out the Jan. 28 “Flatland” email on the Epsilon Theory [website](#), as well as some of the longer-form [notes](#). If you're receiving this note via forwarded email and you're not yet on the direct distribution list (and you find it a worthwhile read), I'd appreciate the opportunity to [add you to the list](#). As always, if you're no longer interested in receiving these notes and occasional emails, please reply to this email to that effect.

All the best,
Ben

DISCLOSURES

This commentary is being provided to you by individual personnel of Salient Partners, L.P. and affiliates ("Salient") and is provided as general information only and should not be taken as investment advice. The opinions expressed in these materials represent the personal views of the author(s) and do not necessarily represent the opinions of Salient. It is not investment research or a research recommendation, as it does not constitute substantive research or analysis. Any action that you take as a result of information contained in this document is ultimately your responsibility. Salient will not accept liability for any loss or damage, including without limitation to any loss of profit, which may arise directly or indirectly from use of or reliance on such information. Consult your investment advisor before making any investment decisions. It must be noted, that no one can accurately predict the future of the market with certainty or guarantee future investment performance. Past performance is not a guarantee of future results.

Statements in this communication are forward-looking statements.

The forward-looking statements and other views expressed herein are as of the date of this publication. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and there is no guarantee that any predictions will come to pass. The views expressed herein are subject to change at any time, due to numerous market and other factors. Salient disclaims any obligation to update publicly or revise any forward-looking statements or views expressed herein.

This information is neither an offer to sell nor a solicitation of any offer to buy any securities. Any offering or solicitation will be made only to eligible investors and pursuant to any applicable Private Placement Memorandum and other governing documents, all of which must be read in their entirety.

Salient commentary has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. Salient recommends that investors independently evaluate particular investments and strategies, and encourage investors to seek the advice of a financial advisor. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives.