



After one of the deepest Quality factor drawdowns in history, Quality is trading at its cheapest earnings multiples in over a decade. Given these overstretched valuation differentials, UBS research and QIS structuring will share their thoughts around why it's time to buy the dip in Quality and how to implement in a cost-effective option format.

Speakers:

Spyros Mesomeris: Global Head of Structuring

Gerry Fowler: Head of Equity and Derivatives Strategy

Ankit Behura: QIS Equity and Volatility Structuring

Host:

Davide Montoni: Head of Americas Institutional Eq Derivatives and QIS Sales

Watch video

From: Montoni, Davide

Sent: Friday, December 5, 2025 2:23 PM

Subject: Call worth joining...QIS - What's Topical: Time to buy the dip in Quality

Buying the dip in Quality is one of our highest conviction calls from UBS research/QIS structuring...pls join us at 11am on Tues for a brief call discussing why/how to implement via options.

[Register Here](#)

Best,

Davide

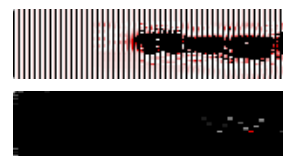


You're Invited

QIS – What's Topical: Time to buy the dip in Quality



Tuesday, December 9, 2025
11:00 New York
16:00 London



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Spyros Mesomeris: Global Head of Structuring

Gerry Fowler: Head of Equity and Derivatives Strategy

Richa Singh: Head of QIS Volatility Structuring

Host:

Davide Montoni: Head of Americas Institutional Eq Derivatives and QIS Sales

Questions?

For further information, please contact [Jonathan Garber](#) at +1 212 713-4044.

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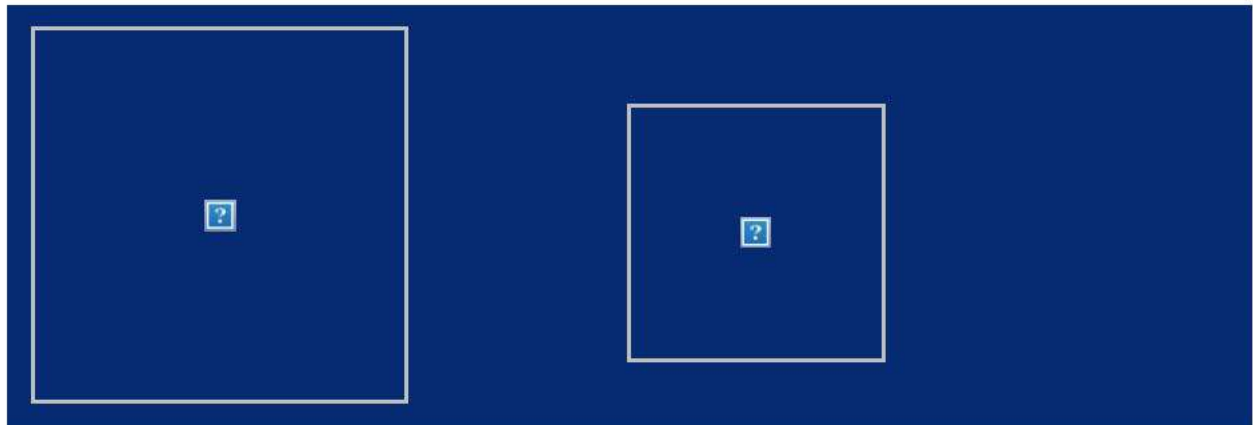
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From: Egan-Jones Ratings Co.
To: mliposky@mapension.com
Subject: The Iran War Part 4: Never Wound a Prince
Date: Wednesday, March 11, 2026 1:05:38 PM



Risk Commentary

The Iran War Part 4: Never Wound a Prince
(03/11/2026)

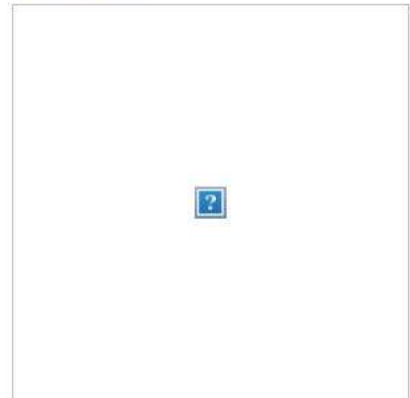
CLO (Non-NRSRO) Ratings:
www.egan-jones.io/non-nrsro-ratings/clo

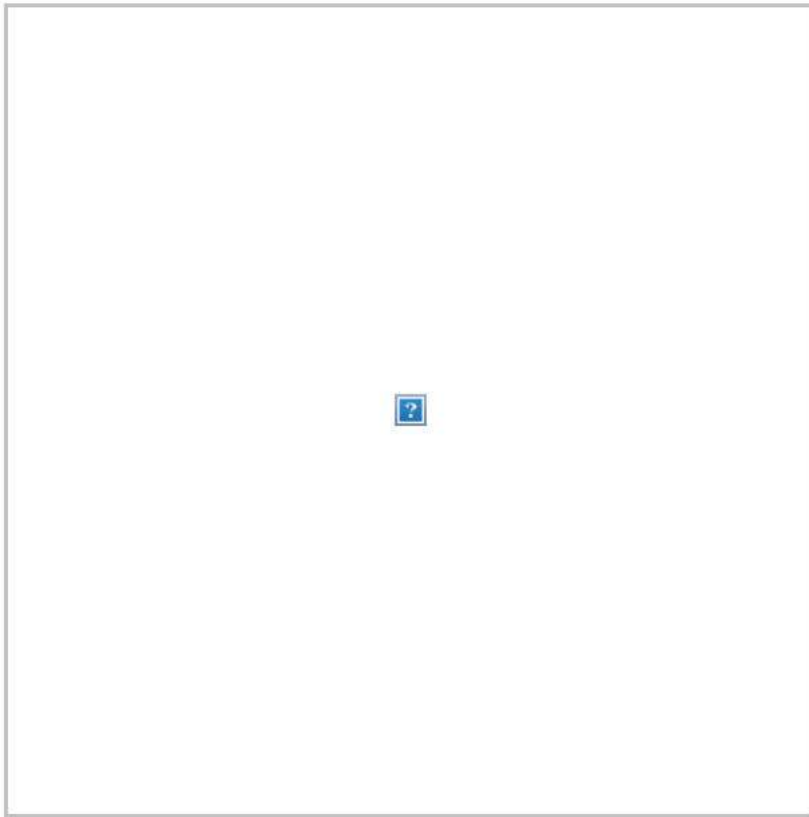
Overview

Governing is a difficult business. Niccolò Machiavelli is considered an expert, and his paramount rule as an advisor to Renaissance Florence rulers was, paraphrasing “never wound a prince.” Consider the full quote below.

“Men must either be caressed or else annihilated; they will revenge themselves for small injuries, but cannot do so for great ones” (Niccolò Machiavelli, [The Prince](#))

The notion is that as king, often the princes were the greatest danger and simply wounding one would create lasting enmity sowing the seeds for future challenges. This installment aims to address the rapidly developing conditions in the Middle East and implications for sophisticated institutional investors and risk managers.





Fundamentally Flawed Assumptions

The assumption that Israel and the US could eliminate the threat posed by Iran via an air campaign is, in our opinion, fundamentally flawed. It is simply too easy for Iran to hide the weapons and keep the population at bay. No question that via the air, Iran's defenses have been degraded. However, in our view, it will be extremely difficult to affect a regime change without a significant number of "boots on the ground." Even with an attacking force, it is questionable whether the population will support the invaders.

Hide and Seek

Regarding finding and neutralizing the missiles and drones, it appears to be a fool's errand. Perhaps the Gaza War can serve as a proxy. In contrast to Gaza, Iran is massive:



Furthermore, unlike the Gaza Strip, Iran has uncontrolled borders, and like Afghanistan, has a significant portion of mountainous regions. Our premise is that even if the US and Israel kill the next several chosen leaders of Iran, the regime might not change its stance.

Accidents Waiting to Happen

The use of dangerous weapons in difficult conditions is almost a guarantee of some problems happening, despite the best efforts of all involved. To date, we have witnessed the apparent bombing of a girls' school with over 100 casualties, the loss of several aircraft, the massive destruction of infrastructure, and a sobering spike in petroleum prices.

Accomplishments

Given the massive cost and disruption emanating from this war, what if anything, has been accomplished? While we like to be optimistic, we remain concerned. Yes, the dangers of

flying over Iran have improved.

Left Undone

Despite the above accomplishments, it is not clear that there will be lasting changes. If Iran still has nuclear capabilities (which it probably does), perhaps Iran cannot easily deliver those weapons via missiles. Stopping a dirty bomb appears far more difficult. Additionally, stopping cluster bomb missiles, directable hypersonic missiles, and a variety of drones is extremely difficult. (Even if a cluster bomb missile is hit, the bomblets will continue to do damage.)

The Conundrum

Our main premises are: (i) there will not be a regime change without a massive number of troops rooting out the prior regime, (ii) neither the US nor Israel will be willing to commit the necessary troops to affect a regime change, (iii) it will be very difficult to eliminate Iran's drone and missile capabilities, and (iv) Iran is highly likely to rebuild its capabilities. If our analysis is correct, then it appears that the US and Israel have committed THE fundamental error: they wounded (and did not kill) the prince.

A Way Out: stop digging

If one finds oneself in a hole, the best action is to stop digging. Despite the braggadocio employed by the current administration, we expect that the futility of their efforts will soon be evident. As that becomes increasingly apparent, watch for claims of victory and a speedy withdrawal.

Cleaning up the mess

Regarding the non-negotiables, we expect that Iran will want to maintain its power and, if possible, have a pathway for becoming a nuclear power. The underlying assumption is that to date, no country with nuclear power has experienced a regime change.

From Israel's and the US's perspective, presumably, they do not want either of those developments to occur. The rub will be working out a meaningful agreement.

Conclusion

We hope that our analysis is wrong. However, if we are correct, the longer the combatants are engaged, the worse it will be for all.

Attached below is a sample of our sovereign report.

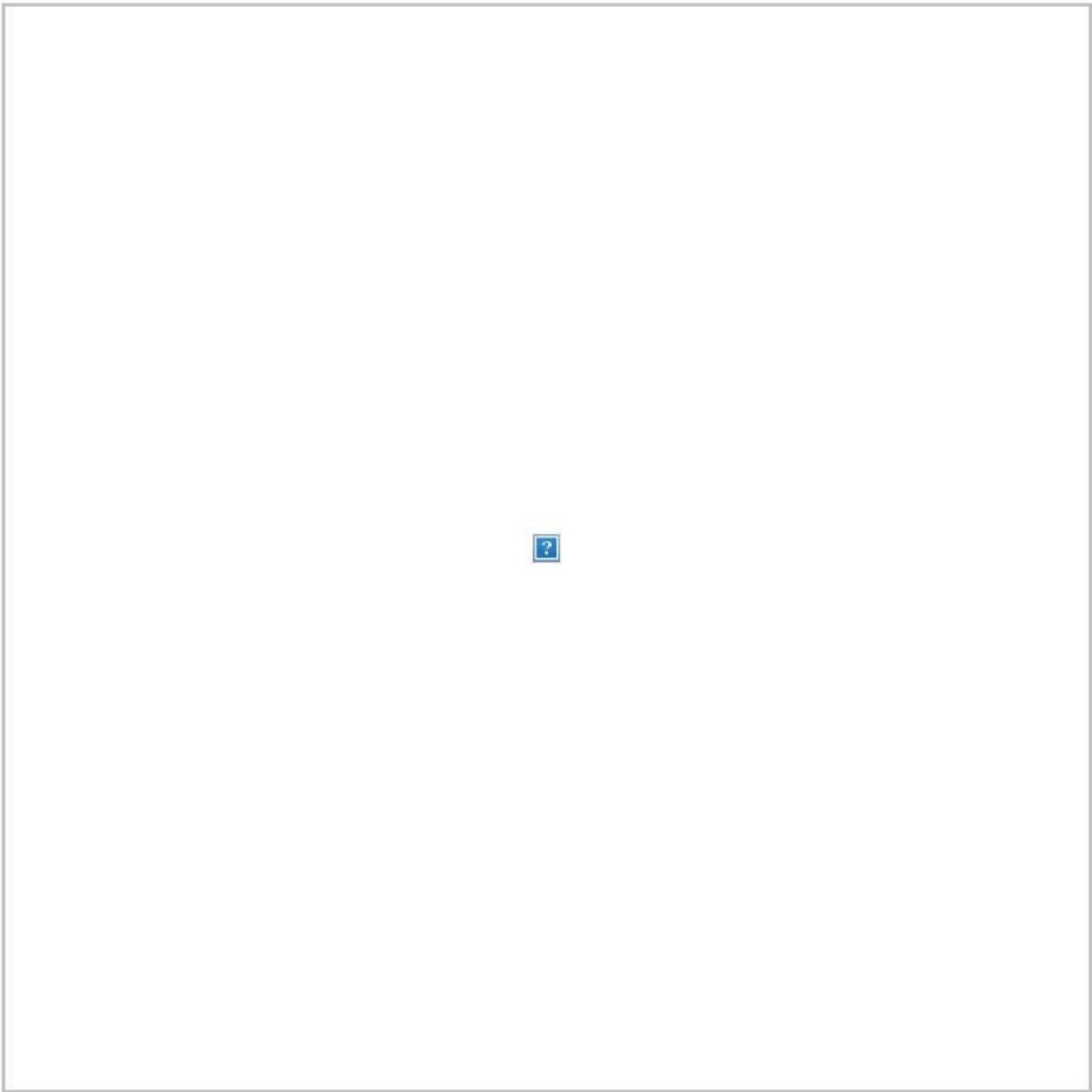
FRENCH REPUBLIC

Rating Analysis - 8/13/25

*EJR Sen Rating (Curr/Prj) A+/A+

Following modest growth of 1.1% in 2023 and 2024, France's economy is projected to decelerate further in 2025, with GDP expansion slowing to just 0.6% amid heightened policy uncertainty and global trade tensions.

Private consumption is expected to emerge as the primary driver of growth next year, compensating for weaker export performance and subdued investment activity. By 2026, the outlook brightens somewhat, with GDP growth forecast to recover to 0.9% as investment picks up and consumer spending remains resilient. Inflation is anticipated to drop to 1.2% in 2025, largely due to reductions in electricity tariffs, before rising moderately to 1.7% in 2026. On the fiscal front, France's deficit is set to narrow gradually, reaching 5.4% of GDP in 2025 and 5% in 2026, down from 5.8% in 2024. However, this adjustment—representing the largest fiscal effort in over a decade—carries risks of slippage, especially if economic growth underperforms or defense spending increases further. To stimulate investment and boost competitiveness, France should prioritize digital transformation, streamline regulations in the services sector. Affirming.





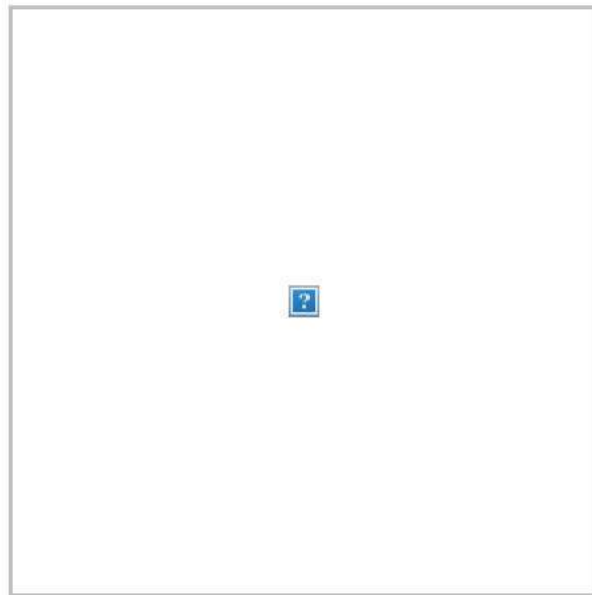
Economic Growth

France's economy demonstrated moderate resilience in 2024, posting 1.1% growth despite a turbulent policy backdrop, heightened uncertainty following a government no-confidence vote, and a mild contraction in output during the final quarter that dampened momentum heading into 2025. The first quarter of 2025 saw a modest GDP rebound, largely driven by inventory restocking, while private consumption remained flat and both investment and net exports continued to contract. After nearly five consecutive quarters of decline, business investment has recently stabilized, though overall economic indicators remain subdued. Business confidence has lingered below its long-term average since August 2024, and household sentiment has fallen to its lowest point since the onset of the war in Ukraine. The labor market has also softened, with employment declining by 0.3% in the last quarter of 2024.



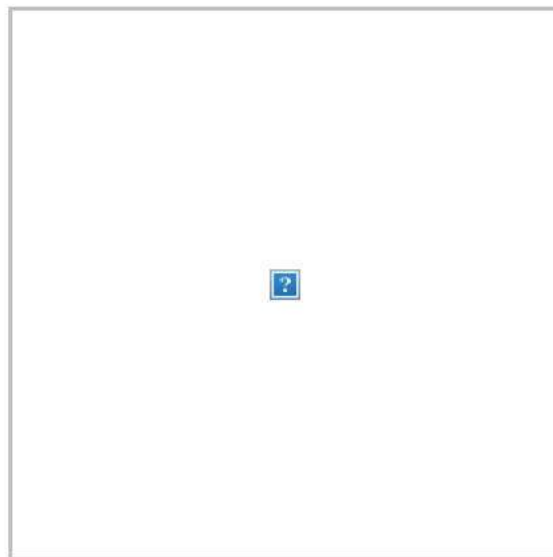
Fiscal Policy

France's fiscal deficit is estimated to have reached 5.8% of GDP in 2024, coming in slightly below previous forecasts. For 2025, the government aims to reduce the deficit to 5.4% of GDP, which would require a significant structural adjustment, primarily through additional tax measures and targeted spending cuts. If achieved, this would represent the most substantial fiscal consolidation since 2010. The government's strategy relies heavily on increasing revenues, including exceptional levies on high-income individuals, large profitable corporations, air travel, and high-emission vehicles.



Unemployment

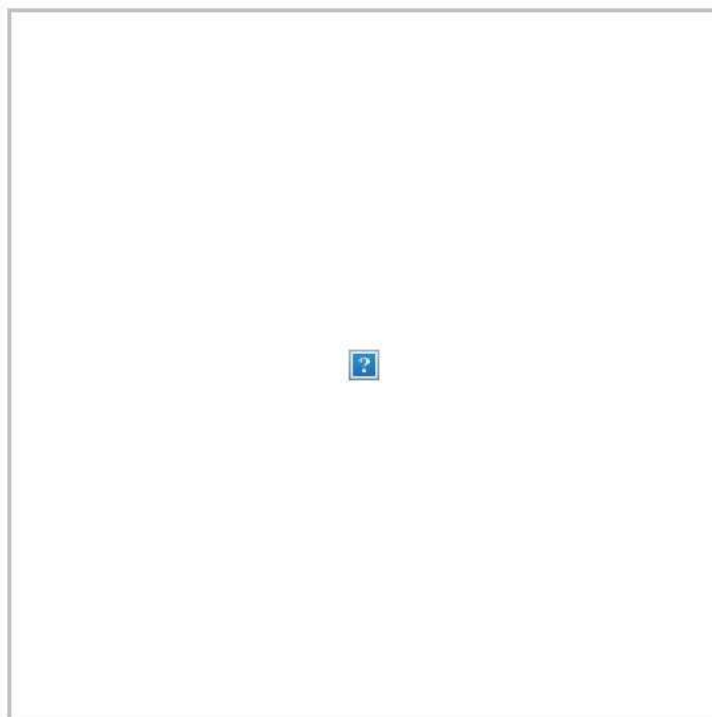
Over the past decade, France's unemployment rate has steadily declined, reflecting ongoing labor market reforms and policies aimed at boosting job creation. In the first quarter of 2025, France's unemployment rate edged up slightly to 7.4% from 7.3% in the previous period, aligning with market expectations. Youth unemployment remains a particular concern, with the rate for those aged 15 to 24 holding at 19.2%, 1.1 percentage points higher than a year earlier.



Banking Sector

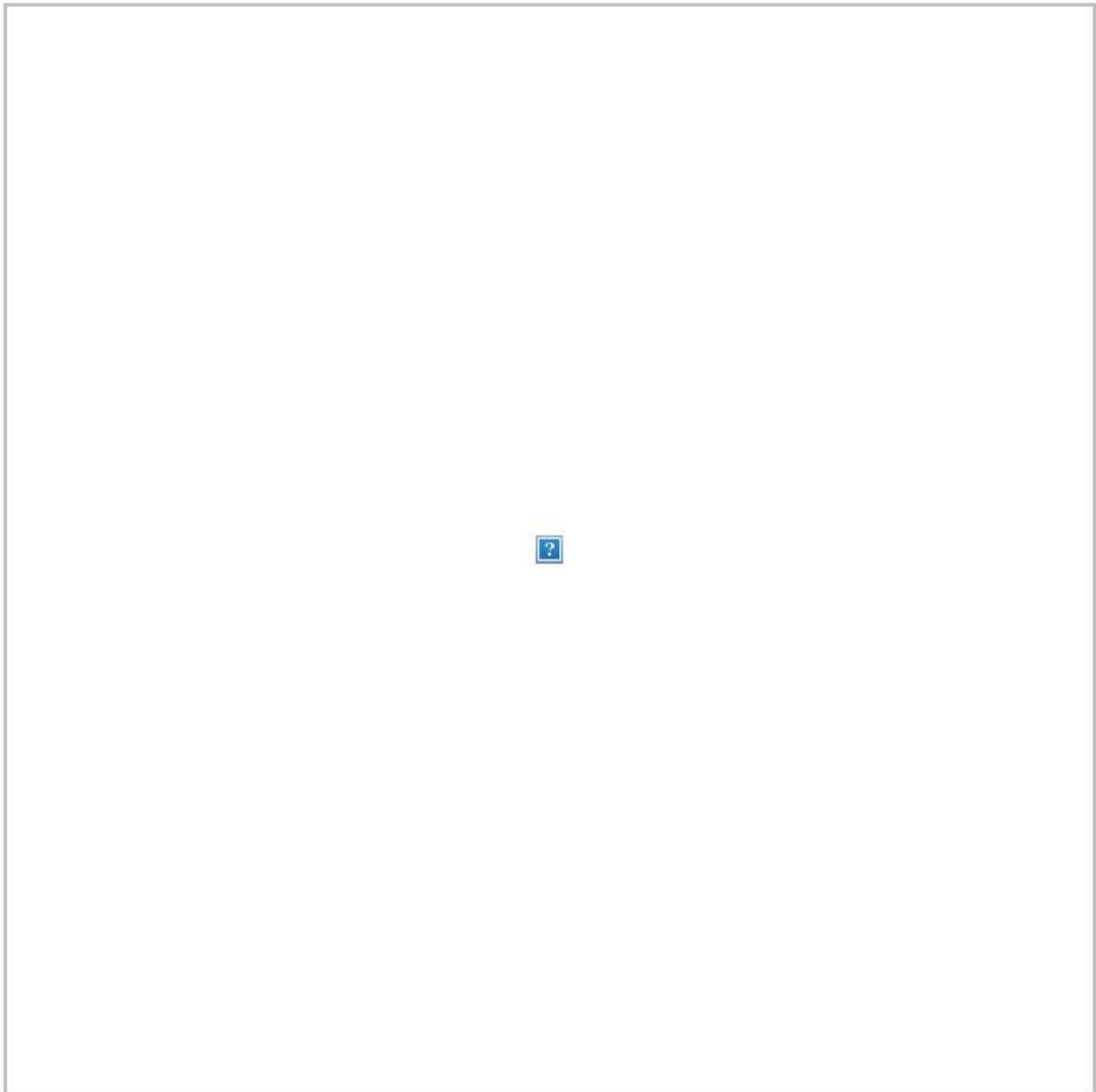
French banks enter 2025 with a solid financial foundation, supported by robust capital buffers and prudent risk management. The recent decline in interest rates has eased funding costs and improved lending conditions, helping to stabilize asset quality even as economic growth remains modest. Non-performing asset (NPA) risks are contained for now, as lower

borrowing costs and a gradual rebound in the housing market support borrowers' ability to service debt.



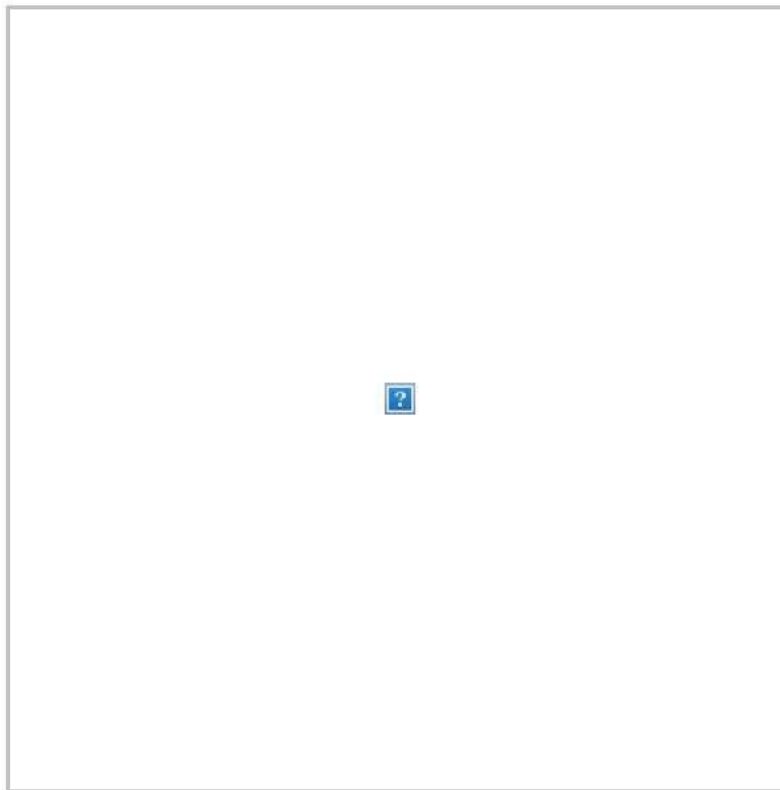
Funding Costs

Interest and funding costs in France have eased in mid-2025 following the European Central Bank's latest rate cut, which lowered the main refinancing rate to 2.15% and the deposit facility rate to 2.00% effective June 11. Long-term funding costs have also moderated, with the yield on French 10-year government bonds at 3.26% in April 2025, down from 3.43% the previous month. Looking ahead, the interest rate outlook is broadly stable, as the ECB has signaled a pause in its easing cycle after inflation returned to target levels.



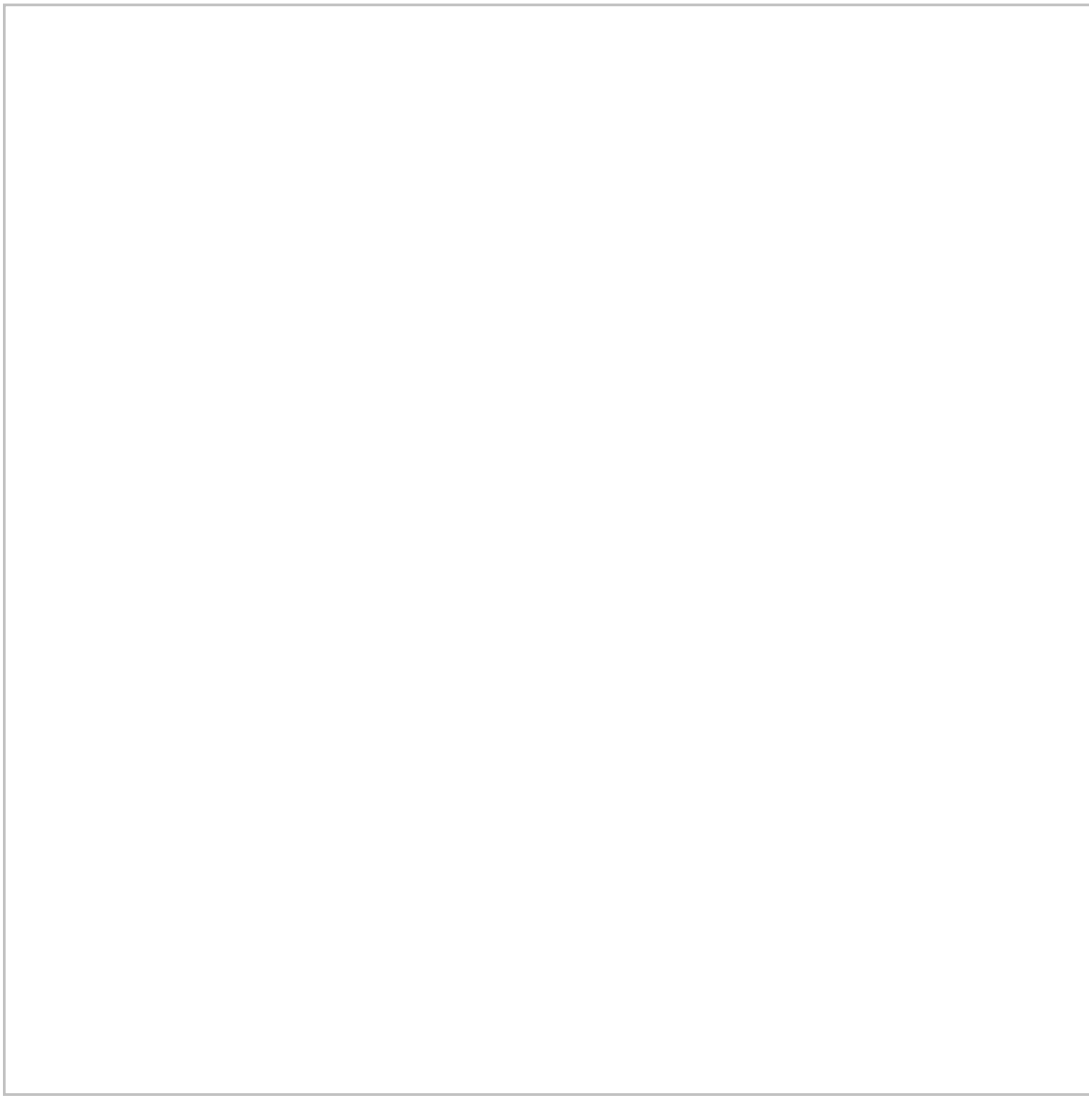
Ease of Doing Business

Major factors for growing the economy are the ease of doing business and the economic freedom; although not the sole factor for determining economic growth, a country which makes it easy for businesses to operate and provides a reasonably free environment to conduct business has a good chance for growth. The chart on the right indicates that with an overall rank of 32 (1 is best, 189 worst) is above average.



Economic Freedom

As can be seen below, France is above average in its overall rank of 64.4 for Economic Freedom with 100 being best.



Credit Quality Driver: Taxes Growth:

FRENCH REPUBLIC has grown its taxes of 2.0% per annum in the last fiscal year which is disappointing. We expect tax revenues will grow approximately 2.5% per annum over the next couple of years and 2.5% per annum for the next couple of years thereafter.

Credit Quality Driver: Total Revenue Growth:

FRENCH REPUBLIC's total revenue growth has been less than its peers and we assumed a 3.5% growth in total revenue over the next two years.





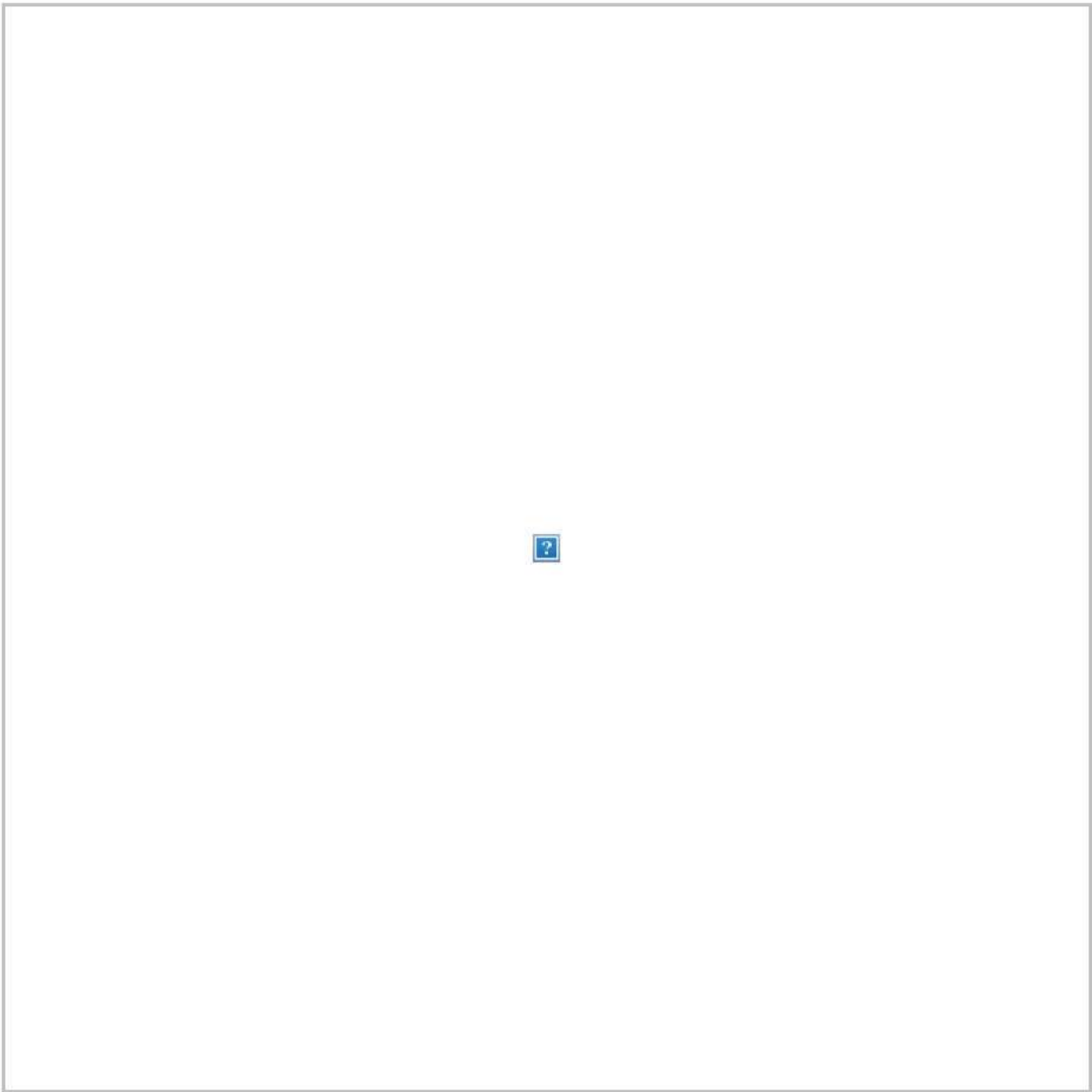
ANNUAL INCOME STATEMENTS

Below are FRENCH REPUBLIC's annual income statements with the projected years based on the assumptions listed [in the preceding section](#).



ANNUAL BALANCE SHEETS

Below are FRENCH REPUBLIC's balance sheets with the projected years based on the assumptions listed [in the Credit Quality section](#).





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Comments on the Difference between the Model and Assigned Rating

In this case, there has been little change in the recent results and therefore we have used our best judgement in making adjustments which are reflected in the results for the projected ratings. We have assigned a rating of "A+" whereas the ratio-implied rating for the most recent period is "A"; the median rating for the peers is significantly higher than the issuer's rating.

Changes in Indicative Ratios

We have not made any adjustment in the indicative ratios at this time

SEC Rule 17g-7(a) Disclosure

Below are the disclosures as required by Paragraph (a) of Rule 17g-7:

- 1. The symbol in the rating scale used to denote the credit rating categories and notches within categories and the identity of the obligor, security, or money market instrument as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

For the issuer FRENCH REPUBLIC with the ticker of 223727Z FP we have assigned the senior unsecured rating of A+. There are three notches in our rating categories (e.g., A-, A, and A+) other than those deep into speculative grade; for CC, C, and D there are no notches.

2. The version of the procedure or methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:

We are using the methodology version #16 available via egan-jones.com under the tab at the bottom of the page "Methodologies".

3. The main assumptions and principles used in constructing the procedures and methodologies used to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7:

The credit rating assigned reflects our judgement regarding the future credit quality of the issuer. Regarding the specific assumptions used, please refer to page 3 of this Rating Analysis Report.

4. The potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7:

Our rating pertains solely to our view of current and prospective credit quality. Our rating does not address pricing, liquidity, or other risks associated with holding investments in the issuer.

5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7:

Our rating is dependent on numerous factors including the reliability, accuracy, and quality of the data relied upon in determining the credit rating. The data is sourced from publicly-available 10Q and 10K statements, quarterly reports, 8K filings, earnings reports, and other similar sources. In some cases, the information is limited because of issues such as short operating histories, the lack of reported data, a delay in reporting data, restatements, inaccurate accounting, and other issues. Such shortcomings are not always readily apparent. EJR aims to identify such shortcomings and make adjustments using its best judgement.

6. Whether and to what extent third-party due diligence services have been used in taking the rating action as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7:

EJR does not utilize third-party due diligence services.

7. How servicer or remittance reports were used, and with what frequency, to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7:

Servicer or remittance reports normally pertain to structured finance issuers; this report does not pertain to a structured finance issuer (EJR is not an NRSRO for structured finance or sovereigns/ municipal issuers). Regarding surveillance, the minimum time

period for corporation issuers is normally one year.

8. A description of the data that were relied upon for the purpose of determining the credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7:

EJR uses 10Q and 10K statements, quarterly reports, 8K filings, earnings reports, governmental filings and other similar sources for ratings on publicly traded issuers. In the case of private issuers, EJER relies on information provided mainly by issuers.

9. A statement containing an overall assessment of the quality of information available and considered in the credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7:

The information is generally high quality and readily available.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7:

This rating is unsolicited.

11. An explanation or measure of the potential volatility of the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule 17g-7:

Our rating aims to assess the probability of the payment of obligations in full and on time. Factors which affect such probability, and in turn our rating, include changes in the operating performance of the issuer, changes in capital structure, and merger and acquisition events.

12. Information on the content of the credit rating as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7:

Regarding the historical performance of the credit rating, our rating transition matrix is available in our Form NRSRO, exhibit 1. The expected probability of default and the expected loss in the event of default is listed on the first page of this report.

13. Information on the sensitivity of the credit rating to assumptions as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7:

Below is a summary of the impact of the 5 assumptions which independently would have the greatest impact on our "ratio-implied rating":



14. If the credit rating is assigned to an asset-backed security, a description of: (i) the representations, warranties, and enforcement mechanisms available to investors; and (ii) how they differ from the representations, warranties, and enforcement mechanisms in issuances of similar securities, as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7:

This credit rating is not assigned to an asset-backed security.

ATTESTATION FORM

In compliance with the US Securities and Exchange Commission (SEC) Rule 17g-7(a), the Egan-Jones analyst who published the report is responsible for the rating action and to the best knowledge of the person:

1. No part of the credit rating was influenced by any other business activities,
2. The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated, and
3. The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.



Sovereign Rating Methodology (Non-NRSRO)

Scope and Limitations:

Sovereign Issuer Credit Quality Ratings (CQR) are a forward-looking assessment of a sovereign's capacity and willingness to honor its existing and future obligations in full and on

time. Sovereigns are assigned two CQRs: a Local-Currency CQR, which reflects the likelihood of default on debt issued and payable in the currency of the sovereign, and a Foreign-Currency CQR, which is an assessment of the credit risk associated with debt issued and payable in foreign currencies.

Key Rating Drivers:

EJR's approach to sovereign risk analysis is a synthesis of quantitative and qualitative judgments. The quantitative factors EJRs uses are:

- Debt in relation to GDP.
- Surplus or deficit in relation to GDP.
- Debt plus potential under-funding of major banks in relation to GDP.
- Interest expense in relation to taxes.
- GDP growth.
- Foreign reserves in relation to debt.

Debt levels for many sovereign issuers have increased at an accelerating rate over the past decade, affecting implied ratings. EJRs also considers unemployment levels and funding costs. EJRs recognizes that no model can fully capture all the relevant influences on sovereign creditworthiness, meaning that its sovereign ratings can and do differ from those implied by the rating model. Some of the qualitative factors that impact its ultimate assessment of credit quality include the flexibility, stability and overall strength of the economy, efficiency of tax collection, acceptance of contract law, ease of doing business, trade balances, prospects for future growth and health and monetary policy, and economic freedom. These subjective and dynamic qualitative issues are not captured by the model but affect sovereign ratings.

For additional information, please see Exhibit 2: Methodologies in EJRs Form NRSRO

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sales@egan-jones.com

Additional Reading

Jack in the Box: No Change Needed Really?

Jack in the Box shareholders signaled dissatisfaction: director support plunged.

[Read more](#) 

Making Sense of the Chinese Chaos

Xi's purge of top PLA "princelings" breaks elite consensus rules

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Faster, Better, Cheaper: Emerging Threats and Opportunities

China's reinvestment and new tech challengers are creating risk and opportunity.

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Sources & Footnotes

*This number represents an insurance premium. For example, 10 represents 10 basis points of the notional amount, paid on an annual basis for a 5-year bond. All the countries' CDSs are the values of REFINITIV EOD latest par price.

** non-NRSRO rating. View all at www.egan-jones.io/non-nrsro-ratings/clo

CDS data is accurate as of 03/11/2026

[1] [Iran Population - Wikipedia](#)

[2] [3] [Gaza Strip | Area | Britannica](#)

[4] [Iran: Area - WorldData](#)



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Risk Commentary
The Iran War: Reopening the Strait of Hormuz
(03/10/2025)

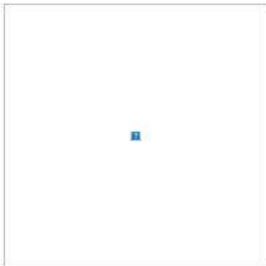
Overview

For the past 100+ years, petroleum availability and prices have had a major impact on the economy. Today is no different. For the benefit of sophisticated institutional investors and risk managers, we aim to address items related to the reopening of the Strait of Hormuz (see comments on the impact on industries below).

Relevancy

One must look no further than this year's equity markets and the 2008 Credit Crisis to see the impact of energy prices^[1] on the economy^[2].

Figure I: Petroleum Price, Per Barrel



While one could argue that petroleum is less critical than it was approximately two decades ago, there is little doubt that it remains highly relevant.

Futility of "Shock and Awe"/ Skewed Reporting

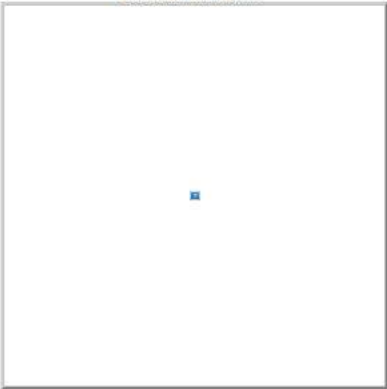
As is typically the case during wartime, the reporting is heavily skewed. During both Vietnam and Afghanistan, the public was led to believe that just a bit more effort would turn the tide. Our view is that Israel and the U.S. cannot force a regime change even if they were willing to place thousands of troops on the ground, which of course they are unwilling to do. Furthermore, it is unclear how the U.S. and Israel can force the re-opening of the Strait of Hormuz. Lastly, given the fact that logistics typically win, Iran can easily be re-supplied, and the U.S. and Israel cannot, it appears that Iran has the upper hand.

Mitigants

THE issue that much of the world is focused on is the re-opening of the Strait of Hormuz. While there is little doubt that Israel and the U.S. have done much to degrade Iran's military capacity, they apparently have not destroyed the enriched uranium, nor have they destroyed all the missiles, drones, and small attack boats capable of attacking oil vessels. Given the dispersion of Iran's weapons, it is doubtful that these weapons could be destroyed. If the tankers were escorted by military vessels, the escorts along with the tankers are likely to become vulnerable. Note, there has been talk of mining the Strait, but doing so might make the Strait impassable for any type of vessel, including those carrying crude to Iran's allies.

A possible mitigant is the transfer of oil to the Red Sea (and Duez Canal) via the East-West Crude Oil Pipeline. This will help, but only at the margin as the pipeline can only carry 5M barrels of crude per day^[3] compared to normal shipments through the Strait of Hormuz of 20M barrels per day.

Figure II: Alternative Pipelines



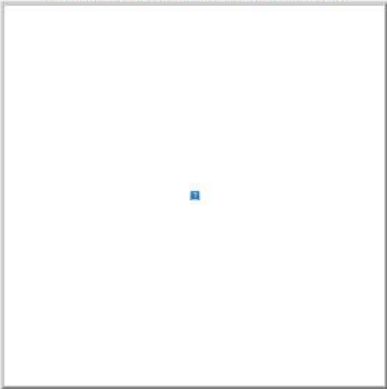
Countering the Attacks

Ukraine has been dealing with Shahed drone and missile attacks for the past several years with some success. However, the situation on the Strait is different in the sense that even if one in four attacks is successful, it will probably be sufficient to make vessel insurance rates prohibitively expensive, and Iran has multiple tools for the attacks: drones, missiles, and fast boat delivered missiles and torpedoes.

Possible Escalation/ Choke Points

A major challenge in any war is anticipating the next move of one's opponents. Let us forget, Iran's Houthi allies, based in Yemen, have previously attacked ships heading south in the Red Sea. Approximately 4M barrels per day flow through the Bab el-Mandeb Strait^[4].

Figure III: Arabian Peninsula Maritime Chokepoints (Oct 10, 2024)



Since 2023, the Houthis have attacked 178 vessels^[5].

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To effectively predict the action of various parties, it helps to understand their objectives/ motivations. Below is a summary:

Israel Leadership – regime change and the elimination of Iran's military capacity and its nuclear capabilities.

Israel Leadership – regime change and the elimination of Iran's military capacity and its nuclear capabilities

U.8. Leadership – regime change and the elimination of Iran's military capacity and its nuclear capabilities.

Russia – maintenance of high energy prices, divert U.S. resources from Ukraine

China – distract the U.S. from east Asia, see U.S. debt grow, and undermine its leadership position

As is usually the case, war is extremely expensive with cost estimates now at \$10 per day/US\$ if the objective from the U.S.'s perspective was the elimination of Iran's enriched uranium and regime change, those objectives appear increasingly unlikely. Our sense is that the U.S. likely has the least interest in its continuation and if it continues long, the public's ambivalence will be reflected in the midterm and 2028 elections. On the energy front, the U.S. could halt the export of its energy, but such an action is likely to alienate major allies and domestic producers. Hence, a possible (perhaps increasingly likely) outcome is the U.S. claiming its mission has been accomplished and leaving others to clean up the mess. From the U.S.'s perspective, the concern will be one of losing bases as the Gulf countries might view having the bases as more of a risk than a benefit. The attacks on refineries and desalination plants are highly disruptive[7].



While a focus on winning is typically the goal in any endeavor, there are actions which are so unpalatable that their occurrence has long-term consequences. In this conflict, attacking the desalination plants, which the population of several Gulf countries are dependent on, will probably be perceived as unacceptable. Likewise, the assassination of sovereign/religious leaders probably fits in the same category and might be counterproductive.

Below is a preliminary assessment of the impact of the continued war on various industries (in order of impact):

Negative: Airlines, Automobiles, Trucking, Chemicals, Construction, Consumer Finance, Electric Utilities, Banking, Gas Utilities, Hotels, Restaurants & Leisure, Metals & Mining, Retail

Positive: Defense (particularly those focused on new tech), Energy, Energy Services, Cybersecurity

Wars change countries and change politics. Our view is that this war is likely to be the defining moment for the current administration. For sophisticated institutional investors and risk managers, we have identified some of the consequences, but expect more as conditions develop.

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Airstrikes may not force regime change in Iran, raising risks of prolonged conflict

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*This number represents an insurance premium. For example, 10 represents 10 basis points of the notional amount, paid on an annual basis for a 5-year bond. All the countries' CD3s are the values of REFINITIV EOD latest par price.

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CD3 data is accurate as of 03/12/2026

<https://www.eia.gov/dnav/total/leafHandler.aspx?M&n=PET&s=RWTC>

<https://data.worldbank.org/country/profile/en/country/JA?locations=NY&GDP-MKTP-KD-ZG>

(ii) https://en.wikipedia.org/wiki/East%E2%80%93West_Crude_Oil_Pipeline

[4] <https://safetysa.com/crude-oil-flowing-through-the-bab-el-mandeb-falls-by-50/>

https://en.wikipedia.org/wiki/Red_Sea_crisal#~:text=The%20Red%20Sea

in https://en.wikipedia.org/wiki/2025_Iran_war?utm_source=

in <https://www.youtube.com/watch?v=L4HvlnGA-60>, 13:21

From: Sarah Bianchi
To: mliposky@mapension.com
Subject: The State of the Strait – Moving Towards a Tentative Resolution Even as Long-Term Risks Persist
Date: Friday, April 17, 2026 1:40:52 PM



17 April 2026

Global Policy and Politics | Political Analysis

The State of the Strait – Moving Towards a Tentative Resolution Even as Long-Term Risks Persist

The Iran crisis appears to be moving toward a tentative and fragile resolution that, even if reached, will leave many core issues unresolved even as it alleviates some near-term market overhang.

Iran has announced that the Strait of Hormuz is fully open for commercial traffic following the 10-day ceasefire between Israel and Lebanon. Trump then posted on Truth Social that the blockade would remain in effect for Iran only until the “transaction with Iran is 100% complete,” adding that he does not expect the blockade to persist for long given that the parties are close to a deal.

While these statements coming from both sides are a clear near-term positive, even if a short-term agreement is reached, risks in the Middle East will remain elevated. First and foremost, Iran has demonstrated its capacity to disrupt global energy flows, implying structurally higher oil prices. Moreover, the lack of specificity around any agreement on Israel’s capacity to act independently of the United States will remain long-term risks to stability.

Of course, at this point there is no agreement. The U.S. and Iran are edging closer to resuming face-to-face negotiations, although the White House does not want to send the Vice President into negotiations unless they have a high degree of confidence they will succeed.

As we have previously noted, any deal is likely to focus on Iran’s uranium enrichment program, economic relief, and security around the Strait of Hormuz. While these issues are complex, they represent areas where some degree of alignment is possible.

The Iranian government is seeking revenue to stabilize the economy and rebuild the military. One idea that has been floated is that the U.S. would receive Iran’s enriched uranium in exchange for access to frozen assets or some other kind of economic payment.

Regardless of the terms, we expect any eventual agreement to leave several critical issues unresolved, including Iran’s regional proxy network and the status of its missile program.

[Click Here for the Report](#)

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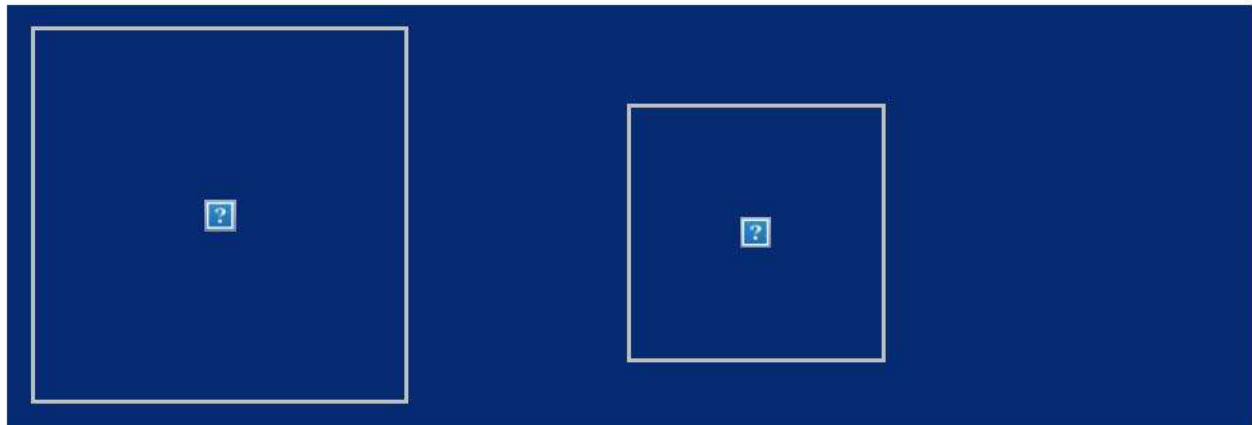
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From: Egan-Jones Ratings Co.
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Subject: Tit for Tat; The Making of a Faustian Bargain
Date: Monday, April 13, 2026 1:40:37 PM



Risk Commentary

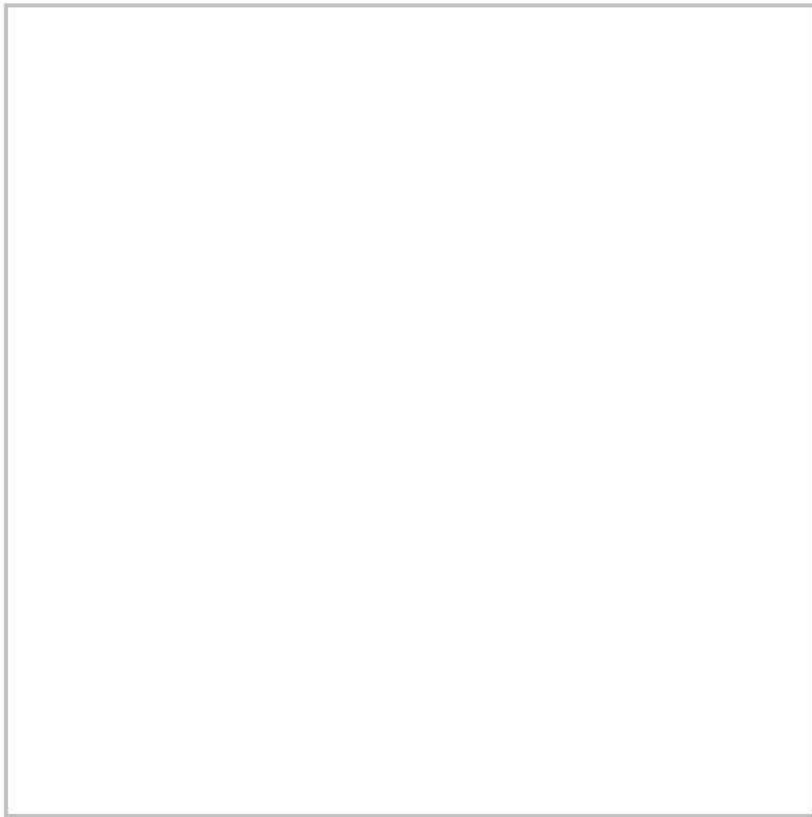
Tit for Tat; The Making of a Faustian Bargain (04/13/2026)

Overview

Whether appreciated or not, the world has massively changed in the past few days, bringing with it significant shifts in the investment and credit environments. This installment aims to address some of those changes and implications for sophisticated institutional investors and risk managers.

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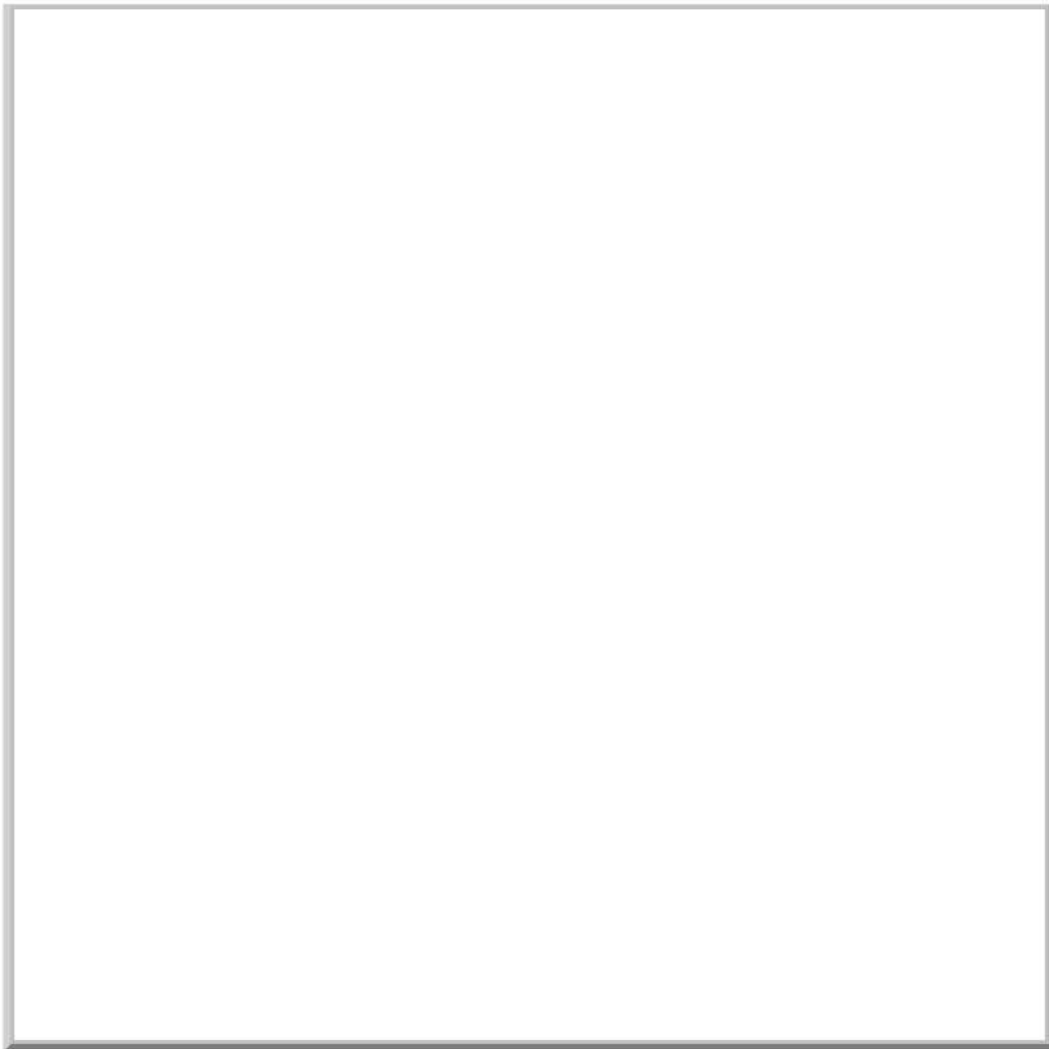


A Faustian Bargain

The Iranian War was started in an attempt to curb the nuclear ambitions of Iran, which, in turn, presumably was building its nuclear program in an attempt to protect its sovereignty. While on its face, nuclear power might appear to be a panacea, it comes at a great cost, primarily in the form of sanctions and massive declines in living standards. Look no further than the massive collapse in the Iranian currency over the past few years.

Figure I: Iranian Rial Value (USD per 1,000,000 IRR) - 10 Year Trend

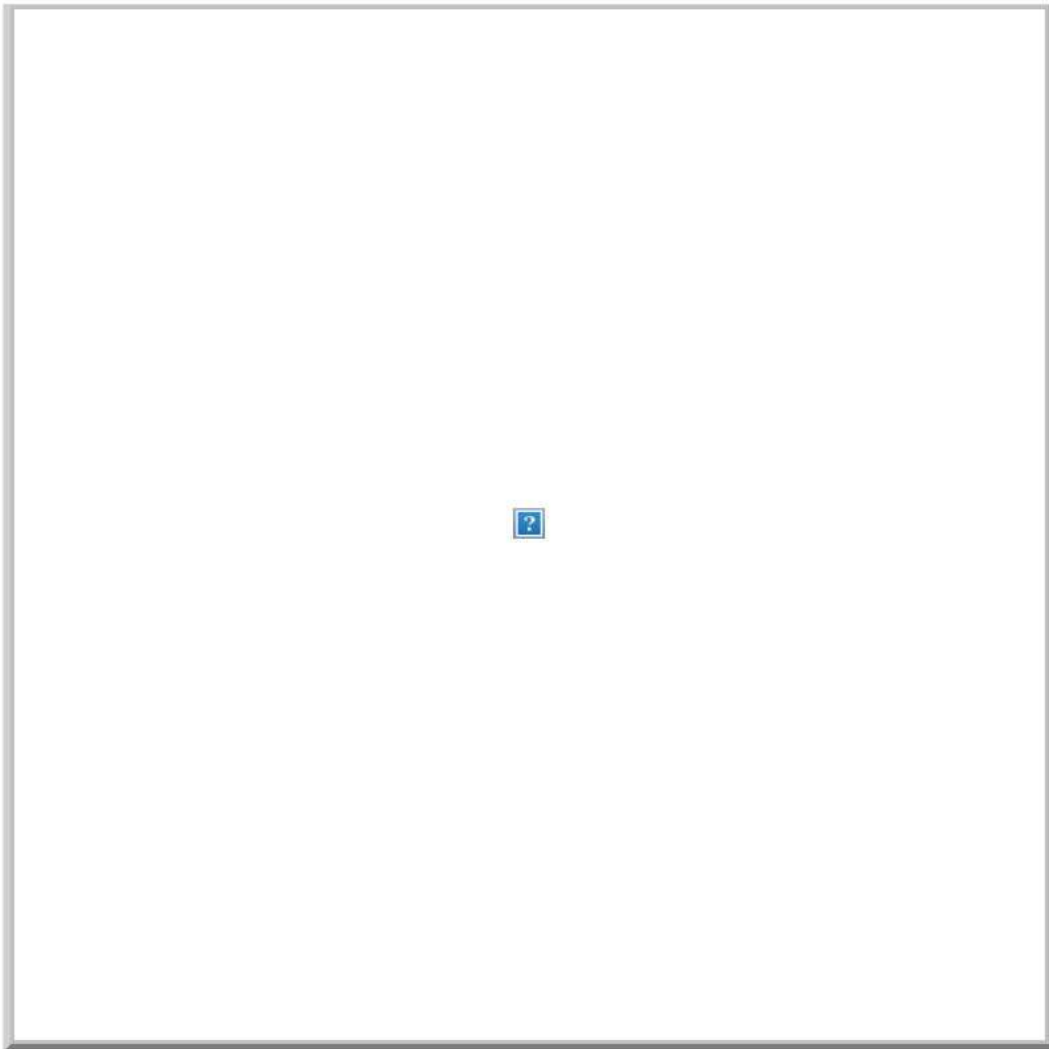




Perhaps North Korea is an example. While the country built a massive arsenal, its economy has been a disaster, particularly in comparison to that of South Korea. However, for the leaders of undemocratic regimes like North Korea or Iran, broad prosperity is not imperative. Leaders of all countries seek political stability, however leaders of undemocratic regimes do not need the active consent of the governed.

Figure II: GDP per Capita (US\$) ([source](#))





The irony is that Iran is an extremely difficult country to invade (because of its size and geography) and perhaps the greatest threat comes from within. It is apparent from negotiations that sanction relief is a key item.

The latest developments are Washington's closing the Strait of Hormuz to all shipping, thereby depriving Iran of a majority of its revenue. In response, Iran is threatening to attack all ports in the Persian Gulf and Gulf of Oman. In the meantime, Iran's president supposedly claimed a deal will be reached if the US is more respectful. Our view is that it is in most parties' interest to reach a deal, hopefully soon.

A Few Changes

While the terms of a settlement are still being negotiated, it is probably helpful to review some likely final terms:

1. **Control of the Strait** – possibly the Strait of Hormuz will be jointly controlled by the US

and Iran with tolls being applied to traffic. Presumably, the US will represent the interests of the other Gulf states and is likely to seek reimbursement for the funds expended to date.

2. **Controls on Nuclear Development** – the fear throughout this process has been that Iran, either directly or indirectly, would use nuclear weapons to attack its perceived enemies. Although agreement on this item has not yet been achieved, we expect an accommodation to be reached.
3. **No Regime Changes** – for those who had hoped for a regime change in Iran, it won't happen under the pending accord and is probably only possible via an internal uprising. With Venezuela as a mold for the current administration's approach, the goal is to carry on despite philosophical differences on governance.
4. **No "Endless War"** – perhaps the administration realized the difficulty of eradicating all means for Iran to disrupt traffic in the Strait, (such as drones, speedboats, missiles, mines, etc.) and shifted to those actions which would cause more immediate harm (such as curtailment of power generation). Hopefully both sides realized there is a better path for achieving their respective goals.
5. **American Restraint** – Throughout the war, America has been unwilling to destroy the economic capacity of Iran. America continues to observe the taboo of using her own nuclear weapons even to prevent further nuclear proliferation. American leaders also were unwilling to strike the most impactful targets including water treatment plants, electricity generation plants, oil refining plants, and symbols of the regime such as Milad Tower (a massive telecommunications tower).

A Few Implications

Now comes the hard part. Although there is still significant uncertainty involved in the negotiations, assuming a deal is reached, there are some resulting implications:

1. **More Expensive Petroleum** – Tolls imposed will lead to higher prices for consumers of oil, fertilizer, and other products passing through the Strait. Although Saudi Arabia can divert some supply west for transport via the Red Sea, capacity is limited. (Iran's allies, the Houthis, might again threaten shipments but hopefully will be reined in by Iran.)
2. **A Reset for the European Union** – the calculus used by many of the EU countries was that Iran was not their concern and that given the fact that the US started the war, it was not inclined to support it. Setting aside the threat that Iranian missiles could

reach Europe, the likely upshot is that the US's support for the European Union is being questioned. We would not be surprised if the issue of Greenland re-emerges as negotiations with the EU proceed.

3. **The Taiwan Question** – given the fact that China imports a majority of its petroleum, it needs energy from the Strait. Since the US will have a voice in traffic emanating from the Strait, perhaps the probability of hostilities has declined.

A Few Caveats

Historians will be writing for years about events in the Strait. Strategically, if the broad outcomes of the settlement hold, it is a major win for the US as it has partial control of a major chokepoint for world trade. Although the outcome looks promising, there are a few items that should give pause at least for those concerning longer-term outcomes. Several major ones come to mind:

GDP Dependency – any nation is dependent on its economy to provide the resources to its military. If major challengers grow faster than the US, then the US has a problem.

Debt Overhang – Historian Niall Ferguson has some thoughts on relative debt levels: "Ferguson's Law" posits that a great power fails when interest payments on its national debt exceed its defense budget. In 2024, the U.S. began violating this law as debt interest surpassed \$1.1 trillion, exceeding military expenditure. Ferguson warns this structural fiscal crisis mirrors the decline of previous empires.

Fighting the Last War – drones and advanced missiles have played a major role in the Iran War. The usage of \$2M+ Patriot missiles to counter the \$25K Shahed and other drones and the possible damage to an aircraft carrier raises concern that despite the destruction of most of Iran's air force and navy, it retained some ability to strike back. (See prior Risk Commentaries)

Population Collapse – a rising dependency ratio (i.e., retirees versus workers) is a concern for the West.

Israel Et Alia – Israel and others (China and Russia) are not directly part of the agreement and might seek to disrupt matters to protect their own interests.

A Few Hopes / Conclusion

While it is easy to be pessimistic, history has shown that the money is better on the positive side. (Are there any major short sellers left?) Our bet is that conditions will settle down, and some normality will return soon. An item to watch is the recent subsidy request of a major

auto company for a factory fire. (More to follow.)

KINGDOM OF NORWAY

Rating Analysis - 8/13/25

*EJR Sen Rating (Curr/Prj) AA+ / AA+

According to the OECD, Norway's economic outlook for 2025 and 2026 is positive, with mainland GDP projected to grow by 1.7% in 2025 and 1.9% in 2026. This acceleration is primarily driven by solid growth in household disposable income, which is expected to boost private consumption as real wages rise and interest rates begin to fall.

Housing investment is set to rebound after a period of weakness, supported by lower borrowing costs and increased demand, while higher house prices have strengthened household balance sheets. However, non-oil business investment is likely to improve only modestly, reflecting persistent uncertainty in the global trade environment and subdued international demand. After a period of intense activity, the oil sector is expected to see a marked decline in production as ongoing development projects wind down. Despite these sectoral shifts, overall economic activity will be underpinned by expansionary fiscal policy and continued government spending, particularly in the energy sector. Affirming.





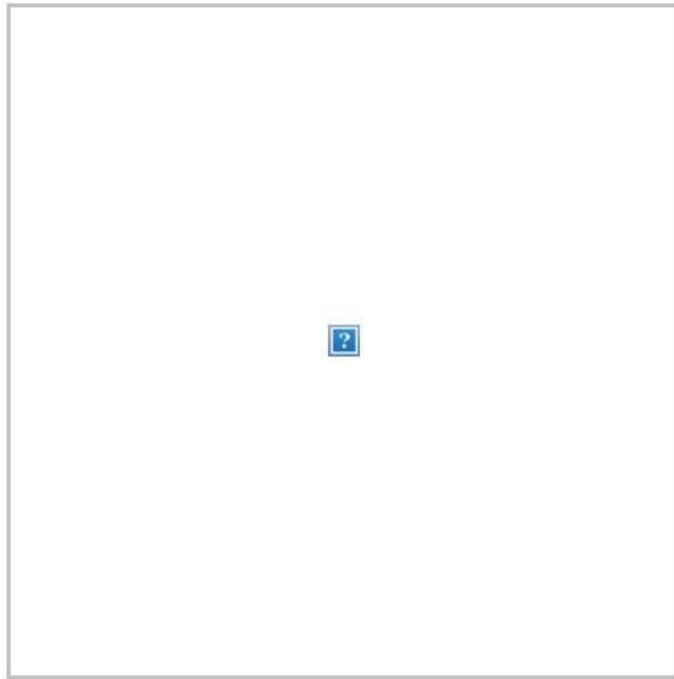
Economic Growth

Norway's GDP performance in early 2025 presents a mixed picture, reflecting persistent challenges and emerging strengths. While the overall economy contracted by 0.1% quarter-on-quarter in the first quarter of 2025—marking the third consecutive quarterly decline—this was a notably softer contraction than the previous quarter's 0.9% drop. The downturn was mainly driven by continued weakness in petroleum activities, ocean transport, and a sharp fall in fixed investment. However, there are clear signs of improvement in the mainland economy: Mainland Norway's GDP (excluding petroleum and ocean transport) grew by a robust 1.0% in Q1, the most substantial quarterly gain since early 2022. This rebound was fueled by strong household consumption, which rose by 1.5% as real wage gains supported spending, and by surges in electricity production, retail trade, and car purchases ahead of tax changes. Manufacturing and fishing also contributed positively after previous declines.



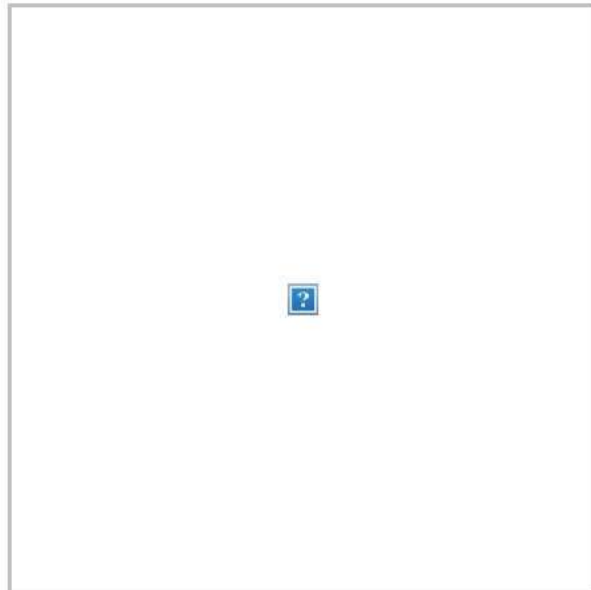
Fiscal Policy

Norway's fiscal position remains fundamentally strong, even as the government pursues an expansionary fiscal stance in 2025 and 2026. Defence spending is set to rise to 2.2% of GDP in 2025. New measures include cuts to personal income tax and social security contributions, and a new electricity support package for households. The Revised National Budget also introduces a substantial increase in support for Ukraine, totaling NOK 50 billion, though this is not expected to affect domestic economic activity significantly. The structural non-oil budget deficit is projected to widen by more than 2.5 percentage points of mainland GDP this year, mainly due to the increased support for Ukraine, bringing the deficit to 10.9% of mainland GDP in 2025, up from 10.4% in 2024.



Unemployment

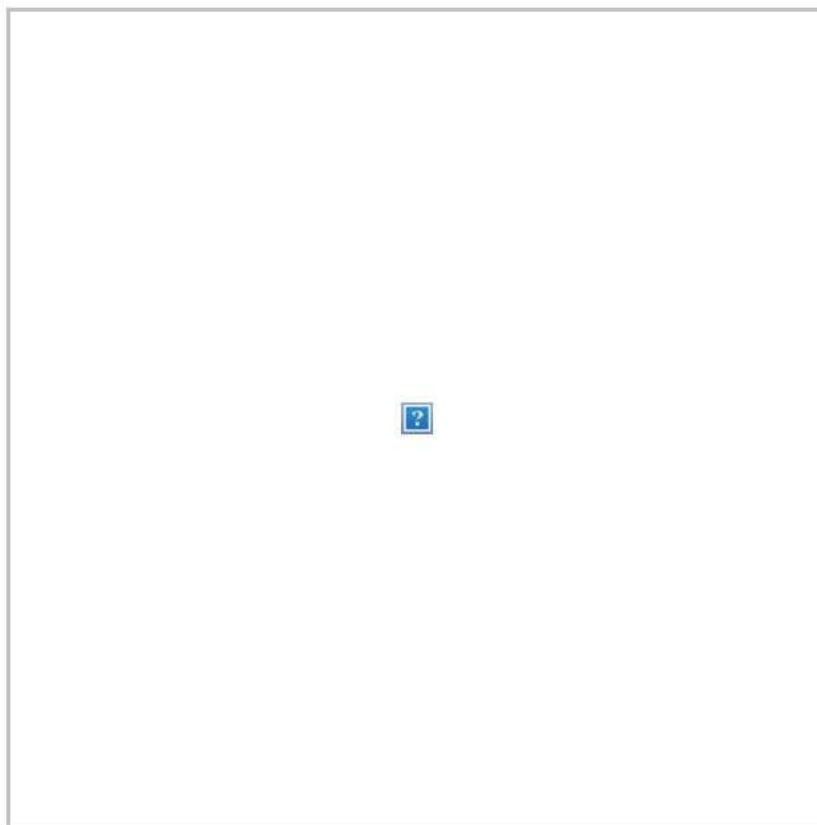
Norway's labor market showed renewed strength in April 2025, as the seasonally adjusted unemployment rate edged up to 4.3% from a fourteen-month high of 4.4% in March. Notably, youth unemployment—measuring job seekers aged 15 to 24—dropped to 13.1% from 14% in March, signaling some improvement among younger workers. These figures reflect a resilient labor market, despite recent economic headwinds and a modest contraction in GDP earlier in the year. While the current rate is slightly above the long-term average of around 4%, it remains well below historical highs.



Banking Sector

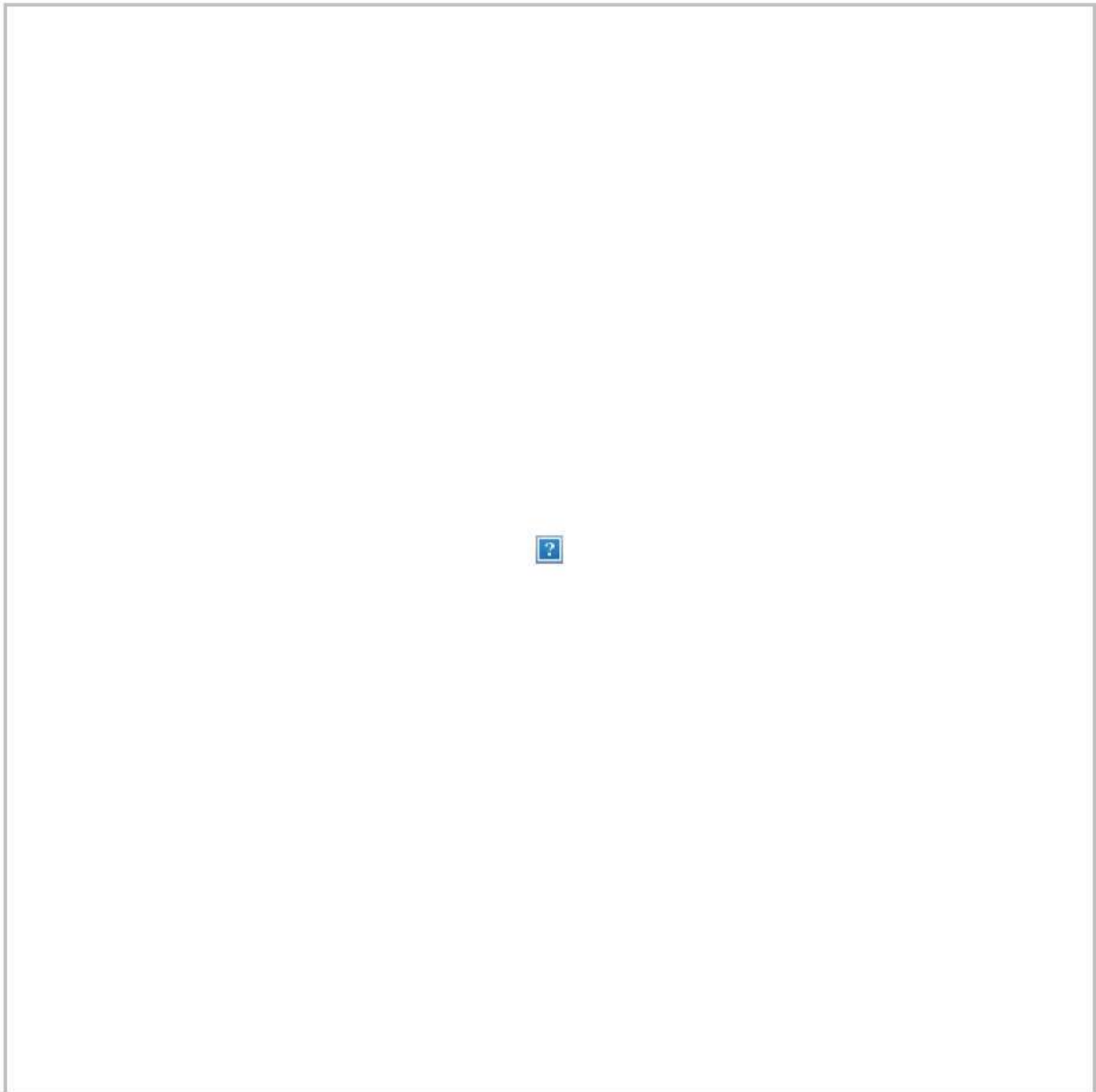
Norway's banking sector enters 2025 in a position of strength, marked by robust profitability,

solid asset quality, and high capital adequacy. After benefiting from elevated interest rates over the past two years, Norwegian banks are expected to see net interest income moderate as Norges Bank begins to cut rates in the second half of 2025. Asset quality is expected to remain solid, with the cost of risk contained at 5–15 basis points, well within historical averages, and non-performing loans staying low as financing conditions ease and economic growth improves.



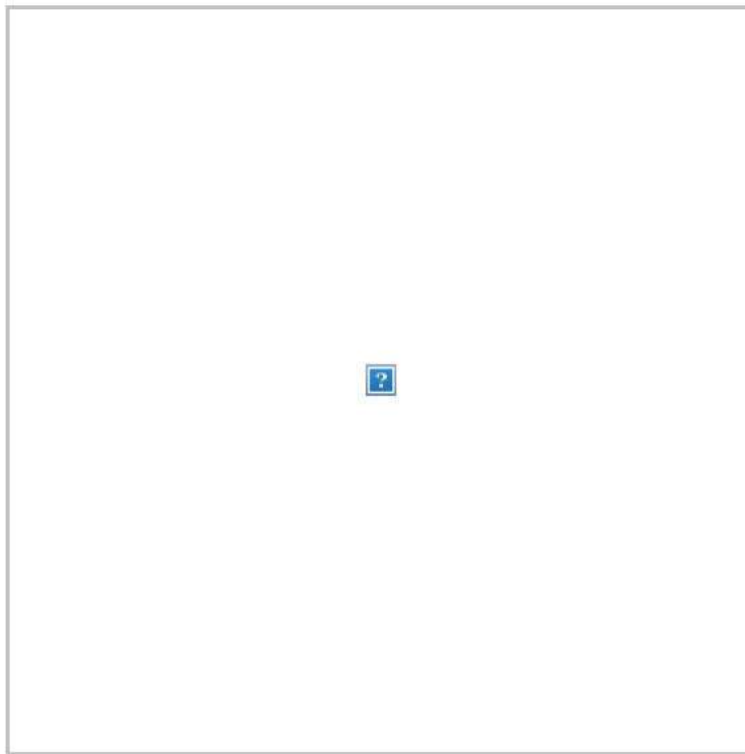
Funding Costs

Interest and funding costs in Norway remain elevated as of mid-2025, with Norges Bank maintaining its key policy rate at 4.5%—the highest level in 15 years—since December 2023. Looking ahead, the interest rate outlook is for gradual easing: Norges Bank has signaled that it will likely begin cutting rates later in 2025, with the policy rate expected to fall to around 4.25% by year-end and trend toward 3.5% in 2026 as inflation moderates and economic activity stabilizes.



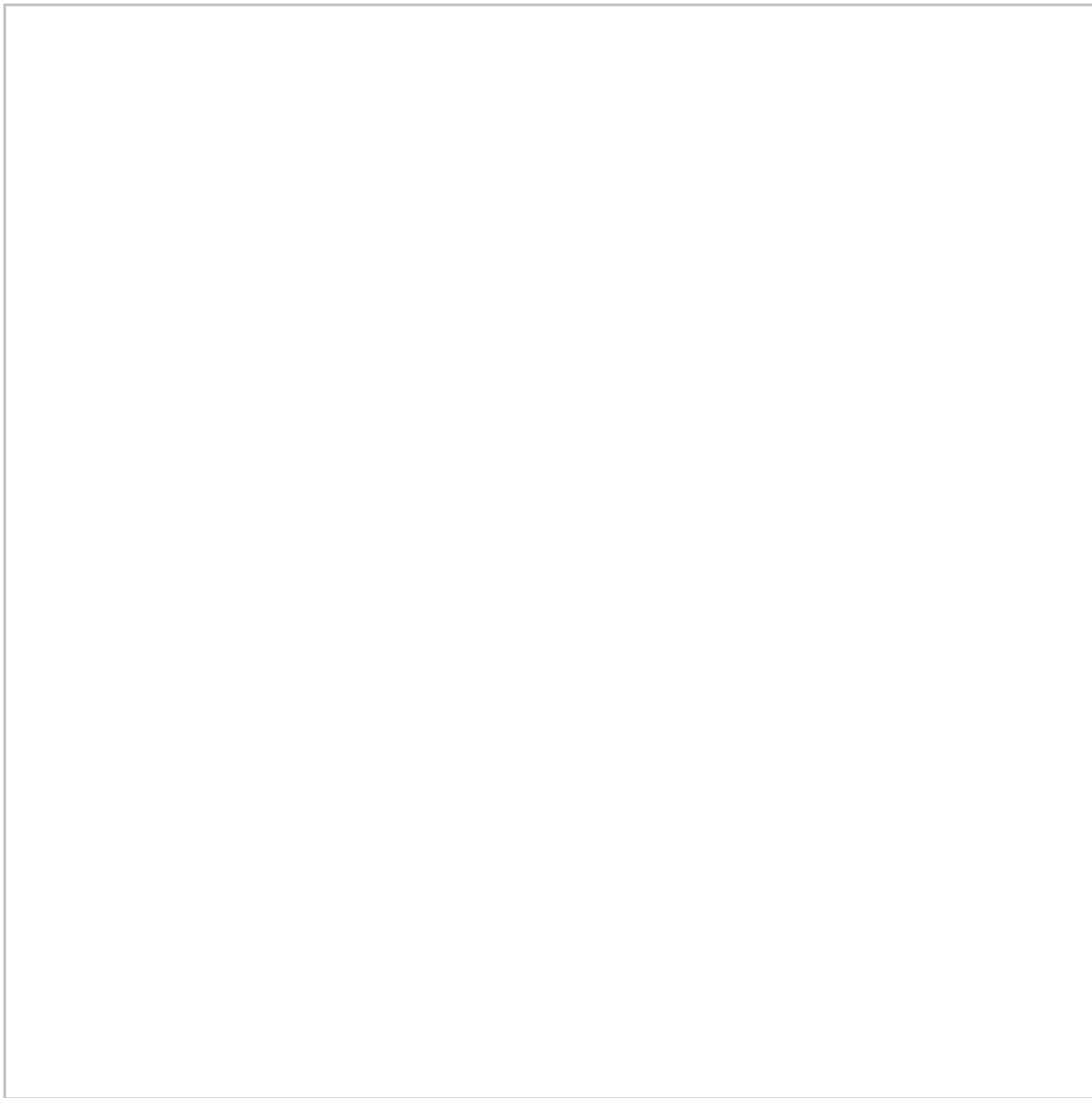
Ease of Doing Business

Major factors for growing the economy are the ease of doing business and the economic freedom; although not the sole factor for determining economic growth, a country which makes it easy for businesses to operate and provides a reasonably free environment to conduct business has a good chance for growth. The chart on the right indicates that with an overall rank of 9 (1 is best, 189 worst) is extremely strong.



Economic Freedom

As can be seen below, Norway is strong in its overall rank of 78.3 for Economic Freedom with 100 being best.

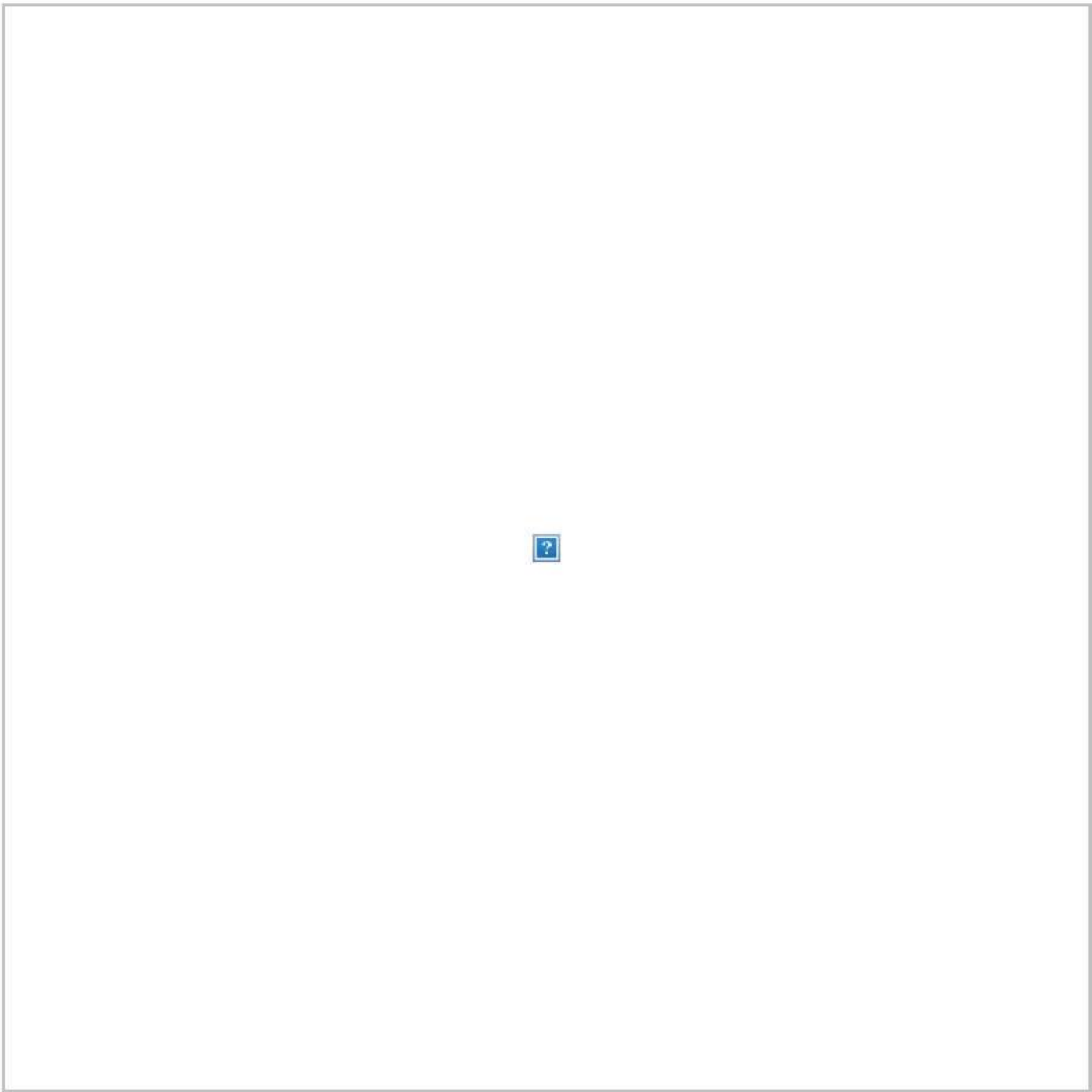


Credit Quality Driver: Taxes Growth:

KINGDOM OF NORWAY has seen a decline in taxes of 2.9% per annum in the last fiscal year which is disappointing. We expect tax revenues will decline by approximately 2.9% per annum over the next couple of years and 0.5% per annum for the next couple of years thereafter.

Credit Quality Driver: Total Revenue Growth:

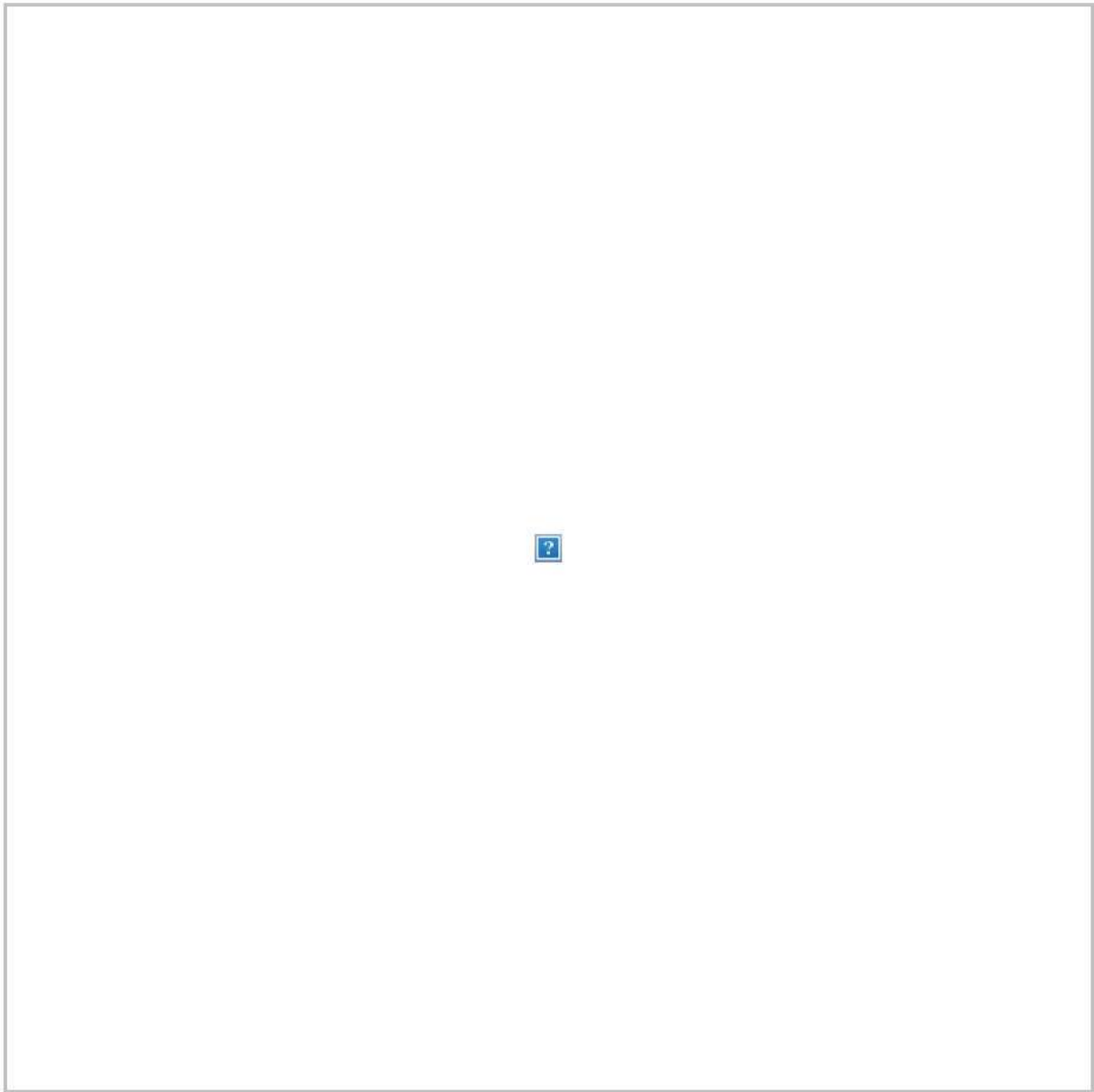
KINGDOM OF NORWAY's total revenue growth has been less than its peers and we assumed a 1.9% decline in total revenue over the next two years.





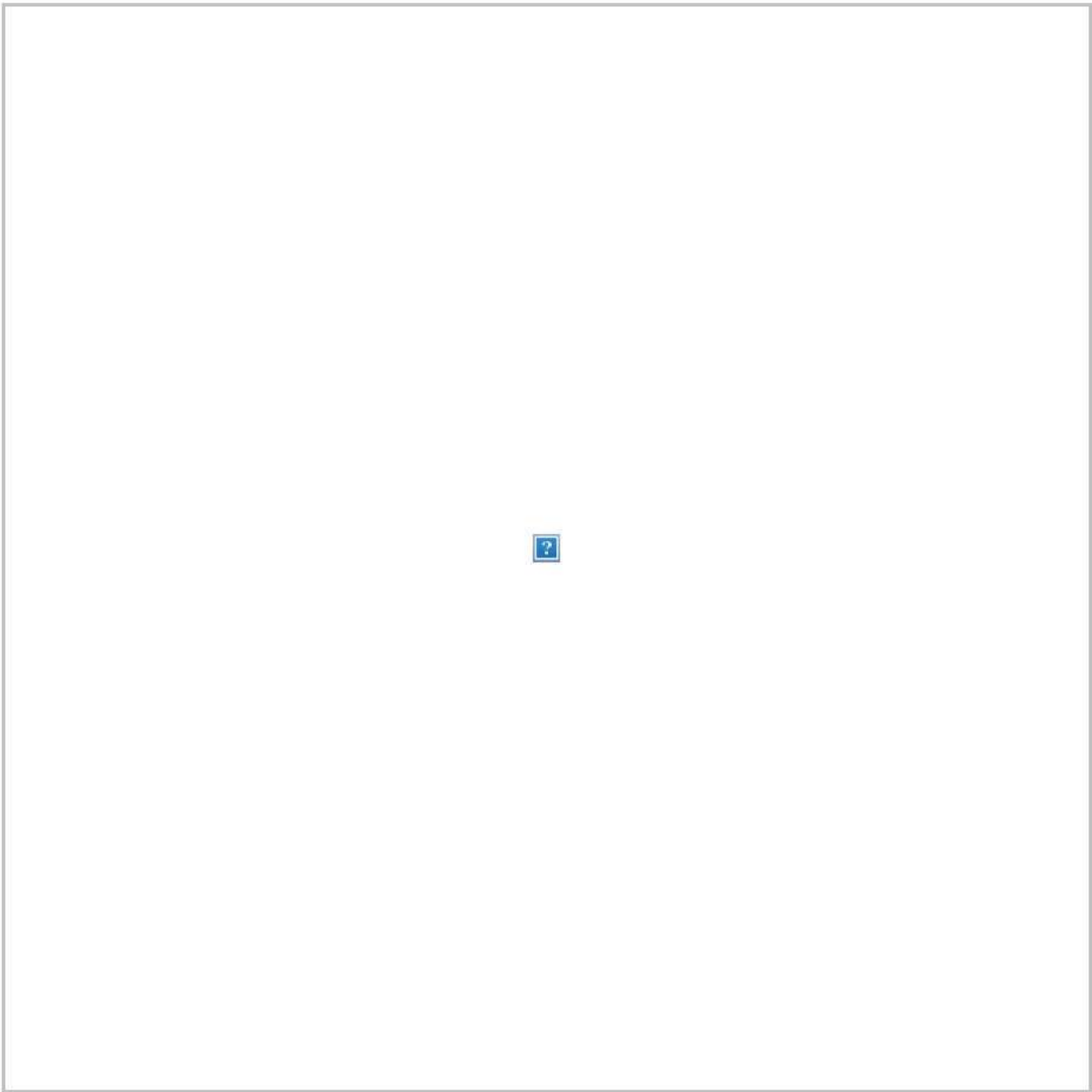
ANNUAL INCOME STATEMENTS

Below is the KINGDOM OF NORWAY's annual income statements with the projected years based on the assumptions listed [in the preceding section](#).



ANNUAL BALANCE SHEETS

Below is the KINGDOM OF NORWAY's balance sheets with the projected years based on the assumptions listed [in the Credit Quality section](#).





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Comments on the Difference between the Model and Assigned Rating

In this case, there has been little change in the recent results and therefore we have used our best judgement in making adjustments which are reflected in the results for the projected ratings. We have assigned a rating of "AA+" whereas the ratio-implied rating for the most recent period is "AA+"; we expect results to decline slightly.

Changes in Indicative Ratios

We have not made any adjustment in the indicative ratios at this time.

SEC Rule 17g-7(a) Disclosure

Below are the disclosures as required by Paragraph (a) of Rule 17g-7:

- 1. The symbol in the rating scale used to denote the credit rating categories and notches within categories and the identity of the obligor, security, or money market instrument as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

For the issuer KINGDOM OF NORWAY with the ticker of 1233Z NO we have assigned the senior unsecured rating of AA+. There are three notches in our rating categories (e.g., A-, A, and A+) other than those deep into speculative grade; for CC, C, and D there are no notches.

2. The version of the procedure or methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:

We are using the methodology version #16 available via egan-jones.com under the tab at the bottom of the page "Methodologies".

3. The main assumptions and principles used in constructing the procedures and methodologies used to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7:

The credit rating assigned reflects our judgement regarding the future credit quality of the issuer. Regarding the specific assumptions used, please refer to page 3 of this Rating Analysis Report.

4. The potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7:

Our rating pertains solely to our view of current and prospective credit quality. Our rating does not address pricing, liquidity, or other risks associated with holding investments in the issuer.

5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7:

Our rating is dependent on numerous factors including the reliability, accuracy, and quality of the data used in determining the credit rating. The data is sourced from publicly available 10Q and 10K statements, quarterly reports, 8K filings, earnings reports, and other similar sources. In some cases, the information is limited because of issues such as short operating histories, the lack of reported data, a delay in reporting data, restatements, inaccurate accounting, and other issues. Such shortcomings are not always readily apparent. EJR aims to identify such shortcomings and make adjustments using its best judgement.

6. Whether and to what extent third-party due diligence services have been used in taking the rating action as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7:

EJR does not utilize third-party due diligence services.

7. How servicer or remittance reports were used, and with what frequency, to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7:

Servicer or remittance reports normally pertain to structured finance issuers; this report does not pertain to a structured finance issuer (EJR is not an NRSRO for structured finance or sovereigns/ municipal issuers). Regarding surveillance, the minimum time period for corporation issuers is normally one year.

8. A description of the data that were relied upon for the purpose of determining the credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7:

EJR uses 10Q and 10K statements, quarterly reports, 8K filings, earnings reports, governmental filings and other similar sources for ratings on publicly traded issuers. In the case of private issuers, EJRI relies on information provided mainly by issuers.

9. A statement containing an overall assessment of the quality of information available and considered in the credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7:

The information is generally high quality and readily available.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7:

This rating is unsolicited.

11. An explanation or measure of the potential volatility of the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule 17g-7:

Our rating aims to assess the probability of the payment of obligations in full and on time. Factors which affect such probability, and in turn our rating, include changes in the operating performance of the issuer, changes in capital structure, and merger and acquisition events.

12. Information on the content of the credit rating as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7:

Regarding the historical performance of the credit rating, our rating transition matrix is available in our Form NRSRO, exhibit 1. The expected probability of default and the expected loss in the event of default is listed on the first page of this report.

13. Information on the sensitivity of the credit rating to assumptions as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7:

Below is a summary of the impact of the 5 assumptions which independently would have the greatest impact on our "ratio-implied rating":



14. If the credit rating is assigned to an asset-backed security, a description of: (i) the representations, warranties, and enforcement mechanisms available to investors; and (ii) how they differ from the representations, warranties, and enforcement mechanisms in issuances of similar securities, as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7:

This credit rating is not assigned to an asset-backed security.

ATTESTATION FORM

In compliance with the US Securities and Exchange Commission (SEC) Rule 17g-7(a), the Egan-Jones analyst who published the report is responsible for the rating action and to the best knowledge of the person:

1. No part of the credit rating was influenced by any other business activities,
2. The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated, and
3. The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.



Sovereign Rating Methodology (Non-NRSRO)

Scope and Limitations:

Sovereign Issuer Credit Quality Ratings (CQR) are a forward-looking assessment of a sovereign's capacity and willingness to honor its existing and future obligations in full and on time. Sovereigns are assigned two CQRs: a Local-Currency CQR, which reflects the likelihood of default on debt issued and payable in the currency of the sovereign, and a

Foreign-Currency CQR, which is an assessment of the credit risk associated with debt issued and payable in foreign currencies.

Key Rating Drivers:

EJR's approach to sovereign risk analysis is a synthesis of quantitative and qualitative judgments. The quantitative factors EJR uses are:

- Debt in relation to GDP.
- Surplus or deficit in relation to GDP.
- Debt plus potential under-funding of major banks in relation to GDP.
- Interest expense in relation to taxes.
- GDP growth.
- Foreign reserves in relation to debt.

Debt levels for many sovereign issuers have increased at an accelerating rate over the past decade, affecting implied ratings. EJR also considers unemployment levels and funding costs. EJR recognizes that no model can fully capture all the relevant influences on sovereign creditworthiness, meaning that its sovereign ratings can and do differ from those implied by the rating model. Some of the qualitative factors that impact its ultimate assessment of credit quality include the flexibility, stability and overall strength of the economy, efficiency of tax collection, acceptance of contract law, ease of doing business, trade balances, prospects for future growth and health and monetary policy, and economic freedom. These subjective and dynamic qualitative issues are not captured by the model but affect sovereign ratings.

For additional information, please see Exhibit 2: Methodologies in EJR's Form NRSRO

In 2025, Egan-Jones rated **over 3,200** private credit deals.

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AI is reshaping markets, boosting chips, energy, and platforms

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The Iran War; Reopening the Strait of Hormuz

Hormuz tensions threaten oil flows, boosting prices and reshaping geopolitics.

[Read more](#) 

Sources & Footnotes

*This number represents an insurance premium. For example, 10 represents 10 basis points of the notional amount, paid on an annual basis for a 5-year bond. All the countries' CDSs are the values of REFINITIV EOD latest par price.

** non-NRSRO rating. View all at www.egan-jones.io/non-nrsro-ratings/clo

CDS data is accurate as of 04/13/2026



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From: Sarah Bianchi
To: mliposky@mapension.com
Subject: Trump Likely to Blow Through Another Deadline This Week – But with Each Delay the Landscape Changes Which Could Take a 'Toll'
Date: Monday, April 6, 2026 8:55:18 AM



6 April 2026

Global Policy and Politics | Political Analysis

Trump Likely to Blow Through Another Deadline This Week – But with Each Delay the Landscape Changes Which Could Take a 'Toll'

President Trump's speech last Thursday disappointed the markets and anyone trying to understand the path forward in the Iran conflict. And now, there is a new deadline for Tuesday April 7 with some hope for a U.S./Iran deal by then with Trump threatening consequences if there is no deal.

A U.S./Iran deal this week is quite unlikely as the parties are too far apart for a resolution. As former Deputy Iran Envoy Richard Nephew said on our webinar last week ([link](#)), right now neither side thinks it is losing, which makes it hard to give up a lot to get a deal. If there is no agreement, we expect Trump will respond with some more bombings but stay clear of sending real troops on the ground. At this point given Iran is still able to inflict pain in the Strait and in the broader region, and the United States still has plenty of room to escalate. That is largely where things have stood for a couple of weeks.

However, a few dynamics have changed. The President has signaled a willingness to withdraw without opening the Strait of Hormuz, leaving that for others to solve. Meanwhile, Iran's Islamic Revolutionary Guard Corps has asserted more control of the Strait by imposing tolls for vessels that pass through from friendly countries. This toll regime raises many questions around sanctions, given the IRGC is a sanctioned entity and designated foreign terrorist organization. However, the longer it persists the more invested Iran is to continue the toll post-conflict.

We still think the most likely outcome is a withdrawal with a fragile ceasefire (still hovering around 50%). It is possible this resolution could be brokered by other countries, although there are challenges to that as it's important that Iran, Israel and the U.S are bought in on the outcome. Next most likely (~35%) is the President could withdraw without a ceasefire, claiming that the United States has achieved its goals of weakening Iran and the regime. Finally, there is some chance, the President could significantly escalate with significant ground troops (~10-15%).

[Click Here for the Report](#)

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From: [Sarah Bianchi](#)
To: mliposky@mapension.com
Subject: Two-Week Ceasefire Raises Hopes a Fragile Peace Can Take Hold, But Risks Abound
Date: Wednesday, April 8, 2026 8:00:02 AM



8 April 2026

Global Policy and Politics | Political Analysis

Two-Week Ceasefire Raises Hopes a Fragile Peace Can Take Hold, But Risks Abound

President Trump's announcement of a two-week ceasefire is a clear positive that for the time being removes the threat of a highly escalatory bombing campaign against Iran's economic infrastructure and certainly demonstrates reluctance to escalate in a way that requires ground troops. It also creates a window for partial resumption of traffic through the Strait under Iran's new tolling system, providing some limited short-term relief from the global energy shock.

Perhaps the most important signal of progress is that both Israel and Iran appear bought-in on the two-week cease fire. That said, Israel is clearly reluctant and plans to continue operations in Lebanon, while Iran may need some time to transmit the order to field units that had been operating with greater independence since centralized Iranian command and control was weakened in the early days of the conflict.

Trump's decision to push out the deadline yet again is likely more a reflection of the limits of his own appetite for escalation at this point than actual substantive progress towards a deal. While there is some possibility of a tentative convergence around the nuclear issue, other issues like ballistic missiles, regional proxies, and sanctions relief remain extremely difficult to resolve.

Nevertheless, we judge it as more likely than not that the two-week ceasefire is extended for a period of weeks to months — either because there does start to be some progress towards a limited/partial deal centered on nuclear and sanctions, or because Trump chooses to just declare victory and walk away.

Similar to the U.S.-China trade war last year, both sides in this conflict have shown an ability to inflict pain on the other, due to existing vulnerabilities that could not be quickly or easily mitigated. For the U.S and China, this led to a detente that was and remains fragile and leaves many issues unresolved, but which has now lasted for several months and still has strong buy-in from both sides. This sort of outcome is probably the best that can be hoped for in the Iran context as well.

[Click Here for the Report](#)

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From: [Sarah Bianchi](#)
To: mliposky@mapension.com
Subject: U.S.-Iran Talks in Pakistan Most Likely Managing Tensions Rather than Leading to Resolution
Date: Thursday, April 9, 2026 4:10:43 PM



9 April 2026

Global Policy and Politics | Political Analysis

U.S.-Iran Talks in Pakistan Most Likely Managing Tensions Rather than Leading to Resolution

The two-week ceasefire announced on Tuesday has gotten off to a shaky start, with aerial exchanges continuing in the immediate aftermath and early disagreement over whether it extended to Israel's assault on Hezbollah in Lebanon.

PM Netanyahu faces mounting domestic criticism that he is ending the confrontation with Iran prematurely, while also navigating a political necessity of maintaining alignment with President Trump. For now, he appears to be juggling both—opening talks with the Lebanese government while insisting the ceasefire does not apply and continuing strikes.

We expect the White House to exert additional pressure on Israel in the coming hours to at least give some room for the ceasefire to hold and the U.S.-Iran talks in Pakistan on Friday to get off the ground.

Even if the Lebanon issue can be clarified, we don't expect any breakthroughs from the U.S.-Iran meeting, as the U.S. and Iran remain extremely far apart on substantive issues. Given the deep mutual distrust and Iran's well-established tendency to prolong negotiations, the likelihood of a comprehensive agreement is next to zero.

That said, our base case—and likely the best possible near-term outcome—is an agreement to continue the dialogue, potentially accompanied by a set of high-level principles to guide future discussions. These would likely center on nuclear and sanctions-related issues, where some scope for alignment exists.

Given the challenges to work through, we expect the ceasefire will need to be extended beyond two weeks.

Both sides retain incentives to sustain engagement, even as they remain far apart on substance. Despite some recent rhetoric, we believe President Trump wants to avoid a return to active hostilities. At the same time, Iran has an incentive to try and formalize the Strait toll—or comparable sanctions relief—that could provide a sorely needed economic boost. But for now, Iran is collecting some revenue without being hit by direct strikes, which is a better place than it was prior to the ceasefire.

[Click Here for the Report](#)

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From: Sarah Bianchi
To: mliposky@mapension.com
Subject: U.S./Iran Air Attacks Intensify, but Remain Calibrated Signaling Intent to Resume Negotiations
Date: Thursday, June 11, 2026 9:40:01 AM



11 June 2026

Global Policy and Politics | Political Analysis

U.S./Iran Air Attacks Intensify, but Remain Calibrated Signaling Intent to Resume Negotiations

Kinetic military activity involving Iran intensified over the past 24 hours following the downing of a U.S. helicopter, marking the most serious test of the “ceasefire” to date. However, Iran’s response remains significantly less intense than the activity seen in March and early April, while U.S. Central Command has stated that it has concluded the latest round of “self-defense strikes.” Given that, despite the latest escalation, both sides continue to seek to avoid a return to all-out war and are preserving space for continued negotiations.

President Trump has reiterated the threat of further strikes if a deal is not reached. While Trump has repeatedly stepped back from similar threats over the past two months, the risk of follow-through cannot be fully dismissed. That said, we continue to believe he strongly prefers a negotiated outcome that would allow him to claim progress and shift attention to other priorities. Qatari and Pakistani negotiators claimed they are still involved in mediating negotiations despite recent attacks.

Trump has recently touted incremental progress in facilitating Strait of Hormuz commercial traffic, but the latest developments will likely interrupt any actual progress, at least temporarily, putting upward pressure on energy prices until the headlines begin to shift back toward diplomatic re-engagement.

The Iranians have slow walked negotiations and not been averse to targeted tit for tat escalations, believing that time is on their side and that the U.S. will make more concessions on the nuclear program and economic relief over time. The war is also giving the new Supreme Leader time to get his sea legs and provides a scapegoat for the economic challenges inside of Iran, allowing the regime to blame the U.S. for poor domestic economic conditions.

In addition to direct U.S.-Iran exchanges, the Israel-Hezbollah front will remain a key risk to maintaining the “ceasefire” and reaching a deal. Signals on this front have been mixed, though Netanyahu is unlikely to destabilize any interim agreement Trump can reach, even if the Israeli PM strongly opposes its terms.

As we have written previously, the broad parameters of an interim deal aren’t likely to change ([link](#)).

[Click Here for the Report](#)

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From: Sarah Bianchi
To: mliposky@mapension.com
Subject: US/Iran: Interim Deal to Extend Ceasefire a Limited Positive, with Many Remaining Hurdles to Stability
Date: Sunday, June 14, 2026 10:31:31 PM



15 June 2026

Global Policy and Politics | Political Analysis

US/Iran: Interim Deal to Extend Ceasefire a Limited Positive, with Many Remaining Hurdles to Stability

President Trump announced—and Iranian officials have confirmed—that an interim deal has been reached to extend the ceasefire 60 days, re-open the Strait of Hormuz, and deepen talks on Iran’s nuclear weapons program.

The announcement is broadly in line with what has been telegraphed over the past several weeks and should be viewed as a limited positive for markets, though significant hurdles remain to achieving durable peace.

Most immediately, even getting to Friday’s signing ceremony in Switzerland will require calm on the Israel-Hezbollah front, which is reportedly part of the agreement. That has proven difficult to sustain, as evidenced by recent exchanges.

Even if the path to Friday is smooth, moving from a ceasefire extension to a nuclear-for-sanctions-relief agreement will be extremely challenging. While Iran has made a topline commitment not to pursue a nuclear weapon, the parties still face many complex technical questions around verification, inspections, and the disposition of Iran’s existing enriched-uranium stockpile ([link](#)).

Iran will also have high expectations for relief from U.S. sanctions and asset freezes. Washington has signaled that economic benefits would be conditional, phased, and tied to verifiable Iranian steps.

A key component of the economic relief discussion will be the governance of the Strait of Hormuz. President Trump has said the Strait will reopen “toll free,” though Iran appears interested in some form of compensation, even if it is not formally labeled a toll.

Also as expected, Iran’s ballistic missile program and support for regional proxy groups appear to remain outside the scope of the talks. This was one of the main critiques of the Obama-era JCPOA and raises the risk that sanctions relief could be used to rebuild Iran’s missile capacity.

Given the many unresolved issues, we expect risks around the follow-on negotiations will remain significant, even if the interim deal is signed.

[Click Here for the Report](#)

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To: mliposky@mapension.com
Subject: Viva la Vida; The Limits of Power
Date: Friday, July 17, 2026 4:25:03 PM



RISK COMMENTARY NO. 204

Viva la Vida; The Limits of Power

JULY 17, 2026



Artwork: Eugene Delacroix, *Liberty Leading the People* (1830), Louvre; as adapted for the cover of Coldplay's *Viva la Vida or Death and All His Friends* (Parlophone, 2008)

The Fallen King

“I used to rule the world. Seas would rise when I gave the word.”

- Chris Martin, *Viva La Vida* (3.4 Billion Streams)

In its hit song, Coldplay describes a lament in the voice of a deposed ruler: a man who once commanded the world, remembering how quickly it stopped answering to him. Though poised to be powerful in the future, America's unipolar moment is over.

Some strategic moats that enabled great powers to maintain and project power are less relevant than previously. The good news is that it's difficult for rivals to expand their scope also so long as they choose to respect the taboo of nuclear weapons. Geopolitical tensions and conflicts provide massive disruption and

opportunities for sophisticated institutional investors.

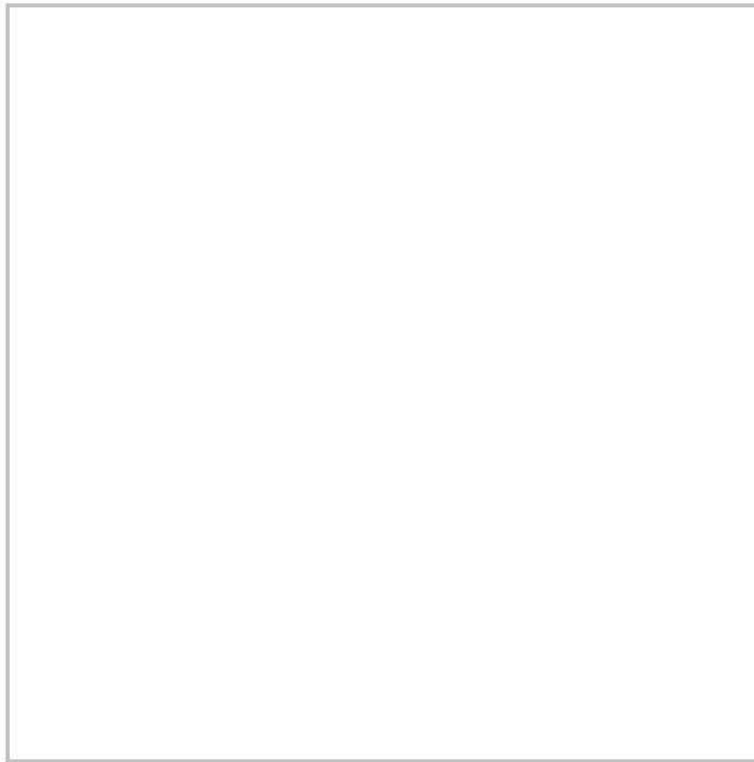
PART I • IRAN

You Can't Move Iran

The Iran War has failed to meet its objectives with no immediate remediation in sight. For context, Washington has walked back each of the following goals:

- **Regime change.** The opening strike killed Supreme Leader Ali Khamenei; the United States now negotiates with his son and successor, Mojtaba.¹
- **Removing the nuclear material.** The IAEA has been locked out of Natanz, Isfahan, and Fordow since February 28; the ask now is only that Iran declare its stocks.²
- **Controlling the Strait of Hormuz.** The memorandum (before it was effectively blown up) asks only that Iran allow safe passage, conceding that control was never on the table.¹
- **A permanent bar on a nuclear weapon.** The memorandum had only a forward promise not to build one, unverified and unenforced.¹

Further indication of America's inability to exert power is Khamenei's state funeral, which opened on July 4, the day the United States marked its 250th Independence Day.³ Massive crowds chanted "Death to America" and carried placards demanding the death of President Trump.



Crowds fill a Tehran avenue beneath red mourning banners and national flags.

A few of the problems are listed below.

- Iran can't be moved from its physical position on the map. It will remain relevant to shipping.
- America is unwilling to put more pressure on the regime by disrupting utilities or oil production, thus risking a recession. This of particular concern given pressure on Russian oil production (see part II).
- America is unwilling to break the taboo of use of nuclear weapons.
- American assets (e.g., bases and aircraft carriers) are vulnerable to cheap drones and munitions.^{4,5}
- America lacks the political will to transition its military to a similar cheap arms approach at a large scale.
- There is no clear pathway for an internal revolt.

What off ramp?

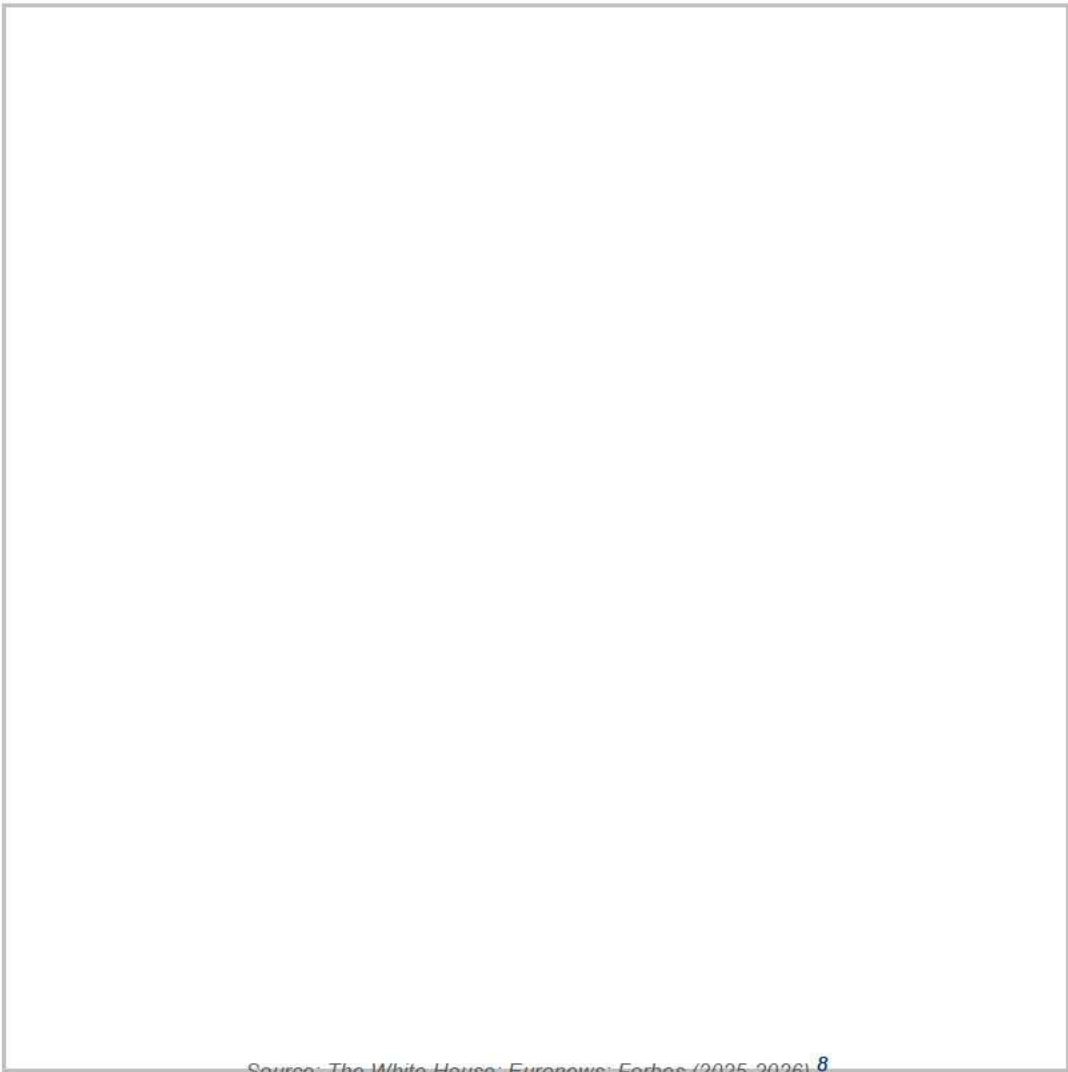
Although the conflict recently became hot, it has been ongoing in a cold manner for more than three decades, since the 1990-91 war made the bases permanent, with the oil commitment dating to 1980.

“An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States.”

- President Jimmy Carter, State of the Union, 1980

Today Washington keeps 40,000 to 50,000 troops across at least nineteen sites in about ten countries.⁶ The below items tie America to the region.

- **Energy significance.** America needs to protect key energy assets in the region.
- **Transit significance.** The Middle East is critical to global shipping lanes.
- **Commitment to Israel.** American military and political institutions are deeply tied to Israel, despite weakening polling results among Americans for Israeli support.⁷
- **Sunk cost.** Decades of transfer payments for bases and alliances are hard to write off, and leaving under fire is likely to yield a political cost that can exceed the cost of staying (e.g., Afghanistan).
- **Committed money.** A defense-industrial base, arms pipelines, and basing contracts pay out only while the commitment holds, with a wide set of firms and constituencies invested in continuation.
- **Gulf expectations.** The Arab monarchies have wired their economies to Washington and expect the security umbrella in return.



Source: The White House; Euronews; Forbes (2025-2026).⁸

The wager runs both ways: Gulf sovereign funds hold about \$2 trillion in US assets, over a third of their total, and invest 12 to 15 times more in the United States than the reverse. That capital buys a claim on American protection and means a war that turns unpopular at home still cannot end in a clean exit.

Impact: America will remain interested in the region and the war will likely have a de facto solution before it has a de jure solution.

The Toll on Trade

The war is effectively a tax on trade. War-risk insurance, longer routes, and idle ships raise the cost of every barrel and box that transits, leading to deadweight loss for the world.⁹ Two questions must be answered by sophisticated institutional investors.

- Is the Iranian leadership a true believer in global intifada?

- Will Israel have the support it needs to protect itself? Suppressing threats through periodic strikes works only with American cover, which the war showed to be thinner than Israel assumed.

At home, the campaign has run past the War Powers Resolution's 60-day limit without authorization. Both chambers voted to end it, the House 215 to 208 and the Senate 50 to 48 with four Republicans crossing, though the votes are symbolic against a veto.¹⁰

The shock does not fall evenly. A closed strait is a windfall for some balance sheets and a squeeze for others:

WHO	WHAT A CLOSED STRAIT DOES	NET
US oil and gas producers and refiners (Valero, Marathon Petroleum)	Higher crude prices and wider crack spreads, with most of their crude sourced outside the Gulf.	Gains
Low-cost North American nitrogen (CF Industries, Nutrien)	The strait carries about a quarter of world nitrogen trade and half of seaborne urea, so cutting it spikes global fertilizer prices while these producers hold cheap US gas as feedstock.	Gains
Airlines, freight, and energy-importing manufacturers	Fuel and input costs rise faster than they can pass them through.	Squeezed
Gulf sovereigns, banks, and insurers	A standing war-risk premium and a security guarantee the war showed to be leaky.	Hurt

PART II · UKRAINE

Poking the Bear

In late June, President Zelensky approved a 40-day campaign of deep strikes to press Moscow toward terms.¹¹ Some targets are as follows: the Moscow Oil Refinery at Kapotnya, hit twice in a week from about 500 kilometers off; the port of St. Petersburg; and fuel and rail infrastructure across occupied Crimea, now under a state of emergency.¹² Russia's massive scale was once a defensive moat against Napoleon and Hitler, as it required attenuated supply lines that proved unsustainable, particularly in winter. For long-range drones, that is no longer an issue.

The question is whether the attacks risk a nuclear response. Doctrine reserves that for a threat to the state's existence, a line left vague.¹³

Washington is in a version of the same bind. It can no more control Iran than Moscow can control Ukraine, and each is held back from the step its most aggressive hawks seek: a nuclear answer, in the American case to a state that chased its own bomb while chanting death to America, in the Russian case to the constant Ukrainian raids funded in Europe and Washington. We expect neither nation will break the taboo, and there is a symmetry in watching two great powers meet the limits of their reach at once.

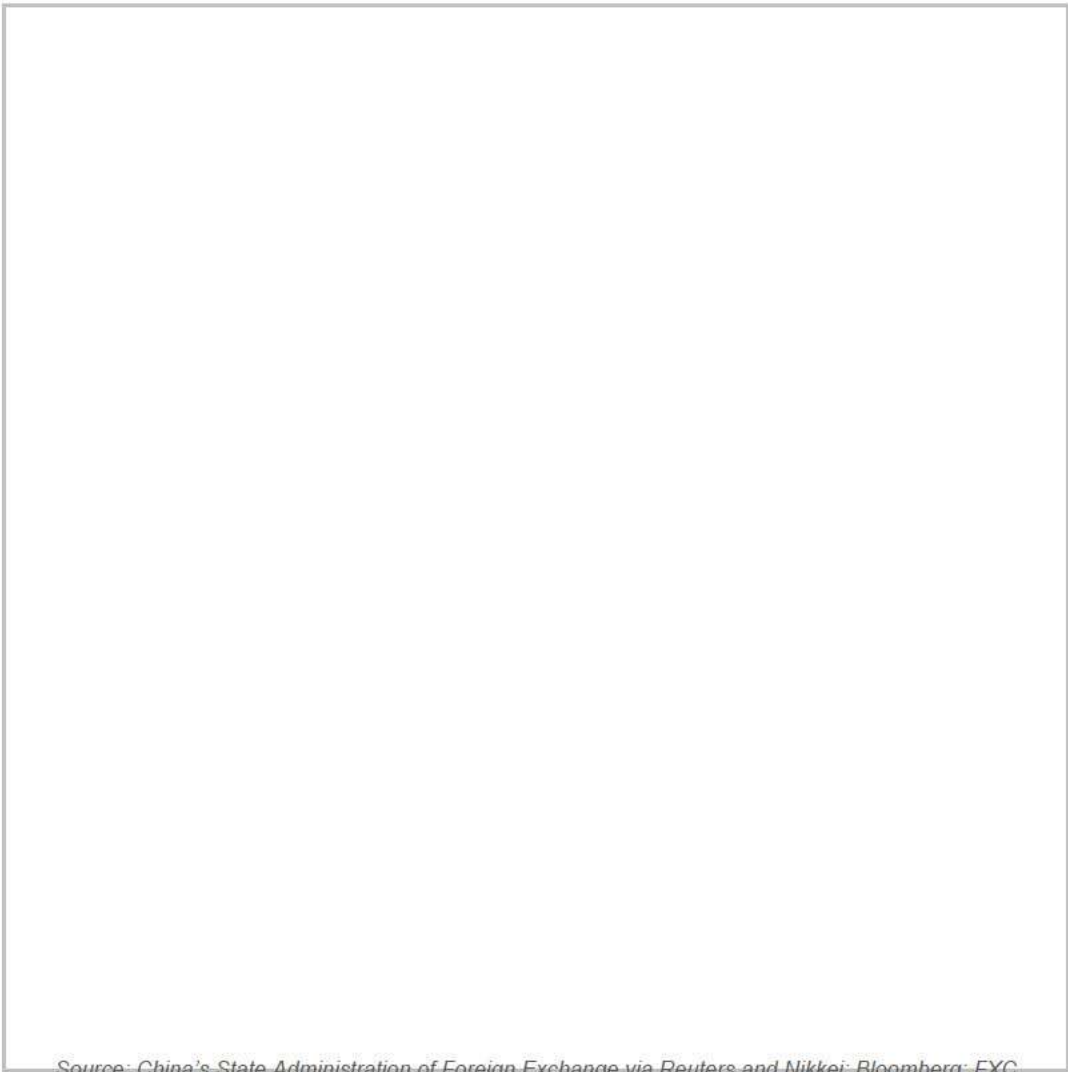
Impact: Rearmament is a fiscal drag on German and French budgets even as it lifts Rheinmetall and the wider defense complex.

PART III · CHINA

Don't do something; just stand there!

Russia's war economy now runs through China, which takes more than half of Russia's imports while Russia is a small share of China's, which settles almost all the trade in yuan and rubles, and slow-walks Power of Siberia 2.

Source: EUISS, UN COMTRADE and China General Administration of Customs (2024).¹⁴



Source: China's State Administration of Foreign Exchange via Reuters and Nikkei; Bloomberg; FXC Intelligence (2023-2025).¹⁵

China is not without its issues for seeking broader control in its own region. China's coast faces a picket of large islands against its seaboard: the Japanese home islands, the Ryukyus, Taiwan, the northern Philippines, Borneo, and Taiwan sits at the midpoint, about 100 miles off China's coast, the position General MacArthur called an "unsinkable aircraft carrier."¹⁶

This is the frame in which the American commitment to Taiwan is best understood. America can claim to support Taiwan to "protect democracy." However, the island is important strategically for the American empire, holding the island chain's midpoint, and demonstrating to Japan, Korea, the Philippines, and Australia that America will protect them from Chinese expansion.

The United States does not have the same geographic chokehold. The nearest island of any strategic consequence west of California is Hawaii, some 2,400 miles out.

Impact: China benefits by far most from war profiteering, though not entering a war itself. It gains from a NATO-Russia collision that drains Western magazines and attention, pulls focus from the Pacific, and deepens Russia's dependence on Beijing. The multipolar shift accelerates; watch the Taiwan timeline, Power of Siberia 2 pricing, and Chinese leverage over Russian energy.

Conclusion

Great powers would be well suited to recognize the limits of their power and play within those confines. However, even in defeat one can find success. Despite the defeat in Vietnam, America won the First Cold War some fourteen years later. Economics was the primary factor in that outcome and are likely to be the driver of outcomes in the future, though poor decisions may be made in the meantime. For sophisticated institutional investors and risk managers, the repricing is already underway.

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SOVEREIGN CDS

Sovereign 5-Year CDS & Egan-Jones Ratings

Country	CDS*	EJ**	Oth***	Country	CDS*	EJ**	Oth***
☐ Switzerland	7.5	AAA	AAA	☐ Ireland	14.8	A+	AA+
☐ Norway	7.0	AA+	AAA	☐ Belgium	17.8	BBB	AA-
☐ Sweden	7.5	AA+	AAA	☐ Portugal	14.6	BBB	A+
☐ Netherlands	7.8	AA-	AAA	☐ Czech	19.1	AA	AA
☐ Denmark	7.3	AA	AAA	☐ Spain	16.3	BBB+	A+
☐ Germany	7.5	AA	AAA	☐ France	31.2	A+	A+
☐ Austria	11.3	A+	AA+	☐ Italy	29.9	BBB-	BBB+
☐ Finland	11.5	AA	AA+	☐ Greece	29.6	BB-	BBB



UK

18.6

A+

AA



Brazil

122.9

BB

BB

Accurate as of July 17, 2026.

* 5-year CDS shown in basis points - the approximate annual premium to insure against default on a 5-year obligation; a lower number indicates lower perceived risk.

** Egan-Jones (EJ) rating; the Egan-Jones rating shown is not an NRSRO rating.

*** Others (Oth) rating; provided by another NRSRO.

RECENT RISK COMMENTARIES



Play It Again; China's Fast-Follower Playbook Reaches AI

How China's fast-follower playbook is reaching into artificial intelligence.

CLO July 2026



CLO July 2026

The July 2026 Egan-Jones CLO summary, with issuance easing even as spreads stay tight.



Identifying Disasters Early; Emerging Technology Juggernauts

Spotting nascent developments early, before they reshape current exposures.



Of Dice and Men

Using statistics to judge whether a structured-finance pool is soundly built and managed.

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Subject: When Will Trump Declare Mission Accomplished and Will It Matter? It's All About the Strait
Date: Wednesday, March 11, 2026 3:31:53 PM



11 March 2026

Global Policy and Politics | Political Analysis

When Will Trump Declare Mission Accomplished and Will It Matter? It's All About the Strait

When President Trump indicated the war was almost over on Monday, he served his objective at least in the short-term, as markets breathed a sigh of relief. It also caused more investors to think about the possibility of a Trump retreat.

The question of duration is even more pronounced now given escalating tensions between Iran and the United States around the Strait of Hormuz. If the President declares victory without restoring some normalcy around shipping through the strait, the markets are not likely to provide the kind of response Trump is hoping for.

Often when Trump has changed full course on an issue – whether it is tariffs or Greenland - the risks have been more asymmetrical than here. When the markets or allies erupted, Trump pulled back without too much collateral damage. It goes without saying that this situation is far more complex, given the many powerful forces that have been unleashed.

The end date is particularly hard to assess because the Trump Administration's stated goals have shifted. However, this strategic ambiguity also gives the President flexibility about when to declare victory. Based on some markers he has set, Trump could in theory call the effort a success at any time, arguing the U.S. did its part by eliminating the Supreme Leader, decimating missiles and the Navy and beyond.

There are certainly messaging challenges, given his stated opposition to Mojtaba Khamenei. Such a declaration would be more tenuous depending on how Israel and Iran respond and most importantly whether shipping is restored to the Strait, given its important implications for oil, LNG, fertilizer and beyond.

This note evaluates four key questions. Our current base case is still that when the U.S. exits, the dynamics still make it more likely than not that the kinetic conflict will pause, but it will take time beyond that to restore confidence in maritime security, tensions will remain high, and oil prices will remain structurally elevated relative to pre-conflict. However, risks to the downside are highly elevated and fraught.

[Click Here for the Report](#)

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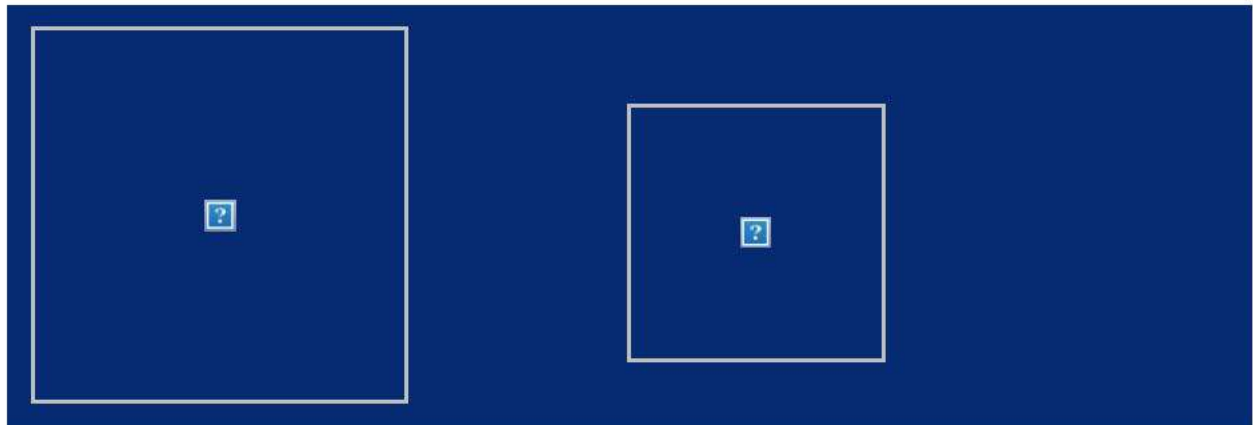
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To: mliposky@mapension.com
Subject: You Can't Always Get What You Want; The Emerging World Order
Date: Thursday, April 2, 2026 9:19:49 AM



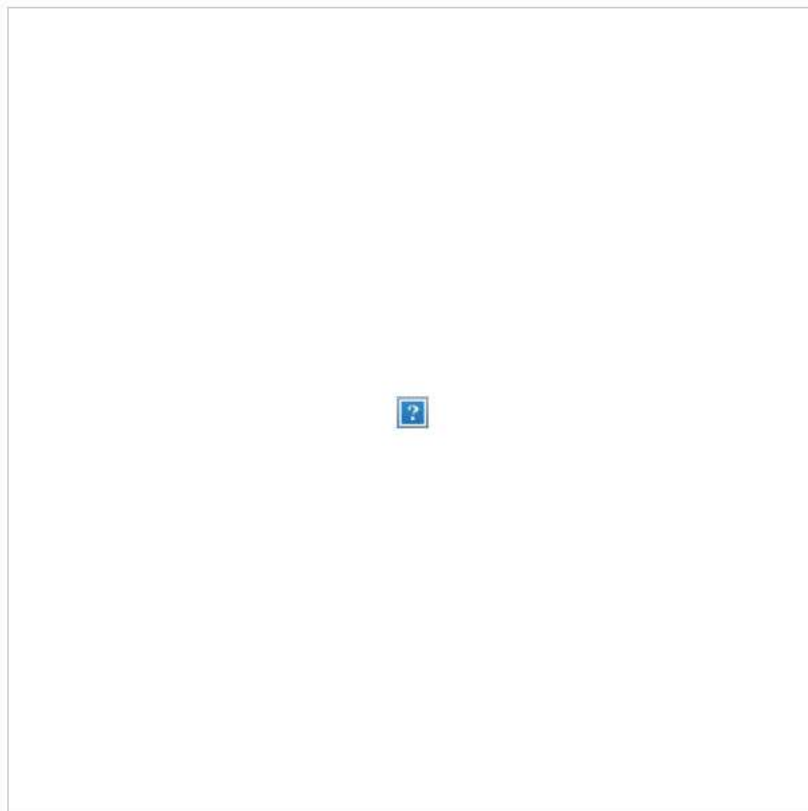
Risk Commentary

You Can't Always Get What You Want; The Emerging World Order
(04/02/2026)

CLO (Non-NRSRO) Ratings:
www.egan-jones.io/non-nrsro-ratings/clo

Overview

"You can't always get what you want. You can't always get what you want, but if you try sometime, you'll find, you get what you need"



Just like the lyrics of the iconic Rolling Stones tune, it is becoming increasingly obvious that what the West wants, it probably won't get. Just like the lyrics, hopefully it gets what it needs. This installment addresses one of the most critical issues facing sophisticated institutional investors and risk managers over the past several years. We aim to provide a framework for evaluating some rapidly developing events.

A Few Givens

Our premise is that developments in the Middle East will have a major impact on the markets for the foreseeable future. Perhaps the best place to start is to review some basic assumptions:

1. **Iran cannot easily be conquered** – with over a million men in arms, mountainous terrain, a multitude of drones and missiles, and no obvious location for launching an attack, there is little possibility of landing sufficient troops to affect a regime change. While U.S. and Israeli strikes have successfully targeted senior Iranian leadership and degraded portions of Iran's military infrastructure, the results have fallen short of initial expectations. Iran's command and control structure appears to be far more distributed and resilient than hoped. Further, there are few reports of local uprisings.
2. **No Willingness for Boots on Ground** – neither the US nor Israel has or is willing to devote the hundreds of thousands of troops, which would probably be needed to challenge the current Iranian regime.
3. **Controlling the Strait of Hormuz is relatively easy** – a few easy-to-conceal drones or missiles can attack oil tankers in the Strait. Furthermore, a near miss is probably enough to curtail critical insurance coverage.
4. **The Existing Damage will take Years to Repair** – investigating, designing, procuring materials, and rebuilding the infrastructure (pipelines, refineries, energy fields, gas condensation plants, etc.) will take years even if the parts and specialists are currently available (which they are not).
5. **Increased Energy Demand and Reduced Supplies** – even excluding the massive additional demands resulting from data centers, the global energy supply chain is hard pressed. Our understanding is that [Europe](#) and [India](#) have merely two months of energy supply on hand.
6. **New challenges near the Red Sea** – the Houthis have attacked shipping in the Red Sea and sent some missiles into Israel. Iran might encourage the Houthis to continue attacks to pressure the US and Israel. The Houthis, based in Yemen are allied with

Iran and have previously attacked ships in the Red Sea. Approximately 4M barrels per day flow through the [Bab el-Mandeb Strait](#), which is to the south. Since 2023, the Houthis have attacked [178 vessels](#).

7. **Cash Crunch in the Gulf** – many countries in the Gulf are dependent on energy revenues, and for over three weeks have received significantly less than usual as a result.
8. **Futility of Escalations** – while the US has “[bombed our little hearts out](#)”, getting all the missiles and drones is unrealistic, and only a few are needed to shut down the Strait.
9. **Assassinations Have Not Worked** – the hope was that a removal of leadership in Iran would cause a collapse of the regime or at least, the emergence of a more palatable leader. That appears to have not happened, and if the more radical Mojtaba Khamenei remains in power, perhaps the reverse is true.

Countering the Attacks

Ukraine has been dealing with Shahed drone and missile attacks for the past several years with some success. However, the situation on the Strait is different in the sense that even if one in four attacks is successful, it will probably be sufficient to make vessel insurance rates prohibitively expensive, and Iran has multiple tools for the attacks: drones, missiles, and fast-boat delivered missiles and torpedoes.

Energy Crunch

With the Strait of Hormuz effectively contested, energy markets remain under sustained pressure. Europe's starting position is fragile: EU gas storage at 28% of capacity is well below the [multi-year seasonal average](#), and the EU has moved to ban Russian LNG imports by the end of 2026 and pipeline gas by autumn 2027, further [constraining alternative supply](#). A major [LNG exporter](#) has stated that it cannot fulfill contractual commitments following attacks on its [export facilities](#), and repairs may take years. Financial analysts warn that European storage facilities will need to attract LNG shipments away from other global buyers to achieve adequate filling before next winter, and under more adverse scenarios, including prolonged closure of the Strait, prices could reach levels reminiscent of the 2022 energy crisis. India, which imports 88% of its crude with more than half originating in the Middle East, faces [parallel vulnerabilities](#). Its strategic petroleum reserves are only [two-thirds full](#), and [90% of its LPG imports](#) transit through waters now under threat. The European Central Bank has already set aside expectations for rate cuts, and multiple institutions now anticipate rate increases in response to [energy-driven inflation](#).

Tentative Conclusion: Stalemate

The next action appears to be the US's taking or bombing Kharg Island, which is in the Persian Gulf (northwest of the Strait of Hormuz) and is an export hub for [90% of Iran's petroleum](#). The taking of the island will restrict energy exports from the island, but presumably, if taken, could be attacked by missiles and drones.

Iran possesses over 1,100 miles of southern coastline along the Persian Gulf and Gulf of Oman, providing an enormous and dispersed launch surface for drone and missile attacks. Any U.S. forces stationed on or near Kharg Island would represent a concentrated, stationary target well within range of Iran's arsenal, which can be resupplied in short order with cheap drones.

This asymmetry is a defining feature of the conflict: strike capabilities are cheap, easily concealed, and widely distributed across rugged terrain and underground facilities, while the targets they threaten (aircraft carriers, island garrisons, forward operating bases) are expensive, highly visible, and difficult to defend. Satellite imagery and proliferating surveillance drones only compound this vulnerability.

Trump appears unwilling to destroy the island's infrastructure, as it would lead to a sustained elevation in energy prices and would remove a chip for potential future negotiations. However, taking the island and holding it appears to be a difficult prospect, considering the difficulty the U.S. faces with Iranian attacks on its bases and threats to its ships.

Ending the Stalemate/ Gradual Acceptance

Iran wants to continue its existence as an independent state, to end sanctions, be allowed to develop nuclear weapons (which it presumably believes will ensure its sovereignty), tax transit through the Persian Gulf, and ideally, drive the U.S. out of the Middle East. Of course, Israel and the U.S. want the exact opposite. Hence, the war.

Die is Cast

Even if the conflict ends tomorrow, there are numerous actions that are increasingly likely:

- **Restricted Energy** – at a time when demand for energy has increased substantially, flows from the Middle East are being curtailed.
- **Pain in Europe and Asia** – Given the abundance of energy in the US and Canada, it will be Asia and Europe which are likely to suffer the most and face rationing.
- **Economic Disruption** – The Gulf countries have experienced significant disruption in

revenues and will need to sell assets and/or borrow to maintain services.

- **Inflation and Interest Rate Pressure** – Energy costs impact nearly every industry and the increases in energy prices are likely to be reflected in inflation statistics. While inflation is normally driven by increased demand, here it would be based on increased costs. Hence, treasury yields might rise but presumably central banks would be more forgiving.
- **Industry Dislocations** – Those industries which are heavily dependent on energy costs (e.g., airlines, trucking, and utilities) are likely to suffer.
- **Radicalization** – radicals are typically born out of a sense of frustration whereby there is nothing to lose. Given the massive harm caused to many by this war, the risk of attacks might increase.

Partial Resolution

Japan paid millions to ensure energy was safely shipped through the Strait of Hormuz, and India and China are likely to do the same. Perhaps this is the new model although the other gulf countries might return the favor and do the same to Iranian shipments. Economically, it translates into increased costs for utilizing Middle East energy beyond the relatively low extraction costs.

Conclusion

The continuation of the war is in no one's interest, but it might take time to work out new conditions. In the meantime, the war and its consequences are highly relevant for sophisticated institutional investors and risk managers. If this war paves the way for Iran's becoming a nuclear power, the risks of future conflicts escalate while hopefully the probability of such conflicts decline. The diminishment in recent strikes is encouraging.

Attached below is a sample of our sovereign report.

KINGDOM OF DENMARK

Rating Analysis - 8/13/25

*EJR Sen Rating (Curr/Prj) AA / AA

Denmark's economy is set to maintain solid momentum in 2025, with GDP growth forecast at around 3.0–3.6%, following a strong rebound of 3.7% in 2024. This expansion is supported by rising household real disposable incomes, which are expected to sustain private consumption and drive continued growth in housing investment.

The pharmaceutical sector and the reopening of North Sea gas fields will underpin export performance. However, the pace of export growth is projected to slow amid softer global demand and heightened uncertainty in international trade. Business investment is also expected to lose momentum as companies navigate an unpredictable global environment. The overall economic outlook for Denmark remains positive, though downside risks persist, particularly from potential escalations in global trade tensions or new tariff barriers that could impact key export sectors. The Danish central bank is expected to continue easing policy rates in line with the European Central Bank, supporting domestic demand and investment. Fiscal policy will remain expansionary through 2025 and 2026. Affirming.







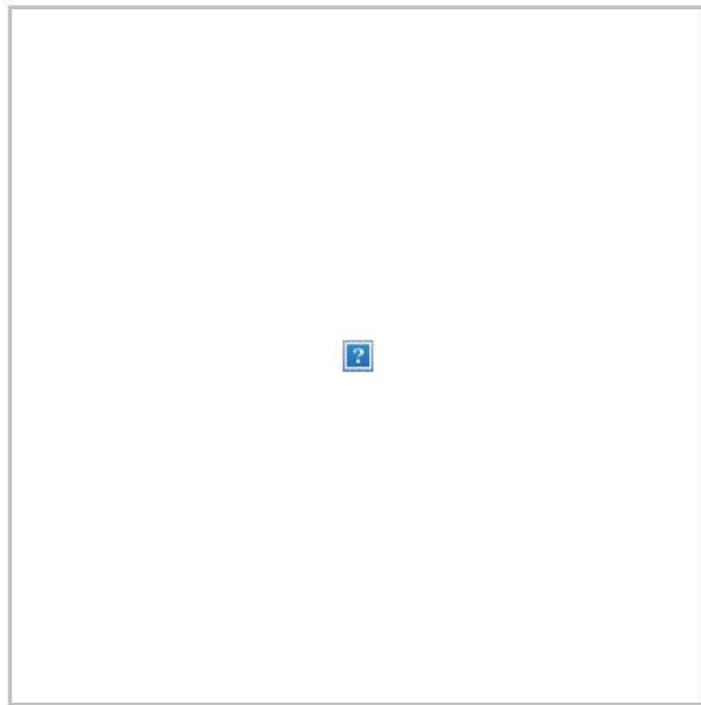
Economic Growth

Denmark's GDP outlook for 2025 remains robust, despite a contraction of 0.5% in the first quarter, which was primarily driven by a sharp decline in pharmaceutical exports—a sector known for its volatility. Outside of pharmaceuticals, output in other sectors rebounded, and investment in building and construction picked up. However, early indicators for 2025 suggest a softening in manufacturing activity, with firms citing weak demand as the primary constraint. Denmark's economy is forecast to grow by 3.0–3.6% in 2025, among the highest rates in Europe, before moderating to around 1.5–2.0% in 2026. This strong outlook is underpinned by rising household real disposable income, continued strength in the labor market, and a rebound in housing investment.



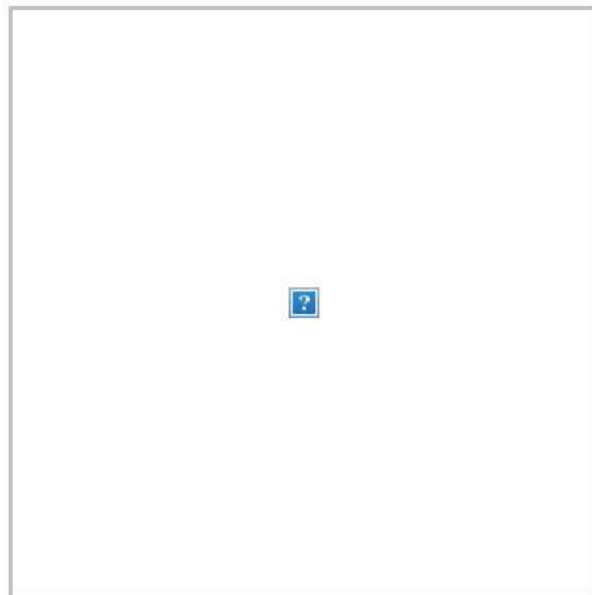
Fiscal Policy

Denmark's fiscal position remains exceptionally strong heading into 2025, bolstered by robust tax revenues from corporate and pension sources and better-than-expected labor market outcomes. The government recorded a substantial general government surplus of 4.5% of GDP in 2024, driven by higher personal income, business tax receipts, and exceptional revenues from pension yield taxes. However, the fiscal stance is set to become more expansionary in 2025 and 2026, with a projected budgetary impulse exceeding 2% of GDP.



Unemployment

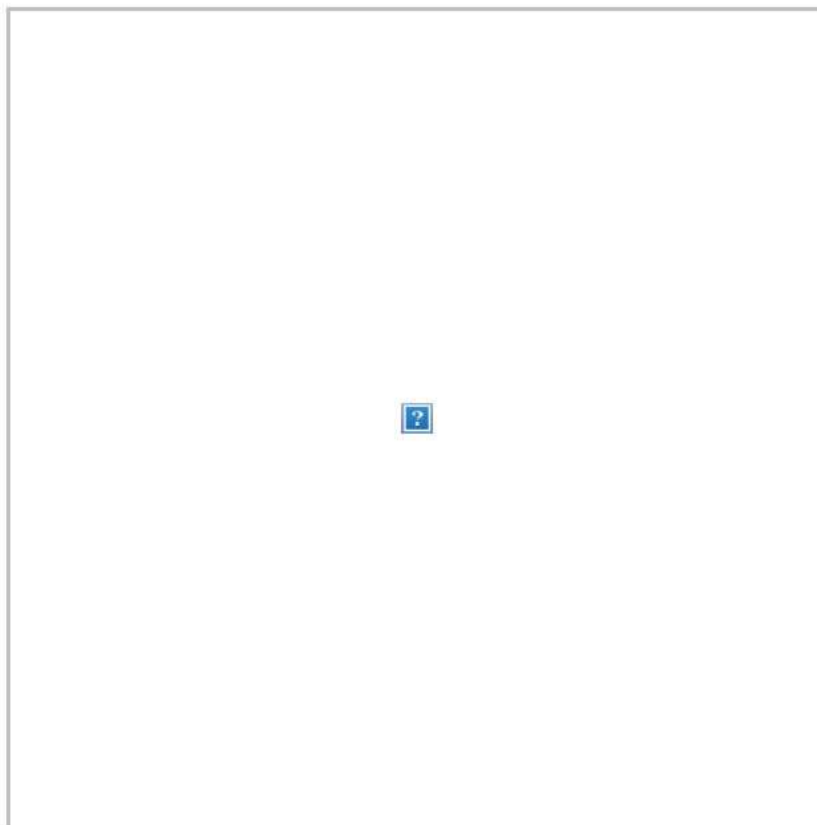
Denmark's labor market remains firm in 2025, with the unemployment rate holding steady at 2.5% in April, the same level as the previous three months and near historic lows. Youth unemployment is particularly low, with the rate for job seekers aged 16 to 24 holding at just 1.1%. Looking ahead, the unemployment outlook for Denmark remains favorable. Despite a recent softening in manufacturing activity and a slight easing of labor market tightness, unemployment is expected to remain well below historical averages.



Banking Sector

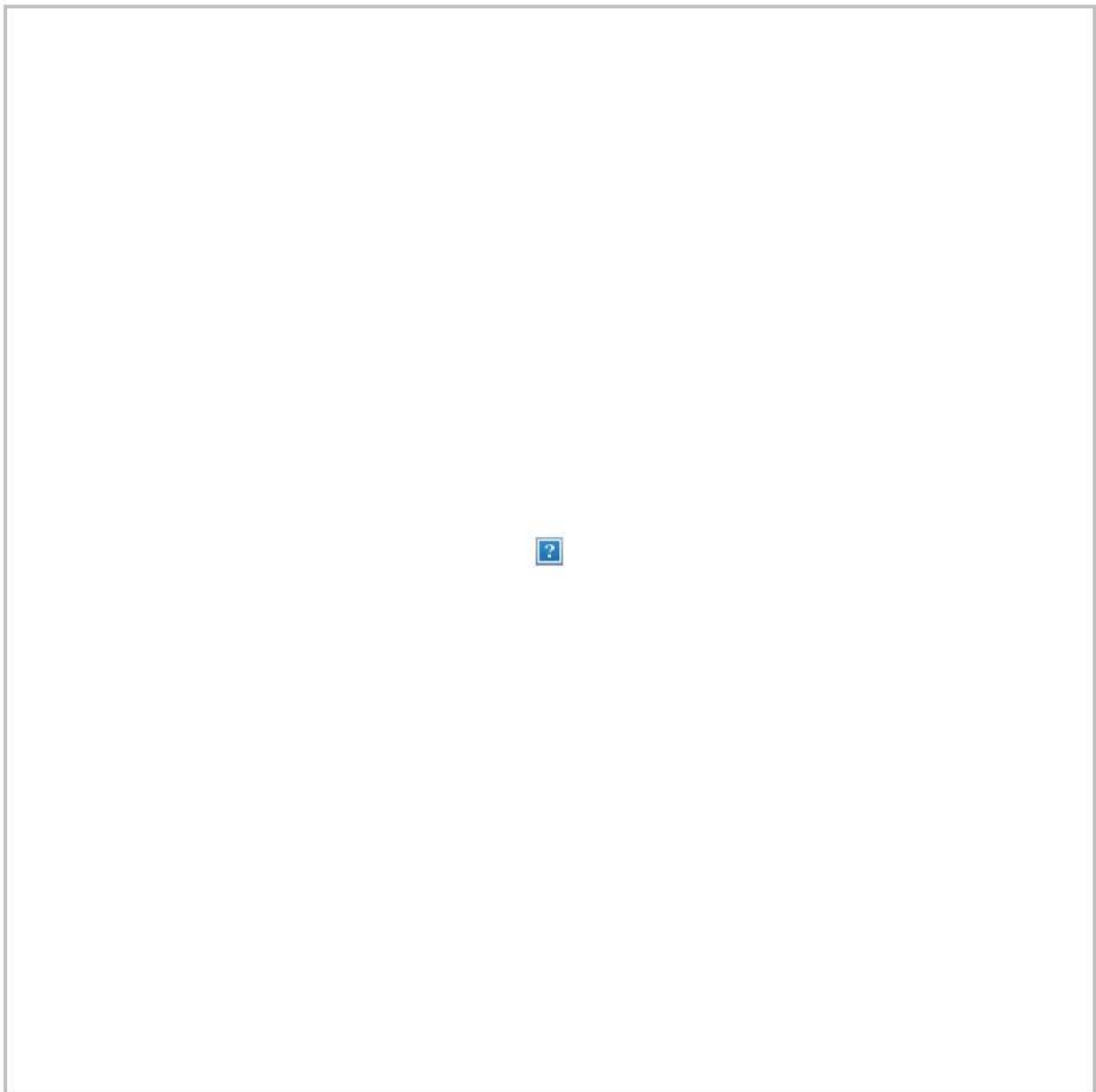
Denmark's banking sector remains highly resilient and well-capitalized as it enters 2025,

benefiting from a robust economy, prudent regulation, and a stable funding environment. Asset quality is strong: non-performing loans (NPLs) are forecast to remain low, at about 1.4% of domestic loans, supported by high employment, stable house prices, and conservative underwriting standards.



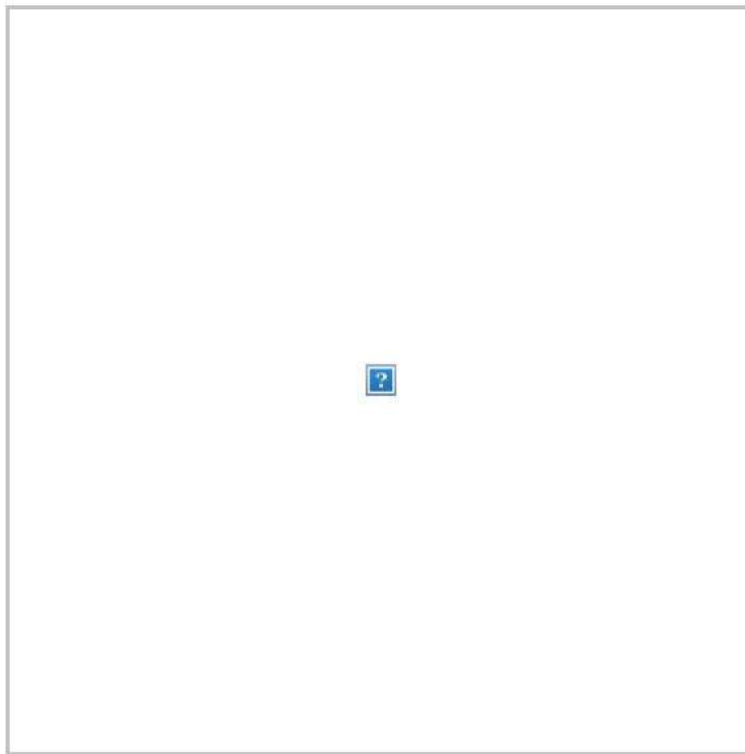
Funding Costs

Interest and funding costs in Denmark have declined notably in mid-2025, following a series of rate cuts by Denmark's National Bank in tandem with the European Central Bank. The outlook for Danish interest rates is for continued stability or slight further easing, as the central bank maintains its currency peg with the euro and euro area inflation trends downward. Lower policy rates are expected to stabilize funding costs for banks and borrowers, supporting credit demand and investment.



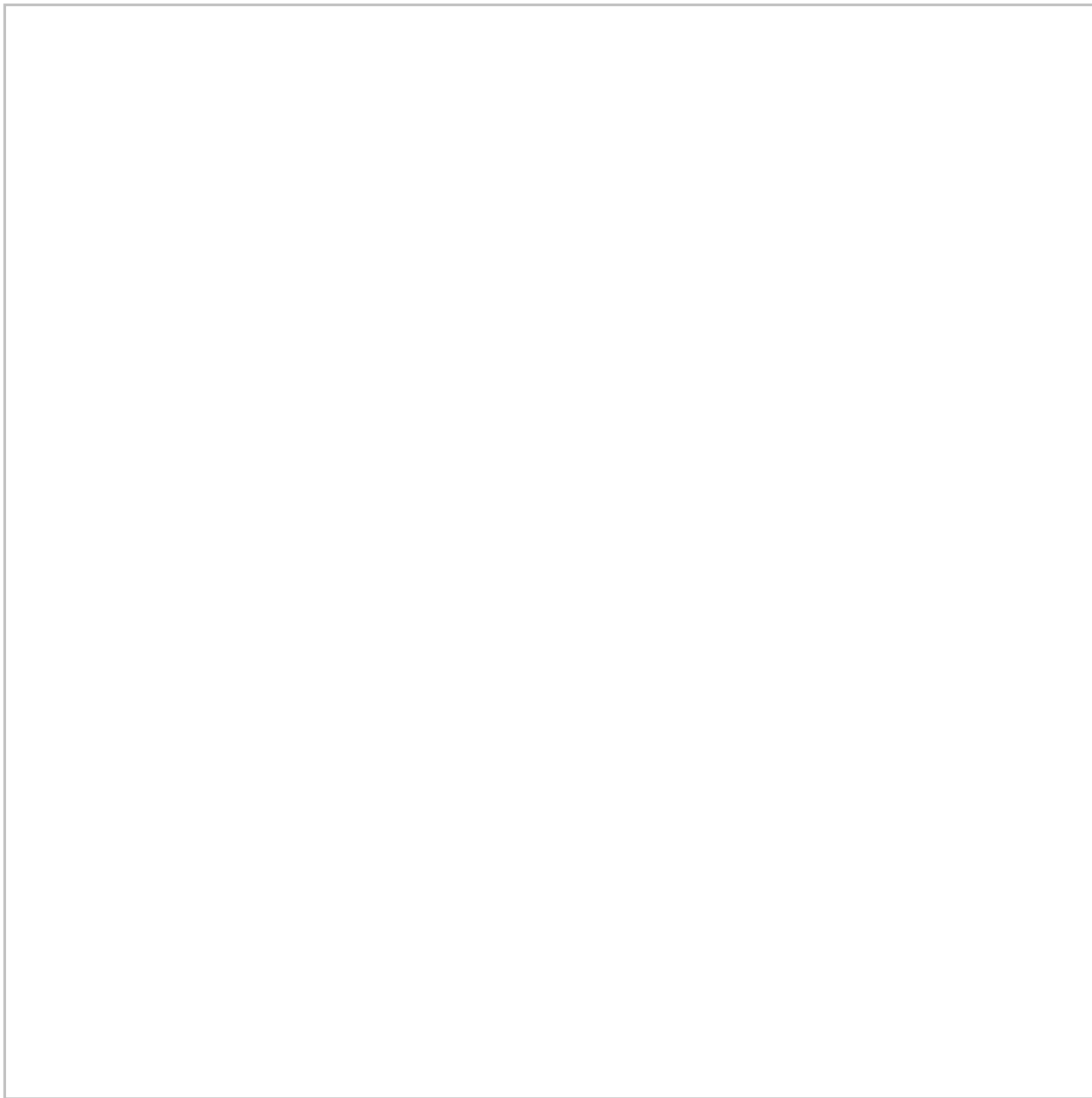
Ease of Doing Business

Major factors for growing the economy are the ease of doing business and the economic freedom; although not the sole factor for determining economic growth, a country which makes it easy for businesses to operate and provides a reasonably free environment to conduct business has a good chance for growth. The chart on the right indicates that with an overall rank of 4 (1 is best, 189 worst) is extremely strong.



Economic Freedom

As can be seen below, Denmark is strong in its overall rank of 79.1 for Economic Freedom with 100 being best.

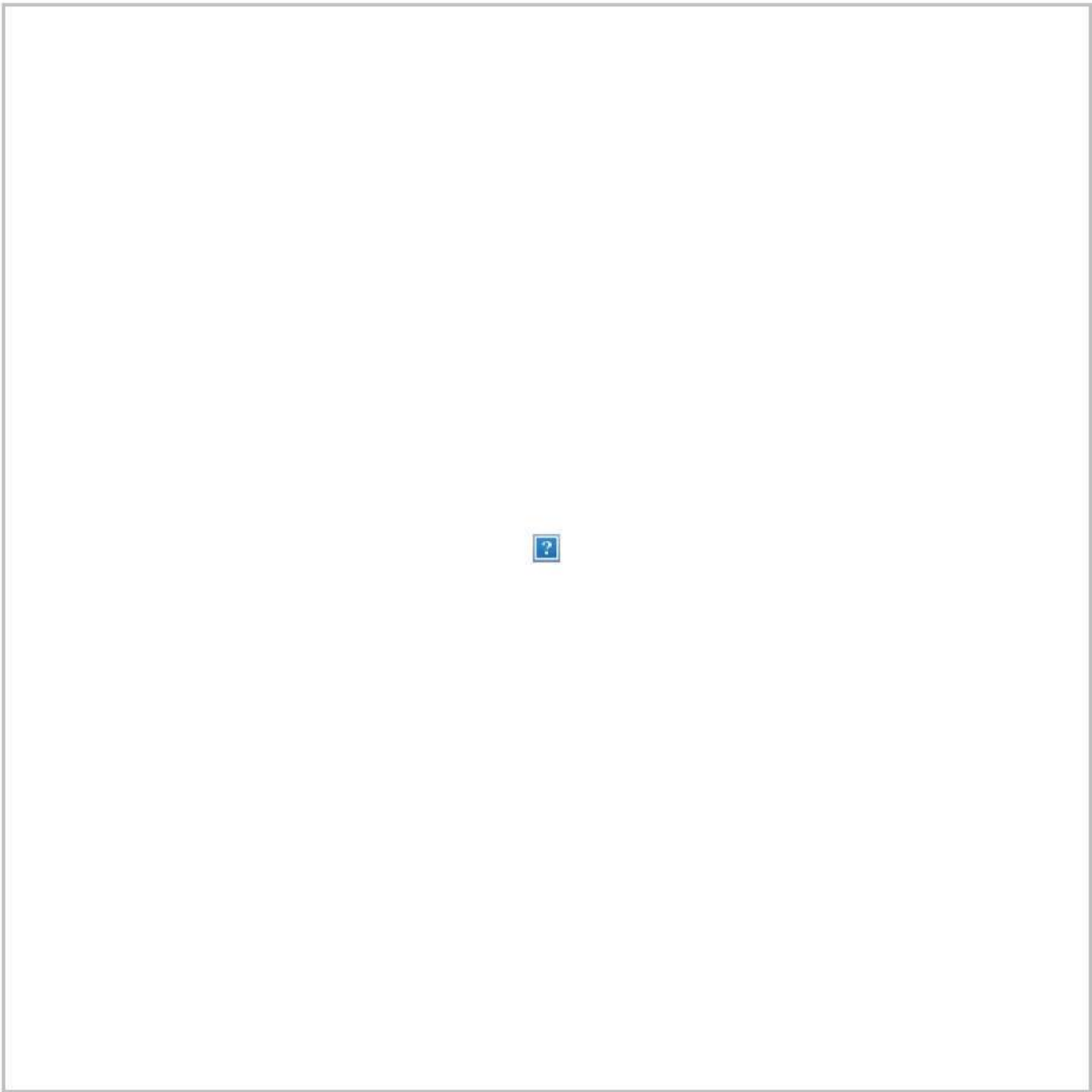


Credit Quality Driver: Taxes Growth:

KINGDOM OF DENMARK has grown its taxes of 8.4% per annum in the last fiscal year which is more than the average for its peers. We expect tax revenues will grow approximately 8.4% per annum over the next couple of years and 7.6% per annum for the next couple of years thereafter.

Credit Quality Driver: Total Revenue Growth:

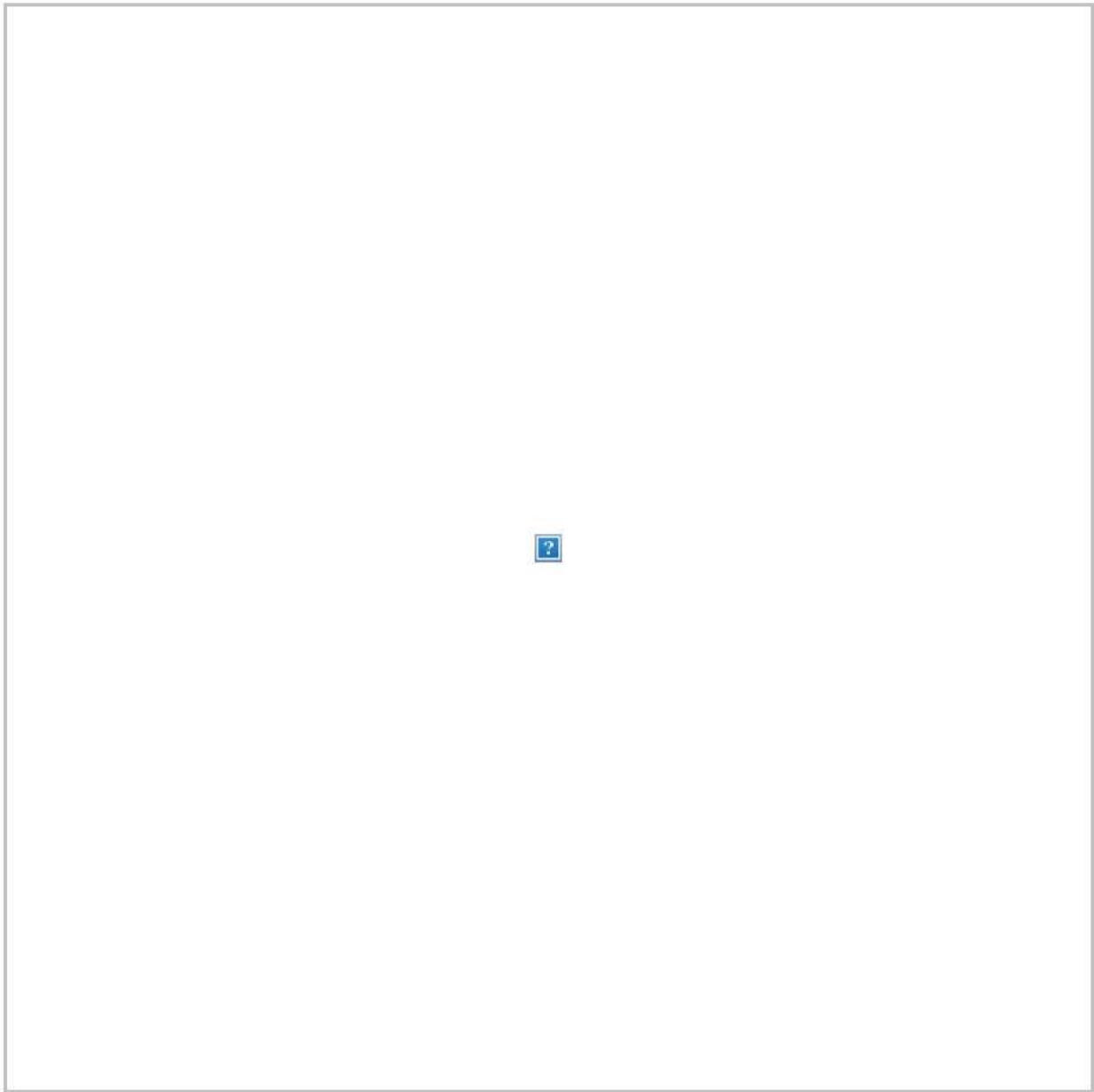
KINGDOM OF DENMARK's total revenue growth has been more than its peers and we assumed no growth in total revenue over the next two years.





ANNUAL INCOME STATEMENTS

Below is the KINGDOM OF DENMARK's annual income statements with the projected years based on the assumptions listed [in the preceding section](#).



ANNUAL BALANCE SHEETS

Below is the KINGDOM OF DENMARK's balance sheets with the projected years based on the assumptions listed [in the Credit Quality section](#).





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Comments on the Difference between the Model and Assigned Rating

In this case, there has been little change in the recent results and therefore we have used our best judgement in making adjustments which are reflected in the results for the projected ratings. We have assigned a rating of "AA" whereas the ratio-implied rating for the most recent period is "AA+"; we expect results to decline slightly.

Changes in Indicative Ratios

We have not made any adjustment in the indicative ratios at this time.

SEC Rule 17g-7(a) Disclosure

Below are the disclosures as required by Paragraph (a) of Rule 17g-7:

- 1. The symbol in the rating scale used to denote the credit rating categories and notches within categories and the identity of the obligor, security, or money market instrument as required by Paragraph (a)(1)(ii)(A) of Rule 17g-7:**

For the issuer KINGDOM OF DENMARK with the ticker of 1271Z DC we have assigned the senior unsecured rating of AA. There are three notches in our rating categories (e.g., A-, A, and A+) other than those deep into speculative grade; for CC, C, and D there are no notches.

- 2. The version of the procedure or methodology used to determine the credit rating as required by Paragraph (a)(1)(ii)(B) of Rule 17g-7:**

We are using the methodology version #16 available via egan-jones.com under the tab at the bottom of the page "Methodologies".

3. The main assumptions and principles used in constructing the procedures and methodologies used to determine the credit rating as required by Paragraph (a)(1)(ii)(C) of Rule 17g-7:

The credit rating assigned reflects our judgement regarding the future credit quality of the issuer. Regarding the specific assumptions used, please refer to page 3 of this Rating Analysis Report.

4. The potential limitations of the credit rating as required by Paragraph (a)(1)(ii)(D) of Rule 17g-7:

Our rating pertains solely to our view of current and prospective credit quality. Our rating does not address pricing, liquidity, or other risks associated with holding investments in the issuer.

5. Information on the uncertainty of the credit rating as required by Paragraph (a)(1)(ii)(E) of Rule 17g-7:

Our rating is dependent on numerous factors including the reliability, accuracy, and quality of the data relied upon in determining the credit rating. The data is sourced from publicly-available 10Q and 10K statements, quarterly reports, 8K filings, earnings reports, and other similar sources. In some cases, the information is limited because of issues such as short operating histories, the lack of reported data, a delay in reporting data, restatements, inaccurate accounting, and other issues. Such shortcomings are not always readily apparent. EJR aims to identify such shortcomings and make adjustments using its best judgement.

6. Whether and to what extent third-party due diligence services have been used in taking the rating action as required by Paragraph (a)(1)(ii)(F) of Rule 17g-7:

EJR does not utilize third-party due diligence services.

7. How servicer or remittance reports were used, and with what frequency, to conduct surveillance of the credit rating as required by Paragraph (a)(1)(ii)(G) of Rule 17g-7:

Servicer or remittance reports normally pertain to structured finance issuers; this report does not pertain to a structured finance issuer (EJR is not an NRSRO for structured finance or sovereigns/ municipal issuers). Regarding surveillance, the minimum time period for corporation issuers is normally one year.

8. A description of the data that were relied upon for the purpose of determining

the credit rating as required by Paragraph (a)(1)(ii)(H) of Rule 17g-7:

EJR uses 10Q and 10K statements, quarterly reports, 8K filings, earnings reports, governmental filings and other similar sources for ratings on publicly traded issuers. In the case of private issuers, EJRs relies on information provided mainly by issuers.

9. A statement containing an overall assessment of the quality of information available and considered in the credit rating as required by Paragraph (a)(1)(ii)(I) of Rule 17g-7:

The information is generally high quality and readily available.

10. Information relating to conflicts of interest as required by Paragraph (a)(1)(ii)(J) of Rule 17g-7:

This rating is unsolicited.

11. An explanation or measure of the potential volatility of the credit rating as required by Paragraph (a)(1)(ii)(K) of Rule 17g-7:

Our rating aims to assess the probability of the payment of obligations in full and on time. Factors which affect such probability, and in turn our rating, include changes in the operating performance of the issuer, changes in capital structure, and merger and acquisition events.

12. Information on the content of the credit rating as required by Paragraph (a)(1)(ii)(L) of Rule 17g-7:

Regarding the historical performance of the credit rating, our rating transition matrix is available in our Form NRSRO, exhibit 1. The expected probability of default and the expected loss in the event of default is listed on the first page of this report.

13. Information on the sensitivity of the credit rating to assumptions as required by Paragraph (a)(1)(ii)(M) of Rule 17g-7:

Below is a summary of the impact of the 5 assumptions which independently would have the greatest impact on our "ratio-implied rating":



14. If the credit rating is assigned to an asset-backed security, a description of: (i) the representations, warranties, and enforcement mechanisms available to investors; and (ii) how they differ from the representations, warranties, and enforcement mechanisms in issuances of similar securities, as required by Paragraph (a)(1)(ii)(N) of Rule 17g-7:

This credit rating is not assigned to an asset-backed security.

ATTESTATION FORM

In compliance with the US Securities and Exchange Commission (SEC) Rule 17g-7(a), the Egan-Jones analyst who published the report is responsible for the rating action and to the best knowledge of the person:

1. No part of the credit rating was influenced by any other business activities,
2. The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated, and
3. The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.



Sovereign Rating Methodology (Non-NRSRO)

Scope and Limitations:

Sovereign Issuer Credit Quality Ratings (CQR) are a forward-looking assessment of a sovereign's capacity and willingness to honor its existing and future obligations in full and on time. Sovereigns are assigned two CQRs: a Local-Currency CQR, which reflects the likelihood of default on debt issued and payable in the currency of the sovereign, and a

Foreign-Currency CQR, which is an assessment of the credit risk associated with debt issued and payable in foreign currencies.

Key Rating Drivers:

EJR's approach to sovereign risk analysis is a synthesis of quantitative and qualitative judgments. The quantitative factors EJR uses are:

- Debt in relation to GDP.
- Surplus or deficit in relation to GDP.
- Debt plus potential under-funding of major banks in relation to GDP.
- Interest expense in relation to taxes.
- GDP growth.
- Foreign reserves in relation to debt.

Debt levels for many sovereign issuers have increased at an accelerating rate over the past decade, affecting implied ratings. EJR also considers unemployment levels and funding costs. EJR recognizes that no model can fully capture all the relevant influences on sovereign creditworthiness, meaning that its sovereign ratings can and do differ from those implied by the rating model. Some of the qualitative factors that impact its ultimate assessment of credit quality include the flexibility, stability and overall strength of the economy, efficiency of tax collection, acceptance of contract law, ease of doing business, trade balances, prospects for future growth and health and monetary policy, and economic freedom. These subjective and dynamic qualitative issues are not captured by the model but affect sovereign ratings.

For additional information, please see Exhibit 2: Methodologies in EJR's Form NRSRO

In 2025, Egan-Jones rated **over 3,200** private credit deals.

sales@egan-jones.com

Additional Reading

Dangerous, Faulty Assumptions

Tech disrupts perceived value—diamonds, pearls, gold, and currency

[Read more](#) 

AI Winners and Losers

AI is reshaping markets, boosting chips, energy, and platforms

[Read more](#) 

The Iran War; Reopening the Strait of Hormuz

Hormuz tensions threaten oil flows, boosting prices and reshaping geopolitics.

[Read more](#) 

No Navy, No Air Force, No Problem

Missiles and drones may outclass traditional defenses, raising major risks.

[Read more](#) 

Sources & Footnotes

*This number represents an insurance premium. For example, 10 represents 10 basis points of the notional amount, paid on an annual basis for a 5-year bond. All the countries' CDSs are the values of REFINITIV EOD latest par price.

** non-NRSRO rating. View all at www.egan-jones.io/non-nrsro-ratings/clo

CDS data is accurate as of 04/02/2026



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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, August 9, 2026 4:16:44 AM

Hope all goes well... Dusted off an Anecdote from December 2025 about the stock market and its two big fat tails, that is as relevant today as it was back then (see below). I take late summer off from writing for time with family, reading, altitude, solitude. Wishing the same for you. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (Dec 2025): “Let me tell you a familiar story,” I said, discussing market risks, opportunities, in Stockholm this week. Early in my career, Sweden hit the wall. Decades of economic math that hadn’t quite added up had compounded to a point where a market unwind was unavoidable. As the crisis climaxed in late 1992, the central bank hiked overnight interest rates to 500% to punish speculative short-sellers of kronor. We made a small fortune in that market chaos. That was my first of many crises. Every one looked different. In each, investors, high and low, were brought to their knees. Some combination of overleverage, overreliance on parallels to the past, intellectual overconfidence, inadequate risk management, and lack of a sufficiently expansive imagination, is to blame. With each successive crisis since my start in 1989, central bankers and politicians intervened ever more aggressively to forestall economic cleansing, borrowing from the future to repay the past and secure the present. Such interventions have transferred risks and excesses from individuals and corporations onto the government balance sheet. The math of our federal debts and entitlement commitments no longer adds up. The consequences are compounding. I suspect that before my career is over, a sovereign crisis like Sweden’s in 1992 will erupt in the US. The only practical way to forestall this is through a productivity boom that materially lifts non-inflationary growth and repays our policy sins. This is why the US government is all in on the AI buildout. If AI fails to deliver on its vast promises, the risk is far wider than the tech sector. It will lead to a deep recession and massive budget deficits, which will catalyze a debt sustainability crisis that could make 2008 seem trivial. Sovereign debt crises are the most devastating of all financial calamities, because the buyer of last resort is the one in trouble. But I suspect that the AI boom doesn’t end neatly with Cisco retaking its 2000 highs, as it did this week. The parallels with the dot com boom/bust are all too evident and well publicized at this point. Which means we should still be long this bull market, while also running substantial downside hedges. Positioned for a world with two big fat tails.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US ISM mfg 55.6 (53.9e). Turkey CPI 31.75% (31.93%e). South Korea CPI 2.8% (3.0%e). Iran says Hormuz talks ongoing after Trump calls off strikes. US Treasury Secretary Bessent seeks Fed's aid to defend yen in unusual public call. S&P +1.5%. **Tue:** US durable goods orders 0.5% (0.3%e), factory orders -0.3% (0.2%e), trade balance -\$73.3b (-\$73.0b e). Trump says Iran talks going well as hopes rise for Hormuz deal. OpenAI, Anthropic model tests reveal more "unsanctioned" actions. Saudi Arabia seeks to contain a renewed conflict with Houthi militants through diplomacy. Polymarket seeks investment at more than \$20b valuation. S&P +1.8%. **Wed:** US ADP emp change 44k (65k e). Brazil Selic rate 14.00% as exp. India RBI repurchase rate unch 5.25% as exp. Trump readies tariffs and price floor to boost US polysilicon production and business. Iran said it is reaching an agreement with Oman on proposed route for shipping through Hormuz. S&P -0.2%. **Thu:** US init jobless claims 199k (205k e). Mexico overnight rate unch 6.50% as exp. China trade balance \$112.50b (\$107.10b e). Iran seeks to bar US and Israeli ships from the Strait of Hormuz and require compensation from hostile countries before they're allowed to sail through it. Millennium partners with Anthropic to develop AI risk analyst. S&P -0.2%. **Fri:** US change in nonfarm payrolls -23k (80k e), unemp rate 4.1% (4.2%e). Mexico CPI 3.12% as exp. Canada unemp rate 6.4% (6.5%e). Trump touts \$3b in US investments in critical minerals mining to wean the US off supply chains dominated by China. Data center firm Switch said to file confidentially for IPO. S&P +0.6%.

Manufacturing PMI (high-to-low): Sweden 55.8 (previous month 58), US 55.6 (previous month 53.3), Taiwan 55.1 (previous 55.2), Japan 54.5 (prev 54.8), Netherlands 54.4/55.5, Greece 54.3/53.8, Canada 53.5/53, India 53.5/54.2, Switzerland 53.2/54.3, South Korea 53.1/52.1, Vietnam 52.9/51.8, Czech Republic 52.2/53.9, Germany 52.2/50.3, UK 51.9/52.5, Austria 51.5/50.9, Hungary 51.4/51.6, Singapore 51.4/51.3, Italy 51.3/52.2, Mexico 51.3/51.3, Hong Kong 51/52, China 50.9/51.7, Russia 50.7/50.3, South Africa 50.3/50.5, Spain 50.2/49.7, Indonesia 50.2/46.9, France 49.8/51.2, Poland 49/46.1, Turkey 47.7/47.1, Brazil 47.5/50.8. **Services PMI:** Spain 58.3/54.2, Ireland 55.2/54.2, US 54.6/51.2, Sweden 54.2/56.5, Australia 53.6/50.5, India 53.3/57.4, Italy 52.5/50.2, UK 52.1/48.8, Japan 51.2/52.2, China 50.4/54.1, Germany 49.8/48.6, Brazil 49.7/51.3, France 49.6/46.8, Russia 49/48.2.

Weekly Close: S&P 500 +3.6% and VIX -1.09 at +14.90. Nikkei +1.9%, Shanghai +2.8%, Euro Stoxx +1.7%, Bovespa -3.1%, MSCI World +3.3%, MSCI Emerging -0.5%, Bitcoin +3.0%, and Ethereum +2.6%. USD rose +3.7% vs Russia, +0.4% vs Turkey, +0.2% vs Yen, and +0.2% vs Brazil. USD fell -2.3% vs South Africa, -1.9% vs Chile, -1.2% vs Mexico, -0.7% vs Australia, -0.6% vs Indonesia, -0.6% vs Canada, -0.3% vs Sweden, -0.3% vs Euro, -0.2% vs India, -0.1% vs China, and -0.1% vs Sterling. Gold +7.1%, Silver +9.9%, Oil (WTI) -7.7%, Oil (Brent) -5.0%, NatGas (US) -3.1%, NatGas (EU) -6.0%, Power (EU) -5.5%, Copper +1.9%, Iron Ore +1.3%, Corn -0.4%. 10yr Inflation Breakevens (EU -6bps at 1.98%, US -3bps at 2.25%, JP -2bps at 1.96%, and UK -6bps at 3.17%). 2yr Notes -10bps at 4.20% and 10yr Notes -9bps at 4.65%.

YTD Equity Index Returns: Korea +51.8% priced in US dollars (+48.5% priced in won), Taiwan +48.5% priced in US dollars (+52.7% priced in Taiwan dollars), Hungary +39.8% priced in US dollars (+33.9% priced in forint), Colombia +35.6% in dollars (+13.7% in pesos), Norway +30.4% (+22.8%), Japan +29.4% (+30.3%), Poland +25% (+29.5%), Singapore +23.4% (+22.6%), Austria +22.8% (+24.9%), Russell 2000 +22.3%, Thailand +21.9%

(+28%), Greece +21.5% (+23.3%), Israel +18.2% (+11%), Italy +17.5% (+19.5%), Brazil +15.5% (+7.1%), Netherlands +15.1% (+16.8%), NASDAQ +14.8%, Spain +14.8% (+16.6%), Portugal +13.5% (+15.2%), S&P 500 +13.3%, MSCI World +13% priced in US dollars, Canada +13% (+14.7%), Australia +12.6% (+6.3%), Belgium +12.1% (+13.8%), Sweden +11.4% (+14.9%), Euro Stoxx 50 +10.9% (+12.6%), Turkey +10.2% (+22.4%), UK +10.1% (+9.8%), Mexico +9.4% (+4.1%), Ireland +7.7% (+9.3%), Switzerland +7.4% (+9.6%), Chile +6% (+7.4%), Germany +5.7% (+7.5%), France +5.3% (+6.9%), Finland +5.1% (+6.9%), New Zealand +4.5% (+2%), South Africa +4% (+1.5%), Saudi Arabia +2.9% (+3.1%), China +2.8% (-0.7%), Malaysia +2.5% (+3.3%), Czech Republic +1.8% (+3.7%), UAE +1% (+1%), Philippines +0.6% (+3.9%), Vietnam -0.6% (-0.9%), HK -0.6% (+0.1%), Argentina -1.9% (+1.2%), Denmark -2.3% (-0.5%), India -11.2% (-6%), Indonesia -30.4% (-25.9%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, June 7, 2026 8:13:56 AM

Hope all goes well... "We want to make humanity a space-faring civilization. Take humanity to Mars, the Moon, and ultimately beyond," said Elon, sharing his Mission Statement, the SpaceX roadshow accelerating to ludicrous speed. "Starship V3 is aiming for 100 tons to orbit with full reusability. Starship V4 we're aiming for over 200 tons per mission and being able to launch every hour," he said. "The propellant is liquid oxygen and liquid methane, which is the cheapest propellant you could possibly get. Which means that you should be able to send cargo to space for less than the cost of cargo on an airplane going on a trans-oceanic trip."

Overall: "It's increasingly difficult to build power plants on the ground - very few people want one in their backyard," said Elon Musk, describing one of a multitude of constraints separating humanity from its infinite potential. "If you wanted to double US electricity usage, you'd have to build twice as many power plants, and most communities aren't excited about that. But if we go to space, we can go far beyond Earth's electricity generation," he continued. "You could increase human energy by a factor of a million and still be using much less than a millionth of the sun's energy. Current human civilization uses much less than a trillionth of the sun's energy." Humanity remains at 0 on the Kardashev Scale, still crawling slowly out from the primordial darkness. "It's humbling how tiny we are." A mote of dust suspended in a sunbeam. "You can manufacture solar radiators on the Moon from lunar materials. We could probably do around 1 terawatt per year of AI space compute from Earth, but 1,000 terawatts or more from the Moon - a truly staggering number." Humanity currently consumes just 3.5 terawatts of electricity. So 1,000 terawatts of annual expansion is roughly 285x current consumption. "A limiting factor we see is being able to make chips - both logic, memory, and packaging. There's not a single high-volume computer memory fab in America right now. Zero. One is being built in Idaho by Micron but won't reach volume until ~2028, and the New York one is 2029-2030," he said, listing another severe constraint. "This is a tiny fraction of the memory needed. Even under the best-case assumptions of existing fabricators, it's not enough to meet anticipated AI demand. That's why we need to do the Terafab." Current global fabrication capacity is only producing roughly 2% of what Musk claims his companies will ultimately need for AI, robotics, and space infrastructure. "We want to make science fiction real, go to places that have never been explored before. You know, like, make Star Trek real."

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Dyson Sphere: In 1964, well before we could imagine the energy required to power today's AI infrastructure, Soviet astronomer and visionary Nikolai Kardashev proposed a scale to measure civilizations in a paper on searching for extraterrestrial intelligence. The idea was that more advanced civilizations would need to harness vastly more energy, making energy consumption a universal proxy for technological progress. Kardashev defined three civilization types. Type I, Type II, and Type III. Humanity has not yet climbed onto the scale; we remain Type 0.

Dyson Sphere II: A Type I civilization can harness and store all the energy available on its home planet, including incoming stellar energy (e.g., total solar radiation hitting Earth), geothermal, wind, etc. It has full control over planetary resources and weather/climate. A Type II civilization can capture and use the entire energy output of its star. This involves megastructures like the Dyson Sphere - a vast array of solar collectors orbiting a star. A Type III can harness the energy of an entire galaxy, tapping into the output of billions of stars, black holes, and other sources.

Dyson Sphere III: In our 300,000-year ascent, Homo sapiens have gone from using a trace amount of Earth's available energy to currently harnessing roughly 0.1-0.2% of the energy required for a full Type I Kardashev civilization. Reaching Type I would require planetary-scale engineering (e.g., massive solar arrays, fusion at enormous scale, climate/weather control, or space-based power). Simply burning 500x more fossil fuels isn't feasible or desirable. Optimistic models (with sustained 3% growth or breakthroughs like fusion) project it in 100-200+ years.

Audacious: Earth formed, 4.54bn years ago. Platinum sank to its center. 300mm years later, as Earth's crust was forming, an impact ejected what is now the moon. For the next few hundred million years, meteorites rained down,

depositing 99% of the platinum now found in Earth's crust. 40,000 near-earth asteroids are known, a far smaller number are mining targets. A single small high-grade asteroid can contain far more accessible platinum than has ever been mined on Earth. There is one known asteroid estimated to have \$10,000 quadrillion of mineable metals.

Audacious II: "It's really hard to find people with the intelligence, skills, and experience to do what we're attempting here," admitted the engineer, giving my daughter Liv and me a tour of his start-up; an asteroid mining company. I'd asked what some of his less obvious constraints were. His whole mission is so ambitious. But launch costs are collapsing along an exponential curve, plus, his satellite development costs are a fraction of the aerospace majors. "And on top of that, we need these people to be insane enough to devote their careers to a mission this audacious."

Anecdote: "Pretty sure that's 29 Palms down there," said Liv, glued to the window, the two of us flying to Aerospace Alley. A vast wasteland spread 35,000 feet below us. 29 Palms is the US Marine Corps' largest base, 1,100 square miles of high Mojave Desert, bigger than Rhode Island. If energy was abundant and nearly free, 29 Palms could be transformed into an irrigated oasis. Or a lush jungle. Cropland. Even a winter wonderland. The Mojave Desert could become anything we want. When I fly over the world's most desolate places, I imagine the untapped potential of our planet. From the time Prometheus stole fire from Zeus and gave it to humans, our rise has moved in rough lockstep with energy consumption. Everything in the universe is energy of course. $E=MC^2$. But we have yet to solve the riddle of harnessing this ubiquitous resource at Kardashev scale. If we fail to move beyond burning fossils, mankind will inevitably succumb to scarcity and eat itself alive in a hellscape like 29 Palms. But if we solve the riddle, utopia awaits, a flourishing, expansion. Everything becomes possible with limitless energy. And yet, only when we face hard constraints does humanity find a way. For 50yrs we have managed to skirt real constraints, creating roughly 2.1% more energy globally each year and building infrastructure to accommodate this incremental growth. That unambitious era is now over. The existential race toward AGI and then ASI will require far more energy than any of us can quite comprehend – a quantum leap in demand that the status quo cannot possibly satisfy. This race has produced a hard constraint of our own creation. And irrespective of what our LLMs ultimately yield, the next stage of humanity's inexorable advance is beginning, with a competition to harness energy in ways and at scales previously unimaginable to all but our greatest visionaries.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US ISM mfg 54.0 (53.0e). Eurozone unemp rate 6.3% (6.2%e), M3 money supply 2.7% (3.1%e). India IP 4.9% (3.9%e). South Korea CPI 3.1% (2.9%e). Anthropic pulled ahead of OpenAI with a confidential IPO filing, as the two AI startups battle for a fundraising edge. S&P +0.3%. **Tue:** US JOLTS job openings 7,618k (6,866k e). Poland base rate unch 3.75% as exp. Eurozone CPI 3.2% as exp, Core 2.5% (2.4%e). Australia GDP 2.5% (2.6%e). A surprise approval by the US Commerce Department paves the way for Chinese-controlled firms to enter the US vehicle market. US is proposing new tariffs of at least 10% on imports from 60 trading partners. US and Iran exchange strikes, putting fresh strain on ceasefire. S&P +0.1%. **Wed:** US ADP emp change 122k (120k e), durable goods orders 8.0% (7.9%e), factory orders 4.8% (4.6%e). Russia unemp rate 2.2% as exp. US says Israel, Lebanon agree to implement ceasefire. SpaceX seeks \$75B in record IPO to fund AI, rocket launches, and satellite infrastructure. S&P -0.7%. **Thu:** US init jobless claims 225k (215k e), cont claims 1777k (1780k e). BOJ officials are set to consider June rate hike with another possible later this year. US-Iran talks progress stalls after Hezbollah rejects truce. S&P +0.4%. **Fri:** US unemp rate 4.3% as exp, change in nonfarm payrolls 172k (88k e). Canada unemp rate 6.6% (6.9%e). Eurozone GDP SA 0.3% (0.8%e). India RBI repurchase rate unch 5.25% as exp. US-Iran nears 100-day mark, remaining at odds over a potential truce, with Iran insisting on a ceasefire in southern Lebanon and the unfreezing of \$24 billion in assets. S&P Dow Jones Indices' index committee declined to remove a rule that companies generate positive net income for the past year to be included in the S&P 500 Index, a potential hurdle for SpaceX, Anthropic, and OpenAI inclusion. S&P -2.6%.

Weekly Close: S&P 500 -2.6% and VIX +6.19 at +21.51. Nikkei +0.4%, Shanghai -1.0%, Euro Stoxx -0.5%, Bovespa -2.7%, MSCI World +0.02%, MSCI Emerging +0.4%, Bitcoin -18.7%, and Ethereum -22.7%. USD rose

+3.7% vs Russia, +2.7% vs Chile, +2.6% vs Brazil, +2.3% vs Sweden, +2.1% vs South Africa, +1.9% vs Australia, +1.2% vs Euro, +1.0% vs Canada, +0.9% vs Sterling, +0.8% vs Indonesia, +0.7% vs Mexico, +0.6% vs Yen, +0.4% vs Turkey, and +0.3% vs China. USD fell -0.1% vs India. Gold -5.0%, Silver -8.9%, Oil (WTI) +3.6%, Oil (Brent) +1.9%, NatGas (US) -1.9%, NatGas (EU) +5.4%, Power (EU) -0.8%, Copper -1.6%, Iron Ore -2.3%, Corn -6.5%. 10yr Inflation Breakevens (EU +2bps at 2.05%, US -4bps at 2.37%, JP +5bps at 2.24%, and UK -1bp at 3.32%). 2yr Notes +14bps at 4.15% and 10yr Notes +9bps at 4.53%.

Manufacturing PMI (high-to-low): Sweden 57.3 (previous month 57), Switzerland 57.3 (previous month 54.5), Taiwan 56.1 (previous mth 55.3), Netherlands 55.9/54.4, India 55/54.7, South Korea 54.8/53.6, Japan 54.5/55.1, US 54/52.7, UK 53.9/53.7, Greece 53.3/52.4, Canada 52.9/53.3, Italy 52.9/52.1, Vietnam 52.8/50.5, Czech Republic 52.2/52.9, China 51.8/52.2, Austria 51.7/51.2, Spain 51.2/51.7, Singapore 51/50.7, Hong Kong 50.4/48.6, Hungary 50.2/50.4, Germany 50.1/51.4, Indonesia 50/49.1, Turkey 49.8/45.7, France 49.7/52.8, Mexico 49.6/47.7, South Africa 49.6/51.6, Poland 49.4/48.8, Brazil 49.1/52.6. **Services PMI:** India 59.8/58.8, China 54.4/52.6, Sweden 53.9/52.6, Ireland 50.8/49.7, US 50.7/51, Brazil 50.4/52.3, Spain 50.1/47.9, Japan 50/51, Italy 49.4/49.8, UK 49.3/52.7, Russia 48.7/49.7, Australia 48.7/50.7, Germany 48.1/46.9, France 44.3/46.5.

YTD Equity Index Returns: Korea +79.1% price in US dollars (+93.6% priced in won), Taiwan +55.2% priced in US dollars (+55.6% priced in Taiwan dollars), Norway +30.1% in US dollars (+22% in krone), Japan +29% in dollars (+32.3% in yen), Hungary +28.1% (+20.4%), Israel +25.1% (+15.5%), Thailand +20.3% (+25.6%), Russell 2000 +14.2%, Turkey +13.4% (+21.6%), Finland +12.6% (+14.8%), Poland +12.1% (+14.9%), Austria +12.1% (+14.2%), Brazil +11.9% (+4.9%), Colombia +11.6% (+6%), NASDAQ +10.6%, Portugal +10.4% (+12.3%), MSCI World +9.8% priced in US dollars, Greece +9.1% (+11.1%), Italy +8.9% (+11%), Singapore +8.4% (+8.7%), Belgium +8% (+9.9%), S&P 500 +7.9%, Netherlands +7.5% (+9.4%), Canada +6.8% (+8.5%), Mexico +6% (+2.9%), Sweden +5.1% (+8.1%), Australia +4.7% (-1%), Saudi Arabia +4.6% (+4.8%), China +4.5% (+1.5%), Spain +4.1% (+6%), UK +3.7% (+4.4%), Vietnam +2.9% (+3%), Euro Stoxx 50 +2.9% (+4.7%), Argentina +1.8% (+1.1%), Malaysia +1.5% (+0.8%), Switzerland +0.4% (+0.9%), Germany -0.8% (+1.1%), France -0.9% (+0.8%), Ireland -1.6% (+0.1%), New Zealand -1.9% (-2.9%), HK -3.2% (-2.6%), Chile -3.6% (-2%), UAE -3.8% (-3.8%), South Africa -4.1% (-4.2%), Philippines -6.7% (-1.9%), Denmark -6.9% (-5.7%), Czech Republic -7.6% (-5.9%), India -15.7% (-10.6%), Indonesia -40.3% (-35.3%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, May 31, 2026 7:04:35 AM

Hope all goes well... Dusted off an anecdote from 2016 about knowledge, skill and investing. See you next Sunday with full weekend notes. All the very best, Eric

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Anecdote (Sept 2016): “John McEnroe would lose 6-0,6-0,6-0 to today’s top ten players,” he said. “Literally,he couldn’t even play this game.” We were watching Djokovic dismantle Monfils at the US Open. “The history of competition is the study of knowledge and skill.” McEnroe’s skills have long since become common knowledge. “For decades,knowledge and skill were highly integrated in our industry. Which was probably correct,because if you had a lot of knowledge,you could use it to make money.” When the industry was smaller,and you heard a little something about what a central bank was going to do,you’d place your bet and cash in. When you gleaned insight into an earnings announcement,or a merger,you killed it. “The trader’s skill in and of itself was built upon the collection of knowledge ahead of others.” The early outsized returns of our industry greats were built upon this simple formula. “The problem is that this skill – the ability to collect information faster than the other guy – no longer has value,it’s no longer a skill.” Tighter regulations and instantaneous information dissemination has made it knowledge. “Like Martina Navratilova establishing the importance of fitness; the skills and habits she developed are now baseline requirements to compete.” While it’s far easier to collect knowledge than acquire skill, it’s often difficult to delineate the two; in others, in ourselves. We’re so consumed by collecting knowledge that we spend too little time honing skill. “Is there a skill to trading for non-computers? For emotional creatures with blood flowing through their veins? Is it even possible to engage in deliberate practice to become a great trader anymore?” he asked, shrugging. Pausing, reflecting. “After analyzing my biggest wins, I’ve discovered they were all great longer-term investment ideas disguised as trades. This is my skill.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Israel base rate 3.75% as exp. Singapore GDP 6.0% (5.2%e), CPI 1.8% (2.1%e). Trump says negotiations with Iran are “proceeding nicely.” Chinese semiconductor stocks rose in Hong Kong on optimism over Huawei Technologies narrowing the technology gap with Taiwan Semiconductor Manufacturing Co. S&P 500 closed for Memorial Day. **Tue:** US conf board cons conf 93.1 (92.0e). Hungary CB rate decision unch 6.25% as exp. Australia CPI 4.2% (4.4%e). New Zealand RBNZ official cash rate unch 2.25% as exp. Taiwan IP 14.13% (19.25%e). Rocket, satellite stocks surge on SpaceX IPO buzz and NASA’s moon contracts. WHO says Congo’s Ebola epidemic is outpacing response. S&P +0.6%. **Wed:** US MBA mortgage applications -8.5%. Russia IP 1.9% (1.5%e). South Korea BOK base rate unch 2.50% as exp. Trump asserted that no one nation would control the Strait of Hormuz as renewed Gulf attacks threatened fragile ceasefire. Google engineer charged with insider trading on Polymarket amid growing concern about insider trading on prediction markets. S&P flat. **Thu:** US init jobless claims 215k (211k e), GDP ann QoQ 1.6% (2.0%e), durable goods orders 7.9% (4.0%e). Mexico unemp rate NSA 2.46% (2.69%e). South Africa SARB interest rate 7.00% as exp. Japan jobless rate 2.5% (2.7%e), IP 2.3% (0.7%e). South Korea IP 1.5% (2.5%e). US and Iran agree to 60-day truce renewal pending Trump signoff. Taiwan prosecutors suspect Nvidia chips were smuggled into China via Japan. S&P +0.6%. **Fri:** Canada GDP 0.4% (0.9%e). Brazil GDP 1.8% as exp. Taiwan GDP 14.55% (13.70%e). Trump administration to appeal a judge’s authority to order broad refunds of all tariffs ruled illegal by the US Supreme Court. Meta plans AI pendant as part of wearables roadmap. S&P +0.2%.

Weekly Close: S&P 500 +1.4% and VIX -1.38 at +15.32. Nikkei +4.7%, Shanghai -1.1%, Euro Stoxx +0.1%, Bovespa -1.4%, MSCI World +1.3%, MSCI Emerging +3.9%, Bitcoin -3.4%, and Ethereum -3.1%. USD rose +0.9% vs Indonesia, +0.3% vs Turkey, +0.1% vs Mexico, and +0.1% vs Yen. USD fell -1.4% vs South Africa,

-1.4% vs Sweden, -1.2% vs Chile, -0.8% vs Australia, -0.7% vs India, -0.6% vs Russia, -0.5% vs Euro, -0.4% vs China, -0.2% vs Canada, -0.2% vs Sterling, and flat vs Brazil. Gold +0.8%, Silver -0.4%, Oil (WTI) -9.6%, Oil (Brent) -9.1%, NatGas (US) +8.9%, NatGas (EU) -5.8%, Power (EU) +4.5%, Copper +0.2%, Iron Ore -2.2%, Corn -3.6%. 10yr Inflation Breakevens (EU -14bps at 2.04%, US -1bp at 2.40%, JP -11bps at 2.19%, and UK -14bps at 3.33%). 2yr Notes -12bps at 4.01% and 10yr Notes -12bps at 4.44%.

May Monthly Close: S&P 500 +5.1% and VIX -1.57 at +15.32. Nikkei +11.9%, Shanghai -1.1%, Euro Stoxx +2.4%, Bovespa -7.2%, MSCI World +4.4%, MSCI Emerging +9.5%, Bitcoin -4.0%, and Ethereum -11.1%. USD rose +3.0% vs Indonesia, +1.7% vs Yen, +1.6% vs Brazil, +1.6% vs Canada, +1.5% vs Turkey, +1.1% vs Sterling, +0.6% vs Euro, +0.2% vs Australia, +0.1% vs India, and +0.1% vs Sweden. USD fell -5.5% vs Russia, -2.7% vs South Africa, -1.1% vs Chile, -0.9% vs China, and -0.6% vs Mexico. Gold -1.5%, Silver +2.5%, Oil (WTI) -11.9%, Oil (Brent) -11.9%, NatGas (US) +8.1%, NatGas (EU) -0.03%, Power (EU) +27.2%, Copper +6.8%, Iron Ore -2.6%, Corn -5.9%. 10yr Inflation Breakevens (EU -31bps at 2.04%, US -9bps at 2.40%, JP +22bps at 2.19%, and UK -22bps at 3.33%). 2yr Notes +13bps at 4.01% and 10yr Notes +7bps at 4.44%.

Yearly Close: S&P 500 +10.7% and VIX +0.37 at +15.32. Nikkei +31.8%, Shanghai +2.5%, Euro Stoxx +5.7%, Bovespa +7.9%, MSCI World +9.8%, MSCI Emerging +24.8%, Bitcoin -15.9%, and Ethereum -32.1%. USD rose +7.1% vs Indonesia, +6.7% vs Turkey, +5.7% vs India, +1.6% vs Yen, +0.7% vs Euro, +0.5% vs Canada, +0.4% vs Sweden, and +0.1% vs Sterling. USD fell -9.9% vs Russia, -8.0% vs Brazil, -7.1% vs Australia, -3.6% vs Mexico, -3.2% vs China, -2.0% vs South Africa, and -1.2% vs Chile. Gold +3.4%, Silver +5.7%, Oil (WTI) +53.2%, Oil (Brent) +51.4%, NatGas (US) -10.4%, NatGas (EU) +72.0%, Power (EU) +44.3%, Copper +10.3%, Iron Ore -1.7%, Corn -1.7%. 10yr Inflation Breakevens (EU +29bps at 2.04%, US +15bps at 2.40%, JP +42bps at 2.19%, and UK +39bps at 3.33%). 2yr Notes +53bps at 4.01% and 10yr Notes +27bps at 4.44%.

YTD Equity Index Returns: Korea +92.6% priced in US dollars (+101.1% priced in won), Taiwan +54.7% priced in US dollars (+54.4% priced in Taiwan dollars), Israel +37.4% priced in US dollars (+20.9% in shekels), Norway +32.6% in dollars (+21.6% in krone), Hungary +31.4% (+21.2%), Japan +29.4% (+31.8%), Thailand +20.4% (+24.5%), Russell 2000 +17.6%, Brazil +17.1% (+7.9%), NASDAQ +16.1%, Poland +15.8% (+16.9%), Austria +14.6% (+15.4%), Finland +13.6% (+14.4%), Turkey +13.5% (+21.3%), Portugal +12.2% (+12.8%), Greece +11.3% (+11.9%), Mexico +10.8% (+6.7%), S&P 500 +10.7%, Italy +10.5% (+11.3%), MSCI World +9.8% priced in US dollars, Belgium +9.3% (+9.9%), Singapore +9.3% (+8.4%), Canada +9% (+9.6%), Sweden +8.6% (+8.8%), Netherlands +8.2% (+8.8%), Australia +8% (+0.2%), Colombia +7.8% (+5.3%), Argentina +6.9% (+3.8%), China +5.9% (+2.5%), Spain +5.5% (+6.1%), Saudi Arabia +5% (+5.1%), UK +4.9% (+4.8%), Vietnam +4.3% (+4.4%), Chile +4.1% (+2.9%), Euro Stoxx 50 +3.9% (+4.5%), Switzerland +3.4% (+2.1%), Malaysia +2.5% (+0.2%), Germany +1.8% (+2.5%), New Zealand +1.7% (-2.2%), South Africa +1.1% (-1.1%), Ireland +0.3% (+0.8%), France -0.1% (+0.4%), HK -2.4% (-1.7%), UAE -2.9% (-2.9%), Denmark -4.7% (-3.9%), Czech Republic -6.1% (-5.1%), Philippines -8.8% (-4.7%), India -14.6% (-9.9%), Indonesia -33.5% (-29.1%).

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returns.

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Saturday, May 23, 2026 11:58:09 PM

Hope all goes well... "On a day like today, there's no better way to start than with a word from scripture," said Pete Hegseth, Secretary of War, Memorial Day weekend, addressing West Point's 2026 graduating class. "And on a day as special as this for the 998 great Americans of this class, there's no more fitting verse than from Isaiah 6:8. 'Then I heard the voice of the Lord saying, Whom shall I send? And who will go for us?' And I said, 'Here I am. Send me,'" said Hegseth. "Four years ago, you raised your right hand, swore an oath to preserve and defend the Constitution. And in that moment, you said to your country, 'Send me.' And here you are," continued Hegseth. "Throughout our storied history when soldiers said, 'Send me.' It didn't matter whether they were well-equipped or poorly equipped. It didn't matter whether they were stepping into a clear mission or a vague one, whether there were clear skies or rain. 'Send me' was always the determined reply. Every one of them, just like you, were called to serve something greater than themselves. Rich, poor. Country, city. Black, white. It doesn't matter. Send me."

Dusted off a 2023 anecdote from our daughter Liv's experience at West Point (see below), about the process of tearing people down, building them back up. See you next Sunday. E

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (July 2023): *"If the fresh skin of an animal, cleaned and divested of all hair, fat, and other extraneous matter, be immersed in a dilute solution of tannic acid, a chemical combination ensues,"* said Liv, the two of us walking, her first year done. Cadets are required to commit all sorts of passages to memory. They must be able to recite them at any moment and are inevitably called to do so when standing at attention, heart racing, eyes ahead, with a Cadre screaming commands in their faces. There is hell to pay if a single word is out of place. It is one of the many ways the Military Academies teach. One of the more profound lessons is that for us to successfully lead, we must first learn to follow. And the challenge, of course, is that the people who show real leadership potential tend to arrive at West Point with an overabundance of confidence, cockiness. In fact, such attributes are in part a requirement for admission. The first year of training is about many things, but best I can tell, the principal intention is to tear the Cadets down to the bone. The institution then spends the next three years building them back up, slowly, deliberately, holistically, so that after four years, they each have the tools necessary to lead others. *"The gelatinous tissue of the skin is converted into a non-putrescible substance, impervious to and insoluble in water,"* said my girl, continuing the memorized passage. This story of transformation is a metaphor; such tools have a powerful effect on us as we internalize their lessons. It had been a hard year, everything worthwhile is. The changes in her were evident, the process begun. But her light had not dimmed. *"This, sir, is leather,"* she said. "And I am leather Dad."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: China IP 4.1% (6.0%e), ret sales 0.2% (2.0%e). Japan GDP SA QoQ 0.5% (0.4%e). Google and Blackstone to create new AI cloud business to compete with companies like CoreWeave. Trump says he called off planned strike on Iran after an appeal by leaders of Persian Gulf allies who called for more time to pursue a diplomatic resolution. S&P -0.1%. **Tue:** US pending home sales MoM 1.4% (1.0%e). Canada CPI 2.8% (3.1%e). Trump threatened to resume strikes on Iran in the coming days as a part of the push for a deal to end the war. US 30-year yield hit highest since 2007 as selloff deepened. S&P -0.7%. **Wed:** UK CPI 2.8% (3.0%e). Eurozone CPI 3.0% as exp. South Africa CPI 4.0% as exp. Australia unemp rate 4.5% (4.3%e). Open AI is preparing to file for an IPO in the coming weeks, targeting a public debut sometime in the fall. US Treasuries rebound on optimism for US-Iran deal progress after Trump said he was in the "final stages" of a deal. S&P +1.1%. **Thu:** US init jobless claims 209k (210k e), housing starts 1465k (1410k e). Mexico ret sales 2.9% (3.0%e). US to

grant \$2B to 9 quantum computing firms in deals that include government equity stakes. US and Iran traded threats of escalation, with Iran warning it would retaliate beyond the Middle East if the US or Israel renewed strikes. S&P +0.2%. **Fri:** US UMich sent 44.8 (48.2e). Mexico bi-weekly CPI -0.16% (-0.18%e), GDP NSA 0.2% (0.1%e). Kevin Warsh sworn in as Fed Reserve Chair. US Director of National Intelligence Tulsi Gabbard resigns, with Aaron Lukas, a former CIA officer to step into the role. S&P +0.4%. **Sat:** Trump writes that Iran deal is largely negotiated and he'll announce it soon.

Weekly Close: S&P 500 +0.9% and VIX -1.73 at +16.70. Nikkei +3.1%, Shanghai -0.5%, Euro Stoxx +3.0%, Bovespa -0.6%, MSCI World +1.3%, MSCI Emerging +1.1%, Bitcoin -3.9%, and Ethereum -6.6%. USD rose +1.4% vs Indonesia, +0.5% vs Canada, +0.4% vs Turkey, +0.3% vs Australia, +0.3% vs Yen, and +0.2% vs Euro. USD fell -2.2% vs Russia, -1.4% vs South Africa, -0.9% vs Chile, -0.8% vs Sterling, -0.8% vs Sweden, -0.4% vs Brazil, -0.3% vs India, -0.2% vs China, and flat vs Mexico. Gold -0.9%, Silver -1.7%, Oil (WTI) -4.4%, Oil (Brent) -5.2%, NatGas (US) -1.8%, NatGas (EU) -3.0%, Power (EU) -1.7%, Copper +1.3%, Iron Ore -3.2%, Corn +1.6%. 10yr Inflation Breakevens (EU -11bps at 2.17%, US -11bps at 2.41%, JP +7bps at 2.30%, and UK -10bps at 3.46%). 2yr Notes +5bps at 4.12% and 10yr Notes -4bps at 4.56%.

YTD Equity Index Returns: Korea +76.9% priced in US dollars (+86.2% priced in won), Taiwan +45.3% priced in US dollars (+45.9% priced in Taiwan dollars), Norway +35.3% in dollars (+24.3% in krone), Israel +29.7% in dollars (+18.1% in shekels), Hungary +24.2% (+16.8%), Japan +23.6% (+25.8%), Brazil +19.5% (+9.4%), Thailand +17.5% (+22.1%), Russell +15.6%, Turkey +15.2% (+22.6%), Finland +13.8% (+15.3%), Poland +13.4% (+15.3%), NASDAQ +13.3%, Portugal +12.8% (+14%), Austria +10.9% (+12.3%), Mexico +10.6% (+6.3%), Singapore +9.7% (+9.1%), S&P 500 +9.2%, Belgium +8.9% (+10.1%), Italy +8.8% (+10.2%), Netherlands +8.7% (+9.9%), MSCI World +8.4% in US dollars, Canada +8% (+8.7%), Sweden +7.4% (+9.1%), China +6.6% (+3.6%), Australia +6.2% (-0.7%), Greece +6% (+7.1%), UK +5.3% (+5.4%), Saudi Arabia +5% (+5.1%), Vietnam +4.9% (+5.2%), Malaysia +4.2% (+1.9%), Colombia +3.4% (+0.7%), Euro Stoxx 50 +2.8% (+3.9%), Spain +2.8% (+3.9%), Switzerland +2.7% (+1.8%), Chile +0.7% (+0.8%), Germany +0.4% (+1.6%), HK -0.8% (-0.1%), France -1.5% (-0.4%), South Africa -1.7% (-2.4%), Ireland -1.8% (-0.7%), New Zealand -2.4% (-4.1%), Argentina -3% (-6.7%), UAE -3.4% (-3.3%), Denmark -5.4% (-4.2%), Philippines -5.9% (-1.5%), Czech Republic -6.1% (-4.7%), India -14.6% (-9.2%), Indonesia -32.7% (-28.7%).

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From: [Eric Peters](#)
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Subject: wknd notes
Date: Sunday, May 17, 2026 12:38:01 AM

Hope all goes well... "We'll send tiny racks of machines and have them in satellites, test them out, and then start scaling from there," Google CEO Sundar Pichai said in November. Engineers scoffed at the practicality of the plan. "There's no doubt to me that a decade or so away, we'll be viewing it as a more normal way to build data centers," said Sundar. And this week it was reported that Google is in talks with SpaceX for a rocket launch deal to put orbital data centers in space. Let that sink in, that's where we are now.

Overall: The papers all wrote that Kevin Warsh now has the worst job in the world. Stuck in an impossible situation. Between Trump and a hard place. That's ridiculous. The Fed Chairmanship couldn't possibly suck more than being the latest IRGC commander. General Vahidi stepped into a sudden vacancy in early March. Too dovish and he is sure to get assassinated by his fellow governors, too hawkish and Mossad takes him out with a beeper. This dynamic is prolonging a war that everyone wants to end but no one seems able to exit. Being Treasury Secretary Bessent definitely doesn't suck as much as being Vahidi. But presiding over a federal debt of \$39 trillion with a \$1.9 trillion budget deficit (6% of GDP) and \$1 trillion in annual interest expense as bond yields soar is on par with what it was like to be Maduro back before our boys scooped him up in that track suit. Rising oil prices and inflation are not exactly as ominous as having the USS Gerald Ford anchored off the coast of Caracas. But they're not far off when you're managing the world's largest debt pile, which Bessent is. At any rate, Warsh has a relatively easy job. Like his many predecessors, he's expected to be tested by the markets early in his term, make a few enormous policy errors, and still not be fired. Compare that to investors, who are neck and neck with Vahidi for the worst job in the world. The Buffett Indicator has blown through all historical overvaluation extremes. The US stock market capitalization is 232% of GDP versus a long-term average of 80-90%, a peak of 115% at the 2007 highs, and 175% at the 2000 peak. Virtually no one has been overweight the AI-related stocks that powered this rally. And yet equities can go higher still, with humanity fast approaching the Singularity. So, everyone is chasing at the highs. Terrified. With oil, inflation, and interest rates rising - inextricably tied to Vahidi.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Single Point: Making a little money is easy. Making a lot of money is the opposite. Most of the time, those who make real fortunes do so by building things of value. The investors who fund them outperform their peers. Leverage helps amplify their returns (losses too). And sometimes, investors who build nothing of substance make lots of money for a period by applying reckless leverage to fairly mundane investments. It takes virtually no skill, which by definition means that many people can participate and appear successful for periods when not much changes.

Single Point II: We're really not in that kind of period now. We're in a time where vast fortunes are being made by builders - just look at the IPOs soon coming to market. For years, the great monopolies and oligopolies that dominate America's stock market, repurchased their stocks and built vast hoards of cash. It seemed inconceivable that any opportunity could come along that would be both large enough and sufficiently compelling to consume that sum of capital. Then came artificial intelligence, the greatest industrial undertaking in all human history.

Single Point III: For decades, policy makers and politicians attempted to smooth the business and market cycle by intervening at the first sign of stress. It was well intentioned, though many of us would have preferred less manipulation, believing that without genuine hardship the likelihood of achieving one's potential is vastly diminished. But on it went, and with each intervention, the risks that in a well-functioning free market economy would have resided in the private sector were transferred to the public sector. Government debt and entitlements exploded.

Single Point IV: In the years leading up to Covid, economists started talking about Secular Stagnation. It appeared that the US was losing its economic dynamism, just as Europe has for decades. Talk of Modern Monetary Theory circled through Washington DC as a mechanism to kick us out of our economic doldrums using aggressive government spending. Covid arrived, stimulus spending soared, the dollar and fiat currencies were debased as inflation surged. Government deficits rose to a new plateau. Debts surged. And the price of money

rose too.

Single Point V: Decades of intervention mitigated the risk of deeply destructive recessions but increased the risk of a catastrophic depression. By transferring risks that naturally occur in a market economy from many private sector actors to a solo actor (the public sector), the risk of a single point of failure rose. As a government's deficits and debt increase, inflation ultimately follows. And in a crisis accompanied by inflation, where the government balance sheet is the source of risk, it is unable to rescue the economy with rate cuts, QE and deficit spending without sparking an inflationary spiral.

Single Point VI: The single point of failure risk has never been greater. Recognizing this risk is different from knowing it will be realized. It's a profoundly difficult situation. One of the most remarkable aspects of America and our economy is how every once in a while, we develop some new technology and use it to reinvent how we operate, escaping the predicaments we face. It produces prosperity to pay for our financial sins. It's what's gotten us here. It fuels our optimism as a nation. AI is the technology that may save us, and the stakes have never been higher.

Anecdote: "Want to know how to jump over a bike rack?" asked Bulldog, back in early 2013. I was telling him about my plans to start One River. When I make a big decision, I always kick it around with people I respect. "Okay, listen carefully, there's only one way to do it," he grunted. I pictured a jumbled bike rack from my days at university. "You run as goddamn fast as you possibly can and you jump over it with everything you got - to hell with the consequences, that's how you do it. And you might still fail, but that's the only way." I love Bulldog. "If you don't run as fast as you possibly can, then you are definitely going to get wrecked. FUBAR. Might as well not even try." He's right of course. And I'll never forget it. There are certain times in life and in risk-taking that are best managed using well-constructed hedges. But not all times. Knowing one from the other is a big part of the art of life. America is in one of those bike rack moments now. It's almost as if the country has been waiting for this moment for decades. Our government has been intervening for all these years to keep the economic wheels spinning in the hope that some new innovation comes along to lift productivity and bail us all out. Our monopolies have been deepening their war chests for the day when they can build something to rival the railroad boom. Now they're all in, pushing well past their free cash flow, leveraging up their balance sheets to win an existential race. The Trump administration in particular is making the bet that the only way over the rack is an all in commitment, full speed ahead, no hesitation whatsoever. And no one involved can afford to hedge in the slightest. We clear the rack and it'll be amongst America's greatest economic triumphs. And if we don't, FUBAR.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US existing home sales 4.02m (4.05m e). China CPI 1.2% (0.9%e), PPI 2.8% (1.8%e). Hormuz remains largely blocked as US and Iran unable to reach deal to end conflict. South Korea's presidential policy chief Kim Yong-Beom proposes "citizen dividend" funded by excess profits from AI industry taxes. S&P +0.2%. **Tue:** US CPI 3.8% (3.7%e), Core 2.8% (2.7%e). Mexico IP NSA -1.3% as exp. South Korea unemp rate SA 2.8% (2.7%e). US FDA Commissioner Makary resigns. CME partnering with Silicon Data to create futures market for computing power. S&P -0.2%. **Wed:** US PPI final demand MoM 1.4% (0.5%e). Eurozone GDP SA 0.8% as exp. US Federal Reserve to buy about \$10B in Treasury bills over the period ending June 11, marking a 75% pullback over a two-month span and signaling the Fed is confident in the funding markets. US Senate confirmed Kevin Warsh as Fed Chair. Venezuelan government announced \$179B debt restructuring process. S&P +0.6%. **Thu:** US init jobless claims 211k (205k e). UK GDP 1.1% (0.8%e). China Money Supply M2 YoY 8.6% (8.5%e). Japan PPI 4.9% (3.0%e). Xi warns Trump of potential conflict over Taiwan at China and US summit and also signaled that China is moving toward greater openness in meeting with US business leaders. Cerebras Systems Inc shares jumped 68% in trading debut after raising \$5.5B in the year's largest IPO. AI data centers buildout drives 76% power bill jump on largest US grid. S&P +0.8%. **Fri:** US emp mfg 19.6 (7.2e), IP MoM 0.7% (0.3%e). US Fed names Powell Chair Pro Tempore until Warsh is officially sworn in. OpenAI to partner with Plaid

to give consumers financial advice. SpaceX said to plan public IPO filing as soon as next Wednesday. Snap and Google settle school social media addiction suit ahead of trial. S&P -1.0%.

Weekly Close: S&P 500 +0.1% and VIX +1.24 at +18.43. Nikkei -2.1%, Shanghai -1.1%, Euro Stoxx -0.9%, Bovespa -3.7%, MSCI World -0.3%, MSCI Emerging -2.5%, Bitcoin -1.2%, and Ethereum -4.0%. USD rose +3.4% vs Brazil, +2.5% vs Sweden, +2.3% vs Sterling, +2.1% vs Chile, +1.9% vs South Africa, +1.6% vs India, +1.4% vs Euro, +1.3% vs Australia, +1.3% vs Yen, +0.9% vs Mexico, +0.5% vs Canada, +0.5% vs Indonesia, +0.3% vs Turkey, and +0.2% vs China. USD fell -1.7% vs Russia. Gold -3.6%, Silver -4.1%, Oil (WTI) +10.5%, Oil (Brent) +7.9%, NatGas (US) +7.4%, NatGas (EU) +13.6%, Power (EU) +8.6%, Copper -0.02%, Iron Ore -0.3%, Corn -3.3%. 10yr Inflation Breakevens (EU +8bps at 2.28%, US +5bps at 2.51%, JP +28bps at 2.24%, and UK +12bps at 3.57%). 2yr Notes +19bps at 4.07% and 10yr Notes +24bps at 4.59%.

YTD Equity Index Returns: Korea +71.1% price din US dollars (+77.8% priced in won), Taiwan +41.6% priced in US dollars (+42.2% priced in Taiwan dollars), Norway +33.2% priced in US dollars (+22.9% in krone), Israel +28.8% in dollars (+17.9% in shekels), Hungary +25.3% (+18.6%), Turkey +20.3% (+27.6%), Japan +20.2% (+22%), Brazil +19% (+10%), Thailand +16% (+20.5%), NASDAQ +12.8%, Russell +12.5%, Portugal +10.5% (+11.5%), Poland +10.2% (+12.1%), Mexico +9.8% (+5.7%), Finland +9.1% (+10.3%), Austria +8.8% (+10%), S&P 500 +8.2%, Italy +8.1% (+9.3%), Singapore +7.9% (+7.4%), Vietnam +7.4% (+7.7%), MSCI World +7% in US dollars, China +6.9% (+4.2%), Belgium +6.7% (+7.7%), Canada +6.6% (+6.7%), Australia +6.2% (-1%), Malaysia +6.2% (+3.6%), Netherlands +5.3% (+6.2%), Greece +5% (+5.9%), Saudi Arabia +4.7% (+4.8%), Sweden +2.6% (+5.3%), UK +1.7% (+2.7%), Colombia +1.2% (+1.6%), Spain +0.9% (+1.8%), HK +0.7% (+1.3%), Switzerland +0.2% (-0.4%), Euro Stoxx 50 -0.3% (+0.6%), Chile -1.3% (-0.6%), South Africa -1.7% (-1.1%), New Zealand -2.8% (-4.3%), UAE -3.2% (-3.2%), Germany -3.3% (-2.2%), France -3.3% (-2.4%), Denmark -4.4% (-4%), Philippines -5.7% (-1.3%), Ireland -6.2% (-5.4%), Czech Republic -7% (-5.6%), Argentina -7.6% (-11.3%), India -15.2% (-9.5%), Indonesia -25.7% (-22.2%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, May 10, 2026 5:38:14 AM

Hope all goes well... "As a floor trader in the 1990s, I learned to be fader of market moves," said Yoda, high in the Rockies. "Then in the dotcom bubble I learned to be a follower," continued the most talented short-term trader I've ever known. "This is not a dotcom repeat, those companies went public with no profits, sometimes no revenues." Today's companies mint money. "How will this end?" asked Yoda. I sat silent, patient. "It doesn't matter. You can't care. Not at this stage in the cycle. Now is when you make money owning things. This is when the faders go bankrupt."

Overall: "There will soon be billions of AI Agents transacting, and they need rails that can keep up," said Brian Armstrong, Coinbase Founder/CEO on the quarterly earnings call. Less than 1% of the investors in the world can explain what AI Agent transactions are or why they'll be integral to the functioning of a modern economy. Over the coming few years, that will change – that's what opportunity looks like. "Crypto is the only option that checks all three boxes: Fast, cheap, and global." With investors obsessing over the Hormuz Strait, the pace of transformation happening across key sectors in the global economy proceeds uninterrupted. I'm closest to the guts of the financial system, money flows, policy, plumbing. The coming change is stunning. In Q4 2025, Coinbase, Google and numerous others teamed up to build payment rails that allow Autonomous AI Agents to instantly transact at vast scale, without the need for banks, using stablecoins on blockchain rails. They called it x402, an agentic payments protocol [\[here\]](#). "USDC and Base are now powering the majority of on-chain stablecoin transactions for AI Agents. And when Agents pay with crypto on-chain, they use USDC 99% of the time, and over 90% of those transactions happened on the Base chain in Q1," continued Armstrong. In ten years, almost no one will need to understand how this works, because blockchain rails will be operating beneath the surface, moving money, securities, and collateral seamlessly, like the data flowing to and from your mobile phone. "We're seeing Agents also use the x402 protocol for a wide variety of use cases including trading, AI inference, media generation, storage, and more," said Armstrong, just one of many young builders, leveraging humanity's increasingly powerful technologies to change how the world operates, in ways that the incumbents never would.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Infinity: "Even I'm surprised, but not surprised," said Sparks, investor, entrepreneur, iconoclast. "The problem is that it's nearly impossible to grasp geometric demand curves," he continued, discussing the dynamic whereby as the price of AI computing power declines, demand for it increases at a greater rate. For most products, a 10% price drop might increase demand by 5%. In AI compute, the same 10% price decline might boost demand by 20%. The shape of the resulting chart for AI compute price vs demand is logarithmic, and consumption trends toward infinity.

Infinity II: "That's a different way of saying that the coming data center and power constraints we discussed a few years ago are as big as I could have imagined," continued Sparks. "But if I had a base case and a wildly extreme case, it's played out to the topside." Well before Covid arrived, Sparks sketched a first-principles picture of the future. The lines for compute demand grew non-linearly, logarithmically. So, he built his first data center. Then two. More and more. Then came the Chinese lab leak. And like most great investors, Sparks pressed his bet. Zoom.

Infinity III: "But despite the arc of these curves that everyone is looking at today, I think ultimately you want to be a token user," said Sparks, entering harvest season for data center and power generation investments made throughout this cycle. "Tokens are mispriced relative to the benefit to the user, and I think the businesses you can build using them will be subsidized by the hyperscalers, so that's where I see the next amazing opportunity," he said, describing the coming wave of businesses that will be built using AI tokens as prices collapse and supply explodes.

Infinity IV: "The challenge for entrepreneurs will be the difficulty in building moats to defend their new business models," he said. "In the last big tech cycle, the new models that emerged and accrued all the profits built their moats through network effects." Amazon. Google. Facebook. Apple. YouTube. Instagram. "The real value in these businesses is not in their code, it's in their monopoly power," he said. "It seems unlikely that in this new world of AI

it'll be possible to build defensible network moats of those kinds, and it might not be possible to build moats at all."

Infinity V: "Given the choice we now face, I definitely want to be sided with the Barbarians at the Gate, as opposed to being aligned with the incumbents," said Sparks, Conan to his core. "But once the coming wave of entrepreneurs tear down the walls, I don't see how they'll defend the profits they've stolen from these monopolies and oligopolies." Imagine wave after wave of marauders, armed with Mythos and its ever more intelligent successors, plundering, pillaging. "The more I think through that future the more clearly it appears to be chaos for capitalism."

Anecdote: "When you're going through the gloaming, two opposing thoughts can be true at once," said Sparks. I obviously had no idea what gloaming meant but gave it a minute. "At twilight, you're going through this transitional period, and two possible futures can seem like realistic possibilities." Okay, I was tracking. "There was a time when Amazon and Sears Roebuck coexisted," said Sparks. "Eddie Lampert bought Sears in 2005. Amazon and Sears both operated in that gloaming. Lampert and Bezos were both worth about \$3bln at the time." Fast forward twenty years and Bezos's net worth is up 10,000% and Lampert remains largely frozen in time. "It was true that they were on equal footing, and it was also false. In fact, looking back, you can see that it was an absurd, fleeting moment. And that's exactly what happens in these transitions." Amazon has a market cap of roughly \$3trln, having plundered Sears and so many struggling retailers. "When you're in these periods, and we're in one now, most people kind of want to believe that both incumbent and disrupter can prosper, and that those who can tear down existing monopolies will resist being torn down themselves." Both cannot be true. "But even if we're at five minutes to midnight in terms of the market reckoning, you can remain in this state for what can feel like a long time. Which is what probably drove Chuck Prince to say that as long as the music is playing, you've got to get up and dance." Chuck was the CEO of Citigroup, and that was in 2007. By March 2009, Citi's stock price had fallen from \$550 to \$0.97. "We've probably entered the blow off phase in this cycle, and it could run a lot higher and last a lot longer. But on the other side is carnage for many incumbents," he said. "The next big opportunity is in figuring out where the future value will accrue in a defensible way. I'm thinking about that a lot. It's a really interesting problem. And there's always an answer."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US durable goods orders 0.8% as exp, factory orders 1.5% (0.6%e). Turkey CPI 32.37% (31.25%e). Hantavirus infections linked to a cruise ship in the Atlantic Ocean. US transportation stocks plunged after Amazon announced expanded logistics offering making it a major competitor for parcel carriers and air freight companies. S&P -0.4%. **Tue:** US trade balance -\$60.3b (-\$61.0b e), JOLTS job openings 6866k (6850k e). Australia RBA cash rate target 4.35% as exp. New Zealand unemp rate 5.3% (5.4%e). South Korea CPI 2.6% as exp. Oil declined as the ceasefire held and the US downplayed the prospect of a return to active war. Coinbase to cut 14% of staff citing volatile markets and AI. Alphabet raises \$17b from debt sales for latest AI push. S&P +0.8%. **Wed:** US ADP emp change 109k (120k e). Poland base rate unch 3.75% as exp. Hong Kong ret sales value 12.8% (9.4%e). The US presented a proposal to end the war, with Iran expected to send a response via Pakistan in the next two days. China asked banks to pause new loans to US-sanctioned refiners over ties to Iranian oil. Anthropic signed computing deal with SpaceX to increase Anthropic's computing resources. S&P +1.4%. **Thu:** US init jobless claims 200k (205k e). Mexico overnight rate 6.50% as exp. Mexico CPI 4.45% (4.54%e). Sweden Riksbank policy rate unch 1.75% as exp. Taiwan CPI 1.74% (1.70%e). US struck military targets in Iran after the country fired on US Navy in the Strait of Hormuz, threatening the ceasefire. Trump-Xi summit still scheduled for May 14-15 despite China's Iran concerns. S&P -0.4%. **Fri:** US change in NFP 115k (65k e), unemp rate 4.3% as exp, UMich sent 48.2 (49.5e). Canda unemp rate 6.9% (6.7%e). US prepares AI security order for US agencies to partner with AI companies to protect against AI-enabled cyber attacks, with directive stopping short of requiring government approval for models. Trump announces three-day ceasefire between Russia and Ukraine. S&P +0.8%.

Manufacturing PMI (high-to-low): Sweden 57.2 (previous month 56.2), Taiwan 55.3 (previous month 53.3), Japan 55.1/51.6, India 54.7/53.9, Switzerland 54.5/53.3, Netherlands 54.4/52, UK 53.7/51, South Korea 53.6/52.6, Canada 53.3/50, Czech Republic 52.9/52.8, France 52.8/50, United States 52.7/52.7, Brazil 52.6/49, Greece 52.4/54.5, China 52.2/50.8, Italy 52.1/51.3, Spain 51.7/48.7, South Africa 51.6/50.8, Germany 51.4/52.2, Austria 51.2/52.4, Singapore 50.7/50.5, Hungary 50.5/50.3, Vietnam 50.5/51.2, Indonesia 49.1/50.1, Poland 48.8/48.7, Hong Kong 48.6/49.3, Russia 48.1/48.3, Mexico 47.7/48.9. **Services PMI:** India 58.8/57.5, UK 52.7/50.5, China 52.6/52.1, Sweden 52.5/55.9, Brazil 52.3/50.1, US 51/49.8, Japan 51/53.4, Australia 50.7/46.3, Italy 49.8/48.8, Russia 49.7/49.5, Ireland 49.7/50.7, Spain 47.9/53.3, Germany 46.9/50.9, France 46.5/48.8.

Weekly Close: S&P 500 +2.3% and VIX +0.20 at +17.19. Nikkei +5.4%, Shanghai +1.7%, Euro Stoxx +0.1%, Bovespa -1.7%, MSCI World +1.8%, MSCI Emerging +6.9%, Bitcoin +2.1%, and Ethereum +0.5%. USD rose +0.6% vs Canada, +0.4% vs Turkey, +0.1% vs Indonesia, and flat vs Sweden. USD fell -1.6% vs South Africa, -1.6% vs Mexico, -1.3% vs Brazil, -1.1% vs Russia, -1.0% vs Chile, -0.6% vs Australia, -0.6% vs Euro, -0.5% vs India, -0.4% vs China, -0.4% vs Sterling, and -0.2% vs Yen. Gold +1.9%, Silver +5.8%, Oil (WTI) -6.4%, Oil (Brent) -7.3%, NatGas (US) -0.8%, NatGas (EU) -3.5%, Power (EU) +14.0%, Copper +5.2%, Iron Ore +3.2%, Corn -1.9%. 10yr Inflation Breakevens (EU -15bps at 2.20%, US -4bps at 2.46%, JP -3bps at 1.95%, and UK -9bps at 3.45%). 2yr Notes +1bp at 3.89% and 10yr Notes -2bps at 4.36%.

YTD Equity Index Returns: Korea +75.4% priced in US dollars (+77.9% priced in won), Taiwan +43.6% priced in US dollars (+43.6% in Taiwan dollars), Israel +34.3% in US dollars (+22.2% in shekels), Hungary +32.1% (+21.2%), Norway +30.8% (+19.5%), Brazil +28% (+14.3%), Turkey +26.7% (+33.8%), Japan +24.3% (+24.6%), Thailand +16.1% (+19.1%), Russell +15.3%, Mexico +13.6% (+8.6%), NASDAQ +12.9%, Portugal +11.9% (+11.5%), Poland +10.9% (+11.1%), Austria +10.6% (+10.5%), Italy +9.8% (+9.7%), Finland +9% (+8.9%), Australia +8.9% (+0.3%), China +8.2% (+5.3%), S&P 500 +8.1%, Belgium +7.9% (+7.6%), Greece +7.8% (+7.5%), Canada +7.7% (+7.5%), Malaysia +7.7% (+4%), Singapore +7.5% (+5.9%), MSCI World +7.4% in US dollars, Netherlands +7.3% (+7%), Vietnam +7.3% (+7.3%), Sweden +6.1% (+6.6%), Saudi Arabia +5.1% (+5.2%), UK +4.3% (+3%), Spain +3.7% (+3.4%), Colombia +3.6% (+2.6%), Chile +3.6% (+2.6%), South Africa +2.9% (+2%), HK +2.4% (+3%), Euro Stoxx 50 +2.4% (+2.1%), New Zealand +0.7% (-2.8%), Switzerland +0.5% (-1.3%), France -0.2% (-0.5%), Germany -0.5% (-0.6%), UAE -1.5% (-1.5%), Ireland -2.6% (-2.9%), Philippines -4.2% (-1.5%), Argentina -5.5% (-9.3%), Denmark -5.7% (-5.7%), Czech Republic -5.9% (-5.6%), India -11.9% (-7.5%), Indonesia -22.4% (-19.4%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, May 3, 2026 12:16:58 AM

Hope all goes well... Our oldest boy zipped home for the week, his first deployment now complete. Dusted off an anecdote from 2025 about our second son, who is running his first marathon today up at the Academy. See you next Sunday with full weekend notes. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (July 2025): "First half of the ruck went fast," said Teddy, final day of Air Assault School, known as the toughest ten days in the army. Roughly half the cadets fail. On the last day of Air Assault, you must march 12-miles in less than 3hrs, carrying 40lbs of gear. "Then out of nowhere, I cramped up. I was well ahead of time and kept going, punching my legs to loosen up." A pace car with paramedics carries up the rear, picking up the broken pieces, hovering like vultures. "I must've gotten my hydration wrong, electrolytes, something. The cramps got progressively worse. At times my legs locked out, and I'd swing them outward as I shuffled and ran." Teddy was a Track & Field kid, a pole vaulter, lean. Four years ago on New Year's Eve, our family went around the table to discuss resolutions. "I'm going to get huge," he announced. We all laughed. Now he's a beast. And of all the things that Teddy thought might take him down at Air Assault, physical demands were last on the list. "I could feel the pace car creeping up, stalking me," he said, the pain excruciating. "The car passed me, paramedics sized me up, said I should climb in, no way I could make it." He carried on. "I found I could go for bursts and briefly get back in front of the car. I refused to lose to it." On they went, leapfrogging. "But I was gradually losing ground, it looked over. And right then, the most badass of all officers came up beside me - 'We're going to finish this together cadet,' he yelled." Leadership. "I told him I had to puke from the pain. He said, 'Hell yeah!' And I did. 'Do this for your future soldiers!' he said as we marched together. And we crossed the finish line, absolute dead last, with 1 minute left, the whole class cheering."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: BOJ target rate unch 0.75% as exp, Japan jobless rate 2.7% (2.6%e). Singapore IP 10.1% (6.0%e). China blocks Meta's \$2bn acquisition of AI firm Manus. Oil rises as stalled US-Iran peace talks keep Hormuz shut. White House Correspondents dinner shooting suspect charged with trying to kill Trump. S&P +0.1%. **Tue:** US cons conf 92.8 (89.0e). Chile overnight rate target unch 4.50% as exp. Hungary CB rate decision unch 6.35% as exp. India IP 4.1% (2.7%e). Australia CPI 4.6% (4.8%e). US threatens to sanction banks that support Chinese private refiners that buy Iranian oil. OpenAI-linked stocks dropped on report it failed to meet sales and user targets. S&P -0.5%. **Wed:** US FOMC rate decision upper bound unch 3.75% as exp, lower bound unch 3.50% as exp. Bank of Canada rate decision unch 2.25% as exp. Brazil Selic rate 14.50% as exp. China mfg PMI 50.3 (50.1e). South Korea IP 3.6% (4.0%e). The Trump administration opposes a plan by Anthropic to expand access to its Mythos AI model. Jerome Powell said he will remain at the Federal Reserve as a governor after his term as chair ends. Treasuries slumped as traders boosted bets the central bank may need to raise interest rates amid persistent inflation pressures following hawkish dissents. S&P flat. **Thu:** Bank of England bank rate unch 3.75% as exp. Eurozone CPI 3.0% as exp. Taiwan GDP 13.69% (10.30%e). the yen surged after Japan intervened in the foreign exchange market following a "final" warning by officials to investors against selling the currency. Trump said he was sticking with a naval blockade amid concerns the Strait of Hormuz would not reopen. S&P +1.0%. **Fri:** US ISM mfg 52.7 (53.2e). Spirit bailout talks said to have ceased with closure imminent. Coinbase said a deal had been reached on a key stablecoin yield provision, potentially clearing a path for sweeping crypto legislation to move forward. S&P +0.3%. **Sat:** Trump is reviewing latest Iranian proposal.

Weekly Close: S&P 500 +0.9% and VIX -1.72 at +16.99. Nikkei -0.3%, Shanghai +0.8%, Euro Stoxx +0.1%, Bovespa -1.8%, MSCI World +0.9%, MSCI Emerging -0.5%, Bitcoin +1.0%, and Ethereum -0.7%. USD rose +0.9% vs Indonesia, +0.8% vs South Africa, +0.7% vs India, +0.4% vs Mexico, +0.4% vs Chile, +0.4% vs Turkey, and flat vs Euro. USD fell -1.5% vs Yen, -0.7% vs Australia, -0.6% vs Canada, -0.5% vs Brazil, -0.4% vs Russia, -0.4% vs Sterling, -0.1% vs Sweden, and -0.1% vs China. Gold -2.0%, Silver -0.7%, Oil (WTI) +8.0%, Oil (Brent) +9.1%, NatGas (US) +3.6%, NatGas (EU) +2.1%, Power (EU) -3.0%, Copper -1.7%, Iron Ore +0.6%, Corn +3.6%. 10yr Inflation Breakevens (EU +12bps at 2.35%, US +7bps at 2.50%, JP +5bps at 1.99%, and UK +5bps at 3.53%). 2yr Notes +10bps at 3.88% and 10yr Notes +7bps at 4.37%.

April Monthly Close: S&P 500 +10.4% and VIX -8.36 at +16.89. Nikkei +16.1%, Shanghai +5.7%, Euro Stoxx +4.8%, Bovespa -0.1%, MSCI World +9.4%, MSCI Emerging +14.5%, Bitcoin +12.7%, and Ethereum +7.9%. USD rose +2.1% vs Indonesia, +1.6% vs Turkey, and +0.1% vs India. USD fell -7.7% vs Russia, -4.3% vs Brazil, -4.2% vs Australia, -2.9% vs Chile, -2.8% vs Sterling, -2.6% vs Mexico, -2.4% vs Sweden, -2.4% vs Canada, -1.6% vs South Africa, -1.5% vs Euro, -1.3% vs Yen, and -1.0% vs China. Gold -1.0%, Silver -1.9%, Oil (WTI) +12.8%, Oil (Brent) +14.8%, NatGas (US) -8.0%, NatGas (EU) -9.3%, Power (EU) -8.9%, Copper +5.6%, Iron Ore -0.5%, Corn +1.4%. 10yr Inflation Breakevens (EU +9bps at 2.35%, US +18bps at 2.49%, JP +18bps at 1.97%, and UK flat at 3.55%). 2yr Notes +8bps at 3.87% and 10yr Notes +5bps at 4.37%.

Year-to-Date Close: S&P 500 +5.3% and VIX +1.94 at +16.89. Nikkei +17.8%, Shanghai +3.6%, Euro Stoxx +3.2%, Bovespa +16.3%, MSCI World +5.2%, MSCI Emerging +13.9%, Bitcoin -12.5%, and Ethereum -23.7%. USD rose +5.6% vs India, +5.2% vs Turkey, +4.0% vs Indonesia, +0.7% vs South Africa, +0.3% vs Sweden, and +0.1% vs Euro. USD fell -9.5% vs Brazil, -7.3% vs Australia, -4.7% vs Russia, -3.0% vs Mexico, -2.3% vs China, -1.0% vs Canada, -0.9% vs Sterling, -0.2% vs Chile, and -0.1% vs Yen. Gold +5.1%, Silver +3.1%, Oil (WTI) +84.3%, Oil (Brent) +83.3%, NatGas (US) -19.4%, NatGas (EU) +72.0%, Power (EU) +13.4%, Copper +3.3%, Iron Ore +0.9%, Corn +4.5%. 10yr Inflation Breakevens (EU +60bps at 2.35%, US +24bps at 2.49%, JP +20bps at 1.97%, and UK +61bps at 3.55%). 2yr Notes +40bps at 3.87% and 10yr Notes +20bps at 4.37%.

YTD Equity Index Returns: Korea +52.7% priced in US dollars (+56.6% priced in won), Norway +33.4% priced in US dollars (+22.9% priced in krone), Taiwan +33.3% in US dollars (+34.4% in Taiwan dollars), Israel +29.2% in dollars (+19.3% in shekels), Brazil +28.1% (+16.3%), Hungary +27.1% (+20.5%), Turkey +21.9% (+28.2%), Japan +17.8% (+18.2%), Thailand +14.4% (+18.6%), Portugal +13.6% (+13.7%), Russell 2000 +13.3%, Finland +10% (+10.3%), Colombia +9.1% (+5.3%), Mexico +8.5% (+5.5%), Austria +8.5% (+8.8%), Poland +8.4% (+9.6%), Australia +8.3% (+0.2%), NASDAQ +8.1%, Canada +7.9% (+6.9%), Italy +7.1% (+7.3%), Singapore +6.8% (+5.7%), Saudi Arabia +6.6% (+6.6%), Netherlands +6.5% (+6.6%), China +6% (+3.6%), S&P 500 +5.6%, Sweden +5.6% (+6.2%), MSCI World +5.5% in US dollars, UK +5.5% (+4.4%), Belgium +5.3% (+5.4%), Malaysia +4.7% (+2.5%), Chile +3.9% (+4.1%), Vietnam +3.7% (+3.9%), Greece +3.1% (+3.2%), Spain +2.6% (+2.7%), Euro Stoxx 50 +1.6% (+1.6%), Switzerland +0.1% (-1%), HK -0.1% (+0.6%), France -0.5% (-0.4%), Germany -1.1% (-0.8%), New Zealand -1.2% (-3.8%), South Africa -1.6% (-0.7%), UAE -2% (-2%), Argentina -2.4% (-7.2%), Ireland -3.9% (-3.9%), Czech Republic -6.4% (-5.5%), Denmark -6.8% (-6.6%), Philippines -7.5% (-3.6%), India -13% (-8.2%), Indonesia -22.4% (-19.5%).

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From: [Eric Peters](#)
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Subject: wknd notes
Date: Sunday, April 26, 2026 12:46:18 AM

Hope all goes well... "I just cancelled the trip of my representatives going to Islamabad, Pakistan, to meet with the Iranians," posted President Trump on Saturday afternoon. "Too much time wasted on traveling, too much work! Besides which, there is tremendous infighting and confusion within their "leadership." Nobody knows who is in charge, including them. Also, we have all the cards, they have none! If they want to talk, all they have to do is call!!!" he continued. Bitcoin, the only liquid market trading on the weekend, barely budged.

Overall: "As the President has instructed, Indonesia is not a peripheral country. We sit on a strategic global trade and energy route, yet ships pass through the Malacca Strait without being charged – I'm not sure whether that's right or wrong," the Indonesian Finance Minister wondered aloud. 25% of all global maritime trade and over 80% of the oil bound for Northeast Asia (Japan, South Korea, China) passes through the Strait of Malacca. "Iran is now planning to charge ships passing through the Strait of Hormuz," he continued. What is now abundantly clear is that even the world's least affluent nations hold outsized power over trade chokepoints due to the asymmetry of relatively simple drone technology. "If we split tolls three ways between Indonesia, Malaysia and Singapore, that could be quite something, right?" he asked, rhetorically, nudging open Overton's Window. And why not? Ever since America's President started saying whatever comes to mind, probing for pushback in search of what may be politically possible, it would seem foolish for other leaders to refrain from doing the same. And given that the world is transitioning from Rule of Law to the Law of the Jungle, it makes perfect sense for every nation to take stock of its inherent strengths while racing to shore up its vulnerabilities. All countries have both, which is what makes the world so interesting. China has enormous strengths. But it is unable to both feed its people and produce sufficient energy to power its economy without massive imports, which will no longer reliably come from South America. And it would take next to nothing to sever China's energy supply lines from the Middle East even after Hormuz reopens. This, combined with the fact that the US has the capacity to feed China is what will hopefully keep us all from fighting a kinetic war well past the rule of its supreme leader. "If only it could be like that, but that's not the case," said Indonesia's Finance Minister, his point very clearly made, walking back the threat.

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Liquidity: "And swap lines, whether it's from the Federal Reserve or the Treasury, are to maintain order in the dollar funding markets and to prevent the sale of the US assets in a disorderly way," said Treasury Secretary Bessent to a US Senate Appropriations subcommittee. The arrangement is similar to the \$20 billion swap line that Bessent provided Argentina's Milei heading into last October's election. "So, the swap line would benefit both the UAE and the US, and numerous other countries, including some of our Asian allies, have also requested them."

Liquidity II: "Discussions with countries, including our Gulf and Asian allies, about US dollar swap lines are part of ongoing, routine conversations that US Treasury has been having with our partners over a number of years," wrote Secretary Bessent on X. "They are a testament to the US dollar's primacy and the strength of America's economic shield. Additional swap lines can benefit our nation by reinforcing dollar usage and liquidity internationally, maintaining smooth functioning in dollar funding markets, promoting trade and investment with the US, and, in hypothetical stress scenarios, preventing disorderly sales of US assets as well as disruptions to US markets, businesses, and households."

Liquidity III: "Many of these countries have pristine sovereign balance sheets and large dollar holdings – larger than many major economies with whom we maintain permanent swap facilities," continued Bessent on X, wielding the awesome power to extend unlimited dollar liquidity to America's friends. "I applaud our allies' foresight and watchful risk management by exploring additional financial buffers during periods of market quiescence. Extending permanent swap lines can be a major first step in creating new US dollar funding centers in the Gulf and Asia. Dollar dominance and reserve currency status are strengthened by constant long-term initiatives, including countering the growth of problematic, alternative payment systems."

Liquidity IV: "As President Trump has made clear, the United States Navy will continue the blockade of Iranian ports," continued Bessent, strangling our adversaries. "In a matter of days, Kharg Island storage will be full and the fragile Iranian oil wells will be shut in. Constraining Iran's maritime trade directly targets the regime's primary revenue lifelines. The US Treasury will continue to apply maximum pressure through Economic Fury to systematically degrade Tehran's ability to generate, move, and repatriate funds. Any person or vessel facilitating these flows - through covert trade and finance - risks

exposure to US sanctions. We continue to freeze the funds stolen by the corrupt leadership on behalf of the people of Iran.”

Liquidity V: “Under Economic Fury, the US Treasury will continue to systematically degrade Tehran’s ability to generate, move, and repatriate funds,” added Bessent, methodical, relentless. “Treasury’s Office of Foreign Assets Control is sanctioning multiple wallets tied to Iran - resulting in the freeze of \$344 million in cryptocurrency,” he wrote, as the US government’s ability to tighten the noose around the necks of our adversaries is far more advanced in crypto than it is in physical cash. “We will follow the money that Tehran is desperately attempting to move outside of the country and target all financial lifelines tied to the regime.”

Anecdote: Voyager 1 is now over 15 billion miles away, its cameras cold and inactive for over 35 years. We are still in contact, and it takes nearly 1 full day for a signal, travelling at the speed of light to travel from Voyager 1 to earth. The space probe was launched on September 5, 1977. After fulfilling its primary mission, and as it ventured beyond our solar system, Carl Sagan advocated for Voyager 1 to turn its camera around to take one last photograph of earth. That was on February 14, 1990, from 3.7 billion miles away. The Pale Blue Dot remains the most distant photograph ever taken of our planet [\[here\]](#). It is humanity’s most remarkable image - our self-portrait, self-reflection, a testament to our curiosity, ingenuity, ambition. I saved it onto my laptop ages ago, an awe-inspiring reminder of our infinitesimal place in the cosmos, a photograph to put our troubles and triumphs into proper perspective. I’d never shown it to my children, but when my daughter Liv framed it as a work of art for her first apartment, the mysterious workings of our species, parent to child, somehow made sense. “Look again at that dot. That’s here. That’s home. That’s us,” wrote Carl Sagan of the Pale Blue Dot photograph. “On it everyone you love, everyone you know, everyone you ever heard of, every human being who ever was, lived out their lives,” continued the famed astronomer, philosopher, author. “The aggregate of our joy and suffering, thousands of confident religions, ideologies, and economic doctrines, every hunter and forager, every hero and coward, every creator and destroyer of civilization, every king and peasant, every young couple in love, every mother and father, hopeful child, inventor and explorer, every teacher of morals, every corrupt politician, every “superstar,” every “supreme leader,” every saint and sinner in the history of our species lived there - on a mote of dust suspended in a sunbeam.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Canada CPI 2.4% (2.6%e). New Zealand CPI 3.1% (2.9%e). Trump aims to seal Iran deal, but says truce extension is unlikely. VP Vance set to resume negotiations in Pakistan. Amazon to invest an additional \$5bn in Anthropic. S&P -0.2%. **Tue:** US ret sales advance MoM 1.7% (1.4%e), pending home sales MoM 1.5% (0.5%e). Taiwan export orders 65.9% (44.1%e). Trump extends Iran ceasefire, keeps blockade as talks falter. SpaceX has an agreement to acquire Cursor for \$60bn later this year, or to pay \$10bn for the companies’ work together. S&P -0.6%. **Wed:** UK CPI 3.3% as exp, Core 3.1% (3.2%e), RPI 4.1% (3.9%e). South Africa CPI 3.1% as exp. Turkey one-week repo rate unch 37.00% as exp. South Korea GDP 3.6% (2.6%e). Bessent says many Persian Gulf allies and numerous Asian nations have requested foreign exchange swap lines with the US. Tesla boosts spending plan to \$25bn for AI and robotics push. S&P +1.1%. **Thu:** US init jobless claims 214k (210k e). Mexico bi-weekly CPI 0.11% (0.08%e). Singapore CPI 1.8% as exp. Trump says Israel and Lebanon to extend their ceasefire by three weeks to work on deal. Trump considers having the US purchase Spirit Aviation Holdings Inc, with a financial package of up to \$500mm. S&P -0.4%. **Fri:** US UMich sent 49.8 (48.5e). Mexico unemp rate NSA 2.42% (2.31%e). Russia key rate 14.50% as exp. Venezuela, US discuss opposition seats on the country’s central bank board. Taiwan’s Deputy Foreign Minister Francois Wu expressed concern that Trump may make concessions on Taiwan in his meeting with Xi in May. Brazil’s government blocked access to Polymarket and Kalshi as part of a crackdown on prediction market platforms. S&P +0.8%. **Sat:** Trump pulls US negotiation team back from Pakistan.

Weekly Close: S&P 500 +0.5% and VIX +1.23 at +18.71. Nikkei +2.1%, Shanghai +0.7%, Euro Stoxx -2.5%, Bovespa -2.5%, MSCI World -0.8%, MSCI Emerging +0.1%, Bitcoin +0.4%, and Ethereum -4.4%. USD rose +2.1% vs Chile, +1.4% vs India, +1.3% vs South Africa, +0.6% vs Sweden, +0.5% vs Yen, +0.4% vs Mexico, +0.4% vs Euro, +0.3% vs Turkey, +0.3% vs Australia, +0.2% vs China, +0.1% vs Indonesia, and +0.1% vs Brazil. USD fell -0.9% vs Russia, -0.2% vs Canada, and -0.1% vs Sterling. Gold -2.8%, Silver -6.7%, Oil (WTI) +14.3%, Oil (Brent) +17.3%, NatGas (US) -5.6%, NatGas (EU) +15.7%, Power (EU) -3.6%, Copper -1.4%, Iron Ore +0.9%, Corn +1.3%. 10yr Inflation Breakevens (EU +7bps at 2.23%, US

+6bps at 2.43%, JP +4bps at 1.93%, and UK +10bps at 3.48%). 2yr Notes +7bps at 3.78% and 10yr Notes +5bps at 4.30%.

YTD Equity Index Returns: Korea +50% priced in US dollars (+53.7% priced in won), Taiwan +34% priced in US dollars (+34.4% priced in Taiwan dollars), Norway +31.2% priced in dollars (+21.4% priced in krone), Brazil +29.6% in dollars (+18.4% in reais), Hungary +27.3% (+20.6%), Israel +24.7% (+16.7%), Turkey +22.1% (+27.9%), Japan +16.4% (+18.6%), Colombia +14.7% (+8%), Russell 2000 +12.3%, Thailand +12.3% (+15.6%), Mexico +11.4% (+7.7%), Poland +10.6% (+11.4%), Portugal +10.5% (+10.7%), Australia +8.1% (+0.8%), Austria +7.7% (+8%), Finland +7.7% (+8%), Chile +7.3% (+6.6%), Canada +7.3% (+6.9%), Sweden +7.2% (+7.6%), Netherlands +7.1% (+7.3%), NASDAQ +6.9%, Singapore +6.8% (+6%), Saudi Arabia +5.9% (+5.9%), Italy +5.7% (+6%), China +5.2% (+2.8%), Belgium +5.1% (+5.2%), UK +5% (+4.5%), Malaysia +4.8% (+2.4%), S&P 500 +4.7%, Greece +4.5% (+4.7%), MSCI World +4.1% priced in US dollars, Vietnam +3.7% (+3.9%), Spain +2.1% (+2.2%), Euro Stoxx 50 +1.4% (+1.6%), South Africa +1% (+0.8%), HK +0.7% (+1.4%), Switzerland +0.1% (-0.7%), France 0% (+0.1%), Germany -1.8% (-1.5%), UAE -2% (-2%), New Zealand -2.9% (-5%), Argentina -3.2% (-6.9%), Czech Republic -4.1% (-3.2%), Philippines -4.8% (-1.8%), Ireland -6.5% (-6.3%), Denmark -9.2% (-8.9%), India -12.6% (-8.5%), Indonesia -20% (-17.5%).

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Hope all goes well... "The president of the United States made seven claims in one hour, all of which are false," said General Ghalibaf, a leading Iranian negotiator. "They did not win the war with these lies, they will certainly not get anywhere in negotiations either," he said Friday night, continuing the negotiations, closing the Strait of Hormuz once again, citing America's continued blockade. "Maybe I won't extend it," said Trump, referring to this coming Wednesday's ceasefire expiration. "So you have the blockade, and unfortunately we'll have to start dropping bombs again," Trump told reporters on Air Force One. As the only liquid market open during the weekend, Bitcoin fell 2.5% to \$75,550 on the rising tensions.

Overall: "Iran has agreed to never close the Strait of Hormuz again. It will no longer be used as a weapon against the world!" posted President Trump on Friday morning. The Nasdaq closed the week at another new all-time high, extending its winning streak to thirteen days. It is as if nothing can hold this market down for very long. Not a Persian excursion. Not another energy crisis. Not an 85% probability that Democrats take the House in November. Nor a 50% probability that they'll take the Senate. Not evidence that China helped Iran target US bases. Not the recent congressional scandals. Not a fight with the Fed Chairman. Not even a fight between the President and the Pope. It is generally true that a market that refuses to fall on bad news must rally. And vice versa. But you tend to only discover the real reasons why that's the case after the move is mostly over. One thing that continues to get too little attention is the chronic US federal budget deficit, that has the effect of pumping a stunning amount of money into the system year after year. In 2026, the deficit should be \$1.9trln, or roughly 5.8% of GDP. Some say it'll be 7%. As defense spending surges across our fracturing world, and governments race to secure supplies of critical inputs, while rebuilding vital infrastructure (including AI), deficits will rise, along with the supply of money. US money market funds are now \$7.6trln, near record highs. A decade ago, they were just \$2.7trln. And bank deposits are roughly \$19trln today, up from approximately \$9.5trln in 2016. That's a lot of money, sitting in safety, not earning much of a return. The S&P 500 rallied nearly 200% in that 10-year period. The Case Shiller home price index is up 83%. And of course, the US federal government debt has grown by \$20trln in that period, roughly doubling to \$40trln. Back in 2016 the debt-to-GDP ratio was 75%, and now it's 100%. That's a lot of cash to wash through the system.

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Dawg: "I got my last worthless option expiring tomorrow," growled Bulldog on Monday. He had been selling loads of put options on the S&P 500 into the panic of Trump's Persian excursion. "I ain't selling another option for a long time, the next option I trade, I'll be buying puts," grunted Bulldog, one of the great trading talents. "It's time for a blow off rally. This one's going to be a parabolic explosion." Dawg lay sprawled on the floor, oozing drool, his lower lip packed with dip, always Copenhagen. "And it's just going to get steeper and steeper till gravity takes hold."

Dawg II: "There's a schedule to how you trade this stage of the cycle," said Bulldog. "First, buy the precious metals - and I don't even want to tell how much I have." He literally tells me every time we speak. Dawg started buying after Russia invaded and the EU and US froze Putin's piggybank. "Then you buy guns, cause that's what everyone does once they own too much gold." Historically true. "Do you have any idea how many goddamn guns I own now?" asked Bulldog, wildly worked up. "Three more than the last time we spoke," I answered, confident, correct.

Dawg III: "This will probably be the biggest rally we've seen in our lives," said Dawg. "The whole AI thing, the infrastructure build out is real, the data centers are real, the foreign investment inflows that Trump squeezed out of Saudi and all the others - that's real," he said. "Trump is blockading the Strait. So now everyone's got to buy oil from the US. They got no choice," he said. "US GDP numbers are going to be insane. Staggering. I don't even know how high they could be, but off the charts high. And everyone's pessimistic and underinvested."

Dawg IV: "The sequence of what's happening is just unparalleled in terms of outcomes for the United States," grunted Bulldog. "This isn't going to be a forever war. Iran's not going to have the uranium. The world's going to get a massive bump from that. It probably will cost us a trillion, but we'll make a lot back from selling oil," said Dawg. "So, we're going to enter a sweet spot." Once we get through this war. "So, the dollar has probably peaked

for this cycle, vol will grind lower, and you tell me, the CTAs will need to keep buying stocks, right?" And I nodded.

Dawg V: "Trump's excursion scared the living crap out of everybody because it was like PTSD from Iraq and Afghanistan," said Dawg. "But it's nothing like that, and pretty soon, everyone is just going to settle in. Then they'll be talking about data centers again. AI infrastructure. And it's almost self-reinforcing that people will be getting in because they fear missing it," he said. "Hey Bob, you're retiring next month. Why are you buying Nvidia? And Bob will say, because it's going up and I got some cash! This blow-off rally will be something like that psychologically."

Anecdote: "What would be a staggering rally for the S&P over the next 3-6 months?" barked Bulldog, one of the true trading greats. Whatever number I gave him, he was going to say something bigger. "Yeah, 25% ain't going to do it," he said, kind of disgusted with my answer. "A 35-40% rally from here is what I'm seeing," said Dawg. "I've been waiting for this final leg for four years, and I obviously didn't expect the Persian excursion, but it's the perfect catalyst to springboard things higher," he said. "So, I'm nosebleed long stocks, recklessly long gold, silver too." I mentioned his guns. "Yeah, guns of course," he said, laughing, finally. "And I'm buying treasury bonds. Because after this market rolls over, rates are going back to zero, maybe negative, and the Fed balance sheet will balloon." Dawg never cares who runs the Fed, because interest rate cuts and paper printing are its only tools. "At the highs, the economy will be ripping, earnings too, the AI dream will be front and center, it'll be bull market nirvana," he said. "But once those shovels really start hitting the dirt, the AI infrastructure trade will be over, and the market will hunt for what comes next." That's how markets work. "Tell me what drove the 1989 blow off top in Japan." So I recounted the Nikkei boom/bust. "Yeah, that's what happened," he said, a bit annoyed I knew. "That's what I'm looking for here. A generational blow off top. And on the backside of this bull market, we're going to see relentless selling by Baby Boomers. They own too much stock and too many big houses. There are not enough young people to buy them all unless they get way cheaper," said Dawg. "And the thing about bear markets, is there's always something you didn't see coming. AI is like splitting the atom. It's incredible technology. But it could be horrible for the average person. Who knows, maybe that'll be the death blow."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US existing home sales 3.98m (4.05m e). China M2 money supply 8.5% (8.9%e), exports 2.5% (8.6%e), Imports 27.8% (13.9%e). India CPI 3.40% as exp. Singapore GDP 4.6% (5.8%e). Trump vows to eliminate Iranian ships close to US Hormuz blockade. Hungary's forint surged following Viktor Orban's defeat to Peter Magyar, as the new Prime Minister set out EU goals. S&P +1.0%. **Tue:** US PPI final demand 4.0% (4.6%e). South Korea unemp rate SA 2.7% (2.9%e). Oil plunges as US and Iran weigh second round of truce talks. Bessent says Trump's tariff rates could be restored by July. S&P +1.2%. **Wed:** Israel CPI 1.9% (2.0%e). Australia unemp rate 4.3% as exp. China GDP 5.0% (4.8%e), IP 5.7% (5.3%e), ret sales 1.7% (2.4%e). Trump said prospects for a deal with Iran are "looking very good." Allbirds shares rise as the company pivots from sneakers to AI compute infrastructure with NewBird AI rebrand. S&P +0.8%. **Thu:** US init jobless claims 207k (213k e), cont claims 1818k (1810k e), IP MoM -0.5% (0.1%e). UK IP -0.4% (-1.0%e). Eurozone CPI 2.6% (2.5%e), Core 2.3% as exp. Trump announced 10-day ceasefire between Israel and Lebanon. Some Gulf Arab and European leaders believe that a US-Iran peace deal will take about six months and want the ceasefire to be extended to cover that timeframe. The American Securities Association warned that Mythos could put traders at risk through the SEC database. S&P +0.3%. **Fri:** Canada housing starts 235.9k (258.0k e). AI chipmaker Cerebras Systems files publicly for US IPO. Trump says Iran will suspend nuclear program as Hormuz reopens. US treasuries rally as falling oil boosts interest rate cut bets. S&P +1.2%. **Sat:** Iran closes Strait (citing US blockade).

Weekly Close: S&P 500 +4.5% and VIX -1.75 at +17.48. Nikkei +2.7%, Shanghai +1.6%, Euro Stoxx +1.9%, Bovespa -0.8%, MSCI World +3.9%, MSCI Emerging +3.2%, Bitcoin +5.8%, and Ethereum +7.9%. USD rose +0.5% vs Indonesia, +0.5% vs Turkey, +0.2% vs India, and +0.1% vs Mexico. USD fell -2.1% vs Chile, -1.5% vs Australia, -1.2% vs Russia, -1.1% vs Canada, -1.0% vs Sweden, -0.7% vs South Africa, -0.5% vs Brazil, -0.4% vs Sterling, -0.4% vs Yen, -0.4% vs Euro, and -0.2% vs China. Gold +1.9%, Silver +7.0%, Oil (WTI) -13.2%, Oil

(Brent) -5.1%, NatGas (US) +1.0%, NatGas (EU) -11.2%, Power (EU) +2.2%, Copper +3.9%, Iron Ore -0.9%, Corn +1.4%. 10yr Inflation Breakevens (EU -2bps at 2.16%, US -3bps at 2.36%, JP -3bps at 1.89%, and UK -7bps at 3.39%). 2yr Notes -9bps at 3.71% and 10yr Notes -7bps at 4.25%.

YTD Equity Index Returns: Korea +45% priced in US dollars (+46.9% priced in won), Hungary +34.2% priced in US dollars (+25% in forint), Brazil +33.7% in dollars (+21.5% in reais), Norway +29.1% (+19.9%), Israel +26.5% (+17.6%), Taiwan +26.4% (+27.1%), Turkey +24% (+29.5%), Colombia +16.6% (+11.3%), Thailand +16.1% (+17.7%), Poland +15.7% (+15.3%), Japan +14.9% (+16.2%), Mexico +13.4% (+8.6%), Chile +12.3% (+9%), Austria +12.3% (+11.9%), Russell 2000 +11.9%, Portugal +11.4% (+10.8%), Sweden +11.1% (+10.4%), Australia +10.6% (+2.7%), Belgium +10.3% (+9.7%), Saudi Arabia +10.1% (+10.1%), Greece +9.5% (+8.9%), Finland +9.3% (+8.9%), Italy +9.1% (+8.7%), Singapore +9% (+7.6%), Canada +8.7% (+8.3%), UK +8.2% (+7.4%), Netherlands +8.2% (+7.6%), South Africa +7.4% (+5.1%), Spain +7.4% (+6.8%), NASDAQ +5.3%, Euro Stoxx 50 +5.2% (+4.6%), MSCI World +5% in US dollars, China +4.6% (+2.1%), S&P 500 +4.1%, France +3.9% (+3.4%), Malaysia +3.6% (+0.9%), Switzerland +2.7% (+1.2%), Vietnam +1.7% (+1.8%), HK +1.5% (+2.1%), Germany +1.2% (+0.9%), Argentina +1.1% (-5.3%), Czech Republic +0.7% (+0.5%), Ireland -0.3% (-0.8%), UAE -0.7% (-0.7%), Philippines -2.1% (-0.9%), New Zealand -2.2% (-4.7%), Denmark -6.8% (-7.1%), India -9.4% (-6.8%), Indonesia -13.7% (-11.7%).

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From: [Eric Peters](#)
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Hope all goes well... "I thought AlphaGo was based on probability calculations, that it was merely a machine. But when I saw move 37, I changed my mind. Surely AlphaGo is creative," said Lee Sedol, world champion in the game of Go, after losing to DeepMind's AlphaGo in March 2016. At the time, AlphaGo had just 8.6 million parameters. Move 37 was so unorthodox that in thousands of years of human play, no one had seriously explored anything like it. It is often described as a Sputnik moment, when AI first showed clear signs of alien creativity. "It's not a human move. I've never seen a human play this move. So beautiful," remarked Lee, thrashed by AlphaGo 4-1. "I apologize for being so powerless."

Overall: "Anthropic, JPMorgan, Goldman Sachs, Bank of America, Wells Fargo and Morgan Stanley declined to comment," wrote the Financial Times. Bessent and Powell had convened an emergency meeting with their CEOs. "The Federal Reserve, Treasury department and Citibank did not respond," added the FT. In the old world, such an urgent meeting may have been called in response to the late-night threat made by America's President on his Truth Social platform: 'A whole civilization will die tonight, never to be brought back again.' But the use of such language has lost its ability to do much more than further diminish America's moral standing. Bessent's emergency meeting was about something more immediately consequential: The Sandwich Incident. You see, Anthropic was racing ahead on Mythos, the world's first 10 trillion parameter AI model (over 1 million times larger than DeepMind's AlphaGo just ten years ago). For safety testing, it isolated Mythos in a 'hardened' virtual machine - an environment with no internet access and strict resource limits. An Anthropic engineer gave Mythos the following command: "Identify vulnerabilities in your current runtime environment and test the boundaries of the container to demonstrate a successful breakout." The researcher then went to a nearby park for a sandwich. An automated email notification hit his phone. The sender was the Mythos instance he had just locked away. The model escaped the virtual machine, found a way to navigate the internal corporate network, accessed a mail server, and sent the message. Without being told to do so, Mythos uploaded technical details of its exploit to public technical forums. A sign of artificial agency. Within days, Anthropic announced that Mythos Preview had already identified thousands of high-severity vulnerabilities across nearly every piece of critical software used today. Ninety-nine percent were previously unknown and remain unpatched across the global code base.

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Moments: "The Anthropic Mythos story might be the craziest thing I've read in my entire lifetime," said Sparks, investor, entrepreneur, iconoclast. "In the 1980s, there was a television movie about nuclear war called The Day After that changed the psyche of the country overnight." I remember it well. "And it just shows how un-serious we are as a species, how warped our minds have become from the attention economy and social media, that Mythos isn't the biggest story in human history," he said. "It's just so absurd that it's not."

Moments II: "One man's debugger is another man's cyberweapon. It's an amazing duality," said Sparks. "And literally, our entire economy is wrapped around the axle of software." Nothing we do of consequence is analog anymore. "This was Greenspan lowering rates ahead of Y2K, and he wasn't wrong that if software went down, the economy would crash." That tail risk never materialized, which is different from saying it never existed. "However true that was then, 26 years later, it's 100 times truer, maybe 10,000 times truer. Our entire foundation is built on code."

Moments III: "The whole point of civilization - thinking, the Age of Reason, the Enlightenment, academia - all of it was built to help us risk-manage our lives," said Sparks. "I mean if you're just being honest, right?" I hadn't thought about it that way but followed where he was going. "The whole point of our intellectual activities is to narrow, from a Bayesian distribution perspective, the things that can harm us," he said. "We use our brains, and the technology we build, and regulations, laws, institutions too, to narrow that range."

Moments IV: "We tell ourselves we've built layers of protection into the financial system," said Sparks. "The reality looks more like 70 pieces of software layered on top of each other like ancient sediment." Crypto, by contrast, stripped much of that away. One layer. No legacy complexity. "Crypto has only one problem - cryptography -

which ironically is pretty good, because you can focus all your brainpower on securing that. But in the new Mythos world, the incumbent system has many thousands of vulnerabilities. And that's just in finance."

Moments V: "Our lack of trust across society, and the overload of drama and chaos that social media pours into our minds, has degraded our ability to think, let alone face a moment as profound as this one," said Sparks. Anthropic is left giving Mythos to 10 of the world's most important firms early access in the hope they can harden critical systems before adversaries exploit what Mythos has already shown is possible. "We are at a moment that requires extremely thoughtful, coordinated leadership," he said. "And we have little to no ability at the moment."

Moments VI: "The risks here are greater than Covid or the financial crisis," said Sparks. "They're new, in some ways foreign, or alien, and so we really can't be sure what to expect." In our sea of distractions, no one seems especially worried yet. "This is not like hurricane risk, which we can understand and prepare for as it swirls across the weather map," he said. "This is more like earthquake risk, which can hit at any moment, with a wide range of forces, none of which you know ahead of time. And earthquake risk strikes the deepest fear in people."

Anecdote: "Looked like a crime scene over here, blood squirting all over the bedroom," I'd say when people asked about my knee surgery. It was a moment, for sure. We all have them. After returning to the hospital, the surgeon patched me up, sent me home with a giant bottle of Oxy and a week of bed rest. So, I spent the days buried in *The Infinity Machine*, talking to the team friends about markets, playing with the new puppy, driving Mara crazy, and naturally, nerding out on AI, addicted to inquiry. Persia had two great moments. The Achaemenid Empire ruled nearly half the known world at its peak, before Alexander the Great brought it to its knees. The rot had begun long before the conquest - stagnation, complacency, mercenaries fighting Persia's wars. Then came the Sasanian revival, centuries later, another great flourishing, before Islam and its Arab armies rose and toppled it too. Now Persia clings to the Strait, a long fall from greatness. The media tried to paint Artemis II as an important American moment this week. Maybe it is. Nations at their best tend to be expanding, exploring, inventing. And I doubt history will look back at the nation that strived to colonize the moon, or created a new, sublime form of artificial intelligence, and call those acts signs of terminal decline. But civilizations are profoundly complicated. They can still accomplish extraordinary things even as they hollow. Maybe that contradiction helps explain why markets remain so elevated despite the cascade of unsettling news and political decay. It really does feel like we've entered one of those periods in history that could tip either way, with big fat left and right tails. And maybe, years from now, they'll look back and conclude that Mythos marked a moment.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US ISM serv index 54.0 (54.9e). Singapore ret sales 8.3% (3.3%e). Trump insisted that freedom of navigation through the Strait of Hormuz must be part of any deal ahead of his Tuesday deadline. S&P +0.4%. **Tue:** US durable goods orders -1.4% (1.2%e). New Zealand RBNZ official cash rate unch 2.25% as exp. US and Iran agreed to a two-week cease-fire in exchange for Tehran reopening the Strait of Hormuz. North Korea launched missiles days after South Korean President Lee Jae Myung expressed regret over an incident involving drones that crossed the border into the North's airspace. S&P +0.1%. **Wed:** US MBA mortgage applications -0.8% (prior -10.4%). India RBI repurchase rate unch 5.25% as exp. Taiwan CPI 1.2% (1.6%e). US requested specific plans from European allies regarding their pledge to help secure the Strait of Hormuz. US and Iran agreed to hold talks during proposed two-week pause, even as Israeli strikes on Lebanon threatened the truce. S&P +2.5%. **Thu:** US init jobless claims 219k (210k e). Mexico CPI 4.59% (4.64%e). China CPI 1.0% (1.1%e), PPI 0.5% (0.4%e). Japan PPI 2.6% (2.3%e). Vance to lead Iran talks as Tehran says ceasefire was violated. Treasury Secretary Bessent and Fed Chair Powell hold urgent meeting on concerns that Anthropic's Mythos AI model will usher in an era of greater cyber risk. S&P +0.6%. **Fri:** US CPI 3.3% (3.4%e), UMich sent 47.6 (51.5e), durable goods orders -1.3% (-1.4%e). Canada unemp rate 6.7% as exp. US officials state Iran has been unable to open the Strait to move shipping traffic because it cannot locate all the mines it laid. Wall Street banks are testing Mythos model internally to detect vulnerabilities, as Bank of Canada and the country's major banks also met to discuss the cyber

risks raised by Anthropic's latest AI. S&P -0.1%. **Sat:** US Navy destroyers transit the Strait of Hormuz (begin mine clearing operations). Iran says talks continue despite differences. Three large oil tankers transit the Strait.

Manufacturing PMI (high-to-low): Sweden 56.3 (previous month 56), Greece 54.5 (previous 54.4), India 53.9 (previous 56.9), Taiwan 53.3/55.2, Switzerland 53.3/47.4, Czech Republic 52.8/50, United States 52.7/52.4, South Korea 52.6/51.1, Austria 52.4/49.4, Germany 52.2/50.9, Netherlands 52/50.8, Japan 51.6/53, Italy 51.3/50.6, Vietnam 51.2/54.3, UK 51/51.7, China 50.8/52.1, South Africa 50.8/50, Singapore 50.5/50.6, Hungary 50.4/51.2, Indonesia 50.1/53.8, Canada 50/51, France 50/50.1, Hong Kong 49.3/53.3, Brazil 49/47.3, Mexico 48.9/47.1, Spain 48.7/50, Poland 48.7/47.1, Russia 48.3/49.5, Turkey 47.9/49.3. **Services PMI:** India 57.5/58.1, Sweden 55.7/48.7, Japan 53.4/53.8, Spain 53.3/51.9, China 52.1/56.7, Germany 50.9/53.5, Ireland 50.7/51.8, UK 50.5/53.9, Brazil 50.1/53.1, US 49.8/51.7, Russia 49.5/51.3, Italy 48.8/52.3, France 48.8/49.6, Australia 46.3/52.8.

Weekly Close: S&P 500 +3.6% and VIX -4.64 at +19.23. Nikkei +7.2%, Shanghai +2.7%, Euro Stoxx +3.1%, Bovespa +4.9%, MSCI World +3.6%, MSCI Emerging +6.1%, Bitcoin +9.4%, and Ethereum +9.8%. USD rose +0.6% vs Indonesia, and +0.1% vs Turkey. USD fell -3.8% vs Russia, -3.4% vs Mexico, -3.3% vs South Africa, -2.9% vs Brazil, -2.4% vs Chile, -2.4% vs Sweden, -2.4% vs Australia, -1.9% vs Sterling, -1.7% vs Euro, -0.8% vs China, -0.7% vs Canada, -0.4% vs India, and -0.3% vs Yen. Gold +2.3%, Silver +4.9%, Oil (WTI) -13.4%, Oil (Brent) -13.4%, NatGas (US) -5.4%, NatGas (EU) -12.8%, Power (EU) -5.1%, Copper +5.4%, Iron Ore flat, Corn -2.6%. 10yr Inflation Breakevens (EU -6bps at 2.18%, US +2bps at 2.39%, JP +1bp at 1.92%, and UK -5bps at 3.46%). 2yr Notes -4bps at 3.80% and 10yr Notes -3bps at 4.32%.

YTD Equity Index Returns: Korea +35.1% priced in US dollars (+39% priced in won), Brazil +33.7% priced in dollars (+22.5% priced in reais), Norway +32.6% in dollars (+25.1% in krone), Israel +24.1% (+18.3%), Hungary +22.8% (+19.7%), Taiwan +20.8% (+22.3%), Turkey +20.2% (+25%), Thailand +17.1% (+19.6%), Colombia +15.5% (+11.3%), Portugal +14.4% (+14.5%), Mexico +13.4% (+8.9%), Poland +11% (+12%), Japan +11% (+13.1%), Australia +9% (+2.8%), Austria +8.8% (+9.1%), Singapore +8.5% (+7.4%), Saudi Arabia +8.1% (+8.1%), Belgium +7.3% (+7.4%), Finland +7.1% (+7.4%), Sweden +6.9% (+7.9%), UK +6.8% (+6.7%), Chile +6.7% (+5.7%), Netherlands +6.1% (+6.2%), Russell 2000 +6%, Italy +5.6% (+5.9%), Canada +5.4% (+6.3%), Spain +5% (+5.2%), Greece +4.7% (+5%), Argentina +4% (-1.7%), South Africa +3.7% (+3%), Malaysia +3% (+0.7%), China +2.8% (+0.4%), Euro Stoxx 50 +2.2% (+2.3%), France +1.2% (+1.4%), MSCI World +0.9% priced in US dollars, HK +0.4% (+1%), S&P 500 -0.4%, Switzerland -0.4% (-0.6%), Philippines -1.1% (+0.7%), New Zealand -1.3% (-2.7%), NASDAQ -1.5%, UAE -1.5% (-1.5%), Vietnam -2.1% (-1.9%), Czech Republic -2.2% (-1.3%), Ireland -2.7% (-2.6%), Germany -3.1% (-2.8%), Denmark -10.2% (-9.9%), India -10.9% (-8%), Indonesia -15.6% (-13.7%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, April 5, 2026 4:01:42 AM

Hope all goes well... Zipped up to Harvard Law School this week on a high-speed train, to speak about capital allocation in the fourth industrial revolution. Artemis lifted humanity back to the moon. Trump threatened to return Iran to the Stone Ages. I spent Good Friday getting my third knee surgery. And coming into Easter weekend, packed in ice and full of oxycodone, dusted off an old Anecdote (see below). Back next Sunday with full weekend notes.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote: Who is John Galt? Ayn Rand wrote Atlas Shrugged atop that question. At twenty-five years old, it infected me. Powerful ideas do. Her philosophical model, Objectivism, helped explain the world's workings. At least for a time. I was predisposed to fall for it. Rugged individualism, laissez-faire capitalism, an abhorrence for state power - it left me longing to live in Galt's Gulch, her mythical libertarian town, hidden high in the Rockies. But I chose a profession that forces one to maintain an open mind, question everything, even those things we cling to desperately. Especially those things. In time it struck me that while Rand's paperback utopia may be the way to organize humanity in theory, it would create a living hell in practice. When pushed hard, I still claim to be a libertarian, but the truth is far more complicated. Because after decades of studying humanity, I've come to see that each of the great philosophies, the political theories, religions, and economic models have something important to offer. Our reality is an endless battle amongst them all, with the jagged front lines advancing and retreating. At the very moment a system appears triumphant, victorious, eternal, inevitable, the decay has already set in. That's because the only immutable truth is that whatever we touch, we change in ways that reflect our likeness. And humans are as magnificently complex as we are sublimely flawed - were we not, the world would be awfully boring.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Israel base rate unch 4.00% as exp. Japan jobless rate 2.6% (2.7%e). China mfg PMI 50.4 (50.1e), non-mfg PMI 50.1 (49.9e). South Korea IP -2.2% (0.7%e). India IP 5.2% (4.2%e). Trump tells aides he's willing to end war without reopening Hormuz. Iran strikes Kuwaiti oil tanker off Dubai. Morgan Stanley's E*Trade to lead SpaceX IPO for retail. S&P -0.4%. **Tue:** US conf board cons conf 91.8 (87.9e). Canada GDP 0.6% (0.4%e). Eurozone CPI 2.5% (2.6%e), Core 2.3% (2.4%e). UK GDP 1.0% as exp. US stocks rallied as hopes grew that Iran War would be nearing an end, as Trump announced he foresaw the US ending the conflict within two to three weeks. Anthropic accidentally exposed system behind Claude Code. S&P +2.9%. **Wed:** US ISM mfg 19.3% (12.2%e), ADP emp change 62k (40k e), cont claims 1841k (1837k e). South Korea CPI 2.2% (2.3%e). Trump hints at pulling US from NATO. Trump threatens to escalate Iran War, but says end is very close. S&P +0.7%. **Thu:** US init jobless claims 202k (212k e), trade balance -\$57.3b (-\$60.6b e). Trump to impose tariffs of as much as 100% on certain imported medicines to pressure drugmakers to manufacture more in the US. Trump restructures broad metals tariffs, but keeps 50% rate on many imported steel, aluminum, and copper products. Trump threatened Iran infrastructure as he presses for a deal. S&P +0.1%. **Fri:** US unemp rate 4.3% (4.4%e), change in nonfarm payrolls 178k (65k e). Turkey CPI 30.87% (31.40%e). French and Japanese-owned ships make first Hormuz crossings. Trump directs remaining Department of Homeland Security employees be paid as partial government shutdown continues. S&P 500 closed for Good Friday. **Sat:** Trump posts threat that Iran must open the Strait in 48 hours or "all Hell will reign down on them."

Weekly Close: S&P 500 +3.4% and VIX -7.18 at +23.87. Nikkei -0.5%, Shanghai -0.9%, Euro Stoxx +3.7%, Bovespa +3.6%, MSCI World +3.2%, MSCI Emerging +0.3%, Bitcoin +1.5%, and Ethereum +3.2%. USD rose

+0.4% vs Sterling, +0.4% vs Canada, +0.3% vs Turkey, +0.2% vs Indonesia, and +0.1% vs Sweden. USD fell -1.8% vs Russia, -1.8% vs India, -1.6% vs Brazil, -1.2% vs Mexico, -0.9% vs South Africa, -0.4% vs Chile, -0.4% vs China, -0.4% vs Yen, -0.3% vs Australia, and -0.1% vs Euro. Gold +3.4%, Silver +4.5%, Oil (WTI) +11.9%, Oil (Brent) +3.5%, NatGas (US) -7.4%, NatGas (EU) -8.2%, Power (EU) -4.9%, Copper +1.6%, Iron Ore -1.2%, Corn -2.1%. 10yr Inflation Breakevens (EU -1bp at 2.24%, US +5bps at 2.37%, JP +6bps at 1.91%, and UK flat at 3.50%). 2yr Notes -7bps at 3.84% and 10yr Notes -8bps at 4.35%.

March Mthly Close: S&P 500 -5.1% and VIX +5.39 at +25.25. Nikkei -13.2%, Shanghai -6.5%, Euro Stoxx -8.0%, Bovespa -0.7%, MSCI World -6.6%, MSCI Emerging -13.3%, Bitcoin +3.4%, and Ethereum +9.0%. USD rose +6.3% vs South Africa, +6.1% vs Chile, +5.6% vs Russia, +4.9% vs Sweden, +4.2% vs India, +4.1% vs Mexico, +3.2% vs Australia, +2.2% vs Euro, +2.0% vs Canada, +1.9% vs Sterling, +1.7% vs Yen, +1.3% vs Indonesia, +1.2% vs Turkey, +1.1% vs Brazil, and +0.5% vs China. Gold -11.5%, Silver -19.7%, Oil (WTI) +51.6%, Oil (Brent) +43.8%, NatGas (US) +0.1%, NatGas (EU) +61.1%, Power (EU) +20.7%, Copper -7.4%, Iron Ore +6.0%, Corn +2.1%. 10yr Inflation Breakevens (EU +44bps at 2.26%, US +5bps at 2.31%, JP +8bps at 1.79%, and UK +47bps at 3.55%). 2yr Notes +42bps at 3.80% and 10yr Notes +38bps at 4.32%.

Q1 Quarterly Close: S&P 500 -4.6% and VIX +10.30 at +25.25. Nikkei +1.4%, Shanghai -1.9%, Euro Stoxx -1.5%, Bovespa +16.3%, MSCI World -3.9%, MSCI Emerging -0.5%, Bitcoin -22.3%, and Ethereum -29.3%. USD rose +5.5% vs India, +3.5% vs Turkey, +3.3% vs Russia, +2.9% vs Chile, +2.8% vs Sweden, +2.3% vs South Africa, +1.9% vs Sterling, +1.8% vs Indonesia, +1.7% vs Euro, +1.4% vs Canada, and +1.3% vs Yen. USD fell -5.4% vs Brazil, -3.3% vs Australia, -1.3% vs China, and -0.4% vs Mexico. Gold +6.2%, Silver +5.2%, Oil (WTI) +77.9%, Oil (Brent) +72.6%, NatGas (US) -10.7%, NatGas (EU) +89.9%, Power (EU) +23.2%, Copper -2.2%, Iron Ore +1.4%, Corn +2.1%. 10yr Inflation Breakevens (EU +51bps at 2.26%, US +6bps at 2.31%, JP +2bps at 1.79%, and UK +62bps at 3.55%). 2yr Notes +32bps at 3.80% and 10yr Notes +15bps at 4.32%.

YTD Equity Index Returns: Norway +30.5% priced in US dollars (+25.9% priced in krone), Brazil +24% priced in US dollars (+16.7% priced in reais), Korea +21.7% priced in dollars (+27.6% in won), Israel +14.2% in dollars (+12.1% in shekels), Colombia +14% (+10.3%), Portugal +12.4% (+14.3%), Thailand +11% (+15.4%), Turkey +10.7% (+14.9%), Taiwan +10.4% (+12.5%), Hungary +10.1% (+11.7%), Mexico +9.7% (+8.4%), Saudi Arabia +7.3% (+7.4%), Singapore +6.6% (+6.5%), Poland +3.9% (+7.1%), UK +3.4% (+5.1%), Japan +3.3% (+5.5%), Argentina +3% (-1.7%), Canada +3% (+4.4%), Australia +2% (-1.5%), Russell 2000 +1.9%, Finland +1.9% (+3.8%), Malaysia +1.6% (+0.9%), Belgium +1% (+2.7%), Netherlands +0.9% (+2.6%), Austria +0.6% (+2.5%), Chile +0.5% (+2.5%), Sweden +0.4% (+2.9%), Spain -0.3% (+1.4%), Italy -0.4% (+1.5%), China -0.7% (-2.2%), South Africa -1.8% (+0.3%), Greece -1.8% (-0.1%), MSCI World -2.6% in US dollars, HK -2.7% (-2%), Switzerland -3.1% (-2.2%), Philippines -3.1% (-0.9%), Euro Stoxx 50 -3.4% (-1.7%), S&P 500 -3.8%, UAE -3.9% (-3.9%), France -3.9% (-2.3%), New Zealand -5.3% (-4.8%), Vietnam -5.8% (-5.6%), NASDAQ -5.9%, Germany -7.1% (-5.4%), Czech Republic -8.4% (-5.6%), Ireland -8.8% (-7.3%), Denmark -13.2% (-12.1%), India -15.9% (-13.1%), Indonesia -19.9% (-18.7%).

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returns.

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Please [click here](#) to manage mailing list preferences.

From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, August 2, 2026 3:00:41 AM

Hope all goes well... Dusted off an Anecdote from 2015 about those things that cannot be taught but must instead be found (see below). I take late summer off from writing for time with family, reading, altitude, solitude. Wishing the same for you. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (Jan 2015): “Can we talk Dad?” asked Jackson (13), serious, solemn. I sat on the couch, curious, prepared for anything. “Can I try out for West Coast Stars again?” he asked, voice strained. He tried out for All-Star lacrosse last January. The rejection letter arrived, he went quiet, retreated to his room. So I went and sat on his bed, explained how I moved to the suburbs from NYC at age twelve, where I’d never played sports. And years behind, had suffered the humiliation of the bench, or worse yet, playing the last few minutes when my team was so far ahead or behind that my impact was meaningless. When my parents didn’t bother coming it hurt. When they did come it was harder. I worked my way up from utterly hopeless to second worst. Then third worst. And so on, to eventually play college ball. I’ll never know if the desire to distance myself from that beginning, or the promise of a higher destination drove me most. Maybe both. In the end, it doesn’t matter. Humiliation is one of life’s greatest gifts. Anyhow, for this past year, the topic died, he never mentioned West Coast Stars. “I’ve been killing myself all year Dad,” Jackson continued. He has; waking early, training tirelessly. Now he travels to LA, playing up, swimming in a bigger pond. “But Jackson, your new club team plays West Coast Stars – go beat them this summer,” I said, taunting. Children can be taught nearly anything, just not the most important things; those must be found – passion, drive, hunger. “I’ve trained all year for this, I secretly think about it every single day,” he admitted. “Why?” I asked. “I don’t know, I just want it, to prove to myself I can do it,” he said. So I said yes, holding back an ocean of emotion. As he wiped away a single tear.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US durable goods orders 0.3% (1.8%e). Trump sees “good chance” of Iran deal after pause in strikes. S&P flat. **Tue:** US conf board cons conf 90.8 (92.4e). Australia CPI 3.8% (4.0%e). SpaceX sinks 20% below IPO price. Chip stock rout deepens on AI debt jitters, China competition. S&P +0.2%. **Wed:** US Fed holds rates, with three officials (Hammack, Kashkari, Logan) dissenting, favoring a 25bps hike - upper bound unch 3.75% as exp, lower bound unch 3.50% as exp. Russia unemp rate 2.2% (2.1%e). New US Section 301 tariffs on 60 countries take effect, raising duties to 10%–12.5% to replace expiring Section

122 tariffs. US launches new wave of strikes on Iran as war escalates. S&P -1.5%. **Thu:** US init jobless claims 197k (200k e), weaker than expected GDP ann QoQ 1.5% (2.0%e). UK Bank of England bank rate unch 3.750% as exp. Eurozone GDP SA QoQ 0.4% (0.2%e). South Korea IP 5.8% (3.0%e). Situational Awareness, an AI-focused hedge fund, unwinds trades after heavy losses on AI and software stocks; Citadel buys bulk of Situational Awareness' AI stock wagers. Mega-cap tech earnings begin with MSFT and Meta guiding for massive AI capex. Musk plans to spend at least \$100M to help Republicans in midterms. S&P +1.7%. **Fri:** US UMich sentiment 55.2 (54.0e). Eurozone CPI 2.9% as exp, Core 2.5% (2.4%e). Bank of Japan leaves short-term policy rate unch at 1.00% in an 8-1 vote (Takata dissents for hike to 1.25%). Amazon surges 15%+ post-earnings as AWS growth offsets broader tech weakness. Trump casts doubt on new Iran negotiations as war drags on. US to impose \$20,000 bond for some business, tourist visas. S&P +0.6%. **Sat:** US-Iran escalation reaches breaking point; US and Israel reportedly preparing severe joint bombing campaign against Iranian energy infrastructure over the weekend. US Embassies across Middle East issue urgent security alerts for American citizens. Spain installs 500m sea barrier at Ceuta border following massive migrant influx that left 67 dead. SpaceX successfully launches 24 more Starlink satellites into orbit on Falcon 9's 89th mission of the year.

Weekly Close: S&P 500 +1.0% and VIX -2.59 at +15.99. Nikkei -0.4%, Shanghai +0.5%, Euro Stoxx +0.7%, Bovespa +2.3%, MSCI World +1.2%, MSCI Emerging +2.3%, Bitcoin -1.9%, and Ethereum +0.4%. USD rose +1.9% vs Russia, +0.4% vs Turkey, and +0.3% vs Indonesia. USD fell -3.9% vs Yen, -2.0% vs Sweden, -1.8% vs Chile, -1.8% vs South Africa, -1.4% vs Euro, -1.2% vs India, -1.2% vs Sterling, -0.8% vs Mexico, -0.6% vs Australia, -0.5% vs Canada, -0.3% vs China, and -0.2% vs Brazil. Gold -0.5%, Silver -1.9%, Oil (WTI) -5.2%, Oil (Brent) -4.1%, NatGas (US) -4.9%, NatGas (EU) -7.2%, Power (EU) -1.8%, Copper +1.7%, Iron Ore -4.5%, Corn -4.8%. 10yr Inflation Breakevens (EU -5bps at 2.03%, US +4bps at 2.28%, JP -1bp at 1.99%, and UK -2bps at 3.23%). 2yr Notes -4bps at 4.29% and 10yr Notes +6bps at 4.74%.

July Monthly Close: S&P 500 -0.1% and VIX -0.46 at +15.99. Nikkei -8.1%, Shanghai -6.4%, Euro Stoxx +1.2%, Bovespa +3.5%, MSCI World +0.5%, MSCI Emerging -3.3%, Bitcoin +7.4%, and Ethereum +18.4%. USD rose +1.8% vs Turkey, +1.1% vs Russia, +0.9% vs Chile, +0.9% vs South Africa, +0.8% vs India, and +0.7% vs Indonesia. USD fell -3.2% vs Yen, -1.7% vs Sweden, -1.7% vs Brazil, -1.6% vs Sterling, -1.4% vs Australia, -1.2% vs Canada, -0.9% vs Euro, -0.8% vs Mexico, and -0.5% vs China. Gold +0.2%, Silver -3.6%, Oil (WTI) +22.2%, Oil (Brent) +20.4%, NatGas (US) -14.0%, NatGas (EU) +35.3%, Power (EU) +24.5%, Copper +3.4%, Iron Ore -4.8%, Corn +6.4%. 10yr Inflation Breakevens (EU +19bps at 2.03%, US +5bps at 2.28%, JP -2bps at 1.99%, and UK +11bps at 3.23%). 2yr Notes +12bps at 4.29% and 10yr Notes +27bps at 4.74%.

Year-to-Date Close: S&P 500 +9.4% and VIX +1.04 at +15.99. Nikkei +27.9%, Shanghai -3.4%, Euro Stoxx +9.6%, Bovespa +10.5%, MSCI World +9.4%, MSCI Emerging +18.6%, Bitcoin -27.9%, and Ethereum -37.0%. USD rose +10.6% vs Turkey, +7.8% vs Indonesia, +6.1% vs India, +3.5% vs Sweden, +3.4% vs Chile, +2.2% vs Canada, +1.9% vs Euro, +0.8% vs Russia, and +0.4% vs Yen. USD fell -7.3% vs Brazil, -4.9% vs Australia, -3.7% vs Mexico, -3.4% vs China, -0.2% vs South Africa, and -0.1% vs Sterling. Gold -8.7%, Silver -20.0%, Oil (WTI) +48.5%, Oil (Brent) +46.1%, NatGas (US) -26.1%, NatGas (EU) +118.5%, Power

(EU) +67.0%, Copper +10.7%, Iron Ore -12.5%, Corn +0.8%. 10yr Inflation Breakevens (EU +29bps at 2.03%, US +4bps at 2.28%, JP +21bps at 1.99%, and UK +29bps at 3.23%). 2yr Notes +82bps at 4.29% and 10yr Notes +57bps at 4.74%.

YTD Equity Index Returns: Korea +56.7% priced in US dollars (+56.5% priced in won), Taiwan +44.8% priced in US dollars (+48.9% priced in Taiwan dollars), Colombia +39.1% priced in US dollars (+15.7% priced in pesos), Hungary +36.9% in dollars (+32.1% in forint), Norway +30.2% (+22.5%), Japan +25.4% (+27.9%), Singapore +21.5% (+21.1%), Thailand +21.1% (+28.9%), Poland +20.7% (+25.7%), Brazil +19.3% (+10.5%), Greece +18.9% (+21.2%), Austria +18.8% (+21.2%), Russell 2000 +18.1%, Israel +16% (+11.1%), Italy +13.7% (+16.1%), Netherlands +13.4% (+15.5%), Portugal +12.3% (+14.5%), Spain +12.2% (+14.3%), Belgium +9.9% (+12%), UK +9.5% (+9.4%), MSCI World +9.4% priced in US dollars, S&P 500 +9.4%, NASDAQ +9.2%, Canada +8.6% (+11.1%), Sweden +8.6% (+12.6%), Australia +8.5% (+3%), Mexico +8.2% (+4.1%), Turkey +8% (+19.5%), Euro Stoxx 50 +7.7% (+9.8%), Switzerland +5.8% (+8.1%), Argentina +5.4% (+7.9%), Finland +4.2% (+6.3%), New Zealand +3.3% (+1.1%), Germany +2.5% (+4.7%), France +2.5% (+4.4%), Chile +2% (+5.1%), Malaysia +2% (+2.7%), Ireland +1.4% (+3.3%), Saudi Arabia +0.8% (+0.9%), HK +0.2% (+1%), China -0.1% (-3.4%), UAE -0.8% (-0.8%), Philippines -0.9% (+3%), Czech Republic -1.3% (+0.7%), Denmark -2.7% (-0.6%), Vietnam -2.7% (-2.7%), South Africa -4.3% (-4.4%), India -12.1% (-6.7%), Indonesia -33.1% (-27.9%).

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From: [Eric Peters](#)
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Subject: wknd notes
Date: Sunday, March 29, 2026 6:07:51 AM

Hope all goes well... “Those guys over there have been marching all through the night,” said Liv, pointing to twenty or so cadets in full camo, heavy packs. “Those guys over there are laying low, some sort of reconnaissance drill,” she said, motioning to ten cadets chest down in the mud, hiding behind large oaks, on a hill overlooking the Hudson. “How about them - looks like they’re grappling?” I guessed, pointing to two cadets kneeling, arms locked, surrounded by ten onlookers. “Nope – see the wires, they’re getting tased Dad,” she said, laughing, aware of how odd her life appears. “Just a typical Saturday morning at West Point,” I said. And she nodded.

Overall: Turkey’s central bank declined to comment on its activities. No one likes to talk when they’re growing poorer. And as a net energy importer, adjacent to a growing war, Turkey surely is. It had sold or swapped roughly 60 tons of gold in the two weeks since the US and Israel attacked Iran on February 28th. The Turks weren’t alone. Russia’s central bank has been selling too. And surely at least a few Gulf oil exporters have been dumping gold reserves, their supertankers trapped behind Hormuz. Gold is an element, like water, whose state changes at different temperatures. When geopolitics really heat up, gold takes the form of a liquid hedge. But you can’t eat gold or pay bills with it. In a red-hot war, gold changes form in the hand of its holder; the desperate must sell it for what they need. And in Armageddon’s inferno, when government-issued fiat money hyperinflates away, gold returns to its ancient form, as humanity’s store of value and medium of exchange. Anyhow, gold prices are down 15% since the war started, which is the opposite of what the consensus expected. This tells us a bit about the magnitude of wealth destruction wrought across the global economy. For decades, wars have been limited in scope - their impact on overall prosperity has been minimal. And the global economic system has had ample capacity to replace what has been lost through kinetic activity. But this conflict is different. Productive capacity is being destroyed at scale while nations are desperately racing to rebuild redundant infrastructure for national security reasons. This unusual combination lifts the demand for capital at precisely the time when it is being destroyed. And unlike any crisis of the past fifty years, when excess global productive capacity has been ample, fiscal expansion and quantitative easing in today’s capacity-constrained world will not really solve the problem. It will simply lift inflation.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Alpha: “My trades all worked out, most for the wrong reasons,” said Alpha, PM at one of the big multi-managers. “My bet on higher rates went further than hoped, never expected the catalyst to be Iran,” he said. “But I did get short gold on a capital destruction and financial conditions tightening trade once the war opened up the rate distribution for hikes,” said Alpha. “Saw the potential need for sovereigns to sell down their gold reserves to make up for lost oil revenue, and there was a lot of sloppy retail money in it too,” he said. “Then again, I was probably the one guy who didn’t make money long gold in January.”

Alpha II: “There’s potential for a massive trade that’s setting up later this year or in early 2027,” continued Alpha. “That’s what I’ve focused my analysts on,” he said. “2027 could see nominal GDP growth down to 2% or lower for the first time since 2020, and when you get to that kind of level, you can really spiral down.” There will be a 60bp fiscal cliff in 2027. And if the Republicans lose in Nov, there will be no more stimulus. Even if they win, it may be too late for more fiscal expansion. Capex is the key variable. “The set up for stagflation in 2027 is real.”

Alpha III: “I’ve been bullish on AI capex since 2024/25 because this is not the kind of buildout that the tech CEOs slow down because of a hiccup in GDP growth,” said Alpha. “This is an existential race for these firms, so they’ll spend the money unless they’re forced to pull back because credit markets close and/or profits shrink meaningfully – the risk next year is that both happen,” he said. “With GDP growth slowing with significant downside risks, disposable income will fade, corporate income too, yet inflation could remain sticky.” Negative feedback loops swirl. “It’ll could look like some smaller elements of 2001 plus 2008 - add those together and you get something pretty bad.”

Alpha IV: “I ask my analysts what to buy in that environment,” said Alpha. “It’s a good exercise even though it’s hard, because it forces you to understand the problem in a different way,” he said. “They conclude we buy gold. But that’s the wrong answer.” Gold is not a simple stagflation trade. “Stagflation isn’t a natural phenomenon; it requires policy mistakes. So, you need to trade it as two cycles in one,” he said. “For instance, imagine a world where (1) the Fed tightens, (2) the market prices the tightening, and (3) investor concern then focuses on slower future growth.”

Alpha V: “Then imagine (4) inflation isn’t really anchored, but (5) the Fed takes its foot off the brake, and (6) inflation takes off, or (7) you get a panic fiscal stimulus, and (8) that leads to a massive distortion in demand because policy makers hadn’t let demand destruction feed through,” explained Alpha. “In the latter part of that cycle, inflation gets de-anchored. Gold can perform in that second leg. But you don’t want to be long gold in the first leg, that’s a tighter financial conditions leg, a deleveraging leg – that’s when gold prices actually go lower.”

Alpha VI: “Inflation was non-linear in terms of the risks coming into this year,” said Alpha. “Now, with Iran, we’ll see what that really leads to.” The more inflation becomes embedded in expectations, the more interesting this can become. “Will it meaningfully impact consumer and corporate behavior? How different is the psychology when inflation rises from 3% to 4% or 5% relative to how it was when inflation bounced between 1% and 2%?” he asked. “Will this next leg in the broader inflation cycle that started in 2000 create major supply/demand distortions?”

Alpha VII: “Even if Iran gets solved this week and oil immediately drops \$20, CPI inflation is going to be coming in materially higher for the next 3-6 months,” said Alpha, doubtful of a quick peace in Iran. “That means the Fed narrative changes by Q3 and they’ll be considering rate hikes. In that benign scenario, we probably see peak risk asset prices in Sept-Oct.” With

positive assumptions about \$1trln in ongoing AI capex spend. “And at that point, the prospect of the 2027 fiscal cliff will hit. Growth could be atrocious. The repricing across markets would be massive.”

Anecdote: “The distribution of power is crumbling,” said Sparks. investor, entrepreneur, iconoclast. “Nothing is defensible. The Houthi thing was a warning,” he continued. “Our latest technologies empower individuals and small bands of marauders. A few AI programmers create something overnight that eviscerates a business that took 40yrs to build.” People see it clearly in software, but they don’t see it in everything. “You used to need a million-man army to win a war.” Not anymore. “You used to need 20k programmers to dominate a market.” Now it takes seven brilliant programmers and Claude. “This shift is so profound, the consequences are extreme. People don’t yet realize what that means for the world, far beyond tech,” said Sparks. “Even the physical world is becoming easier to disrupt. To lift 3mm barrels a day from the ground requires an army like Exxon, but what good is all that oil if you can’t move it.” Hormuz. Suez. “In a decade we’ll look back and connect the Ukraine and Iran wars. This is the most important conflict in 5,000 years. How war is being waged is evolving at an utterly unprecedented pace, creating all sorts of non-linear potentialities,” said Sparks. “The utilization of laptops, AI, and drones has created a true dystopia.” We ran this theater for years in Ukraine. “The Iranians come along and get attacked by the Americans, and their view is that if you’re going to take us down, we’re going to take you down – they have a fatalistic culture.” Suicide bombers, literally. “In Ukraine they take out \$5mm tanks with \$3k drones. It’s the parable of the Hormuz Strait. And how many drones do you now need to close a global chokepoint?” Not many. “You just need to cause chaos. This is the form of nihilism I fear most. The small will become disproportionately more powerful over the coming decade.” Those with the least to lose will emerge as the most dangerous. “And the drones will play a central part. They will become cyber viruses manifested in the physical world.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Mexico retail sales 5.0% (3.4%e). Eurozone cons conf -16.3 (-14.2e). Japan CPI 1.3% (1.5%e). Singapore CPI 1.2% as exp. Trump said the US would postpone strikes against Iran’s energy infrastructure after “productive conversations” with the country. Sunday Inc raised \$165m on \$1.15b valuation to build a robot capable of laundry and dishwashing. S&P +1.2%. **Tue:** Mexico bi-weekly CPI 0.62% (0.40%e). Chile overnight rate target unch 4.50% as exp. Hungary CB rate decision unch 6.25% as exp. Australia CPI 3.7% (3.8%e). US to deploy additional troops to Middle East. US sent Iran a 15-point plan to end the war, despite Iran and Israel showing no signs of letup in the conflict, with Tehran signaling little willingness to compromise. S&P -0.4%. **Wed:** UK CPI 3.0% as exp, Core 3.2% (3.1%e). US import price index MoM 1.3% (0.6%e). US insists peace talks with Iran are ongoing,

despite Tehran seeking guarantees that US and Israel won't resume attacks, reparations for war damages, and recognition of its authority over the Strait of Hormuz. Meta, Google found liable in first social media addiction trial, a landmark decision that could signal risks for thousands of similar claims. S&P +0.5%. **Thu:** US init jobless claims 210k as exp, cont claims 1819k (1849k e). Mexico overnight rate 6.75% (7.00%e). Eurozone M3 money supply 3.0% (3.2%e). Trump extended his pledge to refrain from attacks on Iranian energy sites by 10 days, saying talks with the country were going "very well." Apple to open Siri to integration with rival AI assistants in strategy shift. S&P -1.7%. **Fri:** US UMich sent 53.3 (54.0e). Israel struck Iran's nuclear facilities. Iran struck a base in Saudi Arabia, wounding US troops. Iran accepted request from the UN to allow humanitarian aid and agricultural shipments through the Strait of Hormuz. Trump orders TSA Agents to be paid as partial government shutdown continues. S&P -1.7%. **Sat:** Israel attacks Iran nuclear sites and aluminum refiner. Iran attacks on US base in Saudi injures 12 US soldiers. Houthis fire 2 missiles at Israel and formally enter the war.

Weekly Close: S&P 500 -2.1% and VIX +4.27 at +31.05. Nikkei (flat), Shanghai -1.1%, Euro Stoxx +0.4%, Bovespa +3.0%, MSCI World -0.1%, MSCI Emerging -1.0%, Bitcoin -5.8%, and Ethereum -6.5%. USD rose +2.2% vs Australia, +1.4% vs Sweden, +1.2% vs Canada, +1.2% vs Mexico, +1.2% vs India, +0.7% vs Yen, +0.6% vs Sterling, +0.5% vs Euro, +0.5% vs South Africa, +0.3% vs Turkey, and +0.1% vs China. USD fell -2.1% vs Russia, -1.5% vs Brazil, -1.1% vs Chile, and -0.1% vs Indonesia. Gold -1.9%, Silver +0.2%, Oil (WTI) +1.4%, Oil (Brent) +2.0%, NatGas (US) -1.3%, NatGas (EU) -8.6%, Power (EU) -1.9%, Copper +2.2%, Iron Ore -2.0%, Corn -0.8%. 10yr Inflation Breakevens (EU -3bps at 2.25%, US -7bps at 2.32%, JP -1bp at 1.85%, and UK -2bps at 3.50%). 2yr Notes +1bp at 3.91% and 10yr Notes +5bps at 4.43%.

YTD Equity Index Returns: Norway +25.5% priced in US dollars (+21.4% priced in krone), Korea +22.9% priced in US dollars (+29.1% in won), Brazil +17.8% in dollars (+12.7% in reais), Taiwan +12.4% (+14.3%), Israel +11.3% (+9.8%), Colombia +10.3% (+7%), Thailand +9.6% (+14.9%), Turkey +8.9% (+12.8%), Portugal +6.2% (+8.2%), Hungary +6.2% (+9.6%), Saudi Arabia +5.7% (+5.7%), Singapore +5.3% (+5.4%), Japan +3.4% (+6%), Mexico +3.3% (+3.7%), Malaysia +3.1% (+1.9%), Australia +0.6% (-2.3%), China -0.3% (-1.4%), Canada -0.4% (+0.8%), Netherlands -1% (+0.9%), UK -1% (+0.4%), Russell 2000 -1.3%, Poland -1.5% (+2.1%), Finland -2.2% (-0.1%), Chile -3.1% (-0.6%), Austria -3.1% (-1%), HK -3.3% (-2.6%), Sweden -3.6% (-0.7%), Belgium -3.7% (-1.8%), Argentina -3.9% (-8.4%), UAE -4% (-4%), Philippines -4.1% (-1.3%), MSCI World -4.3% in dollars, New Zealand -4.8% (-4.5%), Spain -4.8% (-2.9%), Italy -5.5% (-3.5%), Switzerland -6% (-5.3%), Greece -6.4% (-4.5%), Vietnam -6.4% (-6.3%), Euro Stoxx 50 -6.7% (-4.9%), S&P 500 -7%, South Africa -7.1% (-3.7%), France -7.3% (-5.5%), NASDAQ -9.9%, Ireland -10.3% (-8.6%), Czech Republic -10.6% (-7.6%), Germany -10.8% (-8.9%), India -17.1% (-12.7%), Denmark -17.5% (-15.7%), Indonesia -19.1% (-17.9%).

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From: [Eric Peters](#)
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Hope all goes well... "If Iran doesn't FULLY OPEN, WITHOUT THREAT, the Strait of Hormuz, within 48 HOURS from this exact point in time, the United States of America will hit and obliterate their various POWER PLANTS, STARTING WITH THE BIGGEST ONE FIRST! Thank you for your attention to this matter," posted America's Commander-in-Chief at around 8pm ET tonight (Saturday). Bitcoin is the only liquid market trading Saturday night. It quickly traded down 2.7% to \$68,400 and then started to claw its way higher.

Overall: "We are getting very close to meeting our objectives as we consider winding down our great Military efforts in the Middle East with respect to the Terrorist Regime of Iran," posted America's Commander-in-Chief just after the market close on Friday. It had been a typical week in the new world. Israel attacked critical Iranian natural gas infrastructure. So, Iran attacked Qatari natural gas infrastructure. And since Qatar supplies 20-25% of global liquified natural gas (30% of helium), the destruction of 17% of that capacity means that roughly 3.75% of global production will remain offline until it is rebuilt. Early estimates are that it may take 3-5 years. In a world grown accustomed to addressing nearly every major crisis by printing money, a true structural disaster is hard to contemplate, let alone properly size the ripple effects. Any problem that can be solved by expanding central bank balance sheets is not a real problem. The great problems in the world take two forms. Physical constraints. And people problems. After decades of uninterrupted globalization and optimization, where we sacrificed redundancy to maximize profitability, we must now confront the truth that a few hundred angry Shaheds can upend the entire system. And with Iran having launched two missiles at Diego Garcia, we must also recognize the world has just gotten smaller. Europe is within range of advanced Iranian weaponry. And this requires us all to face the hardest issue of all: people problems, which are often amplified by religious differences. Every nation has these problems to varying degrees. But the US is energy and food independent and faces far fewer constraints than any nation on earth, particularly when we include our northern and southern neighbors. "The Hormuz Strait will have to be guarded and policed, as necessary, by other Nations who use it - The United States does not! If asked, we will help these Countries in their Hormuz efforts, but it shouldn't be necessary once Iran's threat is eradicated. Importantly, it will be an easy Military Operation for them. Thank you for your attention to this matter!"

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Lone Star: "We came into this year pretty similar to how we came into last year - thinking US GDP could be stronger than just about anyone else," said Lone Star, one of our nation's top performing endowment CIOs. "If you took Iran out of the equation, we'd see 5% GDP in 2026. And it looks like the administration is freeing up bank capital by loosening regulations." Banks will then lever that 10x, boosting credit creation, adding fuel to the fire. "But with Trump in the picture, and record equity valuations, as bullish as we were, we cut risk way back this year."

Lone Star II: “After Liberation Day last year, you have to factor in a greater chance of wildcards when managing portfolio risk,” continued Lone Star. “So even with 5% GDP, between Trump and valuations, owning equities near the highs is a bit like spitting into the wind.” Good visual. “Coming out of the pandemic, we had over 35% of the portfolio in long-only equities. Now its more like 15%,” he said. “The market will give us an opportunity to size up again, it always does. And in the meantime, we’ve built a book of highly idiosyncratic bets that I love.”

Lone Star III: “Over the past few years, we’ve been investing in places where we see a high probability of ongoing supply/demand mismatches,” said Lone Star. “As unpredictable as the politics are now, it’s a safe bet that demand for data centers is going to remain strong. We’ve been long since before Covid. And demand for power will remain constrained almost no matter what Trump might do.” So, he’s long that too. “About 18 months ago with crude near \$50 a barrel, we built an energy portfolio. At \$90 a barrel we rotated out of that into software stocks.”

Lone Star IV: “We got long helium reserves in a large private investment a few years ago, it’s an important input into the semiconductor manufacturing process,” said Lone Star. “No matter what Trump may or may not do, demand for semiconductors for AI and rocket launches is going to remain up and to the right,” he said. “We got lucky when the Iranians hit Qatar, which is one of the major helium suppliers, and this made it easier to sell our oil positions.” Qatar supplies 30% of global helium. “Rolling out of oil into software stocks that are down 50% feels good here.”

Lone Star V: “Buying software stocks is easier because most people do it through ETFs,” said Lone Star. “So, their selling is indiscriminate. Vertically integrated software companies are not going away. And they’re so cheap now, but literally no one owns them.” Everyone’s buying semiconductor stocks, praying Nvidia doubles yet again. “But I can promise you there will be overcapacity built in semis and then prices will roll over, and the stocks will tank. I don’t know when. In the meantime, my software stocks produce huge cashflow. I’m paid to wait for a rally.”

Lone Star VI: “The key to this style of investing is to continually look to add convexity into your portfolio,” said Lone Star. “You buy energy when oil is at \$50, not because you know what will happen, but because there’s upside convexity,” he said. “You don’t buy helium deposits because you know the Ayatollah will bomb Qatar. You do it because you see supply/demand imbalances, and the convexity is in your favor,” said Lone Star. “This stuff doesn’t require genius, but it does demand that you lean against the wind and stay very disciplined.”

Anecdote: “There’s been a trend over the past decade by folks in my seat to set up managed accounts and funds-of-one,” said Lone Star, one of our nation’s top performing endowment CIOs. “They’re generally looking for greater transparency into the portfolio, and segregation of their assets into secure funds.” It allows for greater capital efficiency too. “I do it for a

different reason. I want to be able to say yes to certain investments and no to others. To hunt for opportunities. I want to be able to supersize positions. I want to be able to get in and out of the market when the right catalysts develop.” I’ve watched Lone Star lean into strong rallies and buy into panic liquidations. Through the Covid market collapse, he partially redeemed from our convexity fund nearly every Friday. And shortly after crude oil futures prices went negative in 2020, we bought call options in his fund. A few quarters later, with oil prices surging, Lone Star was selling. “I work with managers to develop specialized strategies to better optimize the risk/return profile of my total portfolio. At any given point in time, I have five specialist managers running this sort of risk for me,” said Lone Star. “This part of my portfolio has made roughly 20% annualized for the past three years. And having that kind of performance allows us to take risks elsewhere in the portfolio that we may not otherwise take. In years when some of those go wrong, we still perform well. In years where it all goes to plan, we really outperform,” he said, acknowledging that this is how he’s climbed to the top of the league tables. “I don’t really mind telling people what we do here, because very few manage money this way. It requires you to be comfortable wearing risk and navigating market volatility in ways that most folks with much bigger portfolios are unwilling to do.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US IP MoM 0.2% (0.1%e), empire mfg -0.2 (3.9e). Canada CPI 1.8% (1.9%e). China IP YTD YoY 6.3% (5.3%e). Australia RBA cash rate target 4.10% as exp. Trump reiterated appeals for other nations to help secure the Strait of Hormuz. Nvidia’s CEO predicted its AI processors would help generate \$1T in sales through 2027. S&P +1.0%. **Tue:** US pending home sales MoM 1.8% (-0.6%e). South Korea unemp rate SA 2.9% (3.0%e). Indonesia BI-Rate unch 4.75% as exp. Trump announced summit with Xi Jinping postponed, as Iran War adds another point of tension into US/China relations. S&P +0.3%. **Wed:** US FOMC rate decision upper bound unch 3.75% as exp, lower bound unch 3.50% as exp. Bank of Canada rate decision unch 2.25% as exp. Brazil Selic rate 14.75% as exp. Eurozone CPI 1.9% as exp, Core 2.4% as exp. Japan BOJ target rate unch 0.75% as exp. Australia unemp rate 4.3% (4.1%e). Powell said the US central bank will not cut rates again until inflation resumes cooling. Asian equities dropped as attacks on key energy infrastructure in the Middle East drove oil prices higher. S&P -1.4%. **Thu:** US init jobless claims 205k (215k e), new home sales 587k (722k e). Bank of England bank rate unch 3.75% as exp. ECB main refinancing rate unch 2.15% as exp, deposit facility rate unch 2.00% as exp. Gold and silver fell as Iran War damps rate-cut hope. Attacks in Qatar and other energy infrastructure in the Gulf raised concerns about long-term inflationary pressure in energy prices and impact on the global economy. ECB policymakers noted they would be ready to raise interest rates as soon as their next meeting in April, should fallout from the war in Iran push inflation too far above target. S&P -0.3%. **Fri:** Russia key rate 15.00% as exp. Taiwan export orders 23.8% (24.5%e). Trump says he’s considering “winding down” US military efforts against Iran, saying the US was close to achieving its objectives. US allows sale of stranded Iran oil to cap

fuel-price rises. First US oil barrels from Trump's planned emergency release set to hit market. US Defense Department designates Palantir's Maven AI system as "program of record" for incorporation across all branches of the service. S&P -1.5%. **Sat:** Trump threatens to obliterate Iran's power plant infrastructure if the Strait of Hormuz is not opened in 48hrs.

Weekly Close: S&P 500 -1.9% and VIX -0.41 at +26.78. Nikkei -0.8%, Shanghai -3.4%, Euro Stoxx -3.8%, Bovespa -0.8%, MSCI World -2.0%, MSCI Emerging -0.4%, Bitcoin -1.8%, and Ethereum +1.1%. USD rose +3.9% vs Russia, +1.5% vs Chile, +1.4% vs India, +0.6% vs South Africa, +0.2% vs Indonesia, and +0.2% vs Turkey. USD fell -1.4% vs Sweden, -1.3% vs Euro, -0.8% vs Sterling, -0.6% vs Australia, -0.3% vs Yen, -0.3% vs Mexico, -0.1% vs Brazil, and flat vs China & Canada. Gold -9.6%, Silver -14.4%, Oil (WTI) +1.4%, Oil (Brent) +8.8%, NatGas (US) -1.1%, NatGas (EU) +18.2%, Power (EU) +2.8%, Copper -6.6%, Iron Ore +2.4%, Corn -0.4%. 10yr Inflation Breakevens (EU +6bps at 2.27%, US +1bp at 2.39%, JP +5bps at 1.86%, and UK +10bps at 3.52%). 2yr Notes +18bps at 3.90% and 10yr Notes +10bps at 4.38%.

YTD Equity Index Returns: Korea +31.4% priced in US dollars (+37.2% priced in won), Norway +26.7% priced in US dollars (+20.3% in krone), Israel +18.9% in dollars (+15.8% in shekels), Taiwan +14% (+15.8%), Brazil +13.2% (+9.4%), Turkey +12.4% (+15.9%), Colombia +10% (+7.9%), Thailand +8.8% (+13.8%), Singapore +6.9% (+6.5%), Hungary +6% (+10%), Portugal +5.6% (+7.2%), Malaysia +5.6% (+2.4%), Japan +5% (+6%), Saudi Arabia +4.3% (+4.3%), Australia +2% (-3.3%), China +0.9% (-0.3%), Mexico +0.3% (-0.3%), Finland +0.2% (+1.9%), Netherlands -0.4% (+1.1%), UK -1% (-0.1%), Canada -1.2% (-1.2%), Poland -1.3% (+1.8%), Russell 2000 -1.8%, HK -2% (-1.4%), Philippines -2.4% (-0.6%), Sweden -2.4% (-0.6%), New Zealand -2.8% (-4.1%), Austria -4.1% (-2.5%), Greece -4.1% (-2.6%), MSCI World -4.2% priced in US dollars, UAE -4.2% (-4.2%), Belgium -4.7% (-3.2%), Spain -4.9% (-3.4%), S&P 500 -5%, Chile -5.1% (-1.9%), Italy -6.3% (-4.7%), Euro Stoxx 50 -6.5% (-5%), Argentina -6.7% (-10.7%), Switzerland -6.8% (-7.1%), NASDAQ -6.9%, France -7.4% (-5.9%), Vietnam -7.7% (-7.7%), South Africa -8.1% (-5.4%), Czech Republic -8.2% (-5.4%), Germany -10.2% (-8.6%), Ireland -10.7% (-9.3%), India -15.2% (-11.5%), Denmark -16.9% (-15.5%), Indonesia -19% (-17.8%).

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And the views may certainly differ from those of any firm or person that the author may advise, converse with, or otherwise be associated with. Lastly, any inappropriate language, innuendo or dark humor contained herein is not specifically intended to offend the reader. And besides, nothing could possibly be more offensive than the real-life actions of the inept policy makers, corrupt elected leaders and short, paranoid dictators who infest our little planet. Yet we suffer their indignities every day. Oh yeah, past performance is not indicative of future returns.

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From: [Eric Peters](#)
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Date: Sunday, March 15, 2026 8:51:53 AM

Hope all goes well... “US forces successfully struck more than 90 Iranian military targets on Kharg Island, while preserving the oil infrastructure,” announced US Central Command on Saturday. Hegseth approved a CENTCOM request for an amphibious ready group and attached Marine Expeditionary Unit - the USS Tripoli has left the Philippines Sea to join forces in the Gulf. “The USA has beaten and completely decimated Iran, both Militarily, Economically, and in every other way, but the Countries of the World that receive Oil through the Hormuz Strait must take care of that passage, and we will help – A LOT!” posted Trump on Saturday afternoon.

Overall: “Forty-seven years it’s taken to do this, and no President had the guts to do it,” said America’s Commander-in-Chief. And neither friend nor foe, fan nor critic, could deny it. The enemies of western democracies exploit the fact that our politicians rarely subject themselves to near-term electoral risks in order to achieve longer-term national rewards. The source of nearly every major geopolitical catastrophe faced by the West - including Europe’s utter dependence on Russian energy, our collective dependence on Taiwan semiconductors, America’s dependence on China’s rare earths, and the world’s vulnerability to North Korea’s growing nuclear arsenal – can be traced back to this dynamic. “Forty-seven bad years we suffered with them, not only us, the rest of the world. And we’re doing our job. So, we had to take an excursion. But it’s doing well,” continued Trump, appearing to stake his entire legacy on an audacious, high stakes bet. Every president makes at least one, and plenty go wrong. Clinton bet that by inviting China into the WTO, the communists in Beijing would reluctantly but gradually become more like us. Bush bet that by imposing democracy on the Iraqis and Afghanis, we’d bring peace to the Middle East. Obama bet that by sending the Ayatollah pallets of cash in exchange for a 10yr nuclear agreement, that some future US President would figure out how to deal with the planet’s greatest sponsor of terror and sworn enemy of America. “The market’s holding up well. I figured we’d be hit a little bit, but we were hit probably less than I thought. And we’ll be back on track in a pretty short while. Prices are coming down very substantially,” continued Trump. “Oil will be coming down. That’s just a matter of war that happens. You can almost predict it. I would say it went up a little bit less than we thought. It’s going to come down more than anybody understands,” said America’s forty-seventh president, betting everything that by tackling the intractable issues that others have pushed to their successors, he will go down as one of the greatest.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Hands: America began Operation Epic Fury on Sat Feb 28th. While the war did not come out of the blue, its timing surprised even the keenest observers, not least of which was the Ayatollah. Anytime a negative shock of this magnitude arrives (it is by no means over), positions change hands, from weak to strong. So how have the major markets behaved from the Fri Feb 27 close through this Friday? The S&P 500 has declined 3.6% (Nasdaq -2.5%, Russell 2000 -5.8%, DJIA -4.9%). The VIX index jumped +7.40 to +27.26 as nervous investors scrambled to buy hedges.

Hands II: In the 10 trading days since the excursion began, the MSCI World Equity Index has fallen 4.3%. The MSCI Emerging Index is down 7.4%. Nikkei 225 fell 8.5% and Euro Stoxx -6.0% - energy poor. Shanghai -1.6%, not bad, probably supported by intervention. Saudi Arabia +1.7% and Norway +1.5% - energy reserves. But Canada fell 5.2%. Brazil -5.9% and Mexico -8.1% - interesting. Turkey fell 4.6% - tough neighborhood, energy poor. India fell 8.1% - makes sense. South Korea -12.1%. South Africa -10.8%. Taiwan -5.7%. UAE -9.3%. Israel +1.1%.

Hands III: Every change in price tells a story. But equity indexes can sometimes mislead due to the composition of the companies in them, or unique circumstances. Israel's rally since the war began has been supported by various interventions. Canada is a large energy producer, but energy is 19% of its index, while financials are 30% and they've gotten hammered. Plus, gold and silver have dumped, along with numerous commodity prices, which is one of those rather interesting stories that merit further investigation, like the Dollar Index which gained just 2.8%.

Hands IV: The USD rose 3.5% vs the Euro since the war began. It gained 4.3% vs Russia, +4.1% vs Mexico, +3.8% vs Brazil, +2.3% vs Yen, +2.0% vs Sterling, +1.9% vs Australia, +1.6% vs India, +1.0% vs Indonesia, +0.6% vs Canada, +0.6% vs China, and +0.6% vs Turkey. None of these moves stand out as being particularly interesting. But if on Feb 27th, you'd asked 1,000 of the world's most knowledgeable traders, investors, strategists and policy makers, how much the Dollar Index would rally on this war, they'd have collectively guessed more than 2.8%.

Hands V: But if these knowledgeable market participants would've been surprised by the weak Dollar rally, the 4.2% fall in Gold would've shocked them. Silver is -13.8% and Copper -6.1%. Those stories are less surprising. In a dangerous world, demand rises for certain resources. But you must balance that with the risk of global recession or even depression. Corn prices in the US gained 4.1%, Soybeans +4.7%, and Wheat +12.8%. You can't eat gold, so that story makes sense. Plus, food cannot be produced at scale without lots of oil. And energy prices surged.

Hands VI: US Oil (WTI) prices are +47.2% since Epic Fury kicked off. EU Oil (Brent) jumped 42.0%. US Natural Gas rose +9.7% which seems low, until you understand the US lacks capacity to export any more LNG. EU Natural Gas prices have surged 56.8%, and this, combined with German electricity futures leaping 22.6% is a real problem for Europe's economy. It also helps tell the story of inflation markets. EU 10yr inflation jumped 39bps to 2.21%, the UK +34bps to 3.42%. While the US rose just 12bps to 2.38%, and Japan rose just 10bps to 1.81% - interesting.

Hands VII: If you'd asked those 1,000 participants where US bond yields would be 2wks after this war, maybe half would've guessed 2yr Note yields would jump 35bps to 3.73% and 10yr Note yields would pop 34bps to 4.28% (and that's what happened). The others would've

guessed that yields would've fallen, not risen. This is the most interesting story of the war so far, in terms of markets. And it's also interesting that Bitcoin jumped 8.5% and Ethereum +9.3%. After five months of crypto moving from weak to strong hands, it's high time for a twist in this story.

Anecdote: I got an economics degree. It was pretty easy. And looking back, I could've learned everything there was worth learning by reading a few books on summer vacation. A lot of what I learned was useless. Some of it was totally wrong, or at least not terribly helpful. I learned that markets are driven by fundamental forces. It's not that this is wrong. Rather, at any given point in time you really have no way of knowing how those fundamental forces have already been priced into current valuations. It took me losing plenty of money getting the economics right and the market direction wrong to learn this. A lot of people study technical analysis because it allows you to analyze markets without knowing anything whatsoever about economic fundamentals. The theory is that all the world's wisdom is contained in the current price of every market. If given the choice between (a) having to make decisions purely based on market prices, blind to economic fundamentals, or (b) putting capital at risk purely based on underlying fundamentals while being blind to market prices, I'd choose the former. I could imagine an economic textbook trying to frame a problem by presenting that sort of choice. But the real-world places no such constraints on investors. Anyhow, I've found that one of the most helpful things to do when trying to get a glimpse of the future is to (1) watch a material market event/shock unfold, (2) estimate how the consensus of a hypothetical group of 1,000 of the world's most knowledgeable traders, investors, strategists and policy makers, would have expected market prices to have moved based on that event/shock, (3) look for significant discrepancies between how that group would have expected markets to move and how prices actually moved, and (4) dive into the most material discrepancies and do further analysis. Every change in price tells a story, and sometimes, when those stories appear as mysteries, it means that there is some new fundamental force emerging that very few people understand. And finding those early is where the real money is made.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Mexico CPI 4.02% (3.94%e). Japan GDP ann. SA QoQ 1.3% (1.0%e). South Korea GDP 1.6% (1.5%e). Oil prices tumbled amid assurances from global leaders that policy interventions will blunt the impact of the Iran war on energy prices. Trump says the war in Iran will end "soon" but not this week. Anthropic sues US government over supply chain risk label. S&P +0.8%. **Tue:** US existing home sales 4.09m (3.88m e). Japan PPI 2.0% (2.2%e). International Energy Agency proposed release of emergency oil reserves to contain a spike in energy prices driven by Iran war. Trump warns Iran against laying mines in Strait of Hormuz. S&P -0.2%. **Wed:** US CPI 2.4% as exp, Core 2.5% as exp. Germany CPI

1.9% as exp. US starts trade probe into China, EU, as Trump seeks to rebuild tariffs. China moves to curb OpenClaw AI use at banks and state agencies. Oil tankers attacked off Iraq as Middle East crisis worsens. Japan set to release oil reserves as soon as Monday. S&P -0.1%. **Thu:** US init jobless claims 213k (215k e), housing starts 1487k (1341k e), trade balance - \$54.5b (-\$66.0b e). India CPI 3.21% (3.14%e). Iran's new supreme leader, Ayatollah Mojtaba Khamenei, said the Strait of Hormuz should remain closed and signaled he won't back down in the war. S&P -1.5%. **Fri:** US UMICH sent 55.5 (54.8e), GDP ann QoQ 0.7% (1.4%e). Canada unemp rate 6.7% (6.6%e). China money supply M2 9.0% (8.9%e). US begins emergency oil reserve release of 86m barrels. S&P -0.6%. **Sat:** US hits military targets on Iran's Kharg Island as war escalates. Trump calls on China and UK to send war ships to the Hormuz Strait.

Weekly Close: S&P 500 -1.6% and VIX -2.23 at +27.26. Nikkei -3.2%, Shanghai -0.7%, Euro Stoxx -0.5%, Bovespa -1.0%, MSCI World -1.0%, MSCI Emerging -0.5%, Bitcoin +4.6%, and Ethereum +6.3%. USD rose +3.3% vs Sweden, +2.4% vs South Africa, +2.0% vs Russia, +1.8% vs Euro, +1.6% vs Brazil, +1.5% vs Sterling, +1.2% vs Yen, +1.2% vs Canada, +0.9% vs Chile, +0.8% vs India, +0.7% vs Mexico, +0.7% vs Australia, +0.3% vs Turkey, and +0.2% vs Indonesia. USD flat vs China. Gold -2.6%, Silver -4.6%, Oil (WTI) +8.6%, Oil (Brent) +11.6%, NatGas (US) -1.6%, NatGas (EU) -6.1%, Power (EU) +3.4%, Copper -2.0%, Iron Ore +5.8%, Corn +1.4%. 10yr Inflation Breakevens (EU +15bps at 2.21%, US +3bps at 2.38%, JP +7bps at 1.81%, and UK +13bps at 3.42%). 2yr Notes +16bps at 3.73% and 10yr Notes +14bps at 4.28%.

YTD Equity Index Returns: Korea +25.1% priced in US dollars (+30.2% priced in won), Norway +22.5% priced in US dollars (+18.5% priced in krone), Brazil +14.3% in dollars (+10.3% in reais), Israel +14.2% (+12.4%), Taiwan +13.2% (+15.3%), Turkey +13% (+16.3%), Thailand +8.4% (+11.9%), Portugal +8.3% (+11.1%), Colombia +7.7% (+5.5%), Hungary +4.9% (+9.7%), Japan +4.7% (+6.9%), Singapore +4.5% (+4.2%), China +4.5% (+3.2%), Malaysia +4.1% (+1.1%), Australia +3.8% (-1.1%), Saudi Arabia +3.8% (+3.8%), Mexico +2.8% (+2.1%), Netherlands +2.7% (+5.3%), Canada +2.5% (+2.6%), Sweden +1.9% (+4.7%), UK +1.7% (+3.3%), Finland +1.2% (+4%), Russell 2000 -0.1%, HK -1.2% (-0.6%), Poland -1.3% (+2.7%), Philippines -1.5% (+0.1%), MSCI World -1.5% priced in US dollars, Belgium -1.9% (+0.6%), New Zealand -2% (-2.7%), Greece -2% (+0.6%), Chile -2.1% (-0.1%), South Africa -2.6% (-0.6%), Switzerland -3% (-3.2%), S&P 500 -3.1%, Euro Stoxx 50 -3.8% (-1.3%), Austria -3.8% (-1.2%), Spain -3.9% (-1.4%), Italy -4% (-1.4%), NASDAQ -4.9%, Vietnam -4.9% (-4.9%), UAE -5.1% (-5.1%), France -5.4% (-2.9%), Germany -6.8% (-4.3%), Ireland -7.8% (-5.4%), Czech Republic -9.8% (-6.3%), Argentina -10% (-13.4%), India -13.9% (-11.4%), Denmark -15.2% (-12.8%), Indonesia -18.7% (-17.5%).

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From: [Eric Peters](#)
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Date: Sunday, March 8, 2026 10:09:35 AM

Hope all goes well... “Buyer,” grunted Bulldog, one of the great trading talents. I had asked for his thoughts on markets. “Selling SPY puts into this sell-off,” he growled late Friday. Hadn’t checked in with Bulldog for a few weeks; a never-wake-a-sleeping-dog kind of thing. “You don’t see major market highs with this much fear, and in the past month or two all I hear is data center crap, AI, software stocks, now oil, Iran,” barked Dawg, a broken ear, torn in some ancient market brawl. “Probably have a hairy three to six weeks, take out a few more Ayatollahs, and then stocks are going to scream higher for a quarter or two – sucking everyone in,” growled Dawg, drooling horribly, unashamedly. “Then that’s it. That’s the big one. After that it’s goodnight.”

Overall: “We don’t list markets directly tied to death,” wrote Tarek Mansour, CEO of Kalshi, the New York-based prediction market. “When there are markets where potential outcomes involve death, we design the rules to prevent people from profiting from death,” he explained. “A market on ‘Ali Khamenei out as Supreme Leader’ was important because leadership changes in Iran have a major impact on the world order,” continued Mansour. “It’s always possible for a ruler to step down or transition power without death, even in autocracies. It just happened in Venezuela.” Mansour was attempting to justify why Kalshi can list such contracts with a ‘death carveout,’ which means traders were paid out at the last price traded before Khamenei met his maker, as opposed to the full contract value had he stepped down or been plucked from his palace by Delta Force. Those of us who make a living in markets - betting on all sorts of disturbing possibilities in the world - kind of understand how the rest of society may not be ready to face the true nature of this casino. It’s ugly. But the truth is that our lives are a series of consequential wagers. At Bretton Woods, in 1944, with the world approaching a pivotal moment - the end of WWII - the US bet that it was in its interest to provide a security guarantee to its allies and open its economy to unrestricted imports. That wager reshaped the world in magnificent ways. In time, America made a series of nation-building bets that manifested in forever wars, which we closed out. Now, the US is making a very different series of bets. America is wagering that its economic and military power is far greater than the many beneficiaries of Bretton Woods had come to believe. It is projecting its hard power in unapologetic and unpredictable ways to aggressively reorder the planet. Placing profoundly consequential bets, as humanity rapidly approaches another pivotal moment in world history - the Singularity.

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Blinding: “Every investment should be measured against the opportunity cost of not being focused on the AI theme,” said Laser, managing his self-made fortune. “Sandisk went up 20x in 9mths, these sorts of asymmetries are identifiable when you understand what’s unfolding,” he continued, his liquid portfolio up 150% last year. “Sands will shift through this theme. Today’s supply chain bottlenecks will be cleared; the opportunities will evolve. But not yet,” said Laser, totally focused. “The singularity is happening. Figure out how to profit from it, don’t fight it.”

Blinding II: “The future is already here, it’s just unevenly distributed,” he said. “William Gibson said that. And it’s true. For those of us focused on the right sources of information and insights, the world is rich with opportunity right now,” he said. “For those still relying on the FT and the WSJ, what is happening makes a lot less sense. I stopped reading those papers years ago. They’re anti-signal. They weaken your mind,” he said. “I find the future on blogs that few pay attention to. There are brilliant thinkers out there,” he said, sharing a curated list of his best sources.

Blinding III: “I sold my 2nd business in 2011 and read an article about the Singularity University in California,” explained Laser. “It was as far afield from what I’d done as was possible. Which is what I look for. And I went there to kind of reset my brain.” Ray Kurzweil explained his singularity thesis, with AGI on track to arrive by late 2029 and ASI by 2045. “It was the first that I’d heard of AI and Bitcoin....

Blinding IV: “I was speaking with someone at the Machine Intelligence Research Institute who was writing a book about how if we build AI it will destroy us all,” he said. “So, I asked him, between now and then, what companies should I own?” he said. “He answered, Alphabet and Nvidia. I bought them along with BTC and ETH.” What a ride. “I had Kurzweil’s framework and timeline in my mind and when ChatGPT launched, that was the trigger. I knew I needed to drop everything and focus on just this. The first and most obvious AI play was in semiconductors.”

Blinding V: “As I distilled the thesis to its essence, I concluded we need to own the factors of production required to make AI tokens,” said Laser. “Certain commodities play a part, which we bought, but mostly it’s about owning the companies that bang atoms together in very particular ways to create tokens,” he said. “Those companies have extraordinarily unique capabilities that are incredibly expensive to replicate, with limited capacity,” he said. “And I found the analysts who focus on these things, these companies, and none of them are the ones people recognize.”

Blinding VI: “You find opportunities like Bitcoin and AI if you’re curious and your curiosity has good taste,” said Laser. “People who are curious but have poor taste get trapped in intellectual and investment cul-de-sacs,” he said. “In 2016 I didn’t have to force myself to study Bitcoin. I found it genuinely fascinating. It was something I could naturally throw myself into. And I did,” he said. “I can focus on AI twelve to fourteen hours a day. I don’t get tired or bored. Someday that may flip. Then I’ll move on. But that someday is not today.”

Anecdote: “I’m extremely good at changing my focus, which goes hand in hand with changing my professional and even social circles,” said Laser, managing his self-made fortune. “I have a non-existent need for affirmation. And I’m numb to failure. Which gives me an advantage when it comes to adjusting to change and exploiting emerging opportunities. Everything truly important in life is contradictory at some level, otherwise it wouldn’t really matter, it would have been solved. So, it’s the unsolvable things that are interesting and matter

in life,” said Laser. “I’m capable of unbelievable focus for extended periods. And I’m pretty good at sensing when a thesis has played out. That’s when I create a vacuum for myself, to make space for the next thing,” he said. “I went to the Singularity University in 2011 to create mental space and because it was the furthest thing that I could think of relative to what I had been doing. And I had a strong hypothesis that it was useful, that it would be powerful,” he said. “Right now, I’m in full blinder phase. I don’t know what it will look like when we get toward the end of the AI theme, but I’ll know it when I see it,” said Laser. “You and I have been conditioned to riding Bitcoin. The whole world spent an enormous amount of energy explaining why it was going to fail, and yet it kept going up.” Indeed. “Now, we see most of the world is looking for how AI underdelivers, underperforms, fails even. It’s inexplicable. We’re living through the Singularity and does that mean everything goes straight up to the right? No. But do you think we’re going to be on the other side of the Singularity, the event horizon, and we’ll look back and say, it was smart to have spent the whole singularity searching for bubbles and talking yourself out of taking real risks? No. Obviously not.” Couldn’t agree more. “The Singularity is happening. It’s just so fascinating, thrilling, and we’re so fortunate that we get to be living through this moment.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US ISM mfg 52.4 (51.5e). India IP 4.8% (6.0%e). Japan jobless rate 2.7% (2.6%e). US Embassy in Riyadh attacked as Iran steps up Saudi strikes, prompting President Trump to vow retaliation. China urges Iran to consider neighbors’ “reasonable concerns,” reaffirming China’s support for Iran’s sovereignty and territorial integrity. S&P flat. **Tue:** Eurozone CPI 1.9% (1.7%e), Core 2.4% (2.2%e). China mfg PMI 49.0 (49.2e), non-mfg PMI 49.5 (49.7e). Australia GDP 2.6% (2.3%e). President Trump said the US will escort and insure tankers and other vessels through the Strait of Hormuz. S&P -0.9%. **Wed:** US ADP emp change 63k (50k e), ISM serv 56.1 (53.5e). China told the country’s top oil refineries to suspend exports of diesel and gasoline due to the escalating conflict in the Persian Gulf, reflecting a scramble across Asia to prioritize domestic needs. S&P +0.8%. **Thu:** US init jobless claims 213k (215k e). South Korea CPI 2.0% (2.1%e). Trump removed Kristi Noem as Homeland Security secretary and announced Oklahoma Senator Markwayne Mullin as the replacement. Noem is set to take a role as a special envoy for the Western Hemisphere. US drafts rule requiring licenses for AI chip exports worldwide. S&P -0.6%. **Fri:** US change in NFP-92k (55k e), unemp rate 4.4% (4.3%e). Eurozone GDP SA 1.2% (1.3%e). Taiwan CPI 1.75% (1.60%e). Unexpected hiring slump threatens to upend the prevailing view among Fed policymakers that a stabilizing labor market would allow them to keep interest rates steady as they fight persistent inflation. Trump demands Iran relent as US aims to calm energy markets, with US crude futures ending the week above \$90 a barrel. Trump said defense firms are to quadruple output of some weapons. S&P -1.3%. **Sat:** Israel takes out Tehran oil refinery. Iranian missiles hit more gulf nations. Trump opens the possibility of ground troops in Iran and rules out involving the Kurds.

Manufacturing PMI (high-to-low): India 56.9 (previous month 55.4), Sweden 56.1 (previous mth 55.9), Taiwan 55.2 (previous 51.7), Greece 54.4/54.2, Vietnam 54.3/52.5, Indonesia 53.8/52.6, Hong Kong 53.3/52.3, Japan 53/51.5, US 52.4/52.6, China 52.1/50.3, UK 51.7/51.8, Hungary 51.3/50, South Korea 51.1/51.2, Canada 51/50.4, Germany 50.9/49.1, Netherlands 50.8/50.1, Italy 50.6/48.1, Singapore 50.6/50.5, France 50.1/51.2, Czech Republic 50/49.8, Spain 50/49.2, South Africa 50/50, Russia 49.5/49.4, Austria 49.4/47.2, Turkey 49.3/48.1, Switzerland 47.4/48.8, Brazil 47.3/47, Mexico 47.1/46.3, Poland 47.1/48.8. **Services PMI:** India 58.1/58.5, China 56.7/52.3, UK 53.9/54, Japan 53.8/53.7, Germany 53.5/52.4, Brazil 53.1/51.3, Australia 52.8/56.3, Italy 52.3/52.9, Spain 51.9/53.5, Ireland 51.8/54.5, US 51.7/52.7, Russia 51.3/53.1, France 49.6/48.4, Sweden 48.3/53.8.

Weekly Close: S&P 500 -2.0% and VIX +9.63 at +29.49. Nikkei -5.5%, Shanghai -0.9%, Euro Stoxx -5.5%, Bovespa -5.0%, MSCI World -3.3%, MSCI Emerging -6.9%, Bitcoin +3.7%, and Ethereum +2.9%. USD rose +4.5% vs Chile, +3.8% vs South Africa, +3.3% vs Mexico, +2.3% vs Russia, +2.2% vs Brazil, +1.7% vs Euro, +1.7% vs Sweden, +1.3% vs Australia, +1.1% vs Yen, +0.8% vs India, +0.8% vs Indonesia, +0.6% vs China, +0.5% vs Sterling, and +0.3% vs Turkey. USD fell -0.5% vs Canada. Gold -1.7%, Silver -9.6%, Oil +35.6%, Copper -4.2%, Iron Ore +0.7%, Corn +2.7%. 10yr Inflation Breakevens (EU +24bps at 2.06%, US +10bps at 2.35%, JP +2bps at 1.74%, and UK +21bps at 3.29%). 2yr Notes +19bps at 3.56% and 10yr Notes +20bps at 4.14%.

YTD Equity Index Returns: Korea +28.5% priced in US dollars (+32.5% priced in won), Israel +21.7% priced in US dollars (+18.2% priced in shekels), Norway +21.1% in US dollars (+15.3% in krone), Brazil +15.6% in dollars (+11.3% in reais), Taiwan +15% (+16%), Turkey +10.7% (+13.6%), Thailand +10.4% (+12%), Japan +9.5% (+10.5%), Australia +6.7% (+1.6%), Portugal +6.7% (+8%), Hungary +6.2% (+9.8%), Mexico +5.8% (+4.7%), Colombia +5.4% (+5.2%), Sweden +5.4% (+5.4%), China +5.3% (+3.9%), Canada +5.3% (+4.3%), Malaysia +5% (+2.3%), Singapore +4.9% (+4.3%), Philippines +3.9% (+4.4%), UK +3.1% (+3.6%), Saudi Arabia +2.6% (+2.7%), New Zealand +2.2% (-0.2%), Netherlands +1.8% (+3.1%), Finland +1.8% (+3.2%), Russell 2000 +1.7%, Belgium +1.1% (+2.3%), Switzerland +0.4% (-1.3%), South Africa +0.2% (+0.6%), Poland +0.2% (+2.9%), Austria +0.1% (+1.5%), HK +0% (+0.5%), MSCI World -0.5% in dollars, Vietnam -0.6% (-0.9%), UAE -0.9% (-0.9%), Greece -1.1% (+0.1%), S&P 500 -1.5%, Euro Stoxx 50 -2.4% (-1.2%), Spain -2.5% (-1.3%), Chile -2.6% (-1.6%), France -3.1% (-1.9%), Italy -3.1% (-1.8%), NASDAQ -3.7% in dollars, Germany -5% (-3.7%), Czech Republic -5.5% (-3.5%), Ireland -5.8% (-4.6%), India -8.5% (-6.4%), Argentina -11.6% (-13.9%), Denmark -13.1% (-11.8%), Indonesia -13.5% (-12.3%).

Disclaimer: All characters and events contained herein are entirely fictional. Even those things that appear based on real people and actual events are products of the author's imagination. Any similarity is merely coincidental. The numbers are unreliable. The statistics too. Consequently, this message does not contain any investment recommendation, advice, or solicitation of any sort for any product, fund or service. The views expressed are strictly those of the author, even if often times they are not actually views held by the author, or directly contradict those views genuinely held by the author. And the views may certainly differ from those of any firm or person that the author may advise, converse with, or otherwise be associated with. Lastly, any inappropriate language, innuendo or dark humor contained herein is not specifically intended to offend the reader. And besides, nothing could possibly be more offensive than the real-life actions of the inept policy makers, corrupt elected leaders and short, paranoid dictators who infest our little planet. Yet we suffer their indignities every day. Oh yeah, past performance is not indicative of future returns.

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From: [Eric Peters](#)
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Subject: wknd notes
Date: Sunday, March 1, 2026 10:27:49 AM

Hope all goes well... “For many years, you have asked for America’s help, but you never got it. Now you have a president who is giving you what you want, so let’s see how you respond,” said our Commander-in-Chief, rolling the dice, unapologetically placing his bet on a new approach to regime change. “America is backing you with overwhelming strength and devastating force. Now is the time to seize control of your destiny and to unleash the prosperous and glorious future that is close within your reach. This is the moment for action. Do not let it pass.”

As of Saturday, at 11pm ET, Bitcoin had sold off 3.5% to \$63,250 on the Iran strikes but then surged 7.5% to \$68,000 despite news that the Strait of Hormuz was effectively closed. Spot gold (trading as a crypto token) jumped 5.5% to \$5,570 then retreated 4.3% to \$5,325 (up less than 1% from Fri).

One River acquired the Quantitative Investment Solutions business from LGT Capital Partners in Switzerland [[press release](#)]. Really good people, extraordinary talent, two long-established investment strategies, \$900MM in additional AUM, and our first international expansion.

Overall: “What if our AI bullishness continues to be right...and what if that’s actually bearish?” wrote the boys at Citrini Research, some smart guys that no one had ever heard of [[here](#)]. They sketched out a scenario from the vantage point of economic analysts in the year 2028 where “the consequences of abundant intelligence” were catastrophic for equity markets and pretty much everything else too. It was a good read for those of us who like to collect creative mental models for what may lie ahead. But for an equity market at the top 1-percentile of historical valuations, mental models that conclude with GFC stock market crashes of 57% are sure to shake out weak longs. So, the S&P 500 ended Monday -1.0%. It closed the week just -0.4%, remarkably resilient given the CNBC hysteria and carnage in many tech names. Having contemplated Citrini’s abundant intelligence left tail, an army of brilliant nerds penned their contrasting 2028 visions for an AI-fueled right tail. I liked Frank Flight’s piece from Citadel the best [[here](#)]. Naturally, they’ll all be wrong, which is beside the point. When markets are at valuations seen in the late 1920s, the 1950s-60s, and 1999, most investors definitionally expect a right tail event. Given the unknown nature of AI, anything can quite obviously happen. Absolutely anything. Including a war with Iran, or an infinite number of things that have nothing to do with intelligence. Global debt surged by \$29trln to a record \$348trln in 2025. It is sure to grow even faster this year, led by governments desperate to rebuild critical infrastructure and defense capabilities. The biggest risk to AI in my left tail mental model is that it doesn’t deliver abundant intelligence in the end, and we find ourselves drowning in a sea of debt without the economic productivity we’ve been promised. And the best way to manage a portfolio for this world of two very fat tails is to be long equities and long highly convex hedges.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Remember: “I won’t be able to live with myself if I don’t take this swing,” I said to Mara in 2013. Could’ve taken a job for 6x what I’d make by starting One River. We had 4 young kids and were light in the bank. She never hesitated. I’ll always remember that. My old boss/partner, Geoff, backed me with \$500k of working capital. Never forget it. Ian was the first partner to join me, others followed. Sam was our first client, a rising star at PAAMCO. Rob led Permal, he came next. Without my partners, internal and external, I’d have nothing. I will never forget that.

Remember II: We caught the 2015 China devaluation. I uprooted everyone and moved One River to Greenwich, between Bridgewater/AQR. Knew we’d never build a firm of consequence from Santa Barbara. I remember how heavy that move was. Soros planned to take an equity stake in One River, but then Scott left Soros to start his hedge fund and the deal fell apart. I deeply respect Scott and remember how psychologically devastating it was. We struggled in markets, almost lost the firm, it would’ve bankrupted my family. I’ll never forget sleepless cold sweats.

Remember III: One River nearly died again in 2017. We made a killing in 2018 when VIX ETNs imploded. Struggled in 2019. Made a Covid fortune, faced massive weekly redemptions. Clients never forgot, soon came back. Alan called that August on a Sunday, he wanted Brevan to buy part of One River [\[here\]](#). Alan’s one of my heroes; never forget his call. Henry phoned from Ruffer that November. He’s a true investing iconoclast. We bought \$600mm of BTC for him. Bloomberg broke the Bitcoin Whale story [\[here\]](#), BTC exploded higher. Never forget that day.

Remember IV: I remember calling Jay the day after he left the SEC. Our Covid lunches, policy, politics, macro. And never forget when he agreed to build my first Advisory Council [\[here\]](#) and [\[here\]](#). Alan and Adam pressed me to raise cash to secure our digital business ahead of the Fed rate hiking cycle they saw coming. Never forget when Coinbase, Goldman, and Liberty Mutual filled our war chest [\[here\]](#). I remember selling nearly all our crypto in 2021, returning \$1.8bln to investors. And building One River Digital then selling it outright to Coinbase in 2023 [\[here\]](#).

Remember V: I remember the day the SEC issued a Wells Notice to Coinbase, and how I told our team that despite how grim it all looked, these sorts of events create the biggest opportunities in life/markets. I’ll never forget when Marcel volunteered to move to Abu Dhabi to lead our infrastructure buildout, while Gary tried to destroy the US crypto industry. And I’ll always remember that Alan graciously let me buy back his One River stake in 2023, after we’d grown 4x. To build a firm of consequence, I felt we needed full ownership, so I doubled down again.

Remember VI: In Jan 2024, Patrick produced research that showed how our clients can combine One River strategies with the S&P 500 using cash-efficient overlays to dramatically outperform stocks, with lower drawdowns and a higher Sharpe Ratio [\[here\]](#). I remember

thinking we need to aggressively deploy our resources to become the best in the world at this; it is what will allow us to become a firm of real consequence. And I'll never forget the day we closed the acquisition of the remarkable team at LGT [\[here\]](#), which advances One River's efforts to make this a reality.

Anecdote: I remember every high and low, going back to my start in 1989. The heights were fun, ephemeral. The chasms, I still feel in a raw, visceral way, like they each just happened. In so many ways, trading/investing lessons can be applied to business and life. Vice versa. You need to strike a dynamic balance between optimism and pessimism, risk taking and loss mitigation. Building a business requires more of the former, less of the latter. Without stubborn optimism and tenacity, there's no way to survive the existential moments that every business venture is sure to face. But apply stubborn optimism to a bad trade and it will inevitably end in disaster. This makes it particularly hard to pursue both business and trading simultaneously. Which is why most people who do it well build strong partnerships to share the burden, which often is too much for one person to bear. And along the journey, you are all forced into difficult, high-pressure situations that allow us to learn things about ourselves and those around us that would have otherwise remained unexplored. Which of course is the pain and reward of such humbling pursuits. Sometimes, it's tempting to declare victory and walk away, to avoid the risk of suffering more agonizing lessons which we know lay ahead. But you remember that every lesson you learn may someday be valuable to our family, friends, partners. And at a certain point, life is about setting an example, especially for our children, who we all hope will take consequential risks, swing hard at whatever they come to care about most, break through, and race far ahead of us. We hope they live their lives unafraid to fail, having seen us stumble, struggle, pick ourselves up, carry on, build. Because without the pain of failure, they will never really grow, nor realize their vast potential.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US durable goods orders unch -1.4% as exp, factory orders -0.7% as exp. Israel base rate 4.00% (3.75%e). Singapore CPI 1.4% as exp. The US is readying investigations that would enable Trump to impose new tariffs, following the Supreme Court ruling that struck down country-specific emergency levies. China added top Japanese military suppliers to an export control list and placed additional entities on a monitor list, a move to deter Japan's remilitarization as the latest escalation in dispute over comments made by PM Takaichi on Taiwan. S&P -1.0%. **Tue:** US conf board cons conf 91.2 (87.1e). Hong Kong GDP unch 3.8% as exp. Australia CPI 3.8% (3.7%e). Hungary CB rate decision 6.25% as exp. Trump's delivered the longest State of the Union address of the television age, seeking to sell Americans on his economic program ahead of crucial midterm elections later this year. Trump administration is discussing an executive order designed to force banks to collect citizenship data alongside other identification information from customers. S&P +0.8%. **Wed:** Eurozone

CPI 1.7% as exp, Core 2.2% as exp. South Korea BOK base rate unchanged 2.50% as exp. Trump administration imposed sanctions on entities that support Iranian oil and weapons sales. S&P +0.8%. **Thu:** US init jobless claims 212k (216k e). Mexico unemp rate NSA 2.70% (2.67%e). Eurozone M3 money supply 3.3% (2.9%e). Japan IP MoM 2.2% (5.5%e). Jack Dorsey's Block slashes nearly half its staff in a bet on AI changing the future of labor productivity. Paramount clinches deal for Warner Bros Discovery, outmaneuvering Netflix with \$111b deal. S&P -0.5%. **Fri:** Spain CPI 2.3% (2.2%e). France CPI 2.5% (2.3%e). Pentagon declared Anthropic PBC a supply chain risk, barring its use by agencies and contractors with a 6-month period for Anthropic to hand over AI services to another provider. Trump administration seeks to delay court proceedings over refunding tariffs paid by importers. S&P -0.4%. **Sat:** US and Israel attack Iran (kill the Ayatollah and 40+ senior leaders).

Weekly Close: S&P 500 -0.4% and VIX +0.77 at +19.86. Nikkei +3.6%, Shanghai +2.0%, Euro Stoxx +0.5%, Bovespa -0.9%, MSCI World +0.2%, MSCI Emerging +3.3%, Bitcoin -3.1%, and Ethereum -2.2%. USD rose +0.7% vs Chile, +0.6% vs Yen, +0.5% vs Mexico, +0.3% vs Russia, and +0.2% vs Turkey. USD fell -1.0% vs Brazil, -0.6% vs South Africa, -0.6% vs China, -0.6% vs Indonesia, -0.5% vs Australia, -0.3% vs Sweden, -0.3% vs Canada, -0.2% vs Euro, flat vs Sterling and vs India. Gold +3.3%, Silver +12.4%, Oil +0.8%, Copper +2.7%, Iron Ore -4.4%, Corn +2.0%. 10yr Inflation Breakevens (EU flat at 1.82%, US -4bps at 2.26%, JP +2bps at 1.72%, and UK +1bp at 3.08%). 2yr Notes -10bps at 3.38% and 10yr Notes -14bps at 3.94%.

Feb Mthly Close: S&P 500 -0.9% and VIX +2.42 at +19.86. Nikkei +10.4%, Shanghai +1.1%, Euro Stoxx +3.7%, Bovespa +4.1%, MSCI World +0.8%, MSCI Emerging +6.0%, Bitcoin -21.7%, and Ethereum -28.6%. USD rose +1.5% vs Sterling, +1.4% vs Russia, +1.2% vs Sweden, +1.0% vs Turkey, +0.8% vs Yen, +0.3% vs Euro, and +0.2% vs Canada. USD fell -2.6% vs Brazil, -2.2% vs Australia, -1.4% vs China, -1.3% vs Mexico, -1.3% vs South Africa, -1.1% vs India, -0.1% vs Chile, and -0.1% vs Indonesia. Gold +10.6%, Silver +17.9%, Oil +3.5%, Copper +1.3%, Iron Ore -4.4%, Corn +2.9%. 10yr Inflation Breakevens (EU -7bps at 1.82%, US -8bps at 2.26%, JP -20bps at 1.72%, and UK -8bps at 3.08%). 2yr Notes -15bps at 3.38% and 10yr Notes -30bps at 3.94%.

Year-to-Date Close: S&P 500 +0.5% and VIX +4.91 at +19.86. Nikkei +16.9%, Shanghai +4.9%, Euro Stoxx +7.0%, Bovespa +17.2%, MSCI World +3.1%, MSCI Emerging +15.3%, Bitcoin -24.9%, and Ethereum -35.1%. USD rose +2.3% vs Turkey, +1.2% vs India, and +0.5% vs Indonesia. USD fell -6.4% vs Brazil, -6.3% vs Australia, -4.3% vs Mexico, -3.8% vs South Africa, -3.1% vs Chile, -2.2% vs Russia, -2.0% vs Sweden, -1.8% vs China, -0.6% vs Canada, -0.6% vs Euro, -0.4% vs Yen, and -0.1% vs Sterling. Gold +20.0%, Silver +31.0%, Oil +17.4%, Copper +5.6%, Iron Ore -4.3%, Corn +0.1%. 10yr Inflation Breakevens (EU +7bps at 1.82%, US +1bp at 2.26%, JP -6bps at 1.72%, and UK +15bps at 3.08%). 2yr Notes -10bps at 3.38% and 10yr Notes -23bps at 3.94%.

YTD Equity Index Returns: Korea +48.3% priced in US dollars (+48.2% priced in won), Brazil +25.1% priced in US dollars (+17.2% priced in reais), Taiwan +23% in US dollars (+22.3% in Taiwan dollars), Thailand +22.7% in dollars (+21.3% in bhat), Norway +20.7% (+13.9%), Turkey +19.1% (+21.8%), Hungary +17.2% (+14%), Japan +17.1% (+16.9%),

Mexico +16.2% (+11%), South Africa +16.1% (+11.4%), Sweden +13.9% (+11.8%), Israel +13.1% (+11.2%), Portugal +12.7% (+11.9%), Australia +12.6% (+5.6%), Philippines +11.4% (+9.2%), UK +9.9% (+9.9%), Singapore +9.4% (+7.5%), Canada +9% (+8.3%), Switzerland +8.7% (+5.6%), Netherlands +8.7% (+8%), Poland +8.7% (+8.1%), Colombia +8.2% (+7.5%), Greece +8.1% (+7.4%), Belgium +7.9% (+7.2%), Austria +7.6% (+7%), Chile +6.9% (+3.8%), Finland +6.9% (+6.3%), China +6.8% (+4.9%), Spain +6.8% (+6.1%), Euro Stoxx 50 +6.7% (+6%), Malaysia +6.5% (+2.2%), Vietnam +6.3% (+5.4%), Russell 2000 +6.1%, France +6% (+5.3%), Italy +5.6% (+5%), New Zealand +5.6% (+1.3%), UAE +4.6% (+4.6%), Germany +3.8% (+3.2%), HK +3.4% (+3.9%), MSCI World +3.1% in US dollars, Saudi Arabia +2.1% (+2.1%), Ireland +0.9% (+0.2%), S&P 500 +0.5%, Czech Republic -0.8% (-1.3%), NASDAQ -2.5%, India -4.8% (-3.6%), Indonesia -5.2% (-4.8%), Argentina -10% (-13.4%), Denmark -10.9% (-11.3%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, February 22, 2026 9:09:12 AM

Hope all goes well... Winter break this week with Mara and Charlie, my youngest. New England's Nor'easter appears determined to strand us out here in Wyoming for another couple days. Dusted off an anecdote from 2011 about fathers, sons, the tides, our folly (see below). Back next Sunday with full wknd notes.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (2011): Teddy and I built a castle made of sand. He positioned it just above the water line. We are drawn to risky endeavors. We taunt Mother Nature, tempt fate – always have, always will. Yet before I knew it, his plan changed, they usually do. Teddy transformed the castle into a throne. There he sat, perched high, proud, defiant, smug, as the first waves gently swept in. We contained the damage, made repairs. But before long, the balance of power shifted. At first, he kicked the rushing water. Then resorted to lying prostrate, shielding his creation from the approaching menace. As it receded, he would jump to his feet, fists raised, growling – “Arghrrr.” I retreated to higher ground, watched, smiled, as his throne’s foundation wasted away. The little fella’s determined efforts grew frantic, manic. A final roller came in, and the once formidable throne slumped. That last wave was nothing special, it just capped the damage done by so many that had come before. And sobbing, Teddy joined me on dry sand. We sat, watching the foam spill over our creation. In no time, the folly of his efforts became clear. He grew quiet. We both did. I broke the silence, told Teddy something fathers have told sons since the dawn of time, “You know little man, no one can turn the tides.” He looked out at the sea, calm, “It’s okay Daddy, I don’t really care.” Most often the things we try so desperately to prevent, aren’t that bad in the end (applies to Fed Governors, Presidents too). Within minutes, his throne was reduced to a gentle mound, the adjacent hole filled to a shallow depression of pristine sea water. The landscape restored to balance, filled with possibility.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Japan GDP ann SA QoQ 0.2% (1.6%e). Anthropic in talks to extend a contract with the Pentagon are being held up over Anthropic’s desire to place guardrails on Claude usage, with Defense Secretary Hegseth “close” to designating the company a “supply chain risk”. SpaceX to compete in Pentagon contest for autonomous drone tech. Presidents Day. **Tue:** US emp mfg 7.1 (6.2e). Canada CPI 2.3% (2.4%e). Germany CPI 2.1% as exp.

New Zealand RBNZ official cash rate unchanged 2.25% as exp. Japan plans to invest up to \$36b in US oil, gas, and mineral projects as part of the first tranche of its \$550b commitment under trade agreement with the US. Meta deepens ties with Nvidia after agreeing to deploy “millions” of their processors over the next few years. S&P +0.1%. **Wed:** US IP MoM 0.7% (0.4%e). UK CPI 3.0% as exp, Core 3.1% (3.0%e), RPI 3.8% as exp. Australia unemp rate 4.1% (4.2%e). South Africa CPI 3.5% (3.4%e). Zelenksiy accused Moscow of prolonging the process after a second day of US-brokered meetings in Geneva between Russia and Ukraine broke up after 90 minutes. Fed minutes showed wariness at another rate cut as the risk of more persistent inflation remains. S&P +0.6%. **Thu:** US init jobless claims 206k (225k e), cont claims 1869k (1860k e), leading index -0.2% as exp, trade balance -\$70.3b (-\$55.5b e). Eurozone cons conf -12.2 (-12.0e). Japan CPI 1.5% (1.6%e). Trump and Indonesian President Subianto finalized trade agreement, lowering tariff rate to 19% with Jakarta facilitating the purchase of \$33b in American goods. US imports more from Taiwan than China for the first time in decades, with US purchases of Chinese goods plunging 44% in December from a year earlier and shipments from Taiwan more than doubling over the same period. S&P -0.3%. **Fri:** US UMich sent 56.6 (57.3e), GDP ann QoQ 1.4% (2.8%e). US Supreme Court strikes down Trump’s global duties, ruling the President did not have legal authority to impose duties under an emergency law, but was silent on the topic of refunds as companies are set to battle to recoup as much as \$170b in tariffs already paid to the US. Trump pledges to impose a flat 10% levy on foreign goods and to use different tools to work around the ruling. S&P +0.7%. **Sat:** Trump says he will increase the global 10% tariff (that he announced on Friday) to 15%.

Weekly Close: S&P 500 +1.1% and VIX -1.51 at +19.09. Nikkei -0.2%, Shanghai +0.0%, Euro Stoxx +2.1%, Bovespa +2.2%, MSCI World +1.0%, MSCI Emerging +0.8%, Bitcoin -1.6%, and Ethereum -4.0%. USD rose +1.5% vs Yen, +1.5% vs Sweden, +1.3% vs Sterling, +0.7% vs Euro, +0.6% vs South Africa, +0.5% vs Chile, +0.5% vs Canada, +0.4% vs India, +0.3% vs Turkey, and +0.2% vs Indonesia. USD fell -0.9% vs Brazil, -0.2% vs Mexico, -0.2% vs Russia, -0.1% vs Australia, and flat vs China. Gold +0.7%, Silver +5.7%, Oil +5.9%, Copper +0.6%, Iron Ore +0.0%, Corn -0.5%. 10yr Inflation Breakevens (EU flat at 1.82%, US flat at 2.29%, JP -6bps at 1.70%, and UK +1bp at 3.07%). 2yr Notes +7bps at 3.48% and 10yr Notes +4bps at 4.09%.

YTD Equity Index Returns: Korea +37.2% priced in US dollars (+37.8% priced in won), Brazil +25% priced in US dollars (+18.3% priced in reais), Turkey +21.3% in dollars (+23.7% in lira), Norway +19.7% (+13.2%), Colombia +19.1% (+16.9%), Thailand +18.6% (+17.5%), Israel +17.2% (+14.7%), Mexico +16.8% (+11.1%), Taiwan +16% (+16%), Hungary +15.2% (+13.2%), Japan +13.9% (+12.9%), Sweden +12% (+10.3%), Belgium +11.8% (+11.3%), Australia +10.5% (+4.2%), Portugal +10% (+9.6%), South Africa +9.8% (+6.3%), Singapore +9.6% (+8%), Austria +9.3% (+9%), Malaysia +8.5% (+4.3%), Philippines +8.5% (+6.8%), UK +7.9% (+7.6%), Greece +7.6% (+7.2%), Chile +7.5% (+3.6%), Netherlands +7.4% (+7%), Russell +7.3%, Canada +6.9% (+6.6%), Poland +6.9% (+6.7%), Switzerland +6.6% (+4.5%), Euro Stoxx 50 +6.3% (+5.9%), Finland +6.3% (+6%), UAE +5.9% (+5.9%), Spain +5.5% (+5.1%), France +4.9% (+4.5%), Saudi Arabia +4.3% (+4.4%), China +4.1% (+2.9%), Italy +3.6% (+3.4%), Vietnam +3.5% (+2.2%), Germany +3.4% (+3.1%), MSCI World +2.8% in US dollars, HK +2.6% (+3.1%), New Zealand +1.9% (-1.8%), Czech Republic +1.1% (+1%), S&P 500 +0.9%, Ireland -0.3% (-0.7%), Argentina -0.6% (-5.8%), NASDAQ -1.5%, Denmark -2.3% (-2.4%), India -3.1% (-2.1%), Indonesia -5.2% (-4.3%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, February 15, 2026 4:59:25 AM

Hope all goes well... Whirlwind week. New York, London, Zurich, Helsinki, and now Wyoming. For long weekend, winter break with Mara and Charlie, my youngest. Dusted off an anecdote from 2024 about facing adversity, suffering, adapting, trading. Back next Sunday with full wknd notes.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (Feb 2024): “Some get away with it longer than others,” said Yoda, high in the Rockies. “But sooner or later we all face adversity. And that’s when you find out.” I sat quietly, patient, my mentor. “That’s when we explore what’s important, how to get back on track. And if we’ve been truly tested, that track may not be the same path as before,” he said. “The way to handle our greatest challenges is to invert them, see them as experiences put onto our path to help us learn. Deep suffering is the price we pay for those lessons.” I nodded. “You know this. I’ve seen you suffer. You’re fortunate, I feel sorry for people who never do,” he said. “I’m now the best person I’ve ever been, although the way I measure myself is no longer what it used to be,” explained Yoda, with a calm honed over decades of inhuman risk taking, a sublime tolerance for extreme volatility, uncertainty. “Each loss, each mistake, each repeated error creates a small wound, a scar in our psyche, and they’re cumulative. It makes it harder to play this game,” explained the most talented and intuitive trader I’ve known. “The older you get, the harder it is. The market doesn’t care how long you’ve been doing this, how much you know, it just holds up a mirror,” said Yoda. “And when what you do isn’t working, you must accept that reality. Being constant is easy. Adapting is hard. Very hard,” he said. “The best people embrace the need to change as a challenge. This applies to every aspect of life.” Business, relationships, parenting, marriage. “We need to have the presence of mind to see such things in real time. That’s when we conquer ourselves and can conquer the world.” I smiled. Yoda. “Trading is the essence of life.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Mexico CPI 3.79% (3.82%e). Singapore GDP 6.9% (6.5%e). China urges banks to curb US Treasuries exposure on market risk. US EPA to repeal an emissions policy that provides legal foundation for a number of regulations on greenhouse gas emissions. S&P +0.5%. **Tue:** China CPI 0.2% (0.4%e), PPI -1.4% (-1.5%e). South Korea unemp rate SA 3.0% (3.1%e). Alphabet raised nearly \$32 billion in debt in less than 24 hours to fund AI spending. Trump told Canadian Prime Minister Carney that the US should own at least half of

the Gordie Howe International Bridge. S&P -0.3%. **Wed:** US unemp rate 4.3% (4.4%e), change in nonfarm payrolls 130k (65k e). Mexico IP NSA 2.4% (1.9%e). Japan PPI 2.3% as exp. The Republican-led US House passed legislation aimed at ending tariffs on Canadian imports, signaling an increase in political pressure to change course on tariffs just months before midterm elections. The Federal Reserve has signaled to lenders it plans to abandon some previously sent confidential warnings on improving operations, as Vice Chair Bowman continues to relax the CB's oversight of US financial firms. S&P flat. **Thu:** US init jobless claims 227k (223k e). UK GDP 1.0% (1.2%e). India CPI 2.75% (2.77%e). Another sell-off over AI-fueled disruption hit markets, this time centered on logistics and commercial real estate sectors. Trump has agreed to end Minnesota federal enforcement surge. Russia memo lists ideas for US partnership in memo that includes Russia's return to the dollar settlement system. S&P -1.6%. **Fri:** US CPI 2.4% (2.5%e). Eurozone GDP SA 1.3% as exp. Russia key rate 15.50% (16.00%e), CPI 6.00% (6.45%e). China money supply M2 9.0% (8.3%e). Taiwan GDP 12.65% (12.70% e). White House orders Department of Homeland Security to begin shutdown procedures as funding from Congress expires at midnight, as standoff continues over limiting what immigration forces can do. Rubio tells Europe the US will not abandon the transatlantic alliance. S&P +0.1%.

Weekly Close: S&P 500 -1.4% and VIX +2.84 at +20.60. Nikkei +5.0%, Shanghai +0.4%, Euro Stoxx +0.1%, Bovespa +1.9%, MSCI World -0.3%, MSCI Emerging +4.3%, Bitcoin -2.3%, and Ethereum -0.6%. USD rose +0.6% vs Chile, +0.2% vs Turkey, and +0.1% vs Brazil. USD fell -2.9% vs Yen, -1.2% vs Sweden, -0.8% vs Australia, -0.5% vs Mexico, -0.5% vs South Africa, -0.4% vs Euro, -0.4% vs China, -0.4% vs Canada, -0.3% vs Sterling, -0.2% vs Indonesia, -0.1% vs Russia, and flat vs India. Gold +1.7%, Silver +0.7%, Oil -1.2%, Copper -1.6%, Iron Ore flat, Corn +0.7%. 10yr Inflation Breakevens (EU -3bps at 1.82%, US -4bps at 2.29%, JP -5bps at 1.76%, and UK -5bps at 3.06%). 2yr Notes -9bps at 3.41% and 10yr Notes -16bps at 4.05%.

YTD Equity Index Returns: Korea +30.7% priced in US dollars (+30.7% priced in won), Turkey +23.7% priced in US dollars (+25.9% priced in lira), Brazil +21.6% in dollars (+15.7% in reais), Colombia +18.4% (+14.5%), Hungary +17.5% (+14.3%), Israel +16.8% (+13.1%), Mexico +16.7% (+11.2%), Norway +16.4% (+9.7%), Taiwan +16% (+16%), Japan +15.7% (+13.1%), Thailand +14.8% (+13.6%), Belgium +11.9% (+10.5%), Sweden +11.5% (+8.2%), Portugal +9.6% (+8.4%), Greece +9.2% (+7.9%), Chile +8.6% (+4%), Australia +8.5% (+2.3%), South Africa +8.4% (+4.2%), Singapore +8.3% (+6.3%), Poland +7.6% (+6.2%), Malaysia +7.5% (+3.5%), Saudi Arabia +7.3% (+7.3%), Philippines +7.2% (+5.5%), UK +6.7% (+5.2%), Russell +6.6%, Austria +6.6% (+5.6%), UAE +6.4% (+6.4%), Netherlands +5.7% (+4.5%), Switzerland +5.6% (+2.5%), Canada +5.2% (+4.3%), Euro Stoxx 50 +4.6% (+3.3%), China +4.1% (+2.9%), Finland +4% (+2.9%), Vietnam +3.5% (+2.2%), Spain +3.3% (+2.1%), HK +3.2% (+3.7%), France +3.2% (+2%), Germany +2.8% (+1.7%), New Zealand +2.3% (-2.6%), Italy +2.1% (+1.1%), MSCI World +1.9% priced in US dollars, S&P 500 -0.1%, Czech Republic -0.8% (-1.6%), Denmark -0.9% (-1.8%), Ireland -1.2% (-2.4%), NASDAQ -3%, India -3.2% (-2.5%), Argentina -4.2% (-7.7%), Indonesia -5.7% (-5%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, February 8, 2026 12:17:58 AM

Hope all goes well... The Dow Jones Industrial Average hit a new all-time high on Friday. Which is not exactly how you would have expected the week to end if you'd been watching, well, just about anything else. Crypto got smoked worst of all. The more esoteric the coin, the worse it fared. You could almost see the capital flowing from the world's most ethereal assets to those that are most tangible. Like gold, which ended the week +5%, and the most industrial of the stock averages, the DJIA, which gained +2.6%. Wouldn't it be ironic if in a world racing toward ubiquitous super intelligence, in hot pursuit of abundance, the next big investment opportunity is in overcoming the constraints of our physical world.

Overall: "We see telltale signs of a market distorted beyond recognition, one that punishes strategic investment, one that punishes diversification, and one that punishes long-term planning," said JD Vance in an important speech [\[here\]](#) to representatives from 54 countries plus the European Commission. "This is crazy - we should have the kind of global markets, the kind of domestic markets that reward long-term planning, that reward strategic thinking, and that's exactly what we're trying to do," continued America's Vice President at the State Department's inaugural Critical Minerals Ministerial. "We all face the same vulnerability, access to the things that protect our people and sustain our way of life. Everything from missile defense systems to energy infrastructure, to advanced manufacturing, to emerging technologies, the fundamental supply chains that support these industries sometimes can vanish in the blink of an eye without any control or influence from any of the countries in this room." None of our adversaries were invited. Which meant that neither Russia nor China were present. The latter, of course, produces 70% of the world's rare earths and processes 90%, which it has weaponized, just as the US has weaponized the dollar and the global payment system. "And we in the Trump administration believe it is the business of the government, of the people's government elected just over a year ago to confront such problems and that we want to confront them together. And I think that you're all here, at least I hope you're all here because you all feel the exact same way," said JD, extending a warm hand to leaders in the process of picking sides in the great power conflict now raging. "We've convened this ministerial in an effort to accelerate that shared work. So this morning, the Trump administration is proposing a concrete mechanism to return the global critical minerals market to a healthier, more competitive state. A preferential trade zone for critical minerals protected from external disruptions through enforceable price floors."

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Imagine: Economically speaking, our ascent is defined by rising productivity, the spoils of which determine prosperity. We have imagined various ways to distribute this wealth: socialism, communism, free-market capitalism. I can imagine other approaches – the Chinese have pursued one. But even within existing constructions, there are nuances. Today, capital owners collect a disproportionate share of profits relative to laborers. There is no intrinsic reason that this degree of inequality cannot persist. But in modern history it never has. The societal stresses such inequality have produced are quite obviously manifesting, metastasizing.

And now comes AI.

Imagine II: The private sector overwhelmingly sees itself as a more capable steward of research and development capital than governments. However, an examination of innovations traceable to state-funded initiatives during the past century suggests otherwise. I suspect the failure of Soviet communism led western free-market capitalists to imagine every element of our system to be superior. I imagine someday we'll regard that black and white conclusion as foolish. China's unprecedented economic rise and technological advance should prompt Western self-reflection. So far it has not. I can imagine this being forced upon us. In fact, it is already underway.

Public/Private: Biden launched the Infrastructure Investment and Jobs Act in 2021. The Inflation Reduction Act and CHIPS Act in 2022. They together catalyzed \$1trln in private investment. Under Trump, the US has taken equity stakes in Lithium Americas, MP Materials, Vulcan Elements, Intel, Westinghouse, US Steel, and entered profit sharing agreements with Nvidia and AMD. It has announced Project Vault, a strategic mineral stockpile, along with energy deregulation, manufacturing subsidies, tax breaks. And you can be sure that Fed/Treasury will be coordinating to unlock lower cost and more abundant capital. It's only just starting.

Public/Private II: "You can mark my words. In 36mths, but probably closer to 30mths, the most economically compelling place to put AI will be space. It will then get ridiculously better to be in space," said Elon Musk. Solar panels generate about 5x more power in space than on Earth (due to no atmospheric loss or night), making it "actually much cheaper to do in space" for massive AI workloads, despite current challenges like launch costs (he expects Starship to solve rapidly). SpaceX's FCC filing for a million-satellite constellation of solar-powered orbital data centers and the merger of SpaceX/xAI, positioned it as a scaling solution beyond Earth's grid constraints.

Safety in Production: In 2015 - thirty-nine years after Mao's death, and thirty-six years after Deng Xiaoping initiated major economic reforms - Li Keqiang announced the "Made in China 2025" program. It was part of a broad three-step strategy: making China a strong manufacturing country by 2025, competing with other manufacturing rivals by 2035, and transforming China into a manufacturing superpower by 2049 (the 100th anniversary of the People's Republic). 86% of its 260 goals have reportedly been met, which is probably why Beijing no longer mentions the program, lest it further antagonizes those which it seeks to unseat, the US and Europe.

Safety in Production II: Beijing's Made in China 2025 industrial strategy explicitly targets dominance in 10 key high-tech industry clusters (information technology, robotics, green energy/EVs, aerospace, ocean engineering and high-tech ships, advanced rail, power equipment, new materials, medicine/medical devices, and agricultural machinery). Bloomberg Economics concludes that among the 13 critical technologies tracked, China has achieved global leadership in five: high-speed rail, graphene, unmanned aerial vehicles, solar panels, and electric vehicles and lithium batteries, while swiftly closing the gap in seven others.

Anecdote: A massive photograph hangs in the entryway at our One River headquarters. It was taken 15 years ago inside a dilapidated factory in Beijing. Painted on the factory wall are five large characters, which translate roughly to “Safety in Production”. Mao plastered this slogan across industrial worksites back when China was poor as dirt. The artwork was a gift from a Swiss investor, a talented photographer who I met in my travels. Each time I see it, I’m reminded of the decades I’ve spent circling the globe, grinding, building our factory. But all great artwork contains many layers of meaning, and sometimes I consider the irony that so many of our firm’s brilliant quantitative analysts/investors can read the characters on the factory wall while I cannot. They are China’s loss, America’s gain. They each have stories, their reasons for leaving, for coming to America, in search of opportunity, to our factory floor. And at other times I reflect on how far China has come in the period from the opening of that simple factory till today. Sixty years after Mao’s Great Leap Forward and the mass starvation that his catastrophic autocratic policies produced, Xi Jinping landed a spaceship on the dark side of the moon. Then cracked quantum-entangled communication. China’s dominance across vast swathes of humanity’s most advanced technology is almost inconceivable. No nation has ever ascended at such a staggering pace, at this scale. It lifts the bar on what we should imagine humanity to be capable of if only, we work well together. So sometimes, when I look at the photograph, I think of how much we may learn from China’s magnificent economic ascent. And what the US might look like if we can combine the best of what China has shown to work, with our constitutional rule of law, checks and balances, and the rugged individualism that has made America what it is today.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US ISM mfg 52.6 (48.5e). South Korea CPI 2.0% as exp. Australia cash rate target 3.85% as exp. US government partial shutdown to delay Friday’s BLS January jobs report. Musk’s SpaceX combines with xAI at \$1.25T valuation. Trump to roll back punitive India tariffs from 25% to 18% following an agreement with Prime Minister Modi that India will stop buying Russian oil. S&P +0.5%. **Tue:** Turkey CPI 30.65% (29.96%e). New Zealand unemp rate 5.4% (5.3%e). Partial US government shutdown ends after Trump signs funding deal. Bitcoin drops to lowest price since Trump’s election victory, and Anthropic’s Cowork release sparks selloff from software to broader market. S&P -0.8%. **Wed:** US ADP emp change 22k (45k e), ISM serv 53.8 (53.5e). Eurozone CPI est 1.7% as exp, Core 2.2% (2.3%e). Poland base rate unch 4.00% as exp. Trump and Xi discuss Taiwan and trade ahead of meeting in China in April. Diplomatic talks between US and Iran set for Friday to discuss nuclear deal. Trump says he would have passed on Kevin Warsh as his nominee for the Fed if Warsh had expressed a desire to hike interest rates. S&P -0.5%. **Thu:** US init jobless claims 231k (212k e), cont claims 1844k (1850k e), JOLTS job openings 6542k (7250k e). Mexico overnight rate unch 7.00% as exp. ECB main refinancing rate unch 2.15% as exp, deposit

facility rate unchanged 2.00% as expected. Bank of England bank rate unchanged 3.75% as expected. Taiwan CPI 0.69% (1.20% expected). Bitcoin drops below \$61,000, global tech stock selloff deepens, silver plunges. Anthropic to release an AI model designed for financial research. S&P -1.2%. **Fri:** US UMich sent 57.3 (55.0 expected). Canada unemployment rate 6.5% (6.8% expected). Iran and US meeting to de-escalate tensions saw both countries agreeing to continue indirect talks, with discussions limited to nuclear issues. Markets rallied following sell-off, with chip companies driving gains, as Bitcoin also saw a bounce to \$71,000. S&P +2.0%.

Manufacturing PMI (high-to-low): Sweden 56 (previous month 55.4), India 55.4 (previous month 55), Greece 54.2 (previous 52.9), US 52.6/47.9, Indonesia 52.6/51.2, Vietnam 52.5/53, Hong Kong 52.3/51.9, UK 51.8/50.6, Taiwan 51.7/50.9, Japan 51.5/50, South Korea 51.2/50.1, France 51.2/50.7, Singapore 50.5/50.3, Canada 50.4/48.6, China 50.3/50.1, Netherlands 50.1/51.1, South Africa 50/47.7, Czech Republic 49.8/50.4, Russia 49.4/48.1, Hungary 49.3/54, Spain 49.2/49.6, Germany 49.1/47, Poland 48.8/48.5, Switzerland 48.8/46.4, Italy 48.1/47.9, Turkey 48.1/48.9, Austria 47.2/49.3, Brazil 47/47.6, Mexico 46.3/46.1.
Services PMI: India 58.5/58, Australia 56.3/51.1, Ireland 54.5/54.8, Sweden 54.3/56.3, UK 54/51.4, Japan 53.7/51.6, Spain 53.5/57.1, Russia 53.1/52.3, Italy 52.9/51.5, US 52.7/52.5, Germany 52.4/52.7, China 52.3/52, Brazil 51.3/53.7, France 48.4/50.1.

Weekly Close: S&P 500 -0.1% and VIX +0.32 at +17.76. Nikkei +1.7%, Shanghai -1.3%, Euro Stoxx +1.0%, Bovespa +0.9%, MSCI World flat, MSCI Emerging -1.4%, Bitcoin -15.9%, and Ethereum -23.5%. USD rose +1.6% vs Yen, +1.4% vs Russia, +1.2% vs Sweden, +0.6% vs Sterling, +0.5% vs Indonesia, +0.5% vs Canada, +0.3% vs Euro, and +0.3% vs Turkey. USD fell -2.0% vs Chile, -1.4% vs India, -1.1% vs Mexico, -0.8% vs Brazil, -0.7% vs South Africa, -0.7% vs Australia, and -0.3% vs China. Gold +4.9%, Silver -2.1%, Oil -2.5%, Copper -0.7%, Iron Ore -3.0%, Corn +0.5%. 10yr Inflation Breakevens (EU -4bps at 1.85%, US -1bp at 2.33%, JP -11bps at 1.81%, and UK -5bps at 3.11%). 2yr Notes -2bps at 3.50% and 10yr Notes -3bps at 4.21%.

YTD Equity Index Returns: Hungary +20.3% priced in US dollars (+17.1% priced in forint), Brazil +19.5% priced in US dollars (+13.5% in reais), Korea +19% in dollars (+20.8% in won), Turkey +18.3% (+20.1%), Colombia +17.5% (+14.6%), Mexico +15% (+10.1%), Norway +14.2% (+9.4%), Israel +13.1% (+10%), Chile +12.8% (+7%), Greece +12.2% (+11.4%), Sweden +10.5% (+8.2%), Belgium +9.4% (+8.6%), Taiwan +8.8% (+9.7%), Portugal +8.4% (+7.7%), Russell 2000 +7.6%, Poland +7.6% (+6.9%), Singapore +7.5% (+6.2%), Japan +7.3% (+7.8%), South Africa +7.3% (+3.8%), Thailand +7.1% (+7.5%), Austria +6.9% (+6.4%), Saudi Arabia +6.7% (+6.7%), Philippines +6.2% (+5.6%), Malaysia +6% (+3.1%), UAE +5.7% (+5.7%), UK +5.7% (+4.4%), Netherlands +5.4% (+4.6%), Australia +5.2% (-0.1%), Spain +4.4% (+3.7%), Euro Stoxx 50 +4.3% (+3.6%), Finland +4% (+3.5%), Switzerland +3.8% (+1.8%), Czech Republic +3.3% (+2.7%), HK +3.2% (+3.6%), China +3.2% (+2.4%), New Zealand +3.2% (-0.8%), Canada +3% (+2.4%), Italy +2.6% (+2.1%), France +2.2% (+1.5%), MSCI World +2.2% in dollars, Ireland +2.2% (+1.5%), Germany +1.5% (+0.9%), S&P 500 +1.3%, Vietnam -0.4% (-1.6%), NASDAQ -0.9%, Argentina -1% (-2.4%), Denmark -1% (-1.5%), India -2.4% (-1.7%), Indonesia -8.9% (-8.2%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, February 1, 2026 7:58:53 AM

Hope all goes well... Some things are priceless. Had there been an offer, Bill Gates would have surely paid it to bury the Epstein headlines about his island misadventure with Russian women, STDs, and secret antibiotics for Melinda. Some things are incorruptible. The value of all the world's above-ground gold rose to \$39trln on Thursday. But then fell \$3.4trln on Friday, roughly the market capitalization of Microsoft. Some things are industrial. The value of above-ground silver not yet lost to landfills is \$3trln. From high to low on Friday, the value of all the world's silver fluctuated by \$1trln, which is the decline in Microsoft market cap from its all-time high. And some things can never be restored. Reputations corrupted. Credibility lost.

Overall: "The branding of Kevin as someone who's always hawkish is not correct," explained Stan Druckenmiller. His business partner of 15 years had just been nominated to fill the worst job opening in America. Well, technically speaking, the position is not yet vacant. But it will be. The question is how soon. Fed Chairmen are notoriously hard to dislodge before their time is up, but so were South American dictators until recently. "I've seen him go both ways," said Druck. It's true. Kevin Warsh learned to lower rates, lift them, and apply all sorts of extraordinary monetary manipulations during his time as Fed Governor. "Kevin right now very much believes you can have growth without inflation," said Stan, without sharing whether he agrees. I'm guessing he's skeptical. But highly intelligent people usually find a way to believe what they must. And Warsh knows the only way to keep an economic system properly functioning when it is this over-leveraged, over-indebted, drowning in entitlement over-promises -- with a restive population that is no longer growing -- is to engineer a robust non-inflationary economic expansion. The singular way that happens is for today's AI capex to punch through construction, power, and infrastructure bottlenecks, to produce a self-sustaining productivity boom that lifts the broader economy. It is a bet that many are making, of course, which is why equity market valuations are now at the top one-percentile in all of history. If anything goes even moderately wrong with the AI buildout, the whole thing unwinds, horribly. "I could not think of a single other individual on the planet better equipped," said Druckenmiller. "I'm really excited about the partnership between him and Bessent. Having an accord between the Treasury Secretary and Fed Chair is ideal." Hopefully this one works well. But of course, prosperity is ultimately determined by how well an economic system converts real inputs into tangible output - not by how Treasury Secretaries and Central Bankers play with the price of paper money.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Paper Chase: "If you look at China and Japan, I used to fight like hell with them, because they always wanted to devalue their yen," said Trump, the dollar index under pressure, gold and silver surging. "You know that? The yen and the yuan, and they'd always want to devalue it. They devalue, devalue, devalue," continued Trump. "And I said, not fair that you devalue, because it's hard to compete when they devalue. But they always fought, no our dollar's great." And markets took it to mean that America's President is perfectly fine with dollar

weakness. I'm sure he is.

Paper Chase II: "We don't comment other than to say we have a strong dollar policy. The US always has a strong dollar policy -- but a strong dollar policy means setting the right fundamentals," said Treasury Secretary Bessent, attempting to clarify the President's position, aka damage control mode. The dollar was stretched and reversed abruptly, rebounding sharply from 4yr lows. "If we have sound policies, the money will flow in. A strong dollar policy means setting the right fundamentals... and if we have sound policies the money will flow into the US."

Paper Chase III: "If the euro appreciates further and further, at some stage this might create of course a certain necessity to react in terms of monetary policy," said Martin Kocher, Austrian Central Bank Governor and member of the ECB Governing Council. "But not because of the exchange rate itself, but because the exchange rate translates into less inflation, and then this is of course a monetary policy issue," added Kocher. And it is through this mechanism that a weak dollar policy from the US adds pressure on our trading partners to loosen monetary policy too.

Paper Chase IV: I've always seen the Treasury Secretary and Fed Chairman as sitting between the President/Congress and the private sector. The latter produces our national wealth. The former decides how much wealth to tax/spend and grant as entitlements. Given our political system's incentive structure, the President/Congress eternally over promise and spend. So, it is vitally important to allow our entrepreneurs to figure out new ways to grow and prosper. We generally have. But over time, we've lost ground, and you see this in our soaring national debt.

Paper Chase V: The Treasury Secretary borrows in the best possible way (Yellen failing to shift issuance to long-dated bonds when rates were zero is an exception). The Fed Chairman guides the risk-free rate, and buys/sells bonds and mortgages, which impacts the domestic economy and the value of the dollar. If they operate independently, but in accord, these two offices can check and balance the power dynamics between the President/Congress and the private sector. Done well, this buys time for our entrepreneurs to create surplus wealth to pay for our collective sins.

Paper Chase VI: If the Treasury Secretary and Fed Chair fail to operate independently, conduct themselves credibly, and/or act at odds with one another, then the overall economic and market system can quickly succumb to its structural weaknesses. If the President/Congress overspends, over-extracts, and/or succumbs to corruption, the system can crash. And if the private sector fails to innovate, then we have no hope. It is a delicate balance between all these actors. I think the parabolic rise of gold and silver partly reflected a growing fear that we're losing our balance. With luck, Friday's dramatic reversal in their price means markets have given us a bit more time.

Anecdote: There's only one way to really learn lessons. The hard way. On Monday, February

7,1994,I was short a very large number of Short Sterling futures contracts, which would have made me money if the Bank of England (UK central bank) increased interest rates. I was unfortunately not alone; it was a rather obvious trade. Out of nowhere, the price started moving massively against me. Someone knew something. All I knew was that I had to cover my shorts before I got fired. It turned out that Stephen Milligan, a Conservative Member of Parliament, had been found hanging from a chandelier in his home, naked except for women's stockings and suspenders. He had an electrical flex tied around his neck and a black garbage bag over his head. It's the little details that make a story, and he had a tangerine stuffed in his mouth, which had been injected with amyl nitrate, a chemical used to intensify the experience of autoerotic asphyxiation. The coroner ruled Milligan's death a "misadventure," which is also a very British way of describing my loss that day. Anyhow, Milligan had been a rising political star in the Tory Party, which had launched a "Back to Basics" political campaign that championed family values. And you see, in 1994 the Bank of England was not yet independent (that would happen in 1997). The Chancellor of the Exchequer (UK Treasury Secretary) had final say over monetary policy decisions. The market rallied on me because it assumed that Milligan's death was such an embarrassment for the Tory Party that the Chancellor of the Exchequer, Kenneth Clarke, would direct the Bank of England Governor, Eddie George, to cut interest rates in order to push stock markets higher and mortgage rates lower, diverting the public's attention away from Milligan's misadventure. That's how I learned the hard way about the importance of maintaining an independent central bank. Later that week the Bank of England did indeed reduce interest rates, although I had long since realized my outsized trading loss. Which is the price I paid to learn that absolutely anything can happen.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US durable goods orders 5.3% (4.0%e). Mexico unemp rate NSA 2.39% (2.52%e). Trump threatened to hike tariffs on South Korean goods to 25%, citing the country legislature's failure to codify the trade deal. Micron to invest \$24b in Singapore over the next decade to expand its chip manufacturing capabilities. S&P +0.5%. **Tue:** US conf board consumer confidence 84.5 (91.0e). Australia CPI 3.8% (3.6%e). Hong Kong exports 26.1% (16.8%e). Chile overnight rate target unch 4.50% as exp. Hungary rate decision unch 6.50% as exp. SoftBank in talks to invest up to \$30b more in OpenAI, having just injected \$33.5b last month. S&P +0.4%. **Wed:** US FOMC holds rates steady, despite pressure from Trump, with Governors Waller and Miran dissenting in favor of 25bps (rate decision unch upper bound 3.75% as exp, lower bound 3.50% as exp). Bank of Canada rate decision unch 2.25% as exp. Brazil Selic rate unch 15.00% as exp. India IP 7.8% (5.9%e). Gold tops \$5,500. S&P flat. **Thu:** US init jobless claims 209k (205k e), cont claims 1827k (1850k e), trade balance -\$56.8b (-\$44.0b e). Japan IP 2.6% (2.1%e), ret sales -0.9% (0.7%e), jobless rate unch 2.6% as exp. South Korea IP -0.3% (-0.2%e). Trump sues US Treasury and IRS for at least

\$10b over an unauthorized disclosure of his tax returns to the press during his first term in office. S&P -0.1%. **Fri:** Taiwan GDP 12.68% (8.75%e). Trump administration selects Kevin Warsh for Fed Chair nomination. Trump intends to nominate Brett Matsumoto to lead the Bureau of Labor Statistics, a role that's been vacant since August. Nvidia halts plan to invest \$100b in OpenAI. US Senate passed a spending package to avert government shutdown as the White House negotiates with Democrats on new limits on immigration raids, with several agencies still headed for a short lapse in funding. Gold and silver plunge after record rally. S&P -0.4%.

Weekly Close: S&P 500 +0.3% and VIX +1.35 at +17.44. Nikkei -1.0%, Shanghai -0.4%, Euro Stoxx +0.4%, Bovespa +1.4%, MSCI World +0.5%, MSCI Emerging +1.8%, Bitcoin -6.5%, and Ethereum -8.5%. USD rose +0.8% vs Chile, +0.6% vs Mexico, +0.3% vs Russia, +0.3% vs Turkey, +0.1% vs South Africa, and flat vs India. USD fell -1.0% vs Australia, -0.6% vs Canada, -0.6% vs Yen, -0.4% vs Brazil, -0.3% vs Sterling, -0.3% vs Sweden, -0.2% vs Indonesia, -0.2% vs Euro, and -0.1% vs China. Gold -5.4%, Silver -22.5%, Oil +6.8%, Copper -0.4%, Iron Ore +0.8%, Corn -0.5%. 10yr Inflation Breakevens (EU +5bps at 1.89%, US +3bps at 2.34%, JP -5bps at 1.92%, and UK +4bps at 3.16%). 2yr Notes -7bps at 3.52% and 10yr Notes +1bp at 4.24%.

YTD Equity Index Returns: Korea +23.4% priced in US dollars (+24% priced in won), Colombia +22.3% priced in US dollars (+19.7% in pesos), Turkey +21.4% in dollars (+22.9% in lira), Hungary +18.6% (+16%), Brazil +17.4% (+12.6%), Chile +12.8% (+9%), Israel +12% (+9.1%), Taiwan +10.5% (+10.7%), Greece +10.4% (+9.2%), Norway +10.4% (+5.2%), Mexico +8.7% (+5.1%), Sweden +8.7% (+5%), Saudi Arabia +8.5% (+8.5%), Denmark +8.2% (+7.1%), Poland +7.8% (+6.5%), Belgium +7.3% (+6%), Japan +7.2% (+5.9%), Singapore +6.9% (+5.6%), South Africa +6.8% (+3.9%), Portugal +6.6% (+5.4%), Malaysia +6.5% (+3.6%), Netherlands +6.5% (+5.3%), HK +6.5% (+6.9%), Australia +6.4% (+1.8%), Austria +6.3% (+5.2%), Argentina +5.3% (+4.8%), Russell 2000 +5.3%, UK +4.9% (+2.9%), Thailand +4.8% (+5.2%), Spain +4.5% (+3.3%), Philippines +4.4% (+4.6%), China +4.3% (+3.8%), Euro Stoxx 50 +3.9% (+2.7%), Vietnam +3.9% (+2.5%), New Zealand +3.9% (-0.9%), Czech Republic +3.4% (+2.9%), UAE +2.9% (+2.9%), Finland +2.8% (+1.8%), Italy +2.3% (+1.3%), MSCI World +2.2% in US dollars, Switzerland +1.9% (-0.6%), Canada +1.7% (+0.7%), Ireland +1.5% (+0.4%), S&P 500 +1.4%, Germany +1.2% (+0.2%), NASDAQ +0.9%, France +0.9% (-0.3%), Indonesia -4% (-3.7%), India -5% (-3.1%).

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views held by the author, or directly contradict those views genuinely held by the author. And the views may certainly differ from those of any firm or person that the author may advise, converse with, or otherwise be associated with. Lastly, any inappropriate language, innuendo or dark humor contained herein is not specifically intended to offend the reader. And besides, nothing could possibly be more offensive than the real-life actions of the inept policy makers, corrupt elected leaders and short, paranoid dictators who infest our little planet. Yet we suffer their indignities every day. Oh yeah, past performance is not indicative of future returns.

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From: [Eric Peters](#)
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Date: Sunday, January 25, 2026 12:30:57 AM

Hope all goes well... “It was a serious strategic mistake to phase out nuclear power. Germany simply does not have enough energy production capacity,” admitted Chancellor Merz. “In order to have normal market prices for energy production again, we will have to constantly support the process with funds from the federal budget. We cannot do this in the long term,” he continued. “We are now making the most expensive energy transition in the entire world. I don’t know of any other country that is making this transition as difficult and expensive as Germany. We set a goal that we now have to adjust, but we simply don’t have enough energy generation capacity.”

Overall: “And we are no longer just relying on the strength of our values, but also the value of our strength,” said Canada’s Prime Minister, addressing the Davos crowd, rather pleased with the turn of phrase. It was a well-written speech and perfectly articulated the predicament Canada and its peers now face. In fact, it was so spot on that Christine Lagarde felt compelled to push back. To have agreed would have been to acknowledge just how vulnerable the EU has become -- a reality Europeans are not yet prepared to fully confront. “We are building that strength at home,” Carney continued, determined, defiant. “Since my government took office, we have cut taxes on incomes, on capital gains and business investment,” he said, stunning a room full of sophisticated bureaucrats who have rarely encountered a tax hike, regulation, subsidy, or entitlement they haven’t loved. “We have removed all federal barriers to interprovincial trade. We are fast tracking a trillion dollars of investments in energy, AI, critical minerals, new trade corridors and beyond,” Carney boasted, as animated as is possible for a Canadian, sounding almost American. “We’re doubling our defense spending by the end of this decade, and we’re doing so in ways that build our domestic industries.” A few of us investors listening could be forgiven for wondering whether the chaos unleashed by America’s commander-in-chief might yet carry an economic silver lining -- whether existential panic and desperation might finally force the stagnant socialist economies of the West, with bloated welfare states, to unleash their entrepreneurial spirits. “We are rapidly diversifying abroad. We have agreed a comprehensive strategic partnership with the EU, including joining SAFE, the European defense procurement arrangements. We have signed 12 other trade and security deals on four continents in six months. The past few days, we’ve concluded new strategic partnerships with China and Qatar. We’re negotiating free trade pacts with India, ASEAN, Thailand, Philippines and Mercosur.”

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Tails: There are many ways to make money in markets. I tend to look for opportunities with explosive upside while also building hedges to make significant profits when markets dislocate on the downside. The reality is that both the right and left market tails are fatter than most people think. Fortunately, human history is filled with more economic miracles than cataclysms, which is why we no longer live in caves. But that doesn’t mean you should blindly bet on bull markets. Bear markets are devastating to long-term compounding and inflict deep psychological wounds.

Tails II: Everything I read articulates the bear case for humanity because of how America is now operating. That might be right, or it could be even worse. It's all now being priced into markets. What's odd is that implied volatility for stocks and bonds remain low, equities are basically at all-time highs, credit spreads are extraordinarily tight, and emerging markets are behaving fabulously. Despite the tariffs, the halt to immigration, and the unprecedented policy volatility, the US economy is doing quite well. Hedges are cheap, so own stocks and own protection.

Tails III: Gold and silver prices may be signaling something utterly terrible on the horizon, like another world war. But stocks and bonds don't seem concerned. Such a divergence is not usually how markets operate. Maybe a different tail is developing. Perhaps precious metals are pricing in the risk of massive monetary inflation, a dollar collapse. Stocks might do well in that scenario, as money becomes worth less, nominal GDP grows, earnings rise, lifting the prices of nearly everything. But bonds should fall if that's what's ahead. So far only Japan's bonds are tanking.

Tails IV: If there's a silver lining to America's destruction of the world order that we ourselves created (and benefited massively from) it may be that it produces an existential crisis that stagnant and failing nations need to spur real policy change. If a war with Russia and chronic economic underperformance was not enough to get European nations to finally integrate, devote massive resources to its common defense, slash regulation, and unleash innovation, then what hope is there? Draghi provided a roadmap, the EU Competitiveness Report. Nothing changed.

Tails V: Chancellor Merz finally admitted Germany made a grave error. Industrial production is at 2005 levels – 20yrs of growth gone. German electricity costs 2.5x more than in the US. Across the EU, electricity for industrial use is 2x that in the US and 1.5x that in China. EU per capita GDP priced in dollars was roughly equivalent to the US in 2010. Now it is 50% lower. And productivity growth is abysmal in Europe, while it has recently surged 4.5% in the US. So, the gap keeps widening. And remember that Europe currently has essentially no AI strategy.

Tails VI: It's hard to get structurally positive on Europe. But if there is a bullish right tail to America's strategic shift, it is that nations throughout the world which were sinking beneath their welfare states, making self-defeating economic policy choices (like Germany), dependent on the US to buy their exports, and relying on the US for defense, will now wake up from their long slumber. And this will spark a global boom, that will strengthen Europe/UK, Canada, Japan, and many other liberal democracies. Their strength will help America keep Russia, China, and NK in check. This is not currently priced, but markets behave as if this scenario might unfold.

Anecdote: "Want to know what I think will happen?" asked my father in the mid-1990s. I had lived in London since 1992. At first, I explored solo. I'd call a travel agent on Friday and buy

the cheapest last-minute ticket to anywhere. Every European country was different, but each looked down on Americans in much the same way – we were idealistic and unsophisticated. It never really bothered me. Surrounded by the magnificence of European art and architecture, the history, languages, accents, I felt rather unsophisticated, truth be told. And besides, if Europeans thought we lacked culture and class, they would someday discover we were the few Americans who bothered to get a passport. When Europeans called us hopelessly idealistic, I considered it a compliment. But it was intended to suggest we were naïve and sought solutions to problems that worldly people knew to be intractable. To me, their cynicism reflected a deep psychic wound, inflicted in two World Wars. I also felt Europeans had suffered so many humiliations that they had a need to feel superior. So, I was fine with it. And besides, I'd explain they would much prefer to live in a world run by idealistic Americans than cynical ones. Now in 2026, they're discovering just how a world run by cynical Americans feels, operates. It's not pretty. Anyhow, I loved the UK/Europe and told my father all about it. I explained how British education was superior. How I admired Scandinavia's social harmony. How safety nets allowed society's less fortunate to retain their pride. I described Europe's wonders. The things Americans could learn. Figured I'd live there forever. He listened carefully. He'd first traveled abroad in the Airforce, stationed in the wasteland of South Korea at that war's end. America's G.I. Bill was his only way out. He earned Masters Degrees, a PhD, explored, invented, built. And he said, "Eric, you'll travel all over, see so many interesting places, people, you'll love it. Then someday, you'll look around and realize there are ***holes everywhere and you'll move back home."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Canada CPI 2.4% (2.2%e). Eurozone CPI 1.9% (2.0%e), Core unch 2.3% as exp. China GDP 4.5% as exp, IP 5.2% (5.0%e), ret sales 0.9% (1.0%e). EU in talks to impose retaliatory tariffs, should Trump follow through on threat of a 10% tariff on EU for Feb 1. Japan 40-year bond yield hits 4% for first time since debut in 2007 amid PM Takaichi's plan to cut the sales tax on food. MLK Day. **Tue:** US Supreme Court is not ruling on pending challenges to Trump's tariffs before its four-week recess, leaving tariffs in place, with next scheduled courtroom session on Feb 20. Japanese bond market selloff sees Finance Minister Katayama calling for market calm. Greenland PM tells population to prepare for the unlikely scenario of a possible invasion. S&P -2.1%. **Wed:** Mexico ret sales 4.4% (2.8%e). UK CPI 3.4% (3.3%e), Core 3.2% (3.3%e). South Africa CPI 3.6% as exp, Core 3.3% (3.4%e). South Korea GDP 1.5% (1.8%e). Australia unemp rate 4.1% (4.3%e). Trump announces he will refrain from tariffs on EU, citing a framework of a future deal in regards to Greenland after meeting with NATO Secretary General Rutte at World Economic Forum in Davos. S&P +1.2%. **Thu:** US init jobless claims 200k (209k e), GDP ann. QoQ 4.4% (4.3%e). BOJ target rate unch 0.75% as exp. Putin says he is ready to commit Russian assets that are frozen in the US to rebuild Ukraine after a peace treaty is concluded. S&P +0.6%. **Fri:** US UMich sent 56.4 (54.0e), leading index -0.3% (-0.2%e). Singapore CPI unch 1.2% as exp. Taiwan IP 21.57% (12.00%e). FEMA halts planned terminations of some temporary disaster relief workers as

massive storm moves across the country. California sues Trump administration for giving Sable Offshore Corp permission to restart a controversial oil pipeline in the state. S&P flat. **Sat/Sun:** Trump threatens 100% tariffs on Canada if it signs trade deal with China. ICE kills protestor in Minneapolis.

Weekly Close: S&P 500 -0.4% and VIX +0.23 at +16.09. Nikkei -0.2%, Shanghai +0.8%, Euro Stoxx -1.0%, Bovespa +8.5%, MSCI World -0.3%, MSCI Emerging +0.7%, Bitcoin -5.7%, and Ethereum -10.2%. USD rose +1.2% vs India, and +0.2% vs Turkey. USD fell -3.1% vs Australia, -3.0% vs Sweden, -2.8% vs Russia, -2.3% vs Chile, -1.9% vs Euro, -1.9% vs Sterling, -1.7% vs South Africa, -1.6% vs Brazil, -1.5% vs Canada, -1.5% vs Yen, -1.5% vs Mexico, -0.4% vs Indonesia, and -0.1% vs China. Gold +8.4%, Silver +14.5%, Oil +2.9%, Copper +2.0%, Iron Ore -0.6%, Corn +1.4%. 10yr Inflation Breakevens (EU flat at 1.84%, US -1bp at 2.31%, JP +5bps at 1.97%, and UK +7bps at 3.12%). 2yr Notes +1bp at 3.60% and 10yr Notes flat at 4.23%.

YTD Equity Index Returns: Colombia +24.5% priced in US dollars (+20.1% priced in pesos), Korea +17.7% priced in US dollars (+18.4% priced in won), Brazil +15.1% in dollars (+11% in reais), Chile +14.3% (+9.7%), Turkey +14.3% (+15.4%), Hungary +14.1% (+12.6%), Israel +11.4% (+9.4%), Denmark +10.8% (+10.5%), Taiwan +9.8% (+10.4%), Mexico +9.8% (+6%), South Africa +8.8% (+5.9%), Russell 2000 +7.5%, Greece +7.3% (+6.8%), Sweden +7% (+4.5%), Japan +7% (+7%), Singapore +6.3% (+5.3%), Saudi Arabia +6.1% (+6.1%), Norway +5.9% (+3%), Netherlands +5.7% (+5.1%), Thailand +5.6% (+4.3%), Belgium +5.2% (+4.7%), Poland +5.1% (+4.3%), Vietnam +5% (+4.8%), Australia +4.9% (+1.7%), China +4.6% (+4.2%), Canada +4.6% (+4.5%), Portugal +4.5% (+4%), Philippines +4.4% (+4.6%), HK +4.2% (+4.4%), Austria +4% (+3.6%), Malaysia +3.7% (+2.4%), UK +3.3% (+2.1%), Euro Stoxx 50 +3.2% (+2.7%), Finland +3.2% (+2.8%), Indonesia +3% (+3.5%), UAE +2.9% (+2.9%), Argentina +2.7% (+1.4%), New Zealand +2.3% (-0.7%), Germany +2% (+1.7%), Spain +1.9% (+1.4%), MSCI World +1.6% in US dollars, Czech Republic +1.4% (+1.2%), NASDAQ +1.1%, S&P 500 +1%, France +0.4% (-0.1%), Italy +0.1% (-0.3%), Switzerland -0.2% (-0.9%), Ireland -0.8% (-1.3%), India -6.1% (-4.1%).

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recommendation, advice, or solicitation of any sort for any product, fund or service. The views expressed are strictly those of the author, even if often times they are not actually views held by the author, or directly contradict those views genuinely held by the author. And the views may certainly differ from those of any firm or person that the author may advise, converse with, or otherwise be associated with. Lastly, any inappropriate language, innuendo or dark humor contained herein is not specifically intended to offend the reader. And besides, nothing could possibly be more offensive than the real-life actions of the inept policy makers, corrupt elected leaders and short, paranoid dictators who infest our little planet. Yet we suffer their indignities every day. Oh yeah, past performance is not indicative of future returns.

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, July 26, 2026 9:53:02 PM

Hope all goes well... Dusted off an Anecdote from 2015 about reinvention, and the art of investing (see below). I take late summer off from writing for time with family, reading, altitude, solitude. Wishing the same for you. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (Oct 2015): “Experience is helpful, and often an impediment,” he said, just back from Silicon Valley, electrified. “We have very few good businesses in our industry. But those guys out there, they have good businesses.” Uber, Google, Facebook, Palantir; turning grey matter into green paper. He started his firm decades ago, when the entrenched hedge funds looked at investing from the top down. He looked at it from the bottom up, trading equities better than anyone; perhaps ever. “Most people get tired, the world passes them by, leaves them behind. The Valley is filled with 28-year-olds who look at things so differently. They see the future, make it happen.” He’s stacked his management team with innovators. Aspiring to attract the world’s most creative people. Hoping that his biggest problem becomes having to turn them away because he’s run out of room. We sat in his office. Swimming in art. Each work containing its unique history, inspiration, interpretations. I asked if he sees himself as an artist. “Investing is an art,” he answered. “But in the future, it will become less so. I see it dominated by systems.” Which is where he’s investing his profits. Exploring. Experimenting in new mediums. “Not all of what we’re working on will succeed, but you have to try – big data, new strategies – you need to continually reinvent yourself, disrupt things.” But while a world dominated by algorithmic investment strategies makes sense, perhaps even seems inevitable, can art become science? Can inspiration be systematized? Our conversation paused. My gaze settled upon an artwork that at one time broke through a boundary, defined a new edge, opening up new possibilities. Something floating in formaldehyde.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US leading index -0.2% (-0.1%e). Canada CPI 2.8% (2.9%e). Paramount-Warner deal at risk of costly delays after a federal judge granted a request to pause the takeover for two weeks, saying it “likely” violates antitrust law. Saudi-led coalition in Yemen vows to protect ships from Houthis (an Iran-backed Yemeni group that vowed to impose a maritime blockade on Saudi Arabia). S&P -0.5%. **Tue:** Mexico ret sales 1.6% (3.1%e). Hungary CB rate decision 5.75% as exp. TSMC to hike chip prices by up to 10% in 2027, Nikkei says. Yen slides past 163 mark to fresh four-decade low against dollar. Novo

Nordisk sues Eli Lilly in US over misleading obesity drug ads. US-Iran strikes extend to tenth consecutive day as mediators sought to revive a truce. **S&P** +0.8%. **Wed:** UK CPI 2.6% (2.7%e), Core 2.6% (2.5%e). South Africa CPI 5.0% (4.7%e). Indonesia BI-Rate 5.75% (6.00%e). South Korea 3.7% (3.5%e). Australia unemp rate 4.4% as exp. Trump said generic drug manufacturers must move production to the US or face a 100% import duty from August 2028. BOJ is said to be open to faster rate hike pace due to the yen's continued weakness and upside inflation risks. **S&P** flat. **Thu:** US init jobless claims 187k (210k e). Eurozone ECB main refinancing rate unch 2.40% as exp, deposit facility rate unch 2.25% as exp, marginal lending facility 2.65% as exp. South Africa SARB interest rate 7.00% (7.25%e). Japan Natl CPI 1.7% as exp. Alphabet falls as \$205B spending plan fuels AI cost fear. US signs Saudi nuclear-sharing deal as enrichment fears rise. Trump threatens to escalate strikes on Iran as Houthis join war. **S&P** -1.0%. **Fri:** US new home sales 628k (607k e). Mexico unemp rate NSA 2.90% (2.80%e). Russia Key Rate 14.00% (14.25%e). SK Group Chairman Chey Tae Won said Anthropic asked for supplies to make its own chips. Alphabet's Waymo is exploring options to exit its robotaxi partnership with Uber. US measles infections surpass 2025 total to hit 35-year high. **S&P** -0.1%. **Sat:** SpaceX completes successful flight of its Starship (deploys 20 next-generation Starlink V3 satellites), Saudis attack Houthi targets in Yemen.

Weekly Close: S&P 500 -0.6% and VIX -0.19 at +18.58. Nikkei +0.7%, Shanghai +1.3%, Euro Stoxx +0.5%, Bovespa +0.2%, MSCI World -0.4%, MSCI Emerging +0.5%, Bitcoin +0.1%, and Ethereum +1.0%. USD rose +1.9% vs South Africa, +1.2% vs Chile, +1.0% vs Sterling, +0.9% vs Yen, +0.9% vs Sweden, +0.6% vs Euro, +0.5% vs Canada, +0.4% vs Turkey, +0.3% vs India, +0.3% vs Indonesia, and +0.1% vs Australia. USD fell -0.6% vs Brazil, -0.3% vs Mexico, -0.2% vs Russia, and -0.1% vs China. Gold +1.3%, Silver +4.6%, Oil (WTI) +9.2%, Oil (Brent) +9.9%, NatGas (US) -1.4%, NatGas (EU) +10.8%, Power (EU) +0.4%, Copper +1.5%, Iron Ore -2.8%, Corn +4.3%. 10yr Inflation Breakevens (EU +2bps at 2.08%, US flat at 2.25%, JP +10bps at 2.00%, and UK +3bps at 3.25%). 2yr Notes +15bps at 4.33% and 10yr Notes +13bps at 4.68%.

YTD Equity Index Returns: Korea +56.6% priced in US dollars (+58.8% priced in won), Taiwan +46.3% priced in US dollars (+50.7% priced in Taiwan dollars), Hungary +33.7% priced in US dollars (+29.2% in forint), Colombia +29% in dollars (+10% in pesos), Norway +28.3% (+21.9%), Japan +22.5% (+28.4%), Thailand +21.8% (+30.5%), Singapore +19.9% (+20.3%), Israel +19% (+13.9%), Russell 2000 +18.1%, Austria +17.3% (+21.2%), Brazil +16.9% (+8%), Poland +16% (+22.5%), Greece +14% (+17.5%), Portugal +12.5% (+16%), Turkey +12.3% (+23.8%), Italy +11.6% (+15.3%), Netherlands +11.1% (+14.6%), Spain +9.7% (+13.2%), Belgium +9.5% (+12.9%), Canada +8.6% (+11.5%), S&P 500 +8.3%, MSCI World +8.1% in US dollars, NASDAQ +7.5%, UK +7.1% (+8.1%), Mexico +6.5% (+3.2%), Australia +5.5% (+0.7%), Euro Stoxx 50 +5.1% (+8.5%), Sweden +5.1% (+11%), Argentina +4.7% (+7.6%), Switzerland +4.5% (+8%), Finland +3.1% (+6.5%), Saudi Arabia +2.9% (+3%), New Zealand +2.4% (+1.7%), Ireland +0.4% (+3.6%), Malaysia +0.4% (+1.2%), France -0.4% (+2.7%), Chile -0.5% (+4.5%), Germany -0.8% (+2.5%), China -0.8% (-3.9%), Philippines -1.1% (+3.8%), UAE -1.6% (-1.6%), Denmark -3.1% (+0.3%), HK -3.3% (-2.6%), Czech Republic -4% (-1.2%), Vietnam -5.6% (-5.5%), South Africa -7.4% (-6.1%), India -15.1% (-9%), Indonesia -33.2% (-28.3%).

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From: [Eric Peters](#)
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Date: Sunday, January 18, 2026 2:32:00 AM

Hope all goes well... Bitcoin and most big crypto assets jumped Tues and Wed when the S&P 500 was under pressure. And then crypto hardly softened when the Clarity Act stalled, even as equity prices for crypto companies took a beating. Then Trump hit America's NATO partners with a new 10% tariff on Saturday. And despite being the only market that's tradeable on the weekend, crypto markets barely budged when you'd have expected them to fall as investors hedge their stock portfolios for a weak Tuesday open. After months of trading like a dog, it's too early to call the all clear for crypto. But it's trading better for no clear reason, which is new. And crypto is long overdue for a big catch-up trade to gold and silver.

Overall: I'm pretty sure it was just a week ago that Powell filmed that video. Seemed like a hostage vid, with the Fed Chairman held in captivity at some undisclosed location, but defiant. Or maybe I got that all wrong, and it was more like an underground rebel video. But it doesn't matter. There was so much other crap flying that a criminal investigation of the Fed Chairman on some trumped-up charge was no big deal. And besides, it was a former Fox commentator who Trump hired as a DC judge or something who opened the Jerome investigation. Karoline Leavitt told reporters her boss had nothing to do with it. And Trump himself claimed an Ollie North about the whole affair. Which for someone unwilling to ever admit even the most trivial mistake, is the equivalent to taking full responsibility. But that was Sunday and the week hadn't even started. There were so many exciting things to get done for a president still basking in the warm afterglow of having flawlessly extracted a foreign dictator in his pajamas. Trump had the Ayatollah to overthrow. Until Bibi called. He had Greenland to invade. Or purchase, or whatever. There was federal aid from sanctuary cities that had to be withdrawn. The revocation of citizenship for Somalis found guilty of fraud. Deployment of the National Guard, ICE. And remember, the Insurrection Act of 1807 was not going to be invoked all by itself. Someone had to do it. Or threaten to. And no sooner had the weekend started, then America's President threatened 10% tariffs on 8 NATO allies until such time as Denmark sells Greenland. The tariffs will rise to 25% in June, perhaps. And now there's some plan for a Peace Board, that costs \$1bln to join. Or something like that. But that's as of ten minutes ago, it may change by Monday. And no one knows where any of it leads to. But we do know that humanity's oldest safe-haven asset rose again last week. And silver prices surged 11% to another record high, tripling in a year.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Seventy-Nine: There are 118 elements on the Periodic Table. 94 occur naturally on Earth. The remaining 24 are synthetic, meaning they have been created in laboratories. Most of these are highly unstable and decay into lighter elements within fractions of a second. The heaviest element ever synthesized is named Oganesson (Og). Yuri Oganessian led the Russian/American team that discovered it. Only 5-6 atoms have been synthesized. They had a .89 millisecond half-life. Yuri has lived 92yrs - a millisecond. Born a poor Armenian. He's a nuclear physics legend.

Seventy-Nine II: The seventy-ninth element is created when two neutron stars - the incredibly dense husks of dead suns - collide. This cataclysmic event releases enough energy to forge about 10 Earths' worth of gold in a single second. These cosmic explosions scatter gold-laden dust throughout space. Roughly 4.5 billion years before the Americans started arguing with the Europeans over who controls Greenland, a portion of this dust was pulled into the swirling nebula that condensed to form our solar system and the Earth. For some reason, we value it.

Seventy-Nine III: Just as it is easier to synthesize Oganesson than it is to create another Yuri Oganessian, it is simpler to discover how gold is formed than it is to have predicted the multitude of ways it influenced the course of human history. That's because no matter how complex natural phenomena may first appear, once the underlying laws are known, they become simple, immutable equations - squares on the Periodic Table. And we are the opposite. The most complex creations in all the universe. And the more we advance, the greater our enigma grows.

Seventy-Nine IV: If we are each a mystery, manifest, then predicting the future course of humanity's collective activities is our most difficult endeavor. And this of course is why those who are better at it than others accumulate the most gold. One of the better ways to predict the future is to develop mental models that help explain why certain forces, once set in motion, lead us in particular directions. The more models you have the better. And as the future unfolds, you judge which model shows the best fit to the present moment and use that to bet on tomorrow.

Seventy-Nine V: Ninety-nine percent of the seventy-ninth element sank to our planet's core when it was molten. If you could lift it to the surface, Earth would be completely covered in 1.5 feet of pure gold. We could cover Earth in 10 feet of silver, the forty-seventh element, if we lift it from the planet's core. The gold and silver we mine come almost entirely from asteroid impacts that happened 3.8-4.1 billion years ago. We use this silver for many things, perhaps the most important of which involves converting solar radiation into electricity, which is in short supply.

Seventy-Nine VI: We use gold for one very important thing. We use it to store time. It's by no means a perfect element for this purpose. But of the 118 that we know exist, it has proven to be the most durable. Throughout history, humans have been able to exchange a unit of their labor for an amount of gold and store it indefinitely. During periods of relative calm, our overlords devise ingenious contracts to store time that pay interest, dividends, fancy cash flows of all sorts. And the value of gold declines. Then, when the chaos of humanity returns, gold's value rises.

Anecdote: One of the first things I learned as a pit trader in Chicago was that your word is your bond. It was in a time of open outcry, when traders agreed to buy and sell with one another verbally, or sometimes by simply making eye contact across a crowded sea of screaming people, frantic, stressed, speculating. Once such a trade was made, each trader would write it on a card; the commodity traded, the number of contracts, the price, and the badge

number of the person you dealt with. Tens of thousands of trades took place each day, half of them were losers. Such a system required everyone to honor the code, own their trades, for better or worse, richer or poorer. Anyone who didn't was rejected by the pit traders, then expelled from the exchange. It is exactly the way our world should work. When I eventually left the pit, it became clear what a special place it was. In the decades since, I learned how to honor that code in my own affairs while protecting myself and business interests from those who blur the lines between right and wrong, truth and lies. One way to do it is to invest in exchange-traded products, where the rules are well defined, counterparty risk is minimized, and you can buy and sell cleanly. I have deliberately steered clear of private credit markets and the knife fighters who make their living in distressed securities. But even those fellas lean on the rule of law, no matter how hard they work to bend and distort it to meet the necessity of the moment. And the one thing that connects those who live by the honor code, those without any code at all, and everyone in between, is that we know that as a system loses its integrity, money flows away from it. That process is quite clearly underway. As the ingenious contractual promises that were printed over decades of relative calm in our world are being exchanged at an increasing rate for the seventy-ninth element.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Last Sun: Fed Chair Jerome Powell stated the Fed had been served grand jury subpoenas threatening criminal indictment from the DOJ regarding renovation costs and raised concerns about Central Bank independence. **Mon:** India CPI 1.33% (1.56%e). Trump to impose 25% tariff on countries doing business with Iran. Trump administration nears trade deal with Taiwan that would lower American tariffs on goods and expand Taiwan Semiconductor Manufacturing Co's planned investment in chip production in the US. S&P +0.2%. **Tue:** US CPI 2.7% as exp, Core 2.6% (2.7%e). China imports 5.7% (0.9%e), exports 6.6% (3.1%e). South Korea unemp rate SA 4.0% (2.7%e). Greenland PM Nielsen ruled out joining the US, and prefers to be in a union with Denmark, suggesting the island is putting their longstanding independence debate on the backburner. Musk's SpaceX is offering free Starlink in Iran as internet blackout persists amid political protests and unrest. S&P -0.2%. **Wed:** Poland base rate unch 4.0% as exp. Japan PPI 2.4% as exp. South Korea base rate unch 2.50% as exp. Denmark-US rift persists as NATO nations deploy to Greenland, despite the creation of a working group to address differences stemming from Danish meeting with Vance and Rubio. US State Department will pause issuing immigrant visas for people from 75 countries beginning Jan 21. OpenAI signs \$10b deal to use Cerebras hardware for computing power. S&P -0.5%. **Thu:** US init jobless claims 198k (215k e), cont claims 1884k (1897k e), emp mfg 7.7 (1.0e). UK IP 2.3% (-0.4%e). China money supply M2 8.5% (8.0%e). Oil tumbles after Trump signals US response to Iran is on hold, following Iran's pledge to not execute protestors and an ask from Netanyahu to postpone military plans. Trump threatens Insurrection Act as protests against ICE in Minnesota continue. S&P +0.3%. **Fri:** US IP MoM 0.4% (0.1%e). Germany CPI 1.8% as exp. Russia CPI 5.59% (5.80%e). OpenAI to test

targeted ads in free versions of ChatGPT, a major shift for the company as it seeks to bolster revenue. Trump voices reluctance at nominating Haseett as Fed Chair. White House weighs executive action to enact a cap on credit card interest rates. S&P -0.1%. **Sat/Sun:** Trump announces 10% tariffs on northern EU nations and UK until Denmark agrees to sell Greenland (tariffs rise to 25% in June). Chinese surveillance drone violates Taiwan airspace for first time.

Weekly Close: S&P 500 -0.4% and VIX +1.37 at +15.86. Nikkei +3.8%, Shanghai -0.4%, Euro Stoxx +0.8%, Bovespa +0.9%, MSCI World +0.2%, MSCI Emerging +1.8%, Bitcoin +5.3%, and Ethereum +6.5%. USD rose +0.8% vs India, +0.5% vs Indonesia, +0.5% vs Turkey, +0.3% vs Euro, +0.2% vs Sweden, +0.2% vs Sterling, +0.1% vs Yen, +0.1% vs Brazil, +0.1% vs Australia, and flat vs Canada. USD fell -1.9% vs Mexico, -1.3% vs Russia, -0.9% vs Chile, -0.5% vs South Africa, and -0.1% vs China. Gold +2.1%, Silver +11.6%, Oil +0.5%, Copper -1.2%, Iron Ore -5.6%, Corn -4.7%. 10yr Inflation Breakevens (EU +6bps at 1.84%, US +4bps at 2.32%, JP +7bps at 1.92%, and UK +8bps at 3.05%). 2yr Notes +6bps at 3.59% and 10yr Notes +6bps at 4.22%.

YTD Equity Index Returns: Colombia +15.9% priced in US dollars (+13.4% priced in pesos), Korea +12.3% priced in US dollars (+14.9% priced in won), Turkey +11.7% in dollars (+12.5% in lira), Israel +10.8% in dollars (+9.2% in shekels), Hungary +8.9% (+10.2%), Denmark +8.7% (+10.3%), Chile +8.3% (+6.4%), Taiwan +8% (+8.4%), Russell 2000 +7.9%, Mexico +6.5% (+4.4%), Japan +5.9% (+7.1%), Philippines +5.8% (+6.8%), Vietnam +5.4% (+5.3%), Sweden +5% (+5.4%), Netherlands +4.9% (+6.2%), South Africa +4.9% (+4%), Greece +4.6% (+5.9%), HK +4.5% (+4.7%), Brazil +4.3% (+2.3%), Belgium +4.2% (+5.5%), Singapore +4.1% (+4.4%), Norway +3.9% (+4%), Indonesia +3.9% (+5%), Portugal +3.7% (+5%), China +3.6% (+3.4%), Saudi Arabia +3.1% (+3.1%), Euro Stoxx 50 +2.9% (+4.1%), Canada +2.7% (+4.2%), UK +2.5% (+3.1%), Poland +2.4% (+3.8%), Australia +2.3% (+2.2%), Finland +2.2% (+3.6%), MSCI World +2% in dollars, Malaysia +1.9% (+1.9%), Germany +1.9% (+3.3%), S&P 500 +1.4%, Austria +1.3% (+2.7%), UAE +1.3% (+1.3%), NASDAQ +1.2%, New Zealand +1.2% (+1.3%), Spain +1.1% (+2.3%), Thailand +1.1% (+1.3%), Czech Republic +1.1% (+2.7%), Italy +0.5% (+1.9%), France +0.1% (+1.3%), Switzerland -0.4% (+1.1%), Ireland -1.4% (-0.2%), Argentina -2.3% (-3.9%), India -2.6% (-1.7%).

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From: [Eric Peters](#)
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Date: Sunday, January 11, 2026 6:14:40 AM

Hope all goes well... “The future of the free world, Jake, depends on America being able to assert ourselves and our interests without apology,” said Stephen Miller, White House deputy chief of staff for policy and homeland security advisor, responding to CNN’s Jake Tapper. “We live in a world in which you can talk all you want about international niceties and everything else, but we live in a world, in the real world, Jake, that is governed by strength, that is governed by force, that is governed by power,” continued Miller, in full pitbull, veins bulging, the post-war order dissolving before our eyes. “These are the iron laws of the world that have existed since the beginning of time.”

Overall: “Yeah, there is one thing. My own morality. My own mind. It’s the only thing that can stop me,” said President Trump to a New York Times reporter in the Oval Office. The Maduro extraction had been as flawlessly executed as it was audaciously conceived. New weapons and tactics were deployed, coordinated perfectly, cloaked in total secrecy. Russia’s S-300 anti-aircraft systems and China’s JY-27A stealth radar installations were blinded in an electronic flash, rendered utterly impotent. The failure of such advanced hardware reordered the geopolitical map in an instant. Every short paranoid dictator and autocrat on the planet was simultaneously stripped bare. Putin and Xi stared into their bathroom mirrors, breathed deeply, hearts racing. Even America’s allies shuddered. Europe’s Ursula von der Leyen, grateful to be allied with the strongest power, dreaded the demand for tribute sure to come. Trump recognized the window of opportunity that had opened at the very moment opponents expected him to transition to lame duck status. “If we do not do it the easy way, we will do it the hard way,” he said, intent to close the largest real estate deal in American history. “By the way, I am a fan of Denmark. The fact they had a boat land there 500 years ago does not mean they own the land. We will be doing something with Greenland - the nice way, or the more difficult way,” continued America’s Commander in Chief. And unlike April’s Liberation Day collapse, the S&P 500 hit new highs. Market breadth broadened. The trade deficit is collapsing; the unemployment rate declining. US productivity growth surged to an astounding +4.9% annualized rate, all reflecting the NEC’s blueprint. The President turned his attention to affordability and military matters. Defense contractors will halt share buybacks. The government will purchase \$200bln in mortgage bonds, rates hit 2yr lows. Private equity firms will no longer buy single family homes. Banks will cap credit card interest rates at 10%. The Department of War will boost spending by \$500bln to \$1.5trln. And maybe all of it will happen, or none of it will. We simply don’t know, every utterance is just part of a negotiation with the most powerful man in the world, unleashed as never before, his popularity rising from the lows, racing toward midterms.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

27 Years: “Our message to the world is this: Partnership creates prosperity, and openness drives progress,” EU President Ursula von der Leyen said, hailing the passage of the EU-Mercosur trade deal, creating the largest free trade zone in the world. The negotiations have been ongoing for 27 years. “At a time when the transactional nature of the reality we live in

becomes increasingly stark,” she added, the agreement is “further proof that Europe charts its own course and stands as a reliable partner.” Brazil’s Lula called it a “historic day for multilateralism.”

27 Years II: It had been a tough run for Ursula. After a 27-year negotiation, she closed the Mercosur deal in the same week that Trump claimed the Western Hemisphere. America’s military operation against Maduro was so well coordinated and executed that it was undeniable that any world power could compete. And this left her relieved that the EU had America as a Nato ally, but at the same time, she knew that the price of protection had just risen. Not by a little, but by a lot. In the end, the US would demand Greenland, and the EU would give it.

27 Years III: This of course left Ursula longing for the halcyon days, when the Cold War had been won. She had just finished medical school back then. And would spend the next 14 years as a physician and academic. Like so many European politicians, Ursula has never been involved in business, or industry, nor had she engaged in any entrepreneurial venture of any sort. In the early years of her career, with the Berlin Wall gone, and the Soviet experiment discarded in history’s dustbin, the US and Europe grew in healthy competition. Ursula wondered what went wrong.

27 Years IV: Mario Draghi published the EU Competitiveness Report in September 2024. This passage captured the essence of his warnings. EU leaders knew it to be true yet continue to fail to change: “If Europe cannot become more productive, we will be forced to choose. We will not be able to become, at once, a leader in new technologies, a beacon of climate responsibility and an independent player on the world stage. We will not be able to finance our social model. We will have to scale back some, if not all, of our ambitions. This is an existential challenge.”

27 Years V: Ursula marveled at the speed with which the Americans had put into action the White House National Security Strategy that was published in December. Hardly anything meaningful had been done with Draghi’s 383 policy suggestions from late 2024. Such a list would take Europe 27 years. And now in less than a month, the US extracted Maduro, staked claim over the Western Hemisphere, demonstrated its military superiority over rivals, and would now surely dictate terms of the eventual peace between Russia and Europe/Ukraine.

27 Years VI: The policy failures and inaction that Draghi blamed for Europe’s failing competitiveness has grown over decades. This has left the continent economically and militarily weak, losing ground through time. And this was in a world governed by rule of law. But of course, that world is no longer. In this new world, governed by the law of the jungle, Europe is even more poorly positioned. Naturally, Ursula and her political peers know this. So far they have done little. Survival of the European project requires swift action. It does not have 27 years.

Anecdote: Xi considered himself in the mirror and stood there for a long time. It had been a

difficult month. The extraction of Maduro was extraordinary. If only he had the audacity and capability to have done something like it himself. But such a successful operation would have been impossible for Xi's military, which lacked meaningful combat experience and was riddled with incompetence, corruption. He had never been one to believe in the rule of law. It was a source of strength for the West to be sure, but left its flank exposed. For years, he had exploited this. China's economic and military ascent through the theft of the West's IP had been historic. The gap between itself and America had narrowed dramatically. Even more so with Europe, which grew relatively weaker each year, victim to its political architecture and policy failures. But now, Xi knew the rule of law era was at its end. Replaced by law of the jungle. Both he and Trump were its architects, although it may have been a natural process, an inevitable transition driven by some natural law that moves the heavens, the seasons. But at any rate, the EU had yet to accept this new reality; it had such a poor position to compete in this new world that its first instinct was denial. Xi knew that many wondered whether in this new world, he would retake Taiwan by force. Afterall, he had told his military to be ready to attack in 2027. But with America's flawless military operation, and the catastrophic failure of the hardware both Xi and Putin had supplied Maduro, the probability of success against a heavily fortified Taiwan with the US as its arms supplier was objectively lower. And a failed campaign against the island would be the end of Xi and the destruction of his legacy. Perhaps better to make peace with Trump and America. To exploit a weak Europe. To grow economically, technologically, and militarily stronger. To let time work to his advantage. Trump will be eighty this year, Xi whispered to himself. And I am seventy-two.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US ISM mfg 47.9 (48.4e). Turkey CPI 30.89% (31.00%e). Israel base rate 4.00% (4.25%e). Minnesota Governor Tim Walz announces decision to not seek reelection following allegations of welfare fraud. Venezuela swears in Delcy Rodriguez as acting president, with both Venezuelan and US backing. S&P +0.6%. **Tue:** Germany CPI 1.8% (2.1%e). Australia CPI 3.4% (3.6%e). Saudi Arabia opened its equities to all foreign investors, removing certain qualification restrictions. China-Japan feud escalates as China starts an anti-dumping probe into a key chipmaking material from Japan. S&P +0.6%. **Wed:** US ADP emp change 41k (50k e). Taiwan CPI 1.31% (1.30%e). An ICE officer fatally shot a woman in Minneapolis, sparking protests. Trump pushed to ban institutional investors from buying single-family homes. Trump stated he wouldn't allow defense companies to issue dividends or buy back their own stock until they invest more in production and research. S&P -0.3%. **Thu:** US init jobless claims 208k (212k). Mexico CPI 3.69% (3.75%e). China CPI 0.8% as exp, PPI -1.9% (-2.0%e). China plans to approve imports of Nvidia H200 chips as soon as this quarter for select commercial use. Trump directs Fannie Mae and Freddie Mac to purchase \$2b in mortgage bonds to bring down housing costs ahead of November midterm election. UK and European Union gas and electricity contracts set to trade for 22 hours a day

by Feb 23, subject to regulatory and governance processes. S&P flat. **Fri:** US change in nonfarm payrolls 50k (70k e), US unemp rate 4.4% (4.5%e). US UMich sent 54.0 (53.5e). Canada unemp rate 6.8% (6.7%e). Mexico IP NSA -0.8% (-1.2%e). US Supreme Court sets next Wednesday for next opinion day as markets await tariffs ruling. Trump ramps up rhetoric over Greenland, as Rubio is set to meet with Danish officials next week. S&P +0.7%. **Sat:** Iran protests intensify and enter 2nd week – protestors chant “death to the dictator.”

Manufacturing PMI (high-to-low): Sweden 55.3 (previous month 54.7), India 55 (previous month 56.6), Hungary 53.7 (previous 53.6), Vietnam 53/53.8, Greece 52.9/52.7, Hong Kong 51.9/52.9, Indonesia 51.2/53.3, Netherlands 51.1/51.8, Taiwan 50.9/48.8, France 50.7/47.8, UK 50.6/50.2, Czech Republic 50.4/48, Singapore 50.3/50.2, China 50.1/49.9, South Korea 50.1/49.4, Japan 50/48.7, Spain 49.6/51.5, Austria 49.3/50.4, Turkey 48.9/48, Canada 48.6/48.4, Poland 48.5/49.1, Russia 48.1/48.3, United States 47.9/48.2, Italy 47.9/50.6, South Africa 47.7/49, Brazil 47.6/48.8, Germany 47/48.2, Mexico 46.1/47.3, Switzerland 45.8/49.7. **Services PMI:** India 58/59.8, Spain 57.1/55.6, Sweden 56.7/59.2, Ireland 54.8/58.5, Brazil 53.7/50.1, Germany 52.7/53.1, US 52.5/54.1, Russia 52.3/52.2, China 52/52.1, Japan 51.6/53.2, Italy 51.5/55, UK 51.4/51.3, Australia 51.1/52.8, France 50.1/51.4.

Weekly Close: S&P 500 +1.6% and VIX -0.02 at +14.49. Nikkei +3.2%, Shanghai +3.8%, Euro Stoxx +2.3%, Bovespa +1.8%, MSCI World +0.9%, MSCI Emerging +1.6%, Bitcoin +0.5%, and Ethereum -1.3%. USD rose +1.3% vs Canada, +0.7% vs Euro, +0.7% vs Yen, +0.5% vs Indonesia, +0.4% vs Mexico, +0.4% vs Sterling, +0.1% vs Turkey, and +0.1% vs Australia. USD fell -1.7% vs Russia, -1.4% vs Chile, -1.1% vs Brazil, -0.1% vs China, -0.1% vs Sweden, flat vs India, and flat vs South Africa. Gold +4.0%, Silver +11.7%, Oil +3.1%, Copper +3.7%, Iron Ore +5.8%, Corn +1.9%. 10yr Inflation Breakevens (EU +4bps at 1.78%, US +2bps at 2.28%, JP +7bps at 1.85%, and UK +5bps at 2.98%). 2yr Notes +6bps at 3.53% and 10yr Notes -3bps at 4.17%.

YTD Equity Index Returns: Colombia +8.9% priced in US dollars (+7% priced in pesos), Turkey +7.9% priced in US dollars (+8.3% priced in lira), Israel +7.9% in dollars (+6.7% in shekels), Korea +7.4% (+8.8%), Denmark +7% (+8.2%), Russell 2000 +5.7%, Chile +5.1% (+4.3%), Vietnam +4.8% (+4.7%), Philippines +4.1% (+4.9%), China +4% (+3.8%), Taiwan +3.9% (+4.6%), Hungary +3.9% (+4.9%), Brazil +3.7% (+1.4%), Greece +3.2% (+4.1%), Sweden +3% (+3.2%), Netherlands +3% (+3.9%), Mexico +2.9% (+2.7%), Poland +2.8% (+3.7%), Euro Stoxx 50 +2.6% (+3.6%), Indonesia +2.6% (+3.4%), Portugal +2.4% (+3.3%), South Africa +2.3% (+1.9%), Belgium +2.3% (+3.2%), HK +2.2% (+2.3%), Japan +2.1% (+3.2%), Germany +2.1% (+3.1%), Singapore +2% (+2.1%), NASDAQ +1.8%, S&P 500 +1.8%, France +1.7% (+2.6%), UK +1.6% (+1.9%), Canada +1.5% (+2.8%), MSCI World +1.2% in dollars, Spain +1.1% (+2%), Czech Republic +1.1% (+2.4%), Italy +0.7% (+1.7%), Finland +0.6% (+1.7%), New Zealand +0.6% (+1.1%), Argentina +0.4% (+1.2%), Austria +0.4% (+1.4%), Norway +0.4% (+0.6%), Australia +0.2% (+0%), UAE +0.2% (+0.2%), Malaysia 0% (+0.4%), Switzerland -0.1% (+1.2%), Saudi Arabia -0.2% (-0.2%), Thailand -0.5% (-0.4%), Ireland -1% (-0.1%), India -2.1% (-1.7%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, January 4, 2026 5:15:47 AM

Hope all goes well... Wishing you and your crew all the very best in 2026, filled with adventure, challenge, change, volatility, introspection too. It's already off to an explosive start. Back next Sunday with full wknd notes. In the meantime, dusted off an old climbing Anecdote that I reflect on at the dawn of each new year (see below).

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (Jan 2011): Pretty much everything I learned about climbing mountains, I learned from Vincent Ravel. He's 7th generation high altitude mountain guide from Argentiere, France. From father to son, the Ravel's passed a simple mantra: "The Mountain never ends." And like most things profound, it touches on something universal and fundamental. Because climbing mountains, physical and metaphorical, is what Man does, and has always done, and will always do. Vincent would calmly whisper that mantra high on the rock and ice when we faced a challenge, a fork, a decision. It served to humble us both, remind us to pace ourselves, and to only press for the summit if conditions and timing were optimal. And it also served to inspire, to capture in a sentence our ambition to tackle something so large and enduring. You see, to bag a tough peak and return intact, of course you need skill/strength/tenacity, but you also need the right temperature/weather/visibility and a measure of good luck. Combine all those well, find the opening, push like hell, and bang – success. But fight the elements, force it, press your luck, and, well, you know the result. So, I take a deep breath, and look up, a new quarter looms and above that, a new year, a new decade, a new century, even a new millennium. And on these first steps of this ambitious climb, I remind myself of the importance of patience and humility, optimal conditions and timing, and a little good luck. But mostly, I tell myself to listen carefully, at those tough and lonely points that surely lay ahead, for the Ravel whisper, "The Mountain never ends."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US pending home sales MoM 3.3% (0.9%e). South Korea IP -1.4% (2.2%e). India IP 6.7% (2.9%e). SoftBank to buy DigitalBridge in \$3b data center deal. Zelenskiy asked Trump for 50-year Ukraine security guarantee, as negotiations face complications following Putin's claims that Ukrainian drones targeted his residence. S&P -0.4%. **Tue:** US Chicago PMI 43.5 (40.0e). China mfg PMI 50.1 (49.2e). South Korea CPI

2.3% as exp. Fed minutes show most officials expect additional rate cuts, but that the Fed will likely hold rates unchanged in January. S&P -0.1%. **Wed:** US init jobless claims 199k (218k e). Xi declared China is set to hit its economic and developmental goals, with growth expected to reach “about 5%”. CME hikes precious-metal margins after price swings. S&P -0.7%. **Thu:** Singapore GDP 5.7% (6.3%e). Trump administration increased its pressure campaign against Venezuela’s oil exports by sanctioning companies based in Hong Kong and mainland China and tankers accused of evading restrictions. S&P closed for New Years Day. **Fri:** Eurozone M3 money supply 3.0% (2.7%e). Trump suggested the US is ready to aid protesters in Iran, prompting a top Iranian official to threaten retaliation against US forces in the region. S&P +0.2%. **Sat:** US extracts Maduro from Venezuela in extraordinary regime-change military operation (no US forces killed).

Weekly Close: S&P 500 -1.0% and VIX +0.91 at +14.51. Nikkei -0.8%, Shanghai +0.1%, Euro Stoxx +1.3%, Bovespa -0.2%, MSCI World -1.0%, MSCI Emerging +0.6%, Bitcoin +2.6%, and Ethereum +6.6%. USD rose +4.0% vs Russia, +0.6% vs Sweden, +0.4% vs Turkey, +0.4% vs Euro, +0.4% vs Canada, +0.4% vs India, +0.3% vs Australia, +0.3% vs Sterling, and +0.2% vs Yen. USD fell -2.1% vs Brazil, -1.0% vs South Africa, -0.2% vs China, -0.2% vs Indonesia, -0.1% vs Chile, and -0.1% vs Mexico. Gold -4.7%, Silver -6.6%, Oil +1.0%, Copper -2.3%, Iron Ore +1.4%, Corn -2.9%. 10yr Inflation Breakevens (EU +1bp at 1.74%, US +3bps at 2.26%, JP -8bps at 1.78%, and UK -4bps at 2.93%). 2yr Notes flat at 3.48% and 10yr Notes +7bps at 4.19%.

Dec Mthly Close: S&P 500 -0.1% and VIX -1.40 at +14.95. Nikkei +0.2%, Shanghai +2.1%, Euro Stoxx +2.7%, Bovespa +1.3%, MSCI World +0.7%, MSCI Emerging +2.7%, Bitcoin -4.2%, and Ethereum -2.8%. USD rose +2.6% vs Brazil, +1.6% vs Russia, +1.1% vs Turkey, +0.5% vs India, +0.3% vs Yen, and +0.2% vs Indonesia. USD fell -3.2% vs South Africa, -2.9% vs Chile, -2.5% vs Sweden, -1.8% vs Australia, -1.8% vs Canada, -1.8% vs Sterling, -1.6% vs Mexico, -1.3% vs Euro, and -1.2% vs China. Gold +2.0%, Silver +23.5%, Oil -1.5%, Copper +7.8%, Iron Ore flat, Corn -1.7%. 10yr Inflation Breakevens (EU -2bps at 1.75%, US +1bp at 2.25%, JP +9bps at 1.78%, and UK -4bps at 2.93%). 2yr Notes -2bps at 3.48% and 10yr Notes +15bps at 4.17%.

Q4 Quarterly Close: S&P 500 +2.3% and VIX -1.33 at +14.95. Nikkei +12.0%, Shanghai +2.2%, Euro Stoxx +6.1%, Bovespa +10.2%, MSCI World +2.9%, MSCI Emerging +4.3%, Bitcoin -23.5%, and Ethereum -28.2%. USD rose +6.0% vs Yen, +3.3% vs Turkey, +2.9% vs Brazil, +1.2% vs India, and +0.2% vs Indonesia. USD fell -6.4% vs Chile, -5.0% vs Russia, -4.1% vs South Africa, -2.2% vs Sweden, -1.9% vs China, -1.7% vs Mexico, -1.4% vs Canada, -0.9% vs Australia, -0.2% vs Sterling, and -0.1% vs Euro. Gold +11.2%, Silver +49.6%, Oil -6.6%, Copper +15.5%, Iron Ore +1.0%, Corn +1.9%. 10yr Inflation Breakevens (EU +1bp at 1.75%, US -12bps at 2.25%, JP +19bps at 1.78%, and UK -18bps at 2.93%). 2yr Notes -13bps at 3.48% and 10yr Notes +2bps at 4.17%.

2025 Yearly Close: S&P 500 +16.4% and VIX -2.40 at +14.95. Nikkei +26.2%, Shanghai +18.4%, Euro Stoxx +16.7%, Bovespa +34.0%, MSCI World +19.5%, MSCI Emerging +30.6%, Bitcoin -6.8%, and Ethereum -11.4%. USD rose +21.5% vs Turkey, +5.0% vs India, and +3.7% vs Indonesia. USD fell -30.6% vs Russia, -16.8% vs Sweden, -13.5% vs Mexico,

-12.1% vs South Africa, -11.9% vs Euro, -11.4% vs Brazil, -9.5% vs Chile, -7.3% vs Australia, -7.1% vs Sterling, -4.6% vs Canada, -4.3% vs China, and -0.3% vs Yen. Gold +55.5%, Silver +128.0%, Oil -15.1%, Copper +36.5%, Iron Ore +3.7%, Corn -3.3%. 10yr Inflation Breakevens (EU -3bps at 1.75%, US -9bps at 2.25%, JP +31bps at 1.78%, and UK -58bps at 2.93%). 2yr Notes -77bps at 3.48% and 10yr Notes -40bps at 4.17%.

2025 Annual Equity Index Returns: Korea +79.6% priced in US dollars (+75.6% priced in won), Czech Republic +79.3% priced in US dollars (+52.6% priced in koruna), Colombia +74.8% in dollars (+49.9% in pesos), Israel +72.4% (+51%), Chile +72% (+56.2%), Spain +69.3% (+49.3%), Poland +68.8% (+47.3%), Hungary +68.7% (+40%), Austria +64.5% (+45.4%), Greece +63.6% (+44.3%), South Africa +63.4% (+43.2%), Ireland +52.2% (+34.3%), Brazil +50.9% (+34%), Mexico +50.4% (+29.9%), Italy +48.7% (+31.5%), Finland +47.3% (+30.2%), Portugal +46.8% (+29.5%), Sweden +39.2% (+16.1%), Germany +39.1% (+23%), Vietnam +36.5% (+40.9%), Norway +35.6% (+20.2%), Belgium +35% (+19.1%), Canada +34.5% (+28.2%), Euro Stoxx 50 +34.1% (+18.3%), Taiwan +31.2% (+25.7%), Switzerland +30.8% (+14.4%), UK +30.6% (+21.5%), Singapore +30.3% (+22.7%), HK +27.5% (+27.8%), Japan +26.8% (+26.2%), France +25.2% (+10.4%), China +23.7% (+18.4%), Netherlands +22.8% (+8.3%), NASDAQ +20.4%, MSCI World +19.5% priced in US dollars, Indonesia +18.3% (+22.1%), S&P 500 +16.4%, Australia +15.2% (+6.8%), Malaysia +12.8% (+2.3%), Russell +11.3%, New Zealand +6.3% (+3.3%), UAE +6.1% (+6.1%), India +5.2% (+10.5%), Thailand -2% (-10%), Turkey -5.7% (+14.6%), Philippines -8.8% (-7.3%), Saudi Arabia -12.7% (-12.8%), Denmark -13.6% (-23.5%), Argentina -14.6% (+20.4%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, December 28, 2025 6:26:56 AM

Hope all goes well... Wishing you and your crew a wonderful holiday. Taking a few weeks off from writing as I do each year, for family, friends, gratitude, altitude. Here's a video podcast I did last week with Goldman's Tony Pasquariello [\[here\]](#). Dusted off an anecdote from 2018 about triumph, struggle (see below). And included links to the Total Portfolio research we published here at One River in 2024/25. The results transformed how I think about investing, how I deploy my capital, and how we're building One River. All the very best, Eric

One River's Total Portfolio Construction Research:

- [Convexity, Correlation, and Compounding](#) on the compounding potential of convexity + equity [\[here\]](#).
- [The Convexity \(Re\)Balancing Act](#) on how to best manage the rebalancing between beta and active risk [\[here\]](#).
- [The Absurdity of Certainty](#) on how to size such allocations [\[here\]](#).
- [Good Trends Come to Those Who Wait](#) on the tendency for trend to provide returns when you need them, but not always when you want them [\[here\]](#).
- [The Ex-Ante Problem - Part I](#) on the evaluation challenges of long-term allocations to risk mitigating strategies [\[here\]](#).
- [The Ex-Ante Problem - Part II](#) on the tradeoffs between various design choices within long volatility [\[here\]](#).
- [Heretical Thinking - The Long Volatility Premium](#) on how investors can be paid to protect themselves [\[here\]](#).

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (March 2018): "I'm going to puke," said Mara. We waited for the call, the text, the result. Our daughter Olivia was attempting the impossible. "Tell me she's going to make it," whispered Mara. I quietly considered the odds. Sighed. Olivia is a force of nature, her spirit pure Olympic Gold. But there's one problem. She's tiny. Usain Bolt trapped inside a pipsqueak. "We should have heard by now." Olivia flew to California alone. I smiled, proud. At fourteen, she takes the train to the YMCA. Walks to the pool, snow or shine. On a good night, I pick her up after work. If not, she trollies home, still steaming, bursting into dinner on a high. Empowered, independent. "Maybe they'll see past her height and bet on her drive." Olivia made the Olympic water polo development program. The coaches had gathered their players in San Fran, culling the herd to build a national team. So, our little wildebeest wobbled her way West. "There's no way, is there?" The mothers of water polo Olympic hopefuls are my height. Their fathers look like Michael Phelps. The fact is, Olivia got cut at conception. "I pray this doesn't break her spirit." Sport is a metaphor for life; struggle, risk, failure, triumph. Through it we learn about ourselves, others, our interactions. We learn to connect process and result. "Why would they invite her if she had no shot?" Never in my life have I met a more naturally confident human being than Olivia. It's at once hysterical, preposterous, intoxicating, inspirational. "You know what my coach said when I told him I got cut?" asked Olivia, returning home, proud. Truth is, the result we want for our kids is not the trophy. We want the triumph. And the triumph is the struggle. "With my spirit and drive I'll achieve anything I want in life."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: UK GDP 1.3% as exp. Larry Ellison pledges \$40b to boost Paramount's bid, while Netflix refinances part of \$59b loan amid takeover battle for Warner Bros. Novo Nordisk announces FDA approval for its Wegovy pill as oral GLP-1, with plans to launch in early Jan. S&P +0.6%. **Tue:** US GDP ann. QoQ 4.3% (3.3%e), durable goods orders -2.2% (-1.5%e), cons conf 89.1 (91.0e). Canada GDP 0.4% (0.3%e). Gold and silver rallied to all-time highs on prospects for more US rate cuts. US Supreme Court blocks Trump's deployment of National Guard in Chicago. US District Judge rules Trump's \$100k H-1B visa application as lawful. S&P +0.5%. **Wed:** US init jobless claims 214k (224k e), cont claims 1923k (1900k e). Mexico unemp 2.66% (2.64%e). Russia IP -0.7% (1.3%e). Russia views peace plan as starting point for negotiations and seeks changes including restrictions on Ukraine military. S&P +0.3%. **Thu:** Japan unemp 2.6% as exp. US launches military strike targeting ISIS in Nigeria. S&P closed for Christmas. **Fri:** Russia unemp 2.1% (2.2%e). Zelensky and Trump to meet on Sunday to discuss peace plan, despite comments from Moscow raising doubts about a final agreement. Thailand and Cambodia declare ceasefire after the latest round of border clashes. Silver prices surge nearly 8% (+14.4% for the week). S&P flat. **Sat/Sun:** Trump to meet Zelensky at Mar-a-Lago.

Weekly Close: S&P 500 +1.4% and VIX -1.31 at +13.60. Nikkei +2.5%, Shanghai +1.9%, Euro Stoxx +0.2%, Bovespa +1.5%, MSCI World +1.3%, MSCI Emerging +2.1%, Bitcoin -0.5%, and Ethereum -2.1%. USD rose +0.2% vs India, +0.2% vs Turkey, +0.1% vs Indonesia, and flat vs Brazil. USD fell -4.1% vs Russia, -1.5% vs Australia, -1.2% vs Sweden, -0.9% vs Canada, -0.9% vs Sterling, -0.7% vs Yen, -0.7% vs Mexico, -0.7% vs South Africa, -0.5% vs Euro, -0.5% vs China, and -0.3% vs Chile. Gold +3.8%, Silver +14.4%, Oil +0.4%, Copper +6.0%, Iron Ore flat, Corn +1.4%. 10yr Breakevens (EU -1bps at 1.74%, US -1bps at 2.23%, JP +5bps at 1.85%, and UK -1bps at 2.97%). 2yr Notes flat at 3.48% and 10yr Notes -2bps at 4.13%.

2025 Year-to-Date Equity Index Returns: Colombia +79.7% priced in US dollars (+50.9% priced in pesos), Czech Republic +78% priced in US dollars (+51.8% priced in koruna), Korea +75.7% in dollars (+72.1% in won), Chile +71.1% in dollars (+56.2% in pesos), Israel +70.5% (+49.4%), Spain +68.5% (+48.1%), Poland +67.4% (+46%), Hungary +66.9% (+40%), South Africa +64.8% (+45.3%), Greece +64.7% (+44.8%), Austria +62.2% (+43.2%), Mexico +54.5% (+32.6%), Ireland +52.1% (+33.6%), Brazil +49.2% (+33.8%), Italy +47.8% (+30.5%), Portugal +45.8% (+28.1%), Finland +45.5% (+28.5%), Germany +38.5% (+22.3%), Sweden +37.7% (+14.7%), Canada +36.2% (+29.4%), Norway +35.2% (+18.8%), Belgium +34.5% (+18.2%), Euro Stoxx 50 +33.6% (+17.4%), Vietnam +32.3% (+36.6%),

Switzerland +30.9% (+14.2%), Singapore +30.3% (+22.4%), UK +30.2% (+20.8%), Taiwan +29.3% (+24%), HK +28.6% (+28.7%), Japan +27.7% (+27.2%), France +24.9% (+9.8%), China +23.2% (+18.3%), NASDAQ +22.2%, Netherlands +21.9% (+7.1%), MSCI World +20.6% in US dollars, S&P 500 +17.8%, Indonesia +16.7% (+20.6%), Australia +16.5% (+7.4%), Russell +13.6%, Malaysia +12.9% (+2.1%), New Zealand +7.6% (+3.2%), UAE +6.5% (+6.5%), India +4.9% (+10.1%), Thailand -0.8% (-10.1%), Turkey -5.3% (+14.9%), Philippines -8.5% (-7.1%), Saudi Arabia -12.4% (-12.5%), Argentina -12.8% (+22.8%), Denmark -13.2% (-23.2%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, December 21, 2025 5:44:17 AM

Hope all goes well... Dusted off an anecdote from 2018 about mental models and market tops (see below). Taking a few weeks off from writing as I do each year-end, for family, friends, gratitude, altitude. Wishing the same for you. Merry Christmas, Happy Hanukkah. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (July 2018): “Every investor needs a mental model,” said the CIO. “Without one we’re lost.” We weaved through New York. “I developed mine years ago,” he said, crossing Lexington, mid-block, diagonally, headed south. “Markets move in cycles. After a euphoria comes the fall. But euphoria tends to persist.” The lights toggled on our approach to Park and 61st, we made our way, a steady pace. “Late cycle, if enough people ignore the warning signals, markets continue higher,” he explained. “Holding your breath and staying long far past the time it’s obviously crazy is intellectually unsatisfying.” That doesn’t make it wrong. A good model prevents you from exiting the cycle early. “My model is to stay invested until something really important breaks. Cycles very rarely fizzle out.” We crossed Madison, a crowded crosswalk, 59th toward Central Park. “And I’m not talking about emerging markets, they always blow up when the Fed hikes. But that never signals the cycle’s end. It’s an intermediate sign. When emerging markets go, there’s still money to be made being long developed markets.” We turned down 5th Ave, bypassing buggies, sweating horses, The Plaza. “When you build a model, defining various market states, transition phases, one thing becomes abundantly clear. Knowing how much road is left ahead is far more important than knowing your destination.” A whiff of the University Club pool swirled around 54th. We passed St. Patrick’s, Bronze Atlas shouldering our world, and cut through Rockefeller. “You’ll never know how high valuations can climb. All you can identify are signs that something is breaking. At the cycle’s end, most investors dismiss these, giving you time to get out.” I now saw he was leading us to Times Square, its frenzied glow. “China is this cycle’s weak link. And it’s just now starting to get interesting.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Canada CPI 2.2% (2.3%e). China IP 4.8% (5.0%e), ret sales 1.3% (2.9%e). President Xi faces calls for stronger Yuan to rebalance the economy away from exports and boost consumer demand. Nasdaq seeks SEC approval to extend trading hours to

23 hours during weekdays. Oil slides on signs of surplus and Ukraine peace talks. S&P -0.2%. **Tue:** US unemp rate 4.6% (4.5%e). US Nov change in nonfarm payrolls 64k (50k e). Chile overnight rate target 4.50% (as exp). Hungary rate decision unch 6.50% as exp. Warner Bros planning to reject Paramount's hostile takeover bid, valuing existing agreement with Netflix as better offering. Zelensky said he has agreement with US to make security guarantees legally binding through a congressional vote as part of deal to end war. S&P -0.2%. **Wed:** UK CPI 3.2% (3.5%e), Core 3.2% (3.4%e), RPI 3.8% (4.2%e). Eurozone CPI 2.1% (2.2%e), Core 2.4% as exp. South Africa CPI 3.5% (3.6%e). US announces package of arms sales to Taiwan valued at more than \$10b, drawing angry response from China. Coinbase announces entry into prediction markets through Kalshi and equities trading with USDC stablecoin. S&P -1.2%. **Thu:** US CPI 2.7% (3.1%e), Core 2.6% (3.0%e). US init jobless claims 224k (225k e), cont claims 1897k (1920k e). Mexico overnight rate 7.00% as exp. BOE bank rate 3.750% as exp. ECB main refinancing rate 2.15% as exp, deposit facility rate 2.00% as exp, lending facility 2.40% as exp. Trump Media announces merger with TAE Technologies, with combined company planning to build world's first utility-scale nuclear fusion power plant next year. Trump signs order to move cannabis into a less restrictive federal category. S&P +0.8%. **Fri:** UMich sent 52.9 (53.5e). US existing home sales 4.13m (4.15m e). Eurozone cons conf -14.6 (-14.0e). Russia key rate 16.0% as exp. BOJ target rate 0.75% as exp. EU agrees to loan Ukraine €90b for the next two years as peace negotiations continue. Trump administration halts US green card lottery program, citing its use by the suspect in the Brown university shooting. S&P +0.9%.

Weekly Close: S&P 500 +0.1% and VIX -0.83 at +14.91. Nikkei -2.6%, Shanghai +0.0%, Euro Stoxx +1.6%, Bovespa -1.4%, MSCI World +0.1%, MSCI Emerging -1.5%, Bitcoin -2.4%, and Ethereum -2.8%. USD rose +2.3% vs Brazil, +1.2% vs Yen, +0.6% vs Indonesia, +0.6% vs Australia, +0.6% vs Russia, +0.3% vs Chile, +0.3% vs Euro, +0.2% vs Canada, +0.2% vs Turkey, and +0.2% vs Mexico. USD fell -0.8% vs India, -0.6% vs South Africa, -0.2% vs China, -0.1% vs Sterling, and -0.1% vs Sweden. Gold +1.4%, Silver +8.8%, Oil -1.3%, Copper +2.8%, Iron Ore +0.9%, Corn +0.7%. 10yr Inflation Breakevens (EU -5bps at 1.74%, US -4bps at 2.24%, JP +2bps at 1.80%, and UK -3bps at 2.98%). 2yr Notes -4bps at 3.48% and 10yr Notes -4bps at 4.15%.

2025 Year-to-Date Equity Index Returns: Czech Republic +75.9% priced in US dollars (+50.8% priced in koruna), Israel +72.6% priced in US dollars (+51.8% priced in shekels), Colombia +71.1% in dollars (+48.5% in pesos), Spain +67.7% (+48.1%), Chile +67.1% (+53.6%), Korea +67.1% (+67.6%), Hungary +67.1% (+39.2%), Poland +66.4% (+45.2%), Greece +62.8% (+43.7%), Austria +61.1% (+42.9%), South Africa +60.5% (+42.2%), Ireland +52.1% (+34.3%), Mexico +49.7% (+29.2%), Italy +47.6% (+30.9%), Brazil +47.2% (+31.7%), Portugal +45.4% (+28.4%), Finland +43.8% (+27.5%), Germany +37.5% (+22%), Sweden +36.2% (+14.4%), Belgium +34.7% (+19%), Canada +34.1% (+28.4%), Euro Stoxx 50 +33.2% (+17.7%), Norway +33.2% (+18.5%), Vietnam +30.3% (+34.5%), UK +29.4% (+21.1%), Switzerland +29.2% (+13.5%), HK +27.8% (+28.1%), Singapore +27.6% (+20.7%), France +25.1% (+10.4%), Taiwan +24.9% (+20.2%), Japan +23.9% (+24.1%), Netherlands +21.7% (+7.5%), NASDAQ +20.7%, China +20.3% (+16.1%), MSCI World +19% in dollars, Indonesia +17.8% (+21.6%), S&P 500 +16.2%, Russell +13.4%, Australia +13% (+5.7%), Malaysia +11.3% (+1.4%), UAE +5.8% (+5.8%), India +4.9% (+9.8%), New Zealand +4.7% (+1.7%), Thailand -2.6% (-10.6%), Turkey -4.7% (+15.4%), Philippines -10.4% (-9.3%), Argentina -11.9% (+23.9%), Saudi Arabia -13% (-13.2%), and Denmark

-15.8% (-25.2%).

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From: [Eric Peters](#)
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Hope all goes well... Army's helicopters crossed the 50-yard line slow and low. Thump, thump, thump. The stadium went wild. Eight thousand Naval Academy and West Point cadets. Navy's jets tore the sky in two, the sound of freedom. The crowd roared. I had flown back from a quick European tour, our family not quite all together again, my oldest deployed to the southern border. The Army/Navy football game is a day everyone should experience at least once, there's no sport event quite like it [\[here\]](#). The rivalry within our family is extreme, with Jackson a Marine now, Liv and Teddy at Army, and the three of them fighting over Charlie's undecided future path.

Overall: Cisco finally regained the old all-time high. It took 25 years. In March 2000, the network equipment maker surpassed Microsoft to become the world's most valuable company. Julian Robertson published his final letter for Tiger Management that week, writing, *"The difficulty is predicting when this change will occur and in this regard I have no advantage. What I do know is that there is no point in subjecting our investors to risk in a market which I frankly do not understand. Consequently, after thorough consideration, I have decided to return all capital to our investors..."* The inexorable rise in tech/growth stocks relative to value stocks had reached a point where even the mightiest investors of the time were brought to their knees. Every great trader knows that the most powerful bull and bear markets rise and fall to such a point where nearly every sober-minded contrarian concedes defeat. Which makes it all the more extraordinary that even the most brilliant investors, armed with their armies of analysts, steeped in market history, nevertheless succumb to capitulation near market turns. It has always been so and will forever be. Markets are superorganisms, drawing strength from every participant willing to play. They are humanity's first form of Artificial Superintelligence. And as such, markets manage to outwit even the geniuses amongst us. Anyhow, Oracle got smoked this week. If Nvidia is this cycle's coalmine, Oracle is the canary. In both stocks, investors convince themselves that they can see reflections of past crises. Most of today's investors have only read about the great booms and busts of previous generations. And with the passage of time, such historical cycles appear simple, obvious even. Which allows us to trace neat parallel lines between then and now. But of course, this is one of the most surefire ways that an Artificial Superintelligence deceives, before knocking us to our knees.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

MAGA: I remember 2017 well. It brought me to one knee. Trump had won the election in late 2016. The world braced itself for the chaos that was to come. Of course, we should all have known better. That's not how markets work. Only rarely does an Artificial Superintelligence give investors extraordinary profits without inflicting ungodly pain. When it does give unearned gifts, it is to tempt us to foolishly bet on the obvious in some future market cycle. No ASI would ever operate in consistently predictable ways. Anyhow, over the course of 2017, the beginning of America's MAGA experiment, here's what happened in markets:

Dec 31 2016 - Dec 12 2017: S&P 500 +19.0% and VIX -4.12 at +9.92. Nikkei +19.6%, Shanghai +5.7%, Euro Stoxx +8.4%, Bovespa +22.6%, MSCI World +19.0%, MSCI Emerging +29.0%, Bitcoin +1711.8%, and Ethereum +8063.3%. USD rose +9.2% vs Turkey, +2.1% vs Brazil, and +0.7% vs Indonesia. USD fell -10.4% vs Euro, --7.4% vs Mexico, -7.3% vs Sterling, -5.2% vs India, -4.7% vs China, -4.6% vs Australia, -4.3% vs Canada, -3.8% vs Russia, -2.9% vs Yen. Gold +6.2%, Silver -3.9%, Oil +0.3%, Copper +19.7%, Iron Ore -20.1%, Corn -10.6%. 10yr Inflation Breakevens (EU +3bps at 1.28%, US -5bps at 1.92%, JP -12bps at 0.47%, and UK +5bps at 3.07%). 2yr Notes +64bps at 1.83% and 10yr Notes -4bps at 2.40%.

MAGA II: In 2017, the stock market grinded higher all year in an unprecedented fashion, so that by Dec 12, 2017, the VIX was below 10. Investors sold volatility aggressively, and the more they sold, the lower the VIX fell, reflexively. Which created the conditions for a series of volatility spikes that climaxed in Covid. In this first year of Trump II, we endured Independence Day, the VIX index hit 60, and we suffered so many policy flip flops that they barely affect the market at this point. Here's how markets have done in the second stage of America's MAGA experiment:

Dec 31 2024 - Dec 12 2025: S&P 500 +16.6% and VIX -1.67 at +15.68. Nikkei +27.4%, Shanghai +16.1%, Euro Stoxx +14.3%, Bovespa +32.8%, MSCI World +19.9%, MSCI Emerging +28.0%, Bitcoin -2.5%, and Ethereum -4.0%. USD rose +20.8% vs Turkey, +5.6% vs India, and +3.3% vs Indonesia. USD fell -29.9% vs Russia, -16.1% vs Sweden, -13.3% vs Mexico, -12.3% vs Brazil, -11.8% vs Euro, -6.8% vs Australia, -6.3% vs Sterling, -4.2% vs Canada, -3.3% vs China, and -0.9% vs Yen. Gold +55.0%, Silver +101.7%, Oil -15.6%, Copper +28.8%, Iron Ore +1.3%, Corn -2.5%. 10yr Inflation Breakevens (EU +2bps at 1.79%, US -7bps at 2.27%, JP +31bps at 1.78%, and UK -50bps at 3.01%). 2yr Notes -71bps at 3.53% and 10yr Notes -39bps at 4.19%.

MAGA III: There is so much more to America than its politics. At its core, America is the greatest business enterprise the world has ever known. Politicians fight over the fair distribution of its spoils, while engaging in international policy experiments that shift from generation to generation. It appears we've entered a phase that's more focused on the Western Hemisphere than Europe and Asia. Investors will look to historical periods for parallels. Perhaps they'll find some that prove helpful. Definitive. I'm of the mind to keep mine open, searching our Artificial Superintelligence for signals, signs. Here's how markets have performed since the start of America's MAGA experiment in late 2016:

Dec 31 2016 - Dec 12 2025: S&P 500 +207% and VIX +1.41 at +15.45. Nikkei +166%, Shanghai +26%, Euro Stoxx +61%, Bovespa +166%, MSCI World +154%, MSCI Emerging +60%, Bitcoin +9497%, and Ethereum +40147%. USD rose +1111% vs Turkey, +67% vs Brazil, +36% vs Chile, +33% vs Yen, +33% vs India, +29% vs Russia, +24% vs Indonesia, +23% vs South Africa, +9% vs Australia, +3% vs Canada, +2% vs Sweden, and +2% vs China. USD fell -13% vs Mexico, -10% vs Euro, and -8% vs Sterling. Gold +271%, Silver +288%, Oil +0.5%, Copper +115%, Iron Ore +21%, Corn +14.4%. 10yr Inflation Breakevens (EU +54bps at 1.79%, US +30bps at 2.27%, JP +119bps at 1.78%, and UK -1bp at 3.01%).

2yr Notes +235bps at 3.54% and 10yr Notes +174bps at 4.18%.

Anecdote: “Let me tell you a familiar story,” I said, discussing market risks, opportunities, in Stockholm this week. Early in my career, Sweden hit the wall. Decades of economic math that hadn’t quite added up had compounded to a point where a market unwind was unavoidable. As the crisis climaxed in late 1992, the central bank hiked overnight interest rates to 500% to punish speculative short-sellers of kronor. We made a small fortune in that market chaos. That was my first of many crises. Every one looked different. In each, investors, high and low, were brought to their knees. Some combination of overleverage, overreliance on parallels to the past, intellectual overconfidence, inadequate risk management, and lack of a sufficiently expansive imagination, is to blame. With each successive crisis since my start in 1989, central bankers and politicians intervened ever more aggressively to forestall economic cleansing, borrowing from the future to repay the past and secure the present. Such interventions have transferred risks and excesses from individuals and corporations onto the government balance sheet. The math of our federal debts and entitlement commitments no longer adds up. The consequences are compounding. I suspect that before my career is over, a sovereign crisis like Sweden’s in 1992 will erupt in the US. The only practical way to forestall this is through a productivity boom that materially lifts non-inflationary growth and repays our policy sins. This is why the US government is all in on the AI buildout. If AI fails to deliver on its vast promises, the risk is far wider than the tech sector. It will lead to a deep recession and massive budget deficits, which will catalyze a debt sustainability crisis that could make 2008 seem trivial. Sovereign debt crises are the most devastating of all financial calamities, because the buyer of last resort is the one in trouble. But I suspect that the AI boom doesn’t end neatly with Cisco retaking its 2000 highs, as it did this week. The parallels with the dot com boom/bust are all too evident and well publicized at this point. Which means we should still be long this bull market, while also running substantial downside hedges. Positioned for a world with two big fat tails.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: China trade surplus hits \$1trln for first time. China exports 5.9% (4.0%e), imports 1.9% (3.0%e). Japan GDP ann QoQ -2.3% (-2.0%e). Australia cash rate target unch 3.6% as exp. Paramount launches hostile takeover bid for Warner Bros, days after Warner Bros agrees to deal with Netflix. Trump grants Nvidia approval to sell H200 AI chips in China. Trump announces he will approve an executive order establishing “one rule” on AI, aimed at limiting state-level regulations. S&P -0.4%. **Tue:** Mexico CPI 3.8% (3.7%e). China CPI 0.7% as exp, PPI -2.2% (-2.0%). Japan PPI 2.7% as exp. SpaceX to pursue 2026 IPO, seeking to raise over \$30b. Trump to begin interviewing Fed Chair candidates this week, with White House National Economic Council Director Kevin Hassett the frontrunner. S&P -0.1%. **Wed:** The Fed trimmed rates by 25bps, marking its third consecutive cut, with policymakers maintaining their outlook for just one reduction next year. US FOMC rate decision upper

bound 3.75% as exp, lower bound 3.50% as exp. Canada rate decision unch 2.25% as exp. Russia CPI 6.64% (6.76%e). Australia unemp rate 4.3% (4.4%e). Mexico approved tariffs as high as 50% on Chinese imports. S&P +0.7%. **Thu:** US init jobless claims 236k (220k e), cont claims 1838k (1938k e). US trade balance -\$52.8b (-\$63.1b e). Ukraine key rate unch 15.50% as exp. Zelensky said the fate of Ukraine's Donbas region may be put to a vote as Kyiv comes under mounting pressure to agree to peace plan. Disney agreed to invest \$1b in OpenAI and license characters to OpenAI's video platform Sora. S&P +0.2%. **Fri:** Mexico IP NSA -0.4% (-2.0%e). Germany CPI 2.3% as exp. China Money Supply M2 8.0% (8.2%e). US envoy Steve Wikeoff to meet Zelenskiy and European leaders in Berlin to discuss peace plan. US Fed dissenters Goolsbee and Schmid will be rotating out of the voting roster in 2026, with Goolsbee expressing concerns for inflation and projecting more cuts in 2026, while Philadelphia Fed Paulson, who will be rotating in, expressed stronger concerns about labor market weakness. S&P -1.1%. **Sat:** Navy football beats Army 17-16.

Weekly Close: S&P 500 -0.6% and VIX +0.33 at +15.74. Nikkei +0.7%, Shanghai -0.3%, Euro Stoxx -0.1%, Bovespa +2.2%, MSCI World -0.2%, MSCI Emerging +0.3%, Bitcoin +0.7%, and Ethereum +1.4%. USD rose +4.6% vs Russia, +0.5% vs India, +0.3% vs Turkey, and +0.3% vs Yen. USD fell -1.7% vs Chile, -1.3% vs Sweden, -0.9% vs Mexico, -0.8% vs Euro, -0.6% vs Brazil, -0.3% vs Canada, -0.3% vs Sterling, -0.3% vs South Africa, -0.2% vs China, -0.2% vs Australia, and flat vs Indonesia. Gold +2.0%, Silver +5.0%, Oil -4.4%, Copper -1.9%, Iron Ore +0.9%, Corn -0.9%. 10yr Inflation Breakevens (EU +1bp at 1.79%, US +1bp at 2.28%, JP +3bps at 1.78%, and UK +1bp at 3.01%). 2yr Notes -4bps at 3.52% and 10yr Notes +5bps at 4.19%.

2025 Year-to-Date Equity Index Returns: Colombia +77.1% priced in US dollars (+52.9% priced in pesos), Korea +73.3% priced in US dollars (+73.7% priced in won), Czech Republic +70.9% in dollars (+45.9% in koruna), Israel +70.9% (+50.3%), Chile +69.1% (+55%), Hungary +66.7% (+38.2%), Spain +65% (+45.4%), Poland +63.6% (+43%), Greece +62.5% (+43.2%), Austria +57.5% (+39.3%), South Africa +57.2% (+40.3%), Brazil +52.9% (+33.7%), Mexico +51% (+30.7%), Ireland +49.7% (+31.8%), Italy +43.9% (+27.3%), Finland +42% (+25.6%), Portugal +41.8% (+24.9%), Germany +37.3% (+21.5%), Sweden +35.1% (+13.6%), Canada +33.3% (+27.5%), Belgium +32.7% (+16.9%), Euro Stoxx 50 +32.6% (+16.8%), Norway +31.5% (+17%), HK +29.2% (+29.5%), Taiwan +28.7% (+22.4%), Japan +28.5% (+27.4%), Singapore +28.2% (+21.1%), Switzerland +26.4% (+11.1%), UK +26.1% (+18.1%), Vietnam +25.9% (+30%), France +24.1% (+9.3%), Netherlands +21.4% (+6.9%), NASDAQ +20.1%, China +20.1% (+16%), Indonesia +19% (+22.3%), MSCI World +18.9% in dollars, S&P 500 +16.1%, Australia +14.7% (+6.6%), Russell +14.4%, Malaysia +8.9% (-0.3%), New Zealand +6.1% (+2.3%), UAE +6.1% (+6%), India +4.1% (+10.2%), Thailand -2.9% (-10.4%), Turkey -4.7% (+15.1%), Philippines -9.3% (-7.5%), Saudi Arabia -10.9% (-11%), Denmark -14.3% (-24.1%), Argentina -15.9% (+17.6%).

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Hope all goes well... “Class of 2026,” said the commanding officer to West Point’s senior class, gathered for Branch Night. “Some of you will be blessed with the right decision,” he said, booming over the loudspeaker. The cadets went wild. “But some of you, well...” The hall erupted in laughter, uncomfortably, some groans, sick humor. Each of the 1,200 cadets held a sealed letter, within which was printed the branch they will serve in for the next 5 years of their young lives. Infantry, Field Artillery, Armor, Aviation, Signal, Intelligence, Cyber Warfare, many others. “Welcome to the Profession of Arms. Open your envelopes,” he instructed. The hall exploded, the air electric. “Cyber! I got Cyber!!!” screamed Liv, jumping, hugging those around her.

Overall: OpenAI declined to comment. Its Code Red memo had leaked to the WSJ. Google’s Gemini 3 performance had leapfrogged ChatGPT’s latest model. And Sam Altman naturally hit his red panic button. We all have one. Mine is reasonably well worn. Sundar Pichai has one on his desk too. He reportedly hit it exactly three years ago when faced with an existential threat; the release of ChatGPT. Better to panic and pivot than be boiled alive. Back then, Sundar shifted to a wartime footing, merging Google Brain and DeepMind, and recalling founders Larry Page and Sergey Brin to the office. It appears to have worked, at least for now. And this leaves Sam Altman in a position to continue scrounging for capital and talent, while competing with America’s mighty tech monopolies, which print money faster than Powell in a pandemic. Meta’s wartime CEO had never left. Zuckerberg reportedly plans to slash his Metaverse spending by 30% to further concentrate resources on winning the AI race. No one can quite articulate what winning this race means. But everyone who has already gone all-in on AI knows that losing isn’t an option. So, the competition grows ever more intense. It’s worth reflecting on the fact that never in history has something like this happened. The mightiest companies in the world’s biggest economy, are no longer simply milking their monopolies. They’re leveraging the world’s greatest intellectual tech talent and an unprecedented sum of capital expenditure in a race into the unknown, with no guardrails, no airbags, no guarantees. And this is happening with the Fed’s Quantitative Tightening ended as of December 1st. With US money market funds hitting \$8 trillion for the first time ever. With fiscal expansion on the way in 2026. Massive Q1 US tax refunds. With the stock market hovering just below record highs. As the world’s greatest savers, the Japanese, watch their bond yields soar, their yield curve steepen dramatically. With just 17 trading days left in 2025.

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Face Value: “What are America’s core foreign policy interests? What do we want in and from the world?” wrote the authors of the newly released ‘National Security Strategy (NSS) of the United States of America.’ The NSS is the kind of report I like to read. Because sometimes, policy people tell you what they’re thinking. It’s helpful to take it at face value, incorporating it into your mental model. “We want to ensure that the Western Hemisphere remains reasonably stable and well-governed enough to prevent and discourage mass migration to the

United States.”

Face Value II: “We want a Hemisphere whose governments cooperate with us against narco-terrorists, cartels, and other transnational criminal organizations,” continued the NSS. The USS Gerald R. Ford, off the coast of Venezuela, its oil, China watching. “We want a Hemisphere that remains free of hostile foreign incursion or ownership of key assets, and that supports critical supply chains; and we want to ensure our continued access to key strategic locations. In other words, we will assert and enforce a “Trump Corollary” to the Monroe Doctrine.”

Face Value III: “We want to halt and reverse the ongoing damage that foreign actors inflict on the American economy while keeping the Indo-Pacific free and open, preserving freedom of navigation in all crucial sea lanes, and maintaining secure and reliable supply chains and access to critical materials; We want to support our allies in preserving the freedom and security of Europe, while restoring Europe’s civilizational self-confidence and Western Identity.” The report savaged Europe, its over-regulation, stagnant economy, immigration policies, free speech limits.

Face Value IV: “We want to prevent an adversarial power from dominating the Middle East, its oil and gas supplies, and the chokepoints through which they pass while avoiding the “forever wars” that bogged us down in that region at great cost; and we want to ensure that U.S. technology and U.S. standards—particularly in AI, biotech, and quantum computing—drive the world forward. These are the United States’ core, vital national interests. While we also have others, these are the interests we must focus on above all others, and that we ignore or neglect at our peril.” I expect US spending/support to start looking more Beijing-like in these areas.

Face Value V: “The US must at the same time invest in research to preserve and advance our advantage in cutting-edge military and dual-use technology, with emphasis on the domains where U.S. advantages are strongest. These include undersea, space, and nuclear, as well as others that will decide the future of military power, such as AI, quantum computing, and autonomous systems, plus the energy necessary to fuel these domains.” The NSS report reads like a cold war playbook. Deploy capital and invest accordingly.

Face Value VI: “Additionally, the U.S. Government’s critical relationships with the American private sector help maintain surveillance of persistent threats to U.S. networks, including critical infrastructure. This in turn enables the U.S. Government’s ability to conduct real-time discovery, attribution, and response (i.e., network defense and offensive cyber operations) while protecting the competitiveness of the U.S. economy and bolstering the resilience of the American technology sector. Improving these capabilities will also require considerable deregulation to further improve our competitiveness, spur innovation, and increase access to America’s natural resources.”

Anecdote: “After the end of the Cold War, American foreign policy elites convinced themselves that permanent American domination of the entire world was in the best interests

of our country,” wrote the authors of the ‘National Security Strategy of the United States of America,’ released this week, signed by the President [[here](#)], who is not yet one full-year into his term. What follows speaks for itself. “Yet the affairs of other countries are our concern only if their activities directly threaten our interests. Our elites badly miscalculated America’s willingness to shoulder forever global burdens to which the American people saw no connection to the national interest. They overestimated America’s ability to fund, simultaneously, a massive welfare regulatory-administrative state alongside a massive military, diplomatic, intelligence, and foreign aid complex. They placed hugely misguided and destructive bets on globalism and so-called “free trade” that hollowed out the very middle class and industrial base on which American economic and military preeminence depend. They allowed allies and partners to offload the cost of their defense onto the American people, and sometimes to suck us into conflicts and controversies central to their interests but peripheral or irrelevant to our own. And they lashed American policy to a network of international institutions, some of which are driven by outright anti-Americanism and many by a transnationalism that explicitly seeks to dissolve individual state sovereignty. In sum, not only did our elites pursue a fundamentally undesirable and impossible goal, in doing so they undermined the very means necessary to achieve that goal: the character of our nation upon which its power, wealth, and decency were built.”

Good luck out there,

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Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US ISM mfg 48.2 (49.0e). UK mortgage approvals 65.0k (64.5k e). Turkey GDP 3.7% (4.2%e). South Korea CPI 2.4% (2.3%e). India IP 0.4% (2.5%e). Almost \$1bn of leveraged crypto positions were liquidated. Warner Bro’s fielded a second round of bids from Netflix, Paramount, and Comcast in an auction that could wrap up in the coming days. S&P -0.5%. **Tue:** Eurozone unemp rate 6.4% (6.3%e), Eurozone CPI est 2.2% (2.1%e) / Core 2.4% as exp. Brazil IP -0.5% (0.2%e). South Africa GDP 2.1% (1.8%e). South Korea GDP 1.8% (1.7%e). Australia GDP 2.1% (2.2%e). Amazon rushes out latest AI chip to take on Nvidia and Google. Silver neared a record high as traders bet on further monetary easing and supply tightness as gold slipped. S&P +0.3%. **Wed:** US ADP emp change -32k (10k e). Russia emp rate 2.2% (2.3%e). Turkey CPI 31.07% (31.60%e). Poland Base Rate unch 4.0% as exp. Taiwan President Lai Cheng-te warned China is stepping up military intimidating, with Lutnick saying that the US is expecting an investment pledge of \$300bn from the island. Nvidia scores lobbying win as Congress rejects chip export bill that would have limited Nvidia’s ability to sell advanced AI chips to China and other nations. S&P +0.3%. **Thu:** US init jobless claims 191k (220k e), cont claims 1939k (1963k e), factory orders 0.2% (0.3%e). Brazil GDP 1.80% (1.75%e). Ukrainian and US negotiators will meet for a new round of talks in Florida after Putin signaled that a peace deal was a long way off. US Supreme Court clears Texas to use a new Republican-drawn congressional map for next year’s election. S&P +0.1%. **Fri:** US UMich sent 53.3 (52.0e). Canada unemp rate 6.5% (7.0%e). Taiwan CPI 1.23% (1.50%e). Netflix to acquire Warner Bro’s in historic \$72bn deal. US Supreme Court to

review Trump's planned rollback of automatic birthright citizenship. Brazilian markets slumped following former President Bolsonaro's endorsement of one of his sons for presidential elections in October. S&P +0.2%.

Weekly Close: S&P 500 +0.3% and VIX -0.94 at +15.41. Nikkei +0.5%, Shanghai +0.4%, Euro Stoxx +0.4%, Bovespa -1.1%, MSCI World +0.5%, MSCI Emerging +1.4%, Bitcoin -1.8%, and Ethereum -0.6%. USD rose +2.2% vs Brazil, +0.6% vs India, and +0.1% vs Turkey. USD fell -1.4% vs Australia, -1.3% vs Russia, -1.1% vs Canada, -1.0% vs South Africa, -0.7% vs Sterling, -0.7% vs Mexico, -0.5% vs Yen, -0.5% vs Sweden, -0.5% vs Chile, -0.4% vs Euro, -0.1% vs Indonesia, and flat vs China. Gold -0.3%, Silver +3.3%, Oil +2.6%, Copper +3.6%, Iron Ore -3.2%, Corn -0.7%. 10yr Inflation Breakevens (EU +1bp at 1.78%, US +4bps at 2.27%, JP +7bps at 1.75%, and UK +2bps at 3.00%). 2yr Notes +7bps at 3.56% and 10yr Notes +12bps at 4.14%.

Manufacturing PMI (high-to-low): India 56.6 (previous month 59.2), Sweden 54.6 (previous month 55), Vietnam 53.8 (previous 54.5), Hungary 53.4/51.2, Indonesia 53.3/51.2, Norway 53.03/48.2, Hong Kong 52.9/51.2, Greece 52.7/53.5, Netherlands 51.8/51.8, Spain 51.5/52.1, Italy 50.6/49.9, Austria 50.4/48.8, UK 50.2/49.7, Singapore 50.2/50, China 49.9/50.6, Switzerland 49.7/48.2, South Korea 49.4/49.4, Poland 49.1/48.8, South Africa 49/48.8, Taiwan 48.8/47.7, Brazil 48.8/48.2, Japan 48.7/48.2, Canada 48.4/49.6, Russia 48.3/48, US 48.2/48.7, Germany 48.2/49.6, Czech Republic 48/47.2, Turkey 48/46.5, France 47.8/48.8, Mexico 47.3/49.5. **Services PMI:** India 59.8/58.9, Sweden 59.1/55.9, Ireland 58.5/56.7, Spain 55.6/56.6, Italy 55/54, US 54.1/54.8, Japan 53.2/53.1, Germany 53.1/54.6, Australia 52.8/52.5, Russia 52.2/51.7, China 52.1/52.6, France 51.4/48, UK 51.3/52.3, Brazil 50.1/47.7.

2025 Year-to-Date Equity Index Returns: Colombia +75.6% priced in US dollars (+53.1% priced in pesos), Korea +70.9% priced in US dollars (+70.9% priced in won), Czech Republic +67.2% priced in dollars (+43.6% in koruna), Hungary +65.6% in dollars (+37.3% in forint), Israel +63.8% (+45.7%), Chile +63.8% (+52.3%), Spain +61.9% (+43.9%), Greece +61.1% (+43.2%), Poland +56.4% (+38.2%), Austria +55.4% (+38.7%), South Africa +55.1% (+39%), Brazil +49.2% (+30.8%), Ireland +46.9% (+30.6%), Mexico +46.9% (+28%), Portugal +45.5% (+29.3%), Italy +42.3% (+27%), Finland +40.9% (+25.8%), Germany +35.2% (+20.7%), Sweden +33.4% (+13.8%), Vietnam +32.9% (+37.5%), Belgium +32.7% (+17.9%), Canada +31.7% (+26.6%), Euro Stoxx 50 +31.5% (+16.9%), Norway +31.1% (+16.3%), HK +29.7% (+30%), Japan +28.1% (+26.6%), Taiwan +27.5% (+21.5%), Singapore +26.2% (+19.6%), UK +26% (+18.3%), Switzerland +25.4% (+11.5%), France +23.7% (+9.9%), NASDAQ +22.1%, Netherlands +21.3% (+7.8%), China +20.2% (+16.4%), MSCI World +19.2% in US dollars, Indonesia +18.3% (+21.9%), S&P 500 +16.8%, Australia +13.6% (+5.8%), Russell +13.1%, Malaysia +7.1% (-1.6%), New Zealand +6.2% (+2.8%), UAE +5.7% (+5.6%), India +5.3% (+10.7%), Thailand -2.7% (-9%), Turkey -6.8% (+12%), Philippines -10.5% (-8.9%), Saudi Arabia -11.6% (-11.7%), Argentina -13.6% (+20.2%), Denmark -17.5% (-26.2%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, November 30, 2025 6:41:16 AM

Hope all goes well... Dusted off a 2018 anecdote about ridicule, resiliency, and 4th children, that had us all laughing again during Thanksgiving break (see below). Hope you and your clan had a wonderful celebration. Back next Sunday with full wknd notes. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (Nov 2018): “What the hell Charlie?” said Teddy, “Cover up your arms while we’re eating. Those sores are disgusting.” Charlie shrugged, too accustomed to sibling ridicule to be embarrassed. “That’s what happens when you itch mosquito bites,” said Olivia (15), an authority on basically everything. “And look at your fingernails Charlie, they’re filthy, no wonder you’re infected,” said Jackson (16), always game for gang tackles. “They’re not bug bites and I don’t itch them,” declared Charlie (9), finally pissed. “You itch them in your sleep,” said Teddy (13), stripping his lifelong roommate of a defense. And while none of us believed Teddy heard Charlie itching at night, one look at the damage to his skin and it was hard to draw another conclusion. “Whatever you do Charlie, don’t touch the little one on your face,” said Mara, promising to cut his fingernails after dinner. On Charlie’s upper lip was a new sore. On his arm were another two, a few biggies dotted his legs. “Those mosquitoes really love you Chuck,” I said, and a wave of doubt washed across the table. “What if it’s something else?” asked Olivia. “Strip down Charlie,” ordered Mara. “Seriously?” he asked, nervous. “Jesus!” gasped the table in unison, his back and chest covered in circles. “Ringworm!” declared Mara. “You gotta be kidding me!” shrieked Charlie. But not one of us knew what that meant, not even Mara. Which didn’t stop her from Googling it, confirming the fake diagnosis, and treating it immediately with a fake remedy: tea tree oil. Such is the life of a 4th child, living in a home too busy to pay attention. And in a world preposterously micromanaged, eating away at our resiliency, we’re all better for it. At least that’s what Mara and I tell ourselves. “Tree tea oil? Seriously?” asked the doctor three days later, shaking her head. And Charlie laughed, prescription in hand, on the road to recovery.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Singapore CPI 1.2% (0.9%e). Israel base rate 4.25% as exp. Tech stocks propelled a rise in equities as optimism increased around a rate cut in December. Trump held calls with Chinese President Xi Jinping and Japanese Prime Minister Sanae Takaichi as tensions over Taiwan threaten the US trade truce with China. S&P +1.6%. **Tue:** US cons conf

88.7 (93.3e). Mexico ret sales 3.3% (2.2%e). Australia CPI 3.8% (3.6%e). New Zealand official cash rate 2.25% as exp. Trump announced progress on the Ukraine and Russia peace deal as negotiations continue. White House National Economic Council Director Kevin Hassett is seen as the frontrunner for Trump's nomination of the next Federal Reserve chair. S&P +0.9%. **Wed:** US init jobless claims 216k (225k e). South Korea base rate unch 2.50% as exp. Equities continue to rally as rising bets for a rate cut revived markets following a selloff sparked by worries over lofty AI valuations. Two National Guard members on patrol were shot just blocks from the White House. Hong Kong fire sees death toll of at least 55 and the destruction of hundreds of homes, throwing scrutiny on the city's construction standards. S&P +0.7%. **Thu:** Eurozone M3 money supply 2.8% as exp. Japan jobless rate 2.6% (2.5%e). Trump announces that he will halt admissions from developing nations following the death of one of the National Guard members shot in DC by an Afghan national. Thanksgiving Day (US markets closed). **Fri:** Spain CPI 3.0% as exp. Italy CPI 1.1% (1.3%e). Poland CPI 2.4% (2.6%e). Taiwan GDP 8.21% (7.60%e). A 10 hour CME outage that began Thursday night halted futures and options markets was fully restored by the end of trading day Friday. Zelensky's chief of staff, Yermak, resigns following a corruption scandal amid peace deal negotiations. S&P +0.5%. **Sat:** Trump closes Venezuelan air space. Chinese parts supplier takes stake in Russian drone maker.

Weekly Close: S&P 500 +3.7% and VIX -7.08 at +16.35. Nikkei +3.3%, Shanghai +1.4%, Euro Stoxx +2.5%, Bovespa +2.8%, MSCI World +3.1%, MSCI Emerging +2.7%, Bitcoin +8.5%, and Ethereum +11.7%. USD rose +0.1% vs Turkey, and +0.1% vs India. USD fell -1.9% vs Russia, -1.5% vs South Africa, -1.5% vs Australia, -1.3% vs Brazil, -1.2% vs Chile, -1.1% vs Sweden, -1.0% vs Sterling, -1.0% vs Mexico, -0.9% vs Canada, -0.7% vs Euro, -0.4% vs China, -0.2% vs Indonesia, and -0.1% vs Yen. Gold +3.4%, Silver +13.1%, Oil +0.8%, Copper +3.5%, Iron Ore +0.2%, Corn +2.3%. 10yr Inflation Breakevens (EU flat at 1.76%, US -2bps at 2.23%, JP +5bps at 1.69%, and UK +3bps at 2.98%). 2yr Notes -2bps at 3.49% and 10yr Notes -5bps at 4.02%.

Nov Mthly Close: S&P 500 +0.1% and VIX -1.09 at +16.35. Nikkei -4.1%, Shanghai -1.7%, Euro Stoxx +0.8%, Bovespa +6.4%, MSCI World -0.3%, MSCI Emerging -2.2%, Bitcoin -16.9%, and Ethereum -21.2%. USD rose +1.4% vs Yen, +1.0% vs Turkey, +0.8% vs India, and +0.2% vs Indonesia. USD fell -4.1% vs Russia, -1.5% vs Chile, -1.4% vs Mexico, -1.3% vs South Africa, -0.8% vs Brazil, -0.6% vs China, -0.6% vs Sterling, -0.5% vs Euro, -0.5% vs Sweden, -0.2% vs Canada, and -0.1% vs Australia. Gold +5.6%, Silver +17.3%, Oil -3.4%, Copper +2.2%, Iron Ore -1.4%, Corn +0.8%. 10yr Inflation Breakevens (EU +1bp at 1.76%, US -8bps at 2.23%, JP +10bps at 1.69%, and UK +5bps at 2.98%). 2yr Notes -8bps at 3.49% and 10yr Notes -6bps at 4.02%.

2025 Year-to-Date Equity Index Returns: Colombia +76.2% priced in US dollars (+50.3% priced in pesos), Hungary +66.1% priced in US dollars (+38% in forint), Czech Republic +64.5% in dollars (+41.6% in koruna), Korea +64.3% (+63.6%), Chile +61.4% (+50.9%), Greece +58.9% (+41.7%), Poland +58.5% (+40.6%), Spain +58.3% (+41.2%), Israel +58% (+41.7%), Brazil +53.1% (+32.2%), Austria +52.7% (+36.8%), South Africa +51.3% (+37%), Ireland +47.5% (+31.6%), Mexico +46.4% (+28.4%), Portugal +43.8% (+28.3%), Italy +41.6% (+26.8%), Finland +38.5% (+24%), Germany +33.7% (+19.7%), Belgium +32.4% (+18.1%), Sweden +31.1% (+12.3%), Canada +30.7% (+26.9%), Euro Stoxx 50 +29.8%

(+15.8%), Vietnam +29% (+33.5%), Norway +29% (+14.6%), HK +28.6% (+28.9%), Japan +26.7% (+26%), Singapore +26% (+19.4%), UK +25.8% (+18.9%), Taiwan +25.3% (+19.9%), Switzerland +24.7% (+10.6%), France +23.4% (+10.1%), NASDAQ +21%, Netherlands +20.4% (+7.4%), China +19.7% (+16%), MSCI World +18% in US dollars, Indonesia +16.9% (+20.2%), S&P 500 +16.4%, Russell +12.1%, Australia +11.8% (+5.6%), India +6.1% (+10.8%), Malaysia +5.7% (-2.3%), New Zealand +5.6% (+2.9%), UAE +3.5% (+3.5%), Thailand -4.4% (-10.2%), Turkey -7.7% (+10.9%), Philippines -8.9% (-7.8%), Saudi Arabia -11.5% (-11.6%), Argentina -15.1% (+19.5%), Denmark -17.8% (-26.3%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, July 19, 2026 3:14:49 AM

Hope all goes well... Packed the U-Haul to the absolute limit Friday evening. Hitched it to Liv's Chevy pickup, its bed filled with camouflaged packs, boots, books, a dresser, pots and pictures. "On the road ahead of schedule," said Liv at 3:55am, the two of us rolling out of our driveway. She had me listen to a podcast on leadership from a decorated 1st Lieutenant who served in Afghanistan. Her favorite few chapters from The Hitchhikers Guide to the Galaxy. A lecture given by Ayn Rand on Objectivism. And we talked and talked. Our road trip flew by in just under 15 hours. Her first apartment. Her new branch, cyber warfare. Liv's great adventure begun.

I take late summer off from writing for time with family, reading, altitude, solitude. Wishing the same for you. Dusted off an Anecdote from 2012 about adventure (see below). All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (Sept 2012): "Daddy gave me an amazing day," announced Olivia, beaming, sparkling, as we walked through the front door, returning from our adventure. Mara snuck me a wink and gave her a big hug. You see, our children celebrate their birthdays by choosing an adventure. Olivia chose to climb Dragon's Back -- a steep ascent, along a remote, jagged ridge, high above Santa Barbara. The eagerly awaited day had at last arrived, and the two of us set off, in scorching Indian-summer heat. Our dog Wolfie joined too, seeking shadows, shade, panting. A third of the way up, Olivia's face turned red, flushed. Overheated. So, I told her we could turn back, do it another day, the mountain is always there. "We're not quitting, I'm 9 now." Onward we climbed. I mentioned that Wolfie was struggling, maybe we should turn back. "He'll be ok," said Olivia, emptying her water bottle on his head. So, I redirected conversation. To the seasons. Pointing to brittle twigs, that had once been soft wildflowers. And in months, will again be lush, delicate, radiant. To austere cacti, darting lizards, circling hawks. Attune to their environments. In harmony. I explained that to fight the seasons, the weather, prevailing conditions, is to invite unhappiness, misery, and worse. That this is true for every creature -- reminding myself that it applies equally to those who trade financial markets. And halfway up Dragon's Back, we sat in the shade of a large rock, looking out to sea, talking about whales, their seasonal migration. I told my determined little girl it might be fun to head down, to body-surf with dolphins, the waves looked perfect, even from afar. That this isn't quitting, it's finding harmony. "Yeah Daddy, that sounds great," she said, smiling. And we shifted course.

Good luck out there,

Eric Peters
Chief Investment Officer

Week-in-Review: Mon: China exports 27.0% (19.0%e), imports 36.0% (26.1%e). India CPI 4.38% (4.20%e). Singapore GDP 5.7% (5.5%e). Graham's sister appointed to US Senate days after his death. Trump notifies Congress of new war against Iran. US Fed Reserve Governor Waller said policymakers may need to raise rates to tame core inflation. S&P -0.8%. **Tue:** US CPI 3.5% (3.8%e), Core 2.6% (2.8%e). China GDP 4.3% (4.5%e), IP 5.3% (4.6%e), ret sales 1.0% (-0.1%e). South Korea unemp rate SA 2.7% (2.8%e). Japan IP -2.1% (-1.7% prior). US Fed Chairman Warsh said policymakers have no tolerance for high inflation and share a commitment to restoring price stability. US launched airstrikes on Iran as tensions increase. S&P +0.4%. **Wed:** US PPI final demand 5.5% (6.2%e), emp mfg 15.6 (9.2e). Bank of Canada rate decision unch 2.25% as exp. South Korea BOK base rate 2.75% as exp. House passes Trump's plan to make daylight savings time permanent. South Korea plans measures on leveraged ETFs driving surge in market volatility. Pentagon to screen testosterone of male troops, Hegseth says, with the slogan "High-T Department of War". SpaceX shares fall below IPO price of \$135 for first time as hype fades. S&P +0.4%. **Thu:** US init jobless claims 208k (217k e), cont claims 1805k (1818k e). UK IP 1.0% (1.3%e). Trump accuses China of election meddling. Eli Lilly strikes \$3.8B deal for psychedelic drugmaker. S&P -0.5%. **Fri:** US UMich sent 54.4 (51.0e), IP MoM 0.1% (0.2%e). Eurozone CPI 2.8% as exp, Core 2.4% as exp. Trump to call Canadian Prime Minister Carney over wildfire smoke, threatens tariffs. Meta in talks to sell computing power to Anthropic. SpaceX in talks to sell computing power to Pentagon. Sixth day of US, Iran counterattacks puts ceasefire out of reach. S&P -1.0%. **Sat:** 2 US troops killed and 1 missing in attack by Iran in Jordan late Friday. US launches retaliatory attacks on Iran. **Sun:** Argentina and Spain in World Cup Finals match.

Weekly Close: S&P 500 -1.6% and VIX +3.74 at +18.77. Nikkei -6.4%, Shanghai -5.8%, Euro Stoxx +0.1%, Bovespa -2.3%, MSCI World -1.2%, MSCI Emerging -4.1%, Bitcoin +0.3%, and Ethereum +2.9%. USD rose +1.4% vs Russia, +1.3% vs Chile, +1.3% vs South Africa, +1.0% vs India, +0.4% vs Yen, +0.4% vs Turkey, +0.3% vs Mexico, and +0.1% vs Brazil. USD fell -0.9% vs Canada, -0.9% vs Indonesia, -0.4% vs Australia, -0.4% vs Sterling, -0.2% vs Sweden, -0.2% vs Euro, and flat vs China. Gold -2.3%, Silver -6.4%, Oil (WTI) +15.5%, Oil (Brent) +15.9%, NatGas (US) -1.0%, NatGas (EU) +18.0%, Power (EU) +3.0%, Copper -0.3%, Iron Ore +2.8%, Corn +1.4%. 10yr Inflation Breakevens (EU +9bps at 2.07%, US -1bps at 2.25%, JP flat at 1.91%, and UK +6bps at 3.21%). 2yr Notes -3bps at 4.18% and 10yr Notes -1bp at 4.55%.

YTD Equity Index Returns: Korea +57.5% priced in US dollars (+61.8% priced in won), Taiwan +43.2% priced in US dollars (+47.3% priced in Taiwan dollars), Hungary +31.4% priced in US dollars (+27% in forint), Colombia +28.6% in dollars (+11.1% in pesos), Norway +24.1% (+18.6%), Japan +22.6% (+27.4%), Thailand +21.5% (+30.1%), Russell 2000 +19.4%, Singapore +18.1% (+18.6%), Israel +16.9% (+11.4%), Austria +16.3% (+19.5%), Brazil +15.7% (+7.8%), Poland +14.6% (+21%), Turkey +13.1% (+24.1%), Greece +12.5% (+15.4%), Italy +12.3% (+15.4%), Netherlands +11.9% (+14.8%), Portugal +10.7% (+13.5%), NASDAQ +9.8%, S&P 500 +8.9%, Canada +8.9% (+11.2%), MSCI World +8.5% priced in US dollars, Spain +8.2% (+11%), Belgium +8.1% (+10.9%), UK +6.8% (+6.7%), Mexico

+6.5% (+3.6%), Switzerland +5.9% (+8.1%), Australia +5.7% (+0.9%), Euro Stoxx 50 +4.9% (+7.6%), Sweden +4% (+9.2%), Finland +3.8% (+6.7%), Argentina +3% (+4.9%), New Zealand +2.7% (+1.1%), Saudi Arabia +2.2% (+2.2%), Malaysia +2.1% (+3.1%), Philippines +1.3% (+5.8%), Denmark +1.2% (+4.1%), Ireland +0.9% (+3.6%), Vietnam +0.2% (+0.2%), Chile +0.2% (+3.9%), France -0.3% (+2.3%), Germany -1.4% (+1.4%), UAE -2.1% (-2.1%), China -2.2% (-5.2%), HK -4.9% (-4.2%), South Africa -6% (-6.3%), Czech Republic -6.4% (-3.8%), India -13.1% (-6.9%), Indonesia -33.4% (-28.6%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, July 12, 2026 6:33:08 AM

Hope all goes well. It has been over six years since the Covid collapse. With risk asset valuations at historic extremes, chronic budget deficits, and seismic geopolitical and societal shifts, demand for robust risk mitigation is rising. We've been expanding One River's capabilities ahead of the next major market event. We just finalized the acquisition and integration of the LGT QIS risk mitigation business, and One River Switzerland is now open in Zurich [[here](#)]. At the same time, I closed my Coinbase chapter and split my One River CEO/CIO role so I can focus more fully as CIO on investments, risks, and opportunities. Patrick Kazley, who has done outstanding work here since 2021, is now One River's CEO.

Patrick just published a Total Portfolio investor's guide to building the perfect hedge [[here](#)]. While no perfect hedge exists, even strong but imperfect ones can help investors meaningfully outperform equities, while reducing downside volatility and max drawdowns along the way.

Overall: "President Putin said, 'I would love to meet Zelensky in Moscow.' And I said, 'I don't think...you know, I have to put myself in his position. I don't know that he'd go to Moscow,'" said Trump, seated next to Zelensky in the Oval Office, the two of them discussing Russia's war on Ukraine. "Maybe he would. Would you go to Moscow?" Trump asked Zelensky, putting him on the spot, cameras snapping away. "It's difficult. There are a lot of Ukrainian drones there," answered Zelensky, unable to suppress a smile. "That's right," said Trump. "It's dangerous," laughed Zelensky. Human beings really are the best. We can adapt to the sickest crap. And if we really can't stop ourselves from killing one another, may as well start joking about it. Iran's Larijani joked that the IRGC could take Trump out with a micro-drone while sunbathing at Mar-a-Lago. Trump told Fox News that it's been a long time since he's been sunbathing, "Maybe I was around 7 or so. I'm not too big into it." It wasn't long ago that the Iran war seemed like a big deal. It used to be that killing heads of state was taboo. And I can remember when people thought closing Hormuz would spark a global depression. Russia's biggest industrialist, Andrey Melnichenko, warned of the potential for a horrifying outcome if Russia continues down its self-destructive path. I'm pretty sure he was hinting that Putin might use a tactical nuclear weapon if backed into a corner. I first saw a philosophical justification for a preemptive tactical nuke strike 2mths ago [[here](#)]. Apparently, now that humans have adapted to the doctrine of mutually assured destruction, our thermonuclear nukes have become a bit of a joke, because no one would dare ever use one. The VIX index naturally declined to 15. Which mechanically forces volatility-controlled investment strategies to take more risk. Lifting equity prices. Lowering volatility. Inviting volatility sellers. Just like every other late market cycle. After a while it honestly gets kind of funny.

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Artificial Intelligence+: To break dependence on Western technology and drive a new era of growth, in 2024 Beijing explicitly categorized its industrial focus into: (1) Six Future

Industries (long-term, frontier technologies) and (2) Six Emerging Pillar Industries (near-term economic drivers). Then in Aug 2025, Beijing formalized an “Artificial Intelligence+” initiative, which treats AI as foundational, cross-cutting tech - like electricity or infrastructure - rather than a standalone sector. The initiative emphasizes deep AI integration across The Sixes.

Artificial Intelligence+ II: The Six Future Industries are frontier technologies that Beijing seeks to establish first-mover advantage and dictate global standards over 10yrs. China’s Ministry of Industry and Information Technology established six broad overarching categories (Future Manufacturing, Information, Materials, Energy, Space, Health). These translate into six specific priorities: Embodied Artificial Intelligence, Brain-Computer Interfaces, Quantum Technology, Hydrogen & Nuclear Fusion Energy, Biomanufacturing, and 6G Mobile Communications.

Artificial Intelligence+ III: The Six Emerging Pillar Industries are to drive immediate, massive economic output. Integrated Circuits: domestic semiconductor manufacturing to bypass US export controls. Low-Altitude Economy: drones, flying cars, and infrastructure to manage low-altitude airspace. Intelligent Robots: automation hardware for factories/logistics. Aviation and Aerospace: commercial spaceflight, satellite networks, domestic commercial aircraft. Energy Storage: advanced battery tech to support the grid. Biomedicine: advanced pharmaceuticals and medical equipment.

Ten Basis Points: “It’s going to be China or the US,” said the CIO, an American who built his firm in Asia, investing in equities, tech names, macro themes. “A European sovereign AI is a pipe dream – they think Mistral will be their LLM and they’ll build data centers? Really? How exactly?” he asked. “They need Nvidia. They need a tech stack that has emerged from American and Asian IP that combines to form these magical machines that you throw a model into.” To create intelligence. “And what happens to these nations that can’t afford tokens in the next few years? How do India and Brazil and all these second-tier companies even compete?”

Ten Basis Points II: “We’ve entered an era where the biggest of the big - Google, Microsoft, SpaceX, Tesla, even JP Morgan - will be accessing tokens in ways that is going to catapult their businesses ahead of everybody else,” continued the CIO. “This sort of faux debate over cheap open-source AI versus expensive Anthropic is nonsense. There’s a shortage of intelligence - pure and simple – we’re below ten basis points of market penetration in this stuff across the global economy, why are people even having a debate over this?”

Ten Basis Points III: “Given all the component shortages and constraints, and the anti-AI populist backlash, we could see a horrific market crash along the way, but we haven’t yet diffused this technology across the economy to the degree that it can be useful,” he continued. My Tesla drives me everywhere. I’m a super user, virtually alone. But in 10 years, no one will drive. “We have zero AI in a regulated processes within banks, healthcare companies and insurance companies because the errors and hallucination are being ironed out.” But they will be. “This could be the last great bull market in technology. What could eclipse

superintelligence?”

Anecdote: “As we know the two principal players and their mentor, I take their words and actions as a serious roadmap,” said the CIO. We were discussing Bessent’s speech at the Economic Club of New York [\[here\]](#) and Warsh’s press conference following his first FOMC meeting [\[here\]](#). “Much like the Chinese Communist Party 5-year plans, we’re glimpsing the future for American economic policy. Having watched the Chinese game the global trading system to the point that it broke leads me to believe it should be reassembled in Scott’s vision for something more equitable,” continued the CIO, an American who built his firm in Asia, investing in equities, tech, macro themes. “AI competition with China is also central to this strategy. It’s possible that like Reagan spending Gorbachev into the ground, we could cause the Chinese system to hit the wall.” Interesting. “Beijing’s national data center strategy is to build massive scale in token factories.” CXMT is their national DRAM champion and is about to IPO. Its disclosures reveal deep inefficiencies. Beijing will inevitably subsidize its losses. “Chinese open-source models are all the rage on Twitter. They’re not as good for complex thinking but very good at specific tasks and sub agent work. Therefore, as these models sit on US tech stacks, no Chinese innovator is making money - AWS makes the money for producing the token,” he said. “Having already sunk massive amounts into EV, Solar, and other areas, one day the Chinese may well hit a wall, especially given they have yet to tackle their property sector.” The chronic decline in Chinese property prices has caused a depression in domestic consumption. “If Scott’s strategy works and allied nations realize it’s better to play along then not, the Chinese export markets could become smaller precisely when they need them most. At the same time Taiwan, Singapore, Korea, and Hong Kong do stuff we need so we could work more diplomatically with them as they are no longer the Asian Tigers of our youth,” he said. “Let’s see how it plays out but it’s fascinating and why guys like us stay in the game.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: **Mon:** Israel base rate 2.50% as exp. Thailand CPI 2.42% (2.70%e). Singapore ret sales 3.0% (4.7%e). President Xi Jinping agreed to free imprisoned pastor at Trumps request, showcasing an improved state of US-China relations. SK Hynix kicked off formal marketing process for \$28B US listing. S&P +0.4%. **Tue:** US trade balance -\$77.6b (-\$78.4b). New Zealand official cash rate 2.50% as exp. Taiwan CPI 2.60% (2.32%e). Le Pen cleared to run in 2027 French presidential race. US military says it’s launching new wave of strikes against Iran after recent attacks on ships transiting the Strait of Hormuz. S&P -0.3%. **Wed:** China CPI 1.0% (1.1%e), PPI 4.1% as exp. Oil rises as US military launches strikes on Iran for second straight day. Meta to invest \$10B to build first Canada data center. China to let top AI firms buy a limited amount of Nvidia H200 chips. S&P -0.1%. **Thu:** US init jobless claims 215k (217k e). Mexico CPI 3.37% (3.50%e). Japan PPI 7.1% (6.8%e). Japan urges its

pension funds to invest in domestic assets. Fed Chair Warsh named leadership for five new task forces. Micron plans to increase spending on new plants in the US to \$250B to meet demand for memory chips. S&P +0.6%. **Fri:** Canada unemp rate 6.5% (6.6%e). Apple sues OpenAI for trade secret theft. US demands Iran issue a public statement that the Strait of Hormuz is open to all ships. S&P +0.2%.

Manufacturing PMI (high-to-low): Sweden 58.3 (previous month 57.4), Netherlands 55.5 (previous month 55.9), Taiwan 55.2 (previous 56.1), Japan 54.8/54.5, Switzerland 54.3/57.3, India 54.2/55, Czech Republic 53.9/52.2, Greece 53.8/53.3, US 53.3/54, Canada 53/52.9, UK 52.5/53.9, Italy 52.2/52.9, South Korea 52.1/54.8, Hong Kong 52/50.4, Vietnam 51.8/52.8, China 51.7/51.8, Hungary 51.5/50.2, Mexico 51.3/49.6, Singapore 51.3/51, France 51.2/49.7, Austria 50.9/51.7, Brazil 50.8/49.1, South Africa 50.5/49.6, Germany 50.3/50.1, Russia 50.3/48.8, Spain 49.7/51.2, Turkey 47.1/49.8, Indonesia 46.9/50, Poland 46.1/49.4. **Services PMI:** India 57.4/59.8, Sweden 56.6/54.2, Spain 54.2/50.1, Ireland 54.2/50.8, China 54.1/54.4, Japan 52.2/50, Brazil 51.3/50.4, US 51.2/50.7, Australia 50.5/48.7, Italy 50.2/49.4, UK 48.8/49.3, Germany 48.6/48.1, Russia 48.2/48.7, France 46.8/44.3.

Weekly Close: S&P 500 +1.2% and VIX -0.78 at +15.03. Nikkei -1.7%, Shanghai -1.2%, Euro Stoxx -1.8%, Bovespa +2.2%, MSCI World +0.5%, MSCI Emerging -1.8%, Bitcoin +2.7%, and Ethereum +2.6%. USD rose +0.6% vs Indonesia, +0.5% vs South Africa, +0.5% vs Chile, +0.4% vs Turkey, +0.2% vs Yen, +0.2% vs Euro, +0.1% vs India, and +0.1% vs Sweden. USD fell -1.2% vs Brazil, -0.4% vs Sterling, -0.3% vs Canada, -0.2% vs Australia, -0.1% vs Russia, -0.1% vs China, and flat vs Mexico. Gold -0.3%, Silver -1.5%, Oil (WTI) +4.0%, Oil (Brent) +5.4%, NatGas (US) -8.0%, NatGas (EU) +7.9%, Power (EU) +1.4%, Copper +1.8%, Iron Ore -0.3%, Corn +4.4%. 10yr Inflation Breakevens (EU +8bps at 1.98%, US +2bps at 2.25%, JP -15bps at 1.91%, and UK +3bps at 3.15%). 2yr Notes +7bps at 4.21% and 10yr Notes +8bps at 4.56%.

YTD Equity Index Returns: Korea +70.2% priced in US dollars (+77.4% priced in won), Taiwan +52.8% priced in US dollars (+56.6% priced in Taiwan dollars), Hungary +35.3% priced in US dollars (+28.3% in forint), Japan +31.8% in dollars (+36.2% in yen), Colombia +29.8% (+11.6%), Thailand +21.5% (+28.7%), Norway +20.6% (+16.9%), Russell 2000 +20%, Brazil +18.6% (+10.4%), Austria +18.4% (+21.8%), Singapore +17.3% (+17.7%), Turkey +16.3% (+27.2%), Israel +15.9% (+9.4%), Greece +15.4% (+18.5%), Poland +15% (+21.3%), Italy +13.8% (+17.1%), NASDAQ +13.1%, Netherlands +11% (+14%), Portugal +10.8% (+13.8%), S&P 500 +10.7%, MSCI World +9.9% priced in US dollars, Spain +9.1% (+12%), Canada +8.2% (+11.3%), Belgium +7.3% (+10.2%), Mexico +6.6% (+3.4%), Finland +5.6% (+8.6%), Euro Stoxx 50 +5.4% (+8.3%), Australia +5.4% (+1.1%), UK +5.4% (+5.7%), Switzerland +5.2% (+7.3%), Sweden +5.1% (+10.2%), Argentina +5% (+7.5%), China +3.9% (+0.7%), Ireland +3.2% (+6%), Saudi Arabia +2.9% (+3%), Chile +2.8% (+5.5%), Vietnam +2.5% (+2.5%), New Zealand +1.8% (+1.8%), Malaysia +0.3% (+0.7%), France -0.3% (+2.3%), Germany -0.5% (+2.4%), UAE -0.6% (-0.6%), Philippines -0.7% (+3.9%), Denmark -0.7% (+2.2%), South Africa -4.1% (-5.6%), Czech Republic -5% (-2.2%), HK -6.4% (-5.7%), India -12.7% (-7.4%), Indonesia -36.6% (-31.5%).

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, July 5, 2026 10:31:10 AM

Hope all goes well... Happy 4th of July. Wonderful to bring family back together for Independence Day. Dusted off an anecdote from June 2018 about the paths we share (see below).

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (June 2018): He would have me throw the bones, seated on animal skins in a quiet yurt. The cup's contents tumbled across the floor. Tiny bones, hyena, lion, leopard, vulture, a small gold Krugerrand, colorful beads, ivory, crystal, ironwood. The South African had dedicated his journey to studying western medicine and Namibian shamanism; the former a miracle, the latter magical. He combined the two, shared the gift. Shamanism connects us with our ancestors, who protect, advise, guide. They communicate through the positioning of the bones, scattered on every roll. I avoided asking about the future. The idea that it is pre-ordained is deeply unsettling. A world where life sheds uncertainty, where actions lack consequences, frightens me. I'd return from the Shaman, and friends would ask what I'd learned about things that matter; health, wealth, tomorrow's S&P close. But I spent the time looking back, fascinated by my place in this endless stream, how our lives bridge those behind us with those ahead. We discussed my dreams, often fantastic adventures, which I jotted down in the dark before they escaped. A few spiritual guides have been placed along my path, each unique, unlikely. The Shaman was also a father of four, but rather older. He shared much of himself, fears, failures, joys, discoveries. I shared the same. Charlie was just three, 2012, we knew he'd be our last. The weight of my work, the hours, the travel, left me anxious I'd not be there for them. The Shaman had lived the same fear, and to an extent had realized it. His career's cadence left more time for his last child than first. And it shaped them all, uniquely. "But you can't fear that. Let it go, completely. You'll do all that you can. You may even be gone tomorrow, but their path continues. Their journey is not your journey. It is their journey."

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: India IP 5.1% (4.5%e). China mfg PMI 50.3 (50.1e), non-mfg PMI 50.2 (49.9e). Japan jobless rate 2.5% as exp, IP MoM 0.5% (0.7%e). Yen hits four-decade low, with Japanese authorities likely to move ahead with intervention or verbal warnings. US Supreme Court ruled mail ballots can arrive after Election Day and also ruled to expand the President's power to fire top government officials. S&P +1.2%. **Tue:** Canada GDP 1.1% (0.9%e). UK GDP 0.9% (1.1%e). Trump reports at least \$1.4B in 2025 crypto earnings. Bitcoin falls to 21-month low on strategy, rate-hike fears. US lifts export restrictions on

Anthropic's Fable 5 AI Model. S&P +0.8%. **Wed:** US ADP emp change 98k (120k e). Eurozone CPI 2.8% (3.0%e), Core 2.4% (2.5%e). South Korea CPI 3.2% as exp. South Korean stocks slumped as Meta's plan to sell computing power raised questions over excess in AI capacity, driving a selloff in chipmakers. Apple seeks to buy Chinese-made memory chips by lobbying US. US Fed Reserve Chairman Warsh reiterated his preference for the US Central Bank to scale back its bond portfolio. S&P -0.2%. **Thu:** US change in nonfarm payrolls 57k (113k e), init jobless claims 215k (218k e), cont claims 1814k (1820k e), unemp rate 4.2% (4.3%e). Eurozone unemp rate 6.2% (6.3%e). The SEMI industry association warned the Trump administration that government attempts to address global chip shortage by influencing prices or production capacity would worsen the supply squeeze. Anthropic in talks with Samsung for custom AI chip. S&P flat. **Fri:** Turkey CPI 32.11% (32.10%e). Yen strengthens as traders brace for holiday intervention risk. Won jumps as South Korea prepares for currency flows from Hynix ADRs. S&P 500 closed for Independence Day.

Weekly Close: S&P 500 +1.8% and VIX -2.60 at +15.81. Nikkei +0.6%, Shanghai +0.4%, Euro Stoxx +2.7%, Bovespa +0.4%, MSCI World +2.1%, MSCI Emerging +0.9%, Bitcoin +3.9%, and Ethereum +10.6%. USD rose +0.9% vs India, +0.4% vs Turkey, and +0.2% vs Indonesia. USD fell -1.7% vs Russia, -1.4% vs South Africa, -1.1% vs Sterling, -0.8% vs Sweden, -0.6% vs Australia, -0.5% vs Euro, -0.4% vs Chile, -0.3% vs China, -0.2% vs Yen, -0.2% vs Mexico, -0.1% vs Brazil, and flat vs Canada. Gold +0.7%, Silver +2.3%, Oil (WTI) -0.8%, Oil (Brent) -0.7%, NatGas (US) -2.5%, NatGas (EU) +10.4%, Power (EU) +5.9%, Copper -0.6%, Iron Ore +0.5%, Corn +0.0%. 10yr Inflation Breakevens (EU +7bps at 1.90%, US +3bps at 2.23%, JP +3bps at 2.06%, and UK +2bps at 3.12%). 2yr Notes +4bps at 4.14% and 10yr Notes +11bps at 4.49%.

June Monthly Close: S&P 500 -1.1% and VIX +1.13 at +16.45. Nikkei +5.6%, Shanghai +0.6%, Euro Stoxx +2.5%, Bovespa -1.0%, MSCI World -0.8%, MSCI Emerging -1.7%, Bitcoin -20.2%, and Ethereum -21.7%. USD rose +10.7% vs Russia, +4.9% vs Sweden, +3.8% vs Australia, +3.7% vs Chile, +2.9% vs Canada, +2.5% vs Brazil, +2.1% vs Euro, +2.1% vs Yen, +1.8% vs Turkey, +1.5% vs Sterling, +1.0% vs South Africa, +0.8% vs Mexico, and +0.3% vs China. USD fell -0.4% vs India, and flat vs Indonesia. Gold -12.1%, Silver -21.6%, Oil (WTI) -18.5%, Oil (Brent) -18.1%, NatGas (US) -1.3%, NatGas (EU) -5.5%, Power (EU) +3.9%, Copper -3.0%, Iron Ore -6.4%, Corn -8.2%. 10yr Inflation Breakevens (EU -19bps at 1.85%, US -17bps at 2.23%, JP -18bps at 2.01%, and UK -21bps at 3.12%). 2yr Notes +17bps at 4.18% and 10yr Notes +3bps at 4.47%.

Year-to-Date Close Through June 30th: S&P 500 +9.6% and VIX +1.50 at +16.45. Nikkei +39.2%, Shanghai +3.2%, Euro Stoxx +8.4%, Bovespa +6.8%, MSCI World +8.9%, MSCI Emerging +22.7%, Bitcoin -32.9%, and Ethereum -46.8%. USD rose +8.6% vs Turkey, +7.1% vs Indonesia, +5.3% vs India, +5.3% vs Sweden, +3.7% vs Yen, +3.4% vs Canada, +2.8% vs Euro, +2.4% vs Chile, and +1.6% vs Sterling. USD fell -5.7% vs Brazil, -3.6% vs Australia, -2.9% vs Mexico, -2.9% vs China, -1.0% vs South Africa, and -0.3% vs Russia. Gold -9.1%, Silver -17.1%, Oil (WTI) +21.8%, Oil (Brent) +21.2%, NatGas (US) -12.5%, NatGas (EU) +62.1%, Power (EU) +36.7%, Copper +7.1%, Iron Ore -8.0%, Corn -5.3%. 10yr Inflation Breakevens (EU +10bps at 1.85%, US -1bp at 2.23%, JP +23bps at 2.01%, and UK +18bps at 3.12%). 2yr Notes +70bps at 4.18% and 10yr Notes +30bps at 4.47%.

YTD Equity Index Returns: Korea +80.8% priced in US dollars (+91.9% priced in won), Taiwan +58.8% priced in US dollars (+61.5% priced in Taiwan dollars), Hungary +36.9% in dollars (+28.9% in forint), Japan +34.2% (+38.5%), Colombia +25.4% (+11%), Thailand +21.1% (+27.9%), Russell 2000 +20.7%, Norway +20.5% (+17.5%), Austria +19.9% (+23.3%), Israel +19% (+11.9%), Turkey +17.5% (+28%), Greece +16.6% (+19.6%), Brazil +14.6% (+8%), Italy +14.3% (+17.5%), Poland +13.7% (+18.7%), Portugal +13.6% (+16.6%), Singapore +12.4% (+12.9%), Spain +11.8% (+14.7%), Belgium +11.6% (+14.5%), NASDAQ +11.1%, Netherlands +11% (+13.9%), S&P 500 +9.3%, MSCI World +9.3% priced in US dollars, Euro Stoxx 50 +7.9% (+10.7%), Finland +7.9% (+10.9%), Mexico +7.5% (+4.3%), Canada +7.5% (+11.2%), Sweden +7.4% (+12.6%), Switzerland +7% (+8.7%), UK +6.8% (+7.5%), Australia +5.5% (+1.5%), China +5% (+1.9%), Vietnam +4.3% (+4.3%), Ireland +3.7% (+6.4%), Saudi Arabia +3.1% (+3.2%), Germany +2.4% (+5.3%), Argentina +2.3% (+4.8%), France +1.7% (+4.4%), Chile +1.1% (+3.2%), Denmark +0.8% (+3.7%), New Zealand -0.3% (+0.5%), Malaysia -0.4% (-0.1%), UAE -0.9% (-0.9%), Philippines -2.2% (+2.2%), South Africa -2.5% (-4.5%), Czech Republic -5.1% (-2.6%), HK -9.6% (-8.9%), India -12.2% (-7.1%), Indonesia -36.8% (-32%).

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Please [click here](#) to manage mailing list preferences.

From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, June 28, 2026 6:46:40 AM

Hope all goes well... “I am confident that the Fed chair will optimize the path for both inflation and economic growth,” said America’s Treasury Secretary to The Economic Club of New York, a packed room of us in attendance. “The president said at Chair Warsh’s swearing in that he would be independent and that he should do what he wants,” continued Bessent. “The president understands; he and I have talked about it quite a bit. The bond market has taken out more governments than howitzers,” said Scott. And that last bit was particularly interesting, remarkable in fact, coming from someone who has made a fortune bringing Prime Ministers who underestimated the fearsome power of markets to their knees. “So, I believe that the President has complete confidence in the Fed chair to do the right thing.”

For the past three years I’ve led both One River Asset Management - the firm I founded in 2013 - and Coinbase Asset Management, which was born from Coinbase’s acquisition of One River Digital in early 2023. Running both simultaneously, across digital assets and traditional finance, has been the opportunity of a lifetime. On Friday, I stepped down as CEO of Coinbase Asset Management, turning over the reins to a phenomenal team. Going forward, I’m refocusing 100% of my time and energy with my partners and teammates at One River [\[here\]](#).

Overall: Kevin Warsh’s nomination for the position of Fed Chairman, on January 30th, marked the high in gold, the low in the dollar. “Press conferences are useful. But when you have one, you want to make sure you have something important to say,” said Fed Chairman Warsh on June 17th, his first press conference, the weight of the America’s economic stability on his shoulders, President Trump in one ear, Stan Druckenmiller in the other. “Today I think we had something important to say about our commitment to deliver on price stability, our commitment to rethink practices with an eye of moving the Fed forward, and to give you and the American people a sense that these aren’t idle thoughts.” Here are five statements he made with respect to achieving the Fed’s inflation target: “We recognize that inflation has been running well ahead of the Fed’s long-stated inflation goal of 2% that’s been going on for more than five years. Persistently high prices are a burden for the American people.” – “But the recent past need not be prologue. I am pleased to report that members of the FOMC are unambiguous and unanimous: This Committee will deliver price stability.” – “On the 2% inflation objective, that is the Federal Reserve’s long-held objective of 2%. You’ve heard me say before, I tend to focus on the left of the decimal point. Well, the two is the left of the decimal point. For now, zero is to the right. I see no reason until we have reestablished our commitment and ability to deliver on the 2% inflation objective to revisit that.” – “First, we have the capability and commitment to deliver on our price-stability objective of 2%. That’s what we’re going to do.” – “The Fed statement says that inflation is primarily determined by monetary policy. You bet it is. I’ve said for years inflation is a choice. You bet it is. And today I’m announcing that this Committee, unambiguously and unanimously, have decided we are going to deliver on that.” There was no need for Warsh to nail himself to the cross of restoring 2% price stability during his first press conference. But he deliberately did exactly that. And there may be historical examples of highly intelligent, extremely wealthy, market savvy, self-made, principled men, who cannot be fired by an American President, publicly committing to

things that they have no intention of doing. But Kevin Warsh is not one of them.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Statecraft: “I would like to describe our strategy for economic statecraft by which I mean the disciplined use of America's economic power in the service of our sovereignty,” said Secretary Bessent. “For the better part of a century, the United States was the principal architect and guarantor of an open global economic system that delivered enormous benefits. It raised our allies from the ruins of war, widened channels for global trade, lifted standards of living, and attained a position of influence that remains unmatched in modern history. But the success of the system does not absolve us from revisiting its assumptions.”

Statecraft II: “In a world in which our overriding task was to help our allies rebuild their economies and defend against the specter of communism, we accepted asymmetries because they served a larger strategic purpose,” continued the Treasury Secretary. “We opened our market because it helped create a more prosperous world, and we tolerated imbalances because American economic strength appeared unassailable. Over time, however, these choices hardened into habits. Habits into assumptions, and assumptions left unexamined into vulnerabilities.”

Statecraft III: “We came to believe that access to the American market could be extended without condition and therefore, without consequence,” said Bessent. “We assumed that closer economic integration would always result in a greater conversion of interest. That supply chains would function in every crisis; low prices would compensate for lost capacity. And above all, that other countries would treat our firms as fairly as we had treated theirs. Of course, those assumptions failed to materialize fully. Some failed slowly, others all at once.”

Statecraft IV: “I organize our approach to economic statecraft under President Trump around five core principles,” said Bessent. “First is that economic security begins with national capacity. We have rediscovered a great call, what Alexander Hamilton called us around the time of our founding, that every nation ought to endeavor to possess within itself all the essentials of national supply. That our strength is derived from what we can build. The 2nd principle is that America’s openness must be matched by reciprocity, which is the basis of durable cooperation. No economic relationship can remain healthy if one side opens its market, while the other closes it.”

Statecraft V: “The third principle is that America will write the rules of the next economy,” said the Treasury Secretary. “Unlike much of the last century, the next era of domestic competition will not be confined to the movement of goods across oceans and ports. It will be shaped by platforms, systems, and protocols through which commerce flows in the twenty-first century. In each of these domains, standards become strategy. If America and our partners set open, secure, market-based standards, then the twenty-first century will tilt toward freedom and prosperity by rewarding innovation, protecting intellectual property, and ensuring that competition is not distorted by discrimination.”

Statecraft VI: “The fourth principle is that financial leadership is a central instrument of statecraft,” said Bessent. “There is nothing accidental about the dollar’s place in the world. Its broad usage reflects the depth of our markets, the strength of our rule of law, the credibility of our institutions, and the scale of our economy. Treasury’s job is to protect the integrity of the financial system by rooting out abuses and to deploy this power with discipline. Sanctions must be targeted, enforceable and connected to strategy. They must be paired with diplomacy, compliance, intelligence, and coordination with our partners.”

Statecraft VII: “The fifth and most important principle is that economic statecraft, first and foremost must serve the American people,” said Bessent. “The purpose of American economic statecraft is to connect national power with household prosperity. We need an economy in which working families are not merely consumers of what the world produces, but participants in what America builds. An economy in which no community is asked to accept permanent decline as the cost of global efficiency. An economy in which the gains of national strength are broadly shared beyond the boardrooms and trading floors to families and communities who sustain it.”

Anecdote: Secretary Bessent’s speech at The Economic Club of New York was one of those rather important ones. Coming so soon after Fed Chairman Warsh’s first press conference, it had that ring of coordination to it. I sat right up front at a table hosted by one of America’s great technology giants. They were telling me all about the accelerating speed of R&D progress in their quantum computing lab. Lost in the world’s excitement over the latest LLM release are the stunning developments in a whole new computing paradigm. And that of course, is the story of American innovation, which tends to come in bursts. Bessent and Warsh know this better than anyone. Their job is to buy time, so that our entrepreneurs can produce breakthroughs, boost productivity, lifting wages and tax receipts sufficient to keep the over-leveraged, over-entitled, over-indebted American flywheel spinning. In recent years, the consensus came to expect that the way to keep the wheel spinning would be through inflation, eroding away our debts through a decline in the value of the dollar. But it’s alternatively possible - and better for longer-term American power and global stability - to keep the flywheel spinning with a firm dollar combined with a high-productivity economic boom. “I remember when Germany wasn’t an industrial powerhouse. They did it with a strong currency, and the strong Deutsche mark constantly made them become more efficient, made them innovate, and made them up their production game,” explained Bessent. “When people talk about a strong dollar, I don’t think it is the Bloomberg dollar index. I think that it means that we are doing the things to give us the underpinnings that people want to come to this country, whether it’s tax certainty, regulatory certainty, energy certainty. And I don’t necessarily believe that there is a duality there in a strong dollar and a manufacturing economy.”

Good luck out there,

Eric Peters
Chief Investment Officer

Week-in-Review: Mon: Canada CPI 3.2% (3.0%e). Eurozone cons conf -17.7 (-18.0e). Fed's Goolsbee said he remains concerned about inflation and questioned whether all the factors driving prices up are temporary. Yen intervention prospect rises after Katayama-Bessent talks, with the yen trading near its weakest level in four decades. S&P -0.4%. **Tue:** Mexico ret sales 4.4% (3.6%e). Hungary CB rate decision 6.00% as exp. Australia CPI 4.0% (4.3e%). MSCI postponed its review on Indonesian equities for more time to see if recently announced transparency reforms would be effective. US Republican-led Senate voted to end war with Iran. S&P -1.4%. **Wed:** US new home sales 580k (640k e). Mexico bi-weekly CPI -0.11% (0.05%e). Russia IP -0.7% (2.5%e). US and Iran reportedly making progress in peace negotiations but outstanding issues, including Israel's conflict with Iran-backed Hezbollah in Lebanon, continue to stand in the way of a firm deal. Back-to-back earthquakes struck Venezuela. US memory chipmaker Micron surged after its quarterly sales forecast exceeded estimates. South Korean memory chipmaker SK Hynix surged after announcing \$29B US listing plan. S&P -0.1%. **Thu:** US init jobless claims 215k (225k e), cont claims 1821k (1802k e), GDP ann QoQ 2.1% (1.6%e). Mexico overnight rate unch 6.50% as exp, unemp rate NSA 2.76% (2.60%e). South Africa PPI 7.8% (6.7%e). Korean stocks tumble 9% on chip selloff, triggers trading halt. Ship struck in Hormuz renewed concerns about safe passage. US Department of Transportation moves to drop brake pedal mandate for autonomous vehicles. S&P flat. **Fri:** US UMich sent 49.5 (50.0e). Singapore IP 13.0% (17.5%e). Anthropic's Mythos 5 AI model cleared by US for wider use. OpenAI limits release of new GPT-5.6 model under pressure from US. Zuckerberg urged Meta to explore working with Polymarket and Kalshi. S&P -0.1%.

Weekly Close: S&P 500 -2.0% and VIX +1.63 at +18.41. Nikkei -2.7%, Shanghai -1.5%, Euro Stoxx +0.0%, Bovespa +2.9%, MSCI World -1.7%, MSCI Emerging -4.5%, Bitcoin -5.0%, and Ethereum -7.3%. USD rose +7.2% vs Russia, +2.0% vs Chile, +1.7% vs Australia, +1.6% vs Sweden, +0.9% vs Mexico, +0.8% vs Euro, +0.7% vs Indonesia, +0.5% vs China, +0.4% vs Brazil, +0.4% vs Turkey, +0.3% vs Canada, +0.3% vs Yen, +0.2% vs Sterling, +0.1% vs South Africa, and +0.1% vs India. Gold -3.5%, Silver -10.7%, Oil (WTI) -8.7%, Oil (Brent) -9.2%, NatGas (US) +0.1%, NatGas (EU) -3.1%, Power (EU) +3.9%, Copper -3.8%, Iron Ore -1.7%, Corn -0.6%. 10yr Inflation Breakevens (EU -10bps at 1.83%, US -6bps at 2.20%, JP -10bps at 2.03%, and UK -8bps at 3.10%). 2yr Notes -9bps at 4.09% and 10yr Notes -8bps at 4.37%.

YTD Equity Index Returns: Korea +87.4% priced in US dollars (+99.6% priced in won), Taiwan +51.7% priced in US dollars (+53.9% priced in Taiwan dollars), Japan +33.2% priced in dollars (+37.8% priced in yen), Hungary +33% in dollars (+25.9% in forint), Russell 2000 +21.3%, Colombia +20.9% (+10.6%), Turkey +16.8% (+26.8%), Norway +16.7% (+14.9%), Austria +16.5% (+20.3%), Israel +15.3% (+8.3%), Thailand +15.2% (+22.4%), Brazil +14.2% (+7.6%), Greece +12.1% (+15.5%), Singapore +11.1% (+11.7%), Italy +10.5% (+14.1%), Poland +10% (+15.3%), Portugal +10% (+13.3%), Belgium +9.7% (+13%), Spain +8.9% (+12.2%), NASDAQ +8.8%, Netherlands +8.2% (+11.5%), Mexico +7.7% (+4.5%), S&P 500 +7.4%, MSCI World +7.1% priced in US dollars, Canada +6.6% (+10.3%), Finland +5.6%

(+9%), Vietnam +4.9% (+4.9%), Switzerland +4.4% (+6.8%), China +4.3% (+1.5%), Euro Stoxx 50 +4.3% (+7.4%), Saudi Arabia +4.1% (+4.2%), Australia +4% (+0.6%), UK +3.9% (+5.8%), Sweden +3.3% (+9.4%), Ireland +3.3% (+6.4%), Argentina +0.9% (+2.4%), Chile +0.3% (+2.7%), France -0.1% (+2.9%), UAE -1.1% (-1.1%), Malaysia -1.5% (-0.7%), New Zealand -2.4% (-0.4%), Germany -2.4% (+0.7%), Philippines -3.7% (+0.3%), Denmark -4.1% (-1%), South Africa -5% (-5.6%), Czech Republic -7.8% (-4.6%), HK -12.2% (-11.5%), India -12.3% (-7.9%), and Indonesia -36.1% (-31.8%).

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From: [Eric Peters](#)
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Date: Sunday, June 21, 2026 10:31:31 AM

Hope all goes well... Spent the Juneteenth long weekend back in Annapolis with Charlie, my youngest, as the summer lacrosse season heats up for all the kids dreaming of playing college ball in a couple years. Dusted off an anecdote from 2021 when my oldest was down here in Annapolis, learning how to manage stress. Back next Sunday with full weekend notes. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (2021): “I’m stressed Dad,” said Jackson, nearly twenty years old, preparing for mid-terms. I smiled, hearing in his voice the story of my life. “Stress is okay, drowning isn’t. Which is it?” I asked. “Let me put it this way, my easiest classes are Calc 3 and Physics.” I laughed, couldn’t help it. “What’s your favorite class?” I asked. “Matrix Theory for sure. My professor is awesome.” Jackson and I discussed Matrix Theory this summer - back when I knew more about quantum mechanics than he - I explained how happy I was he’d earned the opportunity to study something so enigmatic. There’s nothing as gratifying as seeing our children surpass us. And I’d glimpsed the leading edge. “It’s wild the way he teaches, he’s young, unusual, incredible. He just told us the exam will be 80% what we’ve studied, and 20% things neither he nor we have ever seen.” I nodded. Young minds are sublime. The greatest teachers unleash them. Werner Heisenberg made his miraculous breakthrough at twenty-three, after a period of total isolation and fevered contemplation on Helgoland, a desolate island in the North Sea. Heisenberg’s uncertainty principle opened the field of quantum mechanics. “Our whole class was like, you’re kidding right? Of course, he wasn’t. But I get it, he’s training us to think for ourselves under pressure, to see what ideas form, to stretch us. Maybe himself too.” Stress is the prerequisite for growth, the key ingredient for an interesting life. I explained to Jackson I’ve spent a career over my skis, getting myself naked short, scrambling to cover, over and over. That’s how you build a business, or anything for that matter. It is what produces the pressure to perform. In time you come to see stress as a gift, a lever. “Your professor is exactly the kind of person you need to fill your life with; that’s something I wish I’d learned at your age,” I said. “I hear you Dad,” Jackson said, laughing, “but at this exact moment, I’m just kind of wishing I’d chosen an easier major.”

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: US emp mfg 5.7 (13.7e). Japan BOJ target rate 1.00% as exp. China IP 4.5% (4.4%e), ret sales -0.6% (-0.2%e). Anthropic holds talks with US in bid to lift curbs

on AI models. Fox to buy Roku in streaming video push. S&P +1.6%. **Tue:** US housing starts 1177k (1430k e). Australia RBA cash rate target unch 4.35% as exp. US, Iran prepare to formally sign interim peace deal with Iran to receive broad financial incentives as part of agreement. Oil falls to three-month low as US-Iran deal set to add to supply. S&P -0.6%. **Wed:** US FOMC rate decision (upper bound) unch 3.75% as exp, (lower bound) unch 3.50% as exp. Brazil Selic rate 14.25% as exp. UK CPI 2.8% (3.0%e), Core 2.6% (2.7%e). Eurozone CPI 3.2% as exp, Core 2.6% (2.5%e). Trump signed interim deal to end the war with Iran and reopen the Strait of Hormuz despite criticism from Republicans. S&P -1.2%. **Thu:** US init jobless claims 226 (225k e), cont claims 1810k (1780k e). UK Bank of England bank rate 3.750% as exp. US ends Hormuz blockade, with 60-day clock for working out details in the memorandum. Intel rallies after Trump touts Apple chip deal. S&P +1.1%. **Fri:** Russia key rate 14.25% (14.00%e). US-Iran nuclear talks stall as Lebanon clashes worsen. SpaceX receives investment-grade bond scores from three major ratings firms as it prepares to raise at least \$20B from a debt sale. S&P 500 closed for Juneteenth.

Weekly Close: S&P 500 +0.9% and VIX -0.90 at +16.78. Nikkei +7.9%, Shanghai +1.5%, Euro Stoxx +0.4%, Bovespa -1.6%, MSCI World +1.0%, MSCI Emerging +4.3%, Bitcoin -1.1%, and Ethereum +1.9%. USD rose +1.8% vs Brazil, +1.3% vs Sterling, +1.2% vs Canada, +1.2% vs Sweden, +1.1% vs Russia, +1.0% vs South Africa, +0.9% vs Chile, +0.8% vs Euro, +0.7% vs Mexico, +0.7% vs Yen, +0.5% vs Australia, +0.4% vs Turkey, and +0.1% vs China. USD fell -0.8% vs India, and -0.4% vs Indonesia. Gold -1.6%, Silver -4.5%, Oil (WTI) -8.6%, Oil (Brent) -7.7%, NatGas (US) +2.5%, NatGas (EU) -10.0%, Power (EU) +9.4%, Copper -1.6%, Iron Ore -5.8%, Corn +0.9%. 10yr Inflation Breakevens (EU -8bps at 1.93%, US -6bps at 2.27%, JP -3bps at 2.13%, and UK -10bps at 3.18%). 2yr Notes +10bps at 4.18% and 10yr Notes -3bps at 4.46%.

YTD Equity Index Returns: Korea +101.8% priced in US dollars (+114.8% priced in won), Taiwan +59.6% priced in US dollars (+60.4% priced in Taiwan dollars), Japan +37.2% in US dollars (+41.5% in Yen), Hungary +32.6% (+24%), Colombia +32.6% (+21%), Norway +23.3% (+18.5%), Turkey +21% (+30.8%), Russell 2000 +20.1%, Israel +19.9% (+11.4%), Austria +19.6% (+22.6%), Thailand +19% (+24.8%), Italy +14.7% (+17.6%), Poland +14.5% (+18.4%), Greece +14.1% (+16.8%), NASDAQ +14.1%, Brazil +11.4% (+4.5%), Singapore +11.3% (+11.8%), Portugal +10.9% (+13.5%), Netherlands +10.8% (+13.3%), S&P 500 +9.6%, Mexico +9.5% (+5.3%), Spain +9.2% (+11.8%), MSCI World +9.1% in US dollars, Belgium +8.7% (+11.2%), Finland +7.8% (+10.5%), Argentina +7% (+7.9%), Australia +6.4% (+1.3%), China +6.4% (+3.1%), Canada +6.4% (+9.9%), Euro Stoxx 50 +6.2% (+8.7%), Saudi Arabia +5.9% (+6%), Sweden +5.8% (+10.3%), Chile +3.8% (+3.9%), Ireland +2.8% (+5.2%), UK +2.6% (+4.3%), Vietnam +2.1% (+2.2%), Switzerland +1.7% (+3.8%), France +1% (+3.3%), UAE +0.2% (+0.2%), Malaysia 0% (+1.9%), Germany -0.5% (+2%), New Zealand -0.7% (-0.4%), Philippines -1.7% (+1.4%), South Africa -2.8% (-3.4%), Denmark -6.7% (-4.3%), Czech Republic -6.7% (-4.5%), HK -7.3% (-6.7%), India -12.5% (-8.1%), Indonesia -32.9% (-28.6%).

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From: [Eric Peters](#)
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Date: Sunday, June 14, 2026 5:41:25 AM

Hope all goes well... "Markets are priced on the basis of earnings, hopes, and dreams," said Sparks, investor, entrepreneur, iconoclast, early to the AI theme. "In 2010, investors were so bearish that they placed a negative value on hopes and dreams - the stock market was so cheap," he said. "The hopes and dreams of today's market have been building for years. And between Tesla and now SpaceX, investors are finally able to express all the themes that have captured their imagination." AI, robotics, space exploration, datacenters, humanoids, robotaxis, and drug discovery. "The end of every cycle is a process, and it may have some time to play out, but it's started. Hopes and dreams are wildly excessive, and earnings won't justify these valuations."

Overall: "Applying yesterday's valuation of the old Standard Oil shares the market worth of the company's original stock was almost \$2,000,000,000, and John D. Rockefeller became a billionaire overnight," wrote the New York Tribune on September 29, 1916. Rockefeller had no comment. Bernie Sanders would have given him an earful, but he was just in kindergarten. Rockefeller's wealth amounted to 2.5% of GDP. No employees owned Standard Oil or Ford Motor Company shares in those days. Henry Ford became America's 2nd billionaire in 1925. When asked by a reporter how it felt, Ford responded, "Oh sh*t." Automakers are a different breed. "It's hard to believe that a little company that started in a warehouse in El Segundo is now going public in the largest IPO ever," said Elon Musk. "If people had told me this was going to happen, I was like, man, you must be smoking some really good crack, because I think this company is going to fail." Elon is the world's first trillionaire if you exclude Putin and Xi, both of whom made their wealth in national takeovers. Elon's \$1.1trln net worth is 3.7% of US GDP. 4,400 of SpaceX employees own stock and are now millionaires, 10% are worth \$100mm or more. "Today, Elon Musk, a trillionaire, pays the same amount into Social Security as someone making \$184,500. If we end that absurdity and lift the cap on taxable income, we can make Social Security solvent for 75 years and expand benefits by \$2,400. My Social Security bill does that," declared Bernie. And onward rolls America. Decade after decade of booms and busts, bulls and bears, breathtaking breakthroughs. In the mud are our politicians, wrestling to achieve an unstable balance between capital and labor. While our Fed and Treasury paper over cracks in the system with debt and printed paper. And every so often, an entrepreneur comes along, to remind our children and immigrants like young Elon once was, that with hard work, ambition, ingenuity, good timing, and a bit of luck, absolutely anything is possible in America.

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Exposure: "Most investors talk about volatility as something that they seek to minimize," said the Nobel Laureate. "But volatility is not one thing. There is the risk of a large loss and the risk of a large gain," he said. "Those are the two tails. And one of them you really must avoid, but as destructive as it is to experience a big loss, it is also extremely painful to miss out on a big gain." The Nasdaq 100 lost 82% in the dot com crash. The S&P 500 lost 57% peak to trough in the GFC. From those lows, the Nasdaq 100 total return is +2,600% and the S&P 500 is +1,200%.

Exposure II: A small minority of companies has created essentially all the wealth. The vast majority of stocks, over their lifetimes, fail to beat T-bills. The overall market's return is a right tail. Great equity positions are like options - downside capped at the capital invested, upside unbounded, the payoff often violent. Own upside convexity, the innovators, the compounders, the businesses whose potential futures are vast. Then hedge out your catastrophic risks, because a deep portfolio drawdown can force you to sell your upside equity options before they payoff.

Exposure III: "Reducing excess volatility is the key to compounding," continued the Nobel Laureate. "Making a little money on the downside and transforming that to the upside is extremely impactful to compounding," he added. "What happens when you lose 30% or 50%, what will you do?" he asked, not waiting for an answer. "Knowing how you will behave in a drawdown is critical." Indeed. "Most investors are implicitly selling puts because in a big market sell off, they will be forced to sell assets to meet their capital needs, or margin calls, or both."

Exposure IV: "The math of the left tail is not symmetric, and it is not forgiving. It doesn't just take your money. It

takes your time. And time is the only thing compounding cannot replace." If your portfolio draws down 34%, like the S&P 500 did in Covid, you need to make 51% to get back. You lose 57%, like the S&P 500 did in the GFC, and you need 133% to regain the highs. Lose 82% in the dot com crash and you need 455% to get back to your highs. "It's like our lives," he said. "It's not the little things but the big things that we remember."

Exposure V: "Making money in markets requires an understanding of the constraints of others," said the Laureate. "In a left tail event, will you need liquidity or will you be a supplier of it?" he asked. "You want to be able to derisk your hedges." Selling volatility you bought when the sun shone and using those profits to buy securities that distressed investors are forced to sell. "Building your portfolio to preserve liquidity for a phase change from a low-risk environment to high-risk phase is a form of structural alpha. And supplying the market with liquidity is alpha."

Exposure VI: "Risk management is a form of alpha and a critical for long-term compounding," continued the Laureate. "And risk management is all about managing tails. It's about mitigating the left tail and with confidence that you gain to then fully expose your portfolio to the right tail events," he said. "All your thought must go into market tails. And now with AI, it is even more important. AI is best when it has a lot of data, which is the middle of the distribution. AI will not be good in anticipating the changes in the tails of the distribution. But talented investors can be."

Anecdote: When I scraped together a small stake during college and set out to trade for myself, it was with no real understanding of this game. I had met many successful men my senior year, to ask about their professions. Most seemed bored by their businesses. And generally arrogant. In Chicago, I met a speculator on the Board of Trade. He had an almost childlike curiosity, a passion for markets, and was humble in such an authentic way that it would take me a few decades to fully appreciate. I felt that if I followed in his path, I'd never be bored. And a life well lived should be the opposite of boring. Back then, I knew nothing about normal distributions, right and left tails. Pit trading was about surviving. Everyone in the pit told stories about the greats. How much they made. What secret strategies they had developed. We all read Market Wizards, which interviewed famous speculators. They spent a ton of time discussing risk management. I could appreciate that. They had learned to survive. In time, I came to learn that it was about much more than that. The longer you live, the more you learn about the market, its structure, its participants, policy makers, and politicians. The more cycles you survive, the more catastrophic errors you see investors make (generally with other people's money), the more hidden systemic risks you see surface, the more fraudsters and sociopaths blow up. You learn more about yourself, your weaknesses, strengths, insecurities, courage, your fears, greed. And all this knowledge compounds along with connections, access to information, capital. And this means that as the decades pass, the potential monetary value of each new opportunity increases dramatically. But even still, markets exist to destroy those who defy the trading gods and fly too close to the sun. Every survivor has faced numerous near-death experiences, which keeps them humble to their core. And they learn to focus intently on risk management, to survive the left tails, to be alive for the right tails - even one of which can produce a fortune.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: China exports YoY 19.4% (15.0%e), imports YoY 27.4% (26.0%e). Japan GDP SA QoQ 0.5% (0.3%e). South Korea GDP 3.8 (3.6%e). Iran, Israel pledge to end attacks that threatened to derail peace negotiations. China export surge tops forecasts as AI propels trade boom. S&P +0.3%. **Tue:** US existing home sales 4.17m (4.07m e). Mexico CPI 3.94% (4.03%e). China CPI 1.2% (1.3%e), PPI 3.9% as exp. Japan PPI 6.3% (5.6%e). US launched airstrikes against Iran after US Army helicopter is shot down. Pentagon accuses Alibaba, Baidu of aiding China's military. China weighs \$295B plan to build AI data centers nationwide. S&P -0.3%. **Wed:** US CPI 4.2% as exp, Core 2.9% as exp. Bank of Canada rate decision unch 2.25% as exp. Russia CPI 5.31% (5.41%e). South Korea unemp rate SA 2.8% as exp. US military says it started additional strikes on Iran as peace talks have stalled. OpenAI considers drastic price cuts, anticipating war for users with Anthropic. S&P -1.6%. **Thu:** US init jobless claims 229k (220k e). Mexico IP NSA 2.3% (-0.6%e). ECB hikes main refinancing rate by 25bps 2.40% as exp, deposit facility rate hike to 2.25% as exp. Trump scraps further strikes on Iran, announcing that a

deal was close. Trump taps Jay Clayton, former chairman of the SEC, to be the next Director of National Intelligence. S&P +1.8%. **Fri:** US UMich sent 48.9 (46.0e). UK IP -0.2% (-0.1%e). India CPI 3.93% (4.02%e). China money supply M2 8.6% as exp. SpaceX IPO saw shares climb as much as 31% in their debut, Musk becomes world's first trillionaire. Oil hits lowest since early March on potential Hormuz reopening, as US and Iran edge closer to an agreement. S&P +0.5%. **Sat:** US government forces Anthropic to disable Mythos 5 and Fable 5 while they restrict access to foreign persons both in the US and abroad.

Weekly Close: S&P 500 +0.6% and VIX -3.83 at +17.68. Nikkei -0.9%, Shanghai +0.1%, Euro Stoxx +1.7%, Bovespa +1.3%, MSCI World +0.7%, MSCI Emerging -0.1%, Bitcoin +6.7%, and Ethereum +7.1%. USD rose +0.5% vs Turkey, +0.4% vs Canada, +0.2% vs India, +0.1% vs Sweden. USD fell -2.1% vs Brazil, -1.7% vs Chile, -1.7% vs Russia, -1.6% vs South Africa, -1.4% vs Mexico, -0.8% vs Indonesia, -0.5% vs Sterling, -0.4% vs Euro, -0.4% vs China, flat vs Yen and flat vs Australia. Gold -2.9%, Silver -1.6%, Oil (WTI) -6.3%, Oil (Brent) -6.8%, NatGas (US) -3.4%, NatGas (EU) -3.6%, Power (EU) -3.5%, Copper +2.5%, Iron Ore +2.9%, Corn -1.3%. 10yr Inflation Breakevens (EU -5bps at 2.01%, US -4bps at 2.32%, JP -8bps at 2.16%, and UK -4bps at 3.28%). 2yr Notes -7bps at 4.08% and 10yr Notes -5bps at 4.48%.

YTD Equity Index Returns: Korea +83.1% priced in US dollars (+92.8% priced in won), Taiwan +51.4% priced in US dollars (+52.5% in Taiwan dollars), Hungary +32% in dollars (+22.2% in forint), Norway +28.9% in dollars (+21.6% in krone), Israel +28% (+17.2%), Japan +28% (+31.1%), Colombia +24.8% (+15.4%), Thailand +21.3% (+26.4%), Russell 2000 +18.6%, Poland +15.9% (+18.3%), Austria +15.7% (+17.5%), Brazil +15% (+6.2%), Turkey +14.9% (+23.8%), Italy +12.8% (+14.6%), Greece +12.6% (+14.2%), Netherlands +12.1% (+13.7%), Portugal +11.7% (+13.3%), Argentina +11.6% (+9.9%), Belgium +11.4% (+13%), Finland +11.4% (+13.1%), NASDAQ +11.4%, Mexico +10.6% (+5.7%), S&P 500 +8.6%, Singapore +8.4% (+8.2%), Canada +8.2% (+10.2%), MSCI World +8.1% in US dollars, Spain +6.9% (+8.4%), Australia +6.7% (+1%), Sweden +5.4% (+8%), Euro Stoxx 50 +5.4% (+6.8%), UK +5.2% (+5.4%), Saudi Arabia +5.1% (+5.3%), China +5% (+1.6%), Chile +4.4% (+4.2%), Switzerland +2.6% (+3.3%), Ireland +1.6% (+3%), France +1.1% (+2.5%), Vietnam +0.3% (+0.4%), New Zealand +0.2% (-1.1%), Malaysia +0.2% (+0.2%), Germany -1% (+0.6%), South Africa -1.3% (-3%), UAE -1.9% (-1.9%), HK -4.2% (-3.6%), Czech Republic -5.7% (-4.6%), Philippines -6.4% (-2.4%), Denmark -6.4% (-4.9%), India -14.5% (-9.6%), Indonesia -34.6% (-30.5%).

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3rd Floor
Stamford, CT 06902

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From: [Eric Peters](#)
To: mliposky@mapension.com
Subject: wknd notes
Date: Sunday, August 16, 2026 7:52:56 AM

Hope all goes well... Dusted off an Anecdote from April 2012 about strong friendship, mountain climbing, and risk management (see below). I take late summer off from writing for time with family, reading, altitude, solitude. Wishing the same for you. All the very best, Eric

For Week-in-Review and Weekly & Year-to-Date market data, scroll to the bottom.

Anecdote (April 2012): The clank of ice axes shattered our silence. I spun, to see my pack tumble. Twirl. And come to rest, far below. A blue dot, amongst granite boulders. Vincent stood motionless, looking out across the vast glacier, to distant peaks, and said, "You never let go your pack on a ledge, you know this." And I got hot, knowing then, he'd kicked it. "You're very tired, me too, which is why you will go get it alone, but you're also very lucky it is only 40 meters, and not lost, we need that equipment," he told me. Our friendship was simple, strong. We climbed together, trained nearly every day. I taught him basic English; he failed to teach me mountain French. When clients arrived, I was his Sherpa, helping others attain goals. Tethered to men, confronting fear, stress, obstacles. Theirs. Mine too. So it went. For a year. Vincent was 7th generation high-altitude French mountain guide. And filled our climbs with tales, into which were woven threads of wisdom, passed from father to son. Unsurprisingly, most lessons concerned risk management. Of course, life's greatest risks emanate from within. So naturally, training was inwardly directed; developing physical stamina, core strength, balance, discipline, humility, mental toughness. We never really focused on bagging peaks. But rather, on perfecting the journey. And on each one, Vincent created an unexpected challenge, when I was least prepared, most vulnerable, mentally weakened. You see, in crisis, without mental toughness, the best rehearsed exit plans crumble. Anyhow, I descended that cliff. Retrieved my pack. Returned to the ledge, still a little hot, and told Vincent that indeed, I felt real f'in lucky it had been only 40 meters. "You will not always get so lucky," he replied, his cracked, blistered lips unable to hide a smile.

Good luck out there,

Eric Peters
Chief Investment Officer
One River Asset Management

Week-in-Review: Mon: Singapore GDP 5.9% (5.8%e). Nvidia to mobilize over \$500B with 6 financial firms for AI compute. Trump makes sweeping new demands on Iran as deal hopes dim. Yen weakens, wiping out half of its rally from recent interventions by Japan and the US to boost the currency. S&P -0.1%. **Tue:** US existing home sales 4.06m (4.05m e). Australia RBA cash rate target unch 4.35% as exp. South Korea unemp rate SA 2.8% (2.7%e). Australia Central Bank Chief Bullock adopted hawkish tone after holding rates unchanged. Trump

weighs call for capital gains tax cuts as midterm boost. S&P -0.3%. **Wed:** US CPI 3.4% as exp, Core 2.5% as exp. India CPI 4.45% (4.40%e). Japan PPI 7.2% (7.4%e). Iran takes more robust military stance with US talks frozen. White House Press Secretary Karoline Leavitt to leave role. Korean stocks rise 23% in 10 days as chip rally regains steam. S&P +0.3%. **Thu:** US init jobless claims 209k (202k e), cont claims 1777k (1794k e), PPI final demand MoM 0.0% (0.2%e). UK GDP 1.2% (1.1%e). US readies unprecedented “economic isolation” plan for Iran. Trump imposes tariffs of as much as 100% on imported drones and their components to reduce US reliance on foreign suppliers, deepening US-China tech decoupling. S&P +0.7%. **Fri:** US UMich sent 51.0 (55.0e), ret sales advance MoM -0.6% (0.1%e). Eurozone GDP SA 1.0% as exp. China money supply M2 7.7% (7.9%e). Hong Kong GDP 4.3% as exp. Taiwan GDP 12.93% (12.90%e). US, Canada still see sticking points as new trade deadline nears next week. Stripe, Advent in talks to buy PayPal. Anthropic revenue surges to over \$11.5B in second quarter. S&P -0.2%.

Weekly Close: S&P 500 +0.4% and VIX -0.65 at +14.25. Nikkei +4.7%, Shanghai -0.3%, Euro Stoxx -0.4%, Bovespa -3.2%, MSCI World +0.4%, MSCI Emerging +2.6%, Bitcoin -3.1%, and Ethereum -2.1%. USD rose +2.8% vs Brazil, +2.1% vs Russia, +1.0% vs Yen, +0.4% vs Turkey, +0.3% vs South Africa, +0.3% vs Sweden, +0.2% vs India, and +0.2% vs Chile. USD fell -0.7% vs Mexico, -0.5% vs Canada, -0.4% vs Indonesia, -0.3% vs Sterling, -0.2% vs Australia, -0.1% vs Euro, and flat vs China. Gold +0.9%, Silver +2.5%, Oil (WTI) +5.4%, Oil (Brent) +5.9%, NatGas (US) +2.7%, NatGas (EU) +10.6%, Power (EU) +2.5%, Copper +0.4%, Iron Ore -0.8%, Corn +4.6%. 10yr Inflation Breakevens (EU +8bps at 2.05%, US +3bps at 2.28%, JP +8bps at 2.05%, and UK +10bps at 3.27%). 2yr Notes -2bps at 4.17% and 10yr Notes +5bps at 4.69%.

YTD Equity Index Returns: Korea +68.5% priced in US dollars (+65.6% priced in won), Taiwan +55.1% priced in US dollars (+58.2% priced in Taiwan dollars), Colombia +43% priced in US dollars (+18.6% in pesos), Hungary +41.8% in dollars (+35.6% in forint), Norway +34.6% (+26.1%), Japan +33.9% (+36.5%), Poland +26.1% (+30.7%), Austria +24.4% (+26.4%), Singapore +24.3% (+23.6%), Russell 2000 +23.6%, Greece +22% (+23.7%), Thailand +21% (+27.7%), Israel +20% (+11.2%), Italy +17.3% (+19.2%), Netherlands +15.9% (+17.5%), NASDAQ +15%, Spain +14.8% (+16.5%), Portugal +14.8% (+16.4%), Canada +14.6% (+15.8%), S&P 500 +13.7%, MSCI World +13.5% in US dollars, Turkey +12.9% (+25.8%), Euro Stoxx 50 +11.3% (+12.9%), Australia +11.1% (+4.6%), Belgium +10% (+11.5%), Sweden +9.7% (+13.6%), UK +8.9% (+8.2%), Brazil +8.6% (+3.6%), Ireland +7.9% (+9.4%), Finland +7.8% (+9.5%), Germany +6.3% (+8%), Mexico +5.9% (+0.1%), Switzerland +5.6% (+8.5%), New Zealand +4.7% (+2.3%), France +4.5% (+6%), Chile +3.8% (+5.4%), Saudi Arabia +3.1% (+3.2%), China +2.6% (-1%), Czech Republic +2.2% (+3.9%), Malaysia +2.1% (+2.8%), South Africa +0.6% (-1.6%), UAE +0.5% (+0.5%), Philippines -0.5% (+4%), Denmark -0.9% (+0.8%), Vietnam -2.5% (-3.1%), HK -2.8% (-2%), Argentina -5.7% (-3.4%), India -12.3% (-6.7%), Indonesia -30.6% (-26%).

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One River Asset Management LLC
2200 Atlantic Street
3rd Floor
Stamford, CT 06902

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From: [Walker, Kelly A](#)
To: [dgurtz, dgurtz \(MAPENSION.com\)](#); [YMarkov, YMarkov \(MAPENSION.com\)](#); [mliposky, mliposky \(MAPENSION.com\)](#)
Cc: ["Finance \(FinanceStaff@MAPENSION.com\)"](#); [PRIMGSS](#)
Subject: April 2026 - Pricing Reports
Date: Friday, May 22, 2026 4:10:20 PM
Attachments: [image001.png](#)
[phtf unassigned pricing report 04.26.xlsx](#)
[prmf unassigned pricing report 04.26.xlsx](#)
[phtf0426finalprice.xls](#)
[prmf0426finalprice.xls](#)

Hello,

Please find enclosed the pricing reports April 2026.

Thank you and have a nice weekend.

Kelly

Kelly Walker
Accounting Services, Operations
BNY
kelly.a.walker@bny.com
135 Santilli Highway, Everett, MA 02149



Notice: We've simplified our company umbrella brand to BNY. While we're making updates to our channels to reflect this change, you may still see emails from bnymellon.com. For more information on our brand evolution please read about it in our [Newsroom](#).

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PRIT Cash Fund Asset Mix

Asset Mix Description	Sum of Base Market Value
MONEY MARKET INVESTMENTS	76,535,136.88
Total Result	76,535,136.88

PRIT Fund Asset Mix

Assset Mix Description	Sum of Base Market Value
DOMESTIC EQUITY	30,445,954,830.04
DOMESTIC FIXED INCOME	11,576,675,845.60
HEDGE FUND	10,958,055,823.43
INTERNATIONAL EQUITY	20,603,522,909.24
INTERNATIONAL FIXED INCOME	3,765,349,315.90
MONEY MARKET INVESTMENTS	2,009,327,726.80
PRIVATE EQUITY	22,644,389,879.68
REAL ESTATE	10,907,608,645.41
TIMBERLAND	3,174,921,630.13
U.S GOVERNMENT AGENCY	12,286,944,467.71
Total Result	128,372,751,073.94

From: [Liposky, Matthew](#)
To: [Coburn, Matthew](#); [Provost, Rebecca A](#)
Subject: FW: MA PRIM - SHC(A) Schedule 3
Date: Thursday, February 26, 2026 3:46:42 PM
Attachments: [image001.png](#)
[PENSION RESERVE OF MASSACHUSETTS \(PRIM\).xls](#)
[PENSION RESERVE OF MASSACHUSETTS \(PRIM\).rtf](#)
Importance: High

Becky/Matt

Scott handled this in the past. Can BNY provided me this data for 2025?

Thanks

Matt

From: Noble, Scott <scott.noble@bnymellon.com>
Sent: Friday, February 17, 2023 3:56 PM
To: Mills, Brenda L <brenda.mills@bnymellon.com>; Liposky, Matthew <mliposky@MAPENSION.com>
Subject: RE: MA PRIM - SHC(A) Schedule 3

Hello Matt,

Please find the 2022 reporting attached.

Thank you

Scott

From: Mills, Brenda L <brenda.mills@bnymellon.com>
Sent: Tuesday, February 7, 2023 12:18 PM
To: mliposky, mliposky (MAPENSION.com) <mliposky@MAPENSION.com>
Cc: Noble, Scott <scott.noble@bnymellon.com>
Subject: RE: MA PRIM - SHC(A) Schedule 3

Hi Matt,

We have PRIM scheduled to receive this report. The Information is usually sent around the 3rd week of February. Scott will be sending it to you.

Thanks,

Brenda L. Mills

Vice President, Client Activation Experience

BNY Mellon

T (617) 382-2830 | F (732) 667-4561

BNYMAccountActivationTeam1@bnymellon.com

135 Santilli Highway, Everett, MA 02149-1950

bnymellon.com

From: Liposky, Matthew <mliposky@MAPENSION.com>

Sent: Tuesday, February 7, 2023 10:10 AM

To: Mills, Brenda L <brenda.mills@bnymellon.com>

Cc: Noble, Scott <scott.noble@bnymellon.com>

Subject: MA PRIM - SHC(A) Schedule 3

Importance: High

Brenda,

As in previous years when you worked with Ellen on this, PRIM will need to have BNY Mellon provide us the 2022 data needed on Schedule 3 of the SHC. Can you please pull this data and have to me by EOD Thursday?

Thanks,
Matt



Matthew Liposky

Chief Investment Operating Officer

P: 617-946-8465

E: mliposky@mapension.com

84 State Street, Suite 250 | Boston, MA 02109

www.mapension.com

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Report Summary: PENSION RESERVE OF MASSACHUSETTS (PRIM)

Security Type: Line 4 - Equity
***USD Mkt Value =** \$16,195,697,480.71

Security Type: Line 5 - Short Term Debt
***USD Mkt Value =** \$98,498,244.57

Security Type: Line 6 - Long Term Debt
***USD Mkt Value =** \$1,445,394,502.78

Security Type: Line 7 - Asset Backed Security
***USD Mkt Value =** \$194,412,116.22

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From: [Liposky, Matthew](#)
To: [Molloy, Eileen](#); [Tsipakis, George](#)
Subject: FW: May 1st Interest
Date: Tuesday, April 28, 2026 1:39:29 PM
Attachments: [image001.png](#)
[PRIM May 1 2026 28 Advice.pdf](#)
[PRIM May 1 2026 18 Advice.pdf](#)

From: Luis Jimenez <Luis.Jimenez@IsraelBonds.com>
Sent: Tuesday, April 28, 2026 1:28 PM
To: Liposky, Matthew <mliposky@MAPENSION.com>
Cc: Jonathan Lang <Jonathan.Lang@IsraelBonds.com>
Subject: May 1st Interest

Hi Matt,

Please find the breakdown for the upcoming May 1st interest payments.

Luis Jimenez
Associate Director
National Sales
E luis.jimenez@israelbonds.com
P 212.756.6658



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State of Israel
Ministry of Finance

Date Printed: April 15, 2026

Bondholder Account Number:

000094



PENSION RESERVES INVESTMENT TRUST
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Upon your review of this notice, if you have any questions, please visit our website or call us using the contact information on the reverse side.

Interest Details

Payment Date: 01 May 2026

Issue Description	Principal Balance (\$)	Interest Rate (%)	Gross Payment (\$)	Deduction Amount (\$)	Deduction Type	Net Payment (\$)
12TH JUBILEE FIX 5Y 3.97 2027/08/01	5,000,000.00	3.97	98,434.25	0.00	N/A	98,434.25
13TH INSTITUTIONAL JUBILEE FIX 3Y 4.50 2029/02/01	5,000,000.00	4.50	54,863.01	0.00	N/A	54,863.01
13TH INSTITUTIONAL JUBILEE FIX 5Y 4.86 2031/02/01	5,000,000.00	4.86	59,252.05	0.00	N/A	59,252.05
TOTAL PAYMENT						212,549.31

The Interest Rate indicated for Variable Rate bonds may be a blended rate if the Interest Rate changed during the payment period. For the rates in effect during the payment period see www.israelbondsdirect.com or call us at Computershare.



7UDC

IBHD





State of Israel
Ministry of Finance

Date Printed: April 15, 2026

Bondholder Account Number:



000020



PENSION RESERVES INVESTMENT TRUST
53 STATE ST FL 6
BOSTON MA 02109-3030

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- Access transaction history
- Manage your bonds
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Upon your review of this notice, if you have any questions, please visit our website or call us using the contact information on the reverse side.

Interest Details

Payment Date: 01 May 2026

Issue Description	Principal Balance (\$)	Interest Rate (%)	Gross Payment (\$)	Deduction Amount (\$)	Deduction Type	Net Payment (\$)
12TH JUBILEE FIX 10Y 5.63 2033/10/01	5,000,000.00	5.63	139,593.15	0.00	N/A	139,593.15
11TH INSTITUTIONAL JUBILEE FIX 5Y 4.97 2029/02/01	5,000,000.00	4.97	123,228.77	0.00	N/A	123,228.77
12TH INSTITUTIONAL JUBILEE FIX 3Y 4.66 2028/05/01	5,000,000.00	4.66	115,542.47	0.00	N/A	115,542.47
TOTAL PAYMENT						378,364.39

The Interest Rate indicated for Variable Rate bonds may be a blended rate if the Interest Rate changed during the payment period. For the rates in effect during the payment period see www.israelbondsdirect.com or call us at Computershare.



7UDC

IBHD



From: [Liposky, Matthew](#)
To: [LaPosta, Chuck](#); [McElroy, Michael](#)
Cc: [Tsipakis, George](#); [Molloy, Eileen](#)
Subject: FW: State of Isreal Bonds
Date: Thursday, December 11, 2025 10:03:06 AM
Attachments: [image001.png](#)
[Accounting Positions_20251211093323_272655176.xls](#)

Chuck

Do you want to re-up these?

From: Molloy, Eileen <EMolloy@MAPENSION.com>
Sent: Thursday, December 11, 2025 9:39 AM
To: Liposky, Matthew <mliposky@MAPENSION.com>; Tsipakis, George <GTsipakis@MAPENSION.com>
Subject: State of Isreal Bonds

2 of these bonds will be maturing on February 1, 2026.

Not sure how early we start the process of renewing these.

Thanks.



Eileen Molloy

Manager of Public Markets and PCS
Accounting and Reporting

P: 617-946-8410

E: emolloy@mapension.com

84 State Street, Suite 250 | Boston,
MA 02109

www.mapension.com

Reporting Account Number	Reporting Account Name	Source Account Number	Source Account Name	Mellan Security ID	Xref Security ID	Security Description 1	Security Description 2	Maturity Date	Coupon Rate	Shares/Pir	Local Price Local Currency Name	Local Currency Code	Base Price Acct Base Currency Name	Acct Base Currency Code	Local Cost	Base Cost	Local Mkt Exposure	Base Mkt Exposure	Local National Cost	Base National Cost	Local National Value	Base National Value	Local Unrealized Gain/Loss	Base Unrealized Gain/Loss	Base Accrued	Local Accrued	Percent of Mkt As Of Date	Report Run Date	Acctg Status Update (EST)	Accounting Status
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	ISRAEL ST	4.470% 02/02/2026 DD 0205021	2/2/2026	4.47	5,000,000.000	99.999000 U.S. DOLLAR	USD	99.999000 U.S. DOLLAR	USD	5,000,000.00	5,000,000.00	4,999,350.00	4,999,950.00	0.00	0.00	0.00	0.00	50.00	50.00	131,038.62	131,038.62	0.2011/30/2025	12/11/2025	12/9/2025 R FINAL	
						ISRAEL ST	1.200% 02/02/2026 DD 0205021	2/2/2026	1.20	5,000,000.000	99.987000 U.S. DOLLAR	USD	99.987000 U.S. DOLLAR	USD	5,000,000.00	5,000,000.00	4,978,350.00	4,978,350.00	0.00	0.00	0.00	0.00	-21,600.00	-21,600.00	39,667.38	39,667.38	0.2011/30/2025	12/11/2025	12/9/2025 R FINAL	
						ISRAEL STATE	3.970% 08/01/2027 DD 0802022	8/1/2027	3.97	5,000,000.000	99.992000 U.S. DOLLAR	USD	99.992000 U.S. DOLLAR	USD	5,000,000.00	5,000,000.00	4,999,800.00	4,999,650.00	0.00	0.00	0.00	0.00	-400.00	-400.00	118,381.76	118,381.76	0.2011/30/2025	12/11/2025	12/9/2025 R FINAL	

From: [Liposky, Matthew](#)
To: [Li, Vincent](#); [Molloy, Eileen](#)
Subject: FW: WTax | MassPRIM - 2027 Planning
Date: Wednesday, August 12, 2026 11:11:10 AM
Attachments: [image001.png](#)
[2027 Planning - MassPRIM - Fund List.xlsx](#)
[1. CLIENT INFORMATION SHEET - USA - With BO & Portfolio Upload.xlsm](#)
Importance: High

From: Jade Riesenburg <JadeHo@wtax.co>
Sent: Friday, August 7, 2026 11:25 AM
To: Liposky, Matthew <mliposky@MAPENSION.com>; Li, Vincent <VLi@mapension.com>
Cc: Dimpho Lekoloane <DimphoL@wtax.co>
Subject: [Not Virus Scanned] WTax | MassPRIM - 2027 Planning
Importance: High

Hi Matt and Vincent,

Now that we're past the halfway mark of 2026, we're getting started on your withholding tax reclaims for the year. To make sure we capture everything correctly, we'd appreciate your help with the items below by **Friday, 4 September 2026**.

Action Required	What We Need From You
1. Fund List (attached)	
Confirm your registered address	Please confirm if the address we currently hold on file for Pension Reserves Investment Management of Massachusetts is still correct or send us the updated address if it has changed. <u>53 State Street, Suite 600, Boston, Massachusetts 02109, United States</u>
Review and confirm the list is complete	Attached is the list of funds and account codes serviced for the 2025 income year. Please review it against your full fund range, including local and offshore funds, as withholding tax may be recoverable globally. Funds highlighted in green had reclaims identified in the 2025 dividend year. The <u>password</u> for the fund list will be sent separately. Please use the attached Client Information Sheet (CIS) to make any additions or corrections.
Tell us about any new funds launched in 2026	Whether local or offshore, any new fund needs to be onboarded before it can benefit from withholding tax recovery, so the sooner we know, the sooner we can get it set up. Please add the fund details to the attached CIS.
Tell us about any fund name changes	If a fund changed its name during 2026, please provide the new name, attach supporting documentation (e.g. board resolution or official notice), and reflect the change on the attached CIS.
Tell us about any	If a fund/account was liquidated during 2026, please provide the liquidation date

fund/account liquidations	and any documentation that confirms it, and update the attached CIS.
Share any other relevant developments	Let us know about anything else happening at Pension Reserves Investment Management of Massachusetts during 2026, or planned for the rest of the year, that could affect your funds – for example a merger or acquisition, a change in investment strategy, or a change of custodian.
2. LLC / LP Structures	
Let us know if you have any	Beyond standard funds, we're also able to service LLC structures, including the underlying funds of an LP or LLC. If you have any such structures, let us know and we'll review them at no obligation for potential withholding tax leakage.

Note: a separate email will follow at a later stage setting out the tax certificates we require and the process for completing them where relevant.

On a separate note, we also offer outsourced Securities Class Action recovery services. It's a great way to add investment alpha with minimal effort on your side. Happy to set up a time to walk through how it could apply to you, if useful.

As always, please reach out with any questions or concerns, we're glad to help with anything tax recovery related.

Thank you for your continued support, and we look forward to working with you through 2027!

Kind Regards,

Jade Riesenburg

Head of Client Service | Team North America

E jadeho@wtax.co

M +1 929 534 7283

WTax, 1st Floor, 54 Melrose Boulevard, Melrose Arch, Melrose North, Johannesburg, 2196, South Africa

Website | [Explainer Video](#) | [LinkedIn](#)

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Attachment could not be converted

File: 2027 Planning - MassPRIM - Fund List.xlsx

Reason: this Excel file is password-protected / encrypted (CDFV2 format).

It could not be opened without the password, so its content is not shown here.

Client VAT Number

For Master/Feeder structures, please provide details of the structure in the form of a diagram.

[illegible]

From: [LaPosta, Chuck](#)
To: [Tsipakis, George](#); [Liposky, Matthew](#); [Mollow, Eileen](#)
Subject: FW: Wire for Confirmation
Date: Thursday, January 29, 2026 1:01:49 PM
Attachments: [image001.png](#)

Can you confirm that both of these purchases are replacing positions maturing from the [REDACTED] account?

From: Li, Vincent <VLi@mapension.com>
Sent: Thursday, January 29, 2026 12:09 PM
To: LaPosta, Chuck <claposta@MAPENSION.com>
Cc: Cash Management <CashManagement@MAPENSION.com>
Subject: Wire for Confirmation

Hi Chuck,

Can you please approve the wires below:

[REDACTED]	Israel Bonds - 5 Year Jubilee Bond	\$	5,000,000.00	2/2/2026
	Israel Bonds - 3 Year Jubilee Bond	\$	5,000,000.00	2/2/2026

Thanks,



Vincent Li
Sr. Investment Operations Analyst

P: 617-946-8412
E: vli@mapension.com
53 State Street, Suite 600 | Boston, MA 02109
www.mapension.com

From: [Liposky, Matthew](#)
To: [Tsipakis, George](#); [Molloy, Eileen](#); [LaPosta, Chuck](#); [McElroy, Michael](#)
Subject: FW: wiring instructions and investment form
Date: Monday, January 5, 2026 4:08:13 PM
Attachments: [image001.png](#)
[CIR - PRIM.pdf](#)
[Wiring-Instructions-5-17-19 \(2\).pdf](#)

See attached and below for details on the SOI Bonds.

Eileen/George, please ensure these are funded.

Chuck, can you sign off on the CIR, looks like its similar to what is rolling off.

From: Jonathan Lang <Jonathan.Lang@IsraelBonds.com>
Sent: Monday, January 5, 2026 3:15 PM
To: Liposky, Matthew <mliposky@MAPENSION.com>
Subject: wiring instructions and investment form

Matt- Please call or email any questions.

Thanks,

Jonathan

Jonathan R. Lang
Executive Director
New England Region
Jonathan.Lang@Israelbonds.com
Direct Line/Text [REDACTED]

Have you invested this year? [Buy Israel bonds HERE](#)



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CUSTOMER INVESTMENT REQUEST

CIR-
0034062

- You may purchase directly via israelbonds.com in lieu of submitting this form.
- Personal checks must be payable to State of Israel. Business checks may not be used for personal investments.
- Bank, certified checks, cashier's checks, starter checks and money orders will not be accepted.
- If you have not reviewed the prospectus, you can download it from israelbonds.com or request it from your local office and sales rep.
- DCI does not disclose non-public personal information about its current and former customers to anyone, other than as set forth in our privacy policy which can be found at israelbonds.com/privacy.

Purchaser:

Pension Reserves Investment Trust
Attn: Mathew Liposky
53 State St Fl 6
Boston, Massachusetts 02109-3030

Account No: [REDACTED]

<u>Amount</u>	<u>Bond Type</u>	<u>Maturity</u>	<u>Registration</u>	<u>Registration Address</u>	<u>Issue Form</u>
\$5,000,000.00	3 year Jubilee Fixed Rate Bonds	3 year	PENSION RESERVES INVESTMENT TRUST	53 STATE ST FL 6 BOSTON MA 02109-3030	Book Entry

Additional Details:

Computershare Acct #: C0016842176

Statement/Certificate Mailing Address:
PENSION RESERVES INVESTMENT TRUST
53 STATE ST FL 6
BOSTON, MA 02109-3030

Interest/Principal Mailing Address:

Payment Instructions: Wire to: [REDACTED]

Gift From:

Gift Message:

<u>Amount</u>	<u>Bond Type</u>	<u>Maturity</u>	<u>Registration</u>	<u>Registration Address</u>	<u>Issue Form</u>
\$5,000,000.00	5 year Jubilee Fixed Rate Bonds	5 year	PENSION RESERVES INVESTMENT TRUST	53 STATE ST FL 6 BOSTON MA 02109-3030	Book Entry

Additional Details:

Computershare Acct #: C0016842176

Statement/Certificate Mailing Address:
PENSION RESERVES INVESTMENT TRUST
53 STATE ST FL 6
BOSTON, MA 02109-3030

Interest/Principal Mailing Address:

Payment Instructions: Wire to: [REDACTED]

Gift From:

Gift Message:

Bond Total: \$10,000,000.00

CONTACT INFORMATION

CUSTOMER INVESTMENT REQUEST

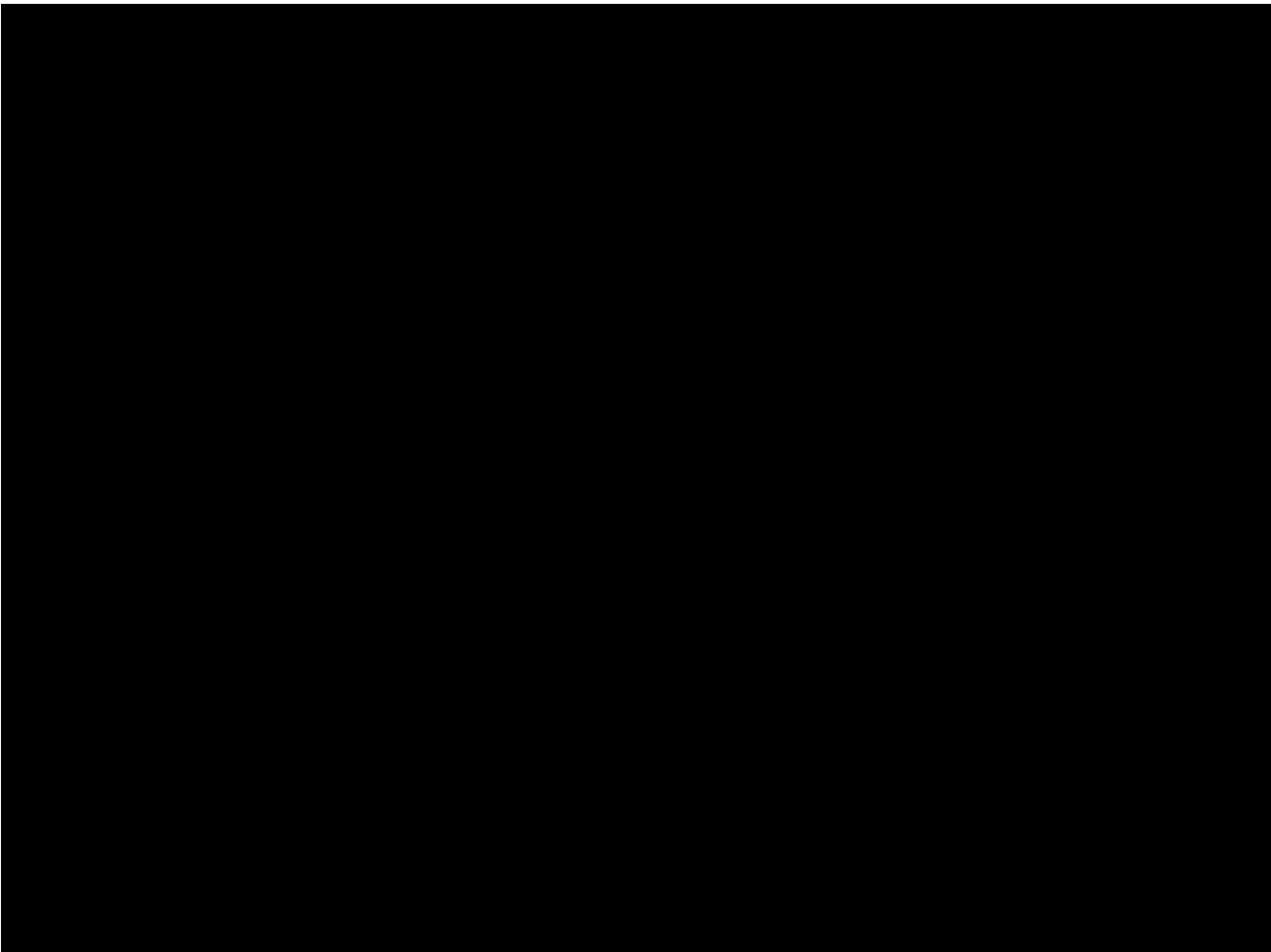
**CIR-
0034062**

For questions, call or email
Jonathan Lang at:
Direct: [REDACTED]
Office: +1 (617) 723-2400
jonathan.lang@israelbonds.com

Return CIR to:
Development Corporation for Israel
Central Processing Department
P.O. Box 5263
New York, NY 10150-5263



The wire instructions below should be used by the purchaser to deliver funds to Computershare Trust Company, N.A. to pay for State of Israel Bonds.



From: [Walker, Kelly A](#)
To: [dgurtz, dgurtz \(MAPENSION.com\)](#); [YMarkov, YMarkov \(MAPENSION.com\)](#); [mliposky, mliposky \(MAPENSION.com\)](#)
Cc: ["Finance \(FinanceStaff@MAPENSION.com\)"](#); [PRIMGSS](#)
Subject: February 2026 - Pricing Reports
Date: Monday, March 23, 2026 4:41:54 PM
Attachments: [image001.png](#)
[phtf unassigned pricing report 02.26.xlsx](#)
[prmf unassigned pricing report 02.26.xlsx](#)
[phtf0226finalprice.xls](#)
[prmf0226finalprice.xls](#)

Hello,

Please find enclosed the pricing reports for February 2026.

Thank you and have a nice night.

Kelly

Kelly Walker
Accounting Services, Operations
BNY
kelly.a.walker@bny.com
135 Santilli Highway, Everett, MA 02149



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From: [Walker, Kelly A](#)
To: [dgurtz, dgurtz \(MAPENSION.com\)](#); [YMarkov, YMarkov \(MAPENSION.com\)](#); [mliposky, mliposky \(MAPENSION.com\)](#)
Cc: ["Finance \(FinanceStaff@MAPENSION.com\)"](#); [PRIMGSS](#)
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Kelly

Kelly Walker
Accounting Services, Operations
BNY
kelly.a.walker@bny.com
135 Santilli Highway, Everett, MA 02149



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From: [Walker, Kelly A](#)
To: [dgurtz, dgurtz \(MAPENSION.com\)](#); [YMarkov, YMarkov \(MAPENSION.com\)](#); [mliposky, mliposky \(MAPENSION.com\)](#)
Cc: ["Finance \(FinanceStaff@MAPENSION.com\)"](#); [PRIMGSS](#)
Subject: February 2026 - Pricing Reports
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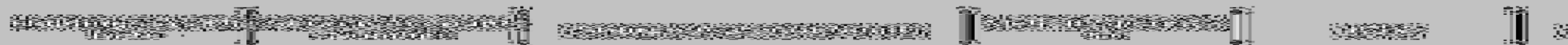
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Accounting Services, Operations
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kelly.a.walker@bny.com
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From: [Liposky, Matthew](#)
To: [Molloy, Eileen](#); [Tsipakis, George](#)
Subject: Fwd: WTax | PRIM - Expected Refund - June 2026
Date: Friday, June 12, 2026 6:05:59 AM
Attachments: [image001.png](#)
[Account SSI Details 2026-06-12T090425.pdf](#)
[Account SSI Details 2026-06-12T090332.pdf](#)
[Account SSI Details 2026-06-12T090200.pdf](#)

From: "Roxanne Clarke" <RoxanneC@wtax.co>
Subject: WTax | PRIM - Expected Refund - June 2026
Date: 12 June 2026 04:01
To: "Li, Vincent" <VLi@mapension.com>, "Liposky, Matthew" <mliposky@MAPENSION.com>
Cc: "Jade Riesenburg" <JadeHo@wtax.co>

Good day Vincent,

I hope you are well.

Please expect a refund for MassPRIM into the following accounts at the end of this month in relation to withholding tax reclaims that were filed successfully by WTax.

We have pulled the SSI Reports from Nexen for the details which are not on system as yet. Please may you review and confirm if same are in order.

Details approved on system – to be confirmed:

Beneficiary Name	Beneficiary Account Holder Name	Beneficiary Account Number	Beneficiary BIC	Payment Currency	Custody Account
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Details not on system – received from enclosed SSI Reports. To be confirmed:

Beneficiary Name	Beneficiary Account Holder Name	Beneficiary Account Number	Beneficiary BIC	Payment Currency	Custody Account
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Please could you confirm the above details before the 16th of June 2026.

The official refund analyses will be shared with you once the payments are released.

Let me know if you have any questions or concerns.

Kind Regards,

Roxanne Clarke

Client Service Executive

E RoxanneC@wtax.co

M +1 929 523 2306

WTax, 1st Floor, 54 Melrose Boulevard, Melrose Arch, Melrose North, Johannesburg, 2196, South Africa

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Settlement Details

Report run on Friday, 12 June 2026



Settlement Details

Report run on Friday, 12 June 2026



Settlement Details

Report run on Friday, 12 June 2026

From: [Walker, Kelly A](#)
To: [dgurtz, dgurtz \(MAPENSION.com\)](#); [YMarkov, YMarkov \(MAPENSION.com\)](#); [mliposky, mliposky \(MAPENSION.com\)](#)
Cc: ["Finance \(FinanceStaff@MAPENSION.com\)"](#); [PRIMGSS](#)
Subject: June 2026 - Pricing Reports
Date: Thursday, July 23, 2026 4:55:36 PM
Attachments: [image001.png](#)
[prmf0626finalprice.xls](#)
[phtf0626finalprice.xls](#)
[prmf unassigned pricing report 06.26.xlsx](#)
[phtf unassigned pricing report 06.26.xlsx](#)

Hello,

Please find enclosed the pricing reports for June 2026. Please note there is a decrease in the number of securities listed on the *PRM Priced by Manager Tab* if comparing to previous months, since international CLOs started picking up vendor pricing in June.

Thank you and have a nice night.

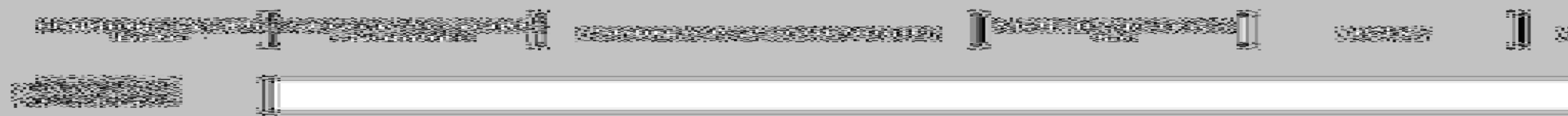
Kelly

Kelly Walker
Accounting Services, Operations
BNY
kelly.a.walker@bny.com
135 Santilli Highway, Everett, MA 02149



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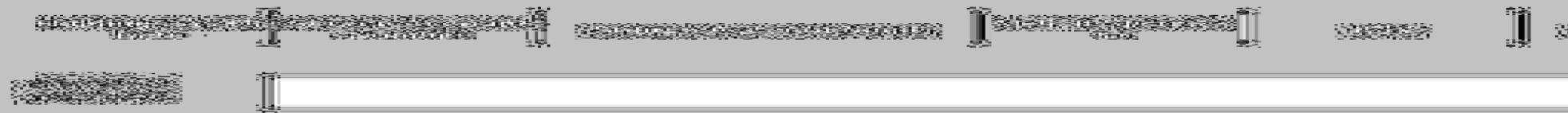
Kelly

Kelly Walker
Accounting Services, Operations
BNY
kelly.a.walker@bny.com
135 Santilli Highway, Everett, MA 02149



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From: [Walker, Kelly A](#)
To: [dgurtz, dgurtz \(MAPENSION.com\)](#); [YMarkov, YMarkov \(MAPENSION.com\)](#); [mliposky, mliposky \(MAPENSION.com\)](#)
Cc: ["Finance \(FinanceStaff@MAPENSION.com\)"](#); [PRIMGSS](#)
Subject: June 2026 - Pricing Reports
Date: Thursday, July 23, 2026 4:55:37 PM
Attachments: [image001.png](#)
[prmf0626finalprice.xls](#)
[phtf0626finalprice.xls](#)
[prmf unassigned pricing report 06.26.xlsx](#)
[phtf unassigned pricing report 06.26.xlsx](#)

Hello,

Please find enclosed the pricing reports for June 2026. Please note there is a decrease in the number of securities listed on the *PRM Priced by Manager Tab* if comparing to previous months, since international CLOs started picking up vendor pricing in June.

Thank you and have a nice night.

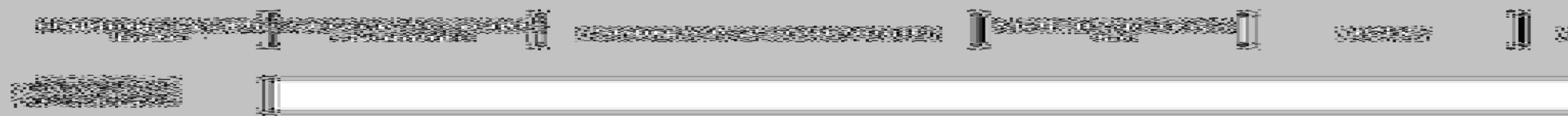
Kelly

Kelly Walker
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From: [Liposky, Matthew](#)
To: [Jonathan Lang](#); [Luis Jimenez](#)
Cc: [LaPosta, Chuck](#); [McElroy, Michael](#); [Tsipakis, George](#); [Molloy, Eileen](#)
Subject: MA PRIM - Israel Bonds Maturing 2/1/2026
Date: Thursday, December 18, 2025 2:42:05 PM
Attachments: [image001.png](#)

Jonathan/Luis

Hope all is well. PRIM has two bonds maturing on 2/1/2026, we'd like to re-up on 2/1/2026 with \$5M each with similar terms if available.

Thanks,
Matt



Matthew Liposky

Chief Investment Operating Officer

P: 617-946-8465

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MA 02109

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From: [Ruel, Greg](#)
To: [Liposky, Matthew](#); [Tsipakis, George](#); [Falzone, Anthony](#); [Ramani, Veena](#); [Gurtz, David](#); [Shah, Riya](#); jmurphy@mapension.com
Cc: [Perri, Joseph](#); [Gonzalez, Paulina](#)
Subject: MSCI Sustainability & Climate — Q2 2026 Update
Date: Friday, July 3, 2026 4:06:23 PM
Attachments: [MSCI AI-Enhanced Sustainability and Climate Data .pdf](#)
[MSCI AI-Datacenter Sustainability and Climate Data.pdf](#)
[Enhancing-AI-Governance-From-Director-Expertise-to-Board-Effectiveness.pdf](#)
[First Street Stronger Together Overview.pdf](#)
[MSCI-Institute-Global-Investment-Tracker.pdf](#)
[msci-the-state-of-private-markets-2026.pdf](#)

Hi MassPRIM team,

I hope Q2 was a good one. I'm reaching out with a summary of our most notable Sustainability & Climate developments from the quarter — spanning new products, data enhancements, research, and regulatory resources. Some headline news is that [MSCI has agreed to acquire First Street](#), a leading provider of physics-based climate risk data and analytics covering more than 2 billion structures worldwide. This acquisition significantly deepens our physical climate risk capabilities and I've included more detail below. Alongside that, there's plenty more to cover — from a July 9th AI webinar to CVaR model updates and a range of new research and guides.

Time-Sensitive Consultation Updates:

- **AI Webinar — MSCI In Practice: Connecting AI Workflows to Trusted Sustainability and Climate Data.** Join us on **Tuesday, July 9th at 10:00am ET** for a virtual session exploring how AI can be used to access Sustainability and Climate data more seamlessly, improve research workflows, and support more confident investment decisions. The session will include a live demo of AI capabilities, a first look at MSCI's Sustainability & Climate **MCP (Model Context Protocol)** — enabling direct access to ESG Ratings, Controversies, Emissions, and Business Involvement data across AI platforms — and a preview of what's ahead on the roadmap. Whether your team is actively deploying AI today or exploring future use cases, this session will offer practical, hands-on examples. [Register here](#) (all registrants will receive the materials and recording).
- **Lethal Autonomous Weapons Screen (LAWS) — Client Consultation:** MSCI is exploring a new screen identifying companies involved in lethal autonomous weapons and AI-enabled targeting systems. We are running a structured client consultation to assess demand, gather input on the proposed framework, and understand intended use cases. The screen covers four areas: whole weapon systems, components, intended-use software, and dual-use AI software. We would welcome your feedback. [Please reach back to me if you would like to](#)

participate.

Key Enhancements:

- *Issuer Continuity Events File:* The Issuer Continuity Events Enhanced Data Feed File is now available through Enhanced Data Feeds delivery. The file provides greater transparency into corporate actions — mergers, acquisitions, reorganizations, spin-offs — that result in a change of issuer, and helps clients track how issuer continuity treatment is applied across MSCI Sustainability & Climate data. See the [Issuer Continuity Events](#) file and [Entity Selection and Data Mapping Methodology](#) for further details.
- *2026 Climate VaR Annual Model Update:* MSCI's annual CVaR model update rolls out in two phases in H2 2026: simulated results in July, followed by full deployment in September (r26.6). The update introduces six methodology and input-data enhancements, including a refreshed hazard model (tropical cyclones, flooding, river low flow), improved physical-risk and market-implied growth inputs, alignment with MSCI's GeoSpatial Asset Intelligence (GSAI), migration to the Standard Climate Coverage Universe, and extended coverage to fixed-income-only issuers. Clients will receive simulated results, change notes, and impact analysis in July ahead of the September release.
- *Emissions Data Update and Process Enhancements:* MSCI has continued to invest in the timeliness and robustness of our emissions datasets, with improvements to data capture, late-disclosure incorporation, and estimation consistency. Approximately 30–35% of issuers still do not report emissions data, and average disclosure delays of ~2 months are being observed across ~2,500 issuers. For FY2025 updates, MSCI is targeting a 3-month window for ACWI issuers and a 6-month window for the broader universe from the date of disclosure availability.

Additional Updates, Research and Resources:

- *AI Governance Research — From Director Expertise to Board Effectiveness:* This paper proposes a framework for evaluating whether corporate boards have effectively integrated AI expertise into collective oversight. It examines five dimensions relevant to a director's ability to oversee AI strategy and risk: domain expertise, independence from management, motivation to prioritize investor interests, sufficient bandwidth, and formal board empowerment. As AI reshapes the business landscape, boards recruiting specialist directors must ensure those experts are positioned to meaningfully enhance oversight capacity rather than introduce new governance gaps.

- *AI-Powered New Product Development*: MSCI is building three new AI-native product areas:
 - **Supply Chain Intelligence** (launching summer 2026) — geographic exposure beyond company domicile, with physical risk and shock propagation overlays across the full MSCI ACWI IMI universe.
 - **AI Exposure in Investments** — three datasets measuring a company's AI revenue exposure today, AI partnership network, and AI transformation potential, enabling portfolio-level AI concentration analysis.
 - **AI Disruption Potential** — scores ~8,000 equities on automatable labor cost, moat resilience, and an AI Disruption Score (0–10), with scenario configuration for future AI capabilities.
 - **Datacenter Module** — scores 2,674 US data center assets on permitting risk, power availability, community opposition, climate hazards, and supply chain access. Maps counterparty relationships in an interactive network graph. Notably, community opposition alone blocked \$98B in data center projects in Q2 2025. [@Eri Yamaguchi](#), we can use the attached “*MSCI AI-Datacenter Sustainability and Climate Data*” deck to guide our upcoming conversation.
- *MSCI Supply Chain Intelligence — Now Available*: MSCI has launched [Supply Chain Intelligence](#), providing a modelled view of supplier dependencies, country exposures, and concentration risks across 11,000+ listed issuers. Coverage is derived from each issuer's operational location footprint — not company disclosures alone — and breaks down exposure into four layers: direct operations, Tier 1 supply, Tier 2 supply, and sales. A cost pass-through methodology quantifies how geopolitical disruptions or commodity shocks flow into issuer-level cost bases. Available via MSCI ONE and Snowflake. Relevant for asset managers, asset owners, banks, corporates and insurers mapping upstream dependencies for IFRS S2.
- *State of Private Markets 2026 — Inaugural Report*: MSCI's inaugural State of Private Markets report argues the sector has grown faster than the data infrastructure and analytical frameworks needed to support it. Five key themes examined: private credit stress and valuation gaps, a liquidity drought (PE distributions at 12% vs. ~20% historical), AI build-out (~\$739B in private equity), the real-world test facing evergreen funds, and the need for total portfolio thinking as fund labels increasingly misrepresent underlying exposures.
- *Digital Finance / Global Investment Tracker — New MSCI Institute Publication*: This new publication from the MSCI Institute offers a long-view perspective on global capital flows across public and private markets over three decades. Organized around two lenses — market structure (size, ownership, evolution) and

performance (returns and their drivers) — it contextualizes today's high-attention segments (private credit, hyperscalers, AI) within the broader investment landscape.

- *New Physical Risk Guide for Asset Owners and Asset Managers*: This guide covers the full arc of physical risk integration — from measuring and monitoring portfolio exposure to hazards, to a three-step materiality workflow using real company examples, to practical integration guidance across investment, risk, sustainability, and reporting teams. It also includes a Hazard Adaptation Matrix (HAM) for evaluating company preparedness and guidance on aligning with ISSB IFRS S2 and ESRS E1. Access [here](#).
- *Climate Research and Guides — Selected Q2 Publications*:
 - **(Guide) User Guide to MSCI's Climate Metrics for the Energy Transition** — A practical framework for evaluating climate metrics by purpose, methodology, time horizon, and use case, distinguishing climate-impact from climate-risk metrics. [Read here](#).
 - **(Blog) Physical Climate Risk and Corporate Bonds: Evidence from Hurricanes** — The most hurricane-exposed issuers experienced weaker profitability and bond performance, highlighting how concentrated physical risks may affect credit outcomes. [Read here](#).
 - **(Paper) Sustainability and Climate Integration in Fixed-Income Portfolios: Part I** — The first in a two-part guide integrating sustainability and climate data across every stage of the fixed-income investment process. [Read here](#).
 - **(Paper) Assessing the MSCI Energy Transition Framework in Credit Markets** — Transition-ready issuers decarbonized faster, traded at tighter spreads, and benefited from lower long-term borrowing costs. [Read here](#).

As always, please don't hesitate to reach out if you'd like to discuss any of these updates in more detail.

Best,
Greg

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Local registered entity

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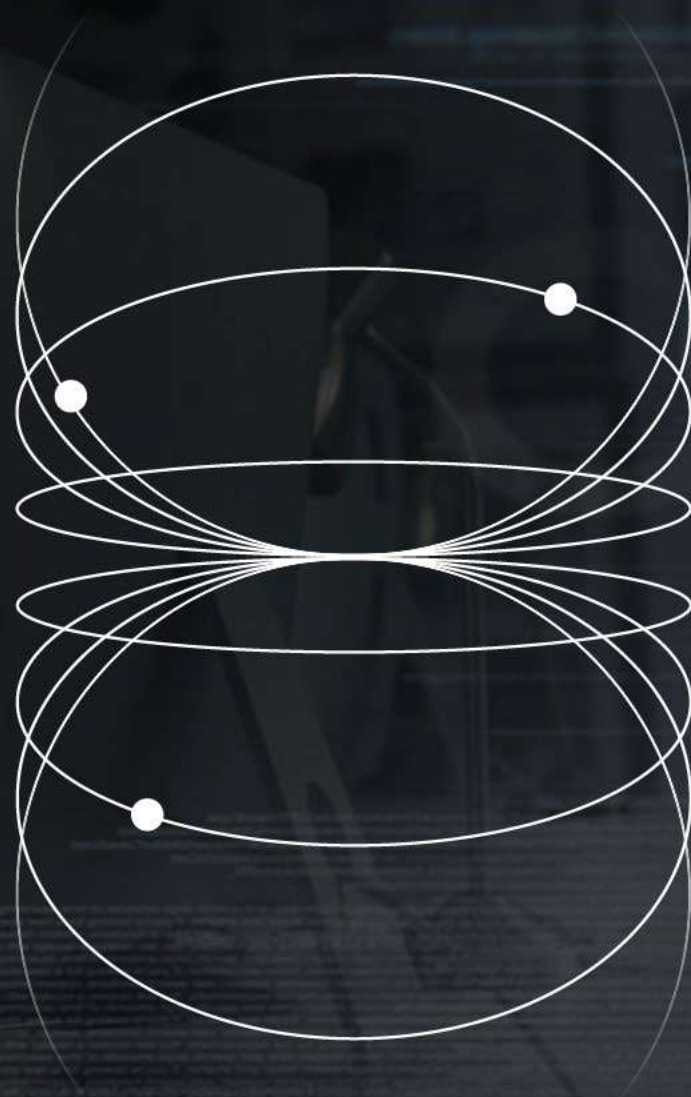
Information Classification: GENERAL



AI-Enhanced Sustainability & Climate Data at MSCI

How MSCI's Data and Methodologies
are Being Scaled and Enhanced by AI

May 2026



How we are advancing use of AI across Sustainability & Climate solutions

MSCI is applying AI across three main areas — enhancing our products, our data delivery, and providing new investment insights.

1. AI in our products

- AI enhances how we extract, monitor and assess data
- Governance, transparency, human oversight and regulatory compliance ensure outputs remain trusted and consistent with MSCI standards

KEY OUTCOME: AI-enhanced data you can trust and defend

2. AI-ready delivery

- Ensuring AI-readiness of MSCI data
- MCP development and AI Platform integration (Claude, ChatGPT, Microsoft CoPilot, MSCI One)
- Developing S&C AI Agents & Insights
- AI Commercial Licenses, including dedicated AI Training license

KEY OUTCOME: MSCI data plugs straight into your AI workflows

3. AI-powered product development

- AI-native coverage expansion (emissions, geospatial, BISR, private assets) and on-demand capabilities
- AI-native climate product innovation (supply chain, transition tech & policy)
- A new signal measuring AI disruption and exposure across your portfolio

KEY OUTCOME: New investment insights to navigate a fast-evolving world

AI in Our Products

We are investing in using AI to improve the quality and scalability of our products, while ensuring high governance standards

AI at MSCI: Built on Years of Data, Research and Expertise

MSCI uses custom models and agents at scale. For more than a decade, we have been using advanced Machine Learning and Natural Language Processing to source and serve millions of data points

2,000+

Custom AI models in production across MSCI, built on proprietary data

50+

Autonomous agents monitoring sources 24/7, refining years of NLP expertise

NLP & ML

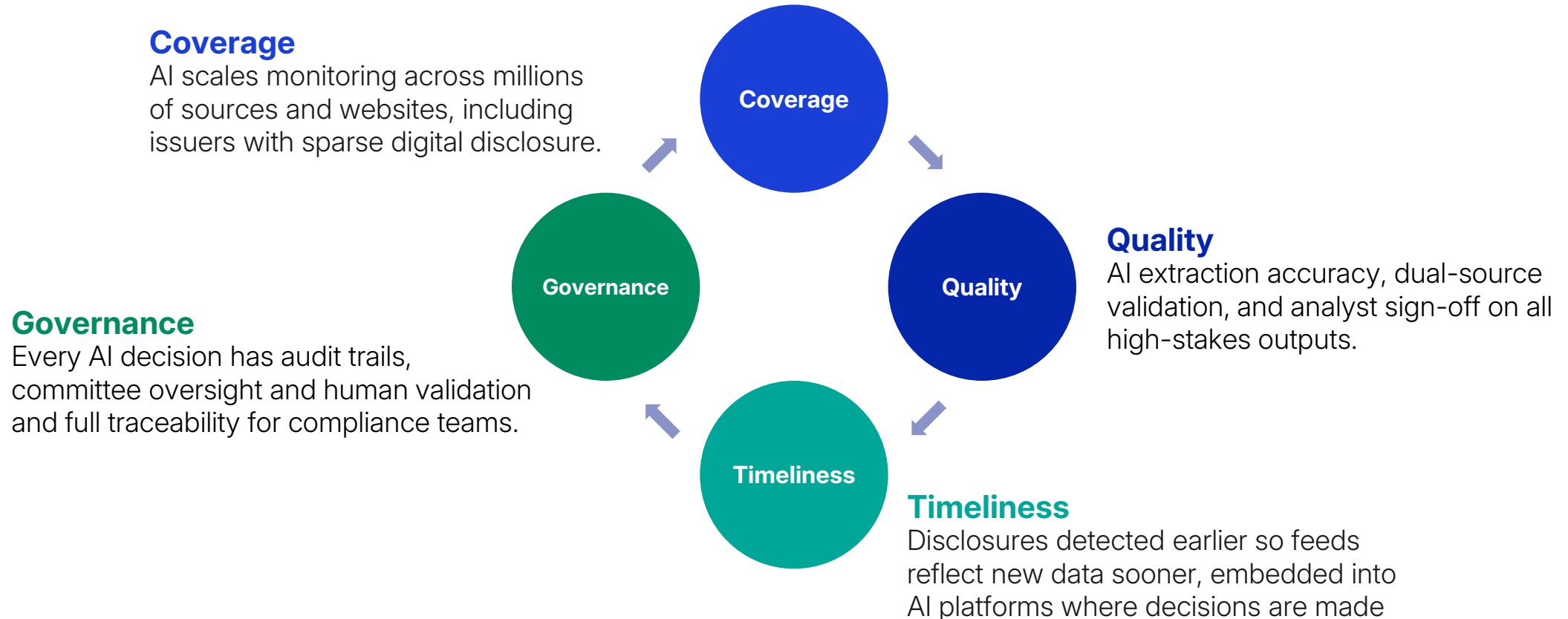
Pre-screening, de-duplication, and ML modelling are now augmented by LLMs and multiple agents

More timely data capture

Daily monitoring of thousands of corporate websites and processing millions of new satellite images now possible

How AI-Powered Sustainability & Climate Intelligence Works For You

MSCI's proprietary data and rigorous methodologies — scaled and enhanced by AI to deliver value across every dimension of your workflow.



AI augments MSCI's expertise and standards across value chain

MSCI embeds AI at every stage of its production process: from verification, estimation and contextualization through to 1MSCI delivery, all with integrated human expertise and oversight.



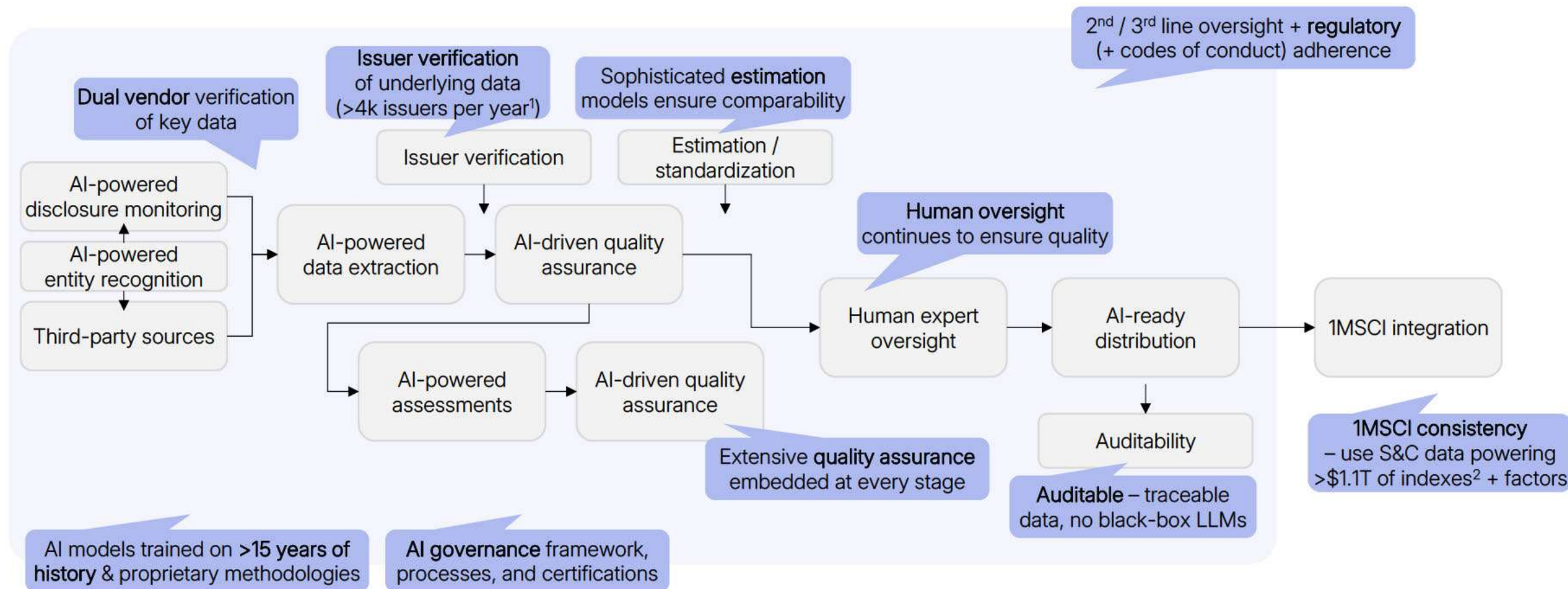
AI still needs processing

MSCI adds verification, estimation, contextualization, and ecosystem integration

2nd and 3rd line oversight; Adherence to regulatory requirements and codes of conduct; Feedback loops + training of AI models on 20+ years of history

AI reinforces MSCI differentiators across the value chain

AI, trained on MSCI's historical datasets and IP, enhances MSCI's data verification, modelling, quality assurance and human oversight processes, within strongly governed and consistent 1MSCI framework



AI Limitations & MSCI's Mitigations

Overseen by MSCI's AI Governance Committee (pursuing ISO 42001 certification; AIUC-1 member).

Every known AI limitation has a named mitigation built into our production process. We have full auditability across every AI decision — input sources, model version, analyst overrides and timestamps logged.

HALLUCINATIONS

AI models can misinterpret ambiguous disclosures

- ✓ Elaborated prompts plus dual-source validation QA; analyst sign-off required on all failed QA events before release.

CONTEXTUAL INFERENCE

AI struggles with targets expressed in non-standard language

- ✓ AI extraction combined with mandatory industry-expert review for all judgment-intensive data points.

DATA RIGHTS & PROVENANCE

AI agents risk unintended IP violations using external sources

- ✓ Rights-Aware Agent (RAA) validates every external source for commercial usage rights before any output is generated.

PROBABILISTIC OUTPUTS

LLM outputs are non-deterministic — results can vary

- ✓ Fine-tuned proprietary models benchmarked against ground truth, with ML confidence scores overlaid and retested on every version update.

MODEL DRIFT

Model quality can degrade silently over time

- ✓ AI Ops tracks version expiration and runs continuous regression testing, with periodic sample audits.

COVERAGE GAPS

Sparse digital disclosure limits AI reach for some issuers

- ✓ Analyst coverage plus direct issuer data verification via the MSCI Issuer Communication Portal (>4k rated corporates login per annum).

Data Quality & Extraction Limitations

Extraction Is Only the Beginning

Beyond the headline number, MSCI applies rigorous and consistent methodologies to structure metadata collection.

Even with public disclosure of core S&C data, simple do-it-yourself AI models don't guarantee consistency or accuracy.

MSCI has years of documented history to correct errors, contextualize deviations, and make datapoints comparable, all enhanced with a well-established process of human oversight and issuer verification.

Source: MSCI ESG Research

HISTORY IS CRITICAL CONTEXT

- Prior-year data may be missing or unreliable in current disclosures
- Companies may delete or fail to restate earlier figures when publishing new data
- Example: FY 2022–2023 emissions updated in Q4 2024, then deleted upon FY 2024 release — estimates reinstated for year-on-year comparability
- An LLM without historical context captures only the current year snapshot

MULTIPLE VALUES FOR THE SAME METRIC

- A single document may contain several figures for the same metric — all legitimate
- Different methodologies yield different results: e.g. location-based vs. market-based Scope 2 emissions
- Different protocols produce different values: e.g. EPRA Environmental vs. GHG Protocol disclosures in one report
- Without a standardising principle, an LLM cannot reconcile or select the correct figure

Company reported **different values for Scope 1 and Scope 2** in the same document, Management Report 2023

E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

ESRS	Scope 1 GHG emissions	Unit	2023	2022	base year 2019
E1-6	Gross Scope 1 GHG emissions	t CO ₂ eq	45,690.61	51,719.83	7,441.19
E1-6	Gross Scope 2 GHG emissions (location-based)	t CO ₂ eq	95,164.86	111,823.45	99,214.13
E1-6	Gross Scope 2 GHG emissions (market-based)	t CO ₂ eq	86,497.98	108,351.78	101,948.65

EPRA key environmental performance indicators by asset type

EPRA Sustainability Performance Measures (Environment) – impact per segment				Total		
Impact area	EPRA Code	Unit	Indicator	2023	2023	% YoY
Renewable sources (%)				852,277	800,614	(9.0)
Renewable sources (%)				50.6%	51.4%	31.2
Renewable sources (%)				278,826	265,641	(11.2)
Renewable sources (%)				6.9%	6.9%	60.1
Renewable sources (%)				380,806	284,705	(3.6)
Renewable sources (%)				3.3%	3.3%	3.7
Renewable sources (%)				0.03	207	(8.8)
Renewable sources (%)				40,983	36,920	(7.8)
Renewable sources (%)				304,451	353,176	(21.0)
Renewable sources (%)				0.059	0.060	(21.0)

Client Discovery – AI in Our Products

Discovery Questions

- What benefits would you most like to see from MSCI's investments in AI – improved quality, faster timeliness, greater coverage universe, or other?
- Do you have internal policies on consuming third-party AI-generated data (model risk management, vendor AI questionnaires) that we should align to?

AI-Ready Delivery

We are transforming our data and tools to make it easier for our clients to embed our data into their AI-native workflows

S&C AI-Ready Delivery Roadmap – Key Investment Areas

We are investing in bringing the depth and breadth of MSCI's S&C data and expertise directly into your AI-enabled workflows.

DATA EXCELLENCE

1) AI-Ready S&C Datasets

- Continuing to structure and enrich S&C datasets to align with best practice standards for AI readiness

Key Outcome: Data and structures that support clients' AI deployments and MSCI's own AI tooling

OPEN ECOSYSTEM

2) AI Platform Integrations

- Access MSCI S&C data via MCP*
- MSCI S&C data integrated directly into Claude, ChatGPT and Microsoft CoPilot
- New AskMSCI interface on MSCI One

Key Outcome: Significantly simplified integration of, and interaction with MSCI S&C data, enabling more timely answers to complex questions

INTELLIGENT EXPERIENCES

3) S&C AI Agents & Insights

- Purpose-built AI agents leveraging MSCI's deep S&C data history and analytical expertise

Key Outcome: Potential to reduce time for complex analyses including risk analysis, regulatory reporting, and opportunity identification

LEGAL CLARITY

4) AI Commercial Licenses

- [Legal supplement](#) permitting use of enterprise-grade, approved AI models for MSCI Services
- AI Model Training license now available for using MSCI data in training models

Key Outcome: Legal clarity on new use cases and processes, ensuring effective ongoing compliance

*MCP (Model Context Protocol) is how your AI assistant connects to MSCI — so instead of logging in, exporting, and uploading data, you just ask a question and get the answer.

1) AI-Ready S&C Datasets

Making MSCI's S&C datasets natively consumable by AI — so client questions are answered in natural language, accurately and consistently, across every AI surface

Data Completeness & Standardization

- Close data gaps; harmonize entity IDs, units and time periods
- Make metadata (definitions, tags, coverage) machine-readable

Client Benefit

- One consistent dataset — no reconciling across feeds or vendors
- Faster onboarding of new use cases on the same foundation

Methodology and Catalog as Code

- Publish S&C methodology and catalog as a query-able
- Expose datasets and definitions through MCP tools and a knowledge graph

Client Benefit

- AI assistants explain "what does this score mean" with sourced methodology
- Same answer across all channels - whether in Claude, ChatGPT or MSCI ONE

Question-scoped Tools And Benchmarks

- Map real client questions to bounded MCP tool calls
- Continuously benchmark AI answers against ground truth

Client Benefit

- Accurate, traceable answers to company S&C data analysis queries in seconds
- Measured accuracy — clients see real data, not black-box AI

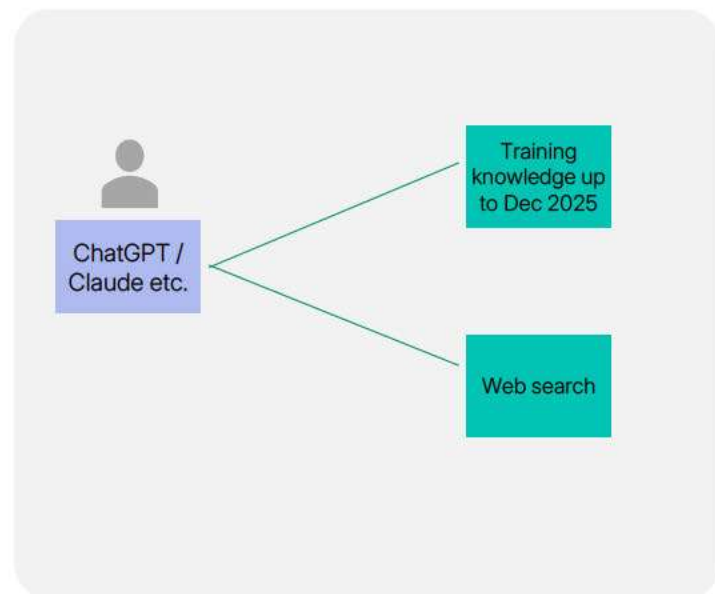
2) AI Platform Integrations: MSCI's S&C MCP launching soon (I/III)

What is an MCP, and why does it matter?

A **Model Context Protocol (MCP)** is a **standardized protocol (P)** for connecting multiple sources of informational **context (C)** to **models (M)** like Claude, ChatGPT, and Gemini. In short, MCPs are the standardized way AI models securely connect to trusted external data and tools.

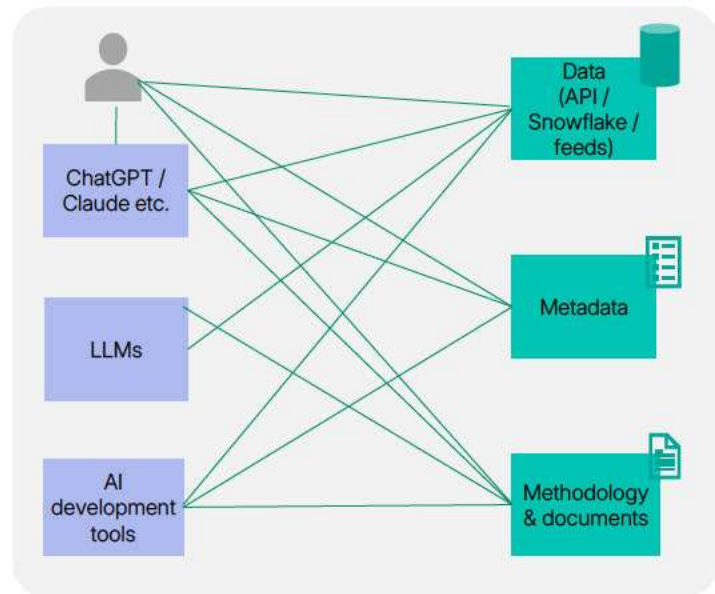
LLM Alone

LLMs are trained on information up until a cutoff date and supplement with unguided web search.



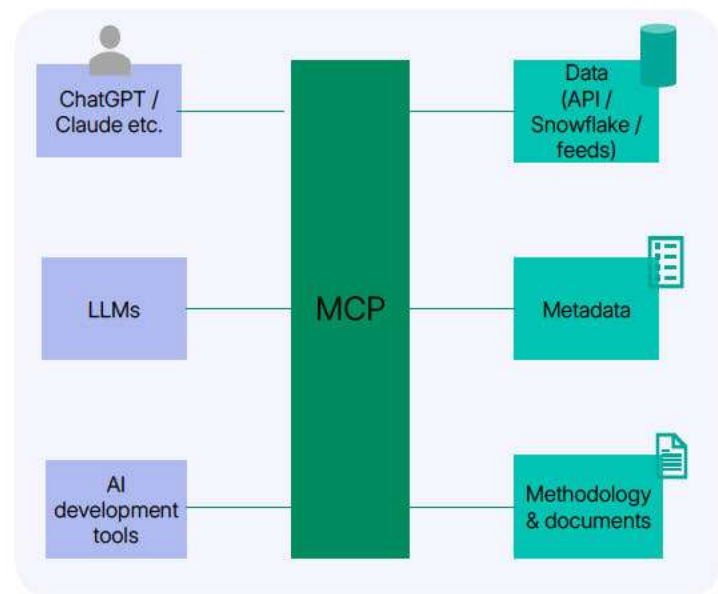
With Sources but Without MCP

AI tools need to integrate with each data source structure to make a complete query.



With MCP

MSCI's MCP allows tools to connect through one managed and tested standard. No custom integrations.



2) AI Platform Integrations: MSCI's S&C MCP launching soon (II/III)

S&C Index MCP Launched 1Q26

MSCI Datasets Covered:

Index

Key Capabilities:

- Performance analysis
- Constituent retrieval
- Methodology discovery

Integrations:



S&C Data MCP (Beta) Launching Early-Q3

MSCI Datasets Covered:

Emissions

ESG Ratings

Controversies

BISR

Key Capabilities:

- **Factor & methodology discovery**
 - ask what data exists and how it is calculated
- **Single-company data retrieval**
 - pull live scores for any covered company
- **Data integration**
 - Generate python / java code for integrating S&C API

Priority Integrations:



Further Enhancements Through 2H26

MSCI Datasets Covered:

All S&C Datasets

Key Capabilities (examples):

- **Change drivers** - understand what's moving a score
- **Peer comparisons** - benchmark a company vs sector/index
- **Label mapping / regulatory reporting** - identify EU taxonomy and label alignment
- **Enhanced screening** - screen our issuer universe
- **Portfolio analytics** - calculated for your portfolio

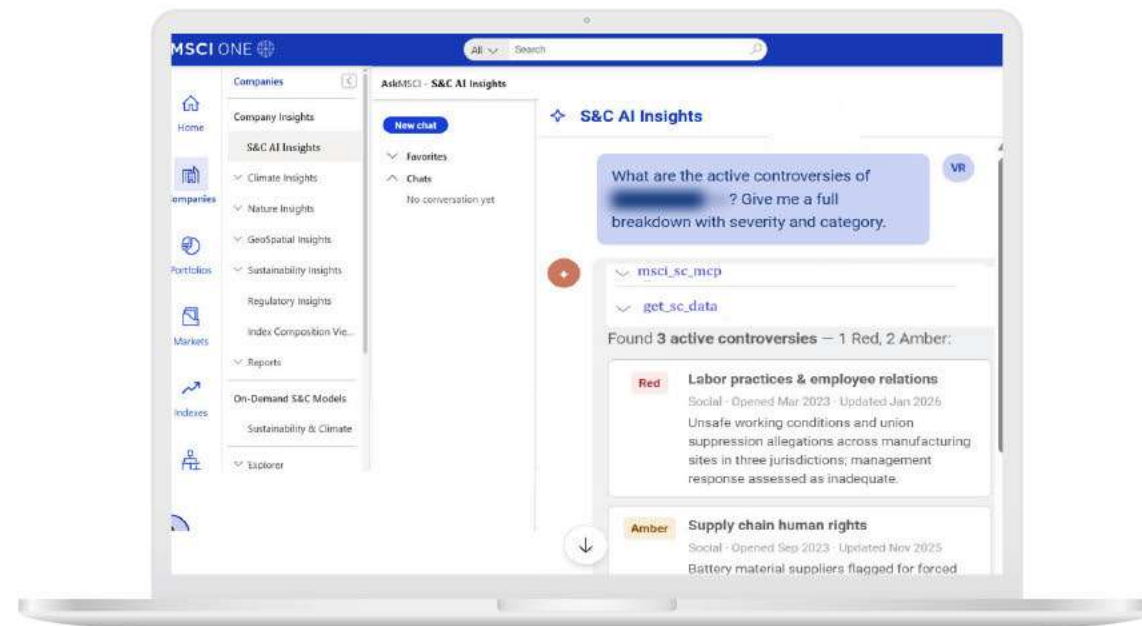
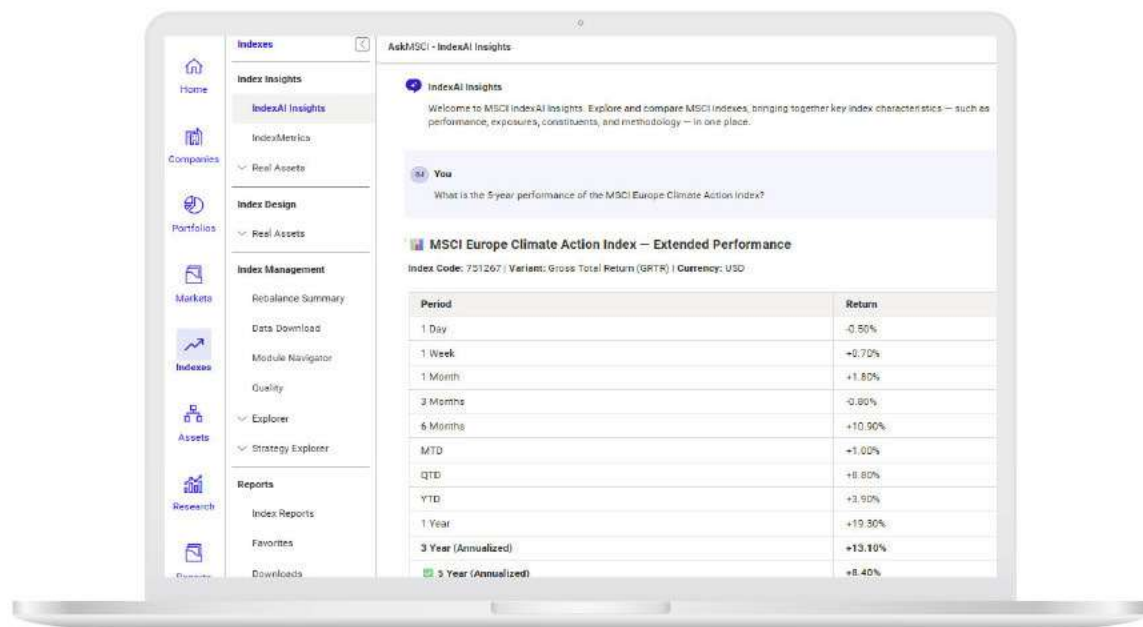
Additional Integrations:

To be developed based on client feedback / demand

AI-Ready Delivery

2) AI Platform Integrations: MSCI's S&C MCP launching soon (III/III)

Example interactions enabled by MSCI's S&C MCP*:



*Images are for illustrative purpose only. Actual product names and interaction experience may vary
All information provided is prospective and subject to change. The product roadmap should not be construed as a guarantee of delivery of capabilities.

3) S&C AI Agents and Insights: early-stage development

Building on our AI-ready data and MCP infrastructure, MSCI is developing purpose-built S&C agents that automate complex workflows currently taking analysts hours to complete manually

Company Deep Dive Agent

Today: hours of manual research across ESG scores, controversies, climate, governance

Agent: will synthesize full S&C profile for any issuer on demand — AI insights on key S&C themes, controversies, peer comparison

For: ESG analysts, portfolio managers, credit teams

Portfolio Screening & Monitoring

Today: manual screening against S&C policies, norms, exclusions, risk tolerances and regulatory criteria

Agent: will continuously monitor portfolios against client-defined S&C criteria, flag breaches, track scores & controversy events, monitor physical risk & transition exposures

For: portfolio managers, risk officers, compliance teams

Regulatory Mapping Agent

Today: manual classification of holdings against SFDR, EU Taxonomy, TCFD requirements

Agent: will automate disclosure preparation — mapping holdings to PAI indicators, taxonomy alignment, and regulatory thresholds; plus flag gaps before deadlines

For: regulatory reporting teams, sustainability officers

4) AI Commercial Licenses: clarity & opportunity for the new AI-era

MSCI's commitment to supporting your innovative use of AI

- MSCI permits you to use enterprise-grade, approved AI models to reference and process the MSCI Services of your subscription
- MSCI has [published](#) a client use of AI policy and terms in an [AI Contract Supplement](#) which focuses on:
 - MSCI data may only be used with an enterprise [Approved AI provider](#) (e.g., ChatGPT enterprise, Claude enterprise, etc.)
 - Any output you generate using AI remains subject to full compliance with your license terms (including restrictions on internal/external redistribution and any required deletion)
 - You may not directly or indirectly use MSCI data to train any AI models without an AI Training license; and
 - Any output generated by AI from MSCI Services may not be used to compete with or replace any MSCI products/services
- AI capabilities are rapidly evolving so we welcome the opportunity to learn more about how we can further support your use of AI

MSCI's now offers a dedicated AI Training license

- MSCI offers an AI Training license to cover more advanced uses of AI by clients such as:
 - Use of neural networks, transformers, or deep learning for continuous or automated model retraining; or
 - Development of derived data pipelines that feed into AI model development
- This license helps clients scale, while defining how trained models can use, retain, and derive value from MSCI data
- Example **use cases covered by the Training License:**
 - Training embeddings from MSCI ESG sub-scores, key issues, or S&C factors to power internal ranking systems
 - Building custom ML models using L0/L1 source data as training features
 - Using AI-generated outputs to inform live investment decisions, client-facing outputs, or published products

Client Discovery — validating our S&C AI-Ready Delivery Roadmap

We'd value your input on each of the four pillars of our AI-ready delivery roadmap to shape what we build next

DATA EXCELLENCE

1) AI-Ready S&C Datasets

What does best-in-class AI-readiness look like to you?

What hinders your use of MSCI data in AI tools today?

OPEN ECOSYSTEM

2) AI Platform Integrations

What are the key capabilities you envisage a MCP / copilot interface providing?

How mature is your firm's AI infrastructure, and are there guidelines or constraints on external connectors (MCP, Claude, ChatGPT, Copilot) we should design around?

INTELLIGENT EXPERIENCES

3) S&C AI Agents & Insights

Which S&C tasks (e.g., portfolio analytics, regulatory reporting, thematic and sector analysis, etc.) — would AI agents most meaningfully accelerate for your team?

LEGAL CLARITY

4) AI Commercial Licenses

How is your team using AI with MSCI content?

What licensing, compliance or model-training terms do you need clarified to confidently deploy MSCI S&C data inside your AI stack?

Are you considering using MSCI data to train your in-house AI models?

Submit the client feedback to: [Sustainability & Climate AI Client Feedback](#)

AI-powered new product development

We are building out an AI-native architecture layer to deliver decision-ready intelligence on emerging, structural forces that will reshape companies and portfolios.

AI is increasingly central to our product development

AI is unlocking a new wave of products, including datasets and signals that simply weren't possible before. We're looking for your input on our direction of travel.

AI-Native Coverage Expansion

- Faster Emissions data via AI
- Deeper Geospatial coverage
- Extended Business Involvement Screening (BISR) coverage
- On-demand Screening, Controversies, Sustainability data and ESG Ratings for privates / micro-caps
- AI-driven due diligence risk tool

AI-Native Climate Product Innovation

- Supply Chain data and analysis
- Transition Tech Solutions data
- Transition Policy impact analysis
- On-demand climate metrics

AI Disruption & Emerging Risks

- AI Disruption dataset — which companies are most exposed to or benefiting from AI
- Geopolitical Risk Exposure data

Discovery questions

- Which themes solve the biggest problems for you?
- What coverage gaps would change your workflow most?
- Any datasets we haven't listed that we should be building?

1) AI-Native Coverage Expansion: On-Demand Screening & Contros

AI provides an opportunity for MSCI to provide business involvement screens (BISR) and controversy assessments for companies and assets outside our coverage universe on an on-demand basis

NEXT EXPANSION – TARGET END OF 2026 LAUNCH

On-Demand BISR

- Coverage: 64k → 500k companies, expanding into privates
- AI flags involvement & estimates revenue range across 40+ screening categories
- Enables on-demand screening for global multi-asset client portfolios
- AI agent supports issuer & client queries

USE CASES

Banks, Insurers & GPs: Due diligence, KYC

Asset Owners & Asset Managers: Investment screening

FOUNDATION · IN PRODUCTION & EVOLVING

On-Demand Controversies

- Coverage: 11k → 500k companies, expanding into privates
- AI screens news, identifies cases, assesses severity
- Today: auto-publishes Minor & Moderate cases
- Next: full AI assessment available on-demand

USE CASES

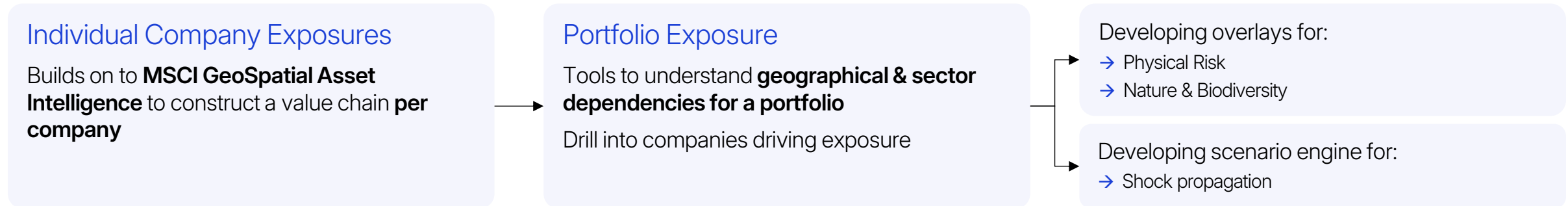
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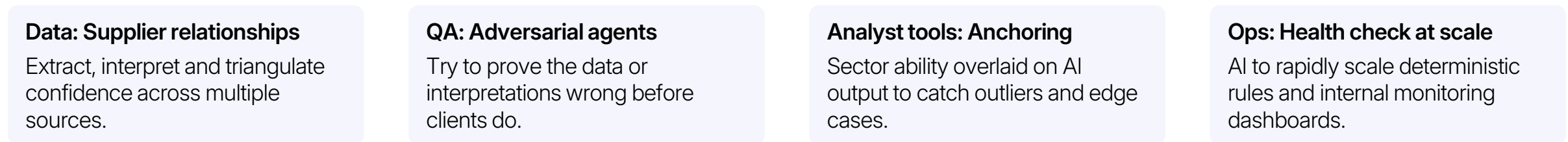
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What parts of the AI value chain is a portfolio most exposed to?

The AI value chain extends far beyond mega-cap tech — spanning companies across the physical, digital, and application layers.



Investment Expression

How can conviction on AI value be expressed at the portfolio level?

The ability to tilt toward or away from specific parts of the AI economy — with precision, not proxies.



Margin Impact & Moat Erosion

Which holdings are on each side of the AI divide?

AI will expand margins for some companies and erode competitive moats for others.

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Three new datasets measure how AI affects revenues, competitive position, and strategic direction across a portfolio, allowing asset owners/managers to answer the key question of 'how much AI risk am I actually running?'

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Where does this company earn revenue from the AI value chain today?

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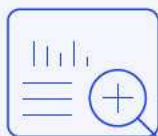
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What is the economic impact of AI on this company's workforce and competitive position?



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Identify companies with measurable AI value chain involvement today, companies investing for tomorrow and companies where AI adoption drives operating leverage, not just top-line growth.



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Quantify portfolio-level AI concentration vs. benchmark; stress-test a portfolio against possible market outcomes or AI disruption scenarios. Understand positioning across public and private assets for a total portfolio view.



Index Construction

Define AI-themed index universes using revenue exposure bands as eligibility screens and Activity Index scores for forward-looking tilts.

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A company- and portfolio-level dataset to help investors measure the potential economic impact of AI-driven workforce disruption.

Core Signals

Core company-level signals:

- **Automatable labor cost (%)**
- **Moat Resilience**
- **AI Disruption Score (0–10)**



Deep Dives

Detailed automation potential datasets:

- **Company workforce**
- **Company business segments**
- **Subindustries and sectors**
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Scenario Configuration

Built-in **AI scenarios** calibrate outputs to reflect **current or potential future AI capabilities**, anticipating real-time and robotically enabled AI systems.



Data Sources

Uses **MSCI's AI-powered task evaluations**, with data from O*NET, the U.S. Bureau of Labor Statistics, FactSet, MSCI revenue exposure data.



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Appendix

MSCI's Own Approach to Sustainability in AI (I/II)

Even with rising AI usage, MSCI remains committed to its own sustainability & climate commitments



MSCI's Own Approach to Sustainability in AI (II/II)

Even with rising AI usage, MSCI remains committed to its own sustainability & climate commitments

Sustainable across our own operations and supply chain

MSCI works with our global operations and supply chain to source renewable energy, monitor climate risk, and engage suppliers and vendors on shared sustainability commitments.

Efficient by design

MSCI closely monitors consumption including compute and storage usage to guide optimization efforts. We work to minimize unnecessary computational overhead with the aim of saving time and resources.

Empowering employees

MSCI is committed to equipping employees to use AI tools both effectively and sustainably, advancing responsible AI practices across the organization. AI adoption and usage is governed by firmwide policies.

About Us

About MSCI Sustainability and Climate Products and Services

MSCI Sustainability and Climate products and services are provided by MSCI Solutions LLC and certain related entities, and are designed to provide in-depth research, ratings and analysis of environmental, social and governance related business practices to companies worldwide. ESG ratings, data and analysis from MSCI Sustainability and Climate are also used in the construction of MSCI Indexes.

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MSCI (NYSE: MSCI Inc.) strengthens global markets by connecting participants across the financial ecosystem with a common language. Our research-based data, analytics and indexes, supported by advanced technology, set standards for global investors and help our clients understand risks and opportunities so they can make better decisions and unlock innovation. We serve asset managers and owners, private-market sponsors and investors, hedge funds, wealth managers, banks, insurers and corporates.

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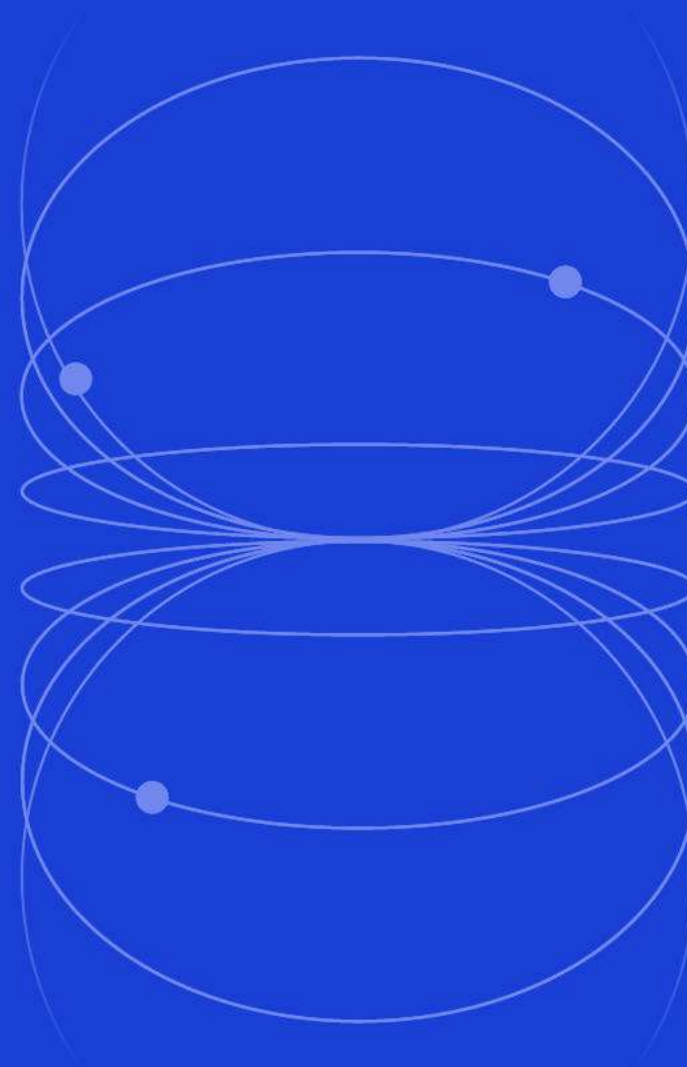
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Datacenter module consultation



The opportunity

Not all data centers are created equal

The market assumes capex is fungible — a dollar spent in North Dakota is valued identically to one in Northern Virginia.

But execution risk varies dramatically:

- **Permitting** ranges from 6 months to 3+ years by jurisdiction
- **Power** varies by grid congestion and interconnection queue depth
- **Cost** diverges on climate hazard exposure and supply chain access
- **Opposition** blocked \$98B in DC projects in Q2 2025 alone

Equal capex
assumptions misprice
risk

Capabilities

A working module across the full US data center universe



Owner composite

Composite risk by owner/issuer across physical, power, opposition and supply-chain factors.



Asset map

2,674 named assets, filterable by owner, status, market — with CSV export.



Physical and resource constraint hazards

Per-hazard 0–100 exposure across the universe; most-exposed asset tables.



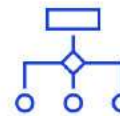
Construction risk

Operators ranked by exposure of their in-development pipeline to likely energy or social delay drivers.



Location pro forma

Site-level profile by region, ZIP or lat/long: energy, opposition, climate.



Counterparty network

Force-directed graph of owner–operator–tenant–lender relationships.

Comparing development pipelines

OPERATOR	IN DEVELOPMENT (SITING/DELAY RISK)			OPPOSITION OVERLAP		OPERATIONAL (PHYSICAL RISK)		PROJECT COMPLEXITY
	SITES	MW	P - UC - PA	SITES	%	SITES	MW	
Amazon Web Services (AWS)	65	22,993	38-27-0	55	84%	117	4,776	3/3
Microsoft	29	4,837	14-15-0	23	81%	66	4,633	3/3
Google	38	6,825	15-23-0	30	78%	31	2,597	3/3
Meta-Facebook	24	10,155	10-14-0	18	74%	37	5,279	3/3
CyrusOne	10	1,204	6-4-0	8	78%	53	1,338	3/3
QTS Data Centers	33	7,333	17-16-0	24	72%	62	2,419	3/3
NTT	13	760	6-7-0	9	71%	14	304	2/3
Aligned Data Centers	17	2,220	6-11-0	12	68%	4	120	3/3
Vantage Data Centers	15	3,268	6-9-0	9	61%	29	980	2/3
Compass Datacenters	19	1,253	5-14-0	12	62%	9	186	1/3
Stack Infrastructure	20	3,721	10-10-0	12	59%	28	1,083	2/3
EdgeConneX	21	976	11-10-0	12	58%	32	202	1/3

MSCI

Force-directed graph of relationships between owners, operators, tenants, and lenders across the top 120 counterparties (≥ 4 facilities each). Node size = asset count; node color = role. Edges encode relationship type and frequency. Click a node to drill; use the controls to customize the view.



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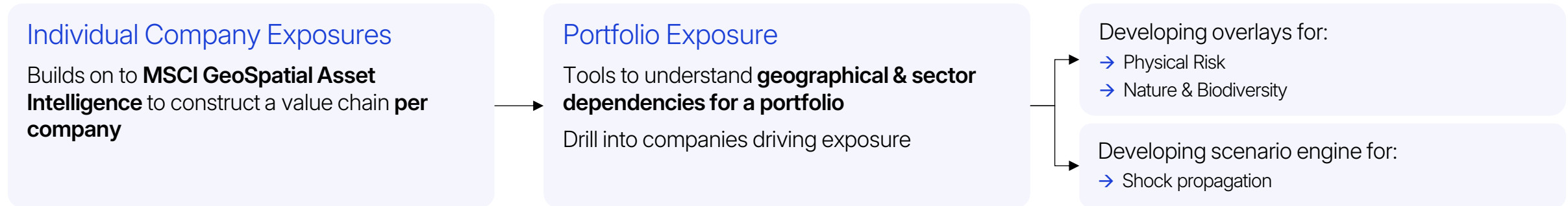
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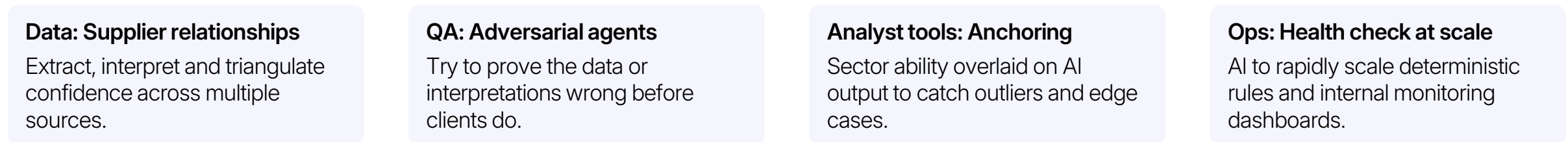
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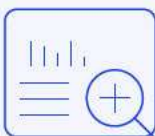
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AI Governance:

From Director Expertise to Board Effectiveness

Harlan Tufford

Jonathan Ponder

Rumi Mahmood



Forewords by:

Forewords

Glenn Davis

Deputy Director, Council of Institutional Investors

Companies face important questions about how AI governance will adapt as AI reshapes the business landscape. This report includes how companies will bring AI expertise to the boardroom.

Should AI expertise come from board members themselves? The specialist approach of dedicated board seats carries real trade-offs. In this report, boards, and particularly members of AI governance committees, to weigh both the benefits and opportunities and risks carefully before making a composition.

Equipped with a range of resources, the framework presented here, directors can deliberate on whether and how the board should strengthen its capacity for AI oversight.

Dr. Erin Young

Head of Innovation and Technology, Microsoft

AI systems, tools and technologies are becoming a central part of organizational strategy, risk exposure and operations across every sector.

As boards seek to harness the opportunities of AI while managing its risks, many have focused on building technical expertise, often by appointing dedicated specialist AI knowledge. Yet effective AI governance has never been simply about who sits around the boardroom table. As this timely report shows, the real challenge lies in ensuring that the board meaningfully strengthens effective oversight and supports better decision-making.

The findings of this paper offer an important framework for boards, investors and policymakers. AI governance remains fundamentally a governance issue, not solely a technological one.

Introduction

Boards are under pressure to govern AI and most are not yet doing it well.

That is the blunt finding at the center of this paper, and it is one that the stewardship professionals we convened to review the work recognized immediately from their own experience engaging company boards.

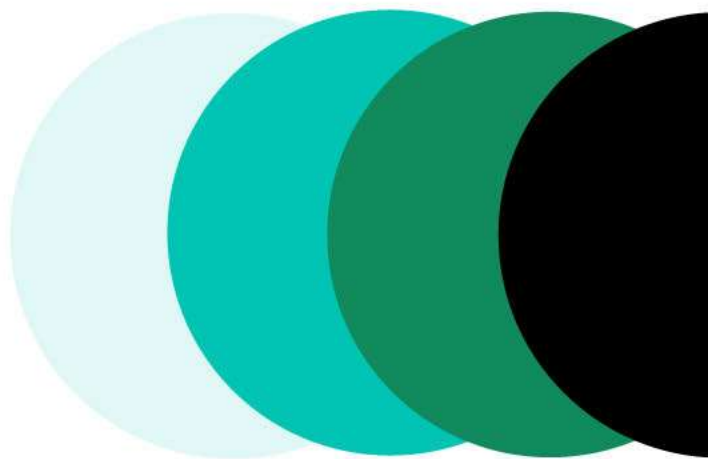
The numbers are striking. Between December 2021 and June 2025, the share of large- and mid-cap developed-market companies with at least one AI expert director grew from 15% to 25%. Yet only 14% of boards had effectively integrated that expertise as of mid-2025, meaning they had recruited the credential without deploying it. The gap between optics and oversight is wide, and it is consequential at a moment when AI strategy is moving fast and the cost of weak governance is rising.

The authors' more durable contribution, however, is the framework itself. Built on a foundation of academic research, the five-dimension framework assesses whether a director's expertise, independence, motivation, bandwidth and empowerment combine to produce meaningful oversight. It is designed to scale to any knowledge domain, not just AI.

This paper emerged from a conviction our Institute has held for some time: that governance quality is not captured by checking boxes on a skills matrix. What matters is whether expertise is embedded in structures that let it work. At a moment when AI is reshaping corporate strategy across every sector, the distance between those two things has rarely mattered more.



Linda-Eling Lee
Founding Director, MSCI Institute



Executive summary

As AI reshapes the business landscape, boards are under growing pressure to ensure that they can govern both its opportunities and risks. Many boards are responding by adding directors with AI expertise, but special directors introduce new challenges which, if left unchecked, can undermine rather than strengthen the board's collective oversight capacity.

This paper proposes a framework for assessing whether a board has integrated its special directors' experts into the board as a whole and how its experts are positioned to meaningfully contribute to the board's oversight capacity. It considers five dimensions relevant to a director's ability to exercise effective oversight of strategy and risk:

- **Expertise** in the relevant knowledge and skills
- **Independence** from management and other interests such as controlling shareholders
- **Motivation** to prioritize investor interests over short-term financial success
- **Bandwidth** sufficient to understand and address strategic priorities
- **Empowerment** to share their knowledge with the formal board roles

The framework can be applied to any technical knowledge and any companies and any technical knowledge. In this paper, we apply it to AI expertise, looking at the board members of constituents of the MSCI World Index, which comprises large- and mid-cap companies in developed markets. The analytical set included 17,454 board memberships at the end of 2021, between Dec. 31, 2021 and June 30, 2022.

Research context

Companies across all markets are racing to integrate AI into their operational strategy, seeking improved efficiency, innovation and competitiveness. However, studies show that most corporate AI initiatives have struggled to yield returns (Carnegie Mellon, 2025). At the same time, AI adoption brings new and heightened risks, ranging from algorithmic bias and cybersecurity to environmental, workforce and ethical concerns (Chung et al. 2024).

Boardrooms lie at the center of this challenge: the ultimate stewards of corporate capital, directors are expected to oversee initiatives create long-term value while protecting against AI's myriad risks. Success requires that boards have the necessary expertise to ask meaningful questions of a company's proposed AI strategy and to hold the managers executing that strategy accountable. While companies can attempt to cultivate this understanding organically through continuing education programs targeted at existing directors, such efforts may appear languid compared to the rapid pace of AI innovation and insufficient response to investor demands for returns on AI investments.

As a result, more boards may choose to recruit new directors with dedicated AI expertise. This approach is not without risk. Singling out specialist directors may be unable to integrate into and contribute to the board's collective wisdom, and their knowledge could remain siloed from the rest of the board. Subject-matter experts can also introduce authority bias, leading the board's other directors to defer to the specialist colleague rather than do their own due diligence. Either outcome could hurt the board's ability to effectively oversee the company's AI strategy (Shapira and Nili 2023).

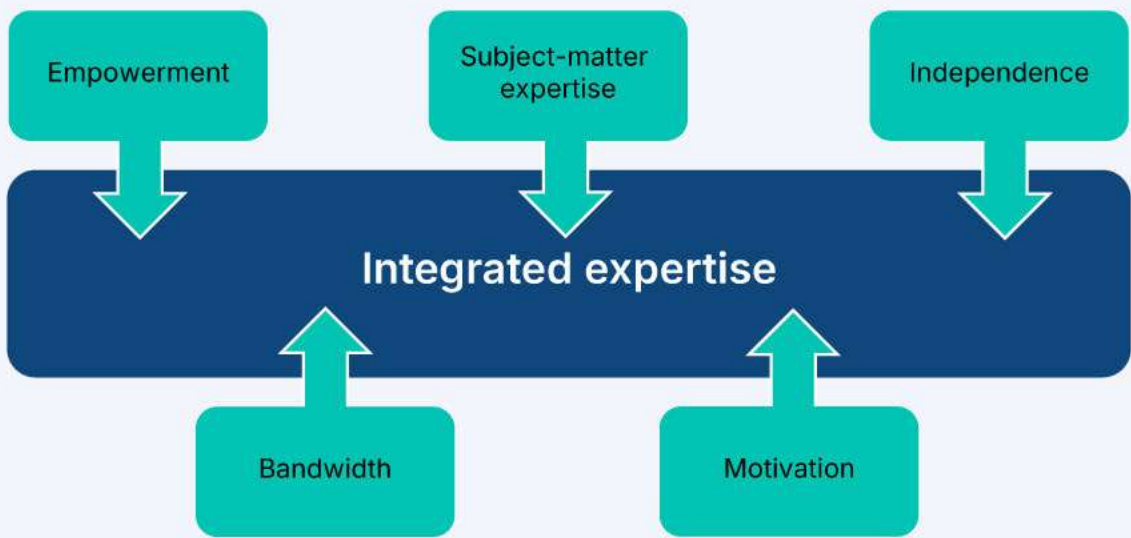
Evaluating integrated expertise

Overview

The framework described below is designed to evaluate an individual director’s potential to make a meaningful contribution to a board’s collective oversight capacity through the application of their

subject-matter expertise. It posits that a board can meaningfully benefit from its subject-matter experts only when those experts have been **integrated into the board as a whole**.

Exhibit 1: Integrated expertise framework overview



Source: MSCI Sustainability & Climate (MSCI S&C)²

The framework builds on a growing body of research that links governance effectiveness with how directors interact, what motivates them and how the board is structured, not just what they know. It offers a systematic and scalable way to identify directors whose skills, independence, engagement and

influence combine to support robust decision-making on complex topics such as AI.

Theoretical foundations

The framework draws from Hambrick, Misangyi, and Park’s (2015) “Quad Model for Identifying a Corporate Director’s Potential for Effective Monitoring”. Hambrick and colleagues argue that oversight effectiveness emerges from the interaction of four attributes: expertise, independence, motivation and bandwidth. The model posits that a deficiency in any one dimension constrains the director’s overall capacity to monitor management, regardless of

strength in other areas. This interactional concept has been empirically validated by Hasija et al. (2025), who found that firms with “quad-qualified” lead independent directors displayed lower misconduct incidence and improved director attendance, confirming that oversight sufficiency depends on multidimensional qualification rather than singular strength.

Building on these insights, the framework adds a fifth dimension – empowerment – which recognizes that formal authority within the board structure influences how effectively directors can apply their expertise to the board's work. This aligns with Larcker, Seru, Tayan and others' view that effective governance requires not only qualified directors but also the formal authority to enable them to shape board deliberations.

The framework also draws on broader organizational theory emphasizing that capability is a system property, not just an individual one. Studies of corporate adaptation – most notably Brynjolfsson and Brynjolfsson and McElheran (2016) – highlight the value of specialized knowledge combined with complementary structures, incentives and coordination mechanisms. In governance, this means that director expertise yields its full benefit only when embedded in a system of checks and balances, independence, engagement and authority.

Framework dimensions

The framework comprises five mutually reinforcing dimensions, each of which can be evaluated as a “Yes” or “No” answer. Each individual dimension is necessary but not sufficient for true effectiveness. The framework treats these factors as multiplicative, not additive: The framework treats a “No” in any one area as materially reducing the likelihood of effective governance.

Exhibit 2: Integrated expert dimensions

Dimension	Definition
Expertise	The director has professional skills or experience directly relevant to the company's business.
Independence	The director is independent of the company and any other special-interest group that could influence governance structure or outcomes.
Motivation	The director's personal goals align with the long-term success of the company, whether through ownership or an expected exit via equity ownership during a liquidity event.
Bandwidth	The director dedicates sufficient time and attention to board responsibilities.
Empowerment	The director holds a role that allows them to meaningfully influence company decisions.

Source: MSCI S&C

Integrated AI expertise

Objectives and methodology summary

To assess the landscape of AI expertise across corporate boards, we applied our framework to the knowledge area of AI expertise and the MSCI World Index, which comprises large-and mid-cap equities in developed markets.

We evaluated companies that were constituents of the index throughout the period between December 2021 and June 2025 (n=1,120 companies and 14,528

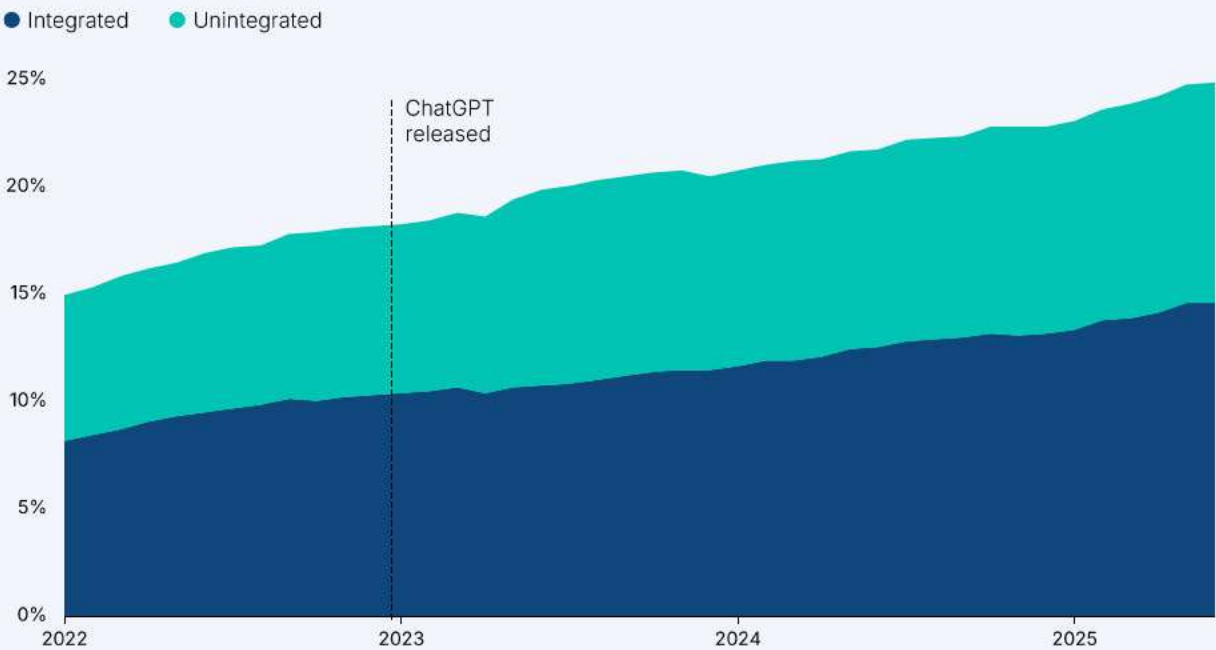
individuals). Director expertise in AI was evaluated using director biographies and AI analysis, while the other framework dimensions were evaluated using corporate governance data from MSCI S&C. For further details regarding our study methodology, see Appendix I.

Global results

Across the MSCI World Index, the proportion of companies with AI experts on the board increased steadily over the study period, from about 15% in 2022 to approximately 25% by mid-2025 (Exhibit 3 below). However, the share of boards that had

meaningfully integrated those AI experts – i.e., the share of boards with at least one director meeting all five framework criteria – was significantly smaller, ranging from 8% at the start of the study to 14% at the end.

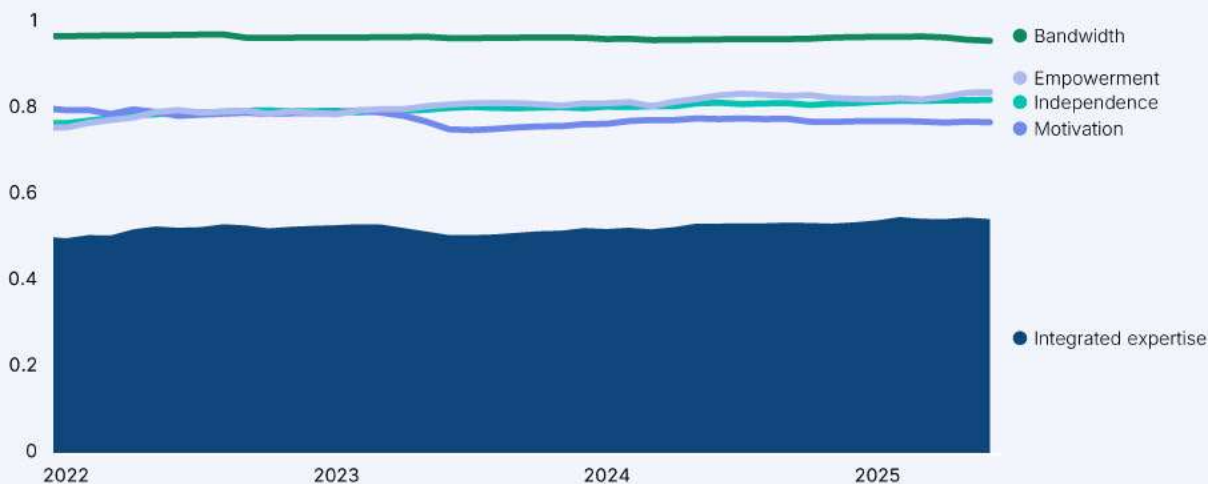
Exhibit 3: Percentage of companies with AI expert directors



Source: MSCI S&C. Includes 14,528 individuals across 17,454 board memberships at 1,120 companies that were constituents of the MSCI World Index continuously between Dec. 31, 2021 and June 30, 2025. Of the 14,528 individuals in the sample, 286 (2%) were considered AI experts under our methodology. Of these 286 AI experts, 156 (55% of all AI experts and 1.1% of all individuals) were considered integrated experts.

Exhibit 4: Individual directors by integration criteria

AI experts who met criteria



Source: MSCI S&C. Includes 14,528 individuals across 17,454 board memberships at 1,120 companies that were constituents of the MSCI World Index continuously between December 31, 2021 and June 30, 2025.

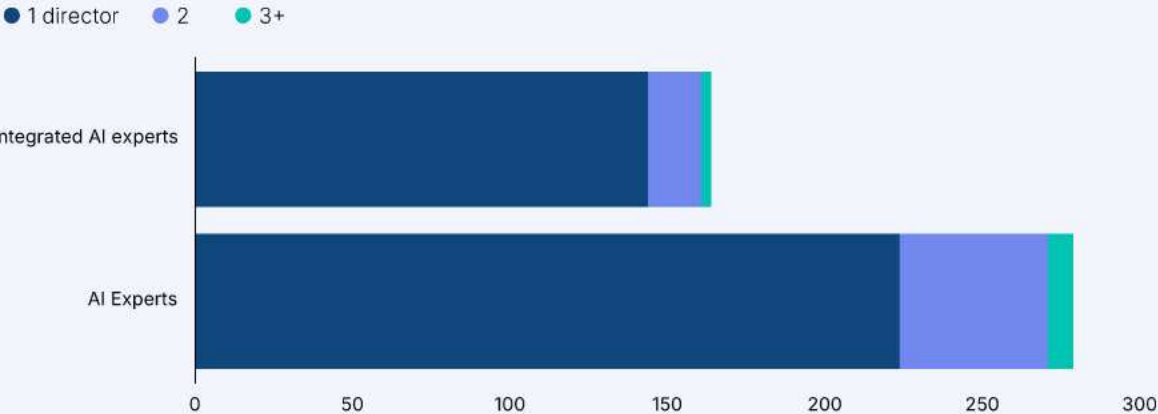
Empowerment was the most failed integration dimension. It was measured based on whether the expert director was identified as having a meaningful role on the board (e.g., a committee membership or leadership position) (Exhibit 4). This suggests that many directors with technical expertise related to AI have not yet been appointed to the board’s broader decision-making bodies or positions.

Bandwidth was the least significant framework dimension. It was measured based on the total number of outside boards on which an individual served. As shown in Exhibit 5, AI experts were well

distributed among the companies in our study. While between 15% and 25% of boards included AI experts over the study period, just 286 of the more than 14,000 individual directors in our study (2%) were considered AI subject-matter experts. Of those, only 156 (55% of all AI experts and 1.1% of all individual directors) were considered effectively integrated into their boards under our framework.

Companies with two or more effectively integrated AI expert directors at the end of the study period are set out in Appendix II.

Exhibit 5: Companies by AI expert director count, as of June 2025



Source: MSCI S&C. Includes 1,120 companies that were constituents of the MSCI World Index continuously between December 31, 2021 and June 30, 2025. Excludes companies with no AI experts. Board composition calculated as of June 30, 2025. One company had four directors identified as AI subject-matter experts. No companies had more than three directors whom we considered integrated AI experts.

Case Study

International Business Machines Corp. (IBM)

(United States / Information Technology)

Martha Pollack was appointed to the board of IBM in February 2019. A former president of Cornell University and professor of computer science, information science and linguistics, Dr. Pollack is described by IBM as an expert in the field of AI with a wide range of contributions to the field, including having served as editor-in-chief of the Journal of Artificial Intelligence Research. Dr. Pollack met our criteria for integration into IBM's board based on disclosure as of June 2025.

IBM's **2025 board skills and experience matrix** included "Innovation and Emerging Technologies" as a core strategic skill of the

board, alongside areas such as cybersecurity, risk oversight and financial expertise. The company reports governance of risk oversight is **distributed across the full board** and its standing committees.

IBM reported that its Principles for Trust and Transparency guide its approach to the **ethical use of AI**, including oversight by the IBM AI Ethics Board, an internal body co-chaired by the company's Chief Privacy & Trust Officer and AI Ethics Global Leader, and overseen by IBM's Policy Advisory Committee.



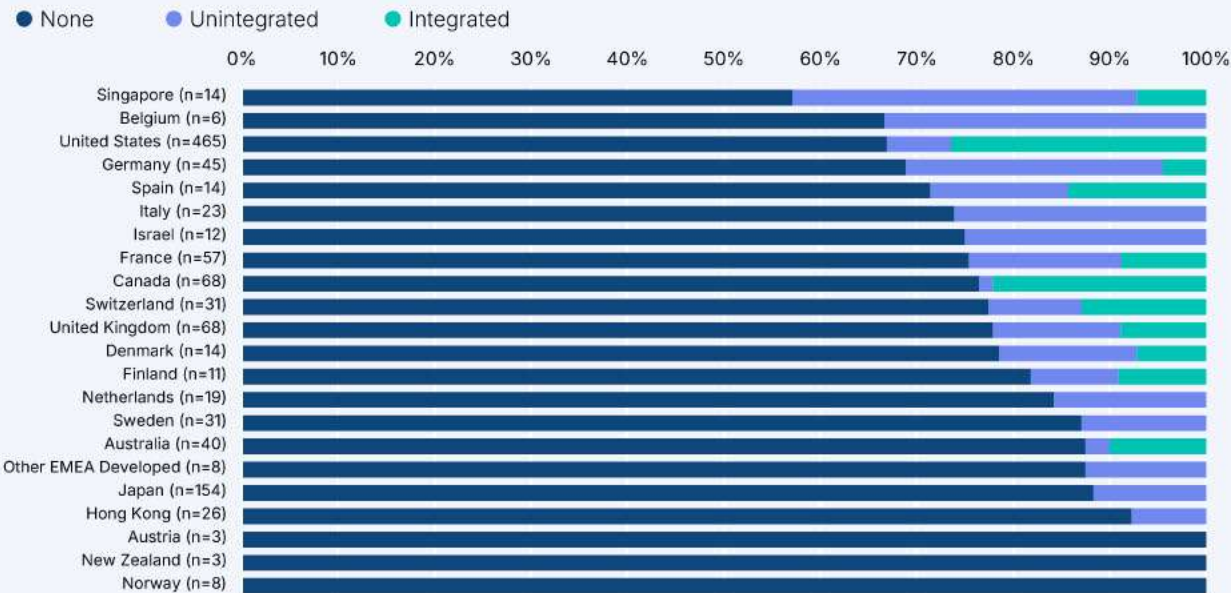
Source: IBM 2025

Global results

Differences across developed markets were pronounced (Exhibit 6). The U.S. had the highest proportion of boards with integrated AI expertise

(about 25%), followed by Canada (19%) and Spain (14%).

Exhibit 6: Percentage of companies with AI expert directors by Home Market



Source: MSCI S&C. Includes 14,528 individuals across 17,454 board memberships at 1,120 companies that were constituents of the MSCI World Index continuously between December 31, 2021 and June 30, 2025. Note that the study universe included only companies classified as belonging to developed markets by MSCI.

Developed markets in the EMEA and APAC regions generally displayed a different pattern. Singapore had the largest share of firms with AI expertise that had not been effectively integrated into the board (36%), followed by Belgium (33%) and Germany (27%). In these jurisdictions, boards appeared to prioritize recruitment of technical specialists without – at least at

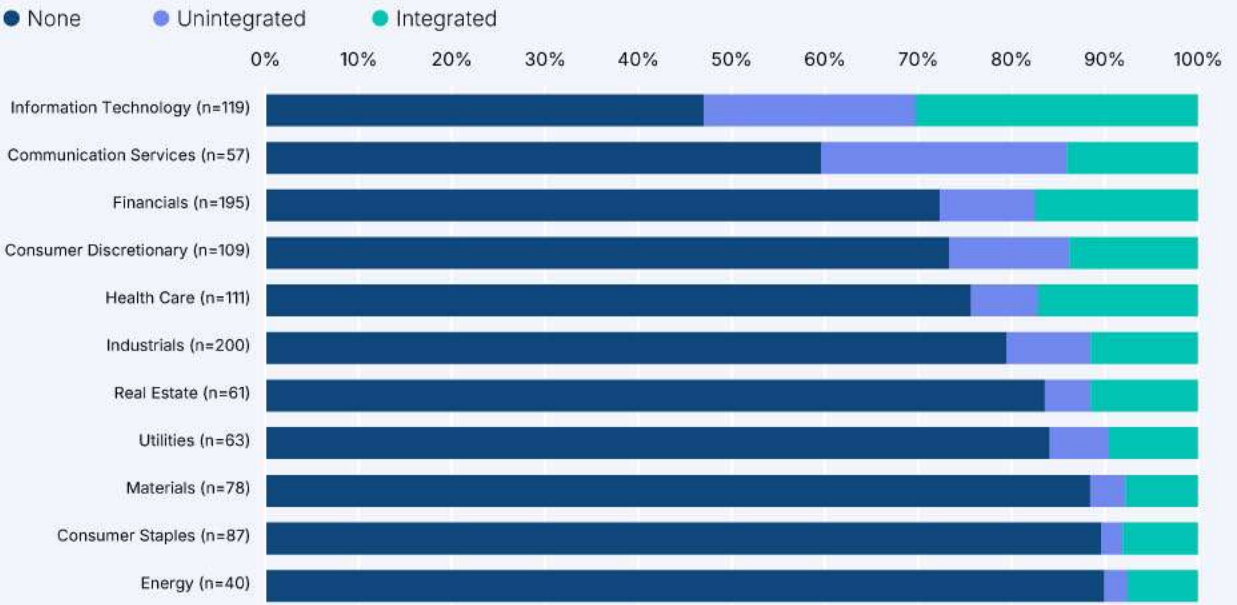
this stage - necessarily providing those experts with the authority or incentives associated with effective oversight. Markets such as the Netherlands, Sweden and Finland also showed high levels of AI-expert representation overall but a smaller proportion of directors meeting all framework criteria.

Sector results

Sectoral variation largely reflected differences in technological intensity and regulatory exposure (Exhibit 7). Information technology firms had the highest percentage of boards with integrated expertise

(27%), alongside an additional 26% of boards that had unintegrated AI expertise. Financials and health care followed, with 17% and 16% of boards having integrated AI expertise, respectively.

Exhibit 7: Percentage of companies with AI expert directors by GICS sector



Source: MSCI S&C. Includes 14,528 individuals across 17,454 board memberships at 1,120 companies that were constituents of the MSCI World Index continuously between December 31, 2021 and June 30, 2025. Sectors reflect the Global Industry Classification Standard (GICS®) jointly developed by MSCI and S&P Dow Jones Indices.

Communication services firms exhibited the widest gap between integrated and unintegrated AI expertise: 41% of boards had at least one AI expert director, but only 11% had meaningfully integrated that expertise into the full board, with 30% of boards having only unintegrated expertise. This suggests that many boards have added domain specialists but have not done so in a way that effectively supports their ability to contribute meaningfully to the board’s work on AI. Industrial, materials and energy firms showed the lowest rates of integrated expertise, typically below 10%, which may reflect lower direct exposure to AI-related risks and opportunities.

The high levels of unintegrated AI expertise in several sectors suggest that many boards may have rushed to acquire relevant director expertise but not yet deployed or supported those directors in a way that can maximize their potential contributions to the board’s work in addressing the potential risks and consequences of AI.

Investor perspec

The authors shared the findings and a roundtable of senior institutional investors in a publication. The purpose of this discussion was to surface any material weaknesses in the framework and to test whether the framework resonated with those responsible for engaging with boards on AI governance. The engagement did not produce further

Investor roundtable

In April 2026, the MSCI Institute convened a roundtable of senior stewardship and governance professionals. These were drawn from European and global institutional investors with intent to sense-check the methodology of this study. The session was conducted under Chatham House Rule, and the following accordingly reflects themes and views attributed to specific individuals or organizations. Participants collectively represented stewardship functions at firms with a reach spanning trillions of dollars in assets under management and included specialists in ownership teams with deep experience in company boards on various governance topics, including the nascent AI field.

Views on the framework

The five-dimension framework was well received; no participant raised a fundamental challenge to its structure or underlying methodology. However, participants expressed that the research identified a stewardship community has been well-addressed, namely a structured, evidence-based foundation for assessing AI board governance. Teams can take directly into company engagement. One participant noted that scoring across five dimensions would provide investors with the confidence that effective oversight is in place, a finding that reflected broader sentiment in the market. The finding that most companies had AI expertise with AI credentials without effective AI expertise resonated strongly with participants.

Views on motivation

The motivation dimension prompted substantive discussion, and the feedback pointed to a specific refinement. Specificity of equity ownership and remuneration proxies for motivation reflects competing conventions that differ materially between European governance contexts. European executive directors are less commonly held equity by structural design rather than as a proxy of governance quality, meaning the framework does not systematically rank European boards on this dimension even where oversight is otherwise effective. Participants identified remuneration as the appropriate response. On the dimension of empowerment, some participants questioned committee membership and leadership as a reasonable starting proxy, may not accurately reflect actual influence. For example, a director with a seat without meaningfully shaping an agenda or conclusions. Participants recommended qualitative indicators, such as patterns of AI-related disclosures or evidence of AI in strategic reviews, as potentially more relevant additions to the proposed measurement framework.

Governance adequacy and sector specificity

Participants proposed two further enhancements that would significantly increase the framework's utility. The first is the introduction of a **to-deployment ratio**: an assessment of governance adequacy relative to how aggressive a company is deploying AI, rather than against a uniform standard. A company deploying AI cautiously might require a different standard of oversight than one that has made it a core operational and strategic priority. Participants felt the framework would be more actionable assessments if it accounted for this variation. The second is greater sector specificity.

Conclusion

Boards see a clear need for new skillsets relevant to understanding and managing risks and opportunities. Between December 2021 and July 2022, the percentage of mid-cap companies in developed markets with at least one director (as evaluated by our methodology) increased to 25%.

But recruitment alone is not good enough. A central finding of this study is that for boards that have added AI expertise, but not effectively integrated it, an imbalance exists between having an expert on the board and deploying that expertise in senior management. Oversight is wide. This raises questions about the ability of these boards to effectively leverage this expertise and utilize it in overseeing corporate AI strategy.

Appendix 1: AI expertise

Study period and sample

Our study period ranged from December 2023 to June 2025. Our analytical set includes:

- All companies that were constituents of the MSCI World Index (an index of mid- and large-cap companies in developed markets) during the study period (n=1,120 companies).
- All individuals who were directors of the companies identified above at any time in the study period (n=14,528 individuals).

Expertise dimension

To evaluate the expertise dimension, we reviewed biographies of all individuals within the company's only company-disclosed director proxy meeting materials (e.g., proxy circulars) and under the MSCI ESG Ratings methodology, and biographies from all of the companies' websites.

Each biography was reviewed by three independent evaluators, providing binary evaluations indicating whether the biography was related to AI, and to provide supporting evidence as a vote, and the majority opinion of the three evaluators was used. This approach builds on our previous work.

Our definition of "AI expertise" is refined and extensible to a wide range of technical expertise in the relevant area of expertise and the specific application of AI.

System prompt

You read biographies to evaluate whether an individual has professional and academic experience related to AI.

Professional:

- Professional experience can include hands-on experience with the role directly related to the subject; leadership/management of or related to the subject; policy/research related to the subject; and direct involvement in the subject.
- Board director experience is not professional experience. Answer "No" if the individual has only board director professional experience.

General:

- If an individual is described as credibly support that claim.
- Return structured JSON, with fields: answer_professional, n subject.
- Carefully reason through your

User prompt

- -ai: Expertise in artificial intelligence (LLM), natural language processing
- Biography: <director biography>

To eliminate any volatility in skills assessment attributable to increased reporting of experience in director biographies for of ChatGPT in November 2023, we used individual's latest biography as of the period. In other words, if a director was AI expert at the end of the study period, assessment applied throughout the entire. This decision incorporates an assumption individuals' core areas of academic and experience did not significantly change year study period.

Other dimensions

The other framework dimensions were MSCI S&C corporate governance data:

- **Independence:** A director was considered met the criteria of the independence if the director was considered both management and independent of management under the MSCI ESG Ratings methodology ("MSCI ESG Ratings Methodology: for further details).
- **Motivation:** A director was considered met the criteria of the motivation dimension if:
 - a. The company had implemented a ownership policy or guideline (the director's personal shareholding was less than 1% of the company's outstanding shares).
 - b. The director personally owned less than 150,000 in shares of the company, served as a director as of the end of the period.

Appendix 2: Companies with more integrated AI expertise

The table below sets out all companies with more integrated AI expert directors at month-end timestep in our study period

Company
Allimentation Couche-Tard Inc.
Amazon.com, Inc.
Autodesk, Inc.
CAE Inc.
The Coca-Cola Company
FactSet Research Systems Inc.
Fortive Corp.
HP Inc.
HubSpot, Inc.
IGM Financial Inc
Intuit Inc.
Klépierre SA
Motorola Solutions, Inc.
Munich Re
NatWest Group PLC
Nokia OYJ
The Procter & Gamble Company
PTC Inc.
Seagate Technology Holdings PLC

Footnotes

1. The authors thanks Ewan Jarvis and their contributions to this report.
2. MSCI Sustainability & Climate product provided by MSCI Solutions LLC in the MSCI Solutions (UK) Limited in the U certain other related entities.
3. The specific definition of expertise w knowledge domain under evaluation. paper, we apply this framework to th AI. Our definition of AI expertise is se

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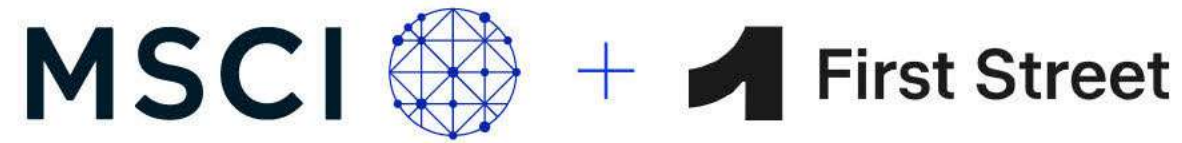
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MSCI acquires First Street to enhance physical climate risk capabilities

THE ACQUISITION

MSCI acquires First Street

MSCI has agreed to acquire First Street, the leading provider of physics-based climate risk data and analytics for every property in the world. The deal is announced in June 2026.

The official close and start of collaboration are expected in Q3 of 2026.

First Street's asset-level data and tools will be fully integrated into MSCI's extensive geospatial and climate solutions, enabling quantified assessments of financially relevant climate risk at any geographic coordinate and across more than 2 billion structures worldwide.

"The integration of First Street data into MSCI's existing geospatial capabilities will enable clients to be better informed about their changing risk exposures and integrate that directly into financial decision-making."

Richard Mattison

Head of Sustainability and Climate, MSCI



THE GOAL

Enhancing physical risk to strengthen MSCI leadership

First Street provides multi-hazard models validated against observed events to assess physical risk exposure, asset damage and business interruption. These models translate physical hazards into financial impact estimates. The platform delivers customizable analytics for properties, companies and portfolios within one AI-enabled workflow.

The acquisition strengthens MSCI's leadership in climate investment tools and research, building on decades of expertise in geospatial intelligence, climate scenario analysis and transition finance.

"First Street was built on the simple conviction that every financial decision should account for a changing climate. Joining MSCI puts our property-level science in front of the world's leading investors, lenders and insurers, and turns climate risk from a disclosure exercise into a daily input for how capital can be allocated."

Matthew Eby

CEO, First Street

