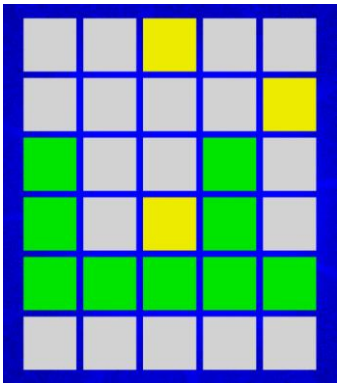


am  
FX

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Monica Lewinsky writes about Wordle for Vanity Fair

It doesn't get much more random than that!

### Current Views

**Bullish AUDCAD**

Long 22FEB 0.91 AUDCAD call  
Cost 26bps, spot ref 0.9050

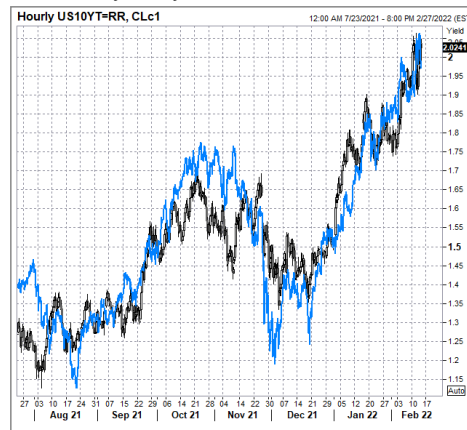
**Bullish EURGBP**

Long 18MAR 0.8550 EURGBP digital  
call at 24% (spot ref. 0.8426)

## Crude observations

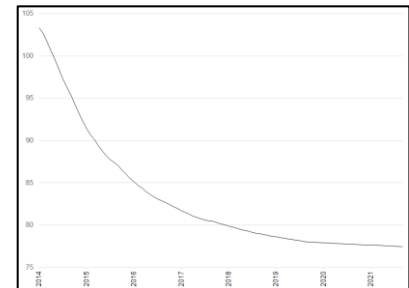
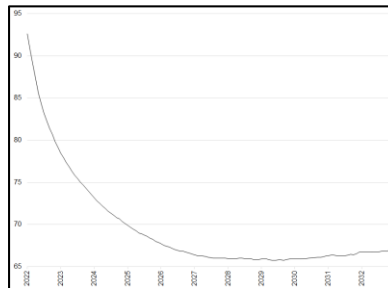
It's rather amazing how strong the oil vs. US yields correlation has been since the summer. One might have thought that given a litany of idiosyncratic factors in oil (supply and demand stories, Iran, Russia/Ukraine etc.) there would be more idiosyncratic movement in oil. But bonds and oil are just the same trade these days, pretty much.

US 10-year yield vs. NYMEX crude



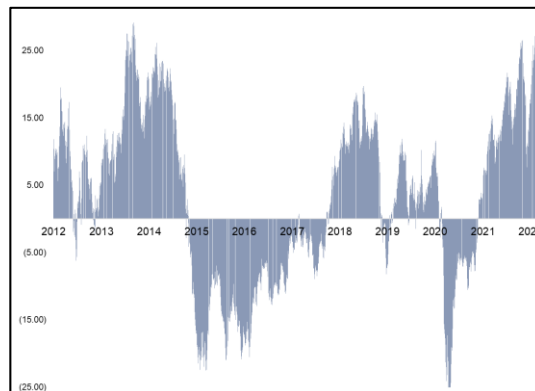
Meanwhile, take a look at the crude curve, which is currently looking crazy steep and exactly like March 2014, the last time Putin faced off on the Ukraine border.

Crude curve now looks a lot like it did in 2014



Here's another look at the same data. This chart shows CL1 vs. CL 5 years out going back to 2012. Again, you can see the curve shape is extreme right now.

CL1 vs. CL 5 years out

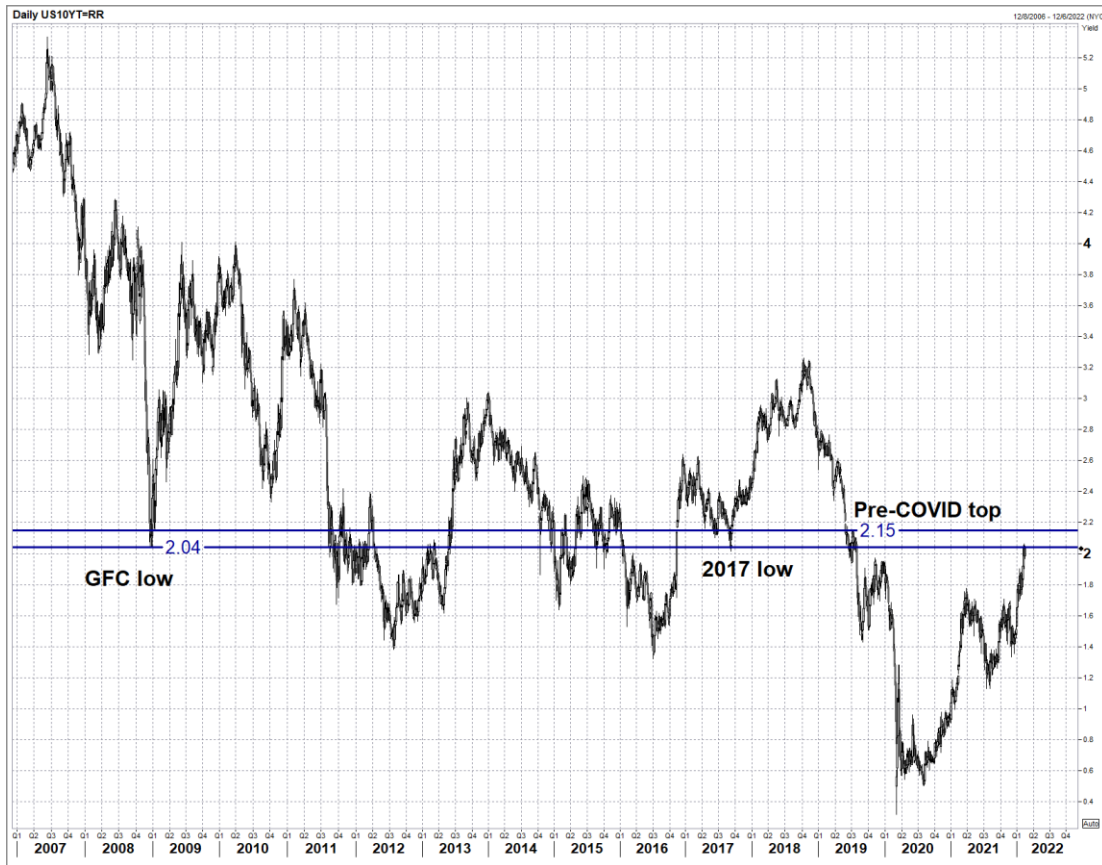


I am not a crude oil expert but there is a simple observation here. **The steep curves in 2013, 2014, and 2018 were all great times to sell crude, not buy it.** This is not just about the curve rolling down. Every contract, all the way out the curve was a massive sell all three times.

The timing seems kind of arbitrary here, so I'm not doing a trade on the back of this. BUT! Lower crude, lower yields in three months seems more likely to me than higher crude, higher yields and I'm now on high alert for a tactical trigger to put on the crude short.

**Messy**

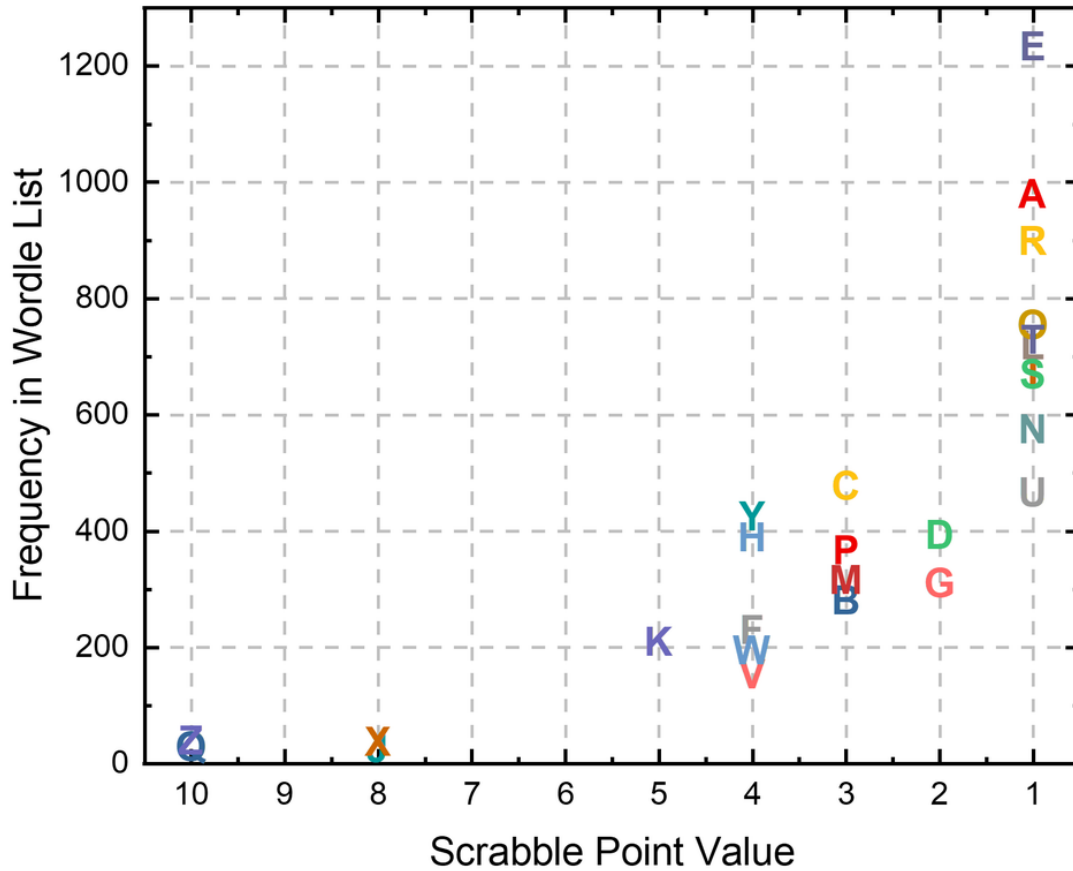
Meanwhile, we are entering a big zone of interest here in US 10-year yields. 2.04% was the post-GFC low, and the 2017 low, and the last spike higher before the Fed started easing then COVID hit was 2.15%.



Again, no call to action here but we are in the zone here where yields and oil could both struggle to make further forward progress. Spidey Sense tingling.

Have a high-value day.

good luck ↑↓ be nimble



[https://www.reddit.com/r/dataisbeautiful/comments/srnux3/oc\\_wordle\\_letter\\_frequency\\_versus\\_scrabble\\_point/](https://www.reddit.com/r/dataisbeautiful/comments/srnux3/oc_wordle_letter_frequency_versus_scrabble_point/)

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