

am  
FX

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The English word "argue" comes from the Old French "arguere" which meant "make bright, enlighten, make clear."

**Current Views**

**Long EURUSD @ 1.0488**  
Stop loss 1.0374  
Take profit 1.0720

**EUR BTD**

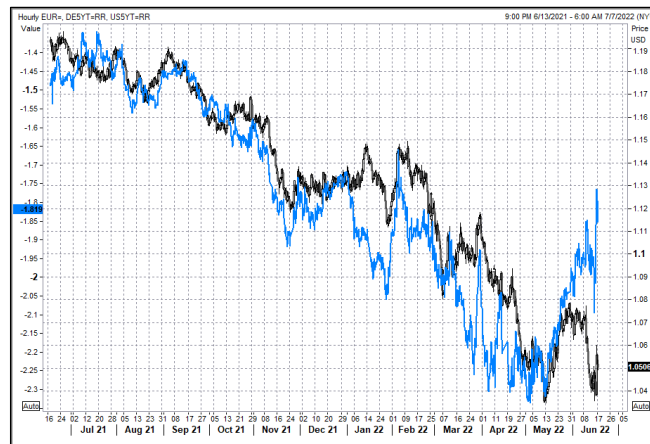
The standard reaction to the ECB pledge to stabilize peripheral spreads has been some sort of mocking derision mixed with laughing crying emojis and yet spreads are ripping tighter as you can see here:

**EURUSD vs. Germany/Italy 10-year spread**



Meanwhile, Germany, USA rate differentials are doing this:

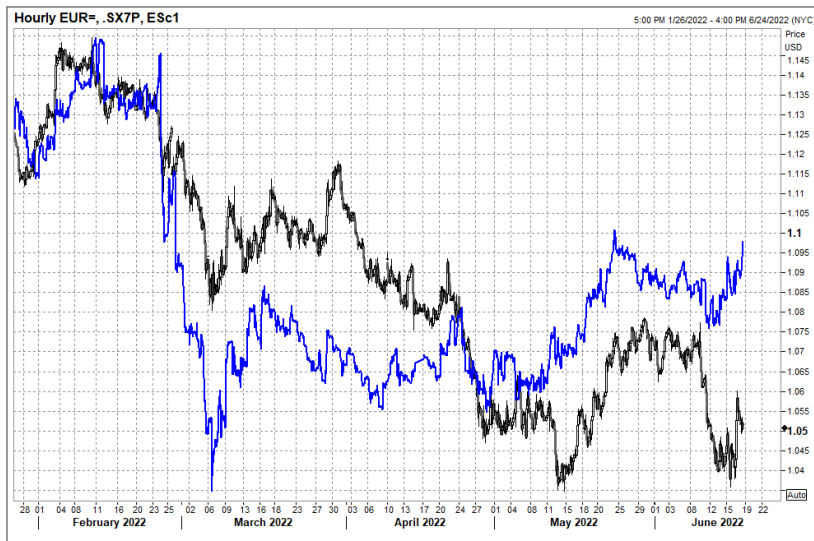
**EURUSD vs. Germany/USA 5-year rate differential**



The random selloff this morning in EURUSD is probably the dip to buy. It doesn't make any sense to me and looks like a random one-off flow. As such, I'm going long EURUSD here (1.0488) with a stop at 1.0374. I am also covering my EURJPY short, which was horribly mismanaged as it got super close to the TP and is now back to flat, 300 points higher. Grr...

For what it's worth, European equities have also been significantly outperforming US equities for the past week or two. While that has been a useless real-time indicator (see chart on next page), it's another piece of evidence that **there is nothing particularly exceptional or divergent about US economic, yield, or equity performance right now**. In contrast, the US economic data has been worse than Europe, rates are going up more slowly in the US, and US equities are underperforming.

### EURUSD vs. Europe/USA equity ratio



I acknowledge I have aggressively flipped my view here after being super bearish EURUSD for quite some time, but quite a lot has changed in the market with BTPs recovering, more ECB words yesterday regarding the anti-fragmentation mechanism, toppish US rates, the SNB going 50bps and so on. “Be nimble” is my mantra. Equities have also reached the bottom of what I have been expecting to be a 3700/4300 range and my gut feel is that the equity selloff is done for a bit.

### Final thought

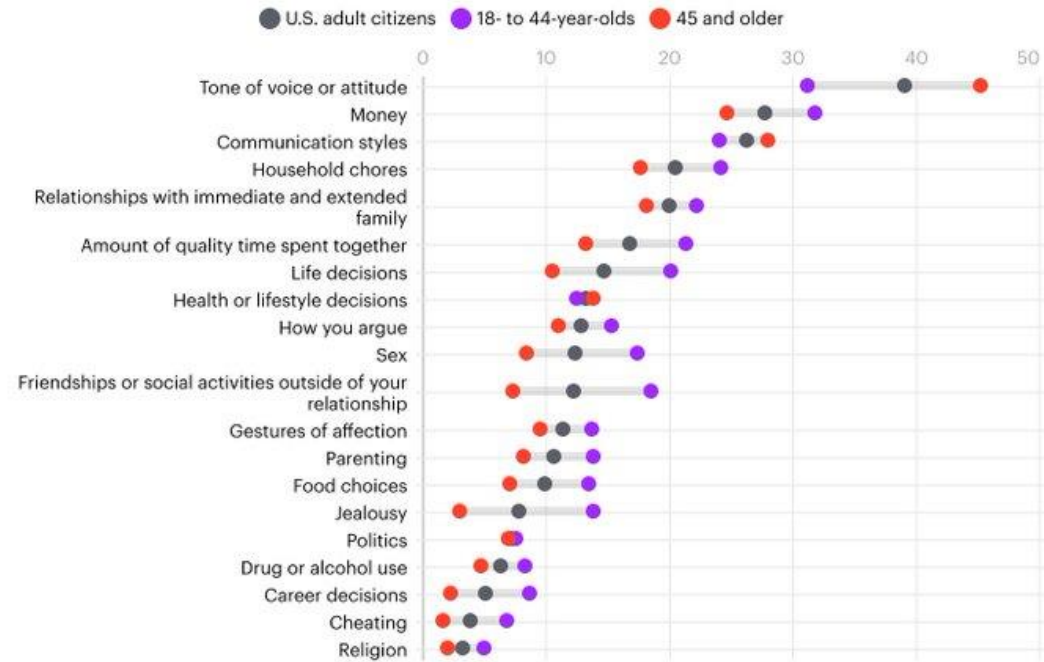
Everyone is tired so I’m keeping it short today.

Have a mollifying weekend!

good luck ↑↓ be nimble

## Which topics do American couples argue about most?

Which of the following topics do you have arguments about? Select all that apply. (% of people in serious relationships)



Note: People who selected "other reason" are not shown.

YouGov

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