Biiwii Commentary

***e*Research Corporation** is pleased to provide an article and video, courtesy of Biiwii.com, and written by Callum Thomas (link to the Author is provided on the following page).

The article, starting on the next page, is entitled: **"Cross Asset Volatility".**

Biiwii.com was created in mid-2000 solely as a way to help get the message out about deeply-rooted problems about too much debt and leverage within the financial system. The concerns were confirmed and the message proved justified 3 to 4 years later as the system began to purge these distortions, resulting in a climactic washout extending from October, 2008 to March, 2009.

Along the way, a geek-like interest in technical analysis, a long-time interest in human psychology, and various unique macro market ratio indicators were added to the mix, with the result being a financial market newsletter (and dynamic interim updates), Notes From The Rabbit Hole (NFTRH) that combines these attributes to provide a service that is engaged and successful in all market environments by employing risk management first, and opportunity for speculation second.

But It Is What It Is: You can access Biiwii at its website: **www.biiwii.com**.

Notes From The Rabbit Hole: You can access NFTRH at its website: **www.NFTRH.com**

***e*Research** was established in 2000 as Canada's first equity issuer-sponsored research organization. As a primary source for professional investment research, our Subscribers (*subscription is free!!!*) benefit by having written research on a variety of small- and mid-cap, under-covered companies. We also provide unsponsored research reports on middle and larger-sized companies, using a combination of fundamental and technical analysis. We complement our corporate research coverage with a diversified selection of informative, insightful, and thought-provoking research publications from a wide variety of investment professionals. We provide our professional investment research and analysis directly to our extensive subscriber network of discerning investors, and electronically through our website: www.eResearch.ca.

Bob Weir, CFA
Director of Research

Note: All of the comments, views, opinions, suggestions, recommendations, etc., contained in this Article, and which is distributed by *e*Research Corporation, are strictly those of the Author and do not necessarily reflect those of *e*Research Corporation.

Cross Asset Volatility

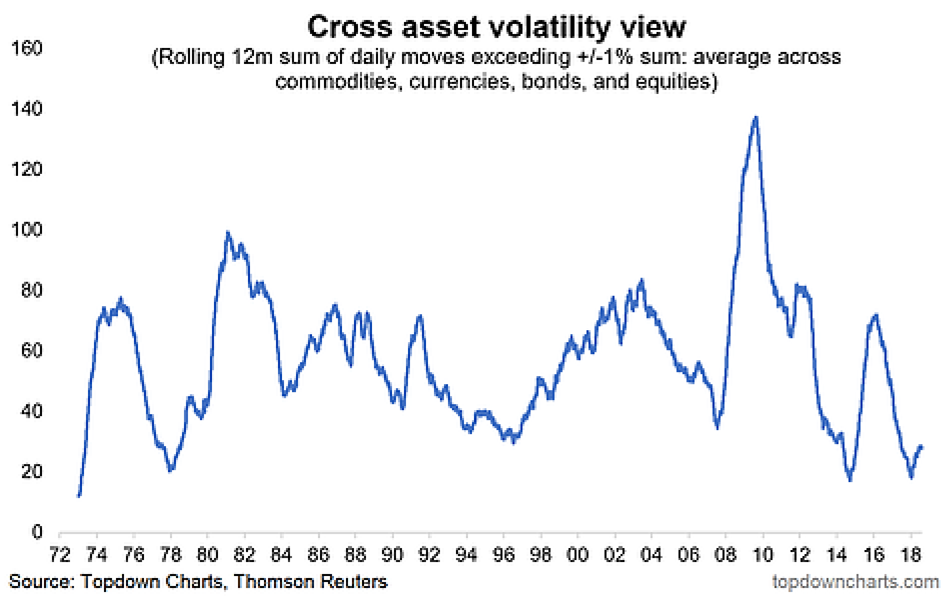
By Callum Thomas

TOPDOWN CHARTS

Chart driven macro insights

August 23, 2018

This unassuming chart, below, contains a wealth of information about the challenges we currently face with active asset allocation and the global macro backdrop. Basically what it shows is an alternative measure of the average volatility across stocks, bonds, commodities, and currencies. The bottom line is that volatility across asset classes is starting to wake up from a deep sleep.

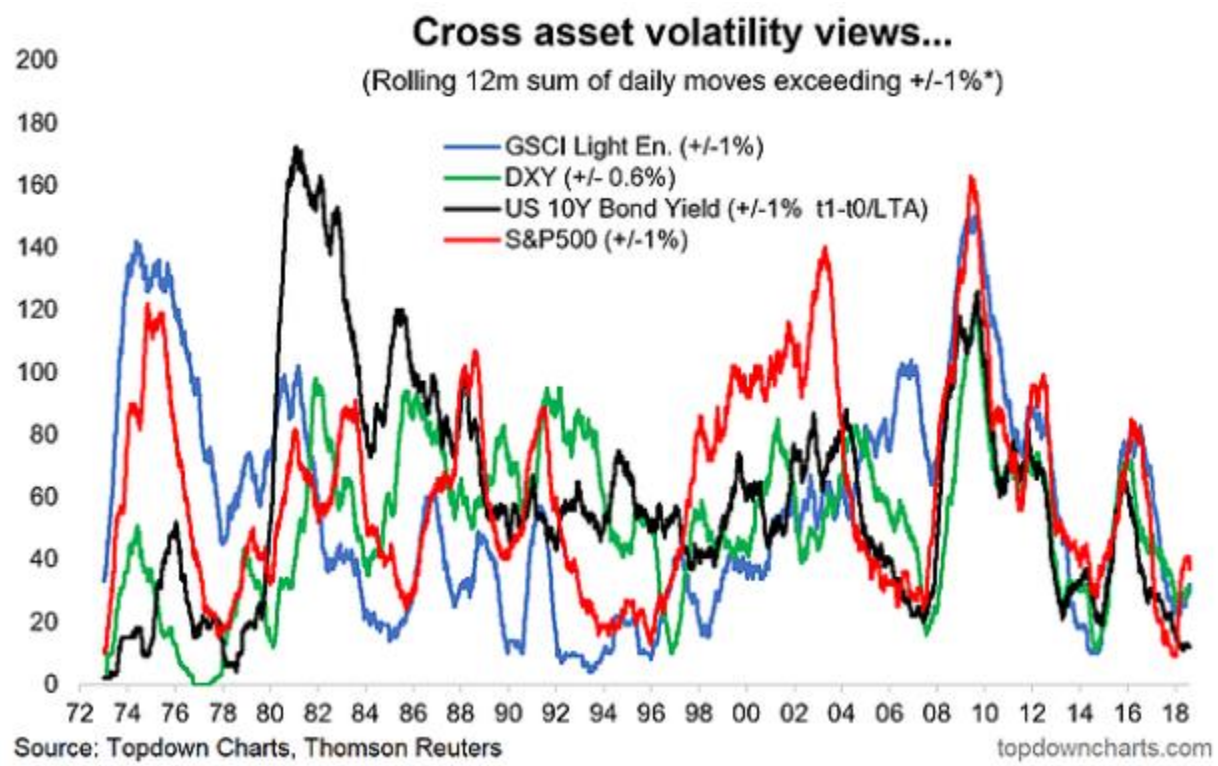


What is driving this? We can talk about how you should expect higher volatility as the market/business cycles mature (and indeed they are), but a big driver is and will continue to be politics and policy.

We are in the middle of a major monetary policy experiment (quantitative tightening or QT) – if QE was a force for volatility suppression, it is pure logic that QT should work in the opposite direction. So, investors need to start thinking about how to deal with this in their investment process, because with greater volatility comes greater opportunity.

<continued>

BONUS CHART: Here is the break-down of the components in the chart above. You can see a slight tick up in the US dollar (**green** line) and commodity volatility measures (**blue** line), but treasuries volatility (**black** line) is still slumbering by our numbers. So, I think it is fair to say that bond volatility is going to be what really shakes things up here… more on that next time (yes I am holding out, and sitting on a couple of charts here!).



Biiwii/NFTRH on the Web

NFTRH and Biiwii.com commentary and technical analysis have regularly been published, highlighted and/or quoted at SeekingAlpha, Investing.com, MarketWatch, Yahoo Finance, Ino.com, TalkMarkets and many more since 2004.

Biiwii.com is proud to be included in the **50 Blogs Every Serious Trader Should Read** from TraderHQ.com.

Biiwii: but it is what it is

NFTRH: Notes From The Rabbit Hole