



The global macro view

Jurrien Timmer

Director, Global Macro

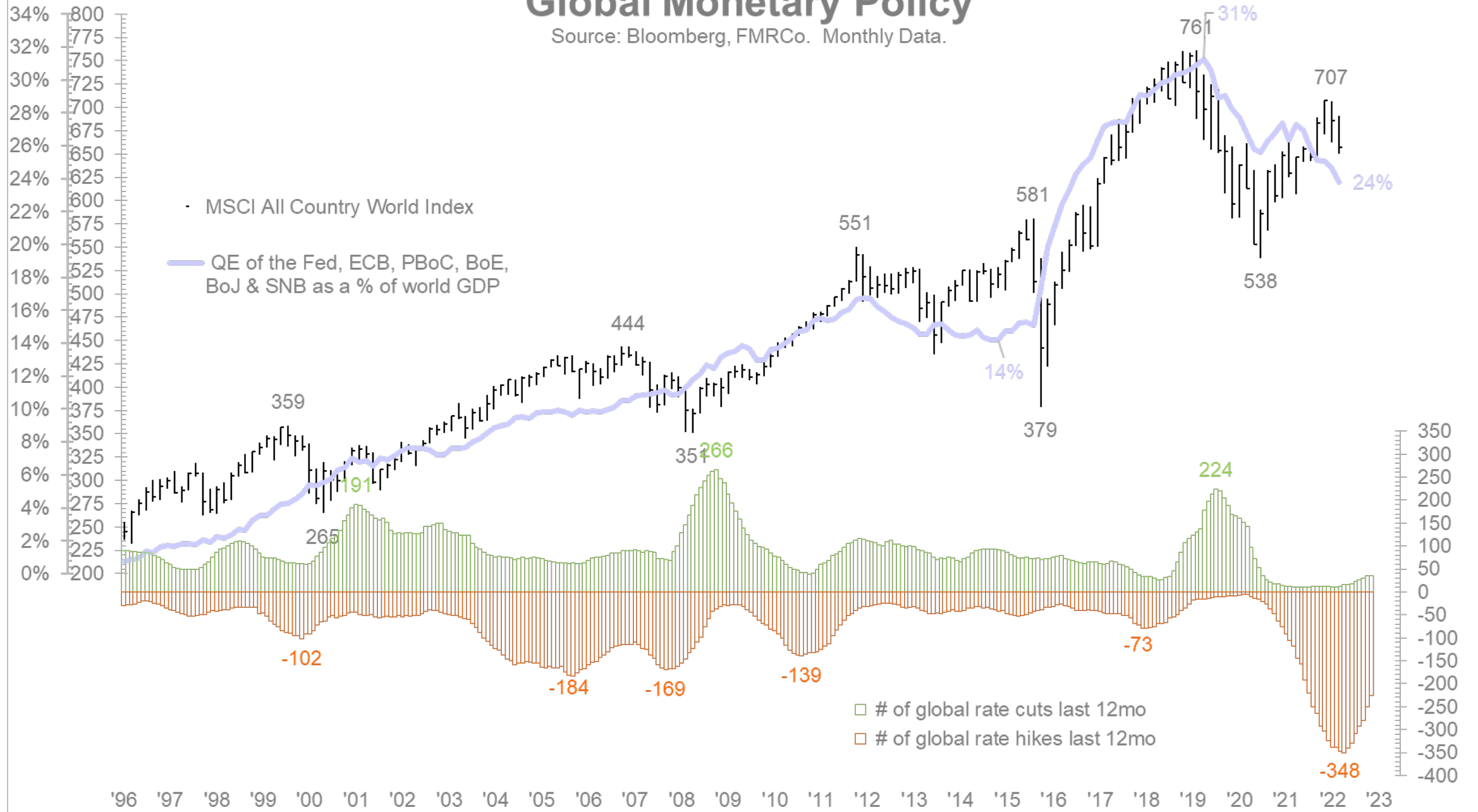
@TimmerFidelity

October 2023

Revenge of the Term Premium
Fiscal Dominance
The Bond Math is Easy
The Equity Math is Challenging
Nifty 50 vs the World
Changing Correlations

Global Monetary Policy

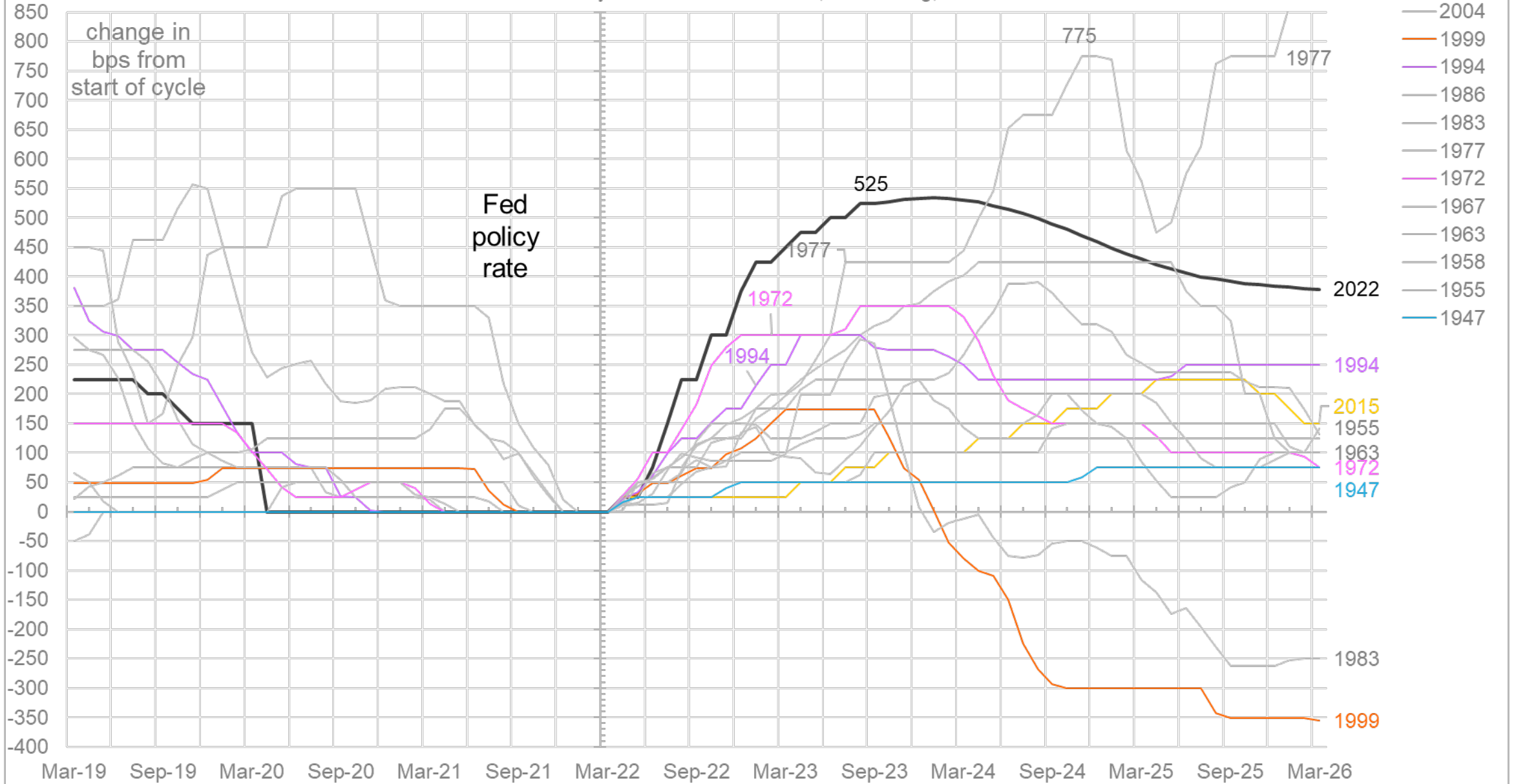
Source: Bloomberg, FMRCo. Monthly Data.



Data as at October 12, 2023.

Fed Tightening Cycles: Monetary Policy

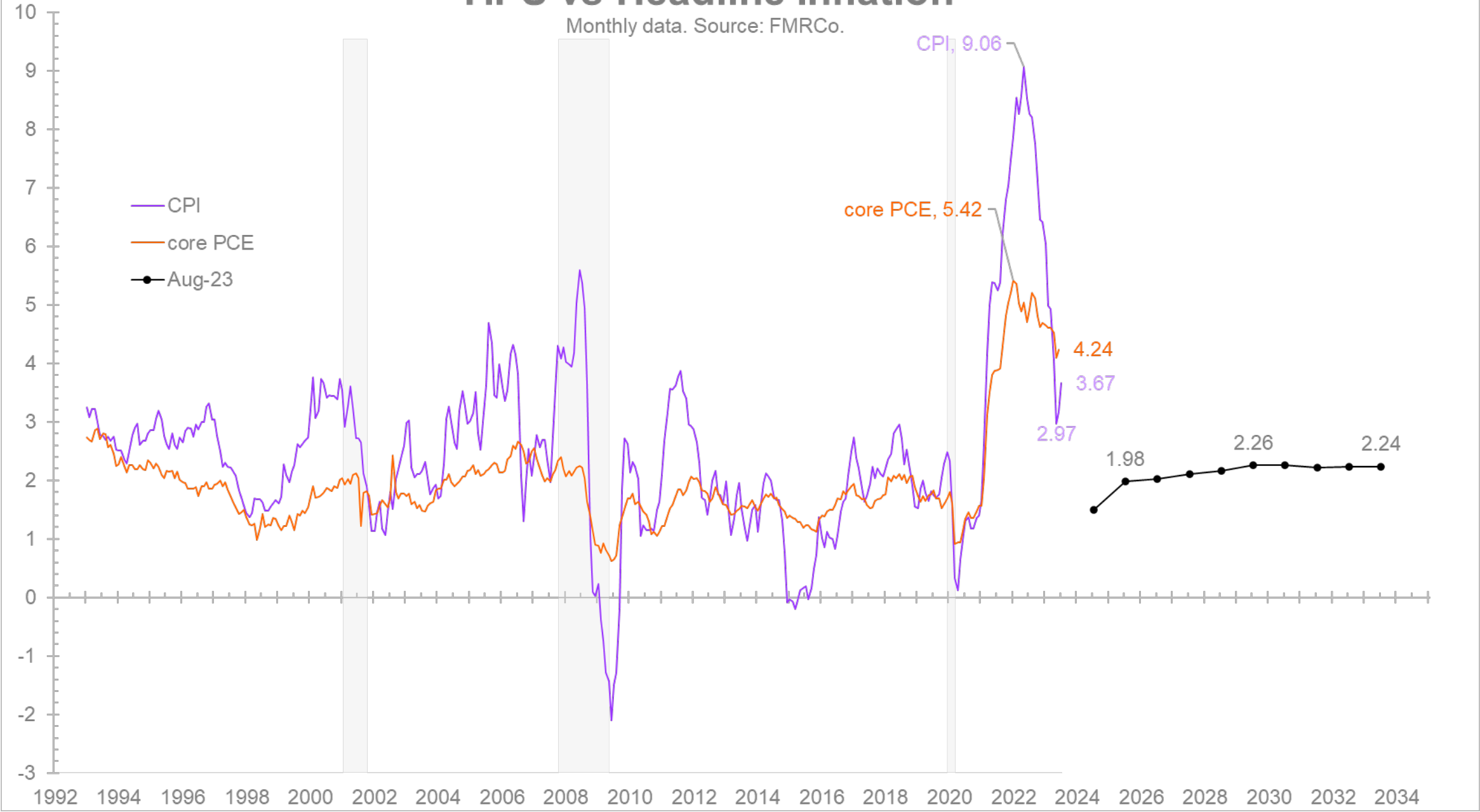
Monthly data. Source: FMRCo, Bloomberg, Haver.



Data as at October 12, 2023.

TIPS vs Headline Inflation

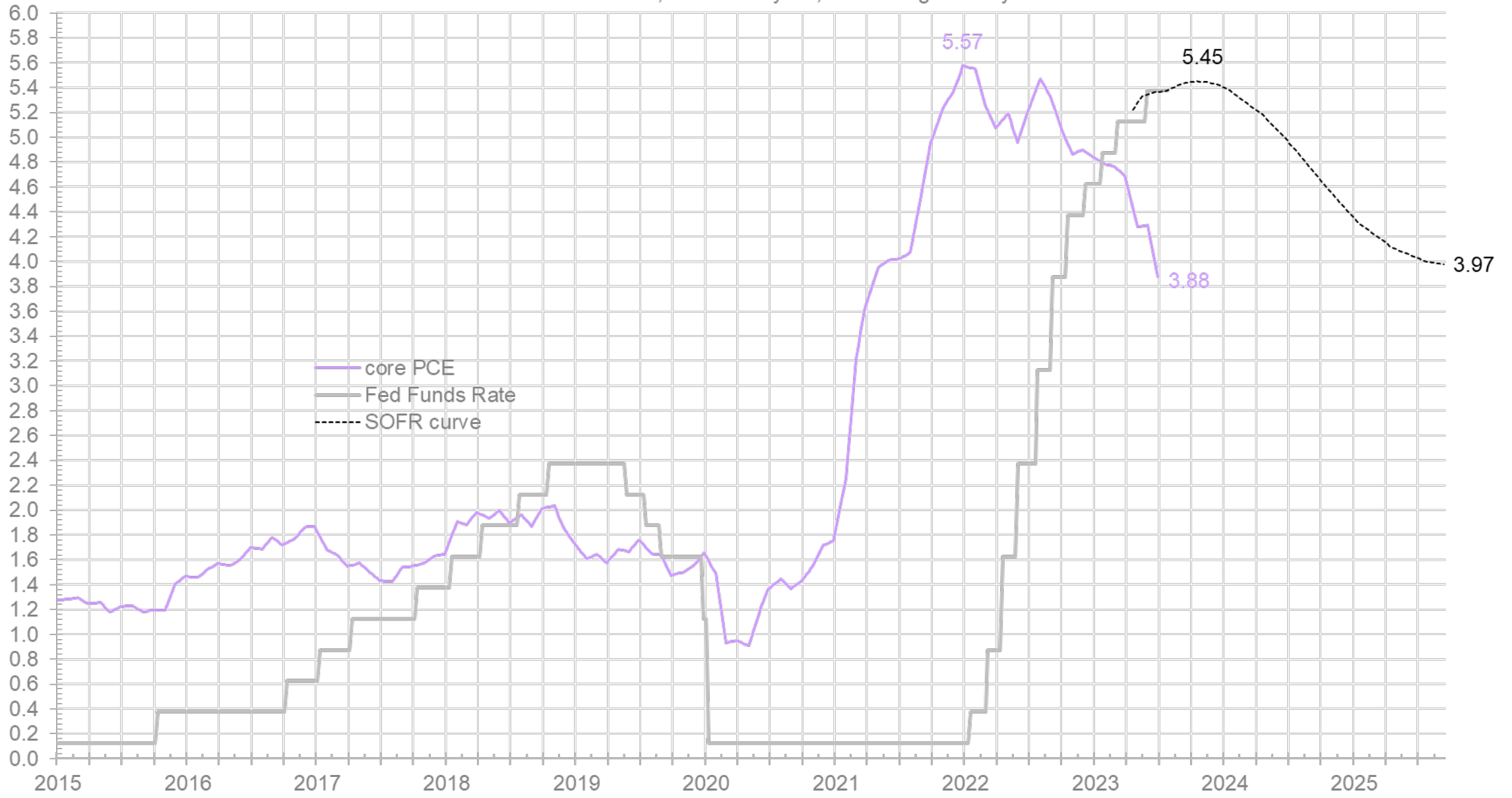
Monthly data. Source: FMRCo.



Data as at October 12, 2023.

Inflation & the Fed

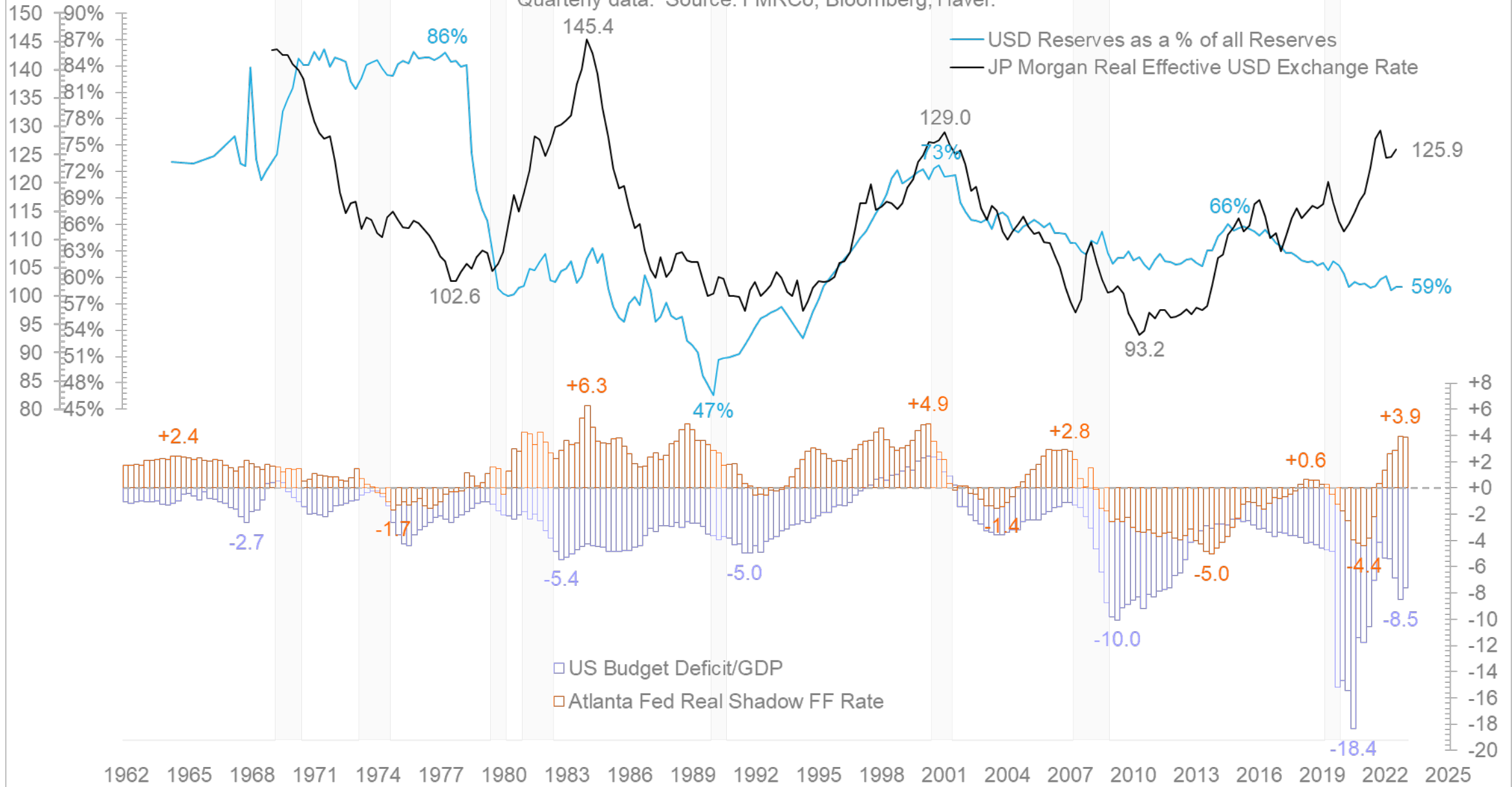
Source: FMRCo, Haver Analytics, Bloomberg. Weekly Data.



Data as at October 12, 2023.

Fiscal Dominance

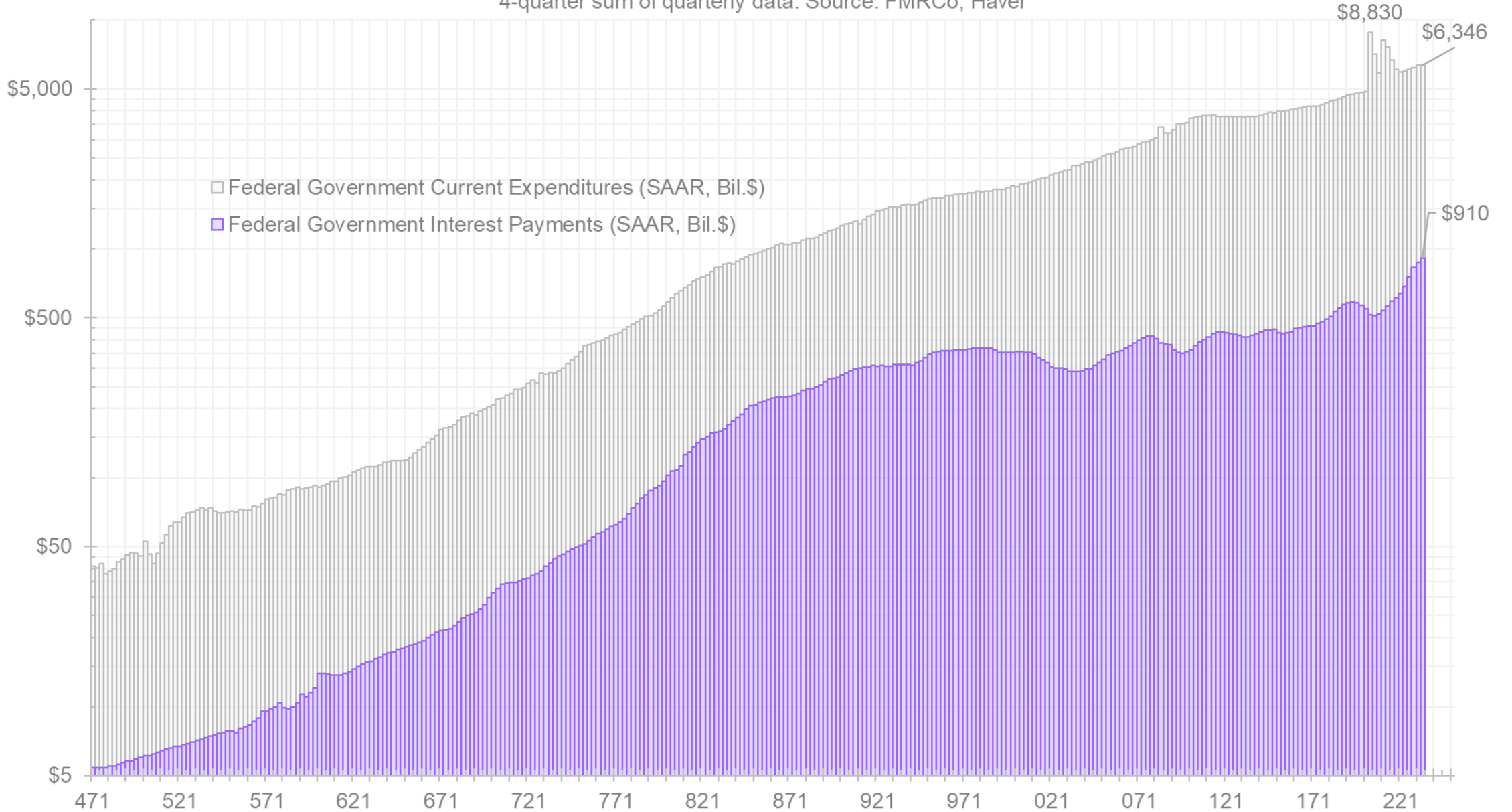
Quarterly data. Source: FMRCo, Bloomberg, Haver.



Data as at October 12, 2023.

US Government Debt Service

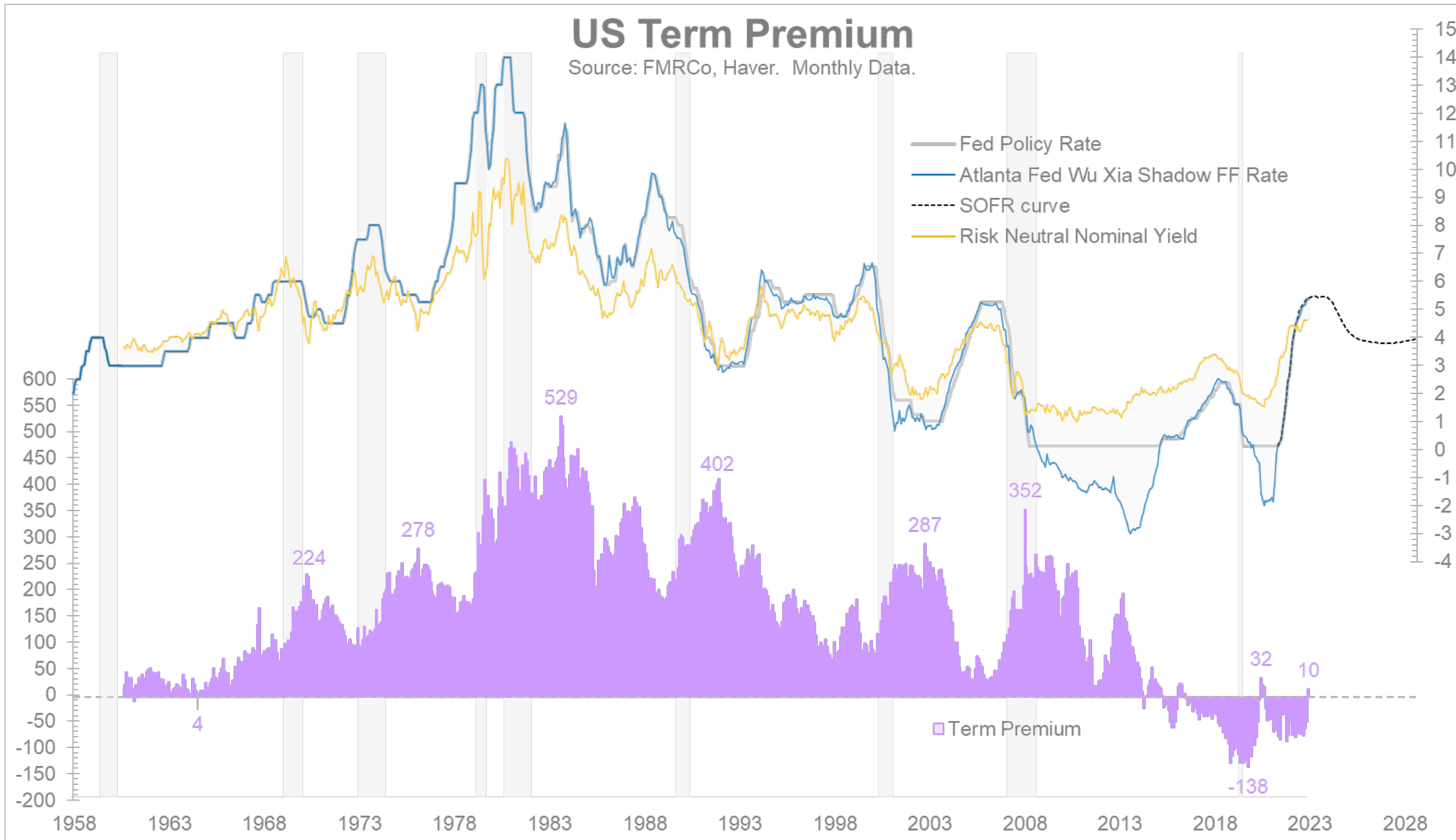
4-quarter sum of quarterly data. Source: FMRCo, Haver



Data as at October 12, 2023.

US Term Premium

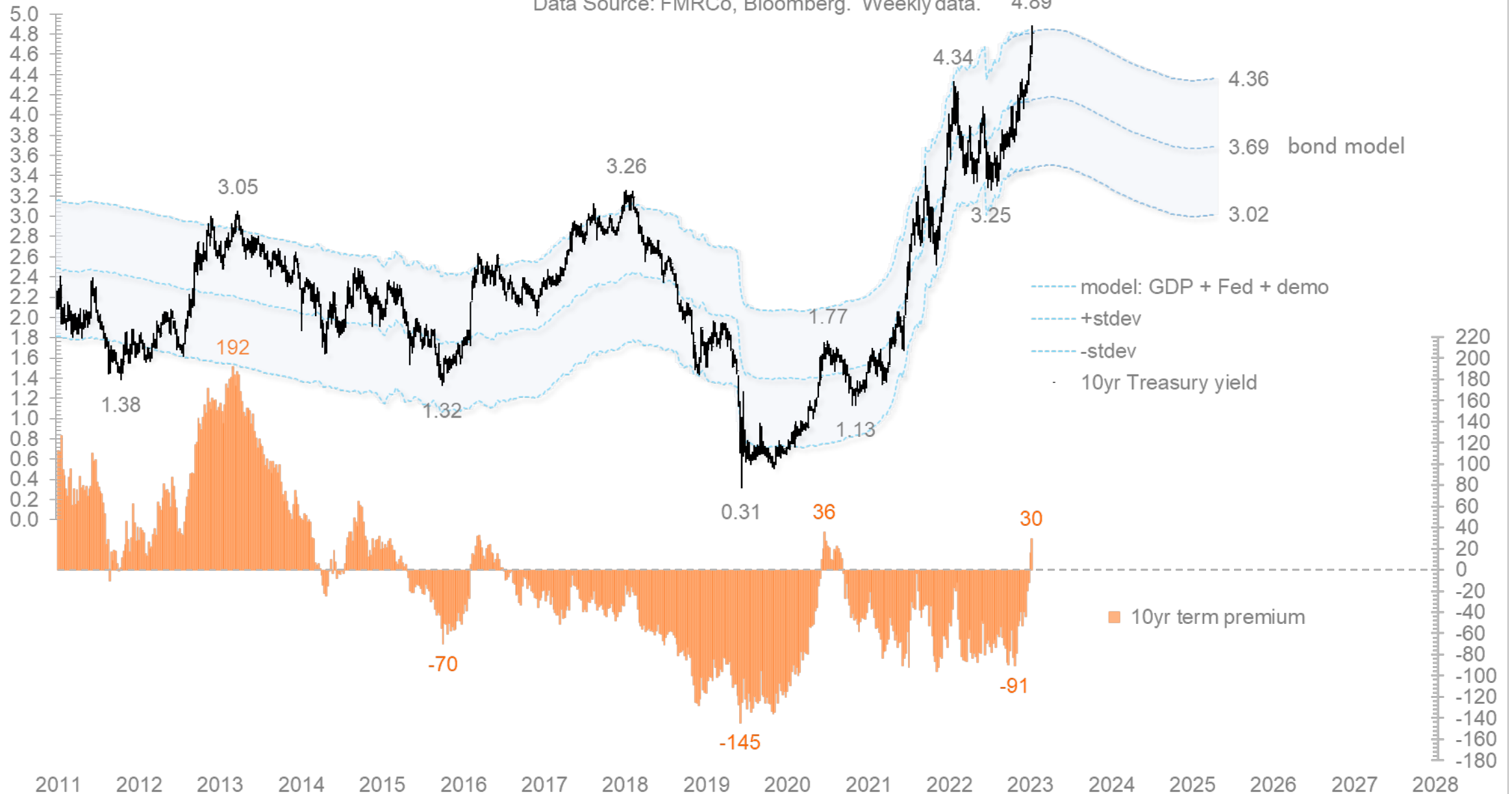
Source: FMRCo, Haver. Monthly Data.



Data as at October 12, 2023.

US Bond Valuation

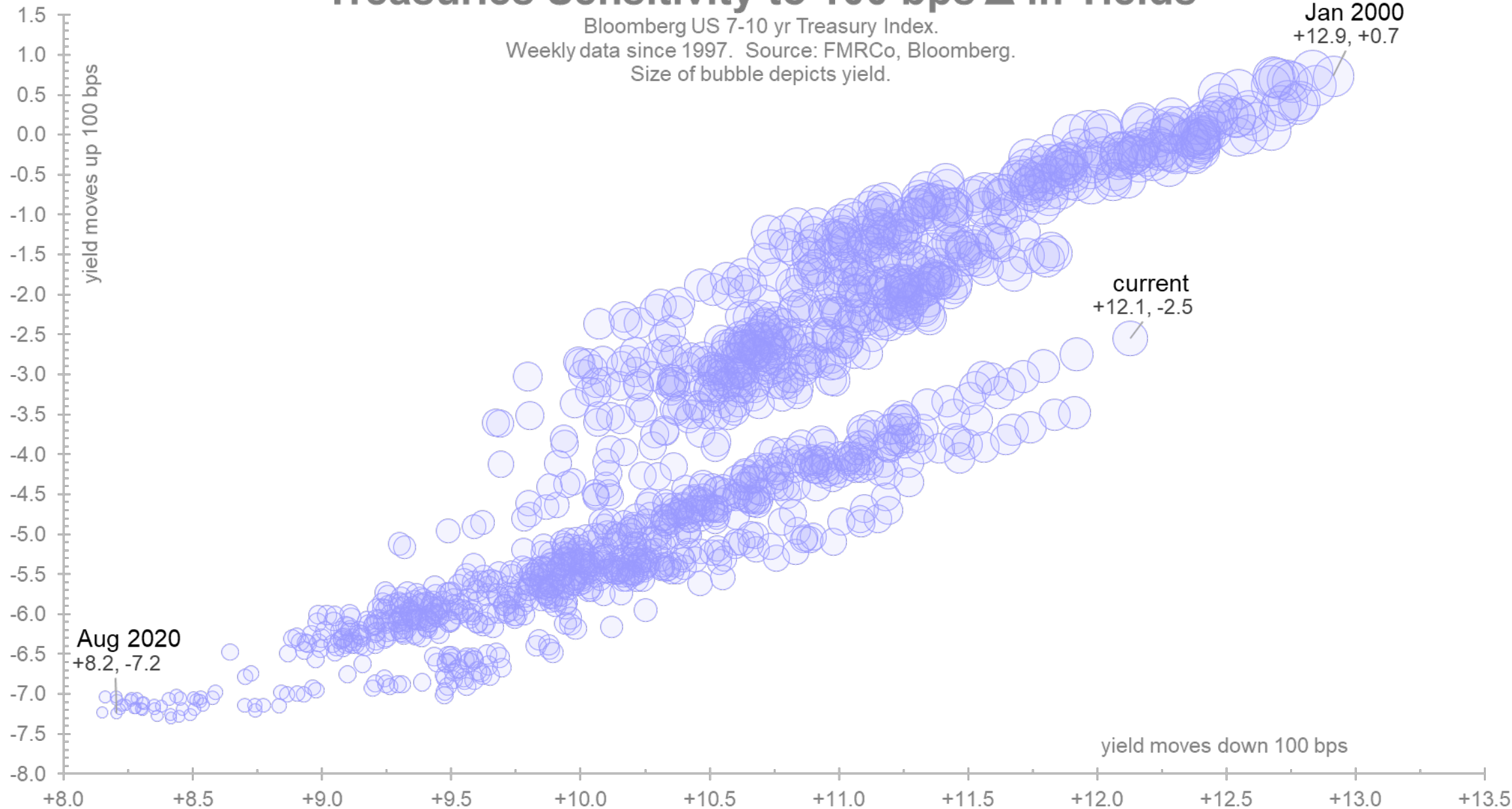
Data Source: FMRCo, Bloomberg. Weekly data.



Data as at October 12, 2023.

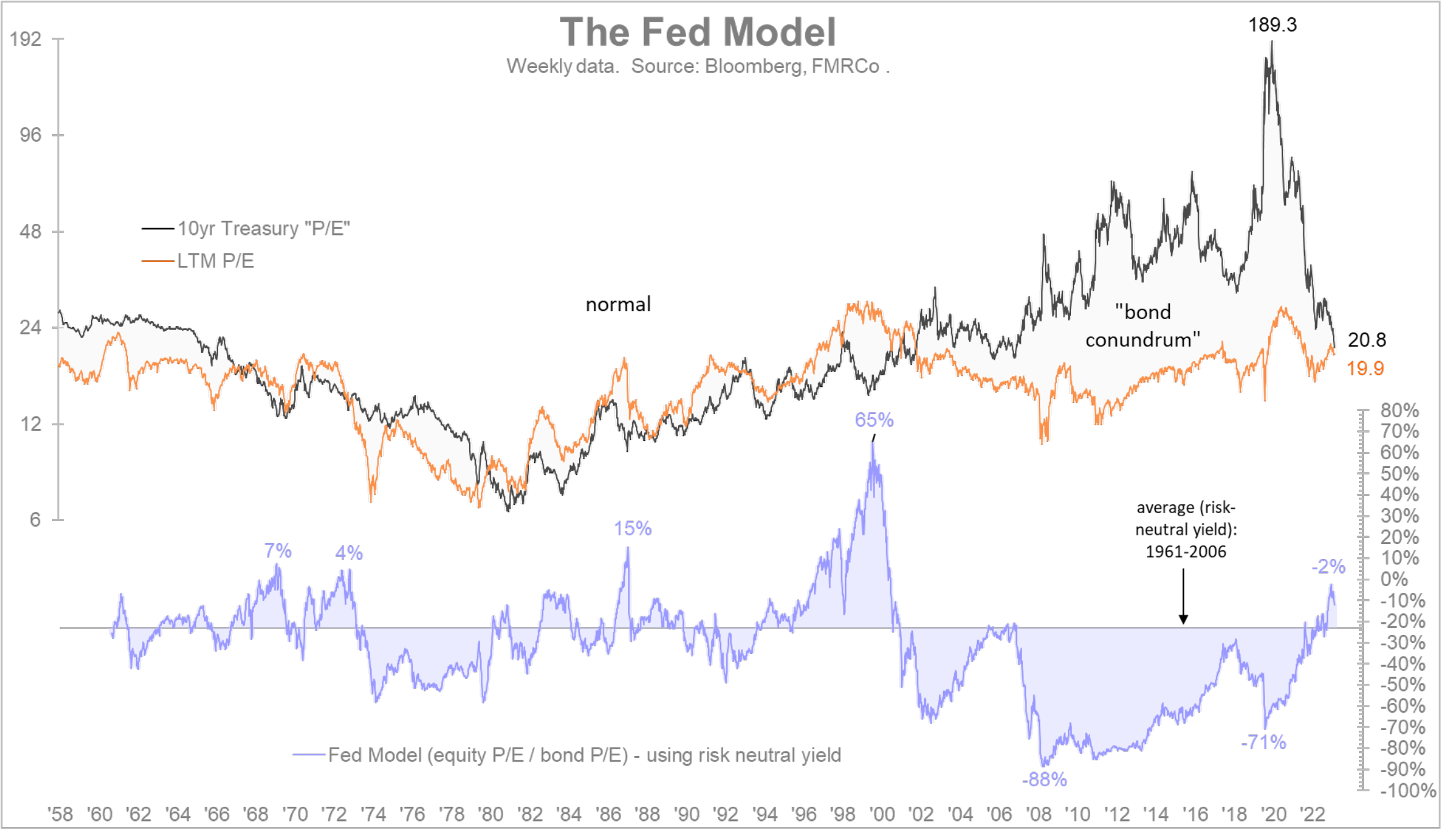
Treasuries Sensitivity to 100 bps Δ in Yields

Bloomberg US 7-10 yr Treasury Index.
Weekly data since 1997. Source: FMRCo, Bloomberg.
Size of bubble depicts yield.



The Fed Model

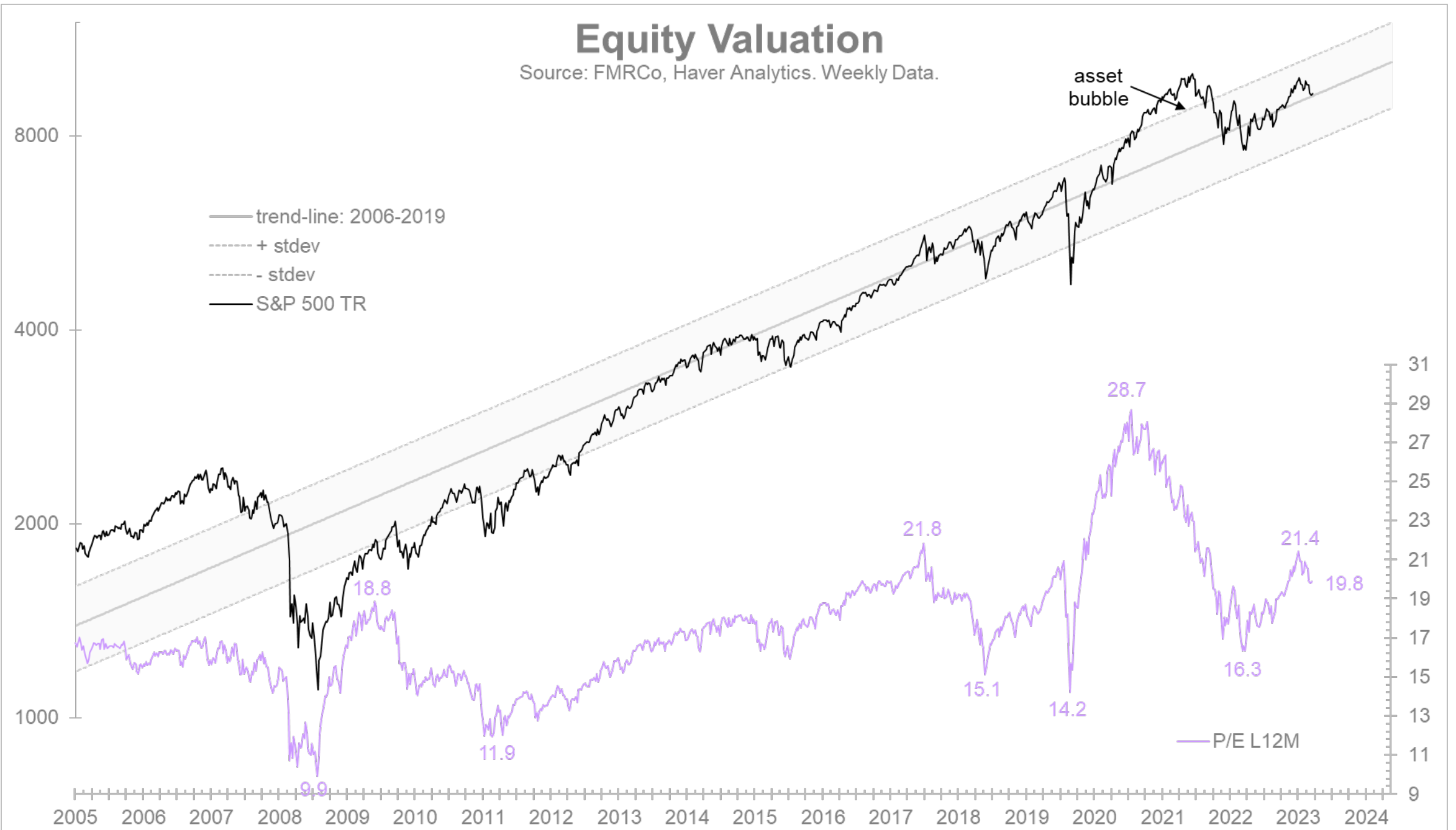
Weekly data. Source: Bloomberg, FMRCo .



Data as at October 12, 2023.

Equity Valuation

Source: FMRCo, Haver Analytics. Weekly Data.



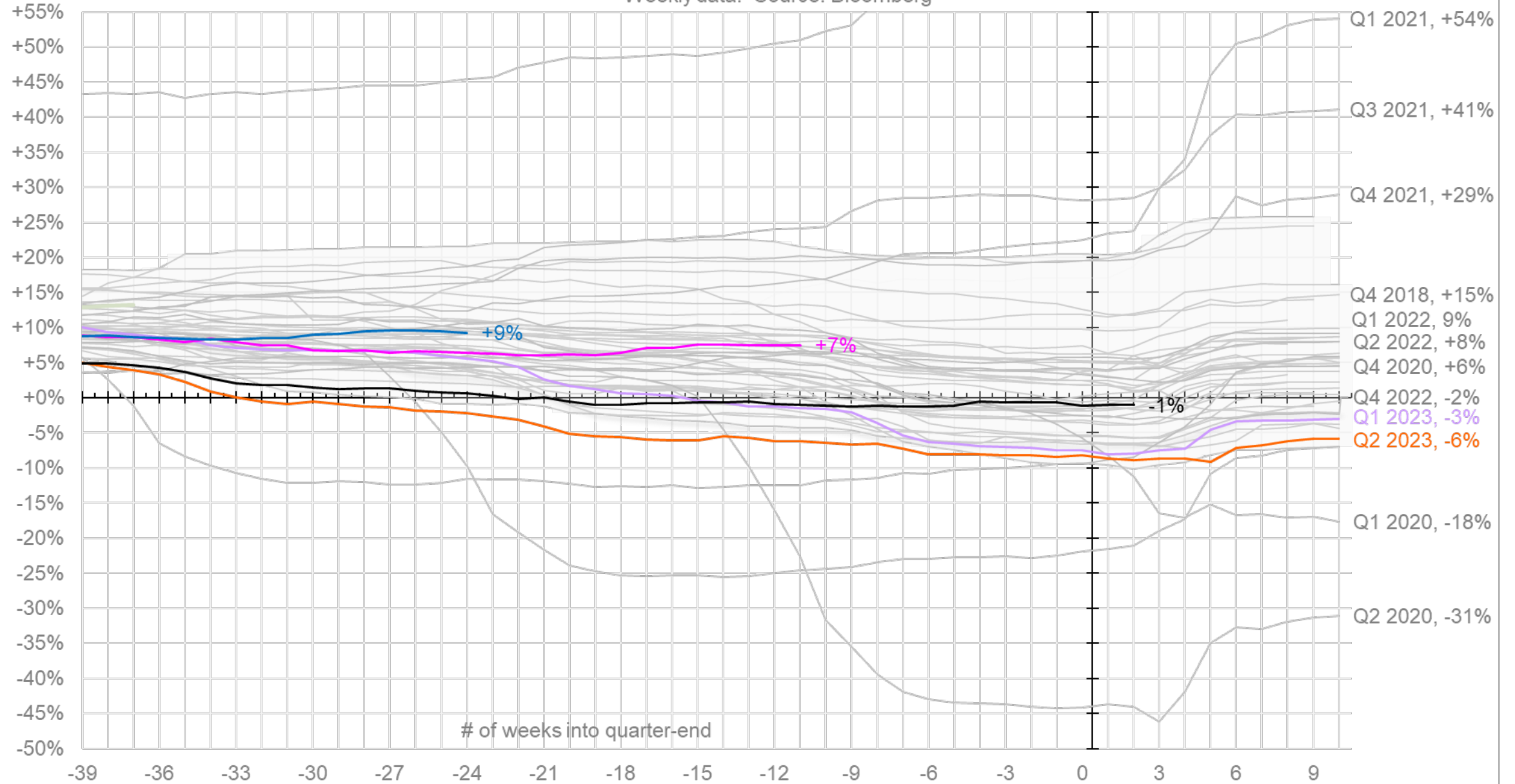
Data as at October 12, 2023.

DCF Math:
earnings growth x % payout
risk-free rate + ERP

Earnings Estimate Progression

Weekly data. Source: Bloomberg

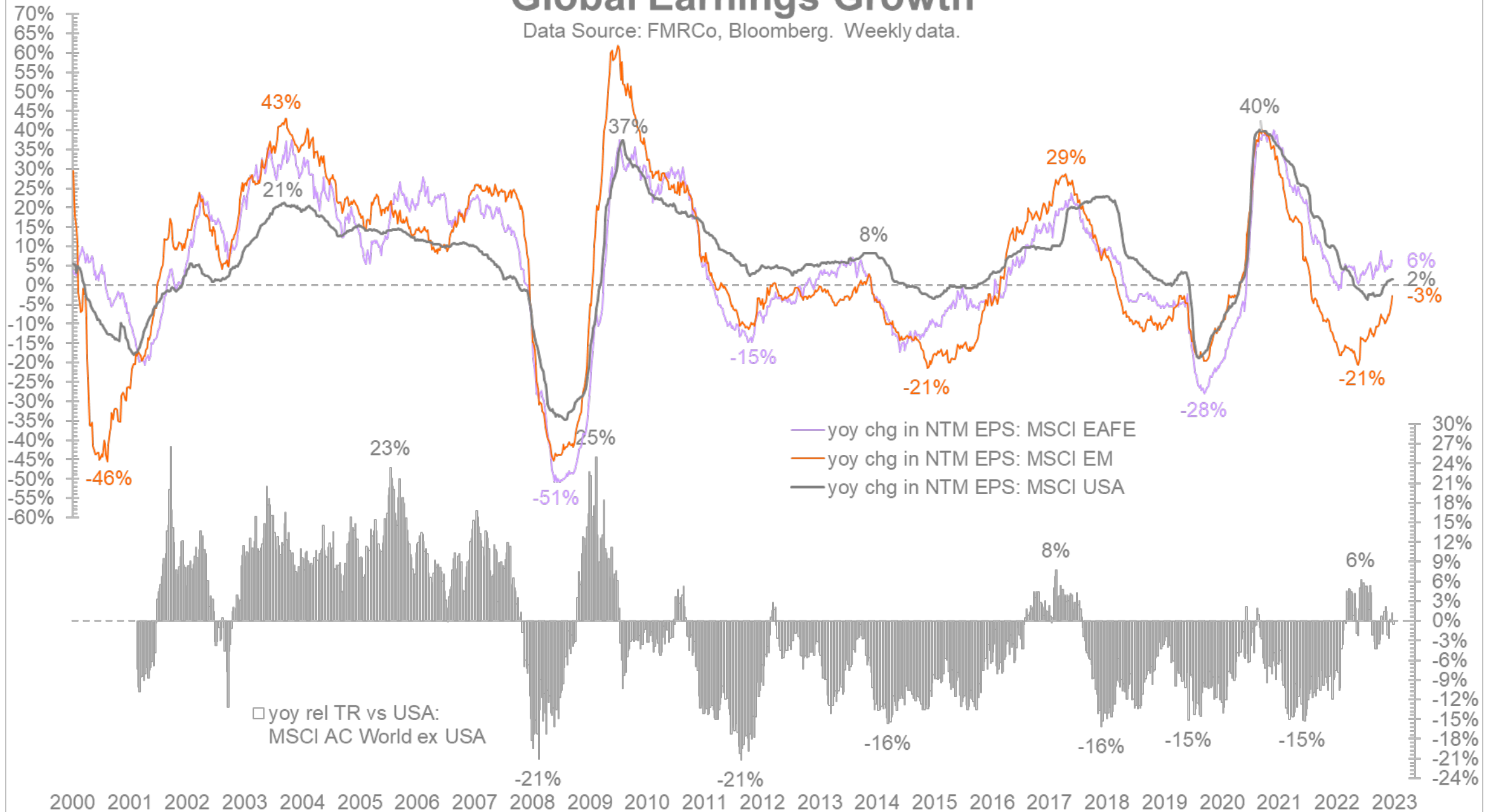
growth estimate



Data as at October 12, 2023.

Global Earnings Growth

Data Source: FMRCo, Bloomberg. Weekly data.



Data as at October 12, 2023.

Technical

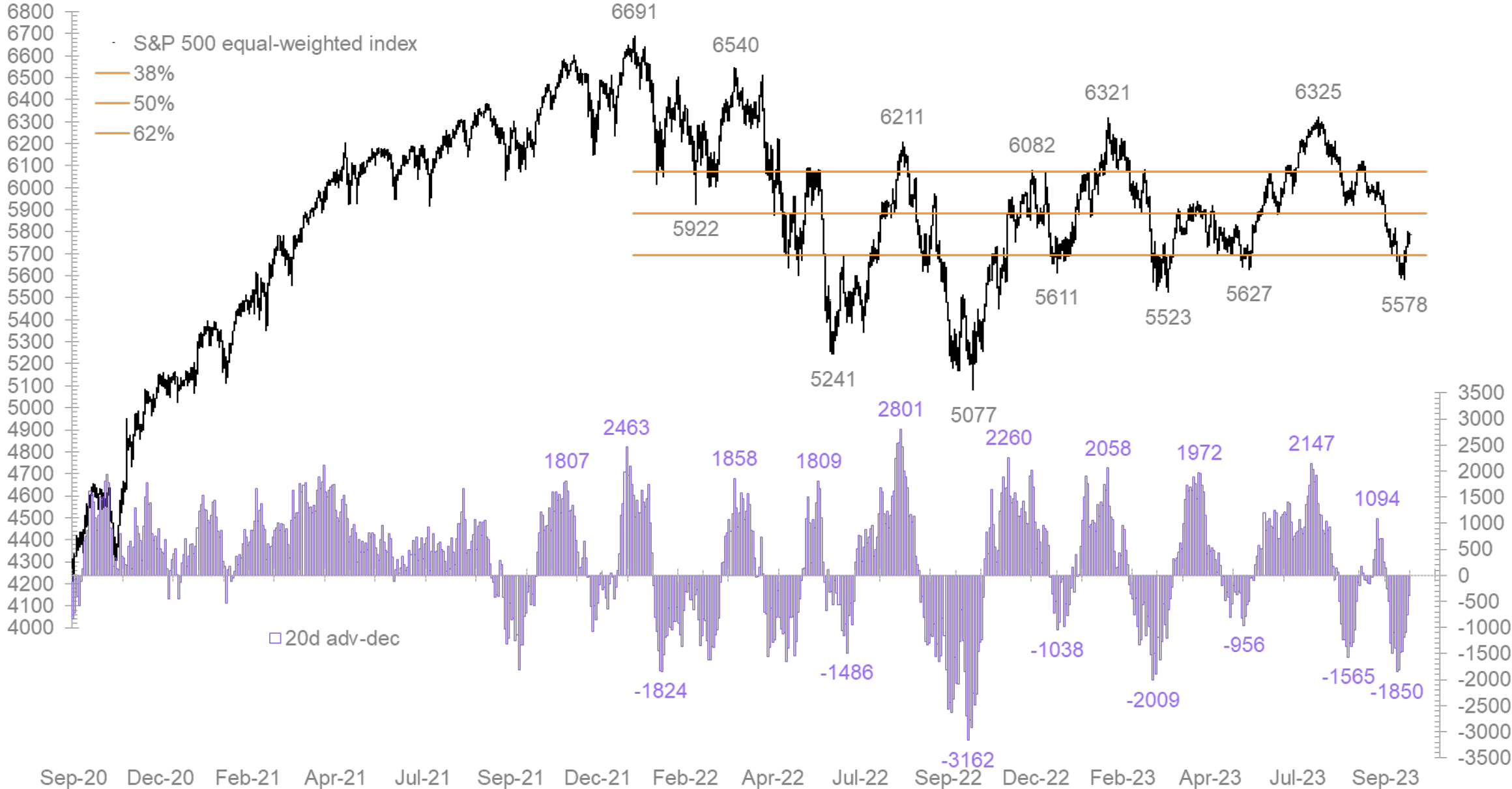
Daily Data. Source: FMRCo, Bloomberg.



Data as at October 12, 2023.

S&P 500 Equal Weighted Index

Daily data. Source: FMRCo, Bloomberg, Haver



Data as at October 12, 2023.

Overall Liquidity

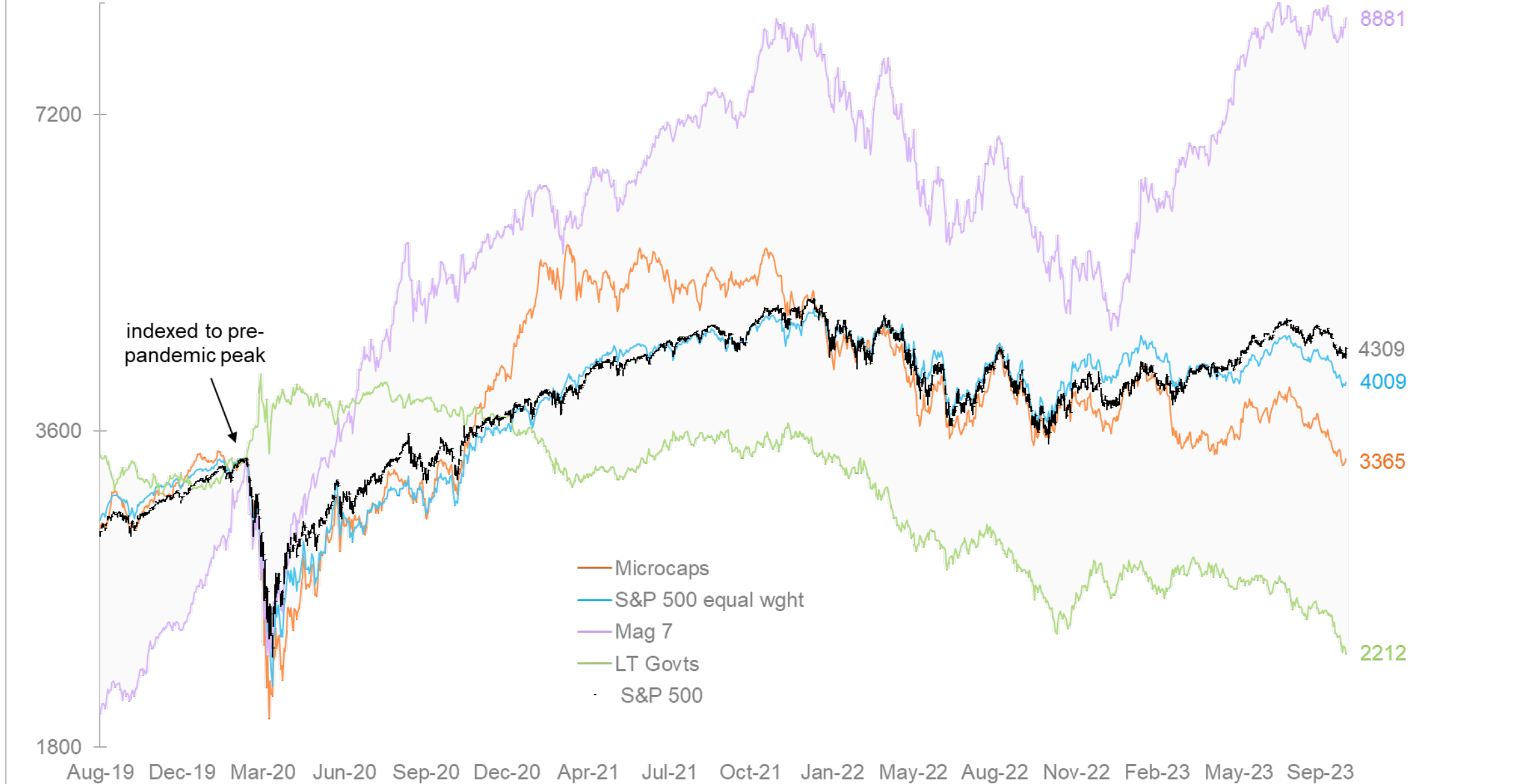
Daily data. Source: FMRCo, Bloomberg.



Data as at October 12, 2023.

Cap Returns

Daily Data. Source: FMRCo, Bloomberg.



Data as at October 12, 2023.

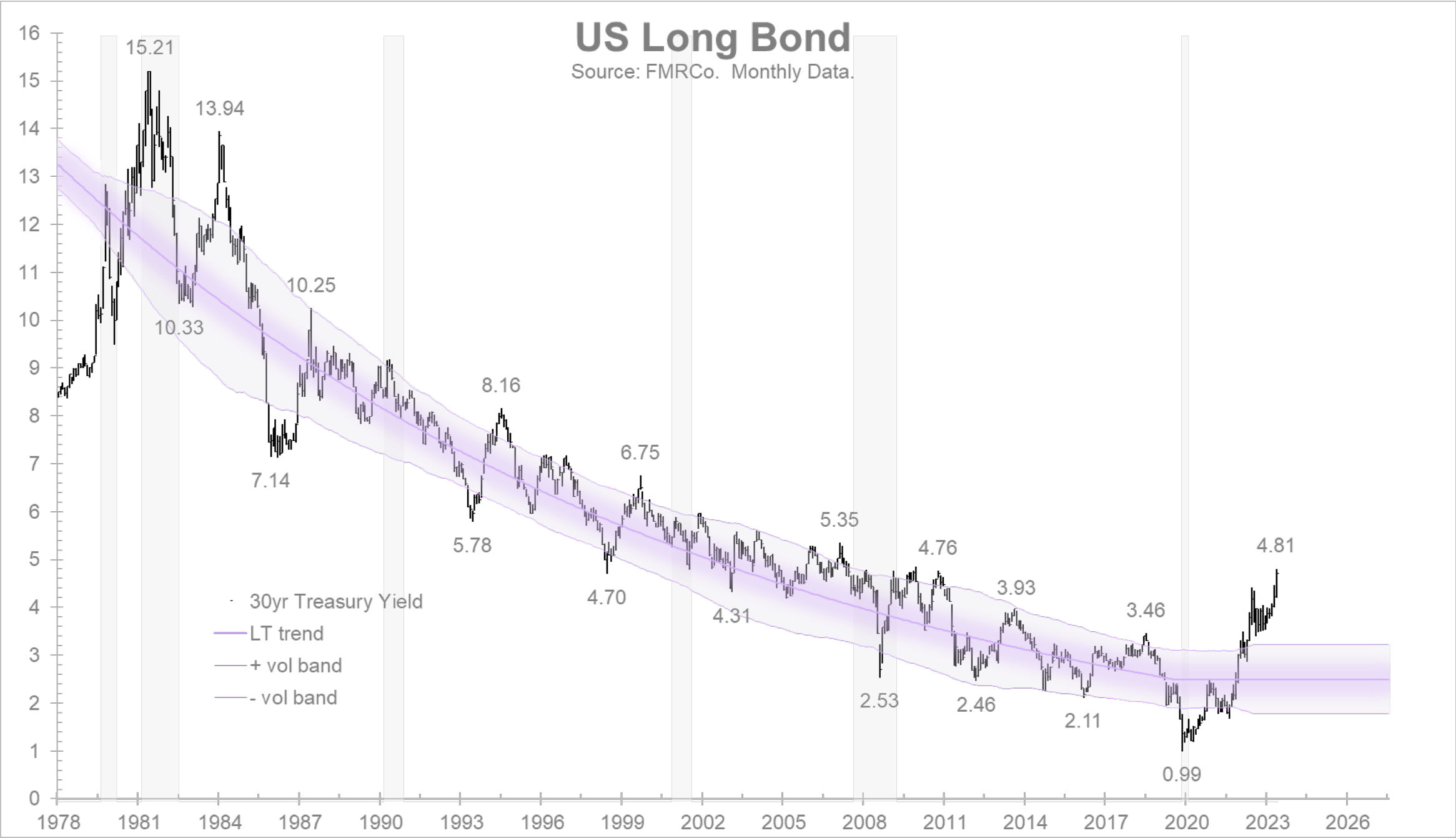
Periodic Table of Returns - 5yr CAGR

SV	SV	EAF	EAF	EAF	EAF	EM	EM	EM	EM	EM	SV	SV	LV	LG	LG	SPX	SV	TIPS	EMD	REIT	EM	EM	EM	gold	gold	gold	gold	gold	SG	REIT	LG	SV	LG	LG	LG	LG	LG	LG	LG		
SC	LV	EUR	EUR	JPN	EUR	EAF	LG	LG	LG	HY	EM	LV	SPX	SPX	SPX	LG	LV	LT	REIT	SV	REIT	REIT	EUR	LT	EM	EM	LT	EMD	LG	SG	SPX	LV	SPX	SPX	SPX	SG	SPX	SPX	SPX		
REIT	EMD	SV	JPN	EUR	EM	EUR	SPX	LV	LV	SV	SC	REIT	SV	LV	LV	LV	SPX	EMD	SV	TIPS	SV	gold	EAF	EM	EMD	HY	TIPS	HY	SC	LG	REIT	SPX	SG	REIT	SG	SPX	SG	gold	LV		
LV	HY	JPN	EM	EM	JPN	LG	TIPS	SV	SV	SC	LV	SC	EUR	EUR	EUR	EUR	LT	IGB	com	EMD	gold	EAF	gold	EMD	HY	EMD	EMD	TIPS	HY	SC	LV	LG	SC	LV	LV	SC	SC	LV	gold		
JPN	SC	LV	LV	LV	LV	SPX	LV	SPX	SPX	LG	SG	SPX	LG	SV	SG	EMD	LG	cash	TIPS	LT	EMD	SV	REIT	TIPS	LT	IGB	HY	LT	SPX	SPX	SG	SC	LV	LT	SC	EM	LV	com	EUR		
EMD	REIT	REIT	SV	SPX	SPX	TIPS	EUR	SC	SC	LV	HY	EUR	REIT	SC	SC	SV	SC	REIT	EM	com	TIPS	EUR	SG	IGB	IGB	LT	IGB	IGB	SV	LV	SC	SG	SV	SG	JPN	gold	EUR	SC	SC		
HY	JPN	EMD	REIT	LT	LG	JPN	IGB	SG	LT	REIT	LG	EMD	SC	SG	EMD	SC	IGB	gold	SC	gold	com	EMD	SC	cash	EUR	SG	EM	REIT	REIT	SV	LT	REIT	JPN	SC	REIT	TIPS	REIT	SV	SV		
SPX	LT	LT	SPX	SV	SV	LV	LT	TIPS	TIPS	SPX	REIT	LG	EMD	LT	EAF	REIT	EMD	SV	gold	IGB	HY	JPN	SV	EAF	TIPS	TIPS	LG	SC	LV	LT	SV	JPN	REIT	EMD	SV	LV	EM	REIT	SG		
IGB	IGB	HY	EMD	EMD	LT	LT	EMD	LT	SG	TIPS	SPX	EM	SG	EAF	SV	EAF	EUR	LV	IGB	HY	SC	com	JPN	EUR	EAF	SC	SG	SV	EM	HY	EMD	HY	EAF	HY	EAF	SV	EAF	SG	EAF		
LG	EUR	SPX	HY	HY	TIPS	IGB	HY	HY	HY	LT	EMD	HY	EAF	REIT	LT	LT	TIPS	HY	LT	SC	LT	SC	LV	JPN	cash	LG	cash	SG	EUR	EMD	HY	EAF	EUR	SV	HY	JPN	TIPS	EUR	com		
SG	EAF	IGB	LG	TIPS	EMD	cash	SG	EMD	EMD	SG	LT	SG	HY	HY	HY	SG	REIT	SPX	HY	LV	IGB	LV	SPX	SV	LG	SV	SC	LG	EAF	TIPS	JPN	EUR	HY	JPN	EM	HY	gold	HY	JPN		
cash	SPX	SC	LT	REIT	SC	HY	SC	IGB	EUR	IGB	EUR	LT	LT	IGB	IGB	IGB	cash	com	LV	EM	LV	HY	EMD	REIT	SG	EUR	SPX	SPX	EMD	EUR	EUR	EMD	EM	TIPS	EMD	EAF	SV	EAF	REIT		
EAF	TIPS	TIPS	TIPS	LG	IGB	EMD	EAF	REIT	IGB	EMD	EAF	EAF	EM	EMD	REIT	cash	HY	SC	cash	cash	EAF	TIPS	LG	LV	SC	REIT	REIT	LV	gold	EAF	TIPS	LT	EMD	IGB	EUR	LT	JPN	cash	HY		
TIPS	LG	LG	IGB	IGB	HY	SV	SV	EUR	REIT	EUR	TIPS	IGB	IGB	cash	TIPS	TIPS	SG	EUR	SG	EUR	JPN	LT	HY	HY	SPX	EAF	SV	cash	JPN	JPN	EAF	IGB	LT	EM	gold	EUR	LT	JPN	EM		
LT	cash	SG	SC	SC	REIT	REIT	cash	cash	cash	cash	IGB	TIPS	TIPS	TIPS	cash	HY	EAF	EAF	EAF	EAF	EUR	SG	com	SC	SV	cash	LV	EM	TIPS	IGB	IGB	EM	IGB	EAF	LT	EMD	HY	TIPS	cash		
EUR	SG	cash	cash	cash	SG	gold	REIT	EAF	EAF	EAF	cash	com	com	com	JPN	com	gold	LG	JPN	SPX	SG	SPX	TIPS	SPX	REIT	SPX	com	EAF	IGB	EM	cash	TIPS	TIPS	cash	TIPS	REIT	EMD	IGB	EMD		
EM	EM	EM	SG	SG	cash	SC	JPN	com	gold	com	com	cash	cash	JPN	EM	JPN	EM	EM	EUR	SG	cash	IGB	LT	SG	LV	LV	EAF	EUR	com	gold	EM	cash	cash	gold	IGB	IGB	IGB	EMD	IGB		
com	com	gold	com	gold	gold	com	com	JPN	com	gold	gold	gold	JPN	gold	com	EM	com	SG	SPX	JPN	SPX	LG	IGB	LG	JPN	com	EUR	JPN	LT	cash	gold	gold	gold	EUR	cash	cash	com	EM	TIPS		
gold	gold	com	gold	com	com	SG	gold	gold	JPN	JPN	JPN	JPN	gold	EM	gold	gold	JPN	JPN	LG	LG	LG	cash	cash	com	com	JPN	JPN	com	cash	com	com	com	com	com	com	com	com	com	cash	LT	LT
'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23		

Data as at October 12, 2023.

US Long Bond

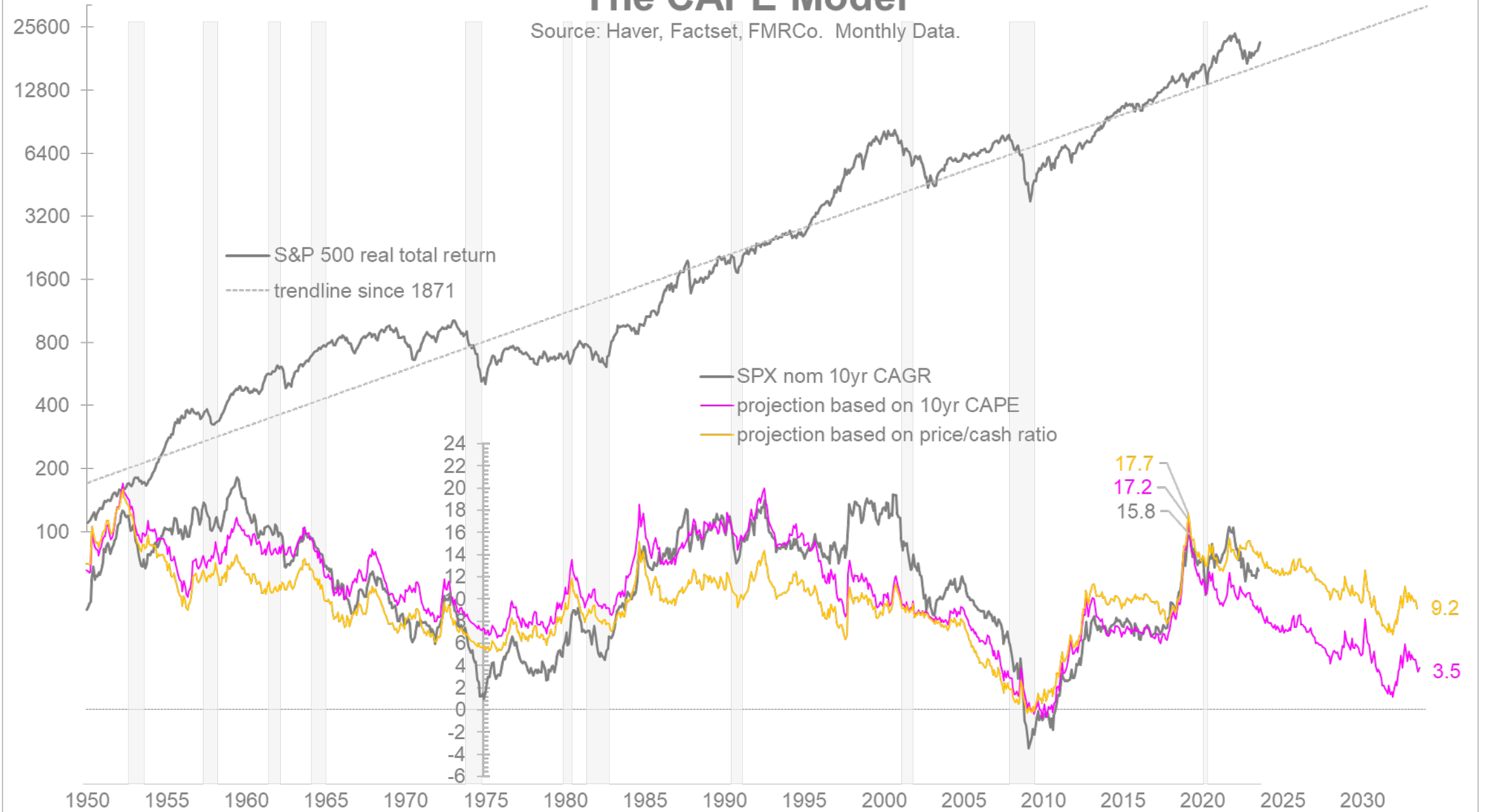
Source: FMRCo. Monthly Data.



Data as at October 12, 2023.

The CAPE Model

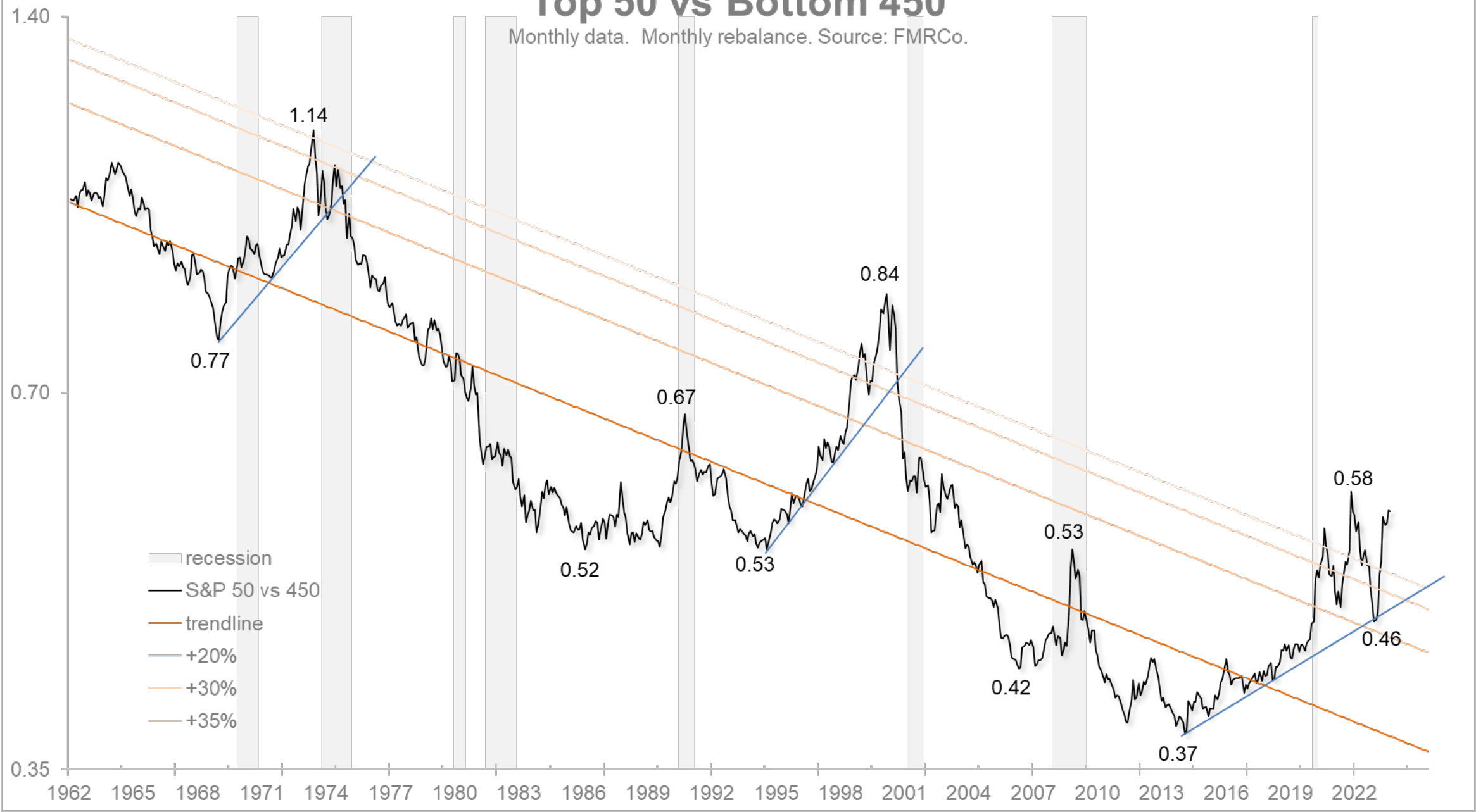
Source: Haver, Factset, FMRCo. Monthly Data.



Data as at October 12, 2023.

Top 50 vs Bottom 450

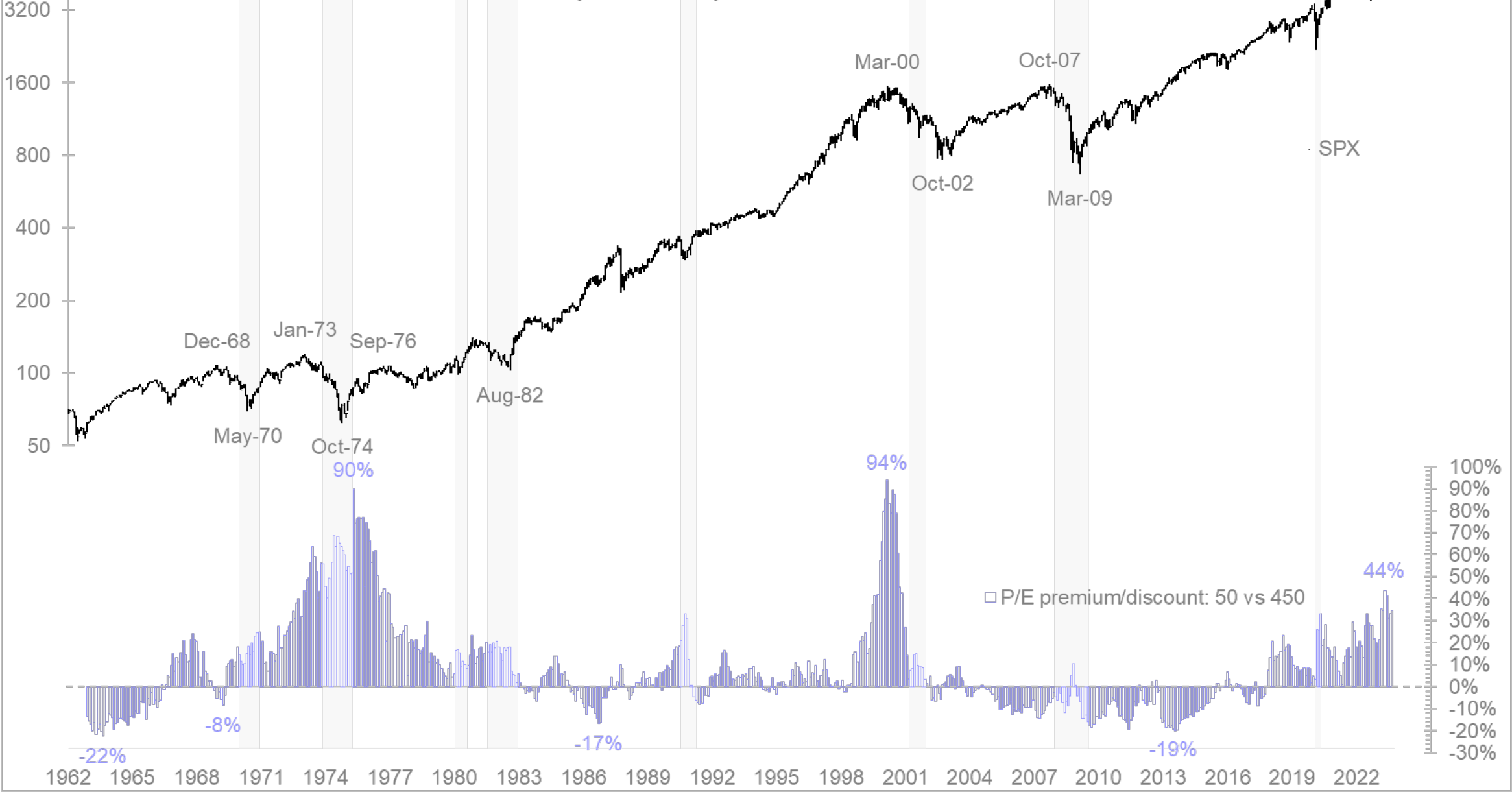
Monthly data. Monthly rebalance. Source: FMRCo.



Data as at October 12, 2023.

Nifty Fifty

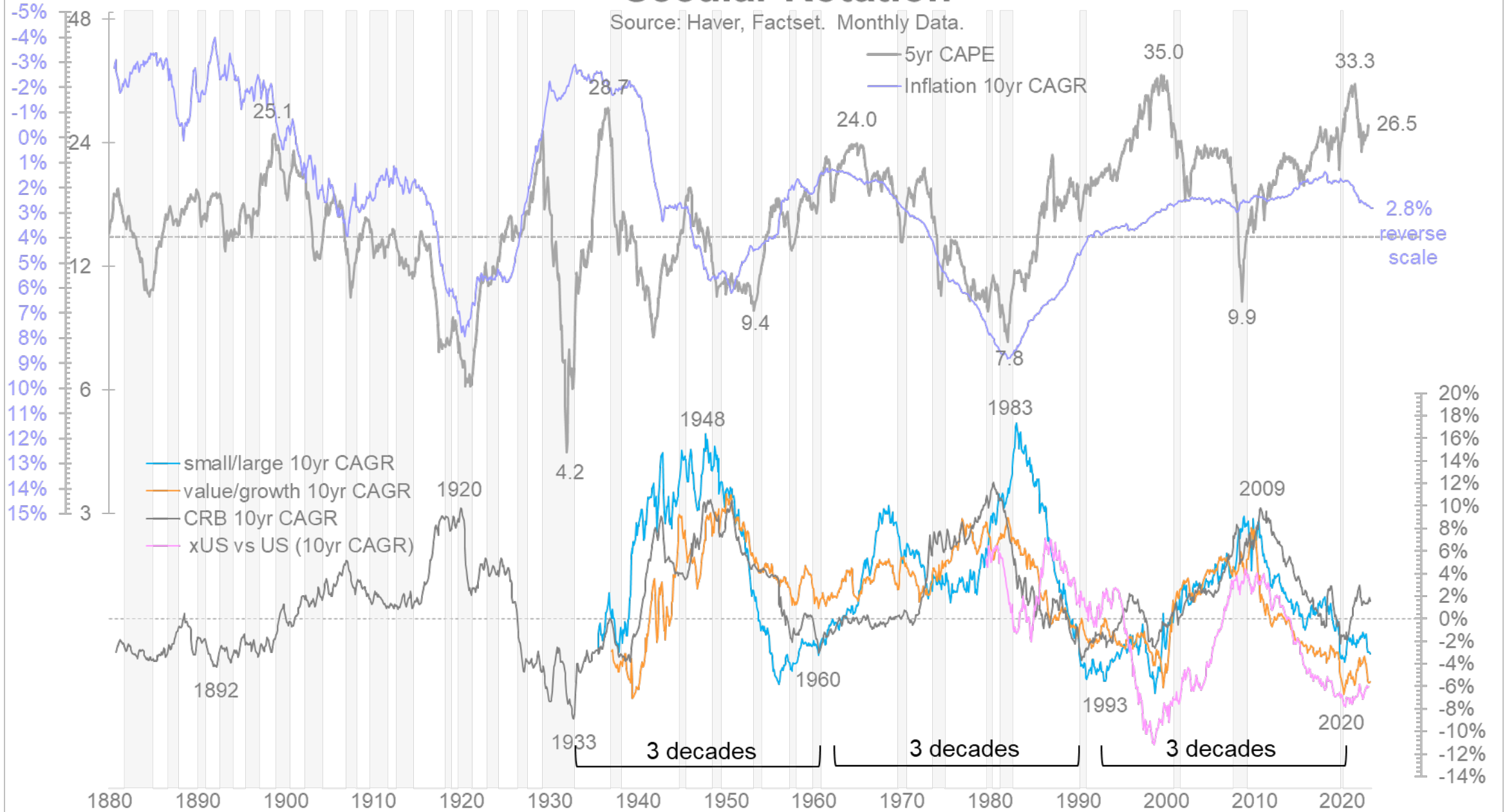
Monthly data. Monthly rebalance. Source: FMRCo.



Data as at October 12, 2023.

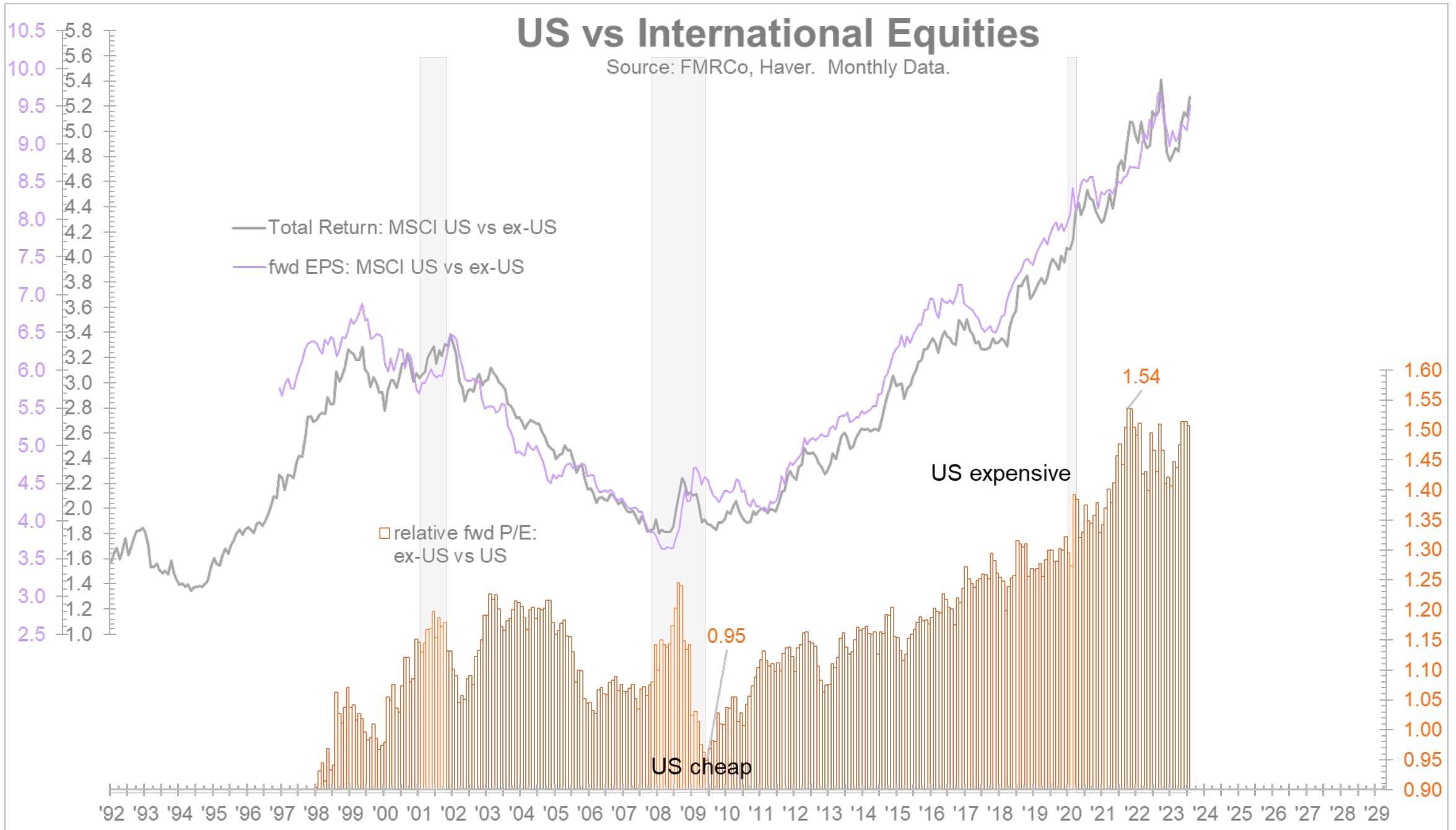
Secular Rotation

Source: Haver, Factset. Monthly Data.



US vs International Equities

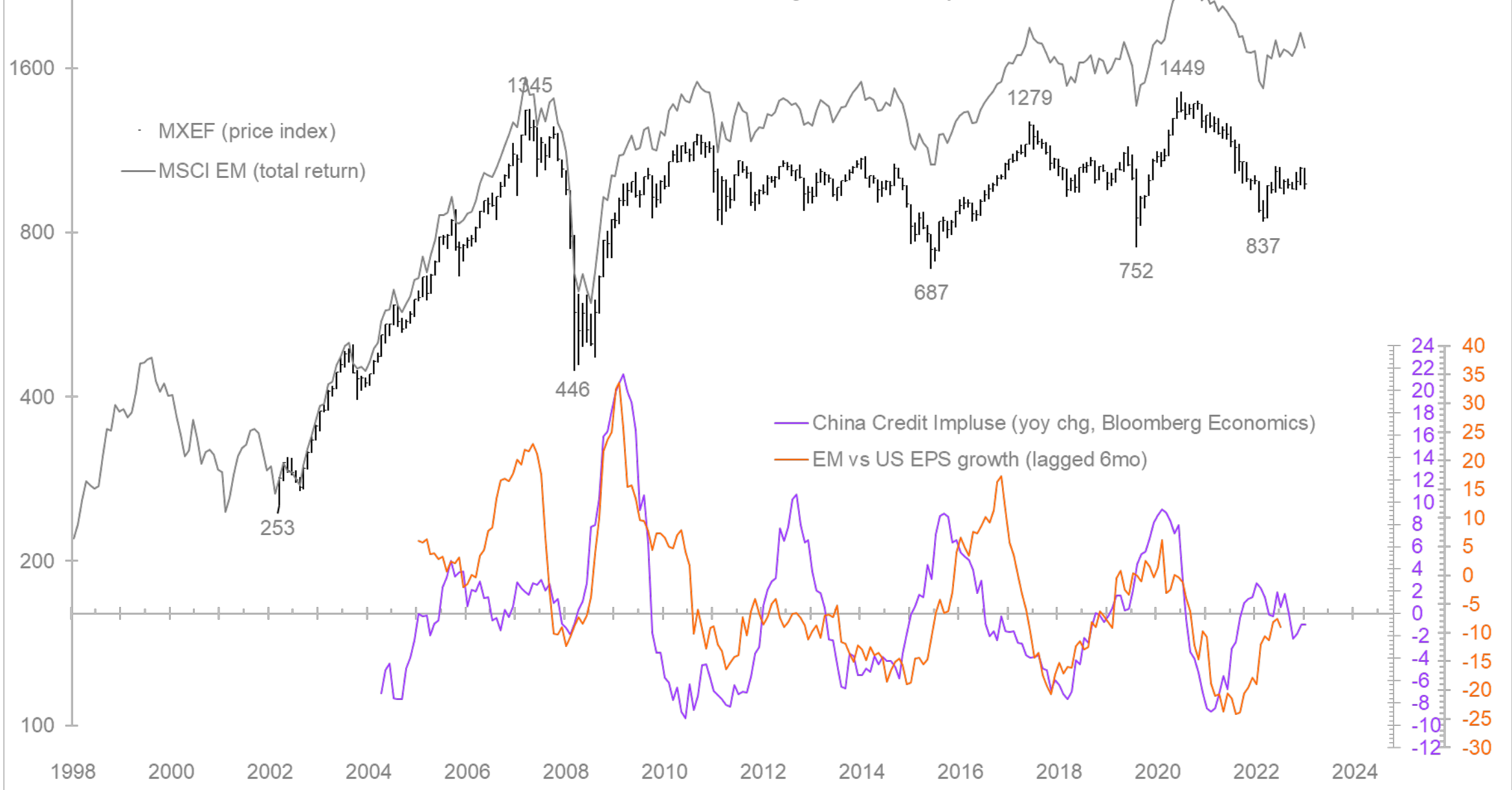
Source: FMRCo, Haver. Monthly Data.



Data as at October 12, 2023.

Emerging Markets

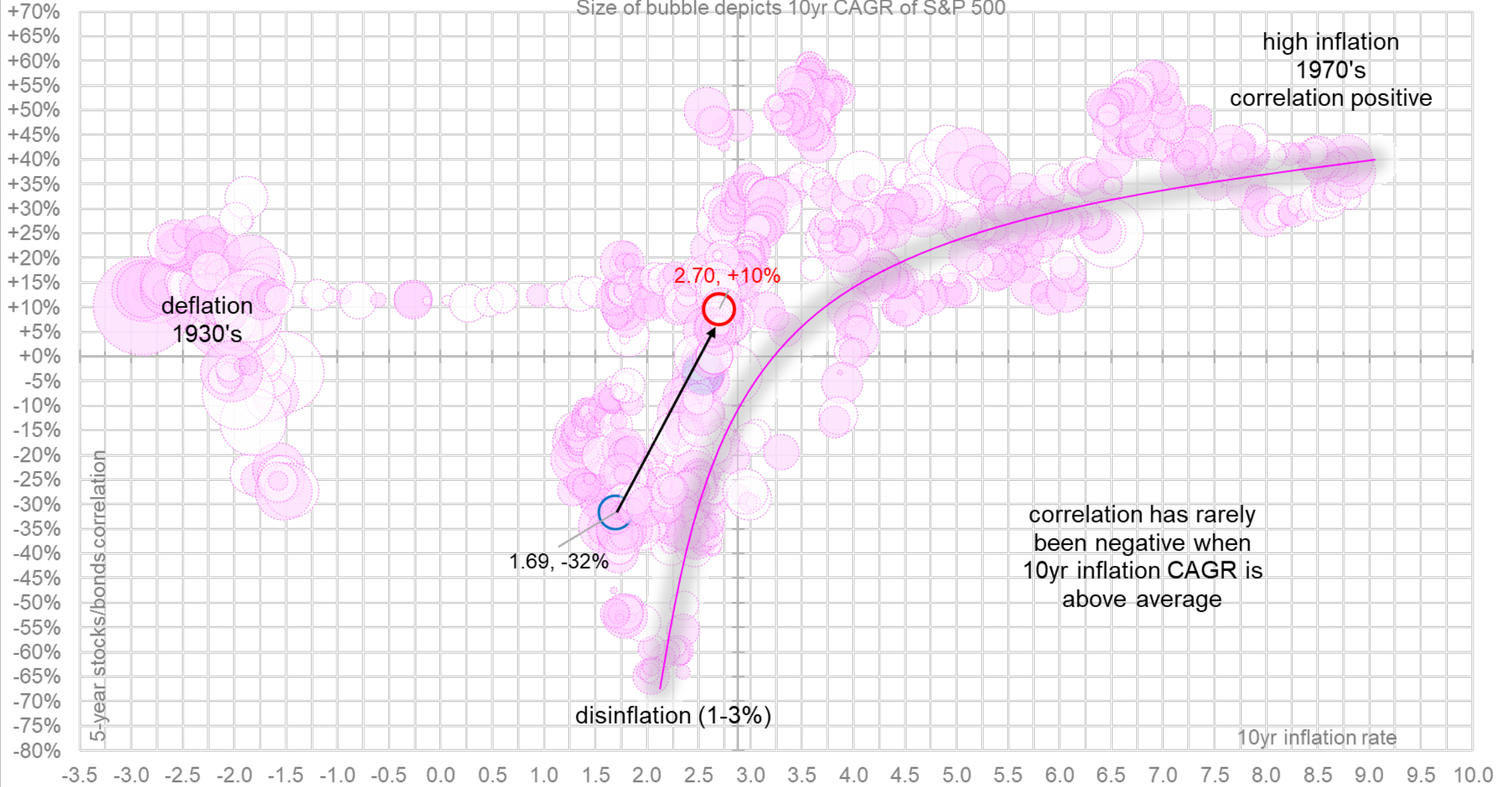
Source: FMRCo, Bloomberg, Haver. Monthly Data.



Data as at October 12, 2023.

Stocks/Bonds Correlation

Monthly data. Source: FMRCo, GFD, Bloomberg, Haver.
Size of bubble depicts 10yr CAGR of S&P 500



Correlation Matrix (last 5 years, through Dec 2021)

	S&P 500	MSCI AC World	AC World ex-US	MSCI EAFE	MSCI Europe	MSCI EM	MSCI Japan	30d Tbill	US IG	HY Corp	Glob Agg	ST Gvt	TIPS	EMD	REITs	Levered Loans	gold	BCOM	Hedged Equity HFs	Managed Futures	Absolute Return	BTC	LT Gvt	broad 60/40	traditional 60/40	Small Caps	Large Growth	Large Value	Small Growth	Small Value
S&P 500	1.00	0.98	0.88	0.88	0.86	0.74	0.74	-0.34	0.03	0.78	0.29	0.45	0.15	0.60	0.77	0.67	0.09	0.34	0.54	0.05	0.67	0.22	-0.27	0.96	0.99	0.88	0.96	0.95	0.87	0.84
MSCI AC World	0.98	1.00	0.96	0.95	0.93	0.84	0.80	-0.37	0.04	0.82	0.36	0.48	0.12	0.67	0.75	0.70	0.10	0.37	0.59	0.06	0.72	0.25	-0.31	0.96	0.97	0.90	0.92	0.95	0.88	0.87
AC World ex-US	0.88	0.96	1.00	0.98	0.96	0.91	0.82	-0.37	0.02	0.80	0.40	0.48	0.05	0.70	0.68	0.69	0.09	0.38	0.62	0.07	0.72	0.26	-0.34	0.89	0.87	0.86	0.80	0.89	0.83	0.85
MSCI EAFE	0.88	0.95	0.98	1.00	0.99	0.82	0.85	-0.36	-0.01	0.77	0.35	0.43	0.03	0.67	0.68	0.65	0.05	0.36	0.64	0.08	0.67	0.26	-0.34	0.87	0.87	0.84	0.79	0.90	0.80	0.83
MSCI Europe	0.86	0.93	0.96	0.99	1.00	0.79	0.76	-0.36	0.02	0.75	0.37	0.40	0.05	0.67	0.69	0.63	0.05	0.36	0.64	0.10	0.66	0.25	-0.30	0.84	0.85	0.80	0.77	0.88	0.76	0.79
MSCI EM	0.74	0.84	0.91	0.82	0.79	1.00	0.68	-0.32	0.05	0.74	0.47	0.48	0.06	0.67	0.53	0.63	0.17	0.34	0.48	0.07	0.68	0.22	-0.30	0.78	0.74	0.76	0.69	0.74	0.74	0.73
MSCI Japan	0.74	0.80	0.82	0.85	0.76	0.68	1.00	-0.29	-0.14	0.61	0.16	0.29	-0.11	0.47	0.46	0.54	0.00	0.29	0.54	0.00	0.50	0.19	-0.41	0.73	0.71	0.75	0.67	0.75	0.73	0.73
30d Tbill	-0.34	-0.37	-0.37	-0.36	-0.36	-0.32	-0.29	1.00	0.23	-0.38	0.00	-0.11	0.02	-0.27	-0.32	-0.45	0.10	-0.46	-0.36	0.00	-0.41	-0.19	0.32	-0.39	-0.31	-0.37	-0.31	-0.35	-0.33	-0.39
US IG	0.03	0.04	0.02	-0.01	0.02	0.05	-0.14	0.23	1.00	0.21	0.76	0.55	0.85	0.44	0.24	0.08	0.35	-0.32	-0.16	0.06	0.15	0.15	0.86	0.08	0.16	-0.04	0.14	-0.06	0.05	-0.13
HY Corp	0.78	0.82	0.80	0.77	0.75	0.74	0.61	-0.38	0.21	1.00	0.45	0.76	0.20	0.87	0.74	0.92	0.16	0.40	0.69	-0.09	0.88	0.24	-0.23	0.84	0.80	0.80	0.72	0.80	0.79	0.78
Glob Agg	0.29	0.36	0.40	0.35	0.37	0.47	0.16	0.00	0.76	0.45	1.00	0.57	0.66	0.63	0.34	0.30	0.48	-0.03	0.07	0.20	0.37	0.22	0.52	0.33	0.39	0.20	0.35	0.22	0.26	0.13
ST Gvt	0.45	0.48	0.48	0.43	0.40	0.48	0.29	-0.11	0.55	0.76	0.57	1.00	0.39	0.76	0.53	0.76	0.27	0.11	0.33	-0.07	0.75	0.22	0.10	0.53	0.51	0.49	0.44	0.45	0.50	0.45
TIPS	0.15	0.12	0.05	0.03	0.05	0.06	-0.11	0.02	0.85	0.20	0.66	0.39	1.00	0.34	0.31	0.11	0.39	-0.19	-0.18	0.06	0.13	0.15	0.81	0.19	0.25	0.01	0.27	0.01	0.09	-0.08
EMD	0.60	0.67	0.70	0.67	0.67	0.67	0.47	-0.27	0.44	0.87	0.63	0.76	0.34	1.00	0.63	0.79	0.26	0.29	0.59	-0.06	0.78	0.24	0.01	0.66	0.65	0.59	0.58	0.60	0.60	0.55
REITs	0.77	0.75	0.68	0.68	0.69	0.53	0.46	-0.32	0.24	0.74	0.34	0.53	0.31	0.63	1.00	0.68	-0.03	0.32	0.53	-0.03	0.71	0.17	-0.04	0.79	0.79	0.74	0.67	0.80	0.68	0.77
Levered Loans	0.67	0.70	0.69	0.65	0.63	0.63	0.54	-0.45	0.08	0.92	0.30	0.76	0.11	0.79	0.68	1.00	0.09	0.50	0.67	-0.17	0.90	0.22	-0.35	0.76	0.67	0.75	0.61	0.72	0.72	0.74
gold	0.09	0.10	0.09	0.05	0.05	0.17	0.00	0.10	0.35	0.16	0.48	0.27	0.39	0.26	-0.03	0.09	1.00	0.06	-0.13	0.04	0.12	-0.13	0.30	0.16	0.13	-0.01	0.17	-0.01	0.05	-0.06
BCOM	0.34	0.37	0.38	0.36	0.36	0.34	0.29	-0.46	-0.32	0.40	-0.03	0.11	-0.19	0.29	0.32	0.50	0.06	1.00	0.62	0.15	0.42	0.05	-0.47	0.44	0.29	0.21	0.29	0.38	0.34	0.46
HFs	0.89	0.91	0.88	0.86	0.83	0.77	0.74	-0.48	0.01	0.82	0.31	0.52	0.11	0.67	0.78	0.78	0.08	0.48	0.64	0.06	0.83	0.22	-0.32	0.92	0.88	0.88	0.82	0.90	0.85	0.87
Managed Futures	0.05	0.06	0.07	0.08	0.10	0.07	0.00	0.00	0.06	-0.09	0.20	-0.07	0.06	-0.06	-0.03	-0.17	0.04	0.15	0.09	1.00	-0.07	0.17	0.10	0.01	0.06	-0.05	0.03	0.06	-0.06	-0.03
Absolute Return	0.67	0.72	0.72	0.67	0.66	0.68	0.50	-0.41	0.15	0.88	0.37	0.75	0.13	0.78	0.71	0.90	0.12	0.42	0.63	-0.07	1.00	0.22	-0.25	0.76	0.69	0.74	0.62	0.71	0.72	0.72
BTC	0.22	0.25	0.26	0.26	0.25	0.22	0.19	-0.19	0.15	0.24	0.22	0.22	0.15	0.24	0.17	0.22	-0.13	0.05	0.10	0.17	0.22	1.00	0.04	0.20	0.24	0.18	0.21	0.22	0.18	0.16
LT Gvt	-0.27	-0.31	-0.34	-0.34	-0.30	-0.30	-0.41	0.32	0.86	-0.23	0.52	0.10	0.81	0.01	-0.04	-0.35	0.30	-0.47	-0.44	0.10	-0.25	0.04	1.00	-0.27	-0.16	-0.39	-0.13	-0.40	-0.28	-0.47
broad 60/40	0.96	0.96	0.89	0.87	0.84	0.78	0.73	-0.39	0.08	0.84	0.33	0.53	0.19	0.66	0.79	0.76	0.16	0.44	0.60	0.01	0.76	0.20	-0.27	1.00	0.95	0.95	0.92	0.93	0.93	0.92
traditional 60/40	0.99	0.97	0.87	0.87	0.85	0.74	0.71	-0.31	0.16	0.80	0.39	0.51	0.25	0.65	0.79	0.67	0.13	0.29	0.51	0.06	0.69	0.24	-0.16	0.95	1.00	0.86	0.96	0.93	0.86	0.82
Small Caps	0.88	0.90	0.86	0.84	0.80	0.76	0.75	-0.37	-0.04	0.80	0.20	0.49	0.01	0.59	0.74	0.75	-0.01	0.41	0.64	-0.05	0.74	0.18	-0.39	0.95	0.86	1.00	0.81	0.91	0.97	0.97
Large Growth	0.96	0.92	0.80	0.79	0.77	0.69	0.67	-0.31	0.14	0.72	0.35	0.44	0.27	0.58	0.67	0.61	0.17	0.29	0.46	0.03	0.62	0.21	-0.13	0.92	0.96	0.81	1.00	0.82	0.85	0.72
Large Value	0.95	0.95	0.89	0.90	0.88	0.74	0.75	-0.35	-0.06	0.80	0.22	0.45	0.01	0.60	0.80	0.72	-0.01	0.38	0.60	0.06	0.71	0.22	-0.40	0.93	0.93	0.91	0.82	1.00	0.85	0.92
Small Growth	0.87	0.88	0.83	0.80	0.76	0.74	0.73	-0.33	0.05	0.79	0.26	0.50	0.09	0.60	0.68	0.72	0.05	0.34	0.61	-0.06	0.72	0.18	-0.28	0.93	0.86	0.97	0.85	0.85	1.00	0.90
Small Value	0.84	0.87	0.85	0.83	0.79	0.73	0.73	-0.39	-0.13	0.78	0.13	0.45	-0.08	0.55	0.77	0.74	-0.06	0.46	0.64	-0.03	0.72	0.16	-0.47	0.92	0.82	0.97	0.72	0.92	0.90	1.00

Correlation Matrix (Jan 2022 - Sep 2023)

	S&P 500	MSCI AC World	AC World ex-US	MSCI EAFE	MSCI Europe	MSCI EM	MSCI Japan	30d Tbill	US IG	HY Corp	Glob Agg	ST Gvt	TIPS	EMD	REITs	Levered Loans	gold	BCOM	Hedged Equity HFs	Managed Futures	Absolute Return	BTC	LT Gvt	broad 60/40	traditional 60/40	Small Caps	Large Growth	Large Value	Small Growth	Small Value
S&P 500	1.00	0.98	0.85	0.88	0.86	0.64	0.89	0.24	0.71	0.90	0.73	0.64	0.84	0.82	0.89	0.58	0.09	-0.16	0.15	-0.54	-0.32	0.63	0.61	0.97	0.99	0.89	0.96	0.94	0.88	0.86
MSCI AC World	0.98	1.00	0.94	0.95	0.93	0.77	0.94	0.29	0.78	0.91	0.81	0.72	0.87	0.89	0.90	0.62	0.18	-0.12	0.15	-0.57	-0.34	0.61	0.69	0.97	0.99	0.88	0.93	0.94	0.86	0.86
AC World ex-US	0.85	0.94	1.00	0.99	0.96	0.91	0.94	0.31	0.82	0.83	0.88	0.80	0.82	0.92	0.83	0.60	0.34	-0.02	0.14	-0.57	-0.36	0.51	0.76	0.85	0.89	0.75	0.76	0.87	0.72	0.75
MSCI EAFE	0.88	0.95	0.99	1.00	0.99	0.82	0.93	0.30	0.81	0.88	0.87	0.79	0.84	0.91	0.85	0.59	0.29	-0.09	0.13	-0.59	-0.32	0.57	0.73	0.87	0.91	0.79	0.79	0.90	0.75	0.78
MSCI Europe	0.86	0.93	0.96	0.99	1.00	0.77	0.88	0.30	0.78	0.87	0.84	0.76	0.80	0.88	0.83	0.58	0.26	-0.12	0.14	-0.59	-0.28	0.57	0.69	0.84	0.89	0.77	0.76	0.90	0.73	0.77
MSCI EM	0.64	0.77	0.91	0.82	0.77	1.00	0.85	0.33	0.78	0.61	0.81	0.76	0.68	0.86	0.64	0.52	0.39	0.09	0.08	-0.50	-0.43	0.27	0.76	0.66	0.71	0.54	0.58	0.66	0.51	0.54
MSCI Japan	0.89	0.94	0.94	0.93	0.88	0.85	1.00	0.38	0.86	0.87	0.90	0.83	0.87	0.93	0.78	0.56	0.24	-0.17	0.03	-0.66	-0.43	0.53	0.78	0.88	0.93	0.77	0.86	0.83	0.77	0.74
30d Tbill	0.24	0.29	0.31	0.30	0.30	0.33	0.38	1.00	0.31	0.33	0.36	0.46	0.19	0.43	0.14	0.43	0.16	-0.28	-0.26	-0.46	0.19	0.28	0.29	0.21	0.27	0.12	0.33	0.10	0.19	0.05
US IG	0.71	0.78	0.82	0.81	0.78	0.78	0.86	0.31	1.00	0.75	0.97	0.93	0.82	0.84	0.63	0.38	0.21	-0.31	-0.14	-0.75	-0.55	0.43	0.95	0.67	0.81	0.54	0.71	0.62	0.57	0.48
HY Corp	0.90	0.91	0.83	0.88	0.87	0.61	0.87	0.33	0.75	1.00	0.79	0.79	0.84	0.82	0.81	0.67	0.05	-0.32	0.12	-0.61	-0.25	0.73	0.61	0.89	0.91	0.82	0.85	0.86	0.80	0.80
Glob Agg	0.73	0.81	0.88	0.87	0.84	0.81	0.90	0.36	0.97	0.79	1.00	0.92	0.81	0.87	0.65	0.41	0.28	-0.25	-0.05	-0.76	-0.49	0.47	0.92	0.70	0.82	0.57	0.71	0.68	0.58	0.53
ST Gvt	0.64	0.72	0.80	0.79	0.76	0.76	0.83	0.46	0.93	0.79	0.92	1.00	0.72	0.84	0.54	0.44	0.16	-0.34	-0.05	-0.78	-0.46	0.38	0.80	0.61	0.74	0.49	0.62	0.59	0.49	0.46
TIPS	0.84	0.87	0.82	0.84	0.80	0.68	0.87	0.19	0.82	0.84	0.81	0.72	1.00	0.78	0.82	0.66	0.25	-0.24	0.00	-0.64	-0.52	0.59	0.78	0.86	0.88	0.75	0.84	0.77	0.77	0.70
EMD	0.82	0.89	0.92	0.91	0.88	0.86	0.93	0.43	0.84	0.82	0.87	0.84	0.78	1.00	0.74	0.60	0.23	-0.21	-0.06	-0.66	-0.38	0.41	0.76	0.78	0.87	0.66	0.78	0.77	0.66	0.63
REITs	0.89	0.90	0.83	0.85	0.83	0.64	0.78	0.14	0.63	0.81	0.65	0.54	0.82	0.74	1.00	0.69	0.27	-0.02	0.18	-0.35	-0.23	0.62	0.59	0.93	0.88	0.86	0.85	0.87	0.83	0.84
Levered Loans	0.58	0.62	0.60	0.59	0.58	0.52	0.56	0.43	0.38	0.67	0.41	0.44	0.66	0.60	0.69	1.00	0.31	-0.06	0.13	-0.30	-0.03	0.55	0.36	0.64	0.57	0.57	0.56	0.58	0.55	0.56
gold	0.09	0.18	0.34	0.29	0.26	0.39	0.24	0.16	0.21	0.05	0.28	0.16	0.25	0.23	0.27	0.31	1.00	0.48	0.06	0.12	0.01	0.19	0.30	0.14	0.12	-0.04	0.06	0.11	-0.04	-0.04
BCOM	-0.16	-0.12	-0.02	-0.09	-0.12	0.09	-0.17	-0.28	-0.31	-0.32	-0.25	-0.34	-0.24	-0.21	-0.02	-0.06	0.48	1.00	0.60	0.51	0.12	-0.23	-0.25	-0.10	-0.20	-0.19	-0.28	0.00	-0.26	-0.06
HFs	0.83	0.83	0.74	0.76	0.70	0.57	0.79	0.31	0.52	0.77	0.55	0.49	0.74	0.70	0.84	0.68	0.32	0.04	0.06	-0.29	-0.05	0.62	0.48	0.88	0.80	0.83	0.81	0.78	0.85	0.78
Managed Futures	-0.54	-0.57	-0.57	-0.59	-0.59	-0.50	-0.66	-0.46	-0.75	-0.61	-0.76	-0.78	-0.64	-0.66	-0.35	-0.30	0.12	0.51	0.08	1.00	0.60	-0.17	-0.64	-0.49	-0.62	-0.43	-0.55	-0.47	-0.46	-0.39
Absolute Return	-0.32	-0.34	-0.36	-0.32	-0.28	-0.43	-0.43	0.19	-0.55	-0.25	-0.49	-0.46	-0.52	-0.38	-0.23	-0.03	0.01	0.12	-0.13	0.60	1.00	0.17	-0.50	-0.32	-0.38	-0.25	-0.30	-0.28	-0.23	-0.27
BTC	0.63	0.61	0.51	0.57	0.57	0.27	0.53	0.28	0.43	0.73	0.47	0.38	0.59	0.41	0.62	0.55	0.19	-0.23	0.02	-0.17	0.17	1.00	0.40	0.66	0.62	0.59	0.67	0.53	0.62	0.54
LT Gvt	0.61	0.69	0.76	0.73	0.69	0.76	0.78	0.29	0.95	0.61	0.92	0.80	0.78	0.76	0.59	0.36	0.30	-0.25	-0.28	-0.64	-0.50	0.40	1.00	0.60	0.72	0.46	0.65	0.50	0.52	0.38
broad 60/40	0.97	0.97	0.85	0.87	0.84	0.66	0.88	0.21	0.67	0.89	0.70	0.61	0.86	0.78	0.93	0.64	0.14	-0.10	0.19	-0.49	-0.32	0.66	0.60	1.00	0.96	0.95	0.94	0.93	0.93	0.92
traditional 60/40	0.99	0.99	0.89	0.91	0.89	0.71	0.93	0.27	0.81	0.91	0.82	0.74	0.88	0.87	0.88	0.57	0.12	-0.20	0.10	-0.62	-0.38	0.62	0.72	0.96	1.00	0.86	0.96	0.91	0.86	0.83
Small Caps	0.89	0.88	0.75	0.79	0.77	0.54	0.77	0.12	0.54	0.82	0.57	0.49	0.75	0.66	0.86	0.57	-0.04	-0.16	0.18	-0.43	-0.25	0.59	0.46	0.95	0.86	1.00	0.84	0.89	0.98	0.98
Large Growth	0.96	0.93	0.76	0.79	0.76	0.58	0.86	0.33	0.71	0.85	0.71	0.62	0.84	0.78	0.85	0.56	0.06	-0.28	-0.03	-0.55	-0.30	0.67	0.65	0.94	0.96	0.84	1.00	0.81	0.88	0.77
Large Value	0.94	0.94	0.87	0.90	0.90	0.66	0.83	0.10	0.62	0.86	0.68	0.59	0.77	0.77	0.87	0.58	0.11	0.00	0.36	-0.47	-0.28	0.53	0.50	0.93	0.91	0.89	0.81	1.00	0.83	0.92
Small Growth	0.88	0.86	0.72	0.75	0.73	0.51	0.77	0.19	0.57	0.80	0.58	0.49	0.77	0.66	0.83	0.55	-0.04	-0.26	0.00	-0.46	-0.23	0.62	0.52	0.93	0.86	0.98	0.88	0.83	1.00	0.91
Small Value	0.86	0.86	0.75	0.78	0.77	0.54	0.74	0.05	0.48	0.80	0.53	0.46	0.70	0.63	0.84	0.56	-0.04	-0.06	0.34	-0.39	-0.27	0.54	0.38	0.92	0.83	0.98	0.77	0.92	0.91	1.00

Revenge of the Term Premium
Fiscal Dominance
The Bond Math is Easy
The Equity Math is Challenging
Nifty 50 vs the World
Changing Correlations

Important notice

For advisor use only. No recipient is authorized to pass this communication on to any other person whatsoever or reproduce it by any means without the prior written consent of Fidelity.

The information presented reflects the opinions of Jurrien Timmer, Director of Global Macro, for Fidelity Asset management as of October 2, 2022. These opinions do not necessarily represent the views of Fidelity or any other person in the Fidelity organization and are subject to change at any time based upon market or other conditions. Fidelity disclaims any responsibility to update such views. These views may not be relied on as investment advice and, because investment decisions for a Fidelity fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity fund.

Sources for correlation slide: All data downloaded from Haver Analytics. All country and regional equity indices: MSCI. All bond indices: Barclays Capital. Gold: Handy & Harman. All GSCI: Goldman Sachs Commodity Index. Currencies: Morgan Stanley. Hedge Fund Data: HFRX.

Data source for periodic table: SG: Russell 2000 growth, REIT: MSCI REIT index, SC: Russell 2000, SPX: S&P 500, SV: Russell 2000 value, LG: Russell 1000 growth, EUR: MSCI Europe, EAF: MSCI EAFE, EM: MSCI EM, LV: Russell 1000 value, HY: Bloomberg Barclays high yield, JPN: MSCI Japan, EMD: JP Morgan EMBI, TIPS: Bloomberg Barclays TIPS, LT: Bloomberg Barclays long duration, gold: Bloomberg spot gold, IGB: Bloomberg Barclays investment grade bonds, HFs: HFRX hedge fund index, com: Bloomberg commodities index, cash: 3mo T-Bill yield.

"Fidelity Investments" and/or "Fidelity" refers collectively to FMR LLC, a U.S. company, and its subsidiaries, including but not limited to Fidelity Management & Research Company (FMR Co.) and FIAM.

Commissions, trailing commissions, management fees, brokerage fees and expenses may be associated with investments in mutual funds and ETFs. Please read the mutual fund or ETF's prospectus, which contains detailed investment information, before investing. Mutual funds and ETFs are not guaranteed. Their values change frequently, and investors may experience a gain or a loss. Past performance may not be repeated.

The statements contained herein are based on information believed to be reliable and are provided for information purposes only. Where such information is based in whole or in part on information provided by third parties, we cannot guarantee that it is accurate, complete or current at all times. It does not provide investment, tax or legal advice, and is not an offer or solicitation to buy. Graphs and charts are used for illustrative purposes only and do not reflect future values or returns on investment of any fund or portfolio.

Particular investment strategies should be evaluated according to an investor's investment objectives and tolerance for risk. Fidelity Investments Canada ULC and its affiliates and related entities are not liable for any errors or omissions in the information or for any loss or damage suffered.

From time to time a manager, analyst or other Fidelity employee may express views regarding a particular company, security, and industry or market sector. The views expressed by any such person are the views of only that individual as of the time expressed and do not necessarily represent the views of Fidelity or any other person in the Fidelity organization. Any such views are subject to change at any time, based upon markets and other conditions, and Fidelity disclaims any responsibility to update such views.

These views may not be relied on as investment advice and, because investment decisions for a Fidelity Fund are based on numerous factors, may not be relied on as an indication of trading intent on behalf of any Fidelity Fund.

Important notice

Certain Statements in this commentary may contain forward-looking statements (“FLS”) that are predictive in nature and may include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” and similar forward-looking expressions or negative versions thereof. FLS are based on current expectations and projections about future general economic, political and relevant market factors, such as interest and assuming no changes to applicable tax or other laws or government regulation. Expectations and projections about future events are inherently subject to, among other things, risks and uncertainties, some of which may be unforeseeable and, accordingly, may prove to be incorrect at a future date. FLS are not guarantees of future performance, and actual events could differ materially from those expressed or implied in any FLS. A number of important factors can contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition and catastrophic events. You should avoid placing any undue reliance on FLS. Further, there is no specific intention of updating any FLS whether as a result of new information, future events or otherwise.

© 2023 Fidelity Investments Canada ULC. All rights reserved. Fidelity Investments Canada ULC. Third party trademarks are the property of their respective owners.

Used with permission.

