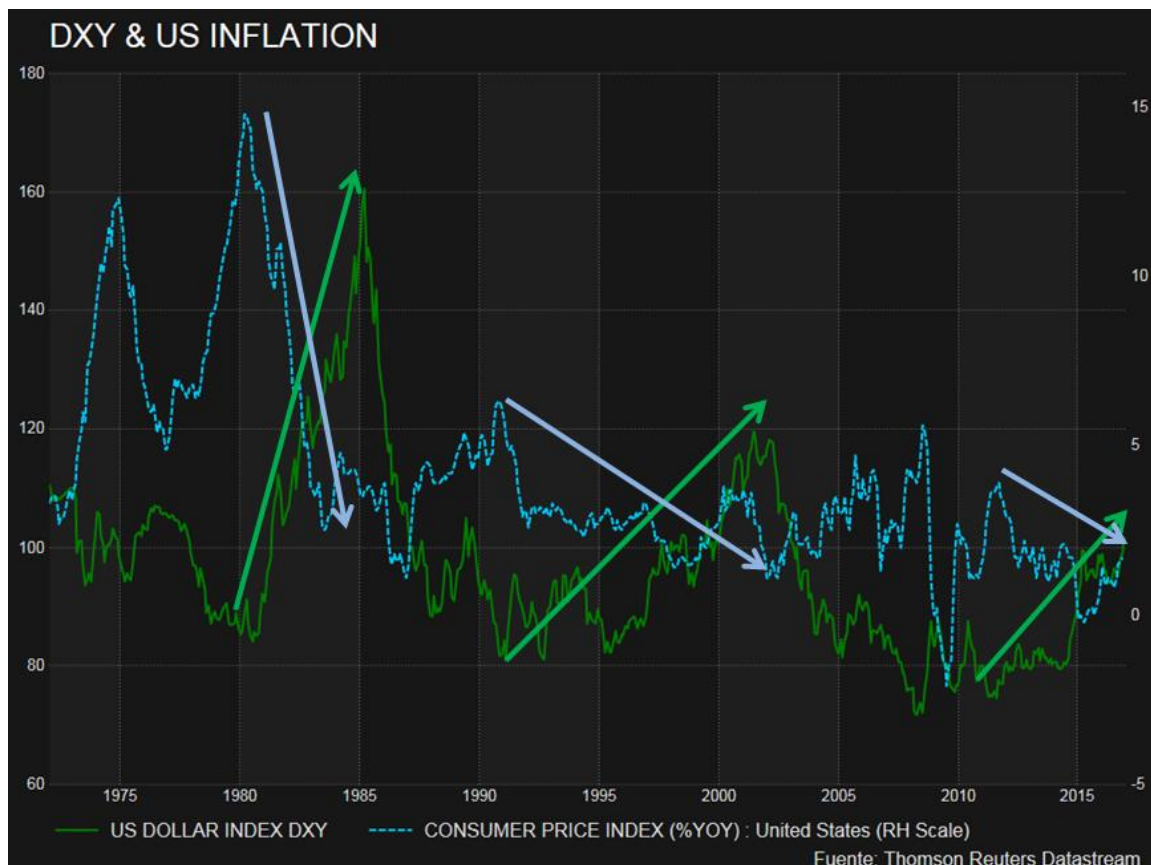


Flash Note  
13/01/2017

Alex Fusté  
@AlexfusteAlex  
[alex.fuste@andbank.com](mailto:alex.fuste@andbank.com)

**Admittedly a very contrarian idea, but based on four intuitive premises**

1. The dollar is now seeing its third structural rise since the beginning of the floating rate exchange systems.
2. There has never been an acceleration in inflation when the US dollar has been strong (see the chart).
3. Based on previous experience, US inflation is likely to go down, not up, in the coming quarters (and years).
4. This suggest that should long yields climb further from here, investors should once again go long US Treasuries. A long US Dollar has generally been a good reason to buy US long bonds.



Kind regards,  
Alex Fusté  
Chief EconomistAndbank