

Chart of the Day

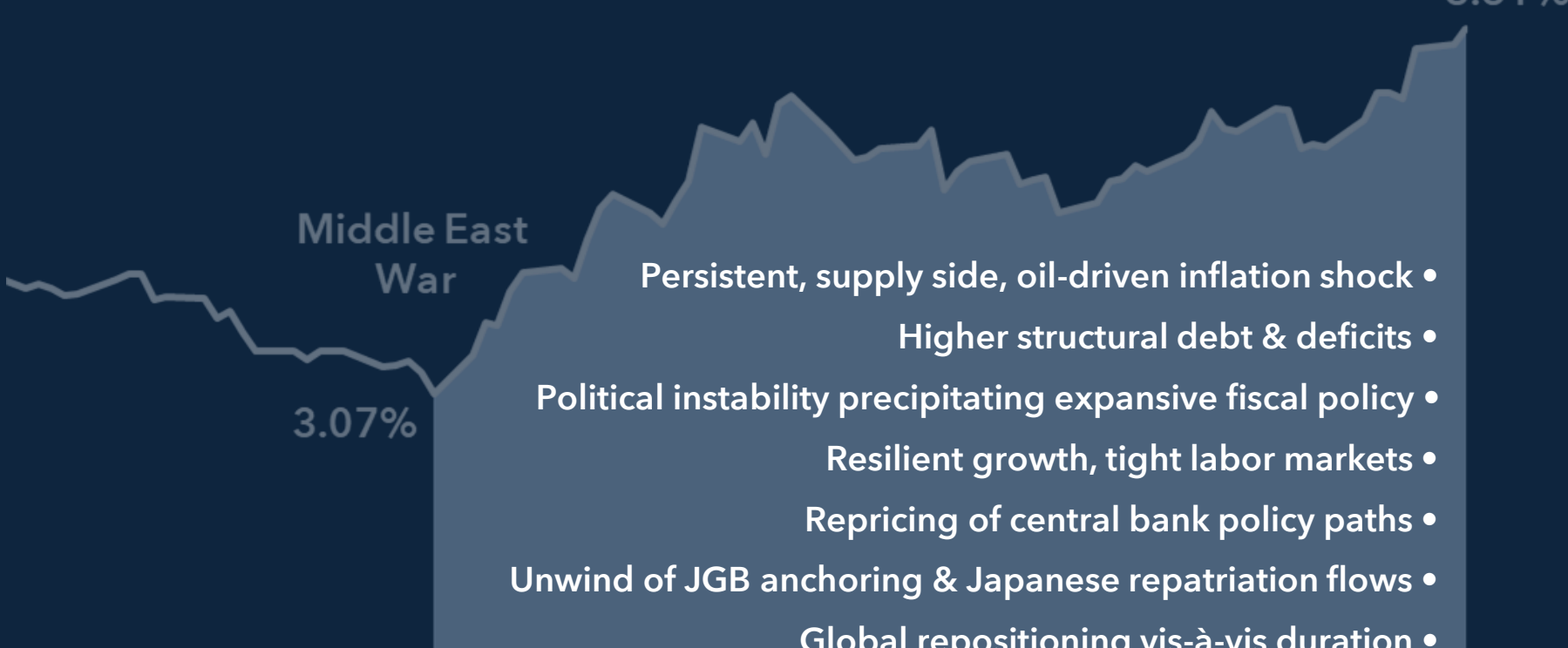
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Hormuz Quagmire Triggers Global Rates Selloff

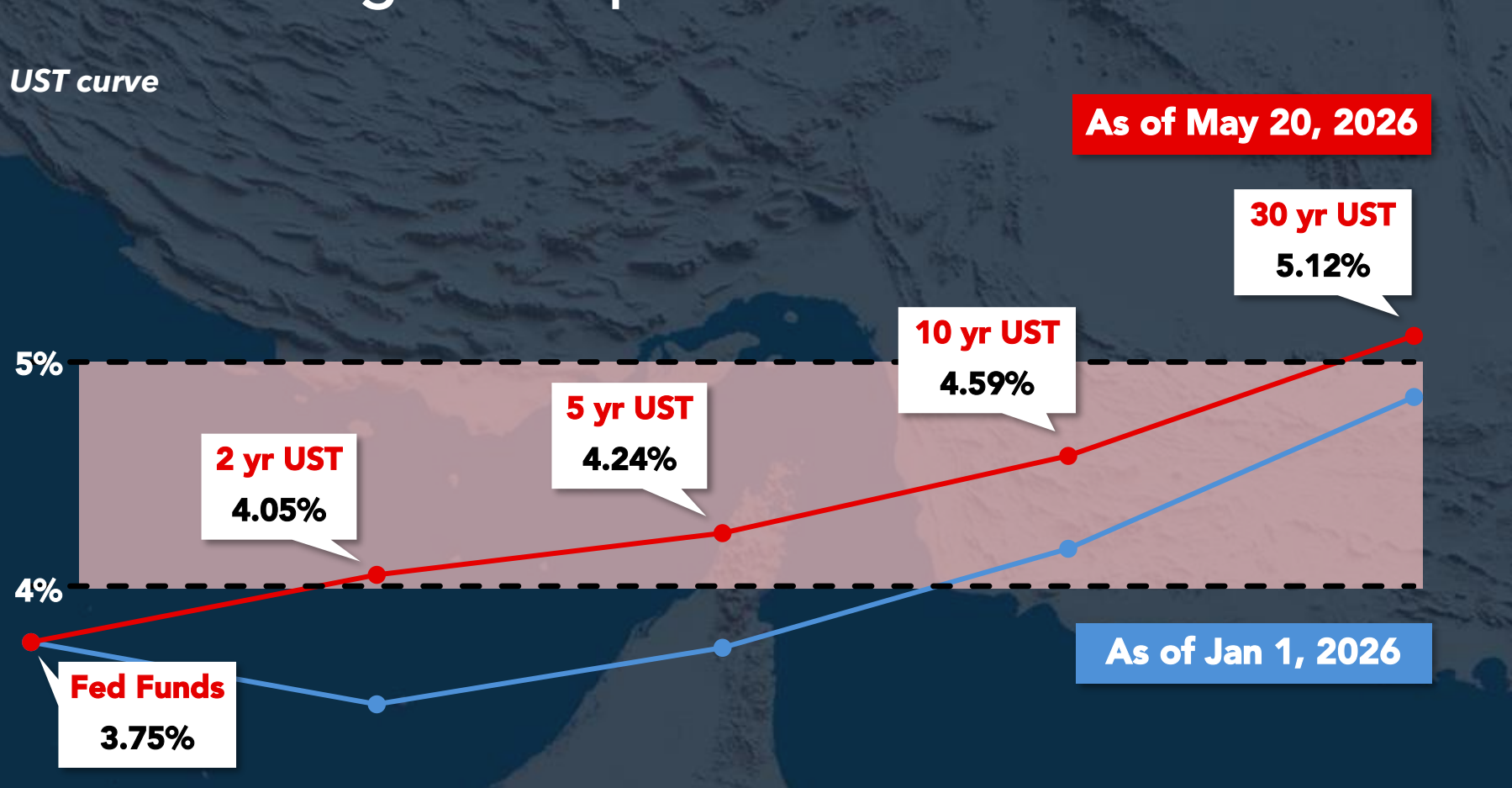
The persistent supply-side global inflation shock emanating from Hormuz has evolved from a commodity market narrative to a rates-duration story. Higher than expected US inflation data and stalled Trump-Xi diplomacy has convinced markets that higher-for-longer inflation is back on the table. Real yields are driving the move, term premia is rising across the DM curve, and idiosyncratic pressures in the UK and Japan are amplifying the repricing.

Global aggregate treasury index, YTW



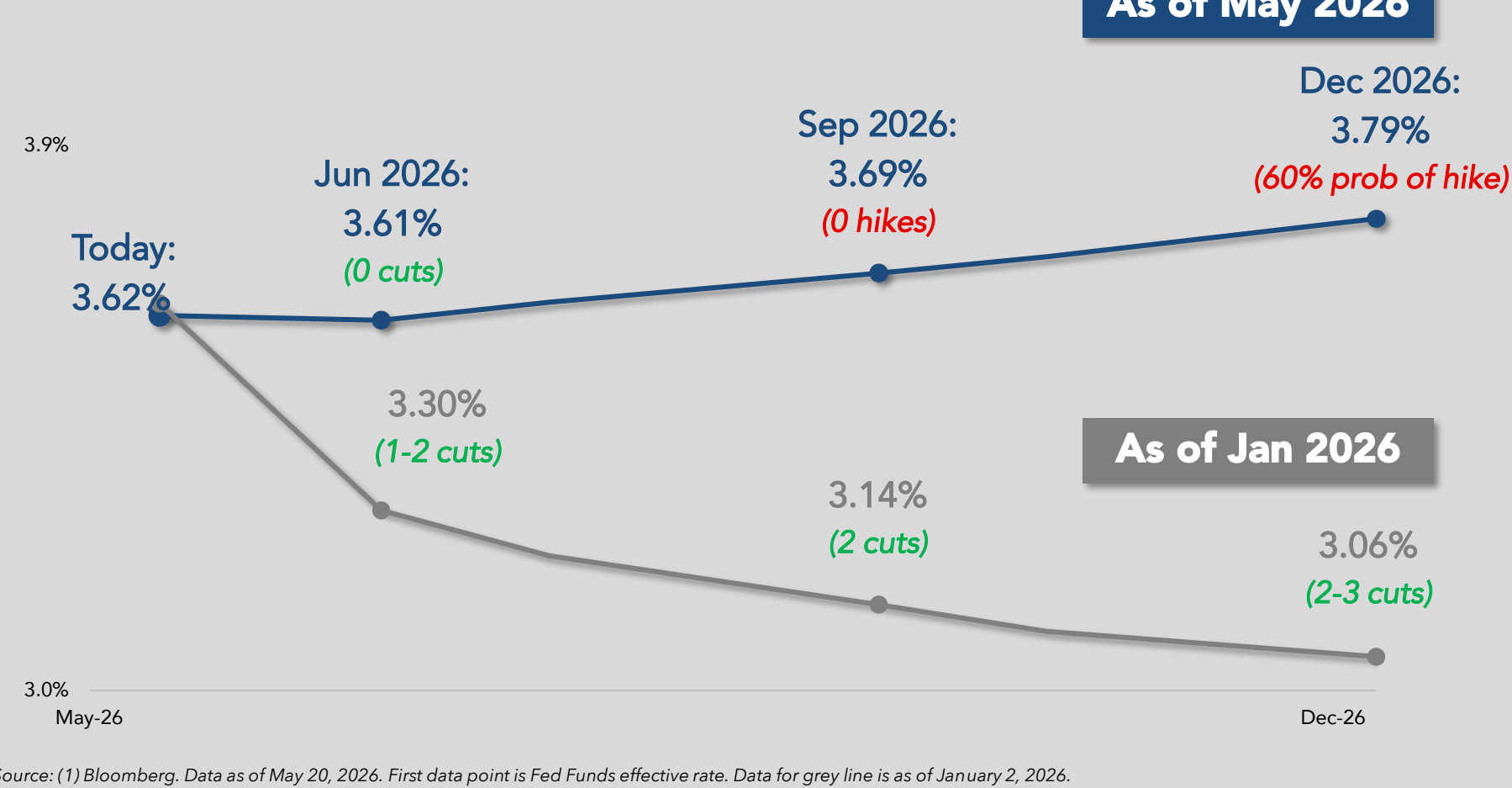
Source: (1) Bloomberg. Data as of May 20, 2026.

Hormuz Quagmire Reprices UST Curve

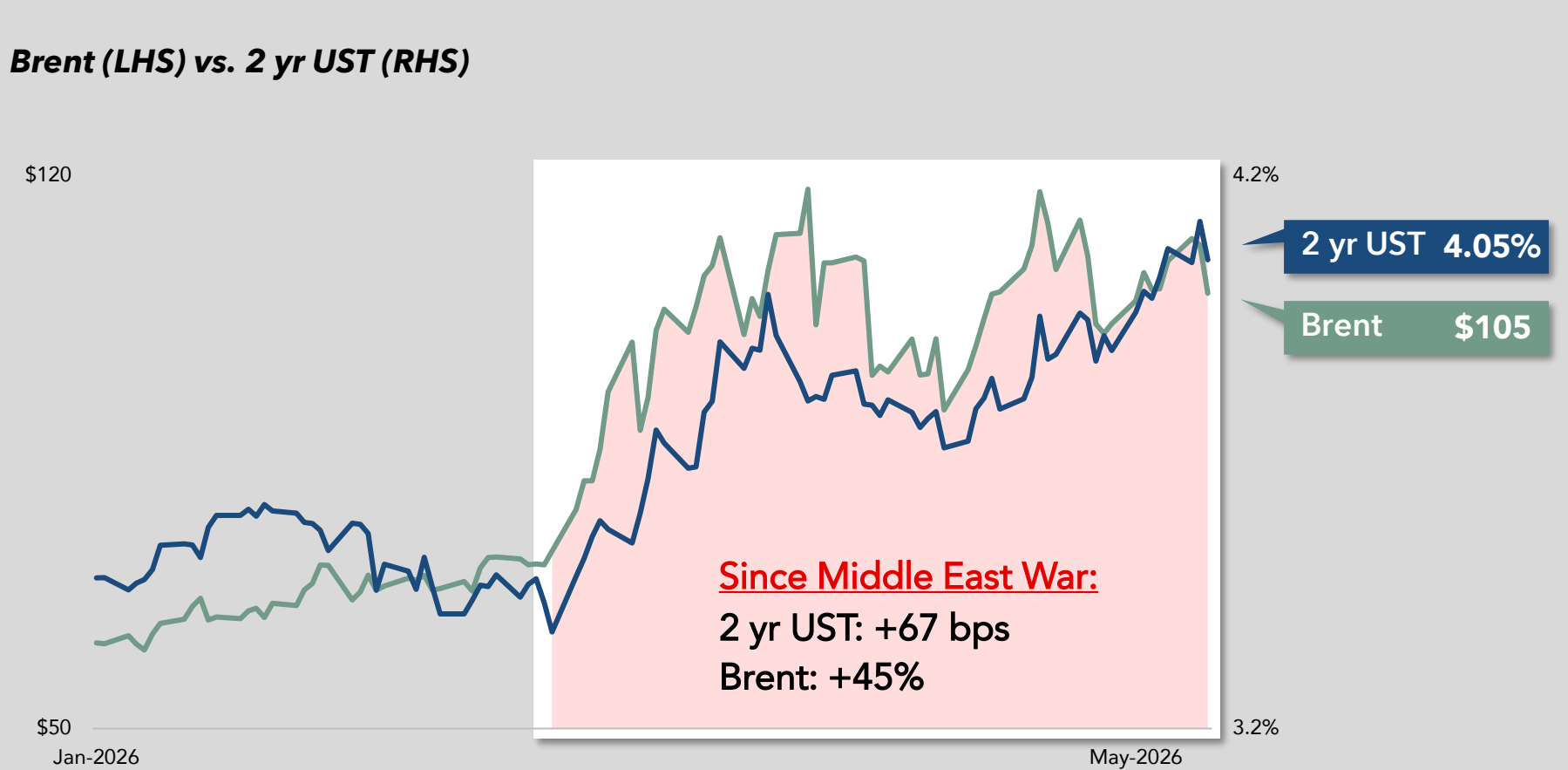


Source: (1) Bloomberg. Data as of May 20, 2026. Fed funds is upper bound.

Markets Pricing No Fed Cuts in 2026

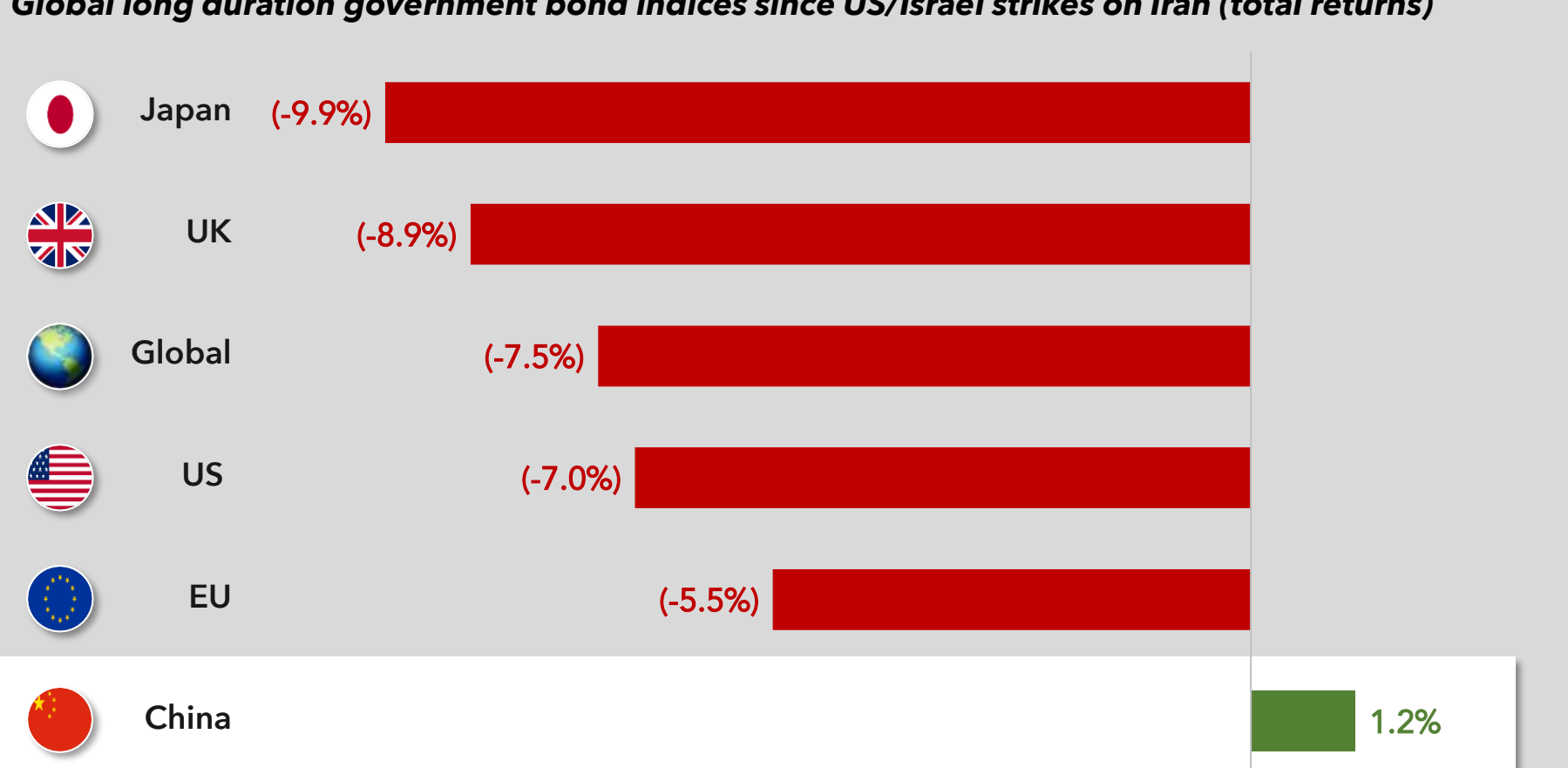


Front End of UST Curve Moving Higher with Oil



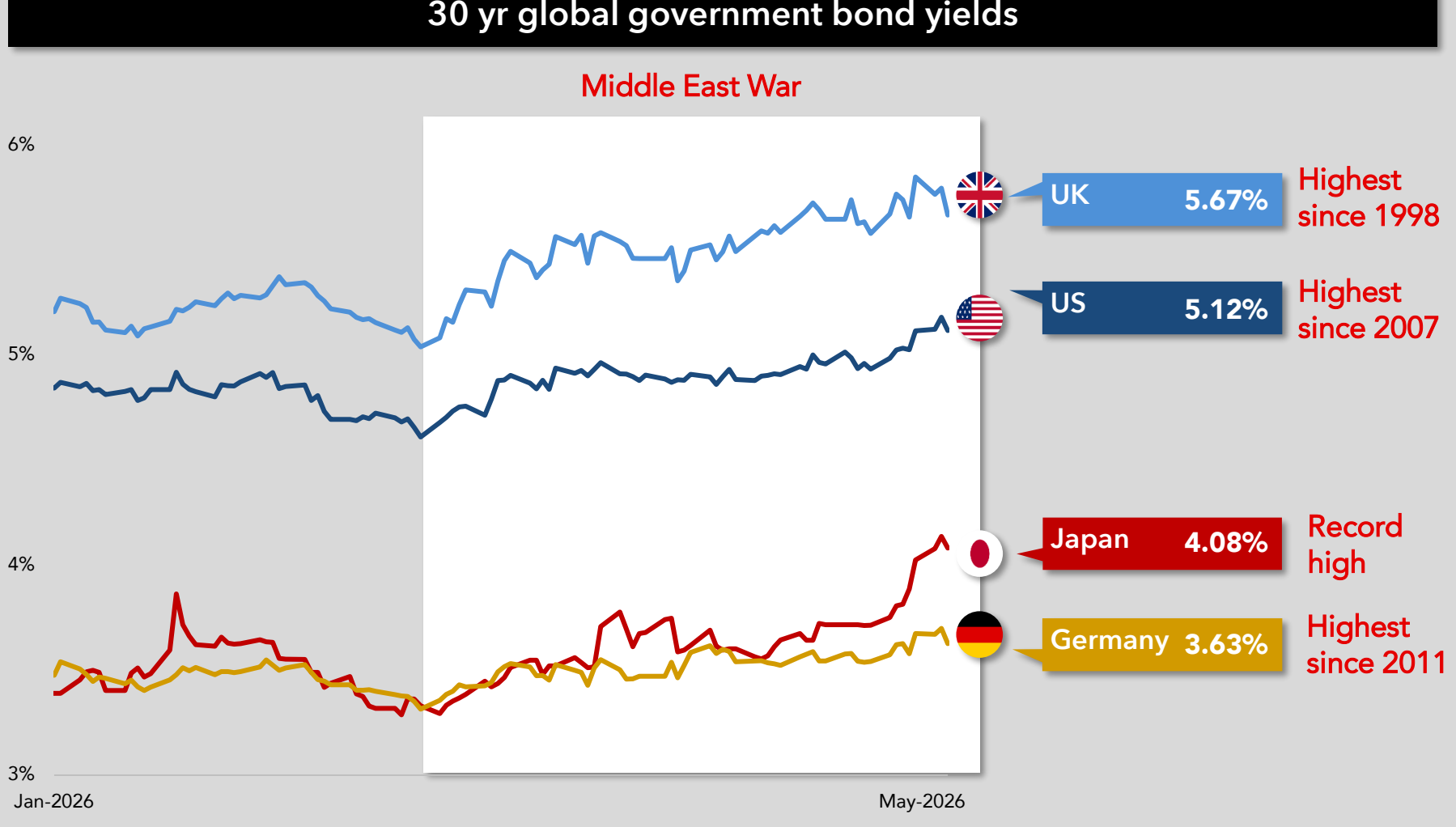
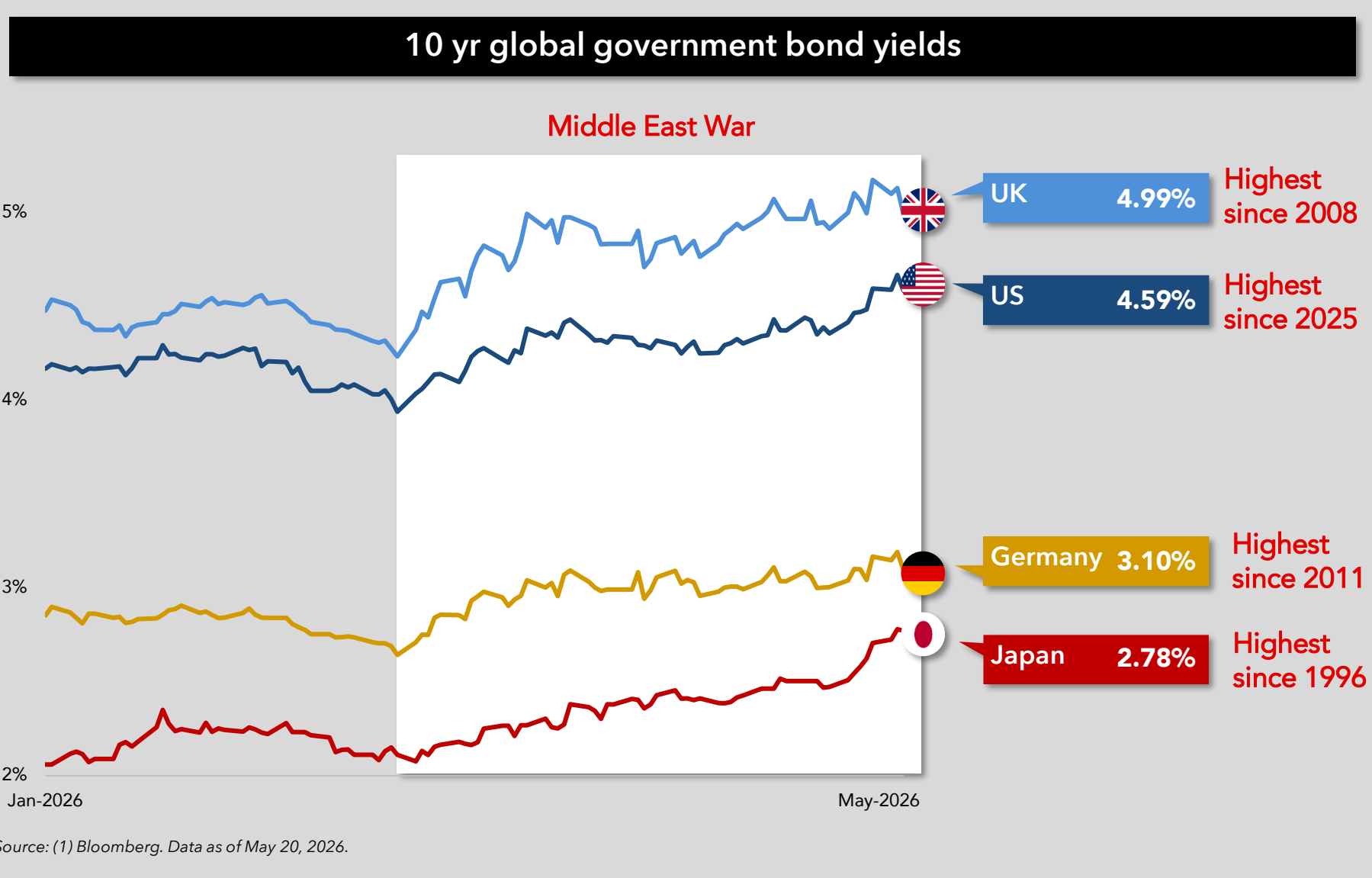
Source: (1) Bloomberg. Data as of May 20, 2026.

Synchronized Sell-off in Global Long Duration Bonds



Source: (1) Bloomberg. Indices are all 10+ yr duration. Data as of May 20, 2026. Change since Feb 27, 2026.

Hormuz Quagmire Reprices Duration Risk



Source: (1) Bloomberg. Data as of May 20, 2026.

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"Macro stability isn't everything, but without it, you have nothing."