

# WEEKLY BULLETIN

August 2023: Issue #4

## Thought of the Week.

[Narrative Derangement Syndrome](#) – the self-righteous switching off of the brain in response to any hint of manipulation of our interpretation of facts. This has become one of the most powerful tools for the institutions and individuals who use the power of narrative to tell us how to think (Epsilon Theory, .

Over the years, many have become increasingly attuned to how powerful institutions frame and massage information to elicit a particular response. That is usually a good thing. In the midst of that, however, our collective heightened narrative awareness has too often given way to something else entirely: [narrative antipathy](#).

Narrative antipathy, however, simply replaces one form of thoughtless compliance with another. Instead of blithely submitting to the framing and opinions-presented-as-fact spoon-fed to us by corporate media institutions, we blindly and confidently disregard entire populations of humans and entire fields of human knowledge simply because they were part of an effort to nudge us.

The team at Epsilon Theory has created an index of the frequency of news articles discussing “the narrative” or “a narrative”. The resulting chart is a continuously growing line, with a one-year slowdown in 2020 (no wonder why!). US-based media outlets increased the number of articles with explicit references to “the narrative” in every single year in the last decade, with the frequency of these references 70% higher today than it was in 2014.

[Ignoring both sides of the narrative is not the best outcome. We consume any media at all and care about maintaining autonomy over our own thoughts, as this is our only choice. A necessary choice, not a sufficient one.](#)



## Last Week 's Notable Events.

### US Economy/Politics

- S&P downgrades multiple US banks citing tough operating conditions – 22<sup>nd</sup> Aug.
- Fed's hawkish on tightening sparks global concerns as country becomes 'bomb' for global economy – 18 Aug.
- Senior Fed official warns US interest rates may need to rise again – 24 Aug.

### Europe Economy/Equity

- Europe inflation high while US economy recovering – 21 Aug.
- No recovery yet for lack lustre German economy says Bundesbank – 22 Aug.
- The EU Digital Services Act is leading to big changes in how Internet giants operate in Europe – 22 Aug.

### APAC Economy / Politics

- China's 'win-win' investment in Africa set to rise despite Western slander – 18 Aug.
- Xi attends 15th BRICS Summit, visits South Africa – 22 Aug.
- Japan's planned discharge of Fukushima nuke wastewater sparks anger – 22 Aug.

## Notable News and Events:

- Global uncertainty freezes forex markets, banks face 15% revenue fall in forex trading – 24 Aug.
- Hedge funds short ETFs at fastest pace since September 2022 – 21 Aug.
- BRICS Summit: a new #BRICS currency system could be unveiled as countries strive to lessen their dependence on the US dollar for trade.

## Weekly Data Monitor.

### Performance

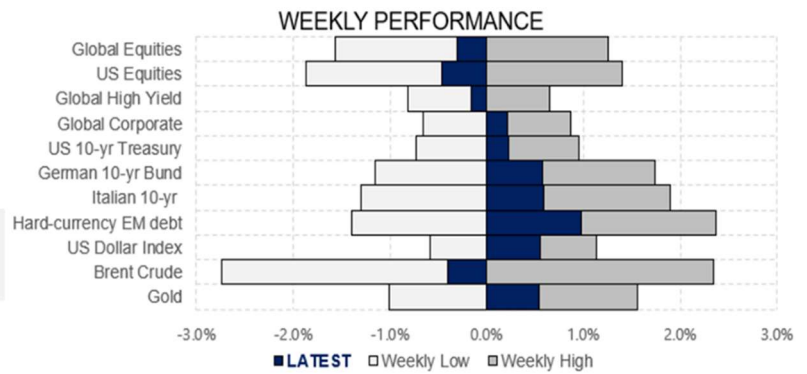
- Weakness across the board.
- IG and HY bonds losses.
- USD reversed in tight range.

INDEX	Weekly %	MTD %	YTD %	1YR %	3Y %	5Y %
Global Equity	0.48	-5.14	12.03	6.06	21.60	40.75
Global Real Estate	0.54	-4.92	-1.38	-14.54	4.55	11.25
US Real Estate	0.70	-4.93	0.68	-12.82	10.45	18.04
APAC Real Estate	0.91	-6.30	-7.37	-9.69	-17.89	-19.78
Investment Grade	0.32	-0.75	6.03	4.06	4.77	16.62
High Yield Bonds	0.29	-1.97	0.12	-1.73	-17.40	-6.47
Global HY ETF	0.06	-5.02	4.03	3.73	23.45	21.61
ASIA Real Estate ETF	-0.24	-4.48	-9.18	-18.85	-14.44	-2.65
USD Index	0.79	2.30	0.65	-3.94	12.01	9.51

### Weekly chart:

- Brent crude reversed.
- German 10yrs bonds lost, but stable.
- US 10-year Treasury lowest losses.

**Note:** The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.



## Chart of the Week.

The BRICS economic coalition of emerging markets has decided to extend membership invitations to six nations.

The BRICS alliance — which presently reunites Brazil, Russia, India, China and South Africa — is set to invite Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates to join, Ramaphosa said in a speech published on the X social media platform, previously known as Twitter.

The new composition of BRICS will control 80% of world oil production. The same goes for the sharp GDP growth of the new BRICS countries. It will amount to 30% of world GDP and exceed \$30 trillion (Source: Sprinter, MoneyRadar).

Vladimir Putin did not attend the three-day summit in person, as he faces an arrest warrant for war crimes in Ukraine issued by the international criminal court, but the BRICS enlargement represents a symbolic boost for him, as he fights a US-led effort to isolate his regime to force a withdrawal and an end to the war.

The decision to admit Iran, also looking for a way to sidestep sanctions, represented a win for Putin and Xi, helping give the group a more anti-western character. They prevailed over the more cautious approach of the other members, who prefer to portray the group as non-aligned.

### Will BRICS expansion accelerate de-dollarization?

Until now, de-dollarization had been slow, and the market share lost by the dollar had largely been taken by the Chinese renminbi in the Asia space. This expansion – especially among the oil exporters – clearly adds some momentum to the de-dollarization debate. Currently, the core BRICS countries control around 23% of global exports and 19% of global imports, and the new members would add 3.7% and 3.0% to that.



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