SN VALUATION
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So it begins?

All the markets were in the red, down about 2% over the recent FOMC meeting's implication related to higher rates and China's cash crunch. China's yield curve is inverted, signaling a capital shortage. The Korean news talked of a triple whammy – weaker USDKRW (currently at 1145), and forecasted weakening in both equities and fixed income market. Where will investors park their capital? Right now safe havens – money market, USD exposure, cash, gold(?), They also cited former FED chair Alan Greenspan's rate hike which led to a 20% pullback in the Korean equity market.

We have enjoyed a nice 15% market rally in the S&P YTD, but we believe the market will retrench, as the crutch will be kicked away (QE program) and the botox shots are done away with. Will the US and global economy survive, or did the QE only kick the can down the road further, delaying the inevitable market crash everyone was expecting after Europe fell into disarray?

Source: Soberlook

This graph alone is very concerning. It is the SHIBOR, or the Chinese equivalent of the LIBOR. The liquidity squeeze in China is reminiscent of the squeeze back in 2008 post-Lehman. Please don't be a Lehman 2.0.....