



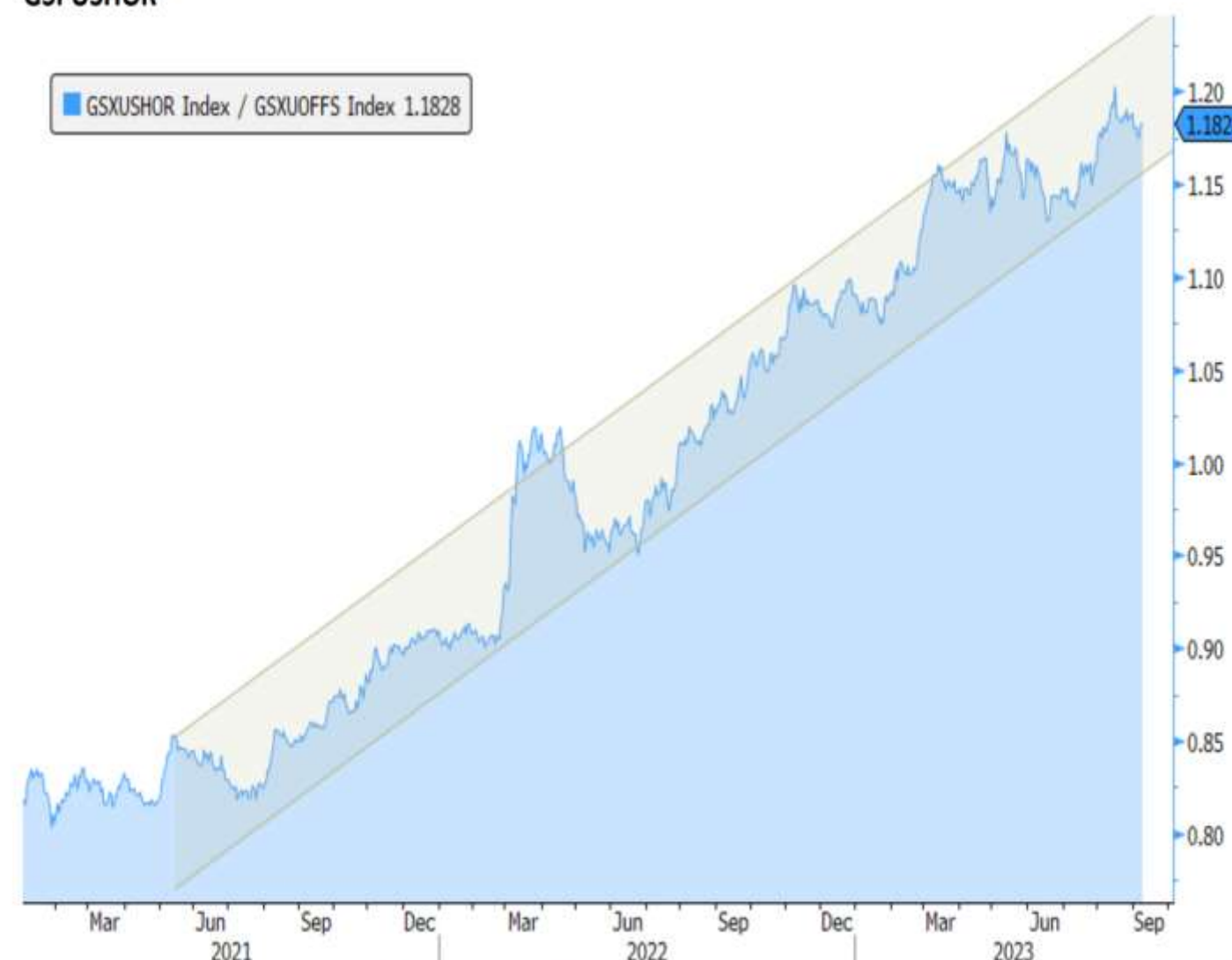
Sept, 16th 2023



Brave New World

Onshoring is a big theme now.

US-China de-coupling is sustaining the rotation into onshore businesses: US Onshore vs Offshore Pair GSPUSHOR



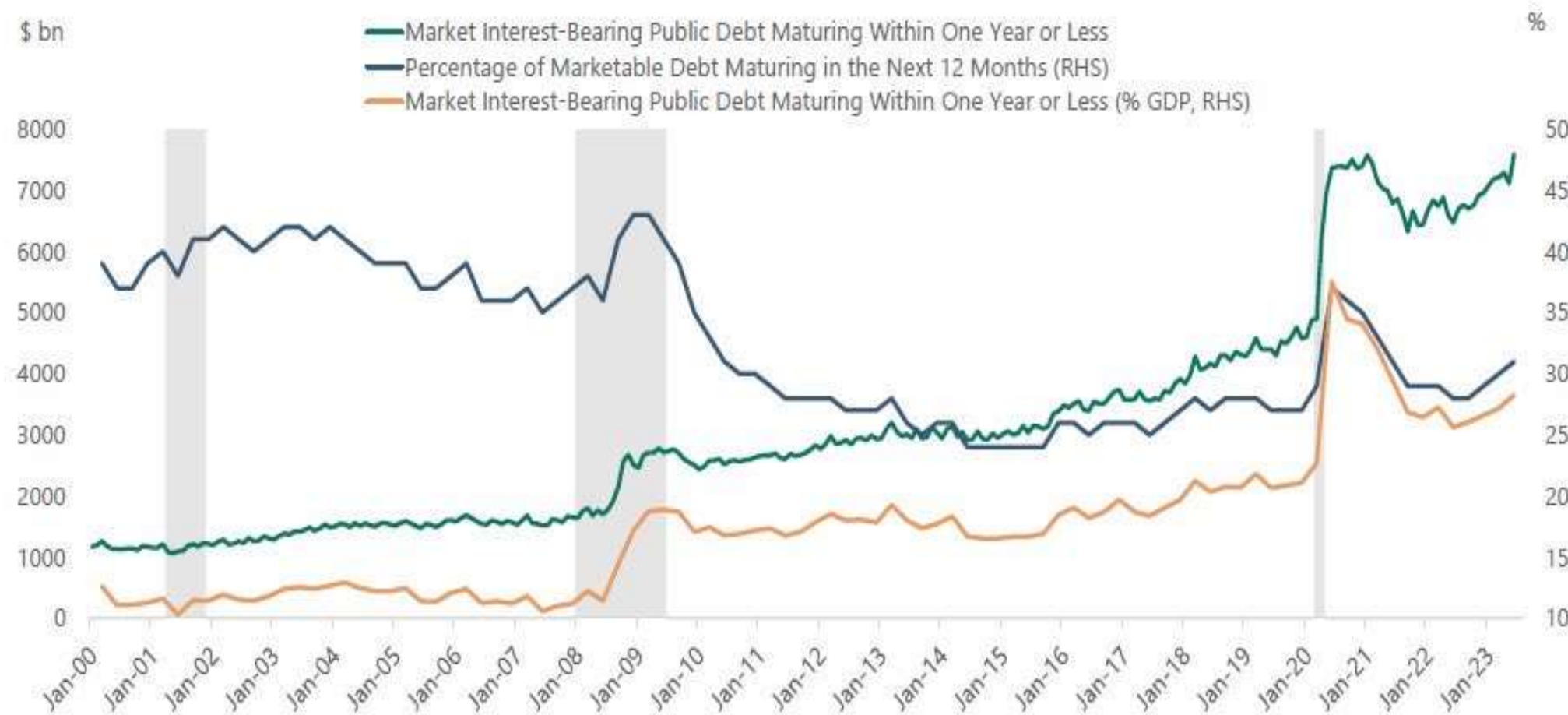
GSXUSHOR Index (GS US Onshore & Onshoring Beneficiaries) Daily 01JAN2021-08SEP2023 Copyright© 2023 Bloomberg Finance L.P. 08-Sep-2023 13:40:53
Source: Goldman Sachs FICC & Equities, Bloomberg, as of September 2023. Past performance is not illustrative of forward returns.

US/China de-coupling with broader implications. Our US Onshore vs Offshore pair GSPUSHOR is up +38% since Sept 2021 with a remarkable Sharpe ratio, which illustrate the persistence of this trend. (Goldman Sachs)

**Don't worry.
Fed will do buybacks next
year.**

APOLLO

31% of all US government debt outstanding, or \$7.6trn, will mature over the next year



We believe that the Fed will follow BoJ buying Japanese bonds and ECB buying Italian bonds. There is no other option left.

Mean reversion on its way.

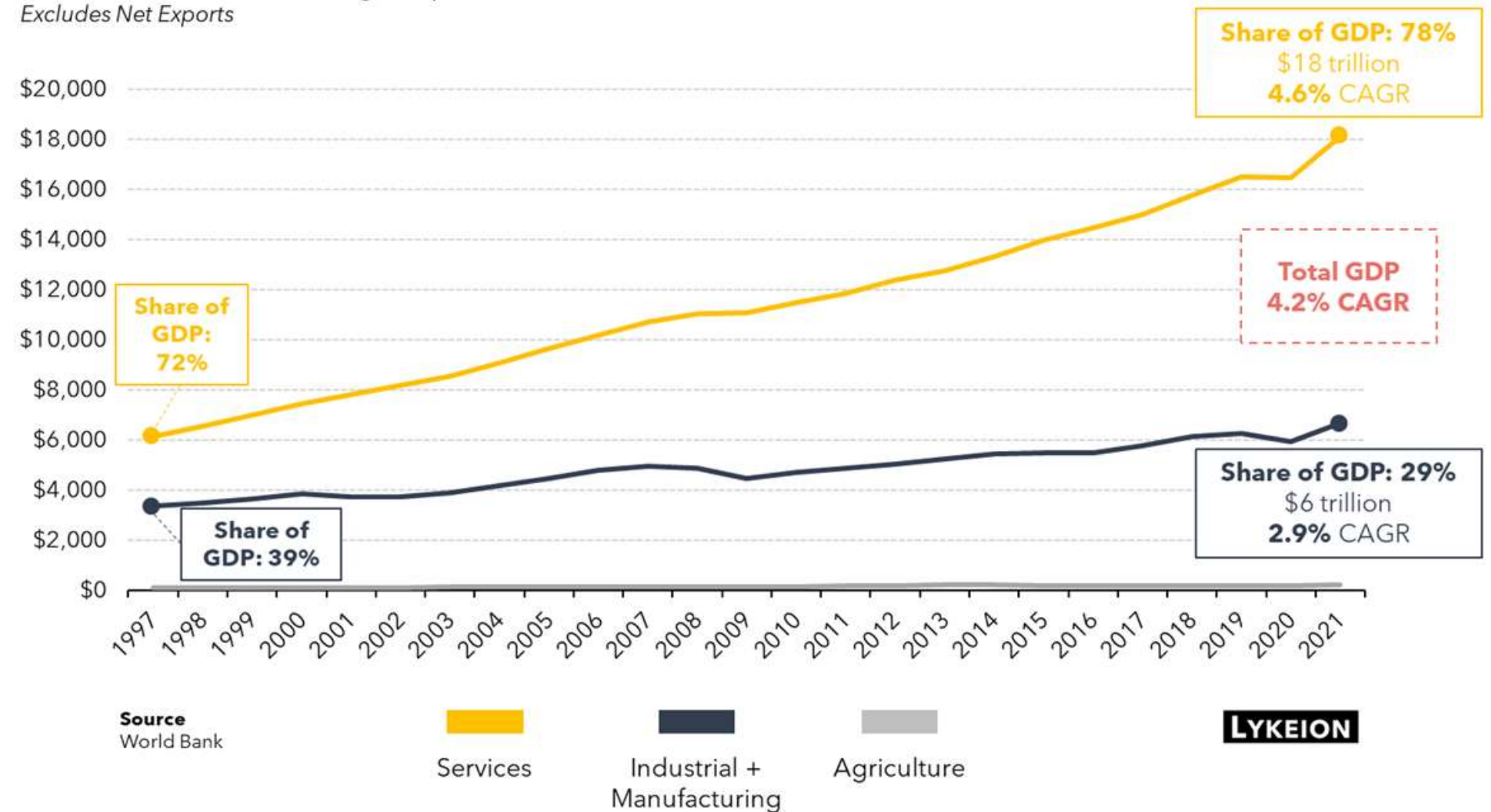
Shifting geopolitical forces have forced government policy (IRA, CHIPS, IIJA) and corporates to rethink their capex spending, and our big bet is that this ratio has likely peaked, and a slow, but eventually meaningful reversion is underway. And by the way, this is a Western trend, not a U.S. one.

Long-Term Trends Don't Mean Forever

A quick look at U.S. GDP drivers.

U.S. GDP by Sector

Services-to-Manufacturing is up from 1.8x to 2.7x
Excludes Net Exports



Correlations not working anymore.

G-7 practically confiscated Russia's Forex reserves after Ukraine/Russia war. Since then, G-7 bonds have lost global buyers.

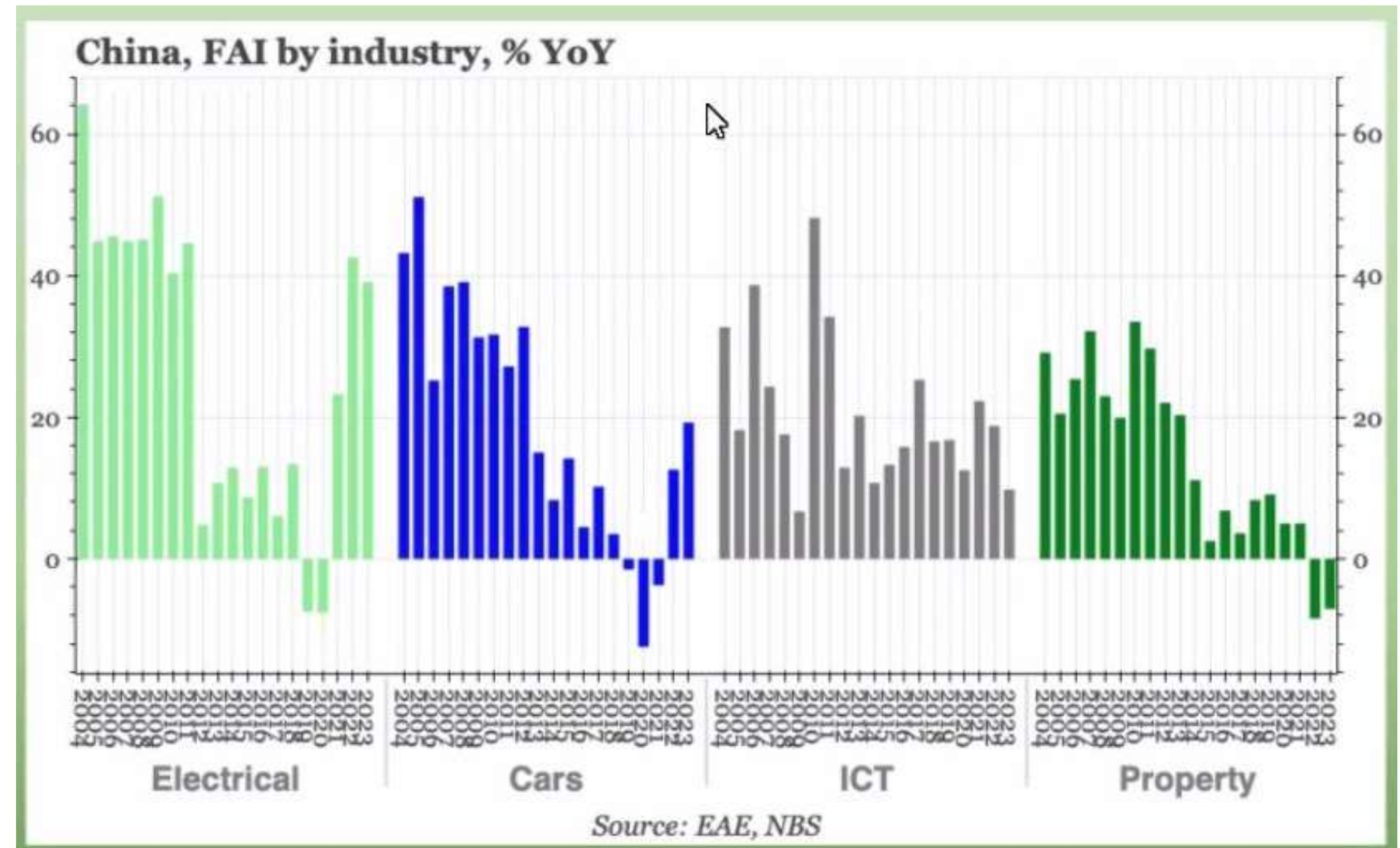
DM PMI vs Bond Yields



Source: Topdown Charts, Refinitiv Datastream, Markit

topdowncharts.com

China trying to rebalance its economy.



China's economy has been over reliant on property prices for its growth. That seems to be changing slowly but it is a long-drawn process

FOLLOW US:

You can also subscribe to our **WEEKLY UPDATES**

[Insights – PINETREE MACRO](#)

Website: [PINETREE MACRO – Offshore Investments](#)

I can be reached at:

Ritesh Jain

Twitter: @riteshmjn

LinkedIn: [The Power of Visual Charts](#)

Disclaimer

Pine Tree Macro Pvt Ltd ("Pine Tree"): This information provided is for the exclusive and confidential use of the addressee only. Any distribution, use or reproduction of this information without the prior written permission of Pine Tree is strictly prohibited. The information and any material provided in this document or in any communication containing a link to Pine Tree's website is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation or which would subject Pine Tree to any registration requirement within such jurisdiction or country. Neither the information, nor any material or opinion contained in this document constitutes a solicitation or offer by Pine Tree or its, directors and employees to buy or sell any securities, futures, options or other financial instruments or provide any investment advice or service. We do not represent that the information and any material provided on this website is accurate or complete. Pine Tree makes every effort to use reliable, comprehensive information; but makes no representations or warranties, express or implied or assumes any liability for the accuracy, completeness, or usefulness of any information contained in this document. All investments are subject to market risks. In no event will Pine Tree or its directors and employees be liable for any damages including without limitation direct or indirect, special, incidental, or consequential damages, losses or expenses arising out of and in connection with this website, or in connection with any failure of performance, error, omission, interruption, defect, delay in operation or transmission, computer virus or system failure.

Anantam International SPC Fund ("Fund") & Aparna Investment Management ("Manager") : This report does not constitute an offer to sell, nor a solicitation of an offer to buy, interests in Anantam International SPC Fund and is not intended to create any rights or obligations

Aparna Investment Management shall not accept any liability if this report is used for an alternative purpose from which it is intended, nor to any third party in respect of this report. While all reasonable care has been taken in preparing this report, no responsibility and liability is acceptable for errors of fact or for any opinion expressed herein

The Anantam International SPC Fund and/or any of its officers, directors, personnel and employees shall not be held liable and responsible for any loss, damage of any nature, including but not limited to direct, indirect, incidental, punitive, special, exemplary, consequential, as also any loss of profit, revenue in any way arising from or in connection with the use of this statement in any manner whatsoever.

Past performance is not indicative of future results. The Anantam International SPC Fund does not provide any assurances as to the reliability of such information and you should not rely on this information when making an investment decision.

Opinions, projections and estimates contained in this report are subject to change without prior notice.