

8 years of caution and trepidation and we got a raging bull market. What will optimism bring? 2018

We have Italian elections in early March. The Germans still haven't formed a government, and the AfD have 13% (the fictional TV series Berlin Station predicted a 13% vote for the fictional analogue Pfd). All the data is good and synchronized. It really can't get any better than this. Investors are more bullish than at any time in the last 10 years. What could go wrong?

Well, we'll see.

The Fed is hiking, and no longer buying as much, the ECB's QE could be running down, the BoJ is the last bastion of super loose money and facing a stronger economy, the PBOC is tapping the brakes on the financial system in China. If you believe that QE had little to do with asset price inflation then you can sleep easy.