

# If...

If I told you that it was a good idea to buy a negative yielding bond because I thought the yield would get more negative, thus paying for the potential of a future capital gain, you would probably think I was mad. Or seriously dependent on a greater fool. Or bought an option.

If I told you that I would borrow in the bond market to fund dividends which I could not afford to pay out of cash flow or profits, you would probably think me a fool or a fraud.

If I told you I would borrow in the bond market to buy back my shares because funding was cheap and I didn't know what else to do you might reasonably question my leadership qualities.

If I told you I would borrow to buy out my competitors you might question my judgment, and if you were the regulator you would certainly question the systemic competitive implications.

If I told you that stocks were cheap relative to sovereign bonds and interest rates despite slowing earnings growth and high absolute valuations you might ask how closely I monitored the bond market.

If I told you I would cut rates even into negative territory to spur lending you might reasonably ask me who wanted to borrow.

If I told you I was making banks safer by asking them to hold more capital, and apply better risk models, you might ask me how I expected them to lend.

If I told you I was going to apply more fiscal stimulus to revive our slowing economy you might ask me how I was going to pay for it.

If I told you I would buy more sovereign bonds, you might ask

me where I was getting the money. Well, why do you suppose I might need to issue more sovereign bonds?