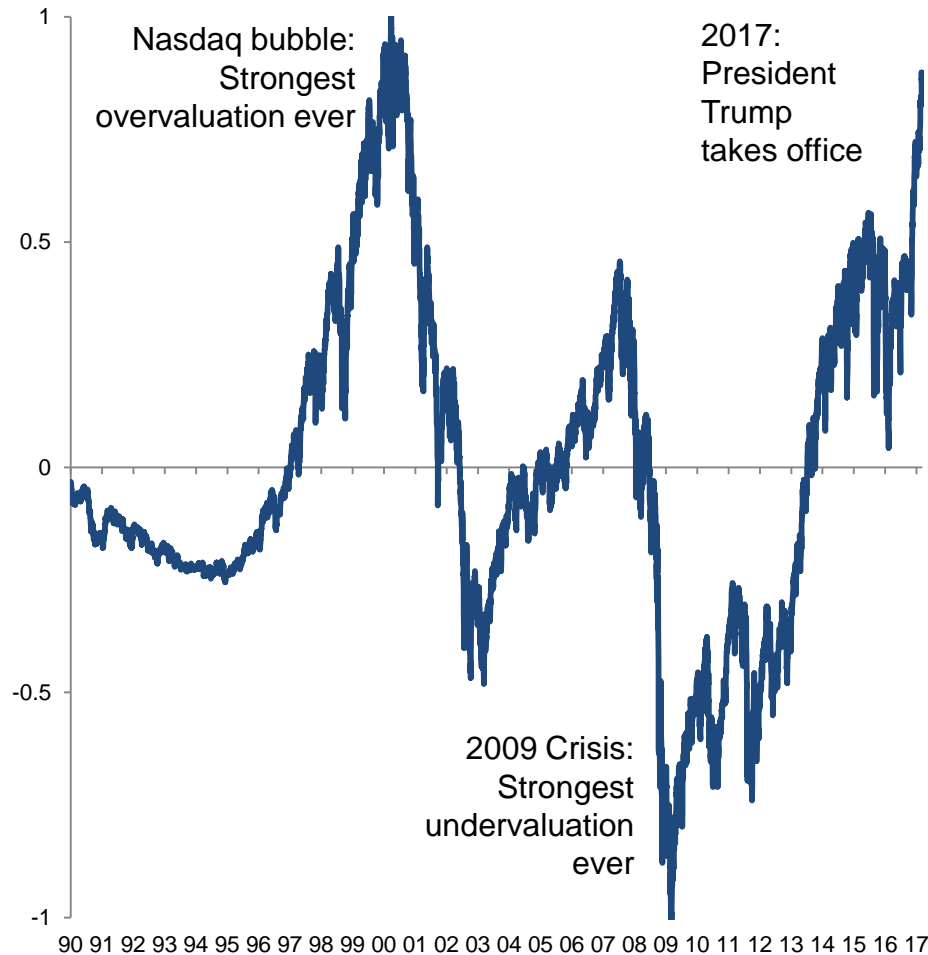


U.S.: Risk Appetite or Bulimia?

Ratio equity index (S&P) to bond index (Barclays) de-trended +/- signifies equity over/under(valuation)



U.S. equity prices soared, as investors expected **rapid expansion, financial deregulation** and a massive **fiscal stimulus**, pushing valuations and risk-appetite to danger zones.

The **reality check and subsequent price correction** may come earlier than later as policy-related risks add up and the potential for disappointment grows. We expect a timid +2.3% for U.S. GDP growth in 2017