

The Currency Wars Are Starting to Flare Up Again

Excerpt from Bloomberg

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In The News

The image features a blue background. On the left, the Cumberland Advisors logo is displayed in white, with the website address www.cumber.com below it. Underneath the logo is a stack of newspapers and a tablet, all showing news content. To the right of the logo is a portrait of David Kotok, a man with a beard and glasses, wearing a suit and tie.

NEGATIVE YIELDS KEEP EXPANDING

Draghi's dovish comments did wonders for the sovereign bond market, sparking a rally that pushed yields lower almost everywhere around the world. French 10-year note yields fell to zero for the first time after Swedish and Austrian benchmarks turned negative, according to Bloomberg News's Sid Verma. There's a good chance that the next time it updates, the Bloomberg Barclays Global Aggregate Negative Yielding Debt Index will show that for the first time since mid-2016, more than \$12 trillion of bonds have yields below zero. At the last update Monday, the amount totaled \$11.8 trillion. "Fifty years I've been in this business, and never in 50 years did I think \$12 trillion would be negative interest rates," David Kotok, chairman of Cumberland Advisors, said on Bloomberg TV. On the surface, it makes no sense for investors to pay governments to lend them their money. But it's not that simple. For some

investors, those negative yields turn positive when hedged into dollars, generating yields that are similar to or even higher than U.S. Treasuries, according to Bloomberg Intelligence.

Read the full article at the [Bloomberg's Website](#)

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