Eric Peters: The biggest risk is the Central Banks' inability to spur Growth & Inflation

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Erik: Joining me now is One River CEO, Eric Peters.

Eric, it's great to have you back on the program. It's been too long.

Why don't we start with the big picture on the stock market? We've got a lot of people saying, hey, that Christmas massacre was the buying opportunity of a century, because we're headed toward new all-time highs and everything looks great – quite a few other people, myself included, saying I think this is a bear market rally. We may find the top is already in and we're headed lower.

What do you think in terms of the big picture and where this market is headed?

Eric: Hey, Eric, thanks for having me back. It's always nice to chat. I actually think that the equity market peaked last January, actually, January of 2018. I know we made a subsequent higher high in September into early October.

But I think one of those things that was lacking in this entire bull market was a real period euphoria. And I think that last January we had that type of activity in the marketplace. I mean, there was a very powerful up-move. It was clearly driven by euphoria over the big tax stimulus.

I think that that's what we need to see in order to see a market top. I think we're in a market-topping phase right now. There certainly are all kinds of different cross-currents. Some of the big ones are continued easy monetary policy. But I think that there are some debt and growth dynamics here that are presenting all kinds of headwinds.

But the biggest one, when I really step back and look at the market, and I look at what happened last year – last year was the first year where Treasury bills outperformed virtually everything. That's only happened under Volcker. It happened in the Great Depression at the outset of World War I.

When you look unusual market activity like that, I think it's important to ask yourself what's driving it, what's going on, why has such a rare event happened? And the way I like to think about it – and I do this often in our investing – is look back at a point in time and just say, if I knew what was going to unfold over the coming years, what would I expect?

And if I look back at, say, 2009 and I could foresee the decade to come, we had this decade where you had an incredibly powerful increase in the financial assets to GDP ratio. In the US, it's hit an all-time high of 4.4x.

So households have more financial assets than they ever have. Corporations borrowed $2.7 trillion during that period of time. Buybacks shrunk the supply of equities by $3.8. So we had these big financial things happen at the same time that labor share of national income declined to record lows.

Central banks bailed out basically everyone. There was no real accountability, so people didn't go to jail (with some rare exceptions). So I think there was a big increase in just this sense of injustice. And all of these things helped promote inequality.

So corporate profit margins hit all-time highs. And we got to this point where we had this political shift, which we're all aware of. It wasn't just in the US, but it was internationally as well. And now we're starting to see this really unusual market behavior like I just described, with T-bills outperforming everything else after a euphoric peak around a big tax cut last year.

And those signs, when I add them up together, suggest that something is changing in a big and likely a secular way, where financial assets will undergo a long period of underperformance, having had one of the most spectacular periods of outperformance in financial history.

Erik: That's a very complex picture with a lot of moving parts. As we net that down, what would you say is the biggest risk that exists in today's markets?

Eric: I think that, setting aside any geopolitical disasters, which can always happen – and I think actually are more likely to happen now than they have been for quite some time. But, setting all that aside, I think unambiguously the biggest risk in markets right now is that investors lose faith in the ability of central banks to have the policy tools and/or the will and political backing to use those tools to support markets.

So I think when you look at what has recently happened here, the Fed was really the only central bank that was genuinely attempting to normalize policy. The Europeans were too frightened. The Japanese are pretty desperate to do it, but haven't been able to move. They've just been stuck for a long time.

The US tried to do it and, as we now know, we had this pivot on January 4 out of Powell and the Fed. And, if you think about the market reaction, it's been – I don't want to say predictable, but it's been understandable. I think people have been relieved that the Fed is not going to continue to push rates higher and have QT on autopilot until we have some type of economic disruption or calamity or whatever it may be. That's what the Fed typically does.

So I think there's been a relief rally that, okay, we know that there's a Fed put, it's probably down 20% in the marketplace. Powell's been easy. He's gotten even easier. There's a lot of

speculation that the June Fed meeting will yield an even more dovish policy framework.

So I think that we've now priced a lot of good news into the market. But when you look at where we got to on a global basis, the Europeans have not been able to normalize policy at all. So they head into the next recession, if that's what's coming next, at negative 40 basis points, overnight rates. Japan is negative 10 basis points.

And I think that we've gotten the year off to a good start and asset prices have rallied. And a lot of people have covered shorts and there's certainly been performance chasing along the way. But I think if we enter a period where investors see some economic weakness, and they lose confidence that the Fed and other central banks have the tools at their disposal to try to support growth and boost inflation, that's when you've got a really, really big market shock.

Because if people believe that the central banks are still in control, then a recession is something that's bad but it's not a calamity. It's when we see the next bout of weakness and people worry that there's not a whole lot that we can do, that's when you've got a major market event.

Erik: I know at One River you guys tend to view markets through a lens not only of price but of volatility. Tell me a little bit about what you're seeing in today's market. In, certainly, equity volatilities, but also the crazy move that we've seen in this last week or two has been in interest rates.

So also what's going on with volatility in rates and foreign exchange?

Eric: There's been just in the last few days – really the last few sessions – there's been a rebound in rates vol and FX vol from, really, 50-year lows. We haven't been down to these levels, really, since the 1960s.

Which is interesting, because we see lots of parallels between what's happening in the world today and some of the dynamics at play in the 1960s, which happened to be a very low-vol period. It was a period of some political disruptions. It was period where there was a very large tax cut that was put in place to try to run the economy hotter than it would otherwise be, to attract poor rural workers into the industrial centers.

So there was kind of this rich/poor divide. There was some experimentation in monetary policy to try to generate a really hot recovery. There were other parallels as well.

But it's really interesting that that was also a period that had very low volatility. But, as we all know, it yielded to the period of the 1970s where we had the highest volatility of the last 100-and-so years.

But at any rate, vol has declined dramatically. It's really kind of collapsed this year. Vol moved higher in Q4, but it was a very muted reaction, relative to equity markets. And once equity

markets recovered, the vol that had jumped in a muted way then just resumed its trend lowering and just really collapsed.

There has been a little bit of a bounce over the last couple of days. It's minor in the big picture of things. Overall, vol levels in the marketplace are exceptionally low.

They're driven by a variety of things, but I think that the dominant feature is part policy and part market activity. The policy feature is, I think, that the market is, broadly speaking, looked at the Fed having pivoted and said, okay, now that the Fed has pivoted, every major central bank in the world is on hold. They're all tilted toward the easy side, or the dovish side.

But no-one's prepared to cut rates any time soon here. And no one's going to hike rates. So if the rate markets are going to stay relatively stable, then the foreign exchanges are going to stay relatively stable. And if those stay relatively stable, then we shouldn't get a lot of volatility out of equities.

And I think that's been the dominant thinking. What it's done is that it has emboldened market participants to go out and add to their short-volatility positions. That's been something that's happened over the last few years, but it's clearly increased in size and aggressiveness over the past year.

Erik: Let's come back to Treasury yields. For months and months, the 10-year was stuck between 2.60 and 2.80. It seemed like it never wanted to break out of that range.

And, boy, when it broke, it broke hard. I've been shocked: Not only have we moved all the way down to 2.38 as we're speaking on Wednesday afternoon, but we've also seen an inversion of the yield curve. Not just the 2s, the 10s, but the 3-month 10-year has inverted.

What does all of this mean? And what's coming next?

Eric: I guess the honest answer is no one knows exactly what it means. And I think we all bring to the table our biases. I'm really not sure what it means. I break it down as follows, though. It could mean one of three things.

It could mean that we are in this secular stagnation-type global environment and that the US is succumbing to that. And that central banks are impotent. Because, if you believe that we were entering a secular stagnation world, and you thought that central banks could do something about it, the central banks have told you that they want to do something about it, or that they're easy.

And if there was a lot of confidence, then the long end of the yield curve should not decline as it has. The curve should steepen and that's not what's been happening.

So that's a possibility. I think that's the most alarming possibility, quite frankly, because, as we

talked about, the biggest risk recently is that central banks are seen to be impotent. That's one world, it's a world of secular stagnation with impotent central banks.

Another possibility is just the yield curve is acting the way it typically does, heading into a period of economic weakness and, oftentimes, recession. First it creeps its way toward flat. And once it gets around there, then it kind of breaks through in a pretty robust way.

It's interesting that credit markets are pretty well-behaved. Because I think, if we really are going to see a recession and it's looming, I would expect credit markets to really suffer, particularly this cycle. And we haven't seen that dramatically yet. So that's something to keep an eye on.

And there is also the possibility that it's just a false signal. I hear a lot of people talking about the fact that German and Japanese rates have broken through to zero again, so they are in negative. And that that is pushing European and Japanese investors – and European investors broadly – to move into the US for the enhanced yield.

I would suggest that, while that's a popular narrative, the flow data to date does not really bear that out. It sounds like a logical narrative, but there are often logical narratives that just aren't really accurate. So I think it's important to look at the flow data there.

It seems like an awfully abrupt move for the Europeans and the Japanese who, for the past many, many months and even quarters in the last couple of years haven't piling money into US Treasuries. It seems a little abrupt all of a sudden if they woke up to the fact that their yields are negative by a few extra basis points and they're going to pile in on Treasuries.

Those are the three possibilities. I'm most attuned to the first one, which is the secular stagnation fear with impotent central banks, just because I think that that is the scenario whereby markets would move the most. So I think it's important to keep an eye on that one.

Erik: I've heard you use a phrase before, which is *the next five or ten years are going to look completely different than the last five or ten years*. What do you mean by that? And how does it affect investor portfolios?

Eric: I think that we're in a period of really quite dramatic change. You go through these periods in political and economic history – just history generally – where things are relatively stable and stay on a particular trajectory. And, even if there is some change around that trajectory, it's relatively stable.

And there are these historical periods where there is a lot of change. I think that we're very clearly in one of those. It's, broadly speaking, been driven by a number of major trends, at least from the US perspective (globalization, building global supply chains) that have allowed US corporates to change the nature of the US economy – move a lot of jobs abroad, widen out income inequality, expand profit margins.

And all of these various things have led to this period of inequality and injustice that's led to a political change. And we're now seeing the consequences of that political change bear out in policy.

We see voters really looking for almost stunningly new solutions. MMT would be an example of that. But where did that come from? That came out of the blue. People have been talking about it for years, but all of a sudden it's in the public realm.

But if you look at how quickly the politics in the US changed here, just look at – it feels like we dropped out of the Paris Climate Accord and then, within days, we're talking about the Green New Deal. (I'm exaggerating a little bit.)

But, you know, we're talking about eviscerating Obamacare and then, now, all of a sudden, we're talking about Medicare for all.

We have this huge tax cut. And now we're talking about the 70% to 90% tax rates and abolishing billionaires.

We had this massive tax cut that was kind of the size of student debt, and now we're talking about free college tuition.

It's just, the ability of the public dialog and political leanings to shift rapidly right now are pretty breathtaking. And I think that all of those things will lead to policies that are intended to address this inequality. And, as that happens it will, by definition, change the trends that have led us to this environment that's been so good for financial asset prices.

Maybe that's a long-winded way of trying to explain it. But I think there are certain trends that have brought us here. They've been wonderful for financial asset prices. They've led to big inequality.

And the political dynamics are shifting now to try to address that inequality. And that will, definitionally, lead to headwinds for financial asset prices instead of tailwinds, which is what we've been experiencing for a long period of time.

Erik: I want to go back to something you mentioned just a moment ago, which is modern monetary theory. Now, although I personally am a little bit skeptical of MMT, I am already convinced that this is going to be the next big thing. Because of the groundswell of political support that seems to be growing behind it, both by people who understand it and probably by a larger number who don't.

First of all, do you think that MMT is a good thing, a bad thing, or indifferent? And, regardless of whether you think it's good or bad, how much of a role do you think it's likely to play in public policy going forward?

Eric: I think MMT is fascinating because of how it just surfaced in the public mind. Well, I've heard about MMT for a long time, but I first started hearing people speak about it a few months ago. I called up Warren Mosler, who's the pioneer in MMT, and we chatted for quite some time.

So I'm kind of going to the source. Warren would say MMT neither good nor bad. It just *is*. It's just a way of looking at money. I hate to put words in his mouth, but it's just a way of looking at money. And I think that that's probably the right way to look at it, from a purist perspective.

But, I think, on a practical basis, it is going to be – maybe a philosophical way of looking at money that is intriguing and that will be embraced by politicians of both parties, depending who's in power, to justify significant fiscal spending.

I think MMT is interesting in that, really, what it's saying is that a sovereign can print a lot of money if it needs to, to invest in all kinds of things that society believes are important for it to invest in. And the real constraint is inflation.

If that creation of money to make investments in whatever society wants leads to a lot of inflation, then you have to stop doing that, or you have to trim it, or you have to reverse it even. And I think that, in some ways, that's valid. But I think what will happen is politicians will increasingly embrace it because they need something new.

Remember, I mentioned that the biggest risk, in my mind, to markets – and almost by extension to economies – is that central banks are seen to be impotent. And I think that whether you believe that they are impotent or not, they certainly have a lot less firepower with the Fed at 2.25% relative to when they had rates at 5%. And the ECB is certainly impotent relative to when it had positive interest rates, and it's stuck at minus 40 basis points.

So the question is, what comes next? I think it will be very substantial fiscal stimulus in the next major recession. And people will use MMT to justify why that's not a bad thing. And I guess time will prove whether they are or are not correct about that.

Erik: Let's move on to some geopolitical fronts around the world, starting with China and its relationship to the US. It seems like this is just a moving target and a changing picture between the trade negotiations and potential military threats, the denuclearization of the Korean peninsula, and everything else.

What's your outlook for how China and the US are going to co-exist with one another? And what do you see on the horizon?

Eric: This will be the topic that I'm sure we will all be talking about for the next 10 or 20 years, because China is clearly rising and we are very clearly shifting from a unipolar world – kind of a post-Berlin-Wall unipolar world is now transitioning to a world where the US and China need to figure out how to co-exist.

The trade dispute, or negotiations, however you want to look at them, they are very interesting. They're also very much a sideshow. There's clearly a major issue on intellectual property. And, specifically, it's not about the Chinese copying our shoe designs. It's about them copying our airplane and aircraft carrier designs and various high-tech things.

I think that the Chinese made a major mistake when they introduced this China 2025 plan, because they laid bare their plans to attempt to dominate the major industries of the future. And I don't blame them for that. Every country should, I guess, want to do that. But I think that that really has fueled this battle.

What I think is probably the most interesting thing about the last two years in the US politically is that, as a nation – at least in my lifetime, and I've been around for a while – we have moved to levels where we have never been more divided on almost any issue.

I mean, just name it: politics, health care, education, gay rights, name it. We are as divided as we have ever been.

The one thing that we've drawn together on, and all agree on – and this is, I think, rather frightening – whether we're young or old; rich or poor; business people who lead corporations, or unions; Democrats or Republicans; African-Americans or white people; religious people or atheists – literally, break it down any way you want, everyone at this point really agrees that China is our adversary. Or, in some cases, even our enemy.

And, I tell you, two years ago, that was not the case. People weren't really paying attention to China. I'd speak with business people and they'd say, yeah, they're stealing our IP. Talk to military people and they'd say, yeah, Obama's not really doing what he needs to be doing in the South China Sea.

But everyone was just keeping quiet about it and there was no real agreement. Now there is. And when you have 330 million Americans, or however many we are, and they can't agree on almost anything except for that one thing, that's not a great place to be when you think about geopolitics.

So I think those risks of confrontation are definitely rising. And let's just hope that no one pulls out the saber-rattling card in the next recession. But history suggests otherwise.

Erik: Another trend that has really gotten my attention is the rise of populism globally. And probably the yellow vest movement in Europe is the most visible aspect of that, although I'm convinced it's a global phenomenon.

What do you think is driving it? And where do you think the situation in Europe is headed?

Eric: I've spent a lot of my career in London and I've spent a lot of time in Europe, and I think

it's just an absolutely wonderful place.

I'm probably not going to say anything that's either controversial or new, but the European Union was a construct to prevent future conflicts. It's not really a construct to provide for economic dynamism. And it has been inevitable that Europe would face a whole range of challenges.

I think we're just in that period now where it's having to confront the fact that you can't have a currency union without a fiscal union. And you can't really have a fiscal union without a political union.

But when the architects of Europe constructed it to try to prevent the atrocities of World War I and World War II from ever repeating, I think they recognized that people in Europe were not even remotely close to being ready to have a political union, let alone a fiscal union. But they recognized that you couldn't get there, you couldn't do all these things, without taking some intermediate steps.

So I think what they did is they said, let's try to get our economies lined up, let's have a currency union, and let's just hope that that's going to work so well that it won't be a huge step to do a fiscal union. And then maybe somewhere down the road – maybe 50 years, 30 years, 100 years – we'll end up with a real political union because there will be so much mobility between nations that it will all just kind of blend together like the United States.

But the problem with that is that it contains a major lie. And that lie is that, look, we're just going to do currency union, but we're not going to try to sneak our way into fiscal or political union. And I think, as the union has become more stressed, what you naturally see is people saying, wait a second, I don't like the fact that you're trying to sneak your way into this.

And that's fueled more nationalism in these various countries – populism or nationalism. So we're in that process right now. Hopefully, they can figure out a way to get through it. I don't think that they can't get through it, but, boy, it's going to be bumpy. And we're in that process right now.

Erik: You mentioned off the air another theme that you've looked at, which is the return of US isolationism. What do you mean by US isolationism?

Eric: I'll tell you a quick story. I was driving up to New Hampshire, with my kids in the back of the car. And, I don't know if you've ever seen the Mount Washington Hotel in Bretton-Woods. It's a beautiful place. It's in the middle of nowhere. It's a little freaky, because you're just driving through this vast forest and then all of a sudden this massive hotel pops up.

But I told the kids, guys, take a look, what do you think about that? What is it? I said, well, it's a hotel. It's one of the most famous hotels in the world, really. But no one goes there anymore. And they said, well, what's the story. And so I told it.

Which is, in the closing year and a half of World War II – we didn't know it was going to end, the war was still going on – we invited all of the allied nations to that hotel. Forty-four nations and 730 delegates just secretly arrived there.

Basically, we said we want you to come here and we're going to discuss what the world is going to look like after we win. And everyone knew that, without the US, they were all going to lose. So they all came there. Very proud nations. And they were really pretty terrified. Because, throughout all of human history, the victor always required territory, treasure, tribute, you name it.

Anyway, they all showed up. And we just sat them down and we said here's what we're going to do. We're going to architect the world in a very different way. We're going to protect all the trade routes in the world. None of you need a navy. None of you – almost, really – need an army. We're going to guarantee global security and global trade and we just want everyone to try to figure out how to get rich.

Not only that, you can export whatever you want into our country without any material barriers. And if you need to put up some barriers in your country to protect yourselves from our trade, you can do that.

Those guys got out of that hotel as fast as – they signed that deal and got out of there so fast, just praying that we didn't change our minds. It was one of the biggest, most bold geopolitical bets in all of human history. And it led to this incredible period of – we're 75 years into this experiment.

But we've now gotten to a place, clearly, where a lot of the world has caught up in really material ways. And the US feels that it can't sustain that structure. This is not just about Donald Trump. This is the Americans are, like, wait a second, it's not really that fair that we pay as much for military as the next 15 countries put together, and we pay all this money for NATO, and the trade isn't really fair between the US and various countries.

Some of it is bluster. But there is an element of the contract needs to be rewritten. When you consider where the US is in its development, we don't need – in our international trade – we're a pretty closed economy relative to everyone else in the world who built their whole economy around that system. So it doesn't hurt us really nearly as much to step back from the world, save a bunch of money. And I think we're in the process of doing that.

And the rest of the world is going to be impacted in a very profound way on the back of this return to US isolationism. But that's kind of where the US started. This last 75 years was really prompted by having to step into two world wars back-to-back and we just said, well, let's make sure we don't ever do that again. But that construct has aged and I think it's in the process of being re-written.

Erik: I think, maybe a related subject, we're seeing what, to me, is an absolutely fascinating trend for more than a decade now. Russia and China have been whining about how they don't like the fact that the US dollar is the world's global reserve currency and they feel that the US derives too many fringe benefits from that that it doesn't deserve. Well, that's Russia and China and, really, nobody else was singing that tune.

Now, suddenly, we have the European Union really getting frustrated with, I guess what I would call the assertiveness of US foreign policy saying, look, we're going to exercise sanctions against European corporations who do things that we don't like.

Now, we're the United States. We don't have any jurisdictional authority to tell any European corporation what to do. But, you know what? We're the United States. We're going to tell them anyway.

That seems to be leading to a rather large amount of resentment internationally, to the point that the European Union has now started to take China and Russia's side of this de-dollarization thing and say, you know, we need an alternative to the SWIFT payment system that is not under the thumb of the US government the way SWIFT is.

Is that related to this isolationism trend? And where do you think this other trend of the US being so bold in its foreign policy to, in some cases, alienate and affront some of its longest-standing allies? Where is this all headed?

Eric: I think this is absolutely part of this return toward US isolationism. I think there's no question about it. I think that our current president very clearly is a disrupter. Lots of people have different ideas about the various things that he is, but one thing he definitely is a disrupter.

His approach to international relations is unique to say the least. And unequivocally, he's upset a whole range of allies. I don't want to say it's all by design, because I really don't think it is all by design.

But I think it is part of the general trend. The US just cares less. When you go into a negotiation and you care a lot, it tends to be obvious. I think we're going into these renegotiations of everything – whether it's climate, whether it's NATO – any and every one of our international agreements are being renegotiated. And we're going into it with a bit of a view that we don't care so much. Because, you know what? We don't. I think it's that simple.

I think that our administration and most of the people in power in the US are less concerned about a new reserve currency popping up than they have ever been, or at least than they have been in the last 15 or 20 years. There was a time where you couldn't even fathom a different reserve currency.

But I think it's awfully difficult to imagine a different reserve currency at this point. Where are

you going to put your money? Are you really going to put your money in China? Everyone who understands China and has money in China is desperate to get their money out.

So money is not going into China. The only money going into China will be indexed money because MSGI included China in some type of index and passive flows flow into there. But big private capital is not flowing into China. It's trying to get out.

The money is not going to go into Japan. Japan is aging very rapidly. That's not a reserve currency.

The UK is too small.

Then that leaves Europe. And we talked about Europe. Europe is going to have a very difficult couple of decades ahead.

So I think the Americans are happy to beat people up with the dollar and the dollar payment system. And, at the end of the day, we're energy independent, we're food independent, and trade as a proportion of our economy is very small compared to all these other countries. We actually don't care if the dollar goes down a long way.

In fact, I think most people in Washington would like to see it go down a long way from where it is right now.

I think in that environment they're looking at the Europeans or the Russians or the Chinese or the Iranians or the Venezuelans trying to threaten the US dollar's dominance, and I think that they're completely unconcerned.

Erik: Okay, Eric, we've talked about quite a few different trends here, from what's going on with volatility, maybe coming off of what could be generational lows in volatility in markets. You've described the ability of central bankers and maybe their not having sufficient fire power to be able to fight whatever next big risk comes in markets. We talked about the yield curve and so forth. MMT, clearly on the horizon, I think we both agree about that. China.

I mean, this is all a very complicated picture. Let's bring this all back to investing and portfolios.

You guys run money at One River, so you've got to take all of this high-level fuzzy talk and translate it to trades that make money for your clients. What's your strategy and how are you approaching this?

Eric: We have a few different funds and strategies. We, as a firm, we've built our business around trying to identify what we think are the really important and interesting investment opportunities looking out over the next few years.

What we really see on the discretionary side is we see a major vol event on the horizon.

Certainly a normalization in vol. But, increasingly, I think that, for some of the reasons or many of the reasons that we discussed today, we're in a phase change for markets and politics.

It is not uncommon, as you approach those phase changes to have very low levels of volatility and relative calm in markets. It happened in the 1960s, as they approached the 1970s. And I said there were some parallels that we see lining up. We think it will unfold over the next few years. And so we have a long volatility fund to profit significantly from that type of move.

We also run a systematic trends strategy that we have run now for four or five year, one of the best-performing trends in the marketplace. And, while that overall industry has had a difficult decade, what is also interesting is that the 1960s was the worst-performing decade for trend of the past 120 years or so. And it also was followed by the 1970s, which was the best-performing decade for trend over the past century.

So we think there are great opportunities in some of these unloved strategies. I think, generally speaking, the strategies that have performed best over the past 5 or 10 years will face the strongest headwinds and vice versa.

The third strategy that we are in the process of bringing to market is a strategy focused on opportunities in inflation. Inflation has been low and very stable for a long period of time. And, for some of the reasons that we just discussed, whether it's MMT or Fed impotence leading to vast fiscal spending of one sort or another, we think that inflation will be something that moves around really quite dramatically as we look out over the next three to five years. So that's what we're doing around this.

Erik: Well I can't thank you enough for a fantastic interview. For people who want to follow your work and learn more about what you do at One River, what is the best way to contact you?

Eric: You can send me an email: eric.peters@oneriveram.com.

Erik: Okay, well thanks very much for a fantastic interview. Patrick Ceresna and I will be back as MacroVoices continues, right here at macrovoices.com.