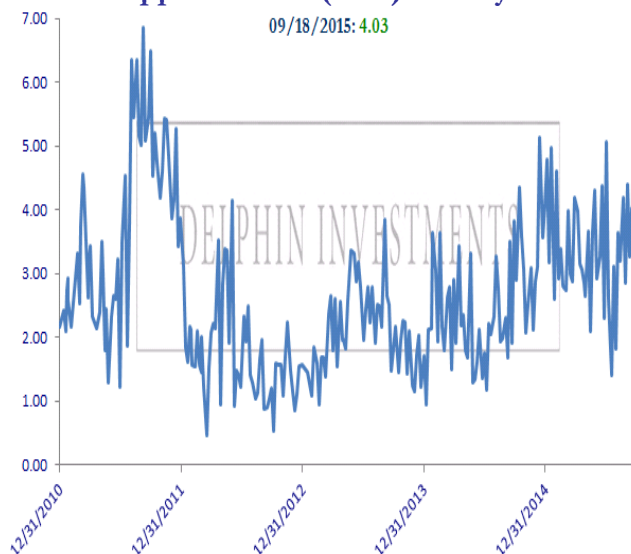


Delphin Investments – Macro Research

Risk Appetite Scale, Financial Stress Indicators, Implied Correlation, and Volatility 09/21/2015

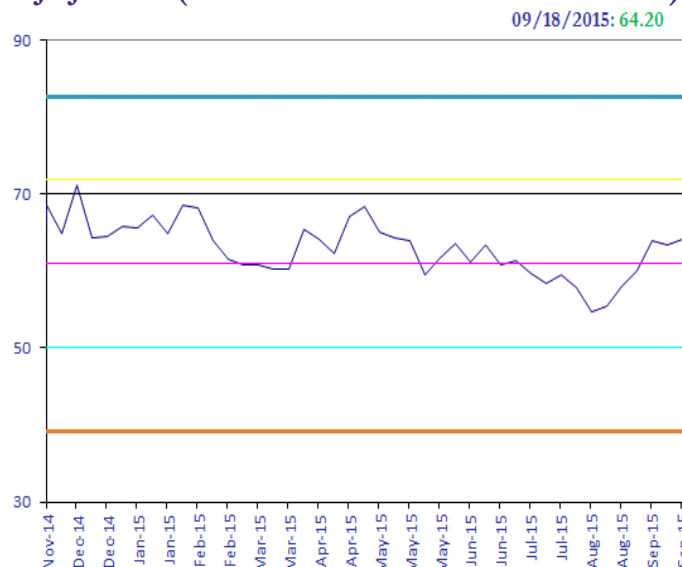
Risk Appetite Scale (RAS) Weekly Monitor



Risk
Averse

Risk
Seeking

JCJ Index (CBOE SPX IMPLIED CORR. 2017)



Sources: Bloomberg, Delphin Investments

	Latest	- 1 week	Worst since 5/31/2007
Jumbo mortgage spread (bp)	42.00	45.00	213.00
Ted spread (bp)	33.44	31.19	463.62
E-ted spread (bp)	35.00	29.81	340.13
U.S. 2-Year Swap (bp)	12.00	13.25	163.50
High yield CDS (bp)	389.23	386.02	1924.58
VIX index	22.28	23.20	80.86

Key:

Data are available one working day in arrears.

Indicators in **red** are worse than on the same day in the preceding week.

Indicators in **green** are better than on the same day in the preceding week.

Note: Latest corresponds to 09/18/15

Sources: Bloomberg, Delphin Investments

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- The DI Risk Appetite Scale rose to 4.03 for the week ending September 18, 2015. This represents an increase in risk aversion when compared to last week's reading of 3.28.
- Credit conditions were mixed to end the week with three of our tracked spreads rising and two falling. The E-ted spread experienced the largest change, increasing by 5.19 bps.
- S&P 500 implied correlation increased over the week to finish at 64.20 for the week ending September 18, 2015 up from 63.40 on September 11, 2015.
- The VIX dropped over the week, ending at 22.28, down from 23.20 on September 11, 2015.
- Stock selection in Utilities and Consumer Staples have made the largest positive contributions to the year-to-date performance of our small-cap strategy.
- Within our market neutral equity portfolio, our Liquidity strategy has outperformed our Beta strategy thus far in 2015.

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