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## Prisoners of Geography

- It is no surprise that the [Russian MOEX](#) is the standout in our watchlist of Global Equity indices. The conflict has taken it 5.2 standard deviations below macro fair value.
- But otherwise the striking feature in the list below is the split between Developed & Emerging markets. The 10 markets cheapest to macro are all DM, mainly European. Presumably reflecting where the armed conflict is taking place, & a snap reaction from markets based on which Western economies potentially suffer from sanctions almost as much as their Russian targets.

Model Name	ST/LT	Asset Class	Confidence(%)	Val Gap	Val Gap (σ)
<a href="#">Russian MOEX</a>	LT	Equity	80%	-69.2...	
<a href="#">DAX</a>	LT	Equity	77%	-6.98%	-3.1
<a href="#">Euro Stoxx 50</a>	LT	Equity	71%	-6.64%	-2.50
<a href="#">Euro Stoxx 600</a>	LT	Equity	74%	-5.25%	-1.95
<a href="#">FTSE 100</a>	LT	Equity	36%	-3.92%	-1.56
<a href="#">CAC 40</a>	LT	Equity	47%	-5.65%	-1.53
<a href="#">FTSE MIB</a>	LT	Equity	57%	-5.21%	-1.50
<a href="#">NASDAQ</a>	LT	Equity	78%	-8.52%	-1.43
<a href="#">S&amp;P500</a>	LT	Equity	74%	-5.52%	-1.42
<a href="#">Aussie ASX 200</a>	LT	Equity	81%	-2.44%	-1.25
<a href="#">Russell 2000</a>	LT	Equity	80%	0.09%	0.02
<a href="#">EWW</a>	LT	ETFs	47%	0.35%	0.13
<a href="#">MXEF</a>	LT	Equity	91%	0.76%	0.18
<a href="#">EWY</a>	LT	ETFs	88%	4.55%	0.49
<a href="#">Athex Composite</a>	LT	Equity	52%	1.34%	0.49
<a href="#">EWM</a>	LT	ETFs	44%	2.21%	0.61
<a href="#">Brazil IBOV</a>	LT	Equity	84%	5.27%	0.67
<a href="#">EWS</a>	LT	ETFs	73%	3.27%	0.68
<a href="#">THD</a>	LT	ETFs	76%	3.75%	1.13
<a href="#">EZA</a>	LT	ETFs	77%	5.38%	1.23

- The 10 richest models have a strong EM bias. South Africa [EZA](#) & [Brazil](#) could represent their status as commodity plays. Note macro model value is moving sideways rather than trending lower.
- The three rich DM markets include Singapore [EWS](#) & South Korea [EWY](#) where presumably geographical distance helps. [Greece](#) is not in regime but, to date, macro model value has not been declining. Mainly because it's less reliant on low VIX versus other EU indices, & the fact it's comfortable with rising real rates.

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