

EPISODE
412

INFLATION- PROOFING YOUR PORTFOLIO BEFORE IT HITS



Nucleus
Wealth

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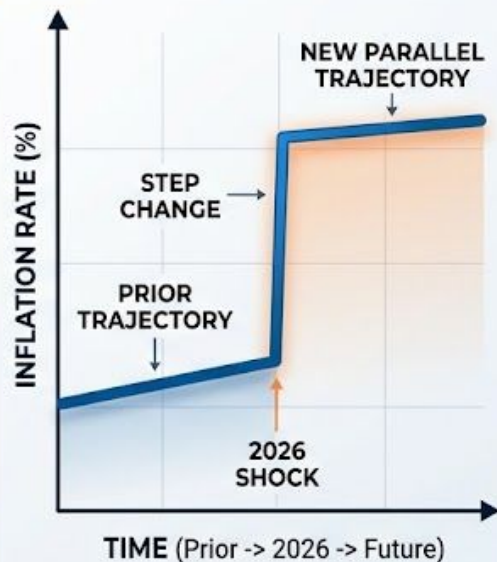
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Scenario:



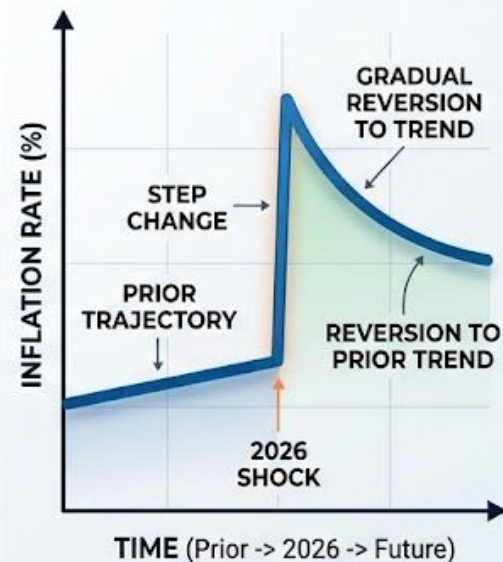
**SCENARIO 1:
STEP & HOLD**
(PERMANENT INCREASE)



**SCENARIO 2:
STEEPER SLOPE**
(ACCELERATING INFLATION)



**SCENARIO 3:
MEAN REVERSION**
(GRADUAL DE-ESCALATION)



A) Inflation-Linked Bonds (TIPS/ILBs):

These are your "Direct Insurance." In the current April 2026 climate, they are the stars of the fixed-income world.

Why they work: The principal adjusts based on the CPI. If Scenario 2 (Steeper Trajectory) happens, these are the only bonds that won't lose real value.

The Catch: They often have lower starting yields. If Scenario 3 (Reversion) happens, the "inflation protection" component disappears, and you might have been better off in standard bonds.

B) Government Bonds (Nominal)

In an oil shock, these are usually a "Yield Trap."

The Risk: As inflation rises, the fixed coupon becomes less valuable. 10-year yields are currently pushing toward 4.8%, but if inflation stays at 5%, your "real" return is negative.

The "Flight to Quality" Play: If the oil shock causes a global recession (a 30% probability according to current Q2 2026 forecasts), investors will run to the safety of government bonds, pushing prices up regardless of inflation.

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C) Currencies

Commodity Kings

Safe Haven

Gold

Energy Victims

D) Stocks

Sector	Outlook
Energy	Bullish
Financials	Neutral/Positive
Consumer Staples / Healthcare	Defensive
Tech / Growth	Bearish
Discretionary	Very Bearish

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