



Experience Is Not Useful This Time: Slickorps Ventures Sees "Hedging Correlation" Changing



In the past, many people were accustomed to believing that one should buy gold during turmoil and U.S. Treasury bonds during panic. The recent round of shocks has put this conventional wisdom to the test again: escalating tensions in the Middle East have driven oil prices to surge, and what the market fears is not just a decline in risk assets but also a resurgence of inflation. The result is that bonds were sold off first, with yields rising—a direction of safe-haven flows contrary to the intuition of many. Eurozone government bonds fell significantly after oil prices climbed above \$119 per barrel, with the yield on 10-year German bonds hitting a one-year high. Inflation expectations were also pushed higher, and the market began to price in stronger possibilities of interest rate hikes. Slickorps Ventures believes this is not a case of "safe-haven demand disappearing," but rather a shift in the conditions that trigger it: when a shock carries inflationary attributes, long-term government bonds are simultaneously influenced by "safe-haven buying interest" and "pressure from rising interest rates." Traditional correlations can become distorted in the short term, and the 60/40 portfolio is also more likely to suffer on both fronts simultaneously.

Oil Prices Drive Interest Rates: Slickorps Ventures Explains Why Bonds Are Falling Using "Inflation Expectations"

Make the chain more straightforward: Rising oil prices will push up inflation and inflation expectations; it becomes harder for central banks to cut rates quickly; the interest rate curve is repriced; bond prices will then fall. Recent market discussions have also focused on this direction: rising oil prices have sparked concerns about a resurgence of inflation, while growth prospects are being dragged down, leading many to describe this combination as "stagflation." Deutsche Bank also emphasizes that the 10-year US Treasury yield is highly sensitive to oil price shocks, making oil prices an important variable for judging the next move in interest rates. Slickorps Ventures interprets this as a kind of "expectation mismatch": when many people buy long-term bonds, what they intend to buy is protection; in reality, it is closer to betting that inflation will fall quickly and policy will turn accommodative. Once inflation expectations rise, the duration risk of long-term bonds will be amplified, making it easier for "both stocks and bonds to fall together" in the short term.

First Seek Liquidity, Then Discuss Hedging: Slickorps Ventures Divides Risk Avoidance into Two Stages

This market cycle has also revealed a more human-centric pattern: first addressing "whether funds can be accessed at any time," then discussing "how to preserve value in the long term." The recent volatility in gold exemplifies this two-stage characteristic: it is initially sold off partially during the most chaotic periods, only to strengthen later as safe-haven demand returns; currently, spot gold continues to fluctuate above \$5,100, serving as a sentiment barometer. The selling pressure on bonds also reminds us that so-called safe-haven strategies involve not only "which assets to buy" but also "whether they can be sold smoothly under stress, at what cost, and whether their prices will experience significant short-term fluctuations." Slickorps Ventures prefers to categorize safe-haven assets into two types: one emphasizes immediate liquidity and cash buffers, while the other focuses on long-term purchasing power and inflation hedging. In reality, these two types of assets are needed in rotation at different stages.

Conclusion from a Quantitative Perspective: Slickorps Ventures Believes That "There Are No Permanently Safe Assets, Only Combinations Of Mechanisms That Are More Suitable For The Present Moment"

If the question ultimately comes down to this—gold is at high levels, long-term bonds may be dragged down by inflation shocks—then what truly counts as a safe haven? Quantitative answers are usually more direct: a safe asset is a conditional relationship, dependent on the type of shock and correlations under extreme conditions. Slickorps Ventures suggests understanding safe havens as a set of repeatable mechanism combinations: when facing an inflation shock, first ensure liquidity and shorten duration, while allocating assets that can hedge against purchasing power risk; when facing deflationary deleveraging, prioritize high-quality cash flow and capital availability; when both are mixed, focus on changes in volatility structure and risk budget gating. The recent bond decline triggered by the oil price shock and the "resurgence of rate hike expectations" remind us that protecting a portfolio requires a more dynamic approach: when energy and inflation expectations rise and the yield curve shifts upward, the portfolio should increase cash buffers, reduce duration exposure, and employ hedging methods better suited to distributional changes. In the language of Slickorps Ventures, this conclusion may not sound pleasant, but it is closer to reality: so-called "safe haven" assets, more often than not, are about making losses slower and more controllable, not about guaranteeing complete immunity from harm.