Barrett Flags Bond Market as ‘One to Watch’ Amid Rate-Cut Pressure

CEO of EBC Financial Group (UK) Ltd. flags risk of low volatility complacency as traders keep buying dips

David Barrett, CEO of EBC Financial Group (UK) Ltd, shares his market outlook in the inaugural episode of Pulse 360°, highlighting the bond market as a key area to watch amid growing pressure for rate cuts.

UNITED KINGDOM, August 13, 2025 /EINPresswire.com/ -- Global markets have shown an “unprecedented ability” to shrug off geopolitical flare-ups and policy shocks, but that confidence could mask deeper risks, according to David Barrett, CEO of EBC Financial Group (UK) Ltd.

Speaking in the inaugural episode of EBC’s new Pulse 360° podcast, Barrett described 2025’s first half as “absolute chaos” in terms of the range and scale of market events, yet noted that traders have consistently looked past them – from tariff announcements to conflicts – in favour of buying dips.

“Volatility has been sold every time it’s spiked, but in my view, it’s too low, and that can breed dangerous complacency,” Barrett said in the episode. “Markets are assuming no news is good news, but history tells us dislocations come when you least expect them.”

He added that markets are not just ignoring risks – they are forgetting them almost instantly. “That kind of short memory works until a real repricing event forces everyone to remember at once,” Barrett warned.

Flows Shift, Gold Holds, Bond Market in Focus

Barrett pointed to early signs of capital rotation, with flows moving into certain Latin American and Asian markets while some investors trim exposure to US tech. He also highlighted sustained central bank purchases as a driver of gold’s record highs.

“Gold isn’t just a retail or ETF trade right now – central banks are still buying, and that’s keeping a strong bid under the market,” he said.

The bond market, he added, will be one to watch into Q4, with long-end yields staying elevated while political pressure builds for rate cuts. “If a ‘shadow Fed governor’ is appointed with a clear mandate to ease, the shape of the yield curve could change sharply,” Barrett said.

Diverging Positioning Across Market Players

Barrett outlined three clear divides in current positioning: retail traders “all in” and buying every dip, hedge funds scrambling to cover shorts, and large institutional “real money” funds staying largely on the sidelines.

“Retail has won for now,” Barrett said, “but that kind of one-way conviction only works until it doesn’t.”

Barrett’s remarks were part of the first episode of Pulse 360°, a new EBC podcast featuring market analysis and trading perspectives from the firm’s global team. Subsequent episodes include a three-part technical series from Joseph Auxano, a veteran DiNapoli expert and technical strategist on chart structure and volatility, with future segments from Mabyanine Phiri, EBC’s Marketing Manager for Africa, on African markets, and Samuel Hertz, EBC’s Head of APAC on Asia-Pacific capital flows.

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