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CITYWIRE SWITZERLAND TOP 50 INDEPENDENT ASSET MANAGERS 2020

Pulse Outlook 2021

Summary

Overall, 2021 is promised to be the year of recovery – this is the consensus of the overwhelming majority of analysts. However, substantial uncertainty remains depending on how successful the vaccine distribution and acceptance will be.

Tactical Asset Allocation

Liquidity	Neutral
Bonds	Neutral
Equities	Neutral
Alternative Investments	Neutral

Macroeconomics

After the spectacular crash in 2020, 2021 is expected to bring a strong recovery in the world. The output, however, will not get back to the pre-pandemic level at least until 2022 in most countries. Moreover, high unemployment levels pose a great challenge to the world.

Overall, the uncertainty remains substantial: the path of recovery largely depends on the pandemic-related developments.

Fixed Income

For credit we remain rather positive although spreads narrowed significantly and trade close to their historic lows. The hunt for yield is going to continue with investors forced to go down the credit curve.

An expected economic recovery will favour higher beta names which still have some room to tighten. Auto, Oil, Cyclicals and Consumer Finance are the sectors which have the most potential. Another segment we overweight in our portfolios is hard currency Emerging Markets bonds.

Equities

The outlook for equity markets among investors and analysts can be described as cautiously optimistic. A new economic and interest rate cycle has begun, and the economy is in the early stages of recovery. This is signified by the positive response on the stock markets and a steepening yield curve.

Equity Indicators

Valuation	Neutral
Momentum	Neutral
Seasonality	Attractive
Macro-Economics	Neutral

In 2021 we expect a valuation adjustment along all asset classes. In case of equities, this should be achieved via improved corporate earnings prospects.

The economic tailwind should boost the sensitive sectors such as basic materials, industrial goods, and consumer discretionary, as well as the smaller and medium-sized tech companies. However, we expect large caps, especially mega-caps in the U.S., to take a breather in 2021 after years of outperformance.

Alternatives

Currencies that are positively dependent on the global economic cycle may benefit in 2021. This applies all to commodity and procyclical currencies. The EUR is also likely to appreciate further due to the trend towards USD weakness, albeit to a somewhat lesser extent than other cyclical currencies.

The future development of gold price is determined by three factors: the trend of the USD, real yields, and inflation expectations. In 2021, we expect it to retest its record high and even slightly exceed it.

In the wake of the economic recovery, commodity prices in general should also have additional upside potential in 2021.

Among hedge funds, we focus on strategies that benefit from vaccine announcements and related shifts in positioning.

Economic Outlook

The sadly memorable year of 2020 ended on a high note. COVID-19 vaccinations started across the globe with many more vaccines being in the final stages of development and testing. On the political front, Brexit deal was reached just a week before the end of the year and the final, unextendible deadline. This means that a lot of the uncertainty was eliminated, even though some issues remain unresolved or resolved only temporarily: data sharing, financial services, and the much-disputed fishing rights.

Overall, 2021 is promised to be the year of recovery – this is the consensus of the overwhelming majority of analysts. However, substantial uncertainty remains depending on how successful the vaccine distribution and acceptance will be. Currently some downside potential comes from the fact that fewer than planned vaccinations are being conducted. This is not only due to the problems with vaccine availability and transportation, but also because people are often reluctant to receive a shot because of concerns about the possible side-effects. Nonetheless, governments are doing all they can to convince people of the safety and efficacy of the vaccines.

Tactical Asset Allocation

Liquidity	Neutral
Bonds	Neutral
Equities	Neutral
Alternative Investments	Neutral

Macroeconomics

By the IMF's and OECD's estimations, the world real GDP contracted by 4.2% to 4.4% in 2020 and will grow by 4.2% to 5.2% in 2021. In particular, Euro Area contracted by 7.2% to 7.5% and is expected to recover by 3.6% to 4.7% this year; the US GDP fell by 3.7% to 4.3% in 2020 and is expected to grow by 3.1% to 3.2% in 2021. At the same time, China's GDP grew by 1.8% to 1.9% last year and is expected to grow further 8.0% to 8.2% this year. Thus, while recovery is expected to start in 2021 and continue in 2022, it will not be even, and in most countries, the output will not get back to the pre-pandemic level before 2022. Both IMF's and OECD's fall projections are higher than those from summer, due to the previously overestimated fall in the second quarter and the underestimated recovery in the third quarter last year. This is due to central banks' support which in most countries helped to backstop failing economies and prevented the worst possible scenarios.

Nonetheless, unemployment is still elevated all over the world, which poses a great challenge to all economies. By the OECD forecast, in the US, the current 6.83% unemployment is expected to gradually decrease to 5.26% by the end of 2022, which is high above the 3.53% seen in the fourth quarter of 2019. According to the European's Commission's November forecast, euro area's unemployment level of 8.3% in 2020 is expected to rise to 9.4% in 2021, and to decline slightly to 8.9% in 2022. They also forecast that the EU's 2020 unemployment level of 7.7% will increase to 8.6% this year and decline to 8.0% in 2022. All this accompanied by the already unprecedentedly high levels of government debt and fiscal deficits across the world signals that recovery will not be easy and instantaneous.

According to the OECD's Economic Outlook, both upside and downside potential remains substantial: it largely depends on the efficiency of vaccine distribution and the vaccines' longer-term safety.

Fixed Income

For Fixed Income investors it will be a challenging year as low yields and tight spreads make it hard to find attractive returns. Although central banks are highly committed to support the economy, investors will start to anticipate a full economic recovery. Large stimulus packages and widely available vaccine will reinforce these expectations, especially in 2H21.

As we all know, markets are going to price in this scenario well ahead of the evidence from the economic figures. That is why we avoid duration in our Investment Grade universe. We expect 10-year US Treasury yields to rise significantly above 1% in 2H and would not be surprised if we trade toward 1.50% by the end of the year. Short term rates will stay close to zero as the central banks will not spoil the party. Furthermore, US Treasury issuance must increase as larger budget deficits need to be financed. This is the reason for remaining cautious in good quality paper as the current yield-pickup for longer maturities does not compensate for the higher duration risk.

For credit we remain rather positive although spreads narrowed significantly and trade close to their historic lows. The hunt for yield is going to continue with investors forced to go down the credit curve.

An expected economic recovery will favour higher beta names which still have some room to tighten. Auto, Oil, Cyclicals and Consumer Finance are the sectors which have

the most potential, but instrument selection will be key. For down beaten names with recovery potential we even prefer to choose longer maturities. Either we go for the very short, or the long end. Instead of taking higher credit risk in the names, investors can lower the exposure to the capital structure of an IG-company by buying hybrid bonds. For financials it is the AT1 sector. Both segments we rate as a good source of returns as they still offer elevated yields.

Another segment we overweight in our portfolios is hard currency Emerging Markets bonds. Strong inflows into the asset class will continue as a weaker USD and a stable oil price will support the investment case.

Equities

The outlook for equity markets among investors and analysts can be described as cautiously optimistic. When we look at the large fund managers, almost universally they believe the year will bring a rebound in economic activity, supporting assets that have already soared in value since the pandemic crisis in March, but also lifting sectors that had been left behind. Bond yields are expected to stay at moderate levels, which should lead to further support to stock valuations.

However, the Covid-19 mutation found in the United Kingdom, which caused a brief wobble in the markets late in December, just highlights how it is not always smooth sailing. So, what's next for the equity markets?

Equity Indicators

Valuation	Neutral
Momentum	Neutral
Seasonality	Attractive
Macro-Economics	Neutral

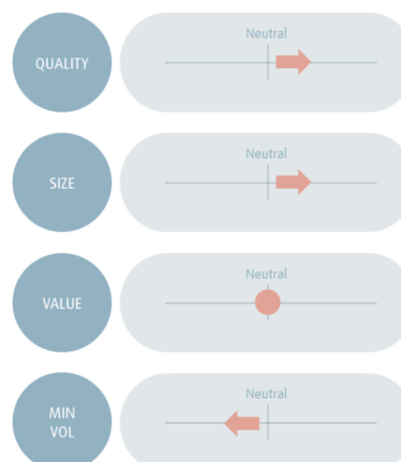
With both reasons for the current weak growth and the solution for recovery known, investors are looking past the former. Despite ongoing risks around the pandemic, the investment community will position itself for the post-Covid 19 era. On a six- to twelve-month horizon, there are also currently hardly any reasons for investors not to position themselves for a recovery in the economy. The vaccine, the ongoing improvement in fundamentals, and the financial market-friendly fiscal and monetary policy environment will support risky assets - especially those that are sensitive to the economy. Of course, the virus can become a stumbling block. Therefore, we do not expect a linear development and, at the latest when the vaccine has been rolled out, investors will have their first reality check. But more important than the timing is that a new economic and interest rate cycle has begun and that the economy is in the early stages of recovery.

In the early stages of an economic recovery, the constructive attitude of investors is reflected above all in the positive response on the stock markets but also in a yield curve that is steepening again. Given the strong and rapid rehabilitation of equity markets after the spring lockdown, the question of high valuations of equities is indeed justified. In relative terms, however, equities are still more favourably valued than bonds, and even than the entire fixed income investment segment, including cash and corporate bonds.

In 2021 we therefore expect a valuation adjustment along all asset classes. In case of equities, this should be achieved via improved corporate earnings prospects. Due to very lose monetary policy by central banks around the globe, equities should still do well and the dominance of defensive versus cyclical markets will decline. The right mix of value and cyclical, innovation-driven sectors will add value to the equity allocation.

The base-case scenario is likely to affect in particular the sensitive sectors such as basic materials, industrial goods, and consumer discretionary. Analysts anticipate that the economic tailwind will also boost the smaller and medium-sized tech companies. However, we expect large caps, especially mega-caps in the US, to take a breather in 2021 after years of outperformance. These companies have been able to achieve ever greater economies of scale and build monopolistic market positions as a result of their growth and increased profit margins well above average. Consequently, generating additional growth is becoming increasingly difficult due to their current size and offers potential for disappointment against the backdrop of high valuations. In addition, the dominant market position of the large corporations increases the likelihood of regulatory countermeasures.

Beside the potential this year, we would also like to highlight the risks in equites, which we think, remain inflation. The



Source: Clarus Capital

base-case scenario is that it will only move temporarily higher due to base effects and then revert to the initial levels. But the risk is that it continues to move higher and significantly overshoots FED's target. That would change everything. Powell underlined that the FED would stand its ground and would not respond to accelerating inflation. If the central bank loses its nerve and gets worried about inflation sooner than what they have anticipated, then that could be a problem for the markets. And we all know what the Taper Tantrum in 2013 looked like.

Alternatives

Currencies that are positively dependent on the global economic cycle may benefit in 2021. This applies all to commodity and procyclical currencies. In general, the economies and currencies most affected by the pandemic are likely to benefit most from a vaccine-driven economic recovery. These include the United Kingdom in particular, where economic activity is markedly below pre-crisis levels. The GBP, which has been severely punished and is significantly undervalued according to PPP, should also benefit disproportionately under these circumstances.

The EUR is also likely to appreciate further due to the trend towards USD weakness, albeit to a somewhat lesser extent than other cyclical currencies. The common currency has already performed very solidly since the beginning of the pandemic, despite the strong economic impact. The sensitivity of the EUR to the global economic cycle is also lower and, last but not least, the ECB is pursuing an expansionary course.

The future development of gold is determined by three factors: the trend of the USD, real yields, and inflation expectations. With the prospects of a vaccine, the economic outlook has improved. The greenback is likely to be less in demand in such an environment. Together with the virtually unlimited quantitative easing on the part of the FED, this should be positive for gold. The big change in direction for gold is not expected until the FED changes its communication and tapering is foreseeable. Since this will hardly be the case in 2021, we expect the gold price to retest its record high and even slightly exceed it.

In the wake of the economic recovery, commodity prices in general should also have additional upside potential in 2021. Lifting the restrictions that were imposed during the corona pandemic will have a positive impact on demand for crude oil thanks mainly to mounting global mobility. Given the tense corona situation, the path is still bumpy, but the OPEC+ oil cartel has signalled its continued support. The cartel will maintain production discipline in 2021 too. This is good news for the crude oil market. It means there is still a chance that the market will remain in a supply deficit and crude oil prices will rise.

Most Hedge Fund indices have delivered above mid-single digit performance: Fundamental Equity-hedged strategies performed best and Tactical ones worst. We focus on strategies that benefit from vaccine announcements and related shifts in positioning. In relative value, we highlight structured/agency credit, convertible arbitrage and long/short credit strategies. Within fundamental, opportunistic long/short equity is preferred, while discretionary EM-focused and diversified managers are favoured within tactical style.

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Investment Themes

Hunt for Yield

Investors are forced to go down the credit curve as most of the bond universe trades with a yield below 1% or even lower. Although monetary policy rates are not expected to increase in the foreseeable future, investors are exposed to duration risk as the rates market is starting to anticipate an economy recovery. Yield curves are expected to steepen further.

To avoid such a risk, investors are going to choose higher beta names which are benefitting from an economic recovery. The higher the spread, the higher the ability to absorb a move in rates as the risk-free rate is not the dominant factor. Therefore, we expect HY spreads to tighten further.

As we believe in the recovery scenario, we favour corporate bonds from the crossover sector, Hybrids, AT1's and Emerging Market debt. All well diversified, depending on client's risk tolerance.

The IG part of the portfolio we see as a hedge and a potential source of funds in case of a failure of our base case scenario.

USD weakness

Even though a significant part of the USD depreciation is likely to have already taken place in 2020, we expect the reserve currency to weaken further in 2021. The FED's interest rate cuts have eroded the interest rate advantage over many currency areas and the zero-interest rate level will be cemented by the central bank's new strategy over the next few years. Nevertheless, the greenback is overvalued according to analysts. On the one hand, additional bond purchases will further expand the supply of USD, while at the same time the ongoing global economic recovery is likely to reduce demand for the safe haven. The trend towards a fairer valuation will therefore continue.

However, it is easy to argue for a weaker USD through and through but when this starts to be or already has become a consensus trade, there are times when things can get a little tricky as this plays more to trading psychology as well. Consensus trades can always be dangerous, because they can be prone to violent and sharp pullback from time to time. And when positioning becomes too crowded and overstretched, there is scope for a correction and profit-taking. The USD may be in a precarious state but here are a couple of things that could prompt the market to have some second thoughts and realise the danger when it comes to consensus trades:

- Vaccine optimism gone wrong, timeline for resumption to 'normal' gets delayed
- US economic developments continue to strengthen, particularly inflation
- FED commitment towards easy policy starts to waver a little
- Virus developments take a renewed turn for the worse

There is also the possibility that we could see more financial risks start to creep up as to continue to move on from the virus crisis, i.e. the aftershocks. But history showed that policy makers are crisis-proven and know how to deal with it.

Central Banks

Monetary and fiscal support by Governments and Central Banks will continue. The message from all major Central Banks is clear. Policy rates will stay close to zero. The FED repeatedly stressed the willingness to do whatever it takes. Consensus is that there will be no rate increase until at least the end of 2023.

But FED's language will be closely watched as they could send out signals that support will not last for ever. They must choose their words carefully as they want to avoid taper tantrum repeat.

Although inflation expectations are raising, reflected in a 10-yr break even rate at 1.9%, which is the highest since May 2019, we don't think that the current unemployment situation will allow wages to increase. With the FED tolerating a pace of inflation above its 2% target for the coming years, they are signalling that restoring full level of employment will take some time. Non-Farm Payroll Data will be closely watched in 2021.

Value vs. Growth

Value style continues to underperform growth, with a gap in returns that has expanded to its widest point in at least 25 years (see chart). The pandemic has only exacerbated the disparity, as growth stocks such as the large US tech companies have outperformed, catching value investors out.

Source: Bloomberg, Clarus Capital

Growth investing is less sensitive to factors like interest rates and inflation, relying instead on innovation and competitive advantage. Value stocks can perform but without economic growth many failed to deliver returns. Hence, we think it is still early for value investing, but highlight to be selective, i.e. in a balanced portfolio.

Crude Oil

After consolidating through 3Q20, oil prices have started to shift upward again in early 4Q20 amid expectations that OPEC+ would manage supply to address near-term demand concerns. The group indeed tweaked its strategy and will conduct monthly reviews starting from January. Although OPEC+ grabs much attention as a group when it comes to production, it produces less than 50% of crude.

With the emergence of shale oil in the past decade, the US has become the largest producing country and, together with other non-OPEC members, they now produce more oil than the cartel. In those other countries, it is mostly the economic incentives that determine production levels. And with Brent prices at their lowest level since 2016, production has plunged, particularly in the US. The American rig count depicts production that is well below that at the start of the year.

But the fall in US production is not yet large enough to bring back US crude oil inventories in line with the last five-year average. Although US commercial stock levels in the first quarter were similar to the average over the past half decade, by July the crude oil stockpiles were more than 20% above the five-year average. They were also over 10% above the maximum inventory at the same point over the past five years. While supply is below demand in the US crude oil market, the adjustment in inventories is likely to continue into next year.

Demand is likely to be the most volatile component of the equation in the short term. OPEC believes that the pandemic cut global demand by 9.5mbpd on average for 2020. But IEA data shows that global demand from January to July fell by 10.5mbpd compared to last year. This period covers the most stringent containment measures in Europe and on the US eastern coast. And while demand likely picked up in the third quarter, the autumn surge in COVID-19 cases in the US and Europe, triggering several European governments to reinstate lockdowns until December, should weigh on demand. This trend could continue into next year.

While recent gains and spread strength may appear slightly premature, we have confidence in the medium-term rebalancing case where we see inventories normalizing in H2 2021, warranting higher prices and eventually backwardated curves.

COVID-19

After this year's rounds of lockdowns, layoffs, and above all 1.8 million deaths, we are entering the new year with a reason for optimism after the fastest ever global vaccine race. Vaccinations have already started across the world: the US, the EU, the UK, Russia, China, and many others have all begun the rollout, and many more vaccines are still being developed. For now, they are in scarce supply in most countries. In the US the universal vaccination should start around late Q1 to early Q2 2021, by Johns Hopkins Assistant Professor Lauren Sauer's expectations. According to Ursula von der Leyen, by the end of 2021 the EU will have more than enough vaccines to cover all European citizens.

In Asian countries like China, Vietnam, Thailand, South Korea, the return to normal is expected to be faster than in the rest of the world as they have handled the virus more efficiently.

Yet, life is unlikely to be back to the pre-pandemic way in the first half of the year: we will still have to wear masks, travelling and mobility will still be reduced, but things should be gradually getting easier from then on. Moreover, according to the dean of the Brown University School of Public Health Ashish Jha, in the US, "at-home testing will be widely available probably late spring to summer." Thus, if vaccines are successfully distributed and applied all over the world, we can hope to have normal Christmas and New Year celebrations in the end of this year.

Special Topics

Geopolitics

One potential flashpoint that could impact global markets in 2021 will be ongoing trade and diplomatic tensions between the U.S. and China. The Biden administration will have to decide whether and how to challenge Beijing on trade, intellectual property rights, human rights, and other issues.

Given that a hard-line trade policy toward China has broad bipartisan support in Washington, we do not expect the new administration to roll back the tariffs on Chinese goods imposed by President Donald Trump. However, the intensity of the trade conflict might be reduced.

Control of IP, on the other hand, is likely to remain a key battleground. The battle for dominance over the next generation of technology is one that neither side feels it can afford to lose. However, while the IP conflict poses potential economic risks, it could also create new opportunities for investors as China seeks to develop its own supply chains, including an onshore semiconductor industry.

Meanwhile, Beijing's campaign to bring Hong Kong under tighter control appears to have achieved its objective, as opposition members on the city's Legislative Council either have been removed or have resigned. But we minimize the risks these developments could pose to the city's status as a global financial center. As long as the renminbi is not fully convertible, the Hong Kong dollar will remain highly relevant.

Balanced Portfolio: still valid

Year 2020 has changed approaches and raised doubts even regarding the most fundamental things. One such thing is the old and reliable "60/40 portfolio". The idea behind this portfolio is simple: 60% of the investments is held in equities that are risky, but can generate high returns, and 40% is allocated to fixed income instruments, like government bonds, whose returns are normally lower, but are safer in times of trouble and thus can provide a safety net during market turmoil.

Despite its conceptual simplicity, the strategy has had one of the best returns for the past half a century compared to other strategies. This year, after the March selloff, central banks intervened to support the economy by lowering interest rates to near-zero or even negative levels in most developed countries and are intending to keep them low for years to come. Persistently low or negative interest rates pull down returns on all bonds by allowing companies and countries to issue new debt with lower coupons or by making the already issued higher coupon bonds more attractive, thus raising their price and decreasing their yields. A possible replacement for safer but low-yielding returns of government securities could be corporate bonds, but their prices can behave like equities when markets crash, which exacerbates the portfolio losses instead of providing a backstop. Moreover, the default risks are still high while countries are dealing with lockdowns and reduced travelling. This means that lower bond yields come with higher risks attached, which both undermines the overall portfolio returns and makes the safety net less reliable. This comes at the time when equities valuations are significantly higher than their long-term average, which means that the downside risks are also elevated.

Such an unprecedented combination of factors makes investors wonder if there is a future for the 60/40 strategy. This pushes some major players, like Yale University's endowment fund, to shift away the classic approach and allocate the majority of their money into alternative sectors and classes, such as, in Yale's case for example, venture capital, leveraged buyouts, real estate, etc, that can generate attractive returns.

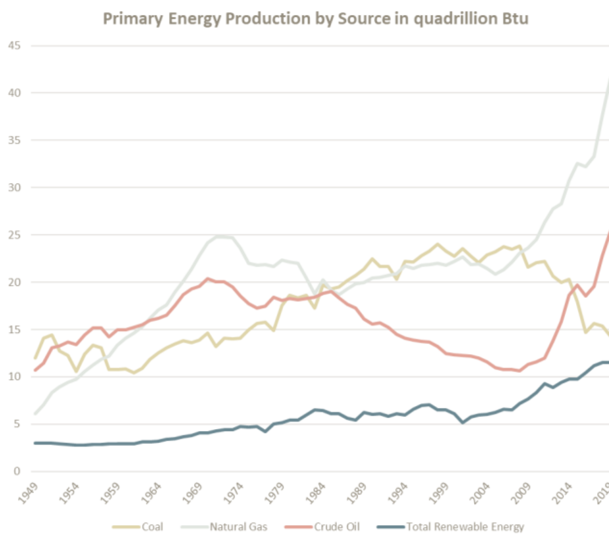
At the same time, it is worth noting that this year by mid-December, the benchmark 60/40 portfolio (60% in MSCI All Country World Index Total Return, 40 % in the Bloomberg Barclays Global Aggregate Index) showed performance higher than the average of the preceding three decades. This was due to an unprecedentedly expansive monetary policies of most major economies' central banks.

ESG

Over the past year, as the whole world faced a global existential threat for the first time in over half a century, ESG investing has become more relevant and attractive than ever. With government debt having grown at an unprecedented pace this year, many countries are funding sustainable development projects with the fiscal support measures provided to the weakened economies. At the same time, the biggest player in the international investment industry, the US, is about to be headed by a Democratic White House, associated not only with favouring sectors that are major constituents of typical ESG portfolios, like IT, healthcare, renewable energy, etc., but also with an election campaign promise to bring the country to net zero emissions level by 2050. China, currently the heaviest carbon dioxide emitter, has set a goal of complete carbon neutrality in 2060, and the EU has set a new goal of 55% reduction in emissions by 2030. This short list of government environmental initiatives is obviously far from exhaustive: over 100 countries have announced their plans and targets to become carbon-neutral by mid-century. Moreover, major funding organizations are also committing more and more of their finances to

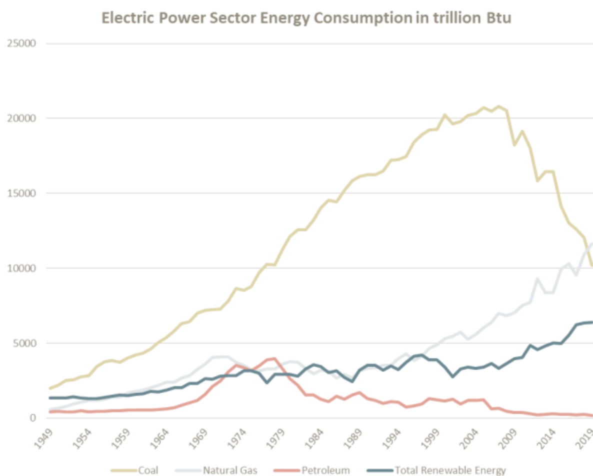
sustainable investments. For example, the World Bank has been steadily increasing its climate financing: over the last 5 years it has committed $83 billion to climate investments and is planning to commit even more in the future.

These trends can be seen in the charts below: both production and consumption of renewable energy have been steadily increasing for the past decades, while production and consumption of coal have experienced significant decline since the 2000s. Similarly, crude oil use has been in decline in the power sector since the 1980s.



Source: US Energy Information Administration, Clarus Capital

Reaching the ambitious goal of net zero emissions can be achieved through, among other ways, switching major part of energy production to emission-free sources including nuclear energy, usage of electric vehicles instead of petrol-fuelled ones, capturing released carbon dioxide, and even simply planting trees. Thus, companies specializing in environment-friendly projects are expected to receive substantial tailwinds in the decades to come.



Source: US Energy Information Administration, Clarus Capital

Digitalisation

The pandemic has acted as a great accelerator of structural trends that were already in place. A prime example is the transformation in the retail, e-commerce, and finance sectors. The shift from physical to digital payments last year has been dramatic. Analysts reckon that the share of cashless transactions worldwide has risen to levels they had expected it to reach in two to five years' time. Digitalisation may spell the end of the dinosaurs in some industries, such as entertainment or retail. Not to mention e-commerce, where the big players like Amazon and Alibaba are grabbing most of the market. Despite this year's runup in valuations, analysts see tech exposures as having long-term structural tailwinds. The quality factor, US equities and Asia (i.e. China) are ways of gaining such exposures.

Private Markets

While comparatively resilient, private markets were not immune to the wider slowdown triggered by Covid-19. The numbers so far point - quite understandably - to a dip in fundraising across the industry in 2020. We do expect further economic pain in coming quarters. However, our experience and expectation are that many private market segments will display characteristic stability, while new opportunities for value creation will emerge. Private Markets have a wide range of value creation, especially in this low-yield environment. However, there is one big risk: too much capital.

As more and more investors are willing to accept and are even actively seek illiquidity, it is safe to assume that the illiquidity premium is reducing, even though this is hard to measure. The return generation that attracts investors to private markets will persist, albeit increasingly driven by areas of private markets which are harder to access and demand in-depth expertise. Investment in Private Markets remain highly attractive.

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Market Overview as of Thursday, 07 January 2021, 2:05 PM

Fixed Income

	Rate	Δ 1m	Δ 3m	Δ ytd
USD Overnight	0.09	0.00	0.01	0.01
USD 1y Swap	0.20	-0.01	-0.03	0.00
USD 3y Swap	0.27	0.00	-0.01	0.03
USD 5y Swap	0.49	0.04	0.08	0.06
USD 10y Swap	1.04	0.11	0.23	0.11
EUR Overnight	-0.48	-0.01	-0.01	0.02
EUR 1y Swap	-0.54	-0.01	-0.04	-0.01
EUR 3y Swap	-0.52	0.01	-0.03	-0.01
EUR 5y Swap	-0.46	0.01	-0.03	0.00
EUR 10y Swap	-0.25	0.01	-0.04	0.01
CDX Xover 5y	3.02%	0.10%	-0.79%	0.09%
iTraxx Xover 5y	2.50%	0.07%	-0.67%	0.07%

	Δ 1m	Δ 3m	Δ 6m	Δ ytd
USD Deposit 1m	0.2%	0.5%	0.9%	0.9%
USD Aggregate 1-3y	0.1%	0.2%	0.4%	0.0%
USD Aggregate 3-5y	0.2%	0.3%	0.5%	-0.1%
USD Aggregate 5-7y	0.0%	0.4%	0.8%	-0.4%
USD Aggregate 7-10y	-0.4%	0.3%	0.7%	-0.9%
EUR Overnight	0.0%	-0.1%	-0.2%	0.0%
EUR Aggregate 1-3y	-0.1%	0.1%	0.4%	0.0%
EUR Aggregate 3-5y	-0.1%	0.5%	1.3%	0.0%
EUR Aggregate 5-7y	0.0%	0.9%	2.3%	0.0%
EUR Aggregate 7-10y	0.0%	1.3%	3.0%	-0.1%
US Corp. HY	1.1%	5.5%	10.0%	0.1%
EUR HY	0.3%	4.4%	7.2%	0.3%

Equity

	Price	P/E	D. Yield	FCF yield
MSCI World	8,038	21.5	2.0%	5.7%
S&P 500	3,748	22.9	1.6%	4.1%
NASDAQ	12,623	29.5	0.8%	3.0%
Euro Stoxx 50	3,615	18.4	2.8%	12.1%
SMI	10,693	17.7	3.0%	8.5%
FTSE 100	6,811	15.7	3.6%	16.9%
DAX	13,945	16.1	2.8%	9.7%
MSCI Asia Pacific	202	18.8	2.2%	4.2%
FTSE China A50	18,776	14.7	2.2%	7.3%
MSCI Emerging Market	1,315	15.8	2.3%	4.2%
PH Semiconductor	2,828	23.6	1.3%	3.3%

	Δ 1m	Δ 3m	Δ 6m	Δ ytd
MSCI World	2.5%	12.4%	21.1%	0.4%
S&P 500	1.5%	9.6%	19.2%	-0.2%
NASDAQ	0.2%	9.7%	19.9%	-2.1%
Euro Stoxx 50	2.4%	11.8%	8.8%	1.8%
SMI	3.1%	5.0%	4.7%	-0.1%
FTSE 100	3.9%	14.6%	10.0%	5.4%
DAX	5.1%	7.9%	10.5%	1.6%
MSCI Asia Pacific	4.4%	16.3%	23.0%	1.1%
FTSE China A50	11.0%	23.5%	17.3%	6.0%
MSCI Emerging Market	4.9%	18.7%	25.0%	1.9%
PH Semiconductor	0.8%	21.4%	40.0%	1.2%

Commodity

	Price	FCST 21	FCST 22	Δ Future
Gold	1,918	1887.5	1850	-2.0%
Silver	27.20	25	22.65	-8.9%
Platinum	1,107	1049	925	-6.1%
Palladium	2,445	2242.5	2125	-8.7%
Crude Oil	50.91	47	52	-5.6%
Brent Oil	54.38	48	55	-9.9%

	Δ 1m	Δ 3m	Δ 6m	Δ ytd
Gold	3.0%	1.8%	6.0%	1.2%
Silver	9.7%	13.1%	42.5%	3.0%
Platinum	5.1%	26.7%	27.1%	2.6%
Palladium	4.0%	2.4%	25.6%	-0.4%
Crude Oil	10.8%	24.4%	23.3%	4.9%
Brent Oil	11.4%	25.9%	23.0%	5.0%

Foreign Exchange

	Price	FCST 21	FCST 22	Δ Spot
EUR/USD	1.2271	1.24	1.25	1.8%
GBP/USD	1.3599	1.36	1.4	2.9%
USD/CHF	0.8830	0.89	0.88	-0.3%
USD/JPY	103.55	103	105	1.4%
EUR/CHF	1.0835	1.1	1.11	2.4%
USD/RUB	73.93	72	73	-1.3%
EUR/RUB	90.80	84.05	88.9	-2.1%

	Δ 1m	Δ 3m	Δ 6m	Δ ytd
EUR/USD	1.1%	4.2%	8.7%	0.4%
GBP/USD	1.8%	5.3%	8.3%	-0.4%
USD/CHF	0.7%	3.8%	6.6%	0.2%
USD/JPY	0.4%	2.3%	3.8%	-0.2%
EUR/CHF	-0.4%	-0.4%	-1.9%	-0.1%
USD/RUB	-0.4%	6.1%	-2.9%	0.7%
EUR/RUB	-1.9%	1.4%	-11.1%	-0.1%

Source: Clarus Capital Group, Bloomberg

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