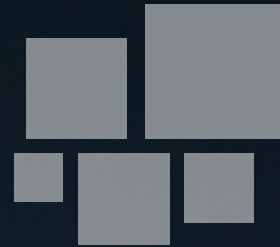
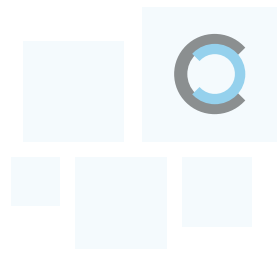


House View

AUGUST - SEPTEMBER 2021

Chinese Regulation Policies
Delta Variant
GDP Forecasts
Inflation

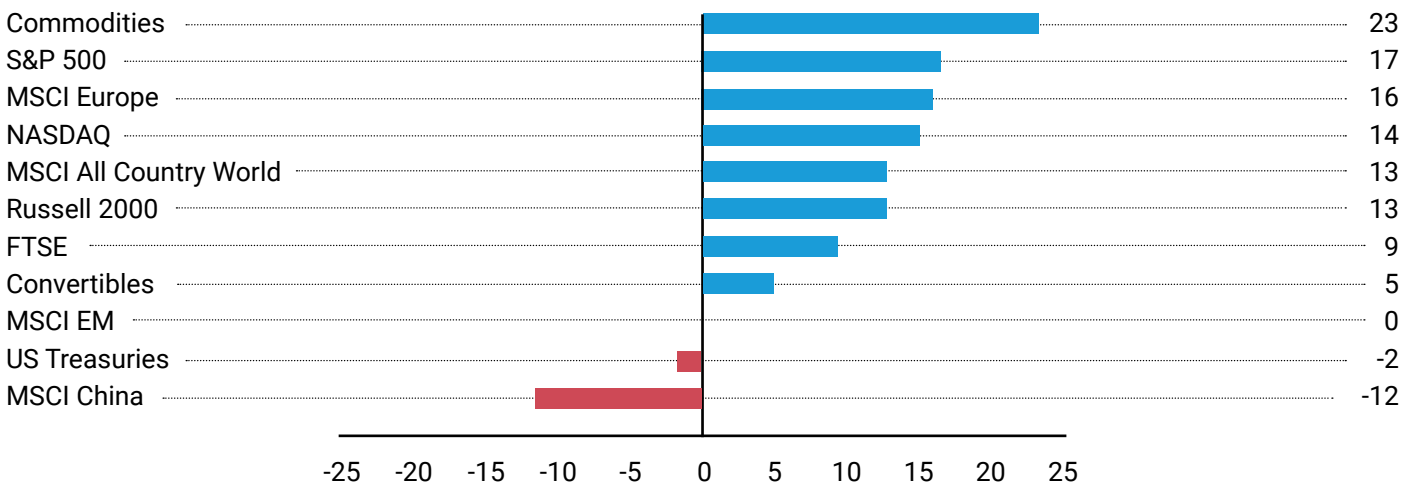




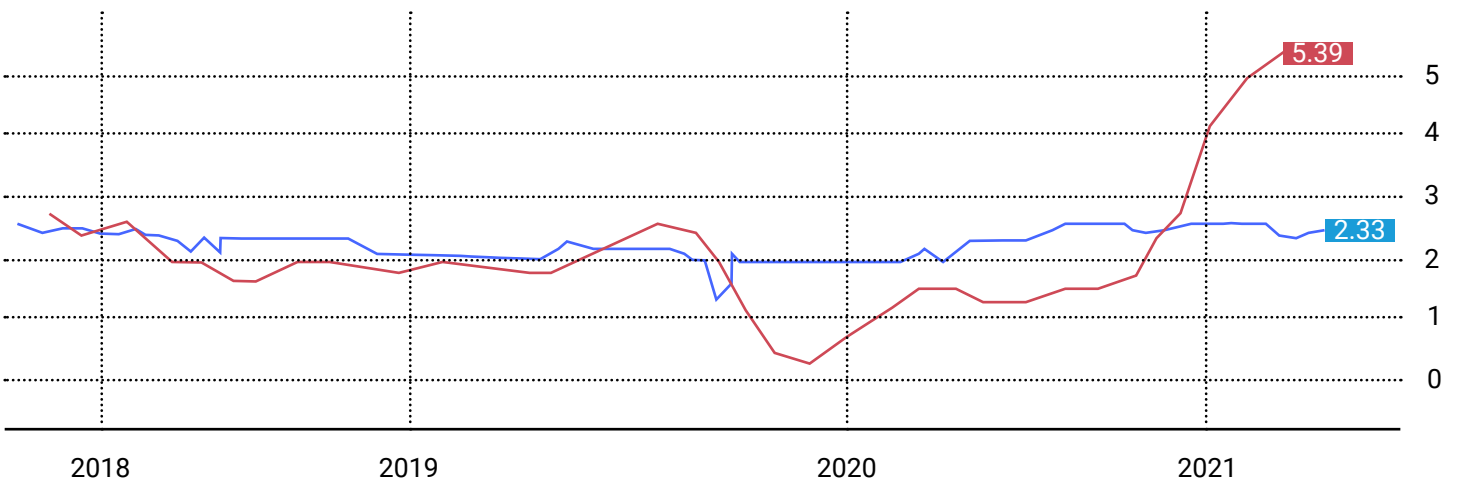
Key Highlights

- World economy is still in a reopening phase.
- Global growth remains above trend, supported by fiscal stimulus and an accommodative global monetary stance.
- Economists are revising GDP forecasts upwards.
- The rise of a more transmissible delta variant of COVID and inflationary pressures remain a concern.
- Chinese regulation policies could further unnerve thin holiday markets.

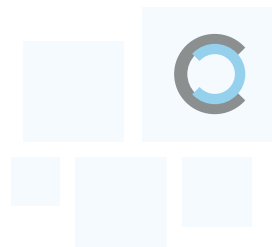
Cross-Asset YTD Performance



US CPI Vs. Expected Inflation



Macroeconomic View



World

GROWTH

COVID-19

- Global growth is approaching a peak, but economic activities will remain solidly above trend.
- Consumer accumulated savings, rebuilt inventory, and CAPEX will sustain momentum and earnings.
- The Delta variant has led to an increase in global cases, vaccines appear however to be effective. We do not expect the Delta variant to disrupt economic recovery.
- Imbalance between supply and demand are creating some bottlenecks mounting inflationary pressure

USA

LABOR

GDP

TAPERING

- Massive fiscal stimulus will push GDP well above its pre-virus path, annual growth around 7% (21) will be the strongest since 1984.
- Additional fiscal packages in sight: 2 - 2.5 trillion.
- Labor market recovery is making progress.
- Inflation has risen sharply. It should decline later this year and in 22 as supply bottlenecks ease off.
- The FED should announce the expected tapering of its asset purchases.

Europe

ECB POLICY

INFLATION

- Upward pressure on inflation data should be temporary. When base effects fade in the coming months, headline inflation is likely to ease.
- The ECB is likely to keep monetary policy accommodative for the foreseeable future.

Emerging Markets

CHINA

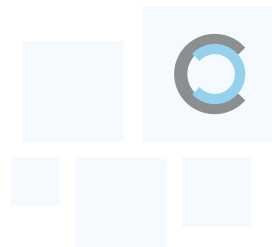
- China political risk will stay high through the national party congress in fall 2022. More regulatory interventions possible in sensible sectors.
- Chinese economy will grow more than 9% this year,.

Base Scenario

- Global economic expansion above trend.
- Return to normality by end of 2021 beginning 2022.
- Strong earnings recovery on the way.
- Rise of inflation should be temporary.
- Monetary and fiscal policies remain very supportive.

Risks on the Base Scenario

- Issues with COVID mutations or the vaccine rollout.
- Additional supply bottlenecks and Inflation surprise.
- Tapering talks sooner than expected.
- Middle East tensions.
- Chinese regulations on media and fintech.



Market View

Liquidity

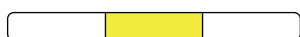
Tactical 3 Months

Strategic 12 Months

Liquidity



Liquidity



- Use tactically as dry powder.

Equities

Tactical 3 Months

Strategic 12 Months

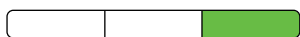
USA



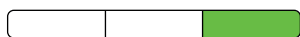
USA



Europe



Europe



Switzerland



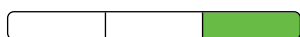
Switzerland



Emerging Markets



Emerging Markets



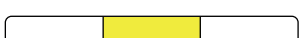
- On a 6 to 9 month horizon equities outlook positive.
- P/E multiples remain at high levels from historical point of view, but are supported by earnings.

Gold

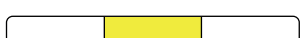
Tactical 3 Months

Strategic 12 Months

Gold



Gold



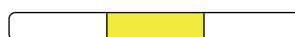
- Central banks and still negative real rates supportive in the medium term.
- Nice to have as a partial hedge to equity exposure.

Fixed Income

Tactical 3 Months

Strategic 12 Months

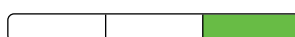
Investment Grade



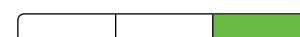
Investment Grade



High Yield



High Yield



- Steepening of the yield curve. Upward pressure on the long end of the curve.
- Government bonds to be avoided.

FX

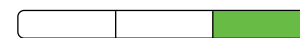
Tactical 3 Months

Strategic 12 Months

EUR/USD



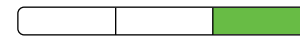
EUR/USD



EUR/CHF



EUR/CHF



USD/CHF



USD/CHF



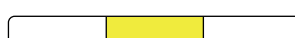
- Neutral on the EUR / USD in the short term, range bound 1.18 - 1.22
- EUR / CHF near important supports, if it breaks it will likely test 2020 lows.

Oil

Tactical 3 Months

Strategic 12 Months

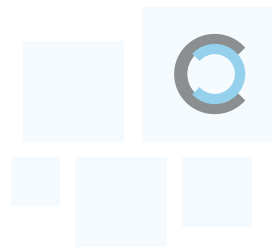
Oil



Oil



- The reopening of the global economy should further boost oil demand in the coming month.
- Demand should absorb planned OPEC increase.



Insights & Calendar

World Indices

As of 01/08/21

	1 Month	YTD
DJIA	● 0.43%	● 14.14%
S&P 500	● 0.99%	● 17.02%
NASDAQ	● 0.23%	● 13.85%
Nikkei 225	● 3.48%	● 1.23%
Euro Stoxx 50	● 0.12%	● 15.11%
SMI	● 1.27%	● 13.20%

Commodities

As of 01/08/21

	1 Month	YTD
Crude Oil WTI	● 2.42%	● 50.99%
Natural Gas	● 7.23%	● 54.16%
Gold	● 1.10%	● 4.43%
Silver	● 3.75%	● 3.45%
Copper	● 3.77%	● 25.26%

Rates 10 Years

As of 01/08/21
Perf. Perf.

	Actual	1M BPS	YTD BPS
USA	1.24%	● 19.00	● 32.00
Germany	-0.45%	● 21.50	● 12.00
Italy	0.62%	● 15.00	● 8.00
Spain	0.27%	● 10.00	● 23.00
UK	-0.06%	● 13.00	● 38.00
Japan	0.01%	● 2.00	● 0.00

Currency / Crypto

As of 01/08/21

	1 Month	YTD
USD/EUR	● 0.15%	● 2.73%
EUR/GBP	● 0.40%	● 4.48%
EUR/CHF	● 2.02%	● 0.60%
USD/CHF	● 2.06%	● 2.34%
Bitcoin/USD	● 20.10%	● 43.30%
Litecoin/USD	● 1.11%	● 15.90%

August

August 5, 2021

BoE Interest Rate Decision



August 26-28, 2021

Jackson Hole



Economic Symposium

September

September 9, 2021

ECB Interest Rate Decision



September 14, 2021

UN General Assembly Opens



September 22, 2021

FED Interest Rate Decision



September 23, 2021

BoE Interest Rate Decision

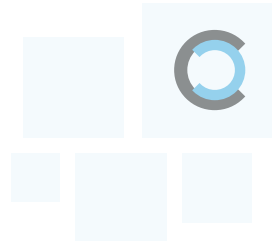


September 26, 2021

German Federal Election



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