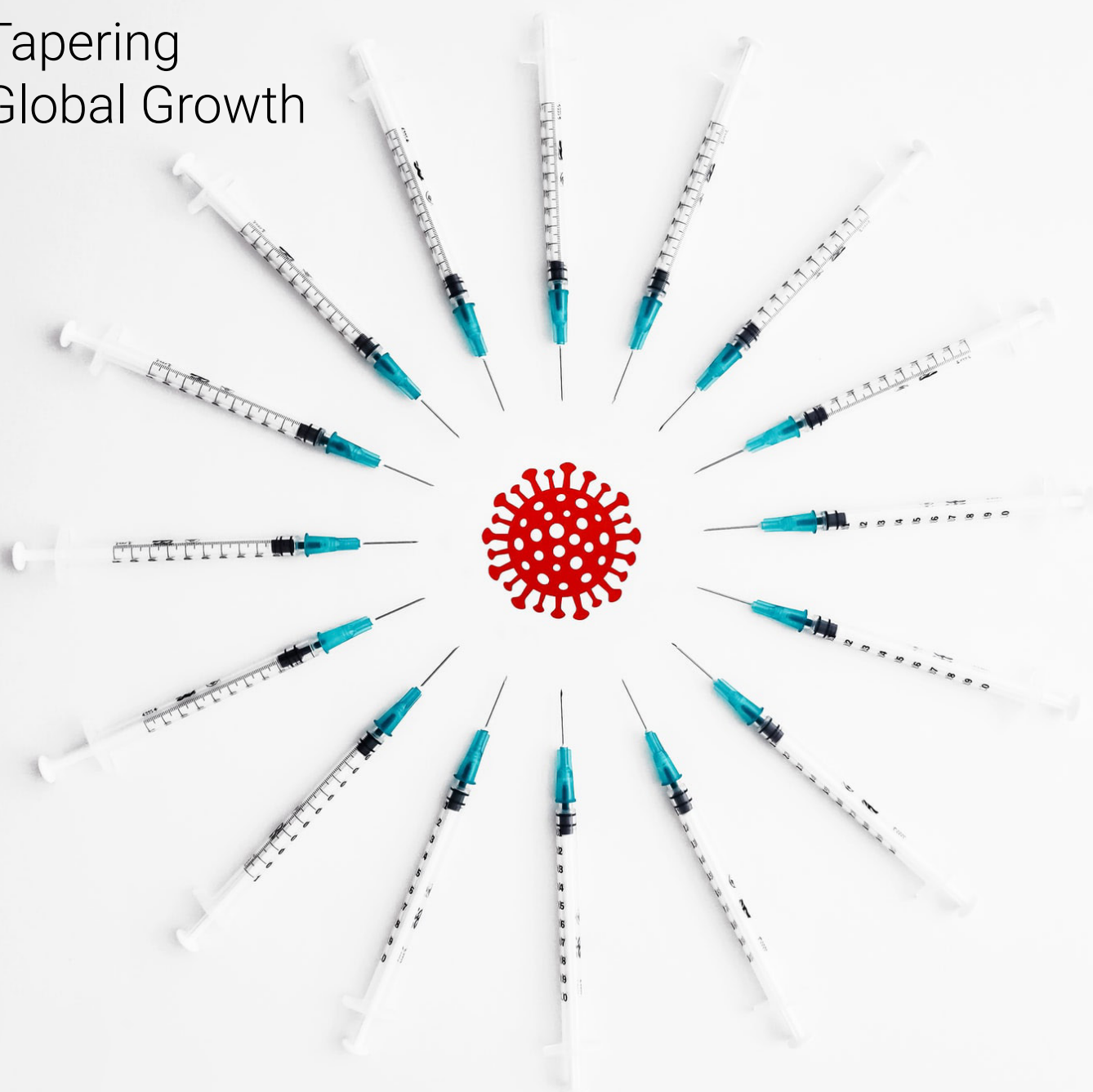
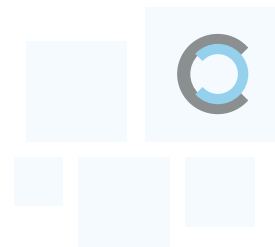


House View

DECEMBER - JANUARY 2022

Omicron
Tapering
Global Growth





Key Highlights

- Fears about the Omicron variant, Inflation and a more hawkish FED are weighing on investors sentiment and increasing volatility in equity markets. Global growth remains above trend supported by fiscal stimulus and an accommodative global monetary stance.
- Our base scenario still see the global economy to grow above trend and inflation to fade in the second part of next year.
- Despite the fact that emergency stimulus measures are likely to be reduced in coming months, global economic growth will remain well sustained by fiscal stimulus and an accommodative global monetary stance. Less restrictions on mobility thanks to vaccines and COVID-Pass.
- Employment's data will allow the US Federal Reserve to reduce its asset purchases program in the coming months (tapering).
- Over the coming weeks, we will get a more clear idea of the nature and extent of the risk posed by the omicron variant, and greater clarity about the likely path for FED policy.

Market Metrics

S&P 500	Actual	2021	2022	2023
EPS	181.9	209.0	225.1	246.6
Price / EPS	25.8	22.4	20.9	19.0
Dividend Yield	1.3	1.4	1.4	1.5
Price / Sales	3.1	3.0	2.8	2.7

NASDAQ 100	Actual	2021	2022	2023
EPS	457.1	539.1	588.9	663.9
Price / EPS	35.8	30.3	27.8	24.6
Dividend Yield	0.6	0.6	0.7	0.7
Price / Sales	5.7	5.5	5.0	4.5

E. STOXX 600	Actual	2021	2022	2023
EPS	23.4	29.3	31.0	33.3
Price / EPS	20.5	16.4	15.5	14.4
Dividend Yield	2.6	2.9	3.0	3.2
Price / Sales	1.6	1.6	1.5	1.5

MSCI EM	Actual	2021	2022	2023
EPS	88.5	94.7	100.2	110.6
Price / EPS	14.8	13.2	12.5	11.3
Dividend Yield	2.4	2.8	3.0	3.2
Price / Sales	1.5	1.5	1.4	1.3

In absolute terms markets remain well priced compared to the historic average. Europe cheaper than US. Earnings estimates raised, not big room for further P/E expansion.



Macroeconomic View

World

GROWTH

OMICRON

- Global growth will slow down in 2022 from a record high of 6% to a still robust 4.5 – 5% rate (mid-cycle slowdown).
- Several countries are confronted with rising COVID cases (especially in Europe), new global lockdowns are unlikely (exception: Austria). Governments, businesses, and consumers have learned how to adapt to restrictions.
- Price pressures should ease in the second part of the year as supply - demand pandemic related imbalances disappear and energy prices stabilize.

USA

LABOR

INFLATION

TAPERING

- Labour market progress, rising wage income and strong household balance sheet still support consumer confidence and spending.
- Supply side bottlenecks combined with strong consumer demand are still creating inflationary pressure. As bottlenecks are resolved, inflation should start to ease.
- The FED will start to reduce its asset purchases program before year's end. Rate hikes unlikely before end of 2022.

Europe

OMICRON

INFLATION

- Europe is confronting Omicron. New lockdowns are unlikely. Countries are reintroducing new restrictions. Governments, businesses, and consumers have learned how to adapt.
- PMI indices still indicates solid expansion in the coming months
- Upward pressure on inflation data should be temporary.

Emerging Markets

CHINA

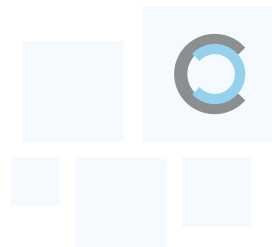
- Chinese economy growth slowdown has hit levels policymakers can no longer ignore and in the near term we expect incremental policy loosening. PBOC will likely cut further the bank reserve requirements rates.
- Chinese Policymakers have been willing to sacrifice short-term growth for longer-term social objectives.

Base Scenario

- Global economic expansion well above trend.
- Strong earnings recovery on the way.
- Price pressures should ease in the second part of the year.
- Monetary and fiscal policies remain very supportive.

Risks on the Base Scenario

- Issues with COVID mutations or the vaccine rollout.
- Overheated economy causes more supply bottlenecks and Inflation surprise.
- Higher taxation, weaker macro, geopolitical events.
- Chinese regulations could unnerve markets.



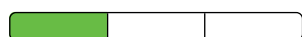
Market View

Liquidity

Tactical 3 Months

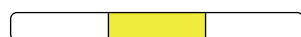
Strategic 12 Months

Liquidity



- Use tactically as dry powder.

Liquidity



Equities

Tactical 3 Months

Strategic 12 Months

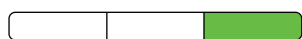
USA



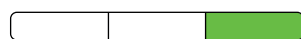
USA



Europe



Europe



Switzerland



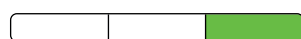
Switzerland



Emerging Markets



Emerging Markets



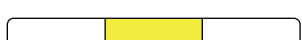
- Difficult to further enhance 2021 earnings expectations (already +45% expected for MSCI World) expectations for 2022 (+7%) leave room for potential estimate upgrades.

Gold

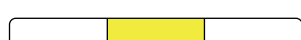
Tactical 3 Months

Strategic 12 Months

Gold



Gold



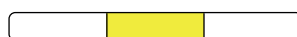
- Central banks and still negative real rates supportive in the medium term.
- Nice to have as a partial hedge to equity exposure.

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.
- Upward pressure on the long end of the curve.

FX

Tactical 3 Months

Strategic 12 Months

EUR/USD



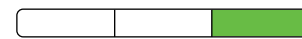
EUR/USD



EUR/CHF



EUR/CHF



USD/CHF



USD/CHF



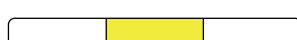
- Neutral on the EUR / USD in the short term, range bound 1.16 - 1.20.
- EUR / CHF broke important supports, looks oversold.

Oil

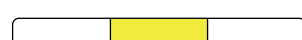
Tactical 3 Months

Strategic 12 Months

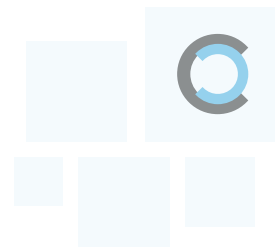
Oil



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 01/12/21

	1 Month	YTD
DJIA	● 3.7%	● 12.7%
S&P 500	● 0.8%	● 21.6%
NASDAQ	● 0.3%	● 20.6%
Nikkei 225	● 3.7%	● 1.4%
Euro Stoxx 50	● 4.4%	● 14.4%
SMI	● 0.4%	● 13.6%

Commodities

As of 01/12/21

	1 Month	YTD
Crude Oil WTI	● 15.6%	● 37.1%
Natural Gas	● 17.7%	● 37.6%
Gold	● 0.2%	● 6.2%
Silver	● 4.7%	● 13.6%
Copper	● 3.0%	● 22.8%

Rates 10 Years

As of 01/12/21
Perf. Perf.

	Actual	1M BPS	YTD BPS
USA	1.44%	● 11.0	● 53.0
Germany	-0.35%	● 24.0	● 22.0
Italy	0.97%	● 20.0	● 42.0
Spain	0.40%	● 21.0	● 35.0
UK	0.81%	● 22.0	● 61.0
Japan	0.05%	● 4.0	● 3.0


Currency / Crypto

As of 01/12/21


	1 Month	YTD
USD/EUR	● 2.7%	● 8.0%
EUR/GBP	● 0.8%	● 5.2%
EUR/CHF	● 1.5%	● 3.6%
USD/CHF	● 0.3%	● 3.8%
Bitcoin/USD	● 6.2%	● 97.1%
Ethereum/USD	● 8.5%	● 526.0%

December


December 1, 2021

BOE Gov Bailey Speaks 
FED Chair Powell Speaks 



December 3, 2021

ECB President Lagarde Speaks 

December 15, 2021


FED Interest Rate Decision 
FOMC Press Conference

December 16, 2021

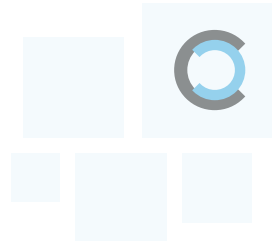
BOE Interest Rate Decision 
ECB Interest Rate Decision 

January

January 26, 2022

FED Interest Rate Decision 
FOMC Press Conference

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