

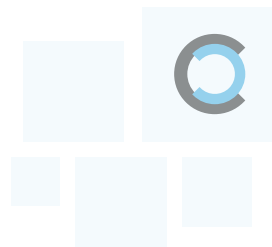
House View

JULY - AUGUST 2022

Interest Rates

Inflation

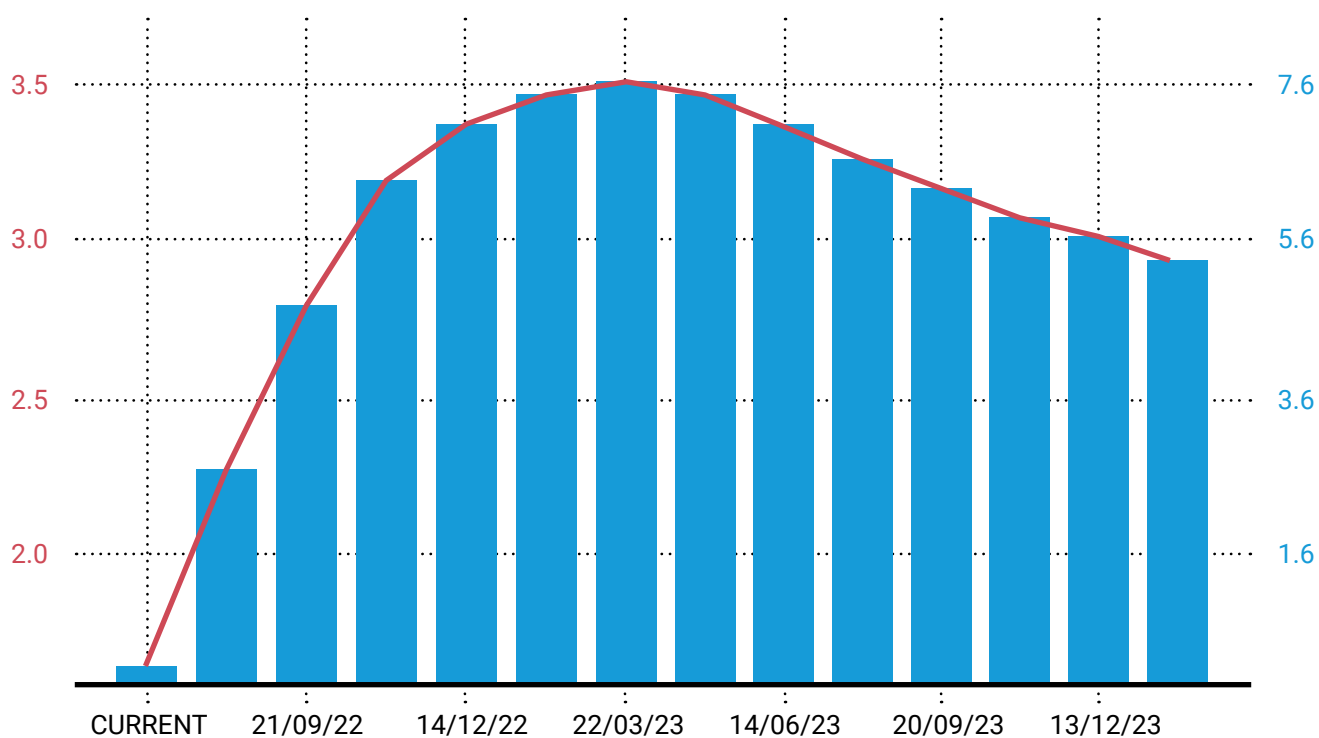
Corporate Earnings



Key Highlights

- The global macroeconomic outlook is deteriorating. Global growth is decelerating. Consumer's behaviour is affected by the surge in energy prices and inflation in general.
- Subtrend global growth and tighter monetary policy create a challenging outlook for asset markets in 2H22.
- Corporate's margins and earnings globally under pressure
- Central bank's rhetoric still hawkish until inflation start to cool substantially (not before Q4 22)

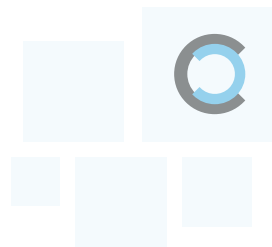
USA Implied Overnight Rate & Number of Hikes / Cuts



IMPLIED POLICY RATE (%)

NUMBER OF HIKES / CUTS PRICED IN

Macroeconomic View



World

INFLATION

GROWTH

RECESSION

- Monetary authorities are using every means to stop price surges and thus accept the risk of a recession.
- Global growth forecasts have become gloomier. Europe is losing momentum due to Ukraine. We expect a global slowdown in H2 22, but we still see a recession as unlikely.
- Gasoline and food prices are hitting consumers hard, real wages and purchasing power are falling.
- Equities should be resilient to higher interest rates if corporate earnings continue to grow, value stocks are likely to benefit from persistent inflation and higher interest rates more than growth stocks.

USA

LABOR

INFLATION

RATES

- The Fed will raise rates aggressively in the next meetings to fight inflation and will tighten monetary policy by shrinking its balance sheet.
- Full employment and wage growth should support consumers' behaviour.
- From Q4 on inflation should slow down as goods prices cool off, but strong demand will push service prices higher

Europe

ECONOMY

INFLATION

- Surging energy, food, and raw material prices are keeping inflation pressures high. Inflation's fight main concern for ECB, markets expect three deposit rate hikes this year.
- Eurozone economy is more resilient than initially feared. High levels of household and corporate savings will cushion some of the impact on the economy. Fiscal policy will also provide support.

Emerging Markets

CHINA

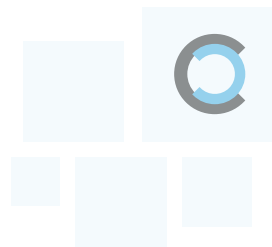
- Chinese economy growth slowdown has hit levels policymakers can no longer ignore.
- The government's "zero-COVID" policy should continue to weigh on consumption.
- Faster and larger fiscal and monetary stimulus needed to support economic growth.

Base Scenario

- Global economic slowdown but no recession in 2022.
- Corporates earnings' growth revised down but stay positive.
- Price pressures should ease in the second part of the year.
- Monetary and fiscal policies less supportive

Risks on the Base Scenario

- Further Ukraine conflict escalation.
- New virus waves.
- Stagflation.
- Central Bank policy errors.
- More supply bottlenecks and inflation surprise.



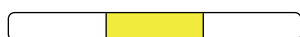
Market View

Liquidity

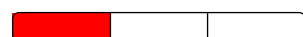
Tactical 3 Months

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



- Earnings expectations for 2022 and 2023 looking too optimistic.
- Operating margins are under pressure and visibility for next quarters limited.

Gold

Tactical 3 Months

Strategic 12 Months

Gold



Gold



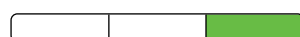
- Nice to have as a partial hedge to equity exposure.
- Negative real rates and geopolitics supportive in the medium term.

Fixed Income

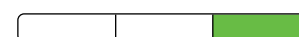
Tactical 3 Months

Strategic 12 Months

Investment Grade



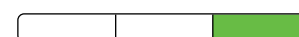
Investment Grade



High Yield



High Yield



- EUR and USD offer some opportunities.
- BBB Spreads and yields look interesting.

FX

Tactical 3 Months

Strategic 12 Months

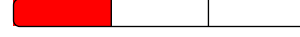
EUR/USD



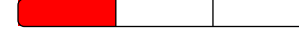
EUR/USD



EUR/CHF



EUR/CHF



USD/CHF



USD/CHF



- USD peaking in the next quarters.
- CHF stronger vs EUR SNB less determined to control CHF appreciation.

Oil

Tactical 3 Months

Strategic 12 Months

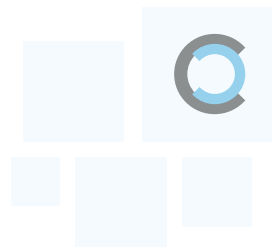
Oil



Oil



- Geopolitics and Supply concerns will support prices



Insights & Calendar

World Indices

As of 30/06/22

	1 Month	YTD
DJIA	● 6.7%	● 15.3%
S&P 500	● 8.4%	● 20.6%
NASDAQ	● 8.7%	● 29.5%
Nikkei 225	● 3.3%	● 8.3%
Euro Stoxx 50	● 8.8%	● 19.6%
SMI	● 7.5%	● 16.6%

Commodities

As of 30/06/22

	1 Month	YTD
Crude Oil WTI	● 6.1%	● 43.1%
Natural Gas	● 30.4%	● 48.5%
Gold	● 2.1%	● 0.9%
Silver	● 6.2%	● 12.8%
Copper	● 12.6%	● 15.3%

Rates 10 Years

As of 30/06/22
Perf. Perf.

	Actual	1M BPS	YTD BPS
USA	3.01%	● 17	● 150
Germany	1.33%	● 21	● 151
Italy	3.26%	● 14	● 209
Spain	2.42%	● 20	● 186
UK	2.23%	● 13	● 126
Japan	0.23%	● 0	● 16

Currency / Crypto

As of 30/06/22

	1 Month	YTD
USD vs EUR	● 2.4%	● 8.4%
GBP vs EUR	● 1.1%	● 2.3%
CHF vs EUR	● 2.8%	● 3.5%
CHF vs USD	● 0.5%	● 4.6%
BTC vs USD	● 41.1%	● 59.6%
ETH vs USD	● 48.5%	● 72.6%

July

July 12, 2022

BOE Gov. Bailey Speaks



July 13, 2022

GDP MoM, QoQ, YoY



Core CPI MoM, YoY



July 21, 2022

ECB Interest Rate Decision



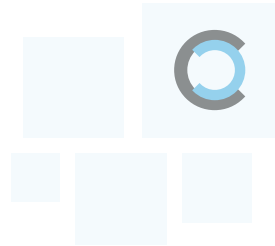
July 27, 2022

FED Interest Rate Decision



August

Disclaimer



Generic investment research – Risk information:

This publication is for your information only and is not intended as an offer, or a solicitation of an offer, to buy or sell any investment or other specific product. The analysis contained herein does not constitute a personal recommendation or take into account the particular investment objectives, investment strategies, financial situation and needs of any specific recipient. It is based on numerous assumptions. Different assumptions could result in materially different results. All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness. All information and opinions as well as any forecasts, estimates and market prices indicated are current as of the date of this report, and are subject to change without notice.

In no circumstances may this document or any of the information (including any forecast, value, index or other calculated amount ("Values")) be used for any of the following purposes (i) valuation or accounting purposes; (ii) to determine the amounts due or payable, the price or the value of any financial instrument or financial contract; or (iii) to measure the performance of any financial instrument including, without limitation, for the purpose of tracking the return or performance of any Value or of defining the asset allocation of portfolio or of computing performance fees. By receiving this document and the information you will be deemed to represent and warrant to OpenCapital SA that you will not use this document or otherwise rely on any of the information for any of the above purposes.

OpenCapital SA is a financial service provider carrying out portfolio management and investment advice services. In carrying out its duties OpenCapital SA, (i) may at any time for the managed accounts hold long or short positions in investment instruments reflecting or not reflecting the economic exposure views contained herein; or (ii) may at any time advise customers to hold long or short positions in investments reflecting or not reflecting the economic exposure views contained herein. At any time, investment decisions (including whether to buy, sell or hold securities) made by OpenCapital SA and its employees may differ from or be contrary to the opinions expressed in this research document.

We are of necessity unable to take into account the particular investment objectives, financial situation and needs of our individual clients and we would recommend that you take financial and/or tax advice as to the implications (including tax) of investing in any of the views mentioned herein.

This material may not be reproduced or copies circulated without prior authority of OpenCapital SA. Unless otherwise agreed in writing OpenCapital SA expressly prohibits the distribution and transfer of this material to third parties for any reason. OpenCapital SA accepts no liability whatsoever for any claims or lawsuits from any parties arising from the use or distribution of this material.

This report is for distribution only under such circumstances as may be permitted by applicable law.

Ricerca d'investimento generica – Informazioni sui rischi:

Questa pubblicazione viene distribuita solo a fini informativi e non rappresenta un'offerta né una sollecitazione di offerta diretta per l'acquisto o la vendita di prodotti d'investimento o di altri prodotti specifici. L'analisi contenuta nella presente pubblicazione non costituisce una raccomandazione personale né tiene conto degli obiettivi d'investimento, delle strategie d'investimento, della situazione finanziaria o delle esigenze particolari di un determinato destinatario. Si basa su numerosi presupposti. Presupposti diversi potrebbero dare risultati sostanzialmente diversi. Tutte le informazioni e le opinioni espresse in questo documento sono state ottenute da fonti ritenute attendibili e in buona fede; tuttavia, si declina qualsiasi responsabilità, contrattuale o tacita, per l'eventuale mancanza di correttezza o completezza. Tutte le informazioni e le opinioni così come le previsioni, le stime e i prezzi di mercato indicati si riferiscono unicamente alla data della presente pubblicazione e sono soggetti a cambiamenti senza preavviso.

Il presente documento e le informazioni ivi contenute (tra cui previsioni, valori, indici o altri importi calcolati («Valori»)) non possono in alcun caso essere utilizzati per i seguenti scopi: (i) a fini di valutazione o di contabilità; (ii) per stabilire gli importi dovuti o da versare, il prezzo o il valore di uno strumento finanziario o di un contratto finanziario; o (iii) per misurare la performance di uno strumento finanziario, anche, tra l'altro, con l'obiettivo di monitorare il rendimento o la performance di un Valore o di definire l'asset allocation di un portafoglio oppure di calcolare le commissioni di performance. Ricevendo il presente documento e le informazioni ivi contenute si ritiene che dichiariate e assicurate a OpenCapital SA che non userete questo documento e che non farete diversamente affidamento sulle informazioni ivi contenute per gli scopi di cui sopra.

OpenCapital SA è un fornitore di servizi finanziari attiva nella gestione patrimoniale e nella consulenza in investimenti. Nell'espletazione dei suoi doveri OpenCapital (i) può in qualsiasi momento inserire delle posizioni lunghe o corte in strumenti finanziari che riflettono o non riflettono l'esposizione economica delle opinioni di questa ricerca d'investimento oppure (ii) può in qualsiasi momento inserire delle posizioni lunghe o corte in strumenti finanziari che riflettono o non riflettono l'esposizione economica delle opinioni di questa ricerca economica. In ogni momento, le decisioni d'investimento (compresa la scelta di acquistare, vendere o detenere titoli) prese da OpenCapital SA e dai suoi dipendenti possono differire o essere contrarie alle opinioni espresse nelle pubblicazioni di ricerca di OpenCapital SA. Ci è impossibile tenere conto degli obiettivi d'investimento, della situazione finanziaria e delle esigenze particolari di ogni singolo cliente e pertanto vi raccomandiamo di rivolgervi a un consulente finanziario e/o fiscale per discutere le implicazioni, comprese quelle fiscali, dell'investimento in qualsiasi opinione menzionato nel presente materiale. È vietata la riproduzione o la distribuzione di copie di questo materiale senza la preventiva autorizzazione di OpenCapital SA. Se non diversamente convenuto per iscritto, OpenCapital SA vieta espressamente la distribuzione e il trasferimento di questo materiale a terzi per qualsiasi ragione. OpenCapital non accetta alcuna responsabilità per eventuali pretese o azioni legali derivanti dall'uso o dalla distribuzione di questo materiale. Questo materiale è destinato alla distribuzione solo secondo le circostanze permesse dal diritto applicabile.

Photo on first page by Gayatri Malhotra on Unspalsh.com