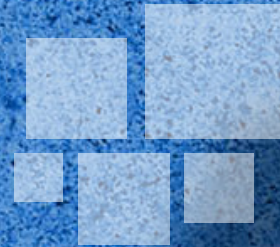
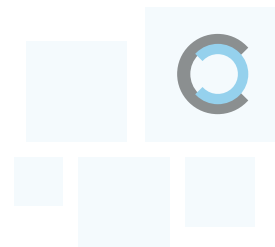


House View

MAY - JUNE 2022

Ukraine - Russia
Inflation
Rate Hikes





Key Highlights

- More challenging geopolitical and macroeconomic environment.
- The link between Russia - Ukraine conflict, Chinese zero COVID-19 policy and Central Banks' actions, will determine economic growth and inflation in the next quarters.
- A hawkish FED is ready to deliver multiple rate hikes over the course of this year, while the European Central Bank is expected to be more patient, particularly in the event of a more severe disruption to European oil and gas supplies from Russia.
- Our base scenario sees the global economy to expand in 2022 avoiding recession and stagflation, inflation will also fall gradually over the course of the year.

Market Metrics

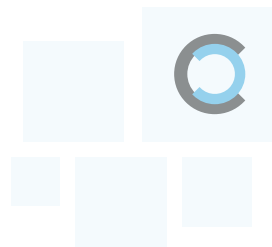
S&P 500	Actual	2022	2023	2024
EPS	206.7	227.6	249.0	271.7
Price / EPS	20.8	18.9	17.3	15.8
Dividend Yield	1.4	1.5	1.6	1.7
Price / Sales	2.7	2.5	2.4	2.3

NASDAQ 100	Actual	2022	2023	20234
EPS	448.2	561.3	638.2	718.7
Price / EPS	30.2	24.1	21.2	18.8
Dividend Yield	0.8	0.8	0.9	0.9
Price / Sales	4.4	4.2	3.9	3.6

E. STOXX 600	Actual	2022	2023	2024
EPS	27.1	33.9	35.9	38.1
Price / EPS	16.4	13.1	12.4	11.6
Dividend Yield	3.0	3.3	3.6	3.8
Price / Sales	1.4	1.3	1.3	1.2

MSCI EM	Actual	2022	2023	2024
EPS	87.3	91.3	100.8	108.9
Price / EPS	12.1	11.6	10.5	9.7
Dividend Yield	2.7	3.1	3.5	3.9
Price / Sales	1.3	1.2	1.1	1.0

Macroeconomic View



World

INFLATION

GROWTH

UKRAINE

- The conflict in Ukraine determined a sharp increase in the price of many commodities on top of that supply bottlenecks are likely to persist as China is still struggling to control the spread of Covid-19.
- Inflation could be higher for longer weighing on disposable consumer incomes, corporate profit and consequently on economic expansion.
- Governments are ready to provide some fiscal support to ease the pressure.
- Global growth will slow down in 2022 from a record high of 6.1% to a more normal and slightly below trend, 3 - 3.5% rate of growth tempered by higher energy prices.

Europe

ENERGY

INFLATION

- The effect of higher energy prices is starting to weight on economic activity data. Consumers are starting to cut demand in the face of higher prices.
- The war in Ukraine, surging energy, food and raw material prices put further upside pressure on inflation.
- Fiscal policy remains supportive in the Eurozone. Recovery plan funds will further support recovery and push investments towards green initiatives.

Base Scenario

- Global economic expansion slowdown but no recession.
- Corporate earnings still robust.
- Price pressures should ease in the second part of the year.
- Monetary and fiscal policies less supportive.

USA

LABOR

INFLATION

RATES

- Economy is approaching full employment; wage growth is accelerating unnerving the FED.
- Energy prices pushed inflation to new highs in March. Inflation should slow down in the second part of the year as bottlenecks are resolved.
- The Fed will raise rates aggressively in line with market expectations and will start reducing its balance sheet.
- Despite falling saving's rate household's balance sheets are strong.

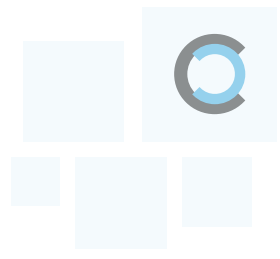
Emerging Markets

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.

Risks on the Base Scenario

- Further conflict escalation.
- New virus waves.
- More supply bottlenecks and Inflation surprise.
- Stagflation.
- Central Banks policy errors.



Market View

Liquidity

Tactical 3 Months

Strategic 12 Months

Liquidity



Liquidity



- Use tactically as dry powder.

Equities

Tactical 3 Months

Strategic 12 Months

USA



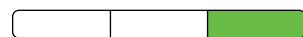
USA



Europe



Europe



Switzerland



Switzerland



Emerging Markets



Emerging Markets



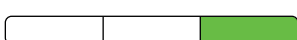
- Risk from the escalation of conflicts, inflation peaks and aggressive rate hikes.

Gold

Tactical 3 Months

Strategic 12 Months

Gold



Gold



- Nice to have as a partial hedge to equity exposure because of geopolitical risks.

- Real rates acting negatively in medium terms.

Fixed Income

Tactical 3 Months

Strategic 12 Months

Investment Grade



Investment Grade



High Yield



High Yield



- Inflation peaking in Q2.
- Nice opportunities in High Yield USD

FX

Tactical 3 Months

Strategic 12 Months

EUR/USD



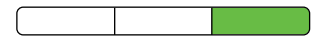
EUR/USD



EUR/CHF



EUR/CHF



USD/CHF



USD/CHF



- USD acting as a countercyclical currency although it is fundamentally overpriced.

Oil

Tactical 3 Months

Strategic 12 Months

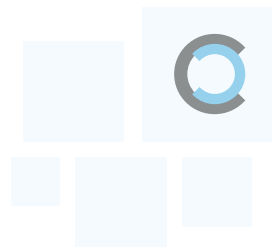
Oil



Oil



- Supported by geopolitical tensions in the near term.



Insights & Calendar

World Indices

As of 29/04/22

	1 Month	YTD
DJIA	● 5.3%	● 9.2%
S&P 500	● 9.1%	● 13.3%
NASDAQ	● 13.5%	● 21.1%
Nikkei 225	● 5.1%	● 6.8%
Euro Stoxx 50	● 3.0%	● 4.5%
SMI	● 0.4%	● 5.3%

Commodities

As of 29/04/22

	1 Month	YTD
Crude Oil WTI	● 4.4%	● 39.2%
Natural Gas	● 28.4%	● 94.1%
Gold	● 2.1%	● 3.6%
Silver	● 8.1%	● 2.1%
Copper	● 7.5%	● 1.5%

Rates 10 Years

As of 29/04/22
Perf. Perf.

	Actual	1M BPS	YTD BPS
USA	2.94%	● 60.0	● 142
Germany	0.94%	● 39.0	● 112
Italy	2.78%	● 74.0	● 161
Spain	1.97%	● 54.0	● 141
UK	1.90%	● 30.0	● 93
Japan	0.23%	● 1.0	● 16


Currency / Crypto

As of 29/04/22

	1 Month	YTD
USD/EUR	● 5.0%	● 7.9%
EUR/GBP	● 0.4%	● 0.4%
EUR/CHF	● 0.5%	● 1.1%
USD/CHF	● 5.3%	● 6.4%
Bitcoin/USD	● 16.2%	● 17.3%
Ethereum/USD	● 15.4%	● 24.3%

May

May 3 - 4, 2022

FOMC Federal Reserve Meeting 

May 5, 2022

BOE Meeting 

June

June 9, 2022

BCE Meeting 

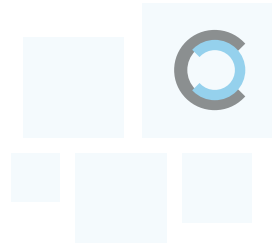
June 14 - 15, 2022

FOMC Federal Reserve Meeting 

June 16, 2022

BOE Meeting 

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