MONTHLY NEWSLETTER – March 2024

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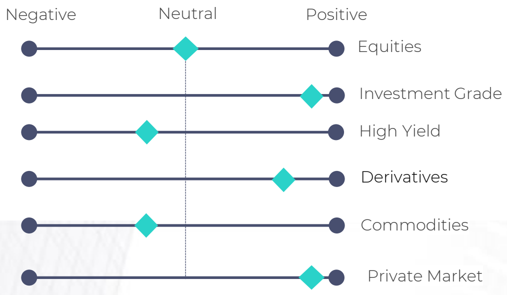
Chief Investment Officer

"The first quarter was marked by strong performance in equity markets, driven by robust macroeconomic data, confirming the scenario of a soft landing for the economy. Volatility remained low during this period.
However, bonds faced more challenges amidst slightly rising inflation at the beginning of the year and a repricing of the number of rate cuts expected for the year.
We remain favorable to strategies aimed at locking in current interest rate levels and continue to prefer investment-grade bonds. We maintain neutral on our equity allocation, awaiting potential market dips. Opportunities in private markets continue to emerge for this year."

OUR MARKET VIEWS



POTENTIAL MARKET CATALYSTS

- **Central bank's interest rates cuts**
- **Continuing Inflation easing**
- **Good corporate earnings**
- **Easing of geopolitical tensions**

KEY INDICATORS

Equities (%)	Level	Feb.	March	YTD 2024
S&P 500	5 254	4,6	3,64	9,26
Nasdaq 100	18 255	4,3	2,13	7,93
Eurostoxx 50	5 083	5,1	4,09	12,54
FTSE 100	7 953	-0,1	4,30	3,07
China SI 300	3 537	7,3	2,53	3,98
Emerging markets	1 043	4,4	2,40	1,90

Bonds (rate spreads)	Level	Feb.	March	YTD 2024
		Spread change level		
10 year government bonds				
US	4,20	0,35	-0,06	12,17
Europe	2,30	0,29	-0,16	16,90
Corporate – 5 years spread (change level)				
Investment Grade US	51	-3,55	-1,58	-8,25
Investment Grade Europe	94	-3,52	-3,02	-5,12
High Yield US	330	-18,84	-12,10	-5,55
High Yield Europe	297	-19,75	-10,99	-4,43

Currencies (%)	Level	Feb.	March	YTD 2024
EUR / USD	1,0790	0,2	-0,44	-1,63
GPB / USD	1,2623	-0,2	-0,31	-0,57
CHF / USD	1,1094	-2,0	-2,50	7,75

Commodities (%)	Level	Feb.	March	YTD 2024
Gold	2 230	-0,2	9,60	11,18
Brent	87	2,4	4,54	15,89
Copper	401	-2,3	4,34	8,30
Aluminium	2 307	-4,2	6,89	1,94

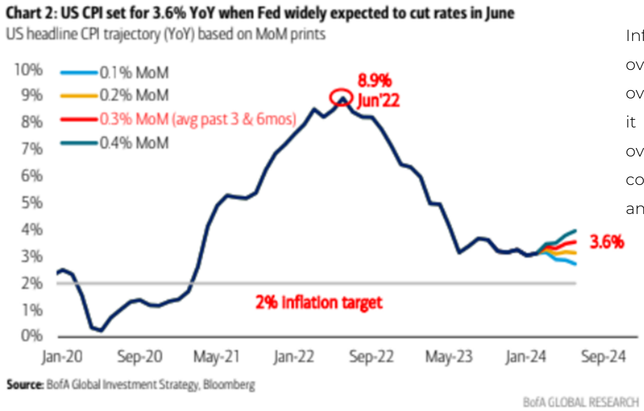
Volatility	Level	Feb.	March	YTD 2024
Euro Stoxx 50	13	-6,4	-3,51	3,54
Nasdaq 100	13	-3,6	-6,00	14,46

Cryptos (%)	Level	Feb.	March	YTD 2024
Bitcoin	70 846	42,6	17,00	55,9
Ethereum	3 633	45,9	9,33	45,8

Sources: Bloomberg, Norman K. - Data as of March 31st, 2024. Past performance is not a reliable indication of future performance. Non-contractual information.

CHART OF THE MONTH

FED CUTS WILL DEPEND ON INFLATION TRAJECTORY



Inflation has been slightly re-accelerating over the past several months on a month-over-month basis, and if it persists like this, it would start to result in headline year-over-year inflation going up again. This could prevent the Fed from cutting rates anytime soon.

March: Markets ended the 1st quarter in good shape!

USA: Strong economic data leads to downward repricing of rate cuts.

- The US economy has continued to grow, with the Purchasing Managers' Index (PMI) remaining in expansion territory during the first quarter. Additionally, there has been ongoing strength within the labor market. Inflation experienced a slight acceleration in the first quarter, primarily driven by higher energy prices and shelter costs.
- The implied number of US rate cuts for 2024 has been reduced from six or seven cuts at the end of 2023 to no more than three rate cuts in total, starting in the summer.

Our view: The Fed will cut rates later in the year, but it's important to monitor the short-term impact of an inflation rebound given the current geopolitical uncertainties.

EUROZONE: Rate cuts for the summer?

- High interest rates, coupled with weak global demand and political uncertainty, have dampened expectations for a robust economic recovery. Purchasing Managers' Index (PMI) readings remain weak, signaling contraction in economic activity. Meanwhile, officials at the European Central Bank (ECB) are increasingly converging on June as the suitable timeframe to start rate easing measures.

Our view: Considering the near stagnation of the Eurozone economy, the ECB may be cautious, and start cut rates as soon as the inflation is heading towards 2%.

CHINA: Economy rebound thanks to boosting measures

- Officials have pledged that the government will intensify measures to bolster growth in various sectors, such as biological manufacturing, artificial intelligence, and the data economy. The latest indicators further indicate that China's economy is gaining traction, with industrial production and fixed-asset investment in January-February surpassing estimates. However, deflationary pressures and the persistent downturn in the property market continue to dampen investor sentiment.

Our view: Government is supporting the economy, but investors' sentiment is still mitigated. We expect a rebound of stocks in the long term.

The year 2024 has started strongly, with **the S&P 500 index posting over a 10% gain** in the first quarter. **Bonds** have experienced a **more tumultuous period** due to the rebound in inflation and the downward revision of the number of Fed rate cuts. However, rates remain relatively high, allowing for the construction of portfolios with attractive **yields that would benefit from upcoming rate cuts**. This is particularly true for **corporate bonds**, which we continue to favor, especially on **longer durations**, which are sensitive to interest rate movements.

Regarding the **stock markets**, positive macroeconomic surprises combined with anticipated rate cuts are **favorable factors** that should continue to support stocks. However, **short-term risks persist**, including geopolitical uncertainties and first-quarter earnings. Furthermore, valuations remain relatively high, prompting us to maintain our neutral position. In Europe, lower valuations compared to the US could attract investors to the region.

We remain very optimistic about private market opportunities for 2024. Furthermore, valuations remain relatively high, prompting us to maintain our, with an expected pick-up in the **IPO market**.

WHICH OPPORTUNITIES IN THIS CONTEXT?

High valuations of stocks	Ancipation of rate cuts	Weaker macroeconomic environment
• In-depth analysis and selectivity • Partial profits taking	• "Lock" current yield levels	• Alternative investments • Pre-IPO segment / private debt / asset finance

Sources: Bloomberg, Norman K. - Data as of March 29th 2024. Past performance is not a reliable indication of future performance. Non-contractual information.

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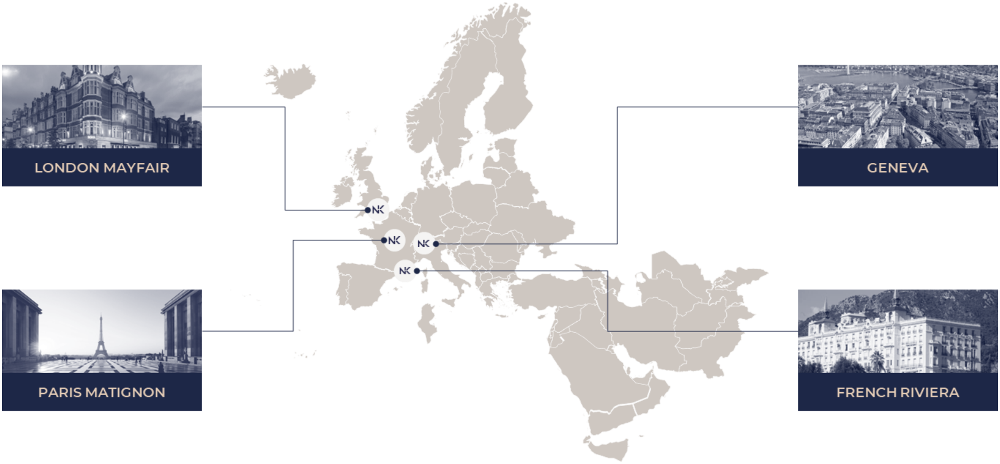
NK LOCATION



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