

### Current market commentary

While little has happened with shares at an index level, there has been a lot of movement below the surface. While growth stocks recovered strongly in April, highly valued IT stocks have recently fallen sharply. Strong economic data, inflation concerns and now increasing discussions about central bank tapering have revived the reflation trade. Energy companies and basic materials were among the relative winners. Equity regions that benefited were Latin America, Eastern Europe and the UK. But defensive sectors such as telecoms and consumer staples also gained. In our view, style volatility is likely to remain elevated over the next few weeks. The market continues to react strongly in the short term to hints of changes in Fed policy. When US Treasury Secretary Yellen last week only raised the possibility of rising interest rates, the Nasdaq fell sharply. A little later, she clarified her statements. The Nasdaq recovered. The topic remains sensitive for markets

### Short-term outlook

The Q1 reporting season in the US comes to an end in the next few weeks. More than 80% of the S&P 500 companies have already reported and on average both earnings and sales have surprised positively. The same applies for the Stoxx Europe 600. On the political and monetary policy front, the US tax debate, the US infrastructure programme and the increasing easing in Europe on Corona restrictions are likely to keep markets busy.

This Tuesday, ZEW Economic Sentiment data for Germany and Industrial Production data (Mar.) for Italy are due. This will be followed on Wednesday by Q1 GDP growth and industrial production data (Mar.) for the UK and consumer price data (Apr.) for the US. US retail sales (Apr.), industrial production data (Apr.) and consumer confidence (Uni Michigan, Apr.) will be released on Friday. Next week, the Markit Purchasing Managers' Indices from Europe and the US for May will follow.

The bi-weekly **Monitor** gives you a structured overview of the current capital market environment and highlights important developments:

- Performance
- Positioning
- Sentiment
- Surprise Indicators
- Economics
- Foreign Exchange
- Equities
- Sovereign Bonds & Central Banks
- Corporate Bonds
- Commodities

*Q1 corporate reporting season comes to a successful end.*

*Economic data should confirm the global economic recovery.*

### Investors have used even small setbacks as buying opportunities

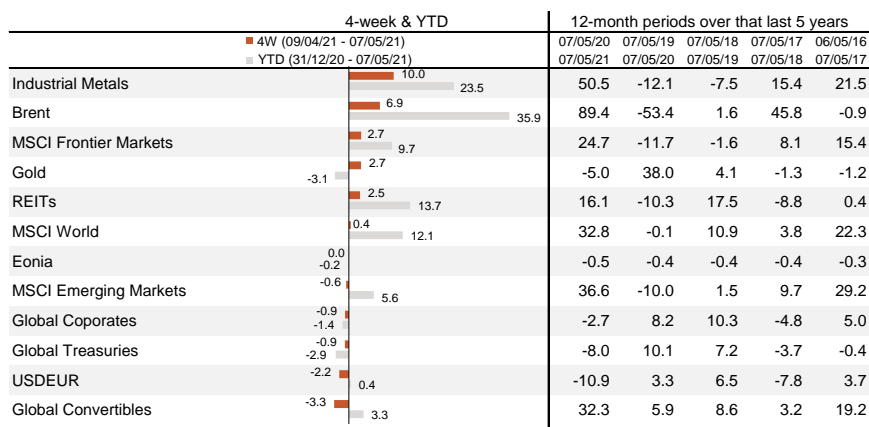


- Global equities have not seen a setback greater than 5% since November. In fact, there have been no declines greater than 10% since the COVID-bear market at the beginning of 2020. Investors therefore took advantage of almost every opportunity to get into the market at a slightly lower price.
- With around USD 4.5 trn. still parked in money market funds and the positive economic outlook, investors are likely to continue to use setbacks as buying opportunities in the coming months.

Source: Bloomberg, Period: 01.01.2018 - 07.05.2021



## Multi Asset



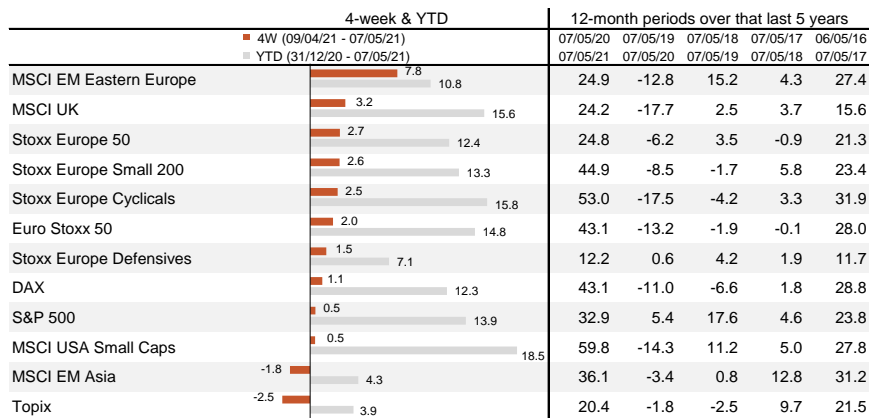
MSCI World: MSCI World Net Return; MSCI Emerging Markets: MSCI EM Net Return; MSCI Frontier Markets: MSCI Frontier Markets Net Return;  
REITs: MSCI World REITs Index; Global Treasuries: Bloomberg Barclays Global Agg Treasuries TR; Global Corporates: Bloomberg Barclays Global Aggregate Credit TR  
Global Convertibles: Bloomberg Barclays Global Convertibles Composite TR; Gold: Gold US Dollar Spot; Brent Crude: Bloomberg Brent Crude Subindex TR;  
Industrial Metals: Bloomberg Industrial Metals Subindex TR; Eonia: Eonia Capitalization Index; USDEUR: Price of 1 USD in EUR.

- Continued robust economic data and increased signs of inflation have recently fuelled the reflation trade again. Over the past four weeks, commodities have risen across the board, led by crude oil and industrial metals.
- Bonds and emerging market equities (weighed by China), however, hardly moved.

Total return for selected asset classes, in EUR and in percent, sorted by 4-week performance.

Source: Bloomberg, Period: 07/05/2016 - 07/05/2021

## Equities



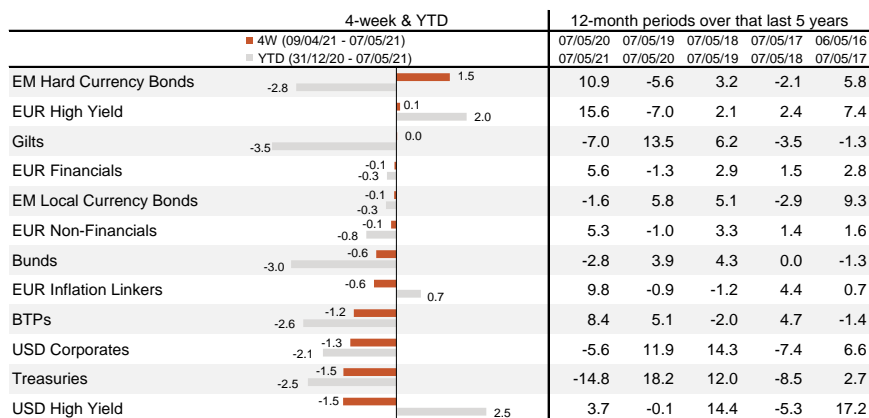
S&P 500: S&P 500 TR (US-Equity); Stoxx Europe 50: Stoxx Europe 50 TR; Euro Stoxx 50: Euro Stoxx 50 TR; Topix: Topix TR (Japanese Equity);  
Stoxx Europe Small 200: Stoxx Europe Small 200 TR; MSCI USA Small Caps: MSCI USA Small Caps TR; Stoxx Europe Cyclical: Stoxx Europe Cyclical TR;  
Stoxx Europe Defensives: Stoxx Europe Defensives TR; DAX: DAX TR; MSCI United Kingdom: MSCI UK TR; MSCI EM Asia: MSCI EM Asia TR;  
MSCI EM Eastern Europe: MSCI EM Eastern Europe TR.

- Eastern European equities benefited from the rise in crude oil prices and were among the relative winners over the last four weeks, as were UK equities.
- Asian equities have been among the relative laggards recently and since the beginning of the year. Japan and the Asian emerging markets even declined over the last four weeks.

Total return (including reinvested dividends) for selected equity indices, in EUR and in percent, sorted by 4-week performance.

Source: Bloomberg, Period: 07/05/2016 - 07/05/2021

## Fixed Income



Bunds: Barclays Germany Govt All Bonds TR; BTPs: Barclays Italy Govt All Bonds TR; Treasuries: Barclays US Treasury TR;  
Gilts: Barcl. UK Govt All Bonds TR; EUR Inflation Linkers: Barcl. Euro Govt Inflation-Linked Bond All Maturities TR; EUR Financials: IBOXX Euro Fin. Overall TR;  
EUR Non-Financials: IBOXX Euro Non-Fin. Overall TR; EUR High Yield: Market iBoxx EUR Liquid HY TR; USD Corporates: iBoxx USD Corporates TR;  
USD High Yield: IBOXX USD Liquid HY TR; EM Hard Currency: Barcl. EM Hard Currency Agg Govt Related TR; EM Local Currency: Barcl. EM Local Currency Govt TR.

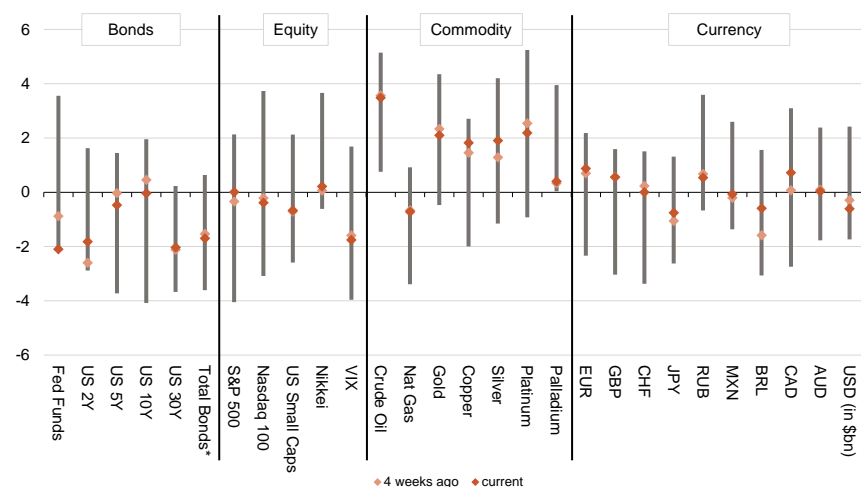
- Carry remains in demand for bonds. It is therefore unsurprising that the best-performing bond segments in recent weeks were EM government bonds and EUR high-yield bonds.
- Italian government bonds, however, were an exception. The prospect of higher government debt was a burden.

Total return (including reinvested coupons) for selected bond indices, in EUR and in percent, sorted by 4-week performance.

Source: Bloomberg, Period: 07/05/2016 - 07/05/2021



## Speculative Positioning



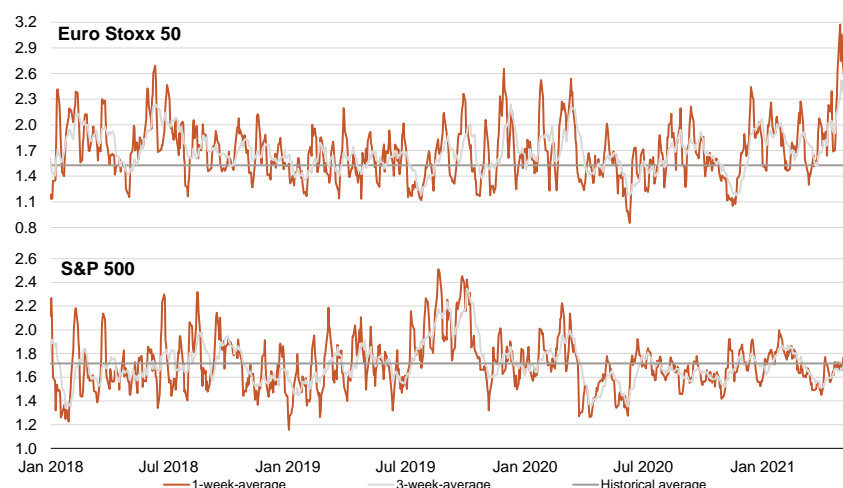
- In the futures space, speculative investors have recently increased their shorts on US government bonds again.
- Within currencies, they have cut their BRL shorts strongly - the position was vulnerable as the high-carry currency BRL has started to appreciate recently.

The Commodity Futures Trading Commission (CFTC) publishes the "Commitments of Traders" report every Friday. A distinction is made between the positions of "non-commercial" and "commercial traders". "Non-commercial traders take purely speculative positions. "Commercial traders hedge underlying transactions with futures or options. The chart shows the historical normalised distribution in standard deviations and focuses on the net futures position (long positions minus short positions) of non-commercial traders, indicating how speculative investors have positioned themselves.

\*Weighted with the duration of the respective futures.

Source: Bloomberg, CFTC, Period: 04/05/2011 - 04/05/2021

## Put-Call Ratio

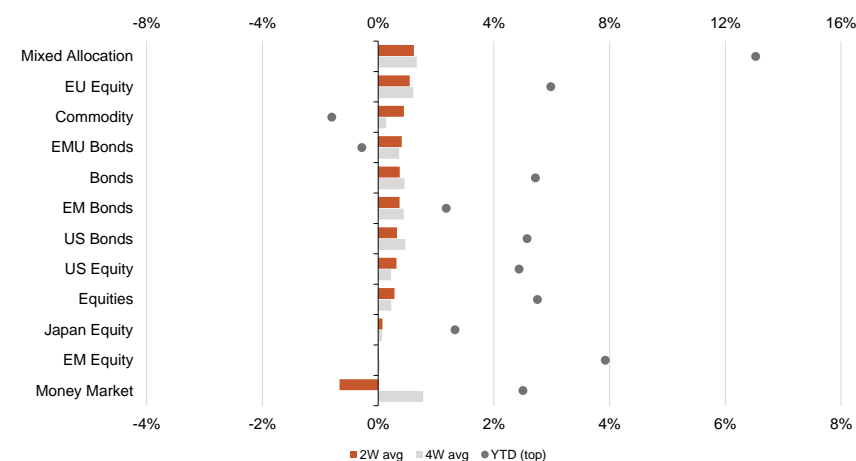


- The put-call ratio for Eurozone equities went down last week. This could be an indication that market participants monetised profits on hedges after the short setback of the Euro Stoxx 50 and the rise in volatility. This would mean that they do not believe in a stronger correction.

The put-call ratio indicates the ratio of traded put options (speculation on falling prices) to call options (speculation on rising prices) across all maturities. The higher (lower) the ratio, the more cautious (optimistic) market participants are. The data are available for the S&P 500 since 20.12.1993 and for the Euro Stoxx 50 since 24.02.2006.

Source: Bloomberg, Period: 20/12/1993 - 07/05/2021

## ETF Flows



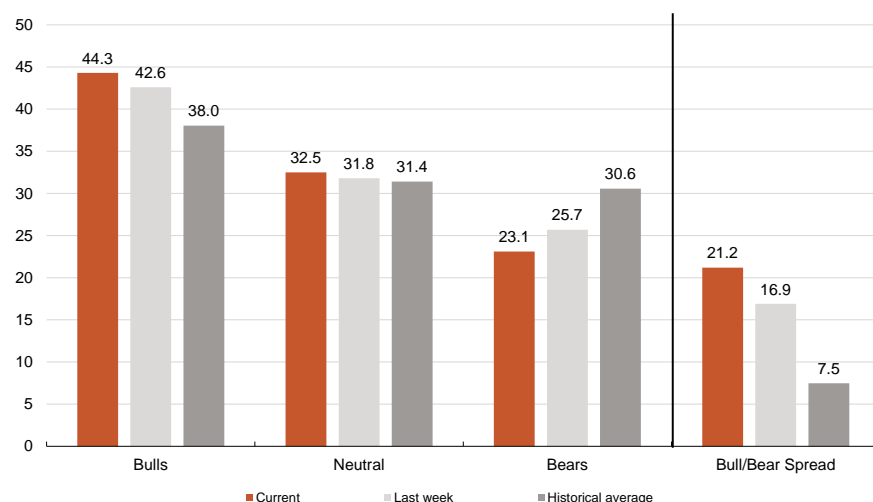
- ETF flows have been very subdued over the past few weeks. Money market vehicles had slight outflows, while multi-asset and European equity products had relatively the largest inflows.
- Since the beginning of the year, most flows (in relation to assets under management) have been put into multi-asset ETFs. Conversely commodity and especially gold ETFs, had the largest outflows.

Estimated ETF flows as a percentage of assets under management, sorted by 2-week average

Source: Bloomberg, Period: 31/12/2020 - 07/05/2021



### AII Sentiment Survey (Bulls vs Bears)

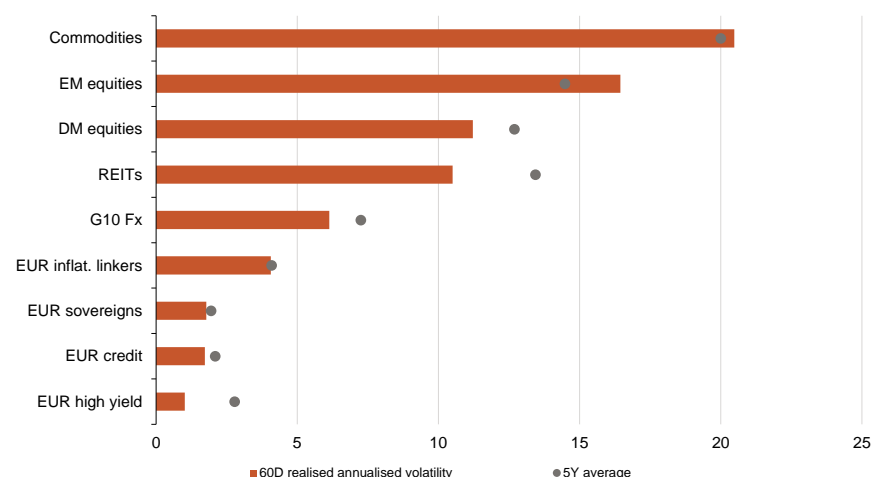


- Sentiment among US private investors remains extremely positive, although the bulls are no longer in the absolute majority. However, at over 21ppts, the bull/bear spread is still three times higher than the historical average.

The Sentiment Survey, conducted by the American Association of Individual Investors, determines the percentage of each individual investor who is optimistic, pessimistic or neutral about the US equity market over a six-month period. It has been conducted since 1987. The survey is executed from Thursday to Wednesday and the results are published every Thursday. For the stock market, it tends to be supportive when there is a high proportion of bears and a low proportion of bulls. On the other hand, it tends to be negative when there are significantly more optimists than pessimists.

Source: Bloomberg, AII, Period: 23.07.1987 - 06.05.2021

### Realised Volatilities

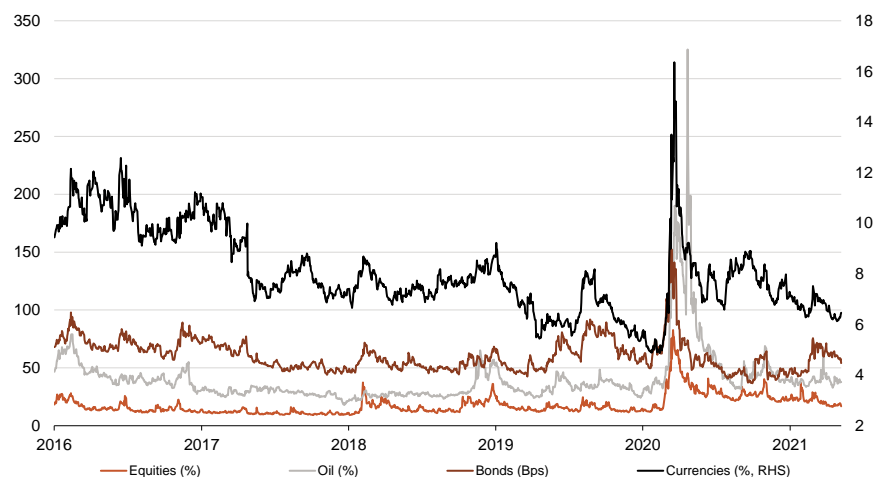


- The realised volatilities in the different asset classes have hardly changed in the past two weeks.
- For bonds, currencies, REITs and developed market equities, realised volatility is currently lower than the average of the last 5 years. For commodities and emerging market equities, it is slightly above average.

Realised volatility (in per cent) measures the range of fluctuation of a time series and is defined here as the standard deviation of the daily return over the last 60 trading days. Volatility is often used as a measure of risk.

Source: Bloomberg, Period: 07.05.2016 - 07.05.2021

### Implied Volatilities



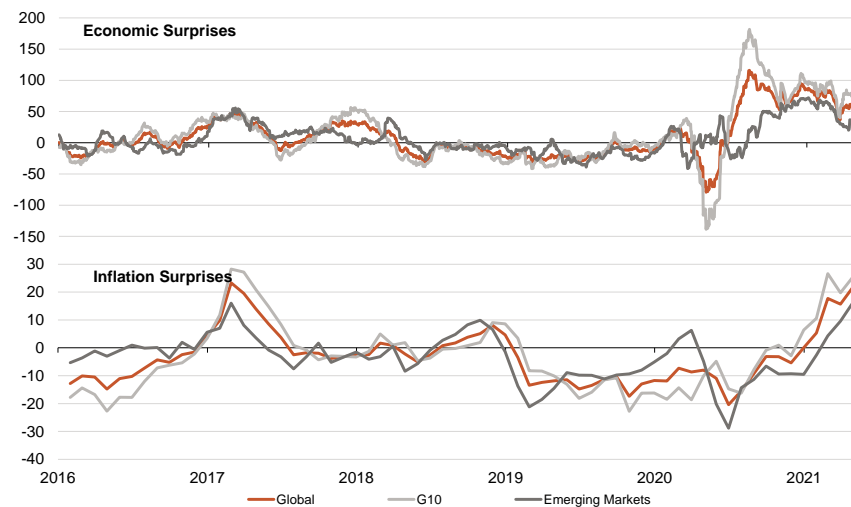
- While the implied volatility for oil and government bonds was unchanged or slightly falling, it rose again in currency markets. With American stock markets at all-time highs and uncertainty about the Fed's future course of action, the VIX climbed above the 20 mark, but is currently trading below it again.

The price of options depends on the range of fluctuation, i.e. the volatility of the underlying instrument. The implied volatility can be interpreted accordingly as a measure of the fluctuation range of the underlying instrument currently expected on the market over the remaining term of the option. It is a measure of the prevailing uncertainty on the financial markets. Shares = VIX Index, Oil = OVX Index, Government Bonds = MOVE Index, Currencies = CVIX Index

Source: Bloomberg, Period: 01.01.2016 - 07.05.2021



## Global

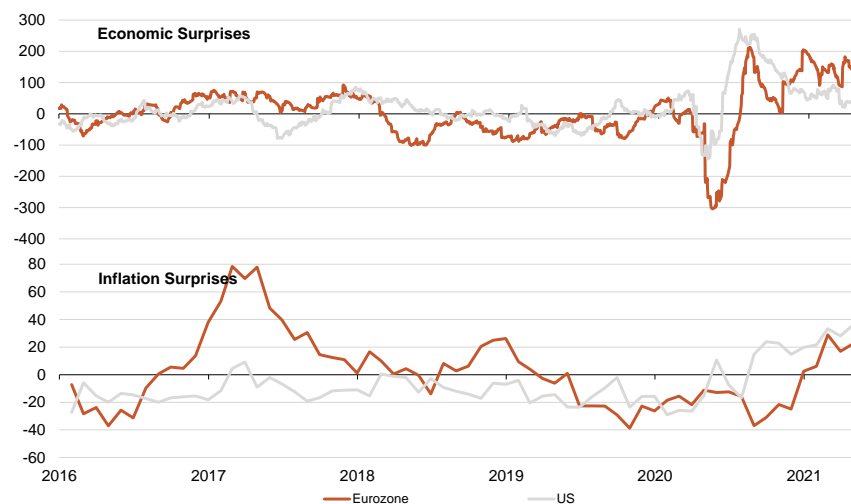


- The global economy continues to open up. In this environment, the economic data also surprised positively to an increasing extent. The strongest recovery in the index of economic surprises was seen in emerging markets. In China, the Caixin Purchasing Managers' Indices (PMIs) as well as export data and industrial production in Brazil surprised positively. In India, the PMIs indicate growth.
- Inflation surprised to the upside at the global level, in industrialised countries and in emerging markets.

See explanations below.

Source: Bloomberg, Period: 01.01.2016 - 07.05.2021

## Eurozone and US

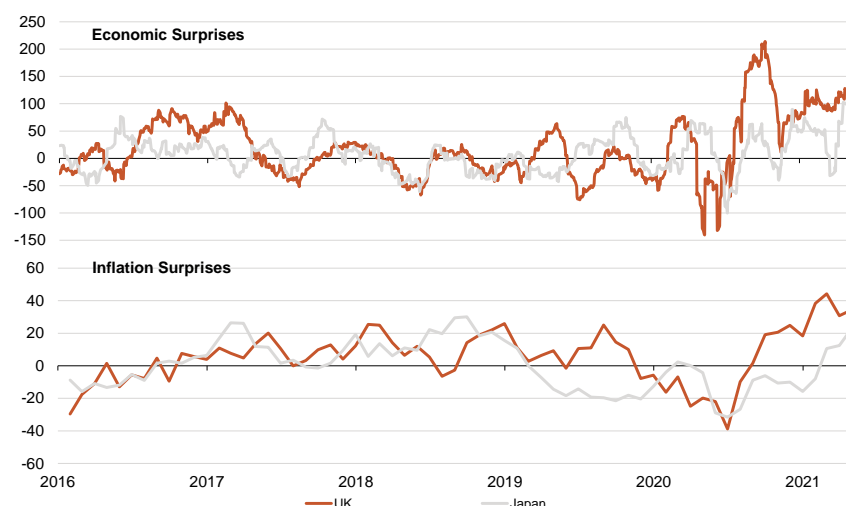


- The Eurozone was able to maintain the positive economic surprise level. In Germany, industrial new orders surprised positively, while the Ifo-index and PMIs disappointed. In France, Q1 GDP growth was better than expected.
- In the US, positive surprises are diminishing, also due to high expectations. The ISM index, employment data and GDP growth surprised negatively, while consumer confidence was better than expected.

See explanations below.

Source: Bloomberg, Period: 01.01.2016 - 07.05.2021

## UK and Japan



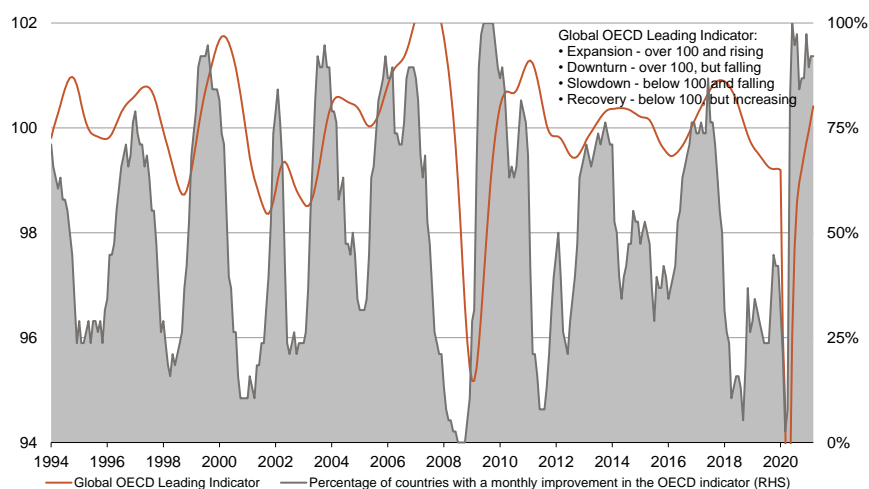
- In the UK, the economic recovery is picking up speed. The PMIs and housing market data recently surprised on the upside.
- In Japan, industrial production in March was much better than expected and surprisingly the unemployment rate fell strongly.

The Citigroup Economic Surprise Indices are defined as weighted historical normalised data surprises (actual releases vs. Bloomberg survey median) over the past three months. A positive index value indicates that economic data have, on balance, outperformed consensus. The indices are calculated daily in a rolling three-month window. The indices use a time decay function to replicate the limited memory of the markets, i.e. the weight of a data surprise decreases over time.

Source: Bloomberg, Period: 01.01.2016 - 07.05.2021



## OECD Leading Indicator

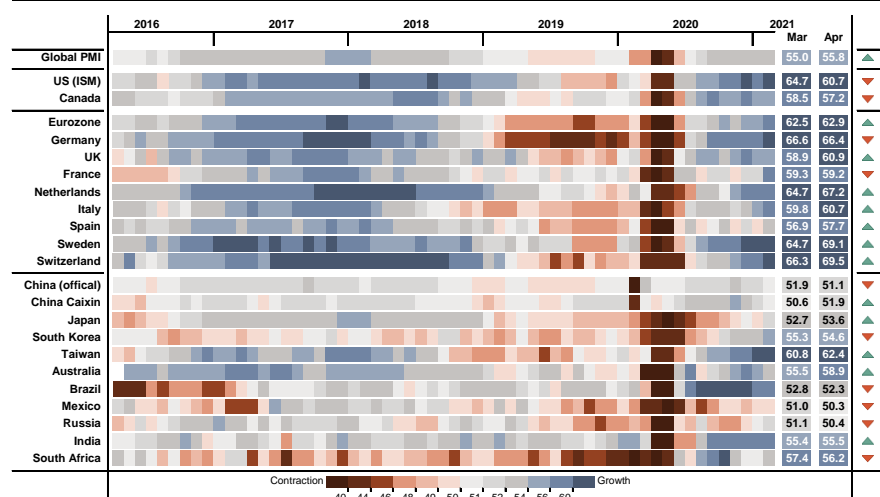


- According to the OECD indicator, the global economy is still expanding, with a value over 100 and continues to rise.
- At the regional level, more than 90% of countries recorded a better OECD Leading Indicator in March than in February. This also points to economic expansion in the future.

The OECD Leading Indicator is composed of a set of selected economic indicators whose composition provides a robust signal of future turning points. A turning point usually signals a turning point in the business cycle in 6-9 months. However, lead times are sometimes outside this range and turning points are not always correctly identified.

Source: OECD, Bloomberg, Period: 31.01.1994 - 31.03.2021

## Manufacturing Purchasing Managers Index (Manufacturing PMI)

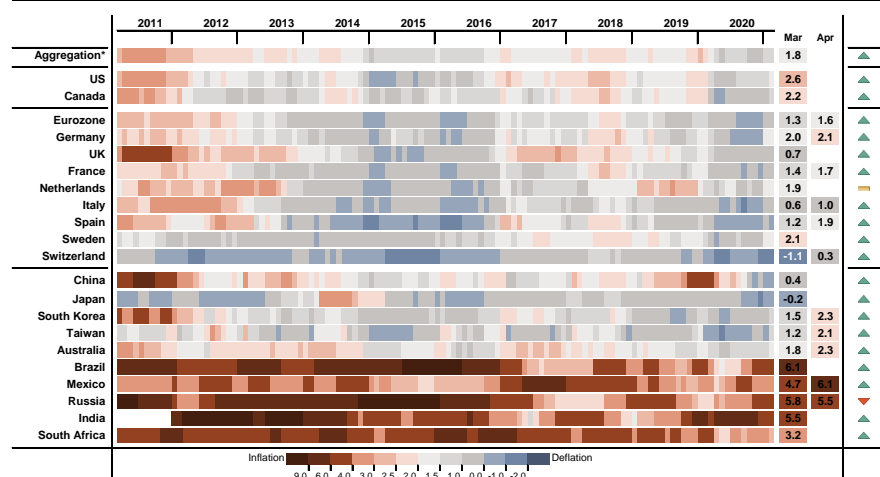


- The global PMI continued to rise in April. The global economic recovery is thus gaining momentum.
- None of the countries covered had a PMI below the 50 mark in April. Thus, industries across the board are on a growth path.

The PMI is an overall index that provides a general overview of the economic situation in industry. The PMI is derived from a total of eleven sub-indices, which reflect the respective change from the previous month. A value of 50 is regarded as neutral, a value of over 50 points as an indicator of rising and a value of under 50 points as an indicator of declining activity in industry compared to the previous month. On average, the index has a lead time before actual industrial production of three to six months. The PMI is based on a survey of a relevant selection of purchasing managers on the development of indicators such as new orders.

Source: Bloomberg, Period: 30.04.2016 - 30.04.2021

## Headline Inflation



- Inflation has already risen above the important 2% threshold in several countries in April. These countries so far include Germany, South Korea, Taiwan and Australia.
- But even countries with inflation below 2%, such as France, Spain or Italy, saw a significant increase in inflation compared to the previous month. However, this is also partly due to technical reasons (base effect).

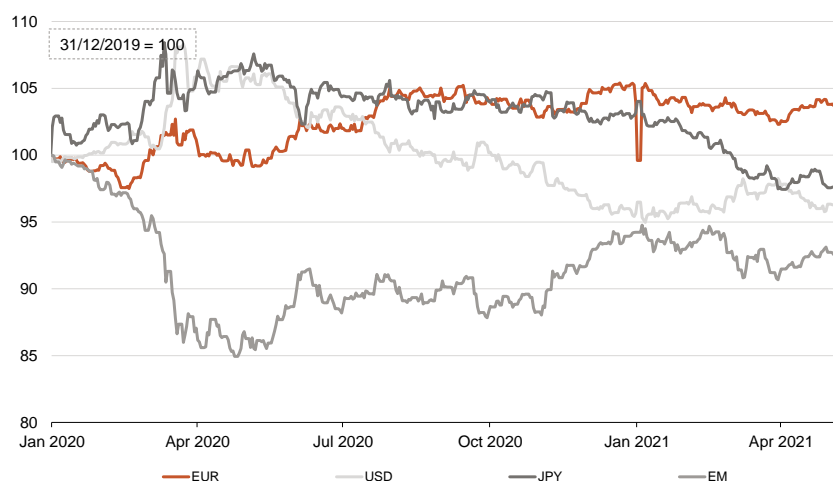
Inflation (in %, compared to the previous year) is measured using a consumer price index, also called a basket of goods. This basket contains all goods and services that a household purchases on average per year. \* = Weighting according to gross domestic product.

Source: Bloomberg, Period: 30.04.2011 - 30.04.2021





### Trade-Weighted Currency Development

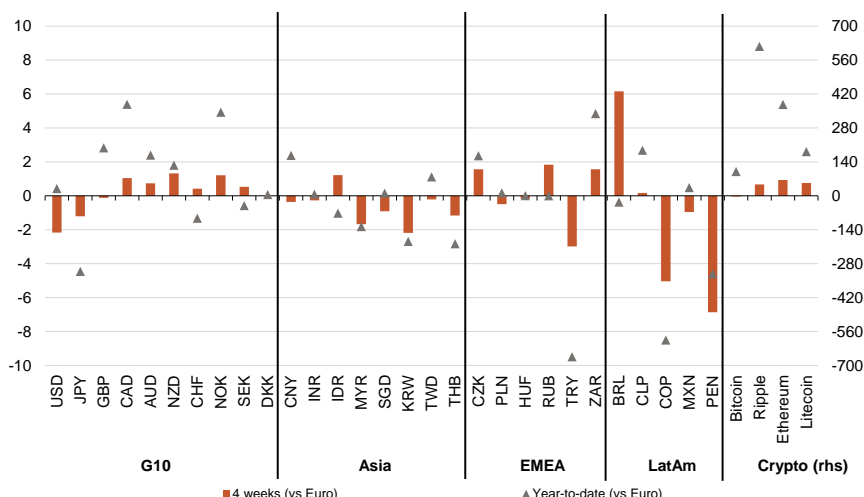


- The trends seen on the currency market in the past few weeks recently came to a halt. This was partly due to the fact that yields on US government bonds temporarily rose again, thus interrupting, at least for a short time, the weakness of the dollar, which had previously supported all other currencies.

A trade-weighted index is used to measure the effective value of an exchange rate against a basket of currencies. The importance of other currencies depends on the share of trade with the country or currency zone.

Source: Bloomberg, Period: 01.01.2020 - 07.05.2021

### Currency Moves vs Euro

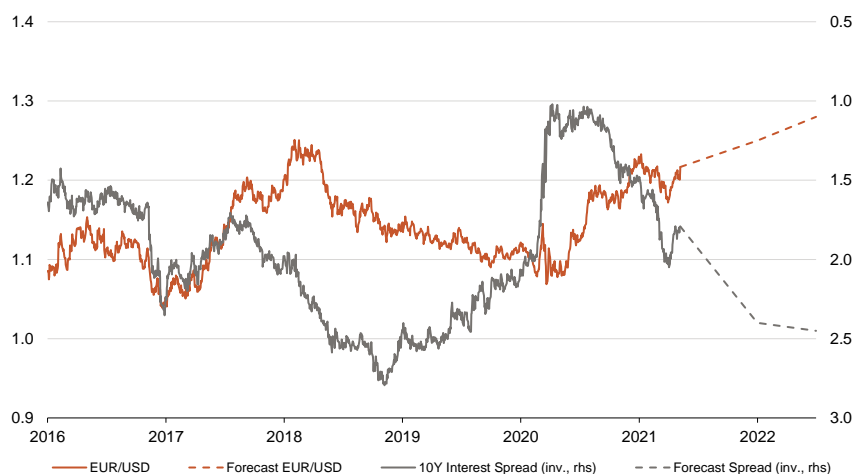


- The performance of the currencies versus the Euro, shown in the chart, has been mixed over the last four weeks.
- In addition to its cyclical, the Canadian dollar benefited from strong economic data and the BoC's more restrictive tones.
- The Colombian peso and the Peruvian sol were the biggest losers. While the former suffered from concerns about high national debt, the latter was hit by high poll ratings of leftist Pedro Castillo in the run-up to the presidential elections in June.

Performance of selected currencies against the EUR, in per cent.

Source: Bloomberg, Period: 31.12.2020 - 07.05.2021

### EUR/USD Exchange Rate and Interest Rate Differential



- The EUR/USD exchange rate has fluctuated around the 1.21 mark in the past two weeks.
- In addition to the brief rise in yields, strong US economic data also gave the USD tailwind.

EUR/USD exchange rate and interest rate differential (in percentage points) of 10-year US government bonds and 10-year Bunds. The forecasts were prepared by Berenberg Volkswirtschaft.

Source: Bloomberg, Period: 01.01.2016 - 30.06.2022



## European Sector &amp; Style Performance

	4-week & YTD		12-month periods over that last 5 years					
	4W (09/04/21 - 07/05/21)	YTD (31/12/20 - 07/05/21)	07/05/20	07/05/19	07/05/18	07/05/17	06/05/16	
			07/05/21	07/05/20	07/05/19	07/05/18	07/05/17	
Materials	5.6	19.7	60.6	-11.2	-1.6	13.2	33.6	
Energy	4.4	16.7	20.3	-35.7	-3.0	22.9	19.6	
Telecommunications	2.9	13.3	26.4	-21.4	-4.8	-4.3	0.9	
Consumer Staples	2.5	7.4	13.1	-2.5	13.2	-7.6	13.2	
Value	2.3	14.7	36.9	-21.8	-3.2	2.0	25.7	
Growth	2.1	10.7	29.7	2.0	5.3	1.0	19.3	
Consumer Discretionary	2.1	16.1	61.9	-14.5	-3.9	4.5	23.0	
Finance	2.0	17.7	46.3	-27.3	-7.9	0.2	34.6	
Industrials	2.0	15.5	57.5	-13.3	1.5	0.8	30.3	
Health Care	1.4	4.9	-0.3	23.8	10.5	-8.5	15.1	
Information Technology	0.7	16.0	44.5	4.6	6.6	9.8	35.3	
Utilities	-0.4	1.7	28.2	3.5	8.5	5.8	6.8	

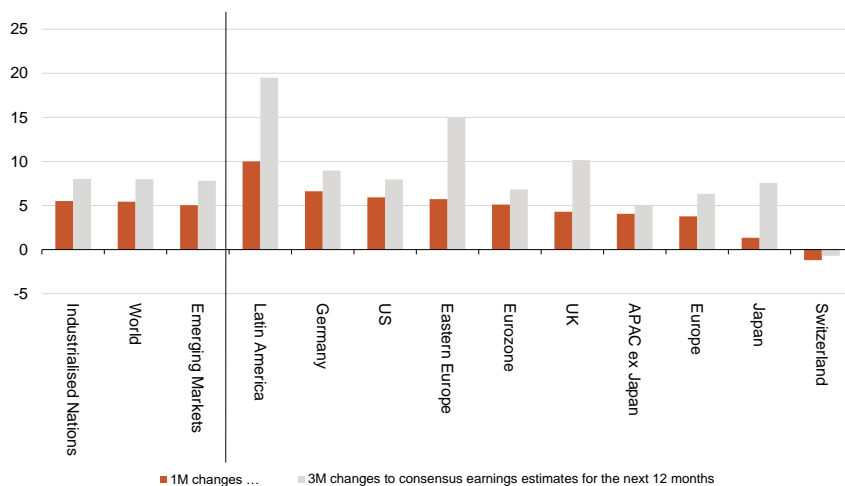
Consumer Discretionary: MSCI Europe Consumer Discretionary NR; Consumer Staples: MSCI Europe Cons. Staples NR; Energy: MSCI Europe Energy NR; Finance: MSCI Europe Financials NR; Health Care: MSCI Europe Health Care NR; Industrials: MSCI Europe Industrials NR; Information Tech.: MSCI Europe Inform. Tech. NR; Materials: MSCI Europe Materials NR; Telecommunications: MSCI Europe Telecommunication Services NR; Utilities: MSCI Europe Utilities NR; Value: MSCI Europe Value NR; Growth: MSCI Europe Growth NR.

- In Europe, commodity-heavy sectors have recently developed positively again - after the hiatus in April.
- Within the defensive sectors, there was a heterogeneous development: consumer staples and telecoms rose, while utilities underperformed.
- IT companies also underperformed.

Total return of European equity sectors and European style indices, in euros and in percent, sorted by 4-week performance. The difference between Value and Growth lies in the valuation. A growth stock is highly valued because the company is expected to grow strongly. Value stocks usually have less growth imagination and are valued lower.

Source: Bloomberg, Period: 07/05/2016 - 07/05/2021

## Changes in Consensus Earnings Estimates

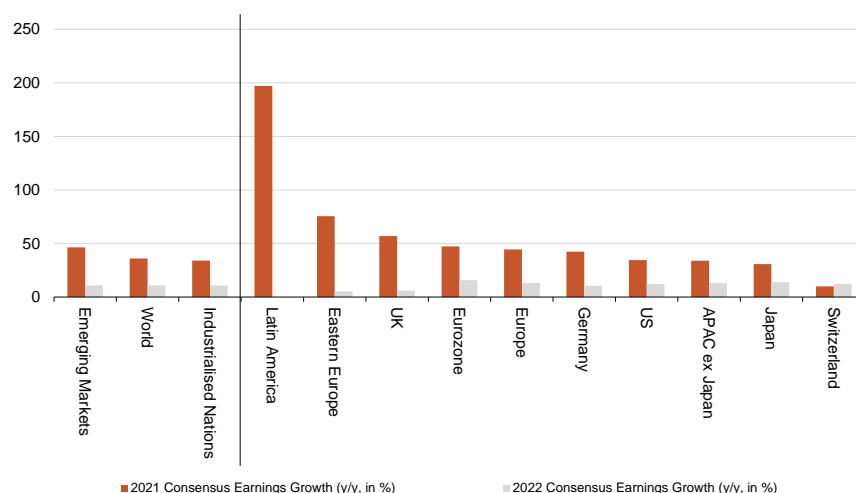


- The encouraging reporting season led to further increases in analysts' earnings estimates, in particular Latin America and Germany seeing positive earnings revisions.
- In the US, of the more than 430 S&P 500 companies that have already reported their Q1 numbers, 87% have exceeded earnings expectations.

1-month and 3-month changes in consensus earnings estimates for the next 12 months, in per cent. APAC ex Japan = Asia Pacific excluding Japan

Source: FactSet, as of 07/05/2021

## Earnings Growth



- Meanwhile, Latin American companies are expected to achieve 2021 earnings growth of more than 190% year-on-year. If this really happens and the index level for MSCI Latin America does not change, the P/E valuation would be more than halved.

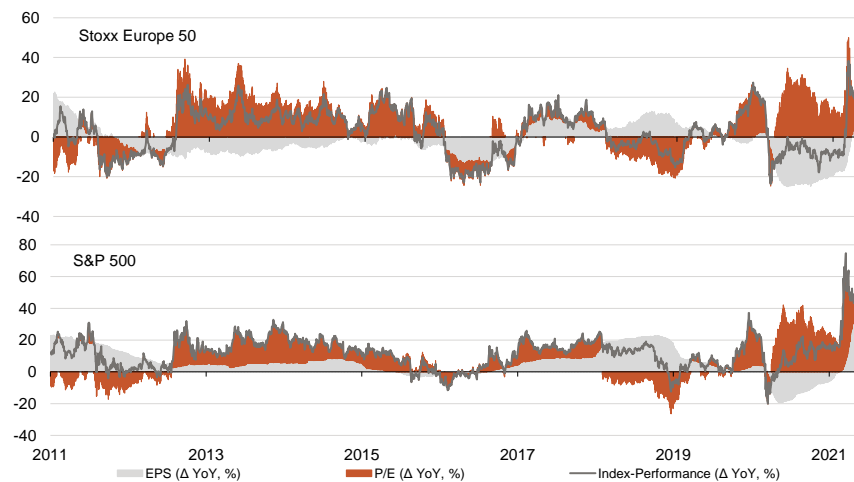
Consensus expected calendar year earnings growth for selected equity regions, year-on-year and in percent. The earnings estimate of the individual companies are aggregated upwards using the index weights ("bottom-up"). APAC ex Japan = Asia Pacific excluding Japan

Source: FactSet, as of 07/05/2021





### Contribution Analysis

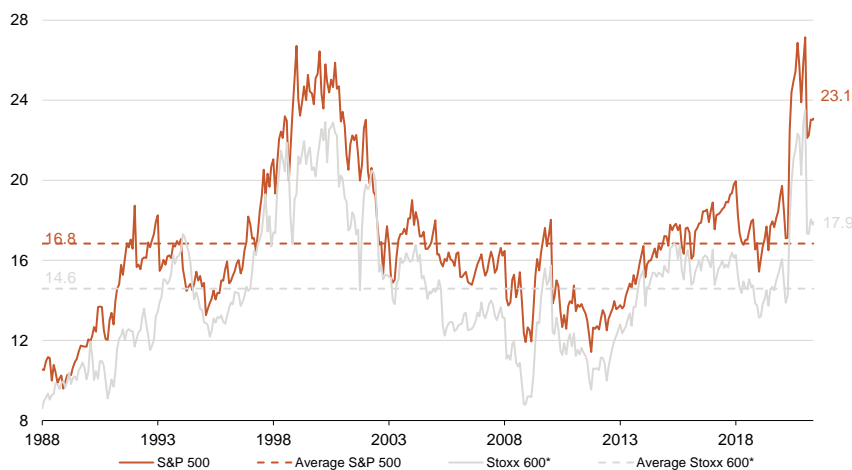


- Equity markets have anticipated the corporate earnings recovery very well over the last twelve months and have climbed in line with rising profits.

Analysis of the drivers of stock market development over the last 12 months. The change in earnings estimates and the change in valuation (price-earnings ratio) are taken into account. EPS = earnings per share

Source: Factset, Period: 01/01/2011 - 07/05/2021

### Price-Earnings Ratio (P/E Ratio) of European and US Equities

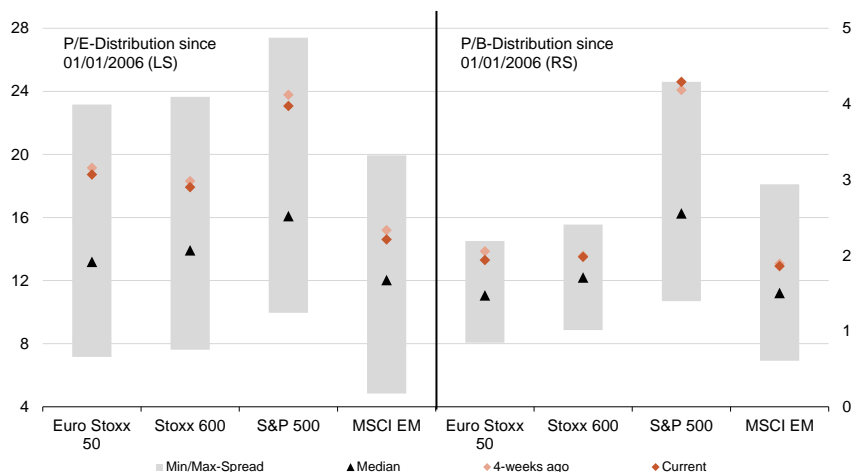


- Equity valuations at the index level remain ambitious, particularly for US stocks, compared to their own history. If US bond yields continue to rise, as we expect, valuations should normalise further in the coming months.

P/E valuation based on earnings estimates for the next twelve months of European and US equities as well as the respective P/E average since 1988. \*For the Stoxx 600, the history before 2000 was taken from MSCI Europe.

Source: Bloomberg, IBES, Period: 31/12/1987 - 07/05/2021

### Historical Distribution: Price/Earnings and Price/Book Ratio



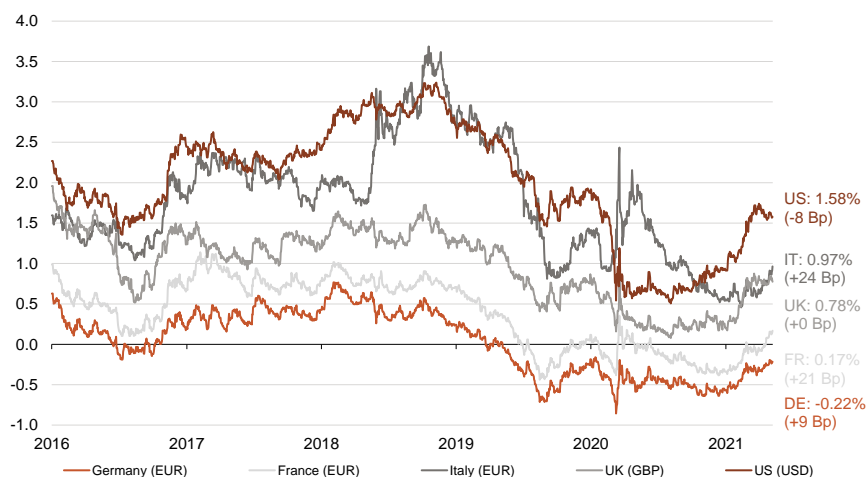
- The low level of interest rates and the growing share of valuation-sensitive investors (e.g. through passive investing) have left their mark on the valuation levels of the various equity regions. All regions are expensively valued relative to their own history - especially the US.

Historical distribution of valuation ratios for selected equity regions since 2006. In addition to the current value, the observation four weeks ago and the historical median, the maximum (upper limit of the grey bar) and minimum (lower limit of the grey bar) are shown.

Source: Bloomberg, Period: 01/01/2006 - 07/05/2021



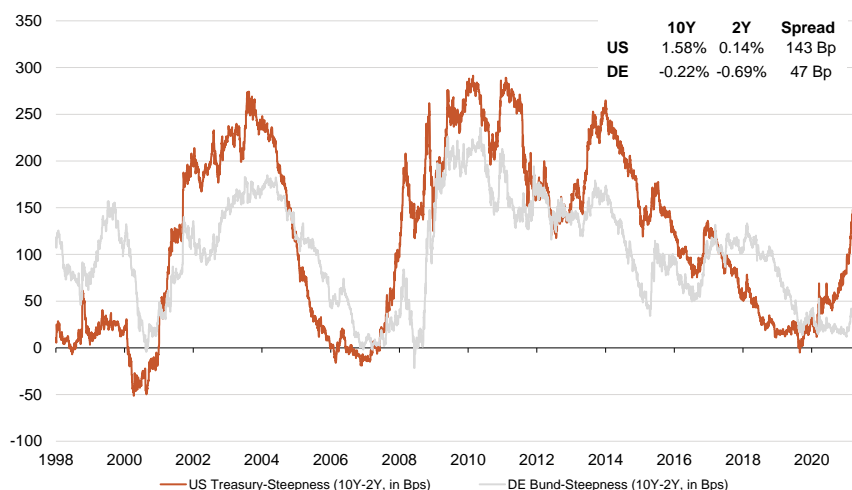
### 10-Year Government Bond Yields



- The rise in interest rates in Europe has picked up speed. The emerging success of vaccinations should allow the economy to open up in the near future and thus continue to drive the economic recovery. This should lead to rising prices. The prospect of rising inflation should therefore push up the term premium further. In the last four weeks, yields have risen by more than 20 basis points (bps), especially on the more economic sensitive Italian government bonds.

Effective interest rate on 10-year government bonds and change over the last four weeks in basis points (in brackets).  
Source: Bloomberg, Period: 01.01.2016 - 07.05.2021

### Yield Curve Steepness (10Y - 2Y)

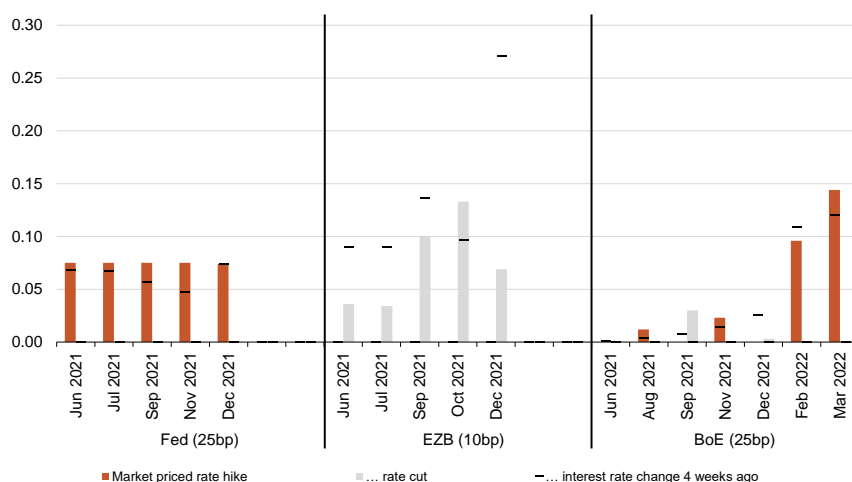


- Interest rates in the US have not risen further in recent weeks as the Fed reaffirmed its dovish stance. As a result, the steepness of the US yield curve has fallen to around 140bps.
- The steepness of the German yield curve has recently increased further.

The yield curve distinguishes between the so-called short end and the long end. The reason for this is the way in which factors influence yields. Central banks control the short end of the curve through their monetary policy and key interest rates. In contrast, the long end is influenced less by central banks and more by inflation expectations, supply, demand and risk premiums.

Source: Bloomberg, Period: 01.01.1998 - 07.05.2021

### Implicit Changes in Key Interest Rates



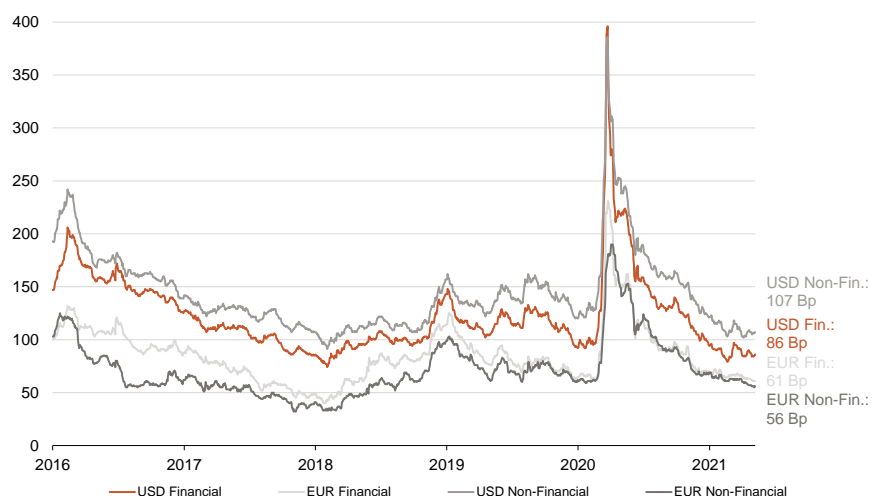
- The Bank of England announced at its May meeting that it will reduce the bond-buying programme. The market is pricing in an 15% probability of a rate hike by the March 2022.
- At the ECB, however, the market does not yet see a rate hike, even though a tightening of monetary policy can no longer be ruled out.
- Despite the disappointing US labour market data, the market sees a rate hike rather than a rate cut.

Derivatives on money market interest rates - such as fed funds futures - can be used to determine the change (number of steps) in the policy rate priced by the market.

Source: Bloomberg, Period: 09.04.2021 - 07.05.2021



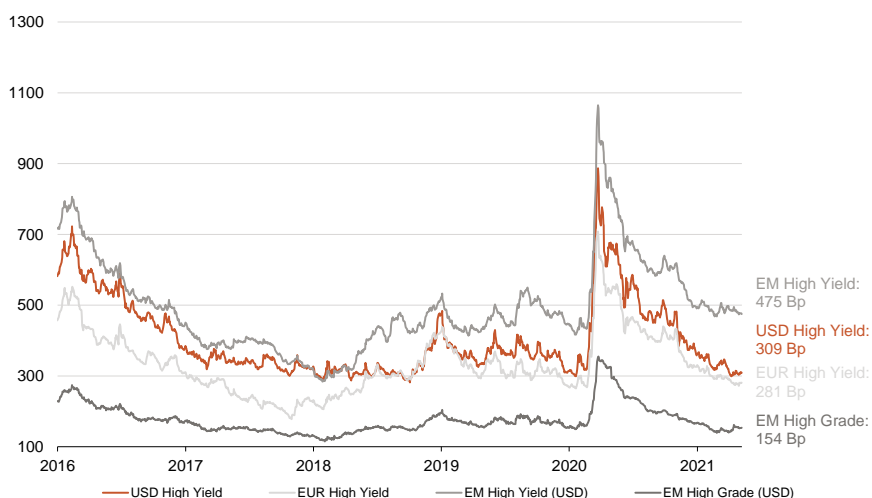
### Credit Spreads Financial and Non-Financial Bonds



- Corporate bonds remain in demand. For EUR- and USD-IG corporate bonds, spreads declined by around 2 bps in the last two weeks. However, the already very low level of spreads on investment-grade corporate bonds increasingly limits the further narrowing potential.

See middle and bottom illustration for explanations.  
Source: FactSet, Period: 01.01.2016 - 07.05.2021

### Credit Spreads High Yield and Emerging Markets Bonds

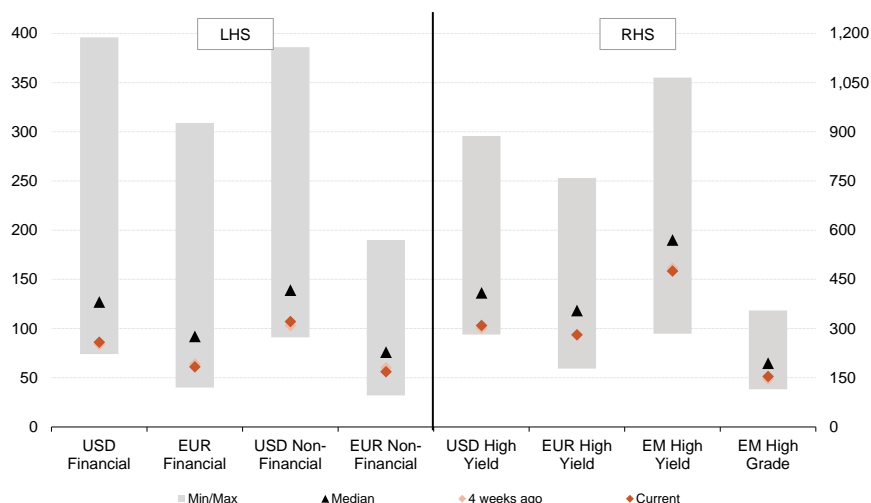


- Spreads for high-yield bonds are currently on a sideways path. In the last two weeks there has been no significant narrowing of spreads on EM, USD or EUR high-yield bonds. In the course of the economic recovery, however, we see further spread narrowing potential here.

How high the risk associated with the corporate bond is shown by its asset swap spread (in bp). This indicates the yield that the issuer must pay in addition to the swap rate for the respective term as compensation for its credit risk. See further explanation below.

Source: FactSet, Period: 01.01.2016 - 07.05.2021

### Historical Distribution of Credit Spreads (in bp)



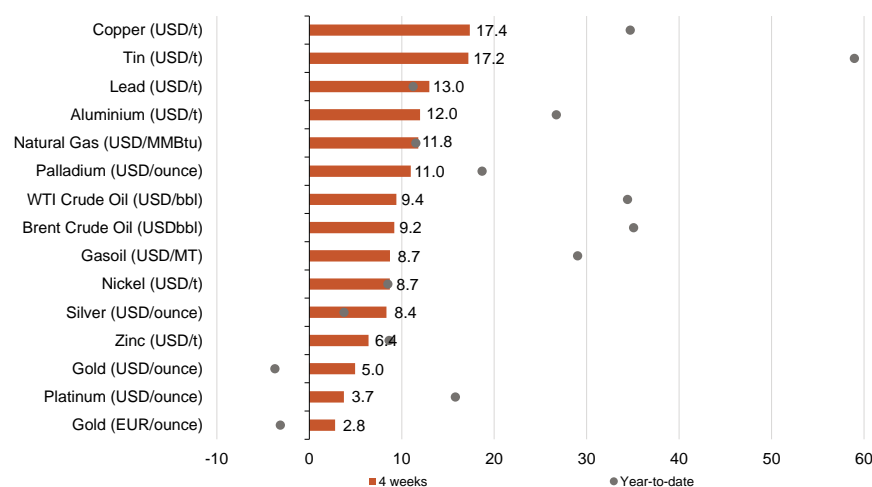
- Spreads have not changed significantly in all segments in the last four weeks and thus remain at a historically low level.

USD Financial = ICE BofAML US Financial; EUR Financial = ICE BofAML Euro Financial; USD Non-Financial = ICE BofAML US Non-Financial; EUR Non-Financial = ICE BofAML Euro Non-Financial; USD High Yield = ICE BofAML US High Yield; EM High Yield = ICE BofAML High Yield Emerging Markets Corporate Plus; EM High Grade = ICE BofAML High Grade Emerging Markets Corporate Plus. The EM indices shown here are hard currency bonds.

Source: FactSet, Period: 07.05.2011 - 07.05.2021



## Commodities Performance

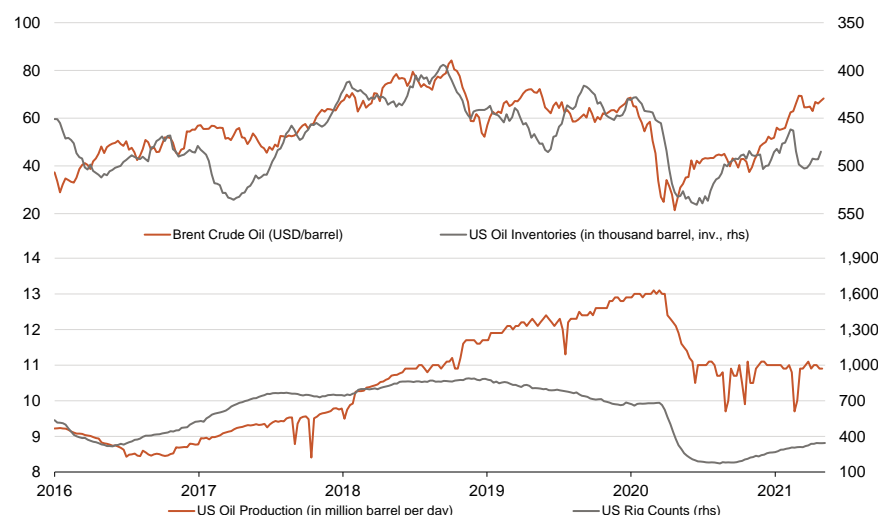


- All commodities shown here have gained over the last four weeks. Since the beginning of the year, only gold has shown a negative return.

- Tin was among the strongest performer. The industrial metal, which is mainly used for soldering in the electrical industry, reached a new all-time high only last week thanks to a supply deficit.

Total return of selected commodity indices, in percent, sorted by 4-week performance.  
Source: Bloomberg, Period: 01.01.2021 - 07.05.2021

## Crude Oil

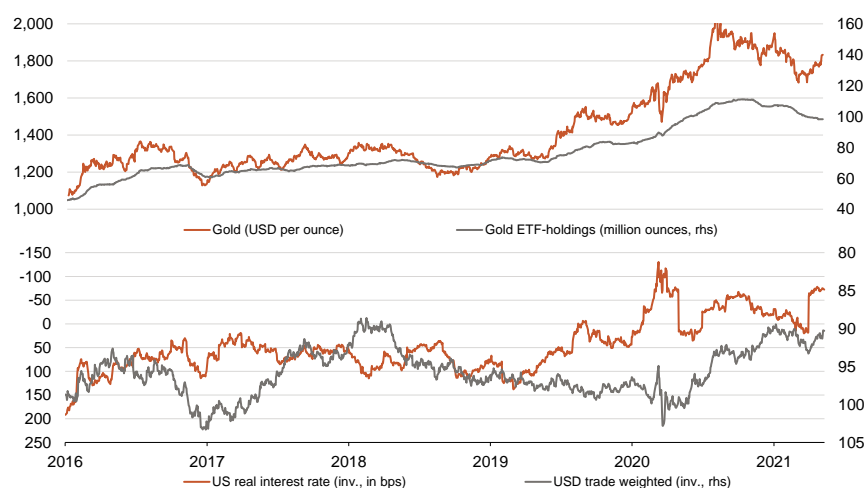


- Crude oil has made strong gains in the last two weeks and is currently trading at around USD 68 per barrel for Brent. Recently, sharply falling inventories in the US underpinned the recovery in demand there in the wake of the easing of COVID-related restrictions.

- Meanwhile, the number of active US oil rigs is now down for the third week in a row - despite the high price of oil.

Higher oil production and higher inventories tend to weigh on oil prices and vice versa. An increase in active oil wells indicates higher oil production in the future.  
Source: Bloomberg, Period: 01.01.2016 - 07.05.2021

## Gold



- Gold was able to break through the USD 1,800 per ounce mark for the first time since February. In particular Jewellery demand from emerging markets is giving the precious metal a tailwind. ETF investors also increased their holdings last week for the first time since the beginning of January.

The US dollar and the real, i.e. inflation-adjusted, interest rate are among the fundamental price factors of the gold price. Rising real interest rates tend to weigh on the gold price, while falling real interest rates have a supportive effect. The same applies to the US dollar. The development of gold ETF holdings reflects the demand for gold from financial investors.

Source: Bloomberg, Period: 01.01.2016 - 07.05.2021

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