

Current market commentary

More and more market participants are being pushed into the equity markets. Recently, risk parity strategies in particular have been adding to equities due to the decline in equity and bond volatility and the lower correlation between the two asset classes. In addition, share buyback programmes have now picked up speed again following the end of the reporting season. At the same time, analysts have revised their earnings estimates for this year slightly upwards in view of the robust economic data and solid reporting season. The fundamental picture has therefore brightened, although the optimism is already reflected in investor sentiment, positioning and equity valuations. The situation is different for gold, which reached a new all-time high last week. Many investors have missed out on the bull market, and global gold ETFs have even seen outflows in recent months. And if the central banks cut interest rates soon, this should not be particularly negative for gold either.

Short-term outlook

The next two weeks will be exciting in both monetary and geopolitical terms. The presidential elections in Russia will take place on 17 March. The Fed and the BoE will then meet on 20 and 21 March. No interest rate changes are expected in either case. The European Council meets on 23 and 24 March.

Inflation data (Feb.) for the US and Germany will be published this Tuesday. Industrial production data (Jan.) for the eurozone are due on Wednesday. This will be followed on Thursday by initial jobless claims (Mar. 9), producer prices (Feb.) and retail sales (Feb.) for the US. The week will be concluded with industrial production (Feb.), the Empire State Index (Mar.) and consumer confidence (Mar.) for the US. In the following week, the agenda for the US includes the housing market data (Feb.), the preliminary purchasing managers' index (Mar.) and the preliminary consumer confidence from the University of Michigan, and in Germany the ZEW and ifo survey results (Mar.).

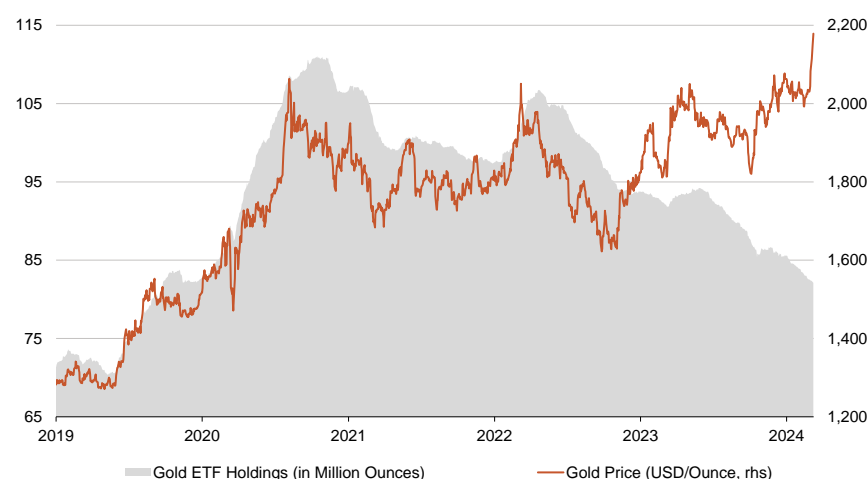
The bi-weekly **Monitor** gives you a structured overview of the current capital market environment and highlights important developments:

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

Central banks and Russian elections in the spotlight.

Inflation and economic data in the investor's focus.

Gold at all-time high without a clear trigger and despite ETF outflows

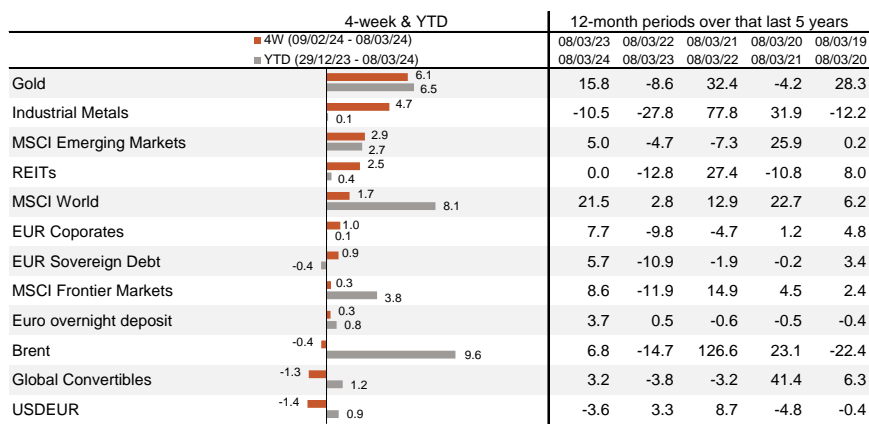


- Gold has recently climbed to new all-time highs, although there was no trigger from the typical drivers such as central bank policy, economic development or geopolitics. The breakout therefore appears to be primarily technical in nature.
- However, ETF investors have sold over 3 million ounces since the beginning of the year.
- Thanks to the clean positioning and the structurally higher demand from central banks and Chinese savers, gold does not seem to be particularly overpriced despite the recent movement.

Source: Bloomberg, Time period: 01/01/2019 - 08/03/2024



Multi Asset



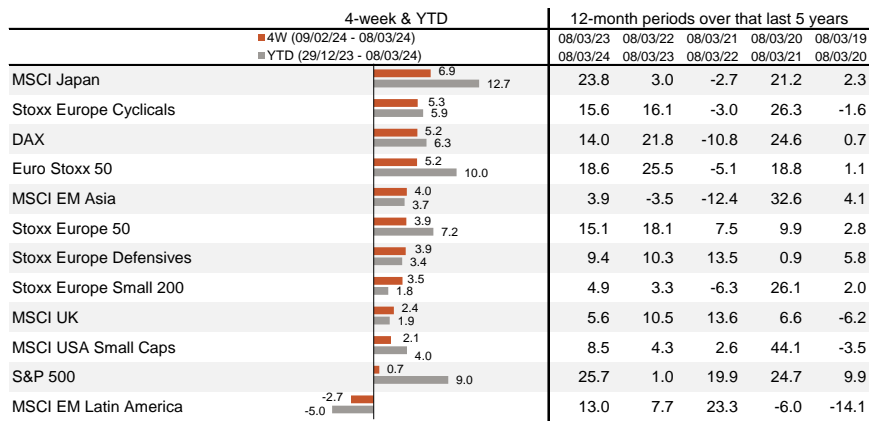
MSCI World: MSCI World Net Return; MSCI Emerging Markets: MSCI EM Net Return; MSCI Frontier Markets: MSCI Frontier Markets Net Return;
REITs: MSCI World REITs Index; EUR Sovereign Debt: IBOXX Eurozone Sovereign 1-10Y TR; EUR Corporates: IBOXX Euro Corporates Overall TR;
Global Convertibles: SPDR Convertible Securities ETF; Gold: Gold US Dollar Spot; Brent Crude: Bloomberg Brent Crude Subindex TR;
Industrial Metals: Bloomberg Industrial Metals Subindex TR; Euro overnight deposit: ICE BofA Euro Overnight Deposit Rate Index; USDEUR: Price of 1 USD in EUR.

- The high demand from central banks has catapulted the precious metal gold to the top of the performance rankings over the past four weeks - despite ongoing ETF outflows and largely unchanged interest rate cut expectations in the US. The positive momentum of the global equity indices continued, with China's record-high iron ore imports providing a tailwind for the industrial metals index. Weaker economic data in the US weighed on the dollar, which has brought up the rear over the last four weeks.

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

Source: Bloomberg, Time period: 08/03/2019 - 08/03/2024

Equities



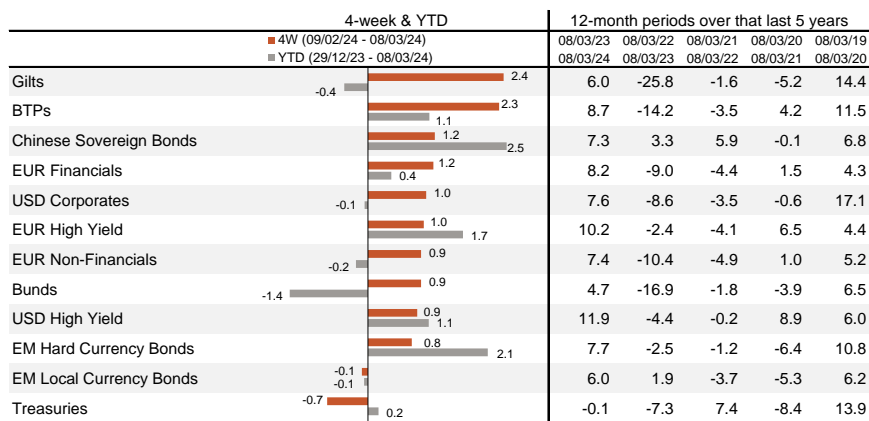
S&P 500: S&P 500 TR (US-Equity); Stoxx Europe 50: Stoxx Europe 50 TR; Euro Stoxx 50: Euro Stoxx 50 TR; MSCI Japan: MSCI Japan TR;
Stoxx Europe Small 200: Stoxx Europe Small 200 TR; MSCI USA Small Caps: MSCI USA Small Caps TR; Stoxx Europe Cyclical: Stoxx Europe Cyclical TR;
Stoxx Europe Defensives: Stoxx 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.

- In the last four weeks, share indices have once again risen across the board. Japanese equities continued to benefit from the ongoing positive momentum, while positive economic surprises in Europe gave cyclical a tailwind.
- A mixed reporting season for the fourth quarter in Latin America weighed on the performance of Latin American equities last month, which brought up the rear of the performance ranking.

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

Source: Bloomberg, Time period: 08/03/2019 - 08/03/2024

Fixed Income



Bunds: IBOXX Euro Germany Sov TR; BTPs: IBOXX Euro Italy Sov TR; Treasuries: ICE BofA US Treasury TR;
Gilts: IBOXX Sterling Gilts Overall TR; Chinese Gov Bonds: ICE BofA China Govt; EUR Financials: IBOXX Euro Fin. Overall TR;
EUR Non-Financials: IBOXX Euro Non-Fin. Overall TR; EUR High Yield: ICE BofA EUR Liquid HY TR; USD Corporates: ICE BofA USD Corp TR;
USD High Yield: ICE BofA USD Liquid HY TR; EM Hard Currency: JPM EMBI Glo Div Unh. EUR TR; EM Local Currency: JPM GBI-EM Glo Div Comp Unh. EUR TR

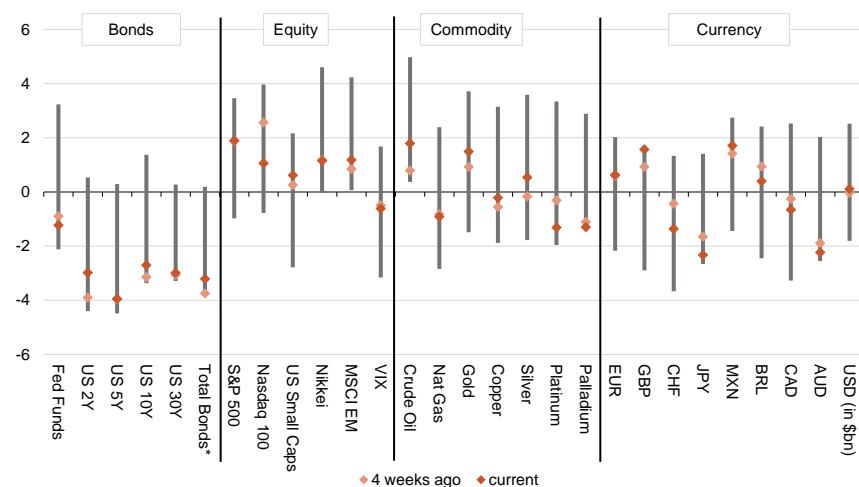
- The unexpectedly low inflation in the UK in January reinforced investors' expectations that the BoE will cut interest rates this year, which boosted UK government bonds.
- The weak US dollar, on the other hand, weighed on US government bonds, which brought up the rear in the performance ranking in EUR over the past month.

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

Source: Bloomberg, Time period: 08/03/2019 - 08/03/2024



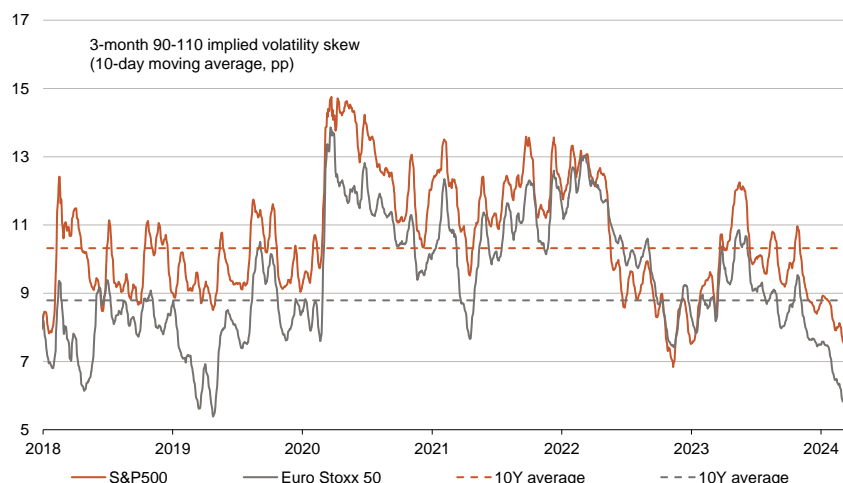
Non-Commercial Positioning



- Speculative investors have significantly reduced their long positions in the Nasdaq following the strong outperformance of US mega caps.
- They have become somewhat more optimistic about oil again after the positioning was close to the 10-year low.

The Commodity Futures Trading Commission (CFTC) publishes the Commitments of Traders report every Friday. 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" (bonds, currencies), "asset managers/institutional" & "leveraged funds" (equities) and "managed money" (commodities) and shows how speculative investors are positioned. *Weighted with the respective duration
Source: Bloomberg, CFTC, Time period: 08/03/2014 - 08/03/2024

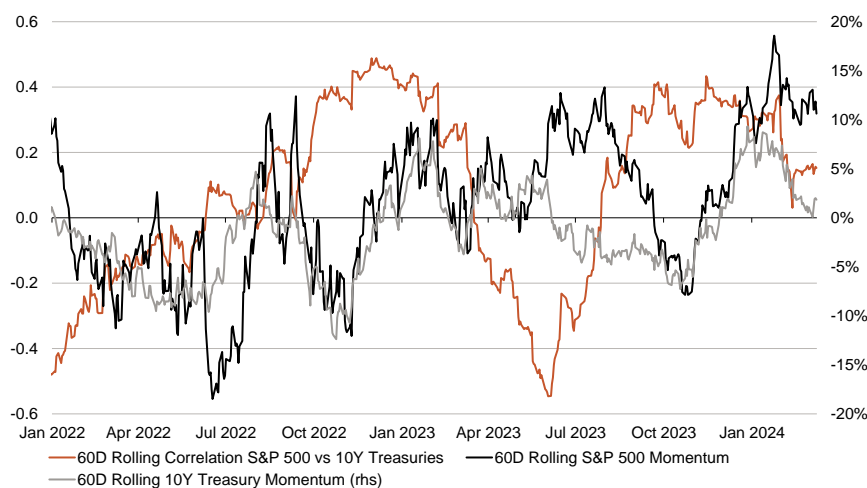
Put-Call-Skew



- The put-call skew has reached extremely flat levels without a further decline in implied volatility. If the skew is normalised by the latter, it is remarkable that the call skew (100-110) in particular has fallen. Some investors seem to have FOMO (fear of missing out); demand for call options is therefore high.

The put-call skew (90-110) indicates the difference in implied volatility of puts versus calls whose strike is 10% away from the current underlying in each case. It is a measure of how much more investors are willing to pay for hedging (puts) versus upside participation (calls). The higher (lower) the skew, the more cautious (optimistic) market participants are. Moreover, the skew typically increases with the level of implied volatility.
Source: Bloomberg, period: 08/03/2014 - 08/03/2024

60-Day Momentum and Correlation

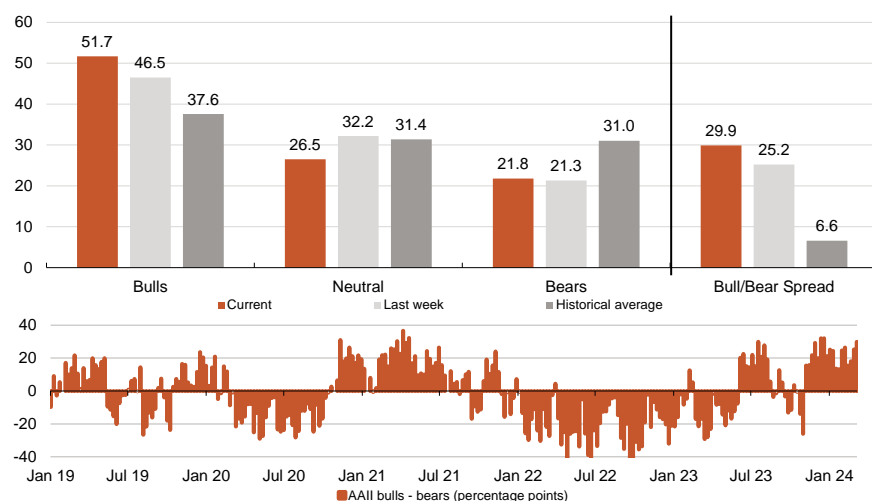


- The momentum in US equities remains strong. However, according to various brokers, the equity exposure of many CTAs is now at the limit. Should momentum deteriorate, there is a risk of greater selling pressure on these trend-following strategies.

The 60-day momentum indicates the rolling return of the last 60 days. The more the momentum rises (falls), the more systematic momentum strategies build up (reduce) their positions in the corresponding asset class. Changes in the sign of the return mark important turning points. The 60-day correlation indicates how equitably stocks and bonds move. The higher (lower) the correlation, the fewer (more) equities demand risk-based investment strategies.
Source: Bloomberg, Time period: 31/12/2021 - 08/03/2024



AAIL Sentiment Survey (Bulls vs Bears)

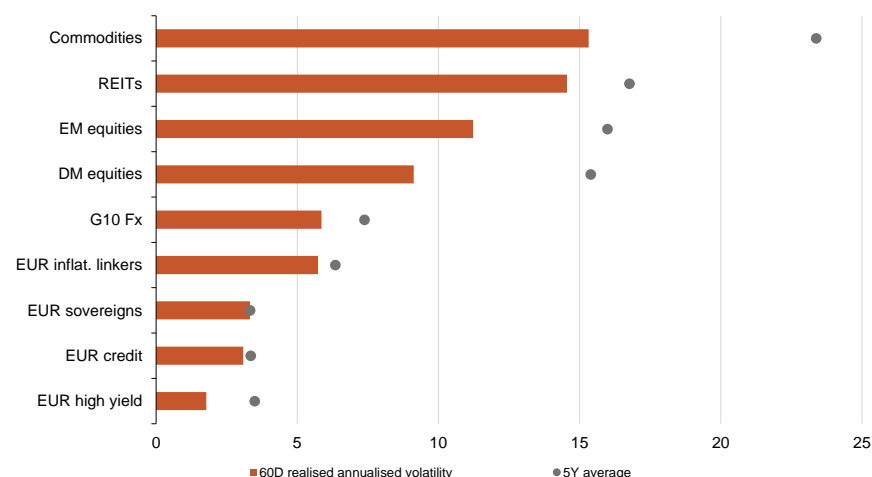


- Euphoria is spreading among US private investors. The bulls are now even in the absolute majority at over 50%.
- Although a bull/bear spread of just under 30 ppts calls for caution, longer periods of strong optimism are not unusual.

The Sentiment Survey, conducted by the American Association of Individual Investors, determines the percentage of individual investors who are optimistic, pessimistic or neutral about the US stock market over a six-month period. It has been conducted since 1987. The survey is conducted 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, AAIL, Time period: 23/07/87 - 08/03/2024

Realised Volatilities

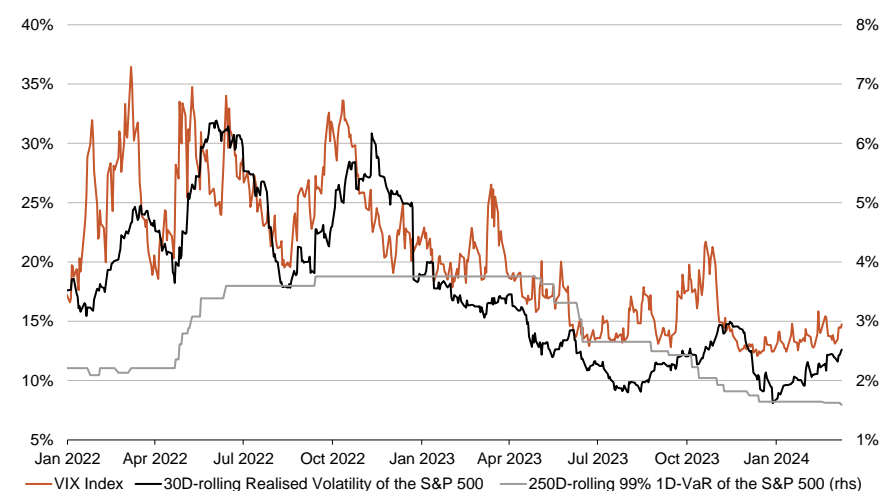


- Due to their high interest rate sensitivity, REITs are currently as volatile as commodities.
- Accordingly, the volatility of government and corporate bonds as well as inflation-linked bonds is also among the highest relative to the 5-year average.

The realised volatility (in per cent) measures the fluctuation range 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: 08/03/2019 - 08/03/2024

Volatility and Value-at-Risk of the S&P 500



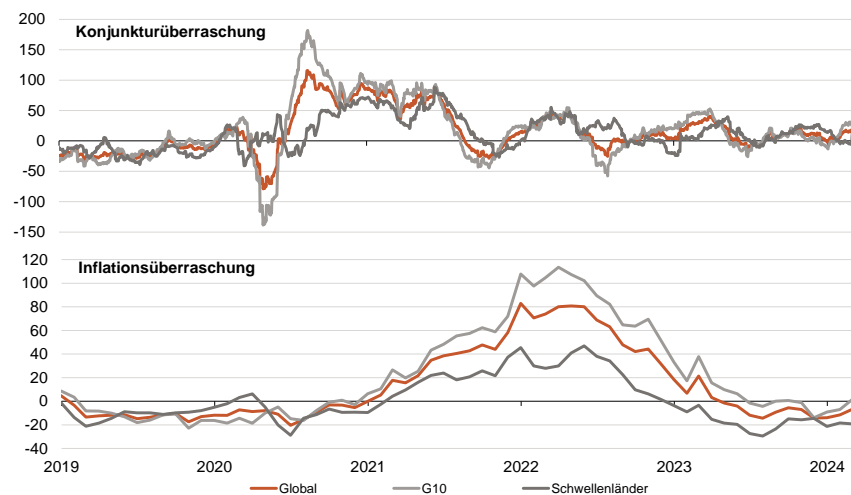
- The 30d-volatility of the S&P 500 has risen gradually since the low at the turn of the year, while the VIX has tended to trend sideways. Although the volatility premium is still positive, it has narrowed considerably.
- Investors are therefore expecting similar (low) volatility to last month in the coming weeks.

The VIX index is a measure of the implied volatility of the S&P 500 priced in options over approximately the next 30 days. Realised volatility indicates the range of variation in daily returns. The historical 99% value-at-risk indicates the minimum loss of the days that belong to the worst 1% of the observation period. The higher (lower) the VIX, realised volatility and value-at-risk, the fewer (more) stocks demand risk-based investment strategies.

Source: Bloomberg, period: 31/12/2021 - 08/03/2024



Global

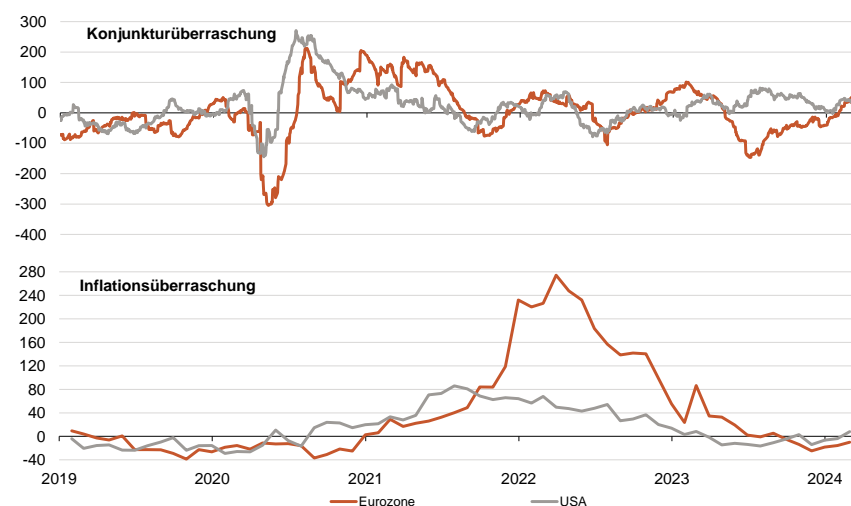


- In the last two weeks, the positive economic surprises in the emerging markets have increased more than in the industrialised countries. GDP growth rates in India and Canada surprised to the upside in the fourth quarter, while they disappointed in Brazil. In Chile, the unemployment rate in January was below and retail sales above expectations.
- In Mexico, the inflation rate in February was below expectations, while it surprised to the upside in Switzerland.

See explanations below.

Source: Bloomberg, Time period: 01/01/2019 - 08/03/2024

Eurozone and US

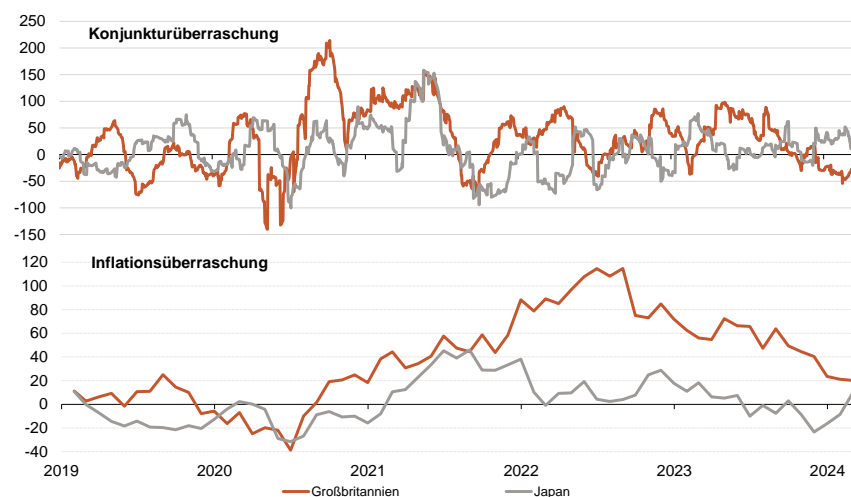


- In the US, new home sales, new orders for durable goods and pending home sales were below expectations in January, while the number of job vacancies in January and the unemployment rate in February surprised to the upside. Wholesale sales, on the other hand, surprised to the downside in January. In the eurozone, the unemployment rate in January was in line with expectations, while the Purchasing Managers' Index for the manufacturing sector surprised to the upside in February.

See explanations below.

Source: Bloomberg, Time period: 01/01/2019 - 08/03/2024

UK and Japan



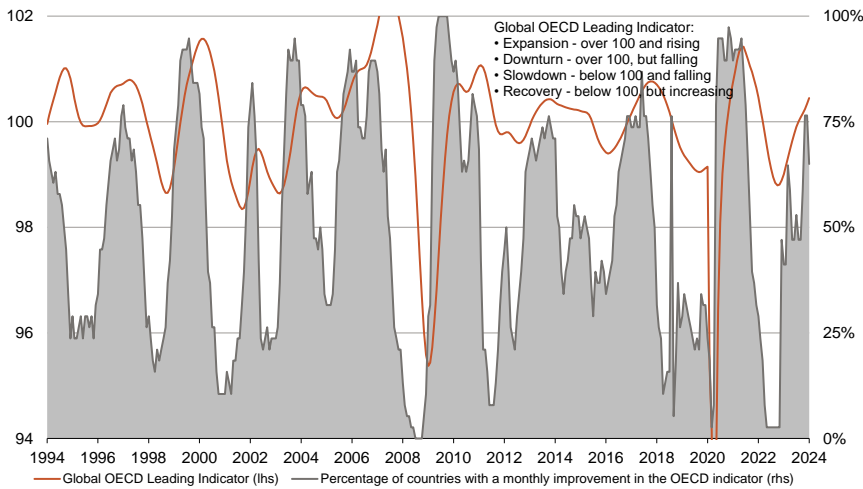
- In the UK, the house price index surprised to the upside in February, while the PMI index for the service sector was below expectations. In Japan, industrial production surprised to the downside in January and the inflation rate surprised to the upside in February.

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 value of the index indicates that, on balance, economic data have outperformed consensus. The indices are calculated daily in a rolling three-month window. The indices use a time decay function to replicate the markets' limited memory, i.e. the weight of a data surprise decreases over time.

Source: Bloomberg, Time period: 01/01/2019 - 08/03/2024



OECD Leading Indicator

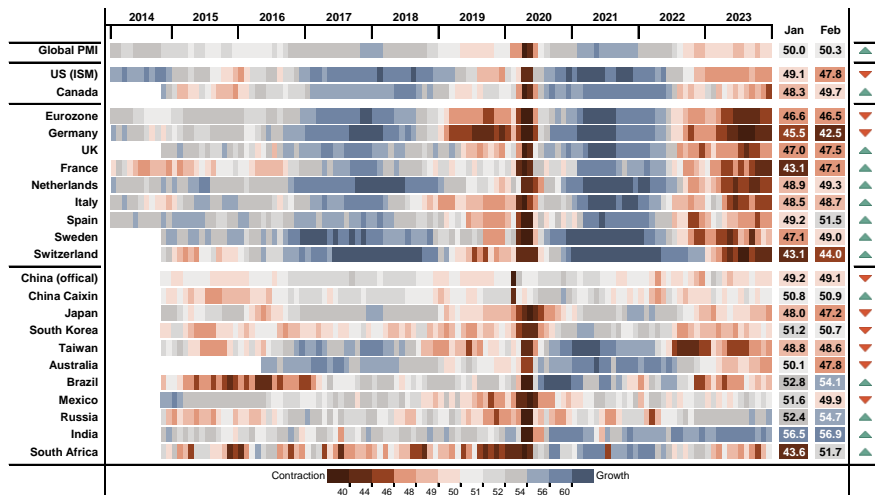


- The global economic expansion continued in January - the OECD leading indicator remained above the 100 mark for the sixth consecutive month with a value of 100.4.
- According to the leading indicator, 65% of the countries surveyed saw an improvement in the economic situation in January compared to the previous month, with Brazil, Canada and South Korea showing the strongest increase.

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: Bloomberg, Time period: 31/01/1994 - 08/03/2024

Manufacturing Purchasing Managers Index (Manufacturing PMI)

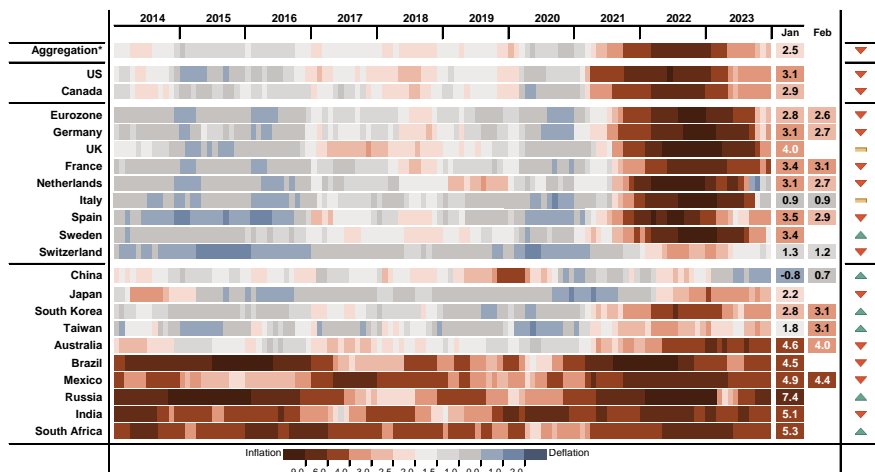


- The PMI figures for February showed a slight increase in industrial activity at a global level. However, the purchasing managers' indices in the USA, Germany, Japan, South Korea and Australia recorded a decline in industrial activity compared to the previous month.

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 key indicators such as new orders.

Source: Bloomberg, Time period: 01/01/2014 - 08/03/2024

Headline Inflation



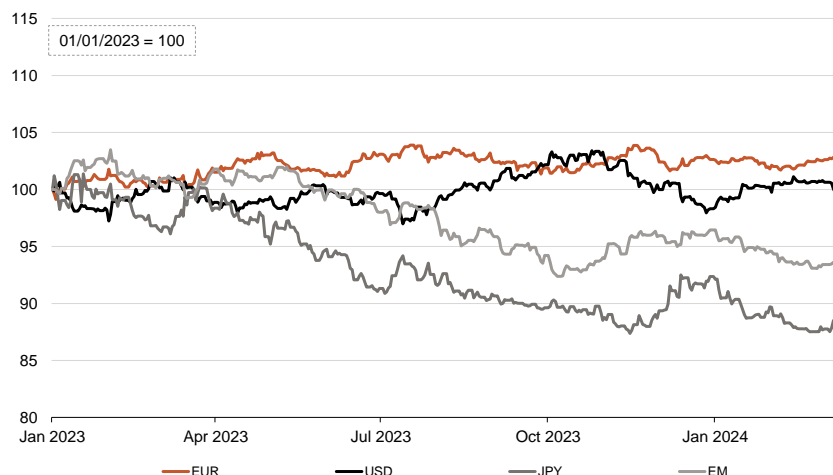
- The first inflation data for February confirm the disinflationary trend. Last month, the inflation rate in Germany recorded its lowest level since June 2021, driven by a sharp fall in energy and food prices.

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, Time period: 01/01/2014 - 08/03/2024



Trade-Weighted Currency Development

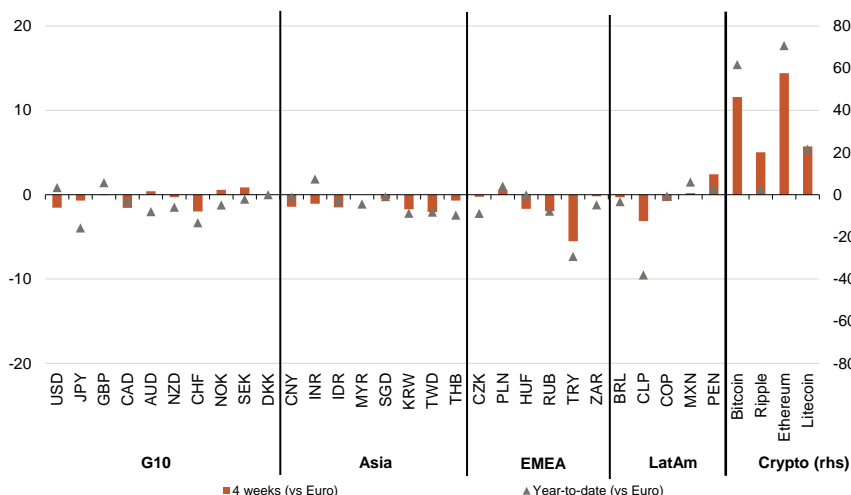


- At his hearing before Congress last week, Jerome Powell held out the prospect of the first interest rate cut this year and emphasised that the Fed was aware of the risks to the economy that would be associated with cutting interest rates too late. Powell's comments, together with weaker US economic data, weighed on the dollar index.
- In contrast, the Japanese yen appreciated in anticipation of an imminent interest rate turnaround in Japan.

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, Time period: 01/01/2023 - 08/03/2024

Currency Moves vs Euro

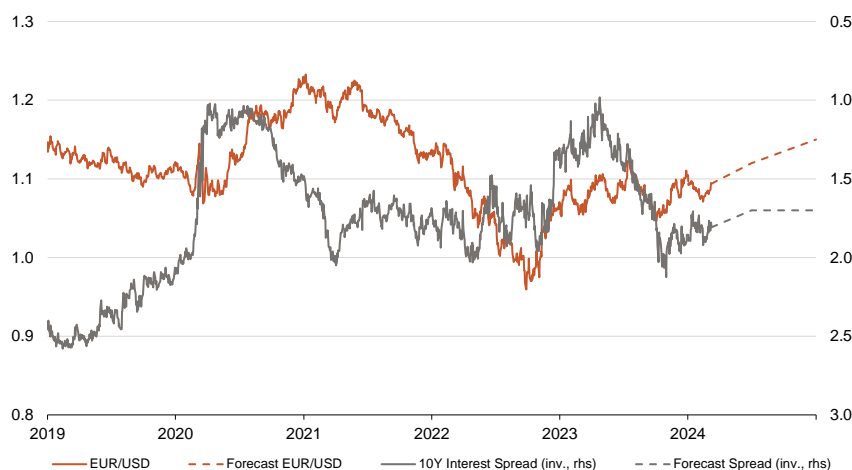


- At its meeting last week, the Polish central bank left the key interest rate unchanged, which boosted the Polish zloty against the euro.
- Turkey's higher-than-expected trade deficit in January weighed on the Turkish lira, which has already lost more than 7% against the euro since the start of the year.
- Bitcoin has increasingly benefited from strong inflows into ETFs since the beginning of February and has gained over 40% in the last four weeks.

Performance of selected currencies against the euro, in percent.

Source: Bloomberg, Time period: 31/12/2023 - 08/03/2024

EUR/USD Exchange Rate and Interest Rate Differential of 10Y Bonds



- At their meeting last week, the members of the ECB Governing Council decided to leave the key interest rate unchanged. In view of the high wage pressure and the associated inflation risks, ECB President Lagarde was cautious about a rate cut in the near future. The EUR/USD exchange rate fell below the 1.10 mark last week.

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 Economics.

Source: Bloomberg, Time period: 01/01/2019 - 31/12/2024



European Sector & Style Performance

	4-week & YTD		12-month periods over that last 5 years					
	4W (09/02/24 - 08/03/24)	YTD (30/12/23 - 08/03/24)	08/03/23	08/03/22	08/03/21	08/03/20	08/03/19	08/03/20
			08/03/24	08/03/23	08/03/22	08/03/21	08/03/20	08/03/20
Finance		6.9	12.7	30.0	-4.2	16.3	-6.0	
Materials	-0.4	6.6	6.7	3.4	3.3	44.8	-5.6	
Industrials		5.3	20.7	15.2	-1.1	27.4	5.3	
Health Care		4.8	18.0	3.5	17.4	-0.1	15.3	
Growth		4.3	17.7	10.7	2.3	15.7	9.4	
Information Technology		3.9	40.9	11.0	-1.5	28.3	11.4	
Value		3.7	7.0	17.6	2.6	12.6	-7.1	
Consumer Discretionary		3.5	7.8	31.2	-13.7	36.4	-0.8	
Utilities	-6.0	2.9	3.7	4.1	5.0	-2.6	26.8	
Telecommunications		1.4	2.3	9.3	-0.3	2.6	-8.0	
Energy	-1.2	0.9	1.0	25.0	30.7	5.2	-24.5	
Consumer Staples	-1.8		-2.1	7.6	7.6	0.5	3.8	

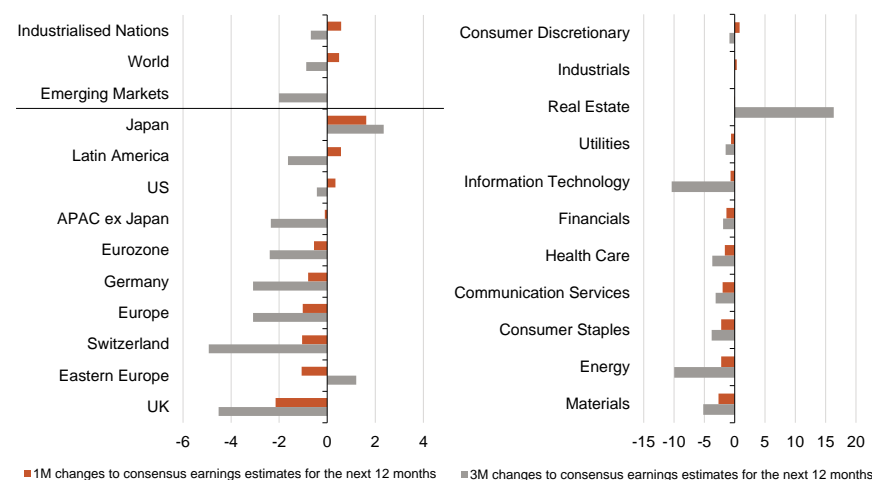
Consumer Discretionary: MSCI Europe Consumer Discretionary NR; Consumer Staples: MSCI Europe Cons. Staples NR; Energy: MSCI Europe Energy NR;
 Finance: MSCI Europe Financials NR; Health Care: MSCI Europe Health Care NR; Industrials: MSCI Europe Industrials NR; Information Tech.: MSCI Europe Inform. Tech.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

- The equity market rally continues in both Europe and the US. However, the "Glorious 7" that have been the main drivers of the S&P 500 recently appear to be running out of steam.
- In Europe, consumer discretionary and information technology have performed particularly well over the past four weeks. Consumer staples have been the laggards.

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 potential and are valued lower.

Source: Factset, Time period: 08/03/2019 - 08/03/2024

Changes in Consensus Earnings Estimates

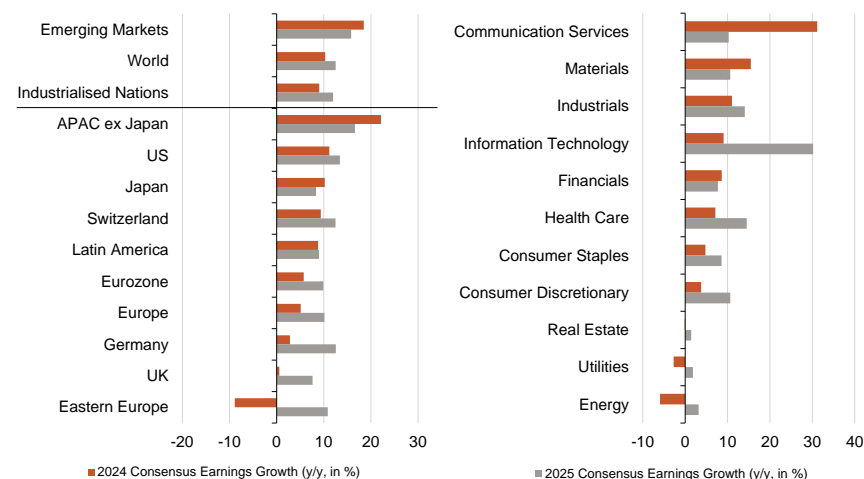


- Analysts are becoming more upbeat. Given the robust economic data and solid reporting season, they have revised their earnings estimates upwards at a global level. In particular, analysts see potential in Japan over the next 12 months.
- At the regional level, analysts are particularly critical of Switzerland and Eastern Europe, while at the sector level earnings estimates have been revised slightly downwards across the board.

1-month and 3-month changes in consensus earnings estimates for the next 12 months of the regional and Europe sector MSCI indices, in per cent.

Source: FactSet, as of 08/03/2024

Earnings Growth



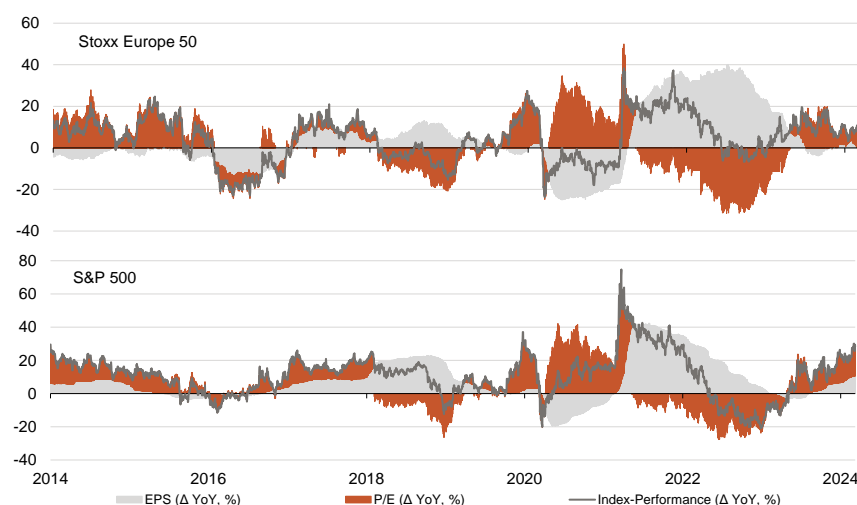
- According to analyst consensus, earnings growth in Europe as a whole is expected to be weaker than in Asia, the US and Latin America until 2025.
- At the sector level, analysts see the greatest growth potential in the telecommunications sector through 2024. In the longer term, the strongest earnings growth is expected in the information technology sector.

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

Source: FactSet, as of 08/03/2024



Contribution Analysis

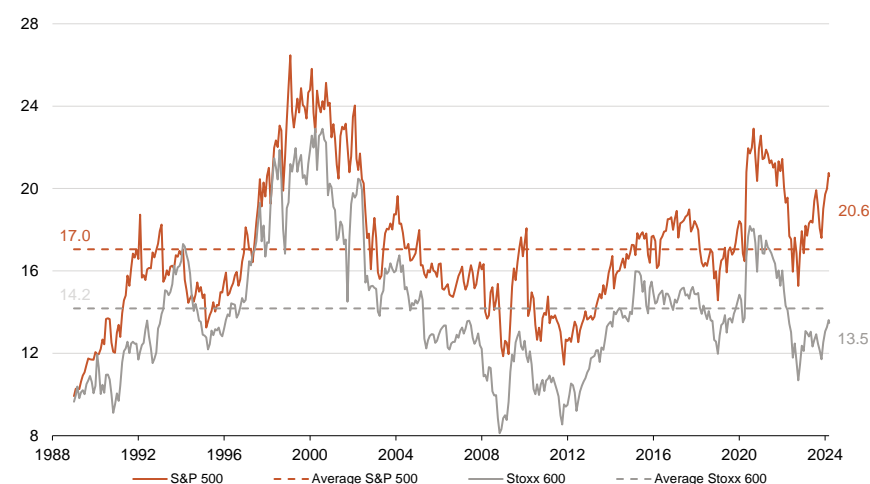


- The performance of the Stoxx Europe 50 over the last twelve months has been driven exclusively by an increase in valuations.
- In contrast, the performance of the S&P 500 has been driven by both an increase in valuations and a positive change in earnings estimates.

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: Bloomberg, Time period: 01/01/2014 - 08/03/2024

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

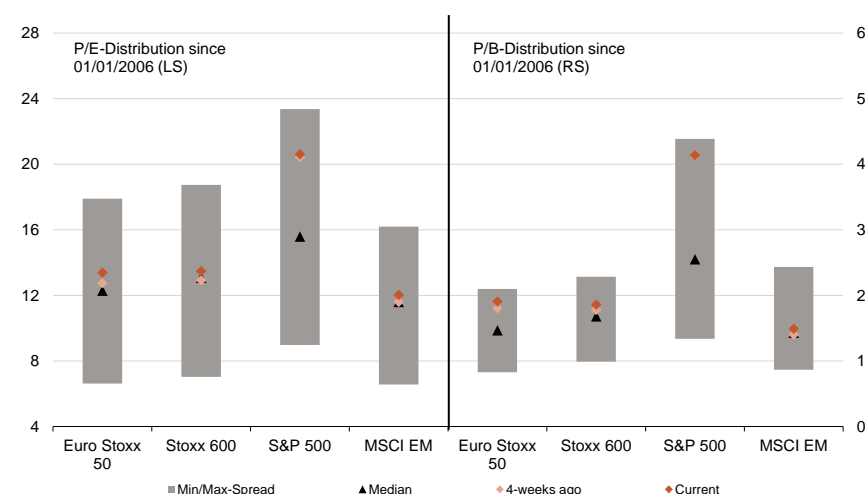


- P/E ratios have continued to widen significantly in both the US and Europe. In the US, the valuation expansion has lost some momentum due to increasingly negative economic data, such as the deterioration in consumer confidence.
- While the current valuation level of the S&P 500 was already above its historical average last year, the STOXX 600 is now increasingly approaching its historical average.

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, Factset, Time period: 31/12/1987 - 08/03/2024

Historical Distribution: Price/Earnings and Price/Book Ratio



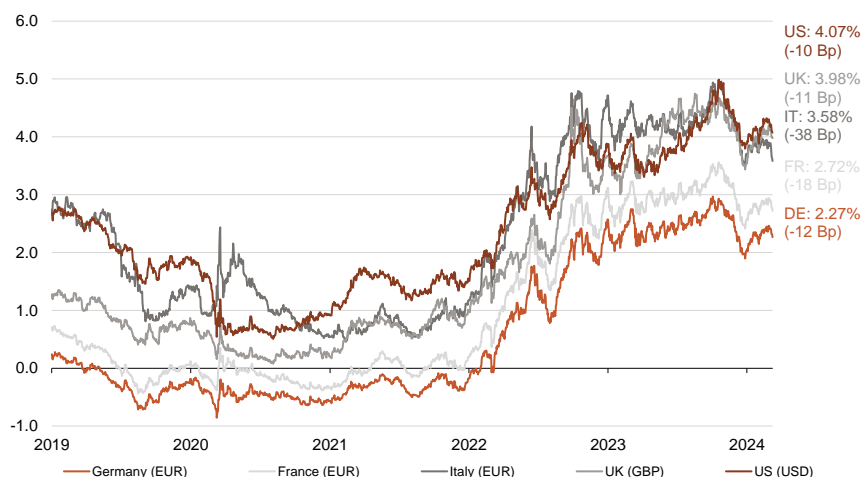
- Valuation expansion has continued over the past four weeks on both a price-to-earnings and price-to-value basis.
- Compared to the S&P 500, the European equity market has continued to catch up in terms of valuation expansion and has slightly narrowed the gap with the US equity market.

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, Time period: 01/01/2006 - 08/03/2024



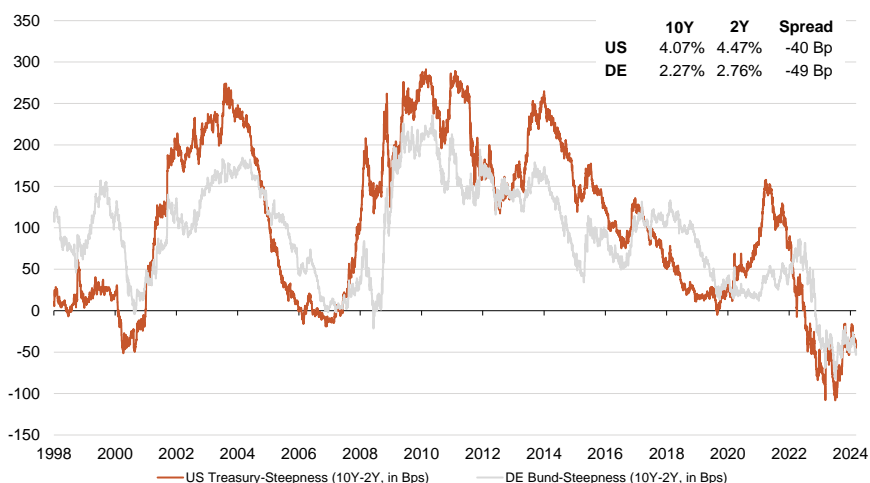
10-Year Government Bond Yields



- Government bond yields in the core countries have fallen slightly ahead of next week's Fed meeting. The market does not expect a change in the US federal funds rate at the upcoming meeting. The yield on US government bonds has fallen by 10 basis points over the last four weeks and is now back at 4.07%.
- Italian government bonds have seen the biggest drop in yields at 38 basis points.

Effective yield on 10-year government bonds and change over the last four weeks in basis points (in brackets).
Source: Bloomberg, Time period: 01/01/2019 - 08/03/2024

Yield Curve Steepness (10Y - 2Y)

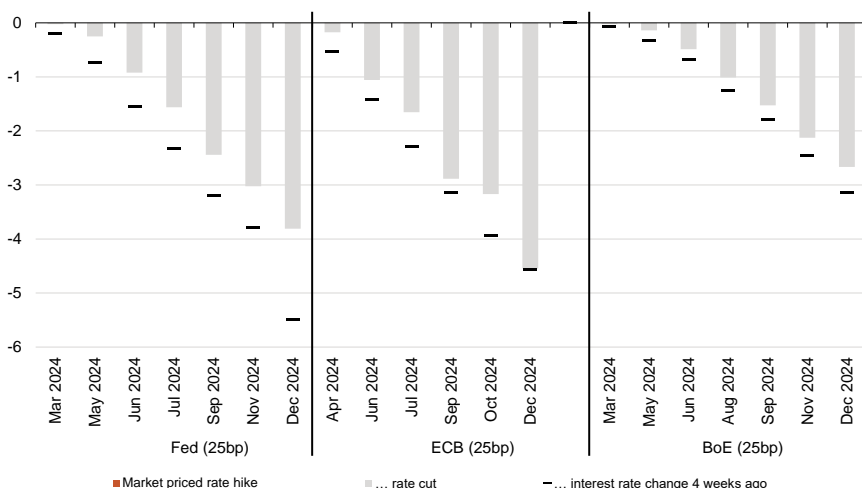


- Over the past two weeks, yields at the short end have fallen more than those at the long end.
- The interest rate differential between 2-year and 10-year US government bonds has fallen from -30 basis points to -42 basis points.

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, Time period: 01/01/1998 - 08/03/2024

Implicit Changes in Key Interest Rates

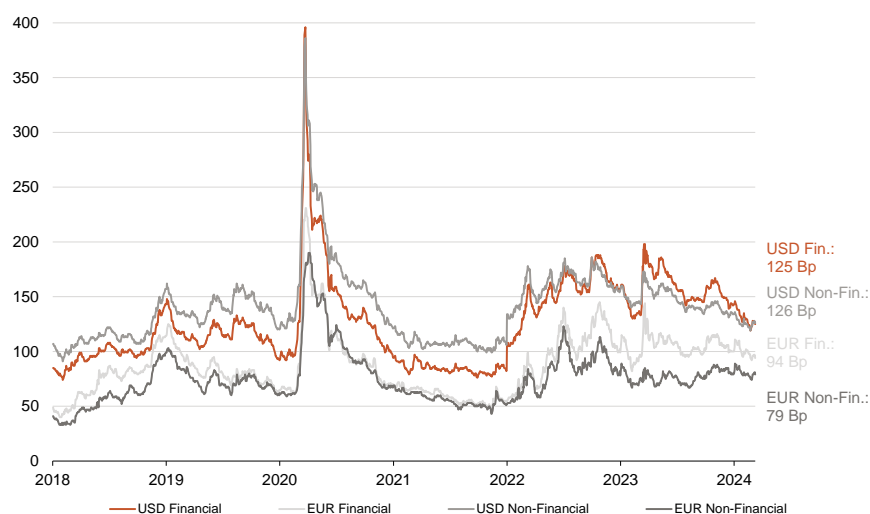


- The market does not foresee the Fed cutting rates at its meeting next Wednesday. The market does not expect a first rate cut until the June meeting.
- The market also does not anticipate the ECB's first rate cut until June. The Bank of England is likely to take longer, according to analysts. The market is not pricing in the first rate cut until August this year.

Derivatives on money market interest rates - such as the fed funds futures - can be used to determine the change (number of steps) in the key interest rate priced by the market.
Source: Bloomberg, Time period: 08/02/2024 - 08/03/2024



Credit Spreads Financial and Non-Financial Bonds

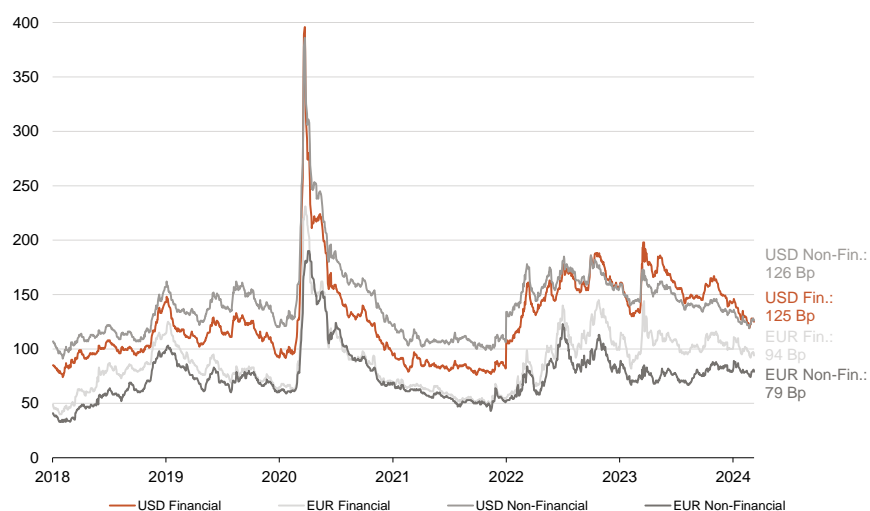


- Over the past two weeks, risk premiums on USD and EUR IG corporate bonds widened slightly.
- Spreads on USD financial and non-financial bonds widened by 6 and 7 basis points respectively. Spreads on EUR non-financial bonds widened by 4 basis points, while spreads on EUR financial bonds remained unchanged.

Explanations: see middle and lower figure.

Source: FactSet, Time period: 01/01/2019 - 08/03/2024

Credit Spreads High Yield and Emerging Markets Bonds



- USD high yield spreads widened by 6 basis points over the last two weeks. EUR high yield spreads have also widened by 8 basis points.
- Emerging market bonds have seen larger moves over the last two weeks. EM high yield spreads have even fallen by almost 13 basis points.

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, Time period: 01/01/2019 - 08/03/2024

Bond Segments Overview

	Key figures			Asset Swap Spread			Total Return (% local)							
	Yield (in %)	Δ-1M	Modified Duration	Spread (Bps)	Δ-1M	10Y-Per-centile	1M	YTD	08/03/23	08/03/24	08/03/23	08/03/21	08/03/20	08/03/19
EUR Government	2.89	-0.11	7.2	-	-	-	1.5	-0.4	6.6	-16.5	-3.3	-1.2	8.8	
Germany	2.44	-0.04	7.3	-	-	-	0.8	-1.3	4.7	-17.0	-1.9	-3.9	6.6	
EUR Corporate	3.78	-0.10	4.4	85	-3	64	0.9	0.1	7.7	-9.8	-4.5	1.1	4.9	
Financial	4.01	-0.12	3.8	94	-8	62	1.0	0.3	7.8	-8.0	-4.0	1.5	4.0	
Non-Financial	3.63	-0.09	4.9	79	0	68	0.8	-0.1	7.7	-10.8	-4.8	0.9	5.4	
EUR High Yield	6.51	-0.07	3.1	284	-13	21	1.1	1.7	10.2	-2.4	-4.1	6.5	4.4	
US Treasury	4.31	-0.04	6.3	-	-	-	0.8	-0.5	3.6	-10.3	-1.5	-4.2	15.2	
USD Corporate	5.33	-0.05	6.7	126	-1	38	0.9	-0.1	7.6	-8.6	-3.5	-0.6	17.1	
Financial	5.48	-0.06	5.0	125	-5	53	0.9	0.6	7.8	-6.6	-3.6	1.3	14.0	
Non-Financial	5.26	-0.04	7.5	126	1	32	0.9	-0.4	7.6	-9.6	-3.5	-1.4	18.4	
USD High Yield	7.85	-0.11	3.9	307	-9	9	1.0	1.1	11.9	-4.4	-0.2	8.9	6.0	
EM High Grade	5.45	-0.04	5.2	138	-2	7	0.8	0.4	6.9	-7.2	-5.3	0.2	12.6	
EM High Yield	8.83	-0.35	3.9	403	-46	12	1.4	2.9	10.4	-1.9	-14.4	7.1	8.9	

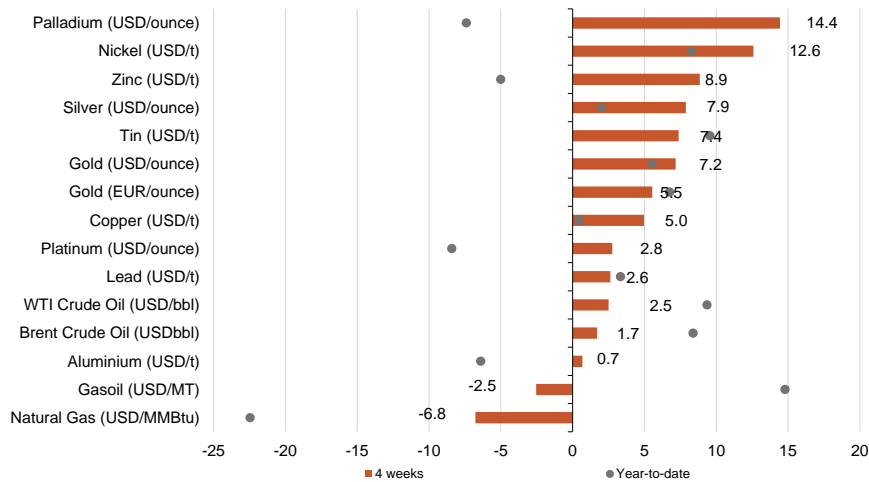
- High yield bonds have been the best performers over the last four weeks. Emerging market high-yield bonds have been particularly strong, up 1.4% year-to-date.
- Risk premiums on USD high-yield bonds are now below the 10th percentile and are therefore no longer attractive by historical standards.

ICE BofA indices in the following sequence: Euro Government; German Government; Euro Corporate; Euro Financial; Euro Non-Financial; Euro High Yield; US Treasury; US Corporate; US Financial; US Non-Financial; US High Yield; High Grade Emerging Markets Corporate Plus; High Yield Emerging Markets Corporate Plus. EM indices are hard currency bonds.

Source: FactSet, Time period: 08/03/2019 - 08/03/2024



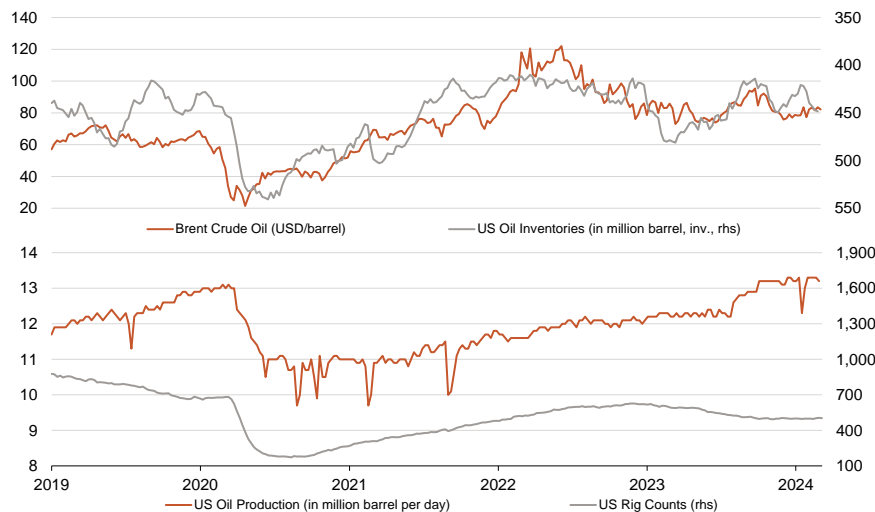
Commodities Performance



- The brightening economic outlook is now also evident on the commodities market. Almost all of the commodities shown here have performed positively over the last month.
- As commodity prices are quoted almost exclusively in US dollars and the latter has recently weakened somewhat, there has also been some tailwind from the currency side.

Total return of selected commodity indices, in percent, sorted by 4-week performance.
Source: Bloomberg, Time period: 31/12/2022 - 08/03/2024

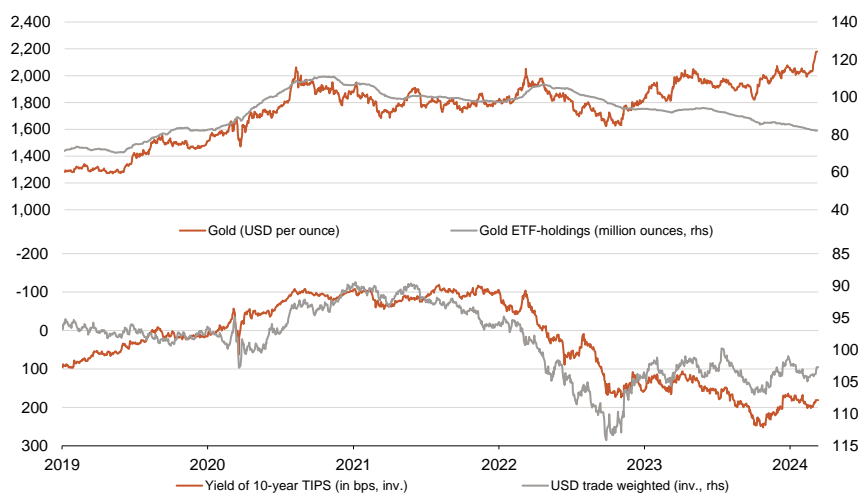
Crude Oil



- After the oil price fell briefly at the beginning of February due to the cease-fire negotiations between Israel and Hamas, it moved sideways above the USD 80 per barrel mark for the rest of the month.
- The OPEC talks at the beginning of March failed to give the oil price a new boost. OPEC extended its voluntary cuts until the end of Q2, however, otherwise there would have been a risk of oversupply.

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, Time period: 01/01/2019 - 08/03/2024

Gold



- Despite largely unchanged US interest rate expectations and ongoing ETF outflows, gold is currently climbing to new all-time highs. Physical demand is particularly strong from China. However, the most recent outbreak is likely to be driven primarily by systematic investors and therefore of a technical nature.

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 financial investors' demand for gold.
Source: Bloomberg, Time period: 01/01/2019 - 08/03/2024

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