



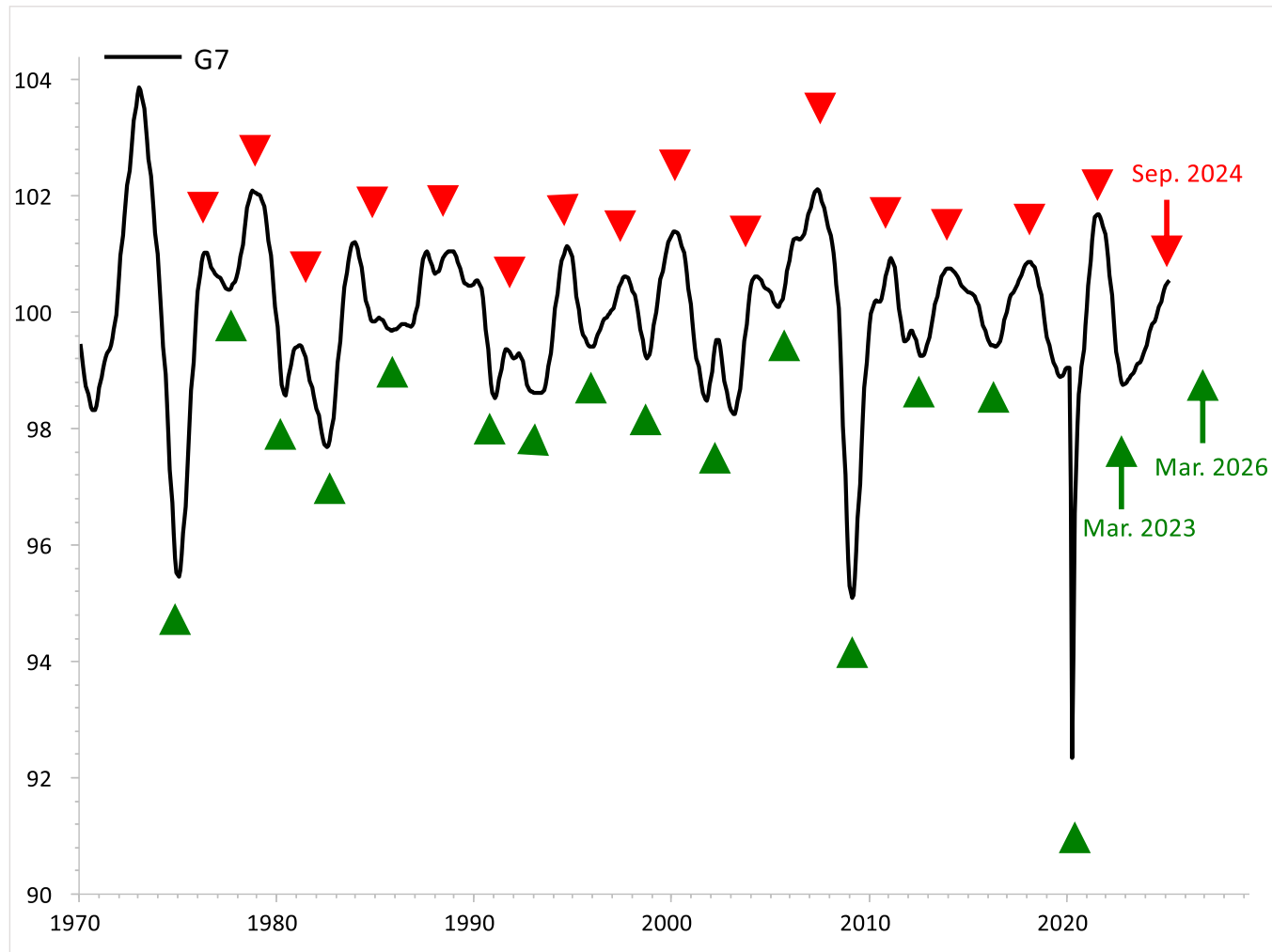
# SITUATION ASSESSMENT & OUTLOOK

for the next six months

# Details short-term situation assessment Economy / Macro

# Economic environment: cycle

## OECD Leading Indicator (Global)



Assessment  
Neutral

Justification

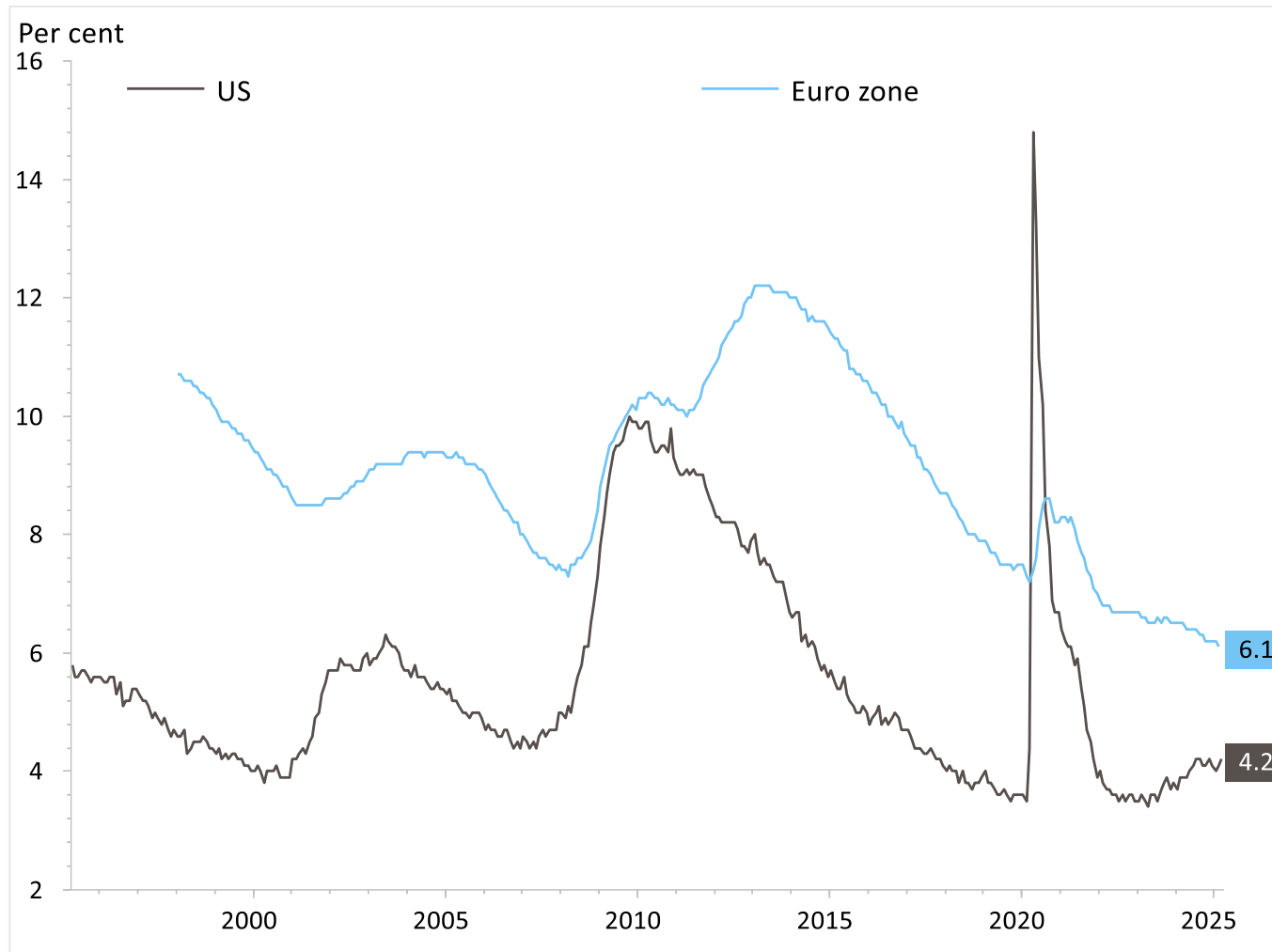
- Positive: rising after bottoming out
- Neutral: solid growth
- Cautious: declining after bottoming out; end of upward trend
- Negative: established, strong downward trend

Explanation

- The indicator provides early signals for turning points in the cycle with a 6–9 months lead over GDP.
- Normal cycle lasts three years, approx. 1.5 years upswing and 1.5 years downswing.

# Economic environment: consumption

## Unemployment rate (Global)



Assessment  
Positive

Justification

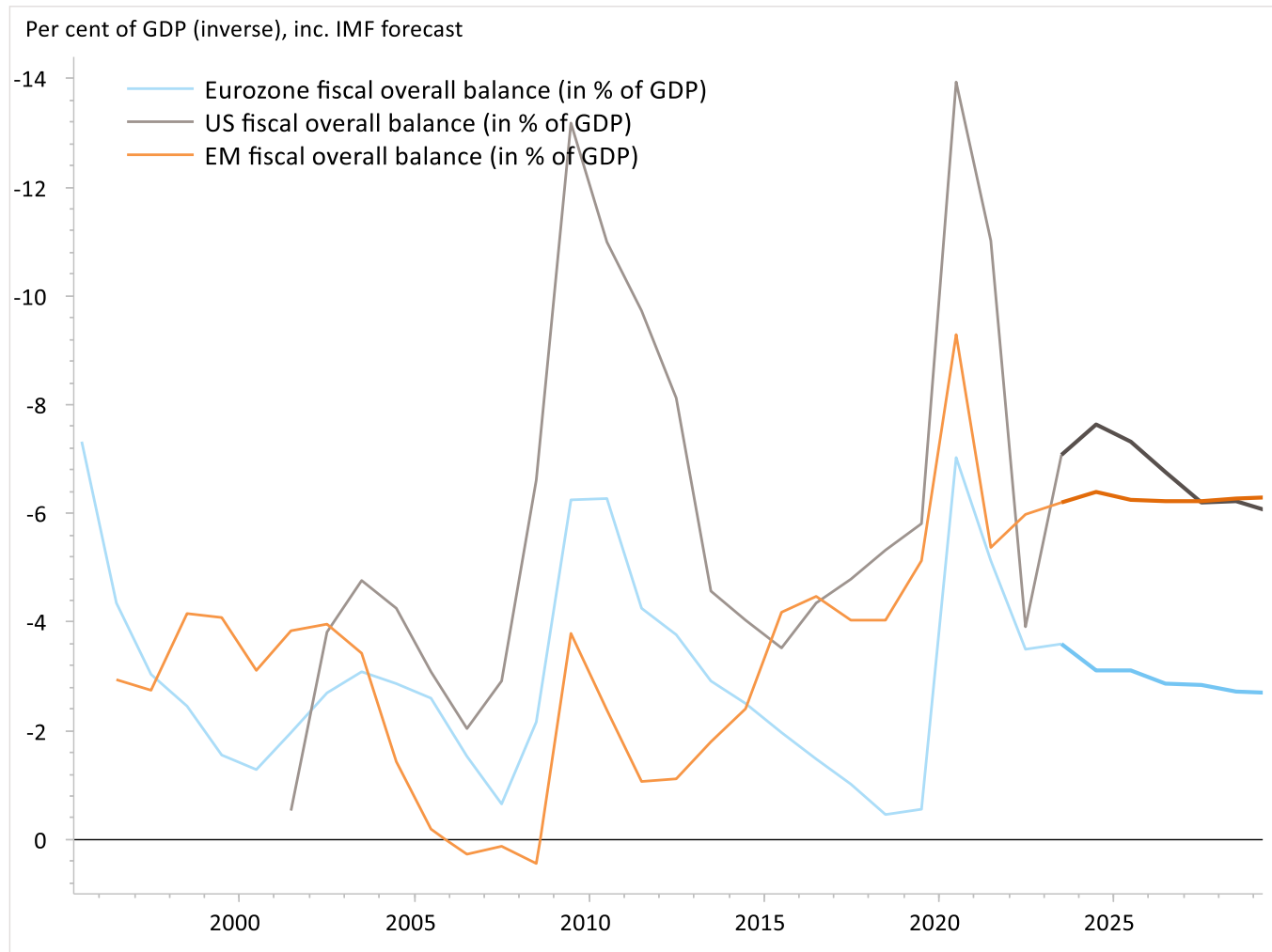
- Positive: low level by historical standards, strong labour markets
- Neutral: on a historical average
- Cautious: slowly rising unemployment rate
- Negative: synchronised increase in the rate

Explanation

- The unemployment rate relates the number of registered unemployed to the labour force and thus measures the relative underutilisation of labour supply

# Economic environment: state / leverage

## Fiscal programmes / government budget deficit (Global)

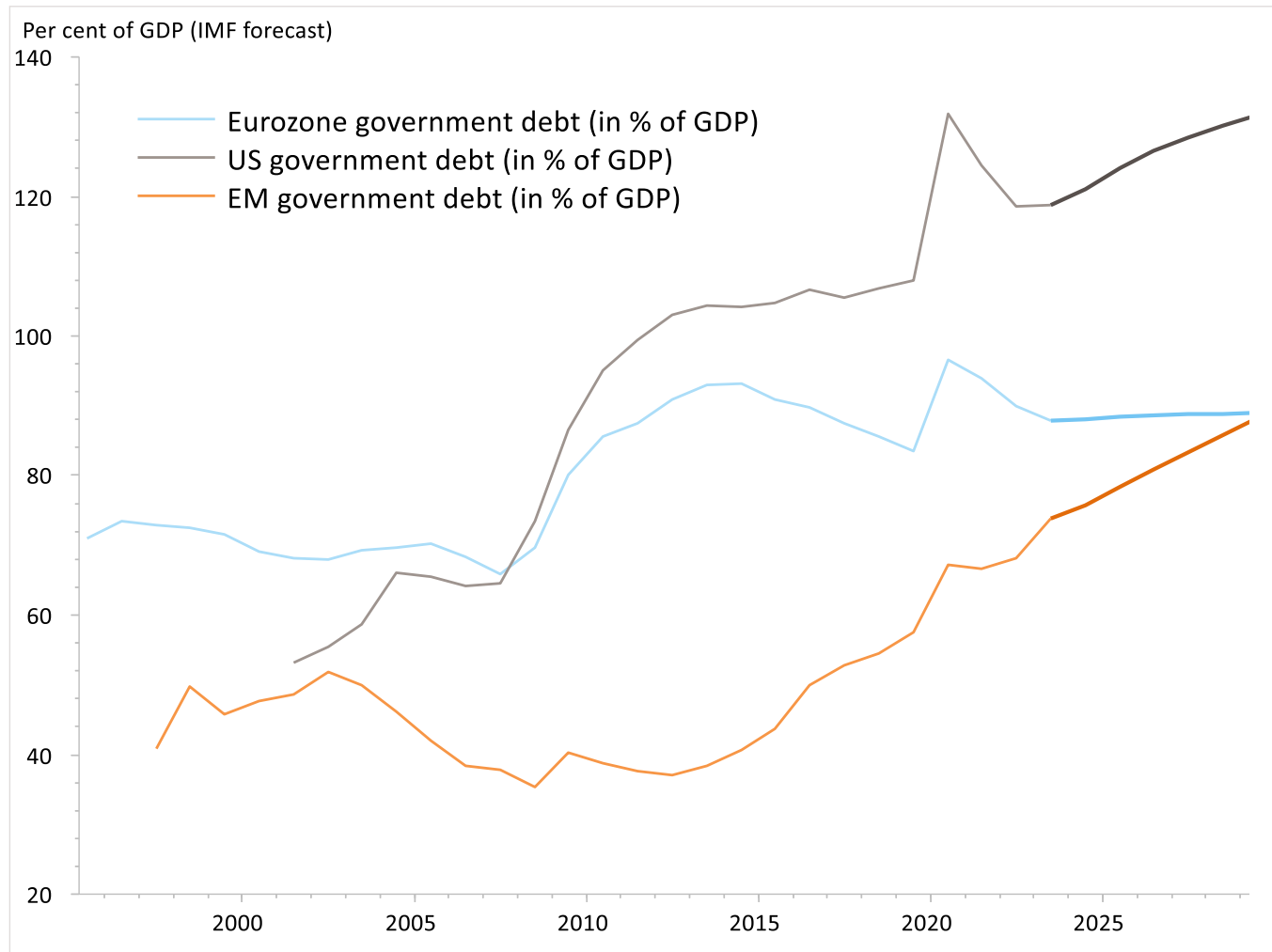


**Assessment**  
Positive

- Justification
- Positive: strong stimulus compared to history
  - Neutral: weak stimulus in historical average
  - Cautious: weak fiscal stimulus, declining
  - Negative: shrinking fiscal programmes
- Explanation
- Expectations of the International Monetary Fund (IMF) regarding the upcoming fiscal programmes in relation to economic output (GDP)

# Economic environment: state / leverage

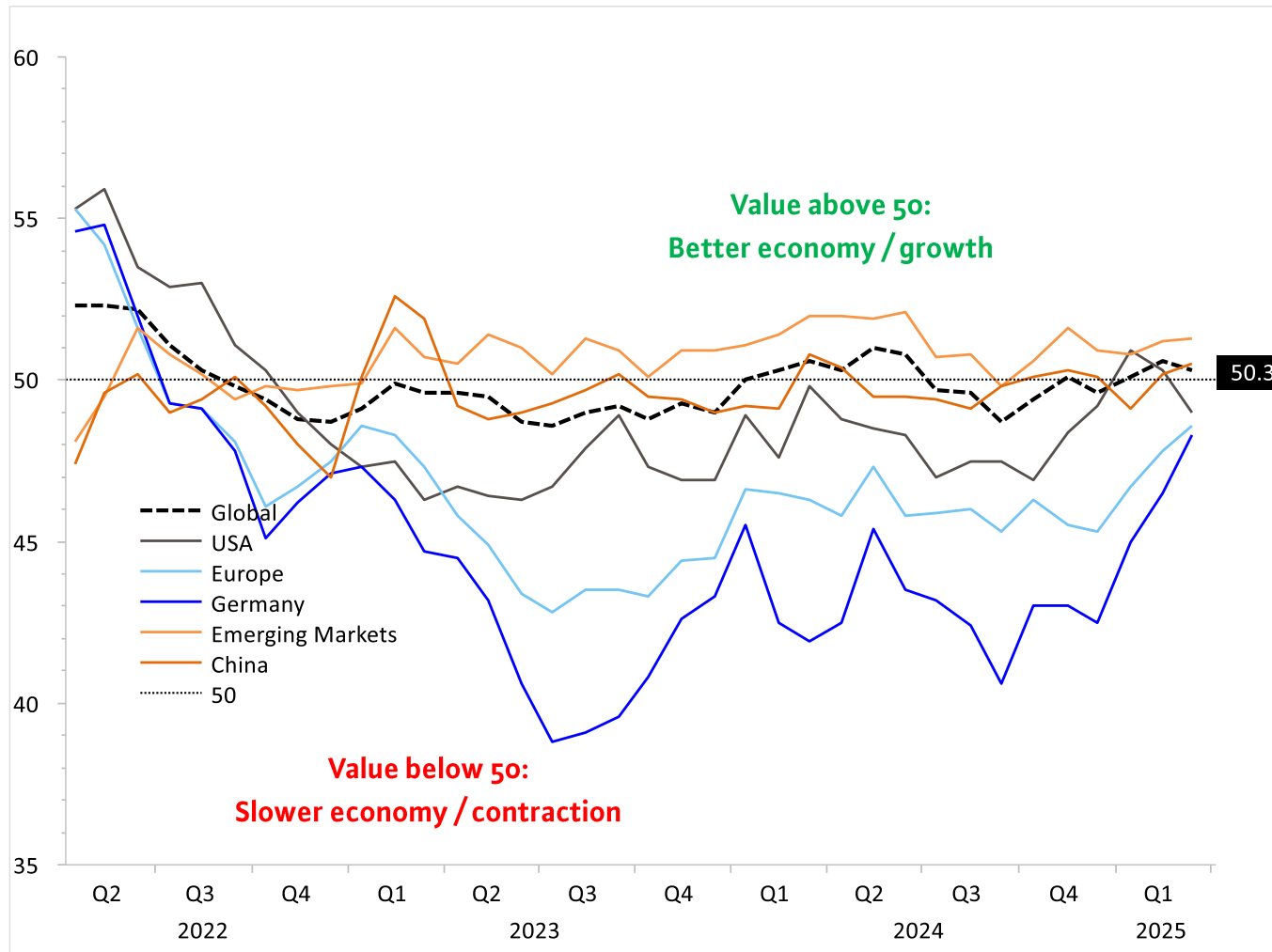
## Public debt (Global)



**Assessment**  
Positive

- Justification
- Positive: rising government debt supports economic growth
  - Neutral: stagnating debt
  - Cautious: slight decline in debt
  - Negative: sharp decline in debt
- Explanation
- Rising government debt is conducive to economic growth
  - Expectations of the International Monetary Fund (IMF) regarding future government debt

# Economic environment: Emerging Markets Purchasing Managers' Indices (PMI)



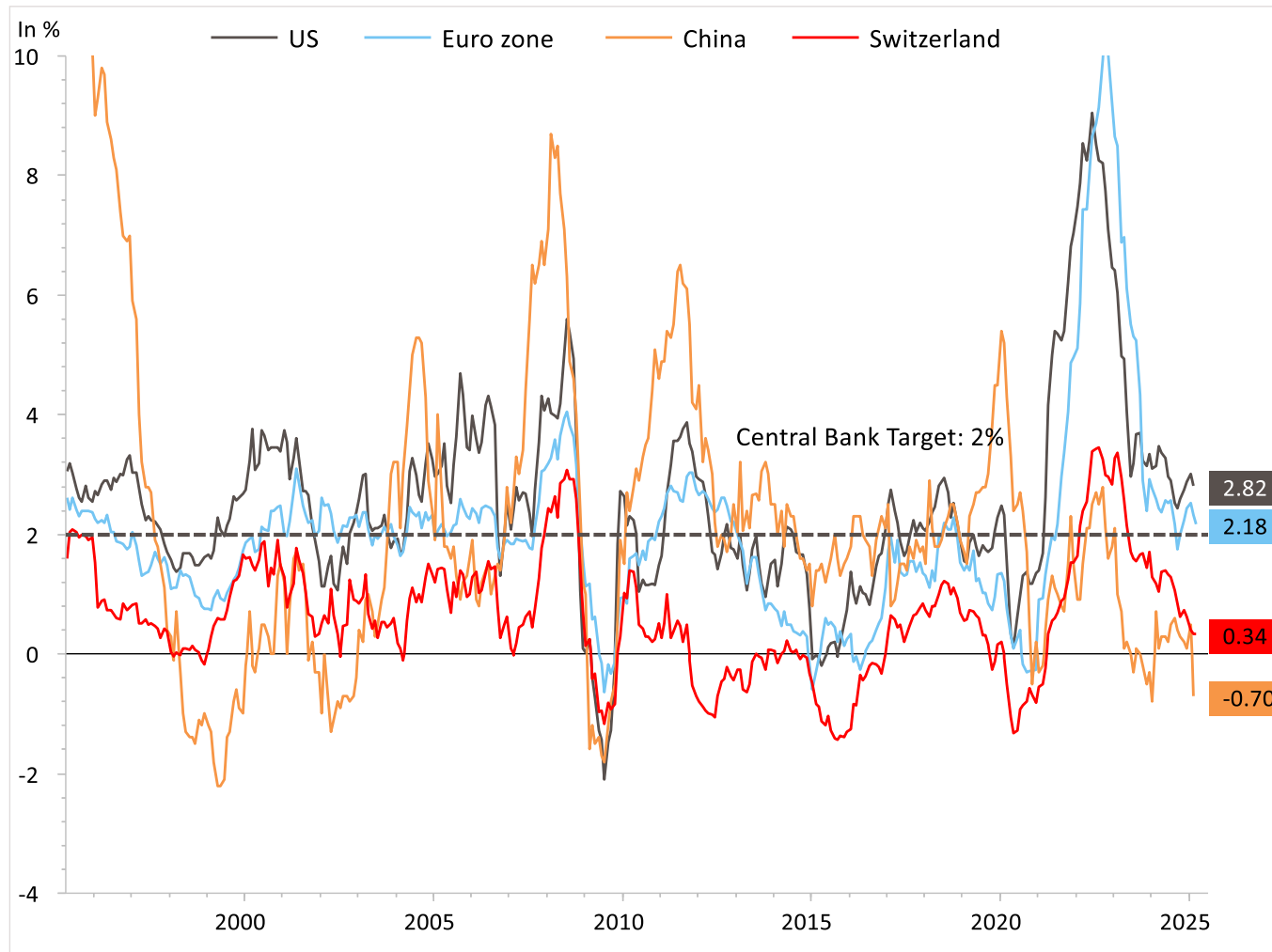
Assessment  
Neutral

- Justification
- Positive: index above 54
  - Neutral: index between 48 and 54
  - Cautious: index between 46 and 48
  - Negative: index below 46

- Explanation
- Good leading indicator for the economy
  - Purchasing Managers' Indices (PMI): Monthly indicator of economic development in the manufacturing industry.

# Inflation: development / trend

## Inflation Global (CPI)



Assessment Europe  
Neutral

Assessment Switzerland  
Falling

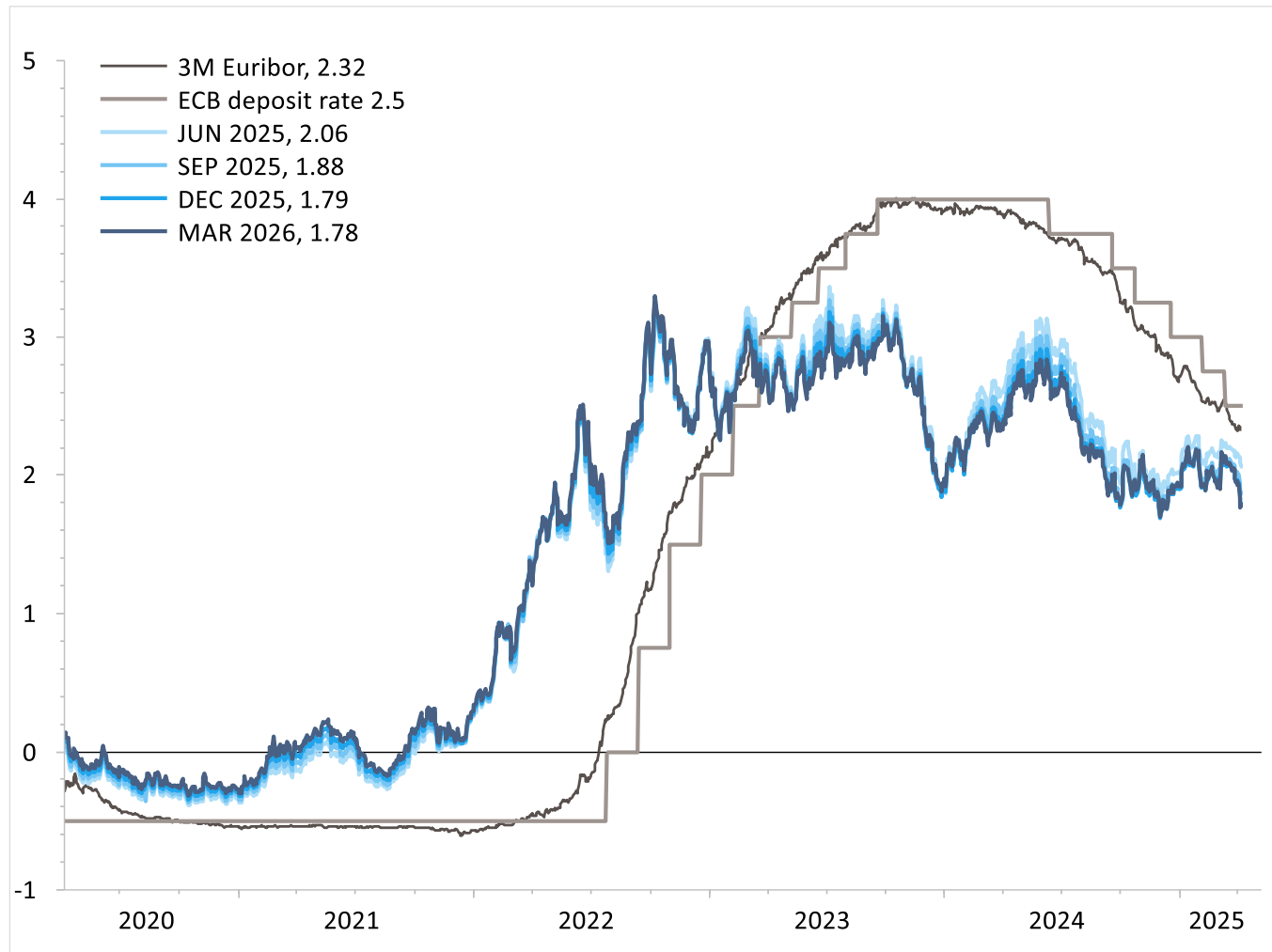
Assessment USA  
Neutral

- Justification
- Falling: inflation figures are falling
  - Neutral: sideways movement
  - Rising: inflation figures are rising
- Explanation
- Comparison of inflation rates (consumer prices)

# Details short-term situation assessment Interest rate policy

# Interest rates: market expectations, over-/underreactions

## Implicit interest rate expectations (Europe)



Assessment  
Falling

Justification

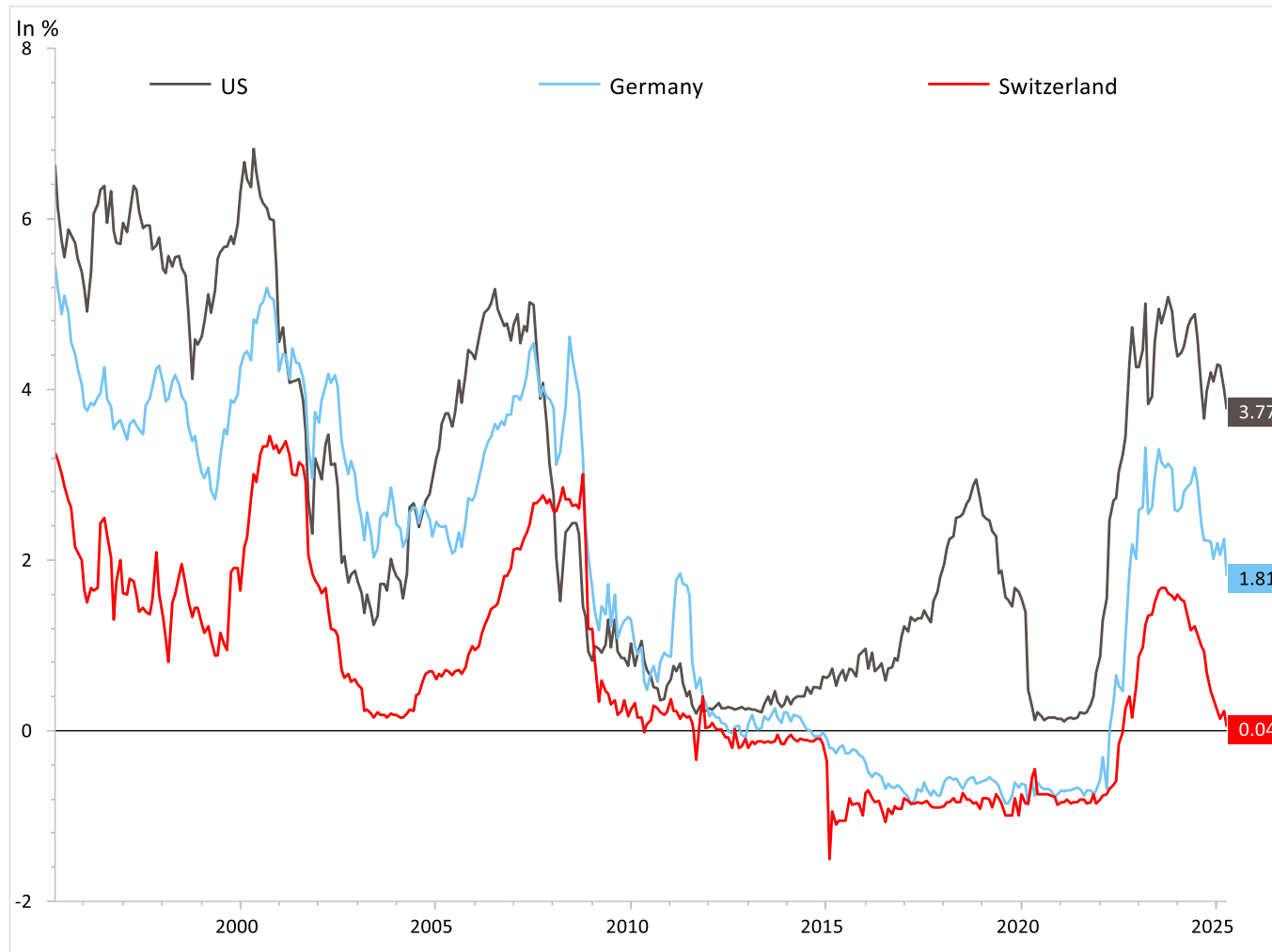
- Falling: expectations on the futures market for falling key rates
- Neutral: no major change in key rates expected
- Rising: expectations on the futures market for rising key rates

Explanation

- The futures market reflects market participants' expectations regarding future interest rates.

# Interest rates: development / trend

## 2 years



Assessment Europe  
Falling

Assessment Switzerland  
Falling

Assessment USA  
Falling

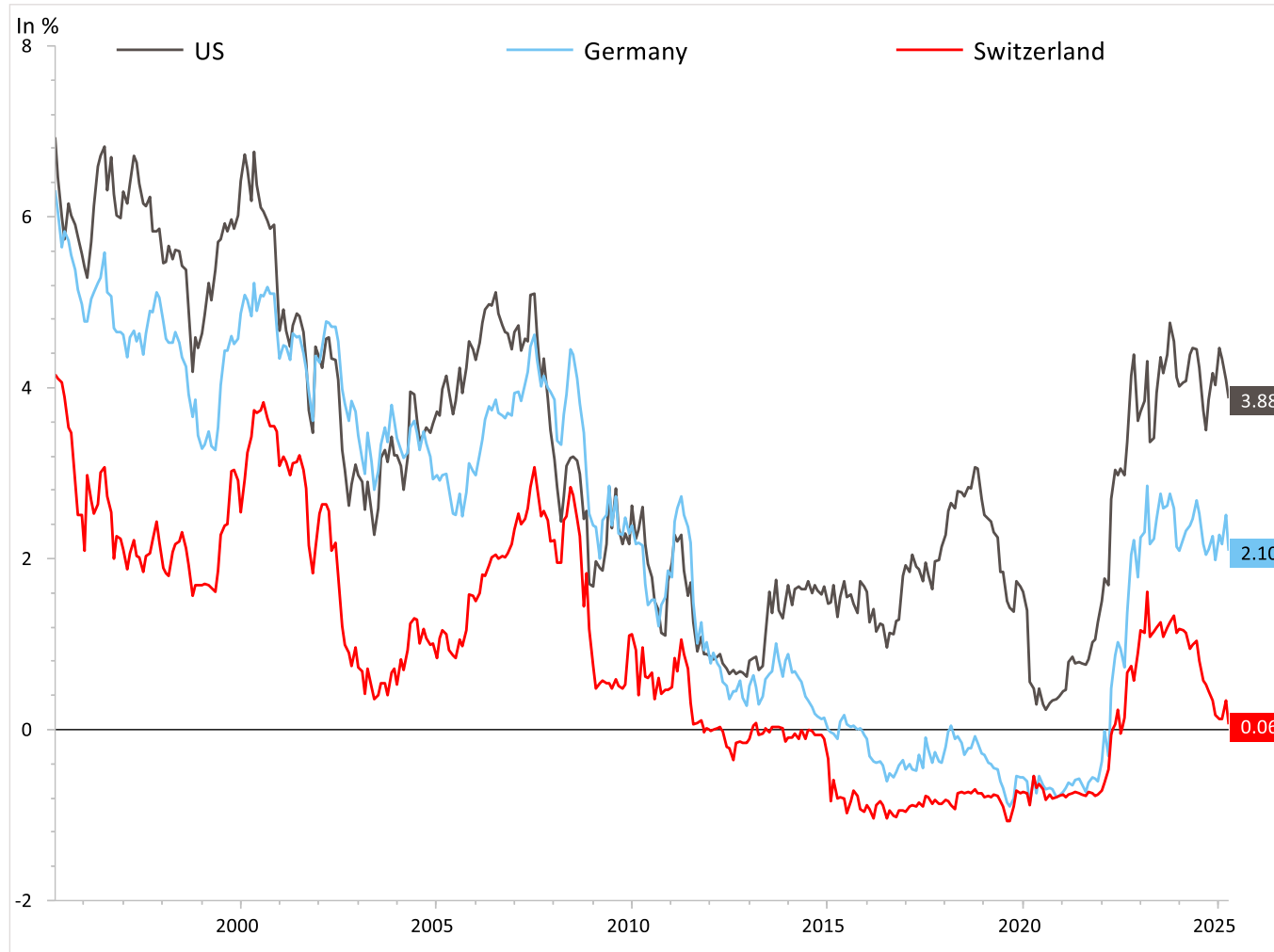
Justification

- Falling: trend towards lower interest rates
- Neutral: stable interest rates
- Rising: trend towards higher interest rates

Explanation

- Medium-term interest rate level: term 2 years

# Interest rates: development / trend 5 years



Assessment Europe  
Neutral

Assessment Switzerland  
Neutral

Assessment USA  
Neutral

Justification

- Falling: trend towards lower interest rates
- Neutral: stable interest rates
- Rising: trend towards higher interest rates

Explanation

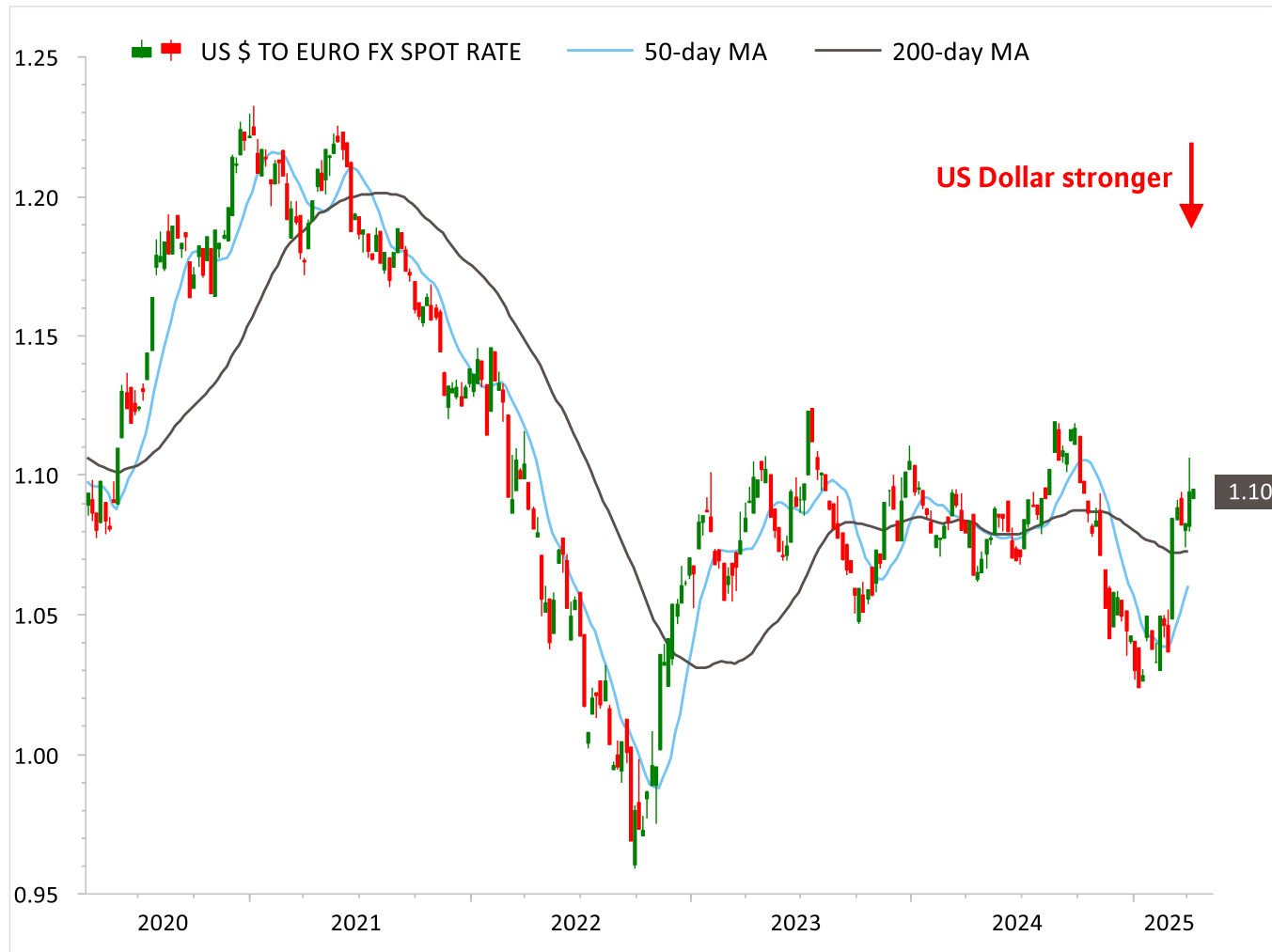
- Medium-term interest rate level: term 5 years

# Details short-term situation assessment

## Currencies

# EUR/USD: momentum / technical analysis

## 50- and 200-day moving averages



Assessment  
Neutral

### Justification

- USD stronger: falling moving average lines
- Neutral: in a trend
- USD weaker: rising moving average lines

### Explanation

Comparison of the current price with the 50- and 200-day moving averages

# EUR/CHF: momentum / technical analysis

## 50- and 200-day moving averages



Assessment  
Neutral

### Justification

- CHF stronger: falling moving average lines
- Neutral: in a trend
- CHF weaker: rising moving average lines

### Explanation

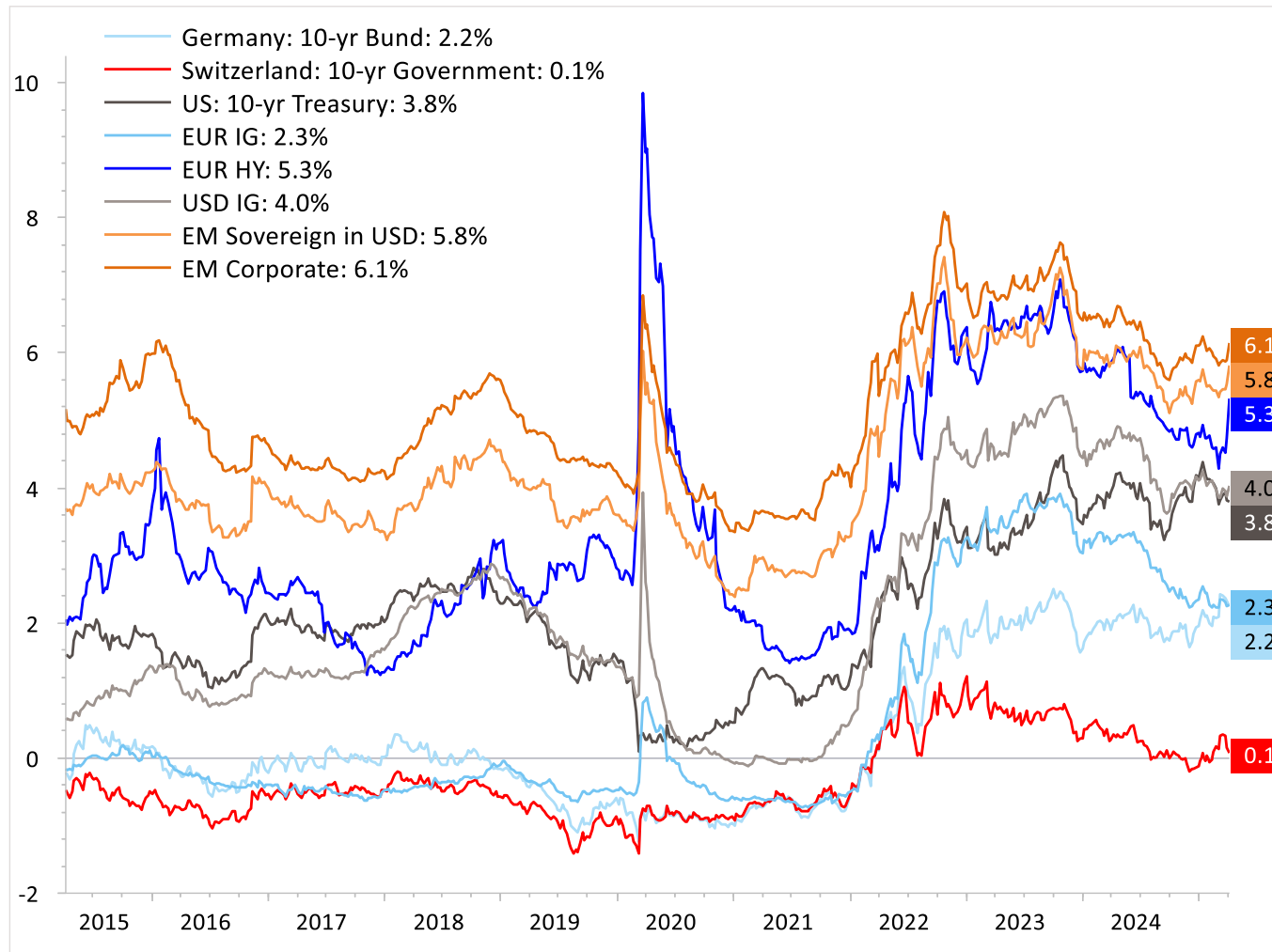
Comparison of the current price with the 50- and 200-day moving averages

# Details short-term situation assessment

## Bonds

# Bonds: development and outlook

## EUR Investment Grade



Assessment  
Neutral

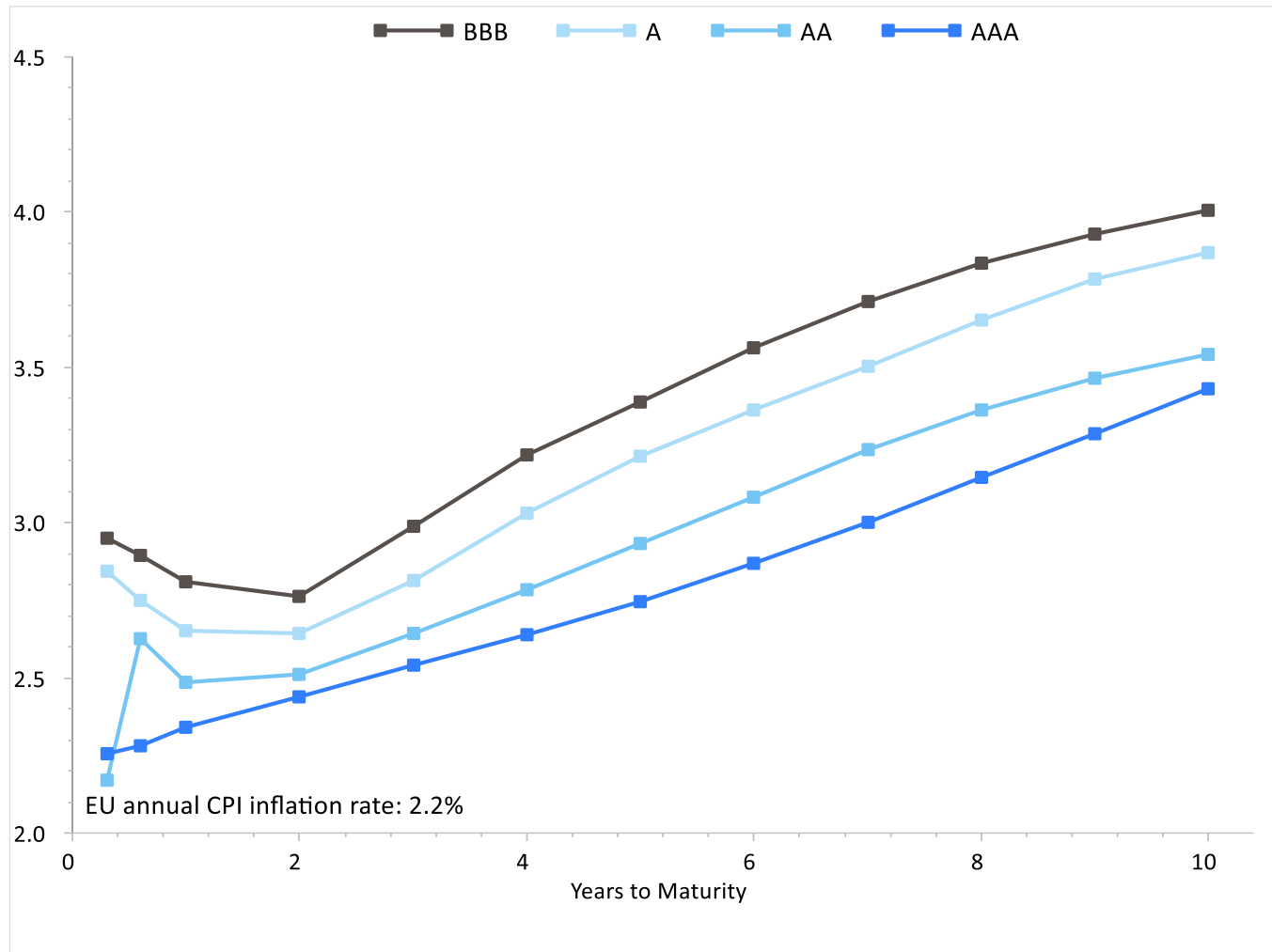
Justification

- Rising: higher, more attractive level
- Neutral: historically average level
- Falling: lower, less attractive level

Explanation

- Change in bond yields Indices by quality over time
- Not comparable with the Colin&Cie bond strategy
- Net yields

# Interest rates / yield curve: corporates Eurozone



### Explanation

- Yield level of corporate bonds by yield to maturity (YtM) and maturity
- Comparison of returns on individual rating tranches
- Net returns in local currency

# Risk premium Spreads (EUR investment grade)



Assessment  
Neutral

Assessment shows risk perspective and may differ from base case

Justification

- Falling: high level in historical comparison
- Neutral: average level in historical comparison
- Rising: low level in historical comparison

Explanation

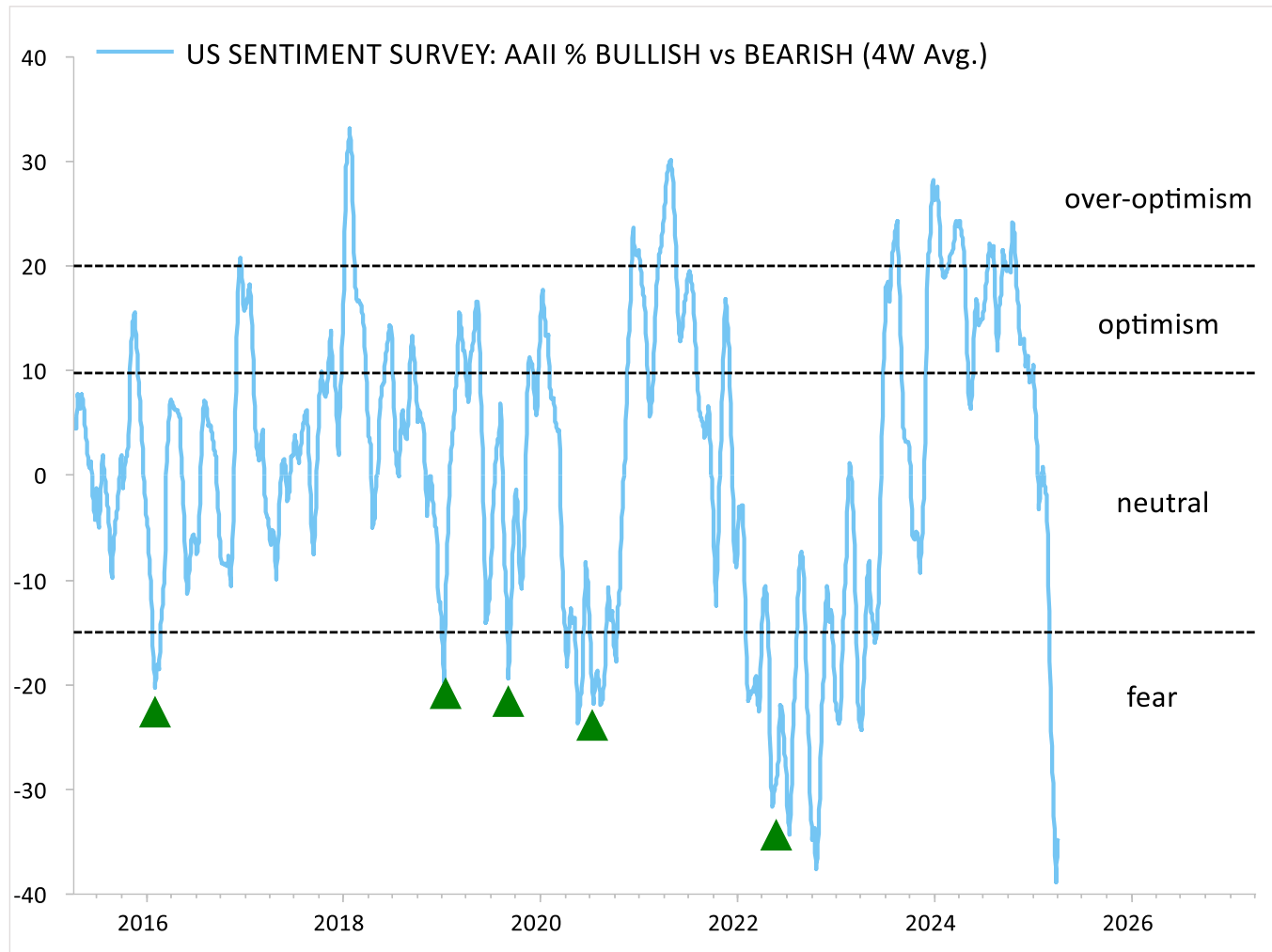
- The interest rate differential between the index and government bonds is a measure of the attractiveness of the bonds.
- Option-adjusted spread (OAS) shows interest rate difference

# Details short-term situation assessment

## Equities

# Equities

## Sentiment Survey (USA)



**Assessment**  
Positive

Justification

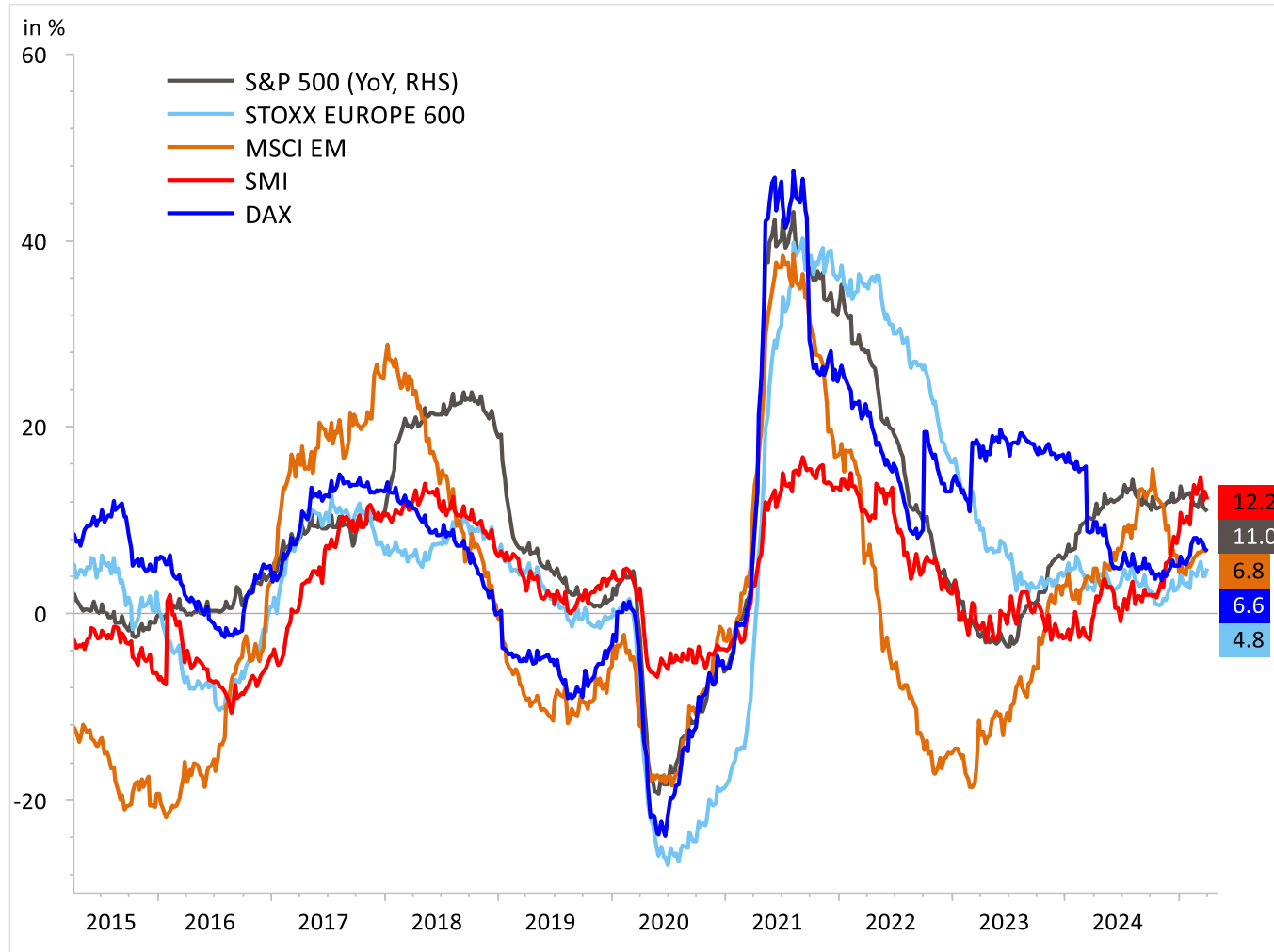
- Positive: anxious investor sentiment
- Neutral: balanced, historically average sentiment
- Cautious: optimistic investors
- Negative: euphoric sentiment

Explanation

- The sentiment of private US investors
- Weekly survey
- Contrary indicator, as the price level reflects the sentiment

# Equities Europe: Expected corporate profits

## Annual changes



Assessment  
Neutral

Justification

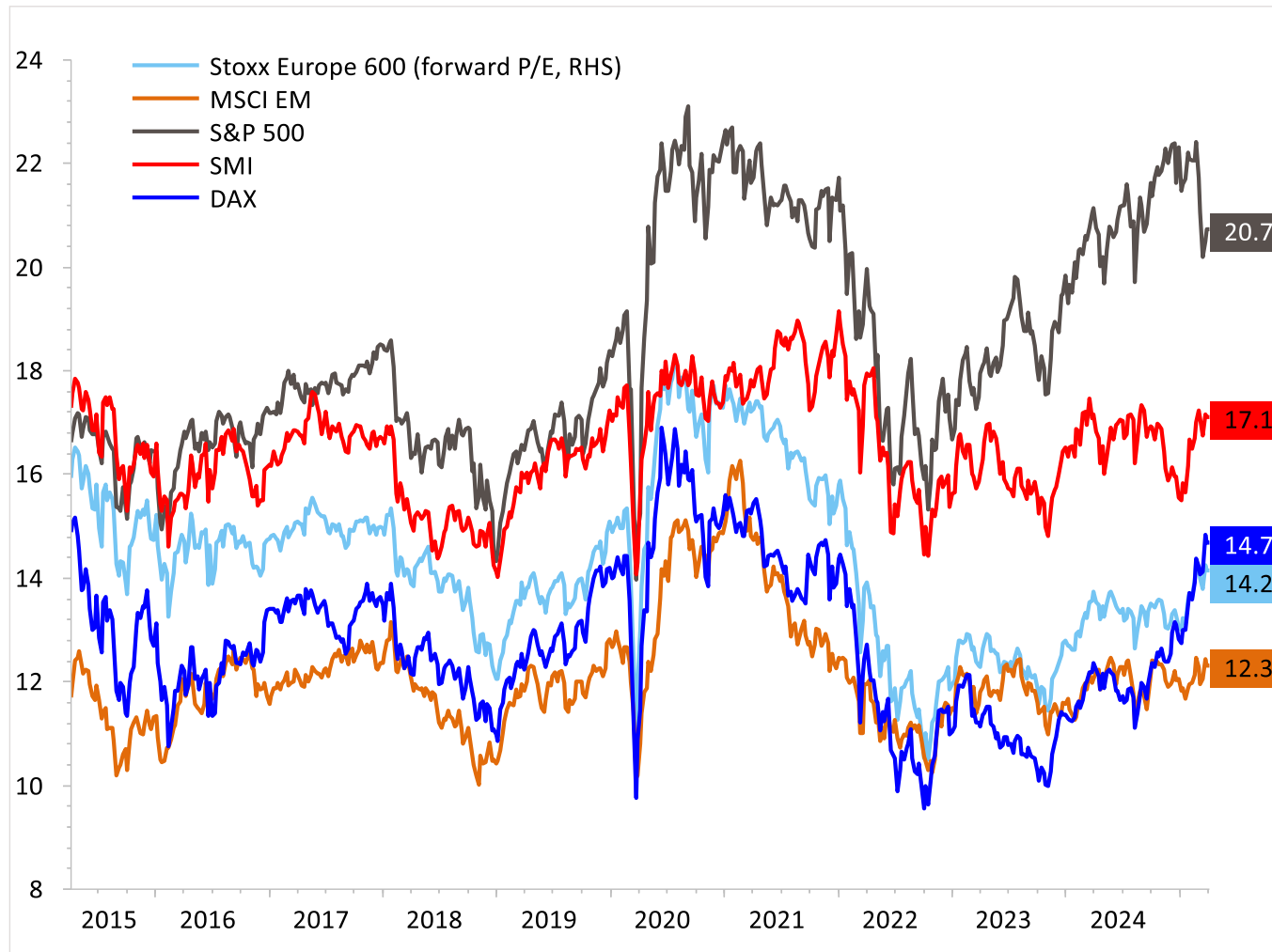
- Positive: earnings growth of more than 10%
- Neutral: earnings growth between -5% and +10%
- Cautious: earnings growth between -5% and -15%
- Negative: earnings growth of less than -15%

Explanation

- Profit compared to the previous year
- Growth rate in per cent

# Equities Europe: P/E ratio of expansion and contraction

## Development comparison



Assessment  
Neutral

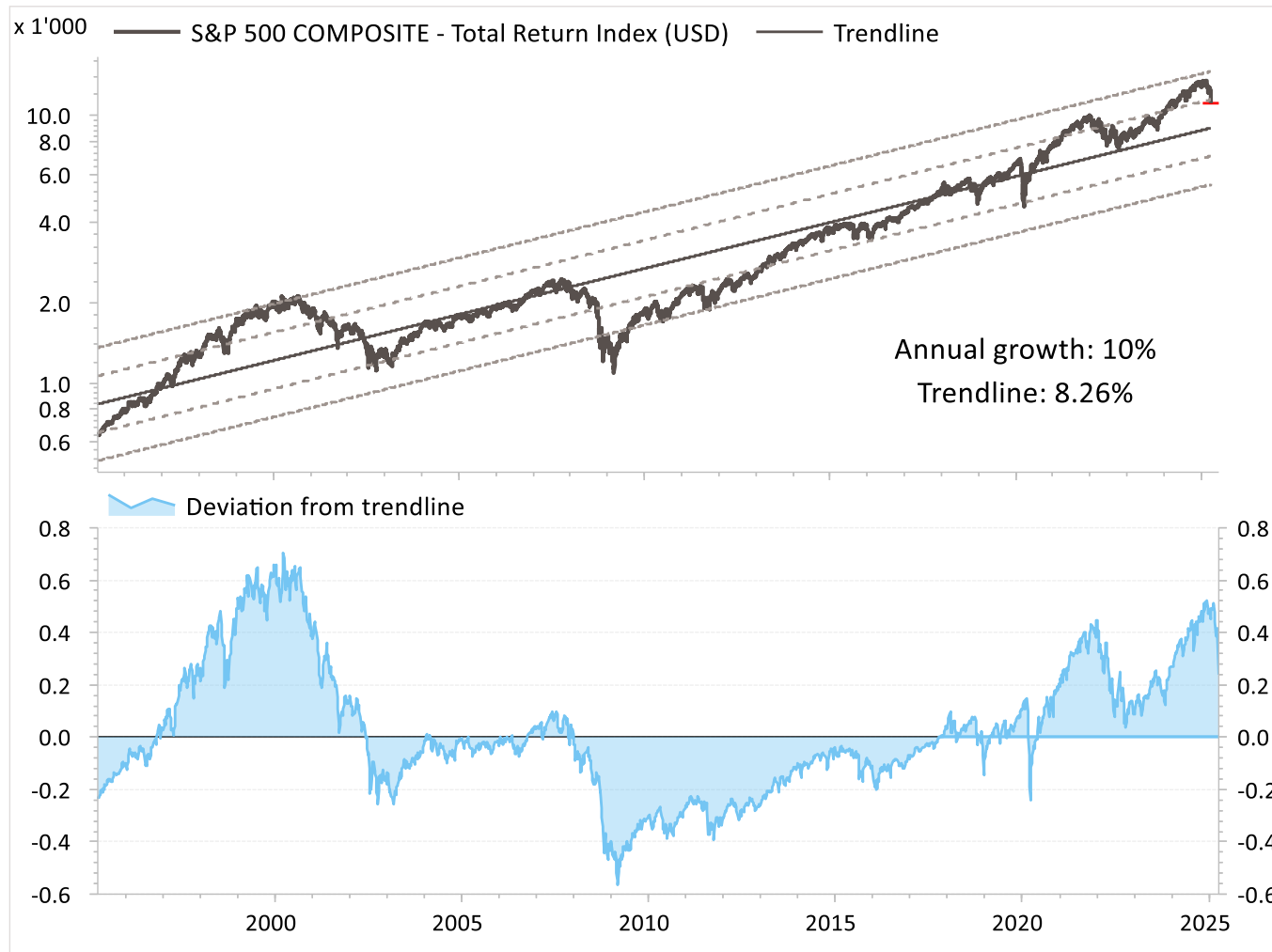
Justification

- Positive: increasing investor interest, no exaggeration
- Neutral: solid investor interest without exaggeration
- Cautious: declining interest and exaggeration
- Negative: very highly overvalued market, declining interest

Explanation

- Valuation as a measure of investor interest
- Price-earnings ratio

# Equities USA: development / trend 30 years



Assessment  
Neutral

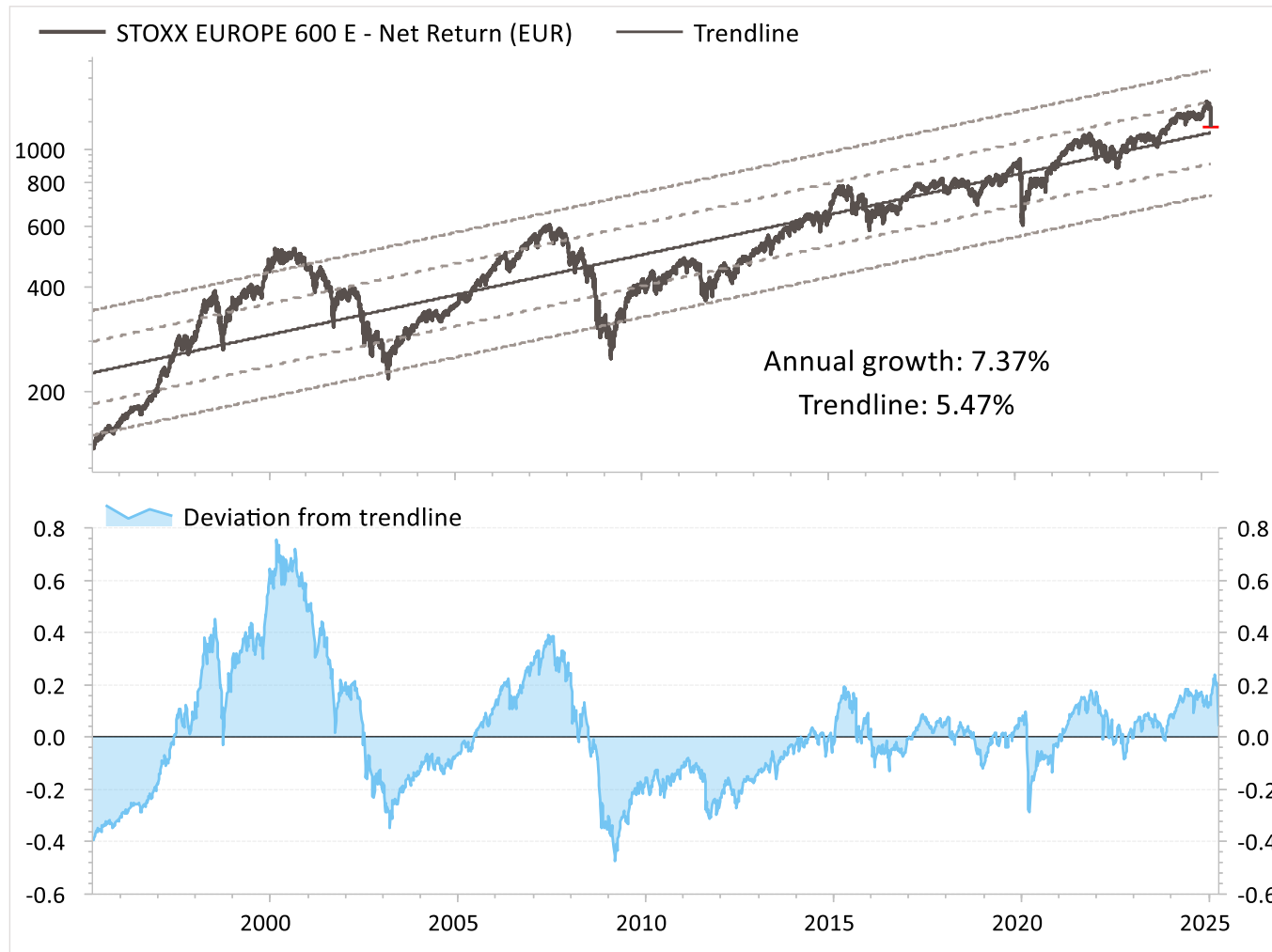
Justification

- Positive: established, long-term upward trend without exaggeration
- Neutral: further development in line with history
- Cautious: strong upper trend deviation, signs of possible trend reversal
- Negative: established, long-term downward trend without exaggeration

Explanation

- Trend channel for identifying over- and understatements

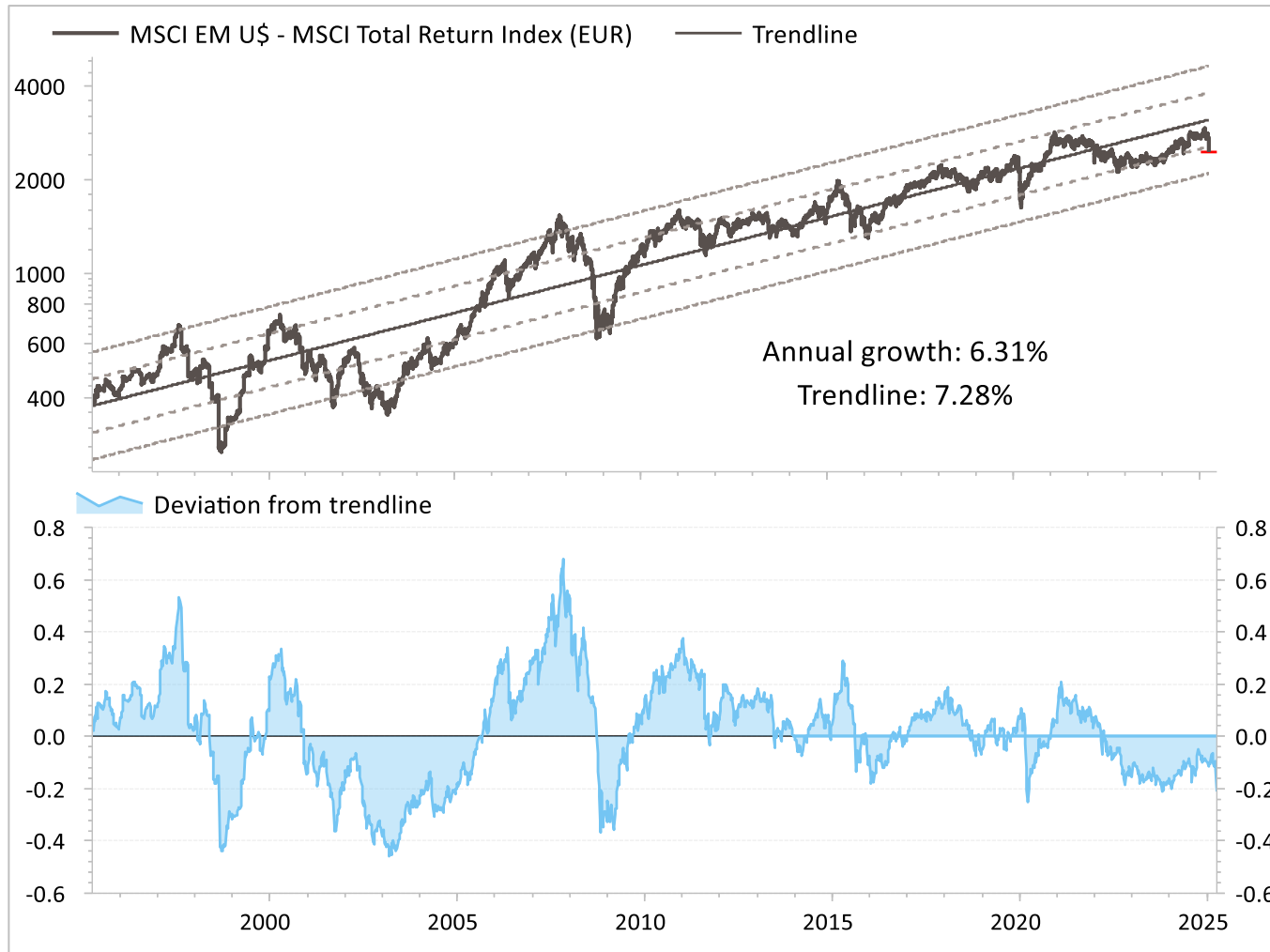
# Equities Europe: development / trend 30 years



Assessment  
Positive

- Justification
- Positive: established, long-term upward trend without exaggeration
  - Neutral: further development in line with history
  - Cautious: strong upper trend deviation, signs of possible trend reversal
  - Negative: established, long-term downward trend without exaggeration
- Explanation
- Trend channel for identifying over- and understatements

# Equities Emerging Markets: development / trend 30 years

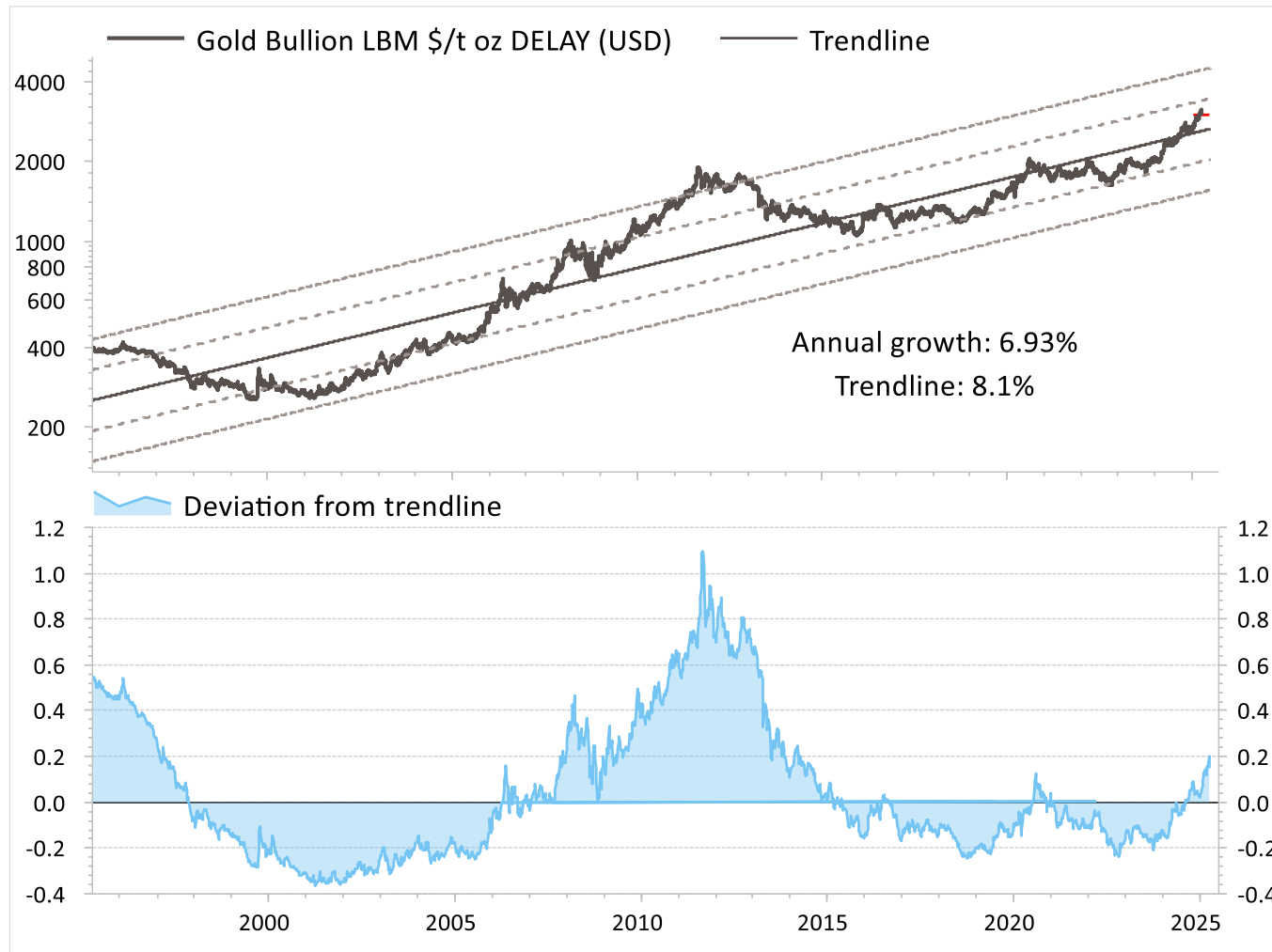


Assessment  
Positive

- Justification
- Positive: established, long-term upward trend without exaggeration
  - Neutral: further development in line with history
  - Cautious: strong upper trend deviation, signs of possible trend reversal
  - Negative: established, long-term downward trend without exaggeration
- Explanation
- Trend channel for identifying over- and understatements

# Details short-term situation assessment Precious Metals

# Gold: development / trend 30 years



Assessment  
Positive

Justification

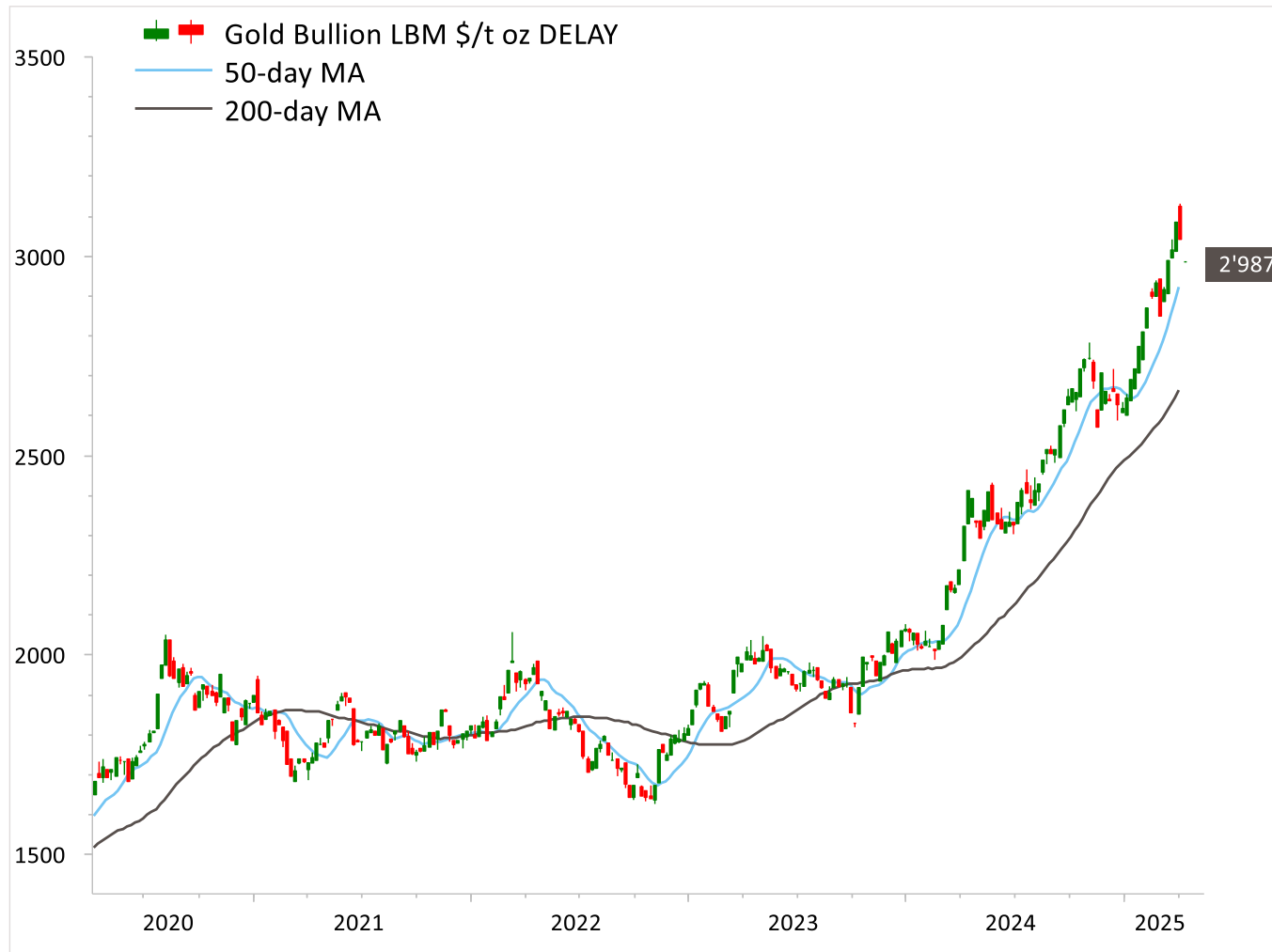
- Positive: established, long-term upward trend without exaggeration
- Neutral: further development in line with history
- Cautious: strong upper trend deviation, signs of possible trend reversal
- Negative: established, long-term downward trend without exaggeration

Explanation

- Trend channel for identifying over- and understatements

# Gold: momentum / technical analysis

## 50- and 200-day moving averages



Assessment  
Positive

Justification

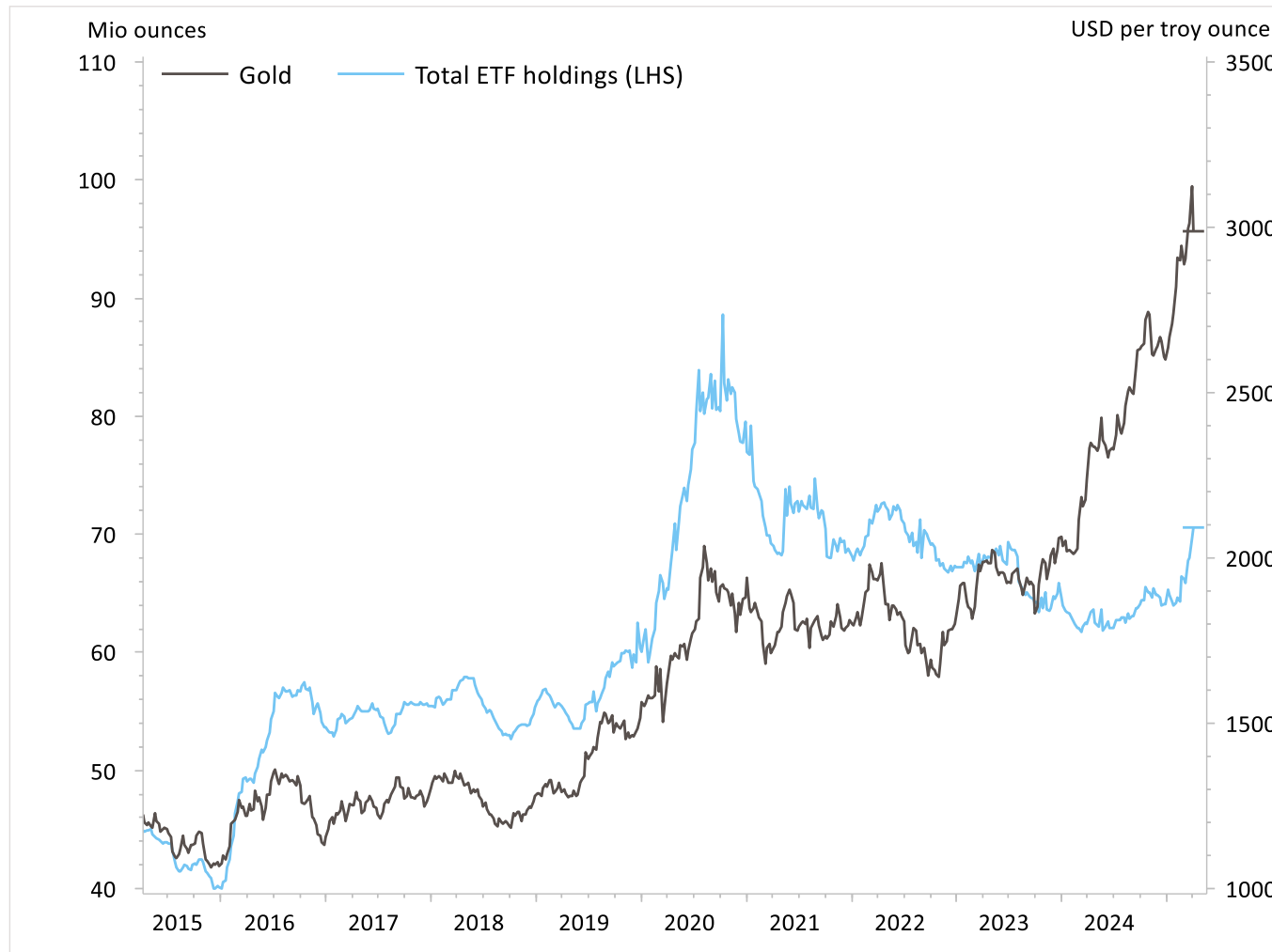
- Positive: price above 50- and 200-day moving average lines
- Neutral: sideways-running moving average lines, price above 200-day line
- Cautious: price well below the 200-day moving average line
- Negative: price below 50- and 200-day moving average lines with falling average lines

Explanation

- Comparison of the current price with the 50- and 200-day moving averages

# Gold: Flow of Funds (ETFs)

## Development / trend



**Assessment**  
Cautious

Justification

- Positive: rising gold price is confirmed by demand
- Neutral: no momentum in ETF holdings
- Cautious: decoupling of gold price and demand
- Negative: rising gold price is not confirmed by demand

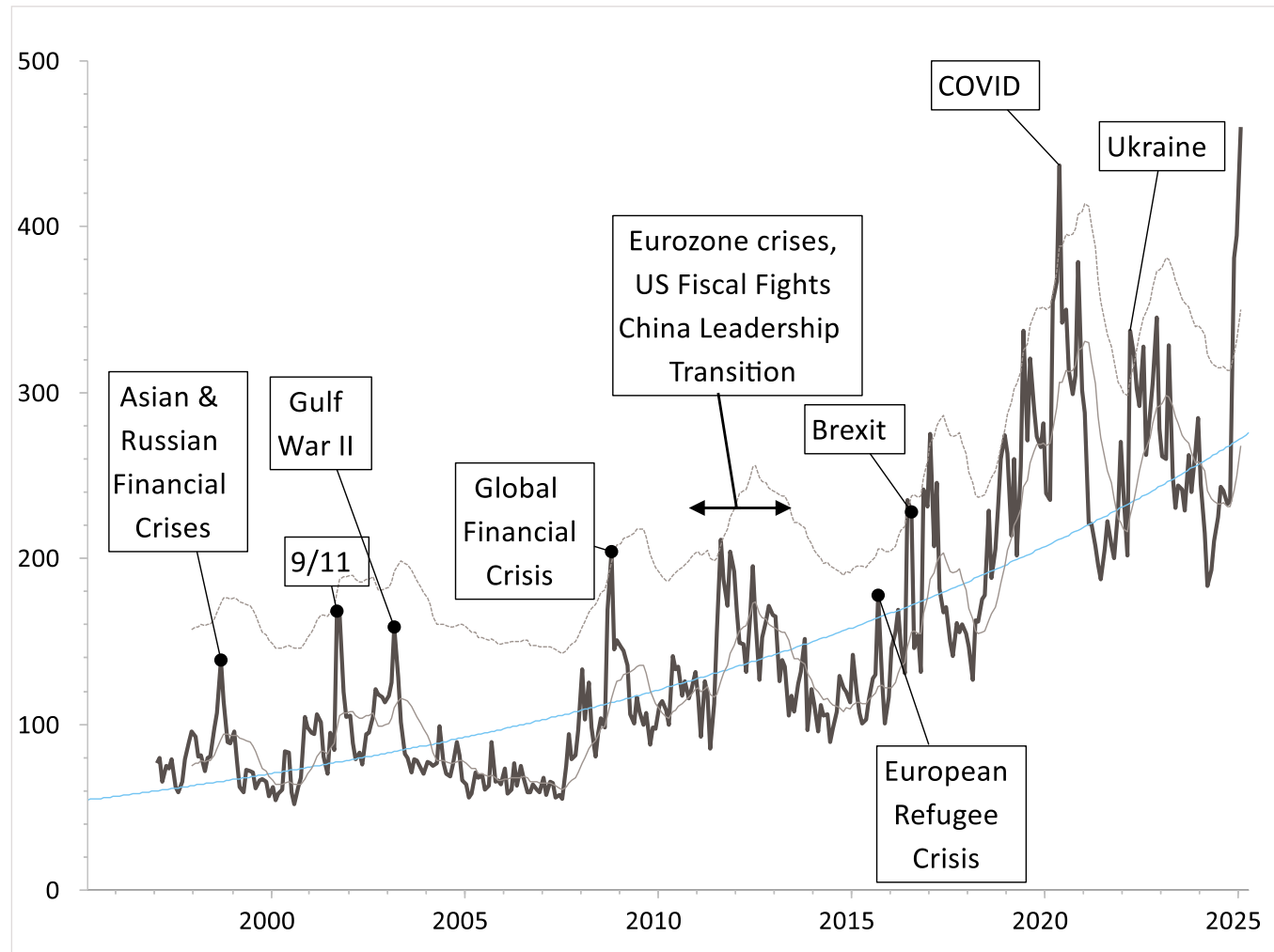
Explanation

- Gold ETF holdings as a measure of investor interest
- Healthy gold price development confirmed by rising purchases

# Details short-term situation assessment

## Risks

# Risk: Political and economic upheaval Development



**Assessment**  
**Negative**

Justification

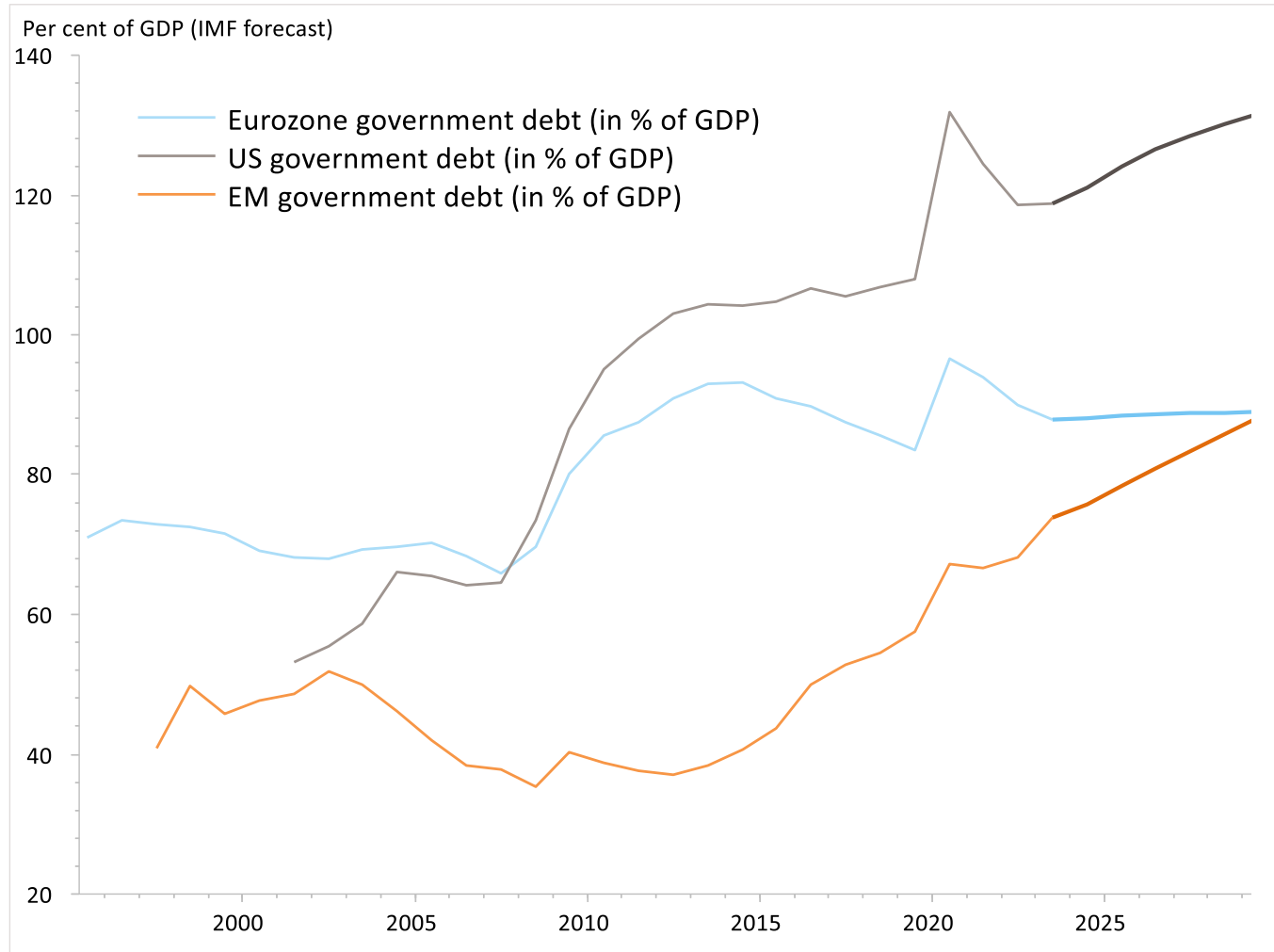
- Positive: low political risk
- Neutral: historically average risk
- Cautious: increasing risk
- Negative: strongly increasing risk and historically high level

Explanation

- Number of newspaper articles in which the three terms 'economy', 'policy' and 'uncertainty' occur in the respective language.

# Risk: Debt

## Public debt (Global)



Assessment  
Cautious

Justification

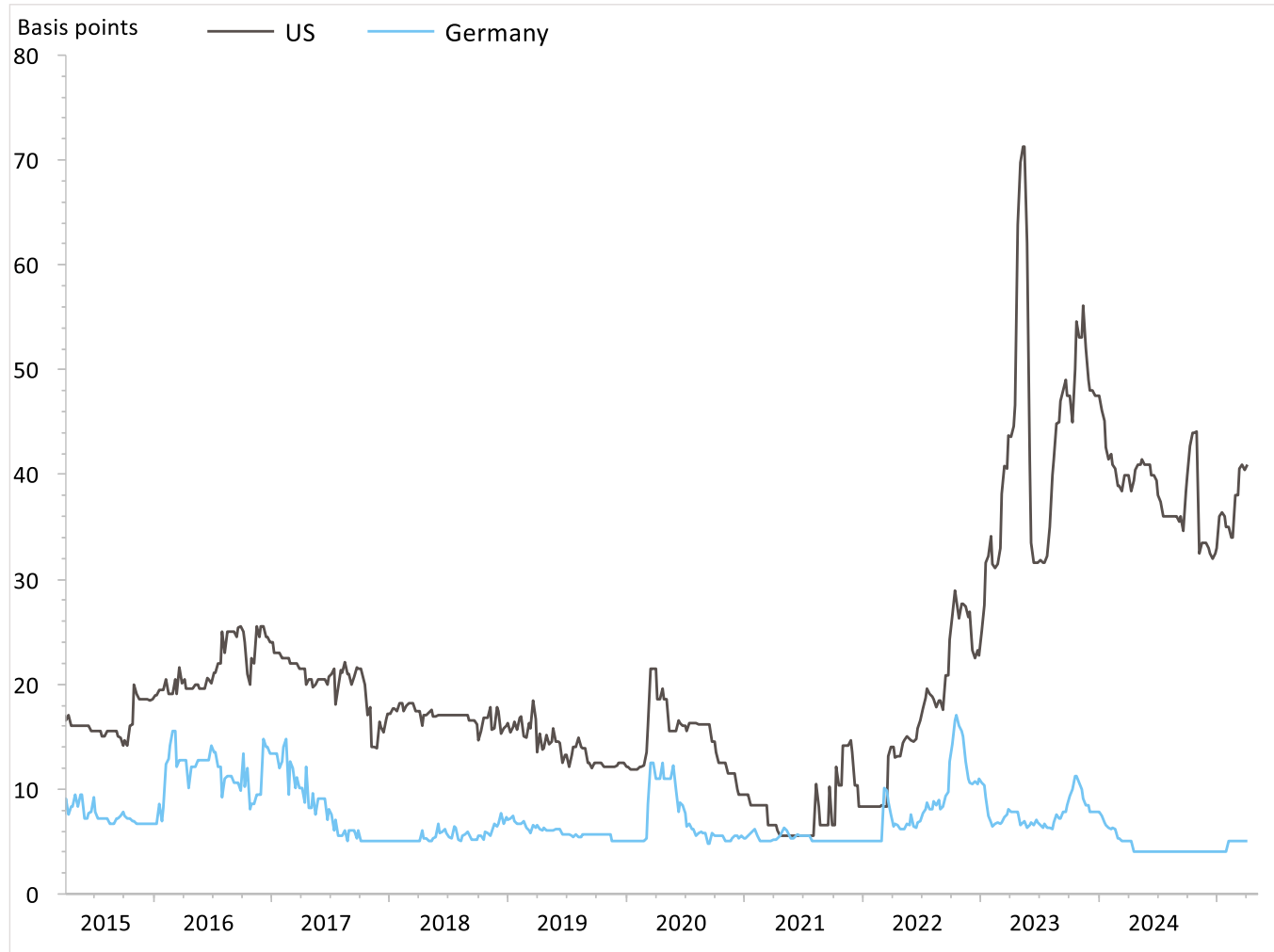
- Positive: declining debt without negative economic effects
- Neutral: no significant change in debt
- Cautious: rising debt
- Negative: soaring debt

Explanation

- The planned fiscal programmes will cause government debt ratios to rise.

# Risk: Default risks and widening of spreads

## Credit Default Swaps: Global



### Assessment

Cautious

### Justification

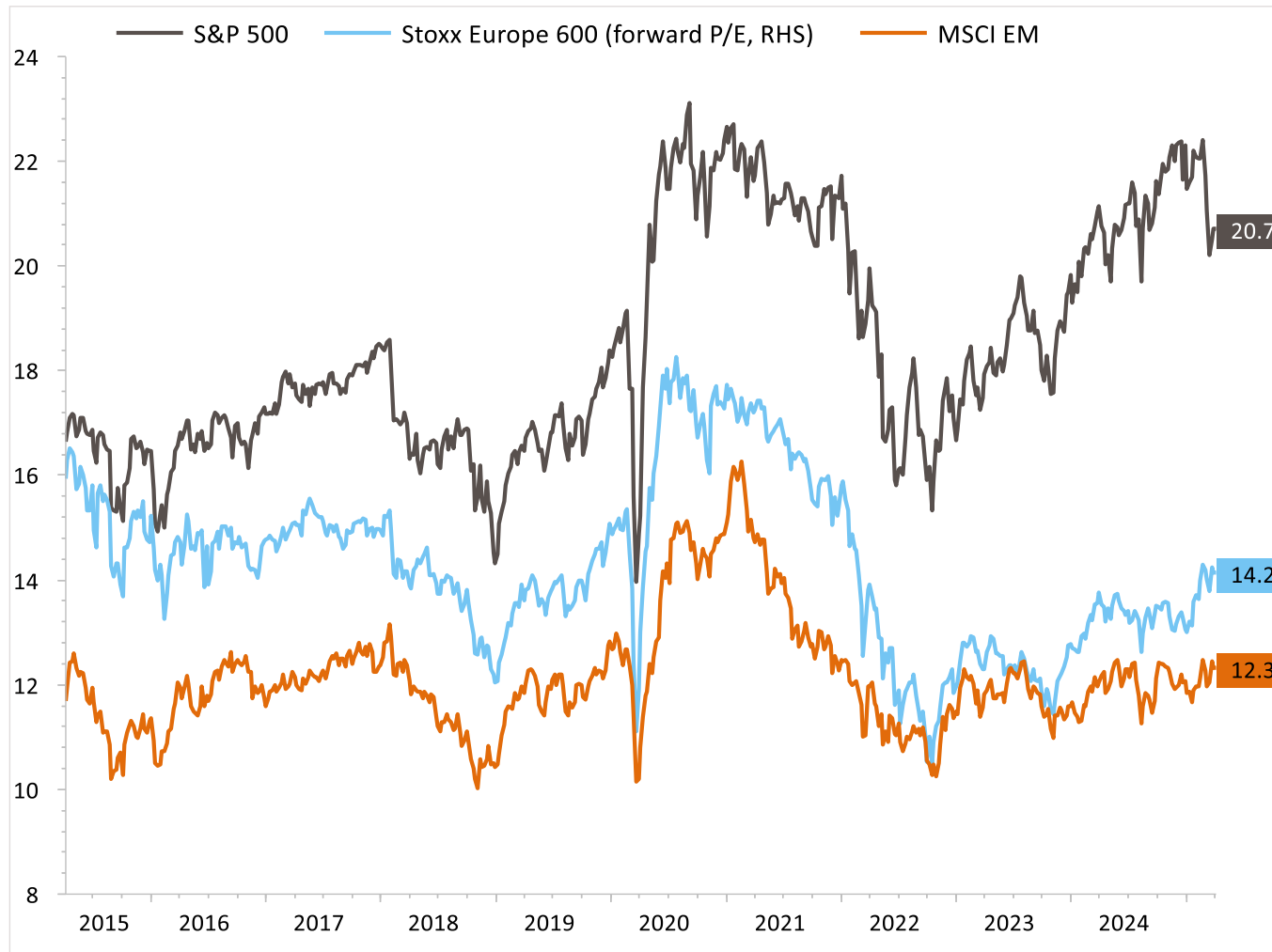
- Positive: decreasing default risks
- Neutral: stable default risks
- Cautious: increasing default risks, especially in the USA
- Negative: high and increasing default risks

### Explanation

- Credit default swaps (CDS) measure the default risk of loans, bonds or debtors
- Rising prices mean a higher default risk

# Risk: Valuations

## Price-earnings ratio (USA by comparison)



**Assessment**  
**Negative**

Justification

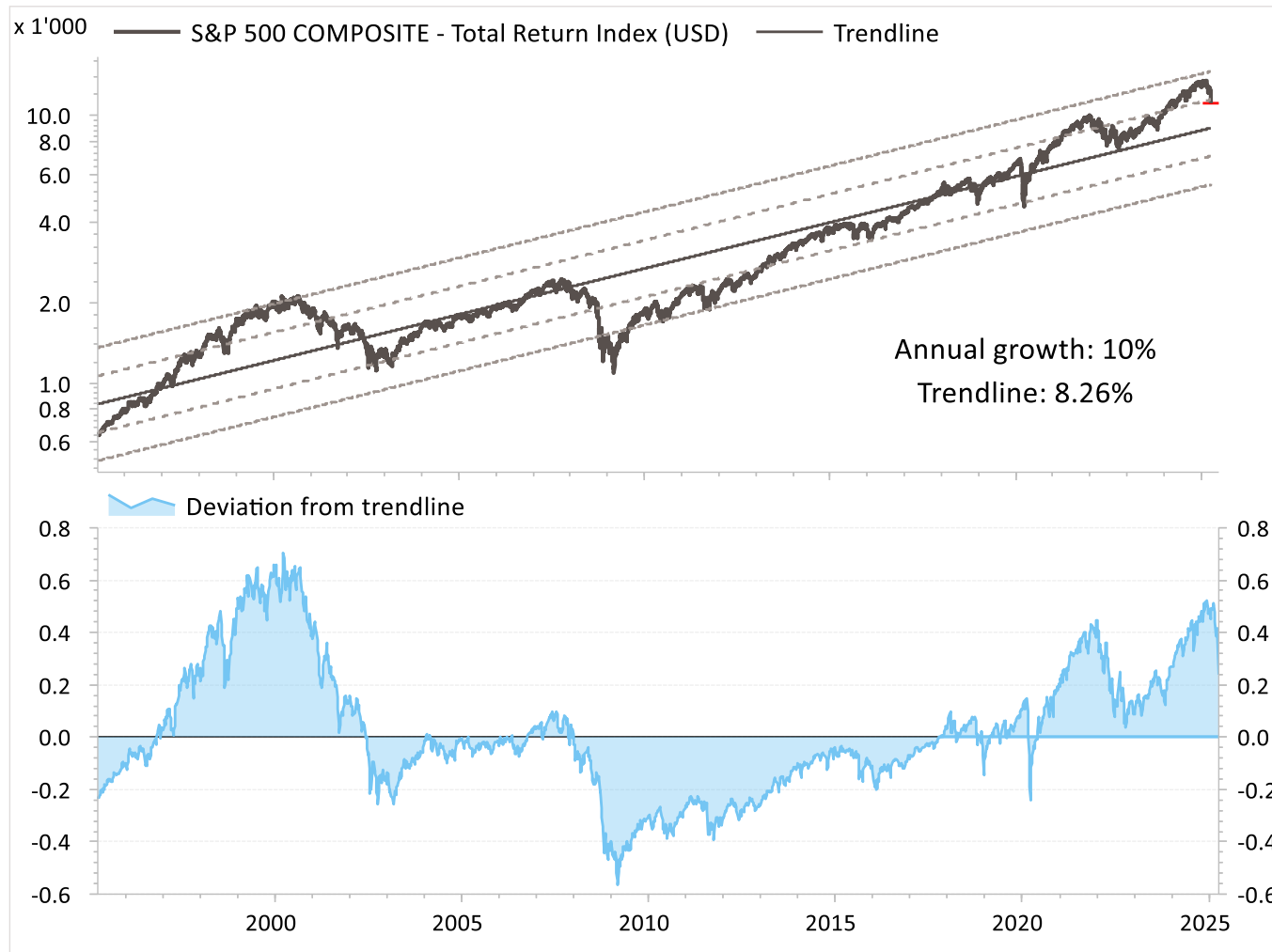
- Positive: attractive, low valuation
- Neutral: historical average valuation
- Cautious: absolute or relative valuation high
- Negative: absolute and relative valuation unattractive

Explanation

- Valuation as a measure of investor interest
- Price-earnings ratio
- USA important as a global leading index

# Risk: development / trend equities USA

## 30 Years



Assessment  
Cautious

- Justification
- Positive: strong negative deviation from the trend with an upward line
  - Neutral: close to the trend line
  - Cautious: strong deviation from the trend with above-average development
  - Negative: extremely strong deviation from the trend, downward development
- Explanation
- Trend channel for identifying exaggeration and understatement as a risk factor

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