

SITUATION ASSESSMENT & OUTLOOK

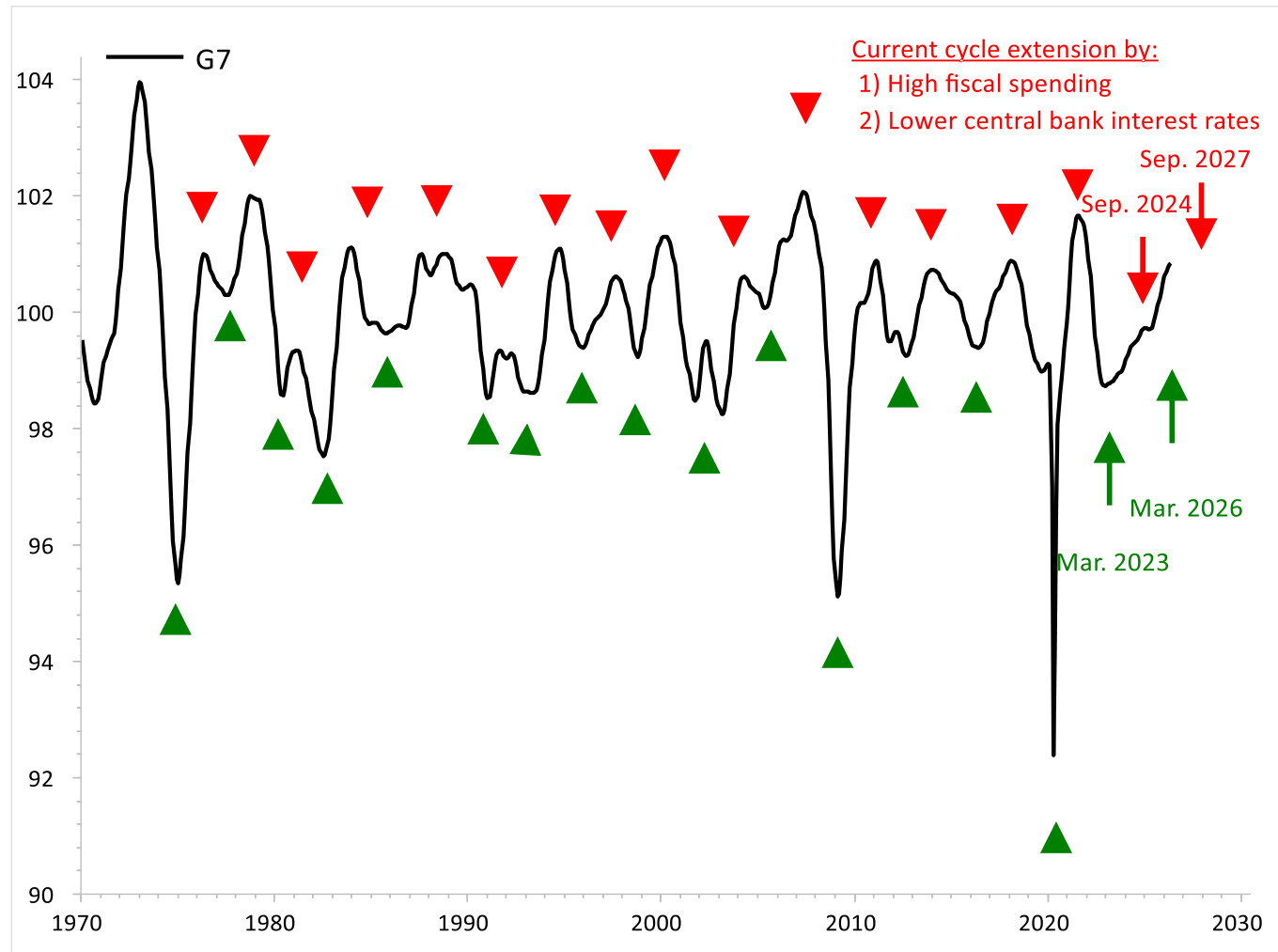
for the next six months

Details short-term situation assessment

Economy / Macro

Economic environment: cycle

OECD Leading Indicator (Global)



Assessment

Neutral

Justification

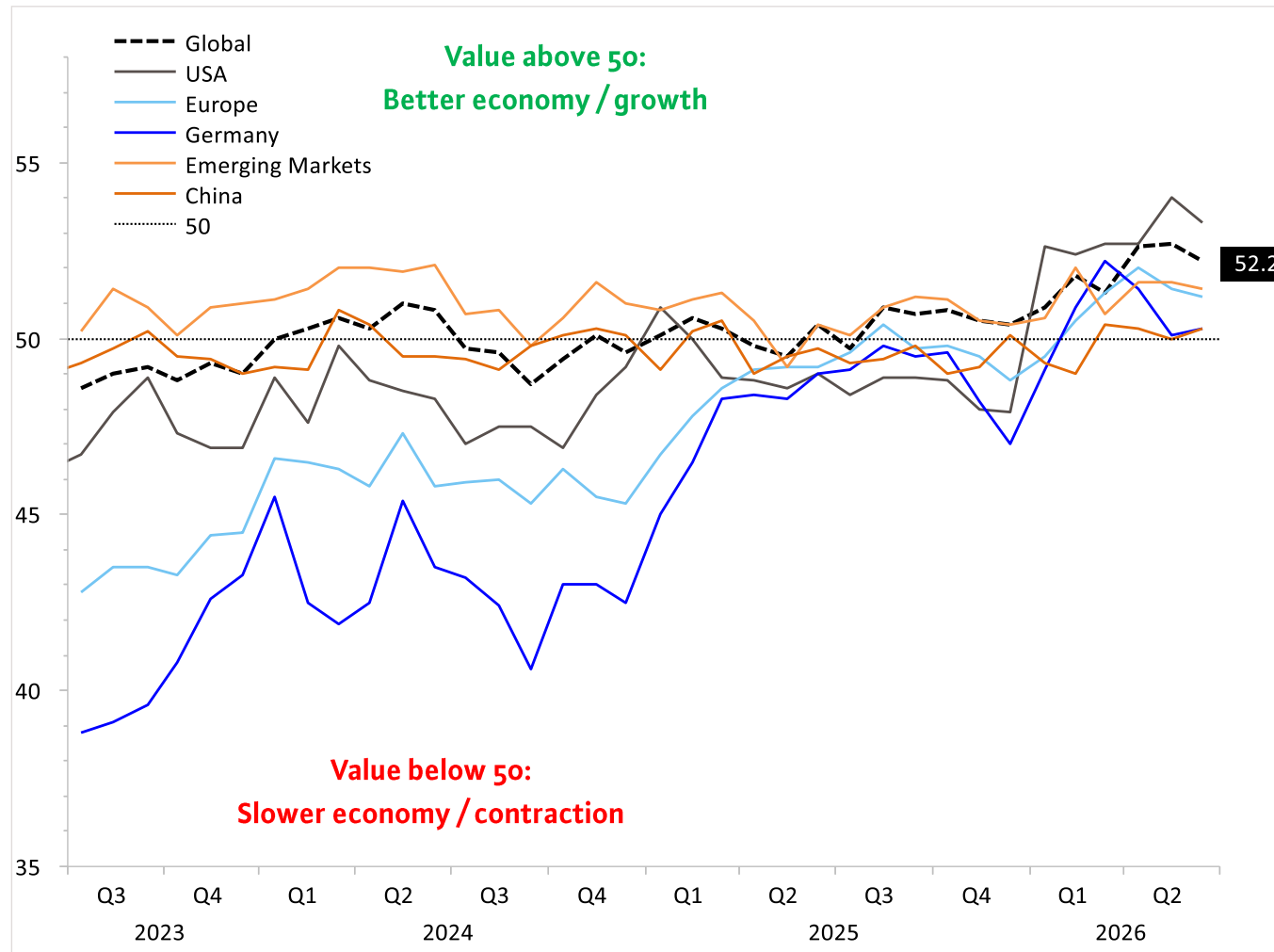
- Positive: rising after bottoming out
- Neutral: solid growth
- Cautious: declining after bottoming out; end of upward trend
- Negative: established, strong downward trend

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: corporates

Purchasing Managers' Indices (PMI Global)



Assessment
Neutral

Justification

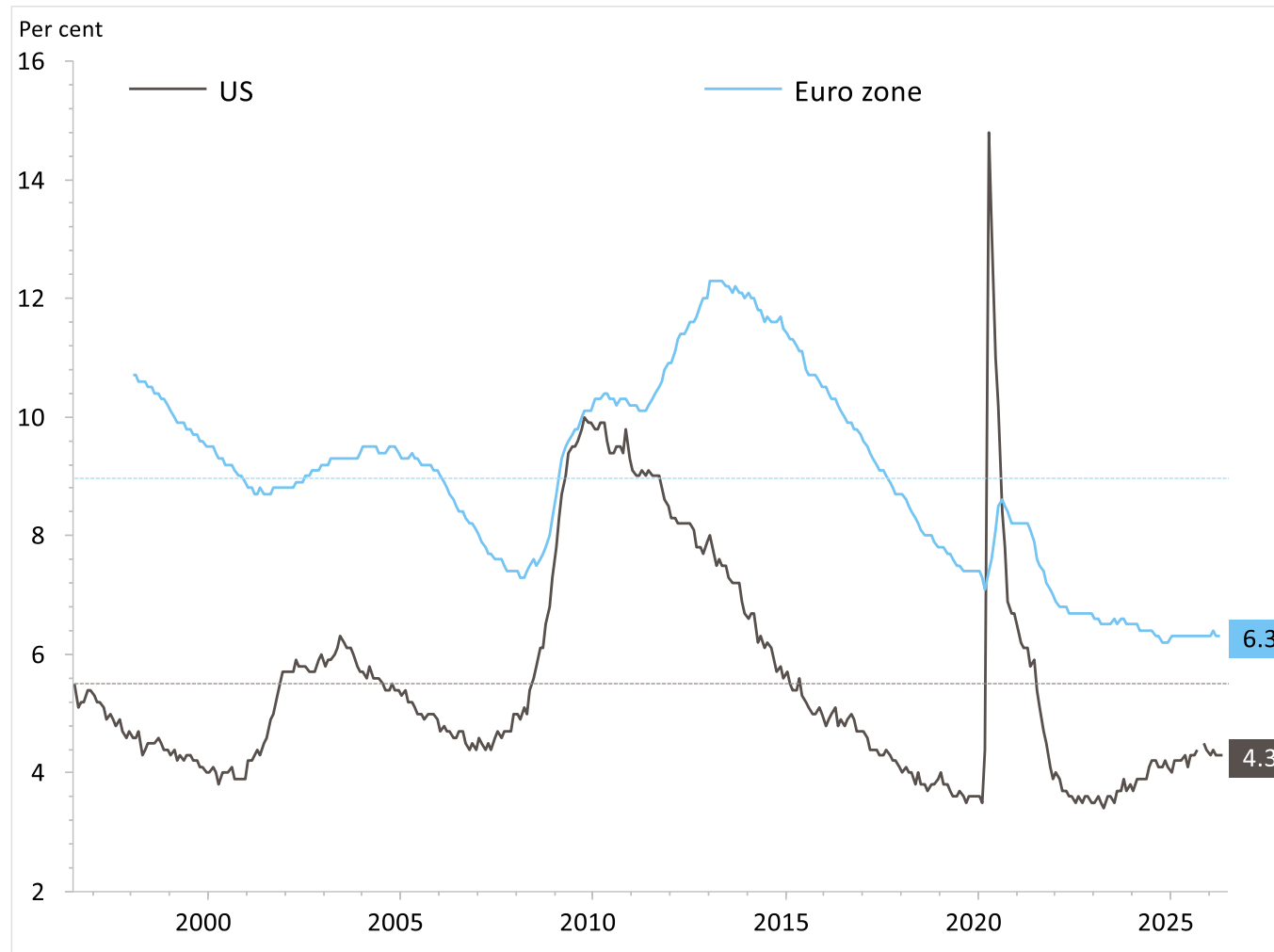
- Positive: index above 54
- Neutral: index between 48 and 54
- Cautious: index between 46 and 48
- Negative: index below 46

Explanation

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

Economic environment: consumption

Unemployment rate (Global)



Assessment
Positive

Justification

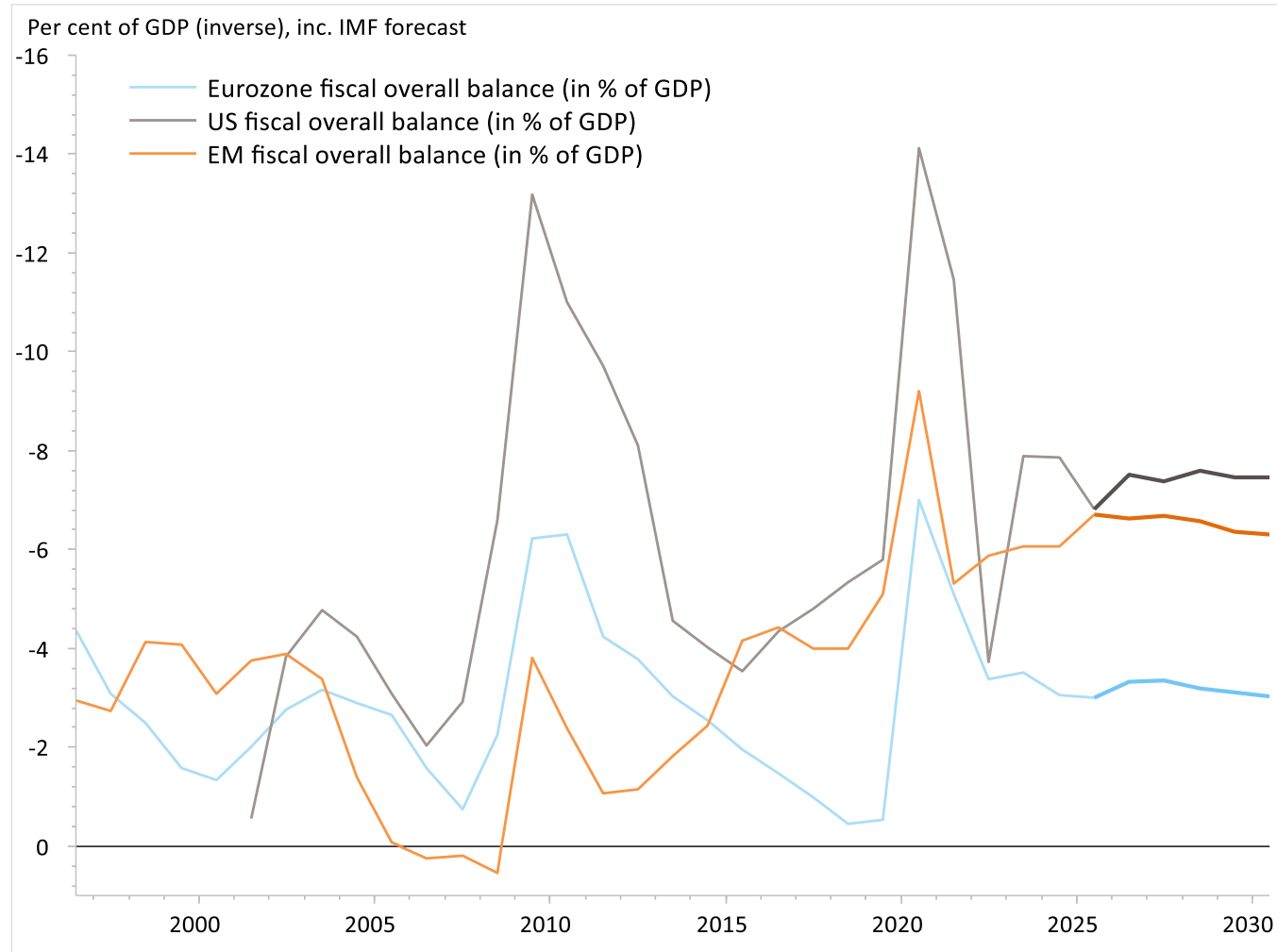
- Positive: low level by historical standards, strong labour markets
- Neutral: on a historical average
- Cautious: rising unemployment rate, above historical average
- Negative: synchronised increase in the rate, high level

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

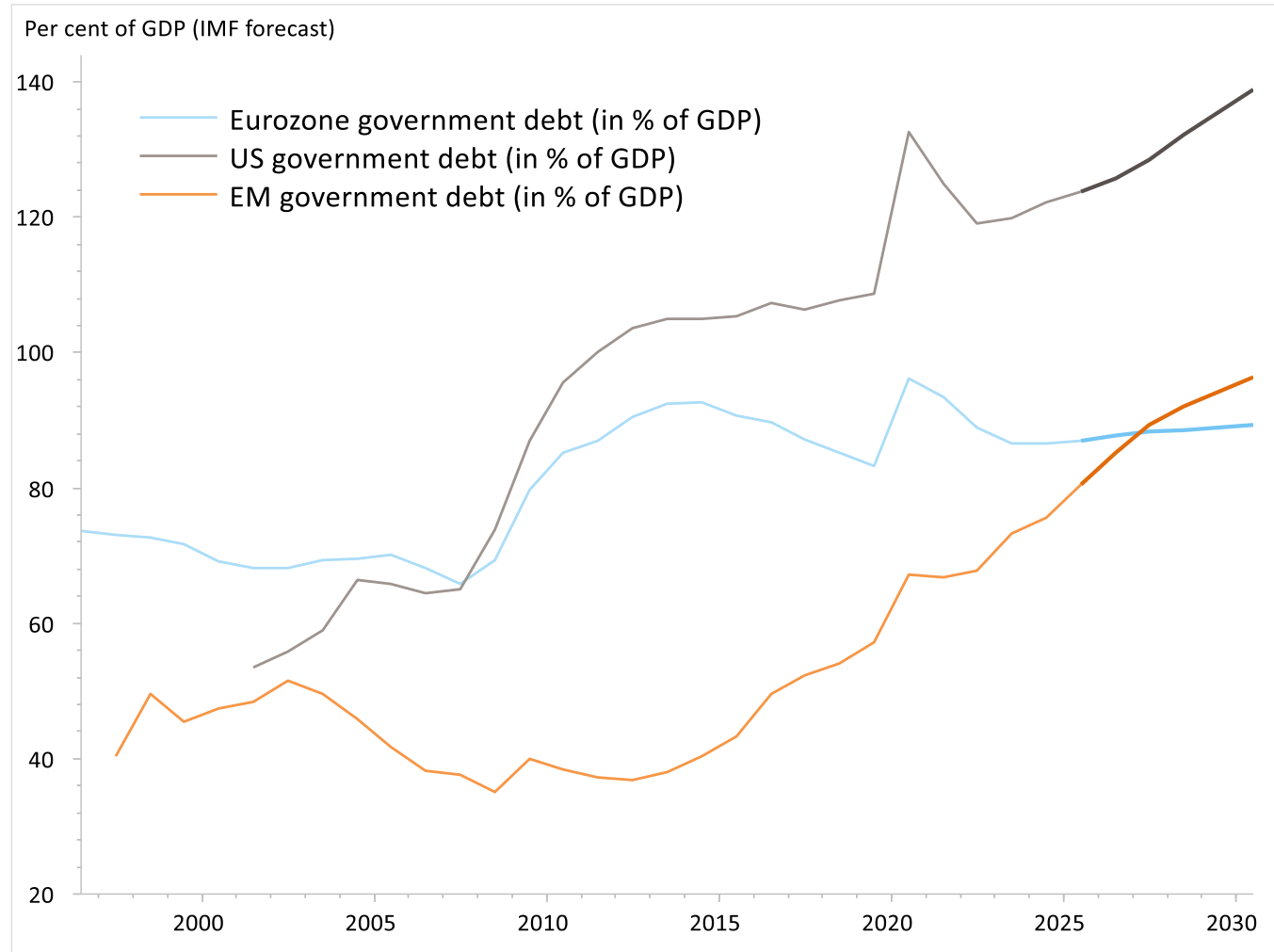
- Positive: strong stimulus compared to history
- Neutral: weak stimulus in historical average
- Cautious: weak fiscal stimulus, declining
- Negative: shrinking fiscal programmes

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

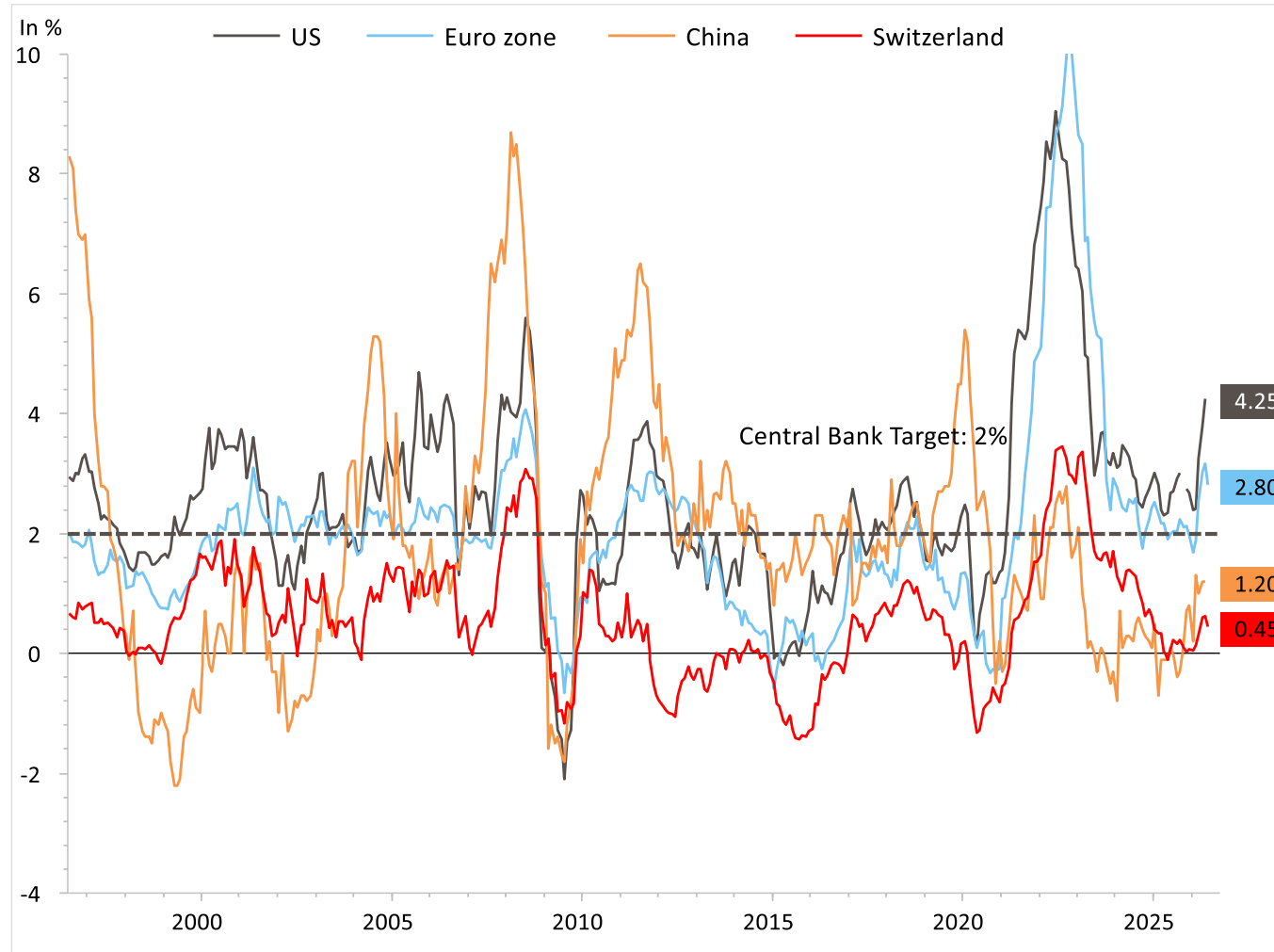
- Positive: rising government debt supports economic growth
- Neutral: stagnating debt
- Cautious: slight decline in debt
- Negative: sharp decline in debt

Explanation

- Rising government debt is conducive to economic growth
- Expectations of the International Monetary Fund (IMF) regarding future government debt

Inflation: development / trend

Inflation Global (CPI)



Assessment Europe
Rising

Assessment Switzerland
Neutral

Assessment USA
Rising

Justification

- Falling: inflation figures are falling
- Neutral: sideways movement
- Rising: inflation figures are rising

Explanation

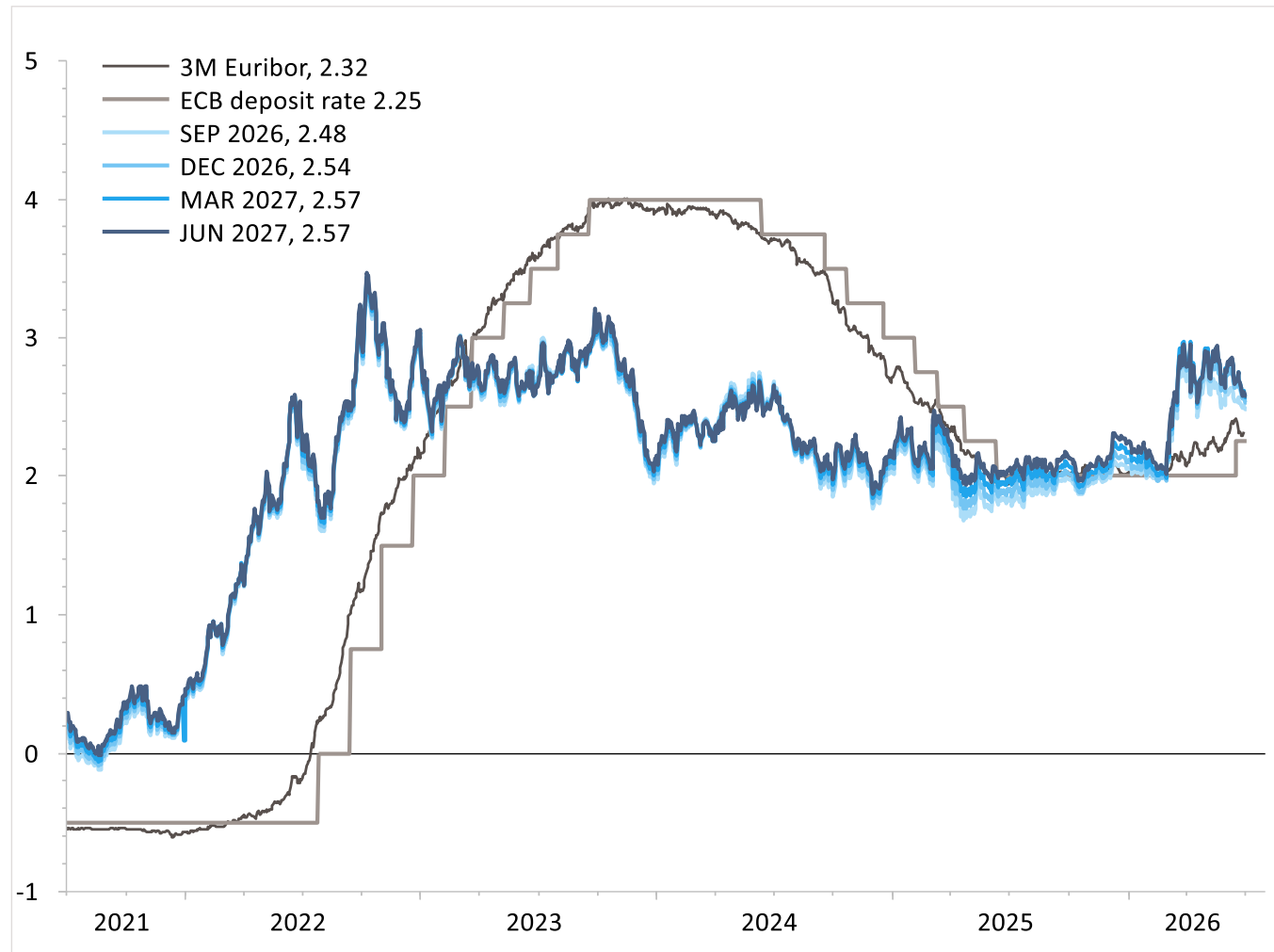
- Comparison of inflation rates (consumer prices)

Details short-term situation assessment

Interest rate policy

Interest rates: market expectations, over-/underreactions

Implicit interest rate expectations (Europe)



Assessment

Rising

Justification

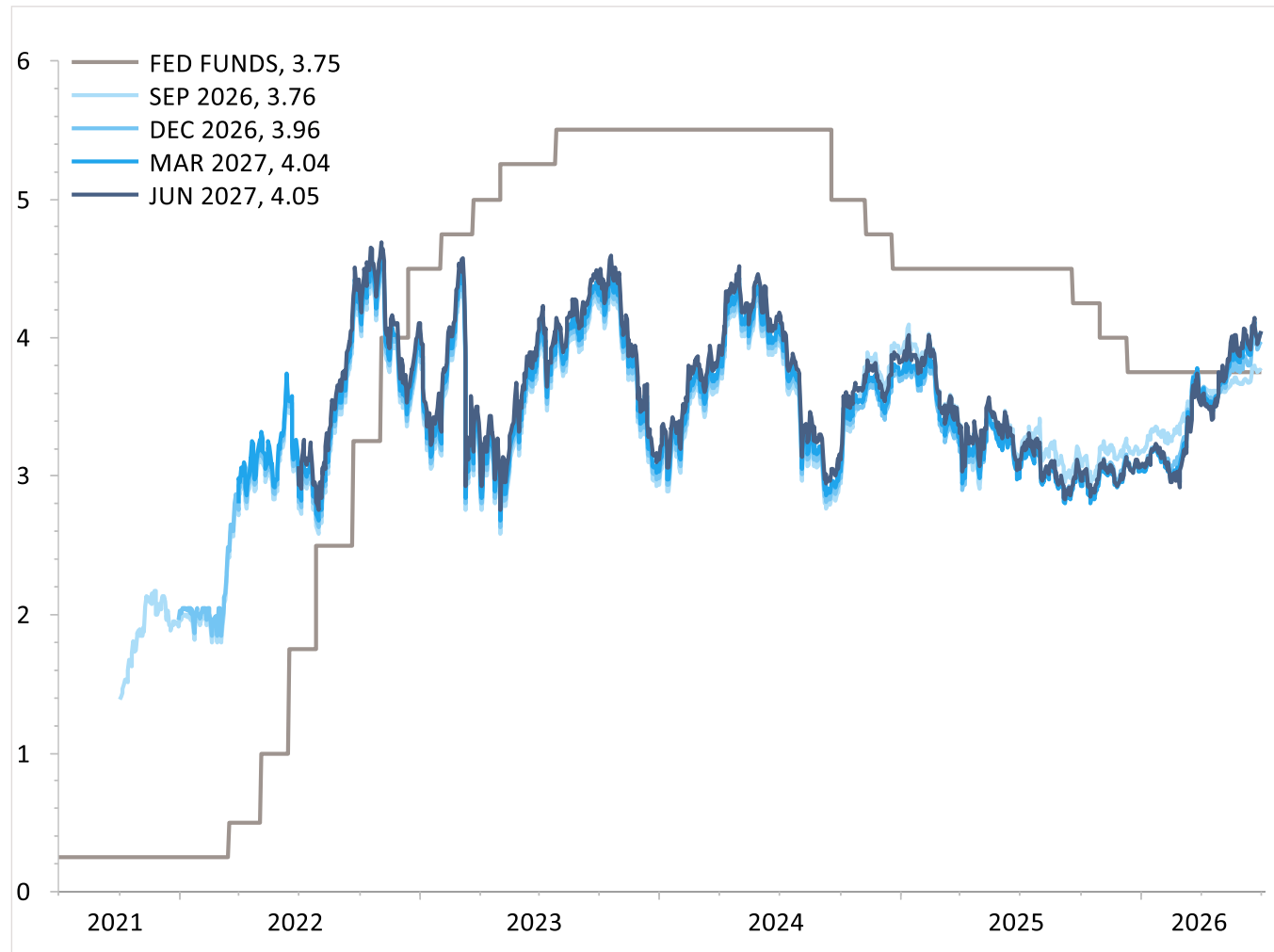
- Falling: expectations on the futures market for falling key rates
- Neutral: no major change in key rates expected
- Rising: expectations on the futures market for rising key rates

Explanation

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

Interest rates: market expectations, over-/underreactions

Implicit interest rate expectations (USA)



Assessment

Neutral

Justification

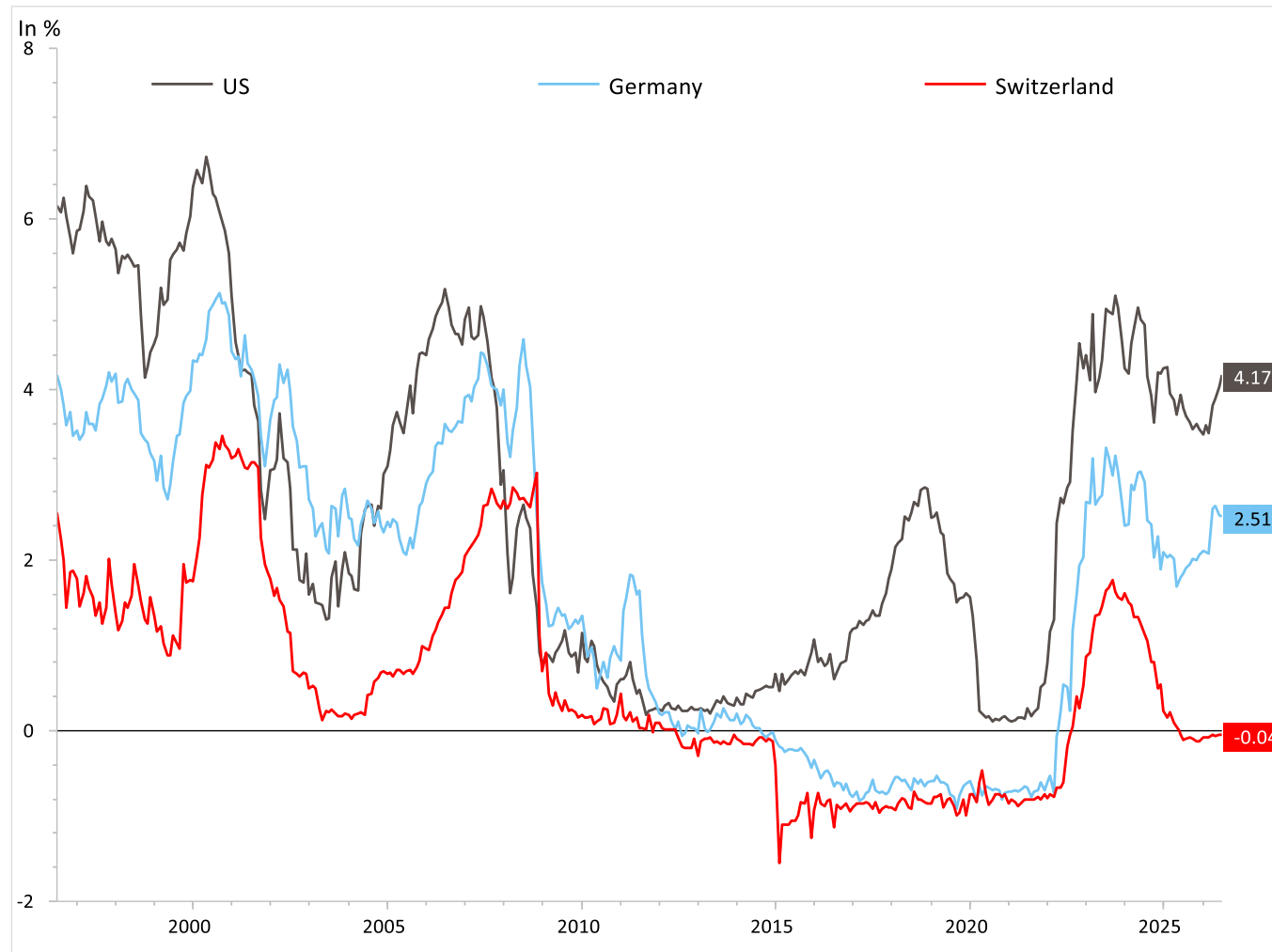
- Falling: expectations on the futures market for falling key rates
- Neutral: no major change in key rates expected
- Rising: expectations on the futures market for rising key rates

Explanation

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

Interest rates: development / trend

2 years



Assessment Europe
Rising

Assessment Switzerland
Neutral

Assessment USA
Rising

Justification

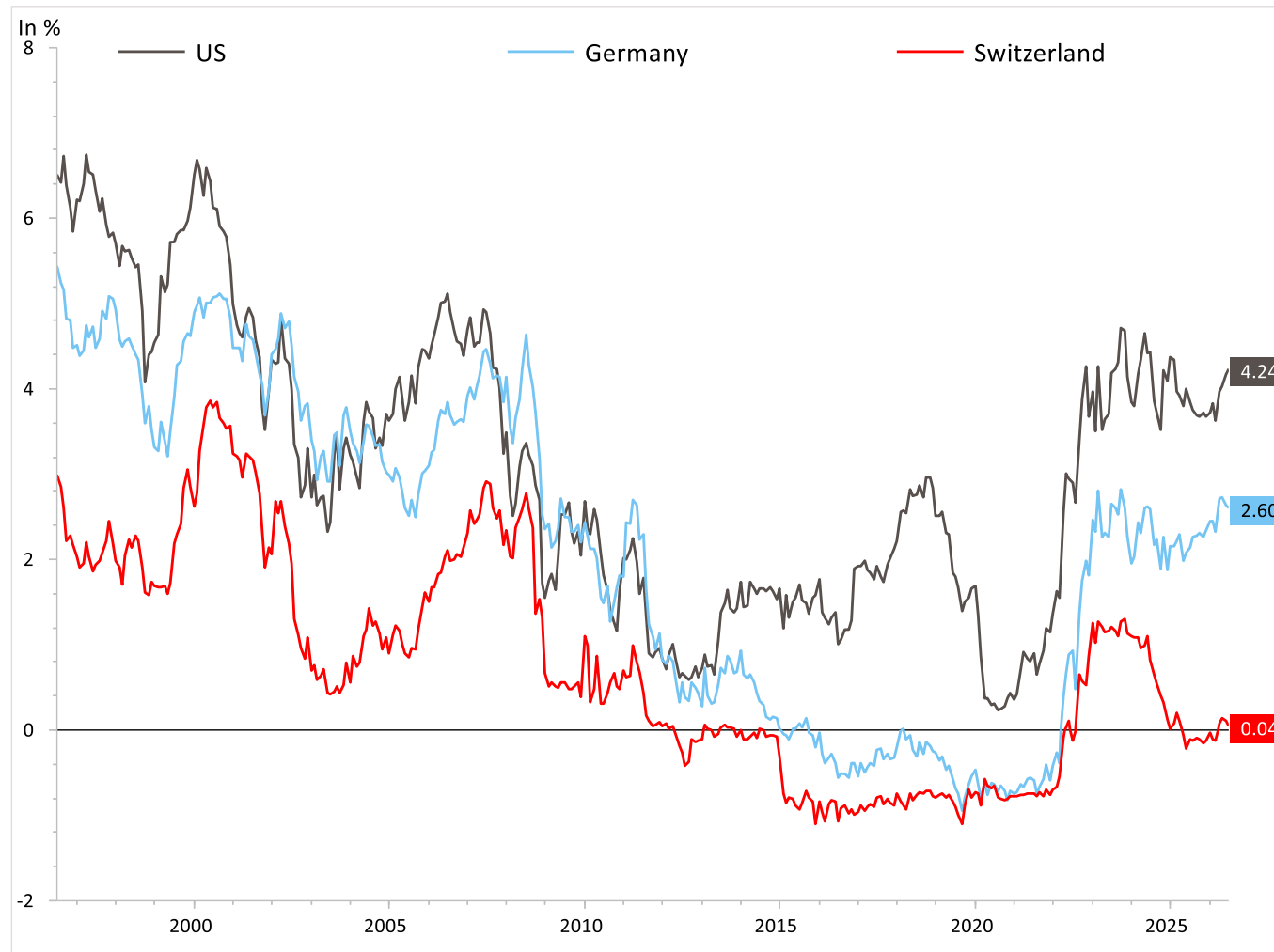
- Falling: trend towards lower interest rates
- Neutral: stable interest rates
- Rising: trend towards higher interest rates

Explanation

- Medium-term interest rate level: term 2 years

Interest rates: development / trend

5 years



Assessment Europe
Rising

Assessment Switzerland
Neutral

Assessment USA
Neutral

Justification

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

Explanation

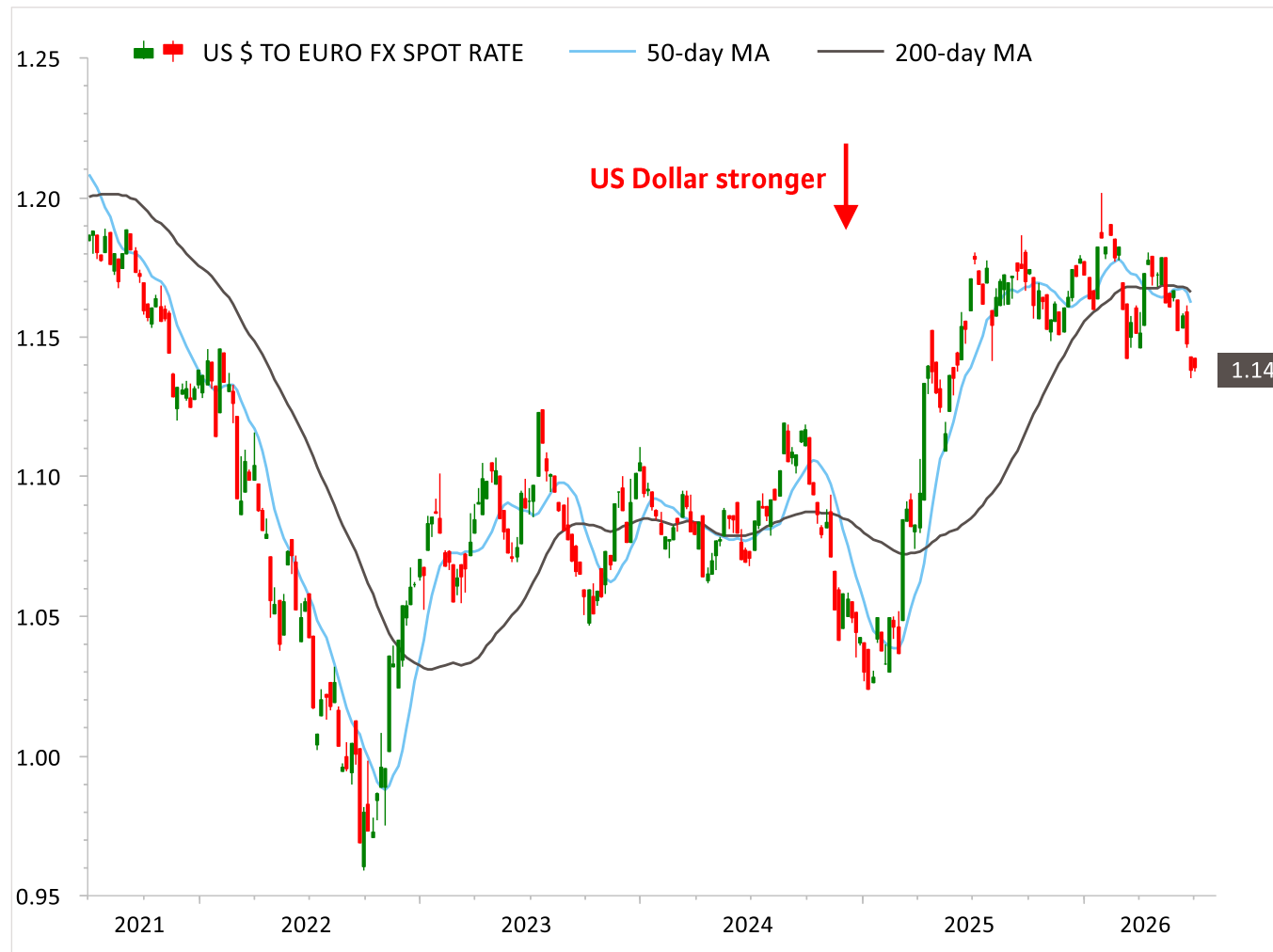
- Medium-term interest rate level: term 5 years

Details short-term situation assessment

Currencies

EUR/USD: momentum / technical analysis

50- and 200-day moving averages



Assessment
Neutral

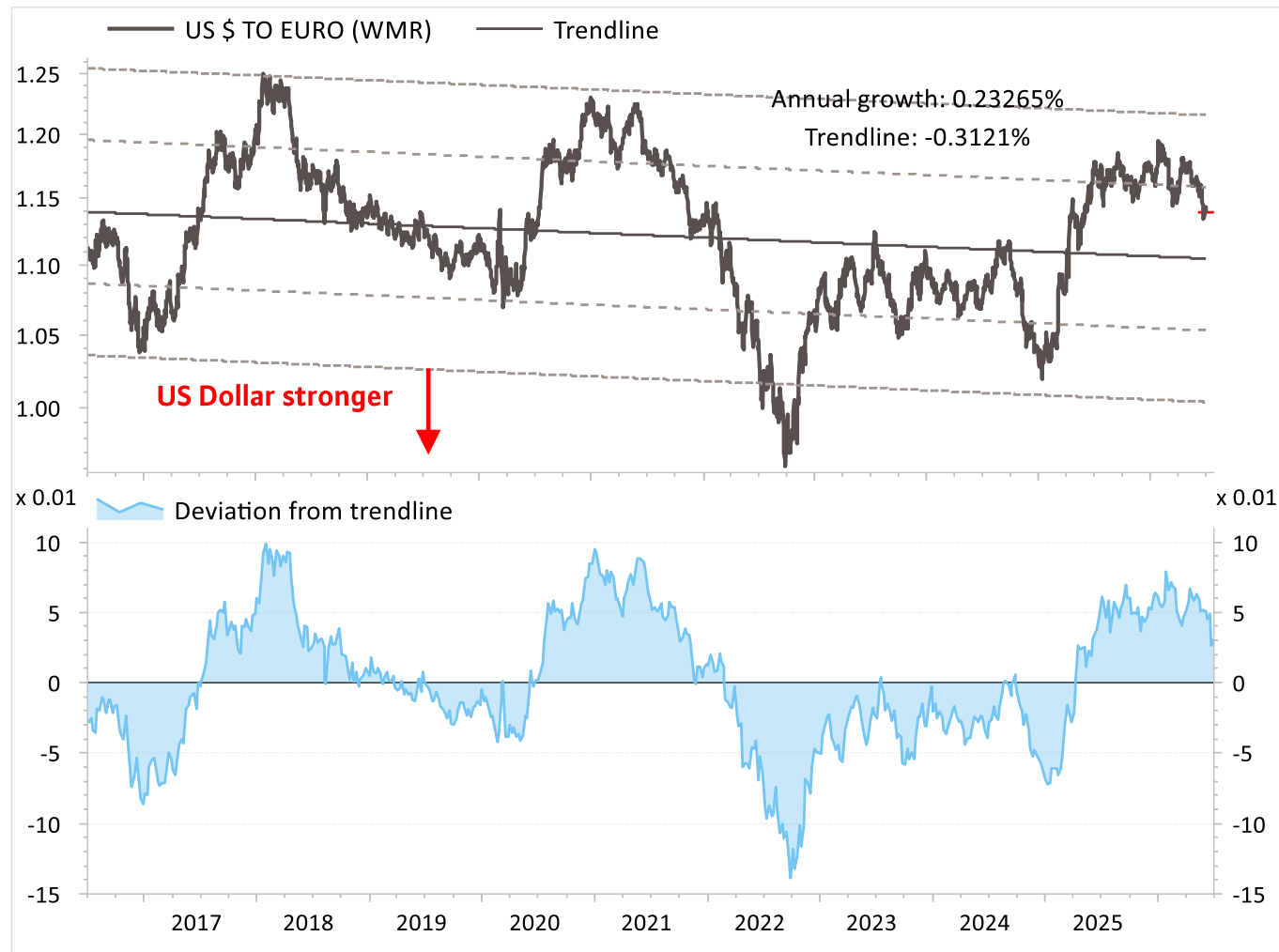
Justification

- 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/USD: development / trend 10 years



Assessment
USD stronger

Justification

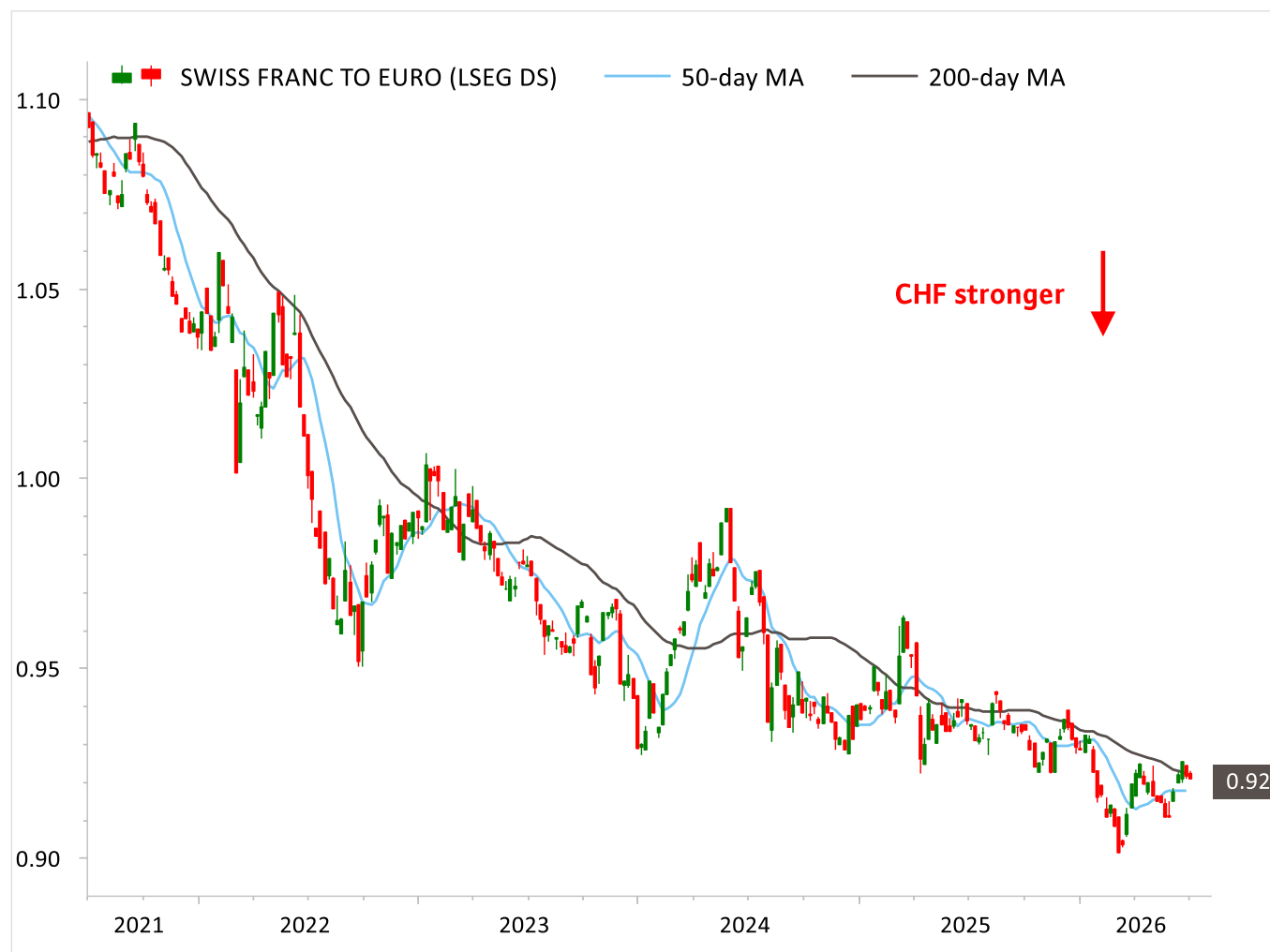
- USD stronger: Extreme trend deviation after weak phase and/or trend reversal
- Neutral: in a trend
- USD weaker: Extreme trend deviation after strength phase and/or trend reversal

Explanation

- Long-term trend assessment via movement and trend deviation

EUR/CHF: momentum / technical analysis

50- and 200-day moving averages



Assessment
CHF stronger

Justification

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

Explanation

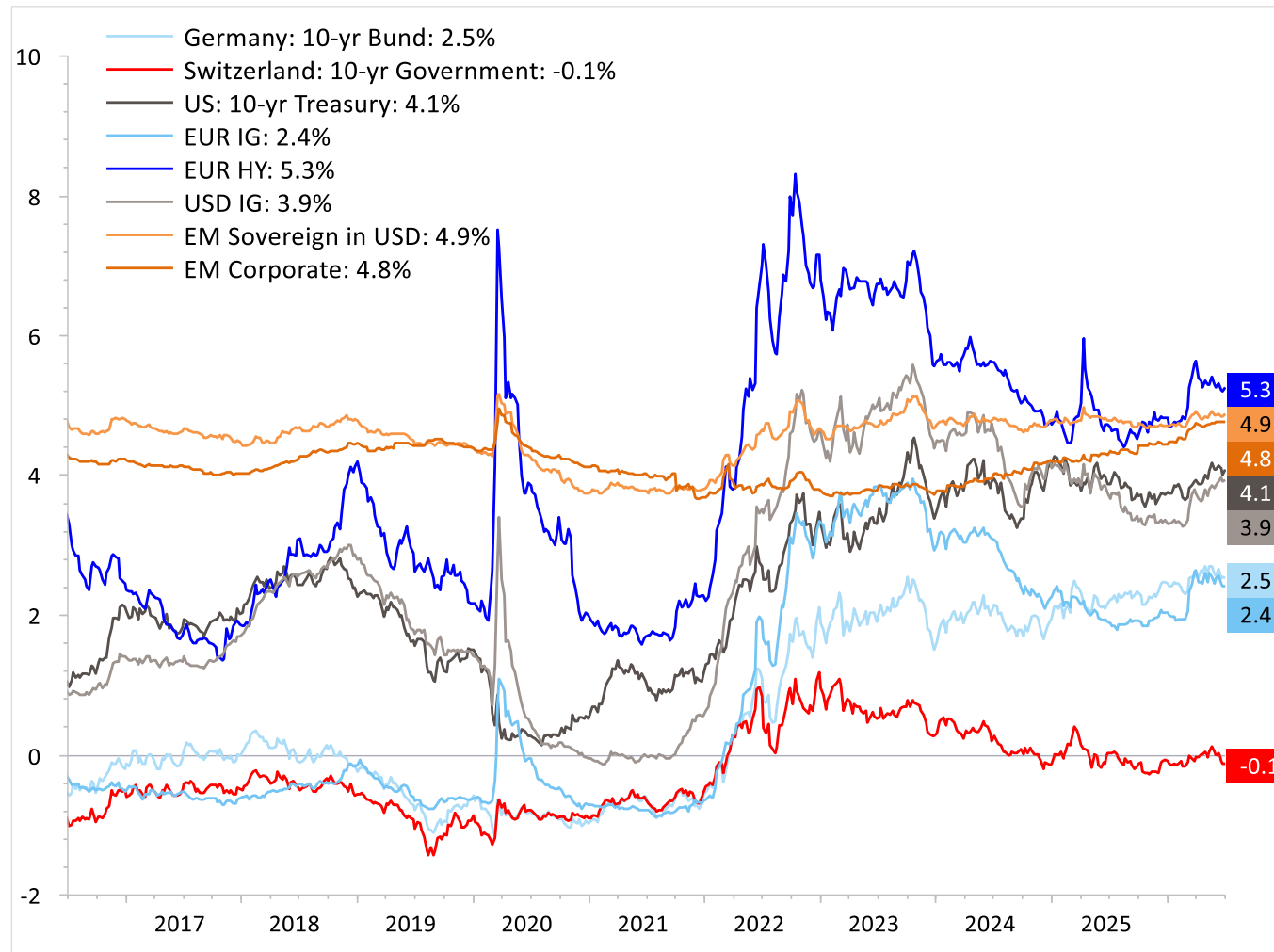
- Comparison of the current price with the 50- and 200-day moving averages

Details short-term situation assessment

Bonds

Bonds: development and outlook

EUR Investment Grade



Assessment
Neutral

Justification

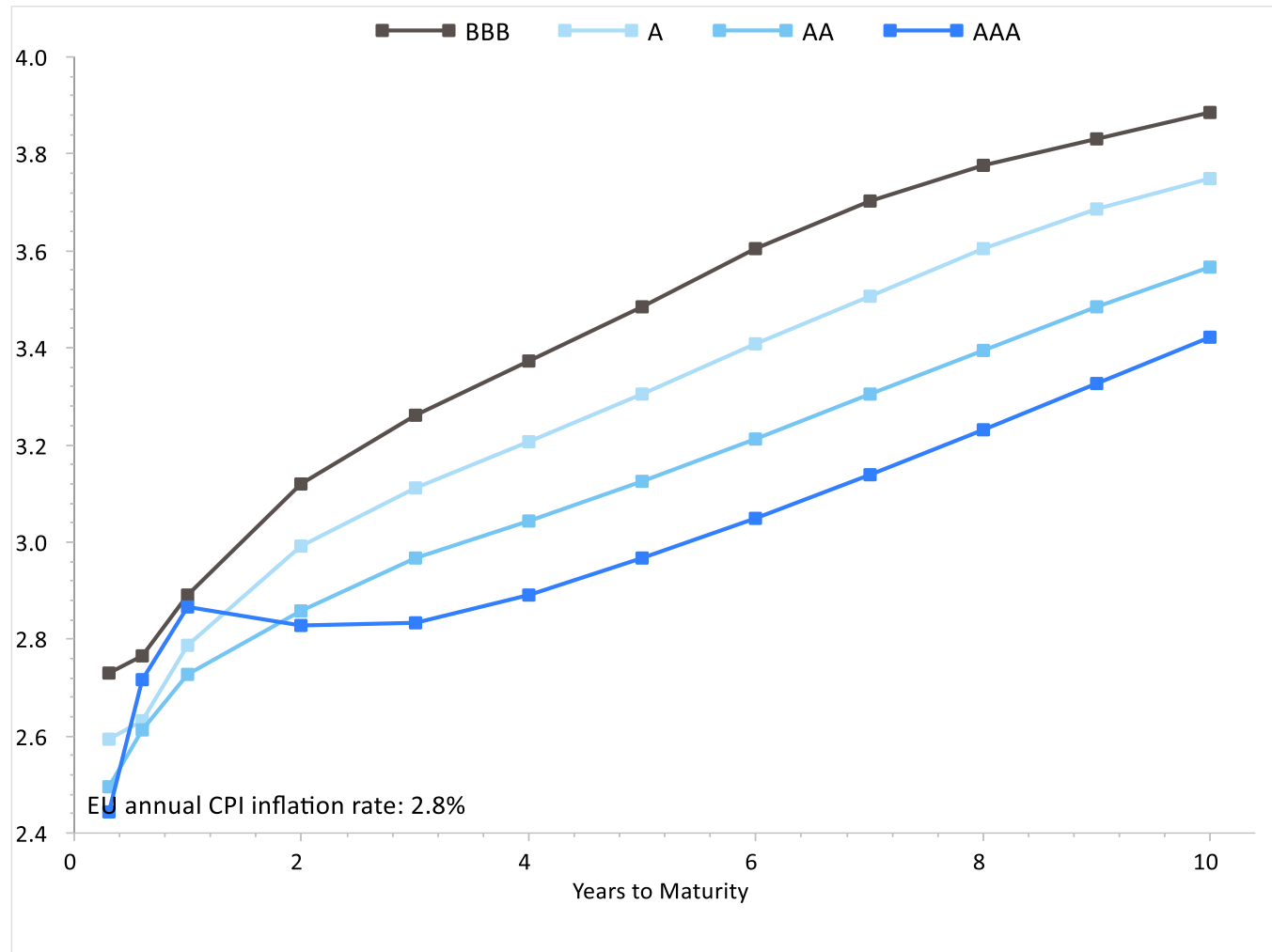
- Rising: higher, more attractive level
- Neutral: historically average level
- Falling: lower, less attractive level

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

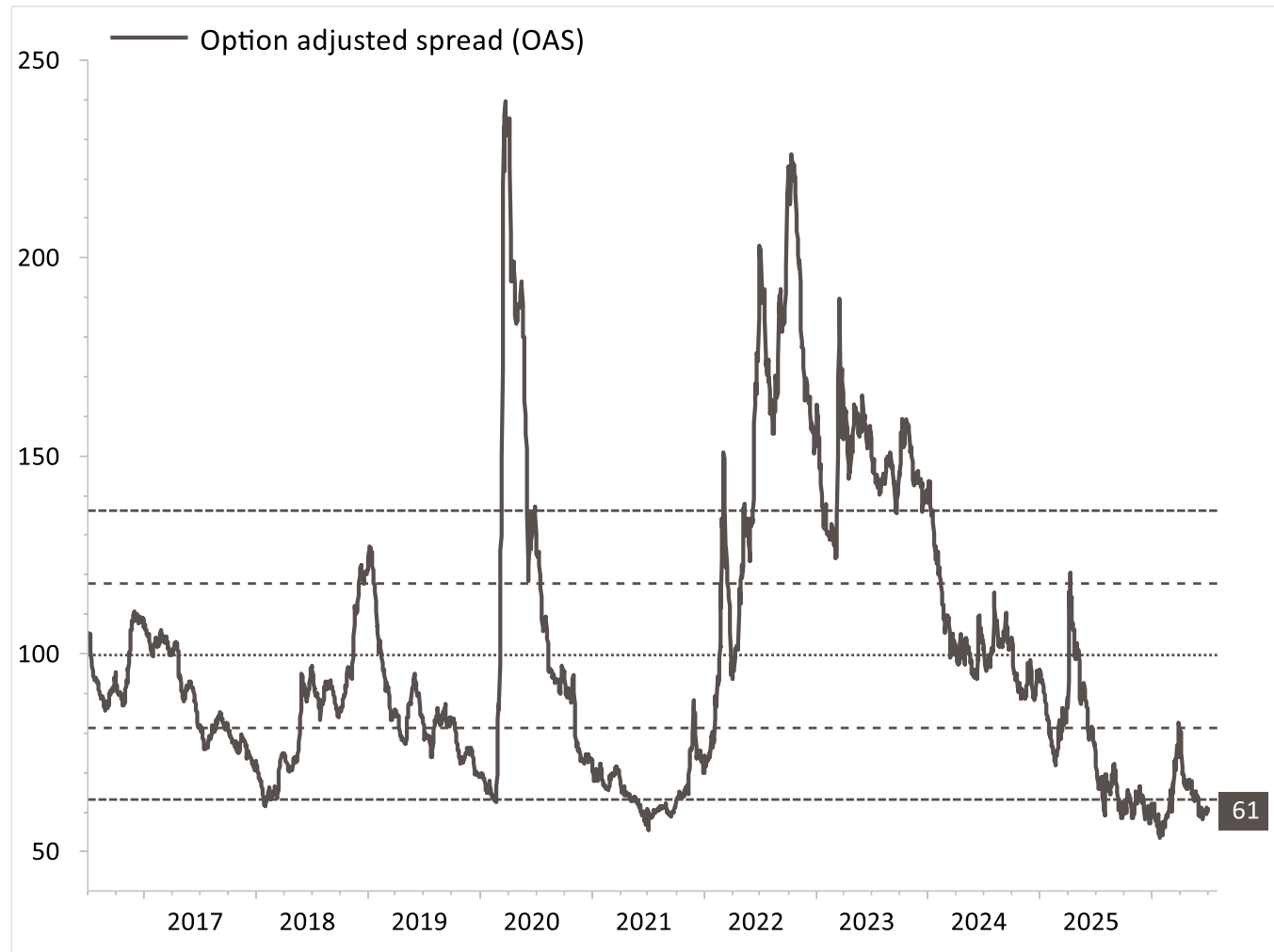


Explanation

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

Risk premium

Spreads (EUR investment grade)



Assessment

Rising

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 Europe: momentum / technical analysis

50- and 200-day moving averages



Assessment
Positive

Justification

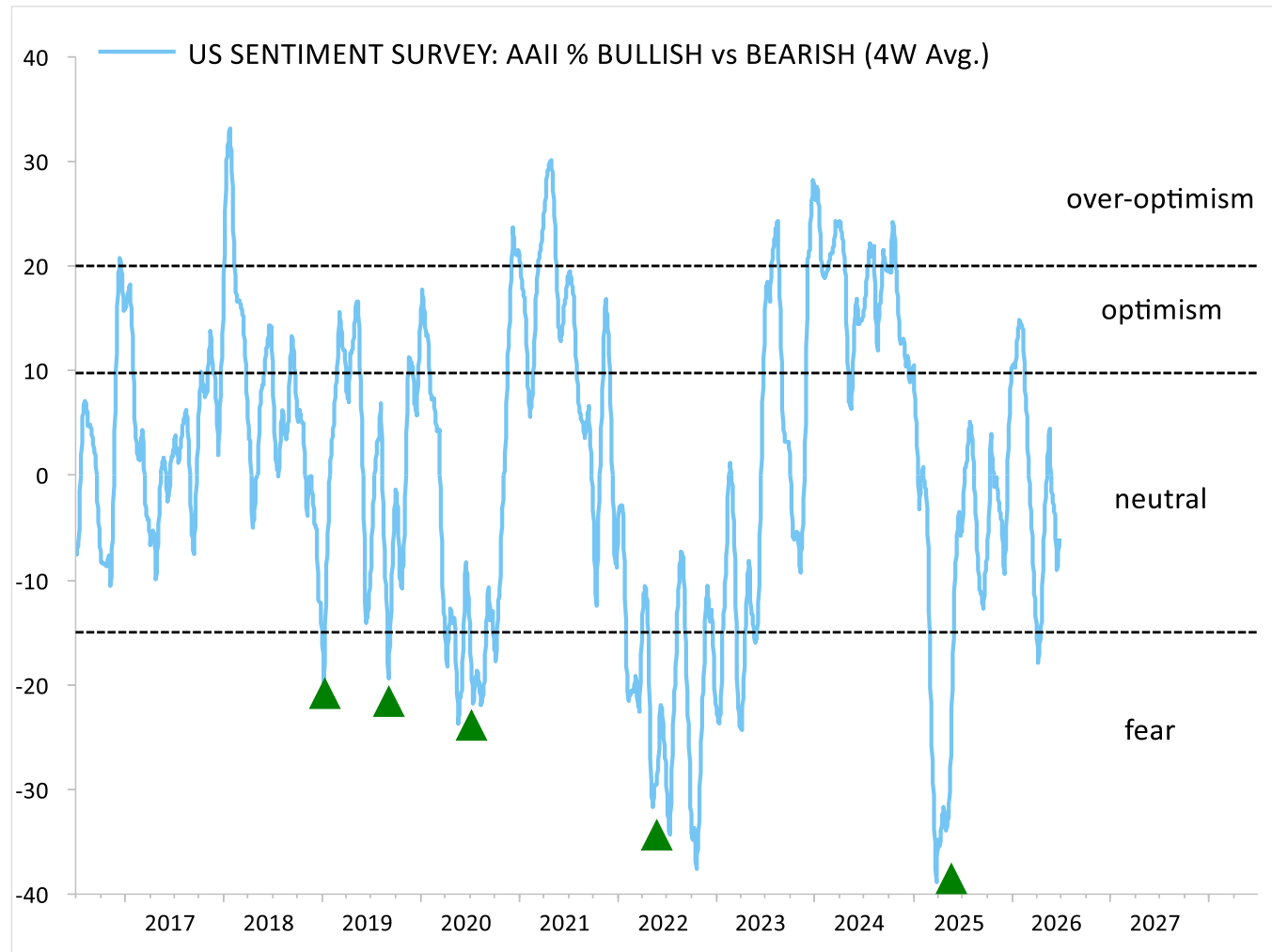
- Positive: price above 50- and 200-day lines
- Neutral: Sideways moving average lines, price above 200-day-line
- Cautious: price clearly below 200-day-line
- Negative: price below 50- and 200-day lines with falling average lines

Explanation

- Comparison of the current price with the 50- and 200-day average lines

Equities

Sentiment Survey (USA)



Assessment
Neutral

Justification

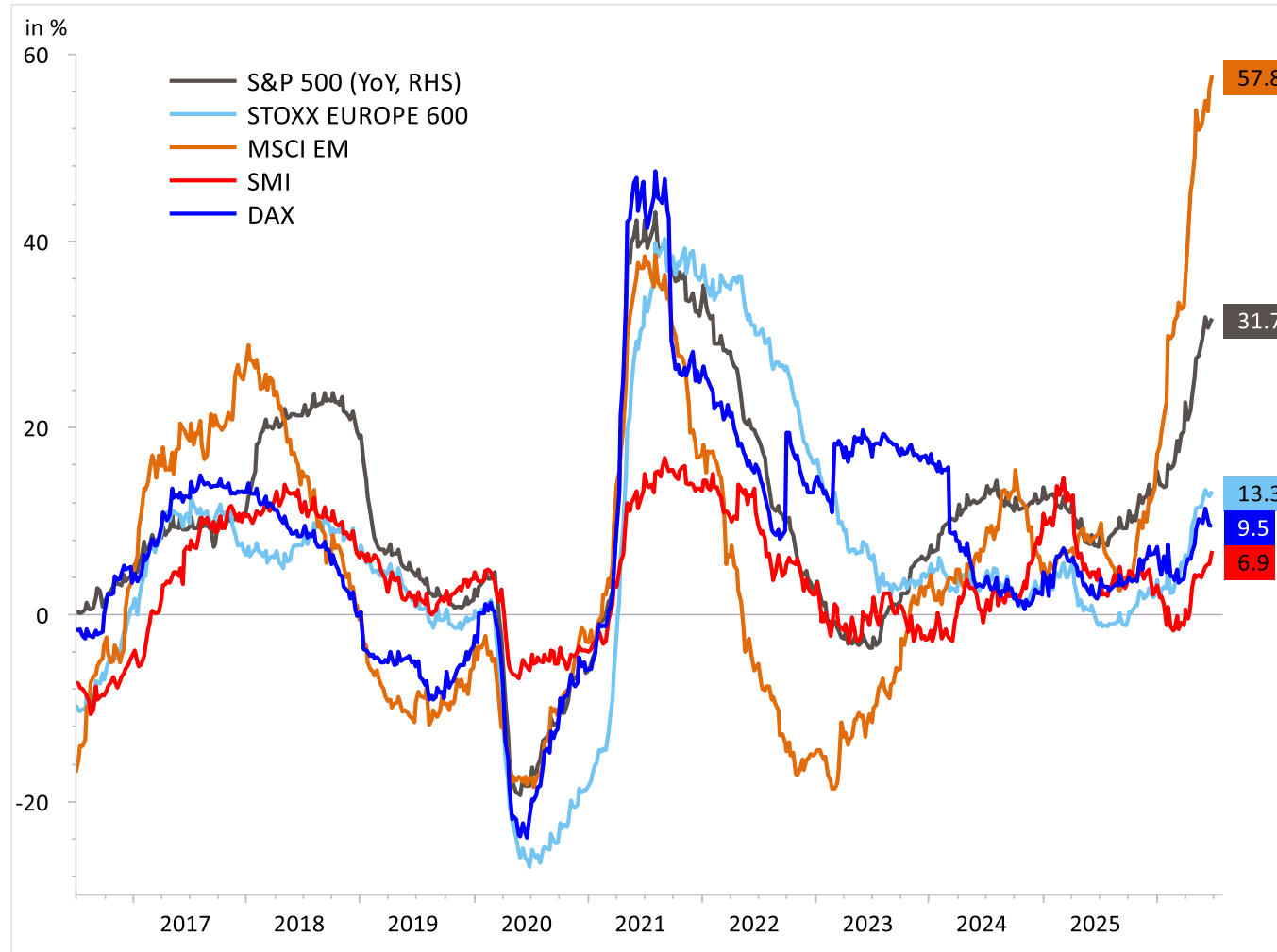
- Positive: anxious investor sentiment
- Neutral: balanced, historically average sentiment
- Cautious: optimistic investors
- Negative: euphoric sentiment

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
Positive

Justification

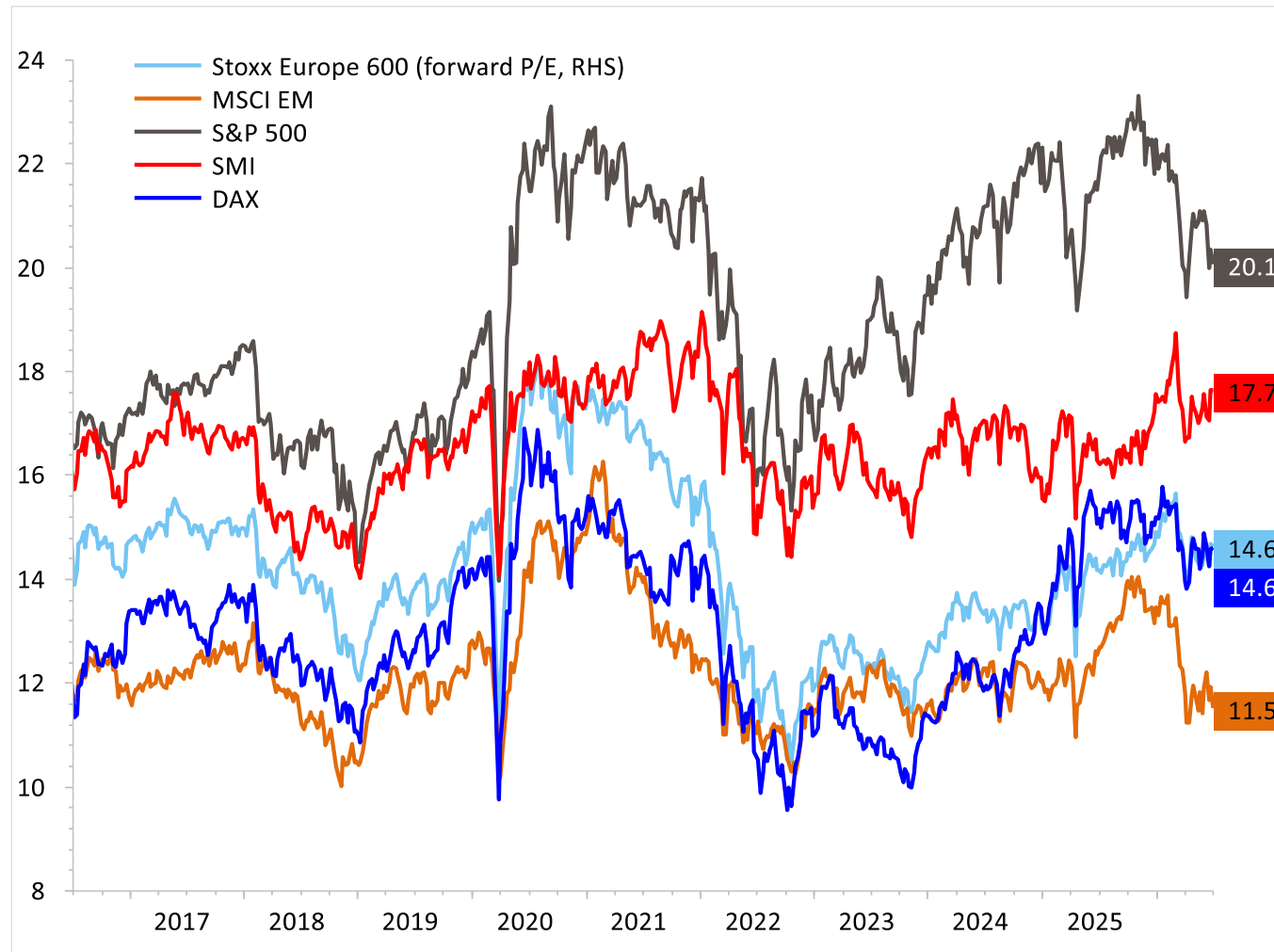
- Positive: earnings growth of more than 10%
- Neutral: earnings growth between -5% and +10%
- Cautious: earnings growth between -5% and -15%
- Negative: earnings growth of less than -15%

Explanation

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

Equities Europe: P/E ratio of expansion and contraction

Development comparison



Assessment
Positive

Justification

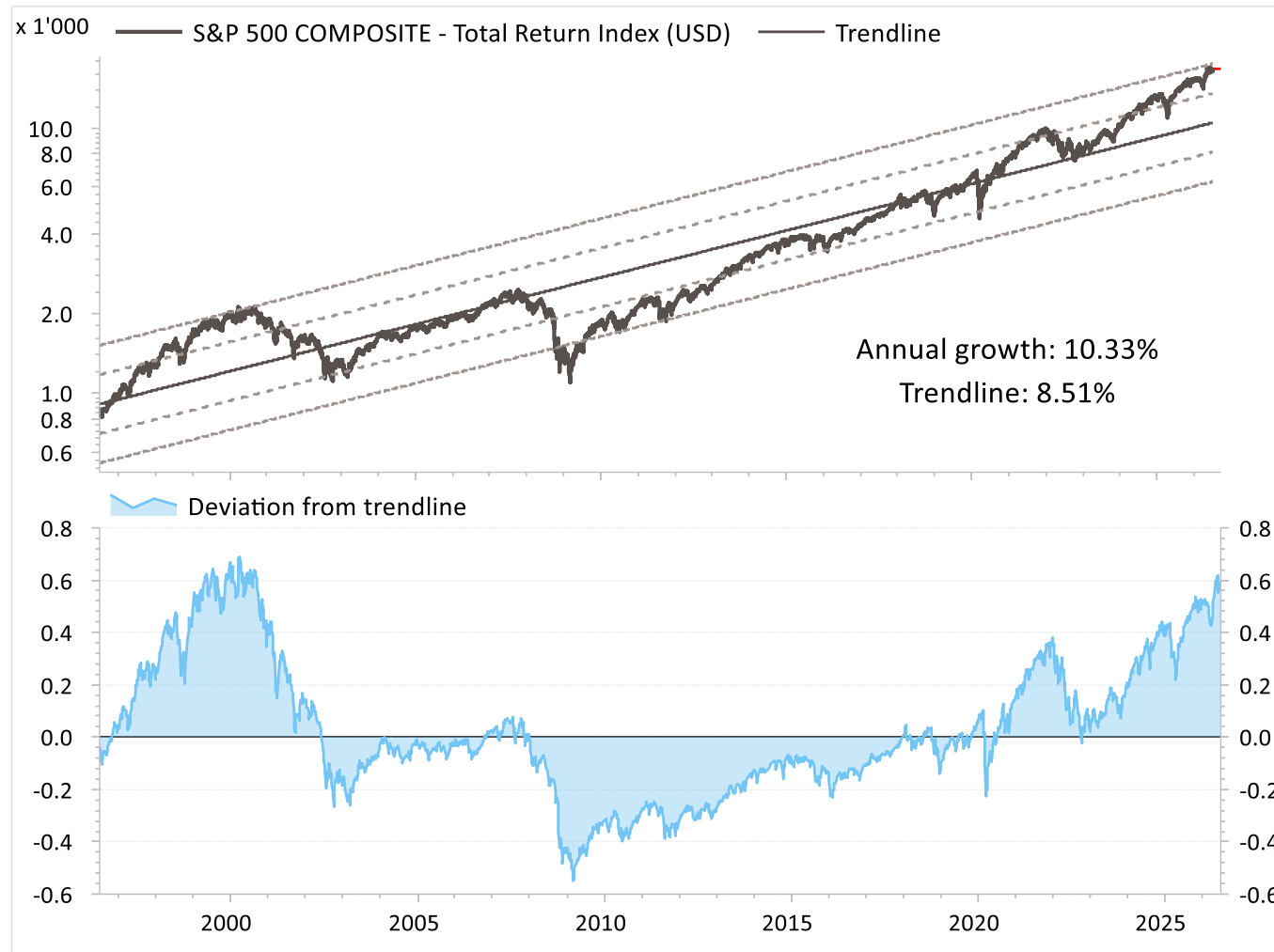
- Positive: increasing investor interest, no exaggeration
- Neutral: solid investor interest without exaggeration
- Cautious: declining interest and exaggeration
- Negative: very highly overvalued market, declining interest

Explanation

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

Equities USA: development / trend

30 years



Assessment
Neutral

Justification

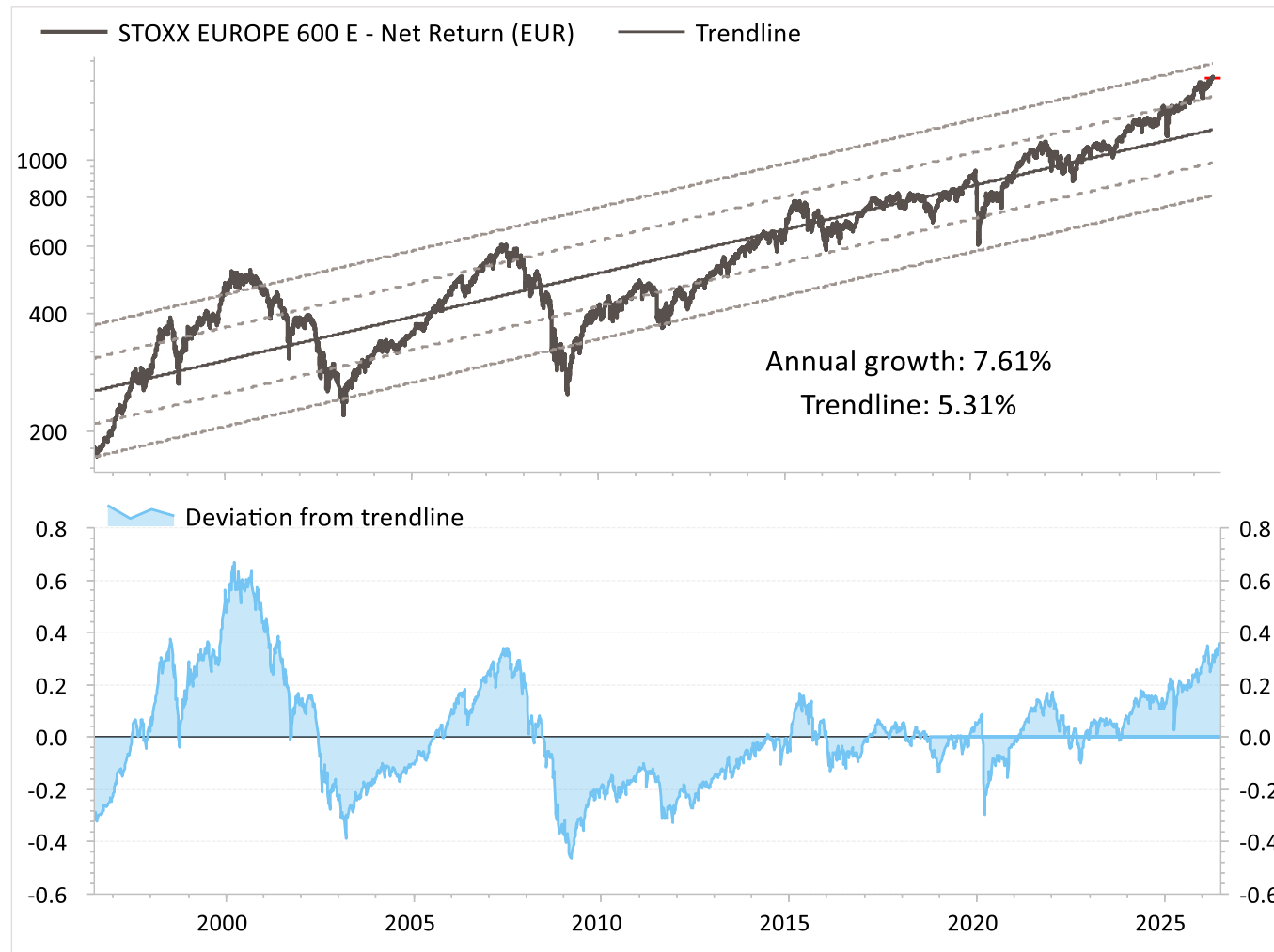
- Positive: established, long-term upward trend without exaggeration
- Neutral: further development in line with history
- Cautious: strong upper trend deviation, signs of possible trend reversal
- Negative: established, long-term downward trend without exaggeration

Explanation

- Trend channel for identifying over- and understatements

Equities Europe: development / trend

30 years



Assessment
Neutral

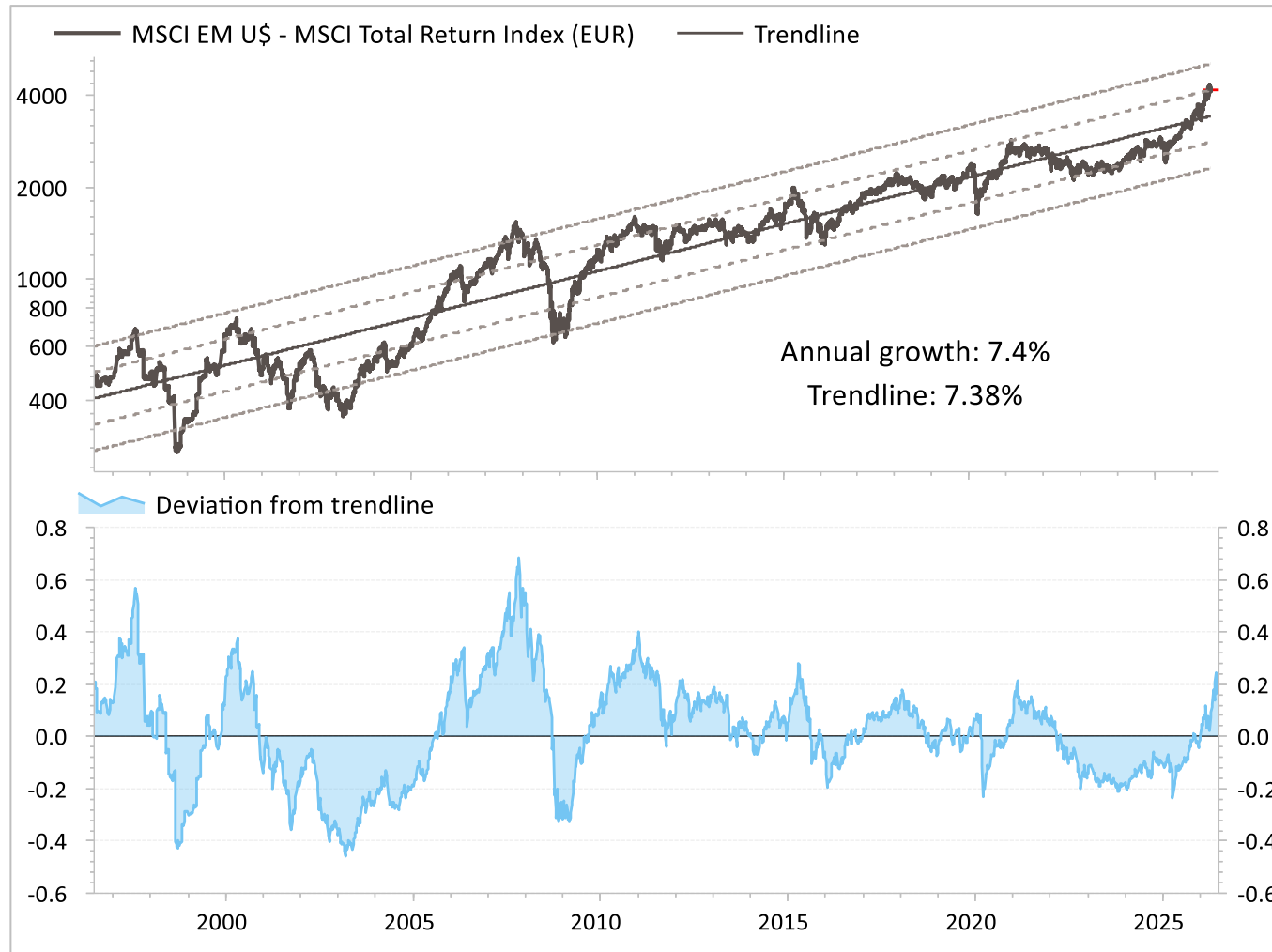
Justification

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- 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

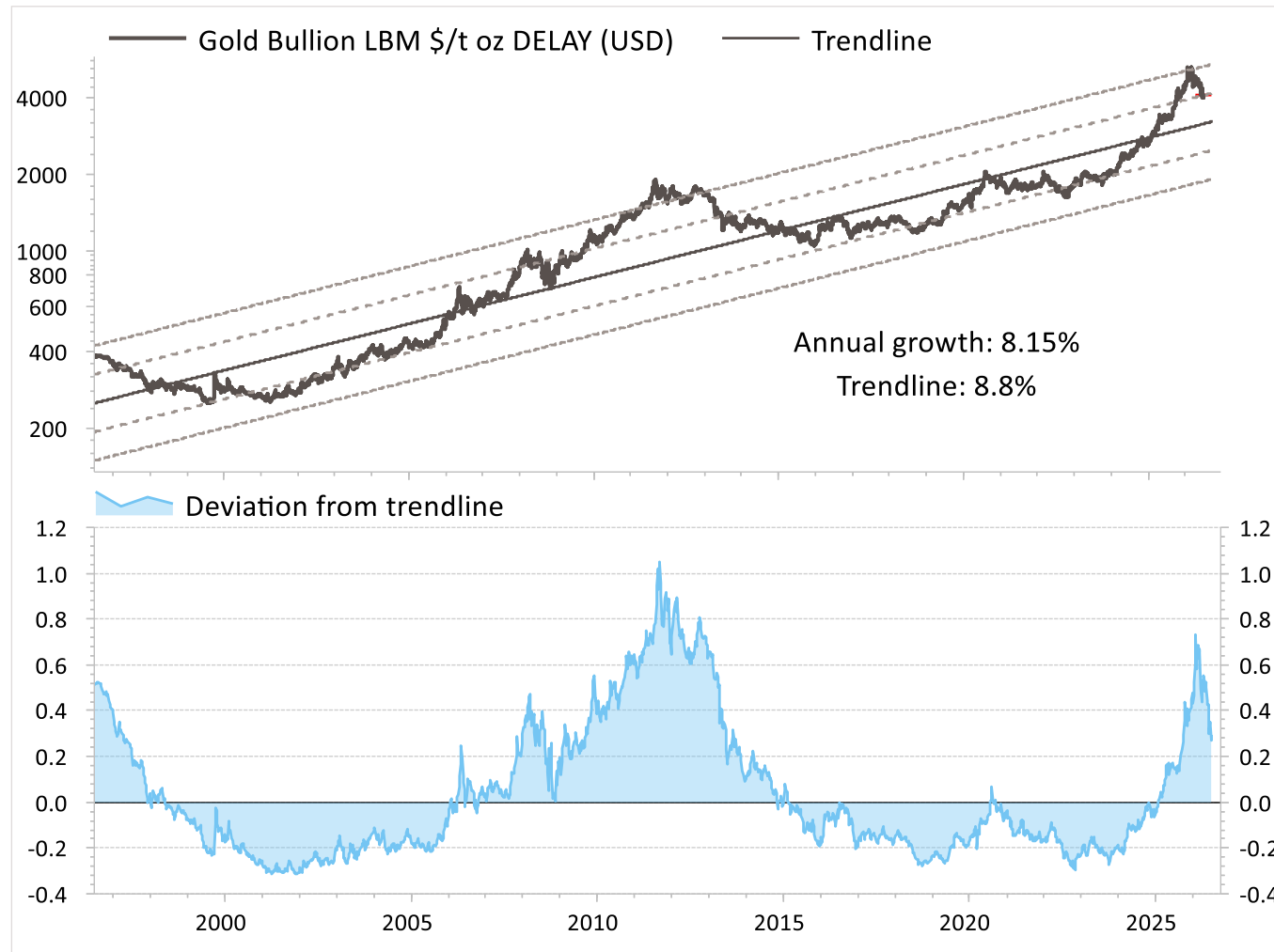
Explanation

- Trend channel for identifying over- and understatements

Details short-term situation assessment Precious Metals

Gold: development / trend

30 years



Assessment
Neutral

Justification

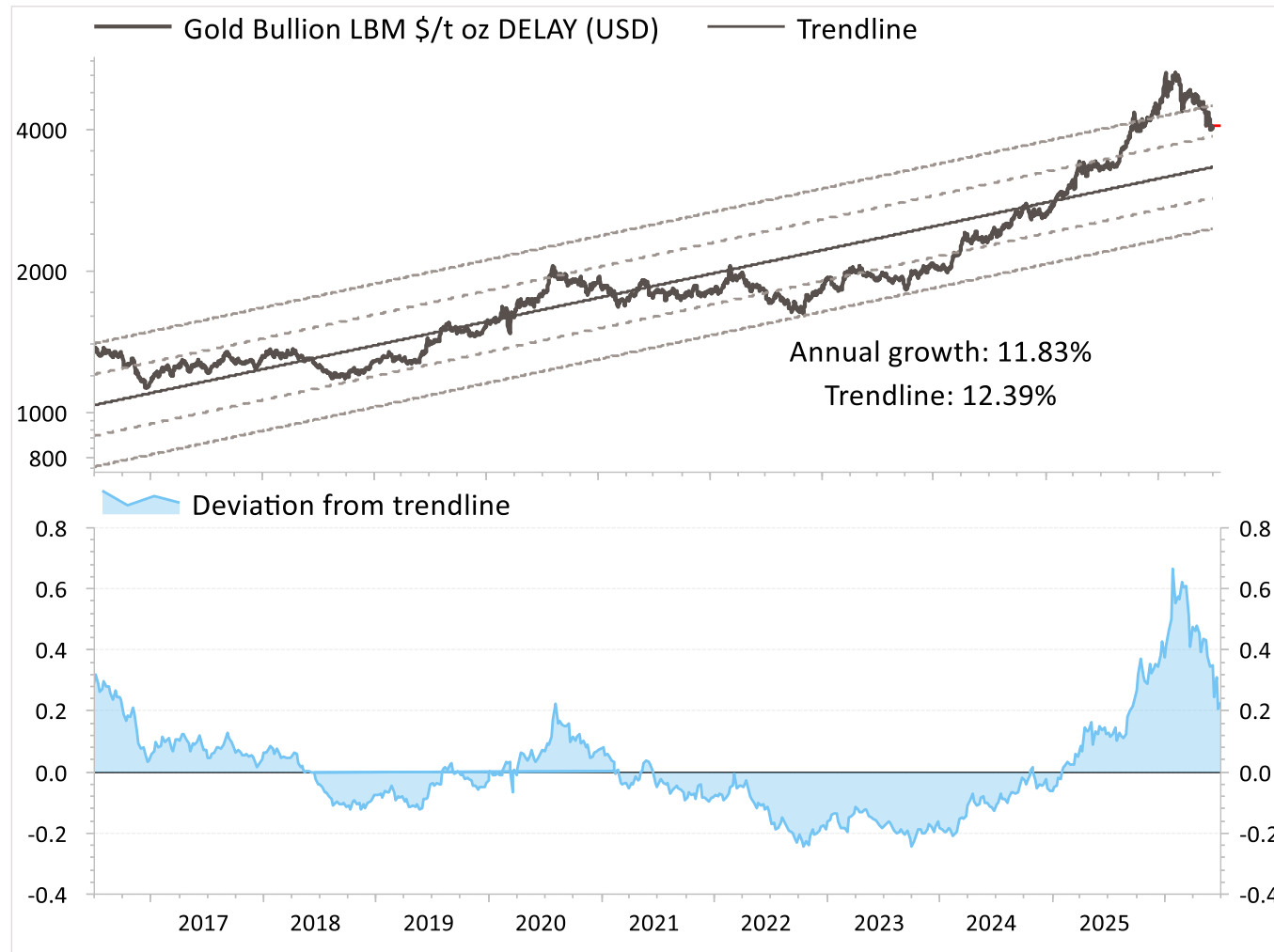
- Positive: established, long-term upward trend without exaggeration
- Neutral: further development in line with history
- Cautious: strong upper trend deviation, signs of possible trend reversal
- Negative: established, long-term downward trend without exaggeration

Explanation

- Trend channel for identifying over- and understatements

Gold: development / trend

10 years



Assessment
Neutral

Justification

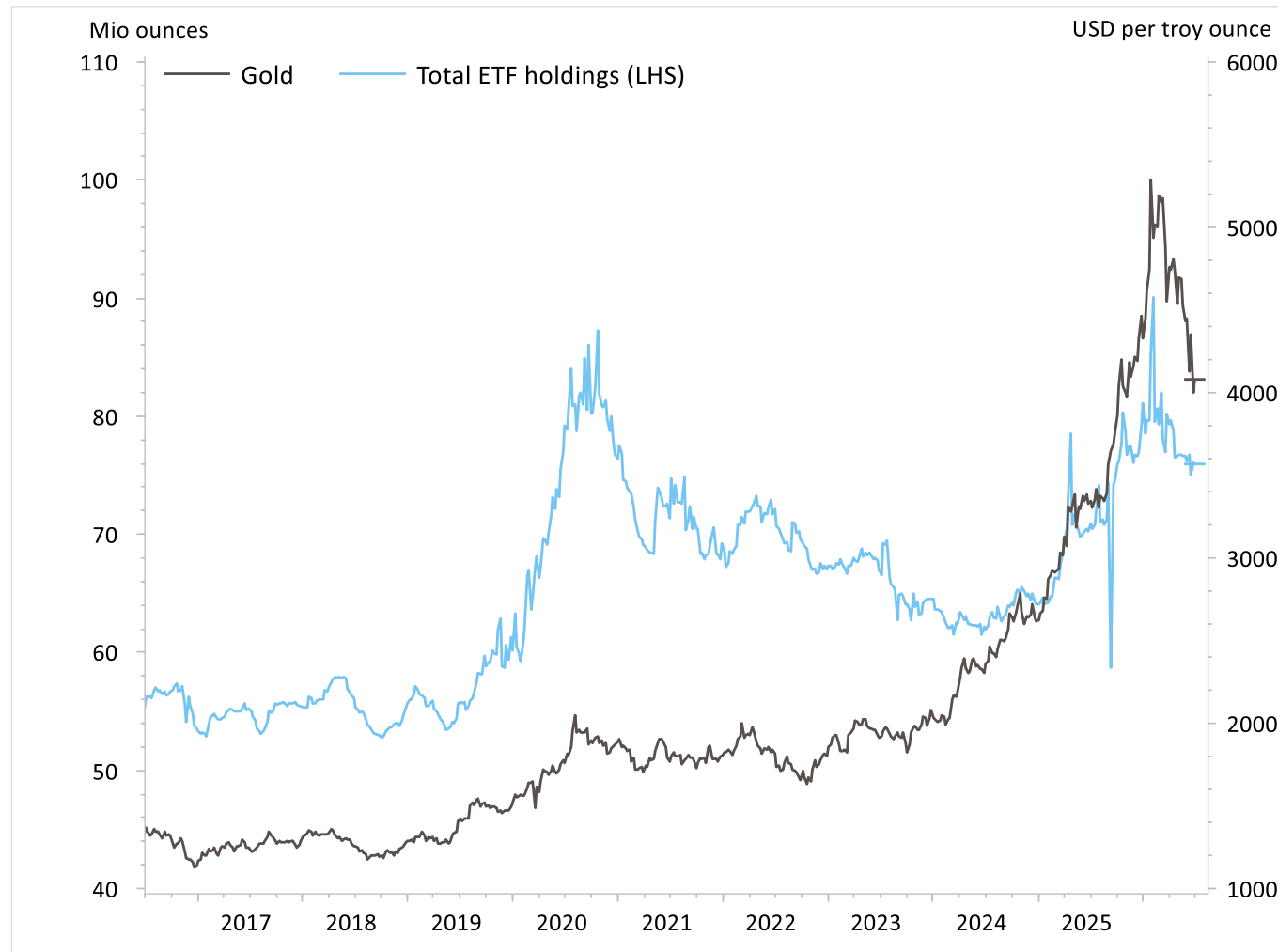
- Positive: established, long-term upward trend without exaggeration
- Neutral: further development in line with history
- Cautious: strong upper trend deviation, signs of possible trend reversal
- Negative: established, long-term downward trend without exaggeration

Explanation

- Trend channel for identifying over- and understatements

Gold: Flow of Funds (ETFs)

Development / trend



Assessment
Neutral

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

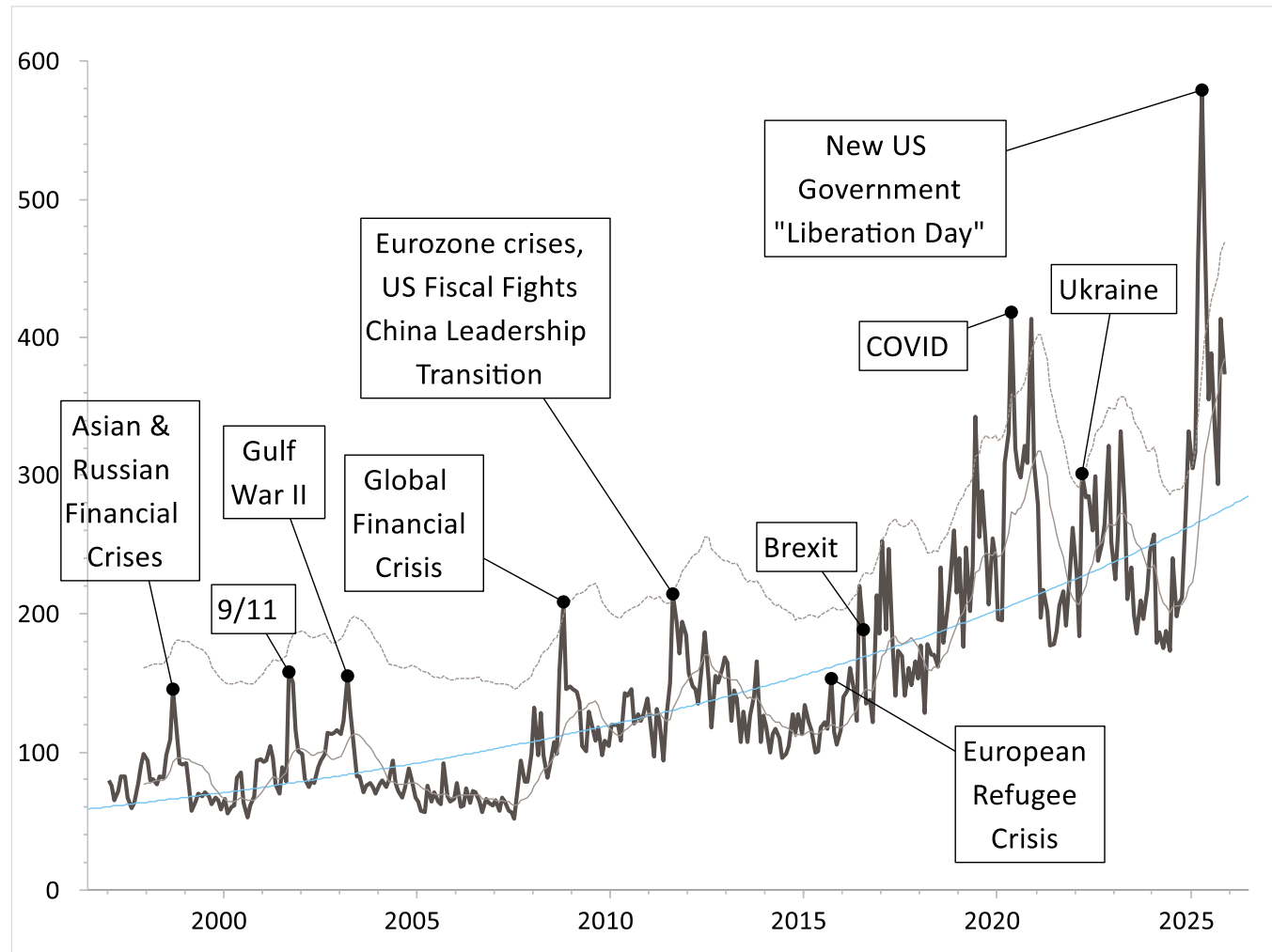
Explanation

- 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

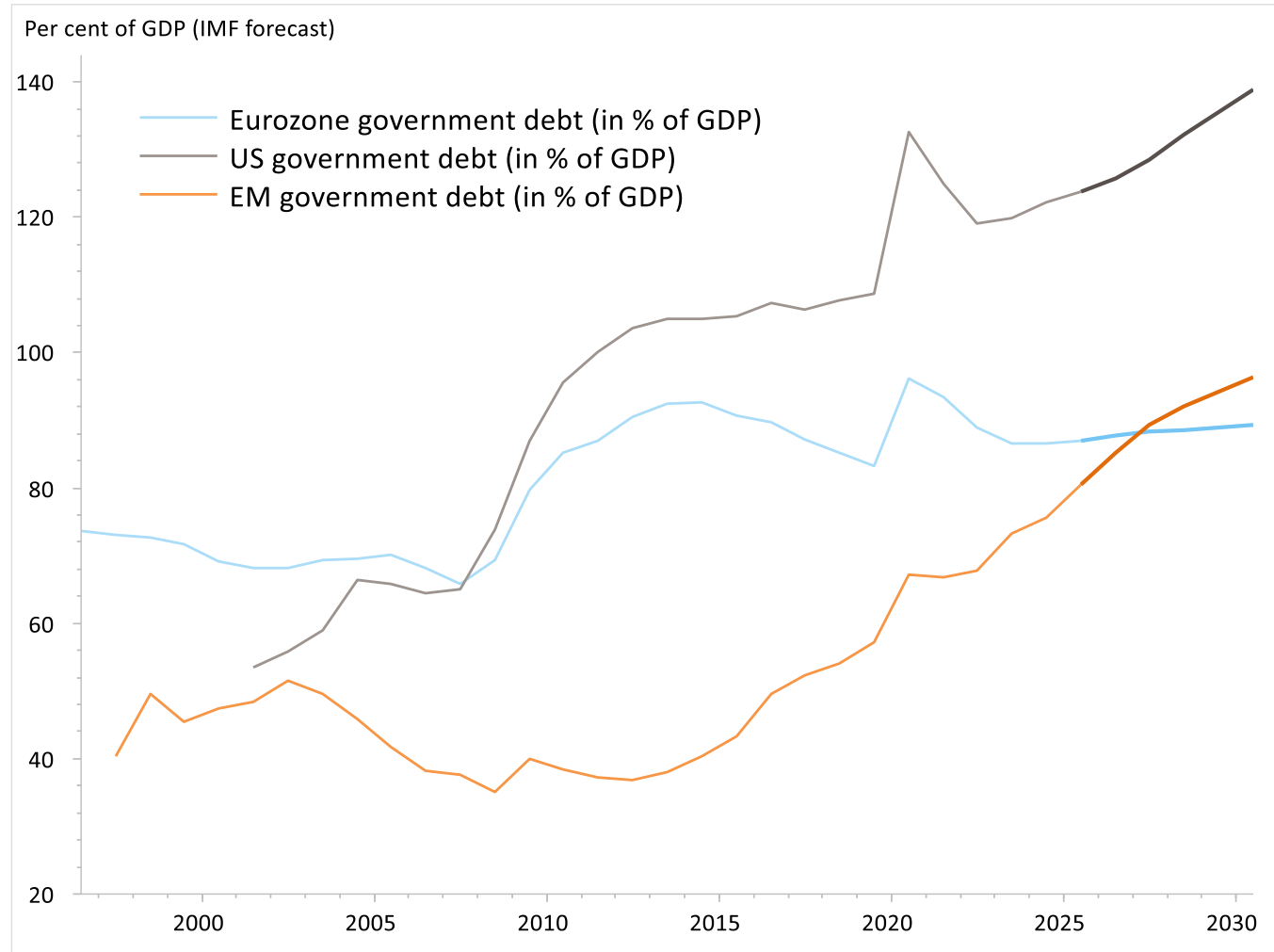
- Positive: low political risk
- Neutral: historically, average risk
- Cautious: increasing risk
- Negative: strongly increasing risk and historically high level

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

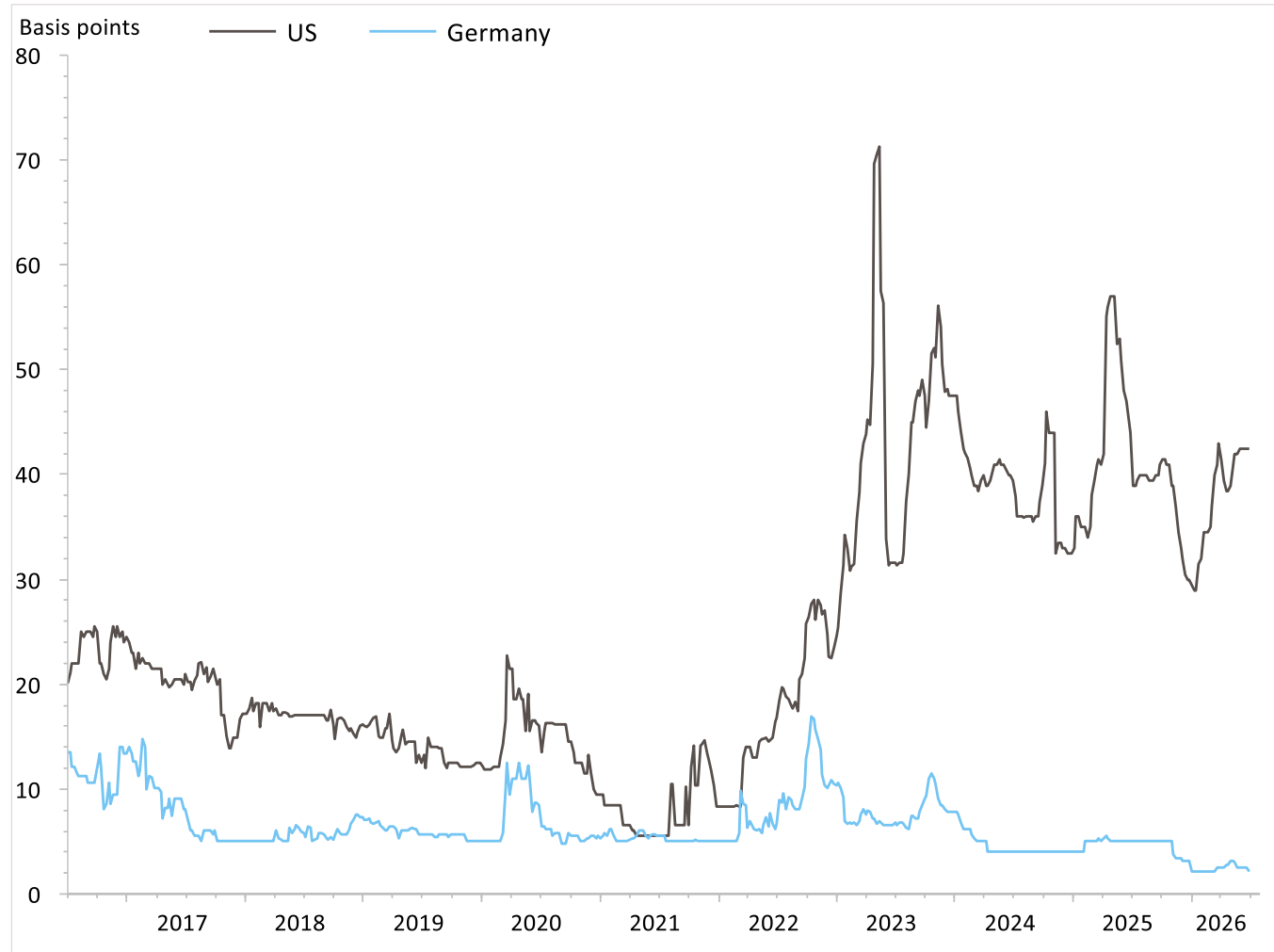
- Positive: declining debt without negative economic effects
- Neutral: no significant change in debt
- Cautious: rising debt
- Negative: soaring debt

Explanation

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

Risk: Default risks and widening of spreads

Credit Default Swaps: Global



Assessment
Neutral

Justification

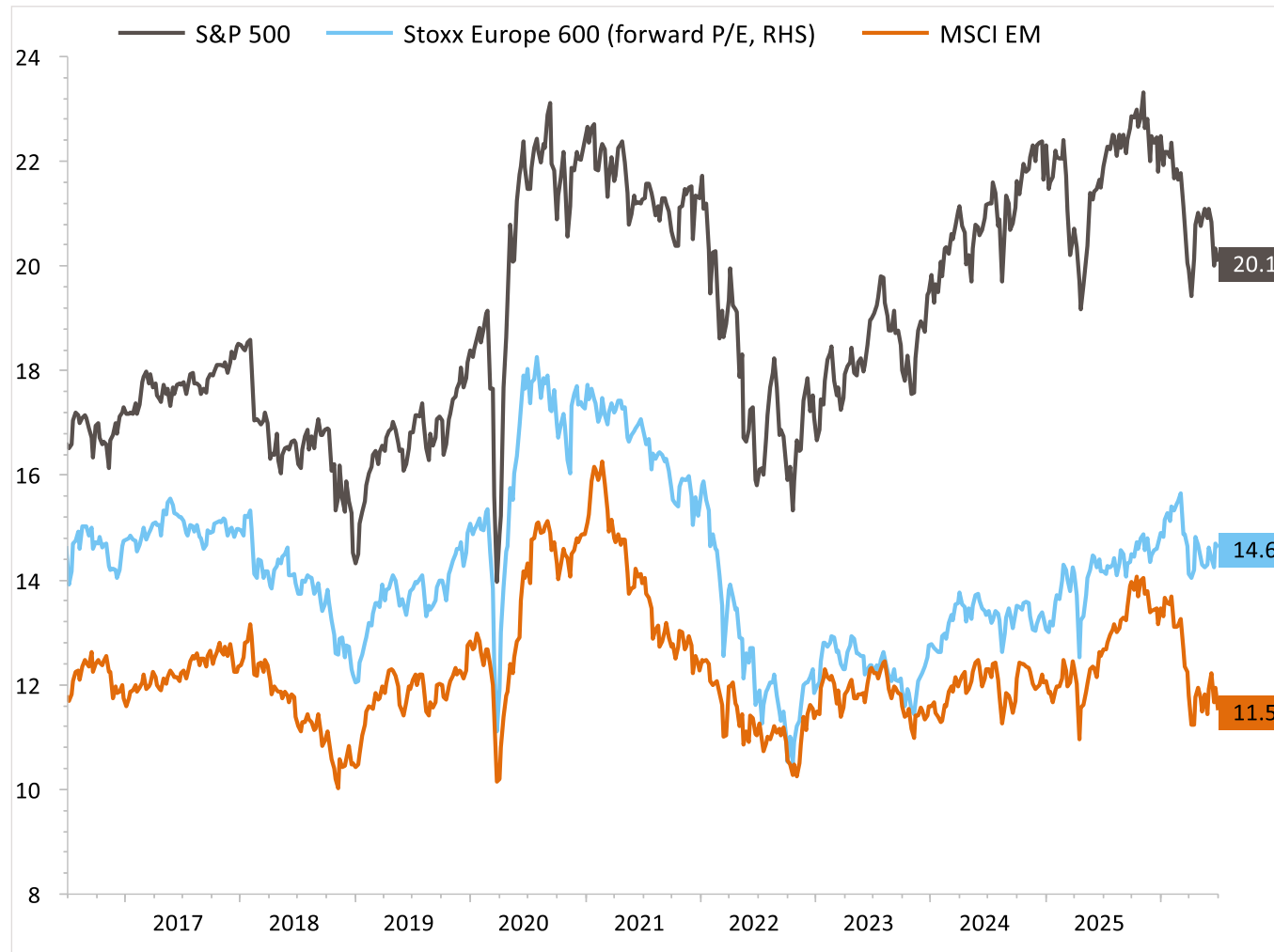
- Positive: decreasing default risks
- Neutral: stable default risks
- Cautious: increasing default risks, especially in the USA
- Negative: high and increasing default risks

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

Cautious

Justification

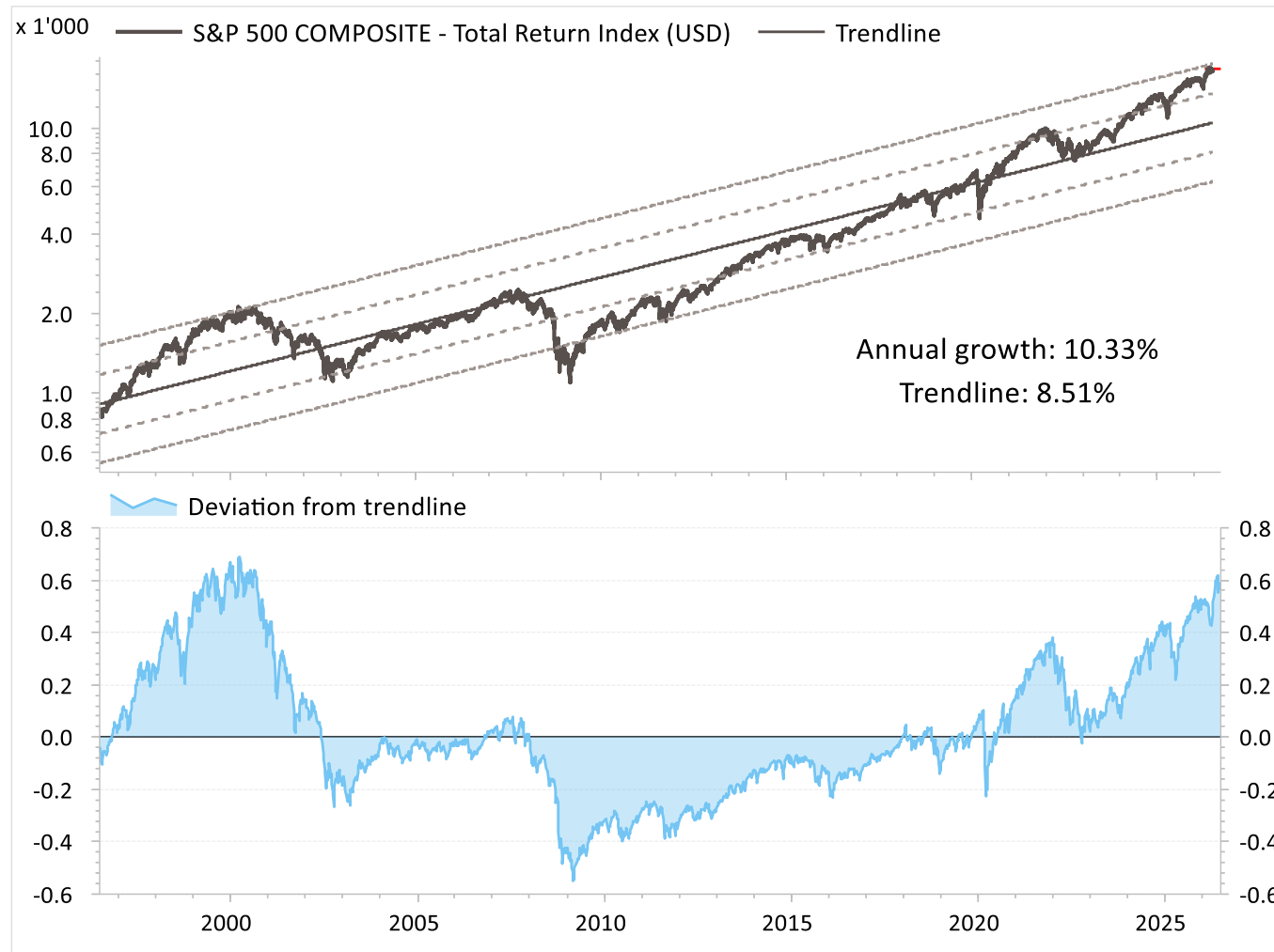
- Positive: attractive, low valuation
- Neutral: historical average valuation
- Cautious: absolute or relative valuation high
- Negative: absolute and relative valuation unattractive

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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