

RM Smart Strategy Fund
Minutes of the Investment Committee meeting of
April 18, 2024 at 2.00 p.m.

Fundamental:

Economy: Economic development continues to vary greatly from region to region. In Europe and China, the economy remains weak, and the recovery is dragging. In China in particular, inflation figures indicate that the recovery will be slow. In the USA, on the other hand, economic development remains very positive, albeit accompanied by persistently high inflation rates.

Inflation: In the US, the decline in core inflation is making little progress. In view of the robust labour market and the fact that the economy continues to perform well, there is even a risk of further disappointments. In contrast, the situation in Europe and Switzerland is more comfortable. The weak economy is causing the core rate of inflation to fall further.

Fiscal and monetary policy: The situation for the US Federal Reserve (Fed) remains difficult due to the sluggish decline in inflation. An easing of monetary policy is likely to become increasingly distant. The European Central Bank, on the other hand, is more likely to cut interest rates in the near future.

Geopolitics: The geopolitically tense situation has come to a head with the Iranian retaliatory strike on Israel. The further course of this conflict is difficult to predict, but the pressure on Iran from Western industrialised nations is likely to increase. The situation therefore remains uncomfortable and the risk of a conflagration in the region with consequences for the western industrialised nations is significantly increased.

Financial markets: Momentum on the financial markets slowed noticeably last month. The high inflation dynamics in the USA and the Iranian retaliatory strike on Israel caused capital market interest rates to rise and weighed on the global equity markets. In this environment characterised by uncertainty, the price of gold was the main beneficiary.

Charttechnical:

S+P

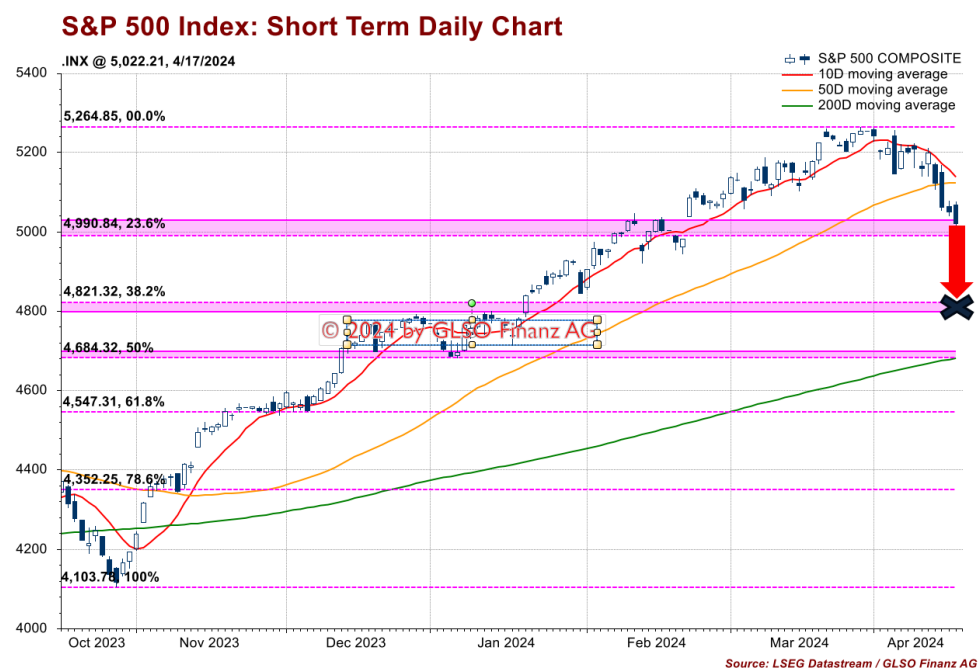
The expected **short-term sell signal**, supported by the **medium-term level**, which has not been so **strongly overstretched** since January 2020, has now been confirmed, is intact and is likely to persist for some time (see S+P 500 Index: Short Term Daily Chart).

An expansion of the **rotation** (sustainability criterion) into other sectors (not just *mega tech caps*) and value classes (small caps, risk appetite) is still technically indicated. The **technology sector** (as the only sector with a broad, negative medium-term divergence), driven by *the Magnificent 7* (now rather *Magnificent 5*), appears to be facing a "weak phase" in technical terms, which means that the S&P 500 (around 30% weighting) is also likely to perform somewhat weaker than the others. The short-term sell signal has also been confirmed here.



Selling Stampedes usually last 17 to 25 sessions with only one to three days of countermovement (today we are at the 14th session). This simply seems to be the rhythm needed until the sales frenzy is exhausted. A few last between 25 and 30 sessions, but very rarely over 30.

Due to the technical design, we should be within the usual range, which should bring us into the zone of around **4,820**.

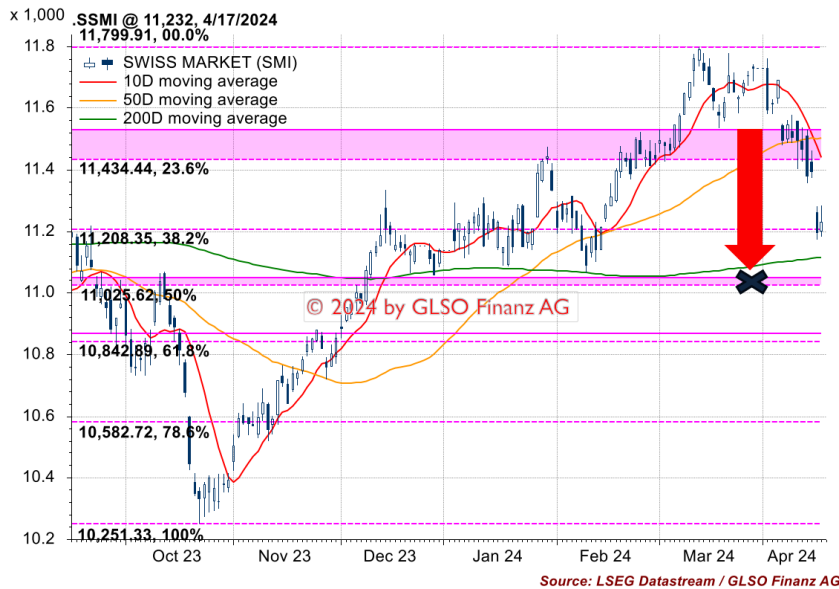


SMI

The expected **short-term sell-signal** has formed. **In the medium term**, the level is approaching the neutral zone, with the **buy-signal** intact. The correction should therefore not last too much longer or end in a sideways movement.



Swiss Market Index (SMI): Short Term Daily Chart



STOXX Europe 600 The **short-term correction** has been triggered. However, the **medium-term level** is still overextended. A short-term resumption including the formation of a small medium-term negative divergence is certainly possible. However, the gap that has just formed (caution if starting gap) suggests a continuing correction. If the price falls below 494.17, the latter is likely to materialise and appears the most probable in view of the intact movements everywhere.

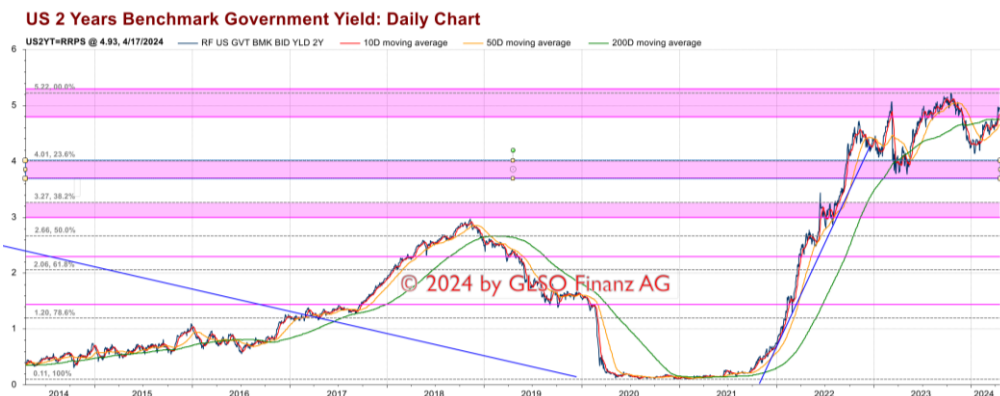


Gold The price target of the *measured move* of **2,325** was reached. However, a **short-term correction** is in the offing at an overstretched medium-term level. However, the **medium** and **long-term trends** are **intact** (no sell signals in sight), which means that any correction should be of a temporary nature.

Oil The **short-term buy signal** is still intact, even if a short pause is possible. The same applies to the **medium-term resumption**. The long-term "energy" is charged. The **H&S formation** with a price target of **90.9** continues to drive. The **long-term trend** is and remains **intact**.
The assumption that the break-up of the oil price will be associated with a correction in the equity indices has been confirmed.

Yield 2-year US Government Bonds

The implied **rebound** is still **intact** and should now slowly come to an end. Otherwise, the correction threatens to become more pronounced. This would be particularly true if economic data were to weaken (below expectations) and interest rate reduction expectations were to be pushed back at the same time. However, the **sell signals (short and medium-term)** remain in place, meaning that the downward trend could resume at any time.



Currencies

Forex EUR/CHF:

The short-term pause appears to have started, with intact trends on a short-term and medium-term basis. However, all resumption attempts at short and medium-term level have so far failed. The **long-term negative trend** has continued to prevail. Will this be the case again? Or will the break remain weak, and the divergence drag on for longer? In the latter case, the **upper edge of the broadening formation of 0.9680**, or at the latest the **MA200 zone of around 0.9550**, would have to hold. Theoretically, the overriding trend should prevail, but that is not the case.



Forex USD/CHF:

The short-term resumption has materialised. The support level of around **0.876** was not breached, **confirming** the validity of the **medium-term buy signal** (supported by the long-term, slightly oversold level). However, the short-term and medium-term levels are overextended. A **pause** is therefore **indicated**. It is quite possible that a slight positive divergence on a short-term basis will have to form first.

Support: 0.90, 0.8820/0.8760; resistance: 0.924 (important level!)



Purchases April

- Idorsia Position increase

Sales April

- none

Next Meeting: Mai 29, 2024 at 2.00 pm