

## **RM Smart Strategy Fund**

### **Minutes of the Investment Committee meeting of**

**August 23, 2023 at 02.00 p.m.**

#### **Fundamental:**

**Economy:** In Europe and China, the economic downturn continued. In the wake of the global recession in the industrial sector, growth rates in the eurozone, the UK and China were just above zero percent in the second quarter of this year. The economies of the United States and Japan remain robust. Economic development in the USA is supported by strong consumption of services and high investment figures by companies. In Japan, on the other hand, it is primarily the export sector that benefited from the significant depreciation of the Japanese yen.

**Inflation:** Core inflation rates in most advanced economies remain well above central bank targets and are weakening only very slowly. In the eurozone and the UK, there is still no sign of a sustained downward trend.

**Fiscal and monetary policy:** Central banks remain under pressure due to ongoing inflation dynamics. For the US Federal Reserve (Fed) in particular, the situation remains uncomfortable in view of the resilience of the American economy. Meanwhile, China's central bank has eased monetary policy to support the weakening domestic economy. So far, no new growth impulses on the fiscal side are in view.

**Geopolitics:** The situation in the Ukraine war remains deadlocked and the successes of the Ukrainian counteroffensive are limited. Meanwhile, the U.S. is stepping up military cooperation with South Korea and Japan, which is likely to put further pressure on the already tense relationship with China.

**Financial markets:** Financial markets have been dominated by persistent inflationary pressures over the past month. In particular, the surprisingly high producer prices and the strong consumption figures in the USA dwindled hopes of an end to key interest rate hikes or even a lowering of key interest rates. As a result, long-term yields to maturity rose, while equity markets declined significantly.

## Charttechnical:

S+P The expected **short-term "pause"** (starting from the strongly overstretched level in the medium term) has come true with some delay (second peak led to a **short-term sell signal**). It was also correct to assume that this would have a greater impact on the driving forces (especially technology, but also discretionary consumption). In the short term, the level is now oversold, which means that a **countermovement** is possible. However, in view of the still elevated medium-term level (still limited to the SPX and thus the driving forces), this is likely to be within limits and not yet sustainable. It therefore seems realistic that a short-term countersignal must first form or that a somewhat more neutral medium-term level (with **the trend intact**) must be reached. The assumed **sideways bias** between **4060** (probably more like **4155**) and **4540** remains in view of the numerous headwinds (inflation, FED policy, economic concerns, restrained risk appetite). There is still not much missing for the confirmation of a long-term rotational movement.



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SMI The **short-term resumption** has taken place, but it was short-lived and failed just below the stubborn **resistance zone** of **11,500**. A resumption will now be displayed. A sustained breakthrough (incl. retest) above the mentioned zone would be important, which would finally confirm the **medium-term buy signal** formed in November '22. The presumed **sideways movement** (**10,550/11,870**) before the movement gains in sustainability cannot be ruled out.



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ESTX50 The **short** and **medium-term buy signal** of Oct 22 are **intact**. The short-term resumption has occurred but was slowed down just before the **resistance zone** around **475**. This should now resume its way. In the medium term, the oscillators are now at a possible rebound zone. **However**, the negative divergence has continued and must be kept in mind, also in view of the possible **Double Head & Shoulders formation** as well as the negative A/D line, although a *rebound* seems more realistic at the moment. The presumed **sideways bias** (**475/430**) remains intact for the known reasons.



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#### Gold

The **short-term and medium-term buy signals remain intact**. For the long-term rotational movement, "only" a confirmation from RSI is still missing. The short-term resumption took place but was slowed down by the **resistance zone** around **1965**. The medium-term oscillators, which indicated the pause/correction, have reasserted themselves, but are still in a possible rebound zone. The **possible wedge formation** could give a **renewed short-term resumption** the necessary strength to set the medium-term movement in motion. But the formation still must play itself out first. The same is true for gold mines, where signs of a medium-term resumption seem to be intensifying (short-term oscillators have not followed the last downward price movement!).

#### Oil

The second, **short-term buy signal** (often the case before medium-term rotational movements) has come true and had enough power to trigger the medium-term **buy signal**. As expected, a large part of the **convergence zone** (**upper channel line** ~ 78, **MA200**) was broken upwards. The **resistance** at ~ **85** is still missing, but its conquest seems to be only a matter of time. Finally, the buy signals are intact and should resume after a short break!



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#### Yield 2-year US Government bonds

The **short-term "breather"** remains intact, but the **negative divergence formation** has continued, as expected. While a sell signal could already be triggered, indicators continue to suggest that interest rates "must" move **into the 5.25% zone first**. The **medium-term sell signal** remains **intact**, despite a new peak, the possibility of which has been pointed out (divergence continues). The **long-term level** remains strongly overbought and is now even diverging negatively. There is not much left for a corresponding correction. It seems to be a matter of patience. As a rule, the market is not wrong in such matters.

**Currencies** In the case of the US dollar, the medium-term sell signal continues to prevail. After all, the positive deviation of the oscillators has held, which means that a possible buy signal is still in the offing. The condition for this is that the short-term countermovement that has now begun is strong enough.

**Purchases July/August**

- Idorsia
- Global X Robotics BOTZ

**Sales July/August**

- none

Next meeting: September 28, 2023 at 2.00 p.m.