

RM Smart Strategy Fund

Minutes of the Investment Committee meeting of

October 24, 2023 um 14.00 Uhr

Fundamental:

Economy: The global economic situation remains tense. While China's growth figures indicate the beginning of a recovery, the figures for exports and the construction industry remain very weak. The tourism figures are also not convincing, so that overall China seems to still be in recession. In Europe, the weakening of the economy continues and is increasingly spreading from Germany to the surrounding countries. In the U.S., the labor market remains robust. However, the rest of the economy continues to weaken, so the risk of a recession remains high for the US as well.

Inflation: Inflation remains the most important problem in many Western countries. However, progress on the overall rate of inflation will stall in the coming months because the year-on-year comparison of energy prices will no longer dampen inflation. Similarly, the potential for lower core rates appears to be limited, as wage growth rates are now above core rates in almost all countries.

Fiscal and monetary policy: Monetary policy still cannot sit back. On the one hand, core inflation rates, with the exception of Switzerland, are well above their targets. On the other hand, apart from the US, real interest rates are still negative, which supports growth rather than slows it down. Further interest rate hikes therefore seem necessary in the absence of a very significant slowdown in the economy. Fiscal policy is still busy returning to normal post-Corona. Fiscal stimulus can only be expected in the event of a severe recession.

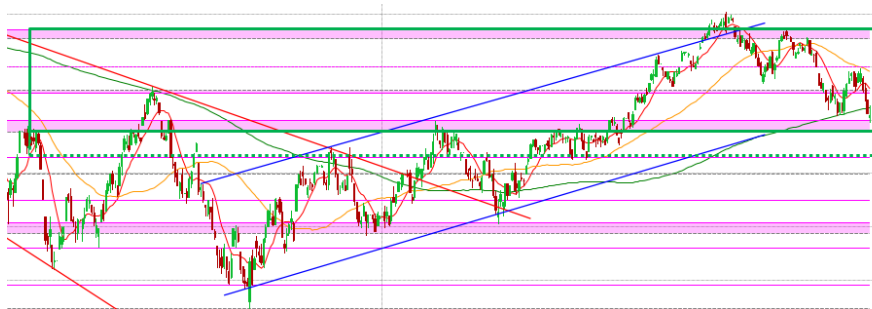
Geopolitics: The geopolitical situation has deteriorated significantly considering Hamas' attack on Israel. In addition to the Russian war of aggression in Ukraine, Iran is now also involved in a proxy war. The Americans' concentration on the Middle East is currently creating space in Asia and Africa for a further expansion of the influence of China, India and Russia.

Financial markets: The financial markets have seen a further increase in capital market interest rates. Since the spring, interest rates in the dollar have risen by 170 basis points. Financial markets do not reflect the magnitude of the rise in interest rates. Of particular concern is the rise in TIPS yields to more than 2.5%. In Switzerland, this rise in interest rates has not taken place, but it is threatening!

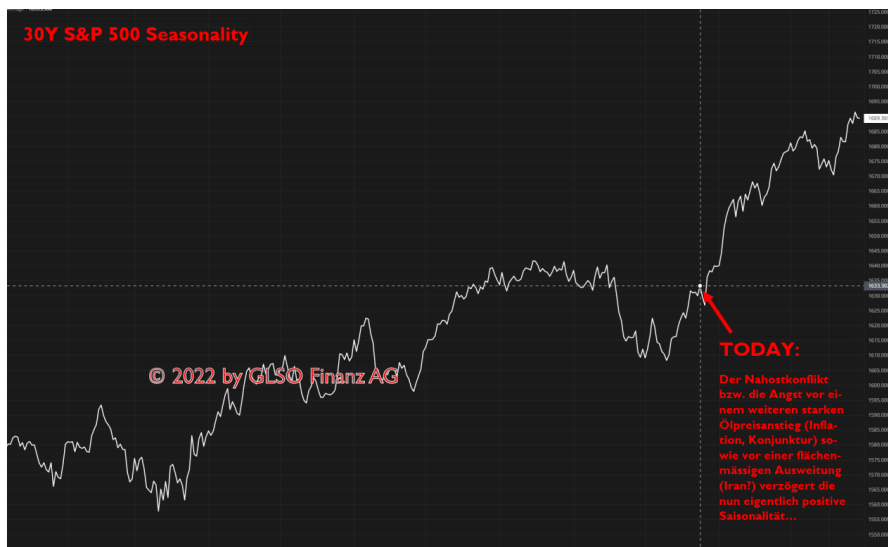
Charttechnical:

S+P

The assumption that a somewhat more neutral medium-term level and a short-term countersignal must form before a sustained move has proven to be correct. Accordingly, counter-movements have so far been kept within limits. The former now seems to be slowly the case (not much is missing for this), which, together with seasonality, supports a possible short-term countersignal (with typical movement with undercut before). The fact that the SPX is virtually the only index not (yet) oversold in the medium term continues to suggest that - during a resumption - the rotation into other sectors (not just mega-tech caps), which is so important for a sustainable movement, could begin. The assumed **sideways peg** between 4155 (/4060) and 4540 remains in place in view of the widening (Middle East) numerous headwinds (inflation, FED policy, economic concerns, subdued risk appetite).

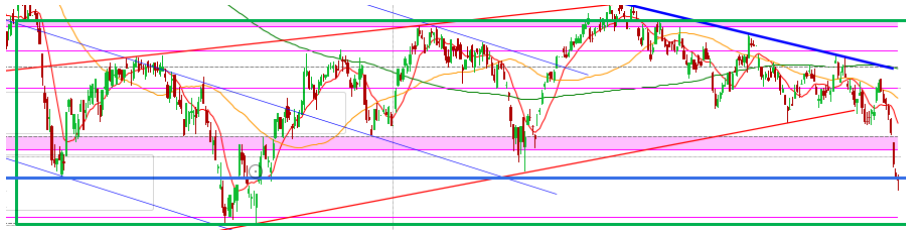


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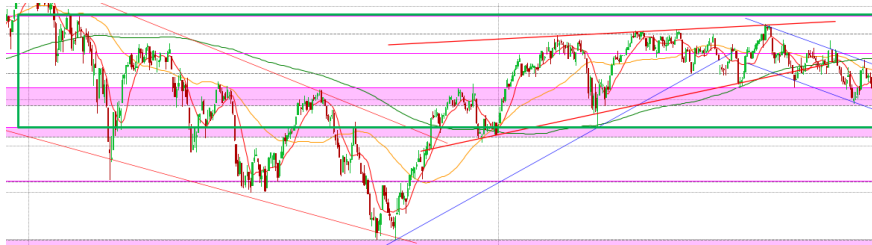
SMI

The **short-term** resumption failed just above the 11,000 mark. After all, a **positive divergence** has now formed (even in the medium term, the downward movement has not been confirmed recently), which points to a stronger resumption after training. A sustained break above the **resistance zone** of 11,500 would be important, which would finally confirm the **medium-term buy signal** formed in November '22. The presumed **sideways movement** has been downgraded to the 10,000/11,500 zone to reflect the importance of the 11,500 boundary.



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ESTX50 The **short- and medium-term buy signal** of Oct 22 are **intact**. The short-term resumption failed just before the 460 zone. However, the indicators have not followed the last price action, which has allowed the formation to gain strength. In the medium term, the oscillators are in a rebound zone, which supports the short-term resumption. **However**, the medium-term negative divergence must be kept in mind, also in view of the possible **Double Head & Shoulders formation** as well as the A/D line to be interpreted negatively, although a *rebound* seems more realistic now from an oscillator's point of view. The presumed **sideways bondage (475/430)** remains intact for the known reasons.



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Gold The short-term resumption has taken place as expected and the medium-term **movement also seems to be setting in motion**. The latter also applies to the long-term rotational movement, although a cross-movement on the part of MACD on the medium-term level is still missing as confirmation. A **short break** is possible in the meantime due to the slightly overstretched level. However, in view of the medium-term confirmation still to be made, this must be kept within limits (until ~ 1900 at the most).

Oil The short-term and medium-term buy signals remain intact. The **short-term** correction has taken place as expected and a **resumption** is now indicated. However, the former has **had little impact in the medium term**, which means that it is possible that a resumption will still be a long time coming or that the correction will still drag on. However, the long-term trend is and remains intact.

Yield 2 year US Government bonds

Repeating: While a short-term sell signal could be triggered as early as now, the indicators continue to suggest that interest rates "must" advance **to the 5.25% zone first**. Correct! The zone has been reached. It may be necessary to reach the next **resistance zone at ~5.3%** before a signal is generated. **However**, a signal is **also possible** now. 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 is still **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.

Currencies The Euro tends to weaken against the CHF. A break of the support line at 0.95 could sink the euro to CHF 0.86. The short-term pause in the USD has now occurred. A resumption is now warranted and represents a moment of truth as far as the medium-term buy signal is concerned. The long-term trend is and will remain intact.

Purchase October

- Idorsia
- Intel
- Lonza

Sales October

- none

Next meeting: November 20, 2023 at 2 p.m.