

## RM Smart Strategy Fund

### Minutes of the Investment Committee meeting of

March 25, 2024 at 2.00 p.m.

#### **Fundamental:**

**Economy:** The economic cycle seems to be gradually entering a new phase. On the one hand, the signs of recovery have recently been confirmed in China and Europe. As a result, the sentiment of companies in both economic areas continue to point upwards. In addition, Chinese inflation, which has a strong correlation with the economic situation, has moved away from its lows. On the other hand, the American economy seems to be gradually weakening. The main concerns are the fall in retail sales and weak industrial production.

**Inflation:** Depending on the state of the economy, the decline in inflation could continue to develop. In the Americas, the core inflation rate remains well too high in view of the strong growth that has been going on until recently. The weak economy in Europe and Switzerland, on the other hand, allowed for a somewhat larger decline.

**Fiscal and monetary policy:** The starting position for the US central bank (Fed) remains uncomfortable in view of the stalled decline in inflation. It has once again stressed that it will start lowering the key interest rate this year. However, if core inflation does not make progress, a significant cut in the policy rate would be a surprise. Meanwhile, the situation for the European Central Bank (ECB) is somewhat more comfortable.

**Geopolitics:** The geopolitically tense situation has been further exacerbated by the recent attack on a concert hall in Moscow. In particular, the fact that Russian President Vladimir Putin is using the attack to carry out propaganda against Ukraine shows how dominant the enemy image of Ukraine is and how little progress is being made in this conflict.

**Financial markets:** Financial markets remain optimistic. The global equity and bond markets have risen noticeably over the past month. Hopes of an imminent easing of monetary policy are likely to have led mainly to falling interest rates and rising stock markets. In addition, however, the stocks of technology companies benefiting from the AI boom are likely to have had a positive effect on the stock markets.

## Charttechnical:

S+P The last open price target of the large **broadening formation** of 5,163 has now also been reached. The **short-term negative divergence** has continued. There is a threat of a sell signal, supported by the **medium-term level, which has not been so overstretched** since January 2020. The missed negative seasonality (usually from mid-February to early/mid-March) could be made up. The **rotation** (as a criterion of sustainability) into other sectors (not just mega-tech caps) is likely to continue to expand due to the technical design. Risk **appetite** would also have to be slowly revived. The **technology sector** (the only sector with broad, negative medium-term divergence), driven by the Magnificent 7, seems to be facing a period of technical weakness, which means that the S&P 500 (around 30% weight) is also likely to be comparatively weaker than the others.



SMI The resumption, which was intact in the short term, has come true. In the meantime, a **negative divergence** has formed, which could lead to a possible sell signal. But the **medium-term buy signal** is intact, and the move is only slightly overstretched. So, if such a signal is formed, then the impact is likely to be small and only short-term, especially since the long-term **resumption** has only now started (very close confirmation). The minimum target of the **Broadening Formation** has been reached.



STOXX Europe 600 The **resumption, which was intact in the short term**, has come true. There is now a threat of a correction, especially since the **medium-term level** is overstretched.



Gold/Silver The **short-term** buy signal for gold has formed. A **pause/correction** is now possible. **However, the medium-term level does not yet appear to be too overstretched.** Accordingly, this could still be a long time coming (**limit of 2,145** is likely to be decisive here). But the **trends** are all **intact**.

The price of silver is approaching the neckline of the (possible) large H&S formation. The last eruption is still missing. In the short term, however, a break is indicated first. The matter remains thrilling!

Oil The **short-term buy signal** has come true and remains intact. The same applies to the **medium-term resumption**. The long-term "energy" is charged. The **small H&S formation** has reached its price target of **81.7**. The **second such formation** (less nice symmetry) has formed with a price target of **90.9**. The **long-term trend** is and will remain **intact**.

If the oil price makes its way into the zone of around 91, this is probably connected with the reason why the indicators in many places indicate a pause/correction (economy? Inflation?).

#### Yield 2-year US Government Bonds

The implied **rebound** is still **intact** However, the sell signals (**short and medium-term**) remain in force, which means that the downward movement can resume its course at any time.



## Currencies

### Forex EUR/CHF:

Both the short-term and medium-term buy signals remain intact. However, all attempts to resume the project in the short and medium term have so far failed. The **long-term, negative trend** continues to prevail. The intact, short-term resumption has now come true and set the **medium-term movement in motion** (positive divergence). The **Broadening Formation was trained** with target **1.0080**. However, the **short-term** negative divergence points to a slightly **stronger pause**. Will the long-term trend prevail again? Or will the pause remain weak, and the divergence drag on longer? For the latter, the **upper edge of the broadening formation** of **0.9680**, or at the latest the zone around **MA200** of around **0.9550**, would have to hold. Theoretically, the overarching trend should prevail, but it does.



### Forex USD/CHF:

The short-term resumption has proved to be true. The pause has also been limited, which is confirmed **by the medium-term buy signal (supported by the long-term, slightly oversold level)**. However, the indicators have stopped following the last price action, suggesting a **possible short-term sell signal**. Who will come out on top? If the medium-term buy signal is correct, the support of around **0.876** should hold. **Support: 0.8760/0.87, 0.8575, 0.84; Resistance: 0.90, 0.924** (important limit!)



**Purchases March**

- Bayer
  - Idorsia
  - Stadler Rail
- } Position increase  
new Position

**Sales March**

- none

Next Meeting: April 18, 2024 at 2.00 pm