T&T International Group
Your 360° Wealth Partner

NEWSLETTER MARCH 2023

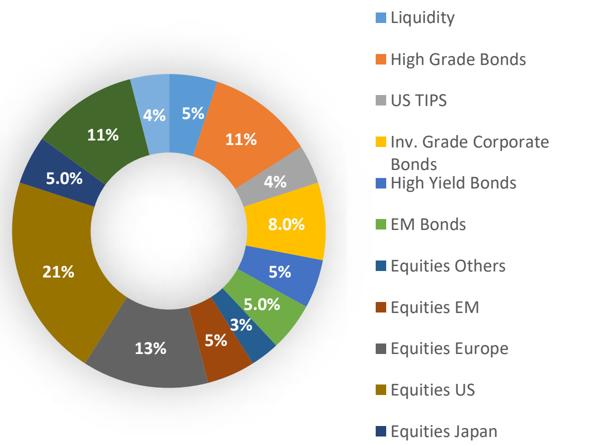
FINANCIAL MARKET OUTLOOK (SHORT TERM)

APPEALING		LESS FAVOURED
Sectors: energy, healthcare, consumer staples, industrials Global Value Quality income UK, Australia, China Energy security Food security Cybersecurity Emerging market equities (incl. China and China reopening plays and Asia semiconductors Select European themes (Germany, consumer recovery, medtech)	**Equities**	Growth stocks IT sector US stocks communication service Healthcare
Investment grade bonds and high grade bonds Select short-duration bonds, resilient credit Emerging market credit Select AT 1s Yield-generating structured investments Thematic sustainable fixed income	**Bonds**	Senior Loans High yield
AUD	**Currencies**	Excess cash
Active commodity exposure Oil	**Precious Metals & Commodities**	

ASSET ALLOCATION

Within equities, we still prefer value and quality income versus growth. We also like emerging markets, China, Australia, and the UK. We prefer high grade, investment grade, and emerging market bonds over high yield. We like broad commodities and oil. On currencies, we have a preference for the Australian dollar. We have a neutral stance on the Swiss franc, the euro, the British pound and the Japanese yen.

BALANCED USD MODEL PORTFOLIO



EQUITIES

Following a strong start into the new year, global equities have lost traction into February amid a slower-thanexpected moderation in inflation and the latest upside surprise in US nonfarm payrolls, which lifted the Fed's terminal rate expectations. We keep US equities as least preferred and UK, Australia and EM as most preferred. By sector, we upgrade industrials to most preferred and downgrade healthcare and communication services to least preferred. Across styles, we prefer value and quality income to growth.

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BONDS

We think more defensive higher-quality segments of fixed income are appealing, given the all-in yields on offer and as inflation risks transition to growth risks. Within this context, we maintain a preference for high grade and investment grade bonds. Tighter lending standards and slower growth suggest higher corporate default risk, while liquidity risk premiums are likely to rise over time as central banks continue to tighten money supply. As a result, we see high yield spreads as vulnerable relative to the other two segments. China's recent economic reopening has improved sentiment and is likely to contribute positively to global growth dynamics. EM bonds benefit both directly and indirectly from this.

CURRENCIES

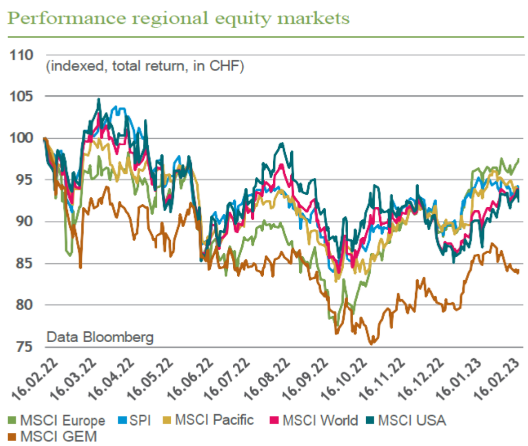
This month we establish a neutral view across all G10 currencies, the one exception being a long position in the AUD which could be financed from any of the major currencies in our neutral basket. Across the other major currencies, we hold a neutral view as we see a transition happening that carries many uncertainties. This is a year of transition with the strongest rate hike cycle in the US for more than 40 years giving way to a more neutral fed policy, and eventually an easing bias. We see a high likelihood that the introduction of an easing Fed bias will strengthen high beta currencies like the EUR, the GBP and many emerging market currencies versus the USD. Nevertheless, the question is how fast will the easing bias arrive.

Source: UBS House View March 2023

TOPIC OF THE MONTH

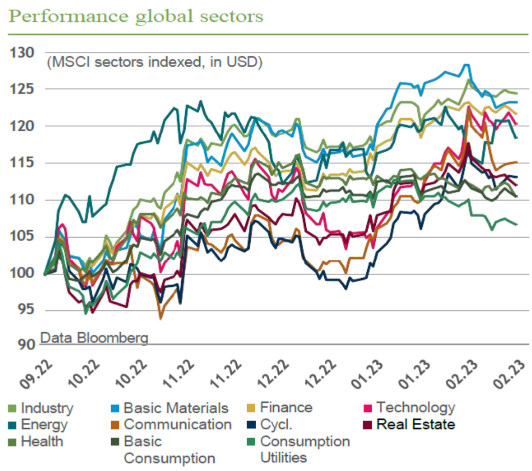
Equity Markets

Following a strong start to the year in January, the markets are in consolidation mode and looking for orientation. We are now in the middle of the reporting season for the past fiscal year.



The MSCI World (in USD, incl. dividends) gained slightly more than 7% from the beginning of the year until mid-February, although consolidation has set in since the end of January. Now that positive news from China, the averting of an energy crisis and the downward trend in inflation have been priced into share prices, market participants are waiting for new impetus. The more resistant the U.S. economy currently behaves, the more braking maneuvers can be expected from the Federal Reserve in the coming months. This could have a serious impact on economic and earnings growth at a later date.

However, it is more likely that many investors missed the January rally and are still underinvested. This is tactically positive for the immediate further stock market development and can also be seen from the fact that the previously "sold out" cyclical sectors top the performancer rankings.



From a fundamental point of view, the current reporting on the past fiscal year is gaining in importance as a driver. The picture here varies from region to region and from sector to sector. While a slightly below-average earnings season is just around the corner in the USA, i.e. fewer companies than usual are in a position to beat analysts' estimates. Europe can provide a clear positive surprise here. In Japan, the balance sheet is rather meager, and for the emerging markets it is difficult, given the still missing figures, to make a clear over-estimation at this stage.

It is becoming apparent that fourth-quarter earnings in the USA alone will be around 4% lower year-on-year, while in Europe they will be around 4.2% higher. In Europe, companies from the energy and financial sectors in particular are making a clear positive contribution to earnings, while in the USA the so-called "mega caps" and technology shares are weighing are weighing on the result.

KEY FIGURES 2023

EQUITY INDICES (LOCAL CURRENCIES)

AMERICA	31.12.2022	28.02.2023	% Chg YTD
Dow Jones Ind.	33'147.25	32'656.70	-1.48%
S&P 500	3'839.50	1'777.54	-53.70%
RUSSELL 2000	1'760.83	1'896.99	7.73%
NASDAQ COMP	10'466.48	11'455.54	9.45%
CANADA - TSX	19'384.92	20'221.19	4.31%
MEXICO - IPC	48'515.63	52'758.06	8.74%
BRAZIL IBOVESPA	109'734.60	104'962.74	-4.35%
COLOMBIA COLCAP	1'286.07	1'187.56	-7.66%
ASIA	**31.12.2022**	**28.02.2023**	**% Chg YTD**
JAPAN- NIKKEI	26'094.50	27'445.56	5.18%
H.K. HANG SENG	19'781.41	19'785.94	0.02%
CHINA CSI 300	3'887.90	4'069.46	4.67%
EUROPE	**31.12.2022**	**28.02.2023**	**% Chg YTD**
EURO STOXX 50	3'793.62	4'238.38	11.72%
UK - FTSE 100	7'451.74	7'876.28	5.70%
GERMANY - DAX	13'923.59	15'381.43	10.47%
SWITZERLAND - SMI	10'729.40	11'098.35	3.44%
SPAIN - IBEX 35	8'229.10	9'394.60	14.16%
PORTUGAL - PSI 20	5'726.11	6'057.20	5.78%
RUSSIA - RTSI	98'860.00	95'700.00	-3.20%

VOLATILITY

	31.12.2022	28.02.2023	% Chg YTD
SPX (VIX)	22.75	20.35	-10.55%

CURRENCIES

	31.12.2022	28.02.2023	% Chg YTD
EUR/USD	1.14	1.0579	-6.99%
USD/JPY	115.15	136.22	18.30%
USD/CHF	0.91	0.9417	3.37%
GBP/USD	1.35	1.2033	-11.15%
USD/CAD	1.26	1.3642	7.99%
EUR/CHF	1.04	0.9963	-3.84%

COMMODITIES (USD)

PRECIOUS METALS	31.12.2022	28.02.2023	% Chg YTD
GOLD USD/OZ	1'824.56	1'826.65	0.11%
SILVER USD/OZ	23.97	20.94	-12.64%
PLATINUM USD/OZ	1'073.50	955	-11.04%
ENERGY	**31.12.2022**	**28.02.2023**	**% Chg YTD**
WTI Crude Oil	80.26	77.05	-4.00%
Brent Crude Oil	85.91	83.89	-2.35%
Natural Gas	4.47	2.75	-38.55%

INTEREST RATES GOVERNMENT BONDS

	3 Months	2 Years	10 Years
USA	4.593	4.858	3.914
GERMANY	2.689	3.126	2.6340
SWITZERLAND	0.310	1.225	1.4370
UK	4.117	3.687	3.824
JAPAN	-0.176	-0.027	0.504

T&T INTERNATIONAL GROUP

T&T International is a globally active boutique firm with Swiss origins established in 1999. The group offers global wealth management and multi-family office services. T&T International advises an international clientele of Wealthy Individuals and Families in Switzerland and internationally.

Over the last 20 years T&T International has built an extensive and highly reputable network to support the requirements of our Partners and Clients. We work together with prestigious financial institutions as well as insurance companies, tax and legal professionals and fund managers.

Independence, commitment and trust constitute the fundamental values of T&T International. We cultivate personal relationships with each Client and offer them availability, flexibility and efficiency. We take on an approach that is instigated by dialogue, and executed with uncompromising commitment and responsibility.

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