NEWSLETTER JANUARY 2024

FINANCIAL MARKET OUTLOOK (SHORT TERM)

APPEALING		LESS FAVOURED
Quality stocks (inc. USD IT) Emerging market equities incl. China, India, Indonsia US smal-caps, European small- and mid-caps Swiss mid-caps ESG engagement strategies Tech disruption Energy disruption (greentech, clean air and carbon reduction, energy efficiency	**Equities**	Cash
Quality bonds, (investment grade and high grade) Sustainable bonds Fixed term deposits Bond ladders	**Bonds**	Cash EM/HY bonds
AUD Range-trading in EUR, CHF, GBP and CNY	**Currencies**	Upside in USD
Active commodity exposure Oil	**Precious Metals & Commodities**	Excess cash

ASSET ALLOCATION

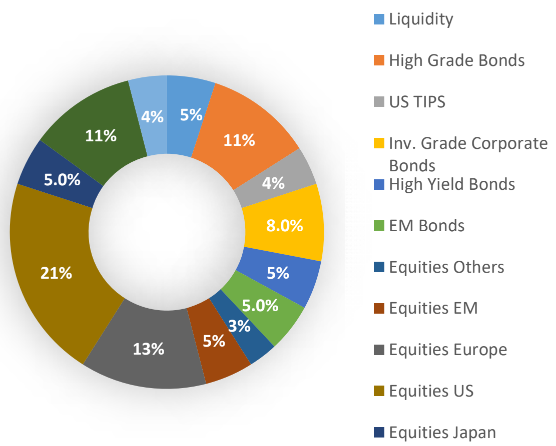
In our global strategy, we keep our preference for bonds over equities. Within equities, we retain our preference for quality income. Our most preferred regions are emerging markets and China.

Within bonds, we prefer high grade and investment grade over high yield and emerging market credit.

Within commodities, we hold a preference for oil.

Within foreign exchange, we have a neutral stance in all major currencies, with the exception of the AUD, which we have at most preferred.

BALANCED USD MODEL PORTFOLIO



EQUITIES

Equities rallied into the year-end amid hopes central banks will pivot to a less restrictive stance. Some consolidation from stretched levels followed in early January. Sensitivity to yields remains high, but much seems priced in. We believe the US economy, while slowing, is resilient enough to achieve a soft landing. Led by AI, earnings are likely to recover next year, but the consensus view already appears quite optimistic.

We remain neutral on global equities and expect mid- to high-single-digit returns in 2024. Also, we hold a preference for quality income.

CONTACT DETAILS T&T INTERNATIONAL GROUP

T&T International Wealth Management Ltd.
Birkenstrasse 47
CH-6434 Rotkreuz-Zug
Tel: +41 (0) 43 844 0 844
www.tt-international.ch
info@tt-international.ch

Local Contact Points see:
www.tt-international.ch/locations/

BONDS

We are most preferred on the higher-quality segments of fixed income, given the all-in yields on offer and as central banks transition from a rate hiking to cutting cycle. Specifically, we maintain a preference for high grade (government) and investment grade bonds, and are neutral on high yield and emerging market credit.

The tightening of lending standards and higher official policy rates over the last two years will continue to transmit into the real economy and apply downward pressure on growth and inflation, and by derivation nominal interest rates. This is a positive driver for the performance of high-quality bonds. The prospects of rate cuts has been priced into market expectations and hence resulted in some easing of financial conditions already.

Source: UBS House View February 2024

CURRENCIES

The US dollar's downside was tested and successfully supported at the turn of the year. Our broad forecast range for EURUSD between 1.05 and 1.10 remains intact. Our most preferred currency with upside potential against the USD is the Australian dollar.

The USD slump in November also boosted emerging market currencies, and those linked to the euro were among the best performers. However, we caution against extrapolating from the last two months' experience, as markets have pushed expectations for Fed rate cuts quite far, in our view.

In the short term, we like to use options for yield pickup when it comes to the USD, while investors should consider potential gainers from higher energy prices (AUD, Norwegian krone, or Canadian dollar).

TOPIC OF THE MONTH

THE TIGHTENING OF MONETARY POLICY IS LIMITING GROWTH

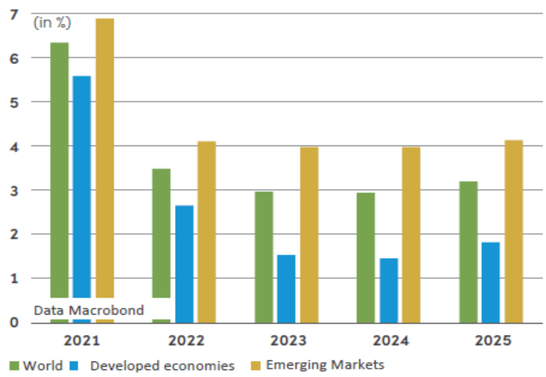
The leading indicators point to subdued growth in the global economy in the coming quarters. Inflation rates are likely to fall further, opening a window of opportunity for central banks to cut interest rates.

China's departure from the rigorous coronavirus restrictions has given the global economy a growth boost at the start of 2023. However, hopes of a sustained revival in the global economy have not been fulfilled. In addition to the crisis on the real estate market, the Chinese economy is also burdened by weak industrial activity and declining global trade. In Europe, private consumption in particular suffered from the after-effects of the energy price shock of 2022. The US economy has grown solidly, not least due to the Biden administration's fiscal stimulus. Of the major economies, only the US economy is currently outperforming the long-term growth trend.

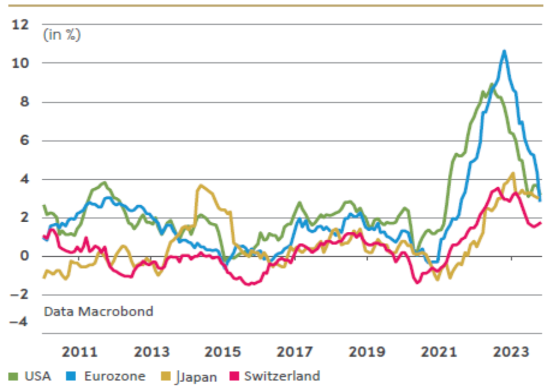
The International Monetary Fund assumes that the tightening of monetary policy has not yet had its full effect on demand. It therefore expects below-average growth in the global economy in 2024 as well. GDP growth of 1.4 % is forecast for the developed economies and 4 % for the emerging economies. The leading indicators point to subdued growth at the start of 2024. However, this does not rule out a revival in economic activity over the course of the year thanks to rising real incomes, particularly in Europe.

As expected, inflation rates have declined in recent months. This trend will most likely continue in the coming year due to weak growth and falling excess demand on the labor markets. However, inflation rates will no longer fall as quickly as in 2023. From an investor's perspective, the key question is whether inflation rates will remain at a low level in the event of an acceleration in economic activity or whether the recent rise in inflation has catapulted the global economy into an inflationary regime. This question can only be answered when the global economy picks up speed again. At any rate, the markets do not currently seem to be assuming a regime change. It can therefore be assumed that the central banks will have room to cut interest rates in the coming quarters, which should have a positive impact on bond prices.

IWF: GDP Forecast



Consumer Price Development



Source: LLB January 2024

KEY FIGURES 2024

EQUITY INDICES (LOCAL CURRENCIES)

AMERICA	31.12.2023	18.01.2024	% Chg YTD
Dow Jones Ind.	37'689.54	37'468.61	-0.59%
S&P 500	4'769.83	4'780.94	0.23%
RUSSELL 2000	2'027.07	1'923.65	-5.10%
NASDAQ COMP	15'011.35	15'055.64	0.30%
CANADA - TSX	20'958.44	20'748.25	-1.00%
MEXICO - IPC	57'386.25	54'707.89	-4.67%
BRAZIL IBOVESPA	134'185.24	127'315.74	-5.12%
COLOMBIA COLCAP	1'195.20	1'276.13	6.77%
ASIA	**31.12.2023**	**18.01.2024**	**% Chg YTD**
JAPAN- NIKKEI	33'464.17	35'477.75	6.02%
H.K. HANG SENG	17'047.39	15'391.79	-9.71%
CHINA CSI 300	3'431.11	3'274.73	-4.56%
EUROPE	**31.12.2023**	**18.01.2024**	**% Chg YTD**
EURO STOXX 50	4'521.44	4'453.05	-1.51%
UK - FTSE 100	7'733.24	7'459.09	-3.55%
GERMANY - DAX	16'751.64	16'567.35	-1.10%
SWITZERLAND - SMI	11'170.26	11'185.88	0.14%
SPAIN - IBEX 35	10'102.10	9'880.30	-2.20%
PORTUGAL - PSI 20	6'396.47	6'322.62	-1.15%
RUSSIA - RTSI	109'910.00	113'550.00	3.31%

VOLATILITY

	31.12.2023	18.01.2024	% Chg YTD
SPX (VIX)	13.05	14.79	13.33%

CURRENCIES

	31.12.2023	18.01.2024	% Chg YTD
EUR/USD	1.10	1.0875	-1.47%
USD/JPY	141.03	148.14	5.04%
USD/CHF	0.8415	0.8682	3.17%
GBP/USD	1.27	1.2706	-0.20%
USD/CAD	1.32	1.3493	1.88%
EUR/CHF	0.93	0.9442	1.67%

COMMODITIES (USD)

PRECIOUS METALS	31.12.2023	18.01.2024	% Chg YTD
GOLD USD/OZ	2'065.20	2'023.13	-2.04%
SILVER USD/OZ	23.84	22.75	-4.57%
PLATINUM USD/OZ	995.50	907.5	-8.84%
ENERGY	**31.12.2023**	**18.01.2024**	**% Chg YTD**
WTI Crude Oil	71.65	74.08	3.39%
Brent Crude Oil	77.04	79.10	2.67%
Natural Gas	2.51	2.70	7.45%

INTEREST RATES GOVERNMENT BONDS

	3 Months	2 Years	10 Years
USA	5.372	4.357	4.145
GERMANY	3.850	2.686	2.3090
SWITZERLAND	1.580	1.121	0.8990
UK	5.263	4.301	3.931
JAPAN	-0.15	0.032	0.671

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.

UNSUBSCRIBE

If you do not wish to receive our Newsletter, you may unsubscribe at any time.
Simply reply by email with “Unsubscribe” to bbaettig@tt-international.ch

DISCLAIMER