NEWSLETTER MARCH 2024

T&T International Group
Your 360° Wealth Partner

FINANCIAL MARKET OUTLOOK (SHORT TERM)

APPEALING		LESS FAVOURED
Quality stocks (inc. US IT) Emerging market equities incl. China, India Diversified technology - Technology disruption EPL Europe's Magnificent 7 Energy and healthcare disruption US small-caps European small- and mid-caps ESG Leader	**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 USD,EUR,GBP, and CNY	**Currencies**	CHF
Active commodity exposure Oil	**Precious Metals & Commodities**	Excess cash

ASSET ALLOCATION

In our global strategy, we keep our preference for bonds over equities.

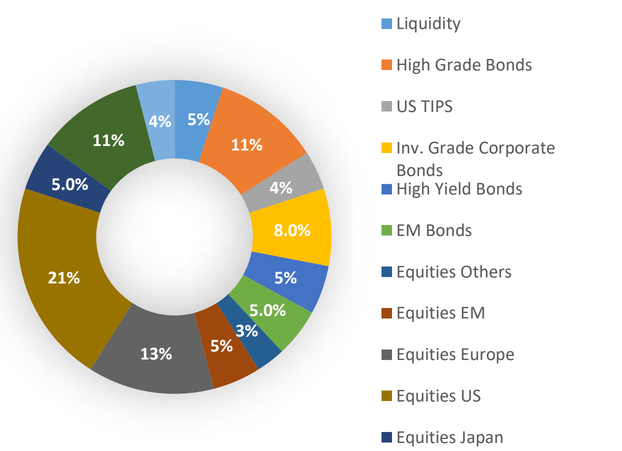
Within equities, we retain our preference for quality. Our most preferred region is Emerging Markets (EM) and, within EM, we prefer China.

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 the CHF as least preferred and the AUD as most preferred currencies. The remaining major currencies remain neutral.

BALANCED USD MODEL PORTFOLIO



EQUITIES

Our base case is for mid single-digit returns for global equities over the next 6–12 months as earnings keep inflecting upward and lofty valuations decompress.

The recent slow of inflation data in the US has cast a pall on the disinflation narrative, putting into question the timing of central banks' cutting cycles.

Amid a still subdued economic backdrop outside the US, global earnings still beat expectations, particularly in the higher-quality segment of the equity market.

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 have a most preferred stance 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 a rate-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 have been priced into market expectations and hence resulted in some easing of financial conditions already. This should offset downside risks to growth to some extent; however, higher-beta credit segments are trading tight and not offering much spread compensation in the event of a worsening growth backdrop.

CURRENCIES

The US dollar has rebounded solidly from December lows in response to surprisingly solid US data and reduced expectations for Fed rate cuts. Our most preferred currency with upside potential against the USD remains the AUD.

The USD rebound in January and February hurt emerging market currencies broadly. Still, we think high-yielding currencies are still worth the carry. We see good opportunities in the Brazilian real and the South African rand.

This month, we view the Swiss Franc as least preferred. Swiss interest rates are very low, inflation has reached the central bank's target band, and the need to promote CHF appreciation to defend against imported inflation has faded.

Source: UBS Houseview monthly, March 2024

THE MAGNIFICENT 7 AND ELECTIONS IN 2024

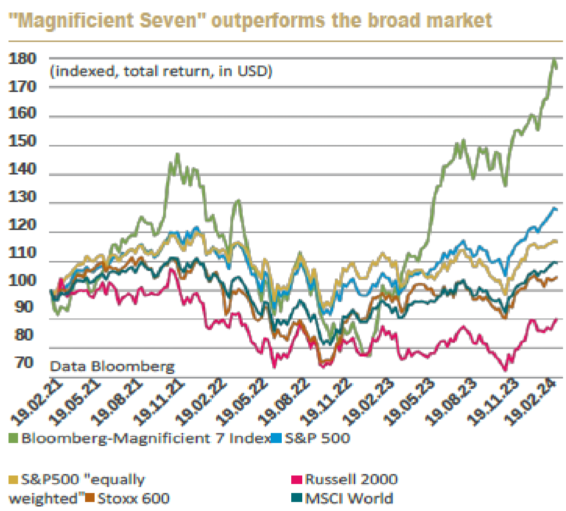
There is an optimistic mood among investors and the US equity market surpassed the 5,000-point mark for the first time. However, this positive market development is being driven by a small number of highly capitalized companies - the "Magnificent Seven".

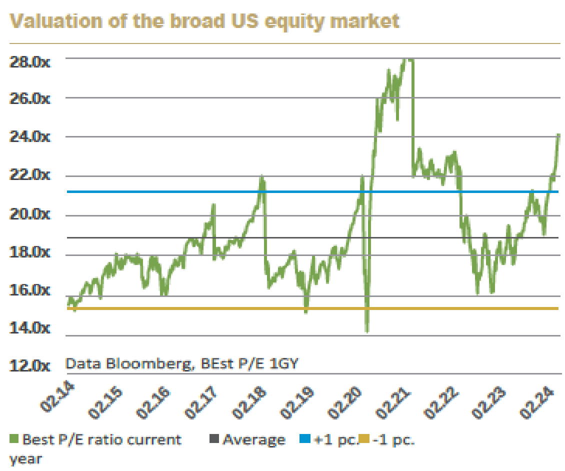
The start to the new year thus appears to have been a success - at first glance. The entire US market accounts for around two thirds of the global market capitalization. Within the US market, there is now a weighting of around 29% in seven individual stocks, the "Magnificent Seven": Nvidia, Meta, Amazon, Microsoft, Alphabet, Apple and Tesla. Such a high concentration was last seen in the 1970s, known as the "Nifty Fifty".

At that time, there were five companies: IBM, AT&T, Exxon, Eastman Kodak and GM. The graphic opposite shows the current impact of this concentration on the performance of the overall market. However, what the chart shows above all is the lack of market breadth, which can be clearly seen in the "equally weighted" S&P 500 and, above all, the Russell 2000 (US Small Cap Index). Such episodes can last for a long time, but the example of Tesla already shows that the once unique selling point seems to been fading more and more.

The US election campaign continues to gather pace and the sometimes pithy rhetoric from the Trump camp is driving the European capitals forward, as we have seen over the last few days. This has resulted in statements such as: NATO partners who missed their 2% target, would then no longer fall under Article 5 (obligation to provide mutual military assistance). Another line of argument was that the USA Chinese goods would be subject to an import duty of 60%. All these statements have so far not left a lasting impression on the capital markets impressions, according to the motto: Political stock markets have short legs! In fact, surveys show the following: US investors are betting that a price firework like in 2016/17 could start after the election.

This was mainly due to tax cuts for companies and private individuals. At that time, the national debt was around 100% of GDP - today this figure is already 124%. The valuation of the US stock market immediately before Trump's election was around 16.5 x, it is currently already at 22.2 x With regard to the election rhetoric, we advise keeping a cool head, but also not forgetting that the fundamental starting situation is significantly more ambitious than it was in 2016.





Source: LLB Mach 2024

KEY FIGURES 2024

EQUITY INDICES (LOCAL CURRENCIES)

AMERICA	31.12.2023	04.03.2024	% Chg YTD
Dow Jones Ind.	37'689.54	38'989.83	3.45%
S&P 500	4'769.83	5'130.95	7.57%
RUSSELL 2000	2'027.07	2'074.31	2.33%
NASDAQ COMP	15'011.35	16'207.51	7.97%
CANADA - TSX	20'958.44	21'531.07	2.73%
MEXICO - IPC	57'386.25	55'414.55	-3.44%
BRAZIL IBOVESPA	134'185.24	128'340.54	-4.36%
COLOMBIA COLCAP	1'195.20	1'286.46	7.64%
ASIA	**31.12.2023**	**04.03.2024**	**% Chg YTD**
JAPAN- NIKKEI	33'464.17	40'109.23	19.86%
H.K. HANG SENG	17'047.39	16'595.97	-2.65%
CHINA CSI 300	3'431.11	3'540.87	3.20%
EUROPE	**31.12.2023**	**04.03.2024**	**% Chg YTD**
EURO STOXX 50	4'521.44	4'912.92	8.66%
UK - FTSE 100	7'733.24	7'640.33	-1.20%
GERMANY - DAX	16'751.64	17'716.17	5.76%
SWITZERLAND - SMI	11'170.26	11'477.80	2.75%
SPAIN - IBEX 35	10'102.10	10'069.80	-0.32%
PORTUGAL - PSI 20	6'396.47	6'175.64	-3.45%
RUSSIA - RTSI	109'910.00	113'940.00	3.67%

VOLATILITY

	31.12.2023	04.03.2024	% Chg YTD
SPX (VIX)	13.05	13.49	3.37%

CURRENCIES

	31.12.2023	04.03.2024	% Chg YTD
EUR/USD	1.10	1.0855	-1.65%
USD/JPY	141.03	150.48	6.70%
USD/CHF	0.8415	0.8849	5.16%
GBP/USD	1.27	1.2691	-0.31%
USD/CAD	1.32	1.3576	2.51%
EUR/CHF	0.93	0.9606	3.43%

COMMODITIES (USD)

PRECIOUS METALS	31.12.2023	04.03.2024	% Chg YTD
GOLD USD/OZ	2'065.20	2'134.70	3.37%
SILVER USD/OZ	23.84	23.89	0.21%
PLATINUM USD/OZ	995.50	900.5	-9.54%
ENERGY	**31.12.2023**	**04.03.2024**	**% Chg YTD**
WTI Crude Oil	71.65	78.74	9.90%
Brent Crude Oil	77.04	82.80	7.48%
Natural Gas	2.51	1.92	-23.51%

INTEREST RATES GOVERNMENT BONDS

	3 Months	2 Years	10 Years
USA	5.37	5.403	4.22
GERMANY	3.791	2.895	1.3970
SWITZERLAND	1.490	1.096	0.8000
UK	5.26	4.306	4.124
JAPAN	-0.085	0.175	0.702

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