Tendercapital Overview 2024

Itinerari Previdenziali

Mercoledì, 21 febbraio 2024

Signatory of: Associate Partner

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Overview of Purchasing Managers' Index (PMI)

Global economic growth accelerated in December with divergences between sectors and regions

PMI Composite	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22
Eurozone	47,6	47,1	46,5	47,2	46,7	48,6	49,9	52,8	54,1	53,7	52	50,3	49,3	47,8	47,3	48,1	48,9	49,9	52	54,8	55,8	54,9	55,5
USA	50,9	50,7	50,7	50,2	50,2	52	53,2	54,3	53,4	52,3	50,1	46,8	45	46,4	48,2	49,5	44,6	47,7	52,3	53,6	56	57,7	55,9
UK	52,1	50,1	48,7	48,5	48,6	50,8	52,8	54	54,9	52,2	53,1	48,5	49	48,2	48,2	49,1	49,6	52,1	53,7	53,1	58,2	60,9	59,9
China	52,6	49,5	50	50,9	51,7	51,9	52,5	55,6	53,6	54,5	54,2	51,1	48,3	47	48,3	48,5	53	54	55,3	42,2	37,2	43,9	50,1

PMI Manufacturing	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22
Eurozone	44,4	43,8	43,1	43,4	43,5	42,7	43,4	44,8	45,8	47,3	48,5	48,8	47,8	47,1	46,4	48,4	49,6	49,8	52,1	54,6	55,5	56,5	58,2
USA	47,9	49,4	50	49,8	47,9	49	46,3	48,4	50,2	49,2	47,3	46,9	46,2	47,7	50,4	52	51,5	52,2	52,7	57	59,2	58,8	57,3
UK	46,2	46,7	44,8	44,3	43	45,3	46,5	47,1	47,8	47,9	49,3	47	45,3	46,5	46,2	48,4	47,3	52,1	52,8	54,6	55,8	55,2	58
China	50,8	49	49,5	50,6	51	49,2	50,5	50,9	49,5	50	51,6	49,2	49	49,4	49,2	48,1	49,5	50,4	51,7	48,1	46	48,1	50,4

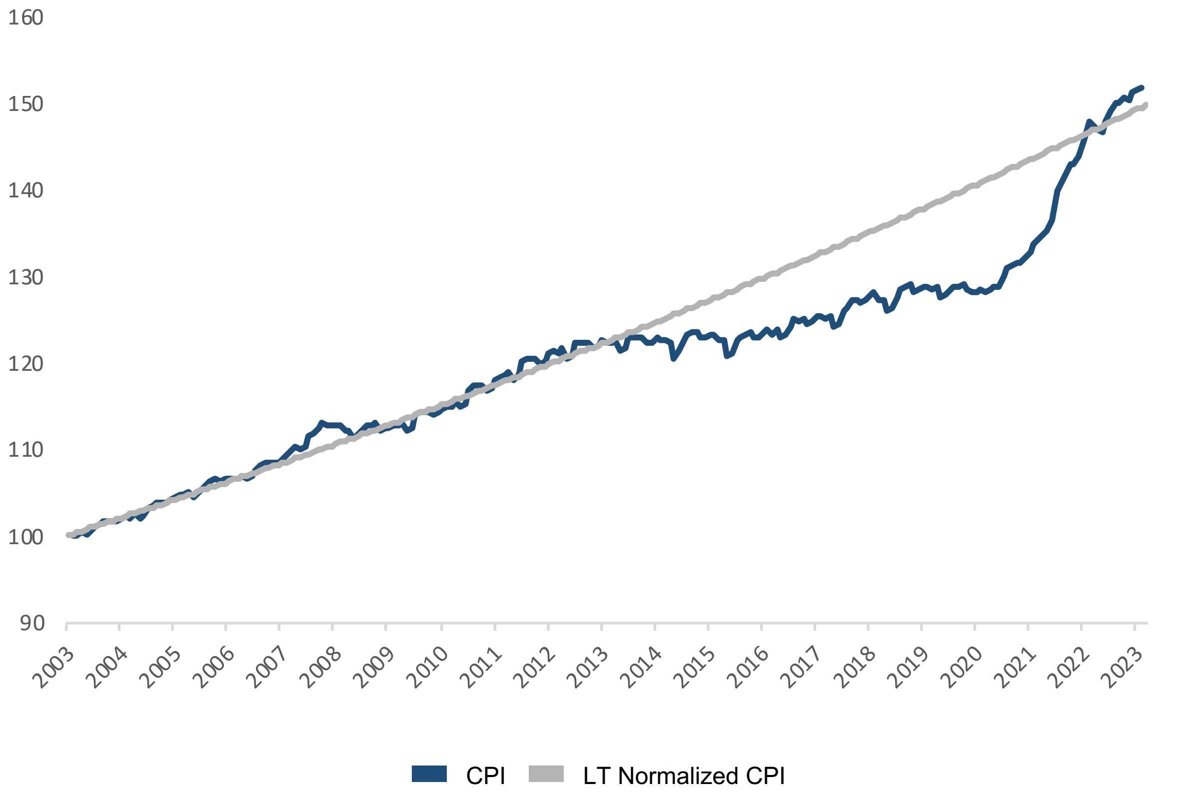
PMI Services	Dec-23	Nov-23	Oct-23	Sep-23	Aug-23	Jul-23	Jun-23	May-23	Apr-23	Mar-23	Feb-23	Jan-23	Dec-22	Nov-22	Oct-22	Sep-22	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22
Eurozone	48,8	48,2	47,8	48,7	47,9	50,9	52	55,1	56,2	55	52,7	50,8	49,8	48,5	48,6	48,8	49,8	51,2	53	56,1	57,7	55,6	55,5
USA	51,4	50,8	50,6	50,1	50,5	52,3	54,4	54,9	53,6	52,6	50,6	46,8	44,7	46,2	47,8	49,3	43,7	47,3	52,7	53,4	55,6	58	56,5
UK	53,4	50,5	49,5	49,3	49,5	51,5	53,7	55,2	55,9	52,9	53,5	48,7	49,9	48,8	48,8	50	50,9	52,6	54,3	53,4	58,9	62,6	60,5
China	52,9	50	50,4	50,2	51,8	54,1	53,9	57,1	56,4	57,8	55	52,9	48	46,7	48,4	49,3	55	55,5	54,5	41,4	36,2	42	50,2

Supply chain risks and shipping costs drive to the upside input costs both for manufacturing and services sectors

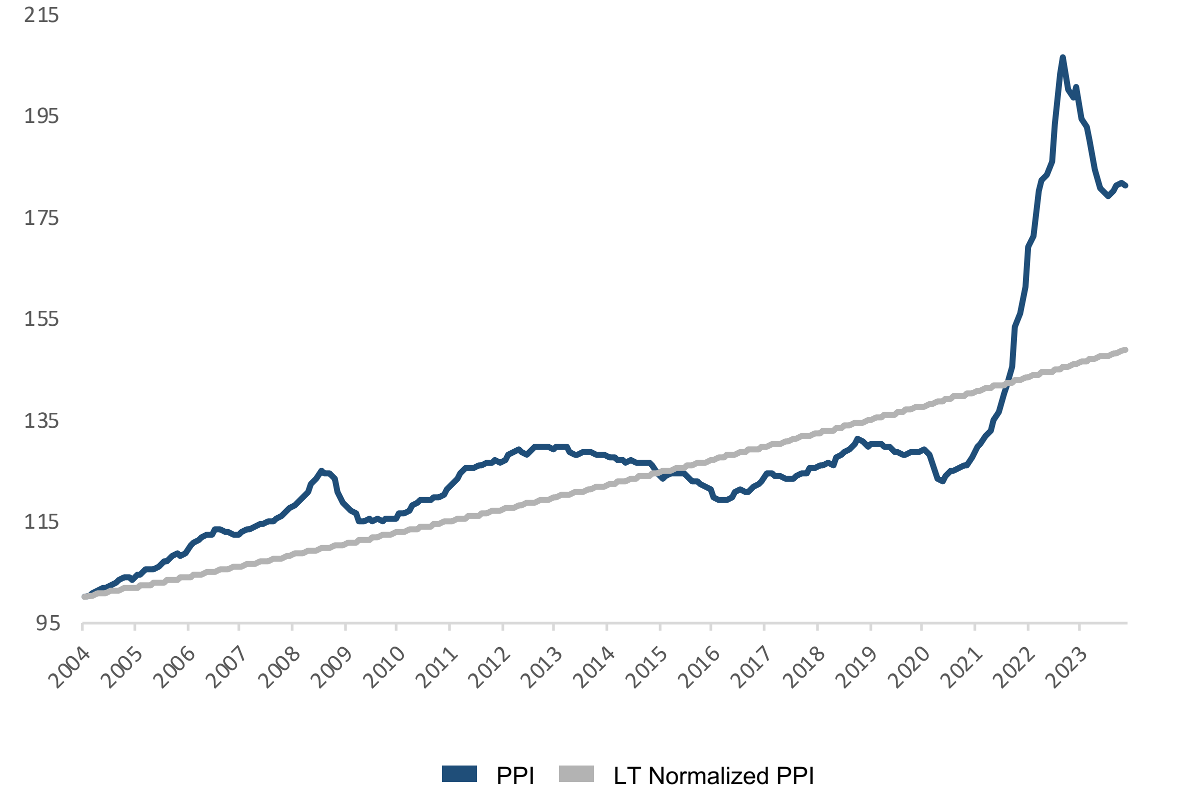
Note: Data as of December 31, 2023; PMI Index Performance

Inflation in the Eurozone

Consumer Price Indexes – Eurozone (Base 100, 01/2003)



Purchase Price Indexes – Eurozone (Base 100, 01/2003)

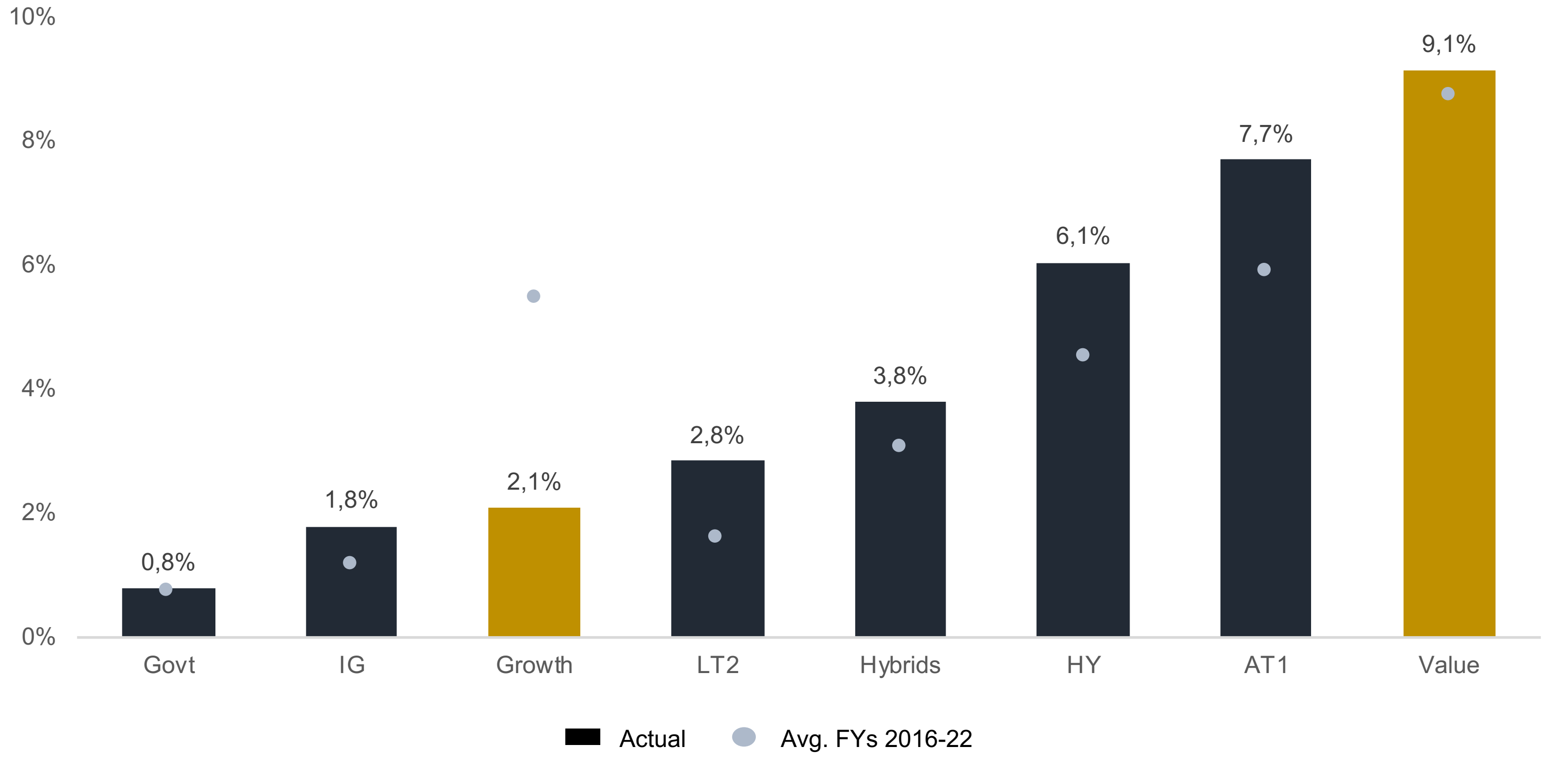


PPI stopped falling through the 4Q23 setting aside the «de-flationary» impulse

Note: Data as of December 31, 2023

Liquid Assets Attractiveness is Back

Capital Market Line - Expected Return Spread vs. Risk Free



"Growth" labelled expected equity returns are meager unless we account for an earnings "boom"

Note: (i) Spread vs. Germany Bund 5Y Yield at 2.4%. (ii) Return for Govt, Investment-Grade, Lower-Tier 2, Hybrids, High-Yield and Additional-Tier 1 is YTM (in dark blue). (iii) Return for Growth and Value equities is 1/P/E Forward (in dark yellow). (iv) Expected returns are based on Bloomberg market indices. Source: Bloomberg

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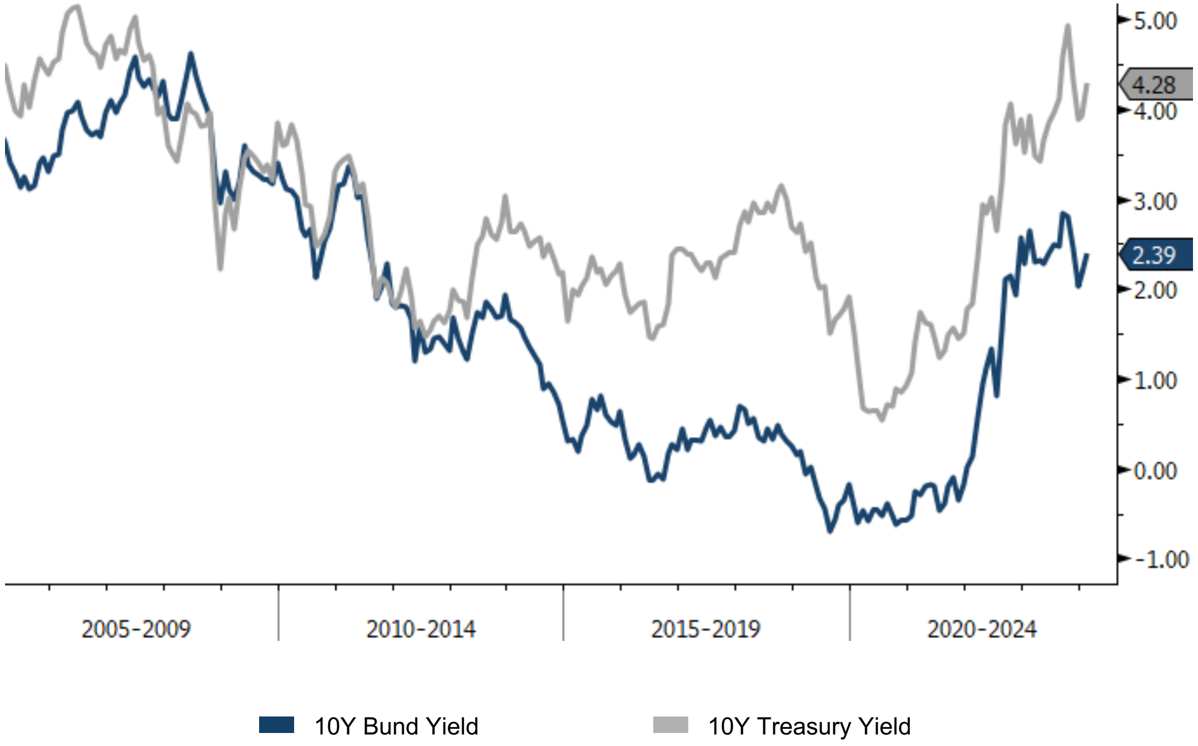
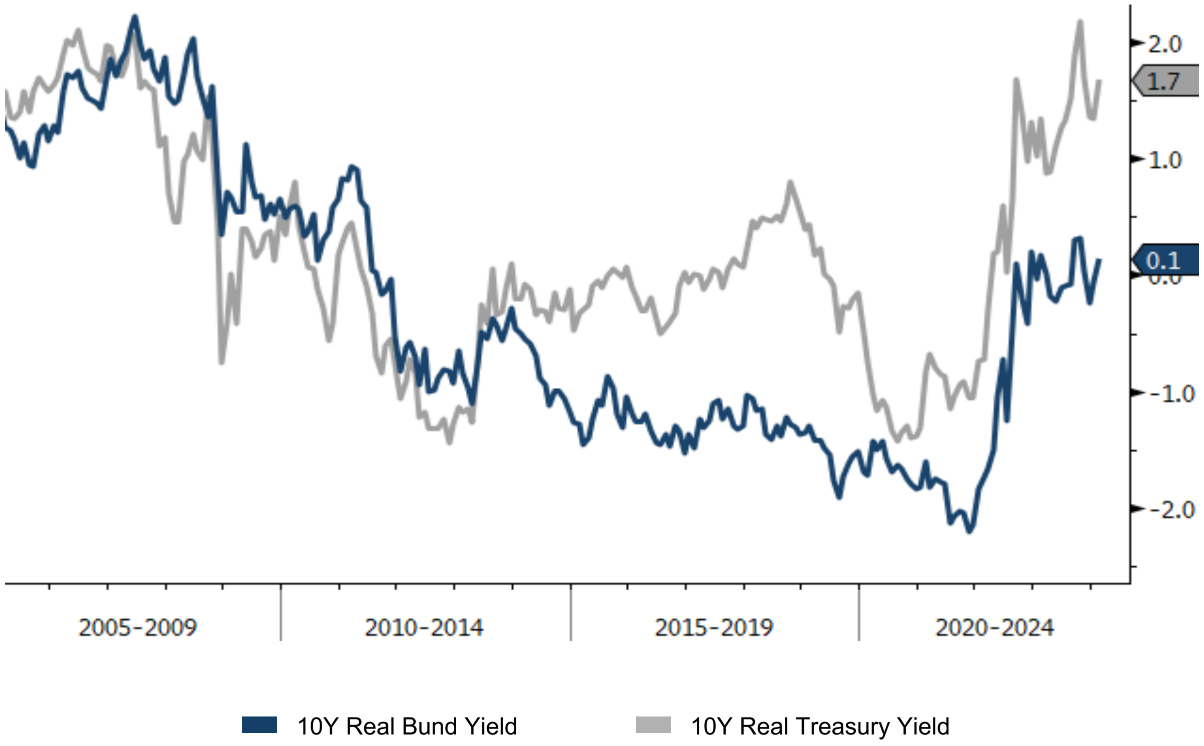
Risk Free Rates Overview

10Y Nominal Rates – Germany & US



10Y Real Rates – Based on LT Inflation Expectations (Swap 5y5y)

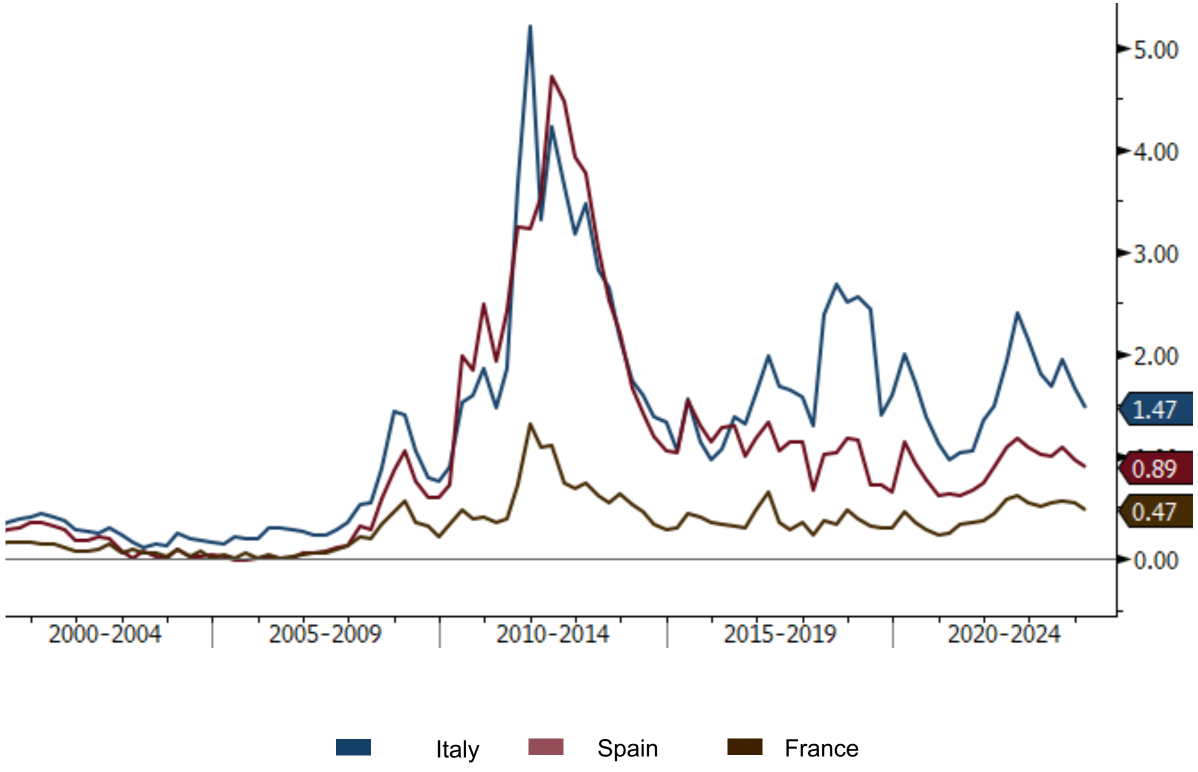


Euro real rates are at 0,1%, while USD rates hover around 1,7% at highs since financial crisis

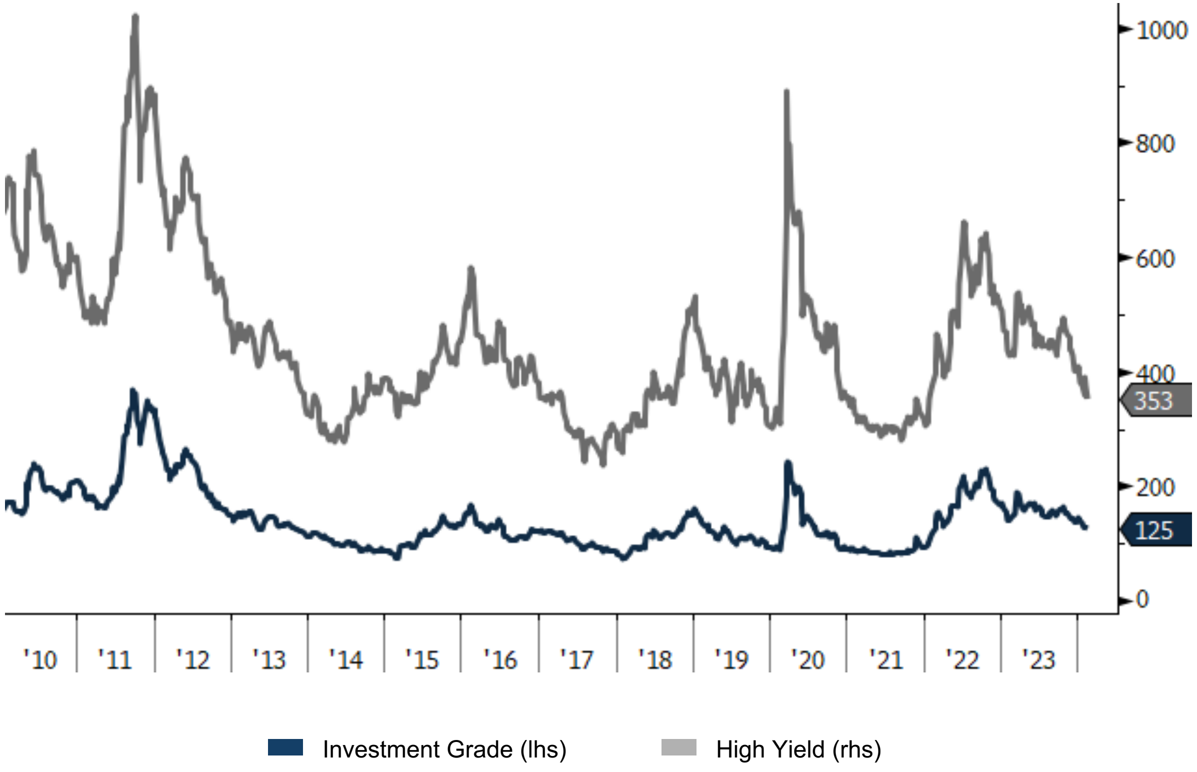
Note: Data as of February 19, 2024

Country & Corporate Risk Premium Overview

Eurozone Country Premium – Spread to 10y Bund (%)



Euro Credit Spread – Investment Grade & High Yield



High yield spread at 353 bps is at the lowest level since January 2022

Note: Data as of February 19, 2024

Asset Allocation – Euro Fixed Income

We downgrade high yield as we expect spread widening in a scenario of credit tightening

TENDERCAPITAL STRATEGY BY STYLE		
OVERWEIGHT	**NEUTRAL**	**UNDERWEIGHT**
INVESTMENT GRADE	CONVERTIBLES	HIGH YIELD
LOWER TIER 2 (FINANCIAL HYBRIDS)	GOVT & GOVT INFLATION-LINKED	
	CORPORATE HYBRIDS	
	ADDITIONAL TIER 1 (FINANCIAL HYBRIDS)	

Note: Positioning refers to Euro currency fixed income market..

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Equity Markets – Performance %

Europe Index

	Performance			Forward P/E			
Index	**1M**	**YTD**	**2023**	**Low**	**Mid**	**High**	**Actual**
Euro Stoxx 50	8,2%	5,4%	19,2%	9,9x	13,5x	18,4x	**13,3x**
StoxxEurope 600	5,1%	2,6%	12,7%	10,6x	13,9x	17,8x	**13,5x**
FTSE MIB	5,4%	4,5%	28,0%	7,0x	9,6x	14,0x	**8,6x**
DAX	4,2%	2,2%	20,3%	9,5x	12,4x	16,3x	**12,0x**
CAC 40	6,1%	3,0%	16,5%	9,5x	13,2x	17,5x	**13,3x**
IBEX 35	0,2%	(2,1)%	22,8%	9,5x	12,3x	18,3x	**10,2x**
FTSE 100	3,6%	(0,3)%	3,8%	8,5x	11,3x	14,7x	**11,1x**

Sector Europe

	Performance			Forward P/E			
Top 3 Sectors	**1M**	**YTD**	**2023**	**Low**	**Mid**	**High**	**Actual**
Technology	16,3%	12,2%	31,7%	18,2x	25,0x	33,4x	**25,7x**
Travel	12,6%	8,9%	21,7%	10,5x	12,9x	17,4x	**15,3x**
Auto & Parts	12,9%	7,1%	19,1%	4,4x	6,3x	9,9x	**6,4x**
Worst 3 Sectors	**1M**	**YTD**	**2022**	**Low**	**Mid**	**High**	**Actual**
Real Estate	(0,5)%	(7,3)%	13,8%	11,2x	16,5x	23,2x	**15,3x**
Basic Resources	0,7%	(7,4)%	(6,5)%	5,4x	8,6x	12,0x	**10,6x**
Utilities	(6,4)%	(8,8)%	9,1%	11,0x	14,1x	17,3x	**11,6x**

Global Index

	Performance			Forward P/E			
Index	**1M**	**YTD**	**2023**	**Low**	**Mid**	**High**	**Actual**
S&P 500	5,6%	4,9%	24,2%	15,3x	19,1x	22,6x	**20,5x**
NASDAQ	6,2%	5,1%	43,4%	21,2x	27,9x	34,1x	**24,5x**
CSI 300	5,4%	(0,8)%	(11,4)%	9,8x	12,4x	17,0x	**10,3x**
MSCI Emerging Markets	6,0%	(0,7)%	7,0%	9,9x	12,1x	16,0x	**11,8x**
MSCI Global	5,4%	3,2%	20,1%	13,9x	17,3x	20,8x	**18,3x**

Other Index

	Performance			Forward P/E			
Index	**1M**	**YTD**	**2023**	**Low**	**Mid**	**High**	**Actual**
MSCI World	5,3%	3,7%	21,8%	13,9x	17,3x	20,8x	**18,3x**
MSCI Emerging Markets	6,0%	(0,7)%	7,0%	9,9x	12,1x	16,0x	**11,8x**
MSCI World Growth	7,4%	6,3%	35,9%	19,7x	25,4x	31,8x	**26,4x**
MSCI World Value	3,1%	1,0%	8,7%	10,7x	13,2x	15,8x	**13,7x**
MSCI World Small Cap	4,3%	(0,7)%	13,8%	12,7x	16,7x	24,0x	**16,3x**

Note: Data as of 16/02/2024; Global Equity Markets Performance. Top 3 and Worst 3 based on the YTD performance

Equity Markets – Style Performance

Defensive and Small stocks underperform Cyclical and Large caps YTD

Style Performance	1M	3M	6M	YTD	1Y
Small vs. Large	**(0,8%)**	**(1,3%)**	**(3,4%)**	**(3,4%)**	**(7,3%)**
STOXX Small 200	4,7%	6,9%	5,2%	(0,1%)	(0,4%)
STOXX Large 200	5,4%	8,3%	8,6%	3,4%	6,9%
Cyclical vs. Defensive	**5,3%**	**8,4%**	**12,8%**	**4,2%**	**8,1%**
Europe Cyclical	4,9%	9,7%	15,0%	1,9%	11,0%
Europe Defensive	(0,4%)	1,2%	2,1%	(2,3%)	2,9%
Value vs. Growth	**(4,3%)**	**(4,6%)**	**(9,3%)**	**(5,3%)**	**(24,3%)**
MSCI Value	3,1%	7,7%	7,5%	1,0%	5,8%
MSCI Growth	7,4%	12,3%	16,9%	6,3%	30,1%
US vs. Europe	**0,5%**	**3,0%**	**5,7%**	**2,3%**	**16,7%**
S&P 500	5,6%	10,9%	13,7%	4,9%	22,4%
STOXX 600	5,1%	7,8%	8,0%	2,6%	5,7%

Note: Data as of 16/02/2024.

Asset Allocation – Equity Europe

Cyclical and quality stocks are the preferred choice

Tendercapital Strategy by Style		
Overweight	**Neutral**	**Underweight**
Quality	Liquidity	Yield
Cyclical	Momentum	Defensive
	Growth	Size
	Value	

Tendercapital Strategy by Sector		
Overweight	**Neutral**	**Underweight**
Industrial Goods & Serv.	Healthcare	Utilities
Automobile & Parts	Food & beverage	Chemicals
Financial Services	Banks	Insurance
Media	Construction & Materials	Telecommunications
Retail	Personal & Household	
Basic Resources		
Oil & Gas		
Technology		

Contatti

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