

## November Review

A summary of key events and market trends during the month of November

### DONALD TRUMP IS BACK...

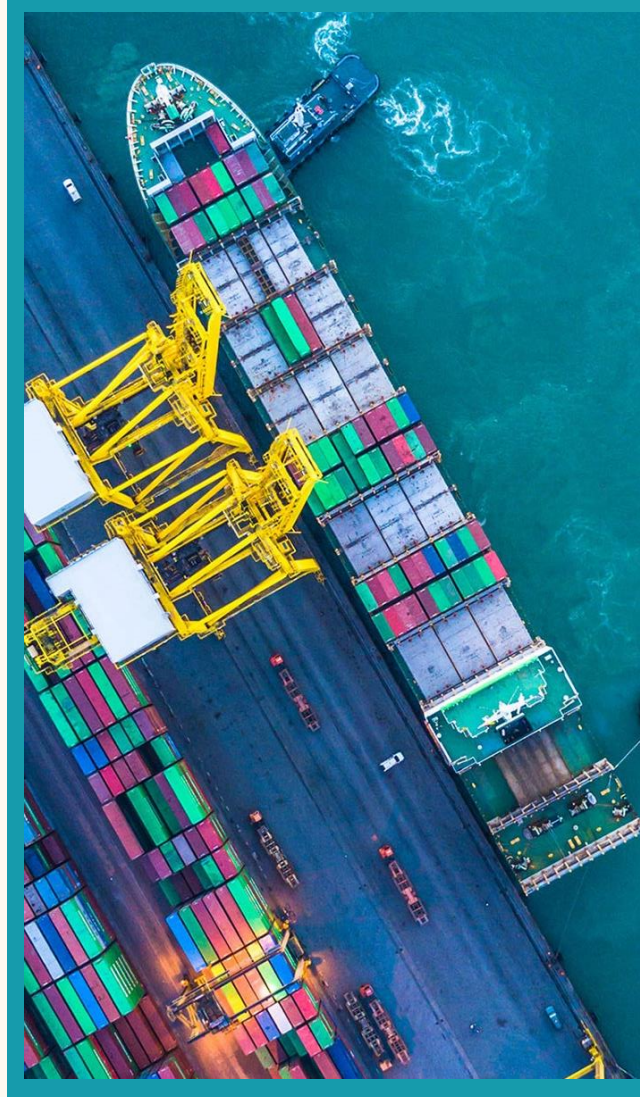
And this time around it feels like we understand him a good deal better. This possibly takes away some of the surprise of his Presidency? We will be watching this space closely

### HIGHLIGHTS

- 1. With the results out of the way** what do we expect from the second term of a **Trump Presidency?** Trading partners and allies are already feeling the negotiating heat and the coming weeks will be instructive. Having said that, given the strong Red Wave, we would expect Trump and the Republicans to push for the advantage.
- 2. How might risk markets react?** The late October sell-off somewhat muddies the post-election price impact as markets initially recovered what they lost in the last 2 trading days in October (around 3% lower in the case of the Nasdaq). **Broadly we expect the bullish tone to continue for a quarter or two before any serious selling comes through.**

# Global Markets Update

- As 2024 comes to a close the annual ceremony of predicting investment outcomes for the next year will be well indulged by the sell-side of financial markets.
- We expect that after two strong years of performance the instinctive reaction will be to gun for a continuation.
- This is where extreme market positioning could come to work against the consensus optimism – i.e if everyone is already bullish, then who is left to buy incrementally ?
- Our practice is to well digest the opinions as well as see how the first month of trading (January) shapes up to then discern likely courses of action.



- For now, current themes will likely continue to resonate : Technology and Artificial Intelligence, Re-Industrialization of the US, Interest Rates lower with around 4 rate cuts by end 2025 and the US Dollar continue to be bid into any sell-offs.
- China saw an end-of-Summer rally; however, since then optimism has been fading. The odd Technology company bobs up or down based on the latest news or results and then we have the almost never ending bleak property related news flow. Our stance of trading China tactically appears correct and we stick with that conviction for now.
- Post-election volatility did not increase and has quickly collapsed to just two percentage points off the recent and long-term lows. We expect volatility to spike at some time in the coming year but for now expect it to be subdued.



## Key markets and the US Elections 2024

Index	Month to Date (%)	Year to Date (%)
Topix	-0.55	13.28
Hang Seng China Enterprises	-4.37	20.42
Dax	2.88	17.16
Euro Stoxx 50	-0.48	6.26
S&P 500	5.73	26.47
Dow Jones	7.54	19.16
Nasdaq 100	5.23	24.39
US 10 Year Treasury (bps)	-0.12	0.29
Bloomberg Barclays Global Corporate Bond Index	0.34	0.47
Bloomberg Barclays Global Corporate Bond High Yield Index	0.82	9.80
EUR USD	-2.82	-4.19
USD JPY	-1.49	6.19
Gold	-3.67	28.12

- As we head into the final month of 2024 the focus switches to the possibility of a Christmas Rally developing as investment houses that have underperformed to date start chasing equity returns. We see no need to amend our allocations and will benefit from upside momentum with long call options.
- We will use the next couple of months to digest the narrative and price action and as key indicators of the likely further developments for the rest of 2025.
- As always, geopolitics is a potential wild card and any negative developments here will require us to re-assess our theses.

## SGMC Forward Views Highlights

SGMC Forward Views						
Asset Class	Avoid	Reduce	Hold	Add On	High Conviction	Notes
<b>Equities</b>						
US Equities			Hold			Remain on Hold to account for the strong rally we have seen YTD as well as election / geopolitical surprises that could come up
EU Equities		Reduce				With conditions deteriorating in Europe we remain underweight and take advantage of the year to date rally to further lighten exposure
Chinese Equities			Hold			The recent news are a step in the right direction - but more visibility is needed before moving to overweight
Emerging Market Equities				Add On		We remain positive on the area but extremely selective. Our top picks include <b>India, Indonesia and Brazil</b> and after the recent news we are closely monitoring China
<b>Bonds</b>						
High Yield			Hold			Happy to continue selectively adding to lock in yields but with the curve having moved lower will be more selective
Investment Grade			Hold			Will look to selectively take profit here given the fairly large move down in yields in line with the market now pricing in 8 cuts over the next 12 months
Government Bonds			Hold			Continue to prefer high yield and investment grade given the rate outlook over the coming year
<b>FX &amp; Alternative Asset Classes</b>						
US Dollar Index			Hold			Rangebound trading likely to continue in the short term
Commodities			Hold			As rates decline, commodities to find support.
Private Equity / Hedge Funds		Reduce				We remain relatively underweight this sector
Real Estate				Add On		With a benign interest rate environment we see good potential for this sector over the coming months
Collectibles			Hold			Uncorrelated with markets

No changes to current allocations



## SGMC Media



### ADANI GREEN SOARS 19% AS GROUP STOCKS RECOVER SHAR...

📅 November 29, 2024 | CNBC



### THE EVENT EVERYONE WAS WAITING FOR FINALLY HAPPENE...

📅 November 21, 2024 | Bloomberg - Asharq News الشرق



### UNITED NATION DEVELOPMENT PROGRAM & SGInnovate - F...

📅 November 19, 2024 | UNDP & SGInnovate



### FIXED INCOME & FX LEADERS SUMMIT 2024

📅 November 19, 2024

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