MONTHLY NEWSLETTER – November 2024

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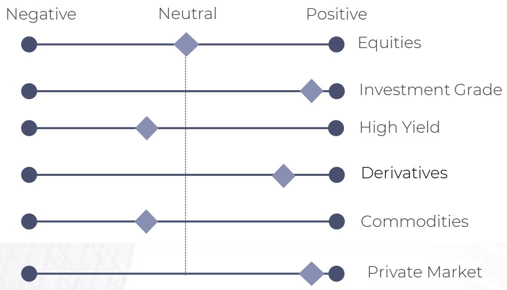
"November was a volatile but generally positive month for equities, with Donald Trump's election fueling market expectations that his pro-growth and deregulation policies would benefit risk assets. However, reactions were more mixed outside the U.S., as concerns about the trade barriers Trump had mentioned weighed on markets.
Central banks continued their rate cuts, with the Federal Reserve opting for another 25-basis point reduction. Similarly, the Bank of England followed suit with a similar move. Despite this, fears about Trump's potentially inflationary policies led to more subdued returns, as expectations for rate cuts over the next 12 months were revised downwards.
We remain positive on diversified bond portfolios and neutral on equities, as valuations are elevated compared to historical data and potential tensions could arise from the trade war."

OUR MARKET VIEWS



POTENTIAL MARKET CATALYST

Continuing monetary policy easing by central banks

Inflation easing more significantly

Pro-growth measures of the new US government

Easing of geopolitical tensions

KEY INDICATORS

Equities (%)	Level	October	November	YTD 2024
S&P 500	6 032	-1,0	5,73	**26,84**
Nasdaq 100	20 930	-0,8	5,23	**26,17**
Eurostoxx 50	4 804	-3,5	-0,48	**8,36**
FTSE 100	8 287	-1,5	2,18	**7,69**
China SI 300	3 917	-3,2	0,66	**14,56**
Emerging markets	1 079	-4,4	-3,66	**7,21**

Bonds (rate spreads)	Level	Oct.	Nov.	YTD 2024
		Spread change level		
10 year government bonds				
US	4,17	0,50	- 0,12	**9,61**
Europe	2,09	0,27	- 0,30	**2,77**
Corporate – 5 years spread (change level)				
Investment Grade US	48	1,15	-6,24	**-16,32**
Investment Grade Europe	96	- 0,12	-2,43	**-2,85**
High Yield US	295	6,59	-40,80	**-18,15**
High Yield Europe	298	3,24	- 16,22	**-3,79**

Currencies (%)	Level	Oct.	Nov.	YTD 2024
EUR / USD	1,0577	-2,3	-2,82	**-4,87**
GPB / USD	1,2735	-3,6	- 1,27	**-0,46**
CHF / USD	1,1351	-2,1	-1,92	**5,41**

Commodities (%)	Level	Oct.	Nov.	YTD 2024
Gold	2 643	4,2	-3,67	**28,07**
Brent	73	1,9	-0,30	**-3,76**
Copper	414	-4,1	-5,64	**5,93**
Aluminium	2 586	-0,7	-0,58	**10,36**

Volatility	Level	Oct.	Nov.	YTD 2024
Euro Stoxx 50	17	20,3	-21,95	**18,16**
Nasdaq 100	14	38,4	-41,67	**5,38**

Cryptos (%)	Level	Oct.	Nov.	YTD 2024
Bitcoin	96 841	9,6	38,47	127,3
Ethereum	3 723	-3,7	47,85	63,0

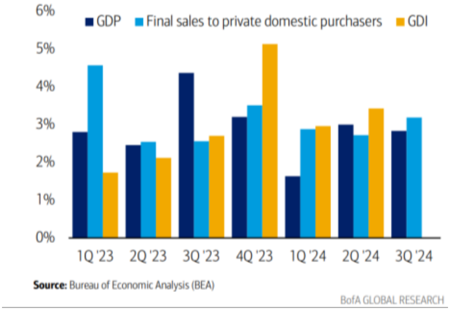
Sources: Bloomberg, Norman K. - Data as of November 30th 2024. Past performance is not a reliable indication of future performance. Non-contractual information.

CHART OF THE MONTH

Growth in US economic activity

GDP, final demand and GDI have been running at nearly 3% since 1Q2023

The U.**S. economy remains robust**, driven by household consumption supported by real income growth. Meanwhile, despite a slowdown in the labor market, **jobless claims and layoffs remain historically low**, **reinforcing the soft-landing scenario**.



November: U.S. Election optimism fuels gains amid global caution.

MACROECONOMICS

In November, **U.S. election results** significantly influenced market performance. Donald Trump's presidential victory, combined with Republican control of Congress, **sparked optimism** for pro-growth policies like tax cuts, expansionary fiscal measures, and **nationalist trade strategies**. This **boosted U.S. equity markets**, with small-cap stocks benefiting from domestic exposure

Outside the U.S., markets reacted cautiously. **Chinese equities declined amid fears of trade tensions** and **insufficient government measures** to address the real estate and confidence crises. U.S. equities outperformed globally, with financials, energy, and industrials leading due to expectations of deregulation and tax benefits.

European equities saw **slight declines**, impacted by **concerns over U.S. trade policies and weak earnings** (partly driven by softer demand in China) and bad economic data. UK equities rose 2.5%, supported by strong performance in financials.

Central banks continued easing policies last month. The **Federal Reserve cut rates by 25 basis points**, citing progress on disinflation and stable employment data, with markets expecting another cut in December. The **European Central Bank faces pressure to lower rates** further due to weak demand in Germany and France. Inflation in the eurozone reached 2.3% year-on-year in November, driven by energy and food costs, but stable core inflation kept rate-cut expectations intact.

NK VIEW

We continue to favour **bonds**, adding **currency diversification** to our portfolios (GBP and USD). These portfolios are already **benefiting from the rate cuts** initiated by various central banks, which are expected to continue through year-end. As for **equities**, we remain **cautious** in this period of heightened volatility and profit-taking.

Regarding the **pre-IPO market**, opportunities are arising for investors at **attractive valuation levels**, particularly in comparison to equity markets. Interesting opportunities in private assets offer ways to increase diversification and reduce correlation in our portfolios, with a sharp focus on **selecting various deals** (private equity and private debt).

WHICH OPPORTUNITIES IN THIS CONTEXT?

High valuations of stocks

- In-depth analysis and selectivity
- Reinforce in the event of a market decline

Rate cuts / geopolicital uncertainty

- Lock in current yield levels and anticipate impacts on portfolios.
- Currency diversification

Weaker macroeconomic environment

- Alternative investments
- Pre-IPO segment / private debt / asset finance

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