

# Anlage- und Produktmeeting

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2. Mai 2023



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# BOJ Gains Flexibility After Scrapping Guidance on Rates

Normalization could still start during policy review: Ueda

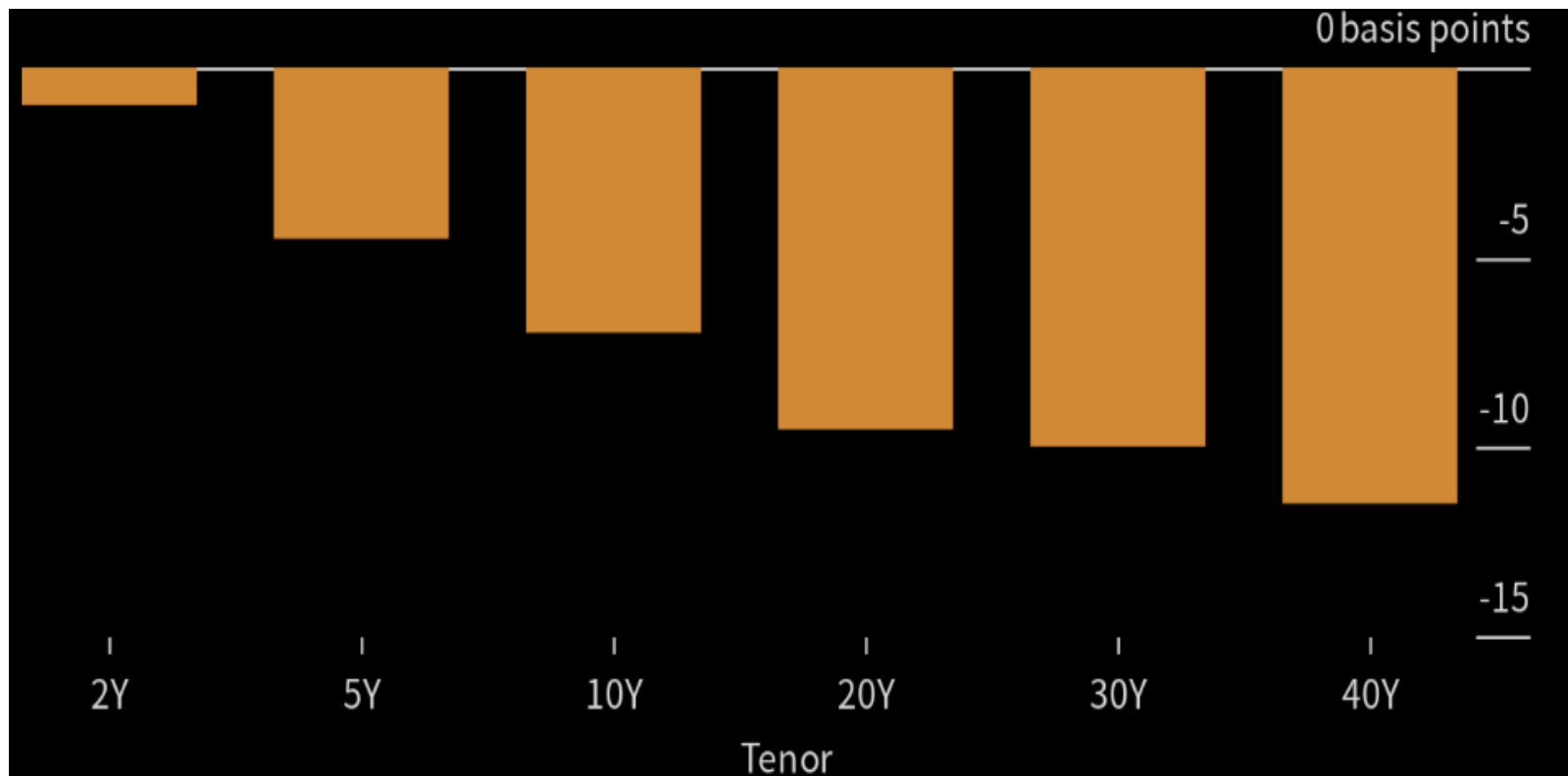


Source: Bloomberg

- The Bank of Japan scrapped its guidance on future interest rate levels while keeping its main stimulus measures unchanged, as Governor Kazuo Ueda prepared the ground for taking a more flexible stance on policy.
- The BOJ maintained its rock-bottom interest rate and asset purchase settings at the end of a two-day gathering Friday.
- The central bank also called for a long-term review of its policies and issued new price forecasts that show inflation below 2% again in the fiscal year ending March 2026.
- Japan's currency weakened more than 1% against the dollar to around the 135.80 level and 10-year government bond yields slumped below 0.4% while Ueda was speaking.

# Yields Drop Across Curve After BOJ Decision

Change in Japan's bond yields on 28.4.23



Source: Bloomberg

# Japan's Benchmark Bond Yields Retreat Tolerated Ceiling

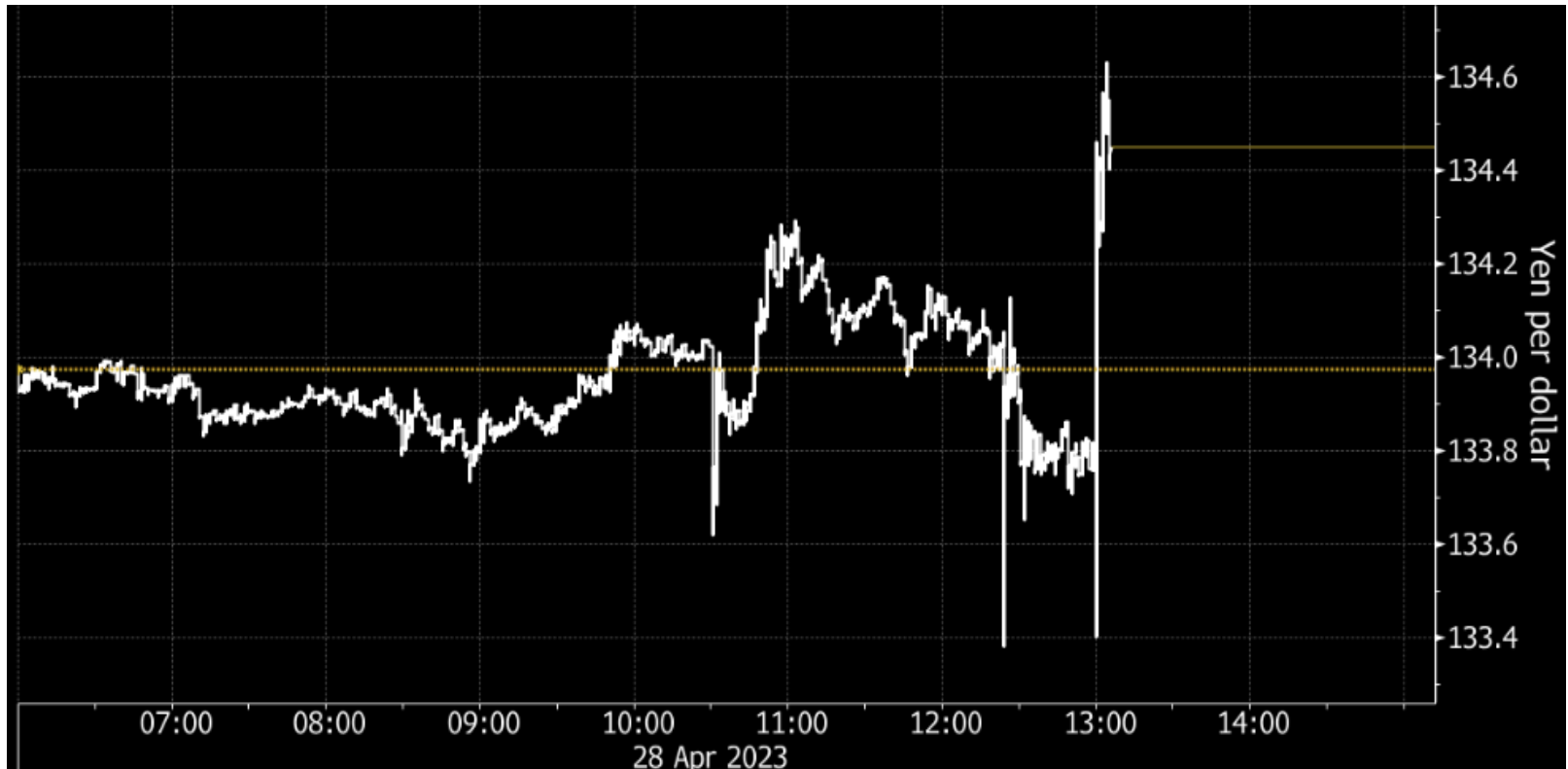
Japan 10-year yield



Source: Bloomberg

# Yen Drops After BOJ Decision

USD-JPY

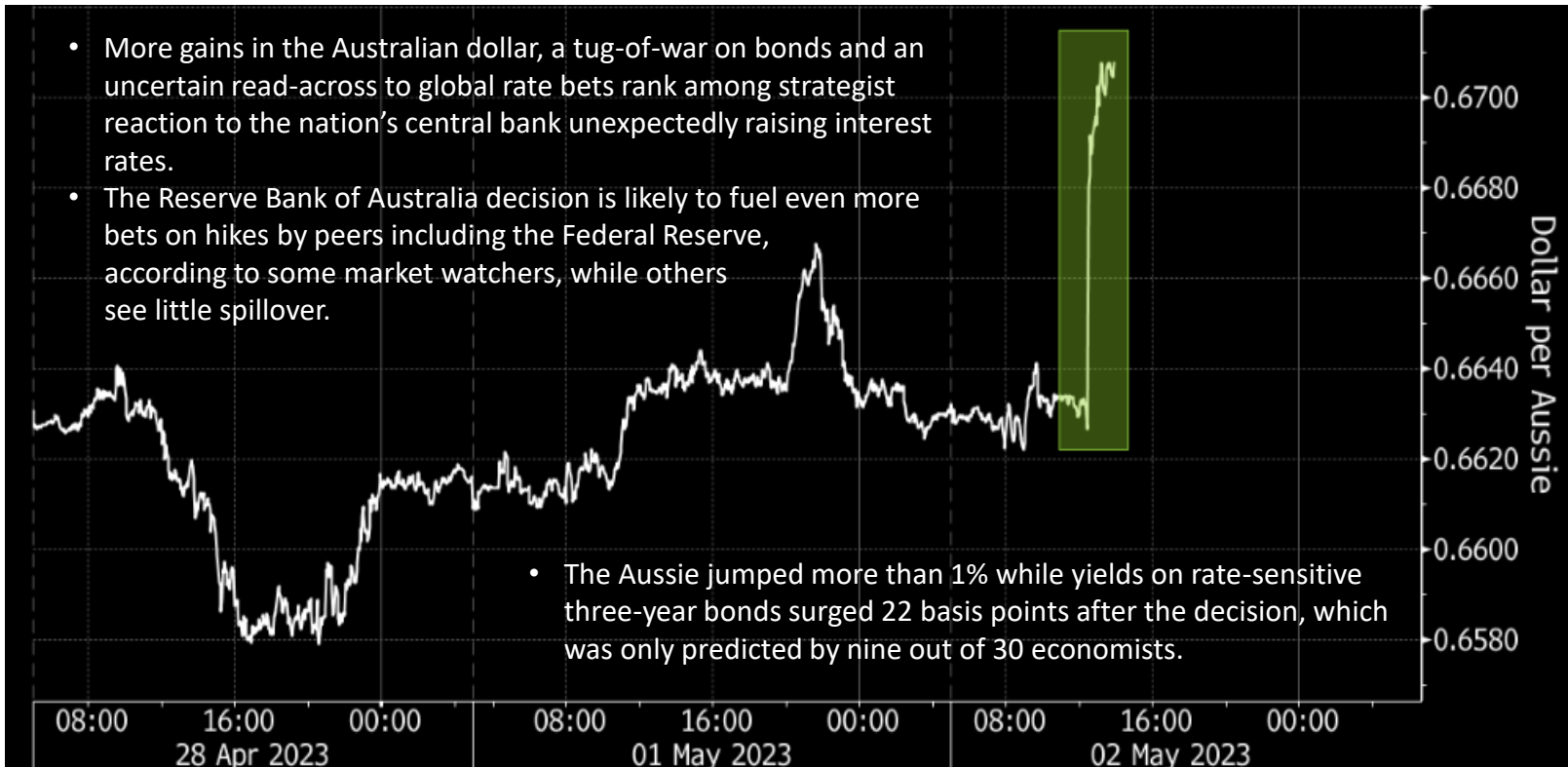


Source: Bloomberg

# RBA Shock Hike Spurs About Global Rate Bets

Decision likely to ramp up bets on Fed hikes this week

- More gains in the Australian dollar, a tug-of-war on bonds and an uncertain read-across to global rate bets rank among strategist reaction to the nation's central bank unexpectedly raising interest rates.
- The Reserve Bank of Australia decision is likely to fuel even more bets on hikes by peers including the Federal Reserve, according to some market watchers, while others see little spillover.

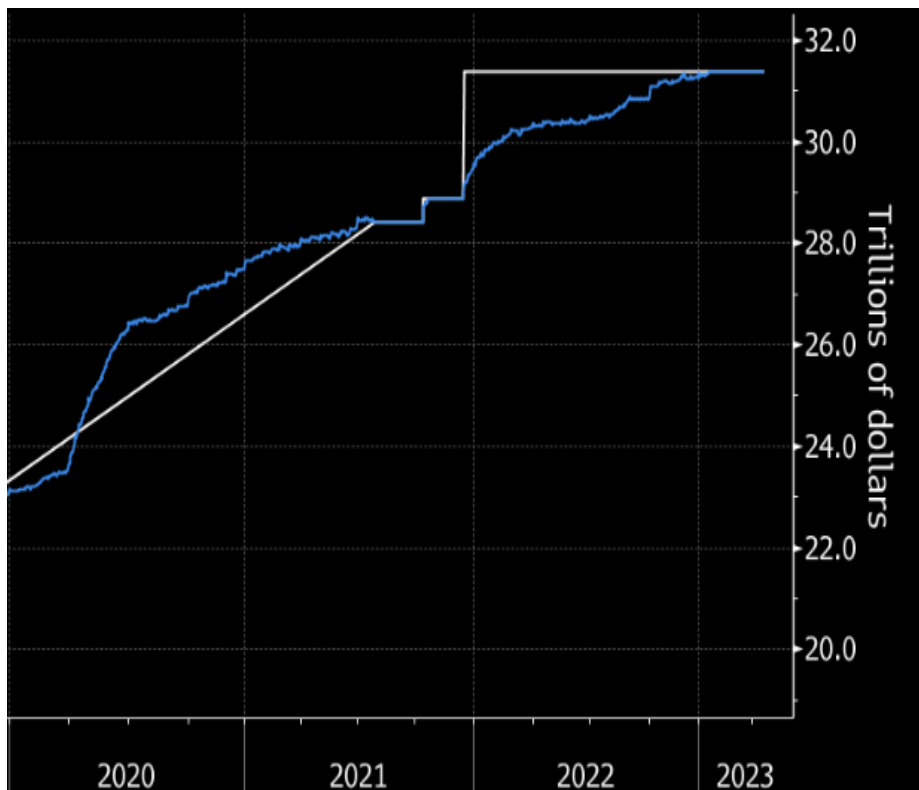


- The Aussie jumped more than 1% while yields on rate-sensitive three-year bonds surged 22 basis points after the decision, which was only predicted by nine out of 30 economists.

Source: Bloomberg

# Yellen Warns Congress Treasury May Run Out of Cash

Fixed-income market have shown increasing signs of concern about the risk of a US payments default



Source: Bloomberg

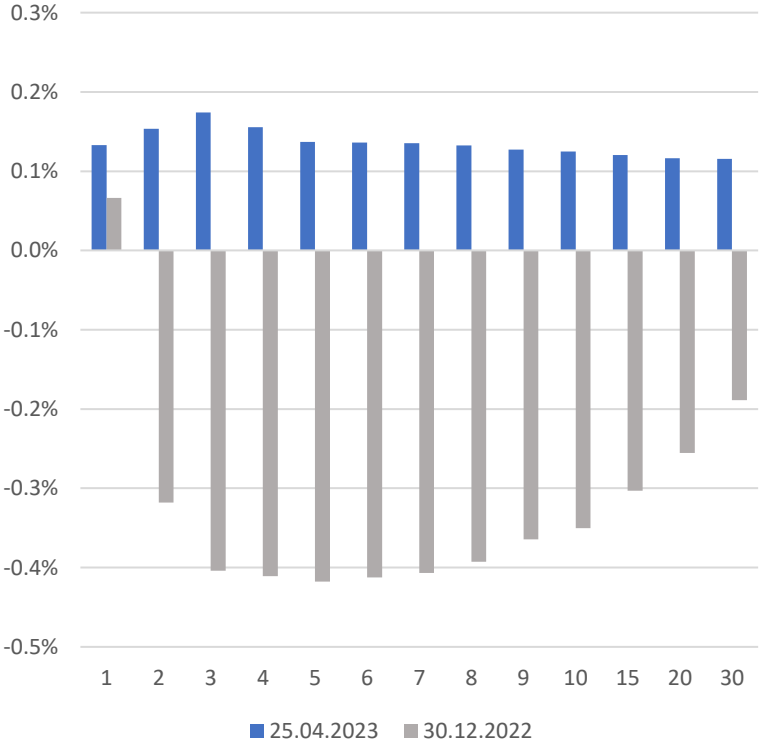
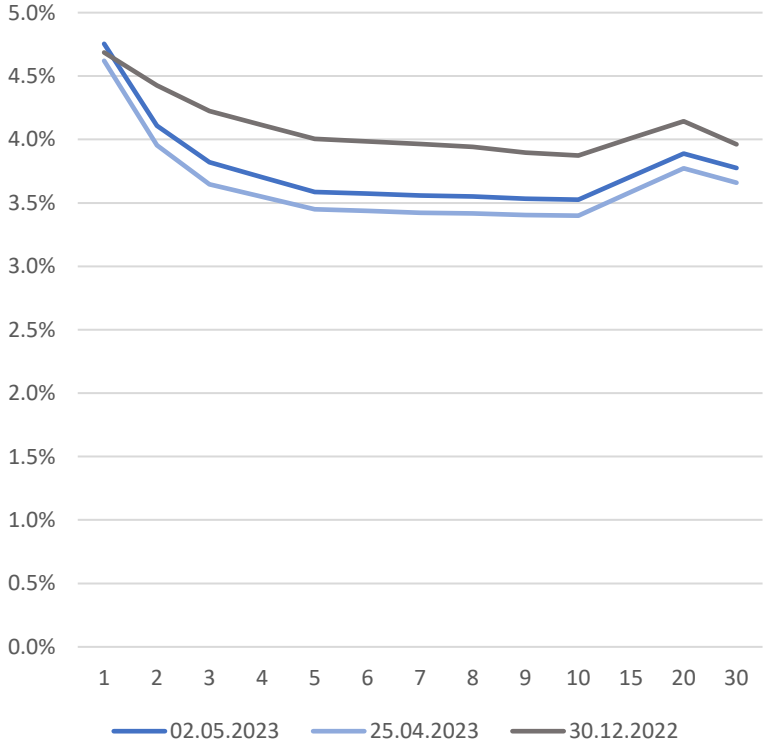
“Our best estimate is that we will be unable to continue to satisfy all of the government’s obligations by early June, and potentially as early as June 1,” Yellen said.

Since hitting the current statutory limit of \$31.4 trillion in January, the Treasury has been staving off a possible default on federal obligations by using special accounting maneuvers.

“Given the current projections, it is imperative that Congress act as soon as possible to increase or suspend the debt limit in a way that provides longer-term certainty that the government will continue to make its payments,” Yellen said.

# US Treasury Yield Curve

Yield curve changes YTD & MTD

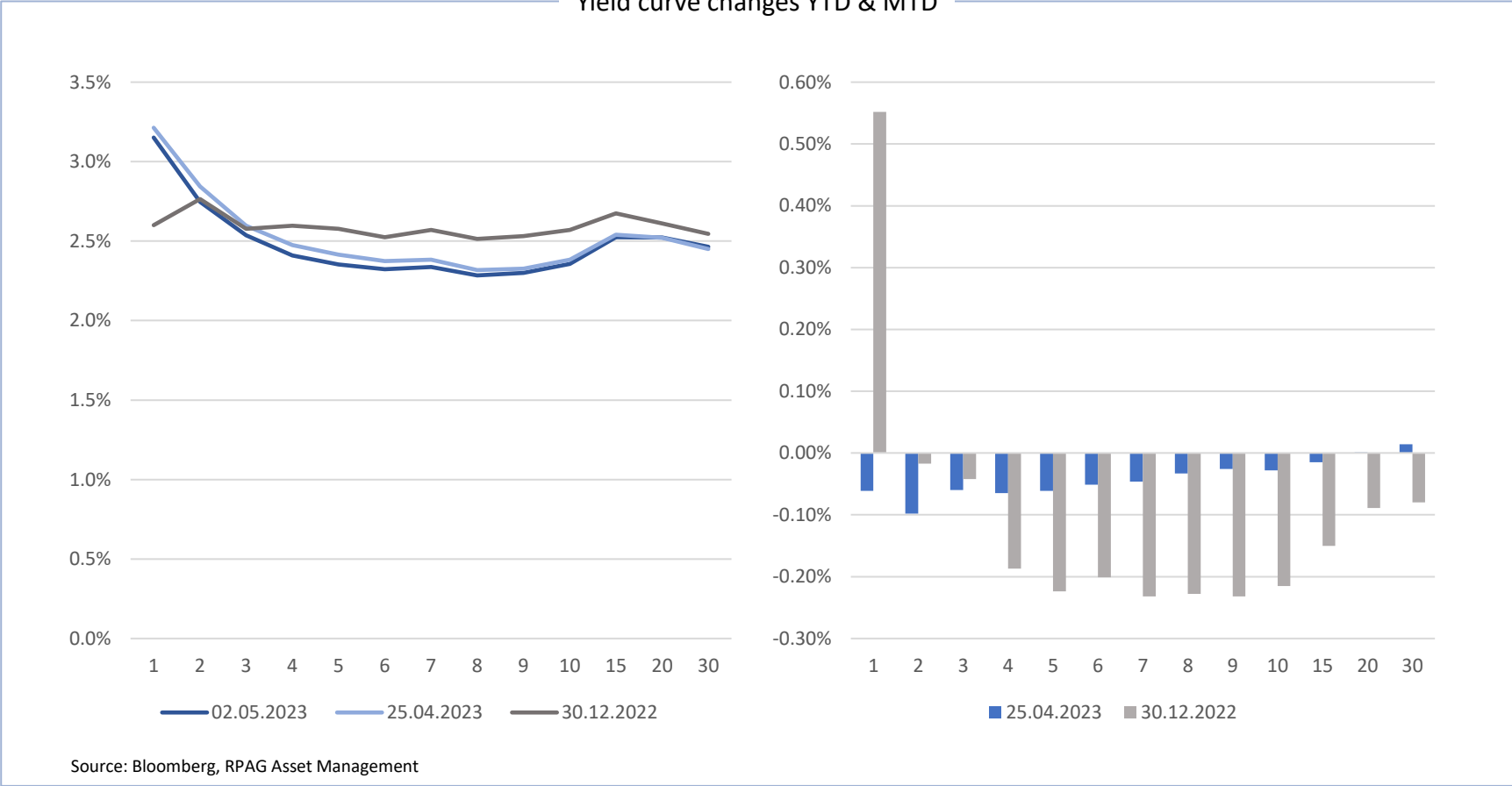


Source: Bloomberg, RPAG Asset Management



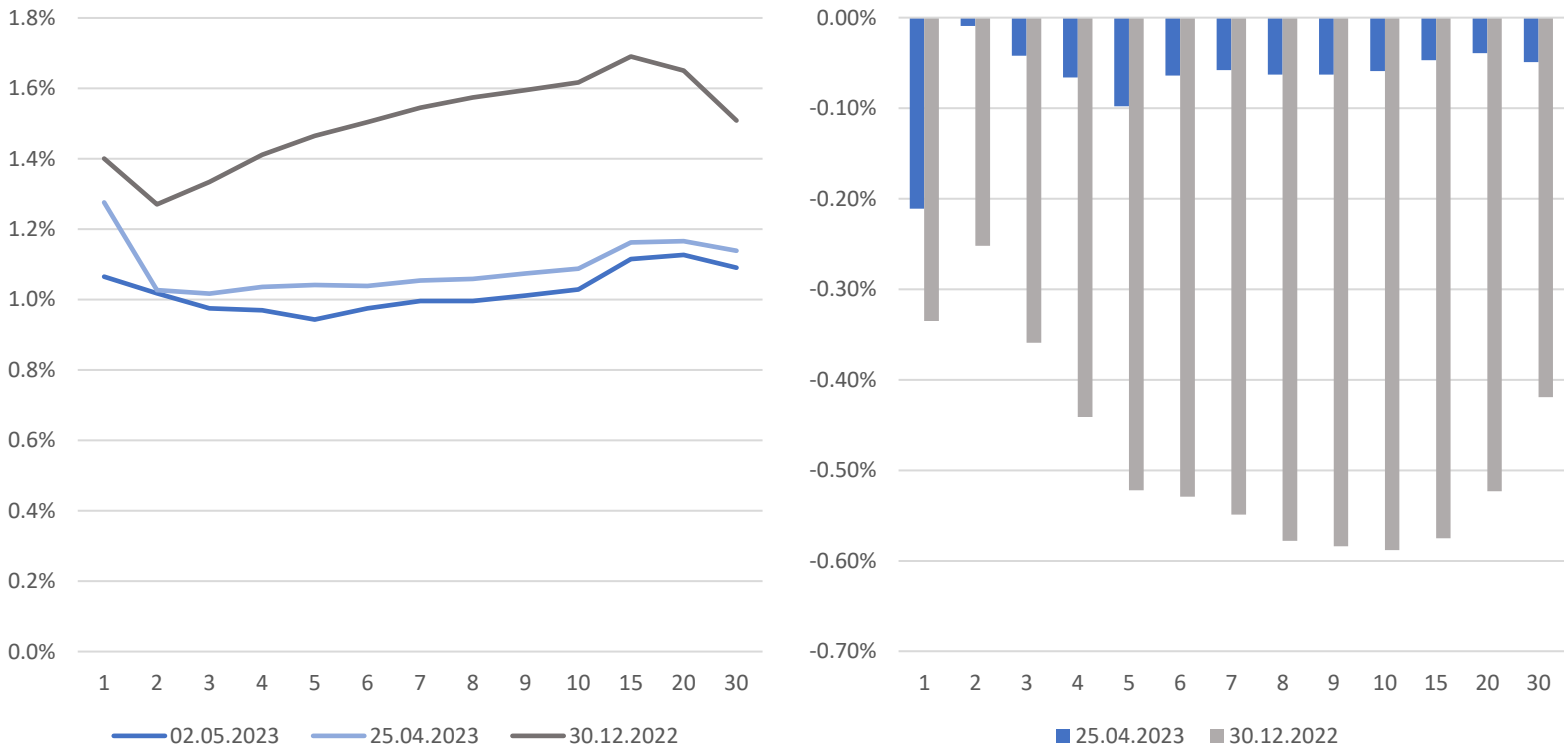
# German Sovereign Yield Curve

Yield curve changes YTD & MTD



# Swiss Sovereign Yield Curve

Yield curve changes YTD & MTD



Source: Bloomberg, RPAG Asset Management

# Central Banks Rate Analysis

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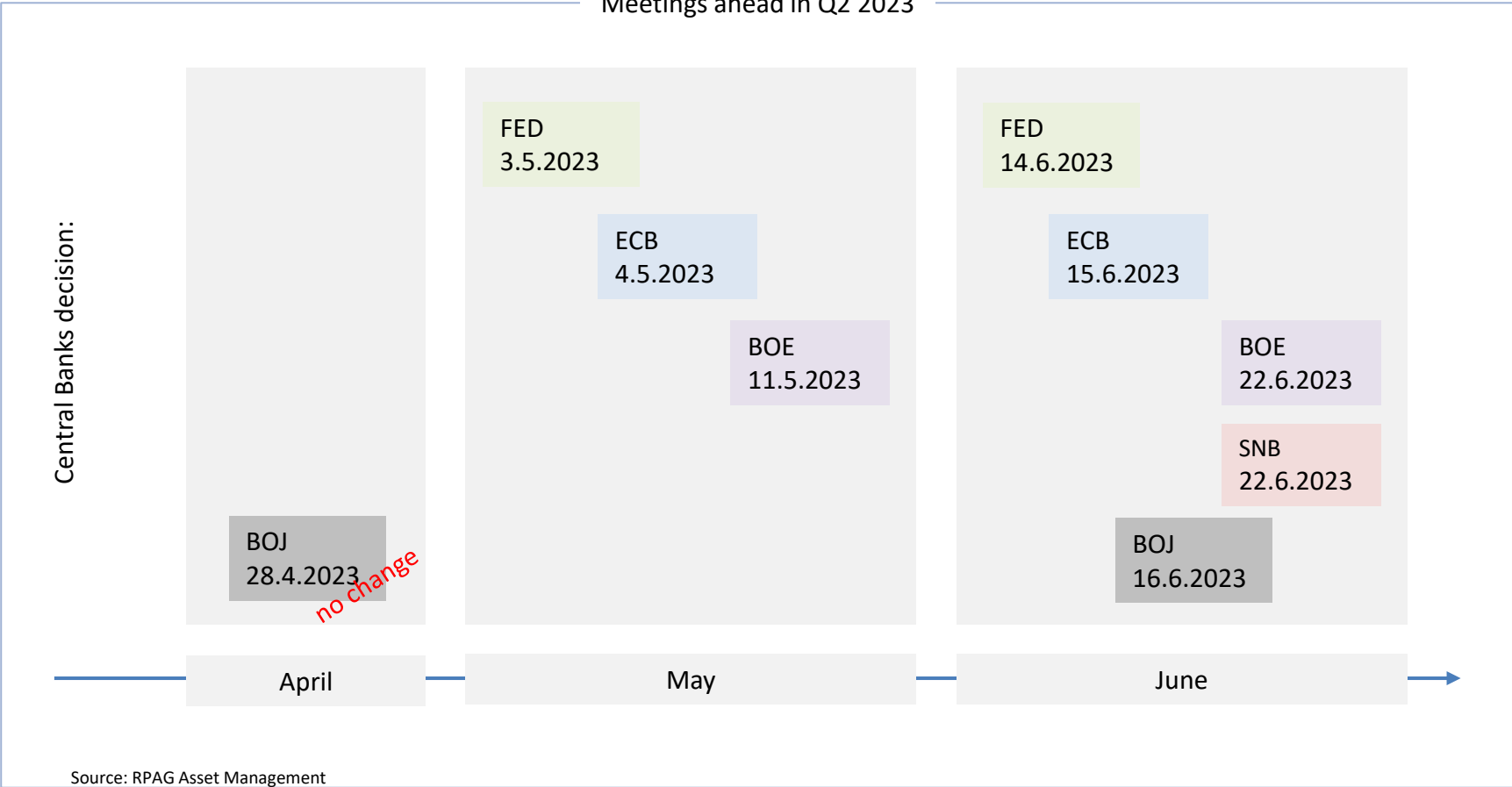
ECB / FED



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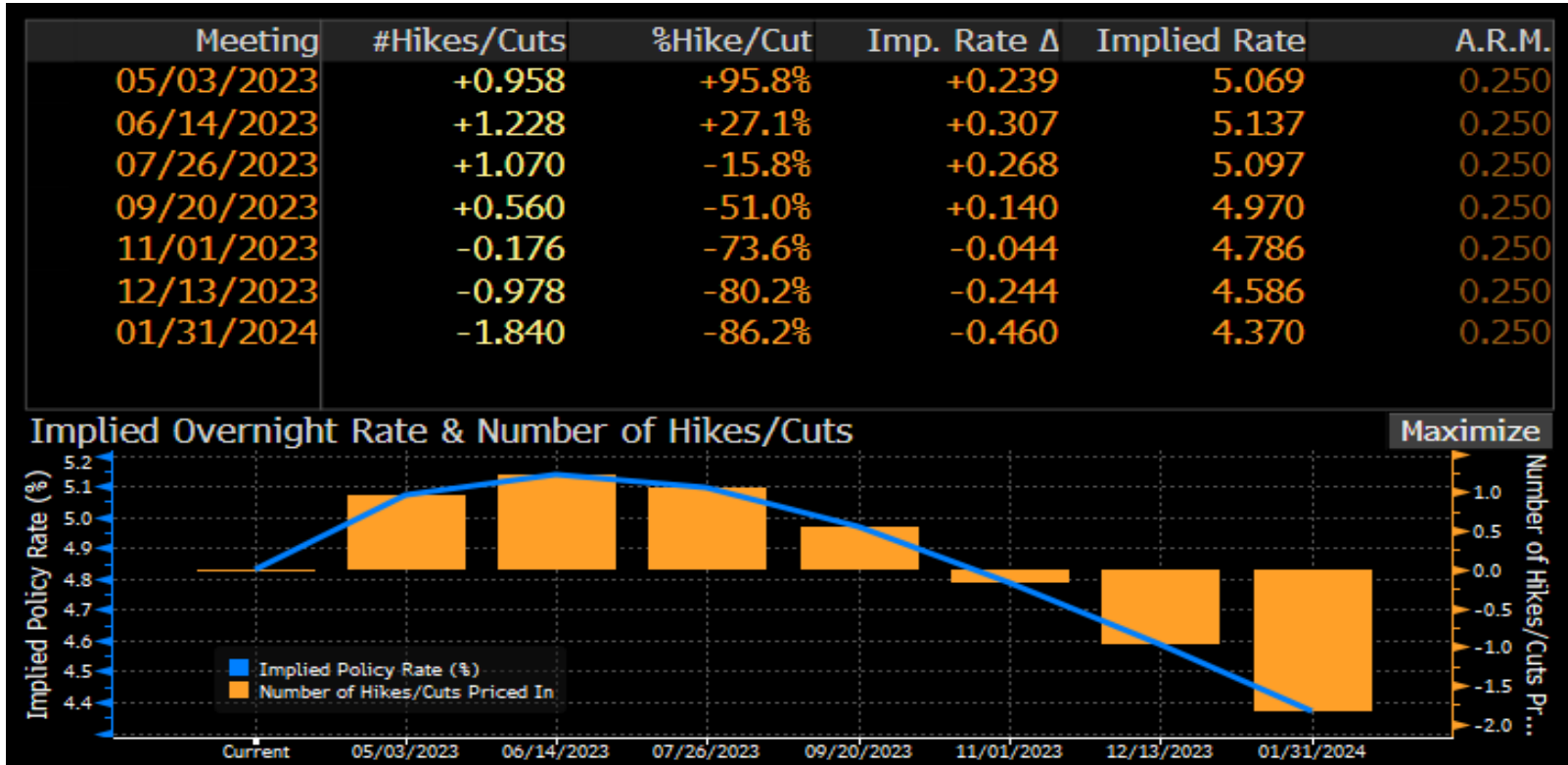
# Central banks meetings overview in Q2 2023

Meetings ahead in Q2 2023



# Fed Funds Target Rate Interest Rate Probability

Implied Overnight Rate & Number of Hikes/Cuts

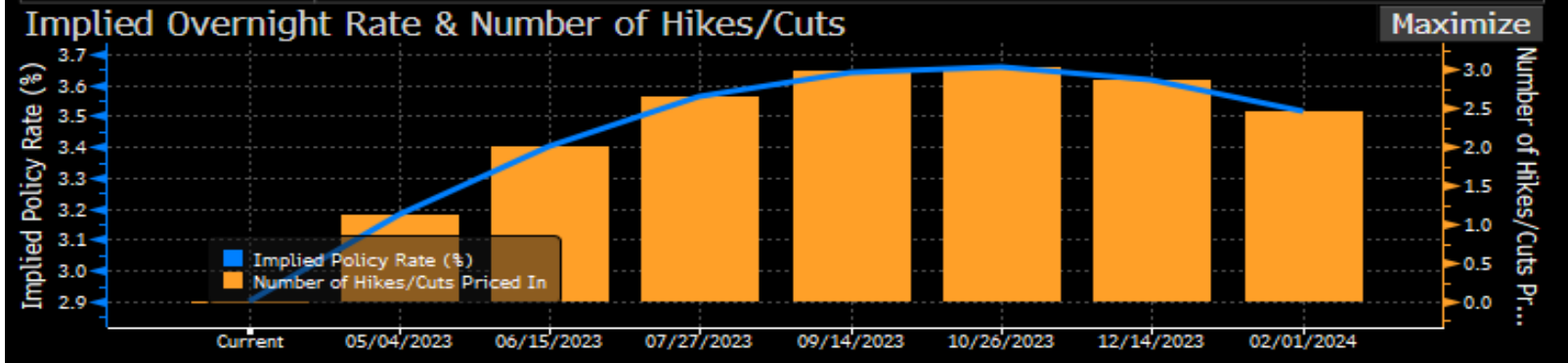


Source: Bloomberg

# ECB Target Rate Interest Rate Probability

Implied Overnight Rate & Number of Hikes/Cuts

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate $\Delta$	Implied Rate	A.R.M.
05/04/2023	+1.131	+113.1%	+0.283	3.183	0.250
06/15/2023	+1.997	+86.6%	+0.499	3.399	0.250
07/27/2023	+2.645	+64.8%	+0.661	3.561	0.250
09/14/2023	+2.973	+32.8%	+0.743	3.643	0.250
10/26/2023	+3.032	+5.9%	+0.758	3.658	0.250
12/14/2023	+2.855	-17.7%	+0.714	3.614	0.250
02/01/2024	+2.457	-39.8%	+0.614	3.514	0.250

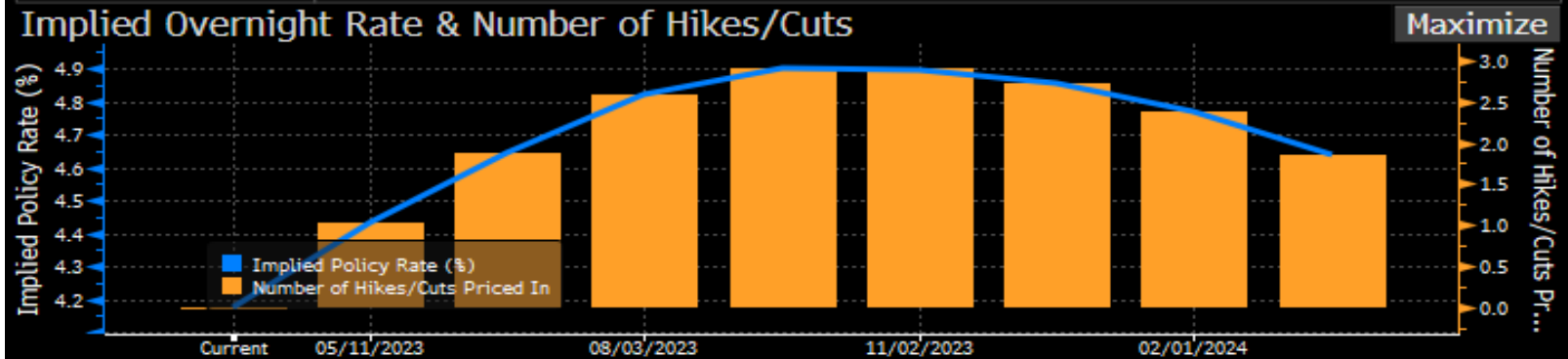


Source: Bloomberg

# BOE Target Rate Interest Rate Probability

Implied Overnight Rate & Number of Hikes/Cuts

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
05/11/2023	+1.020	+102.0%	+0.255	4.430	0.250
06/22/2023	+1.866	+84.6%	+0.466	4.641	0.250
08/03/2023	+2.580	+71.5%	+0.645	4.820	0.250
09/21/2023	+2.904	+32.4%	+0.726	4.901	0.250
11/02/2023	+2.894	-1.0%	+0.723	4.898	0.250
12/14/2023	+2.728	-16.6%	+0.682	4.856	0.250
02/01/2024	+2.377	-35.0%	+0.594	4.769	0.250
03/21/2024	+1.852	-52.6%	+0.463	4.638	0.250



Source: Bloomberg

# Credit Spreads

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iTraxx Crossover / CDX HY / CDX EM

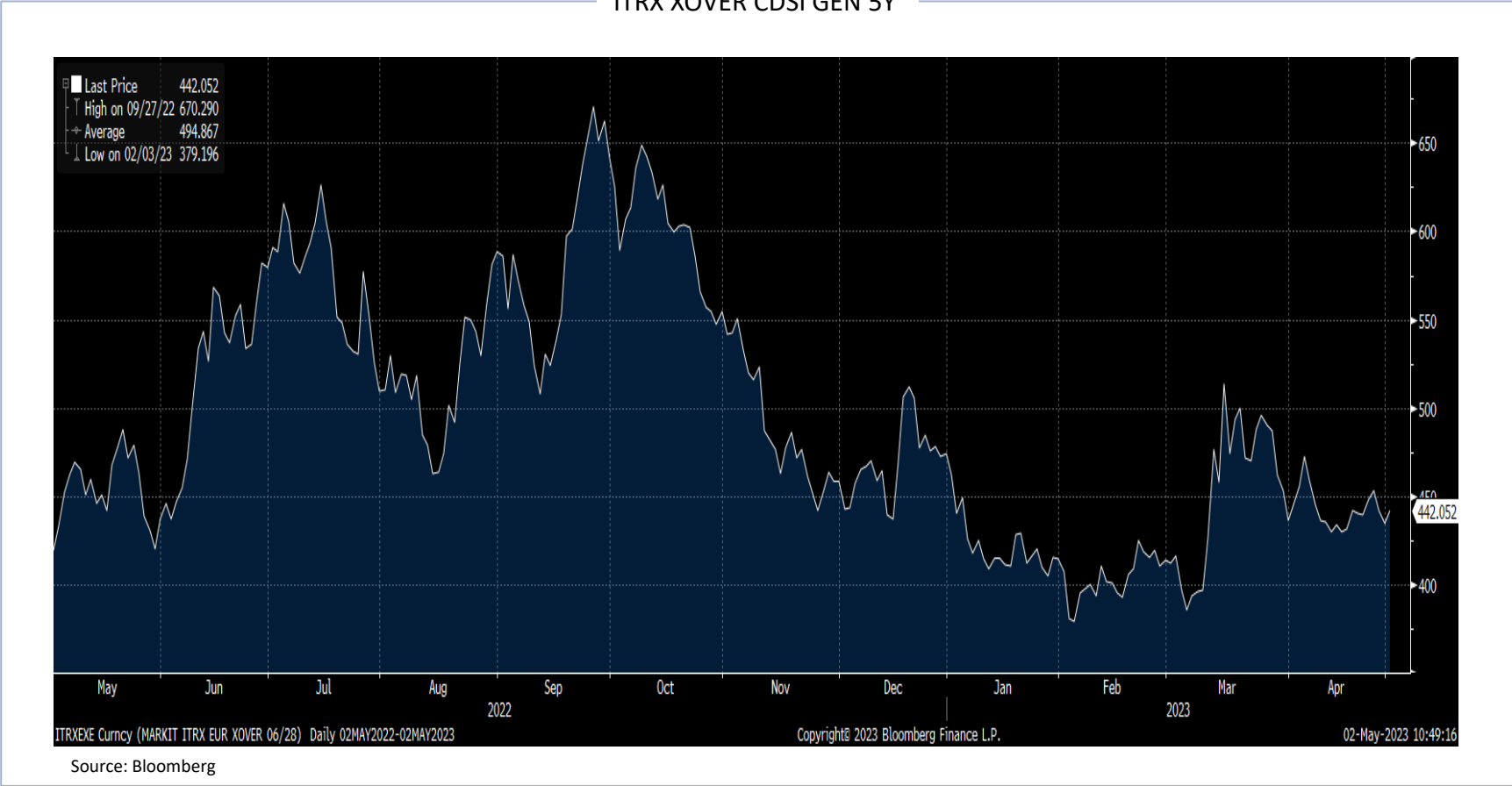


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# Credit Spreads: iTraxx Europe Crossover

ITRX XOVER CDSI GEN 5Y



# Credit Spreads: CDX North America High Yield Index

CDX HY CDSI GEN 5Y SPRD



Source: Bloomberg

# Credit Spreads: CDX Emerging Markets Index

CDX EM CDSI GEN 5Y SPRD



Source: Bloomberg

# Haftungsausschluss

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