

Anlage- und Produktmeeting

9. Mai 2023



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ADP Data Surprise With Private Payrolls Gain

ADP Employment, PMI and ISM

United States		Browse		16:17:01		05/03/23		-		
Economic Releases		All Economic Releases				View		Agenda		
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
22)	05/03 14:15				ADP Employment Change	Apr	150k	296k	145k	142k
23)	05/03 15:45				S&P Global US Services PMI	Apr F	53.7	53.6	53.7	--
24)	05/03 15:45				S&P Global US Composite PMI	Apr F	53.5	53.4	53.5	--
25)	05/03 16:00				ISM Services Index	Apr	51.8	51.9	51.2	--
26)	05/03 16:00				ISM Services Prices Paid	Apr	--	59.6	59.5	--
27)	05/03 16:00				ISM Services Employment	Apr	--	50.8	51.3	--
28)	05/03 16:00				ISM Services New Orders	Apr	--	56.1	52.2	--

The US added 296,000 jobs in April, ADP figures show. That's almost double consensus and well above a revised 142,000 in the prior reading. The ISM services index rose to 51.9 for April, higher than expected. The S&P Global US April services and composite PMIs were revised slightly lower, to 53.6 and 53.4, respectively.

The report showcases a labor market that has remained largely resilient despite signs of cooling on the margins. That said, layoffs that originally that started in the technology sector are now spreading to other industries as the impact of the Federal Reserve's interest-rate increases ripples across the economy.

Source: Bloomberg

US Job Gains and Wages Pick Up

Unemployment rate unexpectedly retreated to multi-decade low

United States		Browse		14:15:08		05/03/23		05/15/23			
Economic Releases		All Economic Releases				View		Agenda		Weekly	
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised	
39)	05/05 14:30		🔔	📊	Change in Nonfarm Payrolls	Apr	185k	253k	236k	165k	
40)	05/05 14:30		🔔	📊	Change in Private Payrolls	Apr	160k	230k	189k	123k	
41)	05/05 14:30		🔔	📊	Change in Manufact. Payrolls	Apr	-5k	11k	-1k	-8k	
42)	05/05 14:30		🔔	📊	Unemployment Rate	Apr	3.6%	3.4%	3.5%	--	
43)	05/05 14:30		🔔	📊	Average Hourly Earnings MoM	Apr	0.3%	0.5%	0.3%	--	
44)	05/05 14:30		🔔	📊	Average Hourly Earnings YoY	Apr	4.2%	4.4%	4.2%	4.3%	
45)	05/05 14:30		🔔	📊	Average Weekly Hours All Employees	Apr	34.4	34.4	34.4	--	

Nonfarm payrolls increased 253,000 after a downwardly revised 165,000 advance in March, a Bureau of Labor Statistics report showed Friday. The unemployment rate fell back to a multi-decade low of 3.4%.

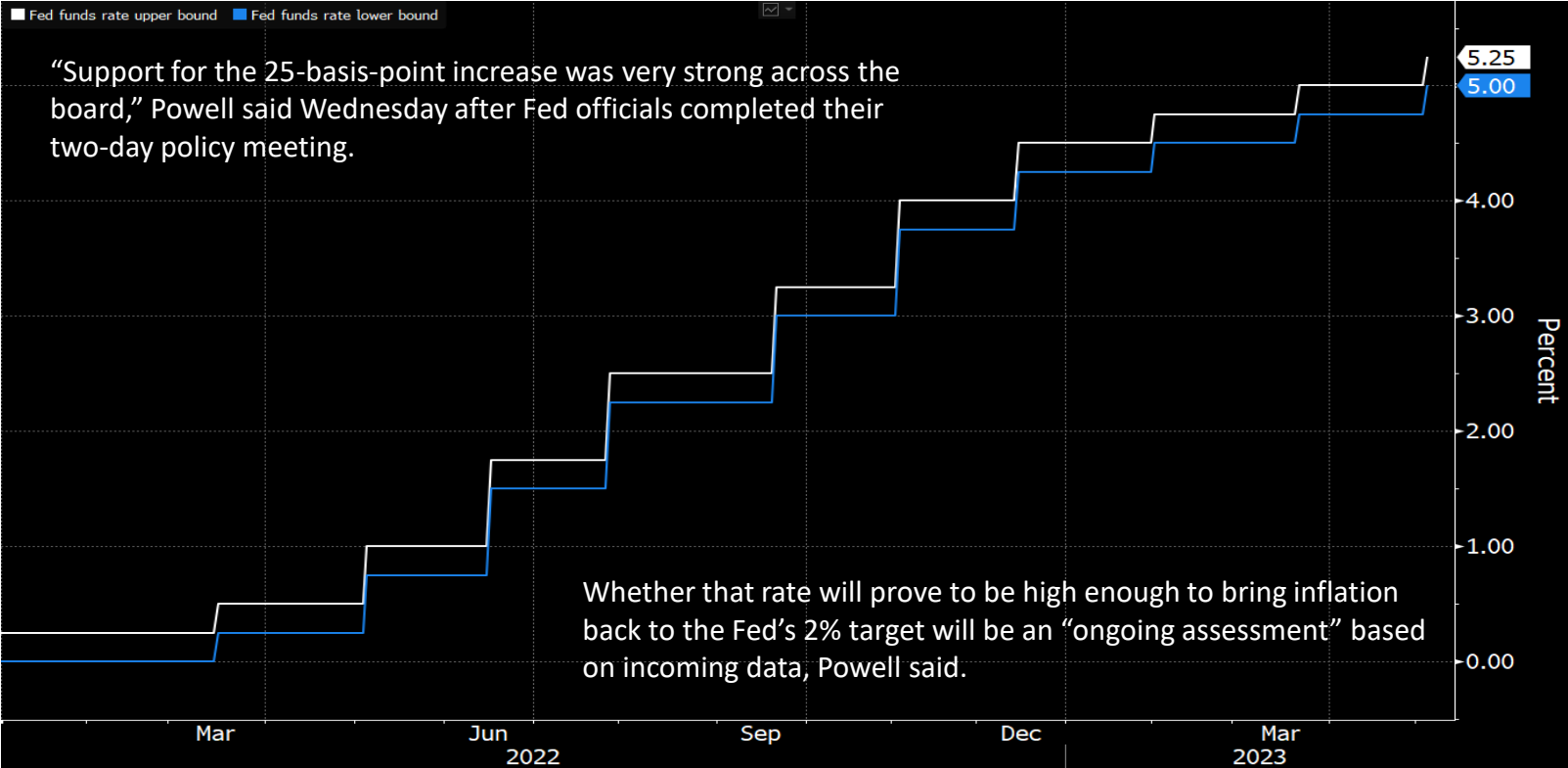
The job growth was broad-based, reflecting gains in health care, professional and business services as well as leisure and hospitality. However, the prior two months of payrolls were revised lower by a combined 149,000.

The latest figures underscore the resilience of labor demand despite growing concerns about the toll high interest rates, inflation and tightening credit conditions are projected to take on the economy. While some businesses have paused hiring or laid off workers, others are still boosting pay in an effort to fill a multitude of open positions.

Source: Bloomberg

Fed Raises Interest Rates by a Quarter Point

Rates are at the highest since 2007



Source: Bloomberg

One More ... Watching For The Fed's Last Hike?

Close to the end?

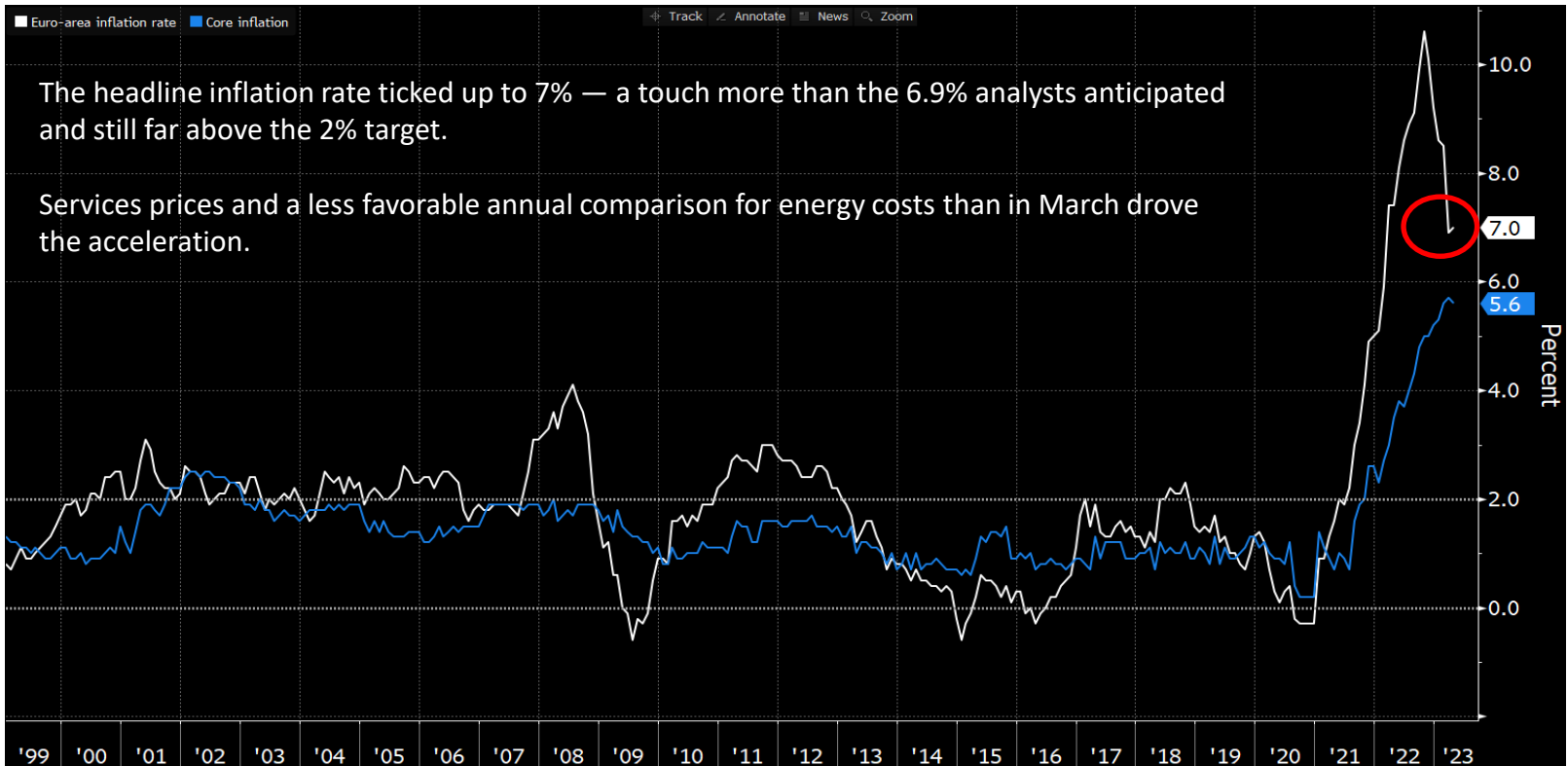


Source: Bloomberg

- Federal Reserve Chair Jerome Powell hinted the US central bank's latest interest-rate increase **could be the last one**, but stopped short of declaring victory on its battle against rapid price increases.
- He suggested officials **may pause** their tightening campaign **in June** to assess how the US economy is responding to tighter credit conditions resulting from higher interest rates and recent stress in the banking sector.
- Policymakers lifted interest rates for the 10th time since early last year, bringing the Fed's benchmark rate above 5% from near zero levels last year.
- Fed chief pushes back on expectations for rate cuts in 2023

Euro-Zone Core Inflation Slows

Underlying gauge eased to 5.6% in April, headline climbs to 7%



The headline inflation rate ticked up to 7% — a touch more than the 6.9% analysts anticipated and still far above the 2% target.

Services prices and a less favorable annual comparison for energy costs than in March drove the acceleration.

Source: Bloomberg

One, Two or Three: More ECB Hikes Are in the Pipeline

Lagarde has flagged at least two more moves in the pipeline

- Last Friday's comments underpin Lagarde's claim that the ECB's latest decision received "almost unanimous support," even though she reported some officials would have preferred a bigger, half-point move.
- "The Governing Council will continue to follow a **data-dependent approach** to determining the appropriate level and duration of restriction."
- While policymakers slowed their tightening pace to a quarter-point, Lagarde indicated she still anticipates at least **two more hikes.**



→ **One more quarter-point step:** TD Securities, Sarasin, MFS, NatWest

→ **Two more quarter-point steps:** Barclays, Deutsche Bank, Nordea, UniCredit, ABN Amro, Credit Suisse, UBS, Nomura, Berenberg, BNP Paribas, Rabobank, RBS, TS Lombard

Source: Bloomberg

A Flood of Borrowers Look to Raise Cash...

... before key inflation readings are released later this week.



Dealers surveyed by Bloomberg are expecting **\$30 billion to \$35 billion** of US **high-grade corporate bond** sales this week as corporate debt markets show signs of stabilizing.

As many as 15 borrowers could emerge to sell debt Monday, looking to lock in funding before the release of consumer price index and producer price index data slated to come Wednesday and Thursday.

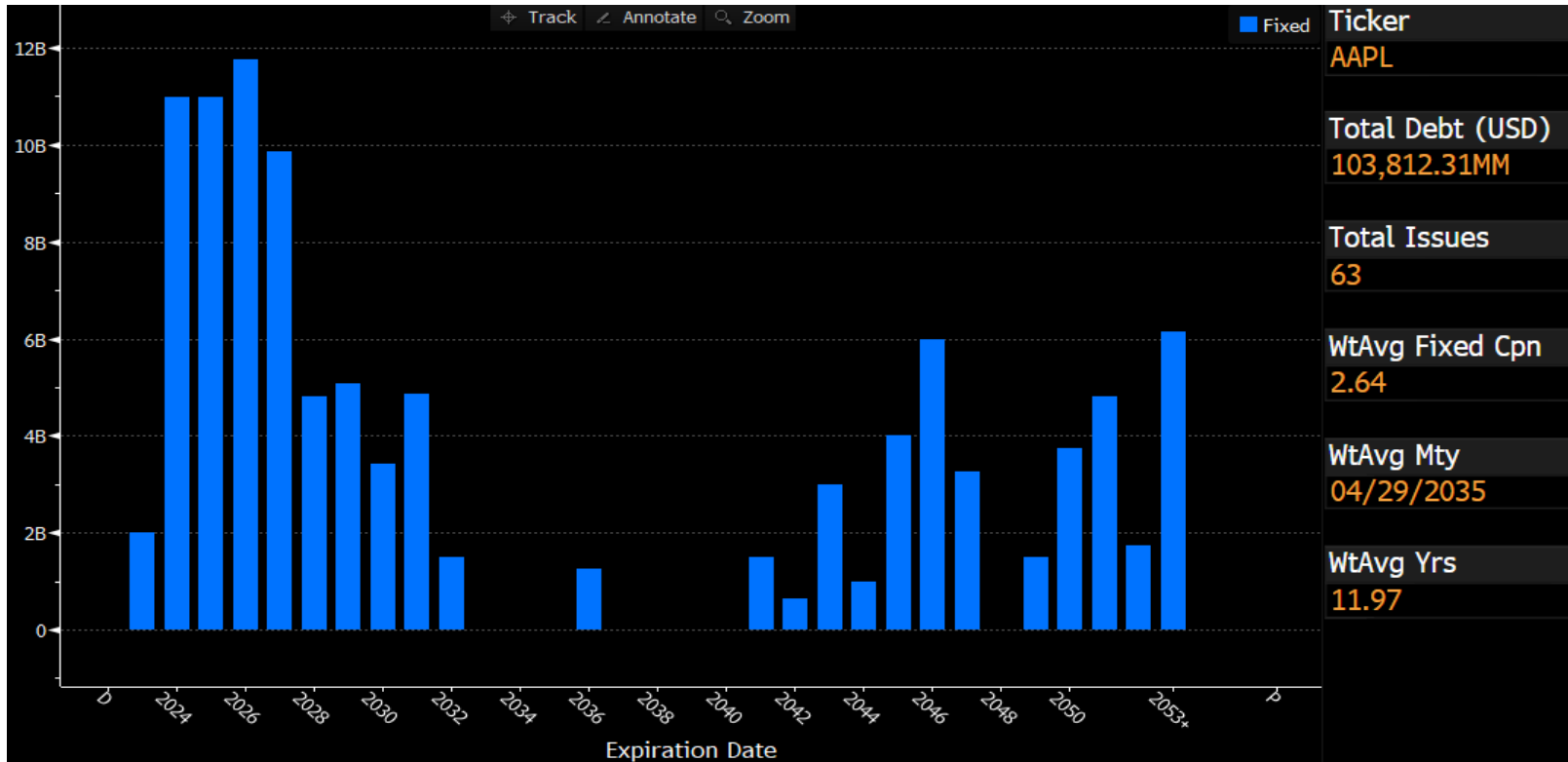
CPI YoY	Apr	5.0%	--	5.0%
CPI Ex Food and Energy YoY	Apr	5.5%	--	5.6%

Apple Inc. is selling debt in the US blue-chip bond market Monday as a flood of borrowers look to raise cash before key inflation readings are released later this week. The \$5 billion deal is expected to come in as many as five parts, according to a person familiar with the matter. The longest portion, a 30-year bond, could yield 135 basis points over comparable Treasuries, the person said.

Source: Bloomberg

Apple Keeps Tapping Bonds

Apple's bond-maturity profile



Source: Bloomberg

AAPL 2 3/8 02/08/41 - USD 1.5bn Issue

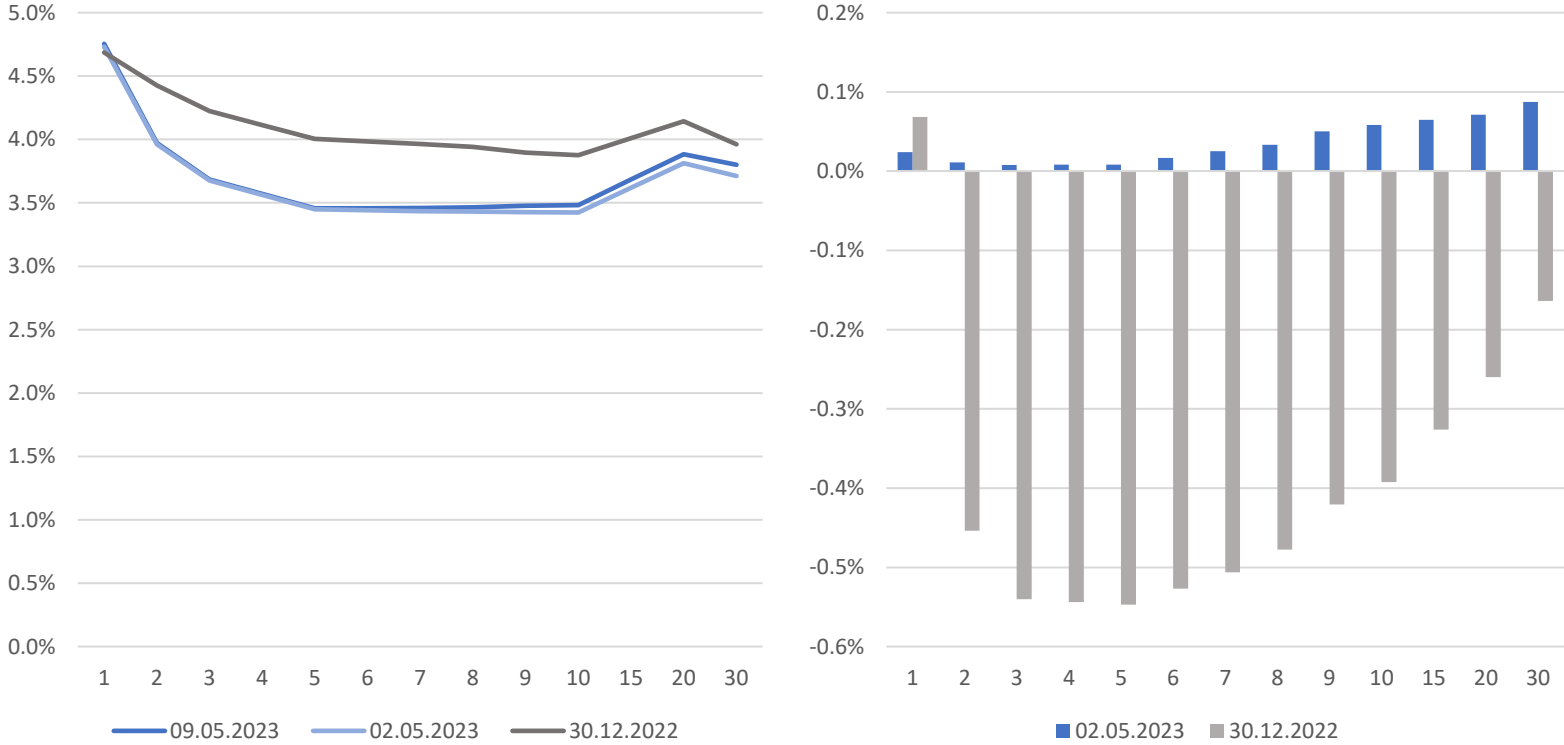
YTM 4.55% (+65 bps over UST 20y) / Modified Duration 13.5 / Rating Aaa; AA+



Source: Bloomberg

US Treasury Yield Curve

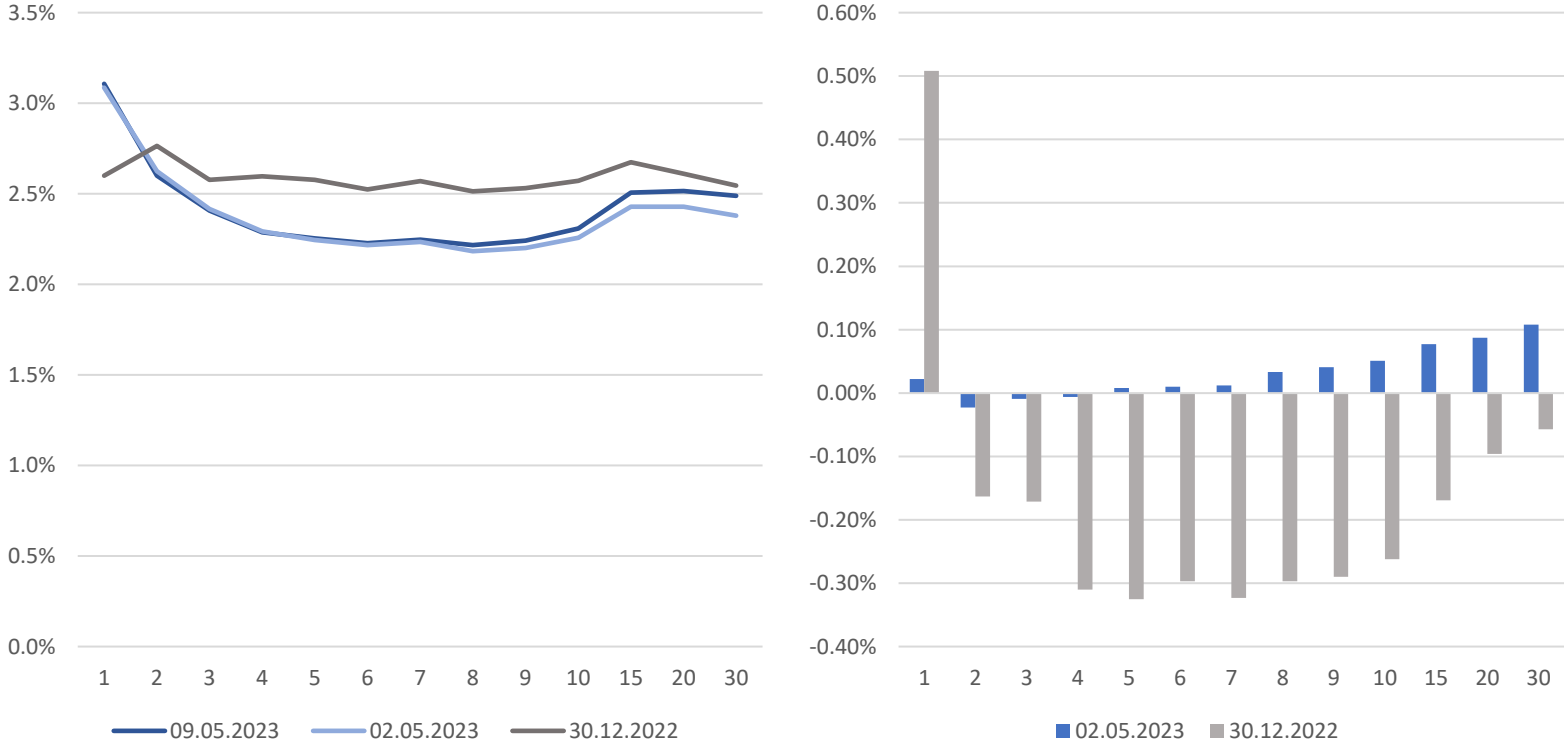
Yield curve changes YTD & MTD



Source: Bloomberg, RPAG Asset Management

German Sovereign Yield Curve

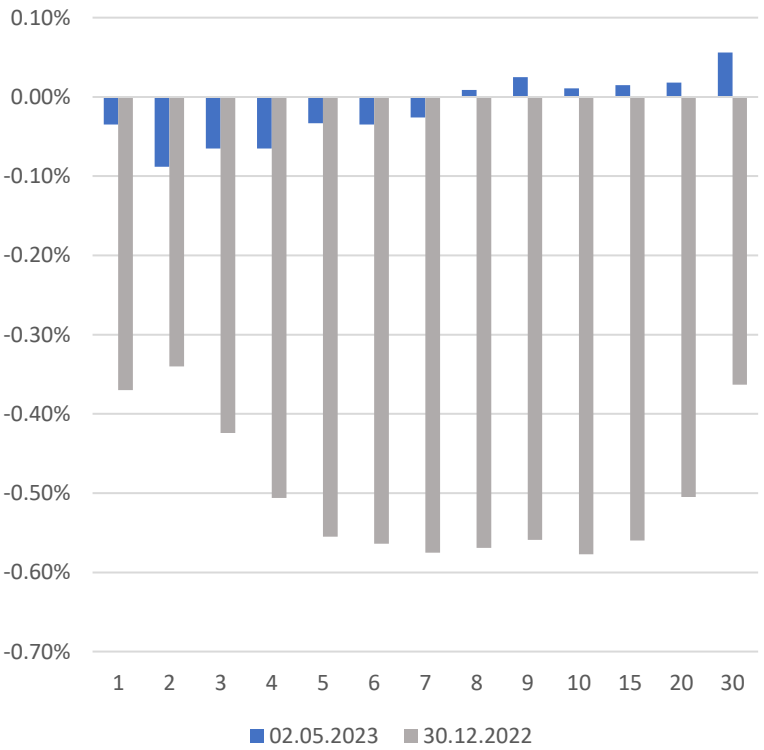
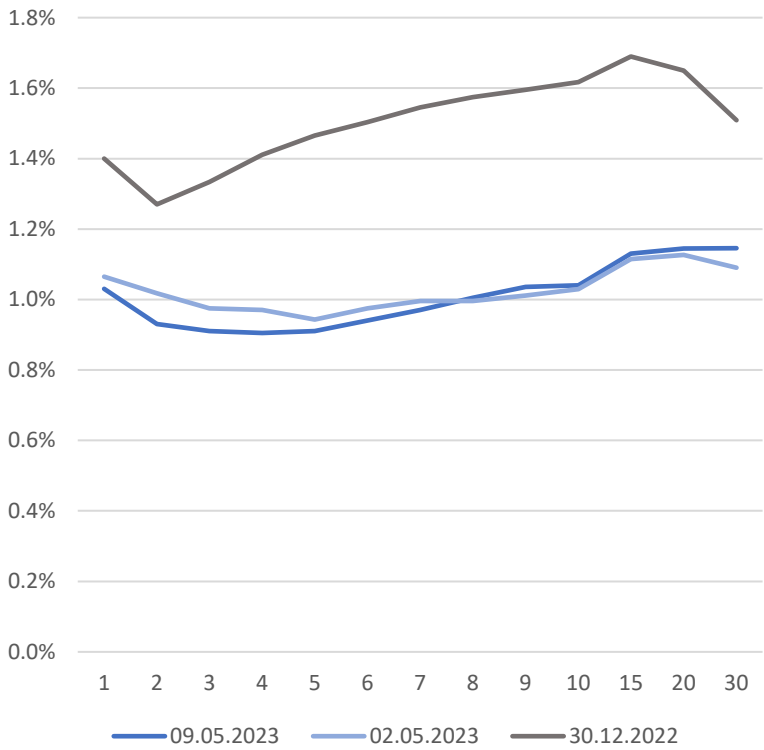
Yield curve changes YTD & MTD



Source: Bloomberg, RPAG Asset Management

Swiss Sovereign Yield Curve

Yield curve changes YTD & MTD



Source: Bloomberg, RPAG Asset Management

Central Banks Rate Analysis

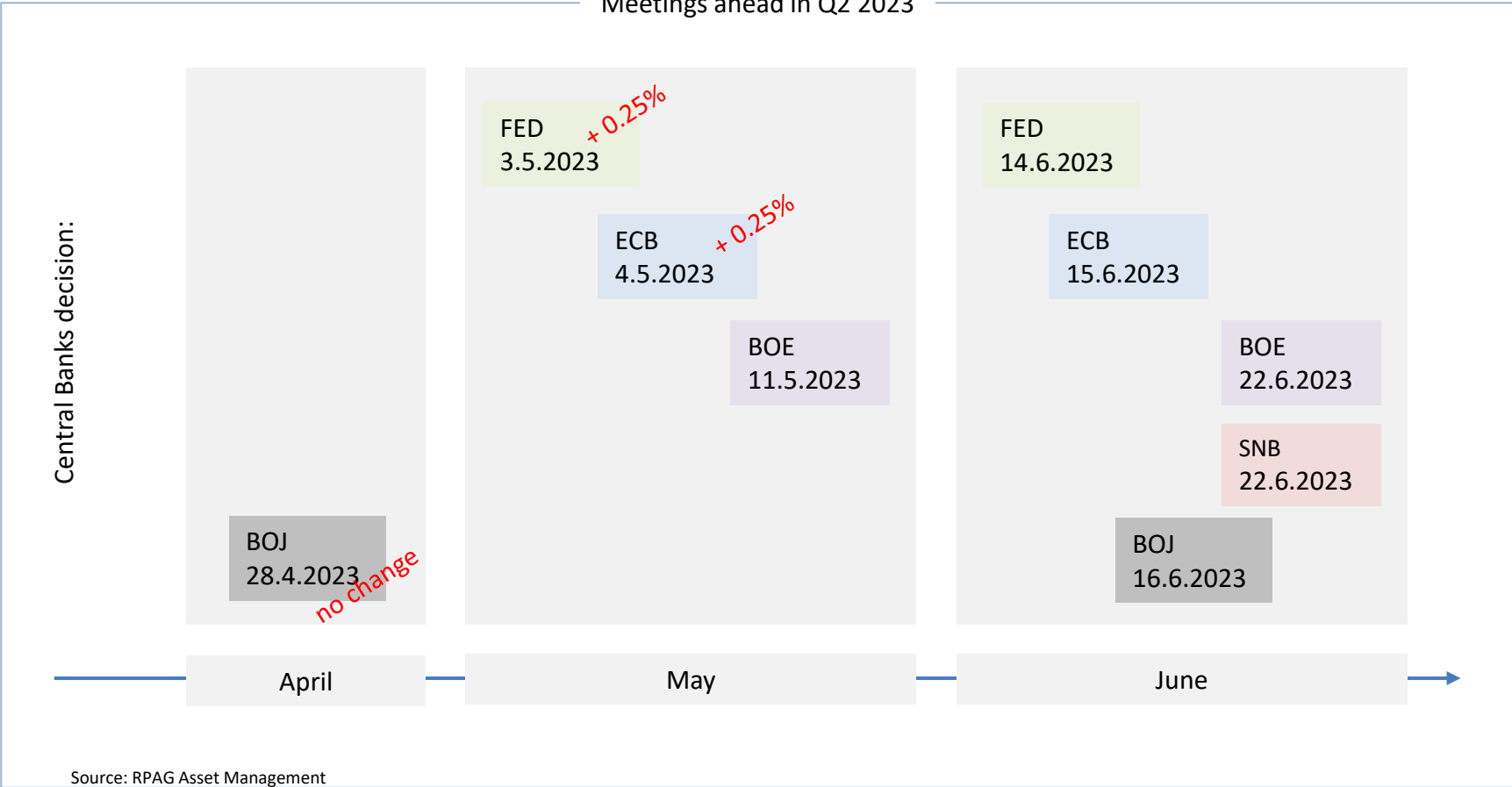
ECB / FED



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Central banks meetings overview in Q2 2023

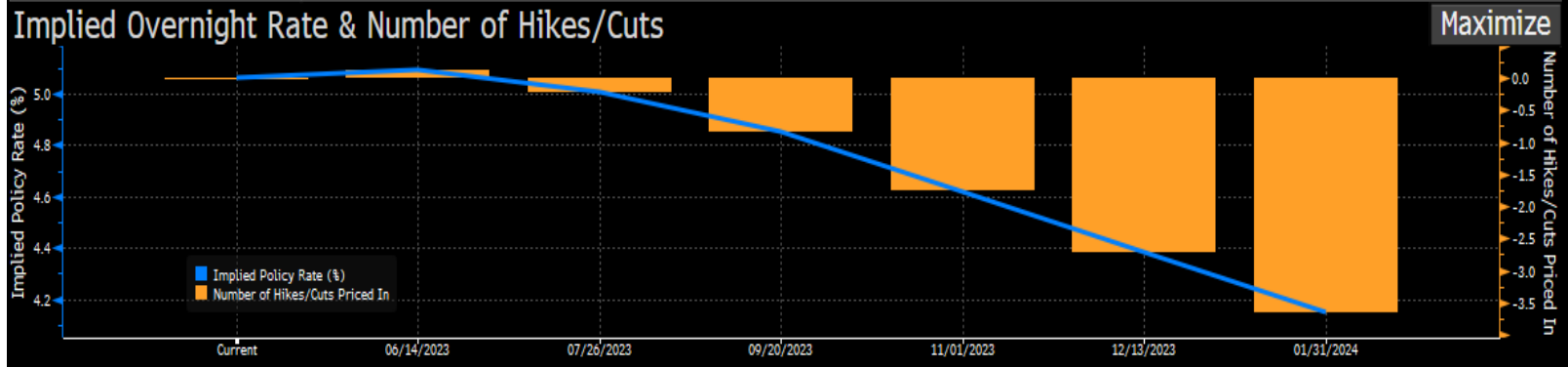
Meetings ahead in Q2 2023



Fed Funds Target Rate Interest Rate Probability

Implied Overnight Rate & Number of Hikes/Cuts

Meeting	#Hikes/Cuts	%Hike/Cut	Imp. Rate Δ	Implied Rate	A.R.M.
06/14/2023	+0.124	+12.4%	+0.031	5.092	0.250
07/26/2023	-0.234	-35.8%	-0.059	5.003	0.250
09/20/2023	-0.834	-60.0%	-0.209	4.852	0.250
11/01/2023	-1.765	-93.1%	-0.441	4.620	0.250
12/13/2023	-2.717	-95.2%	-0.679	4.382	0.250
01/31/2024	-3.654	-93.7%	-0.914	4.148	0.250

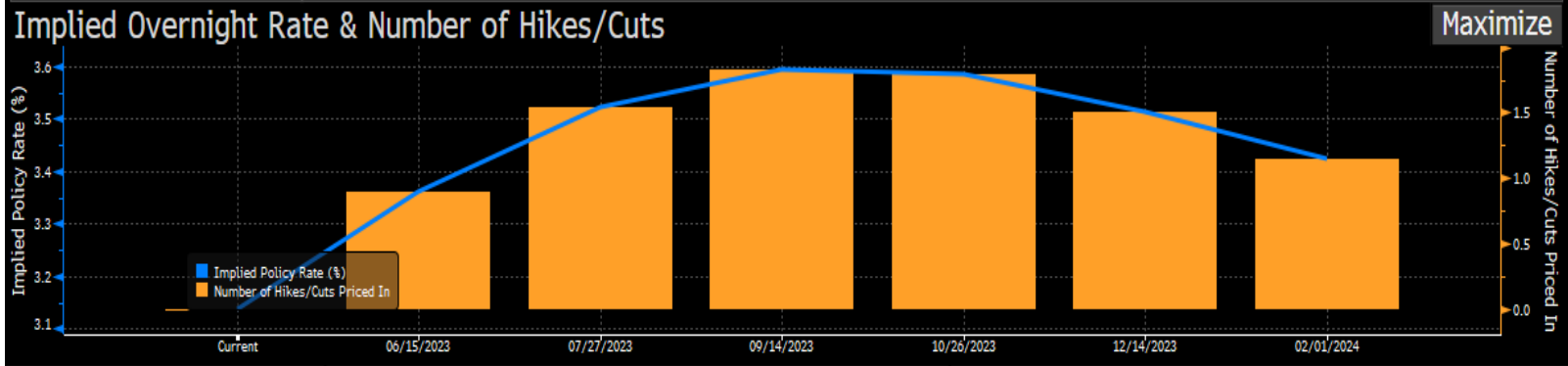


Source: Bloomberg

ECB 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.
06/15/2023	+0.899	+89.9%	+0.225	3.361	0.250
07/27/2023	+1.541	+64.2%	+0.385	3.522	0.250
09/14/2023	+1.828	+28.7%	+0.457	3.594	0.250
10/26/2023	+1.796	-3.2%	+0.449	3.586	0.250
12/14/2023	+1.501	-29.5%	+0.375	3.512	0.250
02/01/2024	+1.152	-34.9%	+0.288	3.424	0.250



Source: Bloomberg

Credit Spreads

iTraxx Crossover / CDX HY / CDX EM



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Credit Spreads: iTraxx Europe Crossover

ITRX XOVER CDSI GEN 5Y



Source: Bloomberg

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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