

Anlage- und Produktmeeting

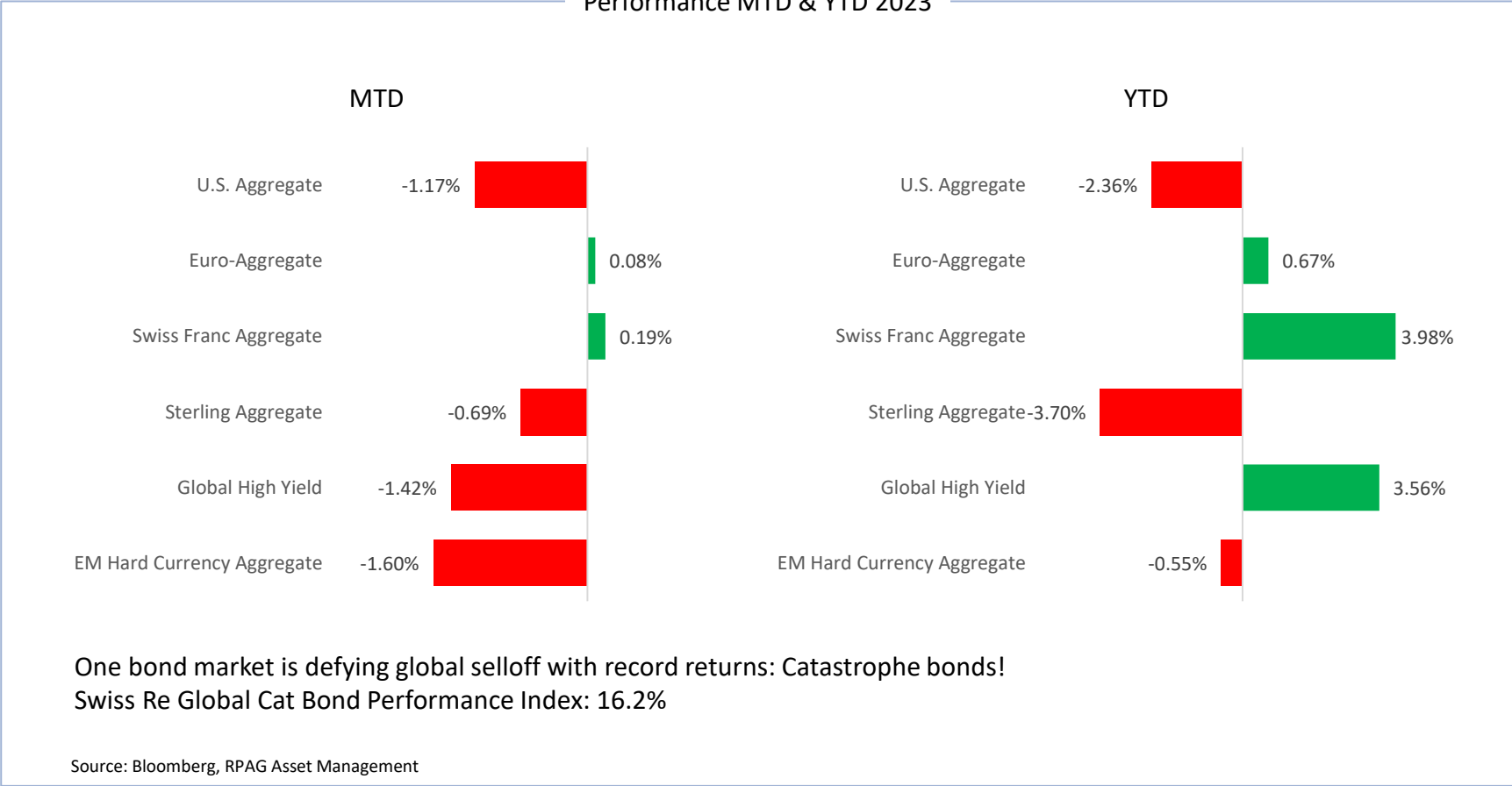
10. Oktober 2023



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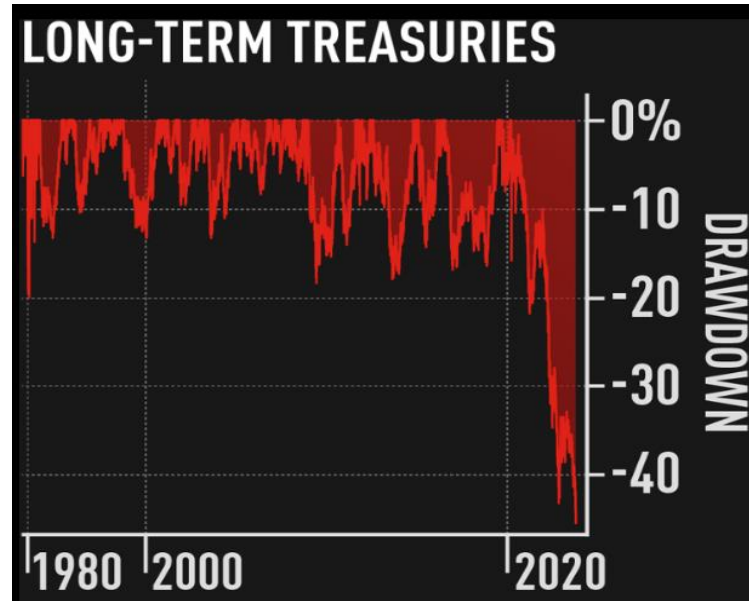
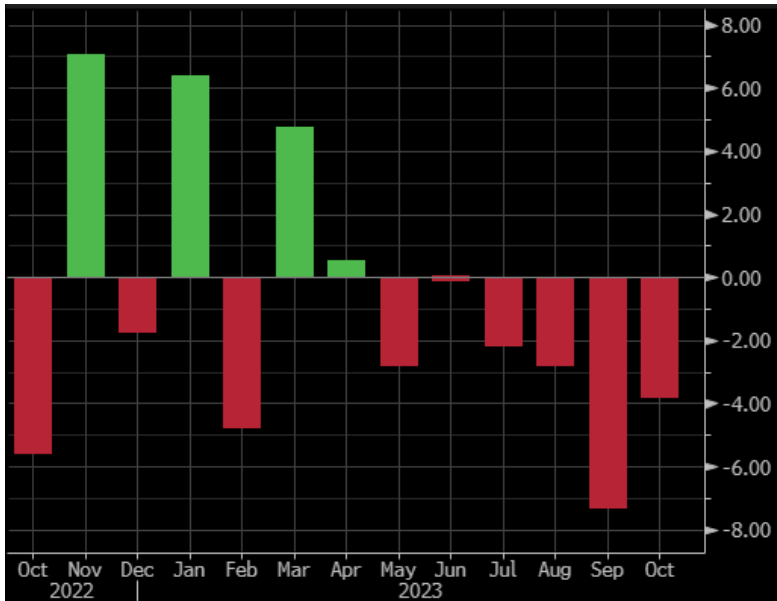
Global Bloomberg Aggregate Indices

Performance MTD & YTD 2023



Long-Term US Treasuries

Treasury with 10 years or more to maturity



Bond losses are starting to rival some of the most notorious market meltdowns in US history. The drop in those maturing in 10 years or more is just shy of that in the aftermath of the dot-com bust. "It would still be very surprising if we escaped from this economic hole without a recession," Bloomberg Opinion's John Authers wrote.

Source: Bloomberg

Long-Duration Austria Century Bond

RAGB 0.85 06/30/2120 € / Modified Duration 41.7



Mohamed El-Erian (He/Him)

President @ Queens' College, Cambridge | Finance, Economics Exp...

1 Tag • 🌐

Here, from Jamie Chisholm at @MarketWatch, is an illustration of the damage an interest rate surge can do to a long-duration bond: The price of the Austrian century bond has slumped by tv ... mehr anzeigen

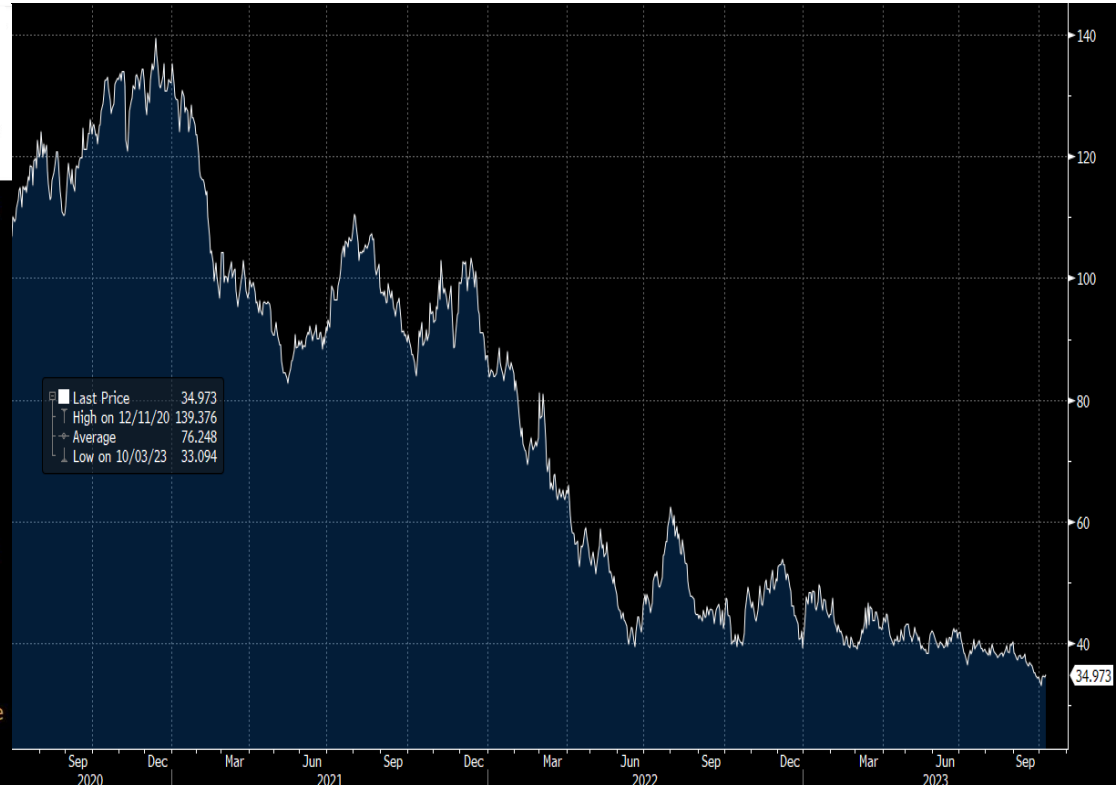
[Übersetzung anzeigen](#)

(MarketWatch) -- When Austria sold a fresh batch of 100-year bonds in the summer of 2020, the 0.85% coupon was deemed so juicy that Vienna received some EUR16 billion of orders.

On Tuesday, the yield on that 'century bond' maturing in 2120 was flirting with 3%, its price having fallen below EUR33, according to Tradingview.

That 67% price decline is a reminder to investors about duration risk, or the sensitivity of an asset to changes in interest rates. In the case of bonds, the longer the maturity, in simple terms, the greater duration risk.

Clearly, that made a 100-year bond, launched at a time when central banks were artificially suppressing interest rates, especially risky.



Source: Bloomberg

UST Yields Extend Rise. Peak In Sight?

UST 10y and 30y yields hit new multi-year highs



Bear Steepening Continues!

Bond market is starting to believe: "higher for longer interest rates"



Last Year Was About Markets Adjusting to Higher Rates.

This year is about markets adjusting to rates staying high for longer.

Opinion **Markets Insight**

The US may no longer avoid a recession

The economy is likely to weaken as markets internalise the significant likelihood that rates will stay higher for longer

MOHAMED EL-ERIAN

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In just the last two weeks, the yield on the benchmark US 10-year bond has risen by some 0.5 percentage points to around 4.8 per cent as part of a comprehensive shift in the entire interest rate structure. The move brought the change in yields to an eye-popping 1 percentage point since the end of June, leading to higher borrowing rates for companies, more burdensome car loans for households, and more pronounced and uneven deposit outflows from the banking system as investors shift cash into money market accounts. And notably, the cost of a 30-year mortgage is about to top 8 per cent, making already expensive home purchases even less affordable.

The yield on the 10-year US government bond is currently trading above 4.70%.

Simply put:

Last year was about markets adjusting to higher rates. This year is about markets adjusting to rates staying high for longer.

The process of market adjustment is ongoing while that of the economy is at a significantly earlier stage.

Mohamed El-Erian

US Jobs Data

US Employment Report for September

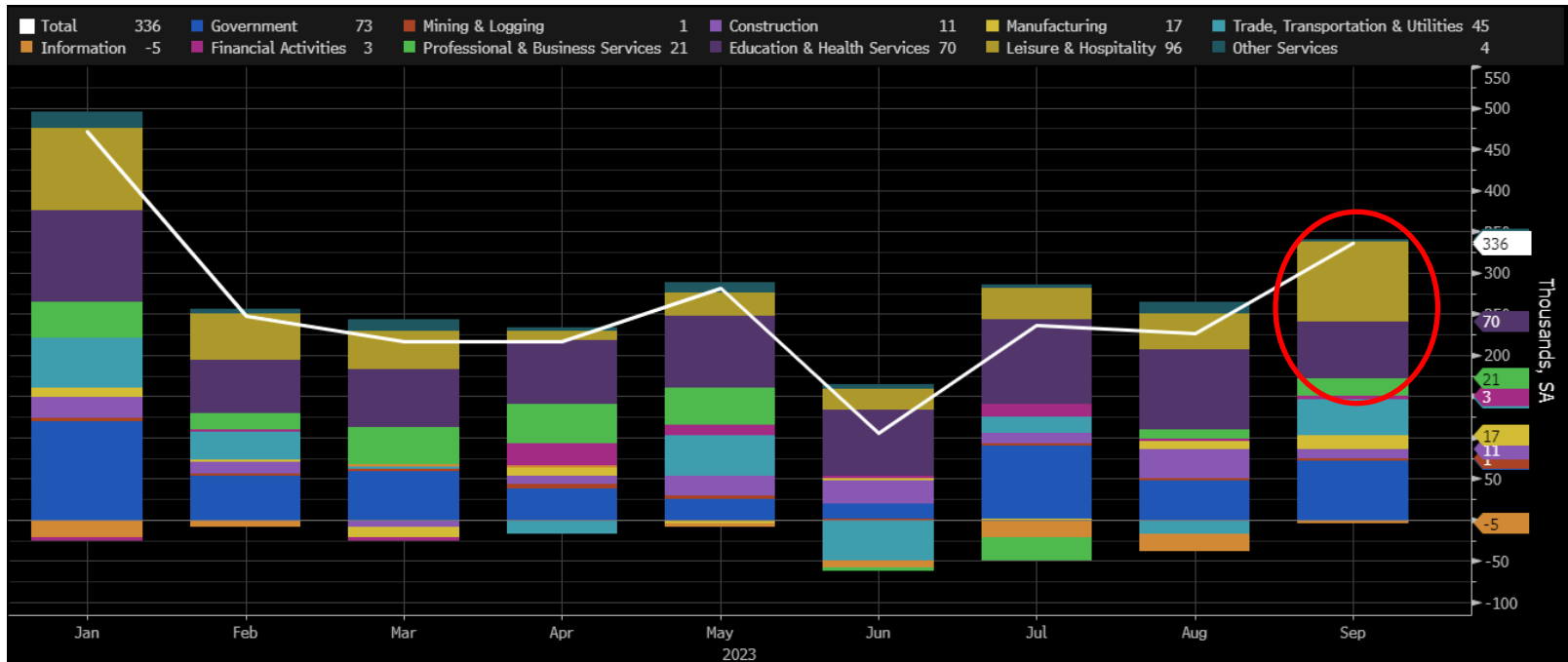
United States		Browse		11:00:54		10/01/23 - 10/16/23				
Economic Releases		All Economic Releases		View <input checked="" type="radio"/> Agenda <input type="radio"/> Weekly <input type="radio"/>						
Date	Time	A	M	R	Event	Period	Surv(M)	Actual	Prior	Revised
48)	10/06 14:30				Change in Nonfarm Payrolls	Sep	170k	336k	187k	227k
49)	10/06 14:30				Change in Private Payrolls	Sep	160k	263k	179k	177k
50)	10/06 14:30				Change in Manufact. Payrolls	Sep	5k	17k	16k	11k
51)	10/06 14:30				Unemployment Rate	Sep	3.7%	3.8%	3.8%	--
52)	10/06 14:30				Average Hourly Earnings MoM	Sep	0.3%	0.2%	0.2%	--
53)	10/06 14:30				Average Hourly Earnings YoY	Sep	4.3%	4.2%	4.3%	--
54)	10/06 14:30				Average Weekly Hours All Employees	Sep	34.4	34.4	34.4	--
55)	10/06 14:30				Labor Force Participation Rate	Sep	62.8%	62.8%	62.8%	--
56)	10/06 14:30				Underemployment Rate	Sep	--	7.0%	7.1%	--

- Employers added 336,000 jobs in September, the most since January and about double the median estimate in a Bloomberg survey. Revisions also added 119,000 more jobs for July and August.
- The unemployment rate held at 3.8% amid a surge of unemployed re-entrants looking for a job, while the participation rate remained unchanged at 62.8%.
- Average weekly hours were also unchanged. Wages increased 0.2% from the prior month, but wage growth slowed from the prior year to 4.2%.
- Gains in payrolls were led by the hospitality-leisure and education-healthcare sectors, following a trend we've seen in the past year as those industries rebuild their ranks after the pandemic and as service demand rises. Restaurant and bar employment levels are now back to pre-pandemic highs.

Source: Bloomberg

Breakdown of US Non-Farm Payrolls

MoM Net Change



Gains in payrolls were led by the **hospitality-leisure** and **education-healthcare** sectors, following a trend we've seen in the past year as those industries rebuild their ranks after the pandemic and as service demand rises. Restaurant and bar employment levels are now back to pre-pandemic highs.

Source: Bloomberg

JPM Considers Adding Saudi Riyal Bonds to Key EM Index

Move could see kingdom attract significant foreign inflows

JPMorgan Chase & Co. is considering adding Saudi Arabia's local-currency bonds to its benchmark emerging-market index, according to people familiar with the matter, a move that would help the kingdom attract more foreign portfolio investment and fund huge projects to diversify from oil.

The Wall Street bank has placed Saudi Arabia under review for inclusion into the Government Bond Index-Emerging Markets, a suite of indexes tracked by roughly \$236 billion of funds.

The kingdom is keen to join and its regulators are working to make sure the bonds are eligible for inclusion, said the people, who asked not to be identified because the matter is confidential.

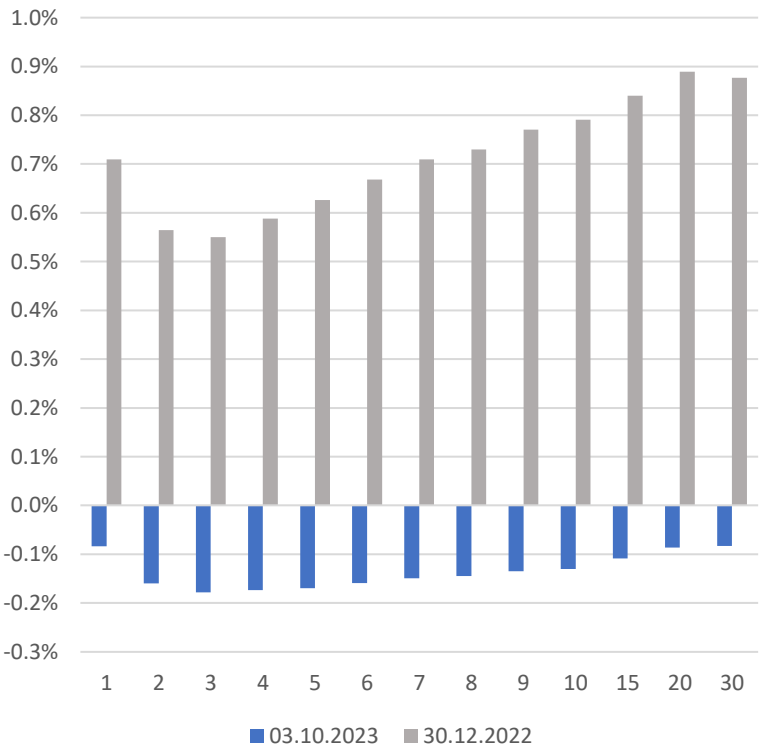
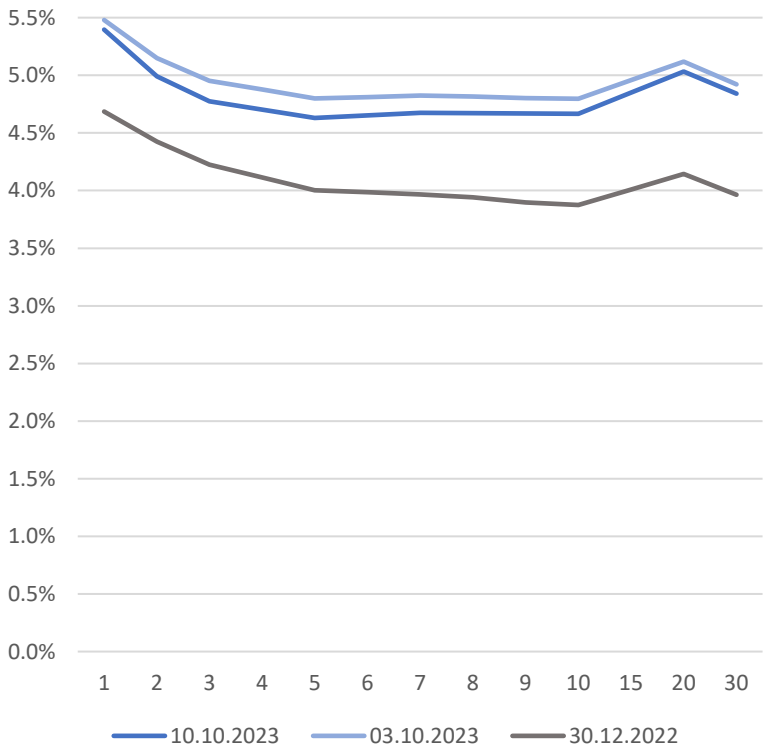
The potential inclusion could boost the liquidity of Saudi government securities and attract more passive funds, which often track indexes such as JPMorgan's. That would be a welcome boost for the kingdom, given it's struggling to attract significant foreign direct investment or overseas flows into its debt market.

China has the biggest weighting in the GBI-EM indexes. Other countries include Brazil, Malaysia, Mexico, Poland, South Africa and Turkey. Last month, JPMorgan announced that India would gain entry in June next year. The India move will see it attract \$40 billion of inflows, Goldman Sachs Group Inc. estimates.

Source: Bloomberg

US Treasury Yield Curve

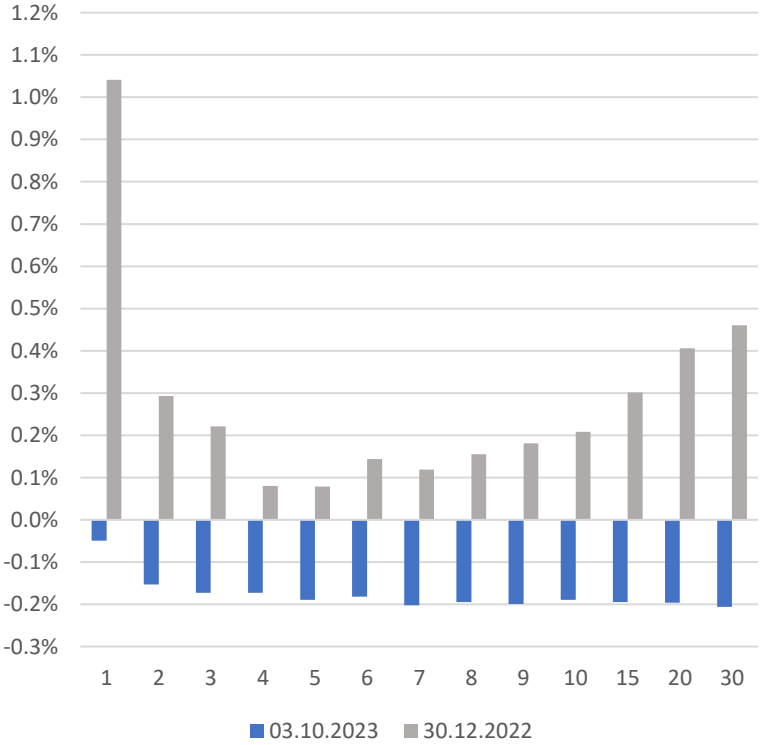
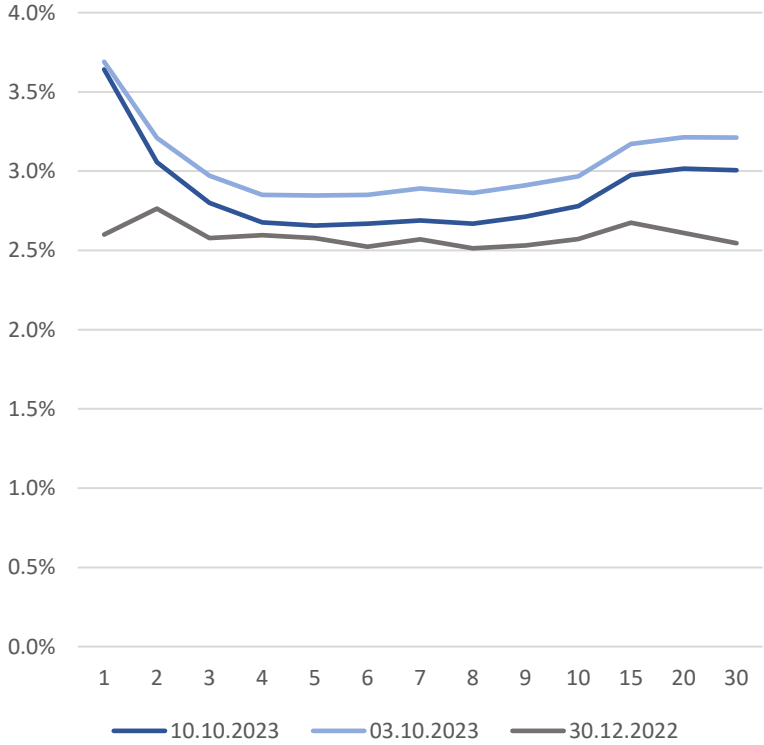
Yield curve changes YTD & MTD



Source: Bloomberg, RPAG Asset Management

German Sovereign Yield Curve

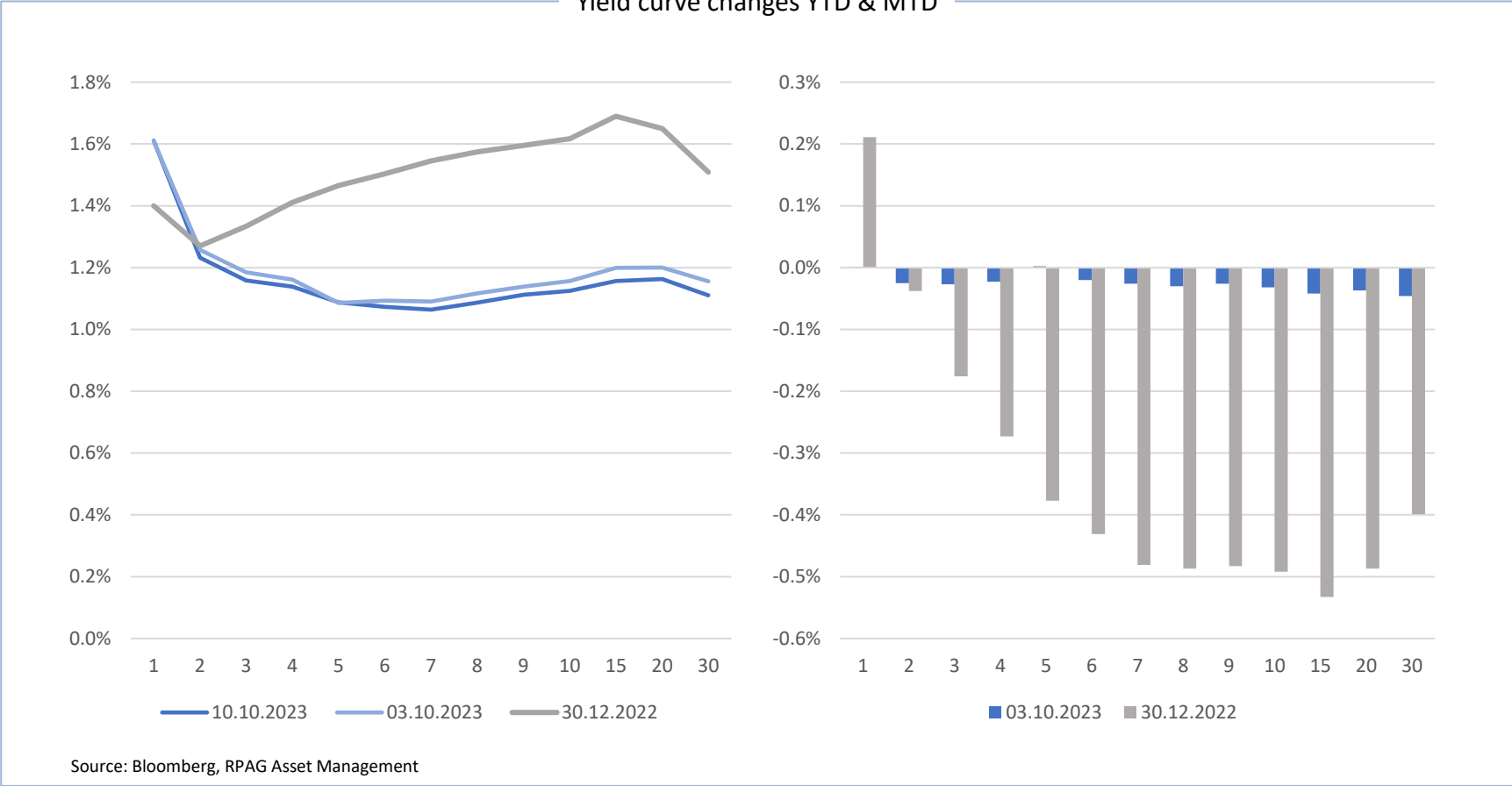
Yield curve changes YTD & MTD



Source: Bloomberg, RPAG Asset Management

Swiss Sovereign Yield Curve

Yield curve changes YTD & MTD



Central Banks Rate Analysis

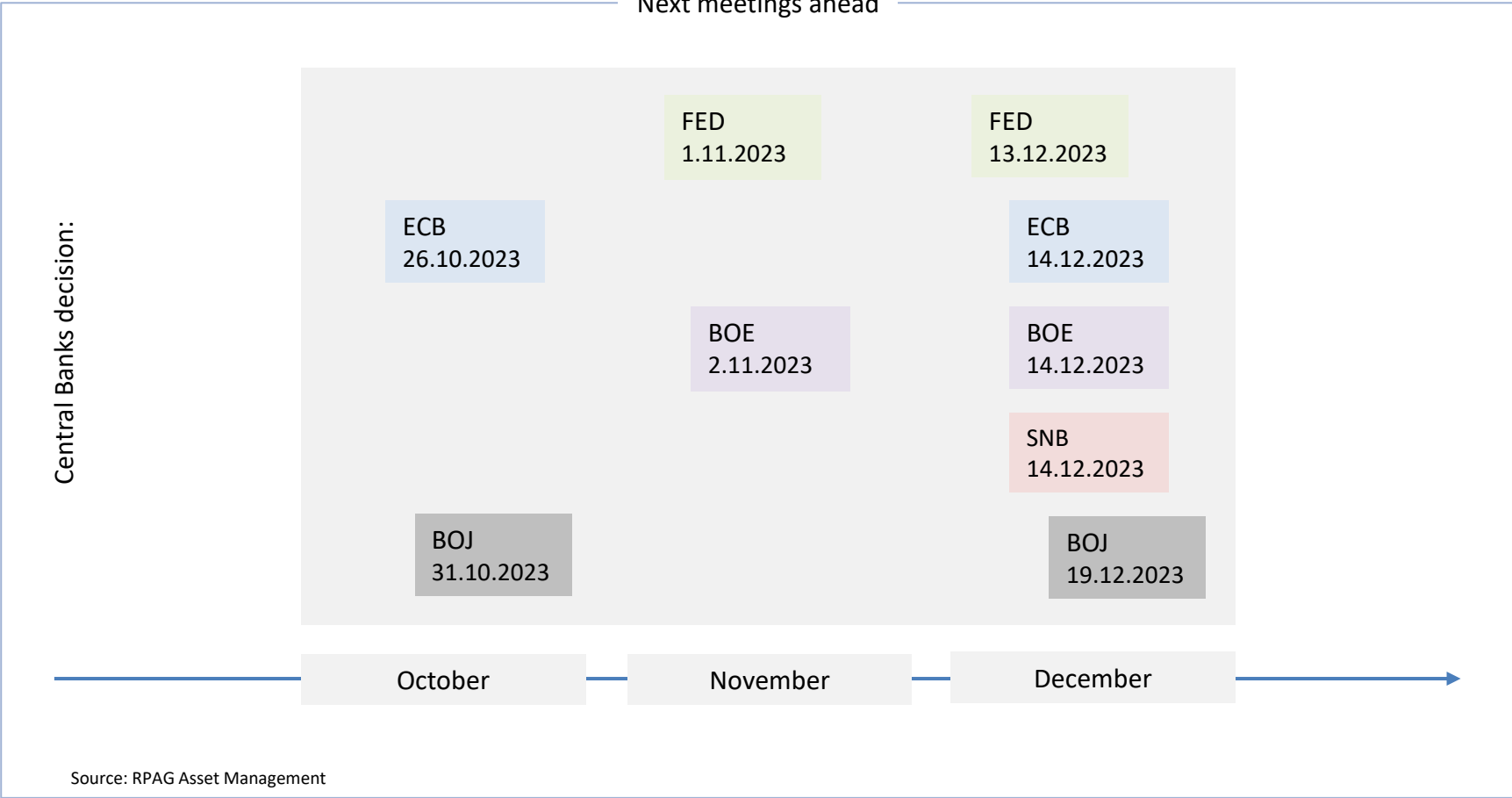
ECB / FED / BOE / SNB / BOJ



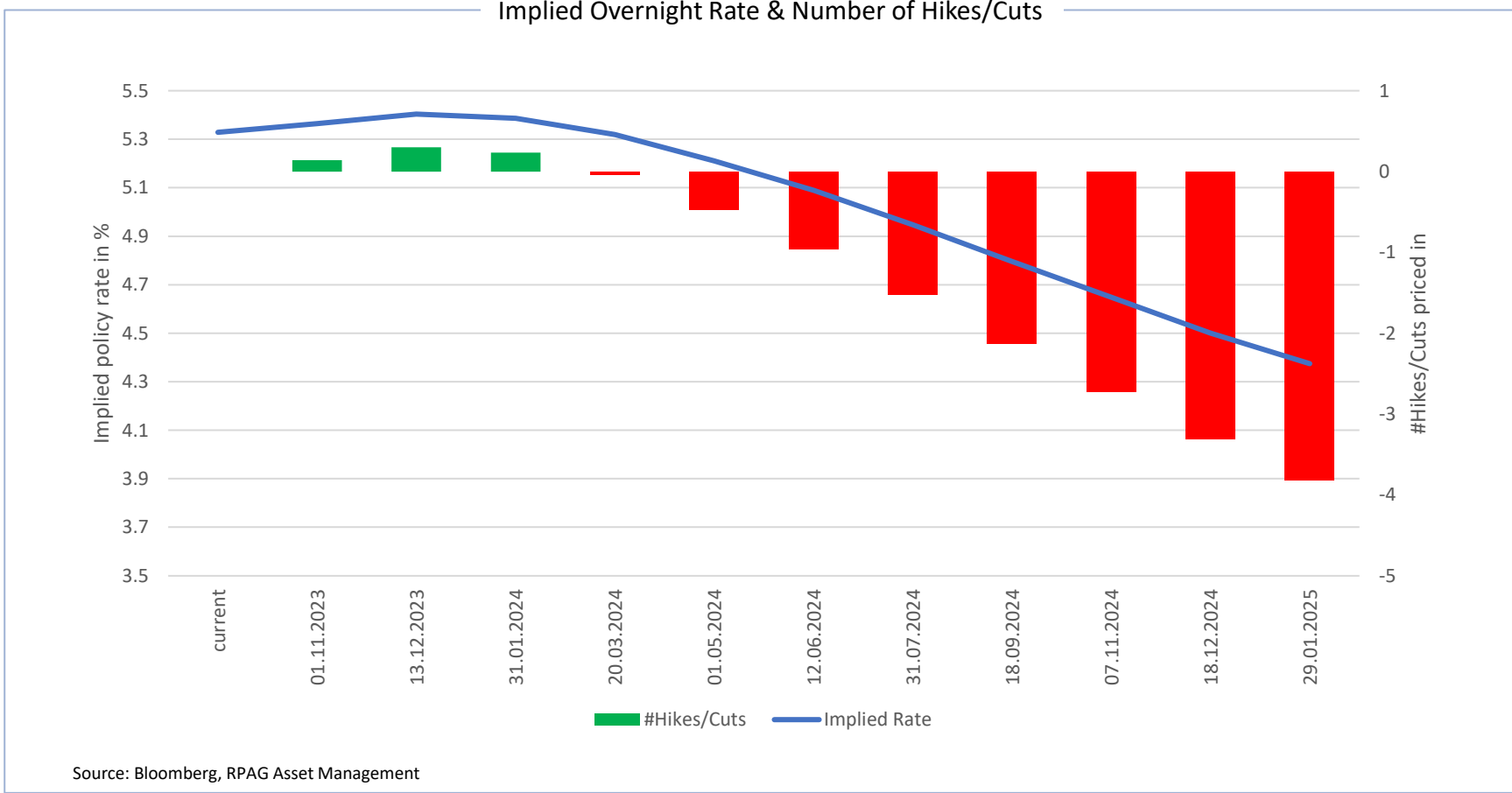
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Central banks meetings overview

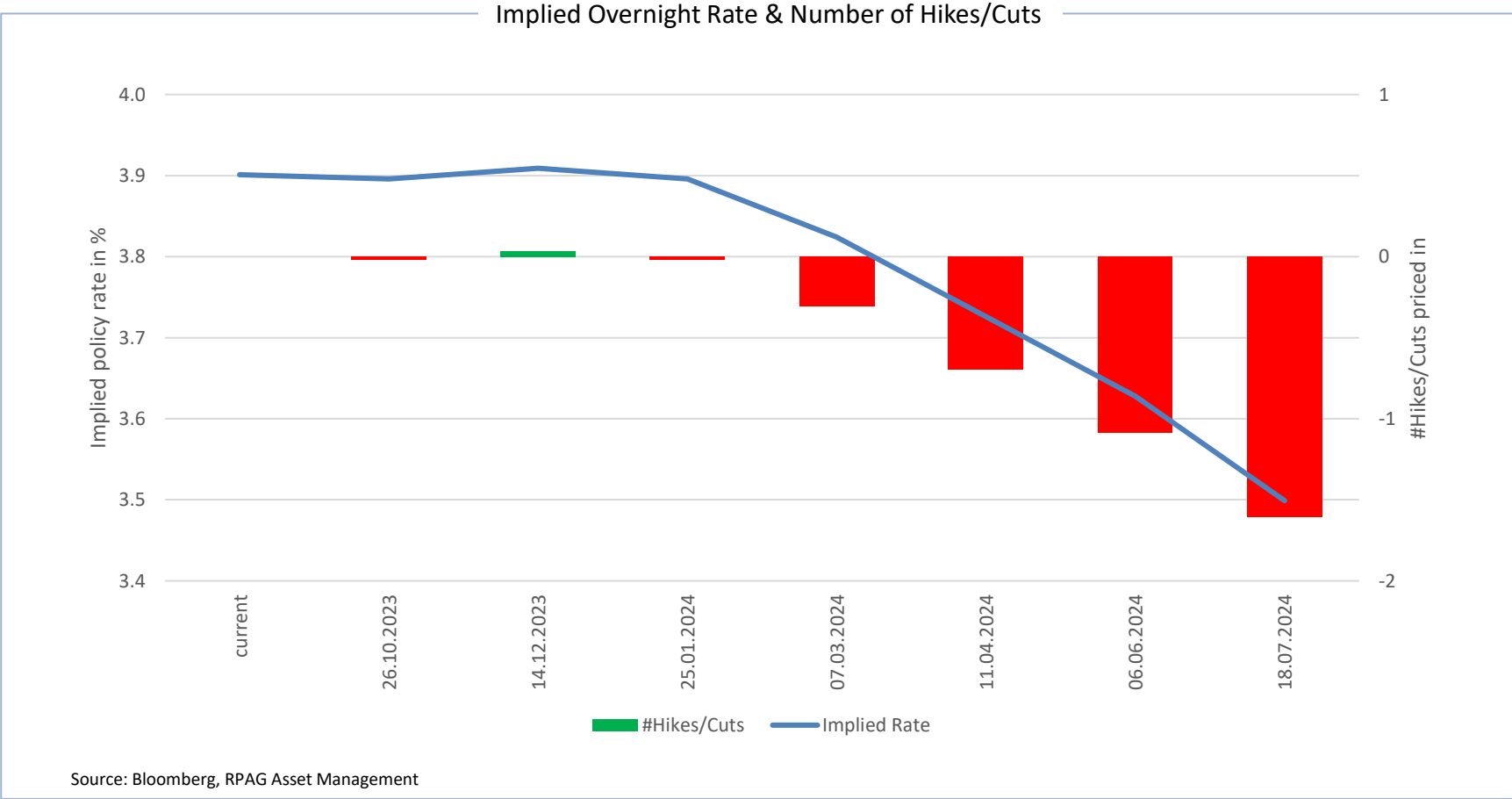
Next meetings ahead



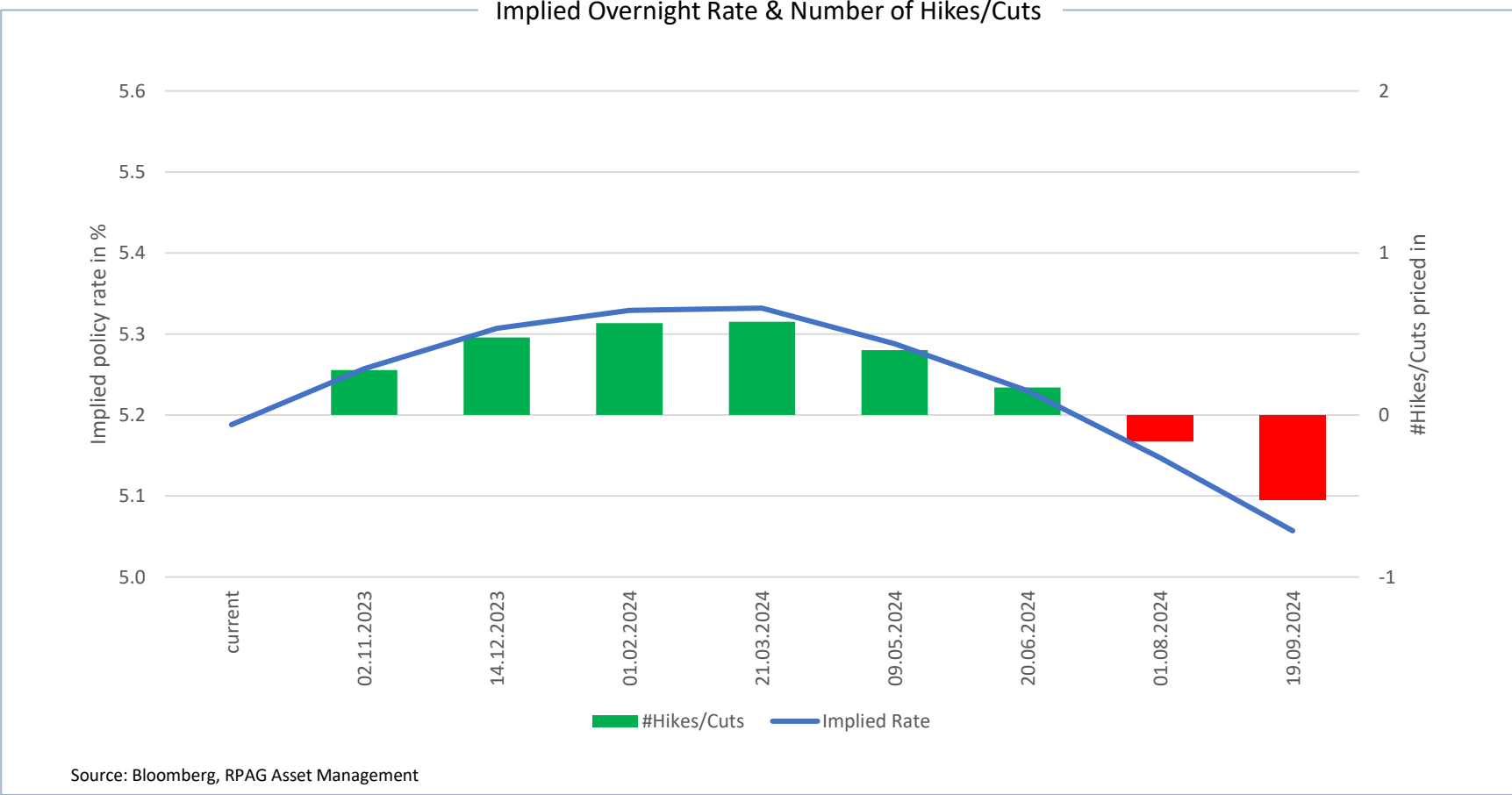
FED Funds Target Rate Interest Rate Probability



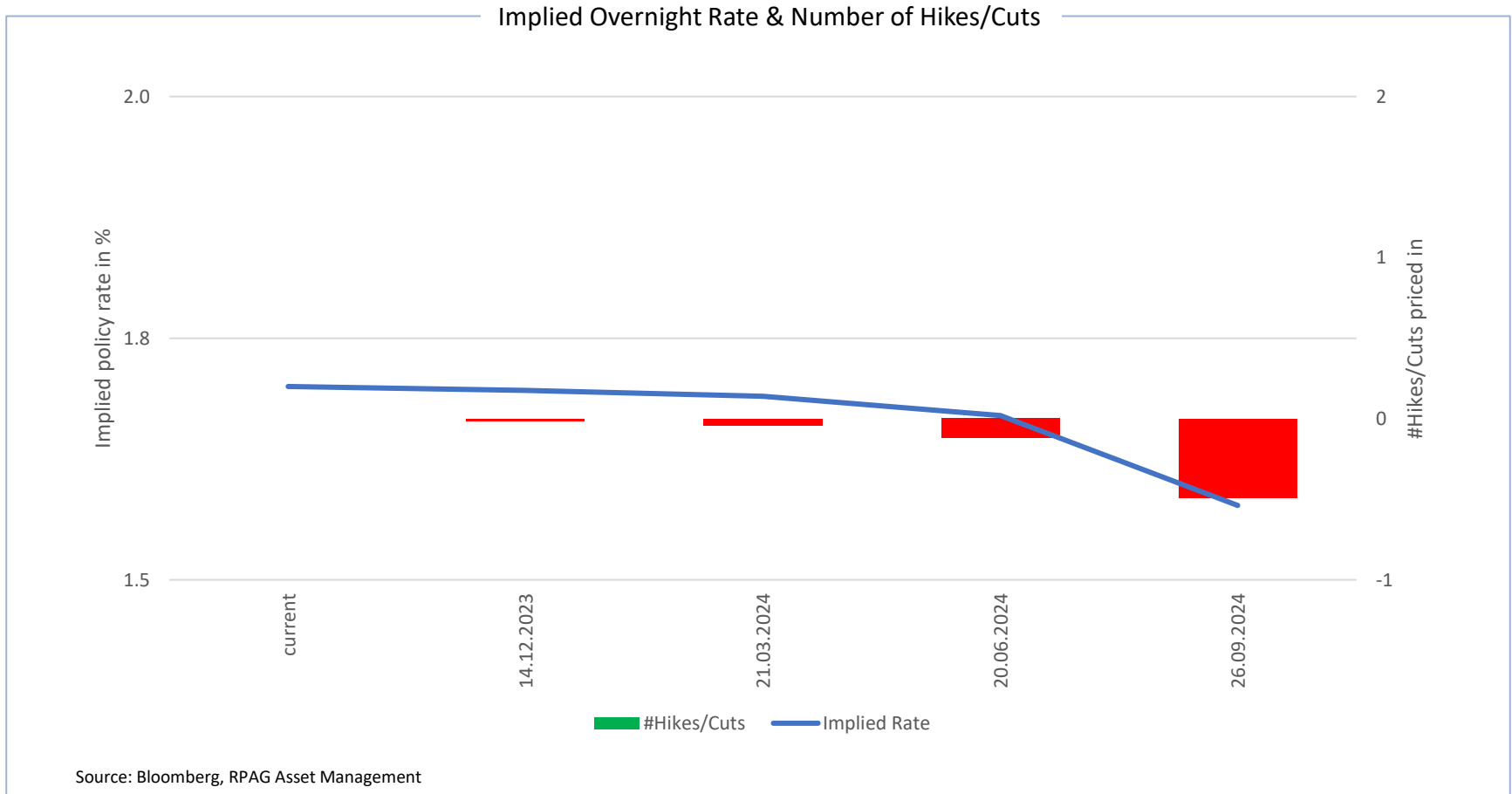
ECB Target Rate Interest Rate Probability



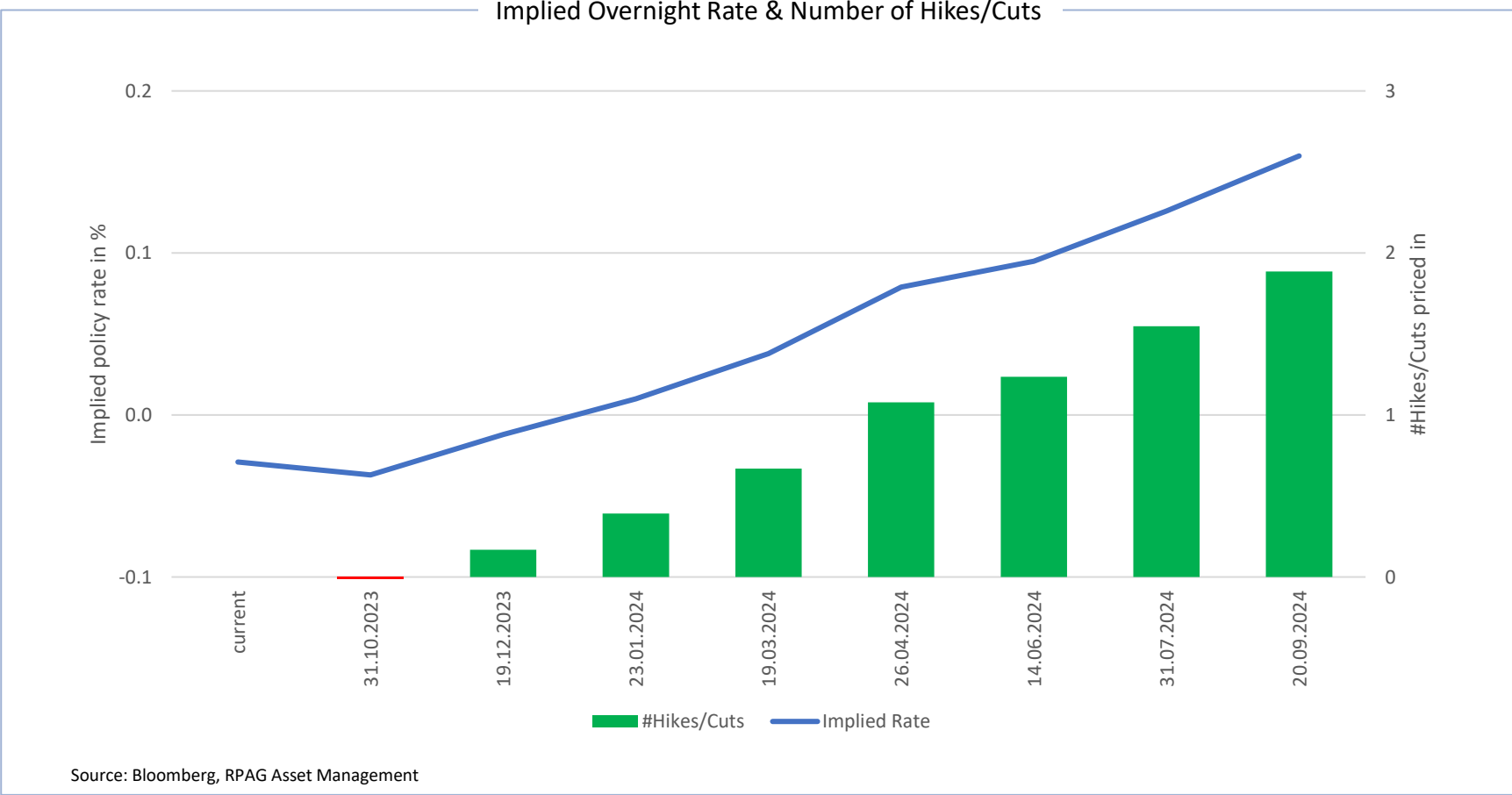
BOE Target Rate Interest Rate Probability



SNB Target Rate Interest Rate Probability



BOJ Target Rate Interest Rate Probability



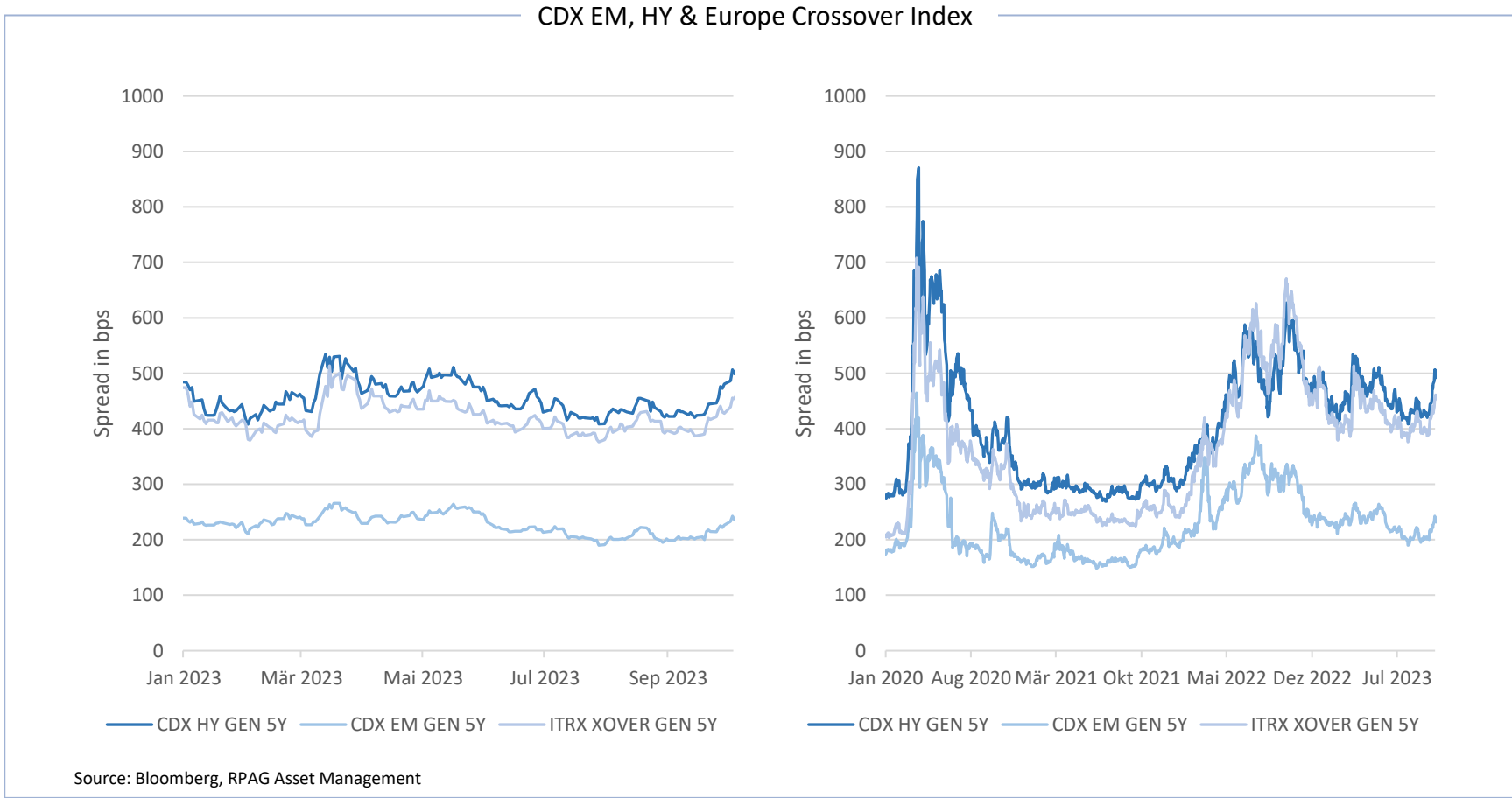
Credit Spreads

iTraxx Crossover / CDX HY / CDX EM



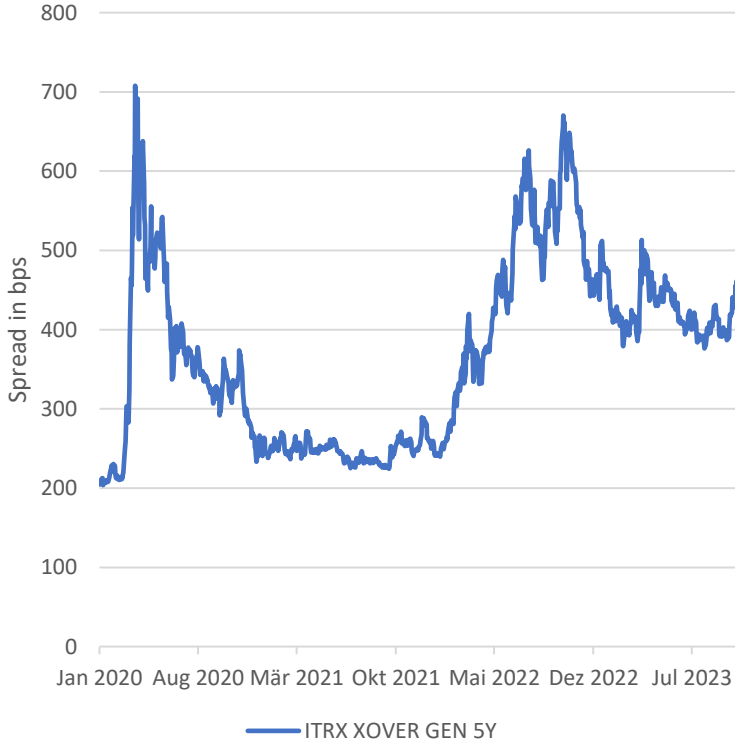
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Credit Spreads: CDX EM, HY & Europe Crossover Index



Credit Spreads: iTraxx Europe Crossover

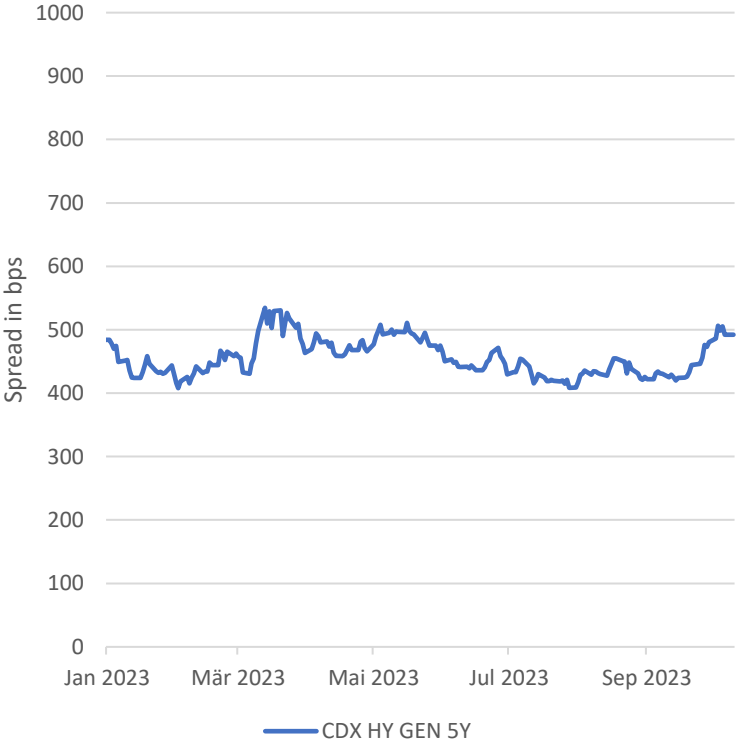
ITRX XOVER CDSI GEN 5Y



Source: Bloomberg, RPAG Asset Management

Credit Spreads: CDX North America High Yield Index

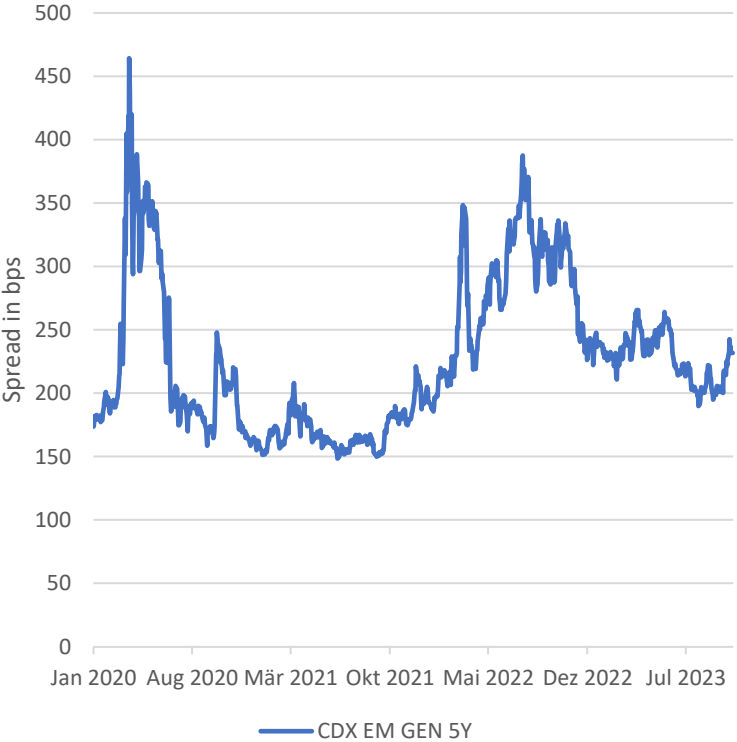
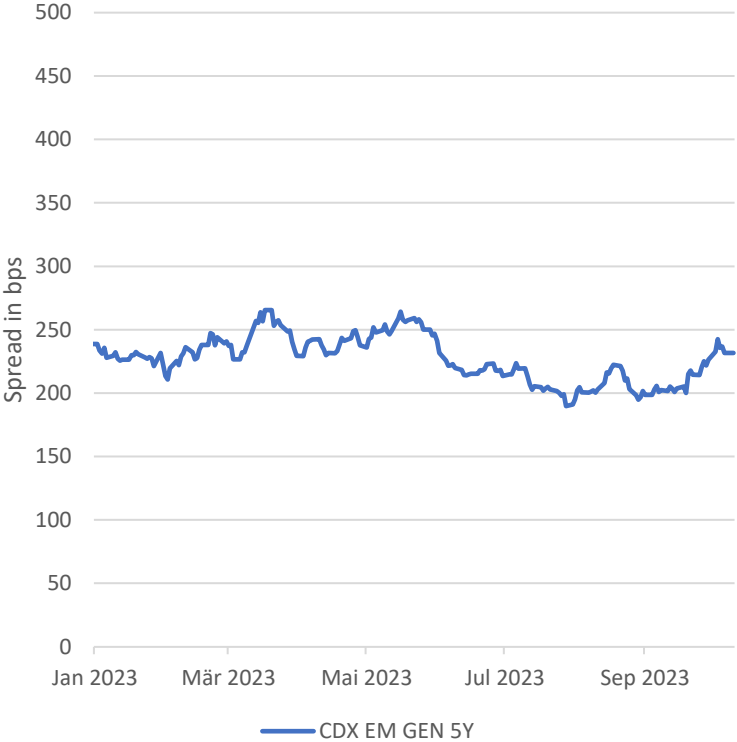
CDX HY CDSI GEN 5Y SPRD



Source: Bloomberg, RPAG Asset Management

Credit Spreads: CDX Emerging Markets Index

CDX EM CDSI GEN 5Y SPRD



Source: Bloomberg, RPAG Asset Management

Haftungsausschluss

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