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A glass sphere sits on a dark, textured rock. The sphere is partially filled with water and reflects the surrounding environment, including a sunset or sunrise sky. A large, semi-transparent green diamond shape is overlaid on the right side of the sphere, containing the text 'MID-YEAR OUTLOOK' and '16.06.2022'.

MID-YEAR OUTLOOK

16.06.2022



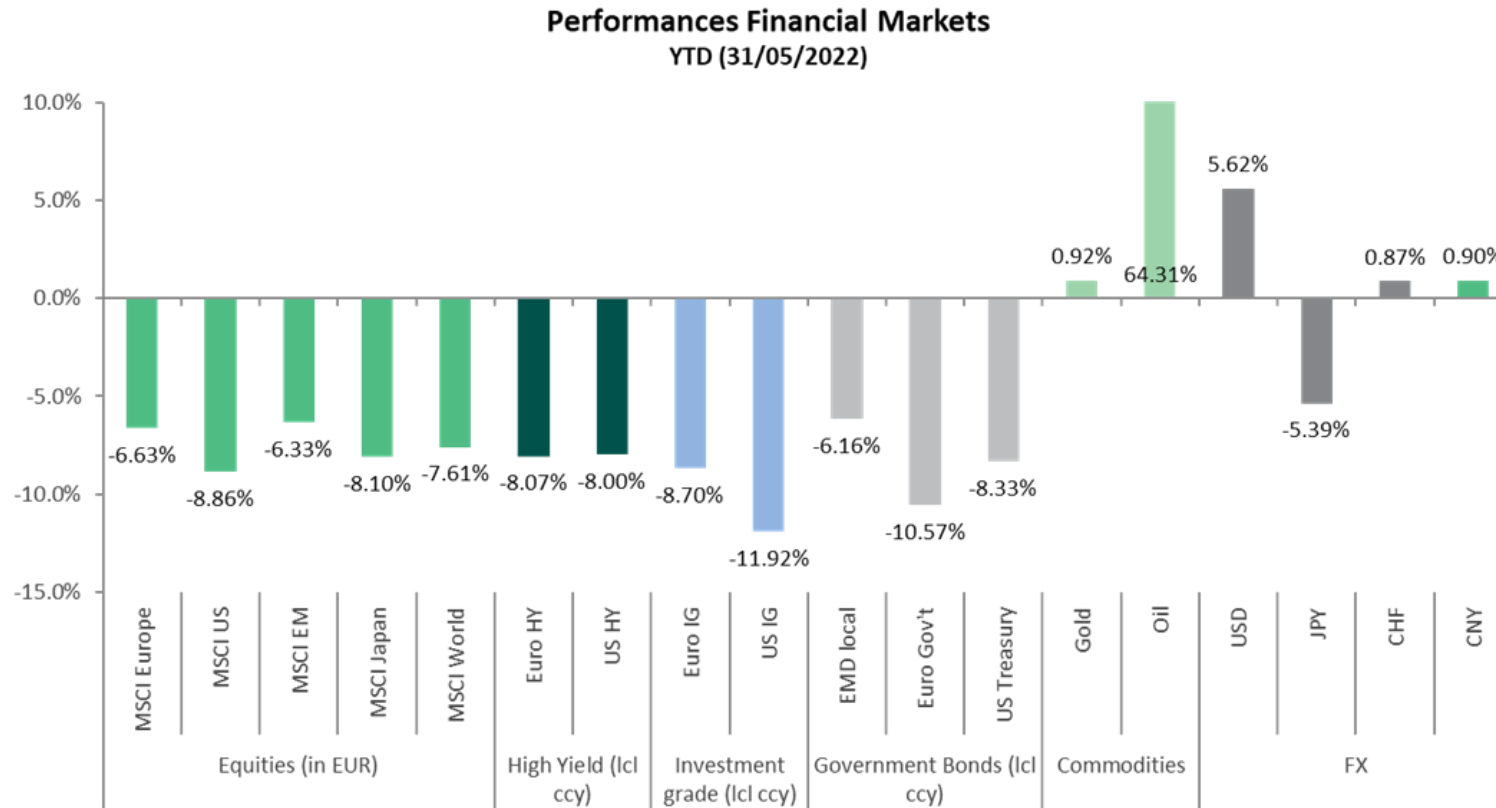
GLOBAL BALANCED EXPERTISE MID-YEAR OUTLOOK

Yves Ceelen

*CIO Global Balanced,
Head of Portfolio Management DPAM*



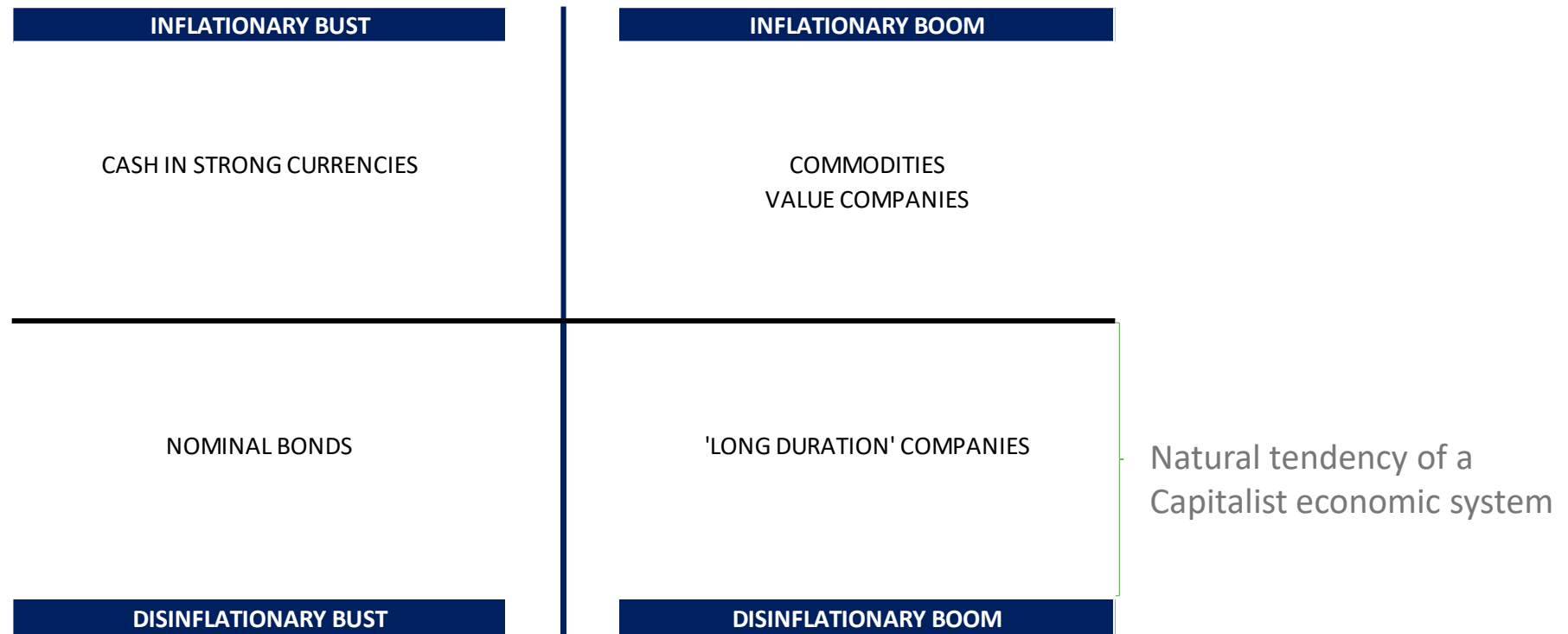
PERFORMANCES IN 2022



Source : Bloomberg, DPAM



4 QUADRANTS



Source : Gavekal



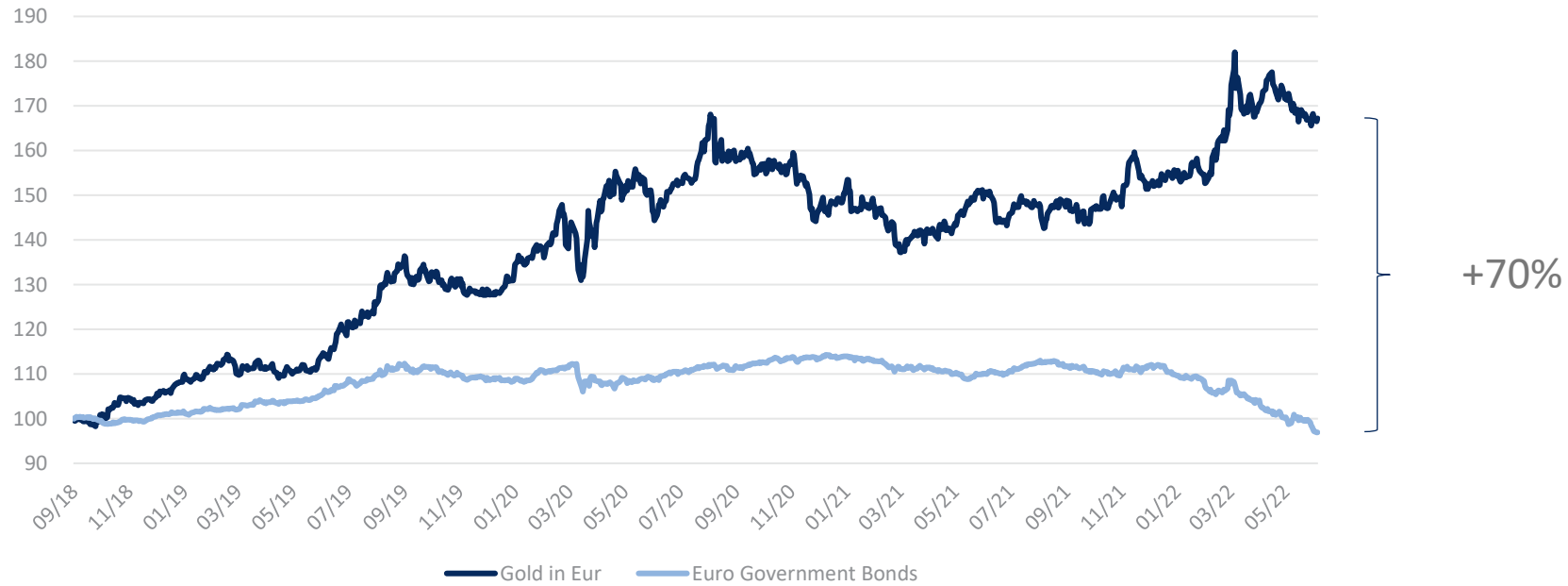
1

STEP BACK



STEP BACK 2018-2022 - GOLD

STILL POSITIVE

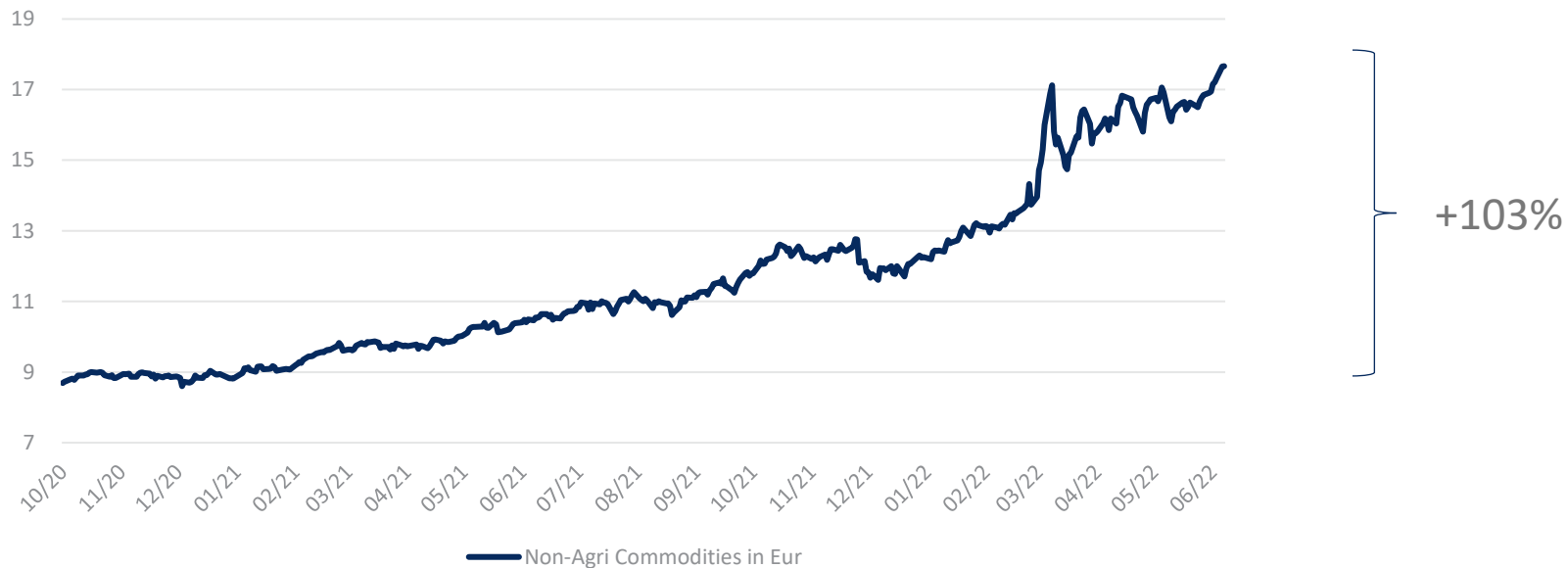


Source: Bloomberg, DPAM



STEP BACK 2020-2022 - COMMODITIES

STILL POSITIVE



Source: Bloomberg, DPAM



STEP BACK 2020-2022 – CHINESE BONDS (LC)

PROFIT TAKEN

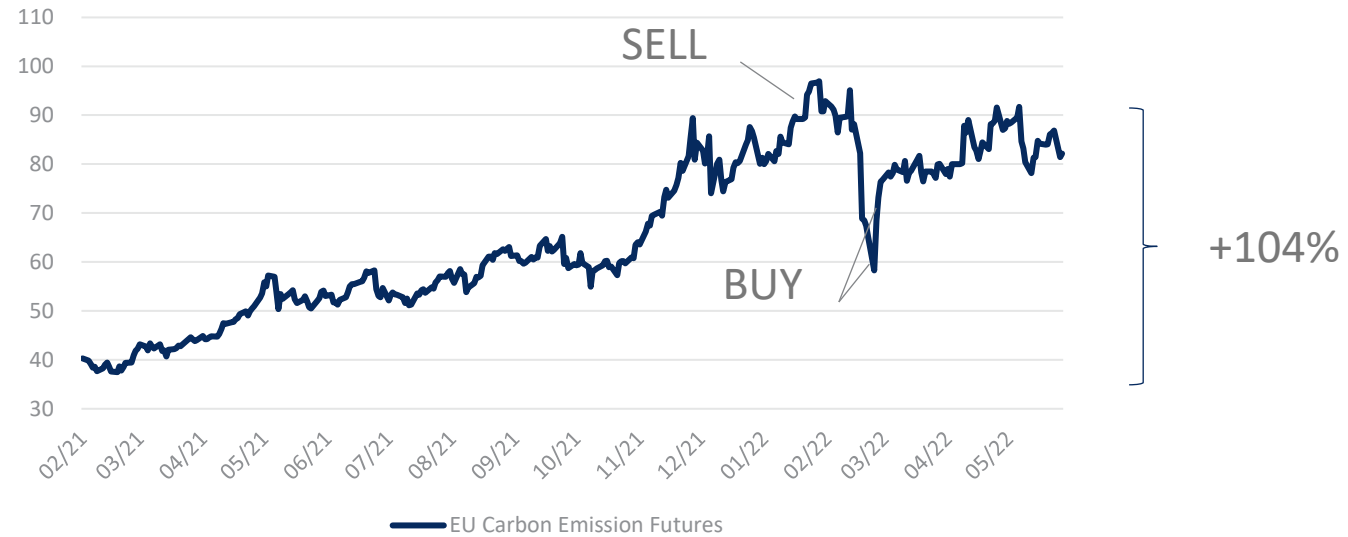


Source: Bloomberg, DPAM



STEP BACK 2021-2022 – CARBON EMISSION FUTURES

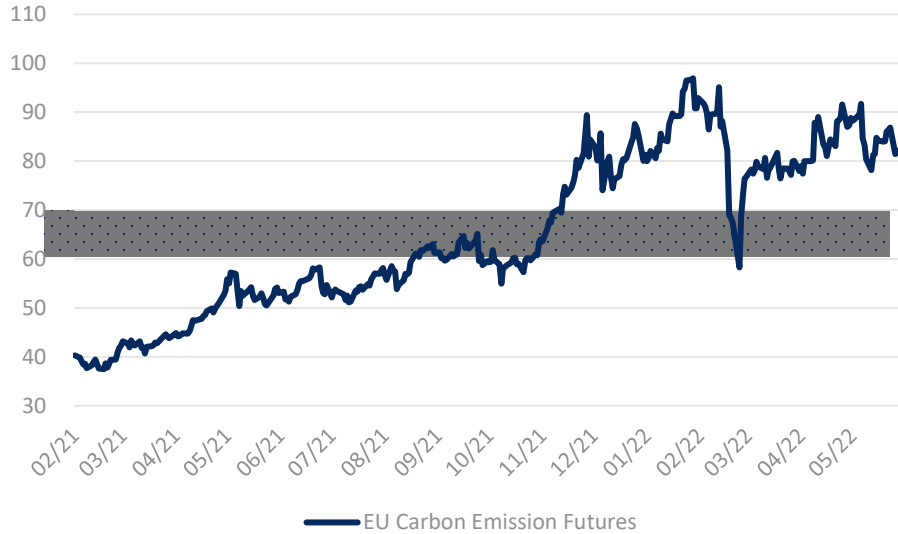
HOLD



Source: Bloomberg, DPAM



STEP BACK 2021-2022 – CARBON EMISSION FUTURES

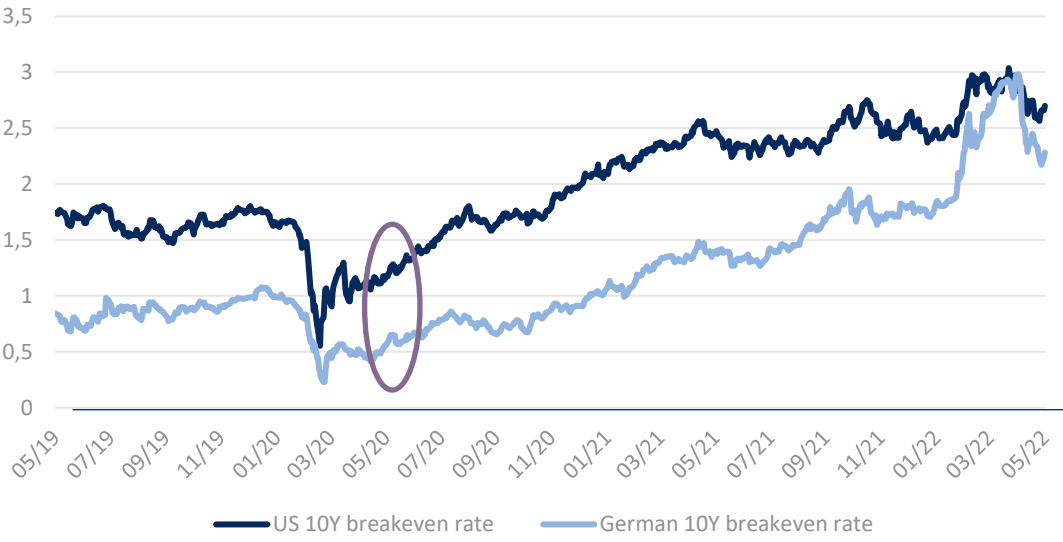


Source: Bloomberg, DPAM



STEP BACK 2020-2022 – INFLATION LINKED BONDS

**HOLD -
DIVERSIFICATION**

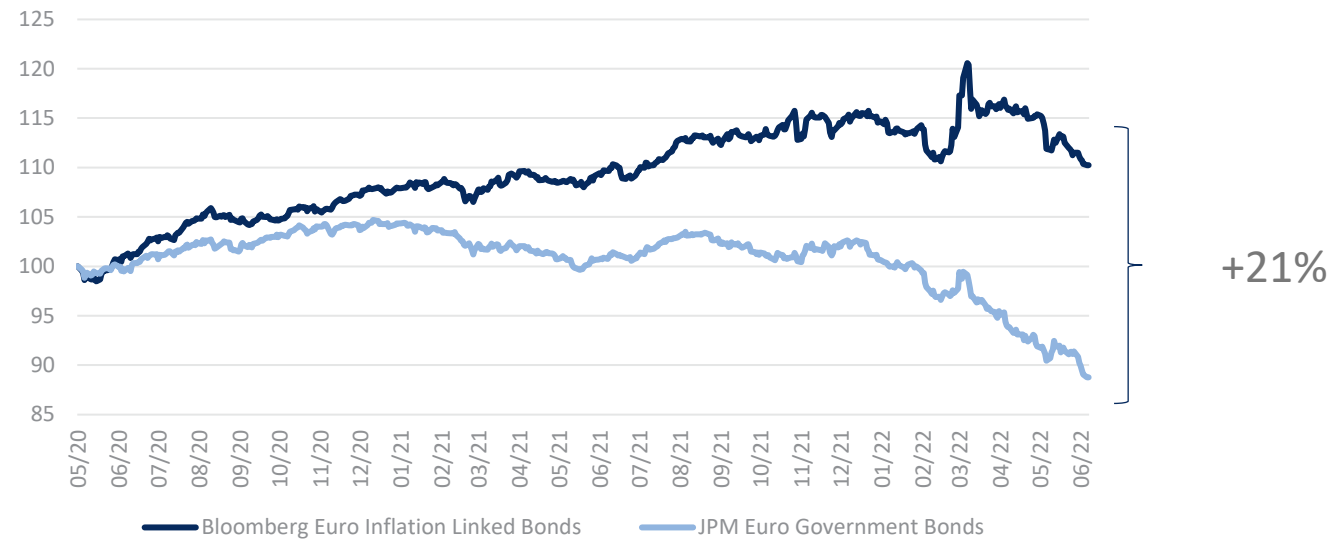


FLOOR

Source: Bloomberg, DPAM



STEP BACK 2020-2022 – INFLATION LINKED BONDS



A part was sold too soon, at the start of February 2022.

Source: Bloomberg, DPAM



2

ECONOMIC ENVIRONMENT



THE VIEW OF OUR ECONOMISTS

	<u>GDP</u>				<u>Inflation</u>			
	2021	2022	2023	2024	2021	2022	2023	2024
US	5,7	2,2	1,4	2,0	4,7	7,3	3,3	2,3
		2,7	2,0	1,9		7,1	3,0	2,4
Eurozone	5,2	1,7	1,3	1,6	2,5	7,6	3,6	1,8
		2,6	2,2	1,9		6,8	2,7	2,0
Belgium	6,1	2,1	1,3	1,5	2,8	8,5	3,8	1,9
		2,3	1,5	1,7		8,2	2,0	1,1
Japan	1,9	2,3	1,7	1,2	-0,2	2,2	1,8	1,0
		1,9	1,8	1,1		1,7	1,1	0,8
China	8,1	2,0	5,5	4,0	0,9	1,8	1,0	1,5
		4,7	5,2	5,1		2,2	2,2	2,3

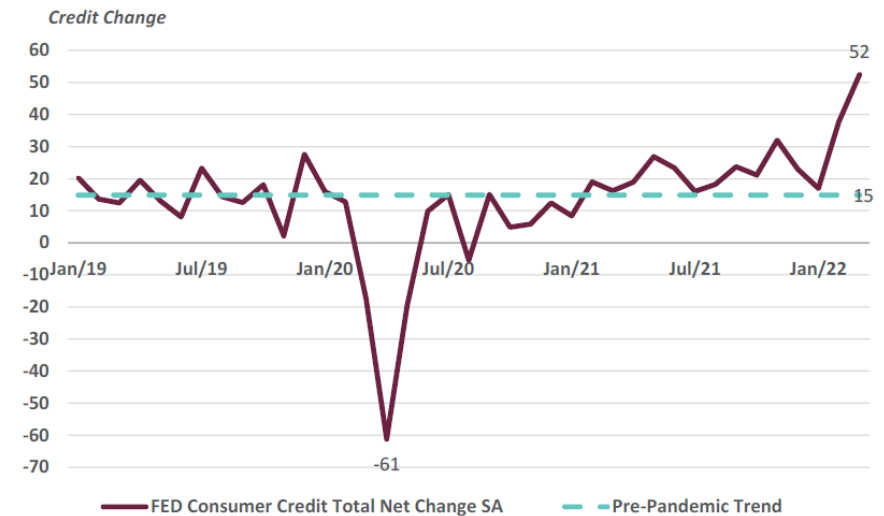
**Latest update 27 May 2022. Note: don't use GDP estimates to derive any implications for the evolution of financial markets. Also, beware of base effects + exceptional uncertainty linked to Covid-19 and the Russia-Ukraine war.*

Source: Degroof Petercam



US CONSUMER

- US consumer is said to have \$1-2 trillion in excess savings
- But even households making \$250k yearly live paycheck by paycheck
- Credit card debt is rising quickly
- If needed, government might come with another support package (cancel part of student loan debt, ...)

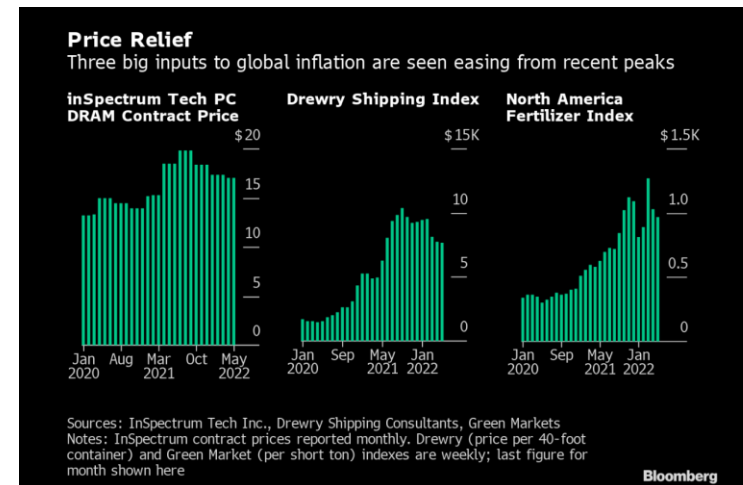
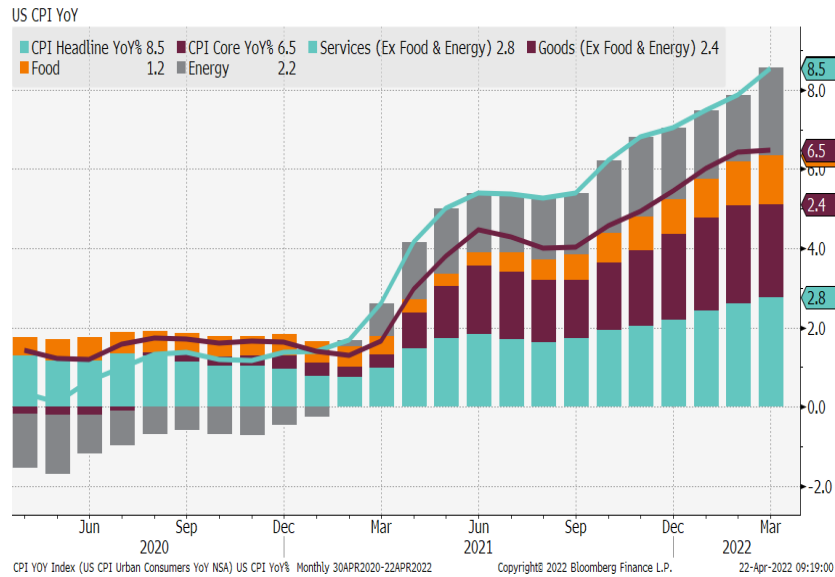


Source: Bloomberg, Federal Reserve, Sbn, DPAM calculations as of 01/06/2022

Source: DPAM, Bloomberg, Federal Reserve



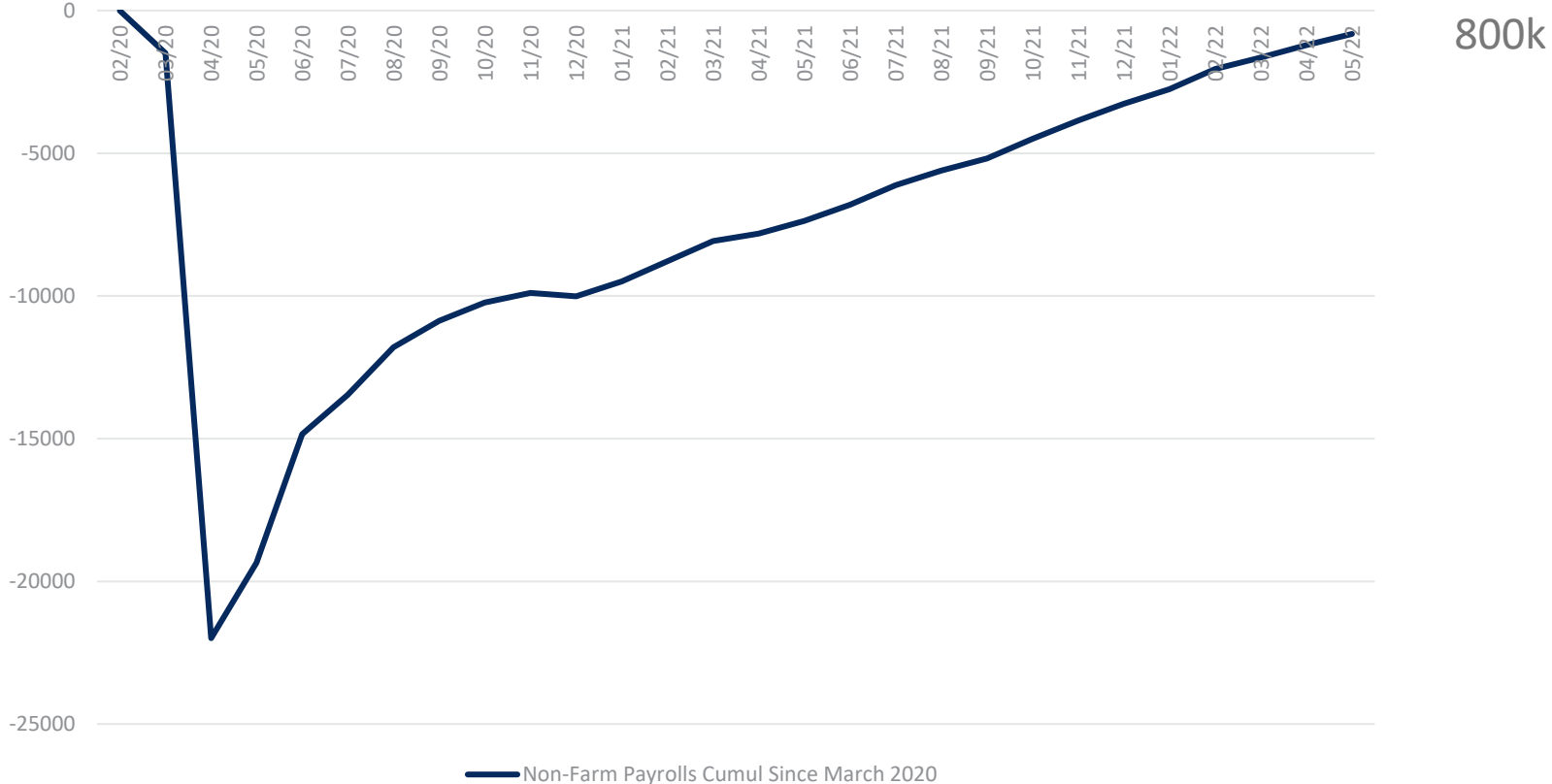
PEAK HEADLINE INFLATION



Source: DPAM, Bloomberg



US LABOUR MARKET



Source: DPAM, Bloomberg

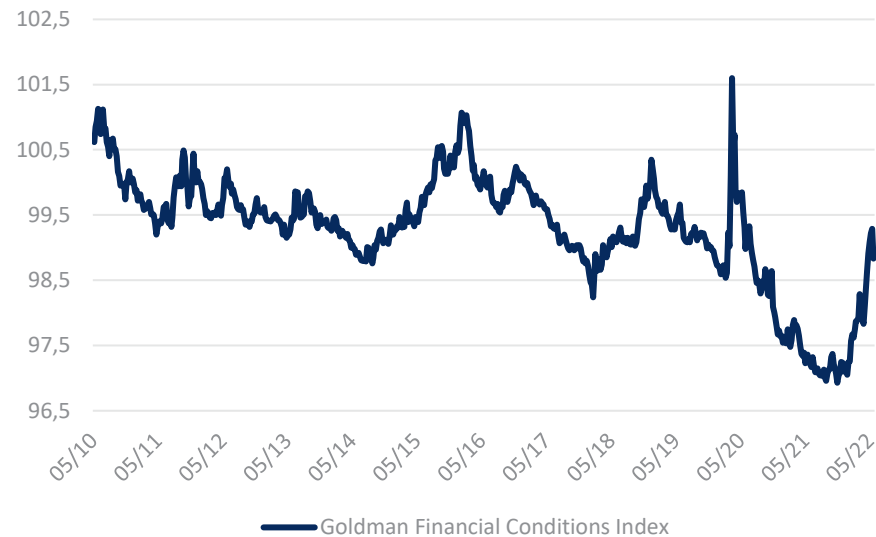


3

LOOK FORWARD



FED - FINANCIAL CONDITIONS



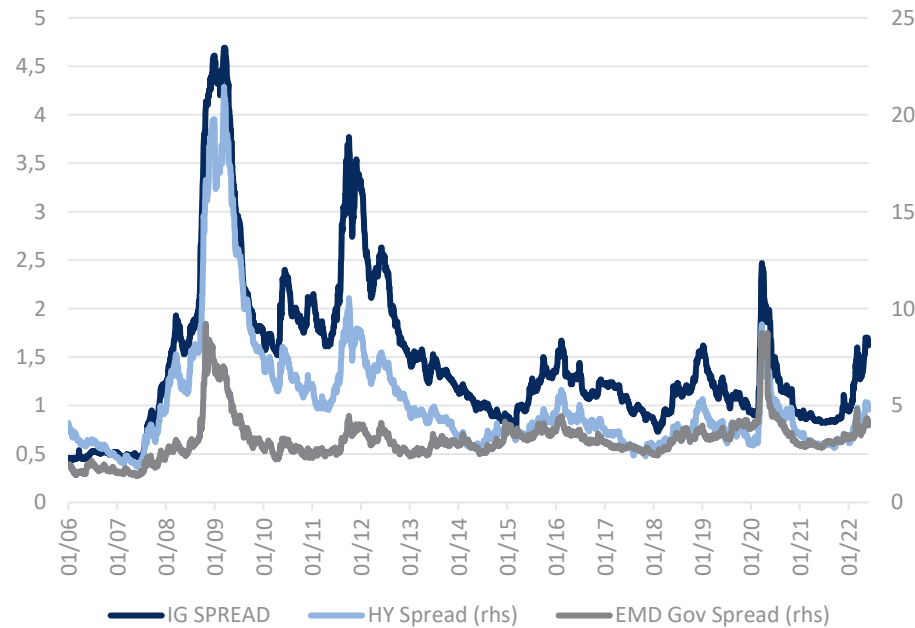
Sources: Goldman Sachs, Bloomberg

- If the labor market remains strong,
- the Fed would like to see a deterioration in financial conditions,
- which means higher rates, higher spreads and lower equity prices.
- Markets are very data-dependent.

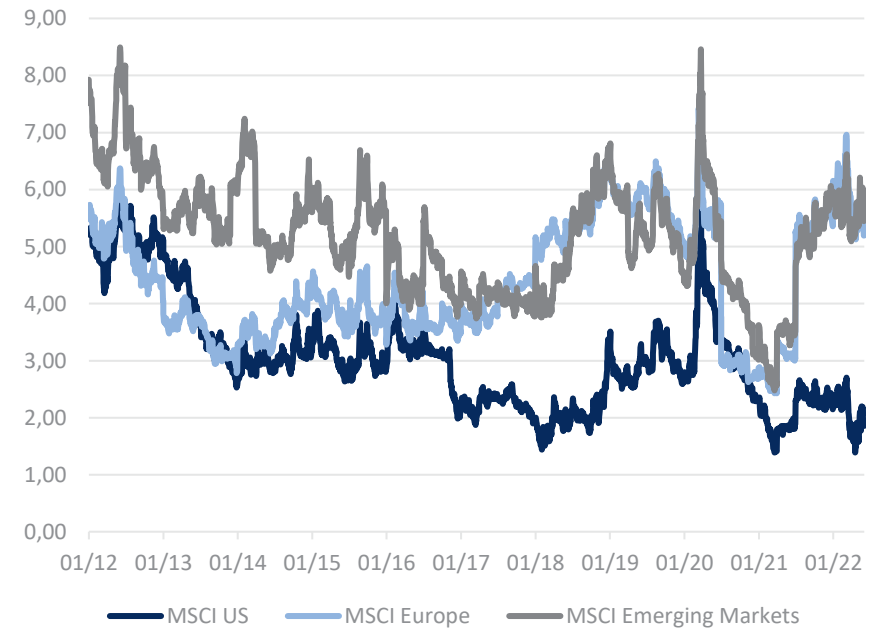


RISK PREMIA

Fixed Income Risk Premia



Equity Risk Premia

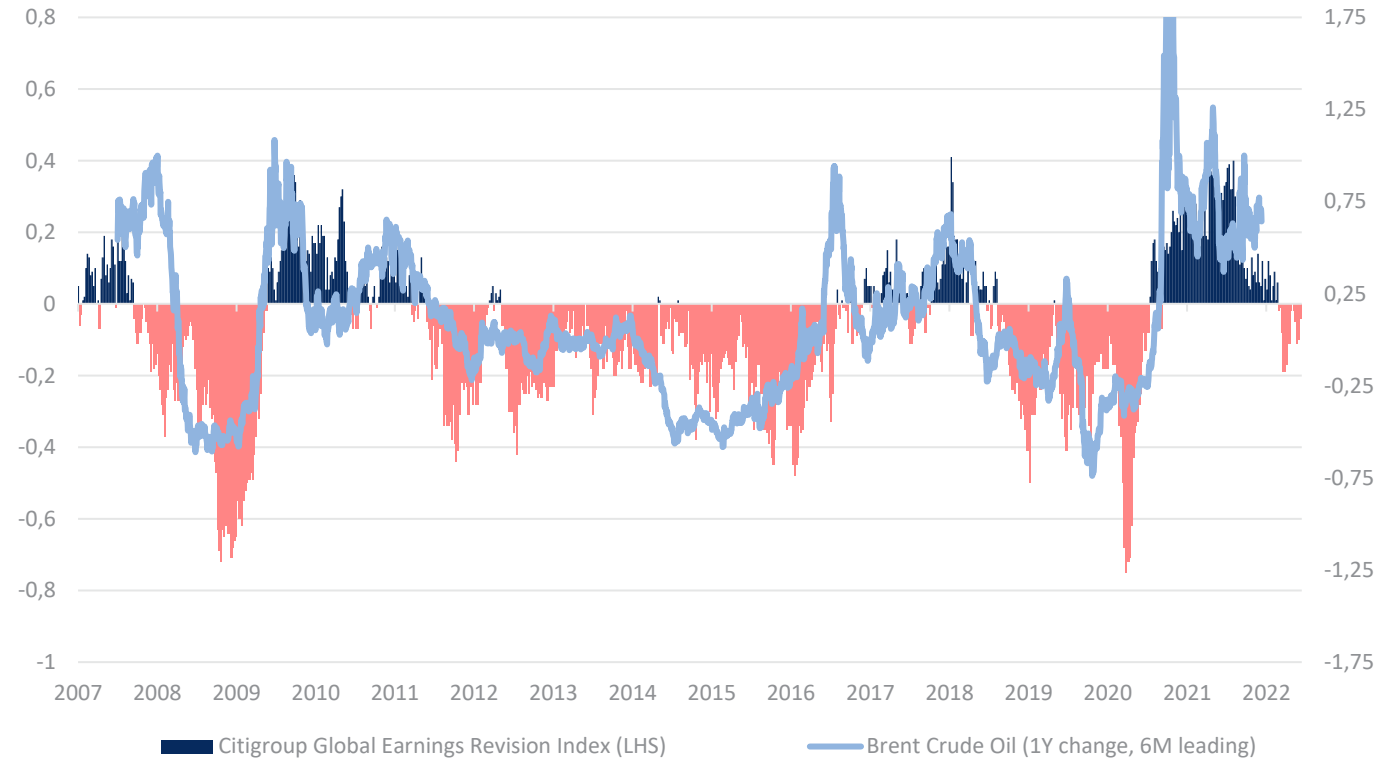


Source: Bloomberg , DPAM



EPS HEADWINDS – CHANGE IN OIL PRICE

Global Earnings Revisions vs Brent Crude Oil

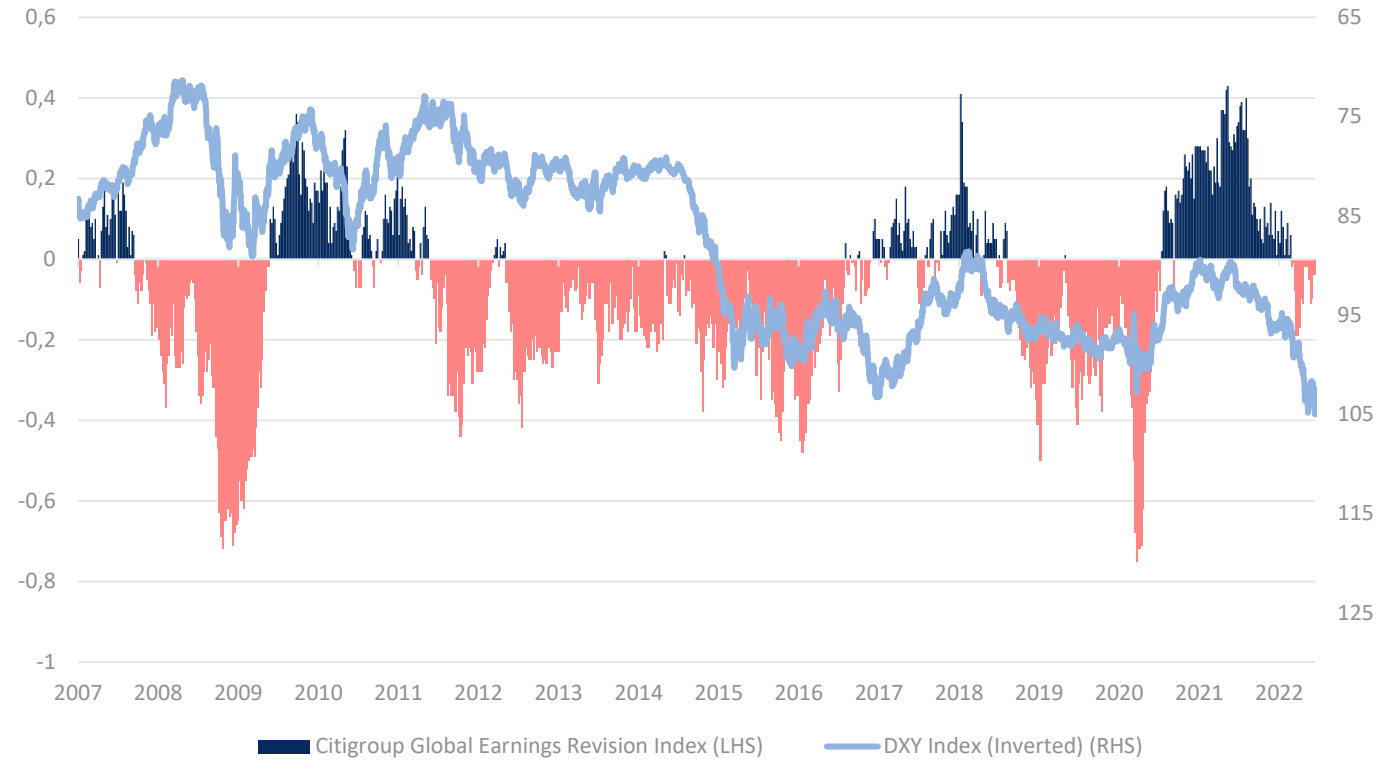


Sources: Citigroup, Bloomberg



EPS HEADWINDS – STRONG USD

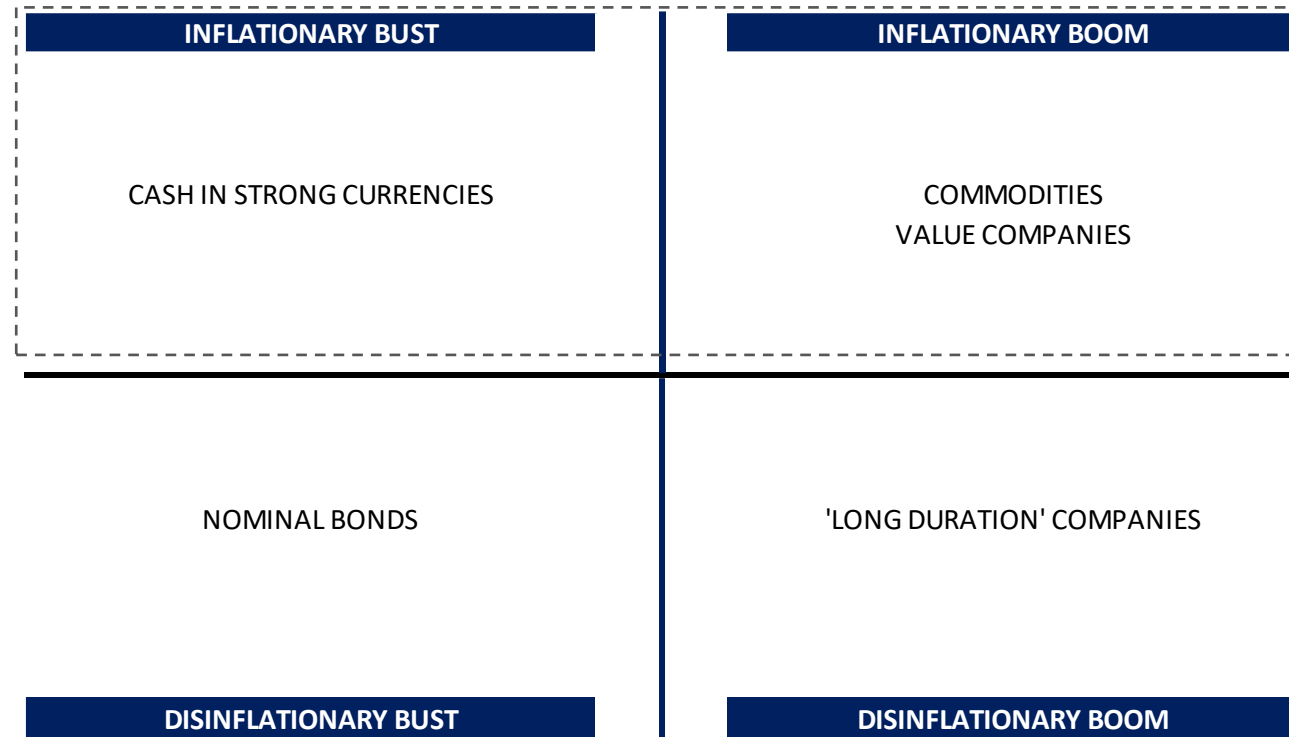
Global Earnings Revisions versus DXY Index



Sources: Citigroup, Bloomberg



4 QUADRANTS



Source: Gavekal



CONVICTION SHEET 2022

	--	-	/	+	++	
Equities						
Europe		█				<i>Late-cycle markets are tricky. Fundamentals are attractive for Value. It seems too soon to become positive on Growth. Chinese equities might offer potential.</i>
US				█		
Emerging Markets			█			
Japan			█			
Government Bonds						
Europe	█					<i>Rising rates remain the biggest risk for government bonds in the short run. However, value is slowly returning and a lot has been priced already.</i>
US				█		
Emerging Markets				█		
Credit						
Investment Grade		█				<i>Spread tightening beyond current levels should not be expected if a recession can be avoided.</i>
High Yield		█				
Commodities						
Gold / Silver				█		<i>Gold could perform well in a slowdown. Other commodities will profit from higher US ST rates, backwardation and potentially high prices.</i>
Ex-Agri commodities				█		
Carbon Emission Futures			█			





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June 2022

Marketing Communication



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