Walküren bringen gefallene Krieger nach Walhall
Friedrich Hottenroth, 1840

HOUSE VIEW

SEPTEMBER 2019

VALKYRIES FOR GERMANY

BancaMarch

VALKYRIES FOR GERMANY

In Norse mythology, the Valkyries were female deities who—after battle—assisted Odin in choosing the most heroic warriors who had fallen in combat. They were tasked with escorting them to Valhalla, the hall of the slain, where they held banquets and prepared to fight the battle of the end of the world. These mythological warriors served as the inspiration for Richard Wagner, the German composer who, in the late 19th century wrote the opera *Die Walküre (The Valkyrie)*, of which the beginning of Act III, called the "Ride of the Valkyries," is so well known.

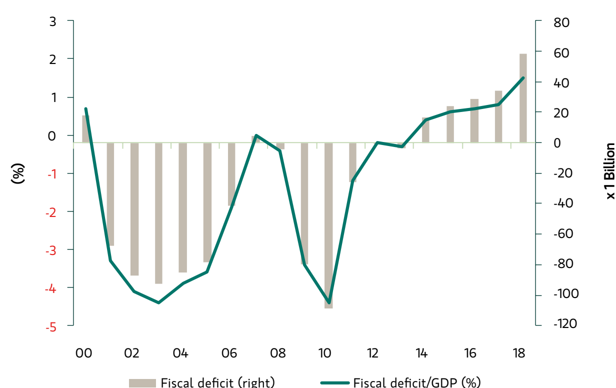
In the current process of global deceleration, Germany has been among the hardest hit by the worldwide surge of protectionism, due to its heavy dependence on the exterior. Exported goods account for 40% of GDP, compared to an average of 23% for G20 nations, 15% for Japan, and 10% for the US. After the publication of the latest growth figures, which show a dip in Q2 GDP of –0.1%, a sharp drop in industrial production (-5.2% in June), and 13 consecutive months of declining factory orders (-3.6% according to the latest data), everything indicates that a technical recession will be confirmed at the end of the month. Despite the relative strength of the services sector, the authorities are preparing to act.

Has Germany lost the battle? Will the Valkyries arrive to rescue it?

As anticipated in our August House View entitled, "Watch Your Sugar Intake!" we believe that a cut in the deposit rate (to -0.5%) will be announced at the upcoming ECB meeting on 12 September. The problem is that lower rates in Europe will not be enough to boost the aggregate demand of the economy and several voices are now beginning to consider the need to combine monetary stimulus with a fiscal expansion program. Although the Bundesbank is not in favour of using this tool, we think Germany's efforts in recent years, which have enabled it to cut public debt-to-GDP levels from 82% in 2010 to 60.9% in 2018 and enjoy a budget surplus of 1.7%, generate enough capacity to undertake expansive fiscal measures.

1. GERMANY'S FISCAL DEFICIT

Source: Eurostat, Bloomberg and Banca March



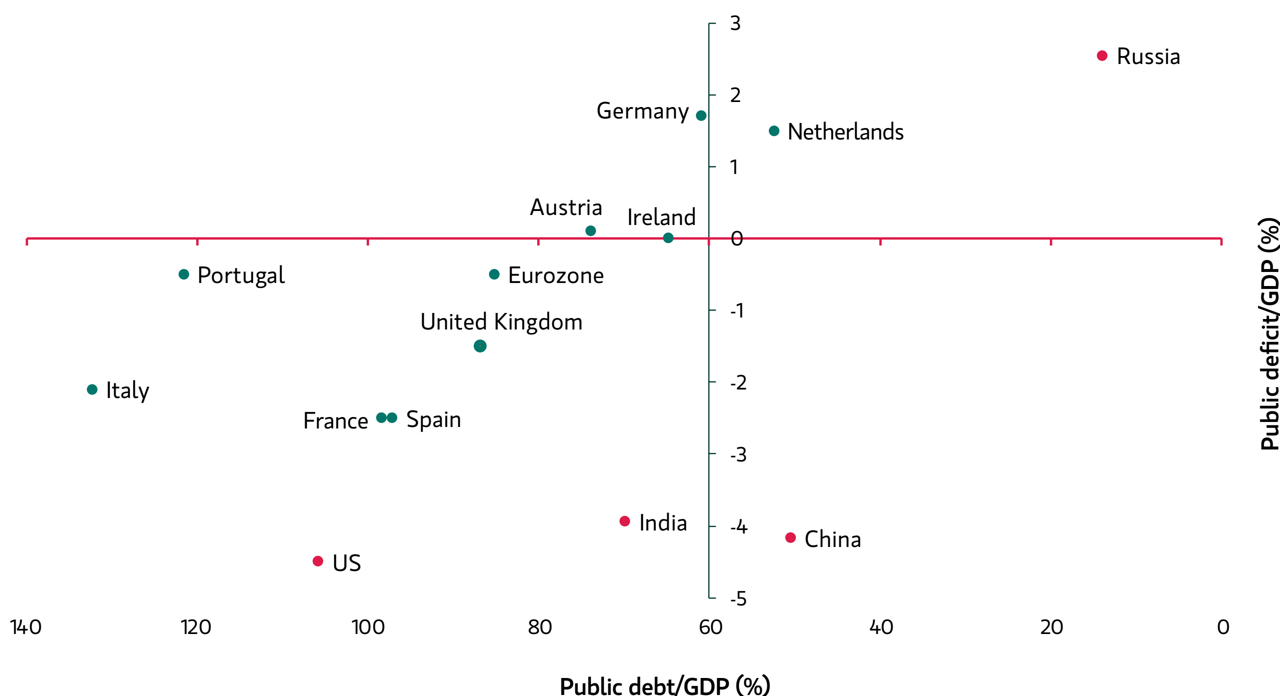
Although under European criteria, it would be possible to launch a stimulus program of up to EUR 100 billion, the German government will not go that far because the orthodoxy of its laws is much stricter than the deficit rules permitted by Brussels. Much of its favourable budget situation and low indebtedness was achieved by the legislation passed in 2009, requiring Berlin to balance its budgets. The structural GDP threshold of 0.35% may only be exceeded if parliament declares a state of emergency.

Any escalation of public debt is prohibited by the Constitution and may only occur with the passage of an amendment requiring the approval of two-thirds of both parliamentary chambers. According to our calculations, the government could approve stimulus totalling EUR 20-25 billion without breaching constitutional limits (an amount less than EUR 50 billion suggested by the Finance Minister a few days ago).

Unfortunately, reactive room to manoeuver and the quality of the public finances of countries like Germany, the Netherlands, and Ireland cannot be extrapolated to the rest of the eurozone members. There is a lot of discussion about how to make the targets of the Stability and Growth Pact more flexible but, as illustrated in graph 2, most nations not only have high levels of indebtedness, but high levels of fiscal deficits that, when coupled with lower growth, make it difficult for their governments to implement fiscal stimulus measures. Across the Atlantic, the US has already exhausted an important part of its manoeuvring capability and, although the government has proposed reducing the social security burden from 6.2% to 4%, it is our opinion that, in an election year like the one we face, the proposal will fail to gain democratic support. Among the major economic powers, certainly China will have the highest capacity to increase its current fiscal package of EUR 227 billion, depending on how the economic data evolve.

2. QUALITY OF PUBLIC ACCOUNTS: DEBT- AND DEFICIT-TO-GDP (%)

Source: Eurostat, FMI, Bloomberg and Banca March



We kicked off September as if attending a performance of The Valkyrie at the theatre. We know that the ECB is about to arrive, the prelude to Act III has begun as the “Ride of the Valkyries” starts to play, following a great battle like the trade war. The curtain has yet to rise, but we hear the intonations of the horns. Don’t expect fiscal measures across the board; they will be a reaction to the slowdown. Remember that the Valkyries are only for those with financial strength, like Germany—not for everyone. For now, despite the fact that summer fluctuations result in more reasonable valuation levels, we remain cautious.

Joan Bonet Majó
Chief Investment Strategist

HOUSE VIEW

SEPTEMBER 2019

NAVIGATING BETWEEN MORE STIMULUS **AND LESS GROWTH**

BancaMarch

HOW TO POSITION OURSELVES IN THE CURRENT SCENARIO

Navigating between more stimulus and less growth

STRATEGIC POSITION

ASSET CLASS	-2	-1	NEUTRAL	+1	+2
LIQUIDITY				■	
BONDS	■				
EQUITIES		■			
ALTERNATIVES				■	

BONDS	-2	-1	NEUTRAL	+1	+2
SOVEREIGN DEBT	■				
High quality (AAA)	■				
Peripheral			■		
CORPORATE BONDS		■			
Investment Grade		■			
High Yield		■			
EMERGING DEBT				■	
CONVERTIBLE BONDS			■		

EQUITIES	-2	-1	NEUTRAL	+1	+2
EUROPE			■		
UNITED STATES			■		
EMERGING				■	
JAPAN			■		

MACROECONOMIC SCENARIO

The trade war between the United States and China intensifies, as the global economy continues to show signs of slowing.

The trade war between the United States and China intensified in late August with the announcement of new tariffs. China retaliated by surprise, slapping US products worth USD 75 billion with a 10% tariff, rather than the current 5%. Specifically, more than 5,000 US products—including agricultural goods, crude oil, aircraft, etc.—will be taxed from 1 September, and an additional 25% and 5% will be levied on cars and parts from 15 December. Beijing's actions are in response to the US's previous decision to impose new tariffs on USD 300 billion of still-exempt Chinese products as of 1 September.

After the announcement from China, Donald Trump's response was swift, suggesting US companies find alternatives to the Chinese market and implementing two new tariff hikes on Chinese goods: one which will raise duties on imports totalling USD 250 billion from 25% to 30% (effective 1 October), and another on the aforementioned USD 300 billion from 10% to 15%. If confirmed, the US would tax virtually all imports from China.

The latest announcements confirm fears of further tariff hikes, increasing the likelihood of potentially adverse effects on economic growth. This idea is substantiated by the fact that, until now, the main tariff burden was concentrated on intermediate goods imported from China, while these latest statements will affect a greater number of consumer goods. Regardless, there is a willingness to continue talks and both parties will return to the negotiating table this month.

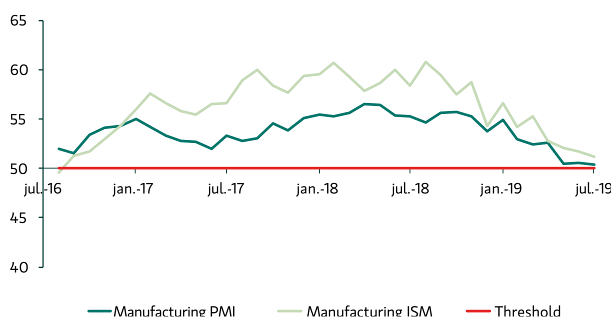
The global economy, meanwhile, shows signs of slowing, with growth prospects for the year around 3%, relative to an average of 3.4% since the 1970s, though there are no indications of an imminent recession. Private spending still shows strong fundamentals, especially in the United States, which will help alleviate the declining situation of industrial activity.

In the world's leading economy, quarterly GDP growth eased to +2% annualized quarterly, penalised by waning investment (including a sharp contraction of inventories) and a slump in exports. Private spending, meanwhile, bolstered activity, with growth of 4.7%.

Although the United States is already in the midst of the longest economic growth cycle ever, we believe it may extend even further. The economy will continue to cool in the second half of the year, but overall, the macroeconomic indicators available still suggest an expansive tone. We are confident about the resilience of the labour market and the outstanding track record of retail sales since March. On the downside, confidence surveys associated with manufacturing activity are nearing the 50-point threshold that separates economic expansion from contraction (graph 1).

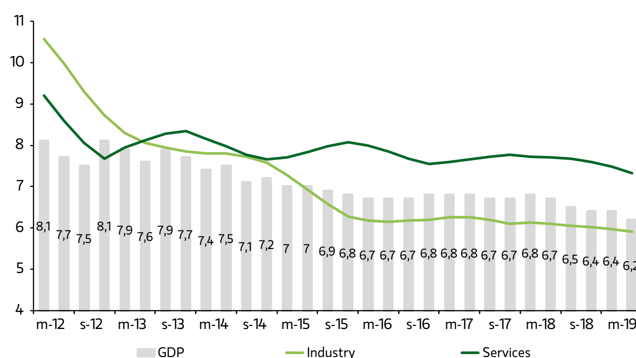
1. US BUSINESS CONFIDENCE

Source: Bloomberg and Banca March



2. GDP GROWTH AND SECTORS (CHINA)

Source: Bloomberg and Banca March

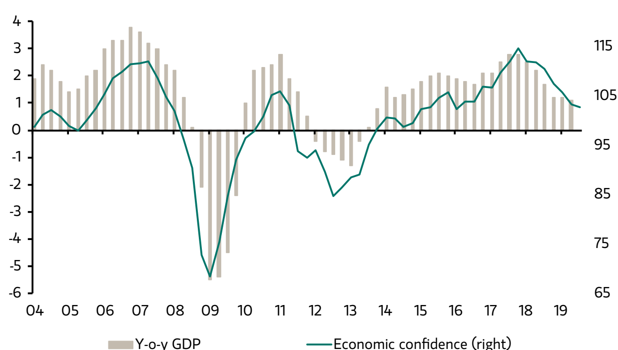


In China, spending will continue to be bolstered by the fiscal stimulus measures implemented. In the second quarter, GDP continued to slow incrementally, advancing +6.2% y-o-y, the lowest rate in the historical sequence available since the 1990s. Items closely related to the foreign sector (affected by the trade war) caused the lion's share of the decline, while domestic demand remained buoyant. On a sector level, this trend is reflected in the fact that the services industry maintains greater dynamism, advancing +7% y-o-y, outperforming the overall growth of the economy (graph 2).

The latest data from July confirm further sluggishness in retail sales, industrial production, and new loans granted. As such, additional stimulus policies in the latter part of the year, aimed at boosting liquidity and facilitating infrastructure investment, cannot be ruled out. At the same time, China will continue its plan to reform its interest rate setting mechanism, a measure that will provide credit to companies and households.

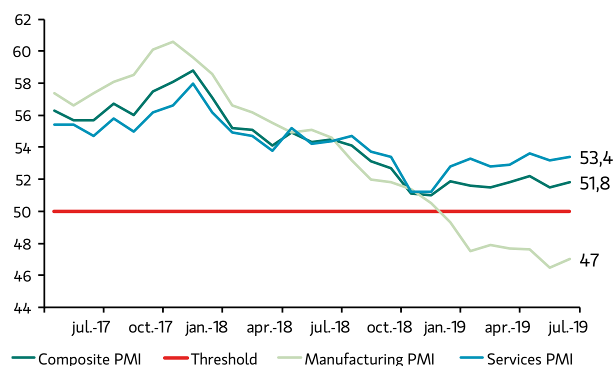
3. EUROZONE: ECONOMIC CONFIDENCE VS. GDP

Source: Bloomberg and Banca March



4. EUROZONE: MANUF. PMI VS. SERVICES

Source: Bloomberg and Banca March



In the eurozone, GDP lost momentum, growing +0.2% q-o-q vs. +0.4% in Q1'19, curbing y-o-y growth to +1.1% in Q2. The breakdown by components, which we will learn at the end of the month, indicates weak foreign demand, easily offset by robust domestic demand. The region's four core economies slowed. Most notably, Germany's GDP declined -0.1%. Italy also flailed (along with Germany, the country with the highest relative weight from the industrial sector), while the performance of France and Spain (economies with greater relative weight from the service sector) failed to meet expectations. As graph 4 illustrates, the region's leading indicators for the manufacturing sector continue to suggest weakening industrial activity, although the services sector acts as a counterweight and, taken together, current levels are not consistent with an economic recession.

Overall, we believe that the macroeconomic scenario formulated at the beginning of the year remains valid and we maintain our view that we are in an environment of lower economic growth, but one that will be more prolonged than previous cycles. However, the downside risks for activity persist (trade tensions, Brexit uncertainty, possible snap elections in Italy and new tensions concerning its budget), to which greater deflationary pressures have been added, a trend that has spread to the world's major economies.

CENTRAL BANKS AND BONDS

This month, we expect more stimulus measures from the Central Banks to bolster the markets.

As we discussed in August, in recent months, the main Central Banks have demonstrated their willingness to adopt a preventative monetary policy with new measures designed to stimulate growth and avert an economic recession.

In the United States, the Fed cut rates in July, to a range of 2-2.25%. It also advanced the end of its balance sheet reduction program and adjusted its reinvestment policy, given that it will now allocate purchases to government debt, but will cease to acquire mortgage-backed securities. This easing of monetary policy is justified by the impact of trade tensions, global economic weakness, and the absence of inflationary pressure. The institution claimed the rate adjustment was simply a "mid-cycle adjustment" and not the start of a more aggressive easing process, which disappointed the market somewhat.

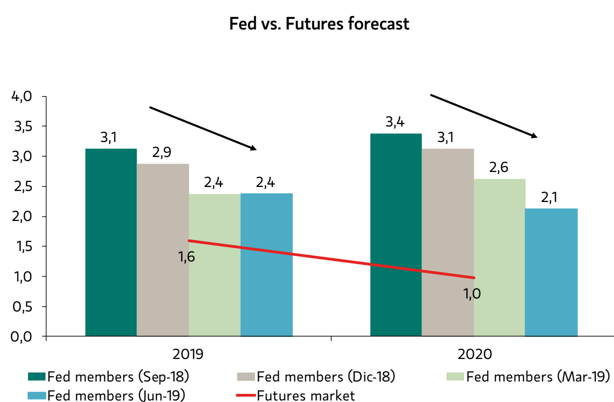
In Europe, all signs indicate that the European Central Bank will resume new monetary stimulus beginning this month, after announcing in July that interest rates will remain "at their present or lower levels" for an extended period of time, a cue that the authority is preparing to further reduce deposit rates by another 10 b.p. to -0.5% at their upcoming September meeting.

There will be new support measures, though not as aggressive as those reflected by the market.

Trade tensions flared up again in August and global economic weakness persisted, conditions that will, in our opinion, prompt the Fed to continue the monetary policy adjustment process and implement another cut before the end of the year. However, as graph 5 illustrates, the futures market currently reflects a more aggressive decrease, with two further cuts before year's end and at least 100 b.p. before the close of 2020. We consider this quite an impetuous scenario that would better apply in a context of economic recession, which is not the case at the moment.

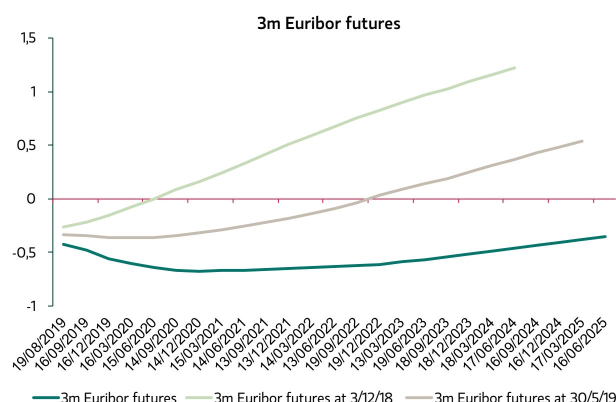
5. US RATE FORECAST

Source: Bloomberg and Banca March



6. 3-MONTH EURIBOR FUTURES

Source: Bloomberg and Banca March



In Europe, cutting deposit rates to -0.5% would harm banks and have little more than a psychological effect on the economy. This may lead Draghi to announce—in September before leaving his post—new QE amounting to at least EUR 30 billion/month, increasing the proportion of corporate and government bonds relative to sovereigns. This is the amount that the ECB could announce for 12 months without being forced to extend the 33% limit on the debt purchases of each state.

Even so, a rate scenario that takes into account the future of the 3-month Euribor, in negative territory until at least 2025 (see graph 6), is indicative of very aggressive rate cutting expectations on the part of the market that, like the US case, we do not share.

Despite new stimulus measures, our view of bonds remains cautious in an environment devoid of carry in euro-denominated assets. We remain optimistic about emerging bonds in strong currency.

Monetary policy will continue to serve as an anchor for the global bond market. However, we believe that most of the anticipated appreciation for this asset class has already materialised and if, as we mentioned, market expectations about Fed and ECB easing prove excessive, core and peripheral sovereign bonds could suffer corrections.

We continue to see the potential of emerging bonds in foreign currency and the ability to reduce required risk premiums. The favourable trend of this asset class is attributable in large part to the reduction of base rates, given that the required spreads remain above their historical average. Therefore, we consider emerging debt in foreign currency to be practically the only asset on the bond market where we can capture attractive IRRs. It is also advisable to capitalise on announcements of monetary stimulus and further base rate decreases to address reductions in the duration levels assumed in this asset class, while maintaining exposure to the highest spreads offered by these bonds.

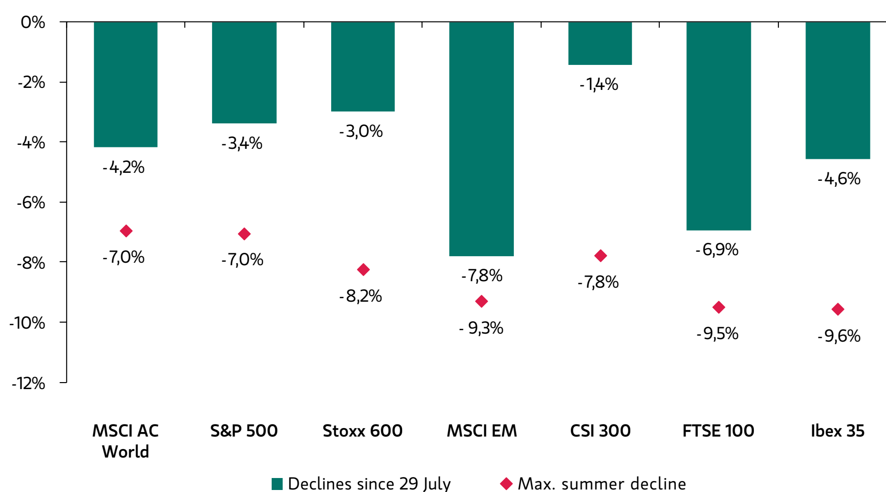
EQUITIES

August closed with announcements of new tariffs: is the market growing accustomed to the trade war or will an agreement be reached in spite of everything?

In August, stock markets were once again sensitive to the latest episode in the trade war, which intensified after a volley of new increases by the US and China. Nevertheless, it is worth noting the markets' growing resistance to these successive exchanges. Measured in terms of the US stock market, specifically the S&P 500, Trump's tariff announcement one year ago resulted in a maximum decline of 20%. With the subsequent round of tariffs that entered into force in May 2019, the S&P dropped 6.8%, and the announcements in August triggered a 3.3% dip in the index, a decline similar to that of the MSCI World and European Stoxx600 (see graph 7). Thus, in the absence of more conclusive results from the latest announcements, less intense and prolonged declines would indicate that markets are taking into account the difficulties of reaching a trade agreement and becoming reconciled to operating in an environment of greater uncertainty in the medium term, in exchange for which they will have renewed support from the Central Banks.

7. DECLINES ON THE MAIN INDICES FOLLOWING TARIFF ANNOUNCEMENTS

Source: Bloomberg and Banca March



A season of mixed results and expectations of rate cuts due to economic weakness.

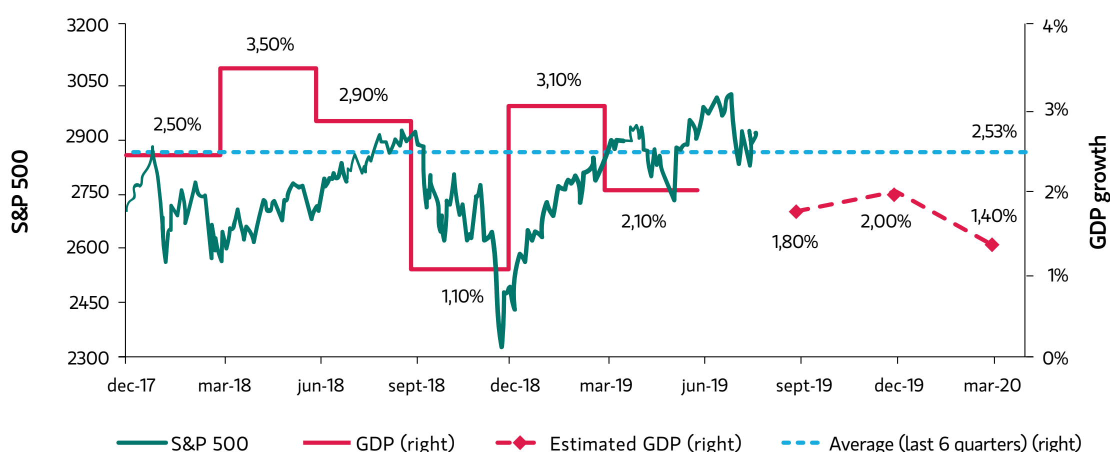
The second quarter earnings season is approaching its close and the results are mixed, with US figures outperforming those of Europe for the sixth consecutive quarter. The companies that comprise the S&P500 beat undemanding estimates a priori, with EPS growth of 1.7% vs. expectations of a slight drop, a 76% ratio of positive surprises, and sales growth of 3.6%. Again, quarterly results confirmed the superior performance of cyclically defensive sectors.

In Europe, with 80% of Stoxx600 companies reporting, the trend is less favourable relative to the US: -0.9% in EPS vs. +1% expected, a 57% ratio of positive surprises, and 2% sales growth. This poor relative performance is due in part to European companies' greater dependence on sales abroad—companies that have been affected by the increase in protectionist measures and by the greater weight of the financial sector in European indices, which, coupled with commodities and discretionary spending, show the poorest results in terms of profit.

Securities markets, meanwhile, face the remaining four months of the year with expectations of interest rate cuts on both sides of the Atlantic, which could serve as a catalyst. However, it is worth noting that, though lowering rates reduces the cost of financing for companies and boosts the appeal of equities in terms of valuation (discount at lower interest rates implies a higher current value), we cannot forget that the movements are a reaction to the deterioration of economic growth prospects for the coming quarters and, in this respect, stock market trends become more uncertain (see graph 8 with stock market trends, GDP, and economic growth estimates in the US).

8.EVOLUTION OF THE S&P 500 AND US GDP

Source: Bloomberg and Banca March



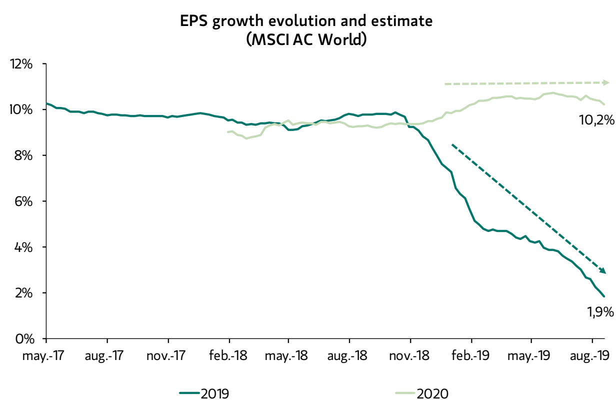
While the downward revisions of 2019 corporate profits have been considerable, estimates for 2020 remain unchanged, a situation that is not sustainable in a climate of deceleration, which we expect will persist.

Consistent with lower economic growth forecasts, it is our belief that corporate profits will remain under pressure and expectations of a strong recovery in this respect before the end of the year, and especially in 2020, will not materialise. We do not rule out further downward revisions in 2019 profits, which currently project global growth of less than 2%. This trend in downward revisions will extend to revisions in 2020 profits, which remain unchanged with estimated profit growth of 10.2% for the MSCI World.

Thus, emphasizing the idea of downward revisions in expected corporate profit growth and, despite declining stocks in August, the multiples paid (P/E ratio) remain demanding, approaching the average levels of recent decades. Also of note, cumulative YTD index appreciations (+12% MSCI World, +15% S&P 500, +10% Stoxx600) are based on the expansion of multiples at a pace that—in our opinion—will be difficult to maintain considering the deterioration of the current environment.

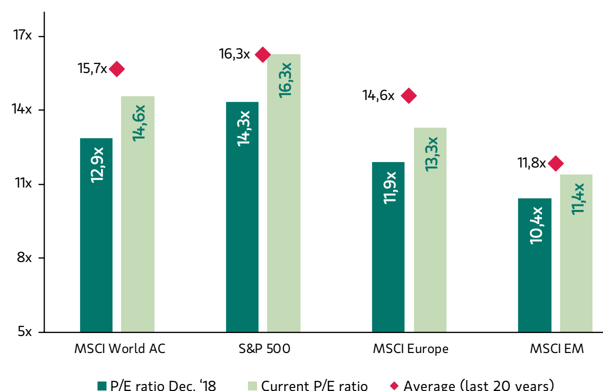
9. ESTIMATED EPS GROWTH (2019 AND 2020)

Source: Refinitiv and Banca March



10. VALUATION IN TERMS OF P/E RATIO

Source: Refinitiv and Banca March



We maintain our tactical underweighting in equities while awaiting new opportunities.

Given the foregoing, we remain tactically underweighted in equities while awaiting new events and opportunities. We believe that stock markets are less attractive in the current macro environment, although the Central Banks will act as a counterweight, limiting sharp market declines. In this respect, in order to partake in new share upswings, we think it will be necessary to weather the challenges associated with political uncertainty, especially in Europe, and to ensure monetary stimulus measures succeed in curbing downside risks on demand with a view to recovering profits and investments.

By region, we maintain the reduced level of European equities announced before summer.

By region, we maintain a neutral position in US equities while improved forecasts for macro and profit growth in emerging economies underpin our commitment to the region. With regard to European equities, we are aware of the appeal of the continental stock market in terms of dividend yield, with the sovereign bond yield spread at its highest level since the end of the financial crisis. Still, we reiterate last month's recommendation downgrade for Europe, from overweighted to neutral, for three reasons:

I. Lower margin of monetary stimulus from the ECB and the adverse effect that a new interest rate cut will have on the profitability of the financial sector, which is heavily represented in European indices.

II. The sector-adjusted valuation between the US and Europe in terms of P/E ratio is reduced to 9%.

III. An environment of greater uncertainty vis-à-vis the trade war and sluggish economic growth. A potential resurgence of the trade war would affect European markets to a greater extent, given the tendency of large companies to serve as exporters (where a higher percentage of sales depends on the recovery of international trade).

CURRENCIES

Political uncertainty and monetary stimulus boost volatility on the currency market.

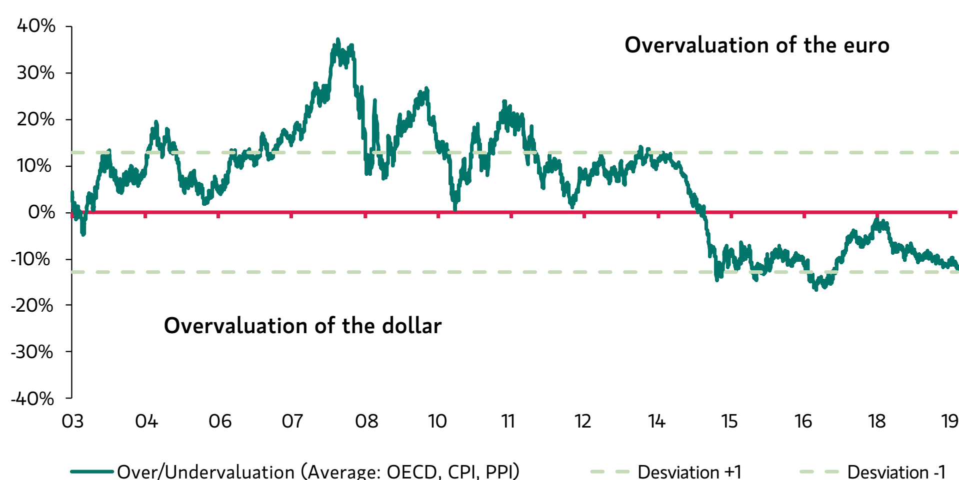
The recent meetings of the main Central Banks, coupled with rising uncertainty due to a lack of progress in trade negotiations between the United States and China, and further compounded by Boris Johnson's initial actions as the new British PM, have triggered a surge in volatility on currency markets that we believe will persist in the coming weeks.

The dollar strengthens in the run-up to new measures from the Fed. A breach in the current EUR/USD level of 1.10 would put further downward pressure on inflation and elevate the downside risks on global growth.

Heightened political uncertainty and a degree of disappointment with the Fed's comments about the future evolution of interest rates served to underpin the dollar, which benefitted from its nature as a haven asset and closed August with an unexpected upswing vis-à-vis the euro, trading nearer 1.10 EUR/USD.

11. EUR/USD VALUATION

Source: Bloomberg and Banca March



This movement of the crossover makes the dollar highly overvalued relative to the euro and, barring any extreme events, leads us to believe we will not see further appreciations beyond this point. Moreover, any additional appreciation in USD would put downward pressure on inflation and jeopardise the competitiveness of US exports, penalising its industrial sector.

On a global level, a sharp appreciation of the greenback would lead to deteriorating financial conditions and would heavily affect emerging economies, further weakening global activity. We should also not discard the fact that the loss of these levels (1.10 EUR/USD) would foreseeably prompt comments from US leaders, and particularly from president Trump, who has repeatedly expressed concern about the strength of the dollar. Given the severity of these factors/risks, we believe a cap should apply to the dollar's rise.

Although the latest activity data show weaker economic growth in the eurozone and the market will undergo a period of adjustment due to lower expectations of Fed rate cuts, we fail to see the benefit in adopting positions in the dollar at these levels and we maintain our view that the crossover should be in the range of 1.15-1.20 EUR/USD, levels more consistent with its fundamental value.

In this new scenario, the expected depreciation of the dollar vis-à-vis the euro may take longer than previously anticipated, but the US economy will also experience a cooling period in the second half of the year; the Fed will implement at least one more rate cut and will stop withdrawing liquidity from the market after concluding its balance sheet reduction program. We think both factors should serve as triggers to weaken the dollar.

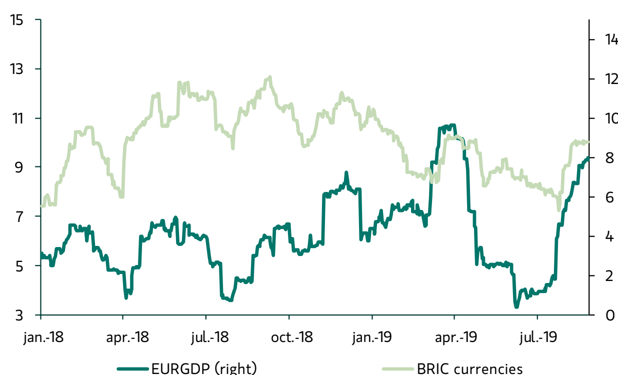
As expected, Boris Johnson assumes control of the government, advocating the radical stance of Brexit-by-any-means.

The decision of the British prime minister to close Parliament from 10 September to 14 October in order to curtail the opposition's capacity to respond before 31 October, the deadline for reaching a Brexit agreement, has put pressure on the pound.

Graph 11 illustrates the increased volatility of the pound sterling, more typical of certain emerging currencies than that of one of the OECD's most developed nations.

12. 1-MONTH VOLATILITY: POUND STERLING VS. BRIC CURRENCY BASKET

Source: Bloomberg and Banca March



Johnson's demands focus on eliminating the so-called Irish backstop, which would keep the United Kingdom within the customs union indefinitely until an alternative solution is found, in order to avoid installing controls at the Irish border.

Though this time things appear different, it is not the first occasion that negotiations have intensified on this point. In fact, it is one of the main reasons why Theresa May's EU agreement failed to gain approval in the British Parliament.

It appears that Johnson has decided to double-down on the trump card that his predecessor played unsuccessfully, that is, presenting himself as a defender of the popular will of the British public, as expressed in the 2016 Brexit referendum. He seems confident that if his endeavours fail, a new general election will immediately return him to Downing Street with a comfortable majority.

Despite the latest news, we still believe a no-deal Brexit is unlikely considering recent European Parliamentary elections demonstrated that the majority of Britons support parties that advocate—at least—a soft Brexit.

Likewise, previous motions put before Parliament indicate that the majority of members oppose a disorderly withdrawal. On the EU side, the new president of the European Commission unequivocally defends the need to avoid the negative scenario of a no-deal exit.

In this context, if an agreement with Brussels is not reached, and considering that the British Parliament does not want a no-deal Brexit, the country may opt for a vote of no confidence or snap elections, which may, in turn, postpone the EU deadline yet again.

In the short term, further declines in the pound cannot be ruled out in the absence of clarity about the next steps in the negotiations. However, our core scenario maintains that the UK will avert a disorderly exit from the EU and, therefore, we see value in adopting positions in GBP at these levels. We maintain a target range of 0.85 – 0.90 EUR/GBP.

Banca March Market Strategies Team:

Joan Bonet Majó
Pedro Sastre
Luis Coello
Paulo Gonçalves, CAIA

EURIBOR

	LAST	1 MONTH	YTD	1 YEAR
1 MONTH	-0,43	-0,39	-0,36	-0,37
3 MONTHS	-0,43	-0,38	-0,31	-0,32
6 MONTHS	-0,43	-0,36	-0,24	-0,27
12 MONTHS	-0,38	-0,30	-0,12	-0,17

CURRENCIES

	LAST	1 MONTH	YTD	1 YEAR
EUR/USD	1,0982	1,113	1,145	1,171
EUR/GBP	0,904	0,911	0,898	0,900
EUR/CHF	1,089	1,102	1,126	1,138
EUR/JPY	1116,8	120,8	125,6	130,8

GOVERNMENT BONDS

		LAST	1 MONTH	YTD	1 YEAR
USA	2 YEARS	1,50	1,87	2,49	2,65
	5 YEARS	1,39	1,83	2,51	2,75
	10 YEARS	1,50	2,01	2,68	2,86
	30 YEARS	1,96	2,52	3,01	3,00
GERMANY	2 YEARS	-0,93	-0,78	-0,61	-0,60
	5 YEARS	-0,92	-0,72	-0,31	-0,22
	10 YEARS	-0,70	-0,44	0,24	0,35
	30 YEARS	0,18	0,12	0,88	1,02
SPAIN	2 YEARS	-0,56	-0,49	-0,24	-0,28
	5 YEARS	-0,37	-0,27	0,34	0,44
	10 YEARS	0,11	0,28	1,42	1,47
	30 YEARS	0,99	1,27	2,61	2,62
UK	2 YEARS	0,40	0,44	0,75	0,75
	5 YEARS	0,33	0,38	0,90	1,06
	10 YEARS	0,48	0,61	1,28	1,46
	30 YEARS	1,02	1,32	1,82	1,79

CORPORATES BONDS (1 YEAR SPREAD)

	LAST	1 MONTH	YTD	1 YEAR
AA	-0,41	-0,35	-0,18	-0,23
A	-0,34	-0,29	-0,09	-0,18
BBB	-0,26	-0,20	0,05	-0,05

COMMODITIES

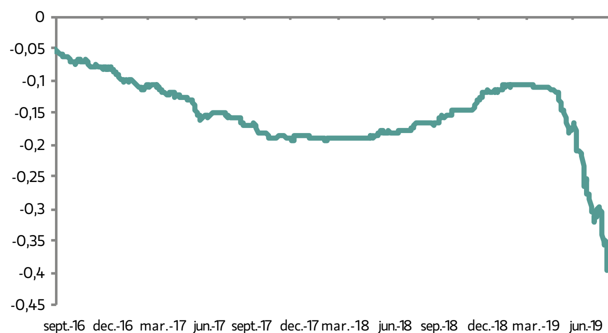
	LAST	1 MONTH	YTD	1 YEAR
BRENT	60,43	65,17	53,80	77,14
GOLD	1520,3	1413,9	1282,5	1206,7

EQUITY INDICES (3 YEARS)

	LAST	1 MONTH	YTD	1 YEAR
MSCI WORLD*	510,88	-2,57%	12,12%	22,78%
SP500	2926,46	-1,81%	16,74%	34,64%
EUROSTOXX50	3426,76	-1,16%	14,17%	14,58%
TOPIXX	1511,86	-3,40%	1,19%	14,30%
IBEX35	8812,9	-1,76%	3,20%	2,63%
FOOTSIE100	7207,18	-5,00%	7,12%	7,18%
MSCI BRAZIL	2051,87	-9,73%	5,55%	24,95%
MSCI CHINA	75,36	-4,20%	5,84%	30,92%
MSCI EMERGING	984,33	-5,08%	1,92%	12,69%

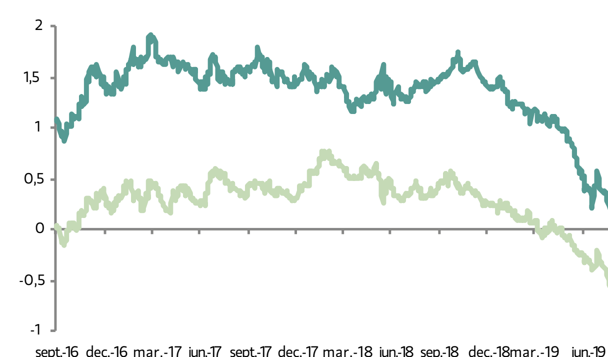
* All countries

EURIBOR 12 MONTHS (3 YEARS)

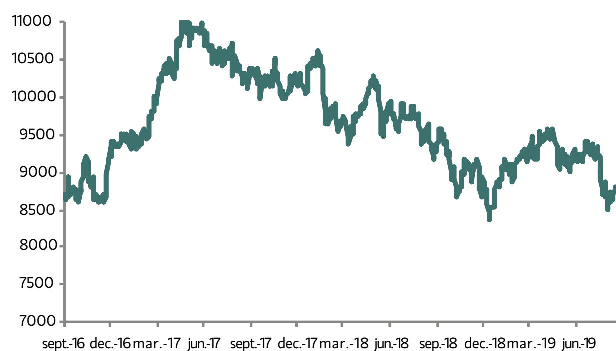


EUR/USD (3 YEARS)

10 YEARS GOVERNMENT YIELDS (SPAIN VS GERM.)



IBEX35 (3 YEARS)

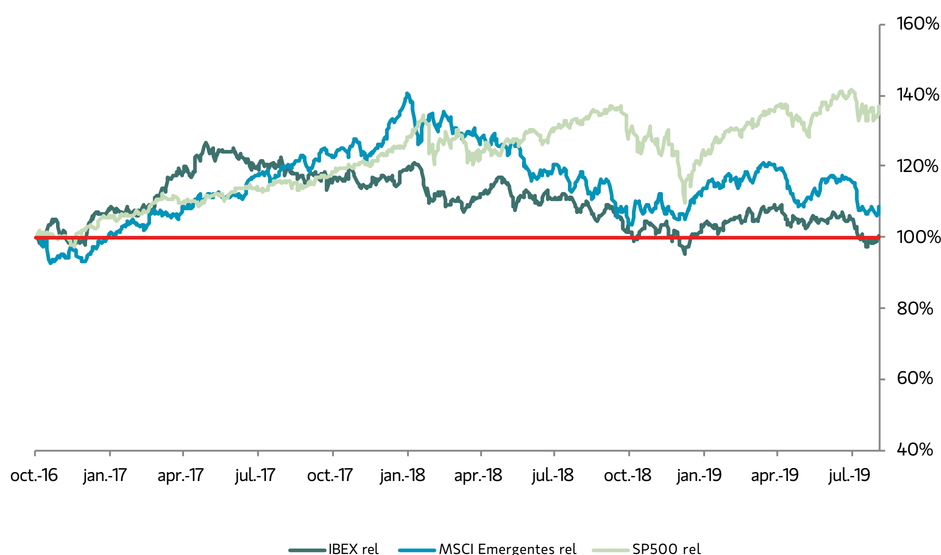


Source: Bloomberg

EQUITY INDICES PERFORMANCE (3 YEARS)

Source: Bloomberg

- IBEX REL
- MSCI EMERGENTES REL
- SP500 REL



*DATE AS OF 30th AUGUST 2019

	RETURN				DURATION		PORTFOLIO DISTRIBUTION					CURRENCY EXP. (NO EUR)	
	WEEK	MONTH	YTD	1 YEAR AGO	CURRENT	1 MONTH AGO	LIQUIDITY	DEPOSITS	FI	EQUITY	ALT. INV.	TOTAL	USD
MARCH RENDIMIENTO F.I.	-0,01%	-0,03%	-0,26%	-0,30%	0,131	0,157	69,82%	0,00%	30,20%	0,00%	0,00%	0,00%	0,00%
MARCH RENTA FIJA CORTO PLAZO F.I.	0,02%	0,00%	0,87%	-0,19%	0,402	0,406	22,92%	0,00%	78,05%	0,00%	0,00%	0,00%	0,00%
MARCH PATRIMONIO C.P. F.I.	0,02%	0,02%	0,82%	-0,39%	0,620	0,637	19,46%	0,00%	81,66%	0,00%	0,00%	0,00%	0,00%
FONMARCH F.I.	0,09%	0,20%	2,60%	1,46%	2,072	2,204	3,68%	0,00%	96,99%	0,00%	0,00%	0,01%	0,00%
MARCH EUROPA F.I.	0,86%	-4,56%	-2,96%	-22,58%	0,003	0,003	2,16%	0,00%	0,00%	95,82%	0,00%	48,98%	4,30%
MARCH INTL - VALORES IBERIAN EQUITY	0,55%	-4,31%	5,32%	-12,19%	0,000	0,000	0,00%	0,00%	0,00%	71,88%	0,00%	3,29%	2,25%
MARCH GLOBAL F.I.	2,29%	-1,31%	15,17%	-6,12%	0,003	0,003	7,77%	0,00%	0,00%	90,53%	0,06%	57,95%	15,29%
MARCH INTL - MARCH VINICATENA	1,56%	-1,65%	7,43%	-4,03%	0,000	0,000	0,00%	0,00%	0,00%	79,61%	0,02%	43,51%	17,85%
MARCH INTL - THE FAMILY BUSINESSES FUND	1,24%	-2,33%	12,81%	-2,33%	0,000	0,000	0,00%	0,00%	0,00%	78,54%	0,00%	39,56%	21,33%
MARCH NEW EMERGING WORLD F.I.*	0,05%	-5,52%	0,19%	-12,22%	0,000	0,000	16,80%	0,00%	0,00%	106,35%	0,00%	56,98%	-28,80%
MARCH INTL - TORRENOVA LUX	0,33%	-0,77%	3,93%	-0,25%	1,0	1,3	0,00%	0,00%	67,65%	15,61%	0,00%	13,50%	6,57%
TORRENOVA DE INVERS. S.I.C.A.V. S.A.	0,42%	-0,61%	4,30%	0,22%	1,048	1,256	9,29%	0,00%	72,90%	17,52%	0,00%	6,53%	-0,64%
CARTERA BELLVER S.I.C.A.V., S.A.	1,05%	-2,53%	5,88%	-4,47%	1,123	1,163	11,14%	0,00%	41,58%	46,62%	0,00%	23,81%	1,53%
LLUC VALORES S.I.C.A.V., S.A.	1,91%	-4,13%	7,57%	-8,81%	0,003	0,003	14,17%	0,00%	0,00%	83,94%	0,00%	44,66%	4,87%
MARCH PATRIMONIO DEFENSIVO F.I.*	0,02%	-0,30%	2,24%	-0,80%	0,000	0,003	2,58%	0,00%	76,96%	10,44%	7,09%	0,29%	0,13%
MARCH CARTERA CONSERVADORA F.I.*	0,03%	-0,69%	4,26%	-1,70%	0,000	0,003	4,49%	0,00%	62,83%	25,87%	7,03%	0,36%	0,17%
MARCH CARTERA MODERADA F.I.*	0,02%	-1,13%	6,25%	-3,03%	0,000	0,003	5,74%	0,00%	43,90%	44,04%	6,61%	0,69%	0,43%
MARCH CARTERA DECIDIDA F.I.*	-0,06%	-2,34%	7,82%	-6,22%	0,000	0,003	5,38%	0,00%	17,45%	67,33%	9,98%	0,55%	-0,21%
PLAN PENSIÓN CRECIENTE, F.P.	0,04%	0,04%	1,50%	-0,03%	1,447	1,482	5,81%	0,00%	95,45%	0,00%	0,00%	0,00%	0,00%
MARCH PENSIONES 80/20, F.P.	0,67%	-0,23%	5,78%	-0,15%	2,330	2,452	4,65%	0,00%	72,26%	23,87%	0,01%	14,95%	4,13%
MARCH PENSIONES 50/50, F.P.	1,28%	-0,70%	8,78%	-1,55%	2,151	2,304	3,05%	0,00%	49,06%	47,47%	0,01%	30,12%	8,57%
MARCH ACCIONES, F.P.	2,39%	-1,50%	16,54%	-4,18%	0,003	0,003	6,26%	0,00%	0,00%	92,59%	0,02%	58,55%	15,84%
MARCH AHORRO, F.P.	0,86%	-0,37%	6,79%	-0,71%	2,262	2,425	3,79%	0,00%	64,60%	31,79%	0,01%	20,10%	5,94%
PLAN ÓPTIMO, F.P.	0,77%	-0,44%	6,25%	-0,37%	2,321	2,517	6,76%	0,00%	62,90%	30,03%	0,01%	18,66%	5,43%
MARCH MODERADO EPSV	0,65%	-0,351%	5,67%	-0,89%	1,830	1,986	14,13%	0,00%	63,00%	24,02%	0,01%	14,47%	3,89%
MARCH ACCIONES EPSV	2,48%	-1,71%	15,45%	-3,95%	0,007	0,003	4,95%	0,00%	0,00%	93,70%	0,02%	60,75%	17,15%

IMPORTANT REMARK:

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