Machine Translated by Google

In On Capital

"In the best markets, on top of business"

Weekly Investment Report

March 31, 2025

Machine Translated by Google

LAST WEEK SUMMARY

Wall Street ended the week lower, capping a volatile five-day period that began with optimism and ended in decline. Tariffs once again dominated the discussion as markets prepared for April 2, a date President Donald Trump has hailed as "Liberation Day."

This is when his administration plans to implement reciprocal tariffs, along with the 25% tariff on auto imports announced earlier in the week. The policy shift continues to inject uncertainty into already jittery markets. For the week, the S&P 500 closed down 1.53%, the Nasdaq down 2.59% , and the Dow Jones Industrial Average down 0.96%.

Investor sentiment was further dampened

On Friday, the US economy was hit by a hotter-than-expected inflation report. The core personal consumption expenditures price index, the Federal Reserve's preferred inflation gauge, rose 0.4% month-over-month in February, beating expectations of 0.3%. On a year-over-year basis, the index rose to 2.8%, slightly above the consensus of 2.7%. The data reinforced concerns that inflation could remain stagnant, complicating the Federal Reserve's path forward.

Elsewhere in the markets, CoreWeave's long-awaited IPO failed. Despite the excitement surrounding the AI infrastructure company's debut, the stock ended the day unchanged, with supply already significantly reduced before the launch. The weak

The reception highlighted investor caution in a sector that has been both a market driver and a source of volatility in recent times.

In other corporate news, GameStop again garnered attention, this time with a strategic shift toward cryptocurrency. The company's board approved the possibility of purchasing Bitcoin as part of its investment reserve strategy, a move that sparked brief enthusiasm before skepticism set in. Concerns persist that the shift may reflect more of a last-minute repositioning than a long-term strategic evolution, as GameStop continues to grapple with fundamental challenges in its core business.

Meanwhile, Elon Musk announced plans to step down from his role as a cost-cutting advisor.

in the Trump administration in late May. Musk is credited with helping to cut $1 trillion off the federal deficit, bringing total federal spending from $7 trillion to $6 trillion during his tenure.

Looking ahead, markets are focused on April 2, when Trump's next wave of tariffs will take effect. With trade and geopolitical tensions escalating, next week could bring increased volatility, especially if new political details amplify uncertainty.

Source: Sentosa & Co

Machine Translated by Google

FLUCTUATIONS AND MACROECONOMIC DATA

KEY DATES OF THE WEEK PAST

March 24th

S&P Global US Manufacturing PMI
Current 49.8 Vs. Poll 51.7.

March 25th

Conference Board Consumer Confidence
Current 92.9 vs. Survey 94.

March 26

Durable goods orders
Current 0.90% Vs. Survey -1.00%.

March 27

Annualized interquarter GDP
Current 2.40% Vs. Survey 2.30%.

Initial unemployment benefit claims

Current 224,000 Vs. Survey 225,000.

March 28th

Personal income
Current 0.80% Vs. Survey 0.40%.

Personal expenses
Current 0.40% Vs. Ecuesta 0.50%.

U. of Michigan sentiment
Current 57 vs. Survey 57.9.

GLOBAL EQUITY INDICES	Last	5 Days	1 Month	YTD
MSCI WORLD	3,634.71	**-1.49%**	ÿ -4.48%	-1.97%
MSCI EM	1,120.72	**-0.94%**	ÿ 2.14%	4.21%
MSCI EM LATIN AMERICA	2,082.98	**-1.79%**	ÿ 5.20%	12.44%
MSCI AC ASIA x JAPAN	727.66	**-1.05%**	ÿ 1.74%	3.35%
deer				
S&P 500 INDEX	5,580.94	**-1.53%**	ÿ -6.27%	-5.11%
NASDAQ COMPOSITE	17,322.99	**-2.59%**	ÿ -8.09%	-10.29%
DOW JONES INDUS. AVG	41,583.90	**-0.96%**	ÿ -5.15%	-2.26%
RUSSELL 2000 INDEX	2,023.27	**-1.64%**	ÿ -6.46%	-9.28%
EUROPE				
STXE 600 (EUR) Pr	542.10	**-1.38%**	ÿ -2.71%	6.79%
Euro Stoxx 50 Pr	5,331.40	**-1.70%**	ÿ -2.42%	8.89%
DAX INDEX	22,461.52	**-1.88%**	ÿ -0.40%	12.82%
CAC 40 INDEX	7,916.08	**-1.58%**	ÿ -2.41%	7.25%
FTSE MIB INDEX	38,739.30	**-0.76%**	ÿ 0.22%	13.32%
IBEX 35 INDEX	13,309.30	**-0.31%**	ÿ -0.28%	14.78%
SWISS MARKET INDEX	12,840.43	**-1.80%**	ÿ -1.26%	10.68%
FTSE 100 INDEX	8,658.85	**0.14%**	ÿ -1.71%	5.94%
ASIA				
NIKKEI 225	37,120.33	**-1.48%**	ÿ -0.09%	-6.95%
HANG SENG INDEX	23,426.60	**-1.11%**	ÿ 2.12%	16.78%
CSI 300 INDEX	3,915.17	**0.01%**	ÿ 0.65%	-0.50%
SENSEX	77,414.92	**0.66%**	ÿ 5.76%	-0.93%
LATAM				
S&P/BMV IPC	53,172.97	**0.95%**	ÿ 1.62%	7.39%
BRAZIL IBOVESPA INDEX	131,902.20	**-0.33%**	ÿ 7.41%	9.66%
MSCI COLCAP INDEX	1,603.63	**-0.26%**	ÿ -0.25%	16.24%
S&P/CLX IPSA (CLP) TR	7,694.49	**1.43%**	ÿ 4.94%	14.67%

EQUITIES SECTORS	Last	5 Days	1 Month	YTD
PHILA GOLD & SILVER INDX	176.64	**1.39%**	ÿ 13.73%	28.76%
MSCI WORLD/CON STPL	292.13	**1.04%**	ÿ -1.89%	4.60%
MSCI WORLD/ENERGY	263.97	**0.84%**	ÿ 3.66%	8.45%
MSCI WORLD/UTILITY	173.69	**0.67%**	ÿ 1.84%	6.06%
MSCI WORLD/CONS DIS	422.47	**-0.52%**	ÿ -7.50%	-9.75%
MSCI WORLD/FINANCEVAL	149.04	**-0.57%**	ÿ -2.25%	6.34%
MSCI WORLD BANK INDEX	137.01	**-0.93%**	ÿ -2.84%	7.32%
MSCI WORLD/MATERIAL	334.49	**-1.19%**	ÿ -1.57%	4.09%
MSCI WORLD/HLTH CARE	368.58	**-1.44%**	ÿ -2.72%	4.46%
MSCI WORLD/INDUSTRL	415.94	**-1.75%**	ÿ -1.40%	2.71%
MSCI WRLD/COMM SVC	121.58	**-2.82%**	ÿ -7.38%	-4.48%
MSCI WORLD/INF TECH	698.73	**-3.70%**	ÿ -8.65%	-11.76%

US RATES	Last	5 Days Close		12M Close	
2Y	3.91	3.95	-0.04	4.62	-0.71
5Y	3.98	4.00	-0.02	4.21	-0.23
10Y	4.25	4.25	0.00	4.20	0.05

BONDS CREDIT SPREAD		5 Days Close		12M Close	
EM Bonds Spread	312.82	296.6	**16.2**	287.22	25.6
HY Bonds Spread	347.00	327.0	**20.0**	346.00	1.0
BBB 10yr Spread	181.06	163.4	**17.7**	153.97	27.1
CoCos Spread	260.70	256.5	**4.2**	311.20	**-50.5**

FIXED INCOME		5 Days	1 Month	YTD
US High Yield	2,712.00	-0.44%	ÿ -0.95%	1.08%
EM Bonds USD	1,276.35	-0.27%	ÿ -0.43%	2.26%
EM Local Currency	135.97	-0.40%	ÿ 0.70%	3.61%
CoCos USD	137.46	-0.05%	ÿ 1.03%	3.49%
IG BBB 3-5yr USD	371.69	-0.19%	ÿ -0.41%	2.09%
IG AA Corp USD	274.36	-0.21%	ÿ -0.38%	2.03%

COMMODITIES	Last	5 Days	1 Months	YTD
CRB INDEX	306.87	0.36%	ÿ 1.67%	3.42%
WTI	69.36	1.58%	ÿ -0.57%	-3.29%
Brent	74.44	2.65%	ÿ 1.38%	0.45%
US Natural Gas	4.07	2.14%	ÿ 6.03%	11.89%
S&P GSCI Precious Metal	**4,024.51**	**2.31%**	ÿ **9.43%**	**18.02%**
Gold	3,085.12	2.08%	ÿ 7.95%	17.55%
Silver	34.13	3.31%	ÿ 9.55%	18.07%
Platinum	986.24	0.65%	ÿ 3.88%	8.67%
Palladium	974.91	1.57%	ÿ 5.72%	6.82%
S&P GSCI Ind Metal Index	**462.88**	**-1.35%**	ÿ **1.89%**	**5.68%**
Aluminum	2,547.50	-2.86%	ÿ -2.23%	-0.16%
Copper	9,749.69	-0.65%	ÿ 4.41%	12.68%
Nickel	16,158.89	2.06%	ÿ 5.84%	6.93%
S&P GSCI Agriculture	**375.63**	**-2.07%**	ÿ **-2.21%**	**-1.90%**

CURRENCIES	Last	5 Days	1 Month	YTD
CHF vs. USD	0.8808	0.23%	ÿ 2.53%	3.02%
JPY vs. USD	149.8400	-0.35%	ÿ 0.53%	4.91%
CAD vs. USD	1.4313	0.25%	ÿ 1.03%	0.50%
EUR vs. USD	1.0828	0.09%	ÿ 4.37%	4.58%
GBP vs. USD	1.2940	0.16%	ÿ 2.89%	3.39%
AUD vs. USD	0.6287	0.22%	ÿ 1.26%	1.60%
BRL vs. USD	5.7610	-0.57%	ÿ 2.14%	7.23%
MXN vs. USD	20.3753	-0.67%	ÿ 0.86%	2.22%
COP vs. USD	4,201.70	-1.36%	ÿ -1.13%	4.86%
CNY vs. USD	7.2622	-0.14%	ÿ 0.22%	0.51%
EUR vs. CHF	0.9537	0.14%	ÿ -1.75%	-1.43%
DOLLAR INDEX	104.0440	-0.04%	ÿ -3.32%	-4.10%
BITCOIN	83,834.67	-4.60%	ÿ -0.45%	-10.54%

KEY DATES OF THE NEXT WEEK

April 1st

S&P Global U.S. Manufacturing PMI

Survey 49.8.

April 2nd

Change in ADP Employment
Survey 120K.

Durable Goods Orders
Survey 0.90%.

April 3rd

Trade Balance
Survey -123.4 billion dollars.

Initial Subsidy Applications by Unemployment
Survey 225K.

April 4th

Change in Non-Farm Payrolls
Survey 138K.

Unemployment Rate
Survey 4.10%.

Source: Sentosa & Co

For Recipient Use Only - This presentation is not for use or distribution to the general public.

Machine Translated by Google

CIO VISION

Asset Class	U	N	O
Fixed Income			
Variable Income			
Alternatives			

Regions (Equity)	U	N	O
North America			
Europe			
Emerging Markets			
Japan			

Equity Sectors	U	N	O
Consumer Staples			
Health Care			
Telcom Services			
Utilities			
Consumer Disc.			
Energy			
Financials			
Industrial			
Technology			
Real Estate			
Materials			

After a week of relief, risk-off resumed its focus last week. Selling was driven by concerns about the economic environment, including signs of deteriorating consumer confidence and spending, as well as the threat of tariffs and their potential impact on inflation and growth. Technology stocks were particularly hard hit, with investors dumping winners of the past two years, such as Nvidia Corp. and Palantir Technologies Inc., amid concerns about a bubble in the sector. Medium-term breadth indicators continue to deteriorate, confirming that any rebound is somewhat temporary.

Some sector rotation away from IT companies continues, hurting the expensive US market more than the rest. During March, we upgraded Europe to Neutral, as investors are rotating into more defensive and cheaper markets. We also upgraded the healthcare sector to Overweight, as it is showing signs of relative outperformance, and upgraded the Industrials sector to

Neutral.

Source: Sentosa & Co

For Recipient Use Only - This presentation is not for use or distribution to the general public.

Machine Translated by Google

THE TOPIC OF THE WEEK

Switzerland is a good alternative for investors

Since the beginning of the year, the Swiss equity market has been emerging from the crisis, with an impressive +12% year-to-date performance (Chart 1), outperforming both the Stoxx 600 (+8.1%) and the S&P 500, which has fallen by -5.2% over the same period. **In relative terms, the Swiss market is breaking a relative downtrend that has been in place since 2022, entering a new phase of long-term outperformance** (Chart 2).

Although the Swiss economy is likely to grow below its potential due to a recessionary international environment and temporary domestic constraints, the fundamentals remain excellent. **Gross Domestic Product (GDP) growth will be stronger in 2025 than in the major European countries** (Chart 3), **accentuating a gap that has been structural for more than a decade** (Chart 4).

Even better, inflation is perfectly under control. **Since June 2023, annual price growth has been below 2%, which has allowed the Swiss National Bank (SNB) to ease monetary policy five times, lowering its main policy rate from 1.75% to 0.25% between March 2024 and March 2025** (Chart 5). The central bank aims to stimulate lending to businesses and households, but also to counter the strength of the Swiss franc. This countercyclical action will support activity at a time when momentum is lacking.

Chart 1: SMI Index (12'867.23)

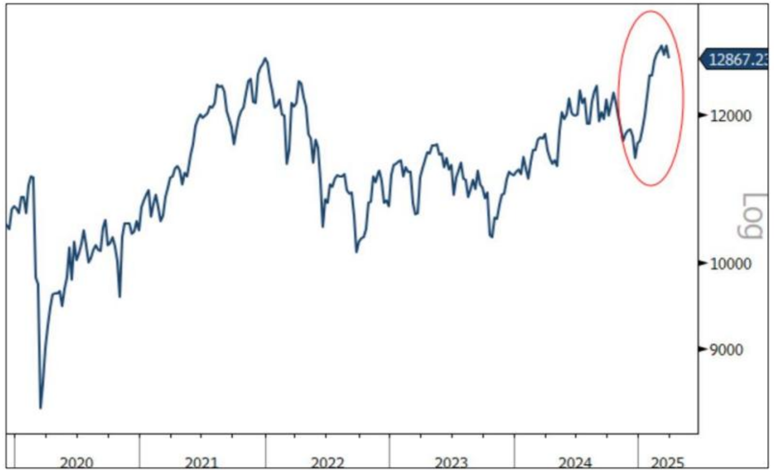
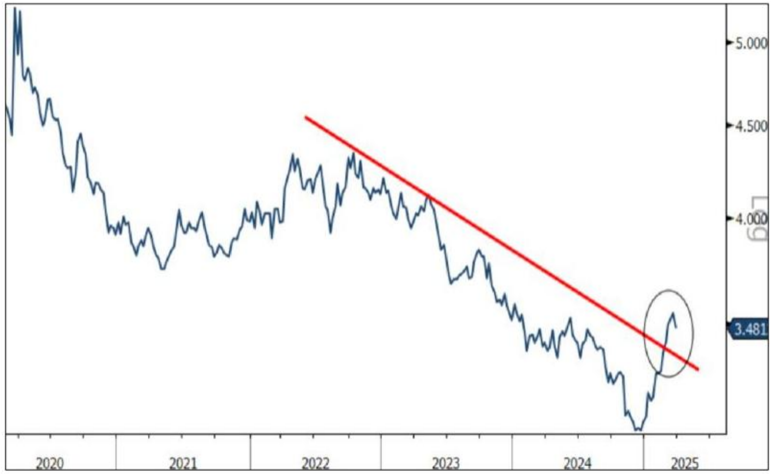


Chart 2: SMI vs. MSCI World



Fuente : Sentosa & Co, Altitude IS

For Recipient Use Only - This presentation is not for use or distribution to the general public.

Machine Translated by Google

THE TOPIC OF THE WEEK

Chart 3: Annual economic growth of European countries

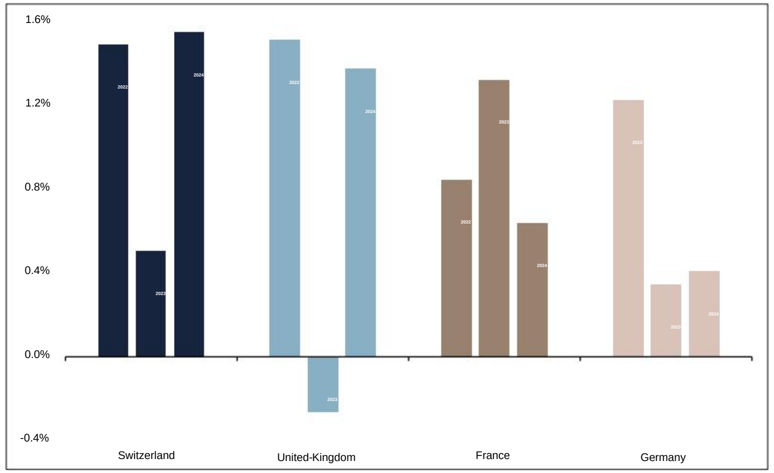


Chart 4: Economic growth in Europe

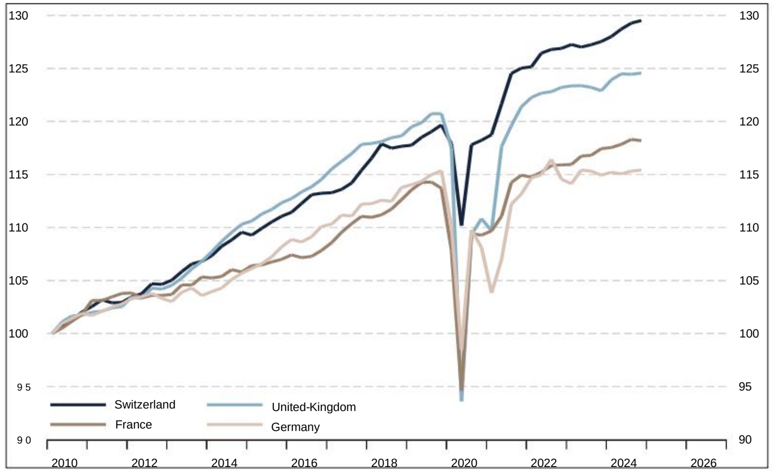


Chart 5: Swiss inflation (0.3%); Official interest rate of the National Bank Swiss (0.25%)

Fuente : Sentosa & Co, Altitude IS

Machine Translated by Google

THE TOPIC OF THE WEEK

Despite the trade balance approaching pandemic-era highs, the economic expansion is predominantly driven by domestic consumption rather than exports. Consumer spending, although only 51% of GDP, is driving an impressive 69% of overall growth. Faced with rising unemployment rates and stagnant wages, consumers have strategically reduced their spending on non-essential purchases, such as automobiles and tourism, while maintaining steady consumption of essential products: food, household essentials, and medical services. This resilient domestic demand allows the economy to effectively weather the current economic difficulties in the coming quarters. Moreover, the trade surplus is likely to face significant challenges, particularly in the pharmaceutical industry. **This sector alone accounts for 38% of Swiss exports, and the United States is its largest market, accounting for 27% of total pharmaceutical exports** (Chart 6).

Switzerland's inclusion at number fourteen on the Trump administration's "Dirty 15" watch list of alleged trade policy violators underscores this exposure, despite the nation's modest economic footprint. This ranking is primarily due to Switzerland's significant trade surplus with the United States, a criterion that has similarly affected many other nations on this list, rather than to specific policy violations. **Overall, the United States is Switzerland's second-largest trading partner after Germany: 18% of total Swiss exports go to the United States** (Chart 7). On Wednesday , April 2, US Treasury Secretary Scott Bessent will announce the next phase of his tariff plan. The introduction of US tariffs could definitively penalize Swiss companies. The most pessimistic expect a -20% impact if tariffs of +10% are imposed. Faced with this challenge, and with the goal of securing access to the US market, Bern is considering relaunching talks on a free trade agreement.

Chart 6: Swiss pharmaceutical exports by destination country (% of pharmaceutical exports)

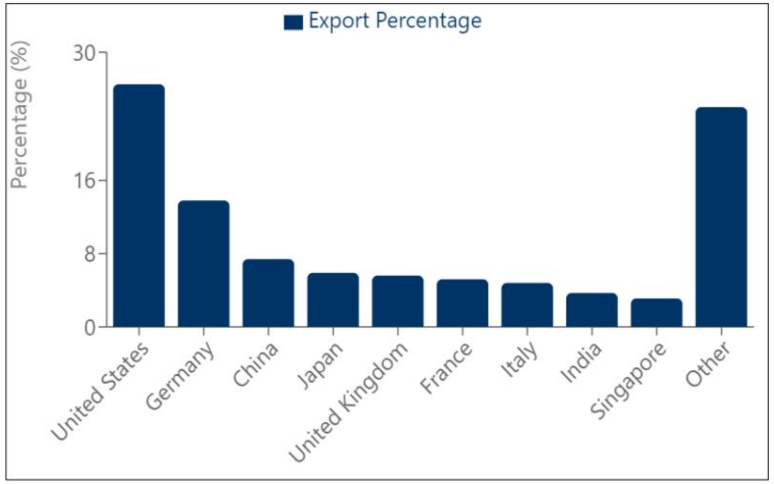
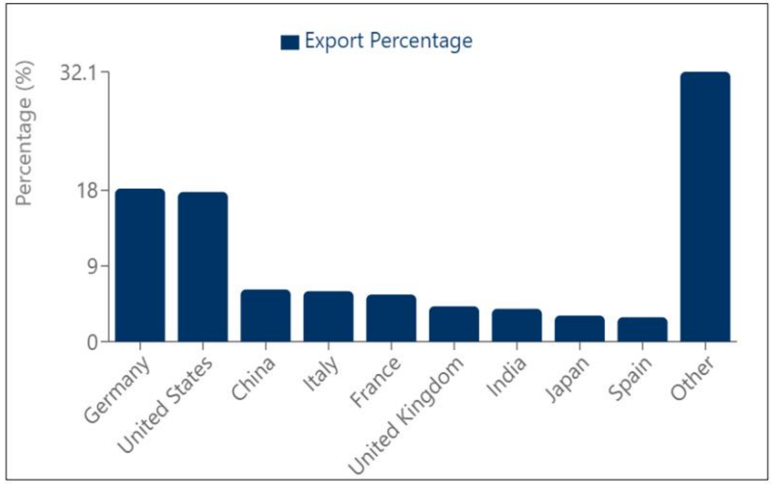


Chart 7: Swiss exports by destination country (% of total exports)



Fuente : Sentosa & Co, Altitude IS

For Recipient Use Only - This presentation is not for use or distribution to the general public.

THE TOPIC OF THE WEEK

The Swiss Franc Is a Good Alternative to the Dollar In 2024,

with the depreciation of the Swiss franc against the dollar and the euro, investors are likely to be uninterested in the low yields offered by Swiss franc fiat investments. This is becoming less true. The fall of the greenback gives this arbitrage strategy an additional advantage. Since the beginning of the year, the appreciation of the franc has not yet been enough to offset the yield differential, but this will soon be the case. **The USDCHF has been unable to break the strong resistance at 0.92, and the current economic headwinds will undoubtedly pull the USDCHF back toward 2024 lows at 0.84-0.85** (Chart 8). At the same time, **the dollar index has technically executed a bull trap, failing to break the 107 level and seeing prices revert back within the former long-term trading range of 101-107** (Chart 9). From a technical perspective, the dollar index's dynamics are challenged, and there's little chance of an immediate return to previous highs. If we add the current economic slowdown and the potential narrowing of the interest rate differential between the USD and other currencies, and speculating that the Fed may become more dovish in the near future, the USD should continue to depreciate in 2025.

In the stock market, Swiss equities offer two compelling advantages: **they outperform over the very long term** (Chart 10) and offer a natural cushion during economic downturns or bear markets. Over the past two years, investors may have forgotten about Swiss equities due to the strong risk-on sentiment. Indeed, the SMI, which includes the 20 largest companies, gained only +6%, while the S&P 500 gained +54%. The SPI, which includes almost all listed public companies—more than 200 stocks—did no better: +10%. Now is certainly a good time to reconsider Swiss equities.

Chart 8: USDCHF (0.8830)

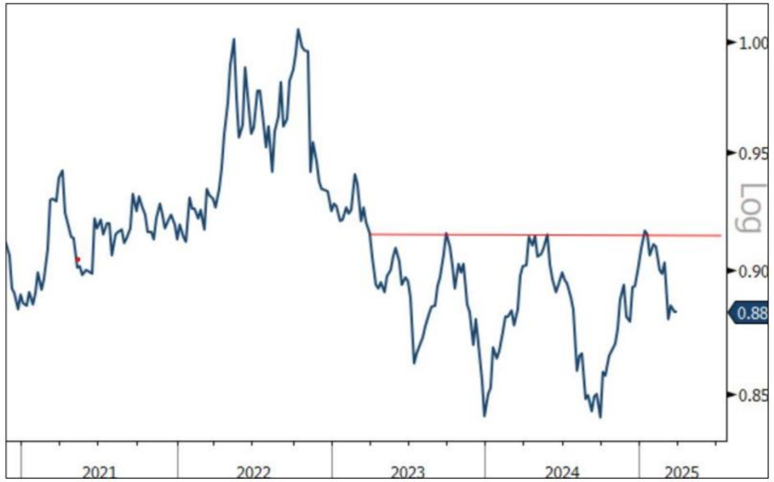
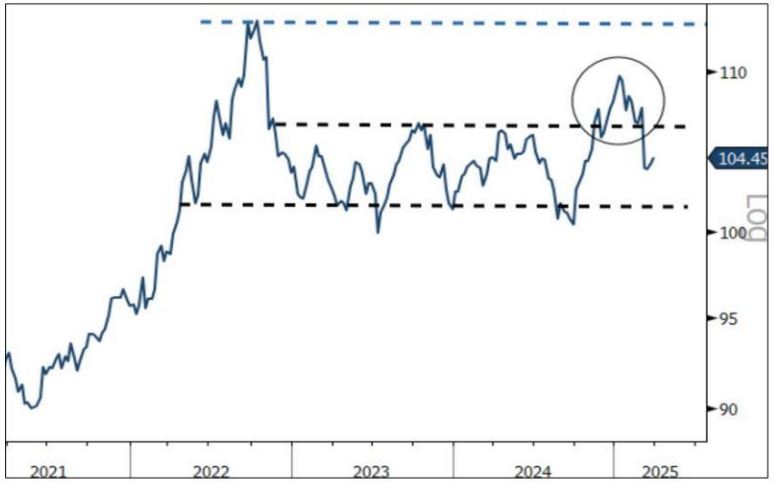


Chart 9: DXY (104.50)



Fuente : Sentosa & Co, Altitude IS

Machine Translated by Google

THE TOPIC OF THE WEEK

Chart 10: Swiss Performance Index (SPI); S&P 500; Stoxx 600 Index

CONCLUSION

2025 is nothing like 2023 or 2024. Stock markets, especially in the US, are in turmoil, with sector rotation shifting toward defensive companies, such as healthcare and consumer staples. This has been all it took for the Swiss indices to generate around +12% since January 1, placing them at the top of the podium.

This trend is expected to continue throughout 2025, despite the negative impact of tariffs. On the other hand, investors are beginning to doubt the ability of US companies to generate the profits expected by the analyst consensus and are questioning the high valuations in some cases. Switzerland, on the other hand, may be an attractive location for investors due to several advantages, such as: world-leading companies, resilient growth, controlled inflation, a strong currency, and low debt levels.

Machine Translated by Google

Legal Notice

In On Capital, SA makes this content available for informational purposes only and without the intention of constituting a solicitation or offer, recommendation or advice for acquire or sell rights to securities or investment products or be part of any transaction of any kind, in particular with any recipient other than a qualified, authorized, eligible, and/or professional investor. This content is for the exclusive use of the recipient and may not be communicated, printed, downloaded, used, or reproduced for any other purpose. It is not intended for distribution to, or use by, natural or legal persons who are nationals of any country. jurisdiction of a jurisdiction whose laws or regulations prohibit such distribution or use. While In On Capital will make every effort to obtain information from sources that In On Capital, its directors, representatives, employees, agents or shareholders do not assume any responsibility for this content and do not offer any guarantee. The data mentioned is accurate, complete, or reliable. Therefore, In On Capital assumes no liability for any loss resulting from the use of This content. The ongoing information, reviews, and evaluations in this document apply at the time of publication and may be revoked or modified without notice. prior notice. This content is intended only for recipients who understand the risks involved and can assume them. Before entering into any transaction, recipients should determine whether the product or investment product mentioned in the content corresponds to their particular circumstances and should ensure that they evaluate independently (with your professional advisors) the specific risks and legal, tax and accounting consequences and eligibility conditions for any purchase, holding or selling securities or investment products mentioned in the content. In On Capital, its directors, representatives, employees, agents or shareholders may have interests in the investments described herein and/or be bound by subscription commitments to such investments. In On Capital does not guarantee the suitability of the information, notices or securities and investment products mentioned. Historical performance data for securities and investment products or underlying assets are not a guarantee of organizational unit responsible for financial research. In On Capital is subject to separate regulatory requirements and certain services, securities, and/or investment products may not be available in all jurisdictions or to all recipients. Recipients must comply with all applicable laws and regulations. This This document is not intended to provide services, securities and/or investment products in countries or jurisdictions where such an offer would be unlawful under the laws and applicable local regulations. In On Capital, SA is an entity regulated and supervised by the Panamanian Securities Market Superintendency (SMV) 296/2014.