Dear customers/readers,

February showed us that investor confidence in the stock markets remains strong.
Despite the clear statements of Jerome Powell (Chairman of the US Federal Reserve) preparing opinion for a later than expected start to interest rate cuts and a likely downward revision of their number and intensity, the market was particularly resilient.

Fourth-quarter 2023 corporate earnings on both sides of the Atlantic were reassuring on the whole – particularly those of large companies.

Companies well positioned to benefit from the giddying growth of artificial intelligence (AI) performed admirably.
The Magnificent 7 stocks (or rather the “Magnificent 6” if excluding Tesla) set the tone for equity market indexes.
Just as in 2023, stocks in more traditional sectors are already lagging big tech companies somewhat.

For the moment, the US economy is proving much more robust than expected.
A recession this year is looking more and more unlikely. We can expect a (slight) slowdown – which would be a relief for the Fed.
The European economy is much less buoyant, but expectations concerning the next rate cut by the European Central Bank (ECB), combined with satisfactory earnings for most listed companies, allowed stock markets to continue their climb.
The temporary economic difficulties in Germany seemed not to dint market confidence.
Inflation ebbed a little more slowly but remains at reasonable levels,
with the reduction in household energy bills contributing.

The Japanese stock market rose to a new all-time high,
having been boosted considerably by the yen’s weakness and China’s economic difficulties.

2024 is a presidential election year in the United States, which is statistically favourable for the US market.

The geopolitical environment remains very tense but has had no material impact on stock markets thus far.

Bond indexes have remained under a fair amount of pressure since the beginning of the year,
which should ease as key rate cuts start to be announced.
Unlike equities, bonds are less influenced by psychological and subjective factors.

As we already increased our exposure to risky assets at the beginning of the year, we are keeping the weight of equities in our portfolios steady.

Performance of the main markets in 2024

	February 2024	from 01/01 to 29/02/2024
Euro Stoxx 50	+4.93%	+7.88%
Stoxx Europe 600	+1.84%	+3.26%
S&P 500	+5.17%	+6.84%
S&P 500 Equal Weight	+4.05%	+3.16%
BEL 20	-0.04%	-1.25%
MSCI WORLD	+4.11%	+5.30%
Nikkei 225	+7.94%	+17.04%
Hang Seng (Hong Kong)	+6.63%	-3.14%

Charles Bok
Chief Executive Officer