

Dear customers/readers,

After April's downturn, which saw the main stock market indices fall by between 3% and 4%, May proved to be another very good month.

The main theme of this year is still undoubtedly the monetary policy of the major monetary powers.

We recall that at the end of last year, it was clear that the US Federal Reserve was going to lower its key rates in 2024, with five or even seven consecutive cuts.

The European Central Bank was also expected to ease monetary policy, but to a lesser extent than in the United States.

The European economy was expected to rebound, meaning that interest rate cuts would be pushed back.

And as is often the case, things are not going exactly as expected, at least so far.

In the United States, after falling steadily for several months, inflation is now stabilising at a level above the Fed's ambitious 2% target.

The economy has turned out to be much stronger than expected, although signs of a slowdown are becoming more evident by the week.

The real estate market, and new construction in particular, has slowed.

The manufacturing sector is also under some pressure.

Against this backdrop, it is unlikely that the start of US interest rate cuts will occur before autumn. Monetary authorities have already repeatedly stated that it is wiser not to rush things and to ensure that inflation is brought durably under control.

In Europe, inflation is in line with expectations but above the 2% the ECB is hoping for.

Growth in 2024 is expected to be around 0.5%.

We are seeing an improvement in the German economy, which was previously in bad shape.

The market is expecting an initial rate cut very soon.

While a decision in this direction seemed certain as early as 6 June, the ECB has expressed caution and this could mean that it might take until the summer before we finally see interest rates coming down, which could provide some relief to companies.

As in the United States, the main concern in Europe is to avoid a situation where cutting interest rates too early poses a danger and allows inflation to rise again.

China's economic landscape is mixed.

Industrial production has shown reassuring strength while retail sales are disappointing.

The real estate market remains sluggish.

Overall, despite a tense geopolitical climate, conditions still favour risky investments.



**Performance of the main markets in 2024**

	May 2024	1 January to 31 May 2024
<b>Euro Stoxx 50</b>	+1.27%	+10.22%
<b>Stoxx Europe 600</b>	+2.63%	+8.18%
<b>S&amp;P 500</b>	+4.80%	+10.64%
<b>S&amp;P 500 Equal Weight</b>	+2.84%	+5.06%
<b>BEL 20</b>	+0.90%	+5.67%
<b>MSCI WORLD</b>	+4.23%	+8.71%
<b>Nikkei 225</b>	+0.21%	+15.01%
<b>Hang Seng (Hong Kong)</b>	+1.78%	+6.06%

**Charles Bok**  
Chief Executive Officer