Dear clients, Dear readers,

The markets were somewhat jittery in October, without calling into question the clearly positive trend of the main stock markets since the beginning of the year.
The US and European Union central banks (Fed and ECB) are likely to continue cutting interest rates, but the size and pace of rate cuts may fall short of investors' expectations.
In the US, the Fed noted that the US economy is proving far more resilient than expected (employment figures remain good overall and growth for the current year has been revised slightly upwards).
The third quarter results announced by some companies are generally in line with expectations or better than expected, although some results may have disappointed the most optimistic investors.
Inflation has so far remained under control, but a rebound in the coming weeks cannot be entirely ruled out.
The US stock markets have performed very well since the beginning of the year; a short pause would not come as a surprise.
The forthcoming US elections add some pressure, with the outcome uncertain at the time of writing.
Cynically speaking, the election of Kamala Harris or Donald Trump should not overly influence the financial markets unless Trump engages in a frenzied escalation in the trade war with China, or even Europe.

In Europe, the macroeconomic environment is a little gloomy. Germany is not in a position to assume its role as an economic locomotive for the time being, and France is mired in political instability, which we hope will be short-lived.
Inflation is in line with expectations, but the ECB may not want to tempt fate by applying an overly accommodative monetary policy that could revive inflation.
European company earnings, which were more or less in line with expectations, included some unpleasant surprises in a range of sectors including financial real estate, high technology, automotive and oil.

The Japanese stock market performed well thanks to the weak yen (which is making its companies more competitive).

The dollar has been resilient against the euro so far and could strengthen if the Fed were to slow down the pace of rate cuts in the US.
Gold is setting record after record; geopolitical tensions are certainly a big part of this.

With interest rates falling less quickly and less sharply than consensus expectations, the bond market may not be as flamboyant as some imagined a few months ago.

In this environment, we are not increasing our exposure to risky assets for now.

Performance of the main markets in 2024

	October 2024	1 January to 31 October 2024
Euro Stoxx 50	-3.46%	+6.77%
Stoxx Europe 600	-3.35%	+5.51%
BEL 20	-1.99%	+13.65%
S&P 500	-0.99%	+19.62%
S&P 500 Equal Weight	-1.60%	+11.72%
Nasdaq 100	-0.85%	+18.21%
Nikkei 225	+3.06%	+16.79%
Hang Seng (Hong Kong)	-3.86%	+19.18%
MSCI Emerging	-4.38%	+9.36%
MSCI World	-2.04%	+15.08%

Charles Bok
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