

Investments - Flash

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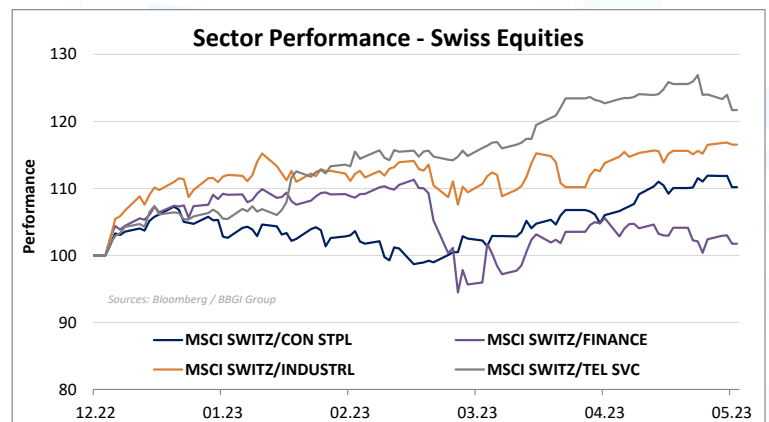
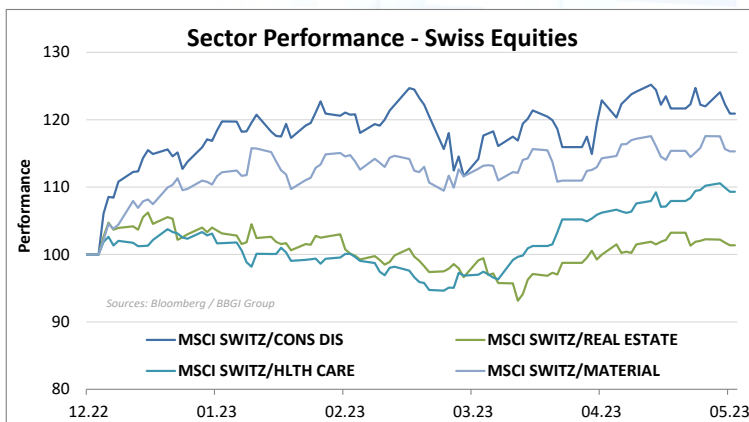
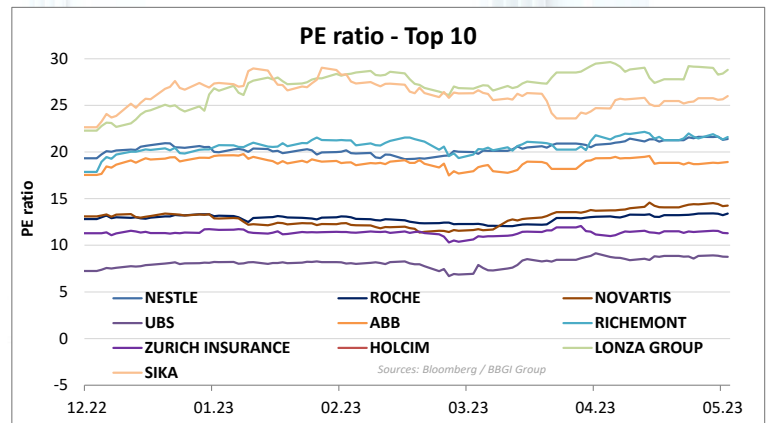
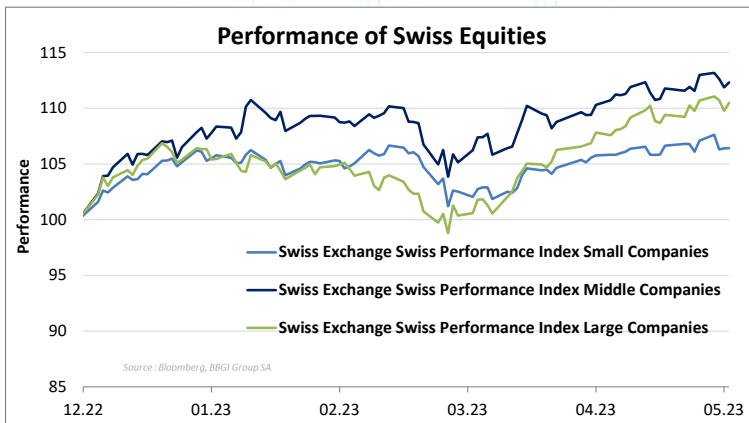


PROFIT EXPECTATIONS A BIT HIGH FOR SMI Investment policy focused on secondary stocks

The profit expectations for all stocks in the SMI index are +16.5% for the next twelve months, while the global economic scenario is rather positive with risks of temporary regional recessions during the year. Almost half of the companies in the SMI have earnings expectations above +10%, while 40% of the values still have estimates below +5%. Consensus earnings expectations for the SMI already seem high by international comparison for 2023, but expectations of +10.5% for 2024 also seem a bit optimistic. The situation is slightly different for Swiss mid-cap companies, as expectations for the SPI Middle Cap are also +13.8% for 2024, but they are more reasonable for the current year with an expected growth of only +4.7%. Our investment policy for the coming months favors more cyclical and less

defensive values, which should benefit from a change in investor sentiment, less concerned by interest rate risks.

Among the SMI's leading stocks, the financial sector is expected to be largely underweighted, with banking exposure significantly reduced. Large values in the food and healthcare segments should also be less represented. Overall, we believe that value now resides more clearly in mid-sized companies that deserve an overweight allocation. Already slightly higher PEs could slow their progress, but their performance (+14.2%) to date, which is better than that of the SMI (+10.8%) and the SPI (+12.4%), should, however, increase in our view over the next few months.



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