

# BBGI PRIVATE BANKING STRATEGIES & INDICES USD

A BBGI exclusivity since 1999

March 2024

Annualized performance  
of +5.32% to +6.70%

## Positive trend accelerates in March

### NEGATIVE PERFORMANCE FOR TWO OF THE THREE BBGI PRIVATE BANKING USD INDICES IN MARCH

BBGI Private Banking Index « Low Risk »	+1.54%	(YTD +1.45%)
BBGI Private Banking Index « Medium Risk »	+2.08%	(YTD +3.00%)
BBGI Private Banking Index « Dynamic Risk »	+2.62%	(YTD +4.57%)

### Comments (performances in USD)

As the first quarter draws to a close this month, the financial markets are on course to rise in 2024. Indeed, our three BBGI Private Banking indices all posted positive performances in March and in cumulative terms. The low-risk strategy advanced by +1.54% and the moderate-risk approach did slightly better, climbing by +2.08% this month. The dynamic risk index turned in the best performance of the month, gaining +2.62%. Since January, the three strategies have also achieved clearly positive performances of +1.45%, +3.00% and +4.57% respectively. Bond markets continued their upward trend in March. The domestic segment recorded a gain of +0.56%, while the international segment followed a similar trend (+0.43%). Since the start of the year, however, both asset classes are still in negative territory, by -1.00% and -2.42% respectively. The securitized real estate segment performed well in March, benefiting from the more favorable interest rate environment. The international segment climbed +3.63%, but is still below the YTD neutral performance mark (-1.05%). Equity markets were also in the green in March. The domestic segment posted a performance of +3.15%, and the international class performed similarly, with a gain of +3.13%. Since the beginning of the year, international equities have posted a cumulative gain of +4.69%. U.S. equities are up +10.30%. Commodities once again increased their positive momentum, climbing +4.73% after a brief slowdown in February (+0.87%). The segment posted the best YTD performance (+10.36%). Private equity and hedge funds gained +3.49% and +1.26% respectively.

### Financial market developments (performances in local currencies)

Sentiment remained positive in March, underpinned both by favorable elements on the inflation front and by the remarkable resilience of the US economy. The spectrum of a recession has receded, and the outlook for GDP growth is once again fairly solid for both the first and second quarters. The Fed's decision to keep interest rates unchanged was widely expected, and therefore had no noticeable effect on stock market sentiment, which remained upbeat. At the end of the month, the publication of the PCE indexes, the Fed's favorite measures, provided a little more visibility on inflation trends, reinforcing the prospect of the Fed's next pivot in June. Indeed, inflation is back on a downward trend after rebounding in January. From now on, the next potential source of uncertainty is likely to be the strength of the US economy and the risk of postponing rate cuts, or their amplitude, by a few months. In Europe, the statistics are also moving in the right direction, with the decline in inflation now following a more pronounced path, bringing it down to +2.6%/year, i.e. below the level seen in the USA (+3.2%/year). In our view, the conditions are ripe for trends to continue towards the targets set by central banks, with the notable exception of the situation in Switzerland, where the SNB was the first central bank to cut its key rates by 0.25% in March. Unless there is a major surprise, the improvement in sentiment observed in a growing number of leading indicators is unlikely to translate into an acceleration of the economy, but rather into a slowdown, except for China, which is probably in the recovery phase. In this environment, commodities (+4.73%) and precious metals (+8.41%) in particular posted excellent performances over the month. Only securitized real estate in Europe (+8.94%) and the UK (+7.97%) came close. In Switzerland (+3.04%) and internationally (+3.18%), real estate progressed more timidly. On the other hand on the equity markets, Switzerland (+3.94%) slightly outperformed the global index (+3.21%), thanks to the influence of a weaker Swiss franc. Bond indices recovered slightly, with moderate rises of +0.74% in Switzerland and +0.55% internationally.

### PERFORMANCE OF ASSET CLASSES (USD)

#### MARCH

+ 4.73%	Commodities
+ 3.63%	International Real Estate
+ 3.49%	Private Equity
+ 3.15%	US Equities
+ 3.13%	International Equities
+ 1.26%	Hedge Funds
+ 0.56%	US Bonds
+ 0.43%	International Bonds

#### YTD

+ 10.36%	Commodities
+ 10.30%	US Equities
+ 8.14%	Private Equity
+ 4.69%	International Equities
+ 2.52%	Hedge Funds
- 1.00%	US Bonds
- 1.05%	International Real Estate
- 2.42%	International Bonds

## COMMENTS BY ASSET CLASS

### Bonds

Yields are easing slightly, allowing indexes to post slight gains. Emerging markets and high yield advanced over the month, posting good quarterly performances in a still uncertain environment. The resilience of the US economy prevents us from taking a clearer view of falling inflation in the USA and the rest of the capital markets, which remain highly correlated. The cut in US key rates is likely to wait until June, without calling into question the easing planned for 2024. Risk scores are relatively stable and remain in the buy zone. Prospects for capital gains are again present at these yield levels, suggesting a renewed attractiveness of fixed-income markets.

### Equities

Equity markets are focused on earnings trends and remain motivated by the expected change in monetary policy. The postponement by a few weeks or months of the first key rate cut in the United States is not enough to dampen the current enthusiasm. Indexes continue to rise for the fifth consecutive month. Valuations are now higher, however, and quantitative risk scores suggest the approach of the next phase of potential price consolidation. Overall scores remain in the orange zone for the main international markets. Risks are nonetheless increasing marginally, but the uptrend still seems valid.

### Commodities

Crude oil prices continued to rise, supporting the asset class in March. Indeed, Chinese import and export data released during the period reinforced optimism about a potential recovery in the country's economic activity and demand for crude oil.

### Real Estate

Securitized real estate fared well this month, benefiting from the positive trend in interest rates, particularly in the eurozone and the UK. International class jumped +3.63% in March.

## BBGI Group Private Banking Indices - Historical Performances in USD

	Last three months			YTD	Full Year				Annualized Performances	
	January 2024	February 2024	March 2024	Current Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2023	1993 to date
<b>BBGI Group PBI "Low risk" (65%fxd income)</b>	-0,31%	0,23%	1,54%	1,45%	1,45%				8,79%	5,32%
<b>BBGI Group PBI "Medium risk" (48%fxd income)</b>	-0,10%	1,01%	2,08%	3,00%	3,00%				11,26%	6,05%
<b>BBGI Group PBI "Dynamic risk" (25%fxd income)</b>	0,11%	1,79%	2,62%	4,57%	4,57%				13,74%	6,70%
<b>Sub-Indices</b>										
US Bonds	-0,26%	-1,29%	0,56%	-1,00%	-1,00%				4,28%	3,96%
International Bonds	-1,55%	-1,30%	0,43%	-2,42%	-2,42%				5,18%	3,39%
US Equities	1,53%	5,32%	3,15%	10,30%	10,30%				26,49%	9,87%
International Equities	-0,99%	2,53%	3,13%	4,69%	4,69%				15,62%	5,40%
Private equity	0,43%	4,05%	3,49%	8,14%	8,14%				43,00%	9,65%
Hedge Funds	0,32%	0,92%	1,26%	2,52%	2,52%				3,51%	5,45%
International Real Estate	-3,99%	-0,54%	3,63%	-1,05%	-1,05%				10,85%	6,69%
Commodities	4,47%	0,87%	4,73%	10,36%	10,36%				-4,27%	1,89%
<b>Forex</b>										
USD/EUR	2,04%	0,12%	0,14%	2,31%	2,31%				-3,02%	-1,06%

The BBGI Group Private Banking indices can be obtained free of charge from the BBGI Group Analysis & Research Department (reception@bbgi.ch). They provide the first objective benchmarks for the performance of the wealth management industry.

Sources : Bloomberg, BBGI Group SA



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The diversified systematic strategies of the BBGI Private Banking Indices have produced returns of +5.32% to +6.70% annualized since 1993 to date.

The composition of our indices is available on request.