

Investments - Flash



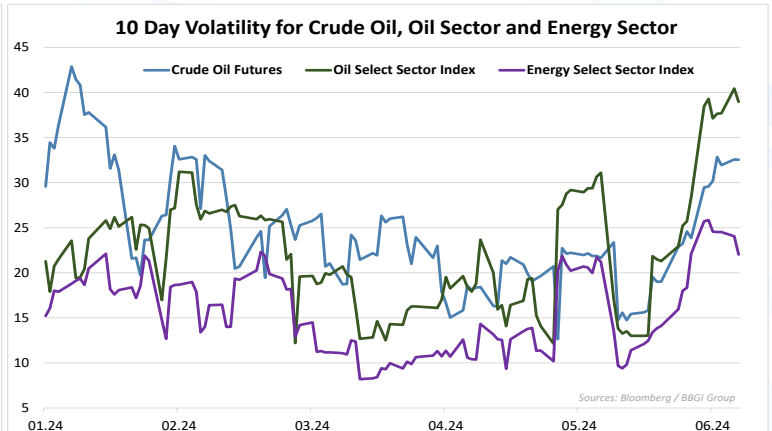
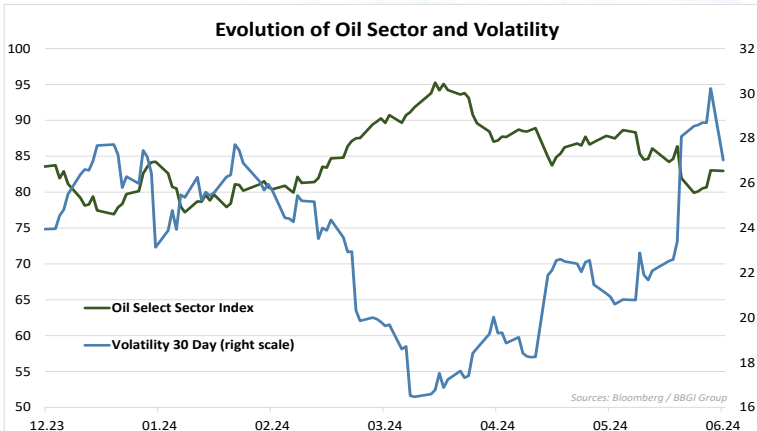
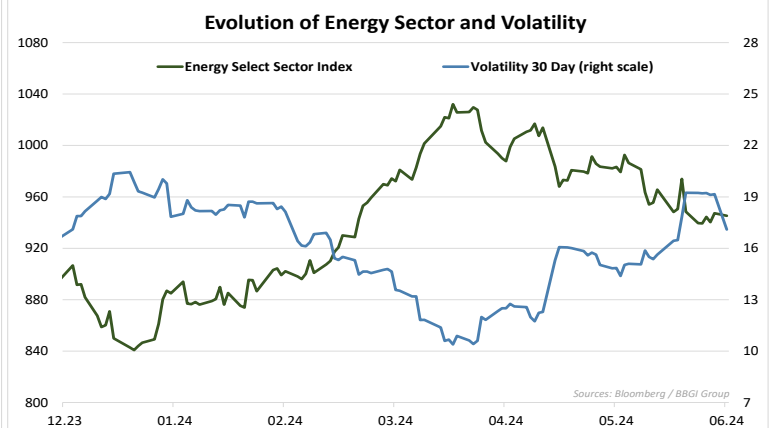
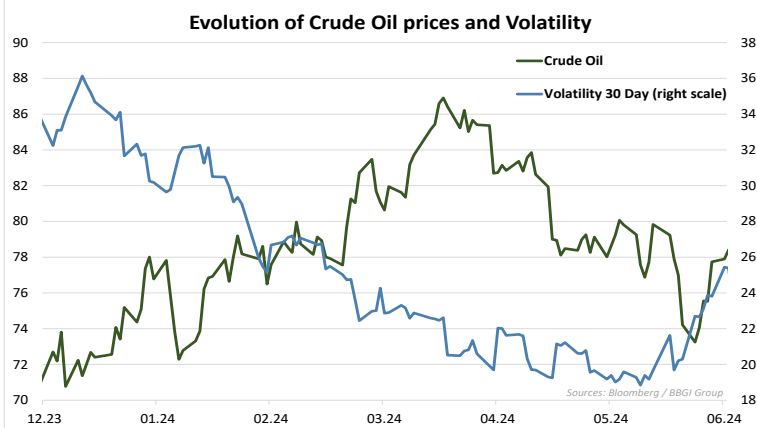
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BENEFIT FROM HIGH VOLATILITY IN THE ENERGY SEGMENT

Attractive opportunities on oil-related BRC

Over the past few weeks, the economic slowdown scenario has gradually gained strength, with an already clear impact on oil prices. As negative surprises intensified in the United States, crude oil prices slid from \$86 a barrel to \$73 in just nine weeks. This -15% correction in the price of black gold was not without impact on energy stocks, which also underwent a similar consolidation. Although limited to -9% for the IXE Energy Select Sector index, which groups companies active in the production or development of energy products, the consolidation was more significant for stocks in the OSX index, which represents the oil services sector. These two sectors already seem to have been heavily penalized by the underlying trend, and we believe that they now offer a particularly low probability of further price weakness.

A recovery in crude prices seems likely, as well as a more favorable stock market trend for US oil services and oil production companies. In this context, it is interesting to note that volatility over various periods (10d, 30d and 100d) is at its highest level in recent weeks. In the case of 10-day volatility, it is even at a six-month high for crude, OSX and IXE. In our opinion, this is the right time to set up European-style BRC (Barrier Reverse Convertible) structured products on stocks in these sectors. At present, with a time horizon of around six months, a BRC on three US stocks can offer an annual coupon of around 20%, with a barrier placed 20% below the current price. We believe this yield profile is attractive and worth considering.



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