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“Performance is ultimately the single most important thing, when it comes to determine strategy.”

CONY STRATEGY SUMMARY	
Number of actions	5
Regional classification	All regions & asset classes
Return since initiation	1.08%
Annualized return	6.66%



Dear Readers,

Two months ago, we launched our new global macro strategy. Via our second newsletter we would like you to update about our style, strategy, and performance. After a relatively impressive first month performance the second month was relatively stable even though trade wars between US and China continue at full speed. Our strategy is basically focusing on macro trends pretty much in every developed country & many emerging markets and try to generate long-term strategy ideas. Our top five picks of the month were long SPX, long STI, long KOSPI, long gold, and short US10YT. We took profit on our short EUR/USD position and switched to long gold ETF (GLD). It is worth noting that we recognise accumulating pressure on EMFX and EM equities that need to be monitored carefully and closely. And we do not only mean the usual suspects, i.e. Turkey, Argentina, etc.

Our strategy scope: We look at macro trends in developed and selected emerging markets, analyze their outlook, create heatmaps and try to make long-term decisions in some asset classes. From a tactical point of view, when determining the levels, we also take technical analysis into consideration. For instance, EMs are currently facing foreign portfolio outflows. Considering the strong state of global economy, which are also confirmed by the recent PMI numbers, these outflows could be used as an opportunity to have a look at selected emerging market equities as well as some developed country equities, in our view.

Our current strategy for 2H18:

Advanced Markets

US Equities → BUY

Singapore Equities → BUY

European Equities → NEUTRAL (Except Germany, Spain and Sweden)

US Fixed Income → SELL

US Corporate Bonds → SELECTIVE BUY

Advanced Currencies → SHORT EUR AGAINST USD, NEUTRAL ON JPY & GBP

Emerging Markets

EM Equities → SELECTIVE BUY

EM Fixed Income → NEUTRAL

EM Currency → NEUTRAL
Gold → TRADING BUY
Petroleum → NEUTRAL

*Strategy is flexible depending on the risk profile of investors.
Risk averse/risk tolerant/short-term/long-term strategies are available.*

Our current strategy allocation: We believe that amid trade wars, rate hikes & FED's balance sheet contraction global growth will remain strong throughout 2H18. Regionally speaking, America and Asia will continue to lead global growth. European economy will grow as well, but slower than its peers (except Germany, Spain and Sweden). Currently, we like American equities, Singapore equities, Korean equities, gold and still dislike EUR & US government bonds.

Our monthly performance: CONY Global Macro Strategy generated a gross return of 1.08% in USD terms (6.66% in annualized terms) since its initiation. Our strategy benefited significantly from rallies in the US and Singapore, whereas weak performance of Korean equities and gold reduced our return. We still believe in Korea. Korea's economic expansion still goes on despite global trade friction. Growth in 2Q18 remained on a solid path as it is still hovering around the economy's potential growth rate of about 2.8-2.9%.

CONY Global Macro Strategy Performance					
Portfolio	25-Jun-18	2-Aug-18	Return	Weight	Weighted Return
LONG SPX (US)	2,730	2,828	3.6	20%	0.72
LONG STI (Singapore ETF)	23.78	23.93	0.6	20%	0.13
LONG KOSPI (Korea ETF)	67.81	65.39	-3.6	20%	-0.71
SHORT US10YT	100.06	99.02	1.0	20%	0.21
SHORT EUR/USD	1.1680	1.1585	0.8	20%	0.16
Total return since initiation					0.50
Annualized return					6.18

Our investment radar: In every newsletter, we also share our possible next trading ideas as well. For the upcoming month, we monitor US equities and we might be willing to take profit this month. We also like Saudi Arabia for some time but did not determine a strategy yet. We are looking for a better entry point at this stage.

Sincerely,

Ozgur ALTUG
Strategist / Economist
CONY Global Macro Strategy