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



Dear Readers,

After generating positive return in each month since the initiation of the strategy, our choices got its relatively fair share of the global sell-off in October. All asset classes were hit due to trade war related fears, FED’s tightening, regional tensions and profit taking. Our major strategy class S&P dropped by 7% throughout October that wiped our return completely. However, November made a good start and US elections are over. We foresee a recovery in US equities in the remainder of the year. Throughout October, we closed our long GLD and short US10YT positions with a decent return. Despite the hit in October, our strategy did not change, and it is basically focusing on macro trends pretty much in every developed country & many emerging markets and trying to generate long-term strategy ideas. Our picks of the month are long SPX, long STI and long KOSPI. It is worth noting that pressure on Argentina and Turkey diminished in September & October but concerns on EMs are still alive.

CONY STRATEGY SUMMARY	
Number of actions	3
Regional classification	All regions & asset classes
Return since initiation	-3.72%

Our 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.

Our strategy view 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

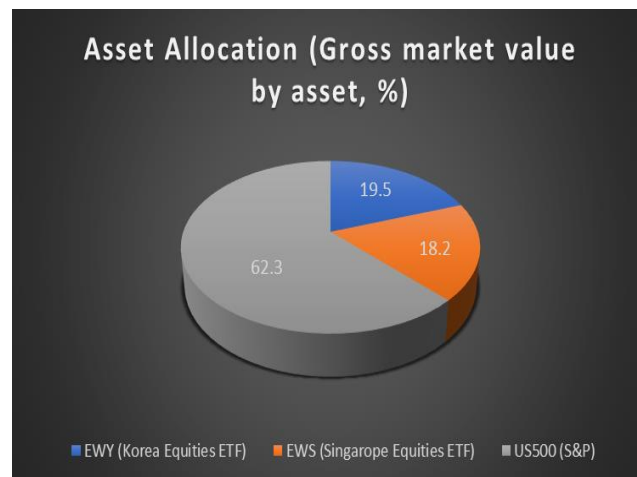
Petroleum → NEUTRAL

Strategy is flexible depending on the risk profile of investors.

Risk averse/risk tolerant/short-term/long-term strategies are available.

Our current strategy: We believe that amid trade wars, rate hikes & FED's balance sheet contraction global growth will remain strong in the short term. 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 and Korean equities and still dislike EUR & US government bonds.

Our strategy performance: CONY Global Macro Strategy generated a gross return of -3.72% in USD terms since its initiation due to the collapse in all asset classes in October. Our strategy benefited significantly from rallies in the US and Singapore at first. We lost on Korea, but we still see Korea as a good and stable macro story.



Our investment radar: In every newsletter, we also share our possible next trading ideas as well. For the upcoming month, we monitor plummeted petroleum prices and might look for an entry point.

Sincerely,

Ozgur ALTUG
Strategist / Economist
CONY Global Macro Strategy