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

**CONY STRATEGY SUMMARY**

<b>Number of actions</b>	3
<b>Regional classification</b>	All regions & asset classes
<b>Return since initiation</b>	-9.56%



Dear Readers,

*The recovery in November did not last long and all asset classes were hit by another very strong wave of sell-off throughout December. In parallel to the global sell off, our strategy suffered from severe losses in December that brought the return -9.6% since its initiation in late June 2018. Although we do not foresee a sharp recession in US economy for 1H19, market pricings suggest that US economy will fall from the cliff in 2019 as soon as the positive impact of tax cuts wears off in 2019. We highly doubt that something like this happen so soon. Furthermore, investors are still anxious that the trade war mainly between US and China will eventually hit US and global economy at some point despite some improvement on that front recently. Our choices of the month are still long SPX, long STI and long KOSPI.*

**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 1H19:**

Advanced Markets

US Equities → BUY

Singapore Equities → BUY

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

US Fixed Income → NEUTRAL

US Corporate Bonds → SELECTIVE BUY

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

Emerging Markets

EM Equities → SELECTIVE BUY and SHORT South Africa

EM Fixed Income → NEUTRAL

EM Currency → NEUTRAL (Except MXN, RUB, INR and TRY)

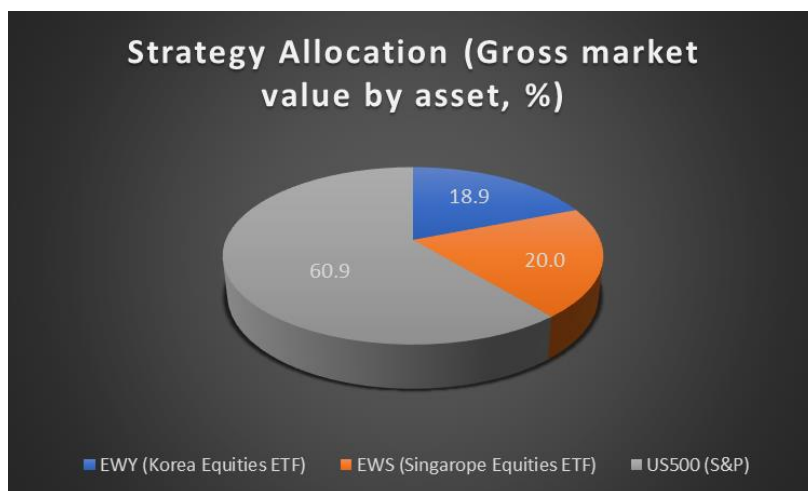
Gold → TRADING BUY

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 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 Norway, Spain and Sweden). Currently, we like American equities, Singapore equities and Korean equities and has a neutral view on EUR & US government bonds.

**Our performance:** CONY Global Macro Strategy generated a gross return of -9.6% in USD terms since its initiation due to the collapse in all asset classes in October and December 2018. Our strategy at first benefited significantly from rallies in the US and Singapore. We lost on Korea, but we still see Korea as a good and stable macro story for long-term.



**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. We had the same strategy for November & December as well, but we did not take an action yet.

Sincerely,

Ozgur ALTUG  
Strategist / Economist  
CONY Global Macro Strategy