



MARKET ANALYSIS

NORTH AMERICA

APAC

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*North America Markets***Indexes and Key Events Moving the Market****Markets around the world**

North America (26th February 2024 – 1st March 2024)

Index	Starting Price	Ending Price	% Weekly Change	% Change YTD
Dow Jones	\$39,144.79	\$39,087.38	-0.15	4.05
S&P	\$5,093	\$5,137.08	0.87	8.26
Nasdaq	\$16,014.45	\$16,274.94	1.63	9.42
NYSE	\$17,616.02	\$17,728.27	0.64	5.19
Russel 2000	\$2,012.93	\$2,076.39	3.15	3.16

US Treasury Bonds

Index	Starting Yield	Ending Yield	% Weekly Change	% Change YTD
5Y	4.27	4.16	-2.67	5.56
10Y	4.24	4.18	-1.51	5.32
30Y	4.36	4.33	-0.87	5.10

North America (4th March 2024 – 8th March 2024)

Index	Starting Price	Ending Price	% Weekly Change	% Change YTD
Dow Jones	\$38,968.77	\$38,722.69	-0.63	3.08
S&P	\$5,130.99	\$5,123.69	-0.14	7.98
Nasdaq	\$16,264.21	\$16,085.11	-1.10	8.14
NYSE	\$17,728.27	\$17,889.62	0.91	6.15
Russel 2000	\$2,087.63	\$2,082.71	-0.24	3.48

US Treasury Bonds

Index	Starting Yield	Ending Yield	% Weekly Change	% Change YTD
5Y	4.20	4.06	-3.22	3.10
10Y	4.22	4.09	-3.08	3.02
30Y	4.37	4.26	-2.38	3.55

Comment

The past two weeks have been exceedingly positive for US equity indexes such as the NASDAQ Composite and S&P 500, as they reached new record levels. The unemployment rate in February rose by 0.2%, which improved expectations of an interest rate cut by the Fed. Consequently, interest rates have fallen and stocks have risen. The futures market predicts a quarter-point interest rate cut in June. The weakening labor market reduces the possibility of a rise in salaries, which could exacerbate inflation. On Thursday, Powell stated that the Fed was not far from beginning to cut borrowing costs as inflation is converging towards the Fed's target of 2%. However, Blackrock is skeptical about the Fed's interest rate cut and they believe that it will not happen as soon or as early as expected.

Market Sentiment and Upcoming Events

Market sentiment

According to the CNN Business' economic market indicators, market sentiment for the past couple of weeks has been seeing an increase in 'bullish' behaviour in investors. This has been seen for a multitude of reasons despite some events which could result in them being more 'bearish'.

The current market trends have resulted in the rise in bullish behaviour, the S&P 500 index having high momentum and trading above the moving and rolling 125-day average alongside the low market volatility seen using the VIX indicator has resulted in increased confidence amongst investors. It has resulted in stocks outperforming bonds and many more stocks performing well than poorly such as Pagaya Technologies who have seen an increase of 1563.64% in their share price over the last month.

With the February CPI report coming out in the next week the inflation rate is estimated to increase at a rate of 0.43% with the inflation rate said to fall to 2.6% by the end of the quarter. There is an expectation of interest rate cuts in the upcoming period which we could see later this month when the US Federal Reserve meet as we saw the largest fall in the value for the US dollar in the past weeks. This would further increase investor confidence and should result in more bullish behaviour as borrowing costs would fall.

However, other events around the world such as the continued attacks by the Houthi in the Red Sea have disrupted trade with 70-80% of container traffic being rerouted causing prices to rise and could result in more bearish behaviour from investors especially in industries most affected.

Overall, the market sentiment is currently positive with investors fairly confident seeing great returns, however if interest rates do not fall any time soon or if the Houthi attacks start causing a greater impact on more industries we may see a shift in market sentiment.

Expected events for the upcoming period

Event	Date	Description
February CPI Report	<i>12 Mar 2024</i>	The CPI report is the monthly report which measures the overall change in consumer prices based on a representative basket of goods and services over time.
US Producer Price Index	<i>14 Mar 2024</i>	The monthly U.S. Producer Price index is set to release mid Mar, which measures the average changes in price received by domestic producers for their output.
US Import Price Index	<i>15 Mar 2024</i>	Reported monthly by the International Price Program (IPP) of the U.S. Bureau of Labor Statistics. Measures the average changes in prices of goods and services imported into the U.S.
Federal Reserve Meeting	<i>20 Mar 2024</i>	The decision made will be dependent on the CPI report released one week prior but is expected to leave the interest rates unchanged.
Reddit IPO	<i>Mar 2024</i>	Reddit is expected to go public in the upcoming weeks with plans to price its offering between \$31 and \$34 per share and is expected to be one of the biggest IPOs in US history .
G7 Foreign Ministers Meeting	<i>17 Mar – 19 Mar 2024</i>	The meeting will take place in Capri (Italy), with the Israel-Hamas and Ukraine conflicts being high on the agenda. The G7 countries wish to bring stability to the two regions and will make

		decisions which could impact the North American markets.
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Performer of the Period

Envoy Medical Inc. (NASDAQ: COCH) stands as the best-performing company in the NA markets of this last week. It is well known for offering innovative solutions to address diverse hearing loss needs.

Company overview

Market Cap	\$175.95M
Beginning of period price	\$6.26
End of the period price	\$9.08
% Change	45%

As of 8/3/2024

Company Description

Envoy Medical Inc. specializes in ground-breaking products, with a focus on medical devices specifically addressing hearing loss. Launched in 2010, their flagship device, the Esteem® active middle ear implant, represents a revolutionary innovation as one of the first fully implanted devices for hearing loss currently approved by the FDA. This "fully implanted" technology means surgical placement within the ear, offering a less invasive and invisible solution compared to traditional hearing aids. Furthermore, Envoy Medical supplies a diverse range of hearing needs offering various products, including cochlear implants, bone conduction devices, and traditional hearing aids. They also provide valuable information and guidance to help individuals navigate the different treatment options available for various types of hearing loss.

Industry Overview

The US healthcare sector, particularly the medical devices sub-sector, represents one of the largest markets in the country, employing over 300,000 individuals. Fuelled by the aging population, this sector is projected to experience significant growth in the coming years. In addition, the US medical device industry reinvests a substantial portion of its revenue into driving innovation, research and development, and continuous improvement. This industry heavily relies on advancements in biotechnologies, microelectronics, and software - areas where the US holds significant strengths.

Envoy Medical faces competition from various players, from established multinationals like Johnson & Johnson and Siemens to smaller-scale companies like Sonova and Cochlear Limited. In September

2023, Envoy entered into a significant merger agreement with Anzu Special Acquisition Corp I, a special purpose acquisition company (SPAC) backed by Anzu Partners, an investment firm focused on industrial and life science technology companies. The culmination of this business combination led to Envoy's public trading debut on October 2, 2023, under the ticker symbol COCH on the NASDAQ exchange. The deal had a total value of \$150 million.

SWOOT Analysis

Strengths

Envoy Medical Inc. presents several strengths, like the innovative Esteem® device, which sets it apart by offering a fully implanted, less invasive, and discreet solution. This technological edge provides a competitive advantage, even against industry giants. Additionally, Envoy offers a diverse range of products tailored to various hearing loss needs, enhancing its market adaptability. Moreover, its recent transition to a public company promises increased opportunities for research and development, further solidifying its position in the hearing devices niche.

Weaknesses

Envoy Medical Inc. faces several challenges, including firm competition from established players such as Amplifon and Sonova in the hearing loss device market. Furthermore, its focus on the Esteem®, FDA-approved in 2010, and the pending approval of Acclaim, coupled with limited resources, constrain its ability to invest in the research and development of other products. Additionally, recent allegations of misleading information and financial irregularities involving a board member have tarnished the company's reputation.

Opportunities

Envoy Medical Inc. stands to take advantage of various opportunities. With the healthcare industry projected to expand due to an aging population and growing health awareness, the introduction of a Congressional Bill advocating for Medicare coverage of Esteem® implants presents a significant market expansion opportunity. Moreover, awaiting FDA approval for the Acclaim implant could unlock a new revenue stream and market segment. Furthermore, being publicly traded provides access to additional financial resources for research, development, and strategic partnerships, strengthening the company's position in the healthcare landscape.

Threats

Envoy Medical Inc. faces threats from multiple fronts, including potential changes in healthcare insurance regulations and reimbursement policies that could impact market access and margins. Economic downturns or recessions could further reduce the demand for hearing implants, affecting

profitability. Intense competition from multinationals like Johnson & Johnson and Siemens stresses the need for constant innovation and substantial financial resources. Additionally, the sensitive nature of medical devices, particularly fully implanted implants like Esteem®, exposes the company to safety concerns and legal risks, potentially damaging its brand reputation and profitability.

In conclusion, Envoy Medical Inc. must prioritize investments in research and development to maintain a competitive advantage. Leveraging partnerships, especially with larger corporations, can facilitate market expansion and access to greater investment opportunities. Advocating for policies to broaden accessibility to hearing devices could drive business growth and improve brand reputation. Transparency, frequent quality controls, and active consumer engagement are essential for maintaining trust and ensuring product safety and efficacy.

APAC Markets

Indexes and Key Events Moving the Market

Markets around the world

APAC (19th February 2024 – 23 February 2024)

Index	Starting price	Ending price	% Weekly change	% YTD change
NIKKEI 225	\$38,473.41	\$39,098.61	1.63	17.52
HANG SENG	\$16,334.47	\$16,725.86	2.39	0.29
CHINA A50	\$11,714	\$12,005	2.48	4.31
SSE	\$2,886.58	\$3004.88	4.09	1.17

10Y Government Bonds

Index	Starting Yield	Ending Yield	% Weekly Change	% Change YTD
China	2.532	2.401	-5.17	-7.37
Japan	0.730	0.713	-2.32	15.06

APAC (26th February 2024 – 1st March 2024)

Index	Starting price	Ending price	% Weekly change	% YTD change
NIKKEI 225	39,320.64	39,910.75	1.50	20.24
HANG SENG	16,684.96	16,589.44	-0.57	-0.63
CHINA A50	12,005	11,924	-0.67	3.57
SSE	3,002.11	3,027.02	0.83	1.77

10Y Government Bonds

Index	Starting Yield	Ending Yield	% Weekly Change	% Change YTD
China	2.405	2.384	-4.15	-8.04
Japan	0.699	0.711	1.71	14.68

Comment

In both weeks we have seen a strong increase of Japanese stocks, which for the first time surpasses 40,000 points; last month, the benchmark index surpassed its 1989 record of 38,915.8, set as Japan's economy was on the precipice of an asset crash that kicked off several "lost decades" of economic stagnation. While for what concern the Chinese market, in the first week we saw a more than 2% rally, that otherwise lost something in the past week. It has bounced back since hitting a multi-year low a month ago but has still lost 8.5% over the past year.

Market Sentiment and Upcoming Events**Market sentiment**

In the realm of Asia-Pacific economies, both China and Japan are navigating a complex landscape shaped by various economic indicators and policy decisions.

In China, policymakers have set their sights on achieving approximately 5% economic growth this year, a target considered ambitious by analysts. This aspiration comes against the backdrop of challenges ranging from a slowdown in the property market to subdued investor confidence. Premier Li Keqiang has unveiled a series of measures to bolster the economy, including a budget deficit target of 3% of gross domestic product and the issuance of Rmb1tn (\$138.9bn) in ultra-long-term special central government bonds. These initiatives are aimed at providing additional support to the economy, particularly in the face of persistent deflation and an unemployment rate target of 5.5%. Despite these efforts, sustaining last year's consumption-driven recovery poses a formidable challenge due to weakened consumer confidence and a negative wealth effect.

Meanwhile, China's foreign trade has exhibited resilience, surpassing expectations in the first two months of the year. The growth trajectory, fueled in part by robust exports in electronics and increased trade with emerging markets and Russia, reflects a positive shift in China's trade dynamics. The uptick in exports, exceeding projections by analysts, is particularly noteworthy given the disruptions caused by the annual lunar new year holiday. This rebound in trade activity bodes well for policymakers, coinciding with the annual gathering of China's political leadership in Beijing.

On the other hand, Japan's economic landscape presents a different narrative, characterized by the unprecedented breach of the 40,000-point milestone by its main stock benchmark. This historic achievement underscores the sustained interest of global investors in Japan's market, propelled by corporate governance reforms and attractive valuations. Despite sluggish domestic economic growth, Japanese companies have demonstrated resilience, driven by robust earnings, particularly from international markets. The semiconductor sector, buoyed by Wall Street's momentum, has emerged as a notable contributor to Japan's stock market surge. Foreign investment, facilitated by the purchase of Japan-focused exchange-traded funds with local tax incentives, has further fueled the rapid ascent of Japan's stock market indices.

In essence, while China navigates challenges to sustain growth momentum amidst economic headwinds, Japan continues to attract global investor interest fueled by corporate reforms and solid valuations. These contrasting dynamics underscore the diverse economic trajectories within the Asia-Pacific region.

Expected events for the upcoming period

Event	Date	Description
Japan Capital Spending (YoY)	3 Mar 2024	Capital Spending measures the change in the overall value of capital investment made by companies. It is a leading indicator of business conditions and economic health. The number measures the change from the reported quarter to the same quarter a year earlier.
China Exports (YoY)	6 Mar 2024	Exports of goods and services consist of transactions in goods and services (sales, barter, gifts or grants) from residents to non-residents. A higher than expected reading should be taken as positive/bullish for the CNY , while a lower than expected reading should be taken as negative/bearish for the CNY.

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Japan Household Spending	7 Mar 2024	Household Spending measures the change in the inflation-adjusted value of all expenditures by consumers. A higher than expected reading should be taken as positive/bullish for the JPY, while a lower than expected reading should be taken as negative/bearish for the JPY
China CPI (YoY)	8 Mar 2024	The Consumer Price Index (CPI) measures the change in the price of goods and services from the perspective of the consumer. It is a keyway to measure changes in purchasing trends and inflation. A higher-than-expected reading should be taken as positive/bullish for the CNY, while a lower-than-expected reading should be taken as negative/bearish for the CNY.
Japan GDP (QoQ)	10 Mar 2024	Gross Domestic Product (GDP) measures the change in the inflation adjusted value of all goods and services produced by the economy. It is the broadest measure of economic activity and the primary indicator of the economy's health. A higher than expected reading should be taken as positive/bullish for the JPY, while a lower than expected reading should be taken as negative/bearish for the JPY.
Australia Nab Business Confidence Index	11 Mar 2024	The NAB (National Australia Bank) Business Confidence Index is a widely recognized economic indicator that measures the overall sentiment and outlook of Australian businesses regarding the current and future economic conditions. It assesses factors such as business conditions, sales, profitability, and employment expectations, providing valuable insights into the health of the Australian economy and the confidence level among businesses in the country.

China New Loans	12 Mar 2024	This release measures the change in the total value of outstanding bank loans issued to consumers and businesses. Borrowing and spending are closely correlated with consumer confidence. A higher than expected reading should be taken as positive/bullish for the CNY , while a lower than expected reading should be taken as negative/bearish for the CNY.
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Performer of the Period

Rex International Holding Ltd is a multinational oil exploration and production (“E&P”) company listed on the Singapore Exchange Securities Trading Limited's Mainboard.

Company overview

Market Cap	\$184.41M
Beginning of period price	\$0.131
End of the period price	\$0.146
% Change	11.35%

As of 8/3/2024

Company Description

The Group has interests in exploration and production licenses in Oman and Norway and holds operatorship for the asset in Oman. The Group de-risks its portfolio of exploration and development assets using its proprietary liquid hydrocarbon indicator Rex Virtual Drilling technology, which can identify liquids in the sub-surface using seismic data. Since the Company’s listing in July 2013, the Group has achieved four offshore discoveries, one in Oman and three in Norway.

Industry Overview

Operators in the Global Oil and Gas Exploration and Production industry explore for, develop and operate oil and gas fields. This industry includes the production of crude petroleum, the mining and extraction of oil from oil shale and oil sands, the production of natural gas, sulfur recovery from natural gas and the recovery of hydrocarbon liquids. Transport, refining and marketing activities are excluded from this industry. The market size of the industry is around \$5 trillion, with more than 3.5 million employees. As emerging economies grow, the demand for oil and gas rises, driving investments in exploration and production. However, the industry is continuously seeking ways to enhance efficiency, reduce environmental impact, and explore alternative energy solutions.

SWOOT Analysis

Strengths

Rex Holding has a diversified portfolio, especially for what concern the geographic area; in fact, it has license from Oman to Norway. Multiple subsidiaries and investment across different parts of the production can spread risk and provide stability. For what concern Financials, debt is well covered by free-cash-flow, so the company can manage its debt obligations using the cash it generates from its operations.

Weaknesses

Despite the high free-cashflow, Rex interest payment is not well covered: failure to cover interest payments can negatively impact credit ratings, which could lead in the future to a limit access to credit and increasing borrowing cost. In addition the dividend is low if we compare it to the industry of Energy Market: shareholders, particularly income-oriented investors who rely on dividends for income, may perceive the company as less attractive compared to its peers offering higher dividend yields. This could lead to decreased investor interest and potentially lower stock prices.

Opportunities

Rex International Holding Ltd has spent a significant amount of money and effort to integrate analytics and machine learning into its operations in the Oil & Gas Operations sector. This continuous investment in analytics has enabled Rex International Holding Ltd to build a competitive advantage using analytics. The analytics driven competitive advantage can help Rex International Holding Ltd to build faster Go to Market strategies, better consumer insights, develop relevant product features, and build a highly efficient supply chain.

Threats

Rex International Holding Ltd needs to have a robust strategy against the disruptions arising from climate change and energy requirements. The EU has identified it as a key priority area and is spending 30% of its 880 billion Euros European post Covid-19 recovery funds on green technology. Rex International Holding Ltd can take advantage of this fund but it will also bring new competitors in the Oil & Gas Operations industry. Also, the US Congress and other legislative arms of the government are getting tough on big business, especially technology companies. The digital arm of Rex International Holding Ltd business can come under increasing regulations regarding data privacy and data security.

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