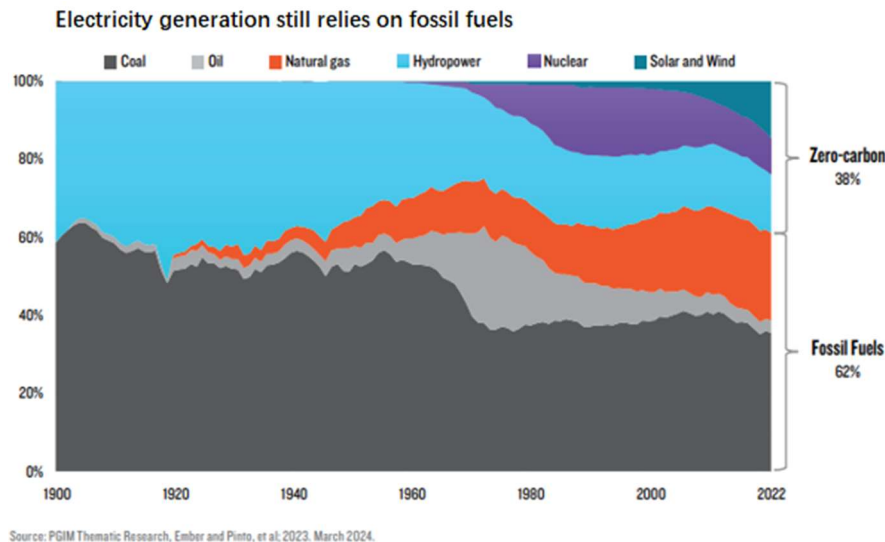


WEEKLY BULLETIN

May 2024: Issue #3

Quote of the Week.

“The best way to predict the future is to create it” – Peter Drucker



As the US stock indexes continues its impressive climb to new highs, our quest for the next great investment opportunity leads us beyond the familiar terrain of the MegaTech sector. Today, the dynamic interplay of climate change, decarbonization, and energy investing is revolutionizing the global investment landscape. With **decarbonization** capturing increasing attention, it's vital for investors to grasp its objectives and how global investments are aligning with the energy transition. While some may hesitate or avoid decarbonization investments altogether, understanding the diverse approaches to decarbonization and staying attuned to government policy shifts could prove immensely profitable. Policy changes can dramatically alter the risk-reward balance of **energy investments** at every stage of development.

Energy's pivotal role in the global economy highlights its significance in crafting investment strategies. Fluctuations in energy prices ripple through macroeconomic indicators such as inflation, consumer spending, and economic growth, injecting a dose of uncertainty into investment decisions. Moreover, energy security is inextricably linked to national security, necessitating a keen eye on geopolitical risks and sovereign risk factors across portfolios. The march toward electrification and a low-carbon energy mix unveils new opportunities while posing obsolescence risks for traditional energy sectors. As a result, some investors might opt to wait for clearer opportunities, especially those bolstered by government backing.

To successfully navigate this evolving landscape, investors should draw from a well of expert insights, emphasize the surging importance of electrification, and pinpoint promising investment themes while steering clear of speculative bets. Crafting a sophisticated investment strategy that harmonizes environmental and fiduciary goals is crucial, given that fossil fuels will remain a significant energy source for decades. By strategically positioning portfolios to reflect these shifting dynamics, investors can seize emerging opportunities, mitigate risks, and stay ahead of the curve, all while championing sustainable energy systems.

Last Week 's Notable Events.

US Economy/Politics

- Leading index for US economy sinks again and points to slower growth - 18th May
- Fed Bowman still sees case for interest rate hikes if inflation persists – 18th May
- US seeks to join forces with Europe to combat excess Chinese goods – 22nd May
- US Fed's rate meeting minutes showing growing inflation concerns – 23rd May

Europe Economy/Politics

- Ryanair boss Michael O’Leary getting recessionary feel from Europe customers -22nd May
- Germany economy grew 0.2% in Q1, stats office confirms – 24th May

Asia Pacific Economy/Equity

- Japan economy contracts in first quarter as consumer spending lags – 17th May
- Thai economy grows at a lacklustre 1.5% in Q1 – 20th May
- China asks carmakers to use up to 25% local chips by 2025 – 23rd May

Weekly Data Monitor.

Performance

- Talk of “Fed cut delay” weighted heavily on Real Estate

Weekly chart:

- Gold and Oil fell.
- Bond hurt by no “Fed cut” expectation.

INDEX	Weekly %	MTD %	YTD %	1YR %	3Y %	5Y %
Global Equity	-0.40	4.82	9.67	23.23	17.44	71.52
Global Real Estate	-3.76	3.54	-6.08	6.70	-9.21	5.94
US Real Estate	-3.77	3.11	-6.45	7.74	-6.43	12.43
APAC Real Estate	-4.08	0.41	-2.12	2.10	-25.87	-23.33
Investment Grade	-0.21	1.11	1.64	11.58	5.52	22.16
High Yield Bonds	-0.54	1.39	-3.23	1.82	-16.23	-7.24
Global HY ETF	-1.30	5.55	6.45	13.56	15.48	33.38
ASIA Real Estate ETF	-1.43	0.52	-11.45	-13.25	-28.11	-29.11
USD Index	0.27	-1.44	3.31	0.46	16.36	7.25
Gold	-3.49	2.52	13.62	20.62	23.59	82.35
WTI Oil	-3.01	-4.99	8.64	7.11	16.44	32.76

Note: The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.

Chart of the Week.

After the highs of 2020, the global clear energy sector encountered significant challenges, including the impact of rising interest rates on project financing and heightened geopolitical tensions shifting focus towards energy security rather than transition. Nevertheless, the global commitment to sustainability remains robust, with long-term emissions reduction targets still in place. While fossil fuels have enjoyed a period of dominance, the pendulum is swinging back towards renewable energy as the world renews its focus on environmental stewardship. One promising indicator of this shift is the current price action of the iShares Global Clean Energy ETF. Despite previous downtrends, recent movements suggest a possible break upward, with the potential for a retest of the 38.2% retracement near 16.73. This uptick reflects growing confidence in the future prospects of clean energy investments and signals a brighter outlook for the ETF in the coming months.

iShares Global Clear Energy ETF



DISCLAIMERS: This report (including any enclosures and attachments) has been prepared for the exclusive use and benefit of the addressee(s) and solely for the purpose for which it is provided. Unless we provide express prior written consent, no part of this report should be reproduced, distributed, or communicated to any third party. We do not accept any liability if this report is used for an alternative purpose from which it is intended, nor to any third party in respect of this report.