

## Money in Investment Motion – You too?

We are passionate about making your assets work hard – **and** making it easy for you to follow them. To empower you, we have designed multiple resources – easy-to-read factsheets, a user-friendly mobile app featuring state-of-art business intelligence, and more. With IX7, you gain access to some of the most interesting and exclusive opportunities available in today's market.

Today, we take a look at the broad market and some specific opportunities that may be of interest to you.

### Here is our top-down view:

As of mid-August, we believe that we have exited the bear-market. The market rally in the second half of June was fueled by investor expectations that Central Banks such as the FED, the BOC, and the ECB would pivot back to monetary easing sooner than expected.

Current data indicates the slowing of some inflation components and economic trends. In particular:

- On the back of fairly constant supply, the West Texas Intermediate (WTI) is currently hovering around USD 90/ppb; at the same time, demand and anxiety have somewhat diminished;
- The housing market in the US and Europe is experiencing a toppish price trend; simultaneously, existing home sales continue to fall; and finally,
- Jobless claims have hit an eight-month high – a sign that the labor market may be cooling.

On the other hand, rising interest rates and consumer prices continue to grow faster than wages. In fact, it appears that a decade-old catch-up is now playing out, and may run further than initially expected. The question for investors is: Given this environment, which asset segments are most opportune?

Today, we explore three scenarios:

#### First, what can IX7 do for **fixed-income investors**?

We are keen on exposure to oil and gas-rich governments and States, such as Oman, Kuwait, Saudi Arabia, Egypt, and Dubai. Given the cash bumper from the sale of resources, it is unlikely that any of these governments would need to proceed with a default. We have therefore repacked CDS structures into a sharia-compliant note, offering a 6.9% p.a. return opportunity. Compared to traditional fixed income assets with the same duration and quality, this solution offers a yield pick-up of approximately 4% p.a.

#### Second, what about **growth opportunities**?

We prefer equity exposure to strong secular trends – in particular, to the payment and the luxury sector. Companies in these sectors have substantial pricing power, which means they can quite efficiently enact consumer price increases.

Long-duration assets – particularly related to e-commerce opportunities and luxury – have over-corrected in the first 6 months of 2022. The IX7 payment basket captures these opportunities and offers risk-seeking investors an upside opportunity of 17% p.a.; whereas our luxury basket, which is a more conservative version, offers a return opportunity of 13.2 % p.a.; Both programs have an investment duration of 18 months, and early redemptions may apply.

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Third, besides equities and bonds, we have **positive stance on commodities:**

In the first half of 2022, oil prices peaked at around \$130/ppb, as a result of supply concerns. Conventional wisdom tells us that if the price of a product becomes too expensive, consumers will seek an alternative solution, resulting in the price adjusting downward. However, in the case of petroleum, there really is no alternative solution for consumers.

Given this, we believe that the price per barrel will remain elevated for the quarters to come. Our investment opportunity consists of a twin-win strategy, i.e., as long as the price per barrel (WTI) stays inside the range of -49%/+30 (based on initial fixing), investors will obtain uncapped positive performance. However, the issuer has the ability to terminate the issue early on a quarterly basis; in this case, the investor would receive par value, plus a coupon of 10% p.a. (*pro rata*).

Listeners, these have been our three investment scenarios for today.

Thank you for listening to our IX7 Investment Podcast. For more free resources and materials, check out our download section. We will see you at our next episode, with new investment opportunities for your consideration.

**Valuable links:**

Top-Down view: <https://www.ix-7.ch/Community/Blog.aspx?blogid=16251&title=Topdown-view-June-2022>

Quarterly investment outlook: <https://www.ix-7.com/documents/>

Exclusive deals: <https://www.ix-7.com/exclusive-deal/>

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