



MONTHLY HOUSE VIEW

June 2025

Calm returns to financial markets in May

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Jérôme VAN DER BRUGGEN

Chief Investment Officer Private Banking, Degroof Petercam

The debate around tariff rates remains intense, but financial markets have experienced a period of relative calm, largely thanks to what some are calling the “TACO pattern” – Trump Always Chickens Out. Many of the measures announced on the so-called “Liberation Day” (2 April) have since been reversed or altered. Despite this, trade policy remains uncertain, especially after a court ruled that President Trump does not have unlimited authority to impose sweeping tariffs. All eyes are now on the Court of Appeal (and possibly later the Supreme Court) to see whether it upholds this decision.

AN AMBITIOUS YET DEFICIT-LADEN BUDGET

The Trump administration has now turned its attention to budget negotiations, with President Trump pushing hard for the approval of his so-called “Big Beautiful Bill Act.” While Republican discussions are still underway, one thing is already clear: there’s little sign of fiscal restraint. The proposed budget continues to follow an expansionary path, which will further swell the federal deficit. It has long been apparent that the US budget needs serious reform—particularly given rising interest payments and the growing costs associated with an aging population. For now, however, such corrective action remains absent. Meanwhile, the bond market is watching the situation with increasing concern.

RISING LONG-TERM RATES AND A CAUTIOUS FED

Budget uncertainty is keeping long-term government bond yields elevated and market volatility high. The Federal Reserve (Fed) finds itself in a delicate situation: it is difficult to pursue monetary easing while fiscal and trade policies threaten to fuel inflation. As noted in **Bénédicte Kukla’s** macroeconomic analysis, the Fed is monitoring the inflationary impact of tariffs very closely. Ongoing budget debates only increase the need for vigilance. That said, disinflation seems to be taking hold—particularly in the services and housing sectors—paving the way for two potential rate cuts later this year. Time and data will tell. In our diversified portfolios, we continue to limit interest rate sensitivity and prefer bonds issued by creditworthy institutions.

TACTICAL SHIFT IN US EQUITIES

We’ve taken advantage of the recent stock market rally to slightly reduce our exposure to US equities. This tactical adjustment helps us manage risks in an increasingly unpredictable political environment. Still, we maintain a substantial position in US stocks, which remain supported by strong fundamentals—most notably, the superior profitability of US companies relative to other regions. With positive earnings growth and the potential for lower policy rates, 2025 could still be a strong year for US equities.

FAVOURING EUROPE AND EMERGING MARKETS

In our asset allocation, we currently favour European and emerging market equities. These markets continue to trade at a significant discount compared to the US—around 30% for Europe and 40% for emerging markets. However, political uncertainty in the US could narrow that gap over time.

DOLLAR OVERVALUED, GOLD GAINING APPEAL

In the currency markets, we maintain a cautious medium-term outlook on the US dollar. As **Lucas Meric** points out, valuation indicators from the Bank for International Settlements (BIS) suggest that the dollar remains historically overvalued relative to major trading partners. This continues to be a concern for US Treasury Secretary Scott Bessent, who has expressed a preference for a weaker dollar. On the other hand, we remain optimistic about the outlook for gold.

UNLISTED ASSETS REMAIN ATTRACTIVE

Unlisted assets continue to present compelling opportunities. In this edition, **Matthieu Roumagnac** explores the rising interest in private debt, with a particular focus on the semi-liquid

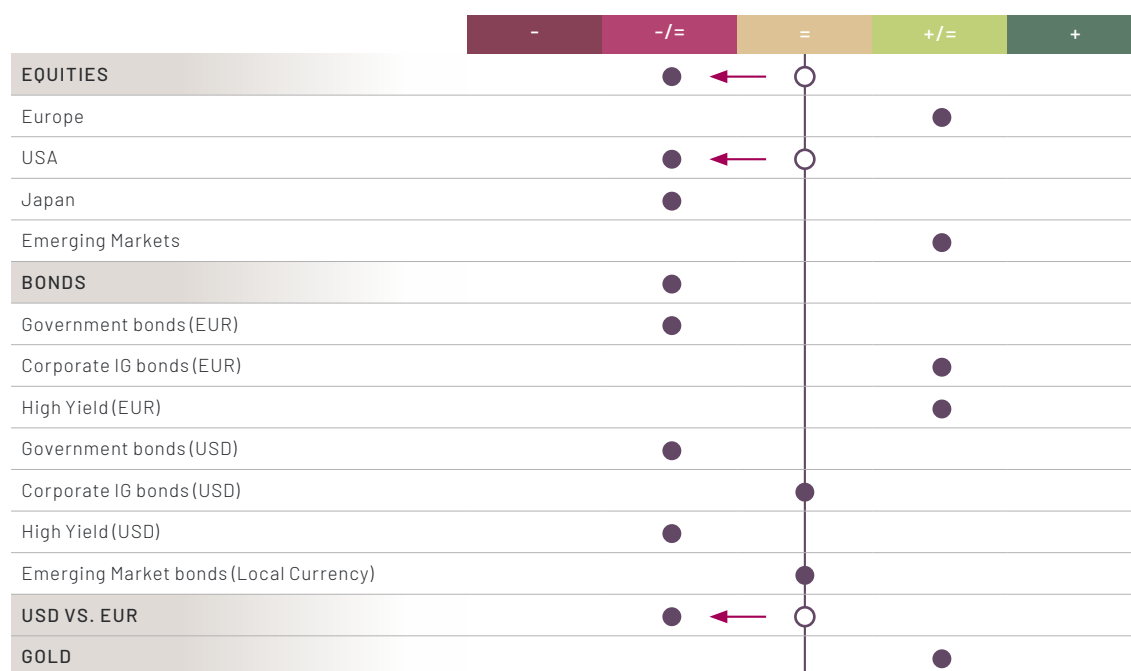
fund segment. These types of debt instruments offer valuable tools for further portfolio diversification.

We hope you enjoy this edition and find it insightful.

KEY CONVICTIONS – TACTICAL VIEW

○ April 2025

● May 2025



Source: Indosuez Wealth Management.



Bénédicte KUKLA
Senior Investment Strategist

While, on the surface, the United States is experiencing price stabilisation thanks in part to inventories, the impact of upcoming tariffs will soon transpire. In contrast, Europe faces potential deflation risks due to China's overproduction, unless it collaborates with the US to impose higher trade barriers. Still, this strategy could backfire if inflation expectations escalate — hence our belief that trade talks between the US and the European Union (EU) will most likely drag on.



41%
surge in
US imports in
Q1 2025

UNITED STATES: RELIEF IN TRADE, AMBIGUITY IN PRICES

The US economy slowed at a 0.3% annualised rate in the first quarter of 2025 (Q1 2025), weighed down by front-loaded imports (up 41.3%) as businesses and consumers rushed to stockpile goods ahead of US tariff deadlines. A partial rebound in GDP is expected in Q2 (+1% annualised) as trade flows normalise. The US-China trade truce (bringing the tariff rate for Chinese goods down from 145% to 30%) helped stabilise financial markets, reducing trade uncertainty and easing financial conditions for the US economy to their most accommodative levels since early 2022.

Consumer price inflation (CPI) slowed to 2.3% year-on-year (YoY) in April, the lowest since February 2021. Falling food and energy prices drove the decline, particularly petrol (-11.8%). Highly symbolic egg prices were down 12.7% month-on-month (the largest drop since 1984) but remain 49% higher than April 2024. Core inflation (excluding food and energy prices) held steady at 2.8% YoY. The impact on consumer prices has thus far been mitigated by high inventories but should start to transpire in May/June figures. Consumer long-term inflation expectations, essential for the Federal Reserve's (Fed) analysis, are rising, but remain anchored at around 3% according to the New York Fed survey. The big question is if the tariff impacts will be absorbed upstream, with firms under political pressure from the Trump administration to avoid passing costs onto consumers. The US dollar's global invoicing role will also dampen the impact of imported inflation. That said, if some tariffs spread to consumer prices and pro-growth fiscal policy (including front-loaded tax incentives) gains traction, risks of inflation re-acceleration and fewer Fed rate cuts will materialise.

Markets are now pricing in just two rate cuts for the second half of 2025, down from four end of April, despite a stable but frozen labour market.

EURO AREA: DISINFLATION WITH DELAYED GROWTH RISKS

In the Euro Area, disinflation is progressing steadily, aided by easing energy prices and lagged policy tightening. GDP expanded 0.3% quarter-on-quarter in Q1, most likely driven by a recovery in domestic demand after strong political uncertainty in Europe end 2024 and the surge in US imports of EU goods. Industrial output rose 3.6% YoY in March (with +50.2% YoY in Ireland thanks to pharmaceutical exports). Sentiment indicators, notably in Germany held up better than expected in April as income expectations improved, boosted by a new public sector wage deal. Nevertheless, lingering uncertainty is expected to bring about a contraction in activity in the zone in Q3, later than initially expected and impacting 2026 GDP figures (Table 1, page 6).

Inflation was confirmed at 2.2% YoY in April, just above the European Central Bank's (ECB) 2% target. Energy was a deflationary force, contributing -0.35 percentage point (pp), while services remained the main driver of inflation mainly due to a later Easter effect on rising transport prices. The ECB has already cut rates seven times, and markets expect another quarter-point cut in June. Beyond that, further easing depends on the trajectory of Q3 data and trade deals.

Many factors are putting further downward pressure on prices and increasing the likelihood of a further rate cut by the ECB, including energy prices, a stronger euro, slower wage dynamics and overproduction dumping of Chinese goods on Europe. Trade talks with the US have been slow, as Europe appears to avoid succumbing to the US desire for “quick wins”. We project the average tariff rate to remain at the current 10% – possibly an optimistic assumption – but EU leaders have vocalised that, even at this level, it would not be considered a sufficient deal to avoid retaliatory measures. The latter is a possible future inflation trigger, even if the strength of the euro should absorb this in part. Our believe is that US-EU trade talks will most likely drag on.

CHINA: FREE TRADE CHAMPION

China remains a source of disinflation for the global economy – producer prices fell 2.7%, for the 31st consecutive month. April Consumer Price Index (CPI) fell 0.1% YoY, marking the third consecutive month of consumer price deflation. Despite strong Q1 GDP – up 5.2% YoY, driven by manufacturing and export front-loading – *momentum* is expected to weaken in Q2 linked to US tariff implementation and payback from global front-loading. The worst-case US tariff scenario appears to have been avoided and economic surprise indicators for China have risen accordingly.

Since Trump’s chaotic tariff policy, China has clearly stepped up its domestic and foreign policy support. On the fiscal front, Beijing expanded trade-in subsidies for household appliances and electric vehicles are supporting consumption. Twelve categories are now eligible, including dishwashers, rice cookers and water purifiers. These measures aim to bolster domestic demand while supporting manufacturing and energy efficiency goals. The People’s Bank of China cut the reserve requirement ratio by 50 basis points (bps) this year, with probably still 50 bps to go this year. China’s regional engagement is also rising. President Xi’s April visit to Vietnam led to 49 new cooperation agreements, including on supply chains and infrastructure. Through such initiatives, China is cementing its role as a stabilising force in Asia.

TABLE 1: MACROECONOMIC FORECAST 2024 - 2026, %

● Downward forecasts since May

● Upward forecasts since May

	GDP			INFLATION		
	2024	2025	2026	2024	2025	2026
United States	2.8%	1.5%	1.6%	3.0%	3.4%	2.9%
Euro Area	0.8%	0.8%	1.4%	2.4%	2.0%	2.0%
China	5.0%	4.5%	4.5%	0.2%	1.4%	1.5%
World	3.2%	2.7%	2.9%	-	-	-

Source: Indosuez Wealth Management.



Lucas MERIC
Investment Strategist

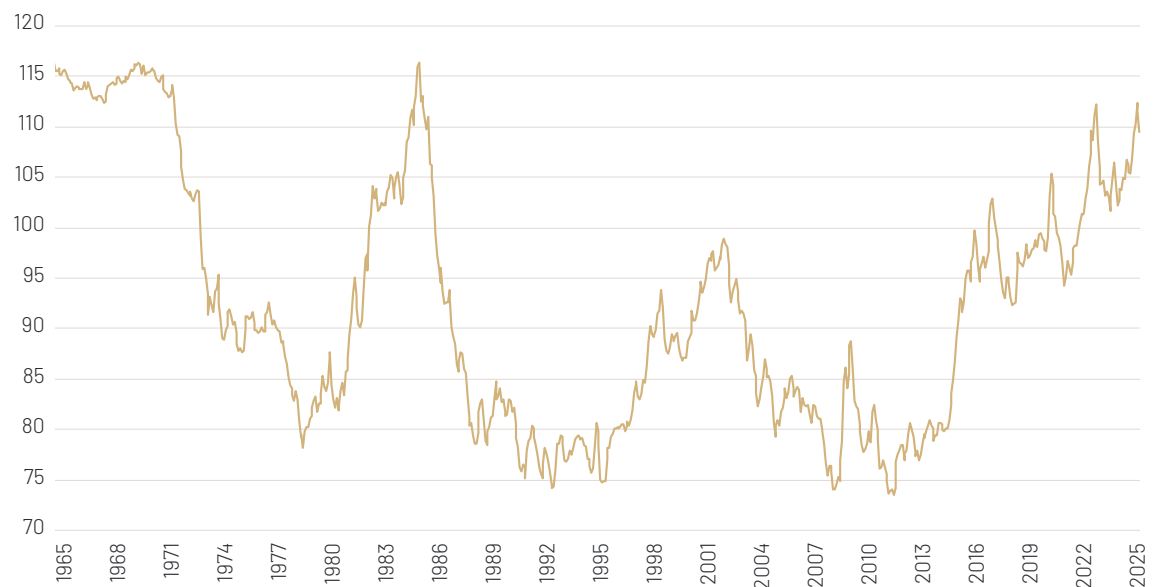
The easing of trade tensions has provided some respite for the dollar after several weeks of freefall. However, while short-term risks appear balanced, investors' longer-term focus remains on the structural weaknesses of the greenback (high valuation, the United States administration's desire for devaluation, de-dollarisation). This leads us to maintain a negative outlook on the dollar, particularly against the euro and gold.

USD: A RESPITE BUT NO CONVICTION

In recent weeks, the dollar has stabilised after the peak of pessimism reached in April, a consequence of the aggressive and isolationist trade war initiated by the US administration. Concerns about the independence of the Federal Reserve (Fed) following Donald Trump's threats to fire Jerome Powell, as well as the emerging idea of a "Mar-a-Lago Accord" where the US government would negotiate a dollar devaluation with its major trading partners, have also played a role. This explosive combination led to a flight of investors from dollar-denominated markets, pushing the greenback to its lowest level since early 2022.

This stabilisation was mainly enabled by the easing of trade tensions between the United States and China in May, which justified in the eyes of investors an upcoming improvement in US growth prospects, thereby mitigating the belligerent view markets had of US economic policy. Furthermore, this truce has given way to a flow of more positive news for US growth, with a 2026 budget proposal providing more fiscal stimulus and announcements of investments in the US by both American and foreign companies. These developments have led to a reduction in overall risk sentiment and have slightly weighed on safe-haven currencies such as the Swiss franc and the yen, which benefited from trade tensions in April and could continue to depreciate against the dollar if trade agreements continue to be established with the US and major global economies targeted by tariff increases.

CHART 1: REAL EFFECTIVE EXCHANGE RATE (UNITED STATES)



Source: FRED, Indosuez Wealth Management.

Notably, a trade agreement with Japan could weigh on the yen, while the Swiss franc could remain under pressure due to the low-interest-rate policy, making it the prime candidate for funding carry trades. However, we maintain a rather neutral view on the dollar against the Swiss franc and the yen, as the dollar remains historically overvalued (Chart 1, page 7), and investors have begun to adopt a structurally more bearish view on it as financial actors diversify their exposure to the dollar.

PREFERENCE FOR THE EURO AND GOLD

This shift towards diversifying away from the dollar appears to provide long-term support for the euro, which is positioning itself — if one was needed — as the most credible alternative to the dollar, even if it remains far from complete. Certainly, the increase in German government bond issuances, a consequence of the infrastructure and defence plans announced in March, should deepen the euro market. However, the size of this market would still be considerably smaller than its American equivalent (Chart 2), while the fragmentation of the European bond market, particularly the absence of common financing, currently hinders the euro's internationalisation process.

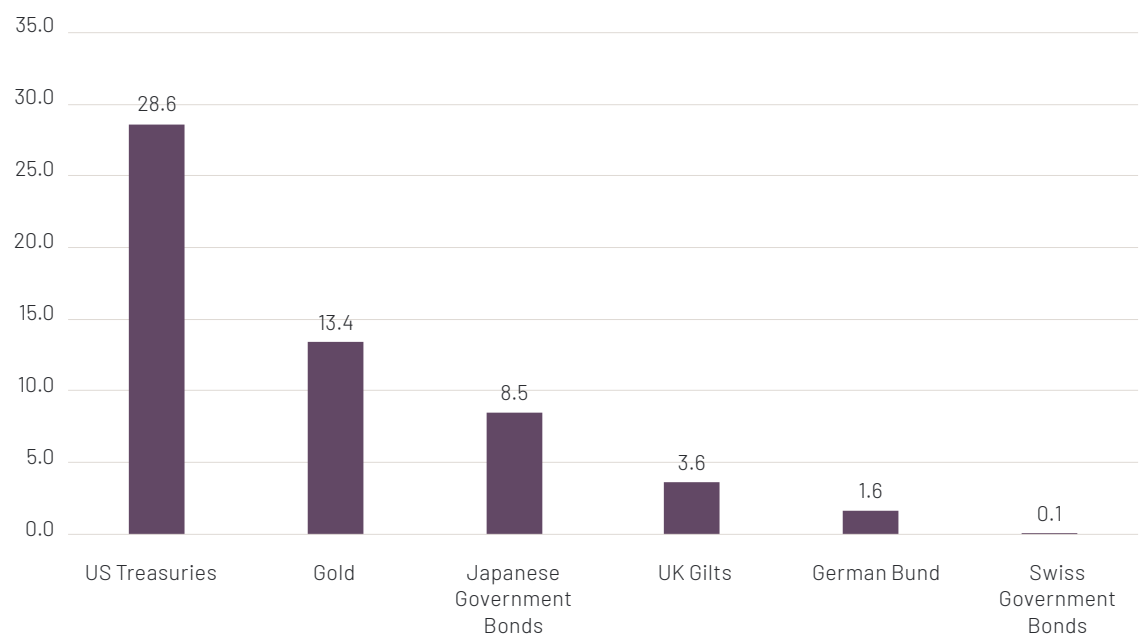
That said, the euro's stance as the most credible alternative to the dollar could continue to support the single currency, alongside improved growth prospects due to defence and infrastructure plans, as well as investors' shift towards euro-denominated assets. Additionally, a potential ceasefire in Ukraine would provide further support for the currency. In this context, we favour the euro, for which we anticipate a range of 1.1 – 1.15, while we continue to appreciate gold.

The positioning in gold might seem elevated. However, corrections in the yellow metal, like the one observed following the easing of tensions between the United States and China in May, still appear to us as opportunities to invest in gold. The yellow metal is likely to remain supported by central bank purchases, the continuation of the Fed's rate-cutting cycle and the latent geopolitical risk in multiple regions.



DIVERSIFYING DOLLAR EXPOSURES gains momentum

CHART 2: MARKET SIZE BY SAFE-HAVEN ASSET, TRILLIONS OF DOLLARS



Source: Financial Times, Indosuez Wealth Management.

PRIVATE DEBT: THE LENDING REVOLUTION NO ONE TALKS ABOUT



Matthieu ROUMAGNAC
Private Markets – Head of Real Assets Investments

In recent years, private debt has seen steady growth across global markets. Yet, despite its impressive trajectory, it has mostly flown under the radar of private investors. What sets private debt apart from traditional loans and why should investors start paying attention to this breakout asset class?



An
**ATTRACTIVE
ALTERNATIVE**
to public bonds

Private debt refers to loans made by non-bank institutions, like private funds, to companies. While it can be more rewarding than its public counterpart, it has generally been more difficult for non-institutional investors to access these specialised debt strategies. However, in recent years, the market has opened up significantly: the asset class has continued to grow, new and appealing investment vehicles have emerged, and private debt has become a vital source of financing for a broad range of companies.

THE NEW FACE OF CREDIT

Before the global financial crisis of 2008, banks were the primary source of corporate lending, especially for small and medium-sized enterprises. They offered a wide range of loans, sometimes with relatively soft credit standards. This environment was supported by a regulatory framework that allowed for higher leverage and less stringent capital requirements, helping banks to extend credit more freely.

In the aftermath of 2008, banks faced tighter rules, significantly affecting their ability to lend. Regulators introduced measures forcing banks to maintain higher levels of capital to protect against losses. They also imposed leverage limits, restricting banks' ability to lend beyond certain levels. In the end, these controls made lending to small and medium-sized enterprises less attractive for banking institutions.

As banks pulled back from lending, private debt funds stepped in to fill the gap. In the early 2010s, as private equity firms accelerated their expansion and raised more capital at faster pace, they needed flexible financing to complete acquisitions, restructure companies or support growth. With banks being heavily constrained by the post-crisis restrictions, the greater flexibility of private debt proved particularly attractive. As of late 2024, private equity firms in North America alone are sitting on more than 630 billion dollars in cash ready to invest. Assuming they follow the usual pattern and borrow about 55% of each deal's value, this could lead to over 770 billion dollars in new loans. Most of this is likely to come in the form of senior private debt.

Over the past decade, private lending eventually evolved into a natural financing choice for companies of all sizes. The results speak for themselves: since 2007, global private debt assets have grown at an average rate of 30% per year, reaching 850 billion dollars in 2024.

PRIVATE DEBT MEETS FLEXIBILITY

One major innovation making private debt accessible to private investors is the semi-liquid fund format. Traditional private market investments often require high minimum commitments, complex investment schedules, and lock up capital for several years.



20%
of the
**PRIVATE
MARKETS**
allocation is in
private debt, i.e.
4% TO 5%
of the overall
portfolio

Semi-liquid funds make the investment process significantly more straightforward by requiring a lower initial commitment. They involve a single upfront payment, eliminating the need for multiple capital contributions. Additionally, investors can redeem their investments periodically, on a quarterly or annual basis, providing greater flexibility and liquidity than traditional private funds.

Private debt as an asset class suits the semi-liquid structure well because loans provide relatively predictable cash flows from regular interest payments. Valuations of loans also tend to be less volatile compared to other asset classes. Besides, loans are spread across many companies and industries, reducing risk and stabilising returns. Finally, the generation of quarterly interests perfectly fits the quarterly distribution of income to investors and adds an additional layer of protection, reinforcing semi-liquid private debt funds as an all-weather strategy.

ALLOCATION: FINDING THE RIGHT BALANCE

Well-diversified investors tend to split their investments between public markets (stocks, bonds) and private markets (private equity, private debt, private real assets) with commonly 75% to 80% going to public markets and 20% to 25% allocated to private markets.

Within the private markets pocket, it is often recommended to allocate around 20% to private debt, which means private debt would constitute about 4% to 5% of the overall portfolio.

Even as a relatively small portion of a portfolio, private debt stands out for its historical resilience through economic cycles. These loans generally experience lower volatility than publicly traded bonds, particularly high-yield bonds, which can swing significantly in value. For investors seeking credit exposure, private debt offers overall a more attractive risk-return compared to public bonds.

Another appealing feature of private debt is the availability of distribution shares. Private debt semi-liquid funds commonly offer these shares, which pay out income, typically on a quarterly basis, instead of reinvesting it. In a semi-liquid structure, distribution shares provide investors with more accessible and predictable cash flow without tying up their capital for years.

Private debt is no longer the domain of institutions alone. Thanks to the many benefits of semi-liquid funds, private investors can now access this stable, income-generating asset with greater flexibility. Even a small allocation has the potential to enhance portfolio resilience.

05 • Market Monitor (local currencies)

OVERVIEW OF SELECTED MARKETS

DATA AS OF 22.05.2025



GOVERNMENT BONDS	YIELD	4 WEEKS CHANGE (BPS)	YTD CHANGE (BPS)
US Treasury 10-year	4.53%	21.38	-4.03
France 10-year	3.32%	15.50	12.60
Germany 10-year	2.64%	19.60	27.80
Spain 10-year	3.26%	16.70	20.00
Switzerland 10-year	0.40%	-3.60	7.20
Japan 10-year	1.56%	24.80	47.90

BONDS	LAST	4 WEEKS CHANGE	YTD CHANGE
Government Bonds Emerging Markets	38.89	1.04%	7.76%
Euro Government Bonds	211.57	-0.45%	1.13%
Corporate EUR high yield	235.09	1.03%	1.68%
Corporate USD high yield	370.14	1.25%	2.37%
US Government Bonds	323.15	-0.36%	2.43%
Corporate Emerging Markets	44.65	0.09%	0.61%

CURRENCIES	LAST SPOT	4 WEEKS CHANGE	YTD CHANGE
EUR/CHF	0.9352	-0.71%	-0.52%
GBP/USD	1.3419	0.58%	7.21%
USD/CHF	0.8290	0.24%	-8.64%
EUR/USD	1.1281	-0.96%	8.95%
USD/JPY	144.01	0.97%	-8.39%

VOLATILITY INDEX	LAST	4 WEEKS CHANGE (POINTS)	YTD CHANGE (POINTS)
VIX	20.28	-6.19	2.93

EQUITY INDICES	LAST PRICE	4 WEEKS CHANGE	YTD CHANGE
S&P 500 (United States)	5'842.01	6.51%	-0.67%
FTSE 100 (United Kingdom)	8'739.26	3.95%	6.93%
STOXX 600	550.27	6.10%	8.40%
Topix	2'717.09	4.80%	-2.44%
MSCI World	3'818.90	6.19%	3.00%
Shanghai SE Composite	3'913.87	3.42%	-0.53%
MSCI Emerging Markets	1'165.38	6.62%	8.36%
MSCI Latam (Latin America)	2'245.20	2.66%	21.19%
MSCI EMEA (Europe, Middle East, Africa)	223.40	1.62%	9.42%
MSCI Asia Ex Japan	758.05	7.91%	7.66%
CAC 40 (France)	7'864.44	4.82%	6.55%
DAX (Germany)	23'999.17	8.77%	20.54%
MIB (Italy)	40'256.59	9.37%	17.76%
IBEX (Spain)	14'272.50	8.29%	23.09%
SMI (Switzerland)	12'269.95	2.96%	5.77%

COMMODITIES	LAST PRICE	4 WEEKS CHANGE	YTD CHANGE
Steel Rebar (CNY/Tonne)	3'051.00	0.36%	-7.49%
Gold (USD/Oz)	3'294.52	-1.64%	25.53%
Crude Oil WTI (USD/Bbl)	61.20	-2.53%	-14.67%
Silver (USD/Oz)	33.05	-1.36%	13.01%
Copper (USD/Tonne)	9'500.50	1.15%	8.35%
Natural Gas (USD/MMBtu)	3.25	11.02%	-10.46%

Source: Bloomberg, Indosuez Wealth Management.
Past performance does not guarantee future performance.

MONTHLY INVESTMENT RETURNS, PRICE INDEX

● FTSE 100 ● Topix ● MSCI World ● MSCI EMEA ● MSCI Emerging Markets
● STOXX 600 ● S&P 500 ● Shanghai SE Composite ● MSCI Latam ● MSCI Asia Ex Japan

FEBRUARY 2025	MARCH 2025	APRIL 2025	4 WEEKS CHANGE	YTD (22.05.2025)
3.27%	4.27%	6.26%	7.91%	21.19%
1.91%	2.12%	1.04%	6.62%	9.42%
1.57%	0.38%	0.86%	6.51%	8.40%
0.96%	-0.07%	0.74%	6.19%	8.36%
0.37%	-0.16%	0.53%	6.10%	7.66%
0.35%	-0.87%	0.32%	4.80%	6.93%
-0.81%	-2.58%	-0.76%	3.95%	3.00%
-1.42%	-4.18%	-1.02%	3.42%	-0.53%
-2.28%	-4.64%	-1.21%	2.66%	-0.67%
-3.82%	-5.75%	-3.00%	1.62%	-2.44%

Source: Bloomberg, Indosuez Wealth Management.
Past performance does not guarantee future performance.

BEST
PERFORMING
+

-
WORST
PERFORMING



Basis point (bps): 1 basis point = 0.01%.

Blockchain: A technology for storing and transmitting information. It takes the form of a database which has the particularity of being shared simultaneously with all its users and generally does not depend on any central body.

BLS: Bureau of Labor Statistics.

BNEF: Bloomberg New Energy Finance.

Brent: A type of sweet crude oil, often used as a benchmark for the price of crude oil in Europe.

CPI (Consumer Price Index): The CPI estimates the general price level faced by a typical household based on an average consumption basket of goods and services. The CPI tends to be the most commonly used measure of price inflation.

Cyclicals: Cyclicals refers to companies that are dependent on the changes in the overall economy. These stocks represent the companies whose profit is higher when the economy is prospering.

Defensives: Defensives refers to companies that are more or less immune to the changes in the economic conditions.

Deflation: Deflation is the opposite of inflation. Contrary to inflation, it is characterised by a sustained decrease in general price levels over an extended period.

Duration: Reflects the sensitivity of a bond or bond fund to changes in interest rates. This value is expressed in years. The longer the duration of a bond, the more sensitive its price is to interest rate changes.

EBIT (Earnings Before Interest and Taxes): Refers to earnings generated before any financial interest and taxes are taken into account. It takes earnings and subtracts operating expenses and thus also corresponds to non-operating expenses.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): EBITDA takes net income and adds interest, taxes, depreciation and amortisation expenses back to it. It is used to measure a company's operating profitability before non-operating expenses and non-cash charges.

ECB: The European Central Bank, which governs the euro and Euro Area member countries' monetary policy.

Economic Surprises Index: Measures the degree of variation in macro-economic data published versus forecasters' expectations.

Economies of scale: Decrease in a product's unit cost that a company obtains by increasing the quantity of its production.

EPS: Earnings per share.

ESG: Non-financial corporate rating system based on environmental, social and governance criteria. It is used to evaluate the sustainability and ethical impact of an investment in a company.

Fed: The US Federal Reserve, i.e. the central bank of the United States.

FOMC (Federal Open Market Committee): The US Federal Reserve's monetary policy body.

GDP (Gross Domestic Product): GDP measures a country's yearly production of goods and services by operators residing within the national territory.

Growth: Growth style refers to companies expected to grow sales and earnings at a faster rate than the market average. As such, growth stocks are generally characterised by a higher valuation than the market as a whole.

IEA: International Energy Agency.

IMF: The International Monetary Fund.

Inflation breakeven: Level of inflation where nominal bonds have the same return as inflation-linked bonds (of the same maturity and grade). In other words, it is the level of inflation at which it makes no difference if an investor owns a nominal bond or an inflation-linked bond. It therefore represents inflation expectations in a geographic region for a specific maturity.

Inflation swap rate 5-Year, 5-Year: A market measure of what 5-Year inflation expectations will be in five years' time. It provides a window into how inflation expectations may change in the future.

IPPC: The Intergovernmental Panel on Climate Change.

IRENA: International Renewable Energy Agency.

ISM: Institute for Supply Management.

Metaverse: A metaverse (portmanteau of meta and universe) is a fictional virtual world. The term is regularly used to describe a future version of the internet where virtual, persistent and shared spaces are accessible via 3D interaction.

OECD: Organisation for Economic Co-operation and Development.

OPEC: Organization of the Petroleum Exporting Countries; 14 members.

OPEC+: OPEC plus 10 additional countries, notably Russia, Mexico, and Kazakhstan.

PMI: Purchasing Managers' Index.

Policy mix: The economic strategy adopted by a state depending on the economic environment and its objectives, mainly consisting of a combination of monetary and fiscal policy.

Pricing power: Refers to the ability of a company or brand to increase its prices without affecting demand for its products.

Quality: Quality stocks refers to companies with higher and more reliable profits, low debt and other measures of stable earnings and strong governance. Common characteristics of Quality stocks are high return to equity, debt to equity and earnings variability.

Quantitative easing (QE): A monetary policy tool by which the central bank acquires assets such as bonds, in order to inject liquidity into the economy.

SEC (Securities and Exchange Commission): The SEC is an independent federal agency with responsibility for the orderly functioning of US securities markets.

Spread (or credit spread): A spread is the difference between two assets, typically between interest rates, such as those of corporate bonds over a government bond.

Secular stagnation: Refers to an extended period of little or no economic growth.

SRI: Sustainable and Responsible Investments.

Stagflation: Stagflation refers to an economy that is experiencing simultaneously an increase in inflation and stagnation of economic output.

TPI: An addition to the Eurosystem's toolkit that can be activated by the ECB to counter unwarranted, disorderly market developments if these pose a serious threat to the smooth transmission of monetary policy across the euro area. The ECB Governing Council approved the instrument on the 21 July 2022.

Trump Put: The perception among investors that President Trump's economic policies and statements could influence the stock markets in a way that limits their downside.

Value: Value style refers to companies that appear to trade at a lower price relative to its fundamentals. Common characteristics of value stocks include high dividend yield, low price-to-book ratio, and a low price-to-earnings ratio.

VIX: The index of implied volatility in the S&P 500 Index. It measures market operators' expectations of 30-day volatility, based on index options.

WTO: World Trade Organization.

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