

Oriflex BP Regeling Oriflex Amerika

Stichting Pensioenfonds Atos Origin

Eerste Kwartaal 2022

BLACKROCK

Investment Review

The Fund underperformed its benchmark over the quarter.

Activity

In March, the Federal Open Market Committee (FOMC) raised interest rates by 0.25% for the first time since 2018, as it aims to control the historic rise in inflation brought on by pandemic-related supply bottlenecks and recent geopolitical tensions in Europe. In subsequent interviews, the Chair, and other officials, maintained a hawkish stance, keeping options open for a 0.50% rate hike in May. Regarding the Fed's balance sheet, Chair Powell reiterated that the FOMC would begin the runoff process soon and that the process will take around three years.

Labor and inflation data remained strong over the month. Headline CPI increased 0.8% month-over-month, bringing year-over-year to 7.9%, marking the fastest increase since 1982. Our current forecast is for a headline CPI of 4.7% and a core CPI of 4.2% by year-end. US non-farm payrolls increased by 431,000 and prior months were revised higher, with the three-month moving average now at 562,000. The unemployment rate also fell to 3.62%.

With inflation well above 2% and the Fed's hawkish backdrop, front-end rates have moved meaningfully higher as markets are pricing 8 additional rate hikes for 2022. The selloff in the front-end led to a dramatic flattening of the nominal yield curve. Consequently, the 2y10y briefly inverted toward the final days of the month.

On the geopolitical front, the zero-COVID policy exerts pressure on China as they combat an increase in cases leading to disruptions in the global supply chain. As the Russia-Ukraine war continues, so too has the path of uncertainty for global markets. Given the increased Russian sanctions, oil prices climbed throughout the month. Brent Crude surged to its highest level since 2008, ~\$140 a barrel, as countries pledged to limit their dependence on Russian oil. At the end of March, the U.S. announced that they will release a record amount of barrels from the strategic oil reserves. This led to the price of oil to retrace to around \$100 per barrel. Furthermore, given Russia and Ukraine are large contributors to the global supply of crops and fertilizers, a potential escalation in the war could result in further food inflation, and sanctions on further commodities.

In sum, with geopolitical tensions exacerbating supply-side inflation and Central banks hawkish policies to control it, markets are forecasting higher inflation and lower real growth globally for the year.

Omvang fonds

Waarde begin van de periode	€ 2,838,812
Waarde eind van de periode	€ 2,726,031

Rendement

%	Kwartaal	Jaar tot op heden	3-Jaars Ann.	5-Jaars Ann.	10-Jaars Ann.
Fonds	-1.58%	-1.58%	16.90%	13.21%	12.40%
Benchmark	-5.51%	-5.51%	16.59%	13.46%	13.08%