

Oriflex BP Regeling

Oriflex Liquiditeiten

Stichting Pensioenfonds Atos Origin

Vierde Kwartaal 2022

BLACKROCK

Investment Review

The Fund outperformed its benchmark over the quarter.

Market Overview

In the eurozone the energy prices surge was one of the main events pushing the production costs higher. Gas prices have decreased since September 2022, following that the Producer price index (PPI) dropped from 168.5 in September to 162.7 in November.

The European central Bank (ECB) hiked rates by 50bps at its December 2022 meeting, to 2.0% for the deposit rate. With a hawkish speech the bank remains focus on inflation. Indeed as the Eurozone inflation is mostly driven by energy prices. Headline inflation slowed in November for the first time in 1.5 years, to 10%. The central bank forecast inflation to reach 8.4% in 2022 before decreasing to 6.3% in 2023, with inflation expected to decline markedly over the course of the year. Inflation is then projected to average 3.4% in 2024 and 2.3% in 2025.

According to the latest ECB projections, a recession would be relatively short-lived and shallow. Growth is nonetheless expected to be subdued next year and has been revised down significantly compared with the previous projections. Beyond the near term, growth is projected to recover as the current headwinds fade. Overall, the projections now see the economy growing by 3.4% in 2022, 0.5% in 2023, 1.9% in 2024 and 1.8% in 2025.

At the end of the year 2022, the Euro short-term rate (ESTER) curve was pricing in 48 bps of rate hikes by the ECB in February 2023, followed by another 140 bps in June 2023, a total of 188 bps for the first half of the year. The market is now seeing the terminal rate close to 3.4% by the end of the second quarter 2023.

Over the quarter, European yields moved higher, with 3-month ESTER, 6-month ESTER and 1-year ESTER raising by 94 bps, 75 bps and 77 bps respectively.

Omvang fonds

Waarde begin van de periode	€110,385,090
Waarde eind van de periode	€117,534,424

Rendement

%	Kwartaal	Jaar tot op heden	3-Jaars Ann.	5-Jaars Ann.	10-Jaars Ann.
Fonds	0.31%	-0.14%	-0.49%	-0.50%	8.54%
Benchmark	-0.31%	-0.94%	-0.71%	-0.61%	-0.37%

Outlook

Last year's shocks were extreme, causing sharp stock and bond sell-offs. See the chart. Russia amassing troops on Ukraine's border quickly erupted in the full-blown war that is still raging. That sent energy prices soaring, stoking already hot inflation from pandemic-induced production constraints. The Consumer Prices Index (CPI), headline inflation surged to 40 year highs, spurring the Federal Reserve to embark on the steepest rate hike path since the early 1980s. A year ago, markets expected policy rates to rise to 1% by year-end. They are four times as much now, and the market sees more to come. Other shocks like the UK gilt crisis showed a return of the so-called bond vigilantes: market forces punishing fiscal splurges with higher yields and diving currencies.