Oriflex BP Regeling
Oriflex Liquiditeiten
Stichting Pensioenfonds Atos Origin
Tweede Kwartaal 2023

BLACKROCK

Omvang fonds

Waarde begin van de periode	€115,908,257
Waarde eind van de periode	€112,595,508

Rendement

%	Kwartaal	Jaar tot op heden	3-Jaars Ann.	5-Jaars Ann.	10-Jaars Ann.
Fonds	0.75%	1.29%	0.03%	-0.19%	-0.22%
Benchmark	1.03%	1.57%	-0.11%	-0.25%	-0.22%

Investment Review

The Fund underperformed the benchmark this quarter.

Market Overview

Over the quarter, there was a lot of uncertainty as to both the size of the next European Central bank hike and the terminal rate.

The European Gross domestic product (GDP) prints were revised down, with Q4 2022 and Q1 2023 now at -0.1%. This means that the Euro economy is in technical recession.

Looking forward, survey indicators are pointing to further activity weakness. For instance, the Euro zone Composite Purchasing Managers' Index (PMI) came at 49.9 in June, seating just below the important 50 level, the level that separates expansion from recession. (more details below)

Euro area annual inflation is expected to be 5.5% in June 2023, down from 6.1% in May according to a flash estimate from Eurostat, the statistical office of the European Union.

This has reopened the prospect of Europe being in stagflation with zero or very low growth and high inflation going forward. We believe that the ECB will still have more tightening to do as inflation remains stronger and more sticky than expected.

Christine Lagarde, reiterated recently the ECB intention to hike rate in July but the September hike is less certain and the ECB will be driven by incoming data, particularly around inflation.

At the end of the period, the market was pricing in 21bps of tightening in July, which is 83% chance of 25bps. This is followed by another 16bps for the September meeting, giving a probability of around 50%of 25bps rate hike. The Terminal rate seen by the market stood just below 4% at 3.97%.

European yields moved higher over the quarter, 3m, 6m and 12m euro short-term rate (ESTR) rate rose by 53bps, 50bps and 47bps to 3.59%, 3.73%and 3.83% respectively at the end of June.

Outlook

Over the past six months, further evidence has emerged to indicate the presence of a new regime characterized by increased macroeconomic and market volatility This regime is the outcome of various supply constraints that limit the ability of DMs to produce more without triggering higher inflation The prevailing view is that these supply constraints will persist due to the influential forces shaping the economic outlook

In this new regime, central banks face a more challenging task They lack the necessary tools to resolve the supply constraints and must confront a clear trade off between growth and inflation As a result, we have witnessed central banks raising interest rates at an unprecedented pace as they prioritize inflation control Despite these efforts, stubborn inflation persists even as Europe experiences a recession and the United States faces similar challenges on certain metrics This serves as a clear demonstration of the impact of the new regime

The financial sector has experienced a significant shift since the global financial crisis of 2008 Banks have gradually lost their dominant position due to new regulations, technological advancements, and increased competition The recent turmoil in the banking sector is viewed as a catalyst that is likely to create opportunities for non bank lenders This turmoil has highlighted the risks associated with uninsured deposits, particularly at U S regional banks, leading to a shift away from bank deposits towards money market funds

Money market funds have responded swiftly to the central banks' rapid rate hikes by offering higher interest rates Regulatory changes have made these funds competitive with banks The advent of digital payments has facilitated instant cash transfers, while modifications in financial infrastructure mean that funds no longer recycle cash back into deposits In 15 months, about 1 trillion has left U S bank deposits, or 6 of the total.