

Preferencia por los activos de riesgo en 2014

Dominic Schnider, Head Commodities & APAC Forex

Chief Investment Office WM



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- América Latina: economías de marcha baja con potencial de inflación

Sección 2: Nuestra opinión del mercado – favorecemos tomar riesgos en los países desarrollados

- Renta variable: *de una revalorización hacia crecimiento en las ganancias*
- Renta fija: *favorecemos bonos de baja calidad corporativo*
- Divisas: *esperamos un US dólar fuerte*
- Inversiones alternativas: *acumular "alfa" con estrategias como "equity hedge"*

Sección 3: Materias primas – retornos negativos en el 2014

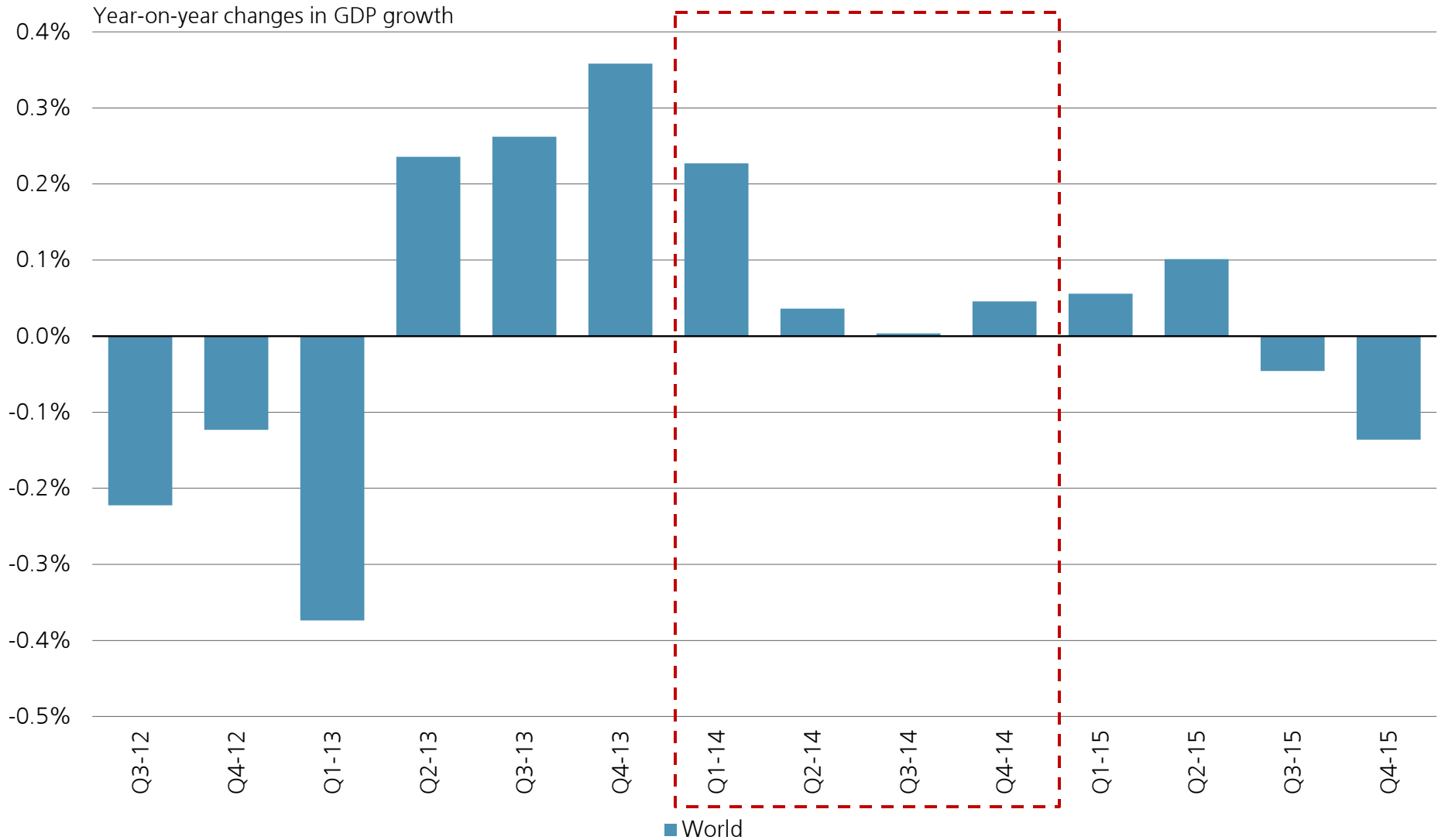
- Energía: *suficiente oferta contra riesgos de cola*
- Metales básicos: *historia de suministro heterogénea*
- Metales preciosos: *la reserva federal un arrastre sobre los precios de oro y plata*
- Agricultura: *extremos meteorológicos en 2H14*

Sección 1

Economía global – acelerará lentamente en 2H14

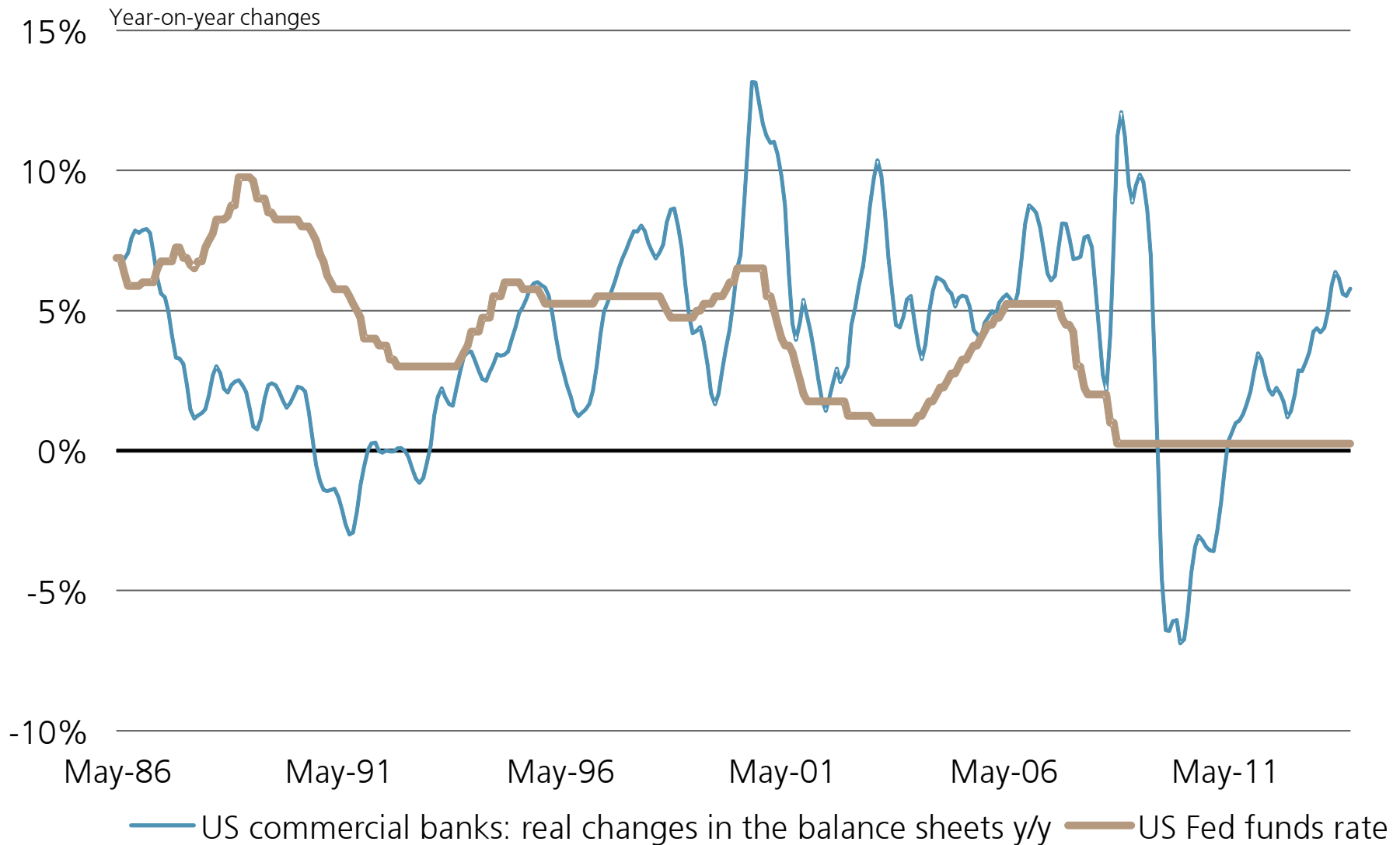
Economía mundial: impulso modesto en el 2014

La economía mundial debería crecer un 3.2% en 2014 y 3.4% en 2015



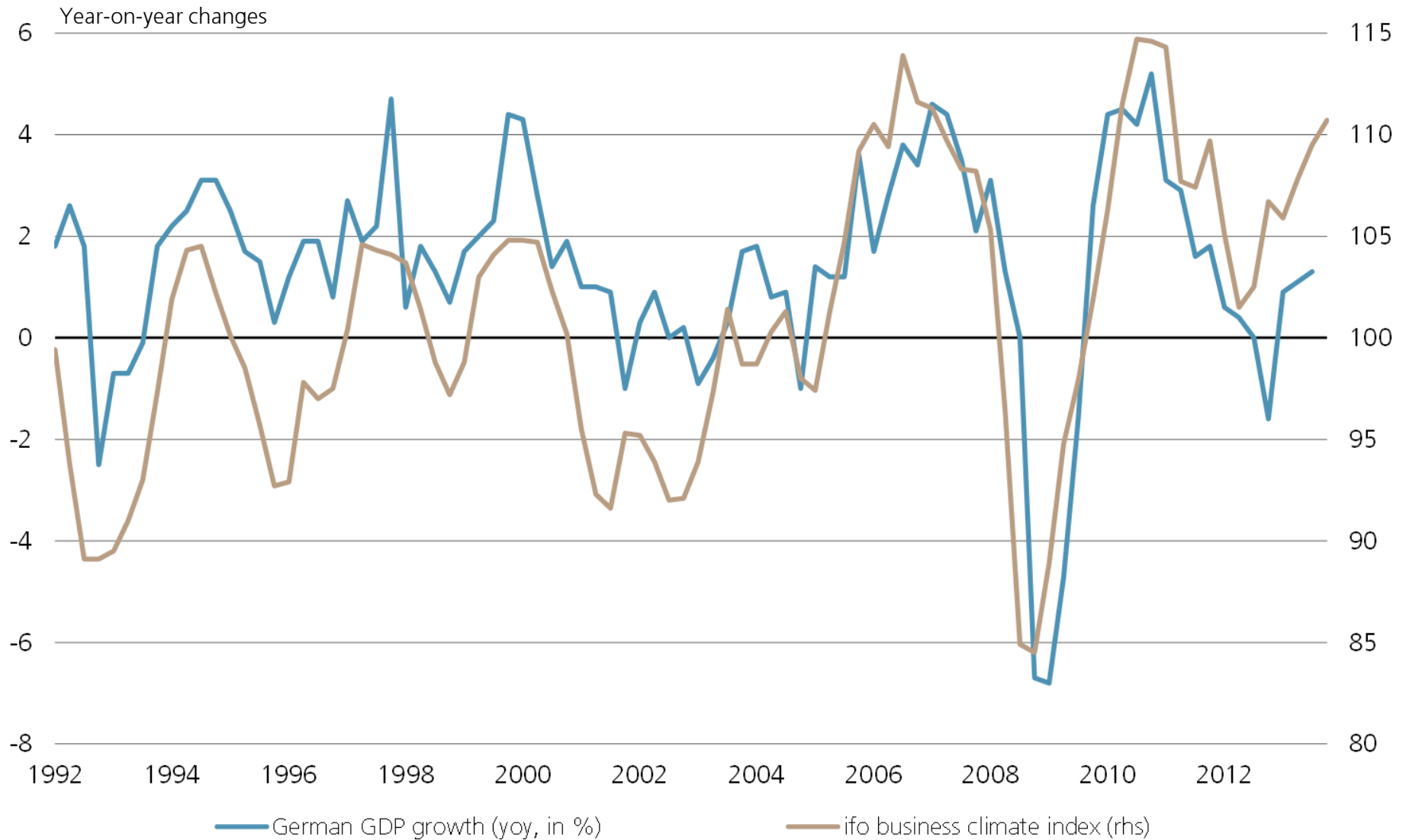
EE.UU.: actividad crediticia ha acelerado

Actividad crediticia tiene una base fuerte – desde los bancos pequeños hasta los actores grandes



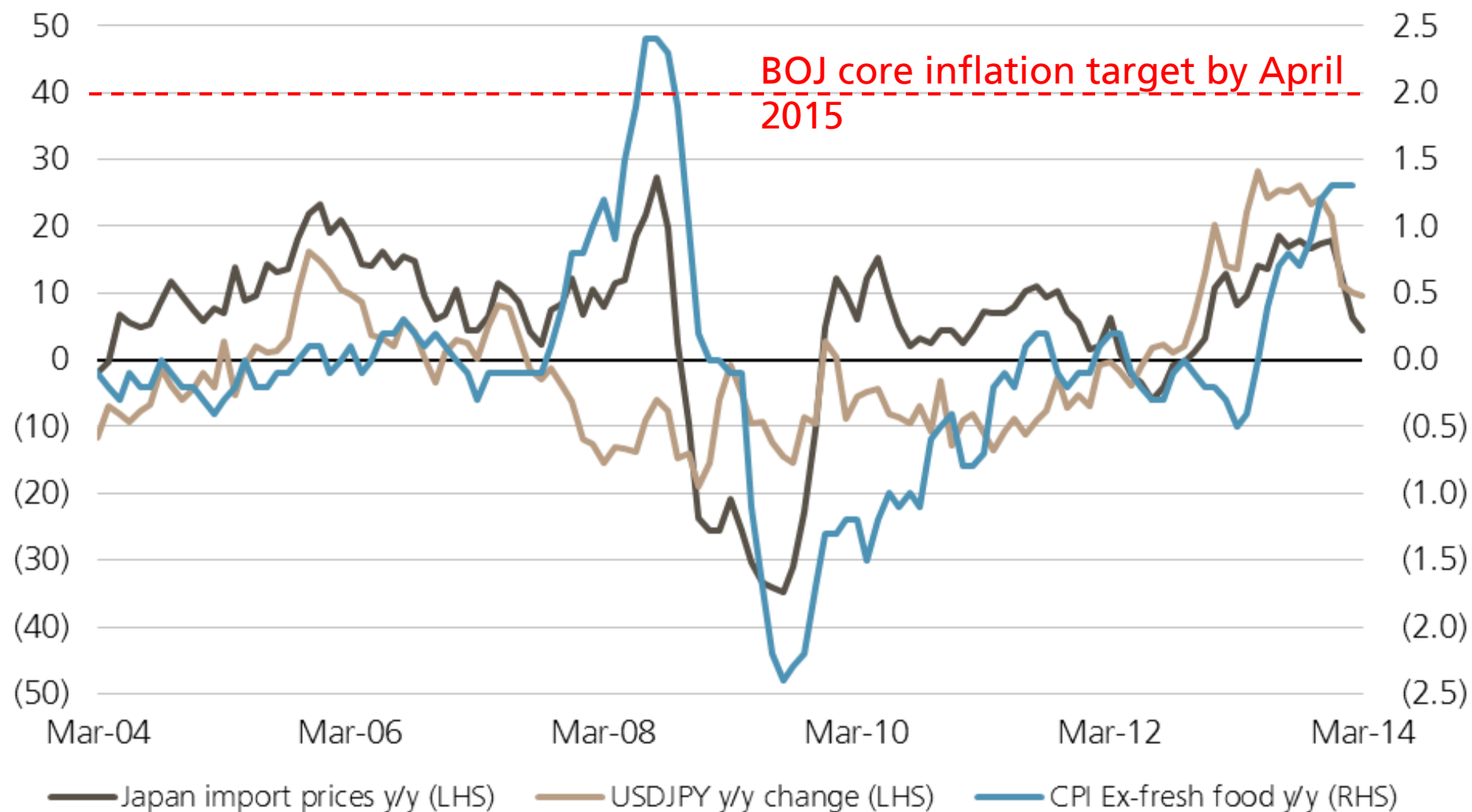
EMU: la recuperación está en camino

El índice "Ifo" de Alemania sugiere una actividad económica más fuerte



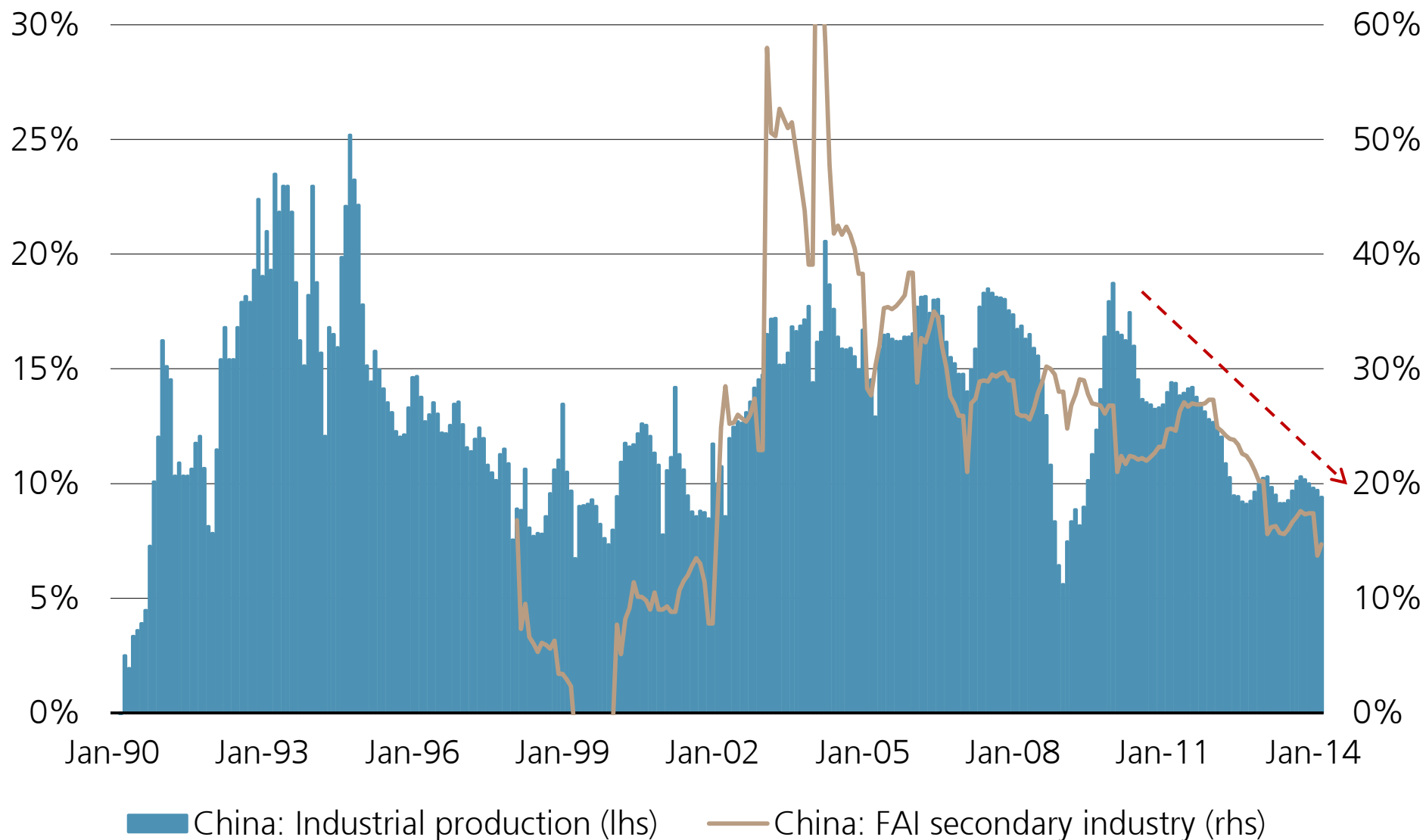
Japón: inflación no llegará al objetivo del Banco de Japón

Una caída en la inflación importada (JPY estable) bajará la presión sobre la inflación en general



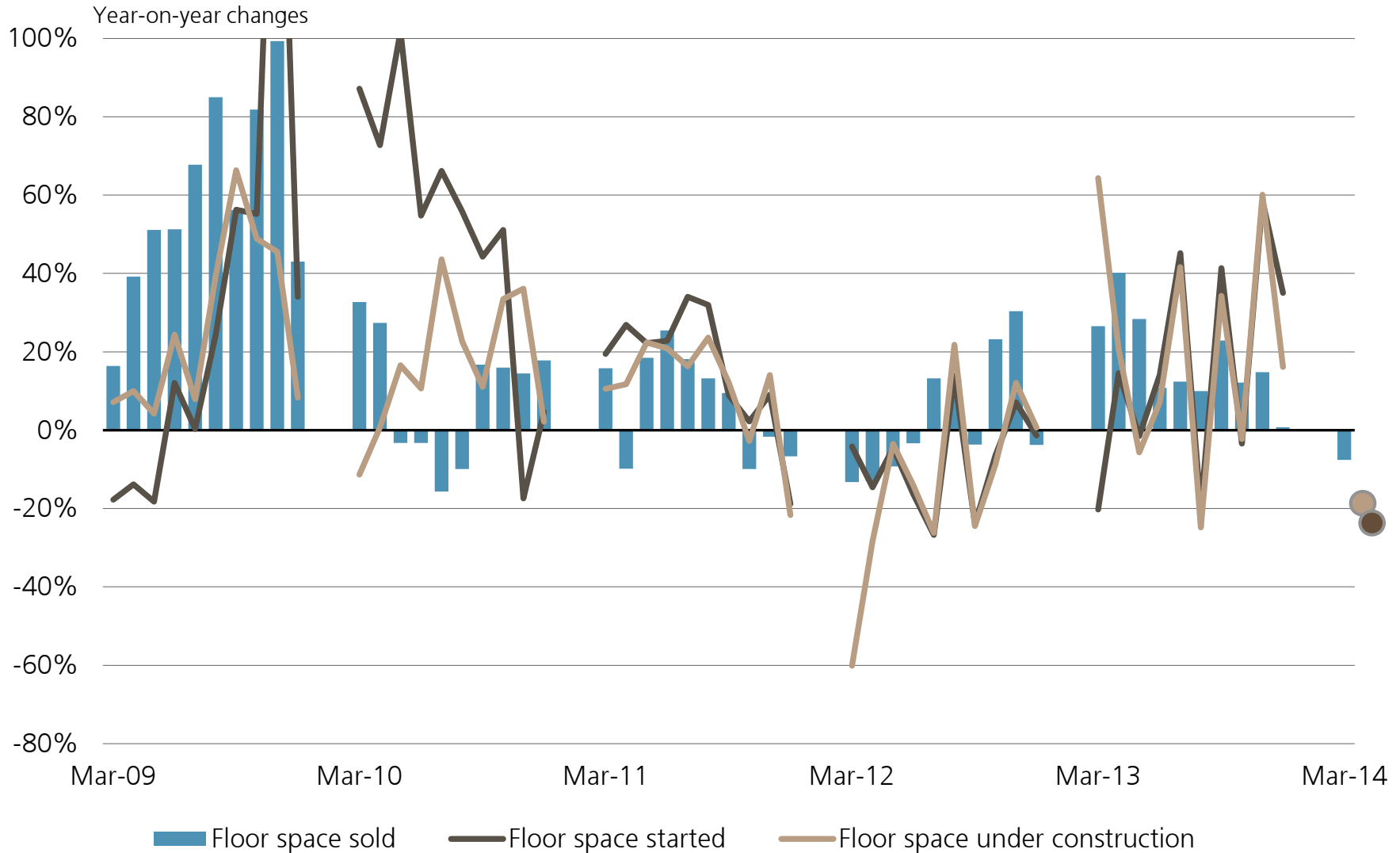
China: actividad industrial y de inversión está desacelerando

Desde un punto de vista estructural, hay potencial de desaceleración



China: el mercado de vivienda comenzó el año 2014 con un equilibrio débil

Un aterrizaje duro de la economía involucraría al sector vivienda



Latinoamérica: crecimiento modestamente más fuerte

Problemas estructurales en Brasil mientras México disfrutará la proximidad con EE.UU.

Country/Region	2008	2009	2010	2011	2012	2013E	2014E	2015E
Argentina	6.8	0.9	9.2	8.9	1.9	5.0	2.4	2.7
Mexico	1.2	-6.0	5.3	3.9	3.8	1.1	2.8	3.7
Brazil	5.2	-0.3	7.5	2.7	0.9	2.3	2.3	2.0
Venezuela	5.3	-3.2	-1.5	4.2	5.6	1.0	0.5	0.4
Chile	3.3	-1.0	5.8	5.9	5.6	4.0	4.0	4.2
Colombia	3.5	1.7	4.0	6.6	4.0	4.3	4.2	4.1
Peru	9.8	0.9	8.8	6.9	6.3	5.0	5.2	5.2
Latin America	4.2	-1.9	6.2	4.4	2.8	2.5	2.7	2.9
US	-0.3	-2.8	2.5	1.8	2.8	1.9	3.0	3.2
EU	0.3	-4.3	2.0	1.6	-0.5	0.0	1.5	1.8
Asia* *	6.6	5.8	8.8	6.8	5.6	5.6	5.9	5.5

** Excluding Japan, including Australia & NZ

Latinoamérica: inflación con una tendencia alcista

Requerimos más inversión para compartir la inflación

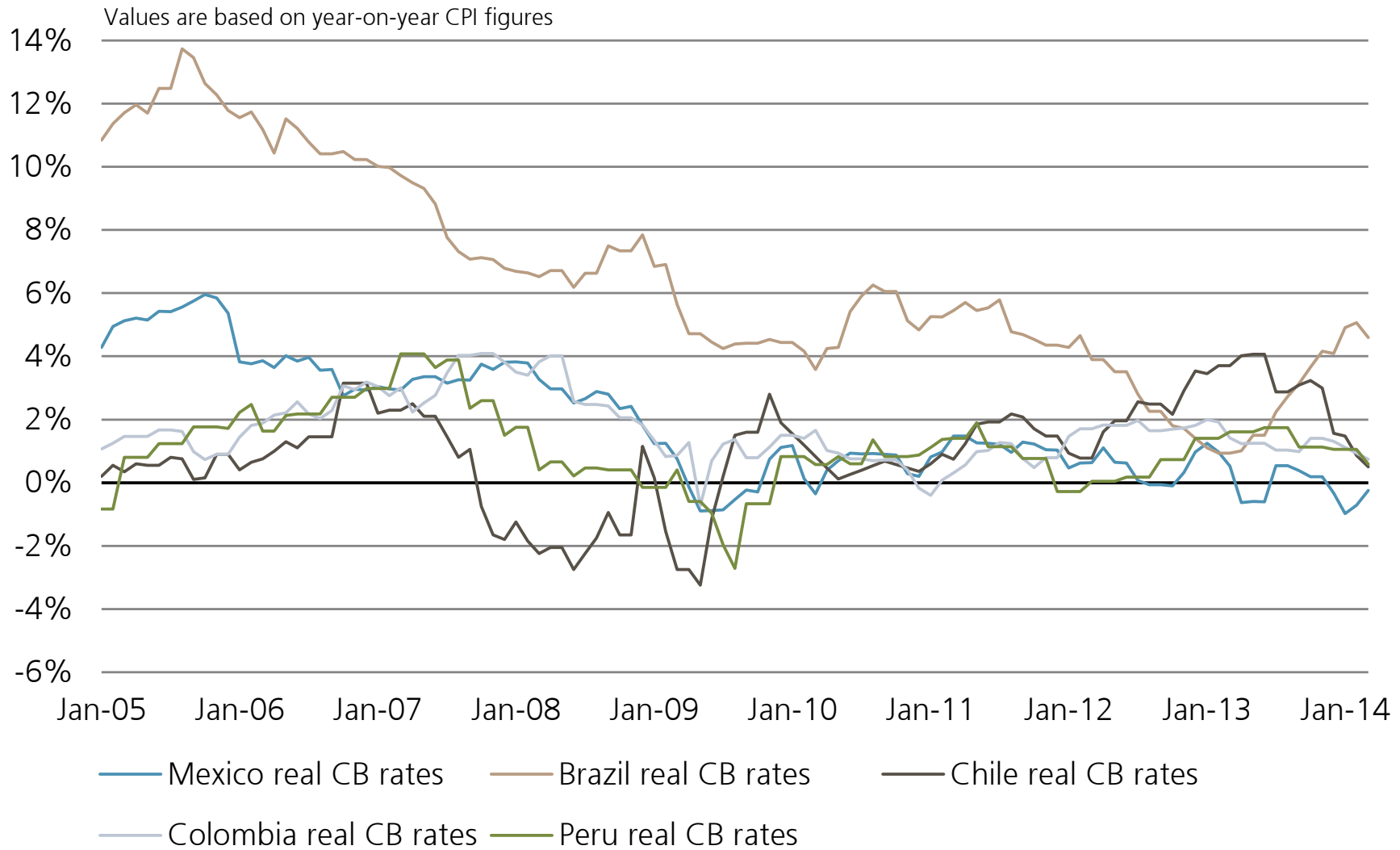
Year-on-year changes in the CPI

Country/Region	2008	2009	2010	2011	2012	2013	2014E	2015E
Argentina	7.2	7.7	10.9	9.5	10.8	10.9	25.0	25.0
Mexico	6.5	3.6	4.4	3.8	3.6	4.0	4.0	3.5
Brazil	5.9	4.3	5.9	6.5	5.8	5.9	6.2	6.0
Venezuela	30.9	25.1	27.2	27.6	20.1	56.2	45.0	45.0
Chile	7.1	-2.6	3.0	4.4	1.5	3.0	3.1	3.2
Colombia	7.7	2.0	3.2	3.7	2.4	1.9	3.0	3.1
Peru	6.7	0.2	2.1	4.7	2.6	2.9	2.3	2.8
Latin America	8.0	5.1	6.9	7.0	6.0	8.6	9.5	9.3
US	3.8	-0.3	1.6	3.1	2.1	1.5	1.9	2.4
Eurozone	3.3	0.3	1.6	2.7	2.5	1.4	1.0	1.5
Asia (ex Japan, inc.Aus & NZ)	6.4	2.7	4.6	5.5	4.1	4.0	3.8	3.6

** Excluding Japan, including Australia & NZ

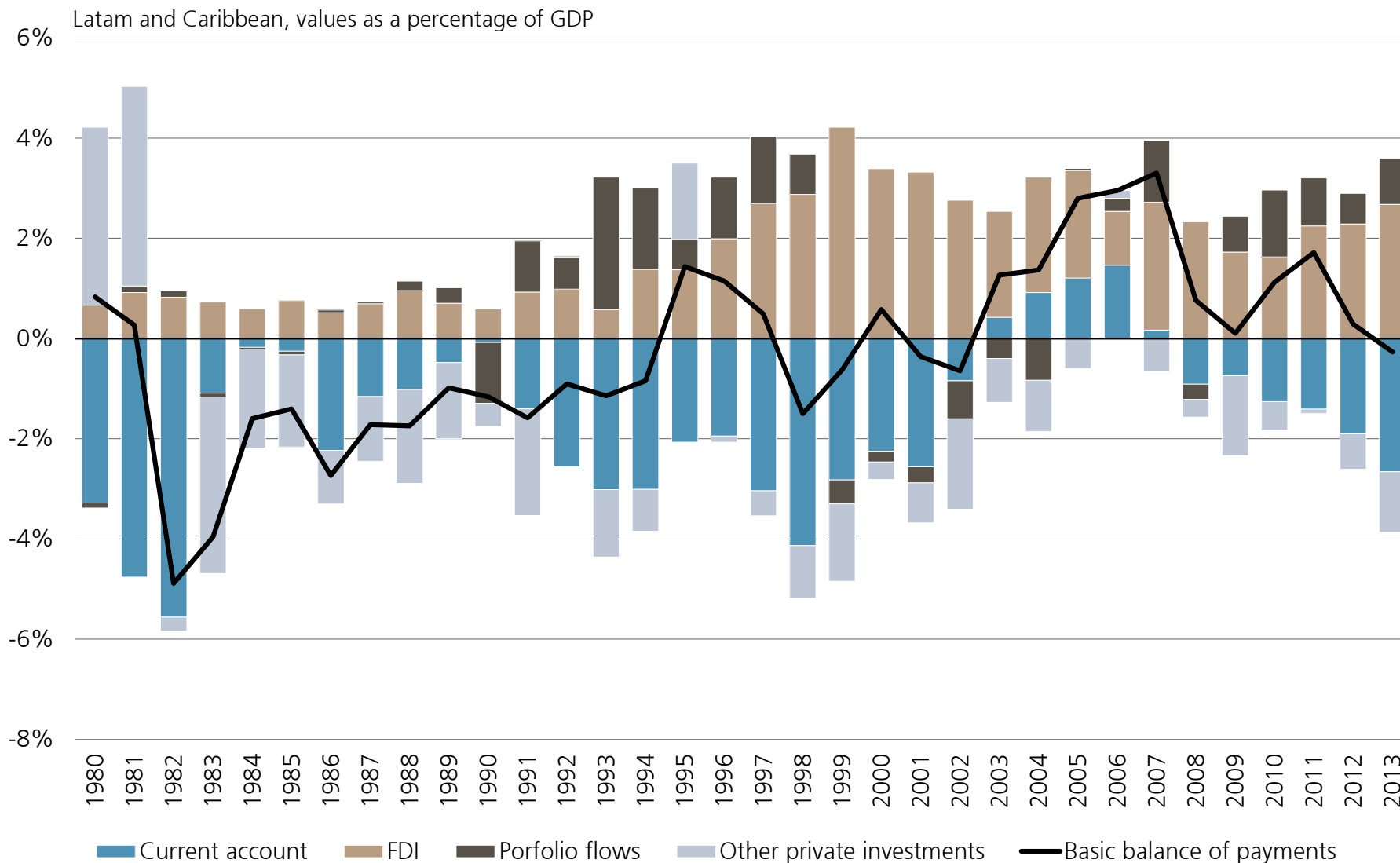
Latinoamérica: no esperamos mucho apoyo de los bancos centrales

Las regulaciones monetaria en Latinoamérica sin Brasil siguen muy sueltas



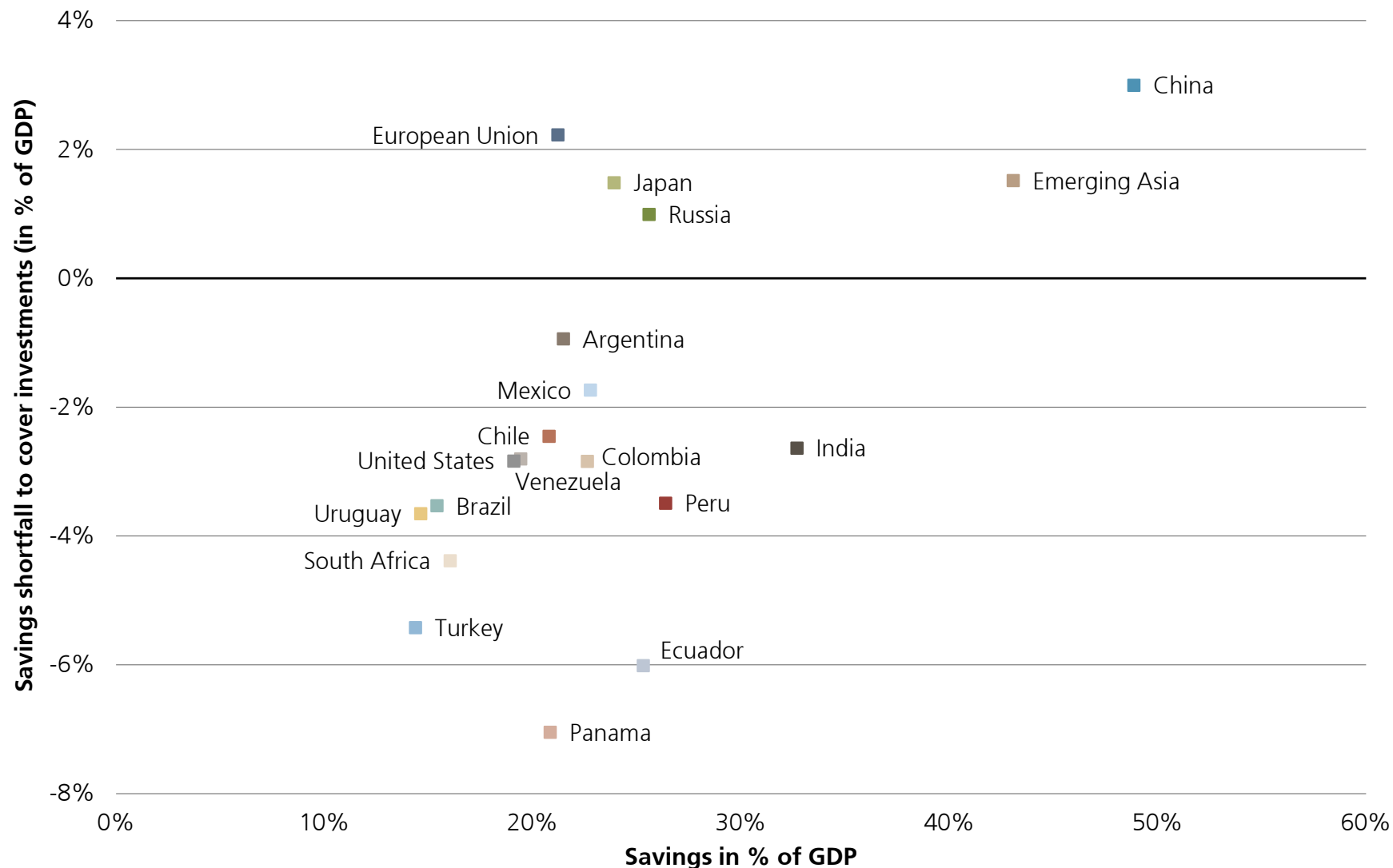
Tema 1: ya no hay superávits en el balance de pagos básico

Inversiones directas como en portafolio tienen problemas de compensar el déficit en la cuenta corriente



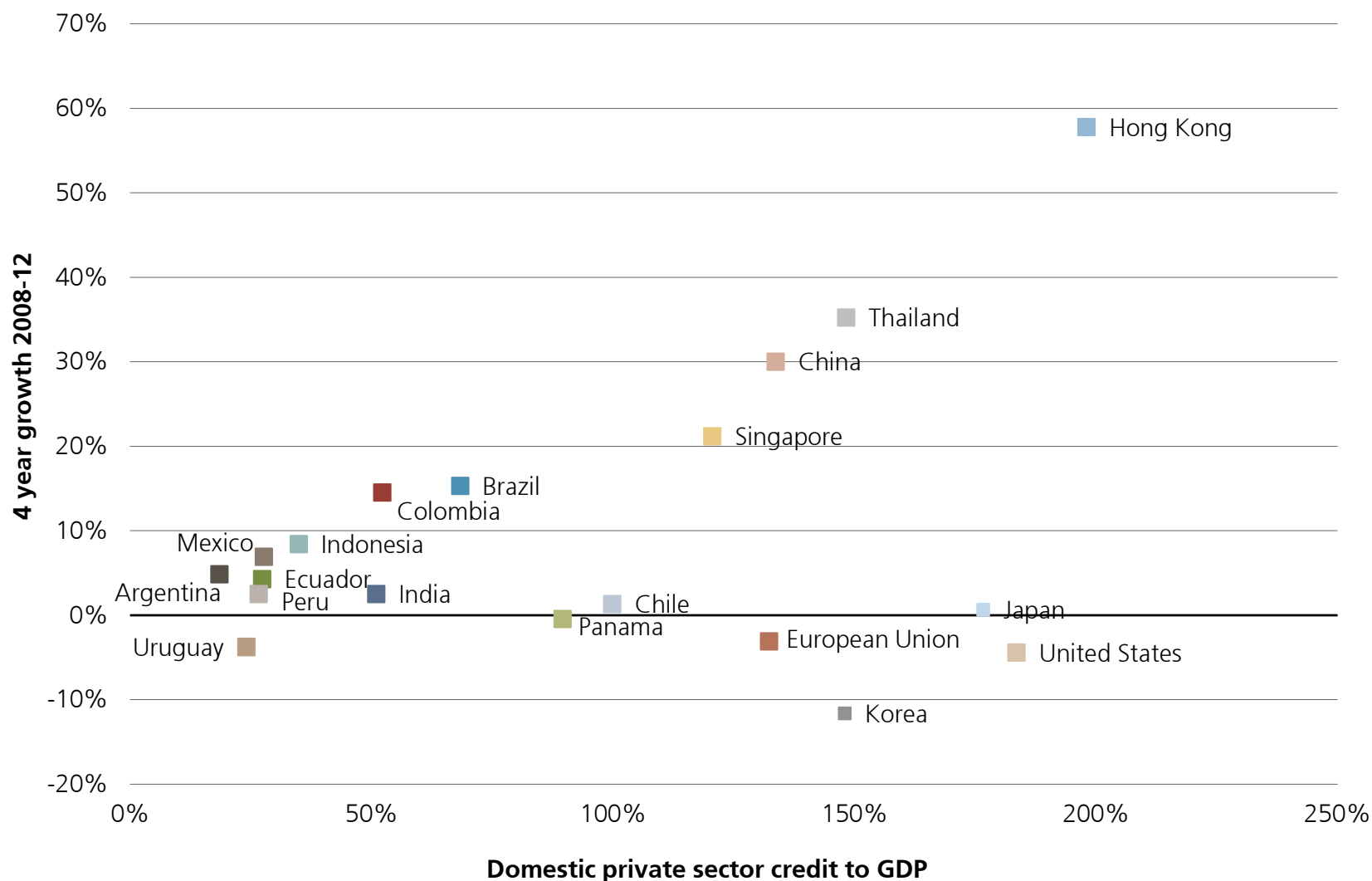
Tema 2: nivel de ahorro y déficit de ahorro

Un déficit de ahorro es un problema si el nivel de ahorro es bajo también



Tema 3: mayor actividad crediticia – una solución para Latinoamérica?

Si lo comparamos con otras regiones emergentes, la dinámica de la deuda privada en Latinoamérica ha sido prudente

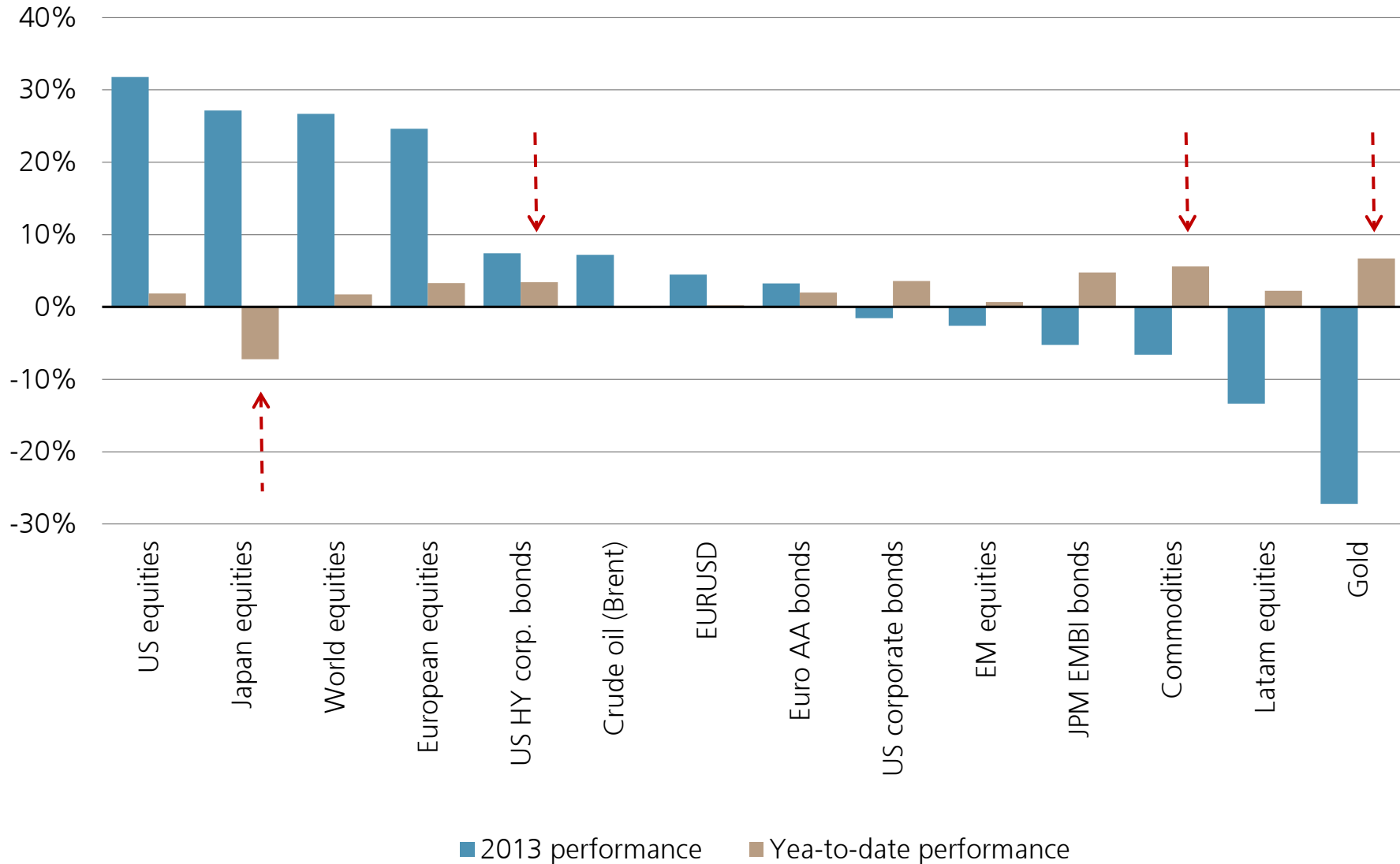


Sección 2

Nuestra opinión del mercado – favorecemos tomar riesgos en los países desarrollados

Rendimiento a través de las clases de activos

Fuerte inicio para las materias primas y la renta fija



TAA: estrategia de inversión táctica

Preferencia por los activos de riesgo



- La reciente debilidad en "DM" ofrece la oportunidad de añadir posiciones

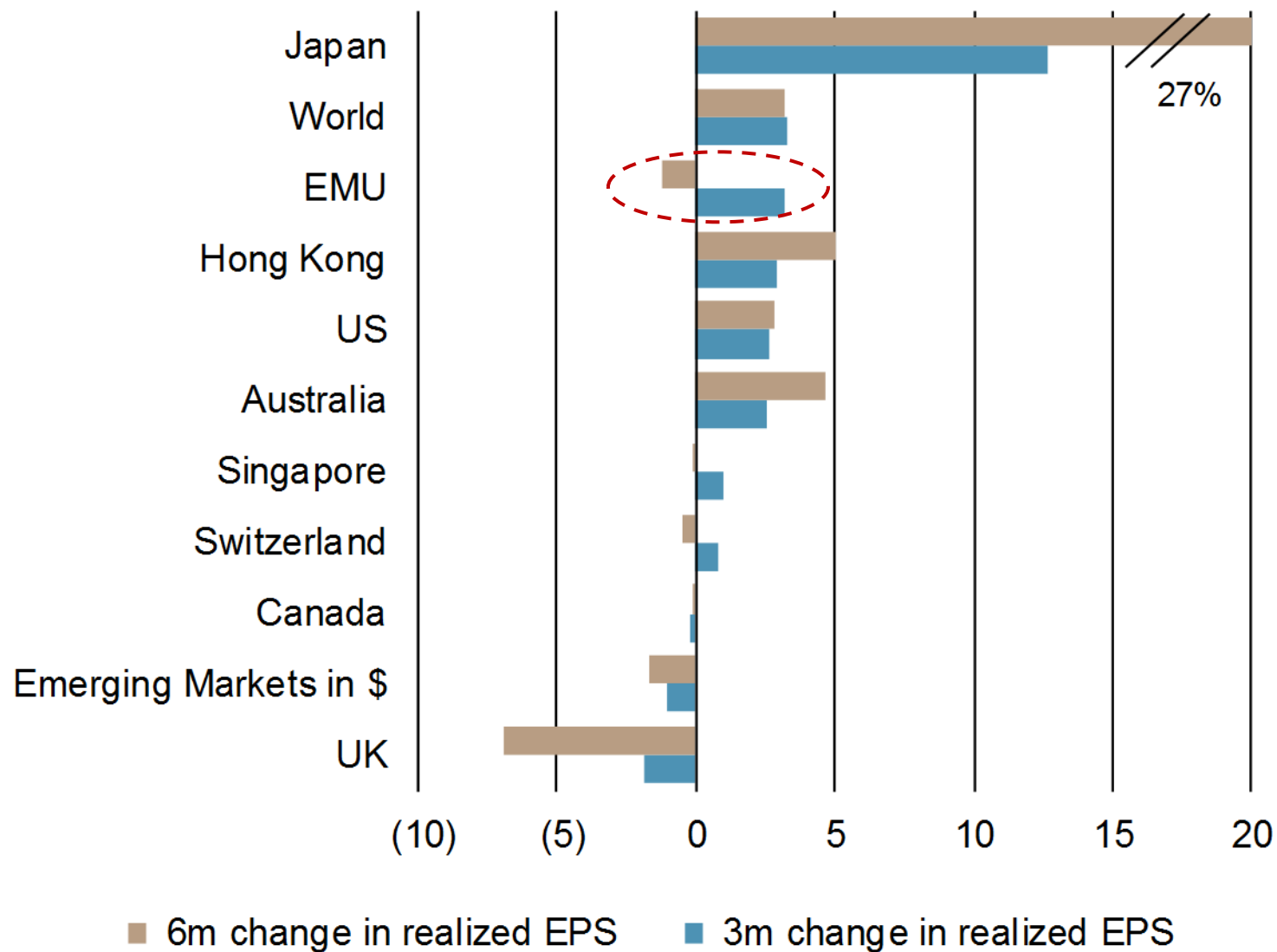
- **Renta variable:** **aumento de nuestra sobre ponderación** Preferimos EE.UU. Y UE.

- **Renta fija:** **aumento de nuestra sub ponderación** en bonos de alta calidad. Favorecemos EE.UU. "high yield".

- **FX:** Sobre ponderación en USD frente al JPY and EUR.

RV: las ganancias en la zona euro han alterado

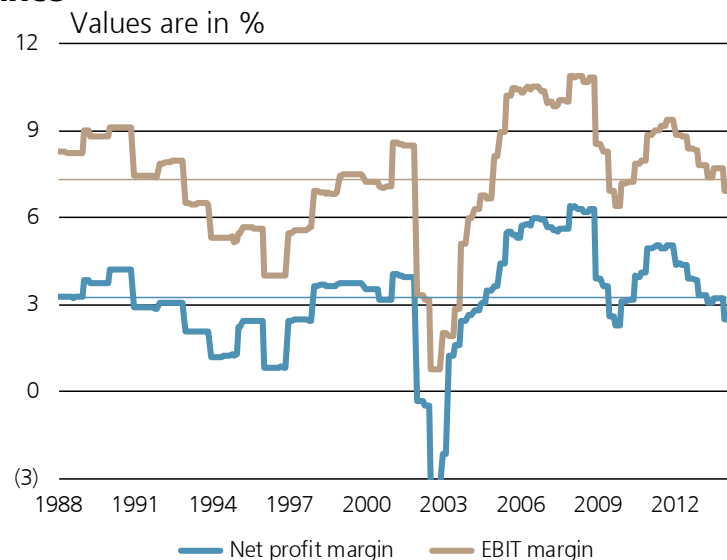
Amplia capacidad libre deja espacio a ganancias más altas



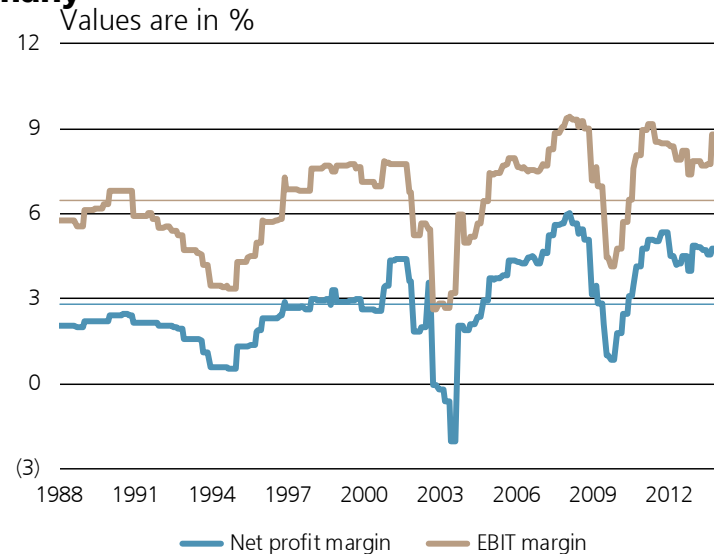
RV: posible mejoramiento en los márgenes en la zona euro?

Los márgenes de ganancia deberían mejorarse en la periferia

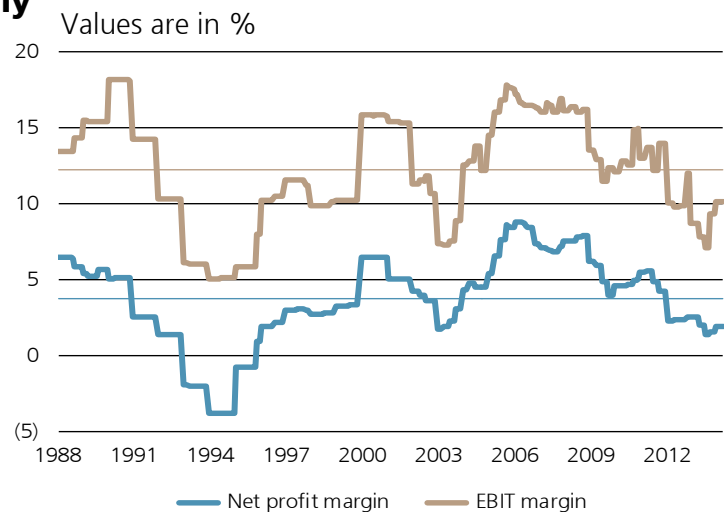
France



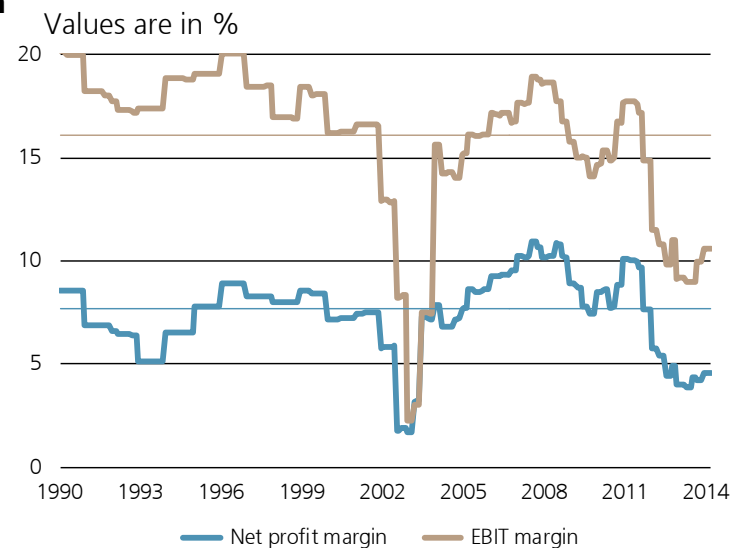
Germany



Italy



Spain



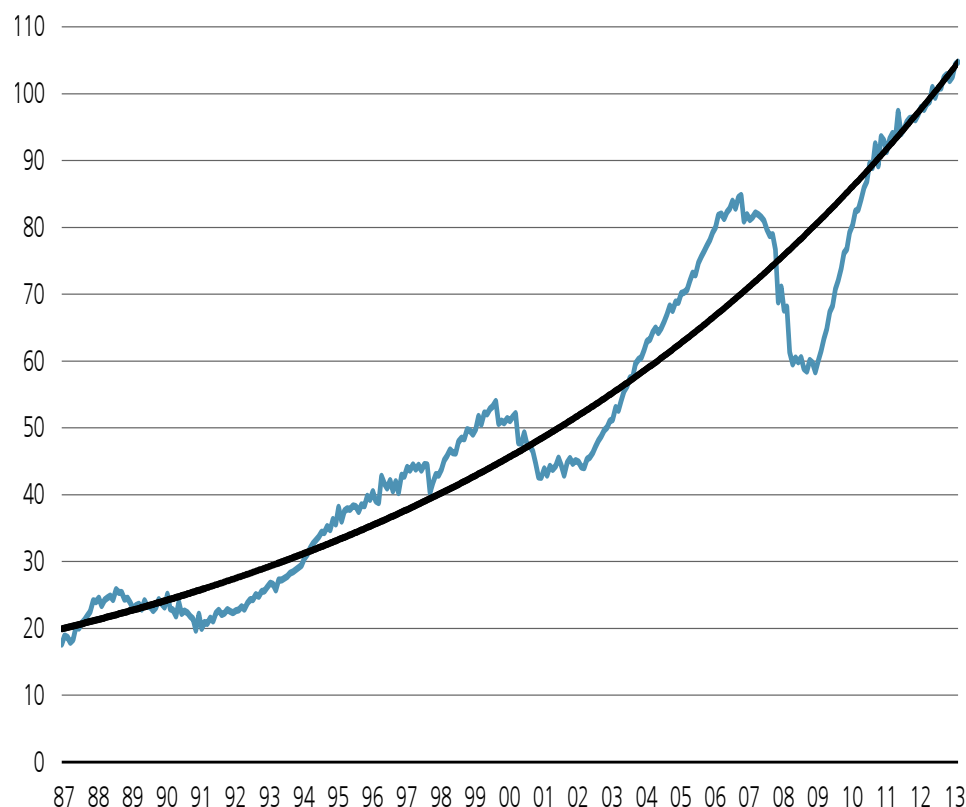
RV: tasas más altas en EE.UU. – un obstáculo?

Basado a las experiencias de 1986, 1994, 1999, 2004 el mercado de renta variable debería aumentar junto con crecimiento de las ganancias

MSCI US : performance after first Fed rate hike is typically constructive

	6m before	3m after	6m after	12m after
MSCI US				
Date of first hike				
Sep-86	-2.5%	5.4%	27.1%	41.9%
Dec-93	4.9%	-3.6%	-3.4%	2.0%
Dec-98	10.8%	5.6%	12.7%	22.4%
Mar-04	13.9%	1.7%	-0.2%	7.0%
Average	6.8%	2.3%	9.0%	18.3%

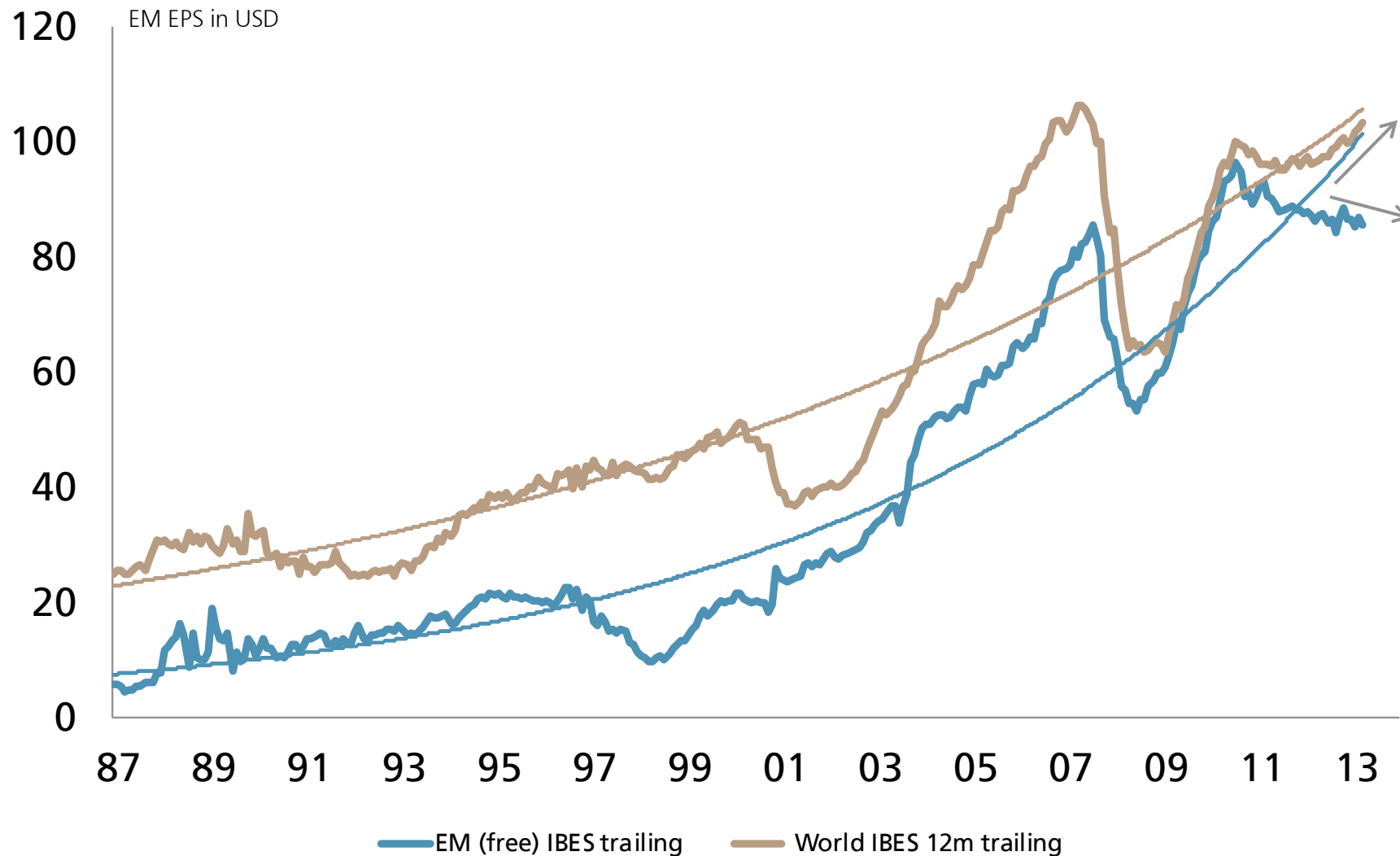
Trailing operating EPS (I/B/E/S) for MSCI US index continues to rise



— MSCI US trailing EPS (from I/B/E/S) — Trend trailing earnings

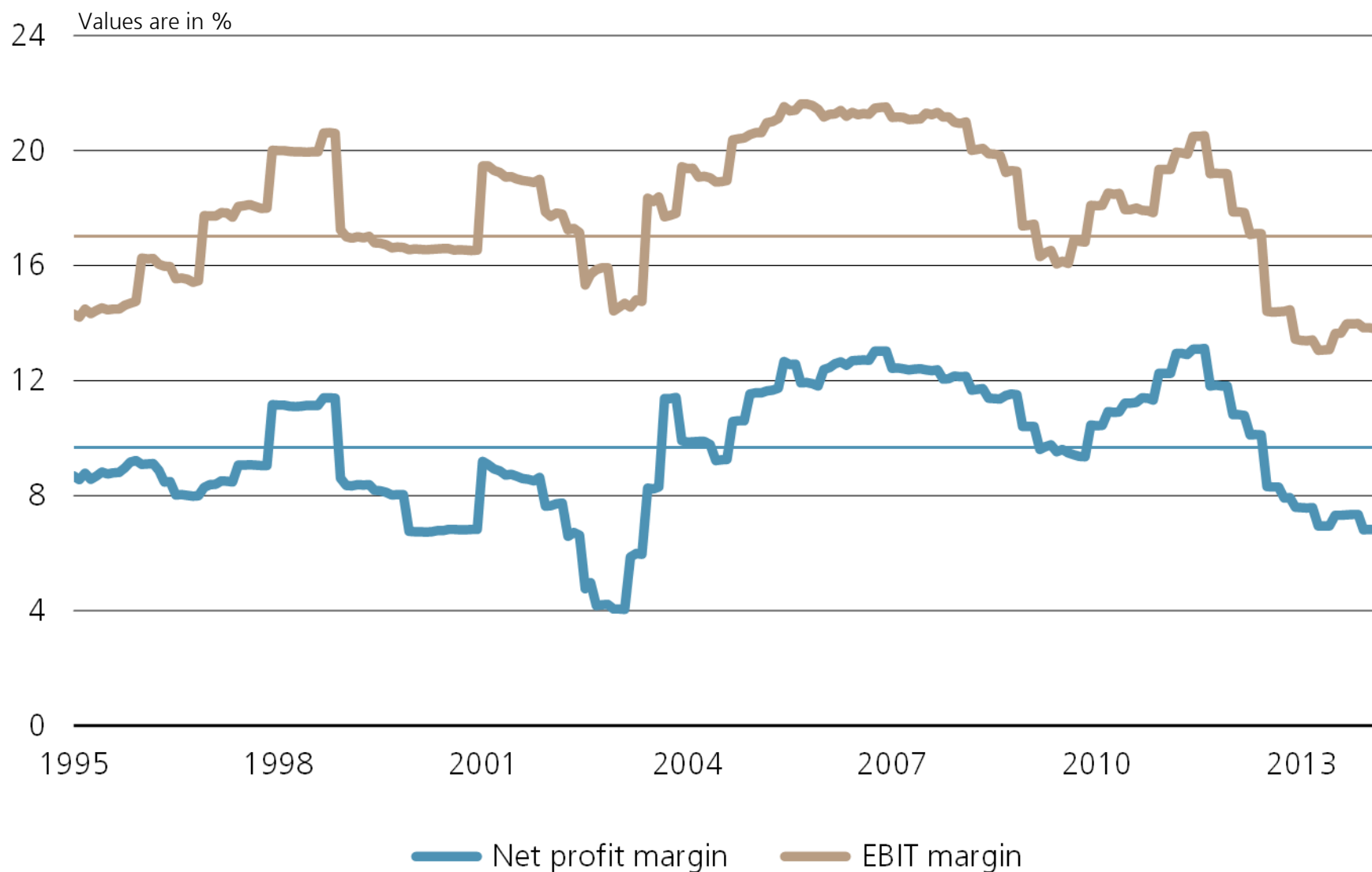
RV: las ganancias en los mercados emergentes empezaron a estabilizarse

Esperamos que las ganancias en los mercados emergentes vuelvan a crecer



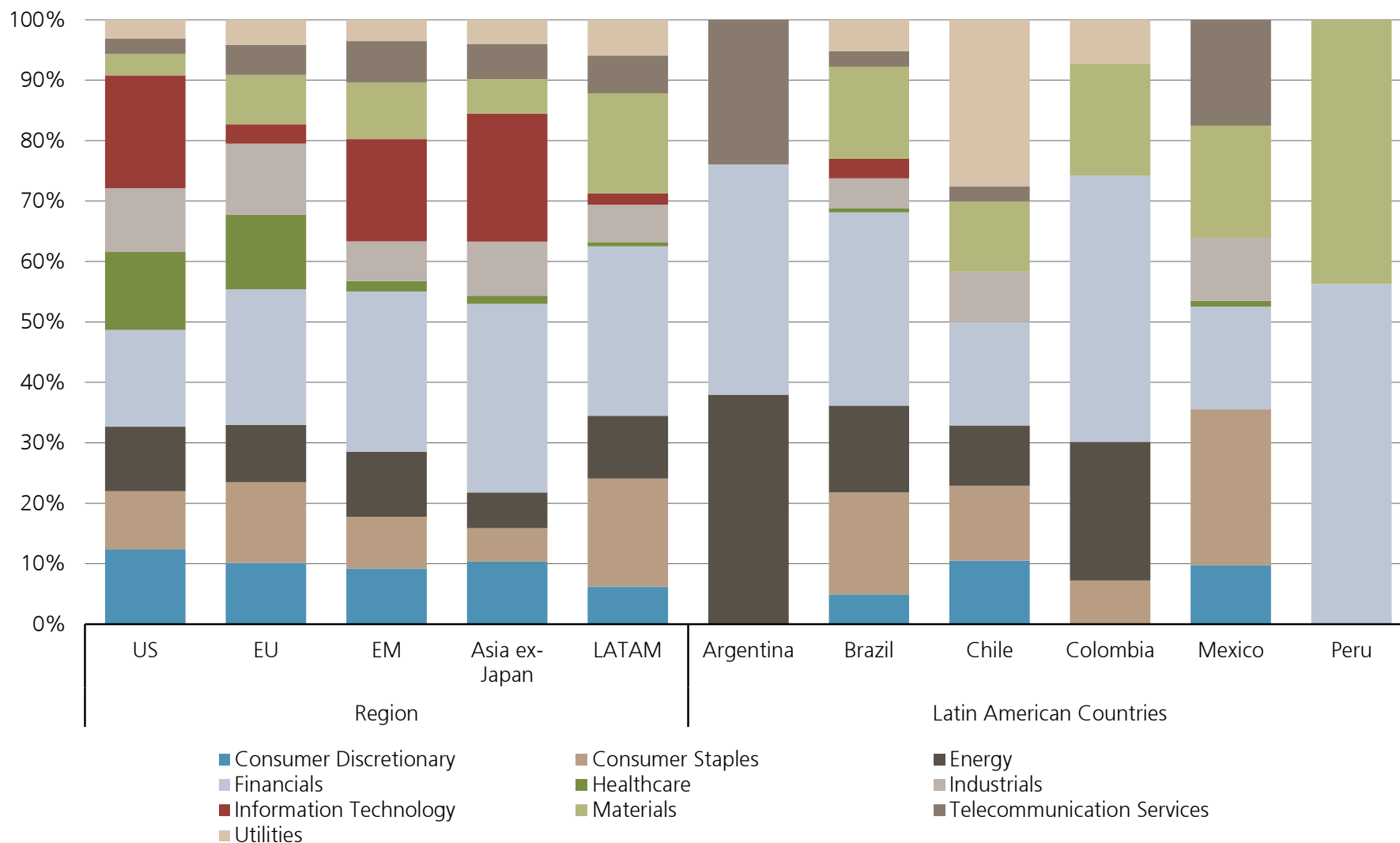
RV: márgenes en "EM" se están estabilizando

Márgenes sin empresas financieras



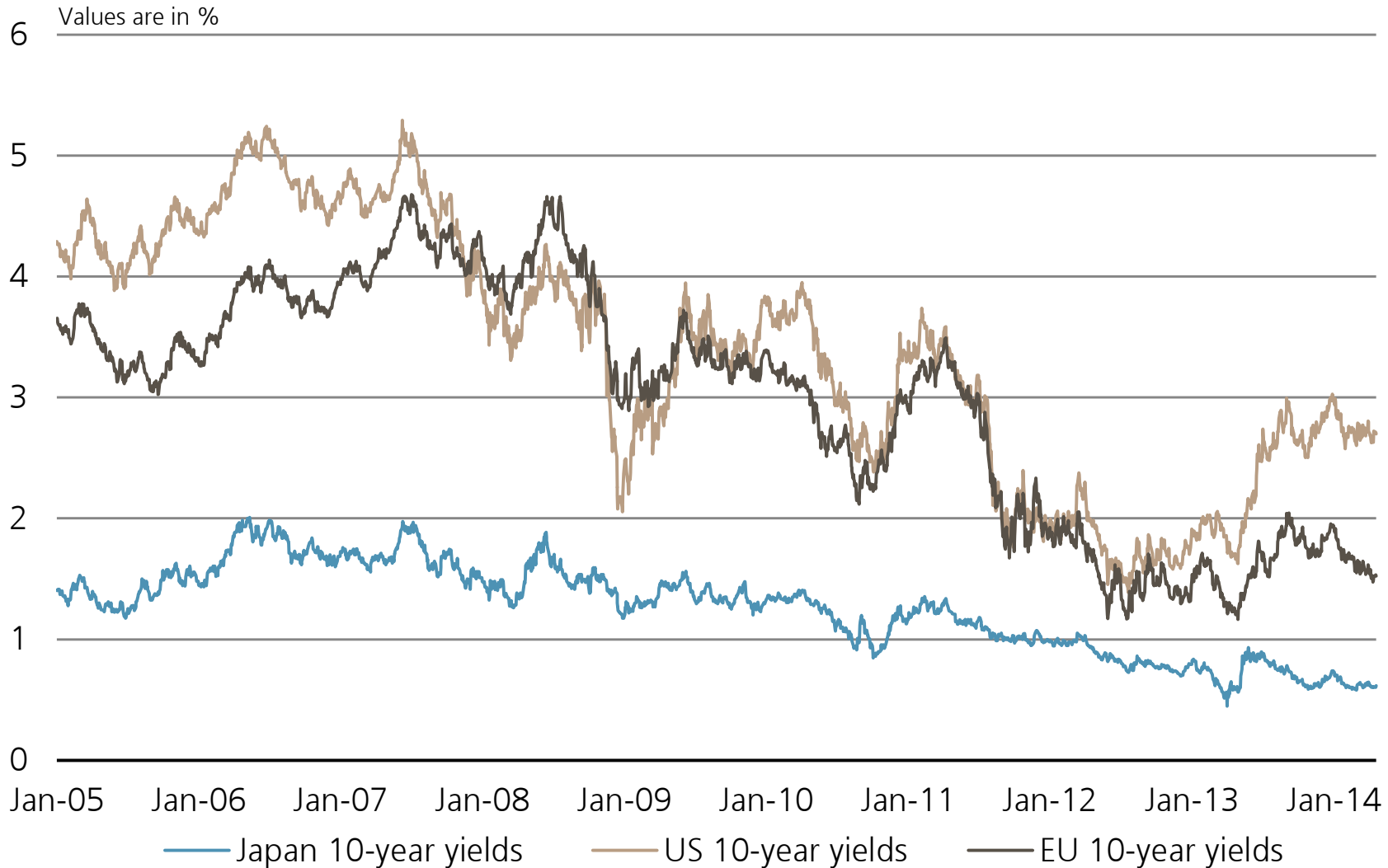
RV: índices MSCI y sus exposiciones lectorales

A Latinoamérica le falta empresas con suficiente liquidez y tamaño en los sectores tecnología y salud



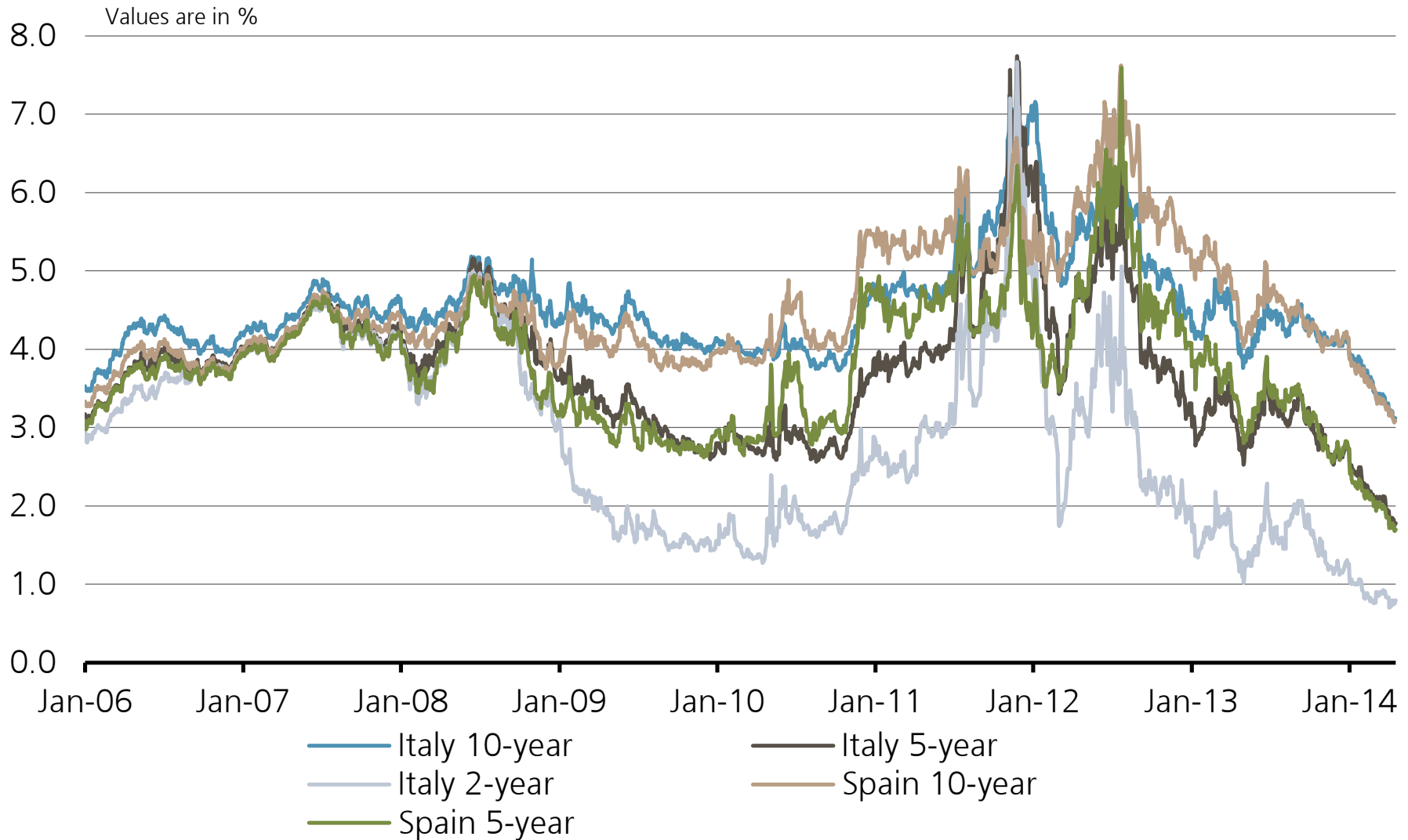
RF: el mercado subestima el potencial de tipos más altos

Un firme crecimiento económico con menos capacidad libre pondrá la tasa a corto plazo a 1% (Dec. 2015) y las de 10 años a 3.4% o más



FI: caída fuerte de las tasas de la zona euro periférico

Es poco probable que caigan mucho más



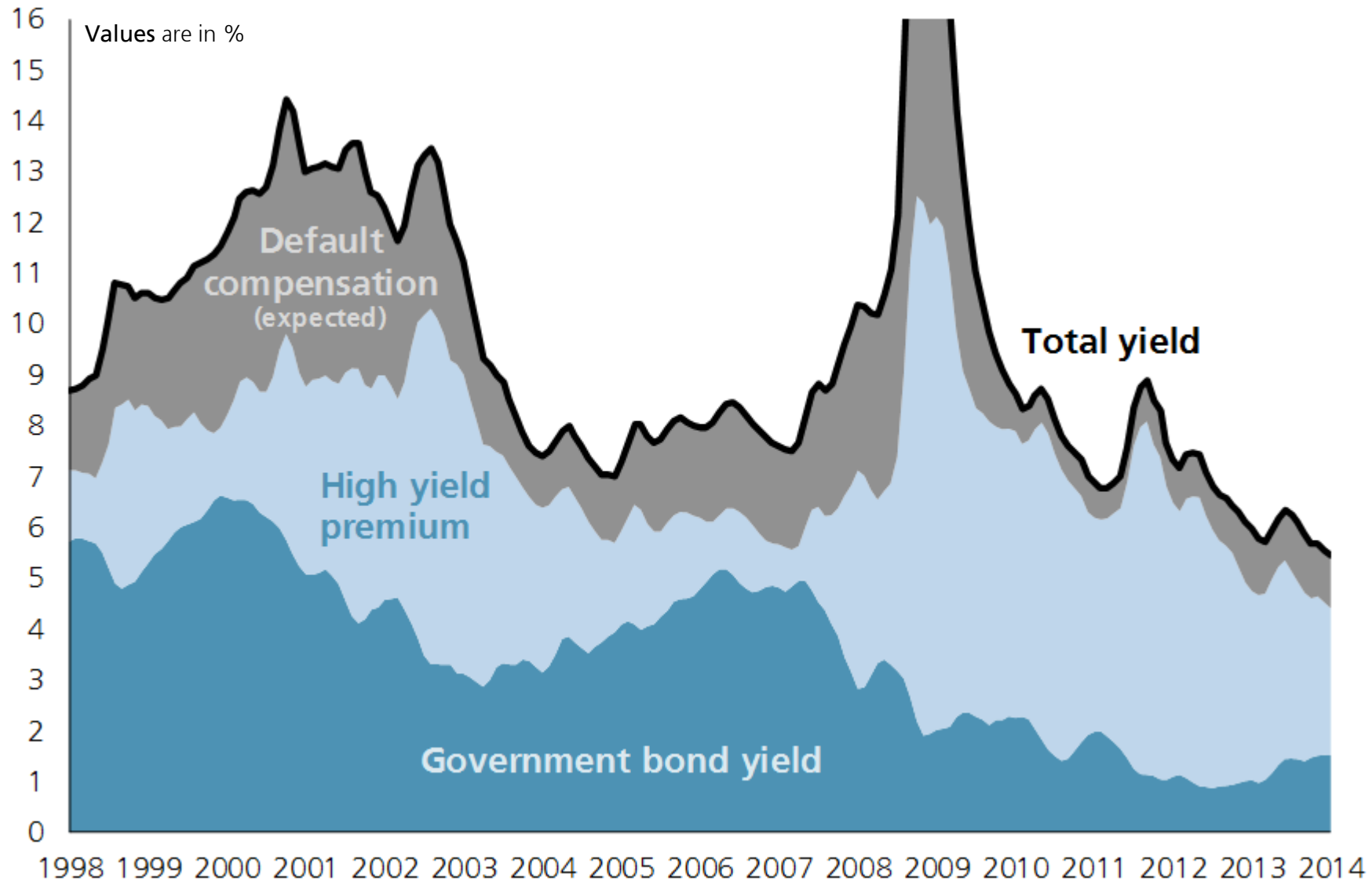
RF: margen modesto de reducción de diferenciales

El mercado está poniendo a prueba los límites



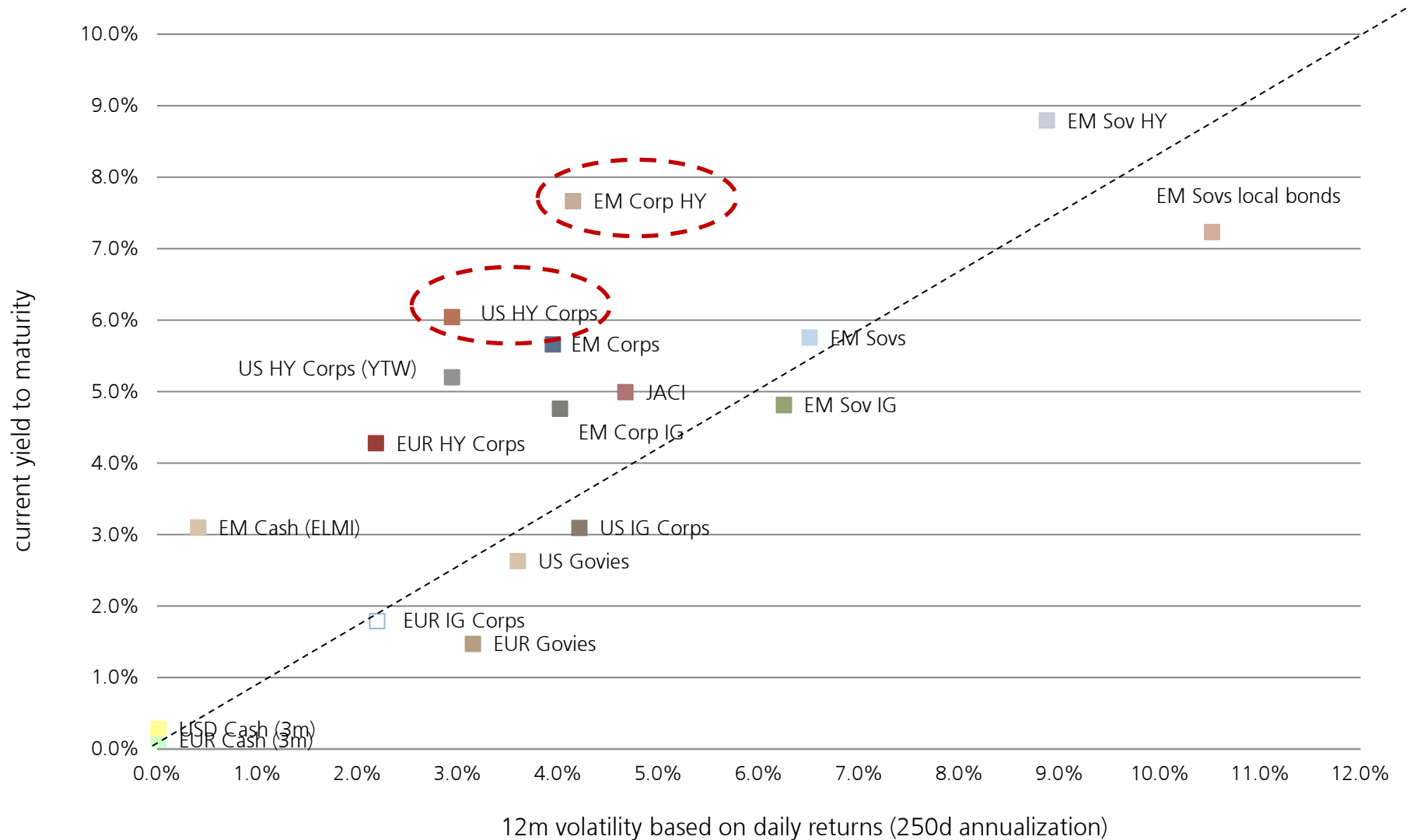
FI: bonos "high yield" todavía con la mejor rentabilidad/riesgo en renta fija

La prima "high yield" podrá estrecharse aún más



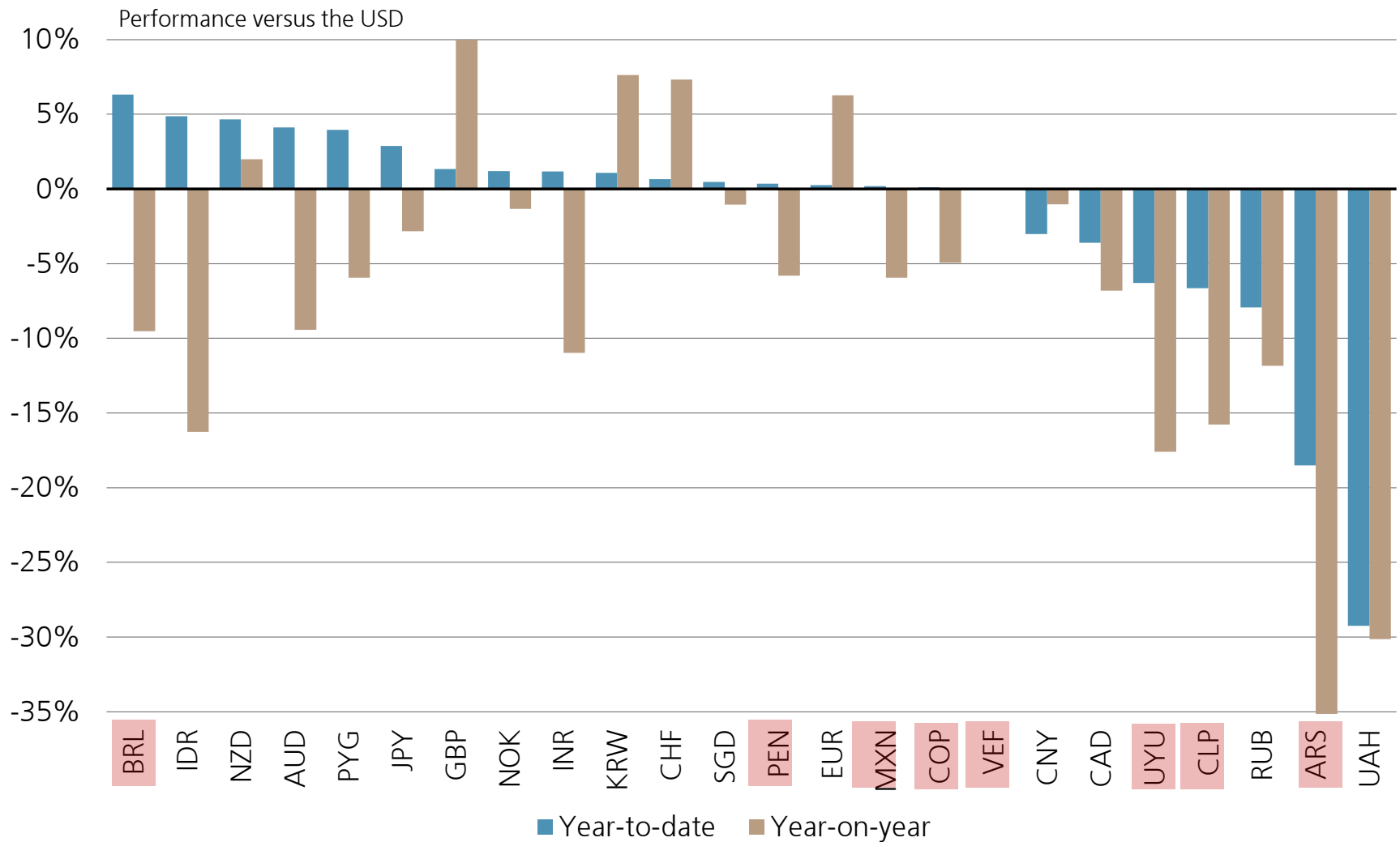
RF: perfil rendimiento-riesgo en renta fija

high yield se destaca en cuanto a rendimiento/riesgo en renta fija



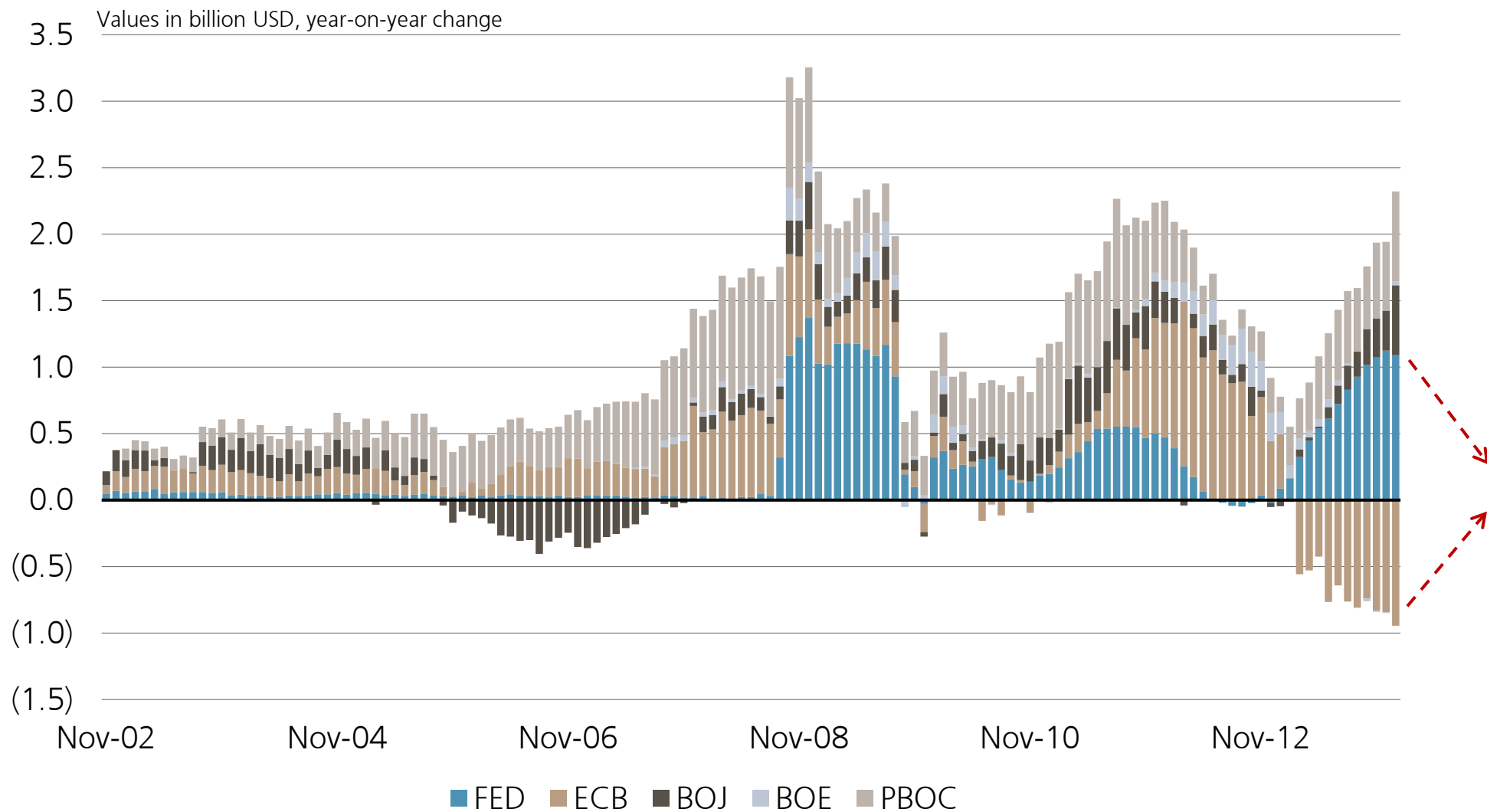
FX: un débil USD desde inicio del año

Esperamos una recuperación en el valor del US dólar en los próximos 12 meses



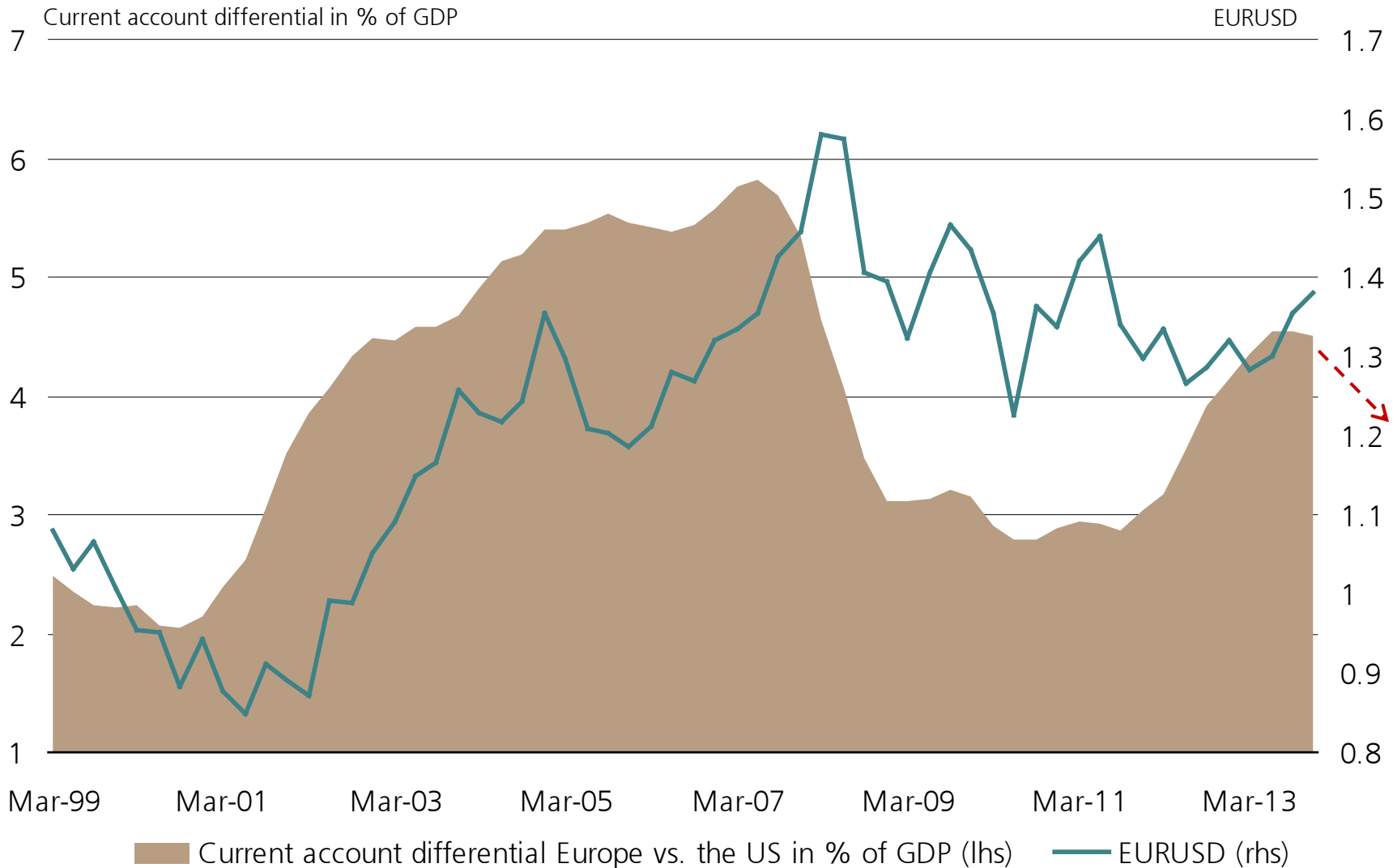
FX: esperamos un giro en los balances de los banco centrales

El BCE indicó que podrá aumentar su balance otra vez



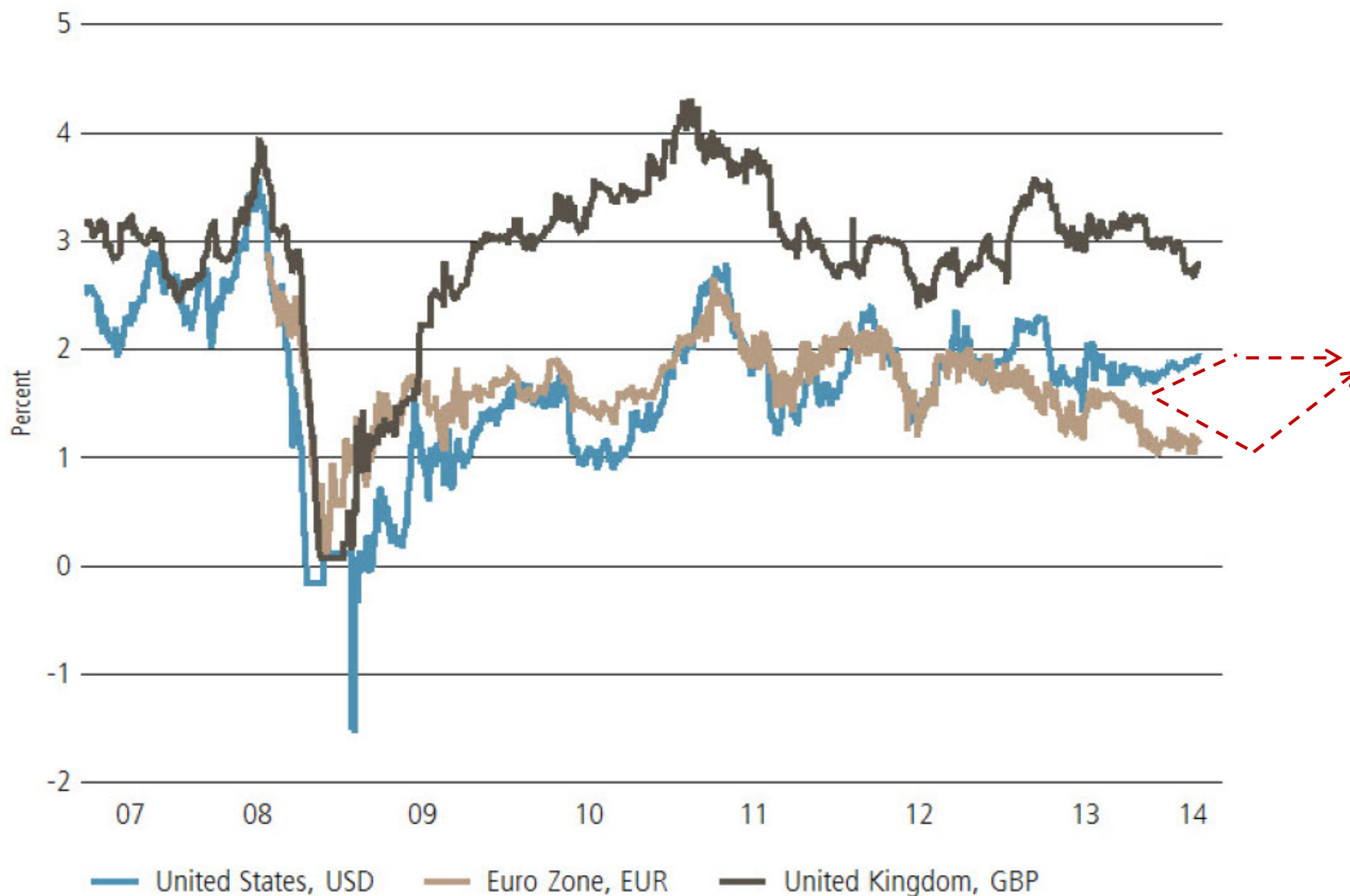
FX: tendencias en la cuenta corriente es importante

La ventaja en la cuenta corriente de la zona euro frente a EE.UU. debería desvanecer con más crecimiento económico en Europa



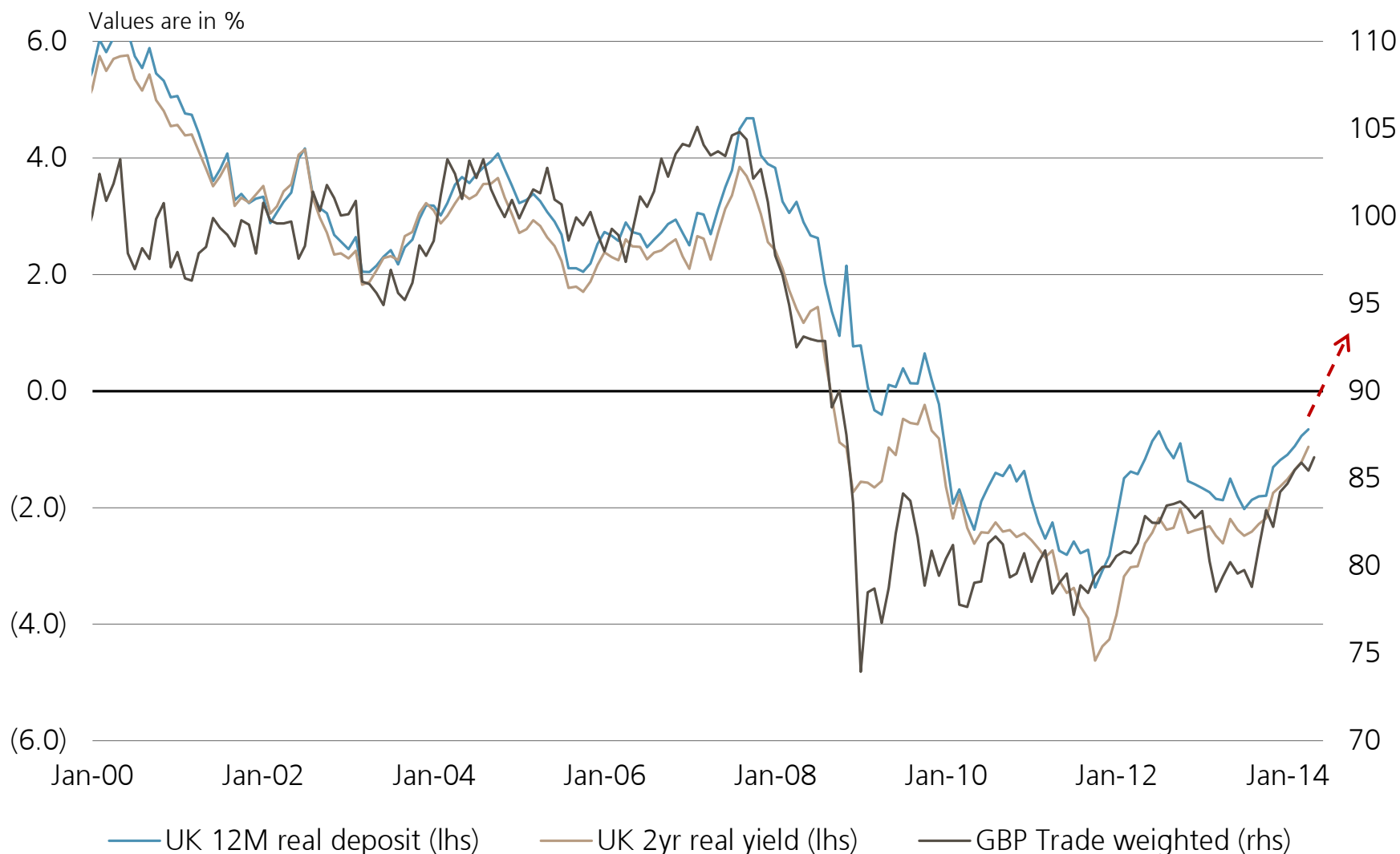
FX: BCE tomará en cuenta las expectativas del mercado

Corremos el riesgo de una "deflación" en la zona euro



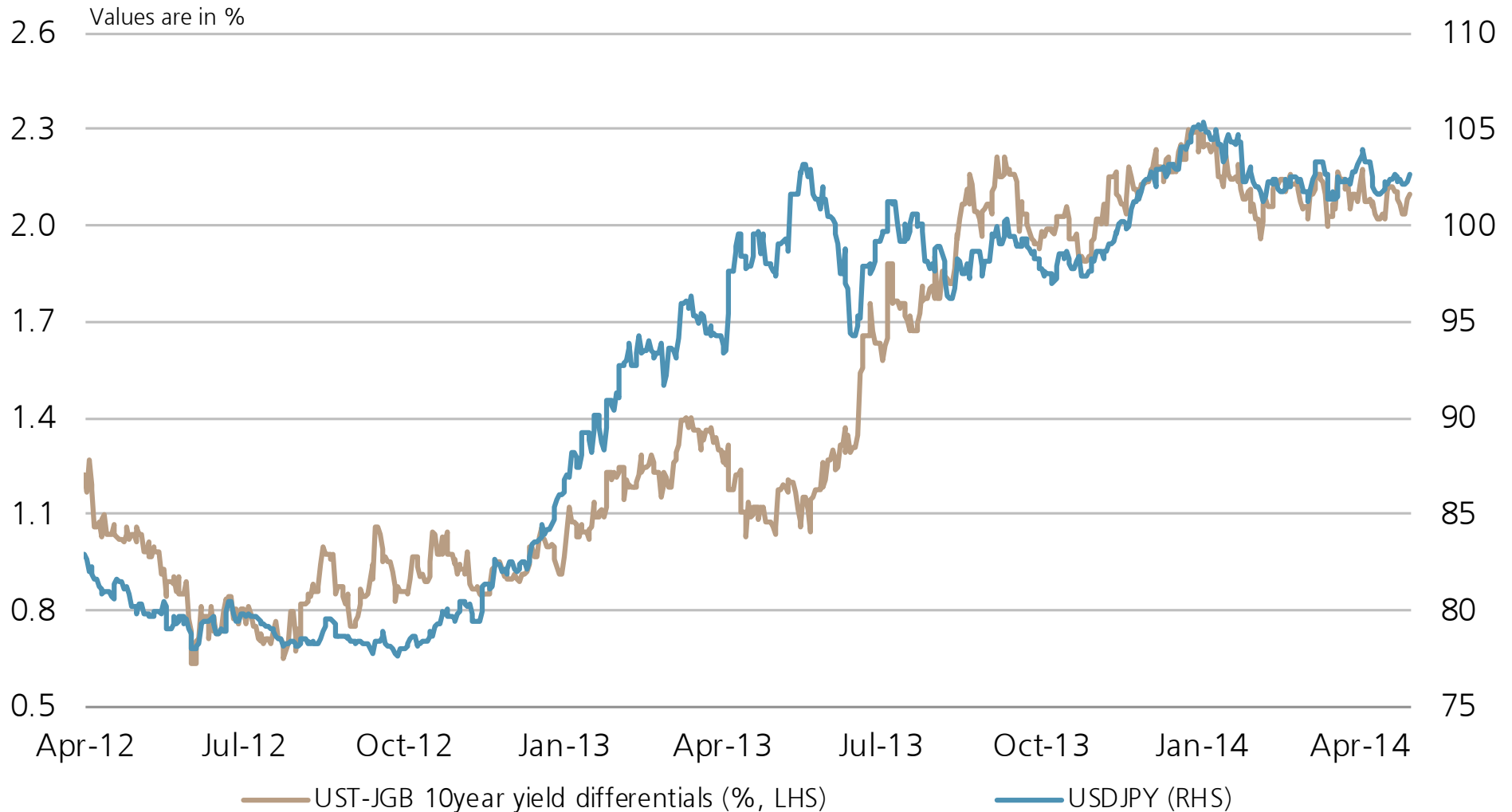
FX: tazas más altas corren a favor del GBP

El mercado laboral y el perfil económico favorecen una libra más fuerte



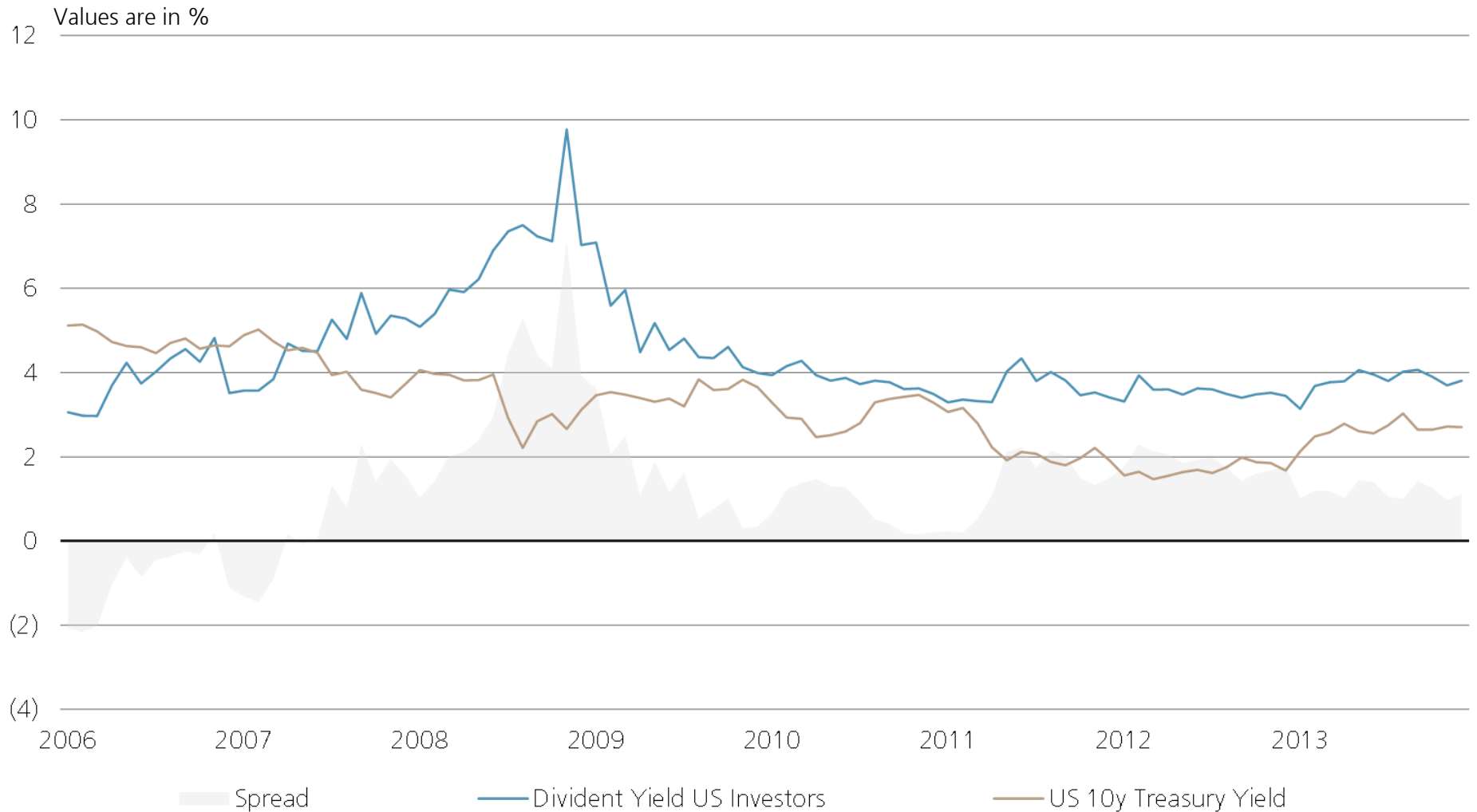
FX: el impulso para USD/JPY viene del BdJ y el Fed

Unas tasas más altas en EE.UU. y un impulso monetario del BdJ empujará USD/JPY hacia 110 en 12 meses



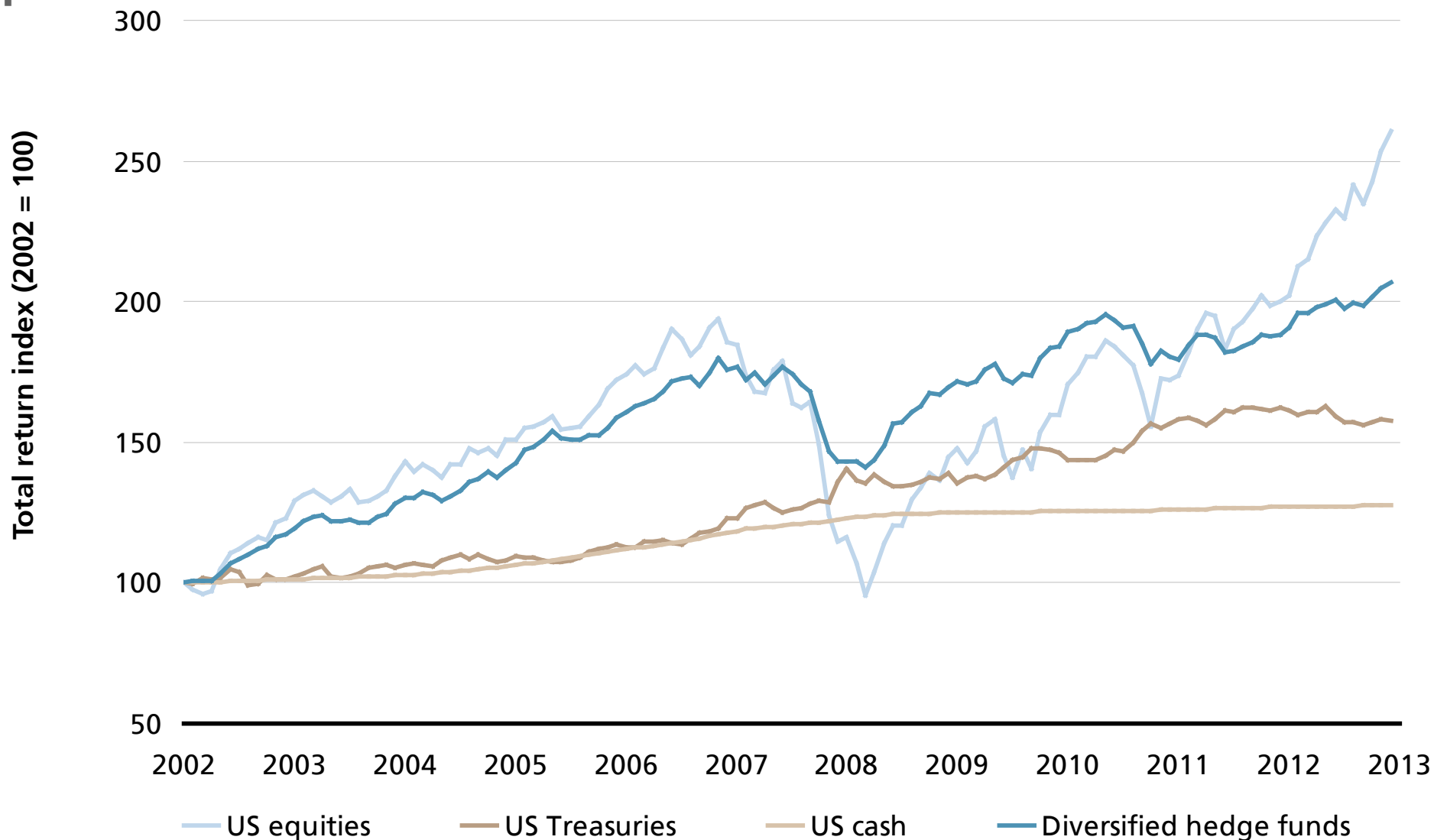
RE: "Reits" ofrecen unos dividendos favorables

Aparte del dividendo los Reits ofrecen una exposición frente las tazas altas de ocupación en EE.UU.



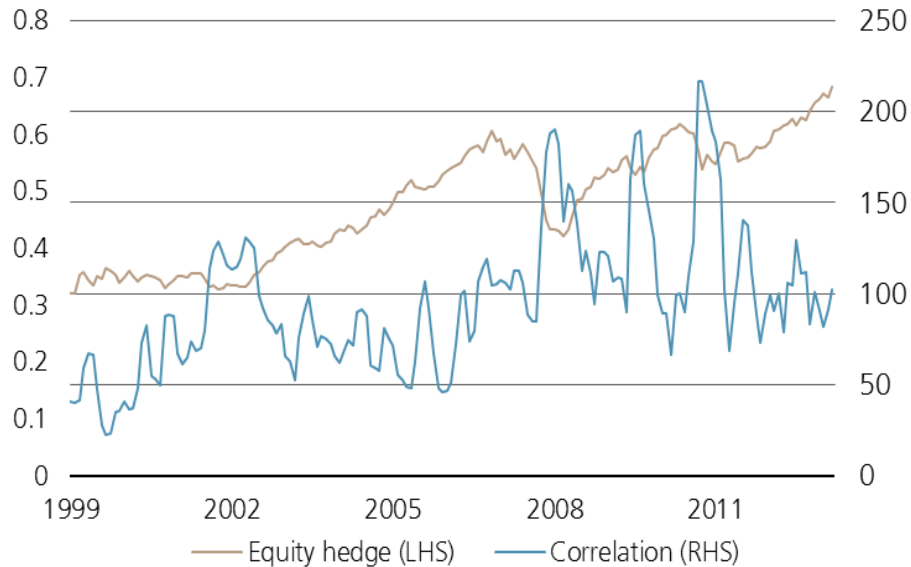
HF: "hedge funds" complementan portafolios tradicionales

"Hedge funds" reducen el "dead weight loss" de una estrategia táctica en el portafolio



HF: preferimos estrategias "equity hedge"

Una correlación baja entre acciones y el manejo de posiciones netas ofrecen un potencial de "alfa" y una gestión de riesgo activo

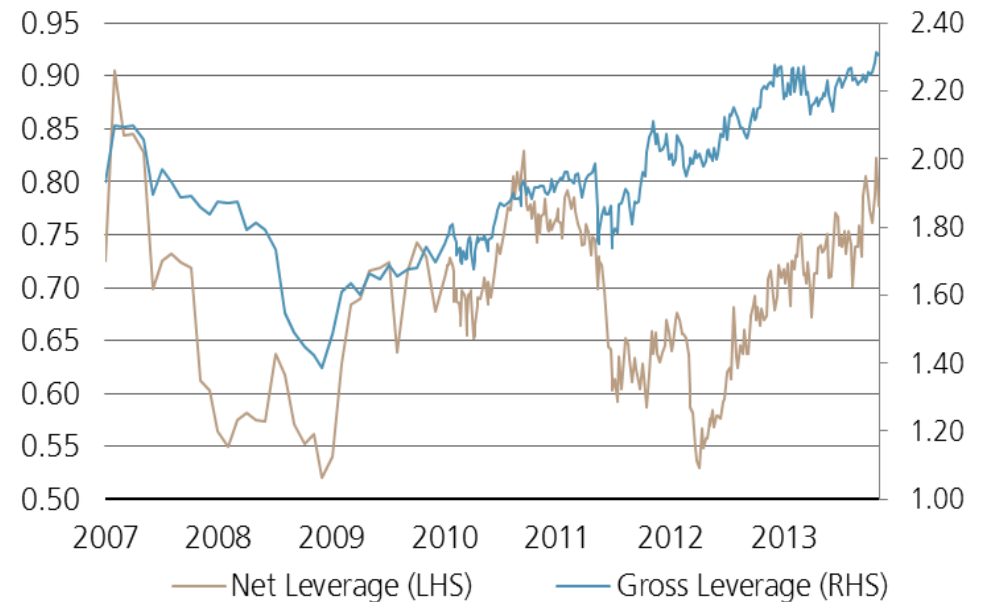
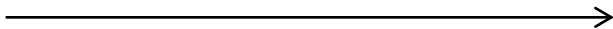


Modest average pair correlation (MSCI US)

since 1999



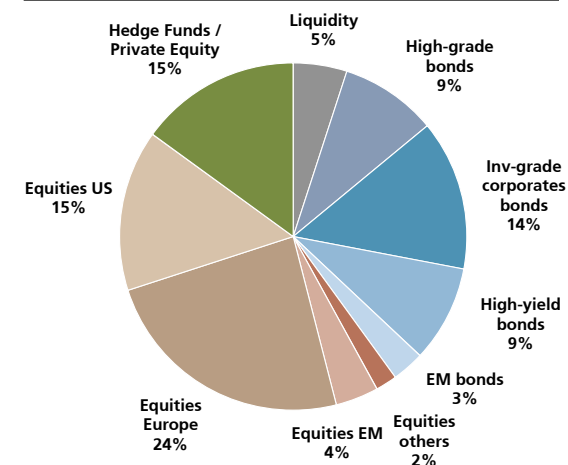
Higher net and gross leverage of equity hedge funds shows higher confidence among managers



Conclusión: preferencias & temas a través de las clases de activos

	Most preferred	Least preferred
Equities	<ul style="list-style-type: none"> • US • Eurozone • US financials • US technology • US share buybacks and dividends • Benefit from restructuring measures in the Eurozone • Selected Eurozone banks • Water-linked investments • Bright prospects for LED 	<ul style="list-style-type: none"> • UK (↗)
Bonds	<ul style="list-style-type: none"> • US high yield • Global investment-grade credit • Corporate hybrids • Rising stars • European leveraged loans 	<ul style="list-style-type: none"> • Developed market high-grade bonds (↘)
Commodities		
Alternative Investments	<ul style="list-style-type: none"> • Hedge Funds: Favoring equity hedge 	
Foreign exchange	<ul style="list-style-type: none"> • USD • GBP 	<ul style="list-style-type: none"> • EUR • JPY • CHF

Global model portfolio (EUR)



Note: Portfolio weightings are for a EUR model portfolio with a balanced risk profile. Currently, we would expect a total return of 4.7% p.a. and volatility of 7.6% p.a. for such a portfolio. For model portfolio weightings related to other currencies, please see the appendix (page 50).

↗ Recent upgrades ↘ Recent downgrades

Conclusión: CIO temas de las inversiones preferidas (1/2)

Fixed Income

- **US high-yield corporate bonds**
US high-yield corporate bonds are well supported in terms of fundamentals. The default rate is very low, and rising corporate earnings, robust balance-sheets, and low refinancing needs are likely to limit actual defaults. Against this backdrop, current yield spreads of about 375 basis points compensate well for the risks, and we expect total returns of 3–4% over the next six months.
- **Yield pickup with corporate hybrids**
The corporate hybrid segment is a niche of the investment-grade corporate bond asset class. At current spread levels, investors are well compensated for assuming the risks associated with these instruments. Thus, we see attractive opportunities for investors with a suitable risk tolerance. We expect mid-single-digit returns on selected instruments over a 12-month period.
- **Rising stars**
When an issuer is upgraded from high-yield to investment grade, its bond spreads usually tighten materially – often beyond the level implied by their higher rating – as a result of strong technical pressure. To investors who can hold individual, weaker-quality bonds, we recommend investing in bonds of issuers whom we see as potential rising stars over the next 18 months. If they are upgraded to investment grade, we expect these issuers to outperform both the 'BB' and the 'BBB' rating categories. In the absence of an upgrade, we still expect these issuers to outperform investment-grade corporates.
- **Opportunities in European leveraged loans**
European leveraged loans offer higher yield than European high-yield bonds. Our six-month total return expectation is 2–3%, an attractive opportunity for qualified investors, though we consider loans as longer-term investments. Loans benefit from a senior secured positioning, higher recovery rates, a floating-rate structure, low volatility, and a favorable risk-return profile, in our view. There is an established trading market for loans, but liquidity is lower than for high-yield bonds.

Equities

- **Profit from US share buybacks and dividends**
US companies generally have healthy balance sheets, and many are sitting on significant cash reserves. Investors in companies that return capital through dividends and share buybacks have been rewarded by the stock market. They offer attractive yields and, as our data shows, outperform the underlying index. With borrowing costs currently low, companies are incentivized to return cash to shareholders, and the growing free-cash-flow yield is a key factor for the theme. Since share buybacks are made at the discretion of individual management teams, we recommend investing in a diversified basket of stocks.
- **US financials: On the road to recovery**
US financials are currently under-earning relative to their long-term potential. With the US economy and interest-rate backdrop likely to normalize further, financials' earnings should grow faster than the broad US equity universe. With valuations still attractive, US financials should outperform the overall US equity market.
- **US technology: Secular growth, on sale**
Secular growth drivers should power earnings growth over the coming years. Also, US tech should benefit from a pickup in business spending as the outlook for global corporate profits improves. Valuations are near 20-year lows. Recently, internet and social media high fliers have underperformed. This move does not alter our thesis. The cyclical pickup should benefit the mega-caps that dominate the tech benchmark.
- **Energy efficiency: Brighter prospects for LED**
The LED market, an important part of the energy-efficiency field, is at an inflection point driven by a perfect confluence of supply and demand factors. After three years of significant overcapacity, we expect supply and demand to balance out this year, creating an attractive investment opportunity. We believe the tight supply should result in a better pricing outlook and a strong rebound in profitability across the supply chain, given the industry's high operating leverage. Based on consensus estimates, we expect industry net profits to increase by 22% in 2014 and 22% in 2015.

The CIO preferred investment themes represent the CIO's highest conviction, thematic investment ideas. We aim to recommend ideas that are attractive on a risk-reward basis and expected to deliver positive absolute returns. It will include the best investment themes for each of our TAA overweights, further aligning the asset allocation and themes recommendations, along with a range of other short-, medium- and long-term, as well as SRI, themes.

Conclusión: CIO temas de las inversiones preferidas (2/2)

Equities

- **Water: Thirst for investments**

The demand for clean water should increase with a growing global population. However, the supply of clean water is constrained by the lack of water infrastructure in emerging markets. Climate change, urbanization, and emerging markets' stronger focus on the industrial sector are also damaging the water supply. We have identified three short-term trends that should add to the earnings power of water-exposed companies: ship ballast water treatment, US shale development, and desalination.

- **Restructuring to increase value**

We believe it is important to select Eurozone stocks that can deliver above-average earnings growth even amid subdued economic growth. In this new investment theme, we recommend stocks that can expand their margins and grow their earnings through cost controls and internal restructuring measures.

- **Eurozone bank recovery: Selectivity is key**

We have revisited the Eurozone's banks since they experienced the most pressure during the euro crisis. Looking at banks' potential profitability, capitalization levels, and the likely impact of new regulatory requirements, we identify names that have already made reasonable progress on the most pressing issues and therefore present the best risk-return potential.

Alternative Investments

- **Favoring equity hedge**

Market correlations and volatility remain low, while low valuation dispersion suggests that many individual equities are not yet pricing in divergent fundamentals and growth prospects. These dynamics create a favorable backdrop for bottom-up stock-pickers to generate excess returns on long and short positions as company-specific fundamentals, rather than market movements, drive stock performance.

Liquidity & Foreign Exchange

- **Brighter times for the USD and GBP**

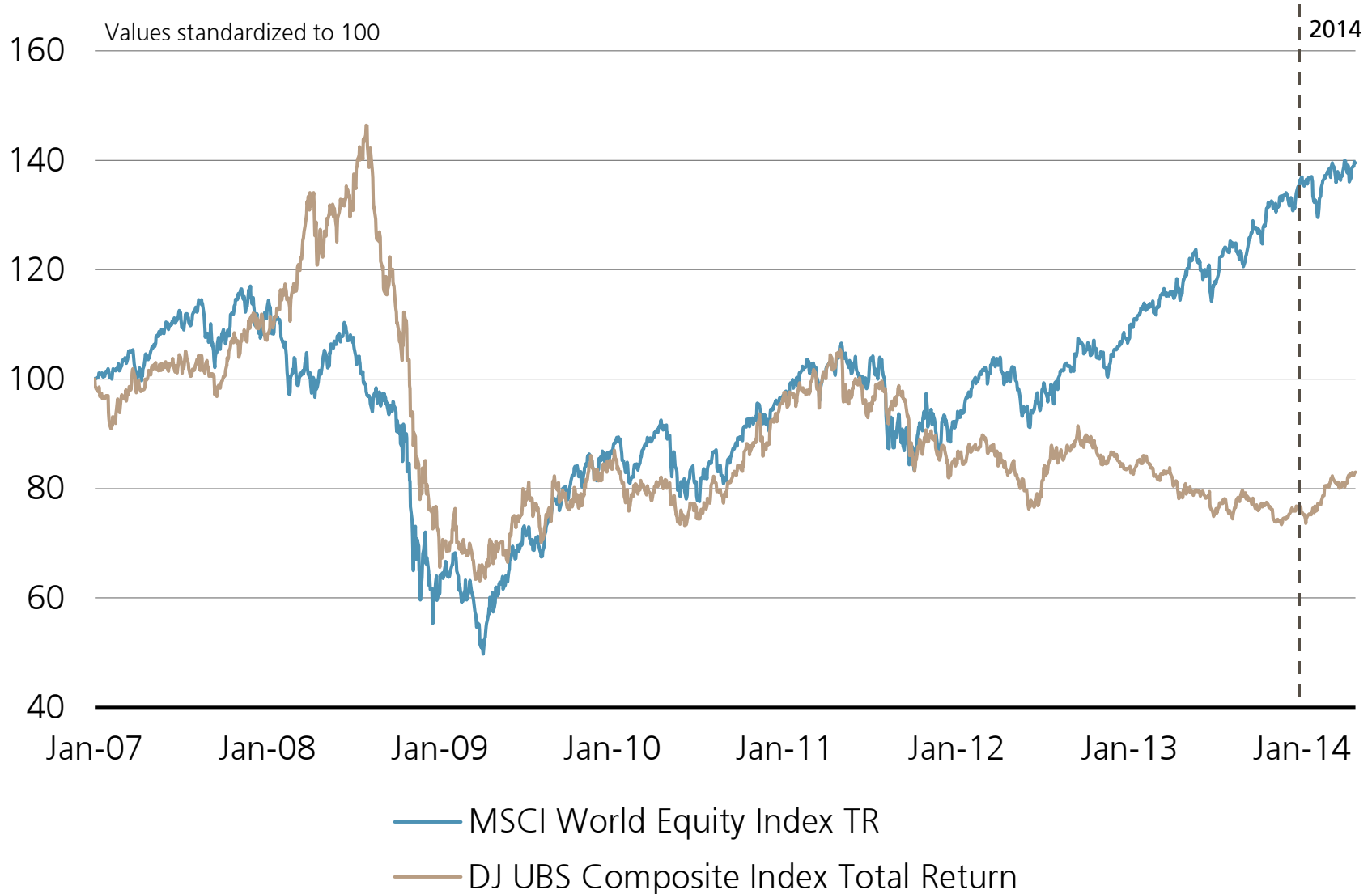
We opened this theme as the Federal Reserve and the Bank of England (BoE) are in the process of normalizing their monetary policies, while the European Central Bank (ECB) and the Bank of Japan are likely to keep their easing bias. We expect the Swiss National Bank to keep the euro-franc floor until the ECB starts hiking rates. Meanwhile, in the US and the UK, both the labor and real estate markets have gained pace, calling for a new, more cautious policy course for the Fed and the BoE.

Sección 3

Materias primas – retornos negativos en el 2014

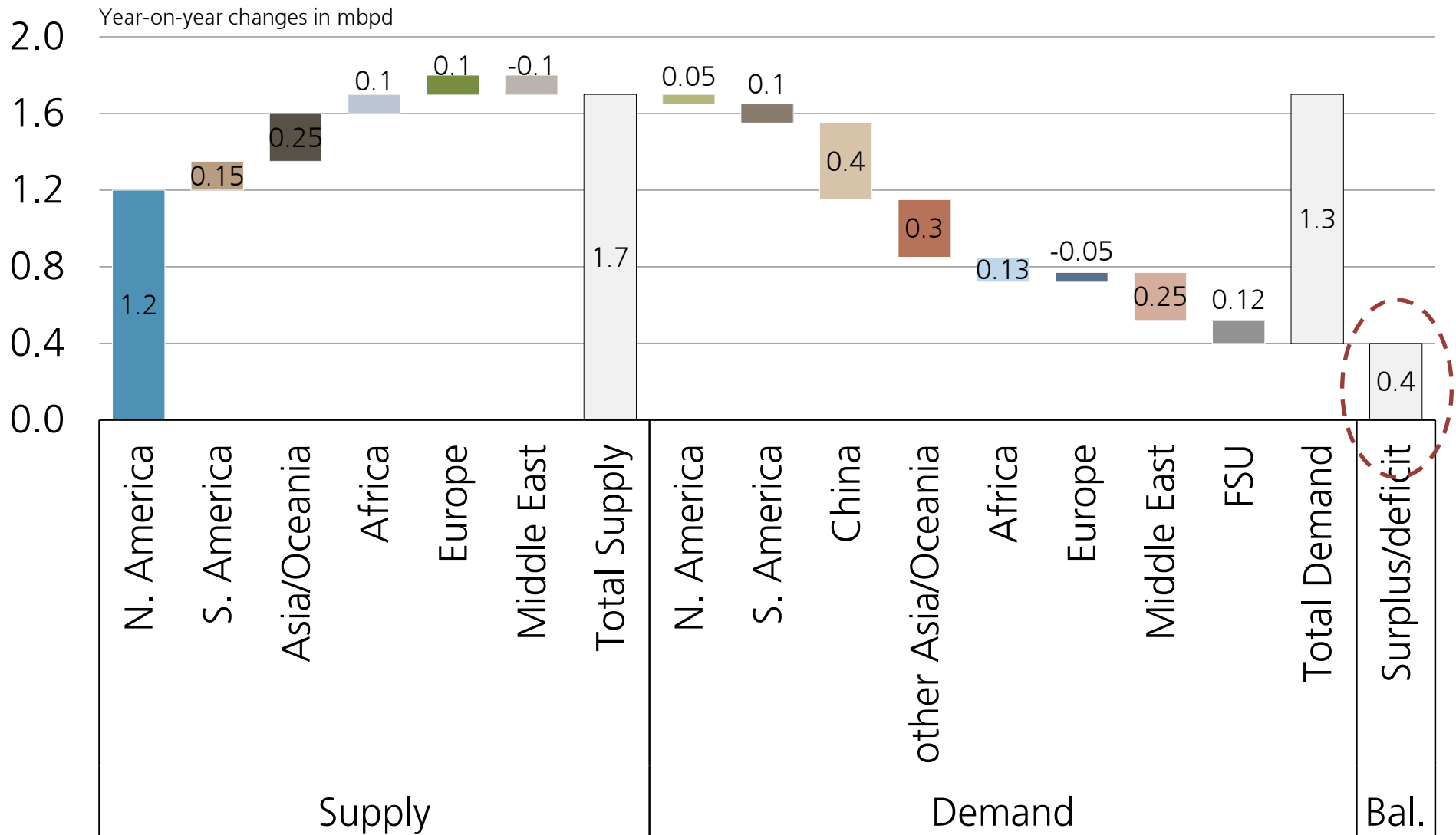
Rendimiento: buen inicio del año 2014 para las materias primas

Factores individuales y condiciones climáticas han empujado la clase de activa



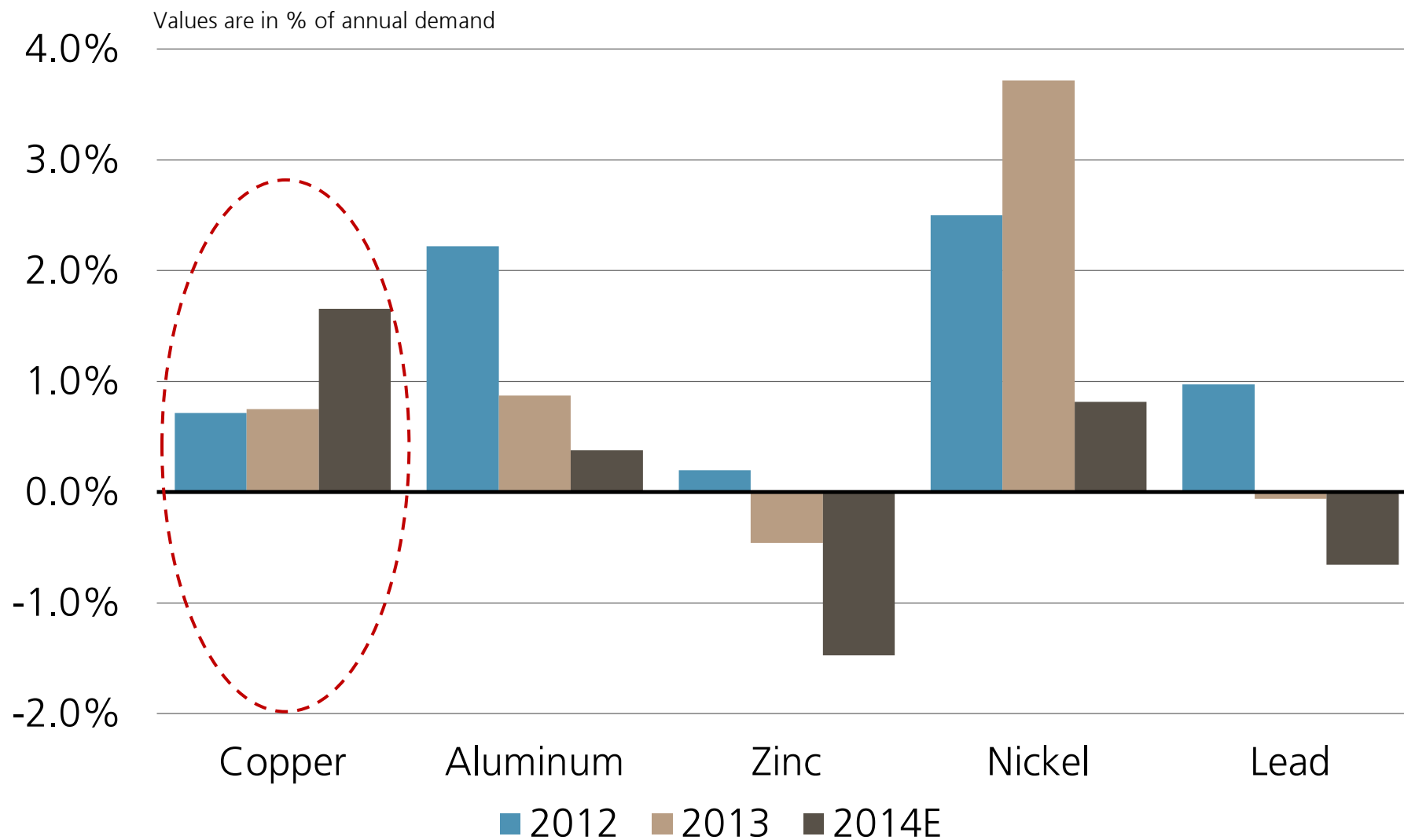
Petróleo: suficiente crecimiento de oferta en 2014

Para balancear el mercado OPEP tendrá que cortar la producción



Metales básicos: blancas de oferta y demanda a nivel mundial

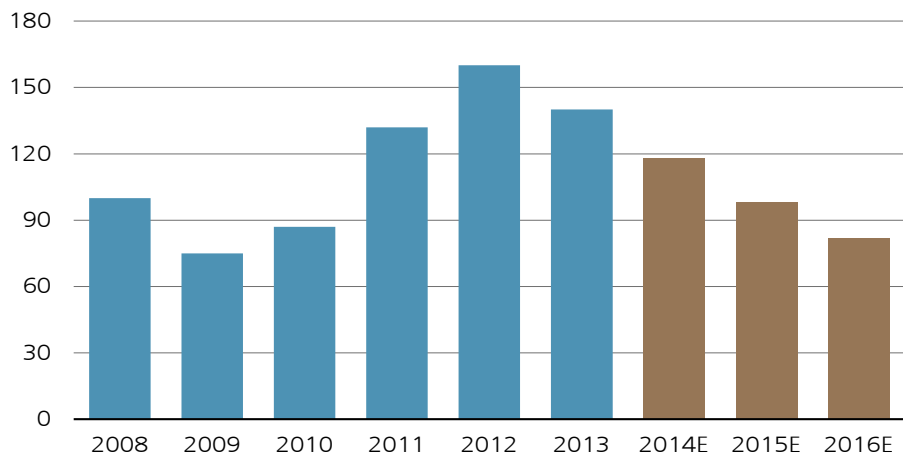
Cobre corre el riesgo de un superávit más alto en 2014 comparado con 2013



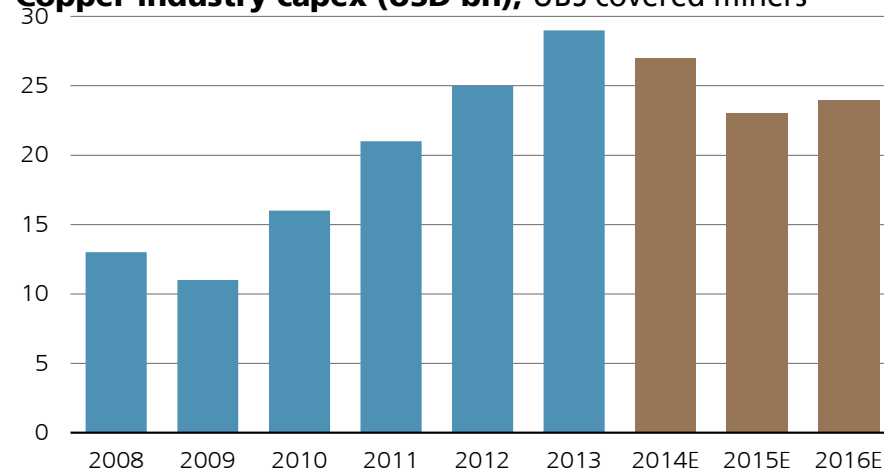
Metales básicos: cortes en los gastos de capital

La reducción en los gastos de capital debería ayudar a balancear los mercados a partir de 2015

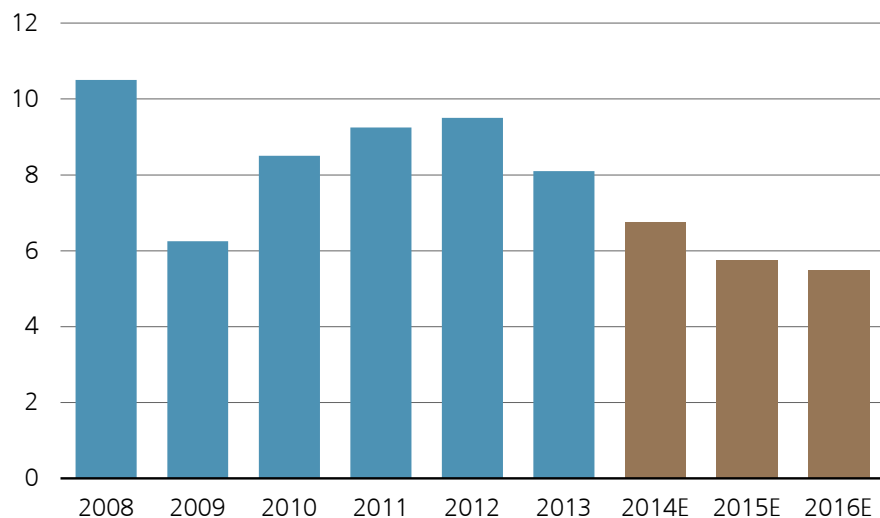
Mining industry capex (USD bn), UBS covered miners



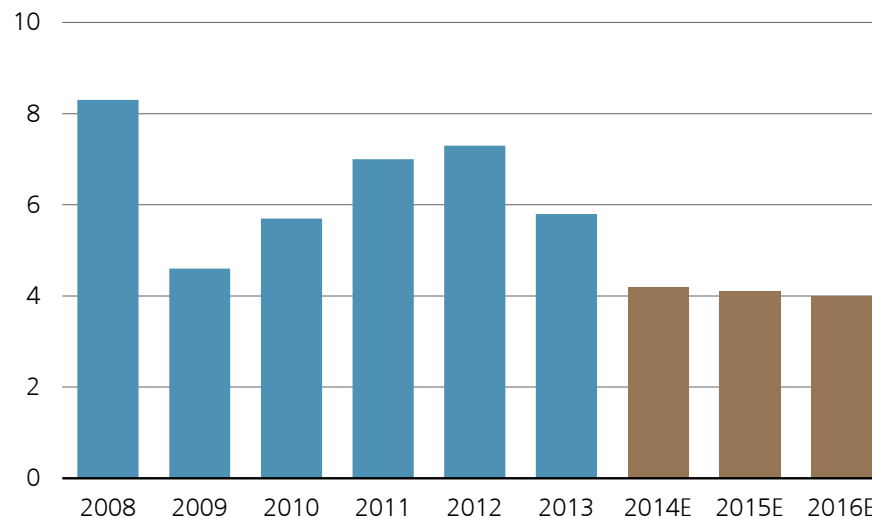
Copper industry capex (USD bn), UBS covered miners



Aluminum industry capex (USD bn), UBS covered miners

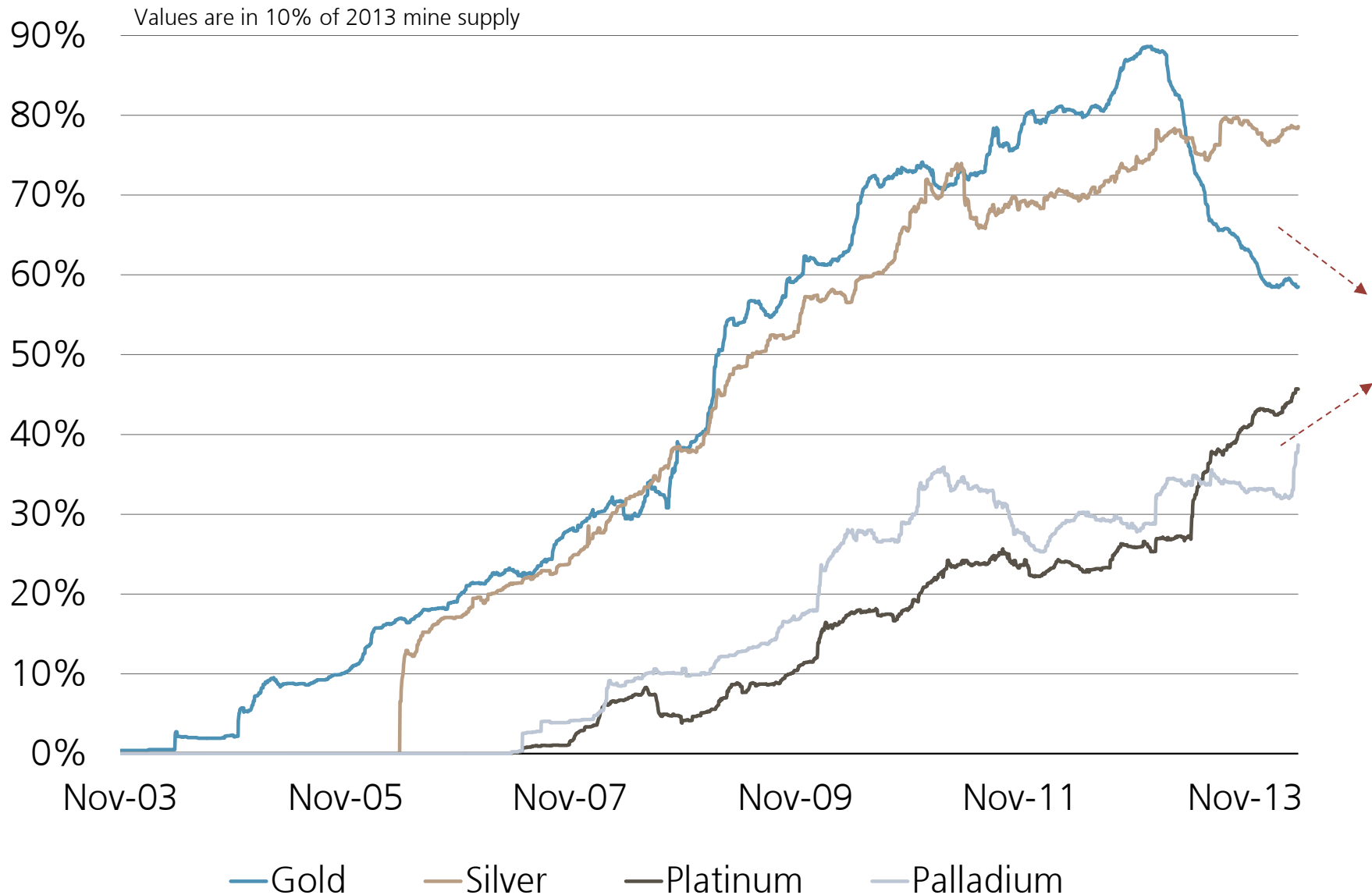


Nickel industry capex (USD bn), UBS covered miners



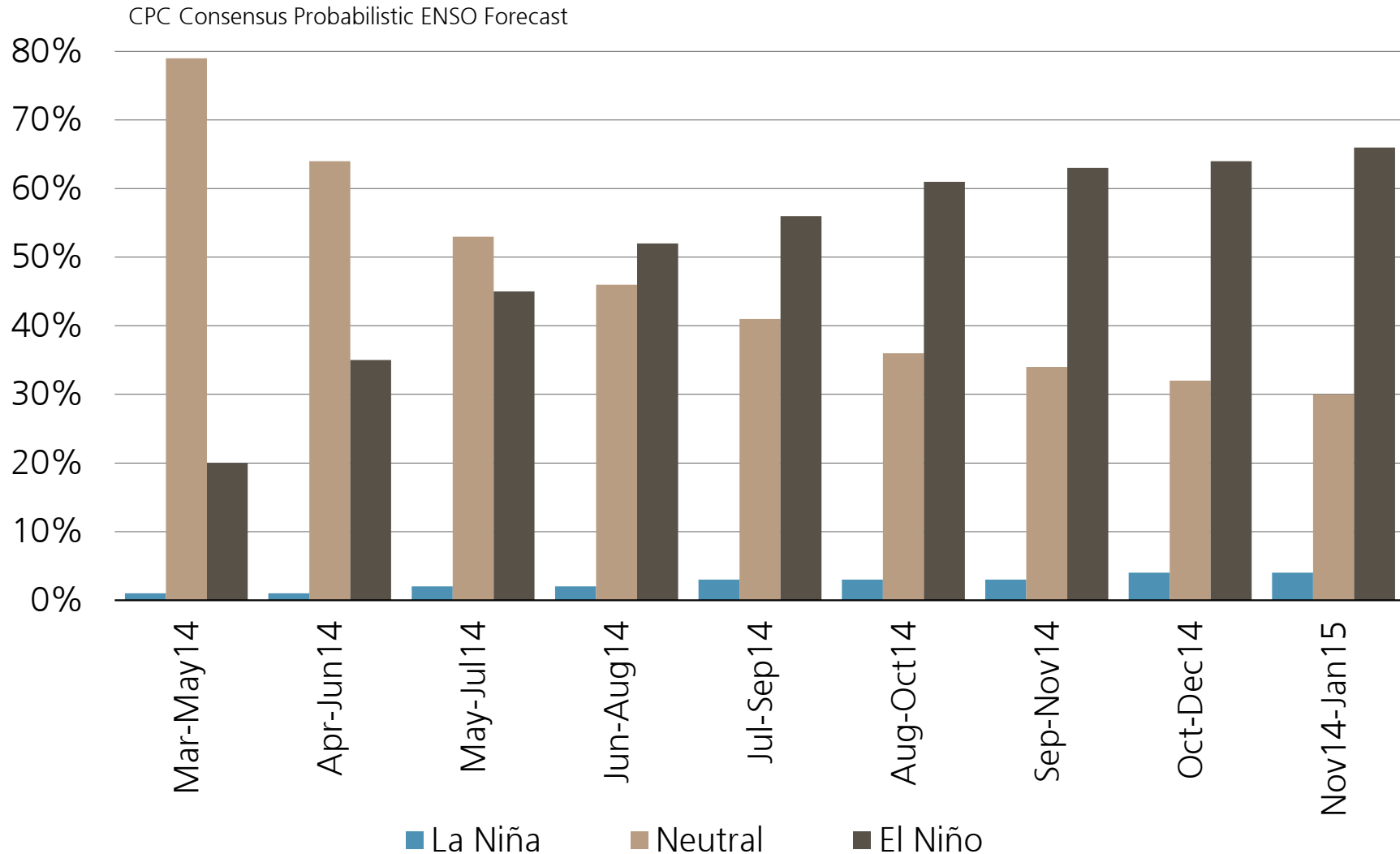
Metales preciosos: ETFs determinarán la tendencia de los precios

Esperamos una nueva caída en los posiciones de oro y plata



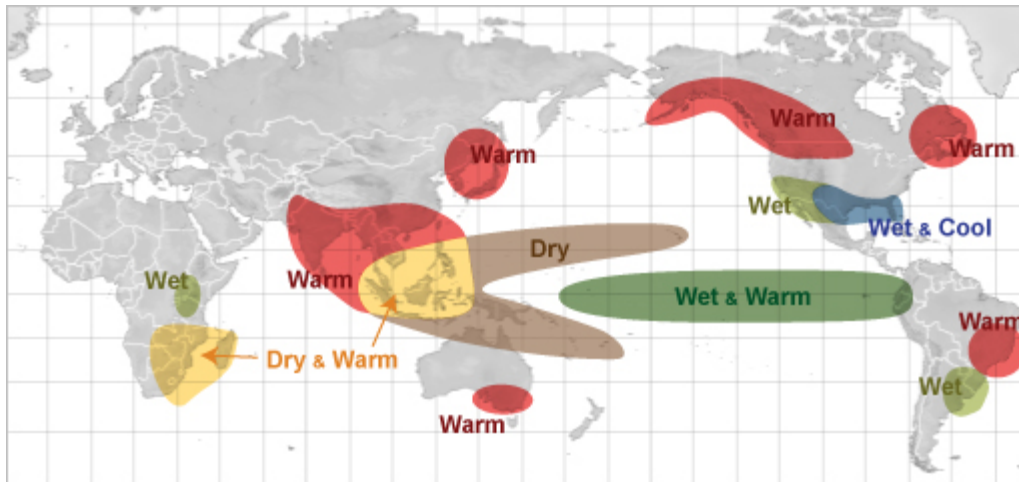
Agricultura: alta probabilidad (60-70%) de El Niño en 2H14

De siete modelos de previsión seis modelos indican que el Niño será realidad al final del año

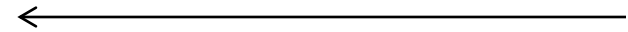


Agricultura: El Niño y su impacto sobre el clima

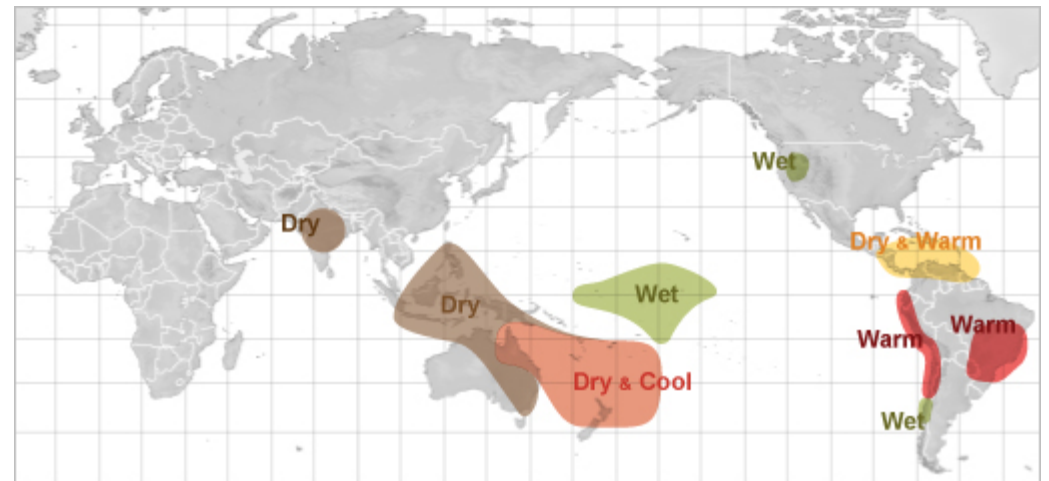
Aparte de aceite de palma y otro productos agrícolas, níquel y zinc pueden ser afectado por el Niño



El Niño durante Diciembre hasta Febrero



El Niño durante Junio hasta Agosto



Sección 4

Apéndice

Negación de responsabilidad

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