



It's All About Asset Allocation

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Given the positive stock market performance in 2024 and the good results of fLAB Core, above 5% in the USD share classes, our Asset Allocation in July **becomes more cautious** and we reduce the equity allocation to 51% (our lowest in the year). We maintain Govies at 33% and have increased our participation in T-Bills and similar to 16%.

In Stocks, we only overweight Emerging Markets, purely for tactics and we keep our bet on Financials and HealthCare alive. In bonds, we underweight the US and finally we bet on Japanese Bonds (just the 3-5 year). Japanese Yen, that forgotten risk-off bet, clearly invites us to enter at this level.

If we take a look to our **Monthly Betalping Asset Allocation Model**, all Sentiment and most Yields and Monetary indicators choose Bonds against Stocks. The economic and technical indicators are neutral and only Trend indicators prefer Stocks (but they also seem to be pretty exhausted).

Although history shows us how this period before the first FED cut is usually a bullish one for Equities, we prefer to keep following the discipline of our indicators and remain less invested at this stage.

