



PACE 360

Weekly Report and Outlook on Global Markets

29th December 2023

PACE 360's Future Outlook	2
Market Developments	3
Major Moves This Week	4
Global ETF Fund Flows	6

PACE 360'S FUTURE OUTLOOK

GLOBAL EQUITIES ARE BEGINNING CY 2024 WITH THE HIGHEST EVER BAGGAGE OF EXCESSES THAN EVER BEFORE IN HISTORY. IN FACT, WE BELIEVE THAT THE CURRENT EQUITY BUBBLE IS THE GREATEST AND THE BIGGEST BUBBLE IN THE HISTORY OF CAPITALISM. THIS IS APPLICABLE TO BOTH PUBLIC AND PRIVATE EQUITY MARKETS. THE DISCONNECT BETWEEN EXPECTED RETURN BY INVESTORS AND THE RETURN ON MCAP GENERATED BY BOTH PUBLIC AND PRIVATE EQUITY COMPANIES IS ALSO THE BIGGEST IN HISTORY. EQUITY INVESTORS EXPECT A MINIMUM 15% CAGR ON INVESTMENT OVER THE LONG TERM WHILE VALUATIONS ARE SO RICH THAT THE ONLY WAY THEY CAN GET THAT RETURN IS IF INVESTORS FIND EVEN BIGGER "FOOLS" TO BUY THE STOCKS AT EVEN HIGHER VALUATIONS THAN WE HAVE CURRENTLY. THIS IS OBVIOUSLY BECAUSE THE CORPORATE EARNINGS IN BOTH PUBLIC AND PRIVATE MARKETS ARE HIGHLY UNLIKELY TO FILL THIS MOSTROUS GAP. THIS IS A CLASSIC BUBBLE AND WILL RESULT IN A COMPLETE ANHILATION OF THE GLOBAL EQUITY CULT OVER THE NEXT FIVE YEARS. WE ARE LOOKING AT A BEAR MARKET WHICH ON A REAL BASIS MAY BE WORSE THAN THE GREAT DEPRESSION. ON A REAL BASIS, GLOBAL EQUITIES COULD LOSE MORE THAN 85% VALUE OVER THE NEXT 5 YEARS EVEN IF ON A NOMINAL BASIS THEY LOSE ONLY 50%. WE CONTINUE TO BE EXTREMELY BULLISH ON GOLD FOR THE NEXT 5 YEARS. WE ALSO BELIEVE THE DOLLAR INDEX HAS BOTTOMED OUT FOR NOW AND MAY RETURN TO 104 LEVELS OVER THE NEXT 4-5 MONTHS FURTHER PUTTING PRESSURE ON ALL GLOBAL RISK ASSETS IN THE NEAR TERM, PARTICULARLY EM EQUITIES WHICH HAVE HAD A FABULOUS RUN OVER THE LAST 9 MONTHS. ALL TOLD, WE ARE PERILOUSLY CLOSE TO THE BURSTING OF THE GREATEST ECONOMIC BUBBLE IN HISTORY.

MARKET DEVELOPMENTS

Japan's Stocks Set for Best Yearly Gains since Abenomics.

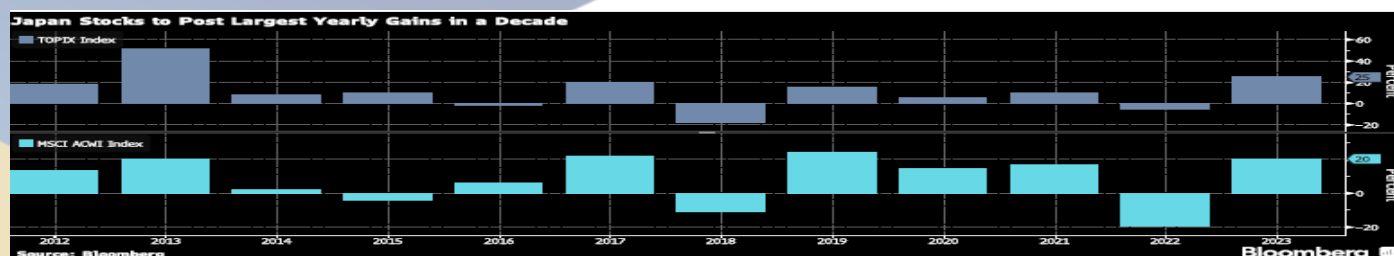


Figure 1: The above chart dictates the performance of Japanese stocks.

Japan's stock rally this year is quite meaningful," said Ayako Sera, a market strategist at Sumitomo Mitsui Trust Bank Ltd. "It's a sign that we're finally returning to a normal situation, a non-deflationary environment where the Bank of Japan's monetary policy easing has likely supported the market."

Traders Add Cash to Thematic Blockchain Funds.

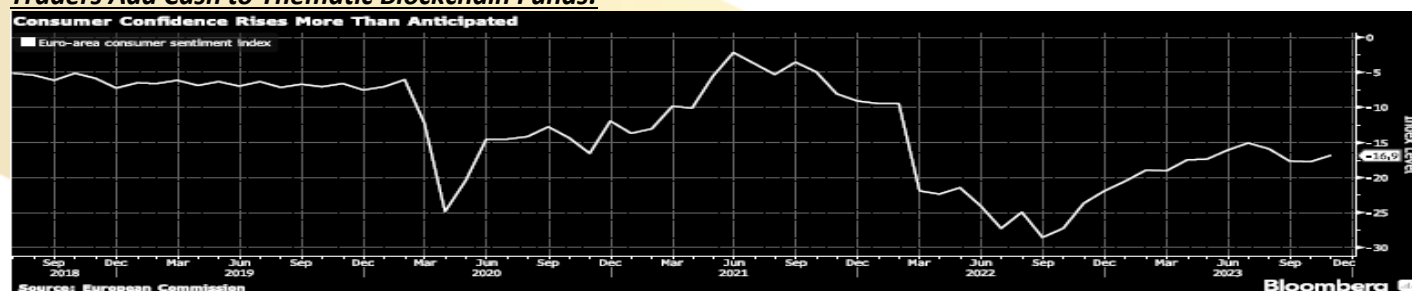


Figure 2: The above chart dictates the inflow in Thematic Blockchain Funds

Investors added cash to blockchain-focused exchange-traded funds during the past week, while pulling money from tech product ETFs. About \$135.5 million was added to blockchain funds, according to data compiled by Bloomberg, equivalent to about 9.4% of starting assets. Thematic funds overall had net outflows of \$507 million.

MAJOR MOVES THIS WEEK

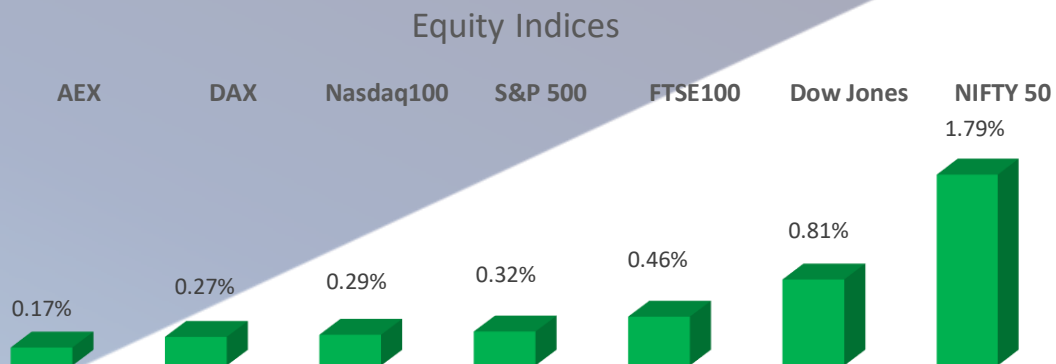


Figure 3: The chart represents the index returns for this week.

Majority of the developed and developing markets have strengthened this week again after performing strongly previous week. In Developed Markets, American markets were the biggest gainer as US 30 and Nasdaq were up by 0.81% and 0.29%. In Emerging markets NIFTY 50 of India was the best performer.

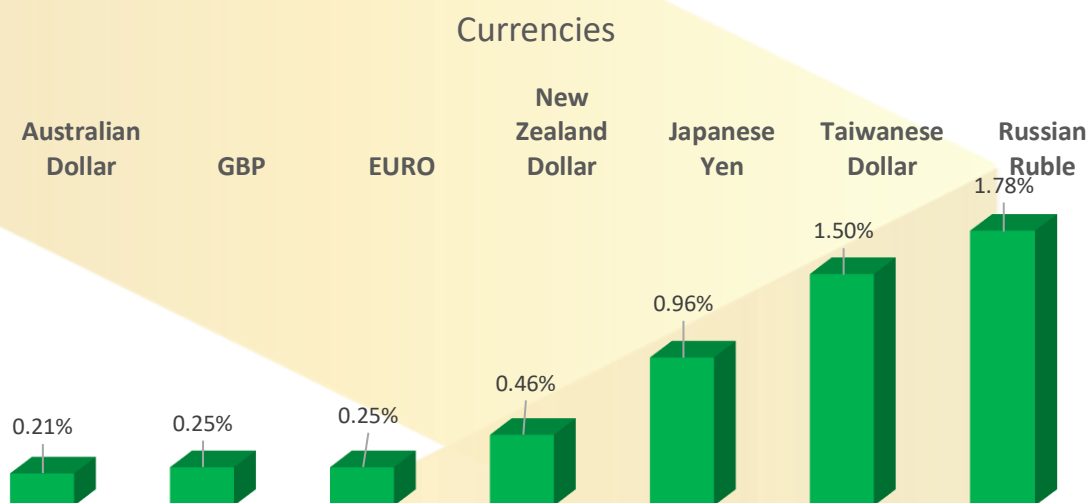


Figure 4: The chart represents the currency returns with respect to US dollar as the base currency for this week.

This week dollar has lost its value against all the global currencies like last week. Dollar gained against INR, NOK, and TRY. Dollar has lost its value again against all the other developed market currencies. Dollar Index was down by 0.32% this week.

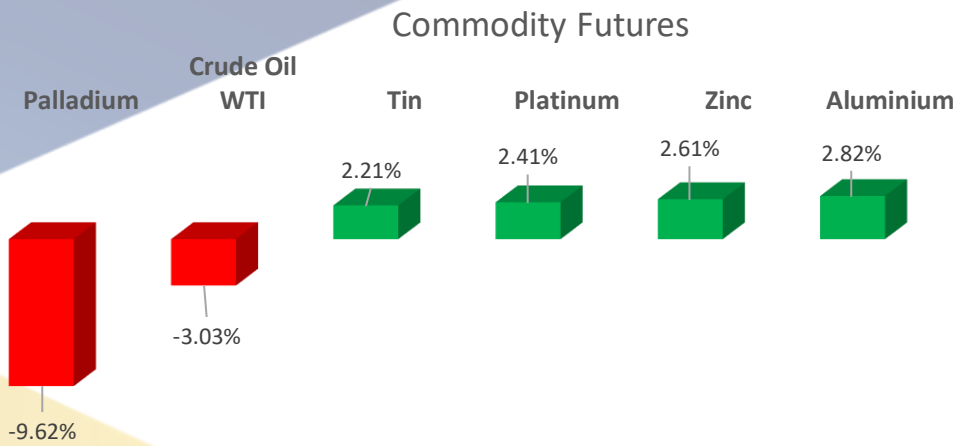
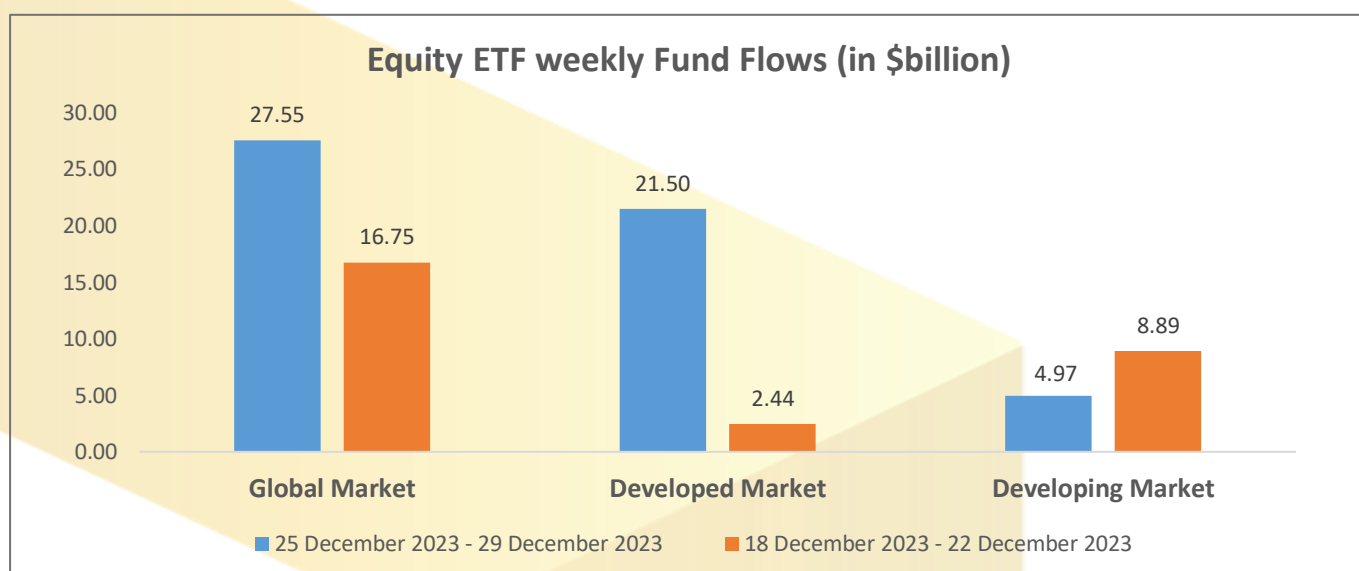
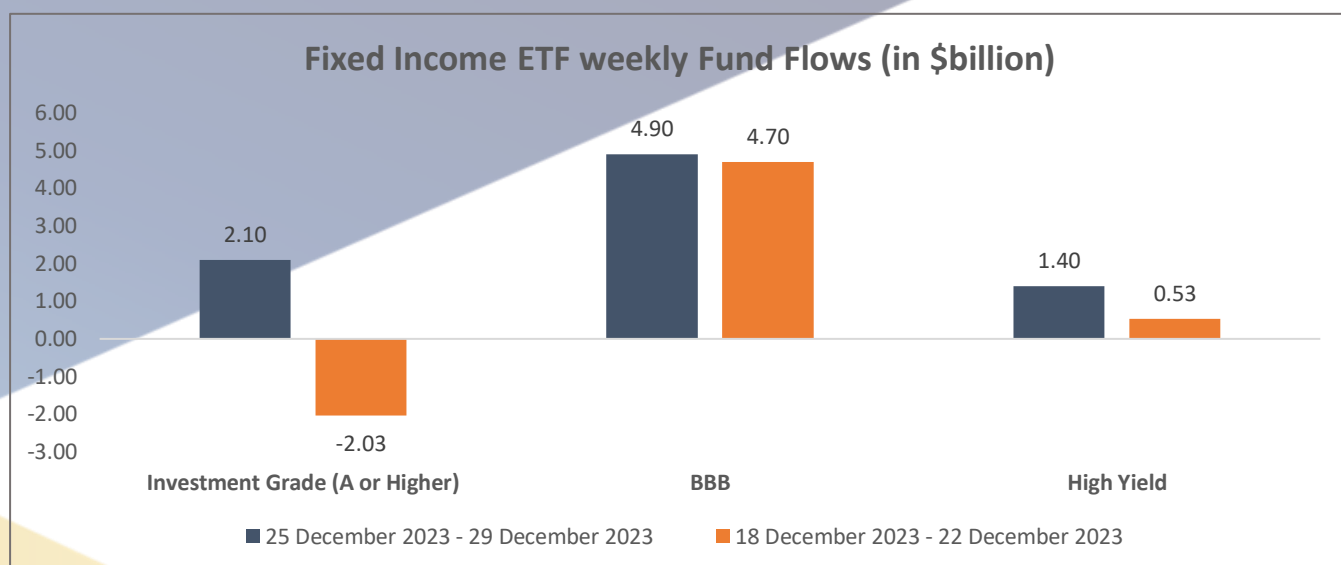


Figure 5: The chart represents the Commodity returns over the week.

All the types of commodities have performed in a mix this week. In Agriculture, Sugar is the biggest loser again with 0.68% loss as compared to loss of 6.37% previous week. In Industrial commodities performed in a mix this week with Aluminium being the biggest gainer again by 32.82%. Gold and Silver have performed by 0.39% and -1.83% respectively.

GLOBAL ETF FUND FLOWS



Please note that the Global ETF fund flows under Equity ETF weekly flows category will not be equal to the sum of their respective sub-categories which are mentioned on their right side since there are other subcategories as well.

DISCLAIMER

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions –including those involving futures, options, another derivative product as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt PACE or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold PACE or any of its affiliates or employees responsible for any such misuse and further agrees to hold PACE or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

CONTACT US



+91-11-4742 1001



info@pace360.in



A-1/291, Safdarjung Enclave, New Delhi – 110029

FOLLOW US ON SOCIAL MEDIA



Facebook.com/PaceThreeSixty



Twitter.com/PaceThreeSixty



Linkedin.com/company/50145027