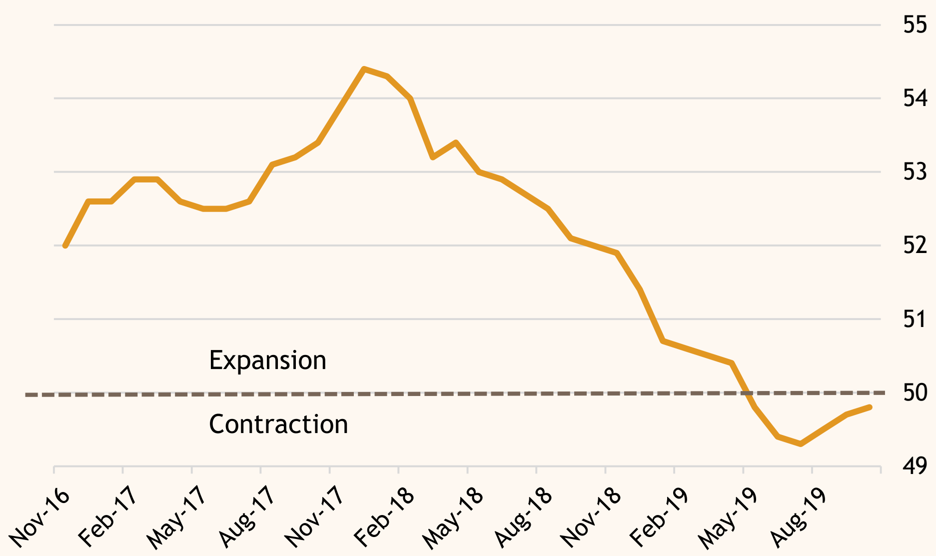
Key Economic Figures / Events of the Week

- The odds of a phase-one trade deal to be signed by the US and China in the near future have gone up, following several positive affirmations by both sides that started pouring in since the beginning of the week. On Thursday, 7 November, the Ministry of Commerce of China stated that the parties agreed to roll back previously imposed reciprocal tariffs if a phase-one deal is reached. China succeeded in exercising pressure on the US government and both parties seem to be ready now to reach a consensus on several issues. While a phase-one deal would be just a first step towards reaching a definitive conflict resolution, it will have a significant positive impact on business and consumer confidence around the world.
- The risk-on mood for the week was set off by the US jobs report released on Friday, 1 November, which was well beyond analysts' expectations, indicating 128.000 new jobs created, compared to 85.000 predicted. Further positive signs for the markets were provided by the ISM non-manufacturing PMI for October which increased to 54.7 from 52.6 in September.
- Eurozone Manufacturing PMI for October stood at 45.9, slightly higher than the forecast of 45.7. While a best-case-scenario with a resolution achieved in the trade conflict and an end to the Brexit uncertainty will alleviate the existing problems, additional fiscal stimulus measures may be needed to revive the economic outlook on the continent.
- JP Morgan Global Manufacturing PMI survey points to an increase in sentiment among purchasing managers around the world since August this year:

Global Manufacturing still in contraction zone, but in recovery



Source: JPMorgan, MNI, Bloomberg

- On Wednesday, 6 November, it was announced that the first public hearings of the impeachment inquiry against President Trump will be held next week, on 13 November. The markets have not yet reacted to any news on the impeachment inquiry and we believe that they will be further ignored, although some increase in volatility is to be expected, should the Democratic Party succeed in their attempt to remove Donald Trump from power.

Weekly Investment Insights

- Brazilian oil giant Petrobras' (Ba2/BB-) auctioning of oil deposits on Wednesday, 6 November, failed to live up to the expectations, with only 10% of the stake sold to a Chinese company, which was the only one to make a bid. Petrobras has recently reported strong results for the third quarter, with free cash flows of USD 6.5 billion, which will be enough to finance the required investments in the oil fields, with no impact on the company's deleveraging targets. The news regarding the auction had no impact on Petrobras bonds. We continue to hold Petrobras bonds in our portfolio, as we believe they still offer a decent credit spread tightening potential.

- Moody's Credit Rating Agency maintained the investment grade rating of South Africa at Baa3, which is one notch above the speculative grade, but it cut the country's outlook to negative. We keep holding South Africa's sovereign debt, as we believe the downgrading risk is already priced in by the markets, while the yield offered is one of the highest among the investment grade sovereign bonds.

- Recent inflation data published in Turkey on Monday, 4 November, shows a drop in inflation rate in October to 8.55% from 9.26% one month earlier, which raises the probability of a further rate cut this year.

Strategy

This week we participated in a 5-year USD-denominated new issue of Turkish Mersin international Port (BB-) at YTM of 5.45%. We continue to stay on the market in search of lucrative opportunities.

We hope you find this information useful and will be glad to answer your questions

AXIOMA Wealth Management AG
Bleicherweg 50, CH-8002 Zurich
Tel.: + 41 43 305 07 10
info@axiomag.ch
www.axiomag.ch

Verband Schweizerischer Vermögensverwalter | VSV
Association Suisse des Gérants de Fortune | ASV
Associazione Svizzera di Gestori di Patrimoni | ASG
Swiss Association of Asset Managers | SAAM

Disclaimer

These materials shall be used for the purposes of distribution only within the limits stipulated by provisions of applicable law. This document and/or information contained herein, are not and shall not be deemed as an offer, invitation for offers of purchase and sales of any securities or any other financial instruments. Data contained herein is of informational nature only. Description of any company or foundation, or their securities, markets or any events mentioned herein, do not pretend to be complete. These materials and/or information shall not be considered by the receiving parties as a substitution for own decision, nor concern any investment strategies, financial state or any certain receiving party's needs. Information and opinions contained herein were prepared or expressed on the basis of information received from the sources deemed to be reliable. Such information was not checked by independent experts and no assurances nor guarantees, direct or indirect, may be given in respect of accuracy, completeness or reliability thereof. All such information and opinions may be changed without prior notice, and AXIOMA Wealth Management AG shall not be obliged to maintain information contained herein or in any other source in current state. Some statements contained herein are predictive. Such predictive statements may be determined via application of such words and expressions as "we think", "we expect", "may", "we intend", "will be", "shall be/must" or "it is expected" (whether affirmative or negative form, or any derivatives, other similar terms/definitions or strategy). No warranties shall be given in respect of the fact that any prospect results mentioned in predictive statements will be achieved. Such statements are subject to risks, uncertainties and other factors which may lead to the situation when actual results will considerably differ from prospect results expressed in such predictive statements, whether directly or indirectly. One should not rely on the opinion that recommendations will be profitable in the future or will correspond to the profitability level of securities mentioned herein. While analyzing data concerning previous results contained herein, prospect investors shall take onto account that previous results may not inevitably reflect future results, and no warranty may be given that similar results will be achieved in the future. Neither AXIOMA Wealth Management AG, nor any affiliated persons, directors, employees or agents shall not be liable for any direct or indirect damages or losses, which may result from the use of information contained herein (in whole or any part thereof). Information contained herein may not be reproduced, distributed or printed, in whole or in any part thereof, whatever purposes may be, without prior written consent. AXIOMA Wealth Management AG shall not be liable for any third persons' actions which may be executed in connection herewith.