KUYLENSTIERNA & SKOG S.A. AssetManagement

Monthly Comment September 2024
September started off weak with falling stock prices and increased volatility. Concerns over a weaker economy, interest rate cuts that may come too late, and doubts about whether the tech giants' massive investments in AI will bear fruit contributed to the negative sentiment. However, the market turned around during the month as indications emerged that the U.S. economy is, after all, heading for a soft landing and avoiding a recession.

The Federal Reserve (FED), the European Central Bank (ECB), and the Swedish Riksbank all cut their respective policy rates during the month, with the FED lowering by 50 basis points compared to 25 basis points for the others. At the same time, interest rate projections were revised downward, and in Sweden, a double rate cut is likely on November 6, with an additional cut possible in December. Market reactions to the cuts remain mixed – if they are due to falling inflation, the response is positive, but if the reason is trying to avoid a recession, the reaction is more negative. In recent cuts, the first interpretation has dominated.

Many markets reached their all-time highs, including Germany's DAX, despite the sluggish German economy facing significant structural challenges – particularly for the critical automotive industry.

Toward the end of the month, concerns increased with the escalation of the conflict in the Middle East, which also drove up oil prices. Meanwhile, China launched a series of stimulus measures that provided support to the markets.
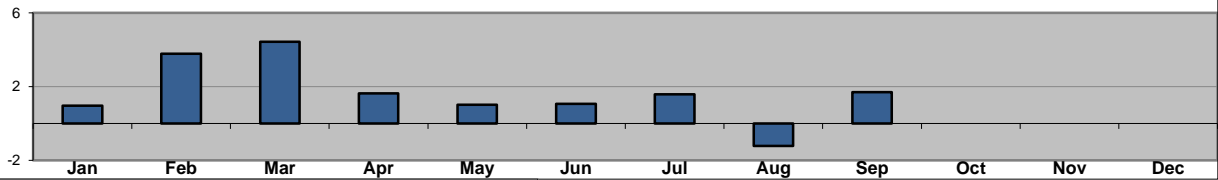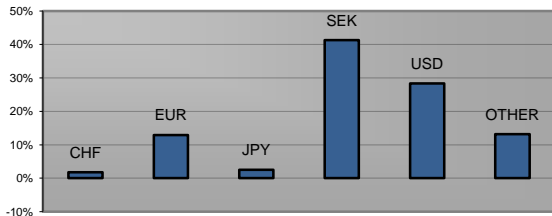
Asset breakdown

- Equities 97%
- Interest bearing 3%
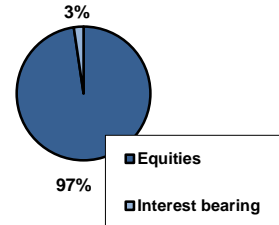
Monthly performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024
	1.0	3.8	4.4	1.6	1.0	1.1	1.6	-1.2	1.7				15.9

Monthly performance (%)

Currency exposure

Biggest holdings, equities

Invesco Nasdaq 100	6.0%
Investor B	4.2%
Alphabet C	4.1%
Schneider Electric	3.6%
iShares S&P 500	3.3%

Yearly performance

2023	16.1%
2022	-13.5%
2021	28.4%
2020	11.8%
2019	29.8%
2018	-8.8%
2017	11.5%
2016	10.0%
2015	6.2%
2014	16.0%

Geographical breakdown (equities)

- Sweden 39%
- US 28%
- Eurozone 13%
- Asia ex Japan 7%
- Other 6%
- Japan 2%
- Switzerland 2%