

Santander Future Wealth

11 / 2024

Fund commentary

Investors' attention in November was on the US presidential and congressional elections. The results, Trump's victory and the Republican party's majority in Congress (House of Representatives and Senate), were known much earlier than investors expected, given the tie shown in the polls, and caused a rapid readjustment in the markets.

Another focus of the month was the Fed meeting, which lowered the policy rate by -25bp to the 4.50%-4.75% range. Regarding the macro scenario, data showed continued strength in the US economy: core inflation repeated at 3.3% with a good breakdown by component and business confidence (composite PMI) in November was at its highest since April 2022. These data, together with Powell's statements indicating that they are in no hurry to lower rates, caused market expectations to adjust, lowering the probability of the Fed lowering rates in December to 60%.

The speed with which the election results were known boosted US stock markets from the beginning of November and the tone remained positive during the month with the indices registering gains of over +5.5% and the S&P500 closing at record highs. Eurozone markets performed worse in relative terms and ended the month with a mixed tone.

Adjustments were made to the portfolio, increasing the weight of Future Technology mainly through purchases in E-Commerce and Cybersecurity. Future Planet was reduced, mainly through the sale of positions in Resource Scarcity through the Ninety One Smart Materials fund and also through Circular Economy. In addition, Future Society was reduced by decreasing the weighting in Life Sciences and to a greater extent through population aging.

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