

Santander Future Wealth

7 / 2023

Fund commentary

Bullish month in the markets where we have seen the S&P500 making new highs for the year along with a continued fall in volatility levels, with a VIX (S&P500 volatility) at levels seen before Covid-19. This is despite the fact that the yield curves remain sharply inverted (2Y vs. 10Y) and the increase in oil prices in the last days of the month (above +10%) along with other commodity prices. As inflation data may start to ease, thanks to the fall in energy prices, central banks are starting to give messages where we could see some pause in rates rising. On the Asian side, although Chinese economic data remains weak on the PMI side, the Chinese government announces measures to boost consumption of goods such as cars or housing, which in turn serves as a boost for the increase in raw materials that we are seeing as well as support for the markets.

On the corporate earnings side we have seen this month, that the trend of better-than-expected data on revenues continues, although not as strong on the sales side, but still beating expectations. Anyways, the results of the companies have been still resilient and this is the main focus of attention of the whole market.

All in all, the S&P500 ended the month with +3.11%, the Eurostoxx50 +1.64%, the Ibex +0.51% and the Nasdaq +3.81%.

Another positive month for the fund, benefiting from the good performance of nearly all the megatrends included in the fund except for the sub-themes of climate action and health tech, and highlighting on the positive side e-commerce, smart cities or scarce resources. At the beginning of July, the fund slightly shifted part of the investment in future society towards future planet, reducing the sub-themes of millennials, population aging or life sciences to invest more in foodtech, resource scarcity or circular economy. Nevertheless, the fund maintains a balanced portfolio across the three megatrends.

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