WEEKLY BULLETIN

Issue #1: April 2023

Thought of the Week.

It is all about bank news these days.

After the failures of Silicon Valley Bancorp and Signature Bank, US government decided to violate FDIC regulations and insure all deposits at two banks. Most of that money will go to corporations with CFOs who were sleeping on the job or did not master well enough the bond duration risk. Everyone who failed in 2008 just failed again in the exact same way. The system is not clean nor transparent. Rating agencies failed again to signal the risks in bad debt. Moody's rated SVB investment grade on the Friday before the Monday when the bank collapse happen, and they downgraded it to speculative (junk) the Friday after that respective Monday.

The regulators have intervened and bailed out the banks (actually the depositors) to ensure the confidence in the banking system which is "stable". The 'tick-up' at the right side of the chart is $300bln of bank deposits that are bailed out by this action that, if not one, is very close to a quantitative easing.

"Just 15 years after 2008, we are STILL socializing losses from the finance world." (Gary Brode, Deep Knowledge Investing)

Having shifted from recession fears in January to overheating worries in February, the market has had to shift focus sharply again to contend with banking stress and credit crunch fears in March. The view seems to be that the damage to US growth will be large but concentrated on those dependent on small-medium banks, and that the impact of bank turmoil will be felt more in the US than in other places.

Events Summary for Previous Week.

US Economy/Politics

- BlackRock warns that investors are making a mistake by betting on the Fed to cut rates – 29Mar CNBC
- Fed will cut more than expected says TD Securities Global head of Rate Strategy – 30 Mar -CNBC
- US has replaced Russia as Europe's top crude oil supplier – 29 Mar CNN

Europe and UK Economy/Equity

- HSBC, BNP, Exane, Societe Generale and Natixis raised in alleged tax fraud investigation – 29 Mar Euronews
- Britain reaches agreement to join trans-Pacific trade pact – 31 Mar SCMP
- ECB and SNB tapped into the Fed for funds in the past week, chucky amounts – 31 Mar Forelive

Asia Pacific Economy/Equity

- Asia is an area of certainty amid global volatility says China's Boao Forum outlook – 29Mar CNBC
- Japan tightens chip gear exports as US seeks to contain China - 31 Mar Bloomberg
- China economic recovery "on track" as services activity hits 12-year high – 31 Mar SCMP

Other News.

- China, Brazil strike deal to ditch dollar for trade – 30 Mar Straits Times
- UN warned that water supplies around the world are at increasing risk from vampiric overconsumption – 30Mar Euronews

NEW DIMENSIONS CAPITAL

Weekly Data Monitor.

Performance

- Global equities recovered.
- Global Real Estate recovered.
- Investment grade bond saw better demand.

INDEX	Weekly %	MTD %	YTD %	1YR %	3Y %	5Y %
Global Equity	3.58	0.38	7.72	-8.02	60.24	40.85
Global Real Estate	4.29	-0.44	0.91	-21.59	34.52	21.59
US Real Estate	4.37	-0.81	0.75	-20.54	42.15	30.03
APAC Real Estate	3.11	1.87	0.17	-15.60	0.22	-21.18
Investment Grade	1.94	0.33	3.91	-3.08	21.68	17.55
High Yield Bonds	0.66	0.43	3.45	-7.21	-9.21	-6.06
Global HF Real Estate	0.56	-1.19	0.00	-3.10	13.62	8.33
Global HY ETF	3.74	0.80	5.37	-8.23	32.53	17.66
ASIA Real Estate ETF	1.34	0.55	0.55	-15.60	0.51	6.61
USD Index	-0.37	-0.37	-1.35	3.16	1.54	13.30

Weekly chart:

- US equities rallied strongly.
- USD falling on credit tightening risk.

Note: The chart shows normalised weekly highs and lows for the

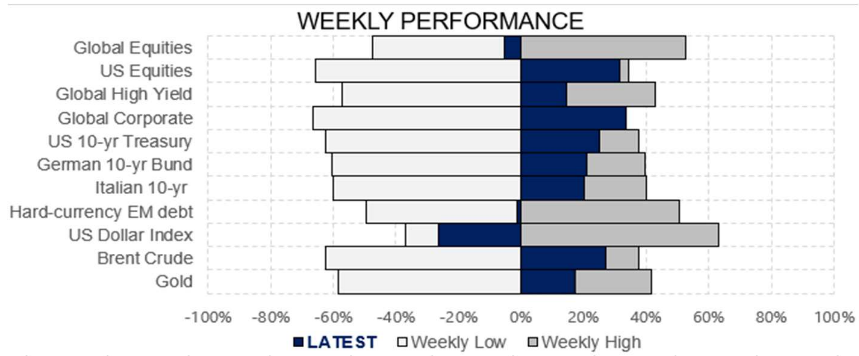
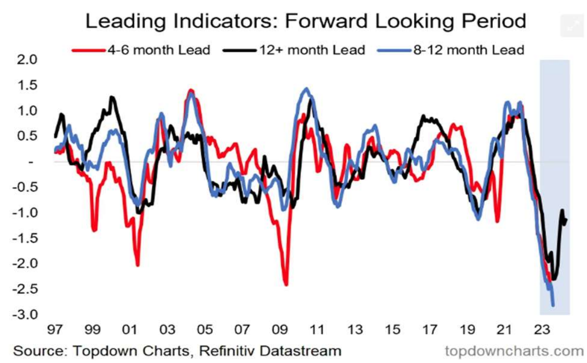


Chart of the Week.

The chart of the week is created by Callum Thoms at Topdown Charts, and points to the fact that once leading indicators are grouped by type/factor, geography or forecast window, the result points to a significant downturn in first half of 2023. This is without considering the newly (or not) emerged banking turmoil.



It is a coming full circle of the massive stimulus that was unleashed in 2020 in “a strange but familiar cycle”. The macro-economic signals are not optimistic but there is no clear sign of recession. US GDP for 4Q2022 grew by 2.7%

The worrying signal is the bank stress shifting from panic to credit crunch and increasing the odds of recession and disinflation.

Considering the Central Banks policies there is a clear drive to act and put a strong stop to the panic. Feds just sent the message that they are working to separate interest rate decisions from efforts to backstop the financial system. Uncertainty persists amidst large unrealized losses and shaken depositor confidence, but the broad equity market is holding up now. A helping thought is that bank stocks are early cyclicals and would outperform when Fed rate cuts draw nearer.

The early cyclical sectors like transportation, home builders, retailers, and small caps besides the banks, are finding the optimal regime in periods with higher probability of monetary easing and no real sigs of recession. On the other side, insurance stocks are the prevalent short for such period, especially now after we have seen that the sector became a safe haven from investors running away from banks for the past 3-4 months.