
Portfolio Manager comment Coeli Nordic Investment Grade November 2024

This is a marketing communication.

Before making any final investment decisions, please read the prospectus, its Annual Report, and the KID of the relevant Sub-Fund [here](#). Note that the information below describes the share class (R SEK), which is a share class reserved for private investors. Investments in other share classes generally have other conditions regarding, among other things, fees, which affects the share class's return. The information below regarding returns therefore differs from the returns in other share classes.

Nordic Investment Grade (formerly Likviditetsstrategi) advanced by 0.44% during November. Since year-end, the NAV per share has consequently increased by 5.81%. November's most noteworthy event in the media was undoubtedly the US election in which Donald Trump was elected president. The Republican party also managed to secure a majority in both chambers of Congress, which gives good prospects for the president to push through his policies. What has been announced regarding the economic policy has mainly concerned unfunded tax cuts and increased trade barriers through the introduction of tariffs. The market reaction to the election was initially rising US interest rates and stock prices, later in the month interest rates turned south while the strong sentiment in the equity market persisted.

On the political scene in Europe, von der Leyen finally succeeded, six months after the election, in getting a new EU Commission in place. This at the same time as Germany was undergoing a government crisis with new elections announced for February. France appears to be on the same path as its neighbour as its government faces a vote of no confidence in early December.

It was less turbulent from the central banks, Federal Reserve of the US delivered in line with expectations an interest rate cut of a quarter of a percentage point. However, with a continued strong labour market in the US, the prospects for future reductions have diminished. Here at home, the Riksbank chose to lower the repo rate by half a percentage point. The Riksbank continues to guide for more interest rate cuts as inflation has been pushed back and the economy is still judged to be weak.

Among the month's biggest positive contributors was a trio of insurance companies, Gjensidige, Tryg and Protector, which continued to trade strongly after presenting their respective quarterly reports in the previous month. Fixed rate bonds from Sagax and Securitas, among others, developed well as a result of falling long-term market interest rates. Securitas was also supported by a strong quarterly report containing improved margins, solid cash flow and a leverage that fell below target.

Hoist Finance was in the market and issued new bonds this month as well and the fund extended the maturity of parts of the holding in the company.

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