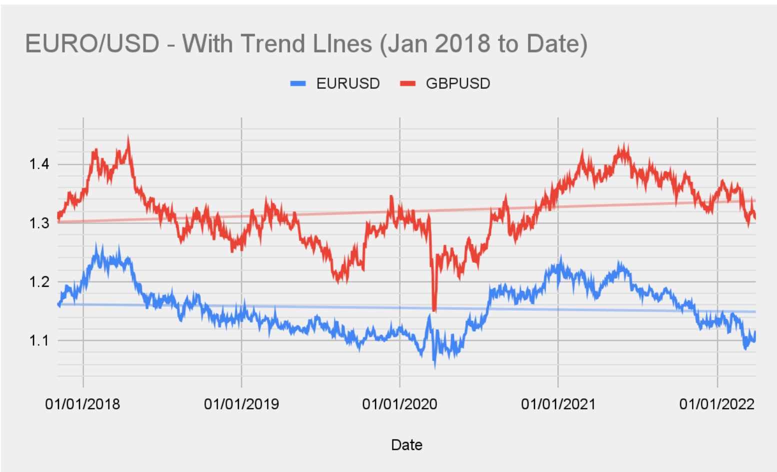
ORTEGA **The Market Wrap** **March 2022**

Introduction - Welcome to our Q1 2022 issue of our quarterly summary of the market. We shall give you the price action across asset classes and offer our insights and opinions. We hope these will aid your understanding of markets and the complex system that is the global economy. We shall generally use ETFs in our market appraisals as these are easily accessible and liquid entities that are now in very common use and reflect most facets of the markets. We hope you enjoy and if you have any questions please visit our website: www.toiip.com or contact us at: info@toiip.com - Thank You and enjoy !

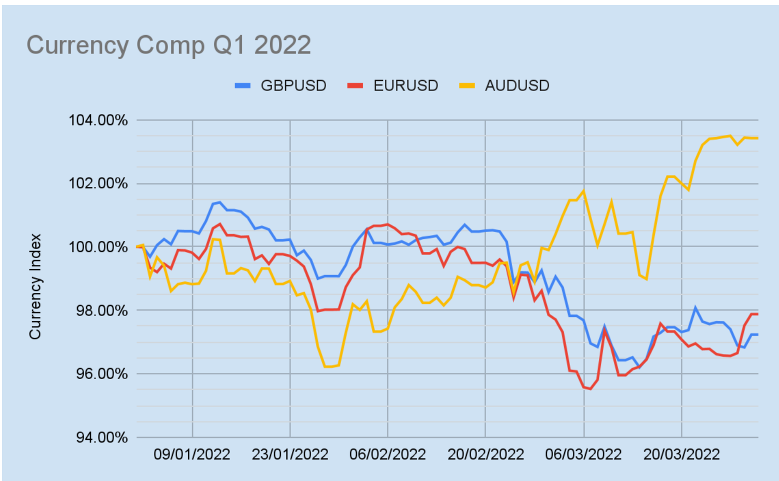
Currency

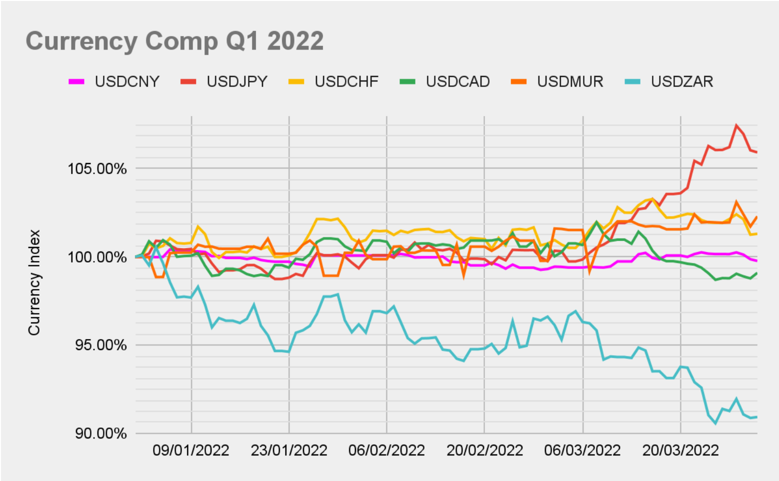
To start this year we have seen rate volatility increase and this has led to a rise in FX volatility. This has been predominant in the USD/JPY as the FED has shown its intent to raise rates and Japan is still looking to hold rates down and practice yield curve control (YCC). With all the geo-political risk that is around at the moment we have seen general USD strength as the flight to safety trade is to the fore at the present. Inflation is also the main topic of concern for most investors at the moment which means the FED is obliged to raise rates which adds to the attractiveness of the USD. Commodity currencies are also holding up well due to the inflation issue in basic materials. The war has added to this and we see this persisting.



From the beginning of this year we can see the USD strength against both the EUR and the GBP. Even though GBP has had recent rate rises this has not helped it against the USD as many of the USD rate rises are already priced into markets. The ECB is showing that it shall be somewhat slower in raising rates than other central banks this may add to continued weakness in the currency. It may move down to a 105 level over time if there are no progress in peace talks. Central banks all wanted inflation, now they have it let us see what they do.

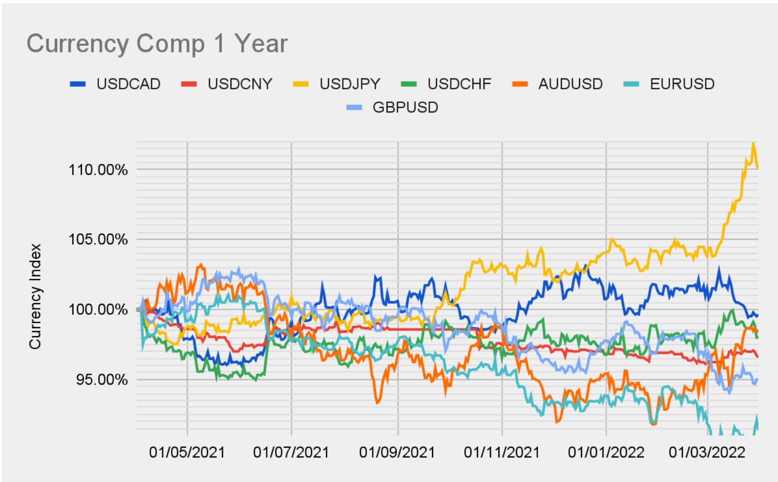
Here we can clearly see the strength in the AUD , a commodity based currency which is showing good strength against the USD. This reflects the commodity inflation that is global and very persistent. If the Bank of Japan manages to defend the 25 basis points on their 10 year yield we could see the AUD appreciate more against the JPY. We see further weakness in the GBP as the Bof E has hinted they are not keen to raise rates further and this could lead to weakness in an interest rate differential basis. EUR we also see further weakness.

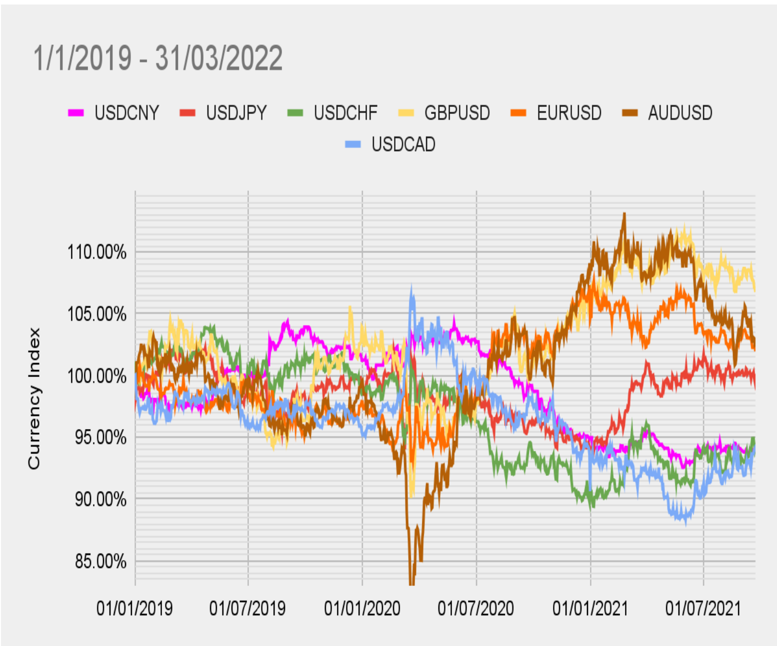




We see the huge divergence here between the weak yen as they import their energy and a strong commodity currency of South Africa. The Swiss Franc has been tied up with Europe and the effects of war, as it has shown weakness over the last quarter. USD/JPY has seen a big move this quarter as the market prices in rate rises in the US and the BofJ keeps rates low via yield curve control (YCC). The BoJ is basically keeping a lid on all global rates as it implements it's YCC, Japanese investors go overseas to hunt for yield as they can get none domestically.

Over the last year we can see the movement of the USD/JPY with the extreme move in the last few months as rate rises in the US have been priced into markets. We do see continued USD strength as the FED is so far behind the curve and will need to tighten at a pace faster than they would have anticipated as inflationary pressures persist. At some point something in the system will break as the huge amount of debt will become too much as repayments increase. At this point we could see a sharp fall in the USD. But for now we still see continued USD strength.

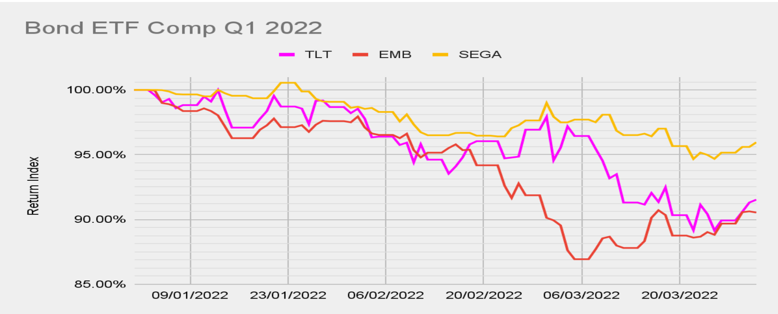




On a longer look back here we can see that the USD/JPY has really not gone anywhere over this period of time. The EUR,GBP & AUD had initially strengthened against the USD since the pandemic. As did the CNY,,CHF & CAD. However in the last few months really since the beginning of the year we have seen this start to reverse as the markets start to price in US rate rises that are surely coming. The US response to the pandemic both in monetary and fiscal terms was absolutely massive. This has without a doubt lead to the inflation issues now facing the globe. Supply issues have added to these issues and now the central planners need to start to reign this back in and we believe this will be a headwind to risk assets. Inflation will lessen the debt burden but cause social unrest

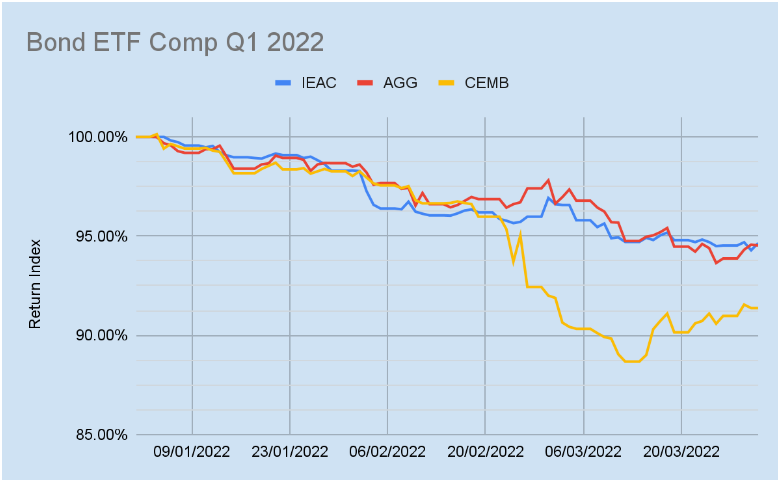
Fixed Income / Bonds

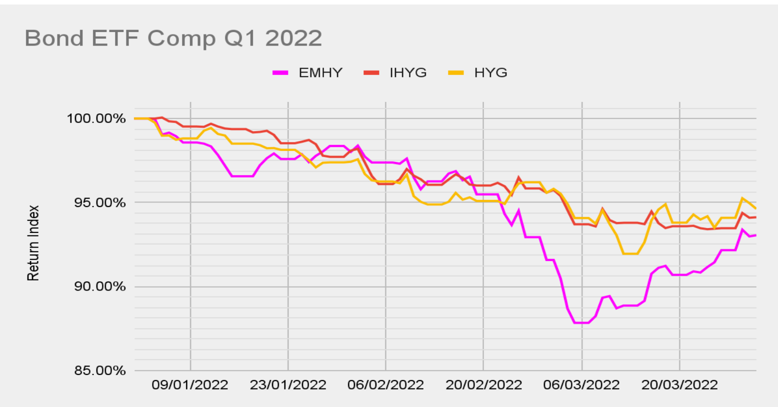
As mentioned last quarter US rates needed to be watched and we saw the markets pricing in rate rises going forward and bonds sold off accordingly. The front end of the curve rose considerably and we have started to see inversions along certain parts of the curve, showing markets are becoming concerned about the ability of the FED to raise rates above certain levels. Mortgage Rates are rising quickly in the US and High yield markets may start to struggle to refinance and have new issuance.



Here we clearly see that this has been a bad quarter for holding long duration government bonds/ US and emerging markets have fared worse in this quarter with European bonds holding up relatively well. We did add some TLT to our holdings here at 129 level and will look to add on further dips as we like the balance it adds to the portfolio. We do not believe there is much more downside.

Corporate bonds also have had a very poor quarter. Emerging markets have suffered the most this quarter as investors have been quick to pull funds from these markets. Inflation has been the driver of these drawdowns as we price in higher yields globally. We see further downside in these markets generally and would not look to hold these ETFs at the moment. There will come a point in the future where it will be advantageous to start adding some allocation here, but not for the present and we await further price falls to make this move.



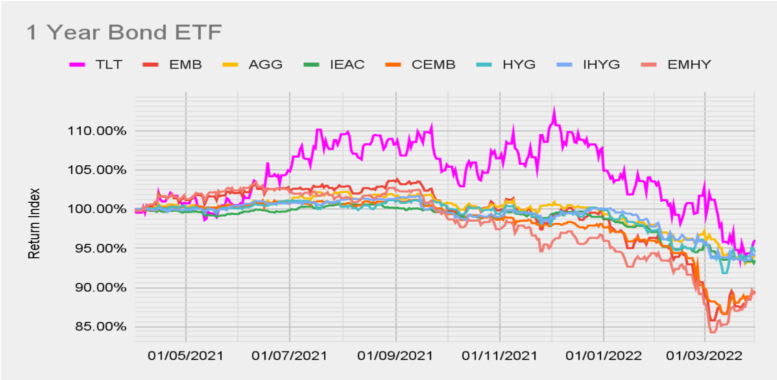


A very similar picture in the High Yield space, again with the emerging markets suffering the largest drawdown so far. To date The US markets (HYG) has only had a small drawdown and we would still look to remain short of this product. We believe that the FED will not immediately come into support these markets as inflation is now ts main priority, due to political pressures. Jay Powell is still not been permanently appointed and is in a very fragile position.

Taking a further look back at the rates markets below:

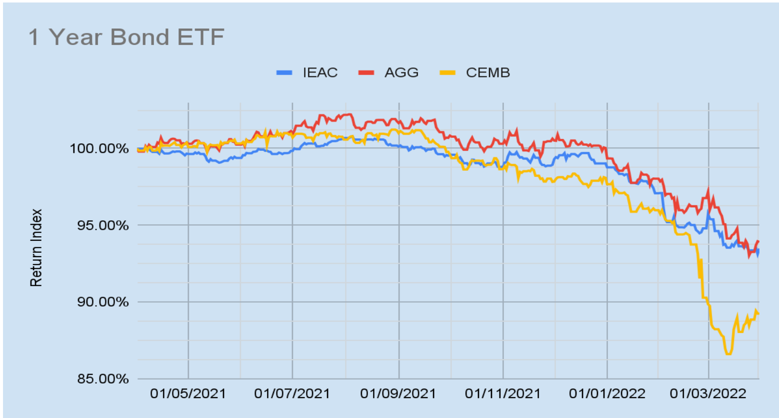
The Market Wrap

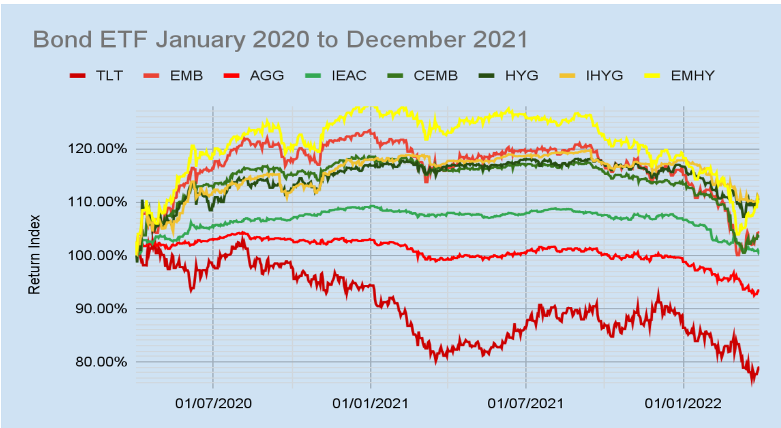
March 2022



Over the course of the last year we have seen the reversal of the bond markets, especially since the beginning of the year. The FED is on a seemingly fixed path of raising rates, in what we interpret as a slowing economy. So we believe that they will have a policy error. It is just a matter of when this will happen and what will break first. We still like long term bonds and will look to add in the future but are holding off for now.

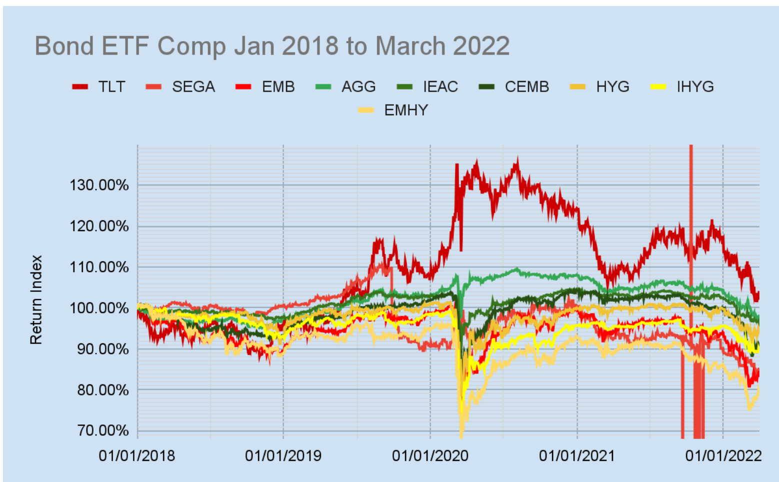
This sell off in corporate bonds so far this year has presented Portfolio Managers with issues. Do they dump some of their bond positions especially if they are leveraged and what do they buy instead. The largest buyer of government bonds ,the FED is now out of the market, this will add to the first part of the above dilemma. So we appear to be seeing a forced liquidation in bonds by the market as this has been an abysmal start to the year for this asset class. What do they buy instead? This will be interesting.





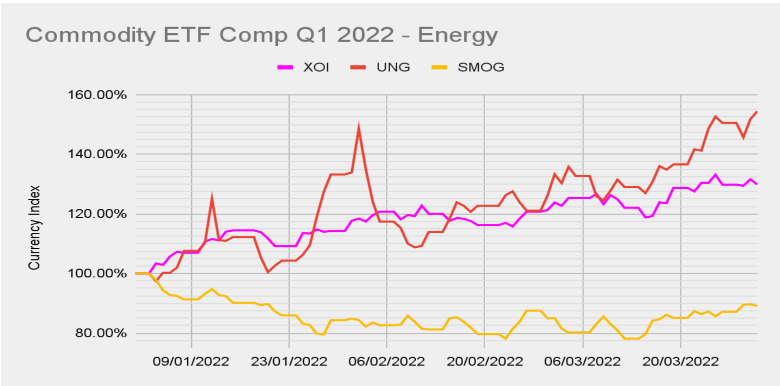
This shows the topping process of these ETFs and their sell off into the new year. The BofJ is the only central bank at present forcibly holding down rates and their currency is suffering as a result. But their actions do create buyers of US bonds and if the decide to stop or raise the level of this policy we can see rates in the US go even higher than their present levels. Above 3.1 % on the US 10 year would be a new 40 year high, thus a trend change. We shall be watching carefully here.

On this longer look back at the bond ETFs we can clearly see the outperformance of the TLT over this period. Apologies for the SEGA data being a bit wonky around the beginning of this year but we can still see how bonds have fallen since the beginning of the year. The emerging markets have been the worst performers. The main question here is how low can these go and what will money managers do. Bond holdings have had a terrible start to the year and we are seeing a lot of forced selling at the moment. Not quite the time to step in but we are watching this space carefully.



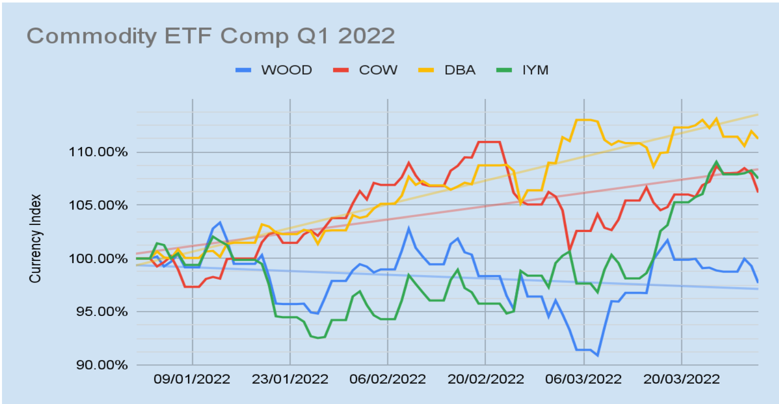
Commodities

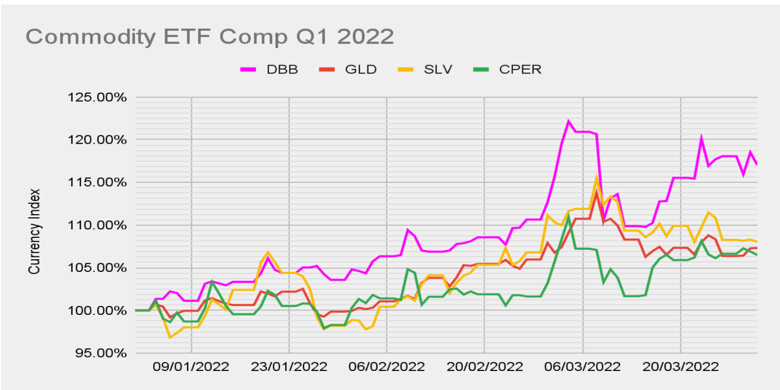
Commodities are the hard assets of the economy, the physical substances that we need to live, build and grow the economy. They are an alternative asset class that have a place in most portfolios and can be a great source of outperformance. With the advent of the new greener economy and the need to preserve our environment we see that there will be fluctuations in this asset class and we can use that to our advantage.



We still see the rise of Oil and Gas, with low carbon underperforming for the moment, as the world looks to secure their energy requirements into the future. The war in Ukraine has removed supply from the market and this is exerting upward pressure on prices. Energy is life, and is necessary for growth and basic survival. The green movement has resulted in an underinvestment in hydrocarbons. Now this is playing out in markets.

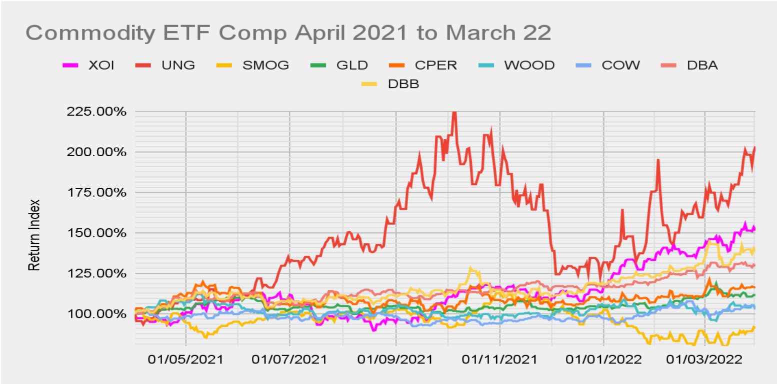
Here we can see that lumber seems to have found a new price level for the moment. Whereas the others are still rising at a fairly rapid rate. Agricultural goods are rising mainly due to the supply limitations of fertiliser on the markets, and the knock on effects. This issue will be in place for some time as we cannot just print foods. The supply issues around the world still persist and it seems will not be resolved in the near term future.





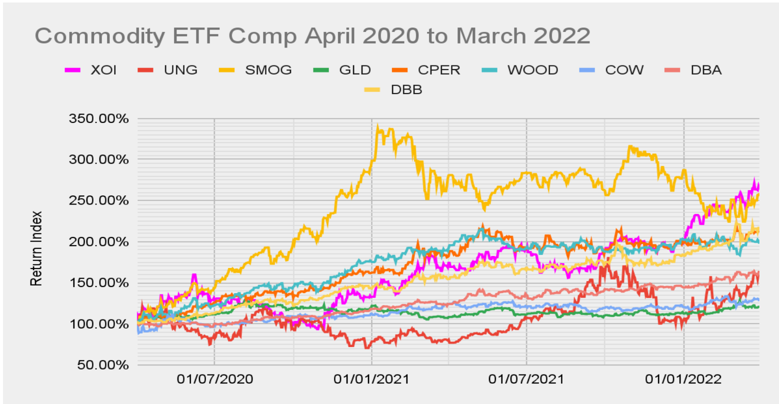
Metals continue their rise and with the supply side still struggling to return to normal the pressure remains in place and looks set to continue. Gold is still underperforming but hold at present levels. This being the case with US rates rising quickly and the USD showing strength. We could see gold move higher if these trends reverse. Silver we like on pullbacks and look to hold a small allocation to this metal.

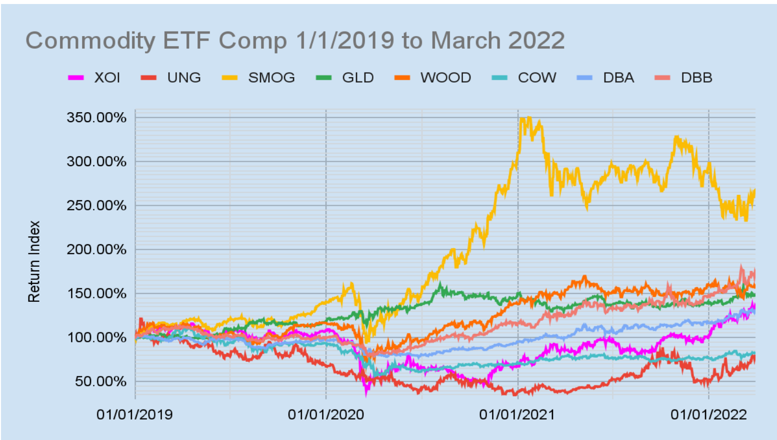
We see growth starting to slow and inflation peeking in the near future, this may present headwinds to further commodity price rises in general. Supply side issues are seemingly very persistent and can have an influence on future pricing.



Over the last year it is clear to see the inflationary pressures emanating from the energy sector. As Europe struggles with their energy needs and looks to lose its reliance on Russian energy supplies. The ESG policy though admirable has created issues along with the lack of diversity in their supply change, this is just bad planning. Now they are reaping what they have sown. This is not transitory and Europe needs to come to terms with higher prices.

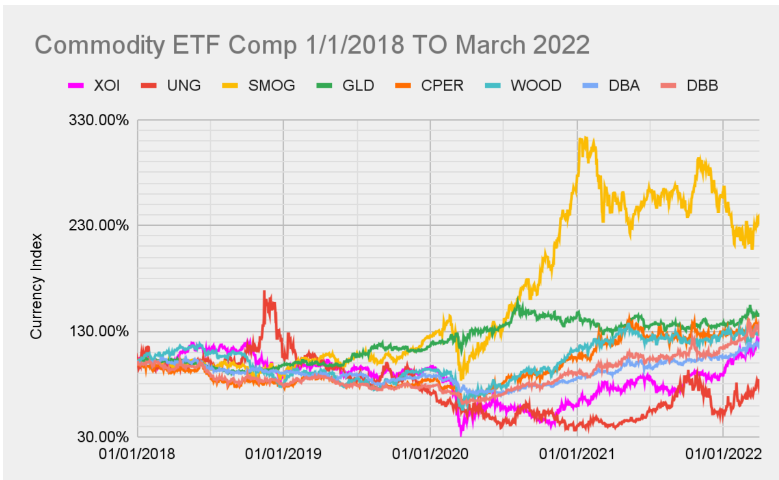
Since the beginning of the pandemic we can see that Low carbon and Oil are the top performers, however they have not moved in lockstep and have performed at differing times, as circumstances and perceptions have changed. The point of change seems to have been around the beginning of this year as rates started to rise in the US. Inflation is always a monetary phenomenon. Price rises can come from supply issues. We are experiencing both at the moment.





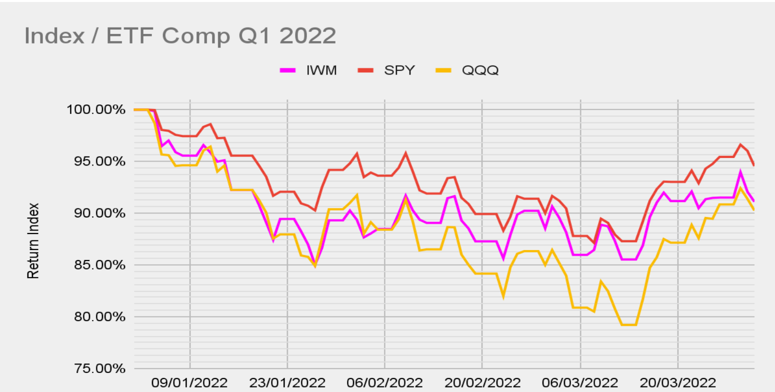
Going back to the beginning of 2019 we can see how low carbon has massively outperformed until 2021 where it topped out. But this graph shows that other commodities have not really risen greatly in price since the start of the graph. There is a likelihood that they can continue their rise for quite some time to come. As the US now looks to help Europe out with LNG supplies we can certainly see further price pressures on natural gas in the US. We will look to add an allocation to this theme in our portfolio.

Going back even further to the start of 2018 we still see that low carbon is the best performer but has stalled out for now. The others have risen slightly, mostly since the start of the pandemic, but still may have a lot more to rise. We are now in a different regime were the FED is looking to tighten financial conditions after have pumped way too much stimulus into the economy in our opinion. Geopolitical and pandemic events have compounded price pressures from supply can issues. The global economy is slowing and the central planners are tightening into this slowdown. Beware.



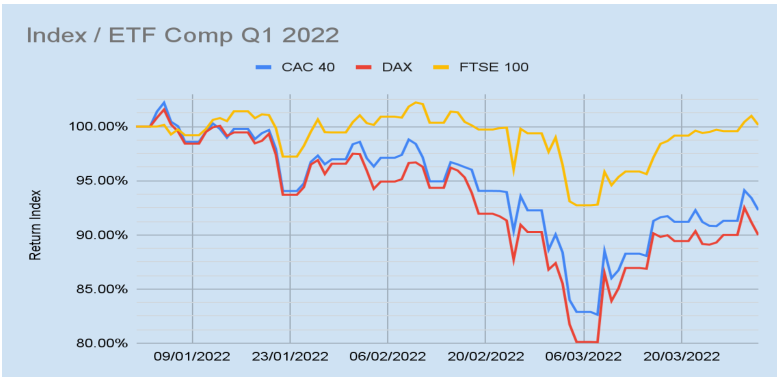
Stock Indexes

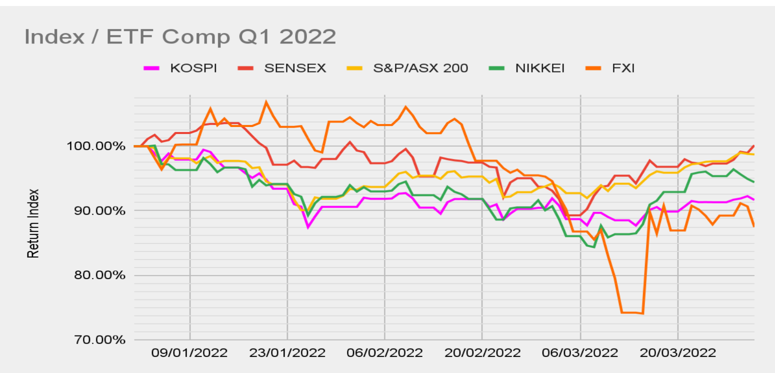
These are the local indexes of varying countries reflecting the value of the companies quoted on them, importantly in their local currency. We must always bear in mind the Index performance and the currency performance against other localities. Investing is a relative game and we like to show comparative charts to identify this and point out the opportunity cost of choosing one investment above another. For risk aspects we prefer developed markets, and prefer to enter smaller markets via investment vehicles that are located in developed markets. Liquidity can be an issue.



We have started to see this quarter investors becoming slightly more defensive and risk averse. We believe that sentiment has changed and would be inclined now to sell the rips rather than buy the dips. We would also look to increase our cash holdings to improve our optionality. The US markets are fighting to stay up but gravity may be too strong for them here as rates rise and confidence starts to diminish. Still reduced our portfolio beta.

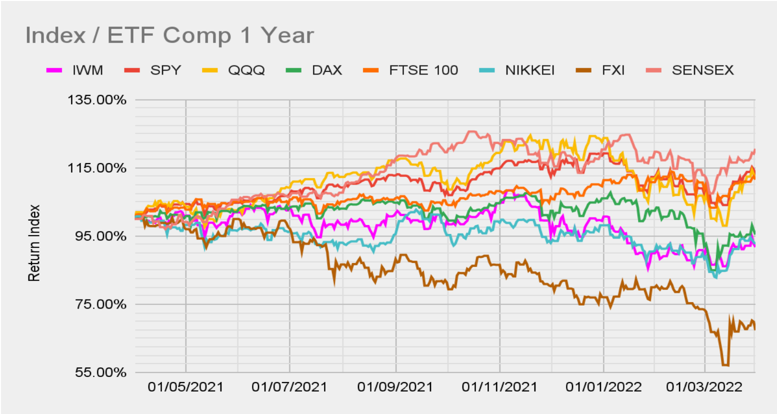
European markets are following the same path as US markets. The war in Ukraine is a more present threat to Europe and is having a strong effect on energy prices in Europe which is heavily reliant on Russian energy supplies. The UK markets are holding up slightly better due to their makeup being more tilted towards mining and energy. However as goes Europe so will the UK as Europe is still its largest trading partner.





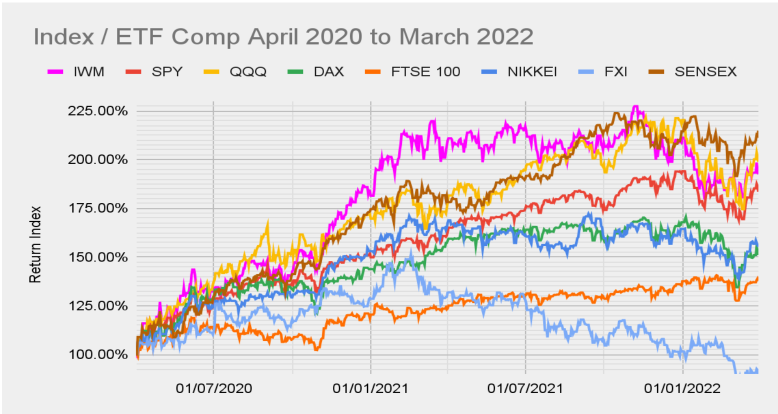
Australia and India are holding up quite well for the moment. India has demographics on its side and Australia is a commodity based economy. However this does not make them completely resistant to the current risk off, and we anticipate them also turning down by year end. China is in the middle of very strict lockdowns and this will slow growth on top of their real estate issues they are experiencing. Japan has yield curve control and the exchange rate is suffering.

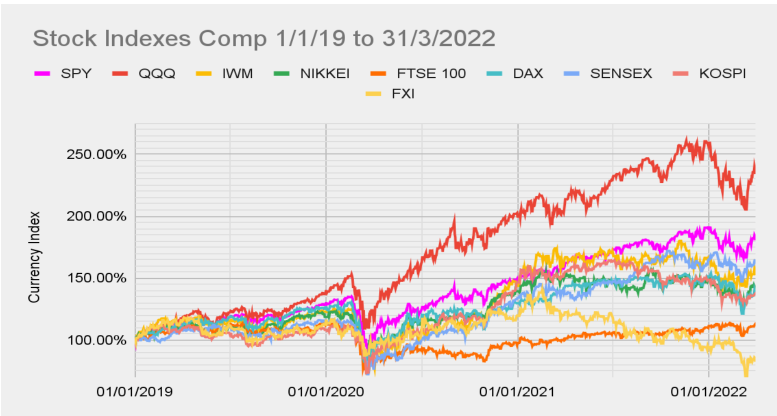
The Lockdowns in China have added to the supply issues around the world. Let's take a longer look back to gain more perspective on the markets.



This year has seen the Chinese markets continue to suffer drawdowns and a risk off feel. The real estate issues are having a detrimental effect on general market conditions and the latest bout of lockdowns is not helping the situation. Although this is a centrally planned economy the CCP & PBOC have their work cut out to stop this loss of confidence and reflate the markets. The US markets still lead the way for the moment but we do see lots of headwinds in the near future.

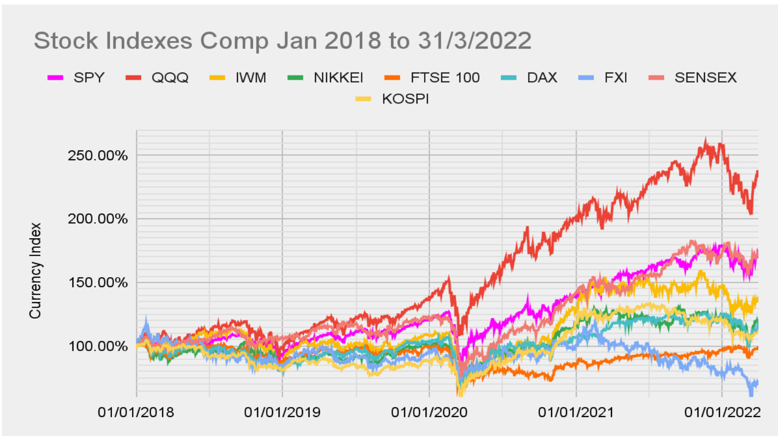
Since the start of the pandemic we still have The Indian index leading the way, with US markets following closely. Chinese markets are the worst performer and presently have a lot of headwinds and it will take proactive action by both CCP and the PBOC to turn this around. Generally equity markets we believe will struggle from here as central planners fight inflation and look to drain excess liquidity from the markets. China will put pressure on the rest of the globe and we are certainly looking to reduce exposure.



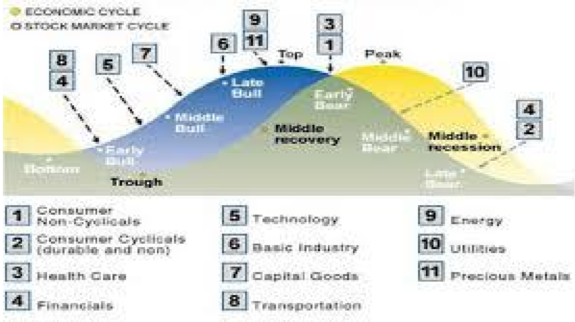


Over the course of the last 3 years we see how the US technology markets have been the standout performer. There has been a rise in prices at the end of March, but we certainly believe that this is a bear market rally. It offers a good chance to reduce exposure further. At present we have geopolitical issues, supply chain issues, rising rates, inflation and although structurally markets are set up to have constant inflows the down pressure here is a lot. If something breaks, watch out.

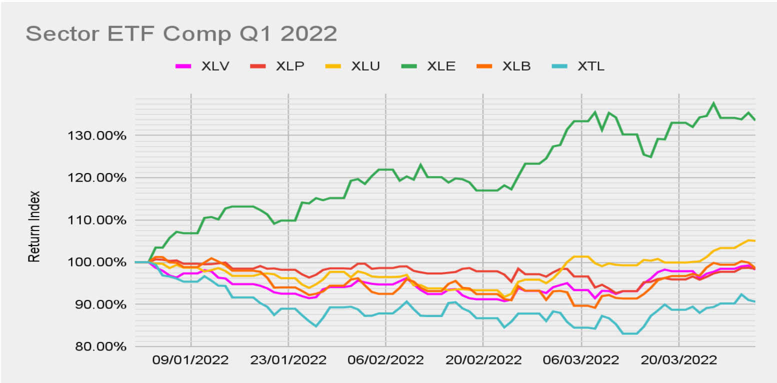
Over a longer period we see that the outperformance of US markets is more exaggerated. Of developed markets the UK market has been the laggard over this period although recently it has held up well as it is heavily weighted to Mining and commodity stocks. Demographics favour the Indian markets in the long run and the US is the best demographic of the developed markets. We do believe that equities generally face headwinds and are looking to reduce our exposure to this asset class on any bounces.



Sectors

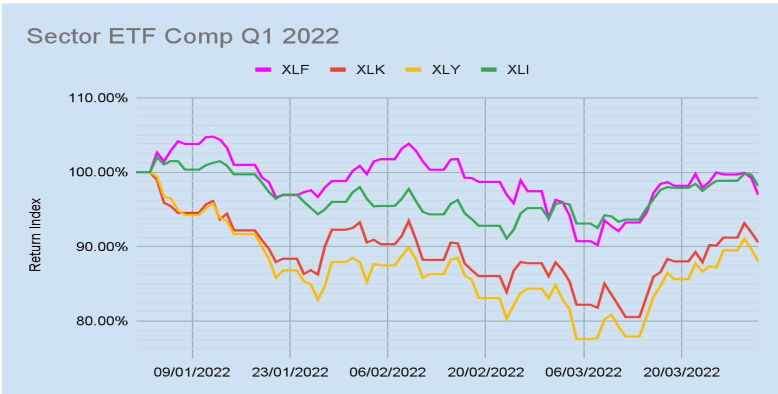


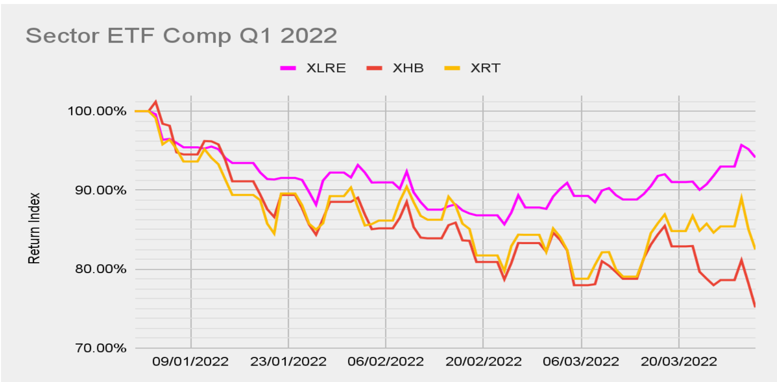
We use sectors to place stocks and other investments into categories such as technology, healthcare, energy, utilities and telecommunications. The different sectors have diverse risk profiles and perform at varying degrees throughout the business cycle. Here we shall contrast and compare the performance of the different sectors over time to help our understanding of their relative virtues with the target of augmenting our investment returns over time. We generally use US markets as these are the largest and most liquid.



Q1 of 2022 saw a rapid rise in the energy sector as events in Ukraine added to upward pressures on the supply side and Europe's shortsighted energy policy came back to bite them in the ass. The defensive sectors XLU, XLP & XLV have held up well so far but rising rates in the US will start to have an effect on these too as equity markets come under pressure. Energy may be topping for now and we would look to book some profits here.

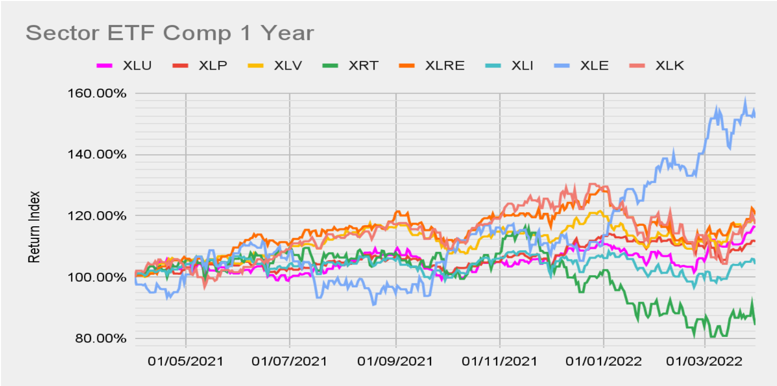
These sectors have been flat to down over the first quarter of 2022. Discretionary and technology sectors have been the worst performers so far, and we believe this will continue over the summer time. Bounces in these sectors should be seen as chances to reduce exposure. Financials have held up so far but we think that they are in for a tough remainder of the year and will struggle going forward from here. Risk assets are in a fragile position and we look to reduce risk.





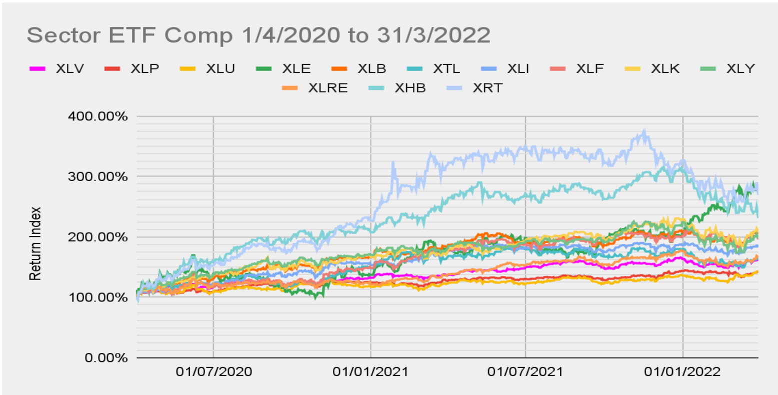
With rising rates the homebuilders have suffered here as there has been a large outflow and retail is also struggling and people start to tighten their purse strings. We think earnings will come under pressure as the year goes on and margins are slowly squeezed. Generally now is the time to reduce risk and raise some extra cash and look to buy long duration bonds. We would wait for a fall before looking to buy gold as liquidity needs will force sales of this.

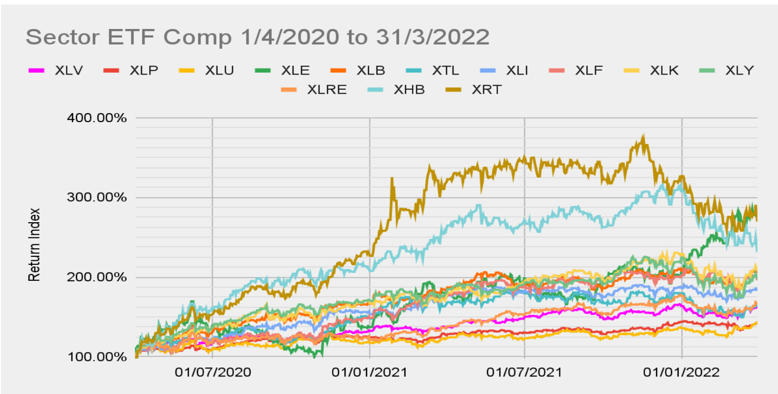
Let’s now take a look back over the pandemic period and before to get further perspective on the markets and where we may go from here.



The energy sector is leading the way especially since the start of this year. Retail is the laggard over the course of the year which is reversing some its previous outperformance and also does not speak that well of the consumer strength. We think the majority of people are suffering in this inflationary environment and will continue to do so, The small minority of affluent people are making the overall numbers look better than they actually are.

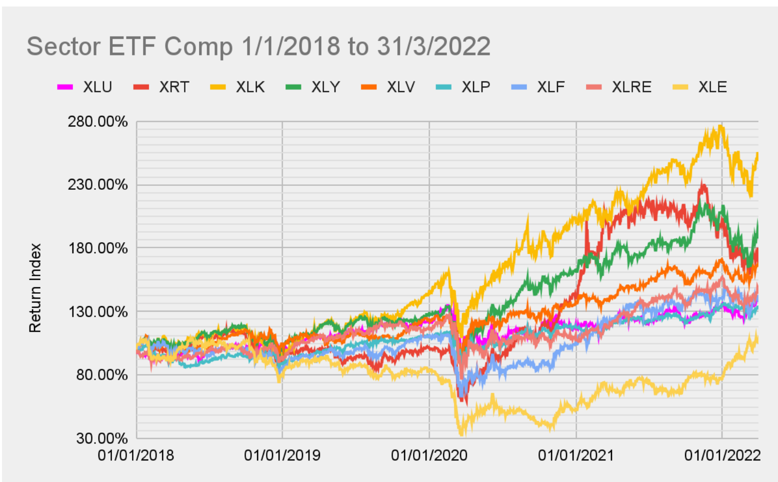
Since April of 2020 retail and homebuilders have been the sectors that have had a huge outperformance in comparison to the other sectors. As we see rates rise this year and inflation persist these 2 sectors can see a reversion back down as conditions will not be that favourable. Lots will depend on the economy and its ability to cope with rising rates. Risk assets will be vulnerable as rates rise, but if the private sector credit creation picks up it could be time to BTD.





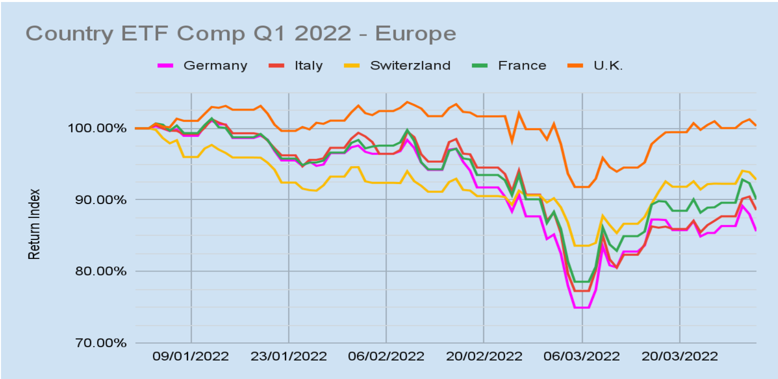
Since the start of the pandemic, we can see that all sectors have risen, but to vastly varying degrees. Retail and Home Builders were the outperformers as central planners stimulated via monetary and fiscal policy. This trend seems to have topped out as stimulus has ceased. Energy is now in a sharp untrend as the war in Ukraine brings int question the future energy sources for Europe and the effects this will have on the global market,

Going back to the start of 2018 we can see how Technology has been the best performer and Energy the worst. Energy is showing some reversion to the mean and we believe that generally the market will exhibit this behaviour over the coming period. Energy is still a preferred sector for us as we feel geopolitical pressures will exert upward force on this sector. Also the continued move to greener energy sources, will not be a s quick and smooth as many would wish and lots of green energy is only viable at higher energy prices.



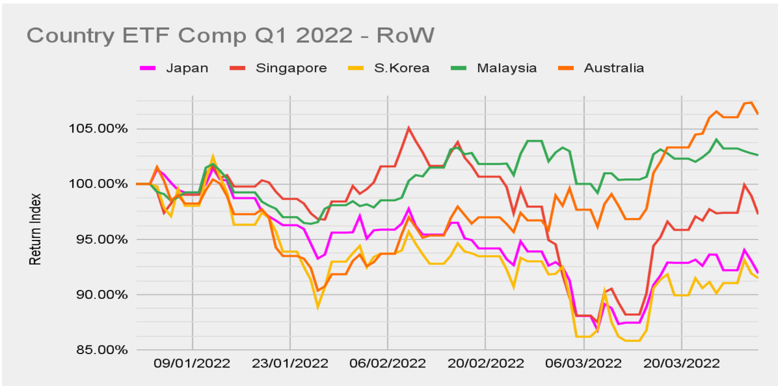
Geographic

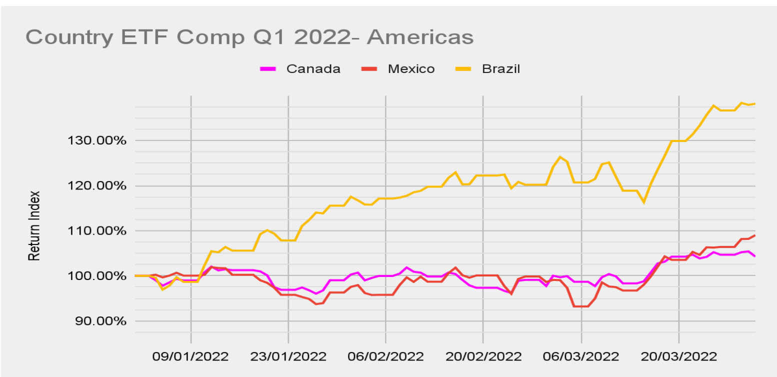
Certain countries or regions around the world will be experiencing different economic circumstances at any given time, usually. Therefore it is important to access these differences and utilise them in order to create greater returns on your capital. In this section we shall look at a range of ETFs, all quoted in USD covering varying countries around the world and look to analyse their differing performances and where they are in the economic cycle so that we may look to add value to our investment decisions



Q1 of 2022 we see Europe starting to rollover and once the Ukraine conflict started we saw this drop down with some stabilisation since then. With the energy supply issues facing Europe we do not favour this area and believe that it will deteriorate further as time and the conflict goes on. The ECB has been loathed to start tightening policy and their reluctance may prove to be prudent as the area is struggling to find any growth.

For the first quarter of 2022 the commodity countries have fared better than the others and especially energy importers. All seem to be topping at the moment, and this does tie in with our general opinion that growth will slow and inflation start to peak. The USD is high and rising and this is not good for global equities so we would prefer to be US centric at the moment until we see a topping in the USD. China is suffering with lockdowns at the moment , steer clear.

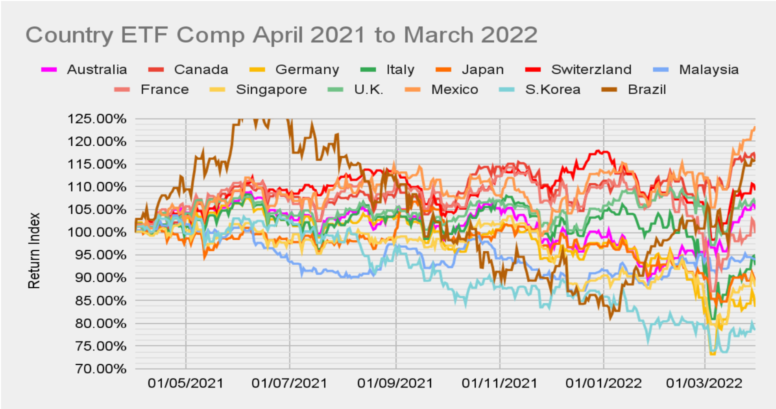




Brazil has turned around this quarter, and been a great performer On rising commodity prices. We still like this trade but would look to book some profits as the USD strength could cause this to reverse. Also this trade is very crowded so do not hold on too tightly to this one. Canada and Mexico, the US's closest neighbours have had more muted performance. We do like Mexico in the longer run as they have favourable demographics.

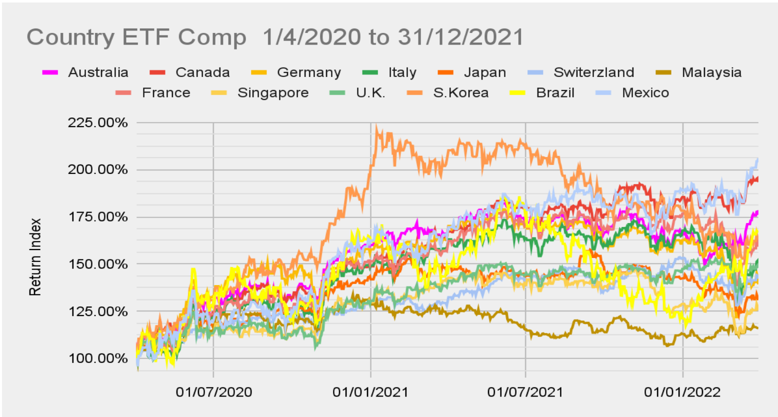
Please do remember that these are USD ETFs for the countries and bear in mind that when making decisions.

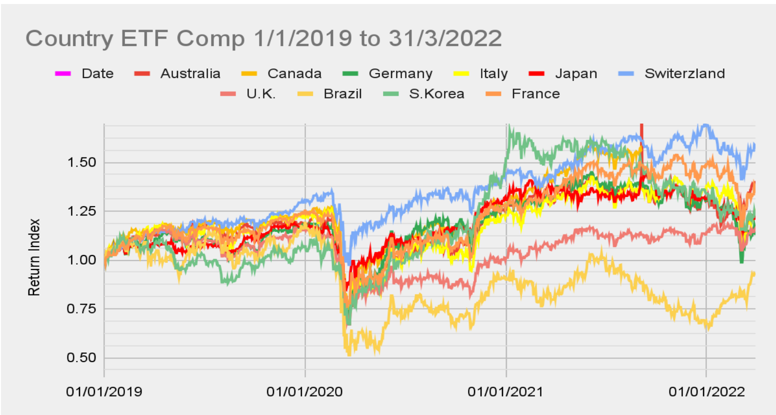
Let's take a look at a longer time frame of these ETFs to get more perspective.



Brazil was a poor performer in 2021 but has had a resurgence so far this year. Mexico has been the best performer over this time frame. However with the USD looking to strengthen further it may be wise to book some profits in these as the strong USD will present headwinds to their continued outperformance. The war in Ukraine will have limiting effects on global growth and a general reduction in international exposure is our preferred course of action at present. Strong USD hurts global growth.

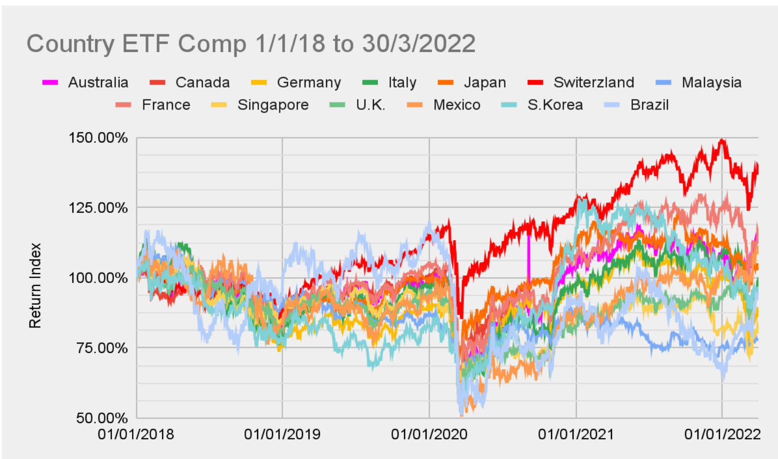
Going back one more year to the start of the pandemic, we see Mexico and Canada as the best performers. These are the closest neighbours to the US and this demonstrates the beneficiaries of all the stimulus that the US did over the pandemic period (5 to 6 trillion USD). Also shows the cantillon effect to some degree. Now that this has come to an end we shall see how these economies settle down and where they go to from this point, rate of change always being important.





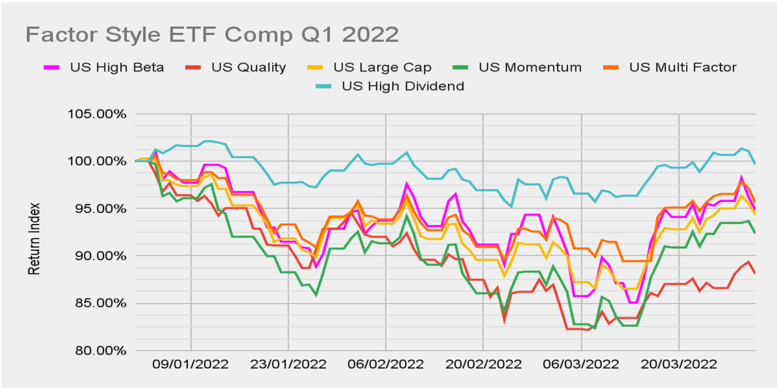
Since the beginning of 2019 we see how Brazil has been a laggard and Switzerland has been the best performer. Post the pandemic low all of the geographies have moved upwards. However we can see from the chart that there seems to be a topping out for the moment as markets assess where we go from here. The strong USD is a worry to global growth and we would look to reduce international exposure here as we see the global economy struggling for growth over the next few years.

Since the start of 2018 we still see Switzerland as the best performer. Generally we see more countries having lower returns over this timeframe, with around half still being below their starting values. European countries will struggle going forward as they reposition their energy supplies and all the associated costs that will come with that. China not on the chart is in a recession at present and we think they will come out of this later on this year as the CCP starts to stimulate the economy. This will be helpful to Europe, but may not be a saviour.



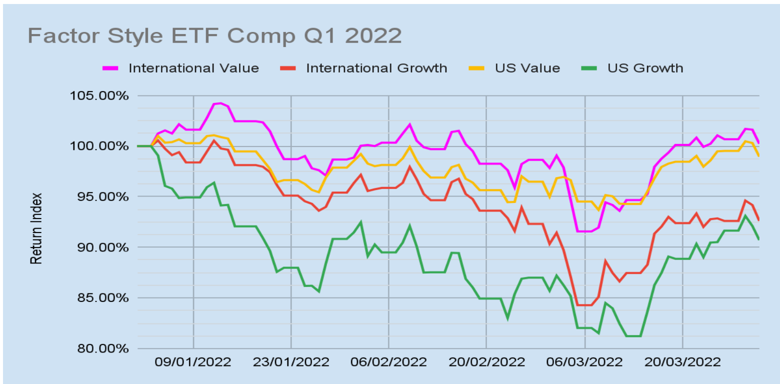
Factor Styles

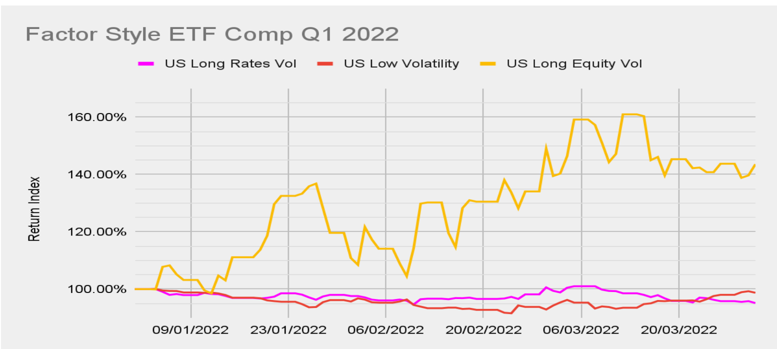
Factor investing is a strategy that chooses securities on attributes that are associated with higher returns. There are two main types of factors that have driven returns of stocks, bonds, and other factors: macroeconomic factors and style factors. The former captures broad risks across asset classes while the latter aims to explain returns and risks within asset classes. Macroeconomic factors include: the rate of inflation; GDP growth; and the unemployment rate. Microeconomic factors include: a company's credit; its share liquidity; and stock price volatility. Style factors encompass growth versus value stocks; market capitalization; and industry sector.



In Q1 of this year we saw the defensive styles become the best performers although they were also down in the quarter. It is interesting that Quality has been the worst performer as the market seems to be booking some winners here, and reducing their exposures. This does not bode well for the future if markets think that quality has topped and are looking to be able to re enter these positions at lower prices. We also look to reduce exposure here.

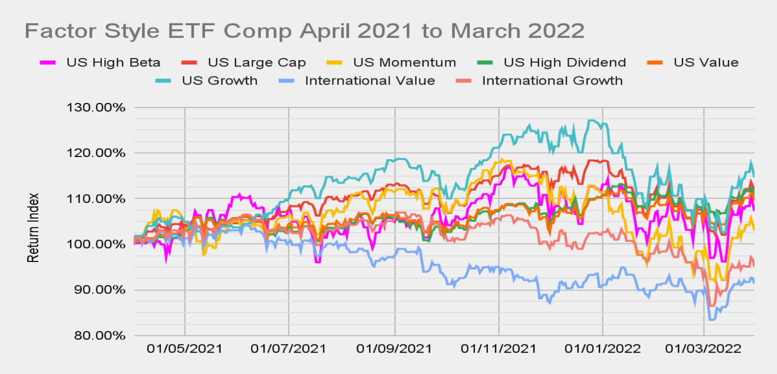
We have seen in the first quarter of this year that value has outperformed. Both in the US and internationally. Us growth has been the worst performer as the market looks to sell long duration assets into a rising rate environment. Also they look to book profits, and this leads to the selling of large cap tech stocks, the last part of the market to be sold off. We shall see bounces in the near future as things get oversold. However we believe it is the time to sell the rips.





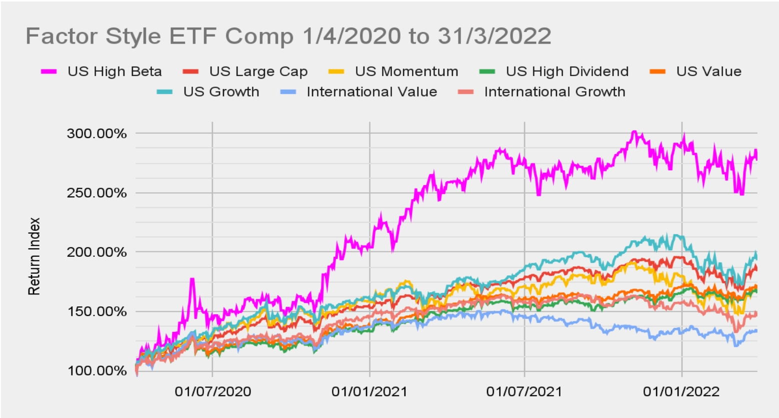
From the beginning of the year Equity volatility has risen markedly however so far we have not really seen a big spike yet , more of a higher volatility environment. Rates volatility has risen measured by the MOVE index but the long rates Volatility index has not really reflected this. So hedging of portfolios should mostly be executed in equity volatility. We prefer to buy puts on the indexes as they rip higher in the rebounds from being oversold.

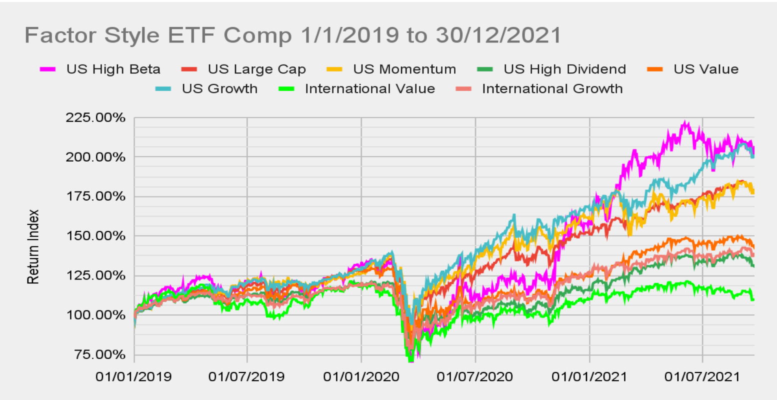
Let us now take a look over the longer time frames and see how we can look to utilise volatility as a hedge. Fundamentally there are just 2 asset classes, short volatility and long volatility.



Over the last year we still see that US growth is the best performer, but the markets have now arrived to the stage where they are willing to sell their past winners and do see a change in market conditions where financial conditions are tightening. The FED has no choice but to raise rates this year until something breaks in the markets and we see equity markets falling further from here. Large cap tech is now vulnerable.

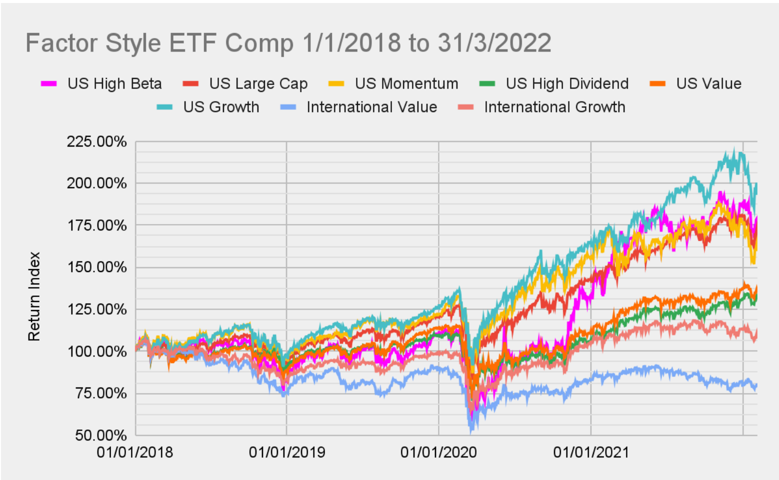
Since the start of the pandemic we can clearly see that the US high beta has been the standout winner over this period. As we look to reduce risk in the portfolio then this is a factor style that we will look to reduce and book profits on these holdings. With rising rates, long duration assets will come under pressure. However we do have concerns about growth in the future and believe that the FED is so far behind the curve that they are making a policy error. Their hands are tied by inflation but be careful.





Going back to before the pandemic, we can still see that High beta and US growth are the top performers still with US momentum and large cap following them. As the FED changes policy and starts tightening and draining liquidity from the system we shall certainly see a drawdown in these factors. Growth of the economy is now a concern and tightening into slowing growth will not result in a good outcome for risk assets. Reduce risk and book profits.

Looking back further from the beginning of 2018 the trends mentioned above are still clear to see, with US growth being the best performer over this period. But in the last quarter we can see these topping out and starting to rollover. In a bear market we do have some vicious rallies, but these only serve to grant opportunities to sell into them as they run out of momentum quite quickly generally. The likelihood of recession is rising and rates are still rising due to inflation. The authorities will look to crush aggregate demand and therefore we believe a recession is very likely.



Summary : This quarter we saw the FED start to raise rates and throughout the quarter they became more hawkish as inflation continued to climb. They are without doubt very far behind the curve and shall need to move quickly to try and catch up. Markets have started to price this in and rate expectations have risen sharply. Perhaps too far as wee feel that inflation should top in the second quarter but probably be slow to decline as shelter and other factors will remain persistent due to how they are calculated.

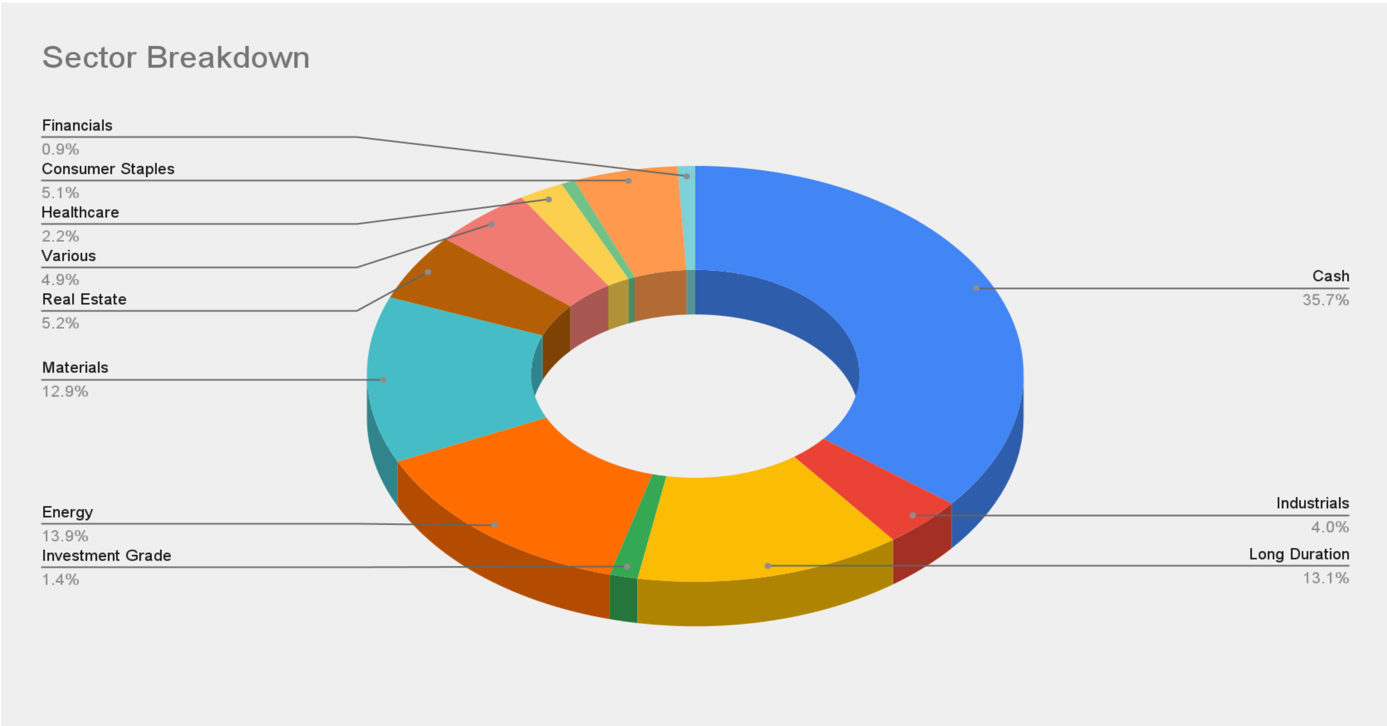
As rates have risen the equity markets have started to roll over but have bounced back several times as is normal in a bear market. The tightening of financial conditions and underway. This will continue throughout the course of this year until something breaks and makes the FED change course. We are now starting to increase long duration bond holdings and look to add at around the 3.2% 10 year rate level. These tightening conditions will squeeze margins and we do not believe that markets have priced this in so far. So the FED seems set on destroying aggregate demand and this will have consequences in risk markets.

We have already witnessed the sell off in meme stocks and small caps, and tech companies that are non profitable and have weak balance sheets. The next to fall will be the big cap large tech. Bear markets usually proceed this way and we do not feel that this time will be different.

The USD is showing strength and this we believe will persist in the short term as investors witness the slowing of global growth and look to run to safety, or perceived safety. This USD strength is never good for global markets as it is a symptom of a USD global shortage as everyone rushes to gain USD liquidity. The Eurodollar system has not function post 2008 as it did before therefore the creation of USD outside the US has been very slow and has not enabled growth of the system.

The war in Ukraine has added to global worries about growth and also supplies of energy and food to markets. There appears to be no immediate solution to this war as both sides seem to be intransigent in the stances for the moment and this war could last for a very long time.

Our model portfolio at the end of the quarter is allocated sectorial as below, but we shall look to reduce the growth part of this and up the long duration allocation as we see growth challenges in the future and recession risks are rising.



We see lots of pressure on risk assets in the near future as the stagflationary environment persists and we are challenged on the growth front. Energy is life and integral to the economy and the shortsighted, misled policies of governments will keep upward pressure on the price of energy. That will only relent if there is large demand destruction.

Market Insights

Energy is Life

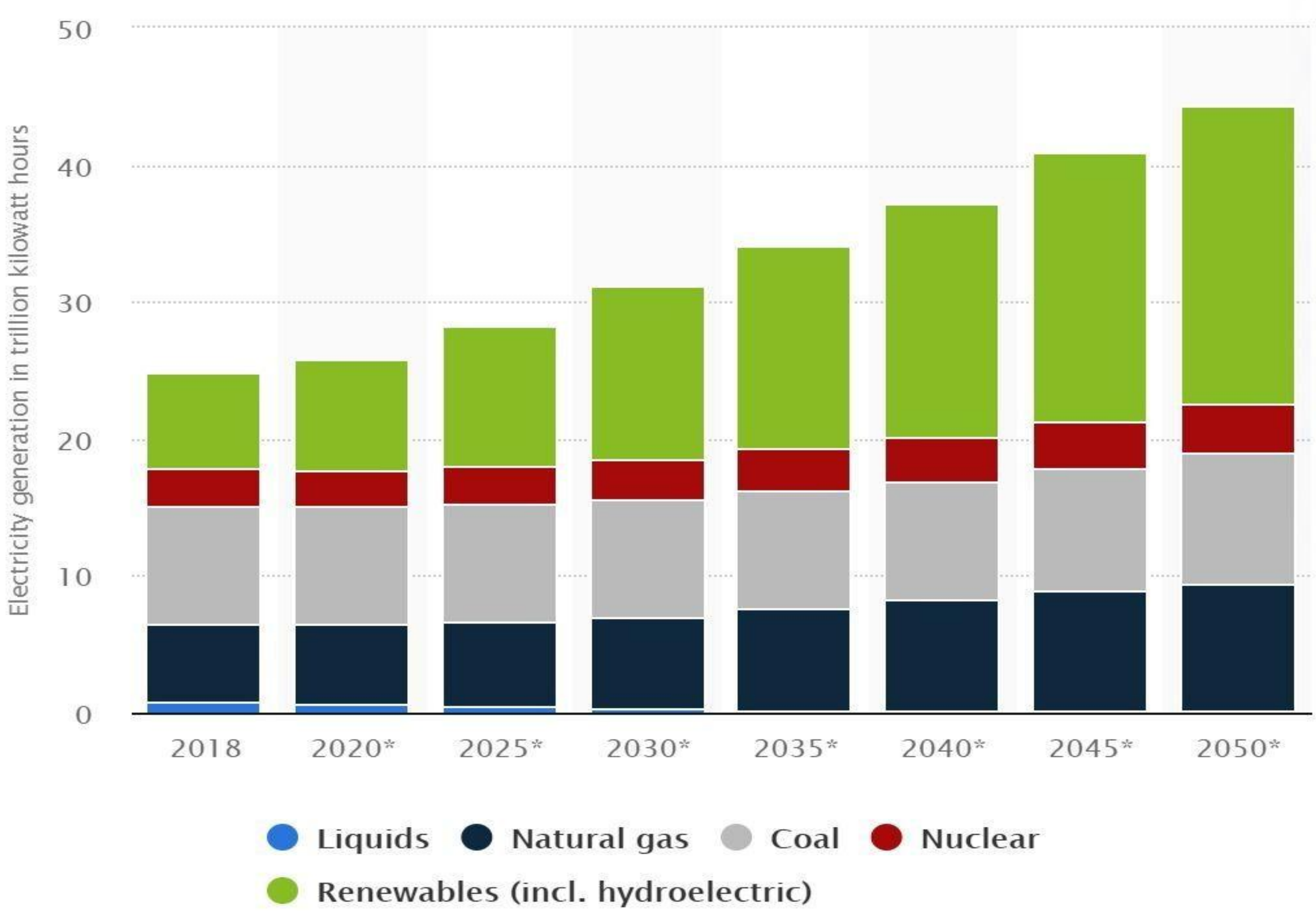
This is a basic fact that seems to have been overlooked by many as we have seen a confused energy policy from many governments. This has led us to where we are now. Energy is not a part of the economy, the economy is a derivative of energy. Without energy there is no life.

The push for ESG although well meaning has not been thought out to any degree and has led to lots of unintended consequences. Governments push for carbon neutral , but have no well thought out transition plan, just an arbitrary target. This is a recipe for disaster and is now playing out.

Years of underinvestment into the energy space have lessened the ability of the industry to offer new supply and also in some maintain their old supply. Trillions have gone into the green space and have not been as productive as thought, but also generated a huge demand on commodities.

Energy density is a very important concept, and with demand for energy ever increasing this has to be borne in mind. To take it to an extreme we cannot burn wood to solve for future demands. We have continually moved to new energy sources as technology allows us to fuel our growth as a species.

The coming months will be very difficult as we struggle to meet the demand for energy globally, we have limited our supply due to geopolitical reasons and there is no immediate solution. This will adversely affect the global economy. Make no mistake. A strong USD will also wreak havoc with emerging markets and countries with weak balance sheets.



For 2022 we see the FED raising rates slowly and consistently for the first half of the year which will be a head wind for risk assets. At present there are GeoPolitical risks with Russia and the Ukraine that are also headwinds. The only 2 central banks that are not tightening policy at the moment are China PBOC and Japan Bank of Japan.

Something to watch carefully is the Bank of Japan , if they stop yield curve control we shall see global rates explode higher and equities fall through the floor. Watch them carefully as this is very important what they do.

If you are not on our list of recipients and would like to subscribe to "**The Market Wrap**" please contact us at info@toiip.com for details.

Once again thank you for your time and see you again next Quarter.

Ortega Capital Management Ltd
Suite 602, 6th Floor Hennessy Tower.
Pope Hennessy Street
Port Louis

T : (230) 606 3771
E : info@toiip.com
W : www.toiip.com
BRN : C123387