

OUT OF THE BLUE!

Letter to investors

October 2020

CLEAR AND PRESENT DANGER

The economic recovery after the apocalyptic Q2 is certainly in place but it is no longer news, meaning that it has been widely discounted by investors (except the usual IMF “scientists” who arrived there, with their traditional timing, only now) and there are now doubts about the actual strength of the cycle for Q4 and 2021. According to BlueStar, the most worrying situation, however, is the very sad, and unworthy, theatre we are witnessing in the USA. Here we are facing what we fear to be the last show of a super-power in total decline. The spectacle we witnessed in President Trump’s sick days are worthy of the best John Wayne films. As much as BlueStar is striving to stay constructive and to focus on the bright side in 9-12 months, we admit that our instinct forces us to raise the alert level in the short term. For those who love Tom Clancy’s books, we are now at DEFCON 3...

Market	September 2020	Year to Date 2020
Bloomberg Barclays Euro Aggr. Bond Index	+0.9%	+2.8%
Bloomberg Barclays US Aggregate Bond Index	-0.1%	+6.8%
S&P 500 Index	-3.8%	+5.6%
Stoxx Europe 600 Index	-1.4%	-11.1%
MSCI Asia Pacific Index	-1.2%	+1.9%
Bloomberg Commodity Index	-3.4%	-12.4%

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