



# Skänderbeg

Investment Management

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T +423 373 11 30, info@skanderbeg.li, www.skanderbeg.li



## Put into perspective

*Ahead of the mainstream*

### August 2019

Written by  
Bruno Schneller, CAIA & Miranda Ademaj

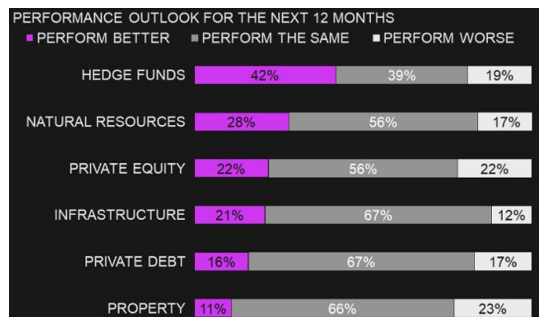
#### Contents:

- Hedge funds (page 3)
- Markets (page 5)
- Think tank (page 12)
- Time out (page 19)

***"If we knew what it was we were doing,  
it would not be called research."  
– Albert Einstein***

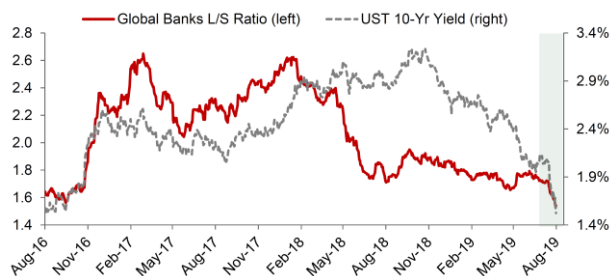
# HEDGE FUNDS

## Investors pin hopes on hedgies



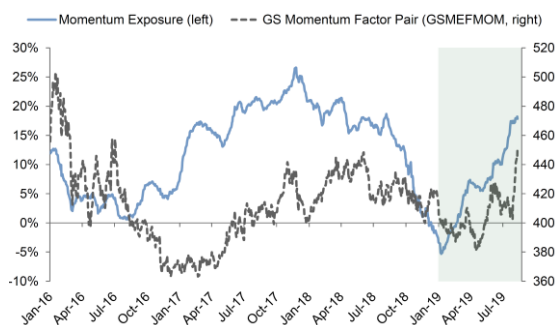
Bloomberg Hedge Fund Brief

## Global banks L/S ratio fell to a multi-year low amid plunging yields



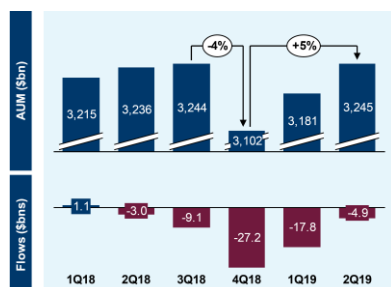
Goldman Sachs

## Momentum's recent outperformance a source of positive alpha for fundamental L/S funds



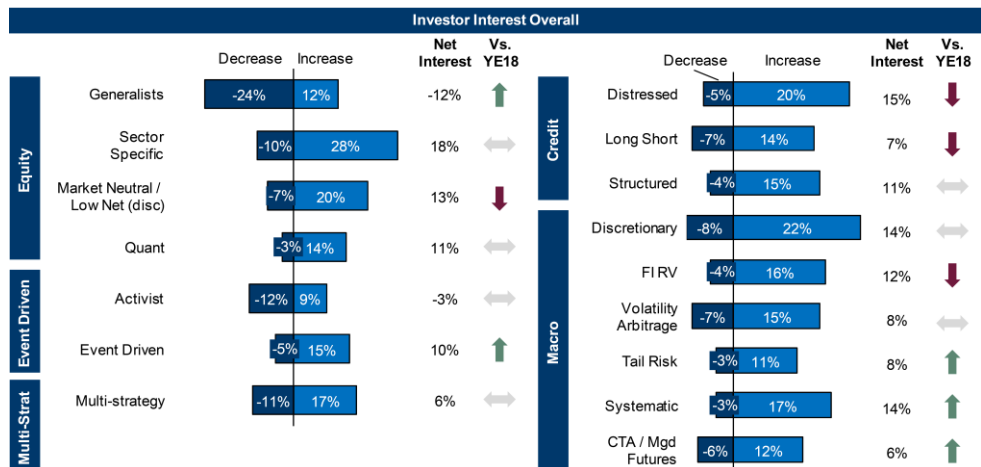
Goldman Sachs

## In 1H19, hedge fund performance rebounded, which led to an increase of total industry AuM



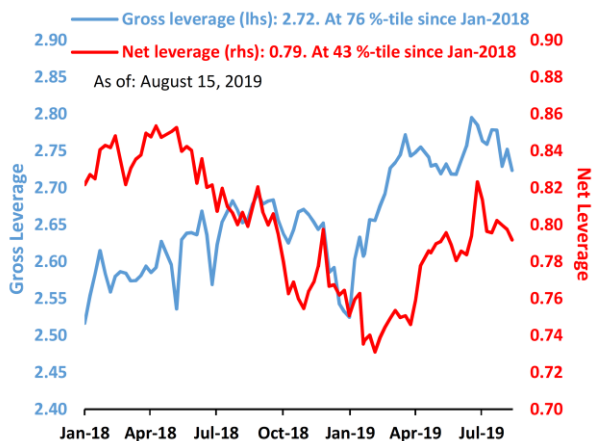
Barclays

### Interest in hedge fund strategies has not changed much since YE18



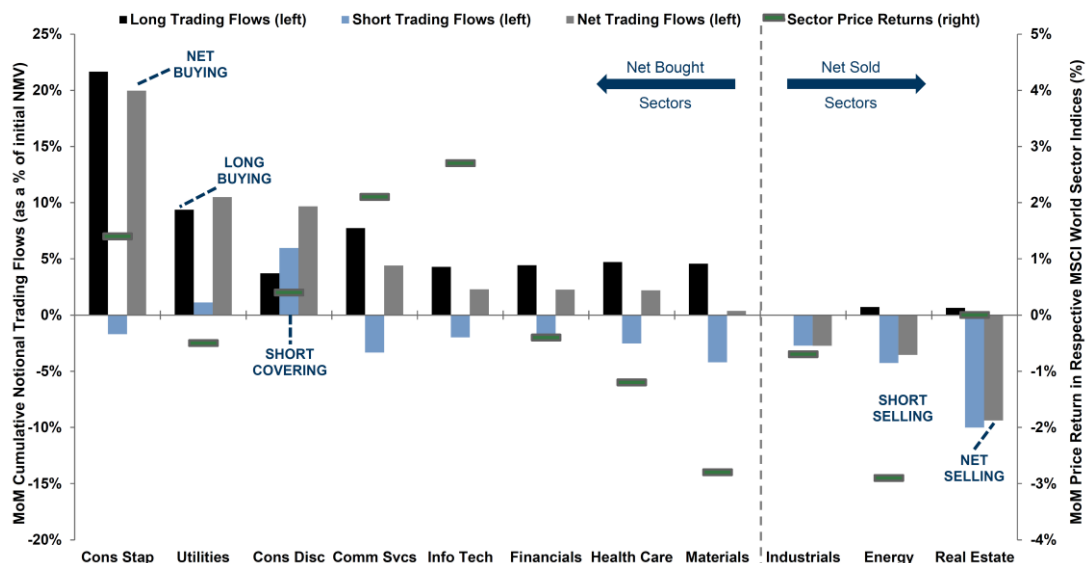
Barclays

### Global gross and net leverage



JP Morgan

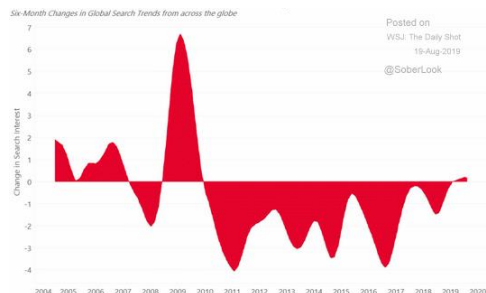
### July hedge fund trading flows by global sector (vs. MSCI World Sector Price Returns)



Goldman Sachs

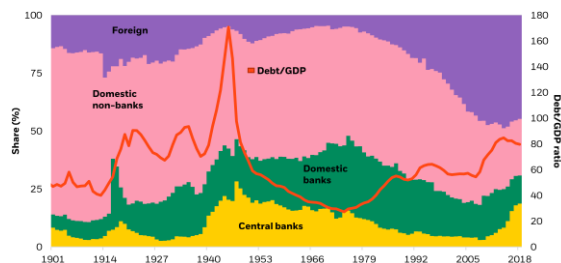
# MARKETS

## Global search activity for "welfare & unemployment" growing for first time since crisis



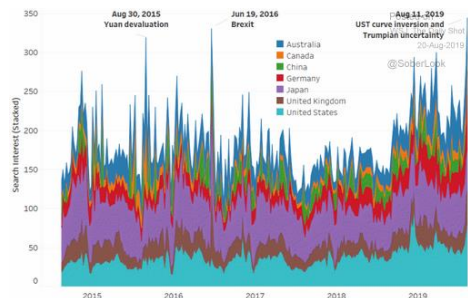
Arbor Data Science (via WSJ's Daily Shot)

## Bigger bank holdings: Different holders of DM government debt, 1901-2018



BlackRock

## Searches for "recession" bursting across the globe



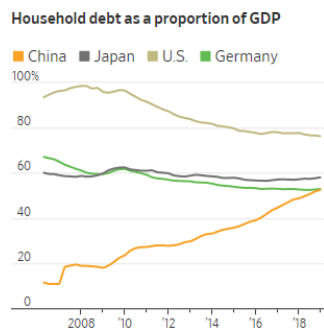
Arbor Data Science (via WSJ's Daily Shot)

## World trade volumes about to decline significantly for the first time since the financial crisis



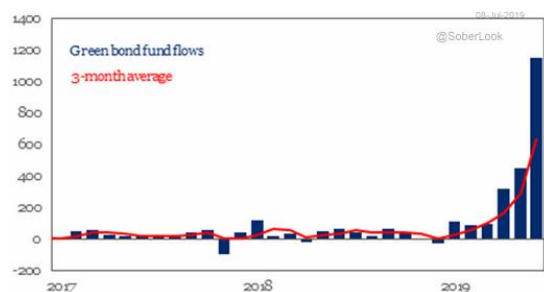
Deutsche Bank Research (via Carl Quintanilla)

### Safehouse: China has household debt levels approaching those of advanced economies



The Wall Street Journal

### "IIF Green Flows Tracker" reports USD 2bn inflows for Q2, with record-high inflows in June



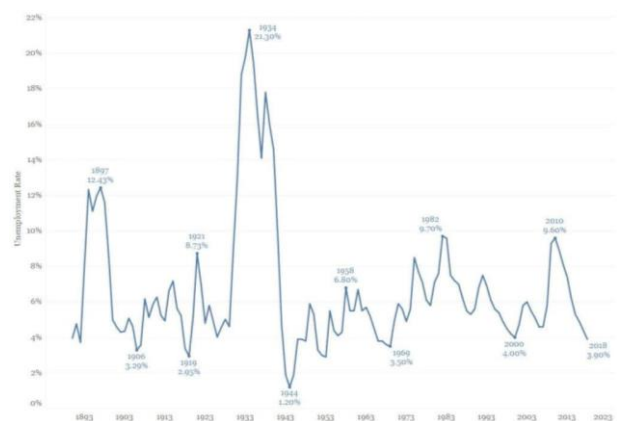
The Institute of International Finance (via WSJ's Daily Shot)

### Manhattan home prices falling at the fastest rate since the financial crisis



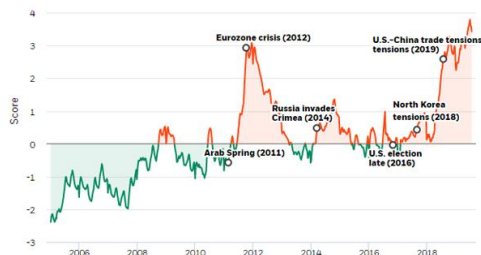
Deutsche Bank Research (via Zero Hedge)

### The unemployment rate since 1890



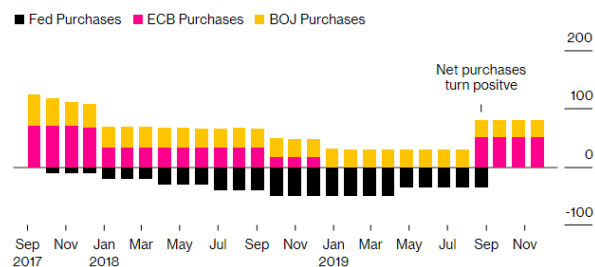
Bianco Research (via ISABELNET)

### BlackRock's global risk index is at multi-year highs



[BlackRock](#)

### Back to QE: Major central banks set to switch back to net purchases this year



[Bloomberg](#)

### US growth has diverged from the rest of the world. Is it sustainable?

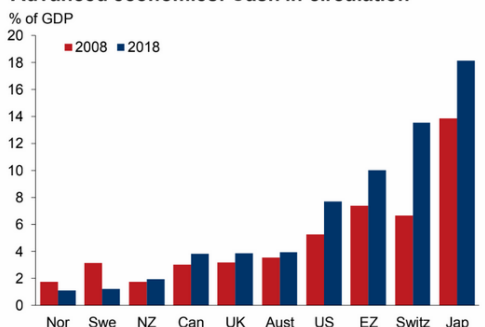


[Morgan Stanley Research](#) (via [WSJ's Daily Shot](#))

### Despite the rise in the use of cashless technology, cash in circulation has risen in most economies

The large increases in the Japanese, Swiss and eurozone ratios might be partly down to negative deposit rates encouraging cash hoarding. But the Swedish ratio has fallen despite negative rates.

#### Advanced economies: Cash in circulation



[Oxford Economics](#)

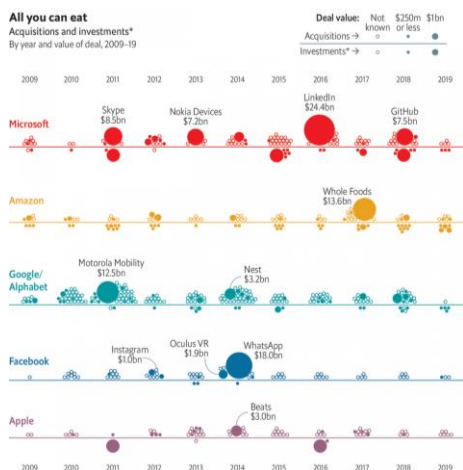


### US knocks Australia off the top of the mountain of target rates



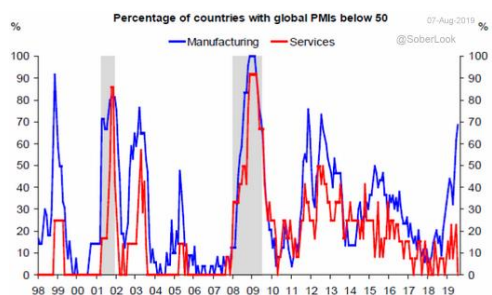
Arbor Data Science (via WSJ's Daily Shot)

### The big five technology firms have spent billions buying rivals in recent years



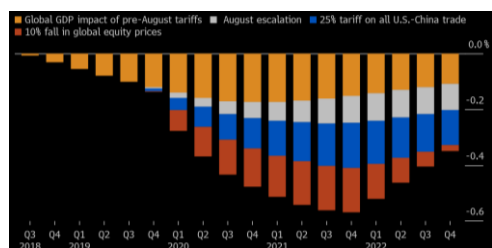
The Economist

### Highly unusual disconnect: Global manufacturing in deep recession / Service sector doing fine



Deutsche Bank Research (via WSJ's Daily Shot)

### Collateral damage: The economic impacts of the trade war will peak in 2021

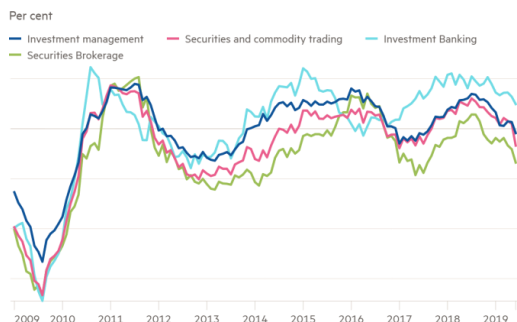


Bloomberg



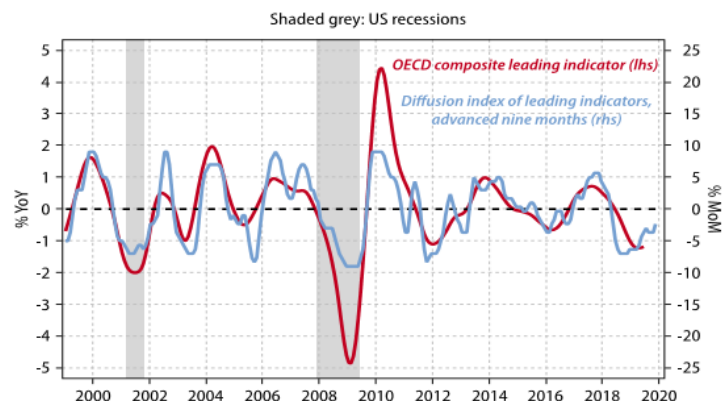
### Investment bank job cuts near 30,000 as outlook sours

Growth in banking employment, New York City



[Financial Times](#)

### There are some indications the global economy may be bottoming



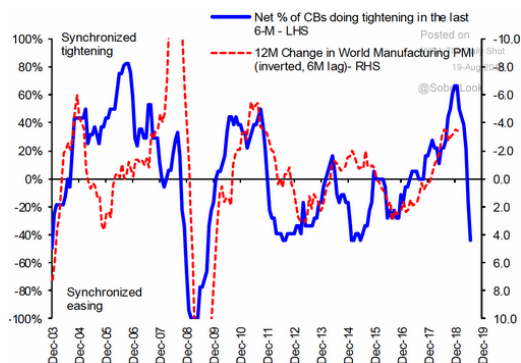
[Evergreen Gavekal](#)

### Revamped trade indicator suggests further weakening of goods trade into third quarter



[World Trade Organization](#)

### Synchronized central bank easing should support global growth



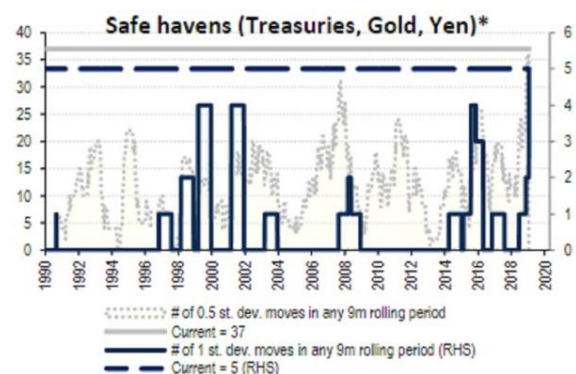
[Scotiabank Economics](#) (via [WSJ's Daily Shot](#))

### Money-market assets are the highest since 2009



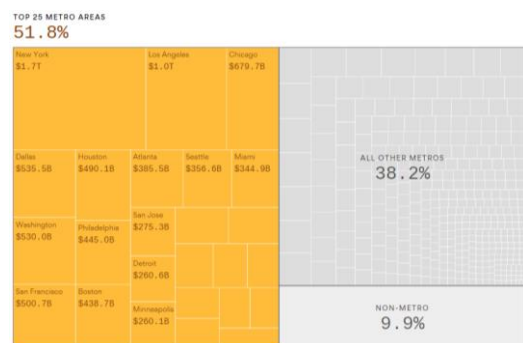
[Bloomberg](#)

### A basket of safe haven assets has recorded the largest number of outsized rallies since 1990



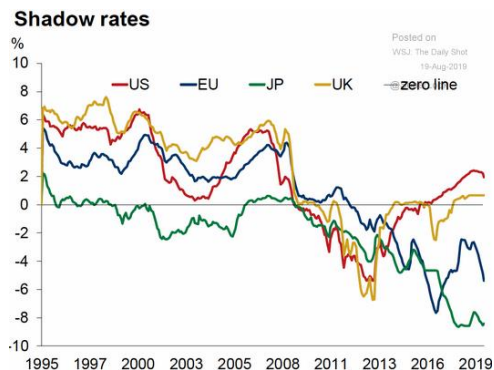
[BofA Merrill Lynch](#) (via [Jeroen Blokland](#))

### The age of winner-take-all cities: How the United States' USD 19.5tn GDP is distributed



[Axios](#)

### Shadow rates below zero may prompt policymakers to consider unconventional monetary policy



[Oxford Economics](#) (via [WSJ's Daily Shot](#))

## Video of the month

### Why government bonds are for sophisticated investors

Some government bonds are now offering negative yields and others yields below inflation rates. Do these offer good investment opportunities, or are they suitable only for sophisticated investors?



[Click to watch](#)

[WoodHill Asset Management LLP](#)

## Tweet of the month



**Hipster**  
@Hipster\_Trader

The year is 2030. Every company has bought back all their shares

6:24 PM · Aug 8, 2019 · [Twitter for iPhone](#)

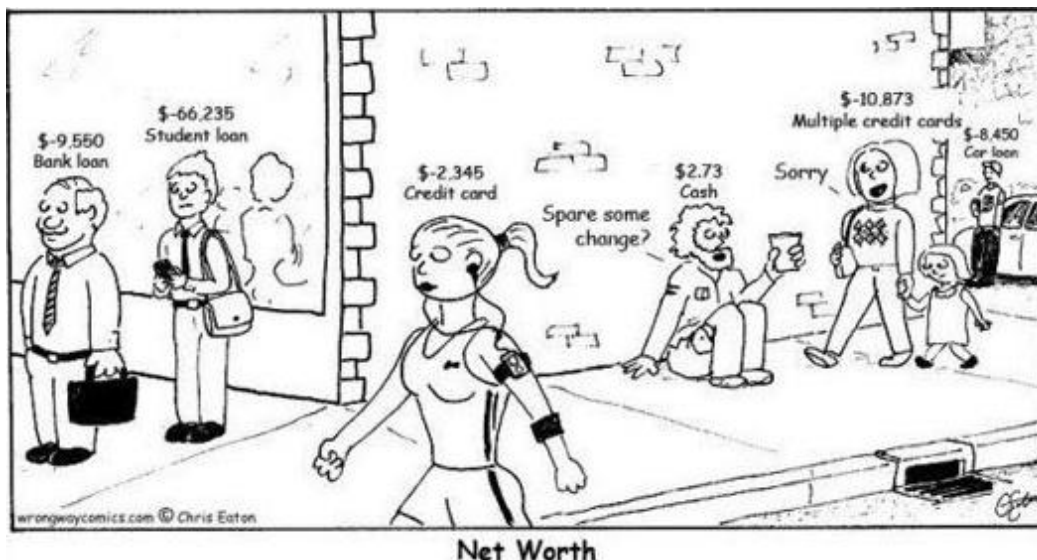
136 Retweets 1.2K Likes

[Hipster Trader](#)

## Joke of the month

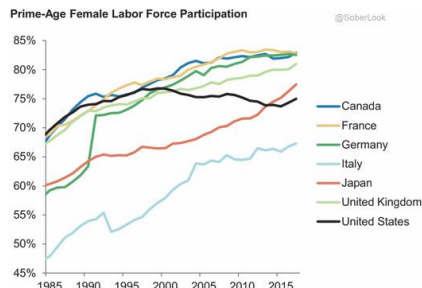
Communist jokes aren't funny unless... Everyone gets them.

## Cartoon of the month



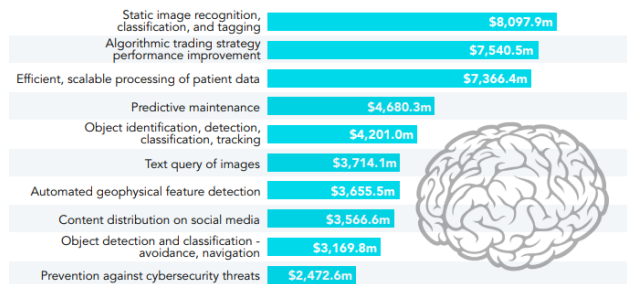
# THINK TANK

## The US now ranks sixth among the G7 countries in prime-age female labor force participation



Morgan Stanley Research (via WSJ's Daily Shot)

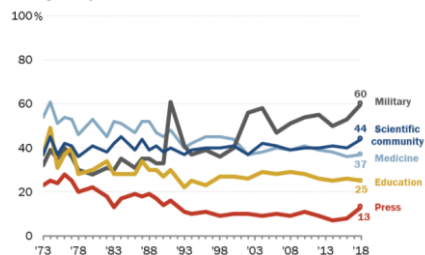
## The future of AI: Forecasted cumulative global AI revenue 2016-2025, by use case (in USD)



ValueWalk

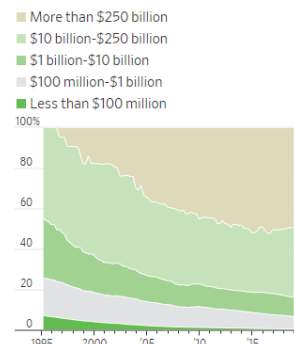
## Confidence in leaders of the military has gone up; confidence in some other institutions is declining

% of U.S. adults who say they have a great deal of confidence in the people running each of these institutions



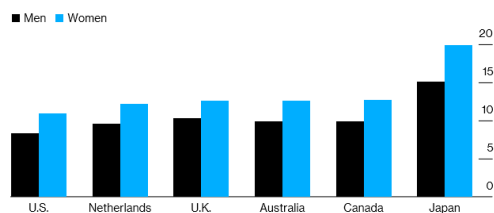
Pew Research Center

## Local is losing: Share of industry assets, by bank asset size



The Wall Street Journal

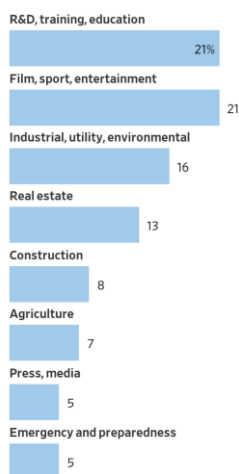
### Retirement savings gap: Estimated years of life expectancy past retirement savings, by country



[Bloomberg](#)

### The next big privacy concern is up in the air: Where the drones are

From a survey of 7,400 registered drone operators conducted last summer, the FAA found they operate in these economic sectors:



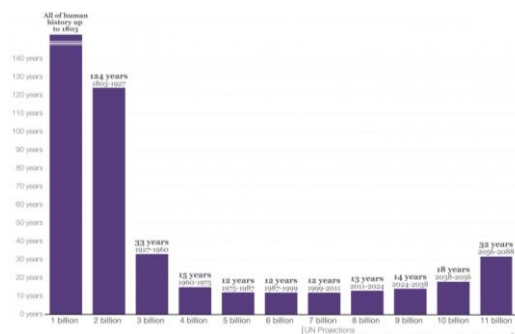
[The Wall Street Journal](#)

### Amazon, the new king of shipping: Share of Amazon shipments by carrier



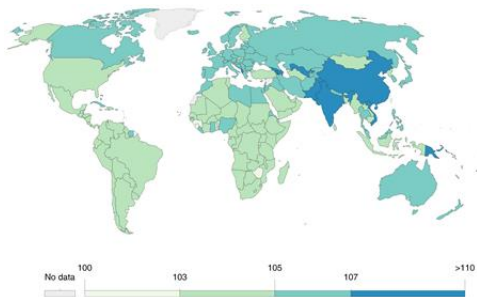
[Axios](#)

### Time it took for the world population to increase by one billion



[Our World in Data](#)

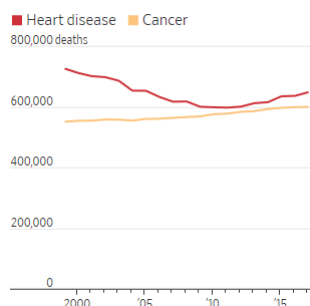
### Sex ratio at birth, 2017 (measured as the number of newborn boys for every 100 newborn girls)



[Our World in Data](#)

### Health reversal: After decades of progress, America backslides on heart disease

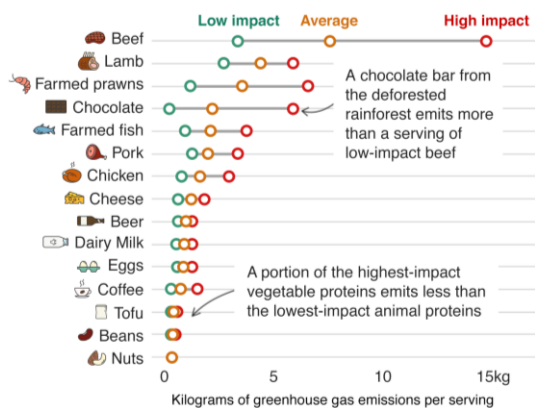
The reduction in heart disease had been so promising that it was expected to fall below cancer to become the No. 2 cause of death in the US by 2020—but that no longer seems likely.



[The Wall Street Journal](#)

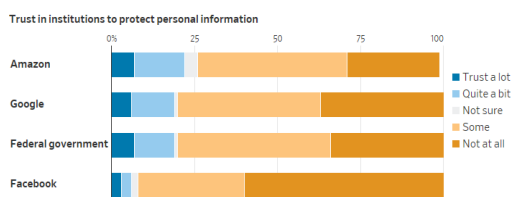
### Beef has the biggest carbon footprint – but the same food can have a range of impacts

Kilograms of greenhouse gas emissions per serving



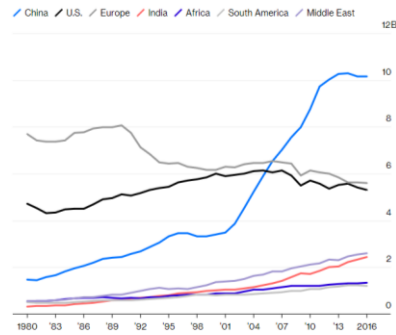
[BBC](#)

### FB may have 2bn users, but the public isn't confident it keeps a tight enough lid on the data it collects



[The Wall Street Journal](#)

### Not made in the US: Annual CO2 emissions in tons



[Bloomberg](#)

### By 2100, five of the world's 10 largest countries are projected to be in Africa

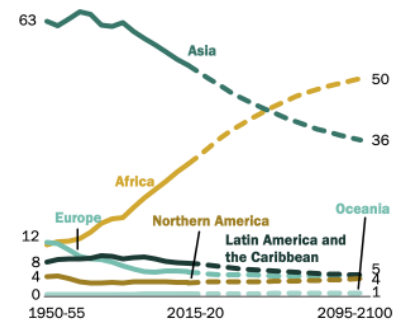
Countries with largest population, in millions

	1950	2020	2100
China	554	1,439	1,450
India	376	1,380	1,065
U.S.	159	331	733
Russia	103	274	434
Japan	83	221	403
Germany	70	213	362
Indonesia	70	206	321
Brazil	54	165	294
UK	51	146	286
Italy	47	129	225
Nigeria	-	-	733
Indonesia	-	274	321
Pakistan	-	221	403
Brazil	-	213	294
Nigeria	-	206	286
Bangladesh	-	165	225
Russia	-	146	286
Mexico	-	129	225
U.S.	-	-	434
D.R. Congo	-	-	362
Ethiopia	-	-	294
Tanzania	-	-	286
Egypt	-	-	225

[Pew Research Center](#)

### By 2100, half of babies born worldwide are expected to be born in Africa

% of babies born, by region



[Pew Research Center](#)

### African countries projected to gain the most people by 2100; China expected to see biggest decline

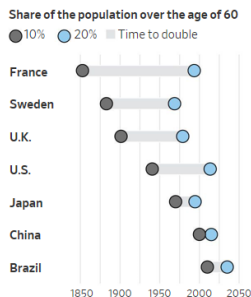
Top 10 countries in projected population gain/loss by 2100, in millions

Gains	Losses
Nigeria +527	China -374
D.R. Congo +272	Japan -52
Tanzania +226	Brazil -32
Pakistan +182	Thailand -24
Ethiopia +179	South Korea -22
Angola +155	Italy -20
Niger +141	Russia -20
Egypt +122	Ukraine -19
U.S. +103	Poland -15
Sudan +98	Spain -14

[Pew Research Center](#)

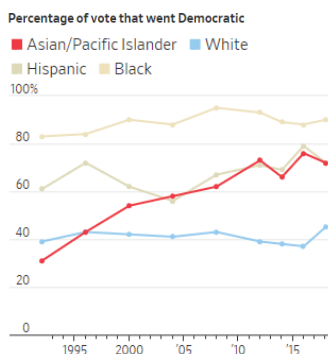


### The average age of Brazilians is now set to rise faster than that of many other countries' residents



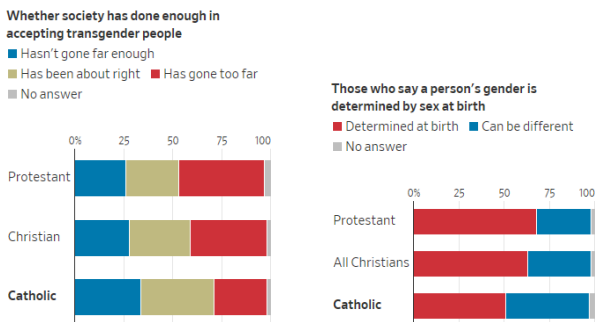
[The Wall Street Journal](#)

### Asian-American and Pacific Islander community could prove decisive in early 2020 caucus



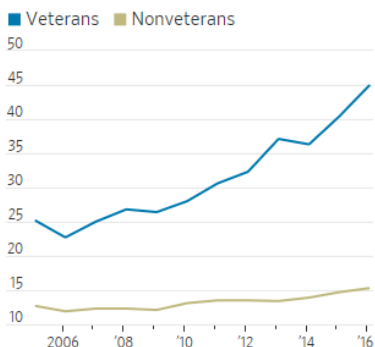
[The Wall Street Journal](#)

### Catholics were more accepting of transgender people than were members of other Christian groups



[The Wall Street Journal](#)

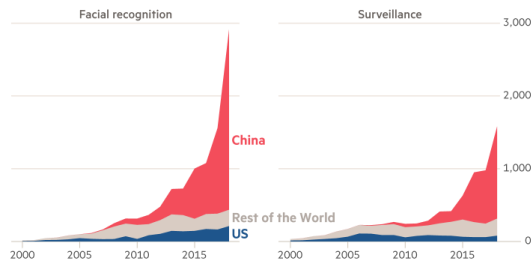
### Rising toll: Suicides per 100,000 people aged 18 to 34



[The Wall Street Journal](#)

## China is leading a global surge in surveillance technology

Number of patents published worldwide that mention facial recognition or surveillance cameras in the title or abstract, by country of patent author(s)

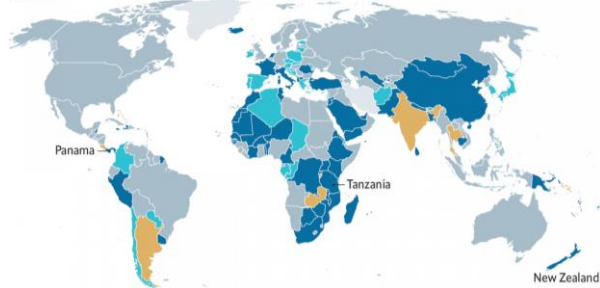


[Financial Times](#)

## Ever more countries are banning plastic bags, but the impact of such measures is questionable

### Paying with plastic

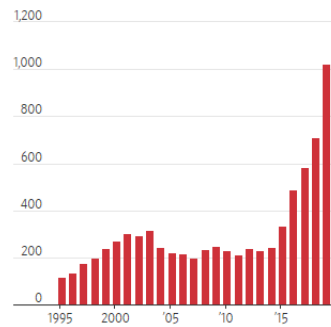
Plastic-bag bans July 2019  
 Legend: Full ban (dark blue), Partial ban (light blue), Ban under consideration (orange), No ban (grey), No data (white)



[The Economist](#)

## A coming wave: The number of gene therapies under development has exploded in recent years

### Number of clinical trials



[The Wall Street Journal](#)

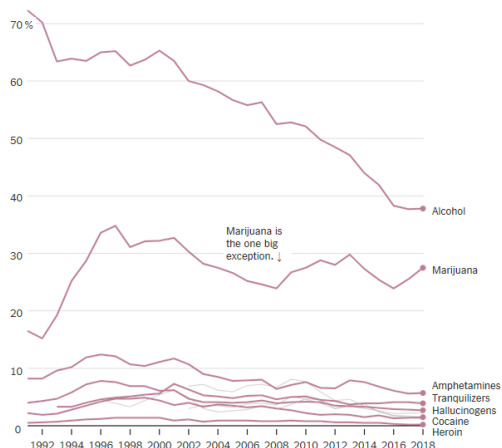
## Plastic can take 500 years to bio-degrade in the ocean



[Statista](#)

## Teenage drug and alcohol use is falling

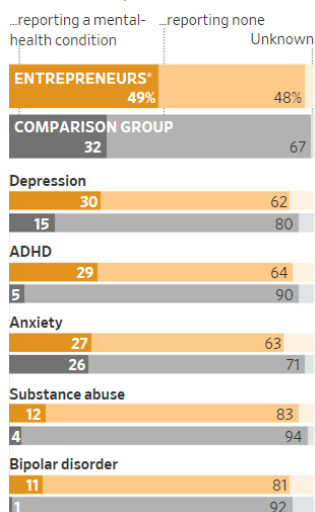
Percent of 10th graders who have used various substances in the last year.



[The New York Times](#)

## Doers with demons: Entrepreneurs report being more prone to mental-health conditions, a study finds

Lifetime prevalence of mental-health conditions among entrepreneurs, Share of total respondents...

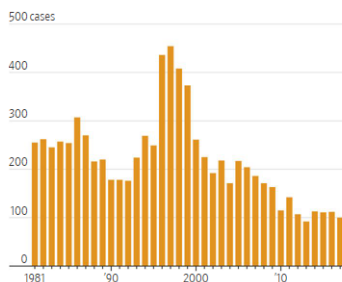


[The Wall Street Journal](#)

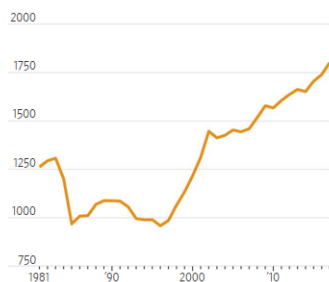
## Falling enforcement, rising concentration

Since the late 1990s, the Justice Department has pursued fewer cases accusing big companies of antitrust law violations. Over that same period, some economists say, large firms have gained greater control of the American economy.

Antitrust enforcement cases filed by the Justice Department annually



Herfindahl-Hirschman Index, a measure of industry concentration in the U.S. economy\*



[The Wall Street Journal](#)

# TIME OUT

## Down market quotes

- 5%: Dow point quotes
- 10%: share volume quotes
- 20%: Buffett quotes
- 40%: Bond price quotes
- 60%: Nietzsche quotes

[A Wealth of Common Sense](#)

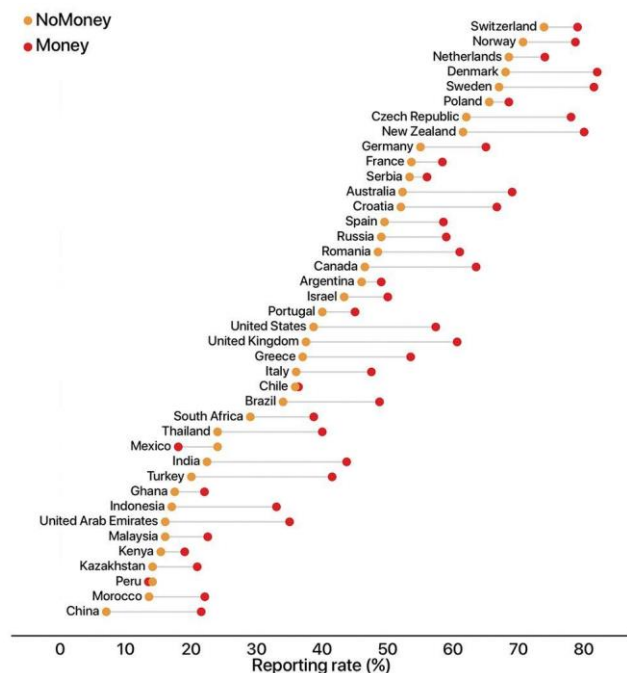
## Online shopping: Where the parcels are piling up



[Statista](#)

## Impersonal honesty using the lost wallet paradigm in 355 cities in 40 countries (17,000 lost wallets)

Big variation across cities, but (almost) everywhere people were MORE likely to return the wallet when it had MORE money in it.



[University of Zurich \(via Joe Henrich\)](#)

## Where super rich populations are growing fastest



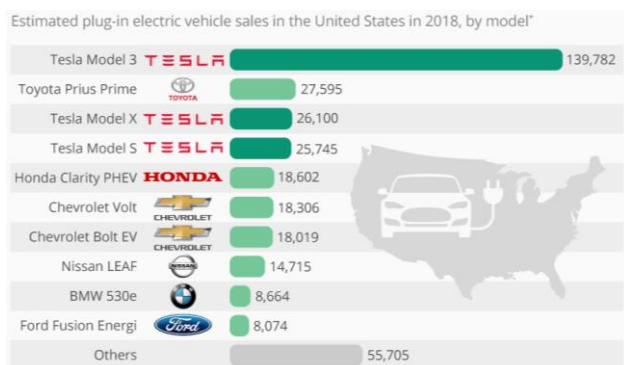
[Statista](#)

## 673 million people still defecate outdoors



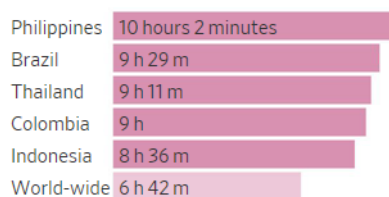
[Statista](#)

## Tesla dominates electric car sales in the United States



[Statista](#)

## Top five countries by average time spent using the internet per day



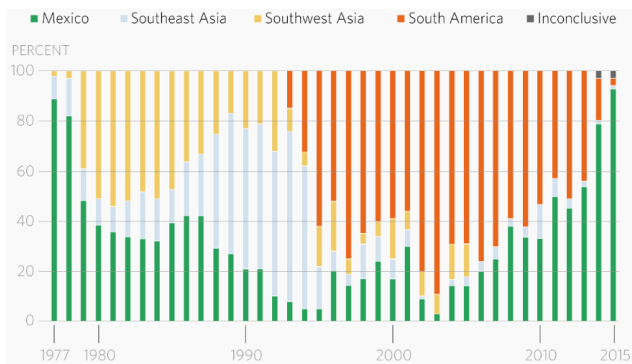
[The Wall Street Journal](#)

### People will always get sick: When it comes to the top 10 jobs by salary, don't buy the tech hype



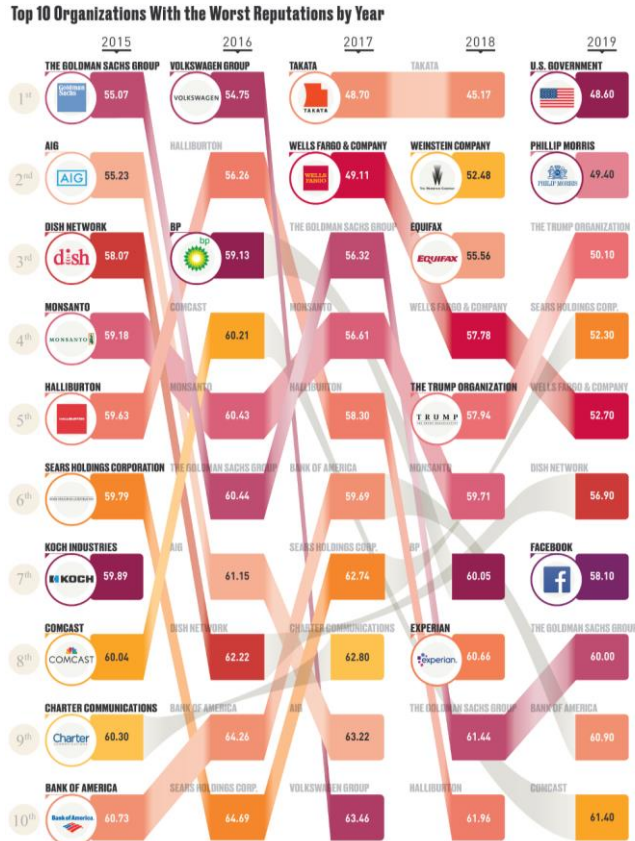
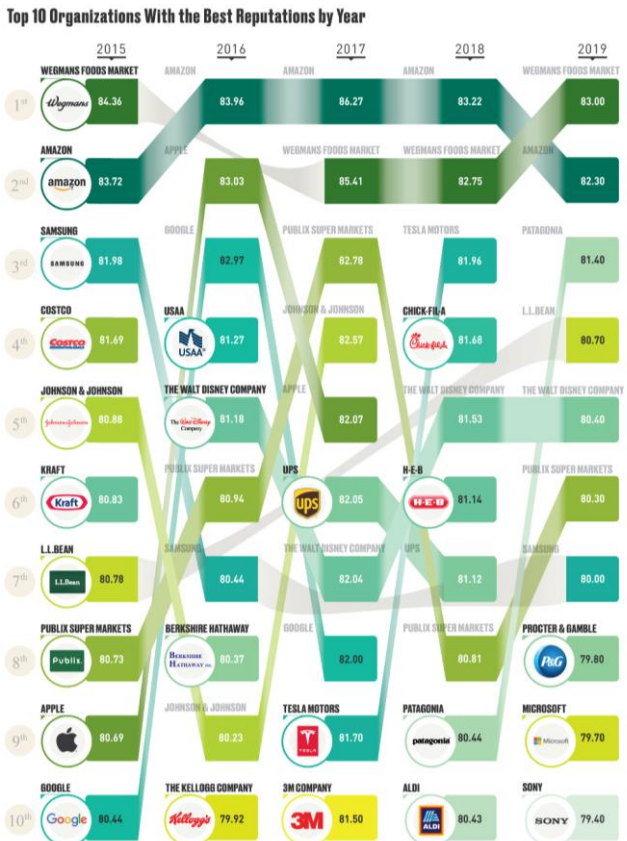
[Bloomberg](#)

### Where the heroin originates: Source of origin of wholesale-level heroin seizures in the United States



[Stratfor](#)

### The organizations with the best and worst reputations in the past five years



[Visual Capitalist](#)



## Bruno Schneller, CAIA



Bruno Schneller is the co-founder and CIO of Skänderbeg Investment Management AG. Prior to establishing the company, Bruno worked at investment boutique and fund of hedge funds pioneer BrunnerInvest AG.

Prior to BrunnerInvest AG, Bruno worked at AXA Private Equity in 2007 and at Zurich-based hedge fund Naissance Capital Ltd. in 2006.

 [LinkedIn profile](#)

## Miranda Ademaj



Miranda Ademaj is the co-founder and CEO of Skänderbeg Investment Management AG.

Prior to establishing the company, Miranda worked at BrunnerInvest AG and Sallfort Privatbank AG. Before that, she worked at Credit Suisse for several years.

 [LinkedIn profile](#)

## About us

Liechtenstein-based **Skänderbeg Investment Management AG**, wholly-owned subsidiary of Swiss-based Skänderbeg Alternative Investments AG, is an asset manager authorized and regulated by the Financial Market Authority Liechtenstein (FMA). The company is incorporated in Vaduz under number FL-0002.579.371-8. To subscribe to our monthly "Put into Perspective" newsletter, please visit [www.skenderbeg.li](http://www.skenderbeg.li).

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