



Bond Fund Acatis IfK Shorts Schatz, Bund Via Futures; Sells GGBs

Aug. 19 (Bloomberg) -- Built short positions on 10Y and especially 2Y German government bonds through futures over past 3 weeks, as 2Y yield turned negative, Martin Wilhelm, founder of IfK, said in an interview yesterday.

- Neutral on bunds with a duration of 5 1/2 years
- Has bunds under top 10 for liquidity reason not for value; for top 10 positions of IfK see here
- Recent yield drop in bunds was due to market finally pricing in weak economic growth and inflation scenario in euro zone; decline not because of QE speculation or tensions in Ukraine
- Sees bund futures between 148-152 over next 2 months and no major moves as low inflation has finally been priced in
- Says will be hard for 10Y bunds to rise past 1.5% yield in next 6 months as interest rates will stay structurally low over next 1-2 years
- Doesn't see Fed-style ECB QE as yield curves and interest level are as ECB wants them to be
- Expects ECB ABS purchases in 3Q 2014
- Sees danger of Japanification in euro zone
- Interest rates to stay lower for longer
- Sold most positions in Greek and Cyprus govt bonds as biggest move over; holding small bits
- Invested in and favors Italian and Spanish credit; doesn't hold govt bonds of these countries
- NOTE: Wilhelm's IfK manages ~EU450m fixed income fund for Acatis, which oversees EU2.5b of investments

By Weixin Zha

Aktuelles Statement von M. Wilhelm
zur Positionierung im Fonds