

Fund		Key figures				
Sub-Fund	CABA Hedge KL A	Total	DK	SE	NO	DE
ISIN	DK0060814523	Leverage	13,91	0,52	11,35	2,03
AUM Strategy	DKK 896m	Max drawdown (%)	-32,61	-	-	-
NAV	101,08	Max drawdown (days)	1021	-	-	-
		Spread risk (% of limit)	99,2	23,4	64,6	11,2
		Spread risk (@ 1 bp)	0,516	0,122	0,336	0,058
		Duration (@ 1 bp)	0,011	0,166	0,006	0,001
		Convexity (@ 1 bp)	-0,016	-0,006	0,000	0,000
Return(%)						
Since inception	1,08					
YTD	4,32					
Month	-1,34					

October 2023 report

General

- The tragic events in Gaza / Israel have of course filled the news headlines. Despite these tragic events the markets have remained relatively calm.
- The higher for longer theme is still overshadowing the fixed income markets. It looks like we have seen the official rate top for most developed markets for now, perhaps with Sweden as an outlier with probably one more rate hike to come.
- Headline inflation, across the board, has if anything surprised to the positive (low), but underlying inflation is still stubbornly high.
- The report season is more or less behind us. Traces of pain from higher rates and lower activity seems to materialize in the equity space.
- Despite the conflict in Gaza, government bonds have underperformed vs swaps.

Denmark

- After the brutal underperformance and extreme volatility in callable bonds, the market seems to have found a new equilibrium.
- The actual cashflows has now been incorporated into all market participants models. It is now obvious for all that we are in the rare situation of having a large amount of (low coupon) callable bonds with positive convexity and relatively high OAS vs negative convex bonds and fixed rate bullets.
- Fixed rate bullets had a solid October, performing 2-3bp vs swaps.
- Debtor behavior is stable, with small negative net supply in callables bonds.
- The signals we had been picking up indicating that the selling from Japanese investors had come to a stop, at least temporarily, were confirmed in the latest official numbers from the Danish Central Bank.

Sweden

- Riksbanken is now conducting their so called "hedge" of the currency reserve. So far with no further impact on the currency.
- The Swedish economy is still struggling. The jury is still out to judge the state of the commercial real estate market.
- During October the covered bond market has been under some pressure with underperformance vs swaps to end the month on a better tone. In total, covered bonds lost around 3bp vs swap but was neutral vs govies.

Performance



Drawdown %



Risk limits %

