

Fund		Key figures				
Sub-Fund	CABA Hedge KL W	Total	DK	SE	NO	DE
ISIN	DK0061677804	Leverage	15,12	0,51	12,64	1,97
AUM Strategy	DKK 932m	Max drawdown (%)	-32,61	-	-	-
NAV	105,03	Max drawdown (days)	1051	-	-	-
Return(%)		Spread risk (% of limit)	98,8	19,4	65,1	10,2
YTD	8,63	Spread risk (@ 1 bp)	0,514	0,101	0,360	0,053
Month	4,30	Duration (@ 1 bp)	0,005	0,203	-0,008	0,001
		Convexity (@ 1 bp)	-0,039	-0,020	0,000	0,000
						-0,019

October 2023 report

General

- The higher for longer theme is no longer in fashion and markets are instead looking to forecast the next cutting cycle.
- Headline inflation is still trending down and giving tailwind to bond bulls.
- The equity markets are happy for the new rate outlook and are heading for new year highs in many areas.
- Despite the ongoing geopolitical risks, government bonds have underperformed vs swaps, as markets fear a possibly tsunami of new supply.

Denmark

- The October/December Flex auction went smoothly, and fixed rate bullets had a good November, performing 2-3bp vs swaps.
- Callable bonds vs swaps ended November pretty unchanged. But as we went into a period where focus again seems to be on prepayments (5% coupon bonds gets close to par) high coupon bonds underperformed and lost the gains from the beginning of the month.
- IO30 underperformed on official data in relation to IO10 and regular bonds adjusting to the brutal selling flow we have seen.
- Debtor behavior is stable if anything with signs of increasing debtor activity in buy backs.
- October data showed increased foreign selling of callable bonds. It is neither our impression that this has continued at the same pace in November nor at a pace that the market can't handle.

Sweden

- Riksbanken left the official rate unchanged and signaled that they will speed up the QT. Many had expected a rate hike, but despite that the currency appreciated.
- The Swedish economy is still struggling and is like Denmark in technical recession. However, it seems that the commercial real estate market slowly but steady is improving their balance sheets and the prospect for the sector is not at all looking as doomy as earlier.
- During November covered bonds performed vs swaps (about 4bp) while the performance vs government bonds has been astonishing, as government bonds lost more than 5bp vs swaps.

Performance



Drawdown %



Spread Risk, Limit %

