

Fund		Key figures				
Sub-Fund	CABA Hedge KL W	Total	DK	SE	NO	DE
ISIN	DK0061677804	Leverage	15,66	0,51	13,15	2,00
AUM Strategy	DKK 963m	Max drawdown (%)	-32,61	-	-	-
NAV	108,35	Max drawdown (days)	1082	-	-	-
		Spread risk (% of limit)	99,3	19,1	65,1	10,1
		Spread risk (@ 1 bp)	0,517	0,099	0,365	0,052
		Duration (@ 1 bp)	0,016	0,209	-0,042	0,003
		Convexity (@ 1 bp)	-0,024	-0,011	-0,001	0,000
Return(%)						
YTD	12,07					
Month	3,16					

December 2023 report

General

- In term of market dynamics, December was a continuation of November.
- The market is now expecting even more dovish central banks for 2024.
- As such, the "higher for longer theme" got another hit, causing risky assets, such as credit bonds and equities, to build further on their gains.
- S&P500 ended the year hovering near all-time-high, while iTraxx Crossover ended the year at the tightest level since February 2022.
- This optimistic risk sentiment to some degree also reflected positively on Scandinavian covered bonds, particularly vs government bonds.

Denmark

- Fixed rate bullets had a rough start in December, both in terms of asset swap spread but also relative to the massive performance in risky assets. They ended December with a small net performance.
- Callable bonds performance vs swaps in December were a mixed bag. Low coupon bonds performed about 5-10 bp, while 4% coupon bonds lost 10bp. 5% and 6% bonds underperformed though with the 5% regular bonds as the odd one performing.
- Debtor behavior is still stable with net negative supply consequently.
- Foreign end user activity was muted but still with a bias to shift into higher coupons.

Sweden and Norway

- The Norwegian Central Bank went against the current and raised the deposit rate from 4.25% to 4.50%. Not one Scandinavian bank had that call.
- Despite the hawkish action for the Norwegian CB and the generally rate rally, Swedish rates outperformed EUR rates. Ultimo December we are trading 5y5y Sweden vs EUR at -25bp. The spot 5y spread has only been that low once - just after the financial crises in 2008.
- Both NOK and SEK, appreciated in December and SEK is now about 7% stronger vs EUR than 3 months ago.
- Except for a hump the first week of December covered bonds continued the strong performance: 5-6bp vs swaps and up to 10bp vs government bonds.

Performance



Drawdown %



Spread Risk, Limit %

