

## Some reasons behind U.S Dollar weakening

Strategic diversification is rewarding in the context of Weaker U.S Dollar

## Multi Currency Portfolio Diversification

<b>US Dollar</b>	<b>EURO</b>	<b>J.YEN</b>	<b>B.POUND</b>	<b>CAD</b>	<b>AUD</b>	<b>SWISS F</b>
48%	24%	12%	6%	4%	4%	2%

Based in U.S Dollar, the strategic multi-currency diversification weights as proposed above, for total or partial portfolio holdings, is unchanged with more than 52% of Assets outside the U.S. Currency

Portfolio Performance for the month of July ----- + 2.65%

Many reasons contributed to the weakening of the U.S Currency during July 2020.

- The contraction of interest rate differential was no longer supporting the U.S Dollar
- The concerted European action to launch a sizeable mega Corona Bonds added a flavor to the European Single Currency
- The continuous austerity and sanctions is weakening the U.S Currency.

On top of that a major event, which has not been widely reported yet and bound to take place in the next weeks, is the expected launch of a Chinese digital currency: the e-RMB.

Very soon, China will be the first country to test the launch of a digital currency and such project is likely to threaten the U.S Dollar prevailing international status. Other countries should follow through in the next few years. Digital currencies are in the very early stages of development; they will insure payments systems out of traditional SWIFT making U.S sanctions less effective.

As a result, the international status of the U.S Dollar may be challenged in the future. Going forward, the development of digital currencies will be an additional major element to consider when analyzing currency markets.

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July 31st, 2020

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