2nd Quarter 2023 – Is the Bull Loose?

Sierra Capital Quarterly Newsletter

July 2023

Stellar Year for Asset Prices Thus Far in 2023

Key points:

The first half of 2023 saw surprising market performance, defying expectations despite various risks such as the threat of a United States default on its debt, bank failures, monetary tightening, and recession fears. Major indices like the S&P 500, Dow Jones, and Nasdaq experienced positive returns, with the Nasdaq leading the way. The rally extended beyond the U.S., with international markets alike.

All major asset classes, except commodities, rallied such as Bitcoin, gold, long treasuries, investment-grade bonds, and cash. However, Wall Street remains cautious on equities, indicating that higher asset prices may not be sustainable.

The rally was driven by the Technology and Consumer Discretionary, while other sectors showed modest growth. Surprisingly, the market rally was multiple-driven and concentrated in just a few top stocks, such as Meta, Microsoft, Amazon, Apple, Netflix, and Alphabet/Google.

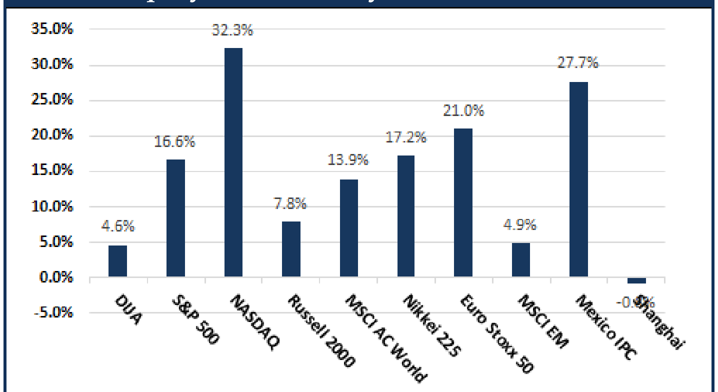
Three key risks in 2023 were the debt limit, regional banking crisis, and inflation. The debt limit was lifted, improving the risk backdrop for the U.S. economy. The regional banking crisis was contained, though challenges remain. Inflation has been declining steadily since the previous year.

Consumer spending and employment growth have held up well, but challenges like persistent labor shortages and slow labor force growth persist. As the Federal Reserve tightens monetary policy, market participants believe the labor market may not be curtailed as much as previously estimated.

While risks of a recession exist, the current economic state suggests a slow slowdown rather than a hard landing. However, the end of pandemic government assistance, wage inflation, and consumer debt levels are concerns. Regional banks face challenges in commercial real estate lending, and the yield curve inversion raises caution. International equities and fixed income present opportunities, as do defensive investments with a value tilt.

During the first half of 2023, markets defied all expectations with their "risk-on" appetite, despite the threat of a U.S. default on its debt, multiple bank failures, monetary tightening, and persistent recession fears. The S&P 500 has returned 16.6%, the Dow Jones Industrial Average has notched up 4.6%, and the Nasdaq composite has increased by 32.3%. This is the best first half since 2019. Moreover, this stellar year-to-date performance is not limited to local markets. The Nikkei 225 rallied 17.2%, the Euro Stoxx 50 increased by 21%, and the Mexico IPC grew by 27.7% (**Table 1**)

Table 1: Equity Markets Rally into 1st Half of 2023

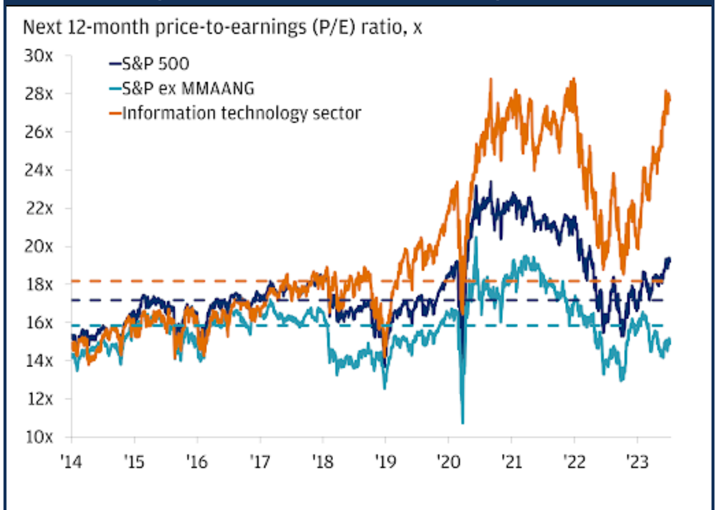


Source: Sierra Capital, FactSet

All major asset classes, other than commodities, also experienced rallies. Bitcoin gained 83%, gold rose by 6%, long treasuries increased by 3.6%, investment-grade bonds by 3.6%, and even cash saw growth at 2.3%. Despite this stellar performance, Wall Street remains cautious on equities which could fuel performance further into the year.

The top-performing sectors were Technology (46.4%) and Consumer Discretionary (32.1%), while the remaining sectors showed negative to low single-digit growth. One might assume that earnings must be growing significantly in companies to drive this market higher. However, this rally has been primarily driven by multiple expansion and has consolidated in the MMAANG stocks (Meta, Microsoft, Amazon, Apple, Netflix, Alphabet/Google). In fact, if we exclude the top 28 names in the S&P, the index would be lower year to date, which partly explains why the Dow Jones has underperformed nearly every broader index so far. (**Table 2**)

Table 2: Segmented S&P Price / Earnings Ratio



Source: JP Morgan

So, what could be driving asset prices even higher? In 2023, markets were occupied with three major risks to the economic outlook: the debt limit, the regional banking crisis, and inflation. The passing of the debt limit and the stability of the regional banking sector, following temporary stimulus measures, have improved the risk backdrop for the US economy compared to the beginning of the year. Inflation has also been steadily declining since last year.

Congress came together to lift the debt limit through January 2025 in exchange for a limit on non-defense spending growth and a 3.5% increase in defense spending. While this was not a notable change from economists' expectations, it helped reduce uncertainty without any deterioration in financial markets.

We also do not view the regional banking crisis as an economic crisis. Instead, it was a fairly contained scare and a learning event for how quickly the velocity of money can be in the new era of communication and electronic banking. Following the failure of Silicon Valley Bank, incoming data suggests that the actions taken by the Federal Reserve contained stress in the system, thus reducing the probability of spillover systemic risk. And although the situation at regional banks is not improving it is not worsening either.

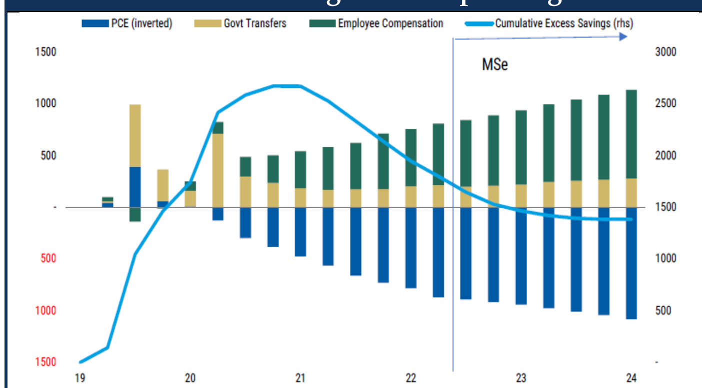
Another interesting observation from recent data is that consumer spending and employment growth have held up despite many signals that this strength should ease. Persistent labor shortages, subdued immigration, low but improving participation, and slow labor force growth have kept job prospects at historically strong levels (**Table 3**).

Table 3: US Job Openings

Source: Sierra Capital, FactSet

As the Federal Reserve continues down the path of monetary tightening, market participants believe it may be possible for the Fed to curtail labor market demand given the labor imbalance in the market. This labor market strength, alongside excess savings during COVID-19, has led to stronger and more resilient personal consumption, however this spending is now coming at the expense of savings (**Table 4).**

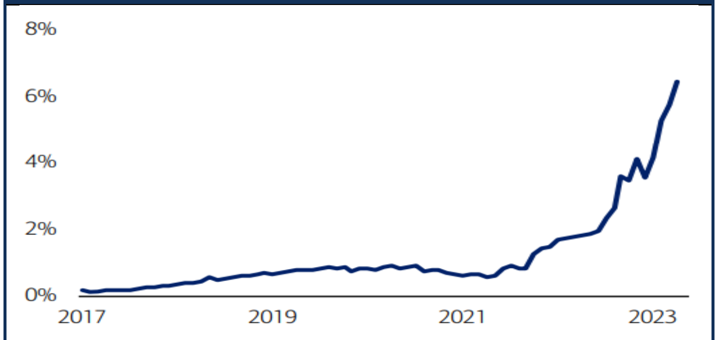
Table 4: Consumer Savings Fall as Spending Increases



Source: Sierra Capital, FactSet

A surprise upward revision for GDP came during the last quarter as consumer spending, construction spending, and exports propelled the tracking estimate to 1.9% from 1.1%. This increase in construction was driven by multi-family and non-residential structures. This investment in construction, particularly in the chip manufacturing industry, likely started last year but may be benefiting from the CHIPS Act, Inflation Reduction Act, and Infrastructure Invest and Jobs Act, which are starting to spur investment in domestic manufacturing (**Table 5**).

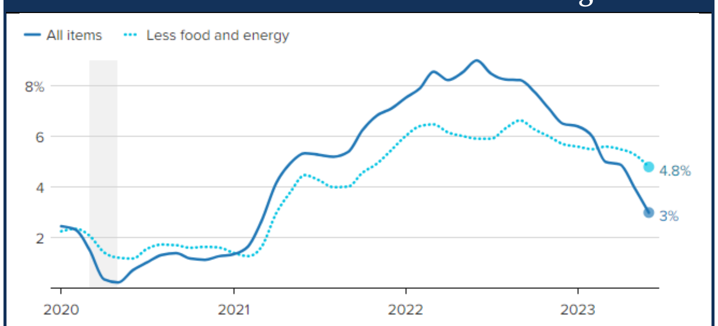
Table 5: Computer and Electrical Construction Spending As Share of Private Construction



Source: Bank of America, Haver Analytics

Inflation has also been trending lower monthly. Normalizing commodity markets, easing supply chain issues, the availability of single and multi-family units, and moderate wage gains all signal lower inflation ahead. The most recent data on July 12th showed that inflation fell to its lowest rate in the past two years, at 3% (month-over-month change of 0.2%). This could give the Federal Reserve breathing room for additional tightening, as their work is being rewarded with a decline in inflation from its peak of 9% in 2022 (**Table 6**). Market expectations are for one hike in July with a 30% probability of a hike later in the year.

Table 6: U.S. Consumer Price Index YoY Change

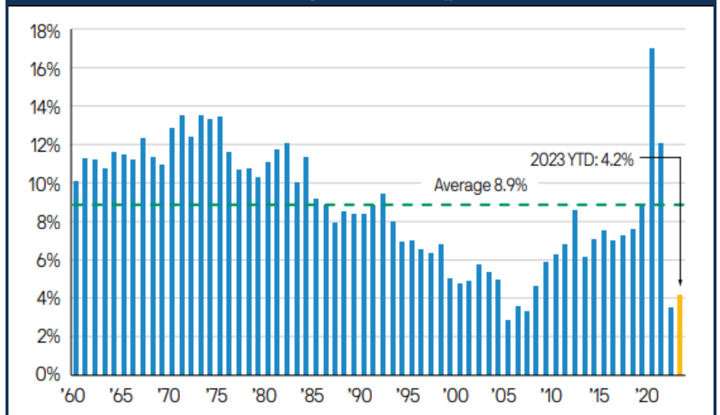


Source: BLS, CNBC

While there are risks that could push the economy into a recession, the current situation is pointing toward a slow slowdown rather than a hard landing. This environment should bode well for risk markets, although some storm clouds can be seen on the horizon.

The end of pandemic government assistance, wage inflation lagging CPI, and a propensity to spend will eventually start to impact consumers, but the question is when. Pandemic stimulus and an injection of money supply allowed consumers to spend at unsustainable levels, which is hard to give up. Consumers are now dipping into savings and increasing personal debt to maintain a similar level of spending (**Table 7).**

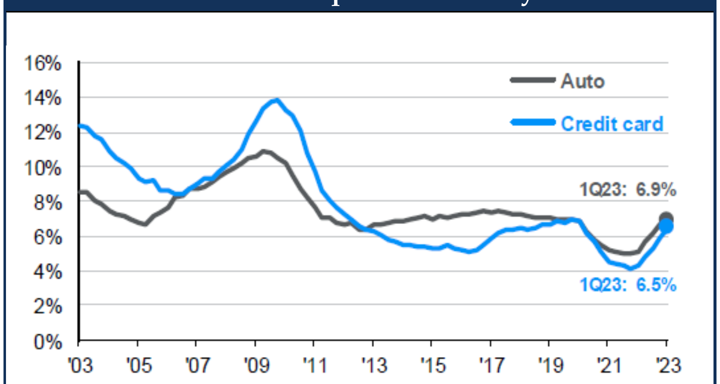
Table 7: Personal Savings as % Disposable Income



Source: BEA, Federal Reserve, JP Morgan

Consequently, some consumer debt has started to become delinquent. While the levels of delinquencies are not alarming compared to historical lows, the pace of increase is worth monitoring, as consumers could be feeling the burden of persistent inflation, particularly in used automobiles. This is further compounded by higher financing charges due to tighter monetary policy (**Table 8**).

Table 8: % Balance Delinquencies 30+ Days



Source: BEA, Federal Reserve, JP Morgan

It is also safe to assume that the full economic effects of Fed tightening have not yet played out. Regional bank stocks (KBW Regional Banking Index) still trade over 20% lower than at the start of the year, due to the crisis that occurred with SVB (Silicon Valley Bank), as well as the rising cost of deposit funding. Deposits are becoming scarcer for regional banks, and these institutions are now forced to borrow and/or compete for funding at an aggressive pace, which is one of the reasons the Federal Reserve has reduced M2 money supply for the first time since the 1980s (**Table 9**). This significant headwind could explain some of the liquidity excess in the stock market. However, the amount of M2 injected into the economy was also unprecedented, and it would take significant time to stabilize.

Table 9: M2 Money Supply YoY % Change & S&P 500

Source: Federal Reserve, Morgan Stanley

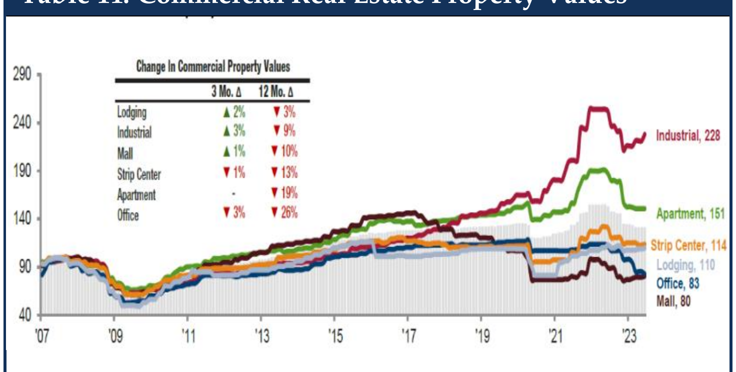
The yield curve inversion (**Table 10**), the struggle for funding at a higher expense, and several slowing economic indicators pointing to a possible recession have led to much tighter bank lending standards, particularly in the commercial real estate space. This is a concern for the US economy, as regional banks are the largest lenders to small businesses and non-institutional real estate investors.

Table 10: 2yr – 10yr US Treasury Yield

Source: Federal Reserve

Much investor focus has been on the commercial real estate sector, particularly office space, as vacancy rates continue to trend higher due to the work-from-home trend solidifying itself after the pandemic. We see other leveraged commercial real estate segments, such as multifamily and industrial properties, as potential pain points for banks as well. According to Green Street, the change in commercial property values has already begun, and even the recent bank stress test by the Fed expressed concern over projected loss rates in office space, which are roughly three times the levels reached in 2008 (**Table 11).**

Table 11: Commercial Real Estate Property Values



Source: Green Street

Banks are justified in adopting a tighter lending stance; however, this tightening can become a self-perpetuating cycle. Fortunately, private credit has been active in raising capital to fill the gap left by banks in commercial real estate lending, as well as medium- to large-scale business lending. Interestingly, the bond market is also behaving in a normal way, as spreads do not indicate an impending collapse, while banks' tightening lending standards do signal stormier days ahead **(Table 12)**.

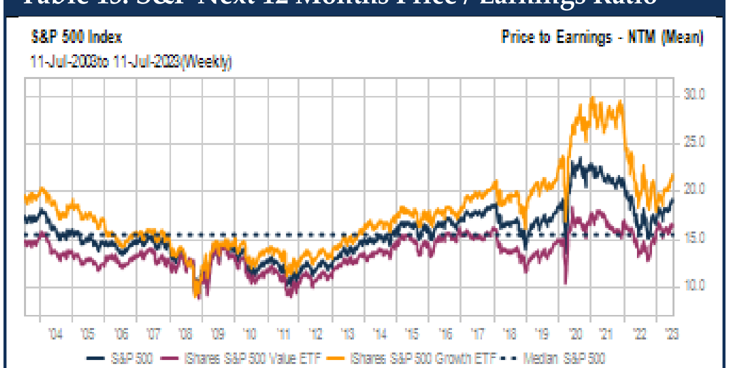
Table 12: US High Yield Spread & Banks Tightening C&I

Source: Haver Analytics, Citi

This can be partially attributed to the cash from federal stimulus that many companies used to stabilize their balance sheets. It may also be because the market does not expect significant corporate defaults in this cycle. Therefore, it is possible that the main risk lies in the small and medium banking industry, particularly with regards to commercial real estate or CMBS deals.

So, how should we position ourselves in this market? Has a new upcycle begun? With the strong performance in the first half of the year, equity valuations remain resilient. The next twelve-month price-to-earnings ratios have shown significant improvement making them look less attractive, particularly in the growth and tech sectors. However, they are only about 10-13% above their 10-year medians. Nonetheless, compared to the high valuations in 2020 and 2021, using a longer time horizon reveals that current valuations are approximately 25% above the 20-year median (**Table 13**).

Table 13: S&P Next 12 Months Price / Earnings Ratio



Source: Sierra Capital, FactSet

The Nasdaq, on the other hand, is priced much more aggressively, with the largest tech stocks driving the index over 36% higher through the first half of 2023. The index is trading at 30% above its 10- and 20-year median valuations (**Table 14**).

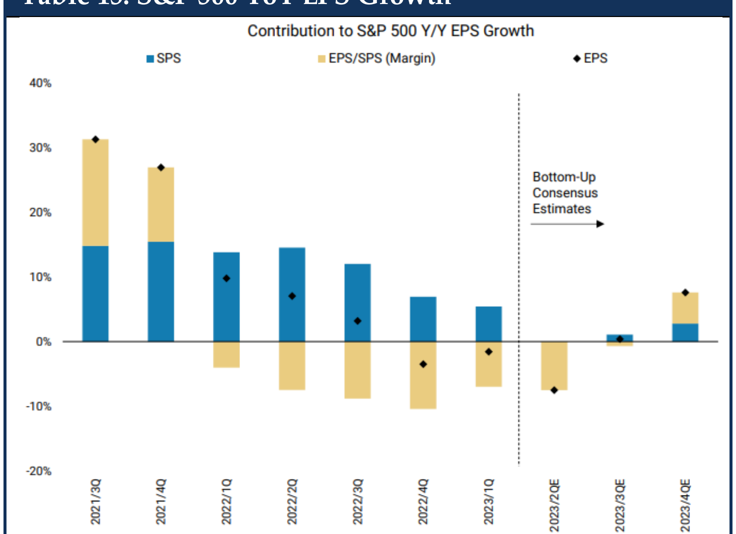
Table 14: Nasdaq Next 12 Month P/E Ratio

Source: Green Street

In a deviation from historical precedents, the market breadth has been weak year to date, as measured by the equal weight performance significantly lagging behind the market on a relative basis (around 7% for equal weight vs. around 16% for the index). This underperformance, even among small and mid-cap stocks, indicates that the bull cycle has not yet started.

With second-quarter 2023 earnings revised lower than last quarter, companies will release their earnings starting next week. It is unlikely that the releases will disappoint consensus, given the 7-8% revision over the past few quarters. The consensus estimates for the second quarter of 2023 indicate a -7% year-over-year EPS growth rate (**Table 15**). While hitting or beating consensus could be constructive for the markets during earnings season, we will reach a point where "not that bad" results won't drive markets higher.

Table 15: S&P 500 YoY EPS Growth



Source: FactSet, Morgan Stanley

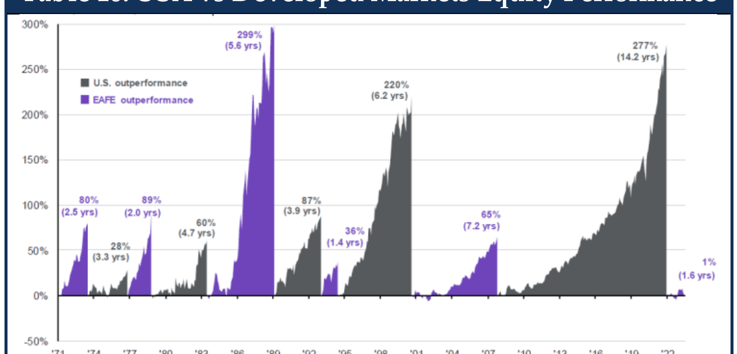
The market performance so far is not entirely unexpected, considering the poor performance of some of the largest profitable technology companies during 2022. However, looking ahead to the second half of 2023, monetary policy and the potential for a recession are likely to be the key drivers of year-end performance.

Expectations for easing of monetary policy (i.e., rate cuts) have been gradually reduced, even as inflation continues to decline, and the job market remains strong. Federal Reserve speakers have been expressing their expectations for higher-for-longer interest rates. These tighter financial conditions will continue to soften the economy, which does not align with expanding price-to-earnings ratios. Inflation has been the primary driver of earnings growth for the past two years, so lower inflation could also impact corporate profits.

While these risks are known, they are not yet fully priced into some sector valuations. However, returning to market lows seems like a stretch, as many sectors fully reflect a recession in their current prices. We prefer to remain defensively positioned with a value tilt but see potential for positive re-rating in small and mid-cap stocks, as well as the equal weight S&P 500 index.

International equities and fixed income also offer strong value in this market. International markets have a much larger tilt toward value than the S&P 500 and should benefit when the macroeconomic environment normalizes. More consistent earnings, normalized inflation, higher rates, and increased corporate investment should help shift the leadership from US growth to international markets after 14 years of US outperformance (**Table 16**).

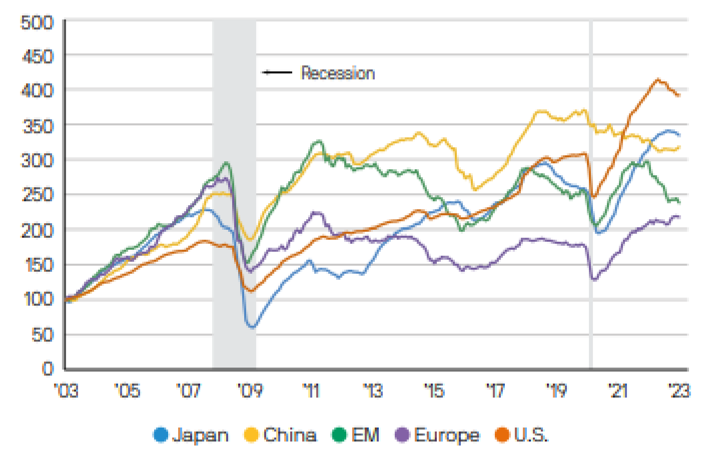
Table 16: USA vs Developed Markets Equity Performance



Source: FactSet, JP Morgan

JP Morgan points to the change in leadership as similar to what occurred following the dotcom bust and before the rate cuts post the financial crisis. In those two instances, value outperformed growth by 54% and international equities outperformed the US by 83%. This aligns with their view that international earnings expectations are likely to diverge positively from the US on a lower trajectory (**Table 17).** International equity allocations reached a low of 18% in November 2022, and that figure has now risen to 23%. However, this still represents 12% underweight.

Table 17: Global Next 12 Months Consensus Estimates



Source: FactSet, MSCI, JP Morgan

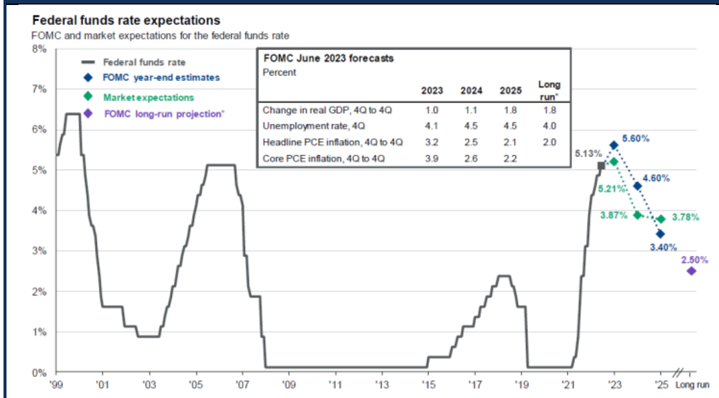
This international outperformance may also occur as the US dollar dominance reverses course, with the dollar entering a bear market for the third time in the past 50 years. While the dollar still makes up over 60% of foreign reserves and 88% of global trade is invoiced in dollars, holdings are dwindling, as is the relative value of US equities (**Table 18**).

Table 18: Strong US Dollar and US Equities

Source: Haver Analytics, Citi

The fiscal and monetary expansion in 2020-2021, which contributed to domestic and global inflation, was later countered by massive financial tightening on a global scale. This helped bolster the dollar even further as the US tightened faster than the rest of the world. Easing of this policy will lead to a rise in global currencies, thereby potentially leading to outperformance outside the United States. Recent CPI data suggests that the Fed no longer has to continue tightening to achieve its goal of lowering inflation. The market has already priced in easing of monetary policy through rate cuts as early as the beginning of 2024, which may explain why the dollar index (DXY) is down 2-3% year to date (**Table 19**).

Table 19: Fed Funds Historical and Expectations



Source: JP Morgan

The investment backdrop has shifted since the beginning of the year, but new uncertainties have emerged. Looking forward to the remainder of the year, our general themes remain the same. We remain convinced that a defensive investment approach, with the optionality of treasuries or barbell high-grade credit on the sidelines, is suitable for the current environment. Growth at a reasonable price (GARP) also presents good opportunities, particularly during any re-rating in the second half of the year. The remainder of the year promises to be an interesting one.

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Dow Jones Industrial Average (DJIA): is a price-weighted measure of 30 U.S. blue-chip companies. The index covers all industries except transportation and utilities. The DJIA was designed to serve as a proxy for the health of the broader U.S. economy.

EURO STOXX 50: Index composed of 50 stocks from countries in the Eurozone. EURO STOXX 50 represents Eurozone blue-chip companies considered as leaders in their respective sectors. The index represents the performance of the 50 largest companies among 20 sectors in terms of free-float market cap in Eurozone countries. The index captures about 60% of the free-float market cap of the EURO STOXX Total Market Index (TMI).

MSCI (Morgan Stanley Capital International) Europe (USD): Index captures large and mid-cap representation across 15 Developed Markets countries in Europe: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the UK. The index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

MSCI AC (All Country) Europe: Index that captures large and mid-cap representation across 15 Developed Markets countries and 5 Emerging Markets countries in Europe. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI AC Asia ex Japan: Index that captures large and mid-cap representation across Developed Markets (Hong Kong and Singapore) countries (excluding Japan) and Emerging Markets (China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan, and Thailand) countries in Asia. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI AC World: Broad global equity index that represents large and mid-cap equity performance across 23 developed and 24 emerging markets. The index covers approximately 85% of the global investable equity opportunity set.

MSCI Emerging Markets (USD): Index designed to track the financial performance of key companies in fast-growing nations. The index tracks mid-cap and large-cap stocks in Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Kuwait, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Saudi Arabia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets: Index that captures large and mid-cap representation across Emerging Markets (EM) countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Japan (USD): Index designed to measure the performance of the large and mid-cap segments of the Japanese market. The index covers approximately 85% of the free float-adjusted market capitalization in Japan.

MSCI World: Cap-weighted stock market index of companies throughout the world. It is used as a common benchmark for 'world' or 'global' stock funds intended to represent a broad cross-section of global markets. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

NASDAQ (National Association of Securities Dealers Automated Quotations): Index of more than 3,700 stocks listed on the Nasdaq stock exchange, weighted by market capitalization. The technology sector accounts for just over half the index, more than three times the index weight of any other market sector.

Nikkei 225: a price-weighted equity index for the Tokyo Stock Exchange. The Nikkei measures the performance of 225 large, publicly owned companies in Japan from a wide array of industry sectors.

Russell 2000 Growth: index composed of small-capitalization U.S. equities of the Russell 2000 Growth Index that exhibit growth characteristics

Russell 2000 Value: index composed of small-capitalization U.S. equities of the Russell 2000 Growth Index that exhibit value characteristics.

Russell 2000: Small-cap stock market index that makes up the smallest 2,000 stocks in the Russell 3000 Index, a capitalization-weighted stock market index that seeks to be a benchmark of the entire U.S stock market. The Russell 2000 is commonly used as a small-cap proxy.

S&P 500 Growth: is a market-cap-weighted index comprised of growth stocks within the S&P 500 Index based on three factors: sales growth, the ratio of earnings change to price, and momentum.

S&P 500 Index: The S&P 500 is a stock market index tracking the performance of 500 large companies listed on stock exchanges in the United States. It is market-capitalization weighted and is widely regarded as the best single gauge of large-cap U.S. equities. The index includes 500 U.S. leading companies and captures approximately 80% coverage of available market capitalization

S&P 500 Value: is a market-cap-weighted index comprised of value stocks within the S&P 500 Index based on three factors: book/price ratio, earnings/price ratio, and sales/price ratio.

S&P/BMV Indice de Precios y Cotizaciones (Mexico IPC): Index seeks to measure the performance of the largest and most liquid stocks listed on the Bolsa Mexicana de Valores (BMV). The constituents are weighted by modified market cap subject to diversification requirements.

Shanghai Composite: Market capitalization-weighted index that reflects the performance of the whole Shanghai securities market, including all listed A shares and B shares stocks on the Shanghai Stock Exchange (SSE).

Bloomberg Emerging Markets USD Aggregate - High Yield: Index that measures the USD-denominated, high yield, fixed-rate corporate bond market of key companies in fast-growing nations (EM issuers).

Bloomberg Emerging Markets USD Aggregate: Flagship hard currency Emerging Markets debt benchmark that includes fixed and floating-rate US dollar-denominated debt issued from sovereign, quasi-sovereign, and corporate EM issuers.

Bloomberg Global Aggregate Index: The Bloomberg Global Aggregate Index is a flagship measure of global investment grade debt in local currency. This multi-currency benchmark includes treasury, government-related, corporate, and securitized fixed-rate bonds from both developed and emerging markets issuers

Bloomberg Global High Yield: Multi-currency flagship measure of the global high-yield debt market. The index represents the union of the US High Yield, the Pan-European High Yield, and Emerging Markets (EM) Hard Currency High Yield Indices.

Bloomberg US Aggregate Bond Index: The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market in the United States. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency)

Bloomberg US High Yield - Corporate: Index that measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

Bloomberg US Treasury Bills 1-3 Month Index: The Bloomberg US Treasury Bills 1-3 Month Index is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months

JPM EMBI Global Diversified: Unmanaged, market-capitalization weighted, total-return index tracking the traded market for U.S.-dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities.

S&P U.S. TIPS (TIPS): Treasury Inflation-Protected Securities (TIPS) Index seeks to measure the performance of the U.S. TIPS Market. TIPS are treasury bonds that are indexed to an inflationary gauge to protect investors from the decline in the purchasing power of their money.

Credit Suisse Hedge Fund Index – Event Driven: Asset-weighted index composed of hedge funds with an event-driven strategy. Event-driven **i**s a hedge fund investment strategy that seeks to exploit pricing inefficiencies that may occur before or after a corporate event, such as an earnings call, bankruptcy, merger, acquisition, or spinoff.

Credit Suisse Hedge Fund Index – Global Macro: Asset-weighted index composed of hedge funds with global macro strategy. A global macro strategy is a hedge fund strategy that bases its holdings primarily on the overall economic and political views of various countries or their macroeconomic principles. Holdings may include long and short positions in various equity, fixed-income, currency, commodities, and futures markets.

Credit Suisse Hedge Fund Index – Long/Short Equity: Asset-weighted index composed of hedge funds with a long/short strategy. Long/short funds use an investment strategy that seeks to take a long position in underpriced stocks while selling short, overpriced shares. Long/short seeks to augment traditional long-only investing by taking advantage of profit opportunities from securities identified as both under-valued and over-valued.

Credit Suisse Hedge Fund Index – Multi/ Strategy: Asset-weighted index composed of hedge funds with a multi-strategy. Multi-strategy hedge funds are the most diverse portfolios in the hedge fund universe. Multi-strategies combine different single hedge fund strategies in one portfolio and differentiate considerably from each other. Most often, such portfolios include a variety of long-short, relative value, and event-driven strategies.

Credit Suisse Hedge Fund Index: Asset-weighted hedge fund index that includes open and closed funds. Seeks to measure hedge fund performance and provide the most accurate representation of the hedge fund universe.

HFRI Fund of Funds Composite: The Hedge Fund Research Indices Fund of Funds is an index comprised of funds that invest with multiple managers through funds or managed accounts. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The Fund of Funds manager has discretion in choosing which strategies to invest in for the portfolio.

S&P Goldman Sachs Commodity Index: Commodities index that tracks the performance of the global commodities market. It is made up of exchange-traded futures contracts that cover physical commodities spanning five sectors: energy products, industrial metals, agricultural products, livestock products and precious metals.

West Texas Intermediate (WTI) Crude Oil NYMEX Near Term ($/bbl) (WTI Crude): Price of light, sweet, landlocked crude oil that serves as one of the main global oil benchmarks. It is sourced primarily from inland Texas and is useful for pricing any oil produce in the United States, primarily from the Permian Basin.

Crude Oil Brent Global Spot ICE ($/bbl) (Brent Crude): Price of waterborne crude oil based on a basket of North Sea crudes. The brent crude oil blend extracted from the North Sea, comprises Brent Blend, Forties Blend, Oseberg, Ekofisk, and Troll crudes, commonly referred to as BFOET.

Gold Spot: The purchase price of a single troy ounce of the metal (gold) for immediate delivery, as opposed to a date in the future.

Silver Spot: The purchase price of a single troy ounce of the metal (silver) for immediate delivery, as opposed to a date in the future.

British pound (GBP) /Dollar (USD): Current exchange rate of the British Pound (GBP) to US Dollar (USD)

Dollar (USD)/ Mexican Pesos (MXN): Current exchange rate of US Dollar (USD) to Mexican Pesos

Dollar (USD)/Japanese Yen (JPY): Current exchange rate of Dollar (USD) to Japanese Yen (JPY)

Dollar (USD)/Swiss Franc (CHF): Current exchange rate Dollar (USD) to Swiss Franc (CHF)

Euro (EUR)/Dollar (USD): Current exchange rate of Euro (EUR) to US Dollar (USD)

Earnings per share (EPS): Monetary value of earnings per outstanding share of common stock for a company. It is a key measure of corporate profitability and is commonly used to price stocks.