



全创资本

OMNI CAPITAL PARTNERS

Investment Newsletter

October 2024

“ Omni Alpha: ”
Profit From Disruptions

Why Omni Investment Services



“

By entrusting us with your investments via this **discretionary mandate offering**, you can relieve yourself from the day-to-day burden of managing your assets, allowing you to have more time for other meaningful pursuits.

”

“

Your investments will be **expertly and professionally managed** according to your specific investment goals and risk tolerance, whether investing in private, public or both. Besides, your investment will be supported with timely updates and meaningful reporting to make sure you are well informed.

”

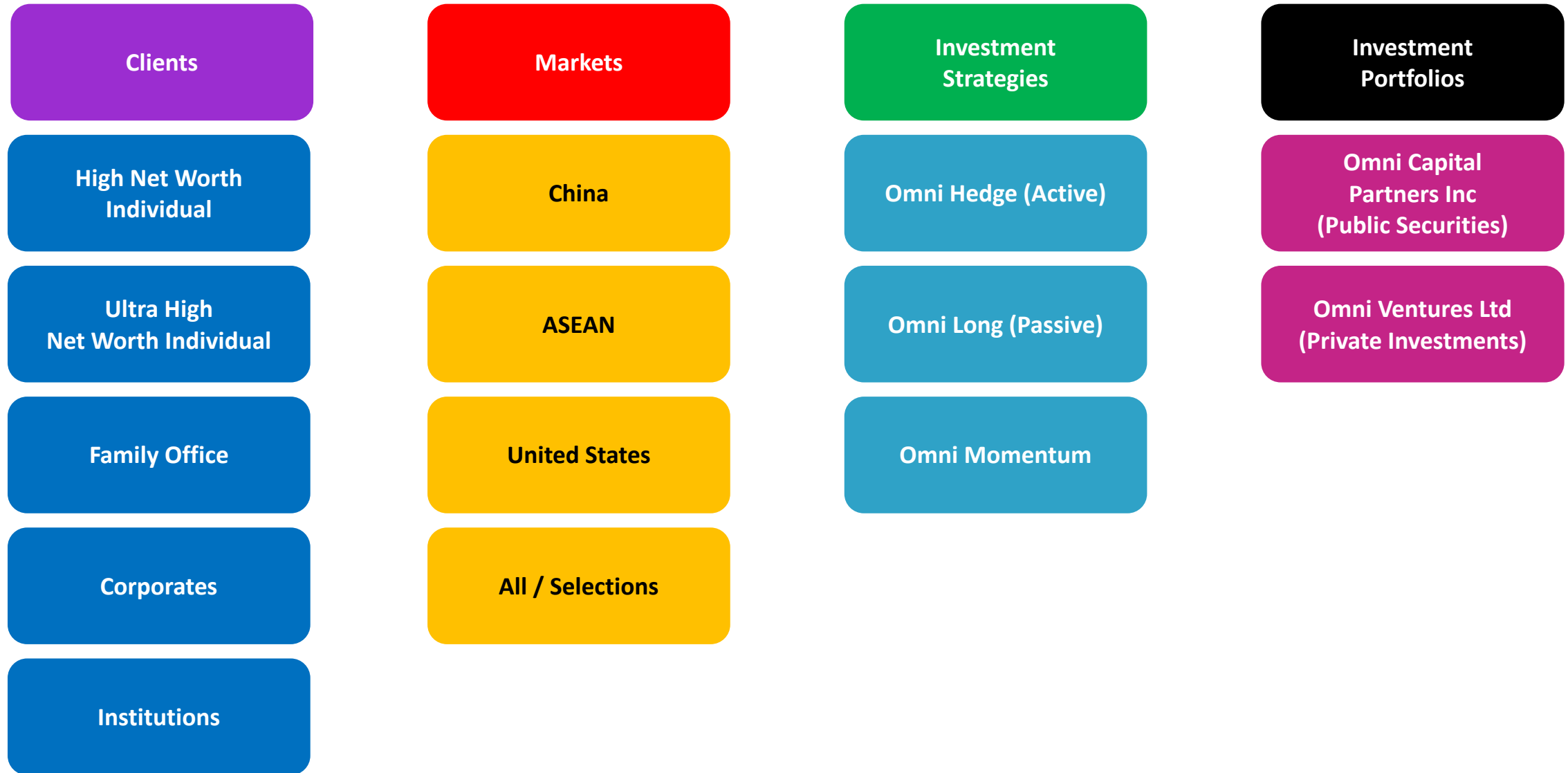
Experienced with
Impressive Track
Records

Different Approach,
Perspective and
Ideas

Global Investing
with focus on
China, ASEAN, and
United States

Thematic Investing
with focus on
Disruptive
Technology

Omni Investment Advisory



Omni Investment Focus



Asset Classes

Public Securities:

- Public Equity
- Digital Assets
- Forex
- Commodities

Private Investments:

- Startups
- Venture Capital
- Private Equity
- Direct Investments

Omni Momentum Overview



Omni Momentum®

Investment Objective

- This strategy seeks maximum returns and protection of capital.
- Invest in global public securities.
- Trading in markets with volatility and liquidity as they give opportunities.

Inception Date

- 1 July 2021

Current Number of Holdings

- 4

Team

- Scott (Strategy / Asset Allocation)
- Derrick (Macro / Theme)
- Analysts (Micro / Sector)

Momentum Strategy

The key of momentum investing is to know when to enter into a position, how long to hold it for, and when to exit. We can also react to short-term, news-driven spikes or selloffs.

Purpose

To minimise the risk of adverse movements in prices and to work with volatility by finding buying opportunities in short-term uptrends and then sell when the securities start to lose momentum.

Characteristics

- Define success in absolute terms
- Active adjustment on correlation to market movements
- Volatility is key
- Performance depends on generation of alpha
- Versatile investment options to optimize the performance

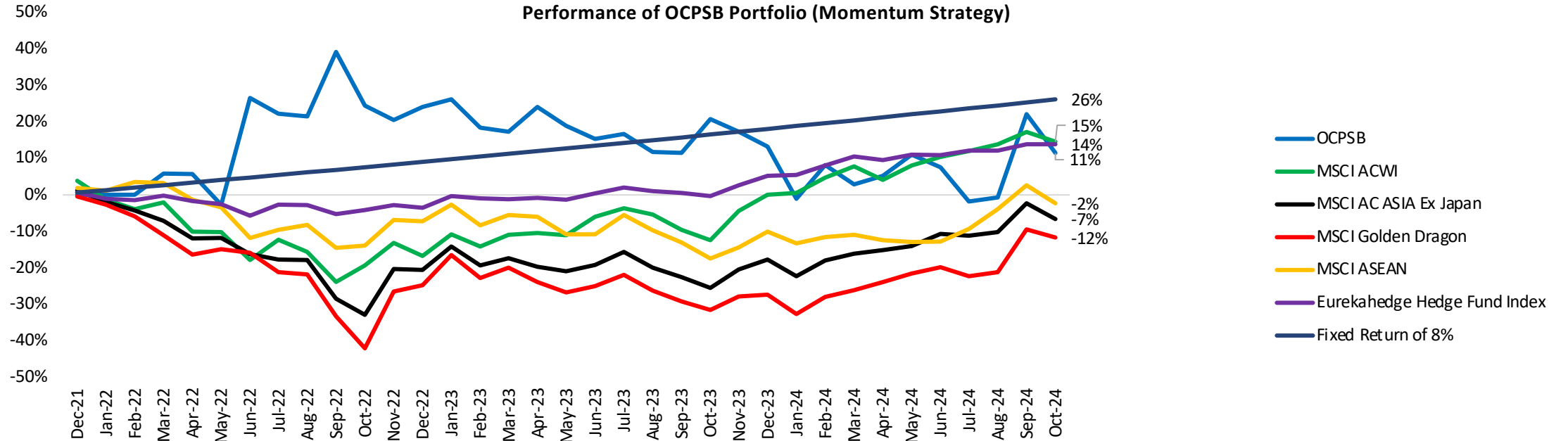
Features

- Directional
- Arbitrage
- Long / Short
- Event Driven

Omni Momentum Portfolio



Performance of OCPSB Portfolio (Momentum Strategy)



	1 Month	3 Months	6 Months	YTD	Since Inception
OMNI Momentum	-9%	22%	11%	4%	11%
MSCI ACWI	-2%	2%	10%	14%	15%
MSCI AC ASIA Ex Japan	-5%	5%	10%	13%	-7%
MSCI Golden Dragon	-3%	14%	16%	21%	-12%
MSCI ASEAN	-5%	8%	12%	9%	-2%
EurekaHedge Hedge Fund Index	0%	2%	4%	8%	14%
Fixed Return of 8%	1%	2%	4%	7%	26%

Note: Information as of 31 October 2024

Asset Class Breakdown	
Equity - China	100%
Equity - ASEAN	-
Equity - United States	-
Commodity	-
Digital Asset	-
Other	-
Cash	0%

Liquidity / Market Cap	
Mega (USD 100 Billion +)	-
Large (USD 10 to USD 100 Billion)	72%
Medium (USD 2 to USD 10 Billion)	-
Small (USD 0.3 to USD 2 Billion)	-
Micro (USD 50 to USD 300 Million)	28%
Cash	0%

Investment Review and Outlook



- Bank of America's Michael Hartnett observes that Trump's recent election success was powered by voters prioritizing inflation concerns over low unemployment rates. Conventional market views now project Trump's proposed fiscal policies of \$8 trillion in tax cuts, \$3 trillion from tariffs, and \$1 trillion in spending reductions, could spark an inflationary boom, leading to a bearish outlook on bonds. However, contrarians like Hartnett argue that Trump's focus on lowering living costs aligns with the Fed's policy goals, suggesting inflation could remain moderated.
- The market is largely endorsing the "conventional" inflation narrative, evidenced by the surge in 2-year inflation breakeven, up 100 basis points over the past two months. Meanwhile, price gains in high-leverage and long-duration sectors such as private equity, consumer discretionary, biotech, and speculative tech, indicate that Wall Street may be pricing in a peak in bond yields and the dollar. Yet, these movements also hint at potential mixed market outcomes.
- Hartnett expands on the typical expectations for Trump's economic approach, which includes tariffs and immigration controls, tax cuts, and ultimately, a "US inflationary boom" combined with a "global deflationary bust." In this scenario, the recommended plays would be a bullish stance on gold, the US dollar, and domestic stocks (particularly Nasdaq and Russell 2000) while favouring US stocks over international equities, and going short on US Treasuries. Hartnett also highlights the "risk-on" investment window from the election through Inauguration Day.

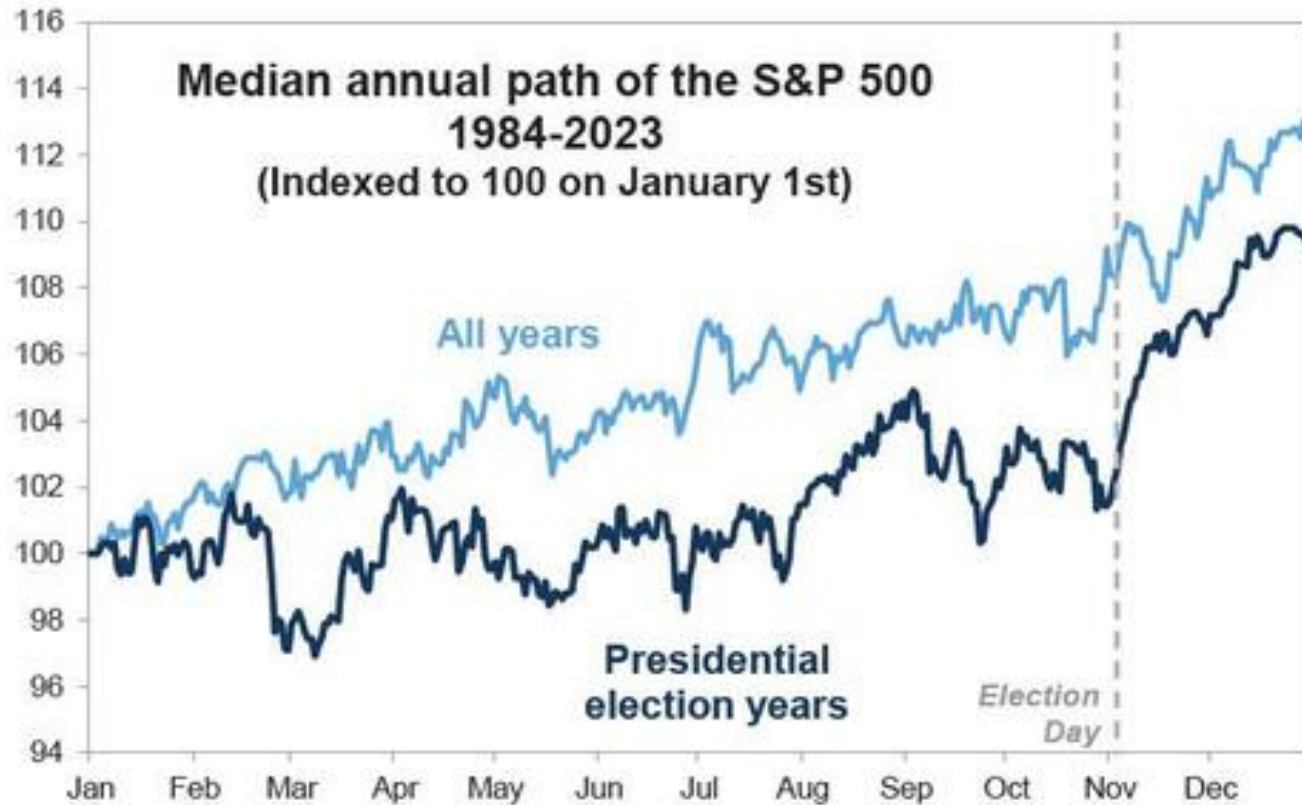
Investment Review and Outlook



Building on recent contrarian perspectives, Hartnett suggests several strategic moves for investors if risk assets enter a melt-up phase:

- **Reduce Exposure as Conditions Tighten:** If real 10-year rates exceed 2.5%, 30-year rates rise above 5%, or 2-year rates surpass 4.5%, Hartnett advises trimming risk assets due to tighter financial conditions.
- **Buy Treasuries on Yield Rise to 5%:** Should yields reach 5%, Hartnett anticipates the Fed will convey its commitment to curbing inflation without rate cuts in 2025. He speculates that a new administration might temper tariffs and implement spending cuts, even potentially tapping into the \$35 trillion of home equity to manage the national debt, which could suggest a deficit peak in 2025.
- **Target “Leverage” & “Long Duration” Sectors:** Trump’s policy mix on balancing inflationary pressures from tariffs and tax cuts with disinflationary elements like deficit control and deregulation could stabilize Treasury markets. This would favour sectors like REITs, small-cap stocks, banks, and biotech.
- **Invest in International Markets (China, Europe):** With anticipated fiscal easing in China and aggressive ECB rate cuts in response to “America First” tariffs, financial conditions in Asia and Europe may improve relative to the US. Lower rates, favourable currencies, and declining oil prices could create attractive opportunities in sectors such as Chinese internet companies, European cyclicals, and emerging markets well-positioned for deglobalization, like Mexican equities.

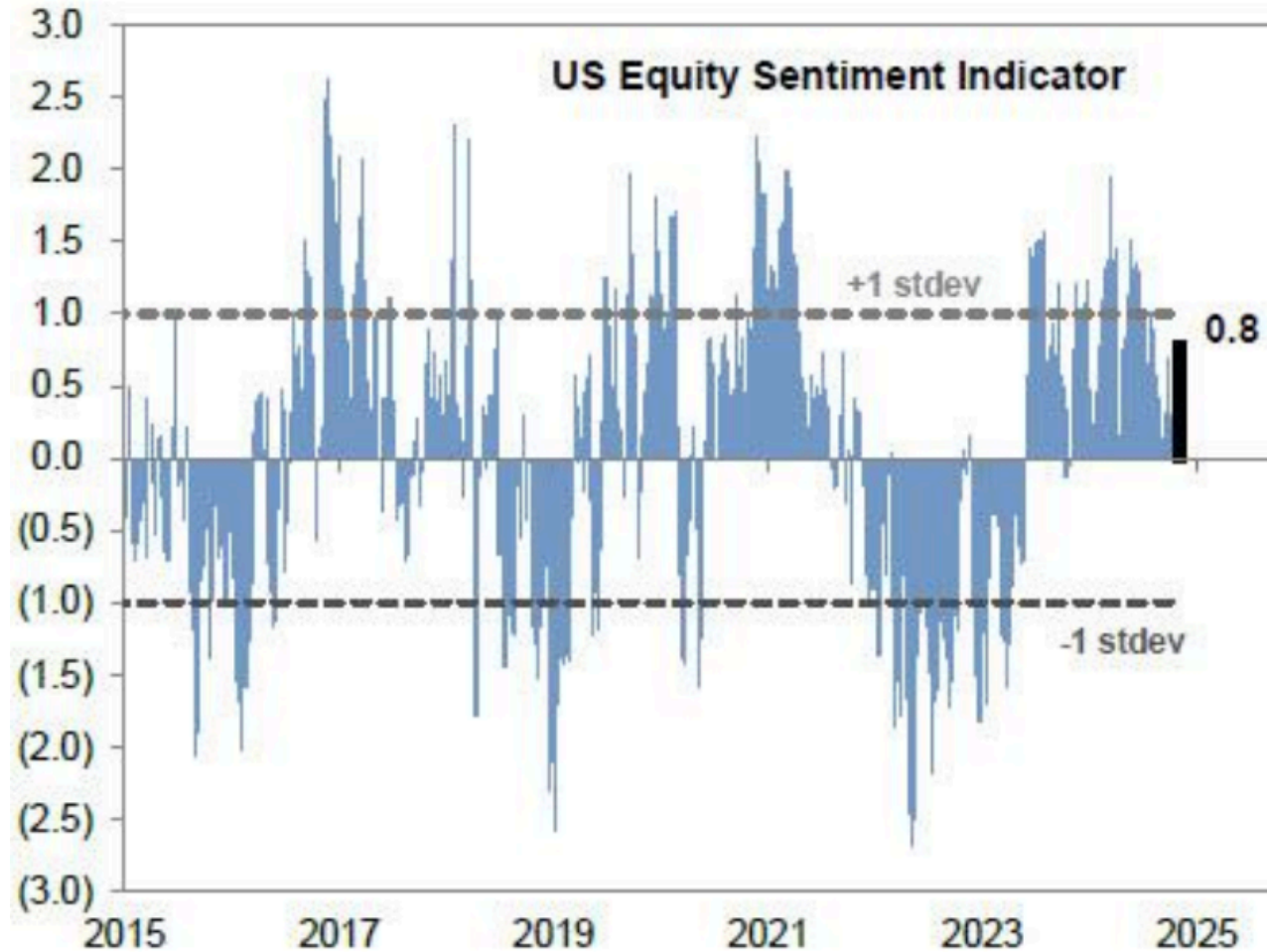
S&P 500 Typically Rallies After Presidential Elections



A key driver for stocks in the near term will be the reduction in political uncertainty, a dynamic that typically drives strong year-end returns in Presidential election years. The S&P 500 index has historically generated a median return of 4% between Election Day in November and calendar year-end.

Note: Information as of Nov 2024
Source: Goldman Sachs

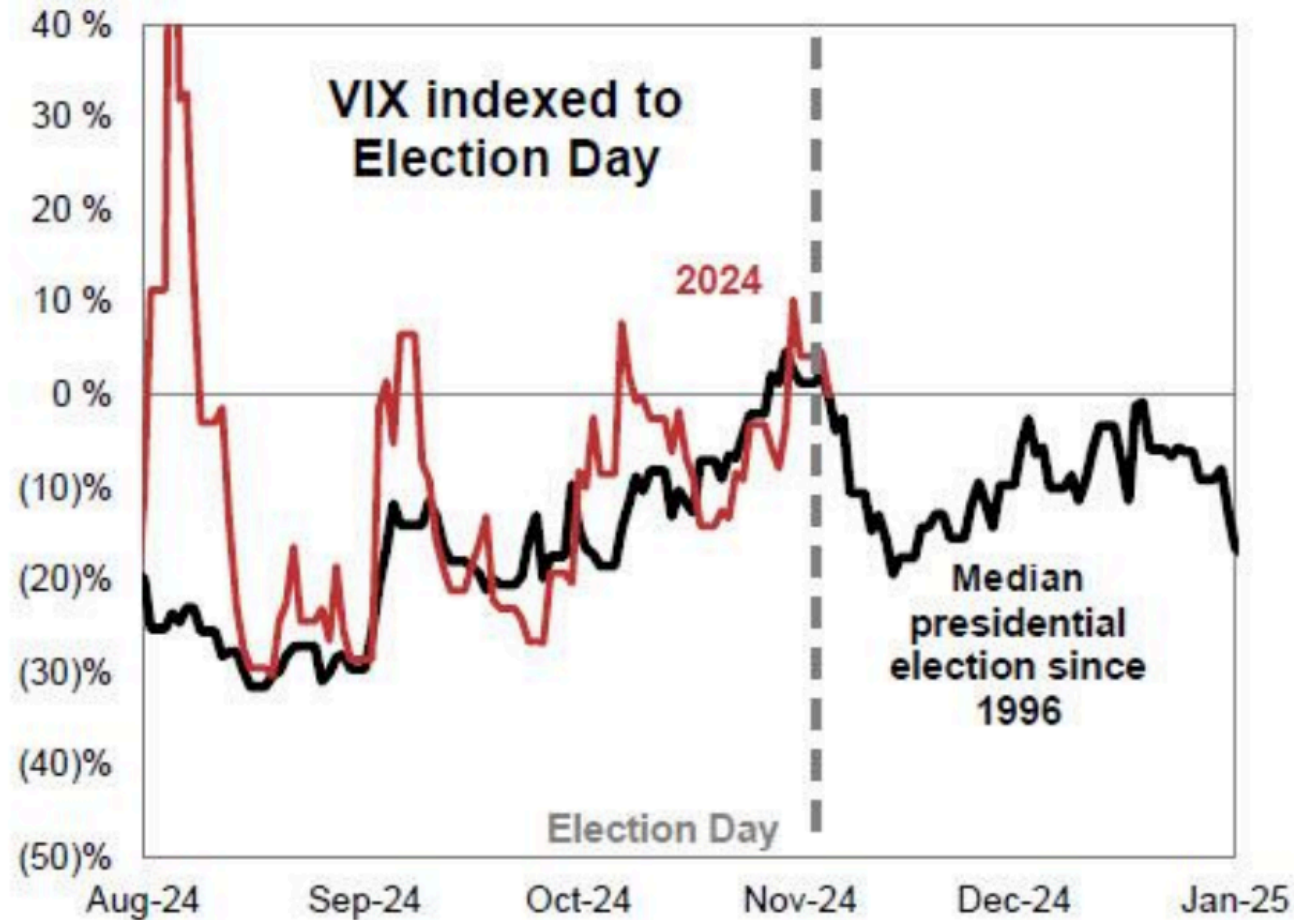
GS Sentiment Indicator Equals +0.8



Goldman's US equity Sentiment Indicator measures stock positioning across retail, institutional, and foreign investors, and suggests that collectively they are only modestly above their 12-month trend.

Note: Information as of Nov 2024
Source: Goldman Sachs

Equity Implied Volatility Typically Rises into Presidential Elections & Decline Afterward



The increase in implied volatility has matched the historical pattern ahead of elections, likely reflecting hedging activity.

Note: Information as of Nov 2024
Source: Goldman Sachs

GS Top-down Use of Cash Forecasts



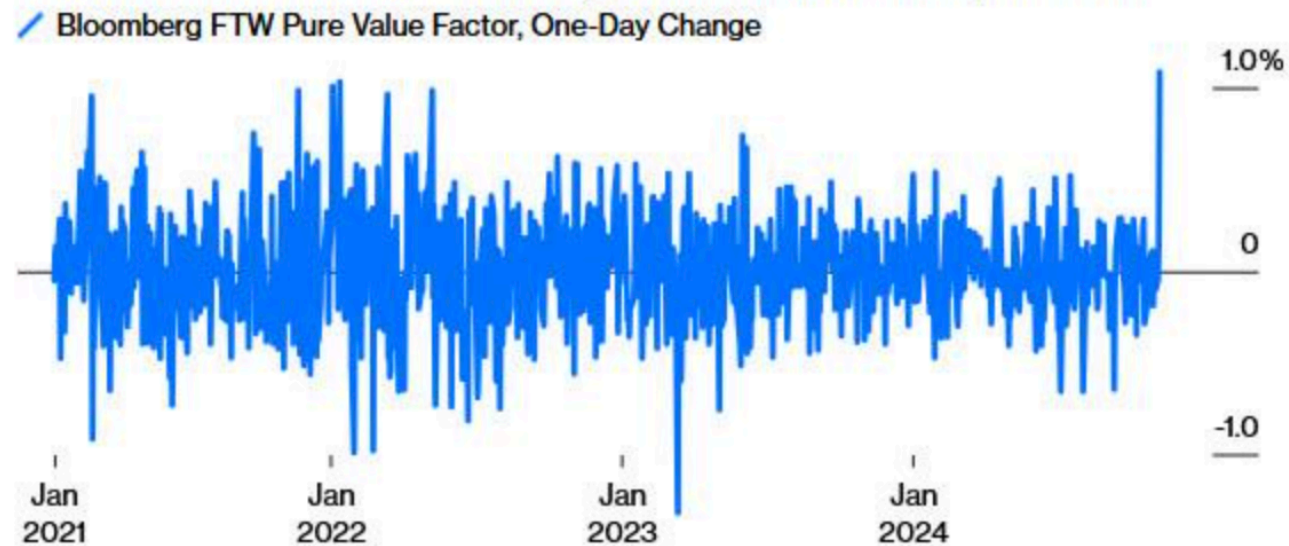
Cash Use (\$ billion)	2020	2021	2022	2023	2024E	2025E
Capital Expenditures	\$667	\$739	\$892	\$958	\$1,063	\$1,148
Share Buybacks	538	919	950	824	931	1,070
Dividends	520	548	598	621	664	711
R&D	401	453	516	584	642	700
Cash Acquisitions	224	349	288	318	271	325
Total Cash Use	\$2,351	\$3,007	\$3,244	\$3,304	\$3,571	\$3,954
% year/year growth						
Capital Expenditures	(9)%	11 %	21 %	7 %	11 %	8 %
Share Buybacks	(28)	71	3	(13)	13	15
Dividends	1	5	9	4	7	7
R&D	12	13	14	13	10	9
Cash Acquisitions	(15)	56	(17)	11	(15)	20
Total Cash Use	(10)%	28 %	8 %	2 %	8 %	11 %

Goldman published its 2025 S&P 500 use of cash forecasts, and the bank expects cash spending will accelerate from +8% in 2024 to +11% in 2025. Furthermore, \$4.0 trillion of spending in 2025 will be roughly evenly split between returning cash to shareholders (buybacks and dividends) and investing for growth (capex, R&D, and M&A).

Goldman's cash M&A model suggests activity will rebound by 20% in 2025 following a 15% decline this year. Solid economic and EPS growth, relatively loose financial conditions, and contained equity market volatility should support activity. However, valuations will remain high relative to last year, making share consideration an attractive alternative to cash.

Note: Information as of Nov 2024
Source: Goldman Sachs

The Value Factor Has Had its Best Day Since the Worst of the Pandemic



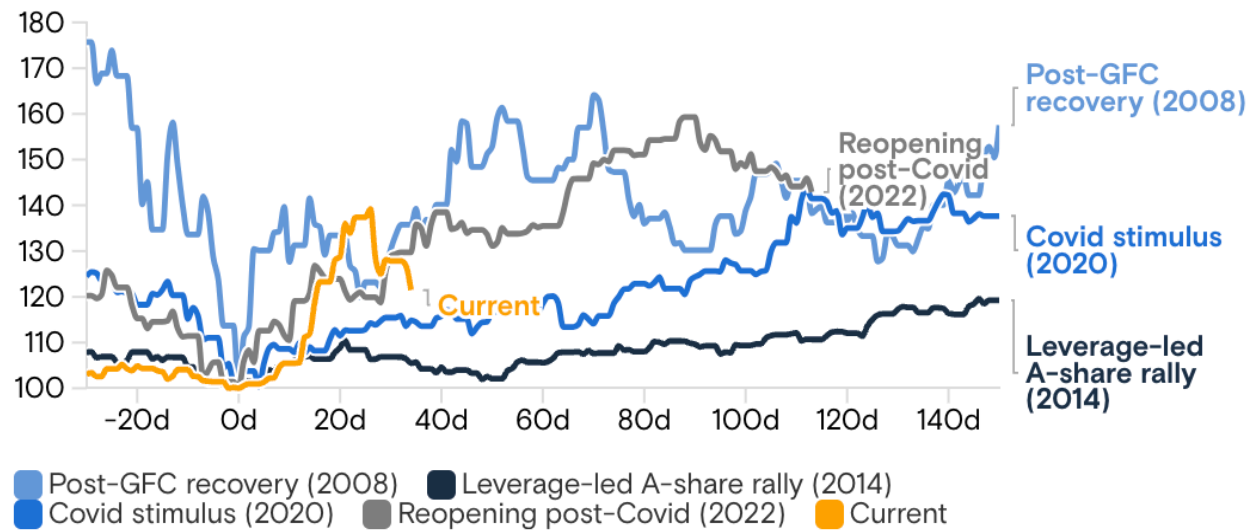
According to Bloomberg's John Authers, Trump 2.0 is thought to be good for growth, thanks to tax cuts and deregulation. And when growth is plentiful, investors look for stocks that are cheap. In these conditions, it's the value that's in short supply, not growth. Hence, the value factor had its best day in the US since 2020.

Note: Information as of Nov 2024
Source: Bloomberg

China Stocks Delivered One of Their Strongest & Most Concentrated Rallies Ever



MSCI China price (LOC, rebased)



Valuations of Chinese stocks remain attractive, trading at a discount to other global benchmarks, signaling investor caution about long-term growth. However, the recent policy consistency may help rebuild confidence and reduce downside risks. Economic benefits from these policies are also evident, as every RMB 1 trillion of fiscal stimulus directed toward the real economy is projected to boost GDP growth by 40 basis points and contribute 2 percentage points to earnings growth for major indexes like MSCI China and CSI300. Additionally, a moderate recovery in consumption demand is expected to further enhance earnings.

Note: Information as of Nov 2024
Source: Goldman Sachs

Contact Info



For further enquires, please contact:

Omni Capital Partners

V02-03-03, Lingkaran SV,
Sunway Velocity,
55109 Kuala Lumpur, Malaysia.

Website: www.ocpi.io

Email: info@ocpi.io

Mobile No: Scott: +6012 210 9119 / Derrick: +6011 1669 4250



DISCLAIMER

This document has been prepared only for use as a reference material for the purpose of the provision of information. The validity and completeness of the information contained herein is therefore not guaranteed. The recipient of this document must judge the content for themselves using their own understanding of the content contained within. This document has not been prepared for the purpose of soliciting investments. The submission of this document by Omni Capital Partners to a recipient does not constitute the soliciting of investments or securities to the recipient. If a recipient of this document does decide to invest and trade in securities such as stocks, a due-diligence review as well as due consideration must be undertaken by the recipient at their own risk. Furthermore, all rights pertaining to the content contained herein belong solely to Omni Capital Partners and the disclosure or transfer of any or all content contained in this document is not to take place without first obtaining prior consent from Omni Capital Partners. This document is only to be used internally at the company/organization to which the recipient belongs to and represents at the time this document is received.