

# EUROPEAN INVESTMENT JOURNAL

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# EUROPE AT WAR, AGAIN



GEOPOLITICS

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ALTERNATIVE ASSETS

EMERGING MARKETS

TECHNOLOGY

# CHARTBOOK – FOOD FOR THOUGHTS COMMODITIES, GOLD & BITCOIN

**This section provides you with information in a different format. To give you a perspective, we like to present charts with longer-term time horizons. The editing team of the European Investment Journal invites you to submit topics and charts respectively for future editions.**

This chart deck has been submitted by Incrementum AG, Lichtenstein, author of the well-known, globally distributed In Gold We Trust Report.

1. Monthly Performance of Various Assets, 05/2020 – 04/2022
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## 1. Monthly Performance of Various Assets, 05/2020 – 04/2022

	Gold	Silver	HUI	Bitcoin	S&P 500	NASDAQ Comp.	MSCI World	VIX	UST 2Y Yield	UST 10Y Yield	WTI	CRB Index	DXY
May-20	2.75%	18.77%	2.22%	7.77%	4.53%	6.75%	4.63%	-19.44%	-18.47%	1.08%	88.38%	12.85%	-0.68%
Jun-20	3.15%	1.63%	7.84%	-3.82%	1.84%	5.99%	2.51%	10.61%	-5.97%	0.78%	10.65%	4.35%	-0.97%
Jul-20	10.90%	34.42%	18.98%	24.02%	5.51%	6.82%	4.89%	-19.62%	-29.21%	-18.94%	2.55%	4.16%	-4.15%
Aug-20	-0.25%	15.80%	0.34%	3.00%	7.01%	9.59%	6.53%	7.97%	21.50%	32.51%	5.81%	6.63%	-1.29%
Sep-20	-4.28%	-17.75%	-7.09%	-8.30%	-3.92%	-5.16%	-3.59%	-0.15%	-1.43%	-2.93%	-5.61%	-3.06%	1.89%
Oct-20	-0.40%	1.81%	-3.77%	29.21%	-2.77%	-2.29%	-3.14%	44.18%	19.48%	27.42%	-11.01%	-2.54%	0.16%
Nov-20	-5.37%	-4.34%	-9.84%	40.00%	10.75%	11.80%	12.66%	-45.90%	-3.77%	-3.61%	26.68%	10.60%	-2.31%
Dec-20	6.72%	16.61%	5.63%	49.60%	3.71%	5.65%	4.14%	10.60%	-18.27%	8.82%	7.01%	4.84%	-2.10%
Jan-21	-2.66%	2.44%	-5.34%	11.50%	-1.11%	1.42%	-1.05%	45.45%	-9.51%	16.81%	7.58%	3.82%	0.72%
Feb-21	-6.10%	-1.41%	-11.80%	33.59%	2.61%	0.93%	2.45%	-15.53%	15.81%	31.38%	17.82%	9.32%	0.33%
Mar-21	-1.53%	-8.38%	5.86%	36.53%	4.24%	0.41%	3.11%	-30.59%	25.83%	23.99%	-3.80%	-2.87%	2.59%
Apr-21	3.61%	6.19%	3.84%	-3.84%	5.24%	5.40%	4.52%	-4.07%	0.06%	-6.77%	7.47%	8.00%	-2.09%
May-21	7.79%	8.31%	15.94%	-35.42%	0.55%	-1.53%	1.26%	-9.94%	-13.37%	-2.78%	4.31%	2.98%	-1.37%
Jun-21	-7.16%	-6.94%	-16.26%	-5.75%	2.22%	5.49%	1.40%	-5.55%	79.59%	-7.13%	10.78%	3.74%	2.67%
Jul-21	2.47%	-2.47%	2.52%	20.13%	2.27%	1.16%	1.72%	15.22%	-25.62%	-16.51%	0.65%	2.20%	-0.28%
Aug-21	-0.01%	-6.19%	-7.27%	13.16%	2.90%	4.00%	2.35%	-9.65%	12.51%	6.65%	-7.37%	0.05%	0.49%
Sep-21	-3.13%	-7.05%	-9.60%	-7.58%	-4.76%	-5.31%	-4.29%	40.41%	33.18%	14.18%	9.53%	4.93%	1.73%
Oct-21	1.49%	7.43%	8.46%	39.64%	6.91%	7.27%	5.59%	-29.73%	78.04%	4.58%	11.38%	3.84%	-0.11%
Nov-21	-0.51%	-4.41%	2.30%	-5.80%	-0.83%	0.25%	-2.30%	67.22%	13.17%	-6.71%	-20.81%	-7.78%	1.99%
Dec-21	3.08%	2.06%	1.67%	-18.95%	4.36%	0.69%	4.19%	-36.67%	29.47%	3.82%	13.64%	6.02%	-0.03%
Jan-22	-1.75%	-3.59%	-4.54%	-17.02%	-5.26%	-8.98%	-5.34%	44.19%	61.37%	17.99%	17.21%	9.80%	0.60%
Feb-22	6.20%	8.85%	13.31%	8.36%	-3.14%	-3.43%	-2.65%	21.43%	21.25%	2.12%	8.59%	5.50%	0.17%
Mar-22	1.54%	1.44%	11.31%	9.91%	3.58%	3.41%	2.52%	-31.81%	62.54%	28.74%	4.76%	11.38%	1.66%
Apr-22	-2.11%	-8.20%	-9.41%	-15.70%	-8.80%	-13.26%	-8.43%	62.45%	16.96%	25.26%	4.40%	4.50%	4.73%
Average	0.6%	2.3%	0.6%	8.5%	1.6%	1.5%	1.4%	4.6%	15.2%	7.5%	8.8%	4.2%	0.2%
MAX	10.9%	34.4%	18.0%	49.6%	10.8%	11.8%	12.7%	67.2%	79.6%	32.5%	88.4%	12.9%	4.7%
MIN	-7.2%	-17.8%	-16.3%	-35.4%	-8.8%	-13.3%	-8.4%	-45.9%	-29.2%	-18.9%	-20.8%	-7.8%	-4.2%
Current Price	1,896	22.7	282	38,582	4,132	12,335	2,796	33.4	2.73	2.94	104.7	328	103.0

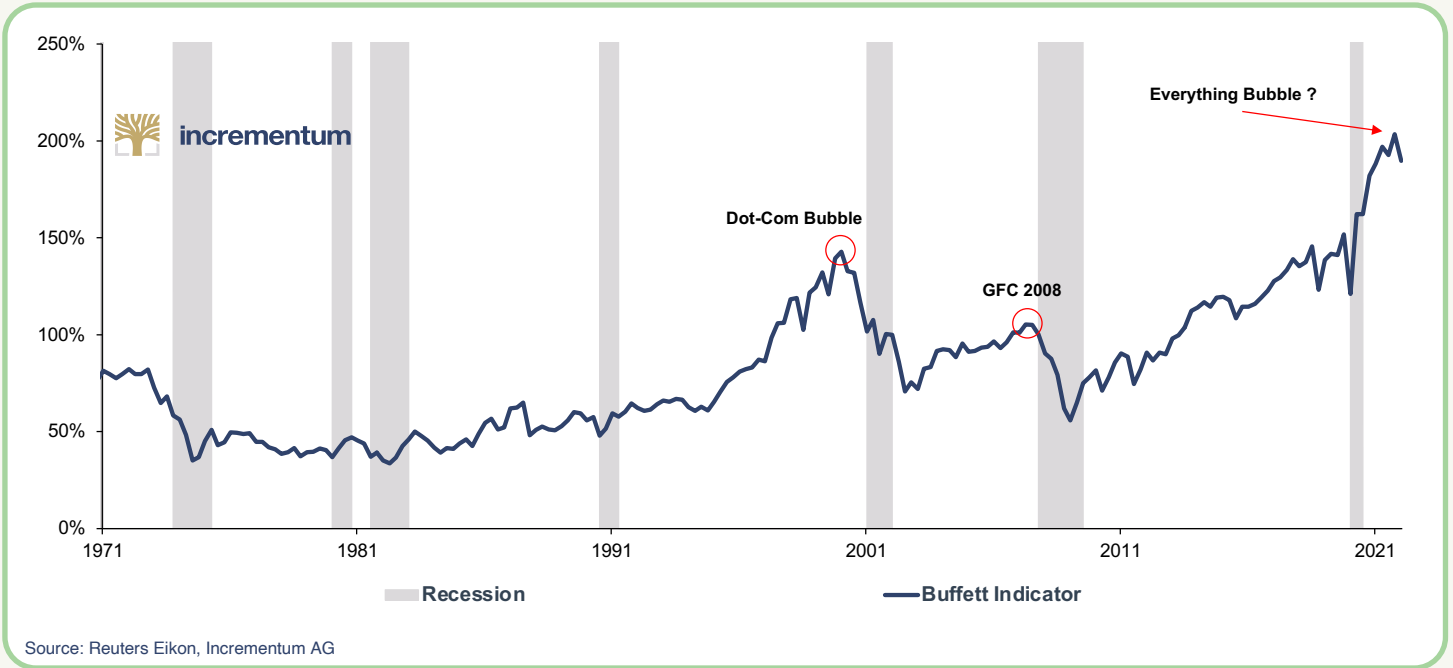
Source: Reuters Eikon, Incrementum AG

## 2. Gold Performance in Major Currencies. 2000 – 2022 YTD

Year	USD	EUR	GBP	AUD	CAD	CNY	JPY	CHF	INR	Average
2000	-5.3%	1.2%	2.4%	11.2%	-1.9%	-5.4%	5.8%	-4.2%	1.4%	0.6%
2001	2.4%	8.4%	5.3%	12.0%	8.8%	2.4%	18.0%	5.5%	5.8%	7.6%
2002	24.4%	5.5%	12.3%	13.2%	22.9%	24.4%	12.2%	3.5%	23.7%	15.8%
2003	19.6%	-0.2%	8.0%	-10.7%	-1.3%	19.6%	8.1%	7.4%	13.9%	7.2%
2004	5.6%	-2.0%	-1.7%	1.5%	-2.0%	5.6%	0.8%	-3.1%	0.1%	0.5%
2005	18.1%	35.2%	31.6%	25.9%	14.1%	15.1%	35.9%	36.3%	22.8%	26.1%
2006	23.0%	10.4%	8.1%	14.3%	23.3%	19.0%	24.2%	14.1%	20.7%	17.5%
2007	30.9%	18.4%	29.2%	18.0%	12.0%	22.5%	22.5%	21.8%	16.9%	21.4%
2008	5.4%	10.0%	43.0%	30.5%	28.7%	-1.5%	-14.2%	-0.8%	30.0%	14.6%
2009	24.8%	21.8%	13.0%	-1.6%	7.9%	24.8%	27.9%	21.1%	19.2%	17.6%
2010	29.5%	38.6%	34.2%	13.9%	22.8%	25.1%	13.2%	16.8%	24.8%	24.3%
2011	10.2%	13.8%	10.6%	9.9%	12.7%	5.2%	4.5%	10.7%	30.7%	12.0%
2012	7.1%	5.0%	2.4%	5.3%	4.2%	6.0%	20.7%	4.5%	11.1%	7.4%
2013	-28.0%	-30.9%	-29.4%	-16.1%	-23.0%	-30.1%	-12.6%	-29.8%	-19.1%	-24.3%
2014	-1.8%	11.6%	4.4%	7.2%	7.5%	0.7%	11.6%	9.4%	0.2%	5.6%
2015	-10.4%	-0.2%	-5.3%	0.6%	6.8%	-6.2%	-9.9%	-9.7%	-5.9%	-4.4%
2016	8.5%	12.1%	29.7%	9.4%	5.3%	16.1%	5.4%	10.3%	11.4%	12.0%
2017	13.1%	-0.9%	3.3%	4.6%	5.9%	6.0%	9.0%	8.3%	6.3%	6.2%
2018	-1.5%	3.0%	4.3%	9.0%	6.8%	4.1%	-4.2%	-0.8%	7.3%	3.1%
2019	18.3%	21.0%	13.8%	18.7%	12.6%	19.7%	17.2%	16.6%	21.3%	17.7%
2020	25.0%	14.7%	21.2%	14.1%	22.6%	17.2%	18.8%	14.3%	28.0%	19.5%
2021	-3.6%	3.6%	-2.6%	2.2%	-4.3%	-6.1%	7.5%	-0.6%	-1.7%	-0.6%
2022 YTD	3.7%	11.9%	11.6%	6.6%	5.5%	7.9%	17.0%	10.7%	6.6%	9.1%
Average	9.5%	9.2%	10.8%	8.7%	8.6%	8.4%	10.4%	7.1%	12.0%	9.4%

Source: Reuters Eikon (as of April 29<sup>th</sup>, 2022), Incrementum AG

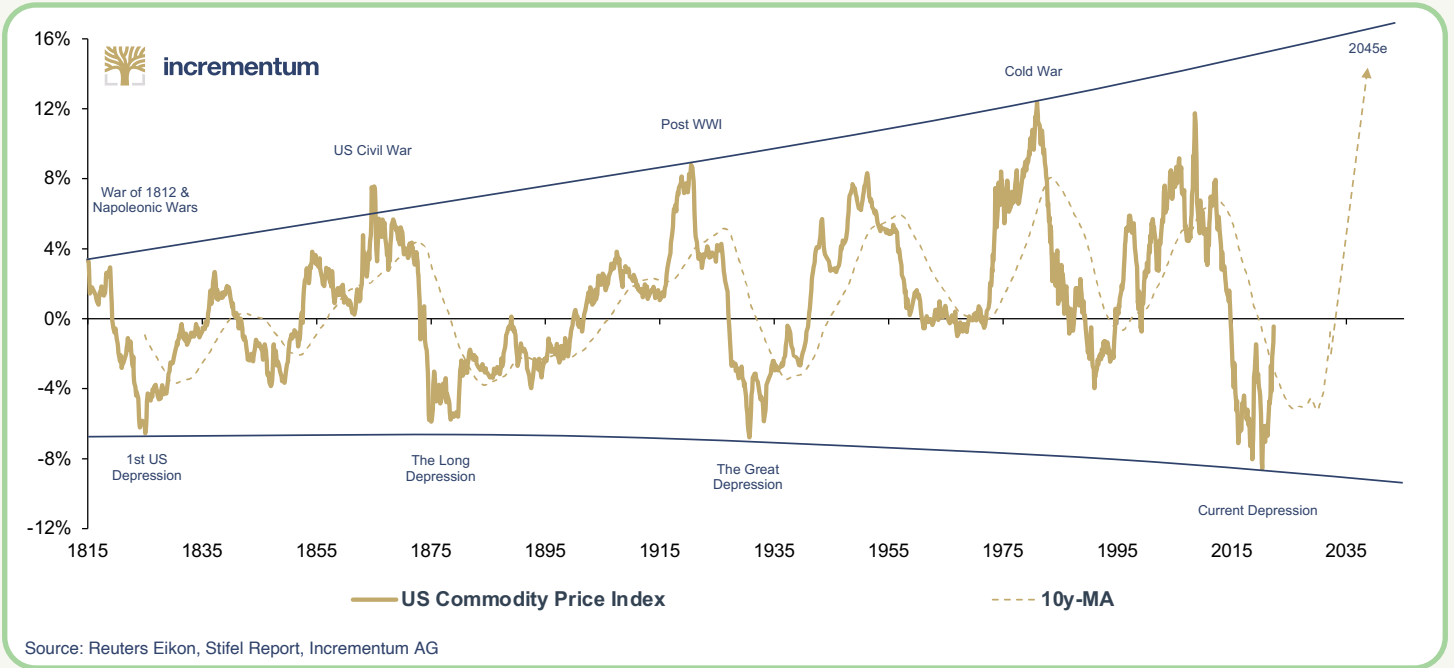
3. Buffett Indicator (Wiltshire 5000 in % of US GDP), Q1/1971 – Q1/2022



4. Gold (lhs), in USD, and US CPI (rhs), yoy%, 01/1970-04/2022



**5. US Commodity Price Index, 10-year rolling CAGR, 1815-2022**



**6. S&P GSCI Total Return Index/ S&P 500 Ratio, 01/1971 – 04/2022**

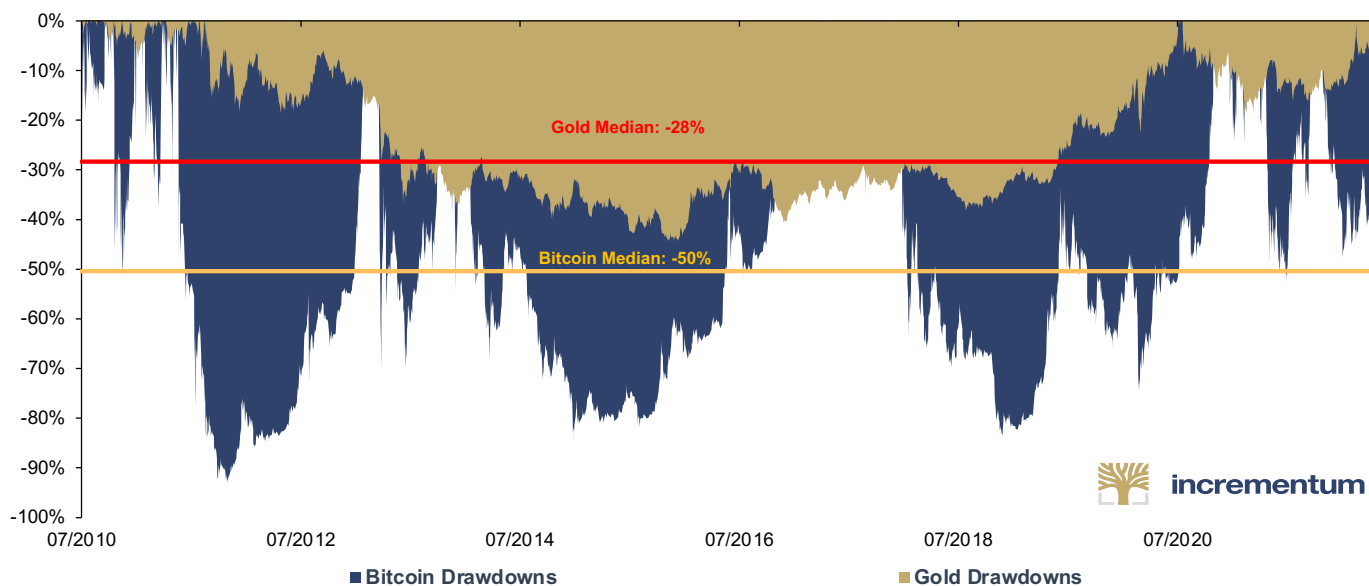


### 7. The Characteristics of Gold, Fiat Currency and Bitcoin

Traits of Money	Gold	Fiat Currency	Bitcoin
Fungibility	Moderate/High	High	High
Portability	Moderate	High	High
Durability	High	Moderate	High
Anonymity	High	Low	Moderate
Security	Moderate	Moderate	High
Non-monetary Utility	High	Low	Low
Scarcity	Moderate/High	Low	High
Decentralization	Moderate	Low	High
Programmability	Low	Low	High
Sovereignty (Government)	Moderate	High	Low
Price Stability	Moderate	High	Low
Energy Intensity for Creation	High	Low	High
Energy Intensity for Maintenance	Low	Moderate	High

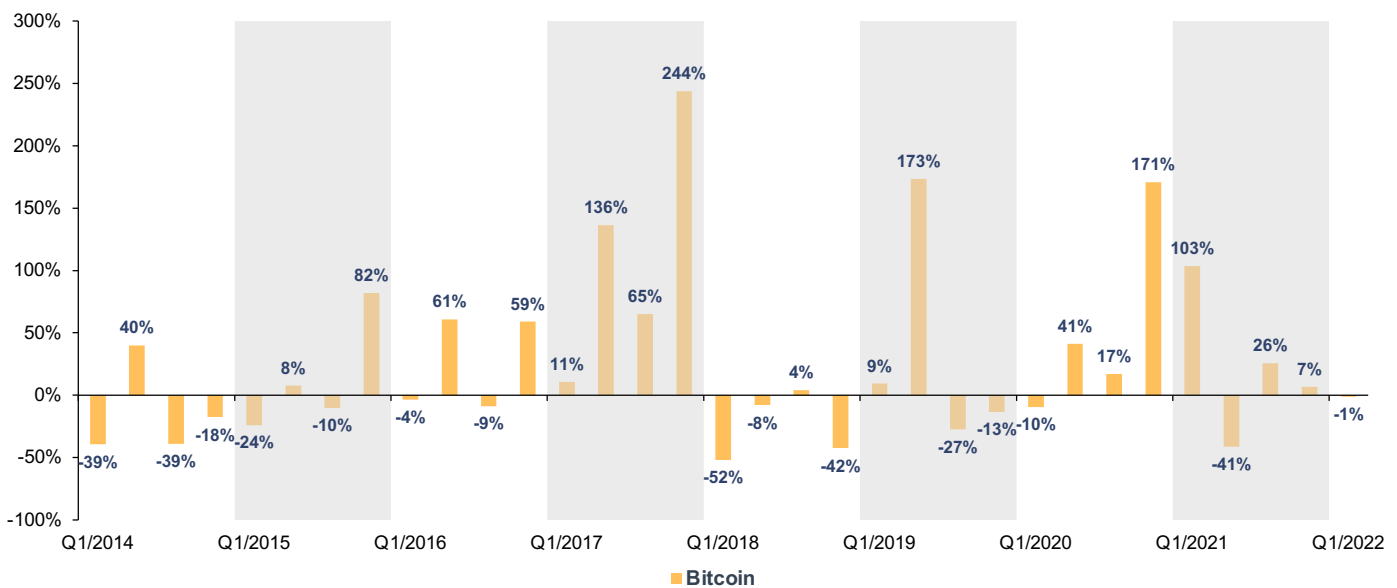
Source: 3iQ Research Group, Incrementum AG

### 8. Store of Value Characteristics: Bitcoin's Drawdowns Were Severly Higher



Source: Glassnode, Reuters Eikon, Incrementum AG

## 9. Terrific Performance Goes Hand in Hand with High Drawdowns



Source: IntoTheBlock, Reuters Eikon, Incrementum AG

## 10. Summary

1. Due to its unusual investment characteristics in terms of performance, correlation and volatility, **Bitcoin (and selected altcoins) can serve as useful supplement within a diversified portfolio.**
2. Gold and Bitcoin are non-inflatable and as such profit from monetary inflation. **Together they shine even brighter due to a superior risk/return profile.** We are convinced that an increasing number of investors will treat **Gold and Bitcoin as parts of one non-inflatable asset class.**
3. **Most altcoins are not here to stay.** However, some projects have the potential to serve as market disruptors and substantially change aspects in our lives. Conceptionally, **we consider (most) altcoins more like venture capital investments, whereas Bitcoin to us is digital Gold.**
4. In December, **we formulated three scenarios for the current halving cycle in our Bitcoin chartbook.** In our opinion, the most likely scenario (60%) was a delayed peak in this bisection cycle. However, we assigned a probability of 40% to the possibility that this bisection cycle is over, or that the model is obsolete. From today's perspective, we put the **probability of Bitcoin reaching a new all-time high in the remaining 24 months of this cycle at around 40%.** This scenario could manifest itself if the currently priced-in monetary tightening does not materialize.



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The English Channel, The Strait of Dover at it's narrowest point. Image courtesy of the European Space Agency.