

# Correction on Equities

## Investment Team Weekly Focus

21 January 2022



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# Correction on Equities

## The correction on equities has started

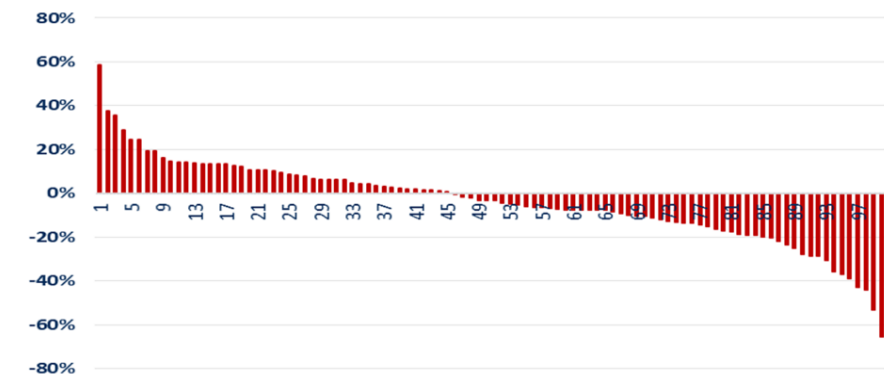
- As anticipated last year, global equities have started 2022 wrong footed. To be precise, many stocks had started their correction during the second half of last year. Speculative bets like the Ark Innovation ETF have returned poorly in 2021 (-23.38%), after a fantastic ride in 2020 (+152.8%).
- While only 29% of the constituents of the S&P 500 are negative so far over the last 6 months, the proportion increases significantly for growth, small caps and speculative bets. Indeed, 46% of the Nasdaq 100 index (growth) are already in negative territory over the last 6 months, 63% for the Nasdaq composite (3675 holdings) and a whopping 88% for Ark Innovation ETF (speculative holdings).
- With 4 interest rates hike expected this year in the U.S., and most of the central bankers behind the curve as far as controlling inflation is concerned, we expect global equities to remain highly volatile throughout the year. This will create opportunities at some point, for the patient and disciplined investors.

### Percentage of constituents in negative territory

	Holdings	1M	3M	6M	1Y
S&P 500	500	40%	41%	29%	15%
Nasdaq 100	100	64%	55%	46%	34%
Nasdaq Composite	3675	61%	69%	63%	63%
Ark Innovation ETF	43	98%	98%	88%	91%

Source: Bloomberg, 19<sup>th</sup> January 2022

### Nasdaq 100: Performance distribution over the last 6 months



Source: Bloomberg, 19<sup>th</sup> January 2022



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