

ZETA



ZETA**MACRO
OUTLOOK**

In March, we observed weaker inflation data in the developed world, while industrial activity showed signs of recovery.

In the United States, the March FOMC meeting featured new projections from committee participants regarding the economy and interest rates. In response to recent stronger data on activity and inflation, there was an upward shift in the dotplot across the entire forecast horizon. With resilient activity and labor market, participants have indicated the need to see further progress in inflation to initiate the cutting cycle. The latest inflation figures, relative to February, showed a slowdown in core inflation measured by the PCE, but that measure remained above the more benign prints observed in the second half of 2023. Expectations for the first rate cut by the FOMC have centered around the June meeting, a move highly conditional on inflation data up to that point.

In Europe, the March ECB meeting reinforced expectations that the first interest rate cut will take place in June. The new inflation projections surprised on the dovish side, with core inflation reaching the 2% target earlier than before, in the second half of 2025. The upcoming inflation releases will be crucial in determining the pace of rate cuts. The BOE meeting also yielded a more dovish outcome. Following downside surprises in inflation and wages, the two dissenters in the committee shifted from supporting rate hikes to maintaining current levels. The committee emphasized that even with the rate adjustment cycle beginning, the monetary stance would remain restrictive.

In China, first-quarter activity data exceeded expectations, with particular emphasis on services consumption during the holiday period. In March, there was a stronger inflation reading and a slight improvement in home sales. Lastly, PMI data also indicate an acceleration in 2024 activity.

In Brazil, the released figures suggest that the economy gained momentum at the beginning of the year, defying expectations of a slowdown. Employment numbers were particularly noteworthy, especially the strong formal job creation. Real wages continue to increase. However, February IPCA inflation surprised to the upside. Federal revenue was also stronger than expected by the government. Nevertheless, the challenge of meeting the primary surplus target remains significant, and the administration is expected to address this issue in the next semester. The Central Bank proceeded with another 50 bps rate cut in March, as previously signaled, and indicated yet another cut of the same magnitude.



ZETA**POSITIONS****Rates**

We increased long positions in the United States and in Brazil. We maintained long positions in Mexico, the Eurozone and the United Kingdom, curve positions in the United States and short position in inflation in the Eurozone. We also maintained long positions in inflation in the United States.

Equities

We maintained long positions and relative value positions in Brazilian equities. We also maintained long positions in global indices.

Currencies

we increased long positions in the Indian rupee, in the Mexican peso and in the Swedish krona. We maintained short positions in the Chinese yuan, in the euro and in the Thai baht. We reduced long positions in the Brazilian real and short positions in the Colombian peso.

Commodities

we increased long positions in gold, oil, copper, and sugar. We also increased short positions in silver, soybeans, corn and coffee.

**PERFORMANCE
BREAKDOWN**

Regarding performance, positions in equities, commodities, and currencies contributed positively, while positions in interest rates had a negative impact. In Brazilian equities, positive highlights included positions in the consumer, transportation and logistics, pulp and paper, oil and gas, and financial services sectors, while negative performance was observed in the healthcare, mining and steel, and construction sectors.

KAPITALO GLOBAL FUND SPC – ZETA USD

STRATEGIES	MAR/24	2024	12M	24M	60M	SINCE INCEPTION*
Fixed Income	-0.60%	-2.53%	-4.67%	4.83%	17.21%	18.10%
FX	0.20%	-0.50%	-0.90%	1.68%	1.89%	-0.32%
Equities	3.76%	5.21%	11.58%	8.87%	26.55%	36.70%
Commodities	0.30%	0.92%	0.95%	0.56%	5.45%	6.19%
Fees	-0.15%	-0.27%	-0.63%	-5.34%	-23.55%	-28.13%
Performance	3.52%	2.83%	6.33%	10.59%	27.56%	32.54%

(in US Dollars)

(*) Inception date:

September 5th, 2018



ZETA**ZETA FIQ** (in Brazilian Reais)

STRATEGIES	MAR/24	2024	12M	24M	60M	120M
Fixed Income	-0.62%	-2.67%	-5.13%	6.51%	22.78%	77.74%
FX	0.19%	-0.54%	-1.24%	2.19%	-0.73%	42.50%
Equities	3.56%	4.33%	7.69%	-0.24%	15.74%	84.64%
Commodities	0.31%	0.96%	0.98%	0.29%	6.99%	14.03%
Fees	-0.26%	-0.67%	-2.65%	-6.98%	-24.07%	-59.78%
Performance	4.02%	4.03%	12.01%	29.06%	66.71%	301.38%
% CDI	481.84%	153.69%	97.13%	106.51%	145.01%	211.86%

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