

# SWISSQUOTE

FINANCE AND TECHNOLOGY

**ENERGY VAULT**  
Storing energy  
in Ticino

**BANKING**  
Farewell  
to LIBOR

**WINTER ADVENTURES**  
Eight off-piste  
activities

DOSSIER

# TOP 25 BULLISH FIRMS

OUTLOOK 2022

ISSN 2296-3278



> DATADOG > TWILIO > SUSE > UNITY TECHNOLOGIES > DOCUSIGN > ZSCALER > COMPLEO >



COLLECTION  
*Ladybird*



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MANUFACTURE DE HAUTE HORLOGERIE

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## SPEEDMASTER CHRONOSCOPE

Just like OMEGA, the Speedmaster Chronoscope takes its name from a traditional Greek expression, with “Chronos” meaning time, and “Scope” meaning to see. Quite fittingly, the timepiece reveals a precise insight into the world around us.

On the dial, three timing scales are printed in a snail design, inspired by OMEGA’s chronograph wristwatches from the 1940s. This includes a Tachymeter scale to determine speed, a Telemeter scale, which utilizes the speed of sound to measure your distance from a phenomenon, and a Pulsometer scale to count the beat of a heart.

The Chronoscope, however, is more than just function alone. Crafted with a vintage spirit, beauty is achieved through elegant leaf-shaped hands, a spiral track pattern that runs beneath Arabic numerals, and a classic 43 mm Speedmaster case made in exclusive Bronze Gold.

Through the sapphire crystal on the caseback, the manual-winding OMEGA Co-Axial Master Chronometer Calibre 9908 can be admired. Decorated with an expert touch, it offers the Swiss industry’s highest certified standard of precision, performance and magnetic resistance.





# The market always has opportunities



By Marc Bürki,  
CEO of Swissquote

**F**inancial markets are at a crossroads. Since the market crash in March 2020 caused by the pandemic, most of the world's stock markets have regained their health. Now, in 2021, some are even in jubilant form. For example, the Swiss Market Index (SMI), the benchmark index of the Zurich stock exchange, rose more than 15% between January and November, to hit a record during trading of more than 12,600 points. Highs like that have never been seen before. Wall Street is showing the same vigour. Since the beginning of the year, the Nasdaq and S&P 500 have risen respectively by 23% and 25%.

This ebullient performance has been particularly good to technology stocks, especially those of US firms. Some are even comparing current conditions to the 2000 tech bubble, which would of course eventually burst. Now let's set a few things straight. Any bubble that may currently exist should not be compared with the one in the 2000s. The two periods are completely different. The speculative boom in 2000 grew out of a nascent sector, the Internet. Most of the companies active in the industry were startups and lost massive amounts of money. Twenty years later, the tech industry landscape is in stark contrast. Today's new online players are not beginners in the game, but dinosaurs, and they're reaping record profits. They have seized on the V-shaped economic recovery since lockdown, as well as

from the pandemic, which has accelerated the digital transformation of the economy at a phenomenal rate.

But can the share growth of 2021 continue into 2022? As our special report shows, experts are **split** on this question. On one side, growth is expected to continue in 2022, increasing corporate profits and lifting company shares. On the flip side is gradual monetary tightening, as inflation looms amid rising energy prices, commodity shortages and a potentially alarming COVID-19 variant. All that paints a gloomy outlook. Times are uncertain. Markets could just as easily continue to rise as they could fall. That's why it is particularly important to choose your stocks carefully. Because the market always has opportunities!

Some of the stars that emerged from the lockdown are already struggling, such as video conferencing platform Zoom, exercise bike manufacturer Peloton and telehealth provider Teladoc. However, many companies are looking at a bright 2022, even in the event of a correction. We talked to a carefully selected panel of analysts and came up with **25** stocks to watch. We divided into safe bets, growing companies, along with a few, slightly riskier "wildcards". This should give you what you need to build a diversified portfolio and to warm your holiday season.

Enjoy this issue and Merry Christmas!

*p. 32*

*p. 40*

## ALPINE EAGLE

With its pure and sophisticated lines, Alpine Eagle offers a contemporary reinterpretation of one of our iconic creations. Its 41 mm case houses an automatic, chronometer-certified movement, the Chopard 01.01-C. Forged in Lucent Steel A223, an exclusive ultra-resistant metal resulting from four years of research and development, this exceptional timepiece, proudly developed and handcrafted by our artisans, showcases the full range of watchmaking skills cultivated within our Manufacture.

*Chopard*

THE ARTISAN OF EMOTIONS – SINCE 1860



## ENERGY VAULT



TRENDS

## DOSSIER

# OUTLOOK 2022 TOP 25 FIRMS TO WATCH

30

## AUTO



TRAVEL

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# SCANS

stock exchange  
SPACS HIT ZURICH

The worldwide popularity of SPACs has spread to Switzerland. As of 6 December, the Swiss Exchange (SIX), the operator of the Swiss stock exchange, has authorised the listing of SPACs – empty shell companies that go public solely for raising capital to buy unlisted companies. Around for decades in the United States, SPACs have been hot on Wall Street for the past two years (see *Swissquote Magazine*,

November 2020). By mid-November, 544 SPACs had gone public this year, compared with 248 in 2020 and only 59 in 2019. The trend has prompted the SIX to change its rules to allow for Swiss-made SPACs, therefore removing the main hurdle preventing them from listing. Unlike traditional companies, SPACs are not required to present three years of audited accounts to apply for a listing on the SIX.



The company Virgin Galactic, known for developing the VSS Unity sub-orbital aircraft intended for space tourism, completed its IPO through a SPAC in 2019.

VIRGIN GALACTIC

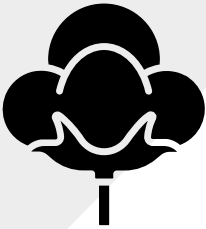


**“I think the sky’s the limit in terms of valuation, but it’s all about execution. It’s all about scaling volume”**

**Peter Rawlinson,**  
CEO of American electric vehicle manufacturer, Lucid Motors, whose market capitalization has exceeded Ford’s.

cloud  
FROM AMAZON WITH LOVE

While in Switzerland the debate over digital sovereignty is raging, UK spy agencies have not hesitated to go to Amazon Web Services (AWS). The *Financial Times* reported on the undisclosed deal, in which the AWS cloud will host classified material to optimise data analytics used in espionage. More specifically, Britain’s GCHQ (equivalent to the US National Security Agency), as well as MI5 and MI6, plan to use AWS artificial intelligence to combat hostile disinformation and cybercrime, as ransomware attacks have doubled in the UK between 2020 and 2021. The contract is estimated between £500 million and £1 billion over the next decade. — AMZN



+54%

The increase in the price of cotton in the past year (as of mid-October).



\$3,000 billion

The cryptocurrency market crossed the \$3 trillion mark in early November, with Bitcoin accounting for over 40% and Ethereum just under 20% of the market.



**“We have to create our own technology champions”**

**Dominique Mégret,**  
head of the fund Swisscom Ventures and author of *DeepTech Nation*, which says that Switzerland should invest more in deeptech.

agribusiness  
SYNGENTA'S MAGIC LETTUCE



A Syngenta R&D unit

The Swiss multinational, owned by the Chinese conglomerate ChemChina since 2017, has introduced a new variety of lettuce specifically for burgers. All the leaves are the same size and remain crisp even when in contact with meat. This non-GMO lettuce was developed through a lengthy hybridisation process at its Enkhuizen innovation centre. Syngenta invested €36 million in the facility, which opened in the Netherlands’ “Seed Valley” in late 2019. The Swiss

firm is not only the leader in pesticides but is also one of the three main companies in the seeds business, a market valued at \$60 billion with annual growth of 6.6%. The inventor of the cherry tomato does not only cross seed varieties to delight the taste buds of consumers, but also to improve yields and resist disease. Syngenta could return to the stock market in 2022. Its planned IPO on the Shanghai Stock Exchange in 2021 was postponed pending financial reporting.

## RANKING

TOP 10 MOST GENEROUS EUROPEAN COUNTRIES FOR PATERNITY LEAVE  
(weekly compensation, between 70% and 100% of their salary, in 2021)

SWEDEN	12 TO 78
DENMARK	2 TO 34
FINLAND	27.3
SPAIN	16
THE NETHERLANDS	5
PORTUGAL	5
FRANCE	4
BELGIUM	2
BULGARIA	2
SWITZERLAND	2

Source: Statista

VENTURE FUNDING FOR SEMICONDUCTOR STARTUPS  
(in billions of dollars, globally, 2021: first three quarters)

2017	1.2
2018	2.6
2019	1.4
2020	3.4
2021	3.7

Source: Crunchbase



## SCANS



**“We are not closing coal mines and we are not closing coal-fired power stations”**

**Keith Pitt** confirmed that Australia, home to large mining groups such as BHP and Rio Tinto, will continue to sell coal for “decades”.




*freight*  
**FEDEX TESTS AUTONOMOUS LORRIES**



An autonomous lorry from Aurora Innovation, used by FedEx.

AURORA

If you live between Houston and Dallas, you may soon spot an autonomous lorry on Interstate 45. Last September, the US carrier FedEx announced that it was starting to test self-driving semis made by the American manufacturer Paccar on this stretch of motorway in real conditions. The lorries use driver assistance technology developed by the US firm Aurora Innovation. The test project involves shipping goods between Dallas

and Houston several times a week in a self-driving vehicle, but always with a back-up driver. The chosen route is just over 800 km long (return), and plagued with heavy traffic. Founded in 2016, Aurora Innovation acquired Uber’s self-driving unit at the end of 2020, a deal that set the tech company’s implied valuation at \$13 billion. Aurora was listed on the Nasdaq in early November via a SPAC.  AUR  FDX  PCAR

*accessories*  
**COMMON MOBILE CHARGER BY 2024**

Smartphone manufacturers, especially Apple, had managed to delay it for 12 years. But the European Commission has now issued a draft directive that will force them to adopt the USB-C universal charging port by 2024. The measure also applies to portable speakers, handheld gaming consoles, digital cameras, headphones and tablets. Not only is a standard charger immensely practical for consumers, but the measure was also introduced for its significant environmental and economic impact. The European Commission expects a reduction of 1,000 tonnes per year in electronic waste, and consumers could save €250 million per year on charger purchases.

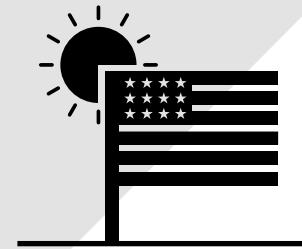


ISTOCK



**15%**

The G20 has green-lighted the tax reform for a minimum global corporate tax rate of 15% on multinationals.



**45%**

The share of US electricity generation expected to come from solar power by 2050, according to a publication by the US Department of Energy. In 2020, solar accounted for only 4% of total electricity generation.



**“I love to be underestimated”**

**Lucian Grange**, CEO of Universal Music, following the label’s IPO (see our previous issue).

*social networks*  
**PODCAST KING COMES FOR YOUTUBE**



MEHMET ALI OZCAN / AFP

Spotify has become the podcast platform US listeners use most, pulling ahead of Apple. The United States is the world’s largest podcast market. Snagging top spot means that the Swedish streaming leader’s massive investment, nearly \$1 billion in acquisitions and partnerships, in podcasts is finally paying off. As part of these efforts, Spotify has lifted restrictions on video podcasts, expanding access to allow all content creators to upload videos on its service. As with audio podcasts, creators will be able to monetise their videos directly through paid subscriptions. In encroaching on YouTube’s territory, Spotify hopes to diversify and gain new subscribers (see *Swissquote Magazine*, November 2021).

 SPOT

## KICKSTARTER



POWERLACE

**POWERLACE’S SELF-LACING SHOES “GREAT SCOTT!”**

Among sci-fi fans, the self-lacing Nikes in *Back to the Future Part II* have earned a cult following. In 2016, Nike had taken advantage of their status to produce a limited edition of 89 self-lacing pairs using a battery connected to a mobile app. Since then, they have become the world’s most expensive sneakers on the resale market, according to the website StockX (count between 37,000 and 66,000 Swiss francs per pair depending on size). The family-owned company Powerlace now offers self-tying shoes that do not need a battery and are much more wallet-friendly (around 150 Swiss francs). A cable system connects the laces to a pressure plate under the heel. The plate is activated by body weight when the shoe is slipped on, and then automatically tightens. To take them off, wearers simply press a small lever on the back of the trainer which releases the pressure of the laces. It took Powerlace more than 10 years to design and perfect its mechanical system, which was originally designed for people with disabilities. Two models were launched to market last December, and the company claims that the mechanism can withstand 10,000 self-lacing cycles.

**FUNDS RAISED**  
CA\$ 107,811

**AVAILABILITY**  
DECEMBER 2021

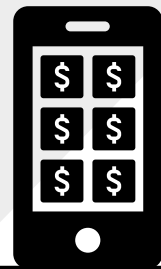


## SCANS



**“We encourage a minimum of two days a week in the office and 50% overall per year”**

Alain Dehaze,  
CEO of Adecco,  
in an interview  
with *Forbes*.



**36 billion**

The record-high number of app downloads in the third quarter (App Store and Google Play), with \$34 billion in consumer spending over the same period.

*spices*  
**SPICING THINGS UP**



ISTOCK

The lockdowns have driven more people to cook at home, lifting demand for seasonings and other spices. Sales of US condiment giant McCormick have jumped 20% in the past two years. To keep pace with this unprecedented demand, the company has even had to charter planes to avoid inventory shortages in the United States. But McCormick and Knorr (Unilever) are

not the only winners. The trend has benefited spice exporting countries too. For example, India exported \$4 billion dollars' worth of spices in 2020, representing a 37% increase in volume in one year. The global market for condiments and spices is expected to remain hot, with forecast growth of 5% to reach \$19 billion by 2024.

— MKC — ULVR

**IPO**

**GITLAB'S ROLLER COASTER OF A DAY**

Gitlab, a platform for collaborative software developers, made a strong debut on the Nasdaq, with the share wrapping up the day 35% above its starting price. The IPO landed \$650 million, with Gitlab's market capitalisation closing at \$14.9 billion. Those impressive figures came even though the company posted a net loss of \$40.2 million in the second quarter and was valued at only \$6 billion in 2020 and \$2.7 billion in 2019. Its stock market performance is mainly due to

its estimated net retention. For the first half of the year, net retention reportedly came to 152%, a figure that would place Gitlab among the top publicly traded software companies. Launched in 2011, Gitlab really took off in 2018 after Microsoft bought Github, making it the only major independent player in the market for open source software forges. Its software is used by big-name organisations, including IBM, NVIDIA, Sony, SpaceX, CERN and NASA. — GTLB

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TRIBAL



SCANS



**\$158 billion**

The amount of money raised by startups worldwide in Q3, breaking a record.

food

NESTLÉ AND THE HEN THAT LAYS THE VEGAN EGGS

In late 2021, the Vevey food giant launched vegan soy-based eggs that mimic the taste and have similar nutritional value of the originals, but contain no animal proteins. This is how Nestlé plans to expand its product range and move into the growing market for animal meat substitutes containing only plant-based ingredients. Sold in liquid form, Nestlé's vegan eggs are currently only available in Switzerland (Coop) and Germany. The liquid egg market is still in its infancy, posting \$27 million in revenues in 2020 in the United States, according to the Food Institute. But supply is sky-rocketing, and sales could reach \$1.15 billion as early as 2022. Last year, Nestlé generated only 200 million Swiss francs from its plant-based substitutes, a tiny fraction of its total sales of 84 billion Swiss francs.

— NESN

video games

APPLE: THE VIDEO GAME VULTURE



An image from the game *Fortnite*, developed by Epic Games. The American developer accuses Apple of making profits on its back.

The tech giant doesn't design video games but has indirectly become one of the biggest money makers in the gaming industry. The figures reported in the *Wall Street Journal* say it all: Apple's gaming profits totalled \$8.5 billion in 2019, i.e., \$2 billion more than the combined earnings of the four main video game developers (Microsoft, Sony, Nintendo and Activision-Blizzard). The key to this success is the controver-

sial 30% commission charged by Apple on every purchase made on the App Store. That includes in-app purchases, or transactions made by users while playing their games. Tim Sweeney, boss of Epic Games, which develops the game *Fortnite*, fervently opposes this system. He likens this fee to a toll on the creative work of others. Epic Games and Apple have been battling this issue out in court since 2020. An initial court

ruling handed down last September stated that Apple could no longer force developers to use its payment system within their apps. This was a partial victory for game developers, but they still feel that Apple has a monopoly. The App Store remains their only gateway to the Apple ecosystem. Apple has appealed this decision, which is therefore not yet effective.

— AAPL

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TRIBAL



## SCANS



## “The Swiss financial market is probably one of the greenest”

Ueli Maurer,  
Federal Councillor in  
charge of the Federal  
Department of  
Finance at COP26.

## semiconductors

## ALIBABA AND THE 5 NANOMETRES



Alibaba's Yitian 710 chip stands out for its thin etching.

NEWS.COM

Chinese tech giant Alibaba is as impressive as ever. On 19 October, the company unveiled Yitian 710, a new server chip developed by T-Head (Alibaba's semiconductor unit), based on an architecture provided by the UK firm Arm. What's most impressive about the chip is that it is 5 nanometres thin, an unusual feat in data centres. However, the Yitian 710 was not developed for commercial use, but exclusively for Alibaba's data

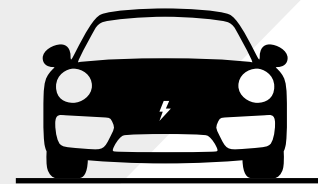
centres. Amazon and Google are taking similar steps, customising their chips to build into their cloud servers. “The new chip boosts performance by 20% and energy efficiency by 50% compared with other server processors on the market,” Alibaba said. Bloomberg believes that Alibaba will not mass-produce the chip itself, as only Taiwan's TSMC and Korea's Samsung are capable of industrially etching chips that thin. — 9988

## BUST

## Last take-off for the A380

Thus the story draws to a close. The European aircraft manufacturer Airbus delivered the last A380 to Emirates airline in November. This final hand-over marks the end of an aeronautical adventure that will go down as an immense commercial flop. The world's largest commercial aircraft, which launched operations in 2007, turned out to be simply too big. Carrying up to 853 passengers, with generally more than 500 seats on board, the four-engine A380 can be difficult to fill.

That made the plane much less profitable than its twin-engine competitors, such as the Boeing 777 and 787, or even the Airbus A330 and A350. As a result, orders never really took off, and no airline has bought the aircraft since 2015. Due to the lack of customers, in 2019 Airbus announced that it would discontinue the programme. Only 251 aircraft have left the Airbus factory since 2005, far from the estimated break-even point of more than 1,000 planes.



# 28,640

The number of Taycans, Porsche's all-electric car, sold in the first nine months of the year, beating out the iconic internal combustion-powered 911 over the same period by 668 vehicles (27,972).

# THE BIG PILOT.



— **Big Pilot's Watch Perpetual Calendar.**  
**Ref. 5036:** The deep blue dial of this Big Pilot's Watch gives the perpetual calendar the big stage it deserves. Developed by Kurt Klaus in the 1980s, its mechanism independently reco-

gnizes the different lengths of the months and leap years. The IWC-manufactured 52615 calibre with Pellaton winding, two barrels and a power reserve of seven days ensures precise drive.  
**IWC. ENGINEERING DREAMS. SINCE 1868.**

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FOR VIRTUAL TRY-ON**

IWC-manufactured 52615 calibre · Pellaton automatic winding system · 7 days power reserve · Perpetual calendar with display for the date, day, month and year · See-through sapphire-glass back · Water-resistant 6 bar · Diameter 46.2 mm · Stainless steel

IWC BOUTIQUE · BAHNHOFSTRASSE 61 · 8001 ZÜRICH

**IWC**  
SCHAFFHAUSEN



# TRENDS



**personality**  
MATE RIMAC

## Croatia’s Musk soon at the helm of Bugatti-Rimac

<b>Position</b> CEO
<b>Age</b> 33
<b>Nationality</b> Croatian

It’s official: Bugatti and the young Croatian electric brand Rimac materialised their joint venture in early November. Founder and CEO Mate Rimac will lead the way. Often compared to Elon Musk, 17 years his senior, Mate Rimac was born in Livno, Bosnia-Herzegovina, and made his mark early on as an electronics prodigy. After earning several awards, at age 19 he converted an old BMW race car into an electric car. In 2009, he founded Rimac Automobili. Two years later, the company most notably produced the Concept One, the first 100% electric hypercar. Bugatti and Rimac Automobili will each maintain their independence. Volkswagen’s stake in Bugatti will be transferred to Porsche, which will control 45% of the joint venture, with Rimac holding the other 55%. Mate Rimac is initially expected to focus on a hybrid model to build on the Bugatti Chiron. After that, he will move the French brand into the all-electric area.



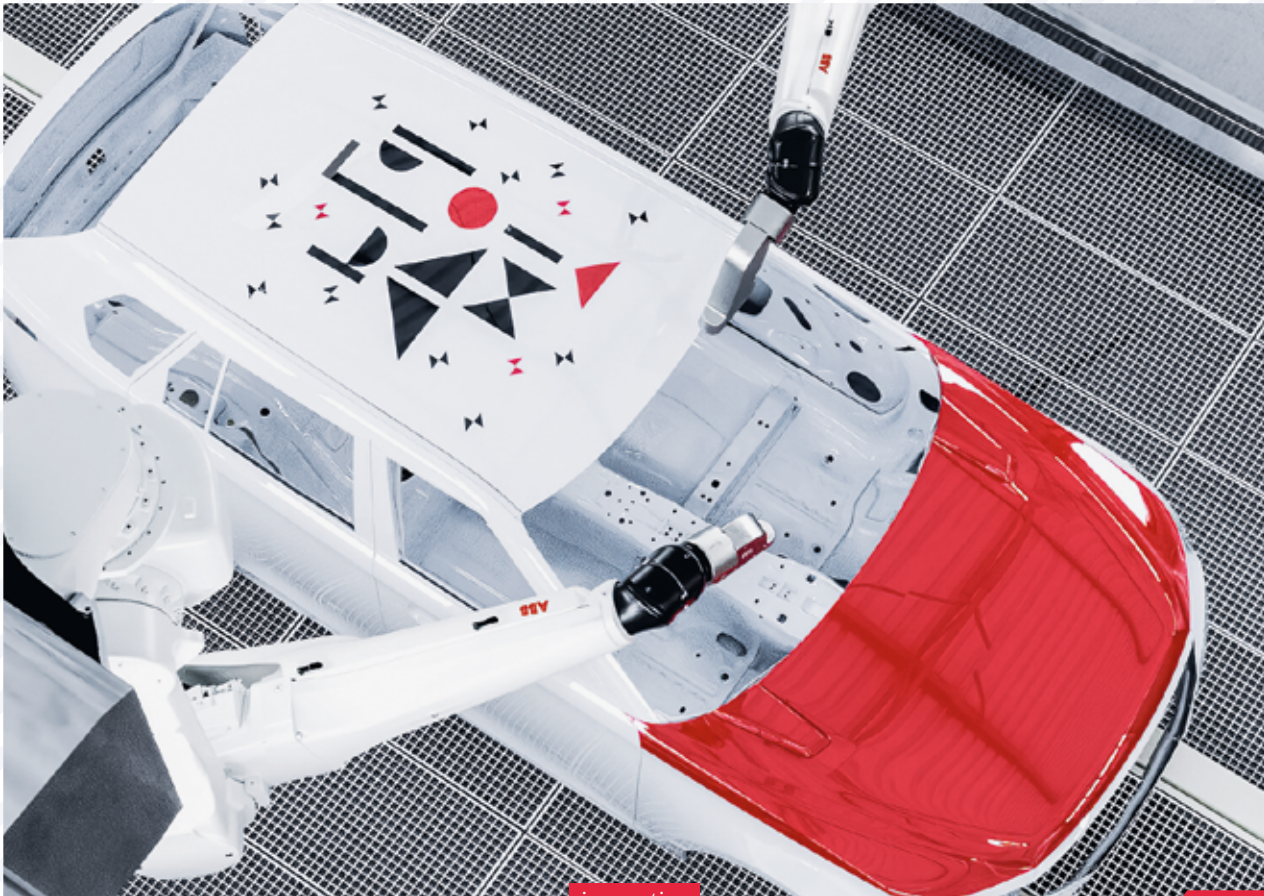
**country**  
LITHUANIA

## The new El Dorado for biotechs

Lithuania is one of the big winners of the global pandemic. As at the end of the first quarter of 2021, its economy was already back up on its feet. This recovery, one of the fastest in the eurozone, has mainly been fuelled by life science exports, which grew by 60% in 2020 and continued to do so in 2021. US giant Thermo Fisher Scientific (TMO) and its production of COVID-19 vaccine reagents are the main driver of

these exports. But it is not the only company to have chosen the small Baltic nation as its European base. Biogen, another US biotech giant, has recently set up operations in the capital Vilnius, along with a flurry of biotech startups, all attracted to Lithuania’s host of skilled workers. With seven universities offering life science programmes, the country is home to 15,000 scientists trained to meet the industry’s needs. What’s more, in 2020 a 24-hectare life science and innovation park opened 30 minutes from the capital’s airport.

<b>Population</b> 2,794,700 (2020)
<b>GDP per capita</b> \$19,997.593 (2020)
<b>Growth</b> -0.872% (2020)
<b>Main economic sectors</b> services (information and communications technology, tourism) and manufacturing (electronics, life sciences, chemicals, machinery and equipment)




**innovation**  
ABB’S ROBOT PAINTER

<b>Manufacturer</b> ABB
<b>Availability</b> available
<b>Price</b> not disclosed

## Car industry on the brink of custom tuning

Although millennials tend not to be too interested in cars, a 2018 study showed that nearly 25% of young Americans aged 16 to 24 are into car customisation, otherwise known as tuning. The Swiss company ABB has moved to meet this growing demand by developing PixelPaint. Its two robotic arms offer two-tone bodywork paint application and

can create complex designs, such as curved patterns, with incredible precision. The robotic solution won the International Federation of Robotics’ 2021 “Award for Innovation and Entrepreneurship in Robotics & Automation”. ABB says its system is 50% faster than current time-intensive technology that requires masking and de-masking. The process

also reduces the amount of paint used, saving 20% to 30% according to ABB. But the Swiss group is not the only firm to have picked up on the trend. In the autumn, BMW unveiled its own robotic solution, EcoPaintJet Pro. 



# ANALYSIS

SPECIALIST'S VIEWPOINT

## FOCUS

# Post-LIBOR: leaping into the unknown

The famous London Interbank Offered Rate, a benchmark interest rate for most financial instruments, will be phased out by the end of the year. The impact on the banking industry will be huge. Where will it go from here?

BY ANGÉLIQUE MOUNIER-KUHN

It's the kind of revolution that boggles your mind. Remember the "Y2K bug"? And the fear that the transition to the new millennium would make all computer systems go haywire? Those fears ended up proving mostly unfounded. This time, the uncertainty is within the confines of the financial sector. But you can't terminate what used to be called "the world's most important number" without a touch of anxiety.

As of 1 January 2022, the LIBOR (London Interbank Offered Rate), or rather the LIBORs, covering various iterations (pound sterling, Swiss franc, euro, yen), will be calculated no more, while the USD LIBOR has been given reprieve until June 2023.

Introduced nearly 35 years ago in London by the British Bankers' Association, LIBOR quickly became the unrivalled benchmark for calculating interest on most private and corporate loans (mortgages, consumer loans, syndicated loans, etc.) and on the interest rate derivatives market.

In January, the United Kingdom's Financial Conduct Authority (FCA) estimated the total financial amount of financial contracts indexed to the LIBOR at around \$260 trillion, i.e. three times the United States' GDP. Given the amounts involved, it comes as no surprise that its cessation is causing such jitters in the banking sector.

"This is a major reform for the industry," says Philip Adler, global head of Treasury and Trading at UBP. "We've been preparing for it for several years. It has required a considerable amount of legal work and significant changes to our computer systems." The consultancy firm EY has estimated that the world's big banks will each spend up to \$100 million this year to prepare for the change.

### SCANDALS APLENTY

The truth is, despite all the fuss over the 31 December deadline, the revolution has long been coming. The spate of scandals over the past decade have disgraced what seemed

to be an end-all be-all benchmark, by revealing the shady collusion of some banks involved in calculating LIBOR. Since it was introduced, this "interbank" rate has been determined daily based on estimates of the rates at which a panel of banks believe they can borrow from their competitors for maturities ranging from one day to one year.

Those who tampered with the mechanism for their own benefit paid the price. The dozen or so institutions involved were fined more than \$9 billion, and several traders were sentenced to varying degrees of punishment. One former UBS and Citigroup employee even did time in prison. In 2017, the UK's FCA announced the cessation of the LIBOR by 2022. That decision was confirmed in March 2021.

Coordinated at the global level by the Financial Stability Board (FSB), an offshoot of the G20 operating under the Bank for International Settlements in Basel, the preparation of



the post-LIBOR era has been entrusted at the national level to working groups made up of representatives from central banks, regulators and industry representatives. Their objective is to come out with new indices, ensure that these indices become the standard for new contracts, and renegotiate existing contracts.

New indices, yes, but not just any indices. The FSB has repeatedly insisted on the need to replace LIBOR with Risk Free Rates (RFRs). As they are not based on estimates provided by banks but on transactions carried out on liquid markets, these rates are intended to be more transparent and robust.

In Switzerland, for example, the Swiss franc LIBOR will be replaced by the Saron (Swiss Average Rate Overnight), which reflects actual transactions on the money market on a daily basis. In the UK, the Sterling Overnight Index Average rate (Sonia) has already begun to take hold in the bond and derivatives markets. In Europe, the Euribor has been saved by revising its calculation, and the €STR (Euro Short-Term Rate) will take over the Eonia (one-day rate).

With some delay, Japan is moving to the Tona (Tokyo Overnight Average Rate). In the United States, despite being enthusiastically promoted by the government, the shift to the SOFR (Secured Overnight Financing Rate) has been met with inertia from the financial sector, if not to say unwillingness.

**In Switzerland, the Swiss franc LIBOR will be replaced by the Saron (Swiss Average Rate Overnight), which reflects actual transactions on the money market on a daily basis**

### REGULATORS ARE CONCERNED

In fact, while they are built to stay immune to the whims of manipulation, the new risk-free rates are far from ideal alternatives according to professionals. Based on past

transactions, they do not tell the borrower in advance how much interest will be paid in the future. This was not the case with LIBOR's different maturities. Moreover, Risk Free Rates do not take into account counterparty risk or the liquidity premium, which are critical factors in the cost of a loan. Extremely complex methodologies had to be developed to reintegrate these parameters and give borrowers some visibility over their future maturities.

The US financial sector's procrastination is giving regulators cold sweats. However, Switzerland appears well prepared to tackle the transition. "The working group on the transition away from LIBOR has worked very well, and the banks are in the starting blocks: in terms of IT and customer communication, the industry has taken the necessary measures, and most institutional clients and large companies have adapted to the new reference," Philip Adler says. However, a trial-and-error phase after 1 January cannot be ruled out. It remains to be seen whether the transition will involve only a few minor bumps, like the year 2000 bug, or a giant leap into the dark. ▲



# Energy Vault and the law of gravity

Valued at \$1.6 billion, the Ticino-based startup will list on the New York Stock Exchange in early 2022. Its CEO is convinced that Energy Vault will become a spearhead in the energy transition. Report.

BY ANGÉLIQUE MOUNIER-KUHN

**Y**ou can spot its slender silhouette from a distance. In fact, it's the only thing standing out in the narrow valley of Arbedo-Castione, a small town near Bellinzona in the canton of Ticino. But what is it? The strange metal creature was built in the middle of the COVID-19 pandemic. Sticking out of what

looks like a vacant lot, it towers over its surroundings from a height of about 70 metres, stretching its six fully automated arms out around its central core. Welcome to the Energy Vault demonstration centre. By merging with Novus Capital Corp II, a US special purpose acquisition company (SPAC) – otherwise referred to as a “blank cheque” company – the

Swiss-American startup took the first step towards its IPO on 9 September. Valued at nearly \$1.6 billion at the time of the acquisition, Energy Vault, which the World Economic Forum (2020) named Technology Pioneer, will officially list on the New York Stock Exchange in the first quarter of 2022, once all the regulatory formalities are in order. ▶



The company was formed in November 2017 to develop an original solution for storing alternative energy. With the combined effect of fossil fuel production expected to level off and economies having to shift towards decarbonised solutions by 2050, the storage of “green” electricity is seen as the ultimate challenge in the global race to balance out the energy mix. “Whoever finds the right energy storage solution will win big,” says geo-energy economist Laurent Horvath. BloombergNEF estimates that the industry will attract nearly \$640 billion in investment between now and 2040.

We now know how to produce wind and solar power without a problem, at ever more affordable costs. But production depends on weather conditions. It is therefore intermittent and unpredictable, which prevents

it from meeting consumer demand in real time. Hence the search for storage solutions to smooth out production peaks and troughs. Several approaches are competing: thermodynamic storage using compressed air, batteries (sodium-sulphur, lithium-ion, sodium-ion, etc.) or electrolysis to convert electricity into hydrogen (see also inset on p. 26).

**“Whoever finds the right energy storage solution will win big”**

Laurent Horvath, geo-energy economist

This Swiss startup has decided to turn to the good old law of universal gravitation, taking its inspiration from the longest-lasting electricity

storage system to date: dams. Water from hydroelectric plants is pumped from the lower reservoir to the upper reservoir when there is a surplus of electricity production. It is then released to the lower reservoir, which powers the turbines, when demand exceeds supply. “Ninety percent of the world’s electricity is stored in hydroelectric dams, and Switzerland has a lot of them. But we don’t want to create any more of these structures for environmental reasons (damage to flora and fauna). What’s more, not every place has the mountains and rivers where dams can be built,” says Robert Piconi, the CEO of Energy Vault.

Perfectly fluent in Italian, this US native living in Switzerland has previously worked for BP and Lucent Technologies. He currently divides his time between Lugano, the compa-

ny’s international headquarters, and Westlake Village, California, where it has offices. The company employs about 70 people across its different sites. A trio formed by the youthful-looking 50-year-old and the startup’s other two co-founders, Andrea Pedretti, a Ticino-born engineer who studied at the École polytechnique fédérale de Zurich (EPFZ), and Californian Bill Gross, who came up with the idea of recreating the conditions of gravity with the help of a crane and substituting blocks of composite material for water. At the time the project began to take shape, Piconi and Pedretti were based in Ticino. They knew Gross, who had founded Idealab, one of the foremost technology incubators in California. That is how Energy Vault was formed between Switzerland and the United States.

On this November afternoon, the 35-tonne blocks are stacked like Lego bricks at the foot of the structure. The team from *Galileo*, a mainstream science programme on German television, had been filming a few hours earlier. They were able to get shots of the apparatus in action. Piled at the top of the crane as a reserve of potential energy, the blocks were dropped to the ground to generate electricity. The automated arms lift them back to the top of the structure when production exceeds demand. This demonstration unit, with a storage capacity of 5 megawatt hours (MWh), has been connected to the Swiss electricity grid since July 2020.

“People often ask me why no one had the idea before us,” Robert Piconi says with a smile. “It’s true that our concept looks simple. But no one before us had built a crane with six arms. In fact, our system focuses on a combination of innovation, science and artificial intelligence, both in terms of materials and the software that operates the crane and enables it to be controlled remotely, including by customers

who want to test it.” The energy expert Laurent Horvath calls the idea “genius”. “Costs are low and all you need is land to install it just about anywhere,” he says, without commenting on the business model.

**“It’s hard being a startup in Switzerland. No bank is willing to take the slightest risk”**

Robert Piconi, CEO of Energy Vault

The startup is generating much curiosity, and not just due to its unusual looking installation - they believe they have solved the problem of squaring the circle: storing electricity using a process that can be replicated on a large scale is durable

- unlike lithium-ion batteries whose performance deteriorates with use, and that offers efficiency of 85%, whereas hydrogen alternatives barely reach 45%, and compressed air solutions 70%. Its potential direct competitors, i.e. those that draw on the power of gravity, can be counted on the fingers of one hand. And not one has yet reached a stage of development as advanced as Energy Vault. “When we started thinking about electricity storage, we set three parameters. Urgency: Given the current state of the climate, we didn’t want to spend five to 10 years developing a solution. Cost: we wanted to design a system that was as financially competitive as possible. Environmental aspects: to minimise our impact, our supply chains had to be local and environmentally safe,” the CEO says.

Instead of manufacturing concrete bricks, the company partnered with the Mexican building materials giant Cemex, whose global centre for



Robert Piconi, CEO of Energy Vault.



When there is excess energy on the grid, the crane hoists the 35-tonne blocks to the top.



research and innovation is located in Brugg, in the canton of Bern. The partnership produced an exclusive process for making bricks from cheap, locally available materials such as excavated soil, rubble, mining waste and combustion residue. It even uses fibres from recycled wind turbine blades supplied by the Italian company Enel. All the fibres used at the demonstration centre come from the company's own immense press, which it has set up under a shed a few metres from the crane.

The concept was initially met with scepticism in Switzerland. With a crane and bricks on one side, sophisticated software on the other... The current tower was initially supposed to be built in Biasca, but the local authorities did not believe in the project. Nor did the banks. "It's hard being a startup in Switzerland. No bank is willing to take the slightest risk. Not a single Swiss private equity investor wanted to back us either," the CEO laments. Energy Vault has had better luck abroad. In 2019, the

Japanese firm SoftBank invested \$110 million and participated again in a new funding round in 2021. Other investors attracted by the startup include Saudi Aramco Energy Ventures, the investment arm of the Saudi oil giant. "SoftBank's stake marked a key step for us by giving us credibility. From then on, we knew that we would have the resources to develop," Robert Piconi says, pointing proudly to the framed press clippings that trace the company's history on the meeting room wall. He uses this room as an office when he travels to Arbedo-Castione. The offices are immaculate but cramped. They seem to have been hastily cobbled together, with little regard for comfort, as if the staff clearly knew that the crane was the only star of the site.

**"We can become an energy storage leader"**

Robert Piconi, CEO of Energy Vault

The next step for Energy Vault was the listing on the New York Stock Exchange, and it was carefully planned. The company made this choice to finance its five-year development plan, while leaving management free to focus on operations and revenue. In addition to selling turnkey installations, Energy Vault will generate revenue from licensing its proprietary software and covering systems maintenance. The company also intends to rent storage capacity at its own facilities to customers, such as public utility companies, independent power producers and factories.

But none of these facilities will ever look like the tower overlooking the small railway station at Arbedo-Castione. Discussions with potential customers convinced Energy Vault to rethink its plans, and the tech-

nology will eventually be deployed in buildings that look like industrial warehouses. This may be a less exotic solution than metal spires, but more pragmatic. Imposing 100-metre towers on local residents, already up in arms over wind turbines, was going to be a tough sell.

Now the question is whether demand will follow, and whether gravity-based technology will remain a niche. CEO Piconi doesn't think so. The foundation stone is set to be laid by mid-2022 in Louisiana under a \$520 million contract with DG Fuels, a US company that produces renewable hydrogen and sustainable aviation fuel. Eventually, Energy Vault is expected to provide its customer with 1.6 GWh of storage, enough capacity to power a small town. The energy tech company says that altogether it has nine projects in the pipeline that could bring in nearly \$900 million. It is also in talks with about 20 other customers around the world about projects over the next five years.

"I have no doubt that we can play an important role in the energy transition and become an energy storage leader," Piconi says. This father of eight – "with one and the same woman", he insists – makes it a personal thing for him. "I think about my children, and their future children, and I don't want them to live in fear of the impact of climate change on their lives," he says. "I work in a field of innovation, and I see all these new technologies developing that are going to help us, like producing fuel from the sun or carbon capture from the atmosphere," the CEO continues, with unabashed admiration for Tesla. Is he overly optimistic despite concerns from the scientific community? Driven and tireless in any case. Our time is up. The autumn light has faded. Piconi is already on his way to the tower. He has promised his marketing director that they will climb the 70 metres together. "It keeps me fit," he says before setting off up the tower. ▲

### Did you say storage?

Although widespread and commonly used in the industry, the term "electricity storage" can be confusing. First of all, electricity as such cannot be stored, at least not using current technology. Technically, it would be more appropriate to talk about "energy storage", i.e. the energy used to generate electricity. That's what pumping stations (dams) do. These facilities account for more than 99% of energy storage capacity worldwide. In electrochemical batteries (for smartphones, laptops, electric cars, electric bicycles, etc.), storage refers to converting electrical energy into chemical energy.

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## Crypto Chronicles

# Institutional investors flocking back to Bitcoin

Cryptocurrencies are increasingly consecrated by professional investors. Here are some highlights.

BY LUDOVIC CHAPPEX

“We see risks in participating, but we see bigger risks in not participating.” This quotable little phrase about cryptocurrency investments, uttered by Matt Comyn, the CEO of Commonwealth Bank of Australia, on 17 November on Bloomberg TV, captures the buzz spreading among top financial institutions. The statement oddly sounds like FOMO, the dreaded fear of missing out, on a financial opportunity, a phenomenon more commonly felt by individual investors.

## The 20 October listing of a Bitcoin ETF has underpinned this trend

Many investment funds are now scrambling to get into crypto assets, or plan to do so in the near future.

Yet this option still seemed extremely risky just a year or two ago. An Ernst & Young survey published on 22 November reported that 26% of investment fund managers want to increase their exposure to Bitcoin (BTC) and altcoins over the next two years. For funds with more than \$10 billion in assets under management, that percentage stands at 36%.

These figures confirm what big-name investors have been up to for the past several months. Blackrock launched into cryptos in January 2021, followed by Goldman Sachs a few months later. In a note released on 7 October, JPMorgan suggested that institutional investors are once again drawn to Bitcoin; that perhaps they see it “as a better inflation hedge than gold” – the yellow metal has not performed particularly well in the last two years. The 20 October listing of a Bitcoin ETF (ProShares Bitcoin Strategy ETF) on the New York Stock Exchange has underpinned this trend, pushing confidence up a notch.

So why do investment funds buy Bitcoin? Some are quick to point to the deflationary potential of the king of cryptocurrencies. The limited number of BTCs potentially provide an effective hedge against inflation. More prosaically, once security and regulation issues are no longer obstacles, cryptocurrencies emerge, at the very least, as a reasonable diversification instrument. The number of listed companies that have announced that they hold Bitcoin has risen from 14 to 39 in the space of a year (as of mid-November), for a total amount of \$13.7 billion.

More importantly, cryptocurrencies have come to be accepted as more than a passing fad. In his interview with Bloomberg TV, Matt Comyn said, “It’s important to say we don’t have a view on the asset class itself – we see it as a very volatile and speculative asset. But we also don’t think that the sector and the technology is going away anytime soon.”

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DOSSIER

# TOP 25 BULLISH FIRMS

OUTLOOK 2022

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Dossier prepared by:  
Bertrand Beauté and  
Julie Zaugg

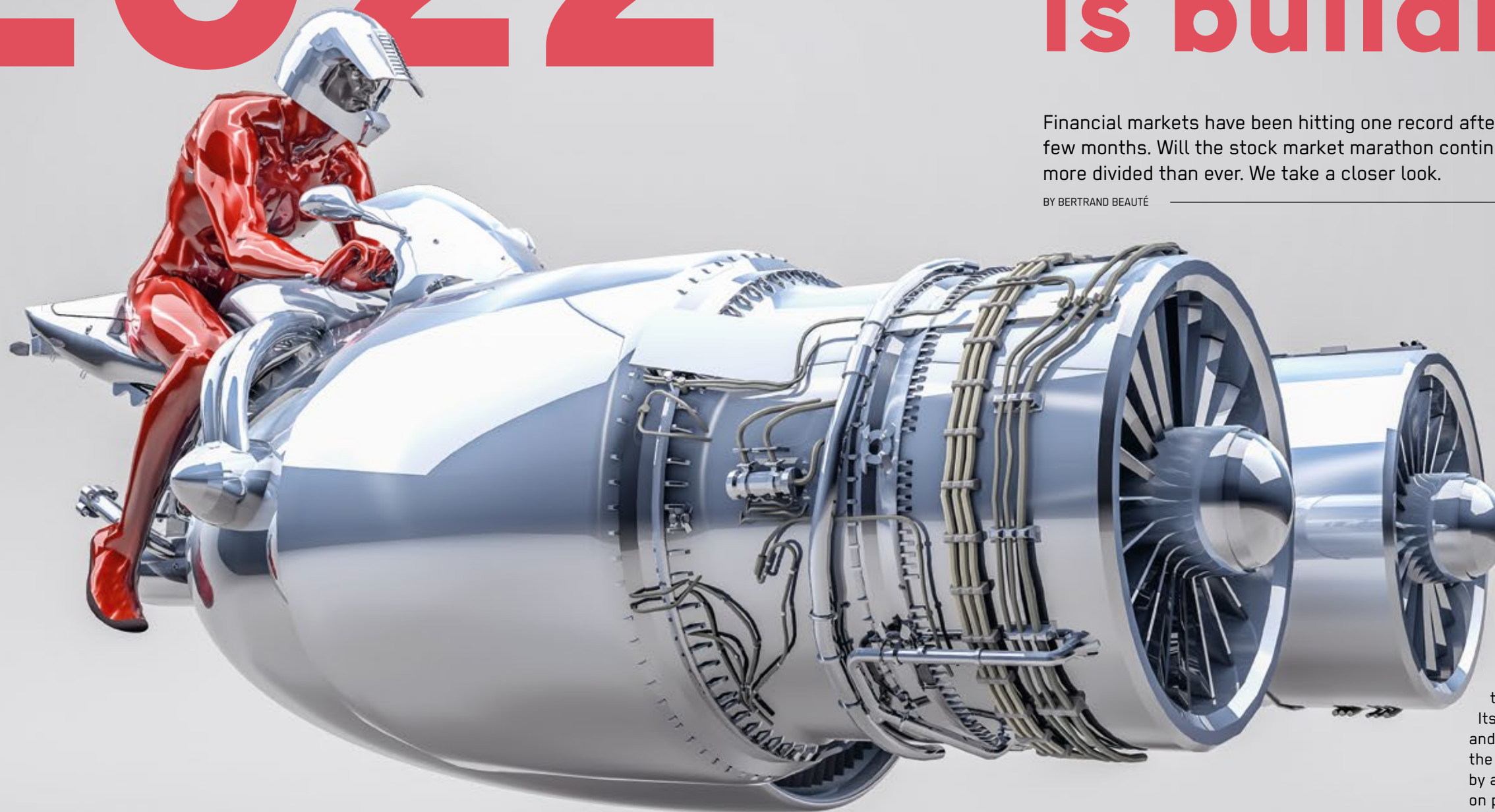


# 2022

## Excitement is building

Financial markets have been hitting one record after another over the past few months. Will the stock market marathon continue in 2022? Analysts are more divided than ever. We take a closer look.

BY BERTRAND BEAUTÉ



**B**arring a catastrophe in December, 2021 will go down in history as an exceptional year for stock markets. For instance, since 1 January the Swiss Market Index (SMI) has risen by more than 15% (as of 26 November). Its US counterpart, the S&P 500, and the CAC 40, the main index of the Paris stock exchange, climbed by almost 25% (see infographic on p. 36). With this in-your-face performance, Western markets have not only wiped out the declines of 2020, a particularly rocky year due to the pandemic, but also topped their own records. On 16 November, the SMI reached an all-time high of more than 12,573 points. ▶



So what happens next? Can this bullish trend continue? Eleanor Taylor Jolidon, co-head of Swiss and Global Equity at Union Bancaire Privée (UBP), believes it can. “I am optimistic for 2022,” the expert says. “The economy has stayed on track in recent months with a good recovery, registering strong growth since July. This growth is expected to last into 2022, which could have a positive impact on markets.” Goldman Sachs shares this view.

bright future,” Eleanor Taylor Jolidon says. “After coming to a screeching (forced) halt caused by the pandemic, the economy has recovered nicely in 2021. This growth will continue in 2022, although at a slower pace than in 2021. And it is more sustainable, because companies are required to invest massively to comply with new environmental requirements. The current growth period will therefore last longer than in normal economic cycles.”

Nicolas Simar agrees, “I am more cautious than I was a year ago about the upside potential of equity markets” says the senior portfolio manager of Euro and European High Dividend strategies for NN Investment Partners. “At the beginning of 2021, the economy was coming out of the crisis, which brought opportunities. Now, the market is extremely expensive and factors are falling into place that will lead to a correction.”

### Soaring energy prices

First, the surge in energy and commodity prices has suddenly driven up inflation. Then in October, consumer prices rose 5.4% in the United States, 3.1% in the United Kingdom and 4.1% in the eurozone. “This inflationary pressure will continue into 2022,” Simar warns. “Only companies that can raise their product prices will be able to maintain their margins.” Hubert Lemoine thinks so too. “Inflation is currently a risk. It could hamper growth and consumption.

Central banks in developed countries have taken this threat seriously by gradually implementing piecemeal measures that will rein in their monetary policy. All possible precautions are being taken in the process to avoid panicking the markets or weakening the economy, which has been propped up by monetary policy since 2020. “Central banks will probably their aid, but will do so gently, very gradually,” says Eleanor Taylor Jolidon from UBP. “And then the European and US stimulus packages will continue to sustain the economy in 2022.”

After Norway, New Zealand, Australia, Canada and Poland, the US Federal Reserve (Fed) began to taper its asset purchases in November. From the current \$120 billion per month, purchases will be scaled back by \$15 billion each month,

until they are reduced to zero. At this rate, the Fed will cease all asset purchases in mid-June 2022. But it says it is prepared to adjust this policy “if warranted by changes in the economic outlook”. In other words, if inflation remains too high, the reduction in the pace of asset purchases will be accelerated.

“So far, the markets have trusted the narrative from central banks that inflation is a transitory phenomenon associated with temporary factors such as rising energy prices, the reopening of the economy and shortages of certain components such as semi-conductors,” explains Nicolas Simar of NN Investment Partners. “But the normalisation of monetary policy in 2022 could cause the markets to reverse direction. Investors should beware of when the monetary tap is turned off.”

The European Central Bank (ECB) has therefore decided to take its time. “When inflation pressure is expected to fade – as is the case today – it does not make sense to react by tightening policy,” ECB President Christine Lagarde said in mid-November. This stance suggests that monetary policy, including asset purchases, continues to support the economy. “Europe remains a good market,” Simar says. “I think it is less vulnerable than the United States, with attractive growth and a more accommodative monetary policy.”

Another red flag is slowing Chinese growth against a backdrop of power shortages, a property crisis, the mismanagement of Evergrande, a property giant on the verge of bankruptcy. “The Chinese central bank has been lowering its growth outlook for 2022 for the past two months,” says Hubert Lemoine. “In 2015, Chinese markets slowed ahead of Western markets. Some

economists therefore fear that the Chinese slump will jeopardise global growth and spread to other markets.” Furthermore, the resurgence of the virus in Europe in the early autumn shows that things are not yet completely under control with regards to the pandemic. No one knows how the markets would react to another large-scale lockdown.

### Flight towards technology stocks

In this uncertain context, which stocks should investors choose? Here again, analysts can’t come to a consensus. As Daniel Ives, an analyst at Wedbush Securities, put it “For 2022 expect another robust year for tech stocks; new year but same playbook.” In other words, the big winners will still be the US

tion is not whether this trend will turn around, but when.” The finance expert advises moving away from the tech sector towards industries that can pass the higher prices of materials on to consumers, such as luxury goods and European oil companies, which are taking advantage of higher oil prices in the short term to invest in renewable energy.

To hedge against risks, Eleanor Taylor Jolidon recommends focusing on strong growth companies. “Strong growth companies, which create value (calculated by a liquid return on investment greater than their cost of capital), tend to outperform the market over the long term. Quality pays off.” And in that respect, Swiss companies are doing very well. “Along with US companies, Swiss companies create the

## “The equity bull market will continue”



David Kostin, chief US equity strategist at Goldman Sachs

In a note released in November, the US bank pointed to another strong year, predicting a 9% rise in the S&P 500 index from the current 4,700 to 5,100 points. “The equity bull market will continue,” as David Kostin, chief US equity strategist at Goldman Sachs, summed up in an interview with Yahoo! Finance.

However, Morgan Stanley takes a completely different stance in a note published in November. The US bank forecasts a 6% decline in the S&P 500 from the current level to 4,400 points in 2022. Where does such a difference in interpretation come from? Optimists believe that the global economy will continue its newfound growth and push share prices upwards.

“With the support of central banks, government investment plans, fiscal stimulus and business confidence, the economy is headed for a

The International Monetary Fund (IMF) forecasts global growth of 4.9% for 2022, compared with 5.9% in 2021. “Companies have reached a consensus that this will translate into earnings growth of around 9% in developed markets and 12% for Swiss companies,” says Eleanor Taylor Jolidon. “Personally, I think that global and Swiss companies’ profits could grow by as much as 15%.”

However, a few clouds began casting a shadow over these rosy forecasts in the autumn, fuelling pessimists’ mistrust. “If growth continues as expected, the equity market is not that expensive and could still deliver returns of 8% to 10% in 2022,” says Hubert Lemoine, chief investment officer at Schelcher Prince Gestion. “But warnings abound that these growth predictions may not come through. This makes the markets uncertain.”

## “I am more cautious than I was a year ago”



Nicolas Simar, senior portfolio manager of Euro and European High Dividend strategies for NN Investment Partners

tech giants like Facebook (Meta), Amazon, Apple, Netflix, Alphabet (Google), Microsoft and the like.

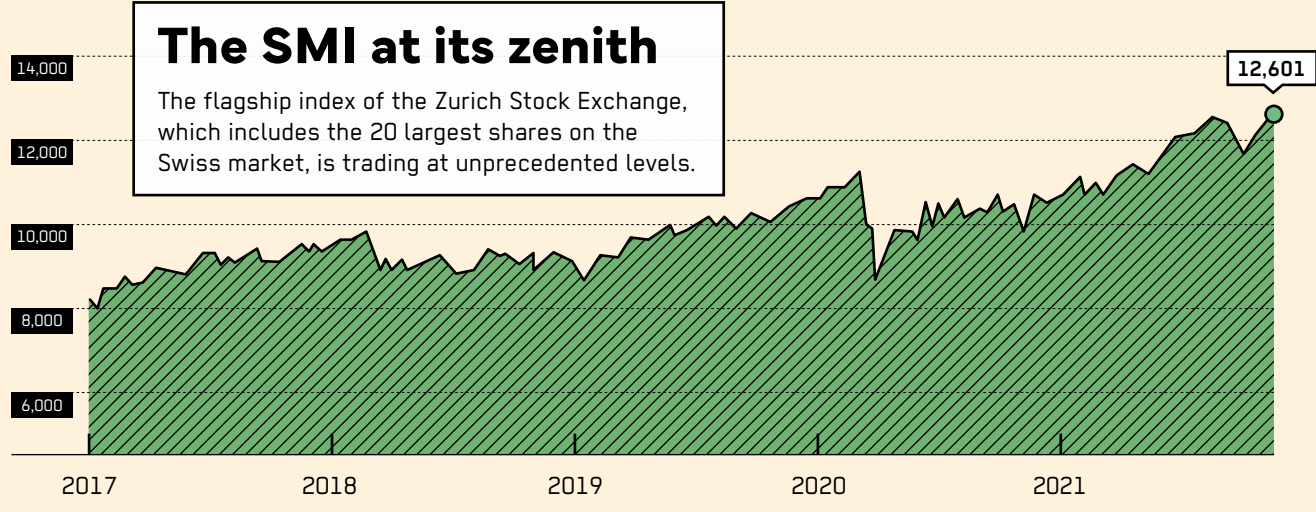
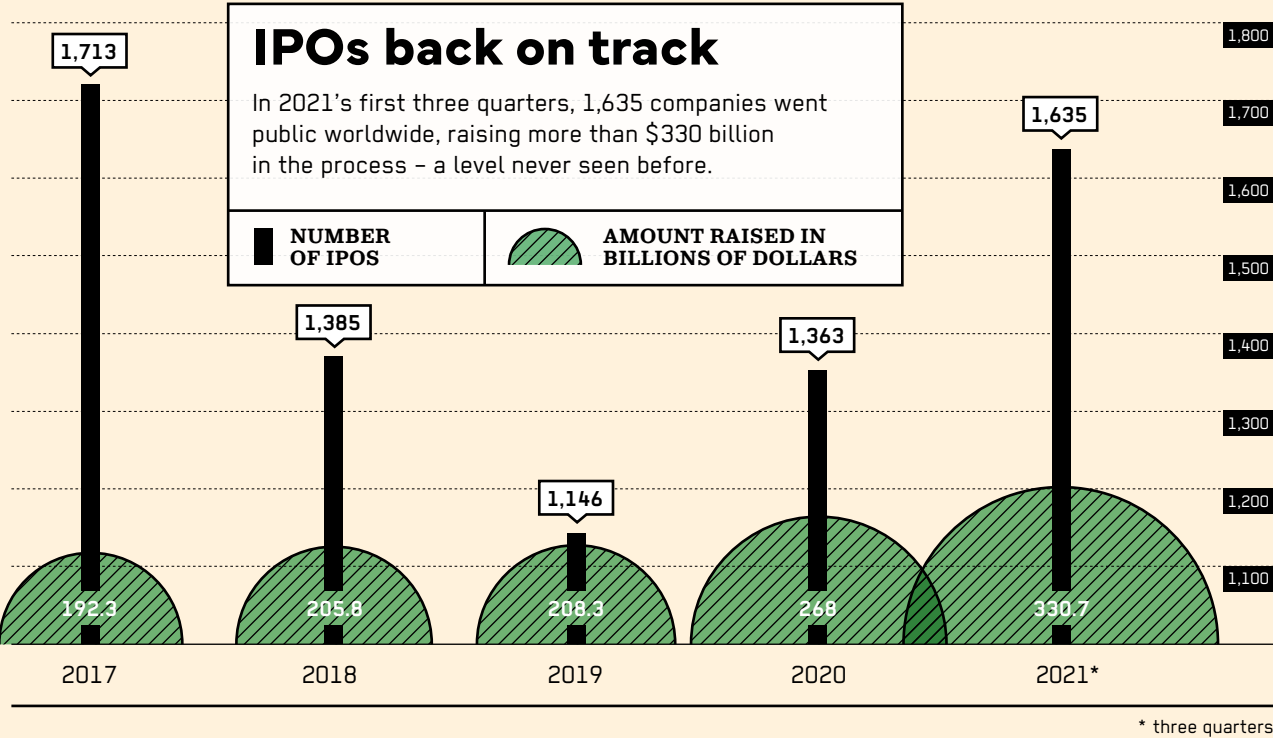
But some analysts are put off by the exorbitant values of their shares. “People buy shares that perform best, which increases their capitalisation and their appeal to the point of excess,” says Simar. “These days, everyone is investing in US tech stocks. Shares are trading at record levels, with a very high price-to-earnings ratio. The ques-

most value in the world,” Eleanor Taylor Jolidon says. “As a result, Swiss market corrections are often more modest than with less value-enhancing markets, while appreciating when markets rise.” The SMI’s increase of only 15% in 2021 (as of 26 November), while the CAC 40 has gained 25% is also because the Swiss stock market index held up better in the pandemic. Meanwhile, in 2020 the SMI posted a slight increase (0.05%), while the CAC 40 closed the year down 7%. ▲



# A record-breaking year

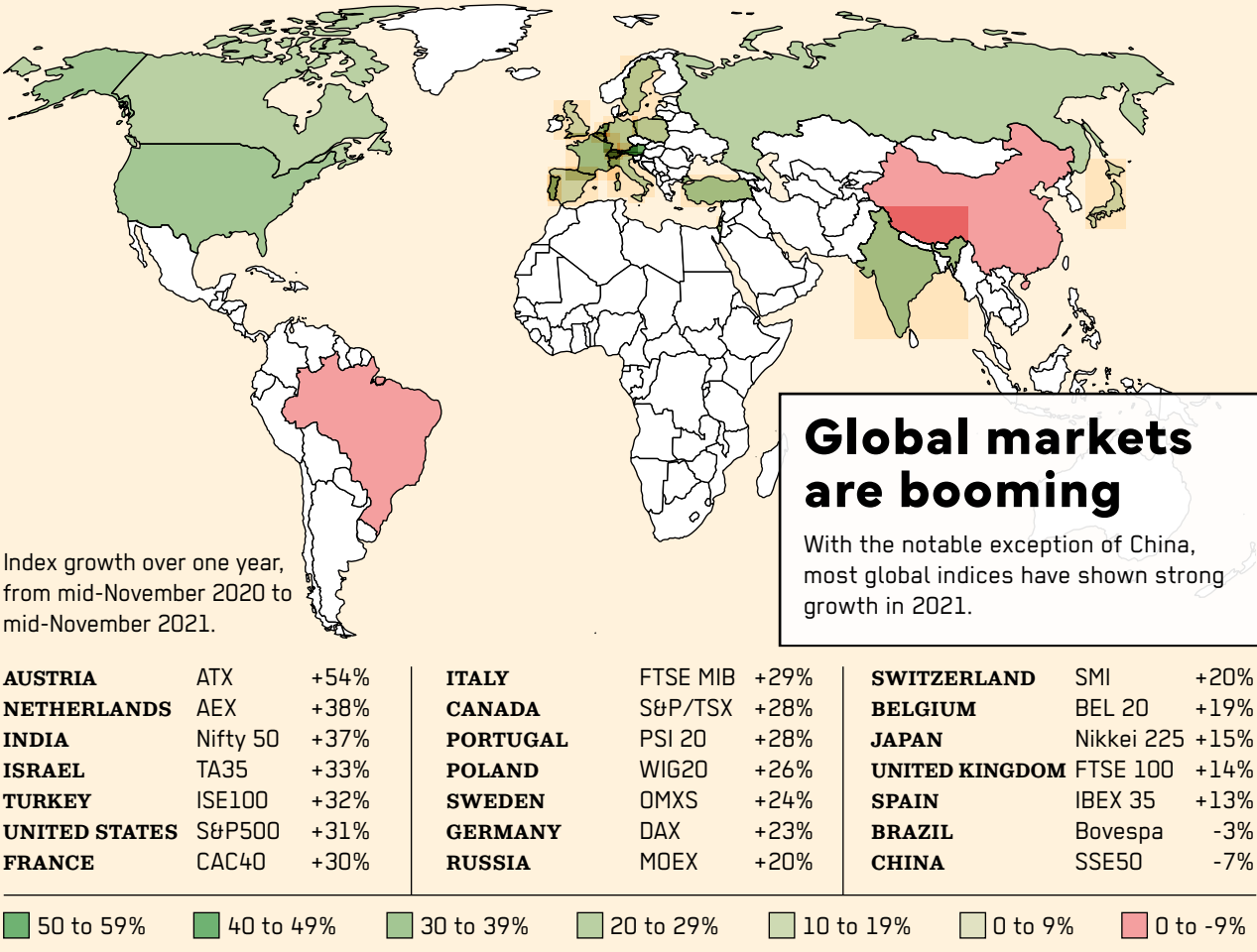
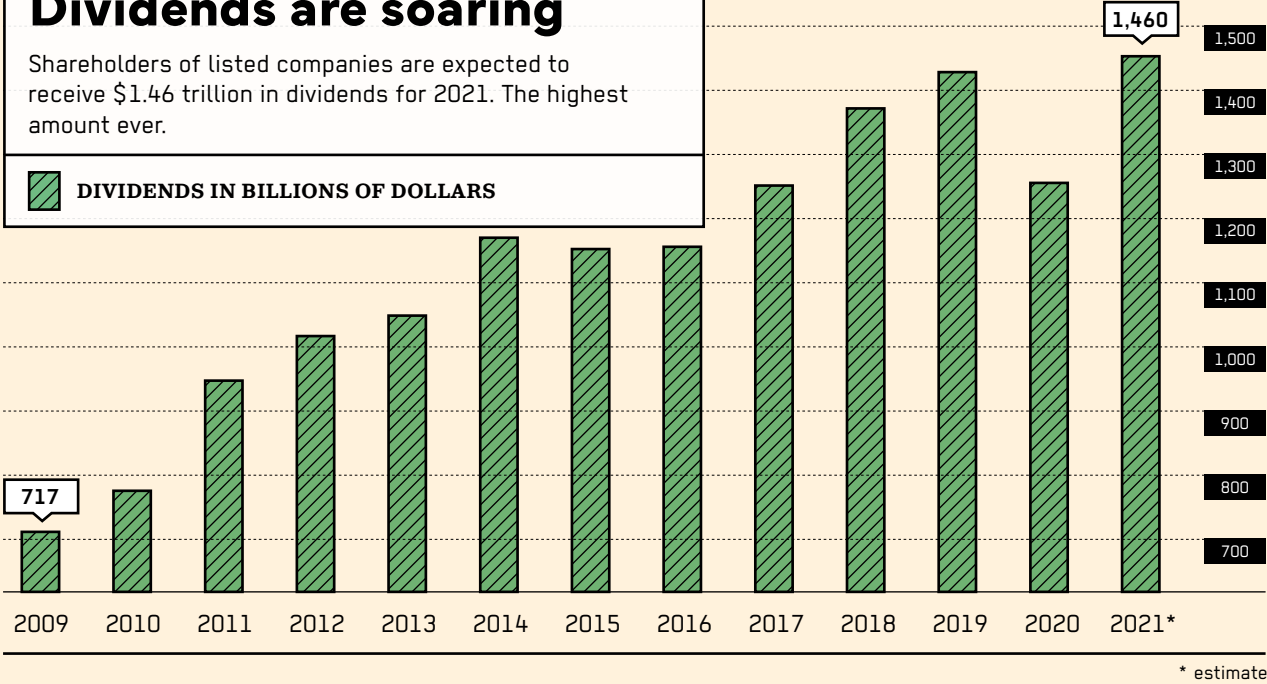
After a year disrupted by the pandemic and lockdowns in 2020, Western stock markets were back in tip-top shape in 2021. Even hitting historic highs.



## Dividends are soaring

Shareholders of listed companies are expected to receive \$1.46 trillion in dividends for 2021. The highest amount ever.

■ DIVIDENDS IN BILLIONS OF DOLLARS



Sources: EY Global IPO trends report, Janus Henderson Global Dividend Index



# "The virus has accelerated current trends"

Aswath Damodaran, professor of finance at New York University Stern School of Business, breaks down the major trends that will affect markets in 2022 and investment opportunities. Find out more in this interview.

BY JULIE ZAUGG

**A**swath Damodaran, a professor of finance at New York University, is considered an authority on equity valuation. He believes that markets have been permanently transformed by the two years of turmoil caused by the pandemic. While he expects markets to return to normal in 2022, he believes that some sectors will never regain their pre-pandemic levels.

## What are the main trends that will affect the markets in 2022?

Markets are definitely returning to normal. The last 24 months have seen a lot of uncertainty and should be considered an exceptional period that is behind us. In the year ahead, we will therefore experience the same trends and questions as in the pre-pandemic period. Will European and US economies continue to grow and how fast? Can China, now the world's second largest economy, continue to grow at a rate of 10% per year?

## So the pandemic has not had a lasting impact on markets?

Yes, it has. Some sectors and companies have been permanently transformed by the crisis. Carnival Cruise will probably never return to its pre-pandemic levels because demand for cruise holidays is not about to pick up any time soon. Similarly, airlines will not recover the same number of passengers as in 2019, as people are flying less. People are now used to using video conferencing rather than sending a businessman from London to New York for a two-hour meeting. For example, during lockdowns revenue shot up for the video conferencing platform Zoom and the smart home exercise bike manufacturer Peloton. They will retain some of these gains, even if people are no longer forced to shelter at home.

## "The crisis could springboard Tesla into becoming the world's largest car company"

## If you had to name one big winner from the pandemic, who would it be?

Tesla. The company's valuation has tripled or quadrupled in the last two years, while the pandemic brought its competitors – traditional car manufacturers like Ford, Volkswagen and Daimler – to the ground. In fact, the crisis could springboard Tesla into becoming the world's largest car company.

## How can investors profit from these trends?

The virus has accelerated trends that have been in the making for the past decade, such as automation and migration towards online services. That's why the combined valuation of giant tech companies such as Facebook, Google and Amazon climbed by about \$1 trillion between 2011 and 2020. This trend is likely to continue, but these firms' share price is now sky-high. In the shorter term, oil companies – since scaling back production, thus pushing the price per barrel upwards, are thriving. But if I were to give investors one piece of advice, I'd say to focus on an index fund. As markets return to normal, these funds remain the safest strategy for protecting your gains.

## What will happen with inflation over the next 12 months?

This is the big mystery for 2022. The threat seems even greater than it was in 2021, when some degree of inflation was expected due to supply chain issues and supply and demand imbalances. Interest rates will have to rise next year and that will cause inflation.

## What if a new variant emerges that escapes the vaccines?

The question would then be whether markets react as placidly as they did in 2020. That year, markets rose 20% overall, while the world was submerged in one of the worst crises in history. The markets viewed the situation as a one-off event that was not going to repeat itself. So they did not overreact. Things will be very different if the pandemic becomes a recurring event.

## Has the post-pandemic recovery been even across regions worldwide?

No, Asia and the United States have regained their strength faster than Latin America and Europe. Europe suffers from an ageing workforce and slowing economy, like Japan 20 years ago. However, Asia, where

## 1957

Born in Chennai, India.

## 1984

Received his PhD from the University of California, Los Angeles.

## 1986

Began at New York University, where he teaches several MBA courses on corporate finance and valuation.

## 2009

Published *The Dark Side of Valuation: Valuing Young, Distressed, and Complex Businesses*.

## 2017

Published his latest book, *Narrative and Numbers: The Value of Stories in Business*, on the power of good storytelling on corporate value.

the pandemic started, has returned to growth quickly. The continent's medium-term prospects are also the best, with its young population and growing middle class.

## However, Chinese markets have been shaken in recent months...

The Chinese government decided to crack down on large technology groups such as Tencent and Alibaba. They started to accumulate too much power for its liking. This policy has driven down their market value by 30% to 40%. Putting money on the Chinese market is currently very risky. Will Beijing push forward on its crusade or halt? No one knows. The motives are purely political. ▲



# TOP 25 FIRMS TO WATCH

For *Swissquote Magazine*, several analysts agreed to reveal their favourite stocks for 2022. The selection is obviously subjective, but investors should watch closely all the same.

BY BERTRAND BEAUTÉ AND JULIE ZAUGG



**DocuSign**

Electronic signatures

Now that practically everyone can work from home, electronic signatures are increasingly common. They now replace handwritten signatures at the end of contracts. That news couldn't be better for DocuSign, the electronic signature specialist. In 2021, the US company generated revenue of \$1.453 billion, up 49% year over year. It is worth pointing out the clear advantages of the eSignature. As people no longer need to travel to sign contracts, the solution is more practical and often less expensive than its paper counterpart. In addition, the two-step verification system via a code sent over SMS suggests that the technology can be more reliable than manual signatures. Despite competition from other software solutions, such as Adobe Sign or Yousign, DocuSign is expected to benefit as economies increasingly transition towards digital solutions, says Wedbush Securities analyst Daniel Ives. He predicts the share will reach \$330 by 2022, up from less than \$250 today.

**FOUNDED**  
2003

**REGISTERED OFFICE**  
SAN FRANCISCO (US)

**WORKFORCE**  
6,200

**2021 REVENUE**  
\$1.453 BN

**DOCU**

European cloud leader, OVHcloud operates more than 400,000 servers around the world in more than 30 data centres. Here, a company data centre in Roubaix, northern France.



OVHcloud

**FOUNDED**  
1999

**REGISTERED OFFICE**  
ROUBAIX (FR)

**WORKFORCE**  
2,500

**2020 REVENUE**  
€632 M

**OVH**



**OVHcloud**

The cloud goes private

In Europe, companies have long been hesitant to work in the cloud. "They wonder where their data is being stored, and who has access to it," said Patryk Basiewicz, analyst at FinnCap. This situation created an opportunity that French company OVHcloud has used to its full advantage. It offers a private cloud service, which allows clients to maintain a level of control over their data. OVHcloud's product is also less expensive than other cloud giants such as Amazon, Microsoft

and Google. "OVHcloud solutions are ideal for SMEs, because they are low-cost and easy to access," said the analyst. "It only takes a few minutes to purchase a private cloud from its platform." The company, which went public on the Paris exchange in October, is just starting to take off, but it operates in a booming segment and benefits from strong recognition in the industry, according to Basiewicz. He believes that it will profit in particular from software giant SAP's migration to the private cloud.





Twilio

The operator behind apps

For the multitude of online apps and service platforms, such as Uber and Airbnb, app users need a quick and flexible service. That's where Twilio comes in. "When you call your Uber driver, contact your Airbnb host or request customer service from Salesforce, it goes through messaging and telephone solutions hosted in the cloud by Twilio," said Bhavan Suri, analyst at William Blair. Thanks to

the integration within these platforms that continue to gain market share, the California-based company will certainly grow. "It is also expanding into new domains," said the analyst, adding that Twilio tools can also transmit data gathered by respiratory devices used to treat sleep apnoea. "In 2022, I'm expecting growth of nearly 40% and profits of more than \$2 billion," he said.

FOUNDED
2008
REGISTERED OFFICE
SAN FRANCISCO (US)
WORKFORCE
4,500
2020 REVENUE
\$1.76 BN
TWLIO



Twilio co-founder and CEO Jeff Lawson (centre) at the New York Stock Exchange during the company's IPO in September 2018.

MICHAEL NAGLE / BLOOMBERG / GETTY IMAGES



Suse

The platform for all trades

FOUNDED
1992
REGISTERED OFFICE
NUREMBERG (DE)
WORKFORCE
NEARLY 1,600
2020 REVENUE
\$447.4 M
SUSE

When a company decides to digitise its systems, it is usually not a uniform process. "It often ends up being a hybrid infrastructure, in which some parts are placed in the cloud, others are sent out to IT service providers and others remain in the physical world," said Patryk Basiewicz, analyst at FinnCap. The software developed by German company Suse aims to solve exactly these kinds of discrepancies by integrating the various elements into a single management platform. This functions based on the container principle, in that it contains code packets which allow applications from various domains to communicate with each other. The analyst believes that demand for the services that Suse provides will continue to increase as European companies move towards the cloud and automation. Suse generates revenue from management agreements on its software.



SES-Imagotag

The electronic label leader

FOUNDED
1992
REGISTERED OFFICE
NANTERRE (FR)
WORKFORCE
200
2020 REVENUE
€ 289 M
SESL

What do cosmetics chain Sephora, retail giant Carrefour and online retailer Elkjøp have in common? All three use the smart electronic price tags developed by SES-Imagotag in their stores. The French company is the world leader in the Internet of Things for physical stores, or retail IoT. It currently boasts 200 customers worldwide, with more than 20,000 shops using its technology. Electronic shelf labels are cheaper than paper price tags, saving on costs

generated by daily price changes. They also streamline inventory management, containing useful information such as sell-by date and shelf capacity. Via the solution's cloud-based retail platform, the labels provide an overview of each store's performance. "SES-Imagotag is an outstanding leader in a niche market, with considerable growth potential," says René Locher, head of Equity Research Switzerland at Stifel, who recommends buying the share.





## Unity Technologies

The toolbox for video-game creators

The video-game development platform Unity has become virtually ubiquitous among video game makers. Its multi-platform game engine (for which a pro version licence costs \$75 per month) allows makers to quickly create games for all platforms. "Today, 70% of mobile games are created using this interface," said Bhavan Suri, analyst at William Blair. Unity's technology is used in hits such as *Call of Duty*, *Fortnite*, *League of Legends* and *Pokémon Go*. It is also used to create more than half of all augmented and virtual reality content that is compatible with Microsoft and

Samsung headsets. The company holds a unique position in the market because, unlike its competitors such as Epic Games, it does not develop its own games. "This approach allows Unity to avoid being in direct competition with its clients," said the analyst. Since 2020, it has generated sustained growth, which was up 48% in Q2 2021. But investing in shares is still slightly risky, because it has not yet turned a profit. "But the vast quantities of client data that Unity has will allow it to develop a targeted advertising offer to monetise its platform," predicted Suri.

FOUNDED 2004
REGISTERED OFFICE SAN FRANCISCO (US)
WORKFORCE 4,000
2020 REVENUE \$772 M
U



## LVMH

Luxury is thriving

"Due to rising raw material costs, some companies feel the squeeze on margins," says Nicolas Simar, senior portfolio manager of Euro and European High Dividend strategies for NN Investment Partners. Luxury goods remain an attractive sector for 2022, despite a high valuation, because it enjoys the immense leeway to jack up its prices, in effect passing on higher raw material costs to its customers, and therefore protecting its margins." As the world's luxury leader, the French group LVMH boasts a strong position for defensive investors. LVMH posted revenue of €44.18 billion for the first nine months of the year. That surpassed the figure for the same period in 2020, amid all the lockdowns, by 40%, and for the first nine months of 2019 by 11%, i.e., pre-pandemic. Currently trading below €730, the share could reach €750 in 2022.

FOUNDED 1987
REGISTERED OFFICE PARIS (FR)
WORKFORCE 150,500
2020 REVENUE €44.65 BN
MC

Burckhardt Compression employees.



## Burckhardt Compression

Boosted by renewable energies

This company, which was founded in the 19<sup>th</sup> century as a small mechanical workshop, has become the global leader in compressors – devices which increase the pressure of a gas. It recently completed a restructuring, divesting its unprofitable US division. Burckhardt Compression should see its sales grow exponentially for compressors used in the green hydrogen industry, according to Eugen Perger, an analyst at Research Partners: "This industry is driven by national

commitments to reduce CO<sub>2</sub> emissions," he said. "Burckhardt Compression is one of the only companies that is able to provide the type of compressors used in hydrogen plants." The company is involved in several large projects in South Korea and Japan. "Tokyo plans to build the largest hydrogen plant in the world in the region where the Fukushima disaster occurred," said Perger. The massive Chinese market will soon follow, according to the analyst.

FOUNDED 1844
REGISTERED OFFICE WINTERTHUR (CH)
WORKFORCE 2,538
2020 REVENUE CHF 658.6 M
BCHN







## Matterport

Google Maps for property

Matterport's IPO on the Nasdaq in July 2021 was low-key. "The company remains under investors' radar, but it could play an important role, especially in the luxury property market," says Daniel Ives, an analyst at Wedbush Securities, who has issued a buy recommendation on the share. The US company develops 3D cameras and software to create a digital twin of a space in 3D. While Google has mapped the outside world, Matterport goes inside buildings, including homes, offices, hotels, factories and shops, to enable virtual walkthroughs. Matterport's clients include the US luxury property specialist Redfin and the holiday rental company Vacasa.

**FOUNDED**  
2011

**REGISTERED OFFICE**  
SUNNYVALE (US)

**WORKFORCE**  
250

**2020 REVENUE**  
\$86 M

MTTR



MATTERPORT

A tablet-controlled camera developed by Matterport.



## Qualcomm

The miracle of semiconductors

In the last five years, the Californian company has weathered a series of attacks and emerged on the other side. It went to court against Apple, its largest client, with accusations that Apple stole its patents; it rejected a hostile takeover bid from its competitor Broadcom; and it found itself entangled in the trade war between the US and China when Beijing did not allow Qualcomm to acquire the Dutch group NXP Semiconductors. More recently, the company had to deal with a global shortage of semi-conductors, its primary raw material. "All of these adventures had turned shares of Qualcomm, which were very undervalued, into a potential gold mine," said Stacy Ragson, analyst at Bernstein. Ragson is convinced that the group will regain strength quickly, particularly due to its high exposure to several booming markets, including 5G, high-end mobile phones and autonomous vehicles. "Its revenue is expected to grow by nearly 20% in 2022," he said.

**FOUNDED**  
1985

**REGISTERED OFFICE**  
SAN DIEGO (US)

**WORKFORCE**  
41,000

**2020 REVENUE**  
\$23.5 BN

QCOM



## Veeva Systems

Accelerated research for medicines

To develop new treatments, the pharmaceutical industry continues to rely on "relatively old" methods, said Bhavan Suri, analyst at William Blair. The California start-up Veeva Systems has revolutionised that by creating a series of cloud-based IT tools that can partly automate Research & Development tasks in the pharmaceutical industry, as well the commercialisation of new treatments.

"These innovations can accelerate the process of discovering new molecules and conducting more clinical trials in a shorter period of time," he said. As proof that its tools are effective, Veeva now has 49 of the 50 largest pharmaceutical groups as clients, including Swiss groups Novartis and Roche. "In Q2, revenue reached \$456 million, up 29%, and this trend is expected to continue," said the analyst.

**FOUNDED**  
2007

**REGISTERED OFFICE**  
PLEASANTON (US)

**WORKFORCE**  
4,500

**2020 REVENUE**  
\$1.46 BN

VEEV



## Zscaler

Mobile cybersecurity

Since the 1990s, companies have fended off cyberattacks by setting up a secure perimeter. That means that only devices located inside the company (the perimeter) can connect to the network. But with so many working remotely these days, a growing number of employees have to connect from outside the perimeter via their personal devices. This is where IT security systems often fall short. To solve the problem, the US firm Zscaler has developed Zero Trust Exchange. This cloud-native platform basically acts like a gatekeeper when

users connect to enterprise services. The platform assesses the conditions under which users connect to the network, such as location, to determine the appropriate level of permissions and restrictions. Zscaler says that it has more than 4,500 customers worldwide, including big names like Coca Cola, Seat, Siemens, LVMH and AkzoNobel. Dan Ives, technology analyst at Wedbush Securities, thinks that Zscaler is simply "the best name in cybersecurity today". The analyst predicts the share will rise from \$350 today to \$400 in 2022.

**FOUNDED**  
2007

**REGISTERED OFFICE**  
SAN JOSÉ (US)

**WORKFORCE**  
3,000

**2020 REVENUE**  
\$673 M

ZS





## Dermapharm

Partner to BioNTech

“Dermapharm is in a privileged position, wedged between manufacturers of innovative drugs and producers of generics. That means it has little pressure from competition on niche markets,” says René Locher, head of Equity Research Switzerland at Stifel. They recommend buying the share. The German company is unique in that it manufactures drugs that are no longer patent protected, but face little or no competition because they are difficult

to produce. The firm has also partnered with BioNTech to manufacture mRNA COVID-19 vaccines. “Dermapharm is a defensive but attractive company,” Locher says. “It will benefit from the BioNTech deal in the medium term, while gradually moving into more innovative and higher-margin businesses, such as its investment in immunotherapy developer Corat Therapeutics.” The share price could reach around €100 by 2022, up from around €80 today.

FOUNDED  
1991

REGISTERED OFFICE  
GRÜNWALD (DE)

WORKFORCE  
2,300

2020 REVENUE  
€ 793.8 M

— DMP



## Tesla

Electric hype

How far will Tesla go? In 2020, the market capitalisation of the electric car manufacturer cleared the symbolic and stratospheric \$1 trillion mark. At the time of writing, its valuation is \$1.130 trillion, 10 times that of the Volkswagen group. While some analysts believe that this valuation is out of touch with reality, Daniel Ives, an analyst at Wedbush Securities, thinks otherwise. He believes that in 2022

Tesla’s share price could rise from the current \$1,140 to attain \$1,500, or even \$1,800. How is that possible? Two new gigafactories are scheduled to open in 2022, one in Austin in the United States and the other in Berlin in Germany. They are expected to buttress Tesla’s unbridled growth by ramping up production to 2 million vehicles next year, compared with 1 million in 2021 and 500,000 in 2019.

FOUNDED  
2003

REGISTERED OFFICE  
PALO ALTO (US)

WORKFORCE  
70,757

2020 REVENUE  
\$31.5 BN

— TSLA

By 2022, Tesla will have six functional gigafactories. Here, the Tesla Giga Nevada (or Gigafactory 1), located in Storey County, Nevada.



## Compleo Charging Solutions

The charging champion

More and more electric vehicles are hitting European roads, showing no sign of slowing. The European Electric Car Report estimates that 886,000 EVs were sold in Europe in the first ten months of this year. That is, more than during the entire 2020 (up 50%), which was already a year of strong growth compared to 2019. As a pioneer in charging stations, German company Compleo is set to benefit from this growth in popularity. “Compleo is an interesting company, whose valuation could rise further as charging infrastructure catches up to electric car sales,” says René Locher, head of Equity Research Switzerland at Stifel. They recommend buying shares. Since it was founded in 2009, Compleo has installed more than 35,000 charging points in Europe, holding 15% to 20% of the market. The company’s share price, which is currently trading below €70, could reach €110 by 2022.

FOUNDED  
2009

REGISTERED OFFICE  
DORTMUND (DE)

WORKFORCE  
290

2020 REVENUE  
€ 33.1 M

— COM





Sixt

The car hire giant

Sixt suffered a severe blow during the pandemic. However, with 205,400 cars in operation worldwide, the German car hire company continues its steady recovery. In the first nine months of the year, the firm generated revenue of €1.63 billion, more than in the whole of 2020. Sixt even logged its best quarter on record in Q3 2021, garnering €799 million in revenue. “Sixt is highly

likely to rise in 2022,” says Stifel Bank, which recommends buying the share. “The company posts profitable growth in Europe and the US, with a strong balance sheet. Its niche business in luxury car rental brings in a higher margin per vehicle than its competitors in its main markets.” Currently trading at around €155, the share could reach as high as €195 in 2022.

FOUNDED  
1912

REGISTERED OFFICE  
PULLACH IM ISARTAL  
(DE)

WORKFORCE  
6,900

2020 REVENUE  
€ 1.53 BN



SIXT



TotalEnergies

New horizons

FOUNDED  
1924

REGISTERED OFFICE  
COURBEVOIE (FR)

WORKFORCE  
100,000

2021 REVENUE  
\$140.7 BN



TTE

“European oil companies have come along much further than their US counterparts on the path towards energy transition. So we believe they are attractive stocks for 2022,” explains Nicolas Simar of NN Investment Partners. “In the short term, they will benefit from the soaring commodity prices to reinvest a vast portion of their revenues in renewable energy.” Of those firms, TotalEnergies seems to be in a particularly

good position. The French group plans to invest \$60 billion over 10 years to increase its renewable energy production capacity from 7 gigawatts (GW) in 2020 to 35 GW in 2025, and 100 GW in 2030. “We aim to be one of the top five renewable power producers by 2030,” says Patrick Pouyanné, CEO of TotalEnergies. Currently trading below \$50, the share could rise to \$70 in 2022 if oil prices remain high.



Microsoft

High on a cloud

FOUNDED  
1975

REGISTERED OFFICE  
REDMOND (US)

WORKFORCE  
190,000

2021 REVENUE  
\$168 BN



MSFT

The Redmond-based firm continues its outrageous growth thanks to the health crisis, which has led to an astounding rise in remote working. Accordingly, demand for computer hardware and the use of cloud-based services have intensified. Microsoft posted record revenue of \$45 billion between July and September 2021 (the first quarter of its 2022 fiscal year), up 22% on the same period a year earlier. The increase was driven by cloud services, with a 50% leap in revenue from its Azure platform, following on from the firm’s strong business growth in previous months. “The cloud revolution is under way, and Microsoft is our favourite stock to reap the benefits of it,” says Daniel Ives, an analyst at Wedbush Securities. He believes that the share, currently trading at around \$340, could reach \$375 in 2022.

A Sixt car rental agency in Germany.





# Datadog

The cloud watchdog

FOUNDED  
2010

REGISTERED OFFICE  
NEW YORK (US)

WORKFORCE  
2,185

2020 REVENUE  
\$603.5 M

— DD06

Founded in New York by two French entrepreneurs, this start-up has developed a very innovative tool that can monitor the functioning of an app or infrastructure hosted in the cloud. The idea is to evaluate the app's performance and identify any potential weaknesses. "Datadog has quickly become the leader in this market and only has one other competitor – the start-up Dynatrace," said Bhavan Suri, analyst at William Blair. As more and more companies develop apps and export their systems into the cloud, Datadog's potential client base is growing. "This explains how its revenue increased nearly 70% in Q2 2021, compared to the same period last year," said Suri, who believes that revenue will continue to increase by 50% yearly in the coming years. The company's shares have already risen by more than 35% in 2021.



# Nvidia

The big chip

2021 has been a strange year for semiconductors. Plaguing the industry this year is the global shortage of silicon chips, which is expected to continue into next year. Yet Nvidia seems to be faring well. "Quite the opposite, it has heightened demand for its graphics cards. They're now being resold at three times their standard price on Amazon and other e-commerce platforms," says Bernstein analyst Stacy Ragson. On top of that, he says, Nvidia's customers are all in fast-growing sectors such as data centres, video games and cryptocurrencies. If all goes well, Nvidia shares could go from trading at the current price of less than \$320 to as high as \$400 in 2022. But the company is already well valued

FOUNDED  
1993

REGISTERED OFFICE  
SANTA CLARA (US)

WORKFORCE  
18,100

2020 REVENUE  
\$10.92 BN

— NVDA

and the stock could be negatively impacted if Nvidia's takeover of ARM fails. Announced nearly a year ago for \$40 billion, the operation is still pending. The European Commission, which has expressed its concerns about the potential impacts of this consolidation, is giving itself until 15 March 2022 to take a decision.



Implant prostheses developed by Swiss firm Straumann.



# Straumann

The leader in smiles

FOUNDED  
1954

REGISTERED OFFICE  
BASEL (CH)

WORKFORCE  
7,340

2020 REVENUE  
CHF 1.4 BN

— STMN

The global leader in dental implants continues its incredible success. "Each quarter, Straumann is winning market share in a booming sector," said Peter Romanzina, analyst at Vontobel. Its addressable market was worth 10 billion Swiss francs a decade ago, but is now worth 25 billion. The pandemic caused this phenomenon to accelerate even more. "Many people were forced to look at themselves on Zoom all day, and since they couldn't spend money on holidays, they decided to invest in their teeth,"

said the analyst. The Basel-based firm also expanded its offer. "It now supplies intra-oral scanners, which make it possible for dentists to create implants directly in their office," he said. Four years ago it also acquired ClearCorrect, a company selling transparent aligners, which are particularly valuable for adults, because they are less invasive and less visible." Romanzina estimates that the company's revenue will increase 40% in 2021 and reach double-digit growth in the next eight years.





## Cementir Holding

The leader in white cement

Cementir is the world leader in white cement – a cement characterised by its whiteness obtained by using purer limestone – with a production capacity of 13.1 million tonnes. And the Italian company is driving innovation in the industry. One example is its FUTURECEM technology, a patent-protected cement whose production emits 30% less CO<sub>2</sub> than traditional cement processes. This niche market is likely to develop as a result of efforts to

limit global warming. “Cementir is fully committed to working towards a low-carbon economy with FUTURECEM, an innovative cement that emits less CO<sub>2</sub>,” says René Locher, head of Equity Research Switzerland at Stifel. The bank recommends buying the stock. “We like the idea, where an eco-friendly product comes with lower capital costs and higher margins.” The share, which is currently trading below €9, could rise to €12 in 2022.

FOUNDED  
1947

REGISTERED OFFICE  
ROME (IT)

WORKFORCE  
3,000

2020 REVENUE  
€1.152 BN



## Sika

The Swiss chemicals group

FOUNDED  
1910

REGISTERED OFFICE  
BAAR (CH)

WORKFORCE  
25,000

2020 REVENUE  
CHF 7.88 BN



Nothing can stop Sika. The Swiss chemicals group specialises in construction solutions (waterproofing, bonding, soundproofing). In 2020, when construction sites were grappling with never-ending health restrictions, Sika was able to maintain revenue close to pre-pandemic levels, recording only a 2.9% drop in sales. And 2021 is already shaping up to be a record-breaking year, even with escalating raw material and energy prices. In the first nine months of the year, the Zug-based manufacturer increased its revenue by 18.2%

to CHF 6.86 billion, and its profits by 36.3% to CHF 765.1 million. “Sika has stood out by introducing various new and innovative materials,” said Peter Romanzina, an analyst at Vontobel. “For example, the company has introduced a material used to repair damaged bridges instead of destroying and rebuilding them. It’s less expensive and better for the environment.” The group’s management targets growth of 6% to 8% for 2022. That would translate into a rise in the share price from the current CHF 370 to CHF 400.

A cement factory owned by Cementir Holding, in Aalborg, Denmark.



## Palo Alto Networks

The cybersecurity ogre

Originally known for its firewalls, Palo Alto Networks has, in just a few years, grown into an IT security behemoth providing a wide array of services. The Californian firm is especially active in Internet of Things (IoT) and cloud-native security. This diversification is partly the result of its voracious acquisition appetite. Palo Alto has bought a dozen companies since 2018, including cloud application security expert Bridgecrew in February for \$156 million. Due to the increase in online fraud during the pandemic, the company is showing healthy growth. Its revenue has risen from \$3.4 billion in financial year 2020 (ended 31 July) to \$4.26 billion in 2021 (up 24.9%). And it won’t stop there. Palo Alto targets revenue of between \$5.3 billion and \$5.4 billion for its 2022 financial year. Analysts Daniel Ives and John Katsingris from Wedbush Securities believe that the share price could rise from the current \$540 to between \$600 and \$630 in 2022.

FOUNDED  
2005

REGISTERED OFFICE  
SANTA CLARA (US)

WORKFORCE  
11,000

2021 REVENUE  
\$4.3 BN





With more than 1,000 employees, PolyPeptide produces components for the pharmaceutical industry in its laboratories.

**FOUNDED**  
1996

**REGISTERED OFFICE**  
ZUG (CH)

**WORKFORCE**  
1,026

**2020 REVENUE**  
€ 223 M

PPGN



POLYPEPTIDE



**PolyPeptide**

The gift of COVID vaccines

In pharmacology, scientists use polypeptides – a substance made up of several amino acids – to develop vaccines or to produce the primary active ingredients that are used in treatments for hormonal cancers, diabetes and osteoporosis. “The polypeptides market is dominated by a duopoly made up of

the Basel-based Bachem and Zug’s PolyPeptide, which gives them virtually complete control of this booming sector,” said Daniel Buchta, analyst at Zurich Cantonal Bank. PolyPeptide products are used notably in some medicines to treat Type 2 diabetes, a disease that affects a growing segment of the population. “In the

future, these treatments could also be prescribed for people with obesity,” said the analyst. In the shorter term, the company contributed to the development of the Novavax COVID-19 vaccine, which is about to be deployed in several countries and should result in increased growth of 20% in 2022, according to Buchta.

deRham

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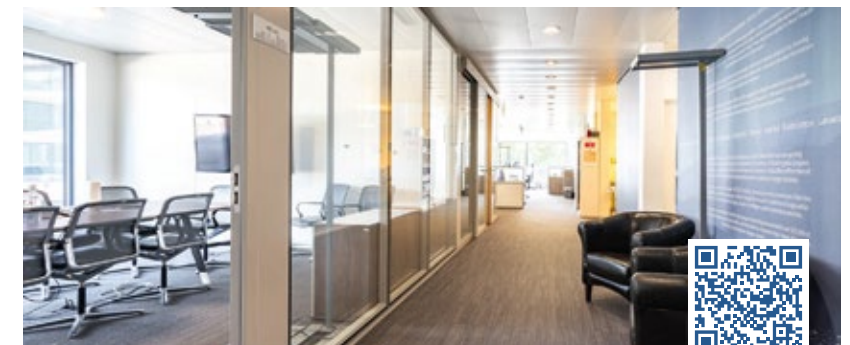
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# ETFs in seven questions

First appearing on the scene around 30 years ago, exchange traded funds are now found in virtually every portfolio. Investor demand for these products has increased even more in 2021. But what are they exactly? We break it down in seven steps.

BY ANGÉLIQUE MOUNIER-KUHN

**T**he basic definition is straightforward enough. An exchange-traded fund (ETF) is a hybrid investment product. It's an equity fund designed to mirror the performance of a market benchmark. ETFs are also listed on stock exchanges and can be traded multiple times per day, unlike other investment funds. How can these two characteristics – mirroring and publicly listed – coexist? We take a closer look.

# 1

## WHY IS THERE SUCH INTEREST IN ETFs?

Created in the United States in the early 1990s, ETFs were originally focused solely on stocks, but then expanded to all asset classes. For private and institutional investors, they are an easily accessible instrument to diversify portfolios: in one click, you can access nearly 1,600 stocks and 85% of the global market capitalisation via an MSCI World ETF. ETFs generally have lower transaction costs and management fees than traditional investment funds. They are also relatively transparent and are subject to the same protective regulations as equity funds.

## HOW DO ETFs WORK?

An ETF is an equity fund that contains assets that are present in the index it is mirroring. As a result, ETFs replicate the index performance in equivalent proportions. Its Net Asset Value (NAV) is determined by the prices of the shares that are included in the ETF. But remember, the ETF itself is a listed product, and so its price fluctuates throughout the day based on supply and demand. The creation/acquisition mechanism is the keystone of ETFs: this is what allows the price of ETFs to remain in line with the NAV. It involves a specific category of market players, known as Authorised Participants (AP). These

global operators are little-known to the general public, such as firms Jane Street and Flow Trader, and they correct any potential price imbalances by regulating the offering of units of an ETF.

Let's consider, for example, an ETF in which more investors want to sell than buy. Its price would likely drop to a value lower than its NAV. In this case, the AP asks to redeem the units of the ETF it holds, cancelling out the existing units. Conversely, when there is high demand from investors, an AP purchases units from the ETF issuer and new units are created.

# 3

## HOW DO ETF ISSUERS MIRROR AN INDEX?

There are several possible approaches. The simplest is to purchase stocks that are part of a benchmark index, respecting their respective weights. This is called a full replication. If an index has very many stocks, such as the Russell 2000, the US small caps index, the issuer takes a sampling, or a partial replication. It only selects a portion of shares whose performance is representative of the entire index performance, which reduces costs.

Finally, the issuer can also mirror the benchmark artificially. In this case, the fund portfolio may contain assets that do not match their benchmark. The performance replication is obtained through a swap negotiated with a bank, which changes the performance of this asset pool against that of the benchmark index that the ETF is supposed to represent. Even though they have the exact same regulatory protections as physical ETFs, investors are not as interested in synthetic ETFs. After generating quite a buzz about a decade ago, synthetic ETFs seem to be in a slump.

# 4

## WHAT ARE THE CRITERIA TO CONSIDER WHEN CHOOSING THE RIGHT ETF?

The S&P 500 and the MSCI World, which are two of the most followed indices in the world by investors, are replicated by more than 100 ETFs each. But not all ETFs are created equal. Several criteria can be used to guide investors in choosing the right ETF.

"Investors need to pay attention to fees, but that's not the most determining factor," said Jean-René Giraud, CEO of Trackingsight, an online global platform that analyses and selects ETFs, and is open to everyone. The tracking difference, which measures the difference in performance between an ETF and its benchmark, is a key indicator. A lower tracking difference means that the ETF is mirrored more closely to its benchmark. Sometimes ETFs have higher fees, but do have a better tracking difference.

"The size of the fund is also important. It's better if the ETF is worth several tens of millions, at least. A small ETF is more at risk of being liquidated," said Giraud. "Also, new ETFs are created every week, and sometimes they are very small."

For equity ETFs, investors also need to consider dividends. You may prefer to reinvest the dividends and can opt for a total return ETF. But if you would rather receive the dividends, choose a price return ETF. It's common for a single ETF to be available in both versions.



5

### WHAT HAPPENS WHEN AN INDEX IS MODIFIED?

An ETF must always follow the index that it replicates. But indices are always changing: new assets are added, others are removed, dividends are paid out, assets are split, acquired, merged, or spun off (when a company sells off one of its divisions), etc.

“We are the first to be informed when an index changes and we analyse a very large amount of data every day,” said Vincent Denoiseux, head of research at Lyxor Asset Management, one of the primary ETF issuers in Europe. “The composition of the ETF is adjusted as closely and accurately as possible based on the changes to the index.” While it is common to hear the term “passive” management, Denoiseux prefers “index-based” management. “People think that ETF managers purchase shares and just wait for things to happen. We do the opposite. We work at the industrial level with extreme precision,” he said.

6

### SHOULD IT BE A LEVERAGED ETF OR NOT?

An ETF can have an objective of not paying out the performance of the index, but a multiple of the performance, which is possible via derivative products. The risk associated with a leveraged ETF is also significantly higher. There are also short ETFs, which can generate a performance that is the inverse of the underlying basket. As the stocks in the basket fall, the performance of the ETF increases, and vice versa. These complex products are best reserved for professional investors.

7

### HOW MUCH IS THE ETF MARKET WORTH?

From now until the end of 2021, ETPs (exchange-traded products), the lion's share of which are ETFs, are expected to surpass \$10,000 billion in assets under management around the world – an annual increase of nearly 25% (source: ETFGI). The spectacular performance in recent years has certainly been driven by a massive influx of new cash, but it is also the result of the continued increase in stock-market growth. The assets under management are thus susceptible to contraction if there is a correction.

In total, investors have access to nearly 8,000 vehicles, listed in more than 60 countries. It is worth remembering that while the market is four times larger in terms of assets in the United States, Europe actually offers the most variety of ETFs, with double the variety than can be found in the US. Large or small caps, dividends reinvested or not, countries, regions, sectors, EST, themed strategies... There are now so many ETFs and competition is quite strong in the sector. “The ultimate goal of every issuer is to offer the most complete range of products possible to meet client demand,” said Denoiseux.

For Trackingsight's CEO, Jean-René Giraud, the innovation race will continue. “The shift from active management to passive management has led to an explosion in ETFs in the last 20 years. In the next 20 years, every investment strategy will have its equivalent in the form of an ETF and assets will likely double, or even triple,” said Giraud. “ETFs will become the standard for funds.”

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## STOCK CFD

# The instrument that makes shares bounce harder

Using leverage to invest in listed companies? Yes, it's possible with stock CFDs. Stefano Gianti, Education Manager at Swissquote, explains.

[Swissquote.com/cfd](https://www.swissquote.com/cfd)

## What is a CFD and how does it work?

A CFD is a derivative used to invest in the financial markets without having to own the underlying asset. For stock CFDs (the category of CFDs that applies to company shares), it means you can invest in a company without having to buy the company's shares directly. One key feature of CFDs is using leverage to open positions for an amount greater than the actual amount invested. For example, if your trading account has a balance of CHF 10,000, and a default leverage ratio of 5:1, you can open positions for a maximum total amount of CHF 10,000 x 5, or CHF 50,000. In other words, leverage allows you to multiply your market exposure without committing additional capital. The amount required to open and maintain a leveraged position is called margin. In the above example, you need a CHF 2,000 margin to maintain an open position of CHF 10,000.

## What does the acronym CFD stand for?

It means "Contract for Difference" and refers to the difference between the opening and closing price of a position. In practice, the broker will credit or debit the client's trading account for

the amount corresponding to the difference between the position's opening price and the closing price. Note that this is an over-the-counter contract between the client and their bank, and not a product traded on an exchange. In finance, this is known as a "swap contract".

**"You can open a short position for purely speculative purposes, but you can also hedge risks of your equity portfolio"**

## What features other than leverage do CFDs have?

Traders can open "long" or "short" positions on CFDs. This is the major advantage these products offer over stocks. Opening a long position implies that you expect the share price to rise.

For example, I buy an Amazon share for USD 3,600 and aim to close the position later by selling the share at a higher price. However, I'll lose money if the share price falls. Conversely, opening a short position means that you expect the share price to fall. I sell Amazon at USD 3,600 in the belief that I will then close the position by buying the stock at a lower price. In this case, I'll lose out if the share price rises. You can open a short position for purely speculative purposes, but you can also hedge risks of your equity portfolio. In other words, investors can hedge their long position on a share with a short position on the corresponding CFD.

## An example?

Let's say Céline has been holding a long position (bullish sentiment) in Nestlé shares in her portfolio for three months, but she thinks the price will fall in the weeks to come. For various reasons, she does not want to close her position and prefers to hedge the downside risk. So she decides to open a short position in Nestlé CFD. After a few weeks, her prediction comes true, and Céline decides to close her short CFD position. She then makes a gain to offset the loss from her long equity position.

**The point of a short CFD position is obvious in this case, but why take a long CFD position instead of just buying the corresponding shares?**

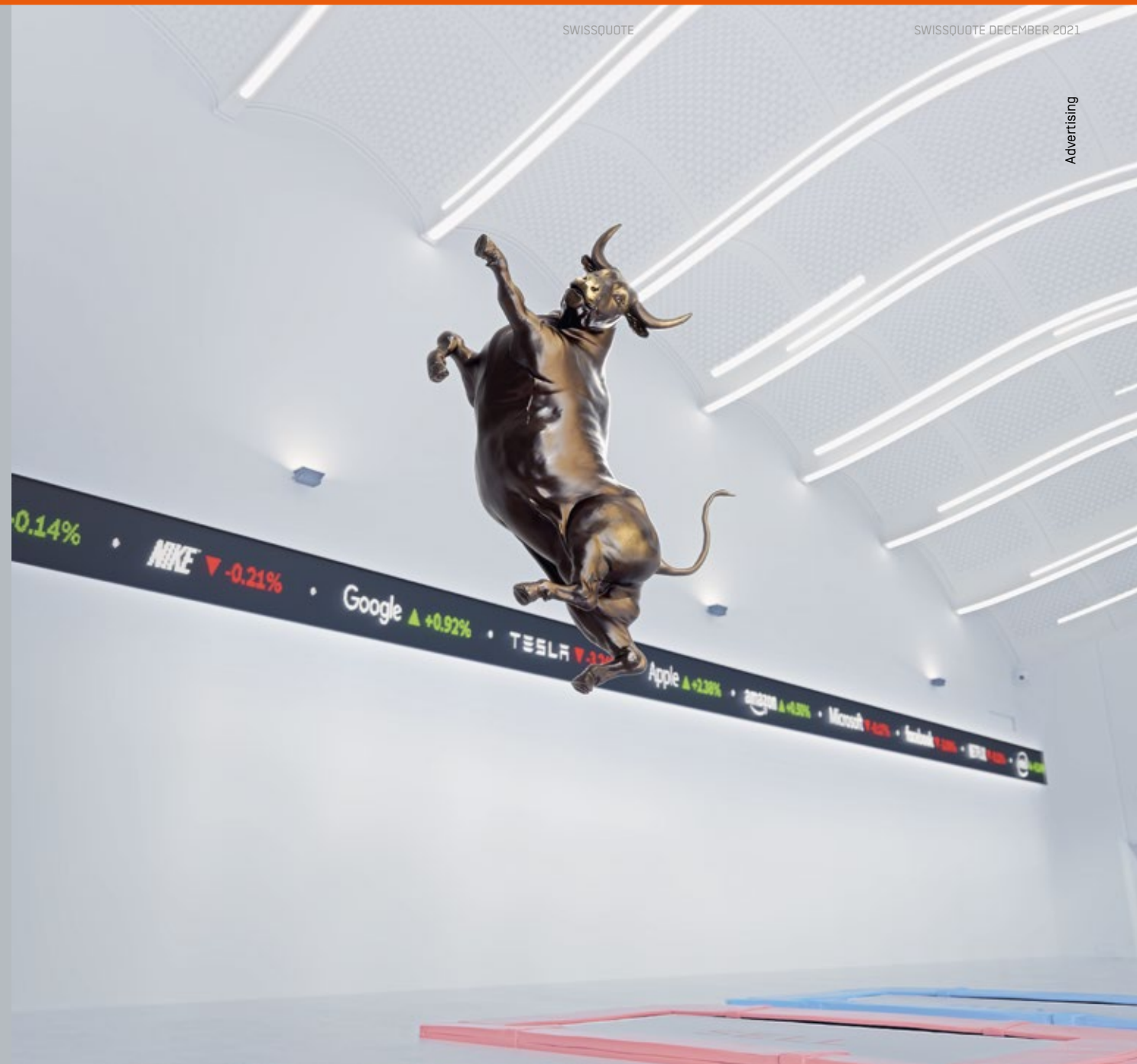
There can be several good reasons. First, the leverage amplifies the gains. In addition, leverage means that you can allocate a smaller amount to each position and therefore diversify your portfolio. Second, you don't have to pay stamp duty on CFDs, unlike trading in shares. However, it's important to note

that in buying CFDs, investors don't receive dividends (which are however compensated by a cash adjustment) and cannot vote at shareholders' meetings.

## Are there other worthwhile ways of using CFDs?

One possible strategy is pairs trading, also known as spread trading or statistical arbitrage. This approach involves tracking the prices of two shares that

have a historically high correlation – or cointegration, to use statistics terminology. When the two prices diverge, the share that performs better is sold short (short position) and the share that performs worse is bought (long position), assuming that the difference between the two will eventually close. The divergence between the two shares may be due to temporary supply and demand changes, large buy or sell orders for a security, reaction





to important news about one of the companies, and so forth.

**What happens when a client incurs losses and their trading account doesn't have enough funds?**

The platform does not allow new positions to be opened in the portfolio to avoid increasing risk. This mechanism is known by the term “margin call”, a term traders are familiar with. All trading platforms use this mechanism to safeguard clients’ trading accounts and avoid a negative balance. The risk for traders is that one or more positions could be closed out automatically, unless the trader does so manually or adds more liquidity.

If portfolio positions sustain further losses, traders could reach what is called the “stop out level”. This is the point beyond which the protection level is exceeded and losses are too high. The broker is then forced to exit the losing positions.

**Is investing in stock CFDs risky?**

It depends on how you do it. It’s a high-risk investment when used in a risky way. The prerequisite is to fully understand the basics. In other words, knowing how margin, margin calls and stop outs work before trading derivatives. E-books and webinars are available in the Education Center on our website. These courses explain, for

example, how to manage risks properly to avoid margin calls and stop outs.

The key to limiting risk is to diversify your portfolio. The most common mistake is overusing leverage without diversifying. A client who bet everything on the same horse are obviously taking a huge risk. On the other hand, CFD stocks provide prudent managers with a valuable way of boosting their purchasing power and diversifying and hedging their portfolio. ▴



STEFANO GIANTI  
EDUCATION MANAGER  
SWISSQUOTE BANK

COMPARISON

CFDs	SHARES
Investors can take bullish or bearish positions.	Investment only on bullish positions.
Investors do not actually own the shares.	Investors own the shares and have shareholder rights.
CFDs are derivatives and are not subject to stamp duty.	Stamp duty is payable on shares.
Owners of CFDs don’t receive dividends and cannot vote at shareholders’ meetings.	Owners of shares are entitled to dividends (if paid) and can vote at shareholders’ meetings.
Leverage allows investors to allocate a smaller amount on their trading account.	More capital required than with CFDs to increase exposure.
Leverage amplifies both gains and losses. Losses can therefore exceed the initial deposit.	Leverage is not used. Potential losses are limited to the amount invested.
CFDs can be used to hedge positions, e.g. risks in an equity portfolio.	It is not possible to take bearish positions to use as a hedge.
CFDs trade over-the-counter.	Shares are listed on stock exchanges.

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# SWISS STARTUPS IN THIS EDITION

BY GRÉGOIRE NICOLET



## WINEMAKER

### CONNECTED OENOLOGY



**Number of employees**  
12 (and approx.  
15 freelancers)

**Founded**  
2020

Launched in 2020, Winemaker lets winemakers and wine drinkers connect directly. The platform is growing in popularity and is now one of the top three Swiss wine retailers in terms of selection (alongside Mövenpick and Flaschenpost), with more than 3,000 wines from around 200 Swiss winemakers. The website recently added a feature called wineMatcher, which was developed by the Californian startup Tastry. This solution provides users with wine recommendations aligned with their personal preferences based on a short questionnaire.

And Winemaker isn't stopping with Swiss wines. Some 40 non-Swiss wineries have already joined the platform. "By the end of 2022, we plan to offer a representative selection of 1,000 vineyards in Switzerland, France, Austria and Spain," says its co-founder Elian Cool.

## CREAL

### VIRTUAL REALITY THAT DOESN'T MAKE YOU NAUSEOUS



**Number of employees**  
20

**Founded**  
2017

The Vaud-based company Creal is quickly climbing the ranks of Venturelabs' list of Top 100 Swiss startups: 23<sup>rd</sup> in 2019, 9<sup>th</sup> in 2020 and 4<sup>th</sup> in 2021. The EPFL spin-off has developed a patented light-field technology that projects more realistic images than currently available technology for augmented reality (AR) and virtual reality (VR) glasses. Not only does it deliver highly improved image sharpness and depth, its system has the advantage of eliminating motion sickness and long-term eye strain.

The fabless company has raised 15 million Swiss francs and aims its display technology at AR and VR glasses manufacturers. It is also targeting the medical market for applications in eye care, and has already signed agreements in this field. "When augmented reality is powered by AI, it will become our daily assistant in everything from cooking to neurosurgery," says Creal CEO Tomas Sluka. "Augmented reality will also have applications beyond what we can currently imagine." In the long term, Sluka hopes to turn Creal into a reference for display technology, like Dolby for audio.

## OPEN MINERAL

### THE EBAY OF METALS



**Number of employees**  
48

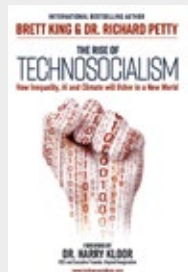
**Founded**  
2017

Launched by former Glencore traders, Open Mineral is a digital metals marketplace that functions like eBay for retail commerce. The platform aims to circumvent the middlemen between miners and smelters in the global metals market, worth an estimated \$200 billion. In 2019, only two years after it was founded, Open Mineral was selected as one of the World Economic Forum's 53 technology pioneers. In 2020, the company won the Rising Star Award in the S&P Global Metal Awards, and in 2021 it was a finalist in the New Technology category of the same competition.

These awards mirror Open Mineral's commercial success: "More than 40% of the world's metal concentrate industry and more than 900 metals and mining companies worldwide (Rio Tinto, Boliden, Belmot, Umicore, Codelco, among others) are active on our platform," says CEO and co-founder Boris Eykher. The startup also brought in \$33 million in a recent funding round, bringing the total amount raised to \$41 million.



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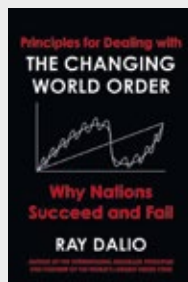
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## THE RISE OF TECHNOSOCIALISM

### HOW INEQUALITY, AI AND CLIMATE WILL USHER IN A NEW WORLD

By Brett King and Richard Petty  
Marshall Cavendish International, 2021

In *The Rise of Technosocialism*, Brett King and Richard Petty describe our future society in a world disrupted by artificial intelligence, climate change and mass unemployment. Based notably on the widespread development of automation, the authors foresee a massive paradigm shift in the political class and the emergence of innovative solutions, such as a universal basic income.



CHF 50.-

## PRINCIPLES FOR DEALING WITH THE CHANGING WORLD ORDER

### WHY NATIONS SUCCEED AND FAIL

By Ray Dalio  
Simon & Schuster Audio, 2021

This new book by Ray Dalio, American author and billionaire founder of Bridge-water Associates, is the culmination of a lifetime of studying markets and identifying long-term trends. Applying his experience and knowledge of markets, Ray Dalio provides a powerful analysis of the big cycles governing the economy and monetary policy. As examples, he reviews the British and Dutch empires for the past, and the American and Chinese empires for the present and future.



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purchases

### POCKET CASTS

#### THE PODCAST LIBRARY

Acquired by the parent company of Wordpress in July, the app has carved out a path to become the leading app for podcast listening thanks to its sleek, easy-to-use design. Pocket Casts offers advanced search and discovery tools, and a vast library of content.

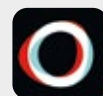


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### WHISK

#### TURNKEY RECIPES

We've all been there, that inconvenience of trying to find a recipe that you've already seen online, only to realise it's been drowned out in thousands of similar results. Now there's Whisk, an app that solves the problem by saving recipes from any source. You can also edit recipes manually and generate a shopping list!



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purchases

### MUBERT

#### DIGITAL MOZART

Mubert is a pretty awesome app that generates digital music streams exclusively using AI, based on the user's tastes, mood, and preferences in a wide variety of musical styles. The result is seriously impressive.



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App Store  
Free, in-app  
purchases

### LIFE HACK TIPS

#### GOOD IDEAS TO MAKE YOUR LIFE EASIER

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Hendrik-Jan Boer<sup>1</sup>  
Senior Portfolio Manager



"We seek out companies that have a durable competitive position, do no harm, and can adapt to change. The most obvious sense in which we seek out sustainability is in companies that do no harm. When environmental, social and governance (ESG)-related factors are materially relevant to a specific business, and we ask forward-looking questions rather than looking only at historical data. We believe that our focused teams of experts succeed in finding tomorrow's winners," said Hendrik-Jan Boer, Senior Portfolio Manager and Managing Director at Neuberger Berman.



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<sup>1</sup> All three lead portfolio managers are Citywire AAA-rated, as of September 17, 2021.

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AUTO

## Electric beatnik

BY RAPHAËL LEUBA

VOLKSWAGEN IS PREPARING FOR THE 2022 ARRIVAL OF A MODERN VERSION OF ITS FAMOUS COMBI – THE ID.BUZZ. THE HIPPIE BUS REMAINS ICONIC...

The first-generation VW buses have surged in popularity in the last decade. Even run-down models sell for high prices, and even higher if it is a rare Samba version with 23 panoramic windows. Launched in 1950 with a reputation for being indestructible, the original VW Combi (T1) gained a cult following among rebellious surfers and hippies. This Californian stereotype is much more glamorous than its image in Europe, of large families piling in for a Sunday outing.

While the lumbering, small round bus has lost a lot of its laid-back charm over the years, Volkswagen knew to continue the legendary model. Today's version is a far cry from the rectangular petrol-engine T7... Now it's an electric ID.Buzz inspired by the original design. This minibus with a

neo-retro design was first launched in 2017 as a concept car, but now has the tech specs to actually go on the market. Its MEB platform, also used in the ID.3 saloon car and the ID.4 crossover, allows for many configurations, particularly in terms of batteries. The largest battery is 100 kWh and should provide a respectable range of more than 500 km. The rear engine is available in several power levels and a four-wheel drive version has also been announced. While the era of the "flat-four" engine is long gone, the idea of a completely flat interior remains, offering maximum space inside.

Significantly shorter than the T7 at approximately 4.70 m, the ID.Buzz still retains many aspects of the bus's shape and friendly vibe, particularly the rotating front seats. It

is certainly a rather unique electric vehicle. Despite the implementation of level 4 autonomous driving expected by 2025, the original sensitive rectangular steering wheel from the concept car is now replaced with a more conventional layout, copied from the existing ID models. This touch of pragmatism is understandable, considering the ID.Buzz is also designed to be functional, especially with the cargo version. VW will produce the ID.Buzz at its plant in Hanover, Germany, which usually manufactures the *Nutzfahrzeuge*, or commercial vehicles. Although the Wolfsburg brand has revealed the concept and design of the vehicle and confirmed a launch for next year, no specific date has yet been announced. This is likely due to concerns over the semi-conductor crisis affecting all car manufacturers. ▲

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## SNOW SPECIAL

# Eight original off-piste activities

You can enjoy the snow without necessarily being a schuss daredevil. Here are some suggestions for winter escapades to enjoy the great outdoors.

BY GAËLLE SINNASSAMY



## AROSA (GR)

## Silent walk in the snow



Inspired by the silent retreats springing up all over Switzerland, the Tschuggen Hotel invites its guests to a morning excursion that leaves everyone speechless. After an early start at dawn in front of the 5-star hotel, participants disconnect from everyday life and its never-ending ambient noise to immerse themselves in the silence of the night. The group opens its senses to feel the snow as it crunches with each footstep, walking in complete mindfulness towards Bergkirchli church. Built in 1493, the legendary chapel is emblematic of the Grisons region. Everyone then stops there to watch the magnificent sunrise over the surrounding mountains. A great way to recharge your batteries for the rest of your holiday.

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**COURCHEVEL (FRANCE)****Cold yoga**

Cold yoga was first developed by Tibetans on the Himalayan mountaintops in relatively hostile conditions. In Courchevel, Lorélei Rodrigo offers her clients private and custom sessions, with a progressive approach adapted to each person's capabilities. "During a session, we work with tools to activate the breath, holding the breath and practices with the lungs filled to raise internal heat," the teacher says. "We use muscular contrac-

tions associated with sequences and postures that are suitable for winter conditions, but also meditation techniques, because practising in the cold requires maintaining a stable mind throughout the class." Among the benefits, practitioners describe a deep release of tension, improved concentration and better control of emotions.

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COURCHEVEL TOURISME

**LEUKERBAD (VS)****Mountain photo safari**

Wildlife photographer and reporter Julien Regamey organises custom safaris in South Africa, Morocco and Switzerland. Amateur photographers learn how to set up a stakeout to wait for the animals to appear, from the bearded vulture in the foothills of Leukerbad to the fox, slinking around deep in Vaud's Jura Mountains. "I mainly educate my clients about respect for wildlife. For example, I get lots of requests to observe wolves, but I always refuse because the pressure would be harmful for the species," the Lausanne native says. But it actually doesn't matter what animal you happen to see. "You rarely have the opportunity to see a badger or a deer up close. After waiting hours in the cold, when you suddenly see an animal that stops just a few metres away from you, it always brings intense emotion."

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**AROLLA (VS)****High-altitude paintball**

Calling all winter paintball enthusiasts! In the heights of Arolla, a specially designed paintball park awaits, perched at an elevation of 2,000 m in the heart of a spectacular mountain setting. At the edge of an ice waterfall, players battle it out against their opponents with biodegradable paintballs on fresh snow, perfect for absorbing shocks as they jump, roll and slide around. Huts, barrels, promontories and caches of all kinds set the stage for this winter guerrilla warfare, as teams face one another, some dressed in white fatigues and others in military camouflage. To win, they have to cross the border without a splotch.



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**LES GIETTES (VS)****Night ride with a husky**

On top of its unique hotel concept, the Whitepod offers its guests night hikes while harnessed to a husky. "It's an unforgettable experience," says Violaine Grau, Swiss skijöring champion and tour leader. "You rarely have the opportunity to walk through the forest at night in the snow. Being pulled by a dog forces you to move at a brisk pace. It's a wonderful sensation." Departure is at 7 p.m. Once attached

to their animal, each crew member sets off on the Chemin des Ponts along the Vièze River for a 3 km walk to the They refreshment bar, which serves wood-fired fondue and double-cream meringues. A wonderfully invigorating outing to enjoy before returning to your pod under the starry sky.

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024 471 38 38 | 195 SWISS FRANCS PER PERSON

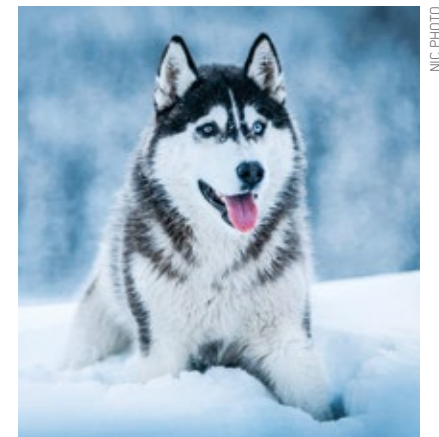
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CARLTON HOTEL

**ST. MORITZ (GR)****Ice sculpture**

The Moving Mountains programme developed by the Carlton Hotel in St. Moritz offers the opportunity to experience a range of artistic activities, including ice sculpture. "It's a fascinating material," says Reto Grond, a local sculptor in charge of the workshop. "In its pure form, ice is made up of transparent, colourless crystals and is gloriously revealed in the way light plays off of it." This playful introduction to an age-old art form provides an opportunity to learn how to handle picks, saws and scissors. An artistic way to experience the magic of winter.

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NIC PHOTO



**MORZINE (FRANCE)****Ice diving**

Featuring a concierge service that focuses exclusively on organising exceptional sporting and cultural activities, the Evian Resort raises the bar in coming up with imaginative ways to attract its demanding guests. One of the experiences available is ice diving. Supervised by qualified professionals, the activity is offered at Lac de Montriond in Morzine and is open to both beginners and experienced sports enthusiasts. The hotel lends out waterproof suits to insulate against the cold, and a driver takes the brave souls to the diving site. Connected to a rope, divers can stay under the ice for 15 to 20 minutes and go as deep as 5 metres. In the depths, divers can enjoy the ethereal spectacle unfolding before their eyes in the lake's crystalline water, as the light dances across the ice on the surface and illuminates the few fish that remain.

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**KALTBRUNN (SG)****Building igloos**

For many people, building an igloo with their own hands is the stuff of dreams. But cutting out blocks of ice and stacking them on top of each other in a circle to form walls is arduous, time-consuming work. "It takes several hours to build an igloo," says Daniel Chézière, director and founder of Swissraft. "But it can be done anywhere in Switzerland where there's enough snow. This activity is mainly designed for groups of at least 10 people, especially

in team-building activities." For couples who want in on the adventure, the agency can organise, on request, a two-day trip to the Wengi massif near St. Gallen. Departure is at sunrise, in a dog sled with a musher. Then, at the end of the day, you get to sleep in the igloo that you have spent all day toiling over with your own hands.

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## THE MOTOSACOCHE IS BACK!

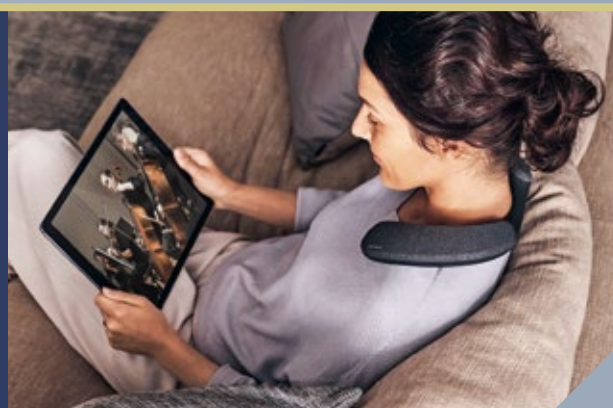
Founded in Geneva by the Dufaux brothers in the late 19<sup>th</sup> century, the legendary Motosacoche brand has made a comeback. Geneva entrepreneur Paul Merz has harnessed his passion for two-wheelers to reignite the torch and launch the Type-A 2021. Built with an electric motor designed and manufactured in Switzerland packing 1000 W of power, the bike can reach speeds of up to 45 km/h. Its stylish design is inspired by the manufacturer's historical models.

[motosacoche.swiss](https://motosacoche.swiss)  
From CHF 12,390.-

## SMART RAY-BANS

Available with Wayfarer, Meteor or Round frames, Ray-Ban Stories allow their wearers to take photos and videos, answer calls and listen to music. Built with a dual 5-megapixel camera, three microphones and two speakers, these smart glasses, designed in partnership with Facebook, can store up to 500 photos and 35 videos lasting 30 seconds.

[ray-ban.com](https://ray-ban.com)  
From CHF 350.-



## JUST LIKE AT THE CINEMA

After coming out with a wireless neckband speaker designed for remote workers, Sony is now targeting film and music lovers with the SRS-NS7. The first speaker to be compatible with Dolby Atmos®, this lightweight, 319-gram device offers personalised, immersive surround sound, thanks to an app that lets users customise their listening profile. Its echo reduction feature also makes it particularly effective for hands-free calls.

[sony.com](https://sony.com)  
CHF 299.-



## SECURITY, AT YOUR FINGERTIPS

Using fingerprint recognition technology, the Nomaday biometric padlock can store up to 10 different fingerprints and unlocks in less than 0.5 seconds. With a zinc alloy body and stainless steel ring, Lexon's latest solution provides top-notch security. Its rainproof feature also makes it suitable for outdoor use.

[lexon-design.com](https://lexon-design.com)  
CHF 59.90



## KEEPING YOUR HANDS TOASTY

Marcel Livet, a young company based in Annecy, France, designs hand-crafted skis made of noble wood. This winter it expanded its line to mittens, made entirely in France. Both elegant and technically designed, the Angdawas in black goat leather have a thick fleece lining combined with a breathable but waterproof membrane. The mitten is reinforced with an elasticated wrist to keep warmth close to the skin.

[marcel-livet.fr](https://marcel-livet.fr)  
CHF 205.-

## IN SWISS WOOL

The brand Muntagnard takes a sustainable approach to designing clothes by using fully recyclable bio-based fabrics. The star piece in its collection is the LANA jacket. Made from Swiss wool with a wood fibre lining, the weatherproof and breathable garment also regulates temperature. The stylish LANA is manufactured at a family-owned production facility in the canton of Schwyz and features suede reinforcements and Corozo nut buttons.

[muntagnard.ch](https://muntagnard.ch)  
CHF 1,250.-



## ALPINE HERBAL TEAS

Brandishing evocative names, such as *Roteuse* (burper), *Diabolique* (diabolical), *Assoiffée* (thirsty), *Noctambule* (night owl), *Amante* (lover) or *Chaleureuse* (cosy), Lioba herbal teas come in a range of 10 homemade plant blends. Depicting a *poya*, the Alpine transhumance of cattle, the gift box contains two bags of each recipe, inviting herbal tea lovers to discover the entire range of creations from the Fribourg herbalist Emanuel Roggen-Crausaz.

[lesinfusionslioba.ch](https://lesinfusionslioba.ch)  
CHF 14.50



## TRIED AND TESTED

## ESCAPE FROM A VIRTUAL WORLD

BY GÉRARD DUCLOS

Escape rooms have become a favourite activity after clubbing or for corporate team building. Now they're moving into virtual reality. Swissquote tested Virtual Room in Geneva.

**Y**ou have to escape from a room, in a limited amount of time, by solving puzzles of varying complexity, using clues scattered around the floor, wall and furniture. Created in Japan, escape games have become a top attraction in cities all around the world in just a few years. The genre is now being reinvented by integrating virtual reality. And that activity is available at Virtual Room in Geneva. The point of the game is still to solve mysteries, but now you do it armed with a VR headset and game controls.

Virtual Room offers three adventures and difficulty levels to choose from. Games are designed for up to four players at a time. Brave but not fearless, we chose the medium difficulty level, entitled "Time Travel Chapter 2". Unlike traditional escape rooms, in this experience each player is physically separated in a small room in utter darkness. Once equipped with a VR headset, headphones and controls that represent our hands, we will meet up with our fellow players, but only virtually.

So here we are, in this futuristic warehouse, as an AI briefs us in a robotic voice: an extra-terrestrial force is about to invade the planet. We have one hour to stop it. Fortunately, energy sources to counter the alien invasion have been scattered around the Earth in different time periods. In a few seconds, we are whisked to an Inca temple in the 15<sup>th</sup> century, awkwardly trying to figure out how the mystery works using the resources available to us: a torch, some sort of viscous matter, and clay amphorae, which we enjoy passing in front of our faces.

**In a few seconds, we are whisked to an Inca temple in the 15<sup>th</sup> century**

The immersive sensation is truly amazing, even if the space available to interact with the environment is

actually much smaller than it seems. We are frequently reminded of this by running into the walls around us, which are very real. After the Inca temple, we are hurtled straight into the Wild West, into a sunken pirate ship at sea, and into space. The scenes zip by us fast, but fortunately the puzzles are not too challenging.

For gaming enthusiasts, the developers have also included a few shooting sessions at hostile targets. Once the planet has been saved from imminent destruction, you have a nice little virtual photo session, where you can even don accessories such as a cowboy hat, an astronaut helmet or a futuristic gun.

You come out of there pumped up, ready to face the third difficulty level for a story about zombies, doing whatever it takes to escape from a secret military base. Although fans of complex mystery story lines may not get their fill, the experience is an excellent opportunity to discover virtual reality and the infinite possibilities it brings for the future. ▀

xxx

 Themes Trading

# WITH LESS CO<sub>2</sub>, YOUR PORTFOLIO BREATHES BETTER

## How about investing in a refreshing change?

Between the climate crisis and new, stricter regulations, businesses that hold the technological solutions to our ecological transition are on a roll. Renewable energy, electric mobility, plant-based food: The "Decarbonisation" certificate (available on the SIX Swiss Exchange) brings together key players who are leading the way for a carbon-free future.


[swissquote.com/decarbonisation](https://swissquote.com/decarbonisation)

Certificate  
**Decarbonisation**

ISIN  
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Symbol  
**ZEROLK**

 Swissquote



BORN IN LE BRASSUS



AUDEMARS PIGUET  
*Le Brassus*

RAISED AROUND THE WORLD



AUDEMARS PIGUET BOUTIQUES : GENEVA | ZÜRICH