

# Lyxor upgrades CTAs to slight overweight

Stockholm (HedgeNordic) - French asset manager Lyxor has upped its strategic allocation to CTAs according to its most recent weekly brief report. The change is initiated as a result of Lyxor viewing the strategy as a good defensive bet going into the reporting season.

“Overall, we are upgrading CTAs, from neutral to slight overweight. After the market rally in March and ahead of the US earnings season, their defensive portfolio appears to be a good hedge against any disappointment”, Lyxor writes, continuing;

“Meanwhile, their long stance on US fixed income is less aggressive and with 10-Treasury yields near the bottom of the range of the past three years, it seems adequate. They have also reduced their shorts on energy, which is a positive development as the USD depreciation implies upside risks on the asset class.”

In other strategies, Lyxor maintains its slight overweight to merger arbitrage, despite seeing this strategy suffering in the beginning of April as a consequence of the Allergen/Pfizer deal break.

Lyxors Hedge Fund Index suffered losses of 0.7% in the first week of April and is down 2.5% year to date, indicating a difficult start to the year for hedge funds. The only strategy group showing positive returns for the year is CTA, being up 2.2%.

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