

Gramont gains in post Brexit turmoil

Stockholm (HedgeNordic) - The Finnish opportunistic long/short equity manager Gramont Capital saw its Gramont Equity Opportunities Fund gain another 4.7 per cent in June, bringing year-to-date returns to 11.9 per cent.

The program reportedly profited from the turmoil that followed from the Brexit vote with the manager benefiting from actively trading around a thematic negative equity view during the month. Gramont continue to expect negative equity market returns and are sceptical about the market's recent bounce, a monthly note from the manager states.

"We continue to expect negative equity market returns and seek to benefit from volatility. Our key short positions include S&P 500 Index futures, Nasdaq 100 Index futures, and the SPDR Select Sector Industrials ETF", the manager writes continuing;

"Global growth forecasts appear too high as the political uncertainty remains elevated. Also the efficacy of further monetary stimulus can be questioned. While the US has overcome the negative impact of China's slowdown, China's imbalances are far from resolved. We think equities are vulnerable to further CNY depreciation as it raises disinflationary pressures globally".

During the month, the thematic view, including short positions in stock index futures added the most to performance. In the single stocks strategy, Gramont benefited from a long position in Michael Kors traded against a short position in Pandora A/S. In the special situations book, positions in the Brazilian telecommunications company Oi contributed positively, the monthly letter states.

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