ENERGY VAULT
Storing energy in Ticino

BANKING
Farewell to LIBOR

WINTER ADVENTURES
Eight off-piste activities

DOSSIER

TOP 25
BULLISH FIRMS
OUTLOOK 2022

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

Ladybird
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.
Financial markets are at a cross-roads. 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.

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Escape from a virtual world
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, 514 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.

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

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

THE VENTURE FUNDING FOR SEMICONDUCTOR STARTUPS

(En billions of dollars, globally. 2021: first three quarters)

2017 1.2
2018 2.6
2019 1.4
2020 3.6
2021 3.7

Source: Crunchbase

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.
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.

**POWERLACE’S SELF-LACING SHOES**

**“GREAT SCOTT!”**

**FUNDS RAISED**

CA$ 107,811

**AVAILABILITY**

DECEMBER 2021

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.

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**PODCAST KING COMES FOR YOUTUBE**

Spotify has become the podcast platform US listeners use most, pulling ahead of Apple. The United States is the world’s largest podcast market. Snapping 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).

**“I love to be underestimated”**

Lucian Grainge

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

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.

“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.

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.

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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.

APPLE: THE VIDEO GAME VULTURE

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 controversial 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.
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 recognizes 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-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
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.

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

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.

The new El Dorado for biotechs

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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.
**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 Mounder-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 currencies (pound sterling, Swiss franc, euro, yen), will be calculated rather than the LIBORs, covering various currencies. 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.

**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.

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.

“Libor is 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.”

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“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.”

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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.

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

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 unwillingness.

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**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

You 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 economics 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 $440 billion in investment between now and 2040.

We now know how to produce wind and solar power without a problem, and the top. 35-tonne blocks to energy on the grid, when there is excess and unpredictable, which prevents production peaks and troughs. Several approaches are competing: thermodynamic storage using compressed air; batteries (lithium-ion, sodium-ion, etc.) or electrolysing 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 company’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 unusually 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
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 been under a shed a few metres from the crane.

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 technology 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.

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 been under a shed a few metres from the crane.

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.

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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.

"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, a phenomenon more commonly felt by individual investors.

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

**Crypto Chronicles**

Institutional investors flocking back to Bitcoin

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

BY LUDOVIC CHAPPEX

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.
Dossier prepared by Bertrand Beaulé and Julie Zaugg

TOP 25 BULLISH FIRMS

OUTLOOK 2022

32. 2022, and excitement is building
36. Infographic: A record-breaking year
38. Interview with Aswath Damodaran, finance and valuation expert
40. Top 25 firms to watch
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**

Barring 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. 

**Excitement is building**
So what happens next? Can this bullish trend continue? Eleanor Taylor Jolidon, 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.

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 market will continue,” as David Kostin, chief US equity strategist at Goldman Sachs, summed up in an interview with Yahoo! Finance. Morgan Stanley takes a bullish trend continue? 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.” In that respect, Swiss companies create the 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 appreciating when markets rise.”

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 rosier 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 Schufeld Prince Gestion. “But warnings abound that these growth predictions may not come through. This makes the markets uncertain.”

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 2022, 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 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 reign in 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%.”

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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 a 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

central banks, government investment plans, fiscal stimulus and business confidence, the economy is headed for a 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.”

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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.

IPOs back on track

In 2021's first three quarters, 1,635 companies went public worldwide, raising more than $330 billion in the process – a level never seen before.

The SMI at its zenith

The flagship index of the Zurich Stock Exchange, which includes the 20 largest shares on the Swiss market, is trading at unprecedented levels.

Dividends are soaring

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

Global markets are booming

With the notable exception of China, most global indices have shown strong growth in 2021.
“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.

Aswath 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 crisis. Carnival, Cruise, cruise lines, 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 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 reappear 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 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 influence and 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.

How can investors profit from these trends?

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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.

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.

**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 could 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 Ive. He predicts the share will reach $330 by 2022, up from less than $250 today.
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.

Suse
The platform for all trades

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

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 custom- ers 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.
Burckhardt Compression
Boosted by renewable energies

This company, which was founded in the 19th 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 CO₂ 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.

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.

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.
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.

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.

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 under-valued, 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.

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 fail 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.
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.

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.

“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 Coral Therapeutics.” The share price could reach around €100 by 2022, up from around €80 today.

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

Dermapharm Partner to BioNTech

Compleo Charging Solutions
The charging champion

Tesla Electric hype

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

Microsoft
High on a cloud

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 has 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.

TotalEnergies
New horizons

“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.
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.

Datadog
The cloud watchdog

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 Ragon. 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 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.
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 CO₂ 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 CO₂,” 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.

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.

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.
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.
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

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.

2. **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. **MIRROR AN INDEX?**

   An ETF is 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.

4. **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 3000, 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 fund portfolio may contain assets that do not match their benchmark index, they are not as interested in synthetic ETFs. After generating quite a buzz about a decade ago, synthetic ETFs seem to be in a slump.

5. **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 several operators in both versions. 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.

6. **WHY IS THERE SUCH INTEREST IN ETFs?**

   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.”

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   “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.

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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.

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.”
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

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 are the 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 position) and the share that performs worse is bought (long position), assuming that the divergence 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 news...
to important news about one of the companies, and so forth. 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.

### COMPARISON

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

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.

Open Mineral
THE EBAY OF METALS

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 45% 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.

Creal
VIRTUAL REALITY THAT DOESN’T MAKE YOU NAUSEOUS

The Vaud-based company Creal is quickly climbing the ranks of Venturelab’s list of Top 100 Swiss startups: 23rd in 2019, 9th in 2020 and 4th 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 Slika. “Augmented reality will also have applications beyond what we can currently imagine.” In the long term, Slika hopes to turn Creal into a reference for display technology, like Dolby for audio.

In this edition of Swissquote we spotlight the entire portfolio of Swiss startups. Each year, Venturelab ranks 100 of Switzerland’s most innovative companies. We present a selection of 48 startups whose founders are either alumni of EPFL or of various Swiss universities.

<table>
<thead>
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<th>Business</th>
<th>Employees</th>
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<td>Winemaker</td>
<td>12 (and approx. 15 freelancers)</td>
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<td>Creal</td>
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<td>Open Mineral</td>
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Number of employees
2
12 (and approx. 15 freelancers)
22

Founded
2017
2020
2020
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.

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 Bridgewater 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.

Turnkey Recipes
Good Ideas to Make Your Life Easier

Whisk
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!

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.

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.

Life Hack Tips

Global and European Sustainable Equity Strategies
We believe that 2020 marked an important turning point for companies and investors alike. Rapid societal and technological change is driving a corporate evolution, creating some powerful investment themes.

We believe that the companies that are best-placed to benefit from this disruption are quality businesses where sustainability reinforces competitive advantage.

Our global and European sustainable equity strategies offer investors exposure to our best ideas and we believe that our focused, expert teams are well-positioned to seek out tomorrow’s leaders.

“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.

Hendrik-Jan Boer
Senior Portfolio Manager

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1 All three lead portfolio managers are Citywire AAA-rated, as of September 17, 2021. Marketing communication. For qualified investors only. Issued by Neuberger Berman Europe Limited, which is authorised and regulated by the Financial Conduct Authority and is registered in England and Wales, in The Zig Zag Building, 70 Victoria Street, London SW1E 6SQ. This is for information purposes and nothing herein constitutes investment advice or a recommendation to buy, sell or hold a security. The “Neuberger Berman” name and logo are registered service marks of Neuberger Berman Group LLC.

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Electric beatnik

BY RAPHAËL LEUBA

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 indestructable, 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.
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 SINASSAMY

SNOW SPECIAL

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.

TSCHUGGEN HOTEL | TSCHUGGEN.CH | 080 034 56 28

FREE FOR HOTEL GUESTS
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 contractions associated with sequences and postures that are suitable for winter conditions, but also meditation techniques, because practicing 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.

**Swissquote December 2021 Travel**

**Cold yoga**

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**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 guerilla 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.

**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.
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.

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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makeawish.ch
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**

**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**

**CHF 1,250.–**

### 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**

**CHF 59.90**

### 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**

From CHF 399.–

### 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**

From CHF 299.–

### ALPINE HERBAL TEAS

Brandishing evocative names, such as Roteuse (burper), Diabolique (diabolical), Assoufflée (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**

CHF 14.50

### 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**

**CHF 205.–**
TRIED AND TESTED

ESCAPE FROM A VIRTUAL WORLD
BY GÉRARD DUCLOS

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

You 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 15th 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.

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 hurled 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.
BORN IN LE BRASSUS

RAISED AROUND THE WORLD

AUDEMARS PIGUET
Le Brassus

AUDEMARS PIGUET BOUTIQUES: GENEVA | ZURICH