

Cassiopeia Report: Investment Trends

Data and AI analysis provided by  Zrithmics

Luxury market investment booming as 'new normal' spurs focus on well-being

A transformation has taken place during the isolation and confinement of the past few months: people have increasingly turned their attention towards their mental and physical wellness, with a focus on bringing satisfaction and fulfilment into their lives. People want to live better, longer and happier: when the future is dominated by an uncertainty never seen before, there is a certain urgency about making the most of life while we can. Carpe diem.

Our newly shaping economy won't be solely focused on technology-driven sustainability and progress; individual well-being and fulfilment will also feature prominently. Sustainability, happiness and progress sum it up well.

Goods and services which were not on people's pre-pandemic priority lists are seeing an increase: beauty-related services, wellness and well-being, property upgrades and luxury goods are the new considerations of high-end consumers who can access exclusive products and services.

A study by Cassiopeia points towards growth in industries that cater to individual wants. As market activity shifts to those industries, so should investors' attention. AI-generated analysis shows a progressively positive investor bias towards companies in the luxury, beauty and lifestyle space, despite some pessimism in March and April.

As the new reality unfolds, it has become clear that luxury and individual well-being goods and services will play an enhanced role in the way people spend their money – especially for those wealthy, luxury-accustomed consumers who are travelling much less than before.

The study shows that beauty and cosmetic brands L'Oréal and Estée Lauder, as well as luxury brands Kering, Richemont and LVMH have all seen enhanced performance in the months after lockdown, with a predominantly positive bias clearly emerging after August.

According to analysis by AI specialists Irithmics, institutional investors with longer-term views towards these stocks, have become increasingly bullish since the beginning of Q3.

Irithmics' AI generated directional 'Bias' amongst longer-term 'Strategic' Investors - 01 Jan 2020 - 12 Oct 2020

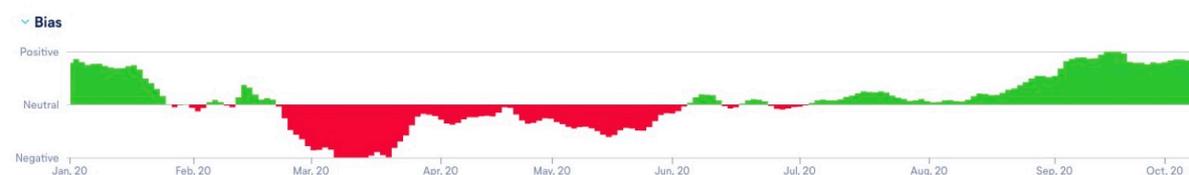
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ESTEE LAUDER COS., INC. - ORDINARY SHARES - CLASS A - EL.XNYS



KERING - KER.XPAR



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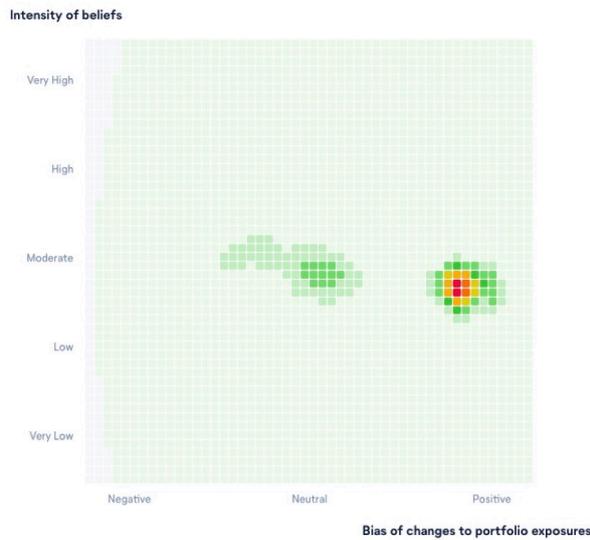


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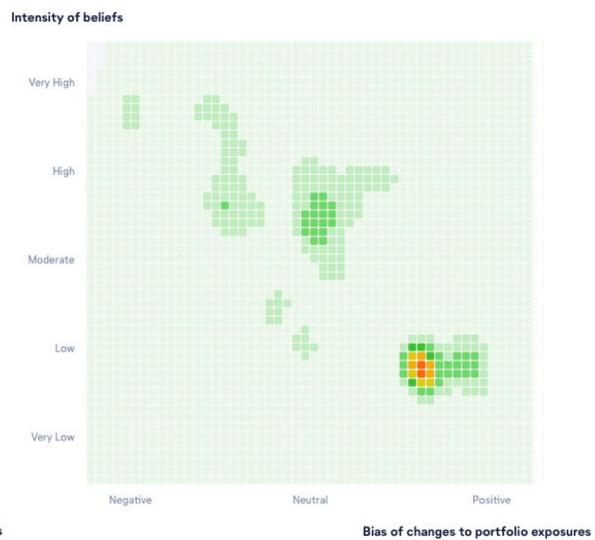


The heat maps show how longer-term, 'strategic' views driven by company, sector or market fundamentals were distributed on 12 October 2020. The x-axis represents bias and relates to the weights and holdings of institutional portfolios and how bearish or bullish they are on a company. The y-axis represents the confidence and magnitude of investor views on a company - i.e. a likelihood of investors acting on their opinion of the stock.

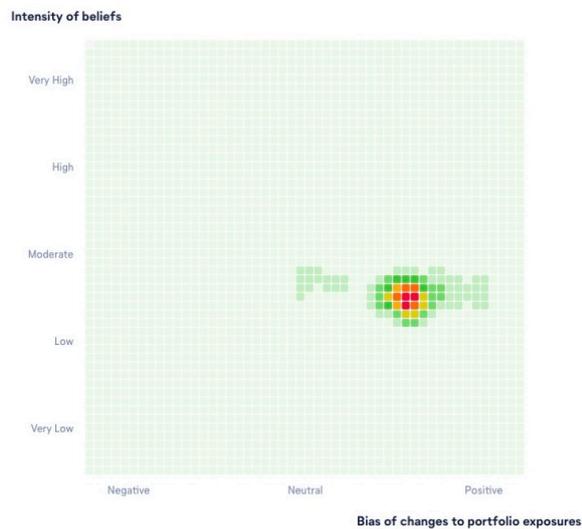
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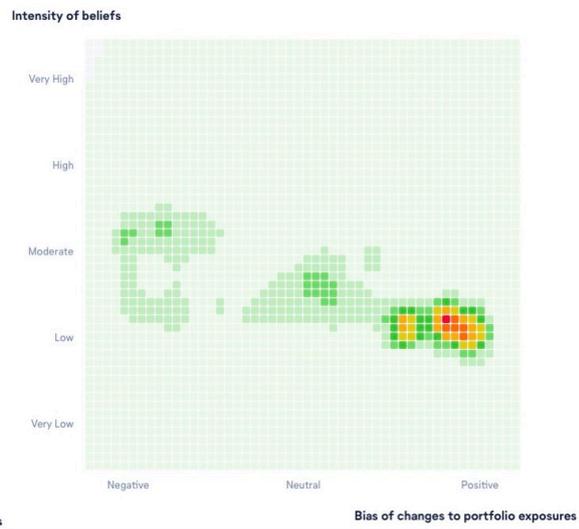
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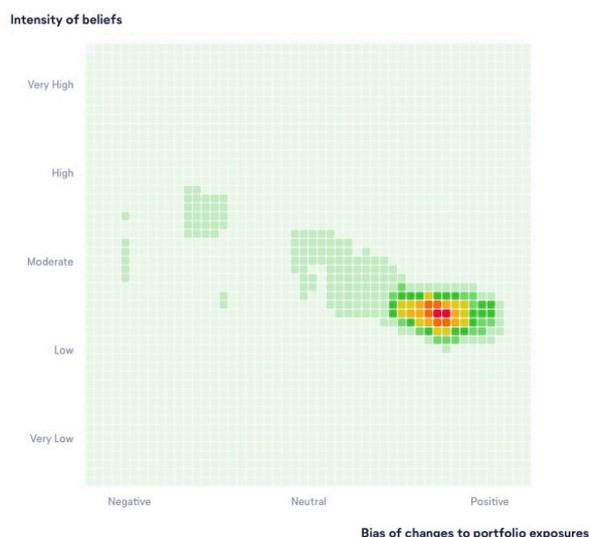
L'OREAL - OR.XPAR



ESTEE LAUDER COS., INC. - ORDINARY SHARES - CLASS A - EL.XNYS



LVMH MOET HENNESSY VUITTON SE - MC.XPAR



Companies and fund managers use this analysis to understand how institutional investors are positioning themselves in relation to different companies' stock. In our case, Irithmics' data supports the thesis of a bullish season ahead for luxury and high-end products.

[Cosmetic surgery saw a spike](#) during the lockdown months in the UK. Working from home and increased flexibility and free time could facilitate the decision to undertake such procedures.

The work-from-home routine also reflects on the increase in property investment as the [housing market hits its highest growth rate](#) in four years. A unique combination of low interest rates and the widely adopted remote working phenomenon yields opportunity for prospective homeowners to look into their dream houses outside of city centres.

Other factors underlying the pursuit of well-being are growth in the organic food market, and sales of workout equipment. The [2020 Organic Industry Survey](#) showed that consumers are prioritising food that is nurturing and healthy as it showed that sales of organic produce were up more than 20 percent in the spring of 2020: a reaction to the impact of Covid and increased awareness of the importance of a robust immune system. In fact, the use of terms like 'immunity,' 'stress relief' and 'medicinal benefits' in relation to food choices has jumped in times of coronavirus , an [analysis by Tastewise reveals](#). [Sales of home workout equipment have also exploded](#) as the products saw a 5000 percent increase during the lockdown months, when gyms and training centres had to close.

if you have any questions or would like further information please contact us at info@cassiopeia-ltd.com