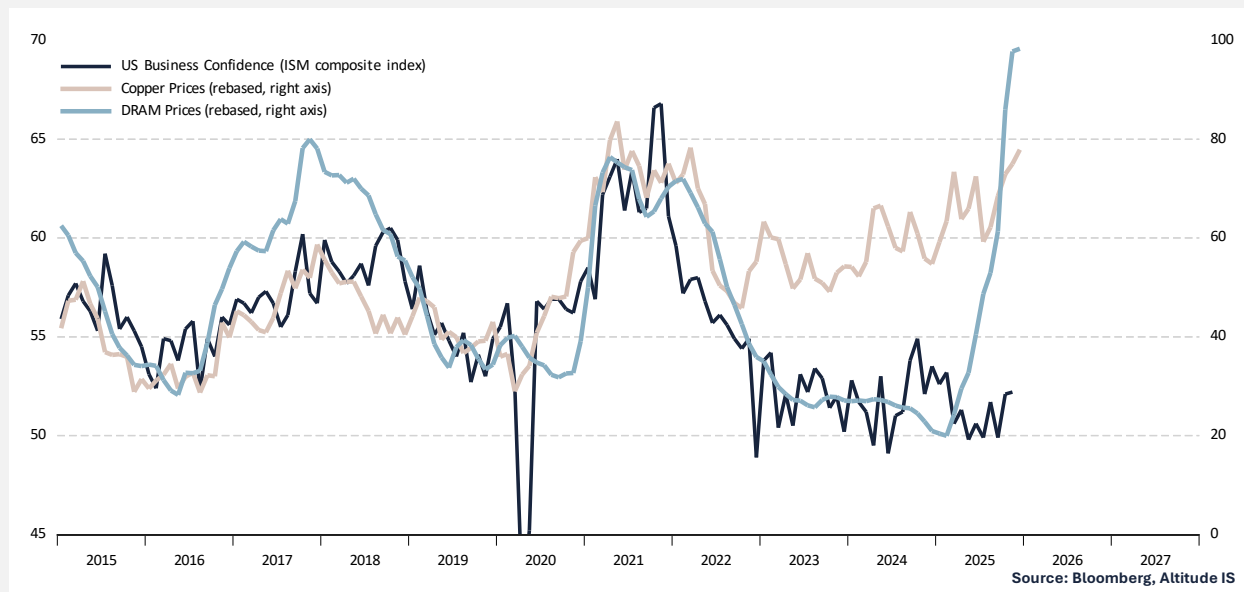


The flexiweekly that reaches new heights - published on 12 January 2026

## "THE COPPER CRUNCH AND THE WALL OF MEMORY"

- Even when the economic cycle is unfavourable, opportunities exist
- This is particularly true when a technological revolution is underway
- The deployment of artificial intelligence requires copper and RAM
- Companies in these two sectors will not be affected by the crisis

### CHART OF THE WEEK: "After copper, RAM is breaking free from the cycle"



## FINANCIAL MARKETS ANALYSIS

**Investors are accustomed to adjusting their asset allocation to the economic cycle... and rightly so** (see Outlook 2026). When growth slows, they reduce their exposure to equities and credit because corporate earnings will be disappointing. Conversely, when economic activity accelerates, they increase the weighting of risky assets in their portfolios. This rational approach is based on a historical understanding of cyclicity, which has proven its effectiveness. **However, during major technological revolutions, it may be necessary to supplement this approach and analyse the trajectory of profits through an additional lens.** Certain structural themes are so powerful that they escape the cyclicity of gross domestic product.



**The anxiety index published by the Federal Reserve Bank of Philadelphia is one of the most effective tools for understanding economic dynamics and the risk of recession.** This barometer, compiled from a survey of professional forecasters, measures the average probability of a contraction in activity in the following quarter. At 24% recently, the index is sending a message of great caution for the first quarter of 2026 (see Fig. 2). Historically, such a level of probability has always preceded a deterioration in financing conditions, a moderation in final consumption and, ultimately, a sharp slowdown in US growth. This anxiety among economists has recently been reinforced by tangible data, such as a decline in order books (see Fig. 3) and a rise in the unemployment rate to 4.6%. It would therefore come as no surprise if the next publication of the anxiety index in February showed a 35% probability of recession.

Fig. 2 – Anxiety index and GDP growth

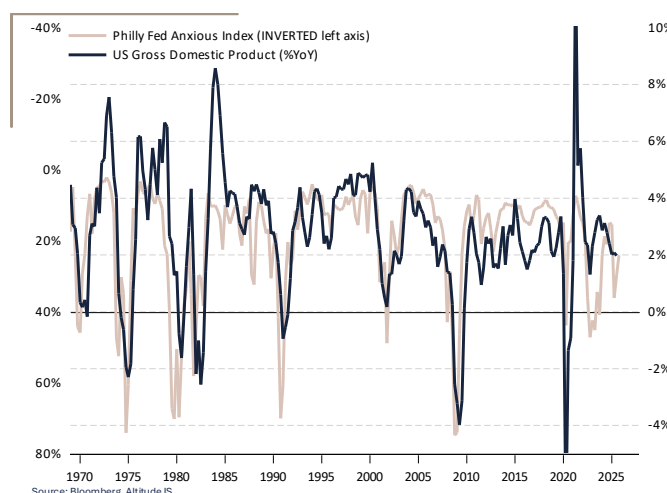
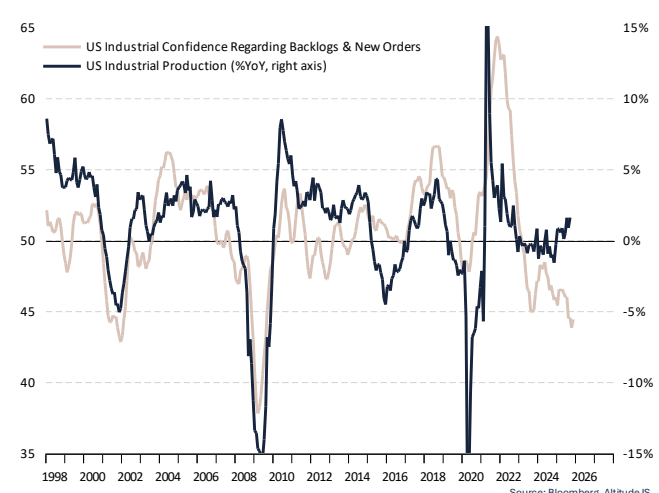


Fig. 3 – Order books and production



**Despite the clear slowdown in global economic momentum,** particularly in the United States, certain industrial components such as **copper and computer memory are benefiting and will continue to benefit from strong momentum** (see Chart of the Week). Let's be clear: it would be a mistake to rely on the surge in their respective prices to predict an economic rebound, since something is not working as usual. Since 2023, copper and computer memory have been decoupled from the economic cycle. They meet the structural needs of governments, businesses and households in terms of electricity and artificial intelligence (AI). **This structural transformation of the economy presents investors with a paradox, where warning signs of a recession coexist with a surge in the price of certain critical resources.**

**Copper retains its status as a barometer of global industrial activity** due to its use in construction and capital goods. As such, rising economic anxiety is logically weighing on demand and copper prices. **However, this negative factor is more than offset by purely structural demand.** The need for electrification has literally skyrocketed, initially with the deployment of wind turbines, solar panels and electric vehicles, but especially with the more recent deployment of AI. The proliferation of data centres required for AI deployment is driving unprecedented densification of electrical infrastructure and cooling systems, of which copper is an essential component. Given that it takes more than a decade to bring new copper deposits into production, **the market is facing a shortage that makes the price of copper inelastic to the slowdown in the global economic cycle.**

**In 2026, investors will continue to select companies that are able to capture this scarcity rent and have strong balance sheets.** In the mining sector, Freeport McMoRan and Southern Copper are sure to emerge



as key players in the electrification theme. Antofagasta and Lundin Mining will offer attractive alternatives, while vanhoe Mines will represent a pure growth option thanks to the exceptional grade of its deposits. Finally, the copper mining ETF will provide broad sector exposure (see Fig. 4).

Fig. 4 – Performance of copper mining companies

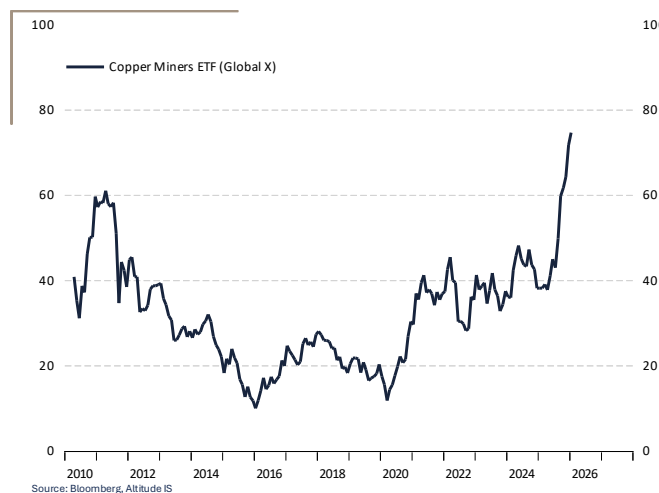
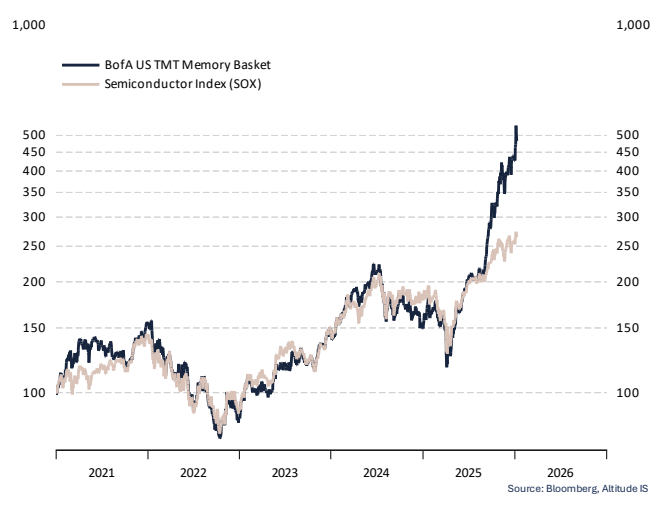


Fig. 5 – Performance of memory suppliers



**Since 2025, scarcity has also been evident in the field of computer memory** (see chart of the week). Investors have clearly understood that behind the algorithms of OpenAI, Meta and Google lies a hardware infrastructure of unprecedented density. AI is above all a question of tangible components that enable the construction and operation of gigantic data centres. These *data centres* house servers whose performance relies on integrated circuits from Nvidia (GPUs) or Google (TPUs). Most of these components are produced by the giant TSMC, which has established itself as the essential industrial partner in this revolution.

For these systems to function, data must flow uninterrupted between the various servers via Ethernet cabling or high-end optical infrastructure. At the heart of this system, random access memory (DRAM) has become a critical point of tension. As a reminder, standard RAM (DDR4 or DDR5), found in a conventional computer or smartphone, is unable to keep up with the speed of new processors. To meet this need, manufacturers are producing ultra-high-performance memory consisting of vertically stacked chips (HBM). However, manufacturing an HBM chip consumes about three times more silicon and requires significantly more industrial capacity than a conventional chip. **As the production capacity of their factories cannot be expanded, the giants of the sector have had to make choices. Unsurprisingly, they have sacrificed ordinary memory production lines in order to mass-produce ultra-high-performance memory, which is much more lucrative.**

**This phenomenon, linked to the AI revolution, has an impact on the entire production chain.** It benefits not only chip manufacturers but also data storage specialists such as Seagate, Western Digital and Sandisk, as the need for massive information storage is growing exponentially with AI. The increasing complexity of chips is restoring a central role to cutting-edge equipment manufacturers. With traditional miniaturisation reaching its limits, they are now seeking to manufacture 3D memories and next-generation processors. To do this, foundries are investing heavily in extremely sophisticated lithography machines. ASML occupies a monopoly position here, as its exclusive technology (EUV lithography) is essential for etching circuits at the nanometre scale.



Other players such as Applied Materials, Lam Research and Tokyo Electron are also benefiting from this situation. These companies supply the deposition and etching tools needed to build the vertical structures of modern memory chips. **This technological complexity constitutes a very high barrier to entry. It offers investors highly profitable exposure** (see Fig. 5) and, ironically, is less highly valued than that of chip designers as a whole, at 36x versus 46x future earnings.

**Finally, the production of these components depends on a high-quality chemical and gas supply chain.** To operate, semiconductor factories consume large quantities of very pure gases, supplied by leaders such as Air Liquide, Linde and Messer. **Precision manufacturing requires polishing materials and chemicals** developed by recognised groups such as DuPont, 3M and Cabot. These upstream industrial companies offer a relatively protected risk profile, as they are essential to the manufacturing process.

### Conclusion:

The anxiety index confirms that the economic cycle is slowing down and that vigilance is required for asset management in 2026. However, in the copper and RAM sectors, electrification and the deployment of AI will continue to cause an imbalance between supply and demand. This scarcity will allow prices to remain high and promote earnings growth for the companies concerned.



## RETURN ON FINANCIAL ASSETS

| Markets Performances<br>(local currencies) | Last Price | Momentum<br>Indicator (RSI) | 1-Week (%) | 1-Month (%) | 2026<br>Year-to-Date (%) | 2025 (%) | 2024 (%) |
|--|------------|-----------------------------|------------|-------------|--------------------------|----------|----------|
| <strong>Equities</strong>                  |            |                             |            |             |                          |          |          |
| World (MSCI)                               | 1 034.9    | 66.14                       | 1.5%       | 2.9%        | 2.0%                     | 22.9%    | 18.0%    |
| USA (S&P 500)                              | 6 966      | 61.74                       | 1.6%       | 1.9%        | 1.8%                     | 17.9%    | 25.0%    |
| USA (Dow Jones)                            | 49 504     | 64.79                       | 2.3%       | 4.2%        | 3.0%                     | 14.9%    | 15.0%    |
| USA (Nasdaq)                               | 23 671     | 58.31                       | 1.9%       | 0.4%        | 1.9%                     | 21.2%    | 29.6%    |
| Euro Area (DJ EuroStoxx)                   | 631.9      | 78.56                       | 2.3%       | 5.0%        | 3.2%                     | 21.2%    | 10.2%    |
| UK (FTSE 100)                              | 10 125     | 70.70                       | 1.8%       | 5.1%        | 2.0%                     | 25.7%    | 9.6%     |
| Switzerland (SMI)                          | 13 422     | 80.58                       | 1.2%       | 3.8%        | n.a.                     | 18.0%    | 7.5%     |
| Japan (Nikkei)                             | 51 940     | 59.23                       | 3.2%       | 2.6%        | n.a.                     | 28.6%    | 21.3%    |
| Emerging (MSCI)                            | 1 452      | 69.99                       | 1.6%       | 5.5%        | 3.4%                     | 34.3%    | 8.0%     |
| Brasil (IBOVESPA)                          | 163 370    | 61.82                       | 1.8%       | 3.4%        | 1.4%                     | 34.0%    | -10.4%   |
| Mexico (IPC)                               | 66 063     | 64.06                       | 3.0%       | 3.8%        | 2.7%                     | 35.1%    | -11.0%   |
| India (SENSEX)                             | 83 633     | 36.01                       | -2.5%      | -1.3%       | -1.9%                    | 10.5%    | 9.6%     |
| China (CSI)                                | 4 790      | 63.38                       | 2.8%       | 3.7%        | n.a.                     | 21.0%    | 18.2%    |
| Com. Services (MSCI World)                 | 166.7      | 63.70                       | 1.4%       | 1.2%        | 1.5%                     | 33.0%    | 31.9%    |
| Cons. Discretionary (MSCI World)           | 472.7      | 65.90                       | 3.7%       | 4.5%        | 3.3%                     | 9.8%     | 20.7%    |
| Cons. Staples (MSCI World)                 | 291.7      | 54.67                       | 0.7%       | 1.5%        | 0.6%                     | 9.3%     | 4.7%     |
| Energy (MSCI World)                        | 268.7      | 57.11                       | -0.1%      | 1.4%        | 1.6%                     | 14.8%    | 2.9%     |
| Financials (MSCI World)                    | 229.0      | 62.76                       | 0.7%       | 4.9%        | 1.3%                     | 29.5%    | 25.1%    |
| Health Care (MSCI World)                   | 403.9      | 63.49                       | 1.9%       | 5.3%        | 2.3%                     | 15.3%    | 1.5%     |
| Industrials (MSCI World)                   | 488.2      | 72.24                       | 3.1%       | 6.1%        | 4.6%                     | 26.1%    | 12.8%    |
| Info. Tech. (MSCI World)                   | 978.4      | 55.17                       | 0.8%       | -0.6%       | 1.2%                     | 26.6%    | 31.9%    |
| Materials (MSCI World)                     | 413.8      | 74.79                       | 3.9%       | 10.2%       | 4.7%                     | 32.5%    | -7.6%    |
| Real Estate (MSCI World)                   | 996        | 56.35                       | 0.9%       | 1.6%        | 1.0%                     | 3.6%     | -0.4%    |
| Utilities (MSCI World)                     | 195.4      | 53.87                       | -0.4%      | 2.1%        | 0.9%                     | 24.7%    | 13.0%    |
| <strong>Bonds (Bloomberg)</strong>         |            |                             |            |             |                          |          |          |
| World (Aggregate)                          | 3.52%      | 50.62                       | 0.0%       | 0.7%        | -0.2%                    | 8.2%     | -1.7%    |
| USA (Sovereign)                            | 3.93%      | 52.43                       | 0.2%       | 0.5%        | 0.0%                     | 6.3%     | 0.6%     |
| Euro Area (Sovereign)                      | 2.91%      | 56.35                       | 0.6%       | 0.5%        | 0.3%                     | 0.6%     | 1.9%     |
| Germany (Sovereign)                        | 2.58%      | 52.72                       | 0.5%       | 0.3%        | 0.2%                     | -1.6%    | 0.6%     |
| UK (Sovereign)                             | 4.36%      | 68.59                       | 1.2%       | 1.4%        | 0.8%                     | 6.1%     | -3.0%    |
| Switzerland (Sovereign)                    | 0.51%      | 44.47                       | 0.1%       | -0.1%       | 0.1%                     | 0.3%     | 5.4%     |
| Japan (Sovereign)                          | 1.84%      | 37.52                       | 0.0%       | -0.7%       | 0.0%                     | -4.6%    | -2.1%    |
| Emerging (Sovereign)                       | 5.94%      | 56.14                       | -0.2%      | 0.5%        | -0.1%                    | 13.1%    | 7.0%     |
| USA (IG Corp.)                             | 4.84%      | 55.45                       | 0.1%       | 0.7%        | 0.1%                     | 7.8%     | 2.1%     |
| Euro Area (IG Corp.)                       | 3.20%      | 63.13                       | 0.3%       | 0.5%        | 0.3%                     | 3.0%     | 4.7%     |
| Emerging (IG Corp.)                        | 5.73%      | 76.07                       | 0.1%       | 0.7%        | 0.3%                     | 8.1%     | 7.0%     |
| USA (HY Corp.)                             | 6.47%      | 82.86                       | 0.2%       | 1.0%        | 0.4%                     | 8.6%     | 8.2%     |
| Euro Area (HY Corp.)                       | 5.37%      | 89.65                       | 0.3%       | 0.8%        | 0.5%                     | 5.2%     | 8.2%     |
| Emerging (HY Corp.)                        | 7.17%      | 68.69                       | 0.0%       | 1.0%        | 0.1%                     | 13.9%    | 14.9%    |
| World (Convertibles)                       | 556.9      | 66.04                       | 1.9%       | 2.9%        | 3.4%                     | 22.4%    | 9.4%     |
| USA (Convertibles)                         | 724.1      | 60.32                       | 1.8%       | 1.8%        | 3.5%                     | 16.9%    | 10.1%    |
| Euro Area (Convertibles)                   | 297.1      | 87.21                       | 1.9%       | 2.9%        | 2.2%                     | 24.8%    | 14.7%    |
| Switzerland (Convertibles)                 | 284.0      | 68.60                       | 0.2%       | 2.5%        | 0.4%                     | 17.5%    | -10.5%   |
| Japan (Convertibles)                       | 264.2      | 72.11                       | 2.4%       | 2.9%        | 2.4%                     | 13.8%    | 6.4%     |
| <strong>Hedge Funds (Bloomberg)</strong>   |            |                             |            |             |                          |          |          |
| Hedge Funds Industry                       | 1 805      | 90.47                       | n.a.       | 0.9%        | n.a.                     | 12.1%    | 11.1%    |
| Macro                                      | 1 467      | 81.52                       | n.a.       | 1.1%        | n.a.                     | 9.3%     | 7.4%     |
| Equity Long Only                           | 2 486      | 82.20                       | n.a.       | 1.6%        | n.a.                     | 12.4%    | 12.0%    |
| Equity Long/Short                          | 1 961      | 90.51                       | n.a.       | 1.0%        | n.a.                     | 17.0%    | 14.0%    |
| Event Driven                               | 1 907      | 88.73                       | n.a.       | 0.6%        | n.a.                     | 10.5%    | 8.7%     |
| Fundamental Equity Mkt Neutral             | 1 859      | 97.00                       | n.a.       | 0.9%        | n.a.                     | 12.6%    | 12.4%    |
| Quantitative Equity Mkt Neutral            | 1 817      | 86.59                       | n.a.       | 1.0%        | n.a.                     | 9.2%     | 9.8%     |
| Credit                                     | 1 718      | 98.80                       | n.a.       | 0.6%        | n.a.                     | 7.6%     | 8.5%     |
| Credit Long/Short                          | 1 725      | 100.00                      | n.a.       | 0.2%        | n.a.                     | 5.9%     | 10.0%    |
| Commodity                                  | 1 965      | 83.40                       | n.a.       | -0.7%       | n.a.                     | 9.8%     | 14.7%    |
| Commodity Trading Advisors                 | 1 425      | 68.65                       | n.a.       | 2.2%        | n.a.                     | 6.2%     | 7.9%     |
| <strong>Volatility</strong>                |            |                             |            |             |                          |          |          |
| VIX  | 14.49      | 43.57                       | -0.1%      | -14.4%      | -3.1%                    | -13.8%   | 39.4%    |
| VSTOXX                                     | 15.51      | 46.34                       | 1.8%       | -3.8%       | 5.4%                     | -13.5%   | 25.3%    |
| <strong>Commodities</strong>               |            |                             |            |             |                          |          |          |
| Commodities (CRB)                          | 542.3      | n.a.                        | 0.7%       | 0.3%        | 0.5%                     | 0.6%     | 5.1%     |
| Gold (Troy Ounce)                          | 4 587      | n.a.                        | 3.1%       | 6.7%        | 6.2%                     | 64.6%    | 27.2%    |
| Silver (Troy Ounce)                        | 84.21      | n.a.                        | 10.0%      | 35.9%       | 17.5%                    | 148.0%   | 21.5%    |
| Oil (WTI, Barrel)                          | 59.12      | n.a.                        | 3.1%       | 1.5%        | 3.0%                     | -19.9%   | 0.1%     |
| Oil (Brent, Barrel)                        | 65.32      | n.a.                        | 7.3%       | 4.0%        | 4.6%                     | -15.7%   | -4.6%    |
| <strong>Currencies (vs USD)</strong>       |            |                             |            |             |                          |          |          |
| USD (Dollar Index)                         | 98.83      | 53.71                       | 0.6%       | 0.4%        | 0.5%                     | -9.4%    | 7.1%     |
| EUR  | 1.1680     | 46.28                       | -0.4%      | -0.5%       | -0.6%                    | 13.4%    | -6.2%    |
| JPY  | 157.86     | 37.23                       | -0.9%      | -1.3%       | -0.7%                    | 0.3%     | -10.3%   |
| GBP  | 1.3441     | 52.52                       | -0.7%      | 0.5%        | -0.3%                    | 7.7%     | -1.7%    |
| AUD  | 0.6705     | 58.46                       | -0.1%      | 0.8%        | 0.5%                     | 7.8%     | -9.2%    |
| CAD  | 1.3879     | 40.86                       | -0.8%      | -0.8%       | -1.1%                    | 4.8%     | -7.9%    |
| CHF  | 0.7965     | 48.52                       | -0.6%      | -0.1%       | -0.5%                    | 14.5%    | -7.3%    |
| CNY  | 6.9746     | 83.42                       | 0.2%       | 1.2%        | 0.2%                     | 4.5%     | -2.7%    |
| MXN  | 17.933     | 60.29                       | -0.1%      | 0.4%        | 0.4%                     | 15.7%    | -18.5%   |
| EM (Emerging Index)                        | 1 850.2    | 61.69                       | -0.2%      | 0.7%        | -0.1%                    | 7.2%     | -0.7%    |
| XBT  | 91 278     | n.a.                        | 0.3%       | 1.2%        | 4.1%                     | -6.5%    | 120.5%   |

Source: Bloomberg, Altitude Investment Solutions

Total Return by asset class (Negative \ Positive Performance)





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