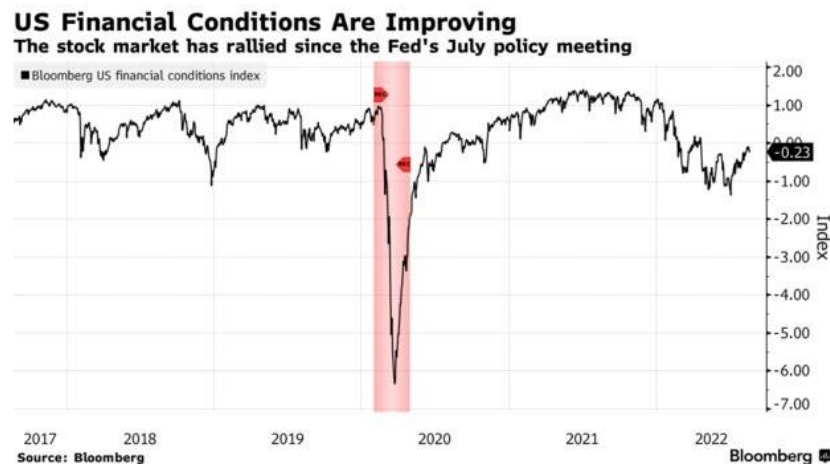


# Markets Snap**SH**ot

22<sup>nd</sup> August 2022

# Market Overview

The rebound in equity markets over the summer following the US Fed's policy meeting in July is unlikely to be the start of market recovery as inflation numbers are still high and real interest rates are unlikely to fall anytime soon. Underlying macro data continues to trend downwards, with further earning downgrades expected to follow (and reflected in recent Q2 earnings releases). All eyes will be on Federal Reserve Chair Jerome Powell during his scheduled speech on Friday after central bankers gather this week at the Jackson Hole economic symposium. The event has been used in the past as a venue to make key policy announcements. Powell is expected to re-state the Fed's resolve to raise interest rates but will stop short of predicting the pace and magnitude of the rate tightening. Inflation is still far above the Fed's 2% target, but Powell has emphasized in the past that these pressures would prove transitory and not broad based. PMI data release is expected for the Euro Area, with Germany publishing its Bundesbank Monthly report presenting new data regarding the country's economic situation. The situation in Ukraine continues to place downward pressure on European equities.



(Source: Bloomberg)

## Equities

	Last Price	5-D (%)	1M (%)	YTD (%)
<b>Americas</b>				
S&P 500 Index	4,228	-1.21%	6.74%	-11.28%
NASDAQ Composite Index	12,705	-2.62%	7.36%	-18.79%
Dow Jones Industrial Average	33,706	-0.16%	5.67%	-7.24%
<b>Europe</b>				
Euro Stoxx 50	3,730	-1.23%	3.72%	-13.22%
FTSE 100 Index	7,550	0.66%	3.77%	2.25%
CAC 40 Index	6,495	-0.89%	4.49%	-9.19%
DAX Index	13,544	-1.82%	2.19%	-14.73%
Swiss Market Index	11,156	0.26%	0.55%	-13.35%
FTSE MIB	22,534	-1.90%	6.24%	-17.60%
<b>Asia Pacific Indices</b>				
Nikkei 225	28,794	-0.27%	3.95%	0.01%
Hang Seng Index	19,751	-1.44%	-3.94%	-15.58%
CSI 300 Index	4,180	-0.14%	-0.77%	-15.39%
KOSPI Index	2,462	-2.60%	2.44%	-17.31%
S&P/ ASX 200	7,291	-0.46%	4.06%	-6.06%
Nifty 50	17,758	0.34%	6.78%	2.33%

Source: MarketWatch, Bloomberg

# Commodities, FX and Bonds

In its Cross Asset Weekly note, Bank J Safra Sarasin notes that interest rate volatility in the euro area has 'spiked to levels not seen since the Global Financial Crisis'. There is considerable uncertainty around the euro-area policy rates which translates into volatility in bond yields given the inflationary pressures and weakening economic environment in the Euro area. The European Central Bank is expected to hike its policy rate in the coming months within a neutral range where subsequent large moves will be less likely. Accordingly, interest rate volatility is expected to fall in the final months of 2022. Commodities have pulled back since their highs in March on the expectation of weaker demand ahead (Copper is generally a leading indicator for business cycles). However, tight supply chains and the energy transition should prevent large corrections in metal prices.

Source: Bloomberg, Bank J. Safra Sarasin, Atlantic Financial

Commodities				
	Last Price	5-D (%)	1M (%)	YTD (%)
<b>Energy</b>				
WTI Crude Futures/ bbl	89.30	1.43%	-7.33%	+18.45%
Brent Crude Futures/ bbl	95.51	2.18%	-4.45%	+22.54%
Natural Gas Futures / MMBTU	9.210	4.52%	6.63%	+156.62%
<b>Metals</b>				
Aluminium Futures/ MT	2,393	-0.42%	-2.66%	-14.91%
Copper Futures/ Lb	8,086	1.36%	9.43%	-17.10%
Nickel Active Futures/ MT	22,100	0.84%	-1.12%	+6.74%
Gold Spot \$/Oz	1,743	-1.99%	1.01%	-4.61%
Silver Spot \$/Oz	19.06	-5.97%	2.58%	-18.23%
<b>Agriculture</b>				
Cotton Futures / Lb	115.97	6.80%	27.23%	2.95%
Corn Futures/ Bu	620.50	-1.04%	6.57%	4.73%
Soybean Futures/ Bu	1,401	-0.69%	4.24%	4.57%
Sugar Futures/ Lb	18.09	-3.00%	1.23%	-3.83%
Wheat Generic Futures/ Bu	770	-3.66%	-0.06%	-0.03%

Source: MarketWatch, Bloomberg

Currencies				
	Last Price	5-D (%)	1M (%)	YTD (%)
EUR / USD	1.0031	-1.27%	-1.85%	-11.80%
GBP / USD	1.1823	-1.91%	-1.84%	-12.60%
CHF / USD	1.0420	-1.38%	0.50%	-0.59%
USD / JPY	137.11	2.84%	0.32%	19.12%
USD / CNY	6.8250	0.76%	1.10%	7.38%
<b>Fixed Income</b>				
	Last Price	5-D (bps)	1M (bps)	YTD (bps)
US 10 Year	2.971%	+18.43	+16.71	+145.76
Germany 10 Year	1.201%	+30.11	+18.21	+137.79
Italy 10 Year	3.453%	+47.81	+15.67	+227.82
Spain 10 Year	2.392%	+38.70	+14.92	+182.29
UK 10 Year	2.416%	+30.21	+47.51	+144.54
Japan 10 Year	0.217%	+2.98	+1.07	+14.45
US Treasury 3M Bill	2.655%	+7.96	+18.73	+260.52
US Generic Govt. 2Y	3.243%	+6.42	+20.96	+251.23
US Generic Govt. 30 Y	3.191%	+8.78	+16.35	+128.47

Source: MarketWatch, Bloomberg

# Economic Calendar

Aug 23, 2022

<b>Germany:</b> S&P Global Manufacturing PMI (AUG)	<b>Forecast:</b> 48.3	<b>Previous:</b> 49.3
<b>Euro Area:</b> S&P Global Manufacturing PMI	<b>Forecast:</b> 49	<b>Previous:</b> 49.8
<b>United Kingdom:</b> S&P Global/CIPS Manufacturing PMI	<b>Forecast:</b> 51.3	<b>Previous:</b> 52.1
<b>United States:</b> S&P Global Services PMI (AUG)	<b>Forecast:</b> 51.9	<b>Previous:</b> 52.2
<b>Euro Area:</b> Consumer Confidence (AUG)	<b>Forecast:</b> -28	<b>Previous:</b> -27
<b>United States:</b> New Home Sales MoM		<b>Previous:</b> -8.1%
<b>Earnings Release:</b> Intuit Inc, Medtronic PLC, JD.com Inc., Bank of Nova Scotia, Pinduoduo Inc., Xpeng Inc.		

Aug 24, 2022

<b>United States:</b> Fed Kashkari Speech		
<b>South Africa:</b> Inflation Rate (JUL)	<b>Forecast:</b> 7.8%	<b>Previous:</b> 7.4%
<b>Germany:</b> 10-Year Bund Action		<b>Previous:</b> 0.94%
<b>United States:</b> MBA Mortgage Applications		<b>Previous:</b> -2.3%
<b>United States:</b> Durable Goods Orders MoM	<b>Forecast:</b> 0.5%	<b>Previous:</b> 1.9%
<b>United States:</b> Pending Home Sales YoY (JUL)		<b>Previous:</b> -20%
<b>Earnings Releases:</b> NVIDIA Corp, Salesforce Inc., Royal Bank of Canada, Snowflake Inc., Autodesk Inc., NIO Inc., Splunk Inc		

Source: Bloomberg Markets, Morning Star

# Economic Calendar

Aug 25, 2022

<b>United States:</b> Jackson Hole Economic Symposium		
<b>Germany:</b> GDP Growth Rate YoY	<b>Forecast:</b> 1.4%	<b>Previous:</b> 3.6%
<b>Germany:</b> Ifo Business Climate (AUG)	<b>Forecast:</b> 86.7	<b>Previous:</b> 88.6
<b>Euro Area:</b> ECB Monetary Policy Meeting Accounts		
<b>United States:</b> GDP Growth Rate QoQ 2ns Est	<b>Forecast:</b> -0.8%	<b>Previous:</b> -1.6%
<b>United States:</b> GDP Deflator QoQ	<b>Forecast:</b> 8.7%	<b>Previous:</b> 8.3%
<b>United States:</b> Initial Jobless Claims	<b>Forecast:</b> 253K	<b>Previous:</b> 250K
<b>Earnings Release:</b> PetroChina Co, Ping An Insurance (Group) Co. of China Ltd, Dollar General Corp, Enel SpA, VMWare Inc., Marvell Technology Workday Inc., Dollar Tree Inc, UltaBeauty, Coty, Gap Inc., Pelaton, Farfetch		

Aug 26, 2022

<b>United States:</b> Jackson Hole Economic Symposium		
<b>Germany:</b> GfK Consumer Confidence	<b>Forecast:</b> -31.5	<b>Previous:</b> -30.6
<b>United States:</b> Core PCE Price Index YoY	<b>Forecast:</b> 4.7%	<b>Previous:</b> 4.8%
<b>United States:</b> PCE Price Index YoY		<b>Previous:</b> 6.8%
<b>United States:</b> Fed Chair Powell Speech		
<b>United States:</b> Michigan Consumer Sentiment Final	<b>Forecast:</b> 55.2	<b>Previous:</b> 51.5
<b>Earnings Release:</b> BYD Co.		

Source: Bloomberg Markets, Morning Star

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