



# Markets SnapSHot

25 July 2022

# Market Overview

The week ahead will be a busy one kicking off with the US Federal Reserve conclusion of its two-day meeting on Wednesday. The markets are pricing in a 75-bps rate hike with 9% of participants predicting a 100-bps hike (Bloomberg). All eyes will be on Chair Jerome Powell during the Fed Press Conference to ascertain how hawkish a stance the Fed will take amidst concerns about slowing growth. We can also expect earnings guidance from major companies including Microsoft, Alphabet, Meta Platforms, Visa and McDonalds. Concerns have grown in response to the Fed's hikes with the US housing market showing signs of slowing down, tech companies curbing hiring and unemployment claims rising. Bank of Singapore forecasts the US GDP to expand by 1.8 in 2022 and 1.4% in 2023 compared to 5.7% in 2021.

Europe markets saw some relief last week, as Russia resumed gas supplies. The European Central Bank, raised its interest rate by 50 bps – larger than the 25 bps which was expected by the markets, effectively ending an era of negative interest rates for the region. Mario Draghi's official resignation last week spells trouble for the Italian Economy and the survivability of the Euro. As inflation climbs in Europe, the ECB will need to raise rates and doing so will hike Italy's debt and risk the sustainability of Italy's finances (Source: MarketWatch, Bloomberg News).

Equities	Last Price	5-D (%)	1M (%)	YTD (%)
<b>Americas</b>				
S&P 500 Index	3,961	2.55%	1.28%	-16.88%
NASDAQ Composite Index	11,834	3.33%	1.95%	-24.36%
Dow Jones Industrial Average	31,899	1.95%	1.27%	-12.22%
<b>Europe</b>				
Euro Stoxx 50	3,596	3.43%	1.79%	-16.33%
FTSE 100 Index	7,276	1.64%	0.94%	-1.46%
CAC 40 Index	6,216	3.00%	2.36%	-13.09%
DAX Index	13,253	3.02%	1.03%	-16.56%
Swiss Market Index	11,096	1.04%	2.52%	-13.82%
FTSE MIB	21,211	1.33%	-4.10%	-22.43%
<b>Asia Pacific Indices</b>				
Nikkei 225	27,688	3.36%	3.04%	-3.83%
Hang Seng Index	20,419	-2.05%	-8.14%	-12.73%
CSI 300 Index	4,212	-1.89%	-5.24%	-14.76%
KOSPI Index	2,407	1.36%	0.23%	-19.15%
S&P/ ASX 200	6,791	1.56%	3.23%	-9.61%
Nifty 50	16,577	1.84%	5.59%	-4.48%

Source: Market Watch, Bloomberg Markets

# Commodities, FX and Bonds

Growing concerns on slowing economic growth following the Fed's upcoming meeting on raising interest rates have led oil futures to fall as traders worry about demand. The falling prices are also prompted by growing number of cases across Asian countries (Market Watch). Gold prices will be more range bound with the Fed rate hike limiting its rally and the concerns on recessions and standstill on the Russian-Ukraine crisis limiting the downside. The US dollar Index is expected to remain strong Q3-2022, with JPY and GBP expected to still fall further. CHF would strengthen as the Swiss National Bank turns hawkish (Bank of Singapore, Bloomberg Markets). Fixed Income assets would be negatively affected if the Fed decides to take a more hawkish stance and a higher path for treasury yields.

Commodities				
	Last Price	5-D (%)	1M (%)	YTD (%)
<b>Energy</b>				
WTI Crude Futures/ bbl	93.93	-5.00%	-9.67%	+31.39%
Brent Crude Futures/ bbl	97.62	-3.63%	-7.90%	+31.07%
Natural Gas Futures / MMBTU	8.238	11.96%	28.62%	+129.01%
<b>Metals</b>				
Aluminium Futures/ MT	2,459	1.32%	0.37%	-12.58%
Copper Futures/ Lb	7,452	0.35%	-11.08%	-23.33%
Nickel Active Futures/ MT	22,350	8.71%	1.13%	7.94%
Gold Spot \$/Oz	1,724	0.91%	-5.57%	-5.63%
Silver Spot \$/Oz	18.58	-0.64%	-12.19%	-20.15%
<b>Agriculture</b>				
Cotton Futures / Lb	91.15	-1.92%	-6.88%	-1.67%
Corn Futures/ Bu	572	-6.15%	-15.07%	+4.62%
Soybean Futures/ Bu	1,439	-3.86%	-5.64%	+7.59%
Sugar Futures/ Lb	17.87	-7.65%	-2.30%	-2.46%
Wheat Generic Futures/ Bu	782	-3.25%	-16.60%	+2.06%

Source: Market Watch, Yahoo Finance

Currencies				
	Last Price	5-D (%)	1M (%)	YTD (%)
EUR / USD	1.01987	+0.55%	-3.40%	-10.40%
GBP / USD	1.19654	+0.12%	-2.52%	-11.58%
CHF / USD	1.03675	+1.38%	-0.62%	-5.48%
USD / JPY	136.4040	-1.25%	+0.88%	+18.53%
USD / CNY	6.7568	+0.27%	+0.89%	+6.37%
Fixed Income				
	Last Price	5-D (bps)	1M (bps)	YTD (bps)
US 10 Year	2.792%	-19.61	-41.97	+127.68
Germany 10 Year	1.064%	-15.06	-48.36	+124.10
Italy 10 Year	3.328%	+4.65	-18.97	+215.31
Spain 10 Year	2.242%	-9.77	-41.49	+167.20
UK 10 Year	1.941%	-14.99	-36.44	+97.03
Japan 10 Year	0.206%	-2.82	-3.13	+13.41
US Treasury 3M Bill	2.378%	+5.06	+70.82	+232.75
US Generic Govt. 2Y	2.995%	-17.10	-12.83	+226.49
Us Generic Govt. 30 Y	3.028%	-12.97	-29.01	+112.24

Source: Market Watch, Yahoo Finance

# Economic Calendar

July 26, 2022

**United States:** CB Consumer Confidence (JUL)

Forecast: 97.3 Previous: 98.7

**Earnings Release:** Microsoft Corp, Alphabet Inc., Visa Inc., Coca Cola Co., McDonald's Corp, Raytheon Technologies Corp, Mondelez International Inc., General Electric Co., General Motors Co, Enphase Energy

July 27, 2022

**United States:** Fed Interest Rate Decision  
(expected hike of 75 bps)

Forecast: 2.50% Previous: 1.75%

**United States:** Fed Press Conference

**Earnings Release:** Meta Platforms Inc, Bristol-Myers Squibb Co, Qualcomm Inc, Boeing Co., Banco Santander, The Kraft Heinz Co, Ford Motor Co., Barclays PLC, Hess Corp, Etsy Inc.

July 28, 2022

**Germany:** Inflation Rate (YoY)

Forecast: 7.30% Previous: 7.60%

**United States:** GDP Deflator

Forecast: 8% Previous: 8.3%

**United States:** Initial Jobless Claims

Forecast: 253K Previous: 251K

**Earnings Release:** Apple Inc., Amazon.com Inc., MasterCard Inc., Pfizer Inc., Merck & Co., L'Oréal SA ADR, Intel Corp, Sanofi SA, Linde PLC, Honeywell International Inc., Stellanis, Southwest Airlines Co, Arcelor Mittal, Roku Inc.

Source: Bloomberg Markets, Morning Star

# Economic Calendar

July 29, 2022

<b>Euro Area:</b> Inflation Rate YoY	Forecast: 8.7%	Previous: 8.6%
<b>Euro Area:</b> Core Inflation Rate YoY	Forecast: 3.8%	Previous: 3.7%
<b>Euro Area:</b> GDP Growth YoY	Forecast: 3.4%	Previous: 5.4%
<b>United States:</b> Core PCE Price Index YoY (JUN)	Forecast: 4.7%	Previous: 4.7%
<b>United States:</b> PCE Price Index YoY (JUN)		Previous: 6.3%
<b>United States:</b> Michigan Consumer Sentiment Final (JUL)	Forecast: 51.1	Previous: 50
<b>Earnings Release:</b> Exxon Mobil Corp, Procter & Gamble Co, Chevron Corp, AbbVie Inc, AstraZeneca PLC, Sony Group Co, Colgate-Palmolive Co, BNP Paribas ADR, Vinci SA, Air France-KLM		

Source: Bloomberg Markets, Morning Star

# Disclaimer

SH Capital Ltd. ("SH Capital") is duly licensed and regulated by the Dubai Financial Services Authority (Registration No. 4435). This material is intended for professional clients or market counterparties only (all terms are defined in the DFSA COB Rules) and no other person should act upon it. The financial products or services to which this material relates will only be made available to a client who meets the professional client or market counterparty requirements as defined by the DFSA. This document is a marketing material and is for informational purposes only and must not be construed to be an advice to invest or otherwise in any investment or financial product. SH Capital does not guarantee as to adequacy, accuracy, completeness or reliability of any information or data contained herein and under no circumstances whatsoever none of such information or data be construed as an advice or trading strategy or recommendation to deal (Buy/Sell) in any investment or financial product. SH Capital is not responsible or liable for any result, gain or loss, based on this information, in whole or in part.

This publication should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities/financial instruments/products or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige SH Capital to enter into any transaction. The content of this publication should not be considered legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication.

SH Capital makes no representation or warranty as to the accuracy or completeness of any report or statistical data made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This document is a marketing material and has been prepared by individual(s), marketing and/or research personnel of mentioned herein, is appropriate in the light of its existing portfolio holdings and/or investment needs. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and as such is purely a marketing communication. In this publication, any opinions, news, research, analysis, prices, or other information constitute is a general market commentary, and do not constitute the opinion or advice of SH Capital or any form of personal or investment advice. SH Capital neither endorses nor guarantees offerings of third party, nor is SH Capital responsible for the content, veracity or opinions of third-party speakers, presenters, participants or providers. SH Capital will not accept liability for any loss or damage, including without limitation to, any loss of profit, which may arise directly or indirectly from use of or reliance on such information. Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. Past performance does not guarantee future results. Neither SH Capital nor any of its affiliates, group companies, directors, employees, agents or representatives assume any liability, nor shall they be made liable for any damages whether direct, indirect, Information or data provided by means in this publication may have special or consequential including loss of revenue or profits that may arise from or in connection with the use of the information provided in this publication. Services offered by SH Capital include products that can result in losses that exceed deposits. Before deciding to trade on any financial products, you should consider your investment objectives, risk tolerance and your level of experience on these products. Trading with leverage carries significant risk of losses and as such margin products are not suitable for every investor and you should ensure that you understand the risks involved and should seek independent advice from professionals or experts if necessary.