



The Market Place

- Global equities fell -4.7% last week
- Risk markets across the world saw declines amidst inflation and interest rate concerns
- Brent crude rose +2.1% to \$87.9 a barrel
- Gold increased by +1% to \$1835.4

US

Benchmark US equities declined -5.7% last week on the back of interest rate and growth fears. The benchmark technology index fell by -7.5%, with Netflix notably falling by over 20%

The Empire State manufacturing survey for January fell to -0.7 (vs. 25.0 expected), and the NAHB's housing market index fell to 83 (vs. 84 expected)

US jobless claims rose unexpectedly to 286K, the most since mid-October

Futures markets are currently pricing in a nearly two-thirds chance of official short-term rates increasing by at least +1% in 2022

President Biden is considering deploying several thousand U.S. troops, as well as warships and aircraft, to NATO allies in the Baltics and Eastern Europe amid mounting fears of a Russian incursion into Ukraine

Europe

European equities fell -1.5% last week

In Germany, the January ZEW survey saw expectations rise to a 6-month high of 51.7 (vs. 32.0 expected)

The final reading of December's Euro Area inflation matched the initial estimate of +5.0%, the highest in the currency's history.

Germany's PPI inflation accelerated to +24.2% year-on-year in December (vs. +19.3% expected), the highest level since 1949

The prospect of PM Mario Draghi being selected as Italy's next president strengthened after former president Silvio Berlusconi pulled out of the running

UK

U.K. equities fell -0.5% last week

CPI inflation had another upside surprise in December at +5.4% (vs. +5.2% expected), the fastest pace since 1992. BoE Governor Andrew Bailey is concerned that elevated UK inflation might last longer than previously forecast, due to surging energy costs and increased wage demands

UK consumer confidence fell in January to lows last seen during the early months of lockdown in 2021 at -19 (vs. -15 estimated) as the cost-of-living crisis took over from the pandemic as a primary concern

UK unemployment fell to a post-pandemic low of 4.1% in the three months ending in November (vs. 4.2% expected)

The U.S. and UK planned to announce the start of talks to ease steel and aluminium tariffs that the Trump administration imposed on national-security grounds, aiming to remove a long-standing obstacle in their trade relationship

Asia / ROW

The benchmark Global Emerging Markets index fell -0.1% last week

Japanese equities fell -2.6% last week

Chinese equities rose by +1.5% as the government stepped up monetary easing measures and signalled additional support for the beleaguered property sector

The Bank of Japan revised up its inflation forecast to +1.1% in fiscal 2022 from a +0.9% rise estimated earlier and sees inflation for fiscal 2023 reaching +1.1% from +1.0%

Japan's headline inflation (+0.8% y/y) in December failed to surpass the market expectations of a +0.9% reading and may quell some of the recent policy normalisation stories

Australia's, flash services PMI came in at 45.0 vs 55.1 previously and the manufacturing PMI came in at 55.3 vs 57.7 previously



Performance

Asset Class/Region	Currency				
		Week ending 21 Jan 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	-5.7%	-7.7%	-7.7%	15.3%
United Kingdom	GBP	-0.5%	2.2%	2.2%	17.4%
Continental Europe	EUR	-1.5%	-3.5%	-3.5%	17.2%
Japan	JPY	-2.6%	-3.3%	-3.3%	5.8%
Asia Pacific (ex Japan)	USD	-1.3%	0.0%	0.0%	-11.2%
Australia	AUD	-2.9%	-3.6%	-3.6%	9.1%
Global	USD	-4.7%	-6.4%	-6.4%	10.9%
Emerging markets equities					
Emerging Europe	USD	-4.9%	-6.8%	-6.8%	2.8%
Emerging Asia	USD	-1.3%	0.4%	0.4%	-13.8%
Emerging Latin America	USD	1.2%	5.0%	5.0%	-2.3%
BRICs	USD	-0.1%	1.7%	1.7%	-17.2%
China	USD	1.5%	2.7%	2.7%	-28.2%
MENA countries	USD	1.4%	7.0%	7.0%	33.3%
South Africa	USD	1.6%	8.6%	8.6%	5.9%
India	USD	-3.7%	1.8%	1.8%	20.0%
Global emerging markets	USD	-1.0%	1.0%	1.0%	-9.6%
Bonds					
US Treasuries	USD	0.2%	-1.4%	-1.4%	-2.7%
US Treasuries (inflation protected)	USD	0.1%	-2.6%	-2.6%	3.0%
US Corporate (investment grade)	USD	-0.1%	-2.5%	-2.5%	-2.3%
US High Yield	USD	-0.7%	-1.5%	-1.5%	3.0%
UK Gilts	GBP	-0.5%	-2.2%	-2.2%	-5.6%
UK Corporate (investment grade)	GBP	-0.5%	-1.5%	-1.5%	-3.7%
Euro Government Bonds	EUR	0.0%	-0.4%	-0.4%	-3.2%
Euro Corporate (investment grade)	EUR	0.0%	-0.6%	-0.6%	-1.5%
Euro High Yield	EUR	-0.4%	-0.4%	-0.4%	2.2%
Japanese Government	JPY	0.1%	-0.3%	-0.3%	-0.4%
Australian Government	AUD	-0.4%	-1.2%	-1.2%	-4.2%
Global Government Bonds	USD	-0.1%	-0.8%	-0.8%	-6.2%
Global Bonds	USD	-0.3%	-1.2%	-1.2%	-5.7%
Global Convertible Bonds	USD	-2.2%	-3.6%	-3.6%	-9.0%
Emerging Market Bonds	USD	0.0%	-3.6%	-3.6%	-6.2%

Performance

Asset Class/Region	Currency				
		Week ending 21 Jan 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	-3.9%	-7.7%	-7.7%	29.9%
Australian Property Securities	AUD	-3.0%	-8.9%	-8.9%	14.0%
Asia Property Securities	USD	1.6%	2.4%	2.4%	-3.4%
Global Property Securities	USD	-2.5%	-5.0%	-5.0%	16.3%
Currencies					
Euro	USD	-0.5%	-0.4%	-0.4%	-6.6%
UK Pound Sterling	USD	-0.7%	0.2%	0.2%	-1.1%
Japanese Yen	USD	0.4%	1.2%	1.2%	-8.9%
Australian Dollar	USD	-0.2%	-1.2%	-1.2%	-7.2%
South African Rand	USD	2.3%	5.7%	5.7%	-0.6%
Swiss Franc	USD	0.3%	0.0%	0.0%	-2.8%
Chinese Yuan	USD	0.2%	0.3%	0.3%	1.9%
Commodities & Alternatives					
Commodities	USD	1.8%	6.8%	6.8%	44.1%
Agricultural Commodities	USD	2.0%	2.5%	2.5%	32.7%
Oil	USD	2.1%	13.0%	13.0%	56.7%
Gold	USD	1.0%	0.3%	0.3%	-1.6%
Hedge funds	USD	-0.6%	-1.3%	-1.3%	1.2%





Global Matters Weekly

24 January 2022

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