

The Market Place

- Global equities declined -1.9% last week
- The Russian invasion continues with 2.5M Ukrainians having fled the country
- Brent crude fell -4.6% to 118.11 a barrel, and the USA banned oil imports from Russia
- Gold gained +0.9% to \$1970.7 per ounce

US

US equities fell -2.9% last week. Energy, oil, and gas outperformed; industrial and financial sectors underperformed

US Treasuries fell -1.6% last week

The Senate approved \$13.6B in aid for Ukraine as part of their spending bill

Weekly jobless claims of 227k came in higher than estimated (217k)

Europe

European equities rallied +2.6% last week, with Banks and Travel outperforming, whilst Food, Beverages and Personal Household sectors declined

Russian fighting continued on the outskirts of Kyiv but also moved towards the Polish border over the weekend. The EU is discussing sanctions on prominent Russians

PE ratios of Europe's top 600 equities are at a 30% discount to the USA Tech 500, the steepest gap since 2005

Goldman Sachs cut Europe's earning growth forecast to 2% from 8% for the year, citing rising energy bills, weaker consumption, supply chain issues, shipping costs and potential gas shortages

UK

UK equities rallied +2.7% last week

UK gilts fell -3.3% last week

February GDP year-on-year 10% stronger (vs 9.3% estimate). Manufacturing production for January was 0.8% stronger (vs 0.2% estimate)

Nickel short squeeze caused a price spike to over \$100k a tonne putting the LME in turmoil not seen since the Tin Crisis of 1985

Asia / ROW

The benchmark Global Emerging Markets index fell -3.8% last week

Chinese equities fell -9.2% last week. The government locked down the city of Shenzhen, home to some of its biggest tech businesses and more than 17M people due to Covid-19 concerns

Japan's equities fell -2.5% last week. Q4 2021 GDP 1.1% was lower than expectations (1.4%)

EM dollar bonds are starting to look attractive. The extra yield offered by developing-nation sovereign debt over Treasuries has risen above 500bps, crossing a threshold breached only two other times in more than a decade

Russia has lost access to almost half of its \$640B in foreign reserves and sees more risks due to increased pressure on China. The Bank of Russia extended a halt on stock trading on the Moscow Exchange until at least the end of this week. The local equity market has been closed since 25th February

Performance

Asset Class/Region	Currency				
		Week ending 11 Mar 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	-2.9%	-4.1%	-11.6%	7.8%
United Kingdom	GBP	2.7%	-3.7%	-0.8%	12.8%
Continental Europe	EUR	2.6%	-5.2%	-13.4%	1.8%
Japan	JPY	-2.5%	-4.1%	-9.6%	-4.5%
Asia Pacific (ex Japan)	USD	-3.8%	-5.5%	-10.6%	-17.9%
Australia	AUD	-0.4%	1.5%	-3.8%	9.5%
Global	USD	-1.9%	-4.6%	-11.9%	2.6%
Emerging markets equities					
Emerging Europe	USD	-47.7%	-62.1%	-73.6%	-71.3%
Emerging Asia	USD	-4.8%	-7.1%	-12.8%	-21.8%
Emerging Latin America	USD	-0.8%	1.7%	13.6%	9.4%
BRICs	USD	-8.3%	-12.6%	-18.9%	-31.5%
China	USD	-9.2%	-13.2%	-19.2%	-40.3%
MENA countries	USD	-0.3%	3.8%	11.2%	32.6%
South Africa	USD	2.8%	3.7%	14.5%	3.7%
India	USD	2.0%	-2.2%	-6.7%	5.3%
Global emerging markets	USD	-5.1%	-7.3%	-11.7%	-18.3%
Bonds					
US Treasuries	USD	-1.6%	-0.5%	-3.6%	-2.4%
US Treasuries (inflation protected)	USD	0.6%	3.2%	-0.1%	7.5%
US Corporate (investment grade)	USD	-2.7%	-1.9%	-8.0%	-4.8%
US High Yield	USD	-1.5%	-1.7%	-5.5%	-1.2%
UK Gilts	GBP	-3.3%	-0.9%	-6.6%	-5.6%
UK Corporate (investment grade)	GBP	-2.6%	-1.2%	-7.0%	-6.4%
Euro Government Bonds	EUR	-2.5%	-0.4%	-3.7%	-5.3%
Euro Corporate (investment grade)	EUR	-2.1%	-0.8%	-4.8%	-5.1%
Euro High Yield	EUR	-0.9%	-1.2%	-5.3%	-3.4%
Japanese Government	JPY	-0.3%	0.3%	-1.3%	-1.0%
Australian Government	AUD	-1.5%	-1.0%	-4.0%	-3.9%
Global Government Bonds	USD	-2.0%	-1.3%	-4.7%	-7.0%
Global Bonds	USD	-1.9%	-1.6%	-5.7%	-7.7%
Global Convertible Bonds	USD	-2.6%	-3.7%	-9.9%	-14.9%
Emerging Market Bonds	USD	-0.4%	-7.8%	-17.5%	-16.0%



Performance

Asset Class/Region	Currency				
		Week ending 11 Mar 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	-1.5%	-0.4%	-8.8%	20.5%
Australian Property Securities	AUD	-0.5%	-2.3%	-11.7%	14.0%
Asia Property Securities	USD	-2.3%	-3.1%	-3.6%	-11.9%
Global Property Securities	USD	-0.8%	-1.4%	-7.9%	8.4%
Currencies					
Euro	USD	-0.1%	-2.9%	-4.1%	-8.8%
UK Pound Sterling	USD	-1.4%	-2.5%	-3.6%	-6.6%
Japanese Yen	USD	-2.1%	-1.2%	-1.9%	-7.4%
Australian Dollar	USD	-1.0%	1.3%	0.3%	-6.1%
South African Rand	USD	1.4%	0.8%	5.7%	-1.6%
Swiss Franc	USD	-1.7%	-0.7%	-2.4%	-0.9%
Chinese Yuan	USD	-0.3%	-0.3%	0.3%	2.4%
Commodities & Alternatives					
Commodities	USD	-2.5%	12.1%	28.3%	55.5%
Agricultural Commodities	USD	-0.4%	9.1%	17.4%	44.2%
Oil	USD	-4.6%	15.1%	44.9%	61.8%
Gold	USD	0.9%	5.2%	8.7%	15.4%
Hedge funds	USD	-0.2%	-0.9%	-2.4%	-0.5%

Global Matters Weekly

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