

The Market Place

- Global equities declined 2.1% last week
- Goldman Sachs have cut US growth forecasts
- Brent crude fell 0.7% to \$111.5 a barrel
- Gold fell by 3.8% to \$1811.8 per ounce

US

US equities fell by -2.4% last week. Pharmaceuticals and Consumer Staples outperformed while Metal Miners and Oil/ Gas underperformed. Jerome Powell acknowledged being behind the curve in tightening policy, saying, "It probably would have been better for us to have raised rates a little sooner"

Goldman Sachs cut its US growth forecast due to the recent tightening in financial conditions which they expect to persist as the Fed hikes rates. Economists, including Jan Hatzius, see GDP growing +2.4% in 2022 vs the prior +2.6% forecast and 1.6% in 2023, from +2.2%

Initial jobless claims for the week ending 7May were 203k (vs. 195k forecast)

US Producer Price Index for April was +0.5%, in line with estimates

Europe

European equities rallied by 0.8% last week, with Retail and Household Staples outperforming, while Basic Resources and Healthcare underperformed

German ZEW Economic Sentiment stands at -34.3 for May (vs. -42 forecast)

Finland and Sweden have announced plans to join NATO in response to the Ukraine invasion

According to draft projections from the European Council, the EU plans to cut its prediction for 2022 growth and almost double its estimate for inflation in today's spring update. It sees euro-area GDP expanding 2.7% this year and 2.3% in 2023, down from February estimates of +4% and +2.7%. Inflation is predicted at a rate of + 6.1% for this year, faster than the previous +3.5%

The US House passed a Ukraine bill to fund weapons and provide economic aid that exceeds \$40B

UK

UK equities rallied by 0.6% last week, and Gilts 2.5%

UK GDP Quarter-on-quarter fell to 0.8% (vs. 1.0% forecast)

Manufacturing production for March was -0.2% (vs. -0.5% forecast)

Asia / ROW

The benchmark Global Emerging Markets Index fell by 2.6% last week

Japanese equities fell by 2.7% last week

Chinese equities fell by 0.4%, with industrial production collapsing year-on-year for April to -2.9% (vs. +0.4% estimate), and retail sales shrank 11.1%

China cut the minimum mortgage interest rates for first-time homebuyers to 4.4% from 4.6% to revive the property market

Russian inflation surged 17.99% yearly in April, accelerating from 16.69% while slowing to 1.7% month on month



Performance

Asset Class/Region	Currency				
		Week ending 13 May 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	-2.4%	-2.6%	-15.3%	-1.2%
United Kingdom	GBP	0.6%	-1.3%	4.4%	13.5%
Continental Europe	EUR	0.8%	-3.5%	-12.4%	-0.8%
Japan	JPY	-2.7%	-1.9%	-5.3%	3.2%
Asia Pacific (ex Japan)	USD	-2.6%	-6.6%	-16.6%	-19.7%
Australia	AUD	-1.6%	-4.6%	-3.3%	5.4%
Global	USD	-2.1%	-3.2%	-15.9%	-5.3%
Emerging markets equities					
Emerging Europe	USD	-2.7%	-6.9%	-75.6%	-74.2%
Emerging Asia	USD	-2.6%	-6.9%	-19.4%	-22.5%
Emerging Latin America	USD	0.3%	-2.8%	7.6%	-2.9%
BRICs	USD	-1.7%	-7.6%	-23.5%	-30.4%
China	USD	-0.4%	-7.3%	-23.7%	-36.4%
MENA countries	USD	-6.7%	-6.8%	9.1%	21.5%
South Africa	USD	0.7%	-6.5%	-1.9%	-9.4%
India	USD	-4.3%	-8.7%	-12.2%	3.4%
Global emerging markets	USD	-2.6%	-6.6%	-18.0%	-20.6%
Bonds					
US Treasuries	USD	1.0%	-0.2%	-8.4%	-7.0%
US Treasuries (inflation protected)	USD	0.4%	-2.2%	-6.8%	-1.5%
US Corporate (investment grade)	USD	0.6%	-0.7%	-13.4%	-10.8%
US High Yield	USD	-1.2%	-2.4%	-10.4%	-7.4%
UK Gilts	GBP	2.5%	1.2%	-9.1%	-6.4%
UK Corporate (investment grade)	GBP	1.6%	0.5%	-9.3%	-8.0%
Euro Government Bonds	EUR	1.6%	0.0%	-8.9%	-8.2%
Euro Corporate (investment grade)	EUR	0.8%	-0.5%	-8.1%	-8.0%
Euro High Yield	EUR	0.3%	-1.5%	-8.4%	-7.1%
Japanese Government	JPY	0.2%	-0.2%	-2.1%	-2.0%
Australian Government	AUD	0.7%	-1.4%	-9.2%	-8.8%
Global Government Bonds	USD	0.7%	-0.7%	-12.0%	-13.4%
Global Bonds	USD	0.4%	-0.8%	-12.6%	-14.0%
Global Convertible Bonds	USD	-4.0%	-5.2%	-17.5%	-18.8%
Emerging Market Bonds	USD	0.1%	-1.3%	-23.2%	-22.6%



Performance

Asset Class/Region	Currency				
		Week ending 13 May 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	-3.1%	-7.5%	-15.4%	5.4%
Australian Property Securities	AUD	-2.6%	-10.5%	-16.9%	1.3%
Asia Property Securities	USD	-1.5%	-2.8%	-6.0%	-12.9%
Global Property Securities	USD	-2.7%	-6.8%	-14.5%	-3.5%
Currencies					
Euro	USD	-1.5%	-1.3%	-8.6%	-13.8%
UK Pound Sterling	USD	-1.0%	-2.7%	-9.6%	-12.8%
Japanese Yen	USD	0.8%	0.2%	-11.1%	-15.4%
Australian Dollar	USD	-2.5%	-2.3%	-4.9%	-10.4%
South African Rand	USD	-1.3%	-2.5%	-1.5%	-12.8%
Swiss Franc	USD	-1.6%	-3.0%	-9.1%	-9.6%
Chinese Yuan	USD	-1.8%	-2.7%	-6.4%	-5.0%
Commodities & Alternatives					
Commodities	USD	-1.1%	0.0%	32.8%	52.8%
Agricultural Commodities	USD	0.9%	-0.1%	23.8%	37.5%
Oil	USD	-0.7%	2.0%	43.4%	66.4%
Gold	USD	-3.8%	-4.5%	-1.0%	-0.8%
Hedge funds	USD	-1.7%	-2.0%	-4.2%	-2.8%



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