



The Market Place

- Global equities gained 5.6% last week
- Most global markets saw positive gains following declines in recent weeks
- Brent crude rose 0.1% last week to \$119.4 a barrel
- Gold rose by 0.4% to \$1853.7 per ounce

US

US equities gained 6.6% last week ending seven weeks of declines. Investor sentiment was improved by several positive earnings developments in consumer discretionary and the energy sector outperforming

The flash composite Purchasing Manager Index (PMI) slowed to 57.5 in May versus 59.2 in April. The flash services PMI came in at 53.5, down from 55.6 the previous month – both still in expansionary territory

Freddie Mac showed that the average rate for a 30-year mortgage fell to 5.1% last week, down from 5.25% the week before

Pending home sales fell by a larger than expected 3.9% (vs. 2.1% expected) in April

US durable goods orders in April grew by 0.4% (vs. 0.6% expected), although the previous month was revised down to 0.6% (vs. 1.1% previously)

Core Personal Consumption Expenditure (PCE) in the US for April printed at 0.3% Month-on-Month, in line with expectations

Europe

European equities gained 3.4% last week

The composite flash PMI of services and manufacturing came in at 54.9 versus 55.8 the previous month

European Central Bank (ECB) President Christine Lagarde laid out a plan to exit negative interest rates by the end of the third quarter, implying two quarter-point increases in July and September as the most likely scenario, the current deposit rate is -0.5%

UK

UK equities increased by 2.5% last week

The government moved to impose a temporary windfall tax on oil and gas firms' profits at a rate of 25%

The flash composite PMI for May receded to a 15-month low of 51.8 versus 58.2 in April

Bank of England (BoE) Chief Economist Huw Pill said he thought more interest rate increases would be needed to curb inflation in the UK, but that too much tightening may run the risk of a deep recession

Asia / ROW

The benchmark Global Emerging Markets index increased by 0.9% last week

Japanese equities gained 0.5% last week

Chinese equities fell 0.5% last week, though Chinese tech stocks witnessed big gains after Alibaba posted better than expected Q4 earnings

China's industrial profits (-8.5% year-on-year) shrank at the fastest pace in two years in April, down from a 12.2% gain in March



Performance

Asset Class/Region	Currency				
		Week ending 27 May 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	6.6%	0.8%	-12.4%	0.0%
United Kingdom	GBP	2.5%	1.0%	6.8%	15.3%
Continental Europe	EUR	3.4%	-0.9%	-10.0%	-0.7%
Japan	JPY	0.5%	-0.6%	-4.2%	1.1%
Asia Pacific (ex Japan)	USD	0.7%	-2.8%	-13.1%	-20.3%
Australia	AUD	0.5%	-3.0%	-1.7%	5.4%
Global	USD	5.6%	0.5%	-12.6%	-4.3%
Emerging markets equities					
Emerging Europe	USD	0.9%	-3.4%	-74.7%	-74.3%
Emerging Asia	USD	0.3%	-3.4%	-16.3%	-23.7%
Emerging Latin America	USD	6.0%	9.2%	20.9%	7.4%
BRICs	USD	0.4%	-3.2%	-19.9%	-31.2%
China	USD	-0.5%	-3.4%	-20.5%	-38.1%
MENA countries	USD	-0.5%	-9.6%	5.9%	16.0%
South Africa	USD	5.0%	-1.4%	3.4%	-8.4%
India	USD	1.0%	-5.5%	-9.1%	1.2%
Global emerging markets	USD	0.9%	-2.8%	-14.6%	-21.1%
Bonds					
US Treasuries	USD	0.3%	0.9%	-7.4%	-6.4%
US Treasuries (inflation protected)	USD	0.9%	-1.4%	-6.0%	-1.0%
US Corporate (investment grade)	USD	1.7%	1.4%	-11.5%	-9.7%
US High Yield	USD	3.3%	0.2%	-8.0%	-5.3%
UK Gilts	GBP	-0.6%	-0.9%	-10.9%	-9.6%
UK Corporate (investment grade)	GBP	0.1%	-0.4%	-10.2%	-9.6%
Euro Government Bonds	EUR	-0.1%	-0.6%	-9.4%	-9.4%
Euro Corporate (investment grade)	EUR	0.0%	-0.7%	-8.2%	-8.3%
Euro High Yield	EUR	0.4%	-1.4%	-8.3%	-7.3%
Japanese Government	JPY	0.1%	0.0%	-1.9%	-1.9%
Australian Government	AUD	0.5%	-0.5%	-8.4%	-8.9%
Global Government Bonds	USD	0.7%	1.0%	-10.5%	-12.8%
Global Bonds	USD	1.0%	1.0%	-10.9%	-13.2%
Global Convertible Bonds	USD	1.8%	-3.1%	-15.6%	-19.5%
Emerging Market Bonds	USD	2.8%	1.7%	-20.8%	-21.2%



Performance

Asset Class/Region	Currency				
		Week ending 27 May 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	5.5%	-5.3%	-13.4%	4.6%
Australian Property Securities	AUD	1.0%	-9.9%	-16.4%	-0.1%
Asia Property Securities	USD	0.8%	0.8%	-2.6%	-12.3%
Global Property Securities	USD	3.5%	-3.9%	-11.9%	-3.8%
Currencies					
Euro	USD	1.5%	1.5%	-5.9%	-12.1%
UK Pound Sterling	USD	1.1%	0.2%	-6.9%	-11.1%
Japanese Yen	USD	0.4%	2.0%	-9.5%	-13.6%
Australian Dollar	USD	1.8%	0.8%	-1.8%	-7.6%
South African Rand	USD	2.0%	0.9%	2.0%	-11.7%
Swiss Franc	USD	1.8%	1.5%	-4.9%	-6.3%
Chinese Yuan	USD	-0.1%	-1.4%	-5.1%	-4.7%
Commodities & Alternatives					
Commodities	USD	2.5%	3.8%	37.8%	56.8%
Agricultural Commodities	USD	0.5%	0.4%	24.4%	40.4%
Oil	USD	6.1%	9.2%	53.5%	71.9%
Gold	USD	0.4%	-2.3%	1.3%	-2.0%
Hedge funds	USD	0.3%	-1.5%	-3.7%	-3.3%



Global Matters Weekly

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