

The Market Place

- Global equities fell 2.0% last week
- The World Bank became the latest body to downgrade their global growth forecast and openly warned about the risk of stagflation, now projecting a 2.9% rise in GDP for 2022 compared to a 4.1% estimate in January
- Brent crude rose 2.8% to \$123.1 a barrel
- Gold fell 0.1% to \$1848.8 per ounce

US

US equities fell 2.2% last week

Consumer Price Inflation (CPI) gained 8.6% year-on-year in May, above expectations of 8.3%

Weekly initial jobless claims for the week ending 4 June came in higher than expected at 229k vs 206k, the highest level since January as well as the largest weekly jump in claims since July 2021

The Atlanta Fed wage growth tracker increased to 6.1% in May, its highest reading since the series began

The University of Michigan long-term inflation expectations series hit 3.3% vs the prior reading of 3.0%, its highest reading since 2008

Europe

European equities fell 1.7% last week

German factory orders for April saw a 2.7% contraction; much weaker than the 0.4% expansion expected, the third consecutive monthly decline

German industrial production grew by a weaker-than-expected 0.7% in April vs 1.2% expected

Euro Area growth in Q1 was revised up to show a 0.6% expansion vs 0.3% previously

The European Central Bank (ECB) met last week, confirming the end of the net Asset Purchase Programme (APP) purchases this month, paving the way for rates lift-off in July. Beyond July, they opened the door for 50bps hikes if inflation persists

UK

UK equities fell 0.6% last week

The final Purchasing Manager Index (PMI) for May was revised up relative to the flash readings, with the composite PMI at 53.1 (vs 51.8 flash)

A confidence vote was held for Prime Minister Boris Johnson and the final result saw him win by just 211-148, meaning that 41% of his own party's MPs voted against him

Asia / ROW

The benchmark Global Emerging Markets index returned +0.6% last week

Japanese equities returned 1.9% over the week

Chinese equities rose 5.9% last week

The Reserve Bank of Australia hiked rates by a larger-than-expected 50bps. Their statement also indicated further tightening ahead

The final estimate of Japan's Gross Domestic Product (GDP) for Q1 showed a contraction of -0.5% year-on-year

China's May exports advanced 16.9% year-on-year, stronger than the estimates of 8.0% and the prior 3.9% increase in April

China's trade surplus grew to \$78.76bn in May, compared to a \$51.12bn surplus in April

Producer Price Index (PPI) in China climbed 6.4% vs 8.0% last month, in line with estimates but the lowest point since March 2021. CPI was up 2.1% in line with last month but lower than expected



Performance

Asset Class/Region	Currency				
		Week ending 10 Jun 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	-2.2%	-2.7%	-15.3%	-4.3%
United Kingdom	GBP	-0.6%	-1.5%	5.6%	12.8%
Continental Europe	EUR	-1.7%	-2.1%	-12.0%	-5.1%
Japan	JPY	1.9%	2.9%	0.1%	3.0%
Asia Pacific (ex Japan)	USD	0.5%	-0.4%	-10.9%	-19.1%
Australia	AUD	-3.0%	-2.6%	-3.9%	0.1%
Global	USD	-2.0%	-2.4%	-15.1%	-8.1%
Emerging markets equities					
Emerging Europe	USD	-3.6%	-3.2%	-75.1%	-75.8%
Emerging Asia	USD	1.7%	0.1%	-12.9%	-21.6%
Emerging Latin America	USD	-5.3%	-6.2%	12.4%	-6.4%
BRICs	USD	2.8%	1.8%	-15.7%	-28.7%
China	USD	5.9%	4.6%	-12.9%	-32.1%
MENA countries	USD	-0.5%	-2.3%	6.6%	14.7%
South Africa	USD	-3.2%	-5.3%	0.5%	-12.7%
India	USD	-2.8%	-2.9%	-10.4%	-2.4%
Global emerging markets	USD	0.6%	-0.9%	-12.6%	-20.8%
Bonds					
US Treasuries	USD	-0.6%	-1.0%	-8.9%	-8.7%
US Treasuries (inflation protected)	USD	-0.7%	0.0%	-6.6%	-2.5%
US Corporate (investment grade)	USD	-0.8%	-1.2%	-13.0%	-12.4%
US High Yield	USD	-1.2%	-1.6%	-9.5%	-7.5%
UK Gilts	GBP	-1.3%	-1.5%	-14.1%	-13.1%
UK Corporate (investment grade)	GBP	-1.1%	-1.2%	-12.2%	-12.2%
Euro Government Bonds	EUR	-1.2%	-2.5%	-12.8%	-13.3%
Euro Corporate (investment grade)	EUR	-1.4%	-1.6%	-10.1%	-10.7%
Euro High Yield	EUR	-0.7%	-0.7%	-8.8%	-8.5%
Japanese Government	JPY	-0.3%	-0.2%	-2.3%	-2.5%
Australian Government	AUD	-0.7%	-1.5%	-10.3%	-11.4%
Global Government Bonds	USD	-1.4%	-2.2%	-13.3%	-16.0%
Global Bonds	USD	-1.2%	-1.9%	-13.3%	-15.9%
Global Convertible Bonds	USD	-0.7%	-0.7%	-16.3%	-20.7%
Emerging Market Bonds	USD	-2.2%	-2.6%	-23.2%	-24.6%



Performance

Asset Class/Region	Currency				
		Week ending 10 Jun 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	-3.9%	-4.8%	-18.4%	-8.0%
Australian Property Securities	AUD	-4.9%	-6.0%	-20.4%	-11.6%
Asia Property Securities	USD	-0.2%	-0.6%	-3.6%	-16.3%
Global Property Securities	USD	-3.0%	-3.9%	-15.7%	-12.6%
Currencies					
Euro	USD	-0.7%	-0.7%	-6.4%	-12.5%
UK Pound Sterling	USD	0.0%	-0.8%	-7.5%	-11.7%
Japanese Yen	USD	-2.5%	-4.2%	-14.3%	-18.4%
Australian Dollar	USD	-1.3%	-0.9%	-2.1%	-8.2%
South African Rand	USD	0.6%	1.0%	3.2%	-11.9%
Swiss Franc	USD	-1.6%	-2.0%	-6.8%	-8.5%
Chinese Yuan	USD	-0.5%	-0.3%	-5.0%	-4.5%
Commodities & Alternatives					
Commodities	USD	1.9%	3.4%	40.6%	55.3%
Agricultural Commodities	USD	1.9%	0.7%	22.2%	33.1%
Oil	USD	2.8%	0.2%	58.2%	69.7%
Gold	USD	-0.1%	0.2%	1.1%	-2.4%
Hedge funds	USD	0.2%	0.4%	-3.0%	-3.2%



Global Matters Weekly

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