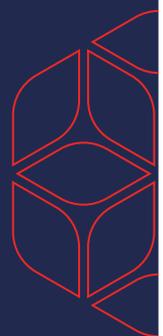


Quick recap

- This week's FOMC statements were perceived as relatively dovish as Powell emphasized the Fed's data dependency, stating that decisions over further unusually large hikes would be taken meeting by meeting.
- The Fed seems to have given markets some confidence that the worst may be over and a soft-landing not off the table, resulting in gains for equities, particularly technology stocks, and rising breakevens.
- Earnings announcements by consumer staples giants like Nestlé and Diageo and several big tech and energy groups were better than expected, leading to strong stock market gains towards the end of the week. While index-level earnings estimates indicate that corporation's unusually high margins in the U.S. and Europe are finally coming under pressure, this is broadly offset by solid sales growth backing a still very robust EPS trajectory.



Overview

Equities

- Equities Broad Market
- Equities Sectors
- Equities Styles
- Implied Volatility

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Fixed Income

- Government Yields
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Commodities

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Economic Calendar

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MSCI China Cash Returns

Total cash returns in %



Source: Amadeus Capital 2022-07-28

Relatively low P/E ratios have been an argument cited by investors in Chinese stocks for a long time. Still, we have [previously pointed out that cash returns to shareholders have actually been low](#) as companies issued more shares than they repurchased. It is, therefore, noteworthy that the aggregate capital allocation of Chinese listed firms changed notably over recent months - a development likely pointing to broad based [funding difficulties rather than a voluntary adjustment of capital allocation](#).

Markets at a glance



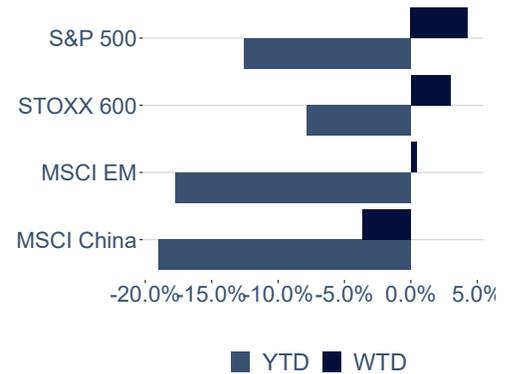
Major Equity Markets

Broad Markets
Total return %



Source: Amadeus Capital SA 2022-07-30

Broad Markets
Total return %



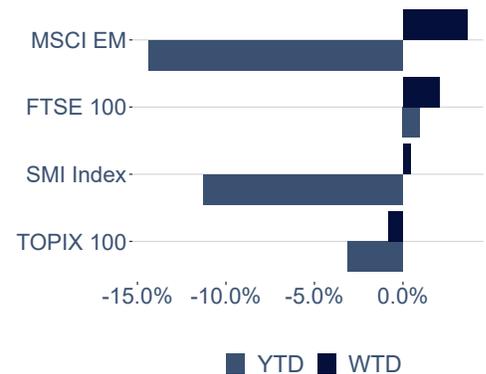
Major Equity Markets

Broad Markets
Total return %



Source: Amadeus Capital SA 2022-07-30

Broad Markets
Total return %



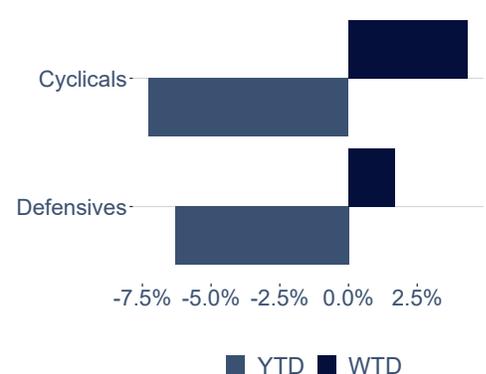
Equity Sectors

Cyclicals vs Defensives Europe
Total return %



Source: Bloomberg, Amadeus 2022-07-30

Cyclicals vs Defensives Europe
Total return %



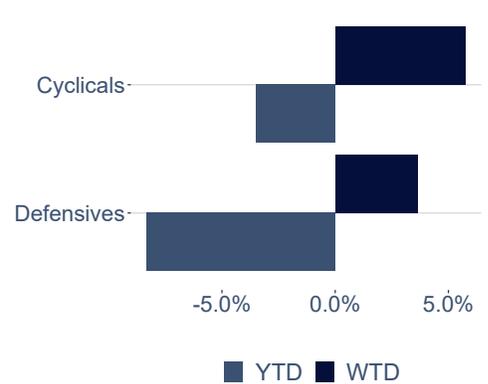
Equity Sectors

Sectors U.S.
Total return %



Source: Bloomberg, Amadeus 2022-07-30

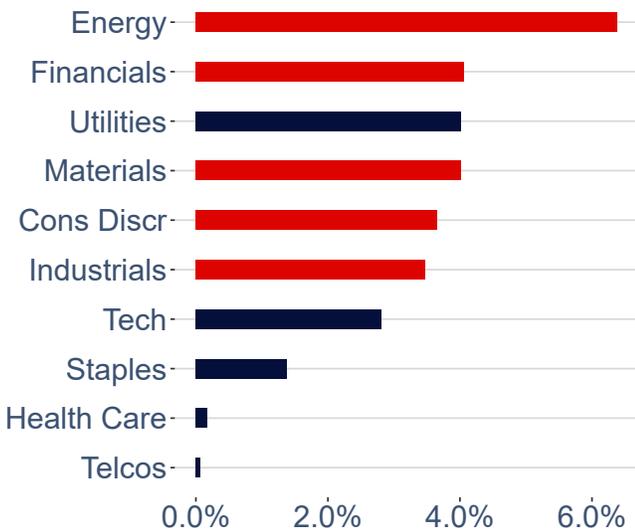
Cyclicals vs Defensives U.S.
Total return %



Equity Sectors

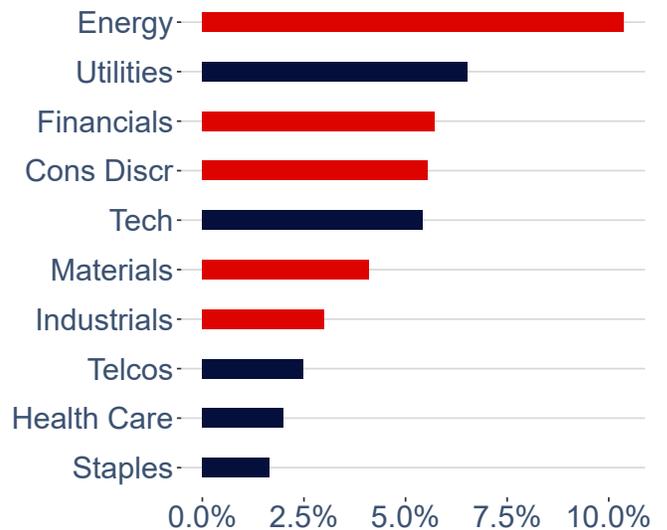
Sectors Europe

Last week's performance % (Cyc = red, def = blue)



Sectors U.S.

Last week's performance %



Equity Styles

Styles Europe

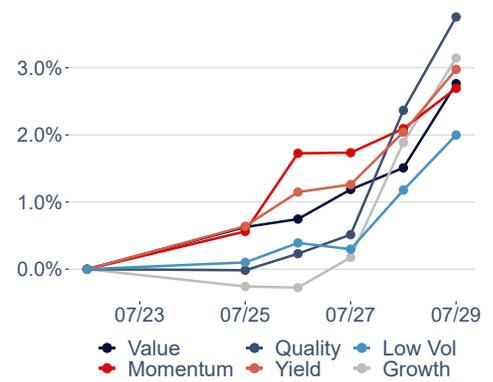
Total return %



Source: Bloomberg, Amadeus 2022-07-30

Styles Europe

Total return %



Source: Amadeus Capital SA 2022-07-30

Equity Styles

Styles U.S.

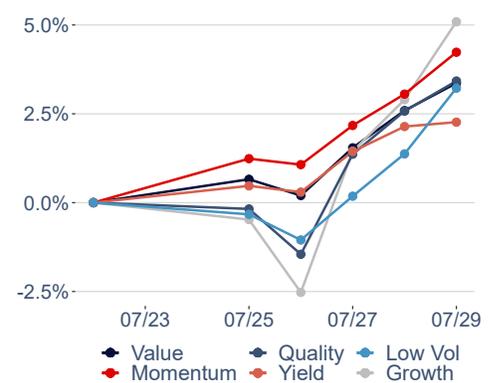
Total return %



Source: Bloomberg, Amadeus 2022-07-30

Styles U.S.

Total return %



Source: Amadeus Capital SA 2022-07-30

Equity Styles

Styles Europe

Total return %

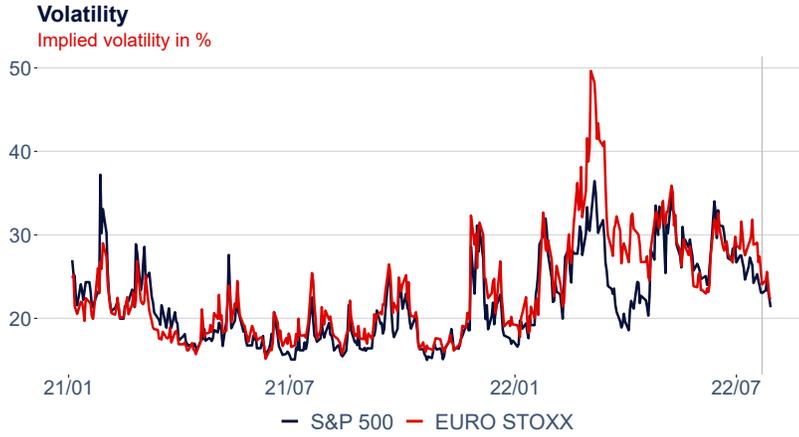


Styles U.S.

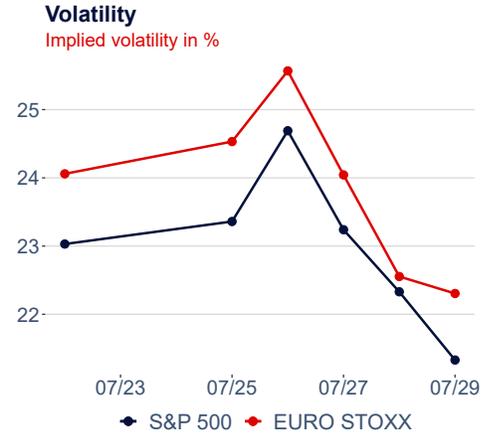
Total return %



Volatility



Source: Amadeus Capital SA 2022-07-30



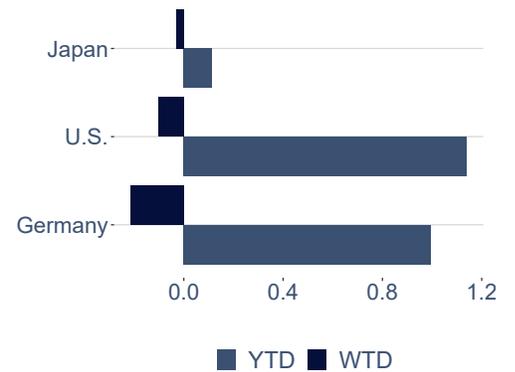
Source: Amadeus Capital SA 2022-07-30

Government Bond Yields

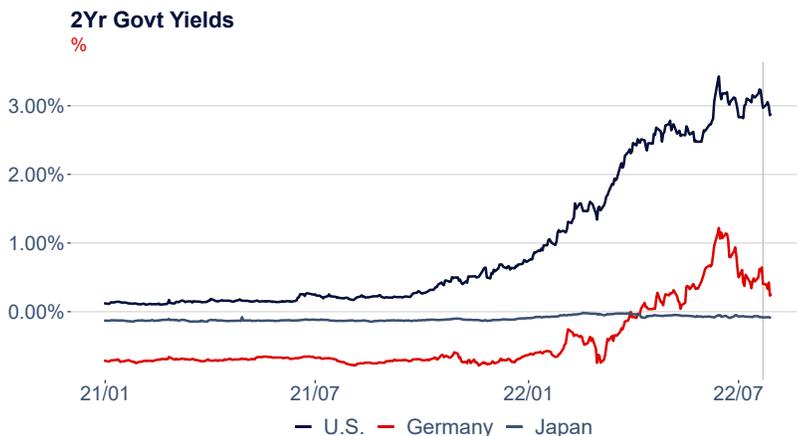


Source: Bloomberg, Amadeus 2022-07-30

10Yr Govt Yields
Delta in %

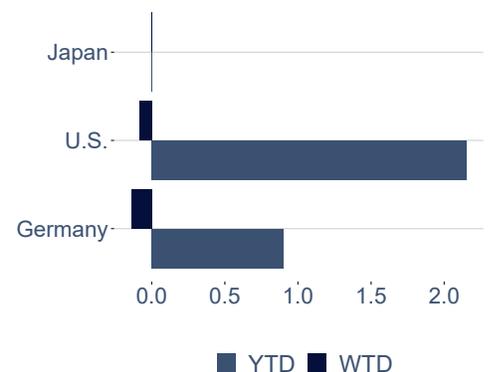


Government Bond Yields



Source: Bloomberg, Amadeus 2022-07-30

2Yr Govt Yields
Delta in %



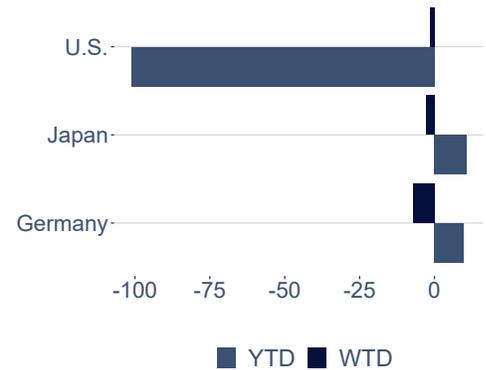
Government Bond Yields

Steepness of the curve
10Yr - 2Yr Govt Yields %



Source: Amadeus Capital SA 2022-07-30

10Yr-2Yr Govt Yields
Delta in bp



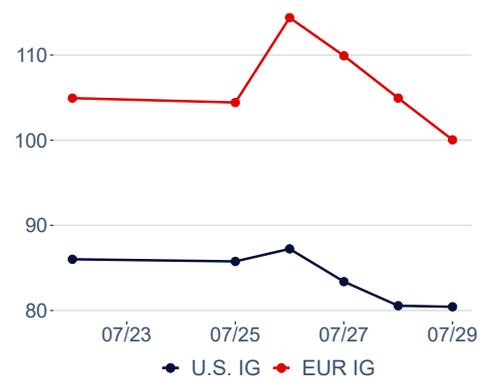
Credit Spreads

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-07-30

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-07-30

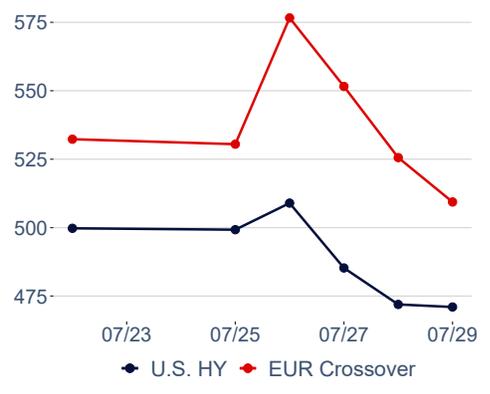
Credit Spreads

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-07-30

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-07-30

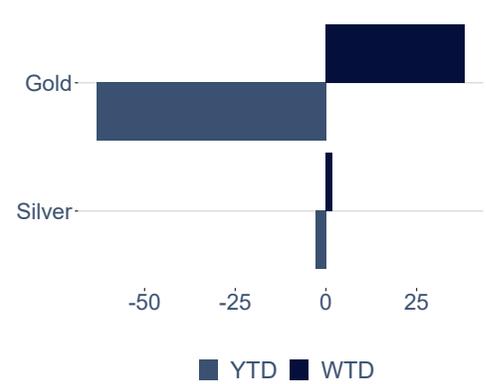
Precious Metals

Precious metals
Price change %



Source: Amadeus Capital SA 2022-07-30

Precious metals
Price change in USD



Commodities

Crude oil
Price in USD



Source: Amadeus Capital SA 2022-07-30

Crude oil
Price in USD



Source: Amadeus Capital SA 2022-07-30

Currencies

Trade weighted currencies
Price change %



Source: Amadeus Capital SA 2022-07-30

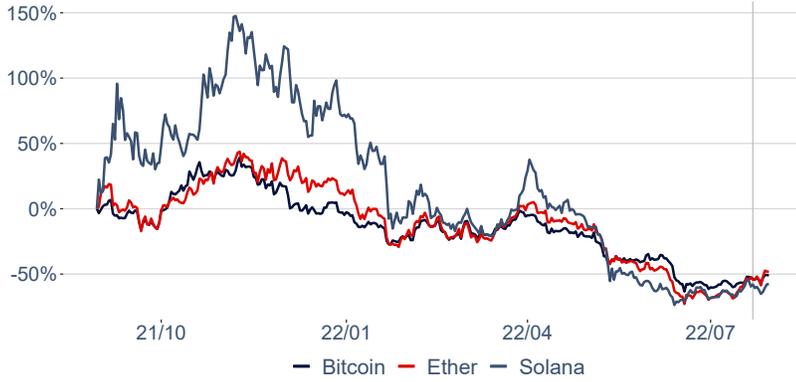
Trade weighted currencies
Price change %



Cryptocurrencies

Major cryptocurrencies in USD

Price change %



Source: Amadeus Capital SA 2022-07-30

Major cryptocurrencies in USD

Price change %



Major Events Last Week

The U.S. economy contracted by 0.9% in Q2 (vs consensus expectations of 0.5% growth), meaning it is technically in a recession. However, as economists quickly pointed out, the NBER monitors a wide range of economic indicators and is unlikely to officially call it a recession, given generally robust economic data and a continuously tight labour market, though initial claims were slightly higher than expected. Furthermore, the weak GDP print is also an effect of Covid inventory build-up during Q2 2021, leading to difficult comps. The most recent Nowcast by the Atlanta Fed also points to a slightly better growth trajectory towards the end of July. Meanwhile, energy uncertainty continues to cloud sentiment in Germany, with the IFO Business Climate falling more than expected.

Date	Zone	Event	Previous	Forecast	Actual
25/07/2022	Germany	German Ifo Business Climate Index (Jul)	92.2	90.2	88.6
26/07/2022	United States	CB Consumer Confidence (Jul)	98.4	97.2	95.7
26/07/2022	United States	New Home Sales (Jun)	642K	660K	590K
27/07/2022	Australia	CPI (QoQ) (Q2)	2.1%	1.9%	1.8%
27/07/2022	United States	Core Durable Goods Orders (MoM) (Jun)	0.5%	0.2%	0.3%
27/07/2022	United States	Pending Home Sales (MoM) (Jun)	0.4%	-1.5%	-8.6%
27/07/2022	United States	Crude Oil Inventories	-0.446M	-1.037M	-4.523M
28/07/2022	United States	FOMC Statement	-	-	-
28/07/2022	United States	Fed Interest Rate Decision	1.75%	2.50%	2.50%
28/07/2022	United States	FOMC Press Conference	-	-	-
28/07/2022	Australia	Retail Sales (MoM) (Jun)	0.9%	0.5%	0.2%
28/07/2022	United States	GDP (QoQ) (Q2)	-1.6%	0.5%	-0.9%
28/07/2022	United States	Initial Jobless Claims	261K	253K	256K
28/07/2022	United States	U.S. President Biden Speaks	-	-	-
29/07/2022	United States	U.S. President Biden Speaks	-	-	-
29/07/2022	Germany	German Unemployment Change (Jul)	132K	15K	48K
29/07/2022	Germany	German GDP (QoQ) (Q2)	0.8%	0.1%	0.0%
29/07/2022	Euro Zone	CPI (YoY) (Jul)	8.6%	8.6%	8.9%
29/07/2022	United States	Core PCE Price Index (MoM) (Jun)	0.3%	0.5%	0.6%
29/07/2022	Canada	GDP (MoM) (May)	0.3%	-0.2%	0.0%
31/07/2022	China	Manufacturing PMI (Jul)	50.2	50.4	-

The Week Ahead

The BoE is expected to hike interest rates by 25bp to 1.5% next week, but a 50bp hike can not be ruled out yet given the acute cost of living crisis and still robust PMIs.

Apart from that, the focus will be on the next Nonfarm Payroll print. Consensus expects a drop from 372 to 255k with steady unemployment of 3.6%. As markets focus primarily on inflation and the level where interest rates will likely peak, slightly weaker employment data will probably be perceived as a positive for stocks.

Also to watch: Notable earnings next week include Caterpillar (economic sentiment) and Starbucks (inflation, wage pressure) as well as Alibaba (just announced to shift primary listing to Hong Kong).

Date	Zone	Event	Previous	Forecast	Actual
01/08/2022	China	Caixin Manufacturing PMI (Jul)	51.7	51.5	-
01/08/2022	Germany	German Manufacturing PMI (Jul)	49.2	49.2	-
01/08/2022	United Kingdom	Manufacturing PMI (Jul)	52.2	52.2	-
01/08/2022	United States	ISM Manufacturing PMI (Jul)	53.0	52.0	-
02/08/2022	Australia	RBA Interest Rate Decision (Aug)	1.35%	1.85%	-
02/08/2022	Australia	RBA Rate Statement	-	-	-
02/08/2022	United States	JOLTs Job Openings (Jun)	11.254M	11.000M	-
03/08/2022	New Zealand	Employment Change (QoQ) (Q2)	0.1%	0.4%	-
03/08/2022	United Kingdom	Composite PMI (Jul)	52.8	52.8	-
03/08/2022	United Kingdom	Services PMI (Jul)	53.3	53.3	-
03/08/2022	United States	ISM Non-Manufacturing PMI (Jul)	55.3	53.5	-
03/08/2022	United States	Crude Oil Inventories	-4.523M	-	-
04/08/2022	United Kingdom	Construction PMI (Jul)	52.6	52.1	-
04/08/2022	United Kingdom	BoE Interest Rate Decision (Aug)	1.25%	1.50%	-
04/08/2022	United Kingdom	BoE Gov Bailey Speaks	-	-	-
04/08/2022	United States	Initial Jobless Claims	256K	255K	-
05/08/2022	India	Interest Rate Decision	4.90%	4.80%	-
05/08/2022	United States	Nonfarm Payrolls (Jul)	372K	250K	-
05/08/2022	United States	Unemployment Rate (Jul)	3.6%	3.6%	-
05/08/2022	Canada	Employment Change (Jul)	-43.2K	15.0K	-
05/08/2022	Canada	Ivey PMI (Jul)	62.2	-	-

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We cater to wealthy families and institutions with a pronounced ownership approach, making sure that the interests of our clients and ourselves are aligned by investing alongside them.

We offer a special know-how in niche strategies and we provide access to exclusive investment opportunities through our network

Amadeus Capital finds itself in the centre of a full-service ecosystem controlled by the Brockmann family, which allows us to easily connect all aspects of private wealth management.

While we are proud of our heritage, we constantly seek to adapt to a rapidly changing financial industry and don't shy away from undertaking the necessary investments to stay ahead of the curve.

We actively foster and cultivate an entrepreneurial corporate culture, encourage continuous innovation and work closely together with our external network of specialists and consultants.

Amadeus Capital merged in 2019 with Nucleo Capital, a Geneva based multi-family office created in 2005 by Laurent Timonier; further to the merger Laurent Timonier and Marovita Holding are the sole shareholders of Amadeus Capital.

Amadeus Capital is a member of the Swiss Association of Asset Managers and is audited by Ernst & Young.

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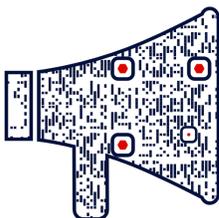
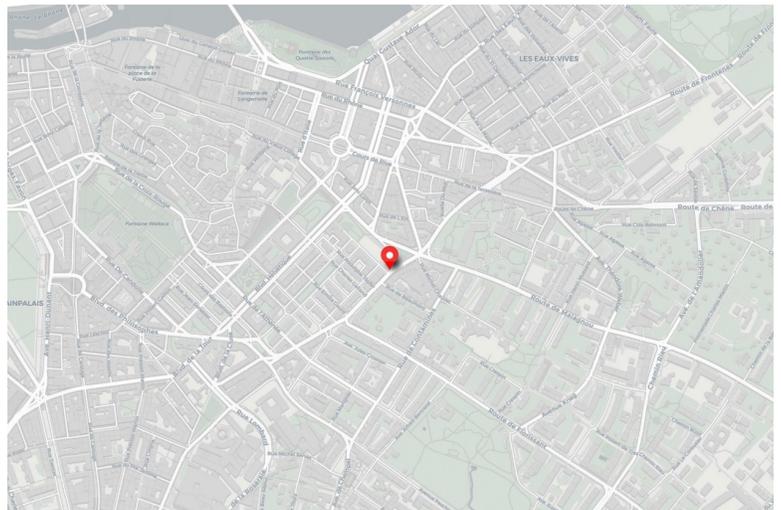
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