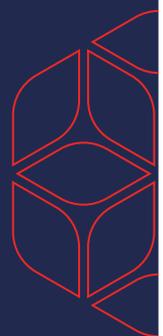


Quick recap

- When even the Swiss are raising rates, the situation must be serious - after the SNB had been in the dovish camp for years, not surprisingly, the decision to hike rates by 50bp sent shockwaves through markets
- The Fed underpinned its commitment to prioritize the fight against inflation, hiking by 75bp, while the BoE increased rates by 25bp as expected, giving in to worries about the fragile state of the U.K. economy.
- U.S. and European equity markets have dropped sharply as concerns about a hard landing are mounting.
- China fared slightly better again but still closed in the red despite surprisingly robust Industrial Production.
- Credit spreads and volatility surged while gold came under pressure. Moreover, as economic sentiment worsens, crude fell by over 10 USD, hitting energy stocks and the value factor.
- Cryptocurrencies were another victim of the sell-off in risk assets, with Bitcoin losing more than 20%.



Overview

Equities

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

p. 2-5
p. 2
p. 3
p. 3
p. 5

Fixed Income

- Government Yields
- Government Curve
- Credit Spreads

p. 5-6
p. 5
p. 6
p. 6

Commodities

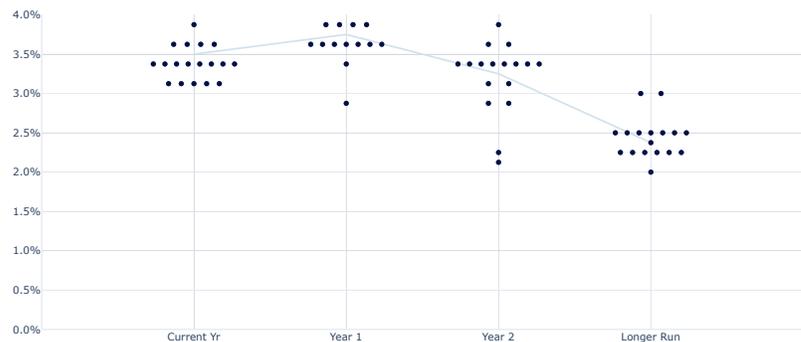
- Precious Metals
- Oil
- Cryptocurrencies

p. 7-8
p. 7
p. 7
p. 8

Economic Calendar

p. 9-10

FOMC Projection



They have done it! Backing up its commitment to taming inflation, the Fed hiked interest rates by 75bp this week. Equity markets closed higher the day after the week's bloody start. Interestingly, the DotPlot is now inverted, indicating that the FOMC expects to decrease rates again by 2024. Markets seem to be aligned with the Fed, with the Treasury curve being more or less flat from Year 2 onwards. [Click here to view our animated historical DotPlot.](#)

Markets at a glance



Major Equity Markets

Broad Markets
Total return %



Broad Markets
Total return %



Major Equity Markets

Broad Markets
Total return %



Broad Markets
Total return %

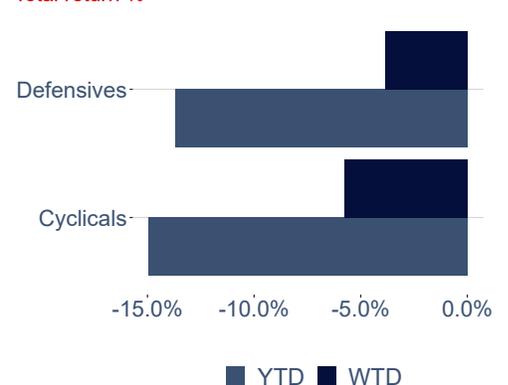


Equity Sectors

Cyclicals vs Defensives Europe
Total return %



Cyclicals vs Defensives Europe
Total return %



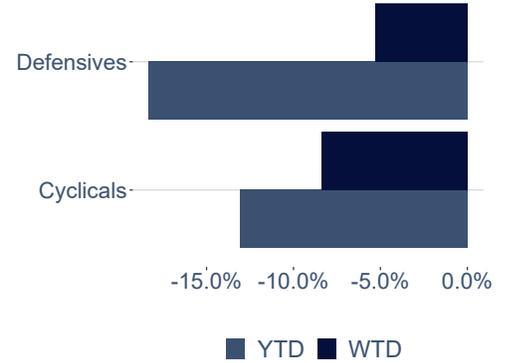
Equity Sectors

Sectors U.S.
Total return %



Source: Bloomberg, Amadeus 2022-06-18

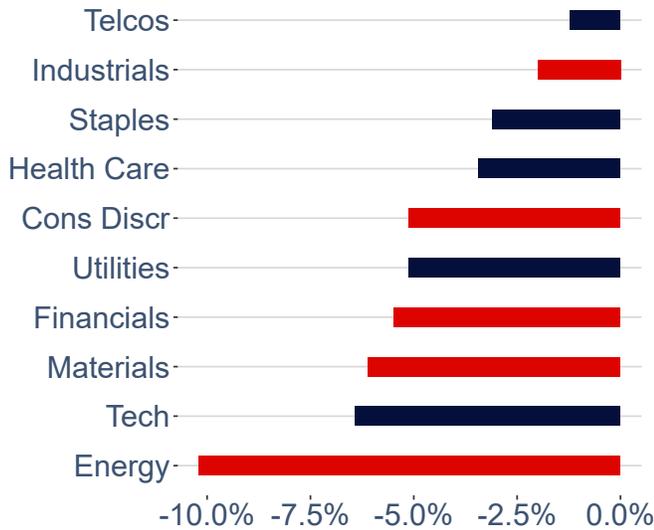
Cyclicals vs Defensives U.S.
Total return %



Equity Sectors

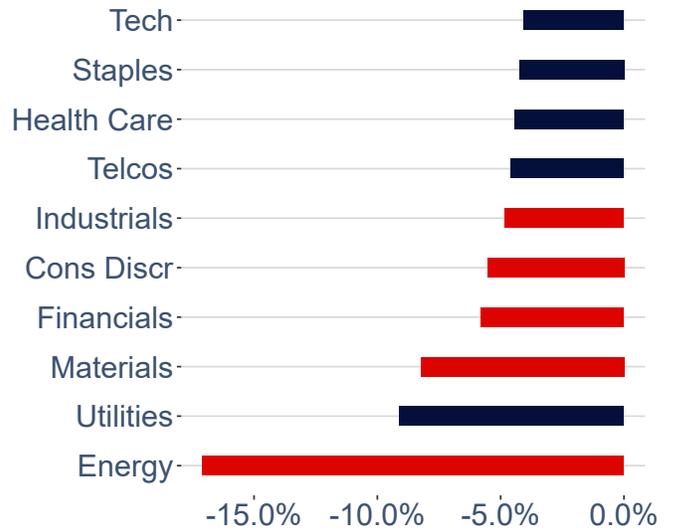
Sectors Europe

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



Sectors U.S.

Last week's performance %



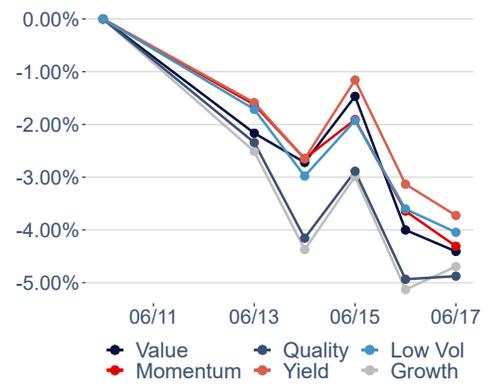
Equity Styles

Styles Europe
Total return %



Source: Bloomberg, Amadeus 2022-06-18

Styles Europe
Total return %



Source: Amadeus Capital SA 2022-06-18

Equity Styles

Styles U.S.
Total return %



Source: Bloomberg, Amadeus 2022-06-18

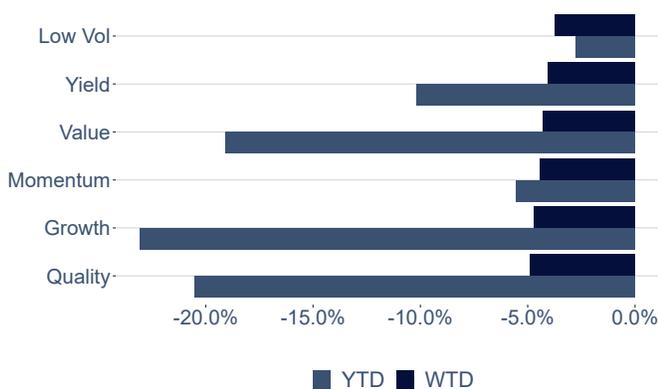
Styles U.S.
Total return %



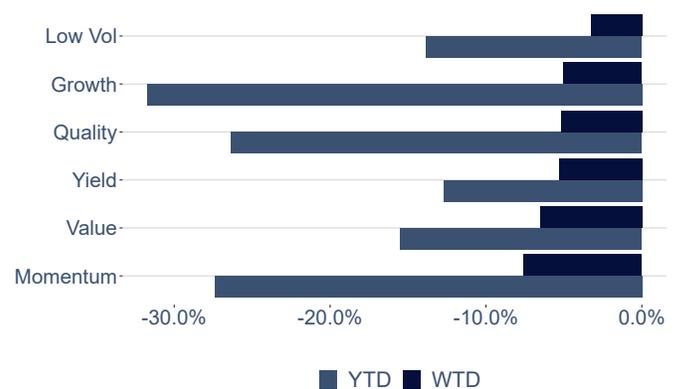
Source: Amadeus Capital SA 2022-06-18

Equity Styles

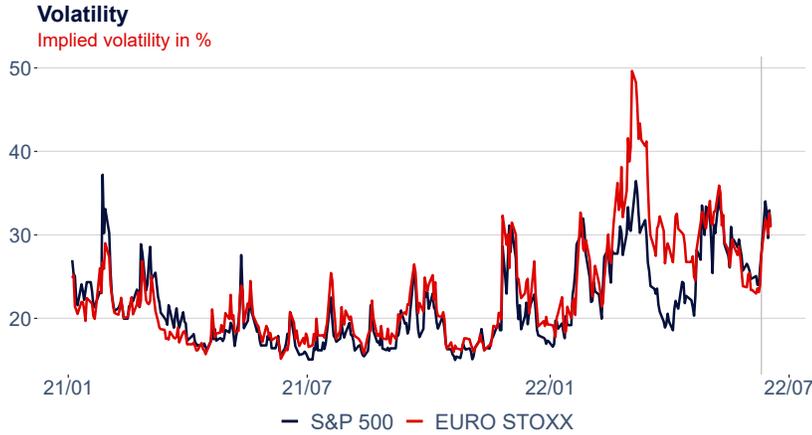
Styles Europe
Total return %



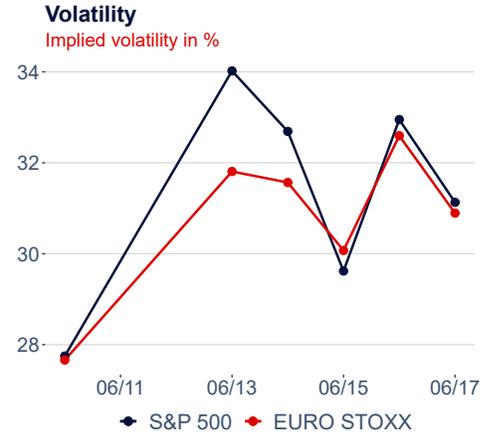
Styles U.S.
Total return %



Volatility



Source: Amadeus Capital SA 2022-06-18



Source: Amadeus Capital SA 2022-06-18

Government Bond Yields

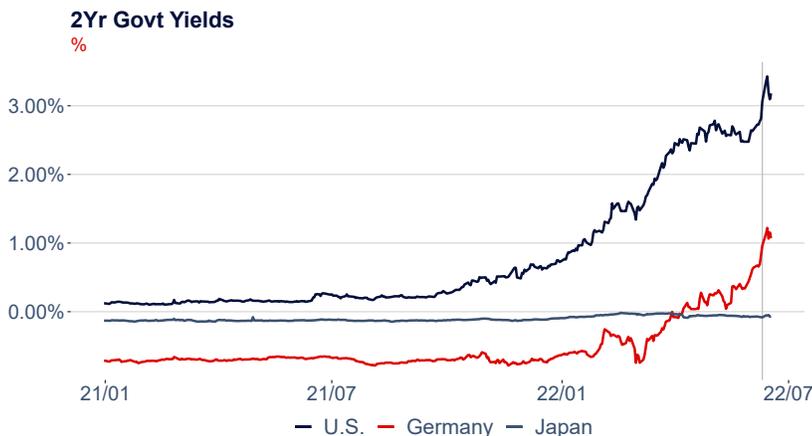


Source: Bloomberg, Amadeus 2022-06-18

10Yr Govt Yields
Delta in %

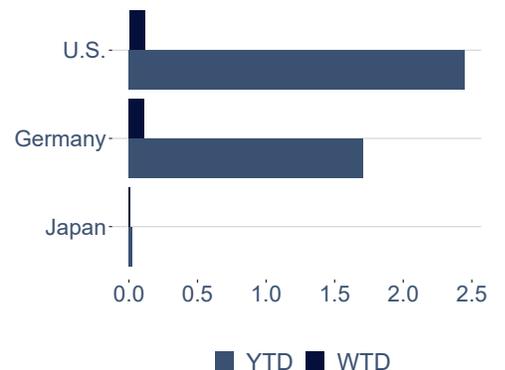


Government Bond Yields



Source: Bloomberg, Amadeus 2022-06-18

2Yr Govt Yields
Delta in %



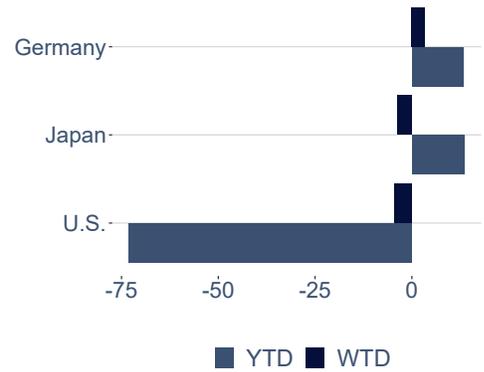
Government Bond Yields

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



Source: Amadeus Capital SA 2022-06-18

10Yr-2Yr Govt Yields
Delta in bp



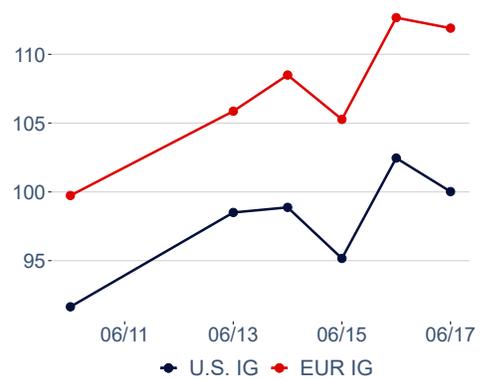
Credit Spreads

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-06-18

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-06-18

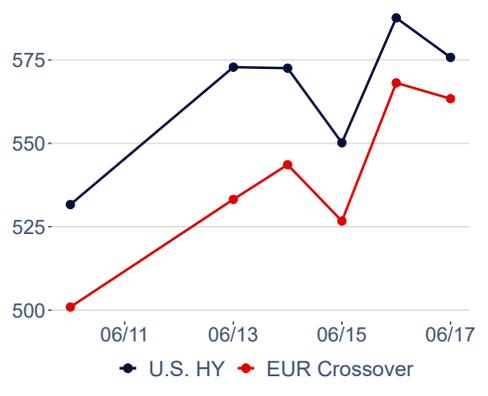
Credit Spreads

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-06-18

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-06-18

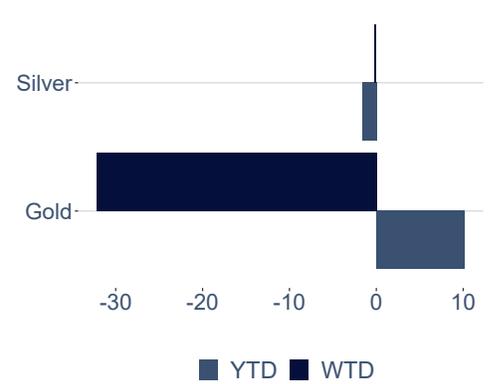
Precious Metals

Precious metals
Price change %



Source: Amadeus Capital SA 2022-06-18

Precious metals
Price change in USD



Commodities

Crude oil
Price in USD



Source: Amadeus Capital SA 2022-06-18

Crude oil
Price in USD



Source: Amadeus Capital SA 2022-06-18

Currencies

Trade weighted currencies
Price change %



Source: Amadeus Capital SA 2022-06-18

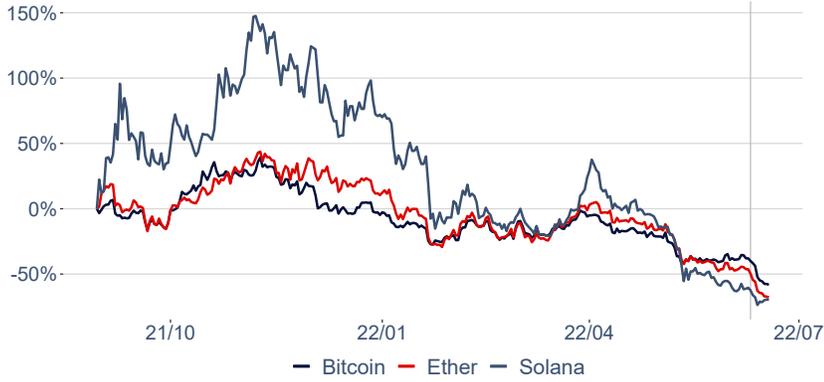
Trade weighted currencies
Price change %



Cryptocurrencies

Major cryptocurrencies in USD

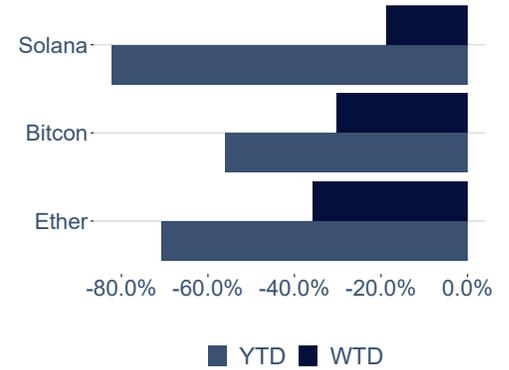
Price change %



Source: Amadeus Capital SA 2022-06-18

Major cryptocurrencies in USD

Price change %



Major Events Last Week

As expected, central banks' decisions dominated markets this week with faster-than-expected tightening by the Fed and the SNB and a somewhat [hawkish tone by the BoE](#). As the BoJ is increasingly lonely in the ultra-dovish camp, the JPY continued to be sold off, and a large hedge fund announced [bets against Japanese sovereign bonds](#). Another surprise came from the ECB's emergency meeting when [Lagarde revealed that the bank was engaging in spread trading](#) to decrease yields in European periphery bonds. The unusual step expresses worries about the increased risk premium on the debt of Southern European issuers, most notably Spain and Italy. European CPI was in-line with consensus expectations. In the U.S., the Philadelphia Fed Manufacturing Index flashed a warning signal.

Date	Zone	Event	Previous	Forecast	Actual
13/06/2022	United Kingdom	GDP (MoM)	-0.1%	0.1%	-0.3%
13/06/2022	United Kingdom	GDP (QoQ)	0.8%	0.4%	0.2%
13/06/2022	United Kingdom	GDP (YoY)	6.4%	3.9%	3.4%
13/06/2022	United Kingdom	Manufacturing Production (MoM) (Apr)	-0.2%	0.2%	-1.0%
13/06/2022	United Kingdom	Monthly GDP 3M/3M Change	0.8%	0.4%	0.2%
14/06/2022	United Kingdom	Average Earnings Index +Bonus (Apr)	7.0%	7.6%	6.8%
14/06/2022	United Kingdom	Claimant Count Change (May)	-65.5K	-49.4K	-19.7K
14/06/2022	Germany	German ZEW Economic Sentiment (Jun)	-34.3	-27.5	-28.0
14/06/2022	United States	PPI (MoM) (May)	0.4%	0.8%	0.8%
15/06/2022	China	Industrial Production (YoY) (May)	-2.9%	-0.7%	0.7%
15/06/2022	United States	Core Retail Sales (MoM) (May)	0.4%	0.8%	0.5%
15/06/2022	United States	Retail Sales (MoM) (May)	0.7%	0.2%	-0.3%
15/06/2022	United States	Crude Oil Inventories	2.025M	-1.314M	1.956M
15/06/2022	Israel	CPI (MoM) (May)	0.8%	0.8%	0.6%
15/06/2022	Israel	CPI (YoY) (May)	4.0%	4.0%	4.1%
16/06/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
16/06/2022	United States	FOMC Economic Projections	-	-	-
16/06/2022	United States	FOMC Statement	-	-	-
16/06/2022	United States	Fed Interest Rate Decision	1.00%	1.50%	1.75%
16/06/2022	United States	FOMC Press Conference	-	-	-
16/06/2022	New Zealand	GDP (QoQ) (Q1)	3.0%	0.6%	-0.2%
16/06/2022	Australia	Employment Change (May)	4.5K	25.0K	60.6K
16/06/2022	Switzerland	SNB Interest Rate Decision (Q2)	-0.75%	-0.75%	-0.25%
16/06/2022	Switzerland	SNB Monetary Policy Assessment	-	-	-
16/06/2022	Switzerland	SNB Press Conference	-	-	-
16/06/2022	United Kingdom	BoE Interest Rate Decision (Jun)	1.00%	1.25%	1.25%
16/06/2022	United Kingdom	BoE MPC Meeting Minutes	-	-	-
16/06/2022	United States	Building Permits (May)	1.823M	1.785M	1.695M
16/06/2022	United States	Initial Jobless Claims	232K	215K	229K
16/06/2022	United States	Philadelphia Fed Manufacturing Index (Jun)	2.6	5.5	-3.3
17/06/2022	Japan	BoJ Monetary Policy Statement	-	-	-
17/06/2022	Japan	BoJ Press Conference	-	-	-
17/06/2022	Euro Zone	CPI (YoY) (May)	7.4%	8.1%	8.1%
17/06/2022	United States	Fed Chair Powell Speaks	-	-	-
18/06/2022	United States	Fed Monetary Policy Report	-	-	-

The Week Ahead

While Western central banks rattled markets this week, [China is expected to keep its Loan Prime Rate unchanged](#) on Monday as the PBoC is likely aware of the consequences of an overly pronounced deviation from the current trend towards monetary policy tightening.

In the U.S., New Home Sales are expected to decline as real estate markets are starting to feel the impact of higher mortgage rates. Weaker than expected, Manufacturing Production and GDP growth already signalled a slowdown in the U.K. this week. For next week, consensus correspondingly expects a contraction in Retail Sales driven by the country's mounting cost of living crisis.

Date	Zone	Event	Previous	Forecast	Actual
20/06/2022	China	PBoC Loan Prime Rate	3.70%	-	-
21/06/2022	Australia	RBA Meeting Minutes	-	-	-
21/06/2022	Brazil	BCB Copom Meeting Minutes	-	-	-
21/06/2022	Canada	Core Retail Sales (MoM) (Apr)	2.4%	0.6%	-
21/06/2022	United States	Existing Home Sales (May)	5.61M	5.39M	-
22/06/2022	United Kingdom	CPI (YoY) (May)	9.0%	9.1%	-
22/06/2022	Canada	Core CPI (MoM) (May)	0.7%	0.4%	-
22/06/2022	United States	Fed Chair Powell Testifies	-	-	-
23/06/2022	Germany	German Manufacturing PMI (Jun)	54.8	54.0	-
23/06/2022	United Kingdom	Composite PMI (Jun)	51.8	51.8	-
23/06/2022	United Kingdom	Manufacturing PMI (Jun)	54.6	54.6	-
23/06/2022	United Kingdom	Services PMI (Jun)	51.8	51.8	-
23/06/2022	Turkey	One-Week Repo Rate (Jun)	14.00%	14.00%	-
23/06/2022	Turkey	Overnight Borrowing Rate (Jun)	12.50%	-	-
23/06/2022	United States	Initial Jobless Claims	229K	229K	-
23/06/2022	United States	Fed Chair Powell Testifies	-	-	-
23/06/2022	United States	Crude Oil Inventories	1.956M	-	-
24/06/2022	United Kingdom	Retail Sales (MoM) (May)	1.4%	-0.9%	-
24/06/2022	Germany	German Ifo Business Climate Index (Jun)	93.0	92.9	-
24/06/2022	United States	New Home Sales (May)	591K	580K	-

About Amadeus

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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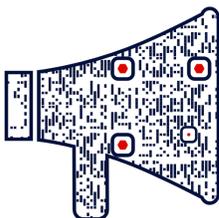
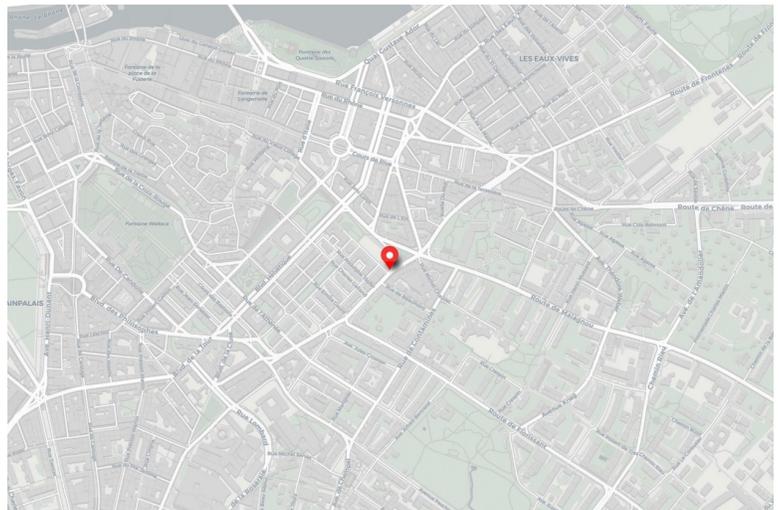
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