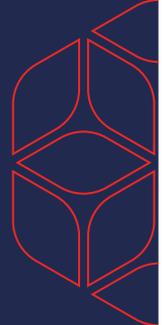


Quick recap

- Following last week's apparent stabilization, the escalation in Ukraine triggered a strong sell-off in Europe and Asia this week. Implied volatility of European equities surged to almost 50 amidst a jump in oil prices and pronounced safe-haven flows.
- Gold demonstrated its strength as a safe asset, and the CHF is trading close to parity against the EUR.
- Government bonds also profited from the risk-off move this week, but given another surge in inflation and oil prices, it may be too optimistic to expect central banks to hold off for longer now.
- There is a notable divide between Europe and the U.S. now as risk assets on the other side of the Atlantic held up well, driven by the solid performance of the energy sector, financials, and utilities. Beyond that, Value and Low Volatility inched slightly higher as the sell-off was driven by Quality and Momentum stocks.



Overview

Equities

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

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Fixed Income

- Government Yields
- Government Curve
- Credit Spreads

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Commodities

- Precious Metals
- Oil
- Cryptocurrencies

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Economic Calendar

p. 9-10

What we are watching

Eurozone inflation hit a new high this week



Eurozone inflation hit a new high this week, jumping to 5.8%, way above the consensus forecast of 5.3%. This surprise surge was accompanied by another rally in oil prices triggered by the escalation of the war in Ukraine. In combination with falling equity prices, the development puts central banks in a very uncomfortable position and raises fears of a stagflationary environment.

Markets at a glance



Major Equity Markets

Broad Markets

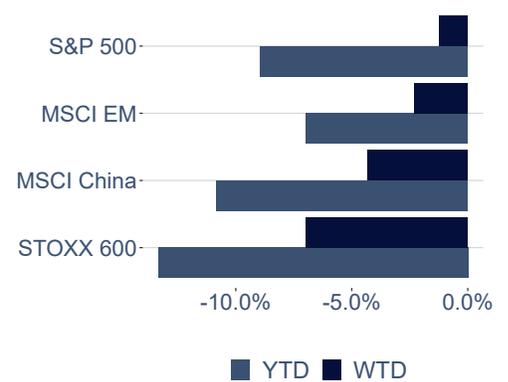
Total return %



Source: Amadeus Capital SA 2022-03-05

Broad Markets

Total return %



Major Equity Markets

Broad Markets

Total return %



Source: Amadeus Capital SA 2022-03-05

Broad Markets

Total return %



Equity Sectors

Cyclicals vs Defensives Europe

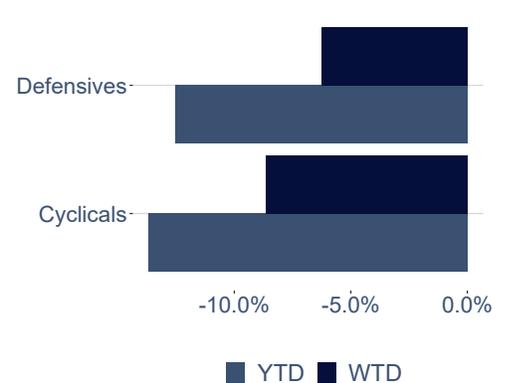
Total return %



Source: Bloomberg, Amadeus 2022-03-05

Cyclicals vs Defensives Europe

Total return %



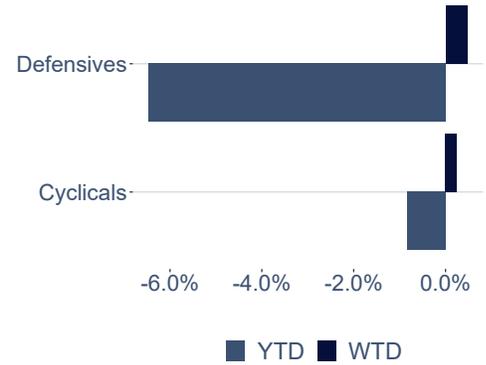
Equity Sectors

Sectors U.S.
Total return %



Source: Bloomberg, Amadeus 2022-03-05

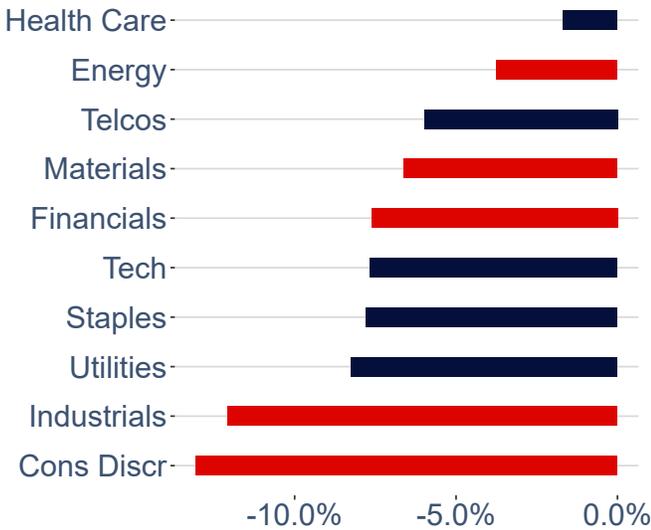
Cyclicals vs Defensives U.S.
Total return %



Equity Sectors

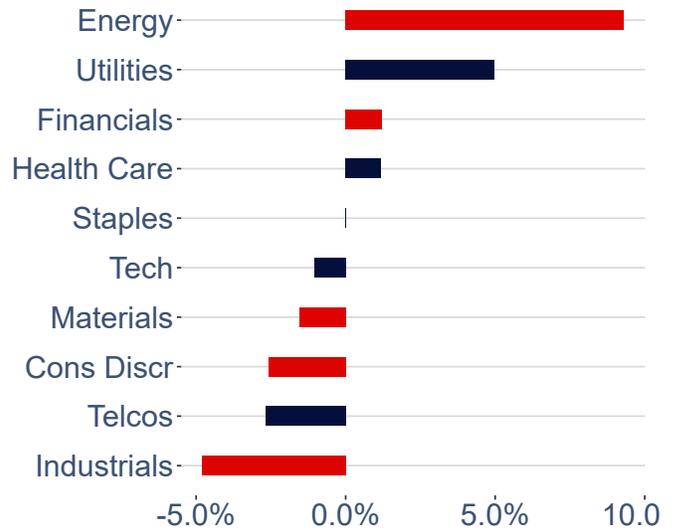
Sectors Europe

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



Sectors U.S.

Last week's performance %



Equity Styles

Styles Europe

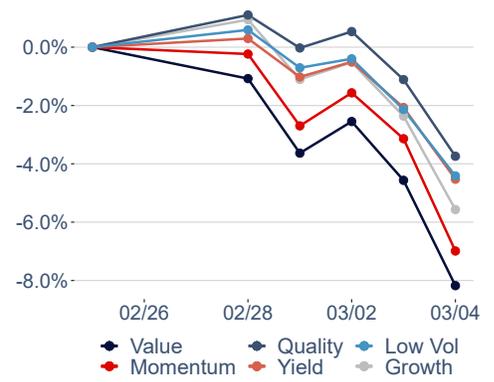
Total return %



Source: Bloomberg, Amadeus 2022-03-05

Styles Europe

Total return %



Source: Amadeus Capital SA2022-03-05

Equity Styles

Styles U.S.

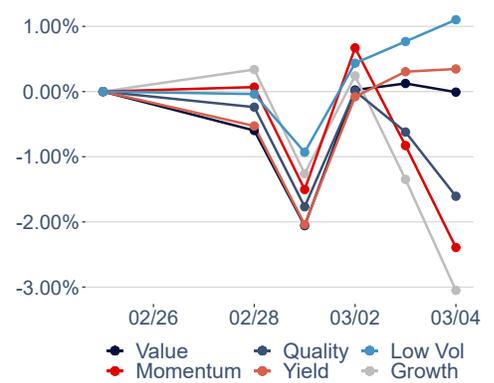
Total return %



Source: Bloomberg, Amadeus 2022-03-05

Styles U.S.

Total return %

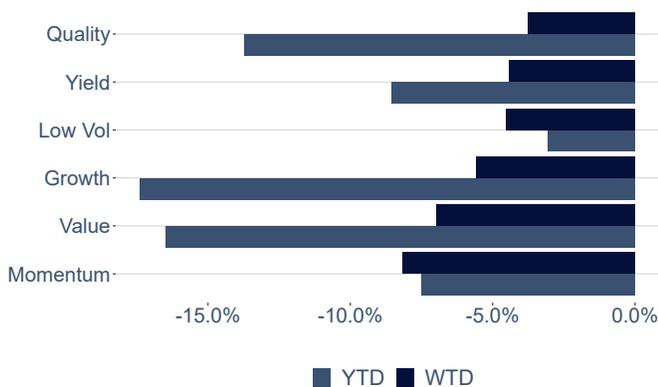


Source: Amadeus Capital SA2022-03-05

Equity Styles

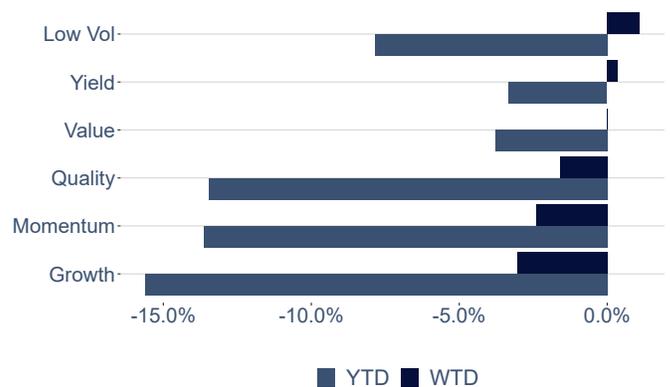
Styles Europe

Total return %

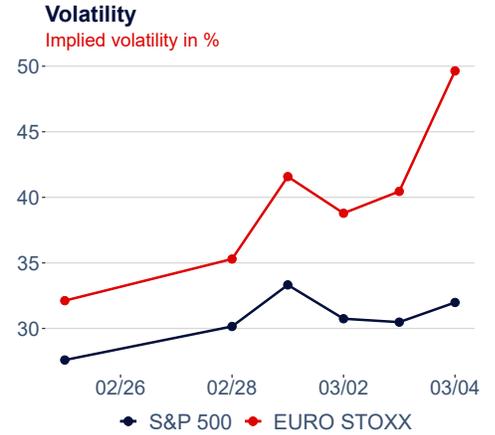
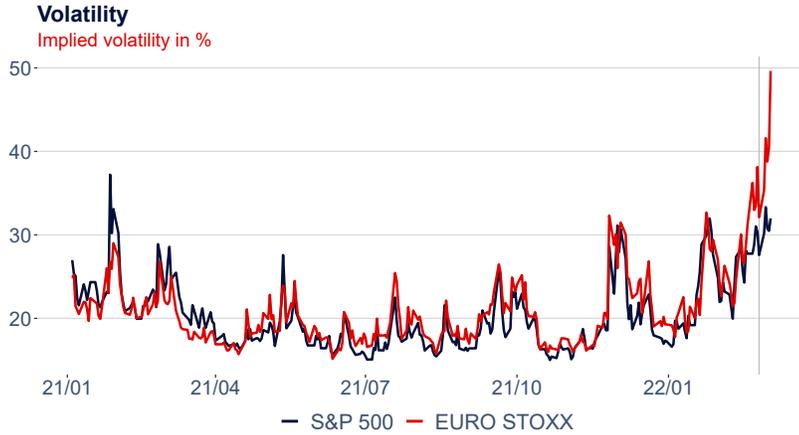


Styles U.S.

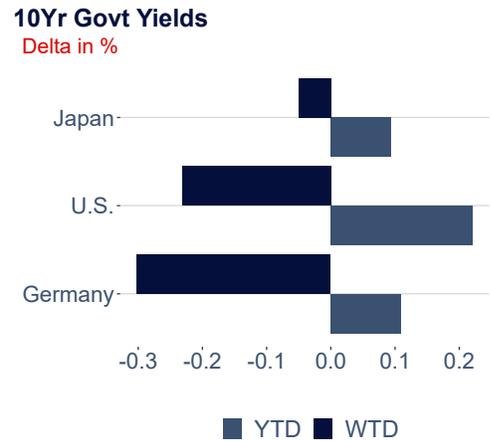
Total return %



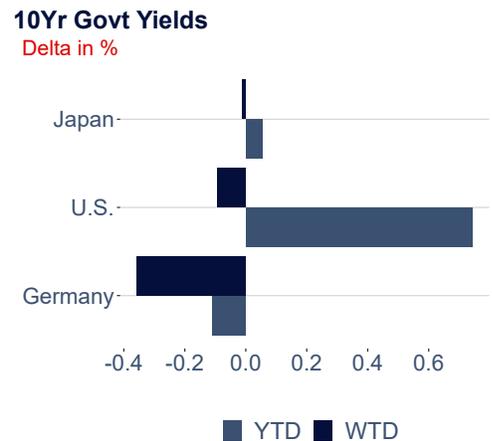
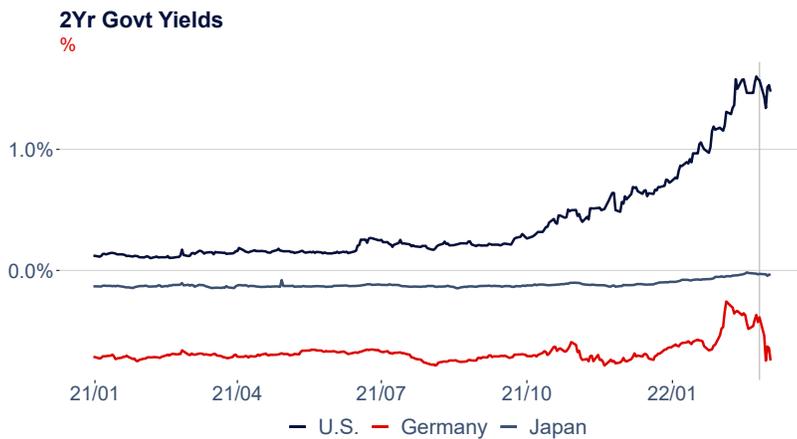
Volatility



Government Bond Yields

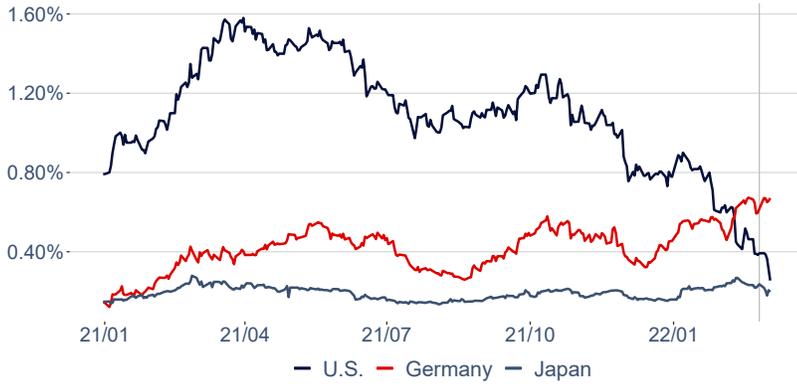


Government Bond Yields



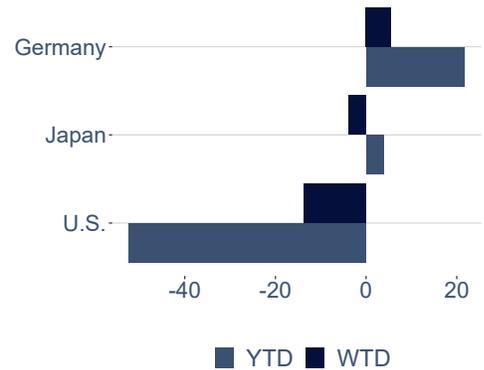
Government Bond Yields

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



Source: Amadeus Capital SA2022-03-05

10Yr Govt Yields
Delta in bp



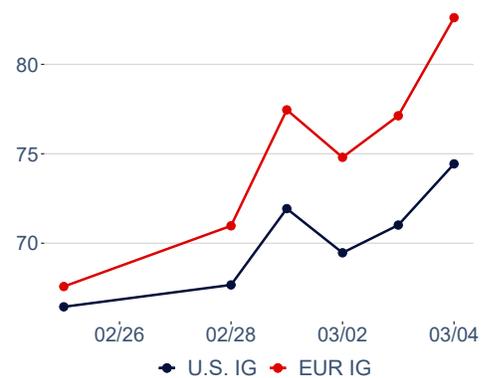
Credit Spreads

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA2022-03-05

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA2022-03-05

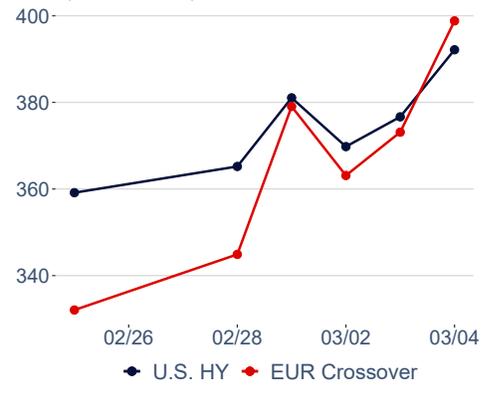
Credit Spreads

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA2022-03-05

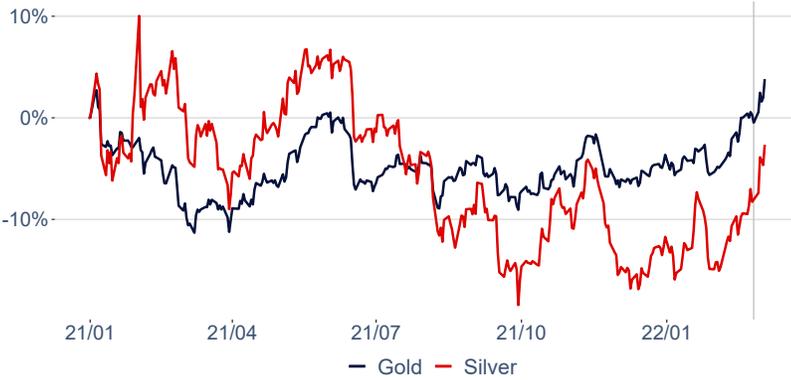
High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA2022-03-05

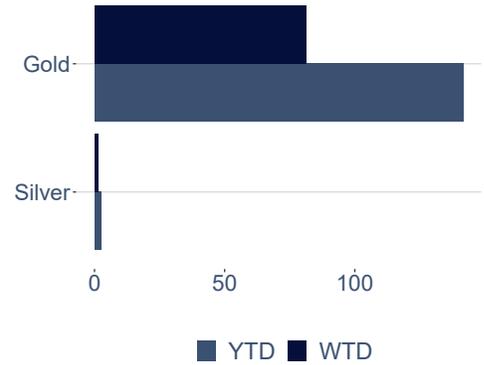
Precious Metals

Precious metals
Price change %



Source: Amadeus Capital SA2022-03-05

Precious metals
Price change %



Commodities

Crude oil
Price in USD



Source: Amadeus Capital SA2022-03-05

Crude oil
Price in USD



Source: Amadeus Capital SA2022-03-05

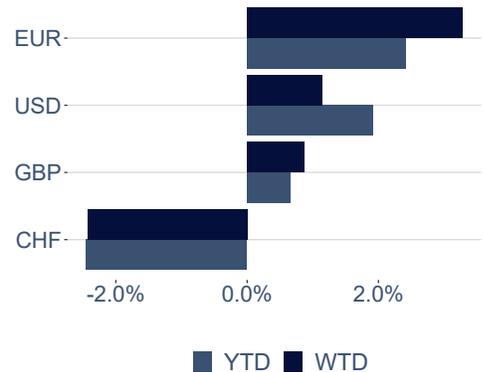
Currencies

Trade weighted currencies
Price change %



Source: Amadeus Capital SA2022-03-05

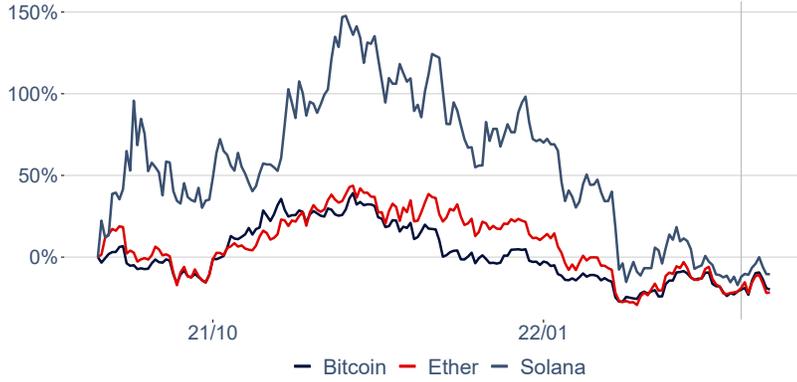
Trade weighted currencies
Price change %



Cryptocurrencies

Major cryptocurrencies in USD

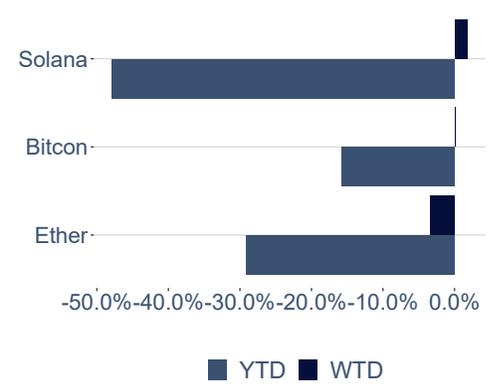
Price change %



Source: Amadeus Capital SA2022-03-05

Major cryptocurrencies in USD

Price change %



Major Events Last Week

The U.S. economy continues to shine, as indicated by strong PMIs and another jump in Nonfarm Payrolls to an impressive print of 678k. In Europe, solid economic data was entirely overshadowed by the escalation in Ukraine and increasing worries about the impact of sanctions and another rally in oil and gas prices. Inflation jumped from 5.1% to 5.8%, a notable surprise, given consensus expectations of 5.3%.

Nevertheless, the market doesn't expect actions from the ECB in this environment, as indicated by the rapid decline in German government bond yields. 2-year Bunds are now back to December levels, and the ECB faces tough questions on how to protect its credibility concerning inflation without spooking markets.

Date	Zone	Event	Previous	Forecast	Actual
28/02/2022	Australia	Retail Sales (MoM) (Jan)	-4.4%	0.4%	1.8%
28/02/2022	Russia	Interest Rate Decision	9.50%	-	20.00%
28/02/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
01/03/2022	China	Manufacturing PMI (Feb)	50.1	49.9	50.2
01/03/2022	China	Caixin Manufacturing PMI (Feb)	49.1	49.5	50.4
01/03/2022	Australia	RBA Interest Rate Decision (Mar)	0.10%	0.10%	0.10%
01/03/2022	Australia	RBA Rate Statement	-	-	-
01/03/2022	Germany	German Manufacturing PMI (Feb)	59.8	58.5	58.4
01/03/2022	United Kingdom	Manufacturing PMI (Feb)	57.3	57.3	58.0
01/03/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
01/03/2022	Canada	GDP (MoM) (Dec)	0.6%	0.1%	0.0%
01/03/2022	United States	ISM Manufacturing PMI (Feb)	57.6	58.0	58.6
01/03/2022	United States	U.S. President Biden Speaks	-	-	-
02/03/2022	Australia	GDP (QoQ) (Q4)	-1.9%	-2.7%	3.4%
02/03/2022	United States	U.S. President Biden Speaks	-	-	-
02/03/2022	Germany	German Unemployment Change (Feb)	-48K	-23K	-33K
02/03/2022	Euro Zone	CPI (YoY) (Feb)	5.1%	5.3%	5.8%
02/03/2022	United States	ADP Nonfarm Employment Change (Feb)	509K	378K	475K
02/03/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
02/03/2022	United States	Fed Chair Powell Testifies	-	-	-
02/03/2022	Canada	BoC Interest Rate Decision	0.25%	0.50%	0.50%
02/03/2022	United States	Crude Oil Inventories	4.515M	2.748M	-2.597M
03/03/2022	United Kingdom	Composite PMI (Feb)	54.2	60.2	59.9
03/03/2022	United Kingdom	Services PMI (Feb)	54.1	60.8	60.5
03/03/2022	Euro Zone	ECB Publishes Account of Monetary Policy Meeting	-	-	-
03/03/2022	United States	Initial Jobless Claims	233K	226K	215K
03/03/2022	United States	Fed Chair Powell Testifies	-	-	-
03/03/2022	United States	ISM Non-Manufacturing PMI (Feb)	59.9	61.0	56.5
04/03/2022	Australia	Retail Sales (MoM)	-4.4%	1.8%	1.8%
04/03/2022	United Kingdom	Construction PMI (Feb)	56.3	54.3	59.1
04/03/2022	United States	Nonfarm Payrolls (Feb)	481K	400K	678K
04/03/2022	United States	Unemployment Rate (Feb)	4.0%	3.9%	3.8%
04/03/2022	Canada	Ivey PMI (Feb)	50.7	54.2	60.6

The Week Ahead

Markets will likely continue to focus on new developments in Ukraine and its implications for health and stability, mainly of the Western European economies.

As new inflationary pressure is building up in commodities markets, while February CPIs just brought a new high, the ECB must carefully navigate very choppy waters. In line with the bank's forward guidance, rates are not expected to change next week, but markets will diligently scrutinize its Policy Statements, looking for clues on its future stance.

Date	Zone	Event	Previous	Forecast	Actual
09/03/2022	Japan	GDP (QoQ) (Q4)	1.3%	1.4%	-
09/03/2022	United States	JOLTs Job Openings (Jan)	10.925M	10.925M	-
09/03/2022	United States	Crude Oil Inventories	-2.597M	-	-
10/03/2022	Euro Zone	EU Leaders Summit	-	-	-
10/03/2022	Euro Zone	Deposit Facility Rate (Mar)	-0.50%	-0.50%	-
10/03/2022	Euro Zone	ECB Marginal Lending Facility	0.25%	-	-
10/03/2022	Euro Zone	ECB Monetary Policy Statement	-	-	-
10/03/2022	Euro Zone	ECB Interest Rate Decision (Mar)	-	-	-
10/03/2022	United States	Core CPI (MoM) (Feb)	0.6%	0.5%	-
10/03/2022	Euro Zone	ECB Press Conference	-	-	-
11/03/2022	United Kingdom	GDP (MoM)	-0.2%	-	-
11/03/2022	United Kingdom	Manufacturing Production (MoM) (Jan)	0.2%	0.2%	-
11/03/2022	Euro Zone	EU Leaders Summit	-	-	-
11/03/2022	Canada	Employment Change (Feb)	-200.1K	160.0K	-

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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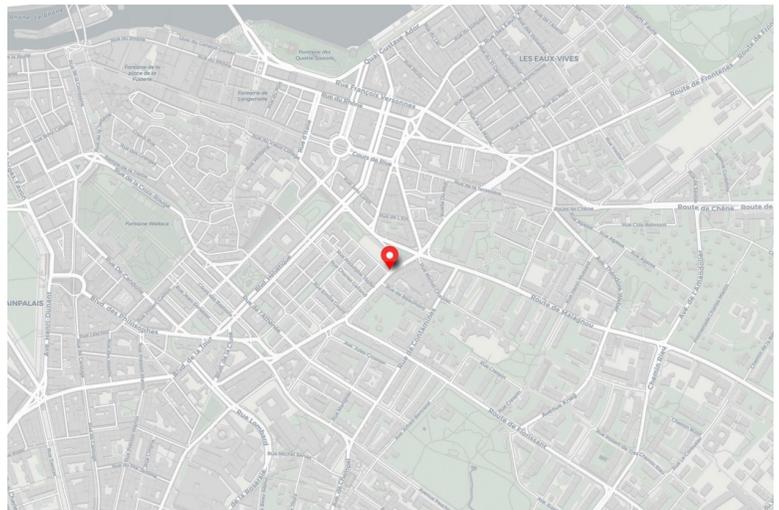
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