amadeus capital

Global Markets in 30 Charts

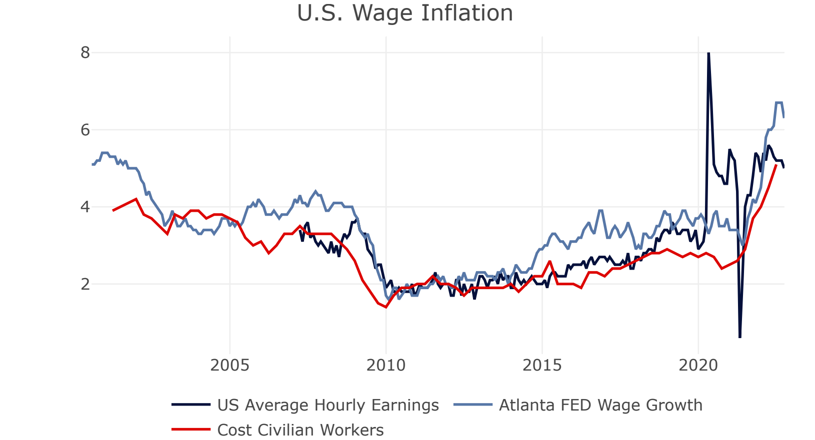
Amadeus Weekly

Quick recap

- Western equity markets went through a roller-coaster ride this week, initially reacting very negatively to higher-than-anticipated U.S. inflation but then turning higher over the course of the day.
- Market observers struggled to explain the moves, but oversold conditions are widely quoted as a potential reason. Put volumes surged again towards the end of the week bringing the Put/Call ratio to 1.4.
- Chinese markets closed sharply lower ahead of tomorrow's National Congress of the CCP, which is expected to grant Xi another term. Meanwhile, new export curbs affecting the semiconductor supply chains are expected to give a heavy blow to China's ambitions in space.
- Harvard University warned of looming markdowns to its private market portfolio, giving another hint that Private Equity and Venture Capital participations will see valuations tumble over the next quarters.

Overview

U.S. Wage Inflation



U.S. inflation surprised on the upside this week, with headline numbers showing almost no improvement compared to last month. Core inflation rose to a new high as labour markets have continued to experience robustness while the economy is on a slow growth trajectory. Inflation was also driven higher by a surprisingly strong rise in shelter costs. Consequently, rate expectations inched higher following this week's print, and markets are now fully pricing a 75bp hike. It's only a small consolation that the Atlanta Fed Wage Growth tracker recently started to decrease, indicating that we have likely seen peak wage growth.

Markets at a glance

S&P 500
Index level

STOXX 600
Index level

SMI Index
Index level

MSCI China
Index level

10Yr Treasury
Yield in %

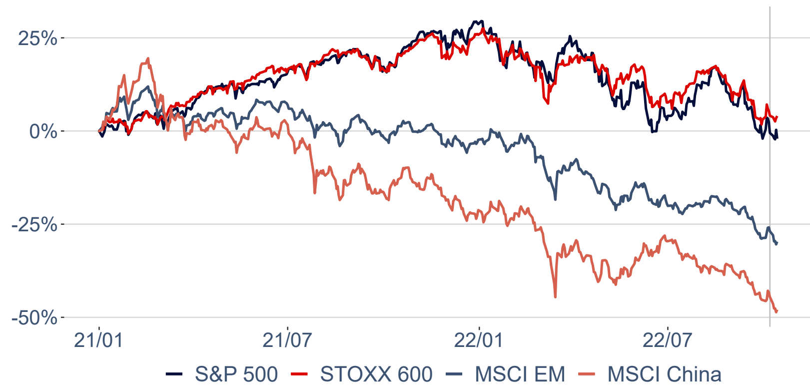
US High Yield Spreads
CDX Spread in bp

Gold
Price in USD

Crude Oil
Price in USD

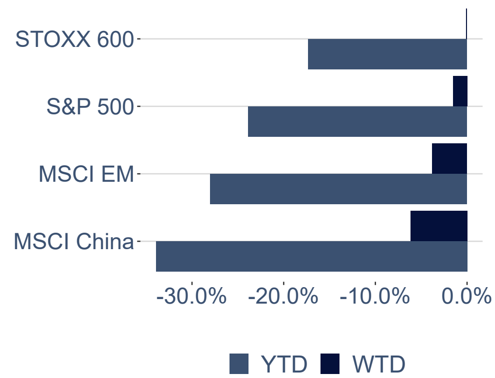
Major Equity Markets

Broad Markets
Total return %



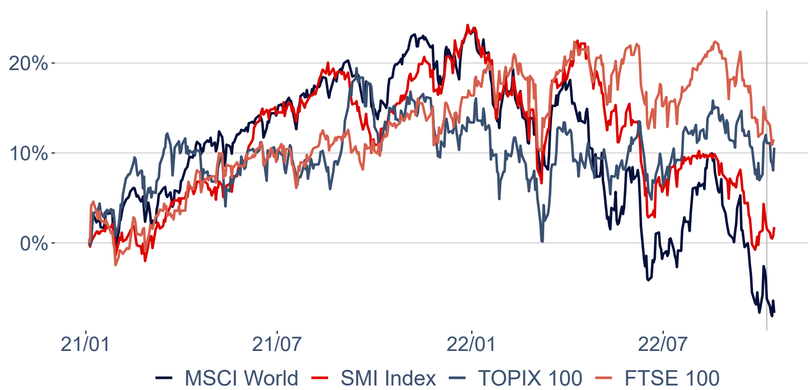
Source: Amadeus Capital SA 2022-10-15

Broad Markets
Total return %



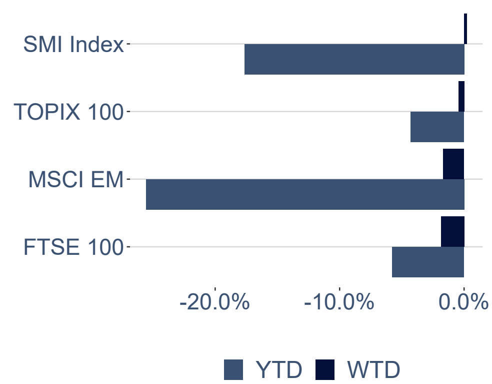
Major Equity Markets

Broad Markets
Total return %



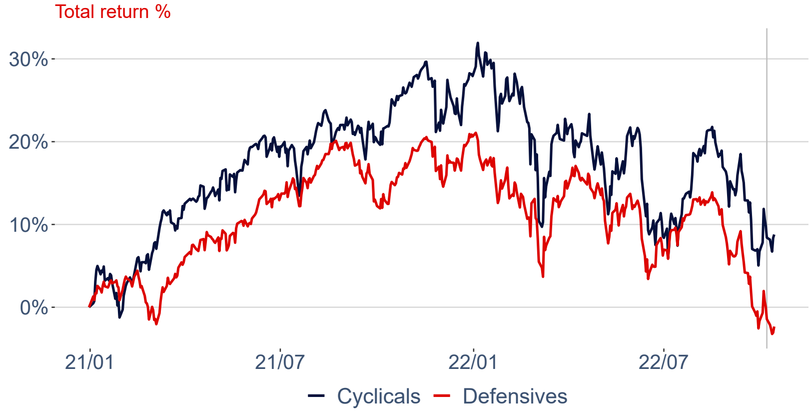
Source: Amadeus Capital SA 2022-10-15

Broad Markets
Total return %



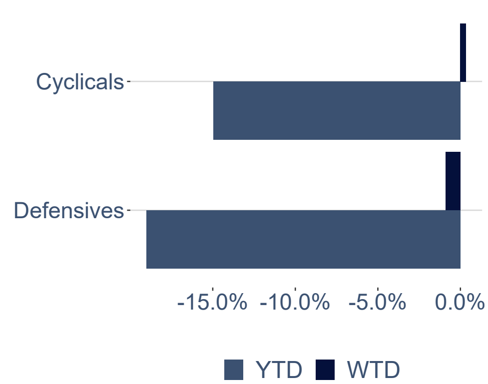
Equity Sectors

Cyclicals vs Defensives Europe
Total return %



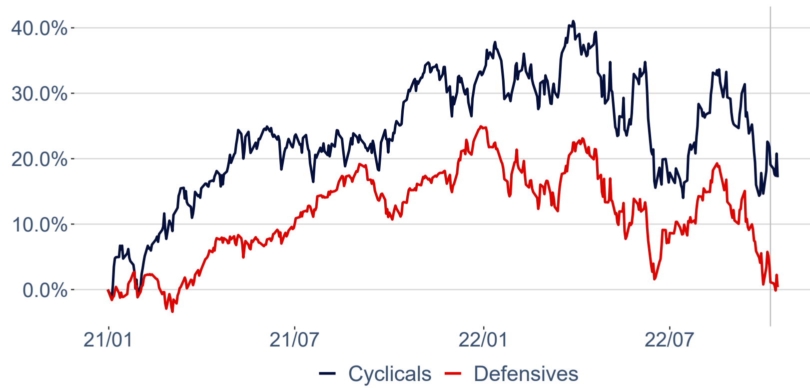
Source: Bloomberg, Amadeus 2022-10-15

Cyclicals vs Defensives Europe
Total return %



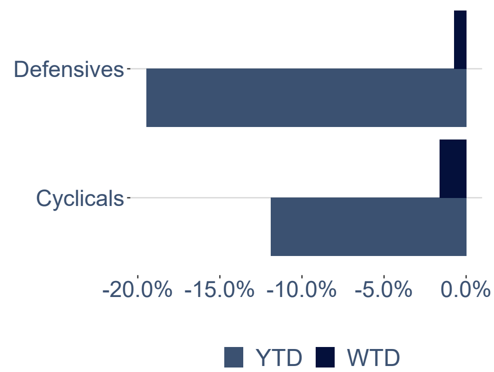
Equity Sectors

Sectors U.S.
Total return %



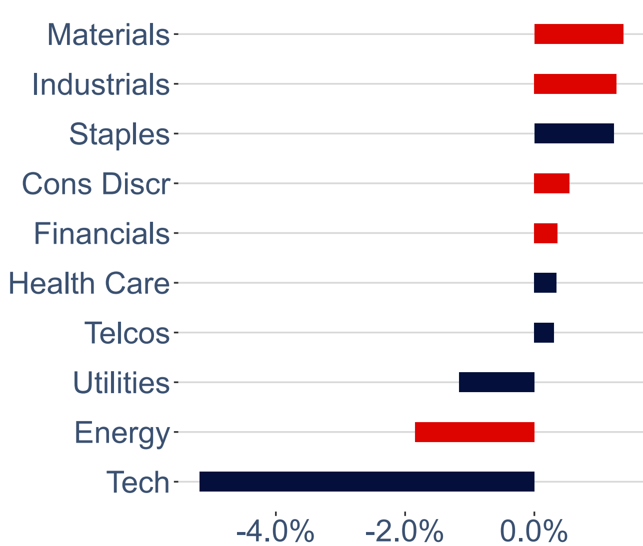
Source: Bloomberg, Amadeus 2022-10-15

Cyclicals vs Defensives U.S.
Total return %

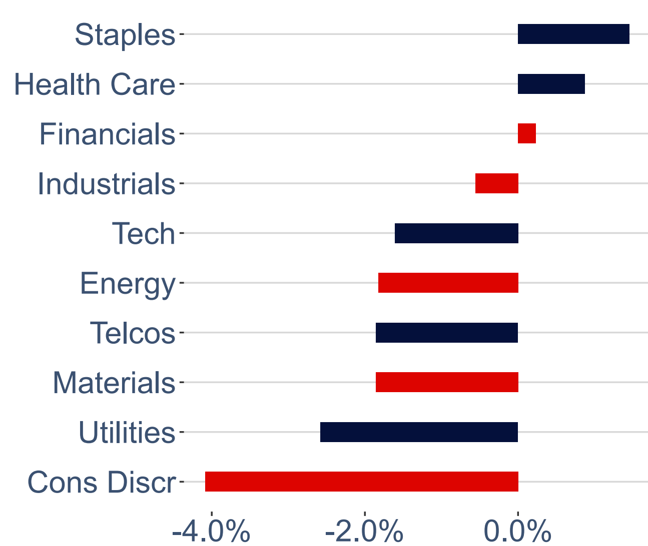


Equity Sectors

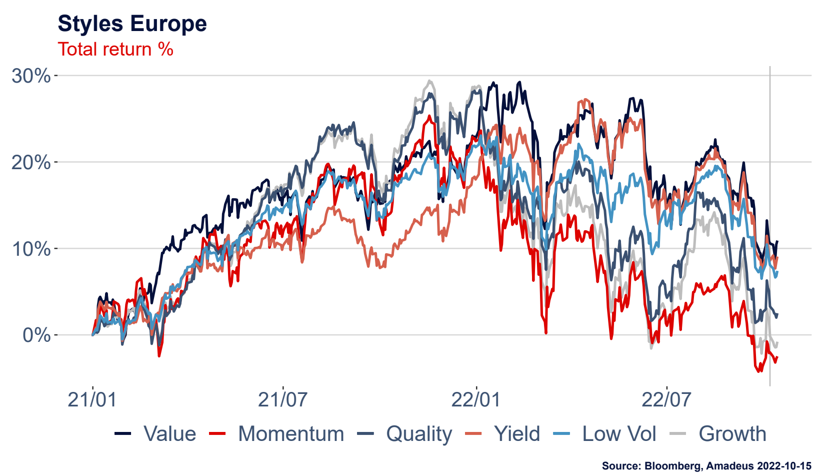
Sectors Europe
Last week's performance %

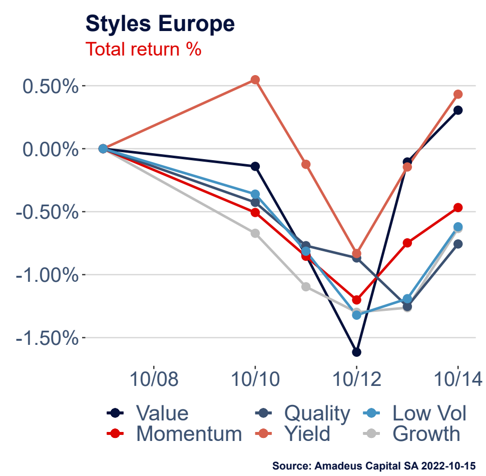


Sectors U.S.
Cyc = red, def = blue



Equity Styles





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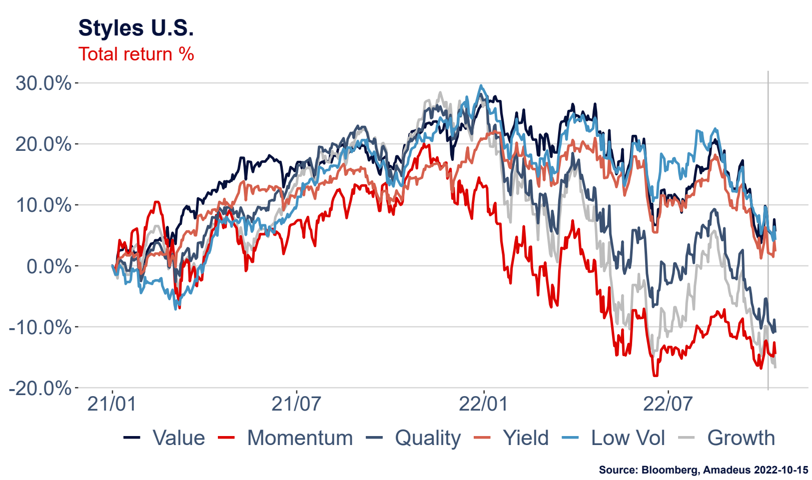

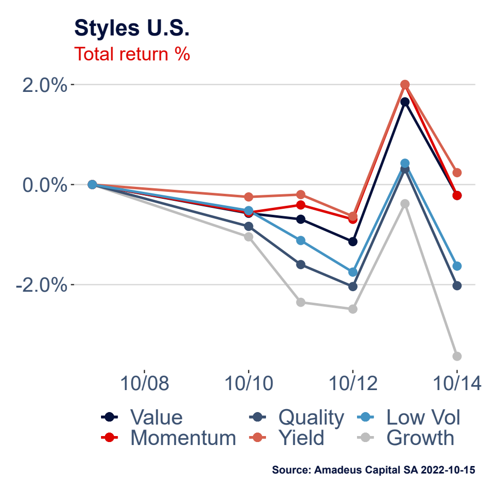

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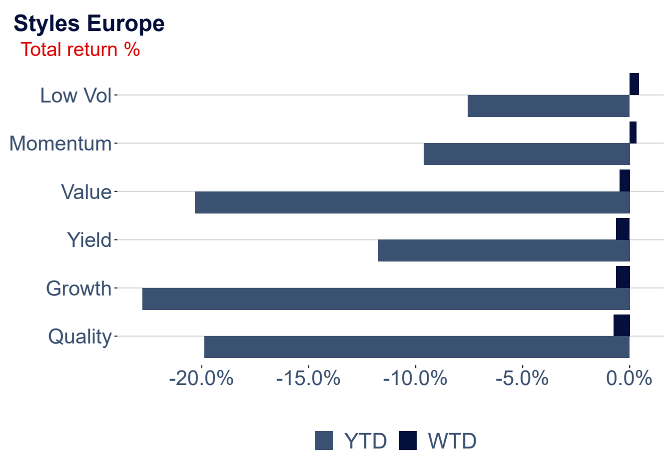
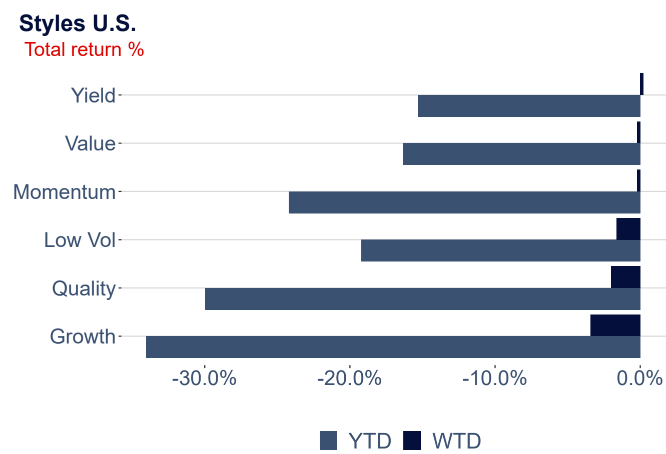
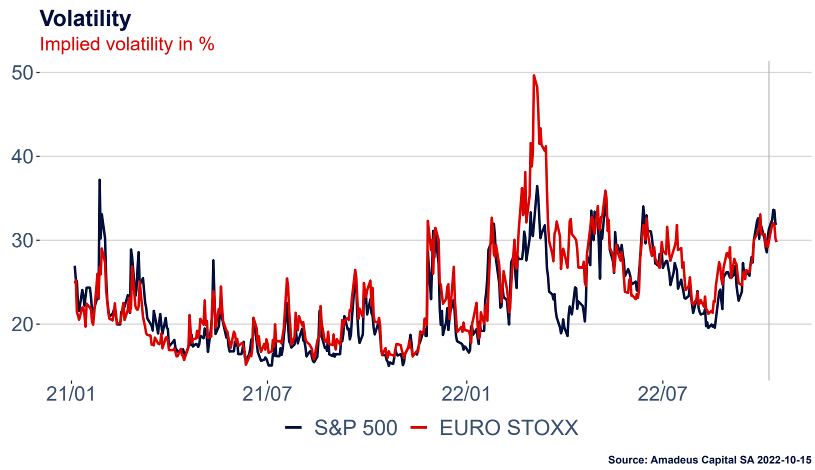
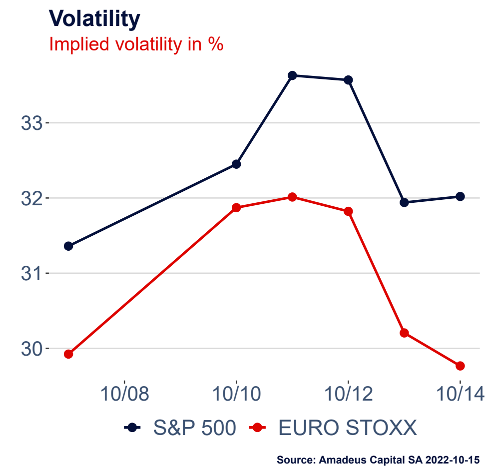


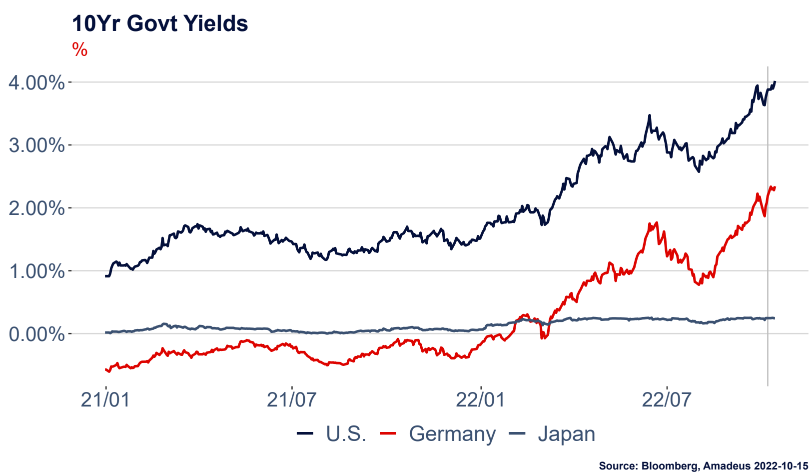


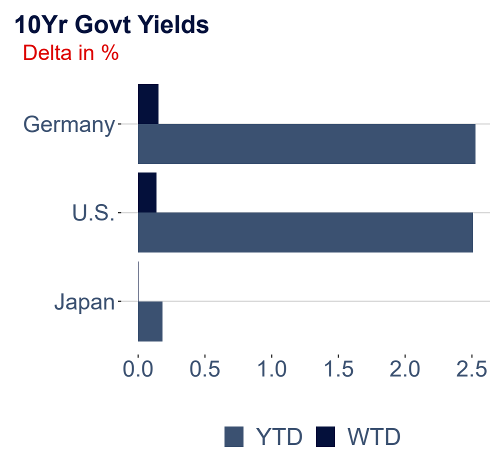
Volatility



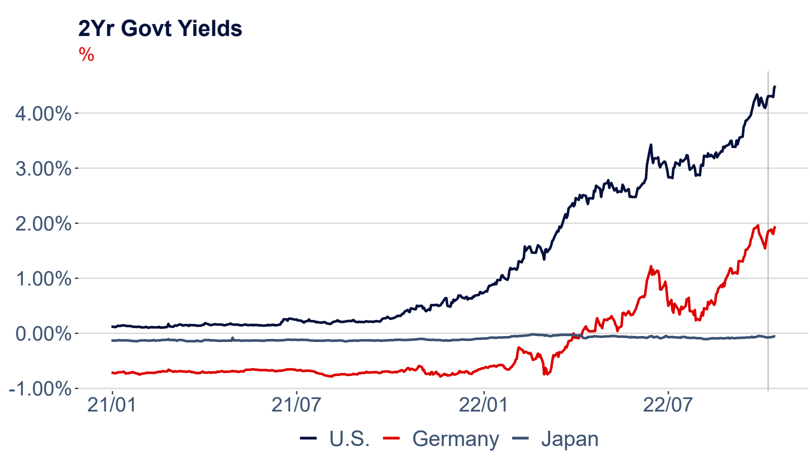


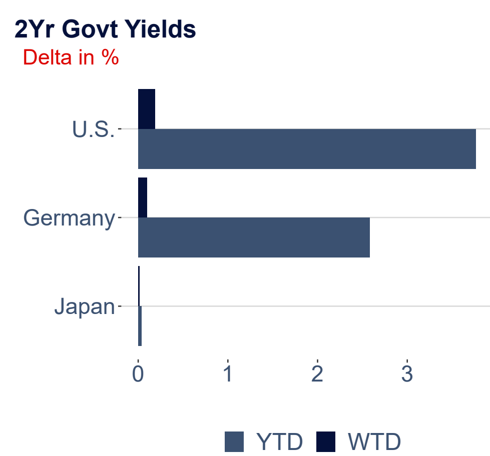
Government Bond Yields



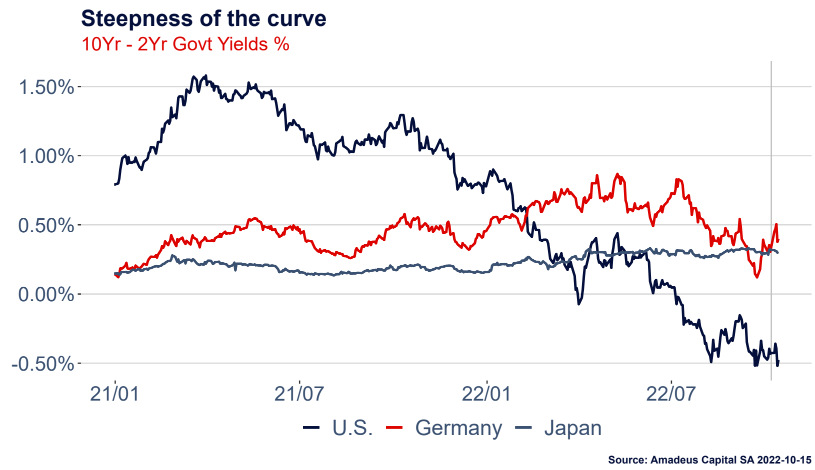


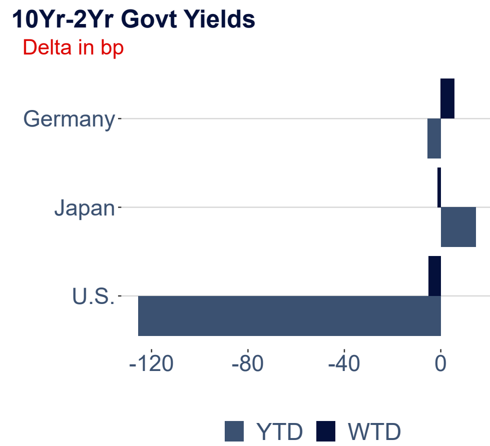
Government Bond Yields



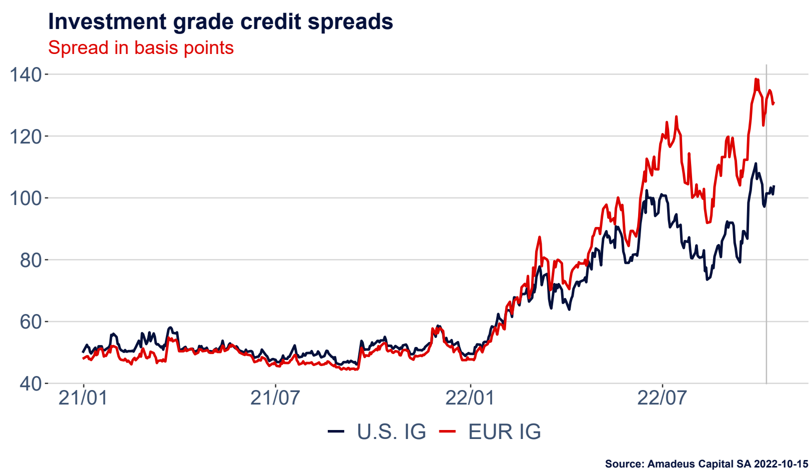


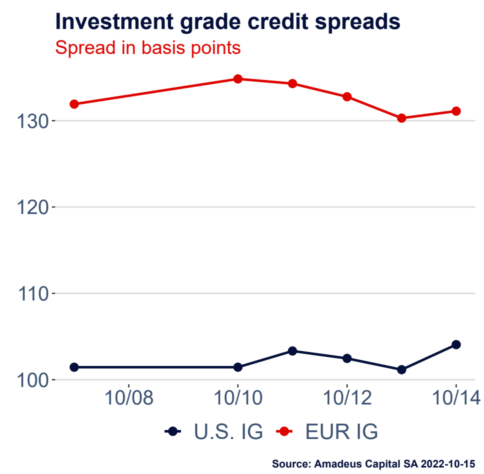
Government Bond Yields



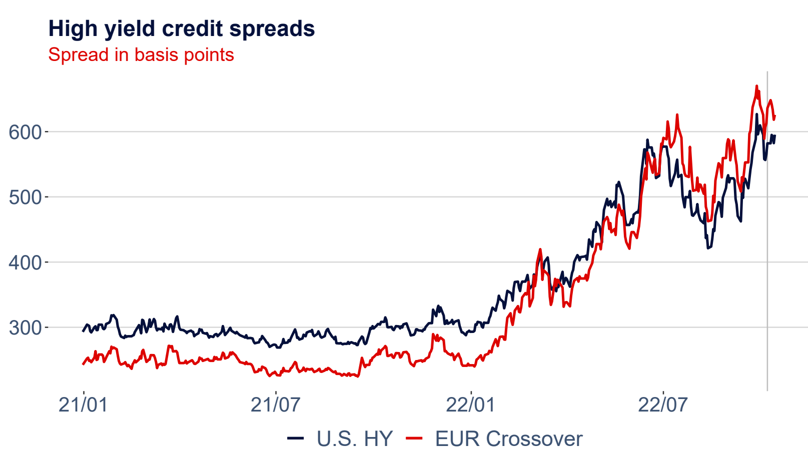


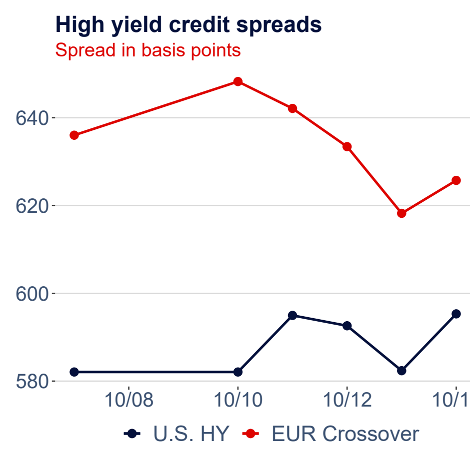
Credit Spreads





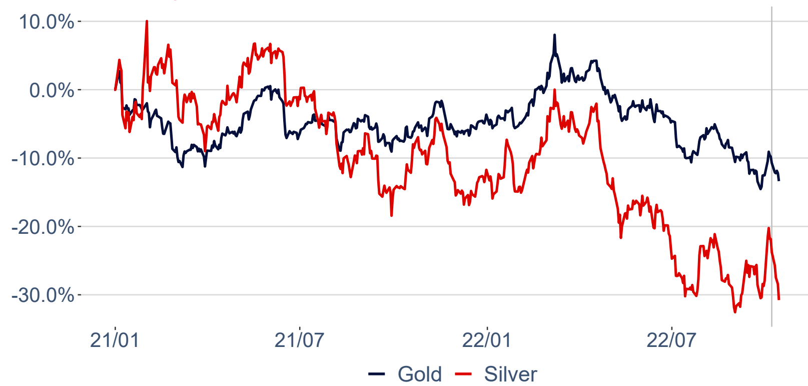
Credit Spreads





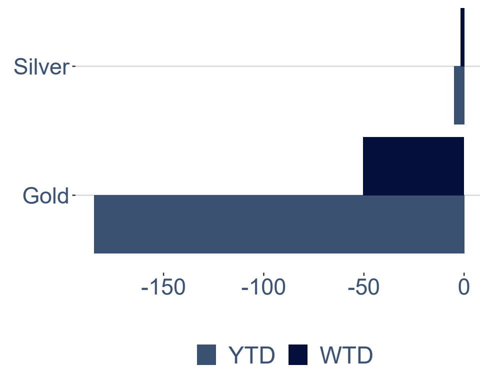
Precious Metals

Precious metals
Price change %



Source: Amadeus Capital SA 2022-10-15

Precious metals
Price change in USD

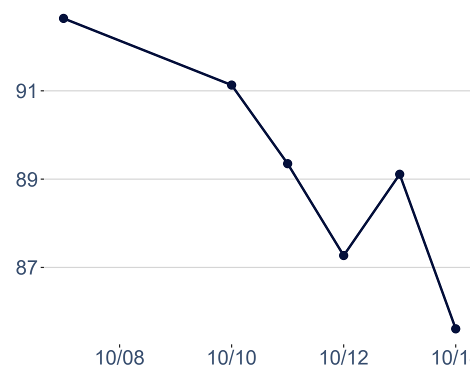


Commodities

Crude oil
Price in USD

Source: Amadeus Capital SA 2022-10-15

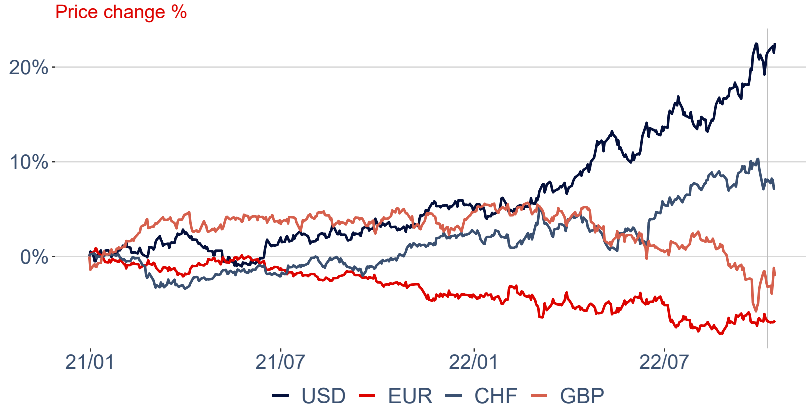
Crude oil
Price in USD



Source: Amadeus Capital SA 2022-10-15

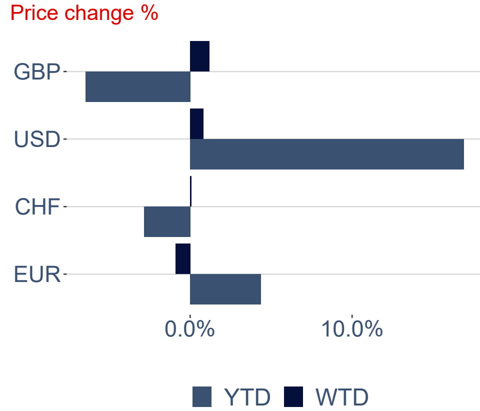
Currencies

Trade weighted currencies
Price change %

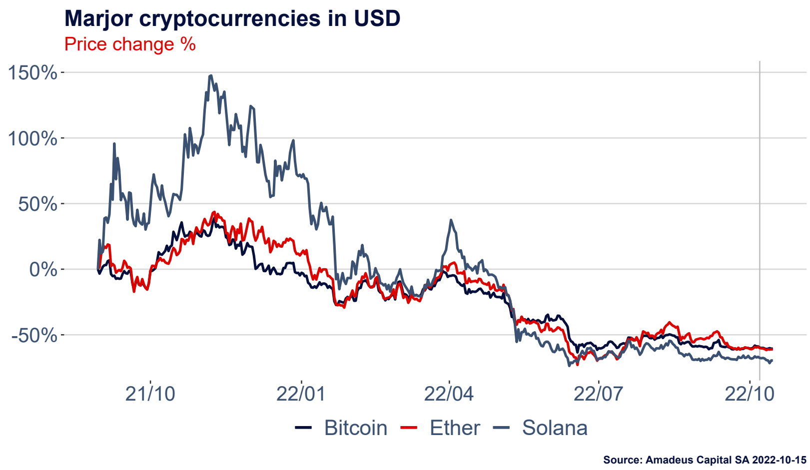


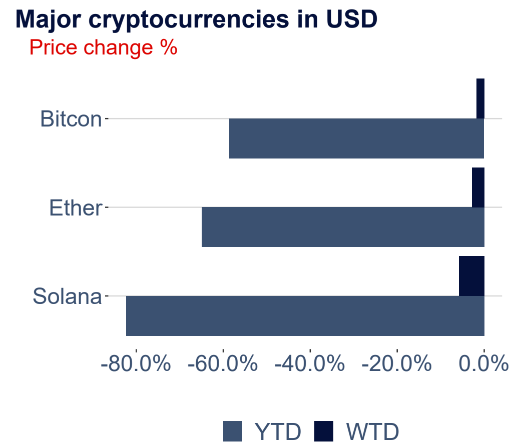
Source: Amadeus Capital SA 2022-10-15

Trade weighted currencies
Price change %



Cryptocurrencies





Major Events Last Week

While the U.K. government is struggling with its homemade problems, economic data has turned out significantly worse than expected, with GDP surprising on the downside and Manufacturing Production contracting sharply in August. In the U.S., inflation data was clearly disappointing, with core inflation inching higher, in-line with recent nowcasts, though. Crude inventories surprised positively this week following recent fears about dwindling supplies on the back of federal releases of emergency stocks. In Europe, there were hints that ECB internal models see rates peaking substantially below current market implied yields (2.25% instead of 3%). It has also started discussing its balance sheet reduction - a tightrope walk between fighting inflation and keeping the cost of debt under control.

Date	Zone	Event	Previous	Forecast	Actual
11/10/2022	United Kingdom	Average Earnings Index +Bonus (Aug)	5.5%	5.9%	6.0%
11/10/2022	United Kingdom	Claimant Count Change (Sep)	1.1K	4.2K	25.5K
12/10/2022	United Kingdom	BoE Gov Bailey Speaks	-	-	-
12/10/2022	United Kingdom	GDP (MoM)	0.1%	0.0%	-0.3%
12/10/2022	United Kingdom	GDP (YoY)	3.1%	2.4%	2.0%
12/10/2022	United Kingdom	Manufacturing Production (MoM) (Aug)	-1.1%	0.2%	-1.6%
12/10/2022	United Kingdom	Monthly GDP 3M/3M Change	0.0%	-0.2%	-0.3%
12/10/2022	United States	PPI (MoM) (Sep)	-0.2%	0.2%	0.4%
12/10/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
13/10/2022	United States	EIA Short-Term Energy Outlook	-	-	-
13/10/2022	United States	FOMC Meeting Minutes	-	-	-
13/10/2022	Germany	German CPI (YoY) (Sep)	7.9%	10.0%	10.0%
13/10/2022	United States	Core CPI (MoM) (Sep)	0.6%	0.5%	0.6%
13/10/2022	United States	CPI (YoY) (Sep)	8.3%	8.1%	8.2%
13/10/2022	United States	CPI (MoM) (Sep)	0.1%	0.2%	0.4%
13/10/2022	United States	Initial Jobless Claims	219K	225K	228K
13/10/2022	United States	Crude Oil Inventories	-1.356M	1.750M	9.880M
14/10/2022	Israel	CPI (YoY) (Sep)	4.6%	4.5%	4.6%
14/10/2022	Israel	CPI (MoM) (Sep)	-0.3%	0.1%	0.2%
14/10/2022	United States	Core Retail Sales (MoM) (Sep)	-0.1%	-0.1%	0.1%
14/10/2022	United States	Retail Sales (MoM) (Sep)	0.4%	0.2%	0.0%
15/10/2022	United Kingdom	BoE Gov Bailey Speaks	-	-	-

The Week Ahead

Asian markets will closely watch the 20th National Congress of the Chinese Communist Party on Sunday and the government's actions over the coming weeks. Bulls see the potential for a relaxation of the country's draconian Covid regime once Xi has secured another term. Furthermore, the PBoC will decide on rates again on Thursday. This week, Consumer Price Inflation hit 2.8%, a level far below the current price surges suffered by Western consumers but the highest level since April 2020. At the same time, Producer Price inflation has slowed, and Core Inflation of only 0.6% hints at weak demand and further room to cut rates.

Date	Zone	Event	Previous	Forecast	Actual
18/10/2022	New Zealand	CPI (QoQ) (Q3)	1.7%	1.6%	-
18/10/2022	Australia	RBA Meeting Minutes	-	-	-
18/10/2022	China	GDP (YoY) (Q3)	0.4%	3.4%	-
18/10/2022	China	Industrial Production (YoY) (Sep)	4.2%	4.5%	-
18/10/2022	Germany	German ZEW Economic Sentiment (Oct)	-61.9	-66.0	-
19/10/2022	United Kingdom	CPI (YoY) (Sep)	9.9%	10.0%	-
19/10/2022	Euro Zone	CPI (YoY) (Sep)	10.0%	10.0%	-
19/10/2022	United States	Building Permits (Sep)	1.542M	1.530M	-
19/10/2022	Canada	Core CPI (MoM) (Sep)	0.0%	-	-
19/10/2022	United States	Crude Oil Inventories	9.880M	-	-
20/10/2022	Australia	Employment Change (Sep)	33.5K	25.0K	-
20/10/2022	China	PBoC Loan Prime Rate	3.65%	-	-
20/10/2022	Türkiye	One-Week Repo Rate (Oct)	12.00%	11.00%	-
20/10/2022	Türkiye	Overnight Borrowing Rate (Oct)	10.50%	-	-
20/10/2022	United States	Initial Jobless Claims	228K	232K	-
20/10/2022	United States	Philadelphia Fed Manufacturing Index (Oct)	-9.9	-5.0	-
20/10/2022	United States	Existing Home Sales (Sep)	4.80M	4.69M	-
21/10/2022	United Kingdom	Retail Sales (MoM) (Sep)	-1.6%	-0.5%	-
21/10/2022	Canada	Core Retail Sales (MoM) (Aug)	-3.1%	0.4%	-

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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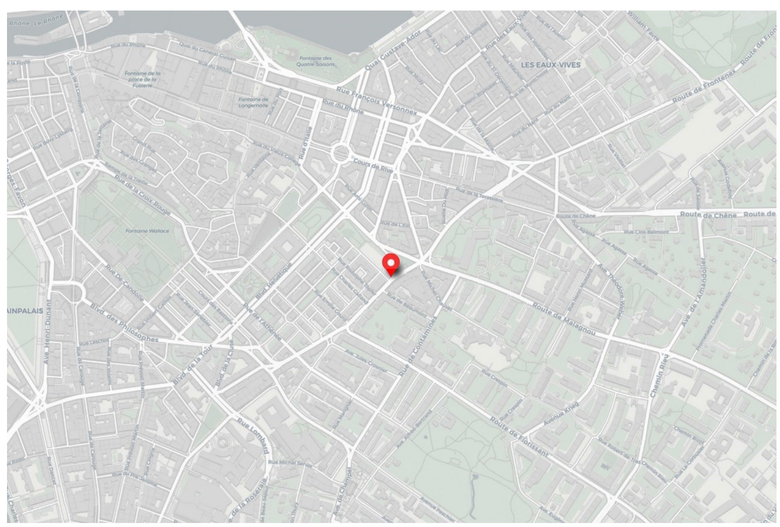

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