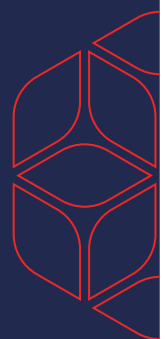


## Quick recap

- European stocks finished sharply higher on Friday, but the recovery was reversed in futures markets less than an hour after close. U.S. markets finished roughly 1% lower on Friday.
- Shaky stock market performance on Friday was widely attributed to stronger than expected Nonfarm Payroll data, fueling fears of Fed tightening. Indeed, benchmark yields rose further this week, especially on the short end of the curve - even though rates slightly retraced slightly towards the end of the week.
- The end of the week also brought a further escalation of the energy crisis, as the announcement of a G7-backed price cap on Russian oil was answered with the indefinite shutdown of supply to Europe.
- Meanwhile, China's stock declined as a fresh round of harsh Covid restrictions cast doubts about the effectiveness of recently introduced fiscal and monetary stimulus measures.



## Overview

### Equities

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

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

### Fixed Income

- Government Yields
- Government Curve
- Credit Spreads

p. 5-6  
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p. 6  
p. 6

### Commodities

- Precious Metals
- Oil
- Cryptocurrencies

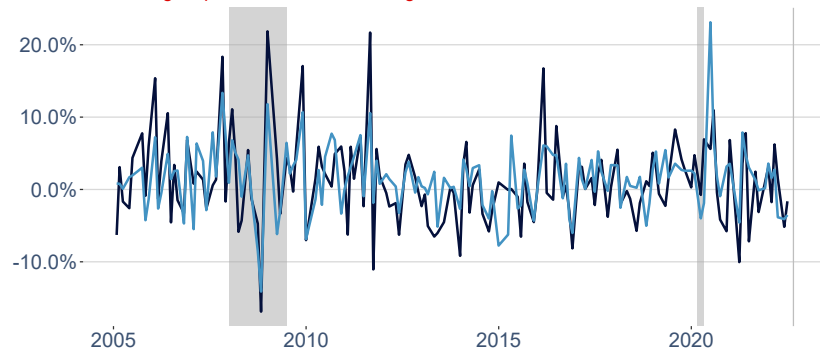
p. 7-8  
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### Economic Calendar

p. 9-10

### Gold Price Model

Realized gold price m/m vs Cobb-Douglas fitted values



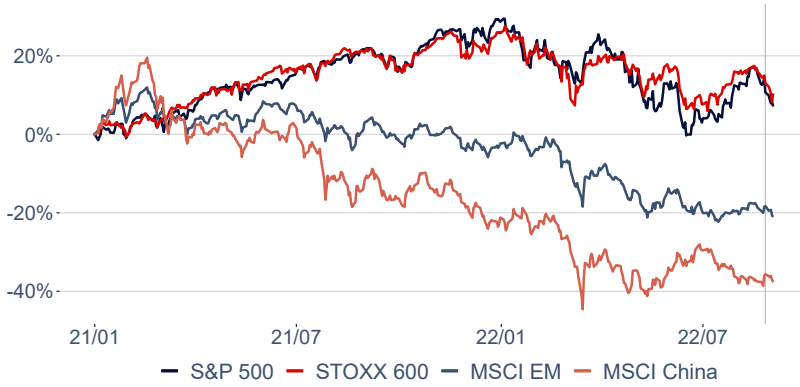
For gold bugs, 2022 must have been a pretty disappointing year so far. The precious metal, frequently advertised as the ultimate crisis hedge, has not exactly shone in a market environment driven by rising inflation and geo-political tensions. We, therefore, had a closer look at gold this week and tested its sensitivity to various factors, including changes in inflation, inflation expectations, interest rates, the trade-weighted USD, the VIX, the S&P 500 and oil as a proxy for the state of the commodities market. Our regression model finds that long-term interest rates and the USD are the most potent determinants of the gold price and predicts monthly price changes between 2005 and 2022 with an adjusted R<sup>2</sup> of 0.43. Furthermore, we fitted a Cobb-Douglas Function to the data between 2005 and 2014 and subsequently tested it out of the sample for the past eight years (out of sample R<sup>2</sup> of 0.25). The results are displayed in the chart above. It's the Treasury and the USD, stupid.

## Markets at a glance



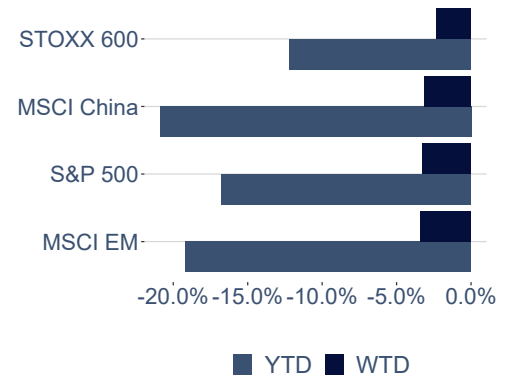
Major Equity Markets

**Broad Markets**  
Total return %



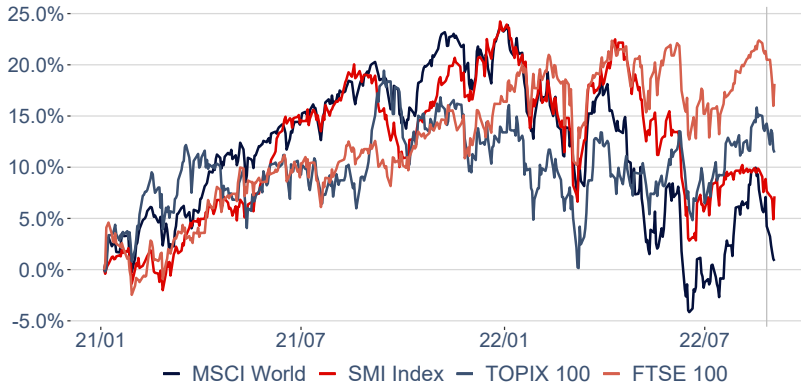
Source: Amadeus Capital SA 2022-09-03

**Broad Markets**  
Total return %



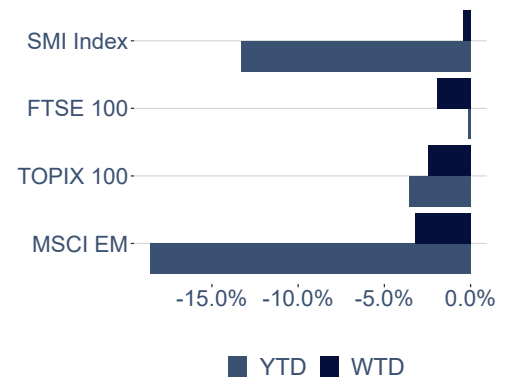
Major Equity Markets

**Broad Markets**  
Total return %



Source: Amadeus Capital SA 2022-09-03

**Broad Markets**  
Total return %



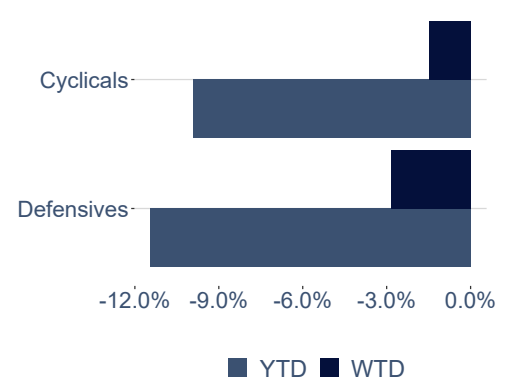
Equity Sectors

**Cyclicals vs Defensives Europe**  
Total return %



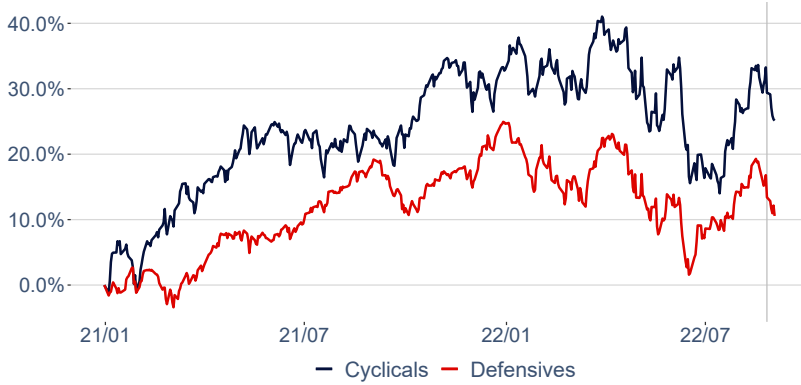
Source: Bloomberg, Amadeus 2022-09-03

**Cyclicals vs Defensives Europe**  
Total return %



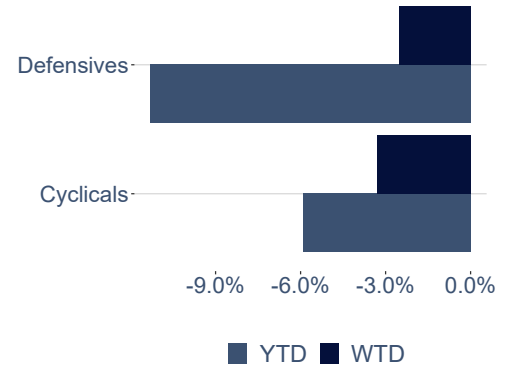
## Equity Sectors

**Sectors U.S.**  
Total return %



Source: Bloomberg, Amadeus 2022-09-03

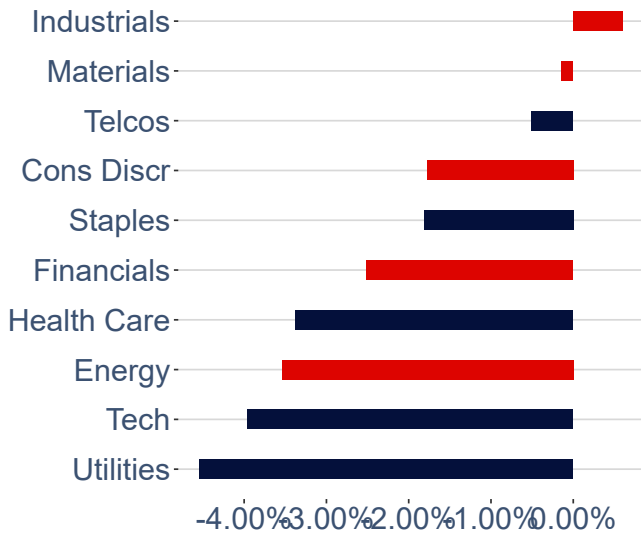
**Cyclicals vs Defensives U.S.**  
Total return %



## Equity Sectors

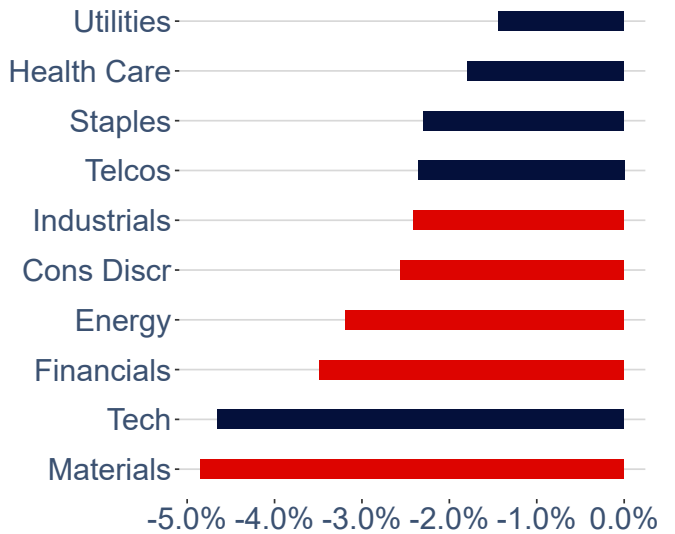
### Sectors Europe

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



### Sectors U.S.

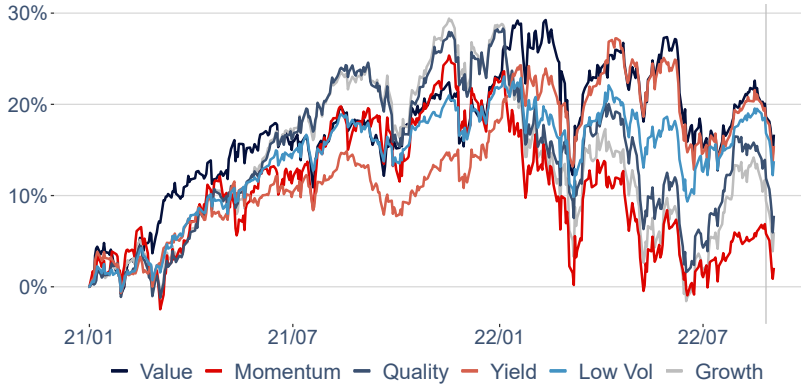
Last week's performance %



Equity Styles

**Styles Europe**

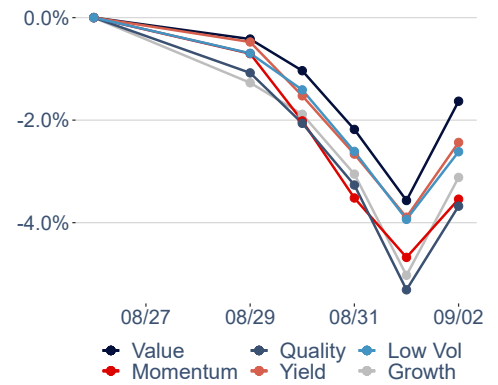
Total return %



Source: Bloomberg, Amadeus 2022-09-03

**Styles Europe**

Total return %



Source: Amadeus Capital SA 2022-09-03

Equity Styles

**Styles U.S.**

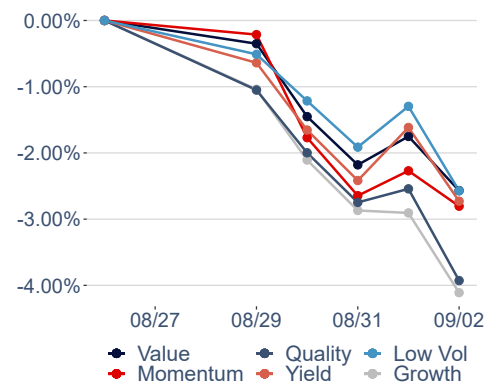
Total return %



Source: Bloomberg, Amadeus 2022-09-03

**Styles U.S.**

Total return %

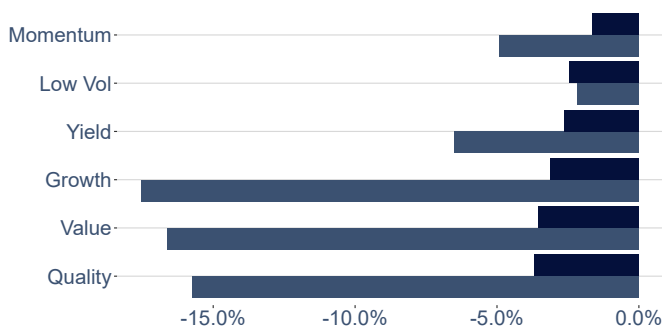


Source: Amadeus Capital SA 2022-09-03

Equity Styles

**Styles Europe**

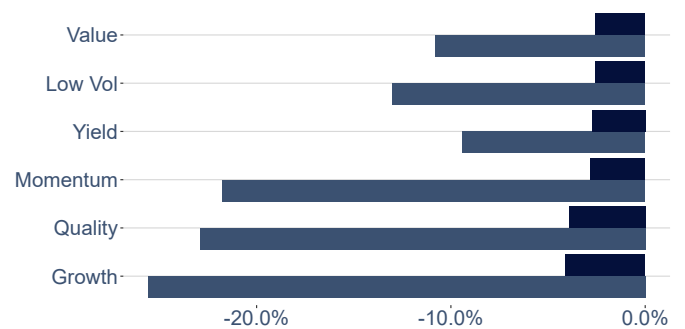
Total return %



■ YTD ■ WTD

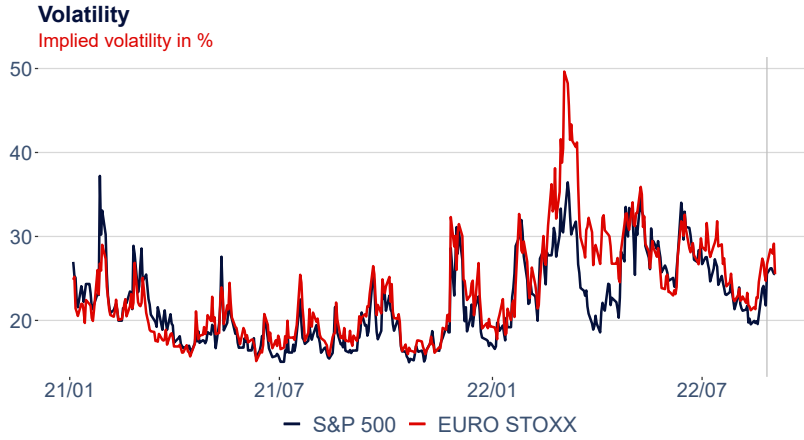
**Styles U.S.**

Total return %

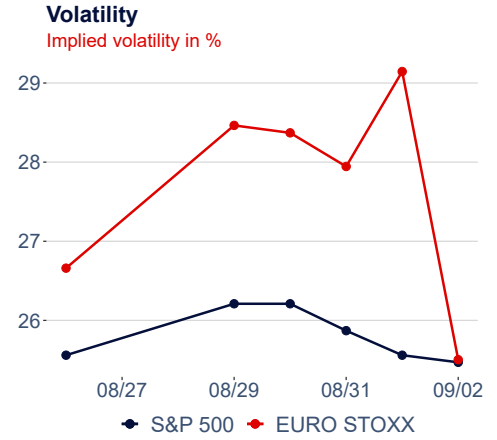


■ YTD ■ WTD

**Volatility**

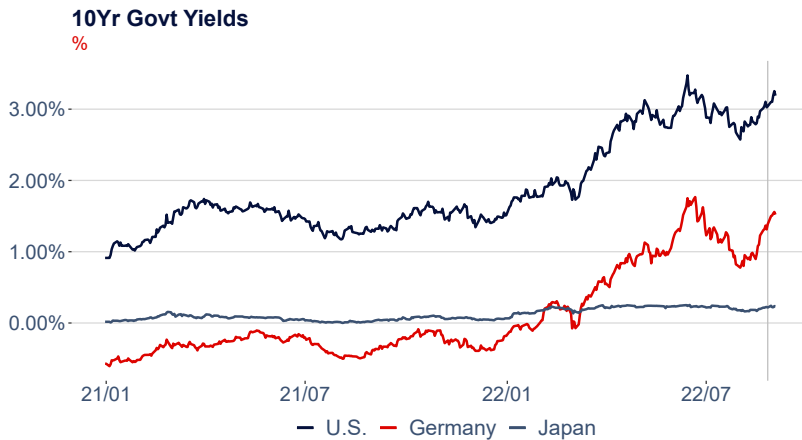


Source: Amadeus Capital SA 2022-09-03



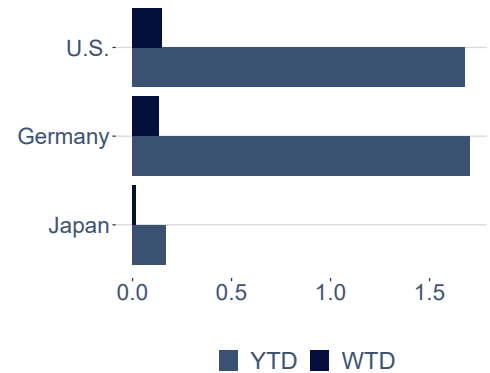
Source: Amadeus Capital SA 2022-09-03

**Government Bond Yields**

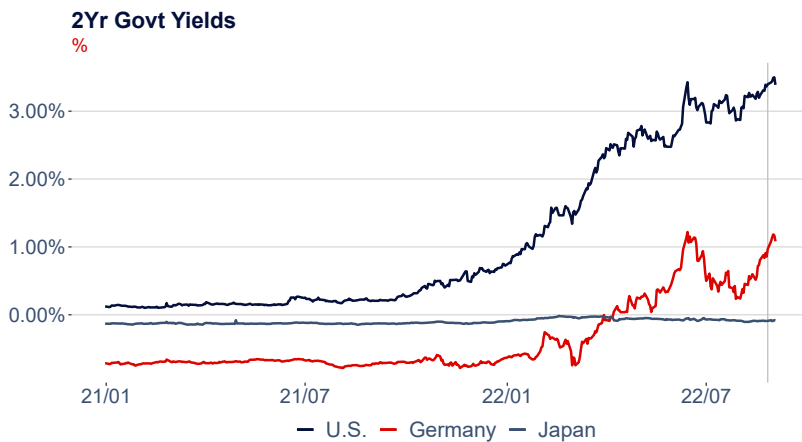


Source: Bloomberg, Amadeus 2022-09-03

**10Yr Govt Yields**  
Delta in %

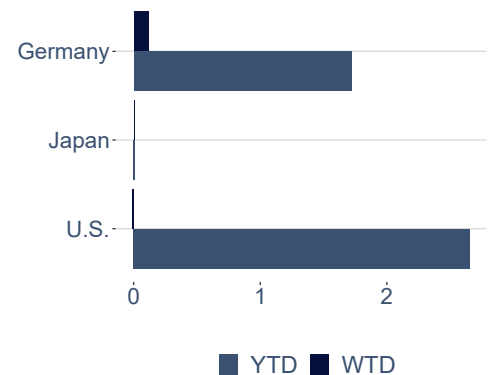


**Government Bond Yields**



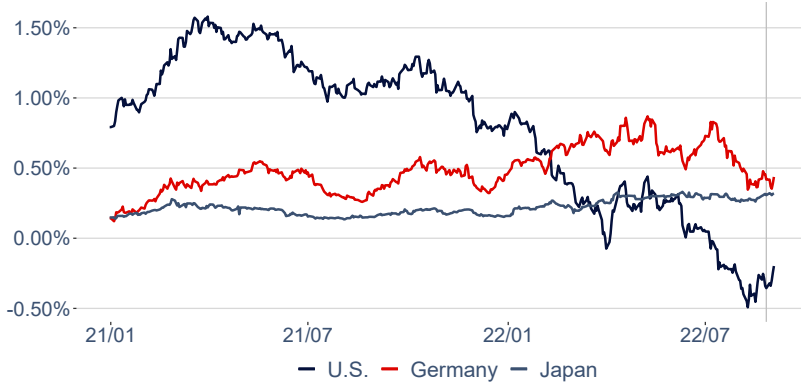
Source: Bloomberg, Amadeus 2022-09-03

**2Yr Govt Yields**  
Delta in %



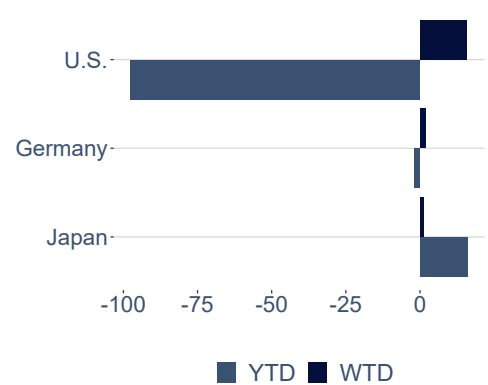
**Government Bond Yields**

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



Source: Amadeus Capital SA 2022-09-03

**10Yr-2Yr Govt Yields**  
Delta in bp



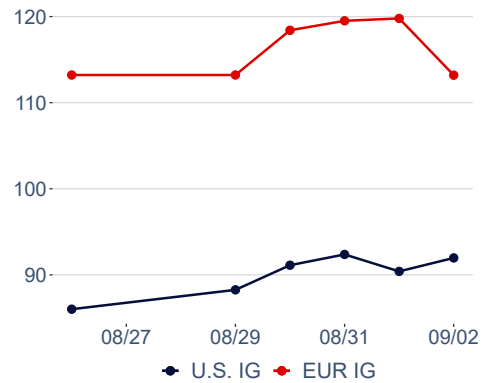
**Credit Spreads**

**Investment grade credit spreads**  
Spread in basis points



Source: Amadeus Capital SA 2022-09-03

**Investment grade credit spreads**  
Spread in basis points



Source: Amadeus Capital SA 2022-09-03

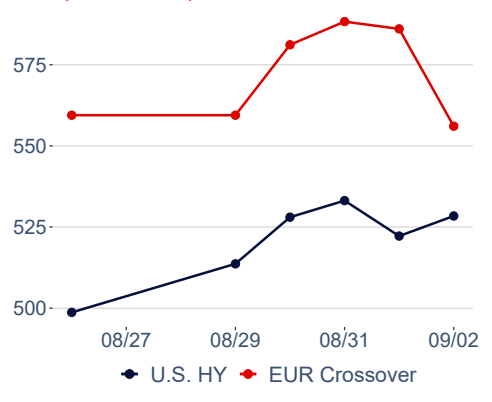
**Credit Spreads**

**High yield credit spreads**  
Spread in basis points



Source: Amadeus Capital SA 2022-09-03

**High yield credit spreads**  
Spread in basis points



Source: Amadeus Capital SA 2022-09-03

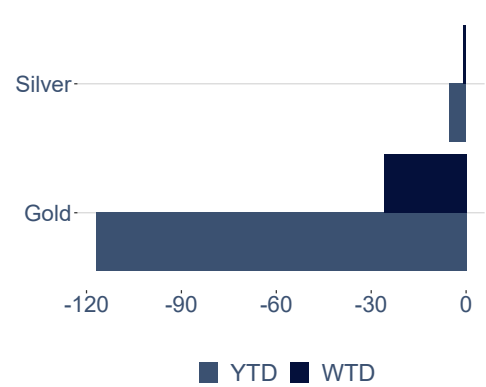
Precious Metals

**Precious metals**  
Price change %



Source: Amadeus Capital SA 2022-09-03

**Precious metals**  
Price change in USD



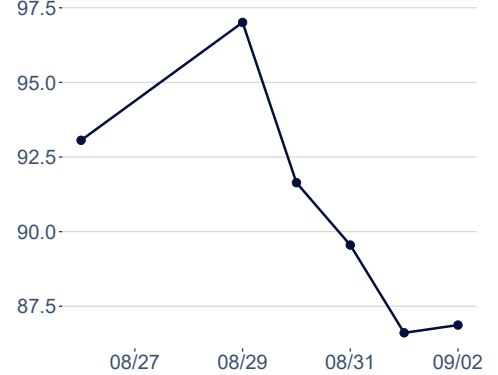
Commodities

**Crude oil**  
Price in USD



Source: Amadeus Capital SA 2022-09-03

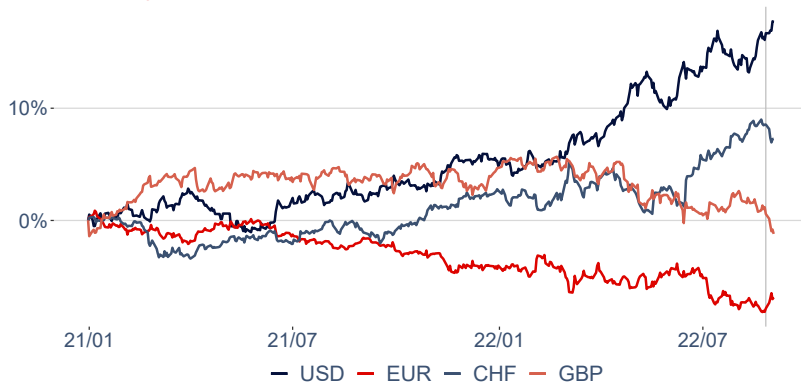
**Crude oil**  
Price in USD



Source: Amadeus Capital SA 2022-09-03

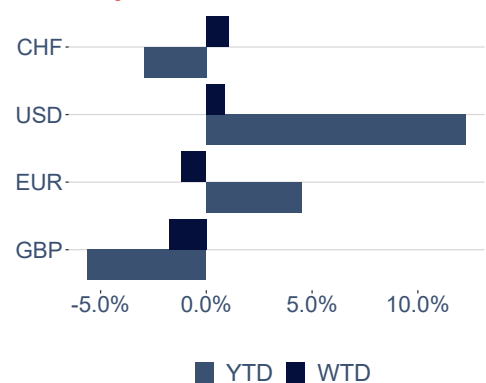
Currencies

**Trade weighted currencies**  
Price change %



Source: Amadeus Capital SA 2022-09-03

**Trade weighted currencies**  
Price change %



Cryptocurrencies

**Major cryptocurrencies in USD**

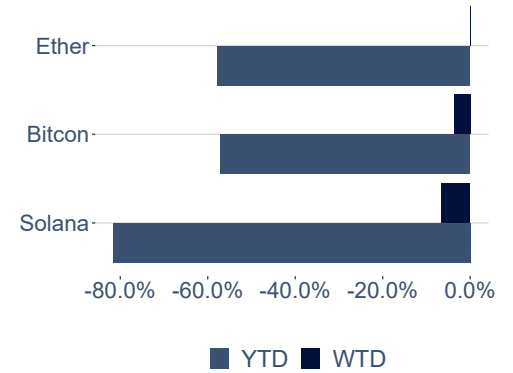
Price change %



Source: Amadeus Capital SA 2022-09-03

**Major cryptocurrencies in USD**

Price change %



■ YTD ■ WTD

## Major Events Last Week

Oil prices and freight rates bode well for the U.S. inflation outlook, but the stubbornly strong job market indicated by another solid Nonfarm Payroll print, lower initial claims and rising Jolts Job Openings means the Fed still has a long way to go in its fight against inflation. Manufacturing PMIs also surprised on the upside, but more importantly, August Consumer Confidence jumped higher than expected. One aspect that got less attention yesterday is that the unemployment rate increased by 0.2%, which signals a recovery in participation rates that should, in principle, have an easing effect on labour markets. Meanwhile, inflation in the Eurozone came in slightly higher than expected, while the German Manufacturing PMI was disappointed. Buoyant mood in the U.S., gloom and doom in Europe...

Date	Zone	Event	Previous	Forecast	Actual
29/08/2022	Australia	Retail Sales (MoM) (Jul)	0.2%	0.3%	1.3%
30/08/2022	United States	CB Consumer Confidence (Aug)	95.3	97.9	103.2
30/08/2022	United States	JOLTs Job Openings (Jul)	11.040M	10.475M	11.239M
31/08/2022	China	Manufacturing PMI (Aug)	49.0	49.2	49.4
31/08/2022	Germany	German Unemployment Change (Aug)	45K	28K	28K
31/08/2022	Euro Zone	CPI (YoY) (Aug)	8.9%	9.0%	9.1%
31/08/2022	United States	ADP Nonfarm Employment Change (Jun)	358K	-	380K
31/08/2022	United States	ADP Nonfarm Employment Change (Jul)	380K	-	268K
31/08/2022	United States	ADP Nonfarm Employment Change (Aug)	268K	300K	132K
31/08/2022	Canada	GDP (MoM) (Jun)	0.0%	0.1%	0.1%
31/08/2022	United States	Crude Oil Inventories	-3.282M	-1.483M	-3.326M
01/09/2022	China	Caixin Manufacturing PMI (Aug)	50.4	50.2	49.5
01/09/2022	Germany	German Manufacturing PMI (Aug)	49.3	49.8	49.1
01/09/2022	United Kingdom	Manufacturing PMI (Aug)	46.0	46.0	47.3
01/09/2022	United States	Initial Jobless Claims	237K	248K	232K
01/09/2022	United States	ISM Manufacturing PMI (Aug)	52.8	52.0	52.8
02/09/2022	United States	Nonfarm Payrolls (Aug)	526K	300K	315K
02/09/2022	United States	Unemployment Rate (Aug)	3.5%	3.5%	3.7%

### The Week Ahead

Despite Russia's announcement to suspend its gas supply to Europe indefinitely, gas and electricity prices have declined significantly in futures markets over the past days, helped by the fact that reservoirs have reached about 80% filling level. Nevertheless, the inflationary effects of the energy crisis will only materialise over time and markets will closely watch the ECB's reaction and carefully assess the risk of a deep recession. European policymakers are expected to raise rates by 50bp on Thursday, and recent [comments indicate that the ECB favours multiple smaller steps over more aggressive hikes](#). The focus will also be on comments during the press conference as well as Powell's speech on the same day. Lastly, the BoC is set to raise rates by 75bp on Wednesday.

Date	Zone	Event	Previous	Forecast	Actual
05/09/2022	Australia	Retail Sales (MoM)	0.2%	1.3%	-
05/09/2022	United Kingdom	Composite PMI (Aug)	50.9	50.9	-
05/09/2022	United Kingdom	Services PMI (Aug)	52.5	52.5	-
06/09/2022	Australia	RBA Interest Rate Decision (Sep)	1.85%	2.35%	-
06/09/2022	Australia	RBA Rate Statement	-	-	-
06/09/2022	United Kingdom	Construction PMI (Aug)	48.9	48.0	-
06/09/2022	United States	ISM Non-Manufacturing PMI (Aug)	56.7	55.5	-
07/09/2022	Australia	GDP (QoQ) (Q2)	0.8%	1.2%	-
07/09/2022	Germany	German GDP (QoQ) (Q3)	0.1%	0.1%	-
07/09/2022	Canada	BoC Interest Rate Decision	2.50%	3.25%	-
07/09/2022	Canada	Ivey PMI (Aug)	49.6	48.3	-
07/09/2022	United Kingdom	BoE MPC Treasury Committee Hearings	-	-	-
07/09/2022	United States	EIA Short-Term Energy Outlook	-	-	-
08/09/2022	Japan	GDP (QoQ) (Q2)	0.5%	0.7%	-
08/09/2022	Euro Zone	Deposit Facility Rate (Sep)	-0.50%	0.50%	-
08/09/2022	Euro Zone	ECB Marginal Lending Facility	0.75%	-	-
08/09/2022	Euro Zone	ECB Monetary Policy Statement	-	-	-
08/09/2022	Euro Zone	ECB Interest Rate Decision (Sep)	0.50%	1.00%	-
08/09/2022	United States	Initial Jobless Claims	232K	240K	-
08/09/2022	Euro Zone	ECB Press Conference	-	-	-
08/09/2022	United States	Fed Chair Powell Speaks	-	-	-
08/09/2022	United States	Crude Oil Inventories	-3.326M	-	-
09/09/2022	Canada	Employment Change (Aug)	-30.6K	15.0K	-

## 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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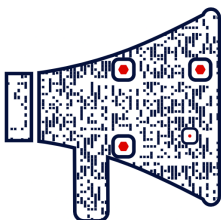
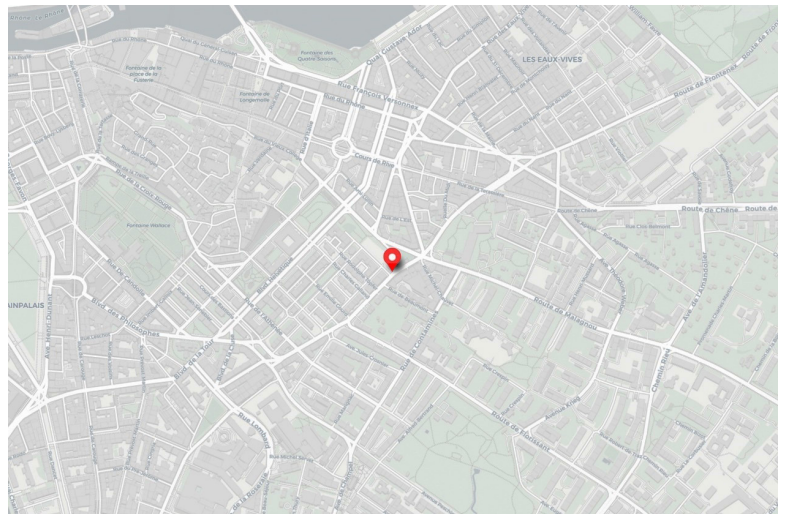
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