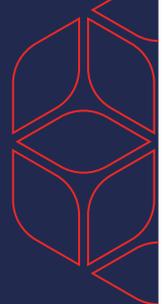


Quick recap

- Contrary to expectations, the latest Nonfarm Payroll data showed more robust hiring than last month's report, alongside lower unemployment, resulting in a significant jump in U.S. benchmark yields.
- Even before this week, the widening gap between market-implied rate hikes and the Fed's forward guidance was a topic. The unexpectedly tight labour market now supports the central bank's stance.
- As expected, the BoE hiked interest rates by 50bp while increasing its inflation forecast but gave a downbeat outlook on the economy.
- Equity markets held up well and ended the week with little change despite some selling pressure on Friday following the job report. There were noticeable differences within the market, though, with Quality and Growth outperforming in the U.S. but underperforming in Europe.



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

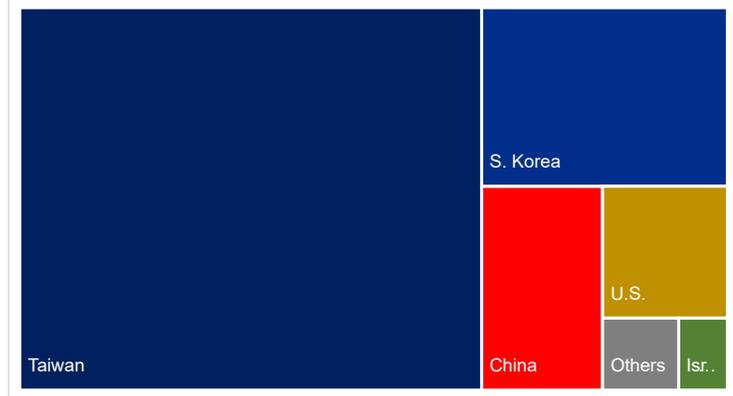
- Precious Metals
- Oil
- Cryptocurrencies

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Economic Calendar

p. 9-10

Semiconductor Revenues in % by Country



Nancy Pelosi's visit to Taiwan and Beijing's aggressive reaction, including shooting a rocket right over the island, caused a lot of nervousness this week. The U.S. and its ally reacted deliberately calm, and the Taiwanese stock market ended the week higher. Given that Xi is up for reelection in September, the current sabre-rattling may indeed be primarily motivated by internal politics. After all, as BCG pointed out, Taiwan still accounts for 64% of semi-conductor revenue and produces 92% of the most advanced chips.

Markets at a glance



Major Equity Markets

Broad Markets
Total return %



Source: Amadeus Capital SA 2022-08-06

Broad Markets
Total return %



Major Equity Markets

Broad Markets
Total return %



Source: Amadeus Capital SA 2022-08-06

Broad Markets
Total return %



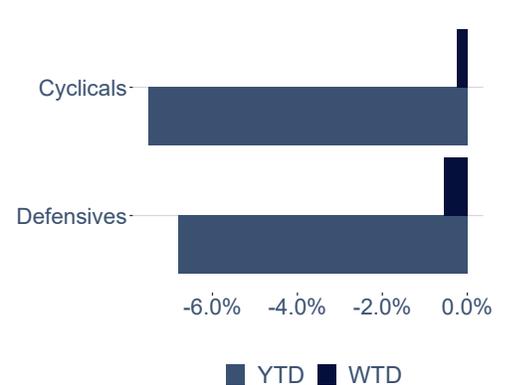
Equity Sectors

Cyclicals vs Defensives Europe
Total return %



Source: Bloomberg, Amadeus 2022-08-06

Cyclicals vs Defensives Europe
Total return %



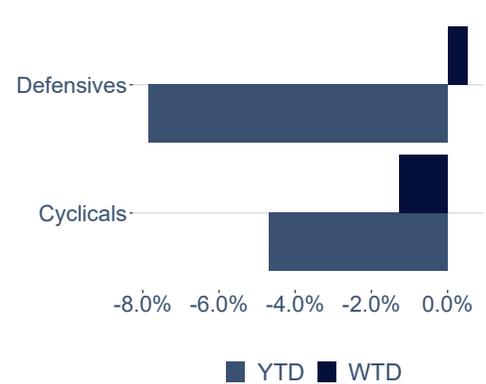
Equity Sectors

Sectors U.S.
Total return %



Source: Bloomberg, Amadeus 2022-08-06

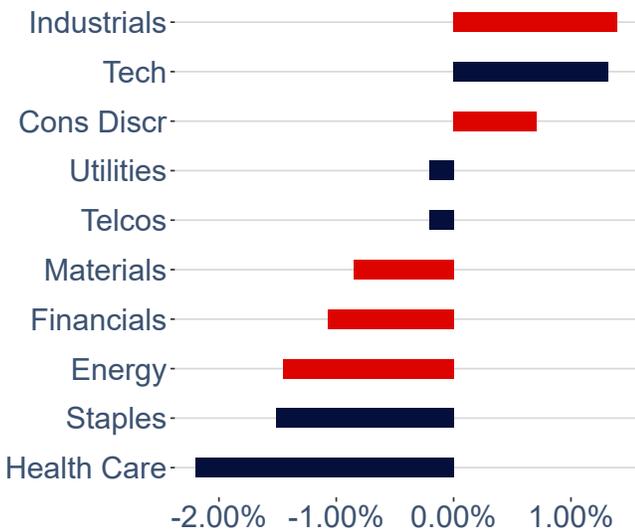
Cyclicals vs Defensives U.S.
Total return %



Equity Sectors

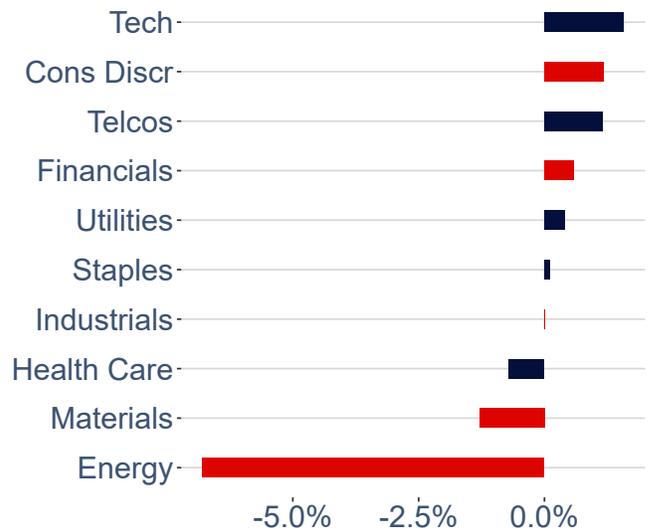
Sectors Europe

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



Sectors U.S.

Last week's performance %



Equity Styles

Styles Europe

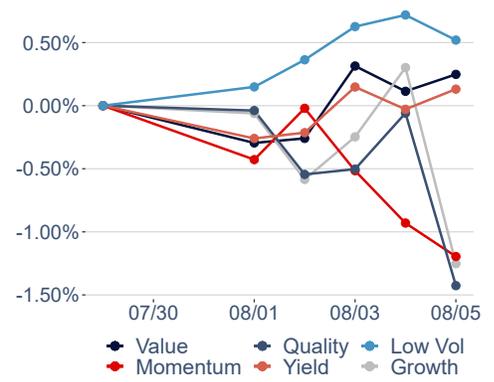
Total return %



Source: Bloomberg, Amadeus 2022-08-06

Styles Europe

Total return %



Source: Amadeus Capital SA 2022-08-06

Equity Styles

Styles U.S.

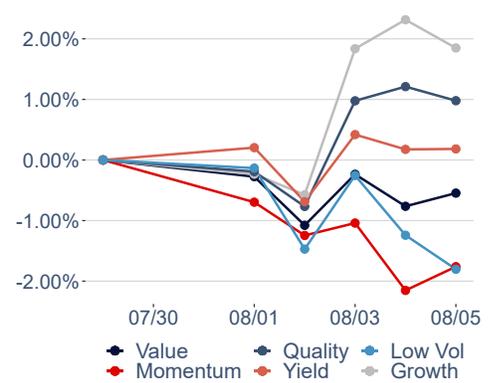
Total return %



Source: Bloomberg, Amadeus 2022-08-06

Styles U.S.

Total return %

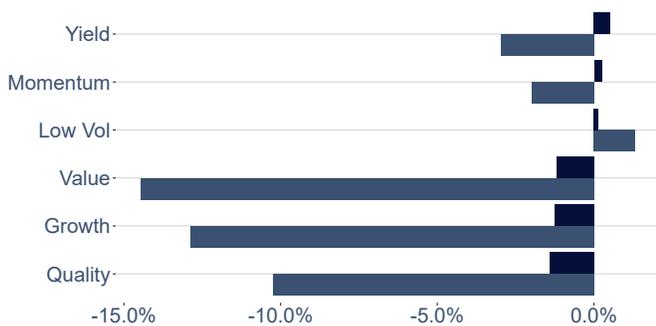


Source: Amadeus Capital SA 2022-08-06

Equity Styles

Styles Europe

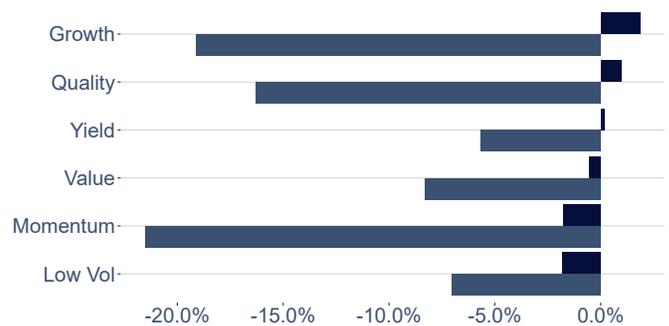
Total return %



■ YTD ■ WTD

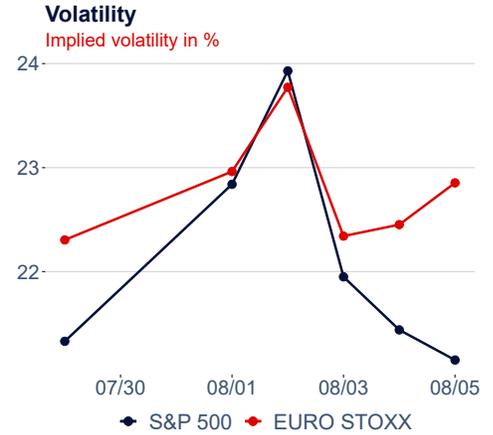
Styles U.S.

Total return %

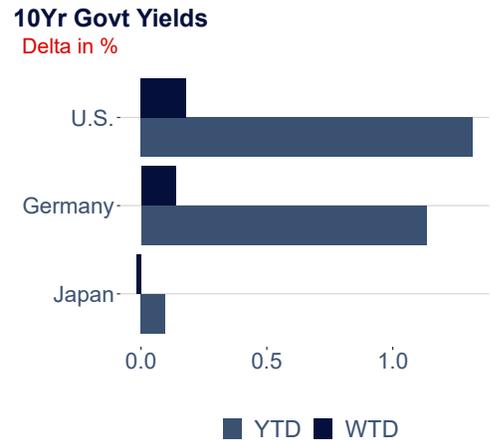
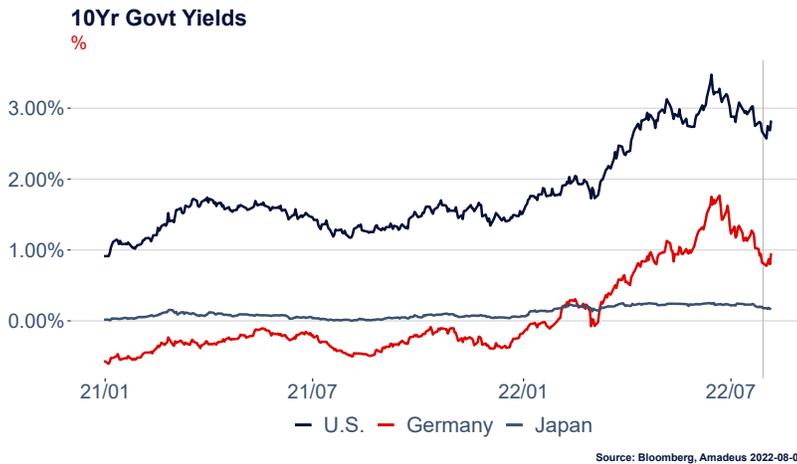


■ YTD ■ WTD

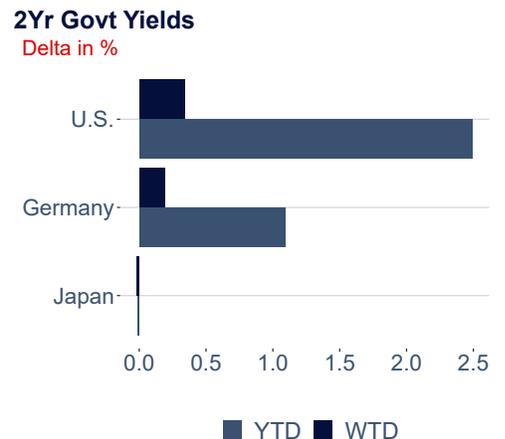
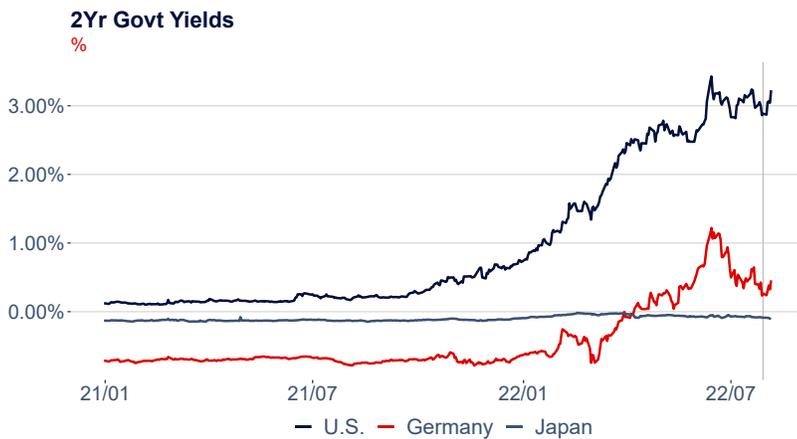
Volatility



Government Bond Yields



Government Bond Yields



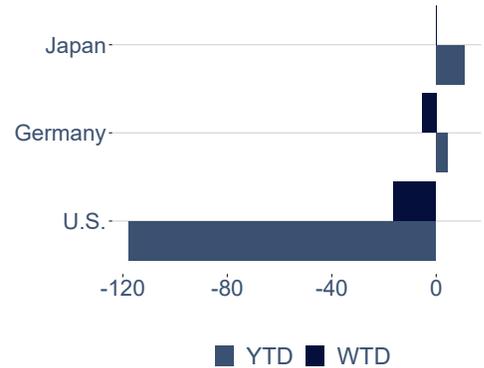
Government Bond Yields

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



Source: Amadeus Capital SA 2022-08-06

10Yr-2Yr Govt Yields
Delta in bp



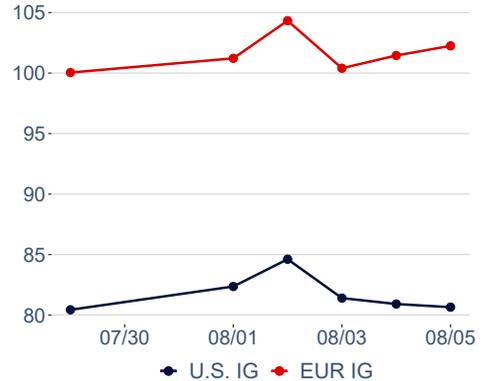
Credit Spreads

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-08-06

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-08-06

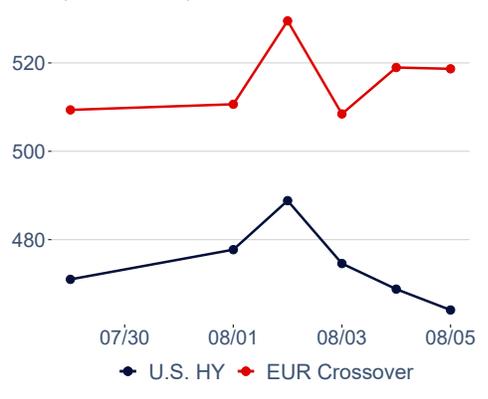
Credit Spreads

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-08-06

High yield credit spreads
Spread in basis points



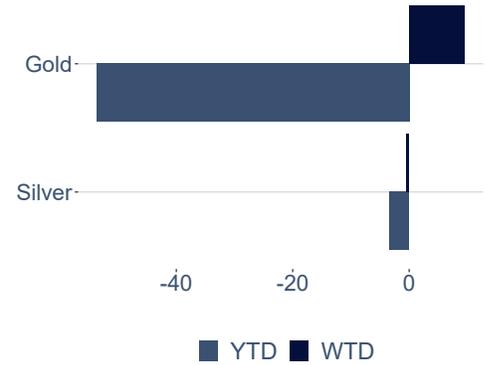
Source: Amadeus Capital SA 2022-08-06

Precious Metals



Source: Amadeus Capital SA 2022-08-06

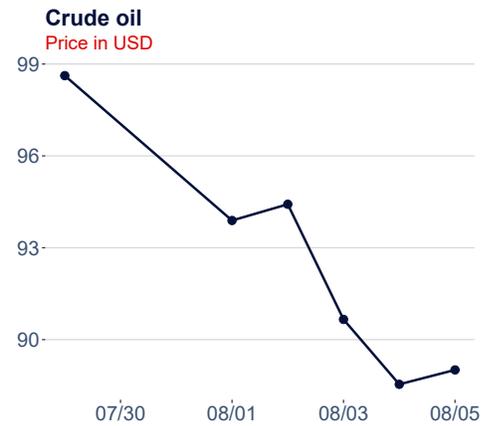
Precious metals
Price change in USD



Commodities



Source: Amadeus Capital SA 2022-08-06



Source: Amadeus Capital SA 2022-08-06

Currencies



Source: Amadeus Capital SA 2022-08-06

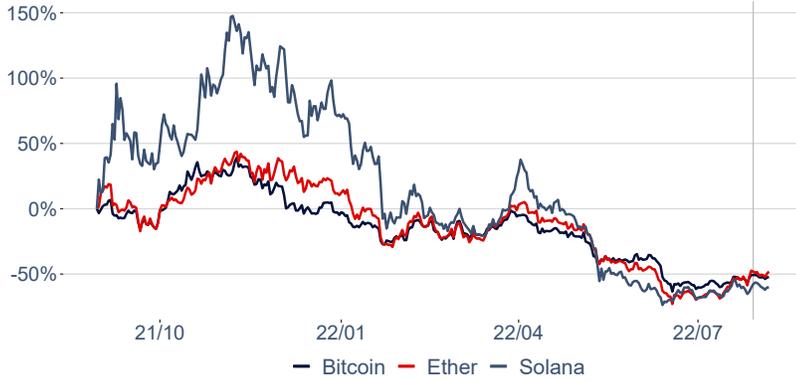
Trade weighted currencies
Price change %



Cryptocurrencies

Major cryptocurrencies in USD

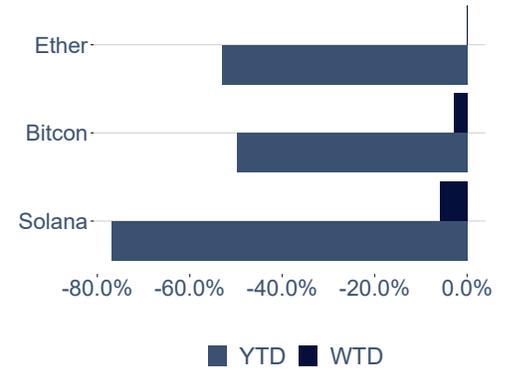
Price change %



Source: Amadeus Capital SA 2022-08-06

Major cryptocurrencies in USD

Price change %



Major Events Last Week

Aside from tensions around Taiwan, the monetary policy came into the spotlight again this week. There is no doubt that the U.S. labour market is more robust than expected, as JOLTs Job Openings and unemployment figures confirm the impression given by the solid Nonfarm Payroll print. Furthermore, the participation rate has declined again since March, giving employees even more bargaining power which is apparently feeding through to wages as another jump in the Atlanta Fed Wage Growth tracker to almost 7% indicates. Investors now need to weigh the arguments. Close to 7% wage growth means consumers can cope pretty well with the high inflationary environment. Meanwhile, corporate earnings are holding up too. Good news for equities but less so for Fixed Income investors.

| Date | Zone | Event | Previous | Forecast | Actual |
|------------|----------------|----------------------------------|----------|----------|---------|
| 31/07/2022 | China | Manufacturing PMI (Jul) | 50.2 | 50.4 | 49.0 |
| 01/08/2022 | China | Caixin Manufacturing PMI (Jul) | 51.7 | 51.5 | 50.4 |
| 01/08/2022 | Germany | German Manufacturing PMI (Jul) | 52.0 | 49.2 | 49.3 |
| 01/08/2022 | United Kingdom | Manufacturing PMI (Jul) | 52.8 | 52.2 | 52.1 |
| 01/08/2022 | United States | ISM Manufacturing PMI (Jul) | 53.0 | 52.0 | 52.8 |
| 02/08/2022 | Australia | RBA Interest Rate Decision (Aug) | 1.35% | 1.85% | 1.85% |
| 02/08/2022 | Australia | RBA Rate Statement | - | - | - |
| 02/08/2022 | United States | JOLTs Job Openings (Jun) | 11.303M | 11.000M | 10.698M |
| 03/08/2022 | New Zealand | Employment Change (QoQ) (Q2) | 0.0% | 0.4% | 0.0% |
| 03/08/2022 | Australia | Retail Sales (MoM) | 0.9% | 0.2% | 0.2% |
| 03/08/2022 | United Kingdom | Composite PMI (Jul) | 53.7 | 52.8 | 52.1 |
| 03/08/2022 | United Kingdom | Services PMI (Jul) | 54.3 | 53.3 | 52.6 |
| 03/08/2022 | United States | ISM Non-Manufacturing PMI (Jul) | 55.3 | 53.5 | 56.7 |
| 03/08/2022 | United States | Crude Oil Inventories | -4.523M | -0.629M | 4.467M |
| 04/08/2022 | United Kingdom | Construction PMI (Jul) | 52.6 | 52.0 | 48.9 |
| 04/08/2022 | United Kingdom | BoE Interest Rate Decision (Aug) | 1.25% | 1.75% | 1.75% |
| 04/08/2022 | United Kingdom | BoE Gov Bailey Speaks | - | - | - |
| 04/08/2022 | United States | Initial Jobless Claims | 254K | 259K | 260K |
| 05/08/2022 | India | Interest Rate Decision | 4.90% | 5.25% | 5.40% |
| 05/08/2022 | United States | Nonfarm Payrolls (Jul) | 398K | 250K | 528K |
| 05/08/2022 | United States | Unemployment Rate (Jul) | 3.6% | 3.6% | 3.5% |
| 05/08/2022 | Canada | Employment Change (Jul) | -43.2K | 20.0K | -30.6K |
| 05/08/2022 | Canada | Ivey PMI (Jul) | 62.2 | 60.3 | 49.6 |

The Week Ahead

Following this week's surprise jump in employment, the focus will be on the July inflation print next week. Consensus expects inflation to have peaked at 9.1% and fall back to 8.7%, while Initial Claims are forecasted to rise slightly. While wage inflation has clearly increased, the continuous fall in oil prices results in much more favourable comps this month, and an upside surprise in the CPI would, therefore, be somewhat worrisome. Otherwise, the week will be relatively calm on the macro-side, and as Pelosi has left Taiwan again, tensions will hopefully abate. Lastly, the Q2 Earnings season is still ongoing, but with 87% of companies having reported results by now (and 75% beat consensus estimates), there is not too much room for surprises to rattle the market.

| Date | Zone | Event | Previous | Forecast | Actual |
|------------|----------------|--------------------------------------|----------|----------|--------|
| 09/08/2022 | Brazil | BCB Copom Meeting Minutes | - | - | - |
| 10/08/2022 | United States | Core CPI (MoM) (Jul) | 0.7% | 0.5% | - |
| 10/08/2022 | United States | CPI (YoY) (Jul) | 9.1% | 8.7% | - |
| 10/08/2022 | United States | Crude Oil Inventories | 4.467M | - | - |
| 11/08/2022 | United States | Initial Jobless Claims | 260K | 263K | - |
| 11/08/2022 | United States | PPI (MoM) (Jul) | 1.1% | 0.3% | - |
| 12/08/2022 | United Kingdom | GDP (YoY) (Q2) | 8.7% | 2.8% | - |
| 12/08/2022 | United Kingdom | GDP (QoQ) (Q2) | 0.8% | -0.2% | - |
| 12/08/2022 | United Kingdom | Manufacturing Production (MoM) (Jun) | 1.4% | -1.2% | - |
| 12/08/2022 | United Kingdom | Monthly GDP 3M/3M Change | 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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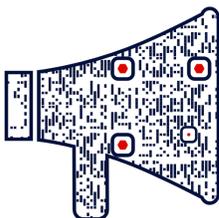
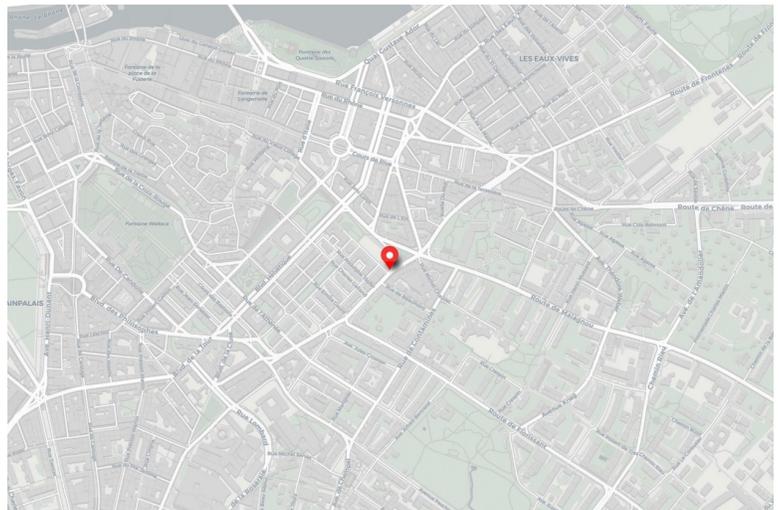
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