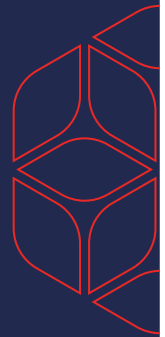


Quick recap

- Russia's resumption of gas exports through the Nord Stream 1 pipeline triggered a relief rally in European equities this week, with Tech, Quality and Growth stocks as clear winners.
- The ECB's unexpected 50bp interest rate hike helped the EUR and briefly lifted bond yields, with Italian government bonds selling off the most. However, the move was quickly reversed on Friday when the German Manufacturing PMI fell below 50, a level indicating economic contraction.
- Less fear of an energy crisis in Europe, Biden's visit to Saudi Arabia and the increased probability of a recession in the near term also provided the perfect environment for crude to continue its decline.
- In summary, this week brought back memories of 2021 with government bonds, gold, expensive stocks and cryptocurrencies gaining while credit spreads tightened and volatility retraced.



Overview

Equities

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

Fixed Income

- Government Yields
- Government Curve
- Credit Spreads

Commodities

- Precious Metals
- Oil
- Cryptocurrencies

Economic Calendar

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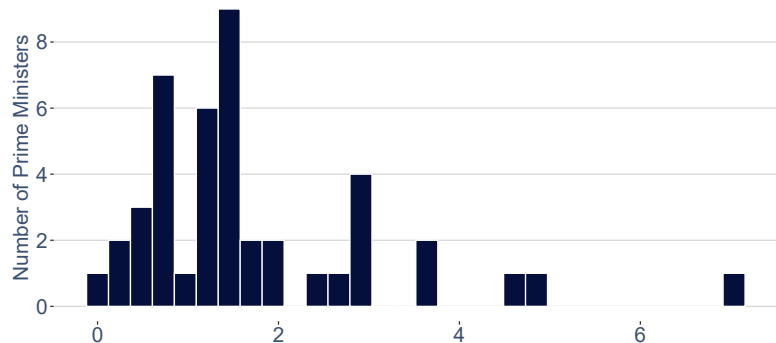
p. 7

p. 8

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Hire and fire politics

Number of years served by Italian Prime Ministers since 1946 (Median = 1.39)



In troubled times, it often helps to study history to develop a more comprehensive understanding of an event's real significance. This week, Italian government bonds briefly came under pressure again after Mario Draghi's coalition finally collapsed. Nevertheless, Draghi was already serving longer than most of his predecessors. Since the establishment of the Italian Republic, the country has worn out the ridiculous number of 44 Prime Ministers. The median time served in office was 1.39 years, but almost one-third didn't even reach the one-year mark. Draghi's 1.43 years are thus a pretty solid result.

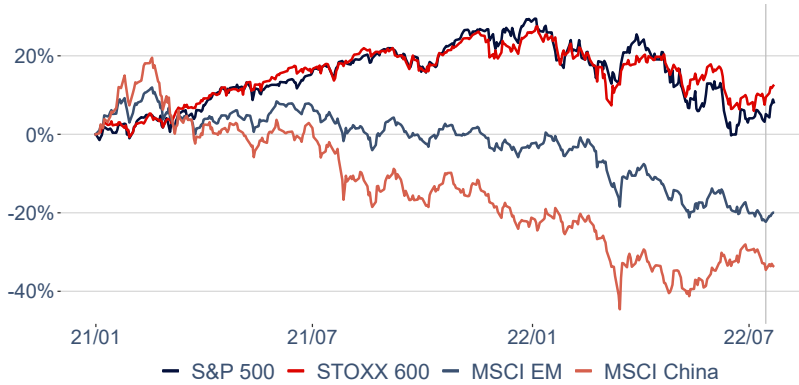
Markets at a glance



Major Equity Markets

Broad Markets

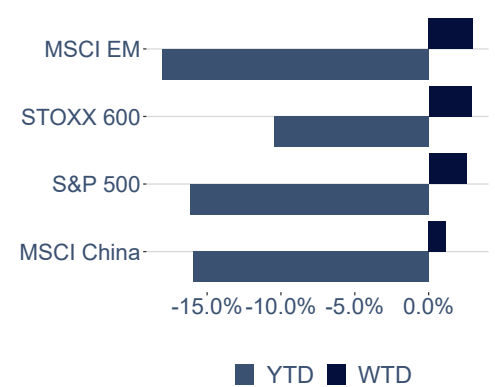
Total return %



Source: Amadeus Capital SA 2022-07-23

Broad Markets

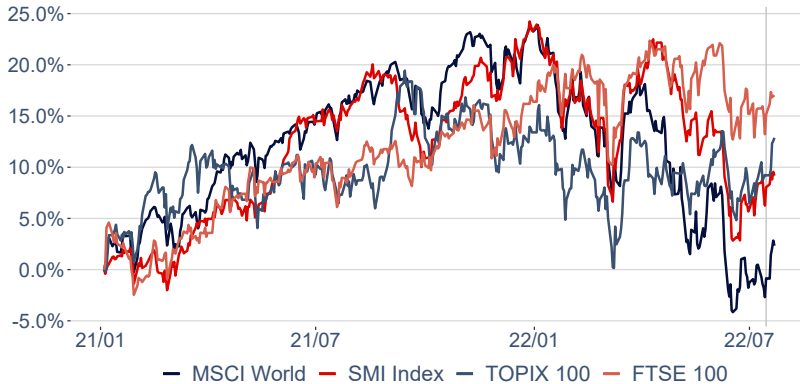
Total return %



Major Equity Markets

Broad Markets

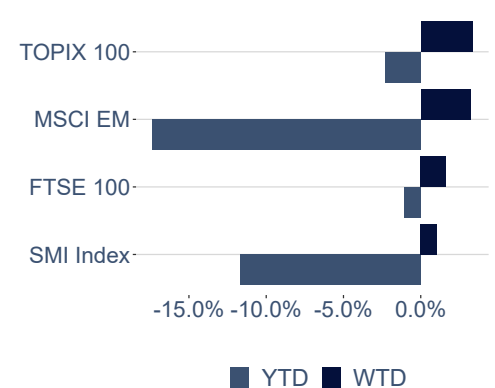
Total return %



Source: Amadeus Capital SA 2022-07-23

Broad Markets

Total return %



Equity Sectors

Cyclicals vs Defensives Europe

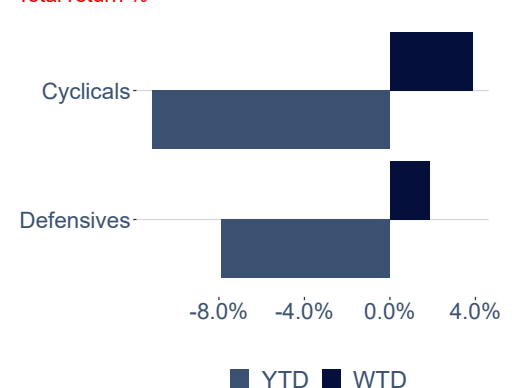
Total return %



Source: Bloomberg, Amadeus 2022-07-23

Cyclicals vs Defensives Europe

Total return %



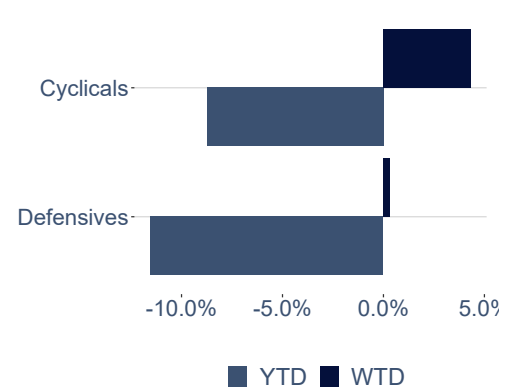
Equity Sectors

Sectors U.S.
Total return %



Source: Bloomberg, Amadeus 2022-07-23

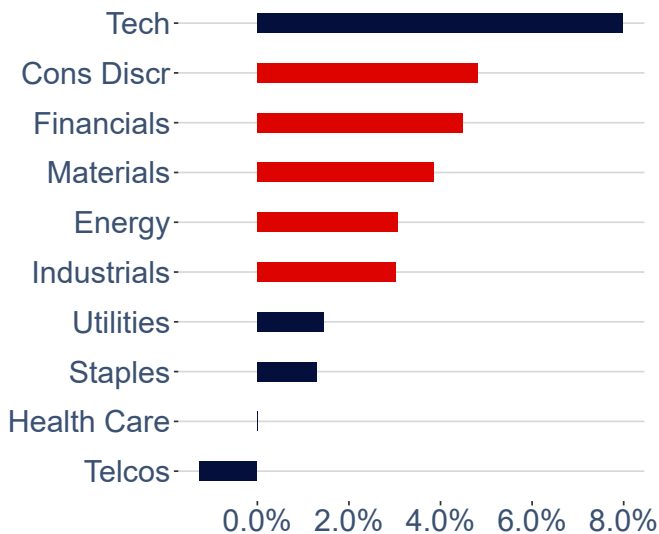
Cyclicals vs Defensives U.S.
Total return %



Equity Sectors

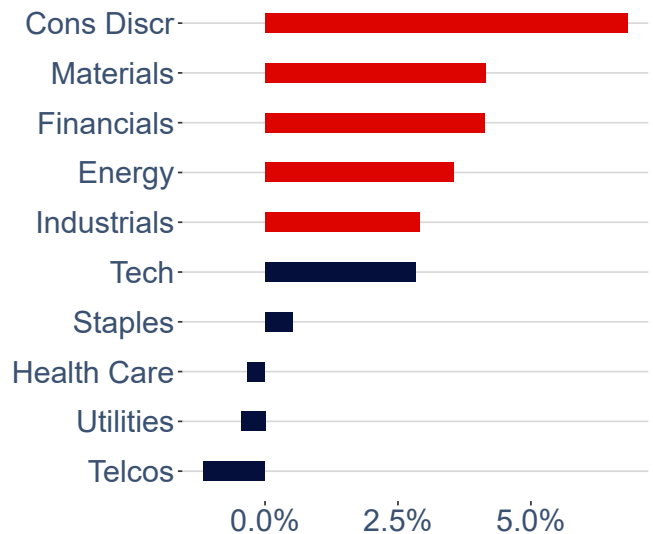
Sectors Europe

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



Sectors U.S.

Last week's performance %



Equity Styles

Styles Europe

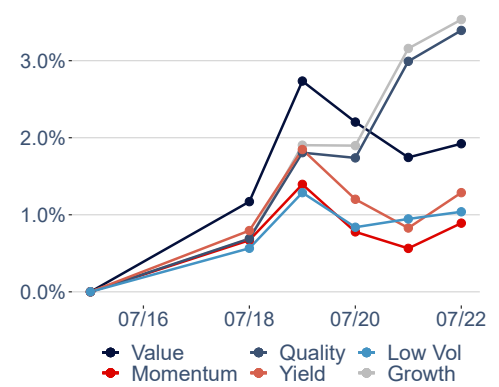
Total return %



Source: Bloomberg, Amadeus 2022-07-23

Styles Europe

Total return %



Source: Amadeus Capital SA 2022-07-23

Equity Styles

Styles U.S.

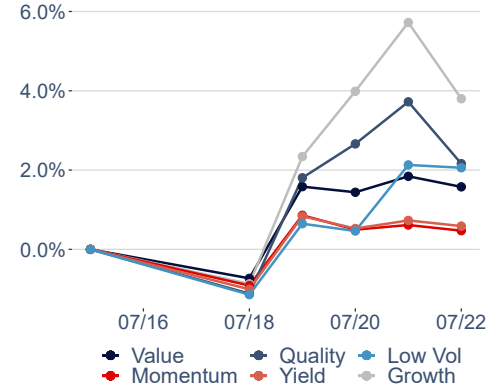
Total return %



Source: Bloomberg, Amadeus 2022-07-23

Styles U.S.

Total return %

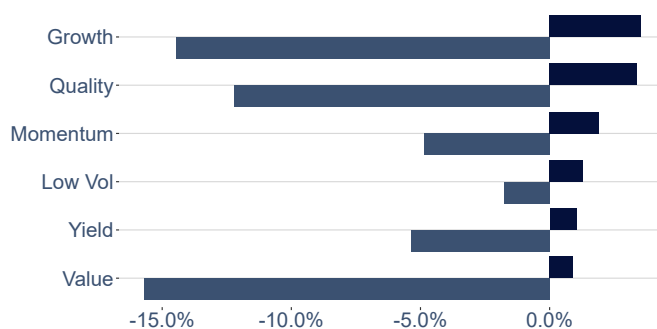


Source: Amadeus Capital SA 2022-07-23

Equity Styles

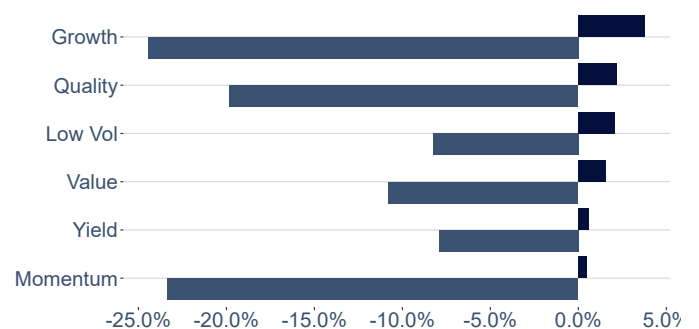
Styles Europe

Total return %



Styles U.S.

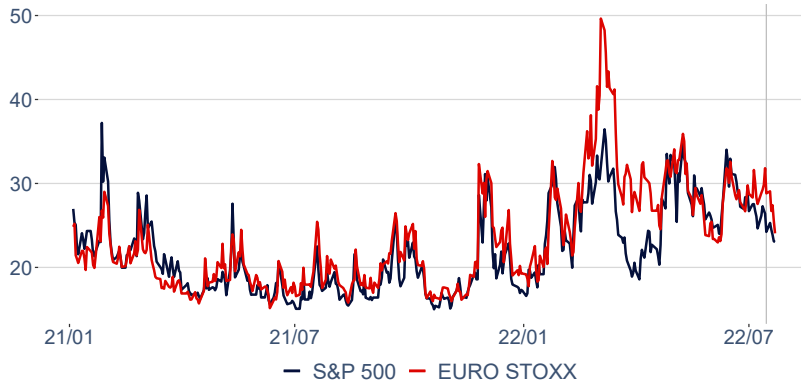
Total return %



Volatility

Volatility

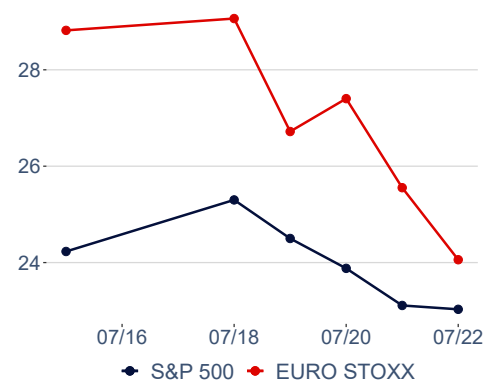
Implied volatility in %



Source: Amadeus Capital SA 2022-07-23

Volatility

Implied volatility in %

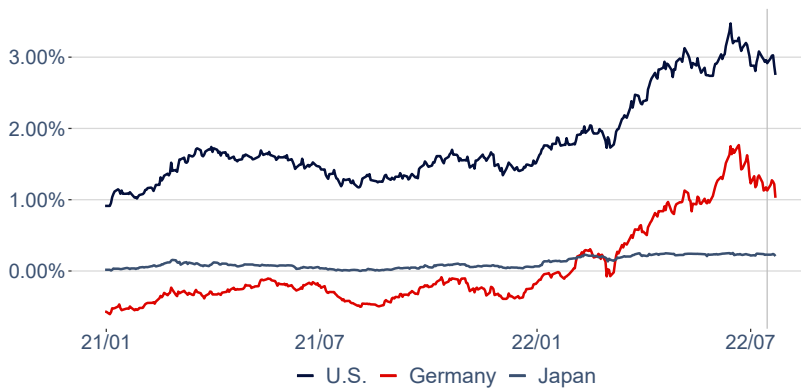


Source: Amadeus Capital SA 2022-07-23

Government Bond Yields

10Yr Govt Yields

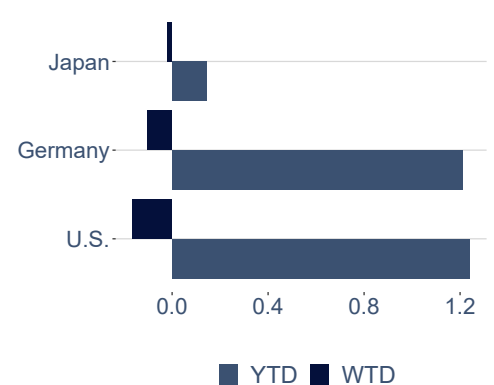
%



Source: Bloomberg, Amadeus 2022-07-23

10Yr Govt Yields

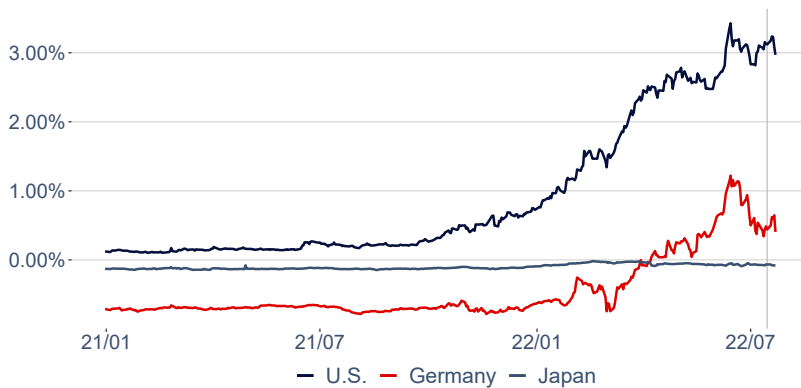
Delta in %



Government Bond Yields

2Yr Govt Yields

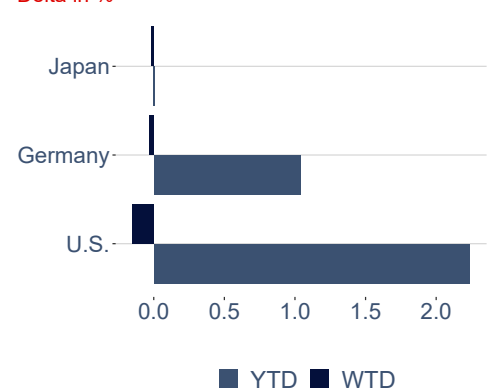
%



Source: Bloomberg, Amadeus 2022-07-23

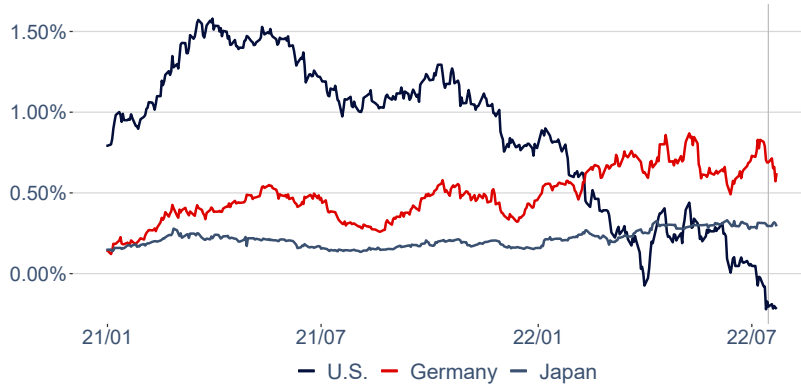
2Yr Govt Yields

Delta in %



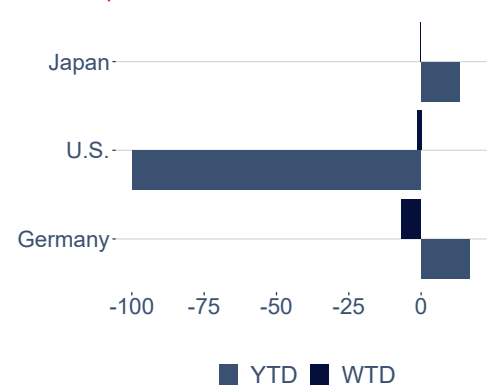
Government Bond Yields

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



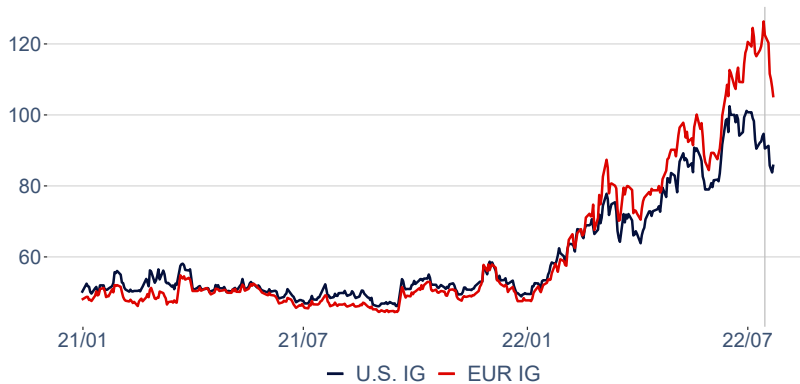
Source: Amadeus Capital SA 2022-07-23

10Yr-2Yr Govt Yields
Delta in bp



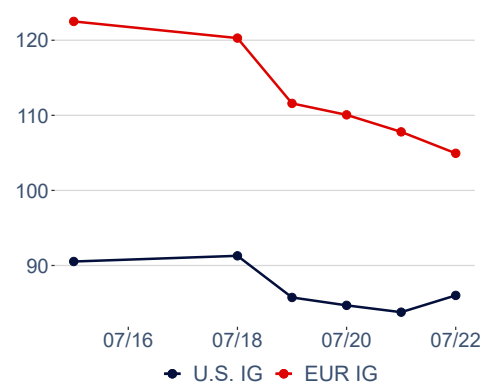
Credit Spreads

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-07-23

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-07-23

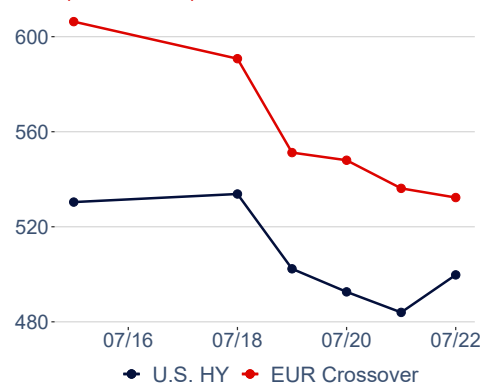
Credit Spreads

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-07-23

High yield credit spreads
Spread in basis points

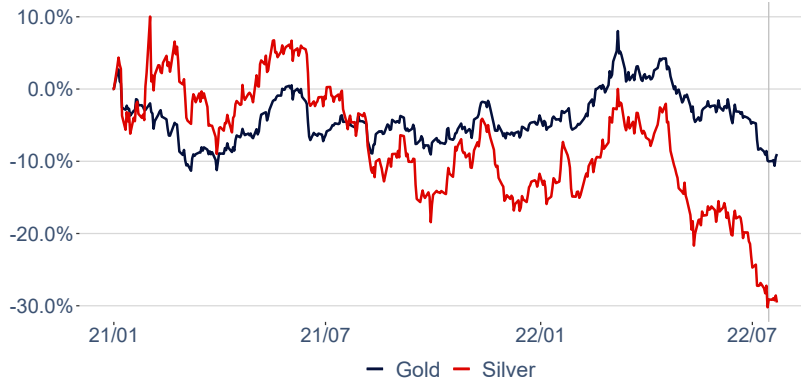


Source: Amadeus Capital SA 2022-07-23

Precious Metals

Precious metals

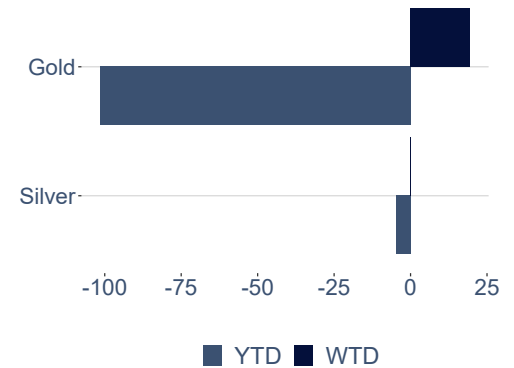
Price change %



Source: Amadeus Capital SA 2022-07-23

Precious metals

Price change in USD



Commodities

Crude oil

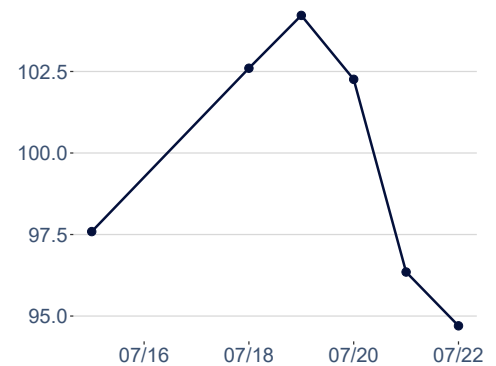
Price in USD



Source: Amadeus Capital SA 2022-07-23

Crude oil

Price in USD



Source: Amadeus Capital SA 2022-07-23

Currencies

Trade weighted currencies

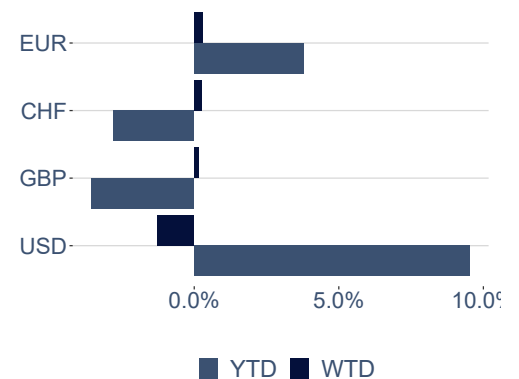
Price change %



Source: Amadeus Capital SA 2022-07-23

Trade weighted currencies

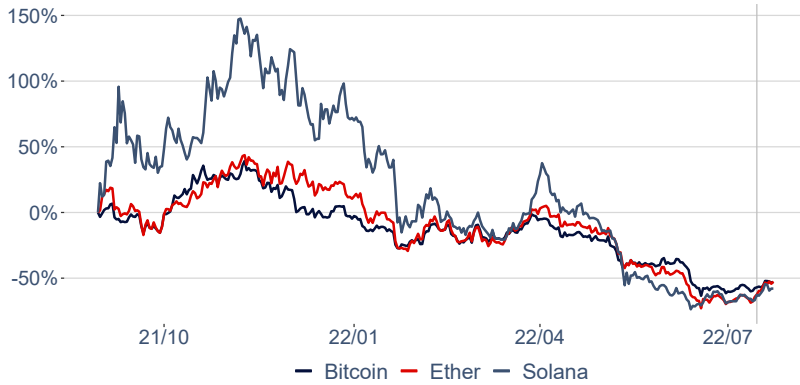
Price change %



Cryptocurrencies

Major cryptocurrencies in USD

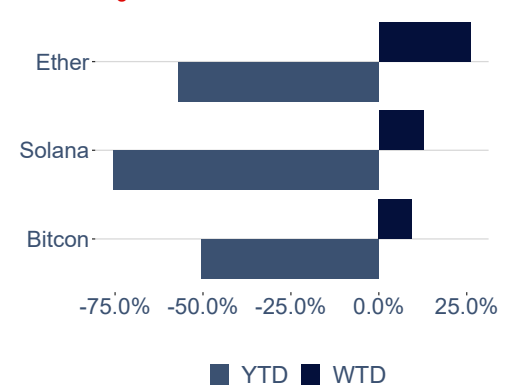
Price change %



Source: Amadeus Capital SA 2022-07-23

Major cryptocurrencies in USD

Price change %



Major Events Last Week

Finally, the ECB is moving too, and after an initial sell-off in government bonds, markets took the 50bp increase in rates quite kindly. The (expectedly) deepening political crisis in Italy failed to rattle the market as even the yield of BTPs retraced sharply on Friday when PMI data indicated an increased risk of a recession. The upbeat reaction of stocks and corporate bonds may be counterintuitive. Still, as we have pointed out in the past, it is not unusual to see markets already rise again when bad economic data hits. This year, investor focus is clearly on the risk of inflation getting out of control (July data will be announced next week and consensus with consensus expecting a slight increase to 6.7%) and signals that it may have peaked will tend to be perceived as bullish.

Date	Zone	Event	Previous	Forecast	Actual
18/07/2022	New Zealand	CPI (QoQ) (Q2)	1.8%	1.5%	1.7%
19/07/2022	Australia	RBA Meeting Minutes	-	-	-
19/07/2022	United Kingdom	Average Earnings Index +Bonus (May)	6.8%	6.7%	6.2%
19/07/2022	United Kingdom	Claimant Count Change (Jun)	-34.7K	-41.2K	-20.0K
19/07/2022	Euro Zone	CPI (YoY) (Jun)	8.1%	8.6%	8.6%
19/07/2022	United States	Building Permits (Jun)	1.695M	1.650M	1.685M
20/07/2022	United Kingdom	BoE Gov Bailey Speaks	-	-	-
20/07/2022	United Kingdom	CPI (YoY) (Jun)	9.1%	9.3%	9.4%
20/07/2022	Canada	Core CPI (MoM) (Jun)	0.8%	-	0.3%
20/07/2022	United States	Existing Home Sales (Jun)	5.41M	5.38M	5.12M
20/07/2022	United States	Crude Oil Inventories	3.254M	1.357M	-0.446M
21/07/2022	Japan	BoJ Outlook Report (YoY)	-	-	-
21/07/2022	Japan	BoJ Press Conference	-	-	-
21/07/2022	Turkey	One-Week Repo Rate (Jul)	14.00%	14.00%	14.00%
21/07/2022	Turkey	Overnight Borrowing Rate (Jul)	12.50%	-	12.50%
21/07/2022	Euro Zone	Deposit Facility Rate (Jul)	-0.50%	-0.25%	0.00%
21/07/2022	Euro Zone	ECB Marginal Lending Facility	0.25%	-	0.75%
21/07/2022	Euro Zone	ECB Monetary Policy Statement	-	-	-
21/07/2022	Euro Zone	ECB Interest Rate Decision (Jul)	0.00%	0.25%	0.50%
21/07/2022	United States	Initial Jobless Claims	244K	240K	251K
21/07/2022	United States	Philadelphia Fed Manufacturing Index (Jul)	-3.3	-2.5	-12.3
21/07/2022	Euro Zone	ECB Press Conference	-	-	-
21/07/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
22/07/2022	United Kingdom	Retail Sales (MoM) (Jun)	-0.8%	-0.3%	-0.1%
22/07/2022	Germany	German Manufacturing PMI (Jul)	52.0	50.6	49.2
22/07/2022	United Kingdom	Composite PMI	53.7	52.5	52.8
22/07/2022	United Kingdom	Manufacturing PMI	52.8	52.0	52.2
22/07/2022	United Kingdom	Services PMI	54.3	53.0	53.3
22/07/2022	Russia	Interest Rate Decision (Jul)	9.50%	9.00%	8.00%
22/07/2022	Canada	Core Retail Sales (MoM) (May)	1.1%	1.6%	1.9%

The Week Ahead

The IFO Business Climate published on Monday will probably confirm what we already saw in German PMI data this week.

In the U.S., the focus will be on the Fed, which is expected to increase interest rates by 75bp. Recent comments from FOMC members reduced the likelihood of a 100bp hike (to around 20% according to Fed Funds Futures) which does not imply that it is entirely off the table.

The more significant question is what kind of outlook officials will provide. Currently, markets are pricing peak rates around 3.75% for February 2023.

Date	Zone	Event	Previous	Forecast	Actual
25/07/2022	Germany	German Ifo Business Climate Index (Jul)	92.3	90.2	-
26/07/2022	United States	CB Consumer Confidence (Jul)	98.7	97.3	-
26/07/2022	United States	New Home Sales (Jun)	696K	664K	-
27/07/2022	Australia	CPI (QoQ) (Q2)	2.1%	1.9%	-
27/07/2022	United States	Core Durable Goods Orders (MoM) (Jun)	0.7%	0.3%	-
27/07/2022	United States	Pending Home Sales (MoM) (Jun)	0.7%	-1.5%	-
27/07/2022	United States	Crude Oil Inventories	-0.446M	-	-
28/07/2022	United States	FOMC Statement	-	-	-
28/07/2022	United States	Fed Interest Rate Decision	-	-	-
28/07/2022	United States	FOMC Press Conference	-	-	-
28/07/2022	Australia	Retail Sales (MoM) (Jun)	0.9%	0.6%	-
28/07/2022	United States	GDP (QoQ) (Q2)	-1.6%	0.4%	-
28/07/2022	United States	Initial Jobless Claims	251K	253K	-
29/07/2022	Germany	German Unemployment Change (Jul)	133K	15K	-
29/07/2022	Germany	German GDP (QoQ) (Q2)	0.2%	0.1%	-
29/07/2022	Euro Zone	CPI (YoY) (Jul)	8.6%	8.7%	-
29/07/2022	United States	Core PCE Price Index (MoM) (Jun)	0.3%	0.5%	-
29/07/2022	Canada	GDP (MoM) (May)	0.3%	-0.2%	-
31/07/2022	China	Manufacturing PMI (Jul)	50.2	50.5	-

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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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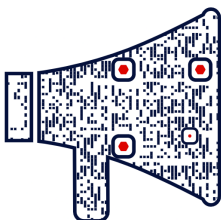
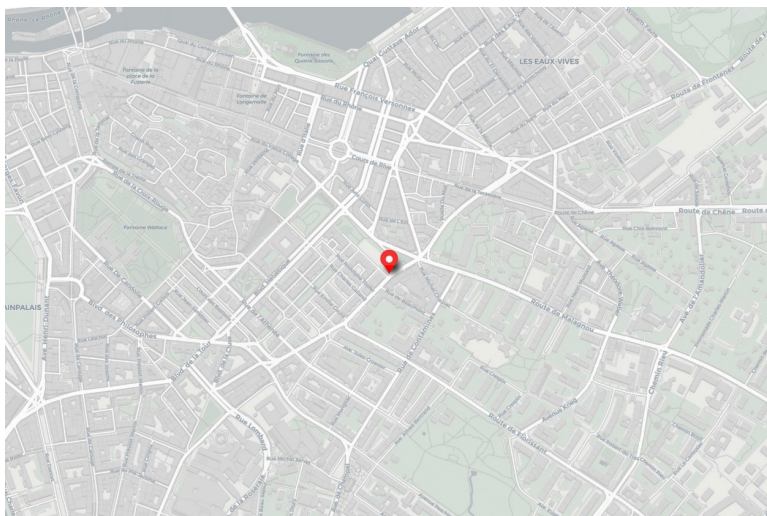
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