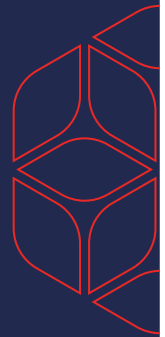


Quick recap

- For a while, it looked like equity markets could finish this week on a conciliatory note, but Powell's speech at Jackson Hole, reminding investors that the Fed will use its "tools forcefully" to attack inflation, spooked risk assets on Friday, triggering a 3.4% decline in the S&P 500 and a 3.9% sell-off in the Nasdaq.
- The sell-off was broad-based but led by Growth stocks, while Energy stood out as the only sector in the blacks as oil prices inched slightly higher.
- Once again, there was almost no place to hide as Gold and Cryptocurrencies retraced alongside stocks and bonds, but for once, China was a bright spot on the back of another cut of the Prime Lending Rate and stimulus announcements by Li Zhong. consensus estimates for corporate earnings in China look bleak, but relatively low inflation gives fiscal and monetary policymakers some room for manoeuvre.



Overview

Equities

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

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Fixed Income

- Government Yields
- Government Curve
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Commodities

- Precious Metals
- Oil
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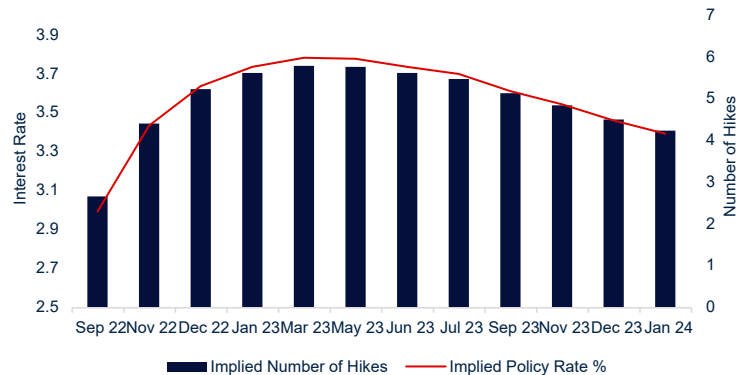
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Economic Calendar

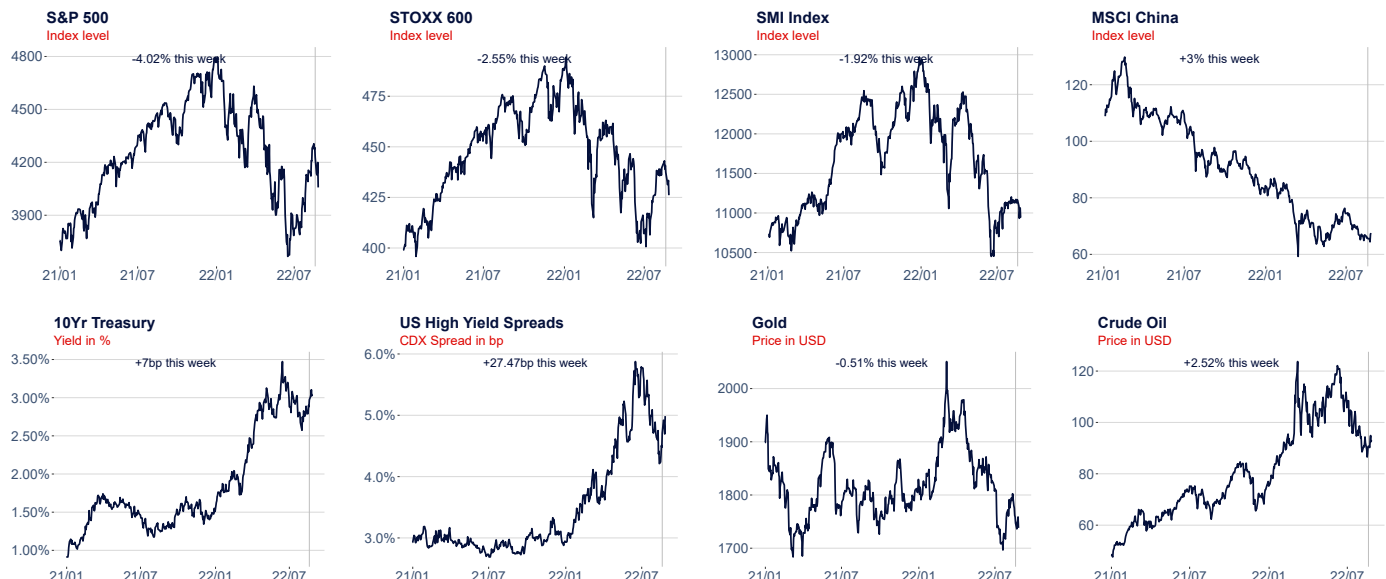
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Market Implied Federal Funds Rate



Equity and high yield markets reacted strongly to Powell's hawkish speech at Jackson Hole. Over the course of this week, the futures implied peak Federal Funds rate inched up by slightly less than 0.2%. Nevertheless, the shape of the curve is little changed and investors still forecast the Fed to hike rates until Q1 2023, before pivoting to gradually easing monetary policy again.

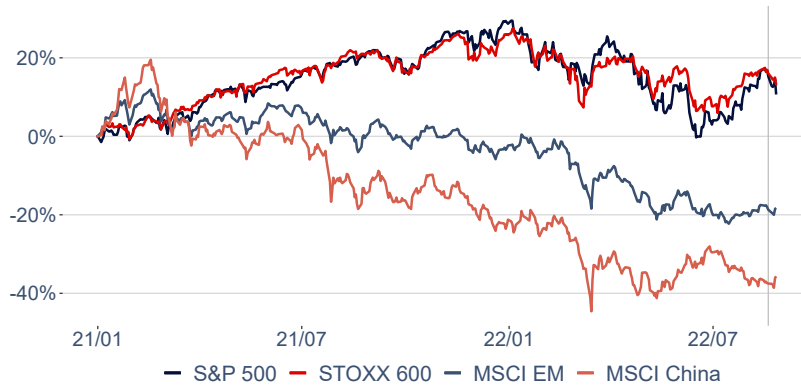
Markets at a glance



Major Equity Markets

Broad Markets

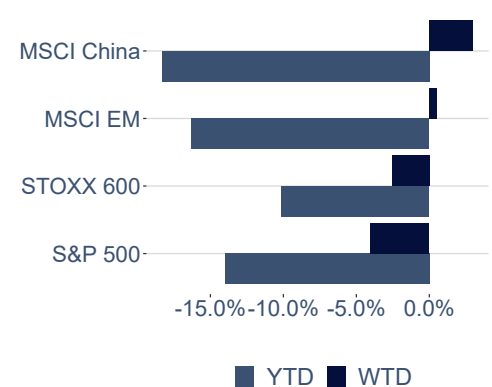
Total return %



Source: Amadeus Capital SA 2022-08-27

Broad Markets

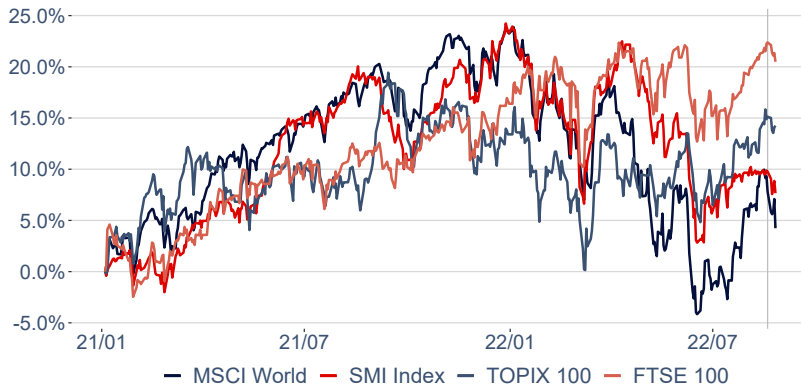
Total return %



Major Equity Markets

Broad Markets

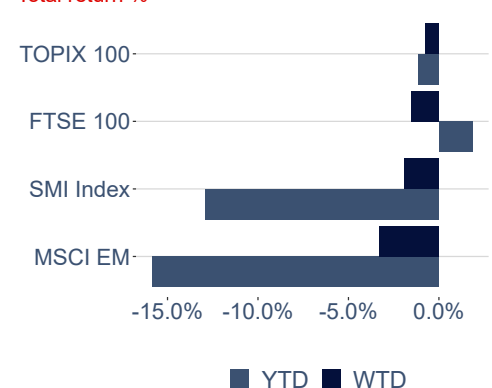
Total return %



Source: Amadeus Capital SA 2022-08-27

Broad Markets

Total return %



Equity Sectors

Cyclicals vs Defensives Europe

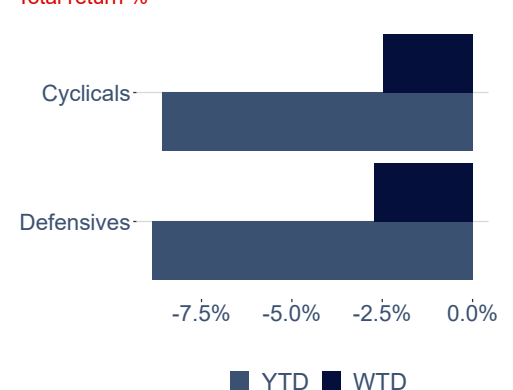
Total return %



Source: Bloomberg, Amadeus 2022-08-27

Cyclicals vs Defensives Europe

Total return %



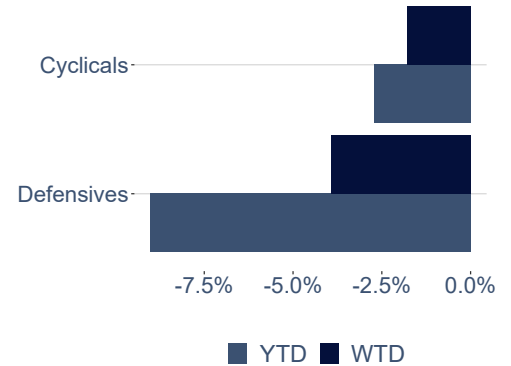
Equity Sectors

Sectors U.S.
Total return %



Source: Bloomberg, Amadeus 2022-08-27

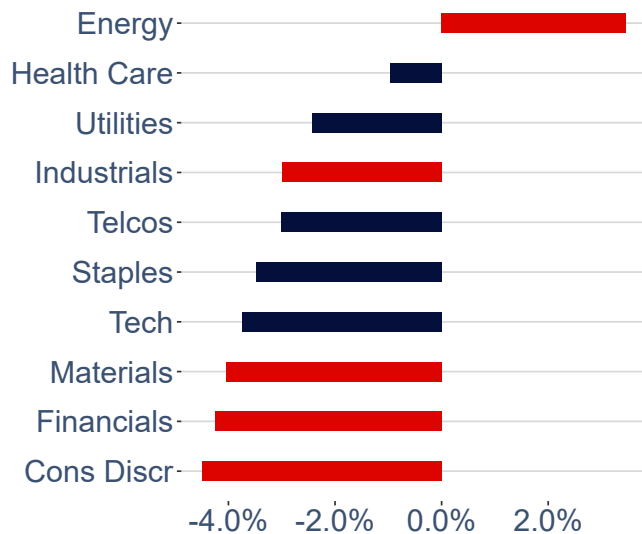
Cyclicals vs Defensives U.S.
Total return %



Equity Sectors

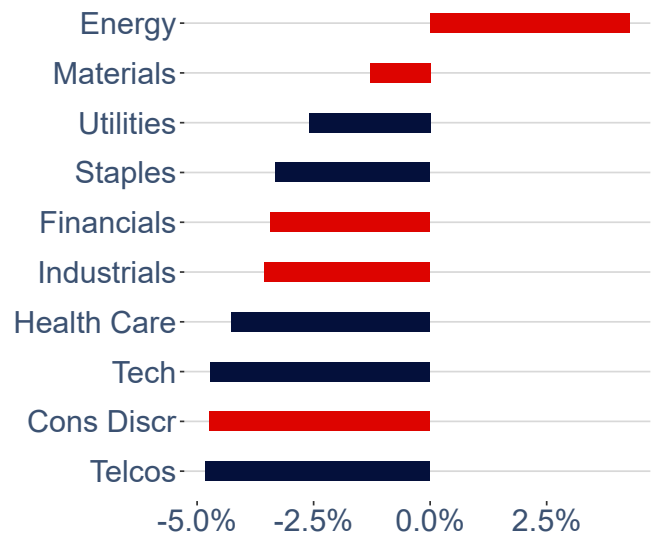
Sectors Europe

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



Sectors U.S.

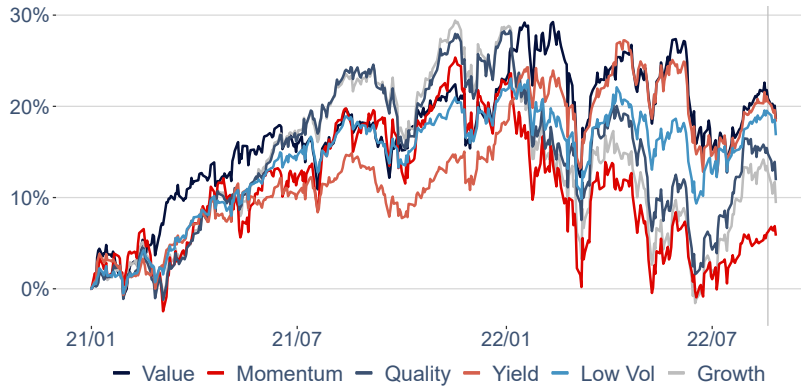
Last week's performance %



Equity Styles

Styles Europe

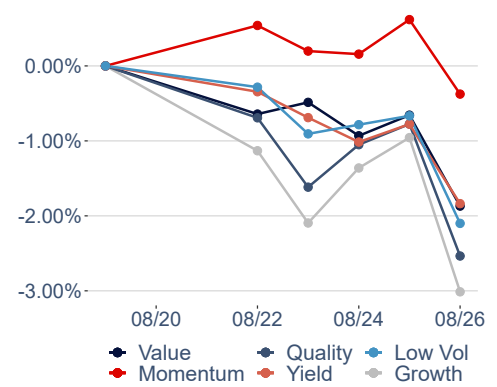
Total return %



Source: Bloomberg, Amadeus 2022-08-27

Styles Europe

Total return %



Source: Amadeus Capital SA 2022-08-27

Equity Styles

Styles U.S.

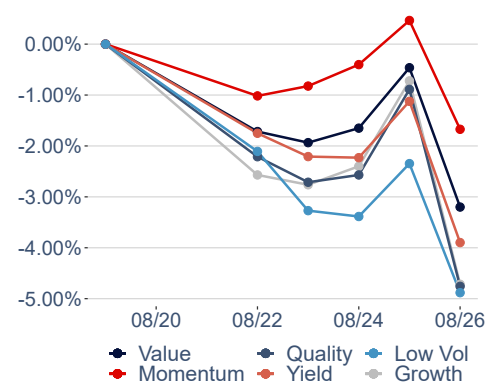
Total return %



Source: Bloomberg, Amadeus 2022-08-27

Styles U.S.

Total return %

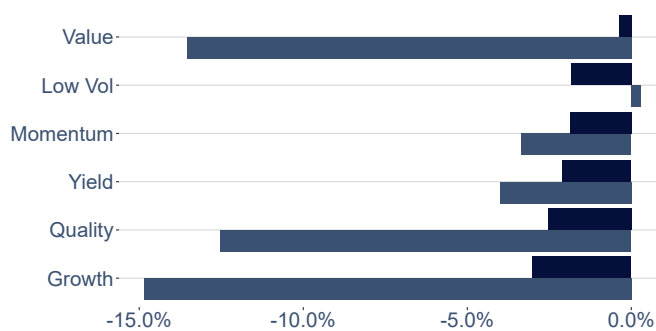


Source: Amadeus Capital SA 2022-08-27

Equity Styles

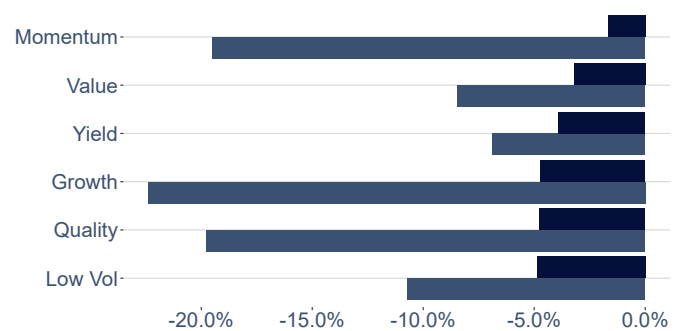
Styles Europe

Total return %

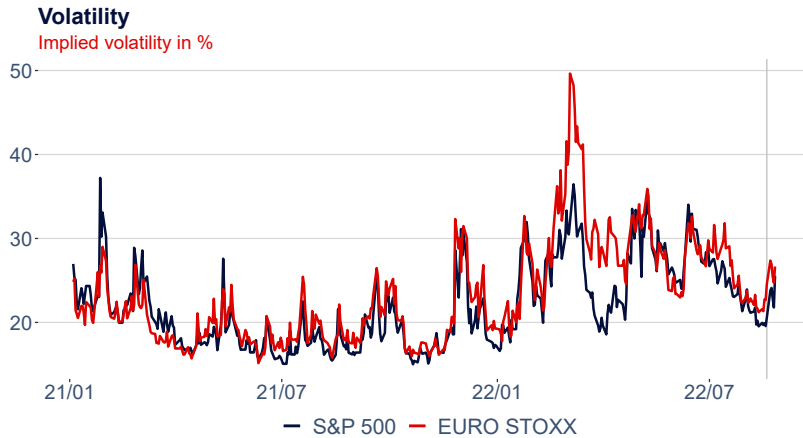


Styles U.S.

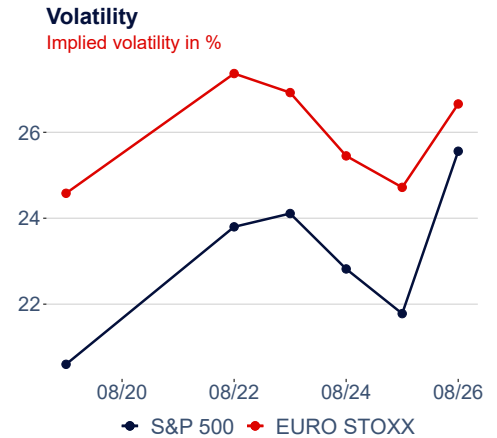
Total return %



Volatility

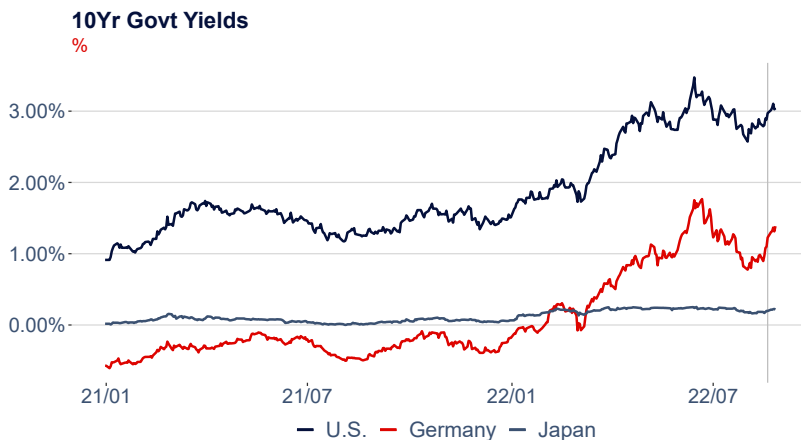


Source: Amadeus Capital SA 2022-08-27



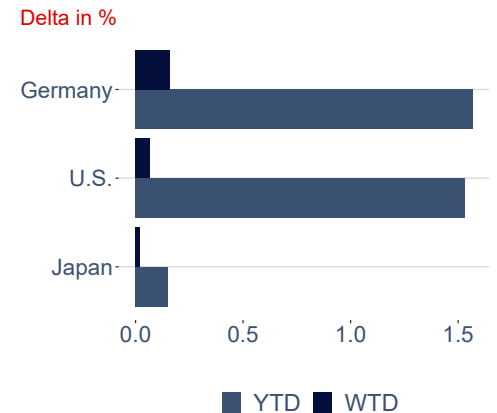
Source: Amadeus Capital SA 2022-08-27

Government Bond Yields

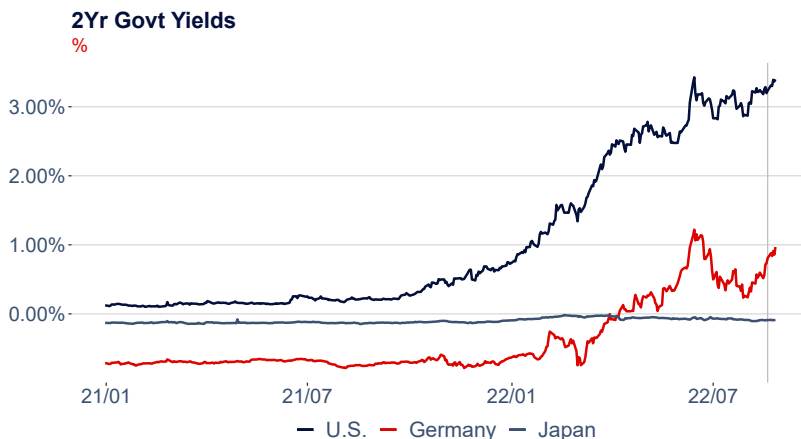


Source: Bloomberg, Amadeus 2022-08-27

10Yr Govt Yields

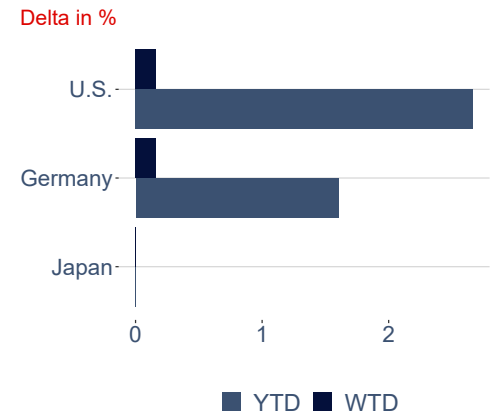


Government Bond Yields



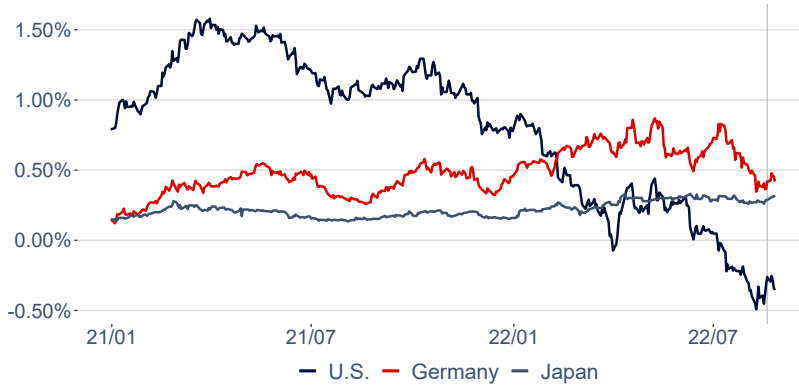
Source: Bloomberg, Amadeus 2022-08-27

2Yr Govt Yields



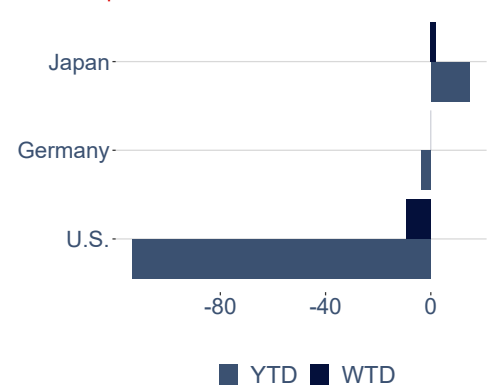
Government Bond Yields

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



Source: Amadeus Capital SA 2022-08-27

10Yr-2Yr Govt Yields
Delta in bp



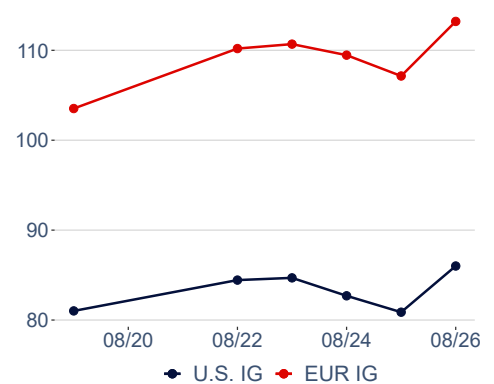
Credit Spreads

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-08-27

Investment grade credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-08-27

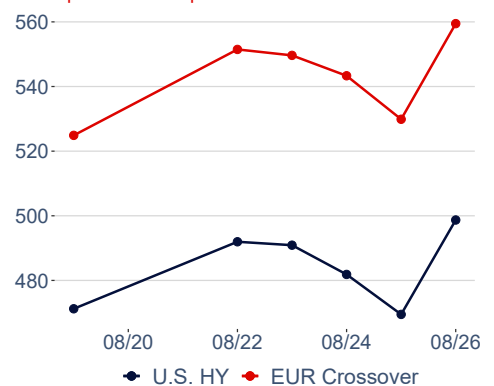
Credit Spreads

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-08-27

High yield credit spreads
Spread in basis points



Source: Amadeus Capital SA 2022-08-27

Precious Metals

Precious metals

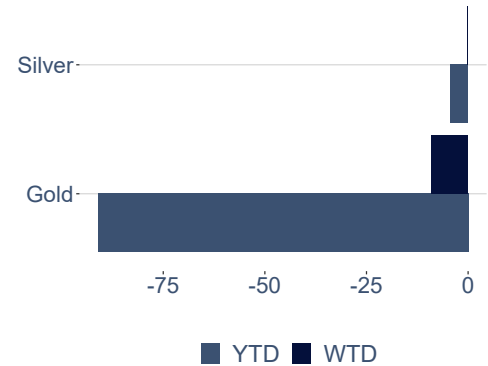
Price change %



Source: Amadeus Capital SA 2022-08-27

Precious metals

Price change in USD



Commodities

Crude oil

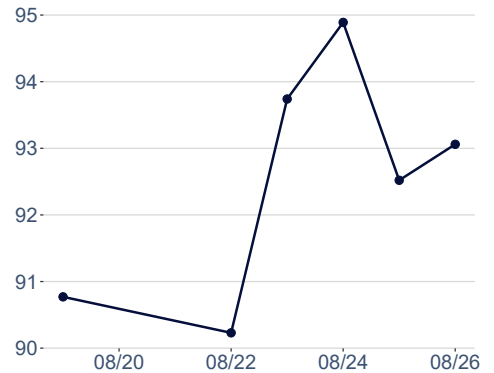
Price in USD



Source: Amadeus Capital SA 2022-08-27

Crude oil

Price in USD

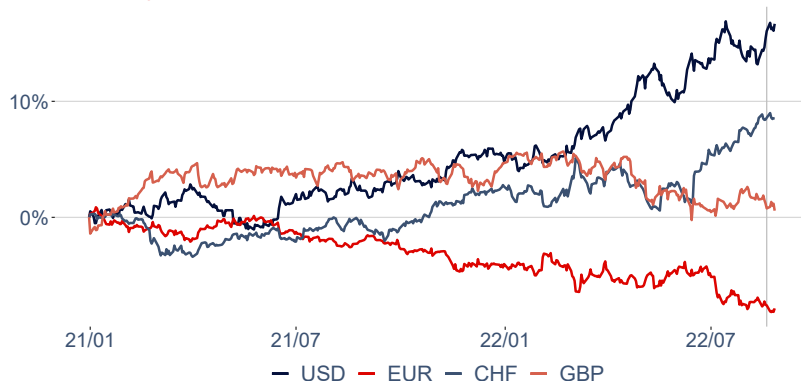


Source: Amadeus Capital SA 2022-08-27

Currencies

Trade weighted currencies

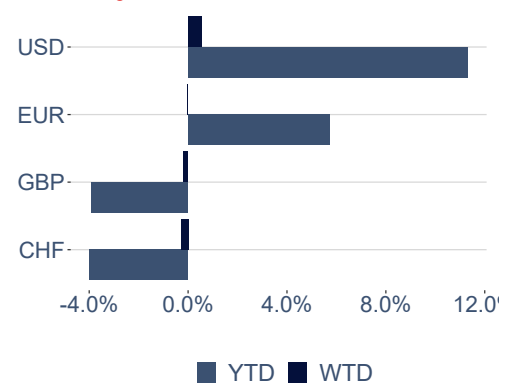
Price change %



Source: Amadeus Capital SA 2022-08-27

Trade weighted currencies

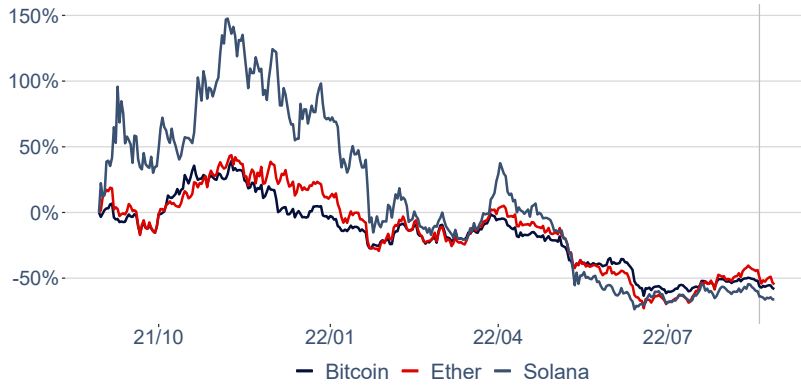
Price change %



Cryptocurrencies

Major cryptocurrencies in USD

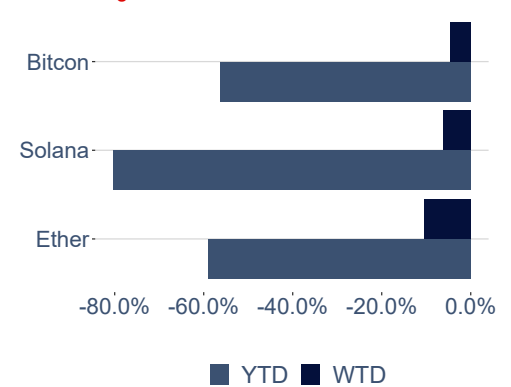
Price change %



Source: Amadeus Capital SA 2022-08-27

Major cryptocurrencies in USD

Price change %



Major Events Last Week

While Wall Street was hit by Powell's speech, Main Street enjoyed a rather encouraging newsflow this week. Core Durable Goods orders grew stronger than expected, the Q2 decline in GDP was less pronounced than anticipated and Initial Jobless Claims were lower than forecasted. More importantly, the Core PCE Index (the Fed's preferred measure of inflation) increased by only 0.1% in July, significantly less than the 0.3% expected by economists. Meanwhile, the German IFO came in slightly better than expected, stabilising at around 88, despite the horror news from gas and electricity markets. The U.K. However, UK PMI's disappointed with the composite barely above 50 on the back of a surprise drop in the Manufacturing PMI.

Date	Zone	Event	Previous	Forecast	Actual
22/08/2022	China	PBoC Loan Prime Rate	3.70%	-	3.65%
22/08/2022	Israel	Interest Rate Decision (Aug)	1.25%	1.88%	2.00%
23/08/2022	Germany	German Manufacturing PMI (Aug)	49.3	48.2	49.8
23/08/2022	United Kingdom	Composite PMI	52.1	51.3	50.9
23/08/2022	United Kingdom	Manufacturing PMI	52.1	51.0	46.0
23/08/2022	United Kingdom	Services PMI	52.6	52.0	52.5
23/08/2022	United States	New Home Sales (Jul)	585K	575K	511K
24/08/2022	United States	Core Durable Goods Orders (MoM) (Jul)	0.3%	0.2%	0.3%
24/08/2022	United States	Pending Home Sales (MoM) (Jul)	-8.9%	-4.0%	-1.0%
24/08/2022	United States	Crude Oil Inventories	-7.056M	-0.933M	-3.282M
25/08/2022	Germany	German GDP (QoQ) (Q2)	0.2%	0.0%	0.1%
25/08/2022	Germany	German Ifo Business Climate Index (Aug)	88.7	86.8	88.5
25/08/2022	Euro Zone	ECB Publishes Account of Monetary Policy Meeting	-	-	-
25/08/2022	United States	GDP (QoQ) (Q2)	-0.9%	-0.8%	-0.6%
25/08/2022	United States	Initial Jobless Claims	245K	253K	243K
26/08/2022	New Zealand	RBNZ Gov Orr Speaks	-	-	-
26/08/2022	United States	Core PCE Price Index (MoM) (Jul)	0.6%	0.3%	0.1%
26/08/2022	United States	Fed Chair Powell Speaks	-	-	-

The Week Ahead

Some European policymakers expressed a desire to follow the Fed with more aggressive rate hikes, arguing that a 75bp increase in September should be openly discussed. Aside from inflation, the recent surge in Italian government bond yields (10-year BTPs now close to 3.7% again) will likely be a factor considered, though. Next week's CPI data will, therefore, be carefully watched. Aside from that, there will be a bunch of labour market-related announcements in the states. Economists expect Nonfarm Payrolls to drop significantly from last month's surprisingly robust data, alongside an unchanged unemployment rate. Another stronger-than-expected print could induce further nervousness over a potential policy error by the Fed.

Date	Zone	Event	Previous	Forecast	Actual
29/08/2022	Australia	Retail Sales (MoM) (Jul)	0.2%	0.3%	-
30/08/2022	United States	CB Consumer Confidence (Aug)	95.7	97.5	-
30/08/2022	United States	JOLTs Job Openings (Jul)	10.698M	11.000M	-
31/08/2022	China	Manufacturing PMI (Aug)	49.0	49.2	-
31/08/2022	Germany	German Unemployment Change (Aug)	48K	27K	-
31/08/2022	Euro Zone	CPI (YoY) (Aug)	8.9%	9.0%	-
31/08/2022	United States	ADP Nonfarm Employment Change	128K	-	-
31/08/2022	Canada	GDP (MoM) (Jun)	-	0.1%	-
31/08/2022	United States	Crude Oil Inventories	-3.282M	-0.933M	-
01/09/2022	China	Caixin Manufacturing PMI (Aug)	50.4	50.2	-
01/09/2022	Germany	German Manufacturing PMI (Aug)	49.8	49.8	-
01/09/2022	United Kingdom	Manufacturing PMI (Aug)	46.0	46.0	-
01/09/2022	United States	ADP Nonfarm Employment Change (Jun)	128K	200K	-
01/09/2022	United States	Initial Jobless Claims	243K	249K	-
01/09/2022	United States	ISM Manufacturing PMI (Aug)	52.8	52.0	-
02/09/2022	United States	Nonfarm Payrolls (Aug)	528K	285K	-
02/09/2022	United States	Unemployment Rate (Aug)	3.5%	3.5%	-

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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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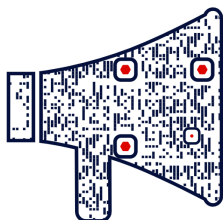
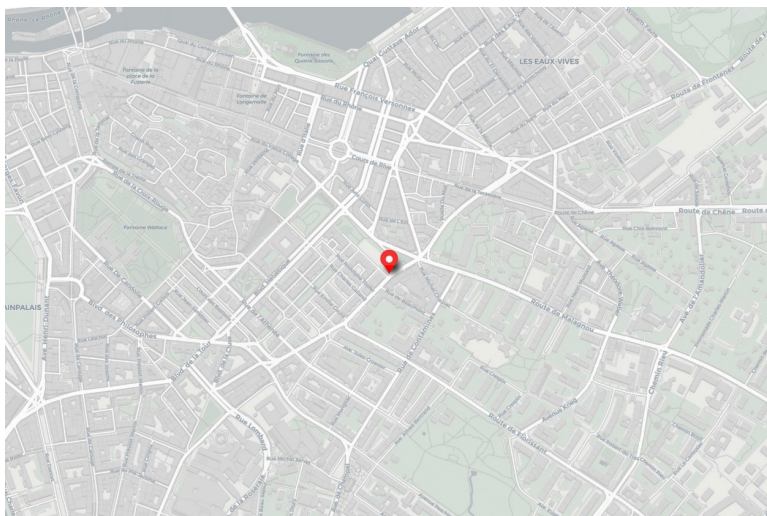
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