

Market Review

April 2022

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Highlights:

- Prospects for aggressive U.S. interest rate hikes, a sharp slowdown in China, surging inflation, and the war in Ukraine drove investors to dump riskier assets in favor of safe havens such as the U.S. dollar and government bonds.
- Russia, which has been demanding payments for its gas in roubles said Russian energy giant Gazprom has informed Poland and Bulgaria it will halt its gas supplies.
- The euro fell below \$1.06 for the first time in five years against a broadly strong U.S. dollar amid rising concerns around energy safety and growth slowdown in China and Europe. The eur/usd has fallen more than 4.7% in April its worst monthly loss in more than seven years.
- The IMF cut its global growth forecasts for 2022 from 4.4% to 3.6% to reflect the impact of the Ukraine war.
- 10-year US bond yields moved closer to 3%.
- The five largest U.S. stocks by market capitalization -- Apple Inc., Microsoft Corp., Alphabet Inc., Amazon.com Inc. and Tesla Inc. -- have lost more than \$1 trillion in combined value this month.

Rate changes / IMF new forecasts:

- The Reserve Bank of New Zealand raised interest rates by 50 basis points -- its most aggressive hike in over two decades -- to 1.5% but tempered its rate outlook.
- The Canadian central bank also rose by 50bp to 1%.
- In a surprise move South Korea's central bank raised its benchmark rate by a quarter of a percentage point to 1.50%, (the highest since August 2019) and warned inflation could top 4% up from its February forecast of 3.1%.
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- Sweden's central bank performed a dramatic U-turn as it raised interest rates, said it would shrink its balance sheet and warned of more increases to come as it belatedly responded to surging inflation .The central bank delivered a surprise 25bp rate hike. Inflation ran at 6.1% in March, far above the Riksbank's 2% target.
- The IMF projects global growth of 3.6% in both 2022 and 2023, a drop of 0.8 and 0.2 percentage point, respectively, from its January forecast due to the war's direct impacts on Russia and Ukraine and global spillovers. The IMF has estimated that Ukraine's GDP will collapse by 35% this year, while Russia's output will shrink by 8.5% in 2022, while emerging and developing Europe, including both countries, will contract by 2.9%.

Performance March April 2022:

EQUITIES	29/04/2022	31/03/2022	VARIATION
USA			
DOW JONES INDUS. AVG	32977.21	34678.35	-4.91%
S&P 500 INDEX	4131.93	4530.41	-8.80%
NASDAQ COMPOSITE	12334.64	14220.52	-13.26%
EUROPE			
Euro Stoxx 50 Pr	3802.86	3902.52	-2.55%
FTSE 100 INDEX	7544.55	7515.68	0.38%
CAC 40 INDEX	6533.77	6659.87	-1.89%
DAX INDEX	14097.88	14414.75	-2.20%
SWISS MARKET INDEX	12128.76	12161.53	-0.27%
ISRAEL/ ASIA			
TA-35 Index	2016.87	2042.44	-1.25%
NIKKEI 225	28.04.22 26847.90	27821.43	-3.50%
VIX Index	33.40	20.56	62.45%
MSCI WORLD	2795.62	3053.07	-8.43%

FX / COMMODITIES	29/04/2022	31/03/2022	VARIATION
EUR/USD	1.055	1.107	-4.72%
USD/ILS	3.340	3.191	4.65%
EUR/ILS	3.523	3.530	-0.19%
GBP/USD	1.257	1.314	-4.29%
USD/JPY	129.700	121.700	6.57%
GBP/ILS	4.199	4.194	0.11%
USD/CHF	0.972	0.923	5.34%
WTI CRUDE	104.69	98.52	6.26%
GOLD SPOT	1896.93	1937.44	-2.09%
BITCOIN	38560.04	45767.58	-15.75%

CENTRAL BANK RATES	29/04/2022	31/03/2022	VARIATION
Fed funds Target Rate	0.50	0.50	0.00
ECB Main Refinancing Operatio	0.00	0.00	0.00
UK Bank of England Rate	0.75	0.75	0.00
Bank of Israel Base Rate	0.35	0.10	0.25
Switzerland National Bank Libo	-0.75	-0.75	0.00

Fixed Income:

CORP SPREADS	29/04/2022	31/03/2022	Variation BP	29/04/2022	31/03/2022
US TSY 2Y	2.718	2.337	38.100		
BVAL AA Curve 2 Yr	2.9721	2.4173	55.48	25.41	8.03
BVAL A Curve 2 Yr	3.0915	2.5151	57.64	37.35	17.81
BVAL BBB Curve 2 Yr	3.5007	2.9034	59.73	78.27	56.64
BVAL BB Curve 2Y	HY 4.7824	3.9419	84.05	206.44	160.49
US TSY 5Y	2.957	2.462	49.500		
BVAL AA Curve 5 Yr	3.4596	2.8439	61.57	50.26	38.19
BVAL A Curve 5 Yr	3.7022	3.069	63.32	74.52	60.70
BVAL BBB Curve 5 Yr	4.1903	3.518	67.23	123.33	105.60
BVAL BB Curve 5Y	HY 5.7036	4.8673	83.63	274.66	240.53
US TSY 10Y	2.937	2.341	59.600		
BVAL AA Curve 10 Yr	3.8796	3.165	71.46	94.26	82.40
BVAL A Curve 10 Yr	4.141	3.4031	73.79	120.40	106.21
BVAL BBB Curve 10 Yr	4.6885	3.9025	78.6	175.15	156.15
BVAL BB Curve 10Y	HY 6.2562	5.4447	81.15	331.92	310.37

BONDS	29/04/2022	31/03/2022	VARIATION bp
US TSY 2Y	2.72	2.34	38.10
US TSY 10Y	2.94	2.34	59.60
UK TSY 10Y	1.90	1.61	29.52
Euro Generic Govt Bond 2 Year	0.26	-0.07	33.50
Euro Generic Govt Bond 10 Yea	0.94	0.55	39.00
Switzerland Govt Bonds 2 Year	0.03	-0.16	18.20
Switzerland Govt Bonds 10 Yea	0.84	0.57	27.00
JAPAN (2 YEAR ISSUE)	-0.06	-0.04	-1.80
JAPAN (10 YEAR ISSUE)	0.22	0.21	1.10

2022 performances (YTD):

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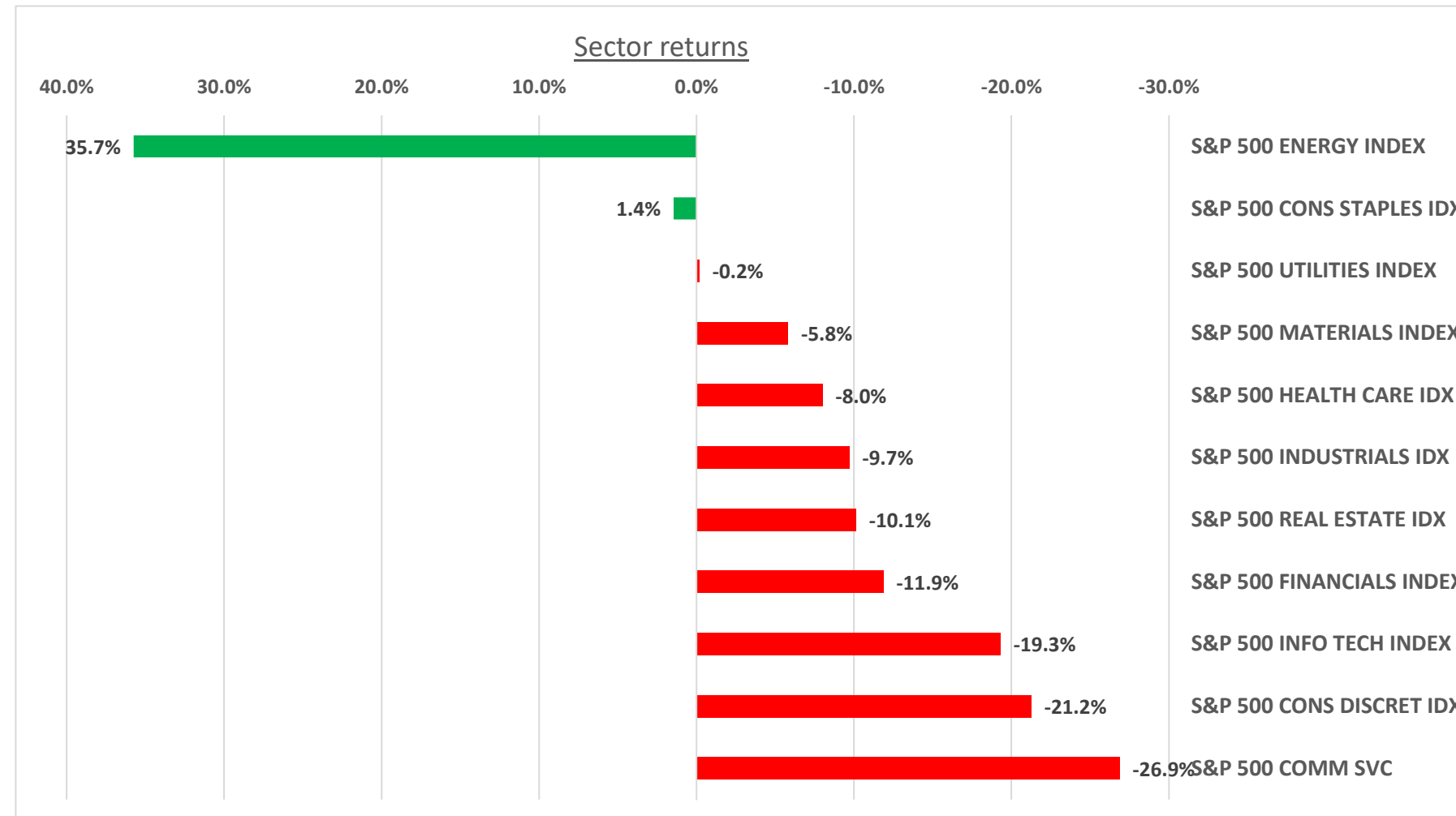
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USD/JPY	129.700	115.080	12.70%
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USD/CHF	0.972	0.913	6.45%
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GOLD SPOT	1896.93	1829.20	3.70%
BITCOIN	38560.04	46333.65	-16.78%

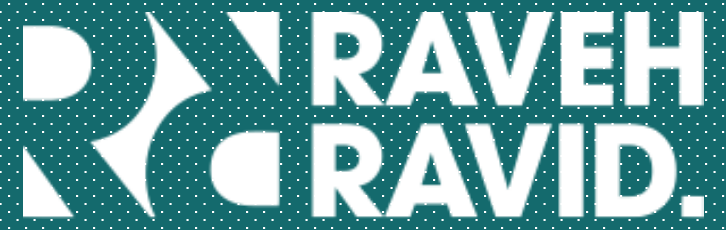
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CORP SPREADS	29/04/2022	31/12/2021	Variation BP	spread	
				29/04/2022	31/12/2021
US TSY 2Y	2.718	0.734	198.400		
BVAL AA Curve 2 Yr	2.9721	0.8305	214.16	25.41	9.65
BVAL A Curve 2 Yr	3.0915	0.8973	219.42	37.35	16.33
BVAL BBB Curve 2 Yr	3.5007	1.1659	233.48	78.27	43.19
BVAL BB Curve 2Y	HY 4.7824	2.1982	258.42	206.44	146.42
US TSY 5Y	2.957	1.264	169.300		
BVAL AA Curve 5 Yr	3.4596	1.5122	194.74	50.26	24.82
BVAL A Curve 5 Yr	3.7022	1.6619	204.03	74.52	39.79
BVAL BBB Curve 5 Yr	4.1903	1.9961	219.42	123.33	73.21
BVAL BB Curve 5Y	HY 5.7036	3.3428	236.08	274.66	207.88
US TSY 10Y	2.937	1.512	142.500		
BVAL AA Curve 10 Yr	3.8796	2.1275	175.21	94.26	61.55
BVAL A Curve 10 Yr	4.141	2.3236	181.74	120.40	81.16
BVAL BBB Curve 10 Yr	4.6885	2.7136	197.49	175.15	120.16
BVAL BB Curve 10Y	HY 6.2562	4.1879	206.83	331.92	267.59

BONDS	29/04/2022	31/12/2021	VARIATION bp
US TSY 2Y	2.72	0.73	198
US TSY 10Y	2.94	1.51	143
UK TSY 10Y	1.90	0.97	94
Euro Generic Govt Bond 2 Year	0.26	-0.62	88
Euro Generic Govt Bond 10 Year	0.94	-0.18	112
Switzerland Govt Bonds 2 Year	0.03	-0.75	77
Switzerland Govt Bonds 10 Year	0.84	-0.15	100
JAPAN (2 YEAR ISSUE)	-0.06	-0.09	4
JAPAN (10 YEAR ISSUE)	0.22	0.07	16

2022 Performances YTD – Sectors:





Stay tuned for our next Market Review!

Prepared by: Daniele Falck Jaoui.