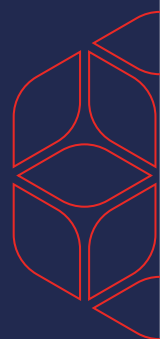


## Quick recap

- Major equity markets, except for Europe, continued their losing streak this week, and the once high-flying tech corner of the U.S. stock market saw some pretty violent moves.
- However, this week's most significant developments were in the Crypto space, where the UST Stablecoin blew up, destroying billions in wealth overnight.
- Meanwhile, implied volatility in the U.S. and the European stock market decreased despite a surge in realized volatility, triggering warnings that this drawdown may last longer. Government bond yields came back slightly amid market turmoils, finally yielding some diversification benefits.
- In the U.S. and Europe, a stark divergence has evolved between business and consumer sentiment and consensus earnings forecasts. As a result, the question of who is right will be crucial for valuation support.



## Overview

### Equities

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

p. 2-5  
p. 2  
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

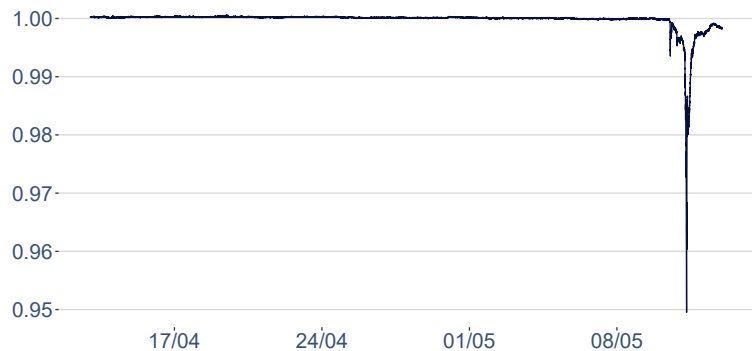
p. 7-8  
p. 7  
p. 7  
p. 8

### Economic Calendar

p. 9-10

### USDT/USD

For a brief period, Tether traded with a 5% discount to the USD



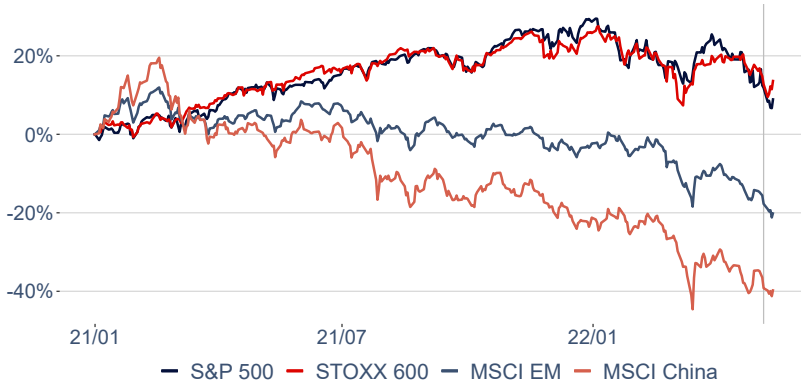
Following the spectacular overnight crash of the algorithmic stablecoin, Terr, cracks have been showing in its larger sister, Tether. While Tether's peg should theoretically be backed by [Treasury bills and commercial paper](#), the [allocation and liquidity](#) of its reserves have [always raised many questions](#). At the end of the day, Tether is probably best described as a bank without a banking license. So is it [prepared for a bank run](#)?

## Markets at a glance

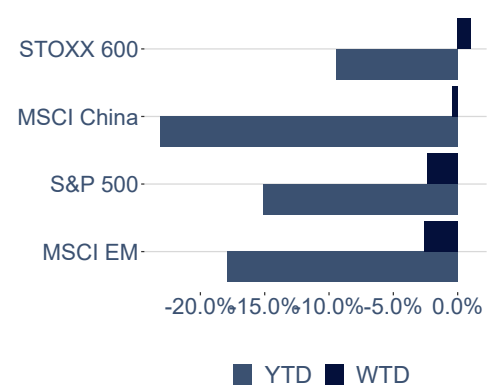


### Major Equity Markets

**Broad Markets**  
Total return %

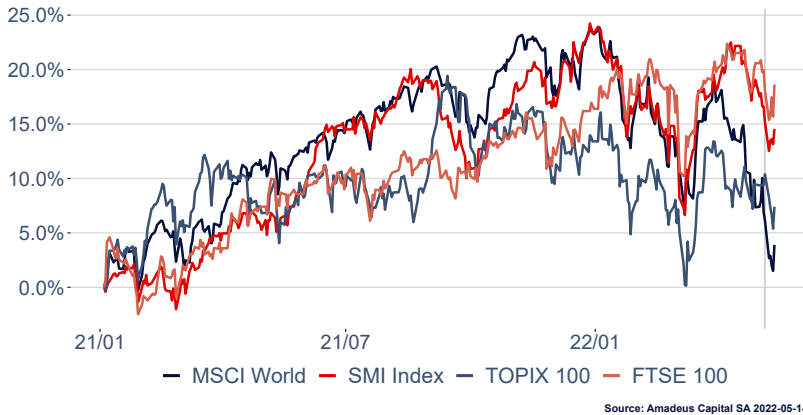


**Broad Markets**  
Total return %



### Major Equity Markets

**Broad Markets**  
Total return %

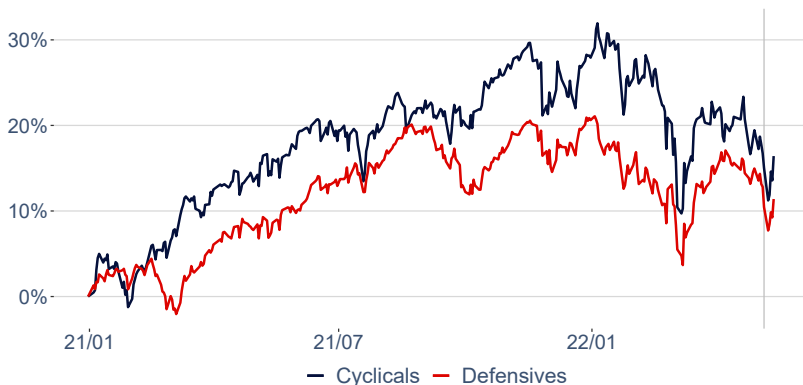


**Broad Markets**  
Total return %

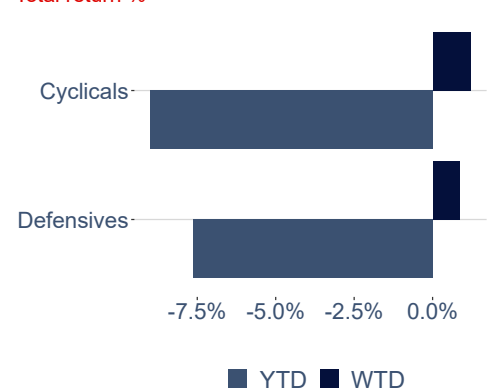


### Equity Sectors

**Cyclicals vs Defensives Europe**  
Total return %



**Cyclicals vs Defensives Europe**  
Total return %



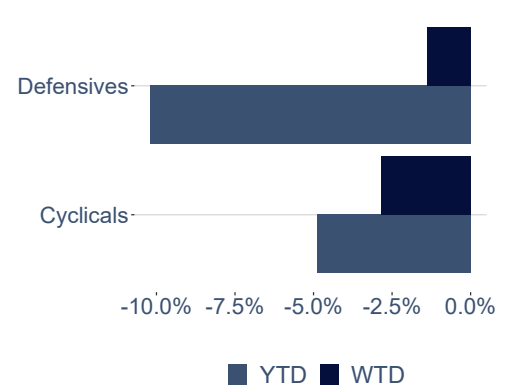
## Equity Sectors

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



Source: Bloomberg, Amadeus 2022-05-14

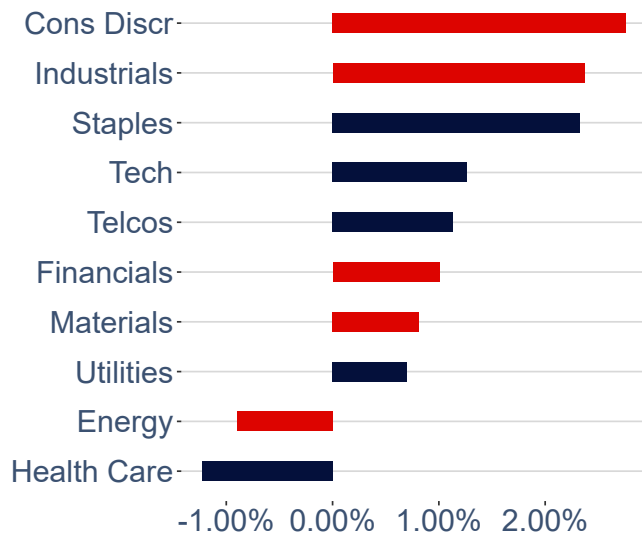
**Cyclicals vs Defensives U.S.**  
Total return %



## Equity Sectors

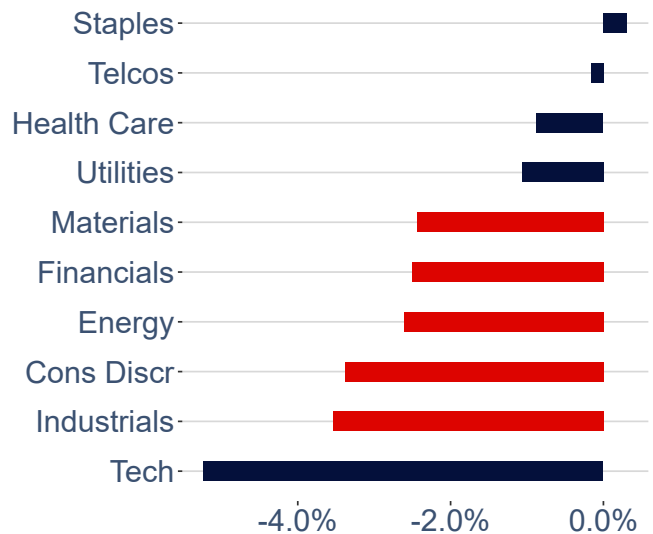
### Sectors Europe

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



### Sectors U.S.

Last week's performance %



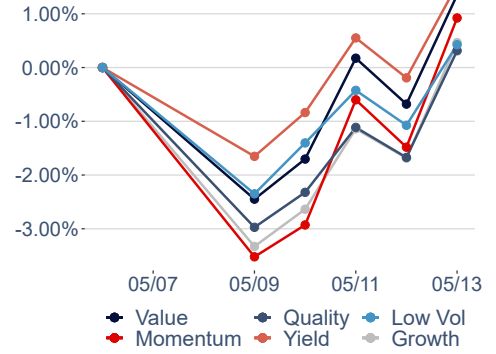
Equity Styles

**Styles Europe**  
Total return %



Source: Bloomberg, Amadeus 2022-05-14

**Styles Europe**  
Total return %



Source: Amadeus Capital SA 2022-05-14

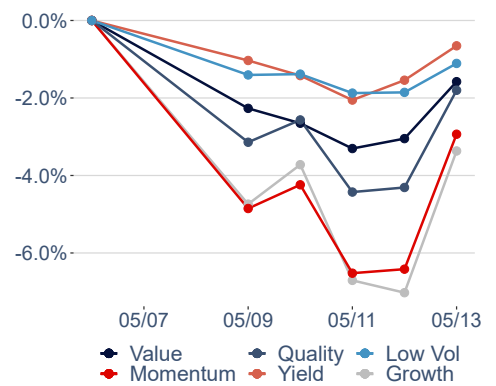
Equity Styles

**Styles U.S.**  
Total return %



Source: Bloomberg, Amadeus 2022-05-14

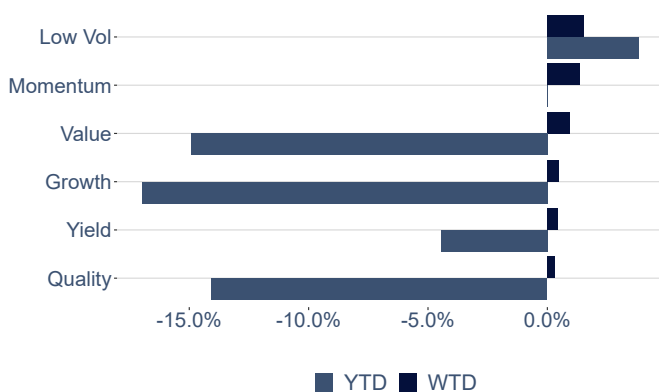
**Styles U.S.**  
Total return %



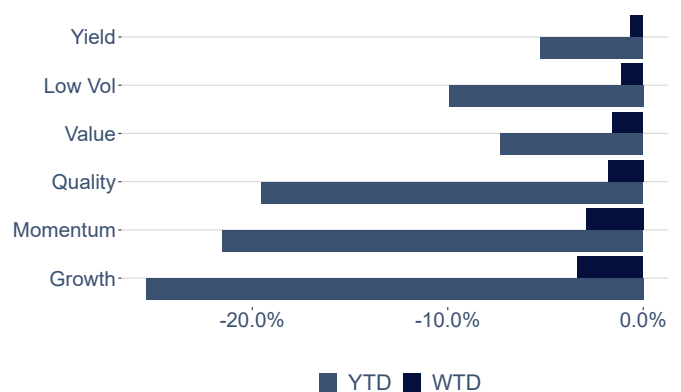
Source: Amadeus Capital SA 2022-05-14

Equity Styles

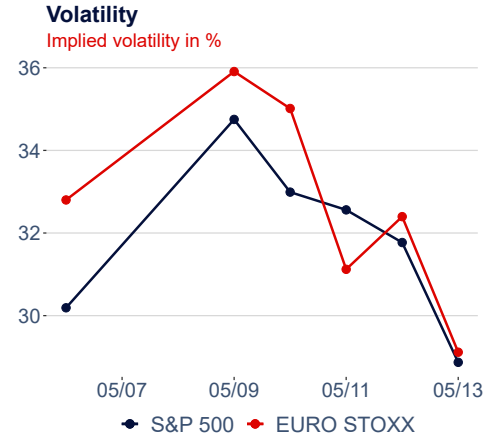
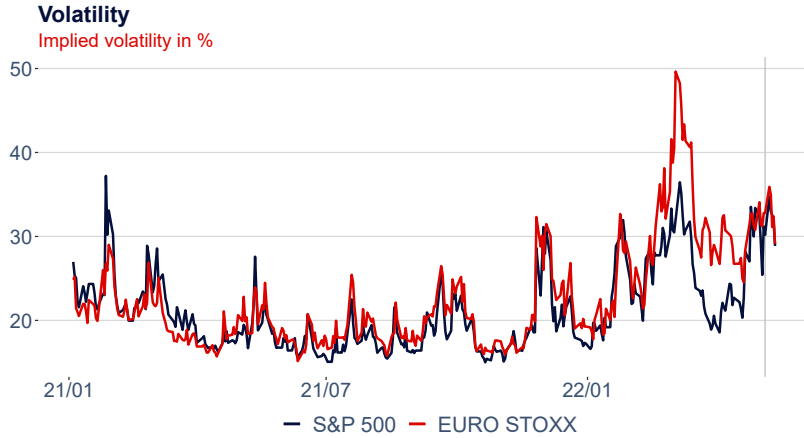
**Styles Europe**  
Total return %



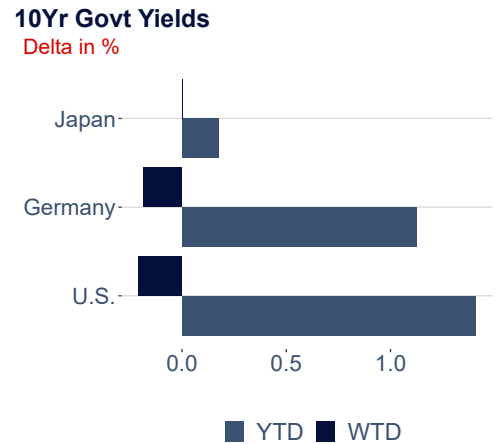
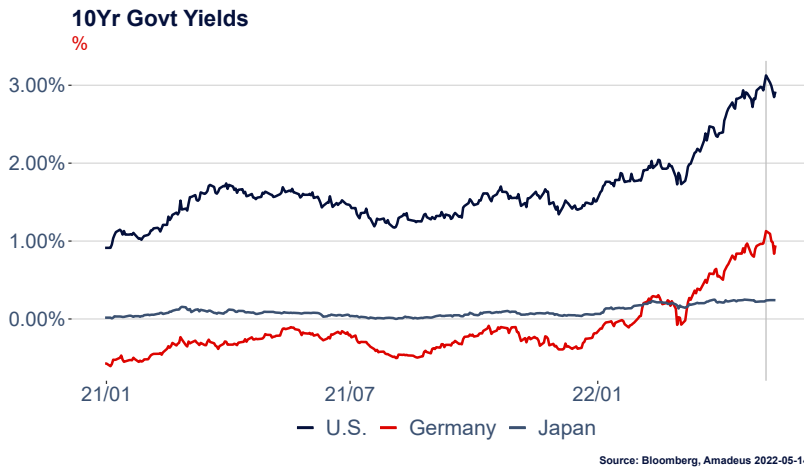
**Styles U.S.**  
Total return %



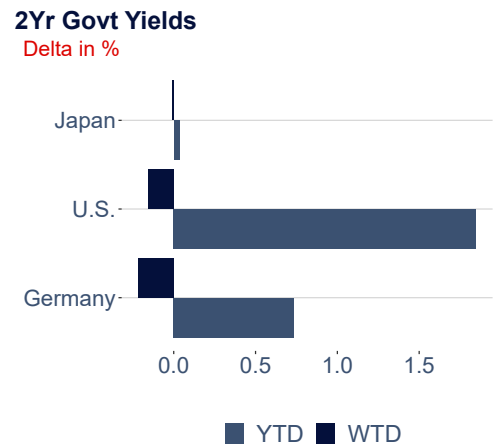
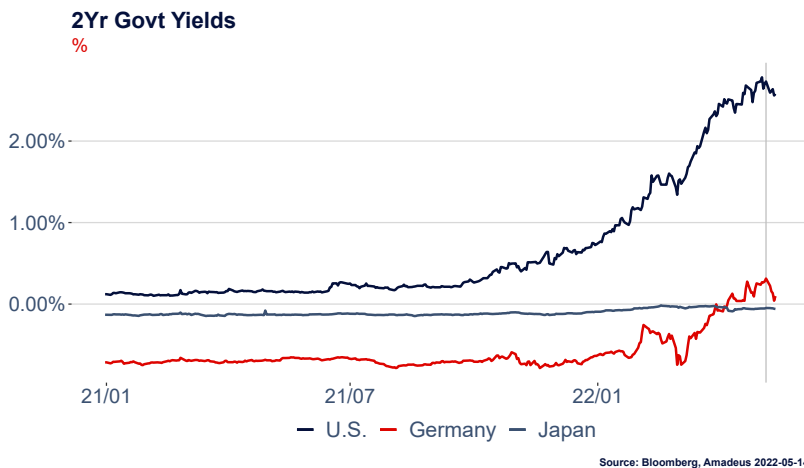
**Volatility**



**Government Bond Yields**

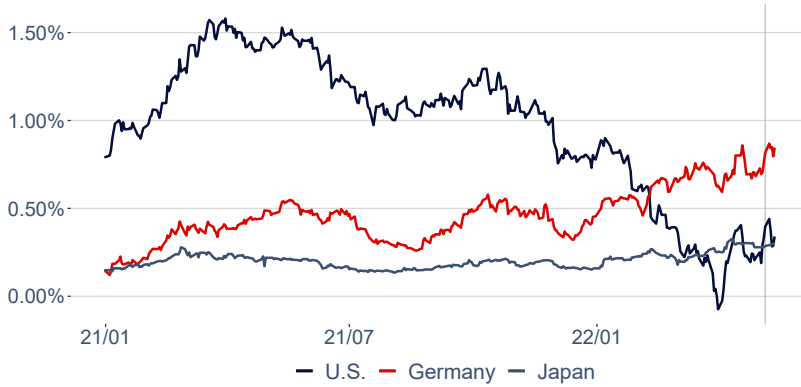


**Government Bond Yields**



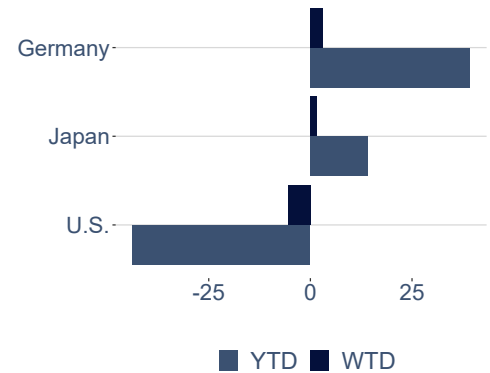
**Government Bond Yields**

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



Source: Amadeus Capital SA 2022-05-14

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



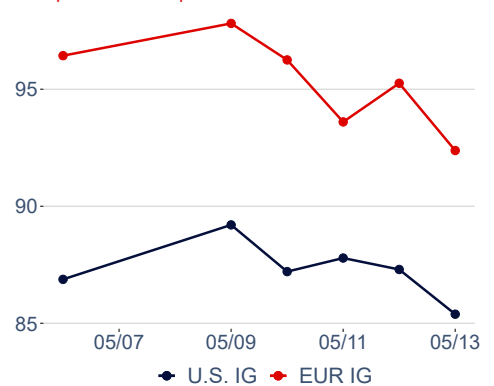
**Credit Spreads**

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



Source: Amadeus Capital SA 2022-05-14

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



Source: Amadeus Capital SA 2022-05-14

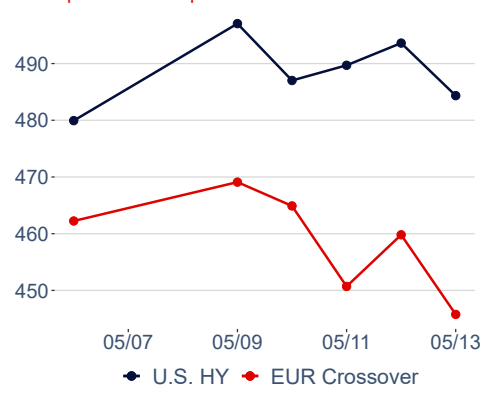
**Credit Spreads**

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



Source: Amadeus Capital SA 2022-05-14

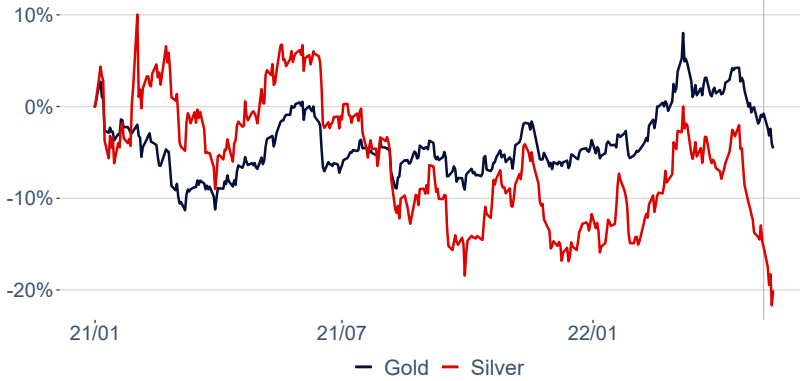
**High yield credit spreads**  
Spread in basis points



Source: Amadeus Capital SA 2022-05-14

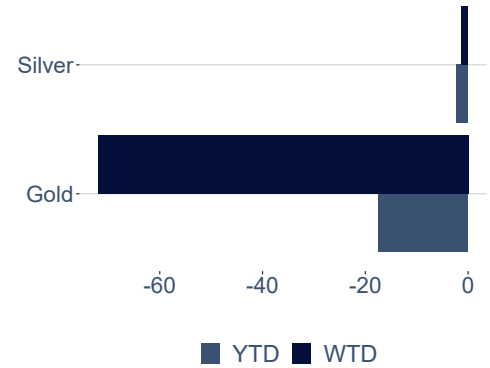
Precious Metals

**Precious metals**  
Price change %



Source: Amadeus Capital SA 2022-05-14

**Precious metals**  
Price change in USD



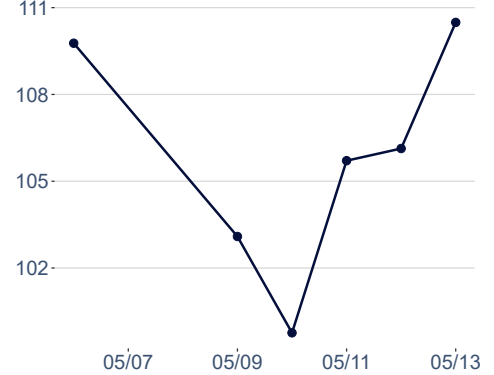
Commodities

**Crude oil**  
Price in USD



Source: Amadeus Capital SA 2022-05-14

**Crude oil**  
Price in USD



Source: Amadeus Capital SA 2022-05-14

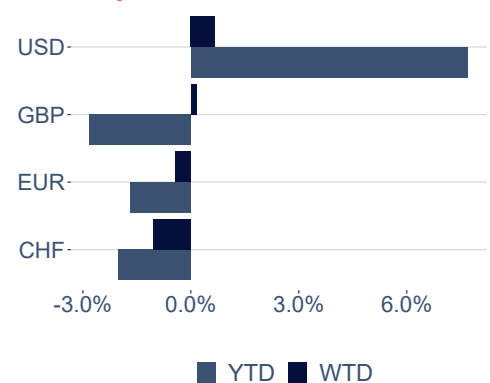
Currencies

**Trade weighted currencies**  
Price change %



Source: Amadeus Capital SA 2022-05-14

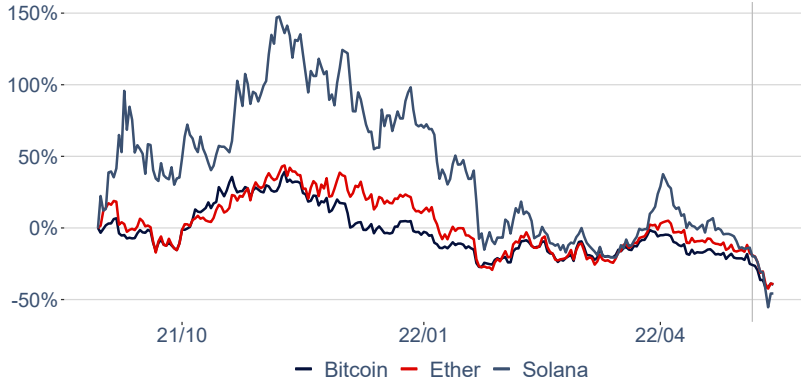
**Trade weighted currencies**  
Price change %



Cryptocurrencies

**Major cryptocurrencies in USD**

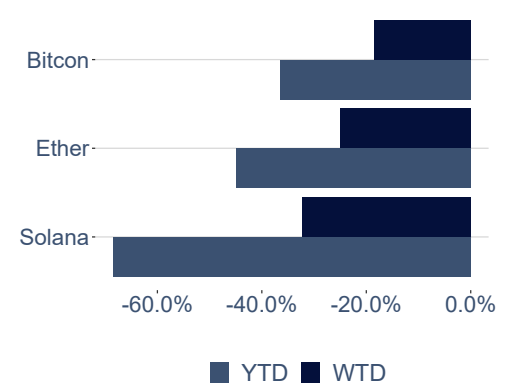
Price change %



Source: Amadeus Capital SA 2022-05-14

**Major cryptocurrencies in USD**

Price change %





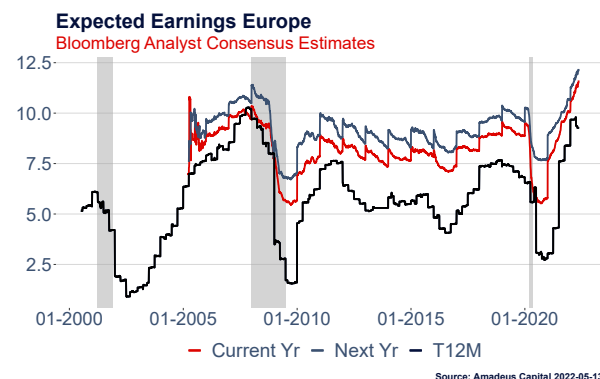
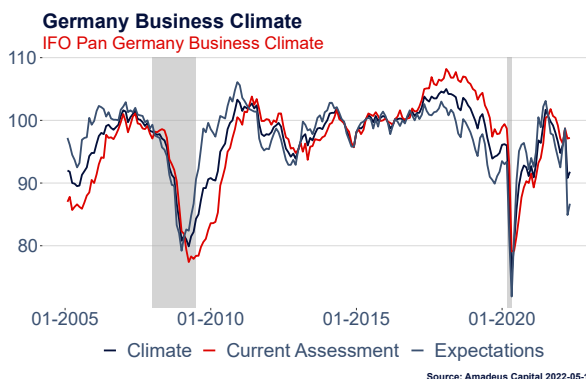
## Major Events Last Week

U.S. headline inflation declined slightly but less than expected this week. Core inflation surprised on the upside triggering further fears that the FED's attempt to manufacture a soft landing will fail. Powell warned markets that taming inflation would cause 'some pain', but given the recent slump in basically all asset classes, the question is, how much is priced in already.

In Germany, May's economic sentiment, as measured by the ZEW institute, unexpectedly improved, but business confidence is still at crisis levels. Crude ended the week almost flat amid high volatility, while U.S. reserves showed a surprise increase, indicating that upside from current price levels is likely limited.

Date	Zone	Event	Previous	Forecast	Actual
10/05/2022	Germany	German ZEW Economic Sentiment (May)	-41.0	-42.0	-34.3
10/05/2022	Brazil	BCB Copom Meeting Minutes	-	-	-
10/05/2022	United States	U.S. President Biden Speaks	-	-	-
10/05/2022	United States	EIA Short-Term Energy Outlook	-	-	-
11/05/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
11/05/2022	United States	Core CPI (MoM) (Apr)	0.3%	0.4%	0.6%
11/05/2022	United States	CPI (YoY) (Apr)	8.5%	8.1%	8.3%
11/05/2022	United States	Crude Oil Inventories	1.302M	-0.457M	8.487M
12/05/2022	United Kingdom	GDP (YoY) (Q1)	6.6%	9.0%	8.7%
12/05/2022	United Kingdom	GDP (MoM)	0.1%	0.0%	-0.1%
12/05/2022	United Kingdom	GDP (QoQ) (Q1)	1.3%	1.0%	0.8%
12/05/2022	United Kingdom	Manufacturing Production (MoM) (Mar)	-0.6%	-0.5%	-0.2%
12/05/2022	United Kingdom	Monthly GDP 3M/3M Change	1.0%	1.0%	0.8%
12/05/2022	United States	Initial Jobless Claims	202K	195K	203K
12/05/2022	United States	PPI (MoM) (Apr)	1.6%	0.5%	0.5%
15/05/2022	Israel	CPI (YoY) (Apr)	3.5%	4.0%	-
15/05/2022	Israel	CPI (MoM) (Apr)	0.6%	0.8%	-

## Business climate expectations have fallen to crisis level, but analysts have not followed



## The Week Ahead

Further crashes in the Crypto market may impact mainstream financial markets given the sheer magnitude of wealth destruction and potential spillover effects due to deleveraging and reserves liquidation.

On the macro side, Chinese industrial production will be a data point to watch for insights on the ongoing effects of the country's draconian Covid measures. This week, leadership doubled down on its Sonderweg, by announcing strict limits on outbound travel for the first time.

In the U.K., inflation is expected to surpass 9%, approaching double digits, while Eurozone numbers are forecasted to stabilize. This week's >20% surge in German natural gas prices doesn't bode well for future numbers.

Date	Zone	Event	Previous	Forecast	Actual
16/05/2022	China	Industrial Production (YoY) (Apr)	5.0%	0.4%	-
17/05/2022	Australia	RBA Meeting Minutes	-	-	-
17/05/2022	United Kingdom	Average Earnings Index +Bonus (Mar)	5.4%	5.4%	-
17/05/2022	United Kingdom	Claimant Count Change (Apr)	-46.9K	-38.8K	-
17/05/2022	United States	Core Retail Sales (MoM) (Apr)	1.4%	0.3%	-
17/05/2022	United States	Retail Sales (MoM) (Apr)	0.7%	0.8%	-
17/05/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
17/05/2022	United States	Fed Chair Powell Speaks	-	-	-
18/05/2022	Japan	GDP (QoQ) (Q1)	1.1%	-0.4%	-
18/05/2022	United Kingdom	CPI (YoY) (Apr)	7.0%	9.1%	-
18/05/2022	Euro Zone	CPI (YoY) (Apr)	7.5%	7.5%	-
18/05/2022	United States	Building Permits (Apr)	1.870M	1.810M	-
18/05/2022	Canada	Core CPI (MoM) (Apr)	1.0%	0.5%	-
18/05/2022	United States	Crude Oil Inventories	8.487M	-0.457M	-
19/05/2022	Australia	Employment Change (Apr)	17.9K	40.0K	-
19/05/2022	New Zealand	Annual Budget Release	-	-	-
19/05/2022	United States	Initial Jobless Claims	203K	-	-
19/05/2022	United States	Philadelphia Fed Manufacturing Index (May)	17.6	16.7	-
19/05/2022	United States	Existing Home Sales (Apr)	5.77M	5.62M	-
20/05/2022	China	PBoC Loan Prime Rate	3.70%	-	-
20/05/2022	United Kingdom	Retail Sales (MoM) (Apr)	-1.4%	-0.2%	-

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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.

## Where to find us

### Address

Amadeus Capital SA  
14, rue Rodolphe-Toepffer  
1206 Geneva - Switzerland

### Contact

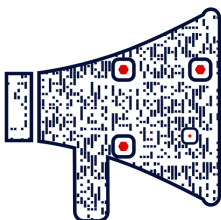
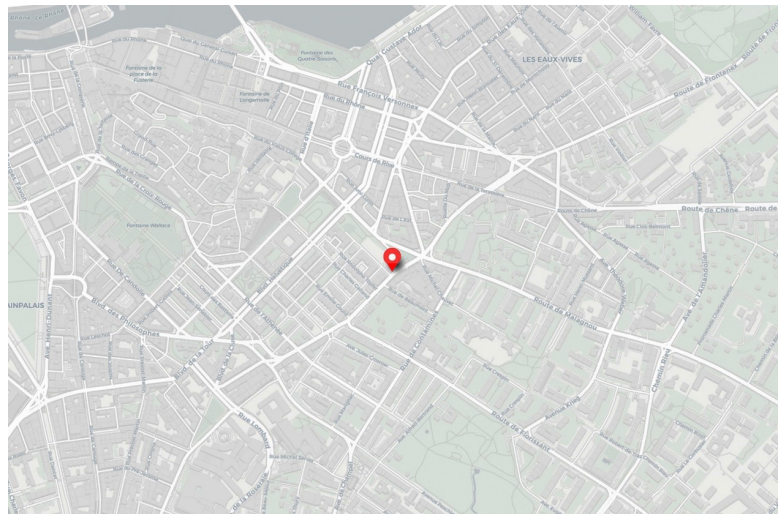
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Contact: [digital@amadeus.com](mailto:digital@amadeus.com)