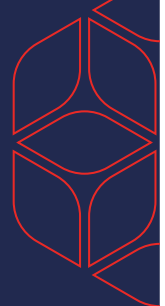


## Quick recap

- Equity markets continued declining this week due to sharply higher benchmark interest rates and high yield spreads. European markets hit fresh lows while the U.S. and China are trading around the levels seen in June, completely reversing this summer's relief rally.
- Oil prices tumbled as investors braced for a potentially deep recession following the Fed's 75bp hike and Powell's warning that he could not rule out an economic contraction.
- Options markets also showed a surge in put purchases, signaling that investors are preparing for another sell-off.
- Meanwhile, Putin called for a partial mobilization and stepped up his nuclear threat forcing thousands of young Russians into exile. The escalation triggered protests in major cities and mass imprisonments.



## Overview

### Equities

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

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p. 3  
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p. 5

### Fixed Income

- Government Yields
- Government Curve
- Credit Spreads

p. 5-6  
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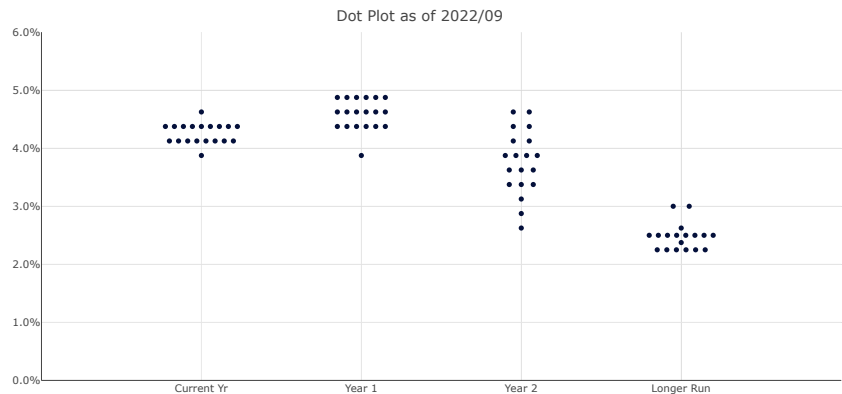
### Commodities

- Precious Metals
- Oil
- Cryptocurrencies

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### Economic Calendar

p. 9-10



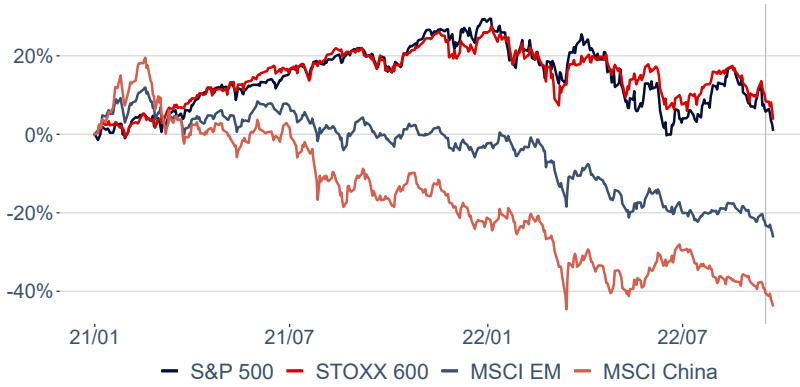
The Fed's 75bp rate hike was widely anticipated and more than priced in. However, the [FOMC's new Dot Plot](#) and Powell's speech shocked markets this week by substantially pushing up medium-term interest rate expectations. Six FOMC members now expect the Federal Funds Rate to reach almost 5% in 2023 and median projections for 2024 jumped by 50bp to 3.75%. Consequently, Powell refused to rule out a recession in the near term, dampening hopes for a soft landing. In this context, investors should remember the [high degree of inaccuracy of these interest rate projections](#). However, by now, it should be understood that after its past forecast errors, the Fed is fighting for its credibility and is willing to push down inflation even if it causes more pain.

## Markets at a glance



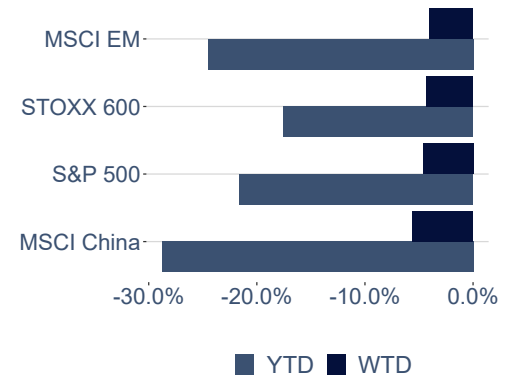
Major Equity Markets

**Broad Markets**  
Total return %



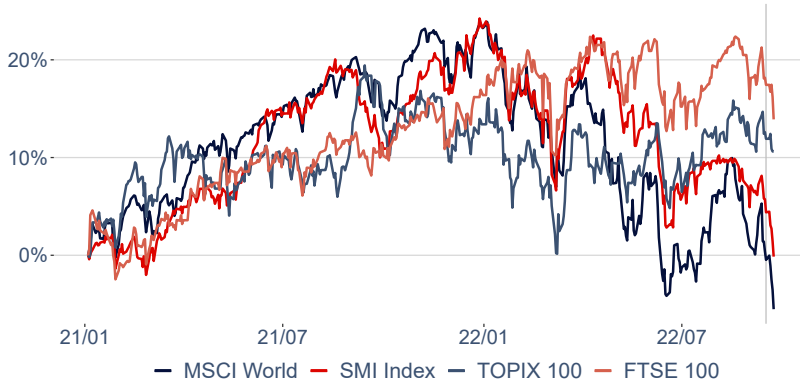
Source: Amadeus Capital SA 2022-09-25

**Broad Markets**  
Total return %



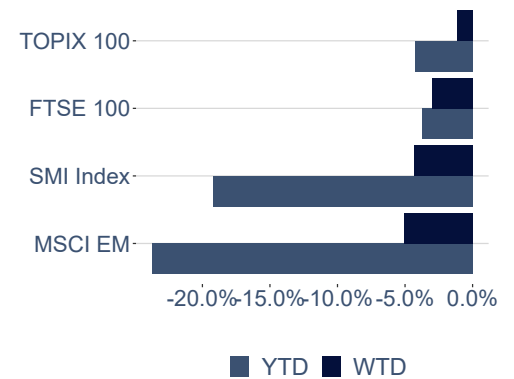
Major Equity Markets

**Broad Markets**  
Total return %



Source: Amadeus Capital SA 2022-09-25

**Broad Markets**  
Total return %



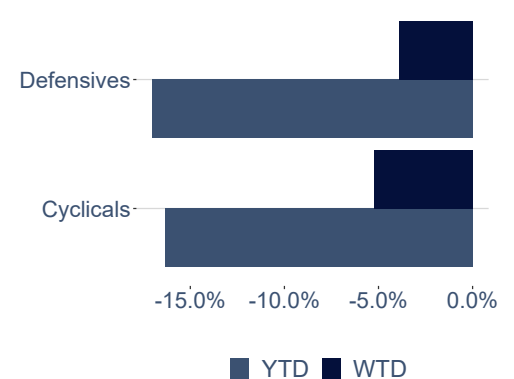
Equity Sectors

**Cyclicals vs Defensives Europe**  
Total return %



Source: Bloomberg, Amadeus 2022-09-25

**Cyclicals vs Defensives Europe**  
Total return %



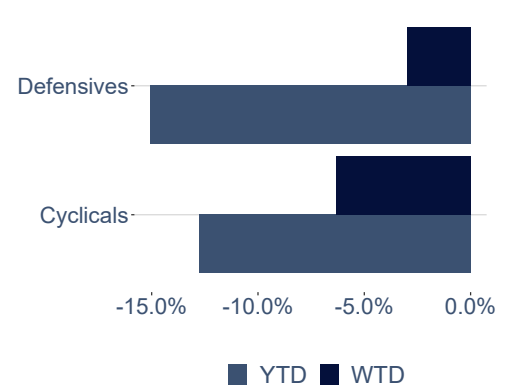
Equity Sectors

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



Source: Bloomberg, Amadeus 2022-09-25

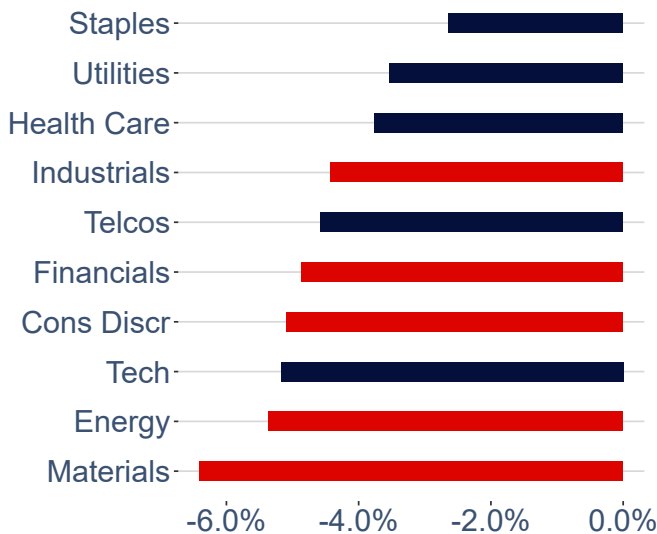
**Cyclicals vs Defensives U.S.**  
Total return %



Equity Sectors

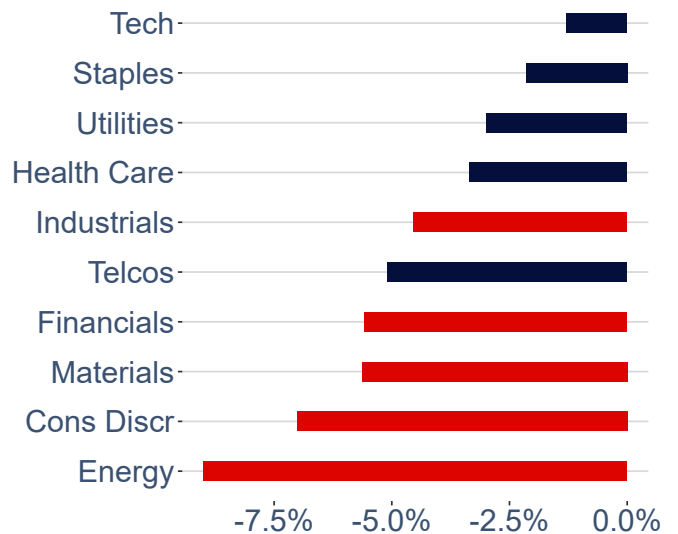
**Sectors Europe**

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



**Sectors U.S.**

Last week's performance %



Equity Styles

**Styles Europe**

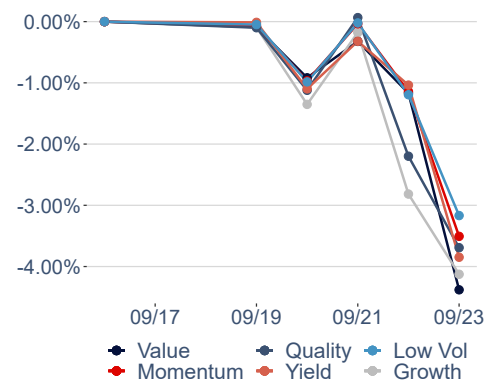
Total return %



Source: Bloomberg, Amadeus 2022-09-25

**Styles Europe**

Total return %



Source: Amadeus Capital SA 2022-09-25

Equity Styles

**Styles U.S.**

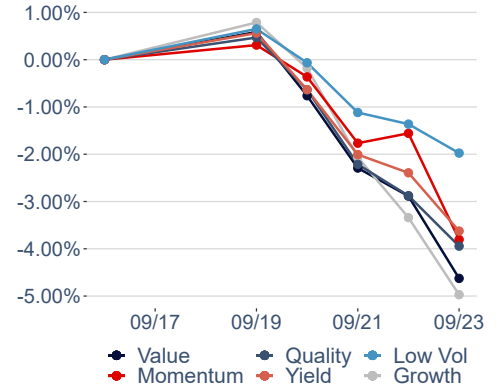
Total return %



Source: Bloomberg, Amadeus 2022-09-25

**Styles U.S.**

Total return %

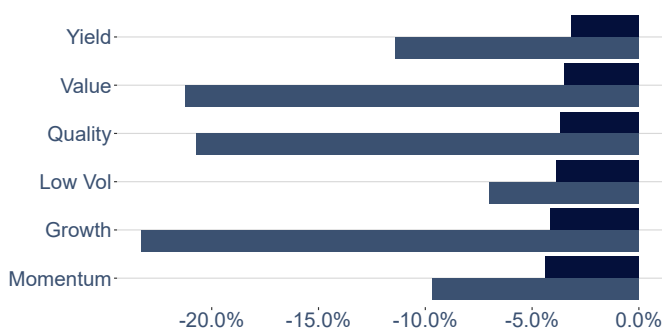


Source: Amadeus Capital SA 2022-09-25

Equity Styles

**Styles Europe**

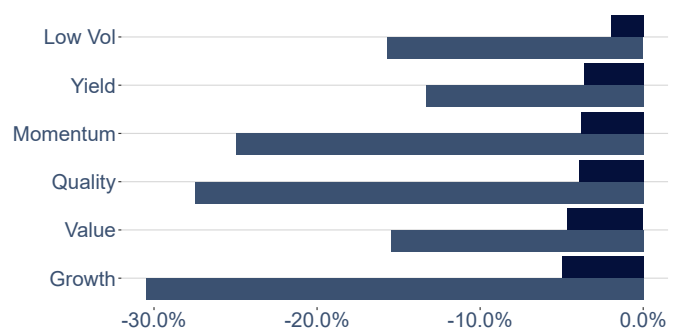
Total return %



■ YTD ■ WTD

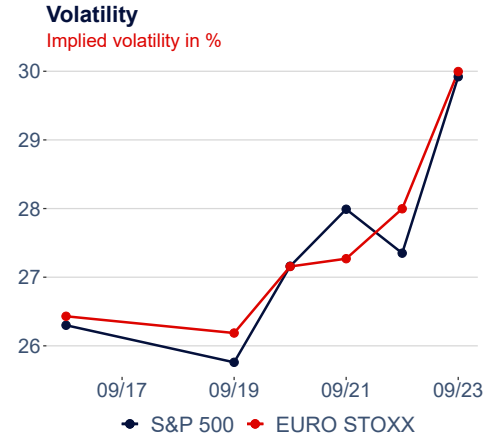
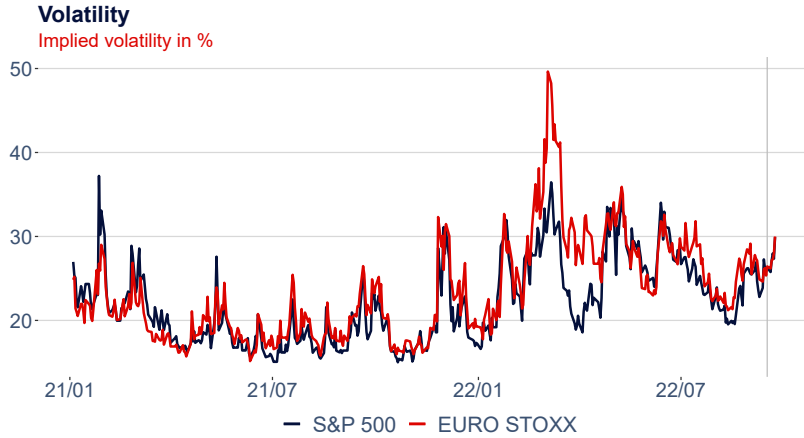
**Styles U.S.**

Total return %

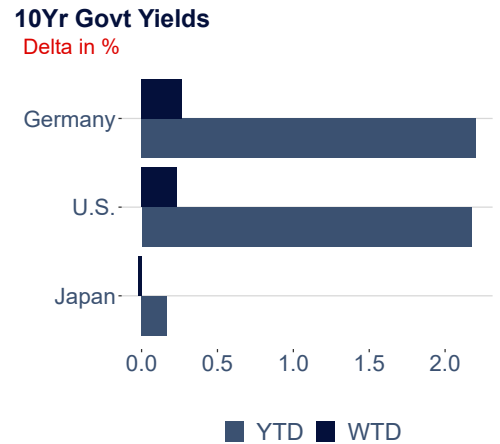
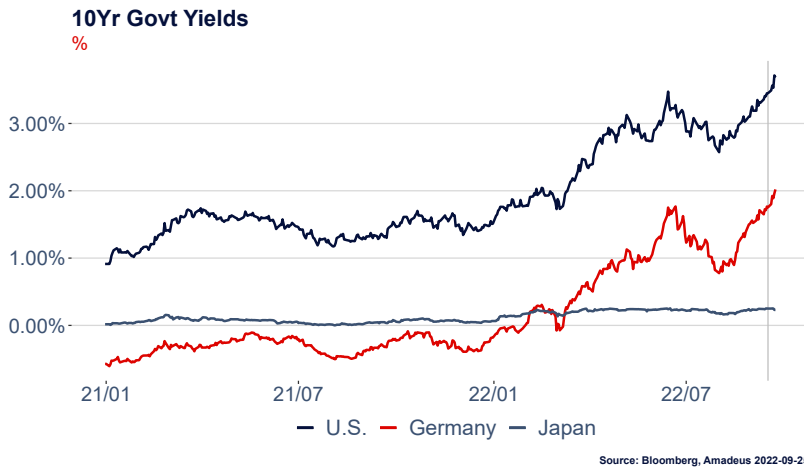


■ YTD ■ WTD

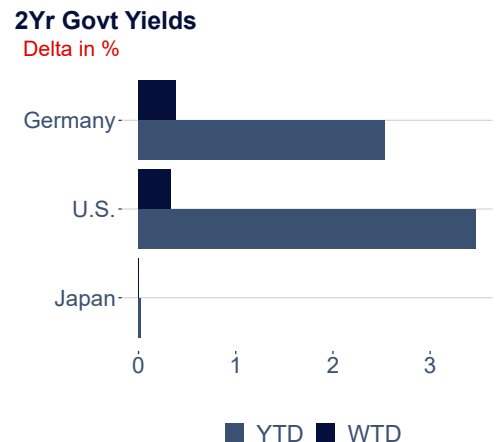
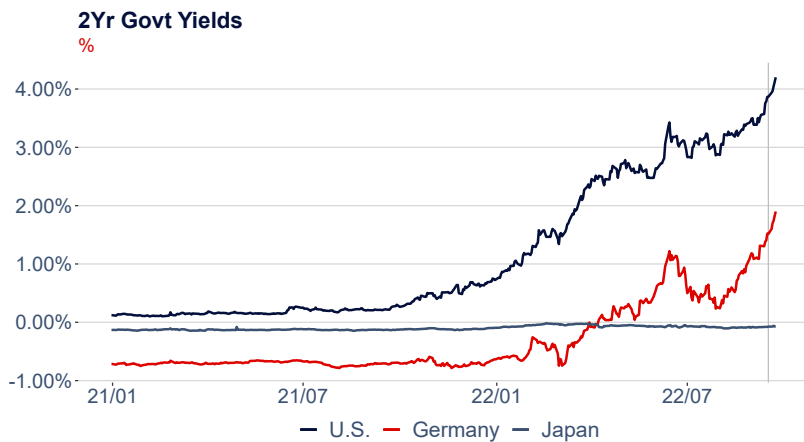
**Volatility**



**Government Bond Yields**



**Government Bond Yields**



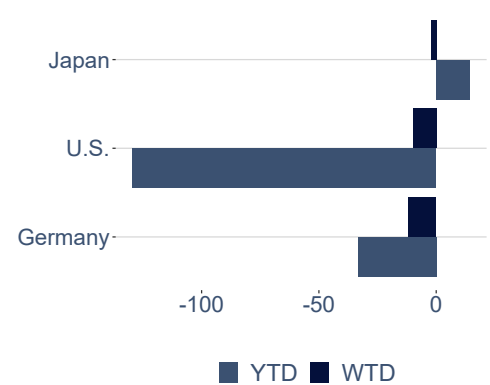
**Government Bond Yields**

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



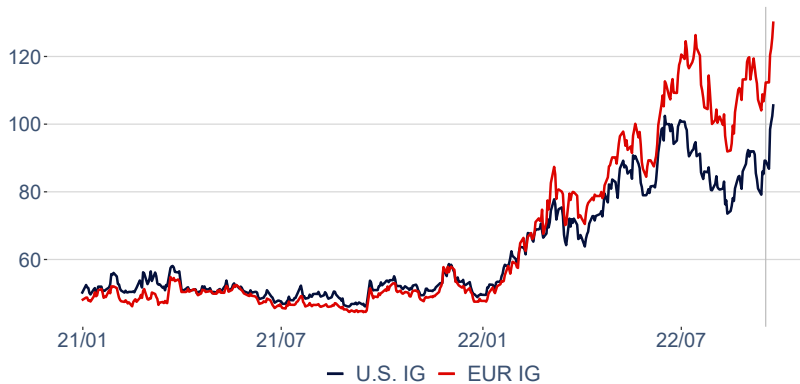
Source: Amadeus Capital SA 2022-09-25

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



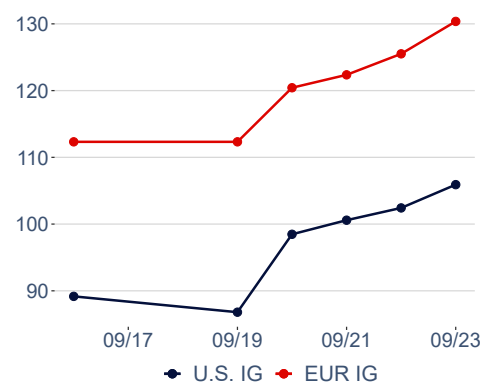
**Credit Spreads**

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



Source: Amadeus Capital SA 2022-09-25

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



Source: Amadeus Capital SA 2022-09-25

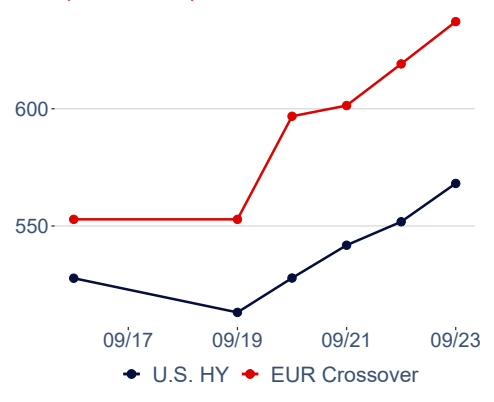
**Credit Spreads**

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



Source: Amadeus Capital SA 2022-09-25

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



Source: Amadeus Capital SA 2022-09-25

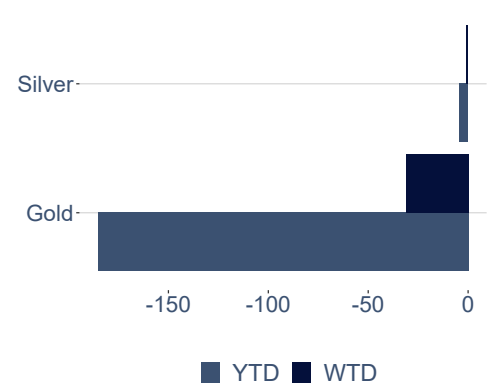
Precious Metals

**Precious metals**  
Price change %



Source: Amadeus Capital SA 2022-09-25

**Precious metals**  
Price change in USD



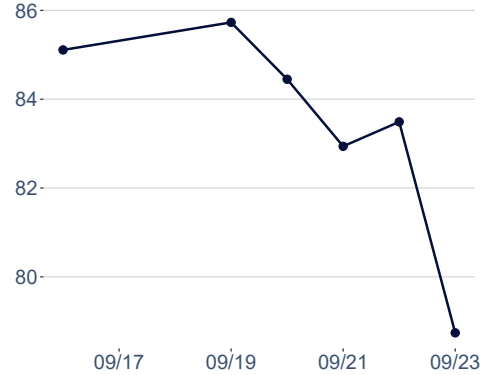
Commodities

**Crude oil**  
Price in USD



Source: Amadeus Capital SA 2022-09-25

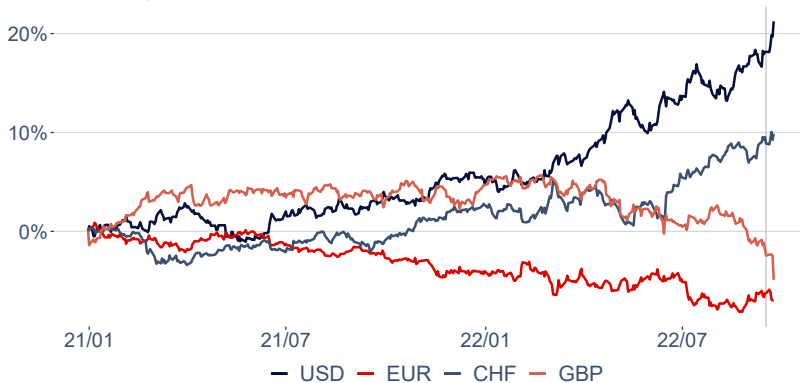
**Crude oil**  
Price in USD



Source: Amadeus Capital SA 2022-09-25

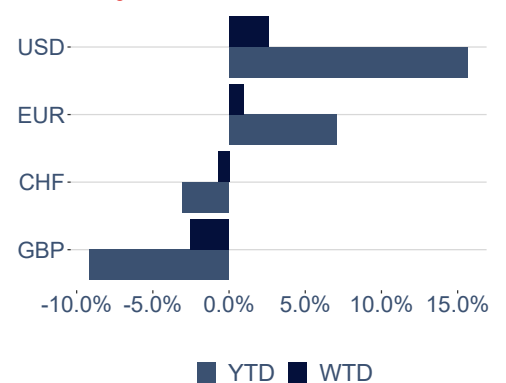
Currencies

**Trade weighted currencies**  
Price change %



Source: Amadeus Capital SA 2022-09-25

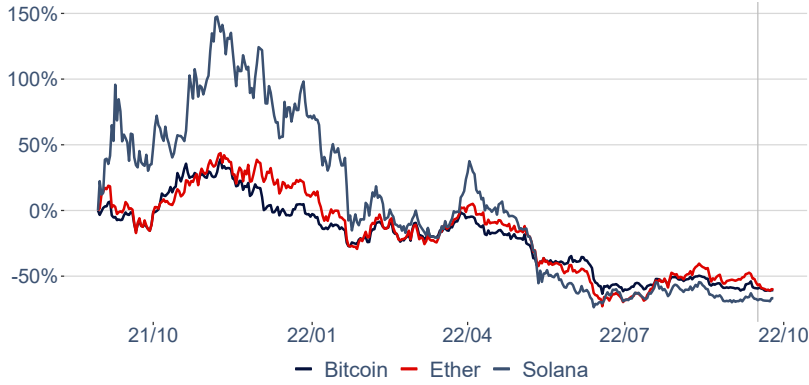
**Trade weighted currencies**  
Price change %



Cryptocurrencies

**Major cryptocurrencies in USD**

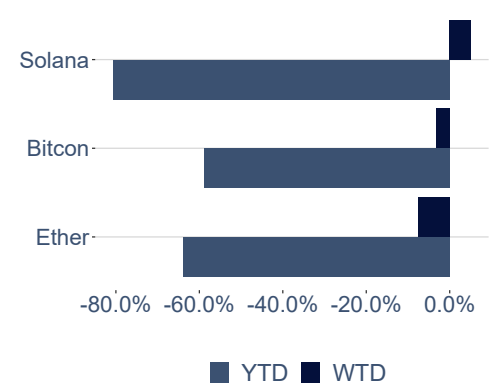
Price change %



Source: Amadeus Capital SA 2022-09-25

**Major cryptocurrencies in USD**

Price change %





## Major Events Last Week

Obviously, the focus was on the Dots and Powell's speech this week while the Fed and the SNB hiked interest rates by 75bp while the BoE went for a 50bp step as expected. The PBoC left its Loan Prime Rate unchanged, shying away from another surprise easing.

Major central banks have clearly adopted a decisively hawkish tone, with both the Fed and the BoE signalling the willingness to increase rates even if it causes a recession. This is not only a reaction to high inflation rates but a fight for credibility as politicians and the public blame central bankers for misjudging the inflationary dynamic too long. The question now is whether core inflation will calm before cracks in the economy become too serious.

Date	Zone	Event	Previous	Forecast	Actual
19/09/2022	New Zealand	RBNZ Gov Orr Speaks	-	-	-
20/09/2022	China	PBoC Loan Prime Rate	3.65%	3.65%	3.65%
20/09/2022	Australia	RBA Meeting Minutes	-	-	-
20/09/2022	United States	Building Permits (Aug)	1.685M	1.610M	1.517M
20/09/2022	Canada	Core CPI (MoM) (Aug)	0.5%	-	0.0%
21/09/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
21/09/2022	United States	Existing Home Sales (Aug)	4.82M	4.70M	4.80M
21/09/2022	United States	Crude Oil Inventories	2.442M	2.161M	1.142M
22/09/2022	United States	FOMC Economic Projections	-	-	-
22/09/2022	United States	FOMC Statement	-	-	-
22/09/2022	United States	Fed Interest Rate Decision	2.50%	3.25%	3.25%
22/09/2022	United States	FOMC Press Conference	-	-	-
22/09/2022	Japan	BoJ Monetary Policy Statement	-	-	-
22/09/2022	Japan	BoJ Press Conference	-	-	-
22/09/2022	Switzerland	SNB Interest Rate Decision (Q3)	-0.25%	0.50%	0.50%
22/09/2022	Switzerland	SNB Monetary Policy Assessment	-	-	-
22/09/2022	Switzerland	SNB Press Conference	-	-	-
22/09/2022	United Kingdom	BoE Interest Rate Decision (Sep)	1.75%	2.25%	2.25%
22/09/2022	United Kingdom	BoE MPC Meeting Minutes	-	-	-
22/09/2022	Türkiye	One-Week Repo Rate (Sep)	13.00%	13.00%	12.00%
22/09/2022	Türkiye	Overnight Borrowing Rate (Sep)	11.50%	-	10.50%
22/09/2022	United States	Initial Jobless Claims	208K	218K	213K
23/09/2022	Germany	German Manufacturing PMI (Sep)	49.1	48.3	48.3
23/09/2022	United Kingdom	Composite PMI	49.6	49.0	48.4
23/09/2022	United Kingdom	Manufacturing PMI	47.3	47.5	48.5
23/09/2022	United Kingdom	Services PMI	50.9	50.0	49.2
23/09/2022	Canada	Core Retail Sales (MoM) (Jul)	0.6%	-1.2%	-3.1%
24/09/2022	United States	Fed Chair Powell Speaks	-	-	-
25/09/2022	Italy	Italian General Election	-	-	-

### The Week Ahead

While the mood on Wall Street has clearly soured, the main street seems to be stubbornly unimpressed - at least, the consensus expects another improvement in U.S. consumer confidence.

Investors, however, will be more concerned about the speeches by Lagarde and Powell earlier next week and European and U.S. inflation numbers on Friday. In the Eurozone, the Headline CPI is expected to hit 9.6%, another 0.5% increase, on the back of rising energy costs. Meanwhile, the Core PCE, the Fed's most crucial inflation gauge, is expected to jump to 0.4% mom. This would confirm the previously published increase in the Core CPI.

Date	Zone	Event	Previous	Forecast	Actual
26/09/2022	Germany	German GDP (QoQ) (Q3)	0.1%	0.1%	-
26/09/2022	Germany	German Ifo Business Climate Index (Sep)	88.5	87.0	-
26/09/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
27/09/2022	Brazil	BCB Copom Meeting Minutes	-	-	-
27/09/2022	United States	Fed Chair Powell Speaks	-	-	-
27/09/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
27/09/2022	United States	Core Durable Goods Orders (MoM) (Aug)	0.2%	0.2%	-
27/09/2022	United States	CB Consumer Confidence (Sep)	103.2	104.0	-
27/09/2022	United States	New Home Sales (Aug)	511K	500K	-
28/09/2022	Australia	Retail Sales (MoM) (Aug)	1.3%	0.3%	-
28/09/2022	Euro Zone	ECB President Lagarde Speaks	-	-	-
28/09/2022	United States	Pending Home Sales (MoM) (Aug)	-1.0%	-1.0%	-
28/09/2022	United States	Fed Chair Powell Speaks	-	-	-
28/09/2022	United States	Crude Oil Inventories	1.142M	-	-
29/09/2022	United States	GDP (QoQ) (Q2)	-0.6%	-0.6%	-
29/09/2022	United States	Initial Jobless Claims	213K	215K	-
29/09/2022	Canada	GDP (MoM) (Jul)	0.1%	-0.1%	-
29/09/2022	New Zealand	RBNZ Gov Orr Speaks	-	-	-
30/09/2022	China	Manufacturing PMI (Sep)	49.4	49.2	-
30/09/2022	China	Caixin Manufacturing PMI (Sep)	49.5	50.2	-
30/09/2022	India	Interest Rate Decision	5.40%	5.90%	-
30/09/2022	United Kingdom	GDP (QoQ)	-0.1%	-	-
30/09/2022	United Kingdom	GDP (YoY)	2.3%	-	-
30/09/2022	Germany	German Unemployment Change (Sep)	28K	20K	-
30/09/2022	Euro Zone	CPI (YoY) (Sep)	9.1%	9.6%	-
30/09/2022	United States	Core PCE Price Index (MoM) (Aug)	0.1%	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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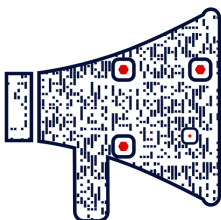
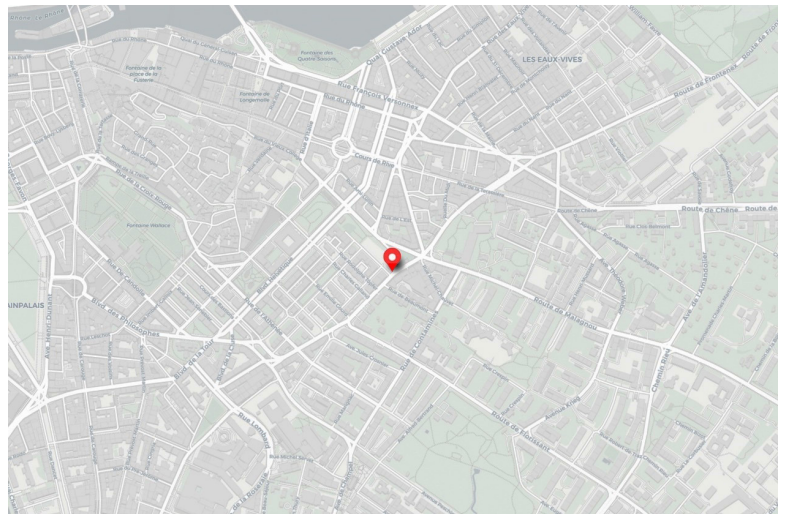
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