



# CROSS WEEKLY

## CROSSINVEST

Wealth & Asset Management  
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25 July 2022

### Brief Weekly Overview

Tesla's revenue was up by 42% but margins contracted due to inflation and competition for EV components. Tesla also sold the majority of their cryptocurrency stake.

As debate on whether the US will enter a recession rages, Bank of America says we are already in one.

China city Zhengzhou, one of the worst hit by buyers refusing to pay for mortgages, has lined up with the government to set up a bail out fund for property developers.

The ECB raised rates for the first time in a decade, and by 50 bps.

Russia resumed partial gas flows to Europe, but Germany warned of further interruptions, accusing Russia of using gas supplies to blackmail Europe.

China is preparing to sort US listed Chinese companies into 3 categories based on the sensitivity of data they hold, as part of efforts to be compliant with US listing rules.

Kyiv on Moscow signs deal to allow cargo ships to collect grain from Ukrainian ports. However, Russia has attack Odsea with missiles after the agreement was signed.

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
<b>EQUITIES</b>					
MSCI ACWI Index	USD	617.71	-0.44%	3.51%	-18.17%
S&P 500 Index	USD	3,961.63	-0.93%	4.66%	-16.88%
Dow Jones Industrial Average	USD	31,899.29	-0.43%	3.65%	-12.22%
Nasdaq Composite Index	USD	11,834.11	-1.87%	7.30%	-24.36%
STXE 600 PR Index	EUR	425.71	0.31%	4.55%	-12.73%
FTSE 100 Index	GBP	7,276.37	0.08%	1.49%	-1.46%
MSCI Asia Ex. Japan Index	USD	643.94	-0.16%	-1.40%	-18.41%
Nikkei 225 Tokyo	JPY	27,914.66	0.40%	5.77%	-3.05%
Shanghai A Share Index	CNY	3,426.60	-0.06%	-3.80%	-10.16%
MSCI EM Index	USD	990.37	-0.03%	-1.03%	-19.61%
<b>FIXED INCOME</b>					
US2YT Yield	-	2.9700	-11.5bps	1.67bps	223.78bps
US10YT Yield	-	2.7504	-12.43bps	-26.25bps	124.03bps
Bunds 10Y Yield	-	1.0310	-19.2bps	-30.5bps	120.8bps
BBG USD HY Corp	-	8.0600	-11bps	-83bps	385bps
<b>FOREX</b>					
Euro/US Dollar	USD	1.0213	-0.17%	-2.58%	-10.18%
US Dollar/Japanese Yen	JPY	136.12	-0.90%	0.29%	18.28%
US Dollar/Singapore Dollar	SGD	1.3881	-0.12%	-0.17%	2.90%
British Pound/US Dollar	USD	1.1999	0.03%	-1.47%	-11.33%
US Dollar/ Chinese Yuan	CNY	6.7515	-0.23%	0.78%	6.22%
Australian Dollar/ US Dollar	USD	0.6929	-0.07%	0.38%	-4.60%
US Dollar Index	-	106.730	-0.17%	1.95%	11.56%
<b>GOLD / OIL</b>					
Brent Crude	USD	103.2	-0.64%	-10.11%	32.68%
Gold Spot Price	USD	1727.64	0.51%	-4.41%	-5.55%



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#### EQUITIES

- US stocks declined on Friday as investor confidence is shaken from worrying second-quarter earnings from social media companies. The S&P 500 Index was down 0.9%, led by a 4.3% drop in communication services.
- European equities advanced on Friday, putting up their best weekly performance in two months as investors looked at early earnings results and anticipated Federal Reserve's next meet after ECB's first rate hike in a just over a decade. The Stoxx 600 index was up 0.3%, led by real estate and travel and leisure stocks, whilst telco and banks retreated.
- Asian stocks traded higher and put their biggest weekly gain since March due to recharged sentiments on Chinese technology stocks. The MSCI Asia Pacific Index was up 0.2% at market close.

#### FIXED INCOME

- U.S. Treasury yields retreated as weak economic data and a significant interest rate hike from the European Central Bank fueled concerns about an economic slowdown.
- Concerns over US economic outlook also weighed on investor sentiment after the release of more downbeat economic data.
- A preliminary reading on the US PMI Composite output index — which tracks activity across the services and manufacturing sectors — fell to 47.5, indicating contracting economic output. It's the index's lowest level in more than two years.

#### FOREX

- The ECB hiked by a larger-than-expected 50bp and also unveiled its anti-fragmentation tool. But the overall impact on the EUR was modest. Renewed political uncertainty in Italy does not bode well for the EUR. Italian bond spreads is likely to take over from natural gas as the driver of EUR.

#### MACRO

- European markets closed higher on Friday as investors reacted to economic data and corporate earnings. The Stoxx 600 Index (+0.3%) was higher by the close in London. Real estate and travel and leisure stocks led gains, while telecoms and banks declined. The benchmark has recovered this week, gaining 2.9%, even as the political crisis in Italy roiled local assets and worries over Russia shutting off gas to the region kept risk appetite subdued. On the data front, flash PMI readings showed that euro zone business activity unexpectedly shrank in July, as a downturn in manufacturing gathered pace and service sector growth slowed, with rising costs forcing consumers to reduce expenditure. The composite PMI, which encompasses both manufacturing and services, came in at 49.4.

#### DIRECT EQUITIES

- Apple will be reporting earnings this week amidst challenges of a market decline and a plan to reduce hiring. The company seems to be affected by the rising inflation and interest rates, as well as the US dollar's advance and the threat of a recession. Analysts expect that revenue would not increase much from last year, about 2%, and the company also continues to face bottlenecks in its supply chain which may reduce inventory of its future products.

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