



OUR WEEKLY SNAPSHOT

Global Macro Overview

- ❖ Global equities recorded a second week of heavy losses after the Fed revealed that they expected official short-term interest rates to continue going sharply higher over the next several months.
- ❖ The Fed hiked U.S interest rates by 0.75%.
- ❖ Federal Reserve officials gave their clearest signal yet that they're willing to tolerate a recession as the necessary trade-off for regaining control of inflation. Policy makers, criticized for being too late to realize the scale of the US inflation problem, are moving aggressively to catch up.
- ❖ Eurozone consumer sentiment fell to a new low in September which doesn't augur well for spending. Meanwhile German producer price inflation surged to 46%yoy reflecting energy pressures which will help keep the ECB hawkish.
- ❖ The two-year U.S. Treasury note yield rose above 4.10%—its highest level since October 2007—and the 10-year U.S. Treasury note yield jumped briefly to 3.77%—its highest mark since November 2008.
- ❖ Equity ETFs had \$20B+ of inflows last week, 3rd highest total this year. That doesn't feel like capitulation... sentiment is bearish but flows are not.
- ❖ The SPDR Oil stocks ETF (\$XLE) plunged by almost 7%, its second biggest drop since May 9.
- ❖ The UK's biggest tax cuts Since 1972 trigger a crash in bonds & the British Pound.

Global Market Overview

Trailing Returns

Data Point: Return Calculation Benchmark: None

	YTD	1 Year	3 Years	5 Years	10 Years	15 Years
Bloomberg 20-30Y Treasury Strips TR USD	-30,60	-29,98	-9,76	-1,15	1,14	5,68
DJ Cmndty Crude Oil TR USD	36,76	54,60	-0,56	3,35	—	—
DJ Cmndty Precious Metals TR USD	-9,67	-9,76	2,02	3,50	—	—
DJ Cmndty Silver TR USD	-24,12	-26,33	-2,60	-1,13	—	—
FTSE/JSE All Bond TR ZAR	0,78	1,48	6,67	7,83	7,06	8,32
ICE LIBOR 1 Month GBP	0,66	0,69	0,39	0,48	0,47	0,98
MSCI ACWI All Cap NR USD	-17,80	-16,30	7,96	6,73	8,68	—
SBP 500 NR USD	-16,41	-11,63	11,84	-11,23	12,42	8,33
Iza Global Balanced GBP	-20,22	-19,56	2,16	3,99	12,09	—
Iza Global Equity GBP	-25,68	-25,27	3,49	8,64	15,98	—

No other hiking cycle has started this steeply since the Fed started targeting the Effective Funds Rate in the 1980s.



U.S Housing

