

WEEKLY MARKET REPORT

GLOBAL MARKET

Global markets reported the worst weekly balance since January 2022 when the Russian-Ukrainian war was close to blow up: FTSEMIB40 -6.70%, DAX30 -4.83%, CAC40 -4.60%, DJEUROSTOXX50 -4.88%, DOW JONES -4.58%, S&P500 -5.05%, NASDAQ -5.60%. The large losses has been accumulated in particular in last 2 sessions, after Christine Lagarde, ECB chairwoman, announced a quarter-point increase in July and signalled a bigger hike in the fall. A shock for the investors that suffered also the bad data on US Consumer Price Indexes the following day. US and European stock futures tumbled while Asian equities fell as investors fretted over US inflation and China's virus fight. Crypto took a drubbing and Celsius Network froze withdrawals, fueling the rout. Two-year Treasury yields soared to a 15-year high. US inflation sped up in May, keeping pressure on the Fed to stick with outsize rate hikes. The rate accelerated to 8.6% from 8.3%, staying near a four-decade high. The core print slowed less than forecast to 6%. On a monthly basis, headline prices rose 1%, versus 0.3%, raising chances of a new high this summer. The Bank of Russia cut its key rate 150 bps to 9.5% as it looks to weaken the ruble. Consensus saw a reduction of 100 bps. Ukraine's top finance official said the country urgently needs a new IMF loan program. And Janet Yellen said a plan to ban European and UK firms from insuring tanker shipments of Russian oil could help limit Moscow's energy revenue. China's credit picked up more than expected in May due to a jump in government bond sales and a rise in short-term lending to the corporate and household sectors. Aggregate financing was 2.79 trillion yuan (\$417 billion), up from 910 billion yuan in April.

DAX

At the beginning of the week it seems to be holding the upward direction, but since Wednesday and ending Friday the index has gone down heavily, leaving nearly 1000 points. Resistors: 14210, 14350 and 14700. Supports: 13520, 13000 and 12620



NASDAQ

In the first two days of the week the American index continued to move on the laterality started on May 27 but since Thursday gone down with force and direction especially on Friday with the inflation data. Resistance: 12050, 12540, 12890 and 13540. Supports: 11750, 11550 and 11250.



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EUR/USD

The EUR/USD pair spent the past week flattening until Thursday afternoon, and precisely until the beginning of the speech given by Christine Lagarde (ECB President). After the first sentences, in fact, the Euro-currency began to drop rapidly due to the tenor of the words said. In particular, investors were shaken by the "hawkish" turn of the Eurozone monetary policy. The trend continued the following day after the publication of the US data on Consumer Price Index which highlighted another survey on historical values, so as to bring the aggregate figure to +8.6% per annum and + 1% per month. Only the "core" component gave a timid sign of a slowdown.

The cross quickly fell to test area 1.0660 initially and 1.0625 soon after. Broken also sold this level, the greenback accelerated further towards the target of 1.0485. Now the path is open to 1.0450 where the medium term trend will be decided. Possible bounces towards 1.0550/1.0570.



GOLD

Gold gained as traders assessed the Federal Reserve's monetary tightening path after one US report showed continued high inflation while another suggesting cost pressures were battering household finances. The stronger-than-expected inflation will intensify pressure on the Fed to continue aggressive rate increases to tame price pressures. Bullion fell to the lowest in almost 3 weeks following the CPI print, but erased declines after the weaker-than-expected consumer sentiment report. Traders are now pricing in three substantial rate hikes through September. Higher borrowing costs typically weigh on gold, which bears no interest.

The movement of last week kept the technical picture unchanged; the 200-period mov. Av. held up on sales despite an intraday breach. Now we will have to wait for confirmations above 1'890/1'900 Usd/oz before shifting attention to the 1'920 Usd/oz level. A break down of 1'840 Usd/oz will activate sell orders.



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TOP GAINERS			S&P500		TOP LOSERS	
NAME	LATEST PRICE	+/- %	NAME	LATEST PRICE	+/- %	
Pinduoduo	59.95	17.78%	Mercadolibre	691.69	-12.32%	
JD.Com	61.51	8.83%	Airbnb	108.91	-9.11%	
CrowdStrike	169.32	4.45%	Boing	127	-8.8%	
Netease.com	105.65	3.18%	Datadog	96.2	-8.76%	

Directional views

Tactical view for week

EQUITIES

BONDS


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