

WEEKLY MARKET REPORT

GLOBAL MARKET

Negative scenario on Western equity markets that reported wide losses on last 5 sessions: FTSEMIB40 -3.36%, DAX30 -4.62%, CAC40 -4.92%, DJEUROSTOXX50 -4.47%, DOW JONES -4.79%, S&P500 -5.79%, NASDAQ -4.78%. After the ECB meeting of previous week, in which Christine Lagarde announced a quarter-point increase in July and a bigger hike in the fall, markets had to front the FED announcement: +75 basis point! The biggest increase since 1994. Moreover, the Federal Reserve signalled it'll keep tightening aggressively to restrain soaring inflation. Powell said a similar increase in July was possible, but "I do not expect moves of this size to be common." The FOMC projected lifting the benchmark to 3.4% by year-end, implying another 1.75 percentage points to come. Officials said they are "strongly committed" to getting prices back to their 2% target. First reaction has been positive; Wednesday session ended with equity markets very positive (Dow Jones +1%, S&P 500 +1.46%, Nasdaq Composite +2.50%) but the good mood did not last long. Last two session sell orders blown up, driving US indexes to yearly bottoms. Hawkish mood also from Bank of England that delivered a fifth rate hike in a row, raising by 25 bps to 1.25%. Three of the nine policy makers voted for 50 bps, the same three who dissented last time. Still, the BOE hinted it may join the trend for larger hikes, acting "forcefully" if necessary in language that was endorsed by all the voters, unlike last month when two declined to agree. The BOJ did zilch, in contrast with just about every other central bank. It confounded its critics by holding firm with rock-bottom rates and continuing with its fixed-rate bond purchase plan.

DAX

Another negative week was that of the German index, stopping at 13000. The medium-term trend remains set negatively. Resistors: 13400, 13760, 13930. Supports: 13000, 12620 and 12430.



NASDAQ

The American index had tried to regain its share on Wednesday, but Thursday saw sales predominate. The trend is strongly negative. Resistance: 11340, 11740 and 12050. Supports: 11150, 11000 and 10850.



20/06/2022

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EUR/USD

The major pair begins the new trading week by extending Friday's retreat, remaining under pressure after three consecutive weekly falls following the market's rush towards the safe haven US dollar. The US Dollar Index (DXY) has managed to keep a three-week uptrend in tact, despite falling momentarily following the Fed's interest rate hike last week. The greenback's gain could also be linked to the broad rumours of a 1.0% rate hike and hawkish Fed policymakers. However, talks relative to a slowdown of the US economy seem to have proved the greenback's bulls. For the week ahead, the key events to watch for clearer directions are those of the ECB President Christine Lagarde and Fed Chairman Jerome Powell's testimonies.

Supports: 1.0345, 1.0220, 1.0000

Resistances: 1.0615, 1.0635, 1.0700.



GOLD

Last week, gold's price witnessed its biggest fall in six consecutive weeks. While headings surrounding China appear to be in favour of the corrective pullback, fears over a global recession and increasing Fed rates have kept yellow metal buyers cautious. However, on the other hand, Reuters announced that President Joe Biden's administration is reviewing the removal of some tariffs relative to China, joining upbeat covid news stemming from Beijing and Shanghai, favouring the market's cautious optimism which in turn favours gold buyers. Looking ahead, gold traders will be keeping a close watch on Fed Chairman Jerome Powell's testimony for fresh insight.

Supports: \$1,834, \$1,830, \$1,816

Resistances: \$1,848, \$1,850, \$1,858



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TOP GAINERS			S&P500		TOP LOSERS	
NAME	LATEST PRICE	+/- %	NAME	LATEST PRICE	+/- %	
Seattle Genetics	165.45	18.69%	Splunk	88.7	-9.91%	
Fedex Corp.	229.9	11.19%	Asml Holding	437.35	-9.24%	
Boeing Co.	136.8	7.72%	Duke Energy	97.82	-9.23%	
JD.com	65.23	6.05%	Airbnb	99.49	-8.65%	

Directional views

Tactical view for week

EQUITIES



BONDS



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