

July 11, 2022

Monday Briefing – 11th July 2022



HIGHLIGHTS

- Equity indices bounced back last week, starting July in a buoyant mood, even while market participants seem confused as to how to price fixed income.
- Concerns about a European energy crisis left the Euro at its weakest level against the US Dollar since 2002, fast approaching parity.
- Germany posted its first trade deficit since 1991, as exports fell in part due to supply constraints while imports surged on higher prices for food, energy, and materials.
- US Nonfarm jobs grew by a robust 372,000 last month, much stronger than economists expected, signaling that underlying economic activity is still growing well above trend.
- The ECB announced that it will begin to decarbonize its corporate bond holdings.
- UK Prime Minister Boris Johnson announced his resignation after a series of scandals and multiple resignations of ministers and Cabinet members.
- An upcoming parliamentary election in Japan was overshadowed by the shocking assassination of former prime minister Shinzo Abe at a campaign event for the ruling Liberal Democratic Party.
- On Friday, Tesla Chief Elon Musk said he is terminating his \$44bn takeover of Twitter,

citing concerns over the number of spam accounts on the social media platform.

- This week, the scheduled maintenance of the Nord Stream gas pipeline, which is supposed to last from July 11 to July 21, will continued to gather headlines, with fears of a delayed or only partial return of gas supplies afterward.
- The June US CPI report on Wednesday will definitely be the main macro data to watch. Thursday will also mark the start of the Q2 earnings season which will command market attention for the next several weeks.

ECONOMIC CALENDAR

Monday – Italy Retail Sales (May). Japan PPI (June). China M2 Money Supply (June).

Tuesday – Eurozone / Germany ZEW Economic Sentiment Index (July). US NFIB Business Optimism Index (June). US Consumer Inflation Expectations (June) and Economic Optimism (July). Japan Reuters Tankan Index (July). OPEC Monthly Report.

Wednesday – China Balance of Trade (June). Germany, France and Spain Inflation (Final, June). UK GDP and Industrial Production (May). Eurozone Industrial Production (May). US Inflation (June) and Fed Beige Book. Bank of Canada Monetary Policy Committee.

Thursday – Japan Industrial Production (Final, May). US PPI (June), Weekly Jobless Claims.

Friday – China House Price Index (June), GDP Growth (Q2), Industrial Production (June), Fixed Asset Investment (June), Unemployment (June), Retail Sales (June). Italy Inflation (Final, June). US Retail Sales (June), Business Inventories (May), Michigan Consumer Sentiment (Preliminary, June) and Industrial Production (June).

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