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## Equity – Global stocks fall as concerns of slowing economic growth grow

- Global equities fell in April after the rebound from last month, as the FTSE All World Index fell sharply by 6.3% and was down more than 10% in 2022 YTD. Sustained monetary tightening by central banks, heightened concerns around slowing global growth and the ongoing conflict in Ukraine all lead to a sharp risk-off sentiment in investors. Almost all major markets posted negative return in April. For developed market, S&P500 and Nasdaq dropped 8.80% and 13.26% respectively. MSCI EU fell 1.08%. For the emerging market, MSCI EM dropped 5.75%. China CSI300 and ChiNext Index dropped 4.89% and 15.61%, respectively. HSI and HSCEI were down 4.13% and 3.02%, respectively.
- China's April NBS manufacturing PMI index seen a sharp fall and decreased 2.1 to 47.4. On the manufacturing front, supply chain took a big hit due to the Omicron flare-ups and the escalation of containment measures. As for the new order index, it decreased 6.2 to 42.6 as demand saw a deeper contraction than last month due to the Omicron wave as delays in production and transportation likely led to the cancelling of new orders. As for the export orders, it saw a decrease of 5.6 to 41.6. The non-manufacturing PMI decreased 6.5 to 41.9 as sub-indicators pointed the drag was mainly from the services industry. Wide range of escalated containment measures on outdoor activities and inter-regional travelling, which weighed on the demand for services activities by a huge deal. However, in the Politburo Meeting Beijing stressed that it will still strive to meet this year's 5.5% growth target and a stronger policy push is on the way.

Index	Settle	Net Change (+/-%)		Valuation (2022)	
		MoM	YTD	PE	PB
DJIA	32,977.21	-4.91%	-9.25%	17.26	4.20
S&P 500	4,131.93	-8.80%	-13.31%	18.15	3.81
Nasdaq	12,334.64	-13.26%	-21.16%	25.50	4.94
Nikkei	26,847.90	-3.50%	-6.75%	14.82	1.60
FTSE100	7,544.55	0.38%	2.17%	10.68	1.68
CAC40	6,533.77	-1.89%	-8.66%	12.08	1.63
DAX	14,097.88	-2.20%	-11.25%	12.19	1.55
SHCOMP	3,047.06	-6.31%	-16.28%	10.08	1.23
CSI300	4,016.24	-4.89%	-18.71%	12.32	1.65
ChiNext	2,531.33	-15.61%	-31.01%	25.29	4.04
HSI	21,089.39	-4.13%	-9.87%	10.44	1.08
HSCEI	7,298.69	-3.02%	-11.38%	8.65	1.02
TWSE	16,592.18	-6.22%	-8.93%	11.61	2.09
KOSPI	2,695.05	-2.27%	-9.49%	10.75	1.04
JCI	7,228.91	2.23%	9.84%	19.11	0.30

Source: Bloomberg

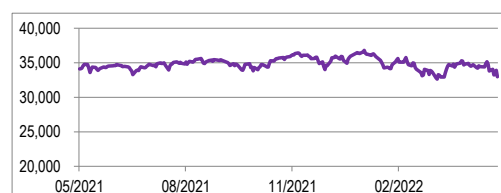


Fig. 1 One year performance of Dow Jones Index

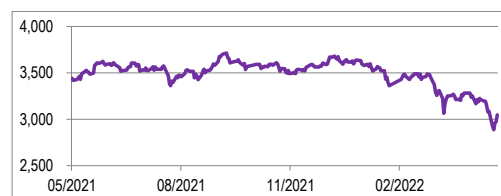


Fig. 2 One year performance of Shanghai Composite



Fig. 3 One year performance of Hang Seng Index



Fixed Income – Developed Markets yields rose

- US 10-yr Treasury yield surged in April as hawkish comments from Fed officials bolstered expectations for more aggressive tightening. On 1 April, US jobs data showed hiring remained robust, while the unemployment rate fell and wages picked up. The strong job data helped firm expectations for a more aggressive Fed tightening. This sentiment was reinforced by Fed President Brainard noting she expects balance sheet reduction could start as soon as May. US 10-Yr Treasury yield ended the month by increasing 60 basis points to 2.93%.
- Yields in developed markets saw a similar pattern and rose in April. Hawkish comments from the ECB's officials suggest July rate hike is "possible" and also the increasing pressure by the rising US Treasury yields following the hawkish comments from Fed President pushed yields up. Finally the Euro 10-yr Government Yield increased 39 basis points to 0.94%, with Gilts mirroring the surge, ending the month by increasing 28 basis points to 1.90%. In Asia, the BoJ further defended its Yield Curve Control (YCC) programme, offering to buy a limitless amount of 10Y Japanese Government Bonds everyday at 0.25%. Japan 10-Yr Government yield ended the month by increasing 1 basis points to 0.23%.

Bonds	High	Low	Settle	Net Change (bp)	
				MoM	YTD
US 10-yr Treasury Yield	2.94%	2.34%	2.93%	60	142
US 30-yr Treasury Yield	3.00%	2.43%	3.00%	55	109
Euro 10-yr Govt Yield	0.97%	0.51%	0.94%	39	112
Japan 10-yr Govt Yield	0.25%	0.21%	0.23%	1	16
China 10-yr Govt Yield	2.85%	2.74%	2.84%	5	6

Source: Bloomberg

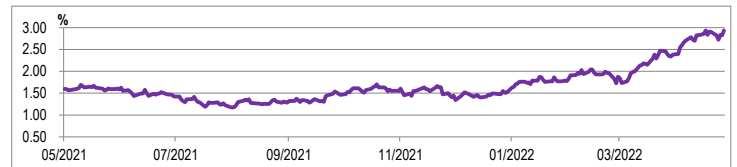


Fig. 4 One year performance of US 10-yr Treasury Yield

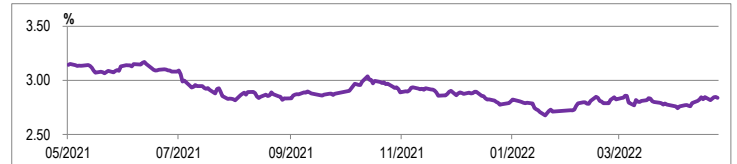


Fig. 5 One year performance of China 10-yr Treasury Yield

Commodities – Oil prices fluctuate while gold prices fall

Commodities	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
WTI Oil (bbl)	108.21	94.29	104.69	4.40%	39.20%
Brent Oil (bbl)	113.16	98.48	109.34	1.33%	40.58%
Gold Spot (oz)	1,978.91	1,886.10	1,896.93	-2.09%	3.70%
CMX Silver (oz)	26.24	23.09	23.09	-8.40%	-1.41%
CMX Copper (lb)	482.15	440.85	440.85	-7.30%	-0.77%
LME Zinc (mt)	4,563.05	4,151.25	4,151.25	-1.92%	15.63%
LME Aluminum (mt)	3,480.61	3,015.50	3,032.50	-12.87%	8.07%

Source: Bloomberg

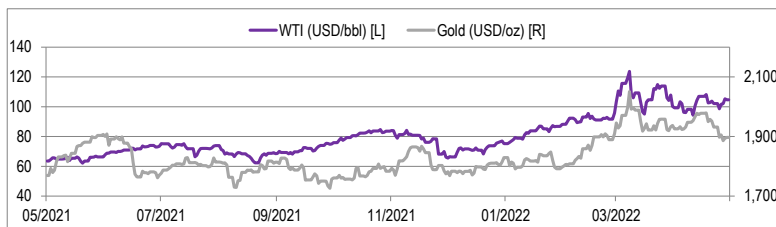


Fig. 6 One year performance of Oil and Gold Price

Oil prices were choppy and ending the month modestly higher mainly on supply concerns as prospects of an EU embargo on Russian oil rose after Germany dropped its opposition idea. Oil prices fell initially after IEA announced it would release 60 million barrels from strategic reserves, with a rise in US crude inventories. However, prices recovered later in the month as OPEC warned of the severe risks of a potential EU embargo on Russian oil and after China's PBoC pledged more policy support eased demand concerns. Finally, Brent prices rose slightly by 1.33% to US\$109.34/bbl at the end of the month.

➤ Gold prices fell in April although it saw a notable rally in the middle of the month. Gold prices rose mid-month due to inflation concerns and escalating concerns of slowing global growth following reports of China's Omicron outbreak had spread to Beijing. However, with the robust US jobs data, US March Home Construction beating expectations and hawkish comments from Fed President noting Fed should not rule out a 75basis point rate hike, added to the downward pressure on Gold prices. Gold prices finally closed at 1896.93/oz, decreased by 2.09% MoM.

## FX – The DXY index continues to rise as risk aversion sentiment heats up

- The DXY soared in April as it was boosted by a surge in US Treasury yields as Fed Chair Powell endorsed a 50 basis point hike in May and signalled further large moves to come. Heightened global growth concern and souring risk sentiment turbocharged the USD's rally as investors sought out the 'safe haven' currency. The DXY finally increased 4.73% to 102.96 in April. In contrast, the EUR slumped against USD in April, dipping below 1.05 briefly, which was the lowest level since January 2017. The slump was mainly due to the the ECB meeting as the central bank kept rates unchanged and concerns of a recession in Europe after Russia cut off gas to Poland and Bulgaria. EUR/USD finally dropped 4.72% to 1.05 in April.
- JPY fell to the lowest level since 2002 in April mainly due to surge in US yields. The pair USD-JPY extended its rally for 13 consecutive days to a high of 129.40 on 19 April after Fed President Bullard suggested 75 basis point hike is also possible. USD-JPY continued to surge as BoJ kept rates unchanged and reinforced its commitment to defend its Yield Curve Control policy (YCC) on 28 April. BoJ Governor Kuroda's comments noting that a weaker yen is overall a positive for the Japanese economy accelerated the JPY's fall. The USD/JPY finally increased 6.57% to 129.70 in April.

FX	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
DXY	103.62	98.31	102.96	4.73%	7.62%
EUR / USD	1.11	1.05	1.05	-4.72%	-7.26%
USD / CNH	6.66	6.35	6.64	4.50%	4.46%
USD / JPY	130.85	121.70	129.70	6.57%	12.70%
GBP / USD	1.31	1.25	1.26	-4.29%	-7.08%
USD / CAD	1.28	1.25	1.28	2.74%	1.67%
AUD / USD	0.76	0.71	0.71	-5.63%	-2.78%
USD / CHF	0.97	0.92	0.97	5.34%	6.45%

Source: Bloomberg

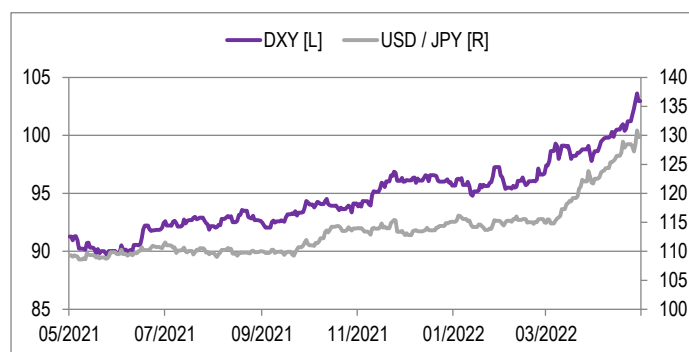


Fig. 7 One year performance of DXY and JPY

## Economic Calendar (May 2022)

Monday	Tuesday	Wednesday	Thursday	Friday
2	3 Markit US Manufacturing PMI Construction Spending MoM ISM Manufacturing	4 MBA Mortgage Applications	5 ADP Employment Change Initial Jobless Claims	6 Change in Nonfarm Payrolls Unemployment Rate Durable Goods Orders Factory Orders
9	10 Trade Balance	11 MBA Mortgage Applications Wholesale Inventories MoM	12 CPI MoM Initial Jobless Claims	13 U. of Mich. Sentiment
16	17 Retail Sales Advance MoM PPI Final Demand MoM Empire Manufacturing Industrial Production MoM	18 MBA Mortgage Applications Housing Starts	19 FOMC Rate Decision Initial Jobless Claims Leading Index	20
23	24 Existing Home Sales	25 MBA Mortgage Applications Markit US Manufacturing PMI New Home Sales	26 Durable Goods Orders Wholesale Inventories MoM Initial Jobless Claims GDP Annualized QoQ	27 Personal Income Personal Spending U. of Mich. Sentiment
30	31 Conf. Board Consumer Confidence			

Source: Bloomberg