

TABLE OF CONTENTS	PAGE
Equity – Global equities had a decent recovery	1
Fixed Income – 10-2 Year Treasury Yield Spread stayed inverted	2
Commodities – Risk-on sentiment pushed Oil prices higher while less hawkish Fed policy stalled Gold prices	2
FX – The DXY was flat MoM which could signal peak hawkishness	3
Economic Calendar (November 2022)	3

Equity – Global equities had a decent recovery

- After falling 21% through Q3 this year, global equities (FTSE All World Index) made a decent comeback in October, posting a monthly return of 6%. Apart from the UK, where political uncertainty seemed to have resulted in market underperformance, most developed markets and regions made a sharp recovery. S&P500 and Nasdaq increased 7.99% and 3.90%, respectively. MSCI EU increased 6.15% and MSCI EM decreased 3.15%. Conversely, mainland China and Taiwan were down, which dragged the emerging markets down as well. Property market issues in mainland China and weakness in the technology sector in Taiwan seemed to have weighed on investor sentiment. CSI300 Index fell 7.78% and ChiNext increased 2.53%. HSI and HSCEI fell 14.72% and 16.49%, respectively.
- China's October NBS manufacturing PMI index dropped to 49.2 from 50.1 and went back the contractionary territory due to the clusters of Covid-19 remained elevated throughout the month, which weighed on both consumption and production. The new orders PMI also dropped to 48.1 from 49.8 due to weaker global picture as central banks have been hiking interest rates aggressively to combat inflationary pressure. The non-manufacturing PMI fell from 50.6 to 48.7 as services continued to feel pressured by the ongoing Covid-19 cases due to falling activities in retail sales, transportation, hotels and restaurants. The markets expects building back confidence will be key for an economic rebound though supportive measures from policymakers, such as accommodative monetary policy and increasing infrastructure investment to boost consumption.

Index	Settle	Net Change (+/-%)		Valuation (2022)	
		MoM	YTD	PE	PB
DJIA	32,732.95	13.95%	-9.92%	17.87	4.24
S&P 500	3,871.98	7.99%	-18.76%	17.43	3.71
Nasdaq	10,988.15	3.90%	-29.77%	25.19	4.45
Nikkei	27,587.46	6.36%	-4.18%	14.93	1.60
FTSE100	7,094.53	2.91%	-3.93%	8.94	1.53
CAC40	6,266.77	8.75%	-12.39%	10.01	1.53
DAX	13,253.74	9.41%	-16.56%	10.65	1.42
SHCOMP	2,893.48	-4.33%	-20.50%	10.35	1.19
CSI300	3,508.70	-7.78%	-28.98%	11.60	1.49
ChiNext	2,663.99	2.53%	-27.39%	28.12	4.22
HSI	14,687.02	-14.72%	-37.23%	8.26	0.85
HSCEI	4,938.56	-16.49%	-40.04%	6.97	0.80
TWSE	12,949.75	-3.54%	-28.92%	9.18	1.70
KOSPI	2,293.61	6.41%	-22.97%	10.46	0.92
JCI	7,098.89	0.83%	7.86%	15.04	2.00

Source: Bloomberg

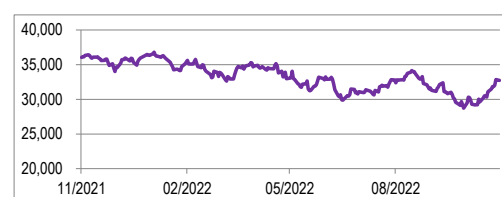


Fig. 1 One year performance of Dow Jones Index



Fig. 2 One year performance of Shanghai Composite



Fig. 3 One year performance of Hang Seng Index

Fixed Income – 10-2 Year Treasury Yield Spread stayed inverted

- Yields in the US peaked in the middle of the month at 4.24% and 4.61% on the 10Y and 2Y, respectively. The 10Y subsequently fell with the market looking towards key events such as the November Fed meeting and mid-term elections, but it is still up from month's start. US CPI also saw a mild surprise to the upside in September at 8.2% compared to consensus of 8.1%. Europe's hot CPI prints may have caused US 2Y yields increased 21bp in the last few days of the month, ending at 4.49%. Finally, the US 10-yr Treasury Yield ended the month by increasing 22bp to 4.05%.
- UK political turbulence continued to dominate rates markets at the start of October although this calmed with the appointment of new Prime Minister Rishi Sunak. The 10Y gilt fell as much as 69bp from the start of the month before slightly pulling back to end at 3.51%. In Europe, the ECB hiked 75bp at the end of October. 2Y Bund yields rose 18bp on the month to 1.93%. The Euro 10-yr Government Yield ended the month by increasing 3bp to 2.14%. Germany and France had CPI prints higher than estimates at 10.4% and 6.2%, respectively, after the ECB hiked 75bp. The implied peak rate from the post-meeting low of 2.54% back up to 2.84%.

Bonds	High	Low	Settle	Net Change (bp)	
				MoM	YTD
US 10-yr Treasury Yield	4.24%	3.63%	4.05%	22	254
US 30-yr Treasury Yield	4.38%	3.68%	4.16%	39	226
Euro 10-yr Govt Yield	2.42%	1.87%	2.14%	3	232
Japan 10-yr Govt Yield	0.26%	0.22%	0.25%	0	18
China 10-yr Govt Yield	2.75%	2.65%	2.65%	-10	-13

Source: Bloomberg

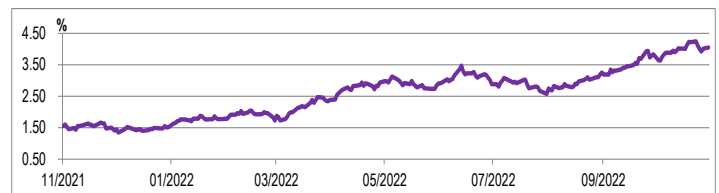


Fig. 4 One year performance of US 10-yr Treasury Yield

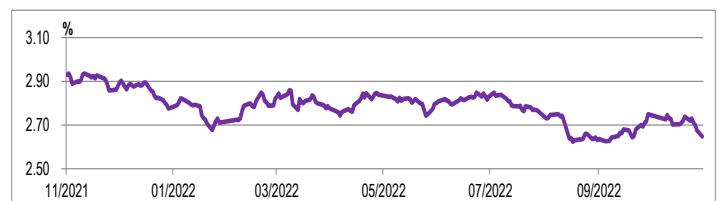


Fig. 5 One year performance of China 10-yr Treasury Yield

Commodities – Risk-on sentiment pushed Oil prices higher while less hawkish Fed policy stalled Gold prices

Commodities	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
WTI Oil (bbl)	92.64	79.49	86.53	8.86%	15.05%
Brent Oil (bbl)	97.92	87.96	94.83	7.81%	21.92%
Gold Spot (oz)	1,726.13	1,628.02	1,633.56	-1.63%	-10.70%
CMX Silver (oz)	21.10	18.07	19.12	0.42%	-18.76%
CMX Copper (lb)	354.50	331.80	337.50	-1.10%	-23.46%
LME Zinc (mt)	3,143.25	2,735.50	2,735.50	-9.25%	-23.80%
LME Aluminum (mt)	2,359.15	2,154.50	2,216.75	2.88%	-21.00%

Source: Bloomberg

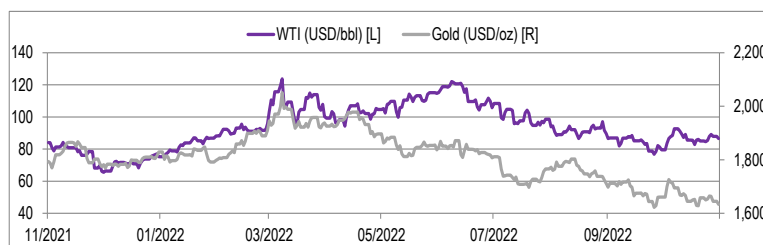


Fig. 6 One year performance of Oil and Gold Price

Oil prices jumped 7.8% last month as bullish OPEC+ production cuts and a weaker USD outweighed concerns of a major slowdown in global growth. Brent oil surged 11% in the first week of October after OPEC+ announced the largest supply cut since the start of the pandemic in 2020 and Russia warned about a possible reduction in its own output on 5 October. Brent prices edged higher in the second half of October due to better risk appetite, with the USD falling amid softer US activity data and expectations of a slower pace of Fed hiking. Finally, oil price increased by 7.81% to US 94.83/bbl at the end of the month.

- A fall in the USD was not enough for bullion to close the month above USD1,700/oz after breaking that level briefly early in October. Net long positions fell on the month and ETF holders continued to liquidate, while underlying retail coin and bar demand remained strong. A drop in US consumer confidence and slowing house prices weighed on the USD on 26 October, supporting gold which moved 0.6% higher above USD1,650/oz on 26 October. However, the spike was short-lived as bullion was under pressure in the last days of October. Finally, gold price closed at 1633.56/oz, decreased 1.63% MoM.

FX – The DXY was flat MoM which could signal peak hawkishness

- The DXY was almost unmoved in October, falling a modest 0.53% to 111.53 despite US 10-year yields rising 22bp to 4.05%. Although Fed rhetoric continued to make the case for more monetary tightening, markets interpreted some central banks' pivots as a good news for risk appetite, assuming the Fed will follow, which hurt the greenback. On 21 October, the DXY fell 0.8%, after a Wall Street Journal article reported that "some officials have begun signaling their desire both to slow down the pace of increases soon and to stop raising rates early next year". The DXY finally decreased 0.53% in September.
- GBP-USD bounced back on 17 October to levels prior to the mini-budget, after newly installed Chancellor Jeremy Hunt announced his plans to reverse almost all the tax measures announced in the growth plan, for example the removing the top 45% tax rate. Cable then surged 1.7% to a six-week high on 25 October after Rishi Sunak's first speech as new prime minister, in which he promised to bring economic stability. Finally, GBP increased 2.68% against the USD in October.

FX	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
DXY	113.32	109.70	111.53	-0.53%	16.57%
EUR / USD	1.008	0.970	0.988	0.82%	-13.09%
USD / CNH	7.336	7.042	7.336	2.72%	15.41%
USD / JPY	150.2	144.1	148.7	2.74%	29.22%
GBP / USD	1.163	1.097	1.147	2.68%	-15.25%
USD / CAD	1.389	1.351	1.362	-1.48%	7.81%
AUD / USD	0.652	0.620	0.640	-0.02%	-11.90%
USD / CHF	1.005	0.980	1.001	1.45%	9.68%

Source: Bloomberg

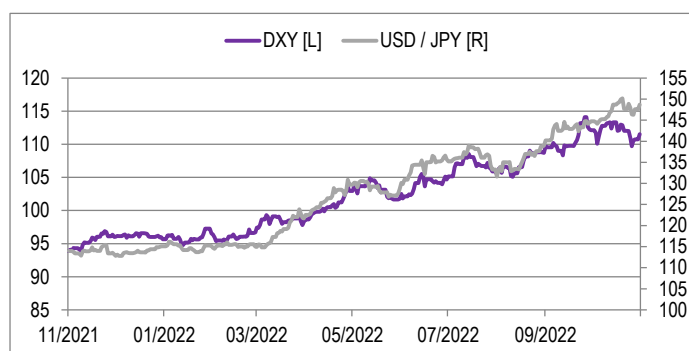


Fig. 7 One year performance of DXY and JPY

Economic Calendar (November 2022)

Monday	Tuesday	Wednesday	Thursday	Friday
	1 Markit US Manufacturing PMI ISM Manufacturing	2 MBA Mortgage Applications ADP Employment Change	3 FOMC Rate Decision Trade Balance Initial Jobless Claims Factory Orders Durable Goods Orders	4 Change in Nonfarm Payrolls Unemployment Rate
7	8	9 MBA Mortgage Applications	10 CPI MoM N/A Initial Jobless Claims	11 U. of Mich. Sentiment
14	15 PPI Final Demand MoM Empire Manufacturing	16 MBA Mortgage Applications Retail Sales Advance MoM Industrial Production MoM	17 Housing Starts Initial Jobless Claims	18 Existing Home Sales Leading Index
21	22	23 MBA Mortgage Applications Durable Goods Orders Initial Jobless Claims Markit US Manufacturing PMI U. of Mich. Sentiment	24	25
28	29 Conf. Board Consumer Confidence	30 MBA Mortgage Applications ADP Employment Change GDP Annualized QoQ Chicago Purchasing Manager		

Source: Bloomberg