TIDT
The Intelligent Day Trader

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MARKET WEEKLY *(Weekly FunTech Report)*

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GLOBAL MARKET SUMMARY

Rising Inflation, Strong job numbers, Interest rate hikes, FED Tapering expected early 2022, Supply chain issues, Ukraine and Russia Tension.

- **The Bank of England on Thursday raised interest rates again. the BOE's Monetary Policy Committee voted unanimously for a 25-basis point rate increase to take the main Bank Rate to 0.5%.**
- **The European Central Bank opted to hold interest rates steady, defying growing pressure to curb stimulus plans. Inflation in the euro zone rose to 5.1% in January, despite expectations for a sharp drop to 4.4%.**
- **U.S. - Markets are now pricing in five quarter-percentage-point interest rate hikes in 2022 with the first coming in March.**
- **Japan's central bank left its short-term interest rate target unchanged at -0.1%, in line with market expectations. inflation forecast was raised from an earlier estimate of 0.9% to 1.1%. For fiscal 2023, inflation expectation was raised from 1% to 1.1%. Still, those figures remain below the central bank's inflation target of 2%.**
- **FED - Given the outlooks for the economy, the labour market, and inflation, it may become warranted to increase the federal funds rate sooner or at a faster pace than participants had earlier anticipated.**
- **Inflation and monetary policy are also expected to be key themes for 2022.**
- **With inflation running at more than double target in the U.S., euro zone and the U.K., concerns are lingering as to whether it can be brought under control.**
- **The ECB left its benchmark refinancing rate unchanged at 0%, while the rate on its marginal lending facility remained at 0.25% and the rate on its deposit facility was kept at -0.5%, in line with expectations.**
- **The Bank of England increased its main interest rate to 0.25% from its historic low of 0.1% as inflation pressures mount, citing a strong labour market and the need to return inflation towards its 2% target. The impact of omicron variant remains uncertain.**
- **The Reserve Bank of Australia maintained its cash rate at 0.1% on Tuesday, going against market expectations for a rate hike, although it ended its bond buying program as predicted. Australia central bank governor said the Reserve Bank of Australia will not increase interest rates until actual inflation is sustainably in the 2% to 3% target range — that is unlikely to happen next year.**
- **Tedros warned that vaccines alone will not protect countries from omicron, emphasizing the importance of masks and social distancing.**
- **Fed Chief Powell said "at this point, the economy is very strong and inflationary pressures are higher, and it is therefore appropriate in my view to consider wrapping up the taper of our asset purchases … perhaps a few months sooner"**
- **Euro zone inflation at 4.1% year-on-year in October, more than double the European Central Bank's target.**
- **U.S. Congress approve a $1.2 trillion infrastructure spending package.**
- **Fed says economy is strong enough for it to slow pandemic bond buying (Start tapering in November)**
- **Tracking inflation, which has risen sharply around the world as spiking energy prices and supply chain bottlenecks converge, sending euro zone inflation to a 13-year high in September.**
- **Singapore's central bank tightens monetary policy**

- **Rising bond yields**
- **Slowing growth in China/ China headwinds**
- **A litany of proposed tax increases.**

Market	Factor	Indicators
ASX 200, FTSE 100 & NDX 100	ECONOMIC	INFLATION

FUN (Fundamental Report)

Rising Inflation, Strong job numbers, Interest rate hikes, FED Tapering expected early 2022, Supply chain issues, Ukraine and Russia Tension.

U.S.
Current Situation – (11/02/2022)

- Stocks slipped on Monday to start the week as traders weighed the latest quarterly earnings reports and awaited key U.S. inflation data. Corporate earnings were again a source of volatility for stocks on Monday.
- "Investor psychology is shifting almost week-to-week, meaning sticking to one's investment convictions is about as hard (or painful) as ever, but also never more important in driving outperformance," Raymond James strategist Tavis McCourt said in a note to clients. "Our conviction remains that economic strength will keep EPS keeps going higher along with interest rates, as we suspect we remain a long way from higher rates materially slowing demand in the economy." So far 56% of S&P 500 companies have posted quarterly earnings, with 77% beating earnings estimates and 76% topping revenue expectations, according to FactSet. However, there have been some disappointing results from high profile companies, including Meta and PayPal, that have sparked major pullbacks for some stocks.
- Stocks were coming off a strong week, following the release of stronger-than-expected U.S. jobs data, while Big Tech names posted their latest quarterly results. The S&P and Nasdaq Composite posted their best week since December.
- Big inflation news also is on the horizon, with the Labor Department on Thursday set to release consumer price index data for January. The report is expected to show that inflation rose at a 7.2% pace from a year ago, which if accurate would be the fastest gain since February 1982.
- Markets have been bracing against the fallout from inflation and are now pricing in about a 35% chance that the Federal Reserve will hike its benchmark short-term borrowing rate by half a percentage point, or 50 basis points, in March. Government bond yields were little changed Monday after racing higher following Friday's unexpectedly strong nonfarm payrolls report for January. The benchmark 10-year note most recently yielded 1.92%.
- U.S. stocks rose on Tuesday as investors digested another batch of corporate earnings and awaited key inflation data later this week. Corporate earnings were driving stock moves on Tuesday.
- Treasury yields hit fresh pandemic-era highs Monday and rose again Tuesday. At its highest, the benchmark 10-year Treasury note yielded 1.97% on Tuesday, a level not seen since November 2019.
- U.S. stocks rose on Wednesday as tech shares led a broad rally, clawing back some of their losses after a rough start to the year. Wednesday's gains were highlighted by some of the same stocks that outperformed during the pandemic lockdowns in 2020. E-commerce stock Shopify gained more than 5%, while Etsy gained 3.8%. Stay-at-home favorites such as DocuSign and Zoom Video jumped 5.2% and 4.8%, respectively.
- Facebook-parent Meta, which had pulled back dramatically after issuing disappointing guidance last week, saw its stock bounce 5.4% on Wednesday.
- Wednesday marked the second straight positive day for the Nasdaq, and the average has gained more than 8% since its recent closing low on Jan. 27 after falling into correction territory earlier this year.
- Yields have risen this year in part because of a more aggressive stance from the Federal Reserve. Atlanta Fed President Raphael Bostic told CNBC on Wednesday that three rate hikes are possible this year but that the central bank is not locked in to any path and will watch how the economy responds. Cleveland Fed President Loretta Mester said the central bank would be prepared to hike rates at any meeting this year.
- Stocks slid on Friday as increased tensions between Ukraine and Russia sent oil spiking and led investors to dump risky assets like equities.
- Shares were mostly flat on the day until Ukraine-related headlines in afternoon trading caused traders to dump stocks and buy Treasurys.
- Stocks moved sharply lower in afternoon trading after a jump in oil prices that appeared to be tied to increased concerns about Russia taking military action against Ukraine. With about 2 hours left to the trading day, U.S. National Security Advisor Jake Sullivan said at a White House briefing that there were signs of Russian escalation at the Ukraine border and that it was possible that an invasion could take place during the Olympics, despite speculation to the contrary. Both the U.S. and U.K. have called for their citizens to leave Ukraine as soon as possible. Sullivan noted that the U.S. is not certain that Russian President Vladimir Putin has made a final decision to invade Ukraine. But "it may well happen soon," he said. Stocks came off their lows and oil and bond prices retreated from their highs of the trading session following that comment from Sullivan, which slightly countered an earlier report that had sent markets reeling.
- Some defense stocks moved higher after Ukraine headlines crossed. Northrop Grumman jumped 4.5%. Lockheed Martin added 2.8%.

- Oil prices jumped, with West Texas Intermediate futures gaining 4%, as Russia is a key producer of oil and natural gas. Energy stocks moves higher alongside the price of oil, with Diamondback Energy rising nearly 4% and Devon Energy adding 3.6%. Exxon Mobil and ConocoPhillips gained 2.5% and 2.3%, respectively.
- This week's volatility in the bond market started after a hotter-than-expected inflation reading on Thursday, which prompted St. Louis Fed President James Bullard to call for accelerating rate hikes — a full percentage point increase by the start of July.
- Stocks slid on Friday as increased tensions between Ukraine and Russia sent oil spiking and led investors to dump risky assets like equities.

U.S.
Previously – (04/02/2022)

- **February is historically a weak trading month.**
- Stocks surged for a second day Monday to wrap up a rough January, as investors snapped up some of the tech shares that have been battered all month. Despite the two-day relief rally, the S&P 500 and the Nasdaq Composite posted their worst months since the onset of the pandemic, as investors braced for the Federal Reserve to raise interest rates multiple times this year.
- Last week, the Fed indicated that it will likely start raising rates in March to combat historically high inflation. That would be the central bank's first-rate hike in more than three years. Markets are now pricing in at least five quarter-percentage-point interest rate hikes in 2022.
- **The S&P 500 at one point this month had dipped into correction territory on an intraday basis, but the recent comeback has pared the loss from its all-time high to 6.3%. The Nasdaq Composite is still off by 12% from its high, firmly in correction territory.**
- Investors have a big week ahead for economic data and some important earnings reports from some of the market's biggest tech names, including Alphabet, Meta Platforms, Amazon and more.
- Stocks rose for a third day Tuesday, as Wall Street tried to recover its footing after a wild January. "After being wildly distracted in the month of January, investors and traders are finally refocusing on earnings season," said Jeff Kilburg, chief investment officer of Sanctuary Wealth. "Seeing some of these beats and improved forward guidance has created a lot of optimism inside of this earnings season, which we kind of neglected due to the fact that the Federal Reserve took the centre stage."
- Banks got a boost as the benchmark 10-year Treasury yield rose 2 basis points to break back above 1.8% at one point. That move came even after U.S. manufacturing data for January showed more signs of rising inflation.
- The major averages posted sharp losses for January marked by brutal price swings. The blue-chip Dow slid 3.3% for the month. The S&P 500 and Nasdaq suffered their worst monthly declines since March 2020, falling 5.3% and 8.98%, respectively. It was also the S&P 500's biggest January decline since 2009.
- Stocks rose for a fourth straight day Wednesday, as Alphabet propelled gains in tech thanks to strong quarterly earnings. Big tech names have been key drivers of the four-day rebound, as investors refocused their attention on earnings season, after mega cap tech companies continued reporting strong quarterly results and forward guidance. These names also led the way lower last month amid concerns over rising rates.
- The major averages are coming off of a volatile month, mainly spurred by a pivot in the Federal Reserve. However, some Fed members have offered reassuring commentary that they do not want their pending rate hikes to disturb the financial markets and that few see any appetite for a 50-basis point hike.
- U.S. stocks fell on Thursday as investors' renewed optimism on big tech names, driven by a slew of strong earnings, took a turn down after Facebook-parent Meta Platforms reported disappointing quarterly results. Meta Platforms shares plunged 26.4% after the company's quarterly profit fell short of expectations. The company also issued weaker-than-expected revenue guidance for the current quarter. It was the biggest drop ever for the Facebook parent.
- The S&P 500 and Nasdaq Composite jumped Friday to finish their best week of the year, as continued strength in earnings reports extended the tech-led rebound from the January rout.
- Traders on Friday also weighed a much stronger-than-expected jobs report and its potential impact on U.S. monetary policy going forward.
- The 10-year Treasury yield jumped above 1.9%, hitting its highest level since December 2019, after the January jobs report showed a 467,000 gain in payrolls. Economists polled by Dow Jones had expected a minor gain of 150,000, and some economists predicted a large decrease. Economists had cautioned before the report that it could be noisy because of an omicron wave hitting while the survey was taking place

Source: Bloomberg news, CNBC news.

EU
Current Situation – (11/02/2022)

- European stocks closed higher on Monday as investors continued to consider last week's jobs data from the U.S. and central bank decisions in Europe. Central bank decisions last week continued to dominate market sentiment. The European Central Bank kept interest rates unchanged in spite of record inflation levels across the euro zone, while the Bank of England decided to hike in its first back-to-back interest rate rise since 2004.
- On Wall Street, stocks retreated Monday after the S&P 500 posted its best week of 2022.Traders on Friday weighed a much stronger-than-expected jobs report and its potential impact on U.S. monetary policy going forward.
- European stocks closed mixed on Tuesday, with global investors monitoring earnings and anticipating key U.S. inflation data due to be released later in the week. Global investors are awaiting key data on Thursday, with the U.S. Labor Department set to release January's consumer price index figures.
- European stocks closed higher on Wednesday, as investors pored through a fresh batch of corporate earnings while awaiting key U.S. inflation data later in the week. Earnings were a key driver of individual share price action in Europe on Wednesday.
- European stocks pulled back Thursday after a red-hot inflation print out of the U.S. cemented the likelihood of significant interest rate hikes this year. The pan-European Stoxx 600 closed down by 0.2%, with most sectors and major bourses dipping into the red. Tech stocks, which are typically sensitive to concerns around higher interest rates, were among the worst performers, falling 1.1%.
- Global investors were reacting to the latest consumer price index reading from the U.S., which put annual inflation at 7.5% in January, above expectations and the highest print since 1982. U.S. stocks sank following the data release.
- European stocks fell on Friday after a hotter-than-expected U.S. inflation print and hawkish remarks from a Federal Reserve official prompted expectations of more aggressive interest rate hikes. U.S. inflation came in at an annual 7.5% in January, fresh data revealed on Thursday, far ahead of expectations and marking the highest year-on-year rise in consumer prices since 1982.
- Risk sentiment was then further dampened when St. Louis Fed President James Bullard, a member of the Fed's rate-setting committee, acknowledged that the reading had rendered him "dramatically" more hawkish. Bullard said he's now hoping for a full percentage point of interest rate rises in the first half of the year.

EU
Previously – (04/02/2022)

- **February is historically a weak trading month.**
- European stocks closed higher on Monday, the last trading day of January, as investors weighed upcoming central bank decisions and geopolitical tensions between Russia and Ukraine. The pan-European Stoxx 600 index provisionally closed up 0.6%, with tech stocks jumping 2.9% to lead gains as most sectors and major bourses entered positive territory. The benchmark is on pace for its worst month since October 2020, however, as investors reassess their allocations amid fears over higher interest rates. Markets have been roiled by volatility in January as investors worry about inflation, supply chain issues and the upcoming rate hikes from the Federal Reserve. **Markets are now pricing in five quarter-percentage-point interest rate hikes in 2022 with the first coming in March**.
- The Bank of England and European Central Bank are set to deliver their latest policy decisions on Thursday, with the former expected to hike interest rates for a second time. Meanwhile, geopolitics is also in focus for investors in Europe, who are keeping an eye on developments between Russia and Ukraine with the UN Security Council set to meet on Monday to discuss ongoing tensions between the neighbours amid a build-up of soldiers on Russia's border with Ukraine.
- The pan-European Stoxx 600 had climbed 1.1% by the close, with basic resources adding 3.3% to lead gains as almost all sectors and major bourses finished in positive territory. European markets had a spring in their step during the first trading session of February after a positive end to January trade on Monday. The pan-European Stoxx 600 index still closed out its worst month since October 2020, as investors reassessed their allocations amid fears over higher interest rates.
- European stocks closed higher on Wednesday as traders digested a strong set of corporate results. The pan-European Stoxx 600 closed 0.5% with most sectors and major bourses in positive territory. Financials were among the top performers amid expectations of higher interest rates. Corporate earnings were a key driver of individual share price action on Wednesday, with TeamViewer, Santander, Julius Baer, Glencore, Novartis and Vodafone, among others.
- Annual euro zone inflation hit an all-time high in January, according to preliminary Eurostat figures published Wednesday. Consumer prices rose 5.1% year-on-year after a 5% rise in December as energy prices continued to soar, exerting further pressure on the European Central Bank to tighten monetary policy.
- Investors in Europe are also keeping an eye on tensions between Russia and Ukraine after President Vladimir Putin said on Tuesday that the West had ignored Moscow's security concerns over Ukraine and NATO.
- European stocks closed lower on Thursday as investors reacted to policy decisions from both the European Central Bank and the Bank of England amid persistent inflationary pressures. Traders are growing nervous about the prospect of tighter monetary policy amid rising inflation.

- In the U.K., the Bank of England on Thursday raised interest rates again — the first back-to-back rate hike since 2004 — and began the process of quantitative tightening. As expected, the BOE's Monetary Policy Committee voted unanimously for a 25-basis point rate increase to take the main Bank Rate to 0.5%.
- The central bank also warned inflation would top 7% in April, up from an earlier projection of 6%. It comes as British energy regulator Ofgem said it would raise the maximum limit on energy prices by more than 50%.
- British Finance Minister Rishi Sunak said Thursday that all households will receive a £200 discount on their electricity bills from October, which will be repayable in £40 instalments over five years. He also announced a £150 rebate on council tax for most households that won't have to be paid back.
- Separately, **the European Central Bank opted to hold interest rates steady, defying growing pressure to curb stimulus plans. Inflation in the euro zone rose to 5.1% in January, despite expectations for a sharp drop to 4.4%.**
- Europe markets closed in negative territory on Friday as investors digested key updates from both the Bank of England and the European Central Bank the previous day. The ECB resisted pressure to raise rates at a time of unprecedented inflation, with the most recent reading hitting a record 5.1% last month. Christine Lagarde, the central bank's president, said on Thursday that although inflation was likely to remain elevated for longer than previously thought, the ECB expected it to ease throughout 2022. Meanwhile, Bank of England Governor Andrew Bailey said on Thursday it was likely the BoE would need to raise rates again, after hiking its main interest rate to 0.5% in a bid to contain soaring inflation, which hit a 30-year high in the U.K. in January

Source: Bloomberg news, CNBC news.

APAC
Current Situation – (11/02/2022)

- Shares in Asia-Pacific were mixed on Monday, with mainland China markets rising as they reopened following the Lunar New Year holidays last week. Australia on Monday announced it will reopen its borders to vaccinated travelers this month.
- Investors continued to monitor the situation around Ukraine, with White House national security advisor Jake Sullivan warning Sunday that a Russian invasion could be imminent.
- Shares in Asia-Pacific were mixed on Tuesday, with Chinese stocks among the biggest losers regionally.
- Market sentiment on China stocks may have taken a hit after the U.S. Commerce Department said Monday it had added 33 Chinese entities to a red-flag export list. One of the affected firms, WuXi Biologics, saw its Hong Kong-listed stock plunge more than 20% before trading was halted on Tuesday.
- Global markets have continued to see a wave of volatility as investors continue to assess the outlook for factors such as central bank policy normalization, with expectations that fast-rising wages in the U.S. could lead the Federal Reserve to raise interest rates even higher this year.
- "For now at least, inflation and related central bank thinking remains by far the bigger influence on market sentiment," Ray Attrill, head of foreign exchange strategy at National Australia Bank, wrote in a Tuesday note.
- Shares in Asia-Pacific rose in Wednesday trade, with stocks in Hong Kong leading gains regionally.
- Shares in Asia-Pacific were mixed on Thursday as investors awaited the release of U.S. consumer inflation data.
- Shares in Asia-Pacific declined on Friday, as investors in the region reacted to the Thursday release of a hotter-than-expected U.S. consumer inflation report that pushed the 10-year Treasury yield past 2%.

APAC
Previously – (04/02/2022)

- **February is historically a weak trading month.**
- Shares in Asia were higher on Monday — the final trading day of January, with markets in mainland China and South Korea closed for the Lunar New Year eve.
- Asia-Pacific markets rose on Tuesday, tracking stocks on Wall Street as they surged for a second session. Australia said it's maintaining its cash rate, while investors in the region looked ahead to India's budget announcement. Japan's manufacturing activity grew at the fastest pace in nearly eight years, according to Reuters, brought on by new orders and stronger output.
- **The Reserve Bank of Australia maintained its cash rate at 0.1% on Tuesday, going against market expectations for a rate hike, although it ended its bond buying program as predicted**. While inflation has picked up, it is too early to conclude that it is sustainably within the target band," said the central bank's Governor Philip Lowe in a statement. "The Omicron outbreak has affected the economy, but it has not derailed the economic recovery. The Australian economy remains resilient, and spending is expected to pick up as case numbers trend lower," he added. Following the monetary policy decision, the Australian dollar was at $0.7040, down from levels around $0.706 earlier. Data on Tuesday also showed that Australia's retail sales in December fell 4.4% to $31.9 billion Australian dollars ($22.53 billion), after a 7.3% jump in November, according to Reuters.
- Shares in Asia-Pacific rose on Wednesday, with multiple major markets in Asia remaining closed for the Lunar New Year holidays.

- In Australia, the S&P/ASX 200 climbed 1.17% to finish the trading day at 7,087.70. Those gains came after Reserve Bank of Australia Governor Philip Lowe reiterated in a speech Wednesday that the central bank's recent decision to end its bond purchase program "does not mean that an increase in the cash rate is imminent." "I recognise that in a number of other countries the ending of the bond purchase program has been followed closely, or is expected to be followed closely, by an increase in the policy rate," Lowe said. "Our lower rate of inflation and low wages growth are key reasons we don't need to move in lock step with others." Lowe's comments came as investors around the globe have been grappling with the prospect of major central banks tightening monetary policy after almost two years of unprecedented stimulus.
- Asia-Pacific markets traded mixed on Thursday amid some lingering concerns about global growth and ongoing geopolitical tensions.
- Shares in Asia-Pacific were higher on Friday as investors in the region shrugged heavy losses overnight on Wall Street that saw the tech-heavy Nasdaq Composite plunging nearly 4%. "We think what the dominant theme, at least for the first half of this year, is going to be around interest rates," Kieran Calder, head of equity research for Asia at UBP, told CNBC's "Street Signs Asia" on Friday. Financials are set to be the "main beneficiary" of this trend due to factors such as higher net interest income and yields, he explained.
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Source: Bloomberg news, CNBC news.

Market	Factor	Indicators
USD INDEX	ECONOMIC	INFLATION

FUN (Fundamental Report)

Rising Inflation, Strong job numbers, Interest rate hikes, FED Tapering expected early 2022, Supply chain issues, Ukraine and Russia Tension.

FOREX
Current Situation – (11/02/2022)

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FOREX
Previously – (04/02/2022)

- The U.S. dollar advanced from two-week lows on Friday after data showed the world's largest economy created far more jobs than expected, raising the chances of a larger Federal Reserve interest rate increase at the March policy meeting.
- The dollar index, a gauge of its value against six major currencies, rose 0.1% to 95.446, after falling to a two-week low of 95.136 earlier amid a resurgent euro. But the dollar was still down 1.8% on the week, on pace for **its largest weekly percentage decline since November 2020.**
- The dollar also tracked the surge in U.S. Treasury yields. U.S. two-year and five-year yields, both of which reflect interest rate expectations, rose to 1.2970%, the highest since late February 2020, and 1.79%, its best level since July 2019, respectively.
- **The euro was still up on the day, rising 0.1% at $1.1455. It was up 1.7% on the week, on track for its best weekly performance since late March 2020, benefiting from a hawkish turn by the European Central Bank (ECB) on Thursday**.
- The euro stalled around the resistance level of $1.1480 because of dollar gains following the U.S. employment report. HSBC's Maher said the euro/dollar pair is likely to resume its upward momentum given that the market seems more fixated on the ECB's hawkishness, which surprised markets, than the Fed.

- Oil and gold prices also jumped on concerns that supplies could become tight due to those Ukraine-Russia tensions, among other factors.
  In Australia, Reserve Bank of Australia Governor Philip Lowe reiterated in a speech Wednesday that the central bank's recent decision to end its bond purchase program "does not mean that an increase in the cash rate is imminent." "I recognise that in a number of other countries the ending of the bond purchase program has been followed closely, or is expected to be followed closely, by an increase in the policy rate," Lowe said. "Our lower rate of inflation and low wages growth are key reasons we don't need to move in lock step with others." Lowe's comments came as investors around the globe have been grappling with the prospect of major central banks tightening monetary policy after almost two years of unprecedented stimulus

Source: Bloomberg news, CNBC news.

TECH (Technical Analysis)

For weekly technical analysis on major stock indices and Pre-Market checklist click: [PRE-MARKET CHECKLIST – The Intelligent Day Trader]

Source: TIDT (The Intelligent Day Trader)

WEEK AHEAD – KEY LEVELS

TIDT KRS

ASX 200				FTSE 100				NDX 100			
7198	XXXX	7380	7401	7902	7432	XXXX	7196	XXXXX	14050	14325	14397
7017	7120	7335	7359	XXXX	XXXX	XXXX	XXXX	12889	13845	14128	14247
XXXX	XXXX	XXXX	XXXX	7130	6940	7050	6992	XXXXX	XXXXX	XXXXX	XXXXX

TIDT KRS (The Intelligent Day Trader Key Resistance and Support)
For complete and extended KRS on major stock indices visit: [TIDT KRS – The Intelligent Day Trader]

Source: TIDT (The Intelligent Day Trader)

ONGOING THEMES

- **"The long-term growth rate is challenged by factors that are changing — demographics, productivity and longer-term growth in the labor force — and drive the economy in the long-term,"**
- **Tech shares always fall as a rapid rise in rates makes their future cash flows less valuable, and in turn makes the popular stocks appear overvalued. Higher rates also hinder tech companies' ability to fund their growth and buy back stock.**
- The Fed tapering plans and rising Inflation concern will continue to dominate the market in the weeks ahead.
- Stocks have gone a relatively long period without any major sell-off. The S&P 500 notched its fifth positive month in a row, rising 2.2% in June. The broad index also posted its best first half since 2019.
- **24th June -** U.S. $1 trillion infrastructure package - White House had struck an infrastructure deal with a bipartisan group of senators. The lawmakers have worked for weeks to craft a roughly $1 trillion package that could get through Congress with support from both parties. **The framework will include $579 billion in new spending on transportation like roads, bridges and rail, electric vehicle infrastructure and electric transit, among other things.**
- https://www.cnbc.com/2021/08/02/as-the-economy-hits-its-peak-stock-market-gains-could-be-harder-to-come-by.html

Source: Bloomberg news, CNBC news.