TIDT
The Intelligent Day Trader

... informed trader

MARKET WEEKLY *(Weekly FunTech Report)*

Date: 25th February 2022
Contributor: Muyiwa Efunshile, TIDT Founder & Director of Trading

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 – (25/02/2022)

- The S&P 500 closed in correction territory on Tuesday, as intensifying tensions between Russia and Ukraine dented market sentiment to start the week.
- The major averages pared losses late in the trading day, however. At its session low, the Dow had lost more than 700 points.
- President Joe Biden on Tuesday announced sanctions on Russian bank VEB and its military bank, Russia's sovereign debt and certain wealthy individuals and their families. The U.K. has also started targeted economic sanctions against five Russian banks and three wealthy individuals.
- That move came a day after Russian President Vladimir Putin said he would recognize the independence of two breakaway regions in Ukraine, potentially undercutting peace talks with Biden. Putin also ordered forces into the two breakaway regions.
- "The Russia/Ukraine situation remains very fluid, and tensions remain high, and in the short term that will remain a headwind on stocks," said Tom Essaye, founder of the Sevens Report.
- The Russia-Ukraine conflict has put pressure on market sentiment recently, with the major averages coming off of back-to-back weekly losses.
- Anxieties over the Federal Reserve's move to raise interest rates – particularly the prospect of a half-point rate hike – have pushed stocks lower in recent weeks. However, the latest escalation in the Russia-Ukraine conflict ultimately threw the S&P 500 into correction territory.
- Traders are betting that there is a 100% chance of a Fed rate hike after the March 15-16 meeting, with expectations tilting toward a 0.25 percentage point move, according to the CME Group's FedWatch tool.
- Stocks fell sharply once again Wednesday, as escalating tensions between Russia and Ukraine push the major averages to fresh lows for the year so far. Both the Dow and Nasdaq fell for a fifth straight session, while the S&P 500 notched a four-day losing streak. Wednesday's decline pushed the Nasdaq closer to bear market territory, as it sits more than 18% from its November closing record.
- "While uncertainties remain, our work shows that historically military/crisis events tend to inject volatility into markets and often cause a short-term dip, but stocks tend to eventually rebound unless the event pushes the economy into recession," Eylem Senyuz, senior global macro strategist at Truist, wrote in a note to clients.
- Stocks rose broadly on Thursday, staging a massive comeback from steep declines seen earlier in the day, as investors looked past Russia's attack on Ukraine.
- Despite the stunning reversal, the S&P 500 remains in correction territory — more than 10% off its Jan. 3 record close. The Nasdaq Composite opened in bear market territory on Thursday, down more than 20% from its record high in November, before bouncing off those levels. The Nasdaq still sits about 16% from its all-time high, however.
- nvestors bought the dip on some of the biggest tech names during Thursday's volatile session. Amazon, Netflix, Alphabet and Microsoft all closed higher — erasing sharp declines from earlier in the day. Netflix rose 6.1%, and Microsoft added 5.1%. Alphabet and Meta Platforms popped 4% and 4.6%, respectively.
- President Joe Biden addressed Russia's invasion of Ukraine on Thursday, announcing that the U.S. will introduce a new wave of sanctions against Russia in a broad effort to isolate Moscow from the global economy.
- The White House has also authorized additional troops to be stationed in Germany as NATO allies look to bolster defenses in Europe, Biden said.
- Moscow launched the military action in Ukraine overnight Thursday. There were reports of explosions and missile strikes on several key Ukrainian cities including its capital, Kyiv. Russian President Vladimir Putin called the invasion "the demilitarization" of Ukraine and said Russia's plans do not include the occupation of Ukrainian territories.
- NATO, the most powerful military alliance in the world, is set to reinforce its presence on its eastern front following Russia's invasion of Ukraine.
- The Russia invasion "is really worse than a baseline expectation that we had or the markets had. I would argue we are talking basically another 5% to 6% down which would put us close to 20% or bear market territory," said Binky Chadha, chief U.S. equity and global strategist at Deutsche Bank," on CNBC's "Squawk Box" Thursday.
- Oil prices settled well off their highs alongside the recovery in equities. Global oil benchmark Brent jumped 1% to around $92 per barrel, after the $100 level for the first time since 2014. he U.S. 10-year Treasury yield stayed below 2% as investors sought safe-haven bonds.

- The Cboe Volatility index, a gauge of Wall Street fear, spiked to above the 37 level on Thursday, near hits highest levels of the year. The index later slid to around 30.
- Markets have also been worried about tighter Federal Reserve policy amid escalating inflation. Traders have adjusted their views on the Fed in recent days, with the likelihood of a 0.5 percentage-point interest rate hike in March down to 13.3%, according to CME Group data.
- Stocks climbed Friday to close out a volatile week of trading, as investors continued to assess the financial risks stemming from Russia's invasion of Ukraine. Stocks are coming off a whipsaw trading session Thursday in which the major indexes staged a massive comeback from steep declines earlier in the day. The Dow on Thursday erased a more than 800-point decline to close higher.
- Market sentiment got a boost Friday after the Kremlin reportedly said that Russian President Vladimir Putin is ready to send a delegation to Belarusian capital Minsk for negotiations with Ukraine. Russia is closing in on the capital city of Kyiv, according to Ukrainian officials. The capital had been hit by "horrific Russian rocket strikes," Ukrainian Foreign Minister Dmytro Kuleba said.

U.S.
Previously – (18/02/2022)

- Dow Jones Industrial Average and S&P 500 retreated on Monday as investors evaluated concerns about the Federal Reserve's plan for interest rate hikes and tensions between Russia and Ukraine.
- Investors have been monitoring headlines related to the Russia-Ukraine conflict. Oil prices were lower for most of the trading day Monday, but an afternoon run sent West Texas Intermediate futures up 2.6% to above $95 per barrel, and stocks lower. It was not immediately clear what drove the late-session action, but the U.S. is closing the Kyiv embassy. Secretary of State Antony Blinken cited the "dramatic acceleration in the buildup of Russian forces" on Ukraine's border.
- The Cboe Volatility Index — which is known as Wall Street's fear gauge — spiked to near its session highs in afternoon trading, briefly hovering around 31. It ended the day above 28 points.
- "The outlook for global equity markets remains weak in our view, with markets under pressure not just because of rising bond yields globally and the prospect of rate hikes, but also geopolitical tensions," said David Sneddon, technical analyst at Credit Suisse.
- On Monday morning, St. Louis Fed President James Bullard told CNBC that the central bank needed to fight inflation more aggressively, echoing comments he made last week that pressured the stock market.
- "I do think we need to front-load more of our planned removal of accommodation than we would have previously. We've been surprised to the upside on inflation. This is a lot of inflation," Bullard told CNBC's Steve Liesman during a live "Squawk Box" interview.
- "Our credibility is on the line here and we do have to react to the data," he added. "However, I do think we can do it in a way that's organized and not disruptive to markets."
- Markets are now expecting a 50-basis point, or 0.5 percentage point, increase at the central bank's March meeting. Economists at Goldman Sachs also raised their Fed forecast to seven hikes for 2022, and said it sees the 10-year yield hitting 2.25% this year. The firm also lowered its 2022 S&P 500 price target to 4,900 from 5,100. That would represent just a 2.8% return from where the benchmark ended 2021. Goldman said that higher rates will crimp valuations.
- Some airlines have also halted or redirected flights to Ukraine amid the brewing crisis, while the Pentagon ordered the departure of U.S. troops in Ukraine.
- "While the risk of conflict in Ukraine is high, it should have limited impact on global equity markets and would likely prompt a dovish reassessment by [central bankers]," said Marko Kolanovic, JPMorgan chief global market strategist. "The real fear is that China backs Russia and the relationship between China and the U.S. continues to deteriorate," said Robert Cantwell, chief investment officer at Upholdings. "How it changes the U.S. relationships with the other economic superpowers – that's what's really scary and would affect economic outcome."
- The Dow Jones Industrial Average rose for the first day in four on Tuesday after Russia appeared to be backing away from an immediate invasion of Ukraine, cooling geopolitical tensions that have knocked the stock market down the last three days.
- WTI crude prices fell roughly 3.6%, while the 10-year Treasury yield jumped to 2.04% as tensions eased. The VanEck Russia ETF, a U.S.-traded fund which invests in big Russian stocks, rose 5.8%.
- "News that Russia is pulling back some of its troops from the Ukraine border is fueling a bid to equity prices and a retreat in oil prices," said Kathy Bostjancic, chief U.S. economist at Oxford Economics.
- "De-escalating tensions between Russia and Ukraine are helping overall sentiment today, but that isn't the only good news. US Covid cases are now down 80% from their January peak, another sign the reopening will be moving forward," said Ryan Detrick of LPL Financial.
- The S&P 500 closed flat after volatile trading Wednesday as investors surveyed the latest update from the Federal Reserve and the status of Russia's military build-up near Ukraine.

- The major averages cut some losses following the release of the minutes from the Fed's January meeting. Traders were perhaps a bit relieved the release did not indicate the Fed would move any faster than already expected in hiking interest rates.
- "There was nothing in the minutes that suggested the Fed would be more aggressive than what the market has already priced in," Charlie Ripley, senior investment strategist for Allianz Investment Management, said.
- The Cboe Volatility Index — known as Wall Street's "fear gauge" — slipped to around the 25 level.
- "Geopolitical risk is something that's very, very hard to trade and it's something that we like to not overplay, so ... you kind of have to wait out," Delano Saporu, CEO of New Street Advisors Group, told CNBC's "Squawk on the Street."
- Stocks slumped Thursday amid heightened tensions between Russia and Ukraine with confused investors dumping risky assets and rotating into bonds. The Dow Jones Industrial Average posted its worst daily performance of the year on a points and percentage basis.
- U.S. stock indexes fell Friday and notched a second consecutive losing week as the Russia-Ukraine conflict put investors on edge.
- Ongoing tensions between Russia and Ukraine continued to drive market action. The Wall Street Journal reported midday Friday that U.S. officials expect an attack from Russia in a few days. President Joe Biden is expected to move more U.S. troops closer to Ukraine, NBC News reported.
- Secretary of State Antony Blinken speaking to the United Nations on Thursday warned that the situation is at a "moment of peril."
- "Investors are having a hard time holding onto risk as the likelihood that the standoff between the West and Russia will ultimately lead to some ground conflict," Oanda's Edward Moya said in a note Friday. "Wall Street will remain jittery until we see a major de-escalation."
- Investors have also been grappling with the outlook for Federal Reserve policy. St. Louis Fed President James Bullard, who had just called for aggressive action, warned that inflation could get out of control without rate hikes.
- New York Fed President John Williams on Friday said he didn't see any compelling reason to take a big step at the beginning, but the central bank could decide later to speed up

Source: Bloomberg news, CNBC news.

EU
Current Situation – (25/02/2022)

- European markets closed lower on Monday as investors monitored the Russia-Ukraine situation and unexpectedly strong economic data from the euro zone and U.K.
- U.S. President Joe Biden has accepted "in principle" a meeting with Russian President Vladimir Putin, paving the way for last-ditch diplomatic efforts to avert an invasion of Ukraine by Russian forces.
- Shares in Asia-Pacific were mostly lower on Monday as investors continued to monitor the situation surrounding Ukraine, while China left its benchmark lending rate unchanged.
- European stocks were volatile on Tuesday as global markets were shaken by developments in the Russia-Ukraine crisis. Global markets reacted to the latest news from Europe after Russian President Vladimir Putin ordered troops into two breakaway regions of eastern Ukraine. The move came after he announced Monday evening that he would recognize their independence.
- The decree formalizing the move called for "peacekeeping" forces to enter the self-proclaimed and pro-Russian republics of Donetsk and Luhansk, which are in the Donbas region of eastern Ukraine.
- That announcement was followed by news that U.S. President Joe Biden was set to order sanctions on the separatist regions, with the EU pledging to take additional measures.
- The U.K. initially slapped targeted sanctions on five Russian banks and three wealthy individuals, while Germany halted the certification of the Nord Stream 2 gas pipeline, designed to transport natural gas from Russia directly to Europe.
- European stocks closed lower on Wednesday as geopolitical tensions over the Russia-Ukraine crisis overshadowed a strong set of corporate earnings. Global markets have been under pressure this week, with traders rattled by events in Europe after Russian President Vladimir Putin ordered troops into two breakaway regions of eastern Ukraine. The move came after he announced Monday evening that he would recognize their independence.
- On Wall Street, U.S. stocks were lower, with the S&P 500 dipping deeper into correction territory amid mounting Russia-Ukraine tensions.
- Analysts say the outlook for Federal Reserve rate hikes after March may become less clear if Russia continues its incursion into Ukraine. U.S. Treasury yields retreated as Ukraine-Russia tensions rose, and the yield on the benchmark U.S. 10-year Treasury fell below 2% as investors sought out safe haven assets.
- European stocks sold off sharply on Thursday after Russia began an attack on Ukraine, tipping a longstanding diplomatic crisis into a military conflict.

- Russia launched an unprecedented invasion of its neighbor Ukraine on Thursday, with military assaults on several key Ukrainian cities including its capital, Kyiv.
- The attack on Ukraine is taking place both on the ground and by air, with reports that Russian forces have breached the Kyiv region.
- Starting about two hours before dawn on Thursday, explosions were felt in and around the cities of Kyiv, Odessa, Kharkiv and Mariupol.
-
- The explosions are ongoing, according to reports. Dmytro Kuleba, Ukraine's minister of foreign affairs, said in a statement that a "full-scale invasion" of his country was underway.
- European stocks closed higher on Friday, bouncing back from a sharp sell-off as market participants assessed the impact of Western sanctions against Russia after the Kremlin launched an invasion of Ukraine.
- Russia on Thursday launched an attack on Ukraine via land, air and sea, prompting fears of a devastating humanitarian crisis and sending shockwaves through financial markets.
- A series of explosions were heard on Friday morning in the capital city of Kyiv. Ukraine President Volodymyr Zelenskyy, who has pledged to remain in Kyiv, warned on Friday of "enemy sabotage groups" entering the capital. The crisis in Ukraine is changing rapidly and specific reports from the country are difficult to confirm.
- U.S. and Western allies have condemned Russia's assault, coordinating a squeeze on Moscow by implementing sanctions designed to limit international trade with Russia and target banks and oligarchs.
- Investors are monitoring the potential for further sanctions against Moscow. The prospect of a decision to target SWIFT international payments system or a coordinated move to hit Russia's oil and gas exports could have broader implications for the global economy.
- To be sure, Russia is the world's second-largest producer of natural gas and one of the world's largest oil-producing nations.

EU
Previously – (18/02/2022)

- European markets tumbled on Monday as investors continued to track tensions in Ukraine and remarks from U.S. Federal Reserve officials about the interest rate outlook.
- Multiple countries have urged their citizens to leave Ukraine amid fears of an imminent Russian invasion, with U.S. President Joe Biden's national security advisor Jake Sullivan warning on Sunday that the Kremlin has accelerated its extraordinary military buildup along the country's border over the past 10 days.
- Western leaders have threatened severe sanctions against Russia in the event of any incursion into Ukraine, as leaders continue to pursue diplomatic solutions. The Kremlin has denied any intention to invade its neighbor, accusing Washington of stoking "hysteria." Russian assets retreated sharply on Monday morning initially but pulled back much of their earlier losses by mid-afternoon. The MOEX Russia Index sank 1.8% while the RTS Index was off by 3%. The U.S. dollar reversed course against the Russian ruble and was down 0.5% by the close.
- European stocks closed higher on Tuesday after Russia announced it had begun returning some troops to deployment bases, tentatively raising hopes of de-escalation on the borders of Ukraine.
- Russian Defense Ministry spokesman Igor Konashenkov confirmed on Tuesday that military units from the southern and western districts of Russia had begun returning to their garrisons, a move that could de-escalate the febrile geopolitical stand-off between Russia and the West over Ukraine.
- Fears that Russia could invade Ukraine in the coming days, a claim the Kremlin has repeatedly denied, had gripped markets on Monday.
- However, NATO chief Jens Stoltenberg told reporters on Tuesday that while there were grounds for "cautious optimism" over the situation in Ukraine, the military alliance had not seen "any signs of de-escalation on the ground from the Russian side."
- Calling the situation the most serious security crisis in Europe for decades, Stoltenberg's comments echoed warnings from the U.S. and its allies in recent days that while diplomacy remained the top priority, a Russian attack on Ukraine could be imminent.
- The United States on Monday ordered the closure of its embassy in Kyiv and ordered the relocation of staff to the western Ukrainian city of Lviv, citing the "dramatic acceleration in the buildup of Russian forces" at Ukraine's border.
- Markets around the world have been roiled over the past week by the ratcheting up of tensions in eastern Europe and concerns that the U.S. Federal Reserve could be forced to tighten monetary policy more aggressively than hoped, following the highest annual inflation print since 1982.
- European markets closed mixed on Wednesday as investors assessed the geopolitical outlook following Russia's claimed partial withdrawal from the Ukrainian border, while corporate earnings season rumbles on.
- Energy prices in Europe could increase if Western countries impose sanctions on Russia, with U.S. President Joe Biden saying on Tuesday that a sanctions package would include reducing European consumption of Russian gas.
- Markets around the world rallied on Tuesday after Russia announced that it had begun returning some troops to deployment bases after training exercises near the Ukrainian border, assuaging fears of an imminent invasion and raising hopes of a de-escalation of recent tensions with the West.
- However, Western officials and Ukrainian President Volodymyr Zelenskyy have urged caution in taking Russia's claims at face value, and NATO on Wednesday accused Russia of increasing the number of troops at the Ukrainian border.
- European stocks closed lower on Thursday as investors monitored geopolitical tensions in eastern Europe while digesting a slew of corporate earnings reports.

- Meanwhile U.S. Ambassador to the United Nations Linda Thomas-Greenfield told reporters on a call Thursday morning that Russia “is moving toward an imminent invasion,” with U.S. Secretary of State Antony Blinken set to address the United Nations Security Council later in the day.
- The U.S. on Wednesday accused Russia of adding 7,000 troops to the 150,000 already stationed at the Ukrainian border, branding as “false” the Kremlin’s claims that it had begun a partial withdrawal of its military presence.
- European markets have been attuned to developments in Ukraine in recent days after selling off sharply on Monday as a Russian invasion appeared imminent. A meeting of NATO defense ministers in Brussels concludes on Thursday.
- European markets retreated once again on Friday, with global sentiment hanging in the balance as the Ukraine-Russia crisis reaches a pivotal moment.
- Addressing the United Nations Security Council on Thursday, U.S. Secretary of State Antony Blinken made an urgent appeal against a Russian invasion, after Western leaders rubbished the Kremlin’s claims of a drawback of troops and Ukraine accused pro-Russian separatists of shelling a civilian village.
- U.S. Defense Secretary Lloyd Austin spoke with Russian counterpart Sergei Shoigu on Friday, the Pentagon said, calling for de-escalation and the return of Russian forces to bases. Meanwhile, Russian Foreign Minister Sergey Lavrov in a press conference Friday voiced alarm at alleged increased shelling by Ukrainian forces against pro-Russian separatists in the Donbas region of eastern Ukraine.
- Ukraine’s military denied the accusation and alleged that Russia was engaged in an information war. Asia-Pacific shares mostly slid overnight as tensions in eastern Europe continued to rattle investors, but selling pressure eased on hopes that a meeting between Blinken and Lavrov next week may yield a diplomatic solution to the standoff

Source: Bloomberg news, CNBC news.

APAC
Current Situation – (25/02/2022)

- Shares in Asia-Pacific were mixed on Monday, as investors continued to watch the situation surrounding Ukraine. Meanwhile, China left a benchmark lending rate unchanged. China on Monday held steady on a benchmark lending rate, with the one-year loan prime rate (LPR) kept unchanged at 3.7%. That was in line with predictions from all 24 financial institutions in a snap Reuters poll.
- Investor sentiment in the region may have improved after U.S. President Joe Biden accepted “in principle” a meeting with Russian President Vladimir Putin if Moscow has not invaded Ukraine.
- Concerns of a potential Russian invasion of Ukraine have kept investors on edge, with Biden saying Friday the U.S. believes Putin has decided to carry out an attack on Ukraine “in the coming days.”
- Shares in Asia-Pacific declined on Tuesday as tensions surrounding Russia and Ukraine continued to keep investors on edge.
- Investors continued to monitor geopolitical tensions, after Russian President Vladimir Putin ordered forces into two breakaway regions of eastern Ukraine, following a Monday announcement that he would recognize their independence.
- After that development, the White House responded, with U.S. President Joe Biden ordering sanctions against the separatist regions of Ukraine. The White House has also authorized additional troops to be stationed in Germany, the president said.
- Shares in Asia-Pacific rose on Wednesday as investors continued monitoring the intensifying crisis surrounding Ukraine.
- Oil futures jumped and Asia-Pacific shares fell on Thursday as investors watched the escalating situation between Russia and Ukraine.
- Russian President Vladimir Putin said in a public address that he had authorized a military operation in Ukraine, and NBC News reported explosions were heard in Kyiv.
- Ukraine on Wednesday announced that it intends to impose a state of emergency for 30 days with the possibility of an extension. The measure must first be approved by parliament. The country also warned its citizens to leave Russia and avoid traveling there.
- On Wednesday, Russian state-controlled media reported that Moscow had started evacuating people from its embassy in Kyiv, Ukraine’s capital.
- Oil prices leaped 2% and Asia-Pacific shares mostly rose on Friday as investors assessed the Russia-Ukraine conflict following a massive comeback on Wall Street overnight.
- Investors in the U.S. appeared to shake off Russia’s attack on Ukraine, with stocks mounting a stunning reversal to close higher after falling sharply earlier in the session.

APAC
Previously – (18/02/2022)

- in Japan led losses in Asia-Pacific on Monday as investors monitored developments from the Covid situation in Hong Kong to tensions between Russia and Ukraine.
- Hong Kong’s Hang Seng index dipped 1.35%, as of its final hour of trading. The city is currently facing a fifth wave of Covid infections, which its chief executive said has “dealt a heavy blow” to Hong Kong and “overwhelmed” its capacity to

handle the situation. Over the weekend, Hong Kong's chief secretary announced that mainland China will assist the city in areas such as testing and quarantine facilities.

- Developments surrounding Russia-Ukraine tensions continued to be monitored by investors. Fears of a Russia attack on Ukraine sent stocks on Wall Street plunging Friday, with the Nasdaq Composite falling nearly 3%.
- Shares in Asia-Pacific were mixed on Tuesday as investors in the region continued to monitor tensions between Russia and Ukraine. Global markets have been kept on edge amid fears of a Russian attack on Ukraine, with the U.S. closing its embassy in Kyiv.
- Japan's economy expanded 5.4% on an annualized basis in the final quarter of 2021, according to government data released Tuesday. Still, the quarterly annualized gross domestic product growth was below a median market forecast for a 5.8% gain, according to Reuters.
- Shares in Asia-Pacific rose on Wednesday, as tensions appeared to ease between Russia and Ukraine, boosting markets. Meanwhile, investors reacted to weaker-than-expected Chinese inflation data.
- China's consumer price index for January rose 0.9% as compared with a year ago, slightly lower than expectations in a Reuters poll for a 1.0% increase.
- Russia's government announced Tuesday that Moscow is starting to return some troops at the Ukrainian border, though NATO's chief warned that the military alliance has so far "not seen any sign of de-escalation on the ground from the Russian side."
- Stocks in Asia-Pacific were mixed on Thursday as investors continued to monitor the situation surrounding Ukraine.
- Australia added 12,900 jobs for January, data released Thursday showed. That was above market forecasts for a flat outcome, according to Reuters. The country's unemployment rate held steady at 4.2%, according to figures from the Australian Bureau of Statistics, in line with expectations from a Reuters poll.
- Investors continued to monitor Russia-Ukraine tensions, as NATO on Wednesday accused Russia of increasing the number of troops it has gathered at the Ukrainian border — a day after Moscow claimed it had begun withdrawing some of its military units.
- Shares in Asia-Pacific were mixed on Friday, as investors in the region continued to assess the risk from simmering tensions between Ukraine and Russia.
- The ongoing Russia-Ukraine crisis is at a pivotal moment, with Kyiv accusing pro-Moscow separatists of attacking a village near the border.
- Fears of a Russian invasion of Ukraine have driven investors toward safe-haven assets such as gold. Spot gold briefly crossed $1,900 an ounce earlier before losing some of those gains, last sitting at $1,892 per ounce.
- The Japanese yen, also commonly seen as a safe-haven asset, traded at 115.15 per dollar — still stronger than levels above 115.6 seen against the greenback earlier this week.

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 – (25/02/2022)

-

FOREX
Previously – (/18/2022)

- Fears of a Russian invasion of Ukraine have driven investors toward safe-haven assets such as gold. Spot gold briefly crossed $1,900 an ounce earlier before losing some of those gains, last sitting at $1,892 per ounce.
- The Japanese yen, also commonly seen as a safe-haven asset, traded at 115.15 per dollar — still stronger than levels above 115.6 seen against the greenback earlier this week.

Source: Bloomberg news, CNBC news.

TECH (Technical Analysis)

For weekly technical analysis on major stock indices and Pre-Market checklist click: TIDT Pre Market Checklist

Source: TIDT (The Intelligent Day Traders)

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 Traders Key Resistance and Support)

For complete and extended KRS on major stock indices visit: TIDT KRS

Source: TIDT (The Intelligent Day Traders)

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.