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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 for the third consecutive meeting and struck a dovish tone as the Russia-Ukraine conflict is expected to keep inflation higher for longer.**
- **The Bank of Japan on Friday held its monetary policy steady in a largely expected decision, warning of "extremely high uncertainties" in light of the situation in Ukraine and its impact on prices.**
- **Emerging risk of stagflation due to Russian and Ukraine conflict — A period of slow economic growth and high unemployment coupled with high inflation — for the global economy as investors monitor the potential economic ramifications of disruptions in the global supply of energy and rising oil price. Forecasters expect the U.S. will grow more slowly with higher inflation, Europe's economy will toggle near recession and Russia's GDP will experience a double-digit decline amid the geopolitical conflict.**
- **Fed Chair Jerome Powell said this week that he is leaning toward supporting a single 25-basis point hike in March.**
- **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.**
- **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.**

- **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"**
- **U.S. Congress approve a $1.2 trillion infrastructure spending package.**
- **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.**

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 – (18/03/2022)

- The S&P 500 fell on Monday to kick off an important week, as oil prices fell sharply, and traders monitored the latest developments from the Ukraine-Russia war. Investors are also anticipating the first-rate hike by the Federal Reserve this week.
- Wall Street kept an eye on the conflict between Russia and Ukraine, as the two countries resumed talks on Monday. A Ukrainian official said the country's objectives were to secure a ceasefire and an immediate withdrawal of Russian troops, along with other security guarantees.
- Investors were also focused on the Fed, which is expected to raise its target fed funds rate by a quarter-percentage point from zero at the end of its two-day meeting Wednesday. Investors are also looking to the central bank for its new forecasts for rates, inflation and the economy, given the uncertainty from the escalated geopolitical tensions.
- The S&P 500 rose on Tuesday for its first gain in four days, as oil prices continued to drop further below $100, and a reading of wholesale inflation came in lighter than expected. The gains came as traders continued to eye the latest with ceasefire negotiations in Ukraine and China Covid lockdowns that could wreak havoc on tech supply chains.
- CFRA chief investment strategist Sam Stovall said a volatile and confusing market that has fatigued investors was due for a relief rally, even if it's just that. "Because this market has been so weak, so unconvincing since its all-time high on January 3, and because of intraday reversals, no one really knows what will end up being," Stovall said. "But what is causing the market to be totally in the green today is it's just getting tired of going straight down for such an extended period. So even if this were simply a relief rally, I think we are due for one."
- Falling oil prices and inflation data are both catalysts for that rally, Stovall added. Additionally, with investors looking forward to the outcome of the Fed's meeting, Stovall noted that the market remembers stocks tend to rise in the first, third and twelfth months after an initial rate increase.
- Oil prices continued their decline Tuesday. U.S. crude futures slid about 6.4% to settle at $96.44 per barrel, after topping $130 about a week ago. Meanwhile, the international Brent benchmark settled 6.5% lower at $99.91 per barrel.
- February's surge in energy prices led wholesale goods prices to their biggest one-month jump on record, the Labor Department reported Tuesday. The headline producer price index (PPI) rose 0.8% in February from the previous month. While that was slightly lower than the 0.9% estimated by Dow Jones, it still showed a 10% gain from the same time last year.
- On Monday, United States officials held "intense" talks with China to discuss, among other things, concerns that Beijing may attempt to help Russia blunt global sanctions. The discussion followed reports that Moscow requested military equipment from China for its war in Ukraine.
- Stocks rallied in a wild session after the Federal Reserve raised rates and said it would hike another six times this year.
- The Fed announced at the conclusion of its two-day meeting Wednesday that it will increase short-term interest rates by a quarter of a percentage point, a well-telegraphed move by the central bank as it seeks to control surging inflation. But it was the central bank's outlook that surprised traders somewhat and knocked the market down initially.
- The Fed forecast a consensus funds rate of 1.9% by year's end, which would mean a hike at each of the remaining central bank meetings this year. After the initial decline, stocks recovered in the final hour of trading as some investors cheered the Fed's aggressive posture on the belief it would help the economy over the long term by lowering inflation.
- The war between Ukraine and Russia has sent ripples through global financial markets, pushing commodity prices sharply higher and stocks lower. However, some commodities have cooled off in recent days, while the U.S. equity market tries to find its footing.
- Stocks jumped for a third straight day on Thursday, building on a strong rally this week, as investors digested the latest news out of Ukraine and got comfortable with the outcome of the Federal Reserve meeting.
- Global markets have seen wild swings in recent weeks. Sylvia Jablonski, CEO and chief investment officer at Defiance ETFs, thinks volatility will likely continue for at least another month or two. For now, though, she said investors are getting comfortable with the market.
- "Investors are starting to see that the market is presenting a tradeable bottom, and so buying now and in coming weeks is a good opportunity to get in on a repriced market with upside potential," she said. "The last time that we had opportunities to buy like this was around the peak of Covid and in 2008."
- Stocks climbed on Friday as the major averages notched their best week in more than a year.

- Investors continued to digest news from the Federal Reserve earlier this week, as well as a rise in Covid cases in Europe stemming from an emerging subvariant and the ongoing war between Russia and Ukraine.
- Several missiles hit an aircraft repair center on the outskirts Lviv in western Ukraine. A Ukrainian official also said one person was killed in an airstrike that hit Kyiv.
- Russia on Thursday reportedly made a $117 million bond payment in dollars, thereby avoiding what would be a historic foreign currency debt default. Stocks extended their gains following the report. Bloomberg reported Friday that clearing houses in Europe and the U.S. have processed the payment.
- On Friday, Fed Governor Christopher Waller told CNBC's "Squawk Box" the central bank may need to enact one or more 50 basis point interest rate hikes this year in order to tame "raging" inflation

U.S.
Previously – (11/03/2022)

- Stocks fell again on Monday, following four straight weeks of declines, as investors grew increasingly concerned higher energy prices stemming from the Russia-Ukraine conflict would slow the economy and raise inflation.
- As the Russia- Ukraine war continues, investors are monitoring the potential economic ramifications of disruptions in the global supply of energy. "Consequently, 'stagflation' is rapidly becoming the central focus in portfolio strategies," said Jim Paulsen, chief investment strategist for the Leuthold Group. "Preparing for slower growth and more persistent inflation is driving investor fears and actions."
- Overnight on Sunday, U.S. oil prices hit their highest level since 2008 amid an ongoing war between Russia and Ukraine. West Texas Intermediate crude futures, the U.S. oil benchmark hit $130 per barrel at one point before pulling back. WTI oil settled up 3.2% at $119.40. The international benchmark, Brent crude, spiked to to $139.13 per barrel — its highest since July 2008 — before pulling back to to settle at $123.21.
- Energy stocks rose alongside the price of oil. Baker Hughes added 4.7%. Chevron added 2.1%. Exxon Mobil rose 3.6%.
- Secretary of State Antony Blinken said Sunday that the U.S. and its allies are considering banning Russian oil and natural gas imports in response to the country's attack on Ukraine.
- House Speaker Nancy Pelosi also said in a letter to Democratic colleagues that the chamber is "exploring strong legislation" to ban the import of Russian oil — a move which would "further isolate Russia from the global economy."
- "The equity market is wrestling with the large commodity supply shock, including notably oil prices, and concerned that this could be morphing into a stagflationary shock instead of just an inflation shock," said Kathy Bostjancic, chief U.S. economist at Oxford Economics. "Equities will be keying off changes in oil prices and the prospects of an oil embargo from Russia."
- **Forecasters expect the U.S. will grow more slowly with higher inflation, Europe's economy will toggle near recession and Russia's GDP will experience a double-digit decline amid the geopolitical conflict**.
- The CNBC Rapid Update, the average of 14 forecasts for the U.S. economy, sees GDP rising by 3.2% this year, a modest 0.3% markdown from the February forecast.
- **Wall Street is already adjusting for the slower growth. Top strategists from Citi to UBS, Yardeni Research and Evercore ISI have lowered their U.S. equity outlook amid the geopolitical tensions. Long-time market bull Ed Yardeni has turned into one of the biggest bears on Wall Street, seeing the S&P 500 suffer a 16% decline in 2022 to end at 4,000**.
- Despite the move away from risk, government bond yields rose, indicating less demand for safe-haven assets. The benchmark 10-year Treasury note was most recently at 1.77%, up slightly on the session as inflation worries pushed yields up.
- Positive data from the U.S. Labor Department wasn't enough for investors to shrug off concerns about the war between Russia and Ukraine. On Friday, the Bureau of Labor Statistics reported the economy added 678,000 jobs in February. The monthly jobs gain topped economists' expectations of 440,000 as gauged by Dow Jones. The unemployment rate slipped to 3.8%.
- Stocks declined on Tuesday following the S&P 500's worst day since October 2020, as investors continue to assess geopolitical tensions between Russia and Ukraine and high commodity prices.
- Investors continue to grapple with surging commodity prices and slowing economic growth stemming from Russia's invasion of Ukraine. Rising prices for oil, gasoline, natural gas, and precious metals like nickel and palladium are fuelling concerns about a slowdown in global growth amid surging inflation.
- "The Russia/Ukraine conflict, commodity price spikes, inflation concerns, and a very uncertain Fed outlook have caused recession fears to rapidly intensify and equity markets to sell off sharply," said Chris Senyek, Wolfe Research chief investment strategist, in a note.
- **Tuesday's "bounce was a small victory that the low may be in, but it may have to be tested again either later today or later this week," said Jim Paulsen, chief investment strategist for the Leuthold Group.**
- The jump in crude is already starting to hit consumers' wallets. The national average for a gallon of regular gas rose to $4.173 on Tuesday, according to AAA. The prior record was $4.114 from July 2008, not adjusted for inflation.
- Other commodity prices also resumed their push higher. Nickel prices on Tuesday briefly touched a new record above $100,000 a metric ton.
- "Perhaps there's some relief that only the US is cutting off Russian oil/gas right away while the UK and EU implement their plans over the course of several quarters. In addition, while the consensus narrative on Russia/Ukraine is quite gloomy, the ingredients for a ceasefire are falling into place," said Adam Crisafulli, founder of Vital Knowledge.
- Treasury yields also were sharply higher, with the benchmark 10-year note up close to 10 basis points to about 1.85% as investors shed bonds as inflation fears escalate. Yields move opposite price.

- Shell apologized for buying cheap Russian oil and said it was divesting itself of all hydrocarbon holdings in the country. Russia itself warned that crude prices could hit $300 a barrel should Western countries enact a ban on exports. Shell shares popped 2.6% on Tuesday.
- Stocks posted sharp gains on Wednesday as recently surging commodity prices, especially oil, cooled off while the war in Ukraine continues.
- Wednesday's gains dragged the Dow out of correction territory and the Nasdaq out of bear market territory. Oil prices took a sharp leg lower in afternoon trading, giving stocks an extra boost. WTI crude oil tumbled more than 12%, or $15, to settle at $108.7 per barrel, registering its worst day since Nov. 26. Meanwhile, Brent crude oil, the international benchmark, fell a similar 13%, or $16.8 to $111.1, for its biggest one-day drop since April 2020.
- The market is reacting to an easing in commodity prices that have spooked stocks lately. Energy and agriculture products, in particular, have catapulted higher amid the fighting in Ukraine, while some metals also have posted major gains.
- Silver, copper and platinum were all lower on Wednesday. Wheat futures were sharply lower, though palladium continued its march higher.
- "The equity market continues to take its cues from changes in commodity prices, namely oil," said Kathy Bostjancic, chief U.S. economist at Oxford Economics. "Trading will continue to be volatile and rally when prices retreat, but overall the prospect of oil and non-energy prices remaining very high casts a cloud overall the outlook for economic activity and the equity market."
- Treasury prices fell and yields climbed as investors rotated out of bonds after huddling in fixed income for protection amid the Ukraine war. The benchmark 10-year note yield rose about 5 basis points to 1.93%. A basis point equals 0.01%.
- It remains to be seen if the Federal Reserve will manage a soft economic landing, but the U.S. should be able to avoid a recession, according to Ross Mayfield, investment strategy analyst at Baird.
- "The strength of the U.S. labor market, consumer and aggregate corporate sector should act as the weight to keep us out of recession near-term," he told CNBC. "Overall, volatility is likely to persist, [there's a] wide range of outcomes possible in Ukraine, but the fundamentals of the U.S. economy still look decent, especially if the Fed can navigate raising rates without breaking demand."
- The Dow Jones Industrial Average fell on Friday and notched its fifth straight week of losses as investors remain cautious about the war between Russia and Ukraine.
- Russian President Vladimir Putin said Friday that "certain positive shifts" have occurred in the talks between the Kremlin and Ukraine. However, a ceasefire has not been negotiated. Meanwhile, President Volodymyr Zelenskyy reportedly said Ukraine has reached a "strategic turning point" in its war with Russia.
- U.S. President Joe Biden also called for an end to Russia's status as a preferred trade partner, while Congress passed a funding bill that includes $14 billion of Ukraine aid.
- "Stocks are looking at another red week, as hope for a ceasefire, only to be disappointed, has added to the uncertainty," said Ryan Detrick of LPL Financial.
- "Potentially good news from favorable comments regarding cease fire negotiations from Putin but investors are unsure how much weight to put on this given some of his previous comments which turned out to be hollow," said Jim Paulsen, chief investment strategist for the Leuthold Group. However, **Bank of America said Friday that stock declines related to the war could have bottomed**

Source: Bloomberg news, CNBC news.

EU
Current Situation – (18/03/2022)

- European stocks closed higher on Monday ahead of further talks between Russian and Ukrainian negotiators.
- Global attention remains on the war in Ukraine after a weekend of intensified fighting around capital Kyiv, while Russian forces bombarded cities across the country, killing civilians who are unable to escape. Russia also attacked a Ukrainian military training center near the Polish border on Sunday, killing 35 people and wounding 134.
- Sanctions continue to hit Russia hard with the financial fallout for Moscow's invasion expected to come into sharper focus in the coming days ahead of a scheduled sovereign bond payment.
- Talks are taking place again on Monday in a bid to establish a solid ceasefire and find room for any compromise between Russia and Ukraine's demands, although previous discussions have ended in failure. The U.S. Federal Reserve is also in focus this week as it is expected to raise its target fed funds rate by a quarter percentage point from zero at the end of its two-day meeting Wednesday
- Investors are also looking to the central bank for its new forecasts for rates, inflation, and the economy, given the uncertainty from escalated geopolitical tensions.
- European stocks pulled back on Tuesday as global market sentiment was hit by Russia's ongoing invasion of Ukraine. Global markets continue to be buffeted by events in Europe as Russia's war on Ukraine wreaks death and destruction on the country. Talks between Russian and Ukrainian officials took place again on Tuesday in a bid to establish a solid cease-fire and find room for any compromise between Russia and Ukraine's demands.

- European stocks closed higher on Wednesday amid renewed optimism of progress in talks between Russia and Ukraine, and as global markets await the latest monetary policy figures and economic forecasts from the U.S. Federal Reserve.
- Regional markets got a boost on reports that progress was being made in ongoing talks between Russia and Ukraine in a bid to find a peace deal. Russia's Foreign Minister Sergey Lavrov said Wednesday that some parts of an agreement were close to being agreed, with "neutral" status for Kyiv being "seriously discussed," he told RBC News.
- Global markets are broadly positive ahead of the conclusion of the Federal Reserve's two-day meeting on Wednesday, where the central bank is widely expected to raise rates by a quarter-point, the first hike since 2018. Watchers are also expecting the central bank to offer a new quarterly forecast that could indicate five or six more hikes this year.
- European stocks closed higher on Thursday as investors reacted to the U.S. Federal Reserve's first rate hike in years.
- **The Bank of England on Thursday raised interest rates for the third consecutive meeting and struck a dovish tone as the Russia-Ukraine conflict is expected to keep inflation higher for longer.**
- The Bank's Monetary Policy Committee voted 8-1 in favor of a further 0.25 percentage point hike to its main Bank Rate, taking it to 0.75%. Global markets were also digesting the Federal Reserve hiking its benchmark interest rate for the first time since 2018 and signaling six more hikes this year.
- The war in Ukraine is also dominating headlines. Reports of progress on ceasefire negotiations helped boost stocks on Wednesday and after Ukrainian President Volodymyr Zelenskyy delivered an emotive address to the U.S. Congress, President Joe Biden also approved additional weapons to be sent to Ukraine.
- European markets closed higher on Friday, notching their best weekly gain since 2020, as investors tracked negotiations between Russia and Ukraine and digested a big week of central bank decisions.
- Little progress has been made so far in talks between Russian and Ukrainian diplomats after a fourth day of dialogue, as Russian forces continue to bombard Ukrainian cities. Commodity prices rallied once again as fears of tighter sanctions and persistent supply problems re-emerged.
- The Bank of Japan on Friday held its monetary policy steady in a largely expected decision, warning of "extremely high uncertainties" in light of the situation in Ukraine and its impact on prices.

EU
Previously – (11/03/2022)

- European stocks fell on Monday after news that the U.S. and European allies are considering a ban on Russian oil imports, posing a risk of global "stagflation."
- U.S. Secretary of State Antony Blinken told NBC on Sunday that Washington is in "very active discussions" with European governments about banning imports of Russian crude and natural gas. Such a move could pose a risk of stagflation — a period of slow economic growth and high unemployment coupled with high inflation — for the global economy. Oil prices surged to their highest since 2008 in response to the news, before trimming gains slightly. International benchmark Brent crude was last seen up 4% to around $122.80 per barrel and U.S. crude was up 2% to around $118.24 per barrel.
- Russia has continued to ramp up its assault on neighboring Ukraine in recent days, with forces attempting to advance and isolate the capital city of Kyiv and other major cities while being met with fierce Ukrainian resistance. Western powers have already imposed a suite of punitive economic sanctions in a bid to isolate Russia from the global economy, but the Kremlin has continued its invasion and Ukrainian President Volodymyr Zelenskyy has urged NATO to implement a no-fly zone on Ukraine, as yet to no avail.
- The London Stock Exchange cancelled trades on shares of Anglo-Russian miner Polymetal International over a 20-minute period on Monday morning following a sudden surge sent the share price skyrocketing. Polymetal shares were up 32% by mid-morning.
- European markets closed lower Tuesday as investors continued to monitor the war in Ukraine and Western responses. Peace talks between Russia and Ukraine in Belarus have made little progress in abating the escalating war. Meanwhile, President Joe Biden on Tuesday announced that the U.S. will ban imports of Russian oil, a major escalation in the international response to Moscow's invasion of Ukraine.
- Ukraine's defense intelligence agency claimed on Monday night to have killed a second Russian general near Kharkiv, where intense fighting has unfolded in recent days.
- European markets jumped on Wednesday as commodity prices took a breather amid Russia's ongoing war in Ukraine.
- The move risks exacerbating existing price surges on supply concerns and expectations of stronger growth, and crude oil prices bounced once again following Biden's announcement before moderating on Wednesday.
- Global market participants closely monitored the latest price action in commodities, which have surged of late on the back of geopolitical tensions surrounding the Russia-Ukraine conflict.
- In oil markets, international benchmark Brent crude futures fell 6.4% to $119.80 a barrel, while U.S. West Texas Intermediate crude futures dropped 5.7% to $116.53 per barrel.
- European investors are also looking ahead to the European Central Bank's monetary policy meeting on Thursday for signals as to how policymakers are approaching inflation and the fresh challenges posed by the conflict in Ukraine.
- European markets nudged higher on Friday, as global investors assessed inflation and a hawkish surprise from the European Central Bank, while continuing to track developments in Ukraine.
- Russian President Vladimir Putin said Friday "certain positive shifts" have occurred in the talks between the Kremlin and Ukraine. Meanwhile, President Volodymyr Zelenskyy reportedly said Ukraine has reached a "strategic turning point" in its war with Russia.
- The ECB on Thursday announced that it will end its bond-buying program in the third quarter of 2022 if economic data justifies it, sooner than previously planned. President Christine Lagarde said the war will have a "material impact on economic activity and inflation."

- Market sentiment has been in thrall to developments in Ukraine since Russia launched its attack on Feb. 24. Talks between Russian and Ukrainian diplomats in Turkey have stalled without progress on a cease-fire or an evacuation passage for civilians attempting to flee the besieged city of Mariupol.
- A raft of economic data was released Friday from across Europe, including February's German inflation prints and U.K. gross domestic product, construction, manufacturing and industrial production figures for January.
- The U.K. economy rebounded more strongly than expected in January after its late 2021 Covid-induced slowdown. The Office for National Statistics said GDP grew 0.8% month on month after a 0.2% decline in December, vastly outstripping expectations of 0.2% growth in a Reuters poll of economists.
- German inflation accelerated in February, with harmonized consumer prices rising 5.5% year on year

Source: Bloomberg news, CNBC news.

APAC
Current Situation – (18/03/2022)

- Shares in Asia-Pacific were mixed on Monday as investors monitored a Covid wave in China. Meanwhile, oil prices continued to be volatile amid the Russia-Ukraine war.
- China is currently undergoing a wave of Covid infections — its worst outbreak since the country clamped down on the pandemic in 2020, and major cities including Shenzhen are rushing to limit business activity. Across Shenzhen's border, the special administrative region of Hong Kong has also been battling a resurgence in Covid cases in recent weeks.
- Oil prices during the Russia-Ukraine conflict have spiked to record levels but fell back last week on supply hopes, before rising again to close out the week. Over in Asia, China, India, Japan and South Korea are all major importers of oil, according to 2020 data from the International Energy Agency.
- the Bank of Japan is also set to announce its monetary policy decision later in the week.
- Shares in China lagged among Asia-Pacific markets on Tuesday, with the release of much better-than-expected Chinese economic data offering little respite.
- Shares in Asia-Pacific rose in Thursday trade as the Chinese markets continue to extend gains from a rebound, while the U.S. Federal Reserve announced its first rate hike in more than three years.
- Shares in Asia-Pacific were higher in Wednesday trade, as Chinese stocks saw a strong rebound following recent heavy losses.
- The bulk of the gains Wednesday came after a Chinese state media report signalled support for Chinese stocks. U.S. and Chinese regulators are progressing toward a cooperation plan on U.S.-listed Chinese stocks, the report said, citing a financial stability meeting Wednesday chaired by Vice Premier Liu He. The report said Beijing supported Chinese stock listings overseas, and would work towards stability in Hong Kong's financial market as well as the struggling real estate sector.
- Chinese tech stocks have been under pressure in recent days amid multiple concerns, including a Wall Street Journal report that Tencent could face a record fine for violating anti-money laundering rules.
- Fears of U.S.-listed Chinese firms being delisted stateside also recently resurfaced after the Securities and Exchange Commission identified five U.S.-listed American depositary receipts of Chinese companies that failed to comply with the Holding Foreign Companies Accountable Act, further weighing on investor sentiment.
- The sharp reversal comes as investors continue to monitor the pandemic situation in the country, with China grappling with its most severe Covid outbreak since the height of the pandemic in 2020, with major cities scrambling to limit business activity.
- Shares in Asia-Pacific rose in Thursday trade as the Chinese markets continue to extend gains from a rebound, while the U.S. Federal Reserve announced its first-rate hike in more than three years.
- Shares in Hong Kong slipped on Friday but still finished a rollercoaster week more than 4% higher. The benchmark index also saw its first positive week in five following days of volatile trading, seeing big losses on Monday and Tuesday before a dramatic turnaround over the next two days.
- **The Bank of Japan on Friday announced its decision to hold steady on monetary policy. In a largely expected decision, the Japanese central bank kept its interest rate targets unchanged. The BoJ warned in its monetary policy statement of "extremely high uncertainties" over how the situation in Ukraine will affect economic activity and prices in Japan**

APAC
Previously – (11/03/2022)

- Shares in Asia-Pacific declined on Monday as oil prices surged, with the ongoing Russia-Ukraine war continuing to weigh on investor sentiment globally.
- Oil prices continue surging - Oil prices soared in the afternoon of Asia trading hours on Monday, with international benchmark Brent crude futures up 7.43% to $126.89 per barrel. U.S. crude futures also surged 7.26% to $124.08 per barrel. The sharp rise in oil prices, which already recently spiked, came after U.S. Secretary of State Antony Blinken said Sunday Washington and its allies are considering banning Russian oil and natural gas imports.
- Asia-Pacific stocks fell on Tuesday, with mainland Chinese stocks leading losses regionally the Russia-Ukraine war continued weighing on investor sentiment. Investors continued to monitor moves in the oil markets on Tuesday, with

- prices rising in the afternoon of Asia trading hours. International benchmark Brent crude futures gained 3.38% to $127.37 per barrel. U.S. crude futures climbed 2.92% to $122.89 per barrel.
- Amid the lingering uncertainty from the Russia-Ukraine conflict, oil prices recently spiked momentarily to their highest levels since July 2008.
- Regional airline stocks, which are sensitive to oil prices, continued to decline in Tuesday trade.
- The United Kingdom also announced its own plans to phase out its reliance on Russian oil imports by the end of the year. Investors in the region continued monitoring oil prices on Wednesday, which rose in the afternoon of Asia trading hours.
- International benchmark Brent crude futures climbed 0.99% to $129.25 per barrel. U.S. crude futures gained 0.88% to $124.79 per barrel.
- Shares in Asia-Pacific slipped in Friday trade, tracking overnight losses on Wall Street as the Russia-Ukraine war continues to keep investors cautious. U.S. Treasury Secretary Janet Yellen warned Thursday that America is set for another year of "very uncomfortably high" inflation amid the Russia-Ukraine war. Talks between Russia and Ukraine's foreign ministers in Turkey on Thursday ended in failure.
- Yellen's remarks came as the ongoing conflict between Russia and Ukraine has led to a surge in commodity prices. Data released Thursday also showed U.S. consumer inflation soaring in February, with the consumer price index for that month rising 7.9% as compared with a year ago, the highest level since Jan. 1982.
- Oil prices were higher in the afternoon of Asia trading hours, with international benchmark Brent crude futures up 2.3% to $111.85 per barrel. U.S. crude futures advanced 1.91% to $108.04 per barrel

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.

OTHERS (Currencies and Commodities)
Current Situation – (18/03/2022)

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OTHERS (Currencies and Commodities)
Previously – (/11/03/2022)

- Spot gold, traditionally a safe haven in times of uncertainty, last traded at $1,896.70, rising 0.48% after giving up some gains. The White House said it has not ruled out restrictions on U.S. purchases of oil and gas, but has not sanctioned the industry so far.

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

- **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.
- **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.**

Source: Bloomberg news, CNBC news.