

April 4, 2022

## Monday Briefing – 4th April 2022



## **HIGHLIGHTS**

- Major equity indexes ended the week mixed, with expectations for higher interest rates
  weighing on growth sectors like IT, while more defensive sectors outperformed. The S&P
  500 concluded a positive month, but a negative quarter the worst since early 2020.
- Bond markets, fared worse, ending the month in the red and recording their worst quarter since 1980 as central banks toughened their stance on fighting inflation.
- Eurozone inflation recorded a new all-time high of 7.5% on Friday, according to the flash HICP estimate for March: higher than the earlier record of 5.9% set in February and well above the forecasted 6.6%. This means that inflation is now more than triple central bank targets of 2% on both sides of the Atlantic.
- After increasing briefly on renewed Ukraine tensions, oil prices resumed their decline after US President Biden announced a massive release of oil from country's strategic petroleum reserves totaling 180 million barrels over a six month period (or roughly 1 million barrels per day).
- President Putin signed a decree stipulating that foreign buyers must pay for Russian natural gas in rubles from April 1st, raising concerns about possible supply disruptions

in Europe. G7 countries unanimously rejected the directive.

- A well-watched datapoint was the US Nonfarm payrolls which grew by 431,000 in March,
  a bit below the 490,000 estimate and well under February's upwardly revised 750,000.
  The unemployment rate, however, declined to 3.6%, below expectations. The first
  quarter ended with nearly 1.7 million jobs added.
- This week, the first set of PMIs (business sentiment surveys) that reflect the mood after the conflict in Ukraine begun, will be released. Investors will also pay close attention to the Fed minutes due on 6th April, hoping for more details about quantitative tightening. The first round of the French presidential election will kick-off on Sunday. While Macron leads in polls, at a rally over the weekend, he himself warned that nothing is said and done yet and that the far-right is a threat.

## **ECONOMIC CALENDAR**

**Monday –** Germany Balance of Trade (February) and New Car Registration (March). Eurozone PPI (February). US Factory Orders (February). Eurogroup Meeting.

**Tuesday** – Japan Household Spending (February). UK, Japan, Russia, Eurozone, US Composite PMI (March). France Industrial Production (February). US Balance of Trade (February). US ISM Manufacturing and Non-Manufacturing PMI (March). Eurozone EcoFin Meeting.

**Wednesday –** China Caixin Composite PMI (March). Germany Factory Orders (February). Eurozone Retail Sales (February). FOMC Minutes.

**Thursday** – US Consumer Credit Change (February) and Weekly Jobless Claims. Germany Industrial Production (February).

**Friday** – Japan Consumer Confidence (March), Eco Watchers Survey (March). Spain Industrial Production (February). Italy Retail Sales (February). US Wholesale Inventories (February).

**Saturday** – China Vehicle Sales (March)

Disclaimer

All financial data and/or economic information released by this Publication (the "Publication"); (the "Data" or the "Financial data and/or economic information"), are provided for information purposes only, without warranty of any kind, including without limitation the warranties of merchantability, fitness for a particular purpose or warranties and non-infringement of any patent, intellectual property or proprietary rights of any party, and are not intended for trading purposes. Banque Internationale à Luxembourg SA (the "Bank") does not guarantee expressly or impliedly, the sequence, accuracy, adequacy, legality, completeness, reliability, usefulness or timeless of any Data. All Financial data and/or economic information provided may be delayed or may contain errors or be incomplete. This disclaimer applies to both isolated and aggregate uses of the Data. All Data is provided on an "as is" basis. None of the Financial data and/or economic information contained on this Publication constitutes a solicitation, offer, opinion, or recommendation, a guarantee of results, nor a solicitation by the Bank of an offer to buy or sell any security, products and services mentioned into it or to make investments. Moreover, none of the Financial data and/or economic information contained on this Publication provides legal, tax accounting, financial or investment advice or services regarding the profitability or suitability of any security or investment. This Publication has not been prepared with the aim to take an investor's particular investment objectives, financial position or needs into account. It is up to the investor himself to consider whether the Data contained herein this Publication is appropriate to his needs, financial position and objectives or to seek professional independent advice before making an investment decision based upon the Data. No investment decision whatsoever may result from solely reading this document. In order to read and understand the Financial data and/or economic information included in this document, you will need to have knowledge and experience of financial markets. If this is not the case, please contact your relationship manager. This Publication is prepared by the Bank and is based on data available to the public and upon information from sources believed to be reliable and accurate, taken from stock exchanges and third parties. The Bank, including its parent,- subsidiary or affiliate entities, agents, directors, officers, employees, representatives or suppliers, shall not, directly or indirectly, be liable, in any way, for any: inaccuracies or errors in or omissions from the Financial data and/or economic information, including but not limited to financial data regardless of the cause of such or for any investment decision made, action taken, or action not taken of whatever nature in reliance upon any Data provided herein, nor for any loss or damage, direct or indirect, special or consequential, arising from any use of this Publication or of its content. This Publication is only valid at the moment of its editing, unless otherwise specified. All Financial data and/or economic information contained herein can also quickly become out-of- date. All Data is subject to change without notice and may not be incorporated in any new version of this Publication. The Bank has no obligation to update this Publication upon the availability of new data, the occurrence of new events and/or other evolutions. Before making an investment decision, the investor must read carefully the terms and conditions of the documentation relating to the specific products or services. Past performance is no guarantee of future performance. Products or services described in this Publication may not be available in all countries and may be subject to restrictions in some persons or in some countries. No part of this Publication may be reproduced, distributed, modified, linked to or used for any public or commercial purpose without the prior written consent of the Bank. In any case, all Financial data and/or economic information provided on this Publication are not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law and/or regulation. If you have obtained this Publication from a source other than the Bank website, be aware that electronic documentation can be altered subsequent to original distribution.

As economic conditions are subject to change, the information and opinions presented in this outlook are current only as of the date indicated in the matrix or the publication date. This publication is based on data available to the public and upon information that is considered as reliable. Even if particular attention has been paid to its content, no guarantee, warranty or representation is given to the accuracy or completeness thereof. Banque Internationale à Luxembourg cannot be held liable or responsible with respect to the information expressed herein. This document has been prepared only for information purposes and does not constitute an offer or invitation to make investments. It is up to investors themselves to consider whether the information contained herein is appropriate to their needs and objectives or to seek advice before making an investment decision based upon this information. Banque Internationale à Luxembourg accepts no liability whatsoever for any investment decisions of whatever nature by the user of this publication, which are in any way based on this publication, nor for any loss or damage arising from any use of this publication or its content. This publication, prepared by Banque Internationale à Luxembourg (BIL), may not be copied or duplicated in any form whatsoever or redistributed without the prior written consent of BIL 69, route d'Esch I L-2953 Luxembourg I RCS Luxembourg B-6307 I Tel. +352 4590 6699 I www.bil com

