

July 25, 2022

Monday Briefing – 25th July 2022



HIGHLIGHTS

- Stocks were resilient on both sides of the Atlantic last week, despite discouraging macro
 data and a larger-than-expected 50 basis point hike from the ECB, ended the era of
 negative Eurozone interest rates in one go.
- Weak economic data pushed the yield on 10-year US Treasuries down to its lowest level in nearly two months on Friday.
- Gas flows resumed along the Nord Stream I pipeline, contrary to fears that they would not. However, while hoping for the best, the European Commission is preparing for the worst and released the "Save gas for a safe winter" plan on Wednesday. The content proved divisive among member states and energy ministers will decide whether or not to approve it this week.
- Kyiv and Moscow agreed a deal to resume Ukraine grain exports from Black Sea ports.
- Mario Draghi's resignation as Italian Prime Minister injects political uncertainty into already-tough times for the EU.

- Investors digested several prominent Q2 earnings reports, many of which indicated a slowing economy but also greater resilience in corporate profits and outlooks than many had expected.
- Next week will be busy with a flow of macro data on consumer and business confidence, as well as preliminary Q2 growth numbers for the US and the Eurozone. The main event will be the FOMC on Wednesday at which another 75 bp hike is expected.

ECONOMIC CALENDAR

Monday – Germany IFO Business Climate (July). US Chicago Fed National Activity Index (June).

Tuesday – US House Price Index (May), New Homes Sales (June), Conference Board Consumer Confidence (July).

Wednesday – China Industrial Profits (June). Germany Gfk Consumer Confidence (August). France Consumer Confidence (July). Italy Business and Consumer Confidence (July). Eurozone M3 Money Supply (June). France Unemployment Data (June). US Durable Goods Orders, Retail Inventories, Goods Trade Balance, Pending Home Sales (all June). July FOMC meeting.

Thursday – France PPI (June). Spain Retail Sales (June) and Unemployment (Q2). Italy Industrial Sales (May). Eurozone Economic Sentiment, Consumer Confidence, and Consumer Inflation Expectations (all July). Spain Business Confidence (July). Germany Inflation Rate (Preliminary, July). US GDP Growth & PCE Prices (Adv., Q2), Weekly Jobless Claims.

Friday – Japan Unemployment (June), CPI (July), Industrial Production (Preliminary, June), Retail Sales (June), Consumer Confidence (July), Housing Starts (June), BoJ Summary of Opinions.

Eurozone, France, Spain, Italy and Germany GDP Growth (Preliminary, Q2). France Household Consumption (June). Eurozone Inflation (Flash, July). Germany Unemployment (July). US Personal Income and Spending (June), PCE Price Index (June), Employment Cost (Q2), Michigan Consumer Sentiment (Final, July).

Sunday - China NBS PMI (July).

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.

