

News highlights

- The December FOMC minutes troubled the early year calm in financial markets with Fed officials considering balance sheet runoff (quantitative tightening) shortly after rate liftoff.
- Sovereign bond yields faced significant pressure, mostly driven by higher real rates. It wasn't just the US that was affected though with sovereign bond yields moving higher throughout the world and the 10Y Bund edging closer to the zero mark.
- Equity markets posted weekly losses to kick off 2022 with a notable rotation, as growth sectors like technology and discretionary underperformed, as did bond proxy sectors (real estate and utility), while value sectors like energy, financials and industrials held steady, limiting the downside for the broader equity markets.
- The December US employment report looked much like the November employment report, with a miss in top line jobs gains (change in US nonfarm payrolls) masking what was actually a very strong jobs report, with unemployment rate declining to 3.9% and wage growth increasing by 0.6% in December from prior month (+4.7% YoY to \$31.31 vs. \$29.91 workers hourly pay), matching the largest advance since April.
- In the corporate world, Tencent Holdings Ltd.'s partial divestment of a listed company exacerbated a selloff in Chinese tech shares. Meme stocks meet crypto mania with GameStop pursuing the business of non-fungible tokens, colliding in a burst of speculative frenzy.
- Next week the attention of financial market participants will be on the US December inflation release as well as the start of earnings season (Q4 2021) on Friday.

EQUITIES (local currency, price change)

| | Last Price | 5 days | YTD | | 5 Years |
|----------------------|------------|--------|--------|--------|---------|
| | | | Local | EUR | |
| US | | | | | |
| S&P 500 | 4.677 | -1,9% | -1,87% | -1,62% | 70,2% |
| Nasdaq | 14.936 | -4,5% | -4,53% | -4,29% | 108,7% |
| Dow Jones | 36.232 | -0,3% | -0,29% | -0,04% | 43,3% |
| Europe | | | | | |
| Stoxx 50 | 4.306 | 0,2% | 0,2% | 0,2% | 19,1% |
| DAX | 15.948 | 0,4% | 0,4% | 0,4% | 19,3% |
| CAC | 7.219 | 0,9% | 0,9% | 0,9% | 31,6% |
| FTSE | 7.485 | 1,4% | 1,4% | 2,0% | -2,7% |
| AEX | 788 | -1,2% | -1,2% | -1,2% | 40,6% |
| BEL 20 | 4.306 | -0,1% | -0,1% | -0,1% | 4,7% |
| SMI | 12.798 | -0,6% | -0,6% | -1,4% | 34,1% |
| EM & Asia | | | | | |
| Nikkei 225 | 28.479 | -1,1% | -1,09% | -1,83% | 20,1% |
| Hang Seng | 23.493 | 0,4% | 0,41% | 0,66% | -24,0% |
| CSB300 | 4.822 | -2,4% | -2,39% | -2,47% | 15,9% |
| India | 59.745 | 2,6% | 2,56% | 3,16% | 73,9% |
| Russia | 3.772 | -0,4% | -0,40% | -1,72% | 70,9% |
| Brazil | 102.720 | -2,0% | -2,01% | -3,59% | 29,4% |

FIXED INCOME (local currency, total return)

| | Yield | 5 days | YTD | 5 Years |
|------------------|-------|--------|-------|---------|
| US | | | | |
| Government | 1,45 | -1,6% | -1,6% | 12,3% |
| Investment Grade | 2,48 | -1,9% | -1,9% | 18,6% |
| High Yield | 4,60 | -0,9% | -0,9% | 24,0% |
| Europe | | | | |
| Government | 0,21 | -0,7% | -0,7% | 7,7% |
| Investment Grade | 0,59 | -0,4% | -0,4% | 6,1% |
| High Yield | 3,32 | 0,1% | 0,1% | 12,8% |
| EM | | | | |
| Global HC USD | 4,14 | -1,4% | -1,4% | 13,6% |

EUR VERSUS MAJOR CURRENCIES

| | Last | 5 days | YTD | 5 Years |
|-----|--------|--------|-------|---------|
| USD | 1,14 | -0,3% | -0,3% | -12,2% |
| JPY | 131,31 | 0,3% | 0,3% | 30,4% |
| CHF | 1,04 | 0,6% | 0,6% | -13,8% |
| GBP | 0,84 | -0,6% | -0,6% | 4,9% |

COMMODITIES

| | Last | 5 days | YTD | | 5 Years |
|-------|----------|--------|-------|-------|---------|
| | | | USD | EUR | |
| Brent | 81,75 | 5,1% | 5,1% | 5,4% | -25,6% |
| Gold | 1.796,55 | -1,8% | -1,8% | -1,5% | 1,8% |

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Banque Internationale à Luxembourg SA
69 route d'Esch, L-2953 Luxembourg
RCS Luxembourg B-6307
T (+352) 4590-1 • F (+352) 4590-2010
contact@bil.com • www.bil.com



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