

## News highlights

- During their respective 2nd confirmation hearings both Powell and Brainard echoed the Fed's recent hawkish tone to contain inflation, reinforcing investor conviction about the odds of a March rate hike.
- Equity respite did not last long with the bumpy ride continuing last week while inflation remained front and centre, impacting monetary policy, consumer spending, bond yields and sector/style leadership.
- The US CPI rose 7%, the fastest pace since 1982. While eye-popping, the December US CPI was expected to be bad and therefore the ability to shock was relatively low.
- Meanwhile, investors were given a dose of disappointing economic data, headlined by a sharp drop and severe miss in December US retail sales, a larger-than-expected deterioration in January consumer sentiment, and a dip in industrial production.
- While long-term bond yields retraced slightly during the week, the dollar extended its slide as a growing tide of investors bet the greenback has reached a peak with expectations of Fed rate lift-off largely priced-in to the market. During that time, the trade-weighted GBP hit its highest level since the Brexit referendum.
- US banks kicked off the earnings season. Results were generally solid vs. analyst forecasts, but the bar was high following the group's outperformance in recent weeks, and the sector pulled back.
- In the corporate world, EDF was a collateral victim of higher energy prices and the willingness of the French government to restrict price increases for households while several of its nuclear plants were offline for longer than expected for repairs. BlackRock reached a new milestone, being the 1st ever asset manager to hit \$10 Trillion in assets, propelled by a Q4 surge of flows into ETFs.
- On the geopolitical front, talks between Russia and the US resulted in no major diplomatic breakthrough, despite several high-profile meetings.

### EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
			Local	EUR	
<b>US</b>					
S&P 500	4 663	-0,3%	-2,17%	-2,31%	105,0%
Nasdaq	14 894	-0,3%	-4,80%	-4,94%	167,2%
Dow Jones	35 912	-0,9%	-1,17%	-1,31%	80,6%
<b>Europe</b>					
Stoxx 50	4 272	-0,8%	-0,6%	-0,6%	28,5%
DAX	15 883	-0,4%	0,0%	0,0%	36,6%
CAC	7 143	-1,1%	-0,1%	-0,1%	45,1%
FTSE	7 543	0,8%	2,1%	2,9%	2,8%
AEX	784	-0,6%	-1,8%	-1,8%	60,5%
BEL 20	4 246	-1,4%	-1,5%	-1,5%	16,8%
SMI	12 526	-2,1%	-2,7%	-3,4%	48,2%
<b>EM &amp; Asia</b>					
Nikkei 225	28 124	-1,2%	-2,32%	-2,17%	45,8%
Hang Seng	24 383	3,8%	4,21%	4,24%	6,3%
CS300	4 727	-2,0%	-4,32%	-4,41%	42,4%
India	61 223	2,5%	5,10%	5,50%	124,8%
Russia	3 597	-4,6%	-5,02%	-8,01%	63,9%
Brazil	106 928	4,1%	2,01%	1,50%	68,0%

### FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years
<b>US</b>				
Government	1,50	-0,2%	-1,8%	13,8%
Investment Grade	2,55	-0,4%	-2,3%	24,3%
High Yield	4,58	0,1%	-0,9%	33,0%
<b>Europe</b>				
Government	0,20	0,2%	-0,5%	9,1%
Investment Grade	0,63	-0,2%	-0,6%	9,0%
High Yield	3,36	-0,1%	0,0%	20,5%
<b>EM</b>				
Global HC USD	4,28	-0,9%	-2,2%	20,9%

### EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,14	0,4%	0,2%	-11,8%
JPY	130,35	-0,7%	-0,5%	29,5%
CHF	1,04	0,0%	0,5%	-13,8%
GBP	0,83	-0,2%	-0,8%	4,7%

### COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	86,06	5,3%	10,6%	10,5%	-21,6%
Gold	1 817,94	1,2%	-0,6%	-0,8%	3,0%

Source: Bloomberg, BIL, as at 14/01/2022

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