



Weekly Report and Outlook on Global Markets

14th April 2023

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MARKET DEVELOPMENTS

Hedge Funds Cut Bearish Oil Bets to Six-Month Low as Bulls Rise

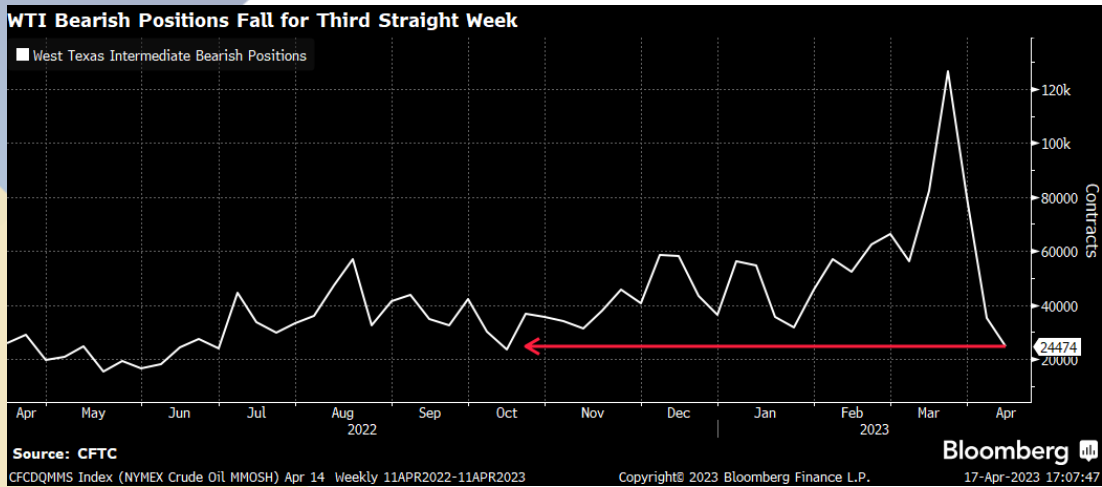


Figure 1: The chart shows the total bearish positions on Crude Oil.

Hedge funds reduced their bearish bets on WTI crude prices to the lowest since October, according to data from the U.S. Commodity Futures Trading Commission released Friday. Long positions increased for the second straight week, recovering from the lowest levels in a decade. The move suggests that traders are becoming more confident that downside risk has been eliminated by OPEC+ cuts and a tight crude market will push prices higher.

French Inflation Slowed Less Than Thought in March



Figure 2: The chart shows the Inflation rates of France

French inflation eased slightly less than initially estimated in March, reaching 6.7% — instead of 6.6% — after 7.3% in February. While the headline reading of the consumer price index is below record highs as energy prices drop, other components continue to accelerate, pushing up Insee’s measure of underlying inflation to 6.2% — the strongest yet since the creation of the euro. Bank of France Governor Francois Villeroy de Galhau warned earlier this week there’s a risk of entrenched inflation that is potentially persistent.

MAJOR MOVES THIS WEEK

Currencies

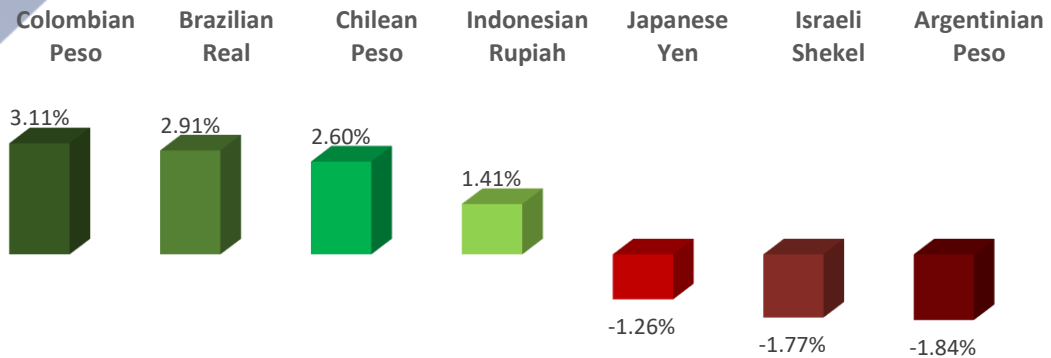


Figure 3: The graph represents Currency returns with respect to US Dollar as the base currency for this week.

This week we have seen gains in the global currencies market. Currencies of all major economies appreciated against the dollar, while Japanese Yen depreciated. Emerging market currencies have performed strong while Asian currencies gave mixed moves against the greenback during the week.

Equity Indices

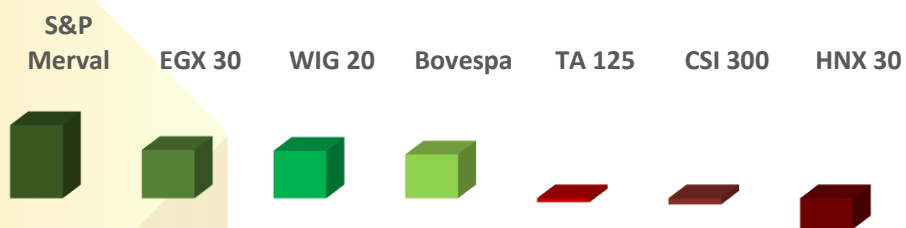


Figure 4: The chart represents the Equity Index returns over this week.

This week we have seen strength in the global equities markets. European equities rallied strongly after the banking turmoil led selloff; Euro Stoxx 600 and Euro Stoxx 50 appreciated sharply during the week. Asian Equities have shown strength. US indices were gainers this week, continuing the steep recovery.

Commodity Futures

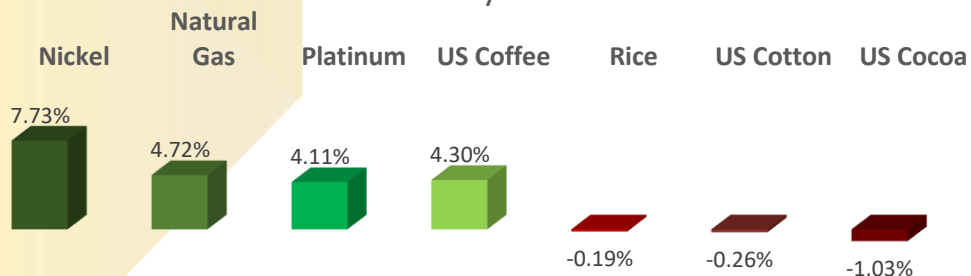
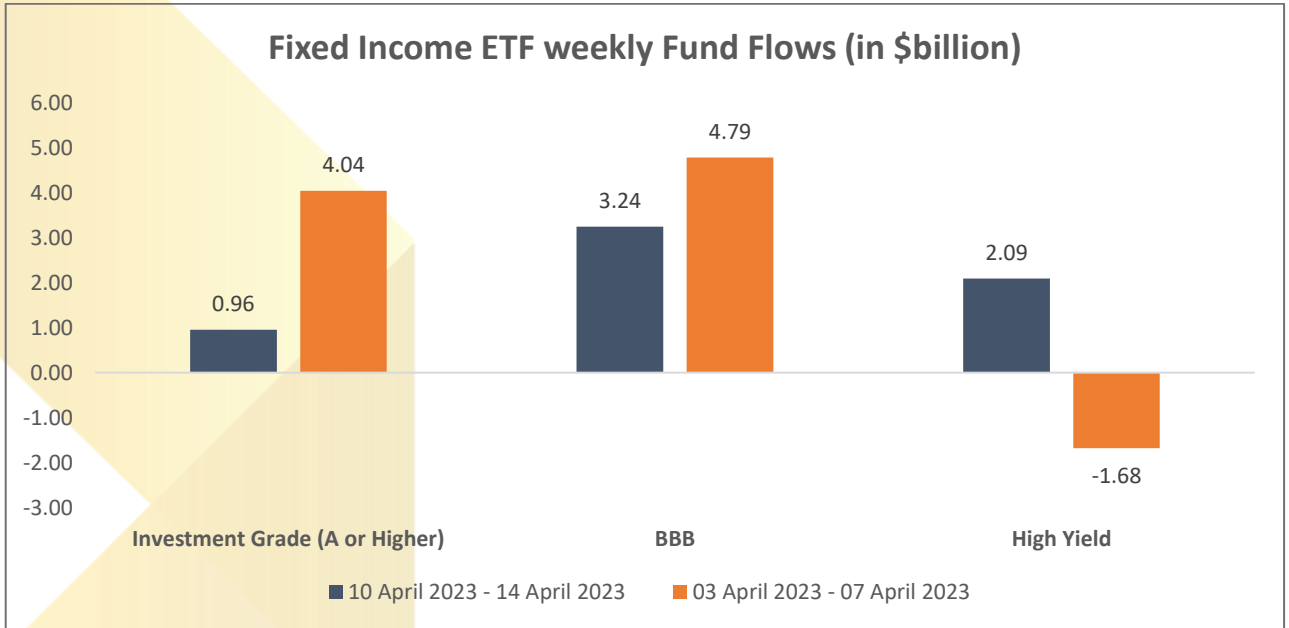
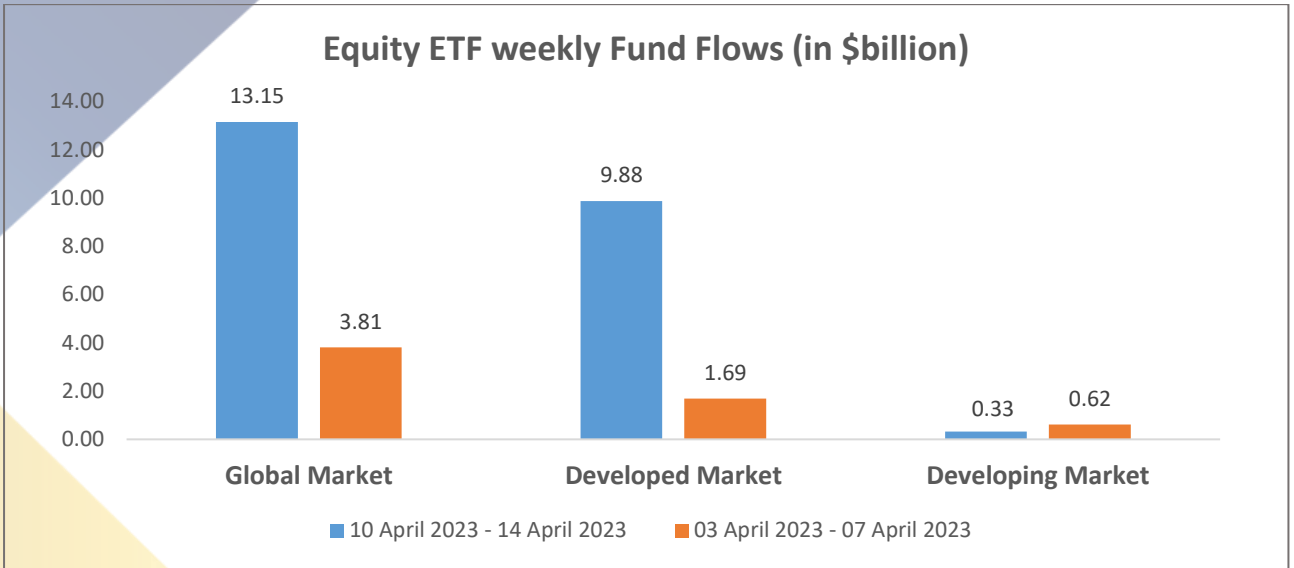


Figure 5: The chart represents the Commodity returns over the week.

Commodities market have shown strong performance during this week. We have seen strong appreciation in industrial metals. Crude and natural gas appreciated during the week. Gold depreciated during the week while silver appreciated. We have seen strength in the agricultural commodities.

GLOBAL ETF FUND FLOWS



Please note that the Global ETF fund flows under Equity ETF weekly flows category will not be equal to the sum of their respective sub-categories which are mentioned on their right side since there are other sub-categories as well

PACE 360'S FUTURE OUTLOOK

Global equities had another positive week while EMs continued to outperform the DM equities. We believe the massive global equities rally that started from mid-March is now topping out. We do not see much upside in equities, and we believe that the risk-return trade-off is now turning against the bulls and in favour of the bears. We see the resumption of the global bear market in the next few weeks and see a downside of 20-30% over the next 2-3 years from the current levels. We are turning bullish on dollar index and believe that Euro and even EM currencies will depreciate against USD over the next 6 months. We are extremely bullish on long term government bonds particularly 30-year US Treasuries. We believe gold may underperform for some time as dollar regains strength. We are extremely bearish on bitcoin and other crypto assets.

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CONTACT US



+91-11-4742 1001



info@pace360.in



A-1/291, Safdarjung Enclave, New Delhi – 110029

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