

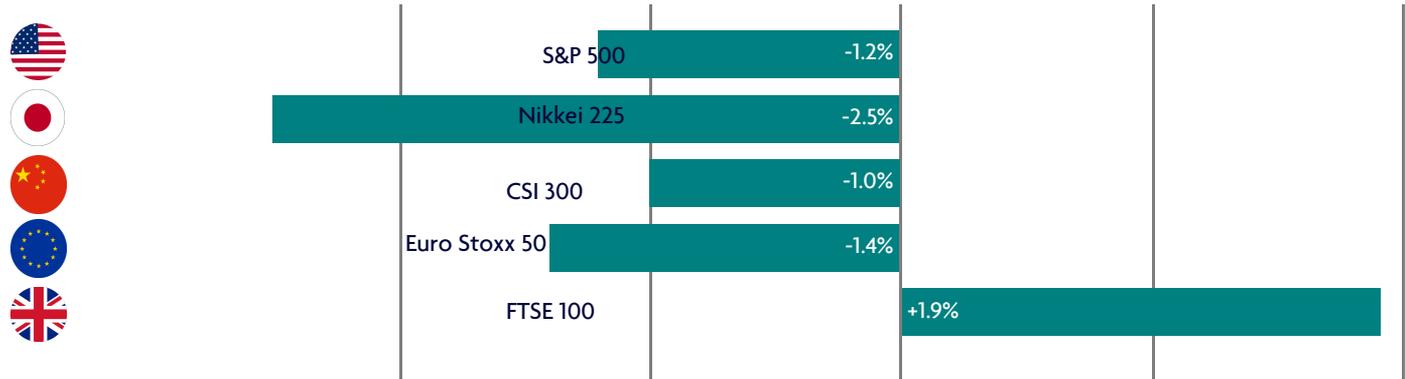
Weekly Market Update

11 April 2022

It continues to be a somewhat uncertain time for markets as fears over higher inflation and Russia's invasion of Ukraine dominate, whilst at the same time much of the world continues to transition towards slowly learning to live with COVID-19.



Market Monitor (%): How did major stock markets perform last week?



Market Update:



UK coronavirus infections hit a record high of 4.9 million in the week ended 26 March, according to the Office for National Statistics. The Times newspaper quoted industry groups representing manufacturers, housebuilders, retailers and hospitality as saying the new wave was causing increased staff absences and exacerbating underlying staff shortages. Soaring absences also prompted airlines to cancel hundreds of flights without warning during a busy holiday weekend.



Central bank policy and the conflict in Ukraine continued to loom large over sentiment. Stocks pulled back in the middle of the week, as members of the US Federal Reserve commented that the bank had to act rapidly to suppress inflation, whilst at the same time reducing the size of its bloated balance sheet.



Europe

Emmanuel Macron has won the first round of the French election and far-right rival Marine Le Pen will fight him for the presidency for a second time. The presidential election concludes on the 24th April, meaning that an intensive few weeks of last-ditch campaigning can be expected in the interim. The EU joined the US in imposing more sanctions on Russia after reports that Russian forces had committed war crimes in Ukraine. The EU proposed to ban imports of Russian coal and new machinery exports while targeting the assets of more Russian oligarchs and President Vladimir Putin's daughters.



Japan

The International Monetary Fund (IMF) downgraded its projection for Japan's economic growth in 2022 from 3.3% year over year to 2.4%. The intergovernmental organisation highlighted continued strong policy support and a high vaccination rate as factors underpinning growth but believes that the recovery in domestic demand will slow due to higher commodity prices and the elevated uncertainty related to the Ukraine conflict.



China

Chinese stocks also fell as the government continued to pursue its zero covid policy, locking down key economic hubs such as Shanghai, as the country struggles to contain the worst outbreak since early 2020.



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