WEEKLY BULLETIN

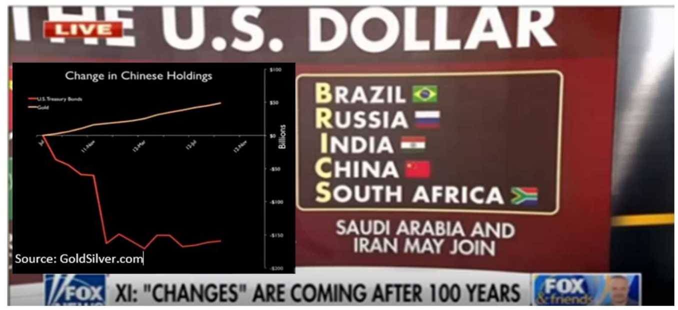
Issue #2: April 2023

Thought of the Week.

"Change is coming that hasn't happened in 100 years and we are driving that change together." – President Xi during a meeting with Putin, in 2023.

Now China, Russia, Brazil, and India are openly avoiding the US dollar in trade and stocking up on their gold reserves. The US policy of borrowing and spending combined with artificially low interest rates and money printing led to a devaluation of the dollar, which in turn led to a massive boom in asset prices and more recently, a surge in overall inflation.

Global economy churning a 'perfect storm,' could mean 'end of the US dollar': Monica Crowley



Events Summary for Previous Week.

US Economy/Politics

- UK Business confidence rises but cost of living weighs on sales – 3^{rd} Apr.
- Job openings fell and manufacturing orders were slower than expected – 5^{th} Apr.
- Tesla cuts prices on all model for the third cut this year – 7^{th} Apr.

Europe and UK Economy/Equity

- European real estate faces major headwind from yields, says JPM – 3^{rd} Apr.
- UK Business confidence rises but cost of living weighs on sales – 4^{th} Apr.
- UK sets out £14.6bn science scheme as back-up to EU's Horizon - Financial Times Apr 7^{th}.

Asia Pacific Economy/Equity

- Japan to increase chip gear spending by 82%, higher than any nation – Apr 5^{th}.
- Property stocks traded in China jumped amid a slew of positive data – Apr 5^{th}.
- 'Unnecessary': military alliance with US and Japan will deepen regional tensions, South Korea opposition chief.

Other News.

- Finland joins NATO, doubling military alliance's border with Russia in a blow for Putin – 4^{th} Apr.
- US CPI, Core Inflation Rate on Apr 12^{th}.

Weekly Data Monitor.

Performance

- Weak equities and bonds
- APAC Real Estate weakest sector
- US$ stable ahead of possible "storm"

INDEX	Weekly %	MTD %	YTD %	1YR %	3Y %	5Y %
Global Equity	-0.52	-0.14	7.16	-5.11	44.27	38.50
Global Real Estate	0.36	-0.08	1.27	-21.02	11.78	22.85
US Real Estate	0.49	-0.32	1.25	-19.44	16.47	32.13
APAC Real Estate	-1.41	0.45	-1.23	-14.73	-8.84	-24.57
Investment Grade	-0.21	0.12	3.69	-1.09	15.28	16.36
High Yield Bonds	-0.01	0.42	3.44	-5.00	-10.00	-6.34
Global HF Real Estate	0.01	0.01	0.01	-3.29	13.62	8.60
Global HY ETF	-0.02	-0.56	5.36	-6.43	33.45	18.83
ASIA Real Estate ETF	-0.22	-0.22	-0.22	-14.99	1.05	6.50
USD Index	0.54	-0.13	-1.11	2.44	2.87	14.29

Weekly chart:

- US equities continued strength.
- Europe bonds strong
- Gold picked up, possible hedging.

Note: The chart shows normalised weekly highs and lows for the Indicator, BLUE being the LATEST.

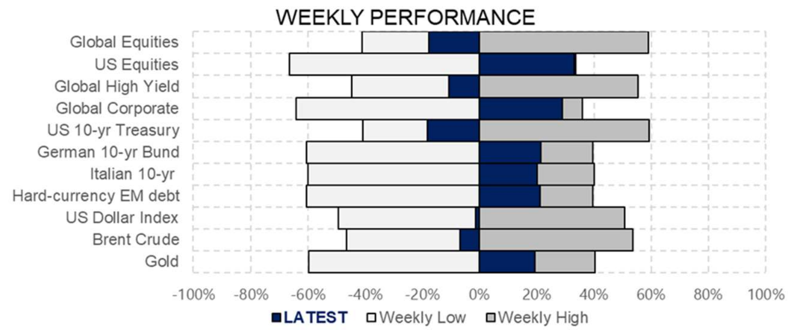
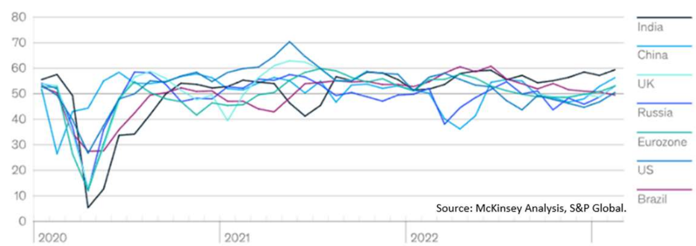


Chart of the Week.

This year, with little exceptions, global indicators point to general acceleration in the services economy. The Chart of the Week is sourced from McKinsey and shows the country level PMIs for individual countries as sourced from S&P Global and not a breakdown of the JP Morgan Chase Global PMI.



	US	Eurozone	UK	China	India	Brazil	Russia
Feb 2023	50.5	53.0	53.3	56.3	59.4	49.5	53.1
Jan 2023	46.8	50.8	48.7	52.9	57.2	50.7	48.7
Dec 2022	44.7	49.8	49.9	48.0	58.5	51.0	45.9

The rank at the right side of the chart (latest data point for March 2023) shows majority of the BRICs in leading positions, similar to another surprising discovery by MacroBond that puts BRICs GDP above the non-US developed nations.

A reading higher than 50% indicates an increase from previous month, and with exception of Brazil, all countries show expansion. US ISM Manufacturing PMI is a component that is trailing and coming from a low of 46.3% and puts the latest PMI reading barely above 50%. The last 3 times ISM Manufacturing was this low, the US economy was in or about to be in a recession.

The manufacturing number is explaining the strength of economy only up to 11% weight, so may not be the most relevant signal to watch. But worries continue to exist, and starting from March we see it accelerating.

This time there are additional indicators that point to recession or coincided with recessionary periods in the past. Significant and alarming are the inverted yield curve and the persistent inflation while rapidly tightening lending standards especially in developed economies.