Market Update – March 2022

Throughout the month, concerns over the economic implications of the ongoing Russian invasion of Ukraine have been weighed against the potential need for accelerated tightening of policy to combat rising inflation. This weighed on both equity and bond asset classes in March. As Russia is a major energy and commodity producer the tensions exacerbated risks to global growth with both inflationary rises and supply chain disruption. While the month ended higher for developed market equities, growth stocks have been particularly impacted in the first quarter alongside the rise in Treasury yields. The Fed delivered its first hike since 2018 but investors' expectations have further shifted to an accelerated rate of monetary tightening in the US with increasingly hawkish tones from the Fed, large inflation prints, and strong jobs data. In Europe the ECB confirmed the end of its pandemic emergency purchase programme and gradual end to the asset purchase programme with rate hikes possible anytime thereafter though it battles the impact of economic growth with inflation and connected vulnerabilities in the Ukraine-Russia conflict.

Per4m Asset Management Limited – Chesil Court – 85 Chelsea Manor Street – London SW3 5QP –
Tel +44 203 8232 600