



### **Market Update – April 2022**

*April offered little relief to investors as equities and bonds fell broadly with attention firmly on the tightening of financial conditions globally. The S&P 500 fell 8.8% in USD terms with Consumer Staples the only sector returning positive through the month reflecting a similar story globally. Once again despite eaning season beating expectations, it was punitive for any company reporting under estimates with markets looking towards guidance and potential downward revisions in the quarter to come. European equities fared better through the month with positive returns in Consumer Staples, Telecoms, Utilities, Energy, and Materials sectors. The inflation story nevertheless remains pertinent for investors where aggressive tightening of financial conditions were priced in. Markets eyed larger central bank hikes and priced in 50bps for the Fed's June meeting, which saw US yields rise along with their counterparts in Europe. This is weighed against a backdrop of nervousness around global growth which is exacerbated by the Ukraine/Russia conflict, a spike of Covid cases and rolling lockdowns in China, and ongoing supply chain disruptions.*