

WEEKLY MARKET REPORT

28 Mar- 01 Apr



MCD Weekly Update

US markets in the green at week-end

US stocks were higher on Friday as investors weigh the influence of the US job market on the economy. On the last trading day of the week which marks the beginning of a new quarter, the S&P 500 rose by 0.34% to 4,545.86, the Nasdaq Composite surged 0.29% to 14,261.50 while the Dow added 139.92 points indicating a rally by 0.40% closing at 34,818.27 after it plunged at previous trading session. Stocks are getting back on a good stride as investors assess the new trading quarter with bond yields are soaring as 10-year note yield surged by nine basis points to 2.41%. We expect the US stock market to remain stable in coming weeks as the quarter begins with more positive news from the job market.

A month since the Russia declared war on Ukraine

37 days have passed since Russia officially invaded Ukraine and as of today, the war is still ravaging in the country. Markets feel the nervousness of the investors, as European stocks log the first losing quarter in two years as the Russia-Ukraine war rattles sentiment. It is clear that geopolitical uncertainty and concerns over rising inflation have dominated market sentiment in March. Both European and US markets traded lower, following disappointment after talks, bearing little progress, between Russia and Ukraine (falling 0.7% and about 1% respectively). Nevertheless, global markets are holding up surprisingly well: "I am shocked at how resilient markets have been," says Robert Michele, the CIO of JPMorgan Asset Management, representing the attitude of many investors and analysts.

Markets closely follow high-profile NA

Europe relies on Russia for around 40 per cent of its natural gas, with the majority of Germany's gas coming through the Yamal-Europe pipeline, which is worth \$11bn. With sanctions placed on Russia and no alternative viable sources, Europe faces a 40M ton gas shortage with Germany and Austria taking steps towards gas rationing. This has caused gas prices to soar, putting pressure on economic growth in European countries which heavily rely on the Russian gas. According to Goldman Sachs, If Russia was to stop all pipeline exports, the Euro area GDP growth could fall by 2.2 percentage points compared to its current forecast and add 0.7 percentage points to their inflation forecast.

Upcoming Economic Calendar

| Monday | Tuesday | Wednesday | Thursday | Friday |
|--------|---------|-----------|----------|--------|
|--------|---------|-----------|----------|--------|

US Factory Orders MoM, 15:00 GMT

- Measures no. of US factory orders, inferring potential GDP growth
- Previous 1.4%
- Forecast -0.5%

US Balance of Trade FEB, 13:30 GMT

- Overall trade balance
- Previous -\$89.7B
- Forecast \$88B

FOMC Minutes, 19:00 GMT

- Federal Reserve meeting, aiding in predictions for the future interest rates

US Initial Jobless Claims APR, 13:30 GMT

- No. of Americans filing new claims for unemployment benefits
- Previous 202K
- Forecast 205K

US Wholesale Inventories MoM FEB, 15:00 GMT

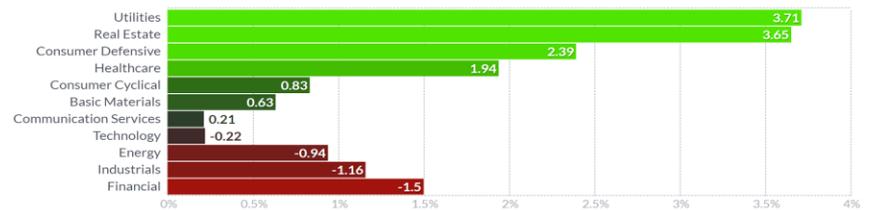
- Previous 1.1%
- Forecast 2.1%

Weekly Snapshot - Indices & Sectors



TradingView

1 WEEK RELATIVE PERFORMANCE



U.S. MARKET SNAPSHOT BAR



UPCOMING EARNINGS



LEVI STRAUSS AND CO. (LEVI)
CONSENSUS EPS FORECAST : \$0.42
DATE : 06/04/2022

- LEVI closed at **\$19.83** on Friday, marking a **+0.37%** move from the prior day
- **Target**, an American big box department store chain is launching a **limited-time collection** with Levi Strauss & Co. that includes more than 100 home goods, pet accessories, apparel and other denim-inspired items.
- In 2021, LEVI **outperformed** 2019 revenues, reaching over **\$5.8 billion**—a 29 percent **improvement** from 2020 and its **highest** revenue since 1998

Sector: Consumer Non-Durables
Industry: Apparel/Footwear



THE SIMPLY GOOD FOODS COMPANY (SMPL)
CONSENSUS EPS FORECAST : \$0.28
DATE : 06/04/2022

- SMPL closed at **\$39.4** on Friday, marking a **+2.47%** move from the prior day
- Simply Good Foods earned the **No. 1 rank** among its peers in the **Food-Confectionery industry group**.
- The company reported a 48% year over year earnings **gain** for Q1, to 43 cents per share. **Revenue growth** rose **22%**, up from 17% in the prior quarter, to \$281.3 million.

Sector: Consumer Non-Durables
Industry: Food: Major Diversified



CONSTELLATION BRAND INC. (STZ)
CONSENSUS EPS FORECAST : \$2.16
DATE : 08/04/2022

- On Friday, **STZ** closed at **\$233.71**, marking a **+1.47%** move from the previous day.
- Over the past month, shares of the **wine, liquor and beer** company had gained **6.38%**
- The valuation metrics shows that Constellation Brands is currently trading at a **Forward P/E ratio** of 19.76., which is **good** for the future prospects of the company.

Sector: Consumer Non-Durables
Industry: Food: Major Diversified

