

WEEKLY MARKET REPORT

13 June – 17 June



MCD CAPITAL

MCD Weekly Update

Overview

Increasing interest rates has left the market in a grave condition. According to the analysts, Wall Street closed out its worst week since the pandemic year 2020. The S&P climbed by 0.2% after an extremely volatile week. The Dow Jones dipped 0.1% and the Nasdaq rose by 1.4%. In addition to that, Bitcoin has lost more than 70% of its value, dropping below \$20,000. Moreover, inflation has caused the population to postpone purchases and investments. The continued rising of food, energy and transport prices alongside the above consensus rate hikes has led many investors and analysts to expect an economic recession, damaging the markets further.

The greatest US benchmark policy rate increase in almost 30 years

The Federal Reserve had been signaling it would proceed with a rate hike of half a percentage point. Nonetheless, new data released last Friday, showed a significant increase in consumer prices above anticipated levels, as well as a rise in inflation expectations. Given the prevailing inflation trends, during its meeting on Wednesday the Fed decided to adopt a more aggressive interest rate rise of 0.75%, the largest rise since 1994. On Thursday, the Bank of England also proceeded with an interest rate rise of 0.25%. Although the move was less aggressive, it constitutes the fifth consecutive rise by the BoE, leading to an overall benchmark rate of 1.25%.

Recession alarms

Following the Fed's attempts to control inflation rate, the US is faced with a potential recession as interest rate hikes, constraints the supply, hurting the economy further. US GDP for Q1'22 unexpectedly declined by -1.4% reversing chunks of the growth recorded in 2021. The US president, Joe Biden however believes that the US recession is not inevitable as his administration moved to cut levy on overseas shipping to slow the flying inflation rate. Analysts' opinion varies on what to expect as the US economic growth lingers. On the dark side, the economy appears weak to withstand a higher interest rate, the Fed's decision to keep increasing the rate with an assured increase by July will further hurt different asset classes and businesses including the job market and could lead the economy into a recession.

Upcoming Economic Calendar

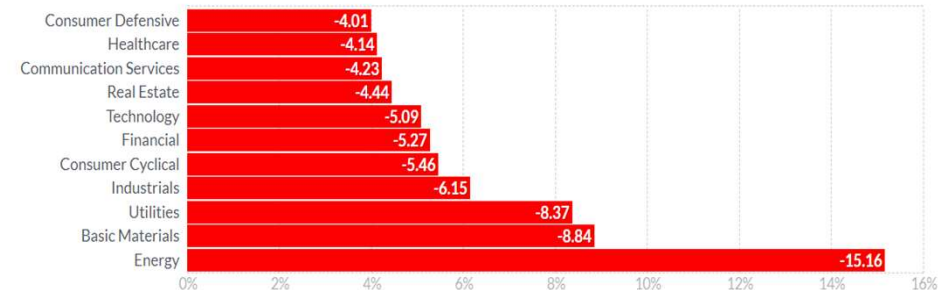
Monday	Tuesday	Wednesday	Thursday	Friday
St. Louis Fed President James Bullard speaks 12:45 ET	Home Sales , 10:00 ET - Previous- 5.61M - Forecast- 5.41M Fed President Tom Barkin speaks , 15:30 ET	Chicago Fed President James Bullard speaks , 12:50 pm ET	Initial Job claims , 8:30 ET - Previous- 229,000 - Forecast- 225,000	St. Louis Fed President James Bullard speaks , 7:30 ET

Weekly Snapshot - Indices & Sectors



TradingView

1 WEEK RELATIVE PERFORMANCE



U.S. MARKET SNAPSHOT BAR



UPCOMING EARNINGS



ACCENTURE (ACN)

CONSENSUS EPS FORECAST : **\$2.85**

DATE : 23/06/2022

- Accenture closed at **\$276.78**, marking a **+2.11%** move from the prior day. The stock price has increased by **0.56%** during the previous month.
- Accenture achieved a total **revenue increase** of **24.47%** year on year in Q1 22, compared to the **17.23%** average revenue growth of its competitors.
- The company's net income in Q1 22 grew by **13.41%** year on year compared to the **contraction** in the net income of most of its competitors.



BLACKBERRY LTD. (BB)

CONSENSUS EPS FORECAST : **\$0.06**

DATE : 23/06/2022

- Blackberry closed at **\$5.19**, marking a **+2.37%** move from the prior day.
- Recently, **BlackBerry** BB has launched an updated version of QNX Advanced Virtualization Frameworks (QAVF) to strengthen **Alphabet's** GOOGL Google Android Automotive OS (AAOS) reference implementation
- On the flip side, shares of BlackBerry have lost **63.2%** in the past year compared with the **industry's** fall of **15.5%**.

