WEEKLY MARKET REPORT

20 June – 24 June

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MCD Weekly Update

Overview

The S&P 500 Index ended a three-week losing trend as U.S. equities closed decisively higher. The Fed raised rates to rein in the inflationary environment that has been ongoing, and markets mostly ignored worries about a recession at the time of the sharp bounce. As U.S. Treasuries partially reversed this week's rise, which put significant downward pressure on rates, they went higher. The U.S. dollar, which had just risen to multi-decade highs, then continued its weekly drop. The week's significant decline in crude oil prices was reversed, and gold prices increased little. The economic calendar provided a few optimistic perspectives but nonetheless, new home sales numbers increased, and inflation outlook components improved.

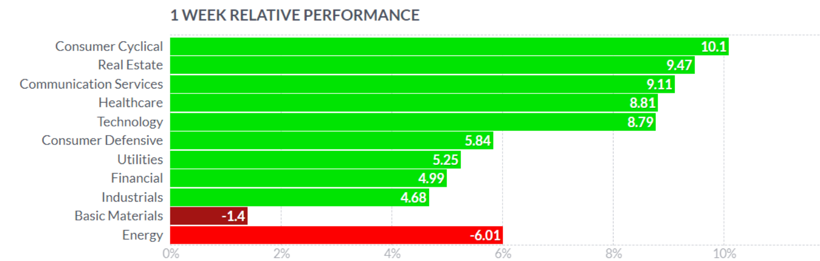
Jerome Powell's outlook on U.S economy: Recession and Monetary policy

Following the Federal Reserve's 0.75% increase on the 17th of June; Jerome Powell, chair of the FOMC, testified to Congress on the inflation situation. Inflation has rudely forced itself front and centre into all financial conversations ever since the 8.6% hike. Henceforth, Powell affirmed the Fed's unconditional commitment to driving down inflation, with an aim to return to the 2% target in the coming months. He also stated out that the Fed currently possesses the monetary policy tools to achieve their target, a stumbling block over the past decade.

An update on Jobless claims

Weekly jobless claims fall by less than expected. Weekly seasonally adjusted initial claims for jobless benefits declined to 229 000, a decrease of 2000 from the previous week's revised level, according to data from the US Labor Department. Despite this, the labor market remains tight as at the end of April, there were 11.4 million job openings. As a result, numbers indicate that the economy is rather weak as jobless claims increased in comparison with the 4-week moving average of 223 500 and investors continue to worry in regard to potential recession.

Weekly Snapshot - Indices & Sectors



Upcoming Economic Calendar

Monday	Tuesday	Wednesday	Thursday	Friday
Durable & core capita goods orders 8:30 am ET - Forecast – 0.2%	**S&P Case-Shrfller U.S Home price Index** 8:30 am ET **Consumer Confidencxe Index.** 10 am ET	**Gross domestic product revision**, 8:30 am ET - Forecast- (-1.5) **Final Domestic Demand Revision,** 8:30 am ET	**Core PCE & PCE Inflation (MoM, YoY)**, 8:30 am ET - Forecast- -0.4% (MoM) 4.7% (YoY)	**Consumer Spending,** 10 am - Forecast- 0.4%

UPCOMING EARNINGS

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NIKE (NKE)
CONSENSUS EPS FORECAST: $0.81
DATE : 27/06/2022

- Nike closed at $112.91 marking a +4.55% move from the prior day. The stock price has increased by 4.35% during the previous month.
- Nike's stock value has decreased by 26.85% year to date. A major factor contributing to this are supply chain disruptions, as well as lockdowns in China.
- The consensus estimate for Nike's revenue is $12.1 billion, a 2.2% decrease year on year.

SHAW COMMUNICATIONS INC. (SJR)
CONSENSUS EPS FORECAST: $0.32
DATE : 29/06/2022

- SJR closed at $29.65 marking a +2.10% move from the prior day. The stock price has increased by 4.35% during the previous month.
- For the fiscal year ending August 2022, this communications and media company is expected to earn $1.26 per share, which is a change of 19.2% YoY
- Recently, Quebecor Inc has agreed with Rogers Communications Inc and Shaw Communications Inc to buy Freedom Mobile for an enterprise value of $2.19 billion

MICRON TECHNOLOGY (MU)
CONSENSUS EPS FORECAST: $2.46
DATE: 30/06/2022

- Micron Technology closed at $58.44 marking a +3.95% move from the prior day. The stock price has decreased by 13.89% during the previous month.
- The stock has decreased by 38.97% year to date, reflecting the unfavourable conditions for semiconductor stocks.
- In spite of the decrease in stock price, the company is expected to achieve a revenue of $8.7 billion, a 16.8% increase year on year.

(source: TradingView)