

Weekly Report

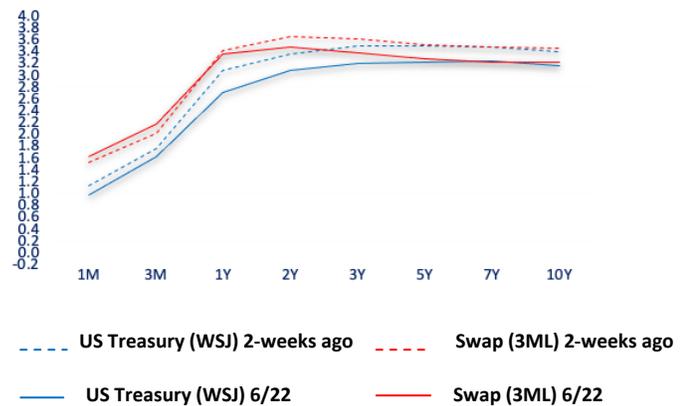


Highlight of the Week:

Extreme Volatility Hits Bond Markets

- Bonds are at their worst returns since the 1970s, the battle against inflation is to blame. In taming inflation, central banks have had to raise interest rates creating divided economic forecast
- A grim, but divided outlook on world economy leads to extreme volatility in bond market. On Thursday, July 16th, yields opened at 3.2%, peaked at 3.5% and then fell to 3.18%. Experts said that each drastic movement usually take weeks to unfold under normal circumstances.

Rate Curves:



Sources: WSJ and BMO Capital Markets

Rapid Report:



Swiss Central Bank Raises Rates, Follows ECB Lead

- Swiss Central Bank agreed to raise rates by 50 basis points, creating the first interest rate hike in 15 years. SNB Chairman, Thomas Jordan, expressed that the move is an effort to be proactive in fighting inflation, limiting inflation's possible impact on Swiss goods and services. The SNB was unclear on whether similar rate hikes will be introduced in near future.
- The Swiss National Bank elevated its inflation forecast for 2022 from 2.1% to 2.8%, additionally, inflation was expected to rise by .09% in 2023 and 2024, but now expected to rise by 1.9% and 1.6%, respectively.

EY Proposes to Split Auditing and Consulting Firms

- Ernst & Young plans to divide its auditing and consulting practices into separate businesses, The breakup of the 312,000-person firm is believed to help both practices grow and become more profitable at a faster rate. The split could happen as soon as late next year.
- One of the proposals includes the consulting business going public to sell 15% of the company for roughly \$10 billion. Most of the money raised from the IPO would pay off the firm's auditing partners. EY's efforts to split its two businesses come as regulators have added pressure to auditing firms in order to address conflicts of interest in their businesses.

Golden State Warriors win NBA Championship

- The Golden State Warriors beat the Boston Celtics on their way to winning their fourth championship in the last 8 years. Steph Curry won his first NBA Finals MVP.