

US Equity markets were mixed last week as a plethora of factors weighed on and buoyed markets. On the upside were better than expected corporate earnings and overall optimism that the Fed is near the end of its tightening cycle. The earnings reports from S&P 500 are the best performances relative to analyst expectations since 2001, but 79% of the companies have reported actual earnings per share higher than estimates. Weighing heavily on equity markets last week were the continuing regional banking woes, coupled with debt ceiling jitters, adding volatility to the market. Last week was tough on the dollar, with the US Dollar index falling 0.4% against its major peers, as the US Federal Reserve hinted at a pause in the historic rate hiking campaign. Across the Pacific, China reported manufacturing activity unexpectedly contracted last month, showing uneven recovery post pandemic. Surprising investors was the Reserve Bank of Australia's 25bps rate hike, indicating that it would continue to raise rates to combat inflation. Other rate hikes from the ECB and the Fed of 25 basis points were in line with expectations. The tone of future rate hikes was divergent, with the US indicating a pause soon while the ECB will continue its hawkish tone.

**EUR:** The Euro begins the week once again above the 1.10 handle and is up almost 3% against the US Dollar year-to-date. The week ahead in the Eurozone will focus on the release of German inflation data, showing the ECB how its cautious rate hikes have impacted the EU's largest economy.

**GBP:** It is widely expected that the Bank of England will raise rates by 25bps this Thursday as its effort to combat sticky inflation in the UK, as figures (6.2%) remain just 0.3% below the multi-decade high of 6.5%. The Sterling has reached a 12-month high against the US Dollar.

**CAD:** The loonie is .30% stronger vs. the USD this morning. Higher crude oil prices and broad dollar weakness continues to hinder USD gains. This week is fairly slow from a data perspective on the Canadian front.

**JPY:** The yen is the only G10 currency member showing signs of weakness vs. the USD to start the week. Year-to-date the JPY has lost close to 1.5% vs. the buck but has rallied somewhat from the yearly lows seen in late April.

## EXCHANGE RATE

Currency	Rate
EUR/USD	1.1038
GBP/USD	1.2653
AUD/USD	0.6798
NZD/USD	0.6357
USD/CAD	1.3339
USD/MXN	17.8210
USD/CHF	0.8887
USD/JPY	134.9500
USD/SGD	1.3243
USD/THB	33.8230
USD/CNY	6.9157

## UPCOMING ECONOMIC RELEASES

Date	Country	Economic Event	Prior	Forecast
5/9	MXN	Inflation Rate YoY	6.85%	6.23%
5/10	EUR	German Inflation Rate YoY	7.4%	7.2%
	USD	Core Inflation Rate	5.6%	5.5%
	CNY	Inflation Rate YoY	0.7%	0.3%
5/11	GBP	BoE Interest Rate Decision	4.25%	4.5%
	USD	PPI MoM (April)	-0.5%	0.3%
5/12	GBP	GDP Growth Rate YoY	0.6%	0.2%
	CNY	New Yuan Loans	3,890B	1407.5B
	USD	Michigan Consumer Sentiment	63.5	63