

MACRO OUTLOOK

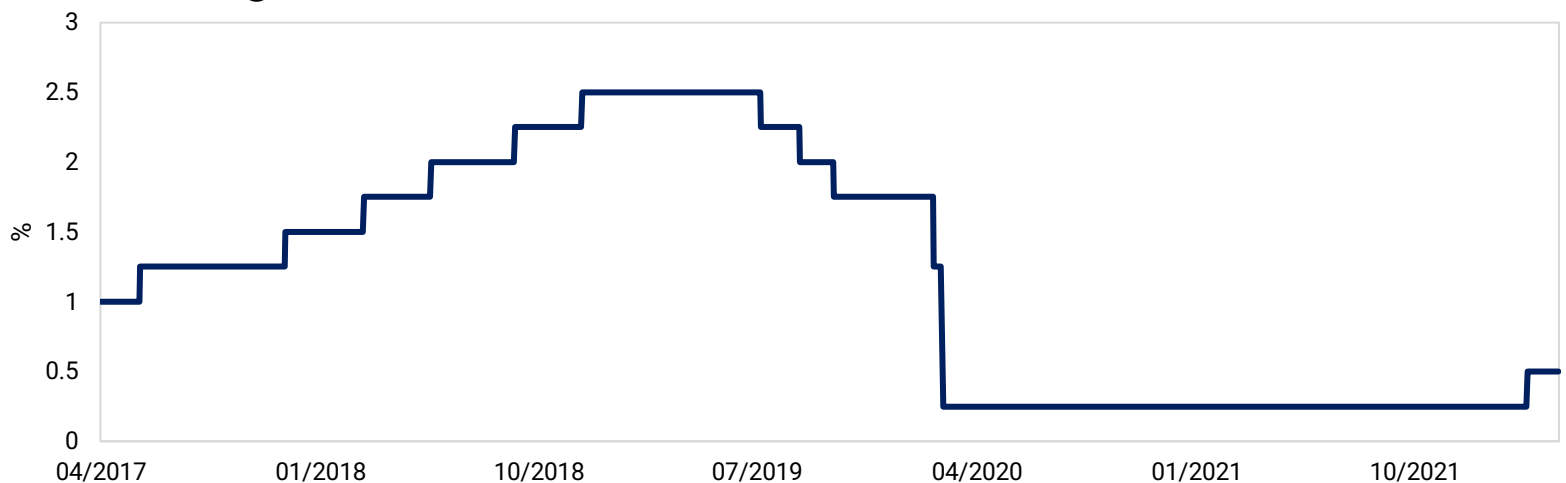
IN THE FIRST HALF OF 2022



FED BEGAN TO ENTER A PERIOD OF TIGHTENING MONETARY POLICY

In 2022, the US Federal Reserve (FED) began to enter a period of tightening monetary policy. March 2022 has marked this year's first time the Fed has officially raised interest rates, this is the first rate increase since 2018. It is expected that the Fed will continue to raise interest rate to combat rising inflation in the country which are accelerated to a 40-year high. In the coming May 2022, the Fed will continue to discuss the issue of raising interest rates by 50 basis points. With toforecast tool of CME Fed Watch, 98% probability that the Fed will raise interest rates by 50 basis points in the next meeting.

Fed Fund Target Rate



Nguồn: Bloomberg

CHINA MAINTAINS A ZERO-COVID POLICY

China is still very consistent with the county's Zero-Covid-19 strategy, large-scale blockade measures will be implemented. Congestion at borders as well as seaports is inevitable.

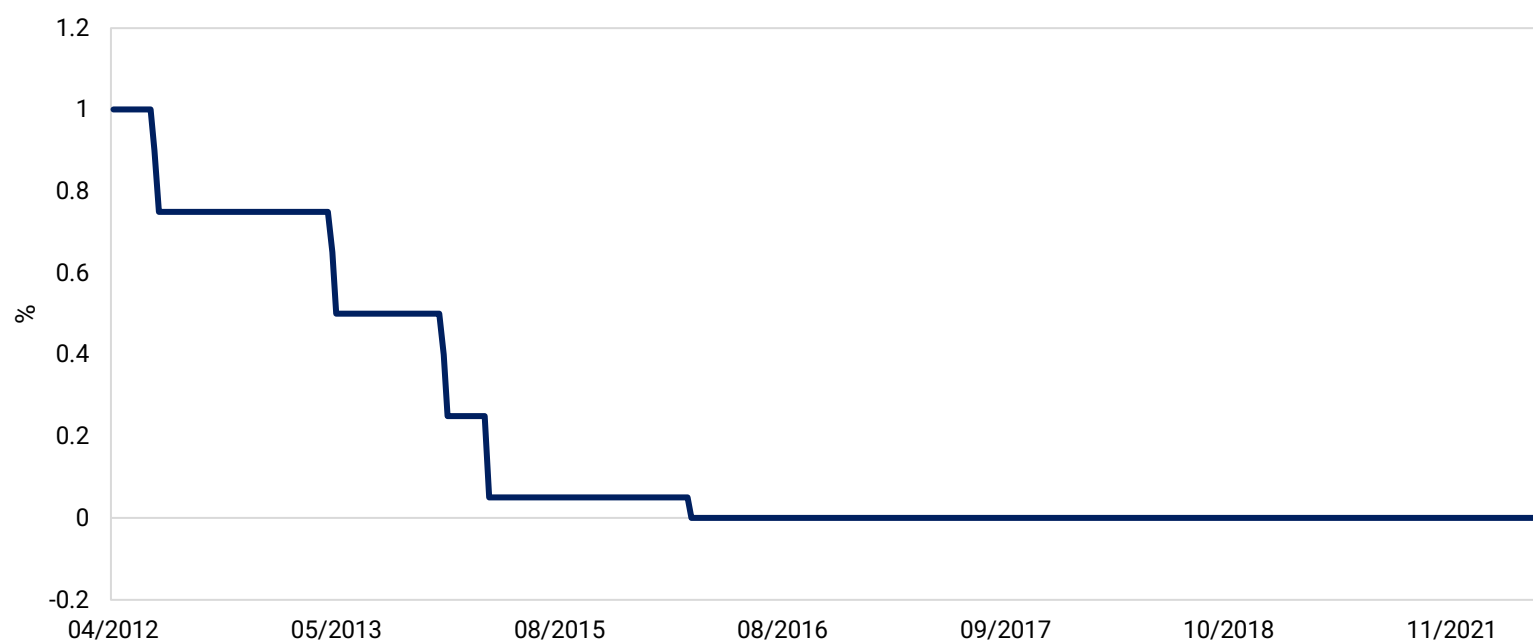


THE ECB TENDS TO TIGHTEN MONETARY POLICY

The European Central Bank (ECB) along with the Fed are the last major central banks in the world to implement tight monetary policy. The ECB tends to tighten monetary policy in response to soaring inflation in the EU, which is fueled by rising energy and food prices. The Russia-Ukraine geopolitical crisis has made the situation worse.

The ECB is not currently raising interest rates due to slow domestic growth and inflation is outside the capability of the monetary policy. However, interest rates are expected to increase after the bond buying program ends. The Emergency Bond Purchase Program (PEPP) officially ended at the end of March 2022. The asset purchase program (APP) will also gradually shrink and will end in the third quarter of 2022.

European Central Bank Benchmark Rate



Nguồn: Bloomberg