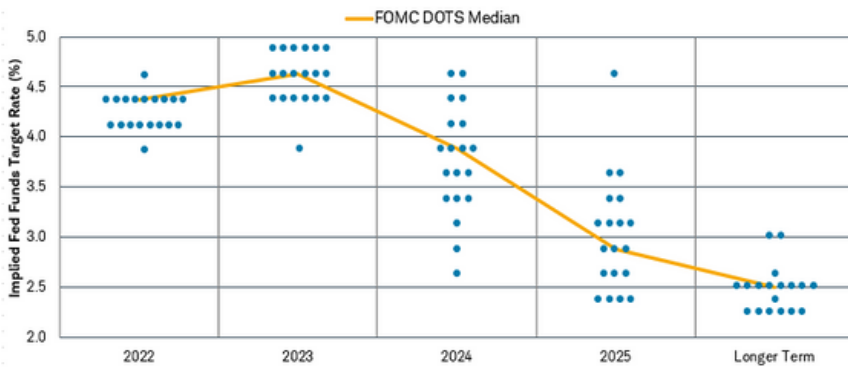


# MARKET LIGHTS

## Powell goes on

26/09/2022

As expected, the FOMC voted unanimously to raise the target range for the Fed funds rate by 75 basis points, to 3.00-3.25%. Fed Chairman Powell confirmed the strong possibility to have another 100 or 125 basis points of tightening this year. It is very likely the Fed funds rate will get to 4.60%. Powell insisted that the Fed would fight inflation and acknowledge that recession may be the price for it.



The Fed is draining a huge amount of liquidity with this level of aggression. This means:

- A major premium asked for assets in general and high volatility in the markets
- Increase the slowdown pace of the economy in the near term

## Next Main Macro Events

### US PCE Core YoY 09/30/22

Period: Aug  
Survey: 4.8%  
Prior: 4.6%

### China Manufact PMI 09/30/22

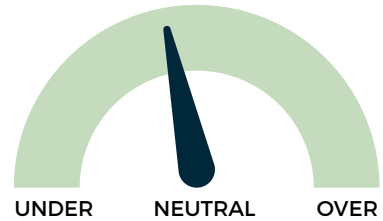
Period: Sep  
Survey: 49.2  
Prior: 49.4

### EU CPI Est. YoY 09/30/22

Period: Sep  
Survey: 9.7%  
Prior: 9.1%

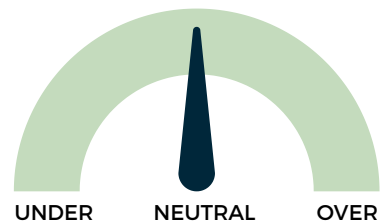
## Equity

We prefer to keep a neutral stance with a clear preference for value stocks and financials. These latters could benefit of the rates increase. We suggest underweight in consumer discretionary, cyclical and growth stocks.



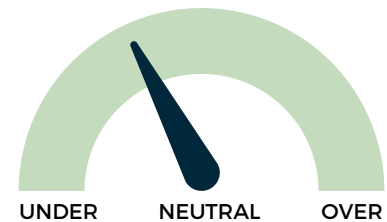
## Fixed income

We prefer to keep a neutral stance. We maintain a preference for investment grade govi's and corporates with short medium duration. Underweight for speculative grade in general.



## Commodities

We maintain a underweighted view on Commodities that have experienced a significant drop and are seen to undergo a period of weakness due to rising stocks and fears of a recession looming. Oil has dropped to average levels of end of 2021 and beginning of 2022 while industrial metals are at levels seen in late 2020.



## Our Funds

NAME	FUND TYPE	STRATEGY	ISIN	BBG TICKER
Pharus Dynamic Allocation Mv7	UCITS - SICAV	Dynamic Allocation	LU0746320257	PQUINTA LX
Lemanik Sicav Flex Quantitative HR6	UCITS - Fund of Funds	Global Allocation	LU0543665821	LFLXHR6 LX
NAXOS - Capital Plus	SIF - SICAV	Special Investment Fund	LU1354474634	-

For more info, visit <https://alephfinance.com/fund-management/>

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