



# MARKET BITE

Bite-sized insights to keep you up-to-date on the financial markets

JULY 2023

## US Federal Reserve pauses rate hikes for the first time in 14 months

### Nvidia showed upward momentum in Q2 due to optimism on AI tech

The US tech industry continues its upbeat performance. We saw a big jump in NVIDIA (NVDA US) shares as the company released strong results on its AI business. Nvidia is a multinational technology company known for designing and manufacturing graphics processing units.

The company's market valuation crossed the USD1 Trillion threshold, joining an elite club of only 5 American companies - Alphabet, Amazon, Apple, Microsoft, and now, Nvidia. The boom of AI tech is the main focus of the market for the next few months. Earnings expectations for tech companies are positive due to the steady growth of this evolving industry.



Fed Chair Powell called it more of a "skip" rather than a "pause" as they wait to see how the significant rate hikes that have been implemented will affect the real economy, which involves the production, distribution and consumption of goods and services. Market analysts are still expecting at least two further rate hikes to occur this year, which would likely result in higher borrowing costs for consumers.

Other major central banks such as the European Central Bank and the Bank of England maintain their monetary tightening policies amid inflationary pressures. On the other hand, the People's Bank of China cut 1- and 3-year prime loan rates for the first time in 10 months, but by less than anticipated. This move was intended to lower borrowing costs and help prop up growth.



### DID YOU KNOW?

AXA Global Advantage Fund (GAF/PGAF) clients can partake of growth of Nvidia and the AI industry. Based on the April 2023 Fund Factsheet, Nvidia is one of the top holdings of the GAF/PGAF.

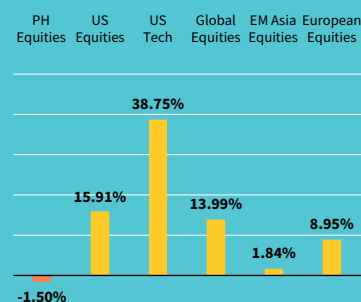
### AXA FUNDS OVERVIEW

Peso Equity Funds	YTD	Dollar Equity Funds	YTD	Retire Smart Funds	YTD
Wealth Equity	0.67%	Asia Growth	1.19%	Retire Smart 30	0.83%
Chinese Tycoon	3.45%	European Wealth	17.47%	Retire Smart 35	0.72%
Spanish-American Opportunity	-2.73%	Global Advantage	36.53%	Retire Smart 40	0.65%
	0.36%			Retire Smart 45	0.61%
Peso Fixed Income and Balanced Funds	YTD	Global Dynamic Allocation Funds	YTD	Income Paying Funds	YTD
Peso Liquidity	1.49%	GDAF-Stable	2.95%	Dollar GAIN	3.46%
Wealth Bond	2.91%	GDAF-Multi Asset	4.85%	Peso GAIN	2.54%
Wealth Balanced	1.94%	GDAF-Growth	7.33%		
Peso-Denominated Dollar Funds	YTD	Dollar Fixed Income Funds	YTD		
Peso GAF	34.83%	Capital Investment	0.60%		
Peso GDAF-Stable	1.13%	Premium Bond	1.97%		
Peso GDAF-Multi Asset	3.87%				
Peso GDAF-Growth	6.21%				



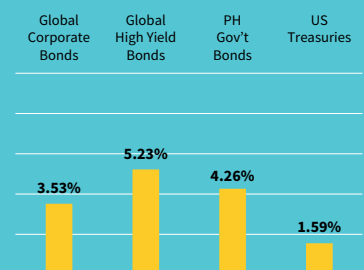
### FINANCIAL MARKETS SNAPSHOT

#### Equity Markets (YTD as of June 30, 2023)



Global equities had a largely positive month as inflation continued to moderate. Apart from tech companies, other US sectors are now taking part in the performance. Muted rally from Asia is due to mixed gov't stimulus from China side. PH is still rebounding slowly but indicators are shaping up.

#### Fixed Income Markets (YTD as of June 30, 2023)



Fixed income markets remained under pressure as most western central banks, save for the US, stuck to their hawkish policy stances in order to continue the battle against inflation.