

Pulse of Global Risk

The week beginning 2023/06/18
RAF Laboratory, Co., Ltd.

WAGNER'S "WILDNESS" TOOK OUR BREATH AWAY DURING THE WEEK



Table of Today's Key Checkpoints

	U.S.	Europe	Japan	China	Emerging
Market					
Financial System					
Macro-economy		Be careful!	Be careful!		
Economic policy	Be careful!	Be careful!		OK!	
Disasters/Accidents					
Politics/Geopolitics	Be careful!			Be careful!	Risky
Regulation/Misconducts			Be careful!		

Market

News2

Stock prices in major countries are generally in a downtrend due to concerns about prolonged monetary tightening by the U.S. Fed and ECB, as well as concerns about the future economic downturn in China. Long-term interest rates are generally flat in the U.S., while those in Germany are trending lower, partly due to economic concerns. In the foreign exchange market, the yen continued to weaken, falling to the ¥143 level against the dollar. Crude oil prices continued to fall, falling below \$70/bbl. On the other hand, the Bitcoin price rose sharply and recovered to the \$30,000 level for the first time in a while.

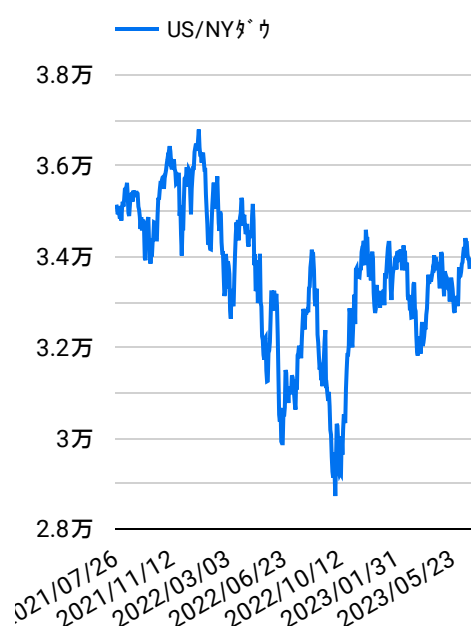
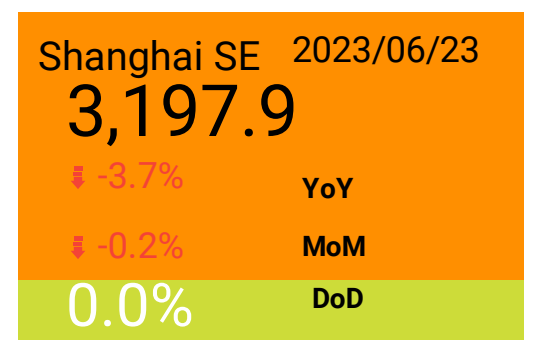
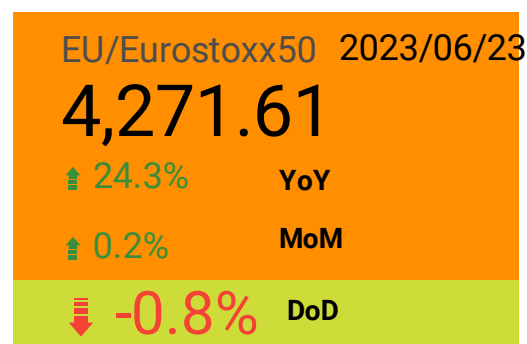
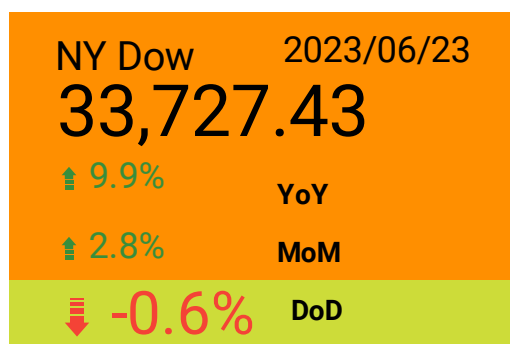
U.S.

Europe

Japan

China

Stock prices



* Charts show the indicator's developments over the last 2 years (the same applies hereafter).

Long-term interest rates (10 years' government bond rates)

US/米国10年債金利

3.73 2023/06/23

↑ 0.64 YoY

↓ -0.01 MoM

↓ -0.06 DoD

DE/10年債金利

2.35 2023/06/23

↑ 0.93 YoY

↓ -0.12 MoM

↓ -0.14 DoD

JP/国債利回り

0.35 2023/06/23

↑ 0.13 YoY

↓ -0.05 MoM

↓ -0.01 DoD

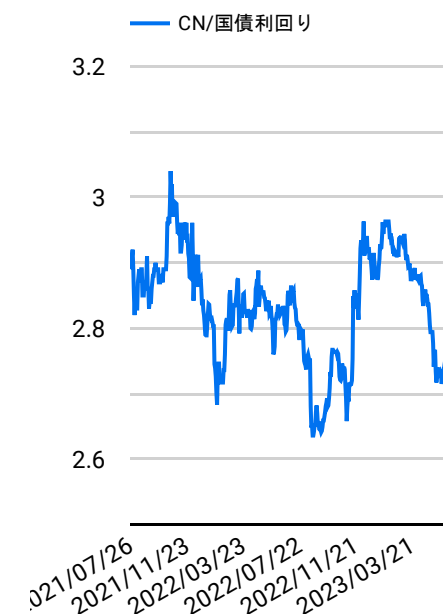
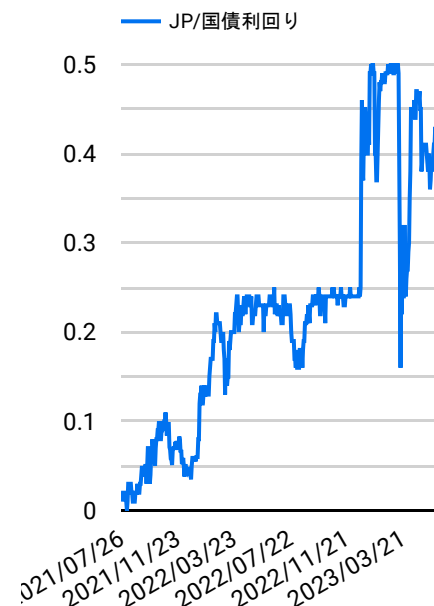
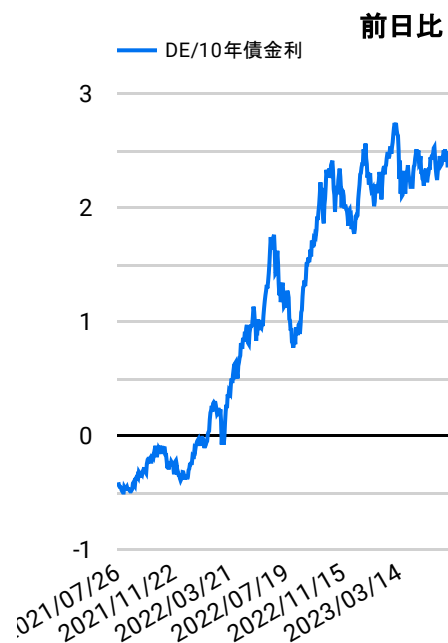
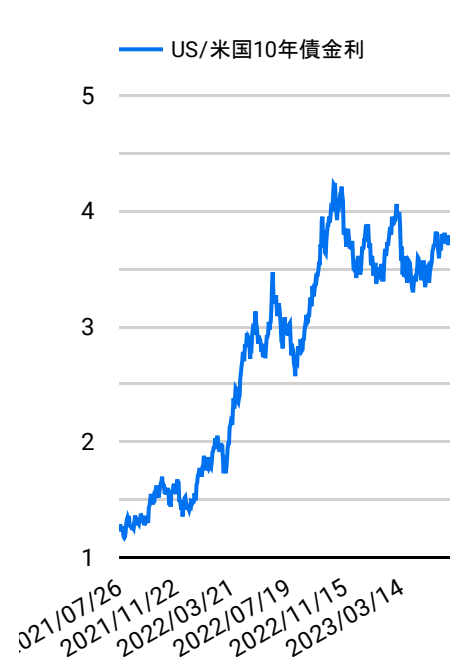
CN/国債利回り

2.72 2023/06/23

↓ -0.08 YoY

↓ -0.01 MoM

0.00 DoD



Exchange rates

US \$ index 2023/06/23

102.9

↓ -1.4% YoY

↓ -0.9% MoM

↑ 0.5% DoD

EUR/USD 2023/06/23

1.0924

↑ 3.8% YoY

↑ 1.6% MoM

↓ -0.3% DoD

USD/JPY 2023/06/23

143.55

↑ 6.4% YoY

↑ 3.0% MoM

↑ 0.3% DoD

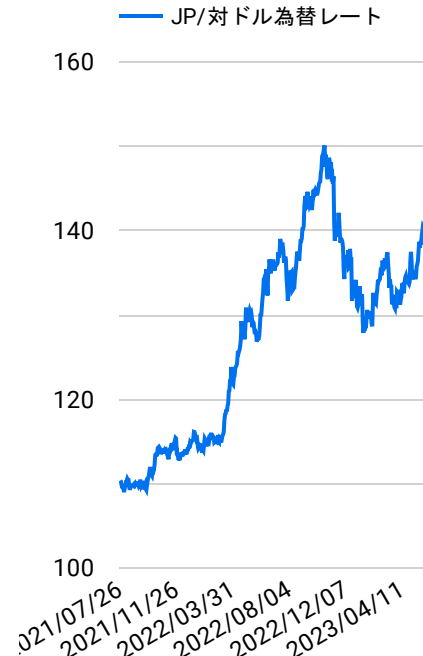
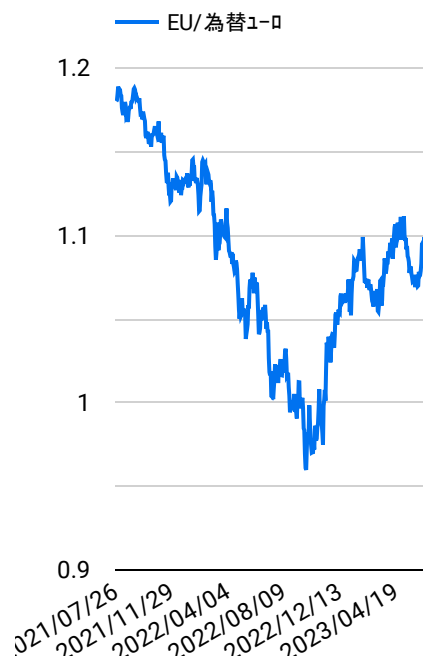
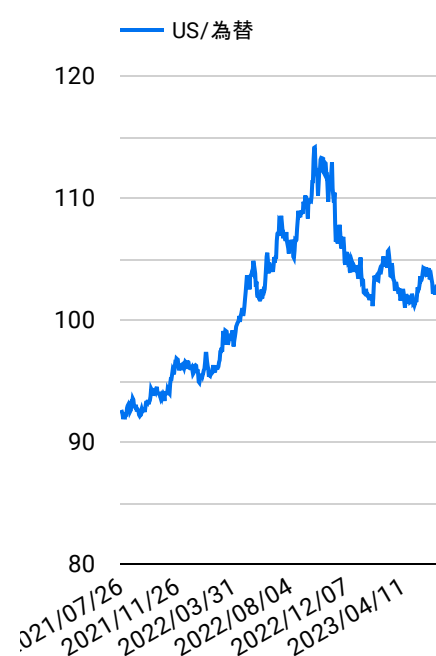
USD/CNY 2023/06/23

7.18

↑ 7.1% YoY

↑ 1.7% MoM

↓ 0.0% DoD



VIX

US/CBOE VI 2023/06/23

13.44

↓ -15.6 YoY

↓ -6.6 MoM

↑ 0.5 DoD

EU/STOXX50 volatility 2023/06/23

15.35

↓ -13.9 YoY

↓ -5.6 MoM

↑ 0.5 DoD

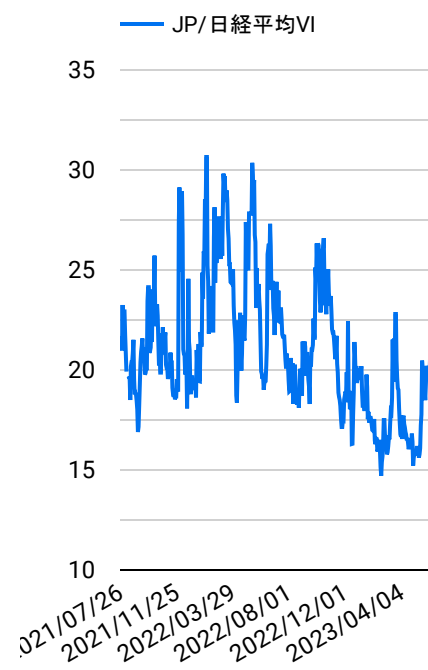
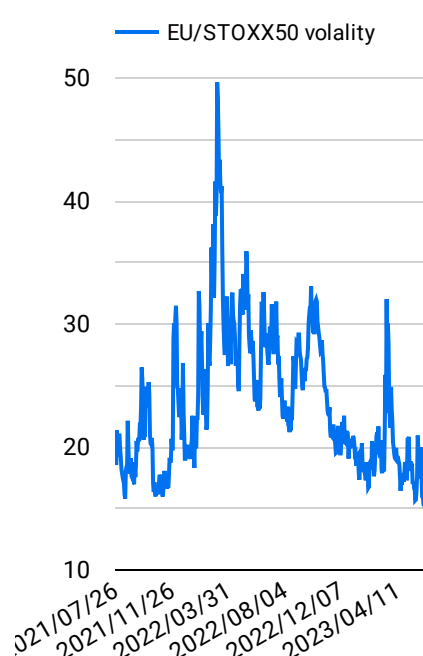
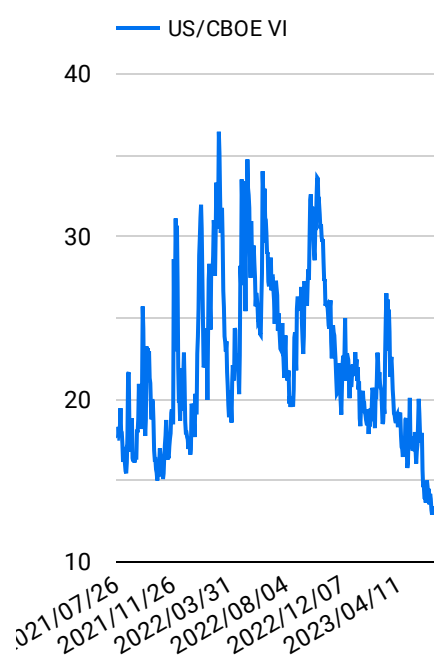
Nikkei VI 2023/06/23

21.11

↓ -3.4 YoY

↑ 2.1 MoM

↑ 0.9 DoD



Credit spreads

US High yield index

4.3 2023/06/23

↓ -1.0 YoY

↓ -0.3 MoM

↓ -0.0 DoD

Euro High yield index

7.24 2023/06/23

↑ 0.4 YoY

↑ 0.1 MoM

↑ 0.1 DoD

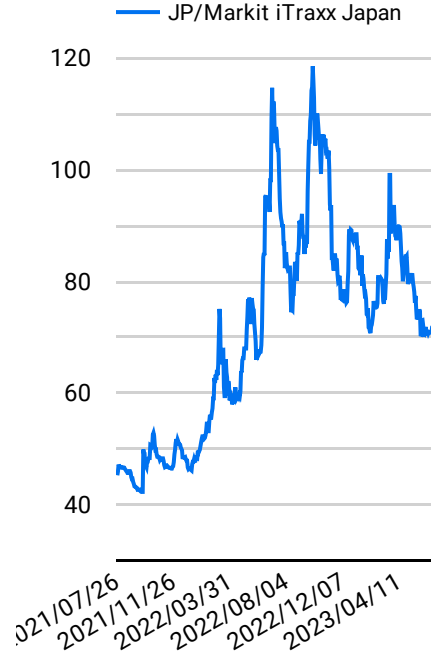
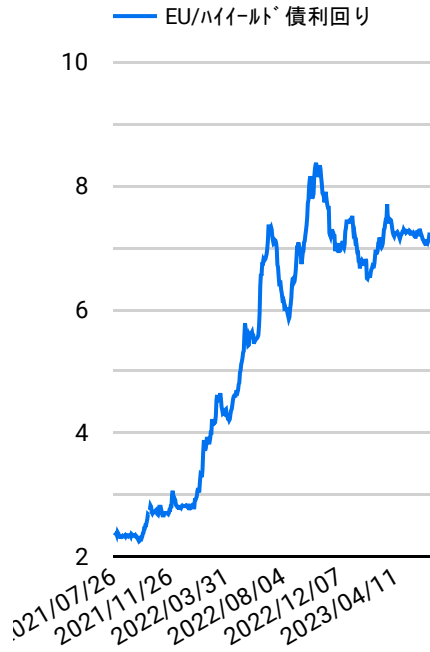
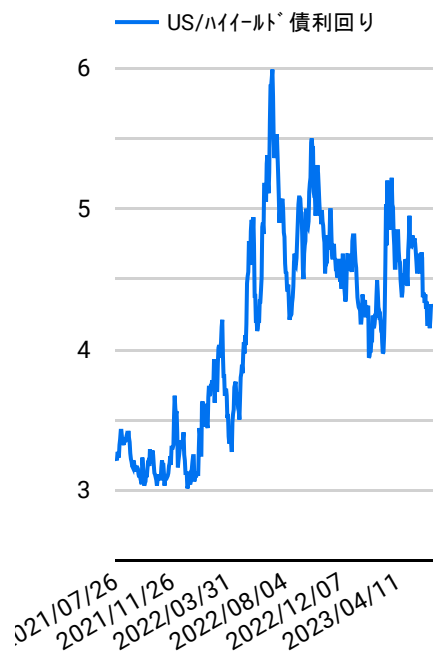
JP/Markit iTraxx Japan

71.67 2023/06/23

↓ -23.3 YoY

↓ -2.5 MoM

0.0 DoD



Commodity prices

Crude Oil

原油 2023/06/23

69.16

↓ -33.7% YoY

↓ -7.0% MoM

↓ -0.5% DoD

Copper

銅 2023/06/23

3.82

↑ 1.9% YoY

↑ 7.3% MoM

↓ -2.1% DoD

Wheat

小麦 2023/06/23

746.5

↓ -21.4% YoY

↑ 23.1% MoM

↓ -0.8% DoD

Bitcoin

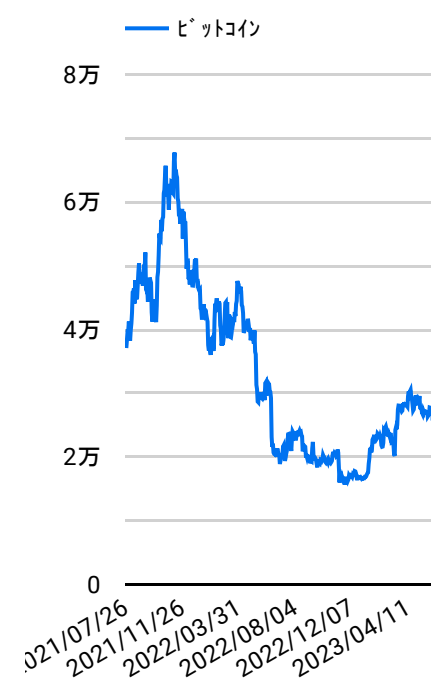
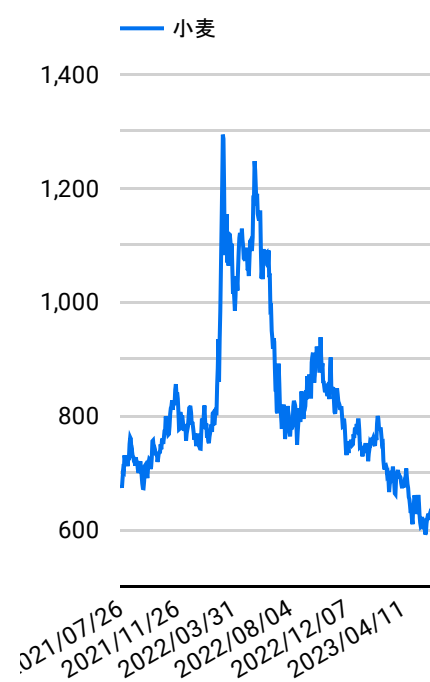
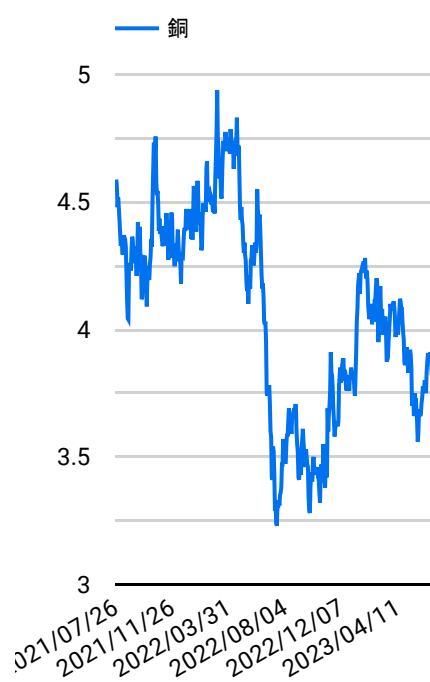
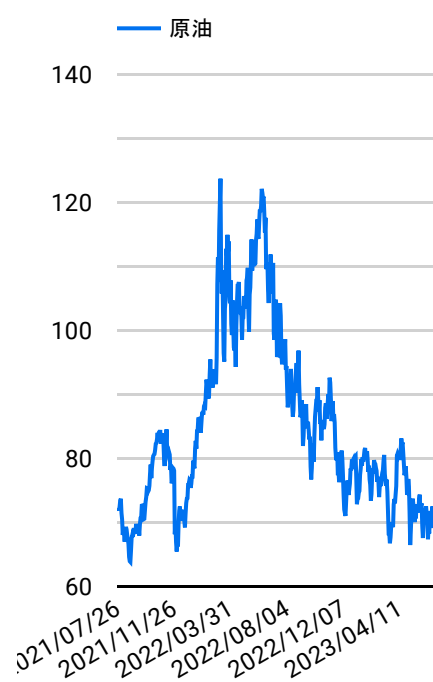
ビットコイン 2023/06/23

30,650.9

↑ 47.9% YoY

↑ 16.4% MoM

↑ 2.0% DoD



Financial System

News2 ⓘ ▲

None in particular.

U.S.

Europe

Japan

China

News2 ⓘ ▲

データなし

News2 ⓘ ▲

データなし

News2 ⓘ ▲

データなし

News2 ⓘ ▲

データなし

Banking sector stock prices

US/DJ Banks 2023/06/23

397.75

↓ -9.1% YoY

↑ 0.6% MoM

↓ -0.9% DoD

EU/MSCI Europe Financials

64.6

↑ 12.1% YoY

↓ -2.7% MoM

↓ -1.2% DoD

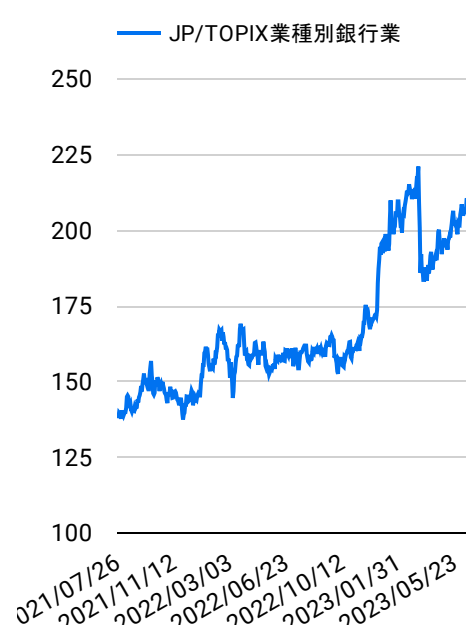
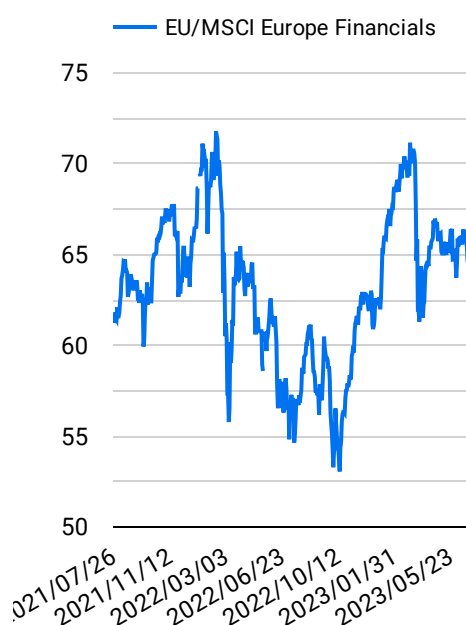
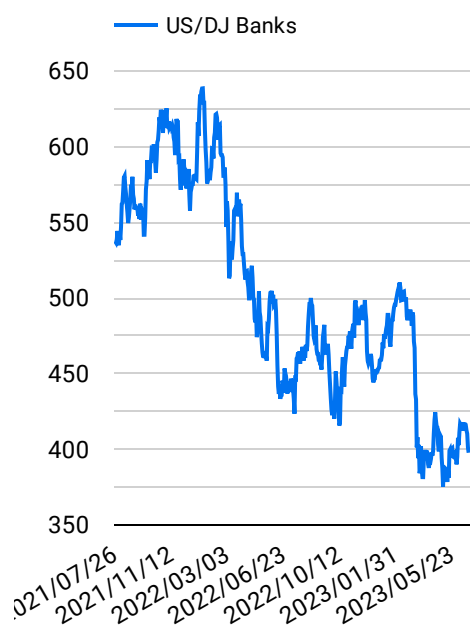
JP/TOPIX Bank industry

213.84

↑ 32.9% YoY

↑ 5.3% MoM

↓ -1.2% DoD



Others

US/NFCI 2023/06/23

-0.3

↓ -0.12 YoY

↑ 0.01 MoM

0.00 DoD

IT/DE spread

1.62

↓ -0.33 YoY

↓ -0.24 MoM

↓ -0.01 DoD

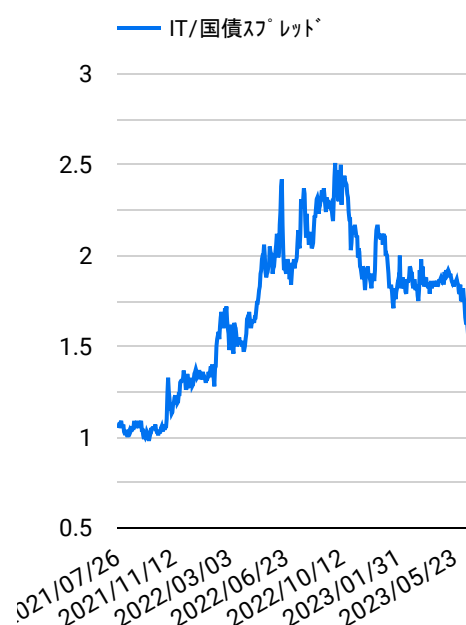
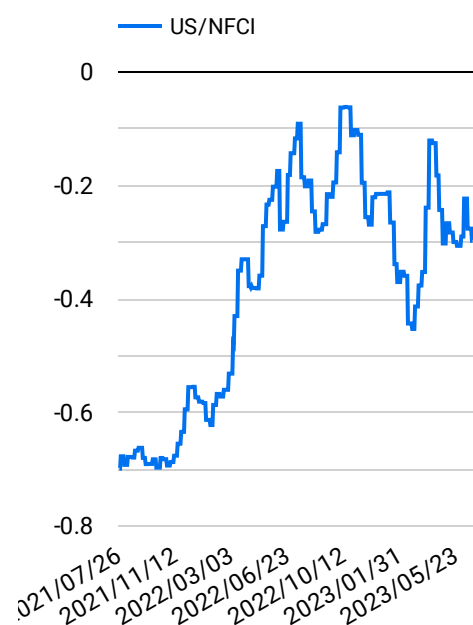
JP/TSE REIT index

1,843.29

↓ -3.4% YoY

↓ -0.5% MoM

↓ -0.7% DoD



Economy

News2

The surprising strength of the housing market in the U.S., the unexpected deterioration in business confidence in Europe, and the higher-than-expected CPI increases in the U.K. and Japan were notable.

U.S.

News2

Housing starts in the U.S. recovered in May, with a month-on-month rate of plus 21.7%, well above market expectations. Year-on-year growth was also strong at +5.7%.

Europe

News2

The European manufacturing PMI deteriorated from the previous month to 43.6, still below 50. It is also below market expectations. The services PMI also deteriorated from the previous month to 52.4. This is also below market expectations.

The UK CPI y/y in May was plus 8.7%, unchanged from the previous month and above market expectations. The core CPI was 7.4% y/y, accelerating from the previous month and

Japan

News2

Japan's core CPI growth rate y/y was plus 3.2% in May, a leaf slower than the previous month but still high. It exceeded market expectations. Core core y/y was plus 4.3%, accelerating from the previous month.

China

News2

データなし

Emerging economies

News2

Country1

データなし

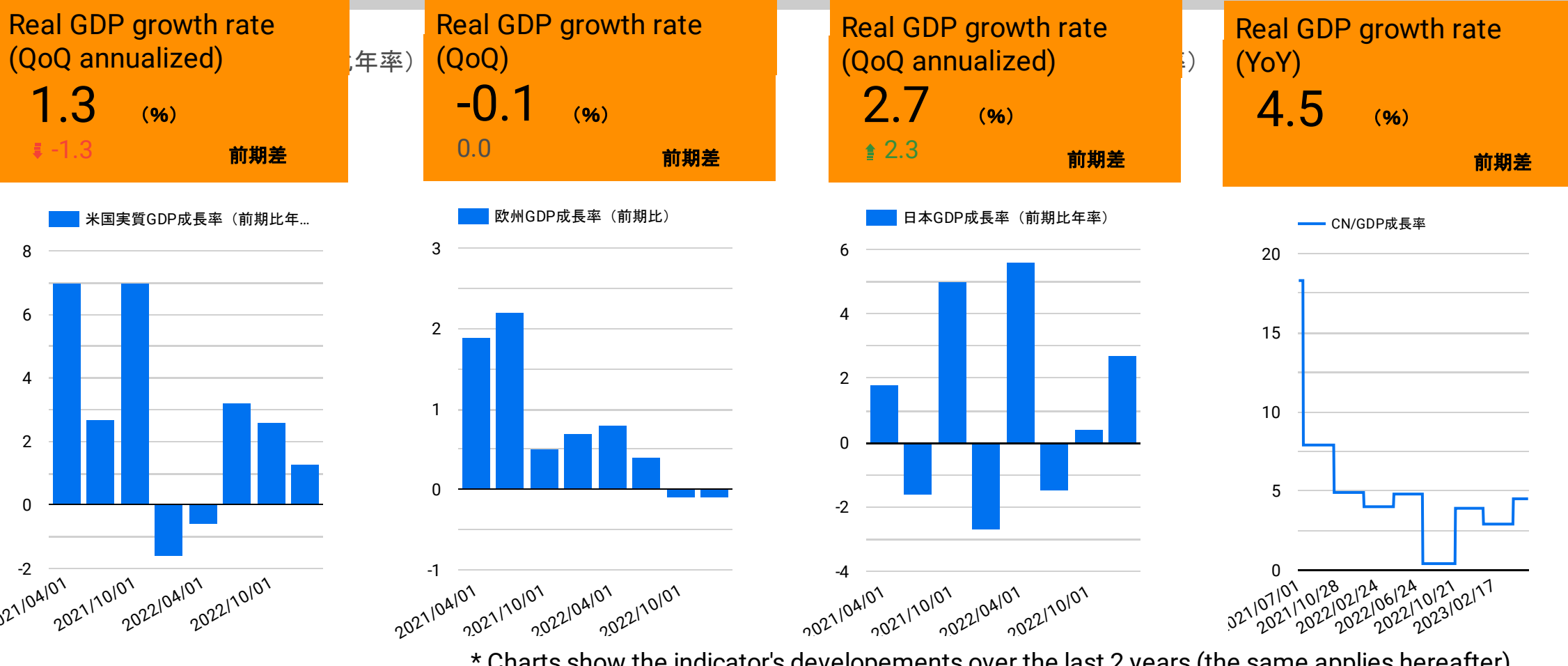
U.S.

Europe

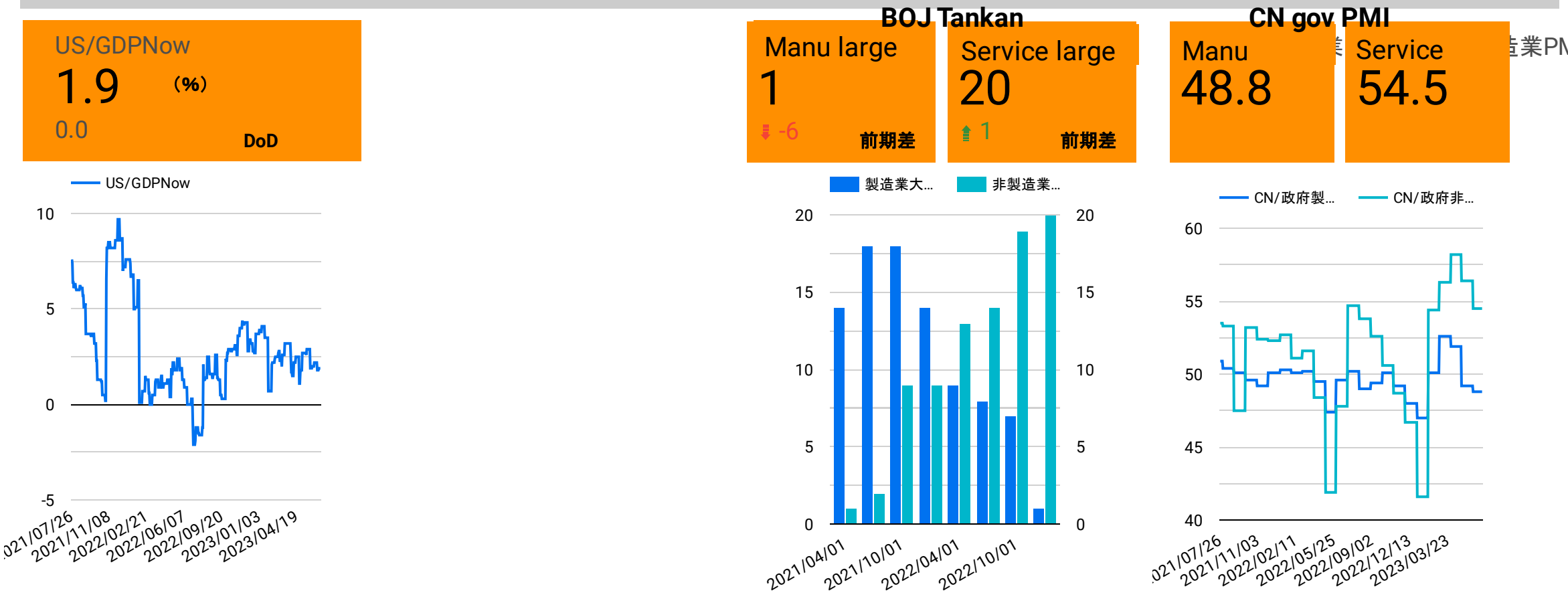
Japan

China

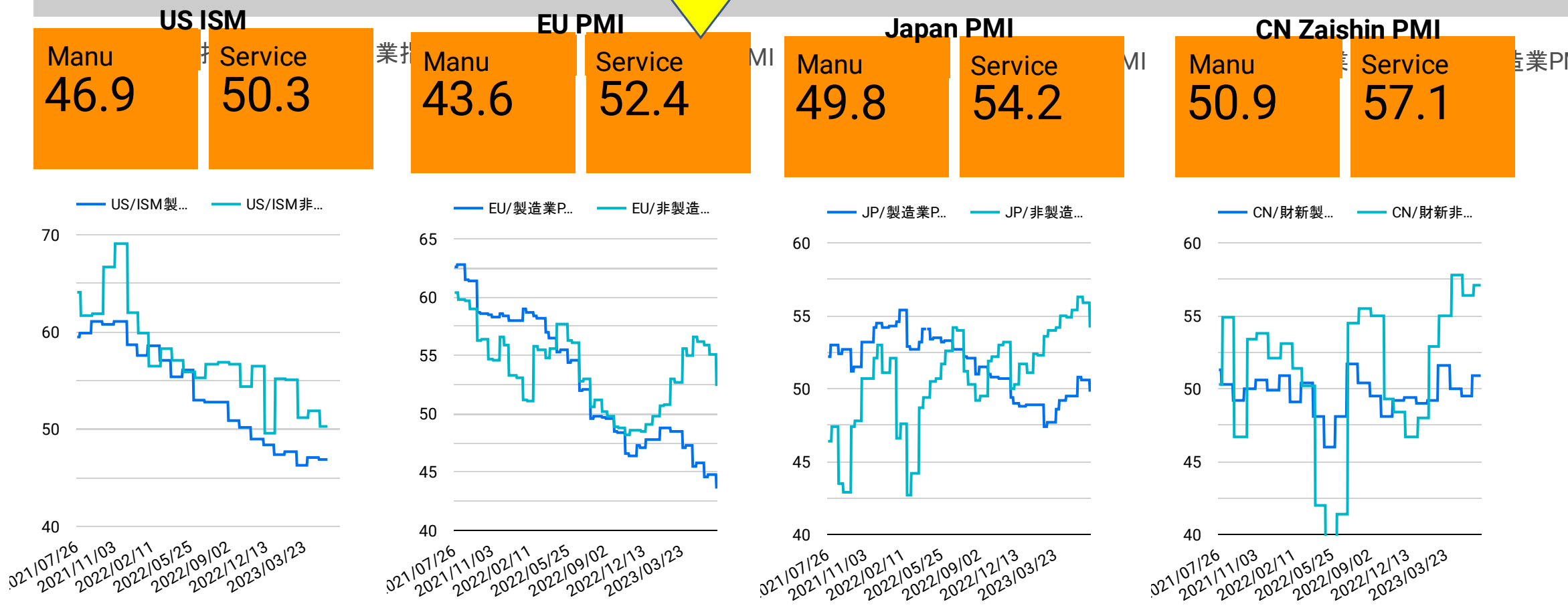
Real GDP growth rates



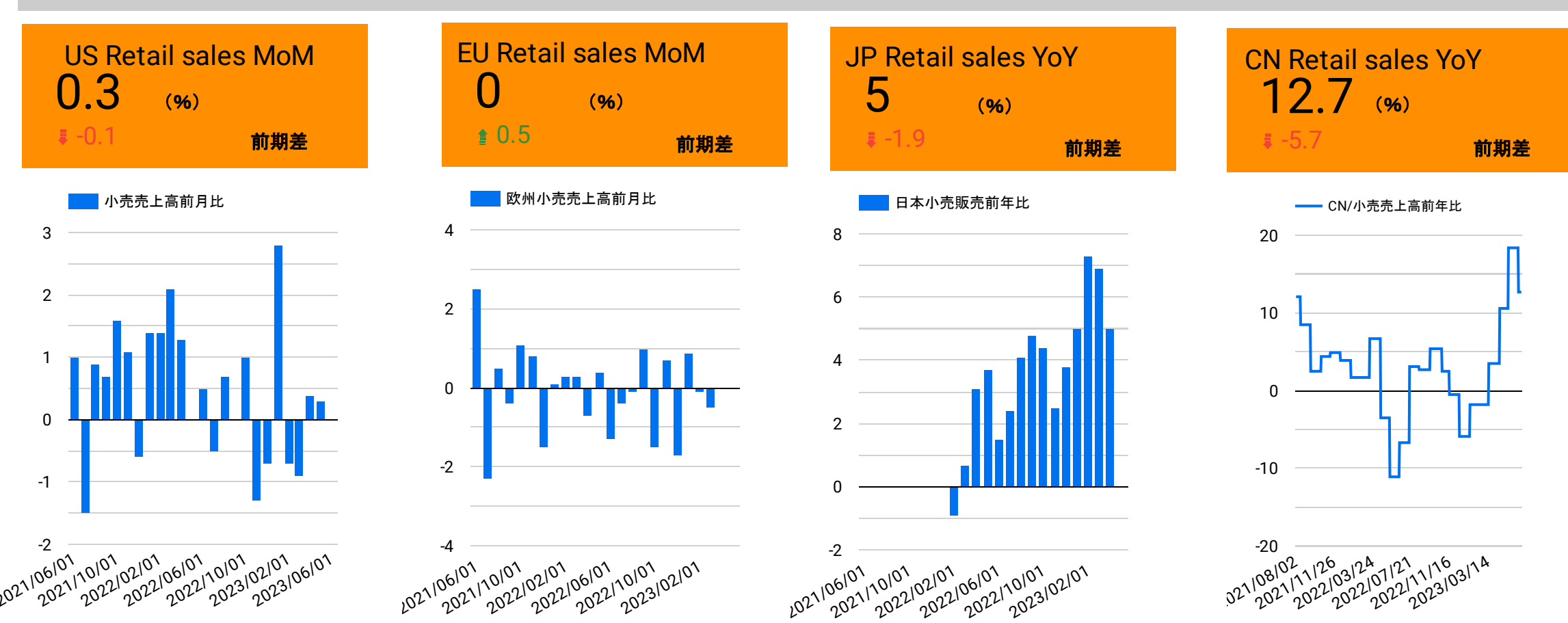
Business sentiment indices 1



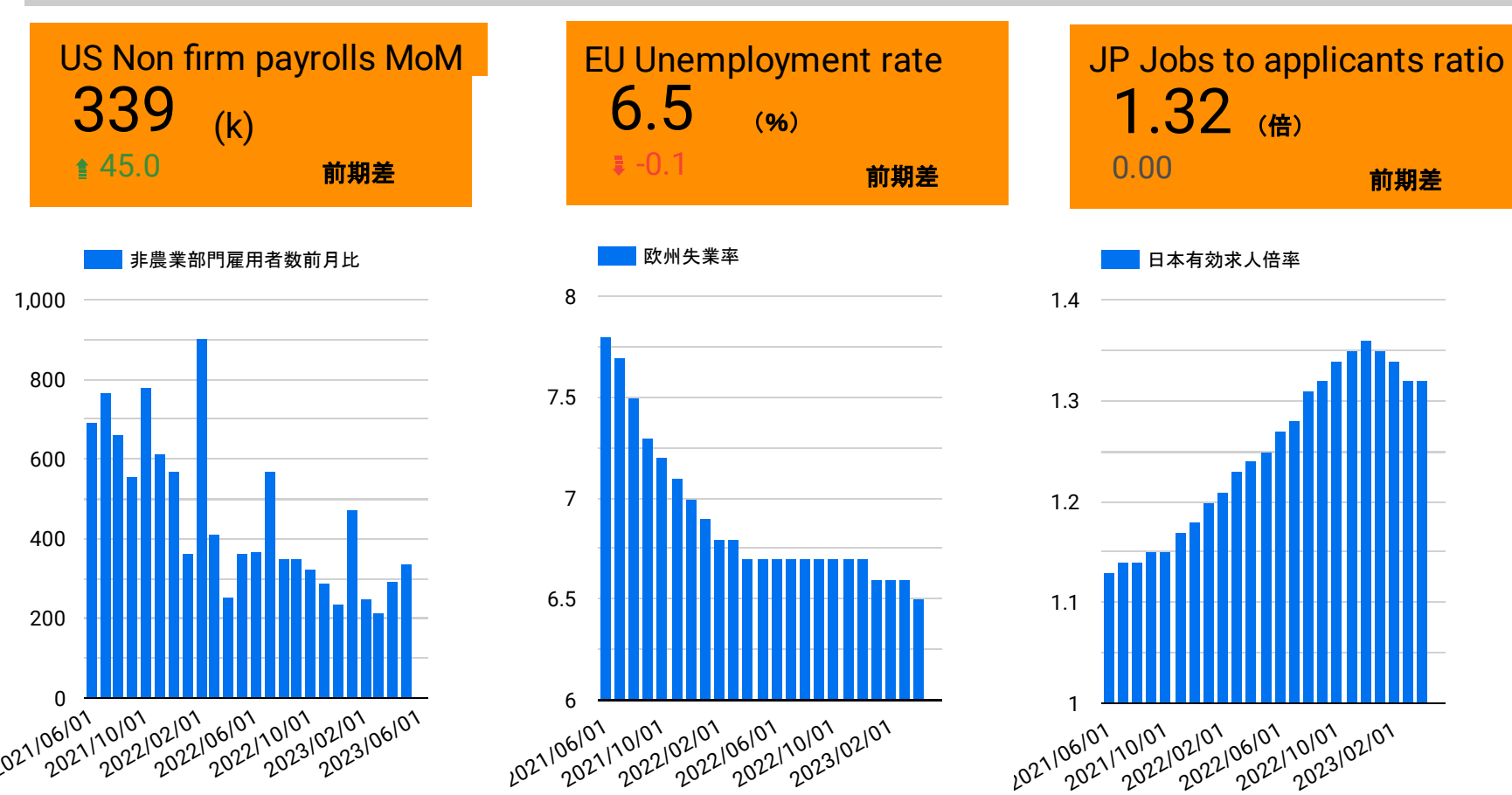
Business sentiment indices 2



Private consumption



Labor



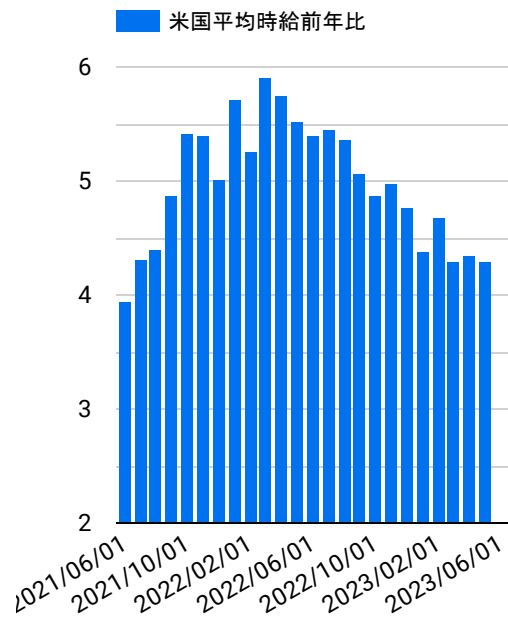
Wages

US Average hourly earnings YoY

4.3 (%)

↓ -0.05

前期差

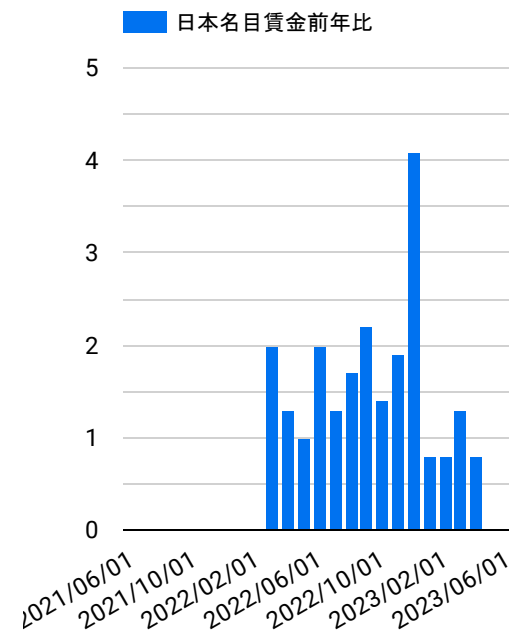


JP Nominal wage YoY

0.8 (%)

↓ -0.50

前期差



Prices

US Consumer price indices YoY

Core PCE deflator

4.7 (%)

↑ 0.1

前月差

Core CPI

5.3 (%)

↓ -0.2

前月差

EU Core HICP YoY

5.3 (%)

↓ -0.3

前月差

JP Consumer price indices YoY

Core

3.2 (%)

↓ -0.2

前月差

Core core

4.3 (%)

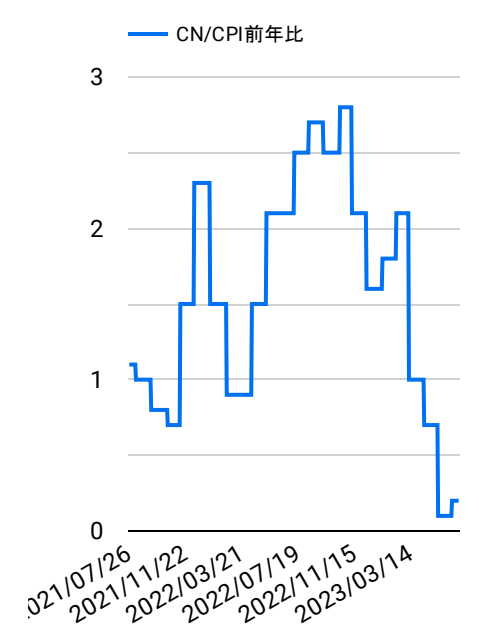
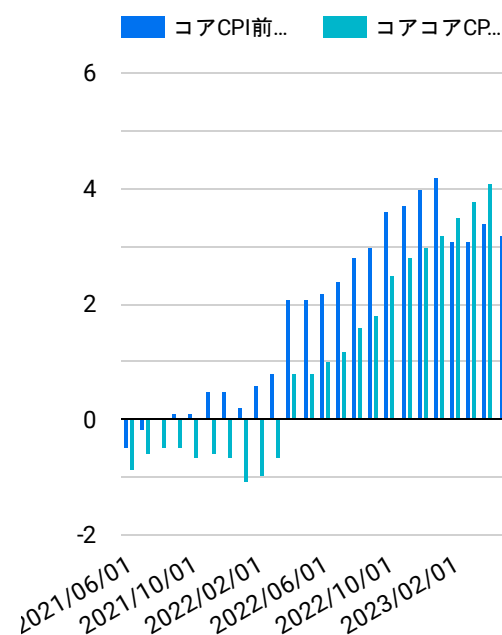
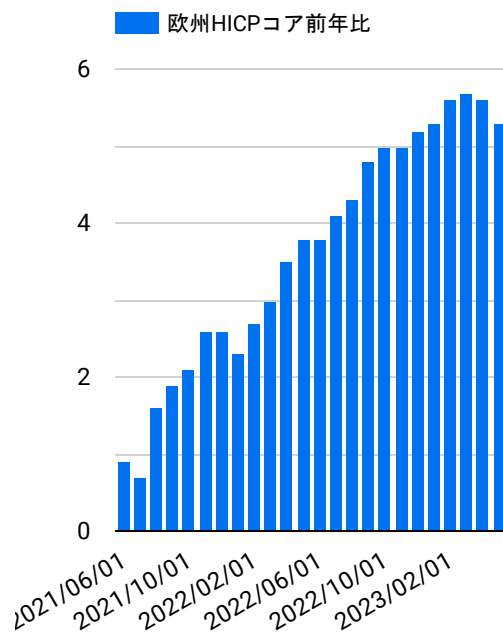
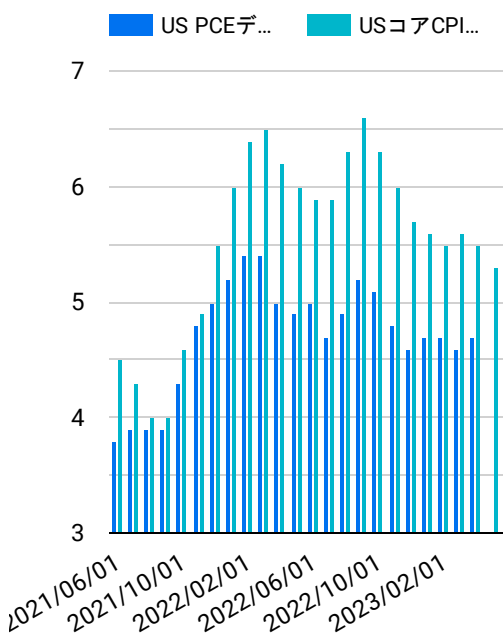
↑ 0.2

前月差

CN CPI YoY

0.2 (%)

↑ 0.1



Home prices

US Real housing price YoY

-0.04(%)

↓ -3.0

前期差

EU Real housing price YoY

-6.45(%)

↓ -4.0

前期差

JP Real housing price YoY

3.93(%)

↓ -0.9

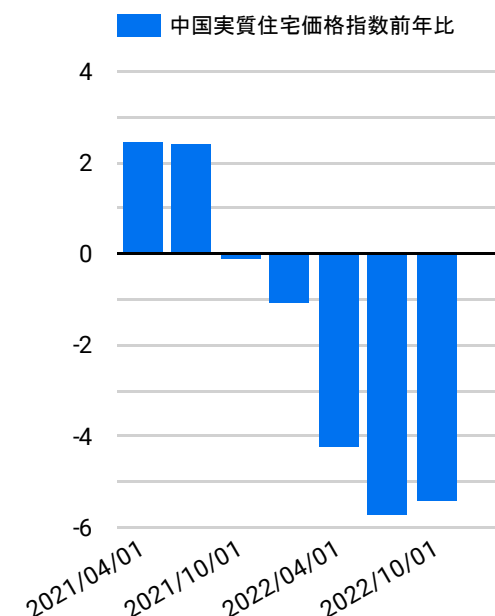
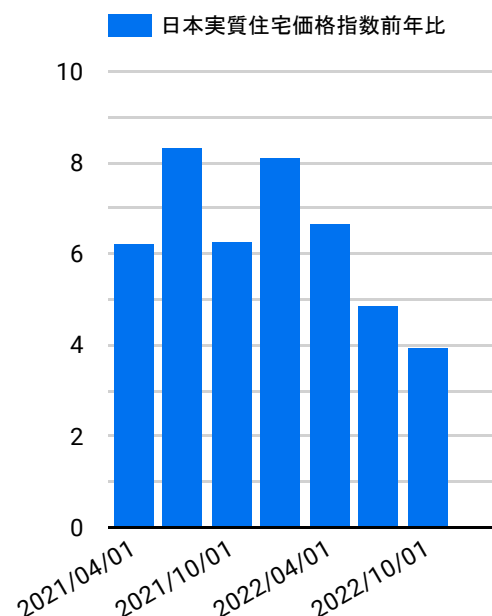
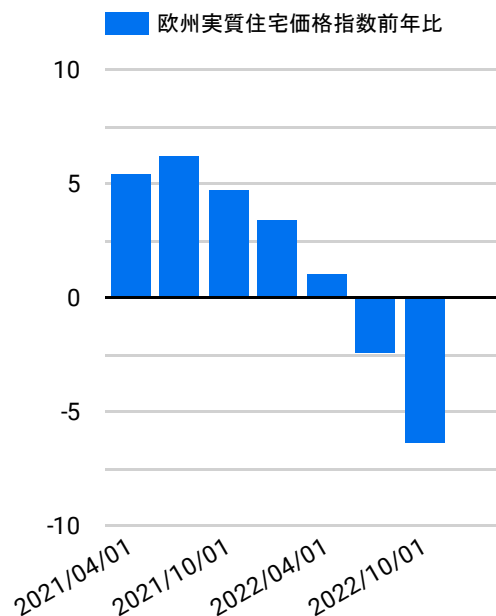
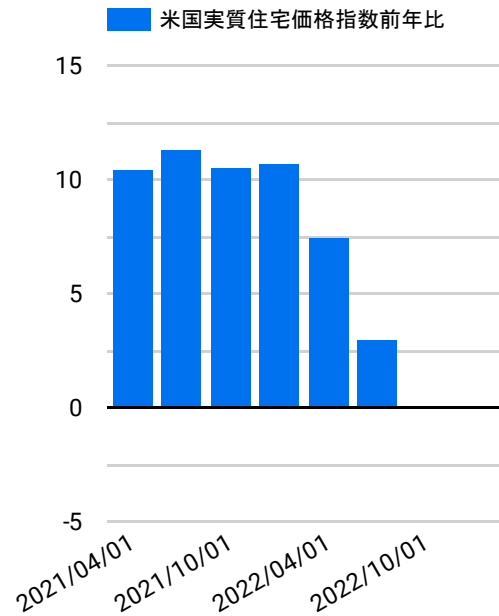
前期差

CN Real housing price YoY

-5.42(%)

↑ 0.3

前期差



Macroeconomic policies

News2 ⓘ ▲

The BoE decided to raise interest rates by 0.5%, which was higher than market expectations and the previous meeting's rate hike, and the Bank of Switzerland and Bank of Sweden also raised rates. Fed Chair Jerome Powell said that it is reasonable to expect two more rate hikes this year. The Central Bank of Turkey also decided to tighten its monetary policy under a new governor, raising interest rates by a substantial 6.5%, but this rate hike fell short of market expectations. Meanwhile, the People's Bank of China effectively cut its policy rate by 0.1%, again failing to meet market expectations.

U.S.

News2 ⓘ ▲

Fed Chairman Jerome Powell points out to Congress that two additional rate hikes in the coming days are "a good bet" to check market skepticism.

The SF Fed president said that the current outlook for two more rate hikes before the end of the year is reasonable.

Europe

News2 ⓘ ▲

The BoE decides to raise interest rates by 0.5%, exceeding market expectations. The rate hike was larger than at the previous meeting. The Bank of Switzerland and the Bank of Sweden also decided to raise interest rates.

Japan

News2 ⓘ ▲

データなし

China

News2 ⓘ ▲

The People's Bank of China reduced the policy interest rate (the most preferential lending rate, loan prime rate) by 0.1% for both one-year and over five-year terms.

Emerging economies

News2 ⓘ ▲

- Turkish Central Bank decides to raise interest rates by 6.5% under new governor. This is a major reversal of the previous rate cut path. However, it did not meet market expectations, and the lira fell sharply against the dollar.

U.S.

Europe

Japan

China

Policy rates

US/FF金利上限 2023/06/23

5.25

▲ 3.50 YoY
0.00 MoM

0.00

EU/ECB政策金利

4

▲ 4.00 YoY
▲ 0.25 MoM

0.00

JP/政策金利

-0.1

0.00 YoY
0.00 MoM

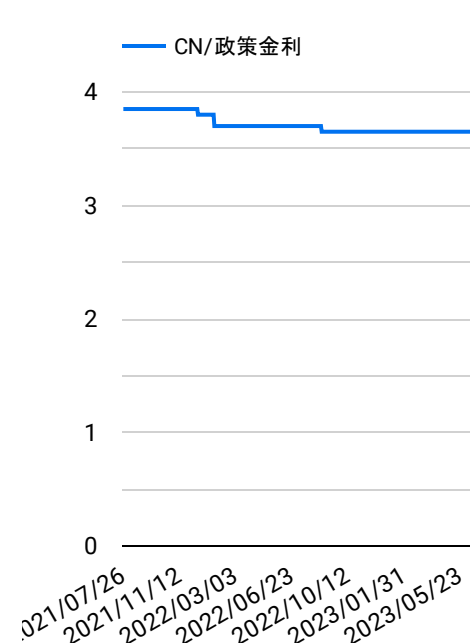
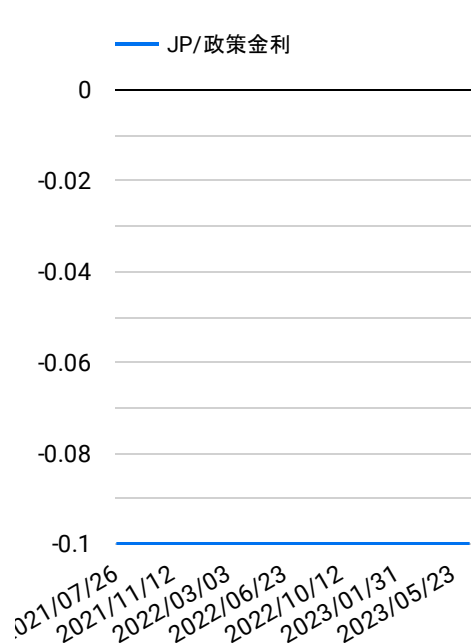
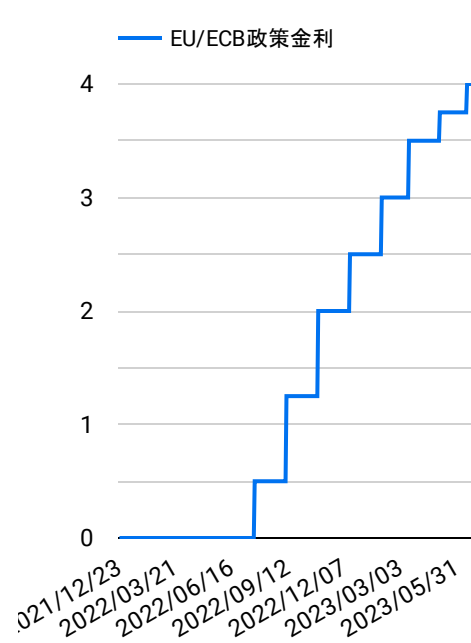
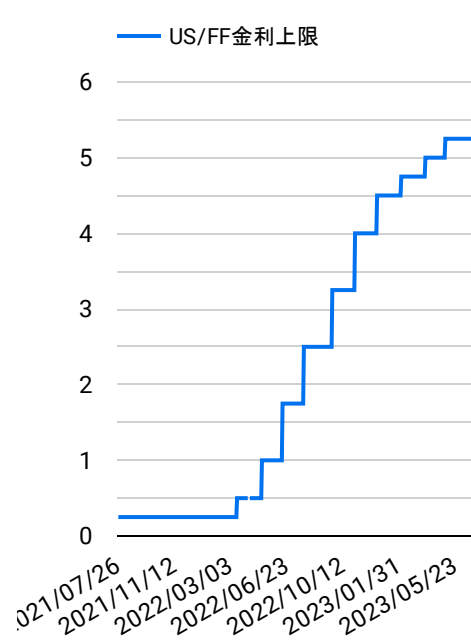
0.00

CN/政策金利

3.55

▼ -0.15 YoY
▼ -0.10 MoM

0.00



Others

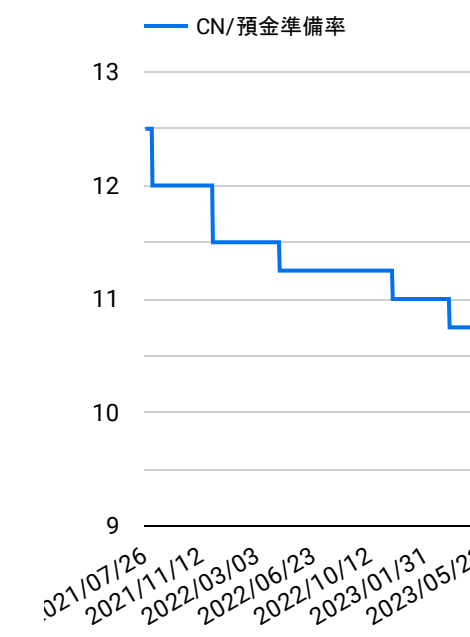
CN Cash reserve ratio

10.75

▼ -0.50 YoY
0.00 MoM

0.00

0.00 DoD



Politics/Geopolitics

News2 ⓘ ▲

Russian authorities are investigating the founder of Wagner for insurgency. In fact, Wagner had taken control of some areas of Russia after being attacked by Russian troops and had temporarily marched toward Moscow, but it appears that a certain settlement has since been reached with the government. In addition, a visit to China by the U.S. Secretary of State helped to ease tensions to a certain extent, but President Biden's subsequent comment that "President Xi is a dictator" brought the situation back to acid one.

U.S.



News2 ⓘ ▲

U.S. President Biden refers to Chinese President Xi as a dictator. China fiercely opposes this, and the mode of easing tensions breaks down.

U.S. Secretary of State held lengthy talks with top Chinese officials during his visit to China, and also met with President Xi. They agreed to maintain dialogue but drew a parallel on the

Europe

News2 ⓘ ▲

データなし

Japan

News2 ⓘ ▲

データなし

China

News2 ⓘ ▲

データなし

Global/Emerging economies



News2 ⓘ ▲

Country1

1. Russian authorities launch an investigation against the founder of Wagner for mutiny.

Russia

Natural disasters/Pandemic/Accidents

Theme ①...	News2
Covid-19	None in particular.
Disasters/accidents	None in particular.

U.S.

News2 ① ▲

データなし

Europe

News2 ① ▲

データなし

Japan

News2 ① ▲

データなし

China

News2 ① ▲

データなし

Global/Emerging economies

News2 ① ▲ Country1

データなし

Regulation/Misconduct

News2 ⓘ ▲

On the misconduct front, in Japan, the Financial Services Agency issued reporting orders to four major non-life insurers for price adjustments in corporate insurance, and issued business improvement orders to Chiba Bank, Musashino Bank, and Chiba Bank Securities for improper sales of structured bonds. In the U.S., the FTC indicted Amazon on suspicion of improperly inducing consumers to become Prime members.

U.S.

News2 ⓘ ▲

The U.S. FTC sues Amazon for inducing consumers to become Prime members in an unfair manner.

Europe

News2 ⓘ ▲

データなし

Japan



News2 ⓘ ▲

FSA issues business improvement orders to Chiba Bank, Musashino Bank, and Chiba Bank Securities for legal violations in the sale of structured bonds.

Financial Services Agency Orders Four Major P&C Insurers to Report Suspected Price Adjustment in Corporate Insurance

China

News2 ⓘ ▲

データなし

Major misconduct events reported over the last 7 days

U.S.

Europe

Japan

China

A Misconduct against clients/couterparties

A1: Property rights, A2: Sales methods, A3: Conflict of interests, A4: Unfair Competition, A5: Customer suitability, A6: Pricing, A7: Quality Control, A8: Privacy, A9: Complaint Handling, A10: Others, A11: Market Conduct

分...	Title	分...	Title	分...	Title	分...	Title
A10	Amazon sued for improperly inducing consumers to become paying members and preventing them from canceling their subscriptions		データなし	A4	Four major P&C insurers adjust prices for business insurance?		データなし
A10	FTC sues Amazon, Prime members "registering without consent"						
A3	Insight Venture Management, a U.S. investment adviser, agreed to pay fines and unjust enrichment payments to investors for overcharging management fees etc.						
A4	U.S. newspaper company Gannett sued Google for violating antitrust laws in the online advertising market						
A7	NHTSA Investigates Loss of Power While Driving Hyundai Motor's Electric Vehicles in South Korea						
A7	Honda recalls about 1.3 million vehicles in the U.S.; 4-wheeler business to fall into the red in FY2022						

B. Misconduct against employees

B1: Unfair labor practices, A2: Sexual and other harassments

分...	Title	分...	Title	分...	Title	分...	Title
	データなし		データなし		データなし		データなし

C. Misconduct against society and regulators/supervisors

C1: Business continuity, C2: Crime/illegal activities/regulatory violations, C3: ESG-related

分...	Title	分...	Title	分...	Title	分...	Title
C2	Alta Vista Healthcare & Wellness Centre, a U.S. long-term care facility, and its operator, Rockport Healthcare Services, agreed to pay settlement for kickback payments to physicians		データなし	C2	FSA Orders Chiba Bank, Others to Improve		データなし
C2	Latvian Swedbank AS (Latvia) agreed to pay a settlement for violations of U.S. sanctions against Crimea						

D. Misconduct against shareholders

D1: Governance, D2: Management/staff fraud, D3: Subsidiaries/third party-related, D4: Financial accounting/regulatory reporting-related, D5: Others

分...	Title	分...	Title	分...	Title	分...	Title
	データなし		データなし		データなし		データなし

Regulation related news over the last 7 days

U.S.

Europe

Japan

China

Title ▲	Title ▲	Title ▲	Title ▲
データなし	データなし	Free Research Ban on MiFID2, EU Member States Aim to De Facto Eliminate	China Issues Guidelines to Deepen Reform of Bond Registration System, Strengthening Disclosure Requirements and Holding Issuers and Intermediaries Accountable
		Ministry of Internal Affairs and Communications to halt low-priced competition by the end of the year by tightening regulations on "one-yen smartphones."	
		When changing jobs, no information is allowed to be taken out of the company.	

Global/Emerging economies

News2 ⓘ ▲

Country1

データなし