

# PASIV SCOOPS

THE WEEKLY MARKET DIGEST

## The Russian Sanctions Bypass

July 3, 2022 • Vol. 3



\$150m Super Yacht "Madam Gu" docked at Port Rashid

# +2.57%

### Index Recap

The S&P500 closed higher this week following news that the Fed was going to start Quantitative Easing.

## Our top 3 scoops this week

### 1. Despite sanctions, the Russian Rouble hit a 7 year high

Russia defaulted this past week on its debt, the first time since 1918 after failing to

pay about \$100m in interest payments. Not because they don't have the cash, but because they're shut out of the banking system. That hasn't stopped Russia from exporting roughly \$977m worth of oil & gas products daily thanks to its two biggest customers, China & Germany. Oligarchs like Andrei Skoch are having none of it; bypassing sanctions & docking their mega yachts in Dubai. Are yacht bays in Dubai Marina the trophy asset of 2022?

## 2. Recession risk is better than inflation says the Fed

The Fed is raising interest rates at its fastest pace for the first time since the 1980s. On Wednesday, chairman Jerome Powell said the central bank would do what it takes to curb inflation, even if it means hiking interest rates to levels that endanger growth. Failing to restore price stability could increase consumers' expectations of inflation in the future, meaning the Fed may be forced to raise rates higher than necessary.

Is slamming the brakes on inflation worth giving up jobs and economic growth?

## 3. China's internet stocks are entering a bull market

Whilst stock markets in the US & Europe are cratering to inflation woes, Beijing is bucking the trend thanks to sanction-free record trade number with Russia. The tone is softening after a year-long crackdown tone on Chinese tech companies. The CSI 300 posted gains this week of 19% from its April lows, defying correlations to other assets, as China eases on lockdowns. Earlier this year, many Chinese internet stocks were battered, suffering losses of upto 90% from their pandemic highs.

Is this the beginning of a sustained recovery in Chinese tech stocks?

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Pasiv can help you invest.

## What this means for your portfolio

**If you're curious about those investing in Russia**

We are against war and we stand with those affected in the Ukraine. But this

article from CNBC sheds light on [Russian ETFs](#) that are still active.

**If you're worried about a recession affecting your portfolio**

Here is Investopedia's [take](#) on a recession portfolio strategy.

**If you're looking for exposure to Chinese tech**

Here are [five ETFs](#) from ETFstream offering targeted exposure.

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Build a long-term portfolio in Pasiv.

## This week's poll

**Would you invest in Russia despite it's invasion of Ukraine?**

No, I would never

I'm neutral & indifferent

Yes, if there was deep value

Definitely, war means nothing

**Submit**

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