

Inflation Threatens The Markets

July 17, 2022 • Vol. 5



Fuel prices rise as inflation hits hard

-0.92%

Index Recap

The index fell this week as investors worried about a potential 100 basis point rate hike by the Fed, later this month.

Our top 3 scoops this week

1. US inflation hits new 40-year high leaving Wall Street shaken

Annual consumer prices jumped over 9% this week, forcing American consumers to dig into their stash to pay for fuel, housing and food. But commodities aren't all that's affected. The US stock market took a hit as investors feared that the Fed may hike interest rates by nearly [100 basis points](#) by the end of this month. Loretta Mester, President of the Federal Reserve Bank of Cleveland, advised officials to raise the rate by at least 75 basis points, claiming that there is no solid proof that inflation has reached its peak. Her remarks come as central banks around the [world](#) accelerate interest rate rises in an effort to quell the inflation spike.

[When will the CPI cool down?](#)

2. China's BYD takes on Tesla

Warren Buffett-backed BYD is making its way to Tesla's throne. The automotive manufacturer [overtook](#) Tesla as the world's biggest EV-maker by sales, reporting approximately 641,350 vehicles sold globally in the first half of this year. Meanwhile, Musk's automaker sold around 564,000 vehicles during the same period. Tesla blamed its poor performance on [delays](#) at its Shanghai factory with the return of COVID-19. Tesla has also had to recall some of its models due to an automatic emergency call system glitch. Certainly, BYD's growth is a testament to China's advancing leadership in the renewable energy sector. It's safe to say that the Chinese company isn't too far from gaining recognition from consumers worldwide.

[Is Tesla losing its grasp on the EV market?](#)

3. In Musk's Twitter drama, everybody loses

Musk wants to [terminate](#) his agreement to acquire Twitter, claiming that he wasn't given sufficient data on the number of bots and fake [accounts](#) on the platform. But Twitter is not one to back down. The social media company is [suing](#) Musk for violating the terms of the merger. Regardless of who wins the court battle, one thing is clear – everybody ultimately loses. Twitter's value has gone down significantly since the onset of the deal, leaving shareholders who bought based on Musk's promise worse-off. If the deal does not follow through, Twitter will have to revamp its operations. Going forward, companies might stop taking Musk's acquisition deals seriously. Only time will tell how this mess plays out so grab on to your popcorn and enjoy the show!

[Is there any way out of the Musk-Twitter fiasco?](#)

Pasiv can help you invest.

What this means for your portfolio

If you want to know more about the interest rate hike

Here's a piece from [The Guardian](#) that details what's driving the price rises

If you want to have a go at the EV market

[NYT](#) tells you how to do just that

If you want to know more about how Musk's Twitter deal went down

Here's a [timeline](#) of all the events that led the billionaire to this mess

Build a long-term portfolio in Pasiv.

This week's poll

Is inflation just a buying opportunity in disguise?

No, we're headed towards recession

Maybe, but I wouldn't

I'm counting on it

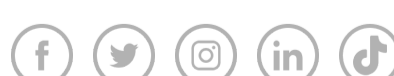
Yes, the Fed will eventually tame it

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