

Tightening is all but guaranteed

September 4, 2022 • Vol. 12



Risk assets & market continue to fall as Fed assures investors of sticking to quantitative tightening agenda

-3.28%

Index Recap

The index fell as the Fed's plan to continue raising rates amplified fears of an economic slowdown.

Our top 3 scoops this week

1. Nasdaq sheds 7% since Fed speech at Jackson Hole

Fed chief Jerome Powell's opening remarks at the Jackson Hole Symposium last week echoed the Central Bank's commitment to bring inflation back down to 2%. Powell confirmed that interest rates will remain elevated for a while, sending all three indexes tumbling into a week of sharp losses with Nasdaq falling [nearly 7%](#). Bullish investors expected that the Fed would lower interest rates in 2023 as economic pressures increase, but the Fed chair made it clear that slower growth is a necessary evil in the fight to contain inflation. Say hello to [quantitative tightening](#). [Will markets continue to bleed into the winter?](#)

2. Europe's energy reliance on Russia is visible to all

EU leaders have much to worry about. Russia's gas exports to Europe through the Nord Stream 1 pipeline was feared halted [indefinitely](#), only to get relief signs of resumption yesterday. Meanwhile electricity bills continue to soar as Europe's benchmark power prices have [doubled](#) in just two months. Russia's oil exports are [booming](#) and new trade agreements have given Putin the ammunition he needs to use energy as an economic weapon against Ukraine's allies. Europe's power struggles are dampening its economic prospects and no doubt contributing to the Euro currency slide. [Did European leaders miscalculate the pain from backing Ukraine?](#)

3. China-Taiwan tensions escalate as US restricts Nvidia's exports

Nvidia (Ticker : NVDA) is the latest casualty in the US-China technology spat. US officials asked the chipmaker to [halt](#) the export its high-powered A100 and H100 computer chips to China. The move could severely hinder Chinese companies' capacity to conduct advanced AI work and image recognition. The US claims that the requirement was imposed to prevent American technology in being used for China's military advancement. Meanwhile, Taiwan has been firing live ammunition at Chinese civilian drones almost daily, [shooting down](#) one this past week. [Will the Nvidia ban affect China's military might?](#)

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How this can impact your portfolio

If you want to make the most of a bear market

[SeekingAlpha](#) has four ETFs you can bet on to short stocks

If you want to learn more about investing in natural gas

This piece from [Investopedia](#) shares three of the top natural gas ETFs in 2022

If you want to have a go at the market for semiconductor chips

Here are ten of the best performing semiconductor ETFs according to [Yahoo! Finance](#)

[Build a long-term portfolio in Pasiv.](#)

This week's poll

Which country will be the hardest hit by Russia's gas disruption?

<input type="radio"/> Germany	<input type="radio"/> UK
<input type="radio"/> Czech Republic	<input type="radio"/> Poland

Winner of Last Week's Poll

We asked — "Will Saudi cut oil output in order to keep prices high?"

Lead response — "No, they will pump as much as possible, the announcement was just to stop the fall in prices"

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Pasiv Financial Ltd
P4-10A Park Towers, DIFC, Dubai
United Arab Emirates

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