



## Rising Rates and Inflation Take Their Toll on Mortgage Applications and Building Permits

April 20, 2023

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### MARKET MOVING HEADLINES

- Mortgage applications in US fall sharply by 8.8% in the week ended April 14, 2023
- US building permits fall more than expected - interest rates and inflation largely to blame.
- Cocoa prices hit highest level since August 2016.
- European stocks rise to 14-month high.
- Palladium surged above \$1,600 per ounce, its highest level in 2-months.
- Canadian inflation sinks to 19-month low.
- Iron ore retreats to over 3-month low.
- UK employment rises the most in 9-months.
- China investing heavily into Bolivia's lithium industry.
- Russian journalist Vladimir Kara-Murza sentenced to 25-years in prison on charges of treason.
- Gasoline futures fall to 3-week low.
- Lithium plummets 70% in 5-months.

## INTEREST RATES

### Interest Rates

#### US TREASURY MARKET

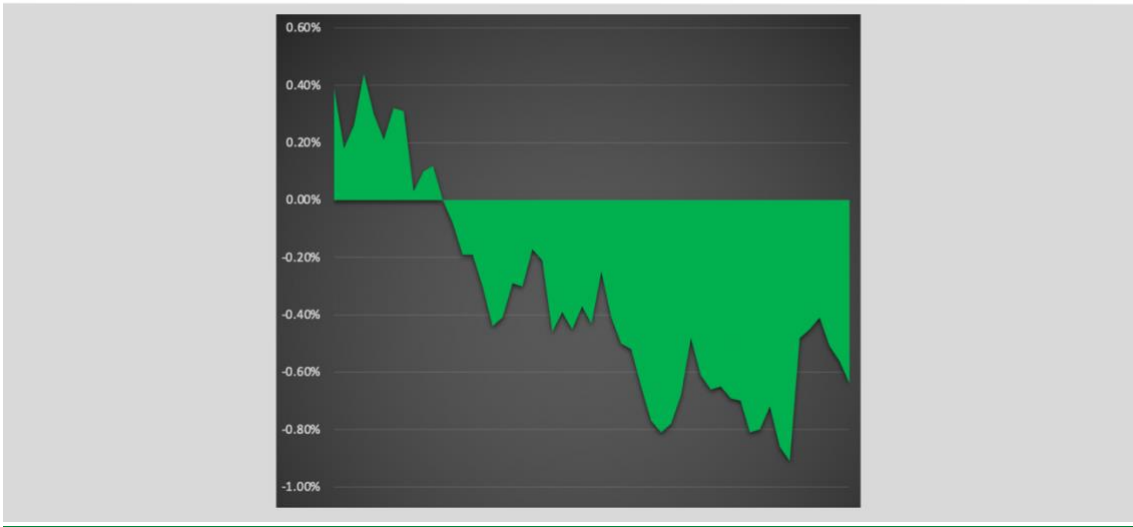
MATURITY	YIELD	7-DAY CHANGE
3M	5.16%	2.99%
2Y	4.26%	6.50%
5Y	3.73%	6.27%
10Y	3.62%	5.23%
30Y	3.81%	3.81%

### Interest Rates

#### 2Y - 10Y SPREAD

DATE	SPREAD
2/27/23	-0.86%
3/6/23	-0.91%
3/13/23	-0.48%
3/20/23	-0.45%
3/27/23	-0.41%
4/3/23	-0.51%
4/10/23	-0.56%
4/17/23	-0.64%

## 2Y-10Y SPREAD - PAST 12 MONTHS



## CURRENCIES



### Currencies

CURRENCY PAIR	PRICE	7-DAY CHANGE
EUR/USD	1.095	-0.45%
USD/JPY	134.776	1.20%
GBP/USD	1.244	-0.32%
AUD/USD	0.672	0.45%
USD/CAD	1.344	0.07%
USD/CNY	6.894	0.25%
USD/CHF	0.897	0.22%
USD/HKD	7.850	0.01%
USD/MXN	18.043	-0.10%
USD/KRW	1331.100	0.63%

## COMMODITIES

### Commodities

COMMODITY	PRICE	7-DAY CHANGE
Brent Crude Oil	83.577	-4.50%
WTI Crude Oil	79.653	-4.68%
Natural Gas	2.242	6.46%
Gold	1995.400	-0.61%
Silver	25.284	0.02%
Copper	4.072	-0.10%
Steel	3952.000	-0.50%
Coffee	201.150	5.76%
Sugar	24.340	1.33%
Cocoa	3081.000	4.41%
Cotton	83.670	1.31%

## CONCEPT OF THE WEEK: WHAT IS FINANCIAL RISK MANAGEMENT

Financial risk management is the process of evaluating and managing current and possible financial outcomes to decrease an organization's exposure to risk. Financial risk management involves identifying the risk, measuring it, evaluating remedies, developing a strategy, and then implementing the steps and financial instruments necessary to minimize adverse results.

Some concepts specific to financial risk management include:

- Risk management is better than risk avoidance
- Financial instruments such as derivatives are a common tool used in risk management
- Derivatives can be effective at managing financial risk
- The main financial risk management strategies are risk avoidance, risk reduction, risk transfer, and risk retention

Protect the economic value of your organization by managing its exposure to financial risk.

## QUOTE OF THE WEEK

“Humans have a remarkable ability to accept the abnormal and make it normal.” – Andy Weir

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