



US Inflation Rate Falls More than Expected

July 13, 2023

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MARKET MOVING HEADLINES

- The annual inflation rate in the US slowed to 3% in June of 2023.
- The 2Y – 10Y Treasury yield curve surpasses 12 months of being inverted.
- Mexican peso hits highest level since 2015.
- Brent crude is back above \$80.
- The Bank of Canada raised the target for its overnight rate by 25bps.
- Swiss Franc climbs to over 8-year high.
- The US 30-year mortgage rate tops 7%.
- Sterling climbs to a 15-month high.
- EU natural gas prices fell to a 1-month low.
- Dutch trade surplus widens in May.
- Japan machinery orders fell sharply in May 2023.

INTEREST RATES

Interest Rates

US TREASURY MARKET

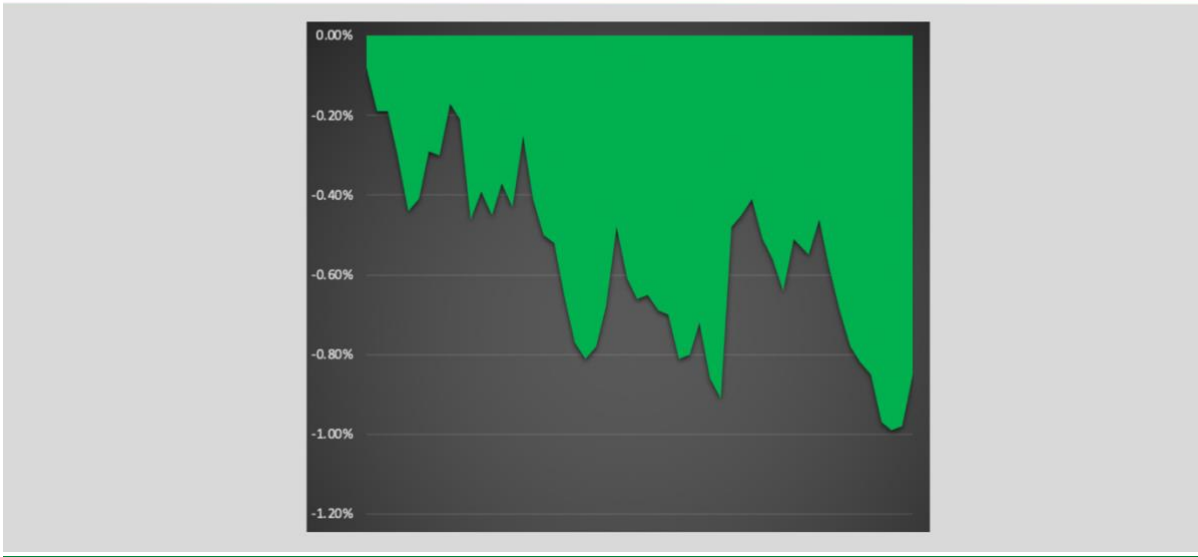
MATURITY	YIELD	7-DAY CHANGE
3M	5.39%	0.37%
2Y	4.62%	-8.15%
5Y	3.96%	-9.59%
10Y	3.77%	-6.91%
30Y	3.90%	-2.50%

Interest Rates

2Y - 10Y SPREAD

DATE	SPREAD
5/25/23	-0.69%
6/1/23	-0.78%
6/8/23	-0.82%
6/15/23	-0.85%
6/22/23	-0.97%
6/29/23	-0.99%
7/6/23	-0.98%
7/13/23	-0.85%

2Y-10Y SPREAD - PAST 12 MONTHS



CURRENCIES

Currencies

CURRENCY PAIR	PRICE	7-DAY CHANGE
EUR/USD	1.120	3.04%
USD/JPY	138.035	-4.24%
GBP/USD	1.311	2.99%
AUD/USD	0.688	3.93%
USD/CAD	1.312	-1.80%
USD/CNY	7.152	-1.49%
USD/CHF	0.858	-4.24%
USD/HKD	7.822	0.01%
USD/MXN	16.854	-3.00%
USD/KRW	1268.940	-3.04%

COMMODITIES

 **Commodities**

COMMODITY	PRICE	7-DAY CHANGE
Brent Crude Oil	80.391	5.71%
WTI Crude Oil	75.833	6.44%
Natural Gas	2.579	-3.98%
Gold	1958.620	2.52%
Silver	24.667	8.70%
Copper	3.925	5.34%
Steel	3720.000	-0.32%
Coffee	159.500	0.16%
Sugar	23.870	2.62%
Cocoa	3245.000	-2.44%
Cotton	82.480	-1.81%

CONCEPT OF THE WEEK: SETTING UP A FINANCIAL RISK MANAGEMENT PROGRAM

Setting up a financial risk management program involves several steps to ensure comprehensive risk identification, assessment, mitigation, and monitoring. Some key steps to consider include:

- Define objectives: Clearly define the objectives of the program by determining the risks that need to be addressed.
- Establish a risk management framework: Develop the framework that includes policies, procedures and guidelines for risk identification, measurement, monitoring, and reporting.
- Identify and measure risks and determine risk appetite: A comprehensive assessment will help you to understand the likelihood and impact of each risk.
- Prioritize risks: Prioritize risks based on their potential impact on the organization and the likelihood of occurrence.
- Develop risk management strategies: This may involve implementing risk controls, transferring risk through insurance, or hedging instruments, diversifying investments, and creating contingency plans.
- Monitor and review: Monitor key risk indicators, conduct regular risk assessments, and evaluate the effectiveness of risk management strategies.
- Adjust and improve: Learn from the past and update risk management strategies accordingly.
- Establish a risk culture: Foster a risk-aware culture throughout the organization.

The specific steps and their implementation will vary depending on the nature and complexity of your organization and its risk profile. Consulting with risk management professionals will provide valuable insights and guidance tailored to your specific needs.

QUOTE OF THE WEEK

“The more you know about the past, the better prepared you are for the future.” – Theodore Roosevelt

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