



Financial Markets Review

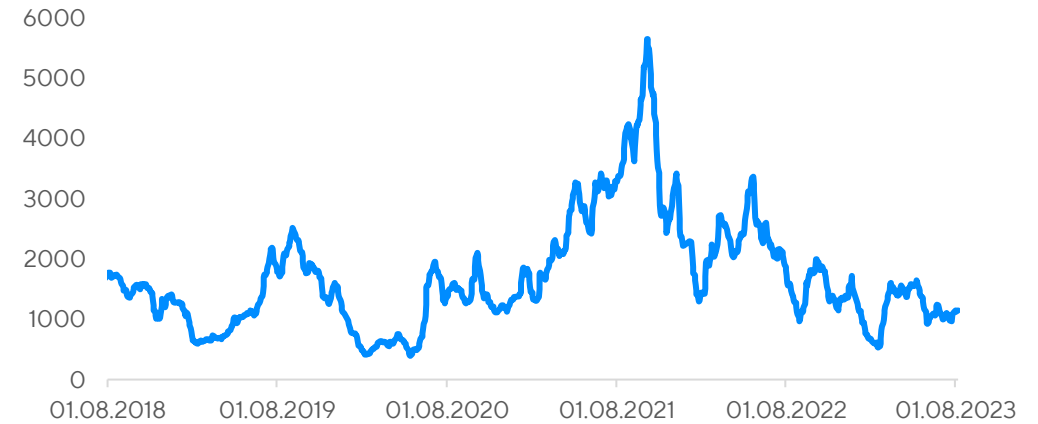
Economic activity is declining

Logistics giant Maersk reported a sharp drop in second-quarter revenue caused by a decrease in container prices and warned of a deeper decline in demand for shipping containers. The company expects transportation volumes to decline by as much as 4% compared to the previous worst-case scenario of 2.5% as companies reduce their inventories due to the risks of a recession in Europe and the US.

OPEC leader Saudi Arabia is extending oil production cut for at least another month, which threatens to further raise gasoline and other energy prices. An official source from Saudi Arabia's Energy Ministry reports that the kingdom will extend this voluntary reduction of one million barrels a day throughout September. This is the second time in a row Saudi Arabia has extended its cut in oil production. At the same time, Russia also announced plans to reduce oil exports by 300,000 barrels a day in September.

Fitch downgraded the US credit rating from AAA to AA+. Fitch joined its competitor Standard & Poor's, which had already performed such reduction in 2011. Explaining the decision, Fitch cited "the expected fiscal deterioration over the next three years, the high and increasing government debt burden, as well as the risks of ongoing last-minute disputes over the revision of the government debt ceiling."

Baltic Dry Index (shipping freight-cost index)



Source: Bloomberg

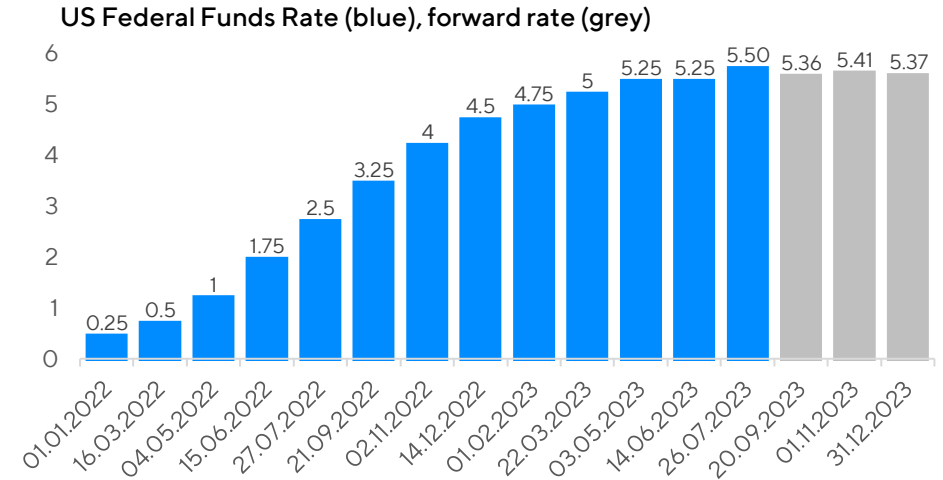
“Fitch downgrades US credit rating”

Fed raises interest rate by another 25 basis points

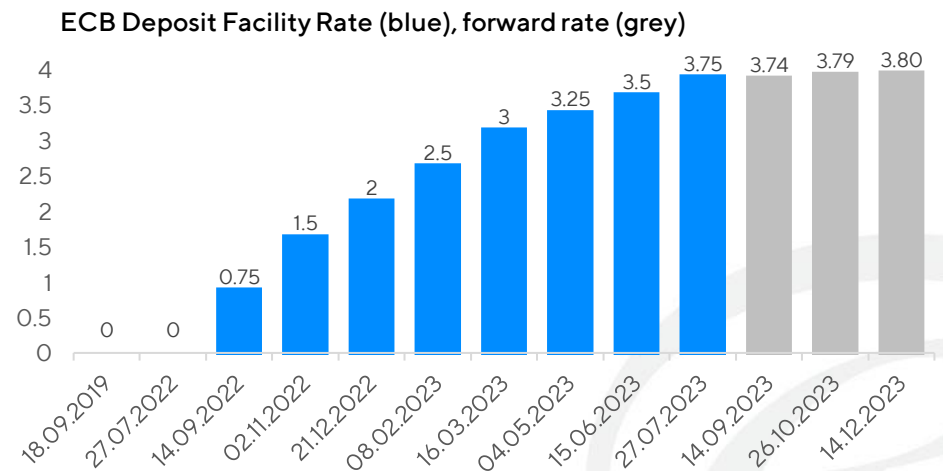
On July 26, the Fed decided to increase interest rate by another 25 basis points to a level of 5.25%-5.5%. This is the highest interest rate level in the last 22 years. The Fed sees results in the battle against inflation; however, it believes there is still a way to go to reach the 2% target. Jerome Powell stressed that he is ready to raise the interest rate in September, but given satisfactory economic readings the rate is likely to stay the same. Forward interest rate trajectory suggests that the interest rate will remain unchanged until the end of the year, thus, predicting that the Fed has completed its hiking cycle. The Fed's next meeting is scheduled for September 19-20.

European Central Bank raises rates by 25 basis points

On July 27, European Central Bank raised interest rates by another 25 basis points, resulting in a deposit rate of 3.75% - the highest level in the last 22 years. This was the ninth rate hike since the ECB started raising rates in July 2022. Christine Lagarde also did not promise an increase in the interest rate at the next ECB meeting, but she also did not rule out such a possibility. Forward interest rate trajectory suggests that the interest rate could increase once more by the end of the year, thereby, predicting that the ECB has completed or is close to the end of its hike cycle. The next ECB meeting is scheduled for September 14.



Source: Bloomberg



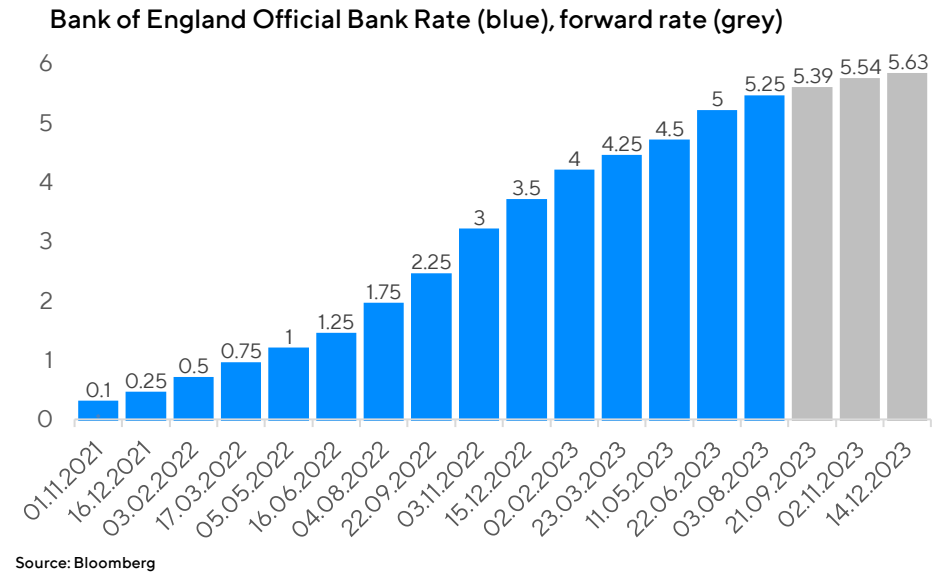
Source: Bloomberg

Bank of England increases rate by 25 basis points

Continuing its battle against the high inflation, the BoE raised its base rate for the 14th consecutive time by another 25 basis points to 5.25% - the highest level since 2008. Despite the fact that the BoE does not predict British economy to slump into a recession, it still expects that until 2026 the economy will stagnate with interest rates remaining elevated for an extended period of time. According to the market's expectations, the BoE will raise the interest rate by further 50 basis points to 5.75% by the year end.

Bank of Japan keeps interest rate unchanged

Once again, the BoJ did not change the interest rate; however, this time there were slight adjustments to the yield curve control policy. The BoJ maintained its yield curve control targets set at -0.1% for short-term interest rates and about 0% for 10-year bond yields. The central bank also kept its setup that allows 10-year bond yields to move 50 basis points in both directions from the 0% target. The difference from the previous meetings is that the BoJ will now allow the 10-year bond yields to move more than 50 basis points in each direction from the 0% target, with the +/- 50bps boundaries acting as soft targets rather than strict limits. The BoJ also announced that it would issue 10-year bonds with a yield of 1%, signaling that it was ready to allow bond yields to increase by 100 basis points.



“Bank of Japan ready to tolerate the long-term yield at 1%”

Inflation falls, but unemployment remains low

Inflation rate in the Eurozone fell 0.3 percentage points in July compared to June, amounting to 5.3% in annual terms. The core inflation rate remains at 5.5%. In the US, inflation rate fell 1.1 percentage point to 3% in June. Core inflation rate remains more resilient, declining by 0.5 percentage points to 4.8% in annual terms. In the UK, inflation rate fell 0.8 percentage points to 7.9% in June, reaching the lowest level since March 2022. Japan's inflation rate rose 0.1 percentage point to 3.3% in June.

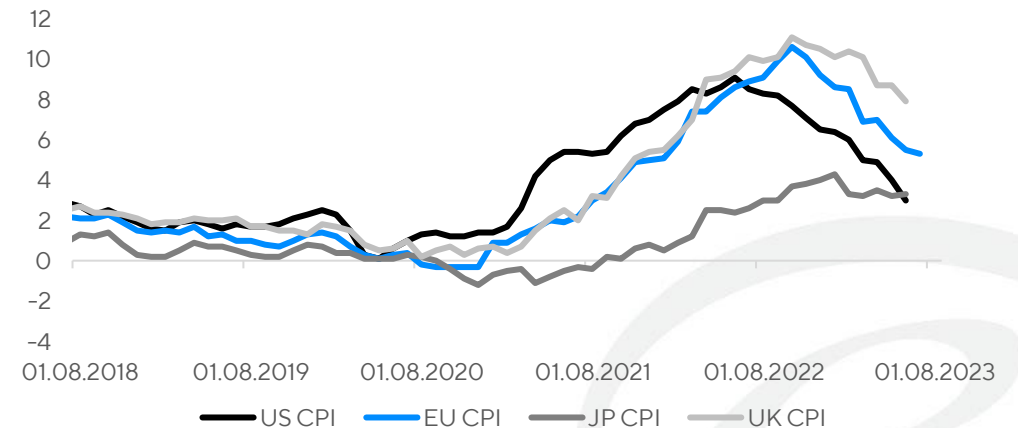
The unemployment rate in the US fell by 0.1 percentage point in July, amounting to 3.5%, while the number of non-farm payrolls increased by 187 thousand, which was within the forecasts. The euro area unemployment rate has remained at 6.4% since April - the lowest unemployment rate since 1995. In Britain, unemployment rate rose 0.2 percentage points in May reaching 4%. Japan's unemployment rate fell 0.1 percentage point to 2.5% in June.

Economic Calendar

DATE	COUNTRY	REPORT	FORECAST
10 / 08 / 23	US	Inflation Rate YoY (JUL)	3.1%
11 / 08 / 23	GB	GDP Q2 2023 (QoQ)	0.1%
15 / 08 / 23	JP	GDP Q2 2023 (QoQ)	1%
15 / 08 / 23	GB	Unemployment rate (JUN)	4%
16 / 08 / 23	GB	Inflation Rate YoY (JUL)	7.4%
18 / 08 / 23	JP	Inflation Rate YoY (JUL)	-
31 / 08 / 23	Euro Area	Inflation Rate YoY (AUG)	-
31 / 08 / 23	Euro Area	Unemployment rate (JUL)	6.4%
01 / 09 / 23	US	Non-Farm Payrolls / Unemployment Rate (MAR)	-

Source: Trading Economics

Inflation rate (%)



Source: Bloomberg

EUR Bonds List

German Bunds

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Federal Republic of Germany	EUR	3.22	15.08.2024	NR	97.78	1	DE0001102366	0.01
Federal Republic of Germany	EUR	2.93	15.08.2025	NR	96.26	1	DE0001102382	0.01
Federal Republic of Germany	EUR	2.66	15.08.2026	NR	92.38	0	DE0001102408	0.01
Federal Republic of Germany	EUR	2.52	15.08.2027	NR	92.37	0.5	DE0001102424	0.01
Federal Republic of Germany	EUR	2.46	15.08.2028	NR	89.66	0.25	DE0001102457	0.01
Federal Republic of Germany	EUR	2.42	15.08.2029	NR	86.57	0	DE0001102473	0.01
Federal Republic of Germany	EUR	2.44	15.08.2032	NR	94.06	1.7	DE0001102606	0.01
Federal Republic of Germany	EUR	2.51	15.08.2052	NR	48.60	0	DE0001102572	0.01

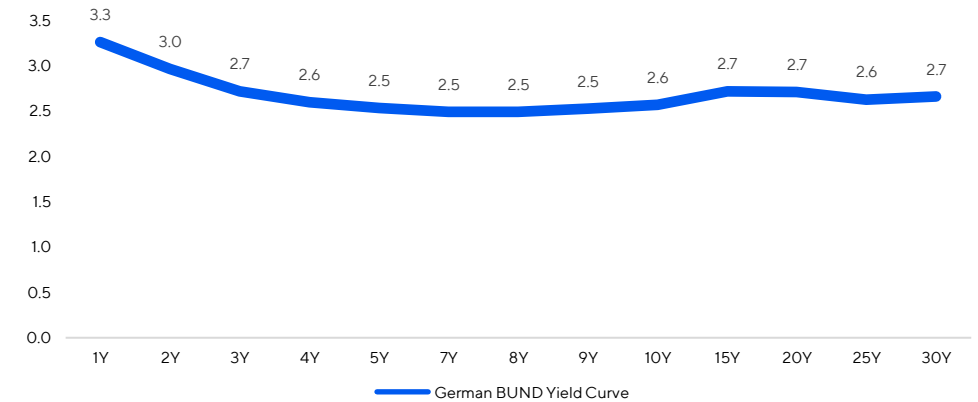
Source: Bloomberg

Investment Grade

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Portuguese Republic	EUR	3.09	15.02.2024	NR	101.19	5.65	PTOTEQOE0015	0.01
Republic of Latvia	EUR	3.33	30.04.2024	A-	99.37	2.875	XS1063399536	100 000
French Republic	EUR	3.23	25.11.2024	NR	98.10	1.75	FR0011962398	1
Republic of Poland	EUR	3.46	20.01.2025	A-	102.09	5.25	XS0479333311	1000
Republic of Lithuania	EUR	3.84	06.05.2025	A	93.72	0.25	XS2168038417	1000
Portuguese Republic	EUR	2.87	15.10.2025	NR	99.91	2.875	PTOTEKOE0011	0.01
French Republic	EUR	3.00	25.11.2025	NR	95.59	1	FR0012938116	1
Romania	EUR	4.61	27.09.2026	BBB-	100.73	5	XS2538440780	1000
Republic of Latvia	EUR	3.50	07.10.2026	A-	90.40	0.375	XS1501554874	100 000
Kingdom of Spain	EUR	3.15	31.10.2026	BBB+	94.35	1.3	ES00000128H5	1000
Republic of Latvia	EUR	3.27	25.03.2027	A-	101.65	3.875	XS2549862758	100 000
Republic of Poland	EUR	3.35	22.10.2027	A-	91.98	1.375	XS1584894650	1000
French Republic	EUR	2.83	25.02.2028	NR	91.20	0.75	FR001400AIN5	1
Republic of Lithuania	EUR	3.67	25.04.2028	A	101.39	4.125	XS2547270756	1000
Republic of Latvia	EUR	3.73	24.01.2029	A-	81.37	0	XS2361416915	100 000
Republic of Lithuania	EUR	3.75	01.06.2032	A	87.47	2.125	XS2487342649	1000
Republic of Estonia	EUR	3.62	12.10.2032	NR	102.41	4	XS2532370231	1000
French Republic	EUR	2.97	25.11.2032	NR	92.17	2	FR001400BKZ3	1

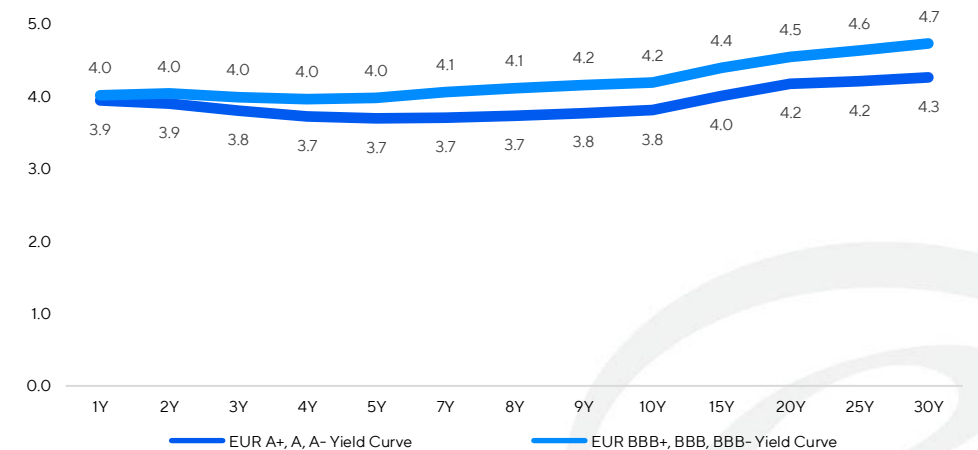
Source: Bloomberg

German Bund Yield Curve



Source: Bloomberg

Investment Grade Bonds Yield Curve



Source: Bloomberg

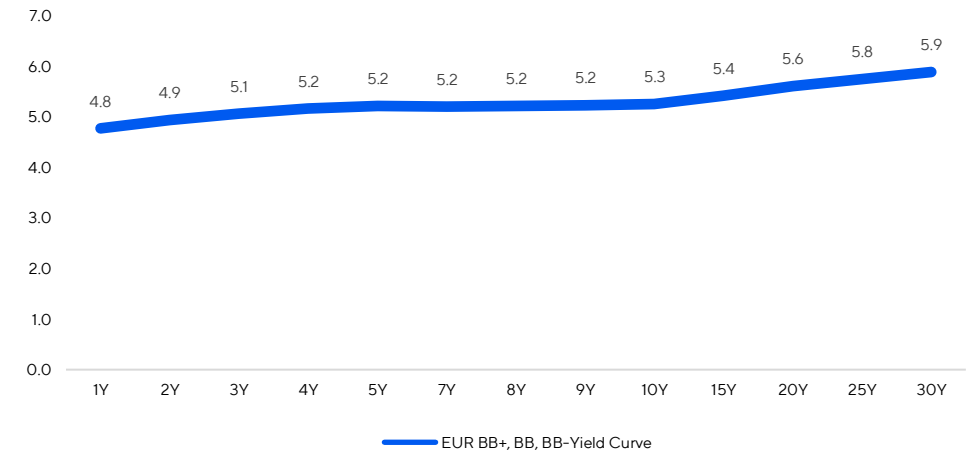
EUR Bonds List

High Yield

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Air Baltic Corp AS	EUR	11.40	30.07.2024	NR	94.27	6.75	XS1843432821	100 000
Republic of Montenegro	EUR	5.87	21.04.2025	B	95.62	3.375	XS1807201899	100 000
Nokia Oyj	EUR	3.86	15.05.2025	BB+	97.29	2.375	XS2171759256	100 000
Republic of Turkey	EUR	5.05	14.06.2025	B-	96.52	3.25	XS1629918415	100 000
Renault SA	EUR	3.48	28.11.2025	BB+	94.07	1	FR0013299435	1 000
Cemex SAB de CV	EUR	4.42	19.03.2026	BB+	96.45	3.125	XS1964617879	100 000
Republic of Colombia	EUR	5.28	22.03.2026	BB+	96.27	3.875	XS1385239006	100 000
KOC Holding AS	EUR	5.43	27.05.2026	BB-	93.38	3	XS2346972263	100 000
Akropolis Group Uab	EUR	8.25	02.06.2026	BB+	86.05	2.875	XS2346869097	100 000
Republic of North Macedonia	EUR	5.67	03.06.2026	BB	94.49	3.675	XS2181690665	100 000
Republic of South Africa	EUR	4.98	24.07.2026	BB-	96.30	3.75	XS1090107159	100 000
Deutsche Lufthansa AG	EUR	5.19	16.05.2027	BB+	91.88	2.875	XS2408458730	100 000
Maxima Grupe UAB	EUR	6.38	12.07.2027	NR	98.63	6.25	XS2485155464	100 000
Republic of Montenegro	EUR	6.74	16.12.2027	B	85.36	2.875	XS2270576700	100 000
Petroleos Mexicanos	EUR	10.57	21.02.2028	BB	79.78	4.875	XS1568888777	100 000
Republic of North Macedonia	EUR	6.04	10.03.2028	BB	82.31	1.625	XS2310118893	100 000
Goodyear Tire & Rubber Co/The	EUR	5.67	15.08.2028	BB-	86.78	2.75	XS2390510142	100 000
Deutsche Lufthansa AG	EUR	5.26	14.07.2029	BB+	90.85	3.5	XS2363235107	100 000
Petroleos Mexicanos	EUR	10.68	26.02.2029	BB	75.61	4.75	XS1824424706	100 000

Source: Bloomberg

High Yield Bonds Yield Curve



Source: Bloomberg

*“Contact your
Broker for more
information”*

USD Bonds List

US Treasuries

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
United States of America	USD	5.19	31.10.2024	NR	99.04	4.375	US91282CFQ96	100
United States of America	USD	4.64	15.11.2025	NR	99.70	4.5	US91282CFW64	100
United States of America	USD	4.35	15.11.2026	NR	92.92	2	US912828U246	100
United States of America	USD	4.21	31.10.2027	NR	99.66	4.125	US91282CFU09	100
United States of America	USD	4.12	15.11.2028	NR	95.32	3.125	US9128285M81	100
United States of America	USD	4.11	31.10.2029	NR	99.40	4	US91282CFT36	100
United States of America	USD	4.03	15.11.2032	NR	100.72	4.125	US91282CFV81	100
United States of America	USD	4.18	15.11.2052	NR	96.98	4	US912810TL26	100

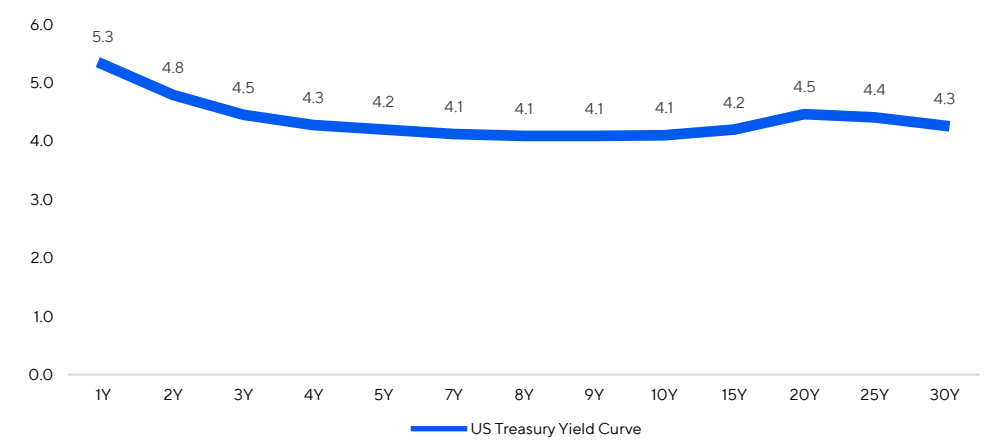
Source: Bloomberg

Investment Grade

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Apple Inc	USD	4.99	11.09.2024	AA+	96.63	1.8	US037833DM97	2 000
Bharat Petroleum Corp Ltd	USD	5.66	08.05.2025	BBB-	97.22	4	XS1227064430	200 000
Toyota Motor Corp	USD	5.15	30.06.2025	A+	97.83	3.95	US89236TKC89	2 000
Republic of Peru	USD	5.46	21.07.2025	BBB	103.20	7.35	US715638AS19	100 000
Boeing Co/The	USD	5.47	04.02.2026	BBB-	92.39	2.196	US097023DG73	2 000
Republic of the Philippines	USD	4.70	30.03.2026	BBB	101.68	5.5	US718286BN61	200 000
Asian Development Bank	USD	4.41	20.01.2027	AAA	90.74	1.5	US045167FH18	1 000
Coca-Cola Co/The	USD	4.44	25.03.2027	A+	96.38	3.375	US191216CR95	2 000
Starbucks Corp	USD	4.82	15.11.2028	BBB+	96.14	4	US855244AR02	2 000
Republic of Indonesia	USD	4.78	14.02.2030	BBB	88.96	2.85	US455780CQ75	200 000
Oracle Corp	USD	5.37	25.03.2031	BBB	84.46	2.875	US68389XCE31	2 000
Merck & Co Inc	USD	4.83	10.12.2031	A+	81.66	2.15	US58933YBE41	2 000
Advanced Micro Devices Inc	USD	4.84	01.06.2032	A-	93.39	3.924	US007903BF39	2 000
United Mexican States	USD	5.73	27.09.2034	BBB-	107.71	6.75	US91086QAS75	1 000
Vale SA	USD	6.30	21.11.2036	BBB-	104.93	6.875	US91911TAH68	2 000
Vale SA	USD	5.93	11.09.2042	BBB-	96.17	5.625	US91912EAA38	2 000
Republic of Chile	USD	5.42	30.10.2042	A-	78.21	3.625	US168863BP27	150 000

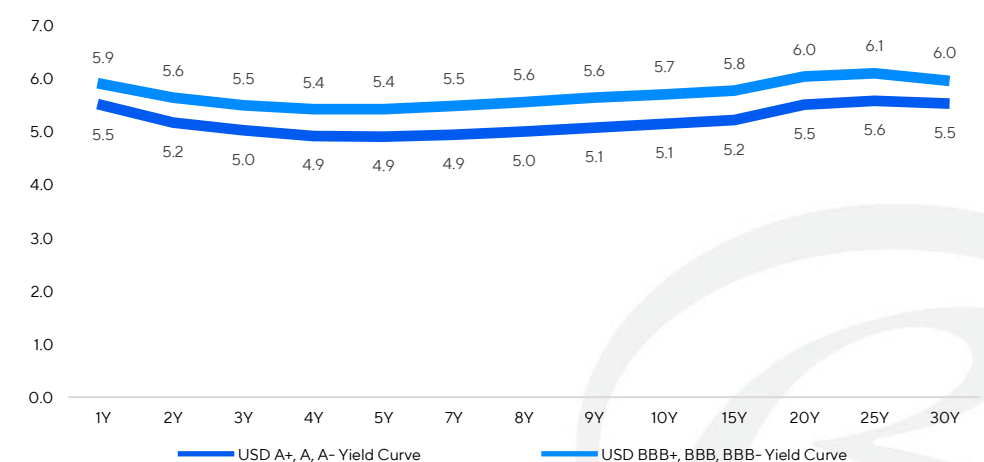
Source: Bloomberg

US Treasuries Yield Curve



Source: Bloomberg

Investment Grade Bonds Yield Curve



Source: Bloomberg

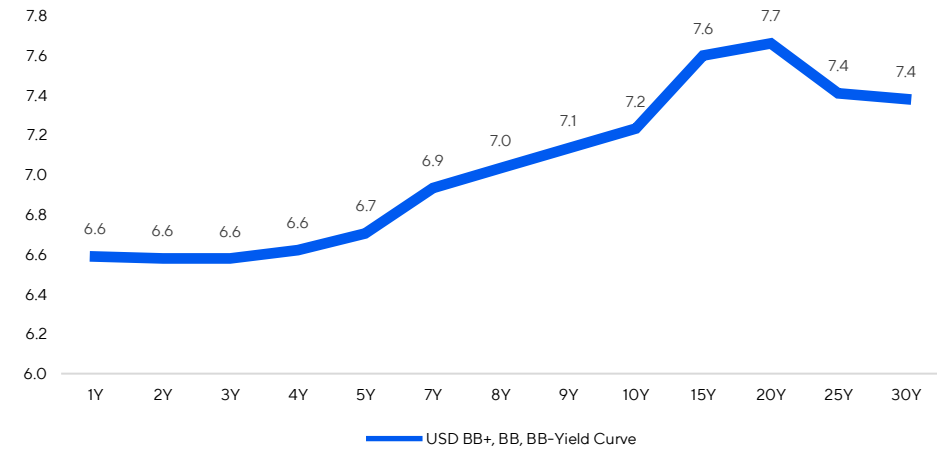
USD Bonds List

High Yield

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Stena AB	USD	6.84	01.02.2024	B+	99.99	7	USW8758PAK22	200 000
Republic of Uzbekistan	USD	6.02	20.02.2024	BB-	98.97	4.75	XS1953916290	200 000
Government of Mongolia	USD	6.66	09.03.2024	B	100.80	8.75	USY6142NAA64	200 000
Socialist Republic of Vietnam	USD	6.09	19.11.2024	BB	98.06	4.8	USY9384RAA87	200 000
Federative Republic of Brazil	USD	5.41	07.01.2025	BB-	98.15	4.25	USI05756BV13	200 000
Republic of Armenia	USD	6.10	26.03.2025	BB-	101.12	7.15	XS1207654853	200 000
Republic of Costa Rica	USD	5.62	30.04.2025	B+	97.60	4.375	USP3699PGE18	200 000
Istanbul Metropolitan Municipality	USD	9.77	09.12.2025	B-	92.46	6.375	XS2010029234	200 000
Volcan Cia Minera SAA	USD	21.83	11.02.2026	B	67.35	4.375	USP98047AC08	2 000
Marfrig Global Foods SA	USD	7.81	14.05.2026	BB+	97.86	7	USU63768AA01	200 000
Sibanye Stillwater Ltd	USD	7.64	16.11.2026	BB	89.50	4	USU85969AE07	200 000
Sultanate of Oman	USD	5.73	08.03.2027	BB	98.52	5.375	XS1575967218	200 000
Republic of Turkey	USD	7.67	25.03.2027	B-	94.36	6	US900123CL22	200 000
Republic of Colombia	USD	6.23	25.04.2027	BB+	92.02	3.875	US195325DL65	200 000
Anadolu Efes Biracilik Ve Malt	USD	7.37	29.06.2028	BB+	82.62	3.375	XS2355105292	200 000
Eskom Holdings SOC Ltd	USD	7.67	10.08.2028	BB-	94.39	6.35	XS1864523300	200 000
Republic of South Africa	USD	6.56	12.10.2028	BB-	89.94	4.3	US836205AU87	200 000
Anadolu Efes Biracilik Ve Malt	USD	6.49	20.01.2029	BBB-	90.78	4.5	XS2434515313	200 000
Republic of Uzbekistan	USD	6.76	20.02.2029	BB-	93.26	5.375	XS1953915136	200 000
Republic of Armenia	USD	7.09	26.09.2029	BB-	84.13	3.95	XS2010043904	200 000
Republic of Turkey	USD	8.00	15.01.2030	B-	118.67	11.875	US900123AL40	1 000
State Oil Co of the Azerbaijan	USD	6.12	18.03.2030	BB	103.88	6.95	XS1196496688	200 000
Marfrig Global Foods SA	USD	8.99	29.01.2031	BB+	72.70	3.95	USG5825AAC65	200 000
Republic of Turkey	USD	8.32	17.03.2036	B-	88.41	6.875	US900123AY60	2 000
Federative Republic of Brazil	USD	6.36	20.01.2037	BB-	106.49	7.125	USI05756BK57	1 000
Federative Republic of Brazil	USD	6.82	27.01.2045	BB-	78.96	5	USI05756BW95	200 000
Sultanate of Oman	USD	6.87	08.03.2047	BB	95.21	6.5	XS1575968026	200 000

Source: Bloomberg

High Yield Bonds Yield Curve



Source: Bloomberg

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Disclaimer:

Report date: August 9, 2023

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