



Financial Markets Review

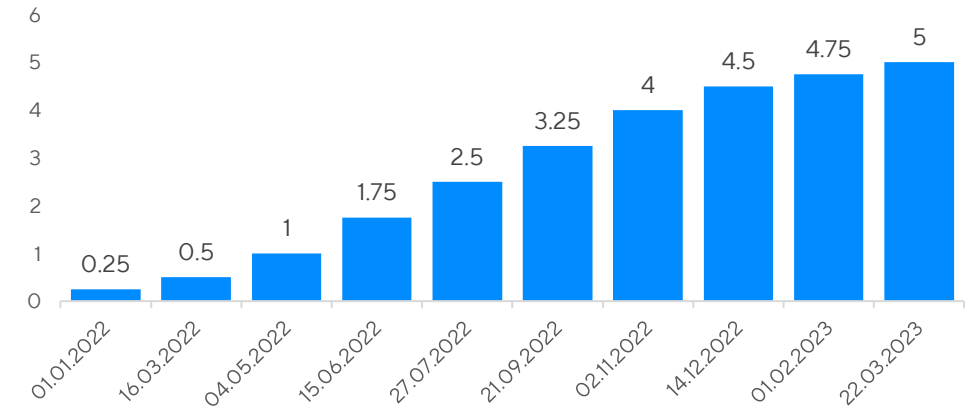
Fed raises interest rate by only 25 basis points

On March 22, for the second consecutive meeting, the Fed raised the interest rate by only 25 basis points to 4.75%-5%. This was already the ninth interest rate increase since March 2022, resulting in the highest rate level since 2007. Although many had believed that with instability in the banking sector, the Fed would pause the rate hikes, Fed's chairman, Jerome Powell, insisted that the fight against inflation is not yet over and that the main goal of the Fed is to ensure price stability. The Fed's forecast for the interest rate path has remained unchanged with interest rate ceiling at 5.1%, implying just one additional 25 basis points increase. From the 18 of the Fed's representatives, seven believe the interest rate might be lifted higher. Despite the large dispersion of the forecasts, the overall outlook of Fed's representatives suggests that the interest rate will decrease by 0.8 percentage points in 2024, and further 1.2 percentage points in 2025.

European Central Bank raises rates by 50 basis points

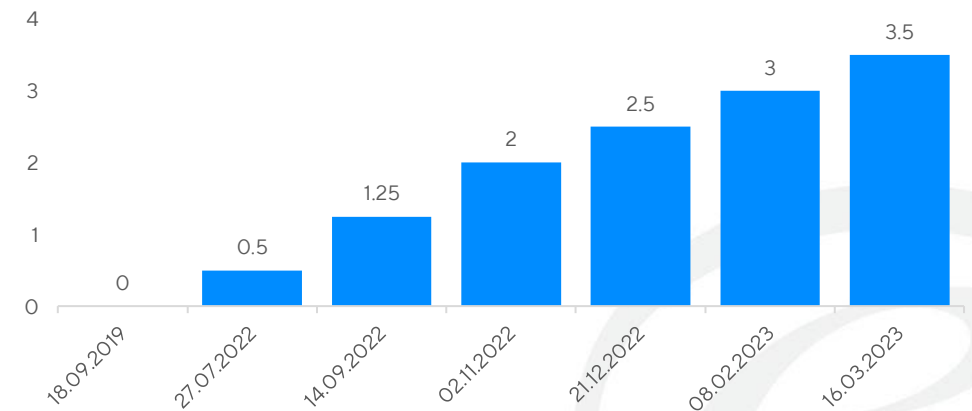
On March 16, the ECB raised interest rates by another 50 basis points, with the refinancing rate now standing at 3.5%. This was already the sixth rate hike since the ECB started raising rates in July 2022. In her statement to the press, Lagarde emphasized that price stability is the ECB's primary objective; however, the ECB is carefully following the situation and, in case of need, is ready to take necessary actions to preserve the stability of the financial system. The ECB expects inflation in the euro area to decline to 5.3% this year, to 2.4% in 2024, and 2.1% in 2025.

US Federal Funds Rate



Source: Bloomberg

ECB Main Refinancing Rate



Source: Bloomberg

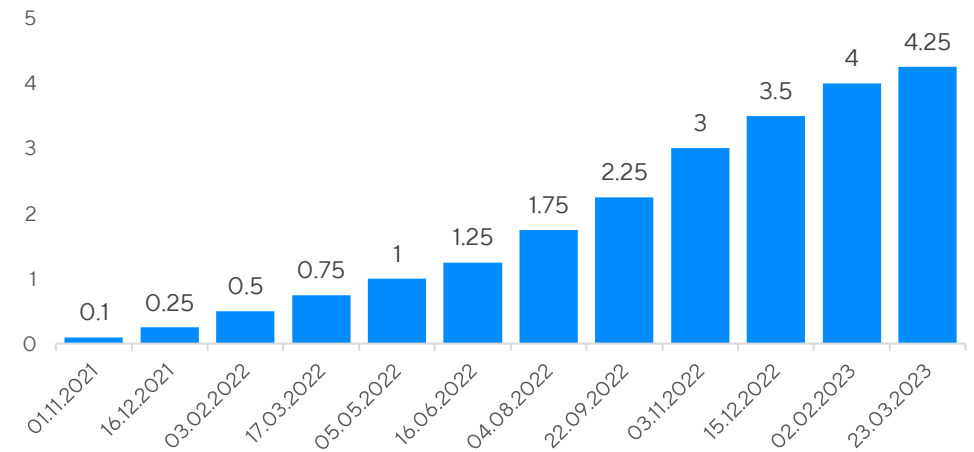
Bank of England hikes by 25 basis points

After an unexpected surge in inflation in February, the Bank of England (BoE) raised the base rate by 25 basis points to 4.25%, the highest level since 2008. According to BoE's officials, the UK's economy is unlikely to enter an immediate recession. BoE's governor Andrew Bailey said that the UK's economy had been balancing on a knife's edge on whether it would or would not slip into a recession, but, currently, his outlook is optimistic. Nevertheless, Bailey added that Britain's economy has not fully recovered and only a slight increase is expected in the coming months.

Bank of Japan leaves interest rate unchanged

At the last meeting before the change of the chairman, the Bank of Japan (BoJ) kept the interest rate and its yield curve control policy unchanged. The yield curve control targets remain the same at -0.1% for short-term interest rates and about 0% for 10-year bond yields. The bands for 10Y government bond yield are unchanged at +/- 0.5 percentage points from the 0% target. After BoJ's December 20 decision to widen the bands by 25 basis points, the yield on 10Y government bonds approached the upper limit of 0.5%; however, following the most recent BoJ's announcement, the yield has declined to 0.3%.

UK Bank of England Official Bank Rate



Source: Bloomberg

“Bank of Japan to change only the governor”

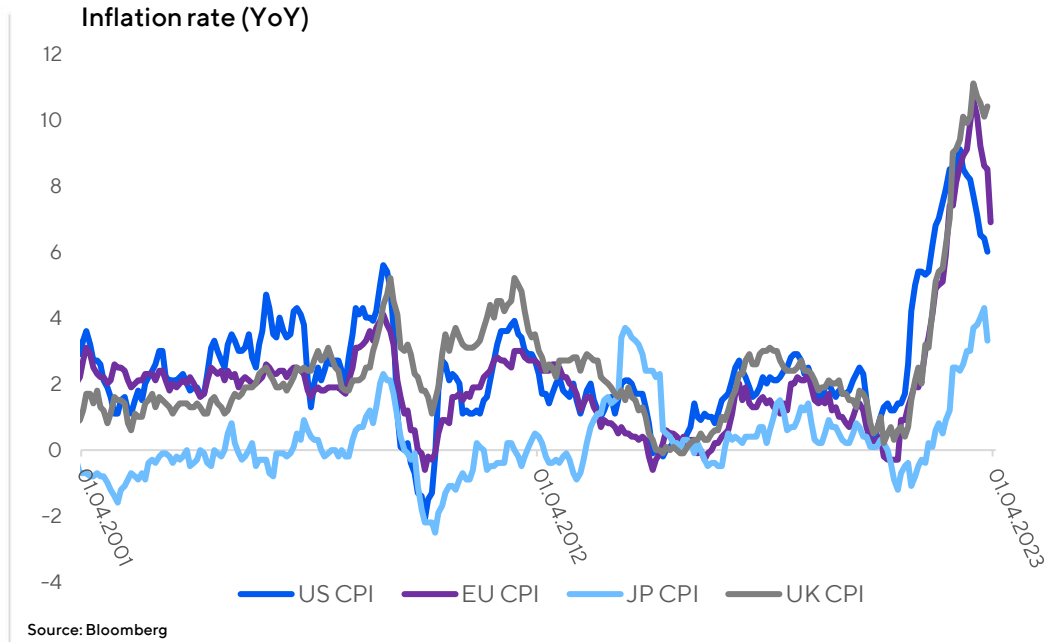
Inflation data is the key driver of the market

In March, inflation in Europe fell for the fifth straight month, surpassing expectations. The euro area inflation rate in March was 6.9% in annualised terms, which was below the forecasted 7.1%. The core inflation rate, however, rose 0.1 percentage point to 5.7% - a new record for the indicator with data going back to January 1991.

The US inflation rate for February came in at 6% YoY, slowing for the eighth consecutive month. Despite it being the lowest reading since September 2021, it's still far from the Fed's 2% target. Inflation in the US peaked in June 2022 at 9.1%, the highest level in more than 40 years.

UK's inflation unexpectedly increased by 0.3 percentage points to 10.4% in February, remaining in the double-digit territory and at levels not seen for more than 40 years. The peak inflation was, presumably, reached in October 2022 - 11.1%. Given the plunge in energy prices and the weak UK economy, inflation is expected to decrease going forward.

Japan's inflation rate fell to 3.3% in February - down from the 40-year high of 4.3% reached in January 2022. The falling inflation favours BoJ, which remains stubborn in regard to raising interest rates.



“Inflation rate falls with the decline in energy costs”

Unemployment around the world remains very low, complicating the fight against the high inflation

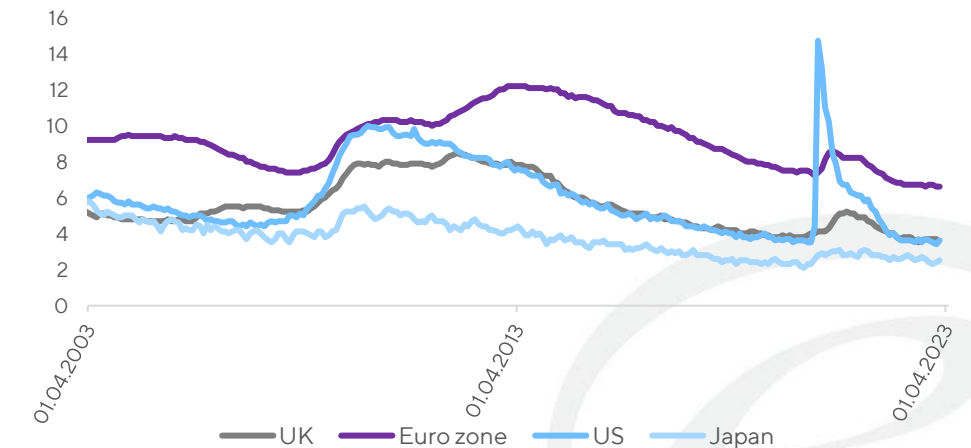
The US unemployment rate rose by 0.2 percentage points in February to 3.6%, retreating from the 50-year low of 3.4% recorded in the previous month. The number of job openings in the US remains around the 11 million mark, translating in approximately two openings per every unemployed person. In the UK, January's unemployment rate came in at 3.7% for the fourth month in a row. The reading is only 0.2 percentage points higher than the 3.5%, which marked the lowest unemployment level in almost 50 years. The euro area unemployment rate was unchanged at 6.6% in February. It's the lowest reading since the data was first compiled in 1995. Japan's unemployment rate stood at 2.6% in February, which remains low when compared to Japan's historical data, and very low compared to global averages.

Economic Calendar

DATE	COUNTRY	REPORT	FORECAST
07/04/23	US	Non Farm Payrolls/Unemployment Rate (MAR)	250K/3.6%
12/04/23	US	Inflation Rate YoY (MAR)	5.8%
12/04/23	US	FOMC Minutes	-
18/04/23	GB	Unemployment rate (FEB)	3.8%
19/04/23	GB	Inflation Rate YoY (MAR)	10.2%
22/04/23	JP	Inflation Rate YoY (MAR)	4.2%
27/04/23	US	GDP Q1 2023 (Annualized)	2.9%
28/04/23	JP	BoJ Interest Rate Decision	-0.1%
28/04/23	Euro Area	GDP Q1 2023 (QoQ)	-0.2%

Source: Trading Economics

Unemployment rate (%)



Source: Bloomberg

EUR Bonds List

German Bunds

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Federal Republic of Germany	EUR	2.58	15.08.2023	NR	99.73	2	DE0001102325	0.01
Federal Republic of Germany	EUR	2.72	15.08.2024	NR	97.69	1	DE0001102366	0.01
Federal Republic of Germany	EUR	2.59	15.08.2025	NR	96.36	1	DE0001102382	0.01
Federal Republic of Germany	EUR	2.41	15.08.2026	NR	92.29	0	DE0001102408	0.01
Federal Republic of Germany	EUR	2.32	15.08.2027	NR	92.52	0.5	DE0001102424	0.01
Federal Republic of Germany	EUR	2.26	15.08.2029	NR	86.72	0	DE0001102473	0.01
Federal Republic of Germany	EUR	2.26	15.08.2032	NR	95.33	1.7	DE0001102606	0.01
Federal Republic of Germany	EUR	2.26	15.08.2052	NR	51.77	0	DE0001102572	0.01

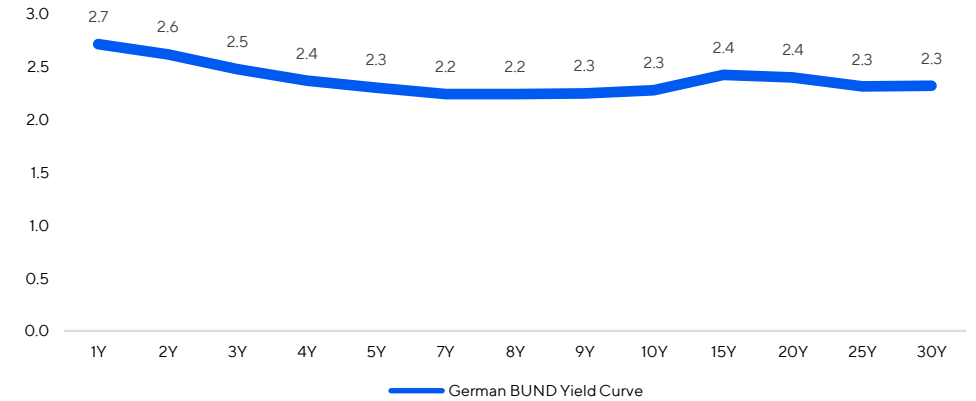
Source: Bloomberg

Investment Grade

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Portuguese Republic	EUR	2.84	15.02.2024	NR	102.32	5.65	PTOTEQOE0015	0.01
Republic of Latvia	EUR	3.05	30.04.2024	A-	99.43	2.875	XS1063399536	100 000
French Republic	EUR	2.79	25.11.2024	NR	98.26	1.75	FR0011962398	1
Republic of Poland	EUR	3.37	20.01.2025	A-	102.86	5.25	XS0479333311	1000
Republic of Lithuania	EUR	3.74	06.05.2025	A	92.74	0.25	XS2168038417	1000
Portuguese Republic	EUR	2.66	15.10.2025	NR	100.47	2.875	PTOTEKOE0011	0.01
French Republic	EUR	2.68	25.11.2025	NR	95.73	1	FR0012938116	1
Romania	EUR	4.88	27.09.2026	BBB-	100.01	5	XS2538440780	1000
Republic of Latvia	EUR	3.45	07.10.2026	A-	89.49	0.375	XS1501554874	100 000
Kingdom of Spain	EUR	2.83	31.10.2026	BBB+	94.82	1.3	ES00000128H5	1000
Republic of Latvia	EUR	3.45	25.03.2027	A-	101.13	3.875	XS2549862758	100 000
Republic of Poland	EUR	3.70	22.10.2027	A-	89.97	1.375	XS1584894650	1000
French Republic	EUR	2.66	25.02.2028	NR	91.34	0.75	FR001400AIN5	1
Republic of Lithuania	EUR	3.58	25.04.2028	A	101.97	4.125	XS2547270756	1000
Republic of Latvia	EUR	3.76	24.01.2029	A-	80.12	0	XS2361416915	100 000
Republic of Lithuania	EUR	3.68	01.06.2032	A	87.53	2.125	XS2487342649	1000
Republic of Estonia	EUR	3.56	12.10.2032	NR	102.87	4	XS2532370231	1000
French Republic	EUR	2.80	25.11.2032	NR	93.29	2	FR001400BKZ3	1

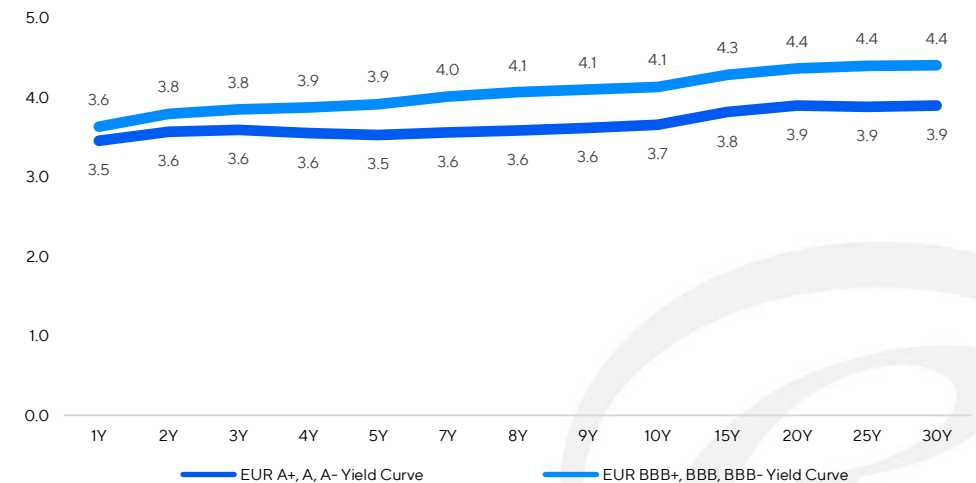
Source: Bloomberg

German Bund Yield Curve



Source: Bloomberg

Investment Grade Bonds Yield Curve



Source: Bloomberg

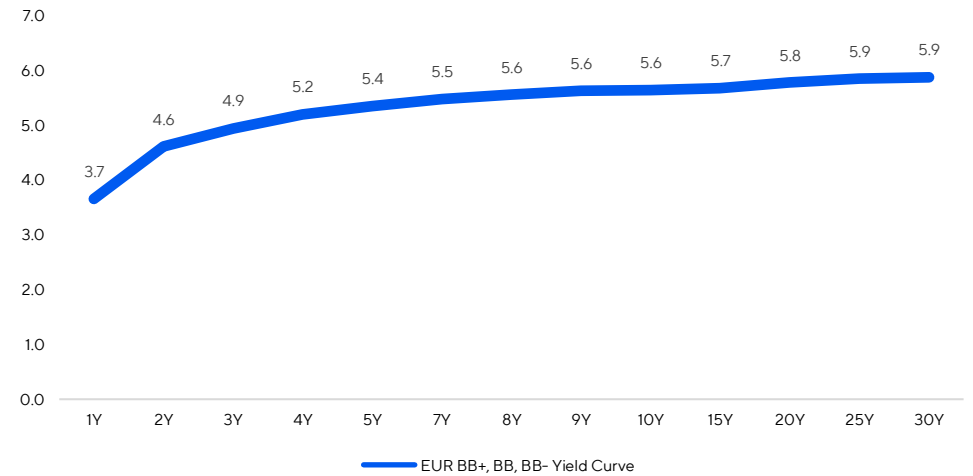
EUR Bonds List

High Yield

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Air Baltic Corp AS	EUR	22.90	30.07.2024	NR	81.11	6.75	XS1843432821	100 000
Republic of Montenegro	EUR	6.87	21.04.2025	B	93.09	3.375	XS1807201899	100 000
Nokia Oyj	EUR	3.56	15.05.2025	BB+	97.36	2.375	XS2171759256	100 000
Republic of Turkey	EUR	5.24	14.06.2025	B-	95.58	3.25	XS1629918415	100 000
Renault SA	EUR	3.65	28.11.2025	BB	92.90	1	FR0013299435	1 000
Cemex SAB de CV	EUR	4.35	19.03.2026	BB+	96.13	3.125	XS1964617879	100 000
Republic of Colombia	EUR	5.50	22.03.2026	BB+	95.31	3.875	XS1385239006	100 000
KOC Holding AS	EUR	5.69	27.05.2026	BB-	91.93	3	XS2346972263	100 000
Akropolis Group Uab	EUR	8.94	02.06.2026	BB+	83.35	2.875	XS2346869097	100 000
Republic of North Macedonia	EUR	6.29	03.06.2026	BB	92.18	3.675	XS2181690665	100 000
Republic of South Africa	EUR	5.02	24.07.2026	BB-	95.75	3.75	XS1090107159	100 000
Deutsche Lufthansa AG	EUR	5.32	16.05.2027	BB	90.67	2.875	XS2408458730	100 000
Maxima Grupe UAB	EUR	6.44	12.07.2027	NR	98.41	6.25	XS2485155464	100 000
Republic of Montenegro	EUR	7.98	16.12.2027	B	80.07	2.875	XS2270576700	100 000
Petroleos Mexicanos	EUR	9.03	21.02.2028	BB	83.71	4.875	XS1568888777	100 000
Republic of North Macedonia	EUR	6.48	10.03.2028	BB	79.52	1.625	XS2310118893	100 000
Goodyear Tire & Rubber Co/The	EUR	6.68	15.08.2028	BB-	81.92	2.75	XS2390510142	100 000
Deutsche Lufthansa AG	EUR	5.68	14.07.2029	BB	88.15	3.5	XS2363235107	100 000
Petroleos Mexicanos	EUR	9.35	26.02.2029	BB	79.39	4.75	XS1824424706	100 000

Source: Bloomberg

High Yield Bonds Yield Curve



Source: Bloomberg

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USD Bonds List

US Treasuries

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
United States of America	USD	4.69	30.11.2023	NR	97.32	0.5	US91282CDM01	100
United States of America	USD	4.31	31.10.2024	NR	100.10	4.375	US91282CFQ96	100
United States of America	USD	3.91	15.11.2025	NR	101.45	4.5	US91282CFW64	100
United States of America	USD	3.77	15.11.2026	NR	94.08	2	US912828U246	100
United States of America	USD	3.67	31.10.2027	NR	101.90	4.125	US91282CFU09	100
United States of America	USD	3.59	31.10.2029	NR	102.41	4	US91282CFT36	100
United States of America	USD	3.50	15.11.2032	NR	105.05	4.125	US91282CFV81	100
United States of America	USD	3.67	15.11.2052	NR	105.95	4	US912810TL26	100

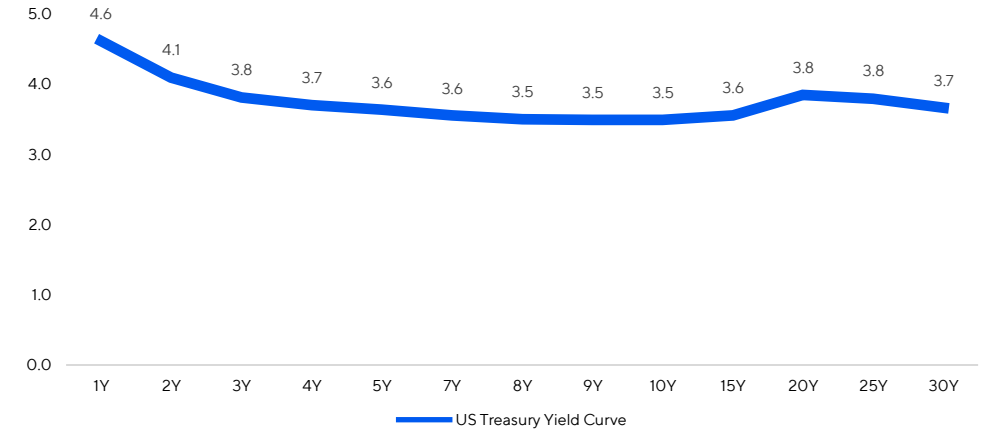
Source: Bloomberg

Investment Grade

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Apple Inc	USD	4.34	11.09.2024	AA+	96.48	1.8	US037833DM97	2 000
Bharat Petroleum Corp Ltd	USD	5.16	08.05.2025	BBB-	97.66	4	XS1227064430	200 000
Toyota Motor Corp	USD	4.50	30.06.2025	A+	98.79	3.95	US89236TKC89	2 000
Republic of Peru	USD	4.55	21.07.2025	BBB	105.78	7.35	US715638AS19	100 000
Boeing Co/The	USD	4.89	04.02.2026	BBB-	92.89	2.196	US097023DG73	2 000
Republic of the Philippines	USD	4.39	30.03.2026	BBB	102.70	5.5	US718286BN61	200 000
Asian Development Bank	USD	3.79	20.01.2027	AAA	91.93	1.5	US045167FH18	1 000
Coca-Cola Co/The	USD	3.80	25.03.2027	A+	98.38	3.375	US191216CR95	2 000
Starbucks Corp	USD	4.45	15.11.2028	BBB+	97.70	4	US855244AR02	2 000
Republic of Indonesia	USD	4.36	14.02.2030	BBB	90.72	2.85	US455780CQ75	200 000
Oracle Corp	USD	5.07	25.03.2031	BBB	85.70	2.875	US68389XCE31	2 000
Merck & Co Inc	USD	4.28	10.12.2031	A+	84.55	2.15	US58933YBE41	2 000
Advanced Micro Devices Inc	USD	4.44	01.06.2032	A-	95.99	3.924	US007903BF39	2 000
United Mexican States	USD	5.44	27.09.2034	BBB-	110.64	6.75	US91086QAS75	1 000
Vale SA	USD	6.38	21.11.2036	BBB-	104.15	6.875	US91911TAH68	2 000
Vale SA	USD	5.74	11.09.2042	BBB-	98.31	5.625	US91912EAA38	2 000
Republic of Chile	USD	5.26	30.10.2042	A-	79.68	3.625	US168863BP27	150 000

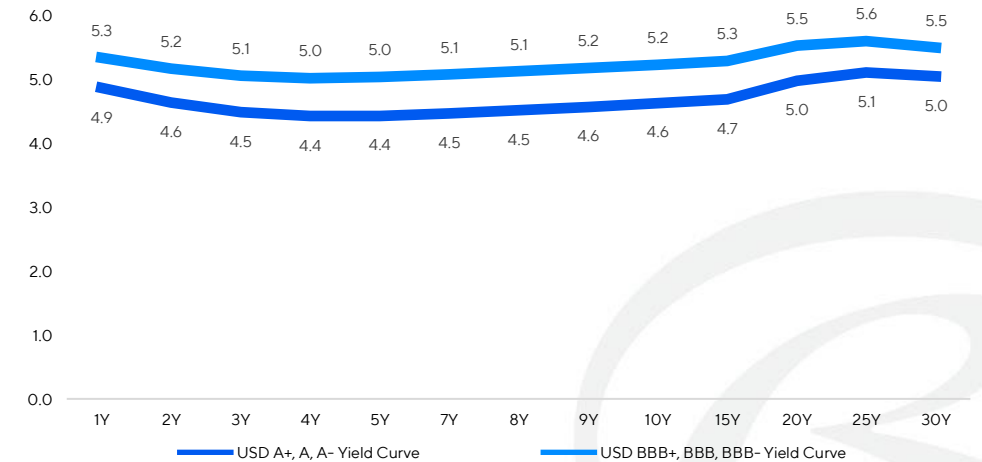
Source: Bloomberg

US Treasuries Yield Curve



Source: Bloomberg

Investment Grade Bonds Yield Curve



Source: Bloomberg

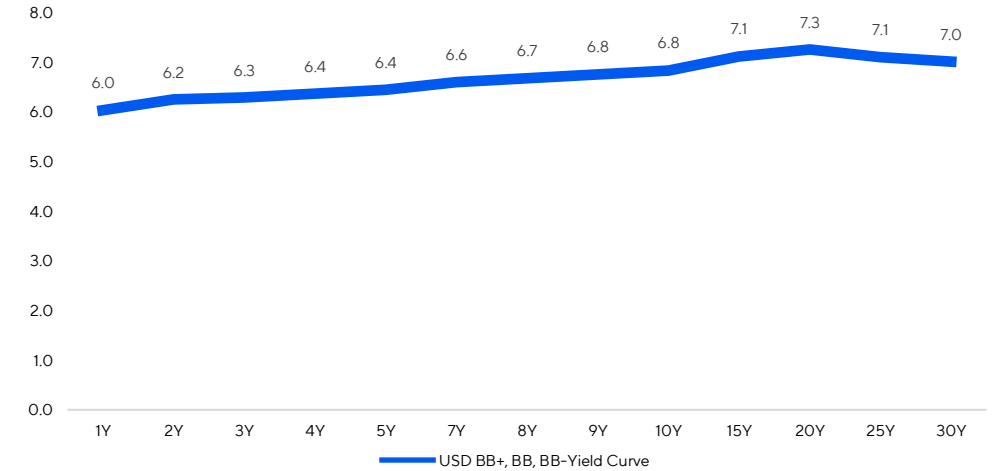
USD Bonds List

High Yield

ISSUER	CURRENCY	YIELD	MATURITY	RATING	PRICE	COUPON	ISIN	MIN PIECE
Stena AB	USD	6.97	01.02.2024	B+	99.93	7	USW8758PAK22	200 000
Republic of Uzbekistan	USD	5.95	20.02.2024	BB-	98.55	4.75	XS1953916290	200 000
Government of Mongolia	USD	7.89	09.03.2024	B	100.28	8.75	USY6142NAA64	200 000
Socialist Republic of Vietnam	USD	5.84	19.11.2024	BB	98.04	4.8	USY9384RAA87	200 000
Federative Republic of Brazil	USD	4.64	07.01.2025	BB-	99.12	4.25	US105756BV13	200 000
Republic of Armenia	USD	6.10	26.03.2025	B+	101.45	7.15	XS1207654853	200 000
Republic of Costa Rica	USD	5.21	30.04.2025	B+	98.01	4.375	USP3699PGE18	200 000
Istanbul Metropolitan Municipa	USD	9.77	09.12.2025	B-	91.55	6.375	XS2010029234	200 000
Volcan Cia Minera SAA	USD	11.31	11.02.2026	B+	83.14	4.375	USP98047AC08	2 000
Marfrig Global Foods SA	USD	7.00	14.05.2026	BB+	99.74	7	USU63768AA01	200 000
Sibanye Stillwater Ltd	USD	7.22	16.11.2026	BB	89.76	4	USU85969AE07	200 000
Sultanate of Oman	USD	5.47	08.03.2027	BB-	99.30	5.375	XS1575967218	200 000
Republic of Turkey	USD	8.07	25.03.2027	B-	92.65	6	US900123CL22	200 000
Republic of Colombia	USD	6.31	25.04.2027	BB+	91.15	3.875	US195325DL65	200 000
Anadolu Efes Biracilik Ve Malt	USD	7.89	29.06.2028	BB+	79.68	3.375	XS2355105292	200 000
Eskom Holdings SOC Ltd	USD	7.50	10.08.2028	BB-	94.89	6.35	XS1864523300	200 000
Republic of South Africa	USD	6.39	12.10.2028	BB-	90.07	4.3	US836205AU87	200 000
Anadolu Efes Biracilik Ve Malt	USD	6.55	20.01.2029	BB+	89.99	4.5	XS2434515313	200 000
Republic of Uzbekistan	USD	6.97	20.02.2029	BB-	91.95	5.375	XS1953915136	200 000
Republic of Armenia	USD	7.36	26.09.2029	B+	82.14	3.95	XS2010043904	200 000
Republic of Turkey	USD	8.17	15.01.2030	B-	118.37	11.875	US900123AL40	1 000
State Oil Co of the Azerbaijan	USD	6.36	18.03.2030	BB	103.25	6.95	XS1196496688	200 000
Marfrig Global Foods SA	USD	8.02	29.01.2031	BB+	76.58	3.95	USG5825AAC65	200 000
Republic of Turkey	USD	8.66	17.03.2036	B-	85.77	6.875	US900123AY60	2 000
Federative Republic of Brazil	USD	6.09	20.01.2037	BB-	109.25	7.125	US105756BK57	1 000
Federative Republic of Brazil	USD	6.85	27.01.2045	BB-	78.86	5	US105756BW95	200 000
Sultanate of Oman	USD	7.07	08.03.2047	BB-	92.95	6.5	XS1575968026	200 000

Source: Bloomberg

High Yield Bonds Yield Curve



Source: Bloomberg

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Report date: April 5, 2023

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