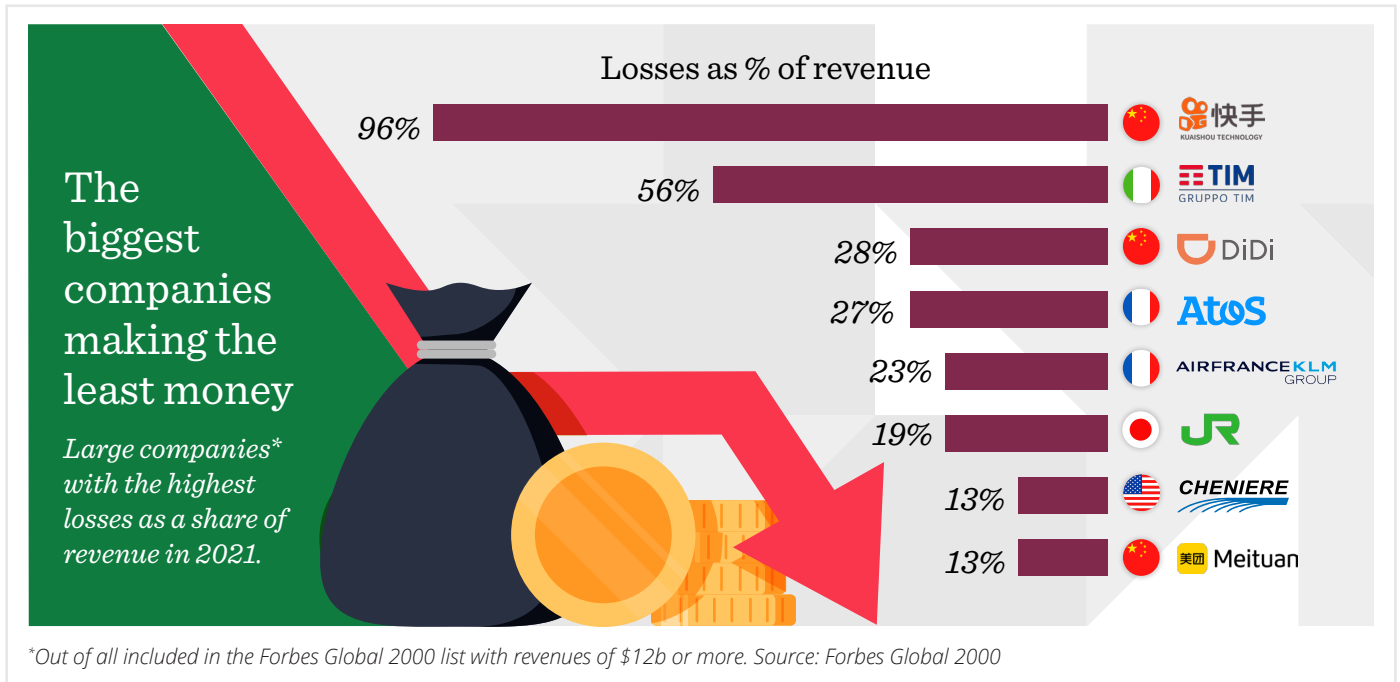


Between the lines

Week 24

Biggest losers among the world's biggest companies

Many of the world's largest companies are nursing painful revenue losses this year. Chief among them are the Chinese tech giants such as Kuaishou (video sharing), Didi (ride hailing) and Meituan (deliveries). Travel-related stocks, such as Air France-KLM and East Japan Railway are also among the biggest casualties while others are nursing company-specific losses.



US inflation puts BoE in tight spot

On Tuesday (14 Jun), the pound fell below \$1.21, its lowest level for more than two years. This added further pressure to the Bank of England's (BoE) Monetary Policy Committee as a weak currency means the UK will effectively be importing inflation, especially on its energy imports.

By Wednesday (15 Jun), the US Federal Reserve (Fed) had increased the pressure with the biggest US interest-rate hike for 28 years – a 0.75% rise in its benchmark interest rate, following a 0.25% rise in March and a 0.5% jump in May.

The pound has already fallen 4.5% against the dollar since late May, but with US inflation racing, more Fed rate hikes are on the way. The BoE's trade-weighted sterling index, which tracks the pound against a basket of currencies, fell on Monday (13 Jun) to its lowest since January last year.

Previous BoE research has suggested a 10% fall in sterling would raise the level of the consumer price index (CPI) by about 2.7% over three to four years.



World's richest down £1.4trn so far this year

After making massive gains in their personal wealth in 2021, the assets owned by the world's billionaires have taken a huge hit this year. According to a Tuesday (14 Jun) report from Capgemini World Wealth, this group is already some \$1.4trn out of pocket this year as asset values recoil in the face of record inflation and rising interest rates.

Based on figures from the Bloomberg Billionaires Index, the report estimates that on Monday (13 Jun) alone, the world's top 500 billionaires lost \$206bn as the US stock market slipped into 'bear market' territory (meaning key indices were down 20% from recent peaks) due to concerns over inflation and impending interest-rate hikes.

The report shows that US billionaires, such as the likes of Elon Musk, Jeff Bezos and Mark Zuckerberg have suffered paper losses of roughly \$800bn so far this year, with Mr Musk and Mr Bezos thought to account for roughly 16% of losses among the US cohort.

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