

Carlsquare/Vontobel weekly trading note: A rattle in prices for cattle

We have seen a sharp fall in global markets over the past week, driven by fears of recession in the US and globally. As a result, we have a defensive case this week in the form of cattle prices. Despite Tuesday's rally on the New York Stock Exchange, we believe that the risk for equity markets remains to the downside.

Since our last live cattle update at the end of March, futures prices have risen. This is in line with our forecasts and the typical seasonal pattern. Demand for beef increases during the summer months. The recent sell-off in the market has impacted cattle prices, which have fallen below CFD 180 USD /Lbs. A positive rebound is possible, with prices possibly recovering by the autumn, when prices are expected to fall in favour of lean hogs.

The S&P500 peaked on 16 July and has since fallen, first modestly and then very sharply since 31 July. The Nasdaq had lost 7% over the past week, while the S&P500 was down 5% before Tuesday's trading session in the US. Meanwhile, the German Dax and Swedish OMX 30 are down 5.7% and 7.4% in a week respectively. Defensive sectors such as consumer staples, chemicals, real estate and infrastructure have generally fallen less than the broader indices. This is since the stock market decline is mainly due to investor concerns about a deteriorating US and global economy.

Please find out more in our weekly letter on certificates Vontobel.com: [Read the weekly newsletter here](#)

[Link to the Swedish-translated version](#)

[Read more](#)

About Vontobel:

As a globally operating financial expert with Swiss roots, Vontobel specializes in wealth management, active asset management and investment solutions. Structured Solutions & Treasury bundles different investment solutions for private investors either directly or via ecosystems. [Read more](#)

About Carlsquare

Carlsquare is a global research firm and financial advisor, focusing on M&A, Equity Research and Growth Equity. Carlsquare has 150 employees with deep sector knowledge in all 11 GICS sectors. The senior equity research team has extensive experience about the stock environment and several business sectors. The team produces company research reports, independent valuations and trading notes. The group have offices in Canada, Denmark, France, Germany, Poland, Sweden, United Kingdom and United States. [Read more](#)

Attachments

[Carlsquare/Vontobel weekly trading note: A rattle in prices for cattle](#)