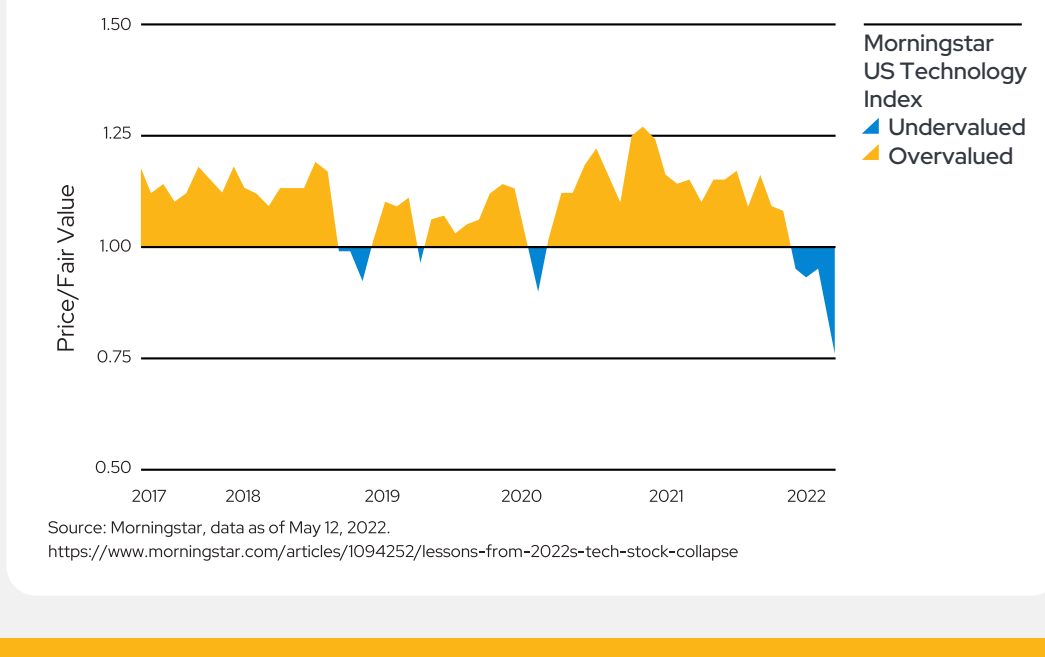


# Trends We're Tracking: Tech shakeout, Terra LUNA and UST Collapse, Rising Food Protectionism

June 2022

## Technology shakeout

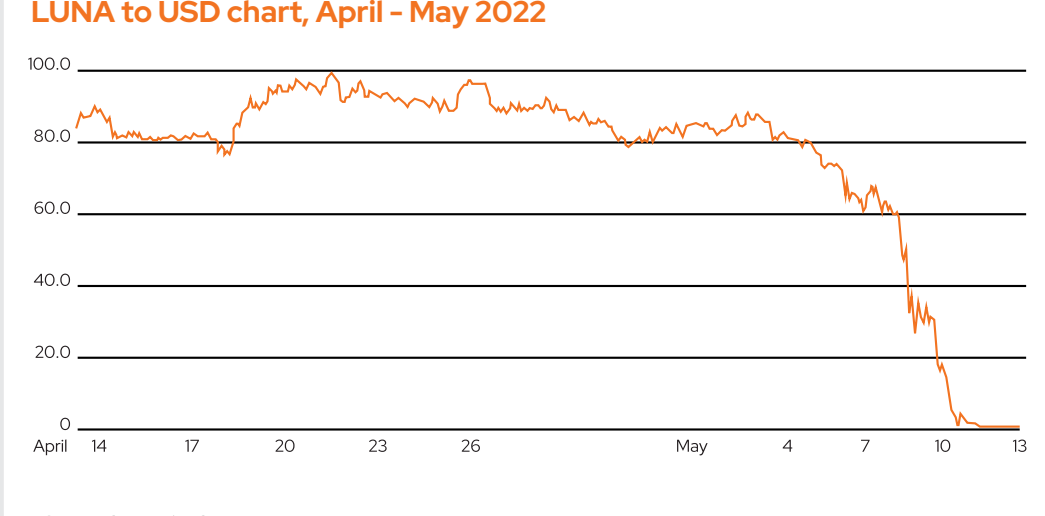


After a long run-up in the technology sector, companies faced a rude awakening as sky-high valuations tumbled and access to cheap capital dried up.

Source <sup>1</sup>

## Terra LUNA and UST collapse

The Terra blockchain protocol's native digital assets LUNA, and its stable coin, UST, experienced a remarkable collapse over a short period of time.



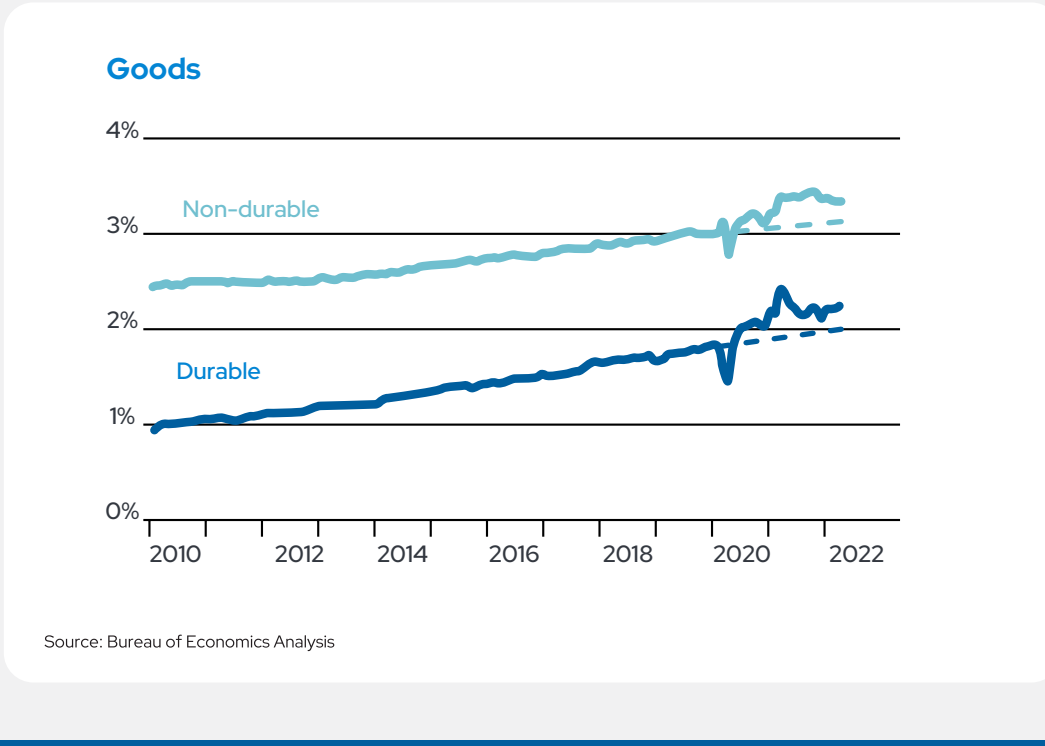
The market cap of LUNA fell from nearly \$28 billion to just under \$800 million over the course of the month.

Many wonder what longer-term effects this will have for the digital asset space as regulators closely examine this evolving ecosystem.

Source <sup>2,3</sup>

## Changing consumer habits

There has been a reversion from the pandemic-driven uptick in spending on goods.

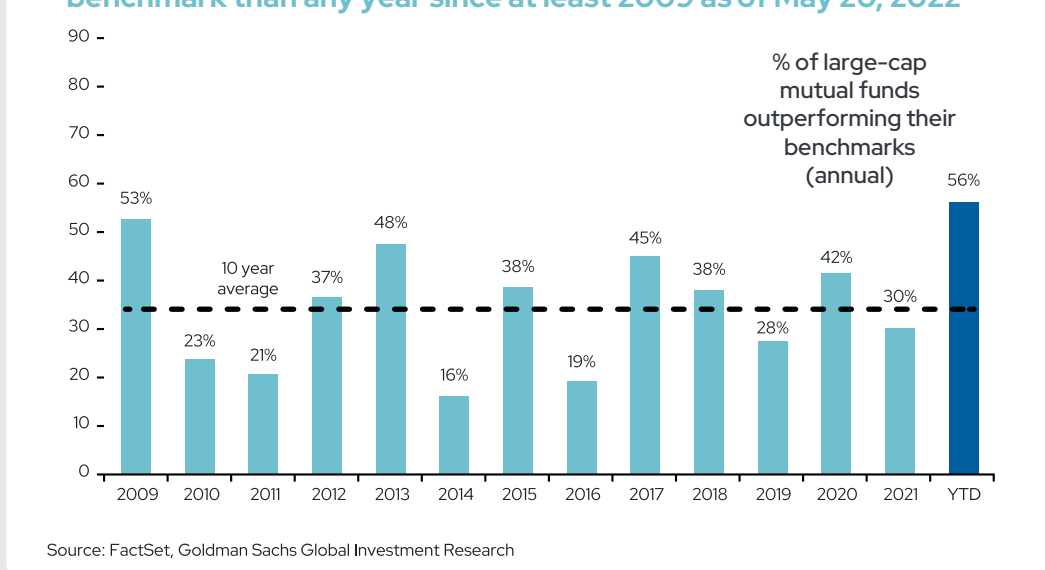


Data from the Bureau of Economic Analysis shows that spending in May from the previous year is about 9% above pre pandemic levels.

Source <sup>4</sup>

## Active managers are outperforming

According to Goldman Sachs, 56% of active large-cap mutual funds have outperformed their respective benchmarks so far this year (year to date as of mid-May).



This is much-needed good news for active managers as they have been struggling to keep up with their benchmarks over the past decade. Poor equity market performance, cash holdings, and rising performance dispersion among stocks all helped active managers outperform their benchmarks so far in 2022.

Source <sup>5</sup>

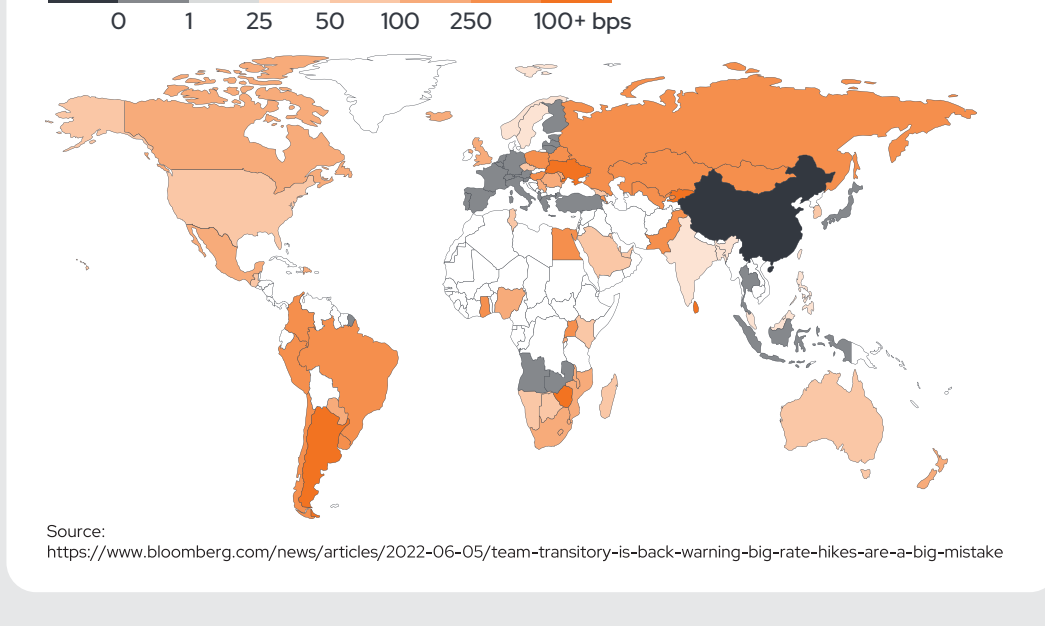
## Rising 'food protectionism' fuels inflation and hunger

Restrictions and controls to protect food supply (e.g. grain, palm oil, local produce, poultry, and sugar)	What will India do?
<ul style="list-style-type: none"> <li>Hungary</li> <li>Serbia</li> <li>Argentina</li> <li>Turkey</li> <li>Egypt</li> <li>Malaysia</li> </ul>	<p>Currently restricting wheat and sugar exports.</p> <p><b>Will they restrict rice?</b> India is the largest exporter of rice (40% of global trade). Any curbs could put upward pressure on grain prices.</p>

As war lingers on, we expect additional curbs on agricultural exports could exacerbate the existing global food crisis and inflation situation.

Source <sup>6, 7, 8, 9</sup>

## Global central banks accelerate rate hikes to fight inflation



Whether these moves will quell inflation without precipitating a broader economic downturn – the proverbial "soft landing" – remains uncertain.

Source <sup>10, 11, 12, 13</sup>

Need more details?  
Read our comprehensive analysis [here](#).

Authored by:  
Envestnet | PMC Global Macro Team  
A monthly review of the latest trends shaping the markets.

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