

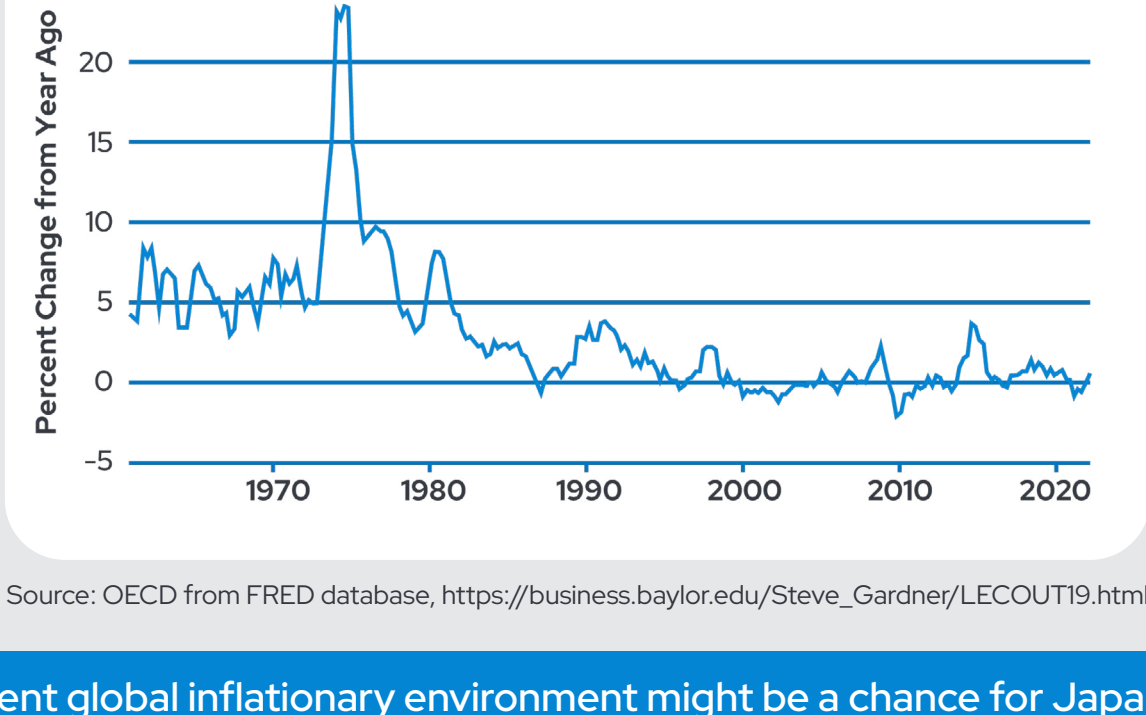
Trends We’re Tracking: Japan’s Deflation, Employee Activism, Chinese Lockdowns



May 2022

Japan – the only one welcoming inflation

Consumer price inflation in Japan 1960–2021, % per year.



The current global inflationary environment might be a chance for Japan to get out of its chronic deflation problem.

Source ¹

Rising employee activism, again



Disney listened to employees, taking a stance against Florida’s Parent’s Rights in Education legislation. Apple and Starbucks seemed to take more aggressive measures to curb employees attempts at unionization.

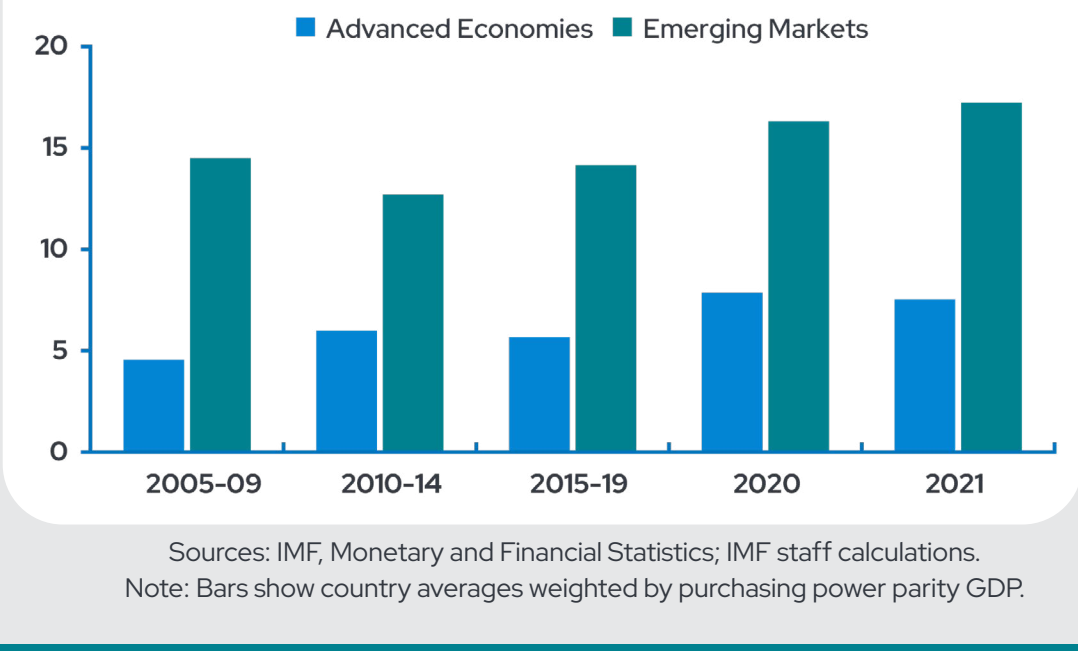


Employee activism can bring positive socio-economic change, but execs need to navigate the increased political risks.

Source ^{2, 3, 4, 5}

Global issues hit emerging economies especially hard

Banks’ domestic sovereign debt exposure is at a 15-year high

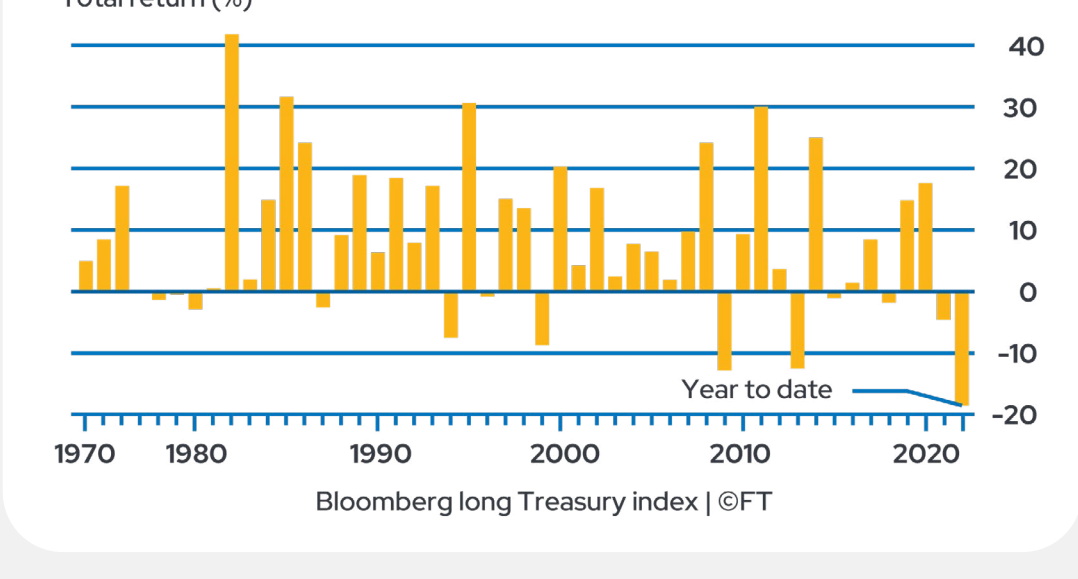


Geopolitical instability, rising inflation, and tighter financial conditions have been intensified for many emerging market economies. Indebtedness among the poorest countries has increased to near debilitating levels.

Source ^{6, 7, 8}

Another month of pain in ‘bond land’

Long-term Treasuries in steep retreat

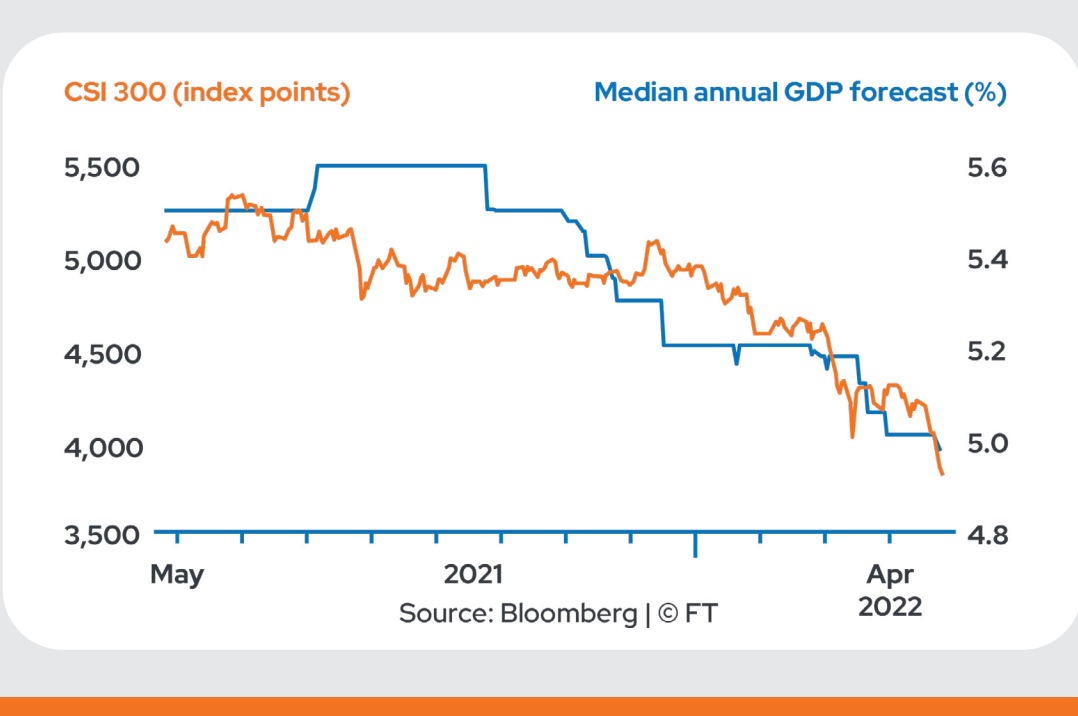


With so much uncertainty surrounding supply chains, geopolitics, and monetary conditions, volatility is likely to persist. However, for some institutional managers the bond market is looking attractive.

Source ^{9, 10, 11}

Lockdowns hit China hard

Zero-Covid’s threat to growth hits Chinese stocks

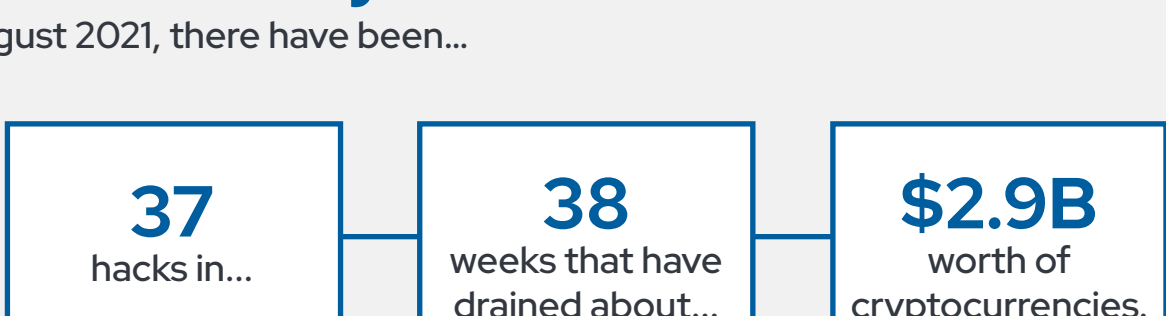


The lockdowns have caused concern that China may not be able to meet their annual growth target of 5.5 percent for the first time since their annual target was introduced in the 1990s.

Source ¹²

Cryptocurrency hacks

Since August 2021, there have been...



This year’s hacks are already approaching last year’s total of \$3.2B.

Source ^{13, 14}

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

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A monthly review of the latest trends shaping the markets.

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