

## **SOCIAL MEDIA POSTS WEEK COMMENCING 19.12.22**

## Will FedEx Surpass Market Estimates This Quarter?

With FedEx reporting downbeat results last quarter, the company is set to report earnings for its second quarter on Tuesday, December 20, 2022.

### How has FedEx performed so far?

For Q1, FedEx reported mixed quarterly results. Although earnings came in above market expectations, sales failed to meet the estimates. The company's operating results for the quarter were impacted by worldwide softness in volume.

During its Q1 earnings release, FedEx also guided to fiscal second quarter revenue of \$23.5 billion to \$24 billion and adjusted EPS of \$2.75 or higher. The company also entered an accelerated share repurchase programme with Morgan Stanley during Q2.

The company's stock has remained under pressure this year, dropping around 14% over the past six months, tumbling 33% year to date.

## What are the expectations from FedEx this quarter?

FedEx saw a surge in e-commerce volumes during the pandemic. However, the easing of pandemic-related restrictions resulted in a sharp decline in demand. During its Q1 report, the company had announced its cost-cutting plan due to demand trends reversing faster than projected.

In November, FedEx had also warned that its package volumes in the US might come in below its guidance for Q2. The logistics giant also announced plans to cut back on its vendor headcount and suspended several projects.

Analysts expect the company to report quarterly earnings of \$2.83 per share, down sharply from \$4.83 per share in the year-ago quarter. The company's revenue is expected to come in at \$23.74 billion.

## **How to trade FedEx's earnings report**

With the Christmas and New Year holiday season approaching, the market expects FedEx to see a rise in demand for deliveries. This could provide support to FedEx's earnings and stock performance going forward.

You could invest in the delivery giant this holiday season without owning company's shares. This is possible through Contracts for Difference (CFDs) and ETFs.

Want to know more about these financial instruments and how they can help you make the most of stock market moves?

## Visit www.vantagemarkets.co.uk

#FedEx #Earnings #ShareBuyback #MorganStanley #Revenue #CostCuts #Christmas #NewYear #CFDs #ETFs #StockNews #MarketNews #StockTrading

#### Sources:

https://seekingalpha.com/article/4560298-fedex-stock-is-it-worth-after-huge-plunge

# Investors, Are You Ready For Data From Japan?

With several major economies around the world seeing a sharp rise in inflation, interest rate increases have been a common trend for central banks through 2022. However, Japan has been an exception.

## How has the Japanese economy fared so far this year?

Core consumer inflation in Japan increased to a 40-year high level in October, amid weakness in the yen and cost pressures. The nationwide core consumer price index accelerated 3.6% year-over-year in October, following a 3% increase in September and topping the market estimates of a 3.5% increase.

Despite inflation remaining above the Bank of Japan's target of 2% for a seventh month in a row, the country's central bank is still shrugging off concerns and continuing with its policy of ultra-low rates. Economists don't expect the bank to join its global peers in increasing interest rates anytime soon.

The BoJ has kept long-term interest rates around the zero mark. The short-term rate has also been maintained at minus 0.1%.

### Which reports are due this week?

The Bank of Japan will announce its interest rate decision on Tuesday, with the markets expecting the rates to remain unchanged at the meeting.

Japan will release data on the coincident index and leading economic index on Thursday. The index of coincident economic indicators in Japan is expected to have declined to 99.9 in October versus a revised reading of 100.8 in the previous month. Analysts expect the leading economic index to have risen to 99.0 in October, from 98.2 in September.

At the end of week, on Friday, data on the inflation rate will be released. The annual inflation rate in Japan, which rose to 3.7% in October, is expected to have accelerated further to 3.9% in November. The core consumer price index is also likely to have increased to 3.8% in November. The minutes of the BoJ's recent monetary policy meeting will also be released on Friday.

## **USD/JPY Prospects**

With the Japanese yen dropping around 18% against the US dollar since the start of the year, better-than-expected economic reports might provide support to the Japanese currency.

Are you trading the USD/JPY forex pair?

Open a trading account with <a href="https://www.vantagemarkets.co.uk">www.vantagemarkets.co.uk</a>

#Japan #Inflation #InterestRate #CentralBank #BankofJapan #BoJ #Yen #monetarypolicy #JapaneseYen #USDollar #USDJPY #Forex #ForexTrading

#### Source:

https://www.reuters.com/business/retail-consumer/japans-inflation-hits-40-year-high-weak-yen-fans-import-costs-2022-11-17/

## Will There Be A Santa Claus Rally For Stocks This Year?

With the outlook for the stock market this year not as rosy as projected, will we see a stock market rally at the end of the year?

# How have stocks performed so far this year?

2022 hasn't proved to be good so far for stocks, with the benchmark S&P 500 dropping by around 17% and the tech-laden Nasdaq 100 tumbling close to 29% since the start of the year. The 30-stock Dow is down around 7% year to date, rebounding sharply through the previous three months.

#### How the Fed and inflation will impact the Santa Claus Rally

Historically, with the holiday season shopping and optimism, the stock markets tend to see price rises in December and January. This year might be no different, since the inflation level in the US has started to ease and the Fed is expected to resort to slower rate hikes in 2023.

Wholesale prices in the US increased 7.4% year-over-year in November, recording a slowdown for the fifth straight month. The monthly figure came in at 0.3% for November.

However, comments from Fed officials about tackling surging inflation is keeping investors confused. Volatility in equities is expected to remain high through the end of 2022, as investors are still assessing rate increases from the US Federal Reserve and earnings results from major companies.

However, if we consider history as a guide, investors are expected to receive a gift from the stock markets by the end of the year as markets in the US often deliver higher returns during the Christmas and New Year period.

Over the last two decades, the benchmark S&P 500 index has gained around 0.7% on average a year during the last five trading days of the year and the first two sessions of January.

"When you think of a Santa Claus rally, it's all about anticipating or looking forward," said Terry DuFrene of JPMorgan Private Bank. "Now you have a chance to hit the reset button," he added.

# How to participate in the Santa-Claus Rally?

Traders can invest in stocks they expect to benefit the most during this rally. They can also choose to gain exposure to entire market segments likely to benefit from holiday shopping, such as retail. One way to do it is to trade indices via CFDs or ETFs.

Are you ready for the upcoming Santa Claus Rally? Start your trading journey with <a href="https://www.vantagemarkets.co.uk">www.vantagemarkets.co.uk</a>

#SantaClausRally #SP500 #Nasdaq #Dow #Inflation #Fed #FederalReserve #JPMorgan #IndexTrading #ETFs #CFDs #StockMarket

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