

Top things to know for the week ahead

A slew of central banks decides on monetary policy this week

Expect the European Central Bank (ECB) to stand pat on policy but signal for a potential downgrade to forecasts. While ECB President Christine Lagarde commented that the central bank's December forecasts are still "clearly plausible", it is looking increasingly likely for at least a signal from policymakers for a potential downgrade in the bloc's forecasts in March with Germany already considering tighter measures and France stepping into new curfews. Expect more headwinds for the euro in the short-term, especially with market sentiment displaying some fragility in recent days. In addition, we expect the dollar's upward momentum to continue against the euro in the immediate-term, suggesting that we could see EUR/USD retesting a support at 1.2011 before rebounding when it reaches closer to its 100-day moving average level.

The Bank of Japan (BoJ) will probably have limited impact on the yen, but don't expect any signs of hawkishness. Still, we expect a trim to its FY2020 growth forecast while increasing that of FY2021 to reflect the longer-term prospects for a rebound in economic activity in FY2021 while accounting for the likely contraction in the current quarter thanks to tighter virus containment measures. The yen however, is more likely to continue to strengthen against the dollar in the short-to-medium-term, possibly pushing USD/JPY to retest a support at 103.19 as it continues its downward trend with the 100-day moving average acting as a resistance. That said, expect muted trading in the yen relative to its G10 peers as it shares risk aversion demand with the dollar.

Expect added volatility in crude oil prices this week

Oil traders to watch IEA's updated demand forecasts this week. Close dated Brent futures time spreads (CO2-CO1) flipped back into a contango structure, highlighting the fragility in market sentiment. The IEA's report may be a downside catalyst if readings disappoint and suggest that Saudi's recent production cut isn't enough to offset the dip in short-term energy demand. Still, we anticipate Johnson & Johnson's interim phase three results for its experimental Covid-19 vaccine (estimated end-January) to be a key driver for crude oil prices.

Commodity Against DXY (Rebased to 100)

4-week chart

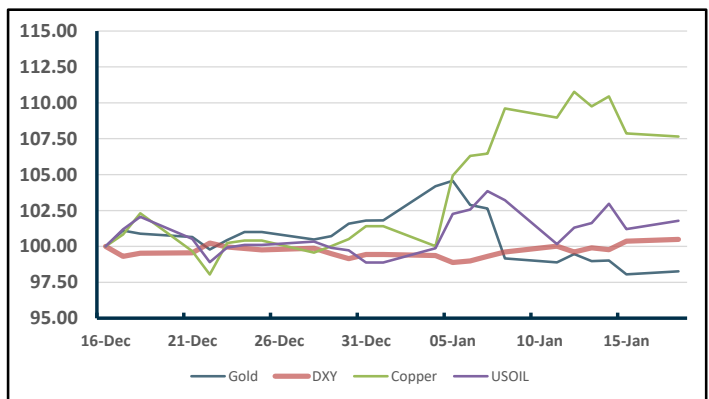


Chart Source: ADSS, Bloomberg

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	10:00	CNY	China GDP YoY
	10:00	CNY	China Industrial Production YTD YoY
	10:00	CNY	China Surveyed Jobless Rate
	12:30	JPY	Japan Industrial Production MoM
Tue	18:00	EUR	Germany ZEW Survey Expectations
	18:00	EUR	Germany ZEW Survey Current Situation
Wed	09:30	CNY	China 1-Year Loan Prime Rate
	15:00	GBP	United Kingdom CPI MoM
	15:00	GBP	United Kingdom CPI YoY
	18:00	EUR	Eurozone CPI YoY
	21:30	CAD	Canada CPI YoY
	23:00	CAD	Canada Bank of Canada Rate Decision
Thu	08:30	AUD	Australia Participation Rate
	08:30	AUD	Australia Employment Change
	08:30	AUD	Australia Unemployment Rate
	20:45	EUR	Eurozone ECB Deposit Facility Rate
	20:45	EUR	Eurozone ECB Main Refinancing Rate
	21:30	USD	United States Initial Jobless Claims
	00:00	JPY	Japan BOJ Policy Balance Rate

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	3,768.25	-1.48%	0.32%	0.32%	0.32%
DJ Industrial Average	30,814.26	-0.91%	0.68%	0.68%	0.68%
Nasdaq	12,803.93	-2.30%	-0.65%	-0.65%	-0.65%
Euro Stoxx 50	3,599.55	-1.25%	1.32%	1.32%	1.32%
MSCI EAFE Small Cap	292.25	-1.61%	0.75%	0.75%	0.75%
FTSE 100	6,735.71	-2.00%	4.26%	4.26%	4.26%
DAX	13,787.73	-1.86%	0.50%	0.50%	0.50%
CAC 40	5,611.69	-1.67%	1.09%	1.09%	1.09%
Hang Seng	28,573.86	2.50%	4.93%	4.93%	4.93%
MSCI World	2,714.81	-1.40%	0.92%	0.92%	0.92%
ASX 200	6,715.43	-0.63%	1.95%	1.95%	1.95%
NIKKEI	28,519.18	1.35%	3.92%	3.92%	3.92%
CSI 300	5,459.34	-0.47%	5.17%	5.17%	5.17%
China A50	18,501.79	-0.35%	4.90%	4.90%	4.90%
TWSE	15,769.98	1.98%	6.00%	6.00%	6.00%
Fixed Income					
Barclays Aggregate	554.17	-0.35%	-0.82%	-0.82%	-0.82%
Barclays Euro Aggregate	274.98	-0.12%	-0.14%	-0.14%	-0.14%
Barclays US High Yield	2,346.26	0.12%	0.35%	0.35%	0.35%
Barclays Euro High Yield	422.23	-0.04%	0.49%	0.49%	0.49%
Barclays TIPS	127.17	0.30%	-0.38%	-0.38%	-0.38%
JPM EMBI Global Divers	980.60	-0.66%	-1.46%	-1.46%	-1.46%
Other					
DJ US Real Estate	330.30	1.32%	-1.37%	-1.37%	-1.37%
S&P GSCI	431.74	0.98%	5.44%	5.44%	5.44%
US Dollar Index	90.77	0.75%	0.93%	0.93%	0.93%
VIX	24.34	12.89%	6.99%	6.99%	6.99%

Commodities					
	Latest Price	31/12/20	30/11/20	31/10/20	31/12/18
Prices					
WTI Oil (\$/barrel)	52.36	48.52	45.34	35.79	45.41
Brent Oil (\$/barrel)	55.10	51.80	47.59	37.46	53.80
Gold (\$/oz)	1,828.45	1,898.36	1,776.95	1,878.81	1,282.49
Silver (\$/oz)	24.77	26.40	22.64	23.66	15.50
Copper	3.60	3.52	3.42	3.05	2.63
Corn	5.32	4.84	4.20	3.99	3.75
Coffee	1.28	1.28	1.21	1.04	1.02
Natural Gas	2.74	2.54	2.88	3.35	2.94

Currencies					
	Latest Price	31/12/20	30/11/20	31/10/20	31/12/18
Prices					
EURUSD	1.2082	1.2216	1.1927	1.1647	1.1467
GBPUSD	1.3590	1.3670	1.3323	1.2947	1.2754
USDJPY	103.85	103.25	104.31	104.66	109.69
USDCHF	0.8910	0.8852	0.9089	0.9170	0.9821
USDCAD	1.2732	1.2725	1.3001	1.3321	1.3637
AUDUSD	0.7703	0.7694	0.7344	0.7028	0.7049
NZDUSD	0.7133	0.7184	0.7017	0.6615	0.6719
USDCNH	6.4847	6.5028	6.5839	6.6964	6.8706

Crypto Currencies					
	Latest Price	31/12/20	30/11/20	31/10/20	31/12/18
Prices					
BTC/USD	36,261.52	28,996.28	19,378.6	13,639.4	3,674.18
XRP/USD	0.2800	0.2249	0.6477	0.2386	0.3458
LTC/USD	141.01	124.11	86.61	54.12	29.51
DSH/USD	123.82	99.30	111.75	70.88	79.95

Rates & Spreads					
	Latest Rate	31/12/20	30/11/20	31/10/20	31/12/18
Rates					
Fed Funds Target	0.25%	0.25%	0.25%	0.25%	2.50%
ECB Depo Rate	-0.50%	-0.50%	-0.50%	-0.50%	-0.40%
3 Month US Dollar Libor	0.22%	0.24%	0.23%	0.22%	2.81%
US Treasuries 2 Year	0.13%	0.12%	0.15%	0.15%	2.49%
US Treasuries 10 Year	1.08%	0.91%	0.84%	0.87%	2.68%
German Bunds 2 Year	-0.73%	-0.72%	-0.75%	-0.80%	-0.62%
German Bunds 10 Year	-0.54%	-0.57%	-0.57%	-0.63%	0.24%
Japan Gov't Bonds 10 Year	0.03%	0.02%	0.03%	0.04%	-0.01%
UK Gilts 10 Year	0.29%	0.20%	0.31%	0.26%	1.28%
Swiss Gov't Bonds 10 Year	-0.49%	-0.58%	-0.55%	-0.56%	-0.28%

Global Equity Returns YTD 2021

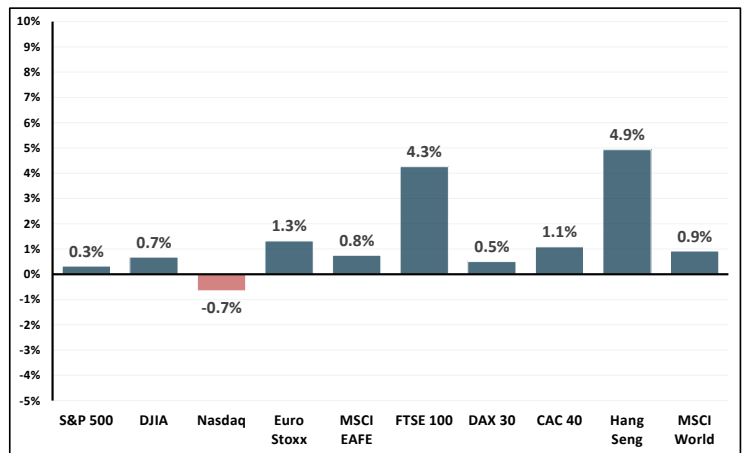


Chart Source: ADSS and Bloomberg as of the closing price on

15-Jan-21

Global Currency Returns (Weekly)

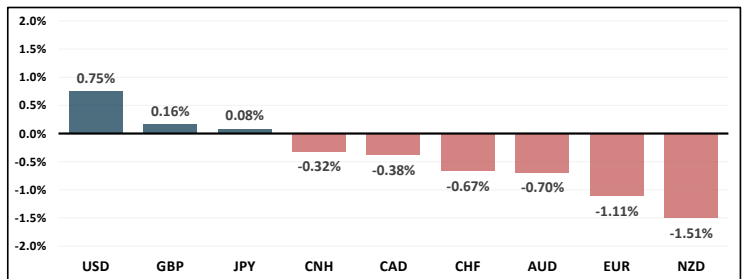


Chart Source: ADSS and Bloomberg as of the closing price on

15-Jan-21

Global Currency Returns YTD 2021

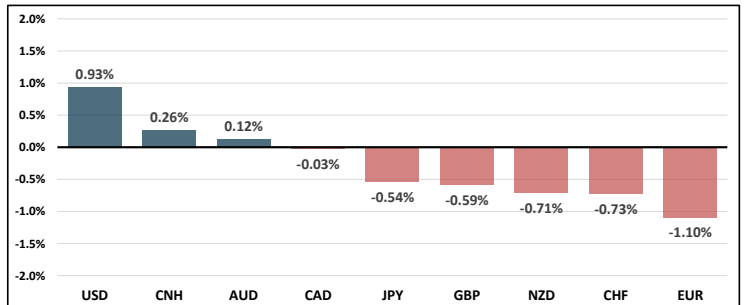
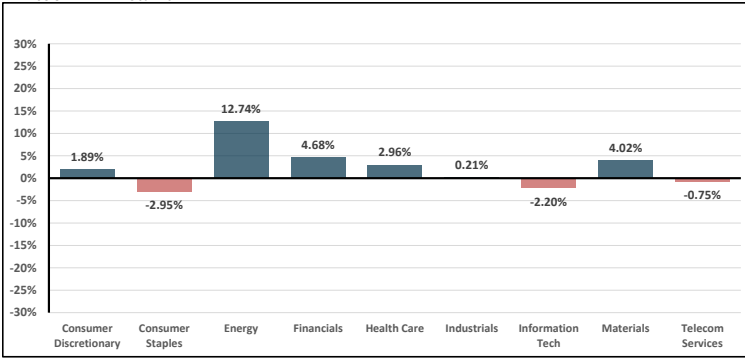


Chart Source: ADSS and Bloomberg as of the closing price on

15-Jan-21

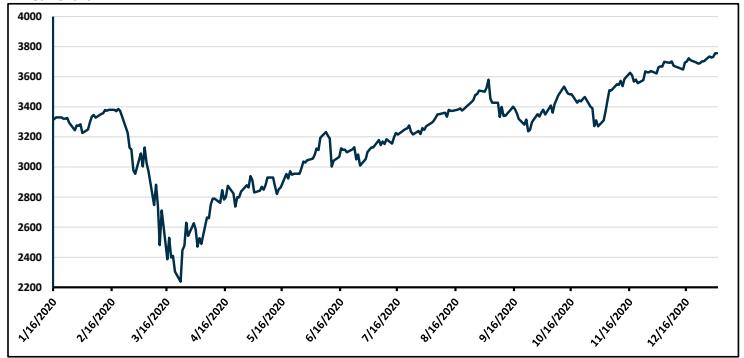
S&P 500 Index Sector Returns

YTD as of 15 Jan 2021



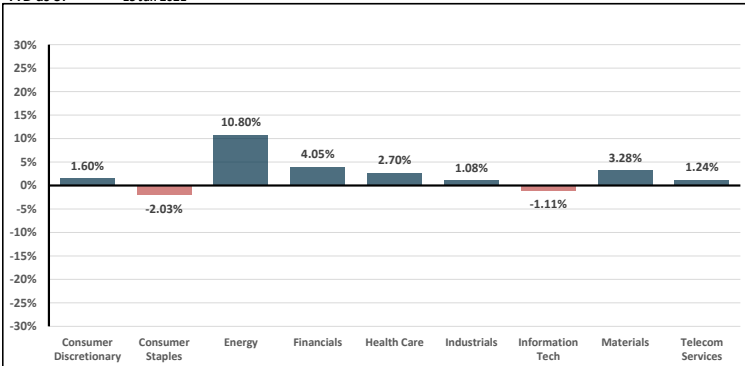
S&P 500 Index Trendline

1 Year Chart



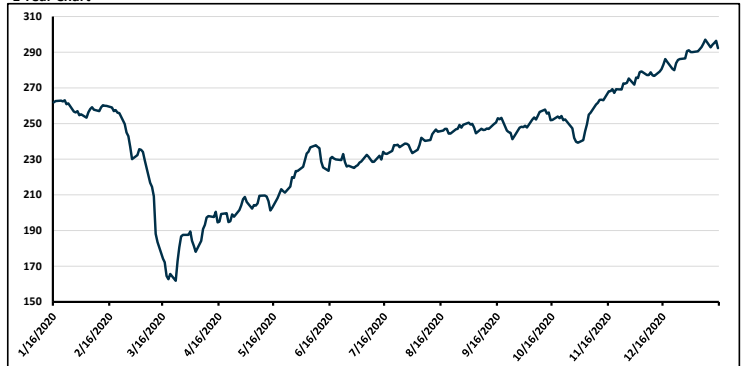
MSCI World Index Sector Returns

YTD as of 15 Jan 2021



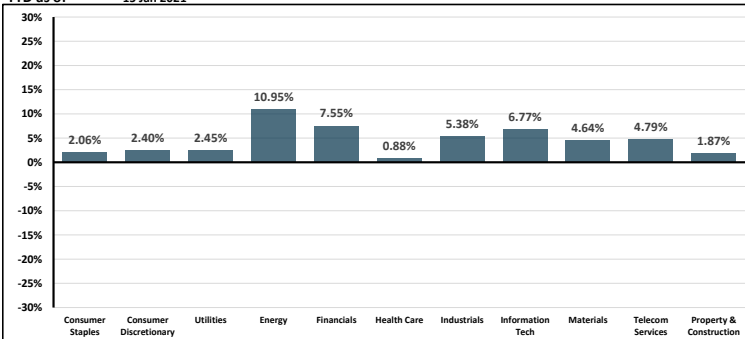
MSCI World Index

1 Year Chart



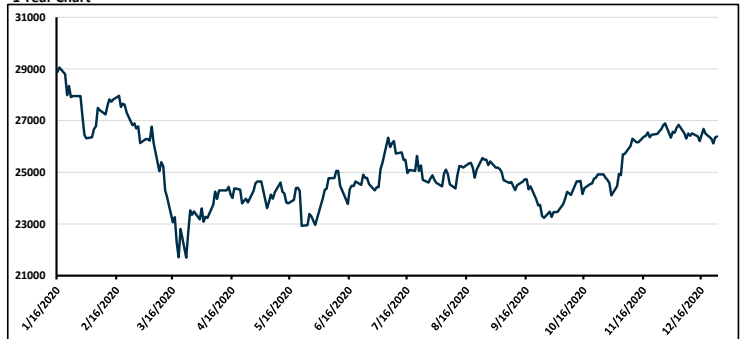
Hang Seng Index Sector Returns

YTD as of 15 Jan 2021



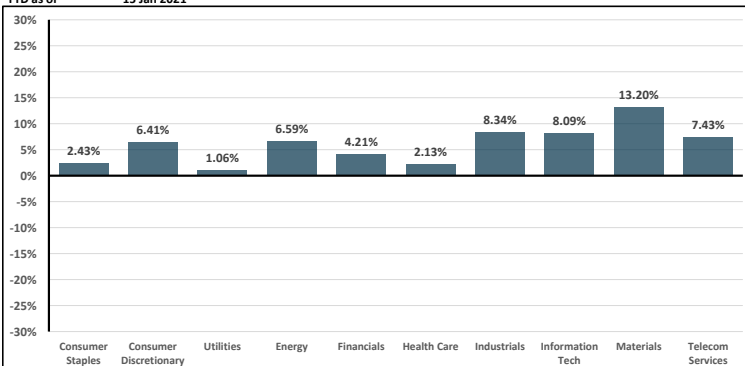
Hang Seng Index

1 Year Chart



CSI 300 Index Sector Returns

YTD as of 15 Jan 2021



CSI 300 Index

1 Year Chart

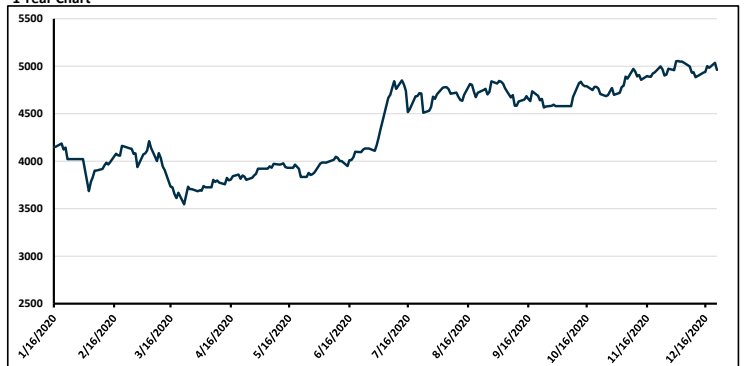


Chart Source: ADSS, Bloomberg

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