

## Top things to know for the week ahead

### Elections to determine control of Senate, US jobs creation to halt

#### Georgia's runoff election for its two Senate seats will kick off 2021.

Chances appear to be tilted towards Republicans in the traditionally Republican leaning state, although that trend has eased off through the past few elections. Republicans only need to win a single seat to gain control over the Senate. November's election figures suggest that it is likely that this will happen, consequently implying that firstly stimulus spending during the year will probably be at a smaller magnitude, while Biden's tax reform plans may not come to fruition easily. A combination of both implies that momentum in the broad stock market will likely continue, although at a slower pace than expected.

#### Keep a lookout for December's change in NonFarm payroll figures for the US as it may be the first month to show a decline in jobs creation.

We expect pressure from the surge in Covid-19 infections to weigh on certain sectors ranging from food and beverage to travel and leisure as restrictions across multiple states offsets job gains in other industries such as ecommerce. Elevated jobless benefit claims figures through December hints at this as well. Still, with lockdowns not reaching the severity of that seen in mid-2020 and unemployment being more related to infections rather than the economic recovery, we expect only a marginal decline in payrolls for the month, closer to -100,000. Economists expect a 50,000 increase in payrolls for the month, suggesting that there could be a short-term spike in the dollar, pushing DXY closer towards 90.40's level, or downward pressure on cyclical sector equities on the release of the jobs report later this week.

### 2021 looks set up to be a commodity-driven year

A vaccine-driven economic recovery coupled with low interest rates and record fiscal and monetary spending suggests that commodities are likely to be the largest beneficiaries. Coupled with the reflation trade's impact on the greenback, we expect energy commodities, along with economic-linked commodities such as copper to benefit the most. A diversified portfolio coupled with frequent rebalancing will probably also be beneficial, due to the expected volatility that commodities will probably face through the year as vaccines will take time to roll out.

### Commodity Active Futures (Rebased to 100)

4-week chart

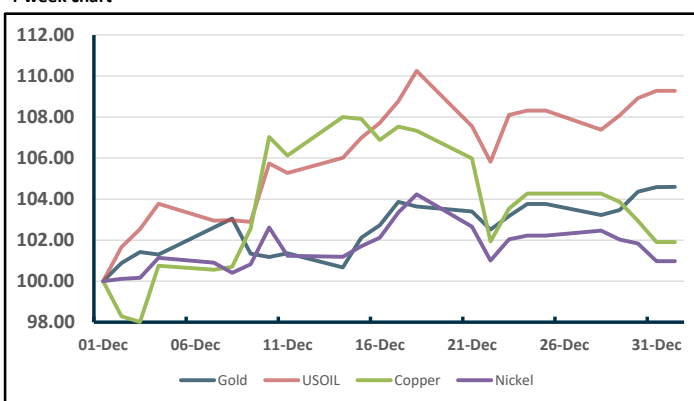


Chart Source: ADSS, Bloomberg

## Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	22:45	USD	United States Markit US Manufacturing PMI
Tue	16:55	EUR	Germany Unemployment Claims Rate SA
Wed	08:01	GBP	United Kingdom BRC Shop Price Index YoY
	23:00	USD	United States Durable Goods Orders
Thu	03:00	USD	United States FOMC Meeting Minutes
	08:30	AUD	Australia Building Approvals MoM
	14:45	CHF	Switzerland Unemployment Rate
	14:45	CHF	Switzerland Unemployment Rate SA
	21:30	USD	United States Initial Jobless Claims
Fri	15:00	EUR	Germany Industrial Production SA MoM
	16:00	CHF	Switzerland Foreign Currency Reserves
	18:00	EUR	Eurozone Unemployment Rate
	21:30	USD	United States Change in Nonfarm Payrolls
	21:30	CAD	Canada Unemployment Rate
	21:30	USD	United States Unemployment Rate
	21:30	CAD	Canada Hourly Wage Rate Permanent Employees YoY
	21:30	CAD	Canada Participation Rate
	21:30	USD	United States Labor Force Participation Rate
21:30	USD	United States Underemployment Rate	

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
<b>Equities</b>					
S&P 500	3,756.07	1.43%	3.71%	11.69%	16.26%
DJ Industrial Average	30,606.48	1.35%	3.27%	10.17%	7.25%
Nasdaq	12,888.28	1.39%	5.05%	12.88%	47.58%
Euro Stoxx 50	3,552.64	0.26%	1.72%	11.24%	-5.14%
MSCI EAFE Small Cap	290.07	1.54%	6.71%	16.98%	10.31%
FTSE 100	6,460.52	-0.64%	3.10%	10.13%	-14.34%
DAX	13,718.78	0.97%	3.22%	7.51%	3.55%
CAC 40	5,551.41	0.53%	0.60%	15.57%	-7.14%
Hang Seng	27,231.13	3.20%	3.38%	16.08%	-3.40%
MSCI World	2,690.04	1.17%	4.14%	13.63%	14.06%
ASX 200	6,587.10	-1.17%	1.06%	13.26%	-1.45%
NIKKEI	27,444.17	2.91%	3.82%	18.37%	16.01%
CSI 300	5,190.77	3.99%	4.66%	13.31%	26.74%
China A50	17,637.00	4.42%	5.68%	16.13%	22.65%
TWSE	14,472.05	1.34%	7.36%	17.71%	22.80%
<b>Fixed Income</b>					
Barclays Aggregate	558.73	0.50%	1.34%	3.28%	9.20%
Barclays Euro Aggregate	275.36	0.25%	0.14%	1.26%	4.05%
Barclays US High Yield	2,338.05	0.50%	1.88%	6.45%	7.11%
Barclays Euro High Yield	420.19	0.19%	0.79%	5.34%	1.76%
Barclays TIPS	127.65	0.31%	0.97%	0.91%	9.51%
JPM EMBI Global Divers	995.16	0.34%	1.90%	5.80%	5.26%
<b>Other</b>					
DJ US Real Estate	334.90	1.70%	1.89%	6.83%	-8.87%
S&P GSCI	409.46	1.18%	6.19%	16.93%	-6.13%
US Dollar Index	89.94	-0.43%	-2.10%	-4.21%	-6.69%
VIX	22.75	5.67%	10.60%	-13.73%	65.09%

Commodities					
	Latest Price	30/11/20	31/10/20	30/9/20	31/12/19
<b>Prices</b>					
WTI Oil (\$/barrel)	48.52	45.34	35.79	40.22	61.06
Brent Oil (\$/barrel)	51.80	47.59	37.46	40.95	66.00
Gold (\$/oz)	1,898.36	1,776.95	1,878.81	1,885.82	1,517.27
Silver (\$/oz)	26.40	22.64	23.66	23.24	17.85
Copper	3.52	3.42	3.05	3.03	2.80
Corn	4.84	4.20	3.99	3.79	3.88
Coffee	1.28	1.21	1.04	1.11	1.30
Natural Gas	2.54	2.88	3.35	2.53	2.19

Currencies					
	Latest Price	30/11/20	31/10/20	30/9/20	31/12/19
<b>Prices</b>					
EURUSD	1.2216	1.1927	1.1647	1.1721	1.1213
GBPUSD	1.3670	1.3323	1.2947	1.2920	1.3257
USDJPY	103.25	104.31	104.66	105.48	108.61
USDCHF	0.8852	0.9089	0.9170	0.9209	0.9666
USDCAD	1.2725	1.3001	1.3321	1.3319	1.2990
AUDUSD	0.7694	0.7344	0.7028	0.7162	0.7021
NZDUSD	0.7184	0.7017	0.6615	0.6617	0.6740
USDCNH	6.5028	6.5839	6.6964	6.7838	6.9617

Crypto Currencies					
	Latest Price	30/11/20	31/10/20	30/9/20	31/12/19
<b>Prices</b>					
BTC/USD	28,996.28	19,378.61	13,639.4	10,707.0	7,158.27
XRP/USD	0.2249	0.6477	0.2386	0.2392	0.1906
LTC/USD	124.11	86.61	54.12	45.90	41.27
DSH/USD	99.30	111.75	70.88	67.73	41.24

Rates & Spreads					
	Latest Rate	30/11/20	31/10/20	30/9/20	31/12/19
<b>Rates</b>					
Fed Funds Target	0.25%	0.25%	0.25%	0.25%	1.75%
ECB Depo Rate	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%
3 Month US Dollar Libor	0.24%	0.23%	0.22%	0.23%	1.91%
US Treasuries 2 Year	0.12%	0.15%	0.15%	0.13%	1.57%
US Treasuries 10 Year	0.91%	0.84%	0.87%	0.68%	1.92%
German Bunds 2 Year	-0.72%	-0.75%	-0.80%	-0.71%	-0.61%
German Bunds 10 Year	-0.57%	-0.57%	-0.63%	-0.52%	-0.19%
Japan Gov't Bonds 10 Year	0.02%	0.03%	0.04%	0.01%	-0.02%
UK Gilts 10 Year	0.20%	0.31%	0.26%	0.23%	0.82%
Swiss Gov't Bonds 10 Year	-0.58%	-0.55%	-0.56%	-0.52%	-0.50%

Global Equity Returns YTD 2020

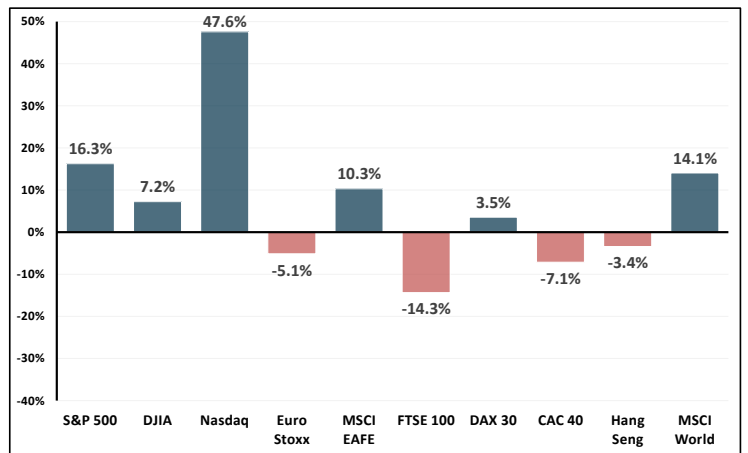


Chart Source: ADSS and Bloomberg as of the closing price on 31-Dec-20

Global Currency Returns (Weekly)

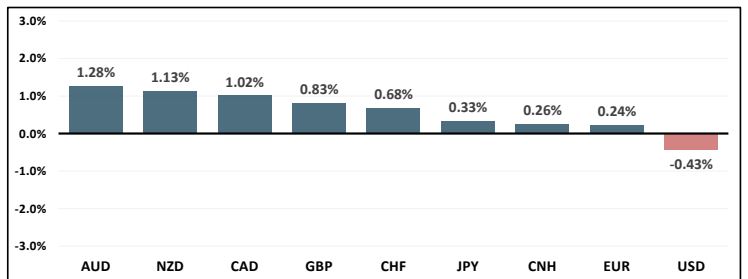


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Global Currency Returns YTD 2020

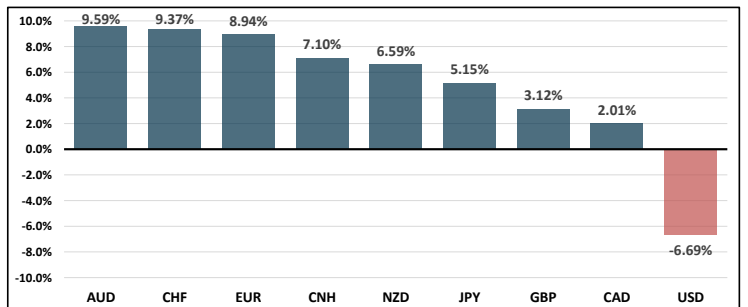
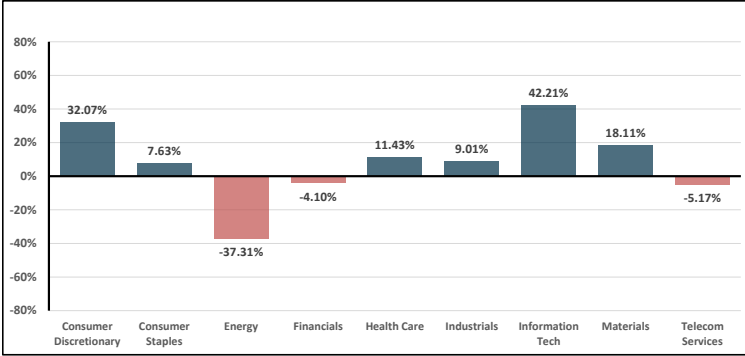


Chart Source: ADSS and Bloomberg as of the closing price on 31-Dec-20

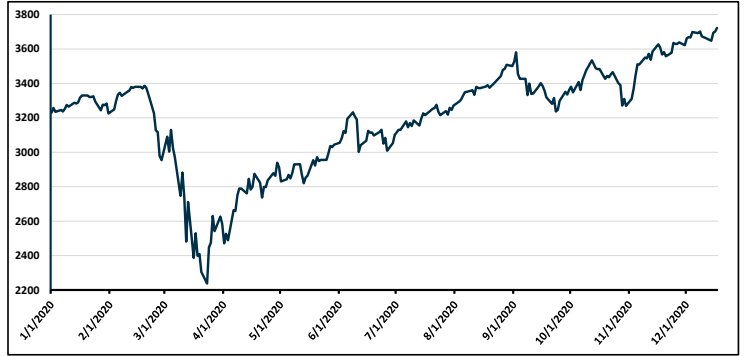
### S&P 500 Index Sector Returns

YTD as of 31 Dec 2020



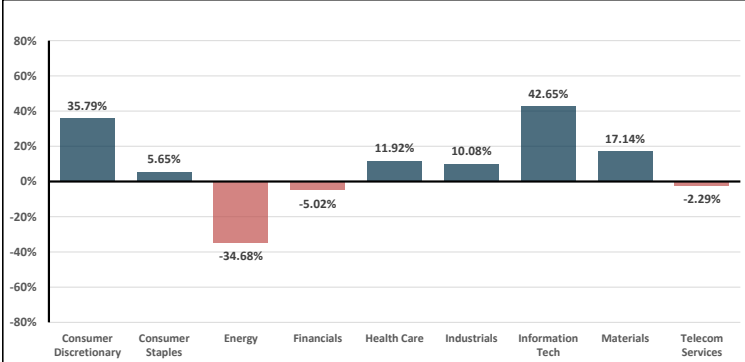
### S&P 500 Index Trendline

1 Year Chart



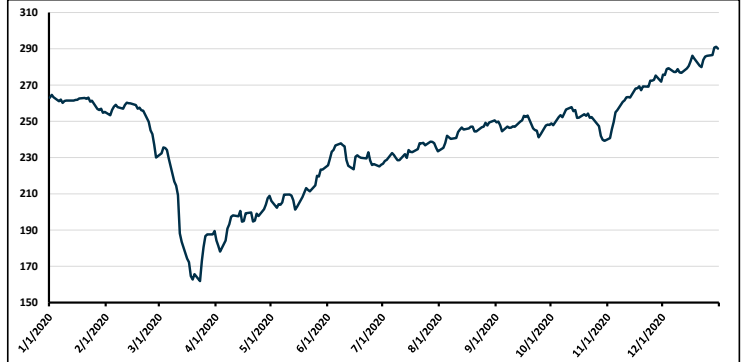
### MSCI World Index Sector Returns

YTD as of 31 Dec 2020



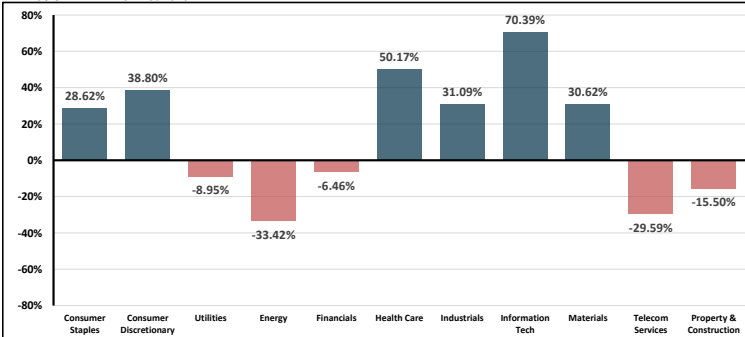
### MSCI World Index

1 Year Chart



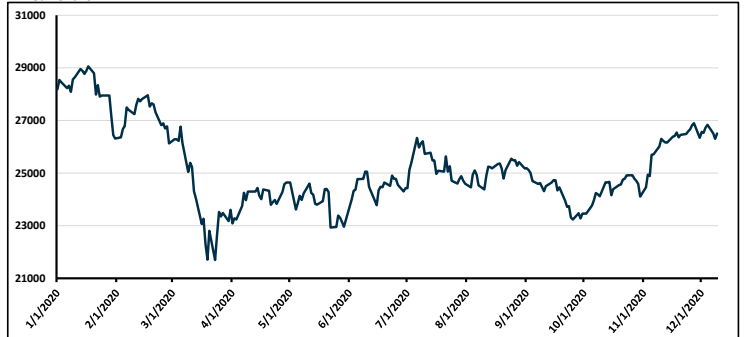
### Hang Seng Index Sector Returns

YTD as of 31 Dec 2020



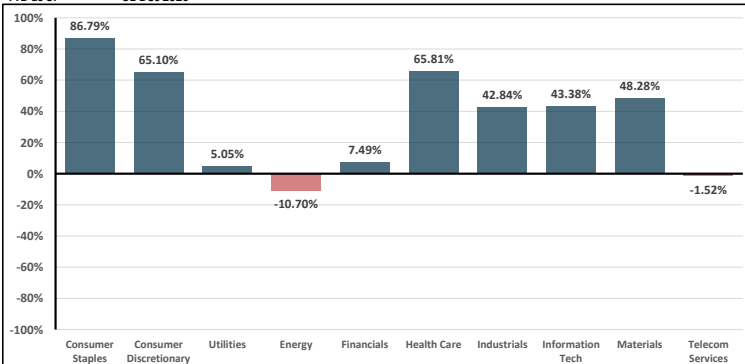
### Hang Seng Index

1 Year Chart



### CSI 300 Index Sector Returns

YTD as of 31 Dec 2020



### CSI 300 Index

1 Year Chart

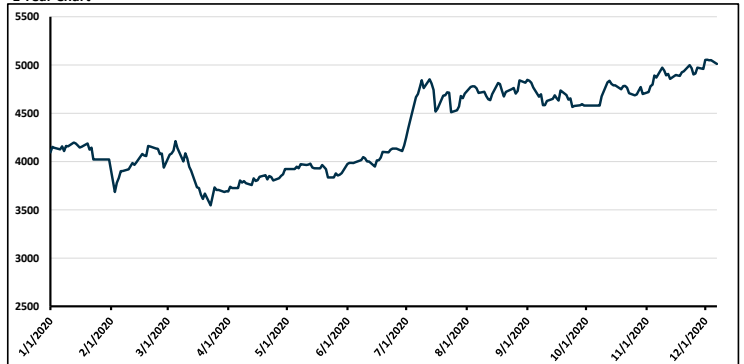


Chart Source: ADSS, Bloomberg

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