

Top things to know for the week ahead

BoE and RBA to keep policy on hold in line with its peers

Expect the Reserve Bank of Australia (RBA) to keep rates on hold this week, as the Australian economy continues to recover. Strong housing demand amid low interest rates will probably deter the central bank from looser policy. Instead, we expect the RBA to hint at an upward revision to its forecasts for the economy. The strong Aussie, a by-product of the surge in commodity prices, will likely remain a key longer-term risk for policy makers when international borders reopen. We expect the AUD/USD to see an uptick on the decision, possibly trading above 0.7743's level, i.e. a maximum upside of 1.20% from the time of writing. However, that impact is likely to be temporary as volatility from last week should persist into this, which may add to downward pressure on AUD/USD towards its 50-day moving average.

Similarly, expect the Bank of England (BoE) to keep policy at current levels this week. The BoE will likely only ease its pace of asset purchases in Q2 2021 and maintain its current pace until then. Updates to its forecast should feature a downgrade to the current quarter while increasing its expectations for a second quarter rebound thanks to vaccine deployment. A key concern for investors is likely negative interest rates with the report on the BoE's consultation with lenders set to be released this week. While the report will probably show operational issues relating to negative rates, the BoE is more likely to utilise the report in maintaining the possibility of negative rates. This should put downward pressure on GBP/USD on the release of its decision on Thursday, possibly enough to retest a support at 1.3642's level.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	08:30	AUD	Australia Owner-Occupier Loan Value MoM
	18:00	EUR	Eurozone Unemployment Rate
	23:00	USD	United States ISM Manufacturing
Tue	11:30	AUD	Australia RBA Cash Rate Target
	18:00	EUR	Eurozone GDP SA QoQ
Wed	05:45	NZD	New Zealand Participation Rate
	08:30	AUD	Australia Building Approvals MoM
	20:00	USD	United States MBA Mortgage Applications
Thu	20:00	GBP	United Kingdom Bank of England Bank Rate
	20:30	GBP	United Kingdom BOE Governor Bailey's Post Meeting Press Conf.
	21:30	USD	United States Initial Jobless Claims
	23:00	USD	United States Durable Goods Orders
Fri	16:00	CHF	Switzerland Foreign Currency Reserves
	21:30	CAD	Canada Unemployment Rate
	21:30	USD	United States Change in Nonfarm Payrolls
	21:30	CAD	Canada Hourly Wage Rate Permanent Employees YoY
	21:30	USD	United States Unemployment Rate
	21:30	USD	United States Labor Force Participation Rate
	21:30	USD	United States Underemployment Rate

Crude to maintain its trading range with some upside bias

Expect WTI crude oil futures to continue to trade within a three-week range of 51.50 - 53.83 this week with the bullish outlook on supply offsetting demand concerns from tighter virus containment measures. That said, we expect the bullish backwardation in closer dated time spreads for WTI crude oil futures to persist, and for active crude WTI future to trade towards the top end of that range this week thanks to positive fundamentals in the longer-term.

Commodities Against DXY (Rebased to 100)

4-week chart

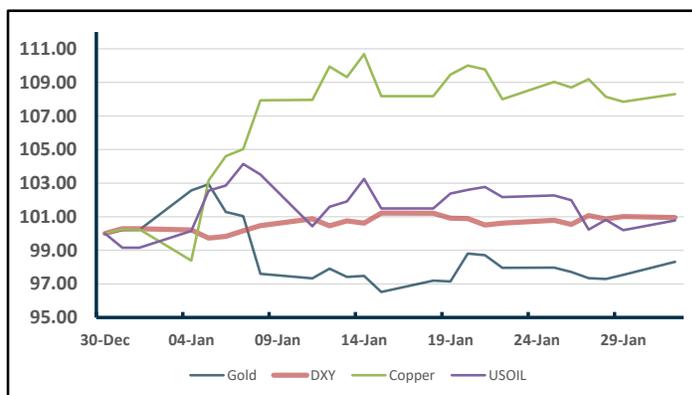


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	3,714.24	-3.31%	0.00%	-1.11%	-1.11%
DJ Industrial Average	29,982.62	-3.27%	0.00%	-2.04%	-2.04%
Nasdaq	12,925.38	-3.30%	0.00%	0.29%	0.29%
Euro Stoxx 50	3,481.44	-3.36%	0.00%	-2.00%	-2.00%
MSCI EAFE Small Cap	288.86	-2.38%	0.00%	-0.42%	-0.42%
FTSE 100	6,407.46	-4.30%	0.00%	-0.82%	-0.82%
DAX	13,432.87	-3.18%	0.00%	-2.08%	-2.08%
CAC 40	5,399.21	-2.88%	0.00%	-2.74%	-2.74%
Hang Seng	28,283.71	-3.95%	0.00%	3.87%	3.87%
MSCI World	2,661.69	-3.41%	0.00%	-1.05%	-1.05%
ASX 200	6,607.36	-2.84%	0.00%	0.31%	0.31%
NIKKEI	27,663.39	-3.38%	0.00%	0.80%	0.80%
CSI 300	5,373.36	-3.74%	0.00%	3.52%	3.52%
China A50	18,303.27	-2.02%	0.00%	3.78%	3.78%
TWSE	15,701.45	-1.98%	0.00%	2.75%	2.75%
Fixed Income					
Barclays Aggregate	553.80	-0.17%	0.00%	-0.88%	-0.88%
Barclays Euro Aggregate	274.11	0.04%	0.00%	-0.46%	-0.46%
Barclays US High Yield	2,345.78	-0.15%	0.00%	0.33%	0.33%
Barclays Euro High Yield	422.63	-0.20%	0.00%	0.58%	0.58%
Barclays TIPS	127.99	0.17%	0.00%	0.27%	0.27%
JPM EMBI Global Divers	984.36	0.16%	0.00%	-1.09%	-1.09%
Other					
DJ US Real Estate	333.20	-0.83%	0.00%	-0.51%	-0.51%
S&P GSCI	430.99	0.84%	0.00%	5.26%	5.26%
US Dollar Index	90.58	0.38%	0.00%	0.72%	0.72%
VIX	33.09	51.03%	0.00%	45.45%	45.45%

Commodities					
	Latest Price	31/1/21	31/12/20	31/1/00	31/12/18
Prices					
WTI Oil (\$/barrel)	52.20	52.20	48.52	#N/A	45.41
Brent Oil (\$/barrel)	55.88	55.88	51.80	#N/A	53.80
Gold (\$/oz)	1,847.65	1,847.65	1,898.36	#N/A	1,282.49
Silver (\$/oz)	26.99	26.99	26.40	#N/A	15.50
Copper	3.56	3.56	3.52	#N/A	2.63
Corn	5.47	5.47	4.84	#N/A	3.75
Coffee	1.23	1.23	1.28	#N/A	1.02
Natural Gas	2.56	2.56	2.54	#N/A	2.94

Currencies					
	Latest Price	31/1/21	31/12/20	31/1/00	31/12/18
Prices					
EURUSD	1.2136	1.2136	1.2216	#N/A	1.1467
GBPUSD	1.3708	1.3708	1.3670	#N/A	1.2754
USDJPY	104.68	104.68	103.25	#N/A	109.69
USDCHF	0.8903	0.8903	0.8852	#N/A	0.9821
USDCAD	1.2777	1.2777	1.2725	#N/A	1.3637
AUDUSD	0.7644	0.7644	0.7694	#N/A	0.7049
NZDUSD	0.7193	0.7193	0.7184	#N/A	0.6719
USDCNH	6.4522	6.4522	6.5028	#N/A	6.8706

Crypto Currencies					
	Latest Price	31/1/21	31/12/20	31/1/00	31/12/18
Prices					
BTC/USD	34,641.09	34,641.09	28,996.3	#N/A	3,674.18
XRP/USD	0.2898	0.2898	0.2249	#N/A	0.3458
LTC/USD	136.16	136.16	124.11	#N/A	29.51
DSH/USD	104.36	104.36	99.30	#N/A	79.95

Rates & Spreads					
	Latest Rate	31/1/21	31/12/20	31/1/00	31/12/18
Rates					
Fed Funds Target	0.25%	0.25%	0.25%	#N/A	2.50%
ECB Depo Rate	-0.50%	-0.50%	-0.50%	#N/A	-0.40%
3 Month US Dollar Libor	0.20%	0.20%	0.24%	#N/A	2.81%
US Treasuries 2 Year	0.11%	0.11%	0.12%	#N/A	2.49%
US Treasuries 10 Year	1.07%	1.07%	0.91%	#N/A	2.68%
German Bunds 2 Year	-0.74%	-0.74%	-0.72%	#N/A	-0.62%
German Bunds 10 Year	-0.52%	-0.52%	-0.57%	#N/A	0.24%
Japan Gov't Bonds 10 Year	0.05%	0.05%	0.02%	#N/A	-0.01%
UK Gilts 10 Year	0.33%	0.33%	0.20%	#N/A	1.28%
Swiss Gov't Bonds 10 Year	-0.45%	-0.45%	-0.58%	#N/A	-0.28%

Global Equity Returns YTD 2021

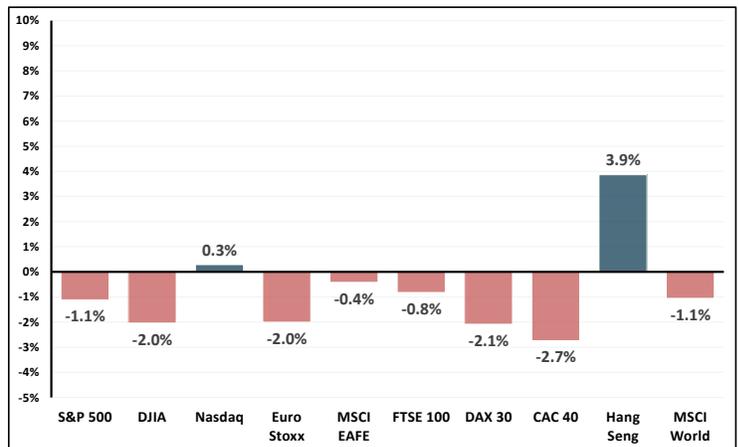


Chart Source: ADSS and Bloomberg as of the closing price on 29-Jan-21

Global Currency Returns (Weekly)

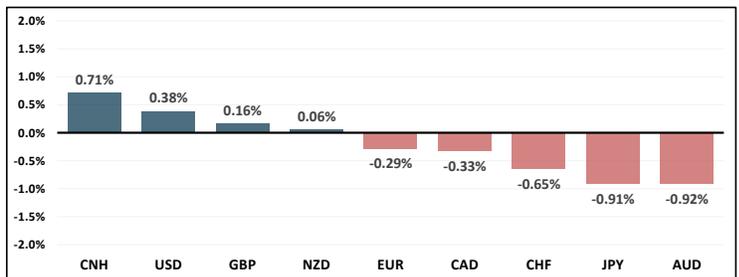


Chart Source: ADSS and Bloomberg as of the closing price on 29-Jan-21

Global Currency Returns YTD 2021

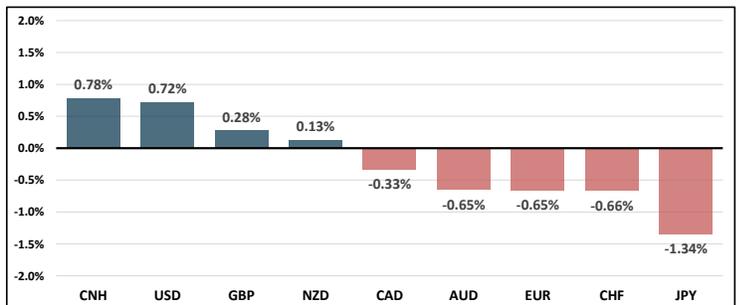
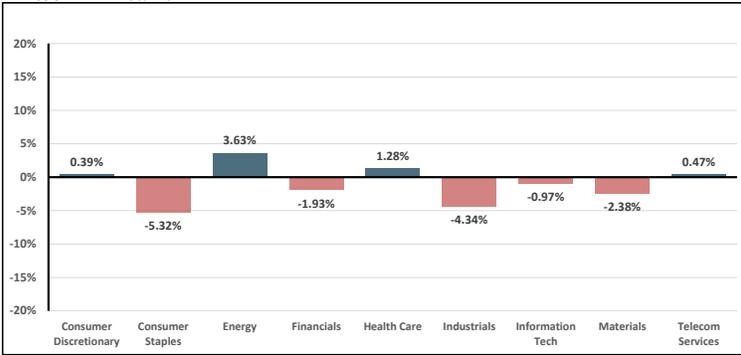


Chart Source: ADSS and Bloomberg as of the closing price on 29-Jan-21

S&P 500 Index Sector Returns

YTD as of 29 Jan 2021



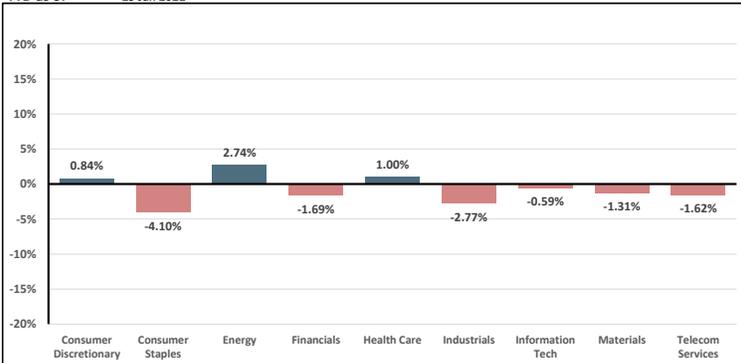
S&P 500 Index Trendline

1 Year Chart



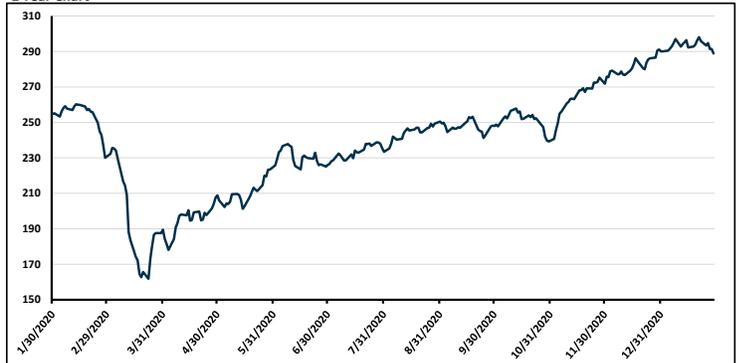
MSCI World Index Sector Returns

YTD as of 29 Jan 2021



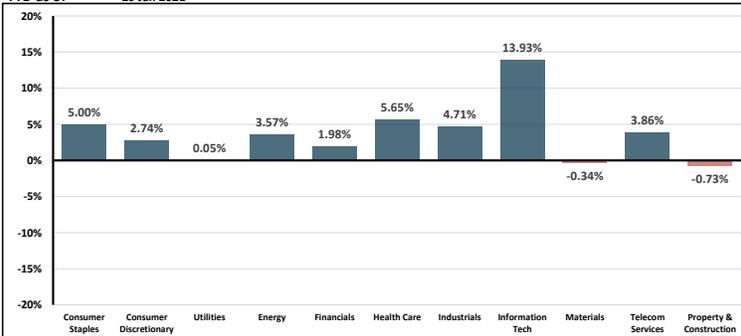
MSCI World Index

1 Year Chart



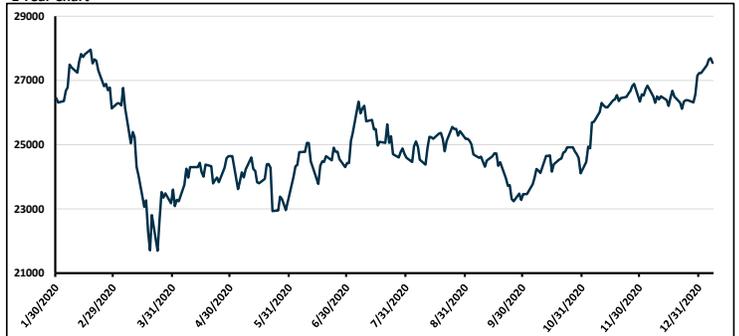
Hang Seng Index Sector Returns

YTD as of 29 Jan 2021



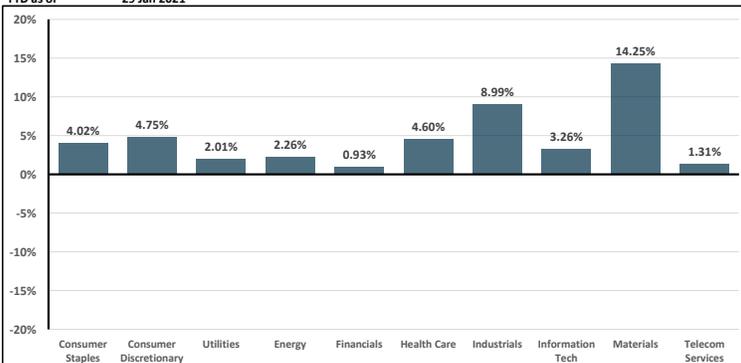
Hang Seng Index

1 Year Chart



CSI 300 Index Sector Returns

YTD as of 29 Jan 2021



CSI 300 Index

1 Year Chart

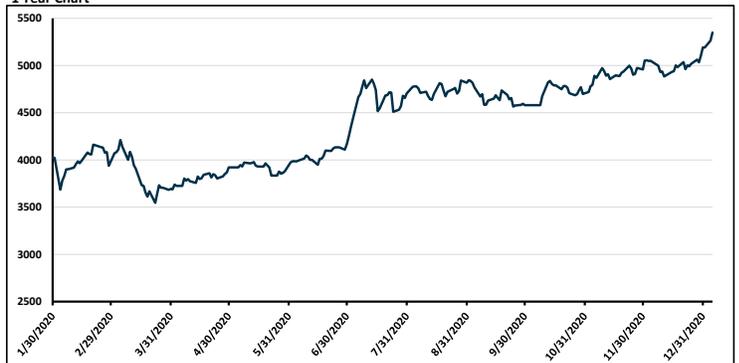


Chart Source: ADSS, Bloomberg

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