

Top things to know for the week ahead

Retail sales to be key this week; gold outflows signal downside

Retail sales data for January in the US will be an important tell for consumer spending for the rest of the quarter. We expect stronger-than-expected growth in retail spending after a weak holiday season, thanks to seasonal adjustments and given that the US\$600 stimulus pay outs has reached much more households compared to December. Additionally, strong auto sales and higher gas prices will probably help boost the headline figure as well. Any upside impact on markets should only be marginal however, as focus remains on vaccines and fiscal spending. However, in the event of a weaker-than-expected reading, there may be larger downside pressure on risky assets as it would indicate cracks in consumption along with weak sentiment and high unemployment.

Flows in gold products suggests that it may be losing short-term interest and could be setting itself up for additional downside. CFTC flows into Gold for the week through February 9th was net positive (Net non-commercial combined positions was +0.241 million), but the figure was lower than the week before, and less than most of 2020. More important, was investors pulling cash out of gold-backed ETFs for four consecutive days last week, pushing net holdings of gold-backed ETFs into a year-to-date decline. A probable cause could be a surge in interest in cryptos and general optimism in the broad market attracting investors out of gold. This coincides with our near-term outlook for the yellow metal to see additional downside as sentiment tilts lower. We reiterate our outlook for short-term downside with US\$1,747 as the top end of a range as a result.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	07:50	JPY	Japan GDP SA QoQ
	07:50	JPY	Japan GDP Annualized SA QoQ
	12:30	JPY	Japan Industrial Production MoM
	-	CNY	China 1-Yr Medium-Term Lending Facility Rate
Tue	08:30	AUD	Australia RBA Minutes of Feb. Policy Meeting
	18:00	EUR	Germany ZEW Survey Expectations
	18:00	EUR	Germany ZEW Survey Current Situation
	18:00	EUR	Eurozone GDP SA QoQ
Wed	15:00	GBP	United Kingdom CPI MoM
	15:00	GBP	United Kingdom CPI YoY
	18:00	EUR	Eurozone Construction Output MoM
	20:00	USD	United States MBA Mortgage Applications
	21:30	CAD	Canada CPI YoY
	21:30	USD	United States Retail Sales Advance MoM
Thu	03:00	USD	United States FOMC Meeting Minutes
	08:30	AUD	Australia Participation Rate
	08:30	AUD	Australia Employment Change
	08:30	AUD	Australia Unemployment Rate
	21:30	USD	United States Initial Jobless Claims

Expect continued but limited upside in oil

Upside from harsh weather conditions in the US may be offset by reduced open interest. The colder-than-usual winter is also expected to cause some disruptions to shale oil output in the Permian Basin, according to traders, which suggests that we could see more tailwinds for the benchmark this week. However, with open interest looking to ease, a lateral movement in prices is more probable as a result of little catalysts along the week.

Commodity Against DXY (Rebased to 100)

4-week chart

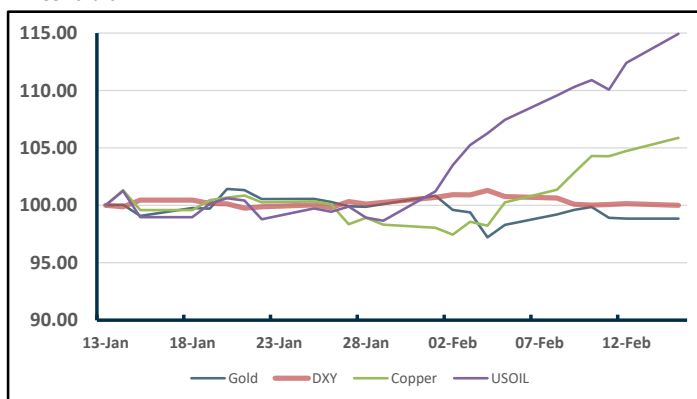


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	3,934.83	1.23%	20.21%	4.76%	4.76%
DJ Industrial Average	31,458.40	1.00%	9.48%	2.78%	2.78%
Nasdaq	13,807.70	1.50%	51.71%	7.13%	7.13%
Euro Stoxx 50	3,695.61	1.09%	-1.09%	4.02%	4.02%
MSCI EAFE Small Cap	303.99	1.82%	18.31%	4.80%	4.80%
FTSE 100	6,589.79	1.55%	-11.94%	2.00%	2.00%
DAX	14,049.89	-0.05%	5.28%	2.41%	2.41%
CAC 40	5,703.67	0.78%	-4.22%	2.74%	2.74%
Hang Seng	30,173.57	3.02%	11.09%	10.81%	10.81%
MSCI World	2,818.85	1.64%	18.76%	4.79%	4.79%
ASX 200	6,806.74	-0.49%	-3.20%	3.33%	3.33%
NIKKEI	29,520.07	2.57%	26.27%	7.56%	7.56%
CSI 300	5,783.80	5.57%	43.82%	11.42%	11.42%
China A50	20,051.97	4.67%	44.75%	13.69%	13.69%
TWSE	15,802.40	0.00%	30.40%	7.26%	7.26%
Fixed Income					
Barclays Aggregate	551.33	0.29%	6.99%	-1.32%	-1.32%
Barclays Euro Aggregate	273.06	-0.15%	1.55%	-0.83%	-0.83%
Barclays US High Yield	2,369.47	0.30%	8.33%	1.34%	1.34%
Barclays Euro High Yield	426.83	0.17%	2.96%	1.58%	1.58%
Barclays TIPS	127.65	-0.05%	7.79%	0.00%	0.00%
JPM EMBI Global Divers	986.65	-0.32%	3.09%	-0.86%	-0.86%
Other					
DJ US Real Estate	349.40	1.30%	-7.07%	4.33%	4.33%
S&P GSCI	463.95	2.96%	16.35%	13.31%	13.31%
US Dollar Index	90.48	-0.62%	-7.66%	0.60%	0.60%
VIX	19.97	-4.31%	21.84%	-12.22%	-12.22%

Commodities					
	Latest Price	31/1/20	31/12/20	30/11/20	31/12/18
Prices					
WTI Oil (\$/barrel)	59.47	53.33	48.52	45.34	45.41
Brent Oil (\$/barrel)	62.43	59.81	51.80	47.59	53.80
Gold (\$/oz)	1,824.23	1,576.83	1,898.36	1,776.95	1,282.49
Silver (\$/oz)	27.36	17.56	26.40	22.64	15.50
Copper	3.79	2.55	3.52	3.42	2.63
Corn	5.39	3.84	4.84	4.20	3.75
Coffee	1.21	1.02	1.28	1.21	1.02
Natural Gas	2.91	1.88	2.54	2.88	2.94

Currencies					
	Latest Price	31/1/20	31/12/20	30/11/20	31/12/18
Prices					
EURUSD	1.2120	1.1010	1.2216	1.1927	1.1467
GBPUSD	1.3849	1.3021	1.3670	1.3323	1.2754
USDJPY	104.94	109.02	103.25	104.31	109.69
USDCNH	0.8919	0.9732	0.8852	0.9089	0.9821
USDCAD	1.2696	1.3199	1.2725	1.3001	1.3637
AUDUSD	0.7761	0.6754	0.7694	0.7344	0.7049
NZDUSD	0.7223	0.6527	0.7184	0.7017	0.6719
USDCNH	6.4217	6.9697	6.5028	6.5839	6.8706

Crypto Currencies					
	Latest Price	31/1/20	31/12/20	30/11/20	31/12/18
Prices					
BTC/USD	47,947.16	9,354.71	28,996.3	19,378.6	3,674.18
XRP/USD	0.5870	0.2370	0.2249	0.6477	0.3458
LTC/USD	195.08	60.15	124.11	86.61	29.51
DSH/USD	165.59	125.84	99.30	111.75	79.95

Rates & Spreads					
	Latest Rate	31/1/20	31/12/20	30/11/20	31/12/18
Rates					
Fed Funds Target	0.25%	1.75%	0.25%	0.25%	2.50%
ECB Depo Rate	-0.50%	-0.50%	-0.50%	-0.50%	-0.40%
3 Month US Dollar Libor	0.19%	1.78%	0.24%	0.23%	2.81%
US Treasuries 2 Year	0.11%	1.41%	0.12%	0.15%	2.49%
US Treasuries 10 Year	1.21%	1.58%	0.91%	0.84%	2.68%
German Bunds 2 Year	-0.71%	-0.64%	-0.72%	-0.75%	-0.62%
German Bunds 10 Year	-0.43%	-0.38%	-0.57%	-0.57%	0.24%
Japan Gov't Bonds 10 Year	0.06%	-0.05%	0.02%	0.03%	-0.01%
UK Gilts 10 Year	0.52%	0.52%	0.20%	0.31%	1.28%
Swiss Gov't Bonds 10 Year	-0.35%	-0.72%	-0.58%	-0.55%	-0.28%

Global Equity Returns YTD 2021

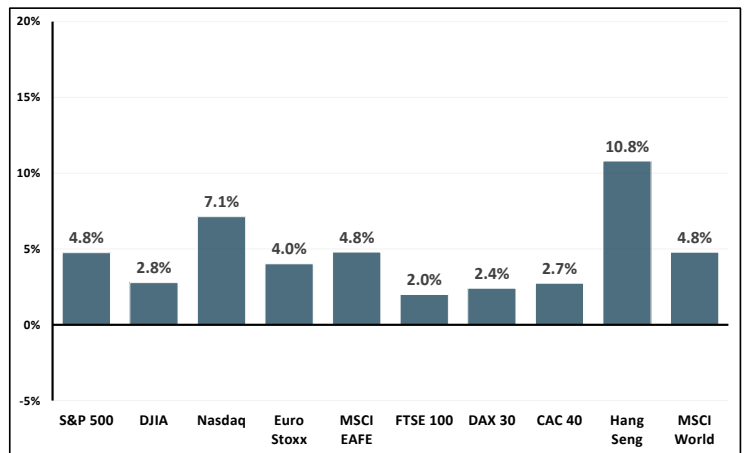


Chart Source: ADSS and Bloomberg as of the closing price on 12-Feb-21

Global Currency Returns (Weekly)

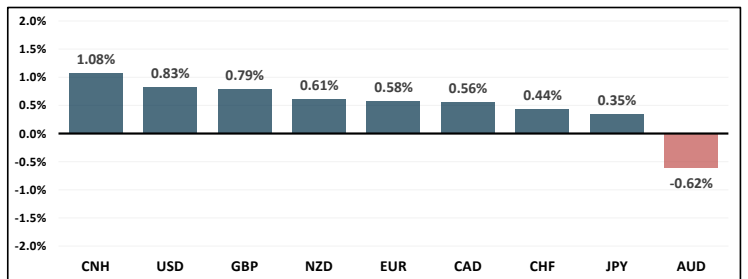


Chart Source: ADSS and Bloomberg as of the closing price on 12-Feb-21

Global Currency Returns YTD 2021

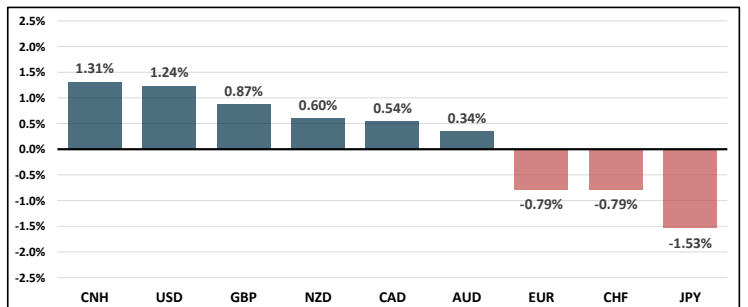
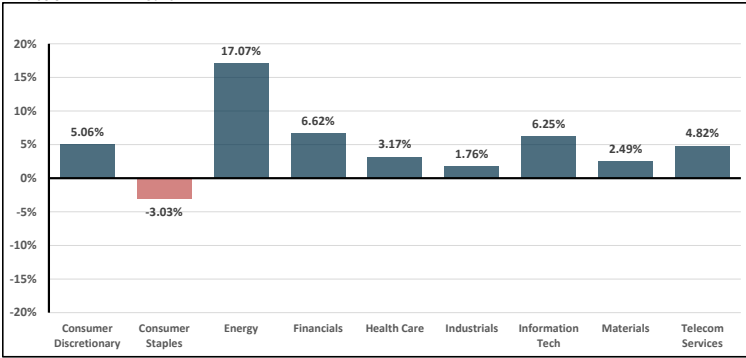


Chart Source: ADSS and Bloomberg as of the closing price on 12-Feb-21

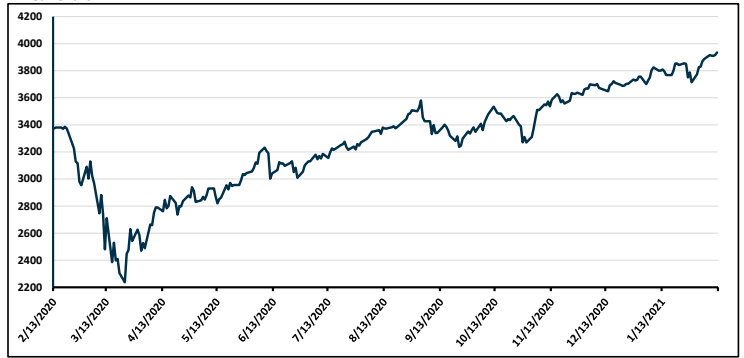
S&P 500 Index Sector Returns

YTD as of 12 Feb 2021



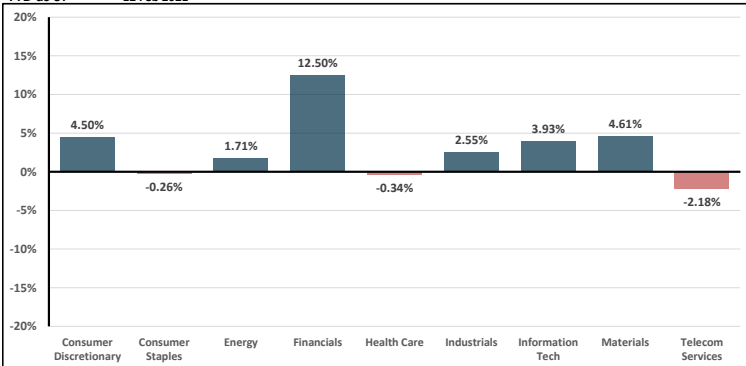
S&P 500 Index Trendline

1 Year Chart



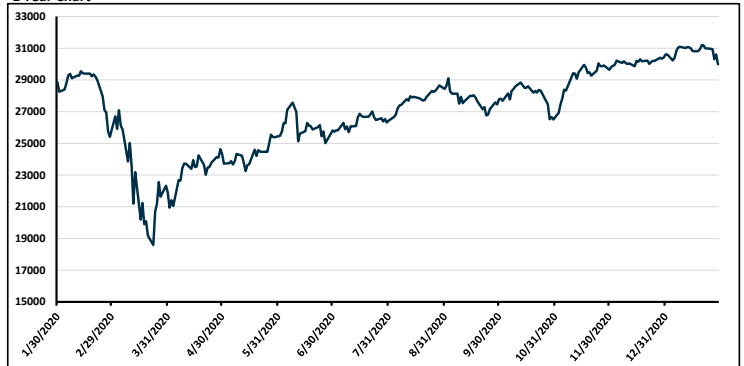
Dow Jones Industrial Average Index Sector Returns

YTD as of 12 Feb 2021



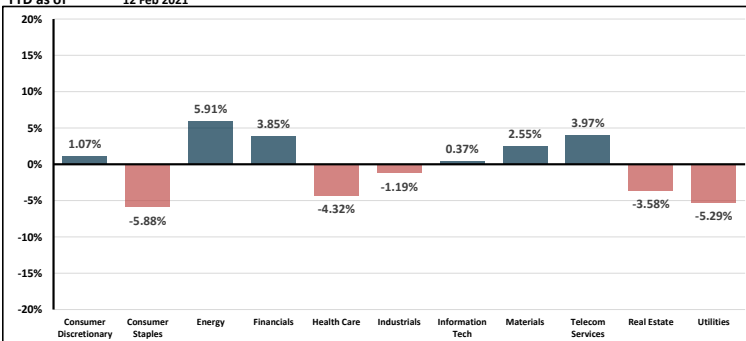
Dow Jones Industrial Average Index

1 Year Chart



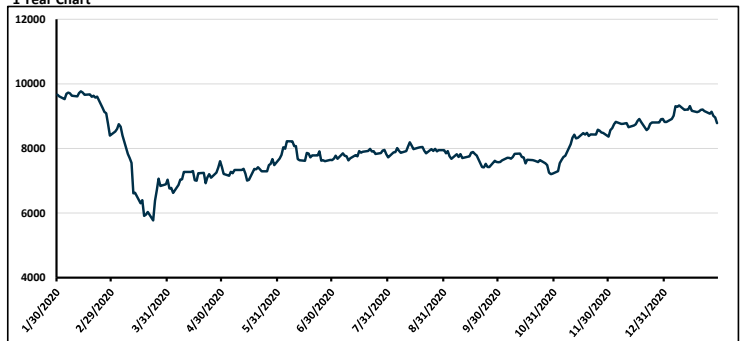
FTSE100 Index Sector Returns

YTD as of 12 Feb 2021



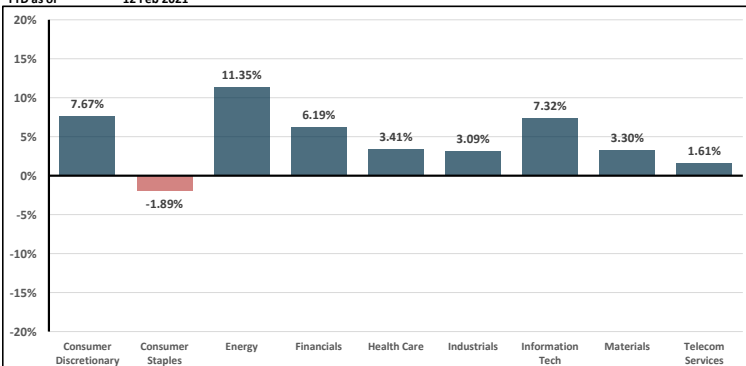
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 12 Feb 2021



MSCI World Index

1 Year Chart

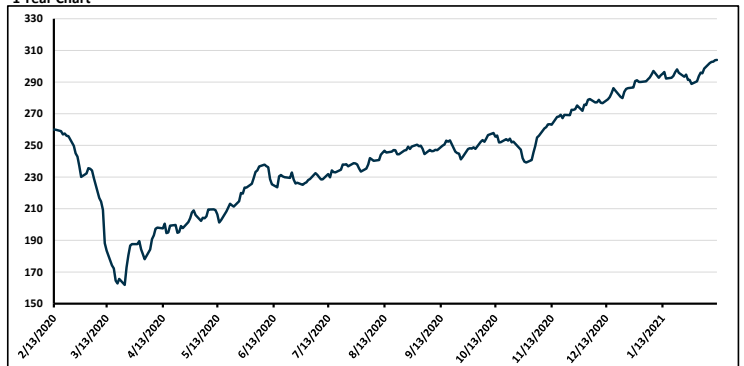


Chart Source: ADSS, Bloomberg

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