

## Top things to know for the week ahead

### DXY likely to hold on to some gains this week

**Markets to focus on Fed Chair Jerome Powell's testimony before Congress this week after 10-year Treasury yields broke 1.30% last week.** That said, we don't expect the central banker to deviate far from his latest dovish comments, at least in the short-term as the economy remains far from its targets. The most recent minutes of the Fed's January meeting mostly reinforces this as well, with little indication from even the most hawkish leaning members of signs for a policy adjustment. Expect some strength in the dollar as a result, as yields remain on its upside trajectory, at least for now. Consequently, we see DXY retesting the resistance at 90.92 but end with only a slight upside bias over the week in what is more of a sideways move. We note this seems especially likely with GBP/USD showing some upside resistance with fading call option interest.

**Expect personal income to jump in January thanks to stimulus checks, while consumption sees a strong but smaller gain thanks to broad based spending.** Our expectations for income is similar to economists' forecasts of about a 10% spike in January thanks to more than US\$130 billion in stimulus payouts in the month. Retail sales surging 5.3% in January is already a strong signal of better-than-expected consumption in the month as well. We estimate personal spending closer to about 2.6% during the month as a result, driven by a broad consumption across industries thanks to stimulus payouts and inflation expectations. That said, we don't see a better-than-expected report strongly influencing the dollar due to relatively strong market expectations.

### Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	17:00	EUR	Germany IFO Business Climate
Tue	01:00	USD	United States Fed's Kaplan Takes Part in Moderated Q&A
	15:00	GBP	United Kingdom Jobless Claims Change
	15:00	GBP	United Kingdom ILO Unemployment Rate 3Mths
	18:00	EUR	Eurozone CPI YoY
	23:00	USD	United States Conf. Board Consumer Confidence
	23:00	USD	United States Conf. Board Expectations
Wed	09:00	NZD	New Zealand RBNZ Official Cash Rate
	10:00	NZD	New Zealand RBNZ Governor News Conference After OCR Decision
	23:00	USD	United States New Home Sales
Thu	17:00	EUR	Eurozone M3 Money Supply YoY
	21:30	USD	United States Durable Goods Orders
	21:30	USD	United States Initial Jobless Claims
	21:30	USD	United States GDP Annualized QoQ
Fri	05:45	NZD	New Zealand Trade Balance NZD
	07:30	JPY	Japan Tokyo CPI Ex-Fresh Food YoY
	07:50	JPY	Japan Industrial Production MoM
	21:30	USD	United States Personal Income/Spending
	23:00	USD	United States U. of Mich. Sentiment

### Discount in gold may prove to be a strong alternative for crude

**Rebalancing profits from crude oil towards gold may prove beneficial to portfolios.** Crude oil prices, in our view, is trading at extended levels and due for a pullback with downside risk growing (due to OPEC+ upcoming meeting and US refinery closures). With the large discount gold is trading at against the S&P500 and other commodities and potentially more short-term downside with low inflows, the yellow metal is growing more attractive as an inflation hedge especially if able to enter the yellow metal at mid 1,700's.

### Commodity Against DXY (Rebased to 100)

4-week chart

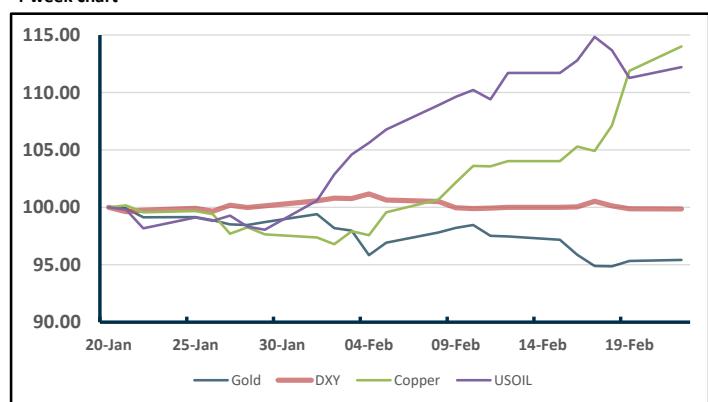


Chart Source: ADSS, Bloomberg

**Weekly Market Snapshot**
**Index Returns**

	Latest Price	1 week	MTD	QTD	YTD
<b>Equities</b>					
S&P 500	3,906.71	-0.71%	19.35%	4.01%	4.01%
DJ Industrial Average	31,494.32	0.11%	9.60%	2.90%	2.90%
Nasdaq	13,580.78	-1.64%	49.21%	5.37%	5.37%
Euro Stoxx 50	3,713.46	0.48%	-0.61%	4.53%	4.53%
MSCI EAFE Small Cap	302.71	-0.42%	17.81%	4.36%	4.36%
FTSE 100	6,624.02	0.52%	-11.49%	2.53%	2.53%
DAX	13,993.23	-0.40%	4.86%	2.00%	2.00%
CAC 40	5,773.55	1.23%	-3.05%	4.00%	4.00%
Hang Seng	30,644.73	1.56%	12.83%	12.54%	12.54%
MSCI World	2,806.47	-0.44%	18.24%	4.33%	4.33%
ASX 200	6,793.79	-0.19%	-3.38%	3.14%	3.14%
NIKKEI	30,017.92	1.69%	28.39%	9.38%	9.38%
CSI 300	5,780.09	-0.06%	43.72%	11.35%	11.35%
China A50	20,002.46	-0.25%	44.40%	13.41%	13.41%
TWSE	16,362.29	3.54%	34.84%	10.92%	10.92%
<b>Fixed Income</b>					
Barclays Aggregate	547.86	-0.63%	6.31%	-1.94%	-1.94%
Barclays Euro Aggregate	270.79	-0.83%	0.70%	-1.66%	-1.66%
Barclays US High Yield	2,368.32	-0.05%	8.28%	1.29%	1.29%
Barclays Euro High Yield	427.83	0.24%	3.20%	1.82%	1.82%
Barclays TIPS	125.91	-1.36%	6.32%	-1.36%	-1.36%
JPM EMBI Global Divers	975.56	-1.12%	1.93%	-1.97%	-1.97%
<b>Other</b>					
DJ US Real Estate	346.20	-0.92%	-7.93%	3.37%	3.37%
S&P GSCI	470.09	1.32%	17.89%	14.81%	14.81%
US Dollar Index	90.36	-0.13%	-7.78%	0.47%	0.47%
VIX	22.05	10.42%	34.53%	-3.08%	-3.08%

**Commodities**

	Latest Price	31/1/20	31/12/20	30/11/20	31/12/18
<b>Prices</b>					
WTI Oil (\$/barrel)	59.24	53.33	48.52	45.34	45.41
Brent Oil (\$/barrel)	62.91	59.81	51.80	47.59	53.80
Gold (\$/oz)	1,784.25	1,576.83	1,898.36	1,776.95	1,282.49
Silver (\$/oz)	27.29	17.56	26.40	22.64	15.50
Copper	4.07	2.55	3.52	3.42	2.63
Corn	5.43	3.84	4.84	4.20	3.75
Coffee	1.28	1.02	1.28	1.21	1.02
Natural Gas	3.07	1.88	2.54	2.88	2.94

**Currencies**

	Latest Price	31/1/20	31/12/20	30/11/20	31/12/18
<b>Prices</b>					
EURUSD	1.2119	1.1010	1.2216	1.1927	1.1467
GBPUKD	1.4016	1.3021	1.3670	1.3323	1.2754
USDJPY	105.45	109.02	103.25	104.31	109.69
USDCNH	0.8963	0.9732	0.8852	0.9089	0.9821
USDCAD	1.2615	1.3199	1.2725	1.3001	1.3637
AUDUSD	0.7869	0.6754	0.7694	0.7344	0.7049
NZDUSD	0.7299	0.6527	0.7184	0.7017	0.6719
USDCNH	6.4542	6.9697	6.5028	6.5839	6.8706

**Crypto Currencies**

	Latest Price	31/1/20	31/12/20	30/11/20	31/12/18
<b>Prices</b>					
BTC/USD	55,628.98	9,354.71	28,996.3	19,378.6	3,674.18
XRP/USD	0.5604	0.2370	0.2249	0.6477	0.3458
LTC/USD	238.09	60.15	124.11	86.61	29.51
DSH/USD	329.27	125.84	99.30	111.75	79.95

**Rates & Spreads**

	Latest Rate	31/1/20	31/12/20	30/11/20	31/12/18
<b>Rates</b>					
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	0.18%	1.78%	0.24%	0.23%	2.81%
US Treasuries 2 Year	0.10%	1.41%	0.12%	0.15%	2.49%
US Treasuries 10 Year	1.34%	1.58%	0.91%	0.84%	2.68%
German Bunds 2 Year	-0.69%	-0.64%	-0.72%	-0.75%	-0.62%
German Bunds 10 Year	-0.31%	-0.38%	-0.57%	-0.57%	0.24%
Japan Gov't Bonds 10 Year	0.11%	-0.05%	0.02%	0.03%	-0.01%
UK Gilts 10 Year	0.70%	0.52%	0.20%	0.31%	1.28%
Swiss Gov't Bonds 10 Year	-0.26%	-0.72%	-0.58%	-0.55%	-0.28%

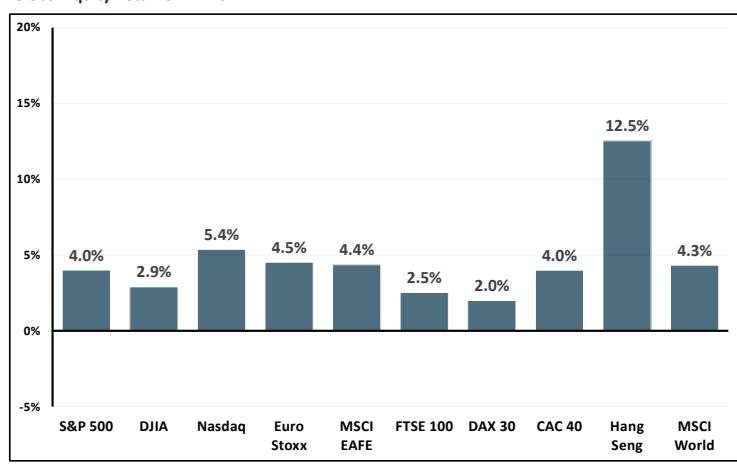
**Global Equity Returns YTD 2021**


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

19-Feb-21

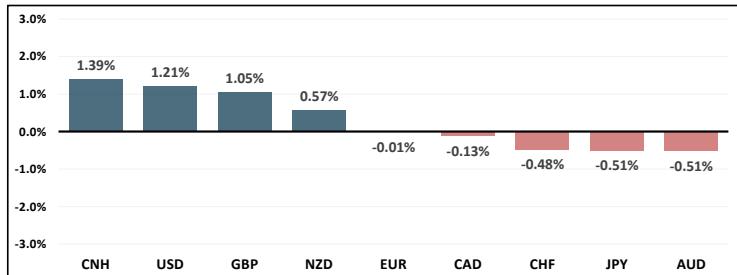
**Global Currency Returns (Weekly)**


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

19-Feb-21

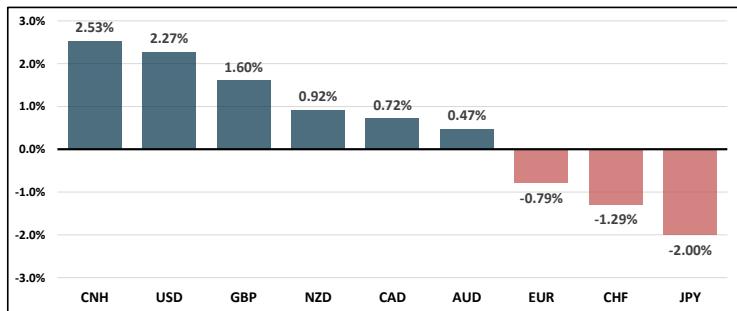
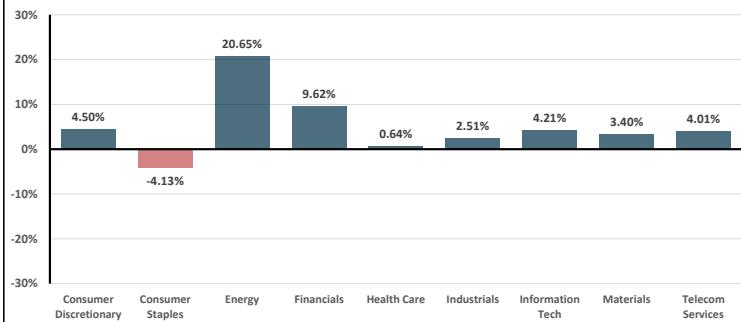
**Global Currency Returns YTD 2021**


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

19-Feb-21

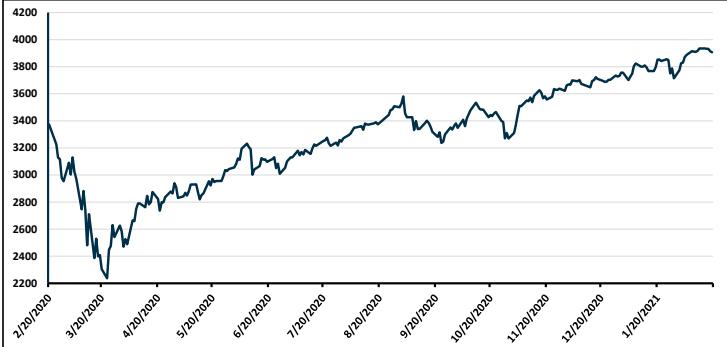
## S&amp;P 500 Index Sector Returns

YTD as of 19 Feb 2021



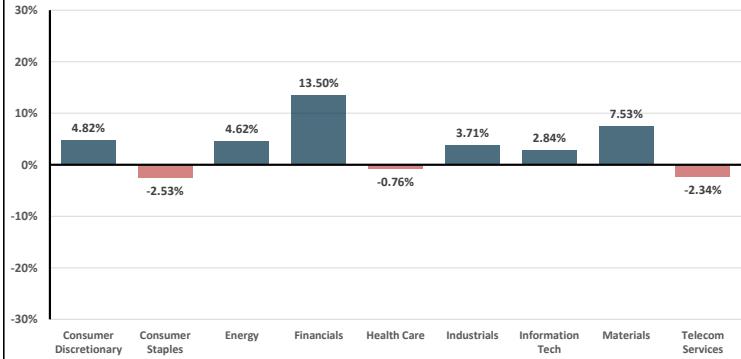
## S&amp;P 500 Index Trendline

1 Year Chart



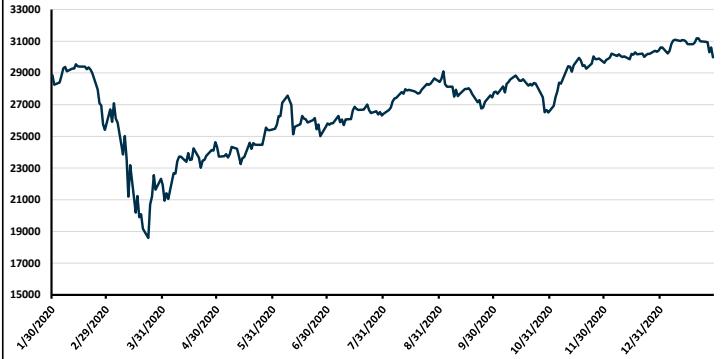
## Dow Jones Industrial Average Index Sector Returns

YTD as of 19 Feb 2021



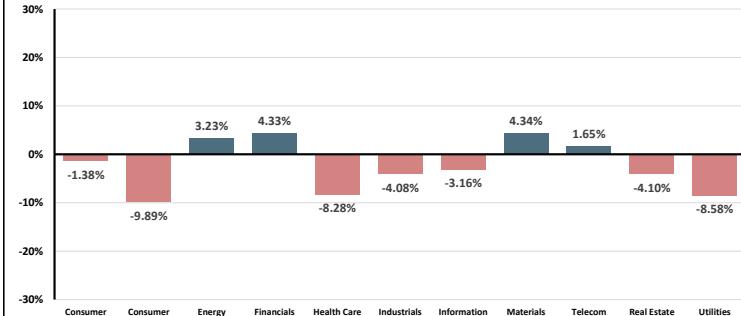
## Dow Jones Industrial Average Index

1 Year Chart



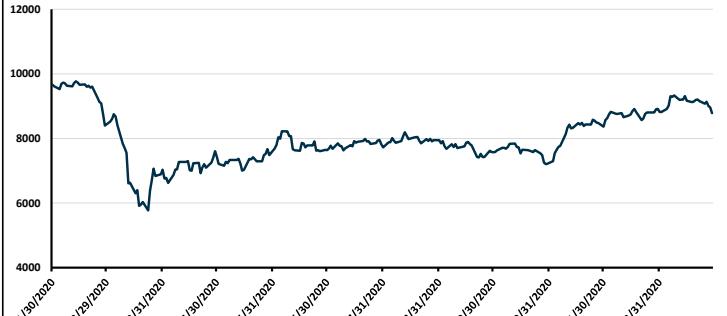
## FTSE100 Index Sector Returns

YTD as of 19 Feb 2021



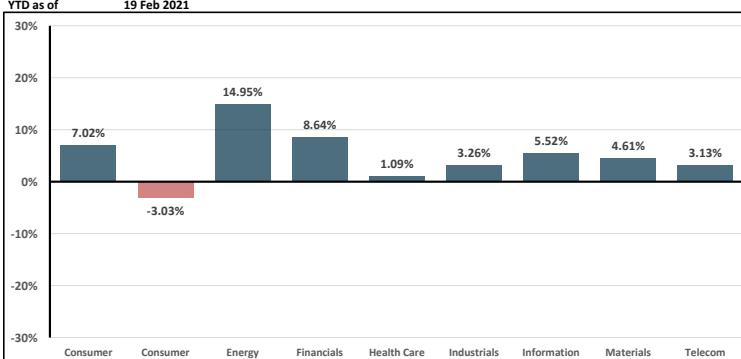
## FTSE 100 Index

1 Year Chart



## MSCI World Index Sector Returns

YTD as of 19 Feb 2021



## MSCI World Index

1 Year Chart

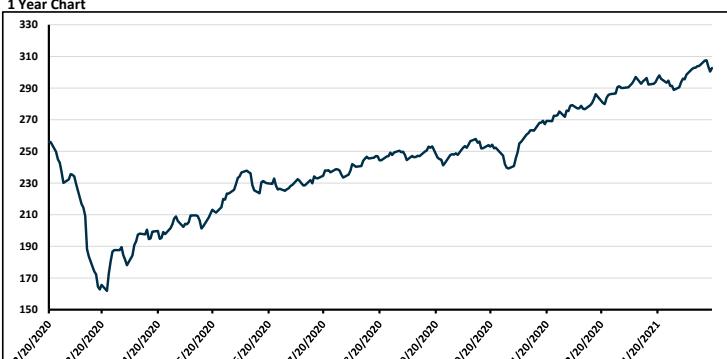


Chart Source: ADSS, Bloomberg

Chart Source: ADSS, Bloomberg

## DISCLAIMER

ADS Securities LLC ("ADSS") is incorporated in the United Arab Emirates as a limited liability company and is registered with the Department of Economic Development of Abu Dhabi (No. 1190047). ADSS is licenced and regulated by the Central Bank of the United Arab Emirates and has its principal place of business at 8th Floor, CI Tower, Corniche Road, P.O. Box 93894, Abu Dhabi, United Arab Emirates. All opinions, news, analysis, prices or other information contained in this document is provided as general information only. This document does not constitute an offer, recommendation or solicitation to enter into any transaction or adopt any hedging, trading or investment strategy, in relation to any financial product or instrument. This information has been prepared without regard to any specific investment objectives or financial position (including deposit size, leverage, risk appetite and risk exposure) of any specific person or class of persons. Investment involves risks. Further, trading foreign exchange, foreign exchange options, foreign exchange forwards, contracts for difference, bullion and other over-the-counter products carry a high level of risk and may not be suitable for all investors. You should seek independent legal, tax and regulatory advice regarding the appropriateness of investing in any financial product, instrument or entering into any transaction. Any reference to historical price movements is informational. ADSS does not represent or warrant that such movements are likely to occur in the future, as past performance is not necessarily indicative of future results. Any forecast contained herein as to likely movements in rates or prices or likely future events or occurrences constitutes an opinion only and is not indicative of actual future movements in rates or prices or actual future events or occurrences (as the case may be). No warranty is given that the information or data in this document is accurate, reliable or up to date. ADSS accepts no liability and will not be liable for any loss, damage or expense arising directly or indirectly from any action taken or not taken in reliance on the material, content or information contained in this document. COPYRIGHT: © ADS Securities LLC 2019. All rights reserved. All copyrights subsisting and arising out of all materials, text, articles and information contained herein is the property of ADS Securities LLC and/or its affiliates, and may not be reproduced, redistributed, amended, modified, adapted, transmitted in any form, or translated in any way without the prior written permission of ADS Securities LLC.

ADSS-Confidential-Int