

Top things to know for the week ahead

RBA looks likely to ease policy further; DXY may see more upside

The Reserve Bank of Australia (RBA) may be pressured into yield curve control on later-dated bonds. While the RBA announced a six-month A\$100 billion extension of its bond purchase program during February, last week's spike in yields may prove hard to ignore. We expect the RBA to provide additional three-year purchases to reapply pressure on three year Australian government bond yields closer to its target rate. Note that the steepening of the yield curve also suggest we could see additional purchases down the curve if the central bank decides flattening is needed. Additionally, the strong Australian dollar reinforces the view that the central bank is more likely to do more than not. We may see downward pressure on AUD/USD as a result, possibly pulling it closer to a resistance level at 0.7615's level.

Rising yields are likely to remain the largest driver of the market this week. Remarks from Fed officials this week are more likely to be consistent to that of before, especially with fiscal stimulus in the US on the horizon. Drivers for the dollar is hence likely to be dependent on market expectations, which may in turn be impacted by economic data. This week's economic data will particularly be more volatile thanks to the big freeze in parts of the US that caused electrical halts. In general, data should still be pointed towards an economic recovery, which may fuel concerns for tighter monetary policy sooner-than-later. As a result, we see the dollar inching higher through the week, possibly pushing DXY closer towards the 100-day moving average that's trading at the lower end of the 91.00 range.

OPEC+ likely to hike output but markets may take it in stride

OPEC+ is set to decide on production levels for April this week. While an output hike should be expected, upside moving forward still looks likely thanks to demand already outpacing supply. Markets may be able to ignore the inevitable hike from OPEC+ and send US crude oil prices higher towards the recent one-year high of 63.81. We reiterate our outlook that upside in crude oil is shrinking and likely to slow and may be more profitable to continue rebalancing profits towards other commodities or risky assets.

Commodity Against DXY (Rebased to 100)

4-week chart

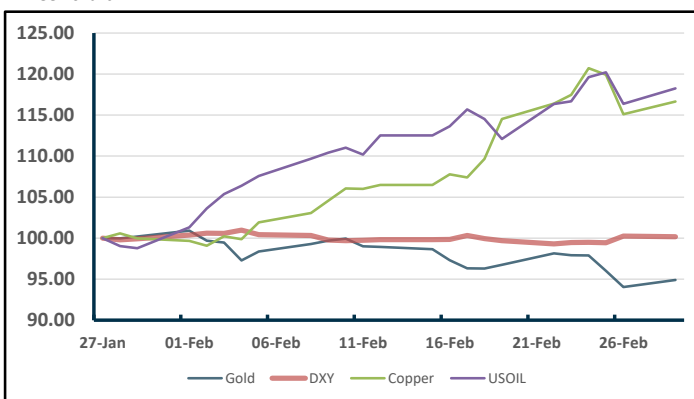


Chart Source: ADSS, Bloomberg

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	09:45	CNY	China Caixin China PMI Mfg
	23:00	USD	United States ISM Manufacturing
Tue	07:30	JPY	Japan Jobless Rate
	08:30	AUD	Australia Building Approvals MoM
	11:30	AUD	Australia RBA Cash Rate Target
	16:55	EUR	Germany Unemployment Claims Rate SA
Wed	21:30	CAD	Canada Quarterly GDP Annualized
	08:30	AUD	Australia GDP SA QoQ
	20:00	USD	United States MBA Mortgage Applications
Thu	00:00	GBP	United Kingdom BOE's Tenreyro Speaks on Negative Rate Policies
	08:30	AUD	Australia Retail Sales MoM
	18:00	EUR	Eurozone Unemployment Rate
	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	USD	United States Change in Nonfarm Payrolls
	21:30	USD	United States Unemployment 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
Equities					
S&P 500	3,811.15	-2.45%	0.00%	1.47%	1.47%
DJ Industrial Average	30,932.37	-1.78%	0.00%	1.06%	1.06%
Nasdaq	12,909.44	-4.94%	0.00%	0.16%	0.16%
Euro Stoxx 50	3,636.44	-2.07%	0.00%	2.36%	2.36%
MSCI EAFE Small Cap	296.24	-2.14%	0.00%	2.13%	2.13%
FTSE 100	6,483.43	-2.12%	0.00%	0.35%	0.35%
DAX	13,786.29	-1.48%	0.00%	0.49%	0.49%
CAC 40	5,703.22	-1.22%	0.00%	2.73%	2.73%
Hang Seng	28,980.21	-5.43%	0.00%	6.42%	6.42%
MSCI World	2,726.91	-2.83%	0.00%	1.37%	1.37%
ASX 200	6,673.27	-1.77%	0.00%	1.31%	1.31%
NIKKEI	28,966.01	-3.50%	0.00%	5.55%	5.55%
CSI 300	5,348.39	-7.47%	0.00%	3.04%	3.04%
China A50	18,356.86	-8.23%	0.00%	4.08%	4.08%
TWSE	16,212.53	-0.79%	0.00%	8.29%	8.29%
Fixed Income					
Barclays Aggregate	544.27	-0.66%	0.00%	-2.59%	-2.59%
Barclays Euro Aggregate	269.85	-0.35%	0.00%	-2.00%	-2.00%
Barclays US High Yield	2,354.40	-0.59%	0.00%	0.70%	0.70%
Barclays Euro High Yield	426.11	-0.40%	0.00%	1.41%	1.41%
Barclays TIPS	125.83	-0.06%	0.00%	-1.43%	-1.43%
JPM EMBI Global Divers	959.23	-1.67%	0.00%	-3.61%	-3.61%
Other					
DJ US Real Estate	340.80	-1.56%	0.00%	1.76%	1.76%
S&P GSCI	476.99	1.47%	0.00%	16.49%	16.49%
US Dollar Index	90.88	0.57%	0.00%	1.05%	1.05%
VIX	27.95	26.76%	0.00%	22.86%	22.86%

Commodities					
	Latest Price	28/2/21	31/1/21	31/12/20	31/12/18
Prices					
WTI Oil (\$/barrel)	61.50	61.50	52.20	48.52	45.41
Brent Oil (\$/barrel)	66.13	66.13	55.88	51.80	53.80
Gold (\$/oz)	1,734.04	1,734.04	1,847.65	1,898.36	1,282.49
Silver (\$/oz)	26.67	26.67	26.99	26.40	15.50
Copper	4.09	4.09	3.56	3.52	2.63
Corn	5.56	5.56	5.47	4.84	3.75
Coffee	1.37	1.37	1.23	1.28	1.02
Natural Gas	2.77	2.77	2.56	2.54	2.94

Currencies					
	Latest Price	28/2/21	31/1/21	31/12/20	31/12/18
Prices					
EURUSD	1.2075	1.2075	1.2136	1.2216	1.1467
GBPUSD	1.3933	1.3933	1.3708	1.3670	1.2754
USDJPY	106.57	106.57	104.68	103.25	109.69
USDCHF	0.9085	0.9085	0.8903	0.8852	0.9821
USDCAD	1.2738	1.2738	1.2777	1.2725	1.3637
AUDUSD	0.7706	0.7706	0.7644	0.7694	0.7049
NZDUSD	0.7233	0.7233	0.7193	0.7184	0.6719
USDCNH	6.4807	6.4807	6.4522	6.5028	6.8706

Crypto Currencies					
	Latest Price	28/2/21	31/1/21	31/12/20	31/12/18
Prices					
BTC/USD	45,672.05	45,672.05	34,641.1	28,996.3	3,674.18
XRP/USD	0.4235	0.4235	0.2898	0.2249	0.3458
LTC/USD	167.56	167.56	136.16	124.11	29.51
DSH/USD	205.67	205.67	104.36	99.30	79.95

Rates & Spreads					
	Latest Rate	28/2/21	31/1/21	31/12/20	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	0.19%	0.19%	0.20%	0.24%	2.81%
US Treasuries 2 Year	0.13%	0.13%	0.11%	0.12%	2.49%
US Treasuries 10 Year	1.40%	1.40%	1.07%	0.91%	2.68%
German Bunds 2 Year	-0.67%	-0.67%	-0.74%	-0.72%	-0.62%
German Bunds 10 Year	-0.26%	-0.26%	-0.52%	-0.57%	0.24%
Japan Gov't Bonds 10 Year	0.16%	0.16%	0.05%	0.02%	-0.01%
UK Gilts 10 Year	0.82%	0.82%	0.33%	0.20%	1.28%
Swiss Gov't Bonds 10 Year	-0.23%	-0.23%	-0.45%	-0.58%	-0.28%

Global Equity Returns YTD 2021

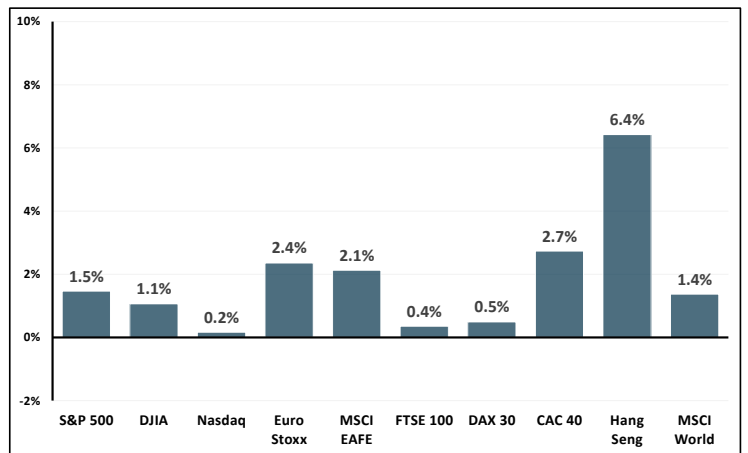


Chart Source: ADSS and Bloomberg as of the closing price on 26-Feb-21

Global Currency Returns (Weekly)

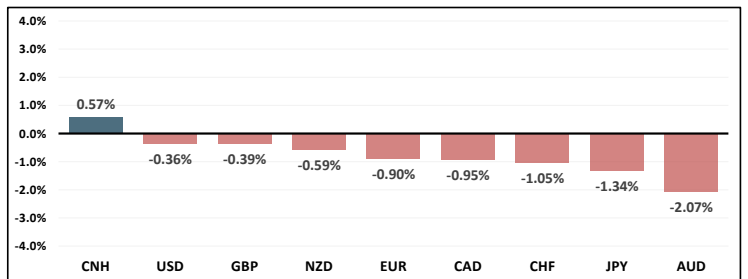


Chart Source: ADSS and Bloomberg as of the closing price on 26-Feb-21

Global Currency Returns YTD 2021

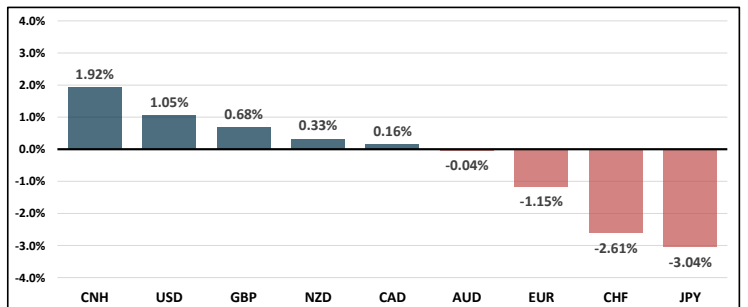
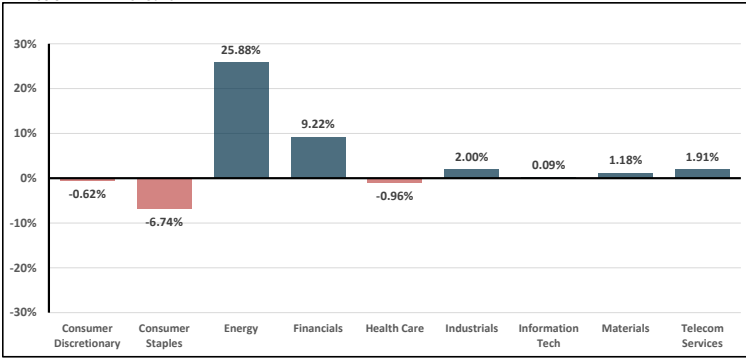


Chart Source: ADSS and Bloomberg as of the closing price on 26-Feb-21

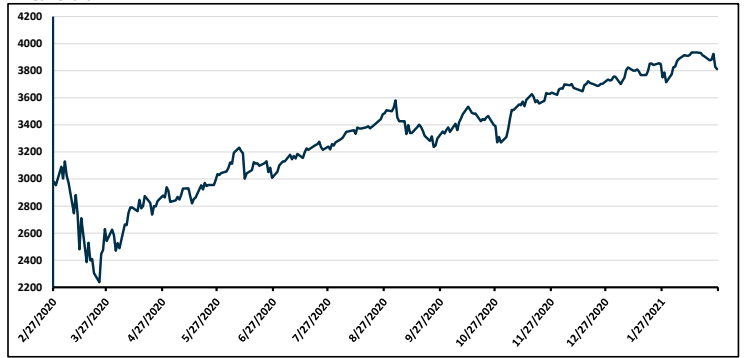
S&P 500 Index Sector Returns

YTD as of 26 Feb 2021



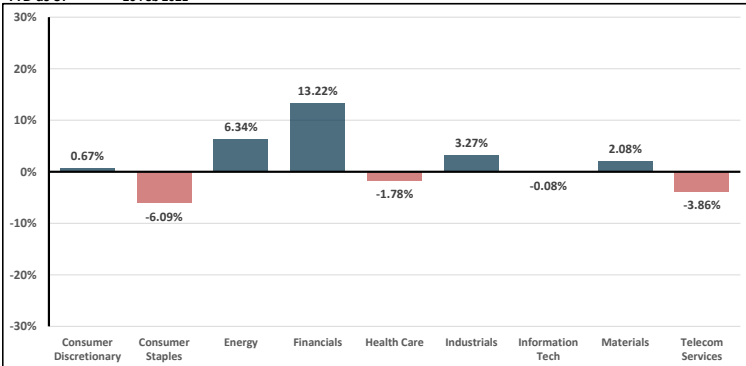
S&P 500 Index Trendline

1 Year Chart



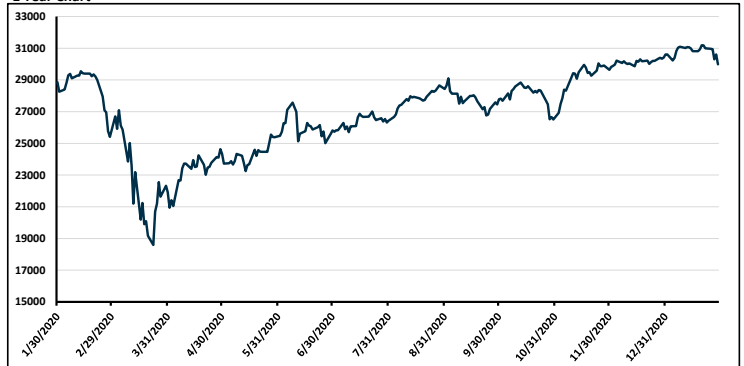
Dow Jones Industrial Average Index Sector Returns

YTD as of 26 Feb 2021



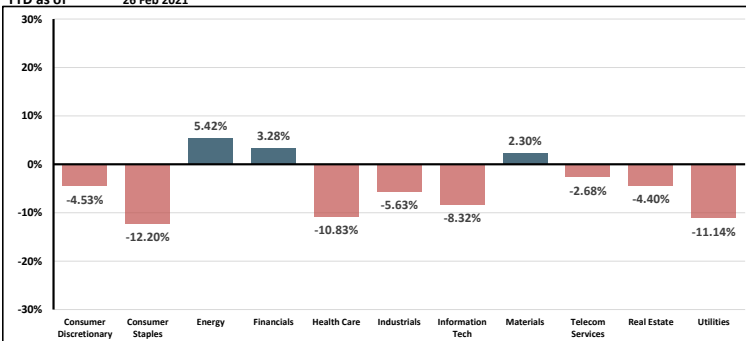
Dow Jones Industrial Average Index

1 Year Chart



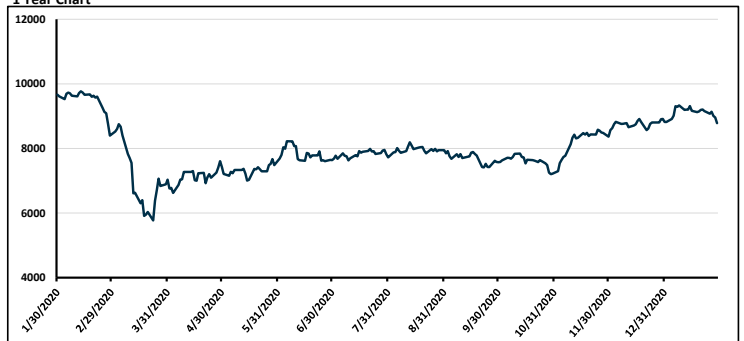
FTSE100 Index Sector Returns

YTD as of 26 Feb 2021



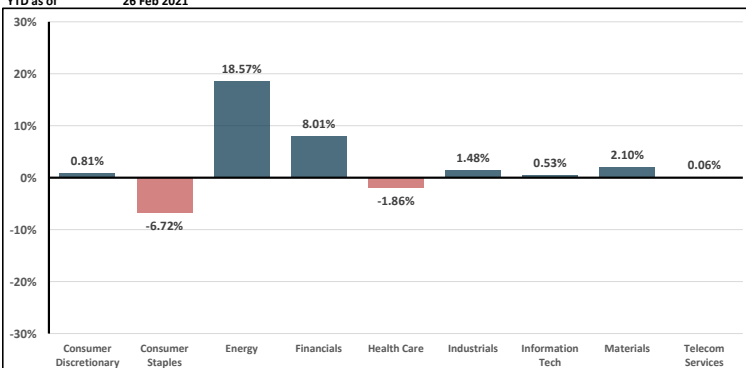
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 26 Feb 2021



MSCI World Index

1 Year Chart

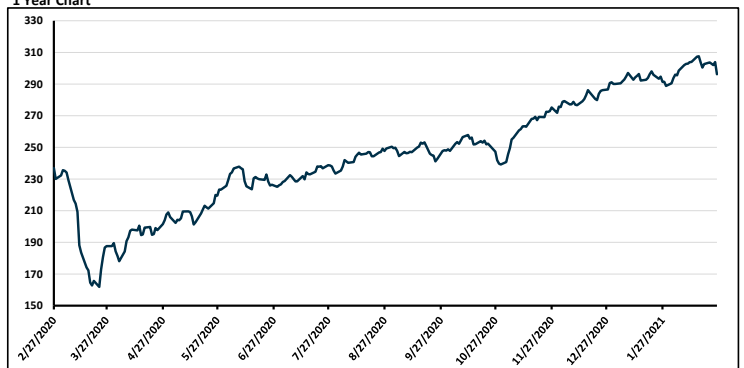


Chart Source: ADSS, Bloomberg

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