

Top things to know for the week ahead

Dot plot to see some rises; BoJ likely to tweak ETF purchases

Markets will be focused on Fed officials' remarks regarding the extraordinary pace of rising yields. Considering that financial conditions is the main consideration for the Fed in adjusting policy, we don't see much of a change from Fed Chair Jerome Powell's earlier comments on yields (Bloomberg's financial conditions index shows little cause for concern). However, the dot plot should feature hawkish members moving upwards, which could lead to some upward pressure on the dollar. Given the DXY's failure to establish itself in the 92.00 range last week, we see a possible retest of 92.50 but only in a lateral move, instead of potential for a large breakout past 92.50.

The Bank of Japan (BoJ) will be in focus as it concludes a review of its framework. We anticipate 10-year JGB yield control to remain in the +/-20bps range from 0%, but with allowance for temporary fluctuations depending on financial conditions and its resulting effect on monetary policy. This shift would be in line with the goal's review for sustainable policy. Also likely is signals from the BoJ that it can reduce its pace of asset purchases when markets are hitting new highs (due to the sharp rally in equities) while emphasising that the central bank remains ready to step up purchases when needed. Both should result in little material impact in the USD/JPY which tends to be more driven by international events. That said, the strong incline in USD/JPY suggests that we may see added momentum with the 50-day moving average looking to cross that of the 200-day (golden cross). Note that the 110.00 level may present a psychological top for the dollar yen.

Gold sees consolidation above 1,700; expect shorts to take profit

Gold ETF holdings continued to fall last week, as more investors exit their positions in the yellow metal. However, there are signs that the yellow metal is stabilising in the short-term after two weeks of decline. Gold looks increasingly attractive as a more traditional inflation hedge at the current price even when contrasted with other safer assets such as silver or possibly bitcoin. We expect some slight upside in gold this week as a result but stay well within the 1,700 to 1,750 range in what is likely to be more of a sideways move.

Commodities Against DXY (Rebased to 100)

4-week chart

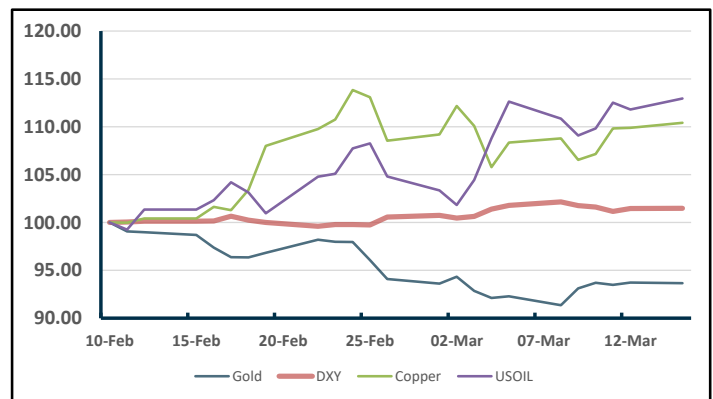


Chart Source: ADSS, Bloomberg

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	09:20	CNY	China 1-Yr Medium-Term Lending Facility Rate
	10:00	CNY	China Surveyed Jobless Rate
Tue	08:30	AUD	Australia RBA Minutes of March Policy Meeting
	12:30	JPY	Japan Industrial Production MoM
	18:00	EUR	Germany ZEW Survey Expectations
	18:00	EUR	Germany ZEW Survey Current Situation
Wed	18:00	EUR	Eurozone CPI YoY
	20:30	CAD	Canada CPI YoY
Thu	02:00	USD	United States FOMC Rate Decision (Lower Bound)
	02:00	USD	United States Interest Rate on Excess Reserves
	02:30	USD	Fed Chair Jerome Powell Post Meeting Press Conf.
	05:45	NZD	New Zealand GDP SA QoQ
	08:30	AUD	Australia Participation Rate
	08:30	AUD	Australia Employment Change
	08:30	AUD	Australia Unemployment Rate
	20:00	GBP	United Kingdom Bank of England Bank Rate
	20:00	GBP	United Kingdom BOE Corporate Bond Target
20:30	USD	United States Initial Jobless Claims	
Fri	11:00	JPY	Japan BOJ Policy Balance Rate

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	3,943.34	2.64%	3.47%	4.99%	4.99%
DJ Industrial Average	32,778.64	4.07%	5.97%	7.10%	7.10%
Nasdaq	12,937.29	2.12%	0.22%	0.38%	0.38%
Euro Stoxx 50	3,833.36	4.46%	5.42%	7.90%	7.90%
MSCI EAFE Small Cap	303.30	3.40%	2.38%	4.56%	4.56%
FTSE 100	6,761.47	1.97%	4.29%	4.66%	4.66%
DAX	14,502.39	4.18%	5.19%	5.71%	5.71%
CAC 40	6,046.55	4.56%	6.02%	8.92%	8.92%
Hang Seng	28,739.72	-1.23%	-0.83%	5.54%	5.54%
MSCI World	2,807.21	2.88%	2.94%	4.36%	4.36%
ASX 200	6,766.81	0.83%	1.40%	2.73%	2.73%
NIKKEI	29,717.83	2.96%	2.60%	8.28%	8.28%
CSI 300	5,138.95	-2.68%	-3.92%	-1.00%	-1.00%
China A50	17,661.80	-1.88%	-3.79%	0.14%	0.14%
TWSE	15,911.67	0.36%	1.89%	10.34%	10.34%
Fixed Income					
Barclays Aggregate	537.73	-0.19%	-1.20%	-3.76%	-3.76%
Barclays Euro Aggregate	270.42	0.13%	0.21%	-1.79%	-1.79%
Barclays US High Yield	2,349.31	-0.06%	-0.22%	0.48%	0.48%
Barclays Euro High Yield	428.03	0.29%	0.45%	1.87%	1.87%
Barclays TIPS	125.03	-0.18%	-0.64%	-2.05%	-2.05%
JPM EMBI Global Divers	950.96	-0.04%	-0.86%	-4.44%	-4.44%
Other					
DJ US Real Estate	354.10	5.17%	3.90%	5.73%	5.73%
S&P GSCI	492.22	0.16%	3.19%	20.21%	20.21%
US Dollar Index	91.68	-0.32%	0.88%	1.94%	1.94%
VIX	20.69	-16.10%	-25.97%	-9.05%	-9.05%

Commodities					
	Latest Price	28/2/21	31/1/21	31/12/20	31/12/18
Prices					
WTI Oil (\$/barrel)	65.61	61.50	52.20	48.52	45.41
Brent Oil (\$/barrel)	69.22	66.13	55.88	51.80	53.80
Gold (\$/oz)	1,727.11	1,734.04	1,847.65	1,898.36	1,282.49
Silver (\$/oz)	25.92	26.67	26.99	26.40	15.50
Copper	4.15	4.09	3.56	3.52	2.63
Corn	5.49	5.56	5.47	4.84	3.75
Coffee	1.32	1.37	1.23	1.28	1.02
Natural Gas	2.60	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	1.1953	1.2075	1.2136	1.2216	1.1467
GBPUSD	1.3924	1.3933	1.3708	1.3670	1.2754
USDJPY	109.03	106.57	104.68	103.25	109.69
USDCHF	0.9302	0.9085	0.8903	0.8852	0.9821
USDCAD	1.2475	1.2738	1.2777	1.2725	1.3637
AUDUSD	0.7764	0.7706	0.7644	0.7694	0.7049
NZDUSD	0.7176	0.7233	0.7193	0.7184	0.6719
USDCNH	6.4962	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	56,965.95	45,672.05	34,641.1	28,996.3	3,674.18
XRP/USD	0.4367	0.4235	0.2898	0.2249	0.3458
LTC/USD	222.83	167.56	136.16	124.11	29.51
DSH/USD	222.76	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	0.15%	0.13%	0.11%	0.12%	2.49%
US Treasuries 10 Year	1.62%	1.40%	1.07%	0.91%	2.68%
German Bunds 2 Year	-0.69%	-0.67%	-0.74%	-0.72%	-0.62%
German Bunds 10 Year	-0.31%	-0.26%	-0.52%	-0.57%	0.24%
Japan Gov't Bonds 10 Year	0.12%	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	-0.26%	-0.23%	-0.45%	-0.58%	-0.28%

Global Equity Returns YTD 2021

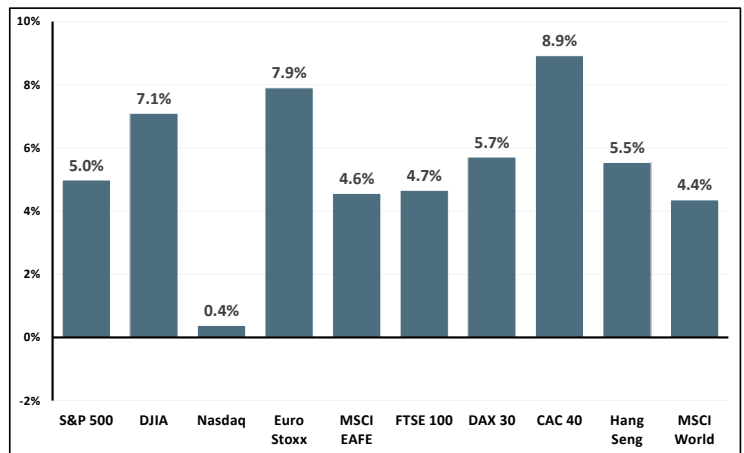


Chart Source: ADSS and Bloomberg as of the closing price on 12-Mar-21

Global Currency Returns (Weekly)

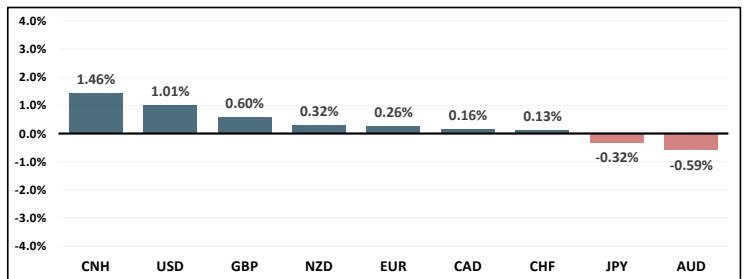


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Global Currency Returns YTD 2021

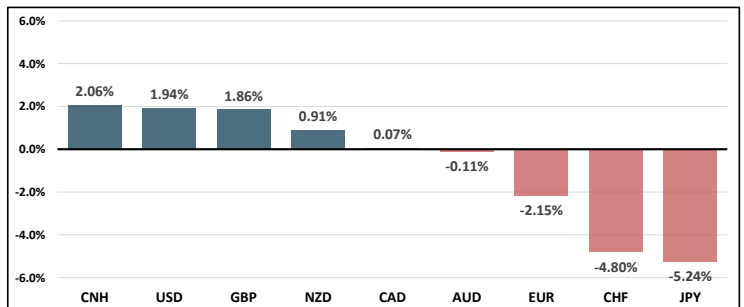
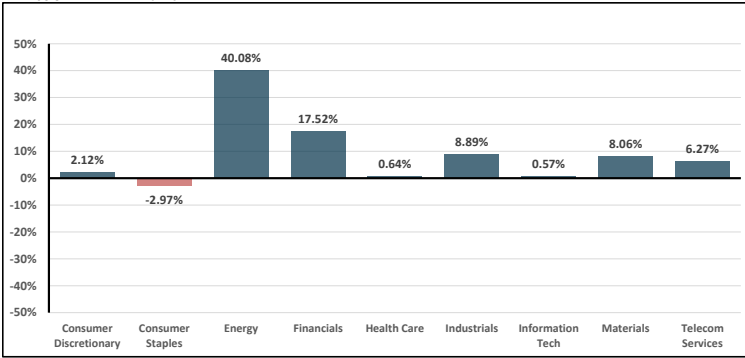


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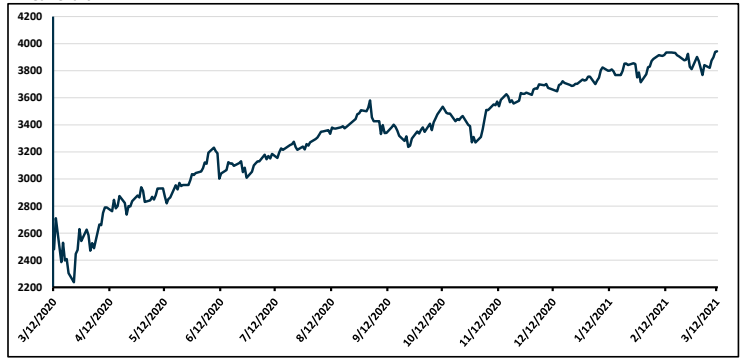
S&P 500 Index Sector Returns

YTD as of 12 Mar 2021



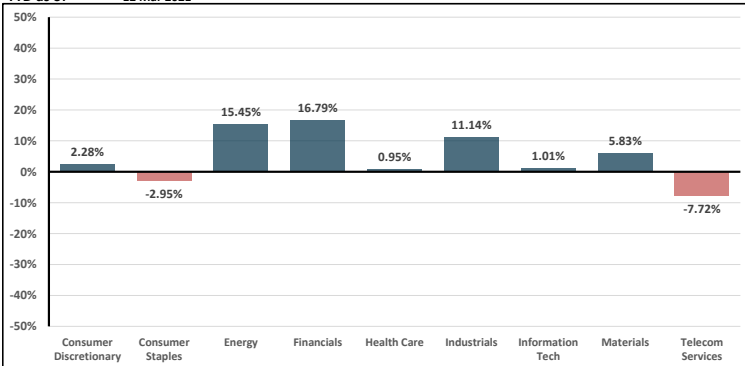
S&P 500 Index Trendline

1 Year Chart



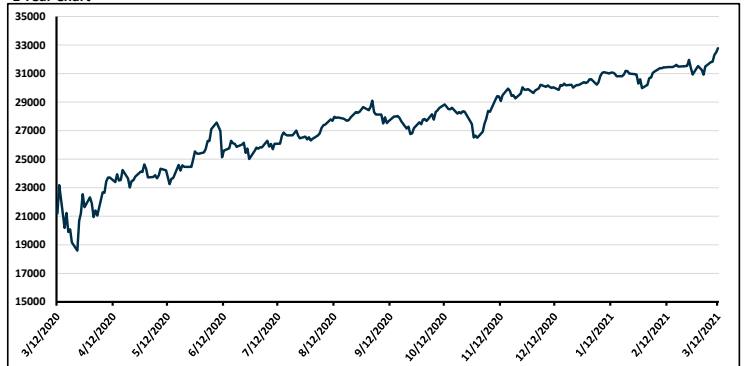
Dow Jones Industrial Average Index Sector Returns

YTD as of 12 Mar 2021



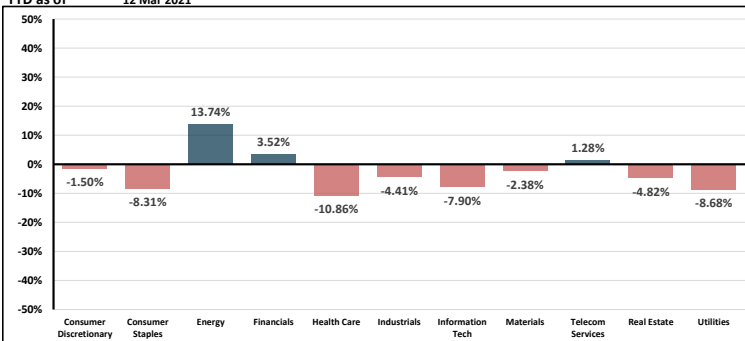
Dow Jones Industrial Average Index

1 Year Chart



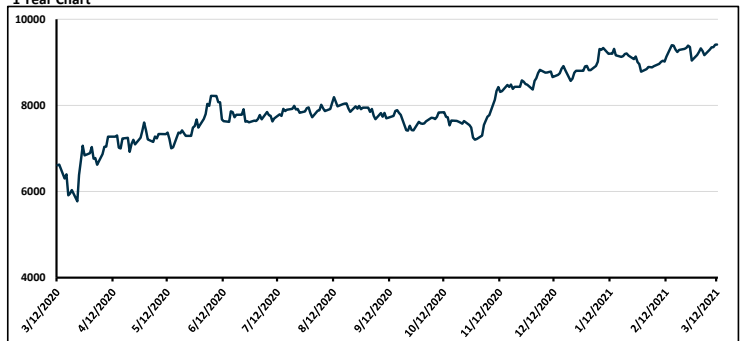
FTSE100 Index Sector Returns

YTD as of 12 Mar 2021



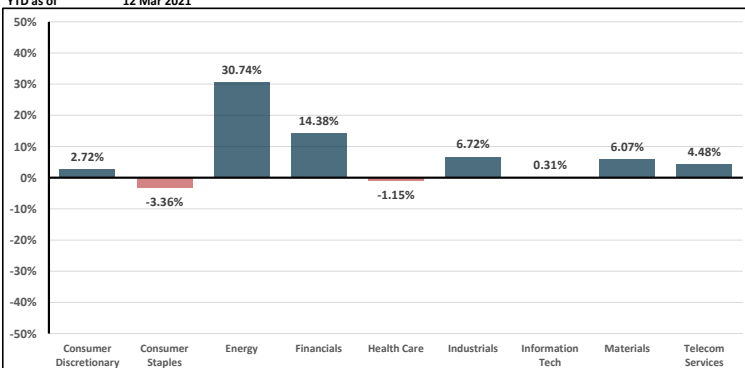
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 12 Mar 2021



MSCI World Index

1 Year Chart

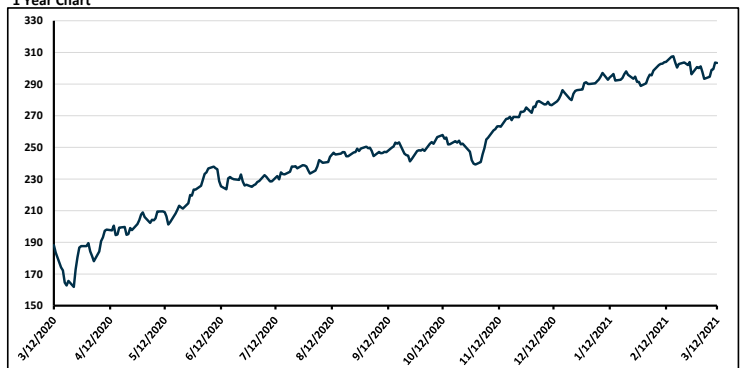


Chart Source: ADSS, Bloomberg

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