

Top things to know for the week ahead

Economic data likely to favour the greenback this week

Expect this week's economic data in the US to be more confirmatory in nature of the current economic recovery. ISM's Manufacturing PMI is, in our view, more likely than not to continue trending at expansionary levels at or slightly above 60 with elevated backlogs and low inventories in the prior report. Supply chain disruptions may ease but is still likely to stay elevated as well.

May's employment report looks more probable to have an upside surprise given the accelerated reopening of the US economy. We expect jobs growth to be boosted by the recovery in demand for leisure and food services, while supply pressures continue to drive employment in the manufacturing sector. Coupled with steady upward wage pressure, the US labour market is probable to continue to improve as more Americans re-join the workforce, especially with unemployment benefits expiring.

Both factors point to continued upward interest rate and inflationary pressures, at least in the short-to-medium-term. However, with other central banks around the world taking the lead in a shift away from dovish policies we expect downward pressure to outweigh upside in the dollar in the medium-term and cause a further breakdown in DXY below the current support at about 89.60. That said, technical indicators suggest that DXY may have seen a bottom in the short-term and as a result see some support at current levels through this week which could be temporarily boosted by strong economic data as well.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	07:50	JPY	Japan Industrial Production MoM
	09:00	CNY	China Manufacturing PMI
Tue	09:30	AUD	Australia Building Approvals MoM
	12:30	AUD	Australia RBA Cash Rate Target
	15:55	EUR	Germany Unemployment Claims Rate SA
	17:00	EUR	Eurozone Unemployment Rate
	20:30	CAD	Canada Quarterly GDP Annualized
	22:00	USD	United States ISM Manufacturing
Wed	09:30	AUD	Australia GDP SA QoQ
	19:00	USD	United States MBA Mortgage Applications
Thu	20:30	USD	United States Initial Jobless Claims
Fri	20:30	USD	United States Change in Nonfarm Payrolls
	20:30	CAD	Canada Unemployment Rate
	20:30	CAD	Canada Participation Rate
	20:30	USD	United States Unemployment Rate
	20:30	CAD	Canada Hourly Wage Rate Permanent Employees YoY
	20:30	USD	United States Labor Force Participation Rate
	20:30	USD	United States Underemployment Rate
	22:00	USD	United States Durable Goods Orders

USOIL looks poised for more upside with limited risks to supply

WTI crude oil finally broke out of a trading range after twelve weeks and we expect upward pressure to persist in the medium-term. While OPEC+ will meet this week for its monthly meeting to discuss production levels, we don't see much reason for any deviation from its previous plans. The biggest risk in our view will be the potential lifting of sanctions on Iranian crude exports. That said, our base case sees only limited downside on that front due to the uncertainty of the actual addition to global supply assuming the sanctions are lifted.

Commodities Against DXY (Rebased to 100)

4-week chart

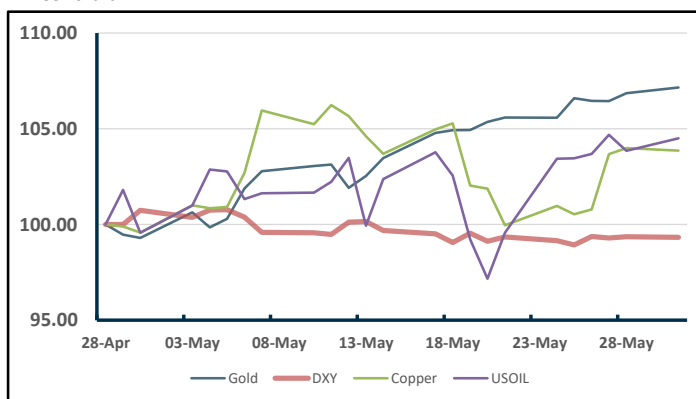


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,204.11	1.16%	0.55%	5.82%	11.93%
DJ Industrial Average	34,529.45	0.94%	1.93%	4.69%	12.82%
Nasdaq	13,686.51	2.05%	-1.26%	4.55%	6.19%
Euro Stoxx 50	4,070.56	1.11%	2.41%	3.86%	14.58%
MSCI EAFE Small Cap	318.33	1.14%	1.65%	5.51%	9.74%
FTSE 100	7,022.61	0.06%	0.76%	4.60%	8.70%
DAX	15,519.98	0.53%	2.54%	3.41%	13.13%
CAC 40	6,484.11	1.53%	3.42%	6.87%	16.80%
Hang Seng	29,124.41	2.34%	1.39%	2.63%	6.95%
MSCI World	2,979.30	1.23%	1.38%	5.96%	10.75%
ASX 200	7,179.51	2.12%	2.19%	5.73%	8.99%
NIKKEI	29,149.41	2.94%	1.17%	-0.10%	6.21%
CSI 300	5,315.82	3.43%	3.83%	5.16%	2.41%
China A50	18,283.20	4.91%	5.58%	5.74%	3.66%
TWSE	16,643.69	2.10%	-3.96%	2.68%	14.51%
Fixed Income					
Barclays Aggregate	544.52	0.26%	0.74%	2.01%	-2.54%
Barclays Euro Aggregate	267.95	0.42%	-0.10%	-0.81%	-2.69%
Barclays US High Yield	2,390.58	0.36%	0.30%	1.39%	2.25%
Barclays Euro High Yield	432.38	0.31%	0.30%	0.74%	2.90%
Barclays TIPS	127.77	0.35%	0.61%	1.81%	0.09%
JPM EMBI Global Divers	981.34	0.45%	1.06%	3.30%	-1.39%
Other					
DJ US Real Estate	390.20	1.91%	1.09%	9.02%	16.51%
S&P GSCI	519.23	2.53%	2.64%	11.09%	26.81%
US Dollar Index	90.03	0.02%	-1.37%	-3.43%	0.10%
VIX	16.76	-16.82%	-9.94%	-13.61%	-26.33%

Commodities					
	Latest Price	30/4/21	31/3/21	28/2/21	31/12/20
Prices					
WTI Oil (\$/barrel)	66.32	63.58	59.16	61.50	48.52
Brent Oil (\$/barrel)	69.63	67.25	63.54	66.13	51.80
Gold (\$/oz)	1,903.77	1,769.13	1,707.71	1,734.04	1,898.36
Silver (\$/oz)	27.94	25.92	24.42	26.67	26.40
Copper	4.68	4.48	4.00	4.09	3.52
Corn	6.57	7.40	5.64	5.56	4.84
Coffee	1.62	1.40	1.24	1.37	1.28
Natural Gas	2.99	2.93	2.61	2.77	2.54

Currencies					
	Latest Price	30/4/21	31/3/21	28/2/21	31/12/20
Prices					
EURUSD	1.2192	1.2020	1.1730	1.2075	1.2216
GBPUSD	1.4188	1.3822	1.3783	1.3933	1.3670
USDJPY	109.85	109.31	110.72	106.57	103.25
USDCHF	0.8999	0.9131	0.9436	0.9085	0.8852
USDCAD	1.2076	1.2287	1.2562	1.2738	1.2725
AUDUSD	0.7712	0.7716	0.7598	0.7706	0.7694
NZDUSD	0.7250	0.7162	0.6985	0.7233	0.7184
USDCNH	6.3603	6.4735	6.5647	6.4807	6.5028

Crypto Currencies					
	Latest Price	30/4/21	31/3/21	28/2/21	31/12/20
Prices					
BTC/USD	35,218.36	56,814.44	58,960.2	45,672.1	28,996.3
XRP/USD	0.8738	1.5763	0.5646	0.4235	0.2249
LTC/USD	175.69	266.51	195.69	167.56	124.11
DSH/USD	180.24	317.44	217.17	205.67	99.30

Rates & Spreads					
	Latest Rate	30/4/21	31/3/21	28/2/21	31/12/20
Rates					
Fed Funds Target	0.25%	0.25%	0.25%	0.25%	0.25%
ECB Depo Rate	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%
3 Month US Dollar Libor	0.13%	0.18%	0.19%	0.19%	0.24%
US Treasuries 2 Year	0.14%	0.16%	0.16%	0.13%	0.12%
US Treasuries 10 Year	1.59%	1.63%	1.74%	1.40%	0.91%
German Bunds 2 Year	-0.67%	-0.69%	-0.70%	-0.67%	-0.72%
German Bunds 10 Year	-0.18%	-0.20%	-0.29%	-0.26%	-0.57%
Japan Gov't Bonds 10 Year	0.08%	0.09%	0.09%	0.16%	0.02%
UK Gilts 10 Year	0.80%	0.84%	0.85%	0.82%	0.20%
Swiss Gov't Bonds 10 Year	-0.17%	-0.22%	-0.30%	-0.23%	-0.58%

Global Equity Returns YTD 2021

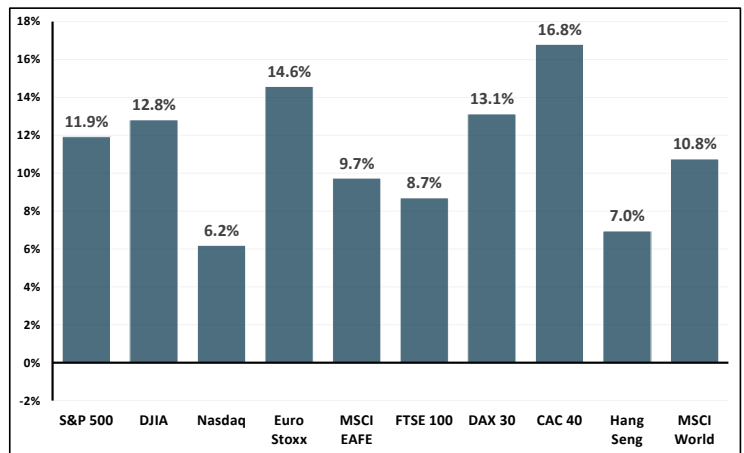


Chart Source: ADSS and Bloomberg as of the closing price on 28-May-21

Global Currency Returns (Weekly)

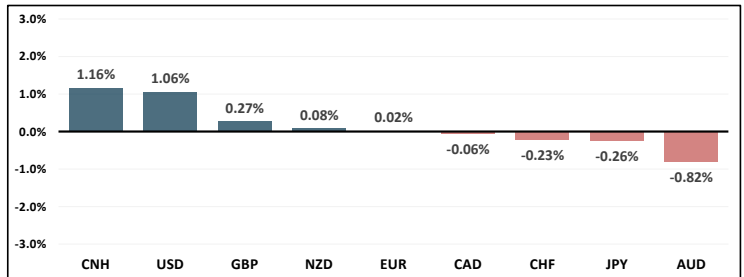


Chart Source: ADSS and Bloomberg as of the closing price on 28-May-21

Global Currency Returns YTD 2021

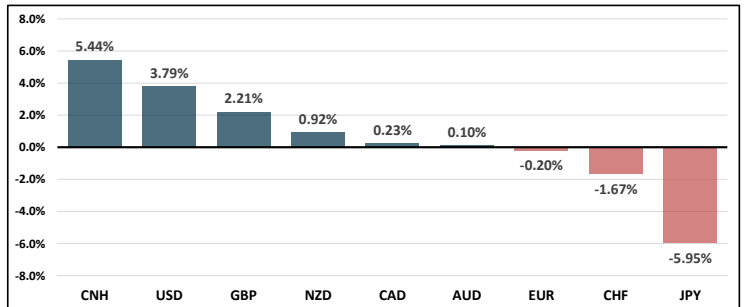
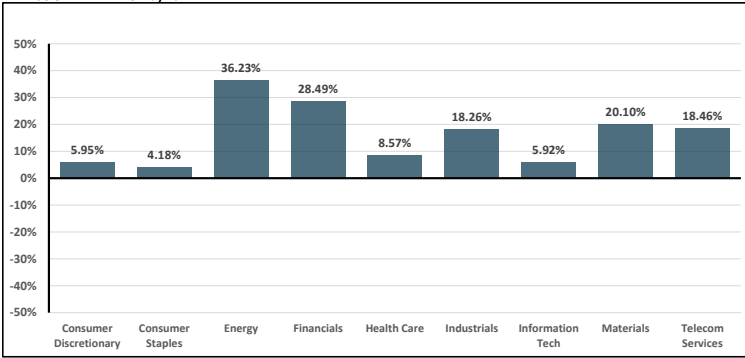


Chart Source: ADSS and Bloomberg as of the closing price on 28-May-21

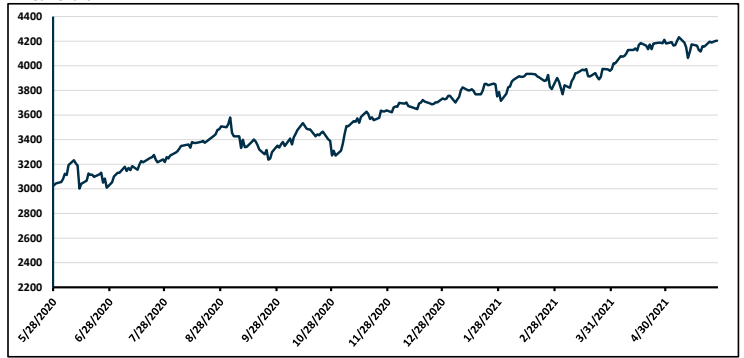
S&P 500 Index Sector Returns

YTD as of 28 May 2021



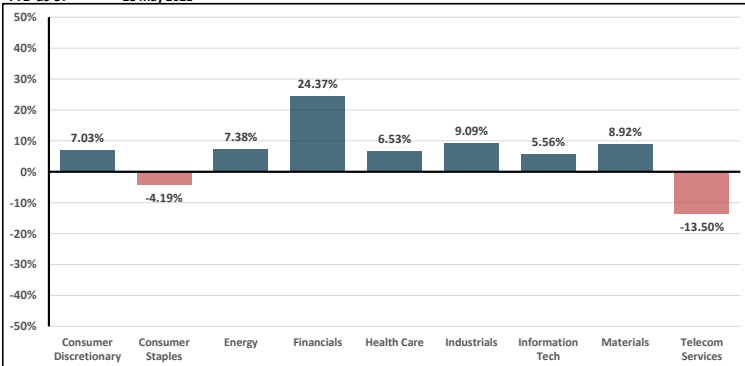
S&P 500 Index Trendline

1 Year Chart



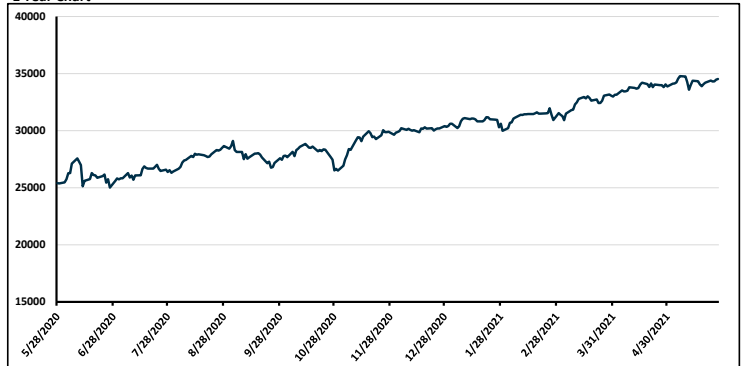
Dow Jones Industrial Average Index Sector Returns

YTD as of 28 May 2021



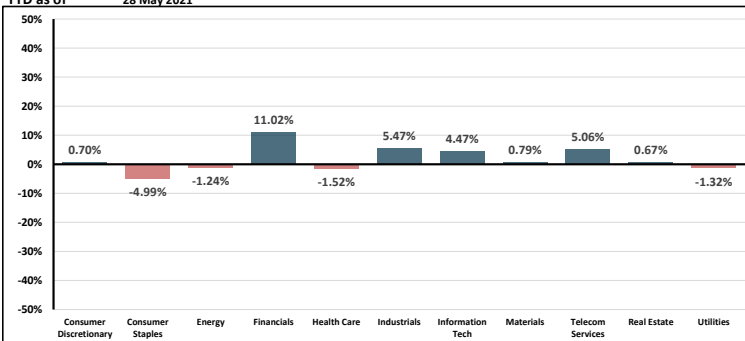
Dow Jones Industrial Average Index

1 Year Chart



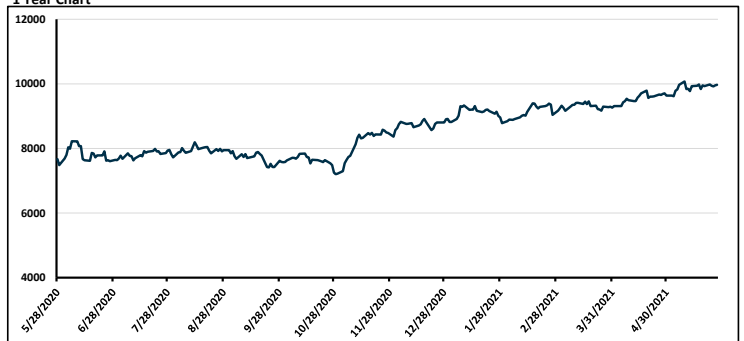
FTSE100 Index Sector Returns

YTD as of 28 May 2021



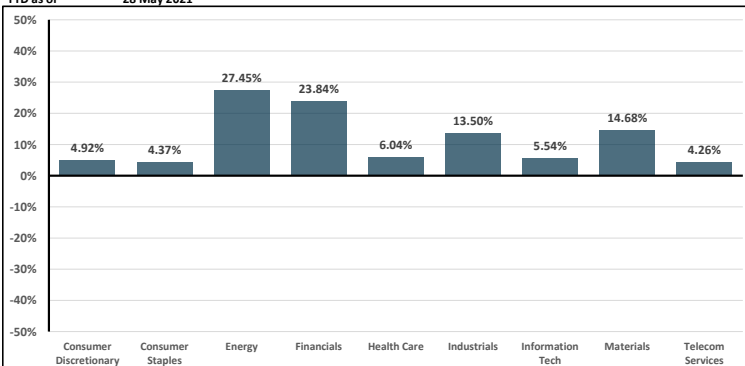
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 28 May 2021



MSCI World Index

1 Year Chart

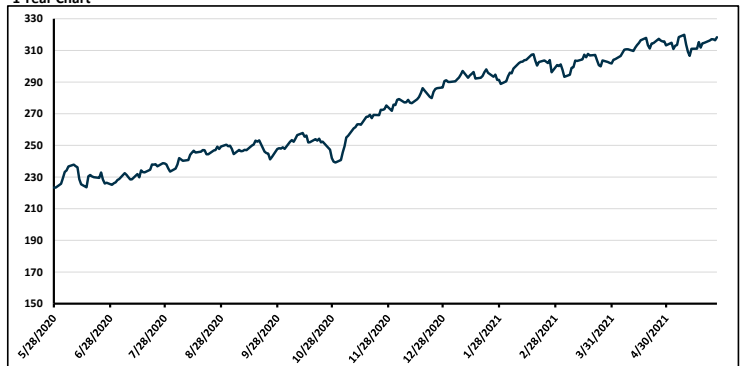


Chart Source: ADSS, Bloomberg

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