

Top things to know for the week ahead

Inflation figures comes into focus; ECB likely to stand pat

May's CPI in the US looks likely to run hot, in line with previous months as an accelerated reopening drives broader price pressures. We anticipate a headline YoY CPI figure close to 5% in May, and a core YoY gain of 3.9%, both of which being slightly higher relative to consensus figures. The combination of higher inflation and slower-than-expected unemployment reinforces the Fed's mandate for monetary policy support for longer instead of fuelling sooner-than-expected taper concerns. That said, the initial reaction on the release of the CPI dataset may result in some limited upward pressure on DXY in the near-term.

Expect little material changes to the European Central Bank's (ECB) policy during its monetary policy decision this week.

Sovereign yields in the region continue to trade at elevated levels relative to the period prior to its decision to step up the pace of its PEPP in March. A GDP-weighted measure of the euro-area 10-year sovereign yields are up by about 19bps since then despite a decline in May. Additionally, spreads between Germany's sovereign debt and other European areas remain wide – 15bps for Italy, which will likely incentivise policymakers to keep the pace of purchases intact in the short-term. The bank's risk outlook is likely to remain unchanged as well, though there may be some improvements in tone regarding the region's recovery given the more recent favourable PMI figures. As a result, we expect EUR/USD to continue to experience resistance to its upside despite the dollar's overall weak outlook, and continue to trade with a strong support at 1.2062's level.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	13:45	CHF	Switzerland Unemployment Rate SA
	15:00	CHF	Switzerland Foreign Currency Reserves
Tue	07:50	JPY	Japan GDP SA QoQ
	07:50	JPY	Japan GDP Annualized SA QoQ
	07:50	JPY	Japan BoP Current Account Balance
	14:00	EUR	Germany Industrial Production SA MoM
	17:00	EUR	Germany ZEW Survey Expectations
	17:00	EUR	Germany ZEW Survey Current Situation
	17:00	EUR	Eurozone GDP SA QoQ
Wed	09:30	CNY	China CPI YoY
	19:00	USD	United States MBA Mortgage Applications
	22:00	CAD	Canada Bank of Canada Rate Decision
Thu	07:50	JPY	Japan PPI YoY
	19:45	EUR	Eurozone ECB Monetary Policy Decision
	20:30	EUR	ECB President Lagarde's Post Meeting Press Conf.
	20:30	USD	United States CPI MoM
Fri	20:30	USD	United States Initial Jobless Claims
	20:30	CAD	Canada Capacity Utilization Rate
	22:00	USD	United States U. of Mich. Sentiment

Gold recovers as taper concerns fades

Gold dipped following better-than-expected economic figures last week before recovering losses on Friday after the disappointing jobs report in the US. Still, upward pressure in gold looks intact with inflationary figures likely to continue to tilt towards the upside. As a result, gold may see enough momentum to retest a longer-term retracement level at 1,917. While Bitcoin may draw some demand from gold following its recent decline, downside looks mostly curbed with a strong support at 1.856.

Commodities Against DXY (Rebased to 100)

4-week chart

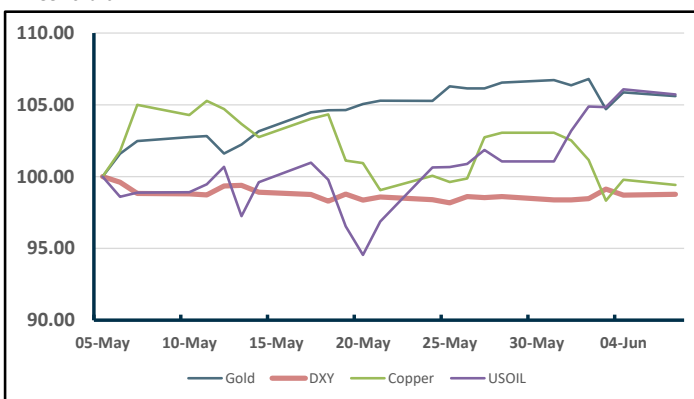


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,229.89	0.61%	0.61%	6.47%	12.61%
DJ Industrial Average	34,756.39	0.66%	0.66%	5.38%	13.56%
Nasdaq	13,770.77	0.62%	0.62%	5.19%	6.85%
Euro Stoxx 50	4,089.38	0.46%	1.24%	4.34%	15.11%
MSCI EAFE Small Cap	321.56	1.01%	0.94%	6.58%	10.86%
FTSE 100	7,069.04	0.66%	0.66%	5.29%	9.42%
DAX	15,692.90	1.11%	1.76%	4.56%	14.39%
CAC 40	6,515.66	0.49%	1.06%	7.39%	17.37%
Hang Seng	28,918.10	-0.71%	-0.80%	1.90%	6.20%
MSCI World	2,997.36	0.61%	0.73%	6.60%	11.42%
ASX 200	7,295.35	1.61%	1.87%	7.43%	10.75%
NIKKEI	28,941.52	-0.71%	0.28%	-0.81%	5.46%
CSI 300	5,279.22	-0.69%	-1.03%	4.43%	1.70%
China A50	18,139.56	-0.79%	-0.51%	4.91%	2.85%
TWSE	17,165.04	1.74%	0.46%	4.36%	16.39%
Fixed Income					
Barclays Aggregate	544.89	0.07%	-0.13%	2.08%	-2.48%
Barclays Euro Aggregate	268.48	0.20%	0.17%	-0.61%	-2.50%
Barclays US High Yield	2,397.24	0.28%	0.28%	1.67%	2.53%
Barclays Euro High Yield	433.89	0.35%	0.32%	1.09%	3.26%
Barclays TIPS	127.48	-0.23%	-0.23%	1.58%	-0.13%
JPM EMBI Global Divers	984.31	0.30%	0.30%	3.61%	-1.09%
Other					
DJ US Real Estate	400.30	2.59%	2.59%	11.85%	19.53%
S&P GSCI	533.74	2.79%	2.79%	14.19%	30.35%
US Dollar Index	90.14	0.12%	0.34%	-3.32%	0.22%
VIX	16.42	-2.03%	-2.03%	-15.36%	-27.82%

Commodities					
	Latest Price	31/5/21	30/4/21	31/3/21	31/12/20
Prices					
WTI Oil (\$/barrel)	69.62	66.32	63.58	59.16	48.52
Brent Oil (\$/barrel)	71.89	69.32	67.25	63.54	51.80
Gold (\$/oz)	1,891.59	1,906.87	1,769.13	1,707.71	1,898.36
Silver (\$/oz)	27.79	28.03	25.92	24.42	26.40
Copper	4.53	4.68	4.48	4.00	3.52
Corn	6.83	6.57	7.40	5.64	4.84
Coffee	1.62	1.62	1.40	1.24	1.28
Natural Gas	3.10	2.99	2.93	2.61	2.54

Currencies					
	Latest Price	31/5/21	30/4/21	31/3/21	31/12/20
Prices					
EURUSD	1.2167	1.2227	1.2020	1.1730	1.2216
GBPUSD	1.4157	1.4212	1.3822	1.3783	1.3670
USDJPY	109.52	109.58	109.31	110.72	103.25
USDCHF	0.8994	0.8989	0.9131	0.9436	0.8852
USDCAD	1.2084	1.2064	1.2287	1.2562	1.2725
AUDUSD	0.7739	0.7734	0.7716	0.7598	0.7694
NZDUSD	0.7214	0.7270	0.7162	0.6985	0.7184
USDCNH	6.3923	6.3728	6.4735	6.5647	6.5028

Crypto Currencies					
	Latest Price	31/5/21	30/4/21	31/3/21	31/12/20
Prices					
BTC/USD	37,056.79	36,690.89	56,814.4	58,960.2	28,996.3
XRP/USD	0.9767	0.9928	1.5763	0.5646	0.2249
LTC/USD	179.30	182.27	266.51	195.69	124.11
DSH/USD	192.56	189.58	317.44	217.17	99.30

Rates & Spreads					
	Latest Rate	31/5/21	30/4/21	31/3/21	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%	0.13%	0.18%	0.19%	0.24%
US Treasuries 2 Year	0.14%	0.14%	0.16%	0.16%	0.12%
US Treasuries 10 Year	1.55%	1.59%	1.63%	1.74%	0.91%
German Bunds 2 Year	-0.68%	-0.67%	-0.69%	-0.70%	-0.72%
German Bunds 10 Year	-0.21%	-0.19%	-0.20%	-0.29%	-0.57%
Japan Gov't Bonds 10 Year	0.08%	0.08%	0.09%	0.09%	0.02%
UK Gilts 10 Year	0.79%	0.80%	0.84%	0.85%	0.20%
Swiss Gov't Bonds 10 Year	-0.18%	-0.20%	-0.22%	-0.30%	-0.58%

Global Equity Returns YTD 2021

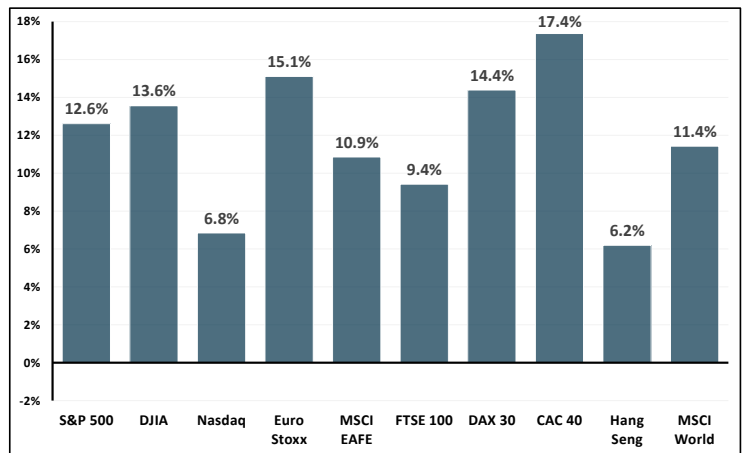


Chart Source: ADSS and Bloomberg as of the closing price on

4-Jun-21

Global Currency Returns (Weekly)

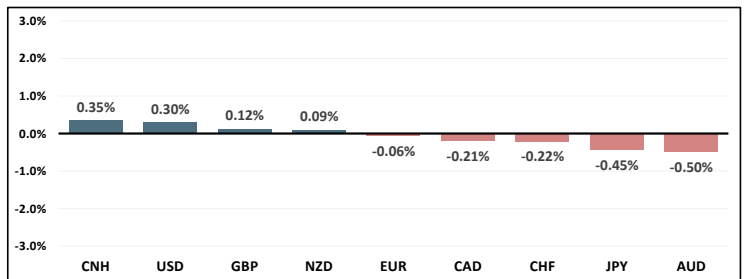


Chart Source: ADSS and Bloomberg as of the closing price on

4-Jun-21

Global Currency Returns YTD 2021

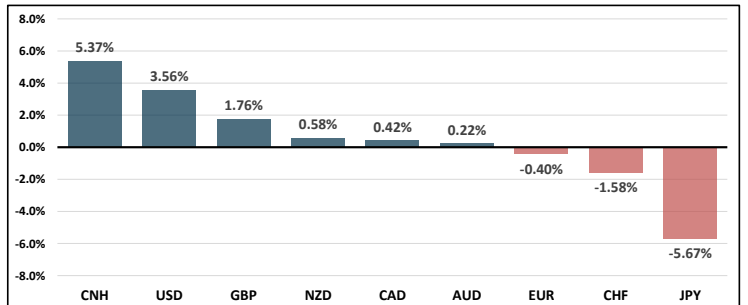
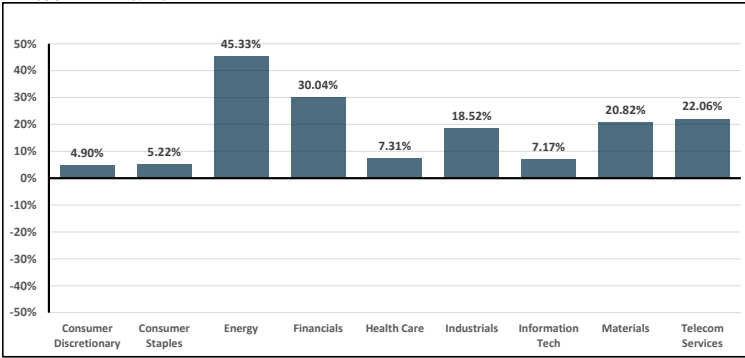


Chart Source: ADSS and Bloomberg as of the closing price on

4-Jun-21

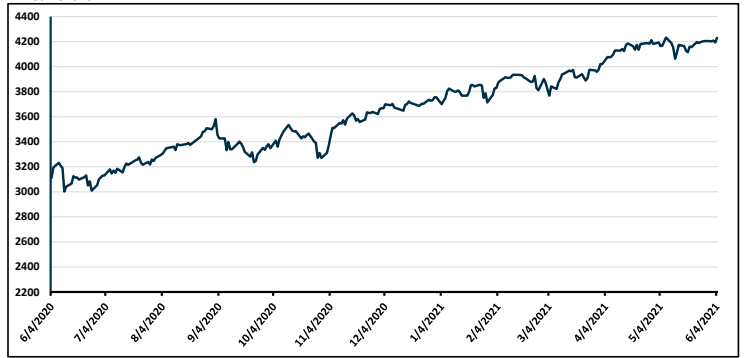
S&P 500 Index Sector Returns

YTD as of 4 Jun 2021



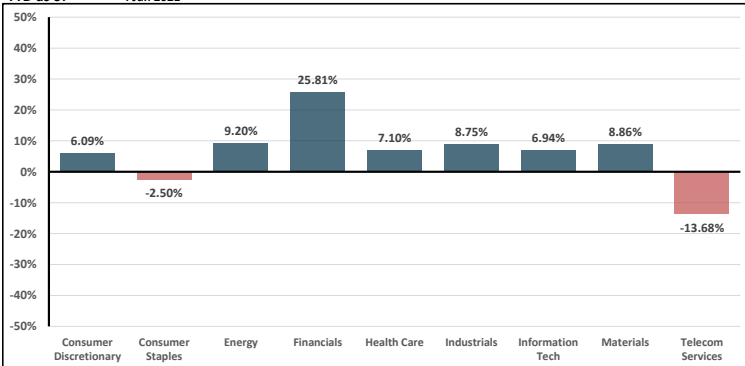
S&P 500 Index Trendline

1 Year Chart



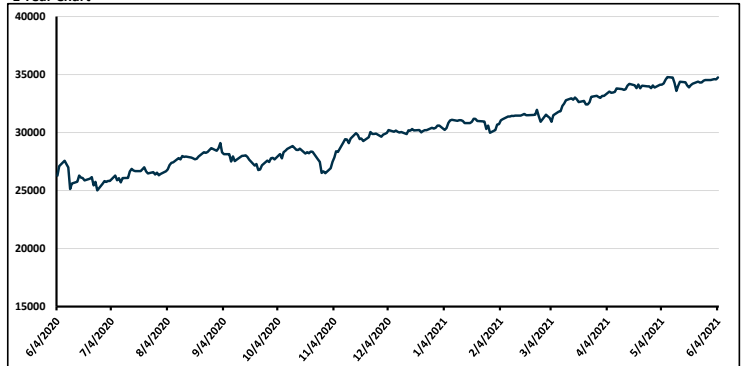
Dow Jones Industrial Average Index Sector Returns

YTD as of 4 Jun 2021



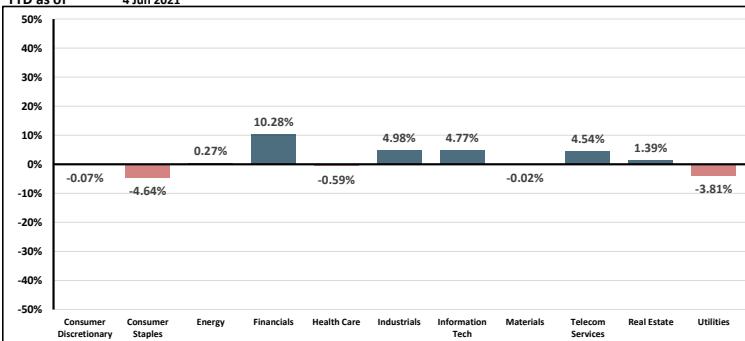
Dow Jones Industrial Average Index

1 Year Chart



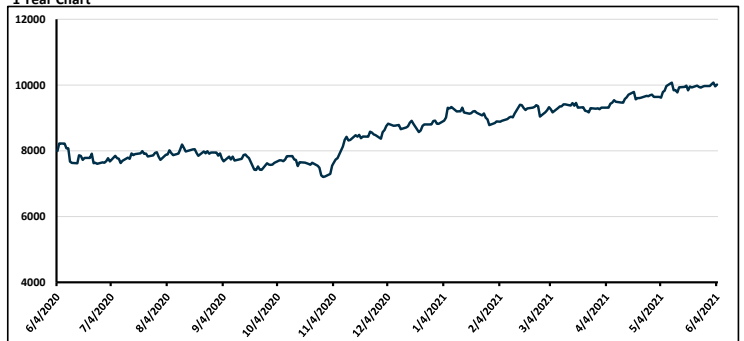
FTSE100 Index Sector Returns

YTD as of 4 Jun 2021



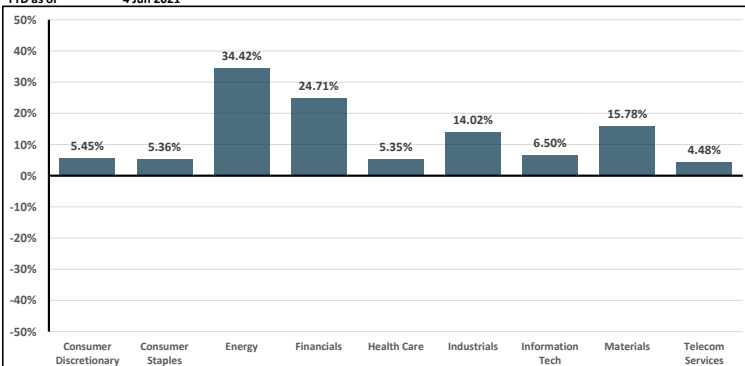
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 4 Jun 2021



MSCI World Index

1 Year Chart

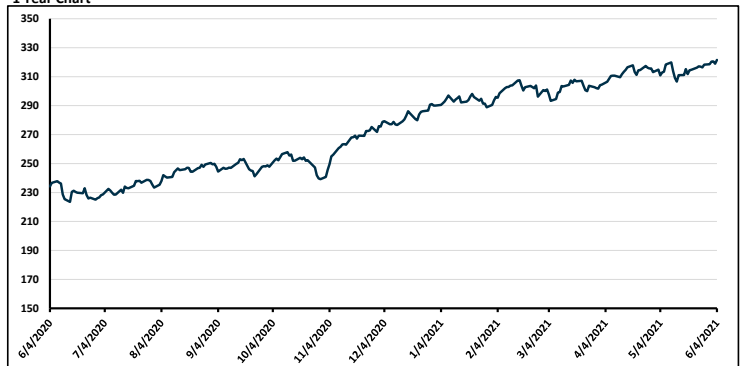


Chart Source: ADSS, Bloomberg

Chart Source: ADSS, Bloomberg

DISCLAIMER

ADS Securities LLC ("ADS") 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). ADS is licensed 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 debt 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. ADS 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 constitute 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. ADS 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.