

Top things to know for the week ahead

Markets to focus on the Fed's timeline for taper talks

Expect all eyes to be on this week's FOMC meeting after mixed economic data in May. While the market no doubt expects the Fed to keep policy on hold, the key will be whether policymakers lean towards drawing up an exit plan for the current accommodative policy stance. With unemployment still far from the Fed's target given the drop in labour force participation (May's unemployment rate in the US is closer to 8% after adjusting for the drop in participation rate due to the pandemic) and upward price pressures mainly from reopening-sensitive categories, it is likely to confirm policymakers' outlook for transitory inflation rates. That said, we expect the Fed's tone to firm up with acknowledgement on the upward price pressures that the US economy is experiencing but stop short of starting taper discussions in its statement. Fed Chair Jerome Powell's speech may carry signals that officials are looking to start to talk about taper discussions, which would suggest more details on asset purchase targets and a timeline may come in its next meeting, which could in turn apply some upward pressure on the dollar in the short-to-medium-term.

As a result, we expect DXY to remain trading within 89.60 to 90.60 range early this week ahead of the Fed's monetary policy meeting, with probable upside following the central bank's decision. Technical indicators support this with signals for a lower likelihood of downward pressure. That said, we still do expect a strong resistance level at about 91.00 to hold for the week, with a potentially large downward move in the event of a surprisingly accommodative stance by the Fed.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	12:30	JPY	Japan Industrial Production MoM
	21:00	GBP	BOE Governor Bailey at ACT's Conference
	-	CNY	China 1-Yr Medium-Term Lending Facility Rate
Tue	09:30	AUD	Australia RBA Minutes of June Policy Meeting
	14:00	GBP	United Kingdom Claimant Count Rate
	14:00	GBP	United Kingdom ILO Unemployment Rate 3Mths
Wed	14:00	GBP	United Kingdom CPI YoY
	15:00	CNY	China Surveyed Jobless Rate
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 Powell Post Meeting Press Conf.
	06:45	NZD	New Zealand GDP SA QoQ
	09:30	AUD	Australia Employment Change
	09:30	AUD	Australia Participation Rate
	09:30	AUD	Australia Unemployment Rate
	15:30	CHF	Switzerland SNB Policy Rate
	15:30	CHF	Switzerland SNB Sight Deposit Interest Rate
Fri	20:30	USD	United States Initial Jobless Claims
	11:00	JPY	Japan BOJ Policy Balance Rate

USOIL's rally looks likely to ease with little upside catalysts

Excess OPEC+ capacity and the risk of returning Iranian crude oil exports suggests limited upside despite market expectations on demand tailwinds (WTI prompt spreads reached its widest since Feb 2020 last Friday). In addition, more resistance in USOIL may be due to as a result of reduced attractiveness for overseas buyers (Brent and WTI spreads have narrowed to Nov 2020 levels). As a result, we expect USOIL to remain on its upward trajectory, but at a slower rate than before with an upper limit of US\$75 in the short-to-medium-term.

Commodities Against DXY (Rebased to 100)

4-week chart

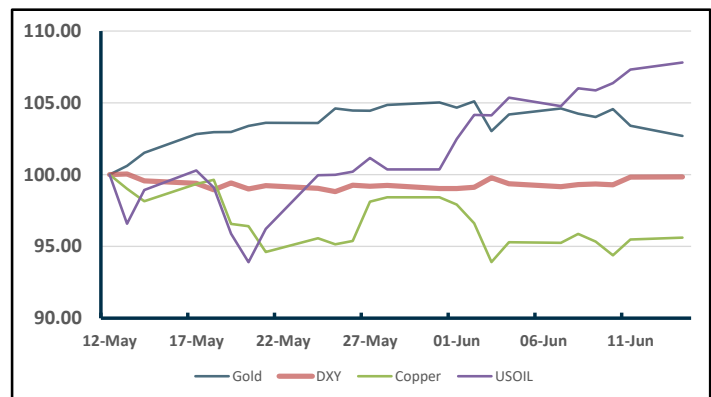


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,247.44	0.41%	1.03%	6.91%	13.08%
DJ Industrial Average	34,479.60	-0.80%	-0.14%	4.54%	12.65%
Nasdaq	13,998.30	1.65%	2.28%	6.93%	8.61%
Euro Stoxx 50	4,126.70	0.91%	2.16%	5.29%	16.16%
MSCI EAFE Small Cap	321.72	0.05%	1.00%	6.63%	10.91%
FTSE 100	7,134.06	0.92%	1.59%	6.26%	10.43%
DAX	15,693.27	0.00%	1.76%	4.56%	14.39%
CAC 40	6,600.66	1.30%	2.38%	8.79%	18.90%
Hang Seng	28,842.13	-0.26%	-1.06%	1.63%	5.92%
MSCI World	3,012.67	0.51%	1.24%	7.15%	11.99%
ASX 200	7,312.33	0.23%	2.10%	7.68%	11.01%
NIKKEI	28,948.73	0.02%	0.31%	-0.79%	5.48%
CSI 300	5,224.13	-1.04%	-2.07%	3.34%	0.64%
China A50	17,884.74	-1.40%	-1.91%	3.44%	1.40%
TWSE	16,966.22	-1.06%	0.85%	4.76%	16.84%
Fixed Income					
Barclays Aggregate	546.49	0.29%	0.16%	2.38%	-2.19%
Barclays Euro Aggregate	269.69	0.45%	0.62%	-0.17%	-2.06%
Barclays US High Yield	2,409.13	0.50%	0.78%	2.17%	3.04%
Barclays Euro High Yield	435.54	0.38%	0.70%	1.47%	3.66%
Barclays TIPS	127.67	0.15%	-0.08%	1.73%	0.02%
JPM EMBI Global Divers	993.77	0.96%	1.27%	4.61%	-0.14%
Other					
DJ US Real Estate	408.70	2.10%	4.74%	14.19%	22.04%
S&P GSCI	532.03	-0.32%	2.46%	13.82%	29.93%
US Dollar Index	90.56	0.46%	0.81%	-2.87%	0.69%
VIX	15.65	-4.69%	-6.62%	-19.33%	-31.21%

Commodities					
	Latest Price	31/5/21	30/4/21	31/3/21	31/12/20
Prices					
WTI Oil (\$/barrel)	70.91	66.32	63.58	59.16	48.52
Brent Oil (\$/barrel)	72.69	69.32	67.25	63.54	51.80
Gold (\$/oz)	1,877.53	1,906.87	1,769.13	1,707.71	1,898.36
Silver (\$/oz)	27.92	28.03	25.92	24.42	26.40
Copper	4.54	4.68	4.48	4.00	3.52
Corn	6.85	6.57	7.40	5.64	4.84
Coffee	1.57	1.62	1.40	1.24	1.28
Natural Gas	3.30	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	1.2109	1.2227	1.2020	1.1730	1.2216
GBPUSD	1.4107	1.4212	1.3822	1.3783	1.3670
USDJPY	109.66	109.58	109.31	110.72	103.25
USDCNH	0.8983	0.8989	0.9131	0.9436	0.8852
USDCAD	1.2158	1.2064	1.2287	1.2562	1.2725
AUDUSD	0.7708	0.7734	0.7716	0.7598	0.7694
NZDUSD	0.7130	0.7270	0.7162	0.6985	0.7184
USDCNH	6.3966	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	37,152.15	36,690.89	56,814.4	58,960.2	28,996.3
XRP/USD	0.8515	0.9928	1.5763	0.5646	0.2249
LTC/USD	163.46	182.27	266.51	195.69	124.11
DSH/USD	168.54	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	0.12%	0.13%	0.18%	0.19%	0.24%
US Treasuries 2 Year	0.15%	0.14%	0.16%	0.16%	0.12%
US Treasuries 10 Year	1.45%	1.59%	1.63%	1.74%	0.91%
German Bunds 2 Year	-0.69%	-0.67%	-0.69%	-0.70%	-0.72%
German Bunds 10 Year	-0.27%	-0.19%	-0.20%	-0.29%	-0.57%
Japan Gov't Bonds 10 Year	0.03%	0.08%	0.09%	0.09%	0.02%
UK Gilts 10 Year	0.71%	0.80%	0.84%	0.85%	0.20%
Swiss Gov't Bonds 10 Year	-0.26%	-0.20%	-0.22%	-0.30%	-0.58%

Global Equity Returns YTD 2021

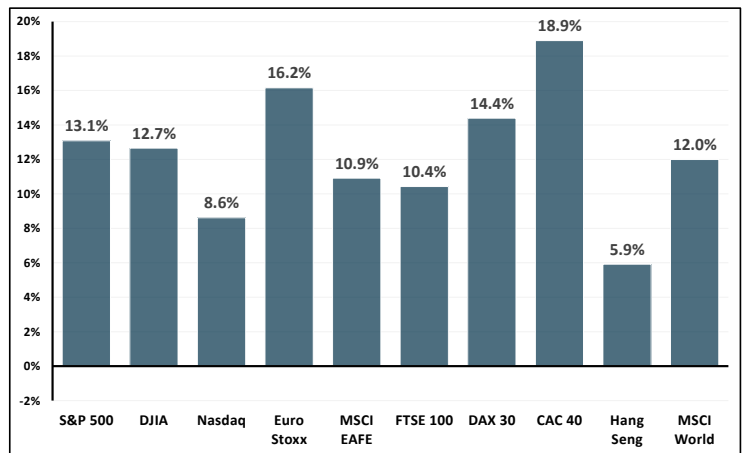


Chart Source: ADSS and Bloomberg as of the closing price on

11-Jun-21

Global Currency Returns (Weekly)

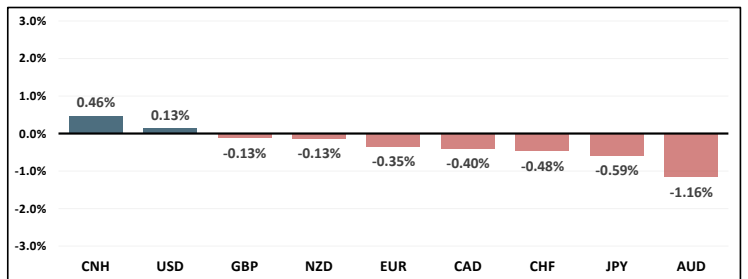


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Global Currency Returns YTD 2021

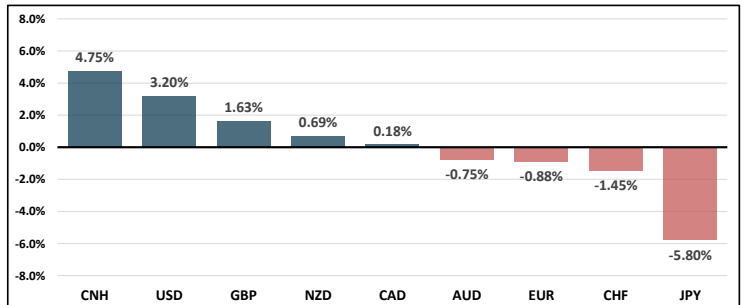
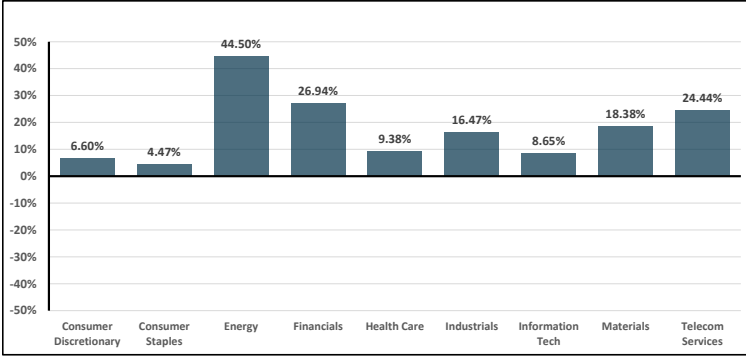


Chart Source: ADSS and Bloomberg as of the closing price on

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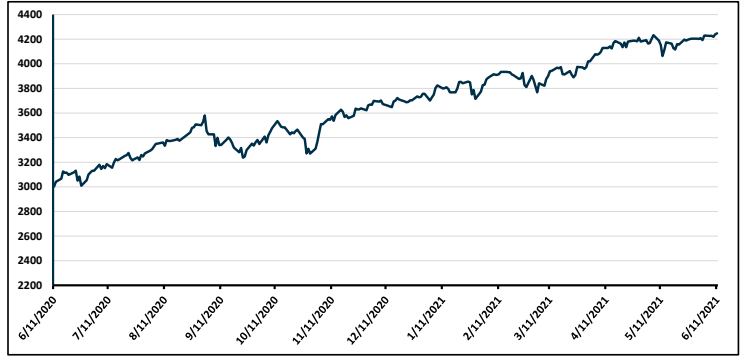
S&P 500 Index Sector Returns

YTD as of 11 Jun 2021



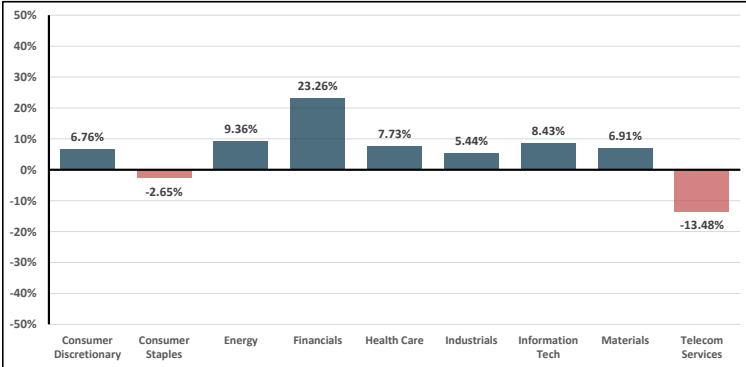
S&P 500 Index Trendline

1 Year Chart



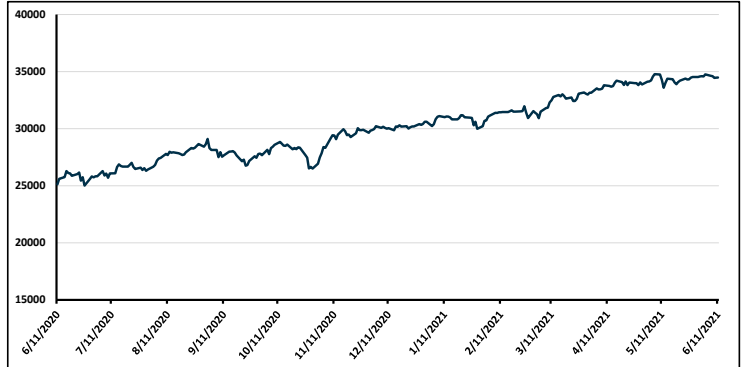
Dow Jones Industrial Average Index Sector Returns

YTD as of 11 Jun 2021



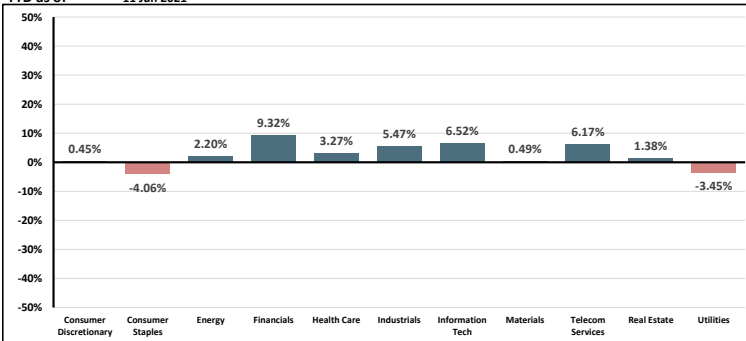
Dow Jones Industrial Average Index

1 Year Chart



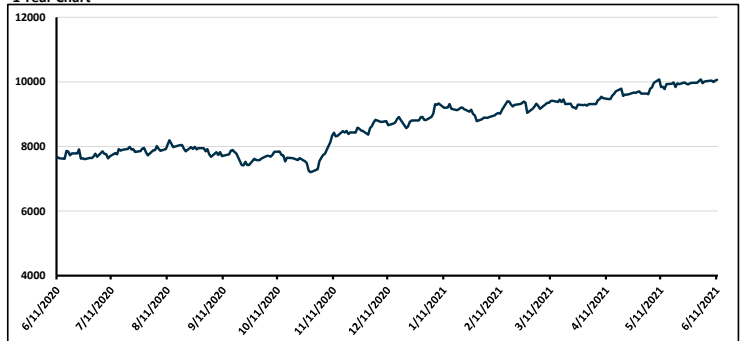
FTSE100 Index Sector Returns

YTD as of 11 Jun 2021



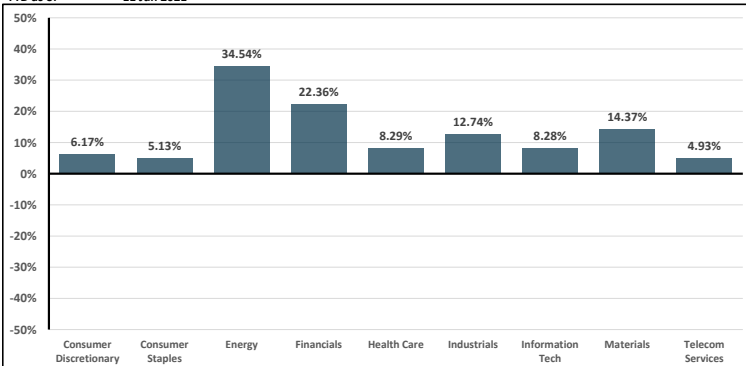
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 11 Jun 2021



MSCI World Index

1 Year Chart

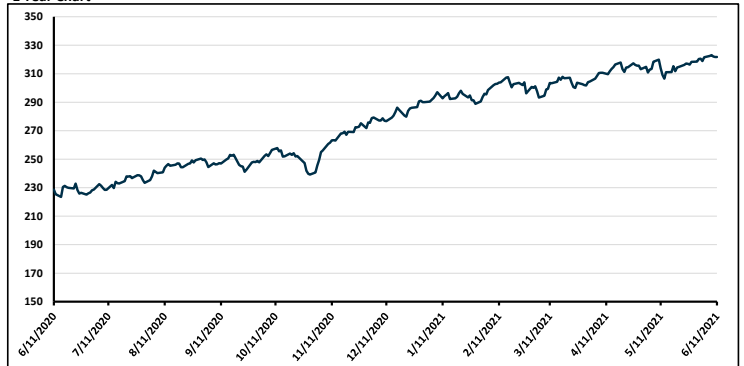


Chart Source: ADSS, Bloomberg

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