

Top things to know for the week ahead

Risk for EUR looks tilted towards the downside this week

The European Central Bank (ECB) looks more likely to revise its monetary policy to be more accommodative given its recent changes to its policy framework. This was signalled by ECB President Christine Lagarde during an interview last week with Bloomberg News. Note that the adjustment to its framework was from a target inflation rate of "close to but below 2%" to a symmetrical 2%, potentially with allowance for slight overshoots. This does suggest that risk for EUR is tilted towards the downside this week as the ECB adjusts its language. This may come in the form of an indication for an expansion to one of its asset purchase programs at its September meeting where the ECB will review the size of its Pandemic Emergency Purchases Programme (PEPP). We expect an expansion to the PEPP, if any, over the Public Sector Purchases Programme (PSPP) due to its flexibility. In addition, the ECB may transition the PEPP into being recovery-focused, which does coincide with an expansion to better cater to its new framework to accommodate a transitory period in which inflation is moderately above its target rate of 2%.

Further downward pressure on EUR/USD may as a result see the currency pair dip further this month to retest a previous low of 1.1715 seen in April. Most technical indicators don't suggest that selling in the currency pair has been exhausted, and it looks more likely that there is still some added room for downward pressure. In addition, the currency pair is approaching the 23.6% retracement from the post-November US presidential elections surge at 1.1780, signalling that a large move downwards may be due if that support breaks down.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Tue	07:30	JPY	Japan Natl CPI YoY
	09:30	CNY	China 1-Year Loan Prime Rate
	09:30	CNY	China 5-Year Loan Prime Rate
	09:30	AUD	Australia RBA Minutes of July Policy Meeting
	20:30	USD	United States Housing Starts
Wed	09:30	AUD	Australia Retail Sales MoM
	19:00	USD	United States MBA Mortgage Applications
Thu	19:45	EUR	Eurozone ECB Monetary Policy Decision
	20:30	EUR	Eurozone ECB President Lagarde's Post Meeting Press Conf.
	20:30	USD	United States Initial Jobless Claims
	22:00	USD	United States Leading Index
	22:00	USD	United States Existing Home Sales
Fri	14:00	GBP	United Kingdom Retail Sales Inc Auto Fuel MoM
	14:00	GBP	United Kingdom Retail Sales Inc Auto Fuel YoY
	14:00	GBP	United Kingdom Retail Sales Ex Auto Fuel MoM
	15:30	EUR	Germany Markit/BME Germany Manufacturing PMI
	16:00	EUR	Eurozone Markit Eurozone Manufacturing PMI
	16:30	GBP	United Kingdom Markit UK PMI Manufacturing SA
	21:45	USD	United States Markit US Manufacturing PMI

Crude Oil sees downward pressure on Monday morning in Asia

While this is mainly due to expectations for the supply hike in August after OPEC+'s agreement over the weekend, we expect downward pressure to be limited given that expectations for production hikes before May 2022 should be unchanged. Instead, downside pressure should stem from the impact of the delta variant. As a result, we expect to see some upside pressure in USOIL over the week, possibly to rebound back closer to the middle of its current trading range of about US\$73.

Commodities Against DXY (Rebased to 100)

4-week chart

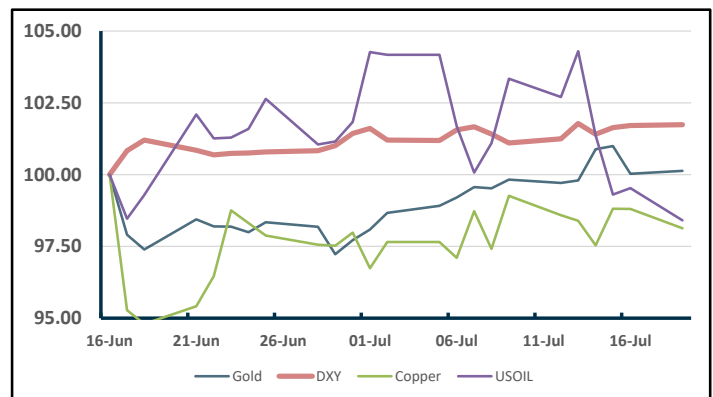


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,327.16	-0.97%	0.69%	0.69%	15.20%
DJ Industrial Average	34,687.85	-0.52%	0.54%	0.54%	13.33%
Nasdaq	14,681.38	-0.98%	0.87%	0.87%	13.91%
Euro Stoxx 50	4,035.77	-0.79%	-0.70%	-0.70%	13.60%
MSCI EAFE Small Cap	312.94	-0.47%	0.03%	0.03%	7.88%
FTSE 100	7,008.09	-1.60%	-0.42%	-0.42%	8.48%
DAX	15,540.31	-0.94%	0.06%	0.06%	13.28%
CAC 40	6,460.08	-1.06%	-0.73%	-0.73%	16.37%
Hang Seng	28,004.68	2.41%	-2.86%	-2.86%	2.84%
MSCI World	3,024.66	-0.93%	0.25%	0.25%	12.44%
ASX 200	7,348.12	1.03%	0.48%	0.48%	11.55%
NIKKEI	28,003.08	0.22%	-2.74%	-2.74%	2.04%
CSI 300	5,091.86	0.35%	-2.68%	-2.68%	-1.91%
China A50	16,654.78	-0.16%	-4.75%	-4.75%	-5.57%
TWSE	17,845.75	1.04%	0.79%	0.79%	21.47%
Fixed Income					
Barclays Aggregate	544.22	0.16%	0.63%	0.63%	-2.60%
Barclays Euro Aggregate	271.60	0.44%	0.94%	0.94%	-1.37%
Barclays US High Yield	2,428.71	-0.15%	0.25%	0.25%	3.88%
Barclays Euro High Yield	436.04	0.13%	0.21%	0.21%	3.77%
Barclays TIPS	129.00	0.84%	0.77%	0.77%	1.06%
JPM EMBI Global Divers	993.42	0.27%	0.49%	0.49%	-0.17%
Other					
DJ US Real Estate	411.90	0.34%	3.78%	3.78%	22.99%
S&P GSCI	528.17	-0.67%	-1.46%	-1.46%	28.99%
US Dollar Index	92.69	0.60%	0.27%	0.27%	3.06%
VIX	18.45	14.03%	16.55%	16.55%	-18.90%

Commodities					
	Latest Price	30/6/21	31/5/21	30/4/21	31/12/20
Prices					
WTI Oil (\$/barrel)	71.81	73.47	66.32	63.58	48.52
Brent Oil (\$/barrel)	73.59	75.13	69.32	67.25	51.80
Gold (\$/oz)	1,812.05	1,770.11	1,906.87	1,769.13	1,898.36
Silver (\$/oz)	25.66	26.13	28.03	25.92	26.40
Copper	4.33	4.30	4.68	4.48	3.52
Corn	5.56	7.20	6.57	7.40	4.84
Coffee	1.61	1.59	1.62	1.40	1.28
Natural Gas	3.67	3.65	2.99	2.93	2.54

Currencies					
	Latest Price	30/6/21	31/5/21	30/4/21	31/12/20
Prices					
EURUSD	1.1806	1.1858	1.2227	1.2020	1.2216
GBPUSD	1.3767	1.3831	1.4212	1.3822	1.3670
USDJPY	110.07	111.11	109.58	109.31	103.25
USDCHF	0.9194	0.9250	0.8989	0.9131	0.8852
USDCAD	1.2613	1.2398	1.2064	1.2287	1.2725
AUDUSD	0.7401	0.7498	0.7734	0.7716	0.7694
NZDUSD	0.6999	0.6983	0.7270	0.7162	0.7184
USDCNH	6.4755	6.4683	6.3728	6.4735	6.5028

Crypto Currencies					
	Latest Price	30/6/21	31/5/21	30/4/21	31/12/20
Prices					
BTC/USD	31,842.51	34,585.00	36,690.9	56,814.4	28,996.3
XRP/USD	0.5960	0.6858	0.9928	1.5763	0.2249
LTC/USD	123.53	142.26	182.27	266.51	124.11
DSH/USD	117.15	144.16	189.58	317.44	99.30

Rates & Spreads					
	Latest Rate	30/6/21	31/5/21	30/4/21	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%	0.15%	0.13%	0.18%	0.24%
US Treasuries 2 Year	0.22%	0.25%	0.14%	0.16%	0.12%
US Treasuries 10 Year	1.29%	1.47%	1.59%	1.63%	0.91%
German Bunds 2 Year	-0.69%	-0.67%	-0.67%	-0.69%	-0.72%
German Bunds 10 Year	-0.36%	-0.21%	-0.19%	-0.20%	-0.57%
Japan Gov't Bonds 10 Year	0.02%	0.05%	0.08%	0.09%	0.02%
UK Gilts 10 Year	0.63%	0.72%	0.80%	0.84%	0.20%
Swiss Gov't Bonds 10 Year	-0.34%	-0.25%	-0.20%	-0.22%	-0.58%

Global Equity Returns YTD 2021

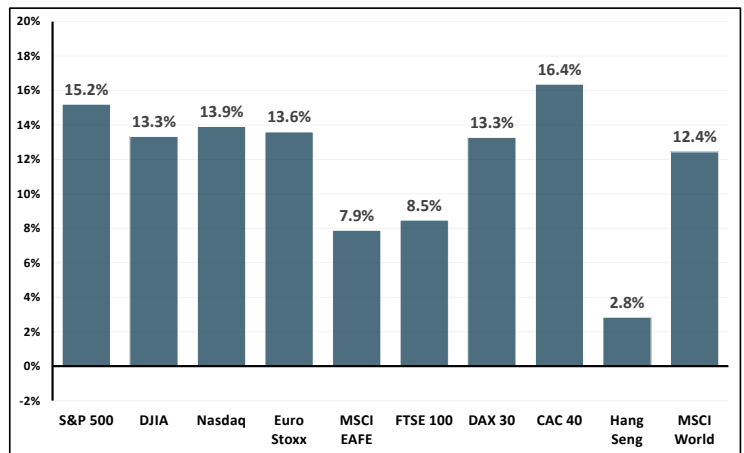


Chart Source: ADSS and Bloomberg as of the closing price on 16-Jul-21

Global Currency Returns (Weekly)

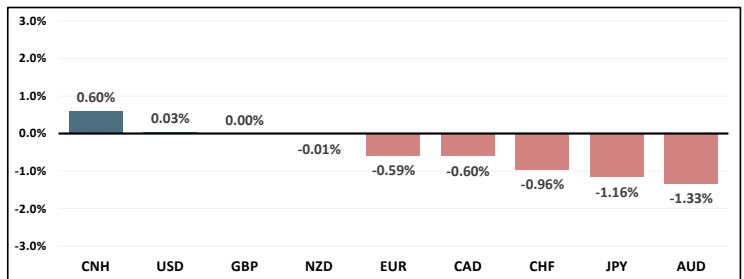


Chart Source: ADSS and Bloomberg as of the closing price on 16-Jul-21

Global Currency Returns YTD 2021

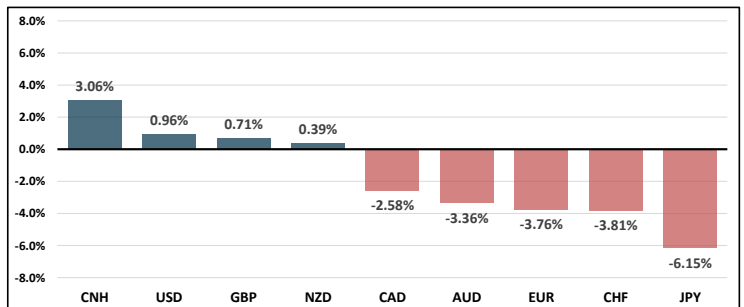
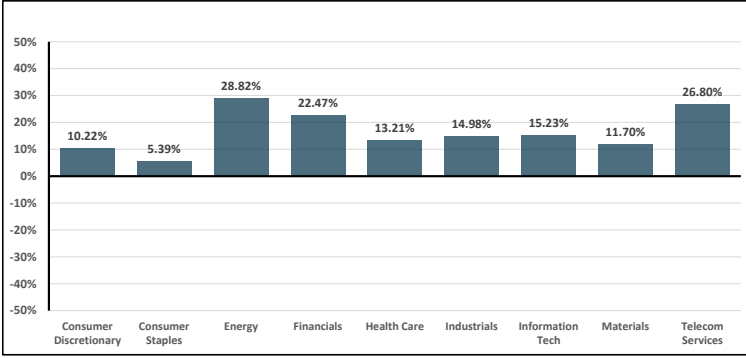


Chart Source: ADSS and Bloomberg as of the closing price on 16-Jul-21

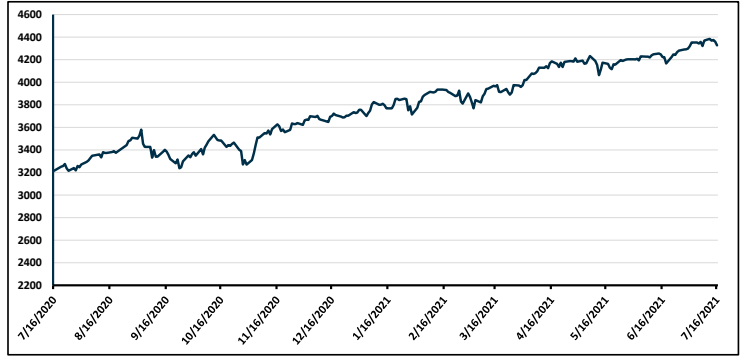
S&P 500 Index Sector Returns

YTD as of 16 Jul 2021



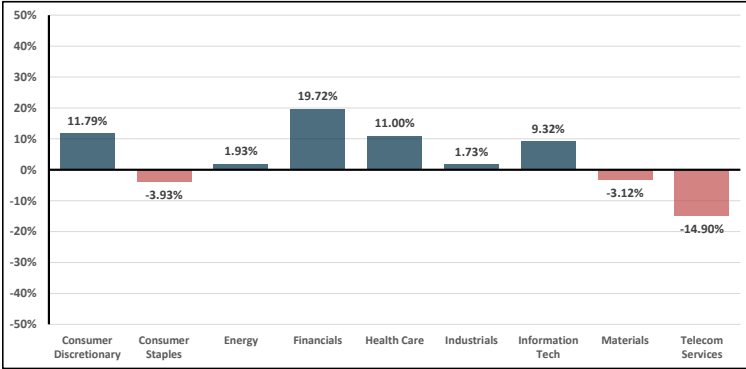
S&P 500 Index Trendline

1 Year Chart



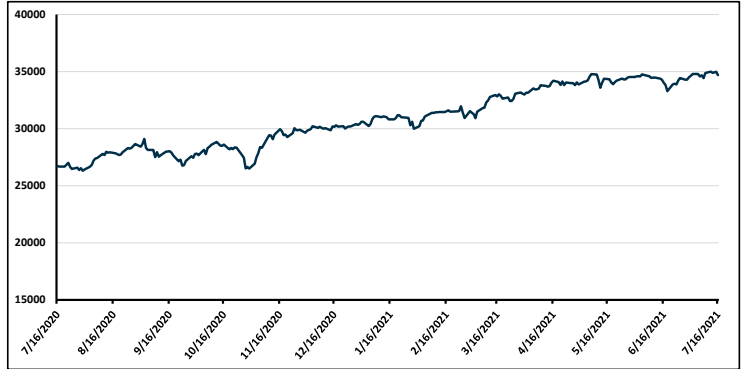
Dow Jones Industrial Average Index Sector Returns

YTD as of 16 Jul 2021



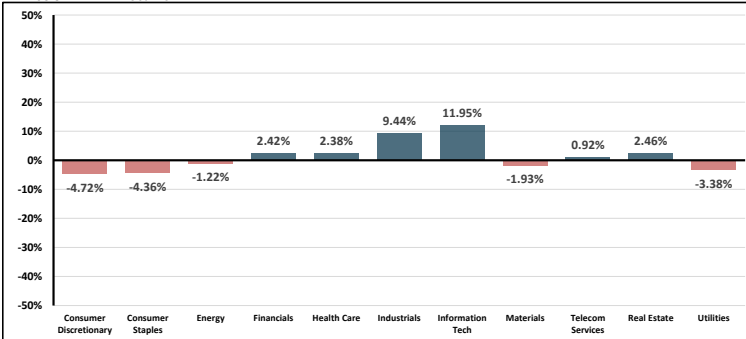
Dow Jones Industrial Average Index

1 Year Chart



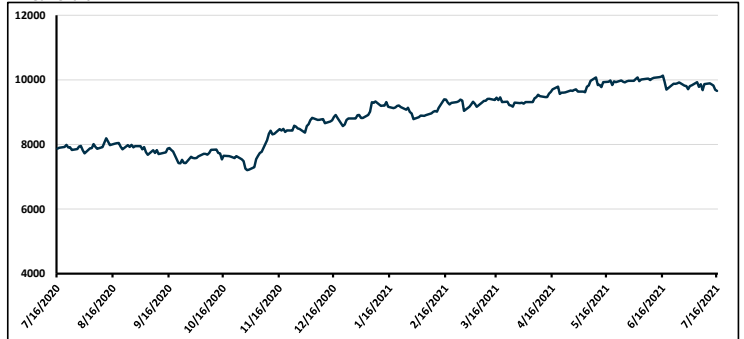
FTSE100 Index Sector Returns

YTD as of 16 Jul 2021



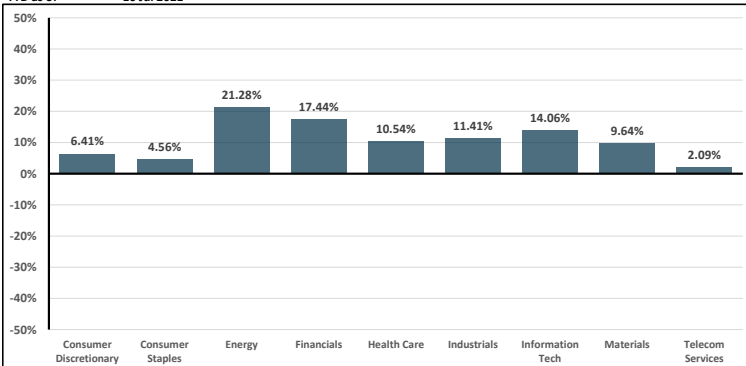
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 16 Jul 2021



MSCI World Index

1 Year Chart

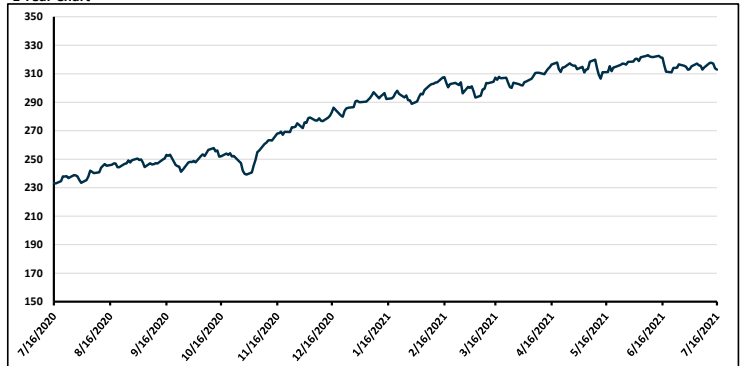


Chart Source: ADSS, Bloomberg

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 deposit 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. ADSS 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. ADSS 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.