

Top things to know for the week ahead

The Fed looks more likely to only make minor adjustments

Expect focus of the week to be on the Fed's meeting as investors look to central bankers for more details regarding tapering. We expect the central bank to maintain its outlook given that inflation and employment remains within its expectations after its recently upgraded outlook. In addition, we view that it is too early for central bankers to set expectations for tapering asset purchases for markets in upcoming meetings. Instead, it is more likely that policymakers will only adjust its language regarding "substantial progress" needed before a review.

Fundamentals for equities remain relatively similar to before. The market's perception of the delta variant's risk to the global economic recovery is likely fuelling the outperformance of defensive sector stocks. However, its impact is likely to be limited and temporary, which suggests continuous rotations between strategies may weigh on upside in the S&P500. Relative valuations support this as well, with the recent rally in the US pushing the index to trade at a deeper premium (>1SD) relative to the rest of the world. As a result, we reiterate our outlook for upward pressure in SPX to persist but at a slower rate with an initial resistance level at 4,450. Conversely, we may see more upward pressure on DXY. Technical indicators and last week's price action supports an upward trajectory, with little indications of a top forming along with weak selling pressure. A possible retest of April's peak of 93.43 may occur this week as a result.

Crude's bounce back is still within expectations

WTI crude oil prompt time spreads rebounded last week in the wake of the spike in volatility. While we are of the view that the longer-term outlook for crude oil prices remains favourable, we caution that upside in USOIL looks limited in the medium-term. OPEC+'s large levels of excess supply implies that supply urgency remains tepid. Demand continues to recover, but the initial surge should start to normalise. We continue to see crude oil ranging between US\$70-75 as a result.

Commodities Against DXY (Rebased to 100)

4-week chart

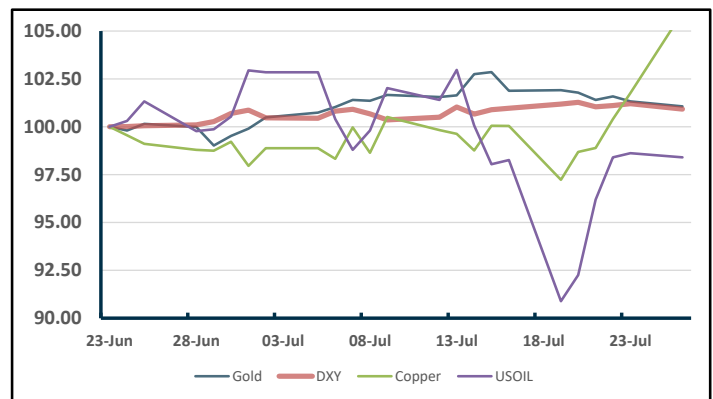


Chart Source: ADSS, Bloomberg

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	08:30	JPY	Japan Jibun Bank Japan PMI Mfg
	16:00	EUR	Germany IFO Business Climate
	22:00	USD	United States New Home Sales
Tue	20:30	USD	United States Durable Goods Orders
	22:00	USD	United States Conf. Board Consumer Confidence
Wed	19:00	USD	United States MBA Mortgage Applications
	20:30	CAD	Canada CPI YoY
Thu	02:00	USD	United States FOMC Rate Decision (Lower Bound)
	02:00	USD	United States Interest on Reserve Balances Rate
	02:30	USD	Fed Chair Powell Post Meeting Press Conf.
	15:55	EUR	Germany Unemployment Claims Rate SA
	20:30	USD	United States Initial Jobless Claims
	20:30	USD	United States GDP Annualized QoQ
Fri	07:30	JPY	Japan Jobless Rate
	07:50	JPY	Japan Industrial Production MoM
	17:00	EUR	Eurozone Unemployment Rate
	17:00	EUR	Eurozone GDP SA QoQ
	17:00	EUR	Eurozone GDP SA YoY
	22:00	USD	United States U. of Mich. Sentiment

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,411.79	1.96%	2.66%	2.66%	17.46%
DJ Industrial Average	35,061.55	1.08%	1.62%	1.62%	14.56%
Nasdaq	15,111.79	2.93%	3.83%	3.83%	17.25%
Euro Stoxx 50	4,109.10	1.82%	1.10%	1.10%	15.66%
MSCI EAFE Small Cap	313.98	0.33%	0.36%	0.36%	8.24%
FTSE 100	7,027.58	0.28%	-0.14%	-0.14%	8.78%
DAX	15,669.29	0.83%	0.89%	0.89%	14.22%
CAC 40	6,568.82	1.68%	0.94%	0.94%	18.33%
Hang Seng	27,321.98	-2.44%	-5.22%	-5.22%	0.33%
MSCI World	3,072.38	1.58%	1.83%	1.83%	14.21%
ASX 200	7,394.35	0.63%	1.11%	1.11%	12.26%
NIKKEI	27,548.00	-1.63%	-4.32%	-4.32%	0.38%
CSI 300	5,086.32	-0.11%	-2.79%	-2.79%	-2.01%
China A50	16,441.54	-1.28%	-5.97%	-5.97%	-6.78%
TWSE	17,458.79	-2.44%	-1.03%	-1.03%	19.28%
Fixed Income					
Barclays Aggregate	544.66	0.08%	0.71%	0.71%	-2.52%
Barclays Euro Aggregate	272.76	0.43%	1.37%	1.37%	-0.94%
Barclays US High Yield	2,430.35	0.07%	0.32%	0.32%	3.95%
Barclays Euro High Yield	436.22	0.04%	0.25%	0.25%	3.82%
Barclays TIPS	129.64	0.50%	1.27%	1.27%	1.56%
JPM EMBI Global Divers	992.69	-0.07%	0.42%	0.42%	-0.25%
Other					
DJ US Real Estate	413.50	0.39%	4.18%	4.18%	23.47%
S&P GSCI	532.48	0.82%	-0.65%	-0.65%	30.05%
US Dollar Index	92.91	0.24%	0.51%	0.51%	3.31%
VIX	17.20	-6.78%	8.65%	8.65%	-24.40%

Commodities					
	Latest Price	30/6/21	31/5/21	30/4/21	31/12/20
Prices					
WTI Oil (\$/barrel)	72.07	73.47	66.32	63.58	48.52
Brent Oil (\$/barrel)	74.10	75.13	69.32	67.25	51.80
Gold (\$/oz)	1,802.15	1,770.11	1,906.87	1,769.13	1,898.36
Silver (\$/oz)	25.18	26.13	28.03	25.92	26.40
Copper	4.41	4.30	4.68	4.48	3.52
Corn	5.47	7.20	6.57	7.40	4.84
Coffee	1.89	1.59	1.62	1.40	1.28
Natural Gas	4.06	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	1.1771	1.1858	1.2227	1.2020	1.2216
GBPUSD	1.3748	1.3831	1.4212	1.3822	1.3670
USDJPY	110.55	111.11	109.58	109.31	103.25
USDCHF	0.9194	0.9250	0.8989	0.9131	0.8852
USDCAD	1.2564	1.2398	1.2064	1.2287	1.2725
AUDUSD	0.7366	0.7498	0.7734	0.7716	0.7694
NZDUSD	0.6974	0.6983	0.7270	0.7162	0.7184
USDCNH	6.4764	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	32,500.70	34,585.00	36,690.9	56,814.4	28,996.3
XRP/USD	0.5887	0.6858	0.9928	1.5763	0.2249
LTC/USD	120.00	142.26	182.27	266.51	124.11
DSH/USD	137.11	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	0.20%	0.25%	0.14%	0.16%	0.12%
US Treasuries 10 Year	1.28%	1.47%	1.59%	1.63%	0.91%
German Bunds 2 Year	-0.73%	-0.67%	-0.67%	-0.69%	-0.72%
German Bunds 10 Year	-0.42%	-0.21%	-0.19%	-0.20%	-0.57%
Japan Gov't Bonds 10 Year	0.01%	0.05%	0.08%	0.09%	0.02%
UK Gilts 10 Year	0.58%	0.72%	0.80%	0.84%	0.20%
Swiss Gov't Bonds 10 Year	-0.39%	-0.25%	-0.20%	-0.22%	-0.58%

Global Equity Returns YTD 2021

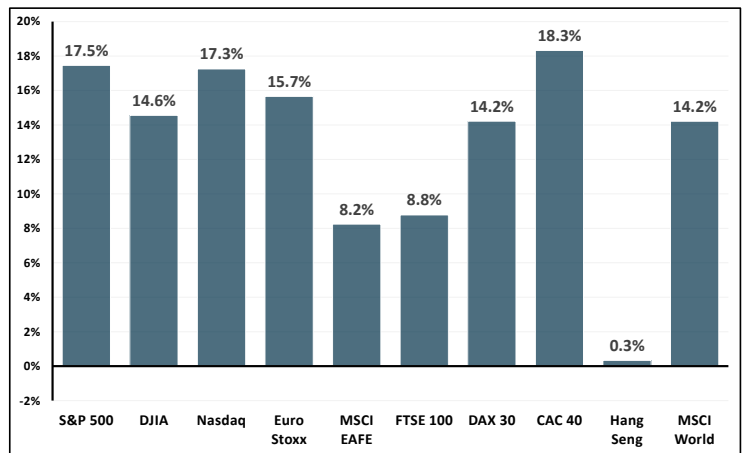


Chart Source: ADSS and Bloomberg as of the closing price on 23-Jul-21

Global Currency Returns (Weekly)

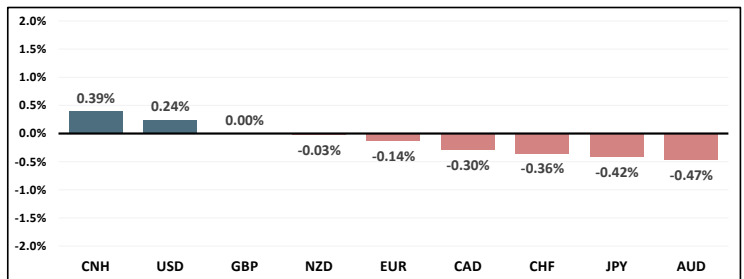


Chart Source: ADSS and Bloomberg as of the closing price on 23-Jul-21

Global Currency Returns YTD 2021

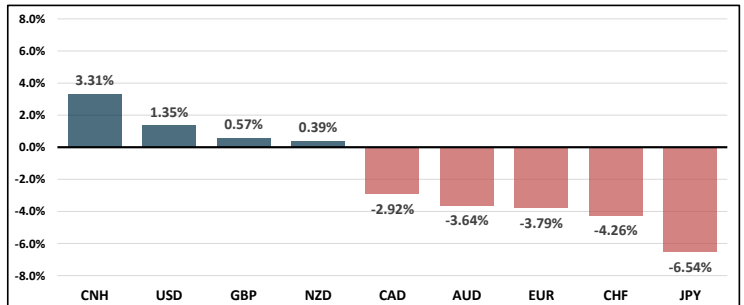
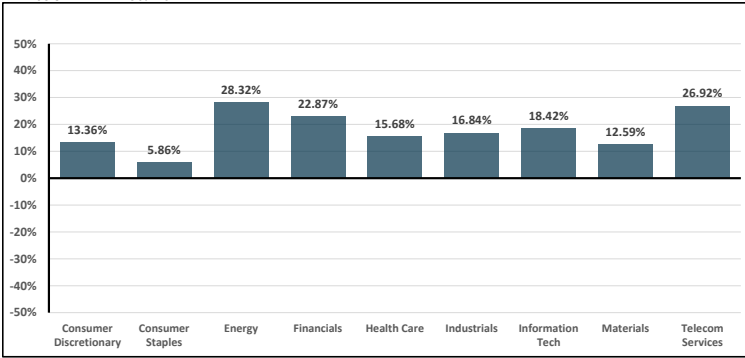


Chart Source: ADSS and Bloomberg as of the closing price on 23-Jul-21

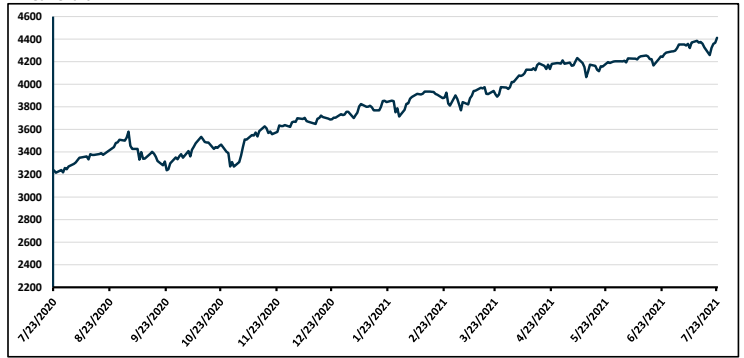
S&P 500 Index Sector Returns

YTD as of 23 Jul 2021



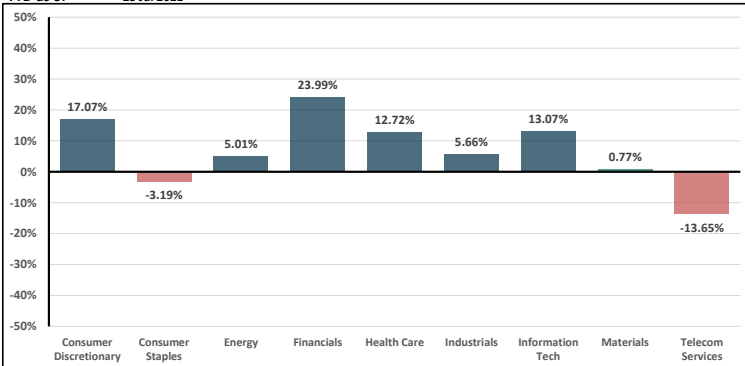
S&P 500 Index Trendline

1 Year Chart



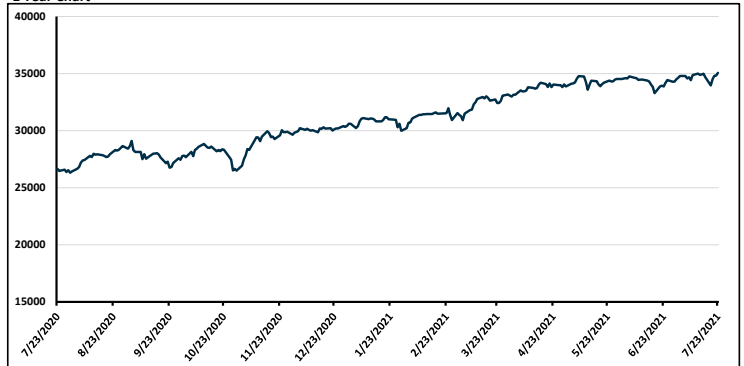
Dow Jones Industrial Average Index Sector Returns

YTD as of 23 Jul 2021



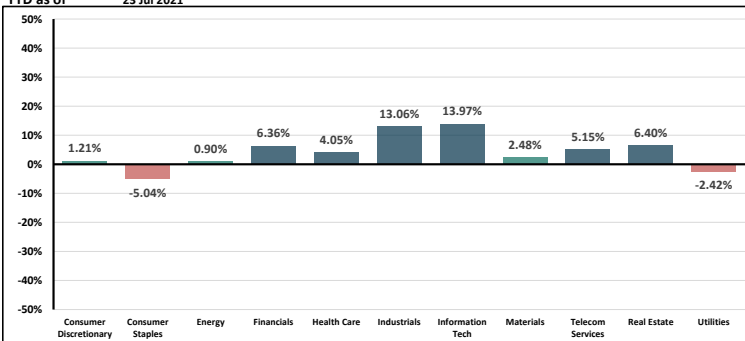
Dow Jones Industrial Average Index

1 Year Chart



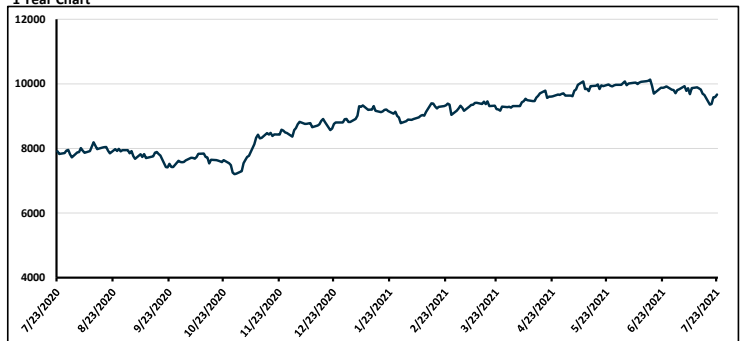
FTSE100 Index Sector Returns

YTD as of 23 Jul 2021



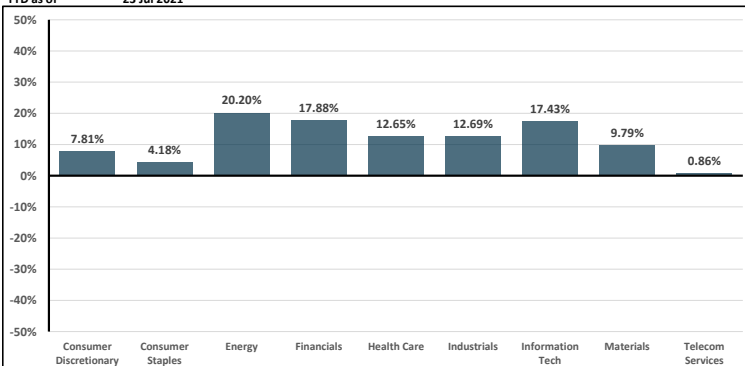
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 23 Jul 2021



MSCI World Index

1 Year Chart

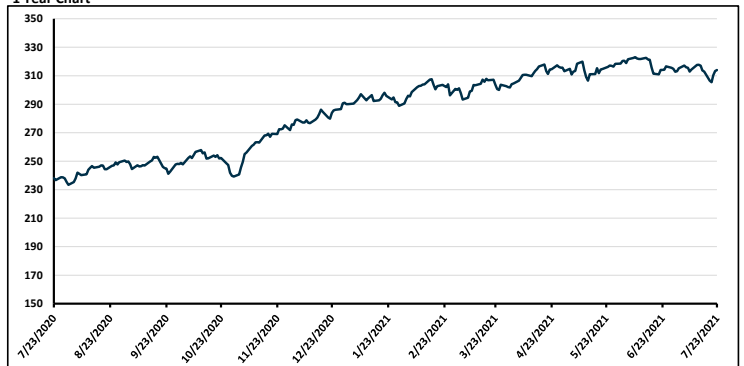


Chart Source: ADSS, Bloomberg

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