

Top things to know for the week ahead

Dollar may see upward pressure on strong jobs report

We estimate employment to grow at an accelerated rate during July as more people return to the workforce amid the recovery in services industries and as augmented unemployment benefits in several states ended during the month. In addition, a reduction in government education workers being laid off this year, due to the tapered workforce in the sector amid remote learning, is likely to distort seasonal adjustments in a month that typically sees over a million education workers being laid off. As a result, we expect nonfarm payrolls to rise by a seasonally adjusted 900,000, with the unemployment rate at 5.7%. The jobs report may fuel further speculation on the timeline of the Fed's tapering of asset purchases, which may provide upside pressure in the greenback. Consequently, we expect DXY to see some strength through the week with strong support levels at 91.70 and 91.50.

The Bank of England (BoE) looks likely to keep monetary policy on hold. That said, we expect to see at least one MPC member to vote in favour of ending the central bank's asset purchase program early. However, it is more likely that the current target of 895 billion pounds of asset purchases will be exhausted through the end of 2021 given that the furlough program will only end in September. While the BoE may note negative rates are now operationally feasible, we don't expect a reaction from markets given its low likelihood of implementation. As a result, risk looks tilted to the upside for sterling and may see to a retest of a previous support at 0.8491 for EUR/GBP, especially if new Covid-19 cases in the UK continue to trend downward.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	22:00	USD	United States ISM Manufacturing
Tue	09:30	AUD	Australia Building Approvals MoM
	12:30	AUD	Australia RBA Cash Rate Target
	22:00	USD	United States Durable Goods Orders
Wed	06:45	NZD	New Zealand Participation Rate
	06:45	NZD	New Zealand Unemployment Rate
	19:00	USD	United States MBA Mortgage Applications
Thu	19:00	GBP	United Kingdom Bank of England Bank Rate
	19:00	GBP	United Kingdom BOE Corporate Bond Target
	20:30	USD	United States Initial Jobless Claims
Fri	14:00	EUR	Germany Industrial Production SA MoM
	15:00	CHF	Switzerland Foreign Currency Reserves
	20:30	USD	United States Change in Nonfarm Payrolls
	20:30	CAD	Canada Unemployment Rate
	20:30	USD	United States Unemployment Rate
	20:30	CAD	Canada Participation 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

More upside in crude oil looks likely despite delta variant risks

Crude oil prices resume its uptrend after recovering from the rout in the middle of July. While the delta variant continues to stifle mobility in parts of Asia, it will likely only be a temporary disruption to the global economic recovery. In addition, markets are likely to price in increased tensions between the US and Iran over the weekend as a lower likelihood of the US lifting sanctions off Iranian crude oil exports, which should translate to reduced downward pressure on crude oil prices. We may see USOIL retest a previous high of 75.44 as a result.

Commodities Against DXY (Rebased to 100)

4-week chart

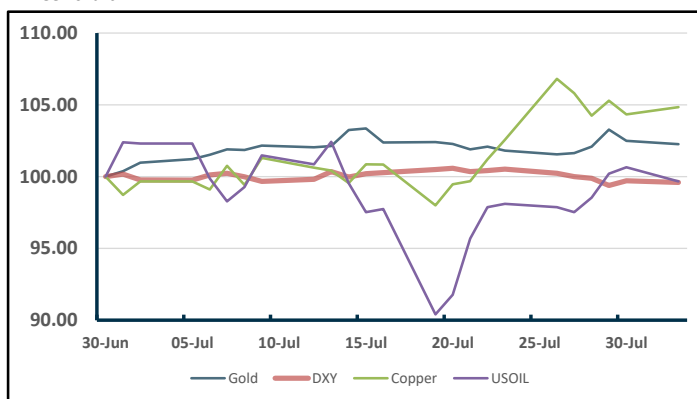


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,395.26	-0.37%	0.00%	2.27%	17.02%
DJ Industrial Average	34,935.47	-0.36%	0.00%	1.25%	14.14%
Nasdaq	14,959.90	-1.01%	0.00%	2.78%	16.07%
Euro Stoxx 50	4,089.30	-0.48%	0.00%	0.62%	15.11%
MSCI EAFE Small Cap	317.89	1.25%	0.00%	1.61%	9.59%
FTSE 100	7,032.30	0.07%	0.00%	-0.07%	8.85%
DAX	15,544.39	-0.80%	0.00%	0.09%	13.31%
CAC 40	6,612.76	0.67%	0.00%	1.61%	19.12%
Hang Seng	25,961.03	-4.98%	0.00%	-9.94%	-4.66%
MSCI World	3,069.25	-0.10%	0.00%	1.72%	14.10%
ASX 200	7,392.62	-0.02%	0.00%	1.09%	12.23%
NIKKEI	27,283.59	-0.96%	0.00%	-5.24%	-0.59%
CSI 300	4,810.80	-5.42%	0.00%	-8.05%	-7.32%
China A50	15,037.88	-8.54%	0.00%	-14.00%	-14.74%
TWSE	17,135.22	-2.49%	0.00%	-2.86%	17.07%
Fixed Income					
Barclays Aggregate	548.01	0.61%	0.00%	1.33%	-1.92%
Barclays Euro Aggregate	273.27	0.19%	0.00%	1.56%	-0.76%
Barclays US High Yield	2,431.83	0.06%	0.00%	0.38%	4.01%
Barclays Euro High Yield	437.19	0.22%	0.00%	0.47%	4.05%
Barclays TIPS	130.58	0.73%	0.00%	2.01%	2.30%
JPM EMBI Global Divers	992.66	0.00%	0.00%	0.42%	-0.25%
Other					
DJ US Real Estate	415.00	0.36%	0.00%	4.56%	23.92%
S&P GSCI	541.13	1.62%	0.00%	0.96%	32.16%
US Dollar Index	92.17	-0.79%	0.00%	-0.28%	2.49%
VIX	18.24	6.05%	0.00%	15.22%	-19.82%

Commodities					
	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
Prices					
WTI Oil (\$/barrel)	73.95	73.95	73.47	66.32	48.52
Brent Oil (\$/barrel)	76.33	76.33	75.13	69.32	51.80
Gold (\$/oz)	1,814.19	1,814.19	1,770.11	1,906.87	1,898.36
Silver (\$/oz)	25.49	25.49	26.13	28.03	26.40
Copper	4.48	4.48	4.30	4.68	3.52
Corn	5.47	5.47	7.20	6.57	4.84
Coffee	1.80	1.80	1.59	1.62	1.28
Natural Gas	3.91	3.91	3.65	2.99	2.54

Currencies					
	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
Prices					
EURUSD	1.1870	1.1870	1.1858	1.2227	1.2216
GBPUSD	1.3904	1.3904	1.3831	1.4212	1.3670
USDJPY	109.72	109.72	111.11	109.58	103.25
USDCHF	0.9059	0.9059	0.9250	0.8989	0.8852
USDCAD	1.2475	1.2475	1.2398	1.2064	1.2725
AUDUSD	0.7344	0.7344	0.7498	0.7734	0.7694
NZDUSD	0.6974	0.6974	0.6983	0.7270	0.7184
USDCNH	6.4633	6.4633	6.4683	6.3728	6.5028

Crypto Currencies					
	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
Prices					
BTC/USD	40,689.27	40,689.27	34,585.0	36,690.9	28,996.3
XRP/USD	0.7507	0.7507	0.6858	0.9928	0.2249
LTC/USD	142.42	142.42	142.26	182.27	124.11
DSH/USD	160.74	160.74	144.16	189.58	99.30

Rates & Spreads					
	Latest Rate	31/7/21	30/6/21	31/5/21	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%	0.12%	0.15%	0.13%	0.24%
US Treasuries 2 Year	0.18%	0.18%	0.25%	0.14%	0.12%
US Treasuries 10 Year	1.22%	1.22%	1.47%	1.59%	0.91%
German Bunds 2 Year	-0.77%	-0.77%	-0.67%	-0.67%	-0.72%
German Bunds 10 Year	-0.46%	-0.46%	-0.21%	-0.19%	-0.57%
Japan Gov't Bonds 10 Year	0.02%	0.02%	0.05%	0.08%	0.02%
UK Gilts 10 Year	0.57%	0.57%	0.72%	0.80%	0.20%
Swiss Gov't Bonds 10 Year	-0.40%	-0.40%	-0.25%	-0.20%	-0.58%

Global Equity Returns YTD 2021

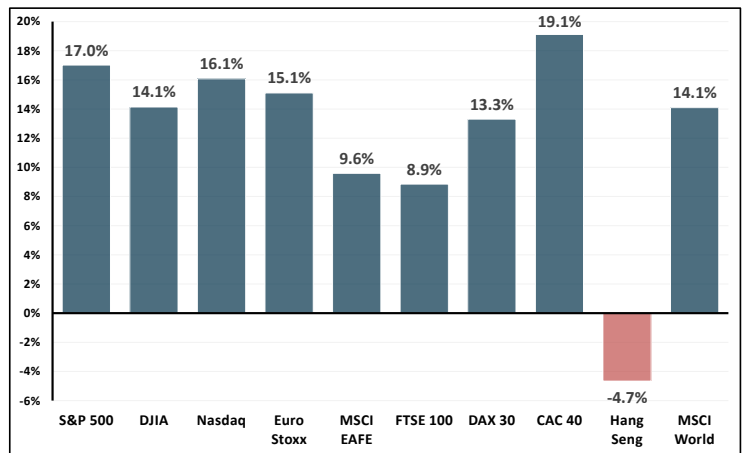


Chart Source: ADSS and Bloomberg as of the closing price on 30-Jul-21

Global Currency Returns (Weekly)

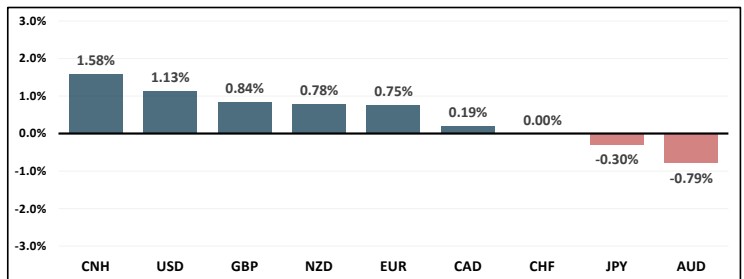


Chart Source: ADSS and Bloomberg as of the closing price on 30-Jul-21

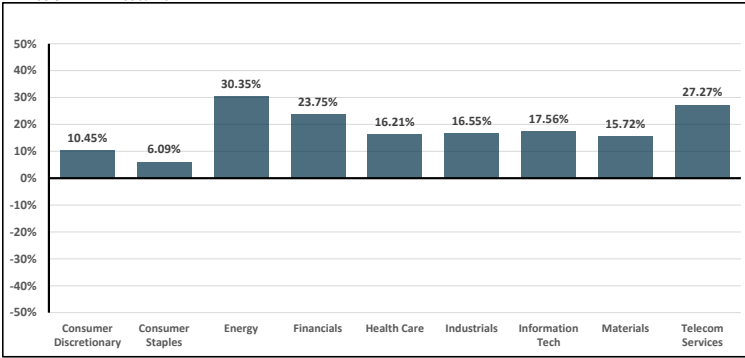
Global Currency Returns YTD 2021



Chart Source: ADSS and Bloomberg as of the closing price on 30-Jul-21

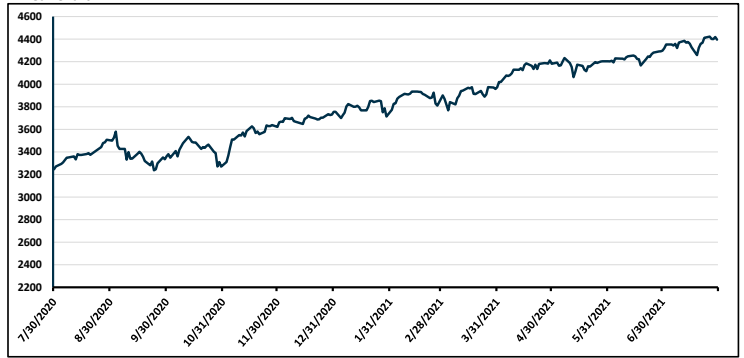
S&P 500 Index Sector Returns

YTD as of 30 Jul 2021



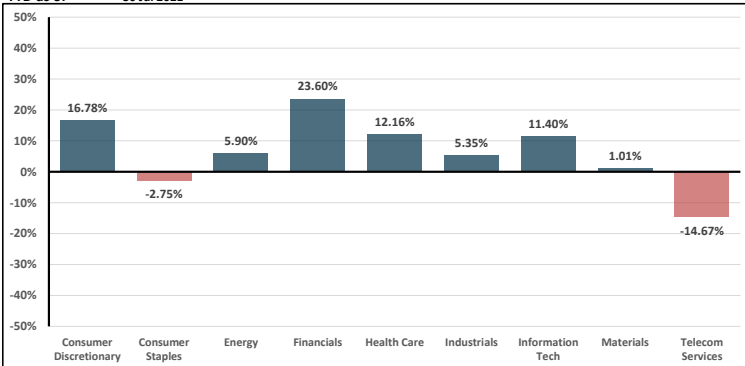
S&P 500 Index Trendline

1 Year Chart



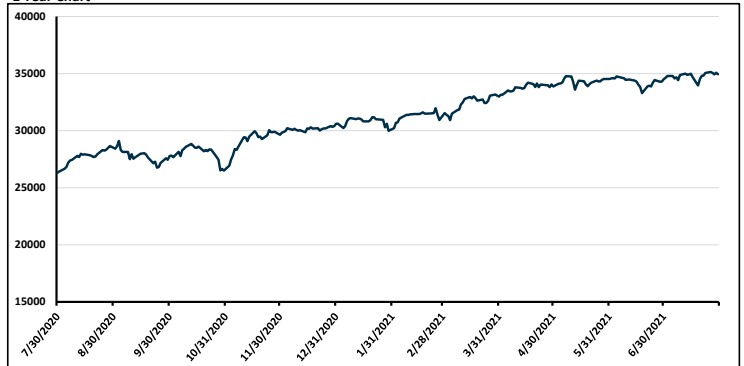
Dow Jones Industrial Average Index Sector Returns

YTD as of 30 Jul 2021



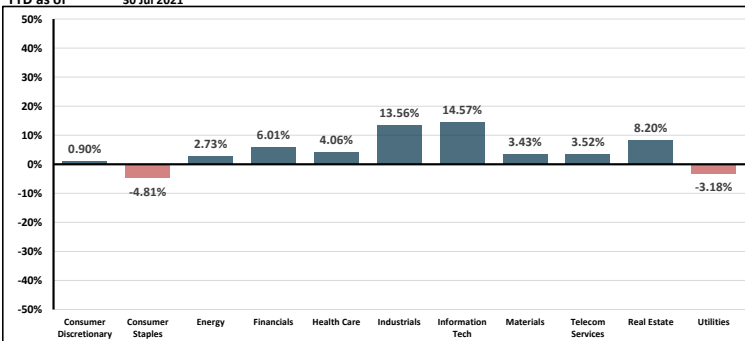
Dow Jones Industrial Average Index

1 Year Chart



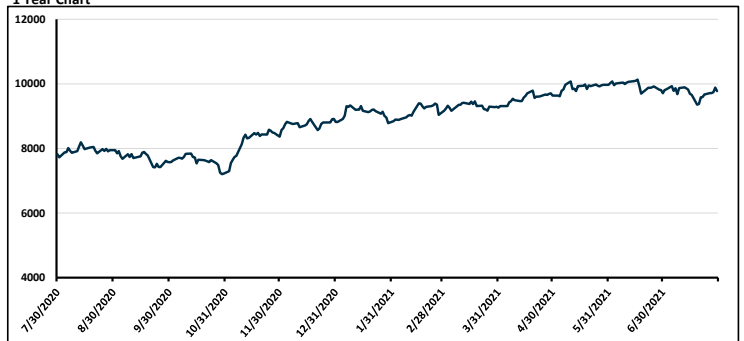
FTSE100 Index Sector Returns

YTD as of 30 Jul 2021



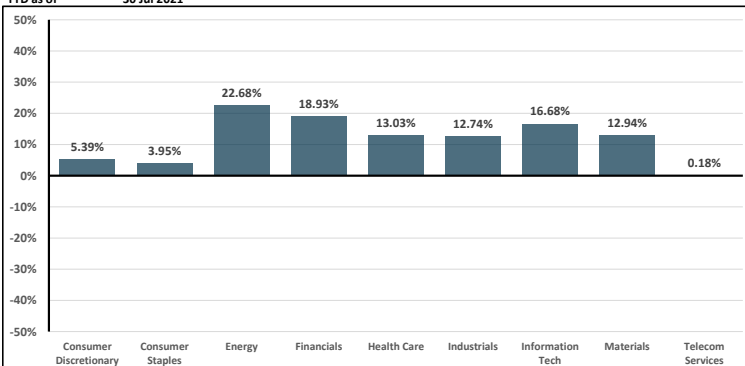
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 30 Jul 2021



MSCI World Index

1 Year Chart

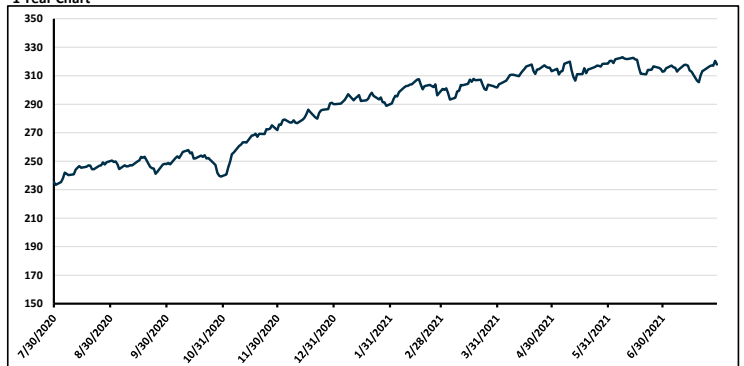


Chart Source: ADSS, Bloomberg

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