

Top things to know for the week ahead

Incoming remarks from Fed officials unlikely to surprise markets

Expect more volatility this week with markets focusing on signals for monetary policy from Fed officials at the Jackson Hole Symposium later this week. Most recent indicators (including remarks from different policymakers in the FOMC, July's meeting minutes) suggest that it is unlikely for the central bank to largely deviate from its tone back in July. More probable is for the Fed to provide more detail at its September meeting, while continuing to highlight the strong economic recovery and that uncertainty remains elevated due to the unknown impact that new variants of the virus may have on the global economy. On the other hand, growth in personal consumption for July is likely to continue to grow at a more normalised rate as pandemic unemployment benefits ends while more people return to the workforce. We expect a MoM growth of about 0.5%, which comes just a touch above expectations. Assuming if the actual figures doesn't deviate widely from expectations (i.e., a contraction), we don't expect the market to put too much emphasis on the release.

For equities, this does suggest that it is unlikely to see a strong change in sentiment. This signals that the S&P500's QTD performance will probably remain mixed between growth and value. That said, upside is unlikely to face headwinds significant enough to warrant a deep downside correction. This would mean that a diversified portfolio will probably see the best risk-adjusted performance. With the S&P500 reaching the top end of our forecasts for the end of the year (4,500), we are also more inclined to expect the rally to continue to ease as it has through late July and August.

Data Watch

Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	08:30	JPY	Japan Jibun Bank Japan PMI Mfg
	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
	22:00	USD	United States Existing Home Sales
Tue	22:00	USD	United States New Home Sales
Wed	06:45	NZD	New Zealand Trade Balance NZD
	16:00	EUR	Germany IFO Business Climate
	19:00	USD	United States MBA Mortgage Applications
	20:30	USD	United States Durable Goods Orders
Thu	16:00	EUR	Eurozone M3 Money Supply YoY
	20:30	USD	United States Initial Jobless Claims
	20:30	USD	United States GDP Annualized QoQ
Fri	07:30	JPY	Japan Tokyo CPI Ex-Fresh Food YoY
	09:30	AUD	Australia Retail Sales MoM
	20:30	USD	United States Personal Income
	20:30	USD	United States Personal Spending
	22:00	USD	United States U. of Mich. Sentiment

Supply side factors suggests downside in oil may be limited

USOIL breaks past the 100-day moving average and could be looking to retest the 200-day moving average for the first time since October 2020. Most of the focus has been on the impact of the delta variant, though for a longer-term outlook we would still favour supply side factors such as OPEC+'s compliance levels and excess production capacity, and investments flowing into CAPEX for fossil fuel businesses, which still signal that downside is likely limited and temporary in nature.

Commodities Against DXY (Rebased to 100)

4-week chart

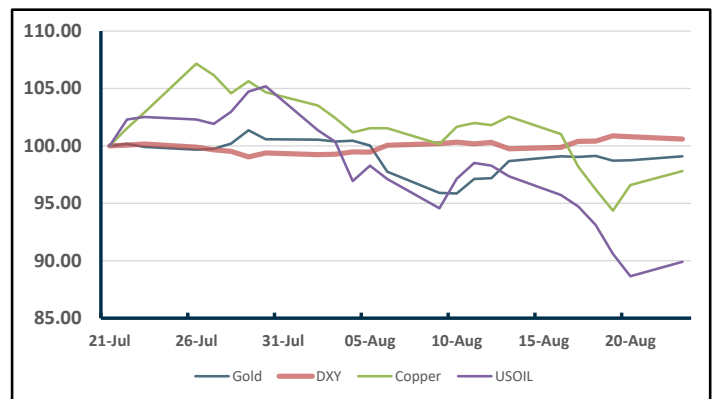


Chart Source: ADSS, Bloomberg

Weekly Market Snapshot

Index Returns					
	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,441.67	-0.59%	1.06%	3.35%	18.25%
DJ Industrial Average	35,120.08	-1.11%	0.53%	1.79%	14.75%
Nasdaq	15,092.57	-0.29%	0.89%	3.69%	17.10%
Euro Stoxx 50	4,147.50	-1.94%	1.42%	2.05%	16.74%
MSCI EAFE Small Cap	314.95	-2.74%	-0.92%	0.67%	8.58%
FTSE 100	7,087.90	-1.81%	0.79%	0.72%	9.71%
DAX	15,808.04	-1.06%	1.70%	1.78%	15.23%
CAC 40	6,626.11	-3.91%	0.20%	1.82%	19.36%
Hang Seng	24,849.72	-5.84%	-4.28%	-13.80%	-8.75%
MSCI World	3,080.02	-1.44%	0.35%	2.08%	14.50%
ASX 200	7,460.87	-2.20%	0.92%	2.02%	13.26%
NIKKEI	27,013.25	-3.45%	-0.99%	-6.18%	-1.57%
CSI 300	4,767.95	-3.60%	-0.89%	-8.87%	-8.15%
China A50	14,886.16	-5.43%	-1.01%	-14.86%	-15.60%
TWSE	16,826.27	-0.92%	-5.25%	-7.96%	10.92%
Fixed Income					
Barclays Aggregate	544.57	-0.32%	-0.63%	0.69%	-2.53%
Barclays Euro Aggregate	274.24	0.15%	0.36%	1.92%	-0.40%
Barclays US High Yield	2,421.97	-0.06%	-0.41%	-0.03%	3.59%
Barclays Euro High Yield	437.95	-0.10%	0.17%	0.65%	4.23%
Barclays TIPS	128.75	-0.43%	-1.40%	0.58%	0.86%
JPM EMBI Global Divers	994.38	0.23%	0.17%	0.59%	-0.08%
Other					
DJ US Real Estate	416.40	-0.02%	0.34%	4.91%	24.34%
S&P GSCI	494.43	-5.78%	-8.63%	-7.75%	20.75%
US Dollar Index	93.50	1.06%	1.43%	1.15%	3.96%
VIX	18.56	20.13%	1.75%	17.25%	-18.42%

Commodities					
	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
Prices					
WTI Oil (\$/barrel)	62.32	73.95	73.47	66.32	48.52
Brent Oil (\$/barrel)	65.18	76.33	75.13	69.32	51.80
Gold (\$/oz)	1,781.11	1,814.19	1,770.11	1,906.87	1,898.36
Silver (\$/oz)	23.03	25.49	26.13	28.03	26.40
Copper	4.14	4.48	4.30	4.68	3.52
Corn	5.39	5.47	7.20	6.57	4.84
Coffee	1.78	1.80	1.59	1.62	1.28
Natural Gas	3.85	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	1.1698	1.1870	1.1858	1.2227	1.2216
GBPUSD	1.3623	1.3904	1.3831	1.4212	1.3670
USDJPY	109.78	109.72	111.11	109.58	103.25
USDCNH	0.9171	0.9059	0.9250	0.8989	0.8852
USDCAD	1.2821	1.2475	1.2398	1.2064	1.2725
AUDUSD	0.7132	0.7344	0.7498	0.7734	0.7694
NZDUSD	0.6835	0.6974	0.6983	0.7270	0.7184
USDCNH	6.5002	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	48,668.03	40,689.27	34,585.0	36,690.9	28,996.3
XRP/USD	1.2537	0.7507	0.6858	0.9928	0.2249
LTC/USD	180.79	142.42	142.26	182.27	124.11
DSH/USD	233.36	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	0.13%	0.12%	0.15%	0.13%	0.24%
US Treasuries 2 Year	0.22%	0.18%	0.25%	0.14%	0.12%
US Treasuries 10 Year	1.26%	1.22%	1.47%	1.59%	0.91%
German Bunds 2 Year	-0.76%	-0.77%	-0.67%	-0.67%	-0.72%
German Bunds 10 Year	-0.50%	-0.46%	-0.21%	-0.19%	-0.57%
Japan Gov't Bonds 10 Year	0.01%	0.02%	0.05%	0.08%	0.02%
UK Gilts 10 Year	0.52%	0.57%	0.72%	0.80%	0.20%
Swiss Gov't Bonds 10 Year	-0.42%	-0.40%	-0.25%	-0.20%	-0.58%

Global Equity Returns YTD 2021

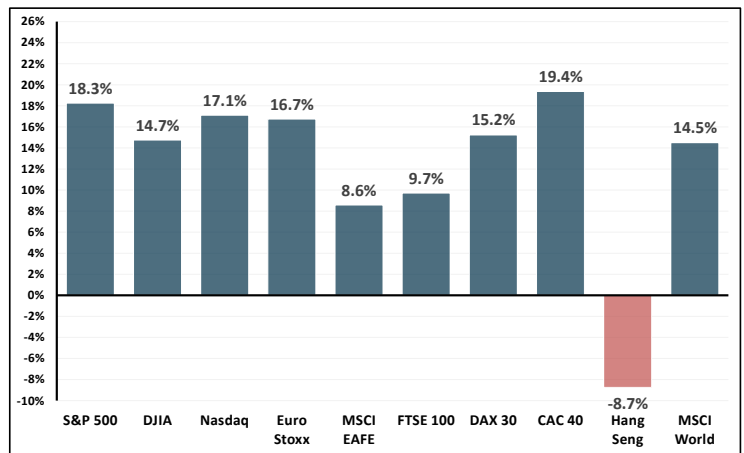


Chart Source: ADSS and Bloomberg as of the closing price on 20-Aug-21

Global Currency Returns (Weekly)

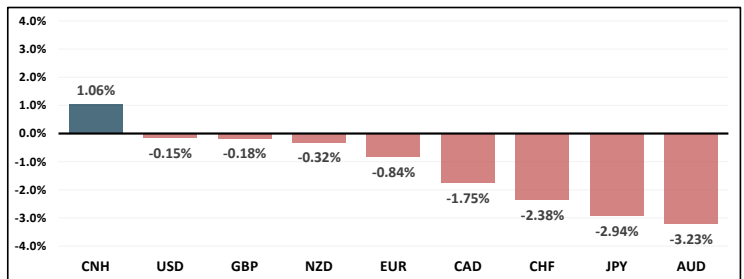


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Global Currency Returns YTD 2021

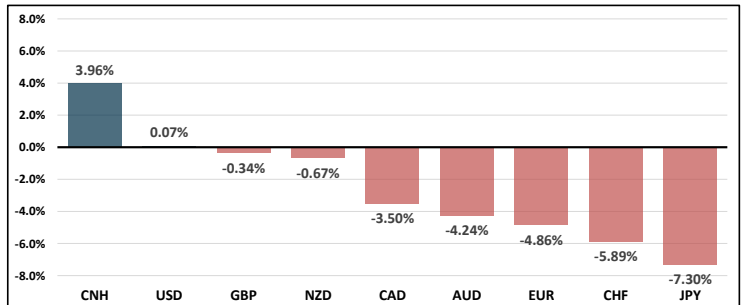
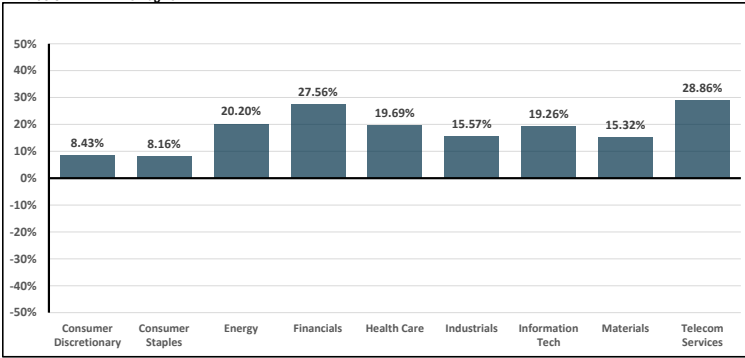


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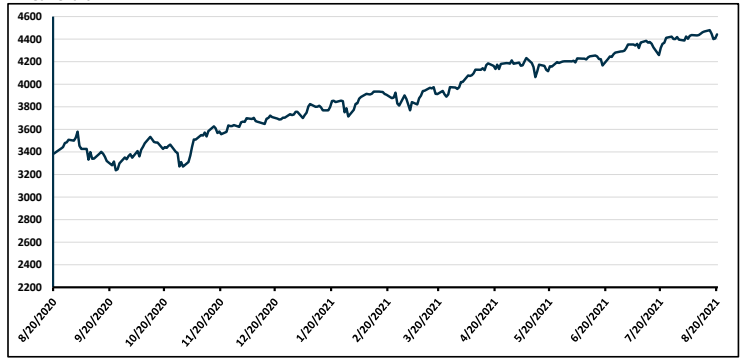
S&P 500 Index Sector Returns

YTD as of 20 Aug 2021



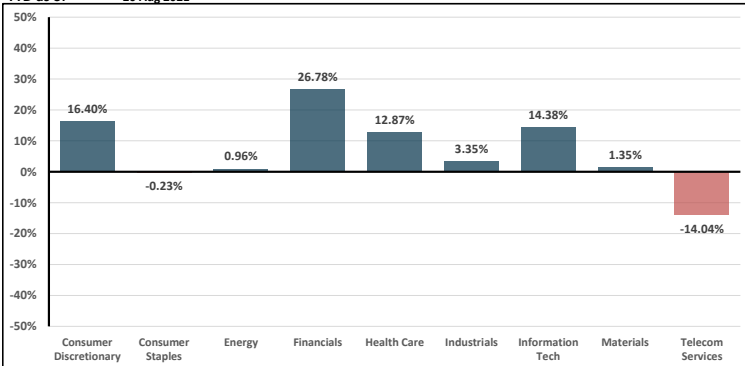
S&P 500 Index Trendline

1 Year Chart



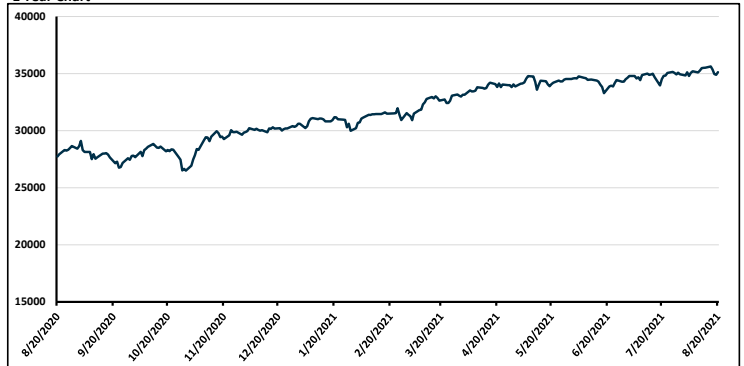
Dow Jones Industrial Average Index Sector Returns

YTD as of 20 Aug 2021



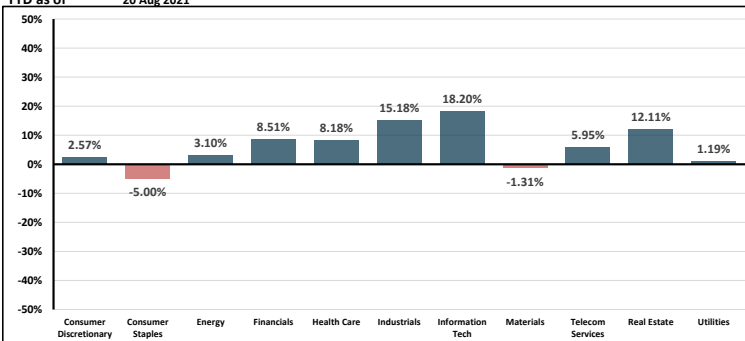
Dow Jones Industrial Average Index

1 Year Chart



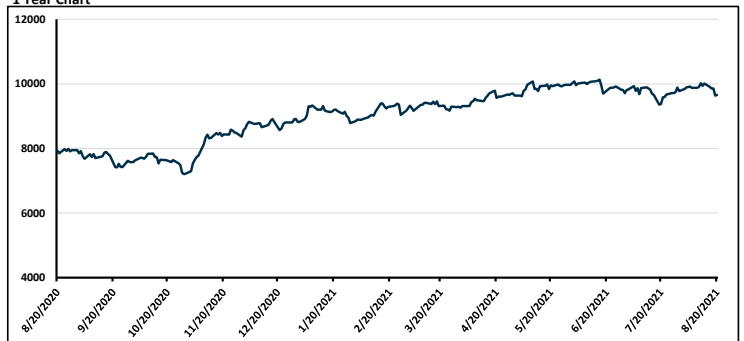
FTSE100 Index Sector Returns

YTD as of 20 Aug 2021



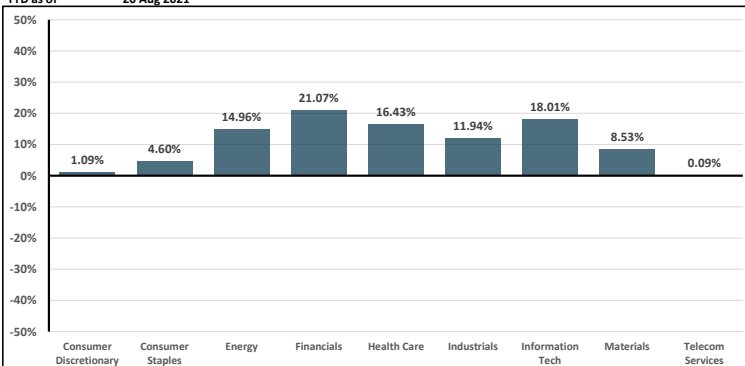
FTSE 100 Index

1 Year Chart



MSCI World Index Sector Returns

YTD as of 20 Aug 2021



MSCI World Index

1 Year Chart

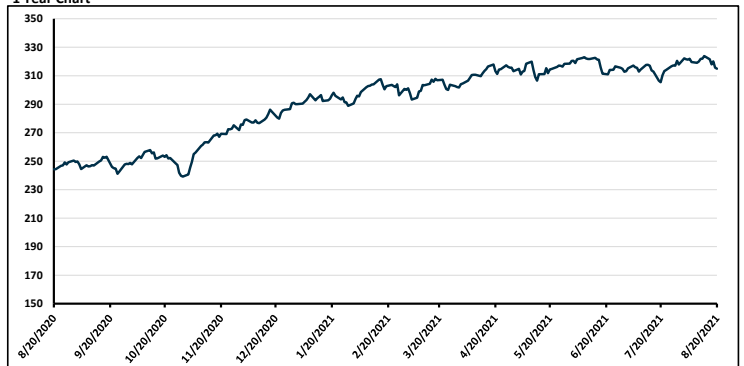


Chart Source: ADSS, Bloomberg

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