



# MARKET CONNECT

Top things to know for the week ahead



## ECB to maintain the pace of PEPP; focus on remarks from Fed officials this week

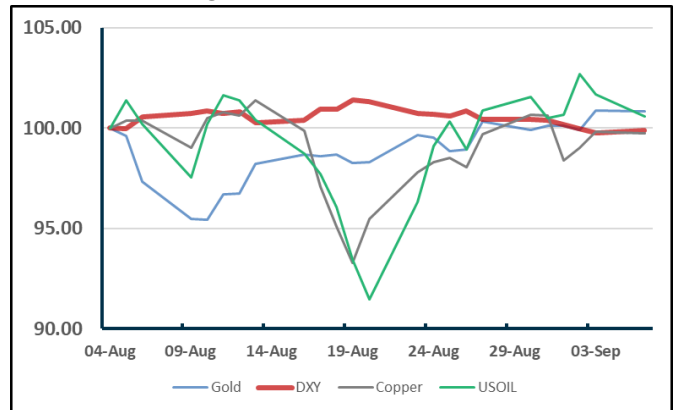
Focus of the week in the US will be on remarks from Fed officials for any developments on the central bank's tapering timeline. We still think that the Fed is likely to be able to discount the weak labour market data in August as a one-off, given that the context of the report signals job supply remains strong. We think greater emphasis will be placed on September's jobs report as a result, which should reaffirm that it is unlikely for us to see an announcement on tapering during September's meeting. Thus, we see doves having an upper hand this week, which may continue to place some added downward pressure on the greenback. That said, technical suggest that the recent downside in the dollar is starting to look stretched, and any added pressure from bears may only be limited.

Investors this week will be looking for a decision from the European Central Bank (ECB) on its Pandemic Emergency Purchase Programme (PEPP) as well as any upward revisions to its forecasts. While inflationary and economic data in the EU are still positive and should raise the ECB's short-term projections for the European economy, we don't see a strong enough reason for the central bank to taper down its pace for its PEPP given its dovish forward guidance published on July 22<sup>nd</sup>. Our expectations are therefore for the ECB to continue its PEPP at the current pace of about 85 billion euros per month until December. Medium-term forecasts should also be little changed and help boost confidence that the current price pressures are more likely to be transitory. As a result, we don't see EUR/USD having much upside potential in the short-term. More likely is for the currency pair to see sideways trading this week, within the range of 1.1800 and 1.1900.

## Upward momentum in gold may start to ease

Gold traders are likely to keep a close watch on prices for the yellow metal this week after forming a triple top on Friday following the weak August jobs report. Monday morning's performance, however, suggests that upward momentum in gold could be fading. This may mean that the weak jobs report in the US was not enough to spark more upside in gold for it to trade back within the 1,850 to 1,900 range. As a result, we do see some slight upward pressure on the yellow metal in the short-term thanks to volatility, before profit taking and exits out of the position fuels more downward pressure on gold to trade back closer to 1,800.

## Commodities Against DXY (Rebased to 100)



Source: ADSS, Bloomberg

## DATA WATCH



Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Tue	12:30	AUD	Australia RBA Cash Rate Target
	13:45	CHF	Switzerland Unemployment Rate
	13:45	CHF	Switzerland Unemployment Rate SA
	14:00	EUR	Germany Industrial Production SA MoM
	15:00	CHF	Switzerland Foreign Currency Reserves
	17:00	EUR	Germany ZEW Survey Expectations
	17:00	EUR	Germany ZEW Survey Current Situation
Wed	07:50	JPY	Japan BoP Current Account Balance
	07:50	JPY	Japan GDP SA QoQ
	07:50	JPY	Japan GDP Annualized SA QoQ
	22:00	CAD	Canada Bank of Canada Rate Decision
Thu	09:30	CNY	China CPI YoY
	19:45	EUR	Eurozone ECB Main Refinancing Rate
	20:30	EUR	ECB President Lagarde's Post Meeting Press Conf.
	20:30	USD	United States Initial Jobless Claims
Fri	20:30	CAD	Canada Unemployment Rate
	20:30	CAD	Canada Participation Rate
	20:30	CAD	Canada Hourly Wage Rate Permanent Employees YoY
	20:30	CAD	Canada Capacity Utilization Rate



# WEEKLY MARKET SNAPSHOT

## Index Returns

	Latest Price	1 week	MTD	QTD	YTD
<b>Equities</b>					
S&P 500	4,535.43	0.58%	0.28%	5.54%	20.75%
DJ Industrial Average	35,369.09	-0.24%	0.02%	2.51%	15.56%
Nasdaq	15,652.86	1.42%	0.45%	7.54%	21.45%
Euro Stoxx 50	4,201.98	0.26%	0.13%	3.39%	18.28%
MSCI EAFE Small Cap	332.34	2.63%	1.75%	6.23%	14.57%
FTSE 100	7,138.35	-0.14%	0.26%	1.43%	10.49%
DAX	15,781.20	-0.45%	-0.34%	1.61%	15.03%
CAC 40	6,689.99	0.12%	0.15%	2.80%	20.51%
Hang Seng	25,901.99	1.94%	0.09%	-10.15%	-4.88%
MSCI World	3,163.99	0.97%	0.72%	4.86%	17.62%
ASX 200	7,522.91	0.46%	-0.16%	2.87%	14.21%
NIKKEI	29,128.11	5.38%	3.70%	1.17%	6.14%
CSI 300	4,828.21	0.21%	0.58%	-7.72%	-6.98%
China A50	15,090.23	0.98%	2.35%	-13.70%	-14.44%
TWSE	17,473.99	1.53%	0.15%	-1.34%	18.90%
<b>Fixed Income</b>					
Barclays Aggregate	547.06	0.29%	0.24%	1.16%	-2.09%
Barclays Euro Aggregate	271.71	-0.33%	-0.10%	0.98%	-1.33%
Barclays US High Yield	2,448.93	0.41%	0.19%	1.09%	4.74%
Barclays Euro High Yield	438.82	0.16%	0.11%	0.85%	4.43%
Barclays TIPS	128.62	-1.05%	-0.75%	0.48%	0.76%
JPM EMBI Global Divers	1,004.09	0.56%	0.17%	1.57%	0.90%
<b>Other</b>					
DJ US Real Estate	433.00	3.81%	2.22%	9.10%	29.29%
S&P GSCI	531.87	0.52%	0.85%	-0.77%	29.90%
US Dollar Index	92.04	-0.70%	-0.64%	-0.43%	2.33%
VIX	16.41	0.12%	-0.42%	3.66%	-27.87%

## Commodities

	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
<b>Prices</b>					
WTI Oil (\$/barrel)	69.29	68.50	73.95	73.47	48.52
Brent Oil (\$/barrel)	72.61	72.99	76.33	75.13	51.80
Gold (\$/oz)	1,827.73	1,813.62	1,814.19	1,770.11	1,898.36
Silver (\$/oz)	24.72	23.89	25.49	26.13	26.40
Copper	4.33	4.36	4.48	4.30	3.52
Corn	5.08	5.34	5.47	7.20	4.84
Coffee	1.91	1.93	1.80	1.59	1.28
Natural Gas	4.71	4.38	3.91	3.65	2.54

## Currencies

	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
<b>Prices</b>					
EURUSD	1.1880	1.1809	1.1870	1.1858	1.2216
GBPUSD	1.3871	1.3755	1.3904	1.3831	1.3670
USDJPY	109.71	110.02	109.72	111.11	103.25
USDCHF	0.9134	0.9151	0.9059	0.9250	0.8852
USDCAD	1.2524	1.2616	1.2475	1.2398	1.2725
AUDUSD	0.7460	0.7316	0.7344	0.7498	0.7694
NZDUSD	0.7158	0.7045	0.6974	0.6983	0.7184
USDCNH	6.4386	6.4542	6.4633	6.4683	6.5028

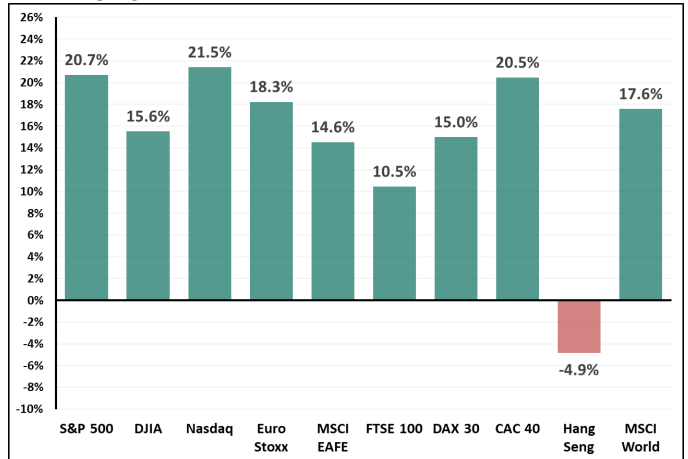
## Crypto

	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
<b>Prices</b>					
BTC/USD	50,152.52	47,008.53	40,689.27	34,585.00	28,996.28
XRP/USD	1.29	1.18	0.75	0.69	0.22
LTC/USD	212.36	171.88	142.42	142.26	124.11
DSH/USD	247.21	222.91	160.74	144.16	99.30

## Rates & Spreads

	Latest Price	31/7/21	30/6/21	31/5/21	31/12/20
<b>Rates</b>					
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%	0.12%	0.15%	0.24%
US Treasuries 2 Year	0.21%	0.21%	0.18%	0.25%	0.12%
US Treasuries 10 Year	1.32%	1.31%	1.22%	1.47%	0.91%
German Bunds 2 Year	-0.72%	-0.72%	-0.77%	-0.67%	-0.72%
German Bunds 10 Year	-0.36%	-0.39%	-0.46%	-0.21%	-0.57%
Japan Gov't Bonds 10 Year	0.04%	0.02%	0.02%	0.05%	0.02%
UK Gilts 10 Year	0.72%	0.71%	0.57%	0.72%	0.20%
Swiss Gov't Bonds 10 Year	-0.34%	-0.35%	-0.40%	-0.25%	-0.58%

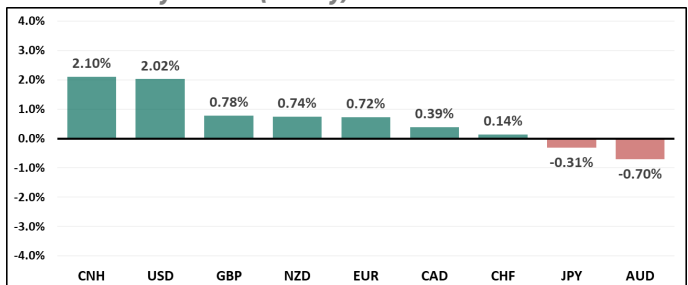
## Global Equity Returns (YTD)



Source: ADSS, Bloomberg

As of 3-Sep-21

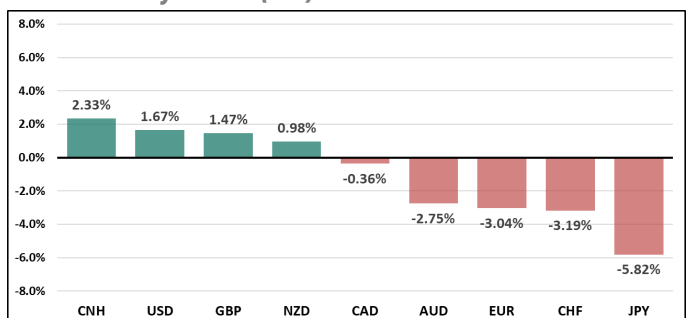
## Global Currency Returns (Weekly)



Source: ADSS, Bloomberg

As of 3-Sep-21

## Global Currency Returns (YTD)



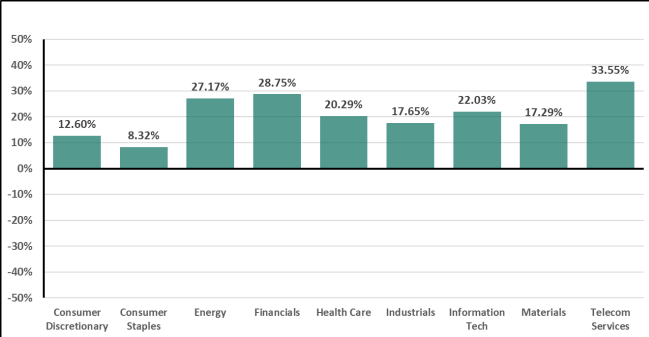
Source: ADSS, Bloomberg

As of 3-Sep-21



# WEEKLY MARKET SNAPSHOT

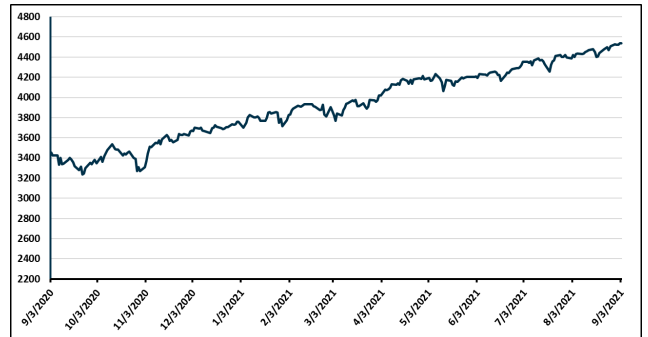
## S&P500 Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 3-Sep-21

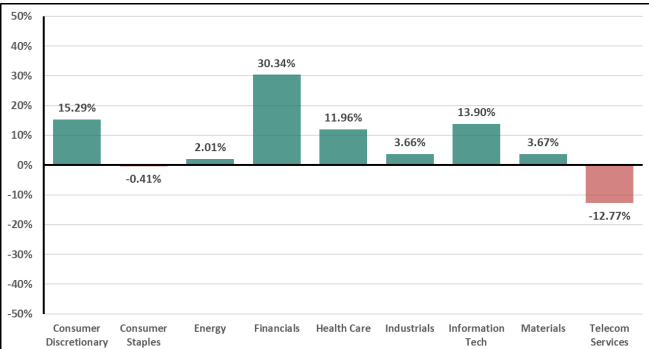
## S&P500 Index (1Y)



Source: ADSS, Bloomberg

As of 3-Sep-21

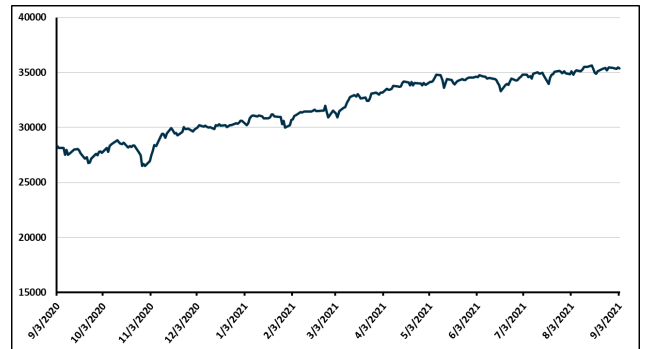
## Dow Jones Industrial Average Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 3-Sep-21

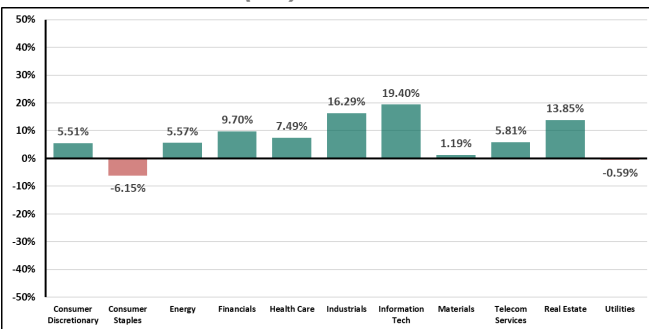
## Dow Jones Industrial Average Index (1Y)



Source: ADSS, Bloomberg

As of 3-Sep-21

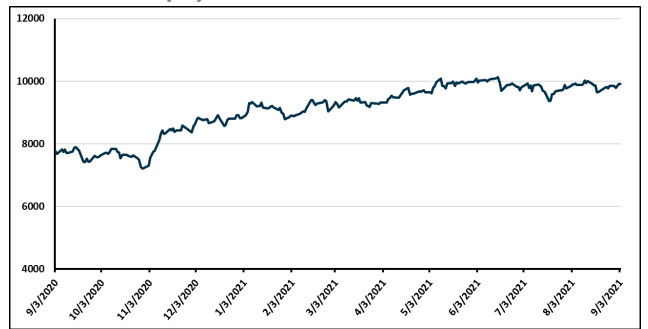
## FTSE100 Sector Returns (YTD)



Source: ADSS, Bloomberg

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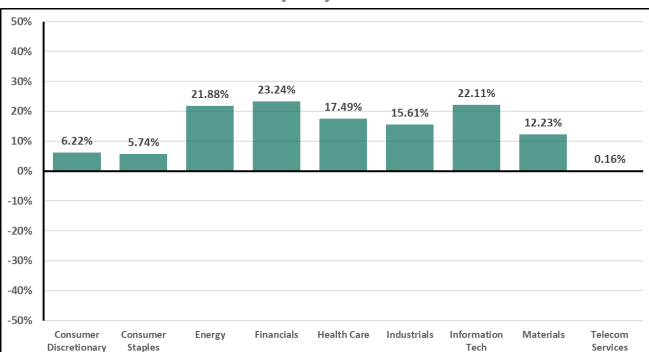
## FTSE100 Index (1Y)



Source: ADSS, Bloomberg

As of 3-Sep-21

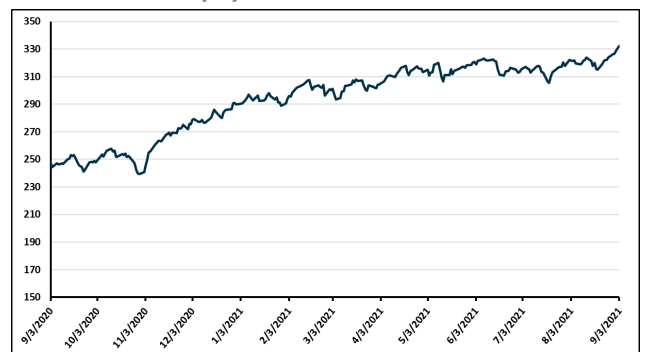
## MSCI World Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 3-Sep-21

## MSCI World Index (1Y)



Source: ADSS, Bloomberg

As of 3-Sep-21



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