



MARKET CONNECT

Top things to know for the week ahead



Will Friday's jobs report disappoint?

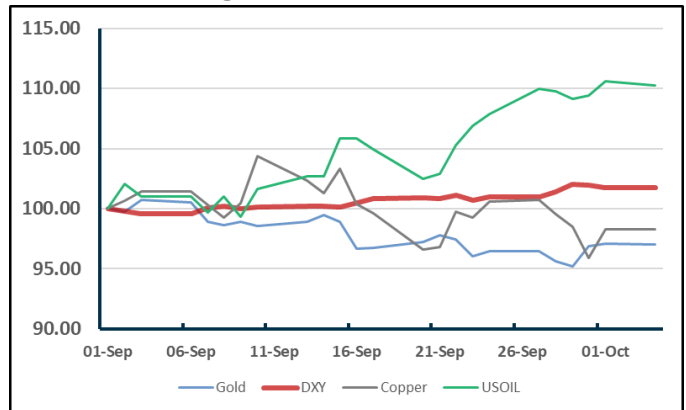
After the disappointing jobs report data in August, investors will be looking to September's report on whether the labour market in the US is moving closer towards the Fed's definition for "substantial progress" in the economic recovery. Note that September's report will also be the latest labour market report that the Fed will have at its November meeting. That would highlight its importance in the Fed's upcoming tapering decision. Still, it looks unlikely that the Fed's taper schedule will be derailed by it. The elevated levels of job openings (recorded at 10.9 million in July 2021) and falling continuing jobless benefit claims (due to the expiry of pandemic unemployment programs) in the US means that only a fraction of people who were on augmented unemployment benefits are needed to return to the workforce for payrolls to grow by more than 240,000 (>50% recovery in the US labour market since November 2020). Consequently, investors continuing to price in the impact of a tapering cycle along with the economic recovery being on track should suggest that cyclical sectors and value stocks are more likely to outperform growth stocks.

Other drivers that should impact equities is Merck & Co.'s new antiviral drug that can potentially help alleviate hospitalisation rates, as well as the incoming earnings season that may reflect the surging input prices. The above factors suggest that selective strategies is likely to benefit investors in the coming quarter. For large caps, we expect outperformance in the energy and financial sectors, due mainly to higher costs materialising in margins of other cyclical sector stocks, while the more growth-oriented sectors suffer from a higher rate outlook. Our forecasts for the S&P500 with an upper limit at about 4,500 at the end of the year coincides with this as well, with the index looking more likely to see more rangebound trading moving forward, thanks to the heavy weightage of Big Tech.

All eyes on OPEC+'s decision this week

The prospects for USOIL continues to look bullish thanks to seasonal tailwinds. Energy demand continues to pick up, and when coupled with surging natural gas prices, crude oil looks likely to benefit the most. That said, we do see a potential consolidation in USOIL this week before another move higher, with a possible retest of the US\$73.00 to US\$74.00 range. This is mainly due to the elevated excess capacity that OPEC+ still stands on, and traders' optimism showing signs of peaking (Dec21-Dec22 spreads reached its highest since June). Expect focus to be on OPEC+'s meeting on Monday for a production hike of more than 400,000 b/d as a result.

Commodities Against DXY (Rebased to 100)



Source: ADSS, Bloomberg

DATA WATCH



Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	22:00	USD	United States Durable Goods Orders
Tue	07:30	JPY	Japan Tokyo CPI Ex-Fresh Food YoY
	11:30	AUD	Australia RBA Cash Rate Target
Wed	09:00	NZD	New Zealand RBNZ Official Cash Rate
	19:00	USD	United States MBA Mortgage Applications
Thu	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
	19:30	EUR	Eurozone ECB Publishes Account of September Rate Decision
	20:30	USD	United States Initial Jobless Claims
Fri	07:50	JPY	Japan BoP Current Account Balance
	20:30	USD	United States Change in Nonfarm Payrolls
	20:30	CAD	Canada Unemployment Rate
	20:30	CAD	Canada Hourly Wage Rate Permanent Employees YoY
	20:30	CAD	Canada Participation Rate
	20:30	USD	United States Unemployment Rate
	20:30	USD	United States Labor Force Participation Rate
	20:30	USD	United States Underemployment Rate



WEEKLY MARKET SNAPSHOT

Index Returns

	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,357.04	-2.21%	1.15%	1.15%	16.00%
DJ Industrial Average	34,326.46	-1.36%	1.43%	1.43%	12.15%
Nasdaq	14,791.87	-3.51%	0.70%	0.70%	14.77%
Euro Stoxx 50	4,035.30	-2.96%	-0.32%	-0.32%	13.59%
MSCI EAFE Small Cap	312.15	-3.99%	-0.61%	-0.61%	7.61%
FTSE 100	7,027.07	-0.35%	-0.84%	-0.84%	8.77%
DAX	15,156.44	-2.42%	-0.68%	-0.68%	10.48%
CAC 40	6,517.69	-1.82%	-0.04%	-0.04%	17.41%
Hang Seng	24,575.64	1.59%	0.00%	0.00%	-9.75%
MSCI World	3,022.83	-2.60%	0.54%	0.54%	12.37%
ASX 200	7,185.55	-2.14%	-2.00%	-2.00%	9.09%
NIKKEI	28,771.07	-4.89%	-2.31%	-2.31%	4.83%
CSI 300	4,873.86	0.58%	0.00%	0.00%	-6.11%
China A50	15,510.11	2.82%	0.00%	0.00%	-12.06%
TWSE	16,855.46	-2.34%	-2.15%	-2.15%	12.48%
Fixed Income					
Barclays Aggregate	537.63	-0.50%	0.30%	0.30%	-3.78%
Barclays Euro Aggregate	269.51	-0.09%	0.17%	0.17%	-2.12%
Barclays US High Yield	2,444.11	-0.31%	0.00%	0.00%	4.54%
Barclays Euro High Yield	437.57	-0.38%	-0.07%	-0.07%	4.14%
Barclays TIPS	127.81	-0.01%	0.09%	0.09%	0.13%
JPM EMBI Global Divers	980.77	-0.93%	-0.09%	-0.09%	-1.45%
Other					
DJ US Real Estate	402.20	-1.69%	1.26%	1.26%	20.10%
S&P GSCI	561.91	2.22%	0.75%	0.75%	37.23%
US Dollar Index	94.04	0.76%	-0.21%	-0.21%	4.56%
VIX	21.15	19.15%	-8.60%	-8.60%	-7.03%

Commodities

	Latest Price	30/9/21	31/8/21	31/7/21	31/12/20
Prices					
WTI Oil (\$/barrel)	75.88	75.03	68.50	73.95	48.52
Brent Oil (\$/barrel)	79.28	78.52	72.99	76.33	51.80
Gold (\$/oz)	1,760.98	1,756.95	1,813.62	1,814.19	1,898.36
Silver (\$/oz)	22.54	22.17	23.89	25.49	26.40
Copper	4.19	4.09	4.36	4.48	3.52
Corn	5.42	5.37	5.34	5.47	4.84
Coffee	2.04	1.94	1.93	1.80	1.28
Natural Gas	5.62	5.87	4.38	3.91	2.54

Currencies

	Latest Price	30/9/21	31/8/21	31/7/21	31/12/20
Prices					
EURUSD	1.1596	1.1580	1.1809	1.1870	1.2216
GBPUSD	1.3546	1.3474	1.3755	1.3904	1.3670
USDJPY	111.05	111.29	110.02	109.72	103.25
USDCHF	0.9311	0.9317	0.9151	0.9059	0.8852
USDCAD	1.2648	1.2680	1.2616	1.2475	1.2725
AUDUSD	0.7258	0.7227	0.7316	0.7344	0.7694
NZDUSD	0.6948	0.6899	0.7045	0.6974	0.7184
USDCNH	6.4369	6.4492	6.4542	6.4633	6.5028

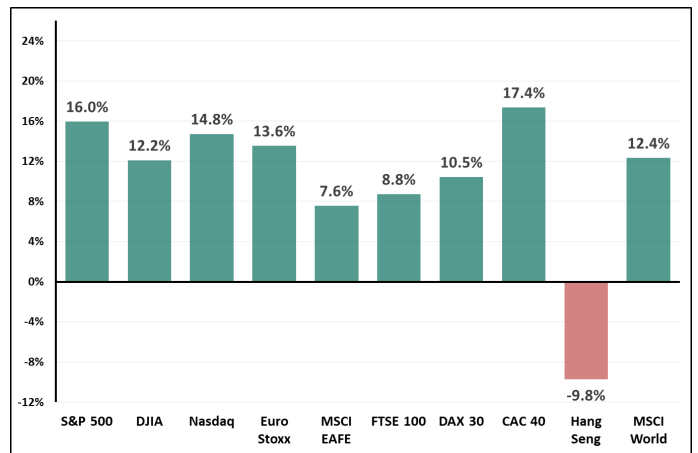
Crypto

	Latest Price	30/9/21	31/8/21	31/7/21	31/12/20
Prices					
BTC/USD	48,132.90	43,436.35	47,008.53	40,689.27	28,996.28
XRP/USD	1.03	0.94	1.18	0.75	0.22
LTC/USD	166.14	151.24	171.88	142.42	124.11
DSH/USD	175.55	163.33	222.91	160.74	99.30

Rates & Spreads

	Latest Rate	30/9/21	31/8/21	31/7/21	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%	0.13%	0.12%	0.12%	0.24%
US Treasuries 2 Year	0.26%	0.28%	0.21%	0.18%	0.12%
US Treasuries 10 Year	1.46%	1.49%	1.31%	1.22%	0.91%
German Bunds 2 Year	-0.71%	-0.70%	-0.72%	-0.77%	-0.72%
German Bunds 10 Year	-0.23%	-0.20%	-0.39%	-0.46%	-0.57%
Japan Gov't Bonds 10 Year	0.05%	0.07%	0.02%	0.02%	0.02%
UK Gilts 10 Year	1.00%	1.02%	0.71%	0.57%	0.20%
Swiss Gov't Bonds 10 Year	-0.20%	-0.18%	-0.35%	-0.40%	-0.58%

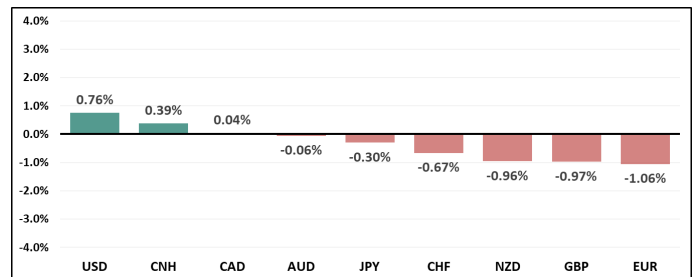
Global Equity Returns (YTD)



Source: ADSS, Bloomberg

As of 1-Oct-21

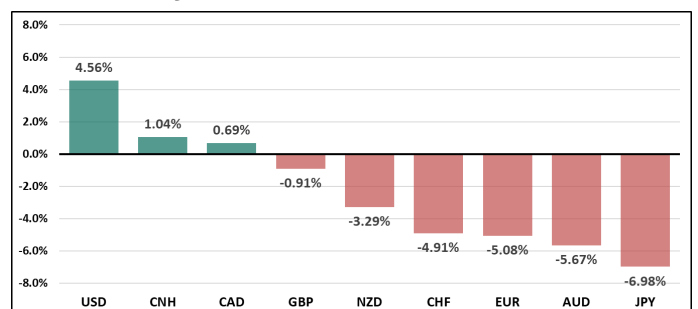
Global Currency Returns (Weekly)



Source: ADSS, Bloomberg

As of 1-Oct-21

Global Currency Returns (YTD)



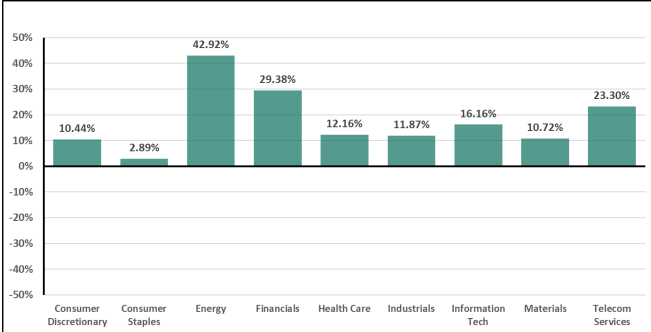
Source: ADSS, Bloomberg

As of 1-Oct-21



WEEKLY MARKET SNAPSHOT

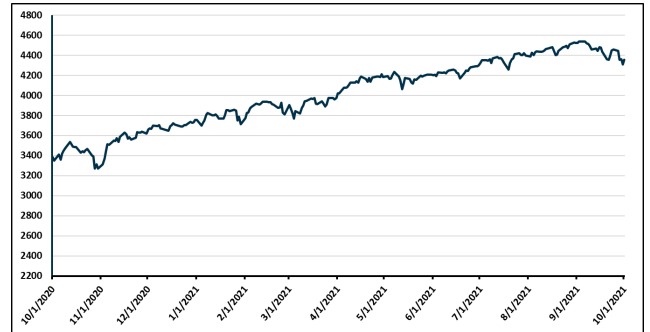
S&P500 Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 1-Oct-21

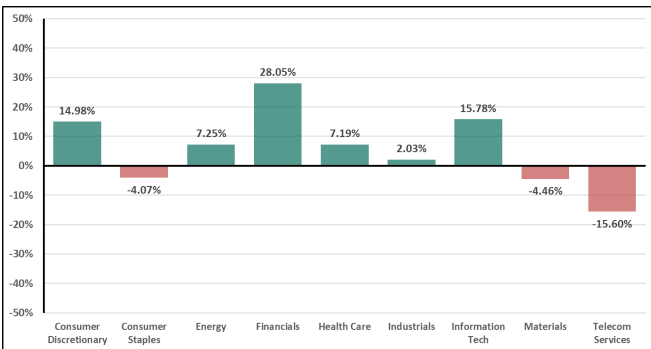
S&P500 Index (1Y)



Source: ADSS, Bloomberg

As of 1-Oct-21

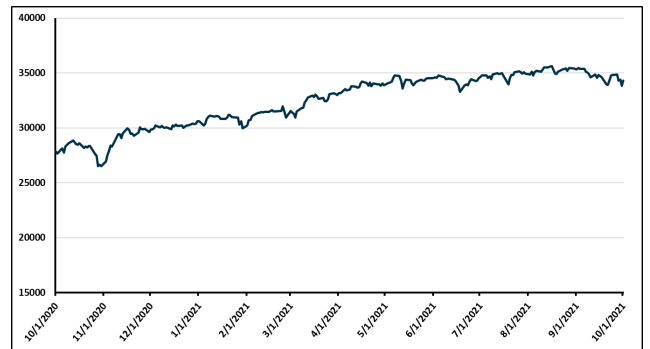
Dow Jones Industrial Average Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 1-Oct-21

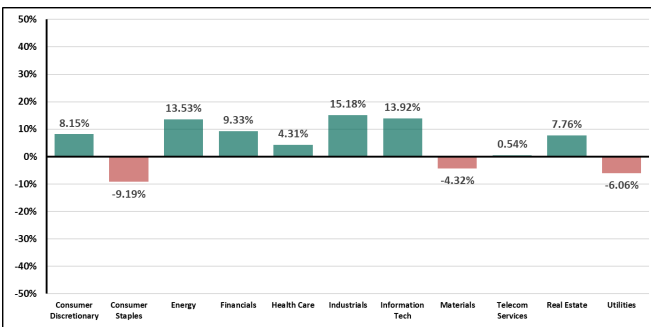
Dow Jones Industrial Average Index (1Y)



Source: ADSS, Bloomberg

As of 1-Oct-21

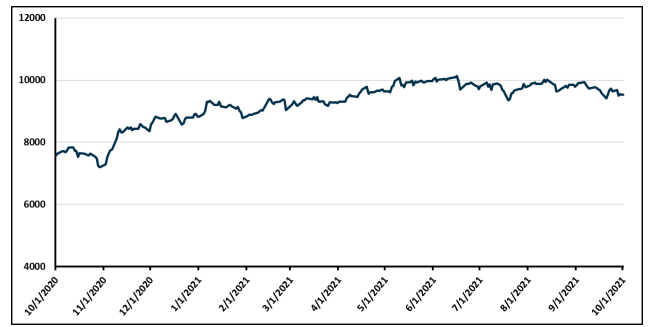
FTSE100 Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 1-Oct-21

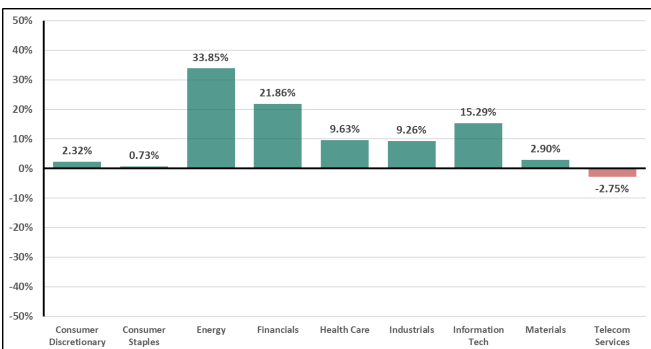
FTSE100 Index (1Y)



Source: ADSS, Bloomberg

As of 1-Oct-21

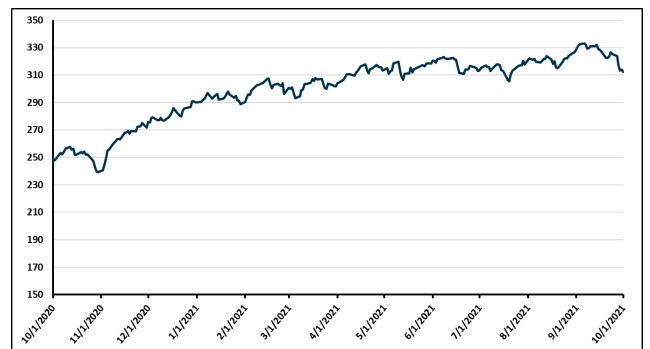
MSCI World Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 1-Oct-21

MSCI World Index (1Y)



Source: ADSS, Bloomberg

As of 1-Oct-21



DISCLAIMER

ADS Securities LLC ("ADSS") 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). ADSS is licenced 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 2021. 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.