



MARKET CONNECT

Top things to know for the week ahead



Is there more room for EUR/USD to fall?

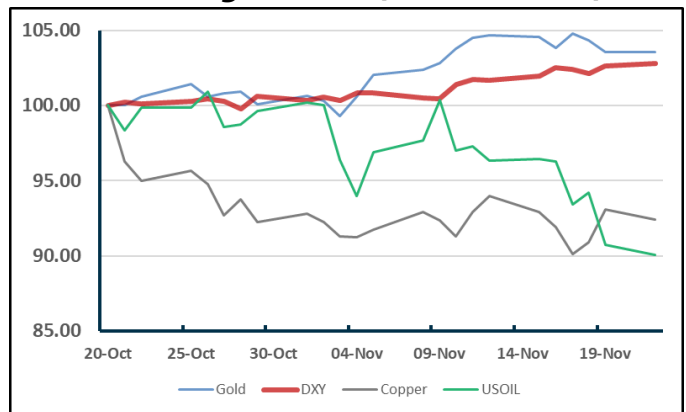
The most anticipated event for the US this week may have been US President Joe Biden's decision on his nominee for the country's next central bank leader but inflation and tighter policy concerns will probably weigh more heavily on sentiment. While a nomination of Fed Governor Lael Brainard over current Fed Chair Jerome Powell is expected to mean that the central bank may have a more dovish stance in the longer-term, it is unlikely to materially affect the outlook for the central bank in the short-term. More likely to impact markets in the short-term is the release of October's PCE data and FOMC meeting minutes. Note that the Fed targets the average of the headline PCE deflator over an unspecified period at 2%. With economists expecting a 5.1% YoY increase, it seems more likely that speculative positions for tighter policy will continue to build. This is especially so when considering the stronger economic growth in the current quarter continues to materialise and that the Fed hinted at giving itself flexibility for adjustments to policy during its last meeting (in the statement and post meeting press conference). Assuming consumption figures continue to trend positive, it seems that there will be little reason for the euro to strengthen against the greenback in the short-term with the European Central Bank unlikely to turn hawkish when considering the recent spike in infections and increasing talk of renewed lockdown restrictions in parts of the bloc.

EUR/USD looks more probable to continue trading lower in the medium-term. We do note that EUR/USD has already broken lower, retracing back down to the 38.2% retracement level since bottoming out in March 2020. While we think there is still room for downward pressure, there may be some sideways trading in the short-term between 1.1230 and 1.1318 in the short-term.

Has USOIL's rally ended?

USOIL breaks below the 50-day moving average as lockdowns resurfaces in the EU. The prospect of more major countries releasing inventories from their strategic reserves is also weighing on crude oil prices. It looks probable that more negative news will ensue given the US' efforts to reduce gasoline prices. This may mean another breakdown of the 100-day moving average. That said, we remain bullish for the medium-to-long-term outlook for oil due to the overall reduction in capital expenditures by the crude oil industry. Longer dated call options on front month crude oil futures may be a possible strategy for reducing downside risk as a result.

Commodities Against DXY (Rebased to 100)



Source: ADSS, Bloomberg

DATA WATCH



Day	Time (GMT +8:00)	Related Currency	Events/Indicators
Mon	09:30	CNY	China 1-Year Loan Prime Rate
	09:30	CNY	China 5-Year Loan Prime Rate
Tue	16:30	EUR	Germany Markit/BME Germany Manufacturing PMI
	17:00	EUR	Eurozone Markit Eurozone Manufacturing PMI
	17:30	GBP	United Kingdom Markit UK PMI Manufacturing SA
	22:45	USD	United States Markit US Manufacturing PMI
Wed	08:30	JPY	Japan Jibun Bank Japan PMI Mfg
	09:00	NZD	New Zealand RBNZ Official Cash Rate
	17:00	EUR	Germany IFO Business Climate
	20:00	USD	United States MBA Mortgage Applications
	21:30	USD	United States GDP Annualized QoQ
	21:30	USD	United States Durable Goods Orders
	23:00	USD	United States U. of Mich. Sentiment
	23:00	USD	United States Personal Income/Spending
Thu	03:00	USD	United States PCE Deflator MoM
	20:30	EUR	United States FOMC Meeting Minutes
Fri	07:30	JPY	Eurozone ECB Publishes Account of October Policy Meeting
	08:30	AUD	Japan Tokyo CPI Ex-Fresh Food YoY
			Australia Retail Sales MoM



WEEKLY MARKET SNAPSHOT

Index Returns

	Latest Price	1 week	MTD	QTD	YTD
Equities					
S&P 500	4,697.96	0.32%	2.01%	9.06%	25.08%
DJ Industrial Average	35,601.98	-1.38%	-0.61%	5.19%	16.32%
Nasdaq	16,573.34	2.31%	4.56%	12.82%	28.59%
Euro Stoxx 50	4,356.47	-0.32%	2.49%	7.62%	22.63%
MSCI EAFE Small Cap	317.21	-1.15%	-0.48%	1.00%	9.36%
FTSE 100	7,223.57	-1.69%	-0.19%	1.94%	11.81%
DAX	16,159.97	0.41%	3.00%	5.89%	17.79%
CAC 40	7,112.29	0.29%	4.13%	9.08%	28.12%
Hang Seng	25,049.97	-1.10%	-1.29%	1.93%	-8.01%
MSCI World	3,219.90	-0.12%	1.42%	7.09%	19.70%
ASX 200	7,396.55	-0.62%	0.99%	0.88%	12.29%
NIKKEI	29,745.87	0.46%	2.95%	1.00%	8.39%
CSI 300	4,891.28	0.06%	-0.43%	0.36%	-5.77%
China A50	15,624.30	0.45%	-1.69%	0.74%	-11.41%
TWSE	17,764.04	1.40%	4.89%	5.22%	20.95%
Fixed Income					
Barclays Aggregate	533.43	-0.11%	-0.24%	-0.49%	-4.53%
Barclays Euro Aggregate	271.27	0.41%	1.44%	0.82%	-1.48%
Barclays US High Yield	2,439.33	-0.38%	-0.02%	-0.19%	4.33%
Barclays Euro High Yield	437.95	0.17%	0.44%	0.02%	4.23%
Barclays TIPS	130.35	-0.05%	1.31%	2.08%	2.12%
JPM EMBI Global Divers	979.66	-0.31%	-0.22%	-0.20%	-1.56%
Other					
DJ US Real Estate	425.20	-0.28%	0.02%	7.05%	26.96%
S&P GSCI	567.13	-2.16%	-3.58%	1.69%	38.51%
US Dollar Index	96.03	0.95%	2.03%	1.91%	6.78%
VIX	17.91	9.94%	10.15%	-22.60%	-21.27%

Commodities

	Latest Price	31/10/21	30/9/21	31/7/21	31/12/20
Prices					
WTI Oil (\$/barrel)	76.10	83.57	75.03	73.95	48.52
Brent Oil (\$/barrel)	78.89	84.38	78.52	76.33	51.80
Gold (\$/oz)	1,845.73	1,783.38	1,756.95	1,814.19	1,898.36
Silver (\$/oz)	24.62	23.90	22.17	25.49	26.40
Copper	4.41	4.37	4.09	4.48	3.52
Corn	5.71	5.68	5.37	5.47	4.84
Coffee	2.33	2.04	1.94	1.80	1.28
Natural Gas	5.07	5.43	5.87	3.91	2.54

Currencies

	Latest Price	31/10/21	30/9/21	31/7/21	31/12/20
Prices					
EURUSD	1.1290	1.1558	1.1580	1.1870	1.2216
GBPUSD	1.3451	1.3682	1.3474	1.3904	1.3670
USDJPY	113.99	113.95	111.29	109.72	103.25
USDCHF	0.9278	0.9161	0.9317	0.9059	0.8852
USDCAD	1.2640	1.2388	1.2680	1.2475	1.2725
AUDUSD	0.7235	0.7518	0.7227	0.7344	0.7694
NZDUSD	0.7004	0.7171	0.6899	0.6974	0.7184
USDCNH	6.3903	6.4049	6.4492	6.4633	6.5028

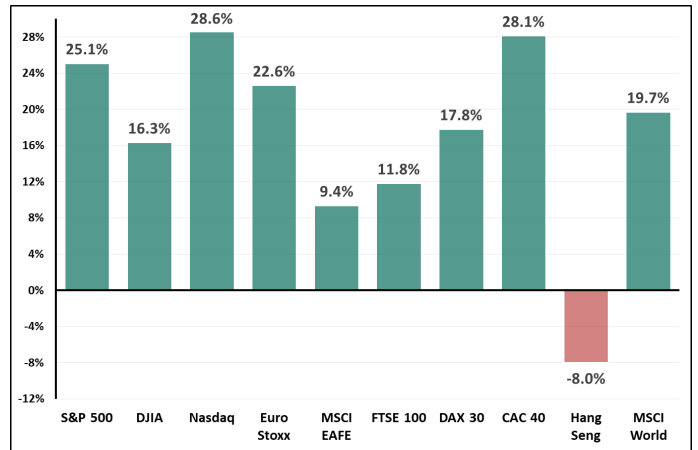
Crypto

	Latest Price	31/10/21	30/9/21	31/7/21	31/12/20
Prices					
BTC/USD	57,869.63	62,395.66	43,436.35	40,689.27	28,996.28
XRP/USD	1.09	1.08	0.94	0.75	0.22
LTC/USD	217.40	194.65	151.24	142.42	124.11
DSH/USD	188.69	187.96	163.33	160.74	99.30

Rates & Spreads

	Latest Rate	31/10/21	30/9/21	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	0.16%	0.13%	0.13%	0.12%	0.24%
US Treasuries 2 Year	0.51%	0.50%	0.28%	0.18%	0.12%
US Treasuries 10 Year	1.55%	1.55%	1.49%	1.22%	0.91%
German Bunds 2 Year	-0.79%	-0.59%	-0.70%	-0.77%	-0.72%
German Bunds 10 Year	-0.34%	-0.11%	-0.20%	-0.46%	-0.57%
Japan Gov't Bonds 10 Year	0.08%	0.09%	0.07%	0.02%	0.02%
UK Gilts 10 Year	0.88%	1.03%	1.02%	0.57%	0.20%
Swiss Gov't Bonds 10 Year	-0.23%	-0.06%	-0.18%	-0.40%	-0.58%

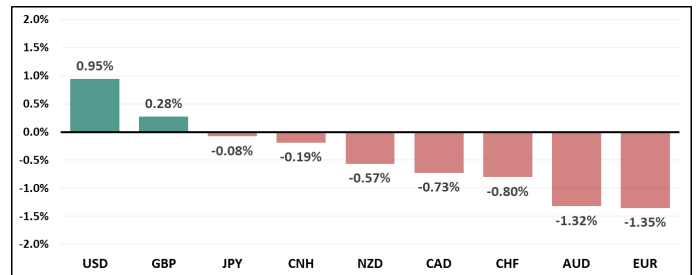
Global Equity Returns (YTD)



Source: ADSS, Bloomberg

As of 19-Nov-21

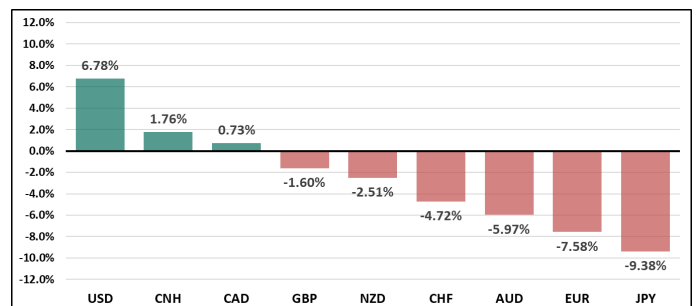
Global Currency Returns (Weekly)



Source: ADSS, Bloomberg

As of 19-Nov-21

Global Currency Returns (YTD)



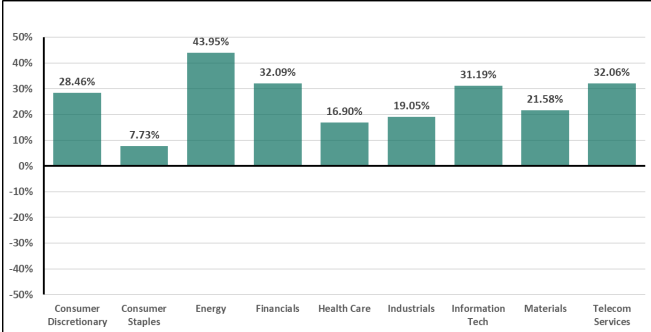
Source: ADSS, Bloomberg

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WEEKLY MARKET SNAPSHOT

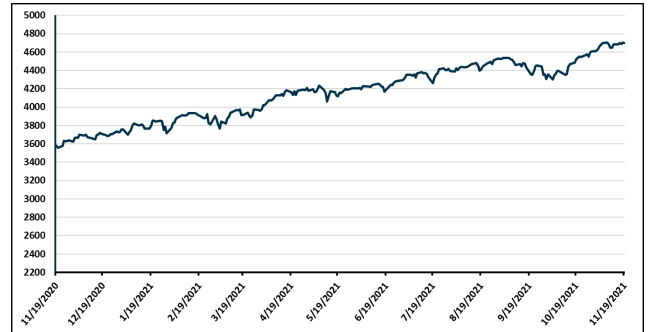
S&P500 Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 19-Nov-21

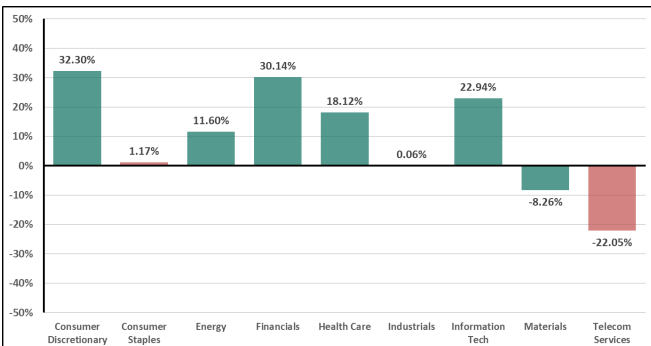
S&P500 Index (1Y)



Source: ADSS, Bloomberg

As of 19-Nov-21

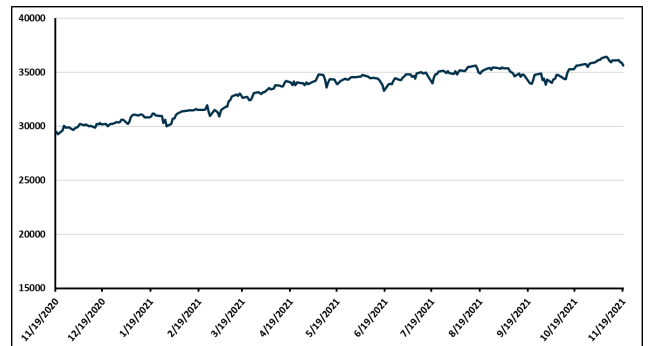
Dow Jones Industrial Average Sector Returns (YTD)



Source: ADSS, Bloomberg

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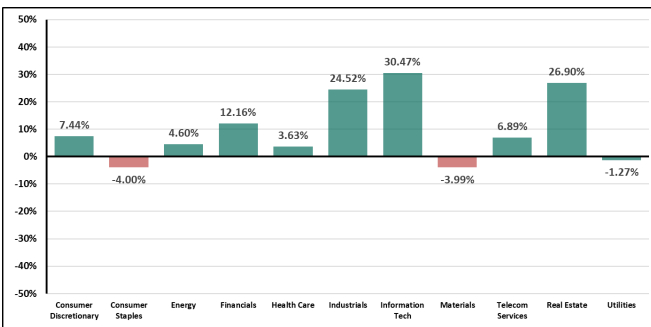
Dow Jones Industrial Average Index (1Y)



Source: ADSS, Bloomberg

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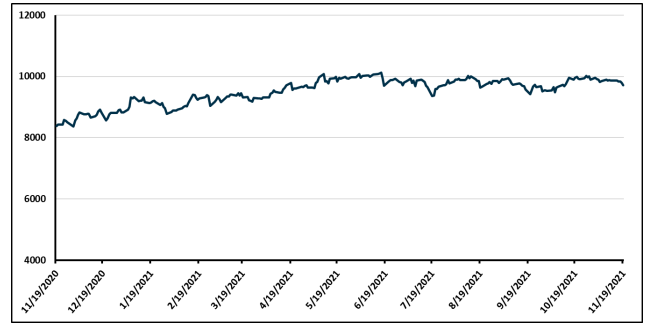
FTSE100 Sector Returns (YTD)



Source: ADSS, Bloomberg

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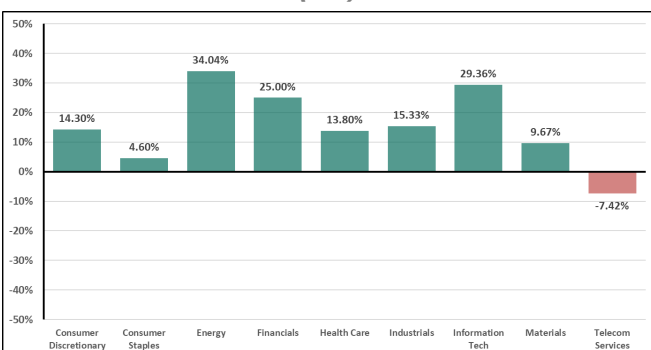
FTSE100 Index (1Y)



Source: ADSS, Bloomberg

As of 19-Nov-21

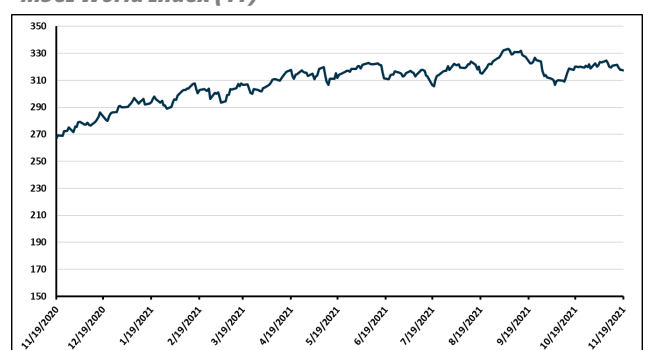
MSCI World Sector Returns (YTD)



Source: ADSS, Bloomberg

As of 19-Nov-21

MSCI World Index (1Y)



Source: ADSS, Bloomberg

As of 19-Nov-21



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