

The Market Place

- Global equities returned -0.4% last week whilst global bond yields rise
- The Pfizer-BioNtech vaccine is reported to be 89.4% effective in preventing Covid-19 infections according to an Israeli study
- Brent crude oil rose 0.8% to \$62.9 a barrel
- Gold fell -2.2% to \$1784.3 per ounce

US

US equities returned -0.7% last week.

The flash Markit US composite PMI came in at 58.8 versus 57.7 expected -the highest reading in nearly six years.

The retail sales report for January came in at +5.3% month-on-month, well above the +1.1% advance expected, and the strongest monthly rise since June 2020. The approval of stimulus payments is seen as a key driver.

The US 10-year treasury yield rose to its highest level in nearly a year, currently standing at 1.38%.

US industrial production rose by a stronger-than-expected +0.9% in January (vs. +0.4% expected), although the previous month's reading was revised down three-tenths.

The January PPI reading in the US was much higher than expected, rising +1.3% (vs +0.4% expected), while the core reading rose +1.2% month-on-month (vs +0.4% expected).

Weekly initial jobless claims for the week ending February 12th hit a 4-week high of 861k (vs. 773k expected)- the previous week's reading was also revised upwards by +55k.

Europe

European equities returned -0.2% last week

Euro Area composite PMI rose +0.3pts to 48.1 (broadly in line with 48.0 expected) in February. The Manufacturing PMI printed at 57.7 (vs 53.4 expected). Services came in lower, with Germany falling to 45.9 and France to 43.6.

Eurozone core bond yields rose last week, with the German 10-year bund reaching its highest level since June 2020 at -0.32%

Mario Draghi's new government in Italy won a huge confidence vote in the lower house last Thursday with a 535-56 vote. This came after a big victory in the Senate the previous day.

UK

UK equities rose 0.9% last week.

Sterling climbed past \$1.40 for the first time since April 2018, making it the best performing major currency this year. The pound has benefitted from the UK's strong vaccination rollout.

The CPI reading for January surprised slightly to the upside with a +0.7% reading (vs. +0.6% expected).

The flash composite PMI reading for February rose to 49.8 from 41.2 in January (vs. 42.6 expected). The Manufacturing PMI came in at 54.9 (vs 53.1 expected).

Retail sales plunged -8.2% in January (vs -3% expected) led by non-essential retail stores being closed due to ongoing lockdown measures.

The UK government is preparing plans to test millions of citizens for Covid-19 amid a cautious easing of lockdown measures. Every UK adult has been promised a first vaccine jab by the end of July.

Asia / ROW

The benchmark Global Emerging Markets index returned -1.4% last week.

Japanese equities returned -0.3% last week.

Chinese equities fell by -0.4%.

Japan's manufacturing PMI re-entered expansionary territory to 50.6 (vs. 49.8 last month). The services PMI fell slightly to 45.8 (vs. 46.1).

China urged the Biden administration to take steps to "build up goodwill," including removing tariffs and sanctions, as Beijing continued to put the onus on Washington to repair their fractured relationship.

Performance

Asset Class/Region	Currency				
		Week ending 19 Feb 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	-0.7%	5.3%	4.2%	16.8%
United Kingdom	GBP	0.9%	3.5%	2.8%	-9.8%
Continental Europe	EUR	-0.2%	4.7%	3.5%	-0.1%
Japan	JPY	-0.3%	6.6%	6.9%	18.2%
Asia Pacific (ex Japan)	USD	0.4%	7.5%	11.3%	35.9%
Australia	AUD	0.0%	3.1%	3.4%	-2.2%
Global	USD	-0.4%	5.5%	4.5%	17.3%
Emerging markets equities					
Emerging Europe	USD	0.7%	5.9%	3.4%	-7.0%
Emerging Asia	USD	0.2%	8.1%	12.8%	44.5%
Emerging Latin America	USD	-0.6%	5.2%	-1.9%	-11.2%
BRICs	USD	-0.5%	9.0%	13.2%	32.5%
China	USD	-0.4%	9.5%	17.6%	48.9%
MENA countries	USD	0.1%	1.8%	3.8%	5.6%
South Africa	USD	-0.3%	10.4%	13.4%	13.6%
India	USD	-1.2%	10.3%	7.9%	24.5%
Global emerging markets	USD	0.1%	7.6%	10.9%	32.4%
Bonds					
US Treasuries	USD	-0.9%	-1.5%	-2.7%	3.0%
US Treasuries (inflation protected)	USD	-1.4%	-1.8%	-1.5%	7.6%
US Corporate (investment grade)	USD	-0.7%	-1.3%	-2.5%	4.3%
US High Yield	USD	0.0%	0.9%	1.3%	7.1%
UK Gilts	GBP	-1.9%	-4.4%	-6.0%	-0.7%
UK Corporate (investment grade)	GBP	-1.3%	-2.2%	-3.4%	2.7%
Euro Government Bonds	EUR	-1.0%	-1.5%	-2.1%	0.3%
Euro Corporate (investment grade)	EUR	-0.4%	-0.4%	-0.5%	1.0%
Euro High Yield	EUR	0.1%	1.0%	1.5%	2.5%
Japanese Government	JPY	-0.3%	-0.4%	-0.7%	-2.1%
Australian Government	AUD	-1.1%	-1.6%	-2.3%	-0.6%
Global Government Bonds	USD	-0.9%	-1.5%	-2.8%	6.3%
Global Bonds	USD	-0.7%	-1.2%	-2.2%	6.8%
Global Convertible Bonds	USD	-0.1%	5.3%	5.3%	27.8%
Emerging Market Bonds	USD	-1.4%	-1.2%	-3.0%	0.5%

Performance

Asset Class/Region	Currency				
		Week ending 19 Feb 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	-1.1%	4.4%	4.5%	-8.8%
Australian Property Securities	AUD	-3.2%	-3.2%	-7.1%	-22.3%
Asia Property Securities	USD	1.0%	5.3%	5.2%	-5.0%
Global Property Securities	USD	-0.5%	3.3%	2.3%	-7.1%
Currencies					
Euro	USD	0.0%	0.0%	-0.8%	12.4%
UK Pound Sterling	USD	1.2%	2.3%	2.7%	8.6%
Japanese Yen	USD	-0.5%	-0.7%	-2.0%	5.5%
Australian Dollar	USD	1.5%	3.0%	2.3%	18.0%
South African Rand	USD	-0.8%	3.6%	0.0%	2.1%
Swiss Franc	USD	-0.5%	-0.6%	-1.3%	9.8%
Chinese Yuan	USD	0.0%	-0.5%	1.1%	8.4%
Commodities & Alternatives					
Commodities	USD	1.7%	8.5%	13.1%	10.0%
Agricultural Commodities	USD	2.0%	3.4%	8.4%	28.8%
Oil	USD	0.8%	12.6%	21.4%	6.4%
Gold	USD	-2.2%	-3.4%	-5.8%	11.0%
Hedge funds	USD	0.1%	2.4%	2.4%	7.5%

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