

The Market Place

- Global equities fell -2.8% last week
- 10-year US Treasury yields rose 14.4bps on Thursday in their biggest daily move since March 2020, before falling -11.5bps on Friday. The substantial moves were driven by real rates increasing, rather than higher inflation expectations
- Brent crude rose 5.1% last week to \$66.1 a barrel
- Gold fell -2.8% to \$1734.0 per ounce

US

US equities fell -2.4% last week

The estimate of GDP growth in Q4 was revised up to an annualised 4.1%, slightly below the 4.2% reading expected

The fiscal stimulus bill was passed by the House, though the proposed minimum wage hike is likely to be taken out by the Senate

Weekly initial jobless claims for the week ending 20th February fell to 730k against 825k expected. The number of continuing claims also fell to a post-pandemic low of 4.42m against 4.46m expected

The Conference Board's consumer confidence index rose to 91.3 in February, outperforming expectations of 90.0

New home sales rose to an annualised rate of 923k in January, against 856k expected

Durable goods orders rose by 3.4% in January against 1.1% expected

Europe

European equities fell -2.4% last week

Germany's Ifo business climate indicator rose to 92.4 in February against 90.5 expected, a four-month high

The GDP reading for Q4 in Germany was revised up to 0.3% quarter-on-quarter growth, versus the initial 0.1% estimate

ECB chief economist said the bank would purchase assets flexibly "with a view to preventing a tightening of financing conditions"

The European Commission's economic sentiment indicator for the Euro Area rose to 93.4 in February, its highest level since March and beating expectations of 92.1

UK

UK equities fell -1.7% last week

Prime Minister Johnson outlined the roadmap out of the English lockdown, beginning on 8th March with schools reopening. All social restrictions will be ended no earlier than 21st June

The unemployment rate in the three months to December was 5.1%, as expected

Asia / ROW

The benchmark Global Emerging Markets index returned -6.3% last week

Japanese equities fell -3.3% in the week

The Bank of Korea left their main interest rate unchanged at 0.5% as expected, though they raised their 2021 CPI forecast to 1.3%

Ghana received the first delivery from the Covax vaccine-sharing initiative, with 600k doses of the AstraZeneca vaccine

Japan's manufacturing PMI for February was 51.4, while India's was 57.5

China's official manufacturing PMI was 50.6 against 51.0 expected, with the composite index dropping to 51.6



Performance

Asset Class/Region	Currency				
		Week ending 26 Feb 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	-2.4%	2.7%	1.6%	23.8%
United Kingdom	GBP	-1.7%	1.8%	1.0%	-6.3%
Continental Europe	EUR	-2.4%	2.2%	1.1%	4.7%
Japan	JPY	-3.3%	3.1%	3.4%	18.9%
Asia Pacific (ex Japan)	USD	-5.7%	1.4%	4.9%	35.1%
Australia	AUD	-1.6%	1.5%	1.8%	2.3%
Global	USD	-2.8%	2.6%	1.5%	22.7%
Emerging markets equities					
Emerging Europe	USD	-4.3%	1.3%	-1.1%	-5.2%
Emerging Asia	USD	-6.7%	0.9%	5.3%	41.9%
Emerging Latin America	USD	-7.8%	-3.0%	-9.5%	-10.4%
BRICs	USD	-8.5%	-0.3%	3.5%	27.3%
China	USD	-9.6%	-1.0%	6.3%	40.1%
MENA countries	USD	1.2%	3.0%	5.1%	10.4%
South Africa	USD	-6.8%	2.9%	5.7%	12.6%
India	USD	-4.6%	5.3%	2.9%	22.1%
Global emerging markets	USD	-6.3%	0.8%	3.9%	31.1%
Bonds					
US Treasuries	USD	-0.8%	-2.3%	-3.4%	0.4%
US Treasuries (inflation protected)	USD	0.0%	-1.8%	-1.6%	6.5%
US Corporate (investment grade)	USD	-0.5%	-1.7%	-3.0%	3.0%
US High Yield	USD	-0.6%	0.4%	0.7%	7.7%
UK Gilts	GBP	-1.3%	-5.6%	-7.2%	-3.5%
UK Corporate (investment grade)	GBP	-1.2%	-3.4%	-4.5%	1.2%
Euro Government Bonds	EUR	-0.4%	-2.0%	-2.5%	-0.5%
Euro Corporate (investment grade)	EUR	-0.4%	-0.8%	-0.9%	0.7%
Euro High Yield	EUR	-0.4%	0.6%	1.1%	3.4%
Japanese Government	JPY	-0.6%	-1.0%	-1.3%	-3.0%
Australian Government	AUD	-2.9%	-4.5%	-5.1%	-4.1%
Global Government Bonds	USD	-0.9%	-2.4%	-3.7%	4.0%
Global Bonds	USD	-0.7%	-1.9%	-2.9%	5.1%
Global Convertible Bonds	USD	-2.3%	2.9%	2.9%	28.2%
Emerging Market Bonds	USD	-2.5%	-3.7%	-5.4%	-1.9%

Performance

Asset Class/Region	Currency				
		Week ending 26 Feb 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	-0.4%	3.9%	4.1%	-5.8%
Australian Property Securities	AUD	0.0%	-3.2%	-7.1%	-18.0%
Asia Property Securities	USD	1.5%	6.9%	6.8%	0.3%
Global Property Securities	USD	0.1%	3.5%	2.5%	-3.2%
Currencies					
Euro	USD	-0.4%	-0.4%	-1.2%	11.0%
UK Pound Sterling	USD	-0.6%	1.7%	2.2%	8.0%
Japanese Yen	USD	-1.1%	-1.8%	-3.1%	3.6%
Australian Dollar	USD	-1.9%	1.0%	0.4%	17.8%
South African Rand	USD	-3.3%	0.2%	-3.3%	0.6%
Swiss Franc	USD	-1.5%	-2.1%	-2.7%	7.4%
Chinese Yuan	USD	-0.2%	-0.7%	0.8%	8.5%
Commodities & Alternatives					
Commodities	USD	0.6%	9.2%	13.8%	16.9%
Agricultural Commodities	USD	1.1%	4.6%	9.6%	34.7%
Oil	USD	5.1%	18.3%	27.7%	23.8%
Gold	USD	-2.8%	-6.1%	-8.5%	5.7%
Hedge funds	USD	-0.6%	1.9%	1.9%	8.4%

Global Matters Weekly

1 March 2021

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