

# The Market Place

- Global equities fell -1.4% last week
- President Trump became the first US President to be impeached for a second time
- Brent crude fell -1.6% ending the week at \$55.1 a barrel
- Gold fell -1.1% to end the week at \$1828.5 an ounce

## US

The large-cap US equity benchmark returned -1.5% over the week

The 10-year Treasury yield was little changed at 1.1%

Weekly initial jobless claims came in at 965k, well above the expected 789k and the highest level since August

The unemployment rate stayed steady at 6.7%, breaking a 7-month streak of improvement

Nonfarm payrolls for December fell by 140k, against an expected increase of 71k

The CPI data for December showed prices rose by 0.4% month-on-month, leaving the annual reading at 1.4%

President-Elect Biden announced a \$1.9tn stimulus plan, including direct payments to individuals, small business, state and local government aid

Fed Chair Powell said that the Fed will be careful in communicating the gradual taper of asset purchases

## Europe

The main continental European equity index fell -0.8% last week

The Euro Area industrial production data for November showed a 2.5% month-on-month increase, against 0.2% expected

Euro area unemployment fell to 8.3%, against 8.5% expected

European governments continue to toughen and extend coronavirus lockdowns as new variants emerge, including Italy, Switzerland and Germany

Heightened political instability continues in Italy as speculation continues over a potential government collapse

Germany's GDP contracted by 5% in 2020, a smaller contraction than forecast

## UK

UK equities fell -1.8% on the week

Bank of England Governor Bailey continued to downplay the likelihood of negative rates, stating that there are "a lot of issues" with the policy tool

The UK's GDP declined 2.6% in November, the first such contraction since April

## Asia / ROW

The global emerging markets equity benchmark rose +0.3% last week

Governor Kuroda of the Bank of Japan asserted that the economy was showing signs of recovery

Japan widened its state of emergency status as coronavirus continues to spread

The US added another nine Chinese companies to its investment blacklist, as the Trump administration claims they have ties to China's military



# Performance

Asset Class/Region	Currency				
		Week ending 15 Jan 2021	Month to date	YTD 2021	12 Months
<b>Developed Market Equities</b>					
United States	USD	-1.5%	0.4%	0.4%	16.0%
United Kingdom	GBP	-1.8%	4.4%	4.4%	-10.6%
Continental Europe	EUR	-0.8%	1.6%	1.6%	2.1%
Japan	JPY	0.1%	2.9%	2.9%	9.9%
Asia Pacific (ex Japan)	USD	0.2%	5.2%	5.2%	25.2%
Australia	AUD	-0.6%	2.0%	2.0%	-1.2%
Global	USD	-1.4%	1.0%	1.0%	15.3%
<b>Emerging markets equities</b>					
Emerging Europe	USD	-1.3%	4.0%	4.0%	-11.3%
Emerging Asia	USD	0.5%	5.9%	5.9%	32.1%
Emerging Latin America	USD	-2.2%	1.3%	1.3%	-11.3%
BRICs	USD	0.9%	4.7%	4.7%	19.6%
China	USD	1.6%	5.5%	5.5%	31.1%
MENA countries	USD	1.9%	3.2%	3.2%	-0.3%
South Africa	USD	2.1%	1.3%	1.3%	-1.4%
India	USD	0.9%	3.1%	3.1%	14.3%
Global emerging markets	USD	0.3%	5.2%	5.2%	21.9%
<b>Bonds</b>					
US Treasuries	USD	0.1%	-1.2%	-1.2%	6.2%
US Treasuries (inflation protected)	USD	0.5%	-0.4%	-0.4%	10.1%
US Corporate (investment grade)	USD	0.4%	-1.1%	-1.1%	7.8%
US High Yield	USD	0.1%	0.4%	0.4%	6.7%
UK Gilts	GBP	0.1%	-1.4%	-1.4%	5.2%
UK Corporate (investment grade)	GBP	-0.2%	-0.9%	-0.9%	6.2%
Euro Government Bonds	EUR	-0.2%	-0.3%	-0.3%	4.4%
Euro Corporate (investment grade)	EUR	-0.1%	0.1%	0.1%	2.7%
Euro High Yield	EUR	-0.2%	0.4%	0.4%	2.3%
Japanese Government	JPY	0.0%	-0.1%	-0.1%	-0.7%
Australian Government	AUD	0.3%	-0.5%	-0.5%	2.4%
Global Government Bonds	USD	-0.4%	-1.2%	-1.2%	8.4%
Global Bonds	USD	-0.4%	-1.0%	-1.0%	8.3%
Global Convertible Bonds	USD	-0.8%	0.8%	0.8%	23.6%
Emerging Market Bonds	USD	-0.8%	-2.2%	-2.2%	3.7%



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Asset Class/Region	Currency				
		Week ending 15 Jan 2021	Month to date	YTD 2021	12 Months
<b>Property</b>					
US Property Securities	USD	2.4%	-0.2%	-0.2%	-9.7%
Australian Property Securities	AUD	-1.2%	-3.2%	-3.2%	-14.9%
Asia Property Securities	USD	0.1%	0.4%	0.4%	-11.0%
Global Property Securities	USD	0.7%	-0.8%	-0.8%	-8.3%
<b>Currencies</b>					
Euro	USD	-1.1%	-1.1%	-1.1%	8.4%
UK Pound Sterling	USD	0.2%	-0.3%	-0.3%	4.4%
Japanese Yen	USD	0.2%	-0.5%	-0.5%	5.9%
Australian Dollar	USD	-0.5%	0.4%	0.4%	11.7%
South African Rand	USD	0.8%	-3.4%	-3.4%	-5.2%
Swiss Franc	USD	-0.4%	-0.6%	-0.6%	8.3%
Chinese Yuan	USD	-0.1%	0.7%	0.7%	6.3%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	0.8%	4.2%	4.2%	-3.0%
Agricultural Commodities	USD	2.9%	4.3%	4.3%	21.2%
Oil	USD	-1.6%	6.4%	6.4%	-13.9%
Gold	USD	-1.1%	-3.5%	-3.5%	17.7%
Hedge funds	USD	0.3%	1.1%	1.1%	6.9%



# Global Matters Weekly

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