

The Market Place

- Global equities rose 0.8% last week
- Iran and the EU will stage negotiations to restore the 2015 nuclear deal, signalling prospects for Iranian oil supply to return to the market
- Brent crude fell -1.3% over the week to \$84.4 a barrel
- Gold fell -0.5% to \$1783.4 per ounce

US

US equities rose 1.3% last week

GDP grew +2.0% in the third quarter, missing estimates of +2.6%, its slowest rate since the pandemic recovery began

Initial jobless claims saw a fresh post-pandemic low of 281k vs expectations of 288k

US consumer confidence for October jumped to 113.8 from 109.8 in September, ahead of expectations of 108.0

Chicago Fed's National Activity Index declined to -0.13 vs 0.20 expected

The Dallas Fed Manufacturing Activity Index rose more than expected in October to 14.6 (vs 6.0 expected)

New home sales for September came in at 800k, surpassing estimates of 756k

President Biden revealed a new social and climate spending framework containing \$1.75trn in spending measures as well as revenue-raising offsets

Europe

European equities returned 0.8% last week

Germany cut its growth forecast for 2021 from 3.5% in April to 2.6% on the back of supply chain issues

German GfK Consumer Confidence came in at +0.9 vs an expected decline of -0.5

Spain reported a +2.0% jump in October inflation vs forecasts of +1.2%

German CPI came in at +0.5%, beating forecasts of +0.4%

UK

UK equities rose 0.5% last week

The Debt Management Office revised its gilt sales until fiscal year end from £252.6bn back in April to £194.8bn, below market estimates of £219.6bn

During the budget and spending review, Chancellor Sunak reported the UK is to see the fastest growth since 1973, forecasting growth rates of +6.5% in 2021 and +6.0% in 2022

Asia / ROW

The benchmark Global Emerging Markets index returned -2.2% last week

Japanese equities were flat over the week

Chinese equities fell -4.3% last week

Sentiment in China is being clouded by the news of another developer, Modern Land China Co., defaulting on a bond payment

China's official manufacturing PMI fell to 49.2 in October, from September's reading of 49.6 (vs 49.7 expected). The non-manufacturing PMI also fell to 52.4 from 53.2 in September

The Caixin manufacturing PMI came in at 50.6 for October, back into expansionary territory

Japan's services prices declined to 0.9% in September from August's 1.0% gain

China's September industrial profits saw a +16.3% year-on-year growth, despite rising commodity prices

The Bank of Canada ended its quantitative easing programme earlier than expected and shifted forward the expected timing of interest rate hikes. The 2y yield on sovereign bonds saw the largest one-day increase since 2009 with these moves reverberating around the world

The Bank of Japan cut its forecast for this fiscal year's growth due to supply chain issues and the Covid surge in the summer

Performance

Asset Class/Region	Currency				
		Week ending 29 Oct 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	1.3%	7.0%	23.6%	40.6%
United Kingdom	GBP	0.5%	2.3%	16.4%	35.5%
Continental Europe	EUR	0.8%	4.8%	21.1%	41.2%
Japan	JPY	0.0%	-1.4%	13.1%	26.8%
Asia Pacific (ex Japan)	USD	-2.0%	1.7%	-0.4%	14.1%
Australia	AUD	-1.2%	-0.1%	14.7%	27.3%
Global	USD	0.8%	5.7%	19.4%	38.9%
Emerging markets equities					
Emerging Europe	USD	-1.5%	3.7%	27.8%	71.4%
Emerging Asia	USD	-2.3%	1.3%	-2.9%	9.8%
Emerging Latin America	USD	-1.2%	-5.3%	-10.6%	20.2%
BRICs	USD	-3.3%	1.4%	-5.3%	3.8%
China	USD	-4.3%	3.2%	-14.0%	-11.0%
MENA countries	USD	-0.8%	2.8%	31.2%	42.7%
South Africa	USD	-4.2%	-0.1%	4.0%	28.1%
India	USD	-2.4%	-0.6%	24.5%	52.0%
Global emerging markets	USD	-2.2%	1.0%	-0.3%	15.2%
Bonds					
US Treasuries	USD	0.6%	0.0%	-2.8%	-2.7%
US Treasuries (inflation protected)	USD	0.0%	1.2%	4.6%	6.9%
US Corporate (investment grade)	USD	0.8%	0.2%	-1.0%	2.0%
US High Yield	USD	0.1%	-0.2%	4.4%	10.5%
UK Gilts	GBP	2.5%	2.2%	-5.6%	-5.2%
UK Corporate (investment grade)	GBP	1.4%	0.6%	-3.2%	0.0%
Euro Government Bonds	EUR	-0.3%	-0.7%	-3.6%	-3.5%
Euro Corporate (investment grade)	EUR	-0.1%	-0.7%	-1.1%	0.0%
Euro High Yield	EUR	0.1%	-0.6%	3.1%	8.0%
Japanese Government	JPY	0.1%	-0.1%	-0.2%	-0.2%
Australian Government	AUD	-1.5%	-3.5%	-5.3%	-6.0%
Global Government Bonds	USD	0.1%	-0.3%	-5.9%	-3.6%
Global Bonds	USD	0.1%	-0.3%	-4.8%	-2.0%
Global Convertible Bonds	USD	-0.2%	1.5%	0.2%	11.1%
Emerging Market Bonds	USD	0.5%	-0.1%	-4.3%	1.4%

Performance

Asset Class/Region	Currency				
		Week ending 29 Oct 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	0.3%	7.7%	31.6%	49.4%
Australian Property Securities	AUD	-2.7%	0.4%	12.1%	25.3%
Asia Property Securities	USD	-1.7%	0.2%	2.0%	13.1%
Global Property Securities	USD	-0.6%	4.7%	18.3%	36.5%
Currencies					
Euro	USD	-0.8%	-0.3%	-5.6%	-1.0%
UK Pound Sterling	USD	-0.6%	1.6%	0.2%	5.9%
Japanese Yen	USD	-0.5%	-2.3%	-9.5%	-8.2%
Australian Dollar	USD	0.6%	4.1%	-2.4%	7.1%
South African Rand	USD	-3.3%	-1.2%	-4.1%	7.4%
Swiss Franc	USD	0.0%	1.9%	-3.5%	0.0%
Chinese Yuan	USD	-0.3%	0.6%	1.9%	4.8%
Commodities & Alternatives					
Commodities	USD	-0.3%	5.4%	43.6%	67.3%
Agricultural Commodities	USD	1.8%	3.8%	29.2%	46.0%
Oil	USD	-1.3%	7.5%	62.9%	124.1%
Gold	USD	-0.5%	1.4%	-5.9%	-4.5%
Hedge funds	USD	0.2%	0.9%	4.8%	10.0%



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