

The Market Place

- Global equities fell -3.4% last week
- The IMF revised their global growth forecast for 2021 from 5.2% to 5.5%
- Brent crude rose 0.8% last week to \$55.9 a barrel
- Gold fell -0.4% to \$1847.65 per ounce

US

US equities fell -3.3% last week

It was a week of extraordinary volatility in some stocks targeted by retail investors bidding up the prices of several heavily shorted companies

The services and manufacturing PMIs both beat expectations at 57.5 and 59.1 respectively, leaving the composite at 58 for December, slightly below November's level

The Conference Board's consumer confidence reading rose to 89.3 for January, against 89.0 expected

Durable goods orders in December rose by 0.2% against a 1.0% rise expected

Weekly jobless claims in the week to 23rd January fell to 847k against 875k expected

Continuing jobless claims fell to their lowest level since the pandemic began in the week to 16th January

GDP in Q4 grew at an annualised rate of 4.0% against 4.2% expected, meaning that GDP contracted by -3.5% in 2020 as a whole

Europe

European equities fell -3.1% last week

The flash composite Euro Area PMI for January fell to 47.5, indicating there was a contraction in activity

Germany's composite flash PMI was 50.8 against 50.0 expected, whereas France read 47.0 (vs. 49.0 expected)

Italian Prime Minister Conte resigned after losing a parliamentary majority, paving the way for either a new coalition or snap elections

The EU was involved in a row with both the UK and AstraZeneca amid supply problems of the covid-19 vaccine and the EU Commission's subsequent threat to block vaccine exports to the UK, which it later stepped back from

Germany cut their 2021 growth forecast from 4.4% to 3.0%

Spanish GDP rose 0.4%, above the -1.4% contraction expected, while France's GDP fell -1.3% against -4.0% expected in Q4

UK

UK equities fell -4.3% last week

The UK's composite PMI came in at 40.6 against 45.5 expected for the flash January figure, as the services PMIs read 38.8 (vs. 45.0)

The unemployment rate for the three months to November rose to 5.0%, its highest level in over four years, with the redundancy rate also increasing

PM Johnson announced that schools in England would not be returning after the February half-term break, instead reopening hopefully from 8th March

Asia / ROW

The benchmark Global Emerging Markets index returned -4.5% last week

Japanese equities fell -2.6% in the week

The People's Bank of China governor said that the country's monetary policy will continue to "prop up the economy", while remaining mindful of risks

Japan's leading news outlet has reported the country is considering extending its state of emergency from 7th February to the end of the month

Performance

Asset Class/Region	Currency				
		Week ending 29 Jan 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	-3.3%	-1.0%	-1.0%	14.9%
United Kingdom	GBP	-4.3%	-0.7%	-0.7%	-13.2%
Continental Europe	EUR	-3.1%	-1.1%	-1.1%	-0.7%
Japan	JPY	-2.6%	0.2%	0.2%	9.0%
Asia Pacific (ex Japan)	USD	-4.6%	3.5%	3.5%	27.8%
Australia	AUD	-2.8%	0.3%	0.3%	-3.3%
Global	USD	-3.4%	-1.0%	-1.0%	14.0%
Emerging markets equities					
Emerging Europe	USD	-3.1%	-2.3%	-2.3%	-13.9%
Emerging Asia	USD	-4.9%	4.3%	4.3%	35.3%
Emerging Latin America	USD	-3.5%	-6.7%	-6.7%	-17.2%
BRICs	USD	-4.1%	3.8%	3.8%	24.1%
China	USD	-4.0%	7.4%	7.4%	41.7%
MENA countries	USD	-0.6%	2.9%	2.9%	1.6%
South Africa	USD	-1.4%	2.7%	2.7%	4.5%
India	USD	-5.0%	-2.2%	-2.2%	11.2%
Global emerging markets	USD	-4.5%	3.1%	3.1%	23.8%
Bonds					
US Treasuries	USD	0.0%	-1.2%	-1.2%	4.9%
US Treasuries (inflation protected)	USD	0.2%	0.3%	0.3%	9.9%
US Corporate (investment grade)	USD	-0.1%	-1.3%	-1.3%	6.2%
US High Yield	USD	-0.1%	0.3%	0.3%	7.2%
UK Gilts	GBP	0.0%	-1.7%	-1.7%	3.1%
UK Corporate (investment grade)	GBP	-0.3%	-1.2%	-1.2%	4.7%
Euro Government Bonds	EUR	0.2%	-0.6%	-0.6%	2.3%
Euro Corporate (investment grade)	EUR	-0.2%	-0.1%	-0.1%	1.7%
Euro High Yield	EUR	-0.3%	0.4%	0.4%	2.4%
Japanese Government	JPY	-0.1%	-0.3%	-0.3%	-1.6%
Australian Government	AUD	0.0%	-0.7%	-0.7%	1.0%
Global Government Bonds	USD	-0.2%	-1.3%	-1.3%	7.1%
Global Bonds	USD	-0.1%	-1.0%	-1.0%	7.5%
Global Convertible Bonds	USD	-1.9%	0.0%	0.0%	23.2%
Emerging Market Bonds	USD	0.1%	-1.8%	-1.8%	3.3%

Performance

Asset Class/Region	Currency				
		Week ending 29 Jan 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	-0.8%	0.1%	0.1%	-10.7%
Australian Property Securities	AUD	-1.7%	-4.1%	-4.1%	-17.0%
Asia Property Securities	USD	-1.5%	-0.1%	-0.1%	-8.7%
Global Property Securities	USD	-1.0%	-1.0%	-1.0%	-8.5%
Currencies					
Euro	USD	-0.3%	-0.8%	-0.8%	10.2%
UK Pound Sterling	USD	0.2%	0.4%	0.4%	5.3%
Japanese Yen	USD	-0.8%	-1.3%	-1.3%	4.3%
Australian Dollar	USD	-0.9%	-0.7%	-0.7%	13.3%
South African Rand	USD	-0.6%	-3.5%	-3.5%	-3.7%
Swiss Franc	USD	-0.5%	-0.6%	-0.6%	9.5%
Chinese Yuan	USD	0.8%	1.5%	1.5%	7.5%
Commodities & Alternatives					
Commodities	USD	1.1%	4.2%	4.2%	2.2%
Agricultural Commodities	USD	2.9%	4.8%	4.8%	24.4%
Oil	USD	0.8%	7.9%	7.9%	-6.6%
Gold	USD	-0.4%	-2.5%	-2.5%	17.6%
Hedge funds	USD	-1.2%	0.1%	0.1%	5.9%



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