

The Market Place

- Global equities ended the week relatively flat, returning +0.1%
- The US Senate has passed President Biden's \$1.9trillion Coronavirus stimulus package
- Brent crude rose by +4.9% to \$69.4 a barrel
- Gold fell -1.9% to \$1700.6 per ounce

US

US equities rose +0.8% last week. Energy and bank stocks outperformed with technology and consumer discretionary stocks underperforming

President Biden is on the brink of his first legislative win since taking office with the House ready to pass his \$1.9trillion Coronavirus relief plan. The senate passed the legislation on a 50-49 vote on Saturday. It is set to be the second biggest economic stimulus package in U.S. history

The February employment report showed nonfarm payrolls increased by 379K (versus 200K expected), taking the unemployment rate down to 6.2%. Most of the gains were in the leisure and hospitality industries

The US treasury 10-year yield rose for a fifth consecutive week as the selloff in US rates continued. Yields rose by +16.1bps to 1.56%. The 2y10y yield curve also moved to its steepest level since November 2015

Europe

European equities returned +0.5% last week

German factory orders for January rose by +1.4% (versus 0.5% expected)

Italian retail sales for January fell by more than expected at -3.0% (versus -0.5% expected)

The European Banking Authority became the latest high-profile victim of a hacking group purported to be backed by the Chinese government on Microsoft's business email software, which risks becoming a global cybersecurity crisis

Italy blocked 250K doses of the Oxford/AstraZeneca vaccine from going to Australia. France also suggested they might also block further vaccine exports outside of the bloc leading to fears of reprisals

UK

UK equities returned +2.6% last week

Chancellor Rishi Sunak announced further fiscal stimulus in his annual budget last week, pledging £65bn of additional spending and a tax break on business investment

UK gilts returned +0.7% last week

The Office for Budget Responsibility projected that the UK economy would recover and return to its normal size earlier than expected

The UK furlough scheme has been extended to the end of September

UK corporation tax is set to rise to 25% (from 19% currently) in 2023

Asia / ROW

The benchmark Global Emerging Markets index returned +0.1% last week

Japanese equities returned +1.7% last week

Saudi Arabia reported a missile attack on its largest and most protected crude oil facility on Sunday sending oil prices higher though not affecting output

Chinese exports were up 60.1% year-on-year (versus 40.0% expected) and imports were up 22.2% year-on-year (versus 16% expected) up to the end of February

The February manufacturing PMI for Japan rose to 51.4 from 49.8 in January tipping into expansionary territory. This represents the first time the sector grew in almost two years. The services PMI saw a modest increase to 46.3 from 46.1 over the same period



Performance

Asset Class/Region	Currency				
		Week ending 05 Mar 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	0.8%	0.8%	2.5%	28.6%
United Kingdom	GBP	2.6%	2.6%	3.7%	0.3%
Continental Europe	EUR	0.5%	0.5%	1.6%	11.0%
Japan	JPY	1.7%	1.7%	5.1%	28.1%
Asia Pacific (ex Japan)	USD	-0.2%	-0.2%	4.7%	34.2%
Australia	AUD	1.1%	1.1%	2.9%	7.9%
Global	USD	0.1%	0.1%	1.7%	26.4%
Emerging markets equities					
Emerging Europe	USD	1.5%	1.5%	0.4%	3.4%
Emerging Asia	USD	-0.3%	-0.3%	5.0%	39.3%
Emerging Latin America	USD	2.3%	2.3%	-7.4%	-2.3%
BRICs	USD	-0.1%	-0.1%	3.4%	28.5%
China	USD	-1.6%	-1.6%	4.6%	34.7%
MENA countries	USD	0.1%	0.4%	5.2%	14.4%
South Africa	USD	2.7%	2.7%	8.6%	24.1%
India	USD	3.8%	3.8%	6.8%	35.6%
Global emerging markets	USD	0.1%	0.1%	3.9%	31.6%
Bonds					
US Treasuries	USD	-0.4%	-0.4%	-3.8%	-2.3%
US Treasuries (inflation protected)	USD	-0.5%	-0.5%	-2.1%	4.1%
US Corporate (investment grade)	USD	-1.6%	-1.6%	-4.5%	0.2%
US High Yield	USD	-0.2%	-0.2%	0.5%	8.2%
UK Gilts	GBP	0.7%	0.7%	-6.5%	-4.4%
UK Corporate (investment grade)	GBP	0.5%	0.5%	-4.0%	1.5%
Euro Government Bonds	EUR	0.1%	0.1%	-2.4%	-1.0%
Euro Corporate (investment grade)	EUR	0.2%	0.2%	-0.7%	1.0%
Euro High Yield	EUR	0.1%	0.1%	1.2%	4.8%
Japanese Government	JPY	0.8%	0.8%	-0.5%	-2.3%
Australian Government	AUD	0.5%	0.5%	-4.6%	-4.6%
Global Government Bonds	USD	-0.9%	-0.9%	-4.6%	0.2%
Global Bonds	USD	-1.0%	-1.0%	-3.8%	1.7%
Global Convertible Bonds	USD	-2.8%	-2.8%	0.1%	24.5%
Emerging Market Bonds	USD	-1.3%	-1.3%	-6.7%	-3.6%

Performance

Asset Class/Region	Currency				
		Week ending 05 Mar 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	-0.1%	-0.1%	3.9%	-2.7%
Australian Property Securities	AUD	2.8%	2.8%	-4.6%	-14.9%
Asia Property Securities	USD	-1.9%	-1.9%	4.7%	-2.6%
Global Property Securities	USD	-0.7%	-0.7%	1.8%	-2.3%
Currencies					
Euro	USD	-1.4%	-1.4%	-2.6%	6.2%
UK Pound Sterling	USD	-0.9%	-0.9%	1.3%	6.8%
Japanese Yen	USD	-1.5%	-1.5%	-4.6%	-1.9%
Australian Dollar	USD	-0.6%	-0.6%	-0.3%	16.3%
South African Rand	USD	-1.4%	-1.4%	-4.6%	1.6%
Swiss Franc	USD	-2.3%	-2.3%	-5.0%	1.8%
Chinese Yuan	USD	-0.4%	-0.4%	0.5%	6.8%
Commodities & Alternatives					
Commodities	USD	1.7%	1.7%	15.7%	21.9%
Agricultural Commodities	USD	-0.1%	-0.1%	9.4%	36.7%
Oil	USD	4.9%	4.9%	33.9%	38.7%
Gold	USD	-1.9%	-1.9%	-10.2%	2.0%
Hedge funds	USD	-0.4%	-0.4%	1.1%	8.4%

Global Matters Weekly

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