

# The Market Place

- Global equities rose +0.7% last week
- 130 countries and jurisdictions endorsed a new global tax framework that has been in negotiations for many years
- Brent crude was flat for the week remaining at \$76.2 a barrel
- Gold rose 0.3% to \$1787.3 per ounce

## US

US equities rose +1.7% last week

Weekly initial jobless claims fell to a post-pandemic low of 364k against expectations of 388k for the week ending 26th June

ADP's report of private payrolls showed a +692k increase in June vs expectations of +600k

The headline number for nonfarm payrolls was up +850k (vs +720k expected), marking the strongest job growth in 10 months

The unemployment rate ticked up to 5.9%, higher than expectations of +5.6%

The ISM manufacturing reading came in at 60.6, below expectations of 60.9

The US composite PMI fell from 68.7 in May to 63.9 in June. The final manufacturing PMI reading came in at 62.1, revised down slightly from the flash reading of 62.6

Pending home sales were up +8.0% in May (vs -1.0% expected)

## Europe

European equities fell -0.3% last week

The unemployment rate in the Euro Area for May fell to +7.9% (vs +8.0% expected)

Unemployment in Germany fell by a stronger-than-expected -38k in June (vs -20k expected)

The Euro Area composite PMI reading reached a fifteen year high of 59.5 ahead of the 59.2 flash estimate

Meanwhile the manufacturing PMI rose to an all-time high of 63.4. Both Germany and France also saw upward revisions from their flash readings at 65.1 (vs 64.9) and 59.0 (vs 58.6) respectively

June's flash CPI reading for the Euro Area came in at +1.9% as expected, down slightly from its 2-year high of +2.0% last month

## UK

UK equities fell -0.1% last week

Q1's GDP reading was revised to show a larger -1.6% contraction (vs -1.5% previously)

Prime Minister Johnson said that the UK was "very likely" to remove the remaining Covid-19 restrictions on July 19th

The UK's Joint Committee on Vaccination and Immunisation recommended that the elderly and most vulnerable should begin to receive a third dose Covid-19 booster vaccine from September

## Asia / ROW

The benchmark Global Emerging Markets index returned -1.7% last week

Japanese equities fell -0.2% over the week

Chinese equities fell -2.9% last week

China's official June composite PMI softened to 52.9 (vs 54.2 last month) with the services PMI at 53.5, against last month's reading at 55.2 contributing a large part to that softening. The Manufacturing PMI printed broadly in line with expectations at 50.9

China's Caixin manufacturing reading softened to 51.3 missing expectations of 51.9, but remained in expansionary territory

Japan's May retail sales printed at +8.2% year-on-year slightly ahead of expectations of +8.1% year-on-year

Japan's final services PMI came in at 48.0 vs its 47.2 flash reading. The final manufacturing PMI reading improved to 52.4 from the flash reading of 51.5

The Japanese government is planning to extend virus restrictions that are in place in Tokyo and its neighbouring prefectures by about a month, covering the entire duration of the Olympic games as Covid-19 case numbers creep higher



# Performance

Asset Class/Region	Currency				
		Week ending 02 July 2021	Month to date	YTD 2021	12 Months
<b>Developed Market Equities</b>					
United States	USD	1.7%	1.3%	16.5%	40.6%
United Kingdom	GBP	-0.1%	1.2%	12.7%	17.4%
Continental Europe	EUR	-0.3%	0.7%	16.0%	27.1%
Japan	JPY	-0.2%	0.7%	9.6%	29.5%
Asia Pacific (ex Japan)	USD	-1.8%	-1.5%	5.3%	33.4%
Australia	AUD	0.1%	-0.1%	12.8%	24.9%
Global	USD	0.7%	1.0%	14.1%	38.7%
<b>Emerging markets equities</b>					
Emerging Europe	USD	-0.8%	0.8%	15.4%	30.7%
Emerging Asia	USD	-1.9%	-1.8%	4.1%	34.5%
Emerging Latin America	USD	-1.7%	-0.1%	8.8%	39.2%
BRICs	USD	-2.4%	-1.8%	3.4%	26.9%
China	USD	-2.9%	-2.7%	-0.9%	19.4%
MENA countries	USD	0.4%	0.1%	20.4%	40.1%
South Africa	USD	-1.0%	-0.5%	9.9%	34.2%
India	USD	-1.3%	-0.2%	11.0%	51.4%
Global emerging markets	USD	-1.7%	-1.4%	6.0%	34.9%
<b>Bonds</b>					
US Treasuries	USD	0.7%	0.1%	-2.7%	-3.3%
US Treasuries (inflation protected)	USD	0.9%	0.3%	1.9%	6.5%
US Corporate (investment grade)	USD	0.8%	0.2%	-1.1%	2.9%
US High Yield	USD	0.5%	0.2%	3.8%	14.7%
UK Gilts	GBP	0.7%	0.1%	-5.7%	-6.2%
UK Corporate (investment grade)	GBP	0.6%	0.2%	-2.6%	2.7%
Euro Government Bonds	EUR	0.9%	0.3%	-2.7%	0.2%
Euro Corporate (investment grade)	EUR	0.3%	0.1%	-0.3%	3.6%
Euro High Yield	EUR	0.0%	0.0%	3.1%	10.9%
Japanese Government	JPY	0.1%	0.2%	0.0%	0.4%
Australian Government	AUD	0.6%	0.3%	-2.0%	-1.3%
Global Government Bonds	USD	0.2%	0.1%	-4.6%	0.1%
Global Bonds	USD	0.1%	0.1%	-3.4%	1.9%
Global Convertible Bonds	USD	-0.5%	0.2%	1.7%	20.5%
Emerging Market Bonds	USD	0.0%	0.0%	-3.2%	3.3%



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		Week ending 02 July 2021	Month to date	YTD 2021	12 Months
<b>Property</b>					
US Property Securities	USD	-0.7%	0.8%	22.3%	34.9%
Australian Property Securities	AUD	-2.1%	-0.2%	7.5%	21.4%
Asia Property Securities	USD	-1.9%	0.0%	7.1%	12.7%
Global Property Securities	USD	-0.9%	0.7%	14.7%	29.3%
<b>Currencies</b>					
Euro	USD	-0.8%	0.0%	-3.1%	5.5%
UK Pound Sterling	USD	-0.7%	0.0%	1.1%	10.8%
Japanese Yen	USD	-0.4%	-0.1%	-7.1%	-3.3%
Australian Dollar	USD	-1.2%	0.1%	-2.5%	8.4%
South African Rand	USD	-1.0%	0.3%	2.7%	19.0%
Swiss Franc	USD	-0.6%	0.3%	-4.1%	2.5%
Chinese Yuan	USD	-0.3%	-0.2%	0.8%	9.2%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	2.3%	0.8%	29.4%	58.0%
Agricultural Commodities	USD	3.8%	-0.6%	19.2%	54.9%
Oil	USD	0.0%	1.4%	47.0%	76.6%
Gold	USD	0.3%	0.8%	-5.7%	0.6%
Hedge funds	USD	0.0%	0.1%	4.1%	12.0%

# Global Matters Weekly

5 July 2021

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