

# The Market Place

- Global equity markets returned -0.7% last week as lockdown measures escalate in key markets
- The US is to begin administering the Pfizer/BioNTech vaccine imminently as daily deaths top 3000
- Brent crude oil rose +1.5% to \$49.9 a barrel
- Gold rose +0.1% to \$1838.9 per ounce

## US

The major US equity index fell -1.0% last week.

U.S. stimulus package hit another obstacle as Senate Majority Leader Mitch McConnell's staff said key portions of a compromise proposal from a bipartisan group of lawmakers aren't likely to get backing from a majority of Republicans. The group is expected to propose a \$908 billion pandemic relief bill.

Unemployment insurance weekly initial claims were 853K for the week ending 5th December (+137K ahead of the prior week). Insured unemployment claims were 5,757K for the week ending 28th November (+230K on the previous week).

November PPI reading (Producer prices) rose +0.1% month-over-month (as expected) after a +0.3% monthly rise in October. Core PPI rose +0.1% (+0.2% expected) from a month earlier and was up +1.4% (+1.5% expected) from a year ago.

## Europe

European equities fell -0.7% last week on concerns about the rising numbers of coronavirus cases and uncertainty surrounding a post-Brexit trade deal and U.S. stimulus measures.

EU leaders passed a historic EUR1.8 trillion budget which includes a EUR 750 billion coronavirus recovery fund as Poland and Hungary lifted their vetoes. The EU's emergency asset purchase program is also to be extended to March 2022.

Germany will enter a hard lockdown from Wednesday with non-essential stores closed, employers urged to close workplaces and school children encouraged to remain at home, according to draft proposals.

## UK

UK equities ended the week down -0.1%.

The UK and Singapore have signed a free trade agreement to replace the existing EU deal as Brexit nears.

The pound fell -1.6% over the course of the week against the US dollar, its worst weekly performance since early September.

The Rightmove House Prices MoM came in at -0.6% for November vs -0.5% for October with the YoY standing at 6.6% vs 6.3% in October.

Brexit talks are set to continue following a joint statement from PM Boris Johnson and the EU's Ursula von der Leyen yesterday. There was no new deadline announced this time, suggesting some progress is still expected to be made.

## Asia / ROW

Japanese equities rose +0.3% last week.

Chinese equities fell -1.2% last week.

Japanese PM Suga announced a third round of stimulus measures last week totalling JPY 73.6 Billion. The wide-ranging package will address issues from reducing carbon emissions to dealing with the fallout from the pandemic.

China's November exports climbed an unexpectedly large 21.1% from a year earlier, marking the strongest growth since February 2018.



# Performance

Asset Class/Region	Currency				
		Week ending 11 Dec 2020	Month to date	YTD 2020	12 Months
<b>Developed Market Equities</b>					
United States	USD	-1.0%	1.2%	14.8%	18.1%
United Kingdom	GBP	-0.1%	4.5%	-11.9%	-7.9%
Continental Europe	EUR	-0.7%	-0.2%	-0.6%	1.2%
Japan	JPY	0.3%	1.5%	5.9%	6.5%
Asia Pacific (ex Japan)	USD	0.4%	3.7%	19.0%	24.6%
Australia	AUD	0.1%	1.9%	2.1%	1.3%
Global	USD	-0.7%	1.5%	12.9%	16.1%
<b>Emerging markets equities</b>					
Emerging Europe	USD	3.5%	9.9%	-13.0%	-7.9%
Emerging Asia	USD	0.3%	3.7%	24.4%	31.2%
Emerging Latin America	USD	1.9%	9.8%	-15.4%	-10.8%
BRICs	USD	0.1%	2.5%	14.6%	20.7%
China	USD	-1.2%	0.0%	26.0%	33.5%
MENA countries	USD	0.4%	0.6%	-2.7%	0.4%
South Africa	USD	0.7%	5.9%	-7.3%	1.8%
India	USD	1.9%	4.6%	8.4%	10.0%
Global emerging markets	USD	0.5%	4.4%	15.0%	21.5%
<b>Bonds</b>					
US Treasuries	USD	0.7%	-0.2%	8.4%	7.8%
US Treasuries (inflation protected)	USD	0.5%	0.4%	10.7%	10.4%
US Corporate (investment grade)	USD	0.3%	-0.3%	9.1%	9.1%
US High Yield	USD	0.2%	1.0%	6.1%	7.5%
UK Gilts	GBP	2.9%	2.1%	9.5%	8.9%
UK Corporate (investment grade)	GBP	1.7%	1.7%	8.9%	9.2%
Euro Government Bonds	EUR	0.7%	0.5%	5.5%	4.6%
Euro Corporate (investment grade)	EUR	0.4%	0.4%	3.0%	2.8%
Euro High Yield	EUR	0.0%	0.6%	2.1%	2.7%
Japanese Government	JPY	0.2%	0.2%	-0.8%	-0.5%
Australian Government	AUD	0.1%	-0.5%	4.3%	2.8%
Global Government Bonds	USD	0.6%	0.6%	9.1%	9.0%
Global Bonds	USD	0.4%	0.6%	8.8%	9.0%
Global Convertible Bonds	USD	0.0%	1.4%	21.9%	24.5%
Emerging Market Bonds	USD	0.0%	0.4%	5.5%	7.1%

# Performance

Asset Class/Region	Currency				
		Week ending 11 Dec 2020	Month to date	YTD 2020	12 Months
<b>Property</b>					
US Property Securities	USD	-2.5%	1.0%	-10.6%	-9.5%
Australian Property Securities	AUD	-2.0%	-1.2%	-8.3%	-11.7%
Asia Property Securities	USD	-0.6%	-0.5%	-11.6%	-8.7%
Global Property Securities	USD	-1.4%	0.9%	-9.3%	-7.2%
<b>Currencies</b>					
Euro	USD	-0.2%	1.4%	7.9%	9.2%
UK Pound Sterling	USD	-1.8%	-1.0%	-0.3%	0.4%
Japanese Yen	USD	0.2%	0.4%	4.5%	4.6%
Australian Dollar	USD	1.3%	2.4%	7.2%	9.7%
South African Rand	USD	0.2%	1.9%	-7.7%	-2.9%
Swiss Franc	USD	0.1%	1.8%	8.6%	10.8%
Chinese Yuan	USD	-0.2%	0.5%	6.4%	7.5%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	1.0%	1.7%	-11.3%	-8.1%
Agricultural Commodities	USD	1.5%	0.9%	9.5%	14.2%
Oil	USD	1.5%	5.0%	-24.3%	-21.6%
Gold	USD	0.1%	3.5%	20.8%	25.1%
Hedge funds	USD	0.2%	0.9%	5.1%	6.1%

# Global Matters Weekly

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