

# The Market Place

- Global equities rose 0.5% last week
- The G7 group has pledged to deliver at least 1 billion extra doses of vaccines over the next year to help cover 80% of the world's adult population
- Brent crude rose +1.1% to \$72.7 a barrel
- Gold fell -0.7% last week to \$1877.5 per ounce

## US

US equities rose +0.4% last week with the major index hitting a new all-time high last Thursday. Defensive stocks outperformed whilst cyclical, notably banks, fell

The headline inflation print came in at +5.0% over the past year, a 13-year high

CPI increased by +0.6% in May (vs. +0.5% expected) April and May delivered the strongest months for inflation in the last decade. Core CPI (excluding food and energy) rose to +3.8% on a year-on-year basis (vs. +3.5% expected)

US treasury yields fell for most of the week after the Federal Reserve announced that monetary policy would remain highly accommodative for the foreseeable future

Joe Biden struck a balanced tone at the G7 summit, encouraging US allies to take a harder stance towards China but at the same time ministers from China and the US have "agreed to promote the healthy development of pragmatic cooperation in trade and investment"

## Europe

European equities rose +1.3% last week, the fourth consecutive week of gains

Last week's ECB meeting left interest rates unchanged as expected and announced they would continue to their bond buying program over the coming quarter "at a significantly higher pace than during the first months of the year"

German industrial production fell by 1% in April whilst factory orders decreased by 0.2% in the same period

The ECB upgraded their inflation profile for the next couple of years, expecting the HICP (Harmonized Index of Consumer Prices) to rise by +1.9% in 2021 and 1.5% in 2022 (vs. +1.5% for 2021 and +1.2% for 2022 expected)

## UK

UK equities rose 0.8% last week

The UK Pensions Regulator has warned that dividends could be suspended for firms badly affected by Covid-19 if they have large pension shortfalls

UK Covid cases rose to their highest levels since the end of February. 96% of new cases are the delta variant. Prime minister Boris Johnson is expected to delay the re-opening of remaining sectors of the economy for at least four weeks later today

UK ministers are said to be considering lifting tariffs on hybrid and electric cars to encourage the country's transformation into a carbon-free economy

The RICS House Price Index for May came in at 83 vs 77 expected

## Asia / ROW

The benchmark Global Emerging Markets index returned 0.1% last week

Japanese equities fell -0.3% last week

Chinese equities fell -0.6%

Japan's May Producer Price Index reading came in at +4.9% year-on-year (vs. +4.5% expected), the highest reading since 2008

Japan's Q1 GDP contracted by less than initially estimated. The economy contracted by an annualized -3.9% from the final quarter of 2020, compared with a preliminary reading of -5.1%

China's PPI reading came in at +9% year-on-year. The People's Bank of China Governor Yi Gang said that he expects Chinese CPI to be below 2% yoy this year, lower than the government's target of 3%



# Performance

Asset Class/Region	Currency				
		Week ending 11 June 2021	Month to date	YTD 2021	12 Months
<b>Developed Market Equities</b>					
United States	USD	0.4%	1.1%	13.6%	43.1%
United Kingdom	GBP	0.8%	1.6%	12.7%	20.5%
Continental Europe	EUR	1.3%	2.8%	16.0%	33.4%
Japan	JPY	-0.3%	1.6%	9.4%	25.6%
Asia Pacific (ex Japan)	USD	0.1%	0.2%	7.3%	41.2%
Australia	AUD	0.2%	2.1%	12.7%	26.4%
Global	USD	0.5%	1.3%	12.8%	41.9%
<b>Emerging markets equities</b>					
Emerging Europe	USD	1.5%	4.2%	17.2%	31.5%
Emerging Asia	USD	0.2%	0.0%	6.0%	43.1%
Emerging Latin America	USD	-0.7%	3.4%	9.6%	36.6%
BRICs	USD	-0.2%	0.3%	4.9%	35.9%
China	USD	-0.6%	-1.2%	0.5%	30.0%
MENA countries	USD	0.6%	1.7%	19.9%	38.7%
South Africa	USD	-2.5%	-1.3%	18.3%	50.7%
India	USD	0.4%	0.5%	13.4%	68.0%
Global emerging markets	USD	0.1%	0.5%	7.8%	41.9%
<b>Bonds</b>					
US Treasuries	USD	0.5%	0.7%	-2.9%	-3.6%
US Treasuries (inflation protected)	USD	0.2%	0.4%	1.2%	6.6%
US Corporate (investment grade)	USD	0.9%	1.1%	-1.8%	3.7%
US High Yield	USD	0.5%	0.8%	3.0%	14.1%
UK Gilts	GBP	1.0%	0.7%	-5.8%	-7.0%
UK Corporate (investment grade)	GBP	0.7%	0.7%	-3.0%	2.7%
Euro Government Bonds	EUR	0.6%	0.8%	-2.7%	1.2%
Euro Corporate (investment grade)	EUR	0.3%	0.5%	-0.3%	3.8%
Euro High Yield	EUR	0.4%	0.7%	3.2%	11.7%
Japanese Government	JPY	0.4%	0.3%	0.1%	-0.3%
Australian Government	AUD	1.2%	1.3%	-2.0%	-1.4%
Global Government Bonds	USD	0.3%	0.3%	-3.6%	0.5%
Global Bonds	USD	0.3%	0.2%	-2.6%	2.6%
Global Convertible Bonds	USD	0.5%	0.5%	1.6%	23.7%
Emerging Market Bonds	USD	1.5%	1.7%	-2.4%	5.6%



# Performance

Asset Class/Region	Currency				
		Week ending 11 Jun 2021	Month to date	YTD 2021	12 Months
<b>Property</b>					
US Property Securities	USD	3.0%	6.0%	25.3%	42.8%
Australian Property Securities	AUD	2.5%	5.1%	8.8%	23.0%
Asia Property Securities	USD	2.3%	3.2%	10.9%	15.5%
Global Property Securities	USD	2.2%	4.2%	17.7%	34.8%
<b>Currencies</b>					
Euro	USD	-0.5%	-1.1%	-1.0%	6.5%
UK Pound Sterling	USD	-0.4%	-0.7%	3.3%	11.7%
Japanese Yen	USD	-0.2%	-0.2%	-5.8%	-2.7%
Australian Dollar	USD	-0.5%	-0.5%	0.1%	12.0%
South African Rand	USD	-2.2%	0.0%	6.7%	24.6%
Swiss Franc	USD	0.0%	0.0%	-1.6%	4.4%
Chinese Yuan	USD	-0.1%	-0.4%	2.0%	10.4%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	0.7%	3.2%	27.8%	62.4%
Agricultural Commodities	USD	-0.5%	2.6%	22.1%	59.9%
Oil	USD	1.1%	4.9%	40.3%	88.6%
Gold	USD	-0.7%	-1.5%	-0.9%	8.7%
Hedge funds	USD	0.2%	0.5%	4.0%	13.1%



# Global Matters Weekly

14 June 2021

For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited  
研富投資服務有限公司  
9th Floor, Centre Mark II  
305-313 Queen's Road Central  
Sheung Wan, Hong Kong

Tel +852 2827 1199  
Fax +852 2827 0270  
belvest@bis.hk  
[www.bis.hk](http://www.bis.hk)

## Important notes

This communication is issued by Belvest Investment Services Limited and/or Belvest related companies (collectively, and individually Belvest) solely to its clients, qualified prospective clients or institutional and professional investors. Unless stated otherwise, any opinions or views expressed in this communication do not represent those of Belvest. Opinions or views of any Belvest company expressed in this communication may differ from those of other departments or companies within Belvest, including any opinions or views expressed in any research issued by Belvest. Belvest may deal as Distributor or Agent, or have interests, in any financial product referred to in this email. Belvest has policies designed to negate conflicts of interest. Unless otherwise stated, this e-mail is solely for information purposes.

This message may contain confidential information. Any use, dissemination, distribution or reproduction of this information outside the original recipients of this message is strictly prohibited. If you receive this message by mistake, please notify the sender by reply email immediately.

Unless specifically stated, neither the information nor any opinion contained herein constitutes as an advertisement, an invitation, a solicitation, a recommendation or advise to buy or sell any products, services, securities, futures, options, other financial instruments or provide any investment advice or service by Belvest.

No representation or warranty is given as to the accuracy, likelihood of achievement or reasonableness of any figures, forecasts, prospects or return (if any) contained in the message. Such figures, forecasts, prospects or returns are by their nature subject to significant uncertainties and contingencies. The assumptions and parameters used by Belvest are not the only ones that might reasonably have been selected and therefore Belvest does not guarantee the sequence, accuracy, completeness or timeliness of the information provided herein. None of Belvest, its group members or any of their employees or directors shall be held liable, in any way, for any claims, mistakes, errors or otherwise arising out of or in connection with the content of this e-mail.

This e-mail and any accompanying attachments are not encrypted and cannot be guaranteed to be secure, complete or error-free as electronic communications may be intercepted, corrupted, lost, destroyed, delayed or incomplete, and/or may contain viruses. Belvest therefore does not accept any liability for any interception, corruption, loss, destruction, incompleteness, viruses, errors, omissions or delays in relation to this electronic communication. If verification is required please request a hard-copy version. Electronic communication carried within the Belvest system may be monitored.