

The Market Place

- Global equities fell -0.1% last week
- US inflation hit 7% in December as prices climbed at rates unseen for decades
- Brent crude returned 5.3% over the week to \$86.1 a barrel
- Gold returned 1.2% to \$1817.9 per ounce

US

US equities fell -0.3% last week

Headline inflation hit its highest level since 1982 at 7.0% year-on-year. The month-on-month reading came in at 0.5% in December vs 0.4% expected, marking a deceleration from the prior monthly gains in October and November

The core CPI reading was slightly stronger than anticipated with the monthly print at 0.6% vs 0.5% expected, sending the annual core CPI reading up to 5.5%, its highest level since 1991

PPI came in at 0.2% in December vs expectations of 0.4%, the slowest increase since November 2020, leaving the year-on-year measure at 9.7%

Initial unemployment claims totalled 230k in the week ending 8th January, up 23k from the prior period

Retail sales declined -1.9% month-on-month in December, well below consensus expectations

Europe

European equities returned -1.4% last week

The Euro Area unemployment rate in November fell to its lowest level since March 2020, at 7.2% in line with expectations

The Italian unemployment rate for November fell to 9.2% vs expectations of 9.3%

Industrial production in the Euro Area grew by 2.3% in November, beating expectations of 0.3%

German GDP grew 2.7% over 2021, despite shrinking in Q4, driven by strong government spending, net exports and investment

UK

UK equities rose 1.0% last week

GDP grew by 0.9% in November, while overall GDP grew by 1.1% in the three months to November

There were further signs last week that the Omicron wave in the UK was easing

Asia / ROW

The benchmark Global Emerging Markets index returned 2.6% last week

Japanese equities fell -0.9% over the week

Chinese equities returned 2.9% last week

Chinese exports went up 20.9% year-on-year in December vs expectations of a 20.0% increase, whereas imports in December rose 19.5% year-on-year vs expectations of 28.5%

China locked down its central Henan province as the city registered the most Covid cases nationwide

Japan's Prime Minister Fumio Kishida announced an extension on its strict border restrictions up until late February to prevent the spread of the Omicron variant

Producer prices in China advanced less than expected 10.3% year-on-year while consumer prices increased +1.5% year-on-year, down from 2.3% in November

The Bank of Korea lifted borrowing costs by 0.25% to 1.25% amidst increasing inflationary pressures, taking the benchmark rate back to pre-pandemic levels



Performance

Asset Class/Region	Currency				
		Week ending 14 Jan 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	-0.3%	-2.4%	-2.1%	24.1%
United Kingdom	GBP	1.0%	2.4%	2.7%	16.4%
Continental Europe	EUR	-1.4%	-2.2%	-2.1%	18.9%
Japan	JPY	-0.9%	-0.7%	-0.7%	7.8%
Asia Pacific (ex Japan)	USD	2.1%	2.0%	1.4%	-7.1%
Australia	AUD	-0.8%	-1.6%	-0.7%	14.2%
Global	USD	-0.1%	-1.9%	-1.8%	17.5%
Emerging markets equities					
Emerging Europe	USD	-2.2%	-2.1%	-2.0%	4.9%
Emerging Asia	USD	2.4%	2.7%	1.8%	-9.5%
Emerging Latin America	USD	5.0%	3.8%	3.8%	-8.3%
BRICs	USD	2.6%	3.3%	1.8%	-14.4%
China	USD	2.9%	3.2%	1.2%	-25.1%
MENA countries	USD	4.4%	5.5%	5.5%	32.0%
South Africa	USD	4.7%	6.8%	6.9%	8.9%
India	USD	2.7%	6.6%	5.8%	24.7%
Global emerging markets	USD	2.6%	2.9%	2.1%	-6.3%
Bonds					
US Treasuries	USD	-0.1%	-1.5%	-1.6%	-2.8%
US Treasuries (inflation protected)	USD	-0.3%	-2.7%	-2.7%	3.8%
US Corporate (investment grade)	USD	-0.4%	-2.2%	-2.4%	-2.1%
US High Yield	USD	0.1%	-0.9%	-0.9%	4.0%
UK Gilts	GBP	0.5%	-1.5%	-1.7%	-5.6%
UK Corporate (investment grade)	GBP	0.3%	-0.8%	-0.9%	-3.4%
Euro Government Bonds	EUR	0.2%	-0.5%	-0.5%	-3.8%
Euro Corporate (investment grade)	EUR	-0.2%	-0.6%	-0.6%	-1.7%
Euro High Yield	EUR	-0.1%	0.0%	0.0%	3.0%
Japanese Government	JPY	-0.1%	-0.5%	-0.5%	-0.6%
Australian Government	AUD	0.0%	-1.1%	-0.9%	-3.6%
Global Government Bonds	USD	0.6%	-0.5%	-0.7%	-6.1%
Global Bonds	USD	0.3%	-0.7%	-0.9%	-5.5%
Global Convertible Bonds	USD	-0.1%	-1.4%	-1.4%	-6.5%
Emerging Market Bonds	USD	-1.2%	-3.5%	-3.7%	-6.1%



Performance

Asset Class/Region	Currency				
		Week ending 14 Jan 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	-0.8%	-3.8%	-4.0%	37.8%
Australian Property Securities	AUD	-3.9%	-7.5%	-6.0%	18.8%
Asia Property Securities	USD	0.2%	0.7%	0.8%	-3.1%
Global Property Securities	USD	-0.4%	-2.4%	-2.6%	20.5%
Currencies					
Euro	USD	0.4%	0.8%	0.1%	-6.3%
UK Pound Sterling	USD	0.6%	1.3%	0.9%	-0.2%
Japanese Yen	USD	1.3%	0.9%	0.8%	-9.2%
Australian Dollar	USD	0.3%	-0.7%	-1.0%	-7.6%
South African Rand	USD	1.0%	3.4%	3.3%	-2.5%
Swiss Franc	USD	0.5%	0.0%	-0.3%	-3.0%
Chinese Yuan	USD	0.4%	0.3%	0.1%	1.9%
Commodities & Alternatives					
Commodities	USD	2.8%	4.1%	4.9%	40.5%
Agricultural Commodities	USD	-0.6%	0.0%	0.5%	29.3%
Oil	USD	5.3%	8.5%	10.6%	52.5%
Gold	USD	1.2%	0.2%	-0.6%	-2.0%
Hedge funds	USD	-0.1%	-0.7%	-0.7%	2.1%



Global Matters Weekly

17 January 2022

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

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.