

The Market Place

- Global equities rallied +1.9% last week
- U.S. labour surprised despite rising Covid cases
- Brent crude rose +3.6% to \$90.0 a barrel
- Gold rose +0.9% to \$ 1791.5

US

Benchmark U.S. equities rallied +1.6%. Metal, Mining and Oil & Gas outperformed, whilst Communication Services and Homebuilders underperformed

January Nonfarm Payrolls increased to 467k, beating the 125k estimate

Average hourly earnings rose 5.7%, which spiked US yields from 1.82 to 1.9. However, the January unemployment rate of 4% came in higher than the 3.9% estimates

Europe

European equities fell -0.6% last week on rate jitters. Banks and Oil & Gas outperformed, whilst Retail and Chemicals underperformed

President Christine Lagarde faced pressure to push back on market expectations for rate hikes this year but was instead unexpectedly hawkish. There was no repeat of her December line that a rate hike in 2022 is "very unlikely". She said that risks to the inflation outlook are tilted to the upside, particularly in the short term. The ECB left interest rates and plans for its bond-buying programs unchanged for now, with Lagarde nodding to new projections in March

Lagarde's words pushed the euro higher, euro-area bond yields extended gains and money markets pulled forward bets for a rate hike

German January manufacturing PMI came in at 59.8 (vs the 60.5 estimates)

UK

U.K. equities rose +0.6% last week

The Bank of England raised its benchmark interest rate a quarter-point to 0.5% in the first back-to-back increase since 2004, yet four dissenters would have preferred a more significant move to 0.75%.

Governor Andrew Bailey said the hit to households from the cost-of-living crisis and the rate rise was unavoidable. The central bank also committed to reducing its bond holdings, including fully unwinding its stock of corporate bonds. Which saw the 10-year Gilt yield from 1.27 to 1.37

January manufacturing PMI of 57.3 was better than the 56.9 estimated

Asia / ROW

The benchmark Global Emerging Markets index rose +2.5%. After a three-day break, Hong Kong led Asian shares higher, China was closed due to the Lunar New Year

Japanese equities rose +2.9% last week

Japan is expected to relax border controls this week

Emmanuel Macron will visit Russia and Ukraine this week. US lawmakers are rushing to draft a new round of potential sanctions on Russia intended to deter any aggression against Ukraine despite Moscow repeatedly denying plans to attack

The Royal Bank of Australia scrapped its QE program while saying it will otherwise remain "patient" as it monitors inflation



Performance

Asset Class/Region	Currency				
		Week ending 4 Feb 2022	Month to date	YTD 2022	12 Months
Developed Market Equities					
United States	USD	1.6%	1.6%	-5.5%	17.4%
United Kingdom	GBP	0.6%	0.6%	2.7%	22.0%
Continental Europe	EUR	-0.6%	-0.6%	-6.3%	13.6%
Japan	JPY	2.9%	2.9%	-3.1%	5.7%
Asia Pacific (ex Japan)	USD	2.9%	2.9%	-2.3%	-12.0%
Australia	AUD	1.9%	1.9%	-4.4%	9.2%
Global	USD	1.9%	1.9%	-5.2%	12.6%
Emerging markets equities					
Emerging Europe	USD	2.3%	2.3%	-5.4%	7.9%
Emerging Asia	USD	2.9%	2.9%	-2.1%	-15.1%
Emerging Latin America	USD	1.3%	1.3%	6.6%	1.5%
BRICs	USD	3.7%	3.7%	-0.4%	-19.3%
China	USD	4.6%	4.6%	-1.0%	-31.4%
MENA countries	USD	-0.1%	-0.1%	6.1%	34.8%
South Africa	USD	4.0%	4.0%	6.9%	5.0%
India	USD	3.0%	3.0%	0.8%	16.4%
Global emerging markets	USD	2.5%	2.5%	-0.8%	-10.2%
Bonds					
US Treasuries	USD	-0.9%	-0.9%	-2.6%	-3.6%
US Treasuries (inflation protected)	USD	-1.5%	-1.5%	-3.9%	1.8%
US Corporate (investment grade)	USD	-1.2%	-1.2%	-4.5%	-4.0%
US High Yield	USD	-0.3%	-0.3%	-3.1%	1.1%
UK Gilts	GBP	-1.6%	-1.6%	-4.6%	-6.7%
UK Corporate (investment grade)	GBP	-2.5%	-2.5%	-5.0%	-6.4%
Euro Government Bonds	EUR	-2.1%	-2.1%	-2.8%	-5.5%
Euro Corporate (investment grade)	EUR	-1.9%	-1.9%	-2.9%	-3.7%
Euro High Yield	EUR	-1.5%	-1.5%	-2.7%	-0.4%
Japanese Government	JPY	-0.4%	-0.4%	-1.1%	-1.0%
Australian Government	AUD	0.0%	0.0%	-1.5%	-3.6%
Global Government Bonds	USD	-0.5%	-0.5%	-2.4%	-6.6%
Global Bonds	USD	-0.4%	-0.4%	-2.6%	-6.2%
Global Convertible Bonds	USD	1.5%	1.5%	-4.4%	-10.0%
Emerging Market Bonds	USD	-0.4%	-0.4%	-4.4%	-7.0%



Performance

Asset Class/Region	Currency				
		Week ending 4 Feb 2022	Month to date	YTD 2022	12 Months
Property					
US Property Securities	USD	-0.2%	-0.2%	-8.3%	26.2%
Australian Property Securities	AUD	2.6%	2.6%	-8.4%	14.8%
Asia Property Securities	USD	1.5%	1.5%	2.2%	-1.5%
Global Property Securities	USD	0.4%	0.4%	-5.6%	15.1%
Currencies					
Euro	USD	2.7%	2.7%	0.6%	-4.2%
UK Pound Sterling	USD	1.1%	1.1%	0.0%	-0.9%
Japanese Yen	USD	0.0%	0.0%	-0.2%	-8.5%
Australian Dollar	USD	1.1%	1.1%	-2.9%	-6.9%
South African Rand	USD	1.2%	1.2%	3.1%	-2.8%
Swiss Franc	USD	0.7%	0.7%	-1.5%	-2.3%
Chinese Yuan	USD	0.0%	0.0%	-0.1%	1.7%
Commodities & Alternatives					
Commodities	USD	2.6%	2.6%	11.3%	46.2%
Agricultural Commodities	USD	1.2%	1.2%	4.7%	34.3%
Oil	USD	3.6%	3.6%	19.9%	58.5%
Gold	USD	0.9%	0.9%	-1.1%	1.1%
Hedge funds	USD	0.5%	0.5%	-1.3%	1.2%



Global Matters Weekly

7 February 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 therefor 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.