

# The Market Place

- Global equities fell -1.9% last week
- The Federal Reserve struck a more hawkish tone at last week's FOMC meeting
- Brent crude oil rose +1.1% to \$73.5 a barrel, hitting its highest level in more than two years
- Gold fell -6.0% last week to \$1764.2 per ounce

## US

US equities fell -1.9% last week

10yr treasury yields rose following the hawkish FOMC announcement last week before falling again. Median expectations are now for two interest rate hikes in 2023 according to the dot plot

The Federal Reserve increased their core PCE (personal consumption expenditure) forecasts for 2022 to 2.1% from 2.0%, while 2023's projection remained at 2.1%

US retail sales missed expectations in May with a -1.3% contraction (vs. -0.8% expected), though the previous month's growth was revised 0.9pp higher to +0.9%

US producer prices rose by a stronger-than-anticipated +6.6% over the last year (vs. +6.2% expected)

The Philadelphia Fed's manufacturing business outlook survey showed the Prices Paid diffusion index rise to 80.7- its highest level since 1979. The current Prices Received index rose to 49, the highest level since 1980

Weekly initial jobless claims for the week ending June 12 unexpectedly rose to 412k (vs. 360k expected)

## Europe

European equities fell -0.9% last week

Core eurozone government bond yields rose after the Federal Reserve's signal to begin raising interest rates in 2023. However, dovish comments from the European Central Bank reinforcing their commitment to ongoing quantitative easing helped to moderate the move

Eurozone industrial production was stronger than expected in April, rising 0.8% sequentially and 39.3% year over year, as the output of consumer goods more than doubled

The EU and the US came to an agreement at last week's summit on a 5-year tariff truce over aircraft subsidies for Airbus and Boeing

The German Chancellery Minister Braun estimates that the country has surpassed 50% of the population having had at least one jab against Covid-19

## UK

UK equities fell -1.5% last week

The UK CPI reading surprised to the upside at +2.1% (vs. +1.8% expected), whilst core inflation comfortably beat expectations at +2.0% (vs. +1.5% expected). CPI was above the BoE's 2% target for the first time in almost two years

Payrolls rose for a sixth consecutive month with a +197k increase in May relative to April, though it still stands at -553k below its pre-pandemic level

80% of the UK adult population have now received a first vaccine dose

## Asia / ROW

The benchmark Global Emerging Markets index fell -1.5% last week

Japanese equities fell -0.4% on the week

Chinese equities fell -1% last week, their third weekly decline

China's retail sales missed expectations, with year-on-year growth of +12.4% (vs. +14.0% expected), while industrial production was up +8.8% year-on-year (vs. +9.2% expected)

The US Federal Communication Commission has proposed a ban on products from Huawei and four other Chinese electronics companies due to security concerns

Japan's May CPI came in at -0.1% year-on-year (vs. -0.2% yoy expected) while the core CPI printed in line with expectations at +0.1% yoy



# Performance

Asset Class/Region	Currency				
		Week ending 18 June 2021	Month to date	YTD 2021	12 Months
<b>Developed Market Equities</b>					
United States	USD	-1.9%	-0.8%	11.5%	35.2%
United Kingdom	GBP	-1.5%	0.0%	10.9%	15.9%
Continental Europe	EUR	-0.9%	1.8%	14.9%	28.0%
Japan	JPY	-0.4%	1.2%	8.9%	25.6%
Asia Pacific (ex Japan)	USD	-1.3%	-1.2%	5.9%	38.8%
Australia	AUD	0.8%	2.9%	13.6%	27.9%
Global	USD	-1.9%	-0.7%	10.6%	35.3%
<b>Emerging markets equities</b>					
Emerging Europe	USD	-2.7%	1.3%	14.0%	29.6%
Emerging Asia	USD	-1.2%	-1.2%	4.7%	40.3%
Emerging Latin America	USD	-1.5%	1.8%	7.9%	39.2%
BRICs	USD	-1.1%	-0.8%	3.7%	32.5%
China	USD	-1.0%	-2.2%	-0.5%	25.3%
MENA countries	USD	0.4%	2.1%	20.4%	38.5%
South Africa	USD	-6.5%	-7.8%	10.6%	42.1%
India	USD	-1.9%	-1.4%	11.3%	62.2%
Global emerging markets	USD	-1.5%	-0.9%	6.2%	39.5%
<b>Bonds</b>					
US Treasuries	USD	0.2%	0.9%	-2.8%	-3.1%
US Treasuries (inflation protected)	USD	-0.3%	0.0%	0.9%	6.4%
US Corporate (investment grade)	USD	0.6%	1.7%	-1.2%	3.5%
US High Yield	USD	-0.1%	0.7%	3.0%	12.8%
UK Gilts	GBP	0.2%	0.8%	-5.7%	-5.8%
UK Corporate (investment grade)	GBP	0.0%	0.7%	-3.0%	2.9%
Euro Government Bonds	EUR	-0.4%	0.4%	-3.1%	0.3%
Euro Corporate (investment grade)	EUR	-0.1%	0.4%	-0.4%	3.5%
Euro High Yield	EUR	-0.1%	0.6%	3.1%	10.7%
Japanese Government	JPY	-0.2%	0.1%	-0.1%	-0.2%
Australian Government	AUD	-0.7%	0.6%	-2.7%	-2.4%
Global Government Bonds	USD	-1.0%	-0.7%	-4.5%	0.2%
Global Bonds	USD	-1.0%	-0.7%	-3.5%	2.1%
Global Convertible Bonds	USD	-0.5%	0.0%	1.1%	21.1%
Emerging Market Bonds	USD	-0.4%	1.3%	-2.8%	4.5%



# Performance

Asset Class/Region	Currency				
		Week ending 18 Jun 2021	Month to date	YTD 2021	12 Months
<b>Property</b>					
US Property Securities	USD	-3.6%	2.2%	20.8%	31.5%
Australian Property Securities	AUD	-0.3%	4.8%	8.4%	21.9%
Asia Property Securities	USD	-1.9%	1.2%	8.8%	13.5%
Global Property Securities	USD	-3.1%	1.0%	14.0%	27.3%
<b>Currencies</b>					
Euro	USD	-1.8%	-2.9%	-2.9%	6.1%
UK Pound Sterling	USD	-2.0%	-2.7%	1.2%	11.3%
Japanese Yen	USD	-0.5%	-0.7%	-6.3%	-3.0%
Australian Dollar	USD	-2.6%	-3.1%	-2.6%	9.6%
South African Rand	USD	-4.0%	-4.0%	2.4%	22.0%
Swiss Franc	USD	-2.4%	-2.5%	-4.0%	3.3%
Chinese Yuan	USD	-0.8%	-1.3%	1.1%	9.9%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	-3.2%	0.0%	23.7%	54.5%
Agricultural Commodities	USD	-5.0%	-2.5%	16.0%	53.2%
Oil	USD	1.1%	6.0%	41.9%	77.1%
Gold	USD	-6.0%	-7.5%	-6.9%	2.4%
Hedge funds	USD	-0.4%	0.2%	3.7%	12.0%

# Global Matters Weekly

21 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.