

The Market Place

- Global equities fell -1.4% last week
- The delta variant of coronavirus continues to weigh on investor sentiment, not helped by reports of weakening vaccine efficacy
- Brent crude fell -7.7% over the week to \$65.2 a barrel
- Gold rose 0.1% to \$1781 per ounce

US

US equities fell -0.6% last week

Retail sales fell by -1.1% in July vs -0.3% expected with industrial production more robust with growth of +0.9% against expectations of +0.5%

Weekly initial jobless claims for the week through August 14th fell to a post-pandemic low of 348k (vs 364k expected), with the 4-week moving average also at a post-pandemic low

Housing starts fell to an annualised rate of 1.534m (vs expectations of 1.6m), hitting a three-month low. However, building permits rose after three consecutive declines to an annualised 1.635m, slightly ahead of expectations of 1.61m

The University of Michigan's preliminary consumer sentiment index for August fell to its lowest level in nearly a decade

The Empire State manufacturing survey fell sharply to 18.3 in August from 43 in July, missing the market expectations of 28.5

The Philadelphia Fed's manufacturing business outlook survey saw the diffusion index for current activity drop to 19.4 in August (vs 23.1 expected), marking its fourth consecutive decline. Moreover, the current prices received index rose to 53.9, its highest level since May 1974

Covid booster shots will begin from next month with a plan to begin offering them from September 20th subject to an FDA evaluation and CDC recommendation

Europe

European equities fell -1.3% last week

There are now less than 5 weeks to go until the federal election in Germany which will come into increasing focus over the next month ahead given the implications for the EU as well as domestic policy

The Eurozone July CPI reading came in at 2.2% year-on-year, meeting the flash expectations

UK

UK equities fell -1.6% last week

July CPI came in at 2.0% year-on-year, below expectations of 2.3%. Core CPI similarly came in weaker than expectations at 1.8% falling short of expectations of 2.0%. One area of buoyancy was house prices, which advanced 13.2% year-on-year in June, its fastest annual rise since 2004

The unemployment rate in the 3 months to June fell to 4.7% vs expectations of 4.8%

The number of payrolled employees was up +182k in July, marking the eighth consecutive increase but job vacancies in July rose to a record high of 953k

Asia / ROW

The benchmark Global Emerging Markets index returned -4.6% last week

Japanese equities fell -3.9% over the week

Chinese equities fell -7.8% last week with continued concerns around regulatory interventions

Japan's flash composite PMI reading fell to 45.9 from 48.8 last month as Covid restrictions extended to more regions. Much of that decline came from a drop in the services PMI (43.5 vs 47.4 last month) whereas manufacturing remained relatively stable (52.4 vs 53.0 last month)

Australia's flash composite PMI reading was 43.3 vs 44.2 last month, remaining in contractionary territory amidst a worsening Covid situation there as well

Performance

Asset Class/Region	Currency				
		Week ending 20 Aug 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	-0.6%	1.1%	19.0%	32.6%
United Kingdom	GBP	-1.6%	1.4%	13.2%	22.1%
Continental Europe	EUR	-1.3%	1.8%	19.7%	31.2%
Japan	JPY	-3.9%	-1.1%	5.4%	20.1%
Asia Pacific (ex Japan)	USD	-4.7%	-4.1%	-4.3%	14.3%
Australia	AUD	-2.0%	1.3%	15.6%	25.9%
Global	USD	-1.4%	0.5%	15.6%	30.8%
Emerging markets equities					
Emerging Europe	USD	-2.2%	0.3%	15.0%	27.7%
Emerging Asia	USD	-4.9%	-4.8%	-7.3%	11.7%
Emerging Latin America	USD	-4.7%	-5.2%	-1.0%	25.9%
BRICs	USD	-5.7%	-4.9%	-9.6%	4.1%
China	USD	-7.8%	-7.6%	-19.0%	-9.0%
MENA countries	USD	-0.4%	2.3%	24.3%	35.5%
South Africa	USD	-8.4%	-8.8%	-1.0%	23.6%
India	USD	-0.6%	4.5%	16.8%	48.6%
Global emerging markets	USD	-4.6%	-4.3%	-4.1%	15.2%
Bonds					
US Treasuries	USD	0.3%	0.0%	-1.5%	-2.6%
US Treasuries (inflation protected)	USD	-0.4%	-0.8%	3.6%	6.1%
US Corporate (investment grade)	USD	0.2%	-0.3%	-0.2%	2.1%
US High Yield	USD	-0.1%	-0.4%	3.6%	10.0%
UK Gilts	GBP	0.4%	0.6%	-2.6%	-1.5%
UK Corporate (investment grade)	GBP	0.3%	0.5%	-0.7%	3.5%
Euro Government Bonds	EUR	0.2%	0.5%	-0.7%	0.9%
Euro Corporate (investment grade)	EUR	0.1%	0.0%	0.8%	2.8%
Euro High Yield	EUR	0.0%	0.2%	3.7%	8.8%
Japanese Government	JPY	0.1%	0.0%	0.4%	0.6%
Australian Government	AUD	0.9%	0.7%	0.4%	0.4%
Global Government Bonds	USD	-0.2%	-0.5%	-3.6%	-1.6%
Global Bonds	USD	-0.3%	-0.6%	-2.8%	-0.4%
Global Convertible Bonds	USD	-1.3%	-1.5%	-1.3%	11.2%
Emerging Market Bonds	USD	0.1%	0.3%	-2.2%	1.2%



Performance

Asset Class/Region	Currency				
		Week ending 20 Aug 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	-0.4%	-0.3%	26.8%	37.6%
Australian Property Securities	AUD	1.3%	3.1%	11.3%	27.8%
Asia Property Securities	USD	-1.9%	-0.8%	2.1%	8.6%
Global Property Securities	USD	-1.0%	-0.1%	16.5%	29%
Currencies					
Euro	USD	-0.8%	-1.3%	-4.3%	-1.3%
UK Pound Sterling	USD	-1.7%	-1.9%	-0.2%	3.3%
Japanese Yen	USD	-0.1%	0.0%	-5.9%	-3.6%
Australian Dollar	USD	-3.2%	-2.8%	-7.2%	-0.5%
South African Rand	USD	-4.1%	-4.9%	-4.5%	12.9%
Swiss Franc	USD	-0.1%	-1.1%	-3.5%	-0.9%
Chinese Yuan	USD	-0.4%	-0.6%	0.4%	6.4%
Commodities & Alternatives					
Commodities	USD	-4.8%	-6.0%	22.7%	37.4%
Agricultural Commodities	USD	-3.5%	0.5%	20.2%	48.1%
Oil	USD	-7.7%	-14.6%	25.8%	42.2%
Gold	USD	0.1%	-1.8%	-6.0%	-8.4%
Hedge funds	USD	-0.5%	-0.3%	3.2%	8.7%



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