

The Market Place

- Global equities rose 1.6% last week
- Markets in the US and Europe rebounded but inflation concerns and delta variant fears still persist
- Brent crude rose 0.7% over the week to \$74.1 a barrel
- Gold fell 0.5% to \$1802.2 per ounce

US

US equities rose 2.0% last week

The composite PMI reading reached its lowest level since March at 59.7, this is the second monthly decline, supporting the view that growth may have peaked in mid-Q2

Initial jobless claims for the week ending 17th July came in at a disappointing 419k against expectations of 350k, marking the biggest weekly increase since March

Existing home sales for June came in at an annualised rate of 5.86m against expectations of 5.9m

Senate Republicans blocked the immediate debate on the infrastructure bill. Both parties are continuing to work on the deal and expect the vote to pass early next week. The legislation has stalled more recently as the Senators could reach an agreement on how to pay for the \$579bn of new spending over the next 8 years

The White House announced that it was joining the EU in accusing actors associated with the Chinese government of cyberattacks on the Microsoft Exchange Server

Europe

European equities rose 1.7% last week

The July Euro-Area composite PMI came in at its highest level in 21 years at 60.6

Germany's composite PMI hit an all-time high of 62.5

The ECB's latest inflation forecasts in June pointed to a headline HICP inflation at 1.5% at 2022 and 1.4% in 2023

UK

UK equities rose 0.2% last week

The UK government said that it wanted to make changes to the Northern Ireland Protocol, meaning that goods wouldn't see customs checks when passing between Northern Ireland and the Republic of Ireland but instead be checked when they reached Northern Ireland, meaning that there was effectively an economic border within the UK

Encouraging news from the UK, which reported 29,000 new Covid cases yesterday, 40% lower than last Sunday. We have now seen five consecutive days of declines

Asia / ROW

The benchmark Global Emerging Markets index returned -2.1% last week

Japanese equities fell -1.4% over the week

Chinese equities fell -3.7% last week

Japan's June CPI reading came in line with expectations at +0.2% year-on-year

Japan's preliminary PMI reading for July dropped to 47.7 from 48.9 last month, with the decline mainly driven by weakness in the services PMI which declined to 46.4 from 48.0 last month. The manufacturing PMI was relatively steady at 52.2 vs 52.4 last month

Flash numbers from Australia showed a material weakening in the services PMI given the imposition of lockdowns in various regions, which fell to a contractionary 44.2 vs 56.8 last month, and brought the composite reading down to 45.2 vs 56.7 last month. Manufacturing activity remained relatively shielded with the PMI there still in expansionary territory at 56.8 vs 58.6 last month

Russia raised its key lending rate by 100bps in response to growing inflationary concerns after recently recording its highest level of annual inflation since August 2016 at 6.5%



Performance

Asset Class/Region	Currency				
		Week ending 23 July 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	2.0%	2.7%	18.1%	37.8%
United Kingdom	GBP	0.2%	0.1%	11.4%	16.9%
Continental Europe	EUR	1.7%	2.2%	17.6%	26.1%
Japan	JPY	-1.4%	-2.0%	6.7%	23.7%
Asia Pacific (ex Japan)	USD	-1.9%	-3.9%	2.7%	24.0%
Australia	AUD	0.6%	1.1%	14.2%	25.1%
Global	USD	1.6%	1.9%	15.2%	35.0%
Emerging markets equities					
Emerging Europe	USD	-0.5%	-2.0%	12.2%	24.2%
Emerging Asia	USD	-2.4%	-4.8%	0.9%	23.0%
Emerging Latin America	USD	-1.7%	-3.1%	5.5%	26.7%
BRICs	USD	-2.6%	-5.8%	-0.8%	14.1%
China	USD	-3.7%	-8.3%	-6.6%	5.6%
MENA countries	USD	0.0%	-1.0%	19.0%	37.6%
South Africa	USD	-2.0%	-3.3%	6.8%	22.3%
India	USD	-0.3%	0.8%	12.2%	43.8%
Global emerging markets	USD	-2.1%	-4.3%	2.8%	23.9%
Bonds					
US Treasuries	USD	0.2%	1.0%	-1.8%	-3.3%
US Treasuries (inflation protected)	USD	0.5%	2.0%	3.6%	6.9%
US Corporate (investment grade)	USD	0.2%	1.0%	-0.3%	1.2%
US High Yield	USD	0.1%	0.3%	3.9%	11.5%
UK Gilts	GBP	1.1%	2.5%	-3.4%	-4.3%
UK Corporate (investment grade)	GBP	0.5%	1.4%	-1.4%	2.4%
Euro Government Bonds	EUR	0.5%	1.7%	-1.4%	0.6%
Euro Corporate (investment grade)	EUR	0.3%	0.9%	0.5%	3.1%
Euro High Yield	EUR	0.0%	0.2%	3.3%	9.3%
Japanese Government	JPY	0.0%	0.5%	0.3%	0.3%
Australian Government	AUD	0.4%	1.9%	-0.5%	-0.2%
Global Government Bonds	USD	0.1%	1.0%	-3.7%	-1.1%
Global Bonds	USD	0.1%	0.7%	-2.8%	0.4%
Global Convertible Bonds	USD	0.8%	-1.0%	0.6%	15.7%
Emerging Market Bonds	USD	-0.1%	0.7%	-2.4%	1.5%



Performance

Asset Class/Region	Currency				
		Week ending 23 July 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	0.5%	4.6%	26.8%	42.9%
Australian Property Securities	AUD	0.8%	-0.1%	7.6%	24.2%
Asia Property Securities	USD	-1.9%	-1.6%	5.4%	13.6%
Global Property Securities	USD	-0.3%	2.5%	16.7%	33.3%
Currencies					
Euro	USD	-0.4%	-0.7%	-3.7%	1.3%
UK Pound Sterling	USD	-0.1%	-0.3%	0.8%	8.0%
Japanese Yen	USD	-0.4%	0.5%	-6.6%	-3.4%
Australian Dollar	USD	-0.6%	-1.7%	-4.2%	3.4%
South African Rand	USD	-3.1%	-3.5%	-1.2%	12.0%
Swiss Franc	USD	-0.1%	0.5%	-3.9%	0.5%
Chinese Yuan	USD	0.0%	-0.4%	0.7%	8.1%
Commodities & Alternatives					
Commodities	USD	0.8%	0.6%	29.1%	52.3%
Agricultural Commodities	USD	-0.1%	-0.3%	19.5%	52.4%
Oil	USD	0.7%	-1.4%	43.1%	71.1%
Gold	USD	-0.5%	1.7%	-4.9%	-4.8%
Hedge funds	USD	0.0%	-0.3%	3.6%	10.0%



Global Matters Weekly

26 July 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

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.