

The Market Place

- Global equities rallied +0.2% last week
- Crypto-related stocks fell as the People's Bank of China issued a newly restrictive ban on transactions and mining with several other state agencies
- Brent crude gained +3.7% last week to \$78.1 a barrel, with weekly inventories -3.5M vs estimate of -2.4M.
- Gold fell -0.2% to \$1750.4 per ounce

US

US equities gained +0.5% last week, with the energy and banking sectors outperforming construction and utilities

August Existing home sales of 5.88M came in lighter than the 5.89M expected and the previous 6M

Weekly initial jobless claims for the week ending the 18th September rose to 351K from 335K the prior week. The market estimate was for 320K

The Fed signalled it would probably begin cutting bond purchases in November, and the dot plot revealed the FOMC is now evenly split on whether to start tightening in 2022. Jerome Powell said ending the stimulus program by the middle of next year is "likely to be appropriate," while adding that doesn't mean rate increases would follow immediately

The Fed raised its 2022 inflation outlook to 2.2% from 2.1%, holding the 2023 forecast at 2.2%

The U.S. is considering invoking a Cold War-era national security law to force companies in the semiconductor supply chain to provide information on inventory and sales of chips

Europe

Continental European equities gained +0.3% last week, with travel, leisure, oil and gas outperforming retail and financial services

In Germany, Olaf Scholz's Social Democrats narrowly won the most votes in Germany's election over the weekend, taking 25.7% versus 24.1% for Armin Laschet's Christian Democrats in a provisional tally. He'll now likely face months of negotiations as he works to secure a ruling coalition.

German September manufacturing PMI decreased to 58.5 from 62.6, and estimates were at 61.5

Norway is the first G10 country to tighten monetary policy, raising its key short-term lending rate by 0.25%.

UK

U.K. equities gained 1.3% last week

The government took emergency measures over the weekend to ease acute fuel shortages across the country after days of panic buying

Gas prices continue to rise, and further providers have had to close; the market expects the same to happen this week

The Bank of England interest rate decision was maintained at 0.10%, in line with market expectations, although two policymakers voted for an early end to the quantitative easing program. The BOE now believes "inflation could remain above 4% into the second quarter of 2022"

U.K Manufacturing PMI fell to 56.3 from a 59 estimate, previously 60.3

Asia / ROW

The benchmark Global Emerging Markets index fell -0.8% last week.

Chinese equities fell by -2.8% last week, after a four-day weekend. The PBoC flooded the financial system with the largest net injection of short-term liquidity in eight months on Thursday, seen as a signal of support for the market. With Evergrande, risk continues to overhang the market as the dollar bond interest of \$83.5M was not paid, adding to default concerns, but the company has a 30day grace period before the bonds default

Japan's consumer prices stopped falling for the first time in 13 months, ending the longest deflationary stretch since 2011

Thailand is considering postponing the planned reopening of Bangkok due to increased Covid cases, and South Korea cases are also increasing

Performance

Asset Class/Region	Currency				
		Week ending 24 Sep 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	0.5%	-1.4%	19.5%	38.7%
United Kingdom	GBP	1.3%	-0.8%	12.8%	25.5%
Continental Europe	EUR	0.3%	-1.7%	18.1%	32.2%
Japan	JPY	-0.4%	6.6%	17.2%	31.3%
Asia Pacific (ex Japan)	USD	-1.3%	-3.2%	-1.3%	20.3%
Australia	AUD	-0.8%	-1.7%	15.0%	29.4%
Global	USD	0.2%	-1.1%	16.6%	36.9%
Emerging markets equities					
Emerging Europe	USD	-0.8%	1.0%	21.3%	49.1%
Emerging Asia	USD	-1.2%	-3.1%	-3.1%	18.5%
Emerging Latin America	USD	0.0%	-7.7%	-2.7%	30.1%
BRICs	USD	-1.5%	-3.5%	-6.3%	10.4%
China	USD	-2.8%	-5.6%	-17.2%	-5.4%
MENA countries	USD	-1.0%	0.1%	26.1%	34.3%
South Africa	USD	1.1%	-5.6%	3.3%	29.5%
India	USD	1.3%	3.1%	27.6%	67.0%
Global emerging markets	USD	-1.0%	-3.1%	-0.3%	22.1%
Bonds					
US Treasuries	USD	-0.5%	-0.7%	-2.3%	-3.4%
US Treasuries (inflation protected)	USD	-0.4%	-0.4%	3.8%	5.8%
US Corporate (investment grade)	USD	-0.4%	-0.3%	-0.5%	2.3%
US High Yield	USD	-0.1%	0.3%	4.9%	12.3%
UK Gilts	GBP	-1.0%	-2.2%	-6.0%	-5.6%
UK Corporate (investment grade)	GBP	-0.7%	-1.3%	-2.8%	1.1%
Euro Government Bonds	EUR	-0.4%	-0.9%	-2.7%	-1.4%
Euro Corporate (investment grade)	EUR	-0.2%	-0.5%	-0.2%	1.8%
Euro High Yield	EUR	-0.2%	0.2%	4.0%	9.4%
Japanese Government	JPY	-0.1%	-0.3%	0.0%	-0.1%
Australian Government	AUD	-0.6%	-1.4%	-1.4%	-1.9%
Global Government Bonds	USD	-0.7%	-1.2%	-4.8%	-2.3%
Global Bonds	USD	-0.1%	-0.6%	-3.3%	-0.2%
Global Convertible Bonds	USD	-0.1%	-0.6%	0.2%	13.9%
Emerging Market Bonds	USD	-1.7%	-2.1%	-3.2%	3.2%

Performance

Asset Class/Region	Currency				
		Week ending 24 Sep 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	-0.7%	-3.2%	25.3%	44.2%
Australian Property Securities	AUD	-1.7%	-0.7%	13.4%	26.7%
Asia Property Securities	USD	-1.0%	-2.2%	0.4%	8.5%
Global Property Securities	USD	-0.7%	-3.1%	15.1%	32.6%
Currencies					
Euro	USD	-0.1%	-0.8%	-4.2%	0.5%
UK Pound Sterling	USD	-0.5%	-0.5%	0.2%	7.3%
Japanese Yen	USD	-0.7%	-0.7%	-6.7%	-4.8%
Australian Dollar	USD	-0.2%	-0.7%	-5.7%	2.9%
South African Rand	USD	-1.2%	-2.9%	-1.8%	13.5%
Swiss Franc	USD	0.8%	-1.0%	-4.3%	0.1%
Chinese Yuan	USD	0.0%	-0.1%	0.9%	5.6%
Commodities & Alternatives					
Commodities	USD	1.8%	3.9%	34.4%	54.3%
Agricultural Commodities	USD	1.2%	1.2%	22.3%	46.0%
Oil	USD	3.7%	7.0%	50.8%	86.2%
Gold	USD	-0.2%	-3.5%	-7.6%	-6.4%
Hedge funds	USD	0.0%	0.1%	4.3%	10.0%



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