

Weekly Report



Market Overview

US indexes closed mixed due to cautious market sentiment



Review: Yields for long-maturity treasury bonds fell and the Fed will continue to provide the necessary support for the economy and investors were optimistic about the push for infrastructure spending. However, Covid-19 cases in Europe and the United States have risen again, hence the three major indexes closed mixed. The Dow and the S&P 500 index rose 1.36% and 1.57%; the Nasdaq fell 0.58%.

Outlook: US stocks will continue to fluctuate in the short term. As US bond yields will continue to rise, old economy stocks will still outperform technology stocks.

European stocks rose on bullish economic data



Review: Although the epidemic in Europe is worsening and lockdown measures were reimposed, recent reported economic data was highly positive. The MSCI Europe Index rose 0.84% last week.

Outlook: The market sentiment is mixed in the short term, and European stocks will continue to fluctuate at a high level. In the medium and long term, stimulus measures such as the European Recovery Fund, ECB stimulus policies and low valuations will benefit European stock markets.

The Shanghai Composite Index rebounds 0.4%



Review: China central bank maintained the loan prime rate (LPR) unchanged for 11 consecutive months. The Shanghai Composite Index rose 0.4% last week, but turnover is still shrinking.

Outlook: The Mainland Chinese stock market has stabilised. Investors are closely monitoring trading volume. We expect the Shanghai Composite Index will continue to fluctuate around 3,400 in the short term.

Hang Seng Index fell 2.26%



Review: The Hang Seng Index fluctuated lower and once fell below 28,000 before it rebounded. The index finally fell 2.26% to close at 28,336.43. The Hang Seng Technology Index fell 4.93%.

Outlook: Global markets will remain relatively volatile, and the Hang Seng Index is expected to fluctuate between 28,000-30,000 in the near future.

The STI rose by 0.75% last week, rising for the fifth consecutive week



Review: The Straits Times Index rose by 0.75% last week to close at 3,179, the fifth consecutive week of increase.

Outlook: Global markets will remain relatively volatile and the Singapore stock market is expected to fluctuate around 3,100.

Weekly Report

Market Overview



Indonesia equities fell 2.53% last week

Review: The Jakarta Composite Index fell 2.53% last week as the USD strengthened. The index has fallen for two consecutive weeks.

Outlook: Global markets will remain relatively volatile, the stock market is expected to fluctuate at a high level.



South Korean stocks rose 0.05%

Review: South Korea's exports in the first 20 days of March increased by 12.5% year-on-year due to exports of semiconductors and automobiles. In addition, South Korea will pass an additional budget costing 14.9 trillion won. The KOSPI rose by 0.05% last week.

Outlook: Investors will continue to wait for global markets to absorb the impact of the rapid rise in US bond yields, and the stock market will fluctuate at high level. In addition, investors should pay close attention to the still-hot semiconductor industry.



Indian stocks fell 1.7%

Review: The number of newly diagnosed Covid-19 cases in India has increased in the past two weeks, the market is worried about the implementation of new lockdown measures. The Sensex fell by 1.7% last week.

Outlook: In the near future, investors will continue to digest the news of rising US bond yields and a rebound in Covid infections. The stock market will continue to fluctuate at a high level.



Russian stocks fell 1.64%

Review: Oil prices fell, and the Russian RTS index fell 1.64% last week, thus ended two straight weeks of consecutive gains.

Outlook: Oil prices continue to remain high, coupled with the recent positive economic data, these factors will benefit the stock market in the mid-to-long term. However, in the short term, we will continue to wait for global markets to digest the impact of the rapid rise in US bond yields.



Brazilian stocks fell 1.24% last week

Review: Newly diagnosed Covid-19 cases also continued to rise in Brazil and the USD appreciated, thus dampening market sentiment. The Brazilian stock market fell 1.24% last week.

View: Global markets will remain relatively volatile, coupled with the Brazilian central bank's interest rate hike and domestic political instability, we expect the Brazilian market will still face pressure in the short term.

Weekly Report



Global Bonds



FTSE World Government Bond Index rose 0.66%

Review: Fed Chairman Powell reiterated that the inflation pickup is temporary, coupled with the mixed US economic data, the FTSE World Government Bond Index rebounded 0.66% last week.

Outlook: The market is still worried about inflationary pressures, coupled with the rise in US longer-maturity bond yields, the government bond market is expected to continue to face pressure in the short term.



High-yield bonds rose

Review: The Bloomberg Barclays US High Yield Bond Index rose 0.56%, and the European High Yield Bond Index rose 0.18%.

Outlook: The central bank's policy support, low interest rate environment and economic recovery expectations will continue to support the demand for high-yield corporate bonds in the market. On the other hand, as US Treasury bond interest rates continue to rise, investors can choose bonds with better fundamentals and short duration.



Emerging market bonds fall

Review: The Bloomberg Barclays USD EM sovereign bond index fell 0.11% this week, and the local government bond index (in USD) fell 0.69%..

Outlook: With vaccination, the global economy is expected to recover. EM economies will recover faster than DM economies, which will help support the performance of EM debt. In addition, factors such as the low interest rate environment and the expected continued weakening of the USD in the medium and long term should continue to benefit EM bonds. Investors can choose emerging market bonds with relatively good fundamentals and shorter duration.



Commodities



Gold price fell as USD rose

Review: Gold futures fell 0.73% last week to close at US\$1,732.52/oz as USD strengthened.

Outlook: The trend of US interest rates and the USD will affect the trend of gold, and it is expected that gold price will remain under pressure in the short term. However, considering the continued global quantitative easing and low interest rate environment, the medium and long term outlook is still beneficial to gold.



WTI fell 0.73%

Review: : Although the blockage of the Suez Canal pushed oil prices up sharply, US crude oil inventories increased for the fifth consecutive week. Unfavorable factors in supply and demand led to a decline. WTI crude oil fell by 0.73% last week.

Outlook: The blockage of the Suez Canal is a short-term factor, and the trend of oil prices will continue to focus on supply and demand. As the current oil price support mainly comes from OPEC+'s planned production cuts, the idle production capacity due to production cuts can be restored shortly in response to market demand in the future. We do not see positive catalysts for crude oil to drive up prices sharply. We believe that short-term oil prices will continue to fluctuate around US\$60/bbl.

Weekly Report

★ Major market indexes

Index Name	Price	Return (Weekly)	Return (Monthly)	Return (Annual)	Return (YTD)	Return (3Y)	Return (5Y)	Return (10Y)
Hang Seng Composite	28336.43	-2.26	-1.93	21.02	4.37	-5.56	39.55	22.88
Hang Seng China Enterprise	10966.06	-2.82	-2.31	15.59	2.31	-8.43	25.90	-15.13
Shanghai Composite	3418.33	0.40	-1.99	24.07	-0.97	8.82	17.79	15.56
Shenzen Composite	2214.81	0.91	-2.90	31.52	-4.39	21.69	21.01	73.67
Dow Jones Industrial	32619.48	1.36	6.92	52.85	8.06	37.21	87.56	169.34
S&P 500	3909.52	1.57	4.29	56.39	5.82	50.50	93.41	201.23
NASDAQ COMPOSITE	12977.68	-0.58	-0.41	75.13	1.94	86.01	171.09	376.58
FTSE 100	6674.83	0.48	3.97	22.33	4.34	-4.48	10.39	13.63
DAX	14621.36	0.88	6.98	53.12	7.51	21.93	49.16	112.69
NIKKEI 225	29176.70	-2.07	1.79	52.07	7.43	39.35	72.39	208.45

Data Sources : Bloomberg Data as of 2021/3/26

★ Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Initial Jobless Claim 3/20	781k	695k	684k	Above
US	Markit Manufacturing PMI Mar	58.60	59.00	59.00	On Par
US	Durable Sales MOM Feb	3.50%	1.10%	-1.10%	Below
JP	Jibun Bank Manufacturing PMI Mar	51.40	52.20	52.00	Below
EU	Manufacturing PMI Mar	57.90	57.40	62.40	Above
CN	1 Year Loan Prime Rate	3.85%	3.85%	3.85%	On Par

Data Sources : Bloomberg Data as of 2021/3/26

★ Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)
US Treasury 30Y	89 7.25/32	1.24	2.38
US Treasury 10Y	94 31.5/32	0.43	1.68
US Treasury 5Y	99 13.875/32	-0.55	0.87
US Treasury 2Y	99 31//32	-0.02	0.14
US Tbill 3M	0.02	1246.15	0.02
China Govt Bond 10Y	100.61	4.42	3.20
Japan Govt Bond 10Y	100.21	-0.54	0.08
German Bund 10Y	103.89	0.89	-0.39
UK Gilt 10Y	137.61	0.86	0.73

Data Sources : Bloomberg Data as of 2021/3/26

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.77	0.07	-0.19	-0.23
HKD/CNH	0.84	0.48	-0.89	-0.36
USD/CNH	6.54	0.56	-1.12	-0.62
USD/JPY	109.64	0.58	-2.48	-5.69
USD/CAD	1.26	0.62	0.37	0.99
GBP/USD	1.38	-0.59	-1.03	0.82
AUD/USD	0.76	-1.38	-1.71	-0.71
EUR/USD	1.18	-1.21	-2.17	-3.50

Data Sources : Bloomberg Data as of 2021/3/26

DISCLAIMER: This document is provided to you for your information and discussion only. It is not a solicitation or an offer to buy and sell any security or other financial product. Any information including facts, opinions or quotations, may be condensed or summarized and is expressed as of the date of writing. The information may change without notice and PC Financial (SG) Pte Ltd is under no obligation to ensure that such updates are brought to your attention.