



Weekly Report



Market Overview



US equities came under selling pressure last week

Review: US equities came under selling pressure last week as investors took profit after announcement of positive corporate earnings results. The S&P 500 rose slightly by 0.02%, but Dow Jones and Nasdaq fell 0.50% and 0.39% respectively.

Outlook: The Fed still maintains accommodative monetary policy and US continues to report positive economic data. Hence, we expect US stocks will maintain upward momentum in the short term, but we remain watchful over changes in long-maturity bond yields and developments in the Covid situation.



European equities fell for the second week running

Review: The MSCI Europe Index fell 0.43% last week, the second straight week of losses as investors remained concerned about the Covid situation in Europe and elsewhere.

Outlook: In the medium and long term, stimulus measures such as the European Recovery Fund, ECB stimulus policies and low valuations will benefit European equities.



The Shanghai Composite Index fell last week

Review: Chinese equities fell again last week after rebounded in the prior week. The Shanghai Composite Index fell 0.79% to 3,446.86.

Outlook: Liquidity in China is tightening and the market lacks positive catalysts. We expect the Shanghai Composite Index will continue to fluctuate above 3,400 in the short term.



Hang Seng Index fell after two straight weeks of gains

Review: Hong Kong equities fell on news that the Chinese government fined seven Chinese internet companies for violating anti-monopoly law, including index heavyweight Tencent Holdings. The Hang Seng Index fell 1.22% last week.

Outlook: As long the regulatory overhang on Chinese internet companies has been factored in, we expect the Hang Seng Index is expected to challenge the 30,000 level in near future.



The STI rebounded last week

Review: The Straits Times Index rebounded by 0.76% last week and fluctuated around the 3,200 level.

Outlook: Investors are rotating into old economy stocks, which will benefit the performance of the Singapore stock market.

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Indonesia equities fell for the second straight week

Review: Indonesia equities fell as the USD strengthened. The Jakarta Composite Index fell for the second straight week, and fell by 0.35%.

Outlook: The increase in the number of Covid-19 infections disappointed investors. We expect the Indonesian stock market to continue to consolidate in the short term.



KOSPI fell for the second straight week

Review: KOSPI index fell 1.20% as Korean chipmakers are concerned about the impact of continued global chip shortage.

Outlook: The market will continue to pay attention to the developments in the pandemic in the short term, and the Korean stock market will continue to consolidate. In addition, investors should pay close attention to the still-hot semiconductor industry.



Japan equities fell for the fourth consecutive week

Review: Japanese equities fell for the fourth straight week as investors remained concerned about the severe Covid situation in Japan. The Nikkei 225 Index fell 0.72% last week.

Outlook: Investors will remain concerned about Japan's Covid situation, and negative market sentiment over rising Covid-19 cases globally may continue to dampen sentiment in the near term.



Australian equities fell for the second straight week

Review: Australia equities fell for the second straight week as global investor sentiment soured and investors stayed cautious ahead of monetary policy meeting. The S&P/ASX 200 Index fell 0.49% last week.

Outlook: We expect Australian equities to outperform in the near term, given the country's heavy reliance on commodities exports and financial stocks account for almost one third of the benchmark index.



Brazilian equities fell for the second consecutive week

Review: Brazil's worsening Covid-19 situation and strengthened USD added selling pressure on Brazilian equities. The IBOVESPA index fell 1.4% last week.

View: Rising raw material prices are positive for Brazil stock market. Still, investors also need to focus on the changes in the domestic political situation and Covid-19 development.

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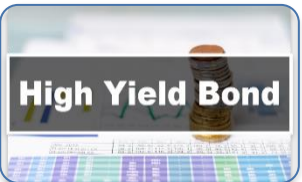
Global Bonds



FTSE World Government Bond Index fell as bond yields rose

Review: US Treasury yields rose last week and this led to the FTSE World Government Bond Index to fall 0.62% last week.

Outlook: Inflationary pressure will continue to be the driving force for the rise in US long-term bond yields. We expect the government bond market to continue face pressure in the short term.



Global high yield bonds rose slightly

Review: The Bloomberg Barclays Global High Yield Bond Index rose 0.13% last week.

Outlook: As US Treasury yields still face upward pressure, investors can choose bonds with better fundamentals and short duration.



Emerging market bonds fell slightly last week

Review: The Bloomberg Barclays EM Aggregate Index fell 0.13% last week.

Outlook: With vaccination, the global economy is expected to recover. 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 better fundamentals and shorter duration.



Commodities



Gold fell as USD rose

Review: Spot gold fell 0.45% last week to close at US\$1,769.13/oz, as the USD strengthened.

Outlook: We expect gold to find support near the psychological level of US\$1700/oz due to its role as a hedge against inflation. However, near-term upside is limited due to strengthening USD and higher opportunity cost should bond yields continue to rise.



Crude oil prices rebounded last week

Review: Crude oil prices rebounded last week. Internationally traded Brent crude rose 1.72% to US\$67.25/bbl, while WTI rose 2.32% last week to close at US\$63.58/bbl.

Outlook: As the current oil prices support mainly comes from OPEC+ production cut plan, the idle production capacity due to production cuts in the future can be restored at any time in response to market demand. We do not believe that oil prices have the positive catalysts to push prices up sharply. We believe that oil prices will continue to fluctuate around US\$60/bbl in the short term.

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Major market indexes

Index Name	Price	Return (Weekly)	Return (Monthly)	Return (Annual)	Return (YTD)	Return (3Y)	Return (5Y)	Return (10Y)
Hang Seng Composite	29303.26	-1.22	0.52	16.56	5.49	-6.76	36.35	21.54
Hang Seng China Enterprise	11049.88	-2.19	-1.77	7.81	0.81	-12.21	21.09	-17.41
Shanghai Composite	3474.90	-0.79	-0.28	20.52	-0.75	11.83	17.31	17.55
Shenzen Composite	2305.65	0.02	3.12	30.37	-1.31	29.43	22.68	89.35
Dow Jones Industrial	34060.36	-0.50	2.44	39.14	10.68	40.57	90.59	164.49
S&P 500	4211.47	0.02	5.62	43.56	11.32	57.49	102.45	208.20
NASDAQ COMPOSITE	14082.55	-0.39	7.03	57.07	8.34	95.81	192.39	391.36
FTSE 100	6961.48	0.45	2.92	18.11	7.88	-7.32	11.66	14.58
DAX	15154.20	-0.94	0.85	39.35	10.33	20.01	50.77	101.79
NIKKEI 225	29053.97	-0.72	-2.11	42.68	4.99	28.01	72.88	188.01

Source: Bloomberg. As of 2021/04/30


Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Initial Jobless Claims ended Apr 24	566,000	540,000	553,000	Below
US	Personal Income for March 2021	-7.0%	20.3%	21.1%	Above
US	GDP annualised QoQ	4.3%	6.7%	6.4%	Below
EU	Economic Confidence	100.9	102.2	110.3	Above
EU	Unemployment Rate	8.2%	8.3%	8.1%	Above
China	Caixin China Manufacturing PMI	50.6	50.9	51.9	Above

Source : Bloomberg 2020/04/30


Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	90.87	-1.42	2.30
US Treasury 10Y	95.39	-0.70	1.64
US Treasury 5Y	99.44	-0.24	0.86
US Treasury 2Y	99.92	-0.02	0.16
US Tbill 3M	0.01	-21.88	0.01
China Govt Bond 10Y	100.74	-0.06	3.18
Japan Govt Bond 10Y	100.08	-0.26	0.09
German Bund 10Y	101.92	-0.65	-0.19
UK Gilt 10Y	135.99	-0.83	0.84

Source: Bloomberg. As of 2021/04/30

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.78	0.03	0.22	0.32
HKD/CNH	0.84	-0.21	0.49	-7.31
USD/CNH	6.56	-0.28	0.61	-7.10
USD/JPY	109.67	-0.92	1.10	1.09
USD/CAD	1.25	-0.38	-0.85	-10.35
GBP/USD	1.37	-0.90	-1.33	10.03
AUD/USD	0.76	0.17	-1.18	20.24
EUR/USD	1.19	1.19	-0.02	8.87

Source: Bloomberg. As of 2021/04/30

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