



Weekly Report



Market Overview



US equities rose as the Fed will maintain policy easing

Review: US stocks rose last week due to corporate earnings reports and hopes for a new round of fiscal stimulus plans, as well as the Fed's dovish stance. The Dow and S&P 500 index rose 1% and 1.23% respectively. Nasdaq gained 1.73%.

Outlook: The market continues to wait for the implementation of a new round of stimulus plans and more corporate earnings reports. In addition, the Fed will maintain an extremely loose monetary policy. The upward trend of US stocks has not changed. We expect the upward trend to continue in the first quarter.



European stocks fluctuated upward as the coronavirus situation remained severe

Review: The MSCI Europe Index fluctuated upward last week, rising by 1.13% despite the still severe coronavirus situation in Europe and Germany maintained tough lockdown measures, as the market looks forward to a new US economic stimulus plan.

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



Shanghai Composite Index rose on positive economic data

Review: Financing data released the eve of the Lunar New Year was positive, and market positive sentiment remained strong. The Shanghai Composite Index rose 4.54% last week.

Outlook: The Chinese economy continues to improve steadily, coupled with the proper control of the outbreak in China and the continued relaxation of Sino-US relations, all these factors will benefit the stock market. Mainland China stock markets will resume on the 18 Feb due to Lunar New Year holiday.



Hang Seng Index gained more than 2%, the second straight week of gains

Review: Although the Southbound Connect was suspended due to the Spring Festival holiday, Hong Kong stocks continued to rise. The Hang Seng Index rose 3.02% last week to close at 30,173, and found support at the 30,000 level, the second straight week of gains.

Outlook: The Hong Kong market will continue to be sought after by mainland China investors. Coupled with favorable factors such as the appreciation of the renminbi and the steady recovery of the mainland Chinese economy, we expect the Hang Seng Index to continue to rise in the first quarter.



The STI rose 0.63% last week

Review: The Straits Times Index rose 0.63% last week to close at 2,824.33, and regained the 2,900 level.

Outlook: Investors continue to wait for the budget announcement scheduled for February 16, and the Singapore stock market is expected to fluctuate around 2,900.

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Indonesia equities rose 1.15% last week

Review: Indonesia's trade data was positive, and the Bank Indonesia stated that when the Rupiah remained stable, BI will introduce more easing policies. The Jakarta Composite Index rose by 1.15%.

Outlook: BI will discuss on interest rates this week, and the market expects further rate cuts to stimulate the economy. Market sentiment is mixed, and Indonesia equities is expected to fluctuate at a high level.



South Korean stocks fell 0.64%

Review: South Korea's unemployment rate rose to 5.4% in January, the highest since 1999. The South Korean KOSPI index fell 0.64%.

Outlook: Although the semiconductor industry is still hot, the governor of the central bank warned that Korean stocks have recently gained too fast and is worried about excessive leveraged investments. Coupled with adjustments in global markets, Korean stocks are expected to consolidate at a high level in the near term.



The Indian stock market rose 1.6%, the second consecutive week of gains

Review: The Indian stock market followed the trajectory of global markets, and the Sensex index rose 1.6%, rising for two consecutive weeks.

Outlook: The IMF predicts that India's GDP will grow by 11% this year, returning to its pre-pandemic level, and the Indian government will have a series of stimulus policies to support the economy, which will drive the stock market's performance.



Russian stock market rose 2.11%

Review: Oil prices remained high and fluctuated and the central bank kept interest rates unchanged. Russia's RTS index rose by 2.11%.

Outlook: Oil prices continue to remain high, which will continue to benefit Russian equities. But investors need to pay attention to the political risks caused by the domestic demonstrations in Russia.



The Brazilian stock market fell 0.67% last week

Review: Brazil's parliamentary elections are over, and the president's impeachment can be avoided. The market is concerned about the possibility of passing the stimulus bill. The Brazilian IBOVESPA index fell by 0.67% last week.

View: Brazil began to discuss whether to further expand the stimulus policy, but the record high public debt will hinder the passage of the stimulus policy, we expect selling pressure on Brazilian market in the short term.

Weekly Report



Global Bonds

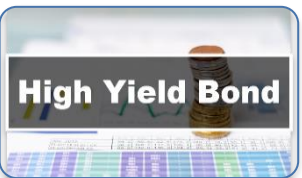


Government Bonds

FTSE World Government Index rose 0.27%

Review: Market sentiment was mixed. The FTSE World Government Bond Index rose 0.27%.

Outlook: Investors will continue to weigh the potential downside risks of the increase in coronavirus cases and the sustainability of economic recovery. The government bond market is expected to experience volatility in the near term.



High Yield Bond

High-yield bonds rose

Review: The Bloomberg Barclays US High Yield Bond Index rose 0.3%, and the European High Yield Bond Index rose 0.17%.

Outlook: The central bank's policy support and the low interest rate environment will continue to support the demand for high-yield corporate bonds in the market. However, the default rate of high-yield bonds in the United States shows signs of further increase. Investors should choose investment targets carefully.



Emerging Market Bond

Emerging market bonds fell 0.07%

Review: The Bloomberg Barclays Emerging Markets USD Sovereign Bond Index fell 0.07% last week.

Outlook: Factors such as the low interest rate environment and the expected continued weakness of the USD in the medium and long term should continue to benefit emerging market bonds. Investors can choose emerging market bonds with relatively good fundamentals.



Commodities



Gold rose as USD fell

Review: The USD fell, and gold futures rose 0.56% last week to close at US\$1,818.86/oz.

Outlook: The trend of US interest rates will affect the trend of gold. We expect that the short-term gold price will fluctuate around US\$1,800. However, considering the continued global quantitative easing and low interest rate environment, we expect gold is still on track to trend upwards in the mid to long term.



WTI rose 4.61%

Review: WTI oil prices rose 4.61% last week to close at \$59.47, as US crude oil inventories continue to decline and the US is experiencing extreme cold weather.

Outlook: We expect OPEC+ will continue to adjust supply according to market demand. The optimism of vaccines will boost market demand. The market will continue to balance the existing supply-demand relationship, and oil prices will continue to remain above US\$50 per barrel.

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	30173.57	3.02	8.23	10.00	12.39	3.89	67.06	31.76
Hang Seng China Enterprise	11880.49	2.76	7.28	10.56	12.06	1.12	60.34	-3.26
Shanghai Composite	3603.49	4.54	3.50	25.96	5.24	16.78	32.26	26.07
Shenzen Composite	2418.24	5.49	3.56	39.96	5.63	46.53	40.55	95.03
Dow Jones Industrial	31430.70	1.00	2.09	7.01	2.78	24.83	96.94	157.29
S&P 500	3916.38	1.23	4.42	16.41	4.76	44.07	111.01	196.30
NASDAQ COMPOSITE	14025.77	1.73	8.44	44.85	9.37	94.25	224.97	402.63
FTSE 100	6589.79	1.55	0.30	-8.81	4.58	-7.38	15.25	9.16
DAX	14049.89	-0.05	2.33	2.66	2.85	13.31	54.45	89.86
NIKKEI 225	30084.15	2.57	7.18	29.04	11.38	40.73	90.39	174.69

Data Sources : Bloomberg Data as of 2021/2/12



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Core Inflation YoY Jan	1.60%	1.60%	1.40%	Below
US	Initial Jobless Claim 2/6	812K	750K	793K	Below
US	Michigan Consumer Sentiment Feb	79.00	81.00	76.20	Below
RU	Rate Decision	4.25%	4.25%	4.25%	On Par
KR	Unemployment Rate Jan	4.60%	4.10%	5.40%	Below
CN	M2 Money Supply YoY Jan	0.10	0.10	0.09	Below

Data Sources : Bloomberg Data as of 2021/2/12



Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)	Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
US Treasury 30Y	91.9.5/32	-0.99	2.02	USD/HKD	7.75	0.01	0.01	0.01
US Treasury 10Y	97.3/32	-0.24	1.19	HKD/CNH	0.83	-0.30	1.45	1.59
US Treasury 5Y	99 13.625/32	-0.56	0.49	USD/CNH	6.41	-0.29	1.49	1.58
US Treasury 2Y	100 0.875/32	0.04	0.11	USD/JPY	105.38	0.94	-1.78	-2.20
US Tbill 3M	0.04	29.17	0.04	USD/CAD	1.26	-0.62	1.13	0.88
China Govt Bond 10Y	100.37	4.18	3.23	GBP/USD	1.39	0.94	2.65	2.03
Japan Govt Bond 10Y	100.22	-0.53	0.08	AUD/USD	0.78	0.85	1.61	1.44
German Bund 10Y	104.39	-0.20	-0.43	EUR/USD	1.21	0.21	0.56	-0.58
UK Gilt 10Y	140.44	-0.35	0.52					

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