

Weekly Report



Market Overview



US stocks rose on positive economic data

Review: US stocks rose last week as initial jobless claims and retail sales data were better than expected. The Dow and the S&P 500 index rose 1.18% and 1.37%. Nasdaq gained 1.09%.

Outlook: The Fed still maintains its stance on accommodative monetary policy. Also, given the strong economic data, we expect US equities will continue to rise in the short term, but it is necessary to pay attention to changes in the long maturity bond yields.



European stocks rose on strong corporate earnings

Review: European corporates delivered positive earnings results. In addition, market sentiment lifted after the S&P500 index hit record highs. The MSCI Europe Index rose by 1.18% last week, marking the seventh consecutive week of gains.

Outlook: Market sentiment for the short term has improved, which is positive for European stocks. 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 fell 0.7%

Review: Mainland China's economic data reported last week was mixed. The Shanghai Composite Index fell 0.7% last week to close at 3,426.62.

Outlook: Liquidity conditions in Mainland China is tightening and the market lacks upward momentum. We expect the Shanghai Composite Index will still fluctuate around 3,400 in the short term.



Hang Seng Index rose 0.94%

Review: The Hang Seng Index rose 0.94% last week to close at 28,969.71. The Hang Seng Technology Index fell 0.89% as the new economy stocks continued to remain under pressure.

Outlook: The performance of the Chinese and US stock markets has diverged. We expect the Hang Seng Index will continue to fluctuate between 28,000-30,000 in the near future.



The STI gained 0.54% last week, the eighth consecutive week of increase

Review: The Straits Times Index rose 0.54% last week to close at 3,201.76, rising past the 3,200 level, and recorded the eighth straight week of increase.

Outlook: The market is rotating to favour old economy stocks, which will benefit the performance of the Singapore stock market.

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Indonesia's stock market rose 0.26% last week

Review: The US dollar fell. The Jakarta Composite Index rose 0.26% last week, rising for two consecutive weeks.

Outlook: The market is monitoring Bank Indonesia's monetary policy meeting. In addition, global market sentiment has improved. We expect Indonesia equities will more likely to rise than fall.



South Korean stocks rose 2.13%

Review: South Korea's KOSPI index rose by 2.13% last week, rising for the fourth consecutive week.

Outlook: The global market sentiment has improved, and we expect the South Korean stock market is more likely to rise than to fall. In addition, investors should pay proper attention to the still-hot semiconductor industry.



Indian stocks fell 1.53%

Review: Infections in India has increased significantly. The number of confirmed cases on a daily basis has exceeded 200,000, a record high. The Sensex index fell by 1.53% last week.

Outlook: Although the external atmosphere has improved, investors will pay more attention to news about the rebound of the epidemic in India, and the stock market will continue to be under pressure.



Russian stock market rose 5.59%

Review: US President Biden and Russian President Putin had a phone conversation. The US also proposed to hold a bilateral summit to seek stability in the relationship between the two countries. The news outweighed the US announcement of new sanctions against Russia. Also, oil prices rose last week. The Russian stock market rose by 5.59% last week.

Outlook: Oil prices continue to remain high and economic data will benefit the performance of the stock market. In addition, investors also need to pay attention to Russia's geopolitical changes and changes in the central bank's monetary policy.



Brazilian stocks rose 2.93% last week

Review: The Brazilian Senate launched a dereliction investigation into the government's response to the Covid-19 outbreak. However, rising prices of raw materials such as crude oil and iron ore stimulated the price of related Brazilian companies' shares. The Brazilian stock market rose 2.93% last week..

View: Improved global market sentiment and rising raw material prices are positive for Brazil's stock market. In addition, investors also need to pay attention to changes in the domestic political situation.

Weekly Report



Global Bonds



FTSE World Government Bond Index rose 0.34%

Review: US Treasury yields fell. The FTSE World Government Bond Index rose 0.34% last week.

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



High-yield bond market rose

Review: The Bloomberg Barclays US High Yield Bond Index rose 0.13%, and the European High Yield Bond Index rose 0.10%.

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



Emerging market bonds rose

Review: The Bloomberg Barclays EM sovereign bond index (in USD) rose 1.18% this week, and the local government bond index (in USD) rose 0.75%.

Outlook: With vaccination, the global economy is expected to recover. The emerging market economy will be faster than developed markets, which will help support the performance of emerging market debt. Also, 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 EM bonds with relatively better fundamentals and shorter duration.



Commodities



Gold rose as USD fell

Review: The fall in USD and rising geopolitical risks have promoted the demand for safe-haven asset gold. Gold price rose 1.87% last week to close at US\$1776.51/oz.

Outlook: The trend of US interest rates and the USD will still affect the short-term trend of gold prices. However, considering the continued global quantitative easing and low interest rate environment, coupled with the recent rise in geopolitics, these factors will still benefit gold in the medium and long term.



WTI oil prices rise 6.42%

Review: US crude oil inventories have declined for three consecutive weeks, and the decline was higher than market expectations. WTI crude oil futures prices rose 6.42% last week to close at US\$63.13/bbl.

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

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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	28969.71	0.94	0.81	19.87	7.32	-4.83	36.33	23.17
Hang Seng China Enterprise	11027.51	0.46	-1.45	13.30	3.56	-9.14	20.30	-16.75
Shanghai Composite	3426.62	-0.70	1.90	22.22	-0.11	11.29	14.02	14.26
Shenzen Composite	2220.22	-0.73	3.18	29.39	-2.78	24.80	15.65	74.91
Dow Jones Industrial	34035.99	1.18	4.82	41.08	11.74	38.66	89.44	178.81
S&P 500	4170.42	1.37	6.96	45.60	11.43	55.41	99.23	218.86
NASDAQ COMPOSITE	14038.76	1.09	6.33	62.45	9.03	94.15	184.44	411.93
FTSE 100	6983.50	1.50	4.63	21.30	8.65	-4.22	9.59	19.04
DAX	15255.33	1.48	5.74	45.49	12.69	23.01	49.38	119.62
NIKKEI 225	29683.37	-0.28	-0.15	49.51	8.39	34.05	76.29	214.41

Data Sources : Bloomberg Data as of 2021/4/16

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Initial Jobless Claim 4/10	769k	715k	576k	Above
US	Core Inflation YoY Mar	1.30%	1.60%	1.60%	On Par
EU	Core Inflation YoY Mar	1.10%	0.90%	0.90%	On Par
KR	Rate Decision	0.50%	0.50%	0.50%	On Par
CN	Retail Sales YoY Mar	33.80%	25.00%	34.20%	Above
CN	GDP YoY 1Q	6.50%	19.10%	18.30%	Below

Data Sources : Bloomberg Data as of 2021/4/16

Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)	Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
US Treasury 30Y	91 16.75/32	1.44	2.27	USD/HKD	7.77	-0.04	-0.07	-0.23
US Treasury 10Y	95 27.5/32	0.74	1.58	HKD/CNH	0.84	-0.38	-0.21	-0.12
US Treasury 5Y	99 21.375/32	-0.38	0.83	USD/CNH	6.53	-0.32	-0.29	-0.37
US Treasury 2Y	99 29.625/32	-0.06	0.16	USD/JPY	108.80	-0.69	0.23	-4.95
US Tbill 3M	0.01	-9.42	0.01	USD/CAD	1.25	-0.43	-0.07	1.73
China Govt Bond 10Y	100.93	4.76	3.16	GBP/USD	1.38	0.71	-0.24	1.24
Japan Govt Bond 10Y	100.13	-0.63	0.09	AUD/USD	0.77	1.42	-0.14	0.48
German Bund 10Y	102.91	-0.12	-0.29	EUR/USD	1.20	0.37	0.43	-2.14
UK Gilt 10Y	137.29	0.26	0.74					

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