



# Weekly Report



## Market Overview

### US stocks fell as US plans to hike tax rates



**Review:** US President Biden plans to increase capital gains tax for the wealthy, plus globally Covid-19 cases increased, these factors outweighed news on positive economic data. The Dow and the S&P 500 index fell 0.46% and 0.13%; Nasdaq fell 0.25%.

**Outlook:** The Fed still maintains accommodative monetary policy and US continues to show positive economic data. Hence, we expect US stocks will maintain upward momentum in the short term, but it is necessary to pay attention to changes in long-term bond interest rates and the pandemic.

### European stocks fell as market sentiment turned negative



**Review:** Although corporate earnings reports are strong and the European Central Bank will maintain interest rates and accelerate bond purchases, but market sentiment is affected by the US's positive tax hikes. The MSCI Europe Index fell 0.81% last week, thereby ended its seventh consecutive week of increase.

**Outlook:** Factors such as economic data, central bank policies and corporate earnings results will continue to be positive for European stocks in the short term. 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 rebounded by 1.39%, ended two consecutive weeks of decline



**Review:** Chinese equities rebounded. The Shanghai Composite Index rose by 1.39% last week to close at 3,474.17, ended two consecutive weeks of decline.

**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 rose 0.94%, the second straight week of increase



**Review:** The Hang Seng Index rose 0.38% last week to close at 29,078.75. New economy stocks also rebounded. The Hang Seng Technology Index rose by 2.86%.

**Outlook:** Market sentiment has improved and the Hang Seng Index is expected to challenge the 30,000 level in the near future.

### The STI fell 0.24% last week, ended the eighth consecutive week of increase



**Review:** The Straits Times Index fell 0.24% last week, ended the eighth consecutive week of increase and closed at 3,197.68. The index continued to fluctuate 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's stock market fell 1.14% last week

**Review:** Bank Indonesia kept interest rates unchanged. Indonesia's Jakarta Composite Index fell 1.14% last week, and ended its two consecutive weeks of increase.

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



### South Korean stocks fell 0.39%

**Review:** Although exports in the first 20th of April increased by 45.4% compared with the same period last year, investors' concerns about the pandemic depressed market sentiment. Last week, the KOSPI index fell by 0.39%, ending four consecutive weeks of increase.

**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.



### Indian stocks fell 1.95%

**Review:** The Covid-19 situation in India continues to worsen, economic shut down concerns dampened the sentiment on Indian stocks. The Sensex Index fell by 1.95% last week.

**Outlook:** Investors will continue to pay attention to the situation in India, and the stock market will continue to be under pressure.



### Russian stock market rose 0.99%

**Review:** Russia's central bank raised the benchmark interest rate from 4.5% to 5%, higher than market expectations. The Russian stock market rose by 0.99% 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 focus on Russia's geopolitical changes and changes in the central bank's monetary policy.



### Brazilian stocks fell 0.48% last week

**Review:** Brazil's economic data was better than market expectations, but the Brazilian stock market fell 0.48% last week due to concerns about the worsening Covid-19 outbreak.

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

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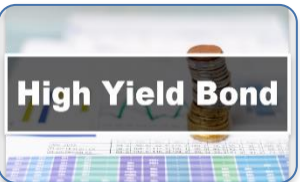
## Global Bonds



### FTSE World Government Bond Index rose 0.14%

**Review:** U.S. Treasury yields fell, and the FTSE World Government Bond Index rose 0.14% 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.



### The high-yield bond market fell

**Review:** The Bloomberg Barclays US High Yield Bond Index fell 0.11%, and the European High Yield Bond Index fell 0.12%.

**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 0.03%, and the local government bond index (in USD) rose 0.41%.

**Outlook:** With vaccination, the global economy is expected to recover. The EM economy will recover faster than DM economy, 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 better fundamentals and shorter duration.



## Commodities



### Gold rose as USD fell

**Review:** The fall in USD is positive for Gold; but economic data and corporate earnings are negative for gold prices. There was mixed news for gold last week. Hence, gold rose slightly by 0.04% last week to close at US\$1,777.20/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, gold is still beneficial in the medium and long term.



### WTI oil prices fall by 1.57%

**Review:** The worsening of the pandemic caused investors to worry about the demand outlook and the US-Iran nuclear agreement negotiations seem to have progressed. Multiple negative news dampened crude oil prices. WTI fell by 1.57% last week to close at US\$62.14/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.

## 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	29078.75	0.38	2.85	22.29	7.03	-2.88	36.14	21.12
Hang Seng China Enterprise	11067.84	0.37	0.99	14.69	3.13	-7.32	22.83	-18.37
Shanghai Composite	3474.17	1.39	2.12	24.29	0.51	13.52	17.74	18.21
Shenzen Composite	2298.55	3.53	4.78	33.61	-0.37	31.08	23.31	86.45
Dow Jones Industrial	33815.90	-0.46	2.93	43.19	11.23	39.97	89.23	170.29
S&P 500	4134.98	-0.13	5.17	47.36	11.29	56.74	99.85	210.28
NASDAQ COMPOSITE	13818.41	-0.25	6.68	62.33	8.76	96.90	186.74	392.24
FTSE 100	6938.24	-1.15	2.94	20.62	7.40	-6.51	10.41	14.32
DAX	15320.52	-1.17	3.60	47.83	11.38	22.23	48.93	107.70
NIKKEI 225	29020.63	-2.23	-0.32	50.98	5.97	30.30	67.59	203.60

Data Sources : Bloomberg Data as of 2021/4/23

### Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Initial Jobless Claim 4/17	586k	695k	547k	Above
US	New Home Sales MoM Mar	(0.16)	0.15	0.21	Above
EU	Markit Manufacturing PMI Apr	62.50	61.70	63.30	Above
JP	Core Inflation YoY Mar	-0.40%	-0.20%	-0.10%	Above
CN	1year LPR	3.85%	3.85%	3.85%	On Par
RU	Rate Decision	0.05	0.05	0.05	Above

Data Sources : Bloomberg Data as of 2021/4/23

### Bond/Forex

Bond Instrument	Price	Change(%)	Yield(%)	Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
US Treasury 30Y	92 5.75/32	0.72	2.24	USD/HKD	7.76	-0.07	0.11	-0.09
US Treasury 10Y	96 1/16	0.21	1.56	HKD/CNH	0.84	-0.30	0.73	0.41
US Treasury 5Y	9 21.625/32	-0.31	0.82	USD/CNH	6.49	-0.39	0.87	0.30
US Treasury 2Y	99 29.9375/32	-0.06	0.16	USD/JPY	107.88	-0.39	1.75	-4.18
US Tbill 3M	0.02	75.00	0.02	USD/CAD	1.25	-0.65	1.00	2.18
China Govt Bond 10Y	100.80	4.62	3.17	GBP/USD	1.39	-0.60	0.82	1.70
Japan Govt Bond 10Y	100.34	-0.41	0.07	AUD/USD	0.77	0.18	1.78	1.03
German Bund 10Y	102.52	-0.10	-0.25	EUR/USD	1.21	0.61	2.68	-0.87
UK Gilt 10Y	137.19	0.17	0.74					

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