

# Weekly Report



## Global Equities

### US equities ended mixed due to the contradictory economic signs



**Review:** US equities ended mixed last week due to the contradictory economic signs. Dow Jones fell 0.24%, while the S&P 500 rose 0.58%. Nasdaq is the best performing index for the week, gaining 1.55%.

**Outlook:** Although US economic data disappointed the market last week, especially the August's nonfarm payrolls, we believe the accommodative monetary policy will continue to provide support for US equities in the short term. Investors will monitor the outcome of the upcoming FOMC meeting held in September, in order to find clues about the timing of the Fed's asset purchases tapering.

### European equities fell slightly last week



**Review:** The MSCI Europe Index fell 0.15% last week, weighed down by the concerns over the spread of the Delta variant.

**Outlook:** Although there are contradictory economic signs in the European economy, we believe accommodative monetary policy will provide support for European equities. In addition, Investors will remain cautious over the ECB's meeting held next week as the stance of ECB became more hawkish recently.

### Chinese equities rose last week



**Review:** The Shanghai Composite Index rose 1.69% last week, driven by brokerage stocks.

**Outlook:** The uncertainty over China's regulatory actions and weak economic data will continue to weigh on the Chinese equities in the upcoming week. We view 3,600 as a short-term resistance level for the Shanghai Composite Index.

### Hang Seng Index rose last week as regulatory worries eased



**Review:** Hang Seng Index rose 1.94% last week as technology stocks continued to rebound from the low.

**Outlook:** The uncertainty over China's regulatory actions and lack of positive news will put downward pressure on Hong Kong stock market in the upcoming week. We view 26,500 as a short-term resistance level for the Hang Seng Index.



## Global Bonds

### FTSE World Government Bond Index rose last week



**Review:** The uncertainty over the timing of the Fed's taper have increased market's risk aversion, pushing the FTSE World Government Bond Index to rise by 0.25% last week.

**Outlook:** Rising inflation, geopolitical issues and the uncertainty about the timeline of Fed's tapering will continue to constitute a medium-term downside risk for government bonds.

### EM bonds and high-yield bonds recorded gains last week



**Review:** The Bloomberg Barclays High Yield Bond Index and Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.50% and 0.20% gains last week respectively.

**Outlook:** The significant slowdown in US job market increased the uncertainty about the timing of the Fed's tapering. Therefore, we believe that investors should choose bonds with good fundamentals and short duration, in order to reduce investment portfolio's volatility.



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## Commodities



### Crude oil rose slightly last week

**Review:** Oil rose slightly last week, driven by the concerns over US limited oil supply. WTI rose 0.80% to US\$69.29/bbl.

**Outlook:** Although the increase in Covid-19 cases will continue to weigh on oil prices in the upcoming weeks, oil prices will rise in the medium term as the global economy gradually recovers from the pandemic. We view US\$70.47/bbl (DMA50) as a resistance level for crude oil in the short term.



### Spot gold rose on weak US job data.

**Review:** Spot gold rose 0.56% last week and posted the fourth consecutive weekly gain, driven by the weak US job data.

**Outlook:** The Fed's dovish stance and high inflation will provide support to spot gold in the upcoming weeks. We view US\$1830/oz as the resistance level for spot gold.



### Copper fell last week

**Review:** The LME spot copper fell 0.03% last week, weighed down by the signs of slowing economic growth in Asian and European countries.

**Outlook:** The slower growth in manufacturing activities around the globe due to the spread of Delta variant will put pressure on the price of copper in the near term. We view US\$8,943.30/ton (DMA200) as the short-term support level for the LME spot copper.



## Currencies



### USD fell last week

**Review:** The US Dollar Spot Index fell 0.70% to close at 92.035 last week, weighed down by weaker-than-expected US job data.

**Outlook:** The weak US job data in August may force the Fed to postpone its tapering. However, investors will monitor the outcome of the next FOMC meeting held in September, in order to find clues about the timing of the Fed's asset purchases tapering. We view 91.5 as a short term support level.



### GBP rose last week against USD

**Review:** GBP rose 0.77% against USD last week, mainly driven by the USD selloff due to the poor US job data.

**Outlook:** The hawkish stance of the Bank of England will provide support for the pound. We believe the pair will trade between resistance at 1.40 and support at 1.36.

## 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	25901.99	1.94	-0.34	5.65	-4.18	-3.27	9.69	31.41
Hang Seng China Enterprise	9291.71	3.73	0.85	-5.38	-12.91	-11.59	-5.90	-10.20
Shanghai Composite	3581.73	1.69	4.49	7.69	4.04	34.25	16.91	44.98
Shenzen Composite	2414.30	-1.04	0.28	6.96	5.18	71.10	19.61	122.44
Dow Jones Industrial	35443.82	-0.24	0.46	25.72	15.56	36.06	90.79	217.52
S&P 500	4536.95	0.58	2.23	32.35	20.75	57.59	107.43	289.23
NASDAQ COMPOSITE	15331.18	1.55	3.56	35.80	19.21	93.92	191.20	521.04
FTSE 100	7163.90	-0.14	0.22	23.09	10.49	-2.47	4.58	38.42
DAX	15840.59	-0.45	0.13	22.88	15.03	32.00	47.67	203.84
NIKKEI 225	29128.11	5.38	6.55	27.74	8.01	31.81	73.52	239.07

Data Sources : Bloomberg Data as of 2021/09/03

### Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	CB Consumer Confidence (Aug)	125.1	123.0	113.8	Below
US	Change in Nonfarm Payrolls (Aug)	1,053,000	733,000	235,000	Below
US	Unemployment Rate (Aug)	5.4%	5.2%	5.2%	On Par
EU	Markit Eurozone Manufacturing PMI (Aug)	61.5	61.5	61.4	Below
EU	Retail Sales (YoY) (Jul)	5.4%	4.5%	3.1%	Below
China	Manufacturing PMI (Aug)	50.4	50.2	50.1	Below

Data Sources : Bloomberg Data as of 2021/09/03

### Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)	Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
US Treasury 30Y	101.265625	-0.53	1.94	USD/HKD	7.77	-0.16	0.08	-0.27
US Treasury 10Y	99 5/16	-0.12	1.32	HKD/CNH	0.83	-0.14	0.33	1.17
US Treasury 5Y	99 5/6	-0.03	0.78	USD/CNH	6.44	-0.30	0.51	0.88
US Treasury 2Y	99 31/37	0.01	0.21	USD/JPY	109.71	-0.12	0.42	-5.96
US Tbill 3M	0.04	5.56	0.04	USD/CAD	1.25	-0.53	0.12	1.48
China Govt Bond 10Y	101.64	0.37	2.83	GBP/USD	1.39	0.64	-0.17	1.30
Japan Govt Bond 10Y	100.61	-0.15	0.04	AUD/USD	0.75	1.89	1.06	-3.38
German Bund 10Y	103.68	-0.63	-0.36	EUR/USD	1.19	0.61	0.91	-2.84
UK Gilt 10Y	95.89	-0.42	0.68					

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