

# Weekly Report



## Global Equities



### U.S. equities fell as investors worried about possible corporate tax hike

**Review:** U.S. equities closed lower last week, weighed down by the possibility of a corporate tax hike and persistent new Covid-19 cases. Dow Jones, the S&P 500 and Nasdaq fell 0.07%, 0.57% and 0.47% respectively.

**Outlook:** Investors will remain cautious over the upcoming Fed's FOMC meeting held this week to find clues about the Fed's monetary policy direction.



### European equities fell for the third consecutive week

**Review:** The MSCI Europe Index fell 0.98% last week and posted the third consecutive weekly loss as investors are concerned about higher inflation and rising Covid-19 cases.

**Outlook:** The recent announcement on the slow down in the pace of net asset purchases by the ECB is considered as a sign of potential tightening of monetary policy. We believe this will put pressure on European equities in the next few weeks. In addition, investors will closely monitor the both BOE's policy meeting and German elections to be held next week.



### Chinese equities fell last week due to weak economic data and Evergrande's liquidity crisis

**Review:** The Shanghai Composite Index fell 2.41% last week as investors are concerned over Evergrande's possible credit default as well as weak China's economic data.

**Outlook:** The uncertainty over Evergrande's liquidity crisis and weak economic data will continue to weigh on the Chinese equities in the upcoming week. We view 3,550 as a short-term support for the Shanghai Composite Index.



### Hang Seng Index fell last week

**Review:** Hang Seng Index fell 4.90% last week, weighed down by Evergrande's debt troubles.

**Outlook:** The uncertainty over China's regulatory actions and Evergrande's debt troubles will continue to weigh on Hong Kong stock market in the upcoming week. We believe Hang Seng Index will fluctuate around 24,000.



## Global Bonds



### FTSE World Government Bond Index fell last week

**Review:** FTSE World Government Bond Index fell 0.63% last week as investors bet on the Fed's exit from loose monetary policy.

**Outlook:** The concerns over rising inflation and the accelerated reduction in bond purchases by the Fed and ECB's decision to slow the pace of asset purchases will constitute a medium-term downside risk for government bonds.



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

**Review:** The Bloomberg Barclays High Yield Bond Index and Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.17% and 0.19% losses last week respectively.

**Outlook:** Due to the recent announcement of slowing down the pace of net asset purchases by the ECB and the possibility of Fed's tapering at the end of the year, we believe this will continue to weigh on EM bonds for the next few weeks. 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 last week

**Review:** Oil rose last week, driven by supply disruptions as result of Hurricane. WTI rose 3.23% to US\$71.97/bbl.

**Outlook:** Although rising Covid-19 cases will add downward pressure on oil prices in the near term, we expect oil prices to rise as the global economy gradually recovers from the pandemic. We view US\$75/bbl as a critical resistance level for crude oil.



### Spot gold fell for the second consecutive week

**Review:** Spot gold fell 1.86% last week and posted the second consecutive weekly loss due to the unexpected increase in US retail sales.

**Outlook:** Although gold can be used as a hedge against inflationary pressure, we expect the price of spot gold will continue to be tested in the next quarter as the global economy recovers. We believe that US\$1680/oz is the support level for spot gold.



### Copper fell last week

**Review:** LME spot copper fell 3.90% last week as investors awaited the FOMC meeting to be held this week.

**Outlook:** China economy's slower growth and the expected tightening of US monetary policy will weigh on the price of copper in the next few weeks. We view US\$9,048.44/ton (DMA200) as the short-term support level for LME spot copper.



## Currencies



### USD rose last week

**Review:** The US Dollar Spot Index rose 0.66% to close at \$93.195 last week, driven by strong U.S. retail sales.

**Outlook:** Investors will closely monitor the FOMC which will be held this week and we view 93.5 as a short-term resistance level.



### GBP fell last week against USD

**Review:** GBP fell 0.70% against USD last week due to disappointing UK retail sales data.

**Outlook:** Investors will monitor both the outcome of the Fed's FOMC meeting and the BOE policy meeting, in order to evaluate the monetary policies' direction. We believe the pair will continue to trade between resistance level at 1.40 and support level 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	24920.76	-4.90	-3.83	-2.28	-12.24	-13.03	1.56	31.06
Hang Seng China Enterprise	8940.47	-4.76	-2.42	-12.97	-20.55	-20.95	-12.51	-9.84
Shanghai Composite	3607.09	-2.41	5.45	8.26	4.06	32.42	19.55	47.64
Shenzen Composite	2437.56	-2.24	2.39	10.19	5.01	72.25	22.30	128.26
Dow Jones Industrial	34751.32	-0.07	-1.52	25.05	13.00	29.74	90.76	203.15
S&P 500	4473.75	-0.57	-0.20	33.55	18.02	51.26	107.17	268.77
NASDAQ COMPOSITE	15181.92	-0.47	2.24	39.38	16.73	87.39	187.02	480.79
FTSE 100	7027.48	-0.93	-1.75	15.92	7.79	-5.48	1.94	29.83
DAX	15651.75	-0.77	-2.01	18.10	12.91	25.67	49.03	178.02
NIKKEI 225	30323.34	0.39	12.91	30.56	11.13	28.83	84.94	249.72

Data Sources : Bloomberg Data as of 2021/09/17

### Economic data

地区	项目	前值	市场预期	实际数值	公布结果
US	Retail Sales (Aug) (MoM)	-1.80%	-0.70%	0.70%	Above
US	Industrial Production (Aug) (MoM)	0.80%	0.50%	0.40%	Below
US	Initial Jobless Claims	312,000	322,000	332,000	Below
EU	CPI (Jul) (YoY)	2.20%	3.00%	3.00%	On Par
China	Retail Sales (Aug) (YoY)	8.50%	7.00%	2.50%	Below
China	Industrial Production (Aug) (YoY)	6.40%	5.80%	5.30%	Below

Data Sources : Bloomberg Data as of 2021/09/17

### Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)	Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
US Treasury 30Y	102.25	0.78	1.90	USD/HKD	7.78	0.09	-0.05	0.43
US Treasury 10Y	98 69/73	-0.17	1.36	HKD/CNH	0.83	0.46	-0.25	-0.77
US Treasury 5Y	99 16/35	-0.21	0.86	USD/CNH	6.47	0.60	-0.29	-0.33
US Treasury 2Y	99 38/47	-0.02	0.22	USD/JPY	109.93	-0.05	0.14	6.47
US Tbill 3M	0.04	0.00	0.04	USD/CAD	1.28	1.17	-0.20	0.56
China Govt Bond 10Y	101.19	0.04	2.88	GBP/USD	1.37	-0.93	0.64	0.29
Japan Govt Bond 10Y	100.50	-0.06	0.05	AUD/USD	0.73	-1.82	1.44	-5.97
German Bund 10Y	103.05	-0.50	-0.30	EUR/USD	1.17	-0.82	0.14	-4.11
UK Gilt 10Y	94.64	-0.83	0.82					

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