

Weekly Report



Global Equities



US equities rose last week, driven by strong third-quarter earnings reports

Review: U.S. equities soared last week, mainly driven by strong third-quarter earnings reports. Dow Jones, S&P 500 and Nasdaq rose 1.58%, 1.82% and 2.18% respectively.

Outlook: Strong corporate earnings and accommodative monetary policy will continue to provide support to US equities in the upcoming weeks.



European equities closed higher last week on strong corporate earnings

Review: The MSCI Europe Index rose 2.59% last week as the strong corporate earnings eased the concerns over rising inflation.

Outlook: We believe the optimism about the earnings season and ECB's loose monetary policy will provide support to European equities in the near term.



Chinese equities fell last week due to the concerns over stagflation risk

Review: The Shanghai Composite Index dropped 0.55% last week as investors concerned over possible stagflation after China's PPI marked the fastest year-on-year rise in 26 years.

Outlook: The slowdown in China's economy and rising energy prices will put pressure on China's stock market in the upcoming weeks. We view 3,500 as the support level for Shanghai Composite Index.



Hang Seng index rose last week

Review: Hang Seng Index rose 1.99% last week and posted the third consecutive weekly gain as the concerns over China's regulatory crackdown eased.

Outlook: The uncertainty over Evergrande's debt crisis and the slowdown in China's economy will continue to put pressure on Hong Kong stock market in the upcoming week. We view 25,423 (DMA50) as the short-term resistance level for Hang Seng index.



Global Bonds



FTSE World Government Bond Index rebounded from the yearly low last week

Review: FTSE World Government Bond Index rallied 0.22% last week after posting fifth straight weekly loss.

Outlook: The concerns over rising inflation and Fed tapering will continue to pose downside risk for government bonds in the medium term.



Global high yield bonds and EM bonds rose last week

Review: The Bloomberg Barclays High Yield Bond Index and Bloomberg Barclays EM USD Aggregate Total Return Index recorded 0.14% and 0.21% gains last week respectively.

Outlook: According to the latest Fed's dot plot chart, nine out of eighteen FOMC members expected one rate hike in 2022. Also, investors are now expecting Fed will taper by the end of this year so that we believe the Fed's hawkish stance will continue to put pressure on EM bonds in the upcoming weeks. Investors should choose bonds with good fundamentals and short durations will reduce portfolio volatility.



Weekly Report



Commodities



Oil prices rose to three-year high last week

Review: WTI rose 3.69% last week to US\$82.28/bbl and posted eighth consecutive weekly gain, driven by the expectation of a supply deficit in the upcoming months as the easing of travel restriction in various countries will boost the demand for oil.

Outlook: We expect that oil prices will increase as the global economy gradually recovers from pandemic. At the same time, the surge in gas prices and the extent of fuel switching from gas to oil will be the key factor to watch in the upcoming weeks.



Gold rose last week

Review: Spot gold rose 0.60% last week to US\$1,767.62/oz due to a retreat in US dollar and bond yields.

Outlook: Although gold can be used as a hedge against inflationary pressure, we expect the price of spot gold will continue to be tested as the global economy recovers. We view US\$1794.78/oz (DMA200) as the resistance level for spot gold.



Other
Commodities

Copper rose last week

Review: The LME spot copper rose 12.25% last week and marked the biggest weekly gain since 2016. This was mainly driven by tight supplies of copper caused by energy crisis.

Outlook: The shortage of copper supply will continue to provide support to the price of LME spot copper in the next few weeks. Also, persistent inflation will also boost the demand for copper, in order for investors to hedge against inflationary pressure. We view US\$10,700/ton as the resistance level for LME spot copper.



Currencies



USD dropped slightly last week

Review: The US Dollar Spot Index declined 0.14% last week to close at 93.937 after posting fifth straight weekly gain.

Outlook: As the US's economy continues to recover and the Fed has turned hawkish recently, we believe the US dollar will remain stronger in the near term. We view 93.70 as a short-term support level to the US Dollar Spot Index.



GBP rose last week against USD

Review: GBP rose 1.00% against USD last week as the market expects BOE will raise interest rate by the end of this year.

Outlook: The uncertainty over the trade dispute between UK and Northern Ireland will continue to weigh on the pound in the upcoming weeks. We view 1.3850 as the resistance level for the pair.

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	25330.96	1.99	1.17	3.38	-7.41	-0.95	7.77	40.13
Hang Seng China Enterprise	8966.17	2.17	-0.57	-10.34	-17.21	-12.30	-8.54	-4.01
Shanghai Composite	3572.37	-0.55	-1.35	6.85	2.65	43.38	15.60	49.88
Shenzen Composite	2400.52	-0.56	-1.91	5.91	3.00	94.75	16.66	137.57
Dow Jones Industrial	34912.56	1.58	2.05	23.38	15.32	39.07	94.33	204.87
S&P 500	4438.26	1.82	0.87	28.35	19.04	61.49	108.98	264.90
NASDAQ COMPOSITE	14823.43	2.18	-0.97	27.64	15.59	99.03	184.09	460.59
FTSE 100	7207.71	1.95	3.88	22.21	11.97	2.95	3.34	33.71
DAX	15462.72	2.51	0.63	20.75	13.62	34.50	46.61	165.21
NIKKEI 225	29068.63	3.64	-4.83	23.98	5.76	28.10	71.10	232.52

Data Sources : Bloomberg Data as of 2021/10/15



Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Consumer Price Index (Sep)(YoY)	5.30%	5.30%	5.40%	Above
US	Initial Jobless Claims	329,000	320,000	293,000	Above
US	Retail Sales (Sep)(MoM)	0.90%	-0.20%	0.70%	Above
EU	Industrial Production (Aug)(MoM)	1.40%	-1.70%	-1.60%	Above
China	Consumer Price Index (Sep)(YoY)	0.80%	0.80%	0.70%	Below
China	Producer Price Index (Sep)(YoY)	9.50%	10.50%	10.70%	Above

Data Sources : Bloomberg Data as of 2021/10/15



Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	99.046875	2.80	2.04
US Treasury 10Y	97 5/64	0.41	1.57
US Treasury 5Y	98 23/29	-0.29	1.13
US Treasury 2Y	99 43/60	-0.14	0.40
US Tbill 3M	0.05	-16.67	0.05
China Govt Bond 10Y	100.25	-1.75	2.99
Japan Govt Bond 10Y	100.23	0.04	0.08
German Bund 10Y	101.67	0.15	-0.17
UK Gilt 10Y	92.11	0.52	1.10

Data Sources : Bloomberg Data as of 2021/10/15

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.78	0.02	-0.10	0.34
HKD/CNH	0.83	-0.31	-0.67	-1.41
USD/CNH	6.43	-0.38	-0.75	-1.05
USD/JPY	114.22	0.94	4.50	10.77
USD/CAD	1.24	-0.68	-3.31	-2.57
GBP/USD	1.38	1.04	0.59	0.49
AUD/USD	0.74	0.64	2.01	-3.85
EUR/USD	1.16	0.22	-1.27	-5.23

Data Sources : Bloomberg Data as of 2021/10/15

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