

The Market Place

- Global equities rose +4.2% last week
- Concern mounts after limited trials show the Oxford/AstraZeneca vaccine doesn't protect against mild/moderate illness from the South African mutation- Brent crude rose 0.8% last week to \$55.9 a barrel
- Brent crude oil rose +6.2% to \$59.3 a barrel
- Gold fell -1.8% to \$1847.1 per ounce

US

US equities rose +4.7% with record highs across all major indices boosted by technology stocks and cyclical such as energy.

Treasury secretary Janet Yellen says financial regulators determined that the infrastructure of stock and commodity markets remained "resilient" during the volatility in trading seen in recent weeks.

January nonfarm payrolls increased by just 49K (versus 105K expected) from the prior month after a downwardly revised 227K December decrease (from 87K), while the unemployment rate fell to 6.3% (versus 6.7% expected).

The US Senate passed a budget resolution last Friday moving forward legislation to authorise the full \$1.9 trillion stimulus package that President Biden had requested.

US factory orders for December rose by +1.1% (vs. +0.7% expected).

US Treasury yields climbed +9.8bps to 1.164%, their highest level since mid-March 2020.

Europe

European equities rose +3.8% last week.

Euro Area retail sales rose by +2.0% in December (vs. +2.8% expected).

The eurozone's economy contracted less than expected in the fourth quarter, with GDP falling 0.7% vs Q3 and 5.1% year on year according to initial estimates.

ECB President Christine Lagarde predicted the euro-area recovery will pick up in the summer, while stressing that public authorities will have a difficult job weaning the economy from emergency support.

German factory orders fell for the first time in eight months during December. Demand dropped -1.9% (versus -1.0% expected) and the January construction PMI for Germany came in at 46.6, indicating that it's in contractionary territory.

In Italy, former ECB President Mario Draghi accepted a mandate from President Matteralla to form the next Italian government.

UK

UK equities rose +1.1% last week.

The government will require travellers from the UK's coronavirus travel ban list to isolate for 10 days after arrival in government-approved accommodation from next week.

The UK has passed the peak of its latest wave of the coronavirus pandemic, officials said, as the country reached the milestone of vaccinating 10 million people, about 15% of the population.

The Bank of England have forecast that the economy will contract by around -4.0% in Q1, however they projected that it would bounce back strongly after that, with CPI inflation above the BoE's 2% target by Q1 2022.

The UK government is said to be weighing tax increases for tech firms and online retailers such as Amazon that saw huge growth during the pandemic.

Asia / ROW

The benchmark Global Emerging Markets index returned +5% last week.

Japanese equities rose +4.5% last week.

Chinese equities performed strongly returning +5.5% last week.

The Japanese government is considering lifting the Covid-19 state of emergency in 10 jurisdictions early depending on their virus situations ahead of the March 7th expiry date.

China's industrial and services activities missed expectations in January, though official readings showed that activity remained in expansionary territory.

Manufacturing for January grew at its slowest rate in 7 months.



Performance

Asset Class/Region	Currency				
		Week ending 05 Feb 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	4.7%	4.7%	3.6%	18.1%
United Kingdom	GBP	1.1%	1.1%	0.4%	-12.1%
Continental Europe	EUR	3.8%	3.8%	2.7%	1.7%
Japan	JPY	4.5%	4.5%	4.8%	13.8%
Asia Pacific (ex Japan)	USD	4.7%	4.7%	8.4%	35.2%
Australia	AUD	3.5%	3.5%	3.9%	0.9%
Global	USD	4.2%	4.2%	3.2%	17.2%
Emerging markets equities					
Emerging Europe	USD	4.0%	4.0%	1.6%	-10.0%
Emerging Asia	USD	5.3%	5.3%	9.8%	43.9%
Emerging Latin America	USD	5.5%	5.5%	-1.6%	-12.6%
BRICs	USD	5.9%	5.9%	9.9%	31.6%
China	USD	5.5%	5.5%	13.2%	49.0%
MENA countries	USD	-1.3%	-0.5%	1.6%	1.2%
South Africa	USD	5.0%	5.0%	7.9%	8.6%
India	USD	9.6%	9.6%	7.1%	22.0%
Global emerging markets	USD	5.0%	5.0%	8.2%	30.9%
Bonds					
US Treasuries	USD	-0.5%	-0.5%	-1.7%	4.7%
US Treasuries (inflation protected)	USD	-0.3%	-0.3%	0.0%	10.0%
US Corporate (investment grade)	USD	-0.5%	-0.5%	-1.8%	6.1%
US High Yield	USD	0.7%	0.7%	1.0%	7.6%
UK Gilts	GBP	-2.2%	-2.2%	-3.9%	1.9%
UK Corporate (investment grade)	GBP	-1.0%	-1.0%	-2.2%	4.2%
Euro Government Bonds	EUR	-0.3%	-0.3%	-0.9%	2.1%
Euro Corporate (investment grade)	EUR	0.0%	0.0%	-0.1%	1.7%
Euro High Yield	EUR	0.8%	0.8%	1.2%	2.9%
Japanese Government	JPY	0.0%	0.0%	-0.3%	-1.4%
Australian Government	AUD	-0.4%	-0.4%	-1.1%	1.1%
Global Government Bonds	USD	-0.9%	-0.9%	-2.2%	6.7%
Global Bonds	USD	-0.8%	-0.8%	-1.8%	7.0%
Global Convertible Bonds	USD	3.1%	3.1%	3.1%	26.1%
Emerging Market Bonds	USD	0.3%	0.3%	-1.6%	3.0%

Performance

Asset Class/Region	Currency				
		Week ending 05 Feb 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	3.4%	3.4%	3.5%	-7.7%
Australian Property Securities	AUD	2.0%	2.0%	-2.1%	-15.7%
Asia Property Securities	USD	1.8%	1.8%	1.7%	-7.1%
Global Property Securities	USD	2.2%	2.2%	1.2%	-6.3%
Currencies					
Euro	USD	-0.8%	-0.8%	-1.5%	9.4%
UK Pound Sterling	USD	0.2%	0.2%	0.6%	5.6%
Japanese Yen	USD	-0.6%	-0.6%	-1.9%	4.2%
Australian Dollar	USD	0.4%	0.4%	-0.3%	13.7%
South African Rand	USD	2.4%	2.4%	-1.2%	-0.4%
Swiss Franc	USD	-1.0%	-1.0%	-1.7%	8.2%
Chinese Yuan	USD	-0.6%	-0.6%	0.9%	7.9%
Commodities & Alternatives					
Commodities	USD	3.8%	3.8%	8.1%	8.3%
Agricultural Commodities	USD	0.5%	0.5%	5.2%	26.8%
Oil	USD	6.2%	6.2%	14.6%	7.3%
Gold	USD	-1.8%	-1.8%	-4.2%	16.5%
Hedge funds	USD	1.3%	1.3%	1.3%	7.1%



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