



Weekly Report



Market Overview



US equities rebounded on stimulus hopes

Review: US equities rebounded after mixed economic data showed that while jobless claims continued to fall and unemployment rate fell to 6.3% in January, the lower-than-expected change in nonfarm payrolls boosted President Biden's case for the US\$1.9 trillion stimulus package. Dow Jones, S&P 500 and Nasdaq rose 3.89%, 4.65% and 6.01% respectively.

Outlook: We expect the proposed US\$1.9 trillion stimulus package will likely be passed. The upward trajectory for US equities will likely continue in the first quarter.



Europe equities rebounded on bargain hunting

Review: Europe equities rebounded last week on bargain hunting. The MSCI Europe Index rose 3.40% last week.

Outlook: We expect Europe equities to continue to fluctuate at current levels. In the medium to long term, stimulus measures such as the European Recovery Fund, ECB stimulus policies and low valuations will benefit Europe equities.



Shanghai Composite Index rose slightly last week

Review: The Shanghai Composite Index fell for three consecutive days after recording two days of gains. As a result, index rose slightly by 0.38% for the entire week.

Outlook: U.S.-China tensions weighed on sentiment last week, but investors remained focus on the Chinese economic recovery. We expect the Shanghai Composite Index to fluctuate around 3,500 in the near term.



Hang Seng Index rebounded on bargain hunting

Review: The Hang Seng Index recovered from last week's correction to close 3.55% higher at 29,288.68.

Outlook: Given favorable factors such as the appreciation of the renminbi and Hong Kong equities continued to be favoured by Mainland Chinese investors, we believe the upward trajectory will be maintained in the first quarter.



Singapore equities rebounded slightly

Review: The Straits Times Index rose just 0.16% during a largely directionless trading week.

Outlook: We expect the STI to fluctuate around 2,900, as investors await for the budget announcement slated to be delivered on Feb 16.

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Indonesia equities rose last week after two straight weeks of selling

Review: Indonesia equities rose on bargain hunting, and the expectations that the USD will remain weak due to the likely passage of a large fiscal stimulus. The Jakarta Composite Index rose 4.94% last week and the Rupiah remained unchanged at 14,030.

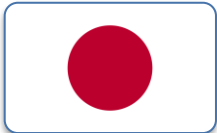
Outlook: Downside risk for Indonesia equities will be supported by a stable Rupiah. Investors should note that the central bank's independence is still a risk factor.



South Korea equities rebounded last week

Review: South Korea's KOSPI rebounded by 4.85% last week, as investors bargain hunted after previous week's correction.

Outlook: We expect Korean stocks to consolidate at a high level in the near term. However, we view any pause in the rally or pullback as an opportunity to accumulate Korean equities, particularly the semiconductor stocks.



Japan equities rebounded after the previous week's correction

Review: Japan equities rebounded after the previous week's selling pressure. The Nikkei 225 Index rose 4.03% last week.

Outlook: JPY has weakened against the greenback, with USDJPY rebounded from the last low of 102.36 in January to 105.39, which may provide downside support to Japanese equities in the near term. We expect Japanese equities to continue rangebound trading in the near term.



Australia equities recorded best weekly gains in three months

Review: Australia equities recorded its best weekly gains in three months, tracking the gains in US equities. The S&P/ASX 200 Index rose 3.53% last week.

Outlook: The upward trend in Australia equities should remain intact, driven by potential continued gains in financials and material stocks.



UK equities rebounded after three straight weekly losses

Review: UK equities rose last week, which snapped a three-week losing streak. The FTSE 100 Index rose 1.28% last week.

View: UK's Covid situation has been improving as a result of the strict social distancing measures and the speed in which the population is being vaccinated. We expect UK equities to find near-term support at current levels due to these positive developments.

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Global Bonds



FTSE World Government Bond Index fell as market sentiment improves

Review: The FTSE World Government Bond Index fell by 0.92% as investor sentiment improved last week.

Outlook: Investors will continue to weigh the potential downside risks of the increase in coronavirus cases and the sustainability of economic recovery. We expect riskier fixed income bonds to outperform investment grade bonds such as government bonds in the near term.



High-yield bonds rose last week

Review: The Bloomberg Barclays Global High Yield Index rose 0.65% last week.

Outlook: The central bank's policy support and the low interest rate environment will continue to support the demand for high-yield corporate bonds in the market. Still, we advise investors to choose investment targets carefully.



Emerging market bonds rose last week

Review: The Bloomberg Barclays EM USD Aggregate Index rose 0.31% last week, led by EM USD High Yield (+1.09%).

Outlook: Factors such as the low interest rate environment and the expected continued weakness of the USD in the medium and long term should continue to benefit emerging market bonds. Investors can choose emerging market bonds with relatively good fundamentals.



Commodities



Gold fell as USD continued to rise

Review: Gold fell for the second as USD continued to strengthened. Spot gold fell 1.82% to US\$1,814.11/oz.

Outlook: We expect spot gold to fluctuate around US\$1,800 in the near term, as investors bet that a large US stimulus package will continue to weaken the USD (which is beneficial for gold), but the positive outlook for the global economy driven by mass vaccination will diminish the appeal of gold as a safe haven asset.



Oil prices rose as US and Chinese crude oil stockpiles declined

Review: Oil prices rose last week as both US and China's crude oil stockpiles declined. WTI rose 8.91% to US\$56.85/bbl while Brent crude rose 6.19% to US\$59.34/bbl.

Outlook: We expect oil prices to be well supported at US\$50/bbl, driven by the vaccine-related optimism and OPEC+'s disciplined crude oil production cuts.

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	29113.50	3.55	5.93	9.34	7.56	-4.27	51.85	24.72
Hang Seng China Enterprise	11563.50	3.15	7.31	10.17	7.66	-8.87	43.53	-7.70
Shanghai Composite	3501.86	0.38	-0.92	24.07	0.67	3.73	26.52	24.92
Shenzen Composite	2353.27	-0.11	-3.71	38.95	0.14	35.13	33.23	94.67
Dow Jones Industrial	31055.86	3.89	2.49	6.34	1.77	25.03	92.21	154.62
S&P 500	3871.74	4.65	4.29	16.56	3.48	44.22	106.74	193.44
NASDAQ COMPOSITE	13777.74	6.01	8.09	45.72	7.51	94.72	217.58	395.39
FTSE 100	6503.72	1.28	-1.86	-13.27	0.45	-9.13	10.97	6.53
DAX	14060.29	4.64	2.97	4.29	2.46	13.43	51.37	91.95
NIKKEI 225	28341.95	4.03	5.97	23.41	4.86	33.17	71.11	170.58

Source: Bloomberg. As of 2021/02/05

Economic data

Country	Event	Previous	Forecast	Actual	Expectation
US	Initial Jobless Claims end Jan 30	812,000	830,000	779,000	Above
US	Change in Nonfarm Payrolls	-227,000	105,000	49,000	Below
US	Markit US Manufacturing PMI	59.1	59.1	59.2	On Par
EU	4Q GDP YoY s.a.	-4.3%	-5.3%	-5.1%	Above
China	Caixin China Manufacturing PMI	53.0	52.6	51.5	Below
SG	Retail Sales YoY	-1.7%	-2.2%	-3.6%	Below

Source : Bloomberg 2021/02/05

Bond/Forex

Bond Instrument	Price	Change(%)	Yield (%)
US Treasury 30Y	92.91	-2.50	1.94
US Treasury 10Y	97.55	-0.68	1.14
US Treasury 5Y	99.59	-0.18	0.46
US Treasury 2Y	100.02	-0.00	0.11
US Tbill 3M	0.03	-48.88	0.03
China Govt Bond 10Y	100.35	-0.44	3.23
Japan Govt Bond 10Y	100.44	-0.06	0.06
German Bund 10Y	104.68	-0.65	-0.46
UK Gilt 10Y	141.46	-0.97	0.44

Source: Bloomberg. As of 2021/02/05

Currency	Price	Return (Weekly)	Return (Monthly)	Return (YTD)
USD/HKD	7.75	-0.01	-0.01	-0.13
HKD/CNH	0.83	0.04	0.36	-7.29
USD/CNH	6.47	0.11	0.35	-7.40
USD/JPY	105.54	0.68	2.60	-4.04
USD/CAD	1.28	-0.16	0.69	-3.96
GBP/USD	1.37	0.20	0.79	5.64
AUD/USD	0.76	0.44	-1.04	13.82
EUR/USD	1.20	-0.74	-2.05	9.52

Source: Bloomberg. As of 2021/02/05

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