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Equity – Global equities rise modestly

- Global equities continued their positive momentum from February but returns varied across regions and sectors. Regionally the gain was mainly led by Europe (CAC40 up 6.38%, DAX up 8.86%), as all major European markets outperformed the global index. Investors seem to have shrugged off concerns related to potential new waves of COVID-19 in some countries and ensuing restrictions. For developed market, S&P500 and Nasdaq rose 4.24% and 0.41% respectively. MSCI EU rose 6.09% as well. For the emerging market, MSCI EM was down 1.70%. China CSI300 and ChiNext dropped 5.40% and 4.25% respectively. HSI and HSCEI were down 2.08% and 2.45%, respectively.
- In China, NBS manufacturing PMI index rose 1.3ppt to 51.9%, and non-manufacturing PMI rose 4.9ppt to 56.3%. Manufacturing PMI rebounds in March as expected as Chinese New Year effect subsides. The PMI new order index rose from 51.5% in February to 53.6% in March and the new export order index rose from 48.8% to 51.2%, mainly driven by medium-sized enterprises. Overall, March PMI data indicates that the manufacturing sector is still performing well, while the non-manufacturing sector is recovering from the pandemic. The new export order index rebounded after a major decline in February, but we still need to pay attention to the impact of disruptions to the global supply chain and the situation of China's future exports.

Index	Settle	Net Change (+/-%)		Valuation (2021)	
		MoM	YTD	PE	PB
DJIA	32,981.55	6.62%	7.76%	21.30	4.72
S&P 500	3,972.89	4.24%	5.77%	22.95	4.04
Nasdaq	13,246.87	0.41%	2.78%	33.11	4.53
Nikkei	29,178.80	0.73%	6.32%	21.62	2.14
FTSE100	6,713.63	3.55%	3.92%	14.31	1.72
CAC40	6,067.23	6.38%	9.29%	18.14	1.76
DAX	15,008.34	8.86%	9.40%	16.63	1.76
SHCOMP	3,441.91	-1.91%	-0.90%	12.27	1.47
CSI300	5,048.36	-5.40%	-3.13%	13.74	2.00
ChiNext	2,851.85	-4.25%	-8.33%	30.74	5.21
HSI	28,378.35	-2.08%	4.21%	13.04	1.25
HSCEI	10,972.04	-2.45%	2.18%	10.96	1.32
TWSE	16,431.13	2.99%	11.53%	17.27	1.18
KOSPI	3,061.42	1.61%	6.54%	14.13	1.21
JCI	5,985.52	-4.11%	0.11%	0.00	0.00

Source: Bloomberg

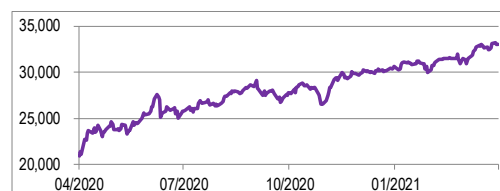


Fig. 1 One year performance of Dow Jones Index

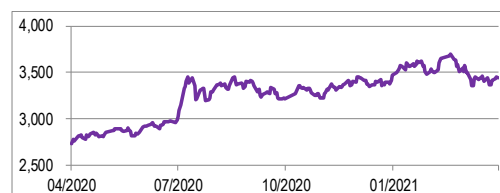


Fig. 2 One year performance of Shanghai Composite

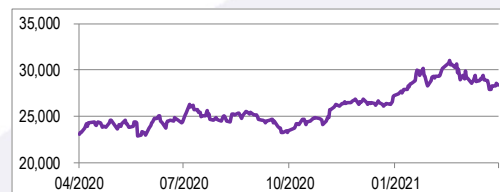


Fig. 3 One year performance of Hang Seng Index

Fixed Income – US Bond yields rose in March

- US Treasuries continued February's momentum into March. The FOMC meeting in 17 March was a focus of market interest and Chairman Powell unsurprisingly reiterated dovish rhetoric. Their decision to allow the Supplementary Leverage Ratio to expire at month-end was theoretically negative for Treasuries. However, the market's reaction was modest, suggesting that the bulk of this was already in the price. News of USD 2 trillion infrastructure package from the Biden administration saw yields tick higher into month-end. US Treasury yields finally closed at 1.74% in March.
- In Europe, ECB increased the PEPP purchase rate at its 11 March meeting as renewed virus restrictions and stalling vaccine rollout plans continued to weigh on Europe's recovery. Bunds were oscillated and directionless over the month between the drag from Treasuries and uncertainty surround the Next Generation EU Fund. Eventually, Euro 10Y government bond yields closed at -0.29% in March. In UK, although 10Y gilt yields had surged 50bp in February, the BoE MPC meeting produced little indication that policymakers were worried. BoE officials may have been more comfortable with higher rates than their Eurozone counterparts due to the diverging economic outlook between the UK and EU. Eventually, 10Y gilt yields closed at 0.85%.

Bonds	High	Low	Settle	Net Change (bp)	
				MoM	YTD
US 10-yr Treasury Yield	1.74%	1.39%	1.74%	34	83
US 30-yr Treasury Yield	2.45%	2.19%	2.41%	26	77
Euro 10-yr Govt Yield	-0.26%	-0.38%	-0.29%	-3	28
Japan 10-yr Govt Yield	0.16%	0.07%	0.10%	-7	7
China 10-yr Govt Yield	3.27%	3.19%	3.19%	-9	4

Source: Bloomberg

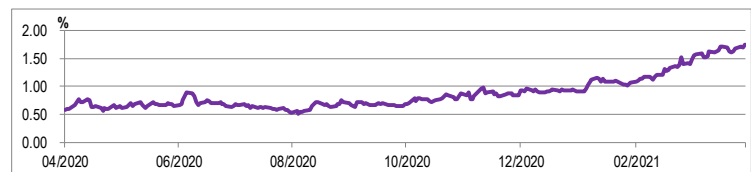


Fig. 4 One year performance of US 10-yr Treasury Yield

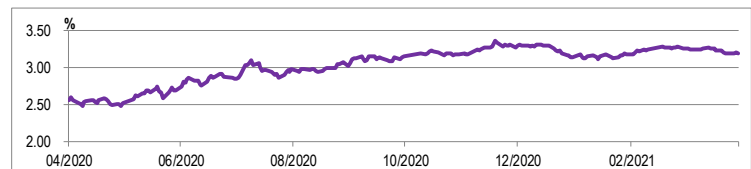


Fig. 5 One year performance of China 10-yr Treasury Yield

Commodities – Oil price and gold price fell

Commodities	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
WTI Oil (bbl)	66.09	57.76	59.16	-3.80%	21.93%
Brent Oil (bbl)	69.63	60.79	63.54	-3.92%	22.66%
Gold Spot (oz)	1,745.33	1,683.54	1,707.71	-1.52%	-10.04%
CMX Silver (oz)	26.88	24.14	24.53	-7.22%	-7.33%
CMX Copper (lb)	422.20	397.80	399.55	-2.37%	13.38%
LME Zinc (mt)	2,855.50	2,728.50	2,805.25	1.07%	2.78%
LME Aluminium (mt)	2,275.75	2,115.00	2,187.50	1.78%	10.84%

Source: Bloomberg

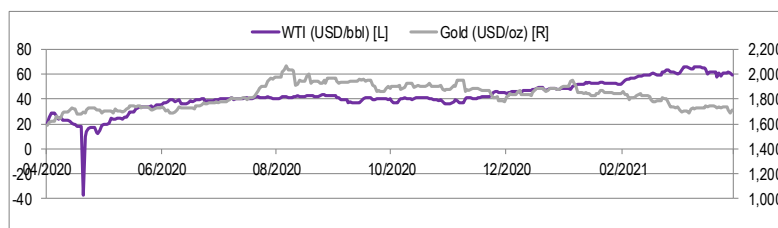


Fig. 6 One year performance of Oil and Gold Price

Oil price fell in March. Oil price rose in early March as OPEC+ agreed to keep oil output unchanged in April and Saudi Arabia announced no hurry to bring its voluntary 1mbpd output cut back to the market. However, in the mid of March oil prices began to decline as demand concerns and a strengthening USD prompted oil to slip and rising US stockpiles prompted a fresh wave of selling. Oil price did some recover into month end, partly due to a container ship blocking all transit through the Suez Canal, prompting oil prices to rise and optimism that OPEC+ will maintain its cautious supply stance. WTI and Brent went down 3.80% and 3.92% respectively in March.

➤ Gold price was volatile in March as it responded to rapidly moving Treasury yields and a changing pandemic situation. Gold ETF withdrawals likely also had their part to play in gold's decline throughout the month. Gold fell relatively rapidly as US Treasury yields continued to move higher. Gold price finally closed at USD 1,707.71/oz, down 1.52% MoM.

FX – USD remaining strong

- The DXY ended stronger in March as US Treasury yields continued to climb higher over the course the month. In the middle of the month, the Fed announced to hold the rates at 0-0.25% and Chairman Powell repeatedly emphasized the dovish message that the Fed would not hike until there was tangible evidence of progress toward its goals. In the end of the month, the DXY continued to gain as US Treasury yields climbed once more. Finally, the DXY went up 2.59% in March.
- The EUR fell against the USD in March as a seemingly continuous plague of vaccination problems derailed hopes for a rapid vaccine rollout. In ECB meeting on 11 March, the central bank announced a “substantial” increase in its purchasing pace of bonds over the coming months to try to stem a rise in back-end bond yields. Toward the end of the month, a notable rise in COVID-19 cases prompted renewed lockdown across much of Europe, and likely added to EUR’s woes. Eventually, the EUR went down 2.86% against the USD in March.

FX	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
DXY	93.30	90.79	93.23	2.59%	3.66%
EUR / USD	1.209	1.172	1.173	-2.86%	-3.98%
USD / CNH	6.575	6.470	6.565	1.30%	0.95%
USD / JPY	110.7	106.7	110.7	3.89%	7.23%
GBP / USD	1.399	1.369	1.378	-1.08%	0.83%
USD / CAD	1.267	1.241	1.256	-1.38%	-1.28%
AUD / USD	0.782	0.758	0.760	-1.40%	-1.25%
USD / CHF	0.944	0.915	0.944	3.86%	6.60%

Source: Bloomberg

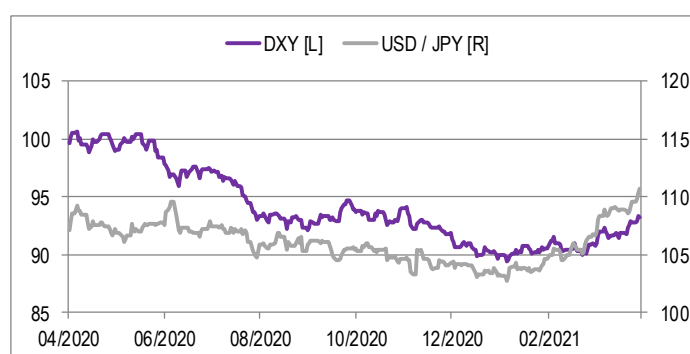


Fig. 7 One year performance of DXY and JPY

Economic Calendar (April 2021)

Monday	Tuesday	Wednesday	Thursday	Friday
			1 Initial Jobless Claims Markit US Manufacturing PMI Construction Spending MoM ISM Manufacturing	2 Change in Nonfarm Payrolls Unemployment Rate
5 Factory Orders Durable Goods Orders	6	7 MBA Mortgage Applications Trade Balance	8 Initial Jobless Claims	9 PPI Final Demand MoM Wholesale Inventories MoM
12	13 CPI MoM	14 MBA Mortgage Applications	15 Initial Jobless Claims Retail Sales Advance MoM Empire Manufacturing Industrial Production MoM	16 Housing Starts U. of Mich. Sentiment
19	20	21	22 Initial Jobless Claims Leading Index Existing Home Sales	23 Markit US Manufacturing PMI New Home Sales
26 Durable Goods Orders	27 Conf. Board Consumer Confidence	28 MBA Mortgage Applications Wholesale Inventories MoM	29 FOMC Rate Decision Initial Jobless Claims GDP Annualized QoQ	30 Personal Income Personal Spending Chicago Purchasing Manager U. of Mich. Sentiment

Source: Bloomberg