

TABLE OF CONTENTS	PAGE
Equity – Global Equities rebound	1
Fixed Income – US bond yields dropped	2
Commodities – Oil price rebound and gold went down	2
FX – Dollar is weakening	3
Economic Calendar (December 2020)	3

Equity – Global Equities rebound

- Global equities posted positive returns in November and recorded their best monthly return since 1994. Equities gained as favorable news related to COVID-19 vaccine development drove investor optimism and expected results in the US presidential election led to some fall in volatility. For developed market, S&P500 and Nasdaq rose 10.75% and 11.80% respectively. MSCI EU rose 13.82% as well. For the emerging market, MSCI EM rose 9.21%. China CSI300 gained 5.64% but ChiNext Index dropped 2.10%. HSI and HSCEI were up 9.27% and 8.06% respectively.
- In China, NBS manufacturing PMI index picked up by 0.7 to 52.1, the highest level this year. Among sub-indices, backing orders edged down, while most other sub-indices rose, especially for new orders and production index, indicating supply and demand both expanding notably in November. Non-manufacturing PMI edged up by 0.2 to 53.6 in November, the highest level since 2012. Looking forward, we expect that economic recovery would continue at a robust pace in the near-term.

Index	Settle	Net Change (+/-%)		Valuation (2020)	
		MoM	YTD	PE	PB
DJIA	29,638.64	11.84%	3.86%	24.38	4.51
S&P 500	3,621.63	10.75%	12.10%	25.77	3.84
Nasdaq	12,198.74	11.80%	35.96%	39.24	6.04
Nikkei	26,433.62	15.04%	11.74%	25.16	1.98
FTSE100	6,266.19	12.35%	-16.92%	20.77	1.55
CAC40	5,518.55	20.12%	-7.69%	28.33	1.67
DAX	13,291.16	15.01%	0.32%	19.49	1.58
SHCOMP	3,391.76	5.19%	11.20%	15.32	1.54
CSI300	4,960.25	5.64%	21.08%	17.00	2.06
ChiNext	2,981.10	-2.10%	41.67%	33.43	5.08
HSI	26,341.49	9.27%	-6.56%	13.44	1.11
HSCEI	10,546.47	8.06%	-5.57%	9.92	1.08
TWSE	13,722.89	9.38%	14.38%	19.10	2.16
KOSPI	2,591.34	14.30%	17.91%	18.41	1.08
JCI	5,612.42	9.44%	-10.91%	0.00	0.00

Source: Bloomberg

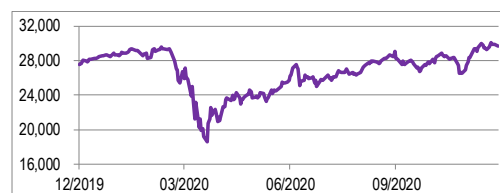


Fig. 1 One year performance of Dow Jones Index

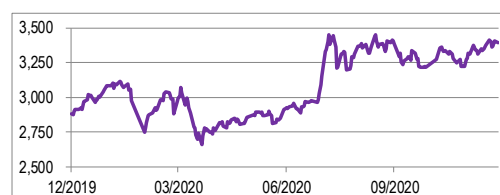


Fig. 2 One year performance of Shanghai Composite

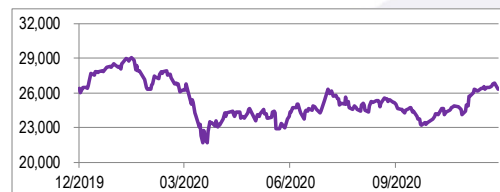


Fig. 3 One year performance of Hang Seng Index

Fixed Income – US bond yields dropped

- In November, the yield curve was flattening for US Treasuries, with the US election and vaccine news dominating moves early in the month. In early-November, US 10Y yield was under pressure as tighter than expected election results rolled in. Then US 10Y yields climbed to an 8-month high due to Pfizer-BioNTech vaccine news. The remainder of the month saw some stabilization in yields. US 10Y Treasury yields finally closed at 0.84% in November.
- In Europe, BTP-Bund spreads continued their downward trend, compressing around 20bp to 120bp by month end. Euro-periphery bonds continue to be supported, regardless of COVID-19 developments, largely thanks to ECB QE, where the December meeting remained in focus for much of the month. Eventually, Euro 10Y government bond yields rose 6bp in November. In UK, 10Y gilt yields rose which echoed the short-lived sell-off across rates markets in early November. Meanwhile, the Chancellor announced the UK will issue green gilts in 2021 and the BoE's MPC voted unanimously for a bigger than expected GBP 150bn of QE in 2021. Eventually 10Y gilt yields closed at 0.31%.

Bonds	High	Low	Settle	Net Change (bp)	
				MoM	YTD
US 10-yr Treasury Yield	0.98%	0.76%	0.84%	-3	-108
US 30-yr Treasury Yield	1.74%	1.52%	1.57%	-9	-82
Euro 10-yr Govt Yield	-0.49%	-0.64%	-0.57%	6	-39
Japan 10-yr Govt Yield	0.05%	0.01%	0.03%	-1	4
China 10-yr Govt Yield	3.36%	3.18%	3.27%	9	13

Source: Bloomberg

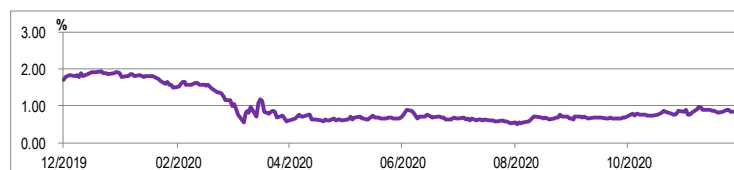


Fig. 4 One year performance of US 10-yr Treasury Yield

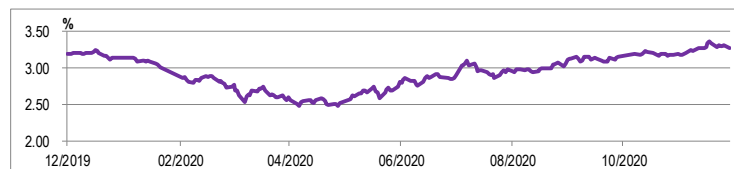


Fig. 5 One year performance of China 10-yr Treasury Yield

Commodities – Oil price rebound and gold went down

Commodities	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
WTI Oil (bbl)	45.71	36.81	45.34	26.68%	-25.75%
Brent Oil (bbl)	48.61	38.97	47.59	27.04%	-27.89%
Gold Spot (oz)	1,951.35	1,776.95	1,776.95	-5.42%	17.11%
CMX Silver (oz)	25.81	22.59	22.59	-5.07%	23.12%
CMX Copper (lb)	343.80	308.25	343.80	12.63%	21.46%
LME Zinc (mt)	2,786.75	2,528.00	2,776.20	10.44%	21.79%
LME Aluminum (mt)	2,036.00	1,868.25	2,036.00	10.23%	14.30%

Source: Bloomberg

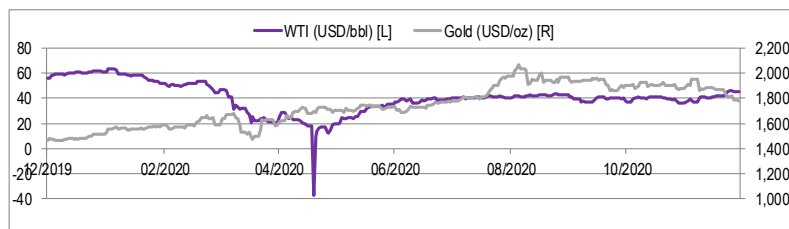


Fig. 6 One year performance of Oil and Gold Price

Gold price fell in November as some significant risks appeared to dissipate from the global economy. With the US presidential election out of the way and a Joe Biden victory secured, the risks of higher geopolitical tensions appeared to reduce. Furthermore, following Pfizer's vaccine announcement, gold prices dropped as investors re-evaluated the likely duration of the pandemic. Gold price finally closed at USD 1,776.95/oz, down 5.42% MoM.

After suffering declines for the last two months, oil prices came back with a vengeance as investors re-evaluated the likely demand outlook on the back of positive vaccine news. With a democratic administration likely to result in more stimulus, this perhaps buoyed oil prices more than the potential downside risk of Biden's energy transition policies. On the supply front, oil prices were likely supported by news that OPEC+ would extend supply cuts through Q1 2021 in the face of weak demand and a continued uncertain outlook. WTI and Brent went up 26.68% and 27.04% respectively in November.

FX – Dollar is weakening

- November began with all eyes watching the US election. As Joe Biden started to pull clear in a number of key states and appeared set to win the election, the DXY weakened. Thereafter, sentiment remained largely positive as vaccine news continued to impact the market against downside risks, with both Pfizer and Moderna reporting efficacy rates above 90%. Equities soared to all time highs, with the Dow Jones Index topping 30,000 for the first time. DXY fell against all other G10 currencies. Finally, the DXY went down 2.31% in November.
- Like most G10 currencies, attention was focused on the US election in November. As it became clearer Joe Biden would win the election, the EUR went up 0.9% higher alongside broad risk-on sentiment. Furthermore, as Pfizer announced positive vaccine results in Phase 3 trials, EUR-USD briefly climbed higher, the EUR eventually went up 2.4% against the USD in November. In UK, despite an additional four-week lockdown being imposed in England, GBP-USD was supported by both risk-on sentiment and the progress of Brexit negotiations in November. Also, the USD weakened more broadly on the increased likelihood of a Joe Biden victory. GBP-USD eventually went up 2.9% in November.

FX	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
DXY	94.13	91.79	91.87	-2.31%	-4.69%
EUR / USD	1.196	1.164	1.193	2.40%	6.37%
USD / CNH	6.689	6.548	6.584	-1.68%	-5.43%
USD / JPY	105.4	103.4	104.3	-0.33%	-3.96%
GBP / USD	1.338	1.292	1.332	2.90%	0.50%
USD / CAD	1.322	1.299	1.300	-2.40%	0.08%
AUD / USD	0.739	0.706	0.734	4.50%	4.60%
USD / CHF	0.919	0.900	0.909	-0.88%	-5.97%

Source: Bloomberg

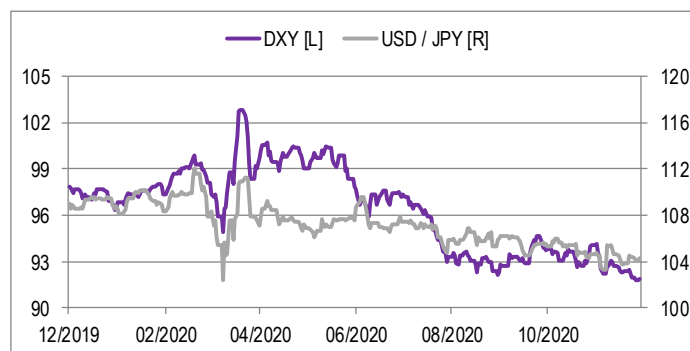


Fig. 7 One year performance of DXY and JPY

Economic Calendar (December 2020)

Monday	Tuesday	Wednesday	Thursday	Friday
	1 Markit US Manufacturing PMI ISM Manufacturing Construction Spending MoM	2 MBA Mortgage Applications ADP Employment Change	3 Initial Jobless Claims	4 Change in Nonfarm Payrolls Unemployment Rate Trade Balance Factory Orders Durable Goods Orders
7	8	9 MBA Mortgage Applications Wholesale Inventories MoM	10 CPI MoM Initial Jobless Claims	11 PPI Final Demand MoM U. of Mich. Sentiment
14	15 Empire Manufacturing Industrial Production MoM	16 MBA Mortgage Applications Retail Sales Advance MoM Markit US Manufacturing PMI	17 FOMC Rate Decision Housing Starts Initial Jobless Claims	18 Leading Index
21	22 GDP Annualized QoQ Conf. Board Consumer Confidence Existing Home Sales	23	24 Initial Jobless Claims Durable Goods Orders	25
28	29	30 MBA Mortgage Applications Wholesale Inventories MoM Chicago Purchasing Manager	31 Initial Jobless Claims	

Source: Bloomberg