

TABLE OF CONTENTS	PAGE
<b>Equity – Global stocks rebounded sharply</b>	1
<b>Fixed Income – U.S. Treasuries continued its rally</b>	2
<b>Commodities – Oil prices flew higher while gold prices rose due to inflation concerns</b>	2
<b>FX – The DXY slipped due to weaker economic data</b>	3
<b>Economic Calendar (November 2021)</b>	3

## Equity – Global stocks rebounded sharply

- Global equities rebounded sharply in October amid headwinds from the global supply chain bottlenecks, inflationary pressures and increasingly hawkish monetary stances by major banks across the globe. The rebound was mainly driven by the North American market, as US equities posted better than expected third-quarter earnings performance, which prompted the rise of the US stock market. S&P500 and Nasdaq rose 6.91% and 7.27% respectively. MSCI EU rose 4.54% as well. In terms of emerging markets, China's economic outlook faced further challenge amid global energy tightening, and weakening GDP growth in the third quarter which slipped by 3.0% from 7.9% in the second quarter of 2021. For the emerging market, MSCI EM was rose 0.93%. China CSI300 was up 0.87% and ChiNext rose 2.26%. HSI and HSCEI rose 3.26% and 2.70% respectively.
- China's October NBS manufacturing PMI index missed estimates and fell by 0.4 to 49.2, and the non-manufacturing PMI index decreased by 0.8 to 52.4. Affected by the increase in electricity prices, the input prices of both manufacturing and non-manufacturing industries rose, and the profit margins of mid and downstream enterprises were squeezed further. This reflects the continued impact of production restrictions and weak demand. In October, the new orders index fell from 49.3 to 48.8, and the new export orders saw an increase from 46.4 to 47.5. New orders have remained in the contractory zone despite the Golden week boost in October, which further deteriorates employment situation. The market expects that there will be more targeted easing measures in the future to alleviate the impact of the economic slowdown, such as supporting small and medium-sized enterprises and accelerating green development.

Index	Settle	Net Change (+/-%)		Valuation (2021)	
		MoM	YTD	PE	PB
DJIA	35,819.56	5.84%	17.03%	18.67	4.87
S&P 500	4,605.38	6.91%	22.61%	21.89	4.61
Nasdaq	15,498.39	7.27%	20.25%	32.43	6.68
Nikkei	28,892.69	-1.90%	5.28%	17.60	1.89
FTSE100	7,237.57	2.13%	12.03%	12.60	1.80
CAC40	6,830.34	4.76%	23.04%	16.18	1.94
DAX	15,688.77	2.81%	14.36%	15.12	1.95
SHCOMP	3,547.34	-0.58%	2.14%	13.03	1.55
CSI300	4,908.77	0.87%	-5.81%	15.49	2.06
ChiNext	3,523.71	2.26%	13.26%	46.21	7.03
HSI	25,377.24	3.26%	-6.81%	12.70	1.28
HSCEI	8,961.73	2.70%	-16.55%	10.42	1.23
TWSE	16,987.41	0.31%	15.31%	13.27	2.38
KOSPI	2,970.68	-3.20%	3.38%	10.70	1.17
JCI	6,591.35	4.84%	10.24%	18.61	2.27

Source: Bloomberg

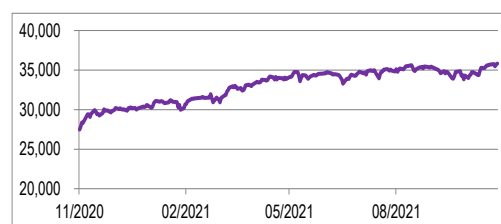


Fig. 1 One year performance of Dow Jones Index

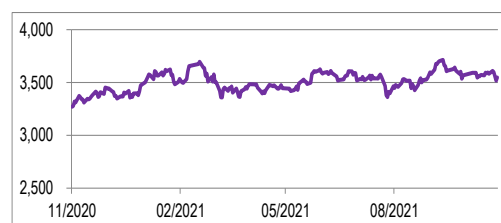


Fig. 2 One year performance of Shanghai Composite

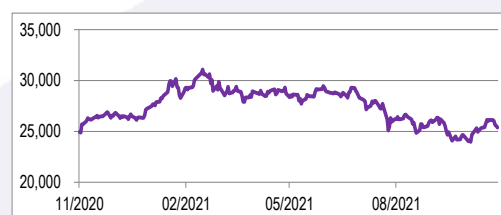


Fig. 3 One year performance of Hang Seng Index

## Fixed Income – U.S. Treasuries continued its rally

- U.S. Treasury yields rose moderately in October. Before the release of US Payrolls and CPI data at the beginning of the month, US Treasury bond yields were under pressure. However, the September CPI report on October 13 showed that consumer prices rose faster than expected, with a year-on-year increase of 5.4%, which was higher than the expected 5.3%. As market concerns about the increasing inflation and its on the economic recovery, the yield on the US 10-year Treasury bond rose. With the soaring energy prices, the 10-year breakeven inflation rate in the United States climbed to a 15-year high on October 25. The US 10-year Treasury bond yield finally rose 6.48 basis point closed at 1.55% in October.
- In other developed markets, the Australia 2-year Treasury bonds yield soared. The yield rose by 73 basis points that month, as the Reserve Bank of Australia decided on October 29 that it would not reduce asset purchases in the short term. In Europe, although the core market focuses on the 5-year Treasury bond yields, for example, the German 5-year Treasury bonds yield rose by 19 basis points from the previous month, but most Eurozone 10-year Treasury bonds yields rose slightly, and saw the yield curves flattening. Meanwhile, China's 10-year Government bond yield exceeded the 3% ceiling for the first time since July. Finally the China 10-year Government bond yield finally rose 9.30 basis point closed at 2.97% in October.

Bonds	High	Low	Settle	Net Change (bp)	
				MoM	YTD
US 10-yr Treasury Yield	1.70%	1.46%	1.55%	6.48	64
US 30-yr Treasury Yield	2.16%	1.93%	1.93%	-11.21	29
Euro 10-yr Govt Yield	-0.09%	-0.22%	-0.11%	9.30	46
Japan 10-yr Govt Yield	0.11%	0.05%	0.10%	2.70	8
China 10-yr Govt Yield	3.04%	2.88%	2.97%	9.30	-18

Source: Bloomberg

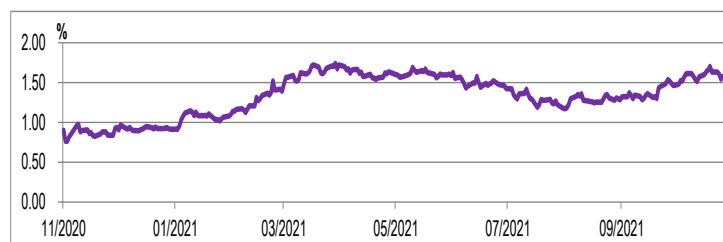


Fig. 4 One year performance of US 10-yr Treasury Yield

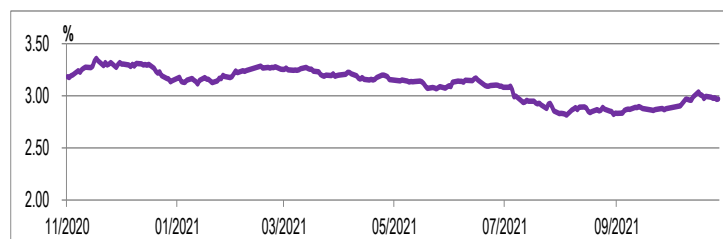


Fig. 5 One year performance of China 10-yr Treasury Yield

## Commodities – Oil prices flew higher while gold prices rose due to inflation concerns

Commodities	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
WTI Oil (bbl)	84.65	75.03	83.57	11.38%	72.24%
Brent Oil (bbl)	86.40	78.52	84.38	7.46%	62.90%
Gold Spot (oz)	1,807.73	1,754.15	1,783.38	1.50%	-6.06%
CMX Silver (oz)	24.59	22.05	23.95	8.63%	-10.15%
CMX Copper (lb)	473.45	408.90	436.80	6.82%	23.95%
LME Zinc (mt)	3,846.50	2,970.35	3,447.25	15.84%	26.30%
LME Aluminum (mt)	3,148.90	2,665.49	2,704.75	-4.84%	37.05%

Source: Bloomberg

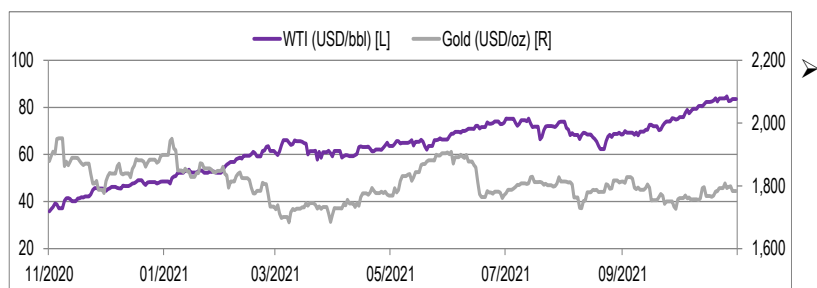


Fig. 6 One year performance of Oil and Gold Price

Oil prices continued to rise in October. On October 4, OPEC+ held back from increasing oil supply and maintained its November production target at 400,000 barrels per day. After the announcement, oil prices rose 3.4%. Moreover, due to the calm weather in Europe limiting wind power generation and China's coal and electricity contraction coupled with the increase in winter heating demand, has increased fuel demand and hence oil prices continue to rally. Finally, Brent Oil finally increased by 7.46% to US\$84.38/bbl at the end of the month.

Gold prices had a modest gain as concerns over driven primarily by growing fears of persistently high inflation and a broadly weaker USD. The price of gold remained sluggish until October 13, after the September CPI report showed that overall US inflation exceeded the expected 5.4% year-on-year growth, gold prices rose by 1.9%. The report raised concerns that the global energy contraction may lead to a stagflation environment, and will drive the demand for gold as a hedging tool. Hence gold price was pushed up in late October. Gold price finally closed at 1,783.38/oz, increased by 1.50% MoM.

## FX – The DXY slipped due to weaker economic data

- The DXY fell in October, underperforming other G10 currencies, partly due to shift in the market's rate expectations for other major central banks to hike more aggressively relative to the Fed. US Payrolls missed estimates in September, posting the smallest increase year-to-date as only 194k jobs were added compared to estimates for 500k. However, the DXY only dropped 0.2% on the day as expectations for a Fed taper remained largely unchanged. Ultimately, the higher-than-expected September CPI data and worse-than-expected third-quarter GDP growth dragged down the DXY. Finally, DXY slipped 0.11% in October.
- The EUR fell slightly against the US dollar in October, as the broad USD and the seemingly more hawkish ECB pushed the EUR higher, however fell at the end of the month due to the surge in the US dollar. The EUR against the dollar eventually fell to 0.19% in October. The GBP rose against the dollar in October. GBP's climb was due to the increasing hawkish comments from BoE members, which fueled market expectations for the central bank to raise interest rates before the end of the year. The GBP finally climbed 1.54% in October.

FX	High	Low	Settle	Net Change (+/-%)	
				MoM	YTD
DXY	94.52	93.35	94.12	-0.11%	4.65%
EUR / USD	1.168	1.153	1.156	-0.19%	-5.39%
USD / CNH	6.459	6.376	6.405	-0.69%	-1.51%
USD / JPY	114.4	110.9	114.0	2.39%	10.36%
GBP / USD	1.382	1.347	1.368	1.54%	0.09%
USD / CAD	1.268	1.232	1.239	-2.30%	-2.65%
AUD / USD	0.754	0.723	0.752	4.03%	-2.29%
USD / CHF	0.932	0.912	0.916	-1.67%	3.49%

Source: Bloomberg

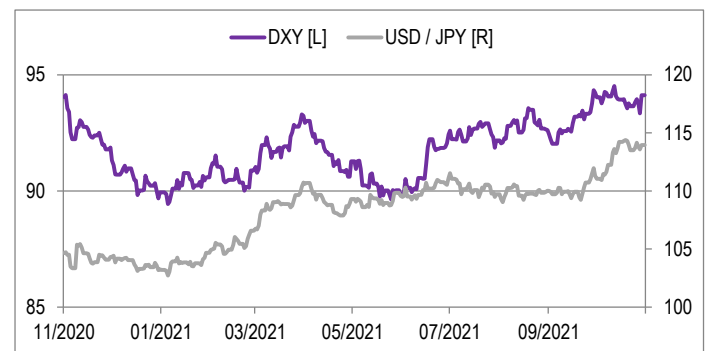


Fig. 7 One year performance of DXY and JPY

## Economic Calendar (November 2021)

Monday	Tuesday	Wednesday	Thursday	Friday
1	2 Markit US Manufacturing PMI Construction Spending MoM ISM Manufacturing	3 MBA Mortgage Applications	4 ADP Employment Change Initial Jobless Claims	5 Change in Nonfarm Payrolls Unemployment Rate Durable Goods Orders Factory Orders
8	9 Trade Balance	10 MBA Mortgage Applications Wholesale Inventories MoM	11 CPI MoM Initial Jobless Claims	12 U. of Mich. Sentiment
15	16 Retail Sales Advance MoM PPI Final Demand MoM Empire Manufacturing Industrial Production MoM	17 MBA Mortgage Applications Housing Starts	18 FOMC Rate Decision Initial Jobless Claims Leading Index	19
22	23 Existing Home Sales	24 MBA Mortgage Applications Markit US Manufacturing PMI New Home Sales	25 Durable Goods Orders Wholesale Inventories MoM Initial Jobless Claims GDP Annualized QoQ	26 Personal Income Personal Spending U. of Mich. Sentiment
29	30 Conf. Board Consumer Confidence			

Source: Bloomberg