



CROSSINVEST

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2 August 2021

Overnight Market Brief

Pfizer raised the price of its covid-19 vaccine by more than 25%, after trial data showed that the jabs were more effective than cheaper shots developed by Oxford/AstraZeneca and Johnson & Johnson. Contracts seen by the Financial Times, relating to the European Union's procurement deals, showed that the price of a Pfizer dose increased to €19.50 (US\$23.14) from €15.50.

South Korean exports jumped to a record high in July as demand for microchips and petrochemical products continued to grow. Exports rose by 29.6% compared with a year earlier, reaching US\$55.4bn, the biggest monthly tally since records began in 1956. The boost in activity comes as the country is battling its worst outbreak of covid-19 yet.

Key Events

1. Senior officials from ASEAN, the ten-member club of South-East Asian nations, meet today to discuss pressing issues facing the region.
2. Today Israel's Supreme Court will rule on the possible eviction of Palestinians from their homes in Sheikh Jarrah, a neighbourhood in east Jerusalem.

CROSS WEEKLY

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
EQUITIES					
S&P 500 Index	USD	4,395.26	-0.54%	0.00%	17.02%
Dow Jones Industrial Average	USD	34,935.47	-0.42%	0.00%	14.14%
Nasdaq Composite Index	USD	14,672.68	-0.71%	0.00%	13.85%
STXE 600 PR Index	EUR	461.74	-0.45%	0.00%	15.72%
FTSE 100 Index	GBP	7,032.30	-0.65%	0.00%	8.85%
MSCI Asia Ex. Japan Index	USD	820.58	-1.13%	0.00%	-2.65%
Nikkei 225 Tokyo	JPY	27,283.59	-1.80%	0.00%	-0.59%
Shanghai A Share Index	CNY	3,560.74	-0.42%	0.00%	-2.19%
S&P/ASX 200	AUD	7,392.62	-0.33%	0.00%	12.23%
FIXED INCOME					
US2YT Yield	-	0.1839	-1.96bps	0bps	6.28bps
US10YT Yield	-	1.2223	-4.7bps	0bps	30.91bps
Bunds 10Y Yield	-	-0.4610	-1.1bps	-25.4bps	10.8bps
BBG USD HY Corp	-	3.8800	-7.01bps	13bps	-30bps
FOREX					
Euro/US Dollar	USD	1.1870	-0.14%	0.00%	-2.83%
US Dollar/Japanese Yen	JPY	109.72	0.22%	0.00%	6.27%
US Dollar/Singapore Dollar	SGD	1.3544	0.10%	0.00%	2.44%
British Pound/US Dollar	USD	1.3904	-0.39%	0.00%	1.71%
US Dollar/ Chinese Yuan	CNY	6.4614	0.08%	0.00%	-1.01%
Australian Dollar/ US Dollar	USD	0.7344	-0.70%	0.00%	-4.55%
US Dollar Index	-	92.174	0.34%	0.00%	2.49%
GOLD / OIL					
Brent Crude	USD	76.33	0.37%	0.00%	47.36%
Gold Spot Price	USD	1814.19	-0.76%	0.00%	-4.43%



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EQUITIES

- US markets closed lower on Friday amid high expectations for corporate earnings, rising tensions between the US and China, and news that the Federal Reserve plans to continue stimulating the economy.
- European stocks fell from a record high on Friday, paring the longest streak of monthly gains in eight years, amid investor concerns about the outlook for economic growth and China's tightening regulatory grip.
- Asian markets ended lower on Friday except for China's Shenzhen Composite.

FIXED INCOME

- Treasuries were higher, sparked by equity weakness in the Asia session. Gains were extended midway through the US morning sending the 10yr yield to its session low following a slight beat on University of Michigan Consumer Sentiment at 81.2, falling from the previous month's print of 85.5.

FOREX

- USD has room to pare gains if risk sentiment stabilises. This can happen if global growth risks from the Delta variant and global contagion threat from China's regulatory uncertainty stay limited as we expect. But bigger picture, the broad USD outlook has turned less bearish, more mixed. On the health side, the market appeared to take some comfort from the surprising fall in Covid cases in the UK and Spain even as the reasons for the decline remain unclear. This along with signs that vaccine is highly effective in preventing severe illness in the event of infection gives us greater confidence that Delta-wave impact on activity will be modest and the risk of more severe growth disruptions in highly vaccinated countries (i.e., US and Europe) is much more limited.

MACRO

- From today England will allow fully vaccinated visitors from the European Union and America into the country without having to quarantine. Some Brits might not welcome throngs of tourists around Big Ben and Oxford Street during a pandemic. But restarting air travel will help the economy's recovery. And research has shown there is a way to do it safely. One study by the Mayo Clinic, an American health-care group, suggests there is a one in 10,000 chance of a passenger infected with covid-19 boarding a plane from Britain to America and a one in a million chance of transmission on board with proper testing, mask-wearing and other protections in place.

DIRECT EQUITIES

- A number of Chinese companies with connections to the country's military will become off limits to American investors today. The initiative to block American money from reaching a long list of Chinese firms began during Donald Trump's administration. President Joe Biden has kept such orders in place, prompting many American asset managers to cleanse their portfolios of the Chinese securities. The list of the targeted groups includes several top military contractors, such as Avic, an aerospace group, and North Industries Group, a weapons-maker. But more banal outfits, such as China Mobile and China Unicom, the country's mobile-network operators, have also been banned.

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