



CROSSINVEST

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10 August 2021

Overnight Market Brief

Singapore shares rose marginally last Friday, as equity markets in Asia were range-bound ahead of the release of non-farm payroll data in the United States. Mainboard-listed **Excelpoint Technology** jumped 29.61 per cent to S\$1.16, a day after it released its net earnings that more than quadrupled to US\$12 million for the half-year ended June. It also posted a 45.3 per cent rise in top line for the half year to US\$740.9 million, due to higher sales from the Singapore and Hong Kong units.

BioNTech's earnings beat expectations in the quarter to the end of June; the German biotech firm recorded a net profit of €2.8bn (US\$3.3bn), up from a small loss in the same period last year. BioNTech also raised its sales forecasts on the strength of its covid-19 vaccine, of which it has produced 1bn doses and has orders for another 2.2bn this year.

Key Events

1. Senate Democrats in America unveiled a US\$3.5trn budget blueprint, hoping to pass it along party lines through budget reconciliation. It would expand government-funded healthcare and higher education, and offer some undocumented immigrants legal permanent status, among other provisions.

CROSS WEEKLY

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
EQUITIES					
S&P 500 Index	USD	4,432.35	-0.09%	0.84%	18.00%
Dow Jones Industrial Average	USD	35,101.85	-0.30%	0.48%	14.69%
Nasdaq Composite Index	USD	14,860.18	0.16%	1.28%	15.30%
STXE 600 PR Index	EUR	470.68	0.15%	1.94%	17.96%
FTSE 100 Index	GBP	7,132.30	0.13%	1.42%	10.40%
MSCI Asia Ex. Japan Index	USD	833.42	0.25%	1.56%	-1.13%
Nikkei 225 Tokyo	JPY	27,820.04	0.00%	1.97%	1.37%
Shanghai A Share Index	CNY	3,662.65	1.05%	2.86%	0.61%
S&P/ASX 200	AUD	7,538.41	0.00%	1.97%	14.44%
FIXED INCOME					
US2YT Yield	-	0.2203	1.2bps	3.64bps	9.92bps
US10YT Yield	-	0.2203	-107.66bps	3.64bps	9.92bps
Bunds 10Y Yield	-	0.2203	67.63bps	3.64bps	9.92bps
BBG USD HY Corp	-	4.0400	2.01bps	16bps	-14bps
FOREX					
Euro/US Dollar	USD	1.1737	-0.21%	-1.12%	-3.92%
US Dollar/Japanese Yen	JPY	110.29	0.04%	0.52%	6.82%
US Dollar/Singapore Dollar	SGD	1.3570	0.16%	0.19%	2.64%
British Pound/US Dollar	USD	1.3847	-0.18%	-0.41%	1.29%
US Dollar/ Chinese Yuan	CNY	6.4864	0.05%	0.39%	-0.63%
Australian Dollar/ US Dollar	USD	0.7333	-0.31%	-0.15%	-4.69%
US Dollar Index	-	92.945	0.16%	0.84%	3.34%
GOLD / OIL					
Brent Crude	USD	69.04	-2.35%	-9.55%	33.28%
Gold Spot Price	USD	1729.94	-1.88%	-4.64%	-8.87%



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EQUITIES

- US markets ended negative as the increase in delta variant cases and potential decrease in government stimulus weighed on markets.
- European equities advanced to a fresh historical high, with investors shifting into defensive sectors as they weighed the timing of a rollback of monetary stimulus.
- Asian markets ended positive on Monday except the Australian S&P/ASX 200. The Singapore and Japan markets were closed for public holidays.

FIXED INCOME

- The US morning brought a cheapening move across the treasury curve with 10yr losses held through the afternoon session, after comments from the Fed's Bostic that he is "in favour of going relatively fast" on tapering as well as a block sale in 5yr Note futures shortly after.

FOREX

- Strong US payrolls and uncertainty around the Fed's taper timeline will keep the USD supported. The broad USD outlook has turned less bearish, more mixed even as the USD has room to selectively pare gains in the near term if Delta variant concerns ease. US labor supply is finally improving. The boomy US payroll report that showed nearly a million jobs created last month alongside stronger-than-expected gains in wages should still support an outlook of robust US growth ahead despite risk around the Delta wave. It should also provide reassurance that peak growth is slower, but not slow growth. The stagflation/peak growth narrative seems to be giving way to a reflation narrative, and rightly so. Meanwhile, two Fed governors -- Waller and Clarida -- are getting hawkish, with the former calling for "early and fast" tapering and the latter now expecting the conditions for rate liftoff to be met by the end of 2022. Atlanta Fed President Bostic commented overnight that he would like to see a fast pace of tapering and a rate hike in 2022, given that the economy is "well on the road to substantial further progress."

MACRO

- America and Britain announced more sanctions on Belarus, exactly a year after Alexander Lukashenko, the country's president, stole an election. Like earlier penalties imposed by Western powers, they are designed to dissuade the autocrat from repressing his people. They will probably have as little effect. Ever the charmer, Mr. Lukashenko told Britain to "choke on" the measures.

DIRECT EQUITIES

- Krafton Inc., creator of hit video game PUBG: Battlegrounds, slid during its debut Tuesday after raising U\$3.8 billion in South Korea's largest initial public offering in over a decade. The Tencent Holdings Ltd.-backed firm already cut its targeted offering by more than 1 trillion won following concerns over its valuation. Krafton's debut is the second largest in the country after Samsung Life Insurance Co.'s U\$4.3 billion listing in 2010. It leads a growing list of tech companies and startups that are going public in an IPO boom that is reshaping the nation's corporate landscape.

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