



CROSSINVEST

Wealth & Asset Management
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Family Office Services
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16 August 2021

Overnight Market Brief

The S&P 500 and Dow Jones Industrial Average hit fresh all-time highs on Friday as both indexes capped off modest gains for the week. The Dow (+0.04%) finished the day up 15.53 points to close at a record 35,515.38, while the S&P 500 (+0.16%) added and finished at 4,468.00, a new closing record. The Nasdaq Composite (+0.04%) ticked up to 14,822.90. The VIX Index (-0.9%) declined to 15.45. The yield on the 10-year Treasury note was 6.9 basis points lower at 1.29%, but the benchmark is up from 1.28% last Friday. The US Dollar Index (-0.6%) was down 0.6% on the session but 0.3% lower on the week.

Singapore shares fell on Friday, tracking a broader decline in regional markets. Among the STI counters, OCBC was the largest decliner on Friday, with its shares falling 2.6 per cent or S\$0.32 to close at S\$11.97, as the stock went ex-dividend. Singtel shares gained 0.8 per cent on Friday to close at S\$2.39. For the week, Singtel was up 4.8 per cent - the top STI performer - after it posted on Thursday a net profit of S\$445 million for its first quarter, reversing the previous year's net loss.

Key Events

1) President Ashraf Ghani reportedly fled Afghanistan as the Taliban ordered their forces into Kabul, the capital, "to prevent looting".

CROSS WEEKLY

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
EQUITIES					
S&P 500 Index	USD	4,468.00	0.16%	1.65%	18.95%
Dow Jones Industrial Average	USD	35,515.38	0.04%	1.66%	16.04%
Nasdaq Composite Index	USD	14,822.90	0.04%	1.02%	15.01%
STXE 600 PR Index	EUR	475.83	0.21%	3.05%	19.25%
FTSE 100 Index	GBP	7,218.71	0.35%	2.65%	11.74%
MSCI Asia Ex. Japan Index	USD	820.68	-0.97%	0.01%	-2.64%
Nikkei 225 Tokyo	JPY	27,977.15	-0.14%	2.54%	1.94%
Shanghai A Share Index	CNY	3,685.34	-0.24%	3.50%	1.23%
S&P/ASX 200	AUD	7,628.92	0.54%	3.20%	15.82%
FIXED INCOME					
US2YT Yield	-	0.2071	-1.56bps	2.32bps	8.6bps
US10YT Yield	-	1.2767	-8.23bps	5.44bps	36.35bps
Bunds 10Y Yield	-	-0.4670	-0.71bps	-0.61bps	10.2bps
BBG USD HY Corp	-	4.1100	1.01bps	23bps	-7bps
FOREX					
Euro/US Dollar	USD	1.1797	0.57%	-0.61%	-3.43%
US Dollar/Japanese Yen	JPY	109.59	-0.74%	-0.12%	6.14%
US Dollar/Singapore Dollar	SGD	1.3550	-0.21%	0.04%	2.49%
British Pound/US Dollar	USD	1.3866	0.42%	-0.27%	1.43%
US Dollar/ Chinese Yuan	CNY	6.4774	-0.03%	0.25%	-0.76%
Australian Dollar/ US Dollar	USD	0.7370	0.48%	0.35%	-4.21%
US Dollar Index	-	92.518	-0.56%	0.37%	2.87%
GOLD / OIL					
Brent Crude	USD	70.59	-1.01%	-7.52%	36.27%
Gold Spot Price	USD	1779.74	1.53%	-1.90%	-6.25%



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EQUITIES

- US markets closed higher on Friday on data that showed inflation was increasing at a more moderate pace.
- European equities posted their tenth straight record, the longest winning streak since the dotcom era, amid optimism over economic growth and robust earnings.
- Asian markets declined on Friday, except the S&P/ASX 200 and the BSE SENSEX, with sentiment remaining cautious amid the spread of Covid-19 in the region.

FIXED INCOME

- Treasuries bull flattened to close out the week following a huge miss on University of Michigan Sentiment, which fell to 70.2 vs the estimate of 81.2, its lowest reading since 2011.

FOREX

- Strengthening US labour market has been supportive of the USD although USD pared gains on Friday as concerns over Delta virus knocked US consumer sentiment. The University of Michigan Consumer Sentiment index declined to 70.2 in the preliminary August survey from 81.2 in July in knee jerk reaction to Delta variant risk. This is the weakest reading since December 2011. Investors should approach this data with skepticism, especially given the rapidly improving labor market – not captured in the University of Michigan survey. Preliminary consumer confidence is just one data point, and the fundamental backdrop remains mostly positive with incomes growing, job opportunities expanding and equities at all-time highs – all which should support spending. The Conference Board measure for August could decline as well. But it remains to be seen whether the potential decline in Conference Board consumer confidence will be much more modest given the support from the fall in unemployment and rise in equity prices.

MACRO

- European equities posted their tenth straight record, the longest winning streak since the dotcom era, amid optimism over economic growth and robust earnings. Stoxx Europe 600 advanced +0.2% by the close in London, with the real estate sector, utilities and food, beverage and tobacco stocks leading gains, while technology underperformed.

DIRECT EQUITIES

- Hyatt Hotels Corp. plans to buy resort company Apple Leisure Group from its private-equity owners for U\$2.7 billion including any debt, according to people familiar with the matter. Like many travel-related companies, Apple Leisure's business got clobbered by virus-related lockdowns and travel bans last year, but it has rebounded as restrictions have loosened. For Chicago-based Hyatt, one of the world's biggest hospitality companies, the deal would bolster its already considerable resort-management portfolio and give it one of the biggest US providers of charter flights and vacation packages for travel to Mexico, the Dominican Republic, Jamaica and the Caribbean. It also would accelerate Hyatt's transformation, long under way, to a more asset-light business model, focusing on generating an ongoing stream of steady and predictable fees.

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