



## CROSSINVEST

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1 November 2021

### Overnight Market Brief

The US stock market set another round of record highs on Friday as Wall Street looked past disappointing results from major companies to wrap up its best month of the year. The S&P 500 rose +0.2% to close at 4,605.38 and the Dow Jones Industrial Average (+0.25%) added 89.08 points to finish at 35,819.56. The Nasdaq Composite (+0.33%) rose to close at 15,498.39. All three closed at record highs, and the S&P 500 and Nasdaq clinched their best months since November 2020. The VIX Index (-1.63%) declined to 16.26. Treasuries whipsawed, with 10-year yields eventually falling to 1.56%. The dollar strengthened, rising against every G-10 peer.

Amazon (-2.15%) shares dropped after the e-commerce giant badly missed earnings and revenue expectations for the third quarter. Apple (-1.8%) stock fell after the tech giant's quarterly revenue fell short of expectations amid larger-than-expected supply constraints on iPhones, iPads and Macs. It was the first time Apple's revenues have missed Wall Street estimates since May 2017. However, Microsoft (+2.2%) rose to surpass Apple as largest listed company in the world by market cap. Nike (+1.8%) and Intel (+1.9%) also had solid days to boost the Dow.

### Key Events

Leaders of G20 countries agreed to a global minimum corporate tax of 15%, pending formal adoption that was expected on Sunday.

## CROSS WEEKLY

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
<b>EQUITIES</b>					
S&P 500 Index	USD	4,605.38	0.19%	6.91%	22.61%
Dow Jones Industrial Average	USD	35,819.56	0.25%	5.84%	17.03%
Nasdaq Composite Index	USD	15,498.39	0.33%	7.27%	20.25%
STXE 600 PR Index	EUR	475.51	0.07%	4.55%	19.17%
FTSE 100 Index	GBP	7,237.57	-0.16%	2.13%	12.03%
MSCI Asia Ex. Japan Index	USD	811.74	-0.77%	1.32%	-3.70%
Nikkei 225 Tokyo	JPY	28,892.69	0.25%	-1.90%	5.28%
Shanghai A Share Index	CNY	3,717.82	0.82%	-0.58%	2.12%
S&P/ASX 200	AUD	7,323.74	-1.44%	-0.11%	11.18%
<b>FIXED INCOME</b>					
US2YT Yield	-	0.4970	0.8bps	22.15bps	37.59bps
US10YT Yield	-	1.5521	-2.79bps	6.48bps	63.89bps
Bunds 10Y Yield	-	-0.1060	3bps	9.3bps	46.3bps
BBG USD HY Corp	-	4.2300	0bps	19bps	5.01bps
<b>FOREX</b>					
Euro/US Dollar	USD	1.1558	-1.05%	-0.19%	-5.39%
US Dollar/Japanese Yen	JPY	113.95	0.33%	2.39%	10.36%
US Dollar/Singapore Dollar	SGD	1.3488	0.31%	-0.66%	2.02%
British Pound/US Dollar	USD	1.3682	-0.78%	1.54%	0.09%
US Dollar/ Chinese Yuan	CNY	6.4056	0.22%	-0.61%	-1.86%
Australian Dollar/ US Dollar	USD	0.7518	-0.34%	4.03%	-2.29%
US Dollar Index	-	94.123	0.83%	-0.11%	4.65%
<b>GOLD / OIL</b>					
Brent Crude	USD	84.38	0.07%	7.46%	62.90%
Gold Spot Price	USD	1783.38	-0.86%	1.50%	-6.06%



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#### EQUITIES

- US markets ended higher last Friday, as investors assessed robust corporate earnings and inflation.
- European stocks edged higher last Friday.
- Asian markets closed lower amidst below-consensus earnings for big technology names and financials.

#### FIXED INCOME

- Sentiments remain soft in the Chinese property sector even though EVERRE paid another USD coupon before grace period. CAPG/KWGPPO was down 5pts and RONXIN/YUZHOU/AGILE down 1-3pts. Outside China, SRILAN curve was quiet after Moody's downgrade to Caa2.

#### FOREX

- A pivot by interest rate markets towards an earlier and quicker tightening of monetary policy has been the dominant theme for major currencies. Some central banks have pushed back (e.g. BoJ and ECB), while others appear to have been pulled along with or welcomed it (e.g. BoE, BoC, RBNZ and seemingly RBA).
- JPY & Fed: The Fed is widely expected to announce taper plans, but it is how Powell frames the Fed's guidance against aggressive market pricing that will be the focus at this week's FOMC meeting. The uptick in USDJPY could moderate given that the more aggressive policy expectations now priced for the Fed may slow the rise in US yields. Immediate support for USDJPY is at 112.00.

#### MACRO

- European stocks edged higher as investors digested earnings reports while inflation surged in the region. The Stoxx Europe 600 Index closed less than 0.1% higher, erasing a drop of as much as 0.9%, but ultimately adding to its best monthly gain since March. Data showed euro-area inflation breached 4% for second time ever, pushing bonds lower. A move up in yields saw financials outperform, while chemicals and autos gained too. Real estate and utilities were the biggest fallers. Volvo Car (+22%) surged in its trading debut in Stockholm after raising 20 billion kronor (US\$2.3 billion) in an initial public offering. Video game maker Ubisoft (+4%) rose after the company posted positive earnings. In contrast apple European suppliers including chipmakers STMicroelectronics NV (-1%) slipped after the iPhone maker reported underwhelming numbers.

#### DIRECT EQUITIES

- Coca-Cola Co. is buying the remaining 70% stake of BodyArmor for US\$5.6 billion in a deal that values the sports drink brand around US\$8 billion. BodyArmor is forecasted to generate about US\$1.4 billion in retail sales this year.
- Westpac Banking Corp. shares declined after delivering a smaller than expected share buyback that gave rise to concerns about margins remaining under pressure. The firm unveiled a record share buyback of up to A\$3.5 billion, while cash earnings of A\$5.35 billion failed to meet estimates of A\$5.42 billion.

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