



# CROSS WEEKLY

## CROSSINVEST

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Since 1985

11 September 2023

### Brief Weekly Overview

US jobless claims fell to the lowest level since February 2023, indicating that the labour market remained resilient, while labour productivity in Q2 2023 was revised upwards.

Oil prices spiked after Saudi Arabia and Russia announced further supply cuts till year-end.

A teardown of Huawei's newest smartphone has revealed an advanced 7 nm processor made in China by SMIC.

Country Garden, the ailing property developer, told creditors it had wired the coupons for two dollar bonds to avoid a formal default by paying up before its grace period ended on the 6<sup>th</sup> of September.

China is planning to broaden a ban of iPhone usage by Chinese employees in government agencies and state companies, potentially affecting millions of Apple customers. Apple's shares fell 6.4% over 2 days.

The G20 summit ended with a declaration that removed the condemnation of Russia's "aggression in Ukraine" that appeared in last year's statement, in exchange for language that committed all states to respect territorial integrity and work towards a "just peace" for Ukraine.

The US signed a "comprehensive strategic partnership" with Vietnam, the highest level in Vietnam's bilateral ties hierarchy.

NAME	CURR	LAST PRICE	DAILY CHANGE	MTD	YTD
<b>EQUITIES</b>					
MSCI ACWI Index	USD	678.02	0.05%	-1.18%	12.00%
S&P 500 Index	USD	4457.49	0.14%	-1.11%	16.10%
Dow Jones Industrial Average	USD	34576.59	0.22%	-0.42%	4.31%
Nasdaq Composite Index	USD	13761.53	0.09%	-1.95%	31.48%
STXE 600 PR Index	EUR	454.66	0.22%	-0.77%	7.01%
FTSE 100 Index	GBP	7478.19	0.49%	0.53%	0.35%
MSCI Asia Ex. Japan Index	USD	619.68	-0.02%	-0.43%	0.07%
Nikkei 225 Tokyo	JPY	32606.84	-1.16%	-0.04%	24.96%
Shanghai A Share Index	CNY	3267.78	-0.18%	-0.10%	0.91%
MSCI EM Index	USD	973.86	0.03%	-0.66%	1.83%
<b>FIXED INCOME</b>					
US2YT Yield	-	4.9906	4.37bps	12.77bps	56.48bps
US10YT Yield	-	4.2641	2bps	15.6bps	38.93bps
Bunds 10Y Yield	-	2.6100	-0.4bps	14.4bps	3.91bps
BBG USD HY Corp	-	8.5300	-1bps	12bps	-43.01bps
<b>FOREX</b>					
Euro/US Dollar	USD	1.0700	0.04%	-1.32%	-0.05%
US Dollar/Japanese Yen	JPY	147.8300	0.36%	1.57%	12.74%
US Dollar/Singapore Dollar	SGD	1.3657	-0.01%	1.07%	1.96%
British Pound/US Dollar	USD	1.2468	-0.03%	-1.62%	3.19%
US Dollar/ Chinese Yuan	CNY	7.3439	0.20%	1.17%	6.45%
Australian Dollar/ US Dollar	USD	0.6376	0.00%	-1.67%	-6.41%
US Dollar Index	-	105.0900	0.03%	1.42%	1.51%
<b>GOLD / OIL</b>					
Brent Crude	USD	90.65	0.81%	4.36%	5.52%
Gold Spot Price	USD	1919.08	-0.03%	-1.09%	5.21%



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### EQUITIES

- US equities retreated through the holiday-shortened week as market-capitalisation weighted indices were pulled down by Apple's declines following news that Chinese state employees could no longer use iPhones. Additionally, good news for the economy led to fears of further rate hikes, with both growth data and jobless claims surprising on the upside. The S&P 500 lost 1.61% last week, while tech-heavy Nasdaq 100 fell 2.06%.
- European equities declined last week after weak economic data eroded earlier hopes of a soft landing. Falling Eurozone retail sales, investor sentiment, and German industrial production contributed to the bearish shift. The pan-European Stoxx 600 lost 0.76%.
- Japanese equities were mixed last week as economic data from key trade partner China were bearish. Strong verbal intervention from the Ministry of Finance aimed at defending the Yen contributed partially to the decline in equities. The Nikkei 225 inched down 0.3%, while the Topix edged up 0.4%.
- Chinese equities fell last week as weak economic data overrode stimulus measures announced the previous week. Official manufacturing PMI remained in contraction, while exports fell 8.8% and imports fell 7.3%, indicating weakness in the economy. The CSI 300 Index gave up 1.36%, while the Hang Seng Index fell 0.98%.

### FIXED INCOME

- 2 Year yields rose above 5% briefly following a surprise fall in jobless claims midweek. However, broader moves upwards across the yield curve resulted from the flood of credit issuances in the US after Labour Day.

### FOREX

- The US Dollar Index has strengthened to about 105.09, around its peak since April. Additionally, the climb in US Treasury yields could exert downward pressure on XAU.

### MACRO

- Bank of Japan Governor Ueda said that the BOJ may have enough information by year-end to decide if wage growth was entrenched, and if inflation appears sustainable, the central bank may even consider ending negative interest rates. The Yen strengthened and Japan's benchmark bond yield rose 4.5 bps to 0.695%, the highest level since 2014.
- China's PPI declined 3% YoY in August, while consumer prices ticked up 0.1%. While the headline figures avoid deflation, price growth remained weak.

### DIRECT EQUITIES

- Walt Disney Co (NYSE: DIS) share price fell below U\$80 early Thursday due to losses in its online video businesses, Disney+ streaming subscribers, strike by Hollywood actors and writers and a fee dispute with the second largest US cable company. Disney's stock has lost about U\$219 bn in market value since its peak of U\$367 bn in 2021.

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