



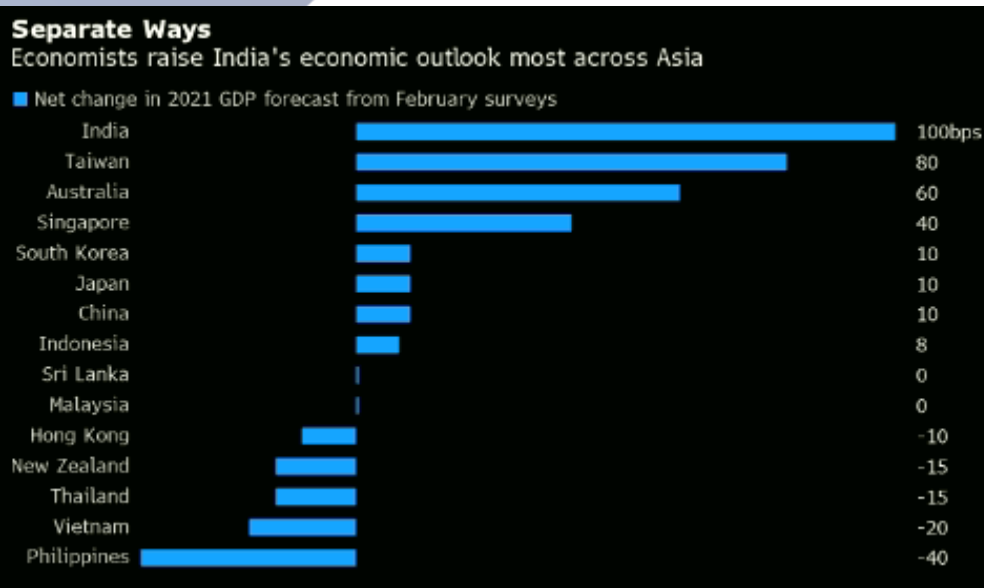
Weekly Report and Outlook on Global Markets

9th April 2021

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MARKET DEVELOPMENTS

Economists raise India's economic outlook most across Asia



Progress on the rollout of coronavirus vaccines has brightened the global economic outlook for 2021, but that boost isn't being distributed equally across Asia. Economists have raised their growth forecasts for India by one full percentage point since February, followed by Taiwan and Australia with an increase of 80 and 60 basis points respectively, according to the median estimate in a Bloomberg survey.

Figure 1: The chart represents net change in GDP 2021 forecast from February survey

On the other end of the spectrum, expectations for the Philippine economy have been slashed by the most, in large part due to the recent extended lockdown amid spiking virus infections.

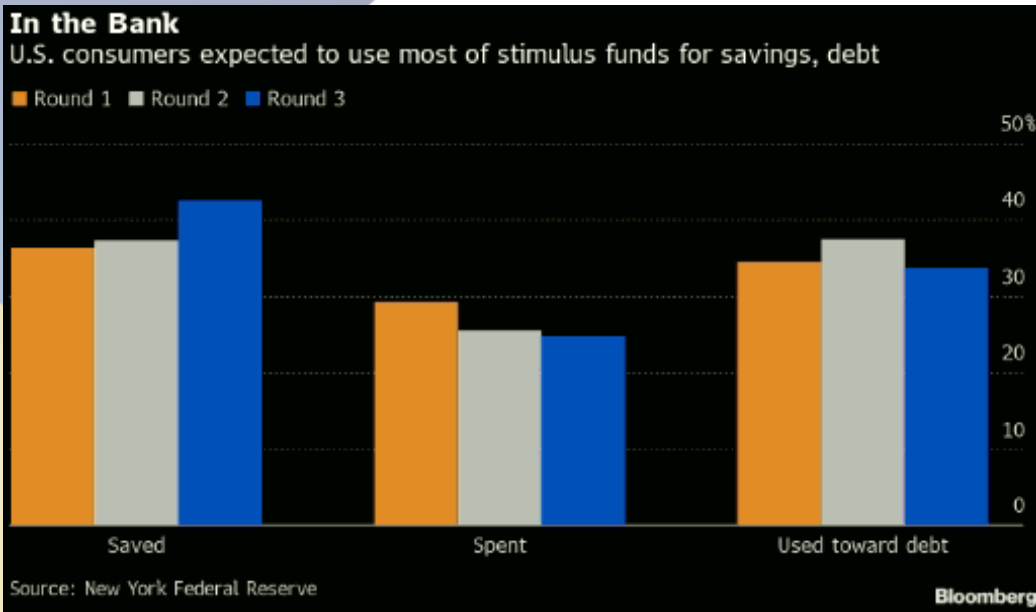
Volatility gauges in Asia have fallen to their lowest since February 2020



Figure 2: The chart represents Volatility index for Nikkei, KOSPI and Hang-Seng Index

Calm has returned to Asia's stock markets. Key volatility gauges for the region's benchmarks -- Hong Kong's Hang Seng Index, Japan's Nikkei 225 Stock Average and Korea's Kospi 200 Index -- have all fallen to the lowest levels since February 2020, just before the coronavirus outbreak started to rattle global financial markets. This comes as the MSCI Asia Pacific Index has surged more than 70% from its pandemic low, spurred by the rollout of vaccines and an improving global outlook.

US consumers expected to use most of stimulus funds for savings, debt



Americans are saving their stimulus checks, socking away 42 cents of every dollar received from the third round of pandemic aid sent out in March, according to a new poll by the Federal Reserve Bank of New York. Less than 25% of the funds -- which average \$3,162 per household -- are being spent and the remainder is being used to pay down debts.

Figure 3: The chart above represents US Consumers' expectations of stimulus checks utilization

In the earlier rounds of stimulus, households spent a greater amount of the total to meet daily living expenses.

US Consumer borrowing surges by the most since late 2017

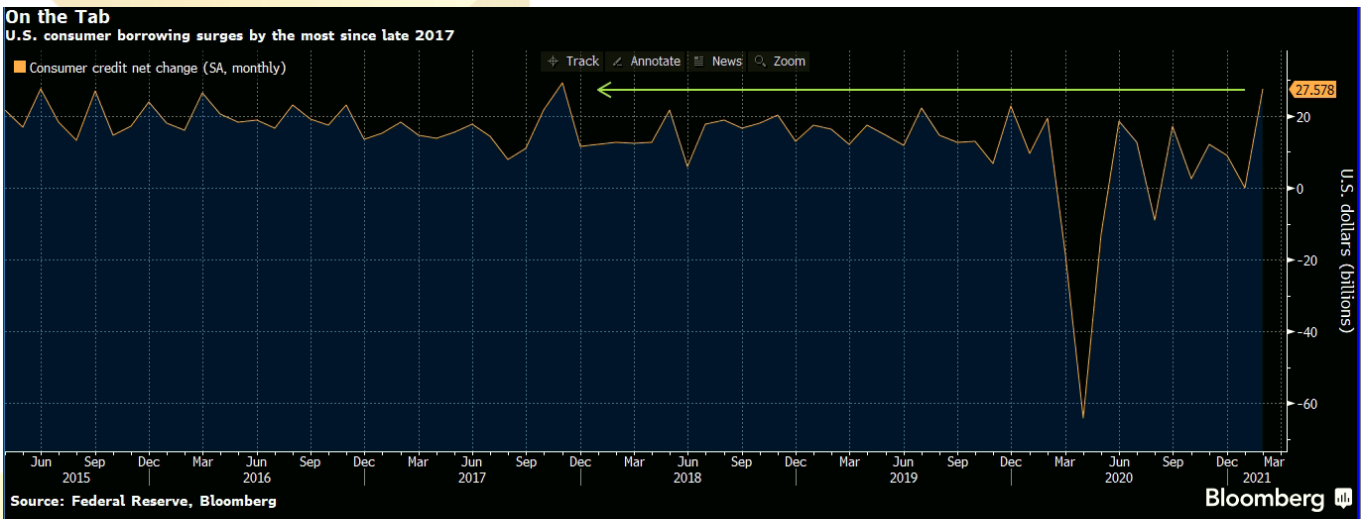


Figure 4: The chart depicts US Consumer credit net change (monthly)

U.S. consumer borrowing surged in February as a broader re-opening of the economy from pandemic restrictions helped spark an increase in credit-card balances. Total credit jumped \$27.6 billion from the prior month, the largest gain since November 2017, after a revised \$94 million January advance, Federal Reserve figures showed Wednesday. February's increase exceeded all estimates in a Bloomberg survey of economists.

MAJOR MOVES THIS WEEK

Currencies

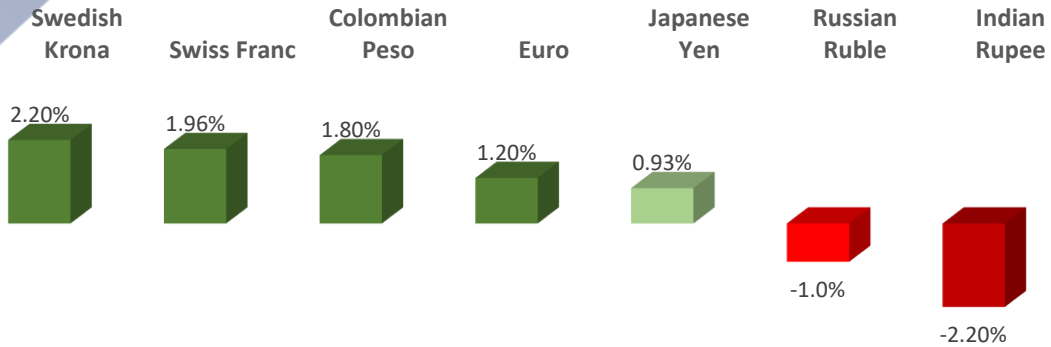


Figure 5: The graph represents Currency returns with respect to US Dollar as the base currency for this week

Emerging market and developed market currencies both had a decent week against US Dollar. Due to weak bond yields Euro appreciated pretty handsomely which led other currencies like Swedish Krona and Swiss Franc to appreciate as well. Russian Ruble underperformed due to weak crude oil. Indian Rupee after weeks of outperformance gave away its returns after a dovish central bank's statement.

Equity Indices

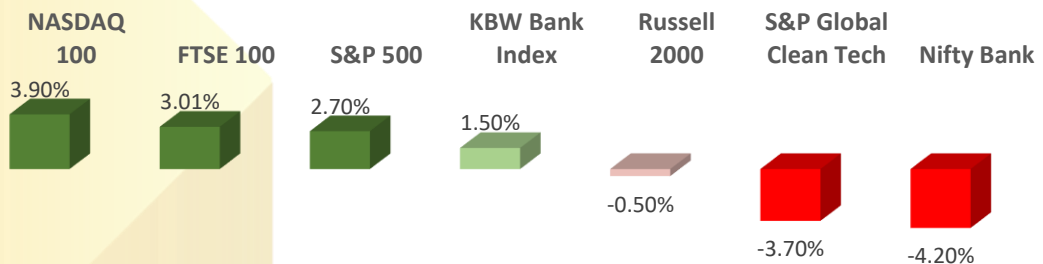


Figure 6: The chart represents the Equity Index returns over this week.

This week technology sector in US gave pretty handsome returns on the back of falling bond yields. Tech sector dominated the broader market. UK equities also outperformed European equities due to weak currency. KBW bank index also gave decent returns even though bond yields were not favourable. Renewable stocks also underwent a small correction. In India banking sector took a hit and underperformed the broader market.

Commodity Futures

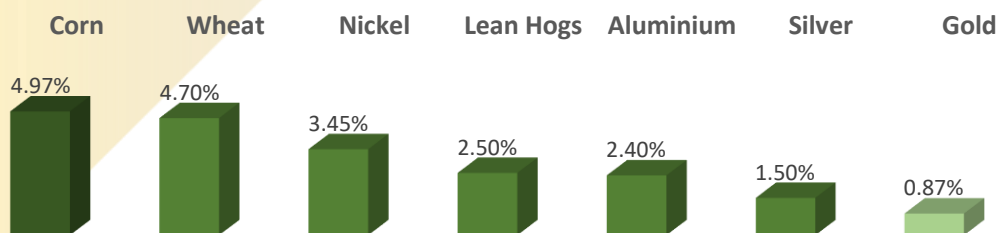


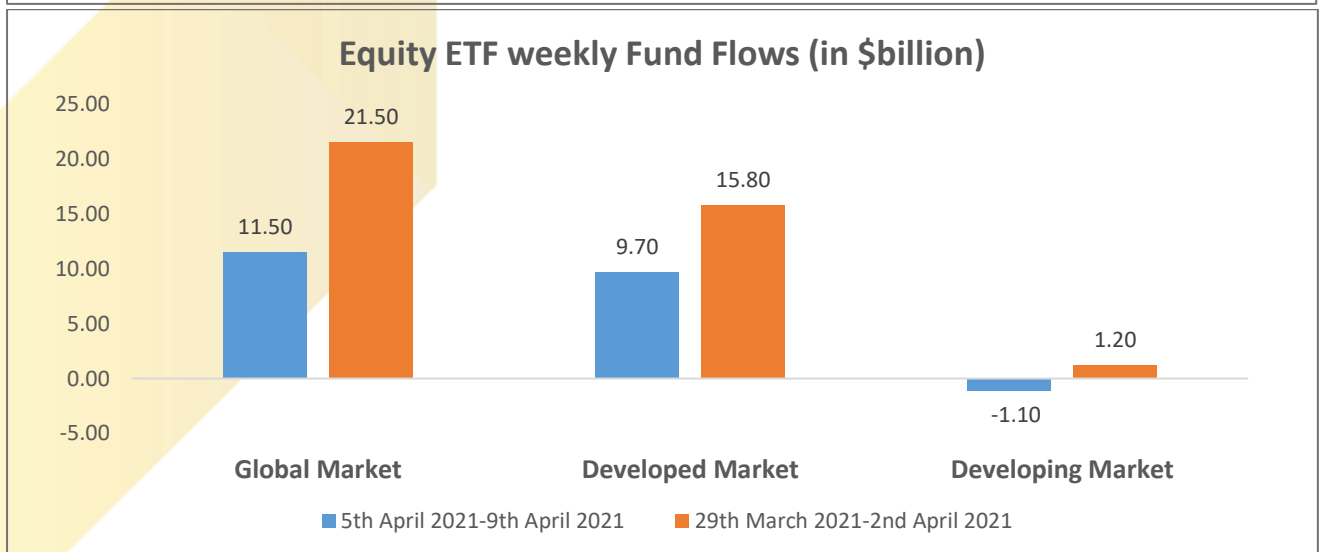
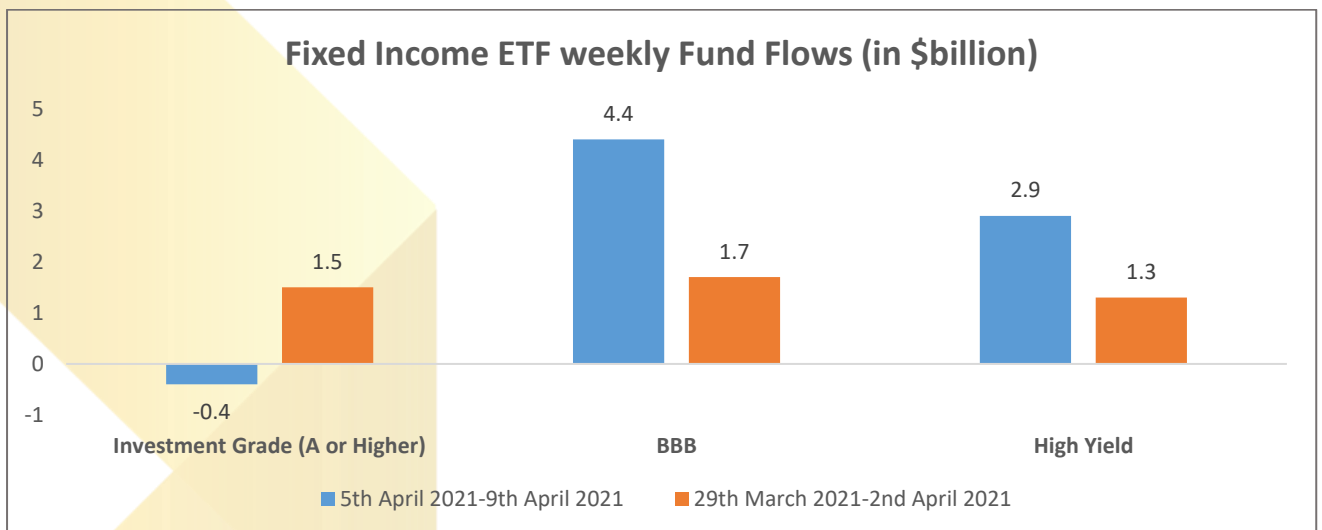
Figure 7: The chart represents the Commodity returns over the week.

Precious metals had a stable week with both gold and silver gaining. Nickel outperformed the industrial metal segment after gaining 3.45% followed by Copper and Aluminium which gained more than 2%. This week was pretty good week for Agriculture commodities with Corn and wheat outperforming the broader market. Lean hogs continue to make new highs due to shortage of supply.

GLOBAL FUND MANAGERS' STATEMENTS

- 1) ScottMinerd (CIO, Guggenheim Partners): "Despite the encouraging March jobs report, full employment remains far away. At 57.6%, the employment to population ratio sits over 3 percentage points below pre-pandemic levels, representing over 9 million jobs. With the VIX at levels not seen in over a year, complacency is rising and the market is vulnerable"- Tweet , 8th April 2021
- 2) Byron Wien (Vice Chairman, Blackstone Private Wealth Management): "Wall Street will get hit by another correction before the bull run resumes and stocks end the year higher than current levels. Inflation will shoot up faster than most forecasts, which will drive the Federal Reserve to tighten monetary policy and likely lead to a market sell-off of about 10%."-CNBC, 9th April 2021

GLOBAL ETF FUND FLOWS



Please note that the Global ETF fund flows under Equity ETF weekly flows category will not be equal to the sum of their respective sub-categories which are mentioned on their right side since there are other sub categories as well

PACE 360'S FUTURE OUTLOOK

“We remain constructive on global equities for the next few weeks. We believe even EM equities should do well as they have formed a solid base over the last 4-6 weeks. We believe that long term Treasury yields have topped out even though they may remain rangebound in the near future. We remain extremely bullish on Gold and silver for the long term.”

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