



Weekly Report and Outlook on Global Markets

10 Sep 2021

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MARKET DEVELOPMENTS

Steel Exports From India to Jump by More Than a Third on Prices

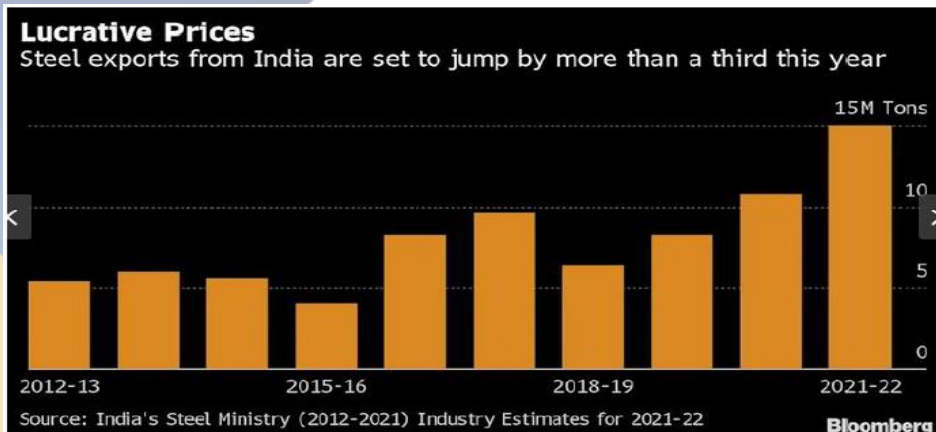


Figure 1: This chart shows India's steel exports

India's steel mills are forecast to boost exports by more than a third this year as global prices soar and major producers of the alloy curb production. The world's second-largest producer may increase exports to as much as 15 million tons in the year started April from 10.8 million last year. Higher global steel prices and the opportunities provided by China and Russia's plans to cut down on overseas shipments will boost exports.

Uranium Surges to Six-Year High as Fund Buys Up Physical Supply

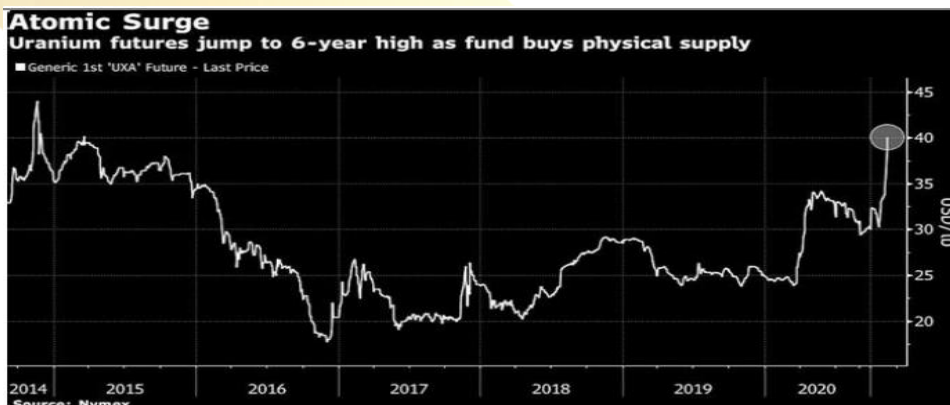


Figure 2: This chart shows Uranium futures which jumped to 6-year high

Uranium, the commodity used to fuel nuclear power plants, has surged to the highest level since 2015 due in part to a single fund aggressively cornering the physical market. Investment firm Sprott Inc. earlier this year launched its Physical Uranium Trust and recently commented on Twitter about how much physical uranium it had been buying, aiding to the commodity's recent bull run. Sprott has amassed over 24 million pounds of uranium, sometimes buying more than 500,000 pounds in a single day, according to its website and social media account. For comparison, total spot volume for 2020 was 92.2 million pounds.

MAJOR MOVES THIS WEEK

Currencies

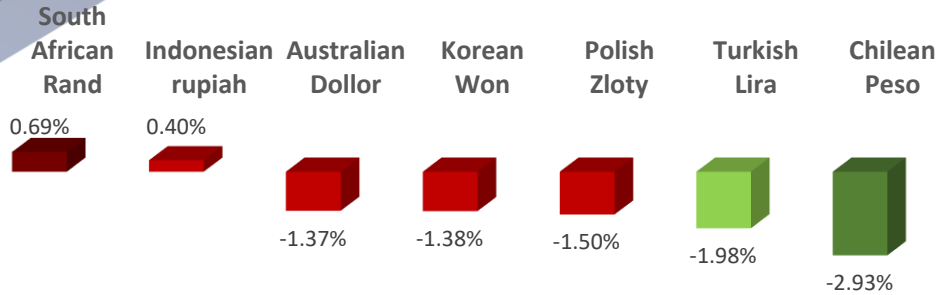


Figure 5: The graph represents Currency returns with respect to US Dollar as the base currency for this week.

This week we have seen depreciation in broader currency markets including emerging one against Greenback. EURO also weakened against Dollar this week on healthy note. Commodity producing countries was topmost under performer against dollar this week except USDZAR. Overall, it was favourable week for Dollar. As we have seen risk off in US equities in last trading session of this week, most of popular currency pair also closed lower against Dollar.

Equity Indices

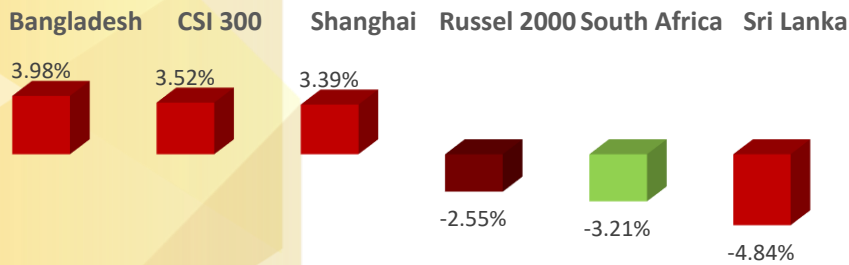


Figure 6: The chart represents the Equity Index returns over this week.

After, stellar performance in global equity for past few weeks, it was damaging week for Global equity. Japanese equity was best performer along with gain in Chinese TECH INDEX & Shanghai. Dow & S&P 500 we have seen reversal this week along with fall in NASDAQ 100, many developed equity indices fallen down this week while EM markets outperformed which is supported by China & Japan.

Commodity Futures

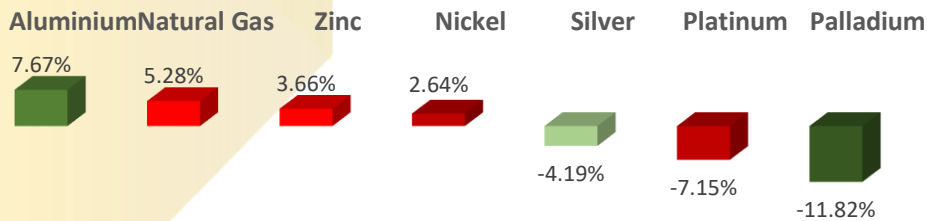


Figure 7: The chart represents the Commodity returns over the week.

Commodity also given positive move this week mainly risk on related commodities performed. We have seen stable performance in industrial metals mainly in Nickel & Aluminium this week. Natural gas extended its 52 week high while Brent has shown muted performance this week. Silver also performed this week while gold has shown marginal up move. Mainly we have seen weakness in few agricultural commodities.

GLOBAL FUND MANAGERS' STATEMENTS

Ray Dalio (X Co-chief investment officer, Bridgewater Associates): Ray Dalio says China and Singapore can't be neglected, pointing to his personal investments and family office philanthropy commitments. His comments come amid a brewing debate among Wall Street investors about the long-term viability of investing in China amid crackdowns across sectors from tech to online education and property. While some like George Soros warn the ructions are a sign of worse to come, others like BlackRock Inc.'s Larry Fink are allocating more resources to the country. Dalio described the swings in Chinese markets as little more than "wiggles" in late July.

"It's a part of the world that one can't neglect and not only because of the opportunities it provides but you lose the excitement if you're not there," Dalio said when asked about his family office's plans. "And so our objective is to be there both economically and investment-wise."

Tom Lee (Co-founder, Fundstrat Global Advisors): "We could have a really strong rally in September". We didn't think there was a window for a 10% correction for most of 2021. The window where we think you could start to have potentially a 10% pullback is October." Lee attributes the vulnerability to growing fiscal and monetary policy risks — as well as uncertainty surrounding the pandemic and flu season. "We get that much closer to tapering,".

"That's really when the debt ceiling rhetoric comes back, and if there are going to be concerns about the debt ceiling, the bond market could panic. When there's upheaval in the bond market, it typically spills to stocks. But in the meantime, Lee indicates he would be a buyer.

George Soros (legendary hedge fund manager): George Soros said BlackRock Inc investing billions of dollars into China now is a "mistake" and will likely lose money for the asset manager's clients, according to an opinion piece in the Wall Street Journal.

"Pouring billions of dollars into China now is a tragic mistake," Soros wrote in the op-ed. "It is likely to lose money for BlackRock's clients and, more important, will damage the national security interests of the U.S. and other democracies." Soros said BlackRock has drawn a distinction between the country's state-owned enterprises and privately owned companies that is far from reality.

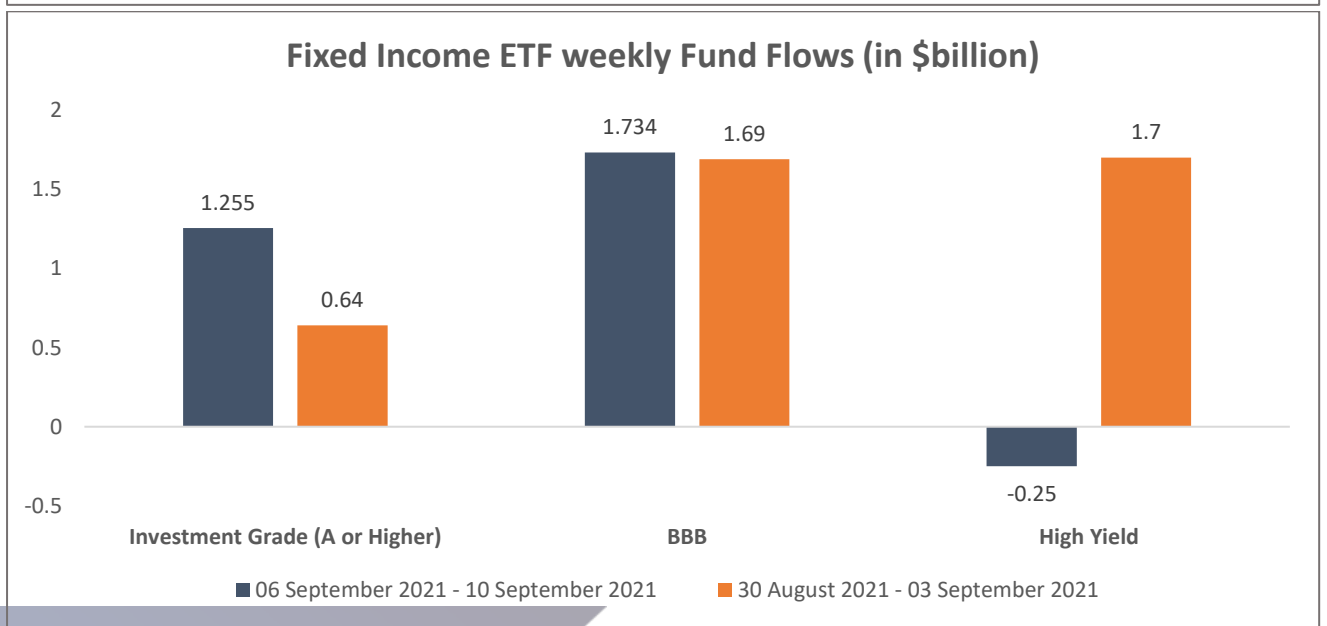
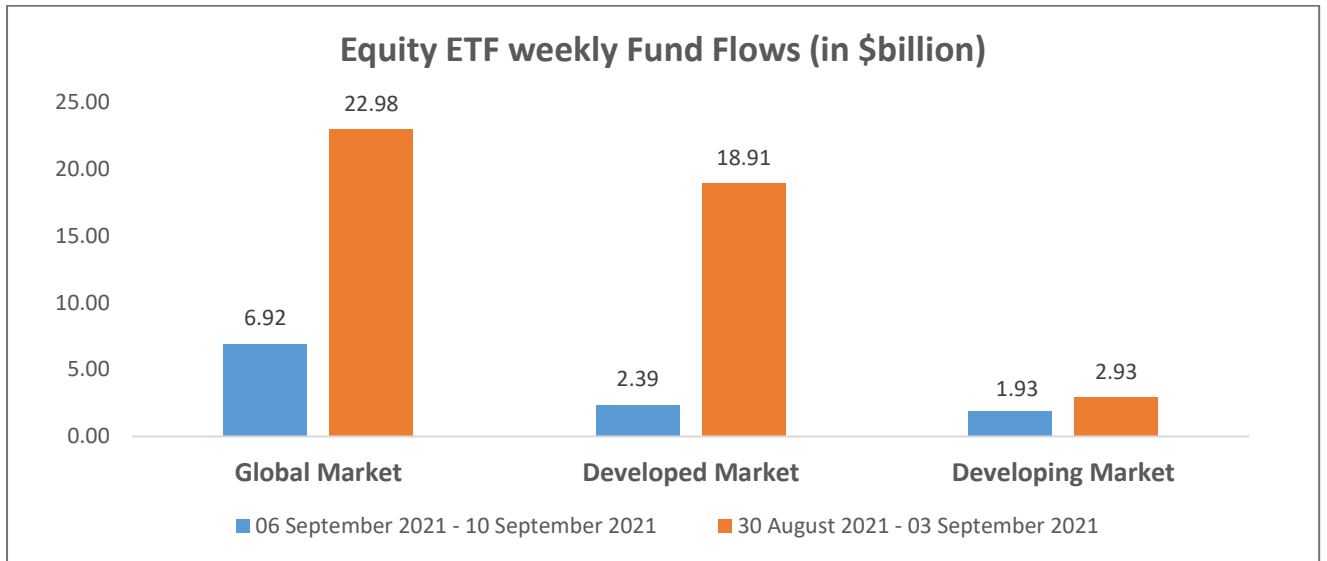
Francesc Balcells (Chief investment officer, FIM Partners, X Pimco Manager): Decelerating global growth due to the pandemic is a bigger risk for developing-nation assets than the unwinding of the Federal Reserve's stimulus.

The spread of the delta variant is a key threat to the world economy, and the emergence of other strains would be another headwind especially as the impact of fiscal spending fades, London-based Balcells said. In contrast, the odds of a 2013-like Fed taper tantrum are slim as U.S. policy makers have telegraphed their message well ahead of time, he said. FIM Partners, which manages \$2.5 billion in emerging and frontier assets, is enhancing returns with high-carry positions in the currencies of less-developed economies such as the Uganda shilling and Egyptian pound via their bonds and bills, he said.

ED Yardeni (President of Yardeni Research, Inc.): Prominent stock watcher Ed Yardeni continues to believe that the S&P 500 index will reach 5,000 by year-end amid strong earnings. And it could happen sooner, the president of Yardeni Research told CNBC Friday. "I have to these days say 'or sooner,' because every time I put out a bullish target the bulls stampede all over my back, and they get there a lot sooner because earnings have been so strong," he said. To be sure, it's not early in the stock rally, Yardeni said. "The market has doubled since March 23 of last year, so it's not going to double again anytime soon. It could consolidate for a while, instead of having a correction.

Mike Novogratz (chief executive officer of Galaxy Digital Holdings said.): Novogratz pointed out that Visa Inc. bought an NFT for \$150,000, Amazon.com Inc. posted a blockchain and digital currency job opening and Walmart Inc. is looking to hire a crypto expert. Interest from individual investors spiked on the back of large institutions jumping on board the crypto wagon. "There's been a giant realization that crypto is not just Bitcoin being bought as a hedge against bad monetary and fiscal policy. More importantly, it's the web 3.0,".

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

US equities just had one of their worst weeks in months. We believe that US equities have topped out and are headed lower over the next few weeks. This could be the beginning of a 7-8% correction in global equities. With Euro looking bearish EM currencies and equities are looking vulnerable too. We expect Indian equities to correct by more than 10% over the next 6 weeks. We are bearish on industrial commodities and crypto currencies. Gold is looking sideways for now but should be the most bullish asset class for the next few years.

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