



**PACE 360**

# Weekly Report and Outlook on Global Markets

17<sup>th</sup> March 2023

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# MARKET DEVELOPMENTS

## Australia Stocks Set for Longest Weekly Losing Streak Since 2008

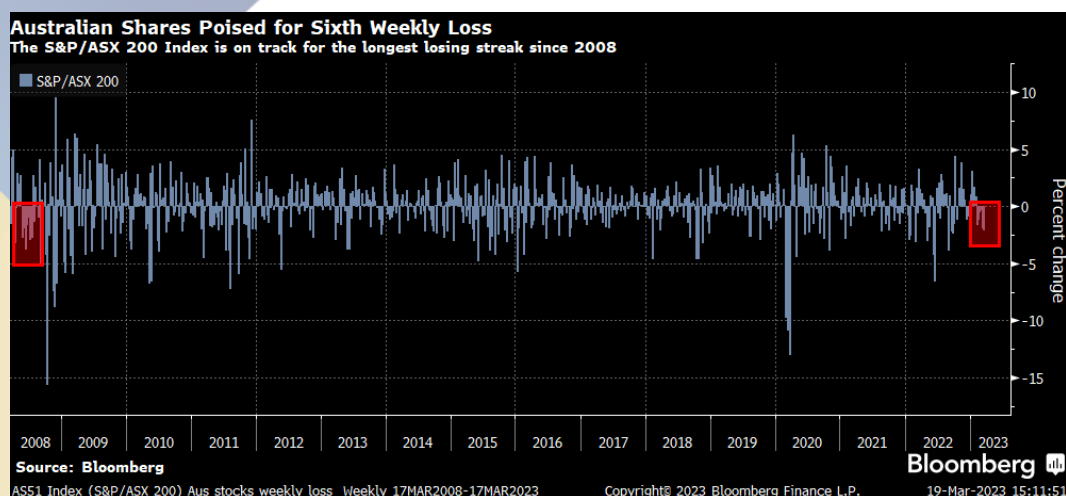


Figure 1: The chart shows the percentage change in S&P ASX 200 compared to past week.

Australia's key stock benchmark is on track for its sixth straight weekly decline, putting it on course for the longest run of losses since July 2008. The S&P/ASX 200 Index has dropped 2.5% this week after the collapse of Silicon Valley Bank and turmoil involving Credit Suisse Group AG spooked investors. Lackluster earnings and worries over the Federal Reserve's outlook have also recently weighed on the gauge. Looking forward, all eyes are on next week's rate decisions from the Fed and Bank of England.

## Saudi Arabia Offloads Most US Treasuries Since Pandemic

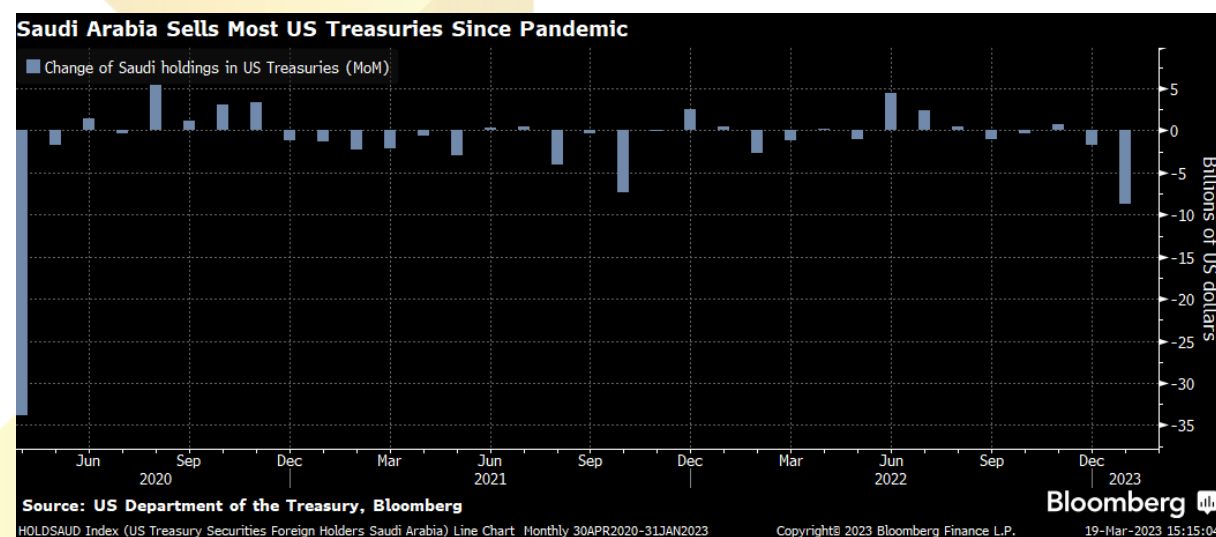


Figure 2: The chart shows the change in Saudi holdings in the US Treasuries (Month on Month)

Saudi Arabia was the biggest seller of US Treasuries outside Europe in January, offloading \$8.7 billion to bring its stockpile to the lowest in more than six years. While earning an oil windfall, the kingdom has changed the way it manages its petrodollar wealth and barely raised the central bank's net foreign assets in 2022. To start this year, Saudi Arabia sold the US securities at the steepest pace since the height of the coronavirus pandemic, around the time when the central bank made massive transfers to the kingdom's sovereign wealth fund to finance stock investments.

# MAJOR MOVES THIS WEEK

## Currencies

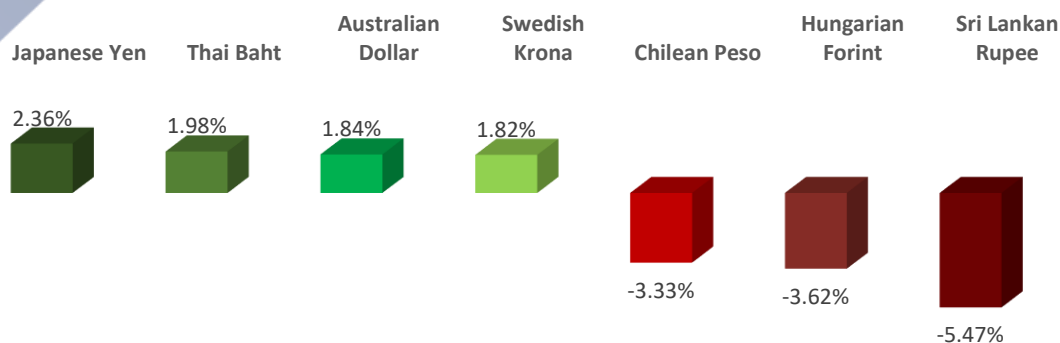


Figure 3: The graph represents Currency returns with respect to US Dollar as the base currency for this week.

This week we have seen gains in the global currencies market. Currencies of all major economies appreciated against the dollar this week recovering from the selloff in the global financial markets. Asian currencies have performed mixed while other Emerging market Currencies have depreciated sharply against the greenback during the week.

## Equity Indices

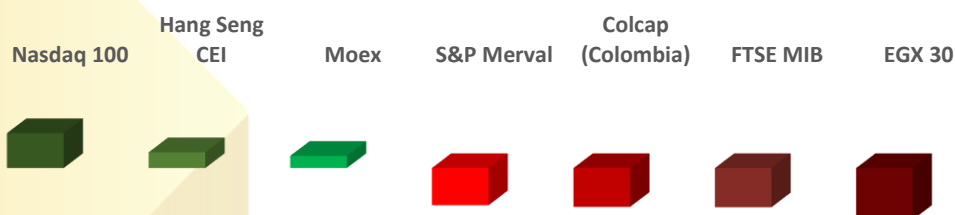


Figure 4: The chart represents the Equity Index returns over this week.

This week we have seen weakness in the global equities markets. European equities depreciated amid the banking turmoil; Euro Stoxx 600 and Euro Stoxx 50 depreciated sharply during the week. Asian Equities have shown weakness. US indices were among the top performers globally, recovering from the sell-off led by the SVB crisis.

## Commodity Futures

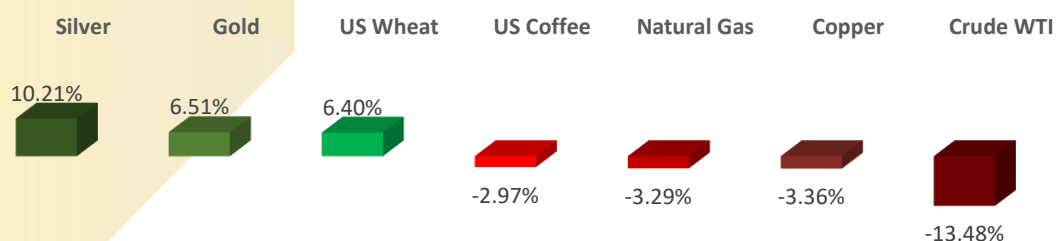
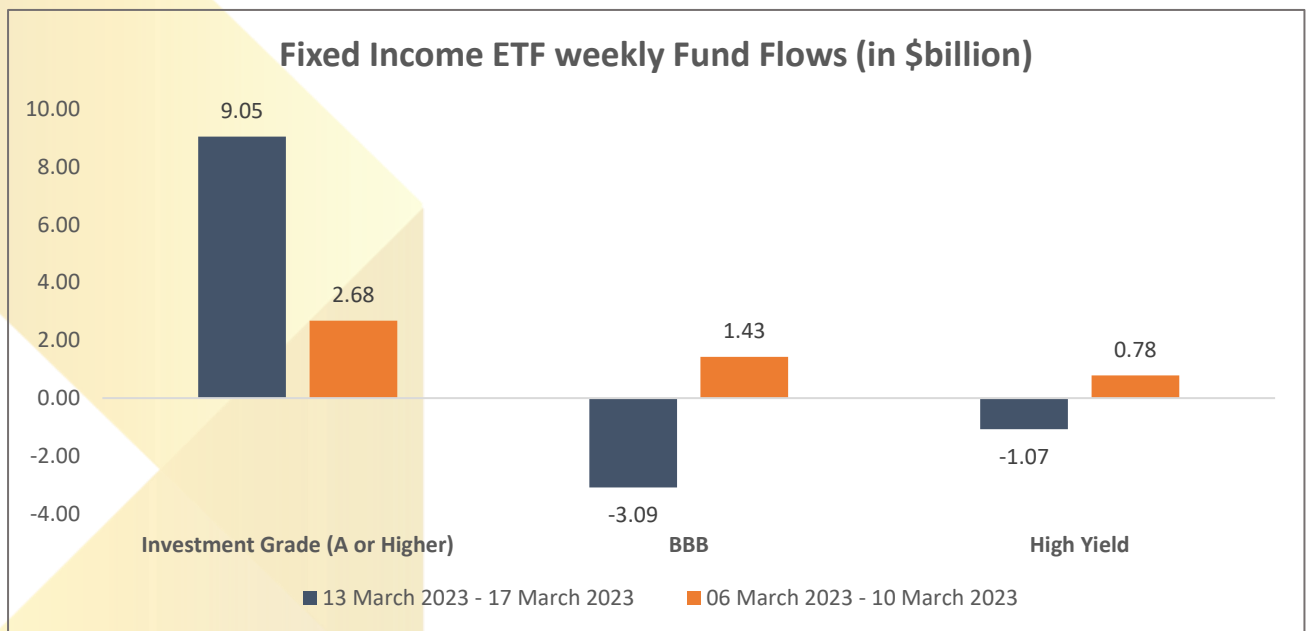
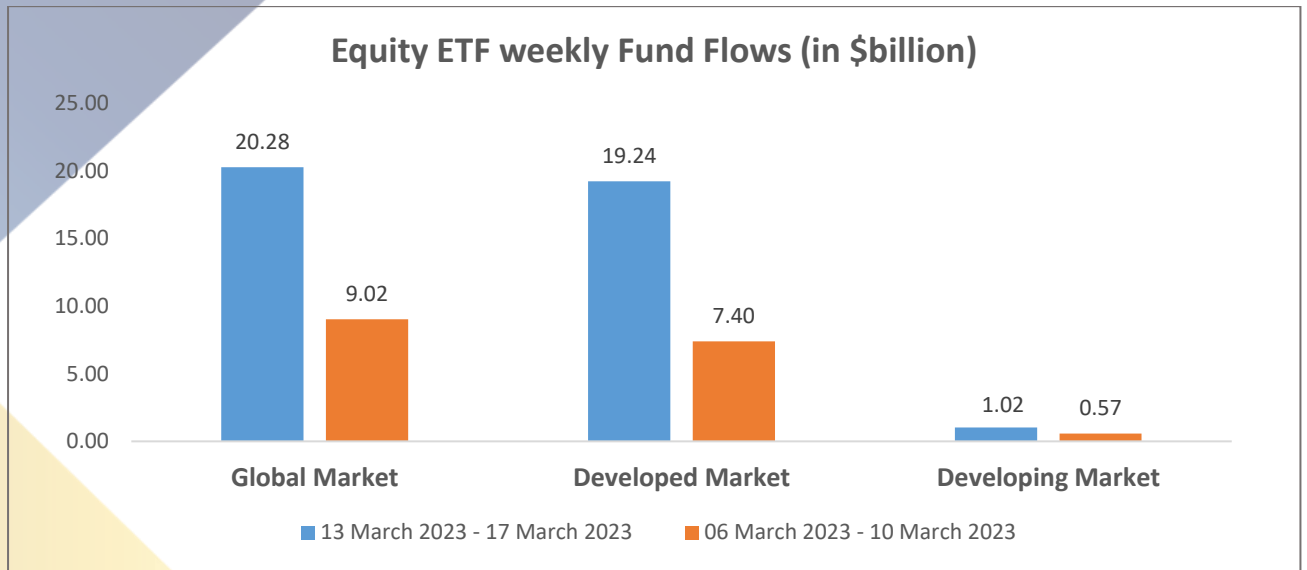


Figure 5: The chart represents the Commodity returns over the week.

Commodities market have shown very weak performance during this week. We have seen sharp corrections in industrial metals. Crude and natural gas depreciated during the week. Gold appreciated during the week amid safe-haven demand. We have seen weakness in the agricultural commodities.

# 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

Nasdaq 100 had one of the best weeks in months even as most of the global equity indices suffered. We believe the current banking crisis in US and Europe will not go much further from here and we believe worst of the panic in the markets has played out even if the economic consequences continue to roll out over next few months. We are near-term bullish on risk assets including industrial commodities like crude oil and copper. We see signs of peaking out in long-term Treasuries and also gold and JPY. We believe the rally in crypto assets is also over extended and may reverse course soon.

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