



Weekly Report and Outlook on Global Markets

9th June 2023

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MARKET DEVELOPMENTS

Nikkei 225 set for Nine-Week Gain in Longest Advance Since 2017.

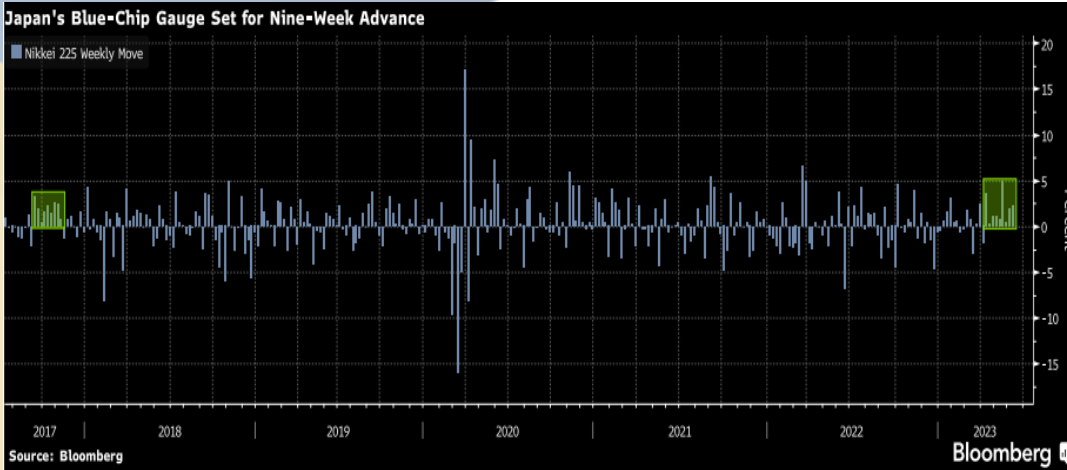


Figure 1: The chart shows Nikkei weekly moves.

FPI's have bought 17.2 billion dollars' worth of stocks in the month of May, which is the highest amount since April 2013. Japan's equities are likely to remain stable given that the nation's central bank is unlikely to drastically change policy soon. Only 3 out of 47 polled economists expect a tightening move at a two-day policy meeting ending June 16, down from 18 who flagged action this month in the previous survey in April.

Emerging market Risk drops.

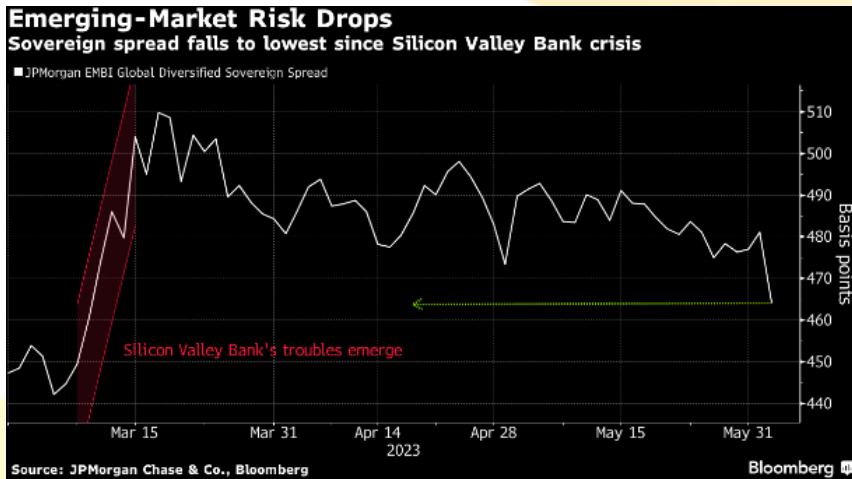


Figure 2: The above chart shows JP Morgan EMBI Global Diversified Sovereign Spread.

The spread between yields on developing-nation bonds and US Treasuries has narrowed to 464 basis points from over 500 points less than three months ago, according to JPMorgan Chase & Co. data. The decline comes on bets the Federal Reserve will pause rate hikes and after some distressed-debt nations won International Monetary Fund bailouts.

MAJOR MOVES THIS WEEK

Currencies

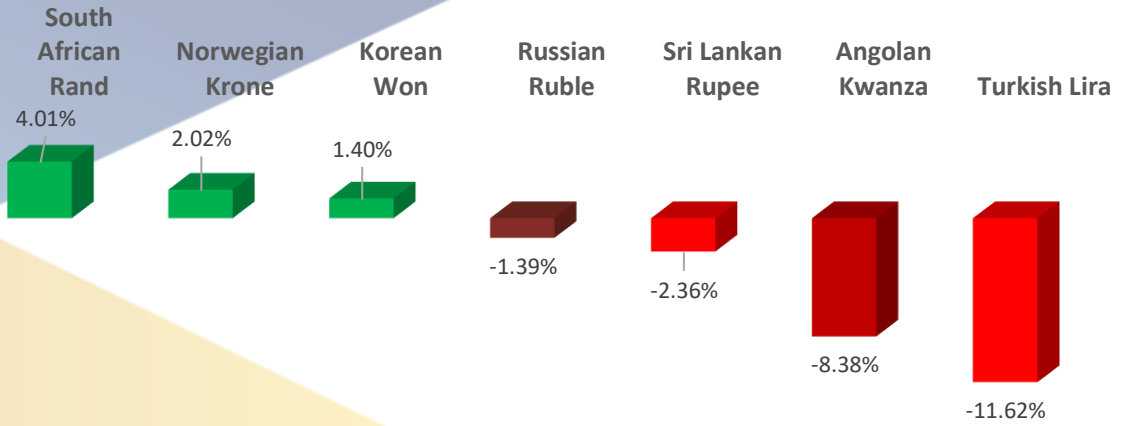


Figure 3: The graph represents Currency returns with respect to US Dollar as the base currency for this week.

This week we have seen mixed moves in the global currencies market. Angolan Kwanza, Turkish lira were again biggest losers against the US dollar this week.

Equity Indices

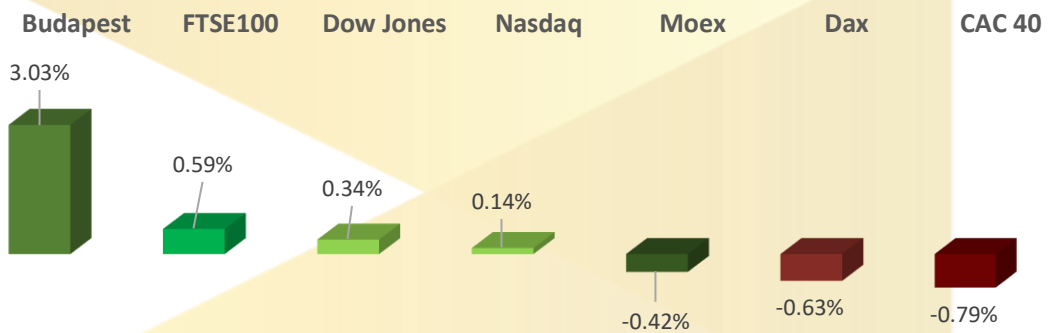


Figure 4: The chart represents the Equity Index returns over this week.

This week we have seen mixed performance in the global equities markets. European equities have shown weakness again, Indian Equities strengthened by 0.16%. US markets have shown strength during the week again.

Commodity Futures

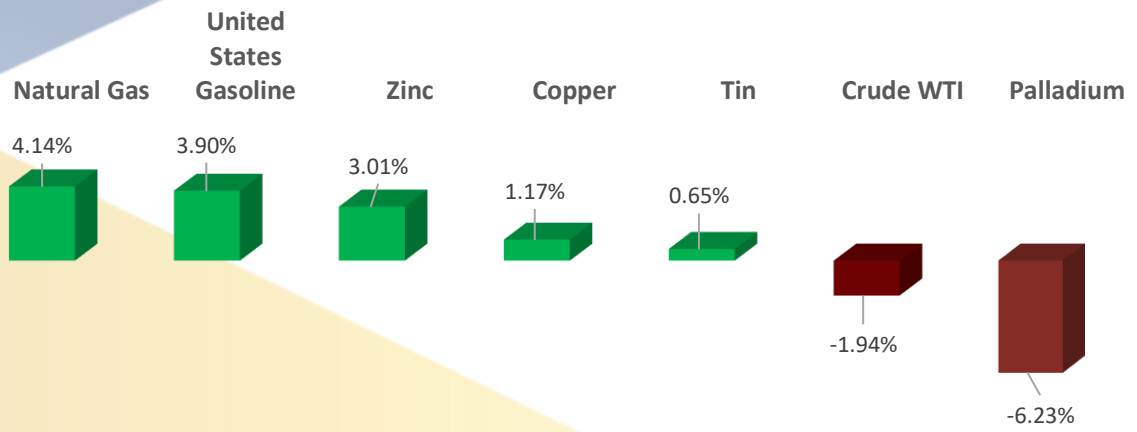
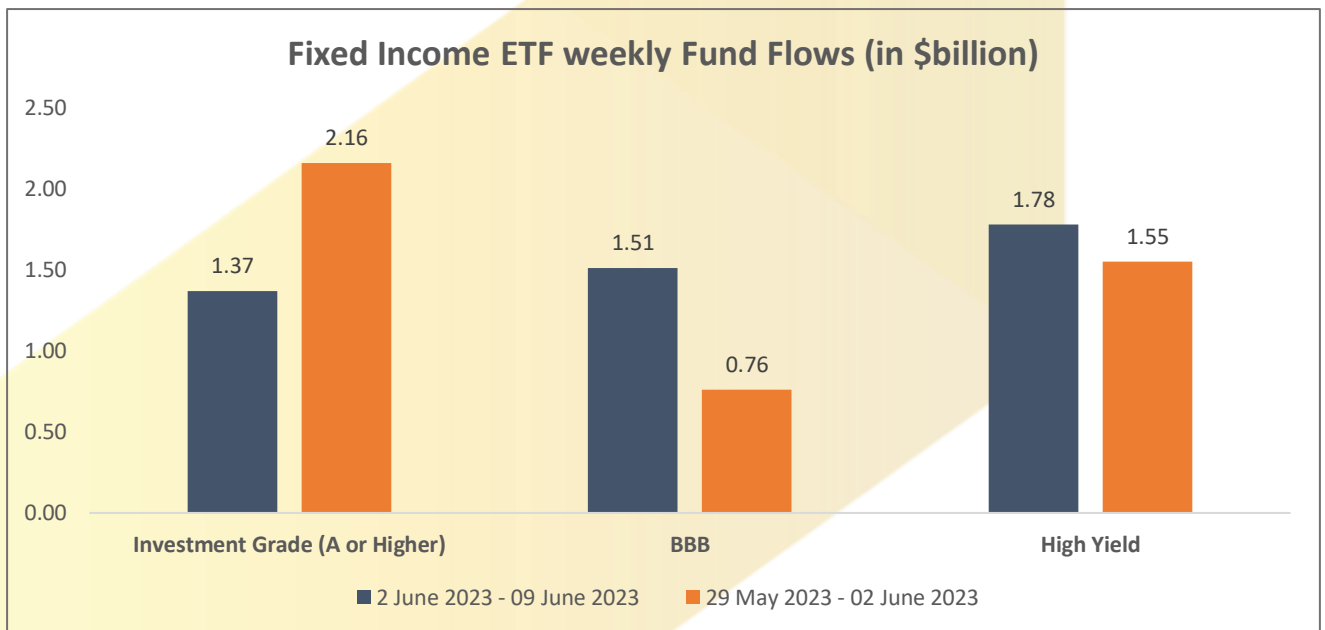
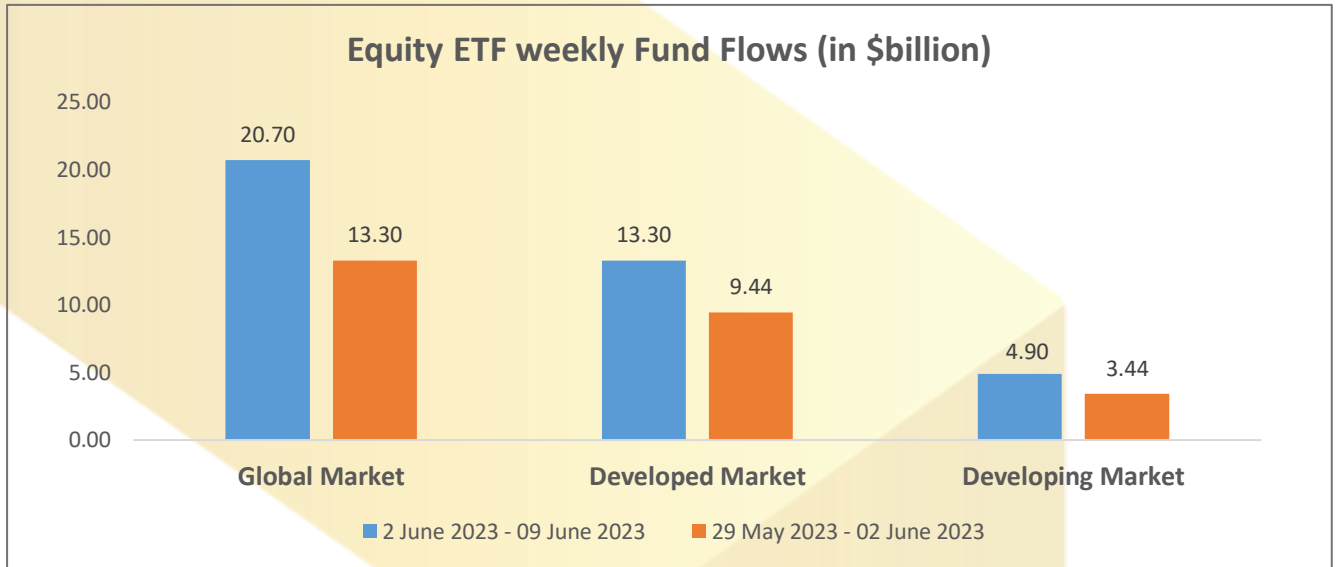


Figure 5: The chart represents the Commodity returns over the week.

Commodities have shown weakness in this week. Natural Gas Appreciated after showing weakness for two weeks while the Gasoline followed the same patterns. Gold and silver both appreciated during the week. We have seen mixed performance in the industrial metals.

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 subcategories as well.

PACE 360'S FUTURE OUTLOOK

The global equities rally broadened further last week with US small caps outperforming Nasdaq 100 by a big margin. The EM equities continued to do well while European equities lost their leadership and have been underperforming for a few weeks now. We continue to see a big reversal in global equities even though it may start in its right earnest only by August. Till then we may see sharp corrections only to be followed by sharp recoveries. We continue to see a global bear Market which may last for at least another 2-3 years. We believe a protracted global recession may start in 2024 and may go on for a few years. We envision a sharp fall in commercial real estate assets particularly in US. We continue to see a very high probability of a big rise in defaults on loans and securities associated with commercial real estate, particularly in US and in most other parts of the world. We believe gold is in the bottoming out process and will be the world's best asset class for the next 5 years. We see a massive rally in US 30-year Treasuries over the next 2 years.

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