



PACE 360

Weekly Report and Outlook on Global Markets

1st September 2023

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PACE 360'S FUTURE OUTLOOK

GLOBAL EQUITIES HAVE HAD ONE OF THEIR BEST WEEKS IN A LONG TIME WITH NASDAQ AND JAPANESE MARKETS LEADING FROM THE FRONT. WE EXPECT EQUITIES TO BECOME LARGELY SIDEWAYS FROM HERE FOR SOME TIME AS WE REMAIN IN A SEASONALLY WEAK PERIOD FOR RISK ASSETS. IN THE LONG TERM, A VICIOUS BEAR MARKET IS LURKING ROUND THE CORNER. GOLD AND LONG-TERM US TREASURIES HAVE BOTTOMED OUT IN AUGUST AND ARE CONSOLIDATING BEFORE THEY LAUNCH THEIR STRONGEST RALLY IN DECADES. WE EXPECT INDUSTRIAL COMMODITIES TO BE SIDEWAYS WITH A POSITIVE BIAS AS CHINA TRIES HARD TO GIVE A BOOST TO ITS ECONOMY, CURRENCY AND FINANCIAL MARKETS. WE EXPECT THE ECONOMIC DATA COMING FROM US AND EUROPE TO INCREASINGLY BECOMING WEAK AND DISINFLATIONARY OVER THE NEXT 2-3 MONTHS AND THAT WILL UNLEASH ONE OF THE STRONGEST RALLIES IN LONG TERM TREASURIES AND PRECIOUS METALS. DOLLAR INDEX MAY MAKE ITS INTERMEDIATE HIGH OVER THE NEXT FEW DAYS AND THEN START TO MOVE DOWN TO PROVIDE SUPPORT TO COMMODITIES AND EM ASSETS.

MARKET DEVELOPMENTS

Foreign Funds Sell Most Thai Stocks in Two Years on Policy Risks.

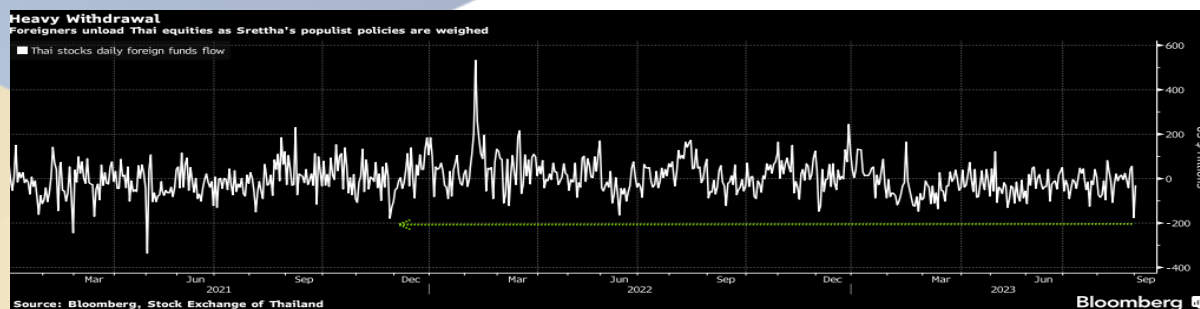


Figure 1: The chart dictates the outflow of the Thai stocks daily by Foreign Funds.

Foreign investors sold the most Thai equities in almost two years on Thursday, suggesting that concerns about populist policies from the new government are weighing on sentiment.

The \$175 million net selloff yesterday snapped seven days of gains in the benchmark stock index following parliamentary endorsement of Srettha Thavisin's election as prime minister.

Rice Prices in Indonesia are Rising Fastest in a Decade in Indonesia.

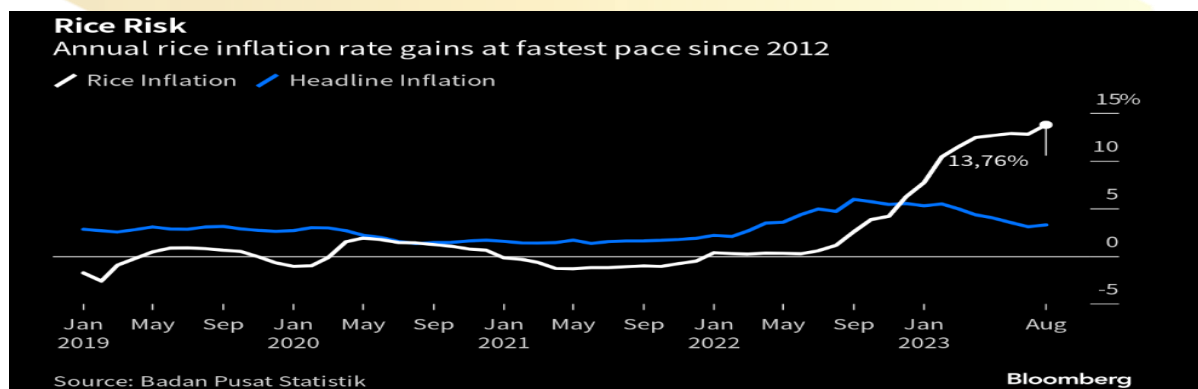


Figure 2: The above chart shows the rice inflation in Indonesia.

The price of rice in Indonesia shot up by 13.76% year-on-year in August, the most since 2012, putting at risk the overall slowing trend in consumer prices. Rice, a staple food in the country of 270 million, has become more expensive at the producer level as output slowed since the June harvest period, the statistics agency said on Friday.

MAJOR MOVES THIS WEEK

Equity Indices

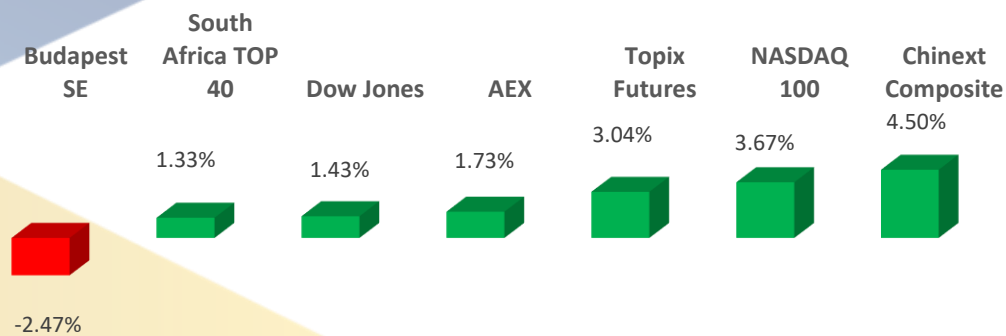


Figure 3: The chart represents the index returns for this week.

American markets gained again this week after performing strongly last week. Similar pattern was witnessed in European markets as they strengthened again this week. Emerging markets mostly have also performed strongly as all the major markets gained. The losers in Emerging markets were Pakistan, Colombia, Chile, Czech Republic etc.

Currencies

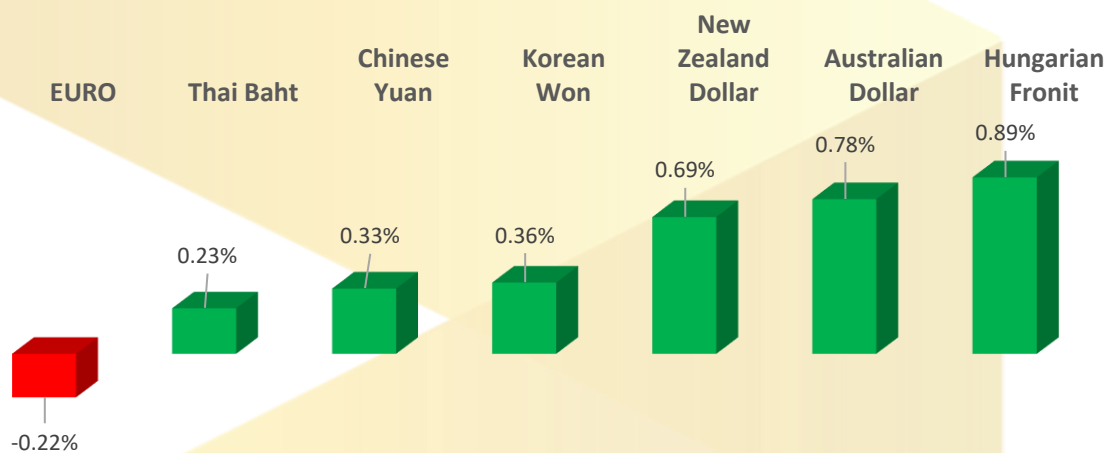


Figure 4: The chart represents the currency returns with respect to US dollar as the base currency for this week.

This week Dollar has performed in a mix compared to Emerging market currencies, Dollar has witnessed weakness in compared to EURO, JPY, CAD, GBP, NZD, and AUD after strengthening last week against them.

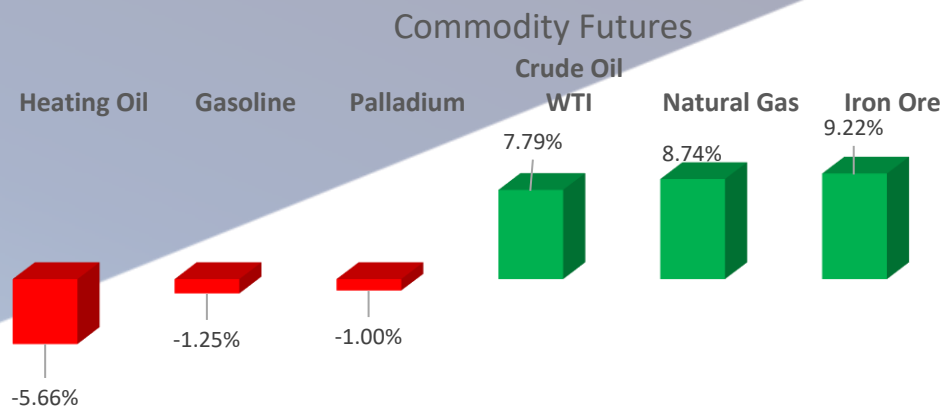
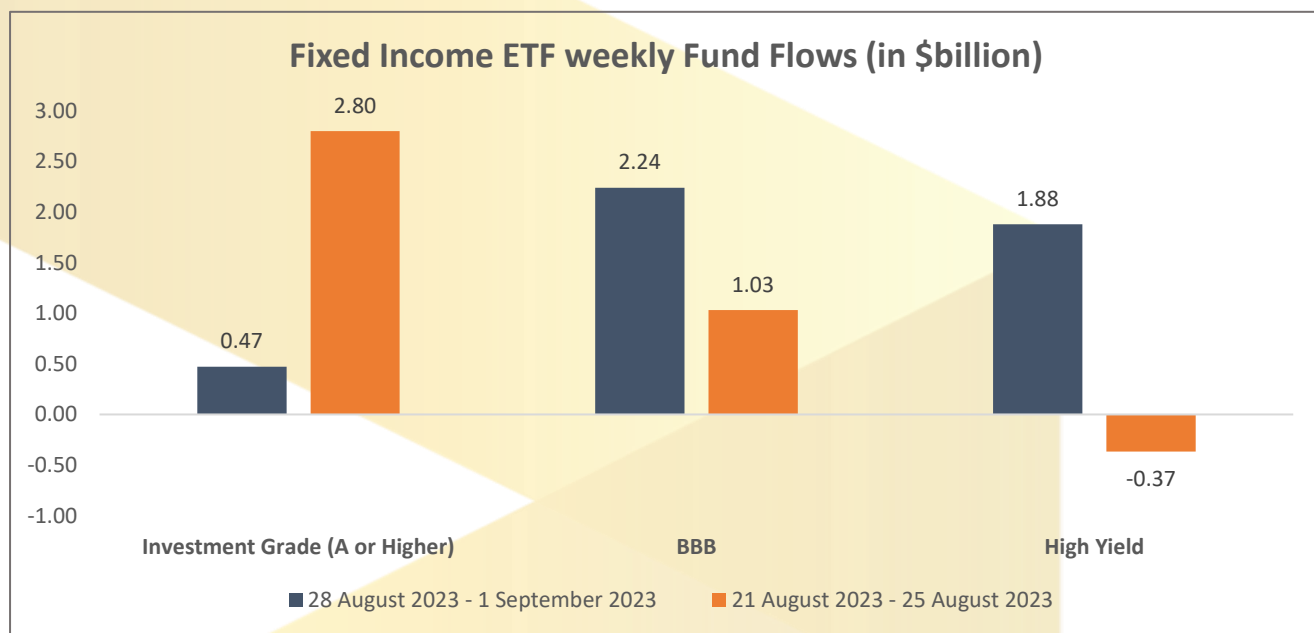
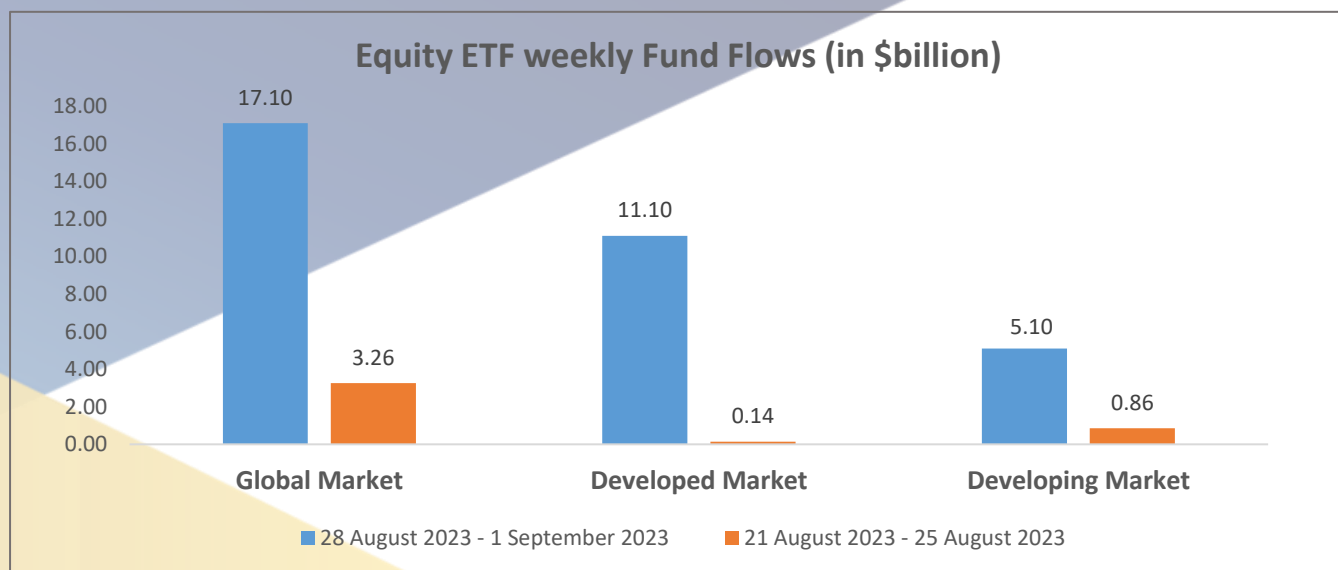


Figure 5: The chart represents the Commodity returns over the week.

Commodities have performed in a mix this week after gaining last week. We have seen weakness in all the agricultural commodities, where only corn and rice were the gainers. Last week industrial commodities were the gainers, and this week similar pattern was witnessed in them.

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.

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