



# Weekly Report and Outlook on Global Markets

31<sup>st</sup> May 2024

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## PACE 360'S FUTURE OUTLOOK

GLOBAL EQUITIES HAVE BEEN LARGELY SIDEWAYS FOR THE LAST FEW WEEKS EVEN AS ECONOMIC DATA FROM THE US HAS BEEN UNDERWHELMING AND THE US ECONOMY IS STEADFASTLY PROGRESSING TOWARDS A RECESSION. WE BELIEVE US WILL LEAD THE WORLD INTO A DEEP CORRECTION BY THE H1 OF NEXT YEAR. WE EXPECT THE COMING US RECESSION TO BE A RATHER DEEP ONE AND THE GLOBAL EQUITIES SHOULD FALL ABOUT 20% BY APRIL 2025 FROM THEIR PEAK MADE IN H1 OF 2024. WE BELIEVE INDIAN EQUITIES HAVE LARGELY DISCOUNTED AN EMPHATIC MODI WIN AND WILL ALSO FALL WITH THE REST OF GLOBAL EQUITIES BY APRIL 2025. WE SEE THE INDIAN EQUITIES AS THE BIGGEST BUBBLE EVER MADE IN THE HISTORY OF WORLD EQUITY MARKETS. THE DOMESTIC FLOWS IN INDIA LARGELY REPRESENT NON-NUANCED MONEY AND THIS MONEY IS GIVING EXIT TO THE SMARTEST AND STRONGEST HANDS INCLUDING COMPANY INSIDERS AND FPIS WHICH HAVE BEEN NET SELLERS OF INDIAN EQUITIES THIS YEAR. WE EXPECT LONG TERM US TREASURIES TO BE THE MOST BULLISH ASSET CLASS IN THE WORLD FROM NOW TILL END OF CY 25. WE EXPECT GOLD TO TRADE SIDEWAYS WITH A BEARISH BIAS FOR THE NEXT 3 MONTHS. WE EXPECT SILVER AND INDUSTRIAL METALS TO GO DOWN BY MORE THAN 10% BETWEEN NOW AND APRIL 2025.

## MARKET DEVELOPMENTS

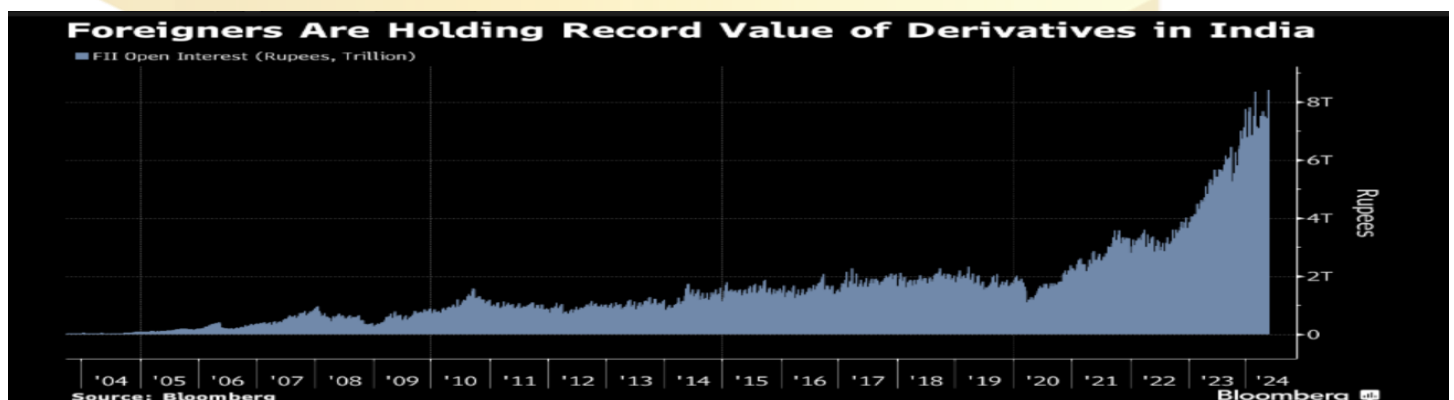
### ARK bitcoin ETF Sees Record Daily Outflow.



The above chart dictates the outflow of ARK Bitcoin ETF.

Thursday was a uniquely bad day for Cathie Wood's ARK 21Shares Bitcoin ETF, which suffered the biggest 24-hour outflow since its launch in early January. Out of the 11 US-Listed Bitcoin ETF's, it was the only one to record outflows. By contrast, investors pumped a net \$119 million into Fidelity's Wise Origin Bitcoin ETF, data compiled by Bloomberg shows.

### Foreigners Lift India Derivative Holdings to record \$101 Billion.



The above chart dictates the Indian Derivative holdings by foreigners.

Global investors holding of equity derivatives in India have risen to a record days before the nation's elections end, as signs emerge that they're growing more confident about the likely outcome. Foreign funds open interest, or the number of contracts outstanding in value terms, reached \$101 billion on the National Stock Exchange Tuesday, data compiled by Bloomberg show. The surge coincides with overseas funds turning net buyers of local shares in the cash market last week after a long spell of withdrawals. The positioning in index futures has also turned bullish after nearly a month, during which time their bets had reached the most bearish levels.

Equity Indices

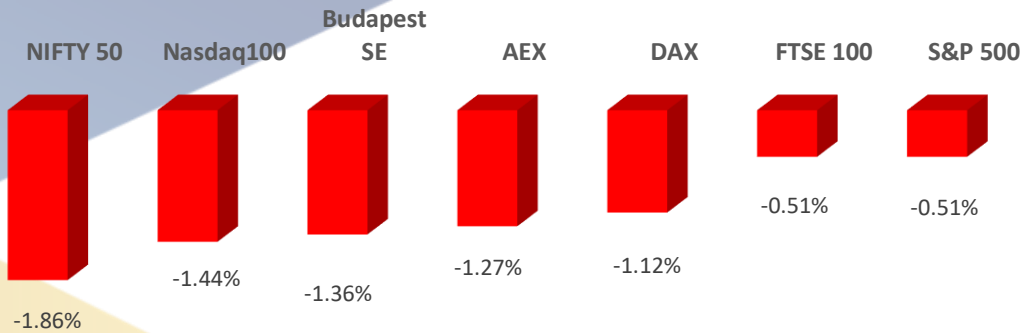


Figure 3: The chart represents the index returns for this week.

All the developed and developing markets were down this week mostly due to the concern of overvaluation. India's NIFTY 50 was down by 1.86% after being up by 2.03% previous week volatility is expected to continue in NIFTY 50 due to the election season.

Currencies

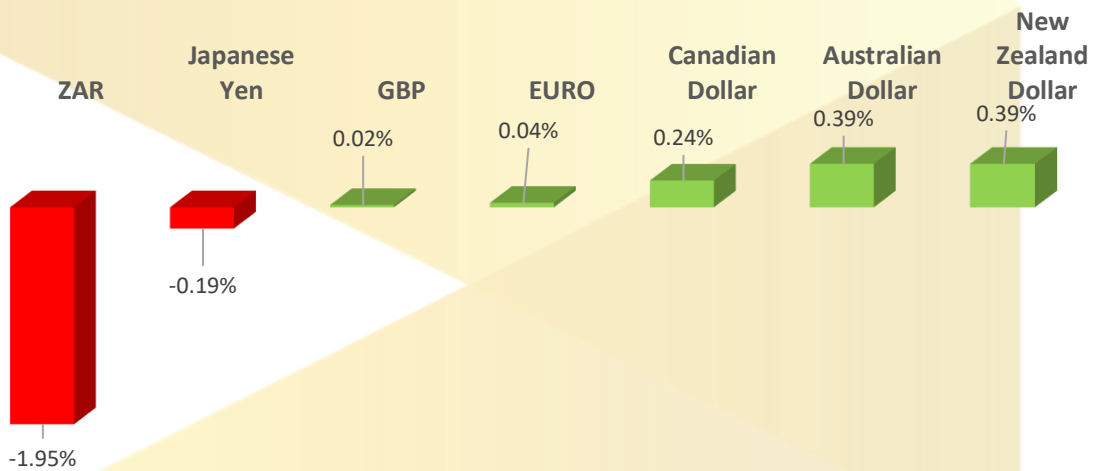


Figure 4: The chart represents the currency returns with respect to US dollar as the base currency for this week.

DXY was down by 0.12% reversing the trend of last week resulting into the Appreciation of other developed and developing market currencies. USD/ INR was down by 0.41% this week reversing the downward trend of last week. USD /INR has been trading in a tight range of 82.67 to 83.70 since last 10 months and hence breakout on either side is expected soon.

## Commodity Futures

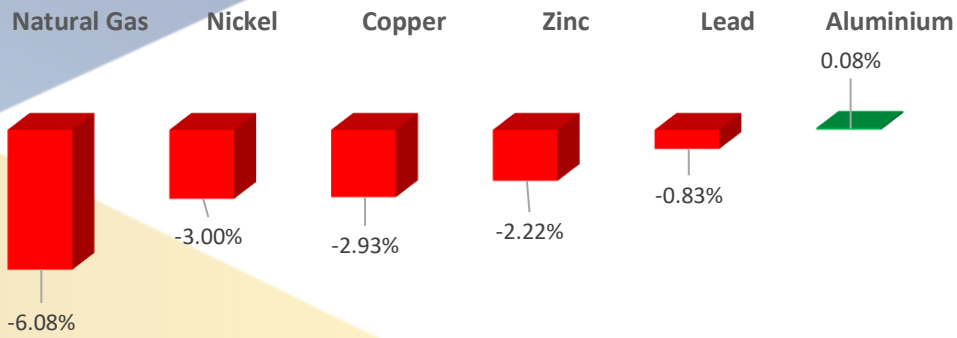
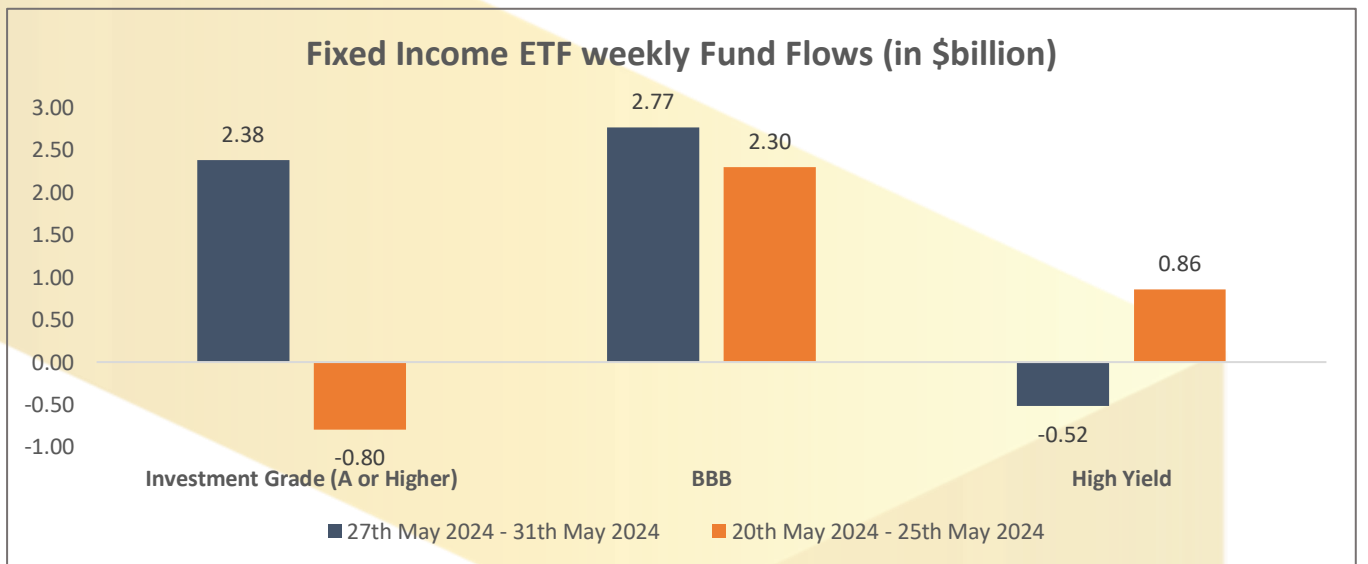
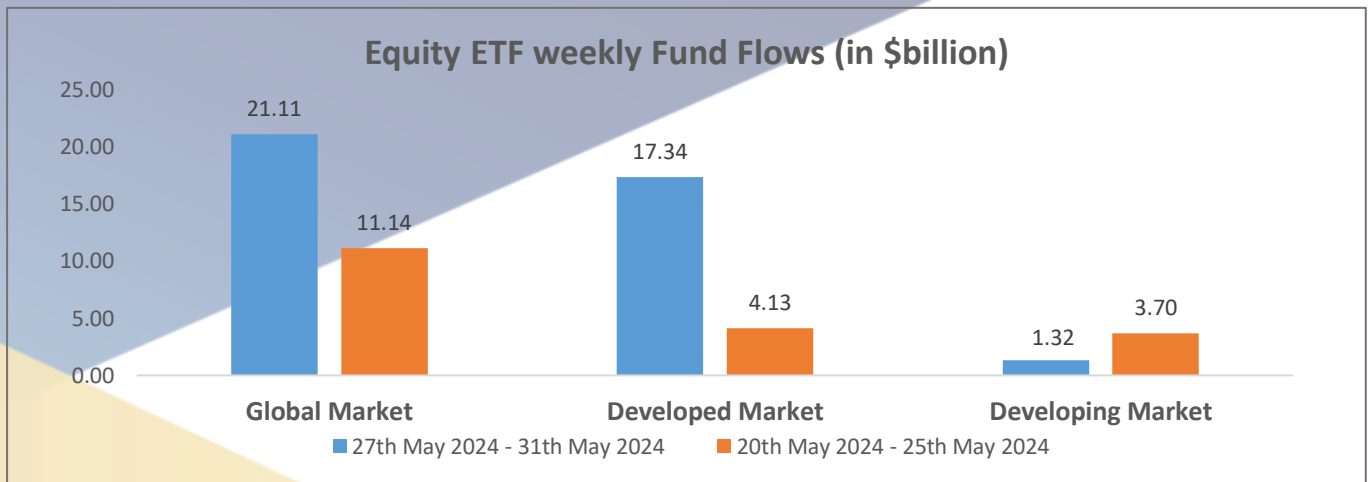


Figure 5: The chart represents the Commodity returns over the week.

This week major upswings were witnessed in the commodity markets. All the industrial commodities corrected this week reversing the trend of last week. Natural gas was the top loser in the commodities market. Silver was up by 0.14% after correcting last week by -3.55% and gold corrected 0.29% continuing the downward trend of previous week.

## 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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