

LAST WEEK IN 30 SECONDS...

Anarchy intertwined in politics rarely ends well and last week was no exception as the world watched the US descend into a state of disarray. With Democrats winning the final 2 seats in Georgia and in turn ending the Republican control of the Senate, markets trended higher. The tech heavy NASDAQ was up 2.5% for the week whilst global equities in euro terms finished up 2.4%.

Meanwhile, in the bond market the year began with a rise in yields as expectations of US inflation increasing saw the yield on US 10-year treasuries rising by 0.20% to finish the week at 1.11%

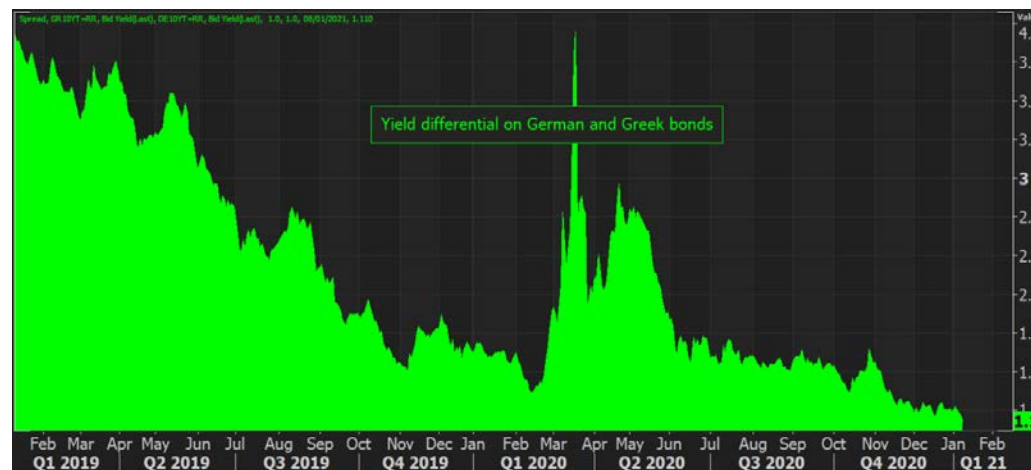
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Covid-19 cases continue to remain elevated albeit any associated negative sentiment appears fully offset by positivity on vaccine production. The week will see the fallout from last week's march on Washington and Joe Biden's efforts to stymie the continued polarisation of American society.

From a corporate earnings point of view, the week sees a ramp up in quarterly earnings disclosures including JPMorgan Chase, Wells Fargo and Citigroup all disclosing results on Friday. Elsewhere, Wednesday sees US inflation updates and Eurozone industrial production output whilst Friday sees US retail sales updates.

2021 SEES THE HUNT FOR YIELD CONTINUING

The year has begun with investors seeking out more attractive yielding bonds than negative yielding German bonds. The yield on 10-year Greek bonds, which are BB rated with S&P, is a mere 1.1% higher than their German counterparts and yields 0.58%



Source: Refinitiv

Equities	Region	1-Week Change	Year-to-date
NASDAQ	US	2.5%	2.5%
FTSE World €	Global	2.4%	2.4%
Eurofirst 300	Europe	3.2%	3.2%
SHANGHAI Comp	China	2.8%	2.8%
NIKKEI 225	Japan	2.5%	2.5%

Forex	Value	1-Week Change	Year-to-date
EUR/USD	\$1.23	0.2%	0.2%
EUR/GBP	£0.90	0.7%	0.7%
EUR/YEN	¥127.21	0.7%	0.7%
USD/YEN	¥103.80	0.5%	0.5%

Commodities	Value	1-Week Change	Year-to-date
WTI Crude Oil	\$50.71	5.0%	5.0%
Brent Crude Oil	\$56.05	8.0%	8.0%
Gold per Oz	\$1,854.99	-2.3%	-2.3%
DJ UBS Index	\$79.66	2.1%	2.1%

Bonds 10 Year	Yield	1-Week Change	Year-to-date
Germany	-0.52%	0.06%	0.06%
Ireland	-0.30%	0.01%	0.01%
U.K.	0.29%	0.10%	0.10%
Italy	0.50%	-0.02%	-0.02%
USA	1.11%	0.20%	0.20%