

News highlights

- Global equity markets saw a strong start to the year, mostly led by small cap and cyclical stocks, on expectations of new US fiscal stimulus.
- Georgia run-off races flipped the US Senate to a Democratic majority. By taking control of an equally split Senate, a blue-wave scenario in US politics becomes a reality, supporting the idea of another stimulus package and boosting Joe Biden's chances of passing major legislation. The simple majority requirement to confirm top positions also significantly lifted confirmation of Biden's cabinet selections.
- Civil unrest and the assault on the US Capitol, while ugly and tragic, did not have any tangible impact on equity markets, with the view that the events did not affect consumer or corporate behaviour.
- The New York Stock Exchange moved forward with delisting three Chinese telecom companies targeted by an executive order from President Trump, reversing course yet again after the NYSE said earlier last week that it would not delist them. MSCI, S&P and FTSE quickly announced that the three stocks, in their listing in Hong Kong, will also be removed from their indices. Reports that the US administration was considering adding Chinese internet leaders Alibaba and Tencent to a US investment blacklist also tested investors' nerves.
- For the week, the US 10-year Treasury yield jumped roughly 20 basis points, ending the week at 1.12%. The 'rates spark' came as Fed members walked a communication tightrope between tapering and easing.
- Oil prices were supported by Saudi Arabia's surprise announcement that it will unilaterally cut oil production by 1 million barrels per day.
- While most headlines were still commenting on Bitcoin and Tesla's skyrocketing ascension, the Japanese Nikkei index hit a 30-year high.

EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	3 825	1.8%	1.83%	1.79%	99.0%
Nasdaq	13 202	2.4%	2.43%	2.40%	184.3%
Dow Jones	31 098	1.6%	1.61%	1.57%	90.2%
Europe					
Stoxx 50	3 645	2.6%	2.6%	2.6%	20.2%
DAX	14 050	2.4%	2.4%	2.4%	42.6%
CAC	5 707	2.8%	2.8%	2.8%	31.7%
FTSE	6 873	6.4%	6.4%	5.8%	16.3%
AEX	646	3.4%	3.4%	3.4%	57.1%
BEL 20	3 762	3.9%	3.9%	3.9%	7.7%
SMI	10 798	0.9%	0.9%	1.0%	30.8%
EM & Asia					
Nikkei 225	28 139	2.5%	2.53%	2.30%	59.0%
Hang Seng	27 878	2.4%	2.38%	2.32%	36.3%
India	48 783	2.2%	2.16%	1.69%	95.6%
Russia	3 455	5.0%	5.04%	5.95%	97.6%
Brazil	125 077	5.1%	5.09%	1.65%	208.0%

FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
US				
Government	0.68	-1.2%	-1.2%	18.0%
Investment Grade	1.81	-1.4%	-1.4%	33.9%
High Yield	4.16	0.2%	0.2%	51.8%
Europe				
Government	-	0.22	-0.1%	15.5%
Investment Grade	0.22	0.2%	0.2%	15.7%
High Yield	3.11	0.6%	0.6%	29.1%
EM				
Global HC USD	3.27	-0.7%	-0.7%	38.1%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.22	0.0%	0.0%	-5.5%
JPY	127.06	0.7%	0.7%	26.2%
CHF	1.08	0.1%	0.1%	-10.6%
GBP	0.90	0.8%	0.8%	13.0%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	55.99	8.1%	8.1%	8.1%	-49.0%
Gold	1 849.01	-2.6%	-2.6%	-2.6%	4.8%

Source: Bloomberg, BIL, as at 08/01/2021

DISCLAIMER All financial data and/or economic information released by this Publication (the "Publication"); (the "Data" or the "Financial data and/or economic information"), are provided for information purposes only, without warranty of any kind, including without limitation the warranties of merchantability, fitness for a particular purpose or warranties and non-infringement of any patent, intellectual property or proprietary rights of any party, and are not intended for trading purposes. Banque Internationale à Luxembourg SA (the "Bank") does not guarantee expressly or impliedly, the sequence, accuracy, adequacy, legality, completeness, reliability, usefulness or timelessness of any Data. All Financial data and/or economic information provided may be delayed or may contain errors or be incomplete. This disclaimer applies to both isolated and aggregate uses of the Data. All Data is provided on an "as is" basis. None of the Financial data and/or economic information contained on this Publication constitutes a solicitation, offer, opinion, or recommendation, a guarantee of results, nor a solicitation by the Bank of an offer to buy or sell any security, products and services mentioned into it or to make investments. Moreover, none of the Financial data and/or economic information contained on this Publication provides legal, tax accounting, financial or investment advice or services regarding the profitability or suitability of any security or investment. This Publication has not been prepared with the aim to take an investor's particular investment objectives, financial position or needs into account. It is up to the investor himself to consider whether the Data contained herein this Publication is appropriate to his needs, financial position and objectives or to seek professional independent advice before making an investment decision based upon the Data. No investment decision whatsoever may result from solely reading this document. In order to read and understand the Financial data and/or economic information included in this document, you will need to have knowledge and experience of financial markets. If this is not the case, please contact your relationship manager. This Publication is prepared by the Bank and is based on data available to the public and upon information from sources believed to be reliable and accurate, taken from stock exchanges and third parties. The Bank, including its parent,- subsidiary or affiliate entities, agents, directors, officers, employees, representatives or suppliers, shall not, directly or indirectly, be liable, in any way, for any: inaccuracies or errors in or omissions from the Financial data and/or economic information, including but not limited to financial data regardless of the cause of such or for any investment decision made, action taken, or action not taken of whatever nature in reliance upon any Data provided herein, nor for any loss or damage, direct or indirect, special or consequential, arising from any use of this Publication or of its content. This Publication is only valid at the moment of its editing, unless otherwise specified. All Financial data and/or economic information contained herein can also quickly become out-of-date. All Data is subject to change without notice and may not be incorporated in any new version of this Publication. The Bank has no obligation to update this Publication upon the availability of new data, the occurrence of new events and/or other evolutions. Before making an investment decision, the investor must read carefully the terms and conditions of the documentation relating to the specific products or services. Past performance is no guarantee of future performance. Products or services described in this Publication may not be available in all countries and may be subject to restrictions in some persons or in some countries. No part of this Publication may be reproduced, distributed, modified, linked to or used for any public or commercial purpose without the prior written consent of the Bank. In any case, all Financial data and/or economic information provided on this Publication are not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law and/or regulation. If you have obtained this Publication from a source other than the Bank website, be aware that electronic documentation can be altered subsequent to original distribution.

Banque Internationale à Luxembourg SA
69 route d'Esch, L-2953 Luxembourg
RCS Luxembourg B-6307
T (+352) 4590-1 • F (+352) 4590-2010
contact@bil.com • www.bil.com

