

## News highlights

- Equity markets declined sharply last week amid large volume and a panoply of concerns spanning earnings, valuations, coronavirus & vaccination trends, and the fall out of frenzied retail trading in parts of the U.S. market.
- Short squeeze was the theme of last week with Game Stop and AMC Entertainment propelled by 'Reddit day traders' with viral posts, snowballing 'upvotes', and user-produced research reports.
- With some major hedge funds forced to cover their short positions, they also had to cover their losses by selling other stock positions, driving the broader equity market down and causing a significant spike in volatility.
- For some commentators this highlighted exuberant momentum trades, for others an anti-establishment movement, with David investors on Robinhood defeating hedge-fund Goliaths.
- We do not believe that this is a 'harbinger of doom' moment, having the view that the overall stock market is not exhibiting characteristics of a bubble. But this is for sure another episode highlighting the difference in between investing and speculating.
- The Fed meeting offered a welcome portion of stability, with the view that supportive financial conditions are the needle in the macroeconomic compass.
- In China, the PBoC drained a large amount of liquidity out of the financial system to cool gains in share prices and property markets. Concerns about monetary tightening are building on the view that with the economy back at its pre-pandemic growth level, central bank policymakers are expected to focus on containing financial system leverage.

### EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
			Local	EUR	
<b>US</b>					
S&P 500	3 714	-3.3%	-1.11%	-0.36%	94.8%
Nasdaq	13 071	-3.5%	1.42%	2.19%	184.7%
Dow Jones	29 983	-3.3%	-2.04%	-1.29%	86.3%
<b>Europe</b>					
Stoxx 50	3 481	-3.4%	-2.0%	-2.0%	15.2%
DAX	13 433	-3.2%	-2.1%	-2.1%	37.6%
CAC	5 399	-2.9%	-2.7%	-2.7%	24.5%
FTSE	6 407	-4.3%	-0.8%	0.3%	8.6%
AEX	637	-3.5%	2.0%	2.0%	52.0%
BEL 20	3 624	-3.2%	0.1%	0.1%	5.0%
SMI	10 591	-3.1%	-1.1%	-0.6%	28.0%
<b>EM &amp; Asia</b>					
Nikkei 225	27 663	-3.4%	0.80%	0.69%	63.1%
Hang Seng	28 284	-4.0%	3.87%	4.67%	48.2%
India	46 286	-5.3%	-3.07%	-2.10%	89.4%
Russia	3 277	-3.1%	-0.36%	-0.83%	90.8%
Brazil	115 068	-2.0%	-3.32%	-7.46%	202.6%

### FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years	
<b>US</b>					
Government	0.65	0.1%	-1.0%	17.4%	
Investment Grade	1.79	0.0%	-1.2%	34.9%	
High Yield	4.31	-0.1%	0.3%	55.7%	
<b>Europe</b>					
Government	-	0.18	0.1%	-0.6%	14.5%
Investment Grade	0.27	-0.2%	-0.1%	15.8%	
High Yield	3.22	-0.3%	0.4%	31.0%	
<b>EM</b>					
Global HC USD	3.29	0.1%	-0.7%	39.5%	

### EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.21	-0.3%	-0.7%	-6.1%
JPY	127.13	0.6%	0.8%	26.3%
CHF	1.08	0.3%	0.0%	-10.7%
GBP	0.89	-0.5%	-0.9%	11.1%

### COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	55.88	0.8%	7.9%	8.7%	-49.1%
Gold	1 847.65	-0.4%	-2.7%	-1.9%	4.7%

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