

## News highlights

- Last week was a very calm week on financial markets with minimal moves on most equity indices. The S&P 500 Index posted its first closing high in over a month, with growth outperforming value as the yield on the benchmark 10-year yield fell to its lowest levels since March. In Europe, equity indices closed out the week with broad gains, while markets in Asia were mixed.
- Market fears of rising prices and inflation have calmed down despite another spike in US CPI with prices topping 5% on YoY basis, its highest levels since 2008, as investors hang on to the notion (implied by the Fed) that the price hikes are indeed transitory. The Michigan survey also highlighted the more relaxed perspective on inflation, with expectations now lower for both 1y and 5-10y.
- The counterintuitive decline in bond yields grabbed attention. Bond markets also appear to accept the idea that current inflation pressures will be short-lived. Used cars and motor fuel were around 60% of US consumer price inflation rate, which makes the price rises rather focused.
- In China, the producer price index published at +9% YoY raising worries that higher factory gate inflation will contribute to inflationary pressures globally.
- As expected, the ECB renewed its pledge to maintain high rate of bond purchases in the coming quarter to solidify the economic recovery and despite significant upgrades to its future growth and inflation estimates.
- A divergent posture came from Bank of England Chief Economist Andy Haldane warning of inflationary pressure that might force the central bank to turn off the tap on its huge monetary stimulus.
- This week the headlining event will likely be the Fed policy meeting on Wednesday, the last big event before the summer period. The outcome will be intensely scrutinised as markets attempt to gauge when the Fed will begin to discuss tapering asset purchases.

### EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
			Local	EUR	
<b>US</b>					
S&P 500	4 247	0,4%	13,08%	14,28%	102,6%
Nasdaq	14 069	1,8%	9,16%	10,32%	187,5%
Dow Jones	34 480	-0,8%	12,65%	13,85%	93,0%
<b>Europe</b>					
Stoxx 50	4 127	0,9%	16,2%	16,2%	41,8%
DAX	15 693	0,0%	14,4%	14,4%	59,6%
CAC	6 601	1,3%	18,9%	18,9%	53,3%
FTSE	7 134	0,9%	10,4%	15,3%	16,7%
AEX	728	1,2%	16,6%	16,6%	67,2%
BEL 20	4 190	2,5%	15,7%	15,7%	21,7%
SMI	11 841	2,3%	10,6%	10,4%	49,5%
<b>EM &amp; Asia</b>					
Nikkei 225	28 949	0,0%	5,48%	0,87%	74,4%
Hang Seng	28 842	-0,3%	5,92%	6,94%	37,1%
India	52 475	0,7%	9,89%	10,75%	97,0%
Russia	3 842	0,9%	16,80%	22,42%	101,8%
Brazil	129 441	-0,5%	8,76%	11,60%	161,9%

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

	Yield	5 days	YTD	5 Years
<b>US</b>				
Government	0,89	0,5%	-2,6%	12,3%
Investment Grade	1,96	0,8%	-1,7%	26,0%
High Yield	3,88	0,5%	3,0%	42,5%
<b>Europe</b>				
Government	-	0,01	0,5%	-2,6%
Investment Grade	0,30	0,3%	-0,3%	11,1%
High Yield	2,74	0,4%	3,2%	25,8%
<b>EM</b>				
Global HC USD	3,43	0,7%	-0,3%	29,1%

### EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,21	-0,5%	-1,0%	-6,4%
JPY	132,69	-0,4%	5,2%	31,8%
CHF	1,09	-0,6%	0,6%	-10,1%
GBP	0,86	-0,1%	-4,0%	7,6%

### COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	72,69	1,1%	40,3%	41,8%	-33,8%
Gold	1 877,53	-0,7%	-1,1%	-0,1%	6,4%

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

