

## News highlights

- Action in US Treasury markets garnered the bulk of attention last week, with the notable pullback in US interest rates, as the 10-year yield touched the lowest level since February, before partially giving back on Friday. But once again, major equity indexes ended little changed, recovering from a sharp pullback.
- Equity leadership was once more a question mark, with the retreat of the reflation trade, outperformance of the cyclical universe arrested and defensive and growth back in the driver's seat.
- The narrative to explain the drop in yields ranged from technical factors, fading growth optimism, more infectious strains of the virus forcing curbs on activity, a loss in momentum in the drive for more fiscal stimulus, and so on... What is now obvious for market participants is that vaccination programs alone won't prove enough for economies to return to their pre-Covid normality.
- Lower interest rates are good for equity prices, but when the pace of the downside move picks up steam, equity investors usually get concerned about the economic outlook. Fears of secular stagnation were even dug up by some analysts.
- The epicentre for growth concerns is now mostly in Asia, where stuttering vaccine progress is overwhelmed by the resurgence of the coronavirus. The announcement that the Tokyo Olympics will be held without spectators at venues in Tokyo definitely did not help investor sentiment.
- China's central bank unexpectedly announced a broad-based cut in the cash banks must hold in reserve (Reserve Requirement Ratio cut by 0.5%)
- Earlier in the week, the Chinese State Council released guidelines pledging greater data security of tech companies for national security reasons and stepped up supervision of overseas listings, mainly directed at US-listed American Depositary Receipts.

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

	Last Price	5 days	YTD		5 Years
			Local	EUR	
<b>US</b>					
S&P 500	4 370	0,4%	16,33%	19,83%	105,2%
Nasdaq	14 702	0,4%	14,07%	17,50%	196,6%
Dow Jones	34 870	0,2%	13,93%	17,36%	92,2%
<b>Europe</b>					
Stoxx 50	4 068	-0,4%	14,5%	14,5%	43,3%
DAX	15 688	0,2%	14,4%	14,4%	62,9%
CAC	6 529	-0,4%	17,6%	17,6%	55,8%
FTSE	7 122	0,0%	10,2%	15,3%	8,1%
AEX	732	-0,2%	17,2%	17,2%	68,8%
BEL 20	4 184	0,3%	15,5%	15,5%	26,0%
SMI	11 990	0,2%	12,0%	12,0%	49,2%
<b>EM &amp; Asia</b>					
Nikkei 225	27 940	-2,9%	1,81%	-1,23%	85,0%
Hang Seng	27 345	-3,4%	0,42%	3,26%	33,0%
CSI300	5 069	-0,2%	-2,72%	0,95%	58,8%
India	52 386	-0,2%	9,71%	10,76%	93,1%
Russia	3 855	-0,3%	17,22%	21,56%	103,5%
Brazil	#N/A N/A	-1,7%	5,39%	7,92%	136,0%

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

	Yield	5 days	YTD	5 Years	
<b>US</b>					
Government	0,89	0,4%	-2,0%	11,0%	
Investment Grade	1,93	0,3%	-0,8%	24,2%	
High Yield	3,66	0,2%	4,0%	42,1%	
<b>Europe</b>					
Government	-	0,01	0,3%	-2,3%	7,1%
Investment Grade	0,29	0,2%	0,0%	10,3%	
High Yield	2,83	0,0%	3,1%	26,6%	
<b>EM</b>					
Global HC USD	3,51	0,2%	-0,3%	25,9%	

### EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,19	0,1%	-2,8%	-8,2%
JPY	130,80	-0,7%	3,7%	29,9%
CHF	1,09	-0,6%	0,4%	-10,3%
GBP	0,85	-0,4%	-4,4%	7,2%

### COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	75,55	-0,8%	45,8%	50,2%	-31,2%
Gold	1 808,32	1,2%	-4,7%	-1,9%	2,5%

Source: Bloomberg, BIL, as at 09/07/2021

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

