

News highlights

- At the beginning of the week, the potential default of Evergrande was the catalyst for the S&P500's first 5% pullback from peak in almost a year, but equity markets overcame the early sell-off to end the week modestly higher.
- Cash injections by China's central bank during the week helped ease worries about contagion effects of a disorderly debt resolution for the indebted developer, while the company missed its dollar bond coupon payment last Thursday. It now has a 30-day grace period to make the payment before a default event can be declared.
- Bond yields rose sharply over the week with investors digesting hawkish signals from several leading central banks
- A hawkish Fed meeting, with the dots increasing and the end of QE potentially accelerated, didn't affected markets on Wednesday but the global dam finally broke at the end of last week with Norway being the first G10 country to raise rates this cycle, and more importantly the Bank of England meeting that saw the market reappraise rate hikes.
- The hawkish rhetoric from the BoE caught the market wrong-footed on the precise timing. The minutes of the monetary authority's latest policy review indicated that any tightening may become "...appropriate before the end of the existing U.K. government bond asset purchase program." Investors brought forward their expectations for a hike in March 2022.
- US negotiations regarding the upcoming funding bill and the debt ceiling are ongoing, with House Speaker Pelosi saying that a continuing resolution, will pass "both houses by September 30," and fund the government through the first part of the fiscal year, starting October 1
- Late last week, China's central bank said cryptocurrency-related transactions are illegal. The move reinforces Beijing's stance against digital currencies.
- The ECB published its economy-wide climate stress test result, concluding that climate change will be a major source of systemic risk to banks if no action is taken but also that the transition to a greener economy is a 'golden opportunity'

EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	4 455	0,5%	18,62%	23,77%	106,3%
Nasdaq	15 048	0,0%	16,75%	21,83%	183,6%
Dow Jones	34 798	0,6%	13,69%	18,63%	90,9%
Europe					
Stoxx 50	4 159	0,7%	17,1%	17,1%	40,0%
DAX	15 532	0,3%	13,2%	13,2%	49,9%
CAC	6 638	1,0%	19,6%	19,6%	50,9%
FTSE	7 051	1,3%	9,1%	14,1%	3,6%
AEX	791	0,2%	26,7%	26,7%	76,7%
BEL 20	4 139	0,1%	14,3%	14,3%	16,7%
SMI	11 817	-1,0%	10,4%	10,6%	44,5%
EM & Asia					
Nikkei 225	30 249	-0,8%	10,22%	7,78%	81,3%
Hang Seng	24 192	-2,9%	-11,16%	-7,67%	2,6%
CSI300	4 849	-0,1%	-6,94%	-1,98%	49,6%
India	60 048	1,7%	25,75%	29,89%	112,8%
Russia	4 038	0,1%	22,78%	31,91%	104,4%
Brazil	113 283	1,7%	-4,82%	-3,28%	94,0%

FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
Government	0,99	-0,5%	-2,1%	11,8%
Investment Grade	1,99	-0,4%	-0,6%	24,5%
High Yield	3,89	-0,1%	4,9%	38,2%
Europe				
Government	-	-0,4%	-2,6%	6,6%
Investment Grade	0,33	-0,2%	-0,2%	8,7%
High Yield	2,91	-0,2%	4,0%	24,2%
EM				
Global HC USD	3,73	-0,8%	-0,4%	23,3%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,17	0,0%	-4,1%	-9,4%
JPY	129,77	0,7%	2,8%	28,9%
CHF	1,08	-0,9%	0,2%	-10,5%
GBP	0,86	0,4%	-4,1%	7,5%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	78,09	3,7%	50,8%	57,3%	-28,9%
Gold	1 750,42	-0,2%	-7,8%	-3,8%	-0,8%

Source: Bloomberg, BIL, as at 24/09/2021

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