

News highlights

- Last week, US Equity markets retreated, ending a five week winning streak, on hot inflation numbers while most European indices ended the week with small advance. Much of the action was over on the bond side with yields facing upward pressure.
- In its fall report, the European Commission raised 2021 growth forecast from 4.8% to 5%, while the 2022 growth forecast dropped from 4.5% to 4.3%. More interestingly, Germany is projected to grow by a modest 2.7% this year while France is forecast to rebound by 6.5%, Italy by 6.2% and Spain by 4.6%.
- The headline story on the equity front was spinoff announcements from Johnson & Johnson, Toshiba and GE, spurring questions about the future of the conglomerate model or at least giving a clear preference for focus vs. synergy strategies.
- Electric vehicle maker Rivian had the biggest IPO for a US company since Facebook. Its market capitalization now makes it the 2nd most valuable US automaker after Tesla.
- In China, cash-strapped developer Evergrande averted another last-minute default, an exercise that reinforced the idea of the company being like 'a cat with nine lives' as quoted by our fixed income experts. Meanwhile, Kaisa Group approached default as the company reportedly informed creditors that it "may not be able to pay the coupons" on its bonds because of legal and cross-default issues domestically and offshore.
- Last week also marked the end of the Single's Day online shopping season in China with consumer spending hitting a new all-time high of approximately \$84.5bn, while failing for the first time to achieve double digit year-on-year growth (+8.5% vs. last year).

EQUITIES *(local currency, price change)*

| | Last Price | 5 days | YTD | | 5 Years |
|----------------------|------------|--------|---------|--------|---------|
| | | | Local | EUR | |
| US | | | | | |
| S&P 500 | 4 683 | -0,3% | 24,67% | 33,12% | 116,4% |
| Nasdaq | 15 861 | -0,7% | 23,06% | 31,41% | 203,9% |
| Dow Jones | 36 100 | -0,6% | 17,95% | 25,94% | 91,3% |
| Europe | | | | | |
| Stoxx 50 | 4 370 | 0,2% | 23,0% | 23,0% | 43,8% |
| DAX | 16 094 | 0,2% | 17,3% | 17,3% | 50,5% |
| CAC | 7 091 | 0,7% | 27,7% | 27,7% | 57,3% |
| FTSE | 7 348 | 0,6% | 13,7% | 19,4% | 8,8% |
| AEX | 820 | 0,1% | 31,3% | 31,3% | 83,6% |
| BEL 20 | 4 331 | -1,2% | 19,6% | 19,6% | 23,9% |
| SMI | 12 516 | 1,6% | 16,9% | 20,4% | 58,4% |
| EM & Asia | | | | | |
| Nikkei 225 | 29 610 | 0,0% | 7,89% | 4,97% | 67,5% |
| Hang Seng | 25 328 | 1,8% | -6,99% | -1,16% | 14,0% |
| CSI300 | 4 888 | 1,0% | -6,20% | 2,48% | 42,5% |
| India | 59 920 | 1,0% | 27,09% | 33,26% | 126,3% |
| Russia | 4 122 | -1,3% | 25,32% | 37,60% | 103,8% |
| Brazil | 106 335 | 1,4% | -10,66% | -9,22% | 78,2% |

FIXED INCOME *(local currency, total return)*

| | Yield | 5 days | YTD | 5 Years |
|------------------|-------|--------|-------|---------|
| | | | | |
| Government | 1,19 | -0,7% | -2,6% | 15,2% |
| Investment Grade | 2,19 | -0,9% | -1,2% | 28,0% |
| High Yield | 4,23 | -0,3% | 4,7% | 39,4% |
| Europe | | | | |
| Government | 0,01 | -0,3% | -2,3% | 11,3% |
| Investment Grade | 0,37 | -0,2% | -0,3% | 10,7% |
| High Yield | 3,28 | 0,0% | 3,5% | 23,7% |
| EM | | | | |
| Global HC USD | 3,97 | -0,3% | -1,4% | 27,2% |

EUR VERSUS MAJOR CURRENCIES

| | Last | 5 days | YTD | 5 Years |
|-----|--------|--------|-------|---------|
| USD | 1,14 | -1,1% | -6,3% | -11,5% |
| JPY | 130,33 | -0,7% | 3,3% | 29,5% |
| CHF | 1,05 | -0,1% | -2,5% | -12,9% |
| GBP | 0,85 | -0,5% | -4,6% | 7,0% |

COMMODITIES

| | Last | 5 days | YTD | | 5 Years |
|-------|----------|--------|-------|-------|---------|
| | | | USD | EUR | |
| Brent | 82,17 | -0,7% | 58,6% | 69,4% | -25,2% |
| Gold | 1 864,90 | 2,6% | -1,8% | 4,9% | 5,7% |

Source: Bloomberg, BIL, as at 12/11/2021

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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



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À LUXEMBOURG