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WORLD MARKETS WEEKLY

04-10 January 2021

Year II

Vol 2

Issue 32

FREE

USA: President Donald Trump said Friday (Jan. 8) that he would not attend the inauguration of Joe Biden on Jan.20, putting to rest any lingering questions about whether he would go.



MEXICO: President Andres Manuel Lopez Obrador said Monday (Jan. 4) that Mexico could provide political asylum to Julian Assange, the founder of Wikileaks.



From the Editor

A new unpredictable and difficult year has dawned

End of a decade. What will 2021 bring? Brighter days?



Kyriaki Balkoudi
Editor

Two thousand twenty was a year which went down in history as one of the most challenging and which defied all predictions as to what would happen. All of humanity has suffered. Human losses, lockdowns, economic chaos, social unrest and geopolitical consequences. Human history is full of periods of turmoil, pandemics, conflicts and violent change. Based on international experience, whether a country is locked up or not, the evolution of the pandemic is not affected. On the one hand, health is not protected, on the other hand, the economy is destroyed. Meanwhile, sacrificing all the freedoms we have gained with so much effort and struggles on the altar of a pandemic, allowing governments to run societies in an authoritarian way is not in our interest. Two thousand twenty one will also be unpredictable, difficult and transitional.

This Week: Surge continues full-steam into 2021



Bitcoin extends its record-breaking rally WHY?

Bitcoin has seen a meteoric rise. Traders and investors bet that the leading virtual currency is on its way to becoming a mainstream payment method.

The world's most popular cryptocurrency began the new year with a surge over \$30,000 for the first time, just weeks after taking another major milestone. The price of bitcoin traded as high as \$33,099 on Saturday (Jan. 2). For comparison, the controversial digital asset started 2020 at \$7,200 and ended the year at nearly \$30,000, up

296% despite a severe crash in March 2020 when it had dipped more than 25%. So, what accounts for the massive uptick in value? Since March 2020, bitcoin has staged a marvelous recovery. Investors expect to make quick gains amid some positive developments around the first decentralized cryptocurrency,

Continued p. 06

CROSS BORDER

STOXX 600 index has a fixed number of 600 components representing large, mid and small capitalization companies among 17 European countries. The countries that make up the index are the UK, France, Germany, Austria, Belgium, Denmark, Finland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, and Sweden

STOXX600:	3.04%
Banks:	5.18%
Fin Serv.:	2.32%
Insurance:	2.83%
Oil & Gas	9.87%
RE:	-2.40%
Retail:	0.40%
Tech:	1.71%
Telecom:	1.57%
Trvl & Lei:	0.23%
Utilities:	6.12%
Auto:	-1.63%
Basic R.	11.71%
Chem:	2.93%
Constr:	6.07%
Food&B:	-1.09%
Health:	0.71%
Ind. Gd.:	2.36%
Media:	0.41%

Note:
Futures Mar 21,
weekly change (%)
04-08/01/2021

WMarketsBrief

► **ASIA/PAC:** Real estate investment deals in the Asia-Pacific may rebound by 15-20% in 2021, led by North Asia, as investors seek assets with income stability, said JLL in its 2021 Asia Pacific Real Estate Outlook.

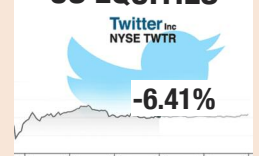
► **BRAZIL:** Higher iron ore prices are expected to benefit the Brazilian trade balance in 2021, drive up profitability of the commodity's exporters and make ore-derived products more expensive, ANBA reported.

► **MENA:** Total start-up investment in the Middle East and North Africa region (MENA) reached \$1.031 billion in 2020, an increase of 13% compared to the previous year.

► **ROMANIA:** New all-time high trading value with all types of financial instruments traded on the main segment of the Bucharest Stock Exchange (BVB) in 2020: almost RON 18.3 billion, the equivalent of EUR 3.77 billion. It is the highest value in the history of the Romanian capital market.

► **S.AFRICA:** South Africa's manufacturing production slumped 3.5% y-o-y in November of 2020. The decline can be attributed to the drop in export demand, as many of SA's trading partners have extended lockdowns.

US EQUITIES



Twitter's stock plunged roughly 7% on Jan.11 following the company's decision to permanently ban Trump from the platform.

HAPPY AND PROSPEROUS NEW YEAR
2021

WORLD NEWS | Africa & Middle East



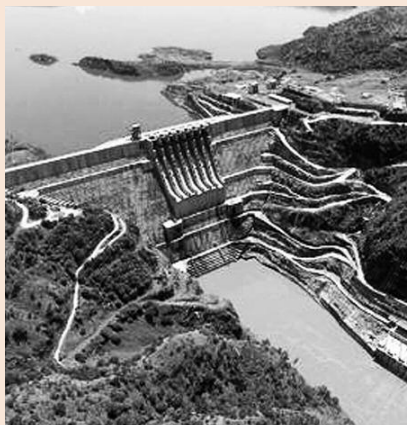
SUDAN, EGYPT, ETHIOPIA - INT. RELATIONS

Agreeing to hold further talks on GERD

Sudan, Egypt and Ethiopia agreed on Sunday (Jan. 3) to hold more talks this month to resolve their dispute over the Grand Ethiopian Renaissance Dam (GERD) on the Blue Nile. "The meeting concluded ... that this week will be devoted to bilateral talks between the three countries, the experts, and the observers," Sudan's water ministry said in a statement. Previous tripartite talks have failed to produce an agreement on the filling and operation of the vast reser-

voir behind the 145-metre (475-foot) GERD, a hydropower project which broke ground in 2011. The dispute over the GERD is part of a long-standing feud between Egypt and Sudan—the downstream states—on the one hand, and Ethiopia on the other over access to the Nile's waters, which are considered a lifeline for millions of people. In July, Addis Ababa declared that it reached its first-year target for filling the reservoir of the megadam, which can hold 74 billion cubic metres of water.

The Nile, the world's longest river, is a lifeline supplying both water and electricity to the 10 countries it traverses.



POLITICAL - AFRICA

GHANA

Army moves to quell parliament

Ghanaian soldiers intervened in parliament to quell a clash between opposing parties in chaotic scenes overnight ahead of the body's swearing-in on Thursday (Jan. 7), AFP reported. Mayhem erupted after a lawmaker from the ruling party tried to seize the ballot box during the vote for parliament speaker. The ensuing clash lasted several hours until the army moved in, with national television broadcasting the drama live.

C.AFRICAN REPUBLIC

Touadera wins presidential elections

Central African Republic President Faustin-Archange Touadera has won a second term in office, the National Election Authority said on Monday (Jan. 4).



Touadera was re-elected in the first round of the December 27 presidential vote with 53.9 percent of the votes. The results must now be officially validated by the Constitutional Court.

TANZANIA - HEALTH

Local herbs vs Covid-19 vaccine

Tanzania hinted that it is not intending to use any Covid-19 vaccine but instead will settle on local herbs for fighting against the virus. "There are no plans in place yet of

importing vaccine for Covid-19, our health experts and scientists are still researching and undergoing clinical trials for the local herbs for covid-19," Gerald Chamii, a spokesman at the Ministry of Health told the East African. "It takes not less than six months to find a vaccine or cure for a certain disease. We have fared on our own since the pandemic spread, I am not sure if it is wise to have a vaccine imported and distributed to

the citizens without undertaking clinical testing to approve if it is safe for our people," added Chamii. In June, Tanzania's President John Magufuli declared the country "coronavirus-free" thanks to prayers by citizens. "I want to thank Tanzanians of all faiths. We have been praying and fasting for God to save us from the pandemic that has afflicted our country and the world. But God has answered us" he said according to the BBC.



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IRAN - ENERGY

Tehran steps up uranium enrichment

On Tuesday (Jan. 5), the Iranian government said it began enriching uranium to the 20 percent level, state media reported, the biggest break yet from its commitments under a 2015 nuclear deal struck with world powers, when it agreed not to go above four percent. Enriched uranium can be used to make reactor fuel but also nuclear bombs. Weapons-grade uranium is 90% purity. "Iran today began feeding uranium already enriched up to 4.1% U-235 into six centrifuge cascades at the Fordo Fuel Enrichment Plant for further enrichment up to 20%," the International Atomic Energy Agency (IAEA) said in a statement. The move comes just two months after senior Iranian nuclear scientist Mohsin Fakrisade was gunned down in Tehran. Meanwhile on Monday (Jan. 4), Iran's Revolutionary Guards seized a South Korean-flagged tanker in the Gulf, carrying thousands of tons of ethanol in the Persian Gulf, according to IRIB and FARS News.

BOTSWANA

Gaborone and Beijing strengthen ties

Foreign Minister Dr Lemogang Kwepe held talks with his Chinese counterpart in Botswana on Thursday (Jan. 7) to reinforce bilateral and diplomatic relations. The two countries signed a Memorandum of Understanding for cooperation on the Belt and Road Initiative, making Botswana the 46th partner country in Africa in BRI cooperation. "It will provide new opportunities for the two countries and better benefit the two people" Dr Zhao Yanbo, Chinese Ambassador to Botswana said in a tweet post. China will also work with its 46th African partner to actively boost the synergy of the United Nations 2030 Agenda for Sustainable Development with the African Union's Agenda 2063 and enhance the voice of developing countries in international affairs.

WORLD NEWS | Americas



USA
WASHINGTON
DC



US Capitol Siege, a tragic page of American history

A joint session of the United States Congress attempted to certify the Electoral College vote results and affirm the election of Joe Biden on Wednesday (Jan. 6) before being interrupted by the storming of the US Capitol. Demonstrators entered the Capitol by breaking through windows and doors, amid pro-Trump protests, forcing lawmakers to halt the meeting and leave the building immediately, with some of them having to hide in a shelter. The process to certify Electoral College results resumed shortly after 8 p.m. that evening and continued to its conclusion the following morning.

Five people have been confirmed dead from the events, others were seriously injured and dozens of arrests were made. The attacks were condemned by leaders around the world and within the US. "Like all Americans I am outraged by the violence, lawlessness

and mayhem," US President Trump said in a video address on Thursday.

"The demonstrators who infiltrated the Capitol have defiled the seat of American democracy." His address marked the very first since Twitter locked his account for 12 hours. Facebook and Instagram blocked his profiles for 24 hours. The Capitol dome is known worldwide as a political symbol.

Questions swirled over how the rioters were able to get so far with such little resistance in contrast to the heavy handed crackdown on Black Lives Matter marchers last summer. The FBI and the Metropolitan Police Department are looking for information about people who stormed the U.S. Capitol. The incident was the first time the Capitol had been overrun since 1814 in the Burning of Washington by the British Army during the War of 1812.

POLITICAL-AMERICAS

USA

Electoral College affirms J. Biden's victory

U.S. Vice President Mike Pence announced just after 3:40 a.m. Thursday (Jan. 7) that Joe Biden had won the presidency after Congress completed the counting of the Electoral College votes. Kamala Harris will be the Vice-President. The government ground to a halt on Wednesday when demonstrators

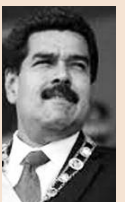


stormed the U.S. Capitol. U.S. President Donald Trump pledged an "orderly" transfer of power to Biden. "Even though I totally disagree with the outcome of the election, and the facts bear me out, nevertheless there will be an orderly transition on January 20th," Trump said in a statement.

VENEZUELA

Venezuela's ruling party takes control of Congress

President Nicolas Maduro's socialists took their 256 seats in Venezuela's National Assembly at its inauguration Tuesday (Jan. 5, 2021). Last month, the legislators won 256 of the 277 seats in a low turnout election, which has been condemned by the U.S. and the European Union. The new legislature amounts to the symbolic end of the opposition's five-year struggle to weaken Maduro. Venezuela's National Assembly President Jorge Rodríguez assured Tuesday that the recently elected parliament would hold a permanent consultation process with the people to restore peace and well-being to the country. Meanwhile, opposition leader Juan Guaidó who had declared himself the legitimate interim-President of Venezuela back in January 2019, held his own congressional session online. The European Union on Thursday (Jan. 7) withdrew their de facto recognition of Guaidó as the interim President of Venezuela.



MEXICO - INT. RELATIONS

Mexico joins UN Security Council

Mexico, India, Ireland, Kenya, and Norway on Monday (Jan. 5) began to assume responsibilities as non-permanent members of the United Nations Security Council (UNSC). The 15-member Security Council has five permanent members (Britain, China, France, Russia, and the United States) and 10 non-permanent members elected for two-year terms by the UN General Assembly. Five non-permanent members are replaced every year. The new members replaced Belgium, the Dominican Republic, Germany, Indonesia, and South Africa. Estonia, Niger, St Vincent and the Grenadines, Tunisia, and Vietnam are in the middle of their two-year term as non-permanent members. The Security Council is the

only UN body that can make legally binding decisions such as imposing sanctions and authorising the use of force.

"Mexico is committed to bring the best of its multilateral diplomacy to the famous horseshoe table during the next two years and to play its part in the consolidation of the Security Council that the world needs after 75 years of the United Nations' existence, in tandem with its efforts in all U.N. organs, like the General Assembly and the Economic and Social Council, as dictated by its tradition as a proud founding member of the Organization"

Pablo Arrocha Olabuenaga, Legal Adviser of the Permanent Mission of Mexico to the United Nations wrote on Just Security.

BRAZIL - HEALTH

Bolsonaro suspends purchase of syringes

Brazil's President Jair Bolsonaro canceled the purchase of syringes destined for the COVID-19 vaccination campaign "due to a price increase" Telesur reported on Thursday (Jan. 7). "The syringes' cost increased absurdly. The Ministry of Health suspended the purchase until their value returns to normal," Bolsonaro said during a broadcast message. "The most important thing is to treat COVID-19 early with hydroxychloroquine," the Latin American news agency quoted him as saying. "The vaccines are still in the testing phase, and the laboratories that are providing them are only selling a few thousand doses," he said, adding that "it is a fallacy that countries are vaccinating all their inhabitants."



WORLD NEWS | Asia - Pacific



CHINA-REGULATIONS

New foreign investment security review rules

China's National Development and Reform Commission (NDRC) published new rules governing foreign investment that establish an approval process for foreign investment in industries critical to national security. The new regime covers foreign investment in military sectors and the acquisition by foreign entities of controlling stakes in sectors such as energy, natural resources, agriculture, internet technology and financial services. The new security rules were promulgated on December 19, 2020, and take effect January 18, 2021. There are 23 rules, which cover the types of foreign investment that will be subject to review, institutions, scope, procedures, implementation

and violations treatment. There are three types of foreign investment scenario to which the new rules will apply: foreign investors acting alone or jointly with others to invest in new projects in China; foreign investors acquiring equity or assets in Chinese enterprises by way of mergers and acquisitions; and other means of foreign investment into China. The new security rules establish a three-tiered system of review, with the majority of transactions projected to be approved at the first level. The implementation of the review process "is not protectionist," NDRC said on its website in a Q&A explaining the new rules, arguing that major European and North American economies have similar national security approval processes.

The security review process includes a general review and special review, which should be completed within 30-60 days.



POLITICAL-ASIA PAC

JAPAN

Suga approval rating drops

Within his first 100 days in office, Prime Minister Yoshihide Suga's Cabinet's approval rating plummeted by 20 points in one poll, largely reflecting disappointment with his coronavirus response, The Japan Times reported on Sunday (Jan. 3). "I'm going to do my job one day at a time. That's all that matters," Suga said in an interview with BS TV Tokyo last month. "I'd like to fulfill the promises that I've made." A regular parliamentary session will be convened on Jan. 18, during which Suga hopes to pass an economic stimulus package and a fiscal 2021 budget to fund the projects he is invested in, particularly digitalization.



AUSTRALIA - FINANCE

Austrac reviews \$2.3bn transfers from Vatican

The Australian Transaction Reports and Analysis Centre (AUSTRAC) said Thursday (Jan. 7) that it is conducting a "detailed review" of Vatican-linked transfers worth \$1.8 billion (\$2.3 billion). "AUSTRAC is currently undertaking a detailed review of the figures and is working with the Holy See and Vatican City State Financial Intelligence Unit on this matter," the agency said in a statement to the Associated Press. Australia's financial watchdog said about 47,000 separate transfers were involved. A senior Vatican official and an Australian bishop told Reuters last week they had no knowledge of the transfers and would be seeking clarification.

PAKISTAN - ENERGY

Nationwide power blackout

The country's national power grid experienced a major breakdown on Saturday (Jan. 9), plunging millions of people in darkness. All major cities, including the capital Islamabad, were hit. Pakistan's Energy Ministry said that the outage had been caused by a fault in the power transmission system. "[The] electricity blackout in the country was due to sudden drop in the frequency of power transmission system from 50 to 0 in less than a second," it said. The blackout is one of the worst that the country has experienced. In 2015, around 80% of the country was left without power after a key transmission line broke down. The widespread blackout also caused travel disruptions, with several international airports across the country reporting problems. NetBlocks, which monitors internet outages, said online connectivity in the country collapsed as a result of the blackout. Connectivity was at "62% of ordinary levels", it tweeted.

INDIA - INT. RELATIONS

Modi urges diaspora to popularize India

Indian PM Narendra Modi on Jan. 9 urged the Indian diaspora to play a part in showcasing made in India products in the countries they live in to, The Mint reported. "You have created a curiosity for India in the world. When you use more and more made in India products people around you will become confident about it. Will you not feel proud when you see people around you using made in India goods? It can be anything from textiles to therapy... This will not only increase India's export volumes but also showcase India's diversity, he said. "You will be the medium for taking affordable and quality solutions to the world," the PM added.



INDONESIA-ACCIDENTS

Sriwijaya Air flight 182 crashed

Indonesian authorities lost contact with Sriwijaya Air Flight 182 shortly after take-off on Saturday (Jan. 9). The Boeing 737 passenger jet with 62 people was en route to Pontianak, taking off from the capital Jakarta. Tracking service FlightRadar24 said on its Twitter feed that Flight

SJ182 "lost more than 10,000 feet of altitude in less than one minute." Indonesian rescue services reported that they have located ruins that may belong to the plane just north of Jakarta. Based on reports from local fishermen in the area, the search for the aircraft was immediately initiated.

MALAYSIA

Muhyiddin could brace for election

Prime Minister Muhyiddin Yassin is facing renewed pressure within his ruling coalition, fueling talk of a snap election relatively soon, Nikkei Asian Review reported on Wednesday (Jan. 6). Muhyiddin has held a two-seat parliamentary majority since taking power in March but his nine months in office have been beset by a leadership challenge from opposition leader Anwar Ibrahim. Last month, Muhyiddin survived 2021 budget with 3-vote majority, as it was passed narrowly with 111 ayes, 108 nays and one abstention. The budget was tabled on Nov 6 and is the biggest ever, with a record RM322.5 billion (\$79.6 billion) spending in 2021, up 2.5% from in 2020. It seeks to spur activity in an economy badly hit by the Covid-19. with 3-vote majority, as it was passed narrowly with 111 ayes, 108 nays and one abstention. The budget was tabled on Nov 6 and is the biggest ever, with a record RM322.5 billion (\$79.6 billion) spending in 2021, up 2.5% from in 2020. It seeks to spur activity in an economy badly hit by the Covid-19.



WORLD NEWS | Europe - Eurasia



UK / EU-POST-BREXIT

UK fishermen halt EU exports post-Brexit

The EU-UK Trade and Cooperation Agreement entered into force at 23:00 GMT on Dec. 31, 2020, formally ending the Brexit transition period. Trade flows between Britain and the EU have remained low this week after many companies stockpiled goods in late 2020 to avoid having to cross the new customs border in the first week after Britain's exit from the EU single market. If France, officials have deployed new "smart border" technology to beat chaos at their ports after the introduction of new post-Brexit trading rules. In an interview with Express.co.uk, Jean-Michel Thillier, the head customs official for the Hauts-de-France region, re-

ported there had been no technical hitches since the system was rolled out fully on New Year's Day and said it is ready to rapidly process more than 10,000 lorries a day. However, UK fishermen are halting exports to Europe because new border bureaucracy introduced by the government as part of Brexit is making their business unviable. The Independent reported on Friday (Jan. 8). A hard Brexit would have cost the EU as much as €33 billion in annual exports, according to economic research by insurer Allianz in November, with Germany, home to the bloc's biggest economy and fourth-largest in the world, among those hit the hardest.

Britain's departure from the EU's orbit introduced paperwork that must be completed to move goods across the customs border.

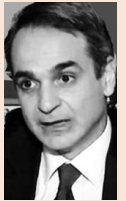


POLITICAL - EUROPE

GREECE

Govt reshuffle announced

A government reshuffle was announced in Athens on Tuesday (Jan. 5), as a nationwide lockdown is in force. Greek PM Kyriakos Mitsotakis announced changes to a handful of major portfolios, including the labor and insurances ministry, the energy and environment ministry, and the interior ministry, along with adding numerous deputy ministry portfolios filled with ruling New Democracy (ND) deputies. No changes were made to the all-important finance, foreign affairs and the defense ministry.



ARMENIA AZERBAIJAN

Azeri MFA protests over Nagorno

Azerbaijan's Foreign Ministry has protested against the visit of Armenian Foreign Minister Ara Aivazian to the Nagorno-Karabakh region, calling it a provocation and "an attempt to incite tension." The top diplomat visited the region on Jan 5, where he met with the regional government's de facto Foreign Minister David Babayan and signed a programme of consultations.

KYRGYSTAN

Presidential elections ahead

After parliamentary elections in October, Kyrgyzstan is now holding early presidential elections and a referendum on constitutional reform on Sunday (Jan 10). A poll conducted last month by the Central Asia Barometer, a Bishkek-based research group, found that 64 per cent of respondents intended to vote for Sadyr Japarov, while only three percent said they would vote for Adakhan Madumarov, who is considered his closest challenger.



RUSSIA / GERMANY-HEALTH

Putin-Merkel talking vaccine co-production

Russian President Vladimir Putin and German Chancellor Angela Merkel discussed by phone the potential for joint production of a coronavirus vaccine. "Issues of co-operation in combating the coronavirus pandemic were discussed with an emphasis on the possible prospects for joint production of vaccines," the Kremlin said in a statement on Tuesday (Jan. 5). The German side has not released a statement on the conversation. Last month, Russian and German health ministers agreed to discuss the search for "production facilities" for the joint manufacture of Russian-made Covid-19 vaccines. Merkel has also told Putin that she is "open to the idea" of using European manufacturing capacities to increase the production of Russia's Sputnik V vaccine, deputy spokesperson Ulrike Demmer told a German government press briefing. Both Russia and Germany have started mass vaccinations

UK-JUSTICE

WikiLeaks co-founder Assange denied bail

The co-founder of WikiLeaks, Julian Assange, 49, has been denied bail, a U.K. court ruled on Wednesday (Jan. 6), and will remain in prison. The bail ruling comes just days after the same judge denied a request to extradite Assange to the United States on the grounds that Assange's mental health problems made him a suicide risk. Mexican President Andres Manuel Lopez Obrador told reporters on Monday (Jan. 4) that he was ready to offer political asylum to the Australian publisher. "Assange is a journalist and deserves a chance," he said. Assange has not been

out in public since he sought refuge in the Ecuadorian embassy in London in 2012 over U.S. extradition fears. The 49-year old has been held at Belmarsh prison in south-east London for the past 18 months. If convicted in the U.S. he faces up to 175 years in jail. WikiLeaks published hundreds of thousands of secret U.S. diplomatic cables that laid bare often critical appraisals of world leaders. Kristinn Hrafnsson, editor in chief of WikiLeaks, said that lawyers for Assange would go to the high court to appeal against the decision not to grant bail.



KAZAKHSTAN - LAW

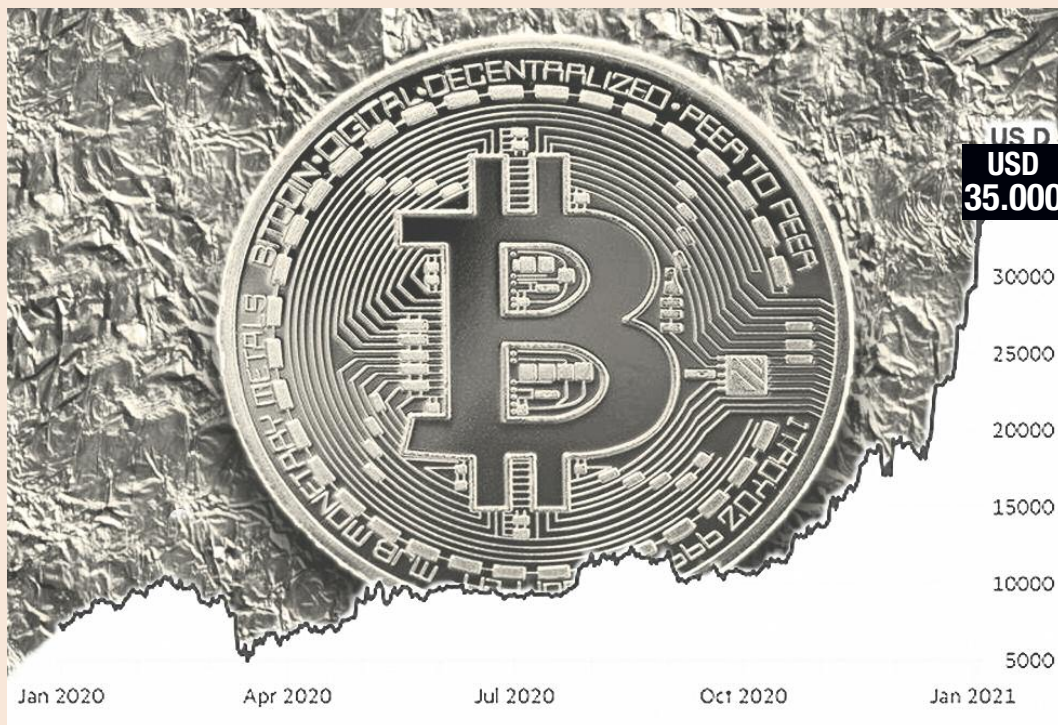
Kazakhstan abolishes capital punishment

Kazakhstani President Kassym-Jomart Tokayev has signed a decree abolishing the death penalty in the central Asian nation, according to a statement released by his office on Saturday (Jan. 2). Executions were paused in Kazakhstan from 2003 but courts continued to sentence convicts to death in exceptional circumstances, including for terrorism-related offenses. Life imprisonment was introduced in 2004 as an alternative punishment. Tokayev announced that his country would join the Second Optional Protocol to the International Covenant on Civil and Political Rights in his speech at the 74th session of the UN General Assembly in December 2019.

TOP STORY | Top Story

DIGITAL ECONOMY

Bitcoin extends its record-breaking rally **WHY?**



Source: Refinitiv

Kyriaki Balkoudi *Editor*

Including speculations that it could become a mainstream payment method. A major jump in Bitcoin price - from \$5,000 to \$25,000 - was seen after online payments giant PayPal announced in October 2020 that it will enable its account holders to use the cryptocurrency.

After PayPal's announcement, analysts at JPMorgan Chase compared bitcoin to gold. And supporters of cryptocurrencies say it is only a matter of time before other large companies follow in the footsteps of PayPal.

Proponents have also seized on the narrative that the coin could act as a store of wealth amid supposed rampant central-bank money printing. Big US investors including some

Wall Street firms have taken a greater interest, with many seeking to capitalize on bitcoin's gains in a world of rock-bottom interest rates. At the end of December, SkyBridge Capital, the company owned by the former White House Communication Director Anthony Scaramucci had invested \$ 182 million in bitcoin. In October, NYSE-listed payment company Square Inc. bought 4,709 bitcoins, worth approximately \$50 million.

"The investment underscores Square's purpose of economic empowerment" the company said. Another reason behind the rise of Bitcoin may be central banks' announcements of plans for bank-backed digital units.

The US Federal Reserve and several

other banks - including those in China and Sweden - are testing digital applications as a reaction to social media giant Facebook's recent move to start producing its own digital unit called Libra.

Unregulated by any central bank, bitcoin accounts for more than 70 percent of the global cryptocurrency market and continues to be an attractive option for investors. The consensus now appears to be: Bitcoin isn't going away. It has existed since 2009 and will continue to exist.

But bitcoin's ability to rise from the ashes so quickly and hit all-time highs might serve as a demonstration of how quickly things can change for better and for worse in the crypto world.

■ **January 2009:** Bitcoin was created

■ **October 2009:** 1,309.03 bitcoins to 1 dollar.

■ **Nov. 28, 2013:** Bitcoin tops \$1,000 for the first time.

■ **Dec. 18, 2017:** Bitcoin hits its record high of \$19,666 on Bitstamp.

■ **Dec. 16, 2020:** Bitcoin surged past the \$20,000 mark to \$20,820.

BITCOINVIEWPOINT

Nick Panigirtzoglou
Managing Director at J.P. Morgan

Alternative to gold

Bitcoin is seen as an inflation hedge mainly because of its limited supply, which is not influenced by its price, and because of its relative attractiveness when real yields head to zero or lower. Some who buy gold to hedge inflation risk may be turning to crypto, JPM's Panigirtzoglou told Reuters, adding: "There is a reassessment of bitcoin about its value here as an alternative currency, as an alternative to gold."



Sergey Nazarov
cofounder of Chainlink

To pass \$100K per coin

"It's very likely that the asset will eventually pass \$100,000 per coin," Sergey Nazarov, cofounder of Chainlink, a global blockchain project, told Reuters. "People have been steadily losing faith in their government currencies for years, and the monetary policies resulting from the economic impact of the coronavirus have only accelerated this decline."



Nouriel Roubini
Economist

A pure bubble

"Bitcoin has no role in institutional or retail investors portfolios. It is not a currency; not an unit of account, not a scalable means of payment & is a highly volatile store of value ... Almost no merchant uses Bitcoin as its price volatility leads to market risk that any profit margin is wiped out before u can convert it back into fiat ... So Bitcoin has NO intrinsic fundamental value, use or utility or any other service. So it is a pure speculative manipulated "asset" & bubble with no fundamental value. It is not even a hedge against risk off episodes" the economist tweeted in November 2020.



ECONOMICS | Macro - Micro - Central Banks - Calendar

AMERICAS - UNEMPLOYMENT

In 2021 employment will be in intensive care

It has been ten months since the coronavirus pandemic began its assault on people's livelihoods. Since then, financial desperation has steadily grown for jobless across the continent. The current unemployment rate in the U.S. is 6.7% for November 2020 and the number of unemployed persons stood at 10.7 million, U.S. Bureau of Labor Statistics data showed on Dec. 27, 2020. By January 2021, more than 11 million households in the U.S. will owe more than \$6,000 in back rent, utilities and late fees, on average, according to an estimate from Moody's Analytics. That's a collective deficit of \$70 billion. Almost 8 million Americans have fallen into poverty since the

summer. Meanwhile, unemployment in Latin America and the Caribbean will hit its highest level in more than in 2020, 10.6%, and rise further in 2021 as the Covid-19 crisis weighs on the regional economy, according to the International Labour Organization (ILO). The U.N. body said in a report published on Dec. 17 that Latin America and the Caribbean would end 2020 with an estimated 30.1 million people unemployed. The regional unemployment rate would climb further next year to 11.2%. "In 2021, employment will be in intensive care and the indicators could worsen" said the ILO annual Labour Overview for Latin America and the Caribbean.



CANADA: 8.5% *

USA: 6.7% *

MEXICO: 4.4% *

*DATA NOV. 2020

LATAM: 11.2%**

**ESTIMATION 2021

HONG KONG GROWTH

Economy to resume positive growth

Paul Chan, financial secretary of the Hong Kong Special Administrative Region (HKSAR) government, in a blog article on Sunday (Jan. 3) said that Hong Kong's economy is expected to resume positive

growth in 2021. The financial chief wrote that the economy in the first half of the year will still face major challenges brought by the COVID-19, as some industries have been hit hard and it takes time for cross-

boundary activities to resume, but also pointed out that Hong Kong's economic recovery is expected to gain momentum in the second half of the year.

Paul Chan
HKSAR
Finance Secretary



ECONOMICS IN BRIEF

Aussies feel 2020 hardship

AUSTRALIA: One in four Australians (25%) are worried about how they will pay the rent or mortgage after Christmas, according to new research by comparison site Finder. The Finder survey of 1004 respondents revealed 16% of Australians are somewhat worried about meeting payments, while a further 9% say they are extremely worried.

GDP to shrink by 7.2%

MOLDOVA: The World Bank said on Wednesday (Jan. 5) that it expects Moldova's economic output to decrease by 7.2% in 2020, downgrading its forecast from 5.2% estimated in October. Moldova's gross domestic product shrank by 9.7% year-on-year in the third quarter of 2020, easing from a record contraction of 14% in the previous three-month period.

Credit agreement with EIB

POLAND: Warsaw signed a credit agreement worth 700 million euros with the European Investment Bank (EIB) to support rural development. The finance ministry said the deal would support investment in agriculture, agricultural processing and the distribution of agricultural produce.

Chance of interest rate cut

S.AFRICA: The latest lockdown regulations increase the chance of an interest rate cut by SA Reserve Bank in January, economist Peter Attard Montalto, head of Capital Markets Research at Intellidex told News24.

ECONOMIC CALENDAR

EIA Short-Term Energy Outlook and JOLTs Job Openings in the US on Tuesday get the week going. The focus will then shift to China's December exports-imports and trade balance as well as Poland Central Bank's interest rate decision on Wednesday. Wrapping up the week, Manufacturing Production out of the UK and Core Retail Sales and PPI out of the US will elicit responses from the markets.

MONDAY

DENMARK: CPI YoY Dec
JAPAN: Current Account n.s.a. Nov

UK: BRC Retail Sales Monitor YoY Dec

UKRAINE: CPI MoM Dec
USA: CB Employment Trends Index Dec

TUESDAY

BRAZIL: CPI MoM Dec, CPI YoY Dec, Brazilian IPCA Inflation Index SA MoM Dec

USA: EIA Short-Term Energy Outlook, JOLTs Job Openings Nov, NFIB Small Business Optimism Dec

INDIA: CPI YoY Dec
RUSSIA: CPI MoM & YoY Dec

WEDNESDAY

EUROZONE: Industrial Production MoM Nov

POLAND: Interest Rate Decision Jan

USA: Core CPI YoY & MoM Dec, CPI MoM & YoY Dec, Core CPI Index Dec, CPI Index, n.s.a. Dec, CPI Index, s.a. Dec, CPI, n.s.a. MoM Dec, Federal Budget Balance Dec, Real Earnings MoM Dec, Cleveland CPI MoM Dec

UK: RICS House Price Balance Dec

CHINA: Exports-Imports YoY Dec, Trade Balance USD Dec

THURSDAY

INDIA: WPI Inflation YoY Dec

USA: Export Price Index MoM Dec, Import Price

Index MoM Dec

ARGENTINA: CPI MoM Dec

NEW ZEALAND: Building Consents MoM Nov, Electronic Card Retail Sales MoM Dec

FRIDAY

UK: Industrial Production MoM Nov, Manufacturing Production MoM Nov, Trade Balance Nov, Trade Balance Non-EU Nov

SPAIN: CPI YoY Dec, HICP YoY Dec

TURKEY: Budget balance Dec

EUROPE: Trade Balance Nov

ISRAEL: CPI MoM Dec
BRAZIL: Retail Sales MoM & YoY Nov

UKRAINE: Trade Balance YTD USD Nov

USA: Core PPI MoM &

YoY Dec, Core Retail Sales MoM Dec, Retail Sales MoM

& YoY Dec, Retail Sales Ex Gas/Autos MoM Dec, NY Empire State Manufacturing Index Jan, PPI MoM & YoY Dec, Retail Control MoM Dec, Retail Inventories Ex Auto Nov, Capacity Utilization Rate Dec, Industrial Production MoM & YoY Dec, Manufacturing Production MoM Dec, Business Inventories MoM Nov, Michigan Consumer Expectations Jan, Michigan Consumer Sentiment Jan, Michigan 5-Year Inflation Expectations Jan, Michigan Current Conditions Jan.



MARKETS REVIEW | Africa - Middle East - Americas

AFRICA & MIDEAST

Market Review

Positive returns for the first week of 2021

Overall, African stock markets started 2021 on solid footing. Most markets posted positive returns for the first week of the year, including South Africa, Namibia, Egypt, Kenya, Tanzania, Uganda, Zambia and Mauritius. On the opposite, markets that have started the year in red territory are Nigeria, Zimbabwe, Tunisia, Morocco. The West African bourse's composite index BRVM was the worst performer of the week. In Saudi Arabia, stocks, as measured by the Tadawul All Share Index, returned about 0.5% in the five trading sessions since the close of business on Thursday, December 31. The market is closed on Fridays and Saturdays. Early in the week, Saudi Arabia, Egypt, Bahrain and the



UAE reinstated diplomatic relations with Qatar, more than three years after cutting ties with Doha. The quartet agreed to lift the restrictions at a Gulf Cooperation Council (GCC) summit in the Saudi desert city of Al-Ula, after diplomacy by outgoing US President Donald Trump's administration.

Also on Tuesday, OPEC and non-OPEC oil-producing nations, which are referred to collectively as OPEC+, agreed to keep production broadly steady in February and March with Saudi Arabia compensating for a marginal increase in output by Russia and Kazakhstan of 75,000 barrels per day with a deepening of its own cuts. Saudi Arabia then surprised the market by announcing that it will slash an extra 1m barrels a day of oil output starting next month, which led to a sharp increase in oil

■ TASI
3.6%

The Saudi index (TASI) rose 3.6% in 2020 to log its fifth straight yearly gain, as the recovery in crude oil prices to around the USD 50/b level supported the benchmark in H2-2020.

Saudi shares outperforming other Middle East markets in a Covid-ravaged year.

■ EGX
-22.3%

Egypt's benchmark index booked a yearly loss of 22.3%. The country's equities underperformed regional peers due to concerns over coronavirus-related lockdowns that eclipsed good earnings from most companies.

MARKET MOVING NEWS

Kenya's NSE turnover falls 6% in 2020

Equity turnover at the Kenyan bourse dropped 6.6 percent in 2020 when foreign investors who account for the biggest percentage of trading, turned net sellers, with a net outflow of 280.9 million dollars. The turnover fell to 151 billion shillings (about 1.4 billion U.S. dollars), from 1.5 billion dollars in 2019, data from the Nairobi Securities Exchange (NSE) showed. All the key indices of the market declined with the benchmark NSE 20 share index falling 29.6 percent. However, the secondary bond market at the Nairobi bourse recorded increased activity with the turnover rising by 7.1 percent in 2020 to 6.1 billion dollars (from 5.7 billion

dollars in 2019). Local institutional investors increased their allocation to treasury bonds as they sought stable returns amid risk-off mood and increased volatility in other asset classes. Founded in 1954, NSE is playing a vital role in the growth of Kenya's economy, one of the fastest-growing economies in Sub-Saharan Africa.



Markets Reviews by Kyriaki Balkoudi

AMERICAS

Market Review

Investors look past political drama

Despite one of the most tumultuous weeks in the American political history, US equity indices climbed to record highs. The stock market quickly shook off the extraordinary assault on the U.S. Capitol on Wednesday as it continues to expect further U.S. government stimulus, one that will focus on households and public investment. The Democrats' newly gained slim majority in U.S. Congress boosted sentiment. Economic data was mixed. The U.S. economy shed 140,000 jobs in December, the first time in eight months the nation recorded a monthly loss in jobs. The labor market has nearly 10 million fewer jobs than it did in February 2020, a clear evidence that the COVID-19 has stalled the economic and jobs recovery. Non-manufacturing PMI was en



couraging coming in at 57.2. Exports were up 1.2% and imports 2.9% better. On the central banking front, the FOMC minutes said monthly asset purchasing would continue. In Canada, the S&P/TSX Composite Index climbed to record highs for the first time since last February. In Latin America, Mexican equities were lifted in part by strength in their U.S. peers. On Thursday, the Mexican government reported that inflation data for December were mostly in line with market expectations. The annual inflation rate in Mexico fell to 3.15 percent in December from 3.33 percent in the previous month. It was the lowest inflation rate since May. The core index, which strips out some volatile food and energy prices rose 0.55 percent.

■ IPOs
\$167.2bn

Two thousand twenty was a record year for IPOs in the US with 454 deals raising a total of \$167.2bn.

■ TSLA
743%

Tesla joined the S&P500 in December and rocketed 743% over the year, making it easily the best performer.

■ ETSY
302%

Esty Inc., the American e-commerce website focused on handmade or vintage items and craft supplies, was the second S&P500 winner after Tesla, with a 302% gain in 2020.

Market Moving News

NYSE delists 3 Chinese telcoms

The New York Stock Exchange U-turned again on Wednesday and announced it would, after all, delist three Chinese telecom companies, a day after U.S. Treasury Secretary Steve Mnuchin told the NYSE chief he disagreed with an earlier decision to reverse the delistings. "The Treasury secretary was on the phone with the NYSE (president) now and was told that NYSE would reverse their decision," a U.S. official told Reuters on Tuesday. Shares in the Chinese telecoms—China Mobile, China Unicom Hong Kong and China Telecom—were dragged along for the ride, plunging as much as 5% on Monday, regaining lost ground on Tuesday, and falling again Wednesday. Trading in the three companies in the U.S. will be halted as of Jan. 11. The delisting saga was prompted by an executive order President Donald Trump signed last November,

seeking to bar American companies and individuals from investing in firms that the administration alleged aid the Chinese military. "The process has been chaotic, opaque and short-sighted," Euan Rellie, managing partner at Asia-focused investment advisory firm BDA Partners told South China Morning Post "It harms US and global investors, including pension funds. It also damages the reputation of the NYSE for transparency and independence."



MARKETS REVIEW | Asia - Europe - Oceania

EUROPE

Market Review

Shrugging off imposition of stricter lockdowns

Although the UK is now back in lockdown, Germany has prolonged restrictive measures until the end of January, and France said it would keep bars, restaurants, gyms, and theaters closed until at least February, most European markets outperformed US equity indices on hopes that the looming US stimulus package would be beefed up. Stocks in London were especially strong, as the post-Brexit deal is in place and the UK manufacturing PMI rose to a three-and-a-half-year high. The Brexit trade deal struck be-



tween the UK and the European Union (EU)

on Christmas Eve has lifted European markets to start the year. Other upbeat economic data also boosted investor confidence. Euro-area manufacturing grew in December at the fastest rate in more than two-and-a-half years and better-than-expected German industrial production and trade figures for November, together with stronger factory orders data, signaled that Europe's largest economy may have expanded in the fourth quarter. Industrial output rose 0.9% in the month while exports grew 2.2%.

■ STOXX 600
-3.8%

European shares post 3.8% loss for 2020, however the Stoxx 600 index was up nearly 11% for the final quarter of a year dominated by the coronavirus and extraordinary stimulus measures that have tried to mitigate the economic hit from the crisis. Stoxx600 includes shares of companies from seventeen European countries.

Market Moving News

Germany's DAX to expand in September

German benchmark index DAX will be expanded by 10 members to a total of 40 starting in September 2021, exchange operator Deutsche Boerse AG said. The overhaul comes in the wake of the Wirecard accounting scandal and marks the biggest shake-up in the index's history. Wirecard, a German payment processor and financial services provider that was part of the DAX index, collapsed in June after admitting that €1.9bn was missing from its accounts.

The scandal, arguably Germany's biggest since Volkswagen's 'Dieselgate' crisis of 2015 and the Siemens corruption scandal of the late 2000s, sent shockwaves through German politics. Deutsche Boerse said the changes would increase the quality of the DAX indices and align them with international standards. Since its founding in 1988, the DAX has been Germany's answer to the Dow Jones Industrial Average in New York and the FTSE in London.

ASIA

Market Review

Equities start year on an upbeat note

Asian stock markets rode the wave of US stimulus optimism to higher levels. Although Japanese PM Yoshihide Suga declared a state of emergency in the greater Tokyo and is expected to last one month, equities jumped. Several economists believe the monthlong measures will hurt private consumption and could cause the economy to contract in the current quarter. In China, stocks began the year on a strong note but sentiment was shaken after the New York Stock Exchange said it would move ahead



with delisting three Chinese telecommunications. The CSI 300 Index of large-cap stocks closed up 5.5% and the Shanghai Composite Index added 2.8% since December 31. In economic readings, China's official PMI remained in expansion although it edged down to 51.9 in December. Caixin December Manufacturing PMI was 53. For 2021, economists forecast that China's economy will expand from 8% to 9%. In India, the Nifty 50 closed up 2.35% for the week while the Sensex 30 rose 1.91%. On the data front, December Manufacturing PMI was 56.4 vs. 56.3 in November.

■ TOPIX
1.20%

TOPIX grew 1.20% for the first week of 2021. Value generally outperformed Growth. Economy-sensitive cyclical sectors such as Securities & Futures, Iron & Steel, Mining, Oil & Coal Product and Marine Transportation rose. TOPIX is a capitalization-weighted index of all companies listed on the First Section of the Tokyo bourse.

Market Moving News

Tokyo bourse begins restructuring efforts

The Tokyo Stock Exchange announced it will start to pull companies with a market capitalization lower than ¥10 billion from its Topix index. The move, which will affect approximately 1% of all listed shares, is a part of a planned restructuring effort that will see Japan Exchange Group Inc. reorganize the existing stock exchange into three new segments: prime, standard, and growth, as the bourse looks to improve its

market availability. The changes are expected to be fully completed by April 2022. JPX plans to announce lists of companies on each of the new sections in January 2022.



OCEANIA

Market Review

High on hopes for more economic stimulus

The Australian stock market gained 2.6% for the week, a 11-month high and an impressive start to the year. The ASX ended on a flat note on Tuesday, the first trading week of the year as a drop in oil prices weighed on energy stocks. Mining heavyweights surged on the back of soaring iron ore prices. The Australian bourse finished 1.1% lower on Wednesday despite the positive



cues overnight from Wall Street. Investors remained

cautious as they awaited the results of two key Senate runoffs in Georgia, USA. Meanwhile, major stock markets in the Asia-Pacific region traded mostly lower after US President Donald Trump signed an executive order banning transactions with eight Chinese software applications, including Ant Group's Alipay, and Tencent's QQ application. The ASX closed higher Friday.

■ SPX
\$717.902

During the month of December 2020, 308 transactions with an aggregate volume of 292,240 shares accumulating \$717,902 in value traded was recorded on the South Pacific Exchange (SPX) e-trading platform. SPX is the only licensed securities exchange in the Fiji islands.

Market Moving News

NZX Wealth tech to top \$7 bn

New Zealand's Exchange Wealth Technologies (NZXWT) set to top \$7 billion Funds Under Administration in 2020 with the successful onboarding of Hobson Wealth Partners completed in November adding \$3 billion to the businesses' market-leading platform. Funds Under Administration (FUA) is up more than 200% to \$6.95 billion for the year to 30 November

2020, with NZXWT currently having more than 28,000 portfolios being managed through its wealth management platform. NZXWT provides a market-leading, scalable platform – catering for different business models. It also allows wealth managers to efficiently maintain & report on their customer's investment portfolios. Strong growth is expected in 2021.

MARKETS DATA | Equities - Funds

• FUNDS

Weekly change
(%) 04-08/01/2021

• AFRICA

•Allan Gray Balan.
Fund A, 0P0000IR01
Highest: 111.669
Lowest: 106.231
Change: 4.282%

•Sanlam Namibia
Active Fund A
0P0000JZKG
Highest: 11.006
Lowest: 10.997
Change: -1.160%

• AMERICAS

•American Funds
Capital Income
Builder® Class A
(CAIBX)
Highest: 64.15
Lowest: 62.71
Change: 1.81%

•DFA US Large Cap
Value Portfolio Inst.
Class (DFLVX)
Highest: 39.20
Lowest: 37.13
Change: 4.24%

•Fidelity® 500 Index
Fund (FXAIX)
Highest: 132.62
Lowest: 128.26
Change: 1.88%

•Franklin Income
Fund Class A1
(FKINX)
Highest: 2.32
Lowest: 2.28
Change: 0.87%

•Metropolitan West
Total Return Bond
Fund Class I
(MWTIX)
Highest: 11.18
Lowest: 11.09
Change: -0.81%

•Pimco Total Return
Fund Institutional
Class (PTTRX)
Highest: 10.60
Lowest: 10.51
Change: -0.85%

•Prudential Total
Return Bond Fund -
class Z (PDBZX)
Highest: 15.08
Lowest: 14.91
Change: -1.19%

•Schwab S&p 500
Index Fund
(SWPPX)
Highest: 58.50
Lowest: 56.57
Change: 1.88%

•T. Rowe Price Blue
Chip Growth Fund
(TRBCX)
Highest: 167.25
Lowest: 162.27
Change: 1.05%

•Vanguard 500 Index
Fund Admiral Shares
Highest: 353.09
Lowest: 341.47

Change: 1.88%

• ASIA

•Templeton Global
Total Return Fund
A(mdis)sgd
(0P00009VE7)
Highest: 7.570
Lowest: 7.550
Change: -0.132%

•Jpmorgan Japan
(yen) (acc) - Jpy
(0P00001DU1)
Highest: 53,889.900
Lowest: 52,977.000
Change: 0.282%

•Nomura India Equity
(0P0000A072)
Highest: 26,128.000
Lowest: 25,726.000
Change: 1.883%

•Amundi 12 M I
(0P0000P0VQ)
Highest: 106,817.141
Lowest: 106,812.188
Change: 0.002%

•Dws Deutschland Lc
(0P00000CT1)
Highest: 249.720
Lowest: 241.760
Change: 2.571%

•Allianz Europe
Equity Growth Ct
Eur (0P00009QB4)
Highest: 311.430
Lowest: 306.210
Change: 1.818%

•NN Euro Obligat
Fonds - P
(0P00000BA3)
Highest: 36.790
Lowest: 36.730
Change: 0.027%

•MIDDLE EAST
•Emirates Global
Sukuk Fund
(LP65135728)
Highest: 17.209
Lowest: 17.191
Change: 0.082%

•Hsbc Amanah Saudi
Equity Fund
(0P0000127T)
Highest: 30.69
Lowest: 30.67
Change: -0.80%

•OCEANIA
•Amp Capital En-
hanced Index Intern
Share (LP65021265)
Highest: 1.703
Lowest: 1.676
Change: 1.300%

•Magellan Global
Fund (0P00009H7Y)
Highest: 2.434
Lowest: 2.402
Change: -1.963%

•Anz Kiwisaver
Highest: 2.492
Lowest: 2.462
Change: 0.821%

FOCUS
on
CE/SE
EUROPE

POLAND
GPW

150.8%

Warsaw Stock
Exchange's
Main Market
Electronic
Order Book
equities
turnover value
increased by
150.8% YoY
to PLN 34.5
billion in De-
cember 2020.

ROMANIA
ASF

4.9%

The weighted
average rate of
return for
mandatory pri-
vate pension
funds (Pillar
II) in Romania
went up to
nearly 4.9% in
November for
medium-risk
funds.
For the higher-
risk funds, the
return neared
5%, the finan-
cial markets'
regulator ASF
said.

CROATIA
ZSE

1.25%

The main
indices of the
Zagreb Stock
Exchange
(ZSE) rallied
on Jan. 5,
the last trading
day before the
Three Kings
public holiday
on Jan. 6. The
main Crobex
index closed
up 1.25% to
1,765.80
points.

• WORLD STOCK EXCHANGES (major indices)

AFRICA

1.C.D'IVOIRE BRVM COMP	-6.16% *
2.EGYPT EGX30	0.99%
3.KENYA NSE20	1.50%
4.MOROCCO MASI	-0.34%
5.MAURITIUS SEMDEX	0.45%
6.NAMIBIA FTSE/NSX OI	9.6%
7.NIGERIA ASI	-0.37%
8.S.AFRICA JSE/TOP40	7.44%
9.TANZANIA DSE ASI	2.27%
10.TUNISIA TUNINDEX	-2.05%
11.UGANDA ASI	1.53%
12.ZAMBIA LSE ASI	0.88%
13.ZIMBABWE ZSE IND	17.68%

ASIA/PACIFIC

1.AUSTRALIA ASX200	2.59%
2.BANGLADESH DSE BROAD	0.05%
3.CHINA SSE COMP	2.79%
4.CHINA SZSE COMP	3.87%
5.HONG KONG HIS	2.38%
6.INDIA NIFTY50	2.35%
7.INDIA SENSEX30	1.91%
8.INDONESIA IDX COMP	4.66%
9.JAPAN NIKKEI225	2.53%
10.MALAYSIA KLCI	0.37%
11.N.ZEALAND NZX50	3.56%
12.PAKISTAN KSE100	2.74%
13.PHILIPPINES PSEi COMP	2.10%
14.S.KOREA KOSPI	9.70%
15.TAIWAN TWII	4.96%
16.THAILAND SET	6.01%

AMERICAS

1.ARGENTINA: Merval	0.87%
2.BRAZIL: BOVESPA	5.09%
3.CANADA: TSX COMP	3.49%
4.CHILE: IPSA	9.16%
5.COLOMBIA: COLCAP	1.06%
6.JAMAICA: JSE COMP	-0.34%
7.MEXICO: IPC	6.04%
8.PERU: S&P LIMA GEN.	3.86%
9.VENEZUELA IBC	43.06%
10.USA: S&P 500	1.83%
11.USA: DJIA	1.61%
12.USA: NASDAQ	2.43%

EUROPE

1.AUSTRIA ATX	5.80%
2.BELGIUM BEL20	3.88%
3.BULGARIA SOFIX	0.84%
4.CROATIA CROBEX	3.85%
5.CYPRUS CYMAIN	-1.64%
6.CZECH REPUBLIC PX	4.70%
7.DENMARK OMXC20	1.36%

8. ESTONIA OMX T	5.79%
9. FRANCE CAC40	2.80%
10. GERMANY DAX	2.41%
11. GREECE ATHEX AGD	1.27%
12. HUNGARY BUX	5.43%
13. ITALY FTSE MIB	2.52%
14. LITHUANIA OMX V	5.46%
15. NETHERLANDS AEX	3.36%
16. NORWAY OBX	3.35%
17. POLAND WIG20	4.47%
18. PORTUGAL PSI20	7.09%
19. ROMANIA BET	3.46%
20. RUSSIA MOEX	5.04%
21. SLOVAKIA SAX	1.67%
22. SLOVENIA SBITOP	4.23%
23. SPAIN IBEX35	4.14%
24. SWEDEN OMXS30	3.98%
25. SWITZERLAND SMI	0.88%
26. UK FTSE100	6.39%

MIDDLE EAST

1.ABU DHABI ADX GEN.	2.35%
2.BAHRAIN ASI	-2.59%
3.IRAQ ISX60	-2.88%
4.IRAN TEDPIX	10.2%
(14-18/12/2020)	2.78%
5.ISRAEL TA35	2.13%
6.LEBANON BLOM	-1.23%
(21-24/12/2020)	1.11%
7.PALESTINE AL-QUDS	2.32%
8.OMAN MSM30	0.55%
9.QATAR QE GEN.	4.33%
10.S.ARABIA TADAWUL	
11.TURKEY BIST100	
(04-08/01/2021)	

Note: Weekly change (%) 04-08/01/2021
for Africa, Americas, Asia-Pac, Europe.
03-07/01/2021 for Middle East unless
stated otherwise.

• VOLATILITY Indices

1.CBOE VIX	-5.23%
2.CBOE VXD	2.29%
3.CBOE VXN	3.71%
4.DAX V1XI	-9.03%

Note:
CBOE VIX: S&P 500 index Options
Volatility, VDX: DJIA Options Volatility,
VXN: NASDAQ Index Options Volatility.
Deutsche Borse DAX Index Options
Volatility

LATAM-BONDS

LatAm bond issuance growing

With a backdrop of low global interest rates and borrowing costs, Latin American and Caribbean (LAC) issuers placed US\$ 118 billion worth of bonds from January to September 2020, close to par with the US\$ 118.5 billion issued in 2019 as a whole, the U.N.'s Economic Commission for Latin America and Caribbean (ECLAC) said in a briefing note. Sovereign issuers had a higher issuance volume in the first nine months of 2020 than in

2019 as a whole, as governments seek to meet higher funding needs due to the pandemic. Close to 40% of the sovereign bonds issued in the period explicitly mentioned that the proceeds would be used to fund the response to the COVID-19 pandemic.

Green, social and sustainability bond issuance represented a record 8.3% of the total amount issued. In September 2020, Mexico became the first country in the world to issue a sovereign Sustainable Development Goals (SDGs) bond. After ending 2020 on a high note, bond issuers from Latin America are poised for a busy year.

MARKETS DATA | Bonds - FX - SWFs - ETFs

ETFs

Weekly change (%)
04-08/01/2021

• SPDR S&P500	Change: 5.88%
Highest: 381.49	• iShares
Lowest: 364.82	MSCI Japan
Change: 1.97%	Highest: 69.32
• SPDR DJIA	Lowest: 66.64
Highest: 311.98	Change: 2.56%
Lowest: 298.74	• iShares MSCI
Change: 1.72%	Emerging
• Invesco	Markets ETF
QQQ Trust	Highest: 54.74
Highest: 319.36	Lowest: 51.83
Lowest: 305.28	Change: 5.88%
Change: 1.69%	• VanEck
• Vanguard FTSE	Vectors Russia
Devel. Markets	Highest: 25.86
Highest: 49.18	Lowest: 24.49
Lowest: 47.25	Change: 6.79%
Change: 4.09%	• Alerian MLP
• iShares China	Highest: 28.43
Large-Cap	Lowest: 25.23
Highest: 48.38	Change: 8.22%
Lowest: 46.17	• U.S. Oil
Change: 4.07%	Highest: 35.50
• iShares MSCI	Lowest: 32.24
Brazil Capped	Change: 7.33%
Highest: 37.99	• Wisdom
Lowest: 35.77	Tree India
Change: 1.70%	Highest: 30.54
• iShares	Lowest: 29.41
MSCI EAFE	Change: 4.52%
Highest: 75.73	• Pro Shares
Lowest: 73.05	UltPro
Change: 3.80%	Short QQQ
• iShares MSCI	Highest: 16.49
Eurozone	Lowest: 14.29
Highest: 45.84	Change: -5.53%
Lowest: 44.33	

INDONESIA-SWFs

■ BRI invests in Haus!

Embrani Nusantara Fund, launched in June 2020 by Indonesian corporate VC firm BRI Ventures, has injected US\$2 million Series A investment into made-to-order (MTO) drinks brand Haus! Founded in June 2018, Haus! is engaged in the F&B industry with the MTO beverage concept serving tea, milk tea, chocolate and coffee. Currently, the company operates 103 stores across Greater Jakarta and Bandung. "With this series A investment, we are excited to see Haus! continue expanding its offerings across second-tier cities in Indonesia. Its integration to our MSME thesis will also unlock a trove of mass-market B2C opportunities that we look forward to collaborating on," said Nicko Widjaja, CEO of BRI Ventures.

MSCI

Weekly change (%)
04-08/01/2021

• MSCI World	• MSCI BRIC	• MSCI EFM
Small Cap	3.63%	Africa Ex SA
4.11%	• MSCI	0.22%
• MSCI World	PANEURO	• MSCI North
Large Cap	3.17%	America
2.20%	• MSCI AC	2.00%
• MSCI World	Asia Pacific	• MSCI US
Gross 2.39%	4.13%	REIT -2.60%
• MSCI World	• MSCI Asia ex	• MSCI Europe
Energy 9.11%	Japan 5.18%	3.31%
• MSCI ACWI	• MSCI China	• MSCI Europe
2.68%	3.86%	Large Cap
• MSCI EM	• MSCI Hong	3.18%
4.78%	Kong 3.75%	• EM Europe
• MSCI FM	• MSCI South	Middle East
2.31%	Africa 3.21%	2.45%

CURRENCIES

Weekly change (%)
04-08/01/2021

■ AFRICA

• USD/EGP Egyptian Pound	Lowest: 7.7519
Highest: 15.7575	• USD/PLN Polish Zloty
Lowest: 15.6255	Highest: 3.7417
• USD/ZAR S. African Rand	Lowest: 3.6516
Highest: 15.4964	• MIDEAST
Lowest: 14.5063	• USD/TRY Turkish Lira
• USD/KES Kenya Shilling	Highest: 7.4470
Highest: 109.600	Lowest: 7.2372
Lowest: 109.050	• USD/SAR Saudi Riyal
• USD/NGN Nigerian Naira	Highest: 3.7522
Highest: 381.350	Lowest: 3.7506
Lowest: 380.250	• USD/AED

■ ASIA

• USD/JPY Japanese Yen	Lowest: 73.4190
Highest: 104.10	• USD/PLN Polish Zloty
Lowest: 102.58	Highest: 3.7417
• USD/CNY Chinese Yuan	Lowest: 3.6516
Highest: 6.5170	• MIDEAST
Lowest: -0.7921	• USD/TRY Turkish Lira
• USD/INR Indian Rupee	Highest: 7.4470
Highest: 73.509	Lowest: 7.2372
Lowest: 72.830	• USD/SAR Saudi Riyal
• USD/KRW Korean Won	Highest: 3.7522
Highest: 1,099.21	Lowest: 3.7506
Lowest: 1,080.02	• USD/AED
USD/HKD H.Kong Dollar	Lowest: 3.6726
Highest: 7.7575	• USD/ILS Israeli Shekel

■ AMERICAS

US Dollar Index (DXY)	Lowest: 73.4190
Highest: 90.230	• USD/PLN Polish Zloty
Lowest: 89.165	Highest: 3.7417
• USD/CAD Canadian Dollar	Lowest: 3.6516
Highest: 1.2799	• MIDEAST
Lowest: 1.2628	• USD/TRY Turkish Lira
• USD/MXN Mexican Peso	Highest: 7.4470
Highest: 20.1551	Lowest: 7.2372
Lowest: 19.5986	• USD/SAR Saudi Riyal
• USD/ARS Argentin. Peso	Highest: 3.7522
Highest: 81.1250	Lowest: 3.7506
Lowest: 84.0705	• USD/AED
• USD/BRL Brazilian Real	Lowest: 3.6726
Highest: 5.4408	• USD/ILS Israeli Shekel
Lowest: 5.1197	Highest: 3.2170

■ EUROPE

• EUR/USD	Lowest: 3.1729
Highest: 1.2350	• OCEANIA
Lowest: 1.2191	• AUD/USD
• GBP/USD	Highest: 0.7821
Highest: 1.3705	Lowest: 0.7642
Lowest: 1.3532	• NZD/USD
• EUR/CHF	Highest: 0.7316
Highest: 1.0874	Lowest: 0.7153
Lowest: 1.0785	• USD/FJD - US
• USD/RUB	Dollar/Fiji Dollar -
Highest: 75.1963	Highest: 2.0591
	Lowest: 2.0082

EMERGING MARKETS

■ Equities and debt set to shine in 2021

There is good reason to be optimistic about the outlook for emerging markets assets in 2021, according to Schroders. Massive fiscal and monetary stimulus from governments and central banks should support a recovery in global trade and growth. Meanwhile, there is a general consensus that the US dollar will weaken. All the above should be beneficial for emerging markets, the British multinational asset management company, argues. "We are projecting an expansion of +6.9% for emerging market economies in 2021. We expect China to lead the way with economic growth of around +9%" David Rees, Senior Emerging Markets Economist said. "If the dollar continues to weaken and the global economy begins to reflate, emerging market equities should outperform developed markets... And investor inflows to emerging market stocks have returned" Rees said in the firm's Outlook 2021: Emerging markets.

World Government 10-Year Yield

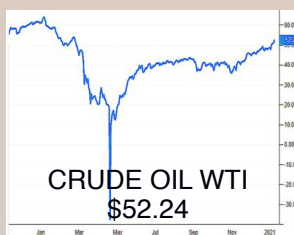
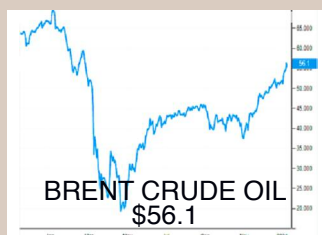
■ BONDS ■

■ Argentina*	Change: -6.851%	Highest: 8.840
Highest: 48.24	■ Germany	Lowest: 8.625
Lowest: 45.08	Highest: 0.000	Change: 0.687%
Change: 7.25%	Lowest: -0.615	■ South Korea
■ Australia	Change: -9.615%	Highest: 1.750
Highest: 1.100	■ Greece	Lowest: 1.682
Lowest: 0.943	Highest: 0.647	Change: 0.639%
Change: 12.474%	Lowest: 0.590	■ Spain
Austria	Change: -5.25%	Highest: 0.077
Highest: 0.000	■ India	Lowest: 0.018
Lowest: -0.477	Highest: 5.912	Change: -18.39%
Change: -6.893%	Lowest: 5.839	■ Switzerland
■ Belgium	Change: -0.102%	Highest: 0.000
Highest: 0.000	■ Indonesia	Lowest: -0.536%
Lowest: -0.429	Highest: 6.262	Change: -4.115%
Change: -6.743%	Lowest: 5.925	■ Taiwan
■ Brazil	Change: 3.130%	Highest: 0.320
Highest: 7.570	■ Italy	Lowest: 0.270
Lowest: 6.840	Highest: 0.571	Change: 8.475%
Change: 7.246%	Lowest: 0.474	■ Turkey
■ Canada	Change: -0.994%	Highest: 13.190
Highest: 0.816	■ Japan	Lowest: 12.610
Lowest: 0.665	Highest: 0.038	Change: 5.196%
Change: 20.741%	Lowest: 0.010	■ UK
■ Chile	Change: 125.80%	Highest: 0.303
Highest: 2.850	■ Mexico	Lowest: 0.156
Lowest: 2.800	Highest: 5.360	Change: 52.785%
Change: -1.064%	Lowest: 5.250	■ USA
■ China	Change: 0.762%	Highest: 1.125
Highest: 3.278	■ Poland	Lowest: 0.906
Lowest: 3.170	Highest: 1.282	Change: 20.316%
Change: -0.094%	Lowest: 1.222	10-Year T-Note
■ Colombia	Change: -1.118%	Highest: 138.17
Highest: 4.850	■ Romania	Lowest: 136.52
Lowest: 4.763	Highest: 3.100	Change: -1.00%
Change: -0.227%	Lowest: 2.980	■ Vietnam
■ Cyprus	Change: -	Highest: 2.541
Highest: 0.192	4.698%	Lowest: 2.415
Lowest: 0.103	■ Russia	Change: -0.612%
Change: 11.35%	Highest: 5.960	■ EURO BUND
■ France	Lowest: 5.830	Highest: 178.37
Highest: 0.000	Change: -0.508%	Lowest: 177.02
Lowest: -0.380	■ South Africa	Change: -0.30%

* Argentina: 1-Y Bond Yield Other countries: 10-Year
Note: Week change yield (%) 04-08/01/2021

COMMODITIES | Energy - Metals - Industrial - Agriculture - Livestock

ENERGY



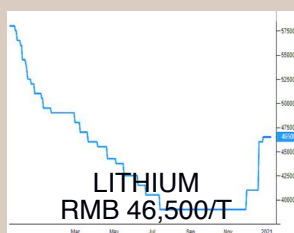
OIL: Markets have caught some breath. The week's key catalyst was an unexpected oil production cut announcement by Saudi Arabia which pledged to cut output by 1 million barrels per day in February and March. LNG shrunk by 4.42% for the week.

METALS



GOLD: On the week, the yellow metal was down 2.6%, as Senate runoff elections in Georgia and riots in US Capitol pushed the dollar and Treasury yields up. **SILVER:** On the week, silver sank around 3.5%, the first decline in 4 weeks. **PLATINUM** was off 0.26%

INDUSTRIAL



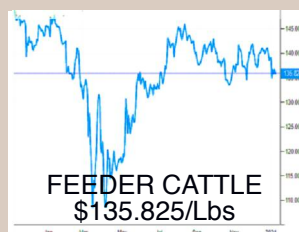
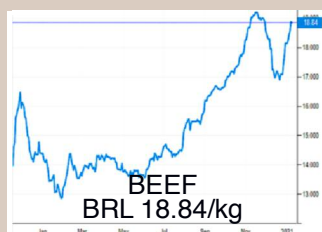
COPPER: Considered an economic barometer, copper, kicked off 2021 on a strong note. Futures climbed to a near 8-year high of \$3.7 per pound. **LITHIUM:** traded at RMB46,500/t since the beginning of 2021. **COAL:** Futures traded around \$83 per tonne in the first week of January.

AGRICULT



SOYBEANS: March soybean futures reached their highest level since June 2014 on Friday. **WHEAT:** March wheat futures stood \$6.38¾ on Friday **CORN:** The corn market extended its upward momentum into 2021. All eyes on the USDA report next week.

LIVESTOCK



BEEF increased 0.70 BRL/Kg or 3.86% since the beginning of 2021. **LIVECATTLE** decreased 0.55 USd/Lbs or 0.48%, **FEEDER CATTLE** decreased 3.13 USd/Lbs or 2.25%. Disruptions to the beef industry from the COVID-19 will likely linger into 2021, analysts say.

► ENERGY

[RESEARCH- ANALYSIS-OPINION-FORECAST]

S&P Global Platts 2021 Energy Outlook

Analysts at S&P Global Platts released their 2021 energy outlook. The outlook presumes a recovery in global gross domestic product (GDP), highlighted by an acceleration of growth in the second half of 2021. **OIL:** Oil demand will rebound by more than 6 million barrels per day (b/d) in 2021, but consumption is still expected to be more than 2 million b/d below that of 2019's 101.9 million b/d.

OIL PRICES: Overall, fundamentals will resume the ascendancy over sentiment, which should see Dated Brent oil prices soften in the short-term to the low \$40s-per-barrel area, but should prompt a price move toward \$50 per

barrel by the end of 2021, with WTI to recover to just under \$50/b.

PETROCHEMICALS: As the only sector with positive oil demand growth in 2020, the petrochemical sector's growth will accelerate in 2021 by 4%.

LNG: Asian LNG demand will rebound sharply in 2021, but weak European LNG demand, a 3.5% expansion of global new liquefaction capacity, and low oil-linked LNG contracts, will keep buyers flush with options for supply

RENEWABLES: Renewables, nuclear, and renewable fuel growth to accelerate and further challenge fossil fuels: New wind and solar capacity build will increase in 2021,

AGRICULTURE: Market drivers for grains: Uncertainty over continuing Chinese purchases of corn, soybeans and wheat, along with the impacts of a La Nina on already dry areas globally, will be market drivers in early 2021.

GAS-TO-COAL: Gas-to-coal switching may not be enough to prevent Henry Hub (HH) prices from hitting seven-year highs and LNG shut-ins.



Chris Midgley

Global Head of Analytics, S&P Global Platts Based in London Midgley leads and executes the strategy for Analytics, bringing over 25 years of oil industry experience.

TRADING VENUES | Listings - Insights - Events - C-Suite

COMPANIES LISTINGS

■ USA - NYSE

SEC allows new direct listing

Companies may go public on the New York Stock Exchange (NYSE) without having to pay large underwriting fees to Wall Street banks, the U.S. securities regulator said on Tuesday (Dec.22). The Securities and Exchange Commission announced that it had approved a NYSE plan for so-called primary direct listings. "The Commission finds that the Exchange's proposal will facilitate the orderly distribution and trading of shares, as well as foster competition," the SEC wrote in a notice. The NYSE's proposal had been put on hold since August, following the SEC's receipt of a notice of intention to petition for review submitted by the Council of Institutional Investors. CII had argued that the plan eroded investor protections and might make it more difficult for shareholders to sue over material misstatements or omissions made during the IPO process. The SEC decision is a victory for the NYSE, which had been seeking to change its rulebook to make the new process available to companies going public and opens the door to a new alternative to the traditional initial public offering.

■ INDIA - BSE & NSE

Most successful IPO for 2020

India's premium biscuit-maker Mrs Bectors Food Specialities Ltd became the most successful initial public offering (IPO) of 2020 attracting bids for nearly 199.41 times the number of shares on offer, stock exchange data

showed. Mrs Bectors, which also makes breads, buns and cakes and is the largest supplier of buns to quick-service restaurant chains, raised about \$73 million in the offering. The company plans to use the IPO proceeds for financing its Rajpura expansion project by establishing a new production line for biscuits and for general corporate purposes. Currently, the company is operating at a capacity utilization of 72% per annum. For fiscal 2020, Mrs Bectors reported an 8.3% fall in profit to 304 million rupees, while revenue slipped 2.8% to 7.62 billion rupees.

■ ROMANIA - BVB

Patria Bank's bonds attract €8.2m

Patria Bank (PBK) listed on Dec 15, 2020, on Bucharest Stock Exchange (BVB), its second issue of subordinated bonds, through which it attracted EUR 8.2mn from investors. The bonds were listed on the BVB's Regulated Market. This is the second round of financing carried out by the credit institution on the capital market, after the one in 2019. Thus, the value of the amounts attracted by the bank through the capital market in the last two years reached EUR 13.2mn. The bank's indirect majority shareholder is the Emerging Europe Accession Fund (EEAF), a private equity fund whose main investors are the EBRD (European Bank for Reconstruction and Development), the EIF (European Investment Fund, part of the European Investment Bank Group), DEG (Development Bank, part of the KfW banking group) and BSTDB (Black Sea Trade and Development Bank).

C-SUITE

■ CHARLES LI (HKEX)

Hong Kong Ex and Clearing Limited (HKEX) announced on Sunday (Jan. 3) that Charles Li retired from the post of CEO and "ceased to be an ex-officio member of the Board of HKEX" on December 31, 2020. "During Mr Li's tenure as Chief Executive, HKEX has successfully transformed from a regional stock exchange into one of the world's premier market infrastructure groups," the exchange said. Calvin Tai, will fill the role of the CEO on an interim basis.



■ JULIE BECKER (LUXSE)

The Board of Directors of the Luxembourg Stock Exchange (LuxSE) has appointed Julie Becker as LuxSE's next CEO and Chair of its Executive Committee. Julie Becker will officially take over the reins of the exchange as of 21 April 2021, the date of the next General Assembly, when Robert Scharfe, the current CEO, will step down after 9 years at the helm of the exchange. Robert Scharfe and Julie Becker will work side by side in the coming months to ensure a smooth transition. Becker specialises in regulatory and legal matters linked to capital markets. She joined the Luxembourg Stock Exchange in July 2013.



INSIGHTS

■ NASDAQ to advance diversity

Nasdaq filed a proposal with the U.S. Securities and Exchange Commission (SEC) to adopt new listing rules related to board diversity and disclosure. If approved by the SEC, the new listing rules would require all companies listed on Nasdaq's U.S. exchange to publicly disclose consistent, transparent diversity statistics regarding their board of directors. Specifically, all companies will be expected to have one diverse director within two years of the SEC's approval of the listing rule.

■ FTSE Russell to remove Chinese firms

Index provider FTSE Russell said on Monday (Jan. 4) it will remove three Chinese companies from its indices on Thursday. Last month, Washington placed 80 more Chinese companies on its trade blacklist. China United Network Communications, Nanjing Panda Electronics and Semiconductor Manufacturing International Corporation (SMIC) will be deleted from the FTSE Global Equity Index Series as well as the FTSE Global China A Inclusion Indexes.

■ MOEX pandemic relief program

In 2020, Moscow Exchange donated RUB 100 mln to assist those affected by COVID-19. The program was rolled out in May 2020 in Moscow, St. Petersburg and Russia's regions across a number of areas. In late December, the Exchange allocated the last tranche under the program: RUB 10 mln was donated to the Foundation of Moscow's Municipal Clinical Hospital No. 52, which admitted the most severely ill COVID-19 patients.

■ NSE launches X-PO

The Nigerian Stock Exchange (NSE) announced the launch of X-PO, the first end-to-end online public offerings platform in Africa, following SEC approval. The X-PO allows investors to conveniently subscribe and make payments for public offers through the web and mobile (USSD), avoiding the hassle of physical completion and submission of public offering applications forms and visiting the bank for payment.

EQUITIES The 2020 stock market rollercoaster

There are many years that investors easily forget, but 2020 certainly won't be among them. A major and sudden global stock market crash, also referred to as the Coronavirus Crash, began on 20 February 2020 and ended on 7 April. In April stock markets re-entered a bull market, which would continue until late October. As the tumultuous 2020

ended, the U.S. stock markets finished solidly higher for the year. The DJIA rose 7.3%, the S&P 500 Index gained 16.3%, and the Nasdaq Composite jumped 43.6%. In Asia, China's Shenzhen component was a standout among the region's major markets, having risen 38.73% in 2020. South Korea's Kospi also saw robust gains, soaring more

than 30% for the year. In Europe, the Stoxx 600 index closed down 3.8. In the UK, FTSE was down over 14% marking its worst year since 2008. The French CAC 40 was down 7%, German DAX up 3.5% and Italy's FTSE MIB down 5.4%. The worst-performing market in the region has been Spain's IBEX, down almost 15%.



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BUSINESS & MARKETS | Listed Companies - SMEs - Entrepreneurs

1.ENERGY 2.MATERIALS 3.INDUSTRIALS 4.CONSUMER DISCRETIONARY 5.CONSUMER STAPLES
6.HEALTH CARE 7.FINANCIALS 8.TECH & SCIENCE 9.IT & TELECOM 10.UTILITIES 11.REAL ESTATE

EUROPE-SMEs

Over half of Europe's SME's risk shutdown

Small and medium-sized enterprises (SMEs) which account for more than two-thirds of the workforce in the continent, fear for their survival. A McKinsey survey of more than 2,200 companies in five countries - France, Germany, Italy, Spain and Britain - found that 55% expected to shut down by September 2021 if their revenues remained at the current depressed levels. Some 70% said their revenues had declined as a result of the Covid-19 crisis, with severe knock-on effects. One in five was concerned they might default on loans and have to lay off employees, while 28% feared they would have to cancel growth projects. In aggregate, more than half felt their businesses may not survive longer than 12 months—despite the fact that 20% of those surveyed had already taken advantage of the various forms of government assistance aimed at easing their financial distress, such as tax breaks or payments to furlough staff, according to the management consultancy. According to the report among industrial sectors, logistics had by far

the highest number of expected bankruptcies (22%). Agriculture, accommodation, food services, retail and wholesale followed, though at a lower rate of 13–15%. Few SMEs appear optimistic about the prospects for improvement anytime soon given their views on the state of the economy. Overall, 80 percent weighed the economy as somewhat weak to extremely weak. The survey, conducted in August 2020, underscores the need to consider both the immediate survival of SMEs as well their longer-term strength. Meanwhile, corporate insolvencies fell by 6.2% in the first half of 2020, compared to the period in 2019, according to the German Federal Statistical Office. Many corporates only exist in the protective bubble of central bank generosity and insolvency loosening. Unprecedented support by the European Central Bank (ECB), the EU and continental national governments kept some companies afloat which represent a new generation of living dead “zombie firms”. In a study titled “Corporate zombies: Anatomy and life cycle” published in Septem-

The survey reveals that the country with revenue that reduced the most was Spain with 33% followed by Italy and the UK both reporting a 30% reduction.

OPINIONS ABOUT THE STATE OF THE ECONOMY

Quizzed whether they feel the economy is very or extremely weak in the current climate at total of 56% of SMEs in Spain agreed, followed by Italy at 49% and the UK with 48%.

1.FRANCE	33%
2.GERMANY.....	23%
3.ITALY.....	49%
4.SPAIN.....	56%
5.UK.....	48%

Source: McKinsey

ber, the Bank for International Settlements (BIS) showed that the proportion of listed zombie companies in most euro area countries was rising before the pandemic. Small and medium-sized enterprises (SMEs) are defined as those with 250 or fewer employees.

In Europe, they employ over 90 million people.

USA-TECHNOLOGY

The first crypto exchange to go public

After some speculation from a few months ago, a Coinbase IPO is coming. The largest cryptocurrency exchange in the US, announced in a short blog post on its website on Dec 17 “that it has confidentially submitted a draft registration statement on Form S-1 with the

Securities and Exchange Commission (the “SEC”). The Form S-1 is expected to become effective after the SEC completes its review process, subject to market and other conditions.” The S-1 form is filed by companies that are planning to go public; the form allows the company to register its securities with the SEC. The text of the post does not mention whether the California-based company will pursue a traditional IPO or direct listing. Founded in 2012, Coinbase has raised \$547.3 million to date in equity financing from leading investors such as Andreessen Horowitz, Tiger Capital Man-

agement, MUFG, Spark Capital and Greylock Partners. The announcement comes amidst a surge of interest in cryptocurrencies, even from traditional fund managers. SkyBridge, a fund of hedge funds, on Monday (Jan. 4) announced it had started the Skybridge Bitcoin Fund with \$310 million in assets under management invested from its \$3 billion flagship fund. Coinbase has more than 35 million users in more than 100 countries, and has seen more than \$320 billion of total volume traded through the platform. Coinbase’s IPO will be a good test for others looking to follow suit.

INDONESIA - M&A

Gojek in merger talks with Tokopedia

Indonesia's ride-hailing and payments giant Gojek is reportedly in advanced merger talks with local e-commerce pioneer PT Tokopedia ahead of a public offering of the combined entity valued at \$14.3 billion, Nikkei reported on Tuesday (Jan. 5).

The two companies are allegedly considering an initial public offering in order to challenge the region's biggest tech company, Singapore's Sea. A dual listing in Indonesia and the U.S. is a possibility, but using a SPAC, or special-purpose acquisition company, for its U.S. listing is another avenue the two are exploring, the Asian publication reported citing people familiar with the matter said. Tokopedia said last month that it had talked to a SPAC as it moves forward with its IPO plans.



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BUSINESS & MARKETS

UK - BREXIT

Full Brexit effect on first trading day of 2021

Britain formally left the European Union's trade bloc on Dec. 31, marking a new era for the U.K.-EU relationship. While the landmark trade deal agreed just days before the year-end deadline set rules for industries such as fishing and agriculture, it did not cover Britain's much larger finance sector, which

accounts for 7% of the U.K.'s economy and 10% of its tax receipts. Automatic access to the EU's financial markets came to an end on Dec. 31. The first trading day of the new year (Jan. 4) provided a first taste of the effects of the shift as nearly €6bn of EU share dealing shifted away from the City to newly created European hubs and primary exchanges, according to The Financial Times. "Business on London hubs for euro-denominated share trading, including Cboe Europe, Turquoise and Aquis Exchange, shifted to their new EU venues set up late last year to cater for the end of the Brexit transition. The volume amounted to a sixth of all business on exchanges in Europe on Monday" FT wrote.

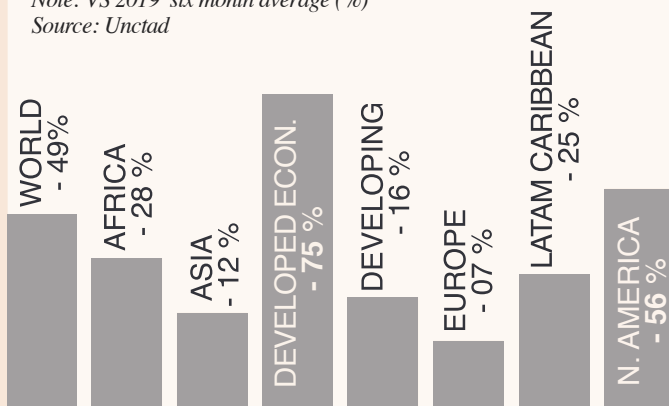
BUCHAREST, ROMANIA - OIL & GAS

OMV Petrom divests assets in Kazakhstan

OMV Petrom, the largest energy company in Southeastern Europe, signed the transaction for the sale of its 100% shareholding in Kom-Munai LLP (KOM) and Tasbulat Oil Corporation LLP (TOC) in Kazakhstan to MAGNETIC OIL LIMITED. KOM and TOC hold the production licenses for four onshore fields, respectively Komsomolskoe, Aktas, Tasbulat and Turkmenoi. The cumulated daily production of the four fields was 6.45 kboe/d in 2019, representing ~4% of the group production. All fields are located in the Mangistau region of West Kazakhstan near the Caspian Sea. The four onshore fields cover a total area of 86.52 km², including approximately 75 wells, production facilities and 200 km of pipelines. Closing of the transaction is subject to certain conditions precedent including approval by the Kazakh Ministry of Energy and is expected in the first half of 2021. OMV Petrom entered the Upstream sector in Kazakhstan in 1998. The business has been stable, but no further in-country expansion has been realized in the last few years and OMV Petrom has decided to shift the focus of its international Upstream business to the Black Sea.

FDI INFLOWS 2020 H1

Note: VS 2019 six month average (%)
Source: Unctad



SPOTLIGHT



★ ELON MUSK \$185bn

Elon Musk became the richest person in the world on Thursday (Jan. 7), with a net worth of more than \$185 billion. Thursday's increase in Tesla's share price pushed Musk past Jeff Bezos who had been the richest person since 2017 and is currently worth about \$184 billion.

★ CREDITO REAL \$500m

Mexican consumer lender Crédito Real plans to sell as much as \$500 million worth of new notes, raising money to cover the buyback of up to \$215 million in 7.25% 2023 notes, according to sources.

★ ARISE B.V. 34.9%

Arise B.V., Norfund's main vehicle for large scale equity investments in banks in Africa, announced on Thursday (Jan. 7) that it has acquired a 34.9% shareholding previously owned by Rabobank in NMB Bank, Tanzania's largest bank by assets.

Paris, France - LUXURY GOODS

LVMH completes TIF acquisition

French conglomerate LVMH Moët Hennessy, the world's leading luxury products group, announced on Thursday (Jan. 7) it has completed the acquisition of Tiffany & Co (TIF). The American jeweler's shareholders earlier approved the deal worth \$15.8 billion that will price the 184 year-old New York-based company at \$131.50 per share, a cut compared to the original valuation that was set at \$135 per share. Bernard Arnault (pictured), Chairman and CEO of LVMH, stated: "I am pleased to welcome Tiffany and all their talented employees in our Group. Tiffany is an iconic brand and a quintessential emblem of the global jewelry sector."

Hangzhou, China - TECHNOLOGY

Beijing's crackdown on Ant Group

Amid conflict with Chinese regulators, Alibaba founder Jack Ma has "disappeared" from public life. Yahoo Finance reported on Sunday (Jan. 3) that Ma hadn't been seen publicly in more than two months. When CNBC reported on Tuesday (Jan. 5) that the tech billionaire is just "lying low," citing a source close to the situation, it immediately buoyed investor sentiment, and shares in Alibaba jumped around 5%.



Chinese authorities publicly accuse Ma's financial unit of regulatory failings. The country introduced regulations in November that halted the \$37 billion stock market listing of Alibaba's financial affiliate, Ant Group. Ma is the controlling shareholder in Ant Group. Alibaba, meanwhile, has been probed in China for alleged monopolistic behavior. Ma is the world's 25th richest person, according to the Bloomberg Billionaires Index, with a personal wealth of \$50.6bn.

Palo Alto, USA - AUTOMOBILES

Tesla 2020 deliveries close to goal

Electric vehicle maker Tesla delivered just 450 cars shy of the lofty 500,000 vehicle delivery target in 2020, the California-based company said in its Q4 production and vehicle update, sending its shares rallying by 5 percent to another all-time high on the NASDAQ early on Monday (Jan. 4). Commenting on the 2020 delivery figures, Tesla's CEO Elon Musk tweeted "So proud of the Tesla team for achieving this major milestone! At the start of Tesla, I thought we had (optimistically) a 10% chance of surviving at all."



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WEALTH MANAGEMENT



Cyclicals sector is poised for a renaissance

There is a very high likelihood of a cyclical recovery, a new Brandywine Global note argues. "Our focus now is on the economic cycle as basic industries, capital goods, energy, and other cyclical sectors in both developed and emerging markets are still trading at spreads wide to historical levels. We favour those industries that have a more cyclical tilt which should see marked improvement as the economy rebounds from the lockdowns. As the global recovery progresses, demand resumes and exports tick higher conditions are in place for a reflationary trade and substantial spread tightening in these more cyclical areas of the economy."

Brian Kloss
Brandywine Global
Portfolio Manager

BANKING & INSURANCE

Gloomy Outlook for Banks in 2021

Banks will confront a range of challenges in 2021. Moody's Investors Service has a negative outlook on much of the global banking industry except in Canada.

Although banks played a crucial part in stabilizing the economy and transmitting government stimulus and relief programs in the United States, Canada, the United Kingdom, Japan, and many European countries, among others, the rating agency reported that more than 75% of rated banks now have a negative outlook, compared to just 14% in 2019. Ultralow interest rates for an extended period are squeezing banks' net interest margins, increasingly making weak profitability a structural problem for many banking sectors, particularly in Europe and Japan.

These risks underpin Moody's negative outlooks for the global banking sector, which "broadly reflect the risk that weakening operating conditions, particularly in key sectors such as hospitality and retail, will lead to a deterioration in loan performance and profitability, and potentially undermine confidence in banks, as seen in past crises." Meanwhile, the Deloitte Center for Financial Services estimates that the U.S. banking industry may have to provision for a total of US\$318 billion in net loan losses from 2020 to 2022, representing 3.2% of loans. Fitch Ratings said that U.S. banks will continue to contend with a lower for longer interest rate environment and lower loan demand, which will pressure top line revenues, especially in the first half of 2021.

PERSONAL FINANCE

New Year, new finance

This is the time of year that many of us make resolutions. In 2021, people are hoping to move on from the pandemic and perhaps become smarter about their money. New Year's resolutions can help us hit the reset button on unhealthy financial habits. First come up with goals for the year and how you want to pursue them. The key is to set little goals, attainable goals but worthwhile goals.

Obsolete financial wisdom

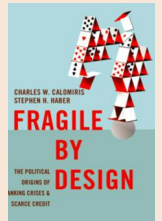
A post on Reddit, the web content rating & discussion website, has posed the question: "After all that has happened in 2020, has any conventional financial wisdom become obsolete?" The general guideline that a person should have an emergency fund to cover 3-6 months of essential expenses is among the most common pieces of financial wisdom that 2020 threw out the window.

BOOKS

Food for thought

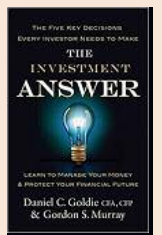
Fragile by Design by Calomiris & Haber

If you are looking for a rich history of banking over the last couple of centuries and the role played by politics in that evolution, *Fragile by Design* is an excellent study. The authors argue that politics and banking go hand in hand and give readers a new perspective on banking, credit markets, and why crises may occur.



The Investment Answer by Goldie & Murray

In a world of financial markets characterized by instability, this straightforward and practical approach to investing offers simple yet useful guidance in an accessible format. The authors (Daniel Goldie and Gordon Murray) describe "how individuals should approach long-term investing" distilling the process into just five decisions which can lead to a more profitable portfolio for every investor- experienced, beginner, and everyone in between.



Hedge Fund Market Wizards by Jack D. Schwager

From the author of *Market Wizards*, *New Market Wizards*, and *Stock Market Wizards*, comes a behind-the-scenes look at the world of hedge funds. Schwager presents exclusive interviews with 14 hedge fund managers and one bank trader and what they've learned over the course of their careers. The Schwager series is so influential and absorbed by the trading community so fully that, if you put "MW, NMW or SMW" next to a quote, most serious traders will know exactly what it means.



ALTERNATIVE ASSETS

Strongest housing market across the board

Real estate is generally still seen as one of the few investment asset classes to generate acceptable re-

turns at a time of low or negative interest rates. As the Covid-19 forced millions to work from home, closed retail stores and accelerated structural changes, the for-sale housing market showed incredible strength in 2020. Seattle-based Zillow predicts 2021 will be even stronger. Demand continues to grow, and is expected to surge in the cities as economies

reopen. The most-visited real estate website in the U.S., forecasts annual home sales growth will be the highest in nearly 40 years as life and financial certainty brings more sellers into the market to meet the heavy demand and technology allows for faster connections with interested buyers. Home prices, mortgage rates and rents will rise.

■ Jeff Koterba - Cartoonist

Longest Tunnel Ever...

An award-winning cartoonist Jeffrey Koterba (born May 6, 1961 in Omaha, Nebraska, USA) has delivered humorous, and often biting, commentary on everything from politics to pop culture. He was hired by the Omaha World-Herald in 1989 as the editorial cartoonist and worked there till September 2020. His work appears in over 850 publications around the world. Koterba is also a writer, musician, and creativity advocate.

