

# PARFINews

DEDICATED TO WEALTH MANAGEMENT

## “As goes the Week...so goes the Year?”

### Main News

- **Dow Jones Industrial and Transportation, S&P 500 and Nasdaq 100 all closed at their highest level ever** after the first week of trading in 2021. Ten-year US Treasury yields rose 4 bp to 1.12% and the USD on average rose 0.5% against G10 currencies. WTI crude oil rose above USD 52 per barrel, while gold fell to USD 1,850 per ounce.
- In the meantime, **investors digest prospects of further stimulus** as Joe Biden said on Friday his economic package will be in the trillions of dollars and that more details will be provided Thursday during a formal announcement.
- **Friday’s US nonfarm payrolls report was disappointing** with 140,000 jobs lost in December, but we are optimistic that this weakness will be short-lived. While the current surge in COVID-19 cases is leading to weakness in discretionary services, it has not impacted the broader labor market so far – unlike the contraction last spring.
- **The House this week will vote** to impeach Donald Trump over his actions encouraging those who stormed the Capitol - unless VP Mike Pence and the cabinet remove him using the 25th Amendment, Speaker Nancy Pelosi said.
- **At least 250 000 small companies in the UK** are set to close in 2021 unless the government provides more assistance, the Federation of Small Businesses said The group's quarterly survey found confidence at the second lowest level in its 10 year history.

### Main Markets

| Equity Market (Total Return) |         |       |      |      | Government Bonds                        |       |            |         |
|------------------------------|---------|-------|------|------|-----------------------------------------|-------|------------|---------|
|                              | Level   | 1-Day | MTD  | YTD  |                                         | 2Y    | 5Y         | 10Y     |
| MSCI World (local)           | 6 126   | 0.0%  | 2.4% | 2.4% | United States                           | 0.13  | 0.47       | 1.10    |
| Dow Jones Industrial Avg.    | 31 098  | 0.0%  | 1.7% | 1.7% | Germany                                 | -0.70 | -0.74      | -0.53   |
| S&P 500                      | 3 825   | 0.0%  | 1.9% | 1.9% | United Kingdom                          | -0.13 | -0.04      | 0.29    |
| Nasdaq 100                   | 13 105  | 0.0%  | 1.7% | 1.7% | Switzerland                             | -0.76 | -0.70      | -0.49   |
| EuroStoxx 50                 | 3 645   | 0.0%  | 2.7% | 2.7% | Italy                                   | -0.40 | -0.02      | 0.53    |
| CAC 40                       | 5 707   | 0.0%  | 2.9% | 2.9% | Spain                                   | -0.54 | -0.40      | 0.03    |
| DAX                          | 14 050  | 0.0%  | 2.4% | 2.4% | Portugal                                | -0.70 | -0.46      | -0.03   |
| SMI                          | 10 798  | 0.0%  | 0.9% | 0.9% | Japan                                   | -0.12 | -0.11      | 0.04    |
| FTSE 100                     | 6 873   | 0.0%  | 6.4% | 6.4% | China                                   |       | 2.95       | 3.17    |
| IBEX 35                      | 8 408   | 0.0%  | 4.2% | 4.2% | Brazil                                  | 4.80  |            | 7.47    |
| FTSE MIB                     | 22 794  | 0.0%  | 2.5% | 2.5% | Russia                                  | 4.49  | 5.45       | 6.27    |
| MOEX Russia                  | 3 455   | 0.0%  | 5.1% | 5.1% |                                         |       |            |         |
| Topix                        | 1 855   | 0.0%  | 2.8% | 2.8% | ** All in local currency                |       |            |         |
| Hang Seng                    | 27 878  | 0.0%  | 2.4% | 2.4% | Credit                                  |       |            |         |
| Hang Seng China Enterprises  | 10 956  | -0.9% | 2.0% | 2.0% |                                         | Now   | Last Month | 2019 YE |
| KOSPI (S. Korea)             | 3 152   | -0.1% | 9.7% | 9.7% | <b>Developed Markets</b>                |       |            |         |
| Bovespa (Brazil)             | 125 077 | 0.0%  | 5.1% | 5.1% | iTraxx Europe                           | 48    | 48         | 48      |
| S&P/BMV IPC (Mexico)         | 46 729  | 0.0%  | 6.1% | 6.1% | iTraxx Europe Crossover                 | 252   | 242        | 242     |
|                              |         |       |      |      | US Inv. Grade 5y                        | 50    | 50         | 50      |
|                              |         |       |      |      | US High Yield 5y                        | 292   | 293        | 293     |
|                              |         |       |      |      | <b>Emerging Markets (Hard Currency)</b> |       |            |         |
|                              |         |       |      |      | EM Sovereigns                           | 317   | 323        | 323     |
|                              |         |       |      |      | EM Barclays OAS                         | 276   | 281        | 281     |

| Commodities |         |        |        |        |
|-------------|---------|--------|--------|--------|
|             | Level   | 1-Day  | MTD    | YTD    |
| WTI Crude   | 52.2    | 0.00%  | 7.67%  | 7.67%  |
| Brent Crude | 54.7    | -2.05% | 9.21%  | 9.21%  |
| Gold        | 1 843.9 | -0.24% | -2.84% | -2.84% |
| Silver      | 24.9    | -2.05% | -5.68% | -5.68% |

## Week Ahead

- This week markets will focus on the formal introduction of an article of impeachment against US President Donald Trump – for “incitement of insurrection” – by House Democrats.
- This week’s economic releases include NFIB Small Business Optimism (Tuesday), MBA Mortgage Applications and CPI (Wednesday), Initial Jobless Claims (Thursday), PPI, Empire Manufacturing, Retail Sales, Industrial Production, Business Inventories and Univ. of Michigan Survey (Friday).
- This week’s earnings releases include KB Home (Tuesday), BlackRock, Delta Air Lines and Taiwan Semiconductor Manufacturing Co. (Thursday), Citigroup Inc., JPMorgan & Chase & Co. and Wells & Fargo Co. (Friday).

| EARNINGS WHISPERS      |             |             |             |             |             |             |             |             |             | Most Anticipated Earnings Releases |             |             |             |             |             |             |             |             |             |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| for the week beginning |             |             |             |             |             |             |             |             |             | January 11, 2021                   |             |             |             |             |             |             |             |             |             |
| Monday                 |             | Tuesday     |             | Wednesday   |             | Thursday    |             | Friday      |             | Monday                             |             | Tuesday     |             | Wednesday   |             | Thursday    |             | Friday      |             |
| Before Open            | After Close | Before Open | After Close | Before Open | After Close | Before Open | After Close | Before Open | After Close | Before Open                        | After Close | Before Open | After Close | Before Open | After Close | Before Open | After Close | Before Open | After Close |
|                        |             |             |             |             |             |             |             |             |             |                                    |             |             |             |             |             |             |             |             |             |
|                        |             |             |             |             |             |             |             |             |             |                                    |             |             |             |             |             |             |             |             |             |
|                        |             |             |             |             |             |             |             |             |             |                                    |             |             |             |             |             |             |             |             |             |
|                        |             |             |             |             |             |             |             |             |             |                                    |             |             |             |             |             |             |             |             |             |

## Quote of the week

« He who talks more is sooner exhausted.»

Lao Tzu

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