



## WEEKLY FINANCIAL MARKET OVERVIEW

### period 15.03.2021.-21.03.2021.

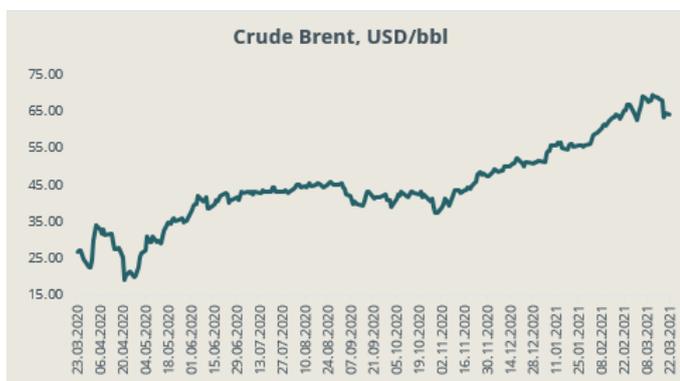
Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	3 913.10	-0.77	0.94	4.18	69.77
DOW JONES INDUS. AVG	32 627.97	-0.46	3.51	6.60	70.17
STOXX Europe 600 Index	423.35	0.06	2.49	6.09	44.47
DAX INDEX	14 621.00	0.82	4.81	6.58	63.75
RTS Index	1 387.46	-2.99	1.29	6.24	59.49
SHANGHAI SE COMPOSITE	3 404.66	0.39	-5.75	-1.15	25.04
NIKKEI 225	29 792.05	-1.85	-3.12	6.45	76.49
MSCI WORLD	2 796.14	-0.91	0.29	3.94	69.37
European Renewable Energy Index	2 292.75	-4.44	-8.84	-16.71	97.68
Chicago Board Options Exchange Volatility Index (VIX)	20.95	1.26	-10.66	-7.91	-68.28
Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 741.70	0.61	-3.71	-8.20	17.18
SILVER Futures	26.29	-1.97	-8.37	-2.56	108.40
LME COPPER 3MO (\$)	9 055.50	-0.31	1.66	16.62	87.71
LME NICKEL 3MO (\$)	16 036.00	1.79	-16.79	-1.89	44.88
Brent	64.53	-6.88	-1.69	23.82	137.73
WTI	61.42	-6.39	-0.46	26.15	172.89
Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.19	-0.27	-2.21	-2.69	10.65
USD/JPY	108.88	0.35	-3.42	-5.03	2.26
GBP/USD	1.39	-0.24	-1.58	1.53	19.93
Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.20	3.89	12.34	-17.41	-83.53
LIBOR EUR 3M	-0.55	0.70	0.86	3.76	-44.73
EURIBOR 3M	-0.54	0.00	0.74	1.10	-37.15
EUR SWAP (EONIA) 3M	-0.48	-0.23	-0.42	-0.92	3.73
Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	1.72	4.45	22.82	83.63	98.36
German Government Bonds 10 YR (EUR)	-0.29	3.92	3.61	48.33	-52.33
UK Government Bonds 10 YR (GBP)	0.84	1.95	20.06	325.38	15.75
Swiss Government Bonds 10 YR (CHF)	-0.24	-3.46	-2.58	56.55	-38.95
Japan Government Bonds 10 YR (JPY)	0.12	0.00	15.00	475.00	53.33

#### Main events of the previous week

The US FED kept the base interest rate at the level of 0-0.25% per annum. The committee decided to maintain the range of the federal funds rate at 0-0.25% and believes it would be appropriate to maintain it at this level until conditions in the labor market reach levels corresponding to estimates of maximum employment, as well as inflation of 2%. The FED improved its forecast for US GDP growth in 2021 from 4.2% to 6.5%, and also raised its forecast for inflation from 1.8% to 2.4%. According to the Fed's forecast, unemployment in the United States will be 4.5% in 2021, 3.9% in 2022 and 3.5% in 2023. The average long-term forecast for unemployment is 4%. The regulator announced plans to continue the asset repurchases in the amount of \$120 billion per month until significant progress is made in achieving employment and inflation targets. The FED said in a statement that economic development will be heavily influenced by the spread of the coronavirus, in particular with the progress of vaccinations, and that the public health crisis continues to weigh on economic activity, employment and inflation, posing significant risks to the economic outlook. US Federal Reserve Chairman Jerome Powell said at a press briefing that the FED will support the economy as long as it takes.

On their March meeting, the Bank of Japan kept the interest rate at the negative level - minus 0.1%. Eight participants in the meeting were in favor of maintaining a negative interest rate, one - against. In addition, the regulator plans to buy an unlimited number of government bonds and continue targeting the yield on 10-year government bonds at a level close to 0%. It is noted that depending on the dynamics of economic activity and prices, profitability may rise and fall to some extent. The regulator also decided to extend the additional repurchase of commercial paper and corporate bonds until the end of September 2021. The maximum purchase amount is about 20 trillion yen in total. The Japanese central bank also kept the annual volume of exchange-traded fund buybacks at about 12 trillion yen and real estate investment trust assets at about 180 billion yen. In the short and long term, the Japanese Central Bank expects rates to remain at the current or lower level.

Also, the Bank of England on Thursday did not change the size of the key rate and the parameters of the stimulus program, expecting the recovery of the British economy in 2021 thanks to the active vaccination of the population against coronavirus. The central bank kept the key rate at 0.1%, the volume of the asset purchase program - at 895 billion pounds. The decision of the Central Bank was adopted unanimously and coincided with analysts' forecasts.



## Economic data

**Eurozone.** The consumer price index in February increased by 0.2% versus January, while the annual inflation amounted to 0.9%. The growth of the core inflation rate, excluding food and energy, in February amounted to 1.1% y/y.

**US.** Retail sales in February fell 3% versus January, while retail sales were expected to decline by only 0.5%. In turn, excluding data on gasoline and car sales from the indicator, retail sales in February decreased by 2.7%.

Industrial production also fell 2.2% in February versus January, while a slight rise of 0.3% was expected. The volume of industrial production decreased by 4.2% compared to February 2020.

The number of initial jobless claims for the week was registered in the amount of 770 thousand, which is 45 thousand more than the week before and 70 thousand more than predicted by analysts.

**China.** The volume of retail sales in January-February, compared to the same period last year, increased by 33.8%. This rapid growth is due to the low base effect, which is due to a full lockdown during same time period last year.

Industrial production in January-February also increased by 35.1% compared to the same period last year, for the same reasons.

The unemployment rate in January-February increased by 0.2 percentage points and amounted to 5.5%.

## Key events this week

- On Wednesday, the Eurozone, as well as the US, will know the level of business activity in March, and the US will also publish data on sales of durable goods for February and changes in oil inventories for the week.
- On Thursday, the US is to publish the latest estimate of GDP growth for the fourth quarter of 2020, as well as the number of initial jobless claims for the week.
- On Friday, the United States will report on changes in personal income and expenses of citizens for February.

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