



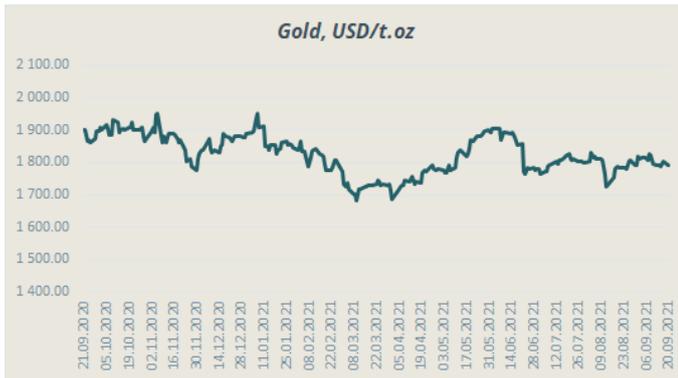
WEEKLY FINANCIAL MARKET OVERVIEW

period 13.09.2021.-19.09.2021.

Financial Markets	Price	5D.%	1M.%	YTD.%	1YR.%
S&P 500 INDEX	4 432.99	-0.57	-0.20	18.02	33.55
DOW JONES INDUS. AVG	34 584.88	-0.07	-1.52	13.00	25.05
STOXX Europe 600 Index	461.84	-2.83	-3.06	13.89	23.23
DAX INDEX	15 490.17	-3.25	-3.90	10.74	15.82
RTS Index	1 387.46	-2.26	5.42	23.35	39.30
SHANGHAI SE COMPOSITE	3 613.97	-2.41	5.45	4.06	8.26
NIKKEI 225	30 500.05	0.39	12.91	11.13	30.56
MSCI WORLD	3 096.62	-0.94	0.54	15.11	30.77
European Renewable Energy Index	2 259.64	-6.13	-8.46	-17.91	22.83
Chicago Board Options Exchange Volatility Index (VIX)	24.64	27.21	32.76	8.31	-4.61
Commodities	Price	5D.%	1M.%	YTD.%	1YR.%
GOLD Futures	1 749.40	-2.19	-1.57	-7.49	-10.24
SILVER Futures	22.30	-5.80	-3.19	-15.28	-17.22
LME COPPER 3MO (5)	9 366.50	-3.95	0.70	19.91	37.34
LME NICKEL 3MO (5)	19 401.00	-5.07	0.86	16.52	28.33
Brent	75.34	1.36	14.31	43.84	72.68
WTI	71.97	0.74	13.88	46.27	72.63
Currencies	Price	5D.%	1M.%	YTD.%	1YR.%
EUR/USD	1.17	-0.82	0.10	-4.21	-0.26
USD/JPY	109.93	0.25	0.05	-5.86	-4.55
GBP/USD	1.37	-1.18	0.37	0.16	6.90
Money Market	Price	5D.%	1M.%	YTD.%	1YR.%
LIBOR USD 3M	0.12	7.02	-2.65	-48.03	-45.52
LIBOR EUR 3M	-0.56	0.81	-0.05	0.93	-8.21
EURIBOR 3M	-0.55	-0.74	0.36	-0.55	-9.38
EUR SWAP (EONIA) 3M	-0.49	0.21	0.31	-1.59	-2.10
Government Bonds	Yield	5D.%	1M.%	YTD.%	1YR.%
US Government Bonds 10 YR (USD)	1.36	1.03	6.74	46.69	93.11
German Government Bonds 10 YR (EUR)	-0.28	6.65	37.58	45.69	36.29
UK Government Bonds 10 YR (GBP)	0.85	9.40	55.83	313.71	345.36
Swiss Government Bonds 10 YR (CHF)	-0.19	13.41	42.20	58.91	52.42
Japan Government Bonds 10 YR (JPY)	0.05	12.50	800.00	125.00	350.00

Main events of the previous week

Rating agencies Fitch, as well as S&P have increased investor fears that the default of one of the largest Chinese developers in China - Evergrande, carries huge risks to both the financial stability of China and the global economy. Against the backdrop of a wave of defaults by Chinese companies on debt obligations that swept the market in the first half of 2021, the current state of Evergrande, whose liabilities are approximately equal to 2% of Chinese GDP, are already being compared with the bankruptcy of the American investment bank Lehman Brothers. It was this that became the starting point of the "Great Recession" of 2008. In August, news emerged of a possible default by the second largest development group in China, the Evergrande Group. The company itself denied them, but after a few days it published a rather poor report on financial condition, which in particular highlighted the problem with liquidity. Market concerns were also confirmed by Fitch, which warned of the "systemic risk" of the company's default. Fitch also emphasizes that the Chinese government will not allow a situation of a sharp increase in prices for housing, credit and mortgage products, but the threshold at which it fully intervenes in the situation is very high. A scenario in which a developer's default will affect the entire real estate market in China and will have wider macroeconomic consequences, Fitch called it unlikely. But it is worth noting that if this "unlikely" scenario were to happen, more than 250 banks and non-bank companies, to which Evergreen owes more than \$300 billion (even the Chinese government cannot provide an accurate estimate of the debt), as well as more than 200 thousand full-time employees and almost 4 million people that Evergrande employs for project work will suffer. Moreover, the subsidiaries of Evergrande Group have already defaulted in amount of \$145 million. Much more pessimistic estimates are given by the international agency S&P, which downgraded the rating of the developer and its subsidiaries from CCC to CC, calling it a default "inevitable". S&P said in a press release that S&P downgraded Evergrande because the company's liquidity appears to be depleted, the risk of non-payment is extremely high and could eventually lead to debt restructuring, which means that a default scenario is almost inevitable. Recall that in the first half of 2021, the volume of defaults by Chinese companies on debt obligations amounted to almost \$10 billion - the largest figure in history. Perhaps this is why the likely default of Evergrande has been compared to Lehman Brothers. After all, the global financial crisis began with the US mortgage crisis in 2007, after which the fall of one of the country's largest banks started the Great Recession.



Economic data

Eurozone. The consumer price index in August rose by 0.4% versus July, while the annual inflation rate was 3%. The growth of the core inflation rate excluding food and energy in August amounted to 1.6% yoy.

Industrial production in July increased by 7.7% compared to July 2020, which exceeded expectations by 1.5%.

US. Retail sales rose 0.7% in August, while retail sales were expected to decline 0.8%. In turn, excluding data on gasoline and car sales from the indicator, retail sales in August rose by 1.8%.

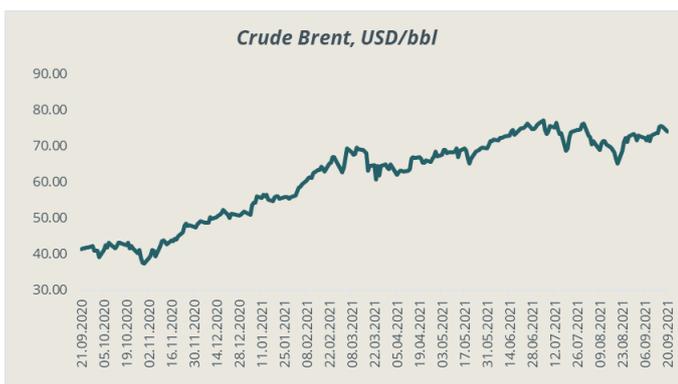
The consumer price index in August rose by 0.3% against July, while the annual inflation rate was 5.3%. The growth of the core inflation rate, excluding food and energy resources, in August amounted to 4% yoy.

The number of initial jobless claims for the week was registered in the amount of 332 thousand, which is 20 thousand more than the week before and 2 thousand more than predicted by analysts.

China. Industrial production in August increased by 5.3% compared to August 2020, which was a slowdown in industrial growth, as an increase of 5.8% was expected.

Retail sales rose 2% in August, while retail sales were expected to grow by 7%.

The unemployment rate in August remained at the July level and amounted to 5.1%.



Key events this week

- On Wednesday, the US will publish data on home sales in the secondary market for August, as well as changes in oil reserves for the week, in turn, the Fed will publish its decision on the interest rate and will give its assessment of the US economy.
- On Thursday, the level of business activity in September will become known in the Eurozone and the US, as well as the number of initial jobless claims for the week that will be published in the US.
- On Friday, the US will publish data on new home sales for August.



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