



## WEEKLY FINANCIAL MARKET OVERVIEW period 20.09.2021.-26.09.2021.

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	4 455.48	0.51	-1.20	18.62	35.08
DOW JONES INDUS. AVG	34 798.00	0.62	-1.86	13.69	28.06
STOXX Europe 600 Index	463.29	2.66	-1.30	16.83	31.14
DAX INDEX	15 531.75	3.70	-1.00	14.39	25.85
RTS Index	1 387.46	2.76	5.01	25.95	50.05
SHANGHAI SE COMPOSITE	3 613.07	-0.67	1.72	3.16	11.29
NIKKEI 225	30 248.81	-0.27	9.40	10.19	30.32
MSCI WORLD	3 103.53	1.88	-0.96	15.37	33.38
European Renewable Energy Index	2 375.66	3.90	-2.93	-13.70	31.04
Chicago Board Options Exchange Volatility Index (VIX)	17.75	-30.96	8.30	-21.98	-32.71
Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 749.70	-0.30	-3.30	-7.31	-5.45
SILVER Futures	22.39	0.42	-6.30	-15.24	-3.16
LME COPPER 3MO (\$)	9 273.50	0.22	-0.46	20.17	43.06
LME NICKEL 3MO (\$)	19 351.00	0.15	1.64	16.70	35.93
Brent	78.09	6.79	8.58	52.39	88.31
WTI	73.98	6.36	8.76	54.08	85.74
Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.17	-0.09	-0.70	-4.20	0.48
USD/JPY	110.73	-1.09	-0.71	-6.62	-4.57
GBP/USD	1.37	0.33	-0.54	0.28	6.51
Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.13	6.76	8.62	-44.52	-43.30
LIBOR EUR 3M	-0.56	0.46	0.53	1.39	-8.07
EURIBOR 3M	-0.54	0.91	1.09	0.37	-10.14
EUR SWAP (EONIA) 3M	-0.49	0.08	0.31	-1.59	-2.43
Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	1.45	10.18	10.49	58.14	120.68
German Government Bonds 10 YR (EUR)	-0.23	25.00	43.26	57.82	54.63
UK Government Bonds 10 YR (GBP)	0.93	16.25	59.69	368.53	388.36
Swiss Government Bonds 10 YR (CHF)	-0.16	27.39	51.17	69.64	65.71
Japan Government Bonds 10 YR (JPY)	0.05	11.11	233.33	150.00	900.00

### Main events of the previous week

Last week, the Organization for Economic Co-operation and Development (OECD) lowered its forecast for global economic growth for 2021 to 5.7% from the previously expected 5.8%. The forecast for global GDP growth for 2022 has been improved to 4.5% from 4.4%. The OECD report says that the global economy is growing much faster than could be expected a year ago, but its recovery remains uneven, which puts a number of risks in developed and developing countries alike. The OECD also notes that massive incentives from governments and central banks helped to avoid the worst when the pandemic began. World GDP has so far exceeded pre-pandemic levels, but in many countries, especially in developing countries where vaccination rates are low, the lag behind pre-crisis indicators in both GDP and employment remains. The OECD believes that the economic impact of the new COVID-19 delta strain is still rather weak for countries with a high proportion of vaccinated populations, but this factor has slowed the momentum for economic growth and increased pressure on supply chains as well as prices. A sharp increase in inflation rates is apparent in the USA, Canada, Great Britain and some developing countries, but in many other developed countries, especially in Europe and Asia, inflation remains quite low.

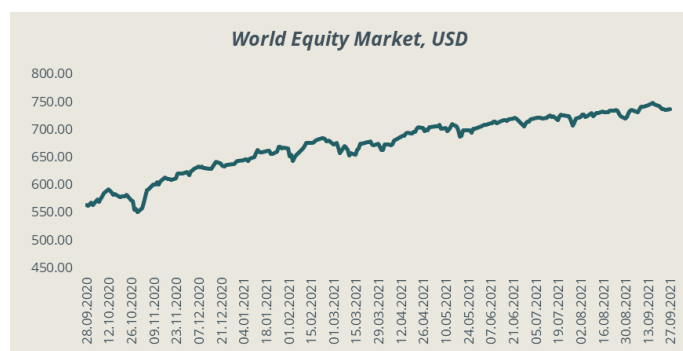
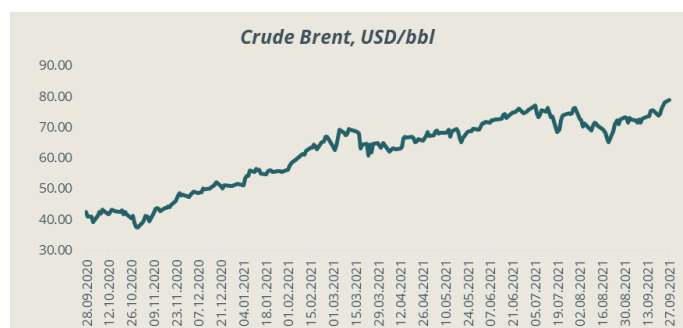
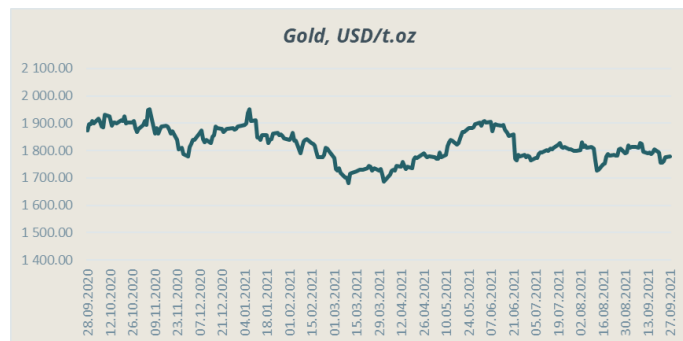
The US Federal Reserve kept its base interest rate at 0-0.25%. The Open Market Committee believes it would be prudent to maintain this range until labor market conditions reach levels in line with estimates of maximum employment and inflation rises to the 2% target. The Fed will also continue to buy at least \$80 billion in Treasury bonds monthly and mortgage-backed securities (MBS) for at least \$40 billion monthly. However, according to the committee, a slowdown in the pace of asset purchases may soon be required if the development of the economy as a whole meets its expectations. The Fed also lowered its forecast for the country's GDP growth in 2021 to 5.9% from 7%. At the same time, the forecast for the growth of the American economy for 2022 and 2023 was improved to 3.8% from 3.3% and to 2.5% from 2.4%, respectively. In 2024, US GDP is projected at 2%. The Fed also raised its forecast for inflation in 2021 to 4.2% from 3.4%, in 2022 - to 2.2% from 2.1%. In 2023 and 2024, inflation is expected at 2.2% and 2.1%, respectively. The forecast for US unemployment in 2022 was downgraded to 4.8% from 4.5%. In 2022 and 2023, this indicator is projected at the level of 3.8% and 3.5%, in 2024 - at the level of 3.5%. Among other things, all 18 committee members kept the forecast for the base interest rate in 2021 at the level of 0-0.25%. As for the following years, nine members of the committee in 2022 are in favor of keeping the rate at the same level, six for an increase from 0.25-0.5%, three for an increase to 0.5-0.75%. At the same time, in 2023, most committee members expect the rate to rise to 1-1.25%. In 2024, the largest number predicts an increase to 2-2.25%.

The Bank of Japan left its monetary policy unchanged following its meeting on September 22, but worsened its assessment of exports and industrial production. The Japanese central bank kept the short-term interest rate at minus 0.1%, and the benchmark for the yield of 10-year government bonds - at about 0%. With this, the regulator has strengthened expectations that large-scale incentives will not go anywhere in the foreseeable future, although many large economies have already begun to think about curtailing emergency measures to support the economy. The regulator retained the overall assessment of the Japanese economy, noting that it is in a growing trend, but remains in dire straits due to the effects of the pandemic.

The Bank of England at the meeting ended September 22, kept the base interest rate at 0.1% per annum. The committee also advocated maintaining the volume of



asset purchases financed by the Central Bank issue at £20 billion and continuing the UK government bond purchase program in the amount of £875 billion. This brings the overall target for asset purchases to £895bn. The regulator added that at its previous meeting, the committee indicated the possible need for some tightening of monetary policy if the economy develops in accordance with baseline forecasts. However, despite the supporting factors, significant doubts remain.



## Economic data

**Eurozone.** According to the preliminary assessment of the PMI business activity index in September, the indicator decreased by 2.9 points compared to the previous month and amounted to 56.1 points. Of the indicators that make up the index, business activity in the service sector was 2.7 points lower, and the state of the manufacturing sector also fell 2.7 points.

**US.** According to the preliminary assessment of the PMI business activity index in September, the indicator decreased by 0.9 points compared to the previous month and amounted to 54.5 points. Of the indicators that make up the index, business activity in the service sector was 0.7 points lower, and the state of the manufacturing sector also decreased by 0.6 points.

The number of initial jobless claims for the week was registered in the amount of 351 thousand, which is 16 thousand more than the previous week and 31 thousand more than predicted by analysts.

## Key events this week

- On Monday, data on sales of durable goods in the US for August will become available.
- On Thursday, China will know the level of business activity in the industrial sector in September, and the US will publish the number of initial claims for the week, and will also publish the latest estimate of GDP growth for the second quarter.
- On Friday, the Eurozone will report on the rise in prices for September, and the US will publish data on personal income and personal spending of Americans.

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