

Weekly Investment Update

16th April 2021



News Headlines

Biden's sanctions – US President, Joe Biden, announced fresh sanctions on Russia in retaliation for alleged misconduct related to efforts to disrupt the US election and the SolarWinds cyber hack. The sanctions imposed included the expulsion of ten Russian government officials for the US as well as barring up to 30 Russian entities from working with or entering the US. Furthermore, President Biden is set to issue an executive order barring any US institution from purchasing rouble bonds issued by Russia, in an attempt to target Russia's sovereign debt and the country's economy.

Economic data – A slew of economic data released this week showed that major economies are recovering quickly from pandemic lows. In the US, retail sales totalled \$619.1 billion in March, soaring nearly 10% month over month, unemployment claims fell to their lowest level in more than a year, and manufacturing data out of New York and Philadelphia hit their highest levels since 2017 and 1973 respectively.

China's gross domestic product grew 18.3% in the first quarter of 2021, helped by soaring export numbers and rebounding from the 6.8% contraction in the same period last year as the pandemic took hold. The 18.3% growth is the highest figure published since China started to publish quarterly data in 1992. Finally, the UK economy grew by 0.4% in February from January as companies prepared for the lifting of the third covid-19 lockdown.

Market Summary

Global Equities – Global stock markets hit record highs as the covid-19 recovery picked up pace. The UK FTSE 250, Europe's Stoxx 600, the S&P 500 and Dow Jones hit all-time highs. The UK FTSE 100 also broke through the 7,000 points barrier for the first time since February 2020. The unexpected pace of the economic recovery in major economies, generous government stimulus packages, and an abundance of strong corporate earnings have all boosted investor sentiment for risk-assets, pushing equity markets higher.

Commodities – Gold hovered around near one-month highs, making gains for the second straight week against the US dollar. The price of the precious metal was given a boost by a drop in US Treasury yields, as well as a weaker US dollar.

Oil prices (Brent Crude & WTI) hit one-month highs this week due to a brighter demand outlook, as the latest economic data out of the US and China bolstered expectations of a solid global economic recovery from the pandemic induced slump.

The information provided is not to be treated as specific advice. It has no regard for the specific investment objectives, financial situation or needs of any specific person or entity. The investments discussed in this document may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor.

Ascencia Investment Management Limited Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY.

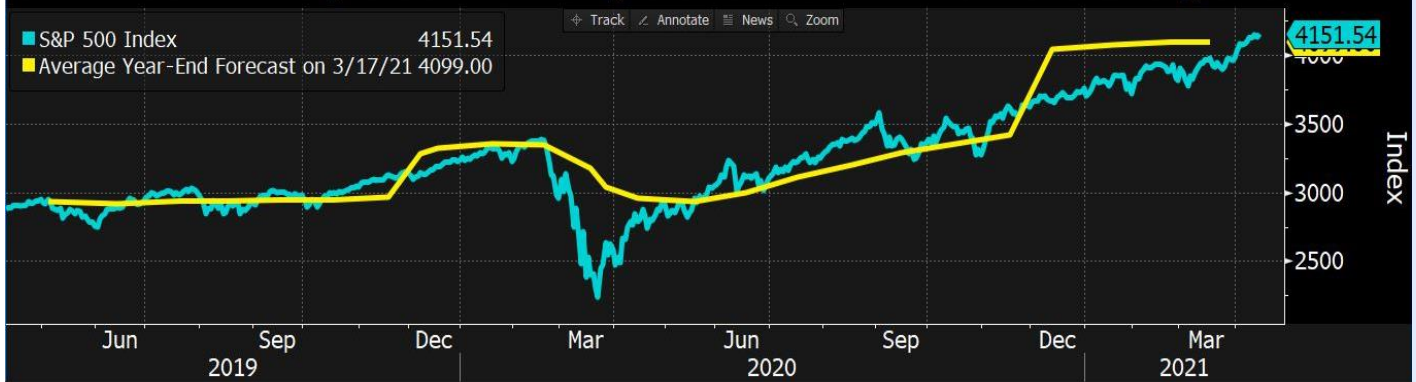
T: 0161 886 8000 | E: enquiries@ascenciaim.co.uk | www.ascenciaim.co.uk

Ascencia Investment Management Limited is a subsidiary of Frenkel Topping Group Plc and is authorised and regulated by the Financial Conduct Authority No: 409409. Ascencia Investment Management Limited Registered in England No: 05010380.

Chart of the Week

S&P 500: Too Much Too Quickly?

Index has already reached the year-end forecast from strategists



Source: Bloomberg – The US S&P 500 has already reached its year end forecast as it hits record highs

Key Economic Releases Next Week

Monday	Tuesday	Wednesday	Thursday	Friday
	- UK claimant count rate	- UK CPI - Bank of Canada rate decision	- ECB rate announcement	- Japan unemployment rate - Japan CPI - UK retail sales

Market Performance – 15/04/2021

Global Market Indices	2021 YTD %*
FTSE 100	7.53%
S&P 500	13.18%
DAX	11.14%
Nikkei 225	9.37%
Hang Seng	5.15%
Fixed Income	Yield %
UK 10 Yr Gilt	0.76%
US 10 Yr Treasury	1.57%
Commodities	2021 YTD %
Gold	-6.78%
Currency	
GBP/USD	1.38 (16/04/2021)
GBP/EUR	1.15 (16/04/2021)

Source: FE Analytics/ Bloomberg.com

*Total Return/Local currency

The information provided is not to be treated as specific advice. It has no regard for the specific investment objectives, financial situation or needs of any specific person or entity. The investments discussed in this document may not be suitable for all investors. Investors should make their own investment decisions based upon their own financial objectives and financial resources and, if in any doubt, should seek advice from an investment advisor.

Ascencia Investment Management Limited Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY.

T: 0161 886 8000 | E: enquiries@ascenciaim.co.uk | www.ascenciaim.co.uk

Ascencia Investment Management Limited is a subsidiary of Frenkel Topping Group Plc and is authorised and regulated by the Financial Conduct Authority No: 409409. Ascencia Investment Management Limited Registered in England No: 05010380.