

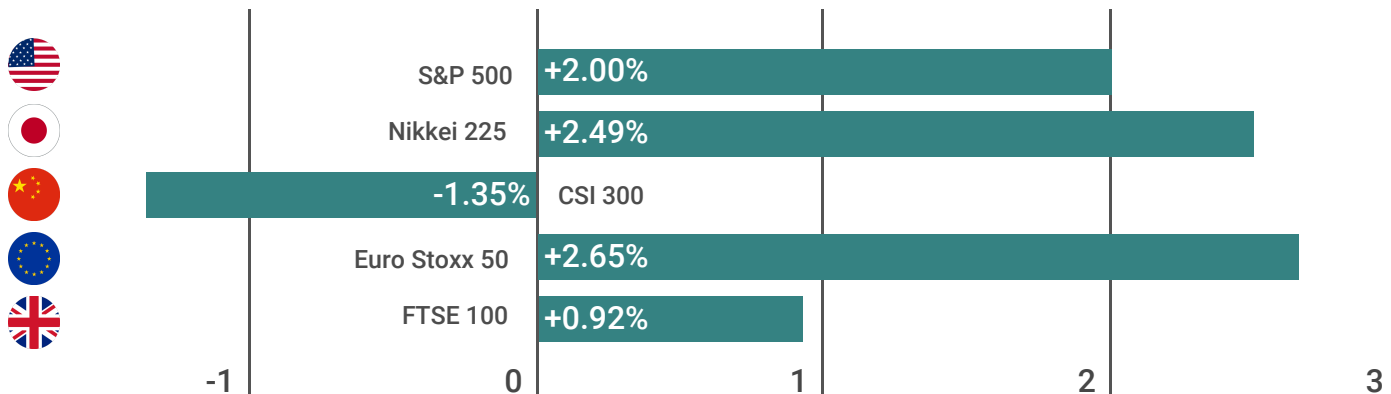
# Weekly Market Update

8 November 2021

Equity markets were positive across the world last week, except for China where the concerns about the strength of its property sector and rising Covid-19 cases weighed on markets. In the UK, the central bank keeps interest rates unchanged, and, in the US, the long-awaited infrastructure bill is approved.



## Market Monitor (%): How did major stock markets perform last week?



### Market Update:



UK

Following the Bank of England's decision to keep interest rates unchanged, the Pound weakened which led to gains in equity markets. UK stocks tend to gain when the pound falls because many companies that are part of the FTSE 100 are multinationals with overseas revenues. On the economic front, business activity in the UK hit a three-month high in October, indicating that the economy continues its recovery from the pandemic. Data suggests the current Covid-19 wave has peaked.



US

Stocks posted impressive weekly gains due some positive comments coming out of the country's central bank, healthy economic data, and another strong week of companies reporting earnings. The week ended with the House of Representatives approving Joe Biden's \$1.2tn infrastructure bill late on Friday night.



### Europe

Shares in Europe rose on strong earnings results from companies and signals from the European Central Bank that interest rates would stay low for some time, saying that an interest rate hike is "very unlikely" next year. On the covid-front, cases are on the rise and the European region is now the "epicentre" of the global coronavirus pandemic, and on the economic front, data for September shows industrial production falling due to supply chain issues.



### Japan

Japanese equities were buoyed over the week by the convincing election victory of Prime Minister Fumio Kishida's ruling Liberal Democratic Party. Investors were encouraged by the prospects of stable government and policy continuity. Japan's household spending fell in September amid consumers' continued caution due to the coronavirus pandemic. However, news that Japan was set to ease its strict coronavirus-related entry rules was welcomed by investors.

### China



Chinese markets recorded a weekly loss as headlines about the property sector and a growing COVID-19 outbreak across the country dampened investor sentiment. Restrictions in many places raised worries about supply chain constraints dampening the country's growth outlook. Data showed that factory activity continued to fall and is the latest sign that the economy was losing steam after a strong recovery. In addition to slowing industrial growth, the troubled property sector, and lukewarm consumption, China is also grappling with a worsening power crunch.



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