



Republic Wealth Management

Where Wealth Grows

International Highlights 2021



United States

Key events:

- For fiscal year 2021, the FOMC federal funds rate remained unchanged over the past three quarters at **0% - 0.25%** in order to achieve its maximum employment and price stability goals.

COVID-19 stimulus updates for 2021

On March 11, 2021, the fifth major stimulus package estimated at US\$1.9trillion dubbed “The American Rescue Plan” was signed into law by President Biden. This plan was designed to facilitate the United States’ recovery from the devastating economic and health effects of the pandemic. It aims to mitigate the economic effects of the pandemic along with strategies to combat the virus itself.

In November 2021, President Biden signed the US\$1.2trillion bipartisan infrastructure bill. The legislation will help ease inflationary pressures and strengthen supply chains by making improvements to ports, airports, rail, and roads



United Kingdom

Key events:

- S&P Global Ratings real GDP forecast as at November 2021 for the UK was approximately **6.9%** for 2021.
- The UK is adapting to the pandemic, with the main line of defense being the vaccination rather than lockdown. The Test, Trace and Isolate system has reduced the number of positive community cases. Furthermore, rules and regulations have mostly been replaced with advice and guidance on the practical steps to help reduce the risks.
- Following the event of the UK leaving the EU and taking into account the subsequent transition period, along with the impact of the COVID-19 pandemic, global recession and supply chain disruption, have caused higher levels of volatility in trade statistics in the past two years.



Euro Area

Key events:

- S&P Global Ratings real GDP forecast as at November 2021 for the UK was approximately **6.9%** for 2021
- The euro area GDP increased by **2.2%** in Q3 2021, compared to a 3.9% increase from the same quarter in the previous year.
- Annual inflation rate is estimated to be **5.0%** in December 2021, up from **-0.3%** in December 2020.
- The unemployment rate was **7.2%** in November 2021 down from **7.4%** in November 2020.

Emerging Markets



BRAZIL

Brazil's Economy Ministry projected GDP to grow by **5.10%** in 2021 down from the previous estimate of **5.30%**. The inflation outlook was also increased to **9.70%** for 2021. The decision to cut the GDP outlook was due to higher interest rates, as Brazil's central bank raised its benchmark interest rate 150bps to **7.75%** in November. However, despite lower outlooks for GDP, Brazil's government remains optimistic.



CHINA

After a strong rebound in the first half of 2021, economic activity in China declined in the second half of this year, thus projecting real GDP growth to reach **8.00%** for 2021.



INDIA

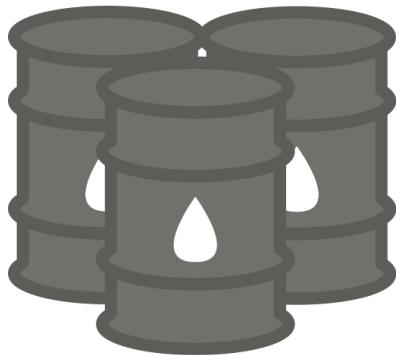
India's forecasts real GDP to be **7.30%** in 2020/21. India's economy has been gradually improving following the government lifting mobility restrictions in June to limit COVID-19.

Money Markets



Money Market Interest Rates	Quarter ended December 31, 2021	Annual Change (%)
US 90-day T-Bill	0.0383%	-0.0241%
SOFR Rate	0.0500%	-0.0200%
US 10-Year Treasury	1.5101%	0.5969%

Commodity Prices



Commodity Prices	Quarter ended December 31, 2021	Annual Change (%)
OIL (WTI) (US\$ per barrel)	75.21	55.01%
NATURAL GAS (US\$ per MMBtu)	3.73	46.91%
GOLD (US\$ per Troy Ounce)	1,829.20	-3.64%

International Market Watch

Global economy to grow at **4.20%** in 2022 before slowing to **3.50%** in 2023 - 2024.



Total Return	Quarter ended December 31, 2021	Annual Return 2021
MSCI World Index	7.77%	21.82%
S&P 500 Index	11.02%	28.68%
FTSE 100 Index (UK)	4.75%	18.40%
Nikkei 225 Index	-2.14%	6.62%
MSCI Emerging Markets Index	-1.31%	-2.54%
Bloomberg Barclays Global Aggregate Bond Index	-0.67%	-4.71%
Bloomberg Barclays US Aggregate Bond Index	0.01%	-1.54%

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