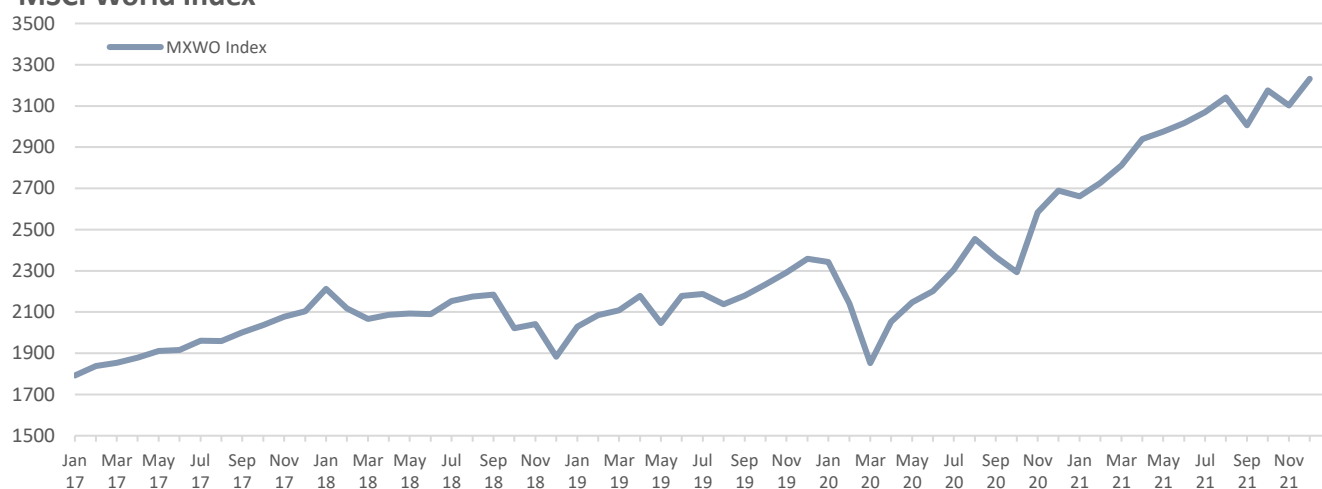




OVERVIEW

In December 2021, the global economy experienced a strong finish. Global equities, as measured by the MSCI All Country World Index, increased 18.54% year-on-year(y-o-y). Inflationary pressures have remained and are another important issue, primarily in the US and the Eurozone. Quantitative Easing (QE) efforts in combination with the strong underlying global demand and supply chain bottlenecks, have resulted in renewed concerns on the impact of inflation. Central banks across the world serially announced plans to adjust their ultra-accommodative monetary policies such as the winding down of QE programmes and rate-hike path for 2022 and 2023.

MSCI World Index



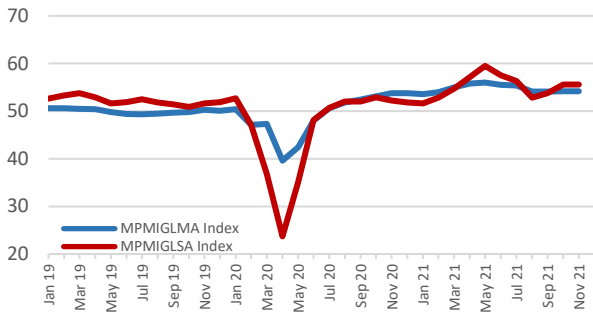
In United States, the economy had a strong fourth quarter with GDP at a rate of 6.9% and annual GDP growth at 5.7%. However, US central bank announced that they will be scaling back total purchases by \$15 billion a month, from \$120 billion to \$105 billion. The Fed has also decided to double the pace at which it tapers on Dec. 15. Rather than \$15 billion, the Fed will reduce purchases by \$30 billion every month. It is expected to end in March 2022 where the first interest rate hike will materialize. Consumer confidence recovered well in December with the index provided by the Conference Board rising to 115.1 in December. US inflation stands at 7% at end of 2021. The unemployment rate fell to 3.9% in December as compared with 4.2% in November. However, the participation rate remained low, standing at 61.9% in December.

As for Euro-zone, the growth dynamic in 4Q21 remained resilient, despite the rise of COVID-19 infections and associated social distancing measures. Inflation rose further in December, continuing the rising trend seen in November and October. The inflation in Euro-zone stands at 5% y-o-y in December as compared to 4.8% y-o-y in November. The labor market in Euro-zone continued to improve where unemployment dips, standing at 7.2% in November.

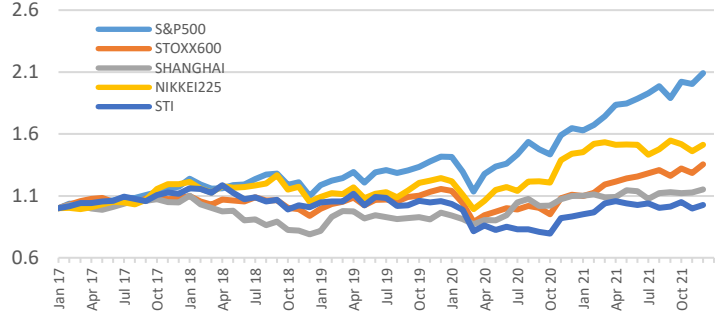
For Japan in 4Q21, the economic situation was largely improved, with vaccination rates at 80%. Consumer confidence strongly increased in 4Q21, standing at 38.9 in December as compared to 39.3 in November. This points toward a continued rebound in domestic consumption which is likely to be supported by further stimulus measures.



Global PMI



Major Indices





MARKET STATISTICS

ECONOMY

Economy

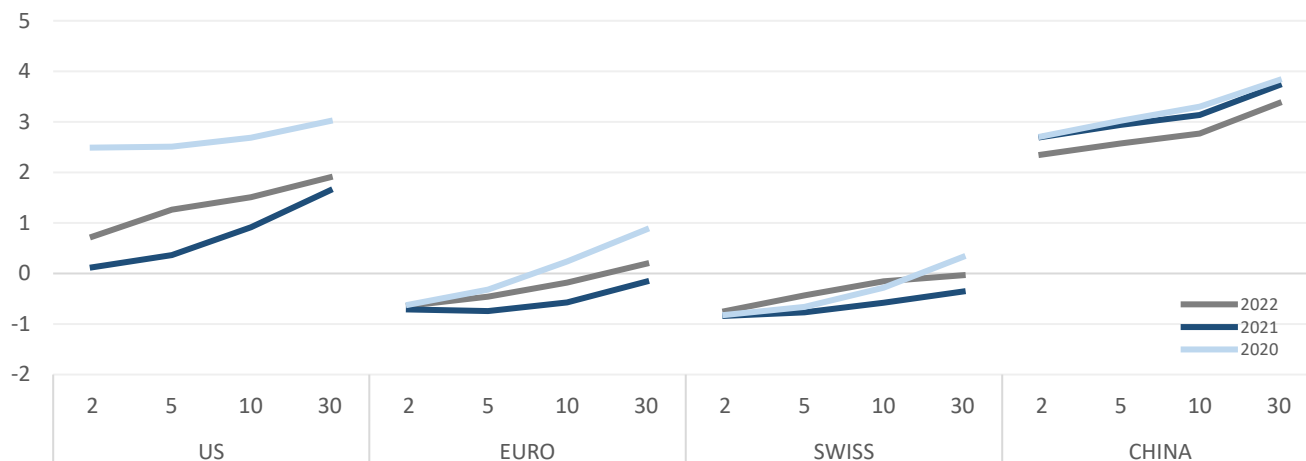
	%1M	%6M	%1Y	3Y		%1M	%6M	%1Y	3Y
World MPMI	0.2%	-2.2%	0.9%		EM MPMI	1.0%	0.8%	-2.2%	
World SPMI	-1.6%	-4.9%	5.6%		EM SPMI	0.5%	5.0%	-1.0%	
US CPI	0.6%	3.4%	7.1%		EU CPI	0.5%	2.7%	5.3%	
US PPI	0.4%	4.3%	10.0%		EU PPI	3.0%	17.5%	26.3%	
US UNEMP	-7.1%	-33.9%	-41.8%		EU UNEMP	-3.1%	-11.3%	-16.0%	
US MPMI	-3.0%	-3.4%	-2.8%		EU MPMI	-0.5%	-8.2%	5.1%	
					EU SPMI	-5.0%	-8.9%	14.4%	
CHINA MPMI	2.0%	-0.8%	-4.0%		SWISS MPMI	0.6%	-4.3%	9.6%	
CHINA SPMI	1.9%	5.6%	-5.7%		SWISS SPMI	1.2%	-4.5%	21.0%	

KEY RATES

Sovereign Key Rates

	Dec	Δ1M	Δ6M	Δ1Y		Dec	Δ1M	Δ6M	Δ1Y
US 2Y	0.7342	0.1662	0.3184	0.1275	EU 2Y	-0.6356	0.1107	-0.0798	0.0486
US 5Y	1.2638	0.1025	0.2702	0.5295	EU 5Y	-0.4613	0.1609	-0.0329	0.1524
US 10Y	1.5118	0.0650	-0.0220	0.5532	EU 10Y	-0.1817	0.1692	-0.1423	0.3636
US 30Y	1.9042	0.1111	-0.2943	0.4412	EU 30Y	0.1915	0.2531	-0.3494	0.4505
CHINA 2Y	2.3507	-0.1222	-0.1752	-0.0533	SWISS 2Y	-0.7455	0.0424	-0.0111	0.0625
CHINA 5Y	2.5734	-0.0939	-0.2573	-0.0141	SWISS 5Y	-0.4308	0.0851	0.0599	0.1919
CHINA 10Y	2.7720	-0.0865	-0.2269	-0.0533	SWISS 10Y	-0.1526	0.1060	-0.0116	0.3318
CHINA 30Y	3.3210	-0.0486	-0.2870	-0.0724	SWISS 30Y	-0.0374	0.1317	-0.1994	0.3902

3Y Sovereign Yield Curve



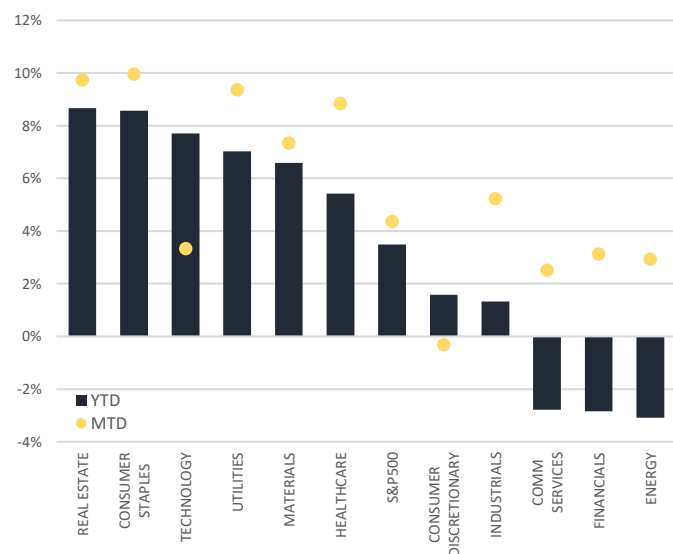


EQUITIES

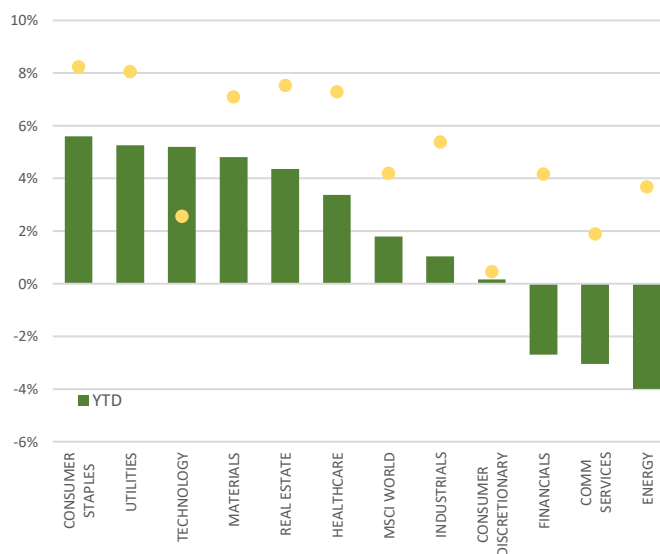
Equities	Dec	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y
WORLD	4.19%	1.80%	20.14%	19.71%	12.51%	16.33%	
EM	1.62%	-2.59%	-4.59%	8.45%	6.26%	12.78%	
ASIA PAC	1.76%	-2.08%	-3.40%	9.59%	6.39%	12.29%	
US	4.36%	3.49%	26.89%	23.88%	15.90%	18.56%	
EUROPE	5.47%	2.71%	22.38%	12.28%	5.79%	10.34%	
CHINA	-3.16%	-8.78%	-22.37%	5.79%	6.10%	14.19%	
SWISS	6.11%	5.90%	20.76%	15.28%	9.39%	9.16%	

Style	Dec	YTD	Dec	YTD
WORLD LARGE CAP	4.24%	2.11%	US LARGE CAP	4.36%
WORLD SMALL CAP	3.58%	-1.52%	US SMALL CAP	4.53%
WORLD VALUE	6.42%	2.22%	US VALUE	6.40%
WORLD GROWTH	2.05%	1.27%	US GROWTH	-0.76%
WORLD MOMENTUM	1.47%	-1.64%	US MOMENTUM	-0.23%

S&P500 SECTOR RETURNS



MSCI WORLD SECTOR RETURNS



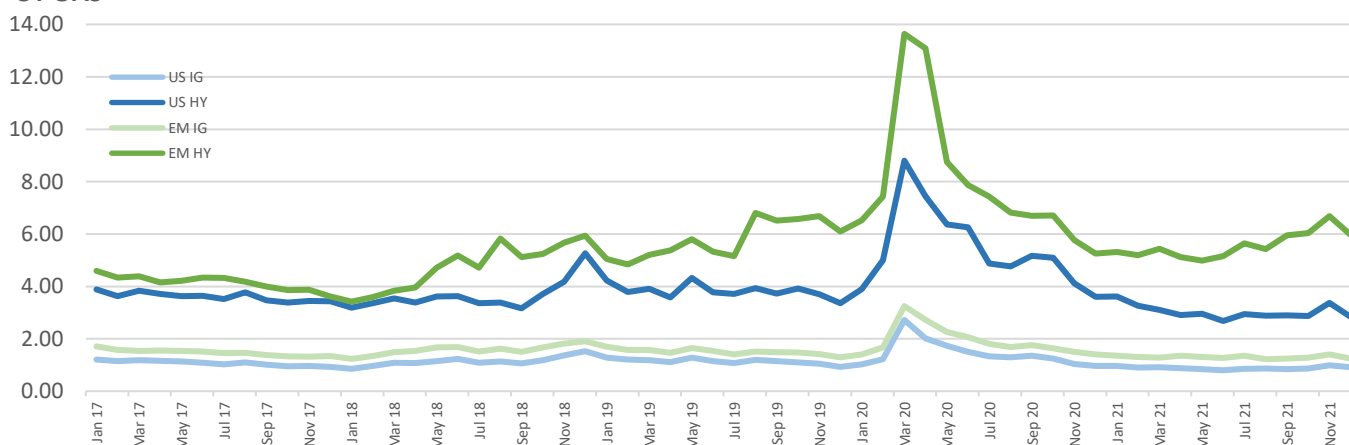


FIXED INCOME

Fixed Income	Dec	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y CURVE
WORLD AGG	-0.14%	-0.43%	-4.71%	3.59%	3.13%	4.20%	
US AGG	-0.26%	0.04%	-1.54%	4.79%	3.53%	4.65%	
EUROPE AGG	-1.13%	0.09%	-2.11%	2.81%	2.05%	2.59%	
CHINA AGG	0.60%	1.92%	8.41%	7.14%	5.99%	6.88%	
EM AGG	0.98%	-0.11%	-1.65%	5.82%	4.31%	5.22%	
SWISS AGG	-0.80%	0.63%	-2.06%	0.61%	0.45%	1.40%	

OAS											
	Dec	Δ1M	Δ6M	Δ1Y	Δ3Y		Dec	Δ1M	Δ6M	Δ1Y	Δ3Y
WORLD IG OAS	0.97	-0.08	0.11	-0.03	-0.58	EM IG OAS	1.25	-0.15	-0.02	-0.15	-0.66
WORLD HY OAS	3.81	-0.56	0.36	-0.29	-1.64	EM HY OAS	5.96	-0.72	0.81	0.71	0.02
US IG OAS	0.92	-0.07	0.12	-0.04	-0.61	EURO IG OAS	0.97	-0.12	0.11	0.03	-0.58
US HY OAS	2.83	-0.54	0.15	-0.77	-2.43	EURO HY OAS	3.18	-0.37	0.28	-0.40	-1.95

5Y OAS





FX & COMMODITIES

Commodities	Dec	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y Curve
BBG Index	3.53%	-4.04%	27.11%	9.86%	3.63%	13.71%	
BBG Energy	2.82%	-14.79%	52.13%	-0.87%	-2.51%	23.77%	
BBG Agri & Livestock	3.27%	3.30%	23.86%	10.81%	1.99%	16.24%	
BBG Soft	0.29%	3.73%	43.97%	15.60%	-0.79%	18.72%	
BBG Precious Metals	2.82%	1.28%	-6.11%	11.34%	6.57%	12.61%	
BBG Industrial Metal	6.40%	3.92%	30.34%	17.50%	9.47%	18.03%	
	Dec	YTD	1Y	3Y Ann	S-Term	M-Term	3Y CURVE
BBG Gold	2.94%	2.39%	-4.28%	10.97%	1825-18925	1800-1900	
BBG Brent Crude	12.93%	-4.69%	65.56%	15.39%	75-90	70-85	

Currencies	Dec	1M HIGH	1M LOW	1M SD	S-Term	M-Term	1M CURVE
EUR/USD	1.137	1.1343	1.124	0.26%	1.12-1.17	1.12-1.17	
USD/JPY	115.08	114.87	112.78	0.47%	113-117	114-118	
GBP/USD	1.3532	1.3441	1.3204	0.51%	1.32-1.38	1.33-1.39	
USD/CHF	0.9129	0.9254	0.9172	0.28%	0.90-0.94	0.91-0.95	
USD/CNY	6.3561	6.3776	6.3443	0.12%	6.35-6.42	6.35-6.42	
USD/SGD	1.349	1.3717	1.3569	0.30%	1.35-1.39	1.34-1.38	

FX & COMMODITIES VIEW

Amid the inflationary pressures observed in major economies, commodity prices broadly increased in December. Energy commodities prices rose by approximately 2.8% m-o-m as compared to November. The price increase in oil was mainly due to the recovery in global oil demand as well as gradual oil production adjustments adopted by OPEC and non-OPEC countries in the signing of the Declaration of Cooperation agreement. The price of gold rose as concerns over the spread of the Omicron variant led to investors seeking safe havens which resulted in the bullion's year-end rally.

The US dollar continued to appreciate in December. The USD is expected to stay supported with rising market expectations for the Fed to tighten monetary policy in 2022. The USD/JPY consolidated under resistance at 115.08 which is its YTD high. The EUR/USD rose to 1.137 which is its highest level since mid-November. GBP rose to its 1-month high as the market betted on a Bank of England rate hike.



THEME OF THE MONTH

Omicron – the dominant strain

In December, a new Covid variant called Omicron surfaced. The Omicron variant is highly transmissible as compared to previous variants including Delta variant. Within December, Omicron became the dominant variant accounting for 73% of all Covid-19 cases in the United States, which displaced the previous dominant Delta variant. This variant was first detected in the southern Africa in end-November and labelled as a "variant of concern" by the World Health Organisation. The first U.S case was confirmed on the 1st of December in California. While there are evidence showing that Omicron is less virulent as compared to Delta, the sudden surge in infection levels still strained the healthcare system and caused a spike in hospitalisation. By mid-December, the covid infection cases in U.S. topped 50 million.

The rapid spread of Omicron forced many companies to halt their return-to-office plans as well as physical events. Also, companies like JPMorgan Chase & Co. had to either postpone or shift their planned meeting and/or conferences to online mode.

U.S. mandated pre-departure testing for all air travellers regardless of their vaccination status. Vaccinated travellers previously had to be tested within three days before boarding but it was cut to one day. Other countries like U.K and Switzerland are also tightening their travel restrictions to curb the spread of Omicron. Omicron accounts for about 11% of all cases in Ireland and still rapidly spreading. Ireland's government reduced the vaccine dose interval from five months to three and offered a fourth dose for people with compromised immune systems. Their daily confirmed infections were more than 4000 per day. During mid-December, China also reported their 1st Omicron case in city of Tianjin and confirmed that the infection was from an overseas arrival. Countries like New Zealand also delayed their border reopening due to rapid spread of Omicron. They also increased the quarantine period for returning travellers from seven to ten days.

Worldwide 7-days Daily Average Covid-19 Cases



Source: Bloomberg



Date	Country	Event	Period	Surv(M)	Actual	Prior	Revised
12/01	Japan	Capital Spending YoY	3Q	1.5%	--	5.3%	--
12/01	Russia	Markit Russia PMI Mfg	Nov	51.4	--	51.6	--
12/01	United Kingdom	Nationwide House PX MoM	Nov	0.4%	--	0.7%	0.8%
12/01	United Kingdom	Nationwide House Px NSA YoY	Nov	9.3%	--	9.9%	--
12/01	Italy	Markit Italy Manufacturing PMI	Nov	61.1	--	61.1	--
12/01	United States	ADP Employment Change	Nov	525k	--	571k	530k
12/01	Canada	Markit Canada Manufacturing PMI	Nov	--	--	57.7	--
12/01	United States	ISM Manufacturing	Nov	61.2	--	60.8	--
12/02	Russia	Unemployment Rate	Oct	4.4%	--	4.3%	--
12/02	Russia	Retail Sales Real YoY	Oct	4.9%	--	5.6%	5.8%
12/02	United States	Initial Jobless Claims	Nov 27	240k	--	199k	194k
12/03	France	Industrial Production MoM	Oct	0.6%	--	-1.3%	-1.5%
12/03	France	Industrial Production YoY	Oct	-0.4%	--	0.8%	0.2%
12/03	United States	Change in Nonfarm Payrolls	Nov	550k	--	531k	677k
12/03	Canada	Net Change in Employment	Nov	37.5k	--	31.2k	20.0k
12/03	Canada	Unemployment Rate	Nov	6.6%	--	6.7%	6.8%
12/03	United States	Unemployment Rate	Nov	4.5%	--	4.6%	--
12/03	United States	Factory Orders	Oct	0.5%	--	0.2%	0.5%
12/06	Greece	Factory Orders MoM	Oct	-0.3%	--	1.3%	2.4%
12/07	Greece	Industrial Production SA MoM	Oct	1.0%	--	-1.1%	-0.3%
12/07	Greece	ZEW Survey Expectations	Dec	25.4	--	31.7	--
12/07	Greece	ZEW Survey Current Situation	Dec	5.7	--	12.5	--
12/08	Canada	Bank of Canada Rate Decision	Dec 8	0.25%	--	0.25%	--
12/09	Russia	CPI YoY	Nov	8.35%	--	8.13%	--
12/09	United States	Initial Jobless Claims	Dec 4	220k	--	222k	227k
12/10	Japan	PPI YoY	Nov	8.5%	--	8.0%	8.4%
12/10	United Kingdom	Industrial Production MoM	Oct	0.1%	--	-0.4%	-0.6%
12/10	United Kingdom	Manufacturing Production MoM	Oct	0.2%	--	-0.1%	-0.4%
12/10	Italy	Industrial Production MoM	Oct	0.3%	--	0.1%	--
12/10	United States	CPI MoM	Nov	0.7%	--	0.9%	--
12/13	Japan	Tankan Large Mfg Index	4Q	19	--	18	--
12/13	Japan	Tankan Large Non-Mfg Index	4Q	5	--	2	--
12/13	Japan	Tankan Large All Industry Capex	4Q	9.8%	--	10.1%	--
12/13	Japan	Core Machine Orders MoM	Oct	1.8%	--	0.0%	--
12/14	United Kingdom	Claimant Count Rate	Nov	--	--	5.1%	5.0%
12/14	United Kingdom	Jobless Claims Change	Nov	--	--	-14.9k	-58.5k
12/14	United Kingdom	ILO Unemployment Rate 3Mths	Oct	4.2%	--	4.3%	--
12/14	United States	PPI Final Demand MoM	Nov	0.5%	--	0.6%	0.7%
12/15	Japan	Tertiary Industry Index MoM	Oct	1.2%	--	0.5%	--
12/15	United Kingdom	CPI MoM	Nov	0.4%	--	1.1%	--
12/15	United Kingdom	CPI YoY	Nov	4.8%	--	4.2%	--
12/15	United Kingdom	CPI Core YoY	Nov	3.7%	--	3.4%	--
12/15	United States	MBA Mortgage Applications	Dec 10	--	--	2.0%	--
12/15	United States	Empire Manufacturing	Dec	25	--	30.9	--
12/15	Canada	CPI NSA MoM	Nov	0.2%	--	0.7%	--
12/15	United States	Retail Sales Advance MoM	Nov	0.8%	--	1.7%	1.8%
12/15	Canada	CPI YoY	Nov	4.7%	--	4.7%	--
12/16	United States	FOMC Rate Decision (Upper Bound)	Dec 15	0.25%	--	0.25%	--
12/16	United Kingdom	Bank of England Bank Rate	Dec 16	0.100%	--	0.100%	--
12/16	Eurozone	ECB Main Refinancing Rate	Dec 16	0.000%	--	0.000%	--
12/16	Eurozone	ECB Deposit Facility Rate	Dec 16	-0.500%	--	-0.500%	--
12/16	United States	Housing Starts	Nov	1567k	--	1520k	1552k
12/16	United States	Initial Jobless Claims	Dec 11	200k	--	184k	188k
12/16	United States	Industrial Production MoM	Nov	0.6%	--	1.6%	1.4%
12/16	United States	Markit US Manufacturing PMI	Dec P	58.5	--	58.3	--
12/17	United Kingdom	Retail Sales Inc Auto Fuel MoM	Nov	0.8%	--	0.8%	0.9%
12/17	Greece	IFO Expectations	Dec	93.6	--	94.2	94.1
12/17	Greece	IFO Business Climate	Dec	95.3	--	96.5	96.6
12/17	Russia	Key Rate	Dec 17	8.50%	--	7.50%	--



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Source and Abbreviation:

WORLD MPMI: Manufacturing Composite PMI, Seasonally Adjusted; WORLD SPMI: Service Composite PMI, Seasonally Adjusted; EM MPMI: Manufacturing Composite PMI, Seasonally Adjusted; EM SPMI: Service Composite PMI, Seasonally Adjusted; EURO CPI: Harmonised Index of Consumer Prices, 2015 = 100; EURO PPI: Producer Price Index, 2015 = 100; EURO UNEMP: Unemployment Rate; EURO MPMI: Manufacturing Composite PMI, Seasonally Adjusted; EURO SPMI: Service Composite PMI, Seasonally Adjusted; CHINA MPMI: Manufacturing Composite PMI, Seasonally Adjusted; CHINA SPMI: Service Composite PMI, Seasonally Adjusted; US CPI: Consumer Price Index (1967 = 100); US PPI: Producer Price Index, 2009 = 100; US UNEMP: Unemployment Rate; US MPMI: Manufacturing Composite PMI, Seasonally Adjusted; SWISS MPMI: Manufacturing Composite PMI, Seasonally Adjusted; SWISS SPMI: Service Composite PMI, Seasonally Adjusted; EM: Emerging Market, ASIA PAC: Asia Pacific, AGG: Aggregate, IG: Investment Grade, HY: High Yield, OAS: Option Adjusted Spread, AGRI: Agricultural, FOMC: Federal Open Market, SAAR: Seasonally Adjusted Annual Rate

Graphs:

MSCI World Index: Source – MXWO Index; Global PMI: Source – MPMIGLMA Index, MPMIGLSA Index; Brent Crude Price: Source – CO1 Comdty. Economy Index:

WORLD MPMI: Source: MPMIGLMA Index; WORLD SPMI: Source: MPMIGLSA Index; EM MPMI: MPMIEMMA Index; EM SPMI: MPMIEMSA Index. EURO CPI: CPALAU Index, EURO PPI: PPTX27 Index; EURO Unemployment: UMRT27 Index; EURO MPMI: MPMIEUMA Index, EURO SPMI: MPMIEUSA Index. China MPMI: MPMICNMA Index, China SPMI: MPMICNSA Index; US CPI: CPI INDX Index; US PPI: FDIDFDA Index, US UNEMP: USURTOT Index, US MPMI: NAPMPMI Index, SWISS MPMI: SZPUI Index, SWISS SPMI: SZPUSERV Index

Key Rates:

US 2Y: GT2 GOVT, US 5Y: GT5 GOVT, US 10Y: GT10 GOVT, US 30Y: GT30 GOVT, CHINA 2Y: GTCNY2Y GOVT, CHINA 5Y: GTCNY5Y GOVT, CHINA 10Y: GTCNY10Y GOVT, CHINA 30Y: GTCNY30Y GOVT, EURO 2Y: GTEUR2Y GOVT, EURO 5Y: GTEUR5Y GOVT, EURO 10Y: GTEUR10Y GOVT, EURO 30Y: GTEUR30Y GOVT, SWISS 2Y: GTCHF2Y GOVT, SWISS 5Y: GTCHF5Y GOVT, SWISS 10Y: GTCHF10Y GOVT, SWISS 30Y: GTCHF30Y GOVT

Equities Index:

EM: MXEF Index; ASIA PAC: MXAP Index; US: SPX Index; EURO: MXEU Index; CHINA: MXCN Index; SWISS: MXCH Index; WORLD LARGE CAP: MXWOLC Index; WORLD SMALL CAP: MXWOSC Index; WORLD VALUE: MXWO000V Index; WORLD GROWTH: MXWO000G Index; WORLD MOMENTUM: M1WOMOM Index; LARGE CAP: SPX Index; SMALL CAP: SPTRSMCP Index; VALUE: SPXPV Index; GROWTH: SPXPG Index; MOMENTUM: SP500MUP Index; S&P UTILITIES: S5UTIL Index; S&P REAL ESTATE: S5RLST Index; S&P ENERGY: S5ENRS Index; S&P HEALTHCARE: S5HLTH Index; S&P S&P500: SPX Index; S&P CONSUMER STAPLES: S5CONS Index; S&P TECHNOLOGY: S5INFT Index; S&P MATERIALS: S5MATR Index; S&P FINANCIALS: S5FINL Index; S&P COMM SERVICES: S5TELS Index; S&P INDUSTRIALS: S5INDU Index; S&P CONSUMER DISCRETIONARY: S5COND Index; MSCI TECHNOLOGY: MXWO0IT Index; MSCI REAL ESTATE: MXWOORE Index; MSCI UTILITIES: MXWO0UT Index; MSCI CONSUMER DISCRETIONARY: MXWO0CD Index; MSCI INDUSTRIALS: MXWO0IN Index; MSCI CONSUMER STAPLES: MXWO0CS Index; MSCI COMM SERVICES: MXWO0TC Index; MSCI MSCI WORLD: MXWO Index; MSCI FINANCIALS: MXWO0FN Index; MSCI MATERIALS: MXWO0MT Index; MSCI HEALTHCARE: MXWO0HC Index; MSCI ENERGY: MXWO0EN Index;

Fixed Income Index:

WORLD AGG: LEGATRUU Index; US AGG: LBUSTRUU Index; EURO AGG: LP06TREU Index; CHINA AGG: LACHTRUU Index; EM AGG: EMUSTRUU Index; SWISS AGG: LSFATRCU Index; WORLD IG OAS: LGCPOAS Index; WORLD HY OAS: LG30OAS Index; US IG OAS: LUACOAS Index; US HY OAS: LF98OAS Index; EM IG OAS: BEHGOAS Index; EM HY OAS: BEBGOAS Index; EURO IG OAS: LP05OAS Index; EURO HY OAS: LP01OAS Index;

Commodities and Currencies:

COMMODITIES: BCOMTR Index; ENERGY: BCOMENTR Index; AGRI&LIVESTOCK: BCOMAVT Index; SOFT: BCOMSOTR Index; PRECIOUS METAL: BCOMPTR Index; INDUSTRIAL METAL: BCOMINTR Index; EUR/USD: EURUSD BGN Curncy; JPY/USD: JPYUSD BGN Curncy; GBP/USD: GBPUSD Curncy; CHF/USD: CHFUSD Curncy; CNY/USD: CNYUSD Curncy; SGD/USD: SGDUUSD Curncy;

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