

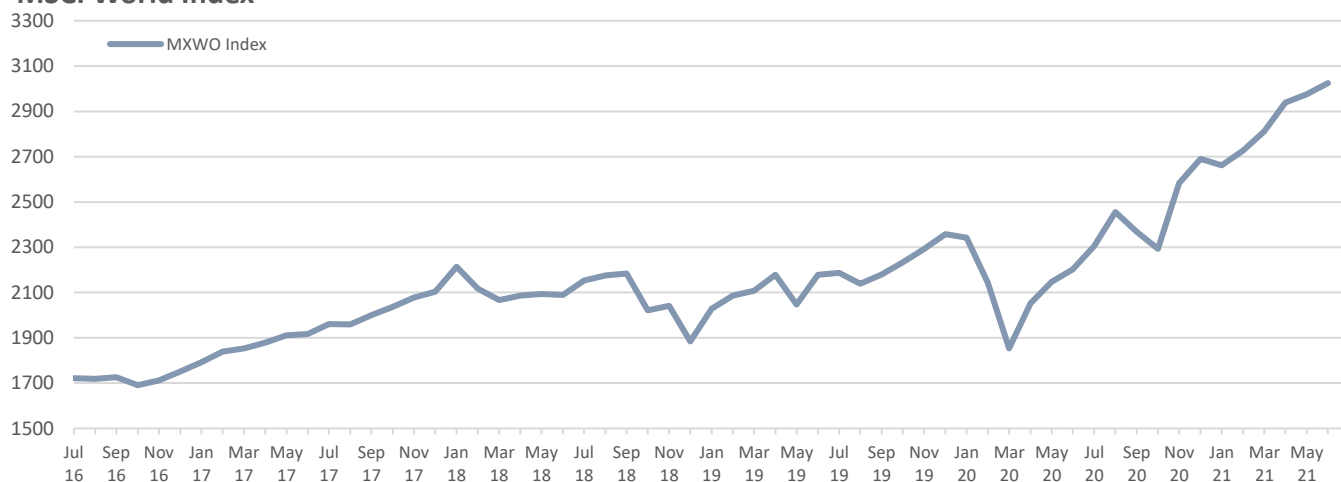


OVERVIEW

President Joe Biden signed an order amending a ban on U.S. investment in Chinese companies begun under his predecessor, naming 59 firms with ties to China’s military or in the surveillance industry. The new list includes 59 firms involved in China’s defense and surveillance technologies and the move came ahead of the 11 June deadline under Trump’s executive order in November 2020. The ban on new investments will take effect 2nd August 2021, according to administration officials. Investors will have one year to fully divest. It also sent a mixed message to market watchers as Biden’s tough line on China continues to weigh on the economic ties even though the new list is much more targeted at certain core technologies and productive conversations between the two nations have become more frequent.

The United States government also announced that Biden backs a \$1.2 trillion infrastructure stimulus package planned for over eight years. The eight-year plan includes funding for roads, bridges, the power grid, public transport and internet. US Federal Reserve also continued with its strong support endeavour, pointing to a continuation in its accommodative monetary policy.

MSCI World Index



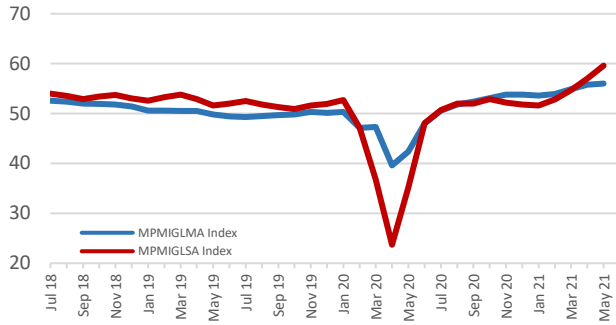
The topic of overheating and inflation in the US economy was widely discussed, as the possibility of rising interest rates to avoid overheating the economy could dampen ongoing growth. US CPI inflation stood at 5.3% year on year in June.

The ECB has continued its accommodative monetary policies. In addition, it has also finalized its strategic review and indicated as an outcome of this exercise that it will likely tolerate slightly higher inflation, at least temporarily. The latest inflation level was recorded at 2% in June for the Eurozone. With more social and travel restrictions being lifted, the Eurozone’s CPI is likely to peak in the later part of the year which may translate to increased interest rates and tighten financing conditions if the bond buying pace slows prematurely. The Eurozone economy has gained momentum towards the end of 2nd quarter of 2021 and is forecasted to accelerate further into the 3rd quarter.

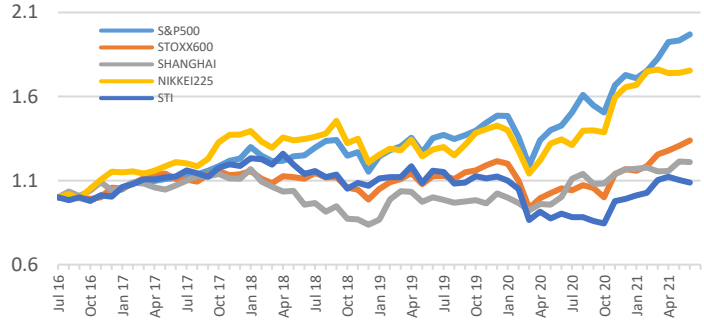
Japan’s economy is gradually recovering, although the rebound remains held back by pandemic-related social distancing measures. Industrial production has performed well as this has been very much supported by external trade.



Global PMI



Major Indices





MARKET STATISTICS

ECONOMY

Economy

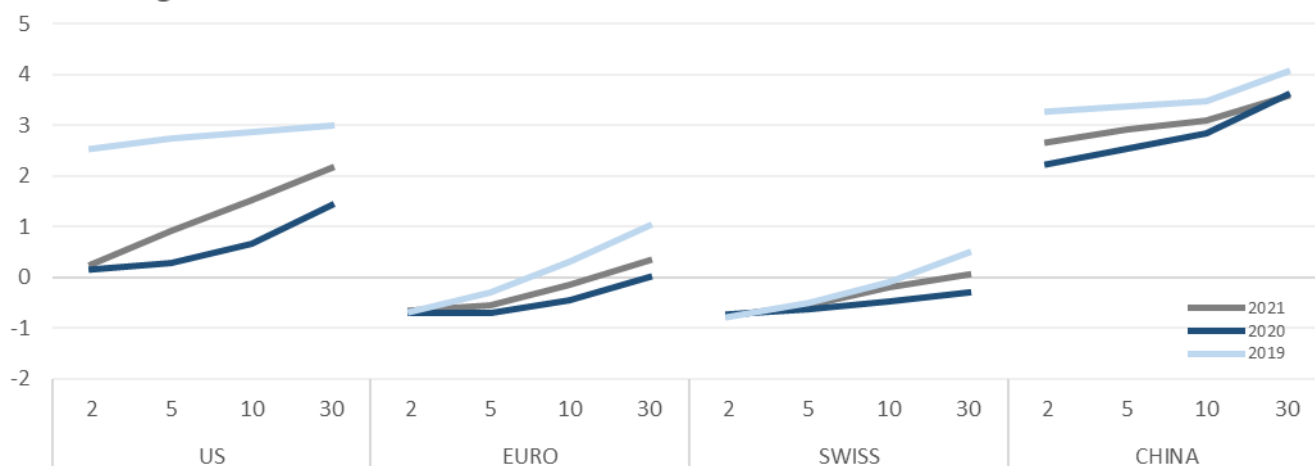
	%1M	%6M	%1Y	3Y		%1M	%6M	%1Y	3Y
World MPMI	0.4%	4.1%	32.1%		EM MPMI	-0.4%	-3.4%	14.7%	
World SPMI	4.6%	14.2%	69.3%		EM SPMI	-1.4%	-2.1%	28.5%	
US CPI	0.6%	2.9%	4.9%		EU CPI	0.3%	2.6%	2.3%	
US PPI	0.8%	4.5%	6.5%		EU PPI	1.4%	6.9%	9.6%	
US UNEMP	-4.9%	-13.4%	-56.4%		EU UNEMP	-1.4%	0.0%	5.8%	
US MPMI	0.8%	6.1%	42.0%		EU MPMI	0.6%	16.8%	58.7%	
-	-	-	-	-	EU SPMI	9.3%	32.4%	81.0%	
CHINA MPMI	0.2%	-5.3%	2.6%		SWISS MPMI	0.6%	28.3%	64.5%	
CHINA SPMI	-2.1%	-4.7%	0.2%		SWISS SPMI	2.1%	21.5%	57.2%	

KEY RATES

Sovereign Key Rates

	Jun	Δ1M	Δ6M	Δ1Y		Jun	Δ1M	Δ6M	Δ1Y
US 2Y	0.2671	0.1244	0.0206	-0.0284	EU 2Y	-0.6523	0.0161	0.0467	-0.0198
US 5Y	0.9231	0.1227	0.4388	0.0729	EU 5Y	-0.5527	0.0156	0.1734	-0.0415
US 10Y	1.5249	-0.0711	0.6803	0.2587	EU 10Y	-0.1564	0.0313	0.3845	-0.1160
US 30Y	2.1501	-0.1334	0.6373	0.2339	EU 30Y	0.3432	-0.0220	0.5280	-0.1654
CHINA 2Y	2.6527	0.0631	-0.1119	0.4808	SWISS 2Y	-0.7705	0.0258	0.0431	-0.1166
CHINA 5Y	2.9191	0.0201	-0.0398	0.3993	SWISS 5Y	-0.5518	-0.0250	0.2410	-0.1273
CHINA 10Y	3.0910	0.0197	-0.0674	0.3010	SWISS 10Y	-0.2010	-0.0060	0.3837	-0.1107
CHINA 30Y	3.6483	0.0824	-0.1630	0.1236	SWISS 30Y	0.0478	-0.0816	0.4892	-0.0508

3Y Sovereign Yield Curve





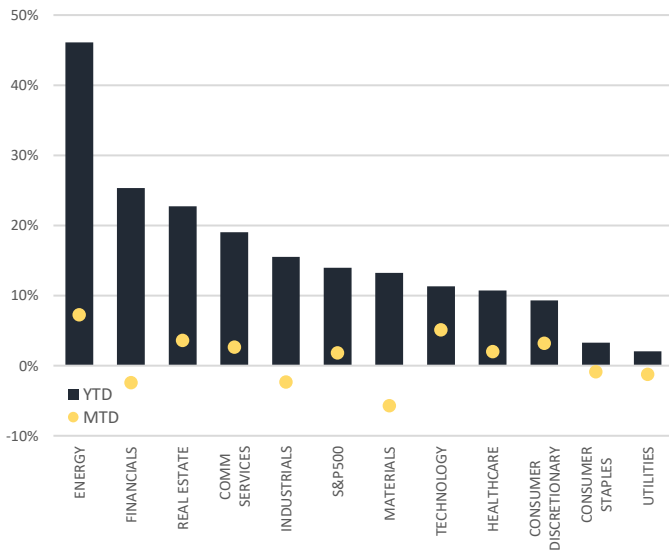
EQUITIES

Equities	Jun	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y
WORLD	1.65%	12.45%	37.39%	13.13%	11.93%	13.16%	
EM	0.25%	6.84%	38.64%	8.86%	9.57%	12.68%	
ASIA PAC	0.11%	4.68%	32.56%	8.02%	8.94%	12.02%	
US	1.82%	13.97%	38.07%	16.34%	14.52%	14.88%	
EUROPE	2.69%	14.87%	26.51%	5.81%	5.62%	7.80%	
CHINA	-0.06%	1.47%	26.04%	8.05%	13.87%	15.76%	
SWISS	5.33%	12.83%	19.52%	11.52%	8.38%	7.56%	

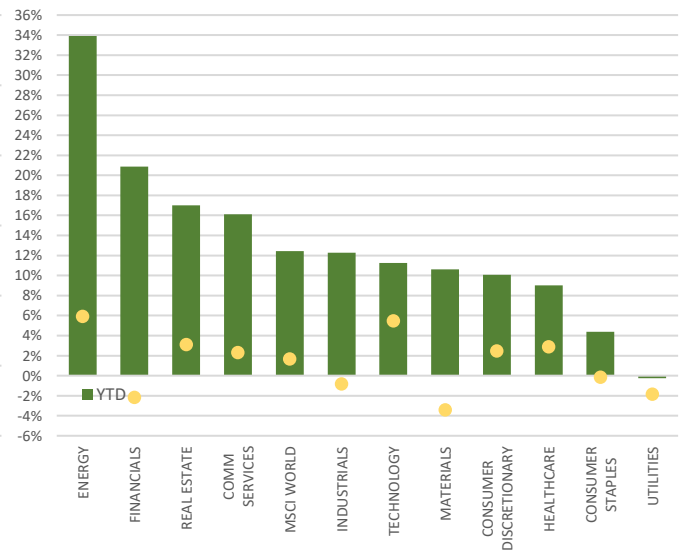
Style

	Jun	YTD		Jun	YTD
WORLD LARGE CAP	1.76%	12.40%	US LARGE CAP	1.82%	13.97%
WORLD SMALL CAP	1.23%	15.41%	US SMALL CAP	1.30%	24.75%
WORLD VALUE	-0.73%	14.31%	US VALUE	-2.45%	27.38%
WORLD GROWTH	4.12%	10.40%	US GROWTH	5.85%	11.14%
WORLD MOMENTUM	1.36%	7.57%	US MOMENTUM	5.13%	9.76%

S&P500 SECTOR RETURNS



MSCI WORLD SECTOR RETURNS





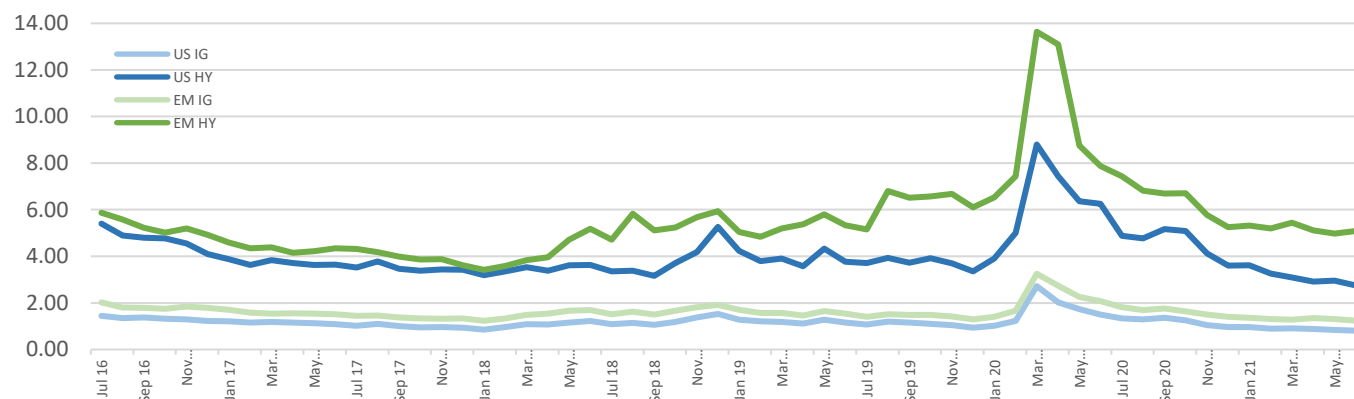
FIXED INCOME

Fixed Income	Jun	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y CURVE
WORLD AGG	-0.87%	-3.20%	2.64%	4.23%	2.19%	5.32%	
US AGG	0.30%	-2.00%	-0.74%	5.20%	2.81%	6.19%	
EUROPE AGG	0.06%	-2.42%	0.05%	2.71%	1.16%	3.73%	
CHINA AGG	-1.42%	3.49%	12.49%	5.81%	4.07%	6.00%	
EM AGG	0.60%	-0.70%	6.22%	6.66%	4.54%	6.48%	
SWISS AGG	0.18%	-1.71%	-0.40%	0.96%	0.01%	2.00%	

OAS

	Jun	Δ1M	Δ6M	Δ1Y	Δ3Y		Jun	Δ1M	Δ6M	Δ1Y	Δ3Y
WORLD IG OAS	0.86	-0.03	-0.13	-0.70	-0.38	EM IG OAS	1.24	-0.07	-0.16	-0.83	-0.45
WORLD HY OAS	3.49	-0.07	-0.61	-3.12	-0.68	EM HY OAS	5.08	0.10	-0.17	-2.79	-0.10
US IG OAS	0.81	-0.03	-0.15	-0.69	-0.42	EURO IG OAS	0.86	-0.02	-0.08	-0.66	-0.40
US HY OAS	2.75	-0.21	-0.85	-3.51	-0.88	EURO HY OAS	3.06	0.09	-0.52	-2.27	-0.95

5Y OAS





FX & COMMODITIES

Commodities	Jun	YTD	1Y	3Y Ann	5Y Ann	3Y SD	3Y Curve
BBG Index	-0.42%	18.45%	42.36%	3.13%	3.02%	9.55%	
BBG Energy	11.23%	44.30%	53.90%	-10.55%	-1.64%	26.66%	
BBG Agri & Livestock	-6.64%	11.53%	48.32%	5.60%	0.03%	12.14%	
BBG Soft	-1.08%	15.40%	41.97%	2.95%	-4.75%	9.87%	
BBG Precious Metals	-6.73%	-5.50%	4.32%	11.72%	3.97%	15.78%	
BBG Industrial Metals	-3.80%	16.85%	48.42%	7.33%	10.16%	13.52%	
	Jun	YTD	1Y	3Y Ann	S-Term	M-Term	3Y CURVE
BBG Gold	-6.69%	-6.64%	-3.59%	10.73%	1750-1850	1750-1850	
BBG Brent Crude	10.30%	50.36%	79.19%	-1.17%	65-75	65-75	

Currencies	Jun	1M HIGH	1M LOW	1M SD	S-Term	M-Term	1M CURVE
EUR/USD	1.1858	1.2227	1.1858	1.06%	1.16-1.20	1.16-1.20	
USD/JPY	111.11	110.96	109.25	0.48%	108-112	108-112	
GBP/USD	1.3831	1.4212	1.381	0.90%	1.34-1.40	1.35-1.41	
USD/CHF	0.925	0.9222	0.8945	1.11%	0.90-0.94	0.91-0.95	
USD/CNY	6.4571	6.467	6.3701	0.44%	6.44-6.49	6.42-6.47	
USD/SGD	1.3454	1.3451	1.3217	0.71%	1.33-1.38	1.32-1.37	

FX & COMMODITIES VIEW

The Fed's mid-June meeting offered a helping hand to the US dollar. The dollar rallied after the Fed's upgraded an already bullish outlook for the world's biggest economy and forecast an earlier rise in borrowing rates from crisis lows. America's central bank also appeared less confident that inflation would fade over the latter half of the year. Euro fell by 2% against USD after the Fed meeting, but the risk-averse sentiment did not last. United States Federal Reserve's hawkish tilt rocked financial markets, sending US yields higher and dragging the GBP/USD pair to fresh 6-week lows.

In June, energy commodities continued their acceleration, with broad increases in crude, natural gas and coal. Coal prices spiked to the highs in a decade amid strong demand for power generation in Asia and restricted supplies. Natural gas prices rose across regions, supported by localized heat waves, lower than average inventory levels and rising demand based on the gradual economy reopening. Crude oil prices rose on the expectation of an increased demand recovery. Base metals declined as the pace of expansion in global manufacturing eased during the month and some recovery was seen in the value of the US dollar. Gold prices declined on expectations of faster-than anticipated interest rate increases in the US.

The base metal price index declined slightly in June as the pace of expansion of global manufacturing cooled slightly and the value of the USD recovered during the month. Gold prices decreased on expectations of anticipated interest rate acceleration in the United States.



THEME OF THE MONTH

Carbon Markets, Taxes and Emissions

Carbon markets already exist within some countries and regions. The government puts a cap on the amount of greenhouse gases that can be emitted by a given industry or sector of the economy. Businesses are given an allowance of how many metric tons of CO2 they can emit. Those who emit less than their allotment can sell the extra to other businesses, pushing everyone to cut down emissions faster. It is an idea that has been around for more than two decades in order to slow climate change, make polluters pay for the damage they cause.

Currently, more than 60 nations, states and cities have adopted what is known as carbon pricing. The approach is held up by environmentalists, politicians and even many oil companies as an elegant, free-market approach compared with direct regulation. But while the concept may have great support, the actual working of such systems has proved hugely controversial in countries such as Canada, Australia and many more.

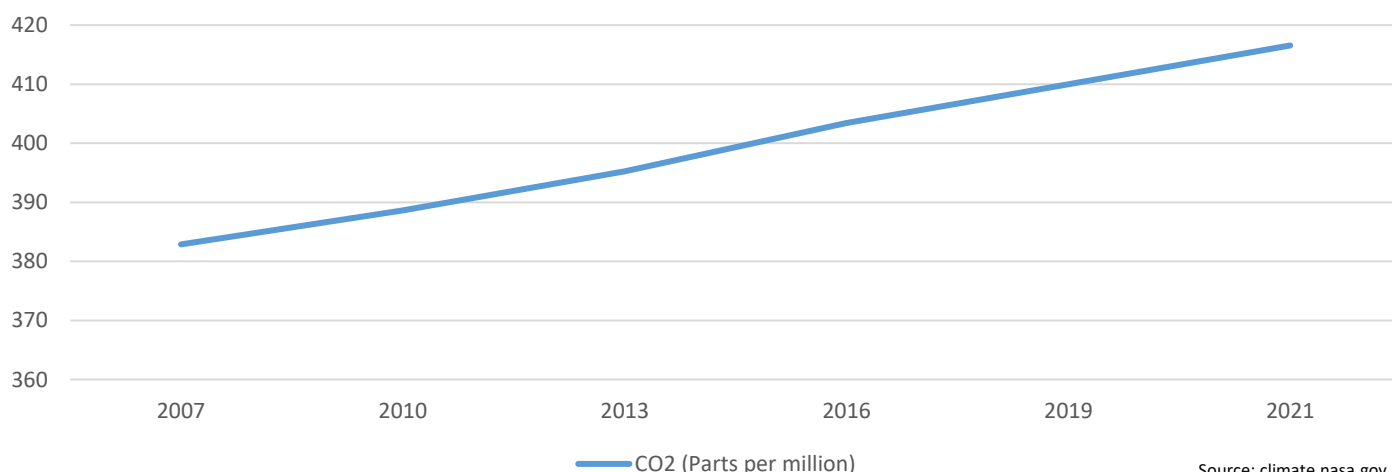
Basically, there are two approaches to carbon pricing. The first one contains carbon prices are set by governments as a tax or fee on carbon dioxide emitted. As for the latter, governments organizations create a market and introduce an incentive to reduce emissions but let the market's participants determine the exact price of carbon.

Such markets usually cover a select portion of a country's total emissions, with most charges focused on utilities that produce electricity. The government sets a limit on the total volume of emissions allowed; then permits are either allocated to or purchased by polluters. The credits can be bought and sold using a system known as cap-and-trade. However, environmentalists say most policy makers have been unwilling to set prices high enough to force changes in behavior.

Carbon pricing ranges from less than \$1 a metric ton in Mexico to about \$140 in Sweden. Many countries use permit trading alongside targeted taxes on dirty fuels such as coal. Still, carbon pricing only covers about 20% of global emissions.

The price of carbon is currently still increasing. The most reliable price signal is the European market. Prices surged more than 30% last year and it has not subsided since then, with benchmark December futures trading at a record 58.64 euros (\$69.45) on 1st July 2021. Most analysts are predicting higher prices, with the most bullish targeting more than 100 euros by the end of 2021.

CO2 Direct Measurements: 2005 - Present





Date	Country	Event	Period	Surv(M)	Actual	Prior	Revised
07/22	Eurozone	ECB Main Refinancing Rate	Jul 22	0.000%	--	0.000%	--
07/22	Eurozone	ECB Deposit Facility Rate	Jul 22	-0.500%	--	-0.500%	--
07/22	United States	Initial Jobless Claims	Jul 17	350k	--	360k	--
07/22	Russia	Gold and Forex Reserve	Jul 16	--	--	593.7b	--
07/22	United States	Leading Index	Jun	0.8%	--	1.3%	--
07/22	United States	Existing Home Sales	Jun	5.90m	--	5.80m	--
07/23	Russia	Industrial Production YoY	Jun	11.0%	--	11.8%	--
07/23	United Kingdom	Retail Sales Inc Auto Fuel MoM	Jun	-0.1%	--	-1.4%	--
07/23	France	Markit France Manufacturing PMI	Jul P	58.3	--	59	--
07/23	Greece	Markit/BME Germany Manufacturing PMI	Jul P	64.1	--	65.1	--
07/23	Eurozone	Markit Eurozone Manufacturing PMI	Jul P	62.5	--	63.4	--
07/23	United Kingdom	Markit UK PMI Manufacturing SA	Jul P	62.4	--	63.9	--
07/23	Russia	Key Rate	Jul 23	6.50%	--	5.50%	--
07/23	United States	Markit US Manufacturing PMI	Jul P	62	--	62.1	--
07/26	Japan	Jibun Bank Japan PMI Mfg	Jul P	--	--	52.4	--
07/26	Greece	IFO Expectations	Jul	--	--	104	--
07/26	Greece	IFO Business Climate	Jul	--	--	101.8	--
07/26	United States	New Home Sales	Jun	800k	--	769k	--
07/27	Eurozone	M3 Money Supply YoY	Jun	--	--	8.4%	--
07/27	United States	Durable Goods Orders	Jun P	1.8%	--	2.3%	--
07/27	United States	Conf. Board Consumer Confidence	Jul	124	--	127.3	--
07/28	Italy	Consumer Confidence Index	Jul	--	--	115.1	--
07/28	Italy	Manufacturing Confidence	Jul	--	--	114.8	--
07/28	United States	MBA Mortgage Applications	Jul 23	--	--	-4.0%	--
07/28	United States	Wholesale Inventories MoM	Jun P	--	--	1.3%	--
07/28	Canada	CPI NSA MoM	Jun	--	--	0.5%	--
07/28	Canada	CPI YoY	Jun	--	--	3.6%	--
07/28	United Kingdom	Nationwide House PX MoM	Jul	--	--	0.7%	--
07/28	United Kingdom	Nationwide House Px NSA YoY	Jul	--	--	13.4%	--
07/29	United States	FOMC Rate Decision (Upper Bound)	Jul 28	0.25%	--	0.25%	--
07/29	Greece	Unemployment Change (000's)	Jul	--	--	-38.0k	--
07/29	United Kingdom	Mortgage Approvals	Jun	--	--	87.5k	--
07/29	Greece	CPI MoM	Jul P	--	--	0.4%	--
07/29	Greece	CPI YoY	Jul P	--	--	2.3%	--
07/29	United States	Initial Jobless Claims	Jul 24	--	--	--	--
07/29	United States	GDP Annualized QoQ	2Q A	8.0%	--	6.4%	--
07/29	Russia	Gold and Forex Reserve	Jul 23	--	--	--	--
07/30	Japan	Jobless Rate	Jun	3.0%	--	3.0%	--
07/30	Japan	Job-To-Applclicant Ratio	Jun	1.09	--	1.09	--
07/30	Japan	Industrial Production MoM	Jun P	5.0%	--	-6.5%	--
07/30	France	GDP QoQ	2Q P	--	--	-0.1%	--
07/30	France	GDP YoY	2Q P	--	--	1.2%	--
07/30	France	CPI YoY	Jul P	--	--	1.5%	--
07/30	Italy	GDP WDA QoQ	2Q P	--	--	0.1%	--



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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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