



TRINITY SMF
STUDENT MANAGED FUND

Monthly Markets Review

February 2021



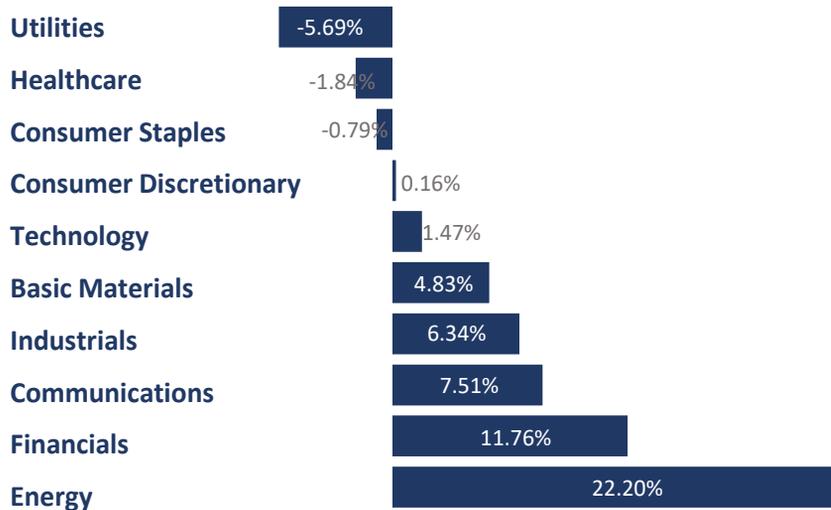
Introduction

Welcome to the second edition of the Trinity SMF Monthly Markets Review. The aim of this report is to give SMF members a monthly roundup of what's been moving markets with short, informative summaries of the major headlines for the month.

The markets enjoyed one of the best Februaries in recent years, with the S&P up 2.61%, the Dow up 3.17% and the Nasdaq composite up 0.93%. The markets rallied early in the month as earnings report season was in full swing and companies such as Amazon and Alphabet announced record high quarterly earnings. However, fears of inflation and a steep rise in longer-term Treasury interest rates towards the end of the month caused the markets to pull back sharply in the last week of February, with the Nasdaq composite having its worst week since October.

It certainly wasn't a dull month, with the Dow hitting a record high, Bitcoin breaking \$50k, oil rising to over \$60 a barrel, Gold slumping to an 8-month low and plenty of M&A activity that shows no signs of slowing. Further analysis plus more below.

February Sector Performance



	February Close
S&P 500	3,811.15 (+2.61%)
Dow	30,932.37 (+3.17%)
Nasdaq	13,192.35 (+0.93%)
Gold	1,728.10 (-6.45%)
Oil (WTI)	61.50 (+17.82%)
Bitcoin	46,339.76 (+39.94%)
EURUSD	1.2160 (+0.33%)
GBPUSD	1.4008 (+2.06%)
US Treasury 10-Yr	1.4600%

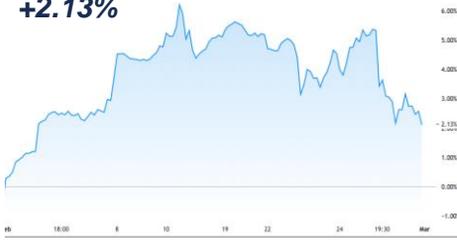
Top Stories

- **U.S. Treasury yields** are on the rise, with the 10-year U.S. Treasury yield reaching 1.614% on Thursday the 25th, its highest level since February last year. It has since retreated to 1.460%. The rise was caused by inflationary fears, optimism about the reopening of the economy and vaccine rollouts. The rise in yields caused a stock market selloff to end the month. [CNBC](#).
- **Bitcoin** surged over 50% in February to hit an all time high of over \$58k and over \$1 trillion market cap. However, it has since retreated to just over \$46k. Mastercard, Tesla and BlackRock are some of the big names that got embraced Bitcoin this month, with Tesla buying \$1.5bn worth of Bitcoin and announcing that they would soon accept Bitcoin as payment. [BI](#).
- **Crude Oil reached \$65 per barrel** as Texas got hit with the coldest temperatures recorded in 30 years. U.S.A.'s total oil output dropped 40% for a number of days as Texas was hit with a deep freeze and production centres had to shut as millions lost power. This caused worldwide supply to tighten, and the price of Oil soared to over \$65 a barrel for the first time since January 2020. [Bloomberg](#).
- **NASA** successfully landed the "Perseverance" Rover on Mars on February 18th. NASA has since released footage of the landing, as well as plenty of photos taken on Mars and some audio clips. The Mars rover will now embark on its mission of exploring the planet in search of signs of ancient microbial Martian life if it ever arose on Mars. [NYT](#).
- **Uber** lost a court battle in the U.K. that ruled in favour of a group of 25 Uber drivers being entitled to workers rights including minimum wage. Although this does not apply to all current Uber drivers, it sets a potential precedent for the future of the gig economy and the other rideshare and food delivery apps as workers will now be able to bring new cases to claim benefits on behalf of gig workers and have them classified as employees and not contractors which would seriously shake up the industry. [WSJ](#).

Deal Flow

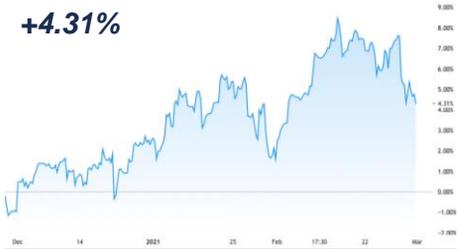
MSCI World (URTH) February

+2.13%



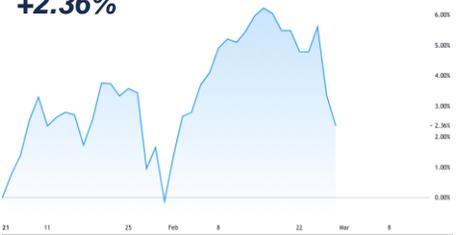
MSCI World (URTH) 3 Month

+4.31%



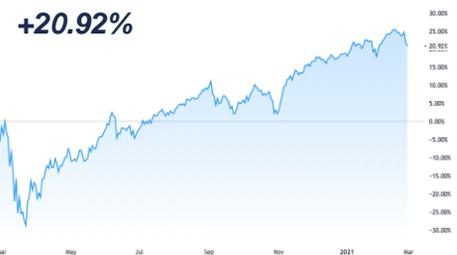
MSCI World (URTH) YTD

+2.36%



MSCI World (URTH) 1 Year

+20.92%



MSCI World (URTH) 5 Year

+75.58%



- **Bumble**, the popular dating app, went public just in time for Valentines Day, raising \$2.15 billion. Shares rose 64% on the first day of trading, valuing the company at roughly \$14 billion. Founder and CEO Whitney Wolfe Herd was also a co-founder of the worlds largest dating app, Tinder. She becomes the youngest female CEO to take a company public in the U.S. at the age of 31. [Bloomberg](#).
- **Frontline Ventures**, the Dublin based VC announced their new \$84 million seed fund for European B2B start-ups. This brings their total funds under management to over \$250 million. [TechCrunch](#).
- **SpaceX**, Elon Musk's rocket company, has raised \$850 million in new equity funding, valuing it at \$74 billion. This new fundraising comes as SpaceX develops two capital-intensive projects in Starlink, the satellite constellation project aimed at improving internet speeds, and Starship Rocket, a project that looks to develop reusable rocket systems. Sequoia Capital led the round. [The Information](#).
- **ASOS**, the online fashion retailer, announced its plans to buy Topshop and its other brands from the insolvent Arcadia Group for \$405 million. They will not be taking on any of the physical store locations, meaning about 70 shops will close. Topshop and its other brands which include Miss Selfridges and Topman did \$1 billion in revenue in 2019. [Bloomberg](#).
- **Ardagh Group**, the glass and metal packaging group announced that it plans to list its beverage cans unit for \$8.5 billion through a SPAC merger. They will retain an 80% stake in the listing. [Irish Times](#).
- **Reddit** added a further \$116 million to its Series E fundraising round, bringing its Series E total to \$367 million, valuing the company at roughly \$6 billion pre-money. [TechCrunch](#).
- **LVMH** acquired 50% of Jay Z's Armand De Brignac, a luxury champagne producer amid declining champagne sales. Deal value remains undisclosed. [WSJ](#)

Looking Forward

- **The U.S.** is set to sign another massive Covid-19 Stimulus package worth \$1.9 trillion in March, even as yields are up due to increased optimism of a strong economic recovery and inflation concerns. [FT](#).