



Your Gateway To The World

WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

9 February 2020



US

S&P500 +3.17% (3,327.71); NASDAQ +4.04% (9,520.51); DJIA +3.00% (29,102.51)

This week's reports:

- **January's Unemployment Rate** rose to 3.6% from December's 3.5% even as **Non-farm Payrolls** surged by 225K from December's +147K. **Labor Force Participation Rate** jumped to 63.4% from December's 63.2%.
 - **January's Average Hourly Earnings** rose 3.1% y/y versus December's +3.0% y/y. **Average Weekly Hours** remained unchanged at 34.3.
 - **December's Consumer Credit** surged by \$22.06 billion from November's +\$11.81 billion as revolving credit jumped 14%, its fastest pace of growth since April 1998.
 - **Q4 2019 Non-farm Productivity** (prelim.) rose 1.4% from Q3's -0.2%. **Unit Labor Costs** (prelim.) rose 1.4% from Q3's +2.5%.
 - **January's Markit Manufacturing PMI** rose to 51.9 from December's 51.7. **Services PMI** rose to 53.4 from December's 53.2. **Composite PMI** rose to 53.3 from December's 53.1.
 - **January's ISM Manufacturing PMI** rose to 50.9 from December's 47.8. **ISM Non-Manufacturing PMI** rose to 55.5 from December's 54.9.
 - **December's Factory Orders** rose 1.8% from November's -1.2%.
 - **December's Wholesale Inventories** fell 0.2% from November's -0.1%.
 - **Initial Jobless Claims** for the week ending January 31st fell by 15K to 202K. **Continuing Jobless Claims** for the week ending January 24th rose by 48K to 1.751M.
- US stocks posted their biggest weekly gains in months, capping a volatile period that included stronger-than-expected data and uncertainty about the economic impact of the viral outbreak in China.
 - Major US indexes rose to records on Thursday as corporate earnings and employment data have beaten expectations. Meanwhile, China outlined plans to slash tariffs, helping boost sentiment among traders and investors. Shares fell on Friday, paring some of their previous gains, as investors worried that coronavirus outbreak will dent US companies' revenues and China's economic growth.

Canada

S&P/TSX Composite +1.95% (17,655.49)

- Canadian stocks fell on Friday, paring some of their weekly gains made on better than expected economic reports. The declines were led by energy stocks.
- **January's Unemployment Rate** fell to 5.5% from December's 5.6% as **Net Payrolls** surged by 34.5K from December's -2.8K.
- **January's Markit Manufacturing PMI** rose to 50.6 from December's 50.4.
- **January's Ivey PMI** rose to 57.3 from December's 51.9.



Eurozone

EUROSTOXX50	+4.33%	(3,798.49)
DJSTOXX600	+3.32%	(424.36)
DAX30	+4.10%	(13,513.81)
CAC40	+3.85%	(6,029.75)
FTSE100	+2.48%	(7,466.70)

- European stocks were headed for their best weekly return in nearly two years, but fell on Friday as coronavirus concerns rose and German industrial production slumped.
- **January's Markit Manufacturing PMI** rose to 47.9 from December's 47.8. **Services PMI** rose to 52.5 from December's 52.2. **Composite PMI** rose to 51.3 from December's 50.9.
- **December's Retail Sales** fell 1.6% from November's +0.8%.

UK

- **January's Markit Manufacturing PMI** rose to 50.0 from December's 49.8. **Services PMI** rose to 53.9 from December's 52.9.

Japan

NIKKEI +2.68% (23,827.98)

- Japanese stocks ended lower on Friday as investors booked profit after the major indexes posted their biggest one-day gain in more than a year in the previous session following China's decision to halve tariffs on some US imports.
- **December's Leading Economic Index** (prelim.) rose to 91.6 from November's 90.8.
- **January's Jibun Bank Manufacturing PMI** fell to 48.8 from December's 49.3. **Services PMI** rose to 51.0 from December's 49.4.
- **December's Labor Cash Earnings** were flat y/y versus November's +0.1% y/y. **Overall Household Spending** tumbled 4.8% y/y versus November's -2.0% y/y.



Australia & New Zealand

S&P/ASX200	+0.08%	(7,022.58)
NZX 50	+0.37%	(11,760.88)

- **Australia's January Markit-Commonwealth Manufacturing PMI** rose to 49.6 from December's 49.1. **Services PMI** rose to 50.6 from December's 48.9. **Composite PMI** rose to 50.2 from December's 48.6.
- **Australia's January AiG Manufacturing Index** fell to 45.4 from December's 48.3. **Services Index** fell to 47.4 from December's 48.7.
- **New Zealand's Q4 2019 Unemployment Rate** fell to 4.0% from Q3's 4.1%.

Emerging Markets

MSCI EM	+2.76%	(1,091.64)
MSCI Asia Pacific	+2.66%	(156.01)
Shanghai Composite (China)	-3.38%	(2,875.96)
HANG SENG Index	+4.15%	(27,404.27)
India SENSEX Index	+1.03%	(41,141.85)
EM Eastern Europe	-0.02%	(185.07)
Russia's MICEX	+0.36%	(3,087.63)
MSCI EM Latin America (USD)	+0.19%	(2,756.72)
Brazil BOVESPA Index	+0.01%	(113,770.30)

- Emerging market stocks slipped on Friday, paring some of their weekly gains, as the mounting death toll from the coronavirus epidemic overshadowed efforts by China to limit the economic fallout of the outbreak.
- China stocks fell on Friday, heading for their worst week since May, as a sharply rising death toll from a virus outbreak kept investors on tenterhooks despite policymakers' efforts to calm nerves.
- Brazil's central bank lowered its benchmark interest rate by 25 basis points to a record-low 4.25%, and policymakers signaled they were ready to pause monetary easing after five consecutive rate cuts.
- Russia's central bank lowered its key interest rate by 0.25% to 6.00% and said it may switch to a loose monetary policy stance later this year as inflation has slowed more than expected.
- **China's January Caixin Manufacturing PMI** fell to 51.1 from December's 51.5. **Services PMI** fell to 51.8 from December's 52.5.
- **China's January Exports** rose 9.1% y/y versus December's +7.9% y/y. **Imports** fell 1.5% y/y



US

2-yr USTs closed up 9bps to 1.40%. 10-yr USTs closed up 8bps to 1.58%.

- US government bond prices rose Friday, as poor European economic data and continued coronavirus fears sapped sentiment. Earlier in the week, bond prices fell on stronger-than expected US economic data.

Canada

2-yr GCAD closed up 4bps to 1.47%. 10-yr GCAD closed up 5bps to 1.33%.

Europe

2-yr Bunds closed up 3bps to -0.64%. 10-yr Bunds closed up 5bps to -0.39%.

UK

2-yr Gilts closed down 1bps to 0.49%. 10-yr Gilts closed up 5bps to 0.57%.

Japan

2-yr bonds closed unch. at -0.15%. 5-yr bonds closed up 3bps to -0.14%. 10-yr bonds closed up 3bps to -0.04%.



CURRENCIES



Currencies	07/02/2020	Weekly %	MTD %	YTD %
USDILS	3.4285	-0.67%	-0.67%	-0.72%
EURILS	3.7530	-1.92%	-1.92%	-3.11%
GBPILS	4.4179	-3.03%	-3.03%	-3.56%
CHFILS	3.5067	-2.07%	-2.07%	-1.76%
JPYILS	3.1241	-1.87%	-1.87%	-1.72%
AUDILS	2.2879	-0.82%	-0.82%	-5.62%
CADILS	2.5765	-1.14%	-1.14%	-3.10%
EURUSD	1.0946	-1.33%	-1.33%	-2.38%
GBPUSD	1.2892	-2.38%	-2.38%	-2.75%
USDJPY	109.7500	1.29%	1.29%	1.05%
AUDUSD	0.6673	-0.28%	-0.28%	-4.96%
CHFUSD	1.0229	-1.45%	-1.45%	-1.01%
CADUSD	0.7516	-0.50%	-0.50%	-2.36%
NZDUSD	0.6400	-0.99%	-0.99%	-5.04%

- The US dollar jumped to its four-month peak against of basket of major currencies, propelled by a strong US non-farm payrolls report that followed a spate of upbeat economic data this week, a scenario expected to keep interest rates steady. The dollar index posted its largest weekly percentage gain in more than two years.
- The euro fell to its lowest since October after German industrial output recorded its biggest decline in a decade in December. The European single currency has fallen 1.3% on the week, its worst weekly loss since November.
- The British pound edged up on Friday, but was headed for its biggest weekly fall since December's UK election as investors priced in the risk of Britain failing to agree a trade deal with the EU in the 11 months left of the Brexit transition period.
- Emerging-market currencies fell strongly on Friday, their worst trading day since the end of August, as dollar strengthened, investor sentiment wavered and EM central banks cut rates. Russia's, Brazil's and Thailand's central banks have lowered interest rates this past week. Brazil's real hit an all-time low on Friday amid a selloff in emerging market currencies.



Energy & Metals

WTI Crude Oil for March closed -2.40% to US\$50.32

- Crude oil prices continued to decline this past week. China is the world's biggest importer of oil, and many analysts expect a slowdown in its economy because of business disruptions resulting from widespread quarantines.

Gold for April closed -0.91% to US\$1,573.40

- Gold futures on Friday shook off losses seen shortly after the release of better-than-expected US employment data, to settle higher as renewed worries about the spread of the coronavirus and its impact on the global economy worked to pull stock indexes down.

Copper for March closed +1.43% to US\$255.30

- Copper prices rose after touching their three-year lows on Monday, after a rising coronavirus death toll reminded investors about the potential loss of demand for copper from China.

ETF MONEY FLOWS (WTD)



IVV US Equity	ISHARES CORE S&P 500 ETF	7,960,316,159	
VOO US Equity	VANGUARD S&P 500 ETF	5,099,982,791	
QQQ US Equity	INVESCO QQQ TRUST SERIES 1	1,944,125,392	
USHY US Equity	ISHARES BROAD USD HIGH YIELD	987,192,530	
VEA US Equity	VANGUARD FTSE DEVELOPED ETF	835,676,122	
XLP US Equity	CONSUMER STAPLES SPDR	721,146,738	
AGG US Equity	ISHARES CORE U.S. AGGREGATE	661,615,993	
IXUS US Equity	ISHARES CORE INTL STOCK ETF	650,773,997	
GLD US Equity	SPDR GOLD SHARES	650,200,227	
BND US Equity	VANGUARD TOTAL BOND MARKET	562,521,991	
SPY US Equity	SPDR S&P 500 ETF TRUST	(1,884,604,825)	
SDY US Equity	SPDR S&P DIVIDEND ETF	(1,019,740,043)	
IWM US Equity	ISHARES RUSSELL 2000 ETF	(794,638,527)	
SPHD US Equity	INVESCO S&P 500 HIGH DIVIDEN	(641,117,027)	
XLY US Equity	CONSUMER DISCRETIONARY SELT	(528,227,375)	
EWJ US Equity	ISHARES MSCI JAPAN ETF	(405,318,001)	
EEM US Equity	ISHARES MSCI EMERGING MARKET	(403,231,483)	
PKW US Equity	INVESCO BUYBACK ACHIEVERS ETF	(393,858,997)	
IJR US Equity	ISHARES CORE S&P SMALL-CAP ETF	(325,295,999)	
BKLN US Equity	INVESCO SENIOR LOAN ETF	(297,210,310)	

Disclaimer

Tandem Capital Asset Management and its subsidiaries (the "Tandem") are companies engaged in investment marketing and not investment advice as defined in the Investment Advice, Investment Marketing and Portfolio Management Law, 1995, and are linked to financial assets managed by the companies listed in the company's website and updated from time to time.

Tandem or its employees may have holdings in the securities or financial assets mentioned herein and may act with them. This document is for informational purposes only, it does not constitute any assurance of return or prevention of profit, and is not a substitute for advice that takes into consideration the special needs of each individual. Nor does the information constitute an offer to purchase securities as defined in the Securities Law, 1968 and such acquisition will be made solely on the basis of a valid prospectus.

Do not copy or use any part of this document in any form without prior written permission from Tandem.



FOR ADDITIONAL INFORMATION PLEASE CONTACT US AT:
12 Abba Hillel Silver Ramat Gan 52506
Tel: +972 3 611 4626 | Fax: +972 3 611 4645
Email: info@tandem-capital.com
www.tandem-capital.com