



Your Gateway To The World

WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

1 March 2020



US

S&P500 -11.49% (2,954.22); NASDAQ -10.54% (8,567.37); DJIA -12.36% (25,409.36)

This week's reports:

- **Q4 2019 GDP Growth Annualized** (second estimate) was 2.1%, the same as initially estimated.
 - **February's Michigan Consumer Sentiment Index** rose to 101 from January's 100.9.
 - **February's Consumer Confidence Index** rose to 130.7 from 130.4 in January.
 - **January's Personal Income** rose 0.6% from December's +0.1%. **Personal spending** rose 0.2% from December's +0.4%.
 - **December's FHFA Housing Price Index** rose 0.6% from November's +0.3%.
 - **December's S&P/Case-Shiller Home Price Indices** rose 2.9% y/y versus November's +2.5% y/y.
 - **January's New Home Sales** rose 7.9% from December's +2.3%. **Pending Home Sales** rose 5.2% from December's -4.3%.
 - **February's Chicago PMI** rose to 49 from January's 42.9.
 - **January's Chicago Fed National Activity Index (CFNAI)** rose to -0.25 from December's -0.51.
 - **February's Dallas Fed Manufacturing Index** rose to 1.2 from January's -0.2.
 - **February's Richmond Fed Manufacturing Index** fell to -2 from January's 20.
 - **January's Durable Goods Orders** fell 0.2% from December's +2.9%. **Durable Goods Orders ex Transportation** rose 0.9% from December's +0.1%.
 - **February's Kansas Fed Manufacturing Index** rose to 8 from January's -4.
 - **January's Wholesale Inventories** fell 0.2% from December's -0.3%.
 - **Initial Jobless Claims** for the week ending February 21st rose by 8K to 219K. **Continuing Jobless Claims** for the week ending February 14th fell by 9K to 1.724M.
- US stocks tumbled on mounting investor unease about the economic fallout from the coronavirus epidemic. All three major US indexes slipped into correction territory on Thursday, and Friday's sell-off added to the stocks' declines that marked their worst week since the financial crisis.

Canada

S&P/TSX Composite -8.86% (16,263.05)

- Canadian stocks posted their worst week since 2008, almost falling into correction territory, as they followed the Wall Street's declines.
- **Q4 2019 GDP Growth Annualized** was 0.3% versus Q3's +1.1%.



Eurozone

EUROSTOXX50	-12.39%	(3,329.49)
DJSTOXX600	-12.25%	(375.65)
DAX30	-12.44%	(11,890.35)
CAC40	-11.94%	(5,309.90)
FTSE100	-11.12%	(6,580.61)

- The Stoxx Europe 600 Index suffered its biggest weekly plunge since the 2008 financial crisis, wiping out \$1.5 trillion in market value, as companies including BASF, Anheuser-Busch InBev and Standard Chartered sounded the alarm about the potential hit to their results.
 - Goldman Sachs strategists slashed their profit outlook for the Stoxx 600 to a 2% contraction for 2020 and said that investors are still underestimating the negative impact that the virus will have on earnings. Bank of America analysts added that even after the recent sell-off, European stocks are pricing in an excessively positive recovery in manufacturing.
- **February's Consumer Confidence Index** rose to -6.6 from January's -8.1. **Economic Sentiment Index** rose to 103.5 from January's 102.6.

UK

- **February's GfK Consumer Confidence Index** rose to -7 from January's -9.

Japan

NIKKEI -9.59% (21,142.96)

- Japanese stocks slumped, entering the correction territory, as investors were spooked by the rapid expansion of the global coronavirus outbreak. Shares in Japan were also pressured by rising fears the July-August Tokyo Olympics in may be called off due to the coronavirus.
- **December's Leading Economic Index** rose to 91.6 from November's 90.8.
- **January's Retail Sales** fell 0.4% y/y versus December's -2.6% y/y.
- **January's Industrial Production** fell 2.5% y/y versus December's -3.1% y/y.



Australia & New Zealand

S&P/ASX200	-9.77%	(6,441.20)
NZX 50	-6.73%	(11,261.16)

→ New Zealand's January Business Confidence fell to -19.4 from December's -13.2.

Emerging Markets

MSCI EM	-7.26%	(1,005.52)
MSCI Asia Pacific	-5.83%	(143.59)
Shanghai Composite (China)	-5.24%	(2,880.30)
HANG SENG Index	-4.32%	(26,129.93)
India SENSEX Index	-6.98%	(38,297.29)
EM Eastern Europe	-14.29%	(158.84)
Russia's MICEX	-10.33%	(2,785.08)
MSCI EM Latin America (USD)	-10.90%	(2,411.76)
Brazil BOVESPA Index	-8.37%	(104,171.60)

- Emerging market stocks fell to 20-months low as fears of a looming pandemic and a likely global recession deepened a wider sell-off. The MSCI EM Index fell by the most since September 2011; Developing-nation companies lost more than \$600 billion of their market value, according to data compiled by Bloomberg.
 - Russia's central bank cut its main interest rate by 25 basis points to 6%, saying that the move was brought on by rising risks of global economic slowdown.
- **China's February NBS Manufacturing PMI** (official) fell to 35.7 from January's 50. **Non-Manufacturing PMI** (official) fell to 29.6 from January's 54.1.
- **Australia's February**



US

2-yr USTs closed down 44bps to 0.91%. 10-yr USTs closed down 32bps to 1.15%.

- US government bond prices surged as investors ditched stocks and flocked to traditionally safer assets. This week's rally in US government bonds picked up new momentum Friday, reflecting investors' intense demand for safe assets and escalating bets that the Federal Reserve will move quickly and aggressively to cut interest rates.
- The yield on the 10-year Treasury note to a new record low in its largest weekly decline since December 2008.

Canada

2-yr GCAD closed down 27bps to 1.16%. 10-yr GCAD closed down 15bps to 1.13%.

Europe

2-yr Bunds closed down 13bps to -0.77%. 10-yr Bunds closed down 18bps to -0.61%.

- European government bond yields tumbled across the board, with the 10-year German bund falling below the short-term interest rates set by the European Central Bank of minus 0.5%.

UK

2-yr Gilts closed down 21bps to 0.31%. 10-yr Gilts closed down 13bps to 0.44%.

Japan

2-yr bonds closed down 9bs to -0.25%. 5-yr bonds closed down 9bps to -0.26%. 10-yr bonds closed down 10bps to -0.15%.



CURRENCIES



Currencies	28/02/2020	Weekly %	MTD %	YTD %
USDILS	3.4706	1.55%	0.55%	0.50%
EURILS	3.8320	3.35%	0.15%	-1.07%
GBPILS	4.4493	0.42%	-2.34%	-2.88%
CHFILS	3.6052	3.21%	0.68%	1.00%
JPYILS	3.2193	5.08%	1.12%	1.27%
AUDILS	2.2652	0.03%	-1.80%	-6.56%
CADILS	2.5984	0.56%	-0.30%	-2.28%
EURUSD	1.1026	1.65%	-0.60%	-1.67%
GBPUSD	1.2823	-1.09%	-2.90%	-3.27%
USDJPY	107.8900	-3.33%	-0.42%	-0.66%
AUDUSD	0.6515	-1.69%	-2.64%	-7.21%
CHFUSD	1.0359	1.33%	-0.20%	0.25%
CADUSD	0.7467	-1.23%	-1.15%	-3.00%
NZDUSD	0.6246	-1.62%	-3.37%	-7.33%

- The US dollar slid to a 20-week low against the Japanese yen after Federal Reserve Chair Jerome Powell suggested the central bank could cut interest rates in the wake of the coronavirus.
- The euro had its biggest weekly advance since June, benefiting from the prospect of a sooner-than-expected interest-rate cut in the US, which, if it comes to pass, would diminish the dollar's yield appeal.
- The currencies of major oil exporters - the Russian ruble, Norwegian krone and Canadian dollar - lost ground against the US dollar, while the Australian dollar, a currency of a major commodities exporter, fell to an 11-years low against the dollar.
- The Japanese yen advanced 2.6% in the five days through Friday, set for its best weekly gain since 2016 and the biggest increase among major peers globally.
- MSCI Emerging-market currency index fell to its four-months low, seeing no relief from the dollar's decline, as investors sold off risky assets.



Energy & Metals

WTI Crude Oil for April closed -16.15% to US\$44.76

- Crude oil prices had their worst week since 2008 as the coronavirus-driven selloff in risky assets accelerated. WTI fell to its lowest price in over a year.

Gold for April closed -4.98% to US\$1,566.70

- Gold prices fell the most in almost seven years, following other major assets, as investors preferred US Treasury bills as a safe haven hedge. The yellow metal was also pressured by the investors' need to take in profits in order to cover the losses in other asset classes.

Copper for March closed -2.38% to US\$254.60

- Copper fell on mounting concerns that the coronavirus outbreak will lead to significant global economic slowdown.

ETF MONEY FLOWS (WTD)



VOO US Equity	VANGUARD S&P 500 ETF	2,301,631,388	
IEF US Equity	ISHARES 7-10 YEAR TREASURY BOND	1,620,400,026	
VTI US Equity	VANGUARD TOTAL STOCK MKT ETF	1,314,030,260	
XLU US Equity	UTILITIES SELECT SECTOR SPDR	1,109,555,600	
BND US Equity	VANGUARD TOTAL BOND MARKET	903,778,010	
SPTI US Equity	SPDR PORTFOLIO INTERMEDIATE	790,989,966	
IEI US Equity	ISHARES 3-7 YEAR TREASURY BOND	737,951,007	
IWM US Equity	ISHARES RUSSELL 2000 ETF	673,608,984	
AGG US Equity	ISHARES CORE U.S. AGGREGATE	658,327,994	
IVV US Equity	ISHARES CORE S&P 500 ETF	620,980,034	
SPY US Equity	SPDR S&P 500 ETF TRUST	(25,980,314,450)	
HYG US Equity	ISHARES IBOXX HIGH YLD CORP	(4,225,634,869)	
LQD US Equity	ISHARES IBOXX INVESTMENT GRADE	(2,073,507,007)	
QQQ US Equity	INVESCO QQQ TRUST SERIES 1	(2,021,113,625)	
JNK US Equity	SPDR BBG BARC HIGH YIELD BND	(1,861,871,625)	
XLF US Equity	FINANCIAL SELECT SECTOR SPDR	(1,715,977,436)	
EEM US Equity	ISHARES MSCI EMERGING MARKET	(1,549,489,489)	
XLI US Equity	INDUSTRIAL SELECT SECT SPDR	(1,230,803,698)	
SHV US Equity	ISHARES SHORT TREASURY BOND	(1,017,665,998)	
EWJ US Equity	ISHARES MSCI JAPAN ETF	(883,268,992)	

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