



Your Gateway To The World

# WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

8 March 2020



## US

S&P500 +0.61% (2,972.37); NASDAQ +0.10% (8,575.62); DJIA +1.79% (25,864.78)

### This week's reports:

- **February's Unemployment Rate** fell to 3.5% from January's 3.6% as **Non-Farm Payrolls** rose by 273K, the same increase as in January. **Labor Force Participation Rate** remained unchanged from January's 63.4%.
  - **February's Average Weekly Hours** rose to 34.4 from January's 34.3. **Average Hourly Earnings** rose 3.0% y/y versus January's 3.1% y/y.
  - **January's Consumer Credit** rose \$12.02 billion from January's \$20.25 billion. The credit increase slowed as borrowing on credit cards declined following a surge in December.
  - **Q4 2019 Non-Farm Productivity** rose 1.2% from Q3's +1.4%. **Unit Labor Costs** rose 0.9% from Q3's 1.4%.
  - **February's Markit Manufacturing PMI** declined to 50.7 from January's 50.8. **Services PMI** was unchanged from January's 49.4. **Composite PMI** was unchanged from January's 49.6.
  - **February's ISM Manufacturing Index** declined to 50.1 from January's 50.9. **ISM Non-Manufacturing Index** rose to 57.3 from January's 55.5.
  - **January's Factory Orders** fell 0.5% from December's +1.9%.
  - **January's Wholesale Inventories** fell 0.4% from December's -0.2%.
  - **Initial Jobless Claims** for the week ending February 28<sup>th</sup> fell by 3K to 216K. **Continuing Jobless Claims** for the week ending February 21<sup>st</sup> rose by 7K to 1.729M.
- US stocks suffered increased turbulence during the week. US shares surged on a strong Super Tuesday performance by former Vice President Joe Biden and a \$8.3 billion fiscal package approved by the Congress, but then tumbled as fears grew over the spread of the coronavirus in the US.
  - US shares dropped on Friday despite a strong jobs report that exceeded analysts' expectations, but still ended the week with gains; however, all major indexes are now deep in the red for this year.

## Canada

S&P/TSX Composite -0.54% (16,175.02)

- Canadian stocks plunged at the end of the week, wiping out previous gains, as investors continued to dump equities amid fears over the economic impact of the coronavirus, with energy stocks hurt by steep declines in oil prices.
  - The Bank of Canada cut its main interest rate by 50bp to 1.25% to help the economy counter the negative shock from the coronavirus epidemic.
- **February's Unemployment Rate** rose to 5.6% from January's 5.5% as **Net Payrolls** rose by 30.3K, less than January's 34.5K.
  - **February's Markit Manufacturing PMI** rose to 51.8 from January's 50.6.
  - **February's Ivey PMI** fell to 54.1 from January's 57.3.



## Eurozone

EUROSTOXX50	-2.93%	(3,232.07)
DJSTOXX600	-2.36%	(366.80)
DAX30	-2.93%	(11,541.87)
CAC40	-3.22%	(5,139.11)
FTSE100	-1.79%	(6,462.55)

- European shares plummeted on Friday amid widespread fears of the coronavirus hampering business activity, with oil and gas stocks bearing the brunt of losses after steep declines in crude prices. The STOXX 600 index closed down to its weakest point since mid-August 2019, ending in red for the third straight week.
- **February's Markit Manufacturing PMI** rose to 49.2 from January's 49.1. **Services PMI** fell to 52.6 from January's 52.8. **Composite PMI** was unchanged from January's 51.6.
- **February's CPI** (prelim.) rose 1.2% y/y versus January's 1.4% y/y. **Core CPI** (prelim.) rose 1.2% y/y versus January's 1.1% y/y.
- **January's Retail Sales** rose 0.6% from December's -1.1%.

## UK

- **February's Markit Manufacturing PMI** fell to 51.7 from January's 51.9. **Services PMI** fell to 53.2 from January's 53.3.

## Japan

**NIKKEI -1.86% (20,749.75)**

- Japanese stocks dropped to a six-month low on Friday, racking up their fourth consecutive week of declines, as worries deepened over the economic damage from the coronavirus that is spreading rapidly at home and abroad.
- **January's Leading Economic Index** (prelim.) fell to 90.3 from December's 91.
- **February's Consumer Confidence** fell to 38.4 from January's 39.1.
- **January's Labor Cash Earnings** rose 1.5% y/y versus December's -0.2% y/y.
- **January's Overall Household Spending** fell 3.9% y/y versus December's -4.8% y/y.
- **February's Jibun Bank Manufacturing PMI** rose to 47.8 from January's 47.6. **Jibun Bank Services PMI** fell to 46.8 from January's 51.



## Australia & New Zealand

S&P/ASX200	-0.71%	(6,395.74)
NZX 50	+1.46%	(11,425.90)

- The Reserve Bank of Australia has cut official interest rates by 0.25% to a new record low of 0.5% due to the “significant effect” of the coronavirus outbreak on the Australian economy and has signaled it is prepared to cut further if needed. .
- **Australia’s Q4 2019 GDP Growth** was 2.2% y/y versus Q3’s 1.7% y/y.
- **Australia’s February Markit Manufacturing PMI** rose to 50.2 from January’s 49.6. **Services PMI** rose to 49 from January’s 48.4.

MSCI EM	+0.65%	(1,012.08)
MSCI Asia Pacific	+0.77%	(144.69)
Shanghai Composite (China)	+5.35%	(3,034.51)
HANG SENG Index	+0.06%	(26,146.67)
India SENSEX Index	-1.88%	(37,576.62)
EM Eastern Europe	-1.81%	(155.97)
Russia’s MICEX	-2.35%	(2,719.51)
MSCI EM Latin America (USD)	-5.13%	(2,288.15)
Brazil BOVESPA Index	-5.93%	(97,996.80)

## Emerg- ing Mar- kets

- Emerging market stocks fell on Friday, reversing a four-session rally, as the aggressive spread of the coronavirus threatened to deepen a global economic downturn. MSCI EM Index took a hit as investors questioned if policy stimulus would be enough to arrest the economic damage from the epidemic, which continues to spread rapidly outside China.
- **China’s February Caixin (Markit) Manufacturing PMI** fell to 40.3 from January’s 51.1. **Services PMI** tumbled to 26.5 from January’s 51.8.
- **China’s February Exports** dropped 17.2% y/y versus January’s +7.9% y/y. **Imports** fell 4% y/y versus January’s +16.5% y/y.



## US

**2-yr USTs closed down 41bps to 0.51%. 10-yr USTs closed down 39bps to 0.76%.**

- US government bond yields tumbled to record lows as investors sought safety in government bonds and as the investors bet that the Federal Reserve will take further action to counter the economic impact of the novel coronavirus.

## Canada

**2-yr GCAD closed down 45bps to 0.71%. 10-yr GCAD closed down 41bps to 0.73%.**

## Europe

**2-yr Bunds closed down 9bps to -0.86%. 10-yr Bunds closed down 10bps to -0.71%.**

## UK

**2-yr Gilts closed down 20bps to 0.11%. 10-yr Gilts closed down 21bps to 0.24%.**

## Japan

**2-yr bonds closed down 3bps to -0.28%. 5-yr bonds closed down 1bps to -0.26%. 10-yr bonds closed up 3bps to -0.12%.**



# CURRENCIES



Currencies	06/03/2020	Weekly %	MTD %	YTD %
USDILS	3.4852	0.42%	0.42%	0.93%
EURILS	3.9412	2.85%	2.85%	1.75%
GBPILS	4.5473	2.20%	2.20%	-0.74%
CHFILS	3.7175	3.11%	3.11%	4.14%
JPYILS	3.3113	2.86%	2.86%	4.16%
AUDILS	2.3152	2.21%	2.21%	-4.49%
CADILS	2.5961	-0.09%	-0.09%	-2.36%
EURUSD	1.1284	2.34%	2.34%	0.63%
GBPUSD	1.3048	1.75%	1.75%	-1.58%
USDJPY	105.3900	-2.32%	-2.32%	-2.96%
AUDUSD	0.6636	1.86%	1.86%	-5.48%
CHFUSD	1.0664	2.94%	2.94%	3.20%
CADUSD	0.7453	-0.19%	-0.19%	-3.18%
NZDUSD	0.6350	1.67%	1.67%	-5.79%

- The US dollar fell across the board on Friday, posting its biggest weekly loss in four years, as a sharp drop in US government bond yields hurt the greenback's appeal.
- The British pound extended gains against the broadly weaker dollar, and was boosted by comments from the European Union's chief Brexit negotiator that a trade deal between Britain and the bloc was still possible this year.
- Emerging-market currencies declined notwithstanding the US dollar's weakness, as the rapid spread of the coronavirus outside China pushed investors away from riskier assets on growing worries about the scale of the economic damage.



## Energy & Metals

### **WTI Crude Oil for April closed -7.77% to US\$41.28**

- Crude oil prices dropped sharply as talks between OPEC and Russia over production cuts collapsed without a deal.

### **Gold for April closed +6.75% to US\$1,672.40**

- Gold prices posted their best week since February 2016 with investors seeking safe-haven assets and fearing a prolonged slowdown in the world economy.

### **Copper for March closed +1.06% to US\$257.30**

- Copper prices fell on Friday, paring some of their weekly gains, as the coronavirus outbreak extended outside China, threatening to crimp economic growth and metals consumption.
- Copper prices were also pushed down by rising inventories in China, which underscored persistent sluggish demand in the world's top metals consumer.

# ETF MONEY FLOWS (WTD)



IVV US Equity	ISHARES CORE S&P 500 ETF	17,145,222,356	
VOO US Equity	VANGUARD S&P 500 ETF	16,815,575,552	
VTI US Equity	VANGUARD TOTAL STOCK MKT ETF	16,323,450,941	
BND US Equity	VANGUARD TOTAL BOND MARKET	10,758,244,025	
AGG US Equity	ISHARES CORE U.S. AGGREGATE	9,378,273,945	
BNDX US Equity	VANGUARD TOTAL INTL BOND ETF	8,885,764,004	
GLD US Equity	SPDR GOLD SHARES	8,041,151,649	
USMV US Equity	ISHARES EDGE MSCI MIN VOL US	7,746,775,159	
IEFA US Equity	ISHARES CORE MSCI EAFE ETF	7,504,513,937	
VXUS US Equity	VANGUARD TOTAL INTL STOCK	6,421,738,399	
SPY US Equity	SPDR S&P 500 ETF TRUST	(9,718,655,943)	
LQD US Equity	ISHARES IBOXX INVESTMENT GRADE	(6,225,565,954)	
EEM US Equity	ISHARES MSCI EMERGING MARKET	(5,235,493,478)	
IWD US Equity	ISHARES RUSSELL 1000 VALUE ETF	(5,148,477,837)	
IWF US Equity	ISHARES RUSSELL 1000 GROWTH	(4,892,885,440)	
XLF US Equity	FINANCIAL SELECT SECTOR SPDR	(4,587,946,794)	
SHV US Equity	ISHARES SHORT TREASURY BOND	(4,257,616,977)	
JNK US Equity	SPDR BBG BARC HIGH YIELD BND	(2,553,898,416)	
HYG US Equity	ISHARES IBOXX HIGH YLD CORP	(2,420,001,741)	
EWJ US Equity	ISHARES MSCI JAPAN ETF	(2,240,914,479)	



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