



Your Gateway To The World

WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

5 April 2020



US

S&P500 -2.08% (2,488.65); NASDAQ -1.72% (7,373.08); DJIA -2.70% (21,052.53)

This week's reports:

- **March's Unemployment Rate** jumped to 4.4% from February's 3.4% as **Non-Farm Payrolls** fell 701K, their first decline since 2010. **Labor Force Participation Rate** fell to 62.7% from February's 63.4%.
 - **March's Average Hourly Earnings** rose 3.1% y/y versus February's 3% y/y. **Average Weekly Hours** fell 34.2 from February's 34.4.
 - **Initial Jobless Claims** for the week ending March 26th rose by 3,365K, their biggest weekly increase ever, to 6,648K. **Continuing Jobless Claims** for the week ending March 20th rose by 1,245K to 3.029M.
 - **March's CB Consumer Confidence Index** dropped to a three-year low of 120 from February's 132.6.
 - **March's Markit Manufacturing PMI** fell to 48.5 from February's 50.7. **Services PMI** fell to 39.8 from February's 49.4. **Composite PMI** fell to 40.9 from February's 49.6.
 - **March's ISM Manufacturing PMI** fell to 49.1 from February's 50.1. **ISM Non-Manufacturing PMI** fell to 52.5 from February's 57.3.
 - **March's Dallas Fed Manufacturing Index** tumbled to -70 from February's reading of 1.2.
 - **March's Chicago PMI** fell to 47.8 from February's 49.
 - **March's ISM-NY Business Conditions Index** tumbled to 12.9 from February's 51.9.
- US stocks capped another volatile week, closing in the red after new data revealed that the pandemic's toll on Americans has increased by the day. New York's death toll from coronavirus continued to rise sharply, while March's jobs report reflected the start of a labor-market slowdown.
 - The US jobs report came in much worse than expected. The economists expected a loss of 100K jobs, as the report was filed before the shutdowns were announced. The report includes only data through March 14, meaning it does not count the last two weeks of the month, a period that saw 10 million Americans file for unemployment insurance.

Canada

S&P/TSX Composite +0.02% (12,938.30)

- Canada's main stock index gained for a second straight week despite closing lower on Friday even as crude oil prices continued to surge.
- **March's Markit Manufacturing PMI** fell to 46.1 from February's 51.8.



Eurozone

EUROSTOXX50	-2.41%	(2,662.99)
DJSTOXX600	-0.59%	(309.06)
DAX30	-1.11%	(9,525.77)
CAC40	-4.53%	(4,154.58)
FTSE100	-1.72%	(5,415.50)

- European stocks sank on Friday, erasing meagre gains for the week, as more companies flagged a hit to business from the coronavirus pandemic, foreshadowing a deeper earnings recession ahead of the reporting season. Shares were also hit by a plunge in PMI's across the region, heralding the brutal impact the coronavirus is having on the region's economic growth.
- **March's Consumer Confidence Index** fell to -11.6 from February's -6.6. **Economic Confidence Index** fell to 94.5 from February's 103.4.
- **March's CPI** (prelim.) rose 0.7% y/y versus February's 1.2% y/y. **Core CPI** rose 1% y/y versus February's 1.2% y/y.
- **March's Markit Manufacturing PMI** fell to 44.5 from February's 49.2. **Services PMI** fell to 26.4, a record low, from February's 52.6. **Composite PMI** fell to 29.7, also a record low, from February's 51.6.

UK

- **March's Markit Manufacturing PMI** fell to 47.8 from February's 51.7. **Services PMI** fell to 34.5, a record low, from February's 53.2.
- **March's GfK Consumer Confidence** fell to -9 from February's -7.

Japan

NIKKEI -8.09% (17,820.19)

- Japan's shares capped large declines for the week as fear about the economic costs of the coronavirus hurt equity markets. Japanese shares were also hurt by rising coronavirus cases and worries that the government will have to declare a state of emergency, which would weigh on an already stuttering economy.
- **March's Jibun Bank (Markit) Manufacturing PMI** fell to 44.8 from February's 47.8. **Jibun Bank (Markit) Services PMI** fell to 33.8, its lowest since 2009, from February's 46.8.
- **Q1 2020 Tankan Large Manufacturing Outlook** fell to -11 from Q4's reading of 0. **Tankan Non-manufacturing Outlook** fell to -1 from Q4's reading of 18.
- **February's Industrial Production** (prelim.) fell 4.7% y/y versus January's -2.3% y/y.



Australia & New Zealand

S&P/ASX200	+4.65%	(5,067.48)
NZX 50	+3.96%	(9,935.18)

- Australia's March AiG Manufacturing Index rose to 53.7 from February's 44.3.
- Australia's March Markit Manufacturing PMI fell to 49.7 from February's 50.1. Services PMI fell to 38.5 from February's 39.8.
- Australia's Q1 2020 NAB Business Confidence Index fell to -11 from February's -2.
- New Zealand's March ANZ Economic Activity Outlook fell 26.7% from February's +12%.
- New Zealand's March ANZ Business Confidence fell to -63.5 from February's -19.4.

Emerging Markets

MSCI EM	-1.28%	(831.72)
MSCI Asia Pacific	-4.55%	(120.00)
Shanghai Composite (China)	-0.30%	(2,763.99)
HANG SENG Index	-1.06%	(23,236.11)
India SENSEX Index	-7.46%	(27,590.95)
EM Eastern Europe	+7.62%	(126.00)
Russia's IMOEX	+7.13%	(2,572.23)
MSCI EM Latin America (USD)	-5.92%	(1,482.97)
Brazil BOVESPA Index	-5.30%	(69,537.60)

- Emerging market stocks fell as the number of global coronavirus cases exceeded 1 million, while doubts about a US-brokered deal between Russia and Saudi Arabia regarding oil prices also lingered. Surging numbers of infections signal a prolonged period of significantly subdued economic activity as more containment measures may be required to curb the virus.
- The People's Bank of China eased monetary policy, indicating that the Chinese economy is still in need of support despite people returning to work. To encourage more lending, it cut reserve ratio requirements for small- and medium-size banks by 1% and lowered rates for commercial banks' excess reserves to 0.35% from 0.72%.



Emerging Markets

- **China's March NBS Manufacturing PMI** (official) rose to 52.0 from February's 35.7. **Non-Manufacturing PMI** (official) rose to 52.3 from February's 29.6.
- **China's March Caixin Manufacturing PMI** rose to 50.1 from February's 40.3. **Caixin Services PMI** rose to 43 from February's 26.5.
- **Brazil's March HSBC Manufacturing PMI** fell to 48.4 from February's 52.3.
- **Russia's March HSBC Manufacturing PMI** fell to 47.5 from February's 48.2. **Services PMI** fell to 37.1 from February's 52.0.



US

2-yr USTs closed down 1bps to 0.23%. 10-yr USTs closed down 8bps to 0.59%.

- US Treasury prices rose as investors turned from the volatile stock markets to the relative safety of government debt. Yields capped their third straight week of declines. A dismal US jobs report added to the pressure on yields as it underlined that more economic pain lies ahead.

Canada

2-yr GCAD closed down 4bps to 0.42%. 10-yr GCAD closed down 3bps to 0.71%.

Europe

2-yr Bunds closed up 2bps to -0.66%. 10-yr Bunds closed up 3bps to -0.44%.

UK

2-yr Gilts closed down 6bps to 0.09%. 10-yr Gilts closed down 6bps to 0.31%.

Japan

2-yr bonds closed down 1bps to -0.13%. 5-yr bonds closed down 2bps to -0.11%. 10-yr bonds closed down 3bps to -0.01%.



CURRENCIES



Currencies	03/04/2020	Weekly %	MTD %	YTD %
USDILS	3.6332	1.90%	2.38%	5.21%
EURILS	3.9309	-0.89%	0.46%	1.48%
GBPILS	4.4585	0.39%	1.28%	-2.68%
CHFILS	3.7200	-0.69%	0.84%	4.21%
JPYILS	3.3500	1.44%	1.61%	5.38%
AUDILS	2.1801	-0.80%	0.29%	-10.07%
CADILS	2.5595	0.39%	1.54%	-3.74%
EURUSD	1.0801	-3.05%	-2.09%	-3.67%
GBPUSD	1.2269	-1.53%	-1.22%	-7.45%
USDJPY	108.5500	0.57%	0.94%	-0.06%
AUDUSD	0.5997	-2.77%	-2.19%	-14.58%
CHFUSD	1.0232	-2.60%	-1.65%	-0.98%
CADUSD	0.7039	-1.58%	-0.98%	-8.56%
NZDUSD	0.5878	-2.60%	-1.31%	-12.79%

- The US dollar firmed against major currencies investors took shelter in the greenback amid worsening economic fallout from the coronavirus outbreak. The Japanese yen, Swiss franc, sterling, as well as the Australian and New Zealand dollars all lost ground as the dollar strengthened across the board. The largest ever daily gain in crude oil prices also helped the greenback, since the United States is the world's top oil and gas producer.
- The euro weakened due to indecision among Eurozone governments about a rescue package for the region's hobbled economies.
- The UK pound sank against the USD and the euro after data showed a record slump among Britain's services and manufacturing firms in late March as businesses and households paused activity to try to prevent the spread of the coronavirus.
- Most emerging market currencies fell as fears of a recession due to the coronavirus pandemic prompted continued outflows from emerging markets. EM currencies have made hefty losses so far this year as investors rush to safer assets, pushing many such as the rand and most Latin American currencies to all-time lows.



Energy & Metals

WTI Crude Oil for May closed +31.75% to US\$28.34

- WTI crude oil prices surged almost 32% on the week after recording their largest one-day gain on record on Thursday, when they jumped 21%.
- WTI and Brent oil benchmarks rallied on hopes that major oil producers will reach an agreement to significantly cut production levels as efforts to slow the spread of COVID-19 continue to hurt energy demand.

Gold for April closed +0.54% to US\$1,633.70

- Gold prices registered a small weekly increase after a report on US employment in March indicated that the damage from coronavirus related business shutdowns is already having a big impact on the labor market. Still, upside price bias has been restrained by the deflation scare running through financial markets.

Copper for May closed +0.94% to US\$219.25

- Copper prices closed higher for the first week in six, although the demand outlook for the red metal remained cloudy as the coronavirus pandemic spread to infect over a million people. The red metal's price gained after better-than-expected factory data from China boosted prices earlier this past week.

ETF MONEY FLOWS (WTD)



LQD US Equity	ISHARES IBOXX INVESTMENT GRADE	2,171,554,025	
GLD US Equity	SPDR GOLD SHARES	1,319,565,916	
IVV US Equity	ISHARES CORE S&P 500 ETF	1,114,697,488	
VOO US Equity	VANGUARD S&P 500 ETF	976,989,484	
SH US Equity	PROSHARES SHORT S&P500	911,951,013	
IVW US Equity	ISHARES S&P 500 GROWTH ETF	860,109,021	
IWF US Equity	ISHARES RUSSELL 1000 GROWTH	745,751,505	
IVE US Equity	ISHARES S&P 500 VALUE ETF	664,718,005	
XLE US Equity	ENERGY SELECT SECTOR SPDR	632,771,657	
USO US Equity	UNITED STATES OIL FUND LP	618,136,755	
QQQ US Equity	INVESCO QQQ TRUST SERIES 1	(3,139,554,359)	
EFA US Equity	ISHARES MSCI EAFE ETF	(1,862,736,001)	
IWM US Equity	ISHARES RUSSELL 2000 ETF	(1,614,104,969)	
HYG US Equity	ISHARES IBOXX HIGH YLD CORP	(1,478,645,964)	
SPTS US Equity	SPDR PORT SHRT TRM TRSRY	(1,331,494,309)	
SPY US Equity	SPDR S&P 500 ETF TRUST	(1,159,586,589)	
XLF US Equity	FINANCIAL SELECT SECTOR SPDR	(1,020,310,867)	
TIP US Equity	ISHARES TIPS BOND ETF	(860,374,022)	
BSV US Equity	VANGUARD SHORT-TERM BOND ETF	(794,486,996)	
SHY US Equity	ISHARES 1-3 YEAR TREASURY BOND	(745,403,086)	

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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