



Your Gateway To The World

WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

19 April 2020



US

S&P500 +3.04% (2,874.56); NASDAQ +6.09% (8,650.14); DJIA +2.21% (24,242.49)

This week's reports:

- **March's CPI** rose 1.5% y/y (-0.4% m/m) versus February's 2.3% y/y (+0.1% m/m). **CPI ex Food & Energy** rose 2.1% y/y (-0.1% m/m) versus February's 2.4% y/y (+0.2% m/m).
 - **April's Michigan Consumer Sentiment Index** (prelim.) fell to 71 from March's 89.1.
 - **March's Retail Sales** plunged 8.7%, deepest drop on record, from February's -0.4%. **Retail Sales ex Autos** fell 4.5% from February's -0.4%.
 - **April's NAHB Housing Market Index** tumbled to 30 from March's reading of 72.
 - **March's Building Permits** dropped 6.8% from February's -6.3%. **Housing Starts** tumbled 22.3% from February's -3.4%.
 - **March's NFIB Small Business Optimism Index** fell to 96.4 from February's 104.5.
 - **April's Michigan Consumer Sentiment Index** (prelim.) dropped to 71 from March's 89.1.
 - **April's NY Empire State Manufacturing Index** tumbled to -78.2, its lowest level in the history of the survey by a wide margin, from March's reading of -21.5.
 - **March's Industrial Production** dropped 5.4%, its largest decrease since January 1946, from February's +0.5%. **Capacity Utilization** fell to 72.7% from February's 77%.
 - **April's Philadelphia Fed Manufacturing Survey** fell to -56.6, its lowest reading since July 1980, from March's -12.7.
 - **Initial Jobless Claims** for the week ending April 11th fell by 1,370K to 5,245K. **Continuing Jobless Claims** for the week ending April 4th rose by 4.53M to 11.976M.
- Major US indexes closed a second week of gains, buoyed by optimism that parts of the American economy may begin reopening in coming days. Stocks rallied despite reports showing a historic plunge in retail sales and industrial production and a continued surge in unemployment claims.
 - The gains in global and US stock markets came after President Trump told governors on Thursday that they could begin reopening businesses in their states by May 1 or earlier, and Boeing, one of the nation's largest manufacturers, said it planned to bring about 27,000 employees back to work in Washington State to resume aircraft production. Shares were also lifted hopeful signs in a report that a drug from Gilead Sciences showed early promise in fighting the coronavirus.
 - More than 5.2 million Americans filed new claims for unemployment insurance last week, pushing the total in four weeks to more than 22 million, in the latest sign of the staggering job losses from the coronavirus shutdowns. Since mid-March, about 13% of the labor force has sought jobless assistance, far outpacing any prior four-week stretch on record.



Canada

S&P/TSX Composite +1.36% (14,359.88)

- Canada's main stock index rose, on track to add gains for four straight weeks, on Washington's plan to gradually reopen the country's economy, while reports of a potential drug to treat COVID-19 added to the bounce.
 - Canada's shares were led up by oil and gas companies' stocks after the country's government said it will invest around \$1.8 billion in measures to help the hard-hit energy industry.
- **March's Unemployment Rate** jumped to 7.8% from February's 5.6% after **Net Payrolls** fell by 1,010K from February's +30.3K.
- **March's Ivey PMI** tumbled to 26 from February's 54.1.

Eurozone

EUROSTOXX50	-0.16%	(2,888.30)
DJSTOXX600	+0.50%	(333.47)
DAX30	+0.58%	(10,625.78)
CAC40	-0.17%	(4,499.01)
FTSE100	-0.95%	(5,786.96)

- European shares rose for a second straight week as President Trump's plans to reopen the US economy, following similar steps announced in some European countries, supported hopes of a resumption of activity after weeks of lockdown. Investors also drew comfort from reports of a potential drug to treat COVID-19 made by US drug maker Gilead Sciences.
- **April's Sentix Investor Confidence** tumbled to -42.9 from March's -17.1.
- **March's CPI** rose 0.7% y/y, the same as in February. **Core CPI** rose 1% y/y, also the same as in February.
- **February's Industrial Production** fell 1.9% y/y versus January's -1.7% y/y.

UK

- **February's Industrial Production** fell 2.8% y/y, the same decline as in January. **Manufacturing Production** fell 3.9% y/y versus January's -3.7%.
- **February's GDP** contracted 0.1% from January's +0.1%.



Japan

NIKKEI +2.05% (19,897.26)

- Japan's shares rose on Friday as investor sentiment rebounded amid growing hopes for an early reopening of the US economy after its lockdown to stop the coronavirus pandemic. Export-oriented stocks, such as automaker Toyota and technology and entertainment giant Sony, particularly benefited from Trump's reopening plan.
- **March's Consumer Confidence** fell to 30.9, its lowest since 2009, from February's 38.4.
- **February's Industrial Production** fell 5.7% y/y versus January's -4.7% y/y.
- **March's Machine Tool Orders** tumbled 40.8% y/y versus February's -29.6% y/y.

Australia & New Zealand

S&P/ASX200 +1.86% (5,487.54)

NZX 50 +8.18% (10,778.72)

- **Australia's March Unemployment Rate** rose to 5.2% from February's 5.1%.
- **Australia's April Westpac Consumer Confidence Index** dropped 17.7% from March's -3.8%.
- **Australia's March NAB Business Confidence Index** tumbled to -66 from February's -2.
- **Australia's March AiG Services Index** fell to 38.7 from February's 47.
- **New Zealand's Q1 2020 Business Confidence Index** tumbled 70% from Q4's -21%.



Emerging Markets

MSCI EM	+1.48%	(901.31)
MSCI Asia Pacific	+2.47%	(135.40)
Shanghai Composite (China)	+1.50%	(2,838.49)
HANG SENG Index	+0.33%	(24,380.00)
India SENSEX Index	+1.38%	(31,588.72)
EM Eastern Europe	-5.62%	(129.94)
Russia's IMOEX	-5.34%	(2,534.97)
MSCI EM Latin America (USD)	-2.50%	(1,647.87)
Brazil BOVESPA Index	+1.68%	(78,990.30)

- Emerging market stocks rose for a second week, lifted by hopes that the US would soon emerge from coronavirus lockdown and by signs that there may soon be a cure for severe COVID-19 cases. This came after signs that the outbreak may have peaked in US and European epicenters, which bolstered risk appetite and pushed emerging markets further above lows hit in earlier stages of the outbreak.
- **China's Q1 2020 GDP** fell 6.8% y/y, its worst contraction in at least 30 years, versus Q4's growth of 6% y/y. Quarter-on-quarter, the GDP shrank 9.8% from Q4's growth of 1.5%.
- **China's March Retail Sales** dropped 15.8% y/y versus February's -20.5%.
- **China's March CPI** rose 4.3% y/y versus February's 5.2% y/y.
- **China's March Exports** fell 6.6% y/y versus February's -17.2%. **Imports** fell 0.9% y/y versus February's -4%.
- **China's March Industrial Production** fell 1.1% y/y versus February's 13.5% y/y.



US

2-yr USTs closed down 2bps to 0.20%. 10-yr USTs closed down 8bps to 0.64%.

- US Treasury yields declined despite another rally in stocks, underscoring the two markets' growing divide over the economic outlook.
- Yields dropped on the week even after the Federal Reserve said it would reduce the amount of Treasuries it purchases to around \$15 billion a day next week from \$30 billion a day this week.

Canada

2-yr GCAD closed down 5bps to 0.37%. 10-yr GCAD closed down 12bps to 0.65%.

Europe

2-yr Bunds closed down 6bps to -0.68%. 10-yr Bunds closed down 13bps to -0.47%.

UK

2-yr Gilts closed up 5bps to 0.09%. 10-yr Gilts closed unch. at 0.30%.

Japan

2-yr bonds closed up 4bps to -0.12%. 5-yr bonds closed up 2bps to -0.09%. 10-yr bonds closed up 1bps to 0.03%.



CURRENCIES



Currencies	17/04/2020	Weekly %	MTD %	YTD %
USDILS	3.5886	0.37%	1.12%	3.92%
EURILS	3.8984	-0.30%	-0.37%	0.65%
GBPILS	4.4869	0.71%	1.92%	-2.06%
CHFILS	3.7113	-0.06%	0.61%	3.97%
JPYILS	3.3318	0.72%	1.06%	4.81%
AUDILS	2.2841	0.28%	5.07%	-5.78%
CADILS	2.5631	-0.29%	1.69%	-3.60%
EURUSD	1.0875	-0.57%	-1.41%	-3.01%
GBPUSD	1.2499	0.35%	0.64%	-5.72%
USDJPY	107.5400	-0.86%	0.00%	-0.99%
AUDUSD	0.6366	0.27%	3.83%	-9.33%
CHFUSD	1.0342	-0.09%	-0.60%	0.09%
CADUSD	0.7143	-0.31%	0.48%	-7.21%
NZDUSD	0.6035	-0.71%	1.33%	-10.46%

- The US dollar ticked lower on Friday as investors, cautiously optimistic about the results of a drug trial and President Donald Trump's plan to reopen the economy, regained some appetite for risk. Still, the greenback kept its weekly gain on dismal economic data from the United States and a report that China's economy contracted in the first quarter.
- The UK pound rose against the euro as markets continued to be fearful of what prospects might lie ahead for the Eurozone. French President Emmanuel Macron warned of an unravelling of the European Union unless it shows solidarity with Italy and other badly affected economies.
- Most emerging market currencies gained marginally or weakened despite a pause in the dollar's safe-haven rally. The MSCI's index of emerging market currencies declined for the week as investors continued to be cautious amid global recession being the base case for the year and as the economic outlook remains clouded with uncertainties.



Energy & Metals

WTI Crude Oil for May closed -19.73% to US\$18.27

- WTI crude oil prices slid to a new 18-year low Friday, recording another enormous weekly drop with the coronavirus pandemic erasing demand for fuel and pressuring energy producers. The US benchmark has lost more than two-thirds of its price since the start of the year.
- Brent crude, the global benchmark for oil, recorded an 11% weekly decline. According to the latest report published by the International Energy Agency, global oil demand is expected to fall by a record 9.3 million barrels a day this year. April's oil demand is projected to tumble by 29 million barrels a day, or about 30% of last year's demand, to levels not seen in a quarter of a century.
- Forecasts of historic falls in oil demand have driven crude prices lower, outweighing the prospect of large output cuts by the OPEC+ who agreed last week to withhold 9.7 million barrels, more than 13% of global supply, from the market.

Gold for April closed -2.71% to US\$1,689.20

- Gold prices fell strongly on Friday, reversing its weekly gain, on some profit taking and increased investors' risk appetite.

Copper for May closed +3.76% to US\$234.45

- Copper prices its best week since February 2019 as US President Donald Trump laid out plans to reopen the world's biggest economy, despite top consumer China posting weaker-than-expected economic data.

ETF MONEY FLOWS (WTD)



HYG US Equity	ISHARES IBOXX HIGH YLD CORP	2,303,517,985	
LQD US Equity	ISHARES IBOXX INVESTMENT GRADE	2,270,844,958	
EFG US Equity	ISHARES MSCI EAFE GROWTH ETF	2,145,135,950	
IGSB US Equity	ISHARES SHORT-TERM CORPORATE	1,774,547,495	
USO US Equity	UNITED STATES OIL FUND LP	1,603,782,008	
GLD US Equity	SPDR GOLD SHARES	1,506,438,937	
SPY US Equity	SPDR S&P 500 ETF TRUST	1,136,670,300	
ESGE US Equity	ISHARES ESG MSCI EM ETF	724,078,001	
VUG US Equity	VANGUARD GROWTH ETF	715,740,682	
IAU US Equity	ISHARES GOLD TRUST	701,507,982	
IEMG US Equity	ISHARES CORE MSCI EMERGING	(1,744,818,022)	
IEFA US Equity	ISHARES CORE MSCI EAFE ETF	(1,631,186,005)	
EFA US Equity	ISHARES MSCI EAFE ETF	(1,483,403,970)	
GOVT US Equity	ISHARES US TREASURY BOND ETF	(614,074,001)	
VWO US Equity	VANGUARD FTSE EMERGING MARKETS	(603,803,901)	
TLT US Equity	ISHARES 20+ YEAR TREASURY BOND	(593,243,983)	
IWM US Equity	ISHARES RUSSELL 2000 ETF	(593,064,992)	
XLF US Equity	FINANCIAL SELECT SECTOR SPDR	(539,275,590)	
FLOT US Equity	ISHARES FLOATING RATE BOND ETF	(518,045,997)	
IGIB US Equity	ISHARES INTERMEDIATE-TERM CO	(427,150,002)	

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