



Your Gateway To The World

WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

5 July 2020



US

S&P500 +4.02% (3,130.01); NASDAQ +4.62% (10,207.63); DJIA +3.25% (25,827.36)

This week's reports:

- **June's Unemployment Rate** fell to 11.1%, much less than the expected 12.3%, from May's 13.3%. **Non-Farm Payrolls** rose by 4.8 million (versus the expected 3 million) from May's 2.699 million. **Labor Force Participation Rate** rose to 61.5% from May's 60.8%.
- **June's Average Weekly Hours** fell to 34.5 from May's 34.7. **Average Hourly Earnings** fell 1.2% from May's -1%.
- **June's Consumer Confidence Index** jumped to 98.1 from May's reading of 85.9. Economists expected consumer confidence to rise to 91.
- **May's Pending Home Sales** had their record monthly increase, surging 44.3% m/m from April's -21.8% m/m. The expected increase was 19.7%.
- **April's S&P/Case-Shiller Home Price Indices** rose 4% y/y versus March's +3.9% y/y.
- **June's Dallas Fed Manufacturing Index** surged to -6.1 from May's -49.2.
- **June's Chicago PMI** rose to 36.6 from May's 32.3.
- **June's ISM Manufacturing PMI** jumped to 52.6, the expansion territory, from May's 43.1.
- **June's Markit Manufacturing PMI** surged to 49.8 from May's 39.8.
- **June's ISM-NY Business Conditions Index** jumped to 39.5 from May's 19.5.
- **May's Factory Orders** rose 8% from April's -13.5%.
- **Initial Jobless Claims** for the week ending June 27th fell by 55K to 1.43M. **Continuing Jobless Claims** for the week ending June 20th rose by 59K to 19.29M.
- US stocks jumped on Thursday, last trading day of the holiday-shortened week, after the June employment report showed the economy added more jobs than expected, reassuring investors that the recovery is continuing.
- Investors are balancing worries about the rising infection level, which may prompt more stringent lockdowns and stall the economic recovery, with signs of a revival in business activity. Coronavirus cases in the US rose to another single-day high, crossing 52,000 new infections on Thursday. The country's death toll topped 128,700, making the US the worst-hit nation globally.
- The Nasdaq Composite closed at a new record of 10,207.63 for its 23rd record close this year.

Canada

S&P/TSX Composite +2.68% (15,596.75)

- Canada's stocks gave back some of their weekly gains on Friday, as a record surge in COVID-19 cases in the United States raised fears of another round of lockdowns.
- **April's GDP** fell 11.6%, less than the expected -13%, from March's -7.5%.



Europe

EUROSTOXX50	+2.82%	(3,294.38)
DJSTOXX600	+1.98%	(365.43)
DAX30	+3.63%	(12,528.18)
CAC40	+1.99%	(5,007.14)
FTSE100	-0.03%	(6,157.30)

- European shares fell Friday, paring some of their weekly increases, as investors took stock of a surge in coronavirus infections in the US that could impede the global economic recovery.
 - Previously in the week, Europe's indexes rallied on better-than-expected US and European data. Both France and Germany saw record surges in consumer spending and retail sales; while manufacturing PMIs were revised higher in Germany, France and Italy.
- **May's Unemployment Rate** rose to 7.4% (versus the expected 7.7%) from April's 7.3%.
- **June's CPI** (prelim.) rose 0.3% y/y versus May's 0.1% y/y. **Core CPI** (prelim.) rose 0.8% y/y versus May's 0.9% y/y.
- **June's Consumer Confidence Index** was unchanged from May's -14.7. **Economic Confidence Index** rose to 75.7 from May's 67.5.
- **June's Markit Manufacturing PMI** rose to 47.4 from May's 46.9. **Services PMI** rose to 48.3 from May's 47.3. **Composite PMI** rose to 48.5 from May's 47.5.

UK

- **Q1 2020 GDP** contracted 1.7% y/y from Q4's +1.1% y/y. Quarter-on-quarter, GDP fell 2.2%, it's largest decrease since 1979, from Q4's zero change.
- **July's GfK Consumer Confidence Index** rose to -27 from June's -30.
- **June's Markit Manufacturing PMI** surged to 50.1, expansion territory, from May's 40.7. **Services PMI** jumped to 47.1 from May's 29.0.



Japan

NIKKEI -0.91% (22,306.48)

- Japan's stocks bucked the global rally and were the only major developed market to see stocks retreat. In contrast to strong rebounds seen elsewhere in May, Japan reported its fourth consecutive month of contracting manufacturing and falling retail sales.
- **June's Consumer Confidence Index** rose to 28.4 from May's 24.0.
- **May's Retail Trade** fell 12.3% y/y versus April's -13.9% y/y.
- **May's Unemployment Rate** rose to 2.9% from April's 2.6%.
- **June's Markit Manufacturing PMI** rose to 40.1 from May's 38.4. **Services PMI** rose to 45.0 from May's 26.5.

Australia & New Zealand

S&P/ASX200 +2.60% (6,057.88)

NZX 50 +3.86% (11,558.70)

- **Australia's May Retail Sales** jumped 16.9% from April's -17.7%.
- **Australia's June AiG performance of Manufacturing Index** rose to 51.5 from May's 41.6.
- **Australia's June Manufacturing PMI** rose to 51.2, expansion territory, from May's 49.8. **Services PMI** fell to 53.1 from May's 53.2. **Composite PMI** rose to 52.7 from May's 52.6.
- **New Zealand's June ANZ Business Confidence Index** rose to -34.4 from May's -41.8.
- **New Zealand's June ANZ Business Activity Outlook** rose to -25.9 from May's -38.7.



Emerging Markets

MSCI EM	+3.42%	(1,033.09)
MSCI Asia Pacific	+1.51%	(150.11)
Shanghai Composite (China)	+5.82%	(3,152.81)
HANG SENG Index	+3.35%	(25,373.12)
India BSE SENSEX Index	+2.42%	(36,021.42)
EM Eastern Europe	-0.40%	(146.81)
Russia's IMOEX	+1.45%	(2,801.66)
MSCI EM Latin America (USD)	+5.16%	(1,952.03)
Brazil BOVESPA Index	+3.12%	(96,764.90)

- Emerging market stocks ended the week higher on upbeat economic data from China and the United States. However, gains were capped by a spike in the US COVID-19 infections, undercutting risk appetite. Still, the MSCI EM index rose to its highest level since March 6, but still trading about 10% below a pre-pandemic peak.
 - Shanghai Composite Index rallied strongly over the week as a private gauge of China's service-sector activity surged to its highest level in more than a decade in June, after the easing of virus-control measures in most parts of the country drove demand.
- **China's June NBS Manufacturing PMI** (official) rose to 50.9 from May's 50.6. **NBS Non-Manufacturing PMI** (official) rose to 54.4 from May's 53.6.
- **China's June Caixin (Markit) Manufacturing PMI** rose to 51.2 from May's 50.7. **Caixin (Markit) Services PMI** rose to 58.4 from May's 55.0.



US

2-yr USTs closed down 1bps to 0.15%. 10-yr USTs closed up 3bps to 0.67%.

- US government bond yields reversed their earlier climb and closed lower Thursday, with investors weighing persistent worries about the economic outlook against a better-than-expected monthly jobs report. Some analysts called the reversal in 10-year yield a signal that investors believe that a full economic recovery will take time.

Canada

2-yr GCAD closed up 1bps to 0.30%. 10-yr GCAD closed up 5bps to 0.56%.

Europe

2-yr Bunds closed up 2bps to -0.68%. 10-yr Bunds closed up 5bps to -0.43%.

UK

2-yr Gilts closed down 1bps to -0.08%. 10-yr Gilts closed up 2bps to 0.19%.

Japan

2-yr bonds closed down 1bps -0.13%. 10-yr bonds closed up 2bps to 0.03%.



CURRENCIES



Currencies	03/07/2020	Weekly %	MTD %	YTD %
USDILS	3.4354	0.05%	-0.84%	-0.52%
EURILS	3.8636	0.23%	-0.76%	-0.25%
GBPILS	4.2895	1.35%	-0.14%	-6.37%
CHFILS	3.6329	0.39%	-0.65%	1.77%
JPYILS	3.1963	-0.11%	-0.40%	0.55%
AUDILS	2.3850	1.24%	-0.26%	-1.61%
CADILS	2.5367	1.20%	-0.58%	-4.60%
EURUSD	1.1248	0.26%	0.12%	0.31%
GBPUSD	1.2483	1.19%	0.66%	-5.84%
USDJPY	107.5100	0.27%	-0.39%	-1.01%
AUDUSD	0.6939	1.08%	0.52%	-1.17%
CHFUSD	1.0574	0.25%	0.17%	2.33%
CADUSD	0.7382	1.05%	0.22%	-4.10%
NZDUSD	0.6531	1.68%	1.19%	-3.10%

- The US dollar rose at the end of the week, regaining its safe-haven appeal, as investors worried that the resurgence of US coronavirus cases could erase the summer's employment gains. Still, the USD ended the week with a decline on a sentiment boost from better-than-expected jobs data.
- The British pound rose strongly over the week, as some economic data surprised on a positive side and after British Prime Minister Boris Johnson said he was optimistic that a post-Brexit trading deal could be struck, but said Britain could leave the bloc without a comprehensive agreement if needed.
- Emerging market currencies rose, but gains were muted as growing coronavirus cases dampened optimism about a swift global economic recovery.



Energy & Metals

WTI Crude Oil for September closed +5.46% to US\$40.76

- Crude oil prices surged on Thursday, buoyed by stronger-than-expected US jobs data and positive economic readings in China and Europe.
- Crude futures fell on Friday, paring some of their weekly gains, as the resurgence of the coronavirus globally and in the United States, the world's largest oil consumer, dimmed the prospects of fuel demand recovery.

Gold for August closed +0.54% to US\$1,790.00

- Gold prices reversed their earlier course and edged higher on Thursday as the dollar eased, though the metal's gains were capped as prospects for economic recovery accelerated after data showed the U. economy created a record number of jobs in June.

Copper for September closed +2.59% to US\$274.85

- Copper prices rose for another week on weaker dollar and hopes for faster than previously expected industrial recovery in China and the US.

ETF MONEY FLOWS (WTD)



IEF US Equity	ISHARES 7-10 YEAR TREASURY BOND	2,218,151,034	
SPTI US Equity	SPDR PORTFOLIO INTERMEDIATE	1,793,868,765	
QQQ US Equity	INVESCO QQQ TRUST SERIES 1	1,478,221,297	
LQD US Equity	ISHARES IBOXX INVESTMENT GRADE	1,364,181,017	
IWM US Equity	ISHARES RUSSELL 2000 ETF	1,247,839,529	
GLD US Equity	SPDR GOLD SHARES	914,669,553	
VCIT US Equity	VANGUARD INT-TERM CORPORATE	870,869,876	
TLT US Equity	ISHARES 20+ YEAR TREASURY BOND	806,633,972	
XLK US Equity	TECHNOLOGY SELECT SECT SPDR	621,510,515	
FXL US Equity	FIRST TRUST TECHNOLOGY ALPHA	593,074,983	
IWP US Equity	ISHARES RUSSELL MID-CAP GROW	(2,535,572,990)	
IWR US Equity	ISHARES RUSSELL MID-CAP ETF	(1,517,257,026)	
JNK US Equity	SPDR BBG BARC HIGH YIELD BND	(989,881,863)	
SPY US Equity	SPDR S&P 500 ETF TRUST	(692,675,352)	
HYG US Equity	ISHARES IBOXX HIGH YLD CORP	(609,564,983)	
IEMG US Equity	ISHARES CORE MSCI EMERGING	(577,560,013)	
USHY US Equity	ISHARES BROAD USD HIGH YIELD	(455,322,503)	
HYLB US Equity	XTRACKERS USD HIGH YIELD COR	(350,476,132)	
VONG US Equity	VANGUARD RUSSELL 1000 GROWTH	(348,739,738)	
IVV US Equity	ISHARES CORE S&P 500 ETF	(344,352,995)	

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