



Your Gateway To The World

WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

4 October 2020



US

S&P500 +1.52% (3,348.44); NASDAQ +1.48% (11,075.02); DJIA +1.87% (27,682.81)

This week's reports:

- **Q2 2020 GDP Growth Annualized** (3rd estimate) was -31.4%, slightly better than previously estimated -31.7% annualized.
 - **August's Personal Income** fell 2.7% from July's +0.5% as pandemic-related Federal assistance programs begin to wind down. **Personal Spending** rose 1% from July's +1.5%.
 - **September's Consumer Confidence Index** surged to 101.8, its highest level since the start of the Coronavirus pandemic, from August's 86.3. It was the biggest one-month increase in 17 years. Economists had forecast a smaller increase in the index to 89.6.
 - **September's Michigan Consumer Sentiment Index** jumped to 80.4, its highest level in six months, from August's 74.1.
 - **September's Unemployment Rate** fell to 7.9% from August's 8.4% against the expectations of a decline to 8.2%. **Non-Farm Payrolls** rose by 661K from August's +1,489K. **Labor Force Participation** fell to 61.4% from August's 61.7%.
 - **September's Average Hourly Earnings** rose 0.1% from August's +0.3%. **Average Weekly Hours** rose to 34.7 from August's 34.6.
 - **July's S&P/Case-Shiller Home Price Indices** rose 3.9% y/y versus June's +3.5% y/y.
 - **August's Pending Home Sales** jumped 8.8% from July's +5.9%.
 - **September's ADP Employment Change** was an increase by 749K jobs in the private sector, versus August's +481K and comparing to the expected increase in hiring of 650K.
 - **September's Markit Manufacturing PMI** rose to 53.2, its strongest since January 2019, from August's 53.1.
 - **September's ISM Manufacturing PMI** declined to 55.4 from August's 56.0, indicating that growth in the sector slowed, but remained strong.
 - **September's Chicago PMI** rose to 62.4 from August's 51.2; it was expected to rise to 52.0.
 - **September's Dallas Fed Manufacturing Index** jumped to 13.6 from August's reading of 6.
 - **August's Factory Orders** rose 0.7% from July's +6.5%.
 - **August's Wholesale Inventories** (prelim.) rose 0.5% from July's -0.1%.
 - **Initial Jobless Claims** for the week ending September 26th declined by 36K to 837K, versus the expected decline to 850K. **Continuing Jobless Claims** for the week ending September 19th fell by 980K to 11.767M, versus the expectations of a decrease to 12.225M continuing claims.
- US stocks fell Friday after President Trump said he and the first lady tested positive for coronavirus, but all three major indexes held on to notch gains for the week. Earlier in the week stocks rose on positive economic data in the US, Europe and China and hopes for additional fiscal stimulus.



Canada

S&P/TSX Composite +0.83% (16,199.25)

- Canada's S&P/TSX Composite Index lagged the advance of its US counterpart S&P 500, weighed down by the weakness in energy shares.
- **July's GDP Growth** was 3% m/m versus June's +6.5% m/m.
- **September's Markit Manufacturing PMI** rose to 56, its strongest since August 2018, from August's 55.1.

Europe

EUROSTOXX50	+1.72%	(3,190.93)
DJSTOXX600	+2.02%	(362.69)
DAX30	+1.76%	(12,689.04)
CAC40	+2.01%	(4,824.88)
FTSE100	+1.02%	(5,902.12)

- European shares rose for the week as euro area economic confidence rose for the fifth straight month. Other news boosting stocks included falling unemployment in Germany and Italy.
- **September's Consumer Confidence Index** rose to -13.9 from August's -14.7.
- **September's Economic Sentiment Indicator** rose to 91.1 from August's 87.5.
- **August's Unemployment Rate** rose to 8.1% from July's 8%.
- **September's CPI (prelim.)** fell 0.3% y/y versus August's -0.2% y/y.
- **September's Markit Manufacturing PMI** rose to 53.7, its strongest in two years, from August's 51.7. The sector's growth was led by Germany, Italy and Netherlands.



UK

- **September's Markit Manufacturing PMI** fell slightly to 54.1 from August's two-and-a-half year high of 55.2. The PMI has remained above its no-change mark of 50.0 for four successive months, its longest sequence in expansion territory since early-2019.
- **September's Nationwide Housing Prices** rose 0.9% from August's +2.0%.

Japan

NIKKEI -0.75% (23,029.90)

- Japanese stocks underperformed as technical problems forced a shutdown of the Tokyo Stock Exchange for one day. Declines were limited a surge in retail sales, better-than-expected industrial production and an increase in manufacturing PMI.
- **July's Leading Economic Index** rose to 86.9 from June's 83.8.
- **September's Consumer Confidence Index** rose to 32.7 from August's 29.3; it was expected to increase to 33.8.
- **August's Unemployment Rate** rose to 3% from July's 2.9%.
- **September's Jibun Bank (Markit) Manufacturing PMI** rose to 47.7 from August's 47.3, indicating slower contraction in the sector.
- **August's Industrial Production** (prelim.) fell 13.3% y/y versus August's -15.5% y/y.
- **August's Retail Trade** jumped 4.6% from July's -3.4%; it was expected to increase by 3.2%.

Australia & New Zealand

S&P/ASX200 -2.91% (5,791.50)

NZX 50 +0.22% (11,822.84)

- **Australia's September Commonwealth Bank (Markit) Manufacturing PMI** declined to 55.4 from August's 55.5.
- **Australia's September AiG Manufacturing Index** fell to 46.7 from August's 49.3.
- **Australia's August Retail Sales** dropped 4% from July's -4.2%.
- **New Zealand's September ANZ Business Confidence Index** fell to -28.5 from August's reading of -26.



Emerging Markets

MSCI EM	+2.13%	(1,081.71)
MSCI Asia Pacific	+0.92%	(158.36)
Shanghai Composite (China)	-0.04%	(3,218.05)
HANG SENG Index	+0.96%	(23,459.05)
India BSE SENSEX Index	+3.50%	(38,697.05)
EM Eastern Europe	-0.67%	(132.39)
Russia's IMOEX	-1.53%	(2,852.42)
MSCI EM Latin America (USD)	-1.84%	(1,817.40)
Brazil BOVESPA Index	-3.08%	(94,015.70)

- Emerging market stocks slipped on Friday with investors flocking to the perceived safety of the dollar, yen and gold after US President Donald Trump tested positive for Covid-19. EM shares still gained for the week, as the investors were encouraged by better-than-expected data in some of the major economies.
- **China's September NBS Manufacturing PMI** (official) rose to 51.5 from August's 51.0. **Non-Manufacturing PMI** (official) rose to 55.9 from August's 55.2.
- **China's September Caixin (Markit) Manufacturing PMI** declined to 53 from August's 53.1.



US

2-yr USTs closed unch. at 0.13%. 10-yr USTs closed up 5bps to 0.70%.

- US government bond yields rose after a volatile trading, swung by the president's positive Covid-19 test and hopes for further stimulus from lawmakers.

Canada

2-yr GCAD closed down 1bps to 0.24%. 10-yr GCAD closed up 2bps to 0.57%.

Europe

2-yr Bunds closed unch. at -0.69%. 10-yr Bunds closed down 1bps to -0.54%.

UK

2-yr Gilts closed up 3bps to -0.04%. 10-yr Gilts closed up 6bps to 0.25%.

Japan

2-yr bonds closed up 2bps to -0.12%. 10-yr bonds closed up 1bps to 0.02%.



CURRENCIES



Currencies	02/10/2020	Weekly %	MTD %	YTD %
USDILS	3.4328	-1.38%	0.19%	-0.59%
EURILS	4.0199	-0.60%	0.06%	3.78%
GBPILS	4.4398	0.11%	0.23%	-3.08%
CHFILS	3.7312	-0.34%	0.22%	4.53%
JPYILS	3.2596	-1.05%	0.24%	2.54%
AUDILS	2.4585	0.61%	0.10%	1.42%
CADILS	2.5785	-0.75%	0.20%	-3.02%
EURUSD	1.1716	0.73%	-0.04%	4.49%
GBPUSD	1.2935	1.48%	0.12%	-2.43%
USDJPY	105.2900	-0.27%	-0.18%	-3.06%
AUDUSD	0.7161	1.85%	-0.01%	1.99%
CHFUSD	1.0863	0.86%	0.04%	5.13%
CADUSD	0.7514	0.59%	0.09%	-2.39%
NZDUSD	0.6641	1.45%	0.36%	-1.47%

- The US dollar rose on Friday, as investors were unnerved by President Trump's announcement of a positive Covid-19 test. However, the USD declined for the week against a major currency basket, as hopes for US fiscal stimulus cheered investors and spurred them to seek higher-yielding but riskier currencies.
- The euro strengthened over the week as improving market sentiment and better-than-expected economic data in the Eurozone helped to temper safe-haven demand.
- Emerging market currencies slipped on Friday with investors flocking to the safety of the dollar, yen and gold after US President Donald Trump tested positive for Covid-19.



Energy & Metals

WTI Crude Oil for December closed -7.83 to US\$37.34

- Oil prices slid on concerns of oversupply, and were pushed down also by uncertainty around prospects for a stimulus deal.
- The oil market struggled with the return of Libyan output and unexpectedly higher exports from Saudi Arabia and Iraq. Russian exports are also expected to increase. The longer-term outlook for crude weakened when China announced that it aimed to increase non-fossil fuel sources to 20% of its energy needs by 2025, five years ahead of schedule.

Gold for December closed +2.21 to US\$1,907.60

- Gold futures ended lower Friday as it became clear that President Donald Trump's announcement he had contracted the Covid-19 didn't spark a rush out of equities. Still, the yellow metal rose for the week as the US dollar has receded somewhat after the previous week's rally, providing more room for dollar-based assets to rise.

Copper for September closed +0.22% to US\$297.75

- Copper prices hit seven-week lows on Friday as demand concerns were reinforced by news that US President Donald Trump had tested positive for the coronavirus, as well as a firmer dollar. However, the industrial metal recovered all of its losses as better economic data around the world lifted sentiment towards the metal.

ETF MONEY FLOWS (WTD)



TLT US Equity	ISHARES 20+ YEAR TREASURY BO	1,860,799,989	
VTI US Equity	VANGUARD TOTAL STOCK MKT ETF	1,363,672,874	
JNK US Equity	SPDR BBG BARC HIGH YIELD BND	831,419,121	
AGG US Equity	ISHARES CORE U.S. AGGREGATE	554,865,008	
GLD US Equity	SPDR GOLD SHARES	515,734,869	
EMB US Equity	ISHARES JP MORGAN USD EMERGI	506,331,007	
FXL US Equity	FIRST TRUST TECHNOLOGY ALPHA	489,648,337	
XLI US Equity	INDUSTRIAL SELECT SECT SPDR	471,541,833	
PFF US Equity	ISHARES PREFERRED & INCOME S	393,500,990	
SPMB US Equity	SPDR PORTFOLIO MORTGAGE BACK	382,948,968	
SPY US Equity	SPDR S&P 500 ETF TRUST	(3,108,928,239)	
XLK US Equity	TECHNOLOGY SELECT SECT SPDR	(512,260,893)	
BIL US Equity	SPDR BBG BARC 1-3 MONTH TBIL	(421,033,699)	
IVV US Equity	ISHARES CORE S&P 500 ETF	(369,055,991)	
SHV US Equity	ISHARES SHORT TREASURY BOND	(298,907,995)	
SMH US Equity	VANECK SEMICONDUCTOR	(233,649,563)	
NUAG US Equity	NUVEEN ENHANCED YIELD U.S. A	(200,531,759)	
XLU US Equity	UTILITIES SELECT SECTOR SPDR	(195,348,603)	
IWD US Equity	ISHARES RUSSELL 1000 VALUE E	(194,175,999)	
HYG US Equity	ISHARES IBOXB HIGH YLD CORP	(190,581,017)	

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