



Your Gateway To The World

WEEKLY MARKET SUMMARY



Equity Markets



Bond Markets



Currencies



Commodities

15 November 2020



US

S&P500 +2.16 (3,585.15); NASDAQ -0.55% (11,829.29); DJIA +4.08% (29,479.81)

This week's reports:

- **November's Michigan Consumer Sentiment Index** (prelim.) fell to 77 from October's 81.8; it was expected to increase to 82.
- **October's CPI** rose 1.2% y/y versus September's +1.4% y/y and the expectations for a 1.3% increase. Month-on-month, CPI was unchanged from September's +0.2%. **CPI ex Food & Energy (Core)** was also flat m/m and rose 1.6% y/y versus September's +1.7% y/y and versus the expectations of a 1.8% y/y increase in core inflation.
- **October's PPI** rose 0.5% y/y; it was expected increase by the same rate as in September, +0.4% y/y. **PPI ex Food & Energy (Core)** rose 1.1% y/y versus September's +1.2% y/y.
- **October's NFIB Business Optimism Index** remained unchanged from September's 104, versus the expectations of a decline to 102.2.
- **Initial Jobless Claims** for the week ending November 7th fell by 48K to 709K, versus the expected decrease to 735K. **Continuing Jobless Claims** for the week ending October 31st fell by 436K to 6.786M versus the expectations of a decline to 6.9M. The advance seasonally adjusted insured unemployment rate was 4.6%, a decrease of 0.3% from the previous week's rate.
- Equity markets around the world rallied this week after Pfizer Inc. released a large-scale study that showed that its COVID-19 vaccine prevented more than 90% of infections. The prospect of a faster "return to normal" boosted the MSCI All-Country World Index to a record high. Almost every major developed market stock index moved higher.
- US stocks also rallied, with the exception of the Nasdaq Composite Index, which sank under the weight of retreating "lockdown winners", such as Amazon.com and Netflix. Meanwhile, both the S&P and the Dow Jones Industrial Average notched their second consecutive week of gains, as investors piled into previously underperforming sectors like energy and banks. The S&P 500 rose to a new record on Friday. The upbeat mood in the stock markets was bolstered by a bigger-than-expected drop in claims for unemployment benefits, to their lowest level since March.
- Rising optimism for better economic growth led to pronounced outperformance of value stocks over growth stocks and of small-capitalization companies over large caps. Value stocks and small caps, which have been hard hit by the COVID-19 lockdowns, have significantly underperformed year-to-date.



Canada

S&P/TSX Composite +2.41% (16,675.64)

- Canada's S&P/TSX Composite Index rose, led by the energy sector, as the positive implications of an effective vaccine for economic growth sparked a double-digit percentage gain for the group. The financials sector, which benefits from higher interest rates, climbed in response to rising bond yields.
- Declining sectors were led by information technology, where heavyweight Shopify Inc. fell in tandem with other global companies that had benefited from stay-at-home trends. The materials sector was also especially weak as the price of gold declined.

Europe

EUROSTOXX50	+7.12%	(3,432.07)
DJSTOXX600	+5.13%	(385.18)
DAX30	+4.78%	(13,076.72)
CAC40	+8.45%	(5,380.16)
FTSE100	+6.88%	(6,316.39)

- European stocks surged more than other developed markets, ending their second week of strong gains, notwithstanding the expectations for a double-dip recession in the EU because of its renewed lockdowns in response to a spike in COVID-19 cases.
- **Q3 2020 GDP Growth** (second est.) was revised down to +12.6% q/q from the first estimate of +12.7%. Q2 2020's GDP fell 11.6% q/q. Year-on-year, Q3 2020 GDP was down 4.4%, more than second estimate's -4.3%, versus Q2's -14.8% y/y.
- **November's Sentix Investor Confidence** fell to -10 from October's -8.3.
- **November's ZEW Economic Sentiment** fell to 32.8 from October's 52.3.
- **September's Industrial Production** fell 0.4% from August's +0.6%. Year-on-year, production was down 6.8% versus August's -6.7% y/y.



UK

- **Q3 2020 GDP Growth** (first estimate) rose 15.5% q/q, less than the flash estimate of +15.8%, versus Q2's -19.8% q/q. Year-on-year, GDP was down 9.6% versus Q2's -21.5% y/y.
- **September's Industrial Production** rose 0.5% from August's +0.3%. **Manufacturing Production** rose 0.2% from August's +0.9%.
- **October's Claimant Count Rate** declined to 7.3% from September's 7.4%. **ILO Unemployment Rate** rose to 4.8% in the three months through September from 4.5% in the previous period.

Japan

NIKKEI +4.36 (25,385.87)

- Japan's stocks jumped on global vaccine optimism, with the rally lifting the Nikkei 225 index to its highest level since early 1991.
- **September's Leading Index** (prelim.) rose to 92.9 from August's 88.5.
- **October's PPI** fell 0.2%, the same decline as in September.
- **October's Machine Tool Orders** (prelim.) fell 5.9% y/y versus September's -15% y/y.
- **September's Machinery New Orders** fell 11.5% y/y versus August's -15.2% y/y.

Australia & New Zealand

S&P/ASX200 +3.47% (6,405.22)

NZX 50 +2.94% (12,700.17)

- **Australia's November Westpac Consumer Confidence** rose 2.5% from October's +11.9%.
- **New Zealand's October Business NZ PMI** fell to 51.7 from September's 54.0.



Emerging Markets

MSCI EM	+1.02%	(1,188.35)
MSCI Asia Pacific	+1.15%	(172.32)
Shanghai Composite (China)	-0.06%	(3,310.10)
HANG SENG Index	+1.73%	(26,156.86)
India BSE SENSEX Index	+3.70%	(43,443.00)
EM Eastern Europe	+4.52%	(142.34)
Russia's IMOEX	+4.48%	(3,025.22)
MSCI EM Latin America (USD)	+3.68%	(2,081.29)
Brazil BOVESPA Index	+3.76%	(104,723.00)

- Emerging market stocks ended the week mixed as vaccine-induced rally eased towards the end of the week on a global surge in Covid-19 infections.
 - Chinese stocks fell after President Trump signed an order barring American individuals and firms from investing in companies deemed to support China's military, intelligence and security services. The list of firms includes large state-run aerospace and construction companies, as well as technology and communications companies. China's three main telecoms operators were among the hardest hit, with shares of China Mobile, China Unicom and China Telecom retreating over 5% in Hong Kong trading.
- **China's October CPI** rose 0.5% y/y versus September's +1.7% y/y. Month-on-month, prices fell 0.3% from September's +0.2%.
- **China's October PPI** fell 2.1% y/y, the same decline as in September.



US

2-yr USTs closed up 3bps to 0.18%. 10-yr USTs closed up 8bps to 0.90%.

- US government bond yields rose, as optimistic investors pulled money out of safe haven assets on vaccine news. The selling of safe haven US treasury bonds lifted US 10-year yields to their highest since March.

Canada

2-yr GCAD closed up 2bps to 0.27%. 10-yr GCAD closed up 8bps to 0.73%.

Europe

2-yr Bunds closed up 5bps to -0.73%. 10-yr Bunds closed up 7bps to -0.55%.

UK

2-yr Gilts closed up 1bps to -0.03%. 10-yr Gilts closed up 6bps to 0.34%.

Japan

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



CURRENCIES



Currencies	13/11/2020	Weekly %	MTD %	YTD %
USDILS	3.3686	-0.15%	-1.22%	-2.45%
EURILS	3.9855	-0.57%	0.55%	2.89%
GBPILS	4.4450	0.17%	0.72%	-2.97%
CHFILS	3.6920	-1.48%	-0.64%	3.43%
JPYILS	3.2206	-1.33%	-1.07%	1.31%
AUDILS	2.4493	0.00%	2.30%	1.04%
CADILS	2.5661	-0.69%	0.32%	-3.49%
EURUSD	1.1834	-0.34%	1.61%	5.54%
GBPUSD	1.3189	0.25%	1.87%	-0.51%
USDJPY	104.6300	1.24%	-0.03%	-3.66%
AUDUSD	0.7270	0.17%	3.44%	3.55%
CHFUSD	1.0958	-1.35%	0.48%	6.05%
CADUSD	0.7616	-0.60%	1.44%	-1.07%
NZDUSD	0.6845	1.05%	3.48%	1.56%

- The US dollar declined on Friday, but rose for the week as traders struggled to balance longer-term vaccine optimism with short-term virus and shutdown fears. A rise in US Treasury yields added support for the greenback.
- The euro edged higher against the US dollar on Friday as sentiment in Eurozone was supported by a perception that upbeat news on a COVID-19 vaccine will not stop central banks from delivering more stimulus to prop up growth. News of a vaccine against the novel coronavirus is positive but it will take some time before this has a positive impact on economic activity, according to the European Central Bank policymakers. That echoed comments from the heads of the Federal Reserve that stressed the economic outlook remains uncertain.
- The safe-haven Japanese yen and Swiss franc strengthened on Friday, as the threat of a new COVID-19 wave in the United States and Europe chilled the increased risk appetite that had been driven by promising vaccine news earlier this week.
- Emerging market currencies ended the week mixed as currency market traders became more risk-averse at the end of the week as infections spread and the heads of the Federal Reserve and the European Central Bank (ECB) stressed that the economic outlook remains uncertain.



Energy & Metals

WTI Crude Oil for December closed +8.05% to US\$40.13

- Crude prices fell on Friday, pressured by swelling output from Libya and fears that rising coronavirus infections may slow the recovery in the global economy and fuel demand. Still, the week ended with the strong gain for oil futures as hopes that a coronavirus vaccine will lift economic activity and thus increase the demand for oil, led to a surge in crude prices.

Gold for December closed -3.36% to US\$1,886.20

- Gold rose on Friday, paring some of its weekly loss, as increasing coronavirus infections globally re-ignited concerns about the economic toll from the pandemic, while skepticism over the reach of a potential COVID-19 vaccine further boosted the safe-haven metal. Earlier in the week, gold fell with other safe assets on Covid-19 vaccine optimism.

Copper for December closed +0.76% to US\$317.80

- Copper prices fell at the end of the week, paring most of their previous rise, as worries about growth and demand resurfaced on fading optimism that the newfound vaccine would soon end the COVID-19 crisis.

ETF MONEY FLOWS (WTD)



IVV US Equity	ISHARES CORE S&P 500 ETF	3,290,344,653	
VOO US Equity	VANGUARD S&P 500 ETF	1,263,880,344	
USMV US Equity	ISHARES EDGE MSCI MIN VOL US	930,472,007	
ITOT US Equity	ISHARES CORE S&P TOTAL U.S.	664,576,991	
IEF US Equity	ISHARES 7-10 YEAR TREASURY BOND	604,509,006	
GLD US Equity	SPDR GOLD SHARES	570,063,837	
USHY US Equity	ISHARES BROAD USD HIGH YIELD	534,047,509	
BND US Equity	VANGUARD TOTAL BOND MARKET	478,414,991	
SCHX US Equity	SCHWAB US LARGE-CAP ETF	470,345,031	
BIL US Equity	SPDR BBG BARC 1-3 MONTH TBIL	466,535,666	
SPY US Equity	SPDR S&P 500 ETF TRUST	(8,282,621,428)	
XLF US Equity	FINANCIAL SELECT SECTOR SPDR	(2,395,655,139)	
EEM US Equity	ISHARES MSCI EMERGING MARKETS	(1,829,907,022)	
QQQ US Equity	INVESCO QQQ TRUST SERIES 1	(1,794,677,065)	
HYG US Equity	ISHARES IBOXX HIGH YLD CORP	(1,468,895,014)	
LQD US Equity	ISHARES IBOXX INVESTMENT GRADE	(993,917,996)	
IEMG US Equity	ISHARES CORE MSCI EMERGING	(925,806,004)	
JNK US Equity	SPDR BBG BARC HIGH YIELD BND	(813,758,394)	
VCIT US Equity	VANGUARD INT-TERM CORPORATE	(706,675,285)	
IWM US Equity	ISHARES RUSSELL 2000 ETF	(636,116,044)	

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