

LAST WEEK IN 30 SECONDS...

Global markets received an unexpected punch in the solar plexus last week as news emerged of a resurgence in Covid-19 cases in China and a steep rise in cases amongst certain US states. The World Bank announced it expects the global economy to shrink by 5.2% in 2020 with growth in emerging economies to shrink for first time in 60 years. Coupled with ongoing protests over racial inequality, markets retreated from fresh highs.

Despite the US NASDAQ breaching 10,000 for the first time on Wednesday, the index finished the week -2.3% lower. Global equities finished the week -3.8% lower in euro terms.

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Whilst optimism continues with the easing of restrictions in western countries, warning signs abound as to the effects of not managing the lifting of these control measures. Investors will monitor developments in China and the US for signs of strain on respective health systems and importantly any knock-on implications for business fundamentals should any restrictions be reapplied.

On the economic calendar, the week sees US retail sales and industrial production updates on Tuesday with Congressional testimony by US Fed chair Jerome Powell on Thursday. Meanwhile the Bank of England announces its latest policy decisions on Thursday with further stimulus measures anticipated to support the UK economy.

US V-SHAPE RECOVERY FLATLINES

The US S&P500 has seen its size fall from a market capitalisation of \$26.8T at the start of the year to \$21.4T by the end of March. Stimulus measures amounting to \$6T promised by the US Federal Reserve to support the US economy have helped markets rebound strongly. Even so, more stimulus may be required to guide markets higher given the ongoing Covid-19 uncertainty.



Data source: Refinitiv

Equities	Region	1-Week Change	Year-to-date
NASDAQ	US	-2.3%	7.4%
FTSE World €	Global	-3.8%	-7.8%
Eurofirst 300	Eurozone	-5.4%	-13.5%
SHANGHAI Comp	China	-0.4%	-4.3%
NIKKEI 225	Japan	-2.4%	-4.8%

Forex	Value	1-Week Change	Year-to-date
EUR/USD	\$1.12	-0.6%	0.2%
EUR/GBP	£0.90	0.9%	5.8%
EUR/YEN	¥120.71	-2.8%	-1.0%
USD/YEN	¥107.33	-2.2%	-1.2%

Commodities	Value	1-Week Change	Year-to-date
WTI Crude Oil	\$36.34	-2.9%	-40.5%
Brent Crude Oil	\$38.86	-8.2%	-41.4%
Gold 100 Oz	\$1,733.80	3.1%	14.0%
DJ UBS Index	\$63.71	-1.5%	-21.2%

Bonds 10 Year	Yield	1-Week Change	Year-to-date
Germany	-0.45%	-0.18%	-0.26%
Ireland	0.03%	-0.13%	-0.09%
U.K.	0.21%	-0.15%	-0.62%
Italy	1.42%	0.00%	-0.01%
USA	0.70%	-0.21%	-1.21%