Weekly Market Snapshot

16th March 2020

News highlights

- Last week was a black week for private wealth with an oil shock, the decision of President Trump to cut off the US from Europe, the World Health Organisation declaring an official pandemic and market disillusionment with the ECB's response package.
- Even the Fed's emergency measures on Sunday – a 100 basis point rate cut (bringing its main rate to a range of 0-0.25%) and a re-start of quantitative easing, were not enough to console markets.
- The escalation in Covid-19 cases has disrupted the global economy. Social distancing is definitely a contender for "word of the year" and is now governing large segments of the economy as a way to contain the pandemic and limit its spread.
- The pandemic has caused a financial market dislocation. Equities suffered a week of historic losses with extreme volatility and multiple circuit breakers hit multiple times in both directions.
- Signs of stress were visible in every segment of financial markets but without any exclusivity as demonstrated by the frenzy run on paper products.
- While Central Banks around the world announced measures to contain the evaporation of liquidity, fiscal authorities were also active to relax spending rules, while regulators came with looser capital requirements and/or short selling bans.
- If markets were looking for leadership from politicians last week, attempts mostly failed, raising question about consistency and coherence (Trump characterizing the coronavirus as a foreign virus).

EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
US			Local	EUR	
S&P 500	2 711	-8.8%	-16.1%	-15.0%	32.0%
Nasdaq	7 875	-8.2%	-12.2%	-11.1%	61.6%
Dow Jones	23 186	-10.4%	-18.8%	-17.7%	30.6%
Europe					
Stoxx 50	2 586	-20.0%	-31.0%	-31.0%	-29.3%
DAX	9 232	-20.0%	-30.3%	-30.3%	-22.4%
CAC	4 118	-19.9%	-31.1%	-31.1%	-17.8%
FTSE	5 366	-17.0%	-28.9%	-32.9%	-20.4%
AEX	433	-18.5%	-28.4%	-28.4%	-12.1%
BEL 20	2 733	-20.4%	-30.9%	-30.9%	-26.7%
SMI	8 368	-14.1%	-21.2%	-19.0%	-8.6%
EM & Asia					
Nikkei 225	17 431	-16.0%	-26.3%	-24.6%	-9.5%
Hang Seng	24 033	-8.1%	-14.7%	-13.4%	0.9%
India	34 103	-9.2%	-17.3%	-19.4%	19.6%
Russia	2 316	-14.8%	-24.0%	-34.8%	42.3%
Brazil	82 678	-15.6%	-28.5%	-39.2%	70.1%

FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
US				
Government	0.92	-1.9%	6.0%	18.4%
Investment Grade	3.01	-6.7%	-1.4%	21.0%
High Yield	8.27	-7.1%	-8.8%	20.3%
Europe				
Government	0.19	-2.5%	1.0%	9.3%
Investment Grade	1.05	-3.0%	-2.3%	7.8%
High Yield	6.32	-7.7%	-10.0%	9.9%
EM				
Global HC USD	5.52	-7.3%	-5.0%	24.6%

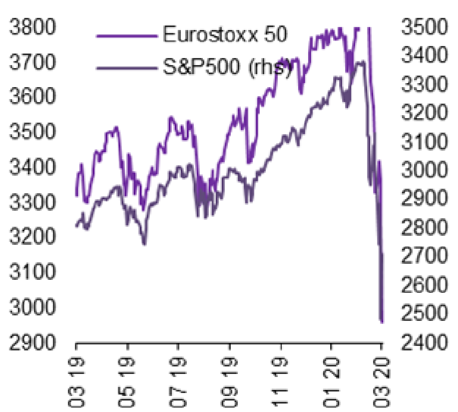
EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.11	-1.6%	-0.9%	-14.1%
JPY	119.46	0.3%	-1.9%	18.7%
CHF	1.06	-0.1%	-2.6%	-12.6%
GBP	0.90	4.5%	6.8%	13.3%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	33.85	-25.2%	-48.7%	-48.0%	-69.2%
Gold	1 529.83	-8.6%	0.8%	2.2%	-13.3%

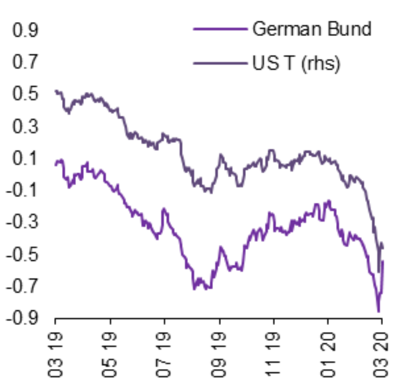
Equities (price, local currency)



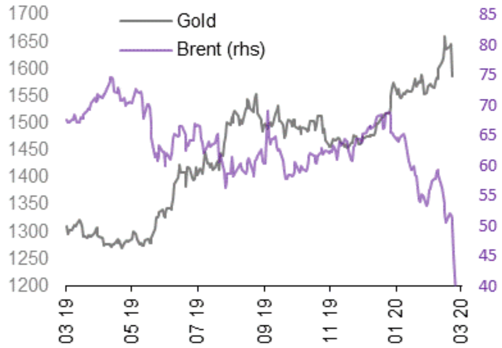
EUR vs. USD

Source: Bloomberg, BIL, as at 13/03/2020

Bonds (Yield)



Gold & Brent (USD)



Banque Interntionale à Luxembourg SA
69 route d’Esch, L-2953 Luxembourg
RCS Luxembourg B-6307
T (+352) 4590-1 • F (+352) 4590-2010
contact@bil.com • www.bil.com

BIL 1856 BANQUE INTERNATIONALE À LUXEMBOURG