

News highlights

- The Fed's rather gloomy economic outlook alongside fears of a second wave of infections in the US, triggered an abrupt end to market euphoria last week. The first real sign of fatigue since stocks began their rebound was visible in the stock market sell-off, including the worst daily/weekly decline in three months. Value stocks and small caps surrendered their recent outperformance and recorded the steepest drops in the broad-based pullback.
- The Fed meeting brought few surprises: It reaffirmed its cautious stance and its intention to keep interest rates close to zero to the end of 2022, at least.
- UK GDP shrank by a record 20.4% in April, levelling it back to 2002, in terms of size. Consensus expectations for this week's BOE meeting see an expansion of its bond-buying program.
- While delivering its updated economic forecasts, the OECD warned of the deepest economic scars in peacetime for a century, with developed countries facing a disappointing economic recovery. The OECD predicts a 6% contraction in 2020 for the global economy, followed by a 5.2% rise in 2021, a much worse global crisis than the IMF forecasted in April.
- An unprecedented initiative was approved by a US bankruptcy court last Friday, with Hertz, the bankrupt car hire group, being given approval to sell up to \$1bn of new shares, taking advantage of a burst of enthusiasm in the stock market.

EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	3 041	-4.8%	-5.9%	-5.9%	45.2%
Nasdaq	9 589	-2.3%	6.9%	6.8%	89.8%
Dow Jones	25 606	-5.6%	-10.3%	-10.3%	43.1%
Europe					
Stoxx 50	3 154	-6.8%	-15.8%	-15.8%	-10.0%
DAX	11 949	-7.0%	-9.8%	-9.8%	6.7%
CAC	4 839	-6.9%	-19.0%	-19.0%	-1.3%
FTSE	6 105	-5.8%	-19.1%	-23.7%	-10.0%
AEX	545	-4.8%	-9.8%	-9.8%	14.1%
BEL 20	3 297	-6.9%	-16.7%	-16.7%	-9.2%
SMI	9 796	-3.9%	-7.7%	-6.5%	8.5%
EM & Asia					
Nikkei 225	22 305	-2.4%	-5.7%	-4.7%	9.3%
Hang Seng	24 301	-1.9%	-13.8%	-13.4%	-10.9%
India	33 781	-1.5%	-18.1%	-23.3%	27.8%
Russia	#N/A	N/A	-1.8%	-9.9%	-21.1%
Brazil	92 795	-1.9%	-19.8%	-36.3%	73.9%

FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years
Government	0.54	1.3%	8.4%	22.2%
Investment Grade	2.18	0.5%	3.8%	29.7%
High Yield	6.77	-1.4%	-3.1%	26.5%
Europe				
Government	0.13	0.8%	1.1%	15.3%
Investment Grade	0.89	0.1%	-1.3%	11.8%
High Yield	5.38	-1.1%	-5.3%	16.8%
EM				
Global HC USD	4.46	0.1%	-1.5%	27.4%

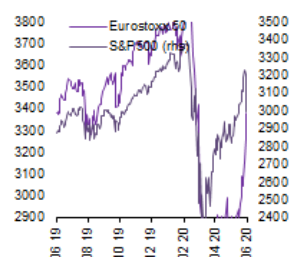
EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.13	-0.3%	0.4%	-13.0%
JPY	120.89	-2.3%	-0.7%	20.1%
CHF	1.07	-1.3%	-1.3%	-11.4%
GBP	0.90	0.7%	6.1%	12.6%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	38.73	-8.4%	-41.3%	-41.4%	-64.7%
Gold	1 730.75	2.7%	14.1%	14.0%	-1.9%

Equities (price, local currency)

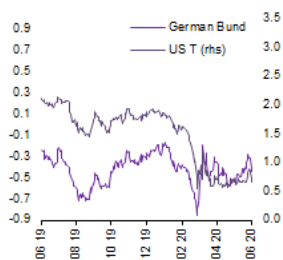


EUR vs. USD

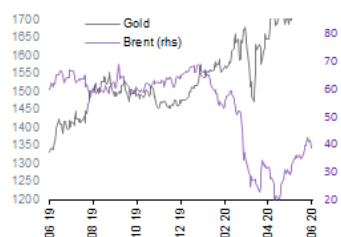


Source: Bloomberg, BIL, as at 12/06/2020

Bonds (Yield)



Gold & Brent (USD)



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