

News highlights

- Hopes of a COVID-19 vaccine and signs of the global economy recovering from the health crisis have supported markets last week. With resurgence of the virus across the US and several states reversing or pausing their reopening plans, financial market participants were focusing on the half-full glass perspective with fatalities much lower and perspective that we are getting much better at treating the virus or protecting the most vulnerable ones.
- Despite generally positive stock price over the past week, bullish sentiment has continued to take a hit, indicating that most investors are still wrong-footed with pessimistic outlook.
- Chinese stocks rallied to a five-year high after several data suggested the economy was firmly recovering from the blow of coronavirus, significantly outperforming its US and European counterparts.
- The U.S. economy created a record 4.8 million jobs in June, exceeding consensus estimates of 3.2 million and higher than the upwardly revised to 2.7 million May reading. The unemployment rate eased to 11.1% from 13.3%.
- Last week's jump of Tesla share price was over the top, surpassing Toyota as the world's most valuable automaker.
- According to the Factset, analysts lowered earnings estimates for S&P500 at steepest ever. With a decline of 37% in Q2 bottom-up EPS we should not be surprised to get beating releases in the coming weeks. If there is a silver lining in these otherwise negative revision numbers, it is that the pace of the cuts to EPS estimates declined significantly in recent weeks.

EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
US					
S&P 500	3 130	2.5%	-3.1%	-3.1%	50.7%
Nasdaq	10 208	3.4%	13.8%	13.8%	103.6%
Dow Jones	25 827	0.9%	-9.5%	-9.5%	45.4%
Europe					
Stoxx 50	3 320	2.7%	-11.3%	-11.3%	-5.0%
DAX	12 608	3.1%	-4.8%	-4.8%	12.8%
CAC	5 049	2.1%	-15.5%	-15.5%	3.4%
FTSE	6 240	0.2%	-17.3%	-22.3%	-5.6%
AEX	571	1.9%	-5.6%	-5.6%	18.2%
BEL 20	3 402	2.3%	-14.0%	-14.0%	-6.6%
SMI	10 188	1.3%	-4.0%	-2.0%	14.4%
EM & Asia					
Nikkei 225	22 146	0.7%	-6.4%	-5.4%	8.9%
Hang Seng	25 124	3.4%	-10.9%	-10.4%	-4.3%
India	35 844	2.5%	-13.1%	-17.2%	27.9%
Russia	2 789	0.8%	-8.4%	-19.6%	70.1%
Brazil	96 235	0.5%	-16.8%	-37.2%	82.4%

FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years
US				
Government	0.51	-0.2%	8.6%	22.5%
Investment Grade	2.01	0.6%	5.4%	32.1%
High Yield	6.62	0.8%	-3.1%	27.0%
Europe				
Government	0.05	-0.1%	1.9%	16.3%
Investment Grade	0.87	0.1%	-1.1%	12.4%
High Yield	5.15	0.3%	-4.9%	18.1%
EM				
Global HC USD	4.30	0.5%	-0.2%	29.1%

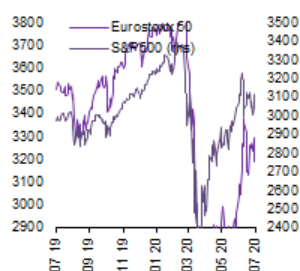
EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.12	0.0%	0.2%	-13.1%
JPY	120.82	-0.1%	-0.8%	20.0%
CHF	1.06	-0.6%	-2.1%	-12.2%
GBP	0.90	-1.4%	6.6%	13.1%

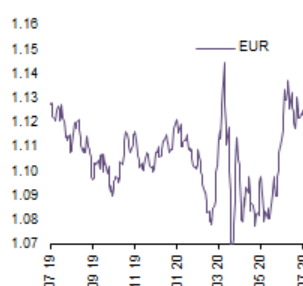
COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	43.14	3.4%	-34.6%	-34.6%	-60.7%
Gold	1 775.38	0.1%	17.0%	17.0%	0.6%

Equities (price, local currency)



EUR vs. USD

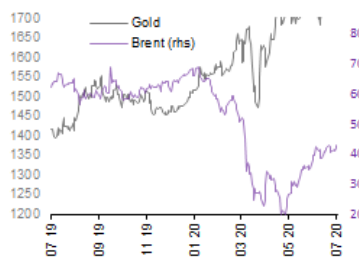


Source: Bloomberg, BIL, as at 02/07/2020

Bonds (Yield)



Gold & Brent (USD)



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