

News highlights

Kindly note that there will be a hiatus on the snapshot and we will resume September 7th. We wish you a great (and safe) summer.

- Equity markets fell on concerns about an economic recovery with the notable exception of US equity indices which finished slightly higher on positive earnings from big tech and Chinese equity indices, supported by positive economic data while reversing part of previous weeks declines.
- A rear-view mirror publication of US Q2 GDP posted a historic decline, more than twice the magnitude of the 2008-2009 contraction. The economy contracted by 9.5% in Q2 (equivalent to a 32.9% QoQ annualized drop), France by 13.8%, Germany by 10.1% and Spain by 18.5%.
- Unlike past recessions, the shrinking of the US economy was driven by a sharp decline in consumer spending (mostly on services) with consumers unable to spend under stay-at-home orders. Investment, exports, inventories and state spending all contracted, and only federal-government spending added to growth.
- A recovery is ongoing but high frequency mobility data suggests activity is no longer accelerating but stabilizing and even falling back with new sets of stricter social distancing measures implemented in many countries.
- US Congressional negotiations made little progress on agreeing another stimulus package, even as current supplemental unemployment benefits were set to expire last Friday.
- The FOMC meeting dispelled any doubt about the Fed's commitment to support economic recovery. It also repeated its pledge to increase its holdings of US Treasuries and mortgage-backed securities "at least at the current pace" over the coming months and it extended its dollar liquidity swap lines and temporary repurchase agreement facility for foreign and international monetary authorities through March 31st next year.

EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
US			Local	EUR	
S&P 500	3 271	1,7%	1,2%	-3,6%	57,3%
Nasdaq	10 745	3,7%	19,8%	14,0%	111,2%
Dow Jones	26 428	-0,2%	-7,4%	-11,8%	50,4%
Europe					
Stoxx 50	3 174	-4,1%	-15,2%	-15,2%	-11,8%
DAX	12 313	-4,1%	-7,1%	-7,1%	8,5%
CAC	4 784	-3,5%	-20,0%	-20,0%	-5,4%
FTSE	5 898	-3,7%	-21,8%	-26,5%	-10,4%
AEX	545	-3,3%	-9,8%	-9,8%	11,3%
BEL 20	3 273	-4,7%	-17,3%	-17,3%	-13,2%
SMI	10 006	-2,0%	-5,8%	-5,0%	7,3%
EM & Asia					
Nikkei 225	21 710	-4,6%	-8,2%	-10,2%	5,7%
Hang Seng	24 595	-0,4%	-12,8%	-16,5%	-2,1%
India	37 607	-1,4%	-8,8%	-17,5%	33,8%
Russia	2 912	1,7%	-4,4%	-24,2%	82,5%
Brazil	102 912	0,5%	-11,0%	-34,7%	109,0%

FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years
US				
Government	0,41	0,3%	10,0%	22,9%
Investment Grade	1,78	0,3%	8,0%	34,6%
High Yield	5,37	0,8%	0,7%	33,6%
Europe				
Government	0,05	0,4%	3,0%	15,4%
Investment Grade	0,62	0,3%	0,3%	12,8%
High Yield	4,87	-0,2%	-3,6%	18,5%
EM				
Global HC USD	3,95	0,6%	2,2%	32,0%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,18	1,3%	5,0%	-8,7%
JPY	124,80	1,5%	2,3%	24,1%
CHF	1,08	0,3%	-0,8%	-11,0%
GBP	0,90	-1,1%	6,3%	13,0%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	43,30	-0,1%	-34,4%	-37,5%	-60,6%
Gold	1 975,86	3,9%	30,2%	24,0%	12,0%

Source: Bloomberg, BIL, as at 31/07/2020

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