

News highlights

- US stocks declined for the second consecutive week led by the large pullback of mega-cap tech stocks. The Nasdaq ended the week in correction territory (down more than 10% from its record in September 2).
- In contrast, stocks in Europe and Japan rose during the week in some sort of catch-up rotation mood (and to some extent stronger dollar index).
- The US Senate block a new coronavirus stimulus package, the so called “skinny bill”, leaving little hope for relief before the presidential election.
- After initial suspension over the side effects, AstraZeneca Plc and the University of Oxford have resumed the British clinical trials of the Covid-19 vaccine. During the weekend, University of Oxford stated that the UK regulator, Medicines Health Regulatory Authority, had recommended a restart of the trials, after an independent review of the safety data triggered a pause on September 6.
- Brexit saga made a new twist last week around a bill introduced by PM Johnson that proposes to override a key element in the withdrawal agreement signed in January, allowing Britain to decide on its own how to manage the movement of goods across the Irish sea.
- The ECB left its monetary policy unchanged, as expected. In response to euro appreciation, Lagarde indicated that the governing council would “carefully monitor” exchange rate movements and their implications on price stability.
- The Fed, BoJ, BoE as well as a number of EM central banks will take the center stage this week with monetary policy meetings. In Japan, Yoshihide Suga set to become the next prime minister of Japan after winning a landslide victory in Japanese leadership contest.

EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	3 341	-2.5%	3.4%	-1.9%	70.4%
Nasdaq	10 854	-4.1%	21.0%	14.7%	125.1%
Dow Jones	27 666	-1.7%	-3.1%	-8.0%	68.4%
Europe					
Stoxx 50	3 316	1.7%	-11.5%	-11.5%	4.0%
DAX	13 203	2.8%	-0.3%	-0.3%	30.4%
CAC	5 034	1.4%	-15.8%	-15.8%	10.7%
FTSE	6 032	4.0%	-20.0%	-26.8%	-1.4%
AEX	552	2.2%	-8.7%	-8.7%	28.3%
BEL 20	3 351	1.2%	-15.3%	-15.3%	-2.4%
SMI	10 440	2.8%	-1.7%	-0.8%	19.0%
EM & Asia					
Nikkei 225	23 406	0.9%	-1.1%	-3.9%	28.2%
Hang Seng	24 503	-0.8%	-13.1%	-17.1%	13.9%
India	38 855	1.3%	-5.8%	-13.3%	51.7%
Russia	2 911	-0.4%	-4.4%	-25.3%	69.4%
Brazil	98 363	-2.8%	-14.9%	-39.0%	112.0%

FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years
Government	0.48	0.4%	9.0%	21.1%
Investment Grade	1.86	0.3%	6.9%	33.1%
High Yield	5.56	-0.2%	1.3%	35.4%
Europe				
Government	-	0.05	0.1%	2.9%
Investment Grade	0.53	0.0%	0.8%	13.8%
High Yield	4.30	0.1%	-1.7%	21.8%
EM				
Global HC USD	3.70	-0.1%	3.0%	34.8%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.18	0.1%	5.6%	-8.4%
JPY	125.76	0.0%	3.3%	24.9%
CHF	1.08	-0.4%	-0.8%	-11.0%
GBP	0.93	3.9%	9.4%	16.1%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	39.83	-6.6%	-39.7%	-42.8%	-63.7%
Gold	1 940.55	0.3%	27.9%	21.3%	10.0%

Source: Bloomberg, BIL, as at 11/09/2020

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