

News highlights

- Equities were mixed for the week, supported by M&A news and vaccine hopes while disappointed by weak macroeconomic data. The rotation continued with value, cyclical, and small cap stocks outperforming technology and with the US equity market underperforming the rest of the world.
- Oil prices made solid gains helped by a large drawdown in US oil inventories and comments from Saudi Arabian and Russian officials critiquing non-compliance of some OPEC+ members to agree upon quotas.
- The Fed meeting signalled that rates will be kept near zero through at least 2023. The Fed also raised its GDP forecasts for this year from a contraction of 6.5% to minus 3.7% but it lowered its growth forecasts for 2021 from 5% to 4%. A lack of details on QE appeared to weigh on the market.
- The BoE meeting ended up with key policy measures unchanged but more importantly, the BoE also said it would “begin structured engagement on the operational considerations” of negative interest rates in some sort of preparation for a potential no-deal on Brexit.
- During her annual State of the Union speech, Ursula von der Leyen announced more ambition on greenhouse emissions with a reduction goal of 55% by 2030, higher than the current target of 40%. She also said that 30% of the EUR 750 billion recovery package should be raised through green bonds, and 37% should be devoted to helping industries decarbonize.
- In its latest economic outlook, the OECD said the world economy will contract by 4.5% this year – an upward revision from the June estimate of a 6% fall in GDP. Going forward, the OECD expects the global economy to grow by 5% in 2021. Nonetheless, the outlook “remains exceptionally uncertain”.

EQUITIES (local currency, price change)

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	3 319	-0.6%	2.7%	-2.8%	69.5%
Nasdaq	10 793	-0.6%	20.3%	13.8%	123.6%
Dow Jones	27 657	0.0%	-3.1%	-8.3%	68.8%
Europe					
Stoxx 50	3 284	-1.0%	-12.3%	-12.3%	4.0%
DAX	13 116	-0.7%	-1.0%	-1.0%	32.3%
CAC	4 978	-1.1%	-16.7%	-16.7%	9.8%
FTSE	6 007	-0.4%	-20.4%	-26.4%	-1.6%
AEX	551	-0.2%	-8.9%	-8.9%	28.9%
BEL 20	3 376	0.7%	-14.7%	-14.7%	-1.2%
SMI	10 539	1.0%	-0.7%	-0.1%	20.6%
EM & Asia					
Nikkei 225	23 360	-0.2%	-1.3%	-2.7%	29.3%
Hang Seng	24 455	-0.2%	-13.2%	-17.5%	11.6%
India	38 846	0.0%	-5.8%	-13.7%	48.2%
Russia	2 952	1.4%	-3.1%	-24.9%	72.5%
Brazil	98 290	-0.1%	-15.0%	-39.5%	108.0%

FIXED INCOME (local currency, total return)

	Yield	5 days	YTD	5 Years
Government	0.50	-0.2%	8.8%	20.6%
Investment Grade	1.86	0.1%	7.0%	32.6%
High Yield	5.52	0.1%	1.4%	36.3%
Europe				
Government	-	0.08	0.3%	3.2%
Investment Grade	0.51	0.1%	0.9%	14.2%
High Yield	4.23	0.1%	-1.6%	22.3%
EM				
Global HC USD	3.73	-0.2%	2.9%	33.8%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.18	-0.1%	5.6%	-8.4%
JPY	123.83	-1.5%	1.7%	23.0%
CHF	1.08	0.2%	-0.6%	-10.8%
GBP	0.92	-1.0%	8.4%	15.0%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	43.15	8.3%	-34.6%	-38.1%	-60.7%
Gold	1 950.86	0.5%	28.6%	21.7%	10.6%

Source: Bloomberg, BIL, as at 18/09/2020

DISCLAIMER All financial data and/or economic information released by this Publication (the "Publication"); (the "Data" or the "Financial data and/or economic information"), are provided for information purposes only, without warranty of any kind, including without limitation the warranties of merchantability, fitness for a particular purpose or warranties and non-infringement of any patent, intellectual property or proprietary rights of any party, and are not intended for trading purposes. Banque Internationale à Luxembourg SA (the "Bank") does not guarantee expressly or impliedly, the sequence, accuracy, adequacy, legality, completeness, reliability, usefulness or timelessness of any Data. All Financial data and/or economic information provided may be delayed or may contain errors or be incomplete. This disclaimer applies to both isolated and aggregate uses of the Data. All Data is provided on an "as is" basis. None of the Financial data and/or economic information contained on this Publication constitutes a solicitation, offer, opinion, or recommendation, a guarantee of results, nor a solicitation by the Bank of an offer to buy or sell any security, products and services mentioned into it or to make investments. Moreover, none of the Financial data and/or economic information contained on this Publication provides legal, tax accounting, financial or investment advice or services regarding the profitability or suitability of any security or investment. This Publication has not been prepared with the aim to take an investor's particular investment objectives, financial position or needs into account. It is up to the investor himself to consider whether the Data contained herein this Publication is appropriate to his needs, financial position and objectives or to seek professional independent advice before making an investment decision based upon the Data. No investment decision whatsoever may result from solely reading this document. In order to read and understand the Financial data and/or economic information included in this document, you will need to have knowledge and experience of financial markets. If this is not the case, please contact your relationship manager. This Publication is prepared by the Bank and is based on data available to the public and upon information from sources believed to be reliable and accurate, taken from stock exchanges and third parties. The Bank, including its parent,- subsidiary or affiliate entities, agents, directors, officers, employees, representatives or suppliers, shall not, directly or indirectly, be liable, in any way, for any: inaccuracies or errors in or omissions from the Financial data and/or economic information, including but not limited to financial data regardless of the cause of such or for any investment decision made, action taken, or action not taken of whatever nature in reliance upon any Data provided herein, nor for any loss or damage, direct or indirect, special or consequential, arising from any use of this Publication or of its content. This Publication is only valid at the moment of its editing, unless otherwise specified. All Financial data and/or economic information contained herein can also quickly become out-of-date. All Data is subject to change without notice and may not be incorporated in any new version of this Publication. The Bank has no obligation to update this Publication upon the availability of new data, the occurrence of new events and/or other evolutions. Before making an investment decision, the investor must read carefully the terms and conditions of the documentation relating to the specific products or services. Past performance is no guarantee of future performance. Products or services described in this Publication may not be available in all countries and may be subject to restrictions in some persons or in some countries. No part of this Publication may be reproduced, distributed, modified, linked to or used for any public or commercial purpose without the prior written consent of the Bank. In any case, all Financial data and/or economic information provided on this Publication are not intended for use by, or distribution to, any person or entity in any jurisdiction or country where such use or distribution would be contrary to law and/or regulation. If you have obtained this Publication from a source other than the Bank website, be aware that electronic documentation can be altered subsequent to original distribution.

Banque Internationale 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

