

News highlights

- Negotiations over a new coronavirus relief package in the US topped headlines last week. While politicians were blowing hot and cold in negotiations, financial market participants were mostly betting on a Blue Wave as a gateway to a larger stimulus package in Q1 next year.
- Equity markets had a great week taking a “glass half full” perspective from fresh stimulus, treatments and vaccines, and a rebound in energy prices. In the US, growth and value performed in-line but small caps stole the show with impressive outperformance.
- The optimistic view lifted government bond yields higher in a curve-steepening trade, with the 10-year US Treasury increasing eight basis points to 0.78%, its highest level since mid-June.
- Oil prices rose on Norway’s reduced production, worries related to hurricane Delta forcing the shutdown of 80% of the Gulf of Mexico’s production and on comments from the OPEC secretary general who said that the “worst is over” for producers.
- After the Golden Week holiday in China, headlines were dominated by travel and entertainment data. The government estimates that 637 million people travelled within the country during the week, generating around 466 billion yuan in tourism revenue. While travellers were 20% fewer than last year, this still represent an impressive rebound for the travel industry.
- This week, highlights will be the European Council summit focusing on UK-EU negotiations, the IMF/World Bank annual meetings and the start of the Q3 earnings season with several major financial companies releasing.

EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
			Local	EUR	
US					
S&P 500	3 477	3.8%	7.6%	2.2%	72.6%
Nasdaq	11 580	4.6%	29.1%	22.6%	139.7%
Dow Jones	28 587	3.3%	0.2%	-4.9%	67.3%
Europe					
Stoxx 50	3 273	2.6%	-12.6%	-12.6%	0.7%
DAX	13 051	2.9%	-1.5%	-1.5%	29.3%
CAC	4 947	2.5%	-17.3%	-17.3%	5.2%
FTSE	6 017	1.9%	-20.2%	-25.6%	-6.2%
AEX	567	2.5%	-6.2%	-6.2%	28.4%
BEL 20	3 387	4.3%	-14.4%	-14.4%	-1.6%
SMI	10 320	0.7%	-2.8%	-1.9%	18.9%
EM & Asia					
Nikkei 225	23 620	2.6%	-0.2%	-2.5%	28.1%
Hang Seng	24 119	2.8%	-14.4%	-18.3%	7.4%
India	40 509	4.7%	-1.8%	-9.0%	49.6%
Russia	2 834	-0.6%	-7.0%	-28.8%	64.0%
Brazil	97 483	3.7%	-15.7%	-42.0%	97.6%

FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
Government	0.55	-0.5%	8.2%	19.6%
Investment Grade	1.91	0.1%	6.5%	31.9%
High Yield	5.32	1.2%	2.0%	37.8%
Europe				
Government	-	0.15	0.2%	4.0%
Investment Grade	0.46	0.4%	1.3%	14.8%
High Yield	4.20	0.7%	-1.7%	22.7%
EM				
Global HC USD	3.66	0.9%	2.6%	33.3%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1.18	0.9%	5.5%	-8.5%
JPY	124.93	1.2%	2.6%	24.1%
CHF	1.08	-0.2%	-0.9%	-11.1%
GBP	0.91	0.1%	7.2%	13.7%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	EUR	
Brent	42.85	9.1%	-35.1%	-38.3%	-61.0%
Gold	1 930.40	1.6%	27.2%	20.8%	9.4%

Source: Bloomberg, BIL, as at 09/10/2020

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