BANQUE INTERNATIONALE À LUXEMBOURG

Weekly Market Snapshot

26st October 2020

News highlights

- The political dance around US stimulus negotiations and speculation around election outcomes dominated headlines and financial market dynamics last week.
- European markets were also pressured amid tighter restrictions to curb surging coronavirus infections while PMI data for October in the Eurozone fell below the 50-mark dragged down by a continuing slowdown services activity largely due to coronavirus restrictions.
- The EU made market history with record demand for its 'social' bonds to fund its coronavirus-related unemployment scheme (SURE: Support to mitigate Unemployment Risks in an Emergency). The 17 billion euros were split over 10 billion euros, due in 10 years, and 7 billion euros, due in 20 years. The demand for the 10-year note reached 145 billion euros and over 88 billion euros for the 20-year paper.
- The ongoing earnings season message, while it's still early days, seems to be 'so far so good', better than feared and reassuring. But a cautious outlook and a lack of guidance are still clouding the outlook. This week, 184 companies on the S&P500 will release and 94 companies from the Stoxx600, including many bellwethers.
- On top of the heavy earnings calendar, focus for this week should also remain on US politics, the ECB and BOJ monetary policy meetings, and the release of Q3 GDP from several countries, including the US, the Euro Area, Germany, France and Italy. Given record contractions in Q2, Q3 will likely set new records for expansion, with much of the gains being a mechanical bounce back from shutdowns

EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
US			**Local**	**EUR**	
S&P 500	3 465	-0,5%	7,3%	1,7%	70,4%
Nasdaq	11 548	-1,1%	28,7%	22,0%	136,3%
Dow Jones	28 336	-0,9%	-0,7%	-5,9%	64,6%
Europe					
Stoxx 50	3 199	-1,4%	-14,6%	-14,6%	-2,0%
DAX	12 646	-2,0%	-4,6%	-4,6%	25,2%
CAC	4 910	-0,5%	-17,9%	-17,9%	4,4%
FTSE	5 860	-1,0%	-22,3%	-27,6%	-8,1%
AEX	554	-2,4%	-8,3%	-8,3%	23,8%
BEL 20	3 246	-0,6%	-17,9%	-17,9%	-5,2%
SMI	10 024	-1,8%	-5,6%	-4,4%	15,0%
EM & Asia					
Nikkei 225	23 517	0,5%	-0,6%	-2,2%	28,6%
Hang Seng	24 919	2,2%	-11,6%	-15,8%	8,0%
India	40 686	1,8%	-1,4%	-9,8%	49,5%
Russia	2 817	0,6%	-7,5%	-28,9%	64,0%
Brazil	101 260	3,0%	-12,4%	-40,8%	114,4%

FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
US				
Government	0,58	-0,6%	7,8%	18,7%
Investment Grade	1,91	-0,6%	6,4%	31,2%
High Yield	5,33	0,2%	2,2%	38,0%
Europe				
Government -	0,16	-0,6%	4,0%	15,3%
Investment Grade	0,42	-0,1%	1,6%	14,8%
High Yield	4,30	0,3%	-1,5%	22,5%
EM				
Global HC USD	3,70	-0,5%	2,1%	32,0%

EUR VERSUS MAJOR CURRENCIES

	Last	5 days	YTD	5 Years
USD	1,18	1,1%	5,5%	-8,3%
JPY	124,05	0,4%	1,7%	23,4%
CHF	1,07	-0,1%	-1,2%	-11,4%
GBP	0,91	0,2%	7,3%	14,0%

COMMODITIES

	Last	5 days	YTD		5 Years
			USD	**EUR**	
Brent	41,77	-2,7%	-36,7%	-40,0%	-62,0%
Gold	1 902,05	0,1%	25,4%	18,9%	7,8%

Source: Bloomberg, BIL, as at 23/10/2020

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