

# Sentiment turns on 'second wave' fears

## Snapshot



Sovereign Bonds

Copper

Gold



World Equities

Corporate Bonds

Oil

## The week ahead

16  
June

No change is expected when the Bank of Japan meets.

17  
June

U.K. and eurozone inflation figures for May go to print.

18  
June

The Bank of England meets where an extension of the QE programme is forecast.

Stocks saw their worst week for several months as fears over a resurgence in virus cases and comments from Jay Powell shook markets. The week had started brightly with a number of key metrics returning to positive territory for the year. However, fears came to a head on Thursday as markets ended the day down more than 5%, as value orientated and small cap stocks gave up much of their recent gains. Chair Powell struck a cautionary tone in comments last Wednesday in relation to the potential strength of any economic recovery. He also stated that the Fed are 'not even thinking about thinking about raising rates'. These comments coincided with news that Texas had reported its highest one-day total of new cases since the pandemic began and an outbreak of nearly 100 coronavirus cases in Beijing, reported over the weekend, raised fears of a resurgence of the pandemic in China. Commentators continue to speculate that a second wave could curb economic activity even without official action from governments globally. Economic news flow was light last week, but we did see U.S. consumer prices fall for a third straight month.

Finally, as of mid- June, global cases were over 7M, while over 420,000 fatalities have been recorded, however plans to reopen continue. The EU is due to ease its ban on inbound travel before 1st July and Germany is aiming to lift the majority of existing border restrictions later on this evening.

***Our regular market information continues on the next page.***

	1 Week Return 08.06.20 to 15.06.20		Year to Date Return 01.01.20 to 15.06.20	
	Local Currency	Euro	Local Currency	Euro
World	-5.4%	-4.9%	-8.2%	-8.4%
U.S.	-5.8%	-5.3%	-5.2%	-5.5%
Europe	-5.0%	-5.0%	-12.4%	-12.4%
Ireland	-4.9%	-4.9%	-13.8%	-13.8%
U.K.	-5.6%	-6.8%	-19.8%	-24.5%
Japan	-3.5%	-2.1%	-8.1%	-7.1%
Hong Kong	-1.4%	-1.0%	-12.3%	-12.1%
Corporate Bonds	-0.7%	-0.7%	-1.1%	-1.1%
Sovereign Bonds	1.2%	1.2%	1.7%	1.7%

### Equities

- All major equity markets moved down last week with the global index down -5.4% in local terms and -4.9% in Euro terms.
- The influential U.S. market was down -5.8% in local terms and 1.3% in Euro terms.

### Fixed Income & FX

- The U.S. 10-year yield finished at 0.66% last week. The German equivalent finished at -0.46%. The Irish 10 year bond yield finished at 0.11%.
- The Euro/U.S. Dollar exchange rate finished at 1.1, whilst Euro/GBP was at 0.89.

### Commodities

- Oil finished the week at \$35 per barrel.
- Gold finished the week at \$1,722 per troy ounce up 13.5% year to date in local terms and 13.2% year to date in Euro terms.
- Copper finished the week at \$5,761 per tonne.

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