

Stocks slide as the pandemic's economic toll begins to emerge

Snapshot



Corporate Bonds

Gold

Copper

Oil



World Equities

Sovereign Bonds

Equities moved lower last week, as economic data began to show how large the impact of the virus might be. Weekly job losses and monthly jobs created figures from the U.S. both hit records from a negative perspective, with this coming as the economic lockdown continues to get tighter globally. Oil continued its ongoing trading volatility with a tweet from President Trump, purported that an output agreement was close, sending prices up over 30%. However, the rally was short-lived and choppy trading is expected to continue as oil grapples with both demand and supply shocks.

Sentiment indicators moved lower in the U.K. and the Eurozone as unemployment figures also continued to rise. There was some positive data from China as PMIs returned to expansion in March, albeit it is worth noting just how sharp the fall was in February.

United Kingdom's bond rating was downgraded by Fitch to AA- from AA due in part to the coronavirus impact and Brexit uncertainty. Other smaller economies also saw downgrades, as the number of countries 'engaging' with the IMF also rose. Overall, economists are contending with the full economic fallout of COVID-19, with the depth of the expected recession now the main topic of debate.

Finally, Investment Grade credit spreads tightened last week, as Central Bank activity began to take hold. Both the Federal Reserve and the ECB have extended their bond purchase programmes in the corporate bond space which should help support corporates with fundamentally sound balance sheets.

Our regular market information continues on the next page.

Week Ahead

8
Apr

Minutes from the FOMC emergency meeting on 15 March go to print.

9
Apr

Consumer sentiment figures from the U.S. for March will be closely watched.

10
Apr

U.S. Inflation figures are released.

	1 Week Return 30.03.20 to 06.04.20		Year to Date Return 31.12.19 to 06.04.20	
	Local Currency	Euro	Local Currency	Euro
World	-5.0%	-3.0%	-24.7%	-21.7%
U.S.	-5.4%	-3.4%	-23.1%	-20.3%
Europe	-1.7%	-1.7%	-23.7%	-23.7%
Ireland	-2.0%	-2.0%	-29.7%	-29.7%
U.K.	-2.7%	-1.7%	-28.4%	-31.2%
Japan	-7.2%	-6.5%	-22.4%	-19.9%
Hong Kong	2.9%	5.2%	-18.0%	-14.6%
Corporate Bonds	0.0%	0.0%	-5.9%	-5.9%
Sovereign Bonds	-1.3%	-1.3%	0.3%	0.3%

Equities

- Global equities were down last week by -5% in local terms and -3% in euro terms.
- The influential U.S. market was down by -5.4% in local terms and -3.4% in euro terms.

Fixed Income & FX

- The U.S. 10-year yield finished at 0.65% last week. The German equivalent finished at -0.40%. The Irish 10 year bond yield finished at 0.25%.
- The Euro/U.S. Dollar exchange rate finished at 1.08, whilst Euro/GBP finished at 0.88.

Commodities

- Oil recovered slightly finishing at \$28 per barrel.
- Gold increased to \$1,625 per troy ounce.
- Copper increased to \$4,824 per tonne

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