

Market Pricing

30 March 2020

Weekly market update: 30 March 2020

	Economic news	Policy news
US	<ul style="list-style-type: none"> New claimants for unemployment benefit rose to 3.3 million people from 281,000 in the previous week. This is the latest high frequency data point which shows the acute contraction underway 	<ul style="list-style-type: none"> Fiscal stimulus of \$2tn (c. 10% of US GDP) includes direct transfers to households, unemployment insurance and bailouts, loans and grants for vulnerable businesses
Europe	<ul style="list-style-type: none"> The German ZEW economic sentiment index came in at -49.5 for Mar, the lowest for the last decade The Eurozone consumer confidence indicator fell from -6.6 to -11.6 in Mar 	<ul style="list-style-type: none"> The ECB has announced a new bond buying programme of €750bn till end-2020. The previous limits, i.e., buying only a third of the country's eligible bonds, will not apply
China	<ul style="list-style-type: none"> China industrial production fell by 13.5% in the year to February – the first time it has ever been negative Retail sales also fell sharply in February 	<ul style="list-style-type: none"> No major new policy announcements over the past week

		Actual Current	Change		
			1-week	1-month	YTD
10-year government bond yield (%)	US	0.73	-0.23	-0.57	-1.14
	Germany	-0.47	-0.16	0.09	-0.23
	UK	0.36	-0.18	-0.07	-0.40
5-year sovereign spreads vs. bunds (bps)	France	25	-7	6	7
	Ireland	31	-9	9	14
	Italy	121	-19	13	16
	Spain	76	-7	12	25
10-year breakeven inflation (%)	US	0.95	0.16	-0.58	-0.77
	UK	3.22	0.12	-0.11	-0.17
Corporate credit spreads	US IG	324	-63	203	224
	European IG	240	9	136	145
	US HY	899	-110	437	543
Emerging market debt (%)	USD EM Ext. Gov. (spread)	659	-60	248	297
	EM Local ex-Korea (yield)	4.66	-0.39	0.31	0.05
Equity	MSCI World (USD)	1,410	10%	-16%	-23%
	MSCI EM (USD)	49,074	5%	-18%	-24%
	US	2,421	11%	-15%	-21%
	Europe ex-UK	1,102	6%	-19%	-24%
	UK	1,573	6%	-19%	-27%
	Japan	880	14%	-8%	-16%
	China	75.9	5%	-10%	-12%
Commodities	Oil	25.1	-1.2%	-51.9%	-63.6%
	Copper	4,774	-1.7%	-15.0%	-23.1%
	Gold	1,624	8.3%	-1.3%	7.4%
Currencies	USD/EUR	1.11	3.5%	0.7%	--0.9%
	JPY/USD	120	0.5%	-1.0%	-2.2%
	USD/GBP	1.12	-1.7%	4.9%	5.0%
	USD/AUD	0.61	4.8%	-6.8%	-12.3%

Sources: FactSet

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