

# The Market Place

- Global equity markets returned +0.4% last week
- The Oxford/AstraZeneca vaccine is shown to prevent 70% of Covid cases in clinical trials. This follows last week's announcement from Moderna of 94.5% efficacy in phase 3 trials
- Brent crude rose +5.1% to \$44.96 a barrel
- Gold fell by -1.0% to \$1870.99 per ounce

## US

US equities fell by -0.7% last week

Weekly initial jobless claims rose to 742k (vs. 700k expected) in the week ending November 14, up from the post-pandemic low of 711k the previous week.

Retail sales in the US edged up 0.3% month-on-month in October, following a downwardly revised 1.6% gain in September and below forecasts of a 0.5% increase. This represents their slowest pace in 6 months.

Treasury Secretary Mnuchin requested that the Federal Reserve return all unused stimulus funds to the Treasury Department last week, adding that in the "unlikely event that it becomes necessary in the future to re-establish any of these facilities", the Fed can seek approval again.

US deaths from COVID-19 have surpassed 250,000 as the nation continues to struggle to bring new cases under control. Various new restrictions and curfews were rolled out nationwide.

## Europe

European equities rose by +1.1% on the back of positive vaccine news

EU indicating that BioNTech/ Pfizer and Moderna could receive conditional European Union marketing authorisation for their Covid-19 vaccines in the second half of December.

The ECB's Philip Lane announced that the ECB will continue its pandemic emergency purchase program for the duration of the pandemic as long as it continues to disrupt regular economic activity.

German Chancellor Angela Merkel's government is asking lawmakers to approve a spending plan for next year that raises planned new debt by about 70%, or some EUR 70Bn in 2021, to pay for the fallout from the coronavirus pandemic.

## UK

UK equities rose by +0.6% last week

The UK and Canada have agreed a deal in principle to continue trading under the same terms as the current EU agreement after the Brexit transition period ends. Official negotiations will begin in the new year.

The government has announced its largest investment for the armed forces in 30 years. It represents a 10% increase totalling £4bn a year over the next four years.

The UK and European Union are on course to strike a trade deal in the coming days even though several big differences between them still need to be bridged.

PM Boris Johnson's officials are said to be considering plans that would end targeted local lockdowns, with tougher restrictions instead placed on broader regions of England next month.

## Asia / ROW

Japanese equities returned +1.4% last week.

Chinese equities returned +0.8% last week.

Japan's economy grew at an annualized 21.4% in the quarter ended September 30, its fastest growth rate in over 50 years. This firmly beat the consensus estimate of 18.9% growth.

Australia's flash PMI for November showed improvement over last month with manufacturing at 56.1 (vs. 54.2) and services at 54.9 (vs. 53.7) bringing the composite reading to 54.7 (vs. 53.5 expected).



# Performance

Asset Class/Region	Currency				
		Week ending 20 Nov 2020	Month to date	YTD 2020	12 Months
<b>Developed Market Equities</b>					
United States	USD	-0.7%	8.9%	11.4%	16.0%
United Kingdom	GBP	0.6%	14.6%	-14.6%	-11.2%
Continental Europe	EUR	1.1%	13.5%	-0.9%	1.3%
Japan	JPY	1.4%	9.4%	2.6%	4.6%
Asia Pacific (ex Japan)	USD	2.0%	9.7%	15.4%	21.4%
Australia	AUD	2.1%	10.6%	0.5%	0.2%
Global	USD	0.4%	10.9%	9.3%	13.5%
<b>Emerging markets equities</b>					
Emerging Europe	USD	3.1%	21.9%	-21.4%	-17.2%
Emerging Asia	USD	1.6%	8.1%	20.6%	28.1%
Emerging Latin America	USD	3.9%	19.9%	-24.2%	-16.5%
BRICs	USD	1.2%	6.9%	12.8%	21.8%
China	USD	0.8%	4.6%	28.2%	39.1%
MENA countries	USD	0.9%	6.3%	-4.7%	-0.6%
South Africa	USD	0.0%	12.9%	-10.7%	-7.3%
India	USD	1.7%	11.2%	2.6%	4.9%
Global emerging markets	USD	1.8%	9.6%	10.6%	17.5%
<b>Bonds</b>					
US Treasuries	USD	0.6%	0.5%	8.8%	8.0%
US Treasuries (inflation protected)	USD	0.4%	0.6%	9.7%	9.8%
US Corporate (investment grade)	USD	1.2%	2.4%	9.0%	9.6%
US High Yield	USD	0.6%	3.2%	4.3%	6.9%
UK Gilts	GBP	0.4%	-0.8%	6.9%	6.2%
UK Corporate (investment grade)	GBP	0.9%	1.3%	6.4%	7.1%
Euro Government Bonds	EUR	0.4%	0.2%	5.0%	4.0%
Euro Corporate (investment grade)	EUR	0.3%	0.9%	2.5%	2.6%
Euro High Yield	EUR	0.8%	3.4%	0.7%	2.6%
Japanese Government	JPY	0.2%	0.3%	-0.8%	-1.2%
Australian Government	AUD	0.1%	-0.2%	5.0%	3.0%
Global Government Bonds	USD	0.8%	1.2%	8.2%	8.1%
Global Bonds	USD	0.7%	1.5%	7.8%	8.1%
Global Convertible Bonds	USD	1.1%	5.7%	18.4%	21.9%
Emerging Market Bonds	USD	0.1%	4.4%	5.3%	8.3%

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Asset Class/Region	Currency				
		Week ending 20 Nov 2020	Month to date	YTD 2020	12 Months
<b>Property</b>					
US Property Securities	USD	-0.6%	12.2%	-10.3%	-10.9%
Australian Property Securities	AUD	0.7%	13.1%	-7.3%	-10.9%
Asia Property Securities	USD	2.1%	13.6%	-10.1%	-6.2%
Global Property Securities	USD	0.7%	12.6%	-9.8%	-8.2%
<b>Currencies</b>					
Euro	USD	0.2%	1.8%	5.6%	7.1%
UK Pound Sterling	USD	0.7%	2.6%	0.1%	2.8%
Japanese Yen	USD	0.7%	0.8%	4.6%	4.5%
Australian Dollar	USD	0.6%	4.1%	4.1%	7.6%
South African Rand	USD	1.2%	6.2%	-8.8%	-3.2%
Swiss Franc	USD	0.2%	0.6%	6.0%	8.7%
Chinese Yuan	USD	0.7%	2.0%	6.1%	7.2%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	2.4%	7.9%	-14.6%	-11.2%
Agricultural Commodities	USD	1.8%	5.6%	9.0%	14.2%
Oil	USD	5.1%	20.0%	-31.9%	-27.9%
Gold	USD	-1.0%	-0.4%	22.9%	27.2%
Hedge funds	USD	0.4%	2.2%	3.6%	5.5%



# Global Matters Weekly

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