

# The Market Place

- The major global equity index returned +7.7% last week as all regions rallied
- Joe Biden is on-track to become the 46th President of the US despite expected legal contestation from the Trump administration
- Brent crude rose 5.3% to \$39.5 a barrel
- Gold rose 3.9% to \$1951.4 per ounce

## US

US equities rose 7.3% in their best week since April.

The FOMC kept the federal funds rate unchanged at 0-0.25% while maintaining their bond purchases at \$120bn per month. Federal Reserve Chair Jerome Powell said the current pace of asset purchases remained appropriate for the time being but left open the possibility that the Fed could extend long-term treasury purchases

Nonfarm payrolls for October came in at a better- than- expected 638K which is also the slowest pace of job growth since the labour market recovery began in May. The unemployment rate fell to 6.9% in October from 7.9% in September.

Weekly initial jobless claims for the week ending October 31 fell to 751k (vs. 735k expected), down from an upwardly revised 758k the previous week.

Reported US coronavirus cases have exceeded 100K for the fifth consecutive day. President-elect Joe Biden is expected to announce the launch of a 12-member coronavirus taskforce in response to the pandemic.

## Europe

European equities rose +7.3% last week.

German factory orders for September grew by a smaller-than-expected +0.5% (vs. +2.0% projected), while Euro-Area retail sales in September also fell by a more-than-expected -2.0% (vs. -1.5% expected).

Further restrictions and lockdowns started across Europe, with Spain and France introducing stricter measures and Greece entering a new 3-week lockdown

The European Commission's autumn economic forecast projected a smaller economic contraction this year of -7.8% for the Euro Area (vs. -8.7% predicted in the summer), though they revised down their 2021 forecast to +4.2% (vs. +6.1% previously).

## UK

UK equities returned +5.9% last week.

The Bank of England's MPC voted unanimously to increase their asset purchases by a further £150bn, above the consensus expectation for an extra £100bn, and left the Bank Rate unchanged at 0.1%.

Critical talks between the Prime Minister and the EU are set to resume this week ahead of the November 15th deadline for reaching a free trade agreement after Brexit.

The Chancellor Rishi Sunak announced further support for affected workers during the pandemic, with the furlough scheme extended until the end of March, which pays workers 80% of their salary. England entered a new one-month lockdown last week.

## Asia / ROW

Japanese equities rose +5.0% closing the week at a multi-decade high.

Chinese equities rose +6.0% on hopes of improved Sino-US relations under President Biden

China's October services PMI reading came in at a solid 56.8 (vs. 55.0 expected) bringing the composite reading to 55.7 (vs. 54.8 last month).

President Xi Jinping signalled that his long-term vision for the Chinese economy likely requires it to expand at an average pace of less than 5% a year, well below the historical trend over the past 30 years.



# Performance

Asset Class/Region	Currency				
		Week ending 06 Nov 2020	Month to date	YTD 2020	12 Months
<b>Developed Market Equities</b>					
United States	USD	7.30%	7.30%	9.80%	15.60%
United Kingdom	GBP	5.9%	5.9%	-21.1%	-19.3%
Continental Europe	EUR	7.3%	7.3%	-6.3%	-4.3%
Japan	JPY	5.0%	5.0%	-1.5%	0.3%
Asia Pacific (ex Japan)	USD	6.2%	6.2%	11.8%	16.0%
Australia	AUD	4.4%	4.4%	-5.1%	-4.0%
Global	USD	7.7%	7.7%	6.2%	11.1%
<b>Emerging markets equities</b>					
Emerging Europe	USD	11.5%	11.5%	-28.1%	-25.5%
Emerging Asia	USD	5.9%	5.9%	18.2%	23.6%
Emerging Latin America	USD	11.2%	11.2%	-29.7%	-25.9%
BRICs	USD	6.5%	6.5%	12.3%	18.3%
China	USD	6.0%	6.0%	30.0%	38.4%
MENA countries	USD	1.7%	1.7%	-8.8%	-2.8%
South Africa	USD	13.7%	13.7%	-10.1%	-5.4%
India	USD	6.3%	6.3%	-1.9%	-0.5%
Global emerging markets	USD	6.6%	6.6%	7.6%	12.5%
<b>Bonds</b>					
US Treasuries	USD	0.3%	0.3%	8.6%	8.3%
US Treasuries (inflation protected)	USD	-0.1%	-0.1%	8.9%	9.4%
US Corporate (investment grade)	USD	1.3%	1.3%	7.9%	9.1%
US High Yield	USD	2.1%	2.1%	3.2%	5.4%
UK Gilts	GBP	-0.4%	-0.4%	7.3%	6.4%
UK Corporate (investment grade)	GBP	0.3%	0.3%	5.4%	6.0%
Euro Government Bonds	EUR	0.1%	0.1%	4.9%	3.5%
Euro Corporate (investment grade)	EUR	0.4%	0.4%	2.0%	1.7%
Euro High Yield	EUR	1.6%	1.6%	-1.0%	0.5%
Japanese Government	JPY	0.2%	0.2%	-0.9%	-1.2%
Australian Government	AUD	0.5%	0.5%	5.7%	5.1%
Global Government Bonds	USD	1.2%	1.2%	8.2%	8.3%
Global Bonds	USD	1.2%	1.2%	7.5%	8.1%
Global Convertible Bonds	USD	4.4%	4.4%	17.0%	21.1%
Emerging Market Bonds	USD	2.6%	2.6%	3.4%	7.0%

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Asset Class/Region	Currency				
		Week ending 06 Nov 2020	Month to date	YTD 2020	12 Months
<b>Property</b>					
US Property Securities	USD	4.0%	4.0%	-16.8%	-17.1%
Australian Property Securities	AUD	8.2%	8.2%	-11.3%	-14.1%
Asia Property Securities	USD	7.1%	7.1%	-15.2%	-14.4%
Global Property Securities	USD	5.7%	5.7%	-15.3%	-14.1%
<b>Currencies</b>					
Euro	USD	2.0%	2.0%	5.8%	7.4%
UK Pound Sterling	USD	1.6%	1.6%	-0.8%	2.3%
Japanese Yen	USD	1.3%	1.3%	5.1%	5.4%
Australian Dollar	USD	3.6%	3.6%	3.5%	5.7%
South African Rand	USD	4.1%	4.1%	-10.6%	-5.1%
Swiss Franc	USD	2.0%	2.0%	7.5%	10.4%
Chinese Yuan	USD	1.2%	1.2%	5.3%	5.9%
<b>Commodities &amp; Alternatives</b>					
Commodities	USD	2.3%	2.3%	-19.0%	-16.9%
Agricultural Commodities	USD	2.0%	2.0%	5.3%	9.6%
Oil	USD	5.3%	5.3%	-40.2%	-36.1%
Gold	USD	3.9%	3.9%	28.1%	31.0%
Hedge funds	USD	1.5%	1.5%	2.9%	5.0%