

Weekly Market Performance and Commentary for the 2 Weeks to Friday 12th June 2020

Market Performance

- Equity assets classes were up for the week to Friday 5th June before pulling back towards the end of the week to Friday 12th June as investors reacted negatively to comments made by the US Federal Reserve, emphasizing a long and slow recovery to pre COVID-19 unemployment levels and economic activity.
- Over the last two weeks we saw markets perform in the following way:
 - Australian equities up 4.2% and then down 2.5%
 - US equities up 4.3% and then down 4.4%
 - International equities (local currency) up 0.6% and then down 2.1%
 - International equities (\$A hedged) up 5.1% and then down 3.9%
 - Australian bonds down 0.8% and then up 0.9%
 - International Bonds (\$A hedged) down 0.5% and then up 0.7%
 - Australian Cash with a flat return of 0.0% for both weeks
- With the exception of Cash which was flat, all NESS Diversified Options had positive returns for the week to 5th June but a majority of this was given back last week (week to 12th June) when equity markets fell.
- Markets fell last week off the back of comments made by the US Federal Reserve Chairman, Jerome Powell, emphasizing the path back to previous levels of unemployment and economic activity in the US will be a long and slow one.
- On the COVID-19 front:
 - The US continue to lead the world in COVID-19 cases and deaths (over 2 million and 115 thousand respectively). The US has now fully reopened their economy and are managing the virus crisis along with riots sparked by the death of George Floyd (which raises concerns over further outbreaks of the virus)
 - Brazil, Russia and India have seen a surge in COVID-19 cases as the virus has appeared more recently in these countries. These three countries now round out the top 4 most impacted countries which was previously held by Spain, Italy and the UK.
 - Australia and New Zealand have contained the virus relatively well and both countries have been progressing to reopening their economy and further extended talks to opening up travel between the two countries.

- Australia's unemployment rate rose to 6.2% in April but was below market expectations of 8.3%. May's employment figures are due for release this Thursday and the rate is expected to further rise.

	Week to 5 th June *	Week to 12 th June **	Calendar Year to 12 th June
Australian Equities	4.2%	-2.5%	-11.3%
US Equities	4.3%	-4.4%	-5.6%
International Equities (local currency)	0.6%	-2.1%	-5.3%
International Equities (\$A Hedged)	5.1%	-3.9%	-8.8%
Australian Bonds	-0.8%	0.9%	3.2%
International Bonds	-0.5%	0.7%	3.2%
Australian Cash	0.0%	0.0%	0.3%

* Week to 5th June covers the 5 days from Monday 1st June to Friday 5th June.

** Week to 12th June covers the 5 days from Monday 8th June to Friday 12th June.