

Weekly Market Performance and Commentary to Friday 17th April 2020

Market Performance

- All asset classes were up for the week to Friday 17th April. Equity markets have been trending higher but a lot of uncertainty remains on the impact COVID-19 will have on markets.
- Over the week we saw the markets perform in the following way:
 - Australian equities **up 1.9%**
 - US equities **up 2.4%**
 - International equities (local currency) **up 1.4%**
 - International equities (\$A hedged) **up 2.1%**
 - Australian bonds **up 0.3%**
 - International Bonds (\$A hedged) **up 0.5%**
 - Australian Cash with a flat return of 0.0%
- All NESS Options had positive returns for the week driven by positive performance in equity markets globally and in Australia.
- Options with more exposure to equities such as High Growth, MySuper, Aggressive and Assertive did better than Options which have more exposure towards bonds and cash.
- Over the week, the infection rate of COVID-19 neared its peak in some countries, with both Spain and Italy appearing to flatten their curves. The UK and Germany also saw a reduction in the number of new daily cases.
- As a result, some governments began to ease their lockdown measures while others considered plans to reopen their economies, albeit gradually:
 - Italy, one of the worst countries affected by COVID-19 in Europe, eased its lockdown measures and began reopening some shops
 - The US also outlined guidelines on its requirements for each state to reopen, including a daily decline in cases over a 14-day period
 - The UK and France however extended their lockdown timelines until May
 - Spain also extended its lockdown but with less severe restrictions, announcing children are permitted to leave their homes from 27th April
- In Australia, further progress has been made to contain the virus, the number of new daily cases has been declining towards zero in many states
 - Scott Morrison announced that lockdown restrictions could be slowly lifted if certain criteria was met, including a more robust testing regime and a greater ability to trace detected cases. The government are developing a voluntary tracing app to assist
 - NSW Premier Gladys Berejiklian confirmed progress in containing the virus and that school students could start returning to schools from the middle of May.

- US unemployment rose over the week with an additional 5 million people filing for unemployment benefits, with the unemployment total rising to 22 million in the country. The unemployment rate could be as high as 17% and are greater than the levels seen in the GFC which were at 10%.
- Unemployment in Australia increased to 5.2%, however this number is expected to rise as it only captured unemployment during the first two weeks of March.

	Week to 17 April*	Month to Date	Calendar Year to Date
Australian Equities	1.9%	8.3%	-18.1%
US Equities	2.4%	5.9%	-15.3%
International Equities (local currency)	1.4%	4.5%	-5.6%
International Equities (\$A Hedged)	2.1%	8.3%	-14.4%
Australian Bonds	0.3%	-0.4%	2.6%
International Bonds	0.5%	1.0%	2.3%
Australian Cash	0.0%	0.0%	0.3%

* Week to 17 April covers the 5 days from Monday 13th April to Friday 17th April