

## Weekly Market Performance and Commentary to Friday 19<sup>th</sup> June 2020

### Market Performance

- All assets classes had a positive week of returns to Friday 19<sup>th</sup> June. Over the last week we saw markets perform in the following way:
  - Australian equities **up 1.6%**
  - US equities **up 1.5%**
  - International equities (local currency) **up 1.7%**
  - International equities (\$A hedged) **up 0.1%**
  - Australian bonds **up 0.2%**
  - International Bonds (\$A hedged) **up 2.1%**
  - Australian Cash with a flat return of 0.0%
  
- With the exception of Cash which was flat, all NESS Options had positive returns for the week to 19<sup>th</sup> June. Options with a higher allocation to growth assets performed better than Options with higher allocations to defensive assets.
  
- Markets initially fell to start the week as COVID-19 cases rose in the US and China (Beijing). However, an announcement made by Federal Reserve Chairman, Jerome Powell, about providing further stimulus to markets led markets back up in the second half of the week.
  
- On the COVID-19 front:
  - The reopening of the US economy has led to a rise in cases within states like Arizona and Florida. Some retail stores like Apple have taken measures to close its stores in these states.
  - Brazil, Russia and India continue to see a surge in the number of COVID-19 cases as they struggle to contain its spread. 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. Australian stocks also rose following positive retail sales data from May.
  
- Australia's unemployment rate rose to 7.1% in May and it has seen a large increase in those receiving JobSeeker payments.
  
- Over 1.5 million people filed for unemployment claims in the US but this figure was marginally down from the previous week. The actual rate could be higher if those who are still employed but remain absent from their jobs were counted. On a positive note, the unemployment rate had fallen between April and May as the US economy eased its restrictions.

	<b>Week to 19<sup>th</sup> June*</b>	<b>Month to 19<sup>th</sup> June</b>	<b>Calendar Year to 19<sup>th</sup> June</b>
<b>Australian Equities</b>	<b>1.6%</b>	<b>3.2%</b>	<b>-9.8%</b>
<b>US Equities</b>	<b>1.5%</b>	<b>1.2%</b>	<b>-4.2%</b>
<b>International Equities (local currency)</b>	<b>1.7%</b>	<b>0.1%</b>	<b>-3.7%</b>
<b>International Equities (\$A Hedged)</b>	<b>0.1%</b>	<b>0.3%</b>	<b>-8.7%</b>
<b>Australian Bonds</b>	<b>0.2%</b>	<b>0.3%</b>	<b>3.5%</b>
<b>International Bonds</b>	<b>2.1%</b>	<b>3.1%</b>	<b>5.4%</b>
<b>Australian Cash</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.3%</b>

\*Week to 19<sup>th</sup> June covers the 5 days from Monday 15<sup>th</sup> June to Friday 19<sup>th</sup> June.