



## Weekly Market Performance and Commentary to Friday 1<sup>st</sup> May 2020

### Market Performance

- The majority of asset classes were slightly positive for the week to Friday 1<sup>st</sup> May with the exception of cash which was flat and US equities which was slightly negative. Markets remain volatile albeit much less so than the volatility seen in March. Markets moved higher through much of last week but declines on Friday wiped out most of the week's gains. The Calendar year to date numbers in the table above show that equities are still down since the beginning of the year.
- Over the week we saw the markets perform in the following way:
  - Australian equities **up 0.2%**
  - US equities **down 0.2%**
  - International equities (local currency) **up 0.2%**
  - International equities (\$A hedged) **up 0.5%**
  - Australian bonds **up 0.3%**
  - International Bonds (\$A hedged) **up 0.2%**
  - Australian Cash with a flat return of 0.0%
- With the exception of Cash, which was flat, all NESS Options had slightly positive returns for the week to Friday, 1<sup>st</sup> May and showed a similar performance to one another, as there was little difference in terms of performance between growth and defensive assets over the week.
- Over the week, the infection rate of COVID-19 appears to have reached a turning point in most developed countries. Despite the total number of global cases reaching over 3 million people, there are signs that containment measures are working or have been successful in some countries, as they begin to lift restrictions.
  - The daily new cases and death rate in the US has slowed.
  - More states in the US have begun lifting lockdown restrictions by allowing some businesses to open, with more set to open next week.
  - Boris Johnson, the UK Prime Minister announced the country had passed its peak and will announce plans next week on how to restart its economy.
  - Spain remains cautious on their exit from lockdown measures and announced a slow and gradual return to normal by the end of June.
  - Australia announced an easing of its lockdown measures by reopening beaches and allowing friends and families to visit one another in groups of two.
  - New Zealand reopened many parts of its economy this week, allowing non-essential business, healthcare and education to resume.

- The Australian government released its contact tracing app to assist in tracing cases of the coronavirus, so the country can continue easing restrictions.
- The US equity market posted its most successful month of April since 1987, but news was also released that over 30 million people have filed for unemployment benefits since March.
- Markets fell on Friday after posting gains earlier in the week as tensions grew between the US and China over the coronavirus outbreak.

	<b>Week to 1 May*</b>	<b>Month to Date**</b>	<b>Calendar Year to Date</b>
<b>Australian Equities</b>	<b>0.2%</b>	<b>-4.9%</b>	<b>-20.6%</b>
<b>US Equities</b>	<b>-0.2%</b>	<b>-2.8%</b>	<b>-12.4%</b>
<b>International Equities (local currency)</b>	<b>0.2%</b>	<b>-0.7%</b>	<b>-7.2%</b>
<b>International Equities (\$A Hedged)</b>	<b>0.5%</b>	<b>-2.1%</b>	<b>-15.1%</b>
<b>Australian Bonds</b>	<b>0.3%</b>	<b>0.1%</b>	<b>3.0%</b>
<b>International Bonds</b>	<b>0.2%</b>	<b>-0.1%</b>	<b>2.7%</b>
<b>Australian Cash</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.3%</b>

\* Week to 1 May covers the 5 days from Monday 27<sup>th</sup> April to Friday 1<sup>st</sup> May

\*\* Month to Date captures one day of performance on 1<sup>st</sup> May 2020