

## Weekly Market Performance and Commentary for the 2 Weeks to Friday 3<sup>rd</sup> July 2020

### Market Performance

- Equity assets classes were down for the week to Friday 26<sup>th</sup> June before posting another week of gains on Friday 3<sup>rd</sup> July. Markets were initially down as there was a surge in new cases around the world, but investors reacted positively to news that manufacturing had improved, and the US equity market had posted a 20% gain over the quarter, the strongest quarter since 1998. Other global markets also reacted positively to the news.
- Over the last two weeks we saw markets perform in the following way:
  - Australian equities **down 0.7%** and then **up 2.7%**
  - US equities **down 2.9%** and then **up 4.1%**
  - International equities (local currency) **down 1.8%** and then **up 1.9%**
  - International equities (\$A hedged) **down 2.0%** and then **up 3.0%**
  - Australian bonds flat and then **down 0.1%**
  - International Bonds (\$A hedged) **up 0.2%** and then flat
  - 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 negative returns for the week to 26<sup>th</sup> June but then recouped these losses in the following (week to 3<sup>rd</sup> July) when equity markets were up again.
- Markets were up last week following positive manufacturing figures globally, showing the global economy continues to recover from the lows seen during March and as containment measures around the world are eased further.
- On the COVID-19 front:
  - The US continue to struggle containing the virus as it recorded it largest daily increase in new virus cases. Cases have surged in the sun belt states (states in the lower half of the US) and total cases and deaths are now over 2.9million and 130,000 respectively.
  - The UK began reopening pubs and restaurants as they begin to reopen their economy for non-essential services.
  - Australia and New Zealand have contained the virus relatively well but Australia has seen a rise more recently in Victoria, where restrictions have been put back in place in particular suburbs.

- Australia's unemployment rate rose above 7% in May and is now close to 250,000 people, and it's expected to rise further in June when figures are released.
- The US unemployment fell in the final weeks of June, with almost 5million people finding jobs to bring the unemployment rate down to 11.1%. However current levels are still higher than they were during the GFC (Global Financial Crisis)

	Week to 26 <sup>th</sup> June*	Week to 3 <sup>rd</sup> July**	Calendar Year to 3 <sup>rd</sup> July
Australian Equities	-0.7%	2.7%	-8.1%
US Equities	-2.9%	4.1%	-2.1%
International Equities (local currency)	-1.8%	1.9%	-3.6%
International Equities (\$A Hedged)	-2.0%	3.0%	-5.9%
Australian Bonds	0.0%	-0.1%	3.4%
International Bonds	0.2%	0.0%	3.6%
Australian Cash	0.0%	0.0%	0.3%

\* Week to 26<sup>th</sup> June covers the 5 days from Monday 22<sup>nd</sup> June to Friday 26<sup>th</sup> June.

\*\*Week to 3<sup>rd</sup> July covers the 5 days from Monday 29<sup>th</sup> June to Friday 3<sup>rd</sup> July.