

Weekly Market Performance and Commentary to Thursday 14th May 2020

Market Performance

- All markets except international bonds and cash were down for the week to Thursday 14th May. Markets continue to experience volatility and days where the market rises or falls by greater than 1%. Calendar year to date numbers in the table above remain substantially down for equity markets.
- Over the week we saw markets perform in the following way:
 - Australian equities **down 1.2%**
 - US equities **down 2.1%**
 - International equities (local currency) **down 1.0%**
 - International equities (\$A hedged) **down 2.5%**
 - Australian bonds **slightly down**
 - International Bonds (\$A hedged) **up 0.1%**
 - Australian Cash with a flat return of 0.0%
- With the exception of Cash which was flat, all NESS Options had negative returns for the week to Thursday 14th May as markets fell. Options with higher exposure to defensive assets performed better than Options with higher exposure to growth assets.
- Over the week we have continued to see mixed results on nations containing COVID.
 - While the peak seems to have passed in the US, their infection rate is declining very gradually as they continue to deal with a large number of cases in places like New York and have begun reopening certain states. (which is causing concern this will lead to further outbreaks)
 - Spain and Italy's rate of infection continues to fall and has allowed the countries to begin reopening their economies.
 - The UK's rate of infection was recently flat but recent weeks are showing a steady decline. They have also indicated they will be reopening their economy as their economy has been heavily impacted by the virus.
 - New Zealand and Australia have shown great success in containing the virus and have outlined a staged approach in reopening their economies, with each stage relaxing more restrictions.
 - Russia and Brazil are one of the larger nations to have a positive infection rate but this rate has been slowing in the past week.

- Australian job data released on 14 May reported that a further 600,000 people lost their job in Australia in April and the unemployment rate rose to 6.2%. Markets reacted negatively to this news and closed down for the day.

	Week to 14 May*	Month to Date	Calendar Year to Date
Australian Equities	-1.2%	-3.3%	-19.2%
US Equities	-2.1%	-1.3%	-11.3%
International Equities (local currency)	-1.0%	-0.6%	-7.1%
International Equities (\$A Hedged)	-2.5%	-2.1%	-15.1%
Australian Bonds	-0.0%	0.2%	3.1%
International Bonds	0.1%	-0.2%	2.5%
Australian Cash	0.0%	0.0%	0.3%

* Week to 14 May covers the 4 days from Monday 11th May to Friday 14th May