

Weekly Market Performance and Commentary to Thursday 16th April 2020

Market Performance

- All asset classes except International equities was up for the week to Thursday 16th April. Most markets have been trending higher over the last two weeks but there continues to be volatility in markets.
- Over the week we saw the markets perform in the following way:
 - Australian equities **up 0.6%**
 - US equities **up 0.6%**
 - International equities (local currency) **down 0.4%**
 - International equities (\$A hedged) **down 0.2%**
 - Australian bonds **up 0.3%**
 - International Bonds (\$A hedged) **up 0.6%**
 - Australian Cash with a flat return of 0.0%
- NESS Options had positive returns for the week driven by positive performance in equity markets. (particularly Australia and the US).
- 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. Other countries are also saw a reduction in the number of new daily cases such as Germany and the UK.
- As a result, some governments began to ease their lockdown measures while others considered plans to reopen their economies, albeit gradually:
 - Spain and Italy, the country's worst 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, in a bid to get a better control of the spread of the virus.
- In Australia, further progress has been made to contain the virus as the number of daily cases has been declining.
 - Scott Morrison announced that lockdown restrictions could be slowly lifted, provided certain criteria had been met, including a more robust testing regime and a greater ability to trace detected cases and their movements
 - NSW Premier Gladys Berejiklian confirmed with the current progress in containing the virus, school students could start returning to schools from the middle of May.

- US unemployment rose this week, with an additional 5 million people filing for unemployment benefits. This took the unemployment total to 22 million in the country, indicating the unemployment rate could be as high as 17%, surpassing 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 16 April*	Month to Date	Calendar Year to Date
Australian Equities	0.6%	6.8%	-19.2%
US Equities	0.6%	3.7%	-17.1%
International Equities (local currency)	-0.4%	2.6%	-7.3%
International Equities (\$A Hedged)	-0.2%	5.8%	-16.4%
Australian Bonds	0.3%	-0.3%	2.6%
International Bonds	0.6%	1.1%	2.4%
Australian Cash	0.0%	0.1%	0.3%

* Week to 16 April covers the 4 days from Monday 13th April to Thursday 16th April