

Weekly Market Performance and Commentary to Thursday 23rd April 2020

Market Performance

- Equity markets were down for the week to Thursday 23rd April while fixed income markets were flat. Markets remained volatile and showed no clear direction over the past week as news of COVID-19 and its impact to economies around the world continue to be released.
- Over the week we saw the markets perform in the following way:
 - Australian equities down **4.9%**
 - US equities down **2.7%**
 - International equities (local currency) down **2.5%**
 - International equities (\$A hedged) down **1.8%**
 - Australian bonds **up 0.1%**
 - International Bonds (\$A hedged) **up 0.1%**
 - Australian Cash with a flat return of 0.0%
- Demand for oil has fallen globally as less transportation (cars and planes) are on the road which has caused the price of oil to continue to fall. This impacted global markets in a negative way.
- The latest weekly NESS crediting rates reflect returns to Monday 20th April and all NESS Options had positive crediting rates.
- Over the week, the infection rate of COVID-19 neared its peak or are on the decline in some countries, while in others we saw a second wave of infections after a period of successful containment.
 - The United States continues to lead the world in the highest number of cases and deaths by COVID-19. Some states who are less affected by the virus are beginning to open back up under the advice of the US administration.
 - In Europe, we have seen some nations like the UK, Germany, Italy and Spain pass their peak but continue to maintain relatively strict lockdown measures.
 - A second wave of infection has emerged in Singapore after a cluster of cases appeared in the foreign labourers dormitories region of the nation.
 - The city of Harbin in China, which has a population size of 10 million, has been placed into lockdown after new cases emerged due to a student returning to the city from New York and spreading the virus.
- Australia has been one of the more successful nations in containing COVID-19 as the number of daily new cases is now in the single digit territory.
- The relatively successful containment of the virus has allowed the Australian government to focus more attention on planning for the reopening of the Australian economy.
- The latest Australian economic data has shown an increase in retail sales over March due to Australians stockpiling supplies during this lockdown.
- Data from the Australian Taxation Office has also revealed that over 6% of workers lost their jobs in March.

- A statement from the Governor of the Reserve Bank of Australia says an Australian recession is likely as Australia's output will fall sharply in the first half of 2020.

	Week to 23 April*	Month to Date	Calendar Year to Date
Australian Equities	-4.9%	2.9%	-22.1%
US Equities	-2.7%	8.2%	-13.4%
International Equities (local currency)	-2.5%	1.9%	-8.0%
International Equities (\$A Hedged)	-1.8%	6.3%	-16.0%
Australian Bonds	0.1%	-0.3%	2.7%
International Bonds	0.1%	1.1%	2.3%
Australian Cash	0.0%	0.0%	0.3%

* Week to 23 April covers the 4 days from Monday 20th April to Thursday 23rd April