



## WEEKLY FINANCIAL MARKET OVERVIEW

### period 01.06.2020-07.06.2020

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	3 193.93	4.91	9.02	-1.14	11.16
DOW JONES INDUS. AVG	27 110.98	6.81	11.42	-5.00	4.34
STOXX Europe 600 Index	375.32	5.79	9.87	-9.89	-0.73
DAX INDEX	12 847.68	10.68	17.61	-3.21	6.47
RTS Index	1 548.92	4.48	14.71	-15.85	-1.70
SHANGHAI SE COMPOSITE	2 930.80	0.77	1.47	-3.68	3.89
NIKKEI 225	22 863.73	5.06	14.86	-2.02	10.98
MSCI WORLD	2 266.76	4.75	9.94	-3.89	6.58
European Renewable Energy Index	1 483.75	0.13	8.48	3.43	16.72
Chicago Board Options Exchange Volatility Index (VIX)	24.88	-11.87	-11.08	80.55	52.64

Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 676.20	-2.71	-1.35	11.00	26.06
SILVER Futures	17.48	-5.03	13.60	-0.23	18.95
LME COPPER 3MO (\$)	5 533.00	5.83	10.31	-7.84	-2.01
LME NICKEL 3MO (\$)	12 773.00	5.41	8.24	-7.37	10.84
Brent	42.30	11.48	37.94	-35.27	-32.50
WTI	39.55	12.53	61.20	-34.69	-26.13

Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.13	1.47	4.20	0.58	-0.19
USD/JPY	109.59	-1.71	-2.56	-0.79	-0.82
GBP/USD	1.27	1.62	2.07	-4.49	-0.17

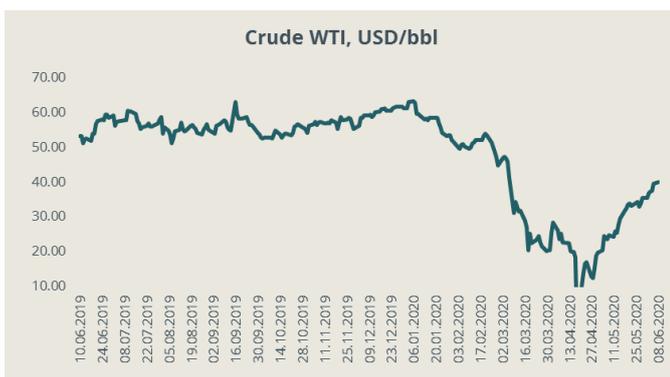
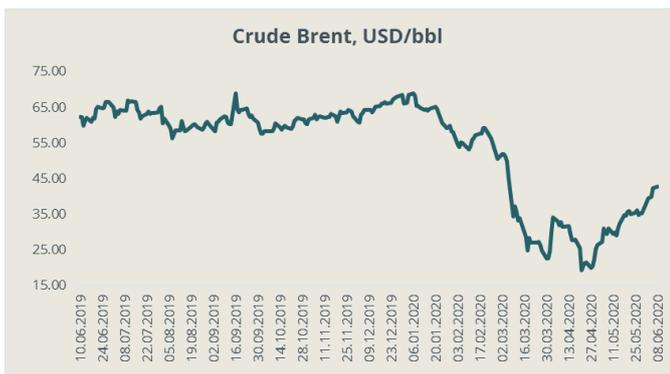
Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.31	-9.05	-33.99	-83.60	-87.34
LIBOR EUR 3M	-0.38	-9.19	-84.73	8.66	-3.36
EURIBOR 3M	-0.37	-14.98	-18.86	7.83	-10.31
EUR SWAP (EONIA) 3M	-0.47	-0.04	0.49	-5.79	-28.86

Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	0.90	38.36	33.49	-52.44	-56.18
German Government Bonds 10 YR (EUR)	-0.28	27.86	46.00	-56.76	-12.84
UK Government Bonds 10 YR (GBP)	0.35	50.65	48.09	-57.66	-57.20
Swiss Government Bonds 10 YR (CHF)	-0.28	39.44	46.07	40.34	44.25
Japan Government Bonds 10 YR (JPY)	0.05	700.00	900.00	260.00	133.33

#### Main events of the previous week

The ECB maintained the level of rates following the June 4 meeting and announced an increase in the Pandemic Emergency Purchase Program (PEPP) by € 600 billion to € 1.35 trillion. The regulator did not include "junk" bonds in the program, but said that the PEPP asset purchase horizon would be extended at least until the end of June 2021. Lagarde noted that while real-time research data and indicators of economic activity have indicated some signs of bottoming amid a gradual easing of restraining measures, the improvement is still weak compared to the rate at which these indicators collapsed in previous months. Fresh economic indicators and data confirm the sharp contraction of the eurozone economy and the rapid deterioration of the situation on the labor market. According to forecasts released on 4th of June, the central bank in the framework of the baseline scenario expects the eurozone GDP to decrease by 8.7% this year and 5.2% growth in 2021. According to Lagarde, the scale of reduction and recovery will largely depend on the duration and effectiveness of coronavirus restrictions, the success of measures designed to mitigate the effects of the pandemic, and how much supply potential and domestic demand will suffer. Although the ECB is waiting for a recovery in eurozone activity in the third quarter, its overall pace and scale remain extremely uncertain.

The decisive round of negotiations between Britain and the EU on Brexit conditions ended with nothing, and in addition to the economic crisis, Britain again is faced with prospect of a hard break in ties with the European Union. The European Union requires Britain to agree, following the final exit from the EU, to follow the general rules with Europe in the areas of state support for businesses, the rights of employees and employers, environmental compliance, quality control and other measures. The EU calls this "level playing field". According to the ideas of continental Europeans, if Britain lowers the different requirements for its producers, it will receive unfair advantages over French, German or Romanian competitors. Britain refuses to bind itself to EU rules, including those not yet adopted. Instead of "level playing field", Britain offers the European Union to conclude a general agreement on free trade, completely abandoning import tariffs and quotas (that is, to preserve trade rules that exist without any Brexit), and also sign nine sectoral agreements - on fishing, aviation, energy, law enforcement cooperation and so on.



## Economic data

**US.** According to the results of the final revision of the business activity index (PMI) in May, the indicator grew by 10 points compared to April and amounted to 37. Of the components of the index, business activity in the services sector was higher by 10.8 points, and the state of the manufacturing sector grew by 3.7 points.

The unemployment rate in May unexpectedly fell by 1.4 percentage points and amounted to 13.3%, and the number of new jobs in the non-agricultural sector amounted to 2 million 509 thousand, while it was expected that the number of jobs will be reduced by 8 million.

The number of initial jobless claims for the week was registered in the amount of 1 million 877 thousand, which is 249 thousand less than the previous week and 77 thousand more than analysts expected.

**Eurozone.** According to the results of the final revision of the business activity index (PMI) in May, the indicator grew by 18.3 points compared to April and amounted to 31.9. Of the indicators that make up the index, business activity in the services sector was 18.5 points higher, and the state of the manufacturing sector grew by 6 points.

The unemployment rate in April grew by only 0.2 percentage points and amounted to 7.3%, which is much better than the expected 8.2% that analysts predicted.

## Key events this week

- On Wednesday, inflation data in May will be published in China and the United States, as well as a change in oil reserves for the week in the United States, also the Fed will publish its decision on the key rate change. Yet on Thursday, initial jobless claims for the week will be published in the United States.

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