



WEEKLY FINANCIAL MARKET OVERVIEW

period 15.06.2020-21.06.2020

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	3 097.74	1.86	4.81	-4.12	4.99
DOW JONES INDUS. AVG	25 871.46	1.04	5.75	-9.35	-3.17
STOXX Europe 600 Index	365.46	3.50	7.43	-12.12	-5.02
DAX INDEX	12 330.76	3.52	11.35	-6.93	-0.07
RTS Index	1 548.92	1.72	4.55	-19.78	-9.63
SHANGHAI SE COMPOSITE	2 967.63	2.60	5.38	-2.78	-1.23
NIKKEI 225	22 478.79	4.21	10.05	-5.15	5.54
MSCI WORLD	2 208.97	1.73	6.62	-6.34	1.41
European Renewable Energy Index	1 437.93	0.96	3.81	0.24	10.57
Chicago Board Options Exchange Volatility Index (VIX)	35.12	-2.69	24.72	154.86	128.05

Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 745.90	2.09	1.19	15.30	25.78
SILVER Futures	17.85	3.66	2.10	0.64	17.95
LME COPPER 3MO (\$)	5 805.00	1.12	9.23	-5.26	-1.16
LME NICKEL 3MO (\$)	12 894.00	0.82	2.54	-8.96	5.62
Brent	42.19	5.94	19.78	-36.24	-35.46
WTI	39.75	6.49	18.89	-35.26	-31.17

Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.12	-0.82	2.68	-0.32	-1.72
USD/JPY	106.87	0.28	0.65	1.53	0.37
GBP/USD	1.24	-1.43	1.73	-6.63	-2.77

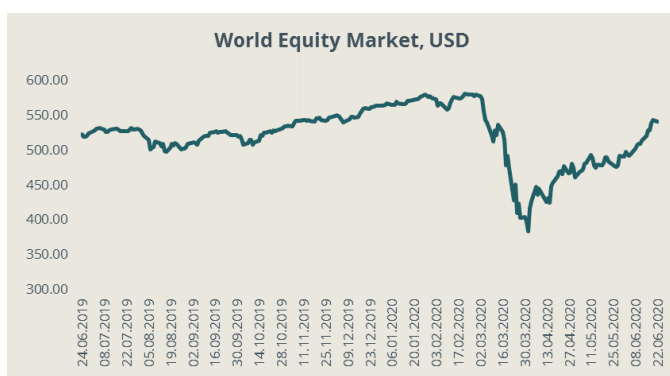
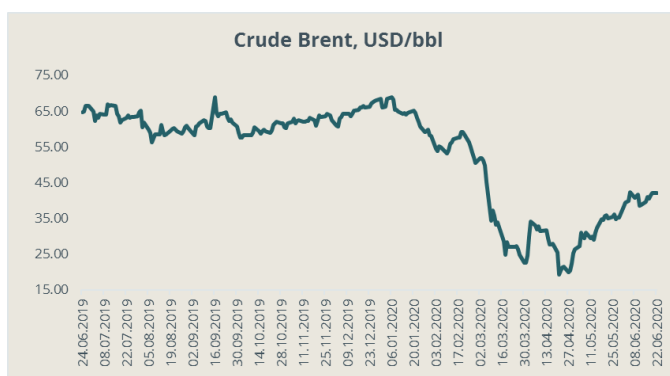
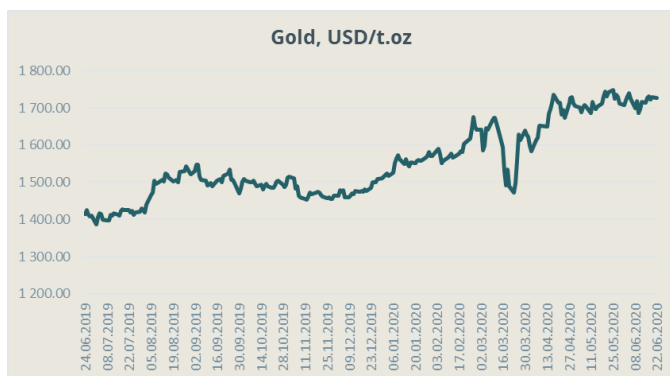
Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.31	-4.91	-18.44	-84.01	-87.21
LIBOR EUR 3M	-0.41	-5.68	-42.04	-0.07	-10.43
EURIBOR 3M	-0.41	-11.20	-57.14	-6.27	-21.13
EUR SWAP (EONIA) 3M	-0.49	-2.10	-3.84	-9.68	-21.96

Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	0.69	-3.62	5.51	-63.73	-66.14
German Government Bonds 10 YR (EUR)	-0.42	6.95	14.78	-124.32	-45.61
UK Government Bonds 10 YR (GBP)	0.24	15.61	36.21	-71.17	-71.95
Swiss Government Bonds 10 YR (CHF)	-0.40	7.24	19.96	15.71	17.29
Japan Government Bonds 10 YR (JPY)	0.01	0.00	300.00	140.00	107.14

Main events of the previous week

On its meeting in June the Bank of England announced the expansion of its government bond purchase program by £100 billion in order to achieve its inflation target of 2%. Currently the price growth rate stands at 0.5%. Following this decision, the total size of the QE program will be £745 billion. The central bank also unexpectedly extended the purchase of bonds until the end of the year, which will lead to a decrease in the rate of purchase of assets by month. Bank of England Chairman Andrew Bailey said that at the moment there is no need for such an active monetary stimulus that, after the relaxation of the restrictions adopted to combat the spread of coronavirus, there are signs of a recovery in economic activity. Bailey also noted that the fall in GDP in the second quarter is likely to be not as bad as it seemed in May. The Bank of England left its key interest rate at 0.1% and did not discuss setting it below zero. Also in the previous week, the size of the UK public debt in May exceeded the country's GDP for the first time in 57 years. According to the information, the size of the public debt reached £2 trillion, having increased over the year by £173.2 billion.

The Bank of Japan left the monetary policy unchanged and repeated the forecast for a gradual recovery of the economy from the coronavirus pandemic, thereby making it clear that at the moment it has taken enough steps to support growth. At the same time, the regulator increased the nominal size of credit programs for companies experiencing cash shortages to \$1 trillion from about \$700 billion. The head of the Bank of Japan Haruhiko Kuroda said at a press conference after the meeting that the Central Bank is ready to continue easing the policy if necessary. According to him, further steps may include expanding the credit program, lowering rates and additional ETF purchases. The Bank of Japan, as expected, kept the short-term interest rate at -0.1%, and the benchmark yield on 10-year treasury bonds at about 0%. The Central Bank remained cautious regarding their forecasts for the economy. The Bank of Japan believes that the Japanese economy will remain under stress, despite the fact that economic activity will gradually resume.



Economic data

USA. Retail sales in May grew by 17.7% compared to April, which exceeded expectations by 10 percentage points. In turn, excluding data on gasoline and car sales, retail sales in May grew by 12.4%.

The number of initial jobless claims for the week stood in the amount of 1 million and 8 thousand, which is 58 thousand less than the previous week, but 200 thousand more than predicted by analysts.

Eurozone. The consumer price index in May decreased by 0.1% compared to April, and annual inflation was 0.1%. The growth of the main inflation rate excluding food and energy in May amounted to 0.9% yoy.

China. Retail sales in May decreased by 2.8% compared to May 2019, while in April this indicator was -7.5%. In turn, industrial production in May increased by 4.4% compared to May 2019. The unemployment rate in May fell by 0.1 percentage points to 5.9%.

Key events this week

- On Tuesday, the sentiment of the business sector in June will be published in the US and in the eurozone, as well as sales of new housing in the US for May.
- On Wednesday, the US will report on changes in oil reserves per week, and the IMF will update its economic forecasts.
- On Thursday, the US will publish the final results of changes in GDP for the first quarter and sales of durable goods in May, as well as the number of initial applications for unemployment benefits for the week.
- On Friday, we will find out about the personal income and expenses of Americans in May.

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