



WEEKLY FINANCIAL MARKET OVERVIEW period 22.06.2020-28.06.2020

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	3 009.05	-2.86	-1.16	-6.86	2.29
DOW JONES INDUS. AVG	25 015.55	-3.31	-1.45	-12.34	-5.96
STOXX Europe 600 Index	358.32	-1.23	2.25	-13.85	-6.92
DAX INDEX	12 089.39	-0.98	4.79	-8.35	-2.07
RTS Index	1 548.92	-1.13	1.29	-20.23	-10.50
SHANGHAI SEC COMPOSITE	2 979.55	0.76	5.09	-2.91	-0.69
NIKKEI 225	22 512.08	-1.97	0.54	-7.02	3.38
MSCI WORLD	2 157.19	-2.73	0.43	-8.53	-0.97
European Renewable Energy Index	1 438.95	-1.80	-2.45	0.31	12.69
Chicago Board Options Exchange Volatility Index (VIX)	35.28	11.05	28.24	156.02	133.95

Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 780.30	1.40	2.56	16.95	26.00
SILVER Futures	18.04	0.30	-2.94	0.19	17.71
LMECOPPER 3MO (\$)	5 893.00	1.84	11.10	-3.51	-0.52
LMENICKEL 3MO (\$)	12 440.00	-0.67	2.78	-9.56	1.55
Brent	41.02	-5.71	14.97	-38.45	-38.96
WTI	38.49	-5.71	7.50	-37.52	-34.75

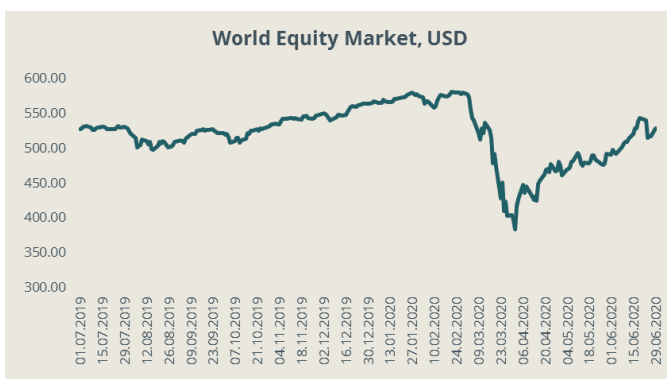
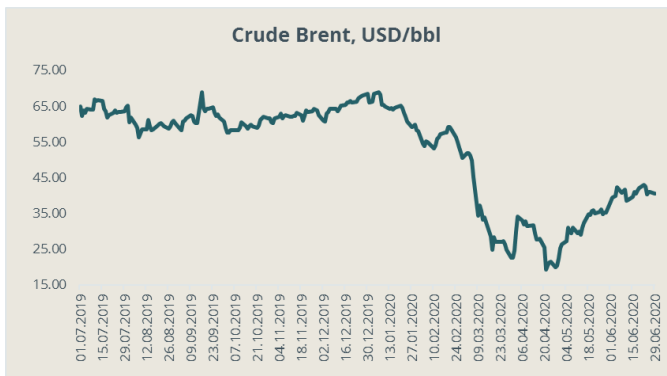
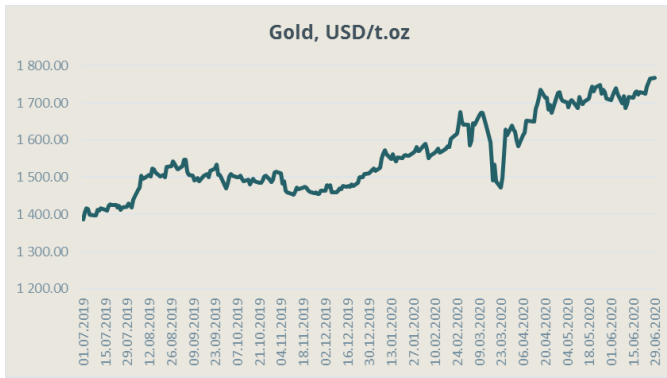
Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.12	-0.05	1.39	0.23	-0.35
USD/JPY	107.22	-0.35	0.55	1.25	1.16
GBP/USD	1.23	-1.10	-0.13	-7.06	-2.45

Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.31	0.90	-17.07	-83.87	-86.79
LIBOR EUR 3M	-0.39	5.48	-21.70	5.41	-1.59
EURIBOR 3M	-0.41	0.98	-47.08	-5.22	-17.49
EURSWAP (EONIA) 3M	-0.48	2.04	-1.73	-7.23	-18.05

Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	0.64	-9.02	-1.23	-56.38	-67.85
German Government Bonds 10 YR (EUR)	-0.48	-7.52	-5.59	-155.14	-44.34
UK Government Bonds 10 YR (GBP)	0.17	-10.36	-5.98	-78.95	-79.23
Swiss Government Bonds 10 YR (CHF)	-0.43	-6.45	7.54	8.92	18.75
Japan Government Bonds 10YR (JPY)	0.01	0.00	0.00	120.00	103.03

Main events of the previous week

On June 24 in their new report, the IMF downgraded its outlook for the global economy. The fund believes that in 2020 the decline will amount to 4.9%, while in its previous report in April, the organization assumed a decrease of only 3%. According to the IMF, in 2021 the world will expect economic growth of 5.4%, but this will not be enough to restore the economy to pre-crisis levels. And in 2021, global GDP will be 6.5% lower than in January 2020, before the spread of coronavirus. The total loss of the global economy in 2020 will be at \$12.5 trillion. In turn, the total volume of announced budget support in the world is estimated at \$11 trillion. Global public debt will grow in 2020 to a record 101.5% of global GDP, an increase of 18.7 percentage points from last year.



Economic data

US. Sales of new single-family homes in the United States jumped 16.6 percent month-over-month to an annualized rate of 676 thousand in May of 2020, beating forecasts of a 2.9 percent rise. However, data for April was revised sharply lower to 580 thousand from 623 thousand. Year-on-year new home sales jumped 12.7 percent.

Sales of previously owned houses in the US dropped 9.7 percent from the previous month to a seasonally adjusted annual rate of 3.91 million units in May of 2020, below market expectations of 4.12 million. It is the lowest reading since October of 2010 as the coronavirus continues to take a toll on the economy. Year-on-year, sales were down 26.6 percent, the biggest drop since 1982.

The US Composite PMI increased to 46.8 in June 2020 from 37 in the previous month, a preliminary estimate showed. The reading pointed to the softest contraction in private sector activity in four months, as several firms and states began to reopen following the coronavirus lockdown measures. Both manufacturing output (PMI at 49.6 vs 39.8 in May) and the services sector (PMO at 46.7 vs 37.5 in May) shrank at slower rate.

The US economy shrank by an annualized 5 percent in the first quarter of 2020, in line with the previous estimate and ending the longest period of expansion in the country's history, final figures showed. It is the biggest drop in GDP since the last quarter of 2008 as the Covid-19 pandemic forced several states to impose lockdown measures in mid-March, throwing millions of people out of work.

New orders for US manufactured durable goods rose 15.8 percent month-over-month in May of 2020, rebounding from an upwardly revised 18.1 percent slump in April and above market expectations of a 10.9 percent increase. It is the biggest gain in durable goods orders since July of 2014. Core capital goods orders, which exclude aircraft and military hardware, went up 2.3 percent.

The number of Americans filling for unemployment benefits eased to 1.480 million in the week ended June 20th, well above market expectations of 1.300 million, as companies continued to cut jobs more than a month after non-essential businesses resumed operations following closures in mid-March due to the coronavirus pandemic. The 4-week moving average, which removes week-to-week volatility, eased again to 1.621 million, while continuing jobless claims decreased to 19.5 million in the week ended June 13th, below market forecasts of 20.0 million.

Euro Area. The IHS Markit Flash Eurozone Composite PMI increased to 47.5 in June of 2020 from 31.9 in May, beating forecasts of 42.4. It is the highest reading in 4 months as lockdowns to prevent the spread of the coronavirus outbreak were further relaxed. However, it still pointed to a marked contraction in private sector activity as both manufacturing (46.9) and services (47.3) shrank, albeit at softer paces.

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Key events this week

- On Monday, another round of talks will start between the EU and UK over their post-Brexit relationship, with an in-person meeting in Brussels between Michel Barnier, the EU's chief negotiator, and David Frost, his UK counterpart.
- On Tuesday, the Eurozone will publish a preliminary assessment of price index in June.
- On Wednesday, the United States will publish the change in stock reserves of crude oil for the week, and China will publish the level of business activity for the industrial sector in June.
- On Thursday, unemployment data for May will be published in the Eurozone, US will publish the state of the labor market for June, as well as the number of initial jobless claims for the previous week.
- On Friday, business activity in June will become known for the Eurozone and China.

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