



WEEKLY FINANCIAL MARKET OVERVIEW

period 24.08.2020-30.08.2020

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	3 508.01	3.26	7.24	8.58	19.87
DOW JONES INDUS. AVG	28 653.87	2.59	8.42	0.40	8.52
STOXX Europe 600 Index	368.80	-0.13	3.94	-10.93	-2.40
DAX INDEX	13 033.20	0.35	6.48	-1.04	9.82
RTS Index	1 548.92	-0.01	3.80	-17.27	-0.92
SHANGHAI SE COMPOSITE	3 403.81	0.30	2.59	11.33	17.65
NIKKEI 225	22 882.65	0.67	6.59	-2.18	11.76
MSCI WORLD	2 456.86	1.65	6.59	4.17	14.89
European Renewable Energy Index	1 856.43	0.91	11.73	29.41	47.19
Chicago Board Options Exchange Volatility Index (VIX)	23.91	6.88	-2.25	73.51	25.97

Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 966.80	1.52	-0.30	28.49	28.50
SILVER Futures	27.61	4.60	14.92	55.29	53.04
LME COPPER 3MO (\$)	6 621.00	2.73	2.93	7.99	17.17
LME NICKEL 3MO (\$)	15 191.00	4.60	12.50	9.57	-4.46
Brent	45.81	2.68	7.02	-29.79	-23.32
WTI	42.97	1.60	7.52	-29.09	-21.42

Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.19	0.80	0.98	5.92	8.38
USD/JPY	105.37	0.08	0.02	2.62	0.31
GBP/USD	1.34	1.85	1.73	0.36	10.22

Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.24	-3.65	-10.20	-87.38	-88.66
LIBOR EUR 3M	-0.51	1.22	-14.13	-22.79	-11.84
EURIBOR 3M	-0.48	2.05	-5.07	-24.54	-13.03
EUR SWAP (EONIA) 3M	-0.47	0.02	0.21	-5.63	8.54

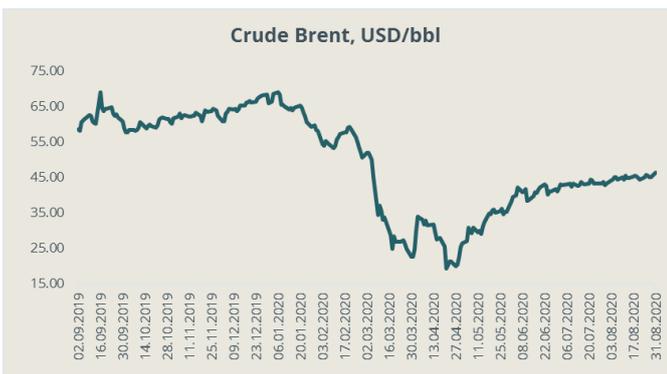
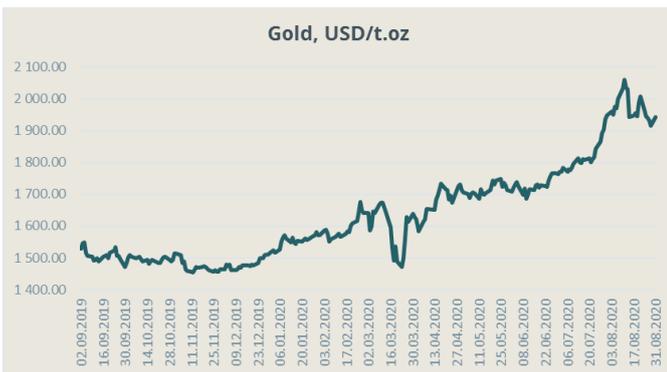
Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	0.72	9.98	36.22	-62.48	-51.91
German Government Bonds 10 YR (EUR)	-0.41	19.55	24.62	-113.51	43.57
UK Government Bonds 10 YR (GBP)	0.31	50.97	185.32	-62.17	-29.64
Swiss Government Bonds 10 YR (CHF)	-0.42	16.02	23.98	13.16	59.70
Japan Government Bonds 10 YR (JPY)	0.05	66.67	150.00	300.00	117.86

Main events of the previous week

US President Donald Trump has formally agreed to become the Republican presidential nominee. Trump's rival in the election will be former US Vice President Joe Biden, who agreed to run for the Democratic Party on August 21. Trump said the upcoming elections will be the most important in the country's history. The American president criticized his rival Joe Biden in his speech. According to Trump, if Biden wins the election, he will impose a coronavirus quarantine in the country and thereby destroy the economy. Trump also accused Biden of pandering to Chinese politics, pointing out that China would take over America if a Democrat wins. For the post of vice president in the upcoming elections, members of the congress chose the current vice president of the United States, Mike Pence, he agreed to run on August 27. The elections will be held on November 3.

The US Federal Reserve is getting more dovish on its policy on inflation, now the target will be 2% on average, which means that the Fed will allow inflation to exceed 2%. This was announced on August 27 at an Internet symposium at Jackson Hole by the head of the Fed, Jerome Powell. After periods when inflation was below 2%, Powell explained, the goal of proper monetary policy is likely to keep inflation moderately above 2% for a while. Previously, the Fed considered inflation at exactly 2% as an indicator of a healthy economy. Powell believes that if inflation is too low for a long time, it can pose a serious danger to the economy. This easing of policy may indicate that the Fed will wait longer before raising the interest rate.

Shinzo Abe, 65, who was the head of the Japanese government since 2012, is leaving office. He explained this decision by his state of health. Abe has been a leader of the Liberal Democratic Party of Japan since the early 2000s. From September 2006 to September 2007, he headed the government after his party's success in elections, becoming the youngest prime minister in Japanese history at 52. However, amid the rapid decline in popularity of his cabinet, Abe stepped down a year after his appointment. Back then, he also explained the resignation by the state of his health. In 2012, Abe became the leader of the Liberal Democratic Party and again won the elections. His eight years as prime minister is a record-breaking tenure for Japan.



Economic data

US. The volume of orders for durable goods in July increased by 11.2% compared to the previous month. The growth of the base indicator, which does not include civil aviation, was 2.4%.

Second-quarter GDP fell 31.7% on annual basis (compared to Q1 2020), while second-quarter GDP was projected to fall at 32.5% YoY.

The number of initial jobless claims for the week was registered in the amount of 1 million 6 thousand, which is 98 thousand less than the week before and 6 thousand more than predicted by analysts.

In July, the level of personal income increased by 0.6% mom, while in June, income fell by 1%. Personal spending rose 1.9% over the same period in July, after rising 6.2% in June.

Key events this week

- On Tuesday, the Eurozone will publish data on unemployment in July and on inflation figures in August, as well as on the state of the business sector, which will also be reported in China and the United States.
- On Thursday, the US trade balance in July, as well as the number of initial jobless claims for the week will become known.
- On Friday, the US will report on the state of the employment in August.

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