



## WEEKLY FINANCIAL MARKET OVERVIEW

period 07.09.2020-13.09.2020

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	3 340.97	-3.30	-0.95	3.41	11.09
DOW JONES INDUS. AVG	27 665.64	-2.22	-0.95	-3.06	1.64
STOXX Europe 600 Index	367.96	0.11	0.08	-11.42	-5.98
DAX INDEX	13 202.84	0.92	2.47	-0.22	6.03
RTS Index	1 548.92	0.84	-7.18	-20.67	-10.24
SHANGHAI SE COMPOSITE	3 260.35	-0.42	-2.42	7.50	8.17
NIKKEI 225	23 406.49	2.03	1.16	-0.41	7.14
MSCI WORLD	2 368.14	-1.66	-0.67	0.41	7.36
European Renewable Energy Index	1 806.61	-0.26	0.02	25.94	39.12
Chicago Board Options Exchange Volatility Index (VIX)	26.50	-13.82	20.18	92.31	92.87

Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 939.50	1.00	0.43	27.73	30.31
SILVER Futures	26.74	1.29	3.19	50.21	54.39
LME COPPER 3MO (\$)	6 668.50	0.43	5.53	9.15	16.74
LME NICKEL 3MO (\$)	14 832.00	-1.30	5.18	7.62	-15.44
Brent	39.83	-5.83	-11.70	-40.06	-34.31
WTI	37.33	-6.79	-11.76	-39.29	-32.42

Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.18	0.36	0.14	5.61	7.78
USD/JPY	106.16	0.30	0.59	2.45	1.88
GBP/USD	1.28	-2.40	-1.74	-3.05	3.48

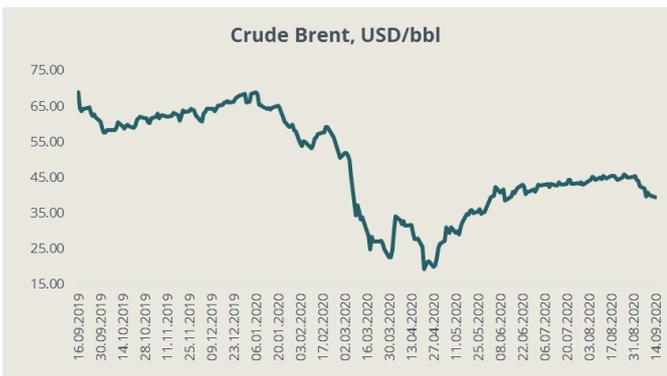
Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.25	0.96	-1.23	-86.88	-88.23
LIBOR EUR 3M	-0.51	-0.14	-2.16	-22.48	-9.80
EURIBOR 3M	-0.48	-0.21	-0.42	-26.37	-12.56
EUR SWAP (EONIA) 3M	-0.47	0.78	-1.07	-6.64	-4.64

Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	0.67	-7.73	-6.61	-65.45	-65.05
German Government Bonds 10 YR (EUR)	-0.48	-7.13	-17.82	-168.11	-10.47
UK Government Bonds 10 YR (GBP)	0.18	-29.84	-28.40	-78.83	-77.17
Swiss Government Bonds 10 YR (CHF)	-0.46	-4.98	-3.80	1.49	29.27
Japan Government Bonds 10 YR (JPY)	0.02	-42.86	-20.00	180.00	109.76

### Main events of the previous week

The European Central Bank (ECB) kept its key rates and the volume of the asset purchase program at the same level following the September meeting, reiterating its readiness, if necessary, to adjust all instruments to ensure a steady approach of inflation to meet the target. The leadership of the ECB discussed the strengthening of the euro at the last meeting, as this situation constrains inflation in the euro area. Since spring, the euro has risen by about 8% against the US dollar and 4% against a basket of major world currencies, which weakened the competitiveness of European exporters and slowed down the growth of consumer prices, as imported goods became cheaper. Lagarde said during a press conference following the meeting that the ECB's mandate is price stability, and it is clear that insofar as the rise in the euro is putting negative pressure on prices, the ECB should keep a close eye on this situation. She also added that the ECB does not "target" exchange rates. The ECB has repeatedly reported that it does not set benchmarks for currency rates, but central bank officials are often worried when the euro approaches the \$ 1.20 mark. The ECB also presented updated macroeconomic forecasts. The central bank estimates that GDP of Eurozone will fall by 8% in 2020 before recovering by 5% in 2021. According to Lagarde, the incoming data indicate a strong recovery in the euro area economy, which is broadly in line with forecasts. In particular, she noted the recovery in domestic demand. At the same time, the ECB emphasizes that the uncertainty around the pace of recovery remains, it puts pressure on consumer spending and business sentiment. In addition, the rise in the number of coronavirus cases is having a negative impact on the short-term outlook, which continues to require sufficient monetary stimulus.

Yoshihide Suga became the new head of the ruling Liberal Democratic Party of Japan. 377 out of 535 deputies voted for him. Suga will replace the retired Shinzo Abe, who has led the government since 2012, as prime minister. Political factions that had their own challengers - former Defense Minister Shigeru Ishiba, known for his outspoken criticism of the Abe government, and former Foreign Minister Fumio Kishida, denied him support. The parliamentary vote is scheduled for Wednesday 16 September. Suga served as secretary general of the government during Abe's premiership.



#### Economic data

**US.** The consumer price index in August rose by 0.4% against July, while the annual inflation rate was 1.3%. The growth of the core inflation rate excluding food and energy in August amounted to 1.7% y/y.

The number of initial jobless claims for the week was registered in the amount of 884 thousand, which coincided with the figure of the week before and was 20 thousand more than analysts had predicted.

**China.** The consumer price index in August rose by 0.4% against July, while the annual inflation rate was 2.4%.

The trade surplus in August amounted to \$58.9 billion. Exports in August increased by 9.5% compared to August 2019, while imports decreased by 2.1% over the same period.

#### Key events this week

- On Tuesday, data on industrial production for August will be announced in the US, while China will report on unemployment, industrial production and retail trade also for August.
- On Wednesday, the US will publish data on retail trade for August and changes in oil inventories for the week, yet the Fed and the Bank of Japan will publish their decisions on the key interest rate.
- On Thursday, Eurozone will publish the level of inflation in August and the US will publish the number of initial jobless claims for the week, in turn, the Bank of England will publish its decision on the key interest rate.

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