



WEEKLY FINANCIAL MARKET OVERVIEW

period 26.10.2020.-01.11.2020.

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	3 269.96	-5.64	-2.34	1.21	6.62
DOW JONES INDUS. AVG	26 501.60	-6.47	-4.27	-7.14	-3.09
STOXX Europe 600 Index	342.36	-3.82	-5.61	-17.67	-14.29
DAX INDEX	11 556.48	-4.84	-8.68	-12.54	-10.60
RTS Index	1 548.92	-8.85	-8.51	-32.19	-27.83
SHANGHAI SE COMPOSITE	3 224.53	-0.80	0.22	5.74	9.02
NIKKEI 225	22 977.13	-0.85	1.15	-1.53	1.95
MSCI WORLD	2 292.93	-4.06	-2.94	-2.78	1.81
European Renewable Energy Index	1 987.81	0.28	1.05	38.57	54.95
Chicago Board Options Exchange Volatility Index (VIX)	38.57	18.82	39.59	179.90	213.58

Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	1 879.90	-1.11	-0.98	23.53	24.49
SILVER Futures	23.65	-2.23	-0.64	33.22	32.26
LME COPPER 3MO (\$)	6 729.50	-2.17	0.70	8.82	13.72
LME NICKEL 3MO (\$)	15 532.00	-3.54	4.40	8.06	-9.68
Brent	37.94	-9.69	-6.95	-44.64	-40.77
WTI	35.79	-11.20	-7.58	-43.92	-39.07

Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.16	-1.61	-0.77	3.54	4.35
USD/JPY	104.66	-0.06	0.35	3.49	3.50
GBP/USD	1.29	-1.19	-0.52	-2.98	-0.25

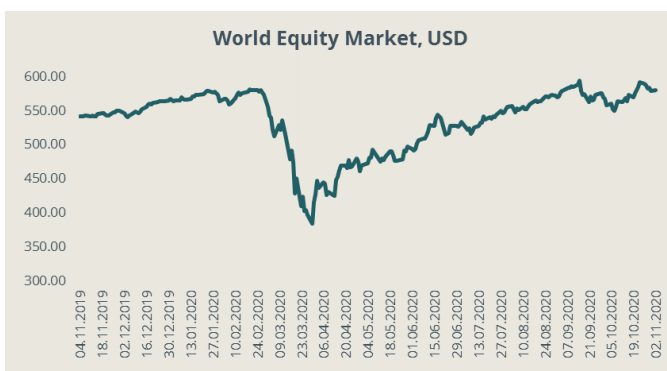
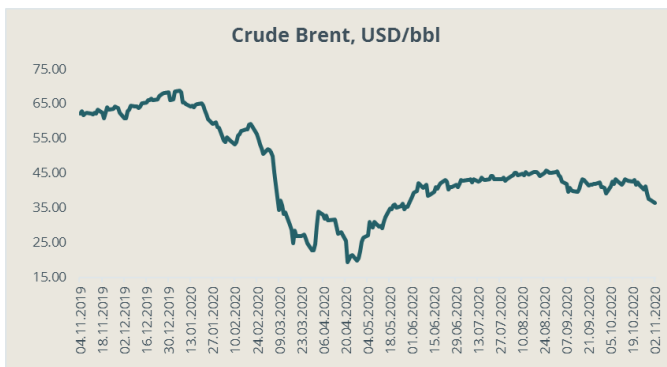
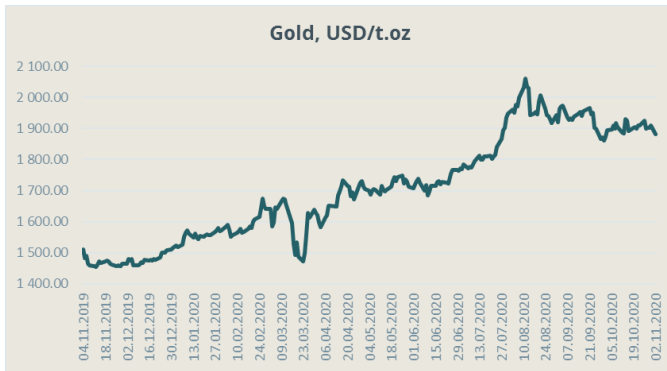
Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.22	-0.35	-7.75	-88.69	-88.70
LIBOR EUR 3M	-0.53	-0.54	-1.92	-27.86	-21.10
EURIBOR 3M	-0.52	-2.15	-5.02	-36.55	-30.42
EUR SWAP (EONIA) 3M	-0.49	-1.66	-2.77	-10.36	-6.18

Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	0.87	8.66	24.25	-54.61	-49.11
German Government Bonds 10 YR (EUR)	-0.63	-8.28	-17.16	-239.46	-64.40
UK Government Bonds 10 YR (GBP)	0.26	-7.27	3.66	-68.98	-61.54
Swiss Government Bonds 10 YR (CHF)	-0.53	-7.36	-9.31	-14.65	-2.27
Japan Government Bonds 10 YR (JPY)	0.04	14.29	166.67	260.00	133.33

Main events of the previous week

After its October meeting the ECB kept rates at the current level and did not change the volume of the emergency asset buyback program. Yet the head of the ECB Christine Lagarde announced the possibility of taking additional measures at the December meeting, as the increase in the number of COVID-19 cases and new restrictions threaten the European economy. "We have done that in the past, we have responded very promptly, very appropriately, very heavily, some would say, to the first wave that hit the euro area economies. We have done it for the first wave and we will do it again for the second wave. But don't assume it will be one instrument. We're going to look at all of them," she said. The base interest rate on loans remained at zero level, the rate on deposits - at minus 0.5%, the rate on margin loans remained at 0.25%. The ECB will also continue to provide sufficient liquidity through refinancing operations. The ECB believes that a new round of macroeconomic forecasts in December will allow a more thorough assessment of the economic forecast and the balance of risks in order to select the most effective instruments designed to maintain favorable financial conditions for economic recovery and counter the negative impact of the pandemic on inflation.

The Bank of Japan, following a two-day meeting in October, retained the same parameters of monetary policy. The short-term interest rate on commercial banks' deposits with the Central Bank was left at minus 0.1% per annum, the target yield on Japan's ten-year government bonds will be maintained at around zero. The target volume of the exchange-traded fund (ETF) buyback program is kept at 12 trillion yen, the limit for the purchase of commercial papers and corporate bonds at 20 trillion yen. The regulator downgraded the forecast for the decline in Japan's GDP for the current fiscal year ending in March 2021 to 5.5% from the previously expected 4.7%, which is mainly due to a slower-than-expected recovery in demand for services. At the same time, the central bank's quarterly report notes that economic activity in Japan is gradually increasing, and the effects of the COVID-19 pandemic are weakening. In this regard, the situation in the country's economy is likely to continue to improve. Japan's GDP growth forecast for the next fiscal year has been raised by the Central Bank to 3.6% from 3.3% expected in July.



Economic data

US. The volume of orders for durable goods in September grew 1.9% compared to the previous month. The growth of the core indicator, which does not include civil aviation, amounted to 0.8% over the same period.

According to preliminary estimates, third-quarter GDP grew by 33.1% on an annualized basis (compared to the second quarter of 2020), while GDP growth in the third quarter was forecasted in amount of 31% per annum.

The number of initial jobless claims for the week was registered in the amount of 751 thousand, which is 40 thousand less than the week before and 24 thousand less than predicted by analysts.

New home sales in September fell by 3.5% compared to August and amounted to 959 thousand in annual terms, which is 66 thousand less than analysts had predicted.

In September, the level of personal income increased by 0.9% m/m, while the level of personal expenses in September increased by 1.4% versus August.

Eurozone. According to preliminary estimates, GDP in the third quarter grew by 12.7% compared to the second quarter of 2020, while GDP growth was projected at 9.4% in the third quarter. In turn, the drop in GDP in the third quarter compared to the third quarter of 2019 was 4.3%.

The consumer price index in October increased by 0.2% versus September, while the annual inflation was negative and amounted to -0.3%. The growth of the core inflation rate excluding food and energy in October amounted to 0.2% y/y.

The unemployment rate in September, as expected, remained at the August level and amounted to 8.3%.

Key events this week

- On Monday, the level of business activity for the industrial sector in October will become known in the Eurozone, the US and China.
- On Tuesday, the key event will be the presidential elections in the United States, the result of which will greatly affect not only the future of the United States, but also the world economy and politics.
- On Wednesday, full data of business activity for October in all three countries will become known, as well as the US will report on changes in oil reserves for the week.
- On Thursday, data on retail trade for September in the Eurozone will become known and the United States will publish the number of initial jobless claims for the week, as well as FED's decision on the key rate and further measures to stimulate the economy.
- On Friday, data on the state of the labor market in the US in October will become known.

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