



WEEKLY FINANCIAL MARKET OVERVIEW period 07.12.2020-13.12.2020

Financial Markets	Price	5D,%	1M,%	YTD,%	1YR,%
S&P 500 INDEX	36 63.46	-0.96	2.18	13.39	15.61
DOW JONES INDUS. AVG	3 00 46.37	-0.57	1.92	5.28	6.79
STOXX Europe 600 Index	3 90.12	-0.69	1.28	-6.19	-5.32
DAX INDEX	1 31 14.30	-1.18	0.29	-1.02	-1.27
RTS Index	15 48.92	4.36	16.35	-7.77	-4.85
SHANGHAI SE COMPOSITE	33 47.19	-1.39	1.78	10.46	13.53
NIKKEI 225	2 66 52.52	0.70	5.30	13.00	11.28
MSCI WORLD	2 6 21.89	-0.53	3.66	11.17	13.03
European Renewable Energy Index	23 95.44	1.22	6.41	66.99	70.89
Chicago Board Options Exchange Volatility Index (VIX)	23.31	12.12	0.91	69.16	84.56
Commodities	Price	5D,%	1M,%	YTD,%	1YR,%
GOLD Futures	18 39.80	-1.43	-2.71	20.48	24.36
SILVER Futures	24.03	-0.71	-0.97	34.10	43.53
LME COPPER 3MO (\$)	78 78.00	0.15	12.89	25.89	26.26
LME NICKEL 3MO (\$)	1 74 30.00	5.40	8.22	23.24	24.79
Brent	49.97	3.71	18.28	-23.33	-22.42
WTI	46.57	3.02	17.47	-22.80	-21.52
Currencies	Price	5D,%	1M,%	YTD,%	1YR,%
EUR/USD	1.21	0.12	2.58	8.18	9.02
USD/JPY	104.04	0.07	0.60	4.48	5.49
GBP/USD	1.32	0.25	1.52	1.02	0.54
Money Market	Price	5D,%	1M,%	YTD,%	1YR,%
LIBOR USD 3M	0.22	-4.15	-1.87	-88.66	-88.53
LIBOR EUR 3M	-0.57	-3.51	-6.26	-38.14	-31.13
EURIBOR 3M	-0.54	-2.07	-4.83	-41.78	-38.17
EUR SWAP (EONIA) 3M	-0.48	1.58	-0.46	-9.12	-6.65
Government Bonds	Yield	5D,%	1M,%	YTD,%	1YR,%
US Government Bonds 10 YR (USD)	0.90	-1.78	1.13	-52.73	-50.27
German Government Bonds 10 YR (EUR)	-0.64	-6.87	-13.71	-236.22	-115.23
UK Government Bonds 10 YR (GBP)	0.17	-28.98	-40.53	-75.55	-74.59
Swiss Government Bonds 10 YR (CHF)	-0.59	-10.94	-20.42	-22.72	-4.33
Japan Government Bonds 10 YR (JPY)	0.01	-50.00	-71.43	140.00	200.00

Main events of the previous week

On December 8th vaccination against coronavirus has begun in the UK, making UK the first western country to begin coronavirus vaccination. 90-year-old resident of the English city of Coventry, Margaret Keenan became the first person in the UK vaccinated against coronavirus with Pfizer and BioNTech vaccine. In total, within the framework of the mass vaccination program in the UK, 800 thousand doses of the vaccine will be used in the first weeks, which, taking into account the mandatory re-vaccination, are designed for 400 thousand people. Another four million doses are expected to be delivered by the end of December. The vaccination is prioritized for the elderly over 80 and for the medical workers. On December 14, the coronavirus vaccination campaign also begins in the United States. The first batches of vaccine doses from BioNTech and Pfizer will be delivered to 145 vaccination centers, after which the specialists of the centers will begin to vaccinate. Vaccine from BioNTech and Pfizer was approved for use by FDA in the United States on December 11. This makes the United States the sixth country to authorize the drug. Earlier, similar decisions were made by the authorities of Great Britain, Canada, Bahrain, Saudi Arabia and Mexico. Vaccine testing continues in the EU, and the European Medicines Agency (EMA) intends to make a decision by December 29.

The countries of the European Union managed to unblock the EU budget for 2021-2027, which, among other things, provides the allocation of 1.8 trillion euros for the recovery of the economies affected by the coronavirus pandemic. At the summit on December 10, the heads of EU countries were able to reach an agreement with Hungary and Poland, which had previously blocked this project. Together with the budget plan, the EU summit approved the rule of law mechanism, which implies a reduction in payments to countries that violate the principles of the rule of law. It was because of this rule in particular that Hungary and Poland vetoed against the adoption of the draft of EU budget in mid-November. The compromise option provides for an additional provision to the rule of law mechanism. Thus, Warsaw and Budapest are insured against a reduction in payments, since they can submit a complaint about the procedure to the European Court of Justice in Luxembourg. This could prevent the mechanism from being applied until 2022. Both sides called the outcome of the meeting a success.

According to the results of the meeting of the Board of Governors of the ECB, the regulator kept the base interest rate at zero. The rate on deposits also remained at the same level - minus 0.5%, the rate on short-term loans from the ECB - at 0.25%. The ECB expects key interest rates to remain at or below the current level until the inflation forecast steadily approaches below 2%. The regulator also announced an increase in the bond repurchase program (PEPP) by € 500 billion, to € 1.85 trillion. The purchase horizon under the program has been prolonged until the end of March 2022 at least. The ECB's release notes that the ECB will conduct net purchases until it decides that the coronavirus crisis phase is over.



Economic data

US. The consumer price index in November increased by 0.2% versus October, while the annual inflation rate was 1.2%. The growth of the core inflation rate, excluding food and energy, amounted to 1.6 % y/y in November.

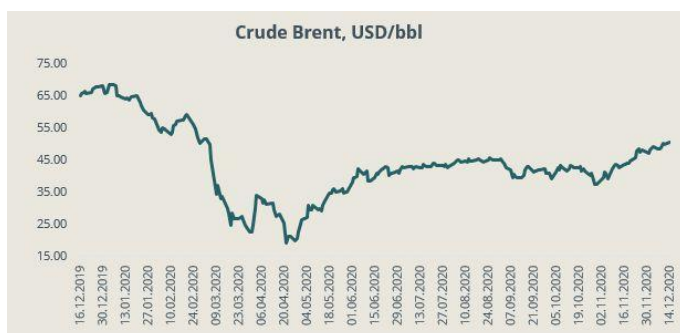
The number of initial jobless claims for the week was registered in the amount of 853 thousand, which is 137 thousand more than the week before and 128 thousand more than predicted by analysts.

China. The consumer price index in November fell to 0,6% compared to October, in turn, annual inflation was -0.5%, the first fall in prices since the end of 2009.

The trade surplus in November hit a record high \$75.42 billion, the highest since 1981, when the statistics began. The trade balance reached a record thanks to growth in exports in November, which amounted to 21.1% compared to November 2019, reaching \$268.07 billion, while imports grew by only 4.5% over the same period, reaching \$192.65 billion.

Key events this week

- On Tuesday, data on retail trade, industrial production, as well as unemployment for November will become known in China.
- On Wednesday, the Eurozone will publish the initial assessment of business activity in December, which will also become known in the United States, as well as data on retail trade for November and changes in oil reserves for the week, in turn, the Fed and the Bank of England will publish their decision on the interest rate and will make a comment on the situation in the economy of their countries.
- On Thursday, the final inflation data will be announced in the euro area for November, in turn, the US will publish data to the number of initial jobless claims for the week and the Bank of Japan will publish its decision on the key interest rate.



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