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Nikolas Stylianou

US markets - Global markets rose on Monday as investors looked to signs that the outbreak is peaking in some of the world's worst hit places. US equities rebound followed by a pullback last week, while Dow Jones closed on Friday at almost 21000 level. The decline came ahead of Thursday's jobless claims report, which was expected to be even worse than last week's record-breaking number. Economists were expecting that, since 3.5 million people filed for unemployment benefits for the first-time last week, they were expecting that number to increase to 5 million. The result of the report showed that a record of 6.65 million Americans filed first-time jobless claims last week, as the Labor Department said the previous Thursday, and the labor market is in a historic free fall. More than 80% of Americans are now under some form of lockdown, which has forced the closure of most businesses. By the end of last week we have seen the statistics of the NFP report, which showed a loss of 701,000 jobs, which is seven times worse than expected, and the unemployment rate increasing from 3.5% to 4.4% which represents very negative evolution on the labor market. It is the worst report since March of 2009 and this situation may be worsening for the next coming month.

Asian and European Markets - Asian stocks began the previous week on a negative territory, as oil prices dropped to 18 year low, finding support at almost $18 per barrel. China is the largest importer of oil and, while there is lack in oil demand, China's economy will remain in pressure. The Central Bank of China cut its short-term lending benchmark, the repo which are the short-term bonds, and injected 7 billion$ into the financial system. The data suggest economic activity has started to rebound in China, but weak foreign demand and labor market strains remain. The Purchasing Managers' Index (PMI), a key gauge of manufacturing activity, surprised at 52.0 in March. This was a strong rebound from 35.7 in February and a much higher figure than the 44.8 analysts expected in a Bloomberg survey. China's central bank, the PBoC, announced it will cut the targeted Required Reserve Ratio by 0.5 percentage points on 15 April and again on 15 May, amounting to a full 1 percentage point cut targeting small banks. Asian stocks remained neutral and were mixed on Friday, as the economic fallout from the coronavirus pandemic continues to weigh on investors. Supply chain disruptions, travel bans and social policies that triggered by the pandemic harmed a lot Japan's economy, which was already on the brink of recession.

Japanese Prime Minister Shinzo Abe said will introduce a stimulus package that will exceed 57 trillion yen ($525 billion) to combat the coronavirus pandemic which will be rolled out this week and target small firms and households. European stocks edge lower while European Central Banks require banks to halt dividends to not be paid until October of 2020. European stocks slipped and U.S. equity futures pointed to a weaker session on Friday, as investors braced for more bad news on the American job front, and coronavirus cases worldwide topped one million. Europe must not react as it did in the financial or banking crisis of 2008 with a strict austerity policy but proceed with new marshal plan (European Recovery Program) as Spanish Prime Minister Pedro Sanchez asked from Europe. The Eurogroup, which will meet by teleconference next Tuesday, April 7, will seek a compromise on the European package of measures to tackle the big economic impact of the coronavirus. Through decisive action and even more ambitious measures, the crisis can be turned into an opportunity to rebuild a much stronger European Union. The Stoxx600 dropped by 1%, alongside a similar loss for the German DAX30. For the eurozone, the PMI index of services and manufacturing, dropped from a reading of 51.6

in February to 29.7 in March, the lowest reading since the survey began 22 years ago and outside the eurozone, UK data showed the same negativity finding the index falling from 53.2 to 34.5.

Gold and Treasuries - Highly rated U.S. corporate bond issuers raised a record US$110.502 billion previous week, according to Refinitiv IFR data, as firms borrowed cash in fear the coronavirus crisis may soon limit their access to capital markets. Investors sought the safety of government bonds. Benchmark U.S. 10-year notes last yielded 0.597 %, near a three-week low of 0.563 % touched on Thursday. Gold prices extended the previous week's gains on the dire U.S. jobless claims and non-farm payroll figures, intensifying fears of the coming economic slowdown and driving investors toward the safe-haven metal. Russian central bank announced that starting April 1 it will be suspending its domestic gold purchases. In a world of low interest rates, central banks could start to rely on their gold holdings to support their currencies. There are no clear directional signals in this phase as gold is facing a mixed set of fundamentals. The majority is long on gold and its expected that the demand of gold will be increased as soon as refineries begin their production to settle the physical delivery of gold. The lack of supply will likely ease in the coming days as Swiss refineries began production again. Gold is currently traded at 1615 per troy ounce and if stay above 1620 level then next target is 1700 which may lead price to historic 1800 level.

Oil Market - Oil war between Saudi Arabia and Russia continued last week with the global benchmark being down by 5.8% at beginning of the week. Later during the week oil price rebounded as Donald Trump and Russian President Vladimir Putin made an agreement to stabilize the energy sector, with the benchmark climbing off 18-year lows hit as the coronavirus outbreak cut fuel demand worldwide. Energy Information Administration reported domestic oil stockpiles soared by 13.8 million barrels. Crude oil prices came back to earth a little bit later Thursday, with increases of about 20 percent in New York and London, which still left prices in the mid-$20s per barrel, disastrous for U.S. producers and painful for Russia and Saudi Arabia. The problem for oil markets is less the oil price war that Russia and Saudi Arabia unleashed last month partly in a bid to sink competition from prolific U.S. oil producers who need higher prices than the coronavirus pandemic and its aftermath. We observed increase to oil market after Trump announced that would secure an agreement with Russia and Saudi Arabia. News of the OPEC and meeting comes after President Trump suggested on Twitter that Saudi Arabia and Russia could lower crude supply to stem the decline in oil prices by as much as 10 million to 15 million barrels, as the two countries signalled willingness to make a deal. There is a possibility that US will impose tariffs on oil's import from Saudi Arabia and Russia, as Donald Trump noted if the two O.P.E.C members do not achieve an agreement and proceed to stop the oil war among them.

Currencies

Pound remain weaker during last Tuesday as they announced their gross domestic product plunged and its expected that pound will soon fall again to negative territory as long as the virus exists. The government of Australia unveiled an income-support plan worth US$80 billion. An increase in COVID-19 cases in Australia may weigh on the Aussie and if China returns to lockdowns, it would also be a disappointing sign, however China is Australia's number one trade partner and is attempting to return to normal. The Eurostat announced that Retail Sales in the euro area increased by 0.9% on a monthly basis in February but this reading failed to help the shared currency find demand. During NFP report, euro

+357 25 752 420 +357 25 752 450 info@ausprime.eu
Room 102, 1st floor, Block B, Steratzias Court, No. 41, Spyrou Kyprianou Avenue,
4003, Mesa Geitonia, Limassol

dollar remained neutral and closed the week lower as the European unemployment and consumer price index decreased after previous week report. Dollar added to the previous session's modest recovery gains from weekly lows and gained some follow-through traction for the second consecutive session on Friday, amid the prevailing strong bullish sentiment surrounding the US dollar. Meanwhile, a weaker tone around the equity markets extended some support to the Japanese yen's safe-haven demand. The pandemic already had a worser impact on the labour market than anyone anticipated. Markets largely ignored these figures and the US Dollar Index didn't have a difficult time staying in the upper half of its weekly range above the 100.50 mark. The DXY stands at the highest in a week above 100.70, up 0.55% for the day. Analysts at MUFG Bank, point out that significant oil production cuts would only dampen downside risks for the Loonie (CAD). They consider USD/CAD could test the recent top. BoC has lowered their key policy rate back to the effective lower bound at 0.25% and has just started QE. There is no limit on purchases, with the BoC only saying it will buy a minimum of 5 billion Canadian dollar per week until an economic recovery is “well underway”.

Expectations:

- Gregory Daco, chief U.S. economist of Oxford Economics, expects a total 22 million job losses by May, pushing the historically low 3.5% unemployment rate to 12%
- The Federal Reserve Bank of St. Louis predicts as many as 47 million layoffs and a mind-boggling 32% jobless rate, higher than the 25% rate during the Great Depression
- Projections released by the U.S. Congressional Budget Office showed gross domestic product would decline by more than 7per cent in the second quarter as the health crisis takes hold.
- Industry analysts anticipate a 70% drop in U.S. oil drilling over the coming months.
- The most relevant events next week will be the FOMC Meeting Minutes and the ECB Monetary Policy Meeting Accounts, as any clue on future actions or an assessment of the latest decision could affect the market
- 15 per cent fall in gross domestic product in the second quarter of 2020 is forecast.
- US central bank its expected dial back the daily pace of buying to $50 billion in bonds this week

Weekly News:

- Tuesday April 6 - USD OPEC Meeting
- Tuesday April 7 – AUD RBA Interest Rate Decision
- Tuesday April 8 – USD FOMC Minutes
- Tuesday April 9 – JPY Bank of Japan’s Governor Kuroda speech for monetary policies, ECB Monetary policy meeting accounts and developments, Initial Jobless Claims (Apr 3), CAD Unemployment Rate & USD Michigan Consumer Sentiment Index
- Tuesday April 8 – CNY Consumer Price Index