



WEEKLY FINANCIAL MARKET OVERVIEW

period 14.09.2020-20.09.2020

| Financial Markets | Price | 5D,% | 1M,% | YTD,% | 1YR,% |
|-------------------------------------------------------|-----------|-------|-------|--------|--------|
| S&P 500 INDEX | 3 319.47 | -0.64 | -2.29 | 2.75 | 10.94 |
| DOW JONES INDUS. AVG | 27 657.42 | -0.03 | -0.98 | -3.09 | 2.68 |
| STOXX Europe 600 Index | 368.78 | 0.22 | 1.01 | -11.32 | -6.15 |
| DAX INDEX | 13 116.25 | -0.66 | 2.75 | -1.00 | 5.20 |
| RTS Index | 1 548.92 | 0.46 | -2.64 | -20.68 | -10.80 |
| SHANGHAI SE COMPOSITE | 3 338.09 | 1.22 | -1.83 | 8.81 | 10.39 |
| NIKKEI 225 | 23 360.30 | -0.20 | 1.92 | -1.25 | 5.80 |
| MSCI WORLD | 2 367.99 | -1.18 | -1.01 | 0.40 | 7.76 |
| European Renewable Energy Index | 1 839.65 | 1.91 | 1.50 | 28.25 | 40.47 |
| Chicago Board Options Exchange Volatility Index (VIX) | 25.83 | -3.87 | 14.60 | 87.45 | 68.60 |

| Commodities | Price | 5D,% | 1M,% | YTD,% | 1YR,% |
|---------------------|-----------|-------|-------|--------|--------|
| GOLD Futures | 1 953.20 | -0.26 | 0.78 | 28.01 | 29.29 |
| SILVER Futures | 27.03 | 1.08 | -3.73 | 50.82 | 51.89 |
| LME COPPER 3MO (\$) | 6 780.50 | 1.09 | 3.73 | 10.34 | 17.17 |
| LME NICKEL 3MO (\$) | 15 084.00 | -1.26 | 1.56 | 6.27 | -13.35 |
| Brent | 43.15 | 8.00 | -3.54 | -35.18 | -33.45 |
| WTI | 41.11 | 9.37 | -3.76 | -33.26 | -29.85 |

| Currencies | Price | 5D,% | 1M,% | YTD,% | 1YR,% |
|------------|--------|-------|-------|-------|-------|
| EUR/USD | 1.18 | -0.03 | 0.56 | 5.65 | 7.97 |
| USD/JPY | 104.57 | 1.28 | 1.43 | 4.09 | 3.06 |
| GBP/USD | 1.29 | 0.72 | -0.99 | -2.28 | 4.26 |

| Money Market | Price | 5D,% | 1M,% | YTD,% | 1YR,% |
|---------------------|-------|-------|--------|--------|--------|
| LIBOR USD 3M | 0.23 | -9.98 | -10.92 | -88.19 | -89.55 |
| LIBOR EUR 3M | -0.52 | -2.84 | -1.70 | -25.96 | -23.96 |
| EURIBOR 3M | -0.50 | -4.13 | -4.35 | -31.59 | -27.27 |
| EUR SWAP (EONIA) 3M | -0.47 | -0.32 | -1.28 | -6.98 | -5.51 |

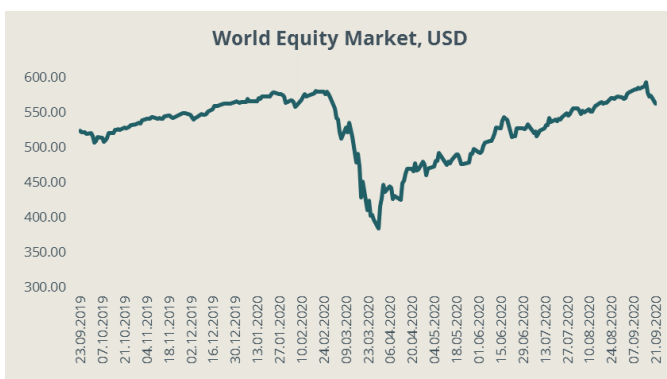
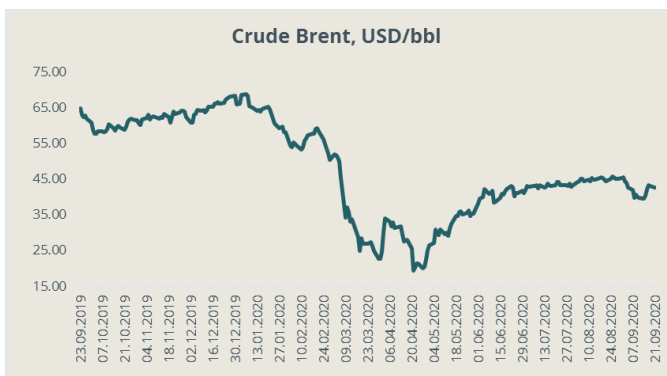
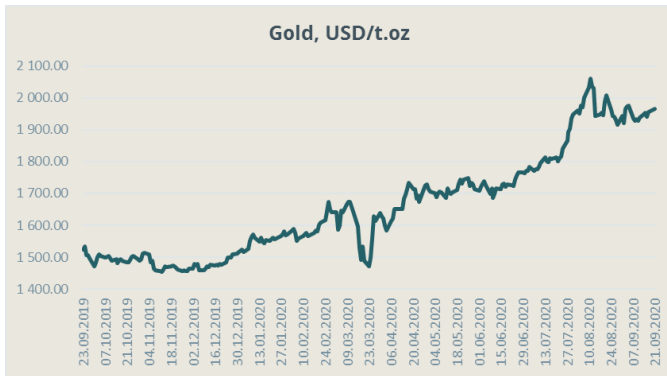
| Government Bonds | Yield | 5D,% | 1M,% | YTD,% | 1YR,% |
|-------------------------------------|-------|--------|--------|---------|--------|
| US Government Bonds 10 YR (USD) | 0.69 | 1.47 | 8.60 | -64.42 | -60.37 |
| German Government Bonds 10 YR (EUR) | -0.49 | -1.04 | 4.34 | -162.16 | 6.91 |
| UK Government Bonds 10 YR (GBP) | 0.18 | 0.55 | -16.44 | -77.74 | -71.54 |
| Swiss Government Bonds 10 YR (CHF) | -0.48 | -2.62 | 7.48 | 0.21 | 38.56 |
| Japan Government Bonds 10 YR (JPY) | 0.01 | -50.00 | -71.43 | 140.00 | 105.26 |

Main events of the previous week

At its meeting, which ended on September 16, the Bank of England kept its base interest rate at 0.1%. Asset purchase quantity was also maintained at £745 billion. The latest data on the health of the UK economy were slightly better than expected by the committee at their August report. Despite this, given the risks, it is unclear how informative they are about how the economy will develop in the future, the British regulator explained. The recent increase in COVID-19 cases in some parts of the world, including the United Kingdom, may have an additional impact on economic activity, although probably on a smaller scale than was observed earlier this year, the Bank of England noted. The committee said it did not intend to tighten monetary policy until there is clear evidence that significant progress has been made in eliminating spare capacity and inflation target has reached 2%.

The US FED has kept the base rate at the level of 0-0.25%. During a press conference, most of the regulator's executives noted that they do not expect a rate hike until the end of 2023. The Fed has improved its GDP forecasts. GDP is expected to fall 3.7% in 2020; in June, the regulator expected a fall of 6.5%. The GDP growth forecast for 2021 has been downgraded from 5% to 4%. The unemployment forecast has been improved from 9.3% to 7.6% in 2020 and from 6.5% to 5.5% in 2021. The regulator considers it reasonable to maintain the target rate range until the situation in the US labor market improves, the statement said. As a benchmark, the Fed calls the maximum inflation and the unemployment rate at 2%, while there should be a tendency to overshoot the average of 2% for some time.

The Bank of Japan kept the interest rate at the negative territory of minus 0.1%. Eight members of the regulator were in favor of maintaining a negative interest rate, one was against. In addition, the regulator plans to buy an unlimited amount of government bonds and continue to target the yield on 10-year government bonds at a level close to 0%. The Japanese central bank also retained the annual volume of buybacks. The Japanese economy has begun to recover thanks to a gradual resumption of economic activity, although it remains in dire straits due to the impact of the new coronavirus (COVID-19) at home and abroad, the regulator said. At the same time, the Central Bank notes high uncertainty regarding the consequences of COVID-19 and the scale of their impact on the country's economy. The Central Bank will continue to monitor the situation and, if necessary, will take additional measures. The regulator expects short-term and long-term interest rates to remain at or below current levels.



Economic data

US. The volume of retail sales in August increased by 0.6% versus July, while the growth rate of retail trade in August was expected to be 1%. In turn, excluding data on gasoline and car sales from the indicator, retail sales in August rose by 0.7% over the same period.

The number of initial jobless claims for the week was registered in the amount of 860 thousand, which is 33 thousand less than the week before and 10 thousand more than predicted by analysts.

Eurozone. The volume of industrial production in July increased by 4.1% against June, while in annual terms the volume of industrial production was lower by 7.7%.

China. Industrial production in August increased by 5.6% compared to August 2019, which is 0.5 percentage points higher than was expected by the surveyed analysts.

The volume of retail sales in August increased by 0.5% compared to August 2019, which for the first time in 2020 exceeded the volume of 2019.

The unemployment rate in August fell by 0.1 percentage points and amounted to 5.6%.

Key events this week

- On Wednesday, in the Eurozone and in the US, primary data on business activity in September will become known, and the US will also report on changes in oil reserves for the week.
- On Thursday, the US will report on new home sales, as well as the number of initial jobless claims for the week.
- And on Friday in the US, the volume of sales of durable goods for August will become known.

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