

Morning Meeting

31 March 2020

	Index	+/-	% change
FTSE 100	5563.7	53.4	1.0
FTSE All-Share	3041.2	19.3	0.6
DJ Industrial Average	22327.5	690.7	3.2
S&P 500	2626.7	85.2	3.4
NASDAQ Composite Index	7774.2	271.8	3.6
Nikkei Japan 1000 Index	1708.0	-28.0	-1.6
Hang Seng Index	23175.1	-309.2	-1.3
EURO STOXX 50 (EUR)	2765.6	37.0	1.4
Switzerland SMI (PR)	9174.4	178.0	2.0
France CAC 40	4378.5	27.0	0.6
Germany DAX (TR)	9816.0	183.4	1.9

Currencies		+/-	12 month range	
£:\$	1.241	0.01	1.15	1.33
Y:\$	108.085	-0.10	102.55	112.09
E:£	1.125	0.01	1.07	1.20
E:\$	1.103	0.00	1.07	1.14
10 Yr Bond	Yld %	+/-	-3 months	-12 months
UK	0.31	-0.05	0.86	1.09
US	0.66	-0.07	1.90	2.42
Germany	-0.55	-0.07	-0.18	-0.07
	Price (p)	+/-	12 month range	
Investec plc	144	-15.8	128.8	518.6

Matrix Winners	Price	+/-	% change
Rentokil Initial plc	386.0	24.1	6.7
Legal & General Group Plc	192.3	-17.2	-8.2
Standard Life Aberdeen PLC	222.8	-10.7	-4.6
TUI AG	365.8	-2.0	-0.5
Meggitt PLC	269.0	-41.0	-13.2

Sector Winners	% change	Mkt Wt
FTSE All-Share / Life Insurance - SEC	-3.6	3.3
FTSE All-Share / Support Services - SEC	0.05	5.0
FTSE All-Share / Oil Equipment, Services & Distribution - SEC	-5.41	5.0
FTSE All-Share / Travel & Leisure - SEC	-1.6	3.3
FTSE All-Share / Electronic & Electrical Equipment - SEC	-0.3	0.8

Matrix Losers	Price	+/-	% change
Riverstone Energy Limited	147.0	-3.8	-2.5
Urban&Civic PLC	195.0	-5	-2.5
Hurricane Energy Plc	9.8	-0.92	-8.6
British Land Company PLC	325.2	-16.8	-4.9
Royal Bank of Scotland Group plc	117.4	-2.75	-2.3

Sector Losers	% change	Mkt Wt
FTSE All-Share / Leisure Goods - SEC	4.4	0.1
FTSE All-Share / Oil & Gas Producers - SEC	4.0	9.8
FTSE All-Share / Industrial Metals & Mining - SEC	-4.2	0.1
FTSE All-Share / Banks - SEC	-1.6	8.9
FTSE All-Share / Health Care Equipment & Services - SEC	-0.4	1.1

Stocks Hitting Relative High
RELX PLC
Experian PLC
Phoenix Group Holdings plc
Standard Life Aberdeen PLC
-
-

Stocks Hitting Relative Low
British Land Company PLC
Centrica plc
Johnson Matthey Plc
Land Securities Group PLC
Urban&Civic PLC
Weir Group PLC

Companies discussed in Morning Meeting

UK Equities

Imperial Brands	Company Update
Melrose	Company Update
Royal Dutch Shell	Company Update
Smiths Group	Company Update
WPP	Company Update

International Equities

L'Oréal	Company Update
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- Yesterday saw a small risk-on flavour to markets. US equities closed up 3.3%, with European equities up 2%. The VIX index fell below the (still highly elevated by normal standards) 60 level and fixed income markets were reassuringly stable – also with a pro-risk bias. Specifically, US 10 year Treasury yields and UK 10 year gilt yields both edged 2 basis points upwards to 0.7% and 0.4% respectively. German Bund yields remain mired at -0.48%. Credit markets saw Investment Grade and High Yield bond spreads tighten by 0.1% and 0.2% respectively, to 2.8% and 9% respectively. Currency markets saw a slightly firmer dollar, with \$/£ closing at \$1.24. This morning sterling is trading at \$1.23, but moves in the \$/£ have been highly volatile as the UK has moved into the spotlight in the fight against COVID-19. Commodity markets saw gold flat at \$1615 but continued volatility in oil markets. The WTI price of oil traded down by 6% at one stage, but ended the day only 1% down at \$20.50. It is firmer this morning, possibly on better Chinese PMI data.

Coronavirus Update – modestly encouraging.

Total Cases

- 784,000, 9.1% growth on the day. Daily new case growth is more important; we will update you when we see those numbers.
- Italy (4.1%) and Spain have both seen slower new case growth

Responses

- Restrictions
- Italy (and, it has been hinted, the UK) are looking at extending their quarantining to Easter.
- WHO has suggested there are signs of stabilisation in Europe.

Stimulus/ Policy

- The Trump administration is apparently preparing an additional \$600bn stimulus bill, on top of the \$2.1trn already passed by Congress over the weekend.

Medical

- J&J and Abbot Labs have announced lead vaccine candidates and an accelerated programme to develop vaccine and testing.
- Angela Merkel continues quarantine, but has tested negative.

This Morning:

- Lead economic news is better than forecast Manufacturing and Service sector PMIs from China. Both were delivered above 50, when numbers in the low 40s were expected.
- A key corporate theme is now widespread dividend cuts. It should now be expected that the majority of banks will be asked by their regulator to pass their dividends, whilst the crisis is with us. The FT has a leader encouraging the Prudential Regulation Authority to mandate this.
- South Africa lost its last investment grade credit rating (Fitch). Not unexpected.
- Euro Area monthly economic sentiment indicator fell by the most on record from 103.4 to 94.5 in March.

Other Corporate News Brief: (UK Covered Names) Dividend Cuts & Trading Statements: WPP, Melrose, Rotork. Trading Statements: Imperial Brands, Smiths Industries (delays separation of Smiths Medical unit), Royal Dutch Shell. International Covered Names: L'Oreal: pulls FY20 guidance, estimate Q1 sales down -5%. (See analyst comments)

Economic Data / Day Ahead: The most relevant are: Euro Area CPI (March). US Consumer Confidence Indicator (March)

Events Calendar

Date	Company	Event	Flag
30 March 2020	Pennon Group Plc	Q3 2020 Sales and Revenue Release - Trading Statement	R
31 March 2020	Smiths Group Plc	Q2 2020 Earnings Release	R
08 April 2020	Dunelm Group Plc	Q3 2020 Sales and Revenue Release - Trading Update	R
08 April 2020	Tesco Plc	Q4 2020 Earnings Release	Green
08 April 2020	Costco Wholesale Corp.	March 2020 Sales and Revenue Release	Green
14 April 2020	Wells Fargo & Co.	Q1 2020 Earnings Release	Blue
14 April 2020	Johnson & Johnson	Q1 2020 Earnings Release	Blue
14 April 2020	JPMorgan Chase & Co.	Q1 2020 Earnings Release	Green
15 April 2020	ASML Holding NV	Q1 2020 Earnings Release	Green
15 April 2020	The Charles Schwab Corp.	Q1 2020 Earnings Release	Blue
15 April 2020	UnitedHealth Group, Inc.	Q1 2020 Earnings Release	Blue
15 April 2020	The PNC Financial Services Group, Inc.	Q1 2020 Earnings Release	Spec Sit
15 April 2020	U.S. Bancorp	Q1 2020 Earnings Release	Blue
15 April 2020	Citigroup, Inc.	Q1 2020 Earnings Release	Green
16 April 2020	Hays plc	Q3 2020 Sales and Revenue Release - Trading Update	R
16 April 2020	Philip Morris International, Inc.	Q1 2020 Earnings Release	Spec Sit
16 April 2020	L'Or (R)al SA	Q1 2020 Sales and Revenue Release	Green
16 April 2020	Intuitive Surgical, Inc.	Q1 2020 Earnings Release	Green
16 April 2020	Rio Tinto Plc	Q1 2020 Sales and Revenue Release - Operational Review	Blue
17 April 2020	Schlumberger NV	Q1 2020 Earnings Release	Green
20 April 2020	Vivendi SA	Q1 2020 Sales and Revenue Release	Spec Sit

	Monday 30 th March	Tuesday 31 st March	Wednesday 1 st April	Thursday 2 nd March	Friday 3 rd March
UK	BoE Mortgage Approvals SA (Number) BoE Net Mortgage Lending SA (GBP) M4 Money Supply SA M/M	GDP SA Y/Y (Final) GDP SA Q/Q (Final)	CIPS Manufacturing PMI SA (Final)		CIPS Services PMI SA (Final)
US	Pending Home Sales M/M	Consumer Confidence Chicago PMI SA	ISM Manufacturing SA Construction Spending SA M/M Markit PMI Manufacturing SA (Final)	Initial Claims SA Durable Orders SA M/M (Final) Factory Orders SA M/M	Nonfarm Payrolls SA Private Nonfarm Payrolls Unemployment Rate Manufacturing Payrolls SA Hourly Earnings Y/Y (Preliminary) Hourly Earnings SA M/M (Preliminary)
RoW	EU - Business Climate EU - Consumer Confidence Indicator (Final)	EU - CPI EU Harmonized Y/Y (Flash)	EU - Markit PMI Manufacturing SA (Final) EU - Unemployment Rate	EU - PPI NSA Y/Y	EU - Retail Sales CA Y/Y EU - Markit PMI Composite SA (Final)

Central Bank Meetings

Bank of Japan	28 th April 2020
US Federal Reserve	29 th April 2020
ECB	30 th April 2020

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