

## Heartwood – Daily Market Update 27.04.2020

To help you in your conversations with clients during these difficult markets, for the foreseeable future, we will be sending you a daily market update email with the latest thoughts from the Investment team.

### What's happening?

- Another week and another phase. Phase one was the dramatic collapse in risk appetite between February and March. Phase two was a quick snap back but, interestingly, involved many cyclical regions not leading the charge. Phase three (arguably where we are now) seems to be a pause for thought.
- Price action last week across a range of asset classes has been lacklustre. Global stock markets finished the week down 20 basis points, for example. All the action seemed to be in oil markets where storage of WTI oil in the US caused temporary negative prices.
- To be fair, stock markets in Asia have started this week on the front foot, which should spill over to European markets this morning. This seems related to another ramp-up in central bank stimulus, this time from the Bank of Japan which has relaxed constraints on JGB purchases and will be buying more corporate bonds and commercial paper too.
- This week watch out for updates from various central banks (Fed and ECB), Q1 GDP data, global business confidence surveys and more corporate earnings releases. With stock leadership quite narrow of late, it will be interesting to see how these, predominantly tech, companies fare when they release earnings data and describe their experiences so far.
- Various governments will be soon announcing exit strategy plans. The French PM will speak on Tuesday. Boris Johnson, now he is back in the saddle, will also contemplate revising UK restrictions.
- At a time when the official statistics show almost 3 million cases and 206,000 fatalities globally, the WHO are warning against 'immunity passports' as they don't see any evidence linking those recovering from the virus with being immune from re-infection.
- And finally.... Trump has cancelled his daily briefings after the press didn't buy into his advice to inject disinfectant!