

## Morning Meeting

1 April 2020

	Index	+/-	% change
FTSE 100	5672.0	108.2	1.9
FTSE All-Share	3107.4	66.3	2.2
DJ Industrial Average	21917.2	-410.3	-1.8
S&P 500	2584.6	-42.1	-1.6
NASDAQ Composite Index	7700.1	-74.1	-1.0
Nikkei Japan 1000 Index	1670.0	-38.1	-2.2
Hang Seng Index	23603.5	428.4	1.8
EURO STOXX 50 (EUR)	2786.9	21.3	0.8
Switzerland SMI (PR)	9311.9	137.5	1.5
France CAC 40	4396.1	17.6	0.4
Germany DAX (TR)	9935.8	119.9	1.2

Matrix Winners	Price	+/-	% change
Pearson PLC	552.6	-8.2	-1.5
Rentokil Initial plc	387.8	1.8	0.5
BP p.l.c.	344.2	20.6	6.4
United Utilities Group PLC	902.8	-44.6	-4.7
London Stock Exchange Group plc	7280.0	-42.0	-0.6

Matrix Losers	Price	+/-	% change
Hammerson plc	77.4	10.74	16.1
Melrose Industries PLC	91.5	4	4.6
Meggitt PLC	290.3	21.3	7.9
Dixons Carphone PLC	78.1	7.74	11.0
Rolls-Royce Holdings plc	340.6	19.3	6.0

Stocks Hitting Relative High
RELX PLC
London Stock Exchange Group plc
-
-
-
-
-
-
-
-

Currencies		+/-	12 month range	
£:\$	1.240	0.00	1.15	1.33
Y:\$	107.955	-0.13	102.55	112.09
E:£	1.130	0.00	1.07	1.20
E:\$	1.097	-0.01	1.07	1.14
10 Yr Bond	Yld %	+/-	-3 months	-12 months
UK	0.33	0.02	0.82	1.09
US	0.68	0.03	1.92	2.42
Germany	-0.49	0.06	-0.19	-0.07
	Price (p)	+/-	12 month range	
Investec plc	151.9	7.9	128.8	518.6

Sector Winners	% change	Mkt Wt
FTSE All-Share / Leisure Goods - SEC	0.2	0.1
FTSE All-Share / Oil & Gas Producers - SEC	6.94	10.2
FTSE All-Share / Gas, Water & Multiutilities - SEC	-1.65	10.2
FTSE All-Share / Beverages - SEC	1.0	3.8
FTSE All-Share / Technology Hardware & Equipment - SEC	4.1	0.1

Sector Losers	% change	Mkt Wt
FTSE All-Share / Industrial Transportation - SEC	1.9	0.2
FTSE All-Share / Oil Equipment, Services & Distribution - SEC	0.8	0.1
FTSE All-Share / General Industrials - SEC	4.7	1.1
FTSE All-Share / Aerospace & Defense - SEC	4.0	1.8
FTSE All-Share / Industrial Metals & Mining - SEC	2.3	0.1

Stocks Hitting Relative Low
British Land Company PLC
Centrica plc
Glencore plc
Hammerson plc
Land Securities Group PLC
Lloyds Banking Group plc
Melrose Industries PLC
Rolls-Royce Holdings plc
Royal Bank of Scotland Group plc
Ted Baker PLC
Urban&Civic PLC
Weir Group PLC

### Companies discussed in Morning Meeting

#### UK Equities

Autotrader	Company Update
British American Tobacco	Company Update
Royal Dutch Shell	Company Meeting
UK Banks	Dividend Update
UK Insurers	Dividend Update

#### International Equities

AB InBev	Company Meeting
Hexagon	Company Meeting
Palo Alto	Company Meeting

- Welcome to a new quarter! Not the brightest of opens to trading in the UK this morning, with the market down by about 3%, as are most European bourses and as was Japan overnight - largely due to an absence of any fresh reasons to be more positive. In the UK we have had confirmation that the UK banks will not be paying ordinary dividends or buying back stock in 2020. This removes some £16bn of the approx. £100bn of forecast dividend income from the All Share for 2020 and - on our numbers - takes the cumulative reduction above £20bn.
  - Q1 2020 will take its place in the history books for both social and economic reasons, with a raft of unwelcome records for investment markets A sample of these, just for colour:
  - Q1 saw the greatest ever loss of capital value in investment markets in a single quarter, with \$19.6tn lost in equities (the market cap of the FTSE All Share is currently just over \$2tn for context), swamping the \$1.1tn that was added to the value of fixed interest holdings.
  - It was the worst Q1 for the Dow ever and the worst Q1 for the S&P since 1938.
  - In fixed interest markets, 30-year and 2-year treasuries recorded their sharpest declines in yields since 2011 and 2008 respectively.
  - Gold posted a 6<sup>th</sup> consecutive quarter of gains whilst WTI posted its worst quarterly fall ever.
- In absolute numbers the All Share fell 25.1% on a total return basis, with the FTSE 250 down 30.7% and the FTSE 100 (aided by better liquidity and weaker sterling) down 23.8%. The S&P dropped 19.6% in dollar terms, but 'only' 14.2% in sterling terms. The WMA Balanced index was down 14.7%.
- Equity markets finished yesterday down in the US, with signs that much of what was expected to be a colossal rebalancing of assets into the quarter-end had already happened; we presume that most institutional investors would have been unwilling to assume that sufficiently deep, orderly trading markets would be available on the final day of such a volatile quarter.
- The global total of confirmed coronavirus cases has pushed through 860,000 this morning, a record daily increase of just over 70,000 (+9.3%), leaving us on track to push through 1m cases by the weekend. In brighter news though, the Italians recorded just a 4% increase in cases, their lowest reading of this outbreak and now at a level which was subsequently followed by a sharp tail off in the examples of China and Korea. Similarly, in Spain, the rate of new infections was below 10% and the lowest of the outbreak so far, whilst the increase in deaths was also below 10% for the first time in a while.
- Economic data sees the expected fall in South Korean manufacturing PMI, which slipped to an 11-year low of 44.2 in March. Though the recent flow of more positive data from China continues with a Caixin manufacturing PMI reading of 50.1 for March, up from 40.3. Today sees the release of final March PMI readings from around Europe and, whilst the flash readings were pretty grim, particularly for the Services sector, there is an expectation in these final numbers that reality might have caught up with the Manufacturing series as well and thus prompt some downward revisions.
- US Equity markets are called down c.1.75%, with the amplitude of daily market moves seeming to be coming back under control. Remarkably, March only saw one daily move of less than 1% in either direction for the S&P; compare this with the whole of calendar 2017, when we only saw 8 days in which the index moved more than 1% in either direction!
- One thing that is going up is Trump's approval rating, which has now hit a high for his presidency so far.

## 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 <sup>th</sup> March	Tuesday 31 <sup>st</sup> March	Wednesday 1 <sup>st</sup> April	Thursday 2 <sup>nd</sup> March	Friday 3 <sup>rd</sup> 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

<b>Bank of Japan</b>	28 <sup>th</sup> April 2020
<b>US Federal Reserve</b>	29 <sup>th</sup> April 2020
<b>ECB</b>	30 <sup>th</sup> April 2020

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