

## Morning Meeting

20 April 2020

	Index	+/-	% change
FTSE 100	5787.0	158.5	2.8
FTSE All-Share	3190.2	88.1	2.8
DJ Industrial Average	24242.5	704.8	3.0
S&P 500	2874.6	75.0	2.7
NASDAQ Composite Index	8650.1	117.8	1.4
Nikkei Japan 1000 Index	1720.5	26.6	1.6
Hang Seng Index	24380.0	373.5	1.6
EURO STOXX 50 (EUR)	2888.3	76.0	2.7
Switzerland SMI (PR)	9612.8	172.9	1.8
France CAC 40	4499.0	148.9	3.4
Germany DAX (TR)	10625.8	324.2	3.1

Matrix Winners	Price	+/-	% change
Ted Baker PLC	156.5	22.8	17.1
Flutter Entertainment Plc	9018.0	1222.0	15.7
John Wood Group PLC	190.7	22.5	13.4
Melrose Industries PLC	91.1	9.2	11.2
InterContinental Hotels Group PLC	3563.0	350.0	10.9

Matrix Losers	Price	+/-	% change
Keywords Studios plc	1479.0	-51	-3.3
Fresnillo PLC	707.8	-21.2	-2.9
Smart Metering Systems PLC	611.0	-17	-2.7
Urban&Civic PLC	227.5	-6	-2.6
Pennon Group Plc	1087.0	-27.5	-2.5

Stocks Hitting Relative High
Flutter Entertainment Plc
-
-
-

Currencies		+/-	12 month range	
£:\$	1.250	0.01	1.15	1.33
Y:\$	107.525	-0.04	102.55	112.09
E:£	1.148	0.00	1.07	1.20
E:\$	1.089	0.00	1.07	1.14
10 Yr Bond	Yld %	+/-	-3 months	-12 months
UK	0.29	0.00	0.66	1.27
US	0.66	0.05	1.83	2.59
Germany	-0.48	0.00	-0.21	0.08
	Price (p)	+/-	12 month range	
Investec plc	153.5	7.05001	128.8	518.6

Sector Winners	% change	Mkt Wt
FTSE All-Share / Oil Equipment, Services & Distribution - SEC	9.5	0.1
FTSE All-Share / Travel & Leisure - SEC	6.29	3.7
FTSE All-Share / Electronic & Electrical Equipment - SEC	6.26	3.7
FTSE All-Share / Aerospace & Defense - SEC	6.1	1.8
FTSE All-Share / Life Insurance - SEC	5.9	3.2

Sector Losers	% change	Mkt Wt
FTSE All-Share / Tobacco - SEC	-0.5	4.6
FTSE All-Share / Gas, Water & Multiutilities - SEC	-0.1	2.7
FTSE All-Share / Food & Drug Retailers - SEC	0.6	2.2
FTSE All-Share / Electricity - SEC	1.4	0.8
FTSE All-Share / Health Care Equipment & Services - SEC	1.4	1.1

Stocks Hitting Relative Low
Centrica plc
HSBC Holdings Plc
Royal Bank of Scotland Group plc
Standard Chartered PLC

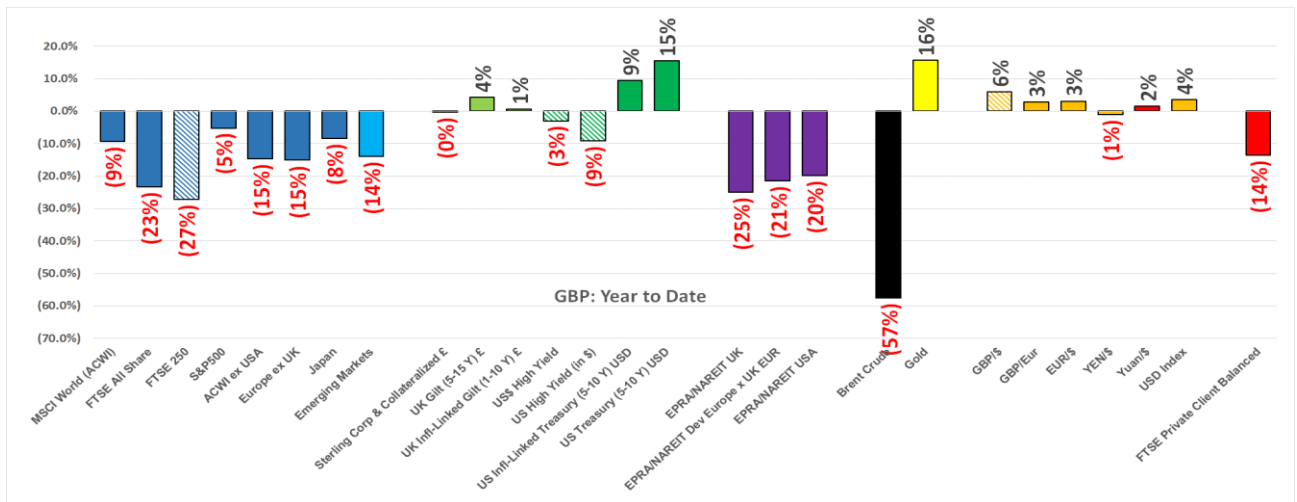
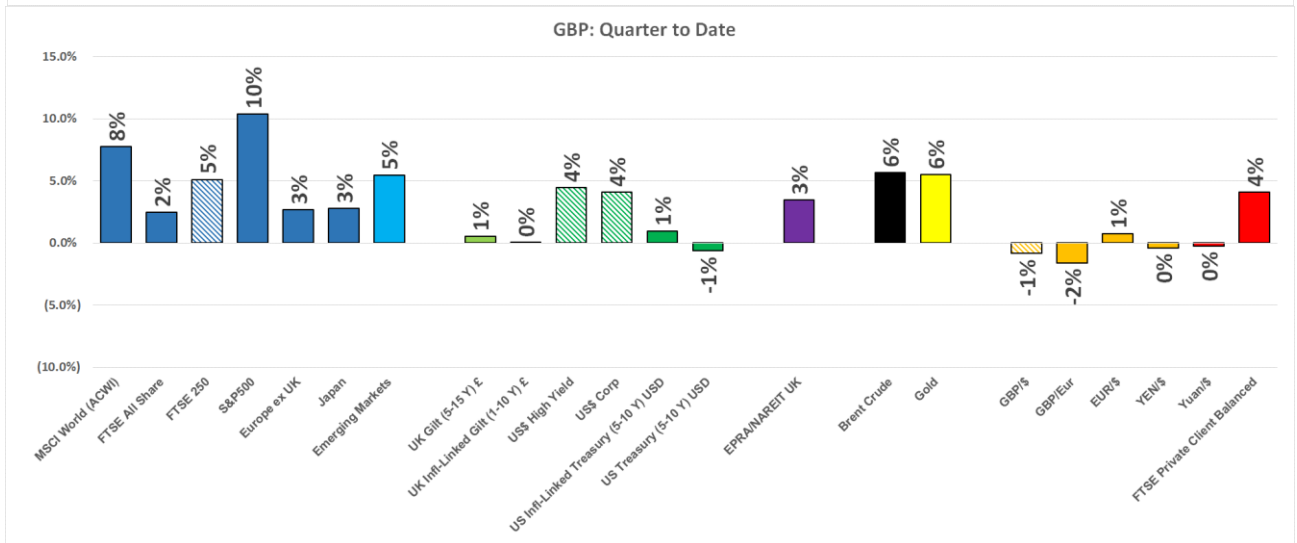
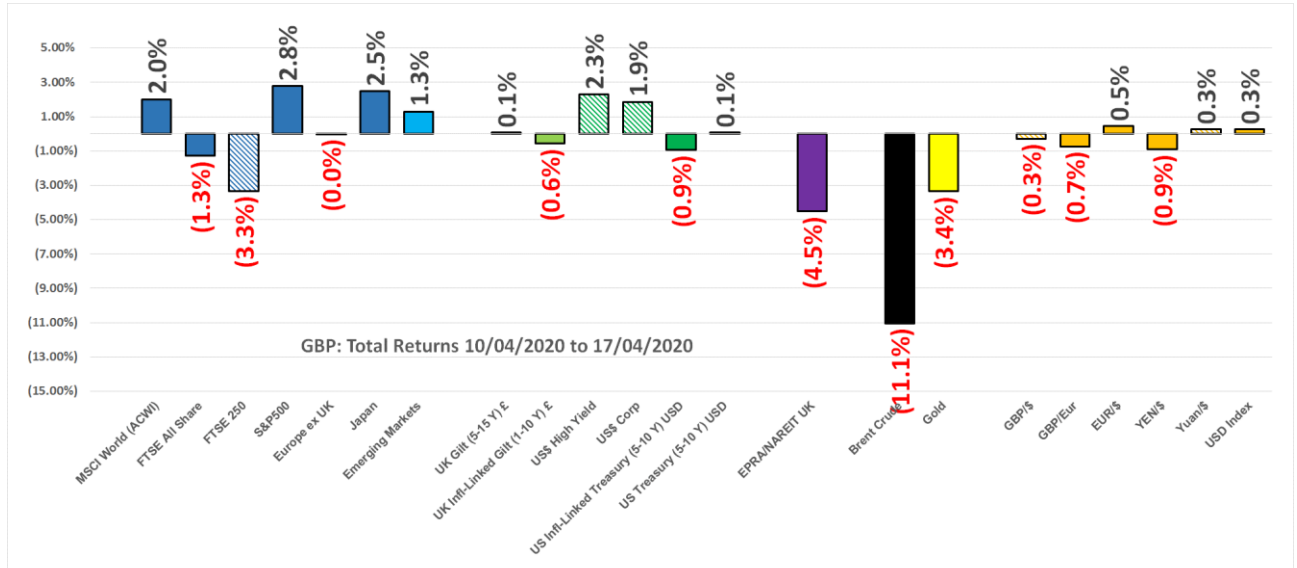
### Companies discussed in Morning Meeting

#### UK Equities

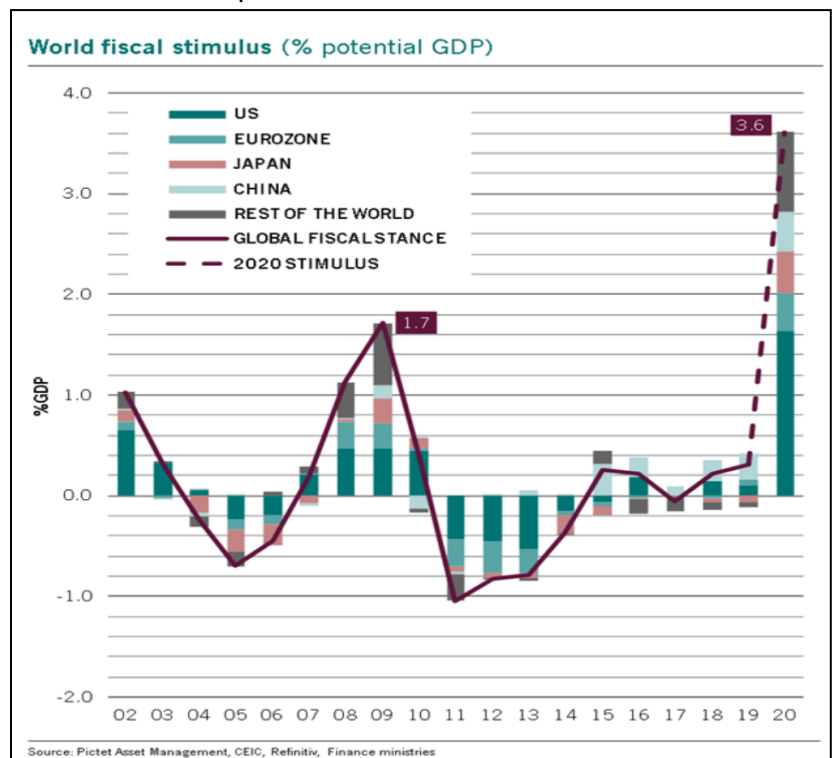
#### International Equities

Procter & Gamble	Quartely Results
Schlumberger	Quartely Results
Vivendi	Quartely Results

Markets: Last Week  
Performance Charts (in £)  
Last Week

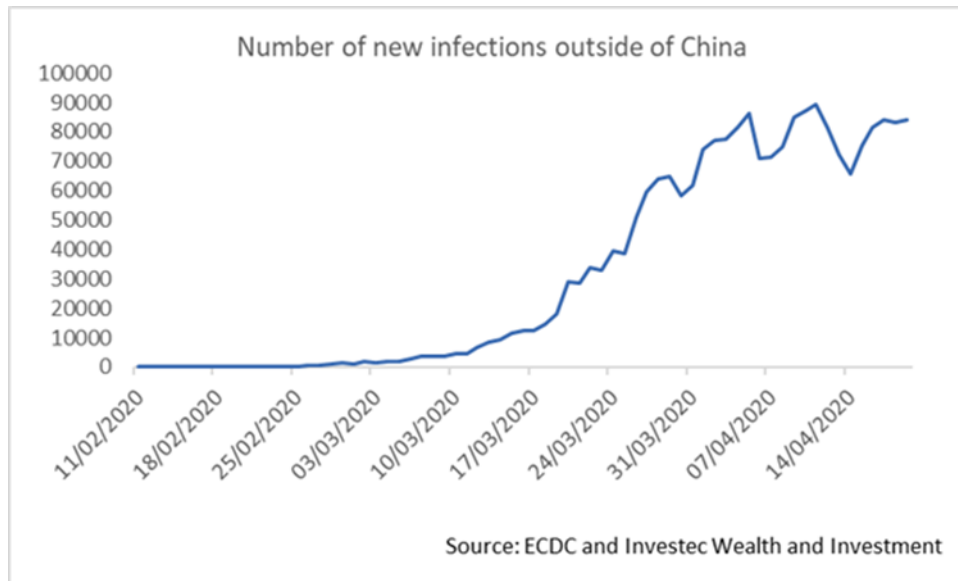


- Last week, although still volatile (the VIX declined below 40, but is still at historically very high levels) risk markets had a positive tone, with US stocks closing with gains for the second consecutive week.
- The 2% rise in world equities last week compounded the strong rally this month, which has seen global equities rally by 8% in sterling terms, or 9% in dollars (Sterling has been hugely volatile but is now 1% higher relative to the dollar than at the start of the month).
- The rebound in risk markets has come alongside some hopeful signs that measures to control the spread of COVID-19 are having some success at limiting its spread to levels that can be managed by healthcare systems. The main cause, however, has been the actions taken by global central banks and governments over the past month to offset the economic impact of the associated restrictions, which have reinforced confidence in the economic structure.
- Most importantly, in the first instance, global central banks, led by the Federal Reserve, have faced-down a cataclysmic challenge to their ability to provide liquidity – certainly comparable in magnitude to the Lehman Brothers “moment”.
- According to Deutsche Bank, the magnitude of the expansion of Central Bank balance sheets globally since the end of March (\$2.7trn) already exceeds the expansion seen in the Global Financial Crisis (GFC). Combine that with the short time period over which this has occurred (in the GFC it took far longer) and the scale of the response can be even better appreciated.
- Last week money markets again behaved well. US 10 year Treasury bonds ended the week yielding 0.65%, down from 0.78% at the close of the previous week. UK 10 year Gilt yields were unchanged at 0.3%, whilst Bunds followed Treasury Yields lower, dropping 13 basis points further into negative territory and, at -0.47%. That is close to historic lows and to the theoretical “lower limit” which many believe would see money leaving the banking system – the safety of a Federally registered and protected asset no longer being worth the cost, relative to storing notes or coin.
- Most encouragingly, credit markets were firm. Investment Grade bond spreads came in fractionally (7 basis points) further to 2.1%, down from 3% at the time of our last Asset Allocation meeting at the end of March. High Yield spreads declined by 40 basis points to just over 7%, down from close to 10% over the same period, as the Federal Reserve’s decision to support the High Yield market in addition to the Investment Grade market had a notable impact.
- The second prop for sentiment is the massive fiscal stimulus applied. Governments have moved to deliver fiscal stimulus programmes of a size and shape never before seen at close to 4% of GDP (see chart, courtesy of Pictet) - twice the level of that in the aftermath of the GFC. These factors have enabled investors to “look past” to look past the shocking economic data (US jobless claims) and, inevitably cautious start to the earnings season.
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## Covid-19 update.

- There are now 2.4 million people infected globally with 165,000 deaths.
- Good news:
  - The number of new infections continues to look as though it has peaked at just short of 90k infections per day on 11 April, although the series is fairly volatile and has not yet shown signs of trending down. The latest daily increase was 84k.



- The total number of new infections continues to grow at 4% per day (roughly in line with last week's number). The US continues to dominate the number of new infections at 33k infections per day, accounting for 39% of all new daily infections.
- The UK averaged 5k infections per day over the past week, down 5% from the week before.
- France will unveil within two weeks a plan to progressively lift restrictions on travel and business

## Bad News:

- There has been a notable jump in the number of countries with more than 500 new infections per day; it's now up to 24 from a low of 15 during the week. Amongst the other five countries with more than 3k infections per day the most concerning growth rates are for Brazil (2.9k infections per day, doubled over the past week) and Russia (4.7k/day, nearly tripled over the past week).
- WHO is unwilling to confirm that COVID-19 infection and recovery confers immunity – suggesting a real possibility that, absent a cure/vaccine, we will see recurring annual encounters with the virus.

## Responses:

- New deal to support US small businesses close to being approved
- Italy: PM renewed his call for joint euro-area bonds to aid economies crippled by the coronavirus
- UK: signed off on a £1.25bn plan aimed at helping innovative venture capital-backed companies. Will extend its wage-subsidy programme for workers until the end of June

Today:

- Asian markets are off fractionally and Western markets broadly flat (Europe up, US futures off 0.5%)
- Key news: OIL has fallen to the lowest price in more than two decades, just above \$15 for WTI as doubts about the adequacy of the OPEC+ agreement in the current demand environment merge with a recognition that storage is now close to full, suggesting that “Oil Today” is more of a liability than an asset. Longer term oil prices have held up, however, underpinning oil shares in today’s trading.
- The IMF released its latest World Economic Forecasts. (see table): It’s clear that the IMF now subscribes to the “U” or “V” shape path of global growth. The IMF expects 2020 global growth to be -3% (vs expecting +3.3% in January). It expects global growth of 5.8% in 2021 (up from 3.4% in January).

**Table 1.1. Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	2019	Projections		Difference from January 2020 WEO Update <sup>1</sup>		Difference from October 2019 WEO <sup>1</sup>	
		2020	2021	2020	2021	2020	2021
<b>World Output</b>	<b>2.9</b>	<b>-3.0</b>	<b>5.8</b>	<b>-6.3</b>	<b>2.4</b>	<b>-6.4</b>	<b>2.2</b>
<b>Advanced Economies</b>	<b>1.7</b>	<b>-6.1</b>	<b>4.5</b>	<b>-7.7</b>	<b>2.9</b>	<b>-7.8</b>	<b>2.9</b>
United States	2.3	-5.9	4.7	-7.9	3.0	-8.0	3.0
Euro Area	1.2	-7.5	4.7	-8.8	3.3	-8.9	3.3
Germany	0.6	-7.0	5.2	-8.1	3.8	-8.2	3.8
France	1.3	-7.2	4.5	-8.5	3.2	-8.5	3.2
Italy	0.3	-9.1	4.8	-9.6	4.1	-9.6	4.0
Spain	2.0	-8.0	4.3	-9.6	2.7	-9.8	2.6
Japan	0.7	-5.2	3.0	-5.9	2.5	-5.7	2.5
United Kingdom	1.4	-6.5	4.0	-7.9	2.5	-7.9	2.5
Canada	1.6	-6.2	4.2	-8.0	2.4	-8.0	2.4
Other Advanced Economies <sup>2</sup>	1.7	-4.6	4.5	-6.5	2.1	-6.6	2.2
<b>Emerging Market and Developing Economies</b>	<b>3.7</b>	<b>-1.0</b>	<b>6.6</b>	<b>-5.4</b>	<b>2.0</b>	<b>-5.6</b>	<b>1.8</b>
Emerging and Developing Asia	5.5	1.0	8.5	-4.8	2.6	-5.0	2.3
China	6.1	1.2	9.2	-4.8	3.4	-4.6	3.3
India <sup>3</sup>	4.2	1.9	7.4	-3.9	0.9	-5.1	0.0
ASEAN-5 <sup>4</sup>	4.8	-0.6	7.8	-5.4	2.7	-5.5	2.6

- Donald Trump unhelpfully raised the prospect that China deliberately caused the Covid-19 outbreak - “was it a mistake that got out of control, or was it done deliberately?” VP Pence also questioned Chinese involvement. China was also said to be lagging in buying US goods under the trade war settlement according to presidential adviser Larry Kudlow.

Corporate News:

- This week sees the US earnings season step up its pace. Approximately 90 companies from the S&P Composite are expected to report with European blue chips also delivering assessments. Bellwethers such as Coca Cola, IBM, SAP, Philip Morris, Netflix, and American Express are among those scheduled to report.
- EssilorLuxottica is to scrap its dividend. IWG is looking to raise £200-250m from a sale and leaseback of more than 10 properties in the UK. Novartis has reached a pact with the FDA for phase3 Hydro-oxychloriquine trial. Premier Foods reported trading profit at top end of expectations.

### Key Economic Data:

- Today is a light day, with no major economic data of note released.
- Tuesday: UK jobless data
- Wednesday UK Inflation
- Thursday is the key Day:
  - European leaders meet to solidify their plans to deal with Fiscal stimulus. The issue of mutualised debt remains controversial.
  - The flash release of global Purchasing Managers surveys for April will be closely watched, as will the regular US jobless data.
- US Consumer confidence.

# Events Calendar

Date	Company	Event
20 April 2020	Vivendi SA	Q1 2020 Sales and Revenue Release
21 April 2020	Associated British Foods Plc	Q2 2020 Earnings Release
21 April 2020	London Stock Exchange Group Plc	Q1 2020 Sales and Revenue Release - Interim Management Statement
21 April 2020	Reckitt Benckiser Group Plc	Q1 2020 Earnings Release
21 April 2020	SAP SE	Q1 2020 Earnings Release
21 April 2020	SEGRO Plc	Q1 2020 Sales and Revenue Release - Trading Update
21 April 2020	The Coca-Cola Co.	Q1 2020 Earnings Release
21 April 2020	Northern Trust Corp.	Q1 2020 Earnings Release
21 April 2020	Northern Trust Corp.	Q1 2020 Earnings Release
21 April 2020	Danone SA	Q1 2020 Sales and Revenue Release
21 April 2020	BHP Group Plc	Q3 2020 Sales and Revenue Release
21 April 2020	Philip Morris International, Inc.	Q1 2020 Earnings Release
22 April 2020	CRH Plc	Q1 2020 Sales and Revenue Release - Trading Update
22 April 2020	Thermo Fisher Scientific, Inc.	Q1 2020 Earnings Release
22 April 2020	Roche Holding AG	Q1 2020 Sales and Revenue Release
22 April 2020	Investor AB	Q1 2020 Sales and Revenue Release - Interim Management Statement
23 April 2020	Anglo American Plc	Q1 2020 Sales and Revenue Release - Production Report
23 April 2020	Pernod Ricard SA	Q3 2020 Sales and Revenue Release
23 April 2020	Tullow Oil Plc	Q1 2020 Sales and Revenue Release - Trading Update
23 April 2020	Taylor Wimpey Plc	Q1 2020 Sales and Revenue Release - Trading Update
23 April 2020	Air Products & Chemicals, Inc.	Q2 2020 Earnings Release
23 April 2020	Credit Suisse Group AG	Q1 2020 Earnings Release
23 April 2020	Meggitt Plc	Q1 2020 Sales and Revenue Release - Trading Update
23 April 2020	Unilever Plc	Q1 2020 Sales and Revenue Release - Trading Update
23 April 2020	Atlas Copco AB	Q1 2020 Earnings Release
23 April 2020	Valeo SA	Q1 2020 Sales and Revenue Release
24 April 2020	Pearson Plc	Q1 2020 Sales and Revenue Release - Trading Update
24 April 2020	Rotork Plc	Q1 2020 Sales and Revenue Release - Trading Update
24 April 2020	Nestlé (R) SA	Q1 2020 Sales and Revenue Release
27 April 2020	Bayer AG	Q1 2020 Earnings Release
28 April 2020	Novartis AG	Q1 2020 Earnings Release
28 April 2020	Travis Perkins Plc	Q1 2020 Sales and Revenue Release - Trading Update
28 April 2020	UBS Group AG	Q1 2020 Earnings Release
28 April 2020	The Weir Group Plc	Q1 2020 Sales and Revenue Release - Interim Management Statement
28 April 2020	Roper Technologies, Inc.	Q1 2020 Earnings Release
28 April 2020	HSBC Holdings Plc	Q1 2020 Earnings Release
28 April 2020	BP Plc	Q1 2020 Earnings Release
28 April 2020	PepsiCo, Inc.	Q1 2020 Earnings Release
28 April 2020	Mondelez International, Inc.	Q1 2020 Earnings Release
29 April 2020	Barclays Plc	Q1 2020 Earnings Release
29 April 2020	Next Plc	Q1 2020 Sales and Revenue Release - Trading Statement
29 April 2020	Persimmon Plc	Q1 2020 Sales and Revenue Release - Trading Update
29 April 2020	WPP Plc	Q1 2020 Sales and Revenue Release - Trading Update
29 April 2020	Standard Chartered Plc	Q1 2020 Earnings Release
29 April 2020	Assa Abloy AB	Q1 2020 Earnings Release
29 April 2020	AstraZeneca Plc	Q1 2020 Earnings Release
29 April 2020	GlaxoSmithKline Plc	Q1 2020 Earnings Release
29 April 2020	Hexagon AB	Q1 2020 Earnings Release
29 April 2020	The Boeing Co.	Q1 2020 Earnings Release
29 April 2020	Facebook, Inc.	Q1 2020 Earnings Release
29 April 2020	Microsoft Corp.	Q3 2020 Earnings Release
30 April 2020	Total SA	Q1 2020 Earnings Release
30 April 2020	Glencore Plc	Q1 2020 Sales and Revenue Release - Production Results
30 April 2020	Howden Joinery Group Plc	Q1 2020 Sales and Revenue Release - Trading Update
30 April 2020	LafargeHolcim Ltd.	Q1 2020 Sales and Revenue Release - Trading Update
30 April 2020	Lloyds Banking Group Plc	Q1 2020 Sales and Revenue Release - Interim Management Statement
30 April 2020	Reckitt Benckiser Group Plc	Q1 2020 Sales and Revenue Release - Interim Management Statement
30 April 2020	J Sainsbury Plc	Q4 2020 Earnings Release
30 April 2020	St. James's Place Plc	Q1 2020 Sales and Revenue Release
30 April 2020	Tapestry, Inc.	Q3 2020 Earnings Release
30 April 2020	Royal Dutch Shell Plc	Q1 2020 Earnings Release
30 April 2020	Visa, Inc.	Q2 2020 Earnings Release
30 April 2020	Apple, Inc.	Q2 2020 Earnings Release
01 May 2020	Royal Bank of Scotland Group Plc	Q1 2020 Earnings Release
01 May 2020	Exxon Mobil Corp.	Q1 2020 Earnings Release
01 May 2020	The Est (R)e Lauder Companies, Inc.	Q3 2020 Earnings Release
01 May 2020	Colgate-Palmolive Co.	Q1 2020 Earnings Release
01 May 2020	Chevron Corp.	Q1 2020 Earnings Release
05 May 2020	Aviva Plc	Q4 2019 Earnings Release
05 May 2020	BNP Paribas SA	Q1 2020 Earnings Release
05 May 2020	Pandora AS	Q1 2020 Earnings Release
05 May 2020	Xylem, Inc.	Q1 2020 Earnings Release
05 May 2020	Siemens Healthineers AG	Q2 2020 Earnings Release
05 May 2020	The Walt Disney Co.	Q2 2020 Earnings Release
05 May 2020	Electronic Arts, Inc.	Q4 2020 Earnings Release
05 May 2020	AXA SA	Q1 2020 Sales and Revenue Release - Activity Report
06 May 2020	Direct Line Insurance Group Plc	Q1 2020 Sales and Revenue Release - Trading Update
06 May 2020	Fresenius SE & Co. KGaA	Q1 2020 Earnings Release
06 May 2020	ITV Plc	Q1 2020 Sales and Revenue Release - Trading Update
06 May 2020	Novo Nordisk A/S	Q1 2020 Earnings Release
06 May 2020	Zoetis, Inc.	Q1 2020 Earnings Release
06 May 2020	Smith & Nephew Plc	Q1 2020 Sales and Revenue Release - Trading Update
06 May 2020	Costco Wholesale Corp.	April 2020 Sales and Revenue Release
06 May 2020	PayPal Holdings, Inc.	Q1 2020 Earnings Release
07 May 2020	Continental AG	Q1 2020 Earnings Release
07 May 2020	Equiniti Group Plc	Q1 2020 Sales and Revenue Release - Trading Update
07 May 2020	International Consolidated Airlines Group SA	Q1 2020 Earnings Release
07 May 2020	InterContinental Hotels Group Plc	Q1 2020 Sales and Revenue Release - Trading Update
07 May 2020	IMI Plc	Q1 2020 Sales and Revenue Release - Interim Management Statement
07 May 2020	Legrand SA	Q1 2020 Earnings Release
07 May 2020	RSA Insurance Group Plc	Q1 2020 Sales and Revenue Release - Trading Update
07 May 2020	Zalando SE	Q1 2020 Earnings Release
07 May 2020	Anheuser-Busch InBev SA/NV	Q1 2020 Earnings Release
07 May 2020	BT Group Plc	Q4 2020 Earnings Release
07 May 2020	Danaher Corp.	Q1 2020 Earnings Release
07 May 2020	Linde Plc	Q1 2020 Earnings Release
07 May 2020	EOG Resources, Inc.	Q1 2020 Earnings Release
08 May 2020	ING Groep NV	Q1 2020 Earnings Release



	<b>Monday 20<sup>th</sup> April</b>	<b>Tuesday 21<sup>st</sup> April</b>	<b>Wednesday 22<sup>nd</sup> April</b>	<b>Thursday 23<sup>rd</sup> April</b>	<b>Friday 24<sup>th</sup> April</b>
<b>UK</b>		ILO Unemployment Rate 3-M	CPI Core NSA Y/Y CPI EU Harmonized NSA Y/Y PPI Output NSA Y/Y	Retail Sales SA Y/Y CIPS Manufacturing PMI SA (Preliminary) CIPS Services PMI SA (Preliminary) CBI Industrial Trends Total Orders NSA M/M	
<b>US</b>		Existing Home Sales SAAR	FHFA Home Price Index	Initial Claims SA Markit PMI Manufacturing SA (Preliminary) Markit PMI Services SA (Preliminary) New Home Sales SAAR	Durable Orders SA M/M (Preliminary) Michigan Sentiment NSA (Final)
<b>RoW</b>	EU - Trade Balance SA		EU - Trade Balance SA	EU - Trade Balance SA EU - Markit PMI Manufacturing SA (Preliminary) EU - Markit PMI Services SA (Preliminary)	

## 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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