

## Morning Meeting

6 May 2020

|                         | Index   | +/-   | % change |
|-------------------------|---------|-------|----------|
| FTSE 100                | 5849.4  | 95.6  | 1.7      |
| FTSE All-Share          | 3225.9  | 47.3  | 1.5      |
| DJ Industrial Average   | 23883.1 | 133.3 | 0.6      |
| S&P 500                 | 2868.4  | 25.7  | 0.9      |
| NASDAQ Composite Index  | 8809.1  | 98.4  | 1.1      |
| Nikkei Japan 1000 Index | 1705.6  | -39.4 | -2.3     |
| Hang Seng Index         | 23868.7 | 254.9 | 1.1      |
| EURO STOXX 50 (EUR)     | 2875.9  | 59.4  | 2.1      |
| Switzerland SMI (PR)    | 9512.2  | 121.9 | 1.3      |
| France CAC 40           | 4483.1  | 104.9 | 2.4      |
| Germany DAX (TR)        | 10729.5 | 262.7 | 2.5      |

| Currencies   |           | +/-   | 12 month range |            |
|--------------|-----------|-------|----------------|------------|
| £:\$         | 1.246     | 0.00  | 1.15           | 1.33       |
| Y:\$         | 106.605   | -0.32 | 102.55         | 112.09     |
| E:£          | 1.149     | 0.01  | 1.07           | 1.20       |
| E:\$         | 1.084     | -0.01 | 1.07           | 1.14       |
| 10 Yr Bond   | Yld %     | +/-   | -3 months      | -12 months |
| UK           | 0.22      | -0.02 | 0.63           | 1.26       |
| US           | 0.66      | 0.02  | 1.65           | 2.53       |
| Germany      | -0.57     | -0.02 | -0.37          | 0.04       |
|              | Price (p) | +/-   | 12 month range |            |
| Investec plc | 161.45    | 5.4   | 128.8          | 518.6      |

| Matrix Winners                | Price  | +/-  | % change |
|-------------------------------|--------|------|----------|
| Weir Group PLC                | 952.6  | 58.6 | 6.6      |
| BP p.l.c.                     | 318.9  | 18.3 | 6.1      |
| Royal Dutch Shell Plc Class A | 1335.6 | 70.2 | 5.5      |
| Melrose Industries PLC        | 98.8   | 5.1  | 5.4      |
| Micro Focus International plc | 472.9  | 22.9 | 5.1      |

| Sector Winners  | % change | Mkt Wt |
|---|----------|--------|
| FTSE All-Share / Oil & Gas Producers - SEC              | 5.6      | 9.2    |
| FTSE All-Share / Technology Hardware & Equipment - SEC  | 4.70     | 0.1    |
| FTSE All-Share / Health Care Equipment & Services - SEC | 2.79     | 0.1    |
| FTSE All-Share / Life Insurance - SEC                   | 2.6      | 3.2    |
| FTSE All-Share / Mobile Telecommunications - SEC        | 2.5      | 1.7    |

| Matrix Losers             | Price | +/-   | % change |
|---------------------------|-------|-------|----------|
| Ted Baker PLC             | 138.2 | -8.8  | -6.0     |
| Riverstone Energy Limited | 240.0 | -14   | -5.5     |
| Capita plc                | 35.0  | -1.85 | -5.0     |
| Marston's PLC             | 33.6  | -1.66 | -4.7     |
| Equiniti Group Plc        | 153.6 | -7    | -4.4     |

| Sector Losers  | % change | Mkt Wt |
|--|----------|--------|
| FTSE All-Share / Real Estate Investment & Services - SEC   | -1.5     | 0.4    |
| FTSE All-Share / Industrial Transportation - SEC           | -1.3     | 0.2    |
| FTSE All-Share / Forestry & Paper - SEC                    | -1.3     | 0.4    |
| FTSE All-Share / Construction & Materials - SEC            | -1.2     | 1.4    |
| FTSE All-Share / Household Goods & Home Construction - SEC | -0.9     | 4.0    |

| Stocks Hitting Relative High |
|------------------------------|
| AstraZeneca PLC              |
| -                            |
| -                            |

| Stocks Hitting Relative Low                  |
|--|
| HSBC Holdings Plc                            |
| International Consolidated Airlines Group SA |
| Marks and Spencer Group plc                  |

### Companies discussed in Morning Meeting

#### UK Equities

|                |                   |
|----------------|-------------------|
| Direct Line    | Quarterly Results |
| Hammerson      | Company Update    |
| Hiscox         | Company Update    |
| ITV            | Quarterly Results |
| Smith & Nephew | Quarterly Results |

#### International Equities

|                     |                   |
|---------------------|-------------------|
| AXA                 | Quarterly Results |
| Beyond Meat         | Quarterly Results |
| Disney              | Quarterly Results |
| DuPont              | Quarterly Results |
| Electronic Arts     | Quarterly Results |
| Fresenius           | Quarterly Results |
| Illinois Tool Works | Quarterly Results |
| Novo Nordisk        | Quarterly Results |
| Xylem               | Quarterly Results |

- A risk off tone to the UK market first thing this morning, punctuated by some notable stock-specific gains from the likes of ITV and Astra. On the flip side, Carnival leads the FTSE 100 losers following news yesterday from its smaller (and more leveraged) peer Norwegian Cruise Lines stating that there was substantial doubt about its future as it raised fresh equity and debt (12.25% secured for four years), shares down >20%.
- Strength in the oil price helped the UK market end with something of a flourish yesterday, and supported sentiment in the US as well, the S&P up 0.9% at the close, though off the day's highs, whilst the NASDAQ pushed on 1.1%. Here Pharma and Biotech was still very well bid as the market looks for the winners from providing a cure, or at least vaccine to COVID-19. WTI finished up 20% yesterday to just under \$25/barrel whilst Brent gained 14% and pushed through \$31, marking six days of gains in a row.
- Trading in Asia is positive overnight despite the mud-slinging from the US, the Hang Seng up 1.5% and China's CSI 300 up 0.5%.
- Now that central banks and governments have formulated and enacted their responses to COVID-19, corporates have largely got their arms around immediate liquidity concerns and the majority have given us an update with their Q1 numbers, the near-term newsflow will be dominated by economic updates, national plans to ease restrictions, and, inevitably the Donald.
- At the moment it is the latter pair that are dominating sentiment, with more governments starting to talk in more detail both with regard to practicalities and timing of exiting lockdown, providing support for risk assets, whilst President Trump continues to throw rocks at China with regard to the origins of this COVID-19 outbreak.
- Global COVID cases increased by 2.2% and fatalities ticked modestly higher to 2.3%, but no major deviation from recent trends. The US infection rate was up 2.0% vs. a 2.4% five day average whilst new cases and deaths in New York both grew less than 1%. The UK now sadly tops the list for fatalities in any European country. Germany continues to ease restrictions, with Bavarian shops and malls, restaurants and hotels all reopening before the end of the month.
- An unhelpful curve-ball from the German constitutional court with regard to the ECB's bond buying programme did not do too much to unsettle fixed interest markets, though the Euro weakened 70bp against the dollar and Italian vs. German bond spreads widened 12bp to 244bp. This is the culmination of a long-running case led by German economists and law professors in 2015, essentially arguing that the ECB was overstepping its mark with regard to QE. The court has decided that it did, and that the Bundesbank must not engage in any further QE unless the ECB can prove that it is required (though this does not prevent the ECB buying in response to the pandemic). The ECB has three months to respond.
- Economic data was once again unsurprisingly weak, the US non-manufacturing ISM falling to its lowest reading since 2009 at 41.8, though less bad than feared by the market (38.0). Today sees final readings of April Service PMIs for Europe and a first stab at the UK's construction PMI (25.2 seen down from 39.3 in March).

# Events Calendar

| Date        | Company                                      | Event  |
|-------------|--|--|
| 05 May 2020 | Aviva Plc                                    | Q4 2019 Earnings Release   |
| 05 May 2020 | BNP Paribas SA                               | Q1 2020 Earnings Release   |
| 05 May 2020 | Siemens Healthineers AG                      | Q2 2020 Earnings Release   |
| 05 May 2020 | Total SA                                     | Q1 2020 Earnings Release   |
| 05 May 2020 | Pandora AS                                   | Q1 2020 Earnings Release   |
| 05 May 2020 | DuPont de Nemours, Inc.                      | Q1 2020 Earnings Release   |
| 05 May 2020 | Xylem, Inc.                                  | Q1 2020 Earnings Release   |
| 05 May 2020 | Illinois Tool Works, Inc.                    | Q1 2020 Earnings Release   |
| 05 May 2020 | Beyond Meat, Inc.                            | Q1 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 | Ocado Group Plc                              | Q2 2020 Sales and Revenue Release - Trading Update               |
| 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 | Equiniti Group Plc                           | Q1 2020 Sales and Revenue Release - Trading Update               |
| 07 May 2020 | International Consolidated Airlines Group SA | April 2020 Sales and Revenue Release - Traffic Results           |
| 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 | Melrose Industries 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 | RSA Insurance Group Plc                      | Q1 2020 Sales and Revenue Release - Trading Update               |
| 07 May 2020 | Continental AG                               | Q1 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   |
| 11 May 2020 | Centrica Plc                                 | Q1 2020 Sales and Revenue Release - Trading Update               |
| 11 May 2020 | Victrex Plc                                  | Q2 2020 Earnings Release   |
| 12 May 2020 | Greggs Plc                                   | Q1 2020 Sales and Revenue Release - Trading Update               |
| 12 May 2020 | Land Securities Group Plc                    | Q4 2020 Earnings Release   |
| 12 May 2020 | Premier Oil Plc                              | Q1 2020 Sales and Revenue Release - Trading Update               |
| 12 May 2020 | Renishaw Plc                                 | Q3 2020 Sales and Revenue Release - Trading Statement            |
| 12 May 2020 | Vodafone Group Plc                           | Q4 2020 Earnings Release   |
| 13 May 2020 | Marston's Plc                                | Q2 2020 Earnings Release   |
| 13 May 2020 | The Sage Group Plc                           | Q2 2020 Earnings Release   |
| 13 May 2020 | Spirax-Sarco Engineering Plc                 | Q1 2020 Sales and Revenue Release - Trading Update               |
| 13 May 2020 | Cisco Systems, Inc.                          | Q3 2020 Earnings Release   |
| 14 May 2020 | Countryside Properties Plc                   | Q2 2020 Earnings Release   |
| 14 May 2020 | Hargreaves Lansdown Plc                      | Q3 2020 Sales and Revenue Release - Interim Management Statement |
| 14 May 2020 | Deutsche Telekom AG                          | Q1 2020 Earnings Release   |
| 15 May 2020 | Compagnie Financière Richemont SA            | Q4 2020 Earnings Release   |
| 19 May 2020 | DCC Plc                                      | Q4 2020 Earnings Release   |
| 19 May 2020 | Imperial Brands Plc                          | Q2 2020 Earnings Release   |
| 19 May 2020 | Shaftesbury Plc                              | Q2 2020 Earnings Release   |
| 19 May 2020 | The Home Depot, Inc.                         | Q1 2020 Earnings Release   |
| 20 May 2020 | Britvic Plc                                  | Q2 2020 Earnings Release   |
| 20 May 2020 | Compass Group Plc                            | Q2 2020 Earnings Release   |
| 20 May 2020 | Experian Plc                                 | Q4 2020 Earnings Release   |
| 20 May 2020 | Great Portland Estates Plc                   | Q4 2020 Earnings Release   |
| 20 May 2020 | Marks & Spencer Group Plc                    | Q4 2020 Earnings Release   |
| 20 May 2020 | Severn Trent Plc                             | Q4 2020 Earnings Release   |
| 21 May 2020 | Essentra Plc                                 | Q1 2020 Sales and Revenue Release - Trading Update               |
| 21 May 2020 | Intertek Group Plc                           | Q1 2020 Sales and Revenue Release - Trading Update               |
| 21 May 2020 | Kingfisher plc                               | Q1 2021 Sales and Revenue Release - Trading Update               |
| 21 May 2020 | Tate & Lyle Plc                              | Q4 2020 Earnings Release   |
| 21 May 2020 | Medtronic Plc                                | Q4 2020 Earnings Release   |
| 22 May 2020 | Burberry Group Plc                           | Q4 2020 Earnings Release - Preliminary                           |
| 22 May 2020 | Close Brothers Group Plc                     | Q3 2020 Sales and Revenue Release - Trading Update               |
| 22 May 2020 | Deere & Co.                                  | Q2 2020 Earnings Release   |
| 22 May 2020 | SSE Plc                                      | Q4 2020 Earnings Release   |
| 22 May 2020 | Spectris Plc                                 | Q1 2020 Sales and Revenue Release - Trading Update               |
| 22 May 2020 | United Utilities Group Plc                   | Q4 2020 Earnings Release   |

|            | <b>Monday<br/>4<sup>th</sup> May</b>   | <b>Tuesday<br/>5<sup>th</sup> May</b>                      | <b>Wednesday<br/>6<sup>th</sup> May</b>  | <b>Thursday<br/>7<sup>th</sup> May</b>                                    | <b>Friday<br/>8<sup>th</sup> May</b>  |
|------------|--|--|--|---|---|
| <b>UK</b>  |  | CIPS Services PMI SA (Final)                               | CIPS Construction PMI SA   | BoE Official Bank Rate<br>MPC Minutes Publication<br>and Inflation Report |   |
| <b>US</b>  | Durable Orders SA M/M (Final)<br>Factory Orders SA M/M   | Markit PMI Services SA (Final)<br>ISM Non Manufacturing SA | ADP Employment Survey SA   | Consumer Credit SA<br>Productivity SAAR Q/Q (Preliminary)                 | Hourly Earnings SA M/M (Preliminary)<br>Hourly Earnings Y/Y (Preliminary)<br>Average Workweek SA (Preliminary)<br>Manufacturing Payrolls SA<br>Nonfarm Payrolls SA<br>Private Nonfarm Payrolls<br>Unemployment Rate<br>Wholesale Inventories SA M/M (Final) |
| <b>RoW</b> | EU - Sentix Economic Index<br>EU - Markit PMI Manufacturing SA (Final)<br>GR - Markit PMI Manufacturing SA (Final)<br>FR - Markit PMI Manufacturing SA (Final) |  | EU - Markit PMI Composite SA (Final)<br>EU - Markit PMI Services SA (Final)<br>EU - Retail Sales SCA M/M<br>EU - Retail Sales CA Y/Y | GR – PMI Construction   |   |

## Central Bank Meetings

|                        |                          |
|------------------------|--------------------------|
| <b>Bank of England</b> | 7 <sup>th</sup> May 2020 |
|------------------------|--------------------------|

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