

## Morning Meeting

15 May 2020

	Index	+/-	% change
FTSE 100	5741.5	-162.5	-2.8
FTSE All-Share	3153.2	-90.7	-2.8
DJ Industrial Average	23625.3	377.4	1.6
S&P 500	2852.5	32.5	1.2
NASDAQ Composite Index	8943.7	80.6	0.9
Nikkei Japan 1000 Index	1724.3	-32.4	-1.8
Hang Seng Index	23829.7	-350.6	-1.4
EURO STOXX 50 (EUR)	2760.2	-50.3	-1.8
Switzerland SMI (PR)	9448.1	-183.5	-1.9
France CAC 40	4273.1	-71.8	-1.7
Germany DAX (TR)	10337.0	-205.6	-2.0

Matrix Winners	Price	+/-	% change
Marston's PLC	32.0	2.0	6.7
3i Group plc	797.0	47.2	6.3
Marks and Spencer Group plc	88.7	2.4	2.8
Infoma Plc	420.0	10.6	2.6
Meggitt PLC	237.9	6.0	2.6

Matrix Losers	Price	+/-	% change
Countryside Properties Plc	305.4	-64	-17.3
Sage Group plc	618.4	-48.2	-7.2
Polypipe Group PLC	395.5	-30.5	-7.2
Ocado Group PLC	1956.0	-144	-6.9
	0	0.0	0.0

Stocks Hitting Relative High
AstraZeneca PLC
Domino's Pizza Group plc
Flutter Entertainment Plc
London Stock Exchange Group plc

Currencies		+/-	12 month range	
£:\$	1.220	0.00	1.15	1.33
Y:\$	107.045	-0.07	102.55	112.09
E:£	1.128	0.00	1.07	1.20
E:\$	1.081	0.00	1.07	1.14
10 Yr Bond	Yld %	+/-	-3 months	-12 months
UK	0.20	-0.01	0.64	1.14
US	0.62	-0.03	1.59	2.42
Germany	-0.54	-0.01	-0.41	-0.05
	Price (p)	+/-	12 month range	
Investec plc	144.9	-3.15	128.8	518.6

Sector Winners	% change	Mkt Wt
FTSE All-Share / Construction & Materials - SEC	-1.1	1.4
FTSE All-Share / Industrial Metals & Mining - SEC	-1.11	0.1
FTSE All-Share / Banks - SEC	-1.37	0.1
FTSE All-Share / Travel & Leisure - SEC	-1.5	3.5
FTSE All-Share / Technology Hardware & Equipment - SEC	-1.6	0.1

Sector Losers	% change	Mkt Wt
FTSE All-Share / Software & Computer Services - SEC	-5.5	1.0
FTSE All-Share / Electronic & Electrical Equipment - SEC	-4.6	0.8
FTSE All-Share / Beverages - SEC	-4.4	3.8
FTSE All-Share / Food Producers - SEC	-4.3	0.7
FTSE All-Share / Food & Drug Retailers - SEC	-4.2	2.3

Stocks Hitting Relative Low
Land Securities Group PLC
Rolls-Royce Holdings plc
Shaftesbury PLC
Urban&Civic PLC

### Companies discussed in Morning Meeting

#### UK Equities

<b>Astra Zeneca</b>	Company Results
<b>Grainger</b>	Company Results
<b>Prudential</b>	Company Update
<b>William Hill</b>	Company Results

#### International Equities

<b>Richemont</b>	Company Results
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- In a repeat of a now familiar but curious pattern, the US equity market rallied strongly on a Thursday that saw the publication of worse than expected unemployment data. The S&P 500, having been down nearly 2% not long after the open, reversed course and closed up 1.15%, a swing of more than 3%. Banks led the way with a gain of 4.1%. It was also a good day for Oils, although they underperformed slightly (+94bps) as the price of the main benchmarks WTI (+9%) and Brent (+6.5%) rose strongly in response to the International Energy Agency's announcement that it has increased its estimate of Q2 demand by 3.2m bpd.
- Despite the risk-on tone in the equity market it was also a positive day for US government bonds, with the 10-year yield falling 3bps.
- The positive tone wasn't undermined by a further increase in tensions between the US and China. Sounding even more like a petulant child than usual, President Trump said he doesn't want to speak to President Xi at the moment and might cut off the whole relationship. And what would happen then? What indeed. Meanwhile the Senate passed legislation that would allow the administration to impose targeted sanctions on certain Chinese government officials. This wasn't about COVID-19, like Senator Graham's proposed bill earlier in the week, but about alleged human rights abuses.
- The rally on Wall Street came too late to bail out European equity markets, which suffered a gloomy day in the wake of some earlier downbeat commentary about the coronavirus pandemic. In the UK the FTSE 100 fell 2.75% while the Stoxx 600 lost 2.17%.
- Latest developments on the coronavirus saw global cases increase by 2.2% to more than 4.5m, with fatalities up 1.7% to more than 303k. Both growth rates were fairly consistent with recent averages. Japan, Israel and Greece were among countries to announce lockdown easing measures, but in China President Xi ordered tougher control measures in two North Eastern provinces amid concern about cases being 'imported' from North Korea or Russia. On the medical front there is a row brewing after the CEO of Sanofi said the US would be given priority in orders for a vaccine; France has argued that no country should be given such priority.
- A European survey by Deutsche Bank about people's attitudes to relaxed lockdown measures indicated a high degree of caution, which may provide some pointers to the pace of economic recovery. On the whole, there is little appetite for a return to schooling in the next few weeks, nor to travel by aeroplane in the next six months. Around 50% of respondents indicated they would be willing to fly after that interval. There was also little enthusiasm for concerts and sports in the next six months, with those activities ranking lower in people's priorities than shopping, restaurants and returning to offices. On the subject of returning to work, apparently the Germans are most keen, the Italians and British not so much.
- Yesterday's US economic data saw weekly jobless claims of 2.98m, higher than the consensus 2.5m and a fall of 'only' 195k from last week; that's the lowest decline since the big spike up. Ongoing claims were around 22m. Other economic data showed a recovery in Chinese Industrial Production in April, when it was up 3.9%, having fallen 13.5% in the Jan-Feb period. Retail sales are still weak, however, falling 7.5%.
- Central bankers continued to push back on the idea of negative rates, with BoE Governor Bailey and Fed member Bullard both expressing a desire to avoid them. The BoJ said it sees no case for a further reduction in its (already negative) rates.
- Today we will see the second estimate of Q1 GDP for the Eurozone, which won't get any better for having a second go; it is still forecast to be -3.3%. In the US we have Industrial Production for April, which is expected to have deteriorated further to -11.9% from March's level of -5.4%. JOLTs jobs openings are forecast to 6.1m, University of Michigan Sentiment (May) 69, and Empire State Manufacturing (May) -65.5, an improvement on April's -78.2.

- Overnight in Asia equity markets were mixed, with no huge moves either way, but in Europe this morning markets have taken their lead from the US, with early gains of 1-2%. In the UK the FTSE 100 was +130bps in early trade. Joining the usual suspects of Carnival, easyJet and IHG on the leader board was BT following press reports that it is in discussions to sell a stake in Openreach. That seems improbable given last week's announcement of a big increase in FTTP investment and the company's previous protestations (when it thought it might be enforced) that it was too complex. And if it is true the CEO will have a lot of explaining to do; he bought £1.8m of shares yesterday.

## Events Calendar

Date	Company	Event
08 May 2020	Dentsply Sirona, 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
14 May 2020	Prudential Plc	Q1 2020 Sales and Revenue 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	The Home Depot, Inc.	Q1 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
21 May 2020	Palo Alto Networks, Inc.	Q3 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
27 May 2020	Babcock International Group Plc	Q4 2020 Earnings Release
27 May 2020	The British Land Co. Plc	Q4 2020 Earnings Release
27 May 2020	Britvic Plc	Q2 2020 Earnings Release
28 May 2020	Daily Mail & General Trust Plc	Q2 2020 Earnings Release
28 May 2020	Johnson Matthey Plc	Q4 2020 Earnings Release
28 May 2020	Costco Wholesale Corp.	Q3 2020 Earnings Release

	Monday 11 <sup>th</sup> May	Tuesday 12 <sup>th</sup> May	Wednesday 13 <sup>th</sup> May	Thursday 14 <sup>th</sup> May	Monday 15 <sup>th</sup> May
<b>UK</b>		GDP SA Y/Y (Preliminary) GDP SA Q/Q (Preliminary)	Industrial Production SA M/M Industrial Production SA Y/Y Manufacturing Production SA M/M Construction Output Y/Y		
<b>US</b>		CPI NSA Y/Y Treasury Budget NSA	ADP Employment Survey SA	Initial Claims SA	Retail sales Ex AutoFuel M/M Retail Sales ex-Auto SA M/M Retail Sales SA M/M Capacity Utilization NSA Industrial Production SA M/M Business Inventories SA M/M JOLTS Job Openings Michigan Sentiment NSA (Preliminary)
<b>RoW</b>			EU - Industrial Production SA M/M EU - Industrial Production WDA Y/Y	FR - Unemployment Rate GR – CPI EU Harmonized NSA Y/Y (Final)	EU - GDP SA Y/Y (Second Preliminary) FR - CPI NSA M/M (Final) GR - GDP SA Q/Q (Preliminary)

### Central Bank Meetings

<b>European Central Bank</b>	4 <sup>th</sup> June 2020
<b>Federal Reserve</b>	10 <sup>th</sup> June 2020
<b>Bank of England</b>	18 <sup>th</sup> June 2020

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