

Morning Meeting

28 May 2020

	Index	+/-	% change
FTSE 100	6144.3	76.5	1.3
FTSE All-Share	3396.1	41.7	1.2
DJ Industrial Average	25548.3	553.2	2.2
S&P 500	3036.1	44.4	1.5
NASDAQ Composite Index	9412.4	72.1	0.8
Nikkei Japan 1000 Index	1847.6	17.7	1.0
Hang Seng Index	23301.4	-83.3	-0.4
EURO STOXX 50 (EUR)	3051.1	51.9	1.7
Switzerland SMI (PR)	9716.5	-114.3	-1.2
France CAC 40	4688.7	82.5	1.8
Germany DAX (TR)	11657.7	153.0	1.3

Matrix Winners	Price	+/-	% change
TUI AG	530.4	71.6	15.6
Melrose Industries PLC	118.7	12.7	12.0
Meggitt PLC	304.8	28.8	10.4
Rolls-Royce Holdings plc	346.1	31.3	9.9
Dixons Carphone PLC	76.8	6.1	8.6

Matrix Losers	Price	+/-	% change
Barratt Developments PLC	502.8	-30.2	-5.7
Premier Oil plc	29.3	-1.63	-5.3
Smart Metering Systems PLC	590.0	-27	-4.4
Urban&Civic PLC	234.0	-10	-4.1

Stocks Hitting Relative High

Flutter Entertainment Plc
 Rio Tinto plc

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Currencies		+/-	12 month range	
£:\$	1.221	-0.01	1.15	1.33
Y:\$	107.835	0.24	102.55	112.09
E:£	1.113	-0.01	1.07	1.20
E:\$	1.097	0.00	1.07	1.14
10 Yr Bond	Yld %	+/-	-3 months	-12 months
UK	0.20	-0.01	0.43	1.03
US	0.67	-0.03	1.30	2.32
Germany	-0.41	0.02	-0.56	-0.09
	Price (p)	+/-	12 month range	
Investec plc	163.9	8.39998	128.8	518.6

Sector Winners	% change	Mkt Wt
FTSE All-Share / Oil Equipment, Services & Distribution - SEC	4.6	0.1
FTSE All-Share / Construction & Materials - SEC	4.16	1.4
FTSE All-Share / General Industrials - SEC	3.97	1.4
FTSE All-Share / Banks - SEC	3.9	7.4
FTSE All-Share / Leisure Goods - SEC	3.6	0.1

Sector Losers	% change	Mkt Wt
FTSE All-Share / Technology Hardware & Equipment - SEC	-4.8	0.1
FTSE All-Share / Software & Computer Services - SEC	-1.4	1.0
FTSE All-Share / Industrial Metals & Mining - SEC	-1.3	0.1
FTSE All-Share / Household Goods & Home Construction - SEC	-1.3	3.9
FTSE All-Share / Electronic & Electrical Equipment - SEC	-0.6	0.8

Stocks Hitting Relative Low

HSBC Holdings Plc
 Hurricane Energy Plc
 NMC Health PLC

Companies discussed in Morning Meeting

UK Equities

Daily Mail & General Trust Company Results

easyJet Company Update

International Equities

Boeing Company Update

- Yesterday was another risk-on day in markets as evidence of economies slowly getting back to work emerges. Developed world equity markets showed strong gains, with European equity markets rising 1.7% (EuroStoxx 50), the UK +1.3% (FTSE 100), the US 1.5% (S&P 500) and Japan this morning +1.8% (Topix). Emerging markets were unchanged on the day. Fiscal stimulus packages from developed world economies are boosting returns. News of a €8bn package from the French government for the domestic car sector saw the prices of Renault and Peugeot climb 17% and 5% respectively, while Japan's market has been boosted by its government approving an extra \$1.1trn in spending. The European banks sector rose 5% yesterday, leading to a total return of 13% this week, on the back of greater economic optimism. Despite the improved economic sentiment, government bond yields generally fell yesterday, with Italy and Spain outperforming, as central banks remain in control of yields.
- The European Commission yesterday proposed a total Recovery Plan of €750bn, including EUR500bn of grants and EUR250bn of loans, to be disbursed over 2021-24, as part of the 2021-2027 EU budget. The proposal is close to the Franco-German proposal (of €500bn of grants), but more ambitious on the loan-based mechanisms for investment. Regarding the country allocation, staff simulations suggest that disbursement might be skewed even more than expected towards Southern Europe (especially Spain and Greece) and Eastern EU countries (including Poland). The frugal northern EU countries including the Netherlands and Austria continue to object to the overall quantum of the boost. Meanwhile, ECB president, Christine Lagarde, warned that the Eurozone's economy would shrink by between 8%-12% in 2020, although most investors are seeking to look through this year's weak data.
- More troubling news yesterday for markets was the call by Mike Pompeo, US secretary of state, to remove the special treatment Hong Kong receives from the US given its autonomy from China following the recent decision by China to impose national security legislation on the territory. If Hong Kong's special treatment is removed, trade between the territory and the US could be subject to tariffs, sanctions and export restrictions. The US equity market fell in early trade on the news yesterday before rebounding on more promising economic news elsewhere.
- The US president's latest enemy has for a long time been one of his greatest aids: Twitter. Trump has threatened to shut down Twitter after the company placed a fact check warning on his account. The fact checks were in response to Trump denigrating postal voting in the US.

Events Calendar

Date	Company	Event
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	Costco Wholesale Corp.	Q3 2020 Earnings Release
03 June 2020	Chemring Group Plc	Q2 2020 Earnings Release
03 June 2020	Costco Wholesale Corp.	May 2020 Sales and Revenue Release
04 June 2020	Intermediate Capital Group Plc	Q4 2020 Earnings Release
04 June 2020	Pennon Group Plc	Q4 2020 Earnings Release
10 June 2020	Industria de Dise ño Textil SA	Q1 2020 Earnings Release
10 June 2020	LondonMetric Property Plc	Q4 2020 Earnings Release
10 June 2020	Shaftesbury Plc	Q2 2020 Earnings Release
11 June 2020	Adobe Incorporated	Q2 2020 Earnings Release
11 June 2020	Babcock International Group Plc	Q4 2020 Earnings Release
11 June 2020	Johnson Matthey Plc	Q4 2020 Earnings Release

	Monday 25 th May	Tuesday 26 th May	Wednesday 27 th May	Thursday 28 th May	Friday 29 th May
UK		CBI Distributive Trades Survey Realized NSA			
US		Consumer Confidence		GDP SAAR Q/Q (Second Preliminary) Initial Claims SA Durable Orders SA M/M (Preliminary)	Personal Consumption Expenditure SA M/M Personal Income SA M/M Wholesale Inventories SA M/M (Preliminary) Chicago PMI SA Michigan Sentiment NSA (Final)
RoW				EU - Business Climate EU - Consumer Confidence Indicator (Final) EU - Economic Confidence Indicator	EU - CPI EU Harmonized Y/Y (Flash)

Central Bank Meetings

European Central Bank	4 th June 2020
Federal Reserve	10 th June 2020
Bank of England	18 th June 2020

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