

# The noise, the numbers & the nuance

Weekly Market Update | 31 July 2020

Welcome to our weekly newsletter, where we summarise the key market developments over the last seven days



## The noise

- The decision to reinstate a two-week quarantine on travellers returning to the UK from Spain was made this week as the infection rate in the region is running at three times the rate in the UK. As next week sees the start of discounted eating out throughout the country, it appears that holiday goes to the Canary Islands can also snap up the bargain of four weeks of holiday for the price of two! Or at least we think that's how it works...
- Reporting season is in full flow as businesses start to update on their half-yearly results. The majority of companies have exceeded very pessimistic expectations; however this still hasn't been enough to push share prices higher given how hot they've been running over the last few months.
- The US dollar has come under quite a bit of pressure as the US Government appears to be trying its very hardest to launch more stimulus plans than there are Fast and Furious films. This has unsettled holders of the dollar and caused some weakness in the currency.



## The numbers

GBP Performance to 30/07/20	1 Week	YTD
<b>Equity GBP Total Return (MSCI)</b>		
UK (MSCI UK)	-3.7%	-20.2%
Europe (MSCI Europe)	-4.6%	-7.3%
US (MSCI USA)	-2.0%	4.1%
Japan (MSCI Japan)	-2.6%	-4.0%
Emerging Markets (MSCI Emerging)	-2.0%	0.1%
<b>Fixed Income GBP Total Return</b>		
UK Government (Barclays Sterling Gilts Index)	0.3%	10.2%
Investment Grade Hedged (Barclays Global Aggregate Corporate Bond Index)	0.1%	5.3%
High Yield Bonds Hedged (Barclays Global High Yield Index)	0.2%	-2.1%
<b>Currency moves</b>		
GBP vs USD	2.8%	-1.2%
GBP vs EUR	0.6%	-6.5%
GBP vs JPY	0.7%	-4.8%
<b>Commodities GBP return</b>		
Gold (in £)	0.9%	30.5%
Oil (in \$)	-5.1%	-29.8%

Source: Bloomberg, data as at 30/07/2020



## The nuance

Reporting season is well and truly upon us. After months of noise for markets to speculate over, it's useful for investors to receive communication directly from companies. Their insights give us a far better understanding into how the crisis has affected business over the prior months and perhaps more importantly, they provide some indication of how these companies will perform in the recovery period.

As we move into a world where everyday life and business activity is shrouded by Covid-19, it's insightful for investors to understand what this looks like from the perspective of individual businesses. As you would expect, our fund managers and analysts diligently sift through these reports to understand the implications for the longer term business prospects.



## Quote of the week

*"2020 will be the most INACCURATE & FRAUDULENT Election in history. It will be a great embarrassment to the USA."*

**Donald Trump's** [Twitter account](#)

You may have read that national polls show former vice-president Joe Biden, the Democratic party's presumptive nominee, at a significant advantage over incumbent Republican president Donald Trump. Currently, Biden is polling ahead of Trump in key battlegrounds like Florida and Arizona, which are likely to decide the fate of the election. Perhaps you've wondered how Donald Trump might respond to the likelihood of his being unseated. With humility? With decorum? Not quite. Instead, he's insisting the election will be inaccurate and fraudulent due to mail-in voting and is therefore demanding it is delayed. Perhaps unsurprisingly, there is no evidence of widespread fraud, according to numerous nationwide and state-level studies over the years. He's never really been one to play it cool.

*Source: [bbc.com](#)*

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