

Market Overview



Update

02 April 2020

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COVID-19 update:

The one millionth case of coronavirus is likely to be recorded today as official figures rose 75k to 935,957 yesterday. Although in reality, we are probably far past that number as accusations of under testing, and underreporting continue to fly in the US, China, the UK and elsewhere. Bloomberg reported yesterday that US intelligence agencies have accused China of deliberately covering up the extent of the virus in the country while in the UK PM Boris Johnson has promised more testing, with an emphasis on frontline healthcare workers, who have been complaining of lack of access to tests for days. In New York, which accounts for over 40% of the US's 200k cases, governor Andrew Cuomo suggested that it could be the end of April before cases peak in his state, In more positive news, Italy has seen some positive benefits of the lockdown, with the fatality rate falling and growth of new cases stabilising at a relatively low 4.5%, while in Spain the growth rate in new cases has also fallen into single digits. Markets gave up some of their recent gains yesterday, with the Dow & S&P500 both finishing ~4% lower on the day.

Oil rebounds on China purchase plans:

The price of a barrel of oil has seen some recovery overnight on news that the Chinese government plans to buy oil to boost its strategic reserves. According to reports, the government is planning to boost stocks to store the equivalent of 90days of net imports, but possibly as much as 180 days. The news saw the price of a barrel of Brent crude oil rise 13% from to trade close to 28 USD/barrel. The news was timely coming after US inventory data showed the biggest weekly rise in holding of crude oil in 2 years, with 13.8mm barrels added to US inventories in the past week. This threatened to send the oil price lower, as it came before Saudi Arabia's threatened increase in production has even kicked off, which will put further pressure on global storage capacity for oil.

Capital Solutions from Investec Corporate Finance:

Everyone at Investec understands the significant challenges faced by our clients as a result of COVID-19 and its impact on businesses and economies. Going above and beyond expectations to protect and deliver solutions for our clients is one of Investec's core values and Investec has a range of capabilities to assist its clients to address these challenges. In this regard, Investec's Corporate Finance team have significant experience and expertise to provide clients with a wide range of financial solutions including short-term working capital and term debt as well as equity to fund growth and acquisitions. Please contact your account manager if you wish to have a discussion with our Corporate Finance team.

The Corporate Finance team are available to assist all our clients and further details of the team and its track record can be found by [clicking here](#).

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