

Market Overview



Update

16 April 2020

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Easing restrictions

With social distancing measures having slowed the infection rate of COVID-19 globally, countries are increasingly shifting their attention to lifting their restrictions. Later today, US President Donald Trump is set to announce guidelines on the re-opening of the economy after stating that data showed the country was “past the peak”. Mr Trump has suggested some US states could re-open before 1 May, however Dr Anthony Fauci has warned that it would be “overly optimistic” to view early May as a goal for much of the country. Separately, reports suggest that the UK government will extend the lockdown until early May, with the UK Foreign Secretary (Dominic Raab) chairing a committee of ministers and devolved administration leaders today. While there is no scheduled time for the announcement of the lockdown extension in the UK, we can perhaps surmise that it will come at the government’s daily press briefing towards the end of the working day. The EU Commission has also presented a plan to ease out the current restrictions that are in place across most of the continent. Three sets of criteria will be used to monitor and assess when/how to begin to ease constraints. They will be 1) appropriate monitoring capacity, 2) sufficient health system capacity and 3) epidemiological criteria.

UK retail sales collapse & US jobless data

The British Retail Consortium (BRC) reported overnight that retail sales had plummeted 4.3% (yoy) in March, a pace of decline unmatched since its records began in 1995. The organisation stated that the enforced closure of non-essential stores had outweighed a stockpiling-driven spike in food sales as well as a sharp rise in online sales from house-bound consumers. Note also that US figures yesterday similarly laid bare the economic fallout of social distancing measures in March; the headline retail sales series fell at a record pace, whereas industrial production contracted at the greatest extent since 1946. Over to the US and focus will yet again shift to the weekly horror instalment that has been the weekly US jobless claims. The last three weeks have seen a phenomenal 16.8 million US citizens file for unemployment and with today’s print expected to be over 5 million in the last week, this would bring the number to well over 20 million and push the US unemployment rate to a post WW2 high of in/around 17%.

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