

## Market Review

The outbreak of COVID 19 has heavily impacted global financial markets, with many indices suffering their worst downturn since the global financial crisis. These are the overall returns for the six month period from 1<sup>st</sup> October 2019 to 31<sup>st</sup> March 2020. In the UK, large cap stocks measured by the FTSE 100 index fell -21.79%. In the US, the S&P 500 index dropped -12.31%, while in Europe the Eurostoxx index declined -21.36%. Japanese stocks posted a loss of -10.37% according to the Topix index. Emerging markets, measured by the MSCI Emerging Markets index, slipped -11.23% during the period.

Commodity prices have mostly struggled amidst the crisis, with the S&P GSCI index sinking -37.56% between 1<sup>st</sup> October 2019 and 31<sup>st</sup> March 2020. The price of oil, measured by the Oil Price Brent Crude PR index, plunged -62.59%. The precious metals have seen mixed fortunes, with the S&P GSCI Gold and Silver indices returning +8.01% and -17.23% respectively. UK property, measured by the FTSE EPRA/NAREIT UK index, fell -19.86%.

Within bond markets returns have been mostly negative. However UK gilts were defensive as the FTSE Gilts All Stocks index rose +2.19% while longer dated gilts, measured by the FTSE Gilts Over 15 Years index, gained +3.89%. In the high yield market, sterling high yield bonds, measured by the Merrill Lynch Sterling High Yield index, lost -10.82% while European high yield bonds, measured by the Merrill Lynch Euro High Yield TR EUR index, dropped -12.94%. Emerging market sovereign bonds declined -9.91% according to the JP Morgan EMBI Global index.

In the currency markets, the pound appreciated +1.07% against the US dollar and +0.58% against the yen. However it depreciated -0.20% versus the euro.

*(All the above returns are in local currency i.e. they do not include currency movements. They do include income unless suffixed by 'PR'.)*