



CIO OFFICE MORNING MARKET WRAP – Wednesday 20th of May, 2020. ALSO AVAILABLE ON ALEXA.

After Monday's euphoria on a potential vaccine, markets consolidated yesterday. Global stocks were little changed overall, but US indices dropped in the late session. The reason was a report expressing doubts on the data provided by Moderna on their experimental vaccine. As we wrote yesterday, Moderna was communicating on the vaccine and raising capital at the same time, which actually raises legitimate questions. The company said they will disclose additional information later. Bonds and gold were steady.

The price of Brent crude oil only lost 0.4% to \$34.6, and there was no drama in the last day of trading of the WTI June future. Saudi Aramco share price is now up 20% from its trough, back to the level it had before the price war with Russia. In Russia precisely, GDP growth slowed to +1.6% in Q1, but should collapse in Q2 following the timing of the outbreak. In the US, President Trump is extremely confident in a strong rebound in Q3, and Jerome Powell unsurprisingly called for more fiscal aid.

The total number of coronavirus cases in the world is about to reach the 5 million mark in the coming hours. The epicentre is moving from North to South America with Brazil now the global hot spot. Infection rates in the US keep on slowing, and schools are being re-opened in South Korea. In the corporate news, Walmart results out yesterday saw sales soaring in the first quarter on consumer stockpiling – to the stunning absolute number of 134 billion US dollars.

As we write, morning session in Asia is mixed, reflecting the change in mood of Wall Street at the close. Japan is well oriented with a weaker Yen, and China is slightly in the red. Today we will look at inflation and consumer confidence numbers in Europe, and will get the Fed's FOMC minutes.

Stay safe.

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