

27th April 2020

Market Update – Week to 24th April 2020

Global equity markets ended the week relatively calmly despite the week starting in unprecedented circumstances. Of all the volatility seen in financial markets since the coronavirus pandemic broke out, none was more dramatic than Monday's collapse in a key segment of United States oil trading.

The price on the futures contract for West Texas crude that was due to expire Tuesday fell into negative territory – minus \$37.63 a barrel. The reason being the lockdown caused by the pandemic has meant there is so much unused oil sloshing around that American energy companies have run out of room to store it. And if there's no place to put the oil, no one wants a crude contract that is about to come due.

As the price of oil settled, so did global equity markets.

	Weekly performance up to 24 April 2020	April month-to-date performance up to 24 April 2020
FTSE 100 (UK)	-0.6%	+1.4%
Dow 30 (US)	-1.9%	+8.5%
Euro Stoxx 50 (Europe)	-2.7%	+0.8%
Nikkei 225 (Japan)	-3.2%	+1.8%

In terms of £ Sterling, it closed the week (to 24 April), at 1.24 US Dollars, which was 1.1% lower than the figure at the end of the previous week (17 April).

Against the Euro, £ Sterling closed on 24 April at 1.14 Euros, which was 0.6% lower than the closing figure on 17 April.

This week, we had updated inflation figures, as measured by the Consumer Prices Index including owner occupiers' housing costs (CPIH). It was 1.5% in March 2020 (this is March's data which is reported in April). This was down from 1.7% in the previous month. The 12-month rate for the Consumer Prices Index (CPI) rate which excludes owner occupied housing costs and council tax was also 1.5% in March, also down from 1.7% in February.

There were no further changes to the Bank of England base rate last week following the two previous cuts in March. The current rate remains at 0.1%.

The Omnis Managed funds, Openwork Graphene Model Portfolios and Omnis Managed Portfolio Service provide you with a diversified asset allocation in line with your Attitude to Risk, investing in Developed Market Equities, such as UK, US, Europe and Asia Pacific as well as Emerging Market equities. Cautious and Balanced investors will also have significant holdings in UK and Global Bonds, as well as Alternative Strategies.

We believe this multi-asset approach aims to minimise global equity market falls in volatile periods.

Past performance is not a guide to future performance. The value of an investment and any income from it can fall as well as rise as a result of market and currency fluctuations. You may not get back the amount you originally invested.

