

# The Weekly Snapshot

30 November

## ANZ Investments brings you a brief snapshot of the week in markets

Most equity markets recorded modest gains last week as the focus for investors remained on the coronavirus situation. In the US – a shortened week for Thanksgiving – the S&P 500 and NASDAQ 100 both ended the week up more than 2%, while the Dow Jones Industrial Average traded above 30,000 for the first time.

In New Zealand, the NZX 50 gained around 1.5%, while in Australia, the ASX 200 continued its impressive run, recording its fourth consecutive winning week.

### What's happening in markets

Markets continued to juggle the ongoing rise in COVID-19 cases with good news on the vaccine front with three leading candidates showing promising signs as they await various regulatory approvals.

In the UK, reports surfaced late last week that hospitals have been told to prepare for a potential vaccine roll-out as soon as 7 December, with front-line NHS staff the priority. The positive news comes as cases in Europe show signs of slowing as lockdown and restrictive measures, which were put in place earlier this month, seem to have worked. However, France and Germany announced they would be extending the lockdown period as they head into the Christmas season.

Meanwhile, in the US, cases are showing no signs of slowing and with the Thanksgiving holiday, this past weekend, fears are that case rates and deaths will continue to move higher into Christmas and the heart of winter.

In economic data, US jobless claims rose to 778,000 above expectations, raising fears the recovery in the employment sector may have stalled.

Down under, quarterly retail sales data in New Zealand smashed expectations, rising 28% in the third quarter. There were strong gains in accommodation and food and beverage sector. The better-than-expected numbers have seen some forecasters raising their third-quarter GDP expectations.

In politics, President Donald Trump came as close as he has to conceding when last week he said he would leave the White House in January if the electoral college votes for Democratic president-elect, Joe Biden.

Still, the president is forging ahead with legal challenges and still having little or no success. His latest high-profile defeat came at the hands of a Trump-appointed judge in Pennsylvania who on Friday, said "charges of unfairness are serious. But calling an election unfair does not make it so. Charges require specific allegations and then proof. We have neither here".

### What's on the calendar

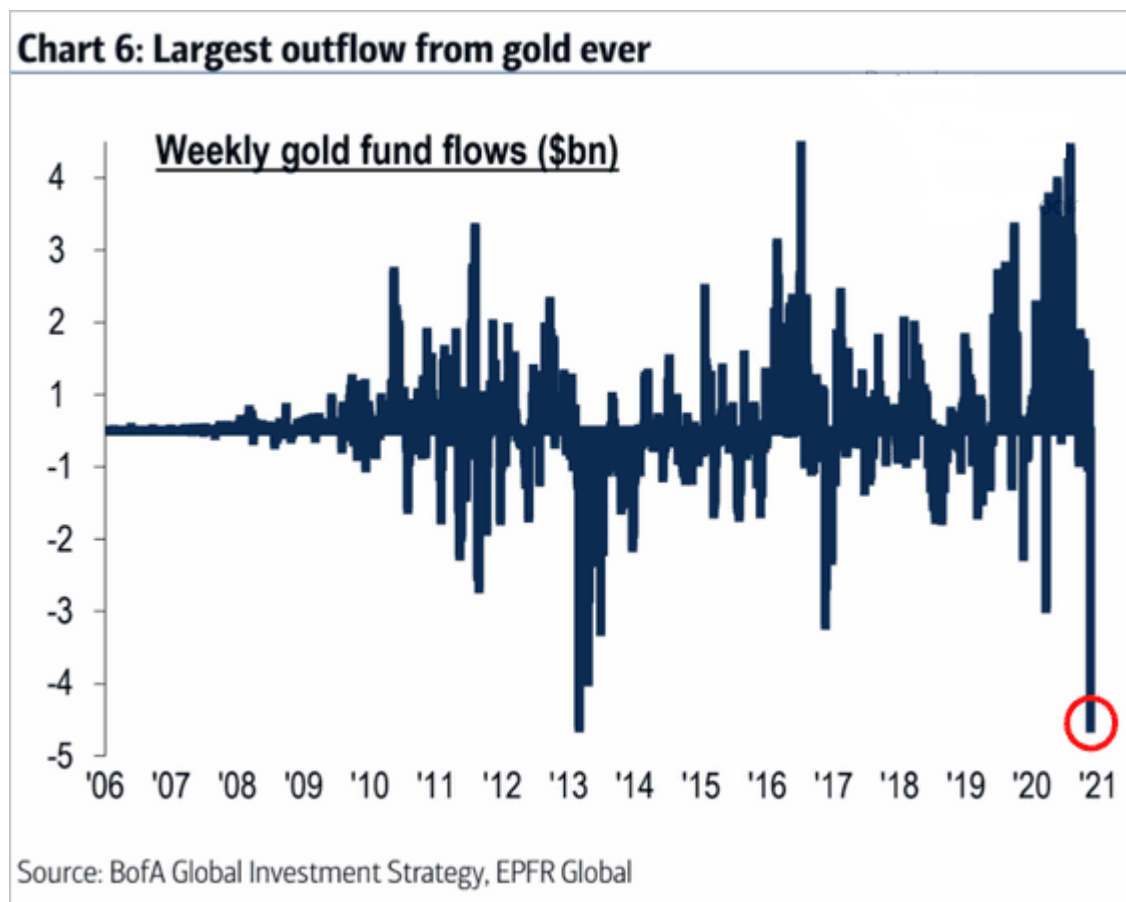
It's a busy week on the economic data calendar, with Friday's US employment report being the main focus given the rising in jobless claims data. While the unemployment rate has fallen sharply since its pandemic peak around, there are still more than 10 million Americans out of work and with Congress showing no signs of passing any stimulus relief, these report will provide a good barometer as to the toll the stimulus – or lack thereof – is having on the economy.

Elsewhere in the US, manufacturing and non-manufacturing PMI data is another good gauge as to the health of the broader economy.

Down under, the focus is on Australia with the release of third-quarter GDP figures. The data should give an indication as to the economic extent of the months-long shutdown in Victoria. Also in Australia, the Reserve Bank is set to meet, where it is expected to leave interest rates unchanged.

## Chart of the week

Gold, which tends to rise during times of heightened volatility saw a record weekly outflow this month, confirming that investors are continuing to rotate out of defensive assets and back into stocks.



## Here's what we're reading

The ongoing stalemate in Congress sees a rise in food lines - <https://www.cnn.com/2020/11/25/long-food-lines-signal-need-for-more-coronavirus-stimulus-aid.html>

And here's a research paper on inequality and how policy can help close the gap: "Now at a time of acute health and economic crisis, widening divisions are raising moral, social, economic, and political challenges" - <https://www.pii.com/sites/default/files/documents/how-to-fix-economic-inequality.pdf>

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