

The Weekly Snapshot

23 November

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

It was an up and down week for global equity markets, with most major benchmarks in the US finishing the week within 1% of where they started. The to and fro came as sentiment jumped between worsening coronavirus data, but some positive news on the vaccine front.

Down under, the NZX 50 was one of the worst-performing indices, ending the week down around 2%.

What's happening in markets

Beginning with the good news, a second vaccine candidate released promising news last week. Moderna, the biotech company, said last week that its experimental vaccine was nearly 95% effective in preventing the disease. This comes around a week after the Pfizer/BioNTech partnership said their vaccine was more than 90% effective.

In a statement, Moderna CEO said, "this positive interim analysis from our Phase 3 study has given us the first clinical validation that our vaccine can prevent COVID-19 disease, including severe disease". The company is expected to file with the Food and Drug Administration (FDA) in the next few weeks for authorisation for emergency use.

Elsewhere, British pharmaceutical company AstraZeneca, which is working with the University of Oxford, said its vaccine has produced an immune response in older adults – an age group that has a higher mortality rate than others.

However, broadly speaking, the current situation continues to worsen with cases and death rates rising at alarming speeds. On Friday, the US reported nearly two thousand deaths, the highest number since early May. The seven-day average is now above 1,000. In Europe, case numbers are starting to slow as lockdown periods reach two weeks. Still, countries such as Spain, France and Italy are all reporting anywhere between 200 and 500 deaths per day.

In politics, another week and still no concession from President Donald Trump who continues to use the courts to undermine and overturn the election results. Much like last week, the president isn't having any success, with the Georgia hand recount finishing, which showed Biden still ahead. And in Pennsylvania, a federal judge delivered a scathing dismissal of a lawsuit that sought to block the certification of the election results. District Judge Matthew Brann said the Trump campaign lawsuit came "without merit and speculative accusations".

What's on the calendar

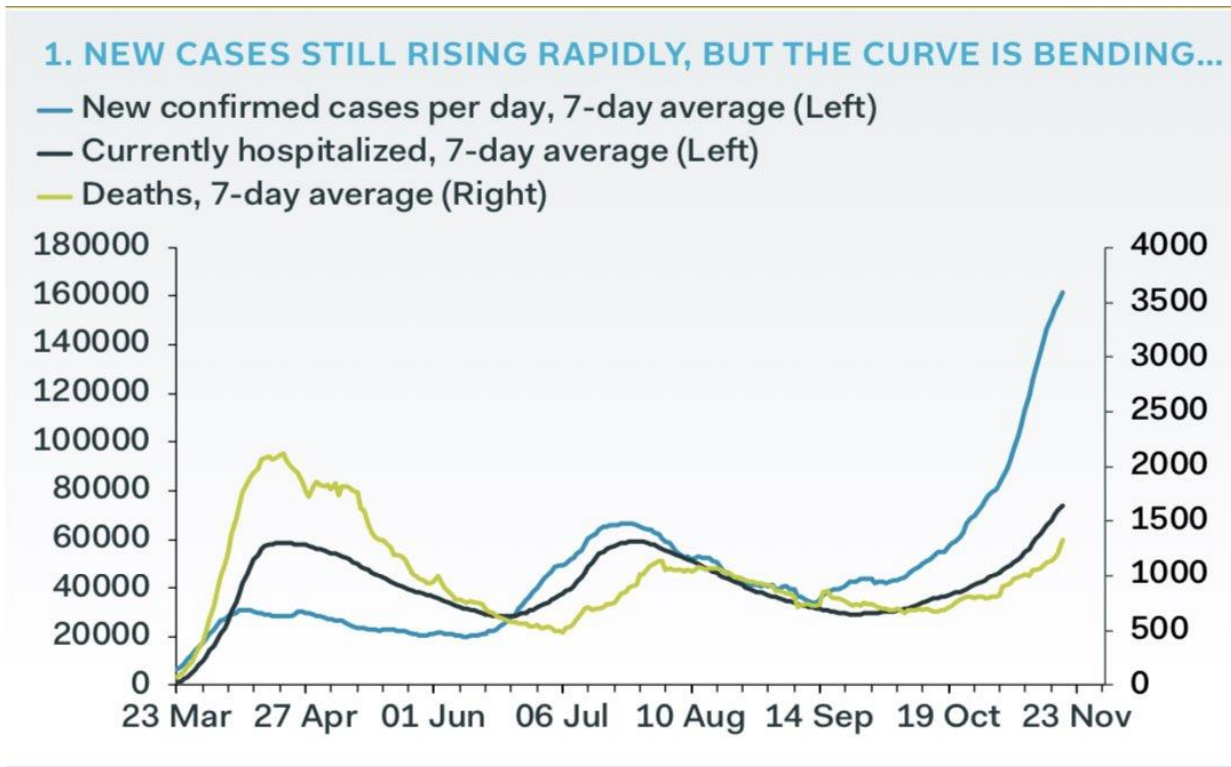
As the coronavirus sweeps through states in the US, further lockdown or preventative measures are beginning to pose questions about the economic recovery. Again, we will be eyeing any improvement in the numbers, but with the Thanksgiving holiday around the corner – the biggest travel day of the year – fears are the trend is set to continue.

Staying in the US, minutes from the latest Federal Reserve meeting are scheduled for Thursday, which will be watched for any potential policy changes heading into December's meeting given the rise in coronavirus cases and the continuing impasse in government with regards to a stimulus package.

Locally, New Zealand retail sales data for the third quarter is expected to show a solid bounce-back with some forecast showing around a 10% jump from the prior quarter. However, year-on-year numbers will likely remain negative.

Chart of the week

Latest coronavirus numbers from the US show just how devastating the third wave is, with daily deaths getting back towards the levels seen in late-March.



Here's what we're reading

With scrutiny on big tech growing, how will President-elect Joe Biden deal with Silicon Valley - <https://www.vox.com/21561878/joe-biden-transition-silicon-valley-personnel-eric-schmidt>

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