

# The Weekly Snapshot

30 March

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

International equity markets rebounded last week, posting some record gains and easing the recent sell-off. The three major indices in the US all gained about 10% over the week, while closer to home, the NZX 50 and ASX 200 rose 3.9% and 0.5% respectively.

Government bond yields ended the week much lower as the prospect of quantitative easing began to be priced in. The US 10-year government bond yield ended the week at 0.63%, and the NZ equivalent at 1.15%.

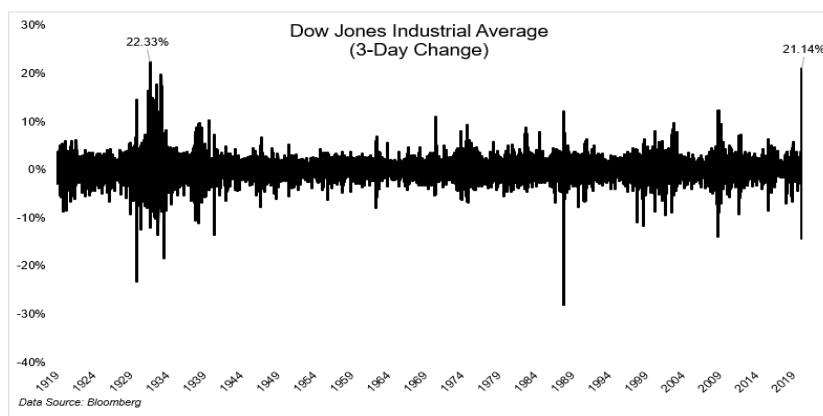
### What's happening in markets

The sharp bounce in equities was attributed to in part to optimism over further fiscal stimulus measures around the world. Most notably in the US where Congress passed the US\$2.2 trillion stimulus package, which includes sending direct checks to Americans, significant loan programs for businesses, an increase in unemployment insurance programs and further hospital spending.

Also, leaders of the G-20 countries said they expect to pump a total of \$5 trillion into the economy. Speaking via a teleconference the leaders agreed that sharing health data to fight the pandemic is a priority: "Combating this pandemic calls for a transparent, robust, coordinated, large-scale and science-based global response in the spirit of solidarity," the leaders [said in a statement](#) released on Thursday.

This rally in stocks saw several decades-long records broken, including;

- Tuesday's gain was the largest percentage rally for the Dow since 1933
- The Dow and S&P 500 recorded their largest weekly gains since the 2008/2009 financial crisis
- Tuesday-Thursday was the largest three-day rally since 1931 (see below)



Despite the rebound, coronavirus cases continued to rise and economic data was mostly downbeat. In particular, US weekly jobless claims – the number of people filing for unemployment benefits – skyrocketed to more than 3 million. For context, jobless claims never reached 700,000 during the 2008/09 financial crisis.

And business activity numbers were just as bleak. According to IHS Markit, PMI data for Europe and the US hit record lows since the survey began in the mid-1990s. In Europe, eurozone PMI fell to 31.4 and in the US, it fell to 40.5. A reading below 50 indicates contraction.

### What's on the calendar

Coronavirus-related economic data will dominate the calendar this coming week with tier one manufacturing and employment data due for release. On Wednesday, US ISM (Institute for Supply Management) manufacturing for March is scheduled, which will likely show business activity slowed further.

On Thursday, there will be an update to jobless claims data, which is expected to show more people filing for unemployment benefits. Then on Friday, the US

employment report is released, which is expected to show the first monthly decline in jobs in more than 100 months.

Meanwhile, in China, PMI and manufacturing data will indicate the extent of the rebound in China's economic activity as reports suggest businesses are beginning to reopen.

Closer to home, the ANZ Business Confidence Index for New Zealand is out on Tuesday and retail sales data for Australia is released on Friday.

### Chart of the week

Some say he's the greatest investor of all time, but even Warren Buffett is going through a tough spell.

Berkshire Hathaway's 20 Largest Holdings				
Ticker	Company Name	% of Total Portfolio*	Performance (%)	
			YTD	Since 2/19
AAPL	Apple	35.44	-19.06	-26.73
BAC	Bank of America	11.26	-42.91	-42.10
KO	Coca-Cola	9.53	-28.82	-34.08
AXP	American Express	7.30	-36.30	-42.28
WFC	Wells Fargo	5.39	-48.62	-41.92
KHC	Kraft Heinz	4.42	-29.40	-16.95
JPM	JPMorgan Chase	3.14	-37.57	-37.11
MCO	Moody's	2.76	-22.43	-35.45
USB	U.S. Bancorp	2.47	-48.41	-44.13
DVA	Davita	1.56	-10.28	-21.25
BK	Bank of New York Mellon	1.48	-39.31	-33.93
CHTR	Charter Communications	1.34	-16.70	-25.51
VRSN	Verisign	1.30	-14.79	-22.27
LUV	Southwest Airlines	1.19	-32.56	-36.25
DAL	Delta Air Lines	1.13	-55.73	-56.06
GS	Goldman Sachs Group	1.09	-34.88	-36.91
V	Visa Inc	0.97	-19.90	-29.54
GM	General Motors	0.92	-44.44	-41.76
COST	Costco Wholesale	0.75	-3.32	-12.22
MA	Mastercard Inc	0.68	-23.73	-33.99
Weighted Average of 20 Largest Holdings			-27.23	-30.71
Entire Portfolio Average			-34.82	-36.62

\* All portfolio holdings based on current prices and 13F filing as of 12/31/19 except for Davita (DVA) and Delta Air Lines (DAL) which are as of 3/16 and 2/27, respectively.

### Here's what we're reading

Just how will the pandemic end - <https://www.theatlantic.com/health/archive/2020/03/how-will-coronavirus-end/608719/>

COVID-19 and the doctor's dilemma - <https://www.ft.com/content/00312c48-6e87-11ea-9bca-bf503995cd6f>

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