

Asian markets were mostly lower in cautious trading on Monday ahead of a busy week for corporate earnings and economic data. Hong Kong fell 0.2% but Shanghai gained 0.5% as the China govt cutting its benchmark lending rate by 20bps to 3.85%, as largely expected, and said it would look at further stimulus. Seoul took the brunt of the selling pressure to end almost 1% down with the won weakening again and Tokyo also pulled back from six-week highs to end 1.1% down ahead of a heavy week of earnings. South-east Asia ended mostly higher on with Thai markets at near two-month highs.

European markets largely gained as virus deaths in Spain and Italy fell again but trading volumes were lower as many traders stayed on the sidelines. It was also a volatile session with stocks selling off at one point as crude sank but Healthcare stocks led the recovery with Novartis adding 2% as one of its drugs won approval for Covid trials in the US. The Eurostoxx 600 gained 0.7% but the FTSE 100 underperformed as the pound slipped after the govt said it was too early to look at ending lockdown and as its large-cap energy stocks fell.

US stocks fell after crude oil futures turned negative for the first time, sending Energy stocks tumbling and placing a question mark on the timing of an economic recovery. Storage tanks at Cushing are nearing capacity and oil companies are starting to use offshore tankers at high cost, putting further pressure on oil company's profits and sending energy stocks lower. Offsetting these losses, Netflix added 4.5% ahead of its results later this week and Amazon gained another 1% to near another all-time peak.

US Treasury yields fell slightly as investors sought sanctuary in safe assets and as plunging oil prices wrote off inflation risks for the near future. 10yr yields fell 3bps and 2yrs fell 1bp.

US blended WTI crashed below \$0 per barrel on Monday for the first time ever amid a supply glut and storage capacity problems in the US. Contracts fell to -\$37.63 per barrel as traders paid to get rid of oil contracts they'd bought. June contracts were also much lower but still traded at \$20.43* while the globally traded Brent fell 9% to \$25.57.

** Headlines this morning will reflect a 'negative' oil price of -\$37.63 per barrel. This is because the oil price is driven by futures contracts, and May contracts are due to expire today. Traders wanted to avoid having to take physical delivery of the oil and incur very high storage costs at a time when storage tanks in the US are almost full, so contracts for May were offloaded aggressively. June WTI contracts are trading at \$20.43 so the WTI 'price' will jump substantially today and tomorrow to reflect this as contracts are rolled over. Brent is the globally-traded blend and as such has more storage available, and thus is less volatile in these circumstances.*

MSCI	Yday	Last Wk	MTD	YTD	Jan 20	Feb 20	Mar-20	Since 17 Jan
World	-1.1	1.9	7.5	-15.3	-1.1	-8.0	-13.4	-21.3
Developed World	-1.2	1.9	7.7	-14.8	-0.6	-8.4	-13.2	-20.9
United States	-1.7	2.4	9.6	-12.0	0.2	-8.2	-12.7	-19.6
Europe	0.6	0.8	3.8	-21.3	-2.5	-9.3	-14.4	-24.2
Japan	-1.0	2.0	2.7	-14.4	-1.4	-9.1	-7.0	-16.6
Emerging Markets	-0.2	1.9	6.1	-18.9	-4.7	-5.3	-15.4	-23.6

MSCI	Yday	Last Wk	MTD	YTD	Jan 20	Feb 20	Mar-20	Since 17 Jan
Asia Pac Ex Japan	-0.5	2.3	6.9	-15.2	-3.7	-4.2	-14.0	-20.7
Asia Ex Japan	-0.2	2.9	6.6	-13.0	-4.4	-2.9	-12.0	-18.4

Asia ex Jpn Small cap	0.6	4.6	10.6	-18.1	-4.4	-4.5	-18.8	-25.9
Australia	-2.2	-1.1	9.1	-27.1	0.1	-11.0	-25.1	-33.2
New Zealand	0.8	8.2	11.5	-6.7	-0.7	-5.1	-11.2	-16.3
Hong Kong	-0.9	0.9	7.2	-11.4	-4.5	-1.4	-12.2	-17.3
China H	0.4	2.7	5.5	-5.3	-4.8	1.0	-6.6	-10.2
China A	0.5	2.9	5.1	-4.6	-1.8	-0.4	-7.1	-9.2
Korea	-1.6	3.3	5.8	-17.9	-5.3	-7.4	-11.5	-22.4
Taiwan	-0.3	5.6	9.7	-11.2	-4.7	-1.9	-13.4	-19.0
Thailand	2.6	3.3	13.0	-25.0	-8.6	-12.2	-17.4	-33.7
Malaysia	0.4	3.2	4.2	-15.8	-3.9	-6.4	-10.2	-19.2
Singapore	0.0	0.8	4.8	-24.7	-3.5	-7.1	-19.9	-28.2
Indonesia	-1.8	-0.7	3.0	-37.6	-2.7	-11.9	-29.3	-39.4
India	-0.5	2.6	7.4	-26.0	-0.8	-7.3	-25.1	-31.1
Philippines	-0.8	2.4	8.7	-26.0	-8.0	-5.9	-21.4	-32.0
MSCI	Yday	Last Wk	MTD	YTD	Jan 20	Feb 20	Mar-20	Since 17 Jan
United Kingdom	0.3	-0.7	2.5	-27.0	-3.8	-11.9	-16.0	-28.8
Germany	0.4	1.0	6.7	-22.0	-3.1	-9.2	-17.0	-27.0
France	0.5	-0.1	2.3	-25.8	-3.4	-8.9	-17.6	-27.5
Italy	-0.0	-3.6	-1.8	-30.5	-2.1	-6.7	-22.5	-29.2
Spain	-0.6	-4.0	-0.7	-30.2	-2.7	-7.3	-22.1	-29.7
Austria	-0.5	-5.5	2.2	-36.8	-4.5	-10.2	-28.0	-38.2
Netherlands	1.2	2.6	6.6	-15.4	-3.0	-7.9	-11.2	-20.6
Greece	-0.1	-3.8	3.5	-43.2	-4.9	-22.1	-26.0	-45.1
Switzerland	1.8	4.3	6.3	-5.6	0.8	-7.9	-4.2	-11.1
MSCI	Yday	Last Wk	MTD	YTD	Jan 20	Feb 20	Mar-20	Since 17 Jan
EMEA	-0.6	-3.5	4.6	-30.8	-4.8	-12.0	-21.1	-33.9
EM Value	-0.4	-0.0	4.5	-24.8	-6.7	-6.4	-17.5	-28.0
Asia Pac xJpn Value	-0.4	0.9	5.5	-20.6	-5.5	-5.1	-16.0	-24.7
Latin America	-0.8	-2.0	4.0	-43.4	-5.6	-12.0	-34.5	-45.6
Brazil	-0.5	-1.9	6.0	-47.2	-7.5	-13.0	-38.2	-50.2
Mexico	-1.0	-1.9	-3.1	-37.4	1.4	-10.0	-29.2	-35.4
Chile	-2.6	-4.8	6.7	-28.9	-7.6	-12.3	-17.8	-33.4
Local Indices	Yday	Last Wk	MTD	YTD	Jan 20	Feb 20	Mar-20	Since 17 Jan
DJIA	-2.4	1.1	8.0	-16.5	-0.9	-9.8	-13.6	-22.7
Nasdaq	-1.0	4.5	11.2	-4.3	2.0	-6.3	-10.0	-14.0
S&P 500	-1.8	4.1	11.3	-10.5	-0.0	-8.2	-12.4	-19.6
Euro Stoxx 600	0.7	1.2	5.0	-18.6	-1.2	-8.3	-14.4	-22.5
FTSE100	0.5	-0.5	2.2	-22.1	-3.4	-9.0	-13.4	-23.8
DAX	0.5	1.1	7.5	-19.4	-2.0	-8.4	-16.4	-25.0

CAC 40	0.7	0.5	3.0	-23.9	-2.7	-8.6	-17.0	-26.2
FTSE MIB	0.1	-3.1	0.1	-27.1	-0.8	-5.4	-22.4	-27.2
Ibex 35	-0.7	-3.4	1.1	-27.8	-1.6	-6.9	-22.1	-28.6
Hang Seng	-0.2	0.1	2.7	-13.6	-6.7	-0.4	-9.5	-15.9
Kospi	-1.1	3.6	6.5	-13.9	-3.1	-5.8	-11.4	-19.2
Bonds and Commods	Yday	Last Wk	MTD	YTD	Jan 20	Feb 20	Mar-20	Since 17 Jan
Brent (% chg)	-9.0	-19.2	13.5	-61.3	-12.2	-13.2	-55.3	-65.9
WTI (% chg)	-306.0	-267.9	-283.7	-161.6	-15.6	-8.7	-56.5	-66.5
US 10Y bps	-3	-12	-2	-66	-21	-24	-42	-65
US 3M bps	-2	-56	-23	-94	-0	-17	-90	-92
US 2Y bps	-0	-17	-11	-87	-15	-34	-74	-85

Source: Eastspring Investments (Singapore) Limited

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