



Investors Showing Signs of Edging Back into Riskier Assets

Overnight Asia

US and European equity futures rose as investors showed tentative signs of edging back into riskier assets while continuing to assess the economic impact of efforts to contain the Coronavirus. Oil surged after China unveiled plans to boost its reserves.

Stocks in Asia were mixed, with declines in Japan and Australia, and gains in South Korea. Hong Kong fluctuated and Chinese equities edged higher. Futures on the S&P 500 advanced following another session of steep declines. Oil jumped about 7% with the world's biggest importer taking advantage of a 60% plunge this year to add to stockpiles. Treasuries were little changed and the Dollar retreated.

In the latest virus developments, New York and New Jersey said deaths have doubled in the last three days. Fatalities rose in France and Spain, while Italy and Germany moved to extend lockdown measures and Florida ordered people to stay home. New York Governor Andrew Cuomo said a model showed the COVID-19 outbreak may not peak in the state until the end of April.

Last week's rally in global equities is being threatened as companies move to slash dividends and more US states enact severe restrictions on people movement. Germany is extending its nationwide lockdown for another two weeks until 19 April. The S&P 500's decline accelerated on Wednesday after US intelligence sources said China concealed the extent of the virus outbreak.

Elsewhere, the Pound pushed higher and gold dipped.

These are the main moves in markets:

Stocks:

- S&P 500 futures rose 1.10% as of 2.55 pm in Tokyo. The S&P 500 fell 4.40%
- Japan's Topix Index lost 1.40%

- Hong Kong's Hang Seng was flat
- South Korea's Kospi Index rose 1.50%
- Australia's S&P/ASX 200 Index slid 2.00%
- Euro Stoxx 50 futures were little changed

Currencies:

- The Yen slid 0.20% to 107.34 per Dollar
- The offshore Yuan traded at 7.1161 per Dollar
- The Euro bought \$1.0944, down 0.20%

Bonds:

- The yield on 10-year Treasuries was steady at 0.58%
- Australia's 10-year bond yield added nine basis points to 0.77%

Commodities:

- West Texas crude rose 7.00% to \$21.73 a barrel
- Gold slipped 0.40% to \$1,585.39 an ounce

US Market Wrap

US stocks started the second quarter with deep losses as investors braced for a longer economic shutdown that's likely to devastate corporate profits and dividends. The S&P 500 fell for the third time in four days. Bloomberg News reported that China concealed the extent of its Coronavirus outbreak, under-reporting both total cases and deaths.

Markets:

- S&P 500 down 4.40%

- Dow Jones Industrial Average down more than 4.40%
- Nasdaq Composite off by 4.40%
- Russell 2000 loses 7.00%
- All 11 main S&P 500 sectors closed lower
- Staples down 1.80%
- Utilities down 6.10%
- 10-year Treasury yield at 0.62%
- Bloomberg Dollar Spot up 0.73%

Politics:

- China has concealed the extent of the Coronavirus outbreak in its country, under-reporting both total cases and deaths it's suffered from the disease, the US intelligence community concluded in a classified report to the White House, according to three US officials
- Leading House Democrats criticised the conditions the US Treasury Department has proposed for providing emergency payroll-assistance grants to airlines, joining a growing backlash by industry and union groups
- The White House is debating whether to advise Americans to wear masks in public to protect one another from Coronavirus infection, as officials examine whether there's a public health benefit and worry it could undermine social distancing

Economy:

- The White House's presentation of projections for Coronavirus fatalities to extend into the start of the summer will reinforce fears of extended shutdowns that spur deep declines in US output and employment
- A virus that is particularly lethal for people with underlying health conditions is now spreading into the unhealthiest part of the US: the South. For decades, people in the 11 states that seceded during the Civil War -- America's poorest region -- have suffered from a scourge of obesity and hypertension, which intensify the danger of the Coronavirus and the COVID-19 respiratory disease that it causes
- Oil company executives reeling from a massive drop in prices were set to meet with President Donald Trump at the White House Friday as the administration seeks ways to help the beleaguered industry, according to four people familiar with the matter
- On Thursday: March Challenger Job Cuts 7.30 am; February Trade Balance 8.30 am; Weekly Initial Jobless Claims, Continuing Claims 8.30 am; Weekly Bloomberg Consumer

Comfort 9.45 am; February Factory Orders 10 am; February Final Durable Goods Orders, Cap Goods Orders 10 am

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