



Market Update – January 2020

Despite broad-based improvements in economic data, a risk-off atmosphere has taken hold following the outbreak of the coronavirus. Markets have fallen sharply from their mid-January highs, with emerging markets and commodities worst hit as the outbreak's potential to dent global growth is assessed. Recent data releases, covering periods before the outbreak, were generally positive, with manufacturing industries in Europe and the US showing signs of recovery and service industries remaining stable. But the focus of investors has been elsewhere. In the coming weeks it is possible that the virus will peak and come under control, at which point risk-assets could well start to rally again. Regardless, near-term uncertainty has unquestionably increased.