



Market Update – February 2020

The steady, upwards trend in markets is at an end, at least for now. February witnessed an abrupt and aggressive sell-off as coronavirus fears swept through markets. Equity indices now stand deep in negative territory for the year, while yields on government bonds have reached unprecedented lows. Much now rests on the success of governments in containing the spread of the virus, and by how much those measures impact economic activity. Already the OECD has warned that global growth in 2020 could fall to its lowest level since 2009 if the virus outbreak intensifies. Central banks will no doubt intervene to calm investors' nerves, but it is unclear how effective their tools will be in the long - run in assuaging the disruption we are seeing to global supply chains.