



Market Update – April 2020

After the crash, the bounce. Markets powered back in April with the S&P500 recording its best monthly return since October 1974. The rally was driven by both the interventions of central banks and investor optimism that the pandemic can be contained. Some countries have now begun to ease their lockdowns, gradually reopening parts of their economies as they try to forge a route back to normality. The big unknown is what impact this will have on the spread of the virus. A second wave is possible, perhaps likely, and would create panic. Markets are pricing in a short recession and a V-shaped recovery, but the pandemic has already caused an unprecedented amount of damage, the consequences of which will be with us for a long time to come.