

SPOTLIGHT
**Coronavirus cases per day in Portugal
(in thousands of people)**


FEP Finance Club; Trading Economics

INDEXES PERFORMANCE

	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Wkly Chg
PSI 20	4780,03	4775,92	4796,08	4825,53	4763,03	0,43%
STOXX 50	3503,96	3521,50	3543,00	3560,87	3545,74	1,72%
FTSE 100	6531,83	6513,32	6570,91	6551,06	6529,18	-0,27%
DAX	13223,16	13362,87	13565,98	13667,25	13630,51	3,94%
CAC 40	5527,84	5530,31	5547,68	5549,46	5527,84	0,37%
NIKKEI 225	26732,44	26687,84	26757,40	26806,67	26763,39	0,42%
HANG SENG	26389,52	26207,29	26460,29	26678,38	26498,60	-0,03%

FEP Finance Club; Investing.com

CURRENCIES 1€ - X

	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Wkly Chg
EUR/USD	1,2143	1,2151	1,2197	1,2266	1,2255	1,19%
EUR/CHF	1,0762	1,0761	1,0800	1,0847	1,0824	0,50%
EUR/GBP	0,9112	0,9025	0,9027	0,9028	0,9062	-1,03%
EUR/JPY	126,32	125,96	126,21	126,46	126,61	0,51%
EUR/YUAN	7,9512	7,9453	7,9674	8,0123	8,0084	1,04%
EUR/CAD	1,5494	1,5428	1,5541	1,5601	1,5666	1,30%

FEP Finance Club; Investing.com

REFERENCE RATES

%	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
Euribor 1M	-0,573	-0,570	-0,575	-0,582	-0,560
Euribor 3M	-0,543	-0,544	-0,540	-0,541	-0,537
Euribor 6M	-0,522	-0,520	-0,525	-0,518	-0,520
Euribor 12M	-0,505	-0,503	-0,499	-0,495	-0,498
Eonia	-0,473	-0,466	-0,472	-0,471	-

FEP Finance Club; Banco de Portugal; ECB

BOND YIELDS

%	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
Portugal 6M	-0,621	-0,600	-0,598	-0,597	-0,679
Portugal 5Y	-0,486	-0,496	-0,465	-0,471	-0,468
Portugal 10Y	-0,034	-0,052	-0,001	0,009	0,031
Spain 10Y	0,005	-0,014	0,027	0,031	0,042
France 10Y	-0,372	-0,372	-0,329	-0,335	-0,335
Italy 10Y	0,511	0,483	0,504	0,506	0,536
Germany 10Y	-0,618	-0,610	-0,568	-0,577	-0,572
UK 10Y	0,224	0,262	0,274	0,288	0,250

FEP Finance Club; Investing.com

Government has plans to “save” restaurants

The Portuguese government announced that for the curbs during Christmas to be relaxed, the New Year’s celebrations would have to be sacrificed as the pandemic is still developing at a rapid pace. With that in mind, the government stated that it would help restaurants, an industry that has been struggling during the pandemic, with their inevitable losses through the New Year’s period by covering 20% of losses compared to the revenue obtained in the first weekends of 2020. “Apoiar a Restauração” was created in November to help restaurants make up for their losses in times when it was expected for them to be busier such as on weekends and on national holidays. The tool is included in a program that has already more than 38 thousand requests and in which 358 of the 750 million euros planned to finance businesses have been already ascribed. Source: Jornal de Negócios

Talks continue between the UK and EU

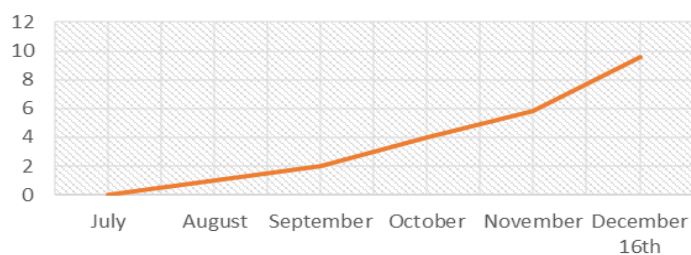
The negotiations between the UK and EU continue to take place, still under much public pressure for a deal to take place. With less than two weeks until the formal exit of the UK from the EU’s single market, there are still two main topics that are delaying the reach of an agreement: the fishing waters, more specifically, the access to the UK’s fishing waters by EU fishing fleets and the fair competition rules for business. The divergence is not particularly on the present but on what the British may have in mind for the future as they seem to want to shift away from EU’s policies. This Sunday, several European countries, such as Germany, Italy, and France announced, following the rise of Covid-19 cases in the UK and the new infectious strain, that they would be cancelling air traffic with the UK. Despite being a unilateral move against the UK, this does not seem to have any effect on the negotiations as even the UK tightened its measures to attenuate the situation. Source: Financial Times

The risk appetite and the dollar trend

The EUR/USD started the week at 1,2143 and continued growing until the end of the week. After a week of recovery, the dollar went back to its bearish trend mostly due to being seen as a safe haven by the investors and with several news rising the investors’ risk appetite. The main ones were the progress on the vaccine distributions plans, the U.S. Covid-19 aid bill on its final negotiations and the fact that the European Union and the UK were finally very close to reach an after-Brexit deal. However, at the end of the week, we could observe a bearish trend on the EUR/USD essentially because the investors’ confidence was a little weakened due to the realization that these matters were not that close to an end as it looked like. This made the pair decrease 0.09% closing at 1,2255. Sources: Reuters & Investing.com

SPOTLIGHT

Main street lending scheme asset acquisitions in 2020 (\$bn)



FEP Finance Club; Financial Times

INDEXES PERFORMANCE

	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Wkly Chg
S&P 500	3647,49	3694,62	3701,17	3722,48	3709,41	1,25%
DJIA	29861,55	30199,31	30154,54	30303,37	30179,05	0,44%
NQ 100	12462,21	12595,92	12668,16	12752,06	12738,18	2,93%

FEP Finance Club; Google Finance

CURRENCIES 1\$-X

	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Wkly Chg
USD/JPY	104,03	103,66	103,48	103,10	103,31	-0,67%
USD/YUAN	6,5480	6,5388	6,5323	6,5321	6,5348	-0,15%
USD/AUD	1,3264	1,3226	1,3196	1,3118	1,3113	-1,19%
USD/GBP	0,7504	0,7427	0,7401	0,7361	0,7394	-2,20%
USD/CHF	0,8863	0,8856	0,8855	0,8843	0,8832	-0,69%
USD/CAD	1,2760	1,2697	1,2742	1,2719	1,2783	0,09%

FEP Finance Club; Investing.com

US TREASURY YIELDS

%	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18
US 3M	0,0710	0,0760	0,0810	0,0860	0,0860
US 1Y	0,0890	0,0910	0,0890	0,0940	0,0910
US 10 Y	0,8980	0,9110	0,9200	0,9350	0,9450
US 30 Y	1,6330	1,6530	1,6570	1,6810	1,6900

FEP Finance Club; Investing.com

COMMODITIES - Weekly change

4,21%	Natural Gas	4,58%	Brent Oil
5,43%	WTI Oil	2,46%	Gold
2,62%	Platinum	8,06%	Silver
2,96%	Copper	-1,45%	US Wheat

FEP Finance Club; Investing.com

Pressure flashes around Federal Reserve loans in US stimulus negotiations

This past Tuesday, Pat Toomey, a Republican senator from Pennsylvania, spat around FED loans, claiming that he and other legislators from his party have proved to be pushing to incorporate a provision to avoid to restore a set of credit facilities bound to the pandemic. Mr. Toomey also stated that the Senate Republicans are promoting narrow distresses of credit facilities, which do not constitute a broad renovation of the Federal Reserve's emergency lending mandate. Due to the fact that a US Treasury secretary, Steven Munchin, ordered the FED to turn off a number of them by the end of the year, including those of which buy corporate and municipal debt, the prospective Fed crisis loan facilities have been made in the balance. Source: Financial Times

Second Covid-19 vaccine approved by the FDA

The FDA announced the approval of Moderna's Covid-19 vaccine, making its shares rise 2.2% in after-hours trade on Friday. The company has promised to deliver 20m doses to the US government by the end of the year. "To have two vaccines against a novel virus authorised and distributed within a year is extraordinary", said Alex Azar, health secretary. This approval comes at a time when hospitalization rates are hitting record high values again and with the current scenario expected to get even worse after the holiday period we are approaching. Moderna's vaccine has some advantages when compared to the one by Pfizer. It can be stored between 2°C and 8°C, while Pfizer's needs to be at -70°C, which, in theory, might make the process of distribution a lot simpler. Source: Financial Times

Zoom executive in China charged with disrupting Tiananmen video commemorations

U.S. prosecutors charged a former China-based executive at Zoom with conspiring to terminate online meetings commemorations of the crackdown on the 1989 Tiananmen Square democracy protests. The Department of Justice announced that Xinjiang "Julien" Jin can face up to 10 years in prison if convicted of conspiring since January 2019 to use his company's systems to censor speech at the direction of China's government. Mr. Jin allegedly used his position to target dissidents and activists both inside and outside the People's Republic of China, collecting account information and disrupting at least four video meetings. Prosecutors also said his accomplices created fake email accounts and Zoom accounts, including in dissidents' names, to suggest meeting hosts and participants supported terrorism, violence, or the distribution of child pornography. Source: Bloomberg

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