

## TRUMP LOOKS TO "CURE" FOR COVID-19

This week we witnessed the speed of President Trump's recovery from Covid-19 as he was discharged from hospital only three days after being admitted for treatment for the disease. With Trump refusing to take part in the second live televised debate, his re-election strategy appears to rest on the promise of making the experimental treatment he received available immediately, and for free, for anyone on the US who needs it. Regeneron, the pharma company behind Trump's treatment, saw a bump in its share price but not what you would expect from a company which had found the cure for Covid-19.

The live debate between the two candidates for vice president was notable only for being less bad-tempered than the previous week's meeting of Trump and Joe Biden and did little to alter the narrative of the election. Meanwhile, back in the UK the latest GDP numbers suggest the economic recovery was running out of steam even before the recent sharp increase in coronavirus infections and reintroduction of curfews and restrictions. GDP increased by 2.1 per cent in August, well below expectations and the 6.4 per cent increase seen in July.

## THE MARKETS THIS WEEK

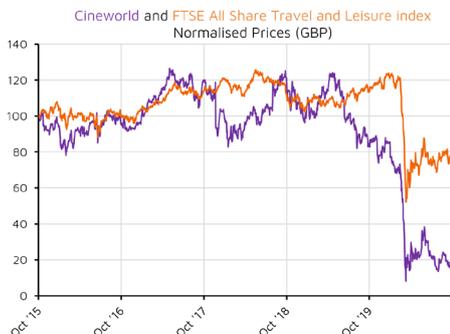
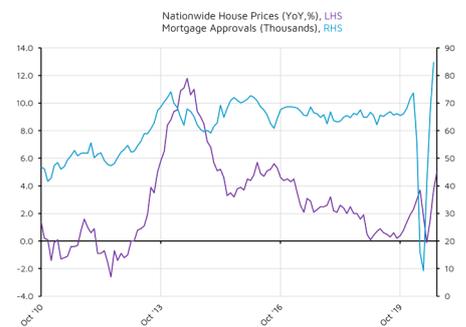
FTSE 100	S&P 500	Nikkei 225	Euro Stoxx 50	Hang Seng	US 10 Yr	UK 10 Yr	Brent Crude	Gold	Wheat	GBP USD
+1.94%	+1.95%	+2.56%	+2.03%	+2.81%	+0.06%	+0.02%	+10.38%	+0.27%	+5.15%	+0.02%



### UK: HOUSE PRICES CONTINUE TO RISE

The desire for more space as home working becomes the new normal has fuelled a property boom. House prices continue to defy gravity as three consecutive months of strong demand, incentivised by a stamp duty holiday ending in March, has led to prices rising by 1.6 per cent for the month of September. The most eye-catching figure is that prices last month were 7.3 per cent higher than in the same month a year earlier – the strongest growth since the 2016 Brexit referendum.

However, the housing market is unlikely to remain immune to the economic impact of Covid. Chancellor Rishi Sunak's furlough scheme has evolved from protecting all affected jobs to only supporting viable jobs. Moving to a much smaller credit will hit firms and with demand potentially further impaired by a second wave, bringing even part-time employees back becomes expensive. As a result, rising unemployment levels could put significant downward pressure on housing prices.



### EQUITIES: CINEWORLD SUCSUMBS TO COVID-19 PRESSURES



Prime minister Boris Johnson urging the public to "go out to the cinema and enjoy themselves" did little in the way of getting people back in front of the big screen. Following on-going low ticket sales and the delay of major film releases, such as James Bond's 'No Time to Die', Cineworld Group announced on Monday that it will close all of its UK and US cinemas. In total 671 locations, including 128 in the UK, will remain closed until more films are given concrete dates for release.

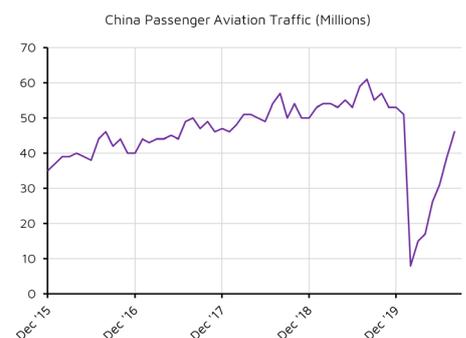
These cost saving measures, which will affect around 45,000 jobs worldwide, come after the group posted a \$1.6 billion loss in the first half of the year. The announcement caused Cineworld's share price to plummet over 36 per cent on Monday, dragging other cinema groups like AMC Cinemas (which owns Odeon) and Imax Corporation down with it. Shares for both companies fell 11 and 3 per cent respectively.



### CHINA: DOMESTIC TRAVEL BOOSTED BY GOLDEN WEEK

637 million trips were recorded over the eight-day China Golden Week national holiday, generating close to \$70bn dollars, helping fuel China's economic recovery. The holiday is used as an important barometer for consumer spending. While the figures reflected high volumes of domestic travel particularly at a time when other countries are struggling to tackle the coronavirus, they remain well below last year's total of 782m trips. Nevertheless Golden Week data shows a big improvement on domestic travel since the pandemic started. The Dragon Boat festival, another important traditional festival held in June, only attracted around half of last year's level.

Domestic travel companies stand to be the biggest beneficiaries. Continued restrictions on international travel have already benefitted China's domestic carriers and Golden Week looks likely to provide an additional tailwind. The three largest carriers - Air China, China Southern and China Eastern - are expected to report profitable Q3 earnings later this month.



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