

Russell Investments Market Outlook



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Fiscal stimulus is everywhere

Committed capital in billions (USD)



Total: \$7,271,000,000,000

Committed capital represents approximately 8.4% of global GDP.
Stimulus during Global Financial Crisis from G-20 countries was \$2 trillion, approximately 3% of global GDP.

Stimulus reported as of 3/31/2020, Bloomberg, New York Times, World Bank

China's return to normalcy

Production may come back online more quickly than retail

Exhibit 2: Daily coal consumption of major electricity producers remained below normal levels

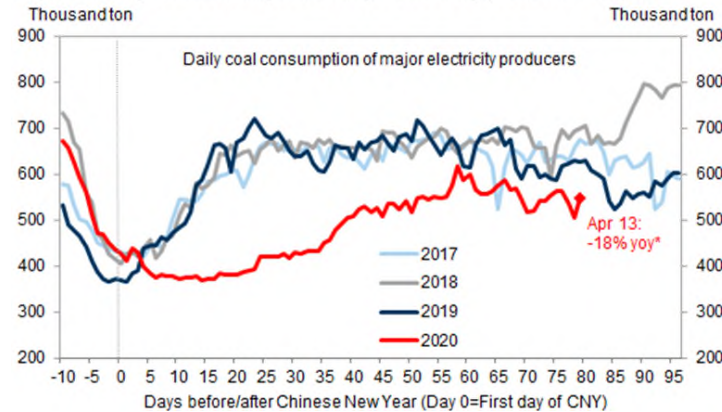


Exhibit 4: Traffic congestion is approaching the level last year

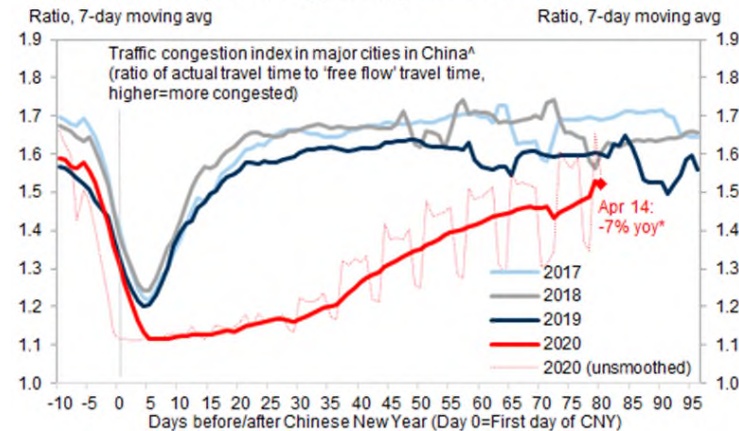
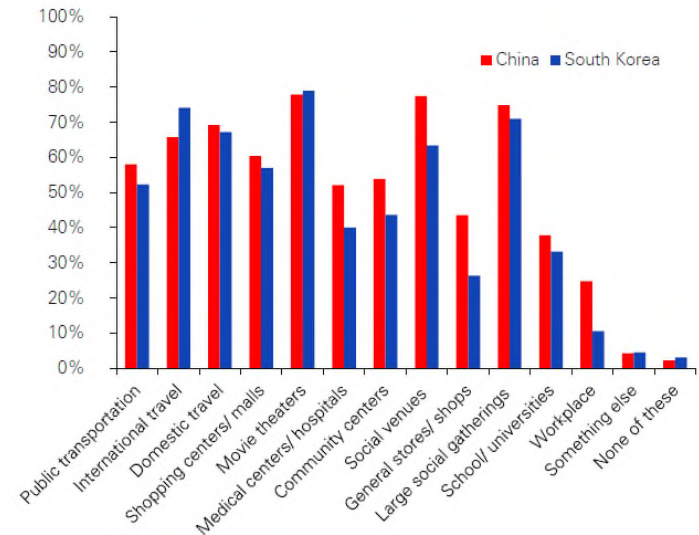


Figure 6: Which, if any, of the following are you currently avoiding due to the Coronavirus?



Source : dbDIG Primary Research, Deutsche Bank Research

Source: left panel charts from Goldman Sachs as of April 14th 2020. right chart from Deutsche Bank as of April 9th 2020.

Oil prices are at unsustainable levels

Saudi Arabia and Russia – government finances require much higher levels

US – oil rigs have been dropping precipitously

Brent Prices



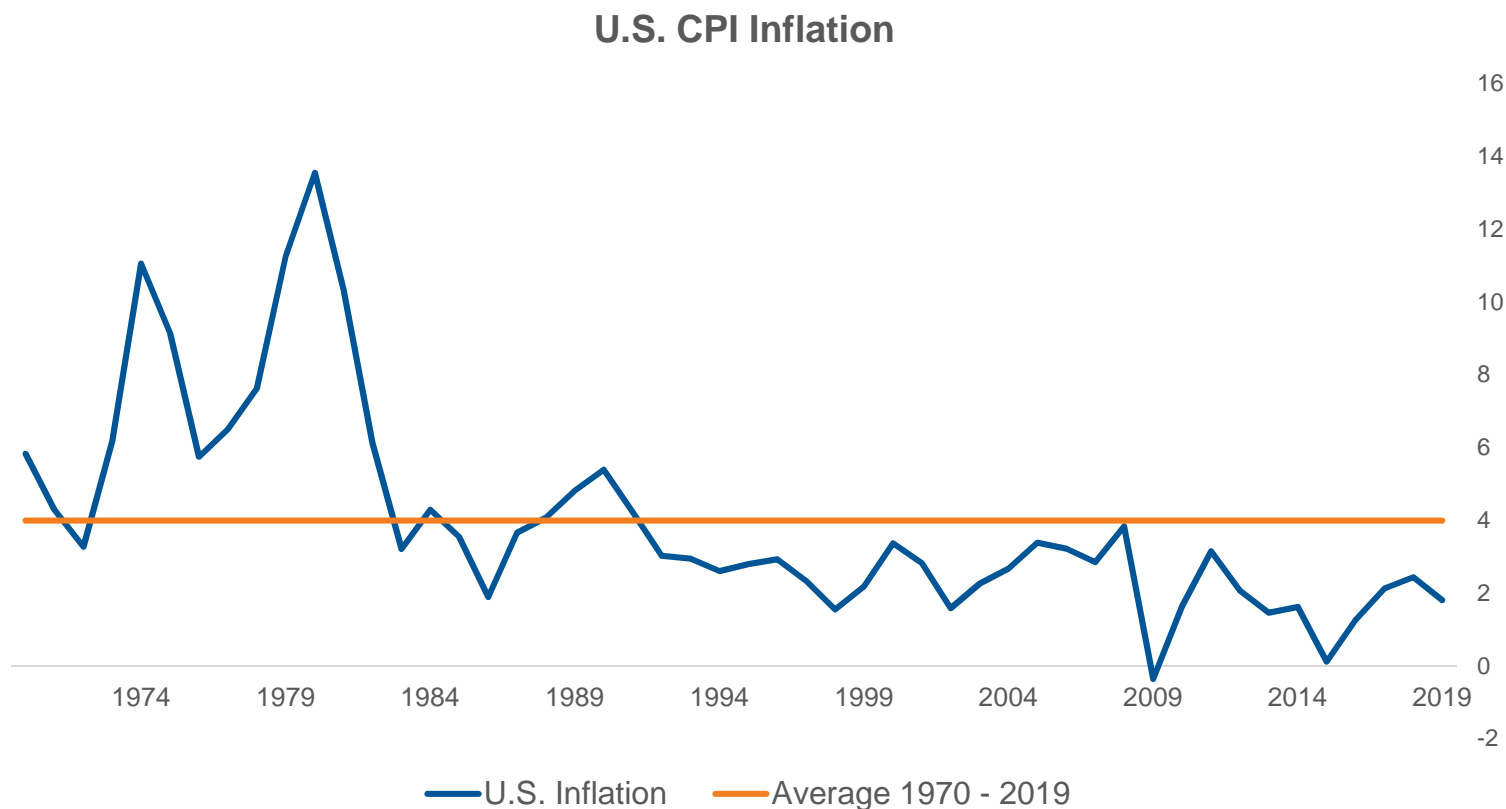
US Oil Rigs



Source: Refinitiv Datastream, Russell Investments, April 21 2020

Does inflation become a concern?

Inflation likely to remain subdued in the near-term, longer-term risks



Sources: BLS data through 2019.

The Aus unemployment rate is going to 10%

The government's JobKeeper program will mitigate some of the damage

Australian Unemployment Rate

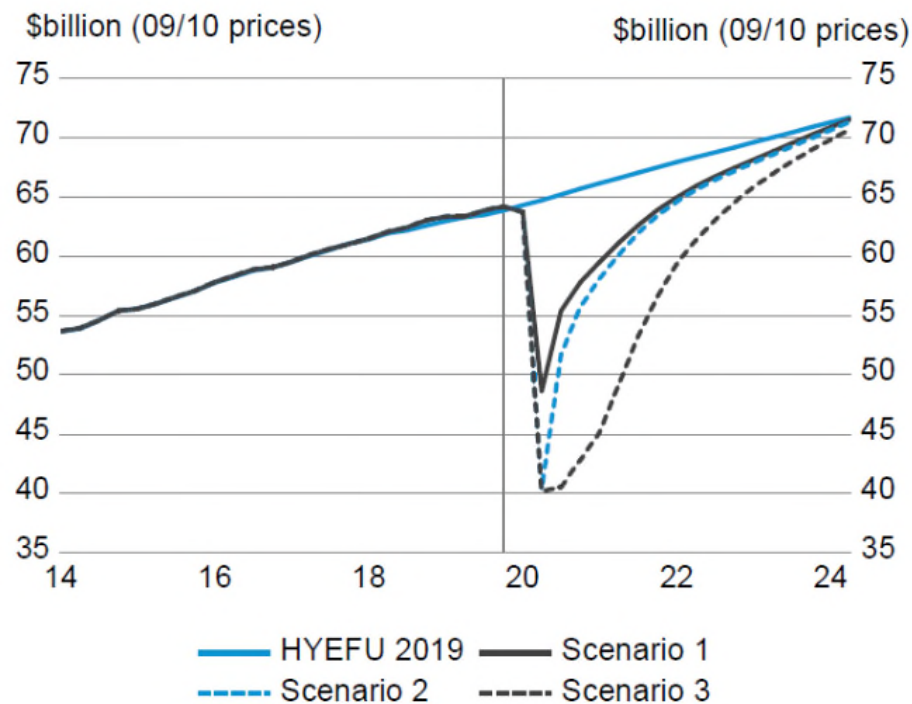


Industry	Total Employed	Casual Share
Total	12997	25%
Health Care and Social Assistance	1770	21%
Retail Trade	1258	36%
Construction	1194	25%
Professional, Scientific and Technical Services	1158	14%
Education and Training	1069	18%
Manufacturing	927	19%
Accommodation and Food Services	927	65%
Public Administration and Safety	842	10%
Transport, Postal and Warehousing	651	27%
Other Services	507	26%
Financial and Insurance Services	465	7%
Administrative and Support Services	441	34%
Wholesale Trade	377	16%
Agriculture, Forestry and Fishing	319	43%
Arts and Recreation Services	255	42%
Mining	251	16%
Rental, Hiring and Real Estate Services	219	21%
Information Media and Telecommunications	211	19%
Electricity, Gas, Water and Waste Services	154	9%

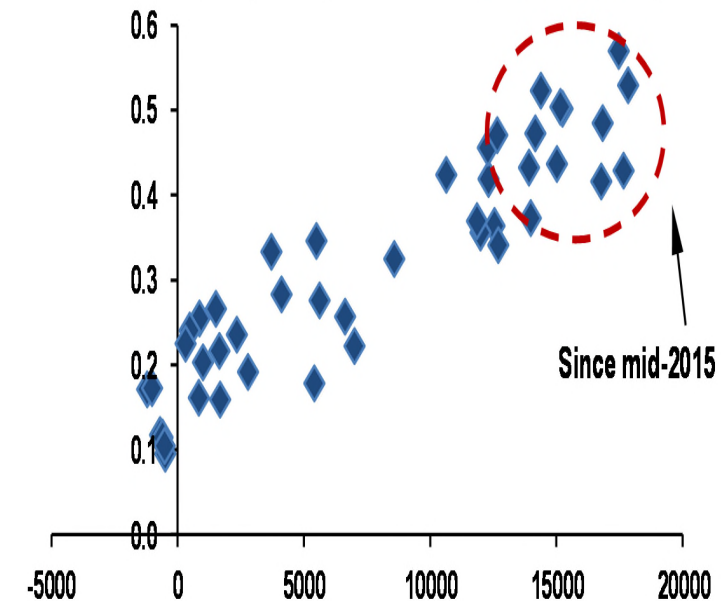
Source: Refinitiv Datastream, data as of February 2020

NZ - Further fiscal stimulus is more and more likely

Treasury scenarios hinted that more is needed



New Zealand: Quarterly immigration and contribution to GDP growth



Source: Stats NZ, J.P. Morgan

Source: NZ Treasury for chart on the left, JP Morgan for chart on the right

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