Refection of 2020 and COVID '19 Stimulus Packages

The economic disruptions caused by the pandemic have had a significant impact on the global economy.

During the current crisis, the impact of COVID-19 on the global economy has been severe. The pandemic has forced businesses to shut down, leading to widespread job losses and reductions in consumer spending. The global economy has been hit hard, with many countries experiencing a sharp decline in output.

The stimulus packages adopted by governments around the world have been designed to mitigate the effects of the pandemic. These packages have been aimed at stabilizing the economy and supporting businesses and individuals during this difficult period.

What about exit strategies?

The main objective of these stimulus packages is to provide temporary support to individuals and businesses. However, as the pandemic situation improves, there is a need to gradually withdraw these support measures in order to avoid inflationary pressures.

The withdrawal of these stimulus packages will involve a careful and gradual process that takes into account the economic conditions. The exact timing and approach will depend on the specific situation in each country.

What about Code volatility?

Dollar is typically considered as a safer haven asset as it carries a consistent value in times of crisis. It is often viewed as a safe haven asset because of its stability, reliability, and the fact that it is the official currency of the world's largest economy.

Dollar, as a global reserve currency, is used in nearly all cross-border trade and financial transactions. Its stability and reliability make it a preferred asset for investors seeking a safe and secure investment option.

What about Fixed Income Liquidity?

As central banks around the globe are continuing quantitative easing with little, if any, improvement in the yield curve, the fixed income market has become increasingly illiquid. The lack of liquidity has made it difficult for investors to enter or exit the market efficiently, leading to market distortions and inefficiencies.

Additionally, the rise in risk aversion has further contributed to the liquidity squeeze in the fixed income market. Investors have been seeking safer assets, leading to a shift away from fixed income instruments.

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