

## The Long and Short of it – Weekly Update

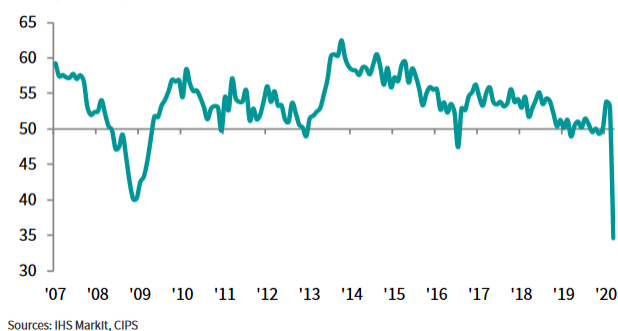
### Week in review – Welcome to Slowdown Central

The reality check of the impact of the coronavirus on the economy started to hit home as the US data showed record weekly rise in new jobless claims, the California figure of 858,000 topping the all-time high for the US. In Europe, the Eurozone Markit PMI figures, published on Friday, paint a picture of savage downturn, falling from 51.6 in February to a record low of 27.9, while Friday's UK PMI figures for March revealed the worst decline on record.

On the investment side, the roll call of company announcements announcing dividend suspensions includes BAE Systems, Barclays, Lloyds Banking Group and, at the same time, oil majors like BP and Royal Dutch Shell have indicated significant reductions in planned capital expenditure. These two companies have yet to mention any change in dividend policy. Absent a significant pick-up in demand, a reduction at some point would seem inevitable.

### Chart of the week: IHS MARKIT / CIPS UK SERVICES PMI®

Services Business Activity Index  
sa, >50 = growth since previous month



“Mirroring the trend for output volumes, latest data indicated a survey-record drop in new work received by service providers. The rate of decline was also much sharper than the previous record seen in November 2008.

Survey respondents overwhelmingly attributed lower demand to a slump in business and consumer spending amid emergency public health measures to halt the spread of COVID-19.”

Source: <https://www.markiteconomics.com/Public/Home/PressRelease/61f043b216da42618ff2559dd8435bc6>

### Week ahead – Expect more of the same

In the run up to the Easter weekend, with the pandemic yet to hit its peak in Europe and North America, it is hard to see reasons for investors to be particularly enthusiastic. The weekly rise in jobless claims in the US will give an indication of whether it is on course to see another 10 million jobs lost in a two-week period. Treasury Secretary Mnuchin has indicated a 20% unemployment rate in a worst-case scenario.

ETP OPEC+ meets again, and investors will be hoping for a deal between the Russians and Saudis. However, without cuts from other suppliers, not least the US producers, it is hard to see how prices can recover given weak demand. Consequently, any deal however significant is probably going to be no more than a short-term palliative, particularly for oil stocks.

No company announcements scheduled.

### Top performing ETPs over the week

Top performing long ETP	<b>3x Long Royal Dutch Shell (3LRD)</b>	<b>+44.7%</b>
Top performing short ETP	<b>3x Short Rolls-Royce (3SRR)</b>	<b>+137.4%</b>

Past performance is not a reliable indicator of future results. The value of an investment may go down as well as up and can result in losses, up to and including a total loss of the amount initially invested. All ETP performance figures are inclusive of fees and other adjustments.

## Weekly performance and moving averages – Underlying stocks

Underlying stock	Closing price 3 Apr 2020	Weekly change	MA 200d	MA 50d	High - 52w	Low - 52w	Price vs 52w High
AstraZeneca	7,144.00	5.0%	7,185.16	7,229.54	7,948.00	5,626.00	-10.1%
BAE Systems	500.00	-3.1%	565.38	588.13	672.60	428.60	-25.7%
Barclays	80.24	-17.6%	155.20	139.92	192.96	73.04	-58.4%
BP	337.30	10.4%	477.30	393.20	583.40	222.90	-42.2%
Diageo	2,458.00	-2.2%	3,161.16	2,815.21	3,633.50	2,139.00	-32.4%
Glencore	120.00	-3.2%	227.51	185.60	324.32	109.76	-63.0%
Lloyds Banking Group	27.73	-19.4%	54.33	47.16	69.99	27.70	-60.4%
Rio Tinto	3,761.00	6.6%	4,201.61	3,823.61	4,977.34	2,954.00	-24.4%
Rolls-Royce	251.60	-31.0%	706.99	556.91	939.61	249.00	-73.2%
Royal Dutch Shell A	1,471.00	14.7%	2,171.10	1,662.15	2,637.50	946.10	-44.2%
Vodafone	111.02	-4.4%	146.67	134.92	169.46	92.76	-34.5%

## 3x Long ETP performance

Underlying stock	Ticker	30-Mar	31-Mar	01-Apr	02-Apr	03-Apr	1 Week	Last 20 days
AstraZeneca	3LAZ	13.1%	4.8%	-4.8%	-5.2%	7.1%	14.6%	40.1%
BAE Systems	3LBA	-4.5%	7.9%	-19.7%	6.5%	1.1%	-10.9%	-21.8%
Barclays	3LBC	-10.4%	0.4%	-36.0%	-4.3%	-5.1%	-47.7%	-66.3%
BP	3LBP	17.8%	19.2%	-9.3%	17.8%	-13.7%	29.6%	42.5%
Diageo	3LDO	7.4%	1.4%	-14.3%	0.6%	-1.3%	-7.3%	-10.2%
Glencore	3LGL	-11.9%	11.8%	-11.2%	19.4%	-16.2%	-12.5%	-41.8%
Lloyds Banking Group	3LLL	-7.9%	-13.4%	-35.0%	6.8%	-12.3%	-51.4%	-67.6%
Rio Tinto	3LRI	12.4%	3.6%	-9.0%	9.5%	3.2%	19.7%	37.0%
Rolls-Royce	3LRR	-35.7%	17.9%	-31.4%	-26.4%	-28.6%	-72.7%	-93.1%
Royal Dutch Shell A	3LRD	9.8%	21.2%	0.5%	25.4%	-13.8%	44.7%	70.7%
Vodafone	3LVO	-4.5%	-3.6%	-9.0%	1.9%	1.9%	-13.0%	7.3%

## 3x Short ETP performance

Underlying stock	Ticker	30-Mar	31-Mar	01-Apr	02-Apr	03-Apr	1 Week	Last 20 days
AstraZeneca	3SAZ	-13.2%	-4.8%	4.7%	5.1%	-7.1%	-15.4%	-36.1%
BAE Systems	3SBA	4.5%	-7.9%	19.6%	-6.5%	-1.2%	6.4%	-10.2%
Barclays	3SBC	10.3%	-0.4%	35.9%	4.5%	5.1%	63.9%	-3.8%
BP	3SBP	-17.8%	-19.1%	9.1%	-17.7%	13.6%	-32.1%	-67.7%
Diageo	3SDO	-7.4%	-1.4%	14.3%	-0.7%	1.3%	4.9%	-24.4%
Glencore	3SGL	12.1%	-12.1%	11.2%	-19.4%	16.3%	2.6%	-0.6%
Lloyds Banking Group	3SLL	7.8%	13.4%	35.0%	-6.8%	12.2%	72.6%	81.9%
Rio Tinto	3SRI	-12.5%	-3.6%	9.0%	-9.6%	-3.2%	-19.5%	-50.2%
Rolls-Royce	3SRR	35.7%	-18.0%	31.3%	26.2%	28.8%	137.4%	255.2%
Royal Dutch Shell A	3SRD	-10.0%	-21.3%	-0.5%	-25.4%	13.7%	-40.2%	-74.0%
Vodafone	3SVO	4.5%	3.5%	9.0%	-1.9%	-2.0%	13.3%	-31.7%

## Data and charts

All performance data to 3 April 2020. Data and charts sourced from Bloomberg, unless otherwise indicated.

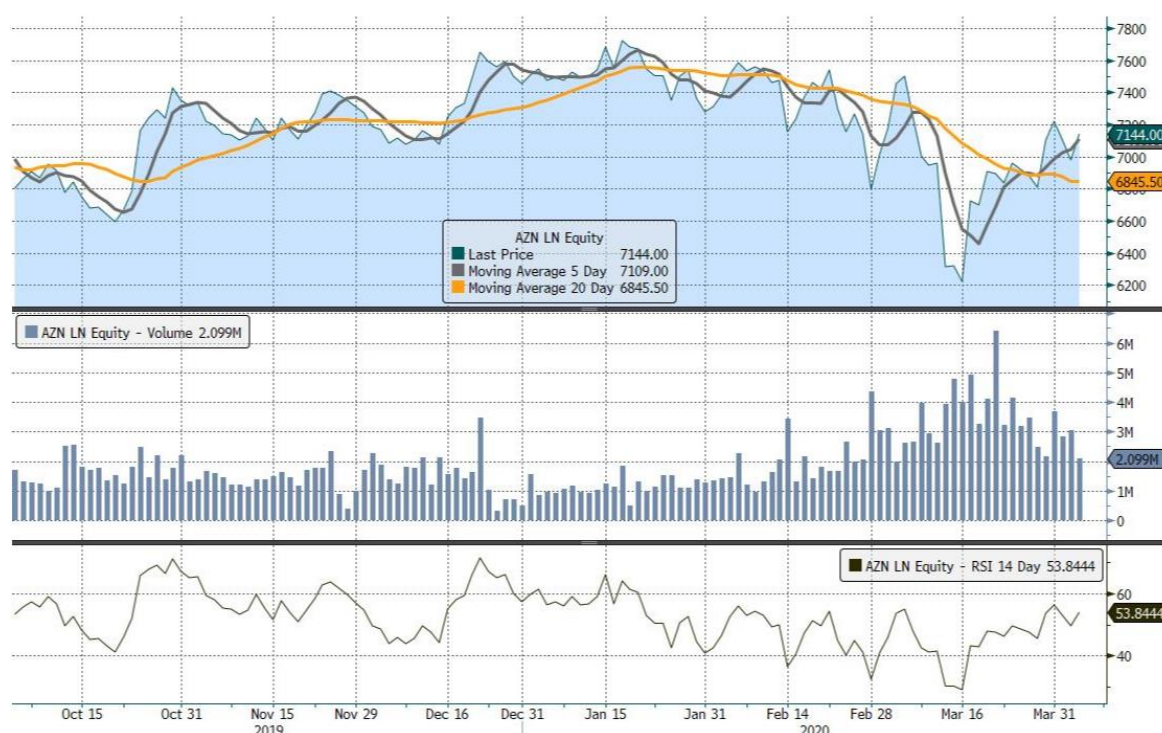
Company events data sourced from company websites.

Company	AstraZeneca (AZN)	AZN Performance	
Listed ETPs	3x Long AstraZeneca Daily ETP ( <b>3LAZ</b> )	1 week	5.0%
	3x Short AstraZeneca Daily ETP ( <b>3SAZ</b> )	1 month	-4.2%
		YTD	-4.2%
Exchange	London Stock Exchange	Price vs 52w high	-10.1%

### Overview

On an absolute basis, not immune from general market weakness, however displaying its defensive qualities with relative outperformance to the FTSE-100. Positive news on drug approval is having minor price impact in this environment, unless it is COVID-19 related.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	\$5.2 b	\$4.10	\$2.80	\$6.6 b	\$5.08	\$2.81
1 month change	-2.4%	-7.4%	0.4%	-1.7%	-2.3%	-1.2%

### Upcoming events

- 29/04/20 Q1 Results
- 30/07/20 Half Year Results
- 13/08/20 XD, 1<sup>st</sup> Interim Dividend

Company	BAE Systems (BA.)	BA. Performance	
Listed ETPs	3x Long BAE Systems Daily ETP ( <b>3LBA</b> )	1 week	-3.1%
	3x Short BAE Systems Daily ETP ( <b>3SBA</b> )	1 month	-18.5%
		YTD	-11.5%
Exchange	London Stock Exchange	Price vs 52w high	-25.7%

### Overview

Under most conditions, this stock would be viewed as defensive and one to deliver relative outperformance but Covid-19 is providing a different kind of challenge. This was highlighted the announced suspension of the final dividend this week as the business seeks to preserve cash.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	£1.5 b	\$0.48	\$0.24	£1.6 b	\$0.52	\$0.26
1 month change	-3.0%	-0.8%	0.0%	-0.4%	-0.6%	0.0%

### Upcoming events

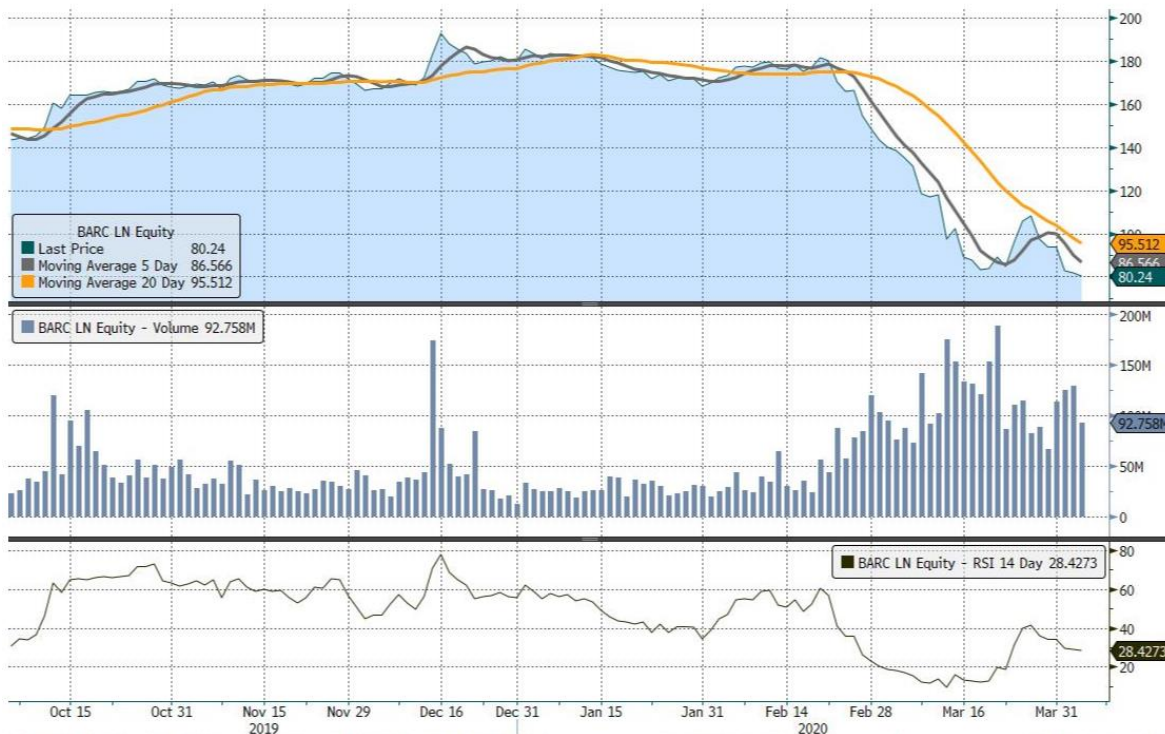
16/04/20 XD, Final Dividend

Company	Barclays (BARC)	BARC Performance	
Listed ETPs	3x Long Barclays Daily ETP (3LBC)	1 week	-17.6%
	3x Short Barclays Daily ETP (3SBC)	1 month	-42.1%
		YTD	-55.3%
Exchange	London Stock Exchange	Price vs 52w high	-58.4%

### Overview

Under severe pressure along with under banking stocks. Week saw the announcement on 1 April not to undertake any interim ordinary share dividend payments, accrual of ordinary share dividends, or share buybacks in 2020. This included cancelling the 6p full year dividend due for payment on 3 April.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	£4.5 b	\$0.21	\$0.39	£6.6 b	\$0.32	\$0.40
1 month change	-56.0%	-41.0%	-6.1%	-40.2%	-43.1%	-6.5%

### Upcoming events

29/04/20 Q1 Results  
07/05/20 AGM



Company	BP (BP.)	BP. Performance	
Listed ETPs	3x Long BP Daily TP ( <b>3LBP</b> )	1 week	10.4%
	3x Short BP Daily ETP ( <b>3SBP</b> )	1 month	-20.2%
		YTD	-27.2%
Exchange	London Stock Exchange	Price vs 52w high	-42.2%

### Overview

Outperformed the market over the week as investors were encouraged by talk of a possible deal between the Saudis and Russian to take 10mbd of oil out of the market. One of the last majors to announce reductions in Capex, its short-term fortunes likely to be tied to the evolution of the oil price.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	£3.5 b	\$0.16	\$0.07	£3.9 b	\$0.21	\$0.08
1 month change	-13.0%	-12.2%	-29.4%	-5.6%	-14.8%	-20.4%

### Upcoming events

28/04/20 Q1 Results  
07/05/20 XD, Q1 Dividend  
28/07/20 Q2 Results

Company	Diageo (DGE)	DGE Performance	
Listed ETPs	3x Long Diageo Daily ETP ( <b>3LDO</b> )	1 week	-2.2%
	3x Short Diageo Daily ETP ( <b>3SDO</b> )	1 month	-13.2%
Exchange	London Stock Exchange	YTD	-22.5%
		Price vs 52w high	-32.4%

### Overview

Share price development have generally been reflective of its defensive qualities. Following the company trading update on 26 February, watch out for a further update given the subsequent spread of the pandemic and the lockdown implemented in some of its key markets.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	6/30/2020			6/30/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	£2.9 b	\$1.25	\$0.71	£3.2 b	\$1.38	\$0.76
1 month change	-6.5%	-3.1%	-0.8%	-3.9%	-3.8%	-0.5%

### Upcoming events

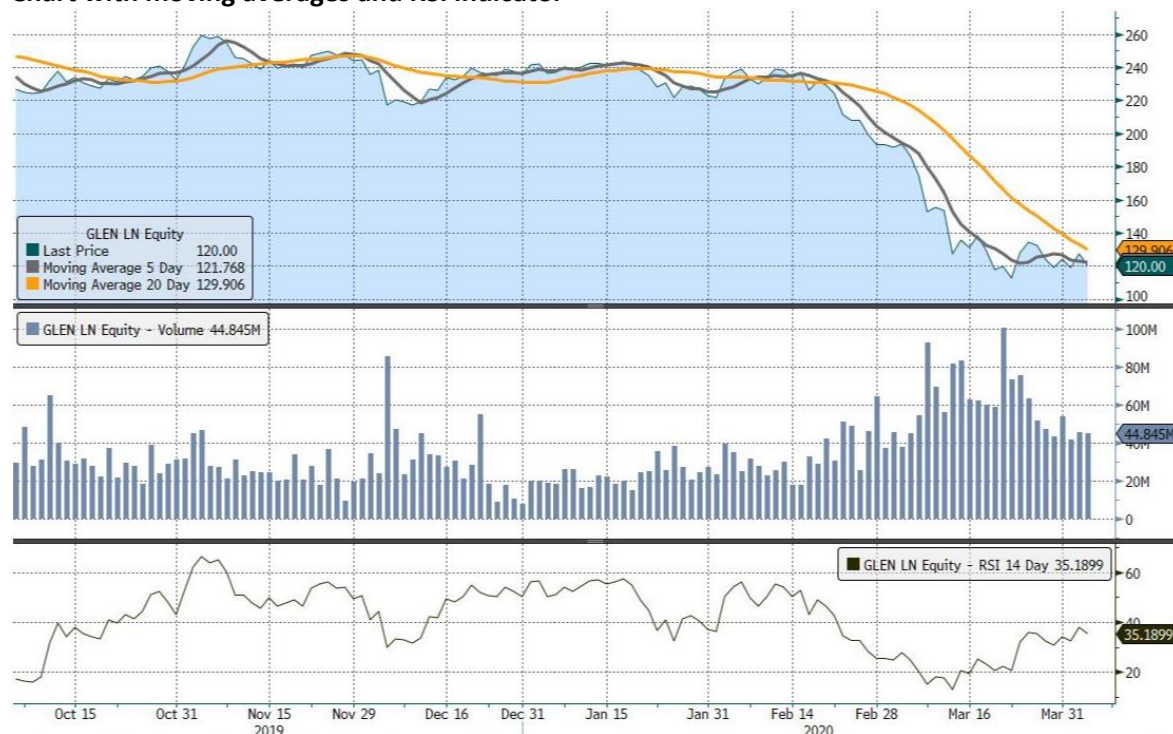
30/07/20 Preliminary Results  
13/08/20 XD, Final Dividend  
01/10/20 AGM

Company	Glencore (GLEN)	GLEN Performance	
Listed ETPs	3x Long Glencore Daily ETP (3LGL)	1 week	-3.2%
	3x Short Glencore Daily ETP (3SGL)	1 month	-38.0%
		YTD	-49.0%
Exchange	London Stock Exchange	Price vs 52w high	-63.0%

### Overview

Weak commodity prices and falling economic activity are not price supportive. Covid-19 update on 26 March in relation to mining activities stated that "To date, our larger operations have not been materially impacted, however a number of our smaller assets have had to restrict or stop operations".

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	\$1.6 b	\$0.12	\$0.16	\$2.4 b	\$0.19	\$0.17
1 month change	-32.2%	-22.5%	-8.3%	-22.8%	-22.3%	-3.4%

### Upcoming events

- 30/04/20 Q1 Production Report
- 31/07/20 Half Year Production Report
- 05/08/20 Half Year Results

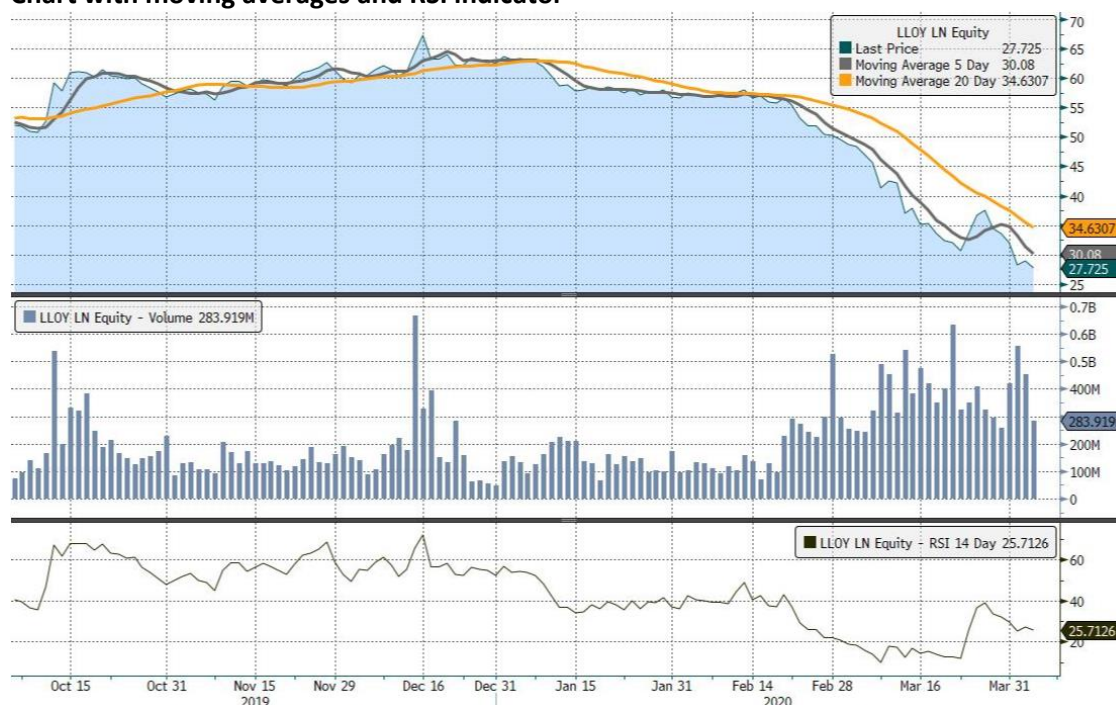


Company	Lloyds Banking Group (LLOY)	LLOY Performance
Listed ETPs	3x Long Lloyds Banking Group Daily ETP (3LLL) 3x Short Lloyds Banking Group Daily ETP (3SLL)	1 week <b>-19.4%</b> 1 month <b>-42.7%</b> YTD <b>-55.6%</b> Price vs 52w high <b>-60.4%</b>
Exchange	London Stock Exchange	

### Overview

As with Barclays, announced on 1 April that it would undertake no quarterly or interim dividend payments, accrual of dividends, or share buybacks on ordinary shares in 2020. Final 2019 dividend was also cancelled. Remains highly geared to the fortunes of the UK economy.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	\$3.8 b	\$0.06	\$0.03	\$3.9 b	\$0.06	\$0.03
1 month change	<b>-21.3%</b>	<b>-12.9%</b>	<b>-10.0%</b>	<b>-18.8%</b>	<b>-13.6%</b>	<b>-19.4%</b>

### Upcoming events

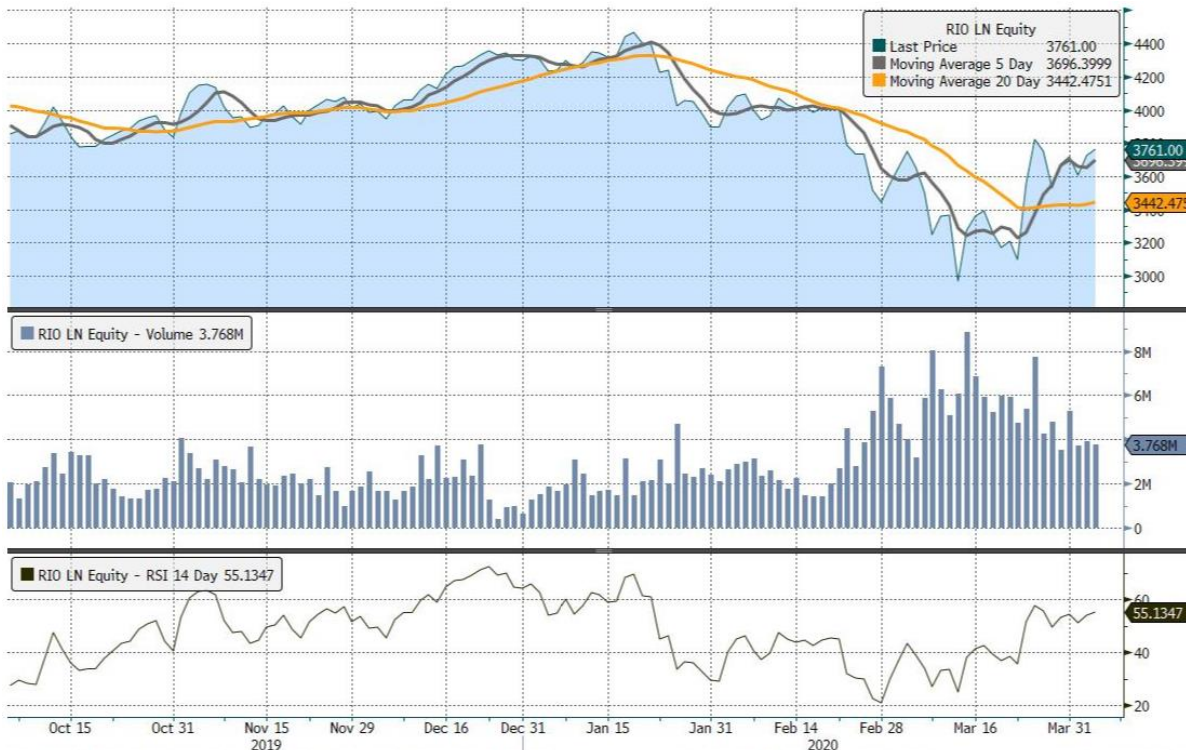
- 30/04/20 Q1 Interim Management Statement
- 21/05/20 Annual General Meeting
- 30/07/20 Half Year Results

Company	Rio Tinto (RIO)	RIO Performance	
Listed ETPs	3x Long Rio Tinto Daily ETP (3LRI)	1 week	6.6%
	3x Short Rio Tinto Daily ETP (3SRI)	1 month	0.3%
		YTD	-12.5%
Exchange	London Stock Exchange	Price vs 52w high	-24.4%

### Overview

Relative strength over the week and month despite continued commodity price weakness. In the update on 24 March about curtailing or ceasing activity in Quebec and South Africa, company indicated it would report any impacts to operations or production guidance to the market.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	\$8.3 b	\$5.26	\$3.28	\$7.1 b	\$4.41	\$2.78
1 month change	-3.9%	-4.5%	-7.2%	-6.6%	-4.4%	-4.2%

### Upcoming events

- 08/04/20 AGM
- 17/04/20 Q1 Operations Review
- 16/07/20 Q2 Operations Review

Company	Rolls-Royce Holdings (RR.)	RR. Performance	
Listed ETPs	3x Long Rolls-Royce Daily ETP (3LRR)	1 week	-31.0%
	3x Short Rolls-Royce Daily ETP (3SRR)	1 month	-58.6%
Exchange	London Stock Exchange	YTD	-63.2%
		Price vs 52w high	-73.2%

### Overview

Extreme relative weakness as various airlines ground planes and go to governments to request bailouts. The outlook for global air travel will be one of key factors for the company's profitability going forward, particularly the long-haul travel aftermarket.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	£0.33 b	\$0.18	\$0.13	£0.57 b	\$0.30	\$0.14
1 month change	-38.9%	-35.6%	-22.6%	-27.2%	-26.1%	-16.3%

### Upcoming events

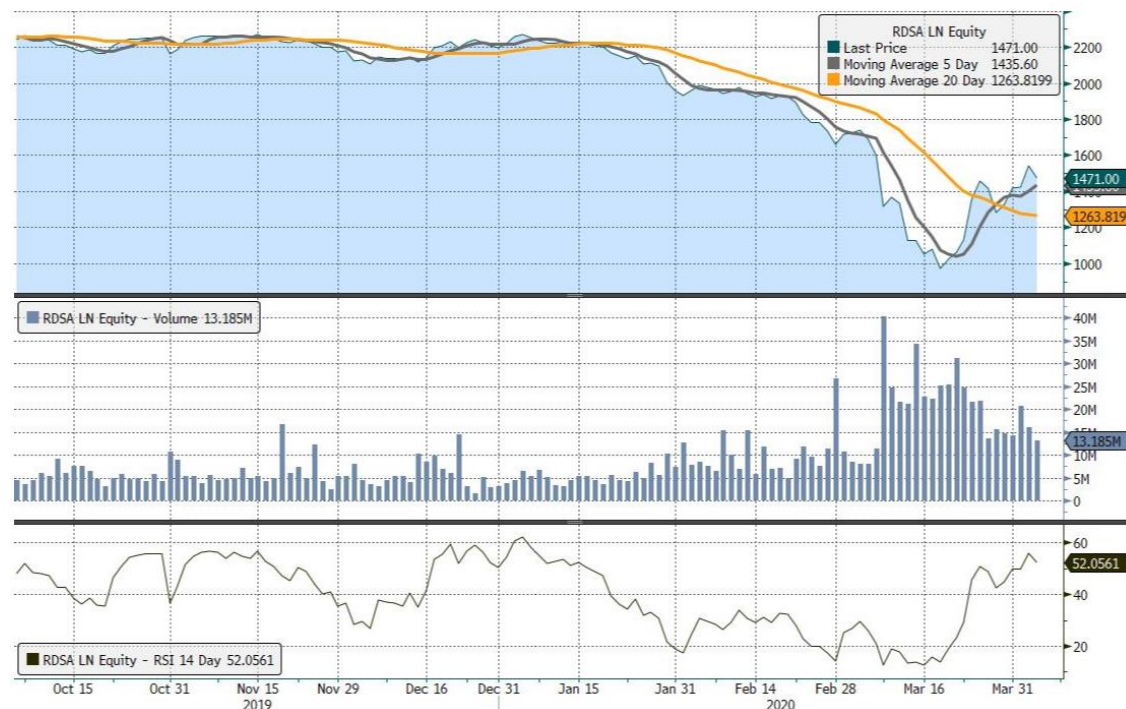
04/08/20 Half year results

Company	Royal Dutch Shell A (RDSA)	RDSA Performance	
Listed ETPs	3x Long Royal Dutch Shell Daily ETP ( <b>3LRD</b> )	1 week	14.7%
	3x Short Royal Dutch Shell Daily ETP ( <b>3SRD</b> )	1 month	-15.3%
		YTD	-33.0%
Exchange	London Stock Exchange	Price vs 52w high	-44.2%

### Overview

Outperformed the market over the week as investors were encouraged by talk of a possible deal between the Saudis and Russian to take 10mbd of oil out of the market. Apart from watching the gyrations in oil price, the big question on investors' minds will be, "Can Shell maintain its dividend?" History would suggest it can, but this time could just be different.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	12/31/2020			12/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	\$8.6 b	\$0.99	\$1.83	\$12.6 b	\$1.55	\$1.89
1 month change	-54.5%	-41.3%	-3.6%	-38.5%	-45.1%	-2.2%

### Upcoming events

- 20/05/20 Q1 2020 Results
- 19/05/20 AGM
- 30/07/20 Q2 2020 Results



Company	Vodafone (VOD)	VOD Performance	
Listed ETPs	3x Long Vodafone Daily ETP ( <b>3LVO</b> )	1 week	-4.4%
	3x Short Vodafone Shell Daily ETP ( <b>3SVO</b> )	1 month	-20.5%
		YTD	-24.4%
Exchange	London Stock Exchange	Price vs 52w high	-34.5%

### Overview

Relative strength on the week, but over the past month perhaps less resilient than might be expected for a defensive stock. No COVID-19 trading updates to date and on the corporate front it announced on 1 April that it had completed the sale of Vodafone Malta to Monaco Telecom SAM for a cash consideration equivalent to an Enterprise Value of €250 million.

### Chart with moving averages and RSI indicator



### Consensus forecasts

	3/31/2020			3/31/2021		
	Net Income	EPS	DPS	Net Income	EPS	DPS
Current	£1.83 b	\$0.08	\$0.09	£2.62 b	\$0.10	\$0.09
1 month change	0.6%	-6.1%	0.0%	-1.8%	-1.9%	0.0%

### Upcoming events

12/05/20 Full Year Results



Feedback and comments: please send to [graniteshares@europe.com](mailto:graniteshares@europe.com)

### General Notice

For professional clients and eligible counterparties only.

GraniteShares Limited ("**GraniteShares**") is an appointed representative of Duff & Phelps Securities Ltd. which is authorised and regulated by the Financial Conduct Authority.

This document does not constitute an offer to buy or sell or a solicitation of an offer to buy securities in any company. This document is not intended for distribution to any other country where such distribution or use would be contrary to local law or regulation. Specifically, this document is not intended for general distribution in the United States or Canada.

Investing in financial markets involves a substantial degree of risk. Nothing described herein is intended to imply that an investment is "safe", "conservative", "risk free" or "risk averse". This document does not consider the specific investment objective, financial situation or particular needs of any potential investor and is intended only for those investors who are capable of understanding the risk of loss of all or a substantial part of their monies. Potential investors in the UK are reminded that they will not benefit from the UK investors compensation scheme.

Nothing contained herein constitutes investment, legal, tax or other advice nor is to be relied upon in making an investment or other decision. No recommendation is made positive or otherwise, regarding individual securities or investments mentioned herein. Any summary list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in short and leveraged products. Prospective clients must consult with their own legal, tax and financial advisers before deciding to invest.

This document contains the opinions of the author and such opinions are subject to change without notice. The source of data is GraniteShares unless otherwise stated. No guarantee is made to the accuracy of the information provided which has been obtained from sources believed to be reliable. This document and the information contained herein is intended only for the use of persons (or entities they represent) to whom it has been provided.

### Risk Factors

An investment in a GraniteShares short and leveraged exchange traded product ("**ETP**") may not be suitable for all investors. They are intended for investors who wish to take a very short term view on the underlying asset and are not intended as buy and hold investments.

Performance and capital loss: Past performance is not a reliable indicator of future results. The value of an investment may go down as well as up and can result in losses, up to and including a total loss of the amount initially invested.

Generic risks: Investments in ETPs involve numerous risks including, among others, company risks, general market risks, credit risks, foreign exchange risks, interest rate risks, geopolitical risks and liquidity risks.

Specific product risks: The Index is constructed to track the performance of an increased (leveraged) and/or short exposure to the underlying asset. A fall (or rise where short and leveraged exposure) in value of the underlying asset can result in a greater reduction in the level of the Index. The Index is designed to do this on a daily basis only which should not be equated with seeking a leveraged position for periods longer than a day. The ETP's performance over periods longer than one day will not be correlated or symmetrical with the returns of the underlying asset. Potential investors should refer to the section entitled "Risk Factors" and "Economic Overview of the ETP Securities" in the Prospectus relating to the GraniteShares ETPs for further details of these and other risks associated with an investment in short and leveraged ETPs and consult their financial advisers as needed.

Counterparty risk: An investment in a GraniteShares short and leveraged ETP involves counterparty risk. GraniteShares Financial plc has entered into a Swap Agreement with a counterparty, Natixis, that is backed with collateral. Failure of the counterparty to make payments may result in an investment in an ETP suffering a loss.

### Index Disclaimer

The Index is created, calculated and published by Solactive AG. No financial instrument is sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the Index and/or Index trade mark or the Index level at any time or in any other respect.