



Weekly Brief

**BLACKSUMMIT
FINANCIAL GROUP**

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Market Action

- Risk assets returned most of their gains from the past week as earnings season is set to pick up momentum. Analysts are estimating that earnings will fall 9% over last year's level and hope that it marks a trough in the corporate sector.

- Safe havens were in high demand this week. Yields fell on both benchmark Treasury and investment grade bonds while the Yen reached its strongest level against the dollar since October of 2014. The rally in the Japanese currency has contributed to the Nikkei losing more than 7% in the past 2 weeks. Japan has vowed to intervene if the moves continue.

- The World Trade Organization lowered its expectations for global trade growth from 3.9% to 2.8% this year citing weakness in China and market volatility as hurdles to demand. The Baltic Dry Index, a measure of trade activity, is at its highest point of 2016.

- Puerto Rico's Governor signed an emergency bill this week that would suspend debt payments for the rest of the year. The bill signals the increasingly desperate situation the island is currently in and reverses recent optimism that a restructuring will be soon completed.

- The Department of Labor announced new rules for financial advisors. Professionals will now have to adhere to a fiduciary standard with their client's assets, as opposed to simply allocating capital towards suitable investments. The new rules go into effect next spring and represent some substantial compromises from the government after receiving public feedback.

- In other regulatory action, the Treasury Department toughened rules to stifle corporate inversions. The new rules include restricting internal company loans that are used by firms to reduce taxes via interest expenses. Allergan and Pfizer called off their merger a few days after the rules were announced.

- Oil rose by 8% this week as data out of the U.S. continues to show declines in production in the wake of crude's fall. The oil rig count has fallen by roughly 10% over the past year.

<u>Equities</u>	Current	Weekly	Monthly	Year to Date
<u>U.S.</u>				
Dow Jones	17,576.96	-1.21%	3.61%	0.87%
S&P 500	2,047.60	-1.21%	3.45%	0.18%
Nasdaq	4,850.69	-1.30%	4.34%	-3.13%
<u>Europe</u>				
FTSE	6,204.41	0.95%	1.29%	-0.61%
DAX	9,622.26	-1.76%	1.29%	-10.43%
<u>Asia</u>				
Nikkei	15,821.52	-2.12%	-5.73%	-16.88%
Shanghai	2,984.96	-0.82%	2.88%	-15.66%
<u>Currencies</u>				
EUR/\$	€ 1.14	€ 0.01	€ 0.04	€ 0.01
\$/Yen	¥ 108.42	¥ 3.97	¥ 4.06	¥ 3.97
UK/\$	£ 1.41	£ 0.01	£ 0.01	£ 0.01
<u>Bonds</u>				
10 Yr Treasury Yield	1.72	-0.052	-0.106	-0.052
Moody's A	3.91	-0.110	-0.260	-0.110
<u>Commodities</u>				
WTI	\$ 39.66	\$ 2.87	\$ 3.16	\$ 2.87
Brent	\$ 41.85	\$ 3.18	\$ 1.61	\$ 3.18
Gold	\$ 1,241.00	\$ 17.50	\$ (21.90)	\$ 180.80

<u>Returns (%)</u>			
Sector	1 Week	1 Month	YTD
Materials	-1.13%	3.75%	2.52%
Telecommunications	-2.33%	0.34%	12.20%
Consumer Staples	-0.51%	3.16%	5.62%
Consumer Discretionary	-2.06%	3.05%	-0.39%
Energy	2.20%	4.76%	3.92%
Financial Services	-2.91%	1.00%	-7.60%
Healthcare	0.89%	3.50%	-3.88%
Industrials	-0.85%	3.99%	1.31%
Technology	-1.92%	5.81%	1.07%
Utilities	-1.97%	2.76%	12.69%

Economic Calendar: April 11 – April 15

Date	Release	For	Est
04/13	PPI	Mar	0.3%
04/13	Retail Sales	Mar	0.1%
04/14	Initial Jobless Claims	04/08	270,000
04/15	Capacity Utilization	Mar	75.5%
04/15	Consumer Sentiment	Mar	92

This Week From Blacksummit

[WWW: Wrong Tools, Wrong Targets, Wrong Diagnoses](#)

John Charalambakis

Recommended Reads

[Active Management is Far From Dead](#)

EconompicData

[The Illiquidty Illusion](#)

William De Leon, PIMCO

[Monetary Policy: The Central Banker's Dilemma](#)

The Economist

[The Next Perfect Banking Storm](#)

Christopher Langner, Bloomberg Gadfly

Image of the Week: Productivity versus Earnings

