



Weekly Brief

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Market Action

- European and Japanese shares led risk assets across the globe this week. Positive inflation data both in Britain and throughout the Euro area encouraged markets on the continent while Japan reiterated its readiness to intervene to prevent the Yen from strengthening much further.

- China's economy grew by 6.7% in the first quarter of this year according to official data. It marks the slowest rate since the financial crisis but underlying data on fixed asset investment, retail sales, and other indicators suggest that positive momentum is building.

- The International Energy Agency cited declining U.S. crude supplies as bringing the oil market close to balance in the latter half of the year. WTI crude oil has rallied over 60% since the middle of February, and is now near its highs for 2016.

- Italy's strongest banks formally agreed to create a backstop fund to help bail out weaker banks. The €5 billion fund pales in comparison to the country's €360 billion in bad debts and is still short on details.

- Singapore's central bank, one of the few in the world with an explicit exchange rate target, announced a target of zero percent appreciation for its currency moving forward. The surprising easing announcement led to a sell-off in emerging-market currencies.

- Brazil's lower house will vote on Sunday on whether to recommend Dilma Rousseff for impeachment. If the measure passes, it moves to the Senate and has additional steps beyond before she is actually removed from office. Markets are greeting the prospect of Ms. Rousseff's removal as a positive development.

- Despite several banks failing living wills, and some major banks missing earnings forecasts, Financials led all sectors in the U.S. this week. Additional cost cutting measures across the industry are being met with positive reviews.

<u>Equities</u>	Current	Weekly	Monthly	Year to Date
<u>U.S.</u>				
Dow Jones	17,897.46	1.82%	3.74%	2.71%
S&P 500	2,080.73	1.62%	3.21%	1.80%
Nasdaq	4,938.22	1.80%	4.43%	-1.38%
<u>Europe</u>				
FTSE	6,343.75	2.25%	3.32%	1.62%
DAX	10,051.57	4.46%	3.32%	-6.44%
<u>Asia</u>				
Nikkei	16,848.03	6.49%	-1.57%	-11.48%
Shanghai	3,078.12	3.12%	7.46%	-13.03%
<u>Currencies</u>				
EUR/\$	€ 1.13	€ (0.01)	€ 0.02	€ (0.01)
\$/Yen	¥ 108.74	¥ 0.32	¥ 4.13	¥ 0.32
UK/\$	£ 1.42	-£ 0.01	£ 0.00	£ 0.01
<u>Bonds</u>				
10 Yr Treasury Yield	1.75	0.036	-0.208	0.036
Moody's A	3.97	0.020	-0.220	0.020
<u>Commodities</u>				
WTI	\$ 40.40	\$ 0.68	\$ 4.06	\$ 0.68
Brent	\$ 43.10	\$ 1.16	\$ 3.71	\$ 1.16
Gold	\$ 1,235.70	\$ (8.10)	\$ 4.70	\$ 175.50

<u>Returns (%)</u>			
Sector	1 Week	1 Month	YTD
Materials	3.14%	5.55%	5.74%
Telecommunications	-0.52%	-0.82%	11.61%
Consumer Staples	-0.78%	1.29%	4.79%
Consumer Discretionary	2.05%	2.82%	1.65%
Energy	1.98%	3.68%	5.98%
Financial Services	3.95%	2.76%	-3.94%
Healthcare	1.10%	4.53%	-2.82%
Industrials	1.19%	3.36%	2.51%
Technology	1.18%	3.76%	2.26%
Utilities	0.19%	1.90%	12.91%

Economic Calendar: April 11 – April 15

Date	Release	For	Est
04/19	Housing Starts M/M	Mar	1%
04/20	Existing Home Sales	Mar	5.2 Mln
04/21	Initial Jobless Claims	04/15	270,000
04/21	Philly Fed	Apr	7
04/22	Markit Manufacturing PMI	Apr	51.7

This Week From Blacksummit

[Credit Impulses and Market Volatility: The Missing Link](#)

John Charalambakis

Recommended Reads

[The Case for More Capital](#)

Matthew Klein, FT Alphaville

[Big Banks Use a Footnote to Look Smaller](#)

Matt Levine, BloombergView

[Alpha or Assets](#)

Patrick O'Shaughnessy

[What's Wrong With Negative Rates?](#)

Joseph Stiglitz

Image of the Week: Brexit and Sterling Volatility

Source: Financial Times

