Weekly Brief

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24 April 2016

Market Action

- Major U.S. indices hit their highest points since last July and set 2016 highs this week. Bond yields have also hit their highest mark in recent weeks, signaling renewed risk appetite in markets. The energy sector led this week on the back of rising crude prices.

- With a quarter of S&P 500 firms having reported earnings thus far, earnings results have come in slightly better than expected but still represent a substantial decline from levels one year ago. Executives continue to cite the strong dollar as a headwind but expect a more accommodative currency impact moving forward.

- An earthquake early in the week, contraction in the manufacturing sector and poor trade figures for the sixth consecutive month pulled the Yen down against the dollar. The weaker Yen spells an opportunity for exporters, helping the Nikkei rally over 4% this week.

- Skepticism regarding China's immediate economic future was renewed this week, despite some recent strong data. First, Fitch Ratings' head of Asian sovereigns voiced concerns that credit growth is masking broken firms and failing loans. Then George Soros stated that he sees China's current economy as a parallel to the U.S. just prior to the 2008 crash.

- While markets have taken a renewed embrace of risk, the sentiment in high-yield bonds remains mixed. Junk bond indices have joined equities in the recent rally but credit downgrades in the first three and a half months of 2016 have already exceeded 2015 levels with more to come in the future.

- The ECB reiterated its intentions to leave monetary policy in an accommodative stance for the foreseeable future. Mario Draghi emphasized the central bank's inflation goals. Inflation expectations, per Citi, are at their lowest point since 2004.

- Within 24 hours of starting on the job, Turkey's new central bank chief cut interest rates, much to the delight of government officials. The move moved the lira higher in relief although the institution's independence seems to be waning.

Equities	Current	Weekly	Monthly	Year to Date
U.S.				
Dow Jones	18,003.75	0.59%	2.40%	3.32%
S&P 500	2,091.58	0.52%	2.04%	2.33%
Nasdaq	4,906.23	-0.65%	1.75%	-2.02%
Europe				
FTSE	6,310.44	-0.53%	1.90%	1.09%
DAX	10,373.49	3.20%	1.90%	-3.44%
Asia				
Nikkei	17,572.49	4.30%	3.07%	-7.68%
Shanghai	2,959.24	-3.86%	-1.34%	-16.39%
Currencies				
EUR/$	€ 1.12	€ (0.01)	€ 0.00	€ (0.01)
$/Yen	¥ 111.48	¥ 2.74	-¥ 0.34	¥ 2.74
UK/$	£ 1.44	-£ 0.02	£ 0.02	£ 0.02
Bonds				
10 Yr Treasury Yield	1.89	0.133	-0.055	0.133
Moody's A	4.01	0.080	-0.140	0.080
Commodities				
WTI	$ 43.75	$ 3.39	$ 2.30	$ 3.39
Brent	$ 45.12	$ 2.02	$ 2.61	$ 2.02
Gold	$ 1,233.70	$ (0.90)	$ (14.90)	$ 173.50

Returns (%)

Sector	1 Week	1 Month	YTD
Materials	2.51%	4.47%	8.40%
Telecommunications	-1.24%	-2.75%	10.23%
Consumer Staples	-2.13%	-0.87%	2.56%
Consumer Discretionary	-0.07%	1.83%	1.59%
Energy	5.20%	6.50%	11.49%
Financial Services	2.79%	4.00%	-1.27%
Healthcare	2.61%	5.86%	-0.28%
Industrials	0.20%	1.86%	2.72%
Technology	-2.04%	-0.61%	0.17%
Utilities	-3.24%	-2.31%	9.26%

Economic Calendar: April 25 – April 29

Date	Release	For	Est
04/25	New Home Sales	Mar	521,000
04/26	Durable Goods M/M	Mar	1.9%
04/26	Case – Shiller Y/Y	Feb	5.6%
04/26	Markit PMI: Services	Apr	51.4
04/26	Consumer Confidence	Apr	96
04/27	Pending Home Sales	Mar	0.3%
04/28	Initial Jobless Claims	04/22	257,000
04/28	GDPY/Y	Q1	1.9%
04/28	Chicago PMI	Apr	53
04/29	Consumer Sentiment	Apr	90.3

This Week From Blacksummit

[The Symphony of Asset Management: Caravaggio Meets Atlas in the Chameleon Age]
John Charalambakis

Recommended Reads

[The Secret Shame of Middle Class Americans]
Neal Gabler, The Atlantic

[Post Crisis Economy's Long Debt Hangover]
Carmen Reinhart, Project Syndicate

[How Finance Came to Dominate the US Economy]
Noah Smith, BloombergView

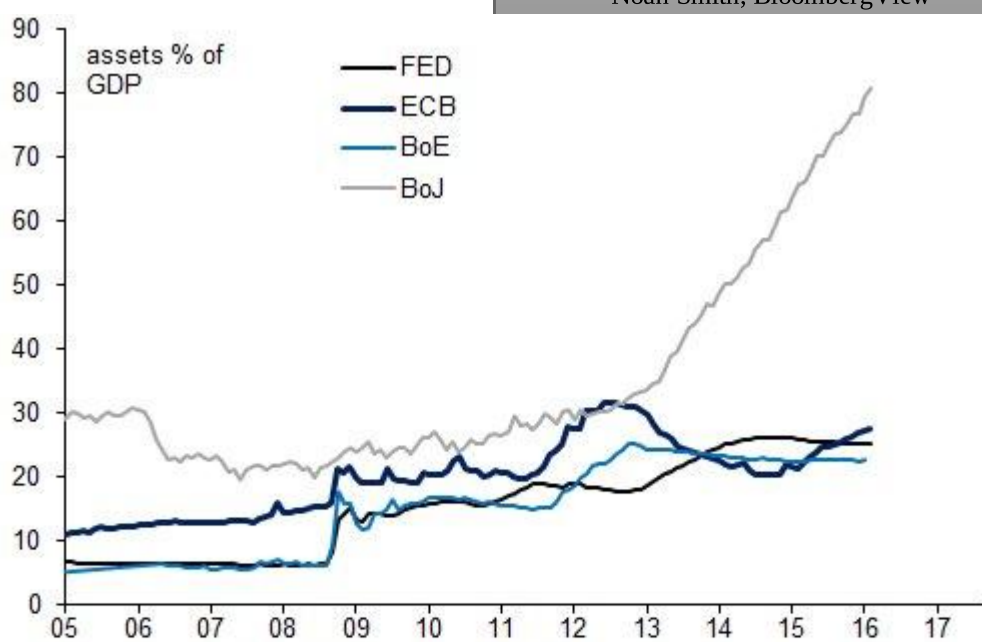

Image of the Week: QE as a % of GDP
Source: The Daily Shot