



Weekly Brief

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3 April 2016

Market Action

- Equities bounced back in the U.S. once again thanks to soft guidance from monetary authorities while the March jobs report came in slightly above expectations. Despite the renewed risk appetite, the defensive Utilities and Telecoms sectors continue to lead on the year by comfortable margins.

- Janet Yellen's press conference in the middle of the week reversed the hawkish tone given off by other Fed officials last week and catapulted markets on Wednesday and Thursday. The Fed Chair explicitly cited overseas concerns in her speech, a new tint to her dovish sentiment.

- Brazil's largest political party abandoned the coalition formed with President Rousseff, dealing her a major blow in her efforts to fight off impeachment. The Brazilian markets and currency have rallied the more impeachment proceedings move forward in the hopes a new leader will bring order to the country's poor fiscal state.

- Emerging Market currencies have witnessed a major rally over the past month. Despite expectations for global growth remaining weak and poor fundamentals across several countries currencies such as the real, the rand, ruble, and lira saw significant gains.

- Japan's Nikkei suffered heavy losses this week as industrial output fell over 6% in February due to poor demand and pessimistic sentiment from the corporate sector. Japan's parliament passed a record budget on Friday but the Prime Minister indicated intentions to continue with a hike in the sales tax rate next year.

- Saudi Arabia's Deputy Crown Prince laid out plans the Kingdom has to prepare for a post-oil age. Plans involve creating the largest sovereign wealth fund with more than \$2 Trillion in assets and the sale of a small stake in Saudi Aramco by 2018.

- The ECB started its newest round of asset purchases on Friday, including corporate bonds for the first time. Spreads are tightening, prompting record level issuance of debt across the continent for firms.

<u>Equities</u>	Current	Weekly	Monthly	Year to Date
<u>U.S.</u>				
Dow Jones	17,792.75	1.58%	5.50%	2.11%
S&P 500	2,072.78	1.81%	4.77%	1.41%
Nasdaq	4,914.54	2.95%	4.80%	-1.85%
<u>Europe</u>				
FTSE	6,146.05	0.65%	-0.11%	-1.54%
DAX	9,794.64	-0.58%	-0.11%	-8.83%
<u>Asia</u>				
Nikkei	16,164.16	-4.31%	0.49%	-15.08%
Shanghai	3,009.53	1.64%	10.11%	-14.97%
<u>Currencies</u>				
EUR/\$	€ 1.13	€ 0.02	€ 0.05	€ 0.02
\$/Yen	¥ 112.39	¥ 0.27	¥ 1.21	¥ 0.27
UK/\$	£ 1.42	-£ 0.00	£ 0.03	£ 0.00
<u>Bonds</u>				
10 Yr Treasury Yield	1.77	-0.129	-0.054	-0.129
Moody's A	4.03	-0.040	-0.240	-0.040
<u>Commodities</u>				
WTI	\$ 36.63	\$ (2.83)	\$ 2.23	\$ (2.83)
Brent	\$ 38.64	\$ (2.39)	\$ 1.17	\$ (2.39)
Gold	\$ 1,223.60	\$ 2.00	\$ (7.20)	\$ 163.40

<u>Returns (%)</u>			
Sector	1 Week	1 Month	YTD
Materials	1.15%	5.41%	3.69%
Telecommunications	0.83%	4.65%	14.87%
Consumer Staples	2.63%	4.54%	6.16%
Consumer Discretionary	2.51%	4.28%	1.70%
Energy	-1.26%	5.33%	1.69%
Financial Services	1.67%	4.27%	-4.83%
Healthcare	1.86%	1.71%	-4.73%
Industrials	1.92%	4.75%	2.17%
Technology	2.72%	6.75%	3.05%
Utilities	1.74%	8.64%	14.96%

Economic Calendar: April 4 – April 8

Date	Release	For	Est
04/04	Durable Goods	Feb	-2.8%
04/05	JOLTs	Feb	5.55 Mln
04/07	Initial Jobless Claims	04/01	269,000
04/08	Wholesale Inventories	Feb	-0.2%

Recommended Reads

[The Economics of Radical Uncertainty](#)

Clive Crook, BloombergView

[No Country for Young Men \(And Women\)](#)

Paola Subacchi, Project Syndicate

[The End of Big Banks](#)

Simon Johnson, Project Syndicate

[ECB Risks Trashing Corporate Bond Liquidity](#)

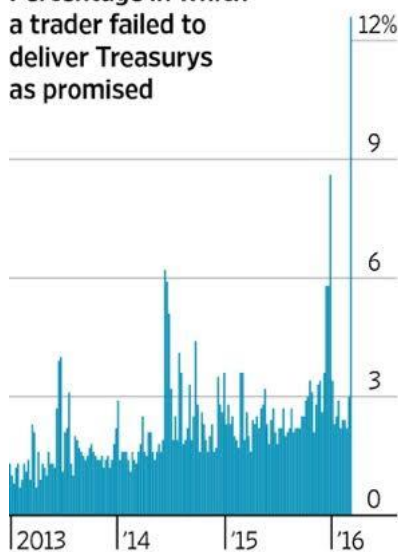
Mark Gilbert, BloombergView

Image of the Week: Leaks in the Financial System's Plumbing

Epic Fail

Treasury repurchase failures hit an eight-year high.

Percentage in which a trader failed to deliver Treasuries as promised



Source: Federal Reserve Bank of New York via Barclays

THE WALL STREET JOURNAL.