



Weekly Brief

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Market Action

- U.S. markets remained largely flat on the week as investors take a pause on the rally of the past several weeks. Volatility continues to stay muted as well.

- The Federal Reserve raised interest rates as expected this week. Members of the Fed are projecting up to 4 rate increases for 2017 but markets are skeptical, pricing in no more than 2.

- The dollar reached a 14-year high against the Euro and a basket of other currencies following the Fed rate increase. The dollar's rise has had mixed results internationally, with emerging market stocks and currencies struggling but the Nikkei rallying 8 straight days.

- Japan is now the largest holder of U.S. bonds as China has been using reserves to support its currency. China's holdings are at a six-year low.

- A slew of economic data out of China came in better than expected. Retail sales rose 11% as the Chinese consumer is keeping the economy afloat. Fixed asset investment and industrial activity also showed improvement.

- Gold has fallen 17% since its high in July on the heels of the Brexit vote. The metal sold off sharply following the Fed's rate increase and is approaching a bear market.

- In an effort to tackle deep fiscal imbalances Brazil has passed a constitutional measure to freeze spending for nearly two decades. President Temer pushed for the law amidst his own legal troubles.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	19,843.41	0.44%	5.17%	13.88%
S&P 500	2,258.07	-0.06%	3.73%	10.48%
Nasdaq	5,437.16	-0.13%	2.69%	8.58%
<u>Europe</u>				
FTSE	7,011.64	0.83%	3.88%	12.32%
DAX	11,404.01	1.79%	6.94%	6.15%
<u>Asia</u>				
Nikkei	19,401.15	2.13%	8.62%	1.93%
Shanghai	3,124.03	-3.37%	-2.53%	-11.73%
<u>Currencies</u>				
EUR/\$	1.043	-1.22%	-2.42%	-3.96%
\$/Yen	117.940	2.27%	8.12%	-1.90%
UK/\$	1.249	-0.68%	0.35%	-15.27%
<u>Bonds</u>				
10 Year	2.60	0.132	0.377	0.330
Moodys AA	4.12	0.000	0.130	-0.100
<u>Commodities</u>				
WTI	\$51.90	0.82%	13.89%	40.12%
Brent	\$55.21	1.68%	18.40%	48.10%
Gold	\$1,137.40	-2.07%	-7.29%	6.71%

Returns			
Sector	1 Week	1 Month	YTD
Telecommunications	-0.35%	3.70%	25.68%
Materials	-2.10%	4.24%	16.12%
Energy	-0.12%	7.28%	26.84%
Consumer Staples	0.02%	2.52%	3.09%
Consumer Discretionary	-1.92%	2.75%	5.79%
Financials	-1.64%	6.86%	20.80%
Healthcare	1.06%	-0.84%	3.40%
Industrials	-2.19%	2.27%	18.05%
Technology	-0.12%	3.16%	13.45%
Utilities	0.94%	4.29%	11.85%

This Week from Blacksummit

[Corporate Earnings Expectations and Market Multiples: Forthcoming Policies and Capital Cushions](#)

John E. Charalambakis

Recommended Reads

[Interest Rates and Value Investing](#)

Wesley Gray, Alpha Architect

[Why Colleges Are Getting a 'C' in Investing](#)

Roger Lowenstein, Fortune

[Finding Stability When Stability Is Expensive](#)

Sammy Suzuki, Kent Hargis, Chris Marx

Image of the Week: Is the Bull Market in Bonds Over?

