



Weekly Brief

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Market Action

- Another week brought a new set of all time highs for the stock market. Financials were again among the market's leaders thanks to rising rates and indications of a less strenuous regulatory environment under a new administration.

- China's foreign exchange reserves fell for the fifth straight month in November. Authorities have struggled to prop up the yuan in the midst of capital outflows.

- Mario Draghi announced that the ECB will scale back its purchases of bonds from €80 billion to €60 billion but that the program will be extended through 2017 at least. Inflationary expectations in the Eurozone have been rising over the past several weeks.

- Despite another election that threw out the establishment, European shares remained buoyant. The resignation of PM Renzi of Italy and the precipitous state of Italian banks was not enough to hold off European markets.

- Gold has fallen for yet another week as rhetoric expressing positive expectations for the U.S. and global economy has picked up. The precious metal has fallen despite higher expectations for inflation.

- Japanese economic growth in Q3 of 1.3% was much lower than the initial estimate of 2.2% but forecasts moving forward have been raised according to new data released this week.

- Australia left interest rates at record lows after GDP contracted for the first time in five years.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	19,756.85	3.06%	6.28%	13.38%
S&P 500	2,259.53	3.08%	4.45%	10.55%
Nasdaq	5,444.50	3.59%	3.68%	8.73%
<u>Europe</u>				
FTSE	6,954.21	3.32%	0.61%	11.40%
DAX	11,203.63	6.57%	5.24%	4.29%
<u>Asia</u>				
Nikkei	18,996.37	3.10%	16.89%	-0.20%
Shanghai	3,232.88	-0.34%	3.34%	-8.65%
<u>Currencies</u>				
EUR/\$	1.056	-0.97%	-3.20%	-2.77%
\$/Yen	115.320	1.59%	9.13%	-4.08%
UK/\$	1.257	-1.23%	1.34%	-14.69%
<u>Bonds</u>				
10 Year	2.47	0.084	0.410	0.198
Moody's AA	4.12	0.030	0.150	-0.100
<u>Commodities</u>				
WTI	\$51.48	-0.39%	13.72%	38.98%
Brent	\$54.30	-0.29%	17.13%	45.65%
Gold	\$1,161.40	-1.39%	-9.07%	8.96%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	3.84%	7.38%	1.73%
Materials	3.01%	6.43%	10.48%
Energy	2.19%	7.81%	13.71%
Consumer Staples	2.81%	-0.40%	-1.68%
Consumer Discretionary	3.45%	6.48%	5.66%
Financials	4.82%	13.90%	25.68%
Healthcare	0.65%	-2.80%	-1.85%
Industrials	1.89%	6.94%	13.29%
Technology	4.24%	2.07%	17.04%
Utilities	2.48%	0.69%	-2.39%

This Week from Blacksummit

[Seeking Roses among the Thorns: Prospects and Challenges in the Investment Landscape](#)

John E. Charalambakis

Recommended Reads

[Inequality is Killing the American Dream](#)

Ben Casselman, FiveThirtyEight

[The American Dream, Quantified At Last](#)

David Leonhardt, NY Times

[The Economy's Hidden Problem: We're Out of Big Ideas](#)

Greg Ip, Wall Street Journal

[After 1,000 Year Slumber, China Vows to Invent Again](#)

Eva Dou, Wall Street Journal

Image of the Week: Are Valuations Ringing an Alarm?

Shiller PE Ratio

