



Weekly Brief

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Market Action

- Defensive sectors (Consumer Staples, Telecommunications) led the market this week as stocks fell for the second consecutive week.

- Chinese GDP for 2016 grew at a rate of 6.7% according to data released Friday. While in the middle of the targeted range, the pace is the slowest rate of growth since 1990. Retail sales and consumption continue to generate a greater proportion of Chinese growth at the expense of industrial production.

- Bond yields were more volatile this week as Janet Yellen made comments that the economy was approaching full-employment and that the Fed was still expecting a few hikes this year.

- China's holdings of U.S. Treasuries fell for the sixth straight month as the country props up the yuan from capital flowing out of the country.

- The British Pound saw its best day in months on Wednesday as markets reacted to Theresa May's speech regarding Brexit negotiations. The Prime Minister pledged to walk away from talks if the country did not get a favorable deal.

- Global business and political leaders gathered in Davos, Switzerland this week for the annual World Economic Forum. The theme of this year's even was "Responsible and Responsive Leadership" in the wake of populism throughout the West and discontent with globalization.

- Saudi Arabian energy leaders stated they see the global oil markets reaching equilibrium at an accelerated pace and that an extension of November's cuts may not be needed.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	19,827.25	-0.29%	-0.58%	0.33%
S&P 500	2,271.31	-0.15%	0.27%	1.45%
Nasdaq	5,555.33	-0.34%	1.53%	3.20%
<u>Europe</u>				
FTSE	7,198.44	-1.90%	2.23%	0.78%
DAX	11,630.13	0.01%	1.41%	1.30%
<u>Asia</u>				
Nikkei	19,137.91	-0.77%	-1.58%	0.12%
Shanghai	3,123.14	0.33%	-0.46%	0.63%
<u>Currencies</u>				
EUR/\$	1.070	0.56%	2.68%	1.77%
\$/Yen	114.620	0.11%	-2.49%	-2.00%
UK/\$	1.238	1.58%	0.18%	0.28%
<u>Bonds</u>				
10 Year	2.47	0.070	-0.068	0.023
Moody's AA	3.99	0.050	-0.120	-0.040
<u>Commodities</u>				
WTI	\$52.42	0.10%	-0.13%	-2.42%
Brent	\$55.49	0.07%	1.89%	-2.34%
Gold	\$1,204.90	0.73%	6.33%	4.62%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	0.79%	-0.90%	-1.46%
Materials	0.49%	1.17%	2.83%
Energy	0.08%	-2.27%	-1.28%
Consumer Staples	1.94%	0.78%	1.43%
Consumer Discretionary	-0.07%	0.44%	3.11%
Financials	-1.64%	-2.12%	-0.60%
Healthcare	-1.49%	1.40%	1.31%
Industrials	0.13%	0.19%	1.66%
Technology	0.23%	1.73%	3.47%
Utilities	0.26%	0.19%	0.06%

This Week from Blacksummit

[Shifting Regimes and Changing Winds: Reflections on Trade and Market Implications at the Dawn of a New Era](#)

John E. Charalambakis

Recommended Reads

[Don't Blame Davos Man for Globalization's Limits](#)

Tyler Cowen

[Investors Need to Look Well Beyond the Inauguration](#)

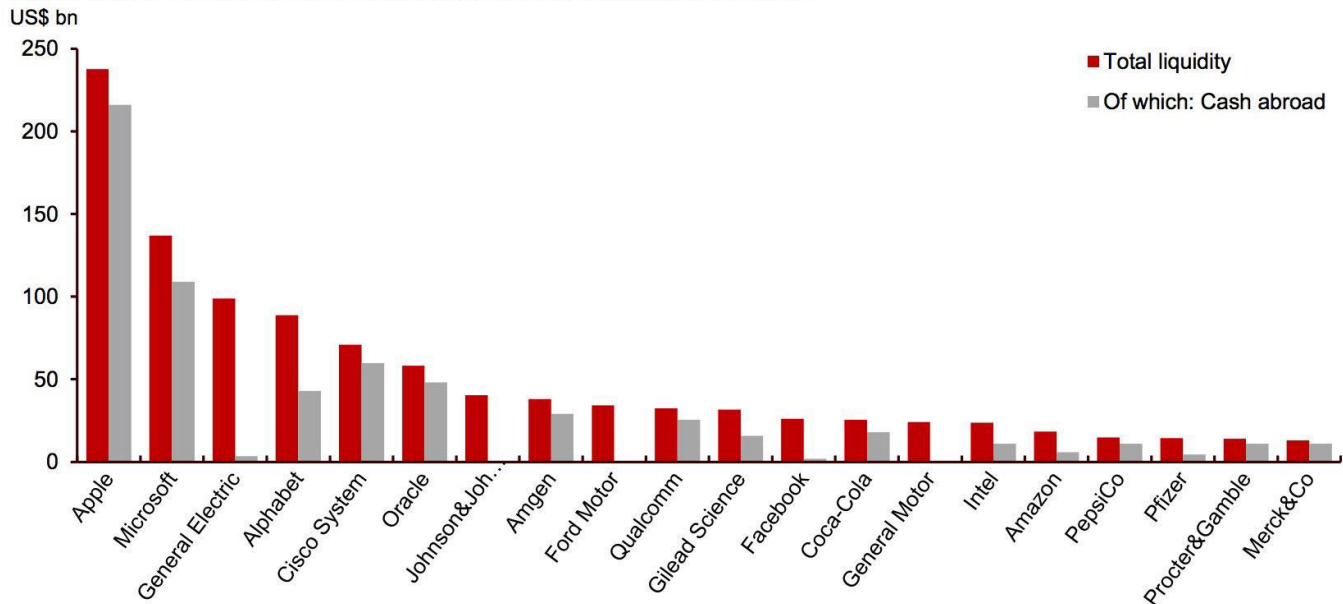
Ben Carlson

[Analysts Say 'Buy' to Win Special Access for Their Clients](#)

Serena Ng and Thomas Gryta

Image of the Week: Nomura Report: U.S. Tax Repatriation Could Remove \$63 Billion From European Banks. Who Are the Main Culprits?

Fig. 1: Top 20 holders of cash, cash equivalent and marketable securities



Source: Bloomberg, individual annual reports and Nomura

