



Weekly Brief

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Market Action

- Brexit is officially a reality as Theresa May invoked Article 50 to remove the United Kingdom from the European Union. The maneuver sets off two years of negotiations on issues such as trade and immigration that will influence the entire future of the European Union.
- U.S. GDP was revised up to 2.1% for Q4, slightly better than expectations. In addition, corporate profits jumped over 22% for the quarter, the strongest gain in over 5 years and significantly up over last year.
- South African President Jacob Zuma has fired the country's finance minister in a quest for "radical economic transformation." The minister's dismissal has sent a wave of volatility in currency and bond markets as the minister was seen as a lone source of stability in the country.
- While markets continue to wait for fundamentals to match their optimistic sentiment confidence from consumers and businesses in the U.S. and Europe continues to rise. Consumer Confidence indices in the U.S. blew past expectations while business morale in Germany hit its highest level in six years.
- Housing continues to be a bright spot for the U.S. economy on the back of a dearth of supply. Pending home sales of 5.5% in March surpassed expectations of 2.4% while home prices rose for the third straight month, the strongest run in four years.
- China's PMI continues to signal expansion. The data point comes a week ahead of the administration's meeting with China that seeks to tackle trade and currency issues that have made for fiery rhetoric.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	20,663.22	0.32%	-2.14%	4.56%
S&P 500	2,362.72	0.80%	-1.39%	5.53%
Nasdaq	5,911.74	1.42%	0.13%	9.82%
<u>Europe</u>				
FTSE	7,322.92	-0.19%	-0.81%	2.52%
DAX	12,312.87	2.06%	2.04%	7.25%
<u>Asia</u>				
Nikkei	18,909.26	-1.83%	-2.50%	-1.07%
Shanghai	3,222.51	-1.44%	-0.75%	3.83%
<u>Currencies</u>				
EUR/\$	1.065	-1.35%	1.00%	1.28%
\$/Yen	111.390	0.04%	-2.06%	-4.76%
UK/\$	1.255	0.62%	2.09%	1.70%
<u>Bonds</u>				
10 Year	2.39	-0.025	-0.065	-0.057
Moodys AA	4.02	0.040	-0.010	-0.010
<u>Commodities</u>				
WTI	\$50.60	5.48%	-6.00%	-5.81%
Brent	\$52.83	4.00%	-6.26%	-7.02%
Gold	\$1,251.20	-0.04%	-0.17%	8.13%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	-0.79%	-1.68%	-5.06%
Materials	1.33%	-1.61%	5.31%
Energy	2.21%	-3.09%	-7.30%
Consumer Staples	-0.12%	-1.08%	5.64%
Consumer Discretionary	1.66%	0.88%	8.09%
Financials	0.82%	-5.59%	2.08%
Healthcare	0.14%	-1.59%	7.89%
Industrials	0.90%	-2.38%	4.01%
Technology	1.07%	1.02%	12.16%
Utilities	-1.24%	0.47%	5.44%

This Week from Blacksummit

[The Zadig & Micromega Perspective: Global Demand, Servicing the Debt, and Economic Developments](#)

John E. Charalambakis

Recommended Reads

[Whatever Happened to Free Trade](#)

Bob Davis and Jon Hilsenrath

[The True Cost of Indexing](#)

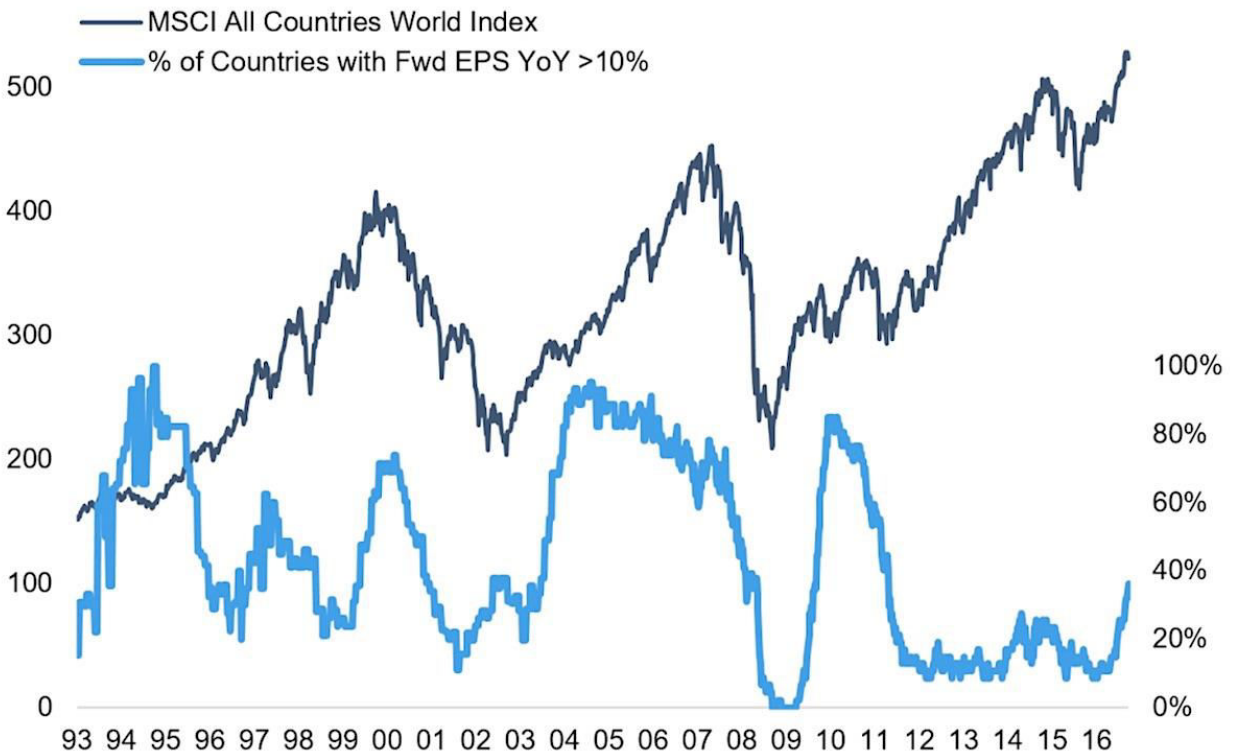
Ehren Stanhope

[The End of Global QE Is Approaching Fast](#)

Gavyn Davies

Image of the Week: Global Earnings Are Accelerating

Earnings acceleration tracker



Source: Topdown Charts, Thomson Reuters Datastream, I/B/E/S

topdowncharts.com