



# Weekly Brief

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## Market Action

- French bond yields and spreads to benchmark German bonds narrowed throughout the course of the week as the nation heads to the polls. The race is a tight contest between four major candidates. Since no majority for anyone is expected, a runoff in May is likely.
- President Trump announced that a major reform of the nation's taxes could be expected in the upcoming week. The President explicitly cited a plan to benefit Corporate America through a new system. The administration is stating that the tax cuts will pay for themselves through economic growth.
- Oil fell over 4% on Wednesday before recovering some losses to close out the week. Despite commentary from OPEC officials about sustaining production cuts past the June expiration, extensive supply of refined products is weighing on the demand for crude and keeping prices down.
- Theresa May has called for snap elections in the U.K. to be held on June 8. With a near 20 point lead in polls over the rival party the Prime Minister is looking to consolidate her negotiating hand with the EU. The announcement surprised markets, sending the Pound and FTSE 100 down on the day.
- China's economy grew by 6.9% in Q1, the fastest rate in six quarters thanks to higher government spending and a property boom that is fueling industrial output. CEOs in the U.S. are also citing renewed strength in China as propelling demand and business outlooks in the future.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	20,656.10	-0.03%	-0.96%	4.52%
S&P 500	2,355.54	-0.30%	-0.31%	5.21%
Nasdaq	5,877.81	-0.57%	0.69%	9.19%
<u>Europe</u>				
FTSE	7,349.37	0.36%	0.20%	2.89%
DAX	12,225.06	-0.71%	2.15%	6.48%
<u>Asia</u>				
Nikkei	18,664.63	-1.29%	-3.06%	-2.35%
Shanghai	3,286.62	1.99%	1.42%	5.90%
<u>Currencies</u>				
EUR/\$	1.059	-0.57%	0.47%	0.70%
\$/Yen	111.090	-0.27%	-2.85%	-5.02%
UK/\$	1.237	-1.43%	1.67%	0.25%
<u>Bonds</u>				
10 Year	2.38	-0.005	-0.178	-0.062
Moody's AA	3.97	-0.040	-0.140	-0.060
<u>Commodities</u>				
WTI	\$52.24	3.24%	3.90%	-2.76%
Brent	\$55.24	4.56%	4.01%	-2.78%
Gold	\$1,257.30	0.49%	3.67%	8.66%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	-0.11%	-2.08%	-5.41%
Materials	-2.25%	-1.18%	3.06%
Energy	-1.93%	1.02%	-8.57%
Consumer Staples	0.27%	0.23%	5.52%
Consumer Discretionary	-1.02%	-0.17%	5.90%
Financials	-2.37%	-6.84%	-1.88%
Healthcare	-0.35%	-1.77%	7.86%
Industrials	-1.56%	-1.50%	1.79%
Technology	-1.36%	-1.06%	9.18%
Utilities	0.07%	1.96%	5.83%

## This Week from Blacksummit

[Assessing Possible High Impact Outcomes: From Egypt to France, and from London to D.C.](#)

John E. Charalambakis

### Recommended Reads

[Lines In The Sand](#)

Howard Marks

[Why the decline in the number of listed American firms matters](#)

The Economist

[How The Passive Investing Mania Undermined Its Most Basic Assumption](#)

Jesse Felder

## Image of the Week: Investors' Demand for Yield Is Pushing Demand for Leveraged Loans

