



Weekly Brief

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Market Action

- After France's election equity markets took off across the globe, approaching recent highs. The Euro reached a five-month high after the results of France's election and the nation's stock market rose over 4% on Monday's opening trade.
- China's markets opened with big losses this week. The country's banking regulator stated that it was cracking down on "irregularities," causing worries about whether the flow of credit would tighten.
- President Trump unveiled a wish list for a future tax regime on Wednesday. The one-page document leaves significant uncertainty as to what the future tax system could look like. The plan calls for lower personal and corporate tax rates, as well as a territorial tax system for firms.
- The President also made noise on the trade front with a 20% tariff on Canadian lumber as a retaliatory measure for dairy policies that have been deemed to be harmful to American farmers. The President also was reported to be debating pulling out of NAFTA this week but decided against it.
- Japan slightly raised its forecast for GDP growth for the remainder of this year but lowered its outlook on inflation despite massive monetary stimulus. The BOJ stated that monetary accommodations would continue as long as necessary to drag the country out of its deflationary trap.
- U.S. GDP slumped in the first quarter at a rate of 0.7% as consumer spending was weak, despite sentiment data that posits a promising outlook. The GDP figure is the weakest in three years while consumer spending was at its weakest point since 2009

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	20,940.51	1.91%	1.36%	5.96%
S&P 500	2,384.20	1.51%	0.98%	6.49%
Nasdaq	6,047.61	2.32%	2.54%	12.34%
<u>Europe</u>				
FTSE	7,203.94	1.26%	-2.30%	0.86%
DAX	12,438.01	3.23%	1.93%	8.34%
<u>Asia</u>				
Nikkei	19,196.74	3.09%	-0.11%	0.43%
Shanghai	3,154.66	-0.58%	-2.67%	1.64%
<u>Currencies</u>				
EUR/\$	1.090	1.56%	1.20%	3.59%
\$/Yen	111.490	2.20%	0.41%	-4.68%
UK/\$	1.295	1.05%	4.16%	4.95%
<u>Bonds</u>				
10 Year	2.28	0.032	-0.096	-0.164
Moodys AA	3.94	0.050	-0.040	-0.090
<u>Commodities</u>				
WTI	\$49.33	-0.58%	-0.36%	-8.17%
Brent	\$51.73	-0.44%	-1.32%	-8.96%
Gold	\$1,268.30	-1.61%	0.92%	9.61%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	-1.47%	-4.47%	-9.22%
Materials	1.77%	1.26%	6.73%
Energy	0.08%	-2.84%	-10.02%
Consumer Staples	0.33%	0.36%	6.53%
Consumer Discretionary	2.05%	2.66%	10.64%
Financials	1.58%	-0.48%	1.09%
Healthcare	2.43%	1.18%	9.46%
Industrials	1.26%	1.95%	5.78%
Technology	2.62%	2.49%	14.90%
Utilities	-0.14%	0.34%	6.21%

This Week from Blacksummit

[The Fading of Shocks and the Complacency Spirit: A Realistic Midterm/Longterm View](#)

John E. Charalambakis

Recommended Reads

[The Scary Signal of the Bond Market](#)

Byron Wien

[The Biggest Risk of Passive Investing](#)

Cullen Roche

[A World Turned Inside Out](#)

Stephen Roach

Image of the Week: Concentrated Gains

