



Weekly Brief

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Market Action

- The Euro hit its highest level in several months this week as the dollar fell for over five consecutive days. German elections that point to Merkel being reelected, Eurozone GDP growth, and other economic data points all contributed to the currency's strengthening.
- Oil posted a strong week, gaining over 5%. An agreement to maintain current output cuts from OPEC through March of 2018 helped buoy crude prices.
- Brazil's equity markets fell almost 10% on Thursday as a leak of an audio tape allegedly implicates President Temer in a scandal of authorizing bribery payments to keep jailed associates quiet. The President refuses to resign and the issue adds additional obstacles to an economy struggling to escape previous scandals and a commodities bust.
- China announced over \$1 Trillion in spending on roads, ports, energy and other infrastructure projects as part of its "One Belt, One Road" initiative and policy. China's continued external investment breaks the pattern of crumbling trade deals in the West, including the Trans-Pacific Partnership.
- China opened a link this week between the nation's domestic bond market and that of Hong Kong. Akin to a link the two opened up years ago for stocks, the new program aims to stabilize the markets, provide greater liquidity and continue to open up China's economy to the world.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	20,804.84	-0.44%	1.96%	5.27%
S&P 500	2,381.73	-0.38%	1.86%	6.38%
Nasdaq	6,083.70	-0.61%	3.76%	13.01%
<u>Europe</u>				
FTSE	7,470.71	0.48%	5.01%	4.59%
DAX	12,638.69	-1.03%	5.18%	10.08%
<u>Asia</u>				
Nikkei	19,590.76	-1.47%	6.29%	2.49%
Shanghai	3,090.63	0.23%	-2.52%	-0.42%
<u>Currencies</u>				
EUR/\$	1.121	2.52%	4.62%	6.55%
\$/Yen	111.260	-1.87%	2.20%	-4.87%
UK/\$	1.304	1.13%	2.03%	5.64%
<u>Bonds</u>				
10 Year	2.23	-0.091	0.020	-0.210
Moodys AA	3.89	-0.050	0.040	-0.140
<u>Commodities</u>				
WTI	\$50.33	5.20%	-0.22%	-6.31%
Brent	\$53.61	5.45%	1.28%	-5.65%
Gold	\$1,253.60	2.11%	-2.32%	8.34%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	-0.65%	-5.65%	-11.44%
Materials	-0.43%	1.35%	5.21%
Energy	0.16%	-0.11%	-10.16%
Consumer Staples	0.64%	0.04%	6.74%
Consumer Discretionary	-0.78%	1.83%	9.53%
Financials	-1.00%	1.12%	0.00%
Healthcare	-0.38%	1.73%	8.65%
Industrials	-0.24%	1.89%	5.23%
Technology	-0.71%	5.46%	16.95%
Utilities	0.51%	0.34%	6.56%

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[The Reshaping of Global Trade and Recent Economic Trends](#)

John E. Charalambakis

Recommended Reads

[Why Value Stocks Have Disappointed](#)

John Rekenthaler

[The U.S. Stock Market is Shrinking](#)

Matthew Klein

[Junk bonds' risk-return profile has been permanently damaged](#)

Fraser Lundie

Image of the Week: Japan Still Stuck in Deflation

