



# Weekly Brief

**BLACKSUMMIT**  
**FINANCIAL GROUP**

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## Market Action

- The U.S. economy added 222,000 in the month of June according to Friday's employment report, which included an upward revision of to May's report as well. While the number of jobs created easily surpassed expectations wages continue to diverge from the rate of job growth. Also, the unemployment rate did tick up slightly.
- Bond markets around the globe experienced a sell-off this week as rates in England, the U.S., and Europe rose. German yields hit their highest level in 18 months, while a poor debt auction in France sparked additional selling. Hawkish rhetoric and potentially tighter policy are being cast as the culprits.
- With interest rates rising and the stress tests behind them, financial stocks led the market this week, up nearly 1.5% on the week. The banks kick off Q2 earnings this upcoming week, with indications so far being that earnings will be robust but trading revenues may disappoint.
- Crude oil ended its streak of 7 days of consecutive gains after reaching lows and hitting a bear market again. The outlook for supply remains mixed with industry professionals citing continued oncoming supply while global research organizations see an equilibrium between supply and demand being reached later this year.
- Amidst a fall in bonds around the world Japan's central bank increased its presence in the local JGB market, pushing the yen down against major currencies. While the Fed, the Bank of England, and the ECB in one way or another have acknowledged tighter policy on the horizon, Japan continue to take an easy money approach in the hopes of reflatting its economy.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	21,414.34	0.30%	1.14%	8.36%
S&P 500	2,425.18	0.07%	-0.33%	8.32%
Nasdaq	6,153.08	0.21%	-2.29%	14.30%
<u>Europe</u>				
FTSE	7,350.92	0.52%	-1.71%	2.91%
DAX	12,388.68	0.52%	-2.24%	7.91%
<u>Asia</u>				
Nikkei	19,929.09	-0.52%	-0.28%	4.26%
Shanghai	3,217.96	0.80%	2.47%	3.68%
<u>Currencies</u>				
EUR/\$	1.140	-0.22%	1.28%	8.41%
\$/Yen	113.920	1.36%	3.73%	-2.60%
UK/\$	1.289	-1.04%	-0.54%	4.46%
<u>Bonds</u>				
10 Year	2.39	0.082	0.213	-0.059
Moodys AA	3.86	0.050	0.040	-0.170
<u>Commodities</u>				
WTI	\$44.23	-3.93%	-3.26%	-17.67%
Brent	\$46.71	-2.53%	-2.81%	-17.79%
Gold	\$1,223.30	-1.81%	-5.72%	5.47%

<b>Returns</b>			
Sector	1 Week	1 Month	YTD
Telecommunications	-2.17%	-5.51%	-14.68%
Materials	0.59%	0.92%	8.73%
Energy	-1.25%	-0.86%	-14.89%
Consumer Staples	-0.78%	-4.08%	5.75%
Consumer Discretionary	-0.64%	-2.26%	9.52%
Financials	1.47%	6.49%	7.52%
Healthcare	-0.04%	2.94%	15.01%
Industrials	0.66%	1.92%	9.05%
Technology	0.56%	-3.64%	17.03%
Utilities	-0.93%	-4.31%	5.87%

## This Week from Blacksummit

[Valuation Metrics, Currencies, and Portfolio Rebalancing: Kantian of Fichte?](#)

John E. Charalambakis

## Recommended Reads

[The Stock Market Has Entered Bizarro World](#)

Jared Dillian

[An Expert's Guide to Calling a Market Top](#)

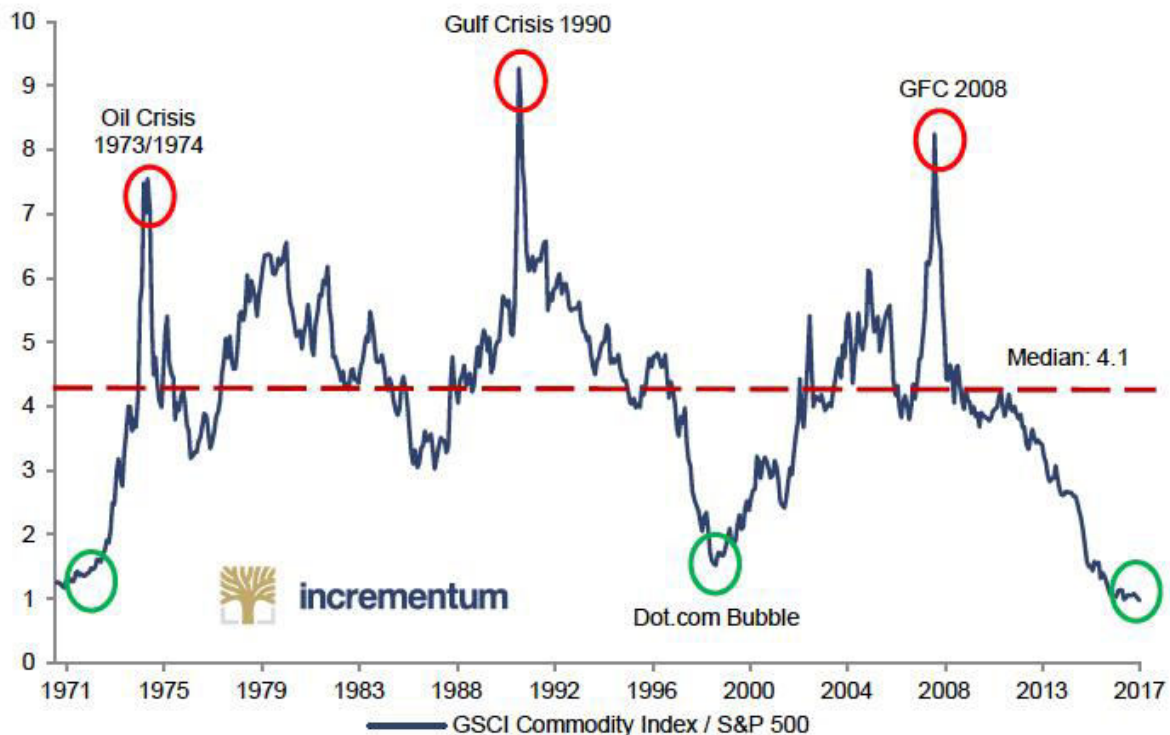
Barry Ritholtz

[Man vs. Machine: How Has Indexing Changed the Market?](#)

Kopin Tan

## Image of the Week: Are Commodities Set to Bounce?

### GSCI/S&P500 ratio: equities expensive, commodities cheap?



Source: Dr. Torsten Dennin, Incrementum AG