



Weekly Brief

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Market Action

- The Dow Jones Industrial Average closed above 25,000 for the first time on Thursday, while the FTSE 100 and MSCI Asia Pacific also closed at all-time highs during the week. All three major US stock indices – the Dow, the S&P 500, and the Nasdaq – closed at new records in all four sessions of 2018.
- On Friday the U.S. Labor Department reported that 148,000 jobs were added in December, less than forecast, while the unemployment rate held at a 17-year low. The U.S. economy added 2.055 million jobs in 2017, making that the seventh consecutive year of job gains over two million.
- Protests in Iran this week against the government's economic policies mark the biggest show of dissent in the country since 2009. Iran's economy has grown since the 2015 nuclear deal brought some sanctions relief, but not fast enough to stem high unemployment exacerbated by double-digit inflation. Protestors say that not only has the economic revival from the nuclear deal fallen short of promised results, it is also leaving out large portions of the Iranian public, particularly the working class.
- Sweeping changes to EU rules on financial instruments came into force on Wednesday in the biggest global financial reform in a decade. MiFID II requires more disclosure on transactions in order to protect investors and foster more competition in the trading of all asset classes. Critics say the changes may unnecessarily complicate and fragment the markets.
- Last weekend marked the fifth consecutive week of anti-government corruption protests across Israel. Demonstrators call for speeding up investigations into the allegations of bribery and the misuse of public funds by Prime Minister Benjamin Netanyahu and top officials in his government, and for Netanyahu to step down. The prime minister denies the allegations and says they are politically motivated.
- Russia's highest court last weekend upheld a decision barring opposition leader Alexei Navalny from taking part in next year's presidential election. Without a serious opposition candidate, President Vladimir Putin is set to easily win a fourth term in the March vote which would put him on track to become Russia's longest-serving leader since Josef Stalin.

<u>Equities</u>	Current	1 Week	1 Month	YTD
<u>U.S.</u>				
Dow Jones	25,295.87	2.33%	4.78%	2.33%
S&P 500	2,743.15	2.60%	4.33%	2.60%
Nasdaq	7,136.56	3.38%	5.32%	3.38%
<u>Europe</u>				
FTSE	7,724.22	0.47%	5.12%	0.47%
DAX	13,319.64	3.11%	2.47%	3.11%
<u>Asia</u>				
Nikkei	23,714.53	4.17%	6.93%	4.17%
Shanghai	3,391.75	2.56%	2.97%	2.56%
<u>Currencies</u>				
EUR/\$	1.203	0.20%	1.98%	0.20%
\$/Yen	113.050	0.32%	0.68%	0.32%
UK/\$	1.357	0.43%	1.33%	0.43%
<u>Bonds</u>				
10 Year	2.48	0.071	0.138	0.071
Moodys AA	3.61	0.050	0.030	0.050
<u>Commodities</u>				
WTI	\$61.44	1.69%	9.79%	1.69%
Brent	\$67.62	1.12%	10.45%	1.12%
Gold	\$1,322.30	0.99%	4.44%	0.99%

Returns			
Sector	1 Week	1 Month	YTD
Telecommunications	-1.29%	5.18%	-1.29%
Materials	4.02%	6.92%	4.02%
Energy	3.94%	10.03%	3.94%
Consumer Staples	0.10%	0.47%	0.10%
Consumer Discretionary	3.26%	5.75%	3.26%
Financials	1.72%	2.71%	1.72%
Healthcare	3.24%	4.25%	3.24%
Industrials	2.80%	5.80%	2.80%
Technology	4.22%	5.83%	4.22%
Utilities	-2.50%	-7.03%	-2.50%

Recommended Reads

[Making China Great Again](#)

Evan Osnos

[Commodities Are on Their Longest Winning Streak in History](#)

Mark Burton and Jake Lloyd-Smith

[The Real Future of Work](#)

Danny Vinik

Video of the Week

<https://www.bloomberg.com/news/videos/2018-01-02/eurasia-group-reveals-2018-top-risks-video>

Image of the Week

Every major country ETF in the world was positive over 2017 with an average return of 28%.

Country ETFs: 2017 Total Returns (in US \$)								
Country	Ticker	2017 YTD	Country	Ticker	2017 YTD	Country	Ticker	2017 YTD
Poland	PLND	54.8%	Thailand	THD	31.5%	Switzerland	EWL	23.4%
Argentina	ARGT	53.9%	Taiwan	EWT	30.4%	Norway	NORW	22.4%
Austria	EWO	52.5%	Nigeria	NGE	29.9%	US	SPY	22.3%
South Korea	EWY	49.2%	Ireland	EIRL	29.8%	Sweden	EWD	21.9%
Chile	ECH	41.8%	Peru	EPU	29.7%	United Kingdom	EWU	21.6%
Vietnam	VNM	38.8%	France	EWQ	29.1%	Philippines	EPHE	20.2%
India	PIN	38.5%	Italy	EWI	28.7%	Australia	EWA	19.9%
Turkey	TUR	37.6%	Germany	EWG	27.4%	Indonesia	EIDO	19.4%
Hong Kong	EWH	36.5%	Spain	EWP	27.0%	Canada	EWC	15.7%
China	FXI	36.2%	Egypt	EGPT	25.8%	Mexico	EWW	14.5%
South Africa	EZA	36.0%	Malaysia	EWM	24.3%	Israel	EIS	12.8%
Singapore	EWS	34.8%	Japan	EWJ	24.3%	Colombia	GXG	11.9%
Greece	GREK	34.8%	New Zealand	ENZL	24.1%	Saudi Arabia	KSA	6.2%
Netherlands	EWN	33.8%	Belgium	EWK	23.7%	UAE	UAE	5.0%
Portugal	PGAL	31.6%	Brazil	EWZ	23.7%	Russia	ERUS	3.9%

Pension Partners
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Source: [@CharlieBilello](#)