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Market Action

- A wild week in trading ended with U.S. stocks posting new highs despite the surprise election of Donald Trump as the 45th President. Futures crashed during the election, down over 5%, but recovered to post strong gains.

- Stocks moved on speculation of what a Trump presidency would mean for certain sectors and industries. Materials, Industrials, and Consumer stocks rallied on stimulus expectations while the tech heavy Nasdaq struggled on fears of tougher trade rules and general uncertainty.

- Stimulus speculation has raised inflation expectations, pushing bond yields to their highest point in months. The odds of a December rate increase from the Fed have oscillated in recent days as the markets weigh an uncertain future with potential inflation.

- In light of the election President Obama and his administration have formally ended hopes of passing a Pacific trade deal through Congress.

- Emerging market currencies tumbled as higher rates in the U.S. attracts capital from overseas. Several central banks, including India and Indonesia, tightened policy to combat outflows.

- The International Energy Agency reported that oil markets will remain in surplus without a cut by OPEC. The cartel is meeting later this month in an attempt to finalize production cuts.

- China appointed a new finance minister on Monday, removing one of the country's biggest proponents for liberalizing the economy and tackling debt issues.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	18,847.66	5.36%	3.88%	8.16%
S&P 500	2,164.45	3.80%	1.18%	5.90%
Nasdaq	5,237.11	3.78%	-0.04%	4.59%
<u>Europe</u>				
FTSE	6,730.43	0.56%	-4.18%	7.82%
DAX	10,667.95	3.98%	1.38%	-0.70%
<u>Asia</u>				
Nikkei	17,374.79	2.78%	3.18%	-8.72%
Shanghai	3,196.04	2.26%	4.50%	-9.70%
<u>Currencies</u>				
EUR/\$	1.085	-2.58%	-1.39%	-0.07%
\$/Yen	106.710	3.48%	2.40%	-11.24%
UK/\$	1.261	0.70%	3.29%	-14.46%
<u>Bonds</u>				
10 Year	2.15	0.374	0.381	-0.119
Moodys AA	3.96	0.260	0.350	-0.260
<u>Commodities</u>				
WTI	\$43.22	-1.93%	-13.87%	16.68%
Brent	\$44.68	-1.97%	-13.76%	19.85%
Gold	\$1,223.60	-6.20%	-2.41%	14.94%

Returns			
Sector	1 Week	1 Month	YTD
Telecommunications	-0.10%	-6.81%	-9.65%
Materials	3.58%	3.60%	7.16%
Energy	2.31%	-1.66%	11.22%
Consumer Staples	-2.12%	-3.53%	-5.88%
Consumer Discretionary	3.99%	0.60%	1.03%
Financials	11.33%	10.82%	19.04%
Healthcare	5.82%	0.55%	0.11%
Industrials	7.96%	6.73%	10.18%
Technology	1.41%	-1.08%	6.65%
Utilities	-4.08%	-3.14%	-5.51%

This Week from Blacksummit

[Initial Reflections on US Elections and Markets' Reaction: The Sisyphus Dilemma](#)

John E. Charalambakis

Recommended Reads

[Japan Shuts Down Its Monetary Lab](#)

Noah Smith

[The Economic Consequence of Donald Trump](#)

The Economist

[Outperforming by Underperforming](#)

Justin Sebeas

Image of the Week: Is the Earnings Recession Over?

Eye on Earnings

Profits for S&P 500 firms are expected to rise this quarter, after four quarters of declines, but executives are cautious about 2017.



*Reflects actual results for 423 companies and consensus estimates for the rest. Results are adjusted from generally accepted accounting principles.

Source: Thomson Reuters

THE WALL STREET JOURNAL.