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Market Action

- Most major markets in the U.S., Europe and Asia slowed their rallies this week with U.K. the major exception. The country continues to benefit from a weaker pound lifting manufacturing and overall business activity.

- China's trade surplus fell for the second consecutive year in 2016. Weak global demand has kept trade volumes low in the past while protectionist sentiment is rising, impacting future trade potential.

- German economic growth accelerated beyond expectations in 2016. The 1.9% growth figure boosts Chancellor Merkel's hopes for reelection later this year.

- The Mexican peso continues to hit new lows amidst protectionist chatter from the President-elect. The peso's fall continues despite two interventions from the central bank.

- Chinese reserves fell for the sixth straight month as capital outflows pressure policymakers. Local credit markets tightened dramatically with short-term rates reaching over 60% in Hong Kong markets per government directives.

- Goldman Sachs' Chief Economist is forecasting that the Euro will reach parity with the dollar in 2017. The firm believes the Fed will raise rates more than the two times markets are projecting.

- Earnings seasons has begun with eyes and ears paying close attention to what corporate leaders expect from a new administration. Financials have so far reported strong results and are projected to lead Q4 growth over last year.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	19,885.73	-0.39%	0.47%	0.62%
S&P 500	2,274.64	-0.10%	0.95%	1.60%
Nasdaq	5,574.12	0.96%	2.53%	3.55%
<u>Europe</u>				
FTSE	7,337.81	1.77%	5.59%	2.73%
DAX	11,629.18	0.26%	3.42%	1.29%
<u>Asia</u>				
Nikkei	19,287.28	-0.86%	0.17%	0.90%
Shanghai	3,112.76	-1.32%	-0.88%	0.29%
<u>Currencies</u>				
EUR/\$	1.064	1.05%	1.02%	1.20%
\$/Yen	114.490	-2.16%	-2.18%	-2.11%
UK/\$	1.218	-0.85%	-3.04%	-1.28%
<u>Bonds</u>				
10 Year	2.40	-0.023	-0.174	-0.048
Moody's AA	3.94	-0.040	-0.210	-0.090
<u>Commodities</u>				
WTI	\$52.37	-3.00%	2.61%	-2.51%
Brent	\$55.45	-2.89%	2.88%	-2.41%
Gold	\$1,196.20	1.94%	2.79%	3.86%

Returns			
Sector	1 Week	1 Month	YTD
Telecommunications	-1.09%	0.87%	-2.23%
Materials	0.49%	1.03%	2.33%
Energy	-1.90%	-1.93%	-1.36%
Consumer Staples	-1.14%	-0.30%	-0.49%
Consumer Discretionary	0.83%	0.74%	3.18%
Financials	-0.13%	0.62%	1.06%
Healthcare	-0.09%	2.48%	2.83%
Industrials	0.14%	0.74%	1.52%
Technology	0.78%	1.84%	3.23%
Utilities	-0.66%	1.90%	-0.21%

This Week from Blacksummit

[Investment Outlook 2017: Part II](#)

John E. Charalambakis

Recommended Reads

[Expert Opinion](#)

Howard Marks

[Three Uninvestable Industries in 2017](#)

Scott Fearon

[The Growth/Value Cycle](#)

Eddy Elfenbein

[10 Thing You Can't Learn From A Backtest](#)

Ben Carlson

Image of the Week: Bets Against U.S. Treasuries Reach All-Time High

