



BLACKSUMMIT
FINANCIAL GROUP

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Weekly Brief

Market Action

- Minutes of the Federal Reserve's March meeting were released this week and portions of their content caught markets by surprise. There was wide agreement among board members that the central bank should begin shrinking its balance sheet by year end as a way to tighten the market.
- Markets turned with news that President Trump ordered a strike against Syria in light of news of another chemical attack by President Assad on the country. The U-turn from past statements the President had made increased volatility in the markets and sent stocks down before recovering from their lows.
- The March jobs report was a big miss this week as only 98,000 jobs were created during the month, a stark miss from the 175,000 that was estimated. The unemployment rate did tick down to 4.5% ,the lowest since 2007.
- Jeffrey Lacker, President of the Richmond Fed , abruptly resigned this week. Lacker admitted to the being the source of market sensitive data regarding the Fed's bond buying strategy in a story that was published.
- Turkey's central bank has reached the upper limits of its interest rate framework after raising rates to over 11% this week. The method for formulating rates has no further room up, leaving the bank in a precarious position should the Lira come under pressure before next weekend's referendum.
- South Africa's credit rating was downgraded to junk this week by Fitch ratings in light of the removal of the country's finance minister. The politicization of the role and the removal of one of the few individuals with a reputation for standing up to President Zuma has further put the country on a negative trajectory.

<u>Equities</u>	Current	Weekly	Monthly	YTD
<u>U.S.</u>				
Dow Jones	20,656.10	-0.03%	-0.96%	4.52%
S&P 500	2,355.54	-0.30%	-0.31%	5.21%
Nasdaq	5,877.81	-0.57%	0.69%	9.19%
<u>Europe</u>				
FTSE	7,349.37	0.36%	0.20%	2.89%
DAX	12,225.06	-0.71%	2.15%	6.48%
<u>Asia</u>				
Nikkei	18,664.63	-1.29%	-3.06%	-2.35%
Shanghai	3,286.62	1.99%	1.42%	5.90%
<u>Currencies</u>				
EUR/\$	1.059	-0.57%	0.47%	0.70%
\$/Yen	111.090	-0.27%	-2.85%	-5.02%
UK/\$	1.237	-1.43%	1.67%	0.25%
<u>Bonds</u>				
10 Year	2.38	-0.005	-0.178	-0.062
Moodys AA	3.97	-0.040	-0.140	-0.060
<u>Commodities</u>				
WTI	\$52.24	3.24%	3.90%	-2.76%
Brent	\$55.24	4.56%	4.01%	-2.78%
Gold	\$1,257.30	0.49%	3.67%	8.66%

Returns			
Sector	1 Week	1 Month	YTD
Telecommunications	-1.10%	-1.50%	-6.10%
Materials	0.31%	1.04%	5.63%
Energy	0.61%	1.89%	-6.74%
Consumer Staples	0.12%	0.27%	5.77%
Consumer Discretionary	-0.82%	0.78%	7.21%
Financials	-0.98%	-4.61%	1.08%
Healthcare	0.02%	-0.93%	7.90%
Industrials	0.07%	-0.44%	4.08%
Technology	-0.58%	0.83%	11.51%
Utilities	0.17%	2.01%	5.62%

This Week from Blacksummit

Global Market Resilience: Noise, Global Trade, and Policy Directives

John E. Charalambakis

Recommended Reads

Diversification, Adaptation, and Stock Market Valuation

Philosophical Economics

The Curious Case of the Missing Credit Premium

Newfound Research

Global Surveys or Hard Data - Which Are the Fake News?

Gavyn Davies

Image of the Week: Sectors With the Most Bearish Bets

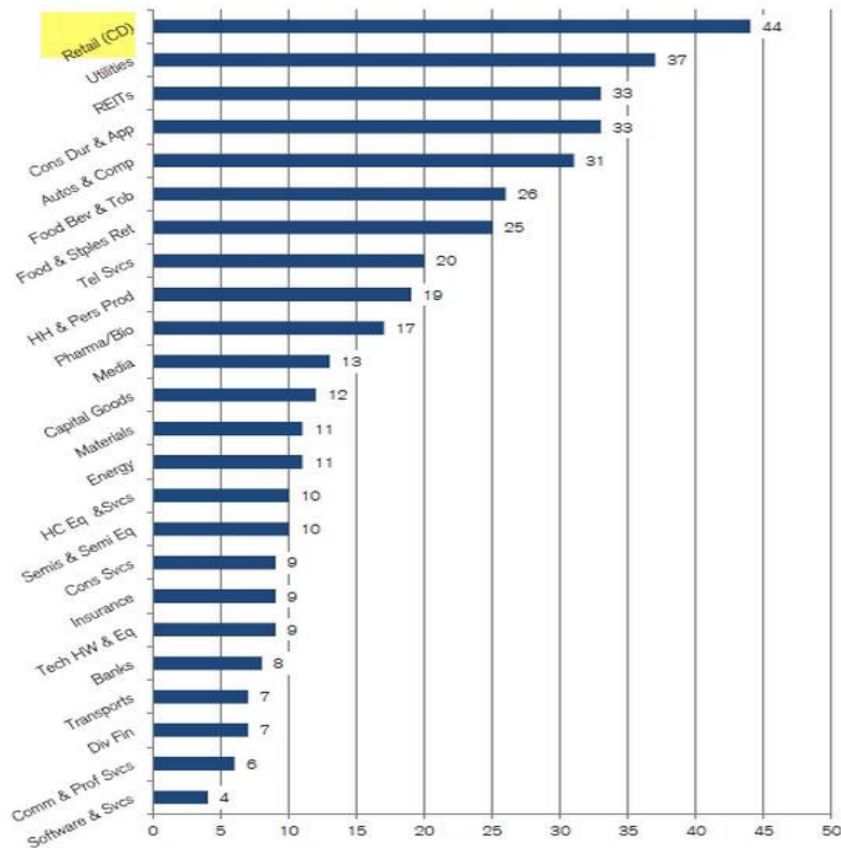
Figure 69: Industry Groups Ranked by Bearish Outlooks

Bearish over the next 3-6 months

Posted on

WSJ: The Daily Shot

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Source: CS US Equity Strategy