



Weekly Brief

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18 February 2018

Market Action

- After falling into correction last week, the S&P 500 and the Dow Jones Industrial Average are both up 4% and are on track for the biggest weekly percentage increase since November 2016. The Nasdaq is also up by over 5% - its biggest week since October 2014. Despite this week's improvement, there are still concerns of a further correction at some point this year.
- The SEC has blocked the sale of the Chicago Stock Exchange (CHX) to a group led by China-based investors, arguing that a lack of transparency about the buyers made it difficult to monitor the Exchange after the deal. The decision ends a two-year dispute and illustrates broader political and economic tensions between the U.S. and China.
- Haruhiko Kuroda has been reappointed for a second term as Governor of the Bank of Japan. His reappointment reinforces Japan's commitment to monetary stimulus for another five years. Mr. Kuroda is the first person to serve a second term at the BoJ since 1961. The Governor will try to generate inflation in his second term, as his stimulus policy so far has contributed to economic growth and low unemployment without defeating deflation.
- This week has seen both the resignation of South African President Jacob Zuma and Ethiopia's Prime Minister Hailemariam Desalegn. Zuma's resignation comes as no surprise, as rumors of corruption have plagued the President for some time. Cyril Ramphosa has been sworn in as President and has stated that improving the economy is his main priority. This will be no easy task as unemployment sits at 30%, and the country's bonds have been downgraded to junk status.
- Special Counsel Robert Mueller has indicted 13 Russian people and three Russian companies, accusing them of conspiring to interfere with the U.S. political and electoral processes in 2016.
- Bitcoin briefly passed \$10,000 on Thursday for the first time since a serious dip last week. An unknown buyer bought almost \$1 billion worth of the cryptocurrency during its dip in prices. Analysts still struggle to predict and anticipate cryptocurrency movements, but many see 2018 as a strong year for blockchain technology in general, despite its turbulent start.

<u>Equities</u>	Current	1 Week	1 Month	YTD
<u>U.S.</u>				
Dow Jones	25,219.38	4.25%	-3.43%	2.02%
S&P 500	2,732.22	4.30%	-2.51%	2.19%
Nasdaq	7,239/47	5.31%	-0.81%	4.87%
<u>Europe</u>				
FTSE	7,239.70	2.85%	-5.58%	-5.11%
DAX	12,451.96	2.85%	-5.55%	-3.60%
<u>Asia</u>				
Nikkei	21,720.25	1.58%	-9.00	-4.59%
Shanghai	3,199.16	2.21%	-7.13%	-3.27
<u>Currencies</u>				
EUR/\$	1.241	1.27%	1.81%	3.35%
\$/Yen	106.280	-2.32%	-4.50%	-5.69%
UK/\$	1.402	1.38%	1.35%	3.74%
<u>Bonds</u>				
10 Year	2.87	0.017	0.277	0.462
Moodys AA	3.96	0.010	0.310	0.400
<u>Commodities</u>				
WTI	\$61.63	4.10%	-3.66%	2.00%
Brent	\$64.90	3.36%	-6.46%	1.12%
Gold	\$1,351.30	2.71%	0.54%	2.84%

Returns			
Sector	1 Week	1 Month	YTD
Telecommunications	2.42%	-0.69%	-4.43%
Materials	3.51%	-3.97%	-1.50%
Energy	1.93%	-12.16%	-7.81%
Consumer Staples	3.42%	-3.74%	-2.15%
Consumer Discretionary	3.92%	-0.01%	4.61%
Financials	4.72%	-1.50%	3.66%
Healthcare	4.01%	-3.12%	1.97%
Industrials	4.60%	-3.60%	1.06%
Technology	5.83%	-0.76%	4.07%
Utilities	2.85%	-1.20%	-4.49%

This Week from BlackSummit

[Usual Suspects and Unusual Narratives: Markets Search for Direction but Natura No Facit Saltus](#)
John Charalambakis

Recommended Reads

[Five Charts That Explain How European Banks Are Dealing With Their Bad-Loan Problem](#)
Nicholas Comfort, Giovanni Salzano, and Sonia Sirletti

[The Middle East's Coming War](#)
Ronen Bergman

[With Gaza in Financial Crisis, Fears That 'an Explosion's Coming'](#)
David M. Halbfinger

[China's Tech Industry is Catching Up with Silicon Valley](#)
The Economist

Video of the Week

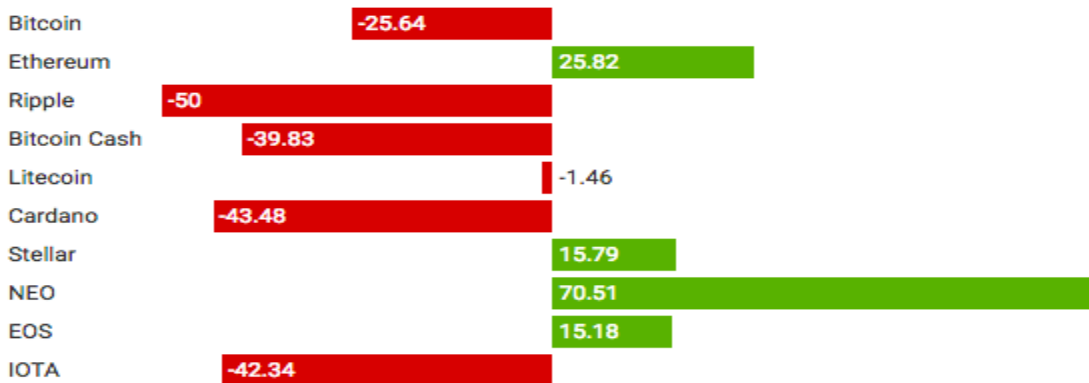
[Why stocks and bonds are moving in the same direction](#)

Image of the Week

Cryptocurrencies depart from trend of moving together.

Percentage Increase/Decrease In Top 10 Cryptos Since 1 Jan 2018

As of 14:45 UTC



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Source: *Investopedia*, "Bitcoin Price Retreats From \$10k As Mysterious Buyer Emerges," February 16, 2018
<https://www.investopedia.com/news/bitcoin-price-retreats-10k-mysterious-buyer-emerges/>