



# Weekly Brief

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## Market Action

- President Trump signed an executive order imposing tough tariffs on imported steel and aluminum. This decision has been met with resistance by many within the Republican party as well as foreign governments, including some of America's closest allies. So far, President Trump has agreed to exempt Canada and Mexico, but has resisted calls from the EU and Australia. These tariffs could potentially lead into a trade war that may affect other important American industries. The impact on the rules-based international trade system could be significant. Domestically, this has resulted in the resignation of Gary Cohn, the top economic adviser to President Trump.
- The EU has refuted Prime Minister May's vision of post-Brexit trade between the UK and the EU, which she announced last week. European Council President Donald Tusk has said that the UK's decision to leave the EU will have negative economic consequences because the UK leaves behind "common institutions and a shared legal system."
- China's foreign exchange reserves fell for the first time in over a year, down \$27B to \$3.134T. The Chinese Renminbi has fallen against the U.S. dollar amid recent market volatility.
- Kenya has committed to decreasing its budget deficit and changing interest rate controls in an effort to secure access to a \$1.5B IMF stand-by-facility, which is currently frozen because of ongoing political instability. The Kenyan government agreed to significantly cut its budget deficit, which the IMF has stipulated must go from 7.2 percent down to 5.7 percent by June 2019.
- French retailer Carrefour has increased its use of blockchain technology, expanding its product traceability program that allows transparent sharing of information with the company's customers. Carrefour had originally used blockchain technology to trace the production of chickens in France. Customers can use their smartphones to scan a code on the package which gives them information entered by producers on where chickens were raised and what they were fed. Now, Carrefour is expanding this technology into eggs, cheese, milk, oranges, tomatoes, salmon, and hamburgers.

<u>Equities</u>	Current	1 Week	1 Month	YTD
<u>U.S.</u>				
Dow Jones	25,335.81	3.25%	1.78%	2.49%
S&P 500	2,786.56	3.54%	3.91%	4.22%
Nasdaq	7,560.81	4.17%	7.22%	9.52%
<u>Europe</u>				
FTSE	7,224.51	2.19%	-0.75%	-6.03%
DAX	12,346.68	3.63%	-1.94%	-4.42%
<u>Asia</u>				
Nikkei	21,469.20	1.36%	-0.81%	-5.69%
Shanghai	3,307.17	1.62%	-0.06%	0.00%
<u>Currencies</u>				
EUR/\$	1.231	-0.08%	0.35%	2.52%
\$/Yen	106.820	1.01%	-2.30%	-5.21%
UK/\$	1.385	0.31%	-0.26%	2.46%
<u>Bonds</u>				
10 Year	2.89	0.028	0.056	0.487
Moodys AA	4.00	-0.010	0.080	0.440
<u>Commodities</u>				
WTI	\$62.05	1.31%	0.42%	2.70%
Brent	\$65.51	1.77%	0.00%	-2.03%
Gold	\$1,323.70	0.02%	0.69%	0.74%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	1.82%	-1.46%	-5.74%
Materials	4.07%	2.67%	-0.40%
Energy	2.10%	-1.13%	-7.51%
Consumer Staples	1.66%	-0.63%	-4.02%
Consumer Discretionary	3.00%	1.68%	5.89%
Financials	4.39%	4.36%	6.14%
Healthcare	3.40%	3.02%	3.23%
Industrials	4.40%	2.84%	2.32%
Technology	4.29%	9.52%	9.67%
Utilities	0.78%	2.05%	-6.10%

## This Week from BlackSummit

[American Leadership and Global Insecurity: Market Assessment](#)

John Charalambakis

## Recommended Reads

[Goldman Sachs Rips Into Trump's Tariffs Plan](#)

Jasmine Nig

[Trump and North Korea talks: the political gamble of the 21<sup>st</sup> century](#)

Laura Bicker

[2018 Banking Outlook: Accelerating the transformation](#)

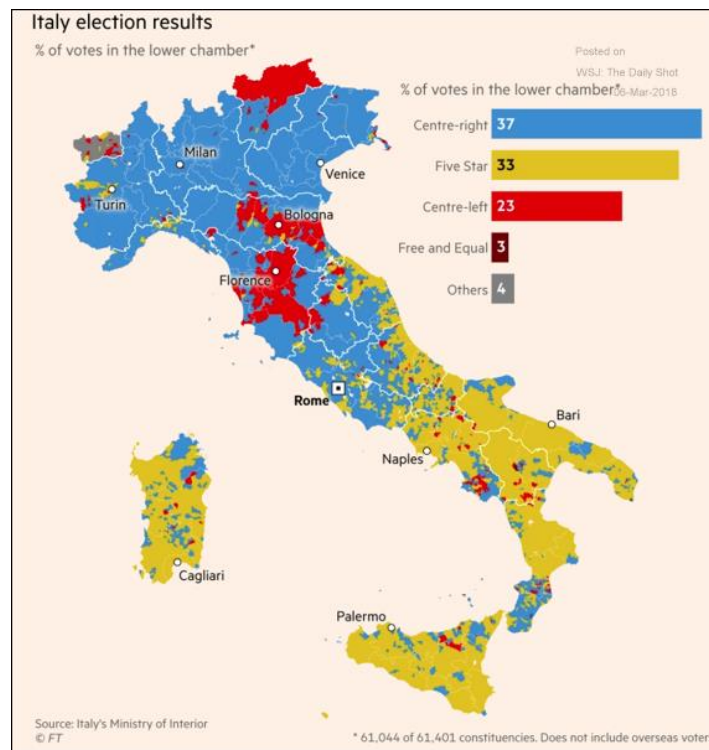
Deloitte

## Video of the Week

[Goldman Sachs' Della Vigna Says Key Surprise Is Oil Demand](#)

## Image of the Week

The Italian elections on Sunday illustrated a North-South divide.



Source: *The Wall Street Journal*.