



Weekly Brief

Market Action

- Global equities were little changed on the week, recovering ground lost at midweek. The yield on the US 10-year Treasury note rose three basis points from last Friday, briefly topping 3% on Wednesday (the first time that threshold had been breached in four years).
- Earnings are seen up 23.2% compared to the same quarter a year ago, with 53% of the constituents of the S&P 500 Index having reported, and revenues are seen advancing 8.35% this quarter compared with a year ago. Will the Q1 be the peak earnings quarter of the cycle, given one-off impacts from US tax reform and a modest slowdown in global economic growth?
- North Korean leader Kim Jong Un met his South Korean counterpart Moon Jae-in on the south side of the demilitarized zone that separates their countries. The two sides agreed to begin work on a peace treaty that would officially end the Korean War, and affirmed they shared the goal of a nuclear-free Korean Peninsula. Beyond the geopolitics, many investors are paying attention to the talks as South Korea is critical to the global supply chain and many manufacturers are located close to the border.
- The British economy expanded just 0.1% in the first quarter, the weakest quarterly showing since 2012. Harsh winter weather received the bulk of the blame for the economy's poor performance.
- Setya Novanto, a former Speaker of the lower house of Indonesia's parliament, was sentenced to 15 years in prison for corruption. The case had been seen as a test of the country's justice system.
- French president Macron said he sees US president Trump putting an end to the Iran nuclear deal negotiated in 2015 which must be recertified every 6 months. Macron has championed replacing the existing agreement with one that not only limits Iran's ballistic missile program, but also puts to an end any Iranian nuclear ambitions for the long-term, as well as its ballistic missile program.

<u>Equities</u>	Current	1 Week	1 Month	YTD
<u>U.S.</u>				
Dow Jones	24,311.19	-0.62%	1.94%	-1.65%
S&P 500	2,669.91	-0.01%	2.49%	-0.14%
Nasdaq	7,119.80	-0.37%	2.45%	3.13%
<u>Europe</u>				
FTSE	7,502.21	1.82%	6.49%	-2.41%
DAX	12,580.87	0.32%	5.36%	-2.61%
<u>Asia</u>				
Nikkei	22,467.87	1.38%	6.83%	-1.30%
Shanghai	3,082.23	0.35%	-1.28%	-6.80%
<u>Currencies</u>				
EUR/\$	1.213	-1.29%	-1.45%	1.04%
\$/Yen	109.050	1.29%	2.06%	-3.23%
UK/\$	1.378	-1.56%	-2.10%	1.98%
<u>Bonds</u>				
10 Year	2.96	-0.003	0.176	0.551
Moody's AA	4.12	0.050	0.140	0.560
<u>Commodities</u>				
WTI	\$68.10	-0.41%	5.78%	12.71%
Brent	\$74.64	0.78%	7.35%	11.62%
Gold	\$1,323.40	-1.11%	-0.50%	0.36%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	1.50%	0.44%	-8.50%
Materials	-2.13%	3.33%	-6.04%
Energy	0.61%	11.69%	0.34%
Consumer Staples	0.46%	-3.33%	-10.94%
Consumer Discretionary	1.09%	4.12%	3.91%
Financials	-0.67%	1.78%	-0.84%
Healthcare	1.75%	3.30%	-0.18%
Industrials	-3.15%	-0.02%	-4.22%
Technology	-0.60%	2.73%	2.32%
Utilities	2.79%	2.87%	-1.10%

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