



Weekly Brief

Market Action

- US President Donald Trump said he would impose tariffs on \$50bn of Chinese goods because Beijing is not dealing with American complaints about stealing intellectual property. In response, China announced penalties on \$50bn of American goods, prompting Trump to threaten additional tariffs on goods worth \$400bn.
- The energy sector was particularly volatile this week, dropping through Thursday then rallying on Friday after OPEC ministers announced a smaller-than-expected increase in oil production.
- Index provider MSCI is reclassifying Argentina as an emerging market and will also start including Saudi Arabia in that classification.
- Greece and its eurozone creditors reached a deal on debt relief, deferring repayment deadlines by ten years and raising a final bailout package to €15 billion. News sources reported that the agreement brings to a close eight years of bailouts for the nation. Greek equity markets rallied on the news, and the yield on Greece's benchmark 10-year note declined.
- Turkish president Recep Tayyip Erdogan stands for re-election on Sunday in a general election that was originally set for 2019, but which Erdogan brought forward 18 months. The economy has become a major issue as inflation is at 12% and the currency has dropped to a record low against the U.S. dollar. Erdogan has suggested he wants to control interest rates.
- Two mayoral candidates in two different Mexican towns were killed in less than 24 hours, marking a total of at least 18 candidates killed so far in campaigns leading up to the July 1 elections.
- A Saudi-led military coalition said Yemeni forces captured the airport of Hodeidah Wednesday, a milestone in their bid to wrest control of the Red Sea port from Houthi rebels without causing a humanitarian catastrophe.

<u>Equities</u>	Current	1 Week	1 Month	YTD
<u>U.S.</u>				
Dow Jones	24,580.89	-2.03%	-1.23%	-0.56%
S&P 500	2,754.88	-0.89%	0.79%	3.04%
Nasdaq	7,692.82	-0.69%	3.59%	11.44%
<u>Europe</u>				
FTSE	7,682.27	0.63%	-1.36%	-0.07%
DAX	12,579.72	-3.31%	-3.06%	-2.62%
<u>Asia</u>				
Nikkei	22,516.83	-1.47%	-0.76%	-1.09%
Shanghai	2,889.76	-4.37%	-8.81%	-12.62%
<u>Currencies</u>				
EUR/\$	1.165	0.35%	-0.39%	-2.95%
\$/Yen	109.970	-0.62%	-0.10%	-2.41%
UK/\$	1.326	-0.13%	-0.64%	-1.86%
<u>Bonds</u>				
10 Year	2.89	-0.026	-0.099	0.490
Moody's AA	4.16	0.080	0.020	0.600
<u>Commodities</u>				
WTI	\$68.58	5.41%	-4.54%	13.51%
Brent	\$75.55	2.87%	-5.33%	12.98%
Gold	\$1,270.70	-0.61%	-1.86%	-3.98%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	-0.52%	-0.07%	-12.05%
Materials	-2.10%	-1.58%	-4.69%
Energy	1.52%	-2.83%	2.37%
Consumer Staples	0.05%	3.88%	-9.21%
Consumer Discretionary	-0.71%	5.42%	11.24%
Financials	-1.42%	-3.56%	-2.98%
Healthcare	-0.66%	2.07%	1.58%
Industrials	-3.39%	-3.53%	-5.03%
Technology	-1.31%	1.80%	11.07%
Utilities	2.50%	2.32%	-2.84%

This Week from BlackSummit

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John E. Charalambakis

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White House Office of Trade and Manufacturing Policy

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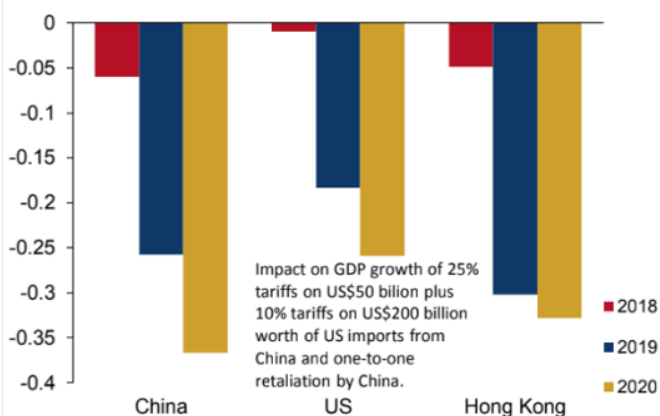
Video of the Week

[Remembering the Berlin airlift](#)

Image of the Week

Economic impact of tariffs on US\$250bn imports

Change in GDP growth, ppt



Source: Oxford Economics

25% US tariffs on US\$50bn plus 10% tariffs on US\$200bn worth of imports from China, with one-to-one retaliation by China, would reduce real GDP growth in China and the US by about 0.3 ppt and 0.2 ppt, respectively, in 2019-20. Source: Oxford Economics