



# Weekly Brief

## Market Action

- The leaders of the G7 countries met in Quebec Friday and Saturday, amid deep tension about US tariffs and other issues. Members issued a joint statement on Saturday that underscored the importance of rules-based, international trade.
- On Sunday the Swiss will vote on the proposed sovereign money system ("Vollgeld") which would greatly limit the ability of commercial banks to extend credit (i.e., create cash), making the central bank the monopoly provider of Swiss francs. Supporters say this would prevent bank runs and bailouts by removing the risk that people lose their money when banks collapse. Opponents, including the Swiss government and the central bank, argue that it would create a credit squeeze and would not prevent financial crises.
- The US White House announced that US President Donald Trump will meet with Kim Jong Un in Singapore on Tuesday morning (local time) to discuss denuclearization of the Korean peninsula.
- The Brazilian real sank to its lowest point in more than two years on Thursday, then regained ground on Friday after the country's central bank announced plans to continue providing liquidity to the foreign exchange and interest rate markets "as long as needed." Rising U.S. bond yields have hit demand for emerging market assets in general, but Brazilian markets have been particularly affected after several opinion polls and a nationwide truckers' strike against high diesel prices cast doubt on bets that the winner of this year's elections will stick to a market-friendly agenda.
- The Argentine peso lost 2% against the U.S. dollar after the central bank let it float freely as part of a three-year deal signed with the International Monetary Fund. The deal will inject \$50 billion into the economy, sets the primary deficit target at 1.3% of GDP in 2019, and puts in place inflation targets of 17% for 2019 and 13% for 2020.

<u>Equities</u>	Current	1 Week	1 Month	YTD
<u>U.S.</u>				
Dow Jones	25,316.53	2.77%	3.15%	2.42%
S&P 500	2,779.03	1.62%	3.01%	3.94%
Nasdaq	7,645.51	1.21%	4.16%	10.75%
<u>Europe</u>				
FTSE	7,681.07	-0.27%	0.24%	-0.09%
DAX	17,766.55	39.63%	37.27%	37.54%
<u>Asia</u>				
Nikkei	22,694.50	2.36%	1.27%	-0.31%
Shanghai	3,067.15	-0.26%	-2.91%	-7.26%
<u>Currencies</u>				
EUR/\$	1.177	0.96%	-0.68%	-1.95%
\$/Yen	109.550	0.01%	-0.17%	-2.79%
UK/\$	1.341	0.49%	-1.00%	-0.75%
<u>Bonds</u>				
10 Year	2.95	0.047	-0.055	0.544
Moody's AAA	3.95	0.007	-0.022	0.145
<u>Commodities</u>				
WTI	\$65.74	-0.11%	-7.59%	8.81%
Brent	\$76.46	-0.43%	-0.97%	14.34%
Gold	\$1,302.70	0.26%	-1.26%	-1.56%

<u>Returns</u>			
Sector	1 Week	1 Month	YTD
Telecommunications	3.36%	6.50%	-9.82%
Materials	2.93%	3.76%	-1.30%
Energy	0.65%	0.66%	4.07%
Consumer Staples	2.41%	3.01%	-10.97%
Consumer Discretionary	3.18%	5.24%	9.57%
Financials	2.18%	0.03%	0.33%
Healthcare	2.04%	5.14%	1.47%
Industrials	1.58%	2.90%	-0.32%
Technology	0.69%	3.48%	11.97%
Utilities	0.00%	0.71%	-4.54%

## This Week from BlackSummit

[Sector Focus: Emerging Markets, Part 1 – Thailand and Indonesia](#)

Ken Rietz

## Recommended Reads

[Reclaiming Global Leadership: The Right Way to Put America First](#)

John Kasich

[Seven reasons to worry about the American middle class](#)

Eleanor Krause and Isabel V. Sawhill

[Inside America's oil boom](#)

Jeffrey Ball

[China has turned Xinjiang into a police state like no other](#)

*The Economist*

[The Psychology of Money](#)

Morgan Housel

## Video of the Week

[Moon Setting Behind Teide Volcano](#)

## Image of the Week

The S&P 500 came back above the 2017 trend line this week:

