

# Ansbacher Weekly Market Recap

November 13, 2017



## Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	23,422.21	-0.50	4.54	18.52
S&P 500 Index	2,582.30	-0.21	2.50	15.34
S&P 600 SmallCap Index	893.77	-0.79	-1.13	6.66
Nasdaq Composite Index	6,750.94	-0.20	3.93	25.41
S&P/TSX Composite Index	16,039.26	0.12	2.59	4.92
Brazil Ibovespa Index	72,165.64	-2.37	-2.86	19.82
Europe				
MSCI Europe	131.33	-1.79	0.24	7.21
Euro Stoxx 50 Price	3,593.76	-2.61	-0.03	9.22
FTSE 100 Index	7,432.99	-1.68	0.82	4.06
DAX Index	13,127.47	-2.61	2.33	14.34
CAC 40 Index	5,380.72	-2.49	0.96	10.66
IBEX 35 Index	10,092.70	-2.56	-2.78	7.92
Swiss Market Index	9,134.16	-2.02	-0.25	11.12
Asia				
Nikkei 225	22,681.42	0.63	11.42	18.66
Hang Seng Index	29,120.92	1.81	5.69	32.36
CSI 300 Index	4,111.91	2.99	7.18	24.22
S&P/ASX 200 Index	6,029.37	1.17	6.12	6.42
Nifty 50	10,321.75	-1.25	5.45	26.09
Global				
MSCI World	2,040.25	-0.26	1.98	16.50
MSCI Emerging Markets	1,128.49	0.21	4.32	30.87
MSCI EAFE	1,999.57	-0.45	1.31	18.74
Commodities				
WTI Crude	56.74	1.98	9.22	-0.56
Brent Crude	63.52	2.34	12.25	8.27
NYMEX Nat Gas	3.21	7.67	1.01	-13.23
Gold	1,275.07	0.41	-0.37	11.12
Silver	16.88	0.24	1.37	6.00
Copper	307.60	-1.33	4.09	22.77
S & P GSCI Agriculture	284.84	2.53	1.26	-2.11

BAML Bond Indices (Total Return)		% chg					
Americas	Value	WTD	MTD	YTD			
US 1-10 Year Treasury	1,349.07	-0.16	-0.23	1.24			
US 3-5 Year Treasury	1,980.95	-0.13	-0.26	1.26			
US Corporates	2,874.95	-0.64	-0.08	5.21			
US High Yield	1,251.64	-0.80	-0.41	6.59			
Canadian 1-10 Year Govt.	754.35	-0.03	0.63	-0.43			
Europe							
Euro Govt. Index	734.41	-0.36	0.77	0.35			
Euro High Yield	304.69	-0.59	0.83	6.84			
UK Gilts 1-10 Year	924.67	-0.27	0.05	-0.17			
German 1-10 Year Govt.	513.32	-0.14	0.19	-0.53			
Asia							
Japan 1-10 Year Govt.	293.37	0.08	0.14	0.03			
Hong Kong 1-10 Year Govt.	177.94	-0.09	-0.30	1.43			
China 1-10 Year Broad	166.59	-0.14	-0.62	-0.42			
Australia 1-10 Year Govt.	1,377.87	-0.14	1.20	2.72			
Global							
Global Broad Market	258.04	0.06	-0.35	5.53			
Global Emerging Markets	460.72	-0.68	-0.56	8.99			
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields							
	Spot Rate	% chg				2-yr	10-yr
		WTD	MTD	YTD			
USD					1.65	2.40	
EUR	1.1665	0.49	-1.26	10.92	-0.75	0.41	
CHF	0.9961	-0.46	2.87	-2.25	-0.85	-0.07	
GBP	1.3196	0.91	-1.51	6.94	0.49	1.34	
JPY	113.53	-0.47	0.91	-2.93	-0.18	0.04	
CAD	1.2682	-0.64	1.68	-5.65	1.46	1.97	
AUD	0.7661	0.14	-2.21	6.28	1.80	2.61	
NZD	0.6937	0.43	-3.77	0.04	2.04	2.93	
DKK	6.3796	-0.52	1.28	-9.74	-0.59	0.50	
NOK	8.1340	-0.52	2.15	-5.86	0.56	1.58	
SEK	8.3533	-0.95	2.52	-8.27	-0.82	0.84	

Source: Bloomberg. Performance for the week ending November 10, 2017.

## Market Highlights

**SNAP INC** continues to disappoint as the company reported that its losses more than tripled in the third quarter from the previous year. The loss of \$443.2 million came with lacklustre Snapchat user growth and revenue that was below analyst expectations.

**JAPAN'S NIKKEI** hit a twenty-five year high on Tuesday as foreign investors bet on prolonged easy money policy after Prime Minister Shinzo Abe's landslide victory. A brighter profit outlook for Japanese companies is expected to add to the run in equities with forecasts for listed companies to see a 20% increase in profits in the year ending March 2018.

Approval for the proposed takeover of **TIME WARNER BY AT&T** faced uncertainty after it was reported that the U.S. government might require AT&T to divest of either its DirecTV division or Time Warner's Turner television unit, which includes CNN. AT&T's CEO Randall Stephenson stated that the company would not sell a major business unit to win government approval and was willing to take the fight to court.

The **CHINESE GOVERNMENT** announced that it would raise foreign ownership limits in domestic financial firms. Most notably, China will allow foreign companies to hold 51% of domestic-securities firms, up from 49% previously. The plan is for the 51% limit to be removed completely after three years.

## Economic Updates

The **EUROZONE** economy is now expected to grow by 2.2% in 2017 up from the 1.7% forecasted in May. As economic and political uncertainties have subsided, there has been an increase in private investment, which has boosted economic activity in the 19-country bloc.

**UK RETAIL SALES** growth fell in October primarily due to a decline in non-food sales. According to a survey by the British Retail Consortium (BRC) non-food sales fell 0.4% over the three months to October the biggest fall since January 2011 when the BRC began keeping records.

**CHINA** posted its second largest trade surplus ever with the U.S. of \$26.6 billion, as exports rose 8.3%, outpacing the 4.3% gain in imports. Overall, Chinese exports rose 6.9% while imports rose 17.2%.

**U.S. CONSUMER SENTIMENT** unexpectedly fell from its high of 100.7 in October to 97.8 in the preliminary November report. The fall was attributed to expectations that inflation and interest rates will rise. Despite the decline, the reading was the second highest since January confirming that consumers remain optimistic about the U.S. economy.

## Political Updates

**SAUDI ARABIA** embarked upon a massive anti-corruption exercise, with elites including royals, ministers and businessmen detained, and their bank accounts frozen. The arrests appear to be attempts by Crown Prince, Mohammed bin Salman to remove powerful figures that may hinder his ability to reshape the Saudi economy and society. The Saudi government estimates that it can reclaim approximately 3 trillion riyals (\$800 billion) from the crackdown.

The **EUROPEAN UNION** gave the UK a two-week deadline to show that sufficient progress has been made on a number of key Brexit issues before discussions on Britain's future economic relationship with the bloc can begin. The EU stated that the deadline is necessary so that EU leaders are fully updated on the status of negotiations before a meeting next month.

## Upcoming Events

**GERMANY**, the Euro area's largest economy, will report its first GDP estimate for the third quarter on November 14. Bloomberg estimates show that the economy would grow 0.5% down from 0.6% in the previous quarter.

**JAPANESE GDP** figures for the third quarter is scheduled to be released on November 15. GDP growth is expected to show a slowdown in the third quarter primarily due to declines in consumption as well as residential and public investment.

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