

Ansbacher Weekly Market Recap

November 27, 2017



Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	23,557.99	0.86	5.15	19.20
S&P 500 Index	2,602.42	0.91	3.30	16.24
S&P 600 SmallCap Index	927.25	2.02	2.57	10.66
Nasdaq Composite Index	6,889.16	1.57	6.05	27.98
S&P/TSX Composite Index	16,108.09	0.68	3.03	5.37
Brazil Ibovespa Index	74,157.38	0.98	-0.18	23.13
Europe				
MSCI Europe	130.46	0.70	-0.42	6.50
Euro Stoxx 50 Price	3,581.23	0.95	-0.38	8.83
FTSE 100 Index	7,409.64	0.39	0.50	3.74
DAX Index	13,059.84	0.51	1.80	13.75
CAC 40 Index	5,390.46	1.34	1.14	10.86
IBEX 35 Index	10,053.50	0.43	-3.16	7.50
Swiss Market Index	9,325.60	1.55	1.84	13.45
Asia				
Nikkei 225	22,550.85	0.69	10.78	17.98
Hang Seng Index	29,866.32	2.29	8.39	35.75
CSI 300 Index	4,104.20	-0.40	6.98	23.99
S&P/ASX 200 Index	5,982.55	0.42	5.30	5.59
Nifty 50	10,389.70	1.03	6.14	26.92
Global				
MSCI World	2,059.54	1.30	2.95	17.61
MSCI Emerging Markets	1,154.26	1.57	6.71	33.86
MSCI EAFE	2,022.86	1.85	2.48	20.12
Commodities				
WTI Crude	58.95	3.95	13.06	3.44
Brent Crude	63.86	1.82	12.85	8.85
NYMEX Nat Gas	2.81	-9.17	-11.57	-24.03
Gold	1,288.37	-0.31	0.67	12.28
Silver	17.06	-1.48	2.40	7.08
Copper	316.90	3.33	7.24	26.48
S & P GSCI Agriculture	285.16	0.00	1.37	-2.00

BAML Bond Indices (Total Return)		% chg					
Americas	Value	WTD	MTD	YTD			
US 1-10 Year Treasury	1,349.45	0.02	-0.20	1.27			
US 3-5 Year Treasury	1,979.82	-0.01	-0.32	1.20			
US Corporates	2,893.37	0.33	0.56	5.88			
US High Yield	1,256.98	0.38	0.01	7.04			
Canadian 1-10 Year Govt.	756.09	0.16	0.86	-0.20			
Europe							
Euro Govt. Index	737.85	0.17	1.25	0.83			
Euro High Yield	304.79	0.28	0.86	6.87			
UK Gilts 1-10 Year	927.47	0.20	0.35	0.13			
German 1-10 Year Govt.	513.45	-0.08	0.22	-0.51			
Asia							
Japan 1-10 Year Govt.	293.56	0.03	0.21	0.10			
Hong Kong 1-10 Year Govt.	177.76	-0.20	-0.40	1.32			
China 1-10 Year Broad	165.99	-0.17	-0.97	-0.77			
Australia 1-10 Year Govt.	1,383.33	0.22	1.60	3.13			
Global							
Global Broad Market	261.28	0.71	0.90	6.86			
Global Emerging Markets	464.53	0.56	0.26	9.89			
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields							
	Spot Rate	% chg				2-yr	10-yr
		WTD	MTD	YTD			
USD					1.74	2.34	
EUR	1.1933	1.21	1.01	13.46	-0.70	0.36	
CHF	0.9795	-0.97	1.16	-3.88	-0.85	-0.12	
GBP	1.3337	0.92	-0.46	8.08	0.46	1.25	
JPY	111.53	-0.51	-0.87	-4.64	-0.18	0.03	
CAD	1.2712	-0.40	1.92	-5.42	1.44	1.89	
AUD	0.7617	0.70	-2.77	5.67	1.76	2.50	
NZD	0.6876	0.98	-4.62	-0.84	1.95	2.78	
DKK	6.2379	-1.15	-0.97	-11.75	-0.62	0.43	
NOK	8.1302	-1.33	2.10	-5.91	0.50	1.50	
SEK	8.2778	-1.78	1.59	-9.10	-0.88	0.71	

Source: Bloomberg. Performance for the week ending November 24, 2017.

Market Highlights

CHINESE STOCKS saw heavy losses on Thursday, after volatility in the bond market led to bearish sentiment for equity investors. Most notably, the Shenzhen composite dropped 2.9% while Hong Kong's Hang Seng Index slipped around 1%. New liquidity constraints by the Central Bank were also blamed for the fall in stocks.

Minutes from the **FEDERAL OPEN MARKET COMMITTEE** meeting outlined concerns expressed by Fed officials regarding the build-up in financial imbalances and the resulting impact on the economy of any reversal of prices.

TRANSCANADA CORP advised customers that deliveries would be cut by 85% on its Keystone crude pipeline through the end of November. The line was shut last week after a 5,000-barrel spill in South Dakota.

UBER is under investigation by global governments after disclosing that the company covered up a data breach, which affected millions of customers and drivers. In late 2016, the company paid hackers \$100,000 to destroy the data and decided not to disclose the breach publicly.

The British government announced plans to resume the sale of its share holdings in **ROYAL BANK OF SCOTLAND GROUP PLC** during its annual Autumn Budget speech. The sale would raise around £15 billion over five years given today's stock price, but would result in a significant loss compared to the £45 billion used to bailout the bank during the financial crisis.

UNITED PARCEL SERVICE (UPS) acquired a manufacturing pharmacy license in Georgia, allowing repackaging and relabelling of pharmaceuticals from manufacturers. UPS currently acts as a carrier for drug companies but would now be able to control the supply chain management function; allowing drug companies to focus on production.

Economic Updates

EUROZONE PMI pointed to further growth in firms within the region with the composite moving to 57.5, the highest level in six years. The manufacturing index hit 60.0, up from 58.5 while the services index hit 56.2, up from 55.0.

CHINA'S NEW HOME PRICES rose 5.4% yearly in October, down from 6.3% in September as the government continues its efforts to slow the rapid price gains.

U.S. EXISTING HOME SALES gained 2.0% in October, with 5.48 million homes sold, both exceeding forecasts. The data continues to point to strength in the U.S. housing sector.

SINGAPORE'S GDP GROWTH for the third-quarter was revised upward to a seasonally adjusted rate of 8.8% from the 6.3% initially reported. On a yearly basis, GDP grew 5.2% compared to 4.6% the previous quarter, driven by strong manufacturing activity.

Political Updates

GERMANY'S president urged party leaders to continue efforts to form a coalition government after talks collapsed with the Greens and Free Democrats over the weekend. Failure will leave Chancellor Angela Merkel's party with the option of forming a minority government, which will provide legislative challenges or holding fresh elections.

BRAZIL'S government further agreed to water down its pension reform plans, lowering savings by 40% from the initial proposal. The revised bill includes a lowering of the minimum contribution requirement from 25 years to 15 years. However, the revised version maintains the increase of the minimum retirement age for women from 62 to 65 as the country seeks to close its gaping budget deficit.

Upcoming Events

THE **ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES (OPEC)** will meet on November 30 in Vienna to discuss the policy of extending production cuts to lower inventories and support prices. While the deal is set to expire in March 2018, expectations are for an extension of the cut agreement for the entire 2018 year, as the cuts finally appear to be achieving their desired goals.

THE **SENATE BANKING COMMITTEE** will meet on November 28 to consider the nomination of Jerome Powell as the next Federal Reserve Chairman. His nomination is expected to receive bipartisan support by lawmakers.

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