

# Ansbacher Weekly Market Recap

November 6, 2017



## Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	23,539.19	0.45	5.06	19.11
S&P 500 Index	2,587.84	0.26	2.72	15.59
S&P 600 SmallCap Index	900.88	-1.70	-0.34	7.51
Nasdaq Composite Index	6,764.44	0.94	4.13	25.66
S&P/TSX Composite Index	16,020.16	0.42	2.46	4.79
Brazil Ibovespa Index	73,915.42	-2.71	-0.51	22.73
Europe				
MSCI Europe	133.72	0.63	2.07	9.16
Euro Stoxx 50 Price	3,689.96	1.03	2.65	12.14
FTSE 100 Index	7,560.35	0.74	2.54	5.85
DAX Index	13,478.86	1.98	5.07	17.40
CAC 40 Index	5,517.97	0.43	3.53	13.48
IBEX 35 Index	10,357.80	1.57	-0.23	10.75
Swiss Market Index	9,322.05	1.51	1.80	13.41
Asia				
Nikkei 225	22,539.12	2.41	10.72	17.92
Hang Seng Index	28,603.61	0.58	3.81	30.01
CSI 300 Index	3,992.70	-0.73	4.07	20.62
S&P/ASX 200 Index	5,959.88	0.96	4.90	5.19
Nifty 50	10,452.50	1.25	6.78	27.69
Global				
MSCI World	2,045.47	0.53	2.25	16.80
MSCI Emerging Markets	1,126.18	1.44	4.11	30.61
MSCI EAFE	2,008.53	0.90	1.76	19.27
Commodities				
WTI Crude	55.64	3.23	7.10	-2.49
Brent Crude	62.07	3.23	9.68	5.80
NYMEX Nat Gas	2.98	0.67	-6.19	-19.42
Gold	1,269.91	-0.27	-0.77	10.67
Silver	16.84	-0.14	1.13	5.75
Copper	311.75	0.45	5.50	24.43
S & P GSCI Agriculture	277.82	-0.38	-1.24	-4.53

BAML Bond Indices (Total Return)		% chg				
Americas	Value	WTD	MTD	YTD		
US 1-10 Year Treasury	1,351.22	0.18	-0.07	1.40		
US 3-5 Year Treasury	1,983.56	0.12	-0.13	1.40		
US Corporates	2,893.54	0.49	0.57	5.89		
US High Yield	1,261.71	0.06	0.39	7.44		
Canadian 1-10 Year Govt.	754.56	0.07	0.66	-0.40		
Europe						
Euro Govt. Index	737.04	0.49	1.13	0.71		
Euro High Yield	306.50	0.49	1.43	7.47		
UK Gilts 1-10 Year	927.21	0.32	0.32	0.10		
German 1-10 Year Govt.	514.03	0.01	0.33	-0.40		
Asia						
Japan 1-10 Year Govt.	293.14	0.05	0.06	-0.05		
Hong Kong 1-10 Year Govt.	178.10	0.17	-0.21	1.52		
China 1-10 Year Broad	166.82	-0.19	-0.47	-0.28		
Australia 1-10 Year Govt.	1,379.75	0.82	1.34	2.86		
Global						
Global Broad Market	257.89	0.43	-0.40	5.47		
Global Emerging Markets	463.88	0.05	0.12	9.74		
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields						
	Spot Rate	% chg			2-yr	10-yr
		WTD	MTD	YTD		
USD					1.61	2.33
EUR	1.1608	0.00	-1.74	10.37	-0.75	0.36
CHF	1.0007	0.26	3.35	-1.80	-0.85	-0.09
GBP	1.3077	-0.39	-2.40	5.97	0.45	1.26
JPY	114.07	0.35	1.39	-2.47	-0.16	0.06
CAD	1.2764	-0.34	2.34	-5.04	1.44	1.96
AUD	0.7650	-0.35	-2.35	6.13	1.77	2.57
NZD	0.6907	0.42	-4.19	-0.39	1.96	2.85
DKK	6.4127	0.05	1.81	-9.27	-0.62	0.46
NOK	8.1762	0.35	2.68	-5.37	0.54	1.56
SEK	8.4337	0.73	3.51	-7.38	-0.84	0.79

Source: Bloomberg. Performance for the week ending November 03, 2017.

## Market Highlights

**TESLA** pushed back its production target of 5,000 Model 3 cars per week to late first quarter 2018 from the end of this year as bottlenecks have caused production delays. The company also reported a record \$671 million loss in the third quarter.

**ROYAL DUTCH SHELL** reported that its third quarter profit rose 47% when compared to previous year. Profits rose to \$4.1 billion, supported by rising oil and gas production.

**APPLE** shares rose after the company reported fourth quarter revenue of \$52.6 billion, an increase of 12% from the same quarter last year. The company also projected record revenue between \$84 billion and \$87 billion for the first quarter of 2018 boosted by iPhone X sales.

**VENEZUELAN PRESIDENT NICOLAS MADURO** announced the government's intention to restructure all of Venezuela's global debt following a final \$1.1 billion payment on the Petroleos de Venezuela 2017 bond.

**BROADCOM** has offered \$70 per share in cash and stock for rival chipmaker Qualcomm. The transaction is valued at approximately \$130 billion.

## Economic Updates

In an effort to control inflation, the **BANK OF ENGLAND** increased its policy rate from 0.25% to 0.50%, the first rate hike in ten years. The Bank indicated that there could be two more rates hikes through the end of 2020.

The **U.S. FEDERAL OPEN MARKET COMMITTEE** unanimously voted to keep the Fed funds target range unchanged at 1.00% - 1.25%. The next rate hike is expected in December.

**JEROME POWELL** was nominated by President Donald Trump to replace Janet Yellen as Chairman of the U.S. Federal Reserve.

**JAPANESE INFLATION** was unchanged from August, rising 0.7% year-over-year in September. The benign inflation is

expected to cause continuation of monetary easing by the Bank of Japan.

**U.S. NON-FARM PAYROLLS** rose 261,000 in October, compared to the 18,000 in September and the unemployment rate fell to 4.1%, the lowest level since 2000. However, wage growth slipped 0.4% from the prior month and the participation rate fell from 63.1% to 62.7%.

## Political Updates

Investigations into **RUSSIAN MEDDLING** in the 2016 U.S. presidential election heated up, as George Papadopoulos, a former foreign policy adviser pleaded guilty to lying to FBI investigators over contact with persons close to the Russian government.

A **SPANISH STATE PROSECUTOR** requested an arrest warrant for Carles Puigdemont, the ousted president of Catalonia who led a movement for the region's secession from Spain. Mr. Puigdemont defied an order to appear before a Spanish judge and fled to Belgium.

**U.S HOUSE REPUBLICANS** released the Tax Cuts and Jobs Act, unveiling a plan for a sweeping overhaul of the nation's tax code. Some of the major highlights include the reduction in the number of tax brackets from seven to four, lowering the corporate tax rate from 35% to 20% and a phased repeal of the estate tax. The bill has already faced some opposition and is unlikely to pass in its current form.

## Upcoming Events

**SWITZERLAND'S CPI** will be released on November 6. After years of falling prices, inflation is expected to remain low but positive. The strength in the Swiss Franc continues to hinder growth efforts in the country that has resorted to negative interest rates.

**THE RESERVE BANK OF AUSTRALIA** is set to have a Board meeting on November 7 to discuss monetary policy. The Bank is likely to leave the cash target rate unchanged at 1.5%.

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