

Ansbacher Weekly Market Recap

December 11, 2017



Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	24,329.16	0.40	0.23	23.11
S&P 500 Index	2,651.50	0.35	0.15	18.43
S&P 600 SmallCap Index	928.11	-0.98	-1.57	10.76
Nasdaq Composite Index	6,840.08	-0.11	-0.49	27.07
S&P/TSX Composite Index	16,096.07	0.36	0.18	5.29
Brazil Ibovespa Index	72,731.84	0.65	1.06	20.76
Europe				
MSCI Europe	131.44	1.46	0.75	7.30
Euro Stoxx 50 Price	3,591.45	1.81	0.60	9.15
FTSE 100 Index	7,393.96	1.28	0.92	3.52
DAX Index	13,153.70	2.27	1.00	14.57
CAC 40 Index	5,399.09	1.55	0.49	11.04
IBEX 35 Index	10,321.10	2.34	1.08	10.36
Swiss Market Index	9,319.16	0.48	0.00	13.37
Asia				
Nikkei 225	22,811.08	-0.03	0.38	19.34
Hang Seng Index	28,639.85	-1.49	-1.84	30.18
CSI 300 Index	4,003.38	0.13	-0.07	20.95
S&P/ASX 200 Index	5,994.37	0.08	0.41	5.80
Nifty 50	10,265.65	1.42	0.38	25.41
Global				
MSCI World	2,073.46	0.20	-0.19	18.40
MSCI Emerging Markets	1,110.78	-0.46	-0.89	28.82
MSCI EAFE	2,005.31	0.08	-0.73	19.08
Commodities				
WTI Crude	57.36	-1.71	-0.07	0.65
Brent Crude	63.40	-0.52	1.23	8.17
NYMEX Nat Gas	2.77	-9.44	-8.36	-26.67
Gold	1,248.49	-2.51	-2.08	8.80
Silver	15.86	-3.52	-3.50	-0.41
Copper	295.50	-3.60	-2.70	17.94
S & P GSCI Agriculture	285.16	-0.32	0.41	-2.00

ICE BAML Bond Indices (Total Return)		% chg					
Americas	Value	WTD	MTD	YTD			
US 1-10 Year Treasury	1,347.57	-0.05	0.07	1.13			
US 3-5 Year Treasury	1,976.31	-0.05	0.04	1.02			
US Corporates	2,896.15	-0.02	0.39	5.98			
US High Yield	1,259.09	0.03	0.04	7.22			
Canadian 1-10 Year Govt.	755.68	0.11	-0.08	-0.25			
Europe							
Euro Govt. Index	743.03	0.14	0.53	1.53			
Euro High Yield	304.25	-0.18	-0.14	6.68			
UK Gilts 1-10 Year	926.24	-0.23	0.15	-0.01			
German 1-10 Year Govt.	514.53	0.07	0.28	-0.30			
Asia							
Japan 1-10 Year Govt.	293.33	-0.02	-0.01	0.02			
Hong Kong 1-10 Year Govt.	177.49	-0.12	-0.13	1.17			
China 1-10 Year Govt.	166.31	0.10	0.19	-0.58			
Australia 1-10 Year Govt.	1,382.52	0.01	-0.13	3.07			
Global							
Global Broad Market	259.60	-0.44	-0.41	6.17			
Global Emerging Markets	464.09	-0.11	-0.18	9.79			
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields							
	Spot Rate	% chg				2-yr	10-yr
		WTD	MTD	YTD			
USD					1.79	2.38	
EUR	1.1773	-1.03	-1.10	11.94	-0.74	0.31	
CHF	0.9927	1.69	0.93	-2.58	-0.87	-0.16	
GBP	1.3390	-0.65	-1.00	8.51	0.51	1.28	
JPY	113.48	1.17	0.84	-2.98	-0.15	0.05	
CAD	1.2848	1.28	-0.38	-4.41	1.50	1.86	
AUD	0.7509	-1.37	-0.75	4.18	1.80	2.53	
NZD	0.6847	-0.64	0.22	-1.25	1.94	2.79	
DKK	6.3214	1.04	1.11	-10.57	-0.51	0.38	
NOK	8.2942	0.11	-0.30	-4.01	0.52	1.49	
SEK	8.4452	1.10	0.82	-7.26	-0.83	0.69	

Source: Bloomberg. Performance for the week ending December 08, 2017.

Market Highlights

Shares in retail giant **STEINHOFF INTERNATIONAL** plummeted by more than 80% last week after it was disclosed that the CEO had resigned amid an investigation into accounting irregularities. It is suspected by German prosecutors that the company's management hid operational losses and artificially inflated its book value. The company's debt was downgraded by Moody's to junk status.

GENERAL ELECTRIC announced plans to cut 12,000 jobs at its global power unit in an effort to save approximately \$1 billion in 2018. The struggling conglomerate said that it expected demand for fossil fuel power plants to dwindle as utility companies shift to renewable energy. GE shares are down over 40% year to date.

BASF will merge its oil and gas unit Wintershall with DEA to create one of Europe's largest independent oil and gas producers. DEA is controlled by LetterOne, an investment vehicle of Russian billionaire Mikhail Fridman. BASF will own two thirds of the merged entity, which will be called Wintershall DEA.

Following a 2016 order by the European Union, Ireland will begin collecting €13 billion in back taxes from **APPLE, INC.** in early 2018. The funds will be held in an escrow account while Ireland and Apple appeal the decision, which neither party agrees with. The EU says that the tax benefits received by Apple were unfair and illegal under EU rules.

Economic Updates

JAPAN'S third quarter GDP growth was unexpectedly revised upward, boosted by an increase in business spending. GDP for the period July to September grew at an annualized rate of 2.5% up from the 1.4% that was previously reported. The economy has now grown for seven consecutive quarters, the longest streak of uninterrupted growth since 2001.

BRAZIL'S CENTRAL BANK cut its benchmark rate to an all-time low of 7% as easing inflation and lower rates have helped the economy emerge from its worst ever recession. The

rate, which stood at 14% just over one year ago, is expected to remain constant throughout 2018.

U.S. NON-FARM PAYROLLS surprised on the upside in November as 228,000 jobs were added to the economy above the median economist forecast of 195,000. The unemployment rate remained at a 17-year low of 4.1%. The report also showed that average hourly earnings increased by 2.5% year over year.

Political Updates

JERUSALEM will now be recognized by the U.S. as Israel's capital, as declared in a speech by U.S. President Donald Trump last Wednesday. President Trump ignored warnings from across the globe and announced that he would direct the U.S. State Department to move the U.S. embassy from Tel Aviv to Jerusalem. The announcement drew praise from Israelis and disdain from Palestinians who view Jerusalem as an integral part of Palestine. The move is likely to cause significant setbacks in peace talks between the two nations.

RUSSIAN PRESIDENT VLADIMIR PUTIN has announced his candidacy for the country's 2018 presidential election. Mr. Putin is said to have an 82% approval rating and is likely to win the election, which is scheduled for mid-March.

BREXIT negotiations had an important breakthrough on Friday, as the U.K. and the European Union reached an agreement on divorce terms. While many challenges remain ahead, the two parties can now start to negotiate trade terms and discuss the U.K.'s two-year transition period after it officially leaves the EU in March 2019. The divorce bill will fall between €40 and €45 billion.

Upcoming Events

The U.S. **FEDERAL OPEN MARKET COMMITTEE** will meet on December 13. It is forecasted that the Fed's target rate will be raised from 1.25% to 1.5%.

The **BANK OF ENGLAND'S** Monetary Policy Committee will meet on December 14th. It is widely expected that the Committee will vote to keep rates unchanged.

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