

# Ansbacher Weekly Market Recap

December 18, 2017



## Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	24,651.74	1.33	1.56	24.74
S&P 500 Index	2,675.81	0.92	0.00	19.52
S&P 600 SmallCap Index	932.63	0.49	-1.09	11.30
Nasdaq Composite Index	6,936.58	1.41	0.91	28.86
S&P/TSX Composite Index	16,041.98	-0.34	-0.16	4.93
Brazil Ibovespa Index	72,607.70	-0.17	0.88	20.56
Europe				
MSCI Europe	131.14	-0.22	0.52	7.06
Euro Stoxx 50 Price	3,560.53	-0.86	-0.26	8.21
FTSE 100 Index	7,490.57	1.31	2.24	4.87
DAX Index	13,103.56	-0.38	0.61	14.13
CAC 40 Index	5,349.30	-0.92	-0.44	10.02
IBEX 35 Index	10,150.40	-1.65	-0.59	8.54
Swiss Market Index	9,394.71	0.81	0.81	14.29
Asia				
Nikkei 225	22,553.22	-1.13	-0.76	17.99
Hang Seng Index	28,848.11	0.73	-1.13	31.12
CSI 300 Index	3,980.86	-0.56	-0.63	20.26
S&P/ASX 200 Index	5,996.97	0.04	0.45	5.85
Nifty 50	10,333.25	0.66	1.04	26.23
Global				
MSCI World	2,085.54	0.58	0.39	19.09
MSCI Emerging Markets	1,118.50	0.70	-0.20	29.72
MSCI EAFE	2,007.97	0.13	-0.60	19.24
Commodities				
WTI Crude	57.30	-0.10	-0.17	0.54
Brent Crude	63.23	-0.27	0.96	7.88
NYMEX Nat Gas	2.61	-5.77	-13.65	-30.90
Gold	1,256.44	0.64	-1.46	9.49
Silver	16.06	1.22	-2.33	0.80
Copper	311.00	5.25	2.40	24.13
S & P GSCI Agriculture	285.16	2.38	0.41	-2.00

ICE BAML Bond Indices (Total Return)		% chg				
Americas	Value	WTD	MTD	YTD		
US 1-10 Year Treasury	1,347.86	0.02	0.09	1.15		
US 3-5 Year Treasury	1,975.80	-0.03	0.01	1.00		
US Corporates	2,910.77	0.50	0.89	6.52		
US High Yield	1,259.34	0.02	0.06	7.24		
Canadian 1-10 Year Govt.	755.60	-0.01	-0.09	-0.26		
Europe						
Euro Govt. Index	740.78	-0.30	0.23	1.22		
Euro High Yield	304.14	-0.04	-0.18	6.64		
UK Gilts 1-10 Year	929.47	0.35	0.49	0.34		
German 1-10 Year Govt.	514.05	-0.09	0.19	-0.39		
Asia						
Japan 1-10 Year Govt.	293.35	0.01	0.00	0.02		
Hong Kong 1-10 Year Govt.	177.51	0.01	-0.12	1.18		
China 1-10 Year Govt.	166.40	0.05	0.25	-0.53		
Australia 1-10 Year Govt.	1,380.65	-0.14	-0.27	2.93		
Global						
Global Broad Market	260.52	0.36	-0.05	6.55		
Global Emerging Markets	464.55	0.10	-0.08	9.90		
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields						
	Spot Rate	% chg				
		WTD	MTD	YTD	2-yr	10-yr
USD					1.84	2.35
EUR	1.1749	-0.20	-1.30	11.71	-0.72	0.30
CHF	0.9905	-0.22	0.70	-2.80	-0.89	-0.17
GBP	1.3320	-0.52	-1.52	7.94	0.44	1.15
JPY	112.60	-0.78	0.05	-3.73	-0.15	0.05
CAD	1.2866	0.14	-0.24	-4.28	1.55	1.84
AUD	0.7646	1.82	1.06	6.08	1.88	2.52
NZD	0.6993	2.13	2.36	0.85	1.92	2.72
DKK	6.3359	0.23	1.35	-10.36	-0.50	0.38
NOK	8.3833	1.07	0.78	-2.98	0.45	1.50
SEK	8.5041	0.70	1.52	-6.61	-0.82	0.74

Source: Bloomberg. Performance for the week ending December 15, 2017.

## Market Highlights

**WALT DISNEY CO.** has struck its biggest deal ever to buy the television, film and international assets of Twenty-First Century Fox. The acquisition, an all-stock transaction valued at \$52.4 billion, may be completed within twelve to eighteen months if approved. The deal is expected to face a long regulatory process and includes a “break-up” fee of \$2.5 billion if it does not go through.

Israeli drug maker **TEVA PHARMACEUTICALS** announced a two-year restructuring plan that includes 14,000 job cuts and a suspension of dividend payments. The company is hoping to reduce its cost base and save \$3 billion by the end of 2019. The world’s largest generic drug maker is burdened with debt that is around twice its market value.

Europe’s largest property firm **UNIBAIL-RODAMCO** will purchase mall operator Westfield Corp for \$16 billion. The purchase of Westfield, which operates 35 properties in the U.S. and U.K., will allow Unibail to expand beyond Europe. Unibail currently operates 69 shopping centers in major cities including Paris, Madrid, Stockholm, Amsterdam and Munich.

**BRENT CRUDE** oil prices jumped above \$65 last Tuesday, the highest level since mid-2015. The price spiked as news broke that a hairline crack was discovered in the North Sea’s Forties Pipeline system forcing a weeks-long closure. Overall, previously depressed oil prices are starting to recover amid supply disruptions, increased demand and OPEC production cuts.

## Economic Updates

Despite the Bank of England’s rate hike last month, **UK INFLATION** rose to 3.1% in November, the fastest pace in more than five years. The increase in consumer prices was driven by price increases in computer games and airfare. The BOE’s governor must now write a letter to the Chancellor of the Exchequer outlining plans to get inflation back to the 2% target; a requirement anytime inflation is above 3% or below 1%. The BOE kept policy rates unchanged on Thursday and indicated the future increases would be limited.

As expected, the **U.S. FEDERAL RESERVE** raised its benchmark interest rate for the third time this year signalling continued confidence in the U.S. economy. The Fed raised rates by 25 basis points to a range between 1.25% and 1.5%. Fed officials maintained that there would be another three similar rate hikes in 2018 and projected that inflation would rise to their 2% target by 2019.

## Political Updates

The U.S. Federal Communications Commission voted 3-2 to dismantle **NET NEUTRALITY** regulations, passed in 2015 to provide stronger oversight of broadband providers. The vote removes regulations for high-speed internet and allows broadband providers to block websites and charge for higher quality service or content. Critics believe that this will allow large media companies to promote favoured websites, squeezing out smaller customers who may be priced out of the market. Proponents of the move argue that it will increase competition with rules in place to punish companies that harm consumers.

**BRAZIL’S** government postponed a vote on pension reform, which they had hoped to complete before the end of the year. The vote is now scheduled for February 19, 2018 raising prospects that no reform will take place until after next year’s election. Brazilian stocks rallied earlier in the year on signs of pension reform but have been wavering recently, given the challenges faced. Both the currency and the benchmark stock exchange fell on the news.

## Upcoming Events

Despite inflation rising to the 2% target, **SWEDEN’S CENTRAL BANK** is expected to hold its benchmark rate steady on December 20 at -0.50%. Analysts believe that any shift from its current dovish stance will result in a rising Swedish Krona that will unwind inflation progress.

An election will be held on December 21 in **CATALONIA**, months after Madrid took control over the region. Polls point to a hung parliament as the political crisis surrounding the independence drive continues.

**DISCLAIMER:** While every effort has been made to ensure that the information contained in this report is accurate and complete at the report date and has been obtained from reliable sources, there is no guarantee that it is correct, and Ansbacher (Bahamas) Limited can accept no liability whatsoever in respect of any errors or omissions. This document is provided for information purposes only and is not intended to constitute investment advice, nor to solicit dealing in securities or investments.