

Ansbacher Weekly Market Recap

January 8, 2018



Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	25,295.87	2.33	2.33	2.33
S&P 500 Index	2,743.15	2.60	2.60	2.60
S&P 600 SmallCap Index	949.18	1.38	1.38	1.38
Nasdaq Composite Index	7,136.56	3.38	3.38	3.38
S&P/TSX Composite Index	16,349.44	0.87	0.87	0.87
Brazil Ibovespa Index	79,071.47	3.49	3.49	3.49
Europe				
MSCI Europe	134.13	2.07	2.07	2.07
Euro Stoxx 50 Price	3,607.63	2.96	2.96	2.96
FTSE 100 Index	7,724.22	0.47	0.47	0.47
DAX Index	13,319.64	3.11	3.11	3.11
CAC 40 Index	5,470.75	2.98	2.98	2.98
IBEX 35 Index	10,411.40	3.66	3.66	3.66
Swiss Market Index	9,556.98	1.87	1.87	1.87
Asia				
Nikkei 225	23,714.53	4.17	4.17	4.17
Hang Seng Index	30,814.64	2.99	2.99	2.99
CSI 300 Index	4,138.75	2.68	2.68	2.68
S&P/ASX 200 Index	6,122.35	0.94	0.94	0.94
Nifty 50	10,558.85	0.27	0.27	0.27
Global				
MSCI World	2,156.60	2.53	2.53	2.53
MSCI Emerging Markets	1,201.01	3.67	3.67	3.67
MSCI EAFE	2,100.91	2.44	2.44	2.44
Commodities				
WTI Crude	61.44	1.69	1.69	1.69
Brent Crude	67.62	1.12	1.12	1.12
NYMEX Nat Gas	2.80	-5.35	-5.35	-5.35
Gold	1,319.59	1.29	1.29	1.29
Silver	17.22	1.68	1.68	1.68
Copper	322.95	-2.15	-2.15	-2.15
S & P GSCI Agriculture	283.47	0.47	0.47	0.47

ICE BAML Bond Indices (Total Return)		% chg				
Americas	Value	WTD	MTD	YTD		
US 1-10 Year Treasury	1,343.71	-0.23	-0.23	-0.23		
US 3-5 Year Treasury	1,969.77	-0.25	-0.25	-0.25		
US Corporates	2,898.38	-0.38	-0.38	-0.38		
US High Yield	1,272.34	0.82	0.82	0.82		
Canadian 1-10 Year Govt.	749.02	-0.32	-0.32	-0.32		
Europe						
Euro Govt. Index	733.22	0.07	0.07	0.07		
Euro High Yield	306.26	0.61	0.61	0.61		
UK Gilts 1-10 Year	927.24	-0.20	-0.20	-0.20		
German 1-10 Year Govt.	510.91	-0.02	-0.02	-0.02		
Asia						
Japan 1-10 Year Govt.	293.14	-0.02	-0.02	-0.02		
Hong Kong 1-10 Year Govt.	177.60	0.19	0.19	0.19		
China 1-10 Year Govt.	166.43	-0.02	-0.02	-0.02		
Australia 1-10 Year Govt.	1,378.28	0.23	0.23	0.23		
Global						
Global Broad Market	261.13	-0.14	-0.14	-0.14		
Global Emerging Markets	470.75	0.78	0.78	0.78		
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields						
	Spot Rate	% chg				
		WTD	MTD	YTD	2-yr	10-yr
USD					1.96	2.48
EUR	1.2029	0.20	0.20	0.20	-0.61	0.44
CHF	0.9747	0.04	0.04	0.04	-0.80	-0.10
GBP	1.3571	0.43	0.43	0.43	0.50	1.24
JPY	113.05	0.32	0.32	0.32	-0.13	0.06
CAD	1.2412	-1.26	-1.26	-1.26	1.78	2.15
AUD	0.7864	0.70	0.70	0.70	1.97	2.64
NZD	0.7173	1.06	1.06	1.06	1.93	2.77
DKK	6.1903	-0.27	-0.27	-0.27	-0.41	0.50
NOK	8.0512	-1.86	-1.86	-1.86	0.44	1.55
SEK	8.1578	-0.31	-0.31	-0.31	-0.77	0.76

Source: Bloomberg. Performance for the week ending January 05, 2018.

Market Highlights

The **DOW JONES INDUSTRIAL AVERAGE** surpassed the 25,000 mark for the first time on Thursday amid increasing global economic growth and favourable economic data in the U.S., China and Europe. The latest 1,000 point move was the quickest on record, happening in just twenty-three days. The Dow gained 25% in 2017.

In an effort to provide greater investor protection and tackle under-regulation in the financial system, the European Union launched revised market rules known as **MIFID II** on January 3. The regulations, which include over 1.4 million paragraphs, seek to avoid conflicts of interest between market participants and provide greater fee transparency. The rules are expected to upend Europe's financial industry and will cover nearly all aspects of trading in the EU.

Electric carmaker **TESLA** once again pushed back its 5,000 per week production target for its Model 3 sedan to the second quarter of this year. Tesla reported that it delivered 29,870 vehicles in the fourth quarter of 2017, including 1,550 Model 3 sedans. While the carmaker managed to exceed its 2017 delivery target of 100,000 vehicles, investors remain concerned on the ability to ramp up production of the Model 3.

Brazil's state-controlled oil company **PETROLEO BRASILEIRO SA** agreed on Wednesday to pay US\$2.95 billion to settle a class action lawsuit. The lawsuit was filed by investors who claimed that their holdings were damaged as a result of a corruption scandal facing the company. While the settlement was smaller than expected, it is one of the largest payouts in the U.S. by a foreign entity. Petrobras has denied any wrongdoing.

Economic Updates

EUROZONE MANUFACTURING remained resilient in December, with the Purchasing Manager's Index reporting at 60.6. Factory output also rose from 61.0 to 62.2 in November. Elsewhere in Europe, **GERMAN UNEMPLOYMENT** fell to a record low, with the national jobless rate reporting at 5.5%.

U.S. PRIVATE SECTOR EMPLOYMENT surged in December as strong holiday sales pushed companies to hire. The latest ADP report showed the addition of 250,000 jobs versus an estimate of 190,000. In 2017, private payrolls grew by 2.54 million or at an average of 212,000 per month.

SINGAPORE'S ECONOMY expanded 3.1% in the fourth quarter from a year earlier, driven by continued expansion in the services sector. While below the 5.4% growth experienced the previous quarter, growth remains at the upper level of the government's target increasing the possibility of policy tightening in 2018.

CANADA added 80,000 jobs in December, driven by a surge in part-time employment for the holiday season. Unemployment fell to a 41-year low of 5.7% increasing the chance of a rate hike by the Bank of Canada this month.

Political Updates

For the first time in two years, **NORTH KOREA** has agreed to hold official talks with South Korea on January 9. The meeting was finalized after South Korea and the U.S. delayed a joint military exercise until after the Winter Olympics next month. Expectations are for talks to focus on North Korea's participation at the Winter Olympics, which will take place in South Korea but other issues such as the denuclearisation of the North are likely to arise.

IRAN has been hit by the largest wave of protests in over a decade as Iranian citizens demonstrate against the government. The protests began after the government announced plans to raise fuel prices and reduce monthly payments to low-income citizens. Spurred by the protests and in response to the Iranian government's perceived mismanagement of the economy, the U.S. imposed sanctions on five entities linked to Iran's ballistic-missile programs.

Upcoming Events

This week, Germany (January 9), France (January 10) and Spain (January 11) will all report **INDUSTRIAL PRODUCTION** figures for November. Germany and Spain are expected to show gains the previous month.

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