

# Ansbacher Weekly Market Recap

April 16, 2018



## Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	24,360.14	1.79	1.07	-1.45
S&P 500 Index	2,656.30	1.99	0.58	-0.65
S&P 600 SmallCap Index	952.77	1.98	1.52	1.76
Nasdaq Composite Index	7,106.65	2.77	0.61	2.94
S&P/TSX Composite Index	15,273.97	0.44	-0.61	-5.77
Brazil Ibovespa Index	84,334.41	-0.57	-1.21	10.38
Europe				
MSCI Europe	127.86	1.13	2.28	-2.70
Euro Stoxx 50 Price	3,448.00	1.17	2.57	-1.60
FTSE 100 Index	7,264.56	1.13	2.95	-5.50
DAX Index	12,442.40	1.64	2.86	-3.68
CAC 40 Index	5,315.02	1.08	2.86	0.05
IBEX 35 Index	9,767.30	0.87	1.74	-2.75
Swiss Market Index	8,776.17	1.21	0.40	-6.46
Asia				
Nikkei 225	21,778.74	0.98	2.93	-4.33
Hang Seng Index	30,808.38	3.23	2.38	2.97
CSI 300 Index	3,871.14	0.42	-0.59	-3.96
S&P/ASX 200 Index	5,829.08	0.70	1.21	-3.89
Nifty 50	10,480.60	1.44	3.63	-0.48
Global				
MSCI World	2,088.98	1.76	1.14	-0.69
MSCI Emerging Markets	1,170.09	0.70	0.07	1.00
MSCI EAFE	2,042.41	1.45	2.01	-0.41
Commodities				
WTI Crude	67.39	8.59	3.77	11.81
Brent Crude	72.58	8.15	4.67	10.34
NYMEX Nat Gas	2.74	1.26	0.07	-0.22
Gold	1,346.20	0.99	1.56	3.33
Silver	16.66	1.66	1.69	-1.67
Copper	307.10	0.41	1.50	-6.95
S & P GSCI Agriculture	304.68	1.63	3.22	7.99

ICE BAML Bond Indices (Total Return)		% chg				
Americas	Value	WTD	MTD	YTD		
US 1-10 Year Treasury	1,333.81	-0.24	-0.26	-0.97		
US 3-5 Year Treasury	1,954.34	-0.30	-0.31	-1.03		
US Corporates	2,844.02	-0.07	-0.05	-2.25		
US High Yield	1,264.99	0.83	1.16	0.24		
Canadian 1-10 Year Govt.	750.35	-0.28	-0.36	-0.14		
Europe						
Euro Govt. Index	741.75	-0.09	-0.19	1.23		
Euro High Yield	305.23	0.57	0.75	0.27		
UK Gilts 1-10 Year	918.76	-0.17	-0.33	-1.12		
German 1-10 Year Govt.	510.48	-0.06	-0.08	-0.11		
Asia						
Japan 1-10 Year Govt.	293.36	0.01	0.00	0.05		
Hong Kong 1-10 Year Govt.	177.85	-0.04	-0.02	0.33		
China 1-10 Year Govt.	170.21	0.23	0.45	2.25		
Australia 1-10 Year Govt.	1,380.19	-0.25	-0.39	0.37		
Global						
Global Broad Market	264.27	0.10	-0.14	1.06		
Global Emerging Markets	469.34	0.55	0.87	0.47		
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields						
	Spot Rate	% chg				
		WTD	MTD	YTD	2-yr	10-yr
USD					2.36	2.83
EUR	1.2331	0.41	0.25	2.72	-0.58	0.51
CHF	0.9622	0.32	0.61	-1.24	-0.86	0.02
GBP	1.4238	1.04	1.57	5.37	0.91	1.44
JPY	107.35	0.39	0.86	-4.74	-0.15	0.04
CAD	1.2608	-1.36	-2.14	0.29	1.86	2.24
AUD	0.7764	1.04	1.12	-0.58	2.08	2.74
NZD	0.7365	1.40	1.81	3.76	1.94	2.83
DKK	6.0395	-0.39	-0.35	-2.70	-0.46	0.53
NOK	7.7756	-0.70	-0.84	-5.22	0.80	1.81
SEK	8.4740	0.98	1.35	3.55	-0.52	0.67

Source: Bloomberg. Performance for the week ending April 13, 2018.

## Market Highlights

**FACEBOOK** CEO Mark Zuckerberg spent ten hours over two days answering questions about user data privacy in a U.S. congressional hearing last week. The sessions were held after it was revealed that research firm Cambridge Analytica accessed data from millions of Facebook users without their knowledge. During the hearings, Mr. Zuckerberg held firm to his message that users were in control of their data and skilfully deflected questions from sceptical lawmakers. Facebook shares were up more than 5% over the two days.

Less than a month after gaining approval from the European Commission, **BAYER** received permission from the U.S. Justice Department to acquire Monsanto. The approval came after both companies agreed to sell off assets in order to meet antitrust requirements. The deal, now worth \$62.5 billion, is the largest all cash buy-out on record and the biggest ever by a German company.

**DUETSCHKE BANK** ended John Cryan's three-year run as CEO, replacing him with retail bank head Christian Sewing, signalling a possible shift from global to domestic banking. During his tenure, Mr. Cryan cut costs and raised capital for the struggling bank, however, revenues remained lacklustre and the share price dropped by more than 50%.

The **HONG KONG MONETARY AUTHORITY** (HKMA) intervened in the currency market for the first time since 2005, buying Hong Kong Dollars in an effort to defend the near 35-year peg to the U.S. Dollar. The action came after the currency fell to HK\$7.85, at the edge of its 7.75 - 7.85 trading range against the USD. With record foreign exchange reserves, the HKMA is well positioned to undertake further interventions.

## Economic Updates

The **U.S. CONGRESSIONAL BUDGET OFFICE** (CBO) stated that the recent tax cuts and spending increases would result in record expansion in the deficit in the coming years. The CBO forecasted that the deficit would exceed \$1 trillion by 2020, two years earlier than expected, and \$1.5 trillion by 2028. The CBO also said that the deficit would total \$804 billion in fiscal 2018, up from \$665 billion in 2017. The

national debt is projected to approach 100% of GDP by 2028.

**U.S. CONSUMER PRICES** fell for the first time since May 2017, slipping 0.1% in March after rising 0.2% in February. The decline was primarily attributed to a decrease in gasoline prices, which fell by 4.9% last month. Despite the drop, annual CPI increased by 2.4% in March compared to February's increase of 2.2%, as weak readings from last year fell from the calculation. Core inflation also advanced, rising 2.1% in March from a year earlier.

**U.K. MANUFACTURING OUTPUT** fell 0.2% in February, the first decline in eleven months and below expectations of a 0.2% gain. The decline comes after January's growth was revised downwards to 0%. The Office for National Statistics reported that output was driven lower by declines in electrical appliance manufacturing and oil refining. Year over year manufacturing output rose by 2.5%.

Meanwhile, **EUROZONE** industrial production fell for the third straight month in February, coming in at -0.8% compared to expectations of a 0.1% increase. January's figure was revised upwards to -0.6% from -1.0%. Production fell in nearly every category including capital goods (-3.6%) and durable goods (-2.1%) while energy production (+6.8%) surged.

## Political Updates

In a major address at the Boao Forum, Chinese President **Xi JINGPIN** outlined plans for several key areas of the economy. Notably, Mr. Xi promised to further open up the economy by granting foreign companies greater access to the Chinese manufacturing and financial sectors. He also said that China would significantly lower tariffs on automobile imports and increase enforcement of intellectual property protection. While Mr. Xi did not specifically mention the trade dispute with the U.S., global stock markets rallied as many investors saw his pledges as an attempt to avert a trade war.

## Upcoming Events

The **BANK OF CANADA** will meet on April 18. The Bank is expected to leave its policy rates unchanged.

**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.