

Ansbacher Weekly Market Recap

April 9, 2018



Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	23,932.76	-0.71	-0.71	-3.18
S&P 500 Index	2,604.47	-1.38	-1.38	-2.59
S&P 600 SmallCap Index	934.29	-0.44	-0.44	-0.21
Nasdaq Composite Index	6,915.11	-2.10	-2.10	0.17
S&P/TSX Composite Index	15,207.41	-1.04	-1.04	-6.18
Brazil Ibovespa Index	84,820.42	-0.64	-0.64	11.02
Europe				
MSCI Europe	126.44	1.14	1.14	-3.79
Euro Stoxx 50 Price	3,408.10	1.39	1.39	-2.74
FTSE 100 Index	7,183.64	1.80	1.80	-6.56
DAX Index	12,241.27	1.19	1.19	-5.24
CAC 40 Index	5,258.24	1.76	1.76	-1.02
IBEX 35 Index	9,682.80	0.86	0.86	-3.60
Swiss Market Index	8,671.04	-0.80	-0.80	-7.58
Asia				
Nikkei 225	21,567.52	1.93	1.93	-5.26
Hang Seng Index	29,844.94	-0.83	-0.83	-0.25
CSI 300 Index	3,854.86	-1.01	-1.01	-4.37
S&P/ASX 200 Index	5,788.74	0.51	0.51	-4.56
Nifty 50	10,331.60	2.15	2.15	-1.89
Global				
MSCI World	2,052.78	-0.62	-0.62	-2.41
MSCI Emerging Markets	1,161.97	-0.62	-0.62	0.30
MSCI EAFE	2,013.31	0.55	0.55	-1.83
Commodities				
WTI Crude	62.06	-4.43	-4.43	2.97
Brent Crude	67.11	-3.22	-3.22	2.02
NYMEX Nat Gas	2.70	-1.17	-1.17	-1.46
Gold	1,333.03	0.57	0.57	2.32
Silver	16.38	0.03	0.03	-3.27
Copper	305.85	1.09	1.09	-7.33
S & P GSCI Agriculture	299.78	1.56	1.56	6.25

ICE BAML Bond Indices (Total Return)		% chg					
Americas	Value	WTD	MTD	YTD			
US 1-10 Year Treasury	1,337.08	-0.02	-0.02	-0.72			
US 3-5 Year Treasury	1,960.22	-0.01	-0.01	-0.74			
US Corporates	2,845.92	0.02	0.02	-2.18			
US High Yield	1,254.60	0.33	0.33	-0.59			
Canadian 1-10 Year Govt.	752.47	-0.08	-0.08	0.14			
Europe							
Euro Govt. Index	742.43	-0.10	-0.10	1.33			
Euro High Yield	303.49	0.18	0.18	-0.31			
UK Gilts 1-10 Year	920.31	-0.16	-0.16	-0.95			
German 1-10 Year Govt.	510.77	-0.02	-0.02	-0.05			
Asia							
Japan 1-10 Year Govt.	293.33	-0.01	-0.01	0.04			
Hong Kong 1-10 Year Govt.	177.93	0.03	0.03	0.38			
China 1-10 Year Govt.	169.81	0.21	0.21	2.01			
Australia 1-10 Year Govt.	1,383.65	-0.14	-0.14	0.62			
Global							
Global Broad Market	264.02	-0.24	-0.24	0.97			
Global Emerging Markets	466.77	0.31	0.31	-0.08			
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields							
	Spot Rate	% chg				2-yr	10-yr
		WTD	MTD	YTD			
USD					2.27	2.77	
EUR	1.2281	-0.15	-0.15	2.30	-0.59	0.50	
CHF	0.9591	0.28	0.28	-1.56	-0.93	0.00	
GBP	1.4092	0.53	0.53	4.28	0.86	1.40	
JPY	106.93	0.47	0.47	-5.11	-0.14	0.05	
CAD	1.2782	-0.79	-0.79	1.68	1.79	2.14	
AUD	0.7684	0.08	0.08	-1.60	2.03	2.66	
NZD	0.7263	0.40	0.40	2.32	1.91	2.80	
DKK	6.0634	0.05	0.05	-2.31	-0.48	0.51	
NOK	7.8307	-0.14	-0.14	-4.55	0.79	1.83	
SEK	8.3915	0.36	0.36	2.54	-0.48	0.69	

Source: Bloomberg. Performance for the week ending April 06, 2018.

Market Highlights

Shares of Swedish music streaming service **SPOTIFY TECHNOLOGY** officially debuted on the New York Stock Exchange on Tuesday. The listing was an unusual one, the company opted for a direct listing instead of an initial public offering selling no new shares and bypassing the use of an underwriter. Shares of the company opened at \$165.95, nearly 26% over the reference price of a \$132 and closed at \$149.01. Given the smooth debut, other companies are likely to consider direct listings in the future, a potential blow to Wall Street banks who stand to lose out on millions of dollars in underwriting fees.

Bloomberg reported on Monday that **APPLE** is planning to move away from using **INTEL** chips in Mac computers replacing them with its own chips by as early as 2020. The approach is a part of Apple's wider strategy to make all of its devices work more similarly and seamlessly together. The report sent Intel's shares down by as much as 9% and weighed on the broader semiconductor sector. Apple accounts for about 5% of Intel's annual revenue.

Electric automaker **TESLA** had a record production of 34,494 vehicles in the first quarter bolstered by an increase in production of its Model 3 sedan, which accounted for 9,766 vehicles. Despite the increase, Model 3 production still fell short of the weekly target of 2,500 cars by the end of March prompting Moody's to downgrade Tesla's credit rating from B2 to B3 with a negative outlook. The Model 3 also fell short of its delivery target but outsold electric models by Toyota and General Motors to become the bestselling electric car in the U.S.

Economic Updates

EUROZONE UNEMPLOYMENT hit its lowest level since December 2008, coming in at 8.5% in February, down from 8.6% in the previous month. Notably, the lowest rates were seen in Germany and Malta (both at 3.5%) while Greece reported the highest figure of 20.8%. Meanwhile, the annual **INFLATION** rate rose to 1.4% in March compared to February's reading of 1.1%. March's acceleration ends four months of declines however, the rate remains well below the European Central Bank's target of 2%.

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U.S. NONFARM PAYROLLS rose by 103,000 in March, a sharp pullback from February's huge gain of 326,000 and below expectations of 193,000. Hiring in the construction and retail sectors cooled primarily due to winter storms in the eastern U.S. The unemployment rate remained unchanged at 4.1%. The Labour Department also reported continued improvement in wage growth with average hourly earnings increasing by 2.7% year over year compared to 2.6% in the previous month.

GERMAN INDUSTRIAL PRODUCTION fell sharply in February providing further evidence that the German economy had a slow start to the year. Industrial output fell by 1.6% from the previous month, the sharpest drop since August 2015 and well below forecasts of a 0.3% rise. The slump in output was mainly due to declines in capital goods (-3.1%), consumer goods (-1.5%) and construction (-2.2%). Energy production was the exception, surging by 4% due to weather related effects.

Political Updates

TRADE TENSIONS between China and the U.S. continued to intensify with both nations swapping trade threats last week. Hours after the U.S. threatened to levy tariffs on over 1,300 categories of Chinese products, China announced new tariffs on up to \$50 billion of annual U.S. imports. In response, President Trump said he was considering tariffs on an additional \$100 billion of Chinese imports calling China's retaliation unfair. While neither side gave a date for the implementation of the proposed tariffs, the tit-for-tat exchange rattled markets as investors became increasingly fearful of a global trade war.

The Brazilian Supreme Court ruled that former president **LUIZ INACIO LULA DA SILVA** can serve a jail sentence while he continues to appeal his corruption conviction. Last July, Mr. da Silva was sentenced to nearly 10 years in jail after being found guilty of corruption and money laundering. The sentence was upheld by an appeals court in January and increased to 12 years. The latest ruling is likely to end Mr. da Silva's aspirations to run for president in October.

Upcoming Events

U.S. CPI data for March will be released on April 11.