# **■** FFA Private Bank | Research Advisory | Weekly Market Insights

**Global Overview** 

- US Treasury yields closed higher and US Dollar Index weakened neathree-year low on growing prospects of a government shutdown startin Saturday morning with no agreement on funding in sight. Gold trade lower as end of week gains were offset by increasing market expectation of faster Fed monetary tightening amid solid global macro
- WTI crude oil closed lower on re-emerging US output concerns as US orig count rose ahead of two-day OPEC meeting in Oman. IEA and OPE monthly reports also weighed on oil prices as they forecasted a significar increase in US oil output in 2018 which could offset OPEC supply cuts
- European equities closed higher with the Stoxx 600 at +0.6% supporte by improved sentiment, optimism on Q4/17 corporate earnings an favorable Chinese macro data despite slightly stronger EUR/USD. U equities closed lower with the FTSE 100 at -0.6% weighed by stronger GBP/USD and softer-than-expected UK macro
- Japanese equities closed higher with the Nikkei 225 at +0.7% despit weaker JPY/USD. Japanese industrial production and machinery order came in largely above expectations, fueling expectations of a BoJ rate hik this year
- Chinese equities closed higher with the Shanghai Composite at +1.7%. China's Q4/17 GDP growth exceeded expectations as recovery in exports helped the country's first annual growth acceleration in seven years despite fears that government measures to contain financial risks would weigh on economic growth. Emerging markets outperformed with the MSCI EM at +2.0%
- MENA equities ended the week higher with the S&P Pan Arab at +2.0% on gains in Saudi Arabia, Abu Dhabi and Dubai. Saudi equities were supported by progress in settling corruption cases as well as higher oil prices

Previous	Week Macro Data	Actual	Cons.	Date	Upcoming Week Macro Data	Cons.	Prior
UK Core	CPI (YoY) (Dec)	2.5%	2.6%	23-Jan	JPY BoJ interest rate decision	-0.1%	-0.1%
CNY FDI (	YTD) (YoY) (Dec)	7.9%	-	23-Jan	EU ZEW survey- economic sentiment (Jan)	30.0	29.0
EU Core CPI (YoY) (Dec)		1.1%	0.9%	23-Jan	EU Consumer confidence (Jan)	0.7	0.5
US Indus	trial production (MoM) (Dec)	0.9%	0.4%	24-Jan	JPY Nikkei manufacturing PMI (Jan)	53.8	54.0
JPY Indus	strial production (YoY) (Nov)	3.6%	1.9%	24-Jan	JPY Coincident index	117.1	118.1
CNY Reta	il sales (YoY) (Dec)	9.4%	10.1%	24-Jan	EU Markit PMI composite (Jan)	58.3	58.1
CNY Indu	strial production (YoY) (Dec)	6.2%	6.0%	24-Jan	UK ILO unemployment rate (3M) (Dec)	4.3%	4.3%
CNY Fixed asset investment (YTD) (YoY) (Dec)		7.2%	7.1%	24-Jan	US Markit PMI composite (Jan)	-	54.1
CNY GDP (YoY) (Q4)		6.8%	6.7%	24-Jan	US Existing home sales (MoM) (Dec)	5.69M	5.81M
US Housing starts (MoM) (Dec)		1.19M	1.28M	24-Jan	US EIA crude oil stocks change (Jan 19)	-	-6.7M
US Building permits (MoM) (Dec)		1.30M	1.29M	25-Jan	EU ECB interest rate decision	0.0%	0.0%
t US Initial jobless claims (Jan 12)		220K	250K	25-Jan	US Initial jobless claims (Jan 19)	239K	220K
US EIA cr	ude oil stocks change (Jan 12)	-6.7M	-3.6M	25-Jan	US Wholesale inventories (Dec)	0.2%	0.8%
UK Retail	sales (YoY) (Dec)	1.4%	3.0%	25-Jan	US New home sales (MoM) (Dec)	0.71M	0.73M
US Michigan consumer sentiment index (Jan)		94.4	97.0	25-Jan	JPY Core CPI (YoY) (Dec)	0.3%	0.3%
US Baker	Hughes oil rig count	747	-	26-Jan	UK GDP (YoY) (Q4)	1.5%	1.7%
				26-Jan	US GDP (Q4)	3.0%	3.2%
Date	Upcoming Week Key Earnings			26-Jan	US Durable goods orders	0.8%	1.3%
22-Jan	Netflix, UBS, Halliburton			26-Jan	US Baker Hughes oil rig count	-	747
23-lan	J&J, P&G, Verizon, Texas Instrumen	its, HDFC Bar	nk,				
	UK Core of CNY FDI (I) EU Core of US Industry JPY Industry CNY Retail CNY Fixer CNY GDP US Housi US Buildi US EIA CT UK Retail US Michi US Baker	US Industrial production (MoM) (Dec)  JPY Industrial production (YoY) (Nov)  CNY Retail sales (YoY) (Dec)  CNY Industrial production (YoY) (Dec)  CNY Fixed asset investment (YTD) (YoY) (Dec)  CNY GDP (YoY) (Q4)  US Housing starts (MoM) (Dec)  US Building permits (MoM) (Dec)  US Initial jobless claims (Jan 12)  US EIA crude oil stocks change (Jan 12)  UK Retail sales (YoY) (Dec)  US Michigan consumer sentiment index (Jan)  US Baker Hughes oil rig count  Date  Upcoming Week Key Earnings  22-Jan  Netflix, UBS, Halliburton	UK Core CPI (YoY) (Dec)  CNY FDI (YTD) (YoY) (Dec)  EU Core CPI (YoY) (Dec)  1.1%  US Industrial production (MoM) (Dec)  JPY Industrial production (YoY) (Nov)  3.6%  CNY Retail sales (YoY) (Dec)  CNY Industrial production (YoY) (Dec)  CNY Industrial production (YoY) (Dec)  CNY Fixed asset investment (YTD) (YoY) (Dec)  CNY GDP (YoY) (Q4)  US Housing starts (MoM) (Dec)  US Building permits (MoM) (Dec)  1.19M  US Initial jobless claims (Jan 12)  220K  US EIA crude oil stocks change (Jan 12)  -6.7M  UK Retail sales (YoY) (Dec)  1.4%  US Michigan consumer sentiment index (Jan)  94.4  US Baker Hughes oil rig count  747  Date  Upcoming Week Key Earnings  22-Jan  Netflix, UBS, Halliburton	UK Core CPI (YoY) (Dec)  CNY FDI (YTD) (YoY) (Dec)  EU Core CPI (YoY) (Dec)  US Industrial production (MoM) (Dec)  JPY Industrial production (YoY) (Nov)  CNY Retail sales (YoY) (Dec)  CNY Retail sales (YoY) (Dec)  CNY Industrial production (YoY) (Dec)  CNY Industrial production (YoY) (Dec)  CNY Fixed asset investment (YTD) (YoY) (Dec)  CNY GDP (YoY) (Q4)  US Housing starts (MoM) (Dec)  US Building permits (MoM) (Dec)  US Initial jobless claims (Jan 12)  US EIA crude oil stocks change (Jan 12)  US Michigan consumer sentiment index (Jan)  US Baker Hughes oil rig count  Date  Upcoming Week Key Earnings  22-Jan Netflix, UBS, Halliburton	UK Core CPI (YoY) (Dec)  2.5%  2.6%  23-Jan  CNY FDI (YTD) (YoY) (Dec)  7.9%  - 23-Jan  EU Core CPI (YoY) (Dec)  1.1%  0.9%  23-Jan  US Industrial production (MoM) (Dec)  0.9%  0.4%  24-Jan  JPY Industrial production (YoY) (Nov)  3.6%  1.9%  24-Jan  CNY Retail sales (YoY) (Dec)  9.4%  10.1%  24-Jan  CNY Industrial production (YoY) (Dec)  6.2%  6.0%  24-Jan  CNY Fixed asset investment (YTD) (YoY) (Dec)  7.2%  7.1%  24-Jan  CNY GDP (YoY) (Q4)  6.8%  6.7%  24-Jan  US Housing starts (MoM) (Dec)  1.19M  1.28M  24-Jan  US Building permits (MoM) (Dec)  1.30M  1.29M  25-Jan  US Initial jobless claims (Jan 12)  220K  250K  25-Jan  UK Retail sales (YoY) (Dec)  1.4%  3.0%  25-Jan  US Baker Hughes oil rig count  747  - 26-Jan  Date  Upcoming Week Key Earnings  26-Jan  18L P&G Verizon Texas Instruments HDEC Bank	UK Core CPI (YoY) (Dec)  2.5%  2.6%  23-Jan  JPY BoJ interest rate decision  CNY FDI (YTD) (YoY) (Dec)  7.9%  - 23-Jan  EU ZEW survey- economic sentiment (Jan)  EU Core CPI (YoY) (Dec)  1.1%  0.9%  23-Jan  EU Consumer confidence (Jan)  US Industrial production (MoM) (Dec)  0.9%  0.4%  24-Jan  JPY Nikkei manufacturing PMI (Jan)  JPY Industrial production (YoY) (Nov)  3.6%  1.9%  24-Jan  JPY Coincident index  CNY Retail sales (YoY) (Dec)  9.4%  10.1%  24-Jan  UK ILO unemployment rate (3M) (Dec)  CNY Fixed asset investment (YTD) (YoY) (Dec)  7.2%  7.1%  24-Jan  US Markit PMI composite (Jan)  CNY GDP (YoY) (Q4)  6.8%  6.7%  24-Jan  US Existing home sales (MoM) (Dec)  US Housing starts (MoM) (Dec)  1.19M  1.28M  24-Jan  US EIA crude oil stocks change (Jan 19)  US Building permits (MoM) (Dec)  1.30M  1.29M  25-Jan  US Initial jobless claims (Jan 12)  US EIA crude oil stocks change (Jan 12)  US New home sales (MoM) (Dec)  US Michigan consumer sentiment index (Jan)  94.4  97.0  25-Jan  US New home sales (MoM) (Dec)  US GDP (Q4)  26-Jan  US GDP (Q4)  26-Jan  US GDP (Q4)  26-Jan  US Baker Hughes oil rig count	UK Core CPI (YoY) (Dec) 2.5% 2.6% 23-Jan JPY BoJ interest rate decision -0.1% CNY FDI (YTD) (YOY) (Dec) 7.9% - 23-Jan EU ZEW survey- economic sentiment (Jan) 30.0 EU Core CPI (YOY) (Dec) 1.1% 0.9% 23-Jan EU Consumer confidence (Jan) 0.7 US Industrial production (MoM) (Dec) 0.9% 0.4% 24-Jan JPY Nikkei manufacturing PMI (Jan) 53.8 JPY Industrial production (YoY) (Nov) 3.6% 1.9% 24-Jan JPY Coincident index 117.1 CNY Retail sales (YOY) (Dec) 9.4% 10.1% 24-Jan EU Markit PMI composite (Jan) 58.3 CNY Industrial production (YOY) (Dec) 6.2% 6.0% 24-Jan UK ILO unemployment rate (3M) (Dec) 4.3% CNY Fixed asset investment (YTD) (YOY) (Dec) 7.2% 7.1% 24-Jan US Markit PMI composite (Jan) - CNY GDP (YOY) (Q4) 6.8% 6.7% 24-Jan US Existing home sales (MoM) (Dec) 5.69M US Housing starts (MoM) (Dec) 1.19M 1.28M 24-Jan US ElA crude oil stocks change (Jan 19) - US Building permits (MoM) (Dec) 1.30M 1.29M 25-Jan EU ECB interest rate decision 0.0% US Initial jobless claims (Jan 12) 220K 250K 25-Jan US Initial jobless claims (Jan 12) 3.0% 25-Jan US Wholesale inventories (Dec) 0.2% UK Retail sales (YOY) (Dec) 1.4% 3.0% 25-Jan US New home sales (MoM) (Dec) 0.71M US Michigan consumer sentiment index (Jan) 94.4 97.0 25-Jan US GDP (YOY) (Q4) 1.5% US Baker Hughes oil rig count 747 - 26-Jan US GDP (YOY) (Q4) 1.5% US Baker Hughes oil rig count 747 - 26-Jan US GDP (YOY) (Q4) 1.5% 26-Jan US Durable goods orders 0.8% 22-Jan Netflix, UBS, Halliburton 26-Jan US Baker Hughes oil rig count -

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22-Jan	Netflix, UBS, Halliburton
23-Jan	J&J, P&G, Verizon, Texas Instruments, HDFC Bank, Canadian National Railway, Capital One, Nidec
24-Jan	Novartis, Comcast, GE, United Technologies, Abbott, General Dynamics, Illinois Tool Works, Las Vegas Sands, Ford Motor
25-Jan	Intel, 3M, Union Pacific, Caterpillar, Diageo, Starbucks, Celgene, Biogen, Raytheon, Northrop Grumman, Intuitive
26-Jan	AbbVie, Honeywell, NextEra, Colgate-Palmolive

Date	Upcoming Policy & Related Events
22-Jan	EU Eurogroup meeting, EU ECB Draghi
23-Jan	EU EcoFin meeting, EU ECB Constâncio, JPY BoJ monetary policy statement, JPY BoJ outlook report
24-Jan	EU ECB Nouy
25-Jan	EU EcoFin meeting, EU ECB monetary policy statement & press conference, JPY BoJ monetary policy meeting minutes
26-Jan	EU ECB Cœuré, US Fed Bullard, UK BoE Carney, JPY BoJ Kuroda

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,810.30	0.44	▲ 0.86	▲ 5.11	22.90	1.87
Dow Jones	26,071.72	0.21	<b>▲</b> 1.04	<b>▲</b> 5.47	21.61	2.12
NASDAQ	7,336.38	0.55	<b>1.04</b>	<b>▲</b> 6.27	22.91	1.04
Russell 2000	1,597.63	1.33	<b>0.36</b>	<b>4.05</b>	22.97	1.12
STOXX 600	400.88	0.54	▲ 0.60	<b>▲</b> 3.01	18.44	3.41
FTSE 100	7,730.79	0.39	▼ -0.62	<b>▲</b> 0.56	20.93	4.08
Nikkei 225	23,808.06	0.19	<b>▲</b> 0.65	<b>▲</b> 4.62	19.50	1.65
Shanghai Comp.	3,487.86	0.38	<b>▲</b> 1.72	<b>▲</b> 5.87	16.90	2.07
S&P Pan Arab	719.37	0.01	<b>1.98</b>	<b>▲</b> 4.52	13.64	5.95
MSCI ACWI	2,152.40	0.50	<b>▲</b> 1.24	<b>▲</b> 4.95	18.87	3.11
MSCI EM	1,232.60	0.41	▲ 2.02	<b>▲</b> 6.40	16.29	2.54

Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	99.64	▼ -0.13	▼ -0.34	2.07
Treasuries 10-Yr	96.48	▼ -0.97	▼ -2.84	2.66
Treasuries 30-Yr	96.35	<b>▼</b> -1.69	▼ -2.38	2.93
Gilts 10-Yr	126.86	▼ -0.03	<b>▼</b> -1.35	1.34
Bunds 10-Yr	99.36	▲ 0.11	▼ -0.35	0.57
French 10-Yr	99.11	▲ 0.09	▼ -0.59	0.84
Italian 10-Yr	100.90	▲ 0.18	▲ 0.43	1.96
Spanish 10-Yr	100.13	▲ 0.51	<b>▲</b> 1.12	1.44
JGBs 10-Yr	100.21	▼ -0.06	▼ -0.36	0.08

Commodities	Value	1 Week %	YTD %
Oil-Brent	68.61	▼ -1.80	▲ 2.60
Oil-WTI	63.37	▼ -1.45	<b>▲</b> 4.88
Natural Gas	3.19	▼ -0.47	<b>▲</b> 7.86
Gold	1,333.10	▼ -0.13	▲ 1.82
Silver	17.04	<b>▼</b> -0.61	▼ -0.64
Copper	318.75	▼ -0.96	▼ -3.42
S&P GSCI	450.37	▼ -0.63	▲ 1.79

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	486.92	▲ 0.23	▲ 0.45	1.76
Barclays Global Agg. – Corporate	251.76	<b>▼</b> -2.83	▼ -0.56	2.65
Barclays Global High Yield	1,320.74	<b>▲</b> 0.06	▲ 0.83	5.18
Markit CDX N.A. Investment Grade	47.51	<b>▲</b> 0.95	▼ -3.07	NA
Markit CDX N.A. High Yield (price)	105.36	<b>▼</b> -0.03	<b>-</b> 0.00	NA
Markit CDX EM (price)	99.40	▼ -0.15	▲ 0.30	NA
Markit iTraxx ITX Crossover	104.14	<b>1.91</b>	▼ -4.04	NA
Markit iTraxx Europe	14.09	<b>▲</b> 2.52	<b>▲</b> 12.57	NA

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	11.27	<b>1</b> 0.93	▲ 2.08
Stoxx 50 VIX	11.85	<b>▲</b> 8.72	▼ -12.27
EM VIX	16.50	▲ 8.20	<b>1.54</b>
Interest rate VIX	64.91	<b>▼</b> -1.16	▼ -0.72
Deutsche Bank FX VIX	7.55	<b>4</b> 1.89	▲ 38.24
Crude Oil VIX	20.99	<b>1.70</b>	<b>▲</b> 7.59

Currencies	Value	1 Week %	YTD %
EUR-USD	1.2222	▲ 0.16	▲ 1.81
GBP-USD	1.3858	▲ 0.95	▲ 2.55
USD-JPY	110.7700	▼ -0.26	<b>▼</b> -1.70
USD-CNY	6.4040	▼ -1.00	▼ -1.58
USD-CHF	0.9628	▼ -0.47	▼ -1.18
AUD-USD	0.7995	▲ 0.99	▲ 2.38
USD-CAD	1.2493	▲ 0.27	▼ -0.62
USD-SEK	8.0531	▲ 0.04	▼ -1.59
DXY Index	90.5720	▼ -0.44	▼ -1.68

## S&P 500 Sector

1 Week (%)	3.0 2.0 1.0 0.0 -1.0 -2.0	2.4	1.9	1.5	1.0	0.9	0.8	9.0	0.5	-0.2	-0.5	-0.9	-1.3	
	2.0	Cons. Staples	Health Care	Techonolgy	Financials	S&P 500	Real Estate	Cons. Discr.	Telecom	Materials	Utilities	Industrials	Energy	
YTD (%)	9.0 6.0 3.0 0.0 -3.0	7.1	7.0	6.7	5.9	5.7	5.2	5.1	4.7	1.9	-2.9	-4.5	-5.0	
	-6.0	Cons. Discr.	Health Care	Techonolgy	Energy	Financials	Industrials	S&P 500	Materials	Cons. Staples	Telecom	Real Estate	Utilities	

## **Investment Style**

		Value	Blend	Growth
(%)	Large	0.4	0.9	1.3
1 Week (%)	Mid	0.0	0.7	1.3
1 \	Small	0.1	0.7	1.3

		Value	Blend	Growth	
YTD (%)	Large	4.0	5.1	6.1	
	Mid	2.8	4.1	5.4	
	Small	3.7	4.3	4.7	

## **FFA Equity Ideas**

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## **FFA Fixed Income Ideas**

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Source: Reuters, Bloomberg, Barclays, Morningstar, WSJ, CNBC, Briefing, FXStreet.

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