

**Global Overview**

- US equities ended the week higher with the S&P 500 at +0.7%, the Dow Jones at +0.2%, the Nasdaq at +1.1% while small-caps outperformed with Russell 2000 at +2.8%. US equities were supported by US President Trump's midweek announcement of a tax plan which will mainly consist of i) a reduction of corporate tax rate to 20% from 35%, ii) a one-time repatriation tax for companies on profits accumulated overseas and iii) simplifying and cutting individual tax rate to three brackets: 12%, 25% and 35%. US equities reversed earlier losses following the escalation of tensions between US and North Korea
- US Treasury yields were higher after report that US President Trump and Treasury Secretary Steven Mnuchin met with former Fed governor Kevin Warsh -who is seen as hawkish- to discuss nominating him as the next Fed Chair. Treasury yields also rose throughout the week on i) the announcement of Trump's tax plan, ii) stronger-than-expected US macro data although US inflation data missed estimates and iii) US Fed Yellen speech as she noted that 'it would be imprudent to keep monetary policy on hold until inflation is back to 2%'. US Dollar Index strengthened, weighing on gold, as stronger US macroeconomic data and Yellen's hawkish comment fueled rate hike expectations
- WTI crude oil rose following an unexpected decline in US crude inventories despite stronger US dollar and a survey indicating that OPEC oil output increased in September with higher oil supplies from Iraq and Libya. Oil was also supported by Turkey's threat that it may restrict Kurdish oil exports that passes through its territory following Kurds' independence referendum
- European equities closed higher with the Stoxx 600 at +1.3% as EUR/USD weakened following lower-than-expected inflation data and Germany's federal election results after a victory for Chancellor Angela Merkel which was also accompanied by stronger support for the far right party. UK equities were up with the FTSE 100 at +0.8% helped by weaker GBP/USD although macro data was mixed
- Japanese equities edged higher with the Nikkei 225 at +0.3% on stronger USD/JPY while BoJ July's meeting minutes indicated that the Central Bank postponed the timing of its inflation target to the fiscal year ending March 2020. In addition, Japan's PM Shinzo Abe dissolved the parliament's lower house and called for snap election on October 22
- Chinese equities closed slightly lower ahead of Golden Week holidays with the Shanghai Composite at -0.1%. Emerging markets underperformed with the MSCI EM at -1.9%.
- MENA equities ended the week lower with the S&P Pan Arab at -1.0% on losses in Dubai, Abu Dhabi and Saudi equities. Saudi equities were weighed by rumors that FTSE might delay Riyadh's upgrade to emerging markets which offset petrochemicals' gains on higher oil as well as banking sector's gains on the USD 12.5 billion sovereign bond issue

Previous Week Macro Data	Actual	Cons.
US New home sales (MoM) (Aug)	0.56M	0.58M
US Durable goods orders (Aug)	1.7%	1.0%
US EIA crude oil stocks change (Sep 18)	-1.8M	2.3M
EU Consumer confidence (Sep)	-1.2	-1.2
EU Economic sentiment indicator (Sep)	113.0	112.0
US Initial jobless claims (Sep 22)	272K	270K
US Wholesale inventories (Aug)	1.0%	0.4%
US Core PCE (QoQ) (Q2)	0.9%	0.9%
US GDP (Q2)	3.1%	3.0%
UK Gfk consumer confidence (Sep)	-9.0	-11.0
JPY Core CPI (YoY) (Sep)	0.2%	0.2%
JPY Unemployment rate (Aug)	2.8%	2.8%
JPY Industrial production (YoY) (Aug)	5.4%	5.2%
UK GDP (YoY) (Q2)	1.5%	1.7%
EU Core CPI (YoY) (Sep)	1.1%	1.2%
US Core PCE (YoY) (Aug)	1.3%	1.4%
US Personal income (MoM) (Aug)	0.2%	0.2%
US Personal spending (MoM) (Aug)	0.1%	0.1%
US Michigan consumer sent. ind. (Sep)	95.1	95.3
US Baker Hughes oil rig count	750	-

Date	Upcoming Week Key Earnings
03-Oct	Paychex, Ferguson, Lennar
04-Oct	Pepsico, Monsanto, Tesco, Acuity Brands, RPM International, Lamb Weston
05-Oct	Costco, Constellation Brands, Yum! Brands

Date	Upcoming Week Macro Data	Cons.	Prior
02-Oct	JPY Nikkei manufacturing PMI (Sep)	52.6	52.6
02-Oct	UK Manufacturing PMI (Sep)	56.4	56.9
02-Oct	US ISM manufacturing PMI (Sep)	58.8	58.8
03-Oct	US Total vehicle sales (Aug)	16.3M	16.1M
04-Oct	EU Markit PMI composite (Sep)	56.7	56.7
04-Oct	EU Retail sales (YoY) (Aug)	2.6%	2.6%
04-Oct	US ADP employment change (Sep)	135K	237K
04-Oct	US Markit PMI composite (Sep)	-	54.6
04-Oct	US ISM non-manufacturing PMI (Sep)	55.4	55.3
04-Oct	US EIA crude oil stocks change (Sep 29)	-	-1.8M
05-Oct	US Trade balance (Aug)	\$-42.9B	\$-43.7B
05-Oct	US Initial jobless claims (Sep 29)	268K	272K
06-Oct	JPY Leading economic index (Aug)	-	105.2
06-Oct	US Nonfarm payrolls (Sep)	98K	156K
06-Oct	US Unemployment rate (Sep)	4.4%	4.4%
06-Oct	US Average hourly earnings (YoY) (Sep)	2.5%	2.5%
06-Oct	US Wholesale inventories (Aug)	0.2%	1.0%
06-Oct	US Baker Hughes oil rig count	-	750

Date	Upcoming Policy & Related Events
02-Oct	UK Conservative Party conference, EU ECB Praet, US Fed Kaplan
03-Oct	US Fed Powell
04-Oct	EU ECB non-monetary policy meeting, EU ECB Draghi, US Fed Yellen
05-Oct	EU ECB monetary policy meeting accounts, US Fed Powell, Harker, Williams & George, UK BoE Haldane, EU ECB Praet
06-Oct	UK BoE Haldane, US Fed Bostic, Rosengren, Dudley & Kaplan

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,519.36	0.37	▲ 0.68	▲ 12.53	21.11	1.96
Dow Jones	22,405.09	0.11	▲ 0.25	▲ 13.37	19.10	2.35
NASDAQ	6,495.96	0.66	▲ 1.07	▲ 20.67	24.54	1.05
Russell 2000	1,490.86	0.14	▲ 2.76	▲ 9.85	21.65	1.16
STOXX 600	388.16	0.47	▲ 1.29	▲ 7.40	18.31	3.36
FTSE 100	7,372.76	0.68	▲ 0.85	▲ 3.22	22.13	4.14
Nikkei 225	20,356.28	-0.03	▲ 0.29	▲ 6.73	17.81	1.86
Shanghai Comp.	3,348.94	0.28	▼ -0.11	▲ 7.90	16.40	2.00
S&P Pan Arab	689.49	0.08	▼ -1.04	▲ 0.76	13.04	3.68
MSCI ACWI	1,973.81	0.53	▼ -0.19	▲ 17.21	17.72	3.18
MSCI EM	1,081.72	0.87	▼ -1.86	▲ 25.45	15.00	2.51

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	479.57	▼ -0.66	▲ 6.25	1.61
Barclays Global Agg. – Corporate	250.21	▲ 0.07	▲ 4.46	2.50
Barclays Global High Yield	1,298.59	▼ -0.04	▲ 9.49	5.11
Markit CDX N.A. Investment Grade	55.66	▼ -7.09	NA	NA
Markit CDX N.A. High Yield (price)	107.84	▲ 0.43	NA	NA
Markit CDX EM (price)	95.98	▼ -0.79	NA	NA
Markit iTraxx ITX Crossover	93.46	▼ -4.17	NA	NA
Markit iTraxx Europe	19.24	▼ -7.81	NA	NA

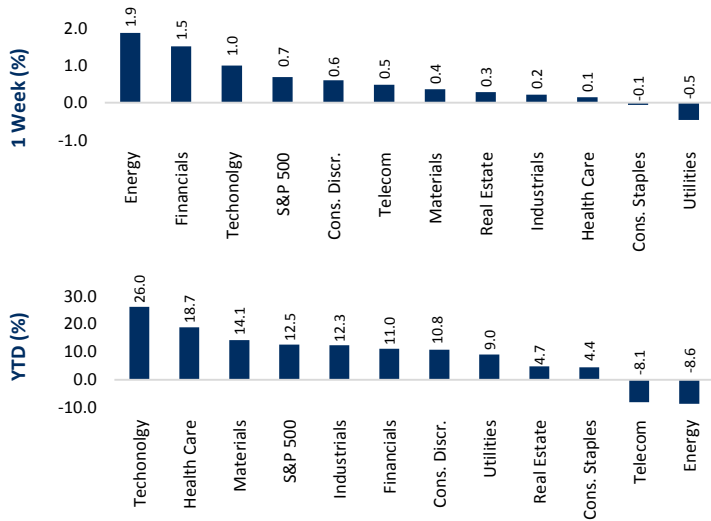
Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	NA	NA	▼ -0.34	1.49
Treasuries 10-Yr	99.26	▼ -0.73	▲ 3.27	2.35
Treasuries 30-Yr	97.79	▼ -1.60	▲ 1.57	2.88
Gilts 10-Yr	127.38	▼ -0.09	▼ -1.75	1.36
Bunds 10-Yr	100.36	▼ -0.16	▲ 2.35	0.47
French 10-Yr	102.39	▼ -0.11	▲ 6.79	0.76
Italian 10-Yr	100.91	▼ -0.04	▲ 6.22	2.15
Spanish 10-Yr	98.64	▲ 0.22	▼ -0.63	1.68
JGBs 10-Yr	100.40	▼ -0.41	▼ -0.19	0.07

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	9.51	▼ -0.83	▼ -32.26
Stoxx 50 VIX	12.12	▲ 3.53	▼ -33.12
EM VIX	16.03	▲ 5.18	▼ -28.21
Interest rate VIX	71.57	▼ -1.78	▼ -19.51
Deutsche Bank FX VIX	8.13	▲ 18.13	▼ -7.25
Crude Oil VIX	26.13	▲ 0.97	▼ -11.39

Commodities	Value	1 Week %	YTD %
Oil-Brent	56.79	▲ 0.66	▼ -0.05
Oil-WTI	51.67	▲ 1.99	▼ -3.82
Natural Gas	3.01	▼ -0.46	▼ -19.25
Gold	1,284.80	▼ -0.98	▲ 11.56
Silver	16.68	▼ -1.81	▲ 4.30
Copper	295.50	▲ 0.36	▲ 17.94
S&P GSCI	399.31	▲ 0.32	▲ 0.28

Currencies	Value	1 Week %	YTD %
EUR-USD	1.1814	▼ -1.15	▲ 12.33
GBP-USD	1.3398	▼ -0.78	▲ 8.57
USD-JPY	112.5100	▲ 0.46	▼ -3.80
USD-CNY	6.6528	▲ 0.95	▼ -4.21
USD-CHF	0.9683	▼ -0.10	▼ -4.98
AUD-USD	0.7834	▼ -1.61	▲ 8.68
USD-CAD	1.2472	▲ 1.08	▼ -7.21
USD-SEK	8.1480	▲ 2.07	▼ -10.52
DXY Index	93.0760	▲ 0.98	▼ -8.94

S&P 500 Sector



Investment Style

	Value	Blend	Growth
1 Week (%)			
Large	0.8	0.7	0.6
Mid	1.9	1.5	1.2
Small	3.4	3.3	3.2
YTD (%)			
Large	6.5	12.5	17.9
Mid	5.1	8.2	10.9
Small	6.1	7.9	9.5

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

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