

Global Overview: US markets ended the week significantly lower with the S&P 500 at -3.8%, the DJIA and the Nasdaq at -3.3% and -4.1% respectively (Nasdaq still the only major US index positive on a YTD basis). Markets saw volatility increase mainly driven by lower oil prices, weighing on sentiment ahead of this week's much anticipated two-day December FOMC meeting ending on Wednesday, with a high probability of the Fed raising interest rates for the first time in nine years from 0.00%-0.25% currently to 0.25%-0.50%. Equities were also weighed on possible systemic risk worries as Third Avenue Management suspended redemption requests on their high-yield credit fund by end of the week. Oil traded at a seven-year low on the back of previous week's OPEC decision to maintain existing production levels, which already exceed the 30 million bpd quota and as IEA warned of worsening global oversupply. European equities also traded lower with the Stoxx 600 and the FTSE 100 ending at -4.0% and -4.6% respectively as investor sentiment was impacted by declines in oil and likely lingering disappointment following the latest ECB meeting. US Dollar index traded lower for the second straight week on fears that the commodity selloff could impact the pace of Fed rate hikes in 2016 and likely on some profit-taking ahead this week's FOMC meeting, with the Euro trading above \$1.096. Chinese Yuan continued to weaken and reached 2011 lows as PBoC announced it would recalculate the Yuan against a basket of currencies vs. the US Dollar previously. US Treasury yields declined on safe-haven buying driving a flatter yield curve despite the policy-sensitive 2-year yields tightening. Important US macro data this week include NY Empire State manufacturing index, CPI, NAHB Housing market index, industrial production, flash Markit manufacturing PMI, EIA crude oil change, initial jobless claims, Philadelphia Fed manufacturing survey and Markit services PMI. Other macro data include EU Industrial production, EU ZEW survey – economic sentiment, EU Markit manufacturing PMI, EU CPI, UK ILO unemployment rate and JPY BoJ interest rate decision. Earnings reports to come from Oracle, Accenture, General Mills, Red Hat, Lennar and CarMax among others.

Previous Week Macro Data

	Actual	Cons.
US Labor market conditions index (Nov)	0.5	-
JPY GDP (QoQ) (Q3)	1.0%	0.1%
CNY Trade balance (Nov)	\$54.1B	\$63.3B
EU GDP (YoY) (Q3)	1.6%	1.6%
UK Industrial production (YoY) (Oct)	1.7%	1.2%
UK Manufacturing production (YoY) (Oct)	-0.1%	0.1%
US JOLTS job openings (Oct)	5.38M	5.52M
UK NIESR GDP estimate (3M) (Nov)	0.6%	-
CNY CPI (YoY) (Nov)	1.5%	1.4%
US EIA crude oil Δ (Dec 4)	-3.56M	0.25M
UK BoE interest rate decision (Dec 10)	0.5%	0.5%
US Initial jobless claims (Dec 4)	282K	269K
US Retail sales (MoM) (Nov)	0.2%	0.3%
US Reuters/Mich. cons. sent. index (Dec)	91.8	92.0

Upcoming Week Macro Data

	Cons.	Prior
M EU Industrial production (YoY) (Oct)	1.3%	1.7%
T EU ZEW survey – econ. sentiment (Dec)	-	28.3
T US NY Empire State manuf. index (Dec)	-5.00	-10.74
T US CPI (YoY) (Nov)	0.0%	0.2%
T US NAHB Housing market index (Dec)	63	62
W EU Markit manufacturing PMI (Dec)	52.8	52.8
W UK ILO unemployment rate (3M) (Oct)	5.3%	5.3%
W EU CPI (YoY) (Nov)	0.1%	0.1%
W US Industrial production (MoM) (Nov)	0.1%	-0.2%
W US Flash Markit manufacturing PMI (Dec)	52.8	52.6
W US EIA crude oil Δ (Dec 11)	-	-3.56M
Th US Initial jobless claims (Dec 11)	270K	282K
Th US Philadelphia Fed manuf. survey (Nov)	2.0	1.9
F JPY BoJ interest rate decision	-	0.1%
F US Markit services PMI (Dec)	55.9	56.1

Upcoming Week Key Earnings

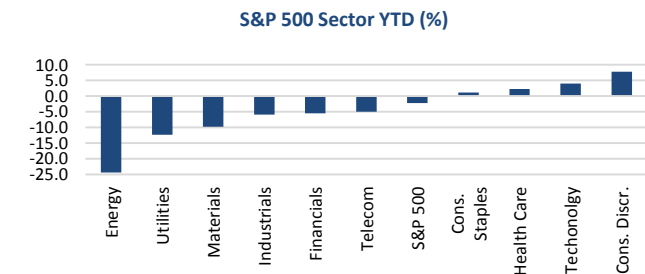
W Oracle
Th Accenture, General Mills, Red Hat
F Lennar, CarMax

Upcoming Week Policy & Related Events

M EU ECB Draghi speech
T UK BoE quarterly bulletin
W EU ECB non-monetary policy meeting, US Fed monetary policy statement and press conference
Th EU Economic bulletin
F JPY BoJ monetary policy statement, US Fed Lacker speech

Equities	Value	1 Week	YTD	EPS %	P/E	Div. Yld.
S&P 500	2,012.4	-3.79	-2.3	5.9	17.7	2.2
Dow Jones	17,265.2	-3.26	-3.1	-1.5	15.4	2.6
NASDAQ	4,933.5	-4.06	4.2	12.7	21.0	1.2
Russell 2000	1,123.6	-5.05	-6.7	-87.8	2.1	1.5
STOXX 600	355.8	-3.99	3.9	15.1	17.7	3.6
FTSE 100	5,952.8	-4.58	-9.3	14.0	17.1	4.3
NIKKEI 225	18,883.4	-3.18	8.2	3.0	18.7	1.7
Shanghai Index	3,520.7	-0.12	8.8	13.3	16.2	1.9
S&P Pan Arab	637.7	-5.56	-19.8	1.1	11.0	4.1
MSCI ACWI	1,690.2	-2.40	-4.8	3.5	15.6	3.3
MSCI EM	773.6	-4.77	-19.1	-7.2	10.5	3.1

Fixed Income	Value	Yield	YTD
Barclays Global Aggregate	445.6	1.7	-2.4
Barclays Global Agg. – Corporate	230.5	2.9	-2.4
Barclays Global High Yield	1,042.3	8.1	-2.3
Markit CDX N.A. Investment Grade	96.3	NA	NA
Markit CDX N.A. High Yield	99.1	NA	NA
Markit iTraxx Europe	62.4	NA	NA
Markit iTraxx ITX Crossover	329.7	NA	NA



Rates	Value	Yield
Treasuries 2-Yr	99.9	0.9
Treasuries 10-Yr	100.7	2.2
Treasuries 30-Yr	101.9	2.9
Gilts 10-Yr	101.7	1.8
Bunds 10-Yr	104.1	0.6
French 10-Yr	101.1	0.9
Italian 10-Yr	104.1	1.6
Spanish 10-Yr	104.6	1.6
Greek 10-Yr	69.5	8.4
JGBs 10-Yr	100.0	0.3

Volatility	Value	YTD
S&P 500 VIX	24.4	27.0
Euro Stoxx 50 VIX	26.6	1.5
Crude Oil VIX	55.6	10.9
Interest Rate VIX	85.8	1.1

Investment Style YTD (%)

	Value	Blend	Growth
Large	-7.5	-2.3	2.6
Mid	-8.9	-4.4	-0.1
Small	-9.3	-4.2	1.0

Commodities	Value	YTD
Oil-Brent	37.8	-34.1
Oil-WTI	35.5	-33.4
Natural Gas	1.9	-34.0
Gold	1,072.4	-9.5
Silver	13.9	-11.6
Copper	210.6	-25.5
S&P GSCI	313.9	-24.9

Currencies	Value	YTD
EUR-USD	1.0957	-9.4
GBP-USD	1.5192	-2.5
USD-JPY	121.3200	-1.3
USD-CHF	0.9852	0.9
AUD-USD	0.7204	-11.9
USD-CAD	1.3713	18.0
USD-SEK	8.5266	9.2
Dollar Index	97.8640	8.4

FFA Equity Ideas

- ARM Holdings plc (ARM)
- Airbus (AIR)
- Suncor (SU)
- Siemens (SIE)
- Commercial International Bank (COMI)

FFA Fixed Income Ideas

For fixed income ideas or price quotes, please contact our fixed income desk

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

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