

Global Overview

- US equities edged higher for the week as Q3/17 earnings season kicked off with the S&P 500 at +0.2% boosted by consumer staples on Wal-Mart’s positive performance, the Dow Jones at +0.4%, the Nasdaq at +0.2% while small-caps underperformed as the Russell 2000 closed lower at -0.5%. Financials pulled back after a four-week rally into earnings season despite better-than-expected earnings by major US banks. Equities were supported by favorable US macro data including initial jobless claims, retail sales (ex. autos) and consumer sentiment. The IMF revised its outlook higher for Eurozone, Japan, China and emerging markets from its April and July outlook while keeping it unchanged for the United States as US President Trump’s pro-growth agenda has not yet materialized
- US Treasury yields closed lower on softer-than-expected CPI which had little impact on Fed rate hike expectations. Minutes from September FOMC meeting indicated Fed’s plans for an additional interest rate hike in 2017 while highlighting concerns over US inflation which could slow the path of future rate hikes. US Dollar Index weakened despite US President Trump announcing he might end the 2015 Iran nuclear agreement as he chose not to certify that Tehran is complying with the deal. Gold traded higher on US data and Trump warning, despite stronger US dollar
- WTI crude oil rallied following higher-than-expected drop in US crude inventories and reports indicating further Saudi Arabia crude exports cuts in November. OPEC and IEA monthly reports also supported oil as OPEC increased its oil demand forecast for 2018 while IEA highlighted that global oil supply and demand will become more balanced in 2018
- European equities closed higher with the Stoxx 600 at +0.5% despite stronger EUR/USD as industrial production was stronger-than-expected. Euro strengthened on Catalan relief despite ECB Draghi suggesting that interest rates would remain at their current record-low level “well past” the end of ECB bond-buying program. UK equities edged higher with the FTSE 100 at +0.2% as industrial production and housing data exceeded expectations. GBP/USD strengthened although weighed by Brexit deadlock
- Japanese equities closed the holiday-shortened week higher with the Nikkei 225 at +2.2% despite weaker USD/JPY. BoJ Kuroda announced the central bank’s plan to maintain its ultra-loose monetary policy amid disappointingly low inflation and wage growth while highlighting improvement in the Japanese economy
- Chinese equities closed higher with the Shanghai Composite at +1.2% despite weaker-than-expected trade data although exports and f/x reserves grew strongly. China’s 19th Communist Party congress is set to begin on October 18, which is expected to include an announcement of the country’s strategic plan for the next five years. Emerging markets closed higher with the MSCI EM at +2.1%
- MENA equities closed lower with the S&P Pan Arab Composite at -1.7% dragged by losses in Saudi Arabia.

Previous Week Macro Data			Actual	Cons.
EU Sentix investor confidence (Oct)			29.7	28.5
UK Industrial production (YoY) (Aug)			1.6%	0.8%
US NFIB business optimism index (Sep)			103.0	105.1
UK NIESR GDP estimate (3M) (Sep)			0.4%	-
US IBD/TIPP econ. optimism (MoM) (Oct)			50.3	54.2
US JOLTS job openings (Aug)			6.08M	6.12M
EU Industrial production (YoY) (Aug)			3.8%	2.5%
US Initial jobless claims (Oct 6)			243K	251K
US EIA crude oil stocks change (Oct 6)			-2.7M	-2.0M
CNY Trade balance USD (Sep)			\$28.5B	\$39.5B
US Retail sales (MoM) (Sep)			1.6%	1.7%
US Core CPI (YoY) (Sep)			1.7%	1.8%
US Michigan consumer sent. ind (Oct)			101.1	95.0
US Business inventories (Aug)			0.7%	0.7%
US Baker Hughes oil rig count			743	-

Date	Upcoming Week Macro Data		Cons.	Prior
16-Oct	CNY CPI (YoY) (Sep)		1.6%	1.8%
16-Oct	JPY Industrial production (YoY) (Aug)		-	5.4%
17-Oct	UK Core CPI (YoY) (Sep)		2.8%	2.7%
17-Oct	EU ZEW survey – economic sentiment (Oct)		34.2	31.7
17-Oct	EU Core CPI (YoY) (Sep)		1.1%	1.1%
17-Oct	US Industrial production (MoM) (Sep)		0.2%	-0.9%
18-Oct	UK ILO unemployment rate (3M) (Aug)		4.3%	4.3%
18-Oct	US Housing starts (MoM) (Sep)		1.18M	1.18M
18-Oct	US Building permits (MoM) (Sep)		1.25M	1.30M
18-Oct	US EIA crude oil stocks change (Oct 13)		-	-2.7M
18-Oct	JPY Merchandise trade balance (Sep)		¥559.8B	¥112.6B
19-Oct	CNY Retail sales (YoY) (Sep)		10.2%	10.1%
19-Oct	CNY Industrial production (YoY) (Sep)		6.2%	6.0%
19-Oct	CNY Urban investment (YTD) (YoY) (Sep)		7.7%	7.8%
19-Oct	CNY GDP (YoY) (Q3)		6.8%	6.9%
19-Oct	UK Retail sales (YoY) (Sep)		2.0%	2.4%

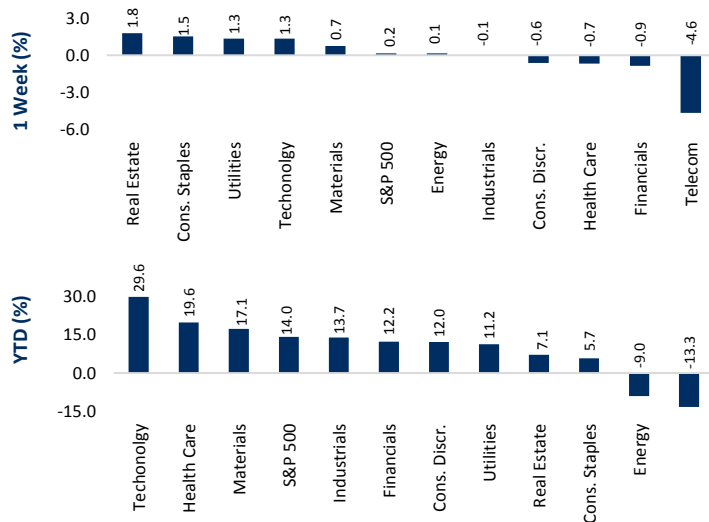
Date	Upcoming Week Key Earnings
16-Oct	Netflix, The Charles Schwab
17-Oct	J&J, UnitedHealth, IBM, Goldman Sachs, Morgan Stanley, CSX, Prologis, Lam Research, Canadian Pacific Railway
18-Oct	Abbott Labs, US Bancorp, American Express, ASML, Kinder Morgan, Crown Castle, eBay
19-Oct	Roche, Taiwan Semiconductor, Verizon, Unilever, Philip Morris, SAP, PayPal, Intuitive Surgical, Danaher, BNY Mellon, The Blackstone, BB&T, The Travelers
20-Oct	P&G, GE, Honeywell, Schlumberger, Daimler, Baker Hughes

Date	Upcoming Policy & Related Events
19-Oct	US Initial jobless claims (Oct 13)
19-Oct	US Existing home sales (MoM) (Sep)
20-Oct	US Baker Hughes oil rig count
16-Oct	EU ECB Angeloni, Lautenschläger, US Fed Kashkari
17-Oct	EU ECB Constancio & Praet, UK BoE Carney, US Fed Harker
18-Oct	EU Extraordinary economic summit, EU ECB Draghi, Angeloni, Praet, Nouy & Coeuré, US Fed Fischer, Harker, Dudley & Kaplan, US Fed Beige Book
19-Oct	CNY NBS conference, US Fed George
20-Oct	JPY BoJ Kuroda, US Fed Mester & Yellen

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,553.17	0.09	▲ 0.15	▲ 14.0	21.34	1.95
Dow Jones	22,871.72	0.13	▲ 0.43	▲ 15.7	19.50	2.31
NASDAQ	6,605.80	0.22	▲ 0.24	▲ 22.7	24.96	1.05
Russell 2000	1,502.66	-0.17	▼ -0.50	▲ 10.7	21.92	1.16
STOXX 600	391.42	0.29	▲ 0.50	▲ 8.3	18.42	3.32
FTSE 100	7,535.44	-0.28	▲ 0.17	▲ 5.5	22.38	4.09
Nikkei 225	21,155.18	0.96	▲ 2.24	▲ 11.2	18.53	1.78
Shanghai Comp.	3,390.52	0.13	▲ 1.24	▲ 9.1	16.60	1.98
S&P Pan Arab	679.62	0.75	▼ -1.66	▼ -0.7	12.85	3.78
MSCI ACWI	2,004.05	0.42	▲ 1.61	▲ 19.0	17.99	3.13
MSCI EM	1,125.91	0.38	▲ 2.07	▲ 30.6	15.57	2.38

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	481.41	▲ 0.89	▲ 6.66	1.59
Barclays Global Agg. – Corporate	251.46	▲ 0.49	▲ 4.99	2.45
Barclays Global High Yield	1,303.71	▲ 0.38	▲ 9.92	5.07
Markit CDX N.A. Investment Grade	54.53	▲ 0.48	NA	NA
Markit CDX N.A. High Yield (price)	108.03	▼ -0.05	NA	NA
Markit CDX EM (price)	96.35	▲ 0.07	NA	NA
Markit iTraxx ITX Crossover	85.08	▼ -3.89	NA	NA
Markit iTraxx Europe	18.45	▼ -5.67	NA	NA

S&P 500 Sector



Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	99.77	▲ 0.02	▼ -0.35	1.51
Treasuries 10-Yr	99.79	▲ 0.76	▲ 3.82	2.29
Treasuries 30-Yr	98.88	▲ 1.79	▲ 2.69	2.82
Gilts 10-Yr	127.22	▼ -0.07	▼ -1.87	1.37
Bunds 10-Yr	100.94	▲ 0.53	▲ 2.93	0.41
French 10-Yr	99.34	▲ 0.74	▲ 3.60	0.83
Italian 10-Yr	99.85	▲ 1.12	▲ 5.11	2.08
Spanish 10-Yr	98.59	▲ 0.93	▼ -0.68	1.60
JGBs 10-Yr	100.40	▼ -0.08	▼ -0.18	0.06

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	9.61	▼ -0.41	▼ -31.55
Stoxx 50 VIX	11.85	▼ -5.28	▼ -34.64
EM VIX	14.70	▼ -7.61	▼ -34.17
Interest rate VIX	71.33	▼ -0.71	▼ -19.78
Deutsche Bank FX VIX	7.61	▲ 33.73	▼ -7.25
Crude Oil VIX	25.31	▼ -5.35	▼ -14.17

Investment Style

	Value	Blend	Growth
1 Week (%)			
Large	-0.3	0.2	0.5
Mid	0.0	0.0	0.1
Small	-0.7	-0.7	-0.7
YTD (%)			
Large	7.3	14.0	20.0
Mid	6.0	9.5	12.8
Small	6.5	8.4	10.2

Commodities	Value	1 Week %	YTD %
Oil-Brent	57.17	▲ 2.79	▲ 0.62
Oil-WTI	51.45	▲ 4.38	▼ -4.23
Natural Gas	3.00	▲ 4.79	▼ -19.44
Gold	1,304.60	▲ 2.33	▲ 13.28
Silver	17.41	▲ 3.70	▲ 8.89
Copper	313.35	▲ 3.45	▲ 25.06
S&P GSCI	402.80	▲ 2.79	▲ 1.15

Currencies	Value	1 Week %	YTD %
EUR-USD	1.1820	▲ 0.77	▲ 12.39
GBP-USD	1.3285	▲ 1.68	▲ 7.66
USD-JPY	111.8200	▼ -0.74	▼ -4.39
USD-CNY	6.5796	▼ -1.10	▼ -5.26
USD-CHF	0.9745	▼ -0.53	▼ -4.37
AUD-USD	0.7887	▲ 1.54	▲ 9.42
USD-CAD	1.2468	▼ -0.49	▼ -7.24
USD-SEK	8.1072	▼ -0.14	▼ -10.97
DXY Index	93.0910	▼ -0.76	▼ -8.92

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

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