

Global Overview

- US equities closed higher amid light trading volumes ahead of Labor Day weekend with the S&P 500 at +1.4%, the Dow Jones at +0.8%, the Nasdaq at +2.7% at record highs led by major tech names including Facebook, Amazon, Netflix and Alphabet. Healthcare shares also registered gains as Gilead Sciences announced its plans to acquire Kite Pharma. Equities were driven by i) busy economic calendar with better-than-expected Q2/17 GDP, ADP employment data and ISM manufacturing PMI while nonfarm payrolls missed estimates at 156K (vs. 180K cons.), unemployment rate came in higher-than-expected at 4.4% (vs. 4.3% cons.) and average hourly earnings rose below expectations at 2.5% (vs. 2.6% cons) and ii) geopolitical concerns following news that North Korea launched a missile over Japan. Impact from Hurricane Harvey on US equities and US economy was mixed while US political uncertainty eased as US President Trump pulled back his threat to shut down government if border wall with Mexico is not funded
- US Treasury yields closed flat to higher on solid manufacturing data despite declining on North Korea concerns, weaker-than-expected August jobs report and softer CPE reading YoY which increased uncertainty around Fed's ability to raise interest rates one more time in 2017. Gold traded near 10 month high on safe haven demand from North Korea fears and disappointing US jobs growth. US Dollar Index was roughly flat as investors' focus shifted from Fed rate hike expectations to Fed's balance sheet reduction ahead of FOMC meeting on September 20-21
- WTI crude oil closed lower on demand concerns resulting from Hurricane Harvey. Losses were capped by larger-than-expected drawdown in US crude inventories and decline in OPEC supply following renewed outages in Libya and higher compliance to the global output cut deal from Saudi Arabia and Iraq
- European equities closed higher with the Stoxx 600 at +0.6% on favorable US and Chinese macro despite geopolitical concerns which drove 10-year bund yields lower on safe haven demand. EUR/USD weakened despite higher than expected Eurozone CPI, ahead of ECB meeting this week as investors await guidance on ECB's plan to reduce its monetary stimulus. UK equities closed higher with the FTSE 100 at +0.5% on i) stronger mining shares following firmer Chinese manufacturing data and ii) stronger-than-expected UK manufacturing PMI, while UK and EU officials concluded a third round of Brexit talks
- Japanese equities closed higher with the Nikkei 225 at +1.1% helped by stronger USD/JPY and led by defense shares following North Korea's missile test
- Chinese equities closed higher with the Shanghai Composite at +1.1% supported by better-than-expected manufacturing data. Emerging markets closed higher with the MSCI EM at +0.6%
- MENA equities closed with the S&P Pan Arab Composite at +0.3% ahead of Eid al Adha holidays

Previous Week Macro Data

	Actual	Cons.
JPY Unemployment rate (Jul)	2.8%	2.8%
EU Consumer confidence (Aug)	-1.5	-1.5
US ADP employment change (Aug)	237K	185K
US Core PCE (QoQ) (Q2)	0.9%	0.9%
US GDP (Q2)	3.0%	2.7%
US EIA Crude oil stocks change (Aug 25)	-5.4M	-1.9M
JPY Industrial production (YoY) (Jul)	4.7%	5.1%
CNY NBS manufacturing PMI (Aug)	51.7	51.3
EU Unemployment rate (Jul)	9.1%	9.1%
EU Core CPI (YoY) (Aug)	1.3%	1.2%
US Core PCE (YoY) (Jul)	1.4%	1.4%
US Personal income (MoM) (Jul)	0.4%	0.3%
US Personal spending (MoM) (Jul)	0.3%	0.4%
US Initial jobless claims (Aug 25)	236K	237K
JPY Nikkei manufacturing PMI (Aug)	52.2	-
EU Markit manufacturing PMI (Aug)	57.4	57.4
UK Markit manufacturing PMI (Aug)	56.9	55.0
US Nonfarm payrolls (Aug)	156K	180K
US Unemployment rate (Aug)	4.4%	4.3%
US Average hourly earnings (YoY) (Aug)	2.5%	2.6%
US Michigan cons. sentiment index (Aug)	96.8	97.4
US ISM manufacturing PMI (Aug)	58.8	56.5
US Baker Hughes oil rig count	759	-

Date	Upcoming Week Key Earnings
05-Sep	HPE, Compania Cervecerias Unidas
06-Sep	Alimentation Couche-Tard, Barratt Developments, HD Supply, Guidewire Software, National Beverage
07-Sep	Dell, Dollarama, Lululemon Athletica, Donaldson
08-Sep	Korea Electric Power, Kroger

Date	Upcoming Week Macro Data	Cons.	Prior
05-Sep	EU Markit PMI composite (Aug)	55.8	55.8
05-Sep	EU Retail sales (YoY) (Jul)	2.5%	3.1%
05-Sep	US IBD/TIPP econ. optimism (MoM) (Sep)	53.1	52.2
06-Sep	US Markit PMI composite (Aug)	-	56.0
06-Sep	US ISM non-manufacturing PMI (Aug)	53.3	53.9
07-Sep	CNY FX reserves (MoM)(Aug)	¥3.10T	¥3.08T
07-Sep	JPY Coincident index	-	117.1
07-Sep	EU GDP (YoY) (Q2)	2.2%	2.2%
07-Sep	EU ECB interest rate decision	0.0%	0.0%
07-Sep	US Initial jobless claims (Sep 1)	-	236K
07-Sep	US EIA crude oil stocks change (Aug 28)	-	-5.4M
07-Sep	JPY GDP (Q2)	-	1.0%
08-Sep	CNY Trade balance USD (Aug)	\$48.60B	\$46.7B
08-Sep	UK Industrial production (YoY) (Jul)	0.4%	0.3%
08-Sep	UK NIESR GDP estimate (3M) (Aug)	-	0.2%
08-Sep	US Wholesale inventories (Jul)	-	0.4%
08-Sep	US Baker Hughes oil rig count	-	759

Date	Upcoming Policy & Related Events
05-Sep	US Fed Brainard, Kashkari & Kaplan
06-Sep	EU ECB Nouy, US Fed Beige Book
07-Sep	EU ECB monetary policy statement and press conference, US Fed Mester, Dudley, Bostic & George
08-Sep	US Fed Harker

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,476.55	0.20	▲ 1.37	▲ 10.62	20.77	1.98
Dow Jones	21,987.56	0.18	▲ 0.80	▲ 11.26	18.73	2.39
NASDAQ	6,435.33	0.10	▲ 2.71	▲ 19.55	24.45	1.07
Russell 2000	1,413.57	0.59	▲ 2.62	▲ 4.16	20.56	1.22
STOXX 600	376.14	0.60	▲ 0.55	▲ 3.53	17.68	3.45
FTSE 100	7,438.50	0.11	▲ 0.50	▲ 3.76	22.25	4.18
Nikkei 225	19,691.47	1.74	▲ 1.14	▲ 1.42	16.93	1.95
Shanghai Comp.	3,367.12	0.19	▲ 1.07	▲ 8.97	16.58	1.98
S&P Pan Arab	693.97	-0.01	▲ 0.31	▲ 1.68	13.20	3.58
MSCI ACWI	1,938.37	0.39	▲ 0.55	▲ 14.75	17.31	3.24
MSCI EM	1,091.36	0.34	▲ 0.55	▲ 25.64	15.02	2.51

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	484.44	▲ 0.18	▲ 7.33	1.52
Barclays Global Agg. – Corporate	250.47	▲ 0.06	▲ 4.57	2.43
Barclays Global High Yield	1,290.96	▲ 0.43	▲ 8.84	5.17
Markit CDX N.A. Investment Grade	57.14	▼ -4.25	NA	NA
Markit CDX N.A. High Yield (price)	107.40	▲ 0.44	NA	NA
Markit CDX EM (price)	96.59	▲ 0.40	NA	NA
Markit iTraxx ITX Crossover	110.41	▼ -5.02	NA	NA
Markit iTraxx Europe	24.06	▼ -4.71	NA	NA

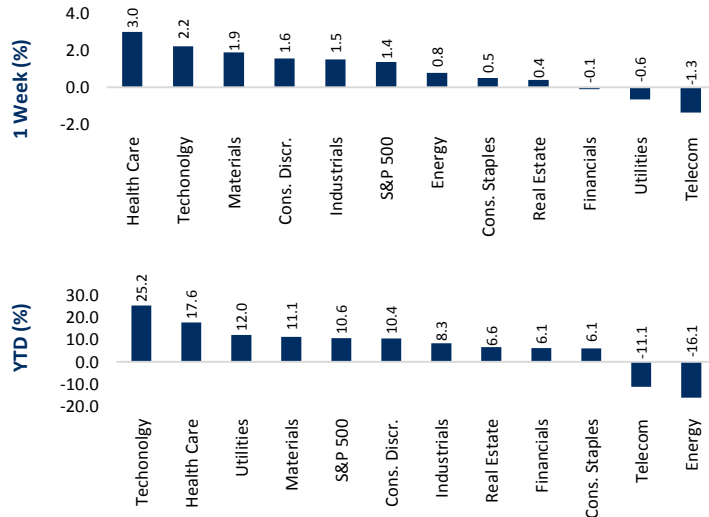
Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	99.82	▼ -0.25	▼ -0.30	1.35
Treasuries 10-Yr	100.73	▼ -0.01	▲ 4.80	2.16
Treasuries 30-Yr	99.44	▼ -0.62	▲ 3.28	2.77
Gilts 10-Yr	130.98	▼ -0.07	▲ 1.02	1.07
Bunds 10-Yr	101.21	▲ 0.02	▲ 3.21	0.37
French 10-Yr	102.97	▲ 0.08	▲ 7.39	0.68
Italian 10-Yr	101.22	▲ 0.19	▲ 6.55	2.04
Spanish 10-Yr	98.67	▼ -0.01	▼ -0.60	1.55
JGBs 10-Yr	87.97	▲ 0.11	▲ 15.78	5.48

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	10.13	▼ -10.20	▼ -27.85
Stoxx 50 VIX	16.21	▼ -3.98	▼ -18.80
EM VIX	15.45	▼ -5.96	▼ -30.81
Interest rate VIX	74.32	▲ 0.22	▼ -16.42
Deutsche Bank FX VIX	8.42	▲ 29.00	▼ -7.25
Crude Oil VIX	28.09	▼ -3.27	▼ -4.75

Commodities	Value	1 Week %	YTD %
Oil-Brent	52.75	▲ 1.48	▼ -7.16
Oil-WTI	47.29	▼ -1.21	▼ -11.97
Natural Gas	3.07	▲ 4.99	▼ -17.56
Gold	1,330.40	▲ 2.50	▲ 15.52
Silver	17.82	▲ 3.99	▲ 11.43
Copper	311.80	▲ 2.01	▲ 24.45
S&P GSCI	386.38	▲ 1.93	▼ -2.97

Currencies	Value	1 Week %	YTD %
EUR-USD	1.1860	▼ -0.54	▲ 12.77
GBP-USD	1.2951	▲ 0.54	▲ 4.95
USD-JPY	110.2500	▲ 0.81	▼ -5.74
USD-CNY	6.5584	▼ -1.33	▼ -5.57
USD-CHF	0.9648	▲ 0.82	▼ -5.32
AUD-USD	0.7975	▲ 0.54	▲ 10.64
USD-CAD	1.2394	▼ -0.70	▼ -7.79
USD-SEK	8.0000	▲ 0.45	▼ -12.15
DXY Index	92.8140	▲ 0.08	▼ -9.19

S&P 500 Sector



Investment Style

	Value	Blend	Growth
1 Week (%)			
Large	0.7	1.4	1.9
Mid	1.4	1.7	1.9
Small	2.3	2.3	2.4
YTD (%)			
Large	3.7	10.6	16.8
Mid	1.3	4.6	7.8
Small	-1.3	1.1	3.3

FFA Equity Ideas

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FFA Fixed Income Ideas

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

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