

**Global Overview:** US equities closed mixed for the holiday-shortened week with the Dow at -0.4%, the S&P 500 unchanged as gains in utilities outweighed decline in financials, and the Nasdaq at +0.2% as markets pared losses on Friday after much weaker than expected US non-farm payrolls at 38K vs. 160K expected, although partly explained by Verizon strike which affected ~35K workers, lowering investor expectations of a June/July rate hike (FF now pricing a ~4% rate hike by June 2016 and ~27% by July 2016). For the week, US equities were weighed by mixed US macro data with manufacturing PMI, initial jobless claims and unemployment rate exceeding expectations, while ADP employment change came in line with expectations and consumer confidence and non-manufacturing PMI missed. Oil closed higher with Brent above USD 50 after recovering from OPEC's failure to agree on production cap, also supported by weaker US Dollar and drawdown in US crude stockpiles as supply glut eases. US Treasuries and Gold rallied on weakened US Dollar and Fed rate hike outlook, lowering 2-year and 10-year yields to a respective 0.79% and 1.71%. European equities closed lower with the Stoxx 600 at -2.4% on ECB and OECD Brexit concerns adding pressure to sentiment along with stronger Euro which was also helped by improved macro data. ECB left interest rates and size of existing purchase programs unchanged while providing remaining details on its corporate sector purchase program scheduled to begin on June 8. Japanese equities traded lower with the Nikkei 225 at -1.1% mainly on stronger Yen despite Japanese government's approval to delay the sales tax hike until 2019. Chinese equities closed higher with the Shanghai Index at 4.2% amid speculation about the inclusion of A-shares in MSCI indices, despite weaker than expected Caixin PMI signaling slowing manufacturing activity in addition to concerns over weakening Yuan affecting capital flows. Important US macro data this week include nonfarm productivity, unit labor costs, JOLTS job openings, EIA crude oil change, initial jobless claims, Reuters/Michigan consumer sentiment index and monthly budget statement. Other macro data include EU targeted LTRO, EU GDP, UK industrial production, UK NIESR GDP estimate, JPY leading economic index, JPY GDP, CNY trade balance, CNY CPI. Earnings season with reports from Valeant Pharmaceuticals and lululemon athletica among others.

**Previous Week Macro Data**

JPY Unemployment rate (Apr)	3.2%	3.2%
EU Unemployment rate (Apr)	10.2%	10.2%
EU Core CPI (YoY) (May)	0.8%	0.8%
US Core PCE- price index (YoY) (Apr)	1.1%	1.6%
US S&P Case-Shiller home price ind. (YoY) (Mar)	5.4%	5.2%
US Consumer confidence (May)	92.6	96.1
EU Markit manufacturing PMI (May)	51.5	51.5
UK Markit manufacturing PMI (May)	50.1	49.6
US ADP employment change (May)	173K	173K
US ISM manufacturing PMI (May)	51.3	50.3
EU Interest rate decision (Jun 2)	0.0%	0.0%
US Initial jobless claims (May 27)	267K	270K
US EIA crude oil Δ (May 27)	-1.4M	-2.5M
EU Markit PMI composite (May)	53.1	52.9
US Unemployment rate (May)	4.7%	4.9%
US Nonfarm payrolls (May)	38K	160K
US ISM non-manufacturing PMI (May)	52.9	55.3
<b>Upcoming Week Macro Data</b>	<b>Cons.</b>	<b>Prior</b>
M EU Targeted LTRO	-	€7.3B
T JPY Leading economic index (Apr)	100.7	93.3
T EU GDP (YoY) (Q1)	1.5%	1.5%
T US Nonfarm productivity (Q1)	-0.6%	-1.0%
T US Unit labor costs (Q1)	4.0%	4.1%
T JPY GDP (QoQ) (Q1)	0.5%	0.4%
W CNY Trade balance USD (YoY) (May)	\$55.9B	\$45.6B
W UK Industrial production (YoY) (Apr)	-0.4%	-0.2%
W US JOLTS job openings (Apr)	5.7M	5.8M
W UK NIESR GDP estimate (3M) (May)	-	0.3%
W US EIA crude oil Δ (May 27)	-	-1.4M
W CNY CPI (YoY) (May)	2.2%	2.3%
Th US Initial jobless claims (Jun 3)	270K	267K
Th US Reuters/Michigan consumer sent. Ind. (Jun)	94.0	94.7
F US Monthly budget statement (May)	\$-56.0B	-

**Upcoming Week Key Earnings**

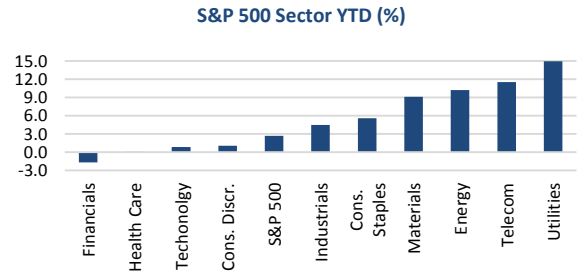
T Valeant Pharmaceuticals, HD Supply, The Michaels Companies
W lululemon athletica, Brown Forman
Th The J.M. Smucker Co.

**Upcoming Week Policy & Related Events**

M EU ECB Coeure, US Fed Yellen
W EU ECB Nouy
Th EU ECB Draghi

	Actual	Cons.	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,099.1			▼ -0.29	▬ 0.00	2.7	18.8	2.2
Dow Jones	17,807.1			▼ -0.18	▼ -0.37	2.2	16.9	2.7
NASDAQ	4,942.5			▼ -0.58	▲ 0.18	-1.3	21.2	1.3
Russell 2000	1,164.1			▼ -0.55	▲ 1.19	2.5	20.0	1.5
STOXX 600	341.3			▼ -0.89	▼ -2.39	-6.7	17.7	3.7
FTSE 100	6,209.6			▲ 0.39	▼ -0.98	-0.5	20.1	4.2
NIKKEI 225	16,642.2			▲ 0.48	▼ -1.14	-12.9	17.5	2.0
Shanghai Index	2,938.7			▲ 0.46	▲ 4.17	-17.2	13.9	2.1
S&P Pan Arab	629.6			▲ 0.09	▼ -0.43	-4.8	11.2	4.0
MSCI ACWI	1,670.9			▲ 1.08	▲ 0.13	-2.6	16.9	3.4
MSCI EM	816.2			▲ 0.85	▲ 0.98	2.8	12.1	2.8

Fixed Income	Value	Yield %	YTD %
Barclays Global Aggregate	475.86	1.30	7.63
Barclays Global Agg. – Corporate	242.47	2.51	6.48
Barclays Global High Yield	1,123.98	6.83	8.29
Markit CDX N.A. Investment Grade	77.4	NA	NA
Markit CDX N.A. High Yield	102.7	NA	NA
Markit iTraxx Europe	60.8	NA	NA
Markit iTraxx ITX Crossover	366.6	NA	NA



Rates	Value	Yield %
Treasuries 2-Yr	100.2	0.79
Treasuries 10-Yr	99.3	1.71
Treasuries 30-Yr	99.7	2.51
Gilts 10-Yr	106.3	1.28
Bunds 10-Yr	104.1	0.07
French 10-Yr	100.7	0.43
Italian 10-Yr	101.6	1.43
Spanish 10-Yr	104.2	1.49
Greek 10-Yr	75.5	7.21
JGBs 10-Yr	102.2	-0.12

Volatility	Value	YTD %
S&P 500 VIX	13.5	-26.0%
Euro Stoxx 50 VIX	23.6	6.2%
Crude Oil VIX	35.6	-22.9%
Interest Rate VIX	84.3	3.0%

	Investment Style YTD (%)		
	Value	Blend	Growth
Large	4.2	2.7	1.3
Mid	9.5	7.3	5.2
Small	7.9	5.6	3.6

Commodities	Value	YTD %
Oil-Brent	50.0	34.1%
Oil-WTI	49.0	32.3%
Natural Gas	2.5	5.0%
Gold	1,241.4	17.0%
Silver	16.4	18.4%
Copper	213.4	0.0%
S&P GSCI CME	374.0	20.0%

Currencies	Value	YTD %
EUR-USD	1.1339	4.4%
GBP-USD	1.4360	-2.6%
USD-JPY	106.9700	-11.0%
USD-CNY	6.5652	1.1%
USD-CHF	0.9773	-2.5%
AUD-USD	0.7330	0.6%
USD-CAD	1.2976	-6.2%
USD-SEK	8.1686	-3.2%
DXY Index	94.2560	-4.4%

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For equity ideas or price quotes, please contact us

**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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