

Global Overview

- US equities closed mixed for the week amid higher trading volume and volatility with the Dow Jones at +0.4%, the S&P 500 and the Nasdaq roughly flat at -0.1% while the Russell 2000 underperformed at -1.7%. Equities were mainly driven by FOMC’s decision to raise its fed funds target range by 25 basis points to 0.50%-0.75% with a faster pace of increases forecasted in 2017. Stock volatility also increased on quadruple witching in the U.S as options and futures contracts on stocks and indexes reached expiration
- US dollar strengthened and treasury yields surged while gold traded lower on Fed outlook with median dot plot projections suggesting three rate hikes next year exceeding market expectations of two rate hikes
- WTI crude oil closed higher on non-OPEC agreement to cut supply, surprise draw in US crude inventories and as Goldman Sachs increased its 2017 price forecast, despite stronger US dollar and renewed glut concerns. A monthly report from OPEC showed rising output to record levels, increasing doubts around the recent agreement to cut production by both OPEC and non-OPEC
- European equities closed higher with the Stoxx 600 at +1.3% helped by easier oil, weaker EUR/USD and as higher bond yields are expected to ease margin pressure on banks. UK equities edged higher with the FTSE 100 at +0.8% from weaker GBP/USD and gains in banking shares while mining weighed from lower gold. BoE kept interest rates and bond-buying program targets unchanged and suggested that the appreciation of the sterling in the past month might soften an expected surge in inflation
- Japanese equities closed higher with the Nikkei 225 at +2.1% as USD/JPY strengthened
- Chinese equities closed lower with the Shanghai Composite at -3.4% weighed by new regulations aimed at curbing speculative trading by insurance companies and Fed decision, despite favorable macro with better-than-expected industrial production and retail sales while fixed asset investment came in line with market expectations. Emerging markets closed lower with the MSCI EM at -2.4%

Previous Week Macro Data	Actual	Cons.
CNY Retail sales (YoY) (Nov)	10.8%	10.2%
CNY Industrial production (YoY) (Nov)	6.2%	6.1%
CNY Urban investment (YTD) (YoY) (Nov)	8.3%	8.3%
UK Core CPI (YoY) (Nov)	1.4%	1.3%
EU ZEW economic sentiment (Dec)	18.1	-
US NFIB business optimism index (Nov)	98.4	96.7
JPY Industrial production (YoY) (Oct)	-1.4%	-
UK ILO unemployment rate (3M) (Oct)	4.8%	4.8%
EU Industrial production (YoY) (Oct)	0.6%	0.8%
US Retail sales (MoM) (Nov)	0.1%	0.3%
US Industrial production (MoM) (Nov)	-0.4%	-0.3%
US EIA crude oil change (Dec 9)	-2.6M	-
US Fed interest rate decision	0.75%	0.75%
JPY Manufacturing PMI (Dec)	51.9	-
EU Markit PMI composite (Nov)	53.9	53.9
UK Retail sales (YoY) (Nov)	5.9%	5.9%
UK BoE interest rate decision	0.25%	0.25%
US Initial jobless claims (Dec 9)	254K	255K
US Core CPI (YoY) (Nov)	2.1%	2.2%
US Markit manufacturing PMI (Nov)	54.2	54.5
EU Core CPI (YoY) (Nov)	0.8%	0.8%
US Housing starts (MoM) (Nov)	1.09M	1.23M

Date	Upcoming Week Key Earnings
19-Dec	Gazprom, Lennar
20-Dec	Nike, FedEx, Carnival, General Mills, CarMax, Darden Restaurants, Valspar, FactSet Research
21-Dec	Accenture, Micron Technology, Paychex, Red Hat, Bed Bath & Beyond
22-Dec	ConAgra Foods, Cintas, Rite Aid

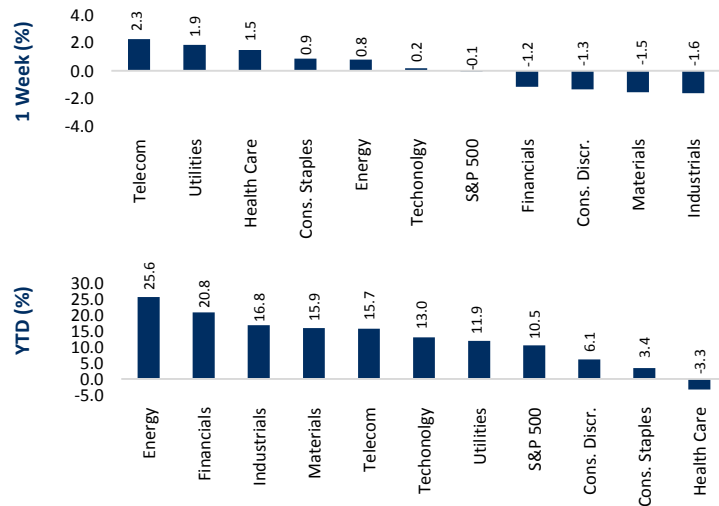
Date	Upcoming Week Macro Data	Cons.	Prior
19-Dec	US Markit PMI composite (Dec)	-	54.9
20-Dec	BoJ Interest rate decision	-0.1%	-0.1%
20-Dec	CNY CB leading economic index (Nov)	-	0.8%
21-Dec	JPY All industry activity index (MoM) (Oct)	-	0.2%
21-Dec	US Existing home sales (MoM) (Nov)	5.5M	5.6M
21-Dec	EU consumer confidence (Dec)	-6.0	-6.1
21-Dec	US EIA crude oil change (Dec 16)	-	-2.6M
22-Dec	UK Gfk consumer confidence (Dec)	-8.0	-8.0
22-Dec	US Core PCE (YoY) (Nov)	1.7%	1.7%
22-Dec	US Personal spending (MoM) (Nov)	0.4%	0.3%
22-Dec	US Personal income (MoM) (Nov)	0.3%	0.6%
22-Dec	US Initial jobless claims (Dec 16)	260K	254K
22-Dec	US GDP (Q3)	3.3%	3.2%
22-Dec	US Durable goods orders (Nov)	-4.0%	4.6%
22-Dec	US CB leading indicator (MoM) (Nov)	0.2%	0.1%
23-Dec	UK GDP (YoY) (Q3)	2.3%	2.3%
23-Dec	US New home sales (MoM) (Nov)	0.57M	0.56M

Date	Upcoming Policy & Related Events
19-Dec	US Fed Yellen
20-Dec	JPY BoJ monetary policy statement, JPY BoJ press conference
21-Dec	EU ECB economic bulletin

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,258.07	▼ -0.18	▼ -0.06	10.48	20.22	2.06
Dow Jones	19,843.41	▼ -0.04	▲ 0.44	13.88	18.85	2.42
NASDAQ	5,437.16	▼ -0.36	▼ -0.13	8.58	23.12	1.19
Russell 2000	1,364.40	▼ -0.15	▼ -1.71	20.12	22.08	1.26
STOXX 600	360.02	▲ 0.34	▲ 1.31	-1.58	19.10	3.52
FTSE 100	7,011.64	▲ 0.18	▲ 0.83	12.32	27.03	4.09
Nikkei 225	19,401.15	▲ 0.66	▲ 2.13	1.88	21.89	1.70
Shanghai Comp.	3,122.98	▲ 0.17	▼ -3.40	-11.90	15.35	1.88
S&P Pan Arab	671.16	▼ -0.15	▼ -0.01	2.44	12.46	3.59
MSCI ACWI	1,668.60	▲ 0.25	▼ -0.55	-2.78	17.22	3.27
MSCI EM	856.40	▼ -0.26	▼ -2.44	7.84	13.36	2.62

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	445.22	▼ -1.19	0.70	1.72
Barclays Global Agg. – Corporate	234.20	▼ -0.61	2.85	2.83
Barclays Global High Yield	1,175.42	▼ -0.21	13.25	6.01
Markit CDX N.A. Investment Grade	68.92	▲ 2.97	NA	NA
Markit CDX N.A. High Yield (price)	105.92	▼ -0.30	NA	NA
Markit CDX EM (price)	93.35	▲ 0.10	NA	NA
Markit iTraxx ITX Crossover	205.00	▼ -6.11	NA	NA
Markit iTraxx Europe	44.10	▼ -4.28	NA	NA

S&P 500 Sector



Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	99.51	▼ -0.23	-0.24	1.24
Treasuries 10-Yr	94.85	▼ -1.09	-5.20	2.58
Treasuries 30-Yr	94.23	▼ -0.42	-6.40	3.17
Gilts 10-Yr	100.57	▲ 0.13	-0.16	1.44
Bunds 10-Yr	97.04	▲ 0.49	-6.41	0.32
French 10-Yr	95.10	▲ 0.44	-5.27	0.77
Italian 10-Yr	94.47	▲ 1.56	-8.57	1.84
Spanish 10-Yr	98.89	▲ 0.84	-4.00	1.39
Greek 10-Yr	77.26	▼ -3.62	7.77	7.16
JGBs 10-Yr	100.25	▼ -0.19	-0.12	0.08

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	12.20	▲ 3.83	-33.00
Stoxx 50 VIX	15.10	▼ -9.16	-31.91
EM VIX	19.31	▼ -1.23	-15.71
Crude Oil VIX	30.10	▼ -7.87	-34.89
Interest rate VIX	89.85	▲ 0.81	9.87

Investment Style

	Value	Blend	Growth
1 Week (%)			
Large	-0.3	-0.1	0.1
Mid	-1.9	-1.5	-0.9
Small	-2.1	-1.8	-1.5
YTD (%)			
Large	15.1	10.5	6.1
Mid	24.8	19.2	13.6
Small	30.2	25.4	20.9

Commodities	Value	1 Week %	YTD %
Oil-Brent	55.21	▲ 1.62	48.10
Oil-WTI	51.90	▲ 0.78	40.12
Natural Gas	3.42	▼ -8.84	46.13
Gold	1,137.40	▼ -2.11	7.16
Silver	16.22	▼ -4.43	17.09
Copper	256.45	▼ -3.14	20.12
S&P GSCI	393.46	▲ 0.67	26.25

Currencies	Value	1 Week %	YTD %
EUR-USD	1.0451	▼ -1.04	-3.78
GBP-USD	1.2496	▼ -0.60	-15.20
USD-JPY	117.9300	▲ 2.26	-1.90
USD-CNY	6.9615	▲ 0.77	7.20
USD-CHF	1.0261	▲ 0.88	2.39
AUD-USD	0.7304	▼ -1.95	0.25
USD-CAD	1.3336	▲ 1.19	-3.63
USD-SEK	9.3392	▲ 1.63	10.64
DXY Index	102.9500	▲ 1.34	4.38

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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, WSI, CNBC, Briefing, FXStreet.

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