

Global Overview: US markets ended the holiday-shortened week with their best weekly gains in 2016 with the Dow at +2.6%, the S&P at +2.8% and the Nasdaq outperforming at +3.8% on i) higher oil after a proposed coordinated production freeze from Saudi Arabia and Russia, ii) a cautious data-dependent Fed suggesting slower pace for interest rate increases (FF futures now pricing in late 2017 or 2018) and iii) an oversold bounce including possible short-covering. Equities rallied throughout the week until Thursday, helped by upbeat macro data with higher industrial production and lower initial jobless claims, despite softer housing starts and unchanged building permits. Safe haven gold, Euro and treasuries were almost flat last week although US 10-year Treasury printed higher yields going into Friday's CPI data, which showed inflation at 1.4% vs. est. 1.3%. European equities also traded higher with the Stoxx 600 at +4.5% and the FTSE at +4.3%, lifted by a rebound in energy and banking sectors and on Mario Draghi's previous week comments confirming the ECB's continued support of the EU economy. After a week of meetings held in Europe, UK PM David Cameron announced a referendum on June 23rd to decide on a possible exit from the EU. Saudi Arabia will meet this week with shale oil producers after last Tuesday's surprise agreement between Saudi Arabia, Qatar, Russia and Venezuela to freeze oil output at January levels subject to others major producers agreeing to follow. Oil ended the week higher despite global glut concerns, as US inventories rose vs. expectations of a drawdown. Japanese equities witnessed their best weekly rally in six years on likely oversold levels and weaker Yen helping exporters, although Nikkei Index is still sharply lower ~-15% YTD. China replaced its securities regulator after policy missteps, in a move to reestablish confidence following weeks of volatility and ahead of February 26th-27th G20 meeting in Shanghai, China. Important US macro data this week include Chicago Fed national activity index, Markit manufacturing PMI, consumer confidence, EIA crude oil change, initial jobless claims, durable goods orders, Q4 GDP annualized, core PCE, personal spending and personal income. Other macro data include EU Markit composite PMI, EU IFO Germany – Business climate, UK Q4 GDP and JPY CPI. Earnings season to continue with 50 S&P 500 companies set to report such as Home Depot, Anheuser-Busch, British American Tobacco and Eni among others.

Previous Week Macro Data

	Actual	Cons.
UK Core CPI (YoY) (Jan)	1.2%	1.3%
EU ZEW survey – econ. sentiment (Feb)	13.6	10.3
UK ILO unemployment rate (3M) (Dec)	5.1%	5.0%
US Housing starts (MoM) (Jan)	1.09M	1.17M
US Industrial production (MoM) (Jan)	0.9%	0.4%
CNY CPI (YoY) (Jan)	1.8%	1.9%
US Initial jobless claims (Feb 12)	262K	275K
US Philadelphia Fed manuf. survey (Feb)	-2.8	-3.0
US EIA crude oil Δ (Feb 12)	2.15M	3.92M
US CPI (YoY) (Jan)	1.4%	1.3%
EU Consumer confidence (Feb)	-8.8	-6.6

Upcoming Week Macro Data

	Cons.	Prior
M EU Markit composite PMI (Feb)	53.3	53.6
M US Chicago Fed national activity index (Jan)	-0.10	-0.22
M US Markit manufacturing PMI (Feb)	52.5	52.4
T EU IFO Germany – business climate (Feb)	106.7	107.3
T US Consumer confidence (Feb)	97.3	98.1
W US EIA crude oil Δ (Feb 19)	-	2.15M
Th UK GDP (YoY) (Q4)	1.9%	1.9%
Th EU CPI core (YoY) (Jan)	1.0%	1.0%
Th US Initial jobless claims (Feb 19)	270K	262K
Th US Durable goods orders (Jan)	2.5%	-5.0%
Th JPY CPI (YoY) (Jan)	0.0%	0.2%
F US GDP annualized (Q4)	0.4%	0.7%
F US Core PCE – price index (YoY) (Jan)	1.5%	1.4%
F US Personal spending (Jan)	0.3%	0.0%
F US Personal income (MoM) (Jan)	0.4%	0.3%

Upcoming Week Key Earnings

- M HSBC, Allergan, Motorola
- T Home Depot, Bank of Montreal, Ecolab
- W Royal Bank of Canada, Lowe's, Kraft Heinz
- Th Anheuser-Busch Inbev, British American Tobacco, Baidu
- F Eni, Royal Bank of Scotland, American Tower Corporation

Upcoming Week Policy & Related Events

- M EU ECB Lautenschläger
- T EU ECB Nouy, US Fed Fischer
- W US Fed Rosengren and Kaplan
- Th US Fed Bullard, Lockhart and Williams, JPY BoJ Kiuchi
- F G20 meeting, EU ECB Praet, US Fed Powell and Brainard

Equities	Value	1 Week %	YTD %	EPS %	P/E	Div. Yld. %
S&P 500	1,917.8	2.84	-6.2	9.0	16.9	2.4
Dow Jones	16,392.0	2.62	-5.9	0.3	14.9	2.9
NASDAQ	4,504.4	3.85	-10.0	16.1	19.4	1.4
Russell 2000	1,010.0	3.91	-11.1	14.6	17.5	1.9
STOXX 600	326.4	4.47	-10.8	13.7	16.4	3.9
FTSE 100	5,950.2	4.25	-4.7	14.7	17.5	4.5
NIKKEI 225	16,111.1	7.75	-15.4	2.7	16.1	2.0
Shanghai Index	2,927.2	6.50	-17.3	16.6	13.6	2.4
S&P Pan Arab	597.8	3.27	-9.2	5.4	10.6	4.6
MSCI ACWI	1,557.0	4.33	-9.3	7.2	14.9	3.7
MSCI EM	741.0	4.18	-6.7	-8.2	10.2	3.1

Fixed Income	Value	Yield %	YTD %
Barclays Global Aggregate	456.8	1.5	3.3
Barclays Global Agg. – Corporate	229.7	3.0	0.9
Barclays Global High Yield	1,017.2	8.8	-2.0
Markit CDX N.A. Investment Grade	118.2	NA	NA
Markit CDX N.A. High Yield	97.8	NA	NA
Markit iTraxx Europe	98.5	NA	NA
Markit iTraxx ITX Crossover	366.5	NA	NA

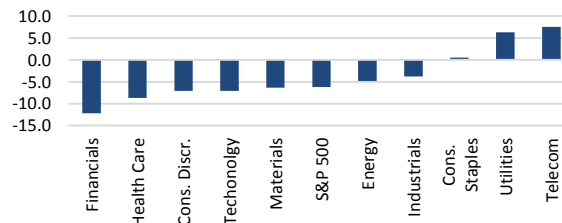
Rates	Value	Yield %
Treasuries 2-Yr	100.0	0.75
Treasuries 10-Yr	98.8	1.75
Treasuries 30-Yr	97.7	2.61
Gilts 10-Yr	105.2	1.41
Bunds 10-Yr	102.9	0.20
French 10-Yr	104.2	0.55
Italian 10-Yr	104.2	1.54
Spanish 10-Yr	104.1	1.69
Greek 10-Yr	58.2	10.51
JGBs 10-Yr	103.1	-0.01

Commodities	Value	YTD %
Oil-Brent	33.5	-10.2
Oil-WTI	30.2	-18.6
Natural Gas	1.8	-23.4
Gold	1,211.9	14.2
Silver	15.2	9.7
Copper	210.6	-1.4
S&P GSCI	293.7	-5.8

Currencies	Value	YTD %
EUR-USD	1.1097	2.2
GBP-USD	1.4184	-3.7
USD-JPY	112.8700	-6.1
USD-CHF	0.9922	-1.0
AUD-USD	0.7162	-1.7
USD-CAD	1.3764	-0.5
USD-SEK	8.4613	0.2
Dollar Index	96.9720	-1.7

Volatility	Value	YTD %
S&P 500 VIX	20.5	12.7
Euro Stoxx 50 VIX	31.3	41.0
Crude Oil VIX	63.0	36.3
Interest Rate VIX	85.1	4.1

S&P 500 Sector YTD (%)



Investment Style YTD (%)

	Value	Blend	Growth
Large	-5.5	-6.2	-6.8
Mid	-5.8	-6.6	-7.5
Small	-6.8	-7.7	-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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