

Global Overview

- US equities kicked off the year on a positive note ahead of Q4/16 earnings season with the Dow Jones at +1.0% closing just below the 20,000 milestone, the S&P 500 at +1.7% and the Nasdaq at +2.6% while small-caps underperformed with the Russell 2000 at +0.7%. Equities were driven by i) favorable manufacturing data from the US, China and Europe which fueled optimism about global economic growth and inflation and ii) higher expectations for US corporate earnings according to FactSet estimates with ~3%/~5% YoY growth in EPS/sales expected in Q4/16 led by utilities and financials. December FOMC minutes were less hawkish than expected, confirming a gradual path of rate hikes in 2017 depending on the effects of future fiscal policies
- US dollar strengthened and 10-year Treasuries sold off on US jobs report as solid wage growth and upward revisions to October and November job gains added to inflationary expectations despite lower-than-expected monthly nonfarm payrolls and ADP employment change. Gold traded higher following uncertainty ahead of Trump inauguration on January 20 and stronger demand from China ahead of Chinese New Year despite stronger US dollar
- WTI crude oil closed slightly higher as optimism about global demand from solid macro and large drawdown in US crude inventories offset firmer US dollar and output cut doubts
- European equities closed higher with the Stoxx 600 at +0.9% helped by banks and stronger-than-expected wage growth in the US. 10-year Bund yields rose from sell-off in government bonds driven by US jobs data and as EU CPI came in at a three-year high on increasing commodity prices. UK equities closed higher with the FTSE 100 at +1.2% helped by miners and bank shares. GBP/USD weakened on US jobs report despite earlier gains from stronger-than-expected manufacturing PMI
- Japanese equities closed higher with the Nikkei 225 at +1.8% as USD/JPY strengthened. BoJ summary of opinions indicated that quantitative and qualitative easing as well as yield control measures should continue for a considerable period of time
- Chinese equities closed higher with the Shanghai Composite at +1.6% on supportive manufacturing data and as PBoC efforts to curb capital outflows were perceived positively by investors. Emerging markets rallied with the MSCI EM at +2.2% as sentiment improved on higher oil prices

Previous Week Macro Data	Actual	Cons.
EU Markit manufacturing PMI (Dec)	54.9	54.9
UK Markit manufacturing PMI (Dec)	56.1	53.0
US ISM manufacturing PMI (Dec)	54.7	53.8
JPY Nikkei manufacturing PMI (Dec)	52.4	-
EU Markit PMI composite (Dec)	54.4	53.9
EU Core CPI (YoY) (Dec)	0.9%	0.8%
US ADP employment change (Dec)	153K	175K
US Initial jobless claims (Dec 30)	235K	260K
US Markit PMI composite (Dec)	54.1	-
US ISM non-manufacturing PMI (Dec)	57.2	56.8
US EIA crude oil stocks change (Dec 30)	-7.0M	-1.7M
EU Consumer confidence (Dec)	-5.1	-5.1
EU Economic sentiment indicator (Dec)	107.8	106.8
EU Retail sales (YoY) (Nov)	2.3%	1.9%
US Nonfarm payrolls (Dec)	156K	175K
US Unemployment rate (Dec)	4.7%	4.7%
US Average hourly earnings (YoY) (Dec)	0.4%	0.3%
US Trade balance (Nov)	\$-45.2B	\$-45.4B
US Factory orders (MoM) (Nov)	-2.4%	-2.3%
US Baker Hughes oil rig count	529	-

Date	Upcoming Week Key Earnings
09-Jan	Gazprom, Global Payments, Acuity Brands, Alcoa
10-Jan	Lamb Weston, Brocade
11-Jan	MSC Industrial Direct
12-Jan	Taiwan Semiconductor, Delta Air Lines, Infosys, Willis Towers Watson, Shaw Communications
13-Jan	J.P. Morgan Chase, Wells Fargo, Bank of America, BlackRock, PNC Financial Services

Date	Upcoming Week Macro Data	Cons.	Prior
10-Jan	CNY CPI (YoY) (Dec)	2.2%	2.3%
10-Jan	CNY FDI (YTD) (YoY) (Dec)	-	3.9%
10-Jan	US NFIB business optimism index (Dec)	99.3	98.4
10-Jan	US JOLTS job openings (Nov)	5.52M	5.53M
10-Jan	US Wholesale inventories (Nov)	0.9%	0.9%
10-Jan	US IBD/TIPP economic optimism (MoM) (Jan)	-	54.8
11-Jan	JPY Coincident index (Nov)	115.0	113.5
11-Jan	UK Industrial production (YoY) (Nov)	0.7%	-1.1%
11-Jan	UK NIESR GDP estimate (3M) (Dec)	0.5%	0.4%
11-Jan	US EIA crude oil stocks change (Jan 6)	-	-7.0M
12-Jan	EU Industrial production (YoY) (Nov)	1.6%	0.6%
12-Jan	US Initial jobless claims (Jan 6)	255K	235K
13-Jan	CNY Trade balance (Dec)	-	¥298.1B
13-Jan	US Retail sales (MoM) (Dec)	0.7%	0.1%
13-Jan	US Michigan consumer sentiment (Jan)	98.5	98.2
13-Jan	US Business inventories (Nov)	0.5%	-0.2%
13-Jan	US Baker Hughes oil rig count	-	529

Date	Upcoming Policy & Related Events
09-Jan	US Fed Rosengren & Lockhart
11-Jan	US President-elect Donald Trump's news conference
12-Jan	EU ECB Monetary policy meeting accounts, US Fed Evans, Harker, Lockhart, Kaplan & Bullard
13-Jan	US Fed Yellen & Harker

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,276.98	▲ 0.35	▲ 1.70	1.70	20.41	2.13
Dow Jones	19,963.80	▲ 0.32	▲ 1.02	1.02	18.96	2.53
NASDAQ	5,521.06	▲ 0.60	▲ 2.56	2.56	23.48	1.26
Russell 2000	1,367.28	▼ -0.34	▲ 0.75	0.75	22.08	1.50
STOXX 600	364.54	▼ -0.30	▲ 0.86	0.86	19.63	3.54
FTSE 100	7,227.39	▲ 0.45	▲ 1.18	1.18	27.74	4.19
Nikkei 225	19,454.33	▼ -0.34	▲ 1.78	1.78	21.99	1.71
Shanghai Comp.	3,154.32	▼ -0.35	▲ 1.63	1.63	15.64	2.01
S&P Pan Arab	689.75	▲ 0.39	▲ 1.14	1.14	12.75	3.71
MSCI ACWI	1,713.87	▼ -0.46	▲ 1.77	1.77	17.67	3.29
MSCI EM	881.11	▼ -0.07	▲ 2.18	2.18	13.74	2.74

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	451.26	▼ -0.02	-0.02	1.63
Barclays Global Agg. – Corporate	237.93	▲ 0.21	0.21	2.72
Barclays Global High Yield	1,197.60	▲ 0.97	0.97	5.61
Markit CDX N.A. Investment Grade	64.42	▼ -4.95	NA	NA
Markit CDX N.A. High Yield (price)	106.69	▲ 0.48	NA	NA
Markit CDX EM (price)	94.22	▲ 0.53	NA	NA
Markit iTraxx ITX Crossover	200.10	▲ 0.05	NA	NA
Markit iTraxx Europe	41.84	▼ -5.81	NA	NA

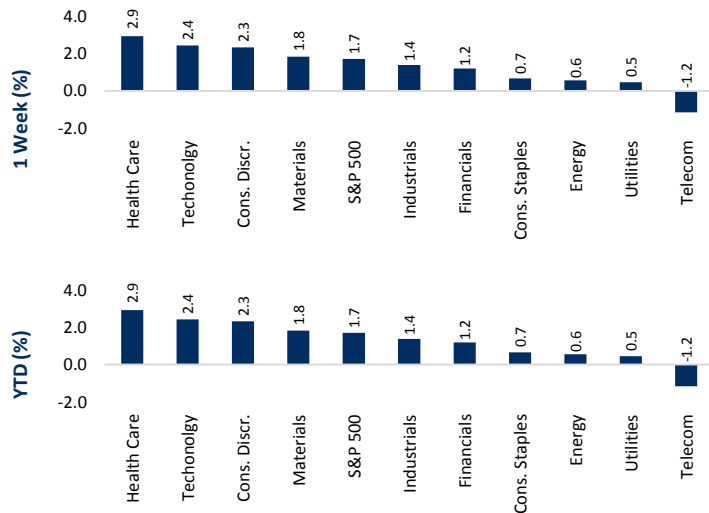
Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	100.07	▼ -0.04	-0.04	1.22
Treasuries 10-Yr	96.34	▲ 0.23	0.23	2.41
Treasuries 30-Yr	97.37	▲ 1.13	1.13	3.00
Gilts 10-Yr	101.06	▼ -1.29	-1.29	1.35
Bunds 10-Yr	97.20	▼ -0.88	-0.88	0.30
French 10-Yr	94.54	▼ -1.40	-1.40	0.83
Italian 10-Yr	93.73	▼ -1.33	-1.33	1.92
Spanish 10-Yr	97.85	▼ -1.43	-1.43	1.51
Greek 10-Yr	79.49	▲ 1.86	1.86	6.72
JGBs 10-Yr	100.46	▼ -0.12	-0.12	0.05

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	11.78	▼ -19.37	-19.37
Stoxx 50 VIX	16.08	▼ -15.34	-15.34
EM VIX	19.21	▼ -13.97	-13.97
Crude Oil VIX	29.73	▲ 0.81	0.81
Interest rate VIX	87.96	▼ -1.08	-1.08

Commodities	Value	1 Week %	YTD %
Oil-Brent	57.10	▲ 0.49	0.49
Oil-WTI	53.99	▲ 0.50	0.50
Natural Gas	3.29	▼ -11.79	-11.79
Gold	1,173.40	▲ 1.88	1.88
Silver	16.52	▲ 3.31	3.31
Copper	254.60	▲ 1.62	1.62
S&P GSCI	398.18	▼ -0.01	-0.01

Currencies	Value	1 Week %	YTD %
EUR-USD	1.0532	▲ 0.14	0.14
GBP-USD	1.2287	▼ -0.43	-0.43
USD-JPY	117.0200	▲ 0.05	0.05
USD-CNY	6.9241	▼ -0.30	-0.30
USD-CHF	1.0180	▼ -0.10	-0.10
AUD-USD	0.7301	▲ 1.29	1.29
USD-CAD	1.3237	▼ -1.52	-1.52
USD-SEK	9.0574	▼ -0.53	-0.53
DXY Index	102.2200	▲ 0.01	0.01

S&P 500 Sector



Investment Style



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

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