

Global Overview

- US equities ended the holiday-shortened week flat to higher with the S&P 500 at +0.1%, the Dow Jones at +0.3%, the Nasdaq at +0.2% while the Russell 2000 was roughly unchanged. Equities were supported by June employment report, as nonfarm payrolls significantly beat expectations (222K vs. 179K expected) despite relatively subdued earnings growth (+0.2% vs. +0.3% expected) and higher-than-expected unemployment rate (4.4% vs. 4.3% expected). FOMC minutes of June meeting published midweek and geopolitical tensions after North Korea's successful launch of an intercontinental ballistic missile had limited impact on equities
- 10-year and 30-year US Treasury yields closed higher following better-than-expected nonfarm payrolls which increased the likelihood of a December rate hike (FF pricing in a ~59% rate hike in December 2017). Yields edged lower midweek following FOMC minutes which highlighted the divide among Fed officials concerning i) the timing of balance sheet normalization as several officials suggested end of August while others wanted to wait until later in the year and ii) the outlook for inflation as most participants viewed the recent softness in price data as transitory while others warned it might persist. US Dollar Index firmed while gold reached nearly four-month low following stronger-than-expected jobs data, reversing gains earlier in the week on safe haven demand after geopolitical tensions
- WTI crude oil closed lower on global supply concerns following higher US oil rig count and data showing that OPEC exports hit a 2017 high despite a substantially higher-than-expected drop in US oil inventories
- European equities were higher with the Stoxx 600 at +0.5% following better-than-expected PMI composite and retail sales. 10-year Bund yields closed higher following i) ECB minutes of June meeting which showed that officials discussed if they should remove the Central Bank promise to increase the pace of asset purchases to stimulate the economy if needed and ii) comments from Bundesbank official who suggested that 'the continued economic recovery is opening the perspective of a monetary policy normalization'. UK equities ended the week higher with the FTSE 100 at +0.8%, supported by weaker GBP/USD, despite lower-than-expected macro data and weaker oil
- Japanese equities closed lower with the Nikkei 225 at -0.5% despite stronger USD/JPY. The Bank of Japan intervened to control the yield curve and offered to buy an unlimited amount of JGBs as yields were pushed higher tracking the sell-off in developed market bonds
- Chinese equities were higher with the Shanghai Composite at +0.8%. Emerging markets closed lower with the MSCI EM at -0.8%
- MENA equities closed lower with the S&P Pan Arab Composite at -1.6% on weaknesses in Saudi Arabia and Abu Dhabi following weaker oil

Previous Week Macro Data	Actual	Cons.
JPY Nikkei manufacturing PMI (Jun)	52.4	-
UK Markit manufacturing PMI (Jun)	54.3	56.3
EU Unemployment rate (May)	9.3%	9.2%
US ISM manufacturing PMI (Jun)	57.8	55.2
EU Markit PMI composite (Jun)	56.3	55.7
EU Retail sales (YoY) (May)	0.4%	0.3%
US IBD/TIPP economic optimism (MoM) (Jul)	50.2	51.6
US ADP employment change (Jun)	158K	185K
US Trade balance (May)	-\$46.5B	-\$46.2B
US Initial jobless claims (Jun 26)	248K	243K
US ISM non-manufacturing PMI (Jun)	57.4	56.5
UK NIESR GDP estimate (3M) (Jun)	0.3%	-
US EIA crude oil stocks change (Jun 30)	-6.3M	-2.3M
CNY Foreign exchange reserves (MoM) (Jun)	¥3.05T	¥3.06T
JPY Coincident index (May)	115.5	115.5
UK Industrial production (YoY) (May)	-0.2%	0.2%
US Nonfarm payrolls (Jun)	222K	179K
US Unemployment rate (Jun)	4.4%	4.3%
US Average hourly earnings (YoY) (Jun)	0.2%	0.3%
US Baker Hughes oil rig count	763	756

Date	Upcoming Week Macro Data	Cons.	Prior
10-Jul	CNY CPI (YoY) (Jun)	1.5%	1.5%
11-Jul	US NFIB Business optimism index (Jun)	-	104.4
11-Jul	US Wholesale inventories (May)	0.3%	0.3%
11-Jul	US JOLTS job openings (May)	5.89M	6.04M
12-Jul	CNY FDI (YTD) (YoY) (Jun)	-	-0.7%
12-Jul	UK ILO Unemployment rate (3M) (May)	4.6%	4.6%
12-Jul	EU Industrial production (YoY) (May)	3.6%	1.4%
12-Jul	US EIA crude oil stocks change (Jul 7)	-	-6.3M
13-Jul	CNY Trade balance USD (Jun)	\$42.4B	\$40.8B
13-Jul	US Initial jobless claims (Jul 3)	245K	248K
14-Jul	US Retail sales (MoM) (Jun)	0.1%	-0.3%
14-Jul	US Core CPI (YoY) (Jun)	1.7%	1.7%
14-Jul	US Industrial production (MoM) (Jun)	0.3%	0.0%
14-Jul	US Michigan consumer sentiment index (Jul)	95.0	95.1
14-Jul	US Business inventories (May)	0.3%	-0.2%
14-Jul	US Baker Hughes oil rig count	-	763

Date	Upcoming Policy & Related Events
10-Jul	EU ECB Cœuré & Nouy
11-Jul	UK BoE inflation report hearings, UK BoE Haldane & Broadbent, US Fed Brainard, EU ECB Cœuré & Constâncio
12-Jul	US Fed Beige Book
13-Jul	US Fed Yellen & Evans
14-Jul	US Fed Kaplan

Date	Upcoming Week Key Earnings
10-Jul	Grupo Televisa
11-Jul	PepsiCo, Yum! Brands
12-Jul	Omnicom, Fastenal, Bank of the Ozarks, MSC Industrial Direct
13-Jul	Taiwan Semiconductor, Delta Air Lines, Commerce Bancshares, PacWest
14-Jul	JP Morgan Chase & Co, Wells Fargo, Citigroup, PNC Financial Services, Infosys, First Republic Bank

Equities	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,425.18	0.64	▲ 0.07	▲ 8.32	20.83	2.03
Dow Jones	21,414.34	0.44	▲ 0.30	▲ 8.36	18.82	2.43
NASDAQ	6,153.08	1.04	▲ 0.21	▲ 14.30	24.27	1.12
Russell 2000	1,415.84	1.07	▲ 0.03	▲ 4.33	20.52	1.22
STOXX 600	381.24	0.21	▲ 0.49	▲ 5.48	19.14	3.43
FTSE 100	7,368.73	0.43	▲ 0.77	▲ 3.16	24.68	4.20
Nikkei 225	19,929.09	-0.32	▼ -0.52	▲ 5.06	18.21	1.85
Shanghai Comp.	3,217.96	0.17	▲ 0.80	▲ 3.51	15.90	1.98
S&P Pan Arab	678.53	-0.42	▼ -1.59	▼ -0.79	12.52	5.21
MSCI ACWI	1,874.10	-0.45	▼ -0.48	▲ 11.29	17.85	3.25
MSCI EM	1,002.48	-0.37	▼ -0.82	▲ 16.26	14.38	2.59

Credit	Value	1 Week %	YTD %	Yield %
Barclays Global Aggregate	467.76	▼ -0.74	▲ 3.63	1.68
Barclays Global Agg. – Corporate	246.36	▼ -0.27	▲ 2.86	2.60
Barclays Global High Yield	1,257.37	▼ -0.43	▲ 6.01	5.48
Markit CDX N.A. Investment Grade	61.64	▲ 1.81	NA	NA
Markit CDX N.A. High Yield (price)	106.69	▼ -0.19	NA	NA
Markit CDX EM (price)	95.25	▼ -0.17	NA	NA
Markit iTraxx ITX Crossover	133.35	▲ 6.82	NA	NA
Markit iTraxx Europe	23.22	▲ 4.07	NA	NA

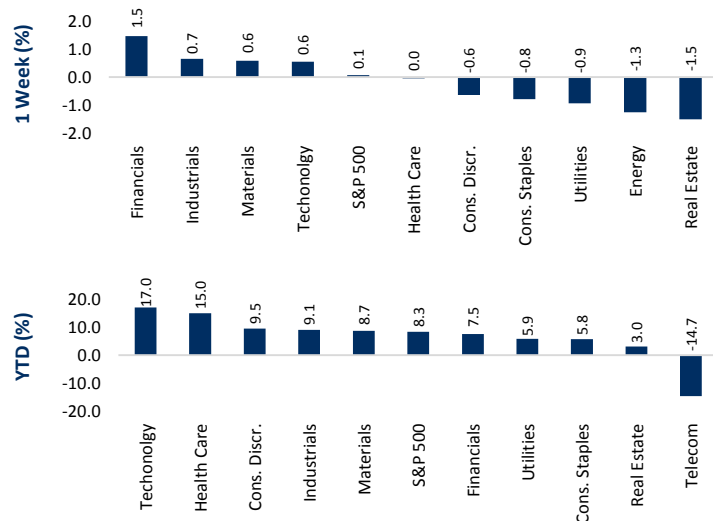
Rates	Value	1 Week %	YTD %	Yield %
Treasuries 2-Yr	99.71	▼ -0.03	▼ -0.41	1.39
Treasuries 10-Yr	99.90	▼ -0.71	▲ 3.93	2.38
Treasuries 30-Yr	101.40	▼ -1.85	▲ 5.31	2.93
Gilts 10-Yr	128.60	▼ -0.45	▼ -0.81	1.30
Bunds 10-Yr	97.01	▼ -0.99	▼ -1.07	0.56
French 10-Yr	100.59	▼ -1.17	▲ 4.90	0.94
Italian 10-Yr	98.91	▼ -1.62	▲ 4.12	2.33
Spanish 10-Yr	97.99	▼ -1.81	▼ -1.28	1.71
JGBs 10-Yr	100.18	▼ -0.03	▼ -0.41	0.09

Volatility	Value	1 Week %	YTD %
S&P 500 VIX	11.27	▲ 0.09	▼ -20.30
Stoxx 50 VIX	15.10	▼ -12.00	▼ -16.23
EM VIX	16.87	▲ 5.64	▼ -24.45
Interest rate VIX	76.77	▲ 1.23	▼ -13.66
Deutsche Bank FX VIX	7.48	▼ -1.20	▼ -7.25
Crude Oil VIX	31.30	▲ 9.90	▲ 6.14

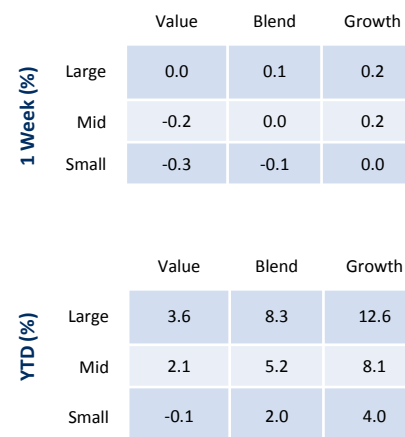
Commodities	Value	1 Week %	YTD %
Oil-Brent	46.71	▼ -4.22	▼ -17.79
Oil-WTI	44.23	▼ -3.93	▼ -17.67
Natural Gas	2.86	▼ -5.63	▼ -23.09
Gold	1,209.70	▼ -2.62	▲ 5.04
Silver	15.43	▼ -7.23	▼ -3.53
Copper	264.70	▼ -2.36	▲ 5.65
S&P GSCI	365.51	▼ -1.84	▼ -8.21

Currencies	Value	1 Week %	YTD %
EUR-USD	1.1401	▼ -0.22	▲ 8.41
GBP-USD	1.2890	▼ -1.04	▲ 4.46
USD-JPY	113.9200	▲ 1.36	▼ -2.60
USD-CNY	6.8057	▲ 0.37	▼ -2.01
USD-CHF	0.9640	▲ 0.64	▼ -5.40
AUD-USD	0.7601	▼ -1.14	▲ 5.45
USD-CAD	1.2876	▼ -0.68	▼ -4.20
USD-SEK	8.4269	▼ -0.06	▼ -7.46
DXY Index	96.0080	▲ 0.40	▼ -6.07

S&P 500 Sector



Investment Style



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

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