

Global Overview: US equities closed higher for the week with the Dow at +2.0%, the S&P at +1.5% both rallying to record highs midweek, and the Nasdaq at +1.5% (now positive YTD at +0.4%) as the Q2 earnings season started on a positive note with major financials Citigroup and JP Morgan Chase exceeding expectations. Investor sentiment was helped by i) continued hope for more central bank stimulus ahead of BoJ July meeting despite BoE maintaining its benchmark interest rate with stimulus package to be determined as part of the August inflation report, ii) encouraging US macro data with retail sales and industrial production exceeding expectations and core CPI improving which supported increased expectations of a Fed rate hike in 2016 sending 10-year US Treasury yields to their highest level since Brexit results. Safe haven Yen and Gold ended the week lower on improved risk appetite while US Dollar strengthened also supported by Friday's retail data. Oil closed higher on positive macro data improving demand outlook despite smaller-than expected crude inventory draw and IEA report showing that supply glut is easing at a slower-than-expected pace, while OPEC is forecasting tighter oil markets by 2017. European equities closed higher with the Stoxx 600 at +3.2% partially weighed by travel and leisure stocks following Nice attacks. UK equities closed higher with the FTSE 100 at +1.2% as investors reacted favorably to new UK PM despite stronger Sterling and BoE unexpectedly holding its benchmark interest rate. Japanese equities closed materially higher with the Nikkei 225 at +9.2% mainly on weaker Yen and as Abe's election victory increased expectations of a new round of economic stimulus. Chinese equities closed higher with the Shanghai Composite Index at +4.8% despite mixed macro data with GDP growth in line with expectations while weaker inflation and trade data added to speculation over a PBoC interest rate cut by the end of 2016. Earnings season to accelerate with 112 S&P 500 companies and 73 Stoxx 600 companies set to report.

Previous Week Macro Data

	Actual	Cons.
EU Industrial production (YoY) (May)	-1.2%	-0.8%
US EIA crude oil Δ (Jul 8)	-2.55M	-2.95M
UK BoE interest rate decision (Jul 14)	0.5%	0.25%
US Initial jobless claims (Jul 8)	254K	265K
CNY Industrial production (YoY) (Jun)	6.2%	5.9%
CNY GDP (YoY) (Q2)	6.7%	6.6%
EU Core CPI (YoY) (Jun)	0.9%	0.9%
US Retail sales (MoM) (Jun)	0.6%	0.1%
US CPI (YoY) (Jun)	1.0%	1.1%
US Industrial production (MoM) (Jun)	0.6%	0.3%
US Reuters/Michigan consumer sent. ind. (Jul)	89.5	93.5
Cons. Prior	60.0	60.0
M US NAHB housing market index (Jul)	60.0	60.0
T UK Core CPI (YoY) (Jun)	1.3%	1.2%
T EU ZEW- economic sentiment (Jul)	-	20.2
T US Housing starts (MoM) (Jun)	1.17M	1.16M
W UK ILO unemployment rate (3M) (May)	5.0%	5.0%
W EU Consumer confidence (Jul)	-8.0	-7.3
W US EIA crude oil Δ (Jul 15)	-	-2.55M
Th UK Retail sales (YoY) (Jun)	4.8%	5.7%
Th EU ECB interest rate decision (Jul 21)	0%	0%
Th US Initial jobless claims (Jul 15)	265K	254K
Th US Philadelphia Fed man. survey (Jul)	4.5	4.7
Th US Existing home sales (MoM) (Jun)	5.48M	5.53M
F EU Markit PMI composite (Jul)	-	53.1
F UK Markit services PMI (Jul)	48.8	52.3
F US Markit manufacturing PMI (Jul)	51.6	51.3

Upcoming Week Key Earnings

M IBM, BofA, EMC, Netflix, Yahoo!, Charles Schwab, VMware, Hasbro
 T Microsoft, Johnson & Johnson, Novartis, Philip Morris, UnitedHealth, Lockheed Martin, Goldman Sachs, Telenor, Ericsson, Volvo
 W Intel, SAP, Qualcomm, Abbott Laboratories, American Express, Morgan Stanley, ASML Holding, Halliburton, Nordea Bank, eBay, Newmont Mining
 Th AT&T, Roche Holding, Visa, Unilever, Schlumberger, Starbucks, Union Pacific, Daimler, Biogen, PayPal, General Motors, Stryker, ABB, Bank of NY Mellon, Capital One, Blackstone
 F General Electric, Honeywell, Vodafone, Syngenta, Moody's

Upcoming Week Policy & Related Events

T UK BoE Broadbent
 Th EU ECB monetary policy statement and press conference

	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,161.74	▼ -0.09	▲ 1.49	5.8	19.3	2.1
Dow Jones	18,516.55	▲ 0.05	▲ 2.04	6.3	17.6	2.6
NASDAQ	5,029.59	▼ -0.09	▲ 1.47	0.4	21.9	1.2
Russell 2000	1,205.31	▲ 0.26	▲ 2.37	6.1	19.5	1.4
STOXX 600	337.92	▼ -0.17	▲ 3.23	-7.6	17.4	3.7
FTSE 100	6,669.24	▲ 0.22	▲ 1.19	6.8	20.9	4.1
NIKKEI 225	16,497.85	▲ 0.68	▲ 9.21	-13.3	17.4	2.0
Shanghai Index	3,054.30	▲ 4.03	▲ 4.83	-13.9	14.4	2.0
S&P Pan Arab	648.33	▼ -0.06	▲ 2.17	-1.5	11.6	3.9
VSCI ACWI	1,650.14	▼ -0.26	▲ 3.65	-3.9	16.6	3.5
VSCI EM	867.84	▲ 0.22	▲ 4.71	9.3	12.8	2.6

Fixed Income	Value	Yield %	YTD %
Barclays Global Aggregate	478.9	1.2	8.3
Barclays Global Agg. – Corporate	244.8	2.3	7.5
Barclays Global High Yield	1,154.2	6.2	11.2
Markit CDX N.A. Investment Grade	72.1	NA	NA
Markit CDX N.A. High Yield (Price)	104.6	NA	NA
Markit iTraxx Europe	53.2	NA	NA
Markit iTraxx ITX Crossover	366.6	NA	NA

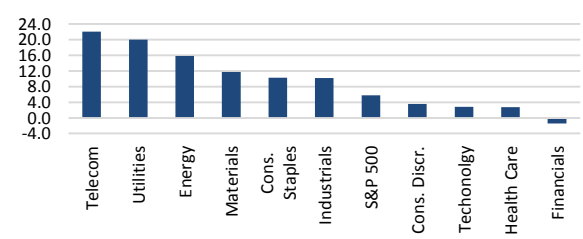
Rates	Value	Yield %
Treasuries 2-Yr	99.89	0.68
Treasuries 10-Yr	100.47	1.57
Treasuries 30-Yr	104.70	2.28
Gilts 10-Yr	110.25	0.83
Bunds 10-Yr	100.17	-0.02
French 10-Yr	102.85	0.21
Italian 10-Yr	103.44	1.23
Spanish 10-Yr	106.84	1.20
Greek 10-Yr	72.70	7.77
JGBs 10-Yr	103.37	-0.23

Volatility	Value	YTD %
S&P 500 VIX	12.67	-30.4%
Euro Stoxx 50 VIX	20.92	-5.7%
Crude Oil VIX	37.50	-18.9%
Interest Rate VIX	83.72	2.4%

Commodities	Value	YTD %
Oil-Brent	47.65	27.8%
Oil-WTI	45.89	23.9%
Natural Gas	2.79	19.3%
Gold	1,326.75	25.0%
Silver	19.87	43.5%
Copper	221.65	3.8%
S&P GSCI CME	361.12	15.9%

Currencies	Value	YTD %
EUR-USD	1.1058	1.8%
GBP-USD	1.3220	-10.3%
USD-JPY	105.6900	-12.1%
USD-CNY	6.6990	3.2%
USD-CHF	0.9837	-1.8%
AUD-USD	0.7583	4.1%
USD-CAD	1.2952	-6.4%
USD-SEK	8.5550	1.3%
DXY Index	96.6120	-2.0%

S&P 500 Sector YTD (%)



Investment Style YTD (%)

	Value	Blend	Growth
Large	7.7	5.8	3.9
Mid	12.6	10.4	8.2
Small	13.0	10.3	7.8

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

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