

Global Overview: US equities closed the week higher ahead of US three-day holiday weekend, recovering from the equity sell-off following UK's surprise referendum with the Dow at +3.2%, the S&P at +3.2% and the Nasdaq at +3.3%. The rebound in equities was helped by i) encouraging US macro data with Q1 GDP revised higher and stronger than expected manufacturing and confidence, ii) expectations of increased monetary accommodation from global central banks, and iii) investors pricing out the possibility of a Fed rate hike (FF now pricing a ~12% rate hike by December 2016 and ~29% by June 2017) while Brexit impact on global economic outlook remains uncertain. 10-year and 30-year US Treasuries closed higher after yields reached all-time lows on Brexit uncertainty, priced out Fed rate hike expectations and on relative valuation as German, Swiss and Japanese government bonds fell deeper into negative territory. US 2-year Treasuries remained stable, flattening the yield curve highlighting economic growth concerns and pressure on bank profitability from lower NIMs. Gold closed higher on safe haven demand, lower benchmark rates and signs of possible stimulus from major central banks, which also benefitted silver rising above USD 19 per ounce for the first time since September 2014. Oil ended the week higher, supported by weaker US dollar and larger than expected drawdown in US crude inventories as market rebalances despite slower Asian demand and record US gasoline stockpiles. European equities closed higher with the Stoxx 600 at +3.2% although weighed by Italian banks' sizeable bad loans putting into question sufficient bank capitalization levels. UK equities closed higher with the FTSE 100 at +7.1% mainly on weaker Sterling as BoE Carney suggests additional monetary easing, and fading Brexit concerns in the short-term. Japanese equities ended the week higher with the Nikkei 225 at +4.9% on weaker Yen, despite lower than expected industrial production adding uncertainty regarding Japan's economic recovery. Chinese equities closed higher posting their biggest weekly gain in a month with the Shanghai Composite Index at +0.7% as weaker than expected manufacturing data for June added to expectations of PBOC monetary stimulus following Brexit.

Previous Week Macro Data

	Actual	Cons.
US GDP (Q1)	1.1%	1.0%
US Consumer confidence (Jun)	98.0	93.5
US Personal spending (May)	0.4%	0.4%
US Core PCE-price index (YoY) (May)	1.6%	1.6%
US Personal income (MoM) (May)	0.2%	0.3%
US EIA crude oil Δ (Jun 24)	-4.0M	-2.4M
UK Gfk consumer confidence (Jun)	-1.0	-2.0
UK GDP (YoY) (Q1)	2.0%	2.0%
EU Core CPI (YoY) (Jun)	0.9%	0.8%
US Initial jobless claims (Jun 24)	268K	267K
JPY National CPI (YoY) (May)	-0.4%	-0.5%
JPY Unemployment rate (May)	3.2%	3.2%
UK Markit manufacturing PMI (Jun)	52.1	50.1
EU Unemployment rate (May)	10.1%	10.1%
US ISM manufacturing PMI (Jun)	53.2	51.3

Upcoming Week Macro Data

	Cons.	Prior
M JPY PMI composite (Jun)	-	49.2
T EU Markit PMI composite (Jun)	52.8	52.8
T EU Retail sales (YoY) (May)	1.7%	1.4%
T UK Markit services PMI (Jun)	52.6	53.5
T US ADP employment change (Jun)	156K	173K
W US Trade balance (May)	-\$40.0B	-\$37.4B
W US ISM non-manufacturing PMI (Jun)	53.3	52.9
Th CHF CPI (YoY) (Jun)	-0.5%	-0.4%
Th UK Industrial production (YoY) (May)	0.5%	1.6%
Th US ADP employment change (Jun)	160K	173K
Th US Initial jobless claims (Jul 1)	267K	268K
Th US JOLTS job openings (May)	-	5.8M
Th UK NIESR GDP estimate (3M) (Jun)	-	0.5%
Th US EIA crude oil Δ (Jul 1)	-	-4.0M
F US Unemployment rate (Jun)	4.8%	4.7%
F US Nonfarm payrolls (Jun)	175K	38K
F US Average hourly earnings (YoY) (Jun)	2.7%	2.5%
F US Baker Hughes oil rig count	-	341

Upcoming Week Key Earnings

- W Walgreens Boots Alliance, Cogeco Communications
- Th Samsung, Pepsico, Sports Direct International

Upcoming Week Policy & Related Events

- T UK Financial stability report, US Fed Dudley
- W EU ECB Draghi, EU ECB non-monetary policy meeting, US Fed Tarullo, US FOMC minutes
- Th JPY BoJ Kuroda, EU ECB monetary policy meeting accounts

	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,102.95	▲ 0.19	▲ 3.22	2.9	18.8	2.2
Dow Jones	17,949.37	▲ 0.11	▲ 3.15	3.0	17.0	2.7
NASDAQ	4,862.57	▲ 0.41	▲ 3.28	-2.9	21.1	1.3
Russell 2000	1,156.77	▲ 0.42	▲ 2.59	1.8	18.7	1.5
STOXX 600	332.24	▲ 0.72	▲ 3.19	-9.2	17.2	3.7
FTSE 100	6,577.83	▲ 1.13	▲ 7.15	5.4	20.8	4.1
NIKKEI 225	15,682.48	▲ 0.68	▲ 4.89	-17.1	16.7	2.1
Shanghai Index	2,932.48	▼ -0.12	▲ 0.65	-15.5	14.2	2.1
S&P Pan Arab	630.69	▲ 0.21	▼ -0.97	-4.2	11.3	4.0
MSCI ACWI	1,620.63	▲ 0.76	▲ 3.41	-5.6	16.2	3.5
MSCI EM	839.25	▲ 0.62	▲ 4.14	5.7	12.4	2.7

Fixed Income	Value	Yield %	YTD %
Barclays Global Aggregate	483.0	1.1	9.3
Barclays Global Agg. – Corporate	244.1	2.4	7.2
Barclays Global High Yield	1,133.4	6.7	9.2
Markit CDX N.A. Investment Grade	76.8	NA	NA
Markit CDX N.A. High Yield (Price)	103.3	NA	NA
Markit iTraxx Europe	66.0	NA	NA
Markit iTraxx ITX Crossover	366.6	NA	NA

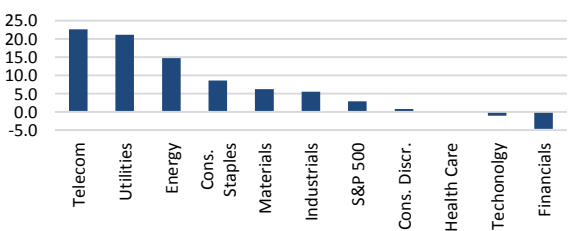
Rates	Value	Yield %
Treasuries 2-Yr	100.1	0.59
Treasuries 10-Yr	101.7	1.44
Treasuries 30-Yr	106.0	2.23
Gilts 10-Yr	110.0	0.86
Bunds 10-Yr	105.9	-0.11
French 10-Yr	103.2	0.17
Italian 10-Yr	103.4	1.24
Spanish 10-Yr	107.3	1.16
Greek 10-Yr	72.5	7.79
JGBs 10-Yr	103.6	-0.25

Commodities	Value	YTD %
Oil-Brent	50.70	36.0%
Oil-WTI	49.29	33.1%
Natural Gas	2.90	23.9%
Gold	1351.33	27.3%
Silver	20.39	47.3%
Copper	224.45	5.1%
S&P GSCI CME	376.44	20.8%

Currencies	Value	YTD %
EUR-USD	1.1137	2.5%
GBP-USD	1.3292	-9.8%
USD-JPY	102.6500	-14.6%
USD-CNY	6.6627	2.6%
USD-CHF	0.9736	-2.8%
AUD-USD	0.7514	3.1%
USD-CAD	1.2878	-6.9%
USD-SEK	8.4363	-0.1%
DX Index	95.6030	-3.1%

Volatility	Value	YTD %
S&P 500 VIX	14.8	-18.9%
Euro Stoxx 50 VIX	25.0	12.8%
Crude Oil VIX	36.6	-20.8%
Interest Rate VIX	83.2	1.7%

S&P 500 Sector YTD (%)



Investment Style YTD (%)

	Value	Blend	Growth
Large	4.9	2.9	1.0
Mid	9.5	7.3	5.1
Small	8.3	5.7	3.4

FFA Equity Ideas

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, WSJ, CNBC, Briefing, FXStreet.

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