

Global Overview: US equities closed a week of solid gains led by financials and technology amid lighter volume ahead of long weekend, with the Dow at +2.1%, the S&P at 2.3% and the Nasdaq outperformed at 3.4% as markets awaited Fed Reserve Chair Yellen's end of week comments which showed alignment with previous Fed speak by stating that a rate hike would be probably appropriate in coming months if economic data continues to improve (FF now pricing a ~30% rate hike by June 2016 and ~53% by July 2016). US equity gains were mainly driven by i) stronger crude oil on larger-than-expected decline in US crude inventories despite retreating from USD 50 levels by end of week on oversupply concerns, stronger US Dollar and profit-taking ahead of June 2 OPEC meeting, and ii) mixed US macro data with better than expected initial jobless claims and housing starts while core PCE came in line with expectations, despite revised Q1 GDP growth and Michigan consumer sentiment still softer than expected. US Treasuries and Gold were lower weighed by firmer US Dollar on increased rate hike expectations in near term. European equities closed higher ahead of Yellen speech with the Stoxx 600 at +3.4% also supported by energy and autos. Japanese equities traded higher with the Nikkei 225 at +0.59% helped by weaker Yen as extended fiscal stimulus plans included talks of delaying sales tax by one to three years. Chinese equities closed slightly lower with the Shanghai Index at -0.1% as weaker industrial profits added to concerns over economic activity. Important US macro data this week include personal spending, core PCE, personal income, S&P Case-Shiller home price index, consumer confidence, ADP employment change, ISM manufacturing PMI, initial jobless claims, EIA crude oil change, unemployment rate, nonfarm payrolls, and ISM non-manufacturing PMI. Other macro data include EU unemployment rate, EU core CPI, EU Markit manufacturing PMI, EU interest rate decision, EU Markit PMI composite, UK Markit manufacturing PMI, JPY unemployment rate, CNY NBS manufacturing PMI. Earnings season winds down with reports from Tata Motors, Medtronic, Michael Kors among others.

Previous Week Macro Data

	Actual	Cons.
US Markit manufacturing PMI (May)	50.5	51.0
EU Consumer confidence (May)	-7.0	-9.0
US New home sales (MoM) (Apr)	0.6M	0.5M
US EIA crude oil Δ (May 20)	-4.2M	-2.5M
UK GDP (YoY) (Q1)	2.0%	2.1%
US Initial jobless claims (May 20)	268K	275K
US Durable goods orders (Apr)	3.4%	0.5%
JPY CPI (YoY) (Apr)	-0.3%	-0.4%
US GDP (Q1)	0.8%	0.9%
US Core PCE (QoQ) (Q1)	2.1%	2.1%
US Reuters/Michigan cons. sent. ind. (May)	94.7	95.4
Upcoming Week Macro Data	Cons.	Prior
M JPY Unemployment rate (Apr)	3.2%	3.2%
T EU Unemployment rate (Apr)	10.2%	10.2%
T EU Core CPI (YoY) (May)	0.8%	0.7%
T US Personal spending (Apr)	0.4%	0.1%
T US Core PCE- price index (YoY) (Apr)	1.6%	1.6%
T US Personal income (MoM) (Apr)	0.4%	0.4%
T US S&P Case-Shiller home price ind. (YoY) (Mar)	5.1%	5.4%
T US Consumer confidence (May)	96.3	94.2
T CNY NBS manufacturing PMI (May)	50.0	50.1
W EU Markit manufacturing PMI (May)	51.5	51.5
W UK Markit manufacturing PMI (May)	49.8	49.2
W US ADP employment change (May)	175K	156K
W US ISM manufacturing PMI (May)	50.4	50.8
W EU Interest rate decision (Jun 2)	0%	0%
Th US Initial jobless claims (May 27)	270K	268K
Th US EIA crude oil Δ (May 27)	-	-4.2M
Th EU Markit PMI composite (May)	52.9	52.9
F US Unemployment rate (May)	4.9%	5.0%
F US Nonfarm payrolls (May)	160K	160K
F US ISM non-manufacturing PMI (May)	55.4	55.7

Upcoming Week Key Earnings

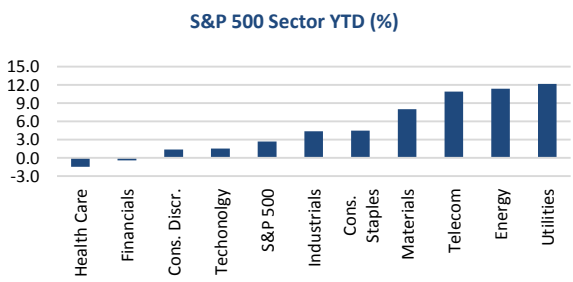
M	Tata Motors
T	Medtronic, Bank of Nova Scotia, Workday
W	Michael Kors, Guidewire Software
Th	Broadcom, The Cooper Companies, 58.com

Upcoming Week Policy & Related Events

W	US Fed Beige book
Th	OPEC meeting, EU ECB monetary policy statement and press conference, US Fed Powell and Kaplan
F	US Fed Evans and Brainard

	Value	1 Day %	1 Week %	YTD %	P/E	Div. Yld. %
S&P 500	2,099.1	▲ 0.43	▲ 2.28	2.7	18.8	2.2
Dow Jones	17,873.2	▲ 0.25	▲ 2.13	2.6	17.0	2.6
NASDAQ	4,933.5	▲ 0.65	▲ 3.44	-1.5	21.2	1.3
Russell 2000	1,150.5	▲ 0.94	▲ 3.43	1.3	19.8	1.5
STOXX 600	349.6	▲ 0.21	▲ 3.44	-4.4	18.1	3.6
FTSE 100	6,270.8	▲ 0.08	▲ 1.86	0.5	20.2	4.2
NIKKEI 225	16,834.8	▲ 0.37	▲ 0.59	-10.3	18.0	2.0
Shanghai Index	2,821.0	▼ -0.05	▼ -0.16	-20.2	13.4	2.2
S&P Pan Arab	629.1	▼ -0.50	▼ -1.13	-4.5	11.2	4.1
MSCI ACWI	1,668.8	▼ -0.06	▲ 2.11	-2.8	16.7	3.5
MSCI EM	808.29	▲ 0.67	▲ 2.93	1.8	11.8	2.9

Fixed Income	Value	Yield %	YTD %
Barclays Global Aggregate	468.8	1.38	6.05
Barclays Global Agg. – Corporate	239.66	2.60	5.25
Barclays Global High Yield	1,117.11	6.89	7.63
Markit CDX N.A. Investment Grade	76.2	NA	NA
Markit CDX N.A. High Yield	102.9	NA	NA
Markit iTraxx Europe	58.4	NA	NA
Markit iTraxx ITX Crossover	366.6	NA	NA



Rates	Value	Yield %
Treasuries 2-Yr	99.9	0.91
Treasuries 10-Yr	98.0	1.85
Treasuries 30-Yr	97.0	2.65
Gilts 10-Yr	104.9	1.43
Bunds 10-Yr	103.3	0.16
French 10-Yr	100.1	0.49
Italian 10-Yr	105.6	1.37
Spanish 10-Yr	104.2	1.49
Greek 10-Yr	75.8	7.16
JGBs 10-Yr	102.2	-0.12

Volatility	Value	YTD %
S&P 500 VIX	13.1	-28.0%
Euro Stoxx 50 VIX	20.5	-7.7%
Crude Oil VIX	35.5	-23.3%
Interest Rate VIX	84.4	3.2%

	Investment Style YTD (%)		
	Value	Blend	Growth
Large	4.2	2.7	1.3
Mid	8.5	6.7	4.9
Small	6.8	4.6	2.7

Commodities	Value	YTD %
Oil-Brent	49.1	31.7%
Oil-WTI	49.2	32.8%
Natural Gas	2.2	-7.6%
Gold	1,204.9	13.5%
Silver	16.0	15.4%
Copper	209.5	-1.9%
S&P GSCI CME	371.9	19.3%

Currencies	Value	YTD %
EUR-USD	1.1120	2.4%
GBP-USD	1.4613	-0.8%
USD-JPY	111.2800	-7.4%
USD-CNY	6.5820	1.4%
USD-CHF	0.9946	-0.7%
AUD-USD	0.7172	-1.6%
USD-CAD	1.3069	-5.6%
USD-SEK	8.3452	-1.1%
DX Index	95.8590	-2.8%

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

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