

Macroeconomic Overview

U.S. Markets

Index	Weekly % Change	YTD % Change
S&P 500	+1.54%	+1.76%
Dow Jones Industrial	+1.82%	+2.71%
NASDAQ Composite	+1.80%	-1.38%
Russell 2000	+3.06%	-0.44%
VIX	-0.50%	-24.05%

U.S. equity benchmarks largely recovered their losses from last week. Some of the US equity indexes actually recorded their highest level in 2016. Nevertheless, U.S. economic reports were not as good as expected

this week. On Tuesday, the NFIB Small Business Optimism report was announced at a constant 92.6 level, below the consensus of 93.9. Released on Wednesday, the Retail Sales (MoM) report came out below expectations of 0.1%, with a drop of 0.3% in the last month of the quarter. However, the precedent report from February was revised to be flat instead of being down by 0.1%. Released on Wednesday as well, the Producer Prices Index fell 0.1% in March. Services prices, which account for two thirds of the index, were the main cause for the unexpected drop. On Thursday, the Core CPI index (MoM) gained 0.1%, but was still below expectations of 0.2%. On Friday, the Industrial Production (MoM) and the Manufacturing Production reported a loss of 0.6% and 0.3% respectively. Nonetheless, the Standard & Poor's 500 index ended the week at 2080.73 points for a gain of 1.54%, only 2.40% below its all-time high of 2,130.82 set in May 2015. In the meantime,



S&P 500, DJIA, NASDAQ Composite, Russell 2000 5-day chart.

the Dow Jones Industrial index rose by 1.82% during the week, closing at 17897.46 points for a year to date gain of 2.71%. These increases were mainly driven by a very good Initial Jobless Claims report and Chinese economic data. Initial jobless claims reached their lowest level since 1973 at 253,000 claims for a consensus of 270,000. Investors welcomed this robust signal very positively since the U.S. population, hence the workforce, was way smaller in 1973. In addition, China released its exports

report, which is up by 11.5% (YoY) in March, beating the consensus of 2.5%. Chinese Industrial Production and Retail Sales went up by 6.8% (YoY) and 10.5% (YoY), beating consensus by 0.9% and 0.1% respectively. Gross Domestic Product also increased by 6.7% in the first quarter, which is in line with forecasts' ranges of 6.5%- 7%, leading investors to think that the Chinese economy might have stabilized and is heading to a "soft landing". The NASDAQ Composite rise by 1.80%, and the Russell 2000 gained 3.06% over the week. Despite the rally, both indexes still remain in negative territory year to date. Following these strong economic data from China, the VIX fell 0.50%, and gold reached a level of \$1233.99/ounce for a decrease of 1.90% over the week, while silver increased by 1.93% at \$16.2335/ounce. The West Texas Intermediate oil futures for delivery in May ended the week at \$40.40/barrel, while Brent contracts for June reached a level of \$43.10/barrel, for a rise of 2.77% ahead of the OPEC and Non OPEC countries meeting in Doha on Sunday. In the corporate news this week, Canadian Pacific drops its bid for Norfolk Southern because of growing concern regarding the voting-trust structure proposed by Canadian Pacific. Next week, investors are going to look closely to conclusions of the Doha meeting.

International Markets

Index	Weekly % Change	YTD % Change
BE 500	+3.44%	-6.48%
Stoxx Europe 600	+3.29%	-6.29%
DAX	+4.46%	-6.44%
FTSE 100	+2.25%	+1.62%
CAC 40	+4.46%	-3.06%
Nikkei 225	+6.49%	-11.48%
Shanghai Composite	+3.12%	-13.03%
Shenzhen Composite	+3.36%	-14.31%

International equity markets showed strong performance last week thanks to all the economic data releases mentioned before. In addition, investors reacted positively to the proposed plan to help Italian banks. The Stoxx Europe 600 attained its highest level in a month at 342.79, and the Bloomberg European 500 reached

a level of 231.22 for a 3.44% weekly gain. Despite the Brexit referendum being held in 10 weeks, the U.K's FTSE 100 Index did not show any sign of bearish trend this week with a gain of 2.25%, and it is up by 1.62% year to date. The French CAC 40 index, ended the week on an impressive gain of 4.46% at 4303.12 points. Its German counterpart, The DAX index, recorded the same weekly performance of 4.46% for a year to date change of -6.44%. In Asia, the Nikkei 225, the Shanghai Composite and the Shenzhen Composite ended the week with an increase of 6.49%, 3.12% and 3.36% respectively. Next week, the U.K will release its Retail Sales report on Thursday and Germany will release its Manufacturing PMI on Friday.