

# Macroeconomic Overview

## U.S. Markets

Index	Weekly % Change	YTD % Change
S&P 500	+4.79%	-6.23%
Dow Jones Industrial	+4.67%	-5.93%
NASDAQ Composite	+5.57%	-10.04%
Russell 2000	+5.87%	-11.11%
VIX	-26.83%	+13.07%

Positive sentiment finally made a comeback in the markets last week, after terrible selling pressure in January sent most equity benchmarks in correction territory. The S&P 500 recorded three consecutive days of gains for the first time in the year, finishing the week on a gain of 2.85%. Small caps slightly outperformed large caps last week, with the Russell 2000 recording a 3.97% gain, while the Dow Jones finished the week 2.61% higher. The markets were helped by slightly better than expected economic data, calming fears that U.S economic growth is slowing down. The rebound was also helped by a bounce in oil prices after several OPEC countries agreed on principle to freeze



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

output at January levels. The commodity continued on its very volatile streak, logging two consecutive days of double-digit percentage changes, to finish the week almost unchanged. WTI crude closed up 1.43% at \$29.86, while Brent lost -0.27% at \$33.27. The improvement in equity markets caused a sharp decrease in volatility as measured by the VIX, which fell 26.83% last week after increasing almost 40% year-to-date. Despite the rally in equities, gold remained relatively

steady, recording a gain of 1.91%, while silver was almost unchanged at +0.88%. The week ahead is packed with several important economic releases, starting with the release of the February manufacturing PMI on Monday. On Tuesday, the consumer confidence report and existing home sales figures will both be released at 10, followed by new home sales on Wednesday at 10. On Thursday, the weekly jobless claims will be announced at 8:30 as well as durable goods orders, and fourth quarter preliminary GDP figures will be published on Friday before markets open.

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## International Markets

Index	Weekly % Change	YTD % Change
BE 500	+4.53%	-10.88%
Stoxx Europe 600	+4.47%	-10.78%
DAX	+4.69%	-12.61%
FTSE 100	+4.25%	-4.68%
CAC 40	+5.71%	-8.93%
Nikkei 225	+6.79%	-16.11%
Shanghai Composite	+3.49%	-19.19%
Shenzhen Composite	+5.7%	-19.85%

International equity markets experienced the same rebound as their American counterparts, especially the Nikkei 225 which had been badly hit since the start of the year. The index recorded a 6.79% gain last week, but is still down over 16% year-to-date. In China, sentiment also improved modestly, and the Shanghai and Shenzhen Composite indices posted gains of

3.49% and 5.7% respectively. European stocks also performed well, especially French stocks, which took the CAC 40 up 5.71% and back above the psychological 4,000 level. European equities received a boost from ECB chair Mario Draghi's comments on Monday that additional stimulus measures might be put in place later in the year. The DAX index of German stocks gained 4.69%, while England's FTSE rose 4.25%, and the broader Stoxx Europe 600 and Bloomberg Euroean 500 posted gains of 4.47% and 4.53% respectively.