Macroeconomic Overview

U.S. Markets

Index	Weekly % Change	YTD % Change
S&P 500	+2.64%	-2.15%
Dow Jones Industrial	+2.2%	-2.4%
NASDAQ Composite	+2.76%	-5.8%
Russell 2000	+4.27%	-4.75%
VIX	-17.35%	-7.41%

U.S markets had another good week, as a rebound in oil prices and positive economic data gave investors a much needed confidence boost. The week was off to a bad start, with February pending home sales coming in below estimates, as well as a Chicago PMI reading of 47.6, much lower than the consensus at 52.9. This caused the S&P 500 to lose 0.83% on Monday and record its third consecutive monthly loss, which was very modest at -0.41%. On Tuesday, the trend reversed and set the mood for the rest of the week, thanks in part to a satisfying reading in the manufacturing PMI and strong growth in construction spending. Later in the week, positive employment data fueled the rally further and allowed the major indices to record four days of consecutive gains. As a result, the S&P 500 rose 2.64%, bringing its 3-week return to 6.31%, and volatility as measured by the VIX fell by 17.35%. The NASDAQ Composite slightly outperformed the S&P 500, with a weekly gain of 2.74% mostly fueled by banks and financials. Small cap stocks also staged a strong comeback, especially energy stocks which caused the Russell 2000 to spike 4.27%. The Dow Jones Industrial Average recorded the lowest gain of the week, rising 2.2% to close above 17,000 for the first time since January. The rally is also partly attributable to the rebound in oil prices, which are starting to reflect the slowdown in supply due in part to shale oil production cuts in the U.S. As a result, crude oil had one of its strongest weeks, and the price of WTI jumped above $35 for the first time since January (+10.43%) while Brent gained 10.76%. Most commodities recorded gains last week, which were reflected in the Bloomberg Commodity Index's 3.21% weekly gain. Gold, which usually has an inverse correlation with equity markets, recorded a surprising 2.03% gain and hit levels not seen in over a year, while silver also followed the same path with an even bigger weekly gain of 4.77%. The week ahead is unusually light in macroeconomic releases, and investors will have little information to digest apart from the usual EIA report on Wednesday and jobless claims on Thursday.

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

International Markets

Index	Weekly % Change	YTD % Change
BE 500	+3.08%	-6.9%
Stoxx Europe 600	+3.09%	-6.56%
DAX	+3.27%	-8.55%
FTSE 100	+1.7%	-0.69%
CAC 40	+3.29%	-3.89%
Nikkei 225	+5.1%	-10.61%
Shanghai Composite	+3.86%	-18.79%
Shenzhen Composite	-1.7%	-26.07%

Abroad, most equity markets also benefitted from the rebound in oil prices and most indices recorded a third consecutive positive week. In Europe, financials and energy stocks were the main drivers of the rally that pushed the BE500 up 3.08% and the Stoxx Europe 600 up 3.09%. European markets were also helped by the negative inflation figures that indicate more stimulus is on the way by the ECB. The tendency was even across Europe, with the French CAC gaining 3.29% while the German DAX rose 3.27%. The picture was less bright in the U.K, where concerns about the state of the economy increasingly weigh on British stocks, on top of renewed talks of a "Brexit". As aresult, the FTSE 100 recorded a more modest gain of 1.7% for the week. In Asia, the Nikkei finally put a halt to its free fall, after hitting a multi-year low in February. The Japanese benchmark rallied 5.1% to close back above 17,000 for the first time in a month, but is still down over 10% year to date. Japan also made history last week when the government issued negative interest rate for the first time on Tuesday. The ¥2.2T ($19.3B) auction of 10-year notes was offered at an average yield of -0.024%, and was oversubscribed by more than three times. In China, the equity markets almost recovered from last week's losses despite plunging on Monday, but still remain far in the red year to date. This translated into a gain of 3.86% for the Shanghai Composite rose 3.86% while the Shenzhen Composite fell 1.7% mainly because of IT stocks.