

Macroeconomic Overview

U.S. Markets

	Index	Weekly % Change	YTD % Change
SPX Index	S&P 500	-0.67%	5.37%
INDU Index	Dow Jones Industrial	-0.37%	4.68%
CCMP Index	NASDAQ Composite	-0.37%	5.69%
RTY Index	Russell 2000	-1.21%	8.86%
VIX Index	VIX	1.43%	-25.97%

U.S equity indexes ended the week on small losses. The markets recorded slight gains on Monday thanks to an ISM Manufacturing PMI at a level of 51.5 for September against a consensus at 50.3

and an ISM Manufacturing Employment also above expectations at 49.7 (vs a consensus of 49.0). On Tuesday, all indexes reacted negatively to Chicago Fed President's, Charles Evans, comments. He announced that he was "fine" with the perspective of a raise of interest rates before the end of the year if economic data kept showing signs of improvement. The markets reacted drastically to this announcement because Evans is the most prominent advocate on the Federal Open Market Committee of keeping interest rates at low levels. However, on Wednesday, all indexes erased their losses because of the ADP nonfarm employment change, which is



considered as a good proxy for the nonfarm payroll report. Even though it was below the expectations of 166,000, the economy created 154,000 jobs according to the indicator. Investors interpreted this number as a possible catalyst for a delay in interest rates hike. The official nonfarm payrolls report came out at 156,000 job creation

compared to a consensus at 175,000, while the unemployment rate rose at an unexpected 5.0% driving U.S equity markets on slight weekly loss.

Commodities

Oil prices have followed an upward trend over the week. The West Texas Intermediate oil futures for delivery in November began the week around a price of \$48 a barrel and end it at \$49.55/barrel, for a rise of 2.72% over the week. Oil prices spiked at \$50 during the week for the first time since Brexit. Regarding the precious metals market, gold finished the week at \$1257.08/ounce, its lowest level in three years, for a 4.16% weekly loss. Silver ended the week on a 6.75% loss at \$17.54/ounce. Both metal prices reflected investors' concerns amid rates hike.

Specific news: Twitter (TWTR) did not achieve to find serious bidders in its effort to be acquired. Its stock price fell by 14.03% over the week. Verizon (VZ) is potentially looking at a \$1 billion discount for its acquisition of Yahoo (YHOO). Verizon's move happened after the announcement that 500 million user accounts were hacked, and reports that Yahoo helped the FBI to implement spy program to scan its users' emails.

Next week ahead: Investors should look closely at Fed Labor Market Conditions Index release on Tuesday. It could be a very good indicator regarding Fed's decision to raise interest rates. Retail Sales report is also an important news and is expected on Friday. Citigroup, JP Morgan Chase and the scrutinized Wells Fargo will release their earnings, giving investors some metrics to analyze the U.S financial industry's health.

International Markets

	Index	Weekly % Change	YTD % Change
BE500 Index	BE 500	-1.26%	-8.06%
SXXP Index	Stoxx Europe 600	-0.96%	-7.15%
DAX Index	DAX	0.82%	-2.35%
UKX Index	FTSE 100	2.10%	12.85%
CAC Index	CAC 40	0.04%	-4.04%
NKY Index	Nikkei 225	2.49%	-11.42%
SHCOMP Index	Shanghai Composite	-0.96%	-15.10%
SZCOMP Index	Shenzhen Composite	-0.62%	-13.57%

Europe:

The Bloomberg European 500 and the Stoxx Europe 600 finished the week in negative territory with a loss of respectively 1.26% and 0.96%. Nonetheless, the German, French and British markets all finished the week on a gain. The

FTSE 100 recorded an important gain of 2.10% after Theresa May, the UK's prime minister, announcement of an exact timeline for the Brexit. She said that UK will engage into the official removal from the E.U before the end of March 2017. The process will not take more than two years according to the European treaties, leaving UK government with a restricted timeline to renegotiate access to European markets. The announcement made the pound against the U.S dollar plunged to its lowest level in 31 years but sharply recovered afterwards to finish the week at 1.2438 to the dollar.

Asia:

The Nikkei 225 finished the week on a 2.49% gain mainly because of currency moves. The Yen decreased amid American rates hike prospects. The Chinese yuan became one of the currency included in the basket of currencies that serves as units of account for the International Monetary Fund. The Yuan joined the much closed club composed of the U.S dollar, the Euro, the British Pound and the Japanese Yen. It is a significant step for the Chinese government, which has been trying to gain a greater international status.