

# Ansbacher Weekly Market Recap

November 19, 2018



## Previous Week Market Performance

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	25,413.22	-2.22	1.18	2.81
S&P 500 Index	2,736.27	-1.61	0.90	2.34
S&P 600 SmallCap Index	961.44	-1.15	1.21	2.69
Nasdaq Composite Index	7,247.87	-2.15	-0.79	4.99
S&P/TSX Composite Index	15,155.50	-0.78	0.85	-6.50
Brazil Ibovespa Index	88,515.27	3.36	1.25	15.85
Europe				
MSCI Europe	121.13	-1.98	-0.92	-7.82
Euro Stoxx 50 Price	3,180.74	-1.51	-0.52	-9.22
FTSE 100 Index	7,013.88	-1.29	-1.60	-8.77
DAX Index	11,341.00	-1.63	-0.93	-12.21
CAC 40 Index	5,025.20	-1.60	-1.34	-5.41
IBEX 35 Index	9,056.80	-0.85	1.84	-9.83
Swiss Market Index	8,907.39	-1.84	-1.27	-5.06
Asia				
Nikkei 225	21,680.34	-2.56	-1.10	-4.76
Hang Seng Index	26,183.53	2.27	4.82	-12.49
CSI 300 Index	3,257.67	2.85	3.29	-19.18
S&P/ASX 200 Index	5,730.55	-3.23	-1.71	-5.52
Nifty 50	10,682.20	0.92	2.85	1.44
Global				
MSCI World	2,031.76	-1.52	0.48	-3.41
MSCI Emerging Markets	986.30	1.04	3.18	-14.86
MSCI EAFE	1,812.84	-1.51	-0.13	-11.60
Commodities				
WTI Crude	56.46	-6.20	-13.55	-2.77
Brent Crude	66.76	-4.87	-11.03	5.43
NYMEX Nat Gas	4.27	14.87	31.00	42.54
Gold	1,223.36	1.13	0.71	-6.10
Silver	14.42	1.90	1.24	-14.84
Copper	279.85	4.25	5.25	-15.21
S & P GSCI Agriculture	290.75	0.24	2.54	3.05

ICE BAML Bond Indices (Total Return)		% chg				
Americas	Value	WTD	MTD	YTD		
US 1-10 Year Treasury	1,343.24	0.54	0.43	-0.26		
US 3-5 Year Treasury	1,968.17	0.60	0.45	-0.33		
US Corporates	2,808.63	-0.10	0.04	-3.46		
US High Yield	1,259.72	-1.29	-1.03	-0.18		
Canadian 1-10 Year Govt.	754.76	0.49	0.51	0.44		
Europe						
Euro Govt. Index	726.96	-0.14	-0.27	-0.79		
Euro High Yield	296.81	-1.68	-1.25	-2.50		
UK Gilts 1-10 Year	931.74	0.46	0.21	0.28		
German 1-10 Year Govt.	514.21	0.19	0.08	0.62		
Asia						
Japan 1-10 Year Govt.	293.11	0.07	0.08	-0.03		
Hong Kong 1-10 Year Govt.	177.93	0.28	0.34	0.38		
China 1-10 Year Govt.	178.21	0.44	0.74	7.06		
Australia 1-10 Year Govt.	1,406.36	0.35	-0.22	2.27		
Global						
Global Broad Market	253.72	0.41	0.37	-2.97		
Global Emerging Markets	453.44	-1.10	-0.59	-2.93		
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields						
	Spot Rate	% chg				
		WTD	MTD	YTD	2-yr	10-yr
USD					2.80	3.06
EUR	1.1415	0.70	0.91	-4.91	-0.59	0.37
CHF	0.9999	-0.57	-0.85	2.63	-0.73	-0.03
GBP	1.2834	-1.06	0.53	-5.02	0.72	1.41
JPY	112.83	-0.88	-0.10	0.12	-0.14	0.10
CAD	1.3148	-0.48	-0.07	4.59	2.22	2.36
AUD	0.7332	1.47	3.66	-6.11	2.05	2.68
NZD	0.6878	2.09	5.54	-3.10	1.92	2.71
DKK	6.5363	-0.67	-0.90	5.31	-0.59	0.34
NOK	8.4411	0.07	0.04	2.89	0.80	1.94
SEK	9.0028	-0.85	-1.77	10.01	-0.42	0.58

Source: Bloomberg. Data and performance for the week ending November 16, 2018.

## Market Highlights

Shares of **PG&E CORPORATION** plummeted after the company disclosed an 'electric incident' occurred shortly before a deadly wildfire devastated Northern California. Investors were rattled after the utility provider advised that their insurance coverage was not enough to cover potential liabilities if they were found liable. Shares were down over 60% since the fire broke out on November 8, however rallied sharply on Friday after the President of California's Public Utilities Commission advised that he did not see the company being allowed to go bankrupt.

On Thursday, **WALMART**, the world's largest retailer, reported earnings for its fiscal third quarter that surpassed analysts' expectations. The company also raised its full year guidance. EPS for the third quarter came in at \$1.08 per share versus expectations of \$1.01 per share. While the company had a slight miss on revenues, same store sales in the U.S. were up 3.4% versus the forecast of 3.1%. In the e-commerce component, online sales grew 43%.

## Economic Updates

The **GERMAN ECONOMY** shrank by a worse than expected 0.2% in the third quarter after expanding by 0.5% in the second quarter. It was the first decline since early 2015. Economists had forecasted a decline of 0.1%. The drop was primarily due to temporary factors including a fall in exports with the contraction considered a one off event. However, the slowdown in Europe's largest economy complicates the task of the European Central Bank who is widely expected to announce policy normalization at its next meeting in December.

**U.S. RETAIL SALES** recovered in October as rebuilding efforts in hurricane-damaged areas drove a surge in purchases of motor vehicles and building materials. Sales grew by 0.8% month over month, surpassing expectations of a 0.5% increase and following a 0.1% decline in September. Meanwhile, **U.K. RETAIL SALES** fell for the second consecutive month in October. Sales were down 0.5%, last month drastically missing expectations for growth of 0.2%. Pundits attributed the decline to consumers tightening their finances amidst Brexit uncertainty.

**U.S. CONSUMER PRICES** rose at their quickest pace this year as energy costs and rents grew. On a yearly basis, prices rose 2.5% in October after increasing by 2.3% in September. Excluding energy and food, prices gained 2.1% year-over-year.

The **ITALIAN GOVERNMENT** resubmitted its budget to the European Commission, maintaining its plan to incur a budget deficit of 2.4% of GDP in 2019. The government will stick to its plans to cut taxes, introduce a basic income and reduce the retirement age, defying a request by the EU last month to submit a budget with a deficit in line with bloc regulations. The Commission could launch deficit procedures against the country, which could result in sanctions.

## Political Updates

One day after British Prime Minister Teresa May announced that her cabinet had agreed to terms of a draft **BREXIT DEAL**, several ministers resigned including the Brexit Secretary. The resignations are likely to spark a vote of no confidence in Mrs. May's leadership and raise the likelihood of a 'no-deal' Brexit in March 2019. The proposed deal would see the EU's free movement rules applying until 2020. The U.K. would also have to follow all EU rules and court rulings during the transition period.

Saudi Arabia's public prosecutor is seeking the death penalty for five persons suspected of killing journalist **JAMAL KHASHOGGI** at the Saudi Consulate in Istanbul last month. Six persons are also expected to face lesser charges for their involvement. A spokesperson for the office advised that a team had orders to bring the journalist back to Saudi Arabia, but ultimately killed and dismembered him after he resisted. The U.S. announced sanctions on 17 individuals for their alleged role in the killing.

## Upcoming Events

**CANADA** will release inflation figures for September on November 23.

Markit **EUROZONE MANUFACTURING PMI** data will be announced on November 23.

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