



## Ansbacher Weekly Market Recap

May 20, 2019

### Trusted for Generations

*Ansbacher (Bahamas) Limited is a leader in private wealth management that caters to the financial well-being of an exclusive clientele of high net worth individuals, corporations and institutions.*

## Previous Week Market Summary

### Equities

A mixed bag in global equity markets this week as Europe gained while the US and Asia saw losses. Stocks in emerging markets saw losses over the period.

- A period in which major stock indices in the US declined with the Nasdaq Composite (-1.27%), the S&P 500 (-0.76%) and the blue-chip benchmark, the Dow (-0.69%) all dropping.
- Major equity indices in Europe made gains over the period led by the French CAC40 (+2.08%), the FTSE 100 (+2.02%) and the DAX (+1.49%) which all increased.
- In Asia, it was a negative week for equities as major indices made losses with changes seen in the CSI 300 (-2.19%) and a smaller move down coming from Japan's Nikkei (-0.44%).
- Emerging markets also had a bad week with the MSCI Emerging Markets Index dropping (-3.58%).

### Commodities

WTI Crude climbed over the week to close higher \$1.10 at \$62.76.

Gold had a disappointing week and fell (-0.66%) to close at \$1,277.53.

### Rates and Currencies

By At the close of the week, the US 2-year and 10-year yields had both fallen by 6.8bps to 2.20% and 7.6bps to 2.39%, respectively. Similarly, the EUR 2-year and 10-year yields stood at -0.65% and -0.10%, respectively, having moved lower by 3.1bps and 5.9bps from the previous week.

The USD weakened against the EUR (-0.67%) and the GBP (-2.11%) while it strengthened against the JPY (+0.12%). The USD lost against the AUD (-1.91%).

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*Founded in 1957, Ansbacher (Bahamas) Limited is the oldest private bank in The Bahamas. It is autonomous, with the freedom and flexibility to work independently to deliver bespoke financial solutions.*

## Previous Week Market Summary

Equity Indices (Price Return)		% chg		
Americas	Value	WTD	MTD	YTD
Dow Jones Industrial Avg	25,764.00	-0.69	-3.12	10.44
S&P 500 Index	2,859.53	-0.76	-2.93	14.07
S&P 600 SmallCap Index	934.56	-3.08	-4.15	10.61
Nasdaq Composite Index	7,816.29	-1.27	-3.45	17.80
S&P/TSX Composite Index	16,401.75	0.64	-1.08	14.51
Brazil Ibovespa Index	89,992.73	-4.52	-6.60	2.40
Europe				
MSCI Europe	128.71	1.16	-2.52	12.71
Euro Stoxx 50 Price	3,425.64	1.92	-2.53	14.13
FTSE 100 Index	7,348.62	2.02	-0.94	9.22
DAX Index	12,238.94	1.49	-0.85	15.91
CAC 40 Index	5,438.23	2.08	-2.65	14.96
IBEX 35 Index	9,280.10	1.78	-3.04	8.67
Swiss Market Index	9,659.08	1.97	-1.13	14.59
Asia				
Nikkei 225	21,250.09	-0.44	-4.53	6.17
Hang Seng Index	27,946.46	-2.11	-5.90	8.13
CSI 300 Index	3,648.76	-2.19	-6.76	21.20
S&P/ASX 200 Index	6,365.30	0.86	0.63	12.73
Nifty 50	11,407.15	1.14	-2.90	5.01
Global				
MSCI World	2,116.51	-0.46	-2.85	12.35
MSCI Emerging Markets	996.39	-3.58	-7.68	3.17
MSCI EAFE	1,865.83	0.04	-2.90	8.49
Commodities				
WTI Crude	62.76	1.78	-1.80	33.73
Brent Crude	72.21	2.25	0.21	31.87
NYMEX Nat Gas	2.63	0.46	2.17	-3.17
Gold	1,277.53	-0.66	-0.47	-0.39
Silver	14.40	-2.62	-3.70	-7.07
Copper	274.80	-1.33	-5.29	4.45
S & P GSCI Agriculture	269.24	4.82	0.73	-5.16

ICE BAML Bond Indices (Total Return)		% chg				
Americas	Value	WTD	MTD	YTD		
US 1-10 Year Treasury	1,394.65	0.27	0.46	2.08		
US 3-5 Year Treasury	2,046.76	0.29	0.46	2.13		
US Corporates	3,014.25	0.33	0.36	5.98		
US High Yield	1,335.35	-0.06	-0.60	8.25		
Canadian 1-10 Year Govt.	779.25	0.13	0.03	1.59		
Europe						
Euro Govt. Index	762.13	0.43	0.44	2.97		
Euro High Yield	310.46	0.00	-0.86	5.81		
UK Gilts 1-10 Year	945.79	0.30	0.52	1.07		
German 1-10 Year Govt.	521.92	0.20	0.44	1.11		
Asia						
Japan 1-10 Year Govt.	294.41	0.01	0.00	0.09		
Hong Kong 1-10 Year Govt.	181.35	0.10	0.17	0.95		
China 1-10 Year Govt.	182.27	0.23	0.59	1.30		
Australia 1-10 Year Govt.	1,495.66	0.50	0.76	4.29		
Global						
Global Broad Market	264.98	-0.07	0.44	2.44		
Global Emerging Markets	478.56	-0.23	-0.57	6.72		
Currency Performance (vs. USD) & Govt. Bond Benchmark Yields						
	Spot Rate	% chg			2-yr	10-yr
		WTD	MTD	YTD		
USD					2.20	2.39
EUR	1.1158	-0.67	-0.51	-2.69	-0.65	-0.10
CHF	1.0110	-0.08	-0.81	2.94	-0.79	-0.38
GBP	1.2724	-2.11	-2.36	-0.24	0.70	1.03
JPY	110.08	0.12	-1.20	0.36	-0.16	-0.05
CAD	1.3458	0.31	0.52	-1.31	1.61	1.69
AUD	0.6868	-1.91	-2.55	-2.57	1.21	1.64
NZD	0.6519	-1.18	-2.34	-2.98	1.37	1.79
DKK	6.6927	0.70	0.53	2.78	-0.64	0.00
NOK	8.7949	0.93	1.91	1.78	1.33	1.68
SEK	9.6417	0.31	1.62	8.91	-0.60	0.19

Source: Bloomberg. Data and performance for the week ending May 17, 2019.

## Global Market Summary

### Market Highlights

For the third time in less than a year, German pharmaceutical giant **BAYER AG** lost a trial related to its Roundup weed killer. On Monday, a U.S. jury ordered the company to pay \$2 billion in punitive damages to a couple who claimed that Roundup was responsible for causing their cancer. While the award is likely to be reduced, it is another legal setback for Bayer, who is facing more than 13,000 U.S. court claims following its \$63 billion acquisition of Roundup manufacturer Monsanto last year. Bayer shares fell at the market open on Tuesday.

On Monday, the U.S. Supreme Court ruled that an antitrust suit against **APPLE INC.** could move forward. The antitrust lawsuit, filed by iPhone users, claims that Apple unfairly passed on sales commissions through its App Store to customers, leading to inflated prices. Apple charges developers that sell their products through its App Store a sales commissions of 30%. The company argued that only app developers and not users could file such a lawsuit. Shares closed down 5.8%.

The U.S. Commerce Department put Chinese telecom giant **HUAWEI TECHNOLOGIES** and 68 of its affiliates on its Entity List. The addition to the trade blacklist bars Huawei from buying parts and other components from U.S. based companies without U.S. government approval. The order was officially announced on Thursday with immediate effect. The move sent stock prices of American suppliers to Huawei, including chipmaker Qualcomm, lower. Huawei is the world's largest manufacturer of telecommunications equipment.

### Economic Updates

After avoiding a recession late last year, the **GERMAN ECONOMY** rebounded in the first quarter. The EU's biggest economy grew by 0.4% in the first quarter of 2019, easing fears of a continued slowdown. GDP was flat in the previous quarter. However, despite the better than expected growth, Germany's economic minister warned that international trade conflicts were still unresolved. The German economy, in particular its automobile manufacturing sector, has been hard hit by trade conflicts over

the past year. The rebound boosted Eurozone growth to an annualized rate of 1.6% in the first quarter.

**U.S. CONSUMER SENTIMENT** rose to the highest level in 15 years in May. According to the University of Michigan's preliminary report, its consumer sentiment index rose from 97.2 in April to 102.4 this month. The reading was well above expectations, which mostly called for the index to remain unchanged. Most of the data was recorded before the latest flare up in the U.S./China trade conflict earlier this month.

### Political Updates

In response to the U.S.'s decision to **INCREASE TARIFFS** on nearly \$300 billion worth of new Chinese imports, China announced that it would raise tariffs on \$60 billion worth of American goods. The tariffs of 20% to 25% are due to go into effect this summer. U.S. President Donald Trump blamed China for the collapse in trade talks between the two nations, accusing Beijing of renegeing on a nearly completed trade deal. Mr. Trump stated that he intends to meet with Chinese President Xi Jinping at next month's Group of 20 summit in Japan.

In other trade news, the U.S. announced that it had reached a deal with Canada and Mexico to end **STEEL AND ALUMINIUM TARIFFS**. The Canadian government said that in return, the agreement called for it to drop all retaliatory tariffs on products including metals within two days. The agreement came after the Trump administration postponed a decision to place tariffs on cars and auto parts from the EU and Japan.

### Upcoming Events

**JAPAN** will report final **INDUSTRIAL PRODUCTION** figures for March on May 20. Japan's **CORE MACHINE ORDERS** for March will be reported on May 21. The U.K. will release **CPI** data for April on May 22. The U.S. will publish **EXISTING HOME SALES** (May 21) and **NEW HOME SALES** (May 23) figures. Preliminary **MARKIT U.S. MANUFACTURING PMI** data for May will be reported on May 23.

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