Weekly Data Center

Equities	Level 09-Mar-18	Returns (%) 1w	3m	YTD	1y
S&P500	2,787	3.5%	5.1%	4.2%	17.8%
DJIA30	25,336	3.3%	4.1%	2.5%	21.5%
EuroSTOXX	3,421	2.9%	(4.8%)	(2.4%)	0.3%
DAX	12,347	3.6%	(6.1%)	(4.4%)	3.1%
FTSE	7,225	2.2%	(2.3%)	(6.0%)	(1.2%)

Credit	On the Run Levels (bps) 09-Mar-18	02-Mar-18	09-Dec-17	31-Dec-17	09-Mar-17
iTraxx Mains	50	55	47	45	71
iTraxx Fin Snr	50	56	46	44	87
iTraxx X-Over	254	273	231	233	284
CDX IG	54	56	51	49	64
CDX HY	328	338	316	306	332

Commodity	Level 09-Mar-18	Returns (%) 1w	3m	YTD	1y
Crude (Brent)	65.3	1.3%	2.5%	(2.3%)	25.9%
Crude (WTI)	62.0	1.3%	8.2%	2.7%	25.9%
Gold	1,324	0.1%	6.0%	1.6%	10.2%
Silver	16.6	0.4%	4.6%	(2.1%)	(2.2%)

Forex	Levels 09-Mar-18	02-Mar-18	09-Dec-17	31-Dec-17	09-Mar-17
EUR	1.23	1.23	1.18	1.20	1.06
GBP	1.39	1.38	1.34	1.35	1.22
AUD	0.78	0.78	0.75	0.78	0.75
YEN	106.82	105.75	113.48	112.69	114.95

EM Equities	Level 09-Mar-18	Returns (%) 1w	3m	YTD	1y
Brazil	86,371	0.7%	18.8%	13.0%	33.7%
Russia	2,312	1.0%	9.8%	9.6%	17.1%
India	10,227	(2.2%)	(0.4%)	(2.9%)	14.6%
China	3,307	1.6%	0.5%	(0.0%)	2.8%
South Africa	59,169	2.5%	2.0%	(0.6%)	16.2%

Rates	Levels (%) 09-Mar-18	02-Mar-18	09-Dec-17	31-Dec-17	09-Mar-17
2-yr US Treasury	2.26	2.24	1.79	1.88	1.37
10-yr US Treasury	2.89	2.86	2.38	2.41	2.61
30-yr US Treasury	3.16	3.14	2.77	2.74	3.19
10-yr German Bund	0.65	0.65	0.31	0.43	0.43
10-yr UK Gilt	1.49	1.47	1.28	1.19	1.23

Key Economic Releases

The week in review

Mon, 05-Mar

Tue, 06-Mar
US Factory Orders MoM (Actual: -1.40%; Cons.: -1.40%)

Wed, 07-Mar

Thu, 08-Mar
US Initial Jobless Claims (Actual: 231k; Cons.: 220k)

Fri, 09-Mar
US Change in Nonfarm Payrolls MoM (Actual: 313k; Cons.: 205k)
UK Industrial Production MoM (Actual: 1.30%; Cons.: 1.50%)

The week ahead

Mon, 12-Mar

Tue, 13-Mar
US CPI MoM (Cons.: 0.20%; Prior: 0.50%)

Wed, 14-Mar
US Retail Sales MoM (Cons.: 0.30%; Prior: -0.30%)

Thu, 15-Mar
US Initial Jobless Claims (Cons.: 225k; Prior: 231k)

Fri, 16-Mar
Eurozone CPI MoM (Cons.: 1.20%; Prior: 1.30%)

Market Commentary

The week was highlighted by President Trump's signing the tariff order on steel and aluminum coming from East to curb the widening trade deficit in the US, while the base print coming from a strengthening labor market implying a tighter monetary policy improved further. The three major U.S. stock indexes climbed almost 2% while NASDAQ closing at a record high, as February's jobs report relieved fears of inflation and aggressive interest rate hikes. Along with the jobs data, stocks were supported by easing fears of trade wars with East and signs of a thaw in nuclear tensions with North Korea after President Trump confirmed he is prepared to meet the country's leader. While DJIA and S&P still below January's record high, both managed to inch up from the February lows in recent weeks as advancing issues outnumbered declining ones on the NYSE by a 2.77-to-1 ratio, while a 2.81-to-1 ratio favored advancers on NASDAQ. Across the Atlantic, Most European stocks ended a choppy session higher on Friday, getting a boost from the US. The EuroSTOXX rose 0.4% to close at 378.24, after darting in and out of negative territory during the session, while Germany's DAX fell 0.1%, eating into Thursday's gain of 0.9%. German stocks trailed the rest of Europe after data on the country's exports and factory output indicated a slow start in activity at the start of 2018. Elsewhere, Asian equity benchmarks ended the day higher Friday, as news that a potential meeting between North Korean leader Kim Jong Un and President Donald Trump eased some investors' worries about geopolitical tensions.

In the fixed income market, US Treasury yields hit session peaks after data showed the world's largest economy created far more jobs than expected in February, although the rise in yields could be limited by slowing wage inflation. The US benchmark 10-year yields hit session highs of 2.903%, while 30-year yields also touched the day's peaks at 3.171%. In the fund flows, the US fund investors pulled $9.8bn from stocks during the latest week, halting the investments' budding momentum after February's selloff. Real estate sector funds, seen as particularly vulnerable if inflation forces the US Federal Reserve to raise interest rates aggressively, were hit by $577mn in withdrawals, the most since June 2017. Bonds did not fare better, with taxable bond mutual funds and ETFs overall recording $898mn of withdrawals during the week. Elsewhere, low-risk money market funds took in $12.7bn as Inflation erodes the value of a bond's typically fixed payout. Corporate IG bond funds, which reeled in $227bn in 2017, posted $740mn in withdrawals during the latest week, while HY bond funds marked their eighth week of outflows, with $525mn drained out of them. In currencies, yen fell sharply after the BoJ stuck to its dovish policy stance and as Kim's denuclearization pledge boosted risk assets. Still, the greenback slipped against a basket of currencies as the slow US wage gains supported a view that the Federal Reserve would not quicken its pace of raising interest rates. The euro up 0.09% to $1.2321 while sterling was last trading at $1.3866. In commodities, both benchmarks had lost some ground, with WTI trading at $61.77 and Brent trading at $65.13, as the count of rigs blast past the estimated number.

In the week, while traders will focus on further implications of President Trump's new tariffs on steel and aluminum on the domestic and international equities, investors will take further inputs from developments on President Trumps meeting with North Korean leader easing the latest geopolitical tensions impacting global markets.

Economic Commentary

The economic calendar in the West highlighted a further strengthening labor market, while keeping the dicey stand on the impact on Fed's rate of rising interest rates in this year, as the February's hiring heat up and the wages cooled down. Employment growth strengthened in February with businesses adding 313k new jobs. That pushed the 3-month average up to 242k after job gains in December and January were also revised higher by a net of 54k jobs. Strength was widespread across industries, including gains of 50k in retail, 28k in financial services and 61k in construction, which likely benefited from a return to less severe winter weather. Nevertheless, the unemployment rate was unchanged at 4.1% amid the largest monthly increase in the labor force since 2003. Moving beyond the labor market, the ISM non-manufacturing index suggests that the economy continues to expand at a solid clip. The index edged down 0.4 points to a still-strong 59.5 after setting a cycle high in January. Elsewhere, the proposed tariffs have been fueled in part by the Trump administration's concerns over the trade deficit as the January's print widened by $2.7bn to reach the largest gap since October 2008, however, the most recent monthly trade print is unlikely to allay their concerns as exports and factory order figures are expected to recover in coming months.

Across the Atlantic, Data released this week confirmed that real GDP in the Eurozone grew at an annualized rate of 2.4%. The good news is that all domestic spending components i.e. consumer spending, investment spending and government spending continued to expand in Q4. The bad news is that sequential growth in domestic demand was sluggish, rising only 1.5% on an annualized basis. Strength in exports relative to imports—the former rose nearly 8% while the latter grew only 4.4%—boosted the overall rate of real GDP growth in Q4. The data from January that are now starting to trickle in suggest that economic activity may be decelerating a bit in early 2018, as the retail sales print in the Eurozone and industrial production and factory orders in Germany all showed a decelerating trend in recent months, however still above the benchmark for expansion. Across the English Channel, British industrial production rebounded sharply last month on the re-opening of a major North Sea pipeline as mining and quarrying provided the largest upward contribution, increasing by 23.5% due mainly to the re-opening of the Forties oil pipeline. The output jumped 1.3% in January from activity in December, reversing the previous monthly slump that had been sparked by the pipeline's closure. Meanwhile, growth in manufacturing output eased to 0.1%, the rate was also weaker than the expected 0.2%. Further, data showed that construction output logged its biggest annual decline since March 2013, while the output was down 3.9% in January.

In the week, the calendar will highlight the inflation numbers in the west while printing in the latest employment numbers in the Eurozone. Elsewhere, the calendar will focus on the retail sales print from the US and China focusing on the consumer confidence in the respective economies.

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Our collaborative engagement approach helps our clients evaluate more opportunities faster and better manage their existing portfolios while still maintaining the rigour of their investment process. Oxane Partners has supported more than 50 investment firms including private equity firms, hedge funds, investment banks of varying sizes across the globe. We have successfully managed over 200 projects, advised on more than $40 billion of assets and are currently monitoring $15 billion across asset classes and jurisdictions.

Founded in 2013 by former credit traders from Deutsche Bank, Oxane Partners has grown to a team of more than 65 highly skilled financial analysts and technology experts. Oxane Partners is headquartered in London with a delivery centre in India.

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