PANORAMIC VIEW OF THE WEEK

Weekly Data Center

Equities	Level	Returns (%)			
	21-Sep-18	1w	3m	YTD	1y
S&P500	2,930	0.8%	6.5%	9.6%	17.2%
DJIA30	26,744	2.3%	9.3%	8.2%	19.6%
EuroSTOXX	3,431	2.6%	0.8%	(2.1%)	(3.1%)
DAX	12,431	2.5%	(0.6%)	(3.8%)	(1.3%)
FTSE	7,490	2.5%	(0.9%)	(2.6%)	3.1%

Credit	On the Run Levels (bps)				
	21-Sep-18	14-Sep-18	21-Jun-18	31-Dec-17	21-Sep-17
iTraxx Mains	68	60	70	45	57
iTraxx Fin Snr	78	68	83	44	58
iTraxx X-Over	265	281	307	233	254
CDX IG	62	56	65	49	60
CDX HY	316	318	350	306	320

Commodity	Level	Returns (%)			
	21-Sep-18	1w	3m	YTD	1y
Crude (Brent)	78.2	0.0%	7.8%	17.0%	39.8%
Crude (WTI)	71.8	4.0%	9.0%	18.8%	43.0%
Gold	1,200	0.4%	(5.3%)	(7.9%)	(7.1%)
Silver	14.3	1.7%	(12.3%)	(15.6%)	(15.7%)

Forex	Levels				
	21-Sep-18	14-Sep-18	21-Jun-18	31-Dec-17	21-Sep-17
EUR	1.17	1.16	1.16	1.20	1.19
GBP	1.31	1.31	1.32	1.35	1.36
AUD	0.73	0.72	0.74	0.78	0.79
YEN	112.59	112.06	109.99	112.69	112.48

EM Equities	Level	Returns (%)			
	21-Sep-18	1w	3m	YTD	1y
Brazil	79,444	5.3%	13.4%	4.0%	5.1%
Russia	1,712	(0.5%)	1.4%	11.5%	18.6%
India	11,143	(3.2%)	3.7%	5.8%	10.1%
China	2,797	4.3%	(2.7%)	(15.4%)	(16.7%)
South Africa	57,164	1.0%	1.7%	(3.9%)	2.3%

Rates	Levels (%)				
	21-Sep-18	14-Sep-18	21-Jun-18	31-Dec-17	21-Sep-17
2-yr US Treasury	2.80	2.78	2.54	1.88	1.44
10-yr US Treasury	3.06	3.00	2.90	2.41	2.28
30-yr US Treasury	3.20	3.13	3.04	2.74	2.81
10-yr German Bunc	0.46	0.45	0.34	0.43	0.46
10-yr UK Gilt	1.55	1.53	1.28	1.19	1.37

Key Economic Releases

The week in review

Mon, 17-Sep
Eurozone Manufacturing PMI MoM (Actual: 53.3; Cons.: 54.5)

Tue, 18-Sep

Wed, 19-Sep
UK CPI Core Yoy (Actual: 2.10%; Cons.:1.80%)

Thu, 20-Sep
US Initial Jobless Claims (Actual: 201k; Cons.: 210k)

Fri, 21-Sep

The week ahead

Mon, 24-Sep

Tue, 25-Sep

Wed, 26-Sep
FOMC rate decision(Cons.: 2.25% ; Prior: 2.00%)

Thu, 27-Sep
US Initial Jobless Claims (Cons.: 210k; Prior: 201k)

Fri, 28-Sep
UK GDP QoQ (Cons.: 0.40%; Prior: 0.40%)

Market Commentary

US equities finished out the week mixed, with the Dow and S&P 500 again at or near record highs, and the Nasdaq seeing pressure amid renewed scrutiny toward tech stocks.US large-cap stocks advanced for the second week in a row, reaching new highs. Rising interest rates and trade tensions were in focus but did not weigh on markets last week. Most of the major sectors ended the day showing only modest moves, contributing to the lackluster close by the broader markets. The top-weighted information technology sector lost 0.3% on Friday, capping an unimpressive week overall. Financial sector ended a positive week on a disappointing note. The group lost 0.4% on Friday, trimming its weekly gain to 2.3%. Oil service stocks saw significant strength. The strength among oil service stocks came amid an increase by the price of crude oil. On the other hand, brokerage stocks showed a notable move to the downside over the course of the session. There was some volatility during the final stretch of Friday's session due to a major sector rebalancing, which will result in a new 'Communication Services' sector. Stocks were traded in heavy volume, as a result of quadruple witching-2.6 billion shares were traded on the NYSE and 3.6 billion shares changed hands on the Nasdaq. Investors ploughed $38 billion into US stock exchange-traded funds. Some $10.9 billion alone was poured into the biggest ETF that tracks the equity benchmark and Investors put $14.5billion into US equity funds in the week ending September 19. Across the Atlantic, the pan-European STOXX Europe 600 Index rose about 1.6%, lifted by financials, mining, and oil stocks. While the UK's FTSE 100 Index surged up by 1.7%, the German DAX Index and the French CAC 40 Index advanced by 0.8% and 0.9%, respectively. Cyclicals, and especially those which had fallen the most, staged strong rebounds.

In fixed income markets, treasuries were mixed, as the yield on the 2-year note rose 1 basis point (bp) to 2.81%, while the yields on the 10-year note and the 30-year bond moved 1 bp lower to 3.06% and 3.20%, respectively. The market saw increased selling activity, particularly in the high yield municipal segment. The selling activity also impacted the new issuance calendar, leading many issuers to cheapen their offerings. Supply continued to be constrained in the market, with 30-day visible supply at its lowest level since early July at just over USD $5 billion. The investment-grade corporate bond market saw healthy new issuance. Spreads tightened across most investment-grade segments throughout the week. On the softer side, dollar Index—a comparison of the US dollar to six major world currencies—was 0.3% higher at 94.21. In commodity markets crude oil rose $0.46 to $70.78 per barrel and wholesale gasoline was unchanged at $2.00 per gallon. Gold spot price fell $8.20 to $1,998.98 per ounce. Oil prices on both sides of the Atlantic are higher as US sanctions on Iran will materialize in November.

For the week, all eyes will be on the latest FOMC meeting as the investors will digest a significant tightening of the monetary policy. Nevertheless, investors think the bull market will continue on the back of strong earnings and economic growth. and solid fundamentals backdrop should give investors confidence to use periods of volatility to buy quality investments at lower prices, if appropriate for their situation.

Economic Commentary

The divide between the sluggish housing market and an economy that continues to exhibit signs of strength continued this week. Housing starts rebounded in August but building permits dropped. Home sales also came in below expectations, as resales of existing homes were unchanged. Housing starts rose 9.2% in August; however, building permits dropped 5.7% during the month. Much of the improvement in starts arose from a 29.3% increase in multifamily units. Home sales also continue to fall short of expectations. The total inventory of available homes was unchanged at 1.92 million homes, up from 1.87 million a year ago. Unsold inventory now equates to a 4.3-month supply at the current sales pace. The long-term norm for supply is around 5.5 months. Broader economic activity appears to be solid. The Leading Economic Index climbed 0.4% higher in August. The largest contributing factor was a 0.2-point gain from the ISM manufacturing new orders index. Consumer confidence jumped 5.5 points in August to 133.4. Consumers generally feel upbeat about current economic conditions, but are showing some concern about the future. Current optimism continues to reflect the tightening labour market, as the share of consumers stating jobs as plentiful was little changed, and those who see jobs as hard-to-get fell 2.1 points. Durable goods orders at US manufactures fell 1.7% in July. Strong job growth and a tight labour market continue to be reflected in the sustained pace of wages and salaries, which were up 4.7% on a year-over-year basis. Personal spending remained elevated, rising 0.4% for the second consecutive month. Consumer spending grew at a break-neck pace in the second quarter.

This week saw several economic releases from Europe which were mixed overall and do not yet represent a strong upswing. From the Eurozone, this week's key releases were the manufacturing and service sector purchasing managers indices (PMIs) for September. The manufacturing PMI fell to 53.3, and is now at its lowest level since late 2016. However, the PMI for the service sector–which accounts for the majority of the Eurozone economy–rose to 54.7. Overall, confidence surveys remain consistent with GDP growth in the 1.5%-2.0% range. In the United Kingdom, economic data were a touch stronger over the past week. August CPI inflation firmed to 2.7% year-over-year, and core CPI inflation firmed to 2.1%. Meanwhile, August retail sales unexpectedly rose 0.3% month over month, and the July sales gain was revised higher. There were also a couple of central bank monetary policy announcements of note in recent days. Norway's central bank raised its deposit rate by 25 bps to 0.75%, as CPI inflation and economic growth have firmed perceptibly in recent months and quarters.

All eyes remain on UK-EU trade agreements and US-China trade tariff war. Meanwhile, the ever-escalating US-China trade battle will loom in the background as President Trump announced another round of tariffs on Chinese imports and British Prime Minister May seemed to abandon her Chequers plan, blaming its failure on the EU's inability to compromise.

About Oxane Partners

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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 $40bn of assets and are currently monitoring $15bn 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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Sources used for preparing the report: Bloomberg; Wall Street Journal, Financial Times, Thomson Reuters