Weekly Data Center

Equities	Level	Returns (%)			
	02-Nov-18	1w	3m	YTD	1y
S&P500	2,723	2.4%	(3.7%)	1.8%	5.6%
DJIA30	25,271	2.4%	(0.2%)	2.2%	7.5%
EuroSTOXX	3,214	2.5%	(7.3%)	(8.3%)	(12.9%)
DAX	11,519	2.8%	(8.2%)	(10.8%)	(14.3%)
FTSE	7,094	2.2%	(6.4%)	(7.7%)	(6.1%)

Credit	On the Run Levels (bps)				
	02-Nov-18	26-Oct-18	02-Aug-18	31-Dec-17	02-Nov-17
iTraxx Mains	71	77	63	45	50
iTraxx Fin Snr	87	95	77	44	50
iTraxx X-Over	290	304	291	233	225
CDX IG	66	70	59	49	53
CDX HY	364	385	350	306	320

Commodity	Level	Returns (%)			
	02-Nov-18	1w	3m	YTD	1y
Crude (Brent)	72.0	(6.8%)	(0.9%)	7.7%	18.7%
Crude (WTI)	63.1	(6.6%)	(8.4%)	4.5%	15.8%
Gold	1,233	(0.1%)	2.1%	(5.4%)	(3.4%)
Silver	14.7	0.1%	(3.9%)	(13.1%)	(14.0%)

Forex	Levels				
	02-Nov-18	26-Oct-18	02-Aug-18	31-Dec-17	02-Nov-17
EUR	1.14	1.14	1.16	1.20	1.17
GBP	1.30	1.28	1.30	1.35	1.31
AUD	0.72	0.71	0.74	0.78	0.77
YEN	113.20	111.91	111.66	112.69	114.08

EM Equities	Level	Returns (%)			
	02-Nov-18	1w	3m	YTD	1y
Brazil	88,419	3.1%	11.0%	15.7%	19.8%
Russia	1,548	4.3%	(8.0%)	0.8%	3.4%
India	10,553	5.2%	(6.2%)	0.2%	1.2%
China	2,676	3.0%	(3.3%)	(19.1%)	(20.9%)
South Africa	54,271	6.8%	(3.9%)	(8.8%)	(8.5%)

Rates	Levels (%)				
	02-Nov-18	26-Oct-18	02-Aug-18	31-Dec-17	02-Nov-17
2-yr US Treasury	2.90	2.81	2.66	1.88	1.61
10-yr US Treasury	3.21	3.08	2.99	2.41	2.35
30-yr US Treasury	3.45	3.31	3.12	2.74	2.83
10-yr German Bund	0.43	0.35	0.46	0.43	0.37
10-yr UK Gilt	1.49	1.38	1.38	1.19	1.26

Key Economic Releases

The week in review

Mon, 29-Oct

Tue, 30-Oct

Wed, 31-Oct
Eurozone Unemployment Rate (Actuals:8.1% ;Cons.: 8.1%)

Thu, 27-Sep
US Initial Jobless Claims (Actuals:214k ;Cons.: 212k)
Bank of England bank Rate (Actuals:250k ;Cons.: 212k)

Fri, 28-Sep
Change in Nonfarm Payrolls (Actuals:250k ;Cons.: 193k)
Unemployment Rate (Actuals:3.7% ;Cons.: 3.7%)

The week ahead

Mon, 05-Nov

Tue, 06-Nov

Wed, 07-Nov

Thu, 08-Nov
US Initial Jobless Claims (Cons.: 214k; Prior: 214k)

Fri, 09-Nov
UK GDP YoY (Cons.: 0.6%; Prior: 0.4%)

Market Commentary

U.S. stocks rebounded for the week, trimming October's tumble that brought a brief drop into correction territory amid increasing choppiness. The smaller-cap benchmarks performed best and broke a streak of six consecutive weekly losses. Within the S&P 500 Index, the materials sector posted the strongest returns, while utilities shares lagged. The large information technology sector also underperformed, held back by a sharp drop in Apple shares on Friday after investors appeared to react negatively to an announcement that the company would no longer break out sales reports for its smartphones, computers, and tablets. The tech giant also warned that holiday sales might fall short of forecasts. Value stocks, which typically trade at relatively low valuations, outperformed higher-valuation growth shares. The Cboe Volatility Index (VIX) hit a new eight-month high on Monday but declined over much of the rest of the week. Investors clawed back nearly $8.8 billion from U.S.-based bond funds, with the largest withdrawals of the year recorded from products invested in municipal debt, investment-grade corporates and leveraged loans. Technology sector stock funds posted $1.4 billion in withdrawals, the most pulled from those products since February 2015, as market-leading tech names dragged equity indexes lower. In heavy volume, 1.0 billion shares were traded on the NYSE and 2.9 billion shares changed hands on the Nasdaq. Germany's DAX 30, France's CAC 40, and the UK's FTSE 100 also finished the week higher, after suffering their worst October declines in several years, buffeted by fears of a global slowdown and trade clashes.

In fixed income markets, treasuries were lower, as the yields on the 2-year note, 10-year note and 30-year bond increased 8 basis points (bps) to 2.91%, 3.21% and 3.45%, respectively. The strong jobs data helped push up longer-term bond yields, which had already risen earlier in the week alongside equity prices. Meanwhile, equity volatility weighed on sentiment in the high yield bond market and dampened trading volumes. Many below investment-grade issuers reported earnings during the week, and the trades that did take place were mostly concentrated on those names. Bonds from several issuers came under pressure due to weak earnings or less optimistic forward guidance. However, there were few negative earnings surprises overall. On softer side, The British pound rose against the U.S. dollar amid reports that a tentative Brexit deal had been reached and after the Bank of England (BOE) seemed to take a more hawkish stance on interest rate increases. The Dollar Index—a comparison of the U.S. dollar to six major world currencies—was 0.2% higher at 96.47.In commodity markets, WTI crude oil fell $0.83 to $62.89 per barrel and wholesale gasoline was $0.02 lower at $1.70 per gallon. Gold spot price decreased $0.41 to $1,233.02 per ounce.

The continuing earnings focus has been matched with Brexit negotiations, the Italian budget battle, and mixed trade headlines to hinder market sentiment are some factors which investors will be paying attention in coming weeks.

Economic Commentary

This week saw plenty of U.S. economic data released, and most of it painted a positive picture of the current state of the U.S. economy. Personal spending rose a solid 0.4% in September, consistent with the robust pace of consumption reported in last week's Q3 GDP release. Spending was driven by a surge in durables, which, at least in part, was due to replacement demand after Hurricane Florence. Perhaps of more interest was the inflation data that was contained in the personal income report. The Fed's preferred gauge of inflation, the PCE deflator, came in right on top of the Fed's 2.0% target for both the headline and the "core" measure. Labor market tightness was also evident in the Employment Cost Index release this week. Labor costs continued to climb over the third quarter, with the ECI increasing slightly faster than expected at 0.8%. Over the past year, the ECI is up 2.8% versus 2.5% this time last year. Compensation costs grew faster in Q3 due to a pickup in the wages component. Wages and salaries strengthened 0.9% over the quarter, and private sector wages are up 3.1% over the past year, which is the strongest pace of the expansion.Activity across the economy remained solid in September, as indicated by the ISM non-manufacturing index. The index, which includes the service sector as well as construction and mining industries, soared to a 21-year high in September of 61.6.Last month producer prices rose for the first time since June. The 0.2% gain was entirely driven by the service sector, while prices for food and energy goods declined.

In Europe, The BOE kept its key interest rate unchanged as expected at 0.75% but adopted a moderately hawkish stance, noting that rates might have to rise faster than expected to keep the rate of inflation under control if Prime Minister Theresa May is able to negotiate a smooth Brexit deal. However, a disruptive exit would also raise the risk of further interest rate hikes if there is disruption to the supply side as the UK economy is running at full capacity. Governor Mark Carney said that the bank did not expect a no-deal Brexit but would be in uncharted territory, as it is unclear what effect such a Brexit would have on the balance of demand, supply, and the exchange rate, and it is impossible to predict if rates would need to rise or fall in response. The European Commission told Italy that its debt is a concern for the whole region and noted that its budget is based on overly optimistic estimates of future economic growth. Italian manufacturers reported the first contraction in the sector since 2016. The manufacturing purchasing managers' index (PMI) dropped to 49.2% in October, its lowest reading in 46 months, reflecting a combination of weaker domestic demand and demand from export partners. This is the latest sign that global trade tensions are taking a toll on European exporters.

The growing economy, healthy aggregate demand and some renewed capital investment continue to support impressive corporate earnings growth and overall fundamentals remains positive.

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