Weekly Data Center

Equities	Level	Returns (%)			
	8-Feb-19	1w	3m	YTD	1y
S&P500	2,708	0.0%	(3.5%)	8.0%	4.9%
DJIA30	25,106	0.2%	(4.1%)	7.6%	5.2%
EuroSTOXX	3,136	(1.1%)	(3.1%)	4.5%	(7.2%)
DAX	10,907	(2.4%)	(5.4%)	3.3%	(11.0%)
FTSE	7,071	0.7%	(1.0%)	5.1%	(1.4%)

Credit	On the Run Levels (bps)				
	8-Feb-19	1-Feb-19	8-Nov-18	31-Dec-18	8-Feb-18
iTraxx Mains	74	71	68	87	52
iTraxx Fin Snr	93	86	86	109	51
iTraxx X-Over	319	309	282	353	265
CDX IG	67	67	64	88	60
CDX HY	362	357	350	449	320

Commodity	Level	Returns (%)			
	8-Feb-19	1w	3m	YTD	1y
Crude (Brent)	61.9	(1.1%)	(11.8%)	16.3%	(3.5%)
Crude (WTI)	52.7	(4.6%)	(13.1%)	16.1%	(13.8%)
Gold	1,314	(0.3%)	7.4%	2.5%	(0.3%)
Silver	15.8	(0.5%)	9.6%	2.1%	(3.6%)

Forex	Levels				
	8-Feb-19	1-Feb-19	8-Nov-18	31-Dec-18	8-Feb-18
EUR	1.13	1.15	1.14	1.15	1.22
GBP	1.29	1.31	1.31	1.28	1.39
AUD	0.71	0.73	0.73	0.70	0.78
YEN	109.73	109.50	114.07	109.69	108.74

EM Equities	Level	Returns (%)			
	8-Feb-19	1w	3m	YTD	1y
Brazil	95,343	(2.6%)	11.4%	8.5%	16.9%
Russia	1,506	0.3%	(4.6%)	11.7%	2.9%
India	10,944	0.5%	3.3%	0.7%	3.5%
China	2,618	-	(0.7%)	5.0%	(19.7%)
South Africa	53,244	(1.3%)	(1.5%)	1.0%	(6.0%)

Rates	Levels (%)				
	8-Feb-19	1-Feb-19	8-Nov-18	31-Dec-18	8-Feb-18
2-yr US Treasury	2.47	2.50	2.97	2.49	2.10
10-yr US Treasury	2.63	2.68	3.24	2.68	2.82
30-yr US Treasury	2.98	3.03	3.43	3.01	3.13
10-yr German Bund	0.09	0.17	0.46	0.24	0.76
10-yr UK Gilt	1.15	1.25	1.57	1.28	1.62

Key Economic Releases

The week in review

Mon, 04-Feb

Tue, 05-Feb
ISM Non Manufacturing Index(Actuals: 56.7 ;Cons.: 57)

Wed, 06-Feb

Thu, 27-Sep
US Initial Jobless Claims (Actuals:234k ;Cons.: 223k)

Fri, 28-Sep
Bank of England Rate (Actuals:0.75% ;Cons.: 0.75%)

The week ahead

Mon, 11-Feb

Tue, 12-Feb

Wed, 13-Feb
UK CPI YoY (Cons.: 2.0%; Prior: 2.1%)

Thu, 14-Feb
US Initial Jobless Claims (Cons.: 225k; Prior: 234k)

Fri, 15-Feb

Market Commentary

U.S. equities bounced off their lows of the day to finish mixed, with gains in the technology sector powering the Nasdaq and S&P 500 Index back into positive territory. Within the S&P 500 Index, utilities shares performed best, followed by the larger industrials and information technology sectors. Energy stocks fared worst as oil prices drifted lower. News on the equity front surrounded some mixed earnings reports, with Mattel rallying on its results, while Hasbro disappointed to the detriment of its shares. The Cboe Volatility Index (VIX) hit a five-month low on Wednesday before rising a bit at the end of the week. Early uneasiness came courtesy of continued fears over U.S./China trade negotiations, as well as the persistent anxiety surrounding global growth worries in the wake of mixed data and forecasts out of Asia and Europe. In moderate volume, 0.83 bn shares were traded on the NYSE and 2.0 billion shares changed hands on the Nasdaq. For the second week in three, investors were overall net purchasers of fund assets (including those of conventional funds and ETFs), injecting $30.8 billion in week ended February 6, 2019.Stocks pressured by trade worries and signs of eurozone slowing. The pan-European STOXX Europe 600 Index was slightly lower on the week. Germany's DAX was off more than 2.4% as reports of economic slowing piled up.

In fixed income markets, treasuries were higher amid a dormant economic calendar, as the yield on the 2-year note ticked 1 basis point (bp) lower to 2.47%, the yield on the 10-year note lost 3 bps to 2.63%, and the 30-year bond rate fell 2 bps to 2.97%. The municipal market saw decent activity through the week, marked by a persistent demand for short-term issues. While the availability of bonds in the primary new issuance market continued to be underwhelming, the muni market managed to post gains as investors became more comfortable with the rate environment. The risk-on sentiment that bolstered the investment-grade corporate bond market's performance in January was still evident as the week began. Total new issuance was well below expectations as the market closed on Thursday. On softer side, the Dollar Index—a comparison of the U.S. dollar to six major world currencies—was up 0.1% at 96.63. In commodity markets, oil prices are heading for a weekly loss on worries about a global economic slowdown, although OPEC-led supply cuts and U.S. sanctions against Venezuela provided crude with some support.

After a few quiet weeks, the U.S.-China trade dispute moved back into the headlines and seemed to play a large role in driving sentiment. Analyst continue to expect elevated volatility stemming from trade negotiations and global concerns, but still-solid economic fundamentals support rising stock prices.

Economic Commentary

The week's domestic economic signals were generally strong. The most important reports may have been gauges of U.S. service sector activity, which indicated solid expansion, if not quite at the record pace in previous months. Weekly jobless claims also fell back significantly, as was widely expected. Manufacturing data remained something of a weak spot, with November factory orders falling back unexpectedly (the release of data was delayed because of the partial federal government shutdown). In a town hall-style meeting Wednesday, Federal Reserve Chairman Jerome Powell didn't touch on the outlook for the economy or monetary policy but underscored the strength of the labour market, noting that the lack of slack in the market is prompting an increase in wages. The economic calendar was light, though the ISM non-Manufacturing Index decreased more than expected, with concerns over the partial government closing being mentioned. Trade concerns continued to linger as markets appear to be discounting the chance that President Donald Trump and Chinese President Xi Jinping will meet again before a trade tariff deadline in March.

In its quarterly report, the European Union (EU) said that eurozone growth is expected to slow significantly this year because of weakening global trade, the slowdown in China, and uncertainty stemming from Brexit. The EU reduced its 2019 growth forecast to 1.3% from 1.9% and said that it expects growth of 1.6% in 2020. The EU also cut Italy's growth forecast to the lowest level in five years, citing the populist government's fiscal policies that led to high borrowing costs and market uncertainty. The news caused a sharp spike in Italian bond yields. In its quarterly report, the EU cut its German gross domestic product (GDP) forecast this year to 1.1% from 1.8%. For the fourth month in a row, German industrial production dropped in December, off 0.4% from November. Manufacturing orders fell 1.6% during the same time, led by a sharp drop in orders from outside the eurozone. Compared with December 2017, orders dropped 7%. The Bank of England (BoE) left interest rates unchanged but also cut UK growth expectations to 1.2% for the year from 1.7% because of Brexit concerns.

Continued flare-ups in U.S.-China trade relations will likely test financial markets throughout 2019 regardless of whether a delay in trade talks or a short-term deal is announced by March

About Oxane Partners

Oxane Partners is a boutique advisory firm empowering alternative asset managers across their investment lifecycle. We support investment teams through all the phases of an investment including pre-screening, investment analysis, and portfolio monitoring. By unifying our asset expertise with our proprietary technology platforms, we assist our clients become more agile and outperform the competition.

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