Weekly Data Center

Equities	Level	Returns (%)			
	01-Mar-19	1w	3m	YTD	1y
S&P500	2,804	0.4%	1.6%	11.8%	4.7%
DJIA30	26,026	(0.0%)	1.9%	11.6%	5.8%
EuroSTOXX	3,312	1.3%	4.4%	10.4%	(2.6%)
DAX	11,602	1.3%	3.1%	9.9%	(4.8%)
FTSE	7,107	(1.0%)	1.8%	5.6%	(1.0%)

Credit	On the Run Levels (bps)				
	01-Mar-19	22-Feb-19	01-Dec-18	31-Dec-18	01-Mar-18
iTraxx Mains	63	67	81	87	53
iTraxx Fin Snr	76	83	104	109	54
iTraxx X-Over	280	292	328	353	267
CDX IG	59	61	75	88	58
CDX HY	343	346	350	449	320

Commodity	Level	Returns (%)			
	01-Mar-19	1w	3m	YTD	1y
Crude (Brent)	64.3	(3.4%)	10.0%	20.9%	0.4%
Crude (WTI)	55.8	(2.3%)	9.6%	22.9%	(8.5%)
Gold	1,293	(2.7%)	6.0%	0.9%	(1.8%)
Silver	15.2	(4.5%)	7.0%	(1.9%)	(7.7%)

Forex	w.r.t USD				
	01-Mar-19	22-Feb-19	01-Dec-18	31-Dec-18	01-Mar-18
EUR	1.14	1.13	1.13	1.15	1.23
GBP	1.32	1.31	1.27	1.28	1.38
AUD	0.71	0.71	0.73	0.70	0.78
YEN	111.89	110.69	113.57	109.69	106.24

EM Equities	Level	Returns (%)			
	01-Mar-19	1w	3m	YTD	1y
Brazil	94,604	(3.4%)	5.7%	7.6%	10.8%
Russia	1,590	(0.0%)	3.7%	17.9%	5.5%
India	10,864	0.7%	(0.1%)	0.0%	3.9%
China	2,994	6.8%	15.7%	20.1%	(8.5%)
South Africa	56,203	0.4%	10.9%	6.6%	(3.0%)

Rates	Percentage (%)				
	01-Mar-19	22-Feb-19	01-Dec-18	31-Dec-18	01-Mar-18
2-yr US Treasury	2.55	2.49	2.79	2.49	2.21
10-yr US Treasury	2.75	2.65	2.99	2.68	2.81
30-yr US Treasury	3.12	3.02	3.29	3.01	3.08
10-yr German Bund	0.18	0.10	0.31	0.24	0.64
10-yr UK Gilt	1.30	1.16	1.36	1.28	1.47

Key Economic Releases

The week in review

Mon, 25-Feb

Tue, 26-Feb

Wed, 27-Feb

Thu, 28-Feb
US Initial Jobless Claims (Actuals:225k ;Cons.: 220k)

Fri, 01-Mar
US ISM Manufacturing Index (Actuals:54.2 ;Cons.: 55.8)

The week ahead

Mon, 04-Mar

Tue, 05-Mar

Wed, 06-Mar

Thu, 07-Mar
US Initial Jobless Claims (Cons.: 225k; Prior: 225k)
ECB Main Refinancing Rate (Cons.: 0.00%; Prior: 0.00%)

Fri, 08-Mar
US Change in Non-Farm Payrolls (Cons.: 185k; Prior: 304k)

Market Commentary

US Stocks finished slightly higher for the week, in a narrow range, as the market consolidated recent gains. The S&P 500 and the Dow Jones Industrial Average rose on Friday after three days of losses, lifted by optimism about the prospects for a US-China trade agreement, but gains were capped by downbeat manufacturing and consumer reports. The technology-heavy Nasdaq Composite Index performed best, while the smaller-cap benchmarks lagged. Volatility, as measured by the Cboe Volatility Index (VIX), picked up a bit from its multi-month lows the previous week, and trading volumes were also somewhat elevated. Within the S&P 500 Index, utilities stocks outperformed, while materials shares lagged. In moderately heavy volume, 0.953 bn shares were traded on the NYSE and 2.4 bn shares changed hands on the Nasdaq. Equity ETFs, which attracted $7.5 bn, were responsible for all of the net inflows as equity mutual funds saw $5.1 bn outflow. Ultra-short obligation funds (USO) drove the overall positive net flows for the group as they took in $1.47 bn. European equities saw gains, with auto stocks leading to the upside. The pan-European STOXX Europe 600 Index rose despite escalating geopolitical tensions between nuclear powers Pakistan and India and the abrupt end to the US-North Korea summit. Renewed hopes for a US-China trade agreement and better Chinese manufacturing data buoyed stocks.

In fixed income markets, treasuries were lower, with the yield on the 2-year note gaining 4 basis points (bps) to 2.56%, while the yields on the 10-year note and the 30-year bond advanced 5 bps to 2.76% and 3.13%, respectively. Municipal bonds continued to see light new issuance, and strong cash inflows into the asset class helped generate positive performance during the week. Investment-grade corporate bond investors were mostly focused on the primary market as new issuance increased in line with expectations. The high yield segment generally traded with a positive tone as high yield funds reported inflows, but energy was an outlier as oil price weakness weighed on performance. In credit-specific news, telecommunication services company Windstream filed for Chapter 11 bankruptcy protection. The default affects nearly $5 bn in bonds and institutional loans and is the sixth-largest high yield bankruptcy since 2014.On softer side, the British pound rose against the US dollar on the reduced likelihood that Britain would leave the EU without a Brexit deal. The stronger pound pressured UK stocks since many UK companies earn significant revenues outside of the country. In commodity markets, oil prices on both sides of the Atlantic gave up earlier gains in the pre-market as surging US supply and concerns of a global economic slowdown were offset by falling OPEC output.

In a week jam-packed with economic and political headlines, the market focused on fundamentals – modest economic growth, low inflation, and progress towards a trade agreement.

Economic Commentary

Economic data out the gate this week provided some clarity on how the economy fared through the remainder of 2018. The partial government shutdown, which began in December and lasted well into January, had continued to delay important data releases, clouding analysts' assessments of the economy's performance. The US Commerce Department released data on Thursday which showed that real GDP grew at an annualized rate of 2.6% in the fourth quarter. Consumer confidence data for February suggested consumers have regained some optimism. The present-situation component of the index improved to a cycle-high of 173.5, while the expectations component jumped 14 points. Expectations of job prospects and improvements in income have propelled the outlook, but fewer purchasing plans of autos, homes and major appliances weighed on overall optimism. The ISM non-manufacturing index fell 1.3 points in January. At 56.7, the index remains consistent with the economy expanding at a decent rate, but the pullback added to the evidence that the US economy has lost some momentum since the second half of 2018. Hiring got off to a robust start to the year with employers adding 304,000 new jobs in January.

With economic data indicating a further deceleration in the broader European economy, markets will likely be paying close attention to next week's ECB meeting. Data showed manufacturing activity under pressure throughout the Eurozone. The overall Eurozone final manufacturing purchasing managers' index (PMI) for February fell for the seventh-consecutive month and, for the first time since June 2013, fell below the 50 level that separates growth from contraction. Separate reports in Germany, France, and Spain showed similar patterns of slowing growth. Spain's PMI showed that confidence among Spanish manufacturers slid to its lowest level in five years. In Italy, confidence hit its lowest level since 2013.On inflation; the Eurozone Consumer Price Index (CPI) estimate for February came in at a 1.5% y/y gain, matching forecasts, after rising 1.4% in January, while the core CPI was up 1.0% y/y, below forecasts to match January's 1.1% gain. Political uncertainty also festered as U.K. Prime Minister Theresa May has scheduled a series of votes later this month on Brexit, though it remains unclear whether the U.K. will exit the European Union at the end of March or choose another alternative, such as delaying the divorce's implementation.

Trade tensions have been a constant source of market volatility over the past year, as negations between the world's two largest economies continue to play out.

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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