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— Nova Investment Club —

Market Update

March 30th – April 13th 2018



MARKET UPDATE

Bi-Weekly Market Review

March 30, 2018 to April 13, 2018

Market Moves

% change

	Last Close	-1W	-3M	YTD
S&P 500	2 656	6,16%	9,78%	18,65%
DJIA	24 360	9,00%	14,44%	23,26%
Nasdaq	7 107	10,58%	15,66%	32,02%
MSCI World	2 956	4,63%	8,32%	20,06%
MSCI EM	4 432	5,36%	11,64%	28,53%
Russell 2000	1 550	6,81%	9,41%	14,18%
Euro Stoxx 50	3 448	-2,64%	-0,67%	4,79%
FTSE 100	7 265	-0,63%	-1,17%	1,70%
Nikkei 225	21 779	7,30%	7,71%	13,94%
Hang Seng	30 808	10,50%	18,65%	40,03%
Dollar Index	89,80	-2,58%	-6,10%	-12,15%
EUR/USD	1,233	3,18%	7,78%	17,25%
GBP/ EUR	1,155	2,20%	1,55%	-1,59%
GBP/USD	1,424	5,44%	9,46%	15,38%
USD/JPY	107,4	-4,14%	-4,31%	-8,22%
USD/CHF	0,962	-0,73%	0,66%	-5,57%
Brent Crude	72,62	27,72%	53,14%	27,81%
Gold	1 345	3,98%	7,95%	16,77%

Generic Bond Yields

bps change

	Last Close	-1W	-3M	YTD
US 10Y Yield	2,827%	57,7	56,0	38,2
GER 10Y Yield	0,511%	6,4	5,9	30,3
JPY 10Y Yield	0,038%	0,4	-2,5	-0,8
UK 10Y Yield	1,435%	8,0	18,5	19,6
PT 10Y Yield	1,654%	-78,3	-138,0	-211,0

*Source: Bloomberg, as of 2018-04-13

Upcoming Next Week

Next Monday, on the 16th of April, Netflix will release its quarterly earnings. With earnings expectations at USD 0.64 per share and turmoil engulfing the company due to formal shareholder complaints about a "rigged" bonus scheme, all eyes are set to be peeled on this release.

Tesla's share price plunged following a car crash involving one of its self-driving cars. Having bottomed out at USD 252 per share on April 2, the stock had recovered to USD 300 on the 13th.

John Williams, an academic and the former head of the San Francisco Fed, has been appointed president of the Federal Reserve Bank of New York. Concerns were raised about this appointment in light of the Wells Fargo mis-selling scandal, given that the bank is based on William's former district.

Spotify carried through its unconventional public offering, where no new shares were issued. After the first trading day, the stock price settled at USD 149, higher than the USD 132 reference set for the Direct Public Offering.

After China announced strategically selected tariffs on US exports, Trump has threatened further USD 100 Bn tariffs on Chinese imports. China and US continue trading barbs over the Trump administration's concerns regarding supposed IP violations by Chinese companies.

John Cryan was ousted as Deutsche Bank's chief executive, after three consecutive annual losses. He is to be replaced by Christian Sewing, formerly head of Deutsche's retail division.

US job market figures in April at 103k were substantially below the previous month's values in March and analysts' expectations. The unemployment rate remains at 4.1%, and the labor market the tightest it has been since 2000.

The Congressional Budget Office has announced that it is expecting US budget deficits upwards of USD 1 Tn from 2020 onwards, following the swelling in the budget deficit that

resulted from Trump's tax plan passed last December.

President Donald Trump announced that a US-backed military strike on Syria is imminent. The UK and France have also announced their support for a military operation in response to the Assad regime's chemical weapons attack on Douma, despite Russia's repeated assertions that it will stand by its middle eastern ally.

Minutes from the Fed's March meeting were released, revealing that the current trade spat between China and the US **has not dented the Federal Reserve's commitment to further rate rises to rein in inflation.**

Following on the Analytica scandal, Mark Zuckerberg has been undergoing a drilling at a congressional hearing. Despite being evasive about the details of Facebook's data use, he sounded open to further governmental regulation.

Paul Ryan's announcement stated that he will not seek reelection, reinforcing the Republican fears about failure in the upcoming December midterm elections.

While JP Morgan recorded the highest first quarter results for a US bank and Citi improved on its year-on-year earnings figures, Wells Fargo's stock price fell in the morning trading on the 13th of April, as investors feared a looming USD 1 Bn fine due to its mis-selling scandal.

In a surprising volte-face, Donald Trump seems to have inquired his top economic advisers about the possibility of rejoining TPP, which the US abandoned in one of Trump's first acts in office.

Filipe Pereira