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— Nova Investment Club —

Market Update

June 25th – July 8th 2018



MARKET UPDATE

Bi-Weekly Market Review

June 25th, 2018 to July 8th, 2018

Market Moves

% change

	Last Close	-1W	-3M	YTD
S&P 500	2 760	10,29%	14,06%	23,27%
DJIA	24 456	9,43%	14,89%	23,75%
Nasdaq	7 688	19,63%	25,13%	42,82%
MSCI World	2 945	4,24%	7,91%	19,61%
MSCI EM	3 836	-8,80%	-3,37%	11,26%
Russell 2000	1 694	16,77%	19,62%	24,83%
Euro Stoxx 50	3 459	-2,33%	-0,36%	5,12%
FTSE 100	7 647	4,60%	4,03%	7,06%
Nikkei 225	22 052	8,65%	9,06%	15,37%
Hang Seng	28 689	2,90%	10,49%	30,40%
Dollar Index	93,81	1,78%	-1,90%	-8,22%
EUR/USD	1,178	-1,44%	2,95%	12,00%
GBP/EUR	1,133	0,26%	-0,38%	-3,45%
GBP/USD	1,334	-1,21%	2,57%	8,11%
USD/JPY	110,4	-1,39%	-1,56%	-5,58%
USD/CHF	0,988	1,89%	3,32%	-3,08%
Brent Crude	77,84	36,90%	64,15%	36,99%
Gold	1 266	-2,10%	1,63%	9,93%

Generic Bond Yields

bps change

	Last Close	-1W	-3M	YTD
US 10Y Yield	2,851%	60,1	58,4	40,7
GER 10Y Yield	0,312%	-13,5	-14,0	10,4
JPY 10Y Yield	0,040%	0,6	-2,3	-0,6
UK 10Y Yield	1,302%	-5,3	5,2	6,3
PT 10Y Yield	1,796%	-64,1	-123,8	-196,8

*Source: Bloomberg, as of 2018-07-09

Upcoming Next Week

This Wednesday, representatives of all NATO members will meet near Brussels at the alliance's recently inaugurated headquarters. Tensions will be running high as the US President lambasted European countries for not respecting their pledges regarding defense spending.

U.S. markets have been in the red over the last two weeks due to the U.S. — China trade tensions, which set a bearish atmosphere for investors. The S&P 500 slid 1.5%, the Nasdaq-100 1.32% and the Dow Jones is down 0.91% over the last fortnight. The slump in the market was aggravated by the Trump camp's mixed response to the allegations of baring Chinese investment in the U.S., stating that the U.S. has no intentions on restricting investment regardless of the country concerned.

Retail giant Amazon (AMZN) featured in the the front pages after **making public the possibility of acquiring the online pharma start-up PillPack**. The announcement led to a substantial drop in the stock prices of the main drug distributors: CVS Health (CVS) and Walgreens Boots Alliance (WBA) were down by 9.91% and 9.9% respectively.

Oil prices breached the \$75 mark, despite OPEC deciding to increase supply, as investors are concerned about a disruption of supply in Iran and Venezuela. Crude oil is up 4.3% over the last two weeks.

Oil explorers put more rigs in the U.S. to work this week as crude prices surpassed the \$75 per barrel marker for the first time since 2014. U.S. working oil rigs rose by a total of five this week to 863, interrupting two straight weeks of steady decline, according to data from Baker Hughes.

Mexican stocks surged after president-elect Andres Manuel Lopez Obrador (AMLO) assured investors of continuing market-friendly policies, having won the elections with more than half the vote. The president-elect's finance minister pledged to respect central bank independence and to maintain fiscal discipline and the country's

exchange rate policy.

Juventus FC has confirmed the reported signing of five time Ballon d'Or winner Cristiano Ronaldo for \$117M. Investors expect the Italian football giant's performance to improve as well as sales of merchandise to rise significantly over the next season due to the high profile transfer. The stock went up by 26% in the last two weeks.

General Electric (GE) revealed plans to spin off its health services business and to sell its 62.5% stake in oil and gas giant Baker Hughes (BHGE).

Walt Disney (DIS) won DOJ approval to buy most of Fox's assets for \$71.3 billion, subject to the condition that Disney sells 22 regional sports networks.

Nike's stock (NKE) spiked to a new record price on Friday after beating both top and bottom line estimates and announcing a new \$15 billion share repurchase program.

Tesla (TSLA) finally reached its goal of making 5 000 Model 3 cars a week in the final week of June. Elon Musk hailed this achievement as the point where "Tesla became a real car company".

Michael Dell is going to bring his company to public markets once again, after taking it private in 2013. Dell will be made public without a conventional public offering, however.

The China New Era Technology Fund was launched this week, hoping to emulate the Softbank Vision fund and raise \$15bn.

Leo de Figueiredo