

# NIC

— Nova Investment Club —

## Market Update

July 15<sup>th</sup> – July 26<sup>th</sup> 2019





## Market Update

### Bi-Weekly Market Review

July 15<sup>th</sup> to July 26<sup>th</sup>, 2019

#### Market Moves

##### Market Moves

% change

	Last Close	-1W	-3M	YTD
S&P 500	3 018	1.39%	2.66%	21.41%
DJIA	27 126	-0.11%	2.19%	17.62%
Nasdaq	8 301	1.90%	2.05%	26.07%
MSCI World	2 926	0.45%	0.23%	14.89%
MSCI EM	3 843	-0.59%	-3.63%	8.70%
Russell 2000	1 569	1.36%	-1.44%	17.27%
Euro Stoxx 50	3 521	1.18%	0.60%	17.91%
FTSE 100	7 539	0.41%	1.50%	11.96%
Nikkei 225	21 658	0.89%	-2.70%	8.21%
Hang Seng	28 398	-1.28%	-4.08%	11.35%
Dollar Index	98.024	0.90%	0.02%	1.68%
EUR/USD	1.113	-0.80%	-0.18%	-2.74%
GBP/EUR	1.114	-0.02%	-3.86%	0.40%
GBP/USD	1.240	-0.82%	-4.00%	-2.35%
USD/JPY	108.720	0.94%	-2.56%	-1.41%
USD/CHF	0.993	1.14%	-2.60%	0.86%
Brent Crude	63.310	1.34%	-12.25%	21.28%
Gold	1 418.400	-0.58%	10.39%	10.55%

##### Generic Bond Yields

change in bps

	Last Close	-1W	-3M	YTD
US 10Y Yield	2.081%	2.56	-41.74	-63.74
GER 10Y Yield	-0.370%	-4.60	-34.80	-61.20
JPY 10Y Yield	-0.148%	-1.60	-10.80	-15.10
UK 10Y Yield	0.691%	-4.30	-45.10	-57.80
PT 10Y Yield	0.446%	-1.30	-68.40	-127.60

\*Source: Bloomberg, as of 2019-07-26

#### Upcoming Next Week

Next Tuesday, the Fed will meet to discuss monetary policy issues. It is expected that Chairman Powell announces the interest rate cut hinted at earlier this month. Next Thursday, the ECB will also hold a meeting concerning monetary policy.

**Boris Johnson succeeds Theresa May as Britain's Prime Minister.** The former mayor of London beat Jeremy Hunt in the Conservative party leadership race. Boris Johnson's cabinet is essentially a team of true Brexit believers from the 2016 Leave Campaign. The new prime minister intends to deliver Brexit on the 31<sup>th</sup> of October with the stated purpose of making the UK the "greatest place on earth".

**The Sterling traded on its strongest level in a month against the Euro on Wednesday, the 24<sup>th</sup> of July.** Economic data from the Eurozone points out a six-year low point in manufacturing activity, an insight that only comes to give force to the call for more aggressive stimulus from the ECB.

**Protestors in Hong Kong are unrelenting** for the eighth weekend in a row even after the extradition bill that first sparked the demonstrations has been declared dead by the sitting Chief Executive. Earlier this month, Carrie Lam has admitted that the extradition bill which was intended to allow the extradition of people in Hong Kong to mainland China was a total failure. Despite the Chief Executive's statement, protestors still view Ms Lam as a pro-Beijing leader and have vowed to see her off.

**Puerto Rico Governor resigns after mass protests.** Following the scandalous release of several text messages written by Ricardo Rosselló, where he is found addressing a prominent female politician disrespectfully, the people of Puerto Rico demanded the governor to step down. Fifteen days after the first texts had surfaced the governor resigned.

**US economic growth cooled to a rate of 2.10% in this year's Q2.** After growing 3.10% in Q1, the US economy grows at a slower pace in the second quarter. This fact supports Federal Reserve Chairman Powell's intention to cut interest rates hinted at earlier this month.

**US Federal Regulators have fined Facebook USD 5.0 bn** for privacy violations and are instituting new oversight and restrictions. This is the largest fine ever levied by the Federal Trade Commission on a tech company and represents almost 10.00% of last year's total revenues. Mr. Zuckerberg will also have to personally certify Facebook's compliance with its privacy programs, with false certifications exposing him to criminal and civil penalties.

**Federal regulators approve the USD 26.0 bn merger between T-Mobile and Sprint.** The third and the fourth larger carriers (respectively) merge in an attempt to contest AT&T's and Verizon's market share (respectively the first and second larger carriers).

**The London Stock Exchange Group has confirmed to be on the brink of buying Refinitiv, the operator of the Eikon terminals.** If the LSE closes this USD 27.0 bn deal it will instantly become Michael Bloomberg's main rival in the market for financial news and data services, aggregating their strong position as a provider of the first with Refinitiv's expertise in providing the latter.

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