

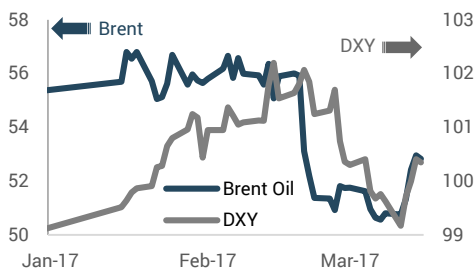
Weekly review of financial markets



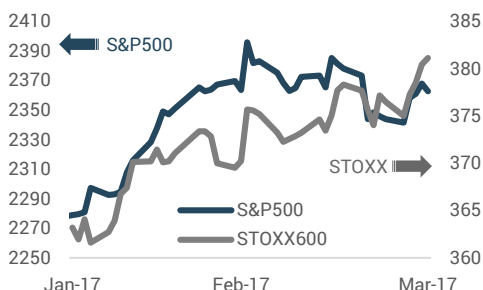
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Brent Oil and DXY



S&P500 and STOXX600



Leaders and Outsiders (1 week):

ALCOA INC	2,75	-0,63	VERIZON...
HEWLETT-PACKARD	1,39	-0,66	INT.PAPER
INTEL CORP	0,89	-1,03	WELLS FARGO
EMC CORP.	0,85	-1,13	BANK OF...
WAL-MART STORES	0,68	-1,14	CITIGROUP INC
AMERICAN TOWER...	0,53	-1,32	JPMORGAN...
ADOBE SYSTEMS...	0,41	-1,35	FIRST SOLAR...
MICROSOFT CORP	0,23	-1,58	DUPONT
MCDONALDS	0,22	-1,94	CORNING INC.
WALT DISNEY	0,19	-2	EXXON MOBIL

Main financial markets indicators

Ticker	Close	1W	1W,%	1M,%
Stock market				
S&P500	2362.72	24.08	1.02%	0.19%
Dow Jones	20663.22	131.77	0.64%	-0.40%
VIX	12.37	-0.59	-4.77%	-4.26%
STOXX600	381.14	4.63	1.21%	2.94%
EURONEXT100	986.27	17.25	1.75%	4.59%
RTS	1,113.76	-10.90	-0.98%	1.30%
MICEX	1995.90	-43.87	-2.20%	-1.96%
Shanghai Comp.	3222.51	-59.21	-1.84%	-0.97%
Bovespa	64984.07	1130.29	1.74%	#N/A
MSCI World	1853.69	7.88	0.43%	0.82%
MSCI EM	958.37	-10.76	-1.12%	2.35%
Forex				
DXY	100.35	0.72	0.72%	-0.76%
USDRUB	56.24	-0.71	-1.26%	-3.54%
EURUSD	1.0649	-0.01	-1.37%	0.72%
GBPUSD	1.25	0.01	0.61%	1.33%
CHFUSD	1.00	0.01	1.17%	-0.27%
USDJPY	111.38	0.05	0.04%	-1.22%
EURUSD Vol3M	8.94	0.12	1.37%	-10.32%
Rates, %				
Eonia	-0.36	0.00	-0.28%	2.90%
Libor 3M	1.15	0.03	2.57%	4.51%
IRS 3Y (6M Eurrib)	-0.04	-0.08	6.00%	-50.00%
Commodities				
Brent, \$/bbl	52.83	2.73	5.10%	-3.71%
Gold, \$/Oz	1248.63	4.83	0.39%	0.01%
Silver, \$/Oz	18.22	0.47	2.58%	-0.47%
Platinum, \$/Oz	945.00	-16.00	-1.69%	-7.63%
Wheat c/bushel	426.50	1.75	0.41%	0.41%
Corn c/bushel	364.25	8.00	2.20%	-0.68%
Debt market				
US CDS 5Y, b.p.	22.92	0.00	0.00%	-2.13%
UST Y10, %	2.40	-0.01	-0.45%	1.32%
EU 10Y, %	0.329	-0.10	-32.69%	49.28%
China 10Y, %	3.31	-0.01	-0.24%	-1.79%

Sources: Bloomberg, Thomson Reuters

DIGEST

US

▲ Stocks and DXY raised this week, showed strong Q1 2017 results

U.S. stocks were slightly lower on Friday, dragged down by technology stocks as investors locked in gains of Wall Street's strongest first-quarter performance in four years. A raft of strong economic data and the possibility of fiscal stimulus under President Trump have driven U.S. equities to record highs since his election. As stocks continue to rise, investors are looking to the first-quarter earnings season to justify Wall Street's lofty valuations. The S&P is trading at about 18 times earnings estimates for the next 12 months against its long-term average of 15, according to Thomson Reuters. U.S. consumer spending barely rose in February amid delays in the payment of income tax refunds, but the biggest annual increase in inflation in nearly five years supported expectations of further interest rate hikes this year. Fed could begin shrinking its \$4.5-trillion balance sheet as soon as this year, earlier than most economists expect, New York Fed President said on Friday. The Fed amassed the record amount of mortgage and Treasury bonds in the wake of the 2007-2009 financial crisis in three rounds of "quantitative easing" meant to stimulate investment, hiring and economic growth. It is no longer buying additional bonds, but it is topping up the portfolio when assets mature.

Europe

▲ Stock market raised during the week and 1st quarter

European shares fell on Friday, weighed down by losses among mining stocks and by a slump in South African-exposed insurer Old Mutual, but were firmly on track to end the quarter with a gain. UK households run down savings to record low in warning sign for economy, while GDP raised 1.9% in Q4 16/15.

Asia and EM (exc. Russia)

▲ Asian and EM stocks fell this week, but showed positive results in Q1 2017

Emerging markets have had a stellar start to the year, with equities delivering world-beating returns in the first 2017 quarter and the Mexican peso topping currency gains with a 10% bounce against the dollar. However, Turkey has seen the lira slump and some Latin American commodity plays have retreated as oil prices have topped back again - but for the most part it has been a bumper few months. The FX tailwinds have helped MSCI's emerging equity index rise a tidy 13% this year, outperforming developed peers. China's Huawei posts flat profit growth amid tough battle with rivals. Chilean, Mexican, Indian, Chinese, Brazilian and Turkish stocks have taken off, climbing somewhere between 18 and 10% in dollar terms (see the graph on the next page). South African assets took a tumble on Friday after President fired Finance Minister. The rand dropped as much as 2.4% in a fifth straight session of losses. China March factory activity expands but at slower pace (PMI fell to 51.2 in March, expected: 51.6).

Russia

▼ Stock market declined this week and quarter, Ruble strengthened.

Russian stock market finished Q1 2017 negatively with RTS losing less than MICEX due to Ruble strengthening. MSCI Russia lost almost 5% while MSCI World gained 6.5%. Decline in Russian market could be characterized by hesitation in EM and Ruble increase that was not fundamentally clear. Fitch affirms Russia at 'BBB-'; outlook stable, looking for 4% inflation in the middle of 2017.

Forex and commodities

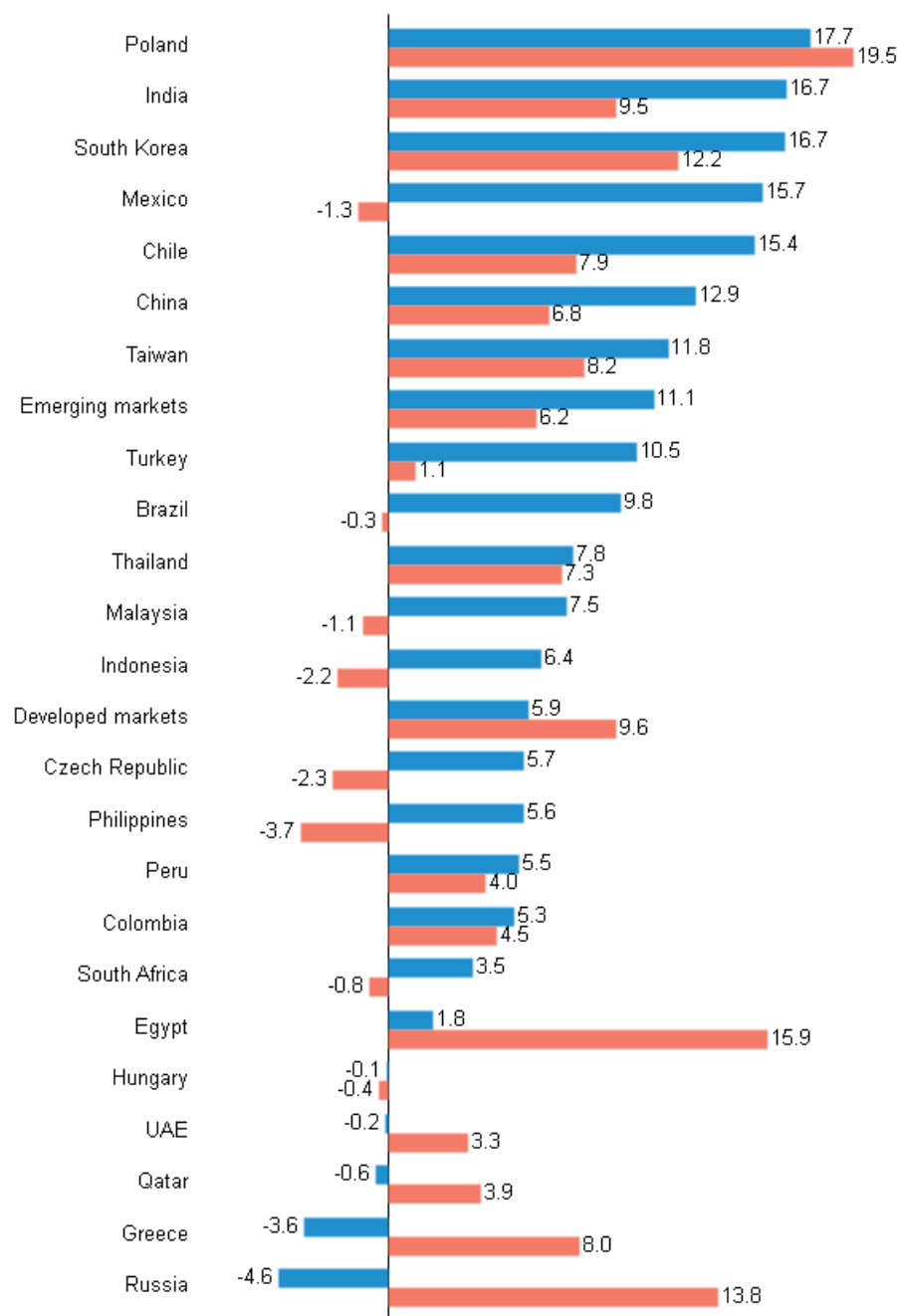
▲ Brent raised for the week, DXY and gold as well

Oil prices fell on Friday after a 3-day rally ran out of steam as a higher U.S. rig count signaled rising production from shale, contributing to the global supply glut. Prices have been locked within a range during the 1st quarter as traders searched for signals that the OPEC' production cuts are effective or that U.S. production is continuing to offset efforts to rebalance the market. Oil prices had gained momentum this week on a growing sense that OPEC and nonmember Russia would extend their production cut, seeking to drive the market higher. Analysts polled on a monthly basis by Reuters have slightly lowered their oil price expectations for this year.

Emerging markets performance

MSCI Emerging Markets country indices (\$)

Percentage change: **Year-to-date** / **Since U.S. election**



Source: Thomson Reuters Datastream

*data to 31/03/2017 close

@ReutersGraphics

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