

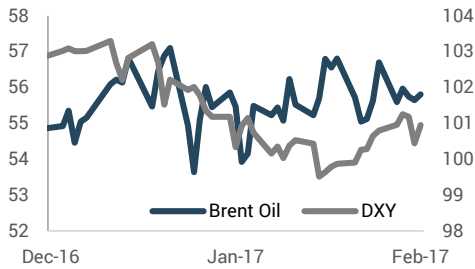
# Weekly review of financial markets



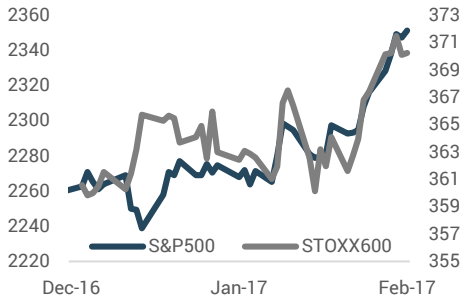
February 20, 2017

research@financialclub.moscow

**Brent Oil and DXY**



**S&P500 and STOXX600**



**Leaders and Outsiders (1 week):**

FIRST SOLAR INC.	2,14	-0,27	3M CO
VERIZON...	1,51	-0,32	CHEVRON
APPLIED...	1,42	-0,35	JPMORGAN...
BOEING CO	1,11	-0,36	CITIGROUP INC
HOME DEPOT	1,02	-0,41	DUPONT
MCDONALDS	0,86	-0,44	IBM
EMC CORP.	0,85	-0,63	WALT DISNEY
WAL-MART STORES	0,74	-0,69	EXXON MOBIL
YANDEX	0,69	-0,7	ALCOA INC
JOHNSON &...	0,65	-2,34	INT.PAPER

**Main financial markets indicators**

Ticker	Close	1W	1W,%	1M,%
<b>Stock market</b>				
S&P500	2347.22	31.12	1.33%	3.50%
VIX	11.76	0.91	7.74%	-0.93%
RTS	1152.21	-12.00	-1.04%	-0.37%
MICEX	2128.21	-33.98	-1.60%	-2.32%
STOXX600	370.22	2.83	0.76%	2.15%
Shanghai Comp.	3202.08	5.38	0.17%	3.00%
Bovespa	67748.42	1623.89	2.40%	5.27%
MSCI World	1836.50	21.79	1.19%	3.01%
MSCI EM	939.03	8.87	0.94%	4.93%
<b>Forex</b>				
DXY	100.95	0.15	0.15%	0.62%
USDRUB	58.4315	0.17	0.29%	-1.52%
EURRUB	61.9324	0.00	0.00%	-2.60%
EURUSD	1.0611	0.00	-0.25%	-0.94%
GBPUSD	1.2412	-0.01	-0.62%	-0.01%
CHFUSD	1.0025	0.00	0.05%	0.16%
EURUSD Vol3M	10.15	-0.06	-0.61%	11.29%
<b>Rates, %</b>				
Eonia	-0.36	0.00	0.85%	0.85%
Libor 3M	1.05	0.03	3.07%	5.23%
IRS 3Y (6M Eurrib)	-0.085	-0.02	6.00%	-34.62%

<b>Commodities</b>				
Brent, \$/bbl	55.81	-0.89	-1.59%	0.61%
Gold, \$/Oz	1235.22	1.21	0.10%	1.54%
Silver, \$/Oz	17.97	0.02	0.13%	4.72%
Platinum, \$/Oz	1001	-9.40	-0.94%	2.73%
Wheat c/bushel	441	-8.00	-1.81%	1.73%
Corn c/bushel	368.25	-6.25	-1.70%	0.75%
<b>Debt market</b>				
US CDS 5Y, b.p.	23.92	0.50	2.09%	1.83%
UST Y10, %	2.42	0.01	0.45%	4.00%
EU 10Y, %	0.32	-0.01	-1.87%	2.23%
China 10Y, %	3.38	0.61	18.07%	3.53%

Sources: Bloomberg, Thomson Reuters

## DIGEST

### US

#### ▲ Stocks raised, Treasury prices increased

U.S. stocks opened lower on Friday, led by bank stocks, as investors booked profits after a record-setting few days and ahead of a long weekend. Since Trump vowed last week to announce a tax reform in the coming weeks, Wall Street has hit record intraday and closing highs in successive days in a rally led by financials. The S&P 500 financial index outperformed others with a gain of about 3.2% in the past week. With a strong 4Q earnings season mostly complete, many investors say they need concrete signs of progress from Trump on his policy plans to justify more gains. U.S. Treasury prices gained on Friday as concerns over the French election and weak data in Britain added to risk aversion, hurting stock markets and boosting demand for safe haven U.S. debt. Falling stock markets helped bonds rally after a spike mid-week sent yields to two-and-a-half week highs, as hawkish testimony from Federal Reserve Chair Janet Yellen led traders to prepare for the possibility of a faster pace of interest rate hikes. A jump in consumer price inflation and retail sales data on Wednesday added to this sentiment, while a Philadelphia manufacturing index on Thursday jumped to a 33-year high.

### Europe

#### ▲ Stock market raised, concerns about French elections drive markets

British 10-year government bond yields fell to a three-month low on Friday after data showed shoppers unexpectedly spent less in January, while German government bonds were also boosted by nervousness over the French election. Reports that the two main left-leaning candidates in France's presidential election are holding talks on possible cooperation, a move that could potentially put one of them in contention to reach the crucial election runoff, put a damper on risk appetite overnight.

### Asia and EM (exc. Russia)

#### ▲ EM stocks raised, EM currencies are under DXY pressure

Emerging market stocks took a breather on Friday, easing back after what was set to be a seventh week of gains in the last eight and also a bumper one for many of the major EM currencies. Developing markets have surged since the start of the year as improving global economic strength and a subdued dollar and debt costs have given investors encouragement. Turkey, which was in the market's firing line earlier this year, said on Friday it was studying the foreign currency debts of its private sector and will introduce new regulatory measures in March. Chinese central bank said on Friday it had sold the least amount of foreign exchange in five months in January, reinforcing views that capital outflows have eased as policymakers have tightened controls and as the yuan steadies.

### Russia

#### ▼ Stock market decreased, Ruble weakened a bit, bonds corrected

Ruble declined on Friday after the comments of the minister of economic development about the FX market in Russia. Government bonds corrected due to Ruble pressure, Central Bank's strict policy, EM markets decline and US Treasury purchase. Moody's changes outlook on Russia's BA1 government bond rating to 'stable' from 'negative'. European investors bought \$500 mln Severstal Eurobonds.

### Forex and commodities

#### ▼ Brent declined, concerns about OPEC, DXY and gold raised

Oil prices ended steady on Friday but lower on the week, with U.S. crude notching its first weekly decline in five weeks, as the market weighed rising U.S. drilling and record stockpiles against efforts by major producers to cut output to reduce a global glut. U.S. energy companies added oil rigs for a fifth straight week, Baker Hughes said, extending a nine-month recovery with producers encouraged by buoyant crude prices, which have held mostly over \$50 a barrel since late November. The oil market was also pressured by a second week of gains in the dollar index DXY, which rose on Friday, making greenback-denominated oil more expensive for holders of other currencies.

Copyright © 2017. Moscow Financial Club (non-profit partnership). All rights reserved

This report has been prepared by the analysts of Moscow Financial Club (non-profit partnership) (hereinafter — Moscow Financial club or MFC) and is based on information obtained from public sources believed to be reliable, but is not guaranteed as necessarily being accurate. With the exception of information directly pertaining to Moscow Financial Club, MFC shall not be liable for the accuracy or completeness of any information shown herein. All opinions and judgments herein represent solely analysts' personal opinion regarding the events and situations described and analyzed in this report. They should not be regarded as MFC's position and are subject to change without notice, also in connection with new corporate or market events that may transpire. MFC shall be under no obligation to update, amend this report or otherwise notify anyone of any such changes. The financial instruments mentioned herein may be unsuitable for certain categories of investors. This report should not be the only basis used when adopting an investment decision. Investors should make investment decisions at their own discretion, inviting independent consultants, if necessary, for their specific interests and objectives. The authors shall not be liable for any consequences or loss that might result from the use of this report. Any information contained herein or in the appendices hereto shall not be construed as a solicitation or an offer to buy or sell any securities or as any investment advertisement, unless otherwise expressly stated herein or in the appendices hereto. Redistribution or reproduction of this report, wholly or in part, is prohibited without prior written permission from Moscow Financial Club.