



International News (Issue 457) - July 14th, 2017

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The Federal Reserve Chairwoman's commentary around both the balance sheet unwind intended by the Fed, and indeed the outlook for inflation, seemed to garner most attention from markets this week.

As I detailed in the previous section, I was surprised at the markets optimistic reaction to Janet Yellen's mildly dovish inflationary outlook particularly given that this was currently priced in by fixed income markets.

That the Fed balance sheet would not be used as an 'active tool' for policy was also interesting, and points to a sustained withdrawal of liquidity from global investment markets.

The Bank of England and European Central Bank look to be treading a similar path to the Fed, albeit several months behind.

Rising inflation in the United Kingdom is causing significant disagreement amongst BOE board members as to the timing for not only a withdrawal of its current bond buying program, but also as to plans for the first rate-hike.

Thursday Closing Values

	Index	Change	%
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U.S. S&P 500	2448	+38	+1.6
London's FTSE	7413	+76	+1.0
Japan's Nikkei	20099	+105	+0.5
Hang Seng	26346	+881	+3.5
China's Shanghai	3218	+6	+0.2

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International News (Issue 456) - July 7th, 2017

International News (Issue 456) - July 7th,

2017

In light of the remarks made above on the US Federal Reserve, we have neglected to make further remark on foreign markets this week.

Thursday Closing Values

	Index	Change	%
U.S. S&P 500	2410	-10	-0.4
London's FTSE	7337	-13	-0.2
Japan's Nikkei	19994	-226	-1.1
Hang Seng	25465	-500	-1.9
China's Shanghai	3212	+24	+0.8

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International News (Issue 455) - June 30th, 2017

International News (Issue 45) - June 30th, 2017

A few strong points to make in the international space this week.

Most pertinent is ECB chief Mario Draghi's comments or hints rather than deflationary forces had been replaced by inflationary ones.

Such hawkish commentary opens the door to possible rate hikes and is certainly relevant given Draghi's typical dovish bias.

The EUR jumped to a 9-month high on account of this news.

Federal Chief Janet Yellen reiterated the intentions of the FOMC to gradually raise interest rates provided the economy continues to improve.

Data released this week showed the US economy slowed less sharply in Q1 than initially estimated as a result of higher consumer spending and growth in exports.

US bank stocks received strong support following this and following the Fed's approvals of the banks' plans to raise dividend payouts and share buy-backs under its annual stress test program.

Stock-wise, **Google's** parent company **Alphabet** fell ~5% as EU regulators imposed a record \$2.7b fine for abusing its market dominance. Google was fined for illegally favouring its own shopping service in search results denying other companies the chance to compete.

Shares of **Nike Inc.** were higher after the company beat fourth quarter earnings guidance.

Nike reported net income of \$1.01b up from \$846m in the prior corresponding period.

Thursday Closing Values

	Index	Change	%
U.S. S&P 500	2420	-15	-0.6
London's FTSE	7350	-89	-1.2
Japan's Nikkei	20220	+109	+0.5
Hang Seng	25695	+290	+1.1
China's Shanghai	3188	+41	+1.3

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International News (Issue 454) - June 23rd, 2017

International News (Issue 454) - June 23rd, 2017

In the international space, it seems not a day goes by where **Amazon** does not dominate the headlines.

Amazon's announcement that it will acquire upscale supermarket chain Whole Foods for nearly \$14b is a big deal.

Amazon will inherit 450 stores in the deal giving it a physical presence but its greatest competitive advantage is not its e-commerce network; it is its innovation engine.

Naturally, shares in Costco, Walmart and Kroger all tumbled on this news.

Still on **Amazon**, **Nike Inc** announced overnight that it intends to finally sell some of its products directly to Amazon, having refused for many years to buckle to the pressure.

The deal gives **Nike** better control over regulating the sale of knockoffs from third-party sellers and provides **Amazon** with a new source of revenue in the footwear and apparel market.

On another note, China has finally been added to the MSCI Emerging Markets index. MSCI will add 222 Chinese A large cap stocks on a gradual basis beginning

next year although these additions only represent 0.7% of the overall index.

Thursday Closing Values

	Index	Change	%
U.S. S&P 500	2435	+3	+0.1
London's FTSE	7439	+20	+0.3
Japan's Nikkei	20111	+279	+1.4
Hang Seng	25675	+110	+0.4
China's Shanghai	3147	+15	+0.5

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International News (Issue 453) - June 16th, 2017

International News (Issue 453) - June 16th, 2017

This week in offshore markets the news-flow was dominated by the Federal Reserve meeting, a topic on which we addressed in the previous section.

Have a great weekend.

Jono & Guy

Thursday Closing Values

	Index	Change	%
U.S. S&P 500	2432	-2	-0.1
London's FTSE	7419	-31	-0.4
Japan's Nikkei	19832	-77	-0.4
Hang Seng	25565	-498	-1.9
China's Shanghai	3132	-18	-0.6

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