

# RockCreek

## AFTERNOON | MARKET UPDATE

### GLOBAL MARKET SNAPSHOT

#### Equity Markets:

Global equities moved higher on Tuesday, particularly in Asia, as stocks were propelled by talk of further stimulus measures being taken by China. There was a brief hiccup in risk sentiment following the Brexit vote, but moves reversed as investors wrote off the defeat as expected. In the U.S., yesterday's preference for large cap value reversed as momentum led. On a sector basis, industrials -0.3% and materials -0.7% lagged, while communication services 1.7% and health care 1.7% led.

Developed	1-Day Return	MTD Return	YTD Return	Emerging	1-Day Return	MTD Return	YTD Return
DJIA	0.7%	3.2%	3.2%	Mexico IPC	0.5%	4.7%	4.7%
S&P 500	1.1%	4.2%	4.2%	Bovespa	-0.4%	7.0%	7.0%
Nasdaq	1.7%	5.9%	5.9%	Chile IPSA	0.3%	5.3%	5.3%
Russell 2000	0.9%	7.2%	7.2%	Colombia IGBC	0.1%	4.7%	4.7%
EuroStoxx 50	0.4%	2.3%	2.3%	Warsaw WIG	0.6%	3.0%	3.0%
DAX	0.3%	3.2%	3.2%	MICEX	0.0%	3.2%	3.2%
CAC	0.5%	1.2%	1.2%	JSE Africa	0.1%	1.6%	1.6%
FTSE 100	0.6%	2.5%	2.5%	Borsa Istanbul	1.2%	2.1%	2.1%
FTSE MIB	0.0%	4.6%	4.6%	Hang Seng	2.0%	3.8%	3.8%
IBEX	0.4%	3.9%	3.9%	Shanghai Comp	1.4%	3.1%	3.1%
PSI (Portugal)	1.1%	5.7%	5.7%	KOSPI	1.6%	2.8%	2.8%
ASE	-1.1%	1.5%	1.5%	Sensex	1.3%	0.7%	0.7%
Nikkei	1.0%	2.7%	2.7%	Jakarta Comp	1.1%	3.5%	3.5%
ASX 300	0.7%	3.0%	3.0%	Thai SET	-0.4%	0.8%	0.8%

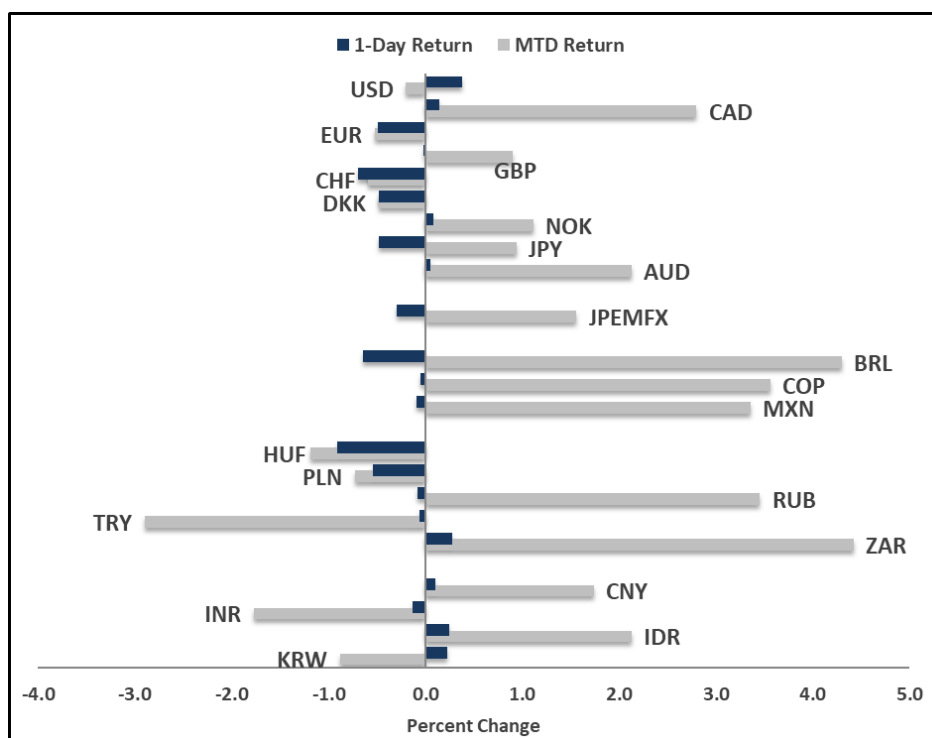
#### Bond Markets:

The Treasury curve saw a modest bear steepening. European sovereigns again outperformed as ECB president Mario Draghi said that recent economic developments have been weaker than expected and significant stimulus is still needed, but indicated that "it's a slowdown, which is not headed toward a recession."

Bond	Yield (%)	Δ 1-Day (bps)	Δ MTD (bps)	Δ YTD (bps)
UST 2yr	2.53	0	5	5
UST 5yr	2.53	1	2	2
UST 10yr	2.71	1	3	3
UST 30yr	3.07	2	6	6
UK 10 yr	1.26	-4	-2	-2
GER 10 yr	0.20	-2	-3	-3
FRF 10yr	0.62	-2	-8	-8
ITL 10yr	2.87	3	13	13
ESP 10yr	1.39	-3	-3	-3
PTE 10yr	1.66	-2	-6	-6
JPY 10yr	0.01	0	1	1

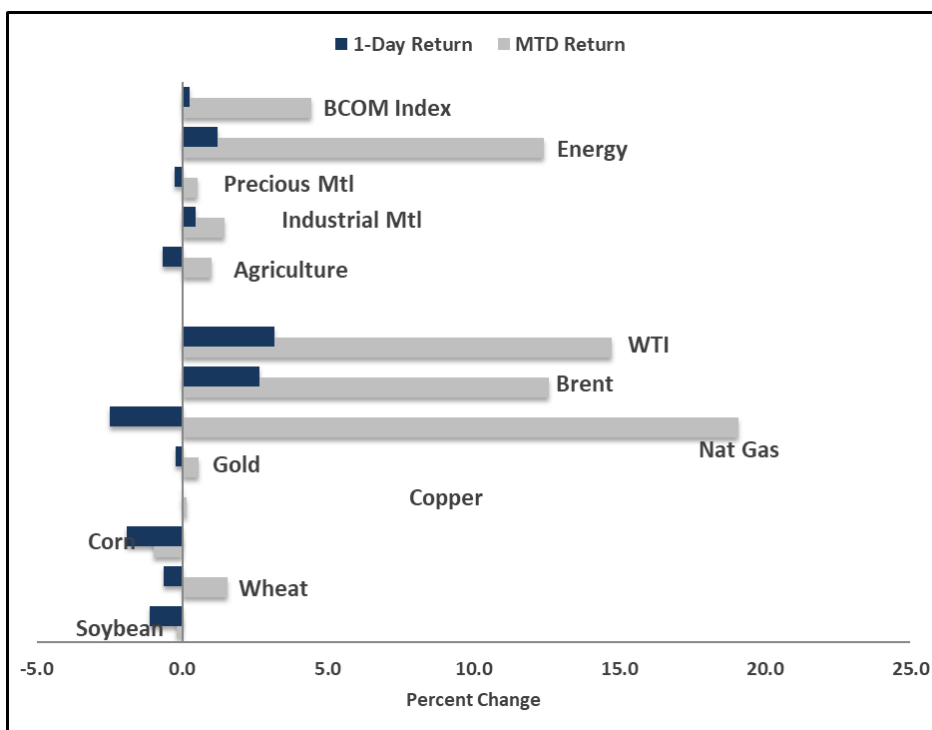
### Currency Markets:

The U.S. dollar index increased 0.4%. British pound was flat on the session but tumbled by -1.9% intraday on the outcome of the Brexit vote before quickly recovering. The havens, Japanese yen and Swiss franc, weakened -0.5% and -0.7%, respectively, as Chinese authorities gave risk sentiment a boost. Euro weakened -0.5% on softer than expected Eurozone trade and German growth data.



### Commodity Markets:

The Bloomberg Commodity Index gained 0.5%. WTI and Brent gained 2.9% and 2.6%, respectively, as China boosted risk sentiment and API reported that there was a decline in crude inventories last week.



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## MACRO OVERVIEW

In a [speech](#) to members of the European Parliament in Strasborg, ECB president Mario Draghi stated that “recent economic developments have been weaker than expected and uncertainties, notably related to global factors, remain prominent” and that a “significant amount of monetary policy stimulus is still needed to support the further build-up of domestic price pressures.” This followed data released earlier in the day that provided further evidence of softening economic conditions in the region. [German GDP](#) growth came in at 1.5% for 2018, the weakest level since 2013. The [Eurozone’s trade](#) surplus fell to €19.0 billion in November, down from the €23.4 billion seen a year prior. Imports and exports increased 4.7% and 1.9% year-over-year, respectively.

Theresa May’s Brexit deal was defeated in U.K. Parliament by a vote of 432-202, a result that was largely anticipated.

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