

RockCreek

AFTERNOON | MARKET UPDATE

GLOBAL MARKET SNAPSHOT

Equity Markets:

Global indices finished mixed on Thursday though momentum was positive. The session finished with the Americas posting solid gains (e.g., U.S. 0.8%, Canada 0.7%, Brazil 1.0%). U.S. markets experienced a cyclical rally with materials 1.7%, industrials 1.7%, and energy 1.0% leading. This afternoon S&P 500 surged 0.9% in 10 minutes on a WSJ report that U.S. officials were considering lifting its trade tariffs on China, a report that was swiftly denied by Treasury but gives an indication of how the market will react if there is a resolution to the trade issue.

Developed	1-Day Return	MTD Return	YTD Return	Emerging	1-Day Return	MTD Return	YTD Return
DJIA	0.7%	4.6%	4.6%	Mexico IPC	0.3%	5.5%	5.5%
S&P 500	0.8%	5.2%	5.2%	Bovespa	1.0%	8.5%	8.5%
Nasdaq	0.7%	6.8%	6.8%	Chile IPSA	0.3%	6.5%	6.5%
Russell 2000	0.9%	8.8%	8.8%	Colombia IGBC	-0.1%	4.6%	4.6%
EuroStoxx 50	-0.3%	2.3%	2.3%	Warsaw WIG	-0.1%	3.8%	3.8%
DAX	-0.1%	3.4%	3.4%	MICEX	0.5%	3.6%	3.6%
CAC	-0.3%	1.4%	1.4%	JSE Africa	-0.7%	1.4%	1.4%
FTSE 100	-0.4%	1.6%	1.6%	Borsa Istanbul	1.5%	6.1%	6.1%
FTSE MIB	0.0%	6.3%	6.3%	Hang Seng	-0.5%	3.5%	3.5%
IBEX	0.0%	4.6%	4.6%	Shanghai Comp	-0.4%	2.6%	2.6%
PSI (Portugal)	0.6%	6.3%	6.3%	KOSPI	0.0%	3.8%	3.8%
ASE	-0.9%	0.6%	0.6%	Sensex	0.2%	0.9%	0.9%
Nikkei	-0.2%	1.9%	1.9%	Jakarta Comp	0.2%	3.7%	3.7%
ASX 300	0.3%	4.1%	4.1%	Thai SET	0.2%	1.1%	1.1%

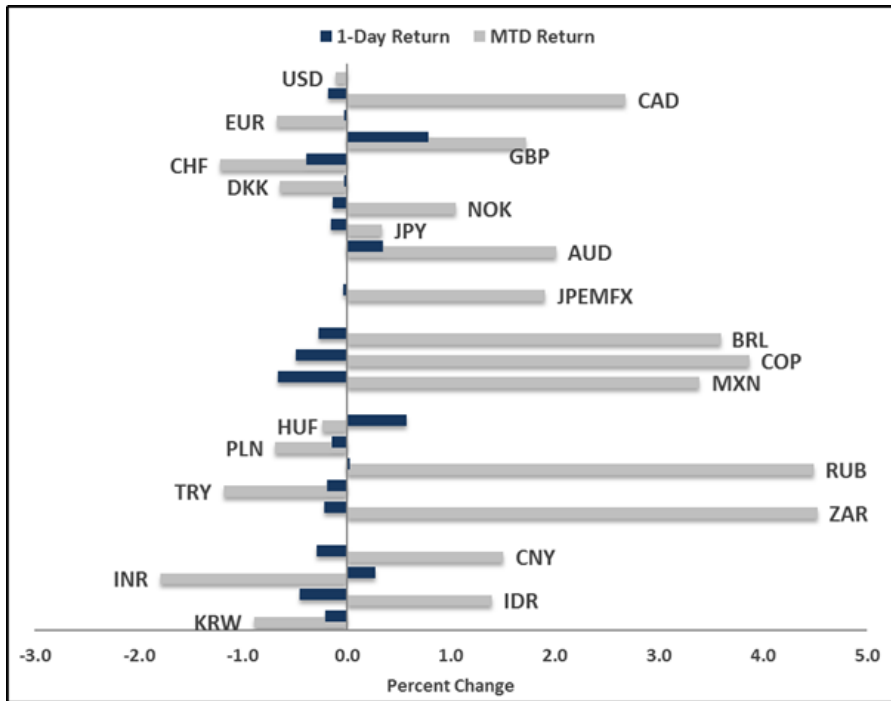
Bond Markets:

Treasuries were weaker in the belly as yields in the 5- to 10-year part of the curve rose 3 bps, while credit continued to strengthen.

Bond	Yield (%)	Δ 1-Day (bps)	Δ MTD (bps)	Δ YTD (bps)
UST 2yr	2.56	↑ 3	↑ 8	↑ 8
UST 5yr	2.57	↑ 3	↑ 6	↑ 6
UST 10yr	2.75	↑ 3	↑ 6	↑ 6
UST 30yr	3.07	→ 0	↑ 6	↑ 6
UK 10 yr	1.33	↑ 3	↑ 6	↑ 6
GER 10 yr	0.24	↑ 2	→ 0	→ 0
FRF 10yr	0.64	↑ 1	↓ -6	↓ -6
ITL 10yr	2.76	↑ 1	↑ 2	↑ 2
ESP 10yr	1.36	↓ -1	↓ -5	↓ -5
PTE 10yr	1.75	↓ -3	↑ 4	↑ 4
JPY 10yr	0.01	↑ 1	↑ 2	↑ 2

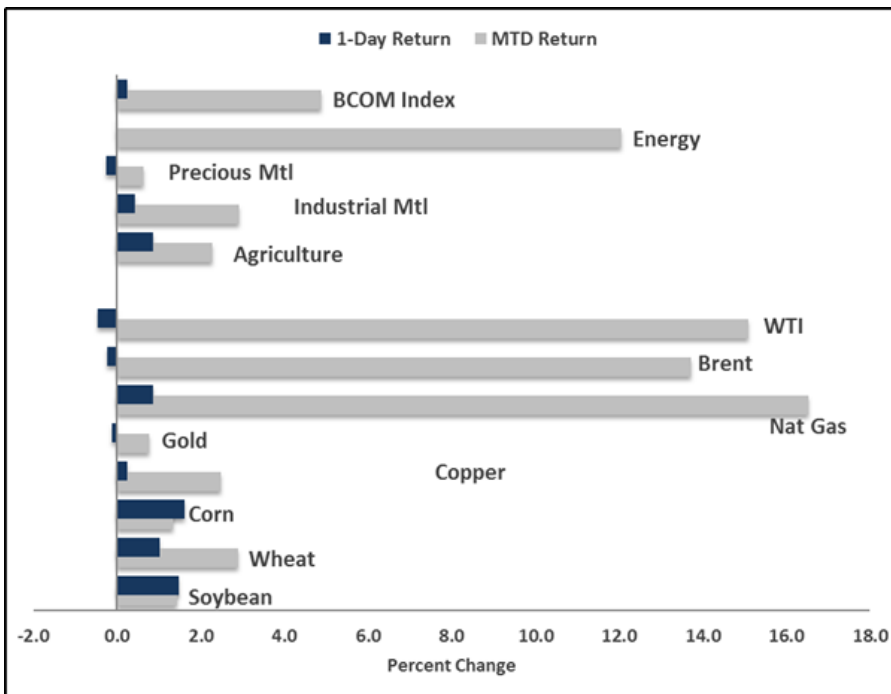
Currency Markets:

The U.S. dollar index was flat. British pound had its best day in over a month, rallying 0.8% as sentiment continues to seesaw on Brexit. Hungarian forint 0.6% led among emerging market crosses as markets price a more hawkish outlook for monetary policy.



Commodity Markets:

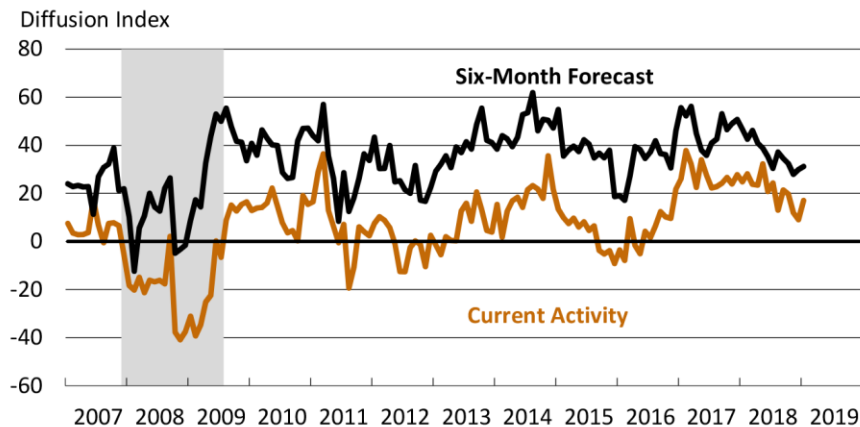
The Bloomberg Commodity Index gained 0.2%. Grains jumped on the trade headlines with soybeans and wheat finished 1.5% and 1.7% higher, respectively. Crude oil was largely unchanged on the day but was down as much as -2.5% intraday.



MACRO OVERVIEW

The [Philadelphia Fed](#)'s manufacturing business outlook gave a boost to the market and offset some of concern arising from yesterday's [Beige Book](#). The headline index for manufacturing activity in the region increased 7.9 points to 17.0, well above expectations, as 30% of manufacturers reported an increase in activity and new orders rose to a six-month high.

Chart 1. Current and Future General Activity Indexes
January 2007 to January 2019



Note: The diffusion index is computed as the percentage of respondents indicating an increase minus the percentage indicating a decrease; the data are seasonally adjusted.

Source: Philadelphia FRB

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