

RockCreek

AFTERNOON | MARKET UPDATE

GLOBAL MARKET SNAPSHOT

Equity Markets:

Europe retained its leadership position on Wednesday. The region's gains were spread across country and sector with 91% of Eurostoxx 600 constituents posting gains while only energy saw a sub-1% rise. India's Sensex climbed 1.8% in local terms in response to the appointment of a new central bank governor. In the U.S., S&P 500 again finished well off its highs after gaining as much as 1.8% intraday. It was somewhat of a junk rally as quality and yield lagged more volatile shares with high short interest.

Developed	1-Day Return	MTD Return	YTD Return	Emerging	1-Day Return	MTD Return	YTD Return
DJIA	0.6%	-3.9%	1.5%	Mexico IPC	0.0%	-2.0%	-15.4%
S&P 500	0.5%	-3.9%	1.0%	Bovespa	0.6%	-2.8%	-13.8%
Nasdaq	0.9%	-3.1%	3.9%	Chile IPSA	0.9%	0.1%	-8.0%
Russell 2000	1.1%	-5.0%	-4.1%	Colombia IGBC	0.3%	0.7%	4.3%
EuroStoxx 50	1.7%	-2.0%	-8.3%	Warsaw WIG	1.9%	-0.3%	-9.0%
DAX	1.4%	-2.9%	15.4%	MICEX	-1.0%	-0.9%	-18.5%
CAC	2.1%	-1.8%	-4.8%	JSE Africa	0.8%	2.0%	10.4%
FTSE 100	1.1%	-1.4%	-6.8%	Borsa Istanbul	-1.9%	-5.6%	-18.9%
FTSE MIB	1.9%	-1.3%	10.7%	Hang Seng	1.6%	-1.2%	-9.4%
IBEX	1.3%	-2.5%	-8.8%	Shanghai Comp	0.3%	0.5%	-19.4%
PSI (Portugal)	1.4%	-1.4%	-6.5%	KOSPI	1.4%	-0.7%	-15.1%
ASE	1.6%	2.8%	18.0%	Sensex	1.8%	-1.1%	6.3%
Nikkei	2.2%	-3.3%	-3.4%	Jakarta Comp	0.6%	1.0%	-1.6%
ASX 300	1.4%	-0.3%	-1.8%	Thai SET	0.1%	-0.3%	-3.9%

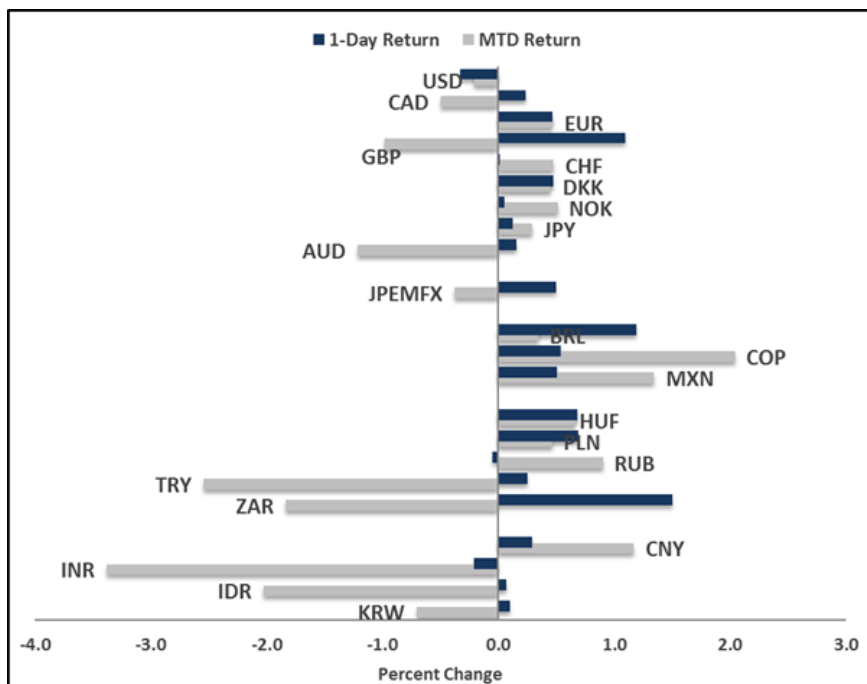
Bond Markets:

The Treasury curve saw a modest bear steepening with the belly seeing the most weakness. Gilt yields jumped as Theresa May faced a confidence vote over her Brexit plan, which she ultimately won by a difference of 200 to 117. Indian bonds strengthened with the appointment of Shaktikanta Das as central bank governor who is being seen as more dovish than his predecessor.

Bond	Yield (%)	Δ 1-Day (bps)	Δ MTD (bps)	Δ YTD (bps)
UST 2yr	2.77	↑ 1	↓ -1	↑ 89
UST 5yr	2.77	↑ 3	↓ -4	↑ 56
UST 10yr	2.91	↑ 3	↓ -8	↑ 50
UST 30yr	3.15	↑ 2	↓ -14	↑ 41
UK 10 yr	1.28	↑ 9	↓ -8	↑ 9
GER 10 yr	0.28	↑ 5	↓ -3	↓ -15
FRF 10yr	0.73	↑ 2	↑ 5	↓ -5
ITL 10yr	3.00	↓ -12	↓ -21	↑ 99
ESP 10yr	1.43	↓ -1	↓ -7	↓ -13
PTE 10yr	1.72	↓ -3	↓ -10	↓ -19
JPY 10yr	0.05	↑ 1	↓ -4	↑ 1

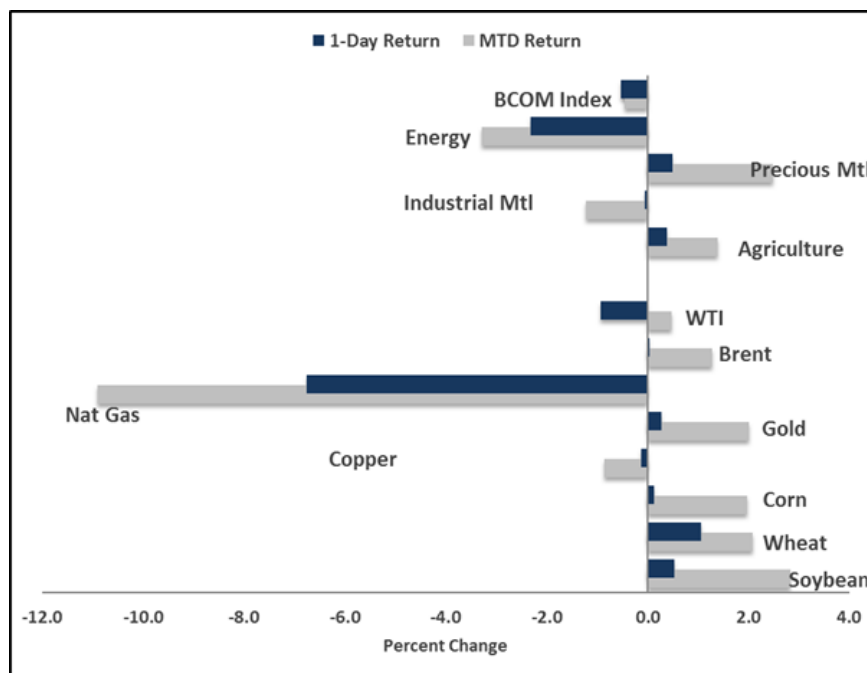
Currency Markets:

The U.S. dollar weakened -0.4%. British pound led among G10, rallying 1.1% ahead of the confidence vote noted above. Emerging market currencies were broadly stronger with the JPMorgan EM FX Index up 0.5%. South Africa's rand appreciated 1.5% as an inflation reading exceeded expectations. Brazilian real gained 1.2% ahead of an interest rate decision this afternoon that saw BCB hold rates at 6.5%.



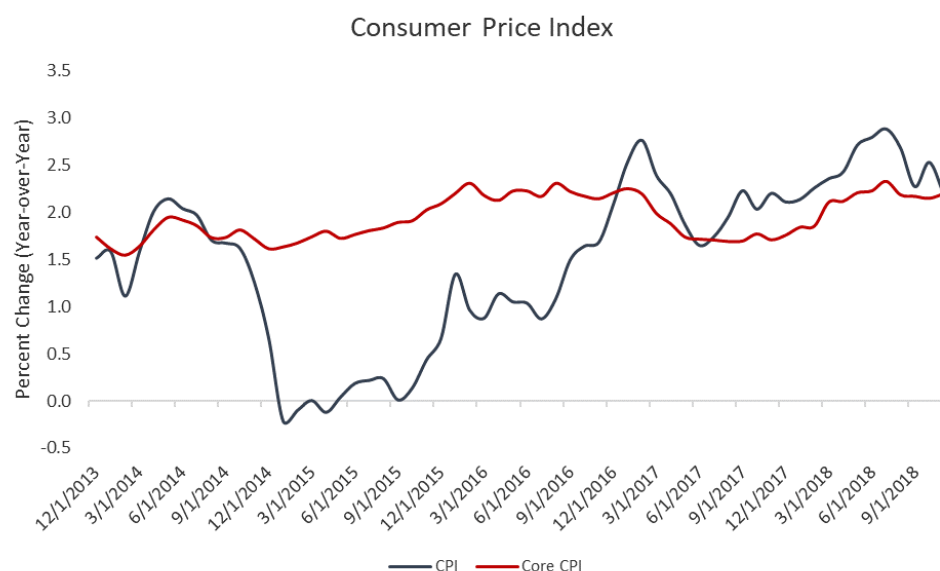
Commodity Markets:

The Bloomberg Commodity Index declined -0.5% on energy weakness. WTI slumped -0.9% to \$51.20 per barrel after the EIA's weekly status report showed crude oil inventories declined by 1.2 million barrels last week, lower than the expected 3 million barrel draw and a far cry from the 10 million barrel decline reported by API yesterday. Natural gas continued to be exceptionally volatile with futures down -7.0% on the session.



MACRO OVERVIEW

Today's [consumer price report](#) was in line with expectations as both headline and core numbers matched consensus forecasts. The headline index was unchanged from October, recording a 2.2% increase from a year prior. The core index (ex-food and energy) also saw a 2.2% year-over-year increase after rising 0.2% in November. BLS also issued its [real earnings report](#) that showed average hourly earnings increased by 1.0% year-over-year over the rate of inflation.



Source: Bureau of Labor Statistics

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