

RockCreek

AFTERNOON | MARKET UPDATE

GLOBAL MARKET SNAPSHOT

Equity Markets:

Sentiment continued to seesaw on Friday as pessimism around trade negotiations during the overnight session in Asia was short-lived as stocks rallied in Europe and the U.S. Gains across the Eurozone were fairly uniform with the exception of Greece +0.2%, which lagged. Spain's IBEX +1.9% was the strongest performer despite the prime minister calling for a snap election in April after having his budget rejected earlier this week. Both Europe and the U.S. saw cyclical and value names lead.

Developed	1-Day Return	MTD Return	YTD Return	Emerging	1-Day Return	MTD Return	YTD Return
DJIA	1.7%	3.8%	11.4%	Mexico IPC	0.7%	-2.2%	3.3%
S&P 500	1.1%	2.8%	11.0%	Bovespa	-0.5%	0.1%	11.0%
Nasdaq	0.6%	2.7%	12.8%	Chile IPSA	0.4%	-0.1%	5.8%
Russell 2000	1.6%	4.7%	16.5%	Colombia IGBC	0.8%	2.3%	8.7%
EuroStoxx 50	1.8%	2.6%	8.3%	Warsaw WIG	0.8%	-0.9%	3.7%
DAX	1.9%	1.1%	7.0%	MICEX	1.2%	-1.2%	5.4%
CAC	1.8%	3.2%	9.0%	JSE Africa	0.2%	0.9%	3.7%
FTSE 100	0.6%	4.2%	7.9%	Borsa Istanbul	0.6%	-1.3%	12.5%
FTSE MIB	1.9%	2.4%	10.8%	Hang Seng	-1.9%	-0.1%	8.0%
IBEX	1.9%	0.7%	7.4%	Shanghai Comp	-1.4%	3.8%	7.6%
PSI (Portugal)	1.1%	0.3%	8.7%	KOSPI	-1.3%	-0.4%	7.6%
ASE	0.2%	3.2%	6.8%	Sensex	-0.2%	-1.2%	-0.7%
Nikkei	-1.1%	0.6%	4.4%	Jakarta Comp	-0.5%	-2.2%	3.1%
ASX 300	0.1%	3.8%	7.8%	Thai SET	-0.9%	-0.2%	4.8%

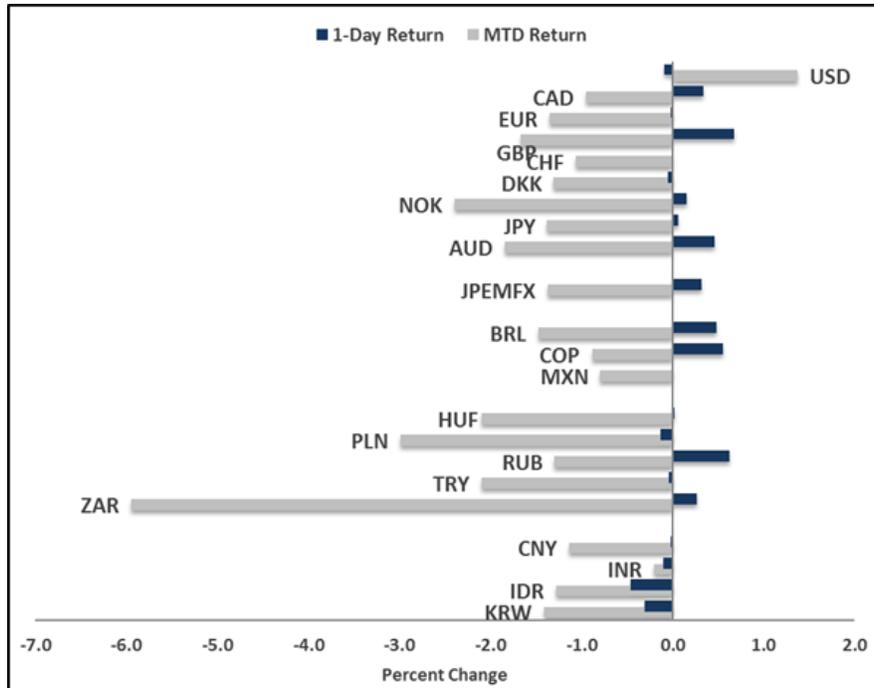
Bond Markets:

The Treasury curve saw a modest bear steeping with yields inside 5-years seeing the biggest rise. Spanish debt was effectively unchanged despite the political strife, although the snap election announcement was well flagged.

Bond	Yield (%)	Δ 1-Day (bps)	Δ MTD (bps)	Δ YTD (bps)
UST 2yr	2.52	↑ 2	↑ 6	↑ 3
UST 5yr	2.49	↑ 2	↑ 6	↓ -2
UST 10yr	2.66	↑ 1	↑ 3	↓ -2
UST 30yr	2.99	→ 0	→ 0	↓ -2
UK 10 yr	1.16	↑ 1	↓ -6	↓ -12
GER 10 yr	0.10	→ 0	↓ -5	↓ -14
FRF 10yr	0.53	↑ 1	↓ -2	↓ -17
ITL 10yr	2.80	→ 0	↑ 21	↑ 6
ESP 10yr	1.24	→ 0	↑ 4	↓ -18
PTE 10yr	1.56	↓ -1	↓ -6	↓ -16
JPY 10yr	-0.03	↓ -1	↓ -2	↓ -2

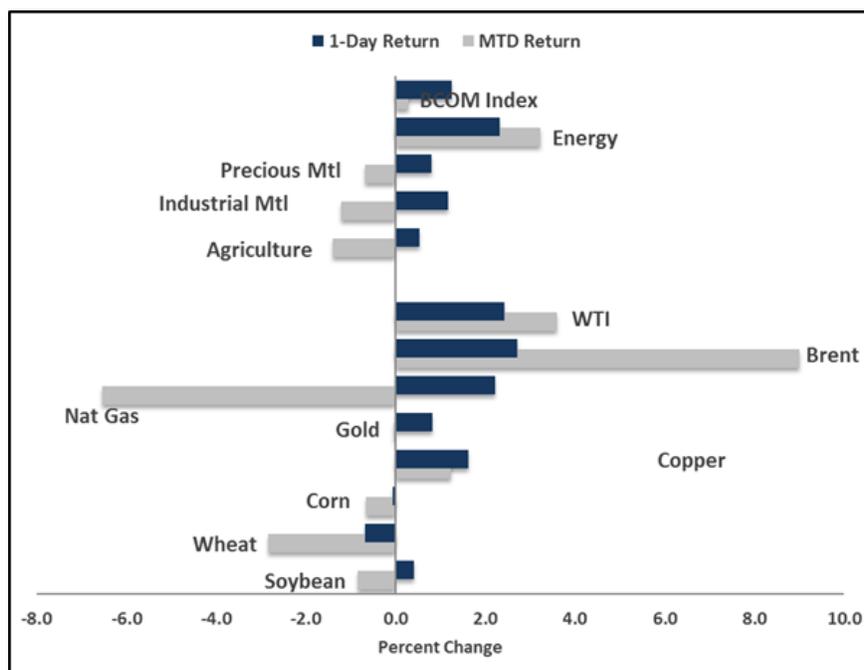
Currency Markets:

The U.S. dollar index dipped -0.1%. The greenback was stronger in early trading, but a weaker industrial production print and dovish comments from San Francisco Fed president Mary Daly (“case for a rate increase isn’t there”) sent it into retreat. British pound +0.7% led among G-10 following stronger than expected retail sales numbers (sales volume rose at the fastest pace in six months in January).



Commodity Markets:

The Bloomberg Commodity Index gained +1.2%, the strongest one-day rise of the year. Crude oil led the way with WTI and Brent +2.5% and +2.6%, respectively.



MACRO OVERVIEW

As reference above, [U.K. retail sales](#) surprised to the upside in January, increasing 1.0% month-over-month and 4.2% from a year prior. Expectations were for increases of 0.2% and 3.4%, respectively.

[U.S. industrial production](#) unexpectedly declined in January with the Fed's measure falling -0.6% versus expectations for a 0.1% rise. According to the release, manufacturing production was -0.9% lower led by a large drop in motor vehicle assemblies.

[Consumer sentiment](#) recovered from January's weakness according to the University of Michigan's Survey of Consumers. The headline index rebounded by 4.3 points to 95.5 but remained lower on a year-over-year basis. The current conditions and expectations components increased 1.2 and 6.3 points, respectively. The recovery was attributed to the "end of the partial government shutdown as well as a more fundamental shift in consumer expectations due to the Fed's pause in raising interest rates." Notable was respondents expectations for inflation, which fell to the lowest level recorded in the past fifty years, reflecting expected gains in inflation-adjusted income.

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