

RockCreek

AFTERNOON | MARKET UPDATE

GLOBAL MARKET SNAPSHOT

Equity Markets:

Global equity markets were mixed on Friday. Most European indices finished in the red, notably Italy's FTSE MIB -0.5% that posted its seventh consecutive day of losses. Investors are concerned by the exposure that Italian banks have to Turkey and the government's possible revocation of concessions for Autostrade, the manager of the bridge that collapsed in Genoa, which would set a new precedent. Shares of Atlantia, the parent company of Autostrade, are down -23% since the accident. During the U.S. trading session, risk assets were given a boost by a WSJ report that U.S. and Chinese negotiators would be meeting to iron out details ahead of a November multilateral summit between President Trump and Chinese leader Xi Jinping. One of the few areas of weakness in the U.S. were semiconductors as shares of Applied Materials and Nvidia sold-off in response to weak guidance with the latter citing less demand for cryptocurrency mining. Nordstrom led all S&P 500 constituents after the retailer beat analyst expectations on the top and bottom lines.

Developed	1-Day Return	MTD Return	YTD Return	Emerging	1-Day Return	MTD Return	YTD Return
DJIA	0.4%	1.2%	5.4%	Mexico IPC	0.5%	-2.8%	0.8%
S&P 500	0.3%	1.4%	7.9%	Bovespa	-1.0%	-4.0%	0.5%
Nasdaq	0.1%	2.0%	14.0%	Chile IPSA	-0.3%	-3.5%	5.8%
Russell 2000	0.4%	1.4%	11.1%	Colombia IGBC	0.2%	-0.5%	6.7%
EuroStoxx 50	-0.1%	-4.3%	0.9%	Warsaw WIG	-1.3%	-3.1%	8.8%
DAX	-0.2%	-4.6%	5.5%	MICEX	-0.3%	-2.8%	11.4%
CAC	-0.1%	-3.0%	3.2%	JSE Africa	0.2%	-1.3%	3.2%
FTSE 100	0.0%	-1.7%	1.4%	Borsa Istanbul	1.8%	-8.4%	-20.3%
FTSE MIB	-0.5%	-8.1%	4.3%	Hang Seng	0.4%	-4.7%	6.7%
IBEX	-0.1%	-4.6%	3.6%	Shanghai Comp	-1.3%	-7.1%	-17.5%
PSI (Portugal)	-0.5%	-2.8%	5.1%	KOSPI	0.3%	-2.1%	8.6%
ASE	0.4%	-6.7%	-10.1%	Sensex	0.8%	1.0%	12.5%
Nikkei	0.4%	-1.3%	1.2%	Jakarta Comp	-0.6%	-2.6%	7.2%
ASX 300	0.2%	1.5%	8.0%	Thai SET	0.5%	-0.4%	1.5%

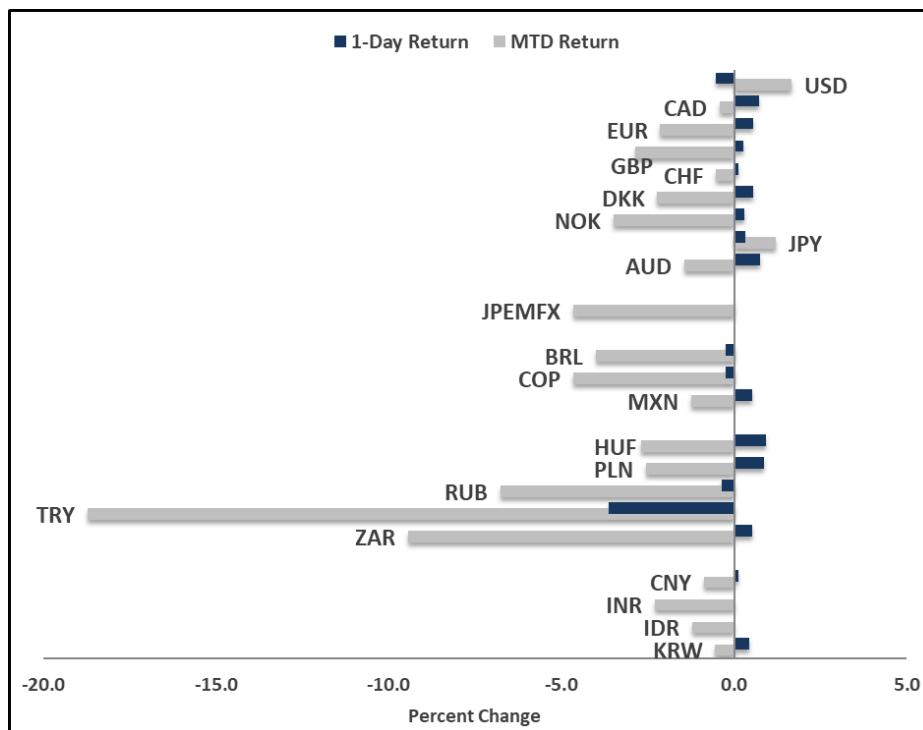
Bond Markets:

The bond market was quiet on Friday with muted moves being seen.

Bond	Yield (%)	Δ 1-Day (bps)	Δ MTD (bps)	Δ YTD (bps)
UST 2yr	2.61	↓ -1	↓ -6	↑ 73
UST 5yr	2.74	→ 0	↓ -10	↑ 54
UST 10yr	2.86	→ 0	↓ -10	↑ 46
UST 30yr	3.02	↓ -1	↓ -6	↑ 28
UK 10 yr	1.23	→ 0	↓ -9	↑ 5
GER 10 yr	0.30	↓ -1	↓ -14	↓ -12
FRF 10yr	0.66	↓ -1	↓ -7	↓ -12
ITL 10yr	3.11	→ 0	↑ 40	↑ 111
ESP 10yr	1.45	↑ 1	↑ 5	↓ -11
PTE 10yr	1.84	→ 0	↑ 11	↓ -6
JPY 10yr	0.09	→ 0	↑ 4	↑ 5

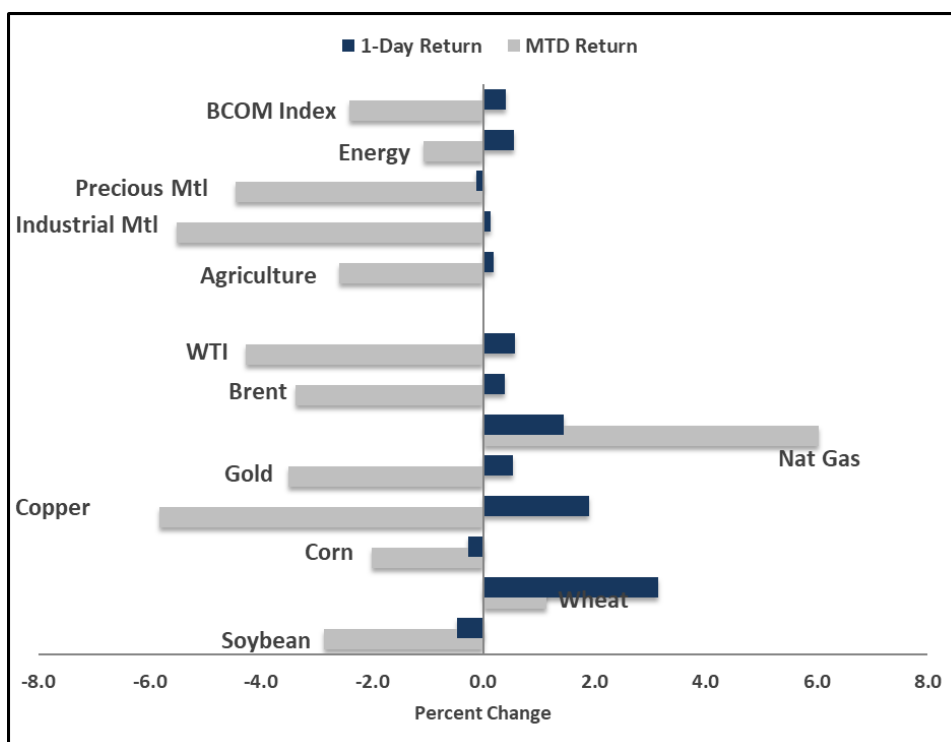
Currency Markets:

The U.S. dollar weakened -0.6%. Canadian dollar 0.7% led among G10 as a [CPI report](#) showed inflation to have accelerated to 3.0% year-over-year in July versus expectations of 2.5%.



Commodity Markets:

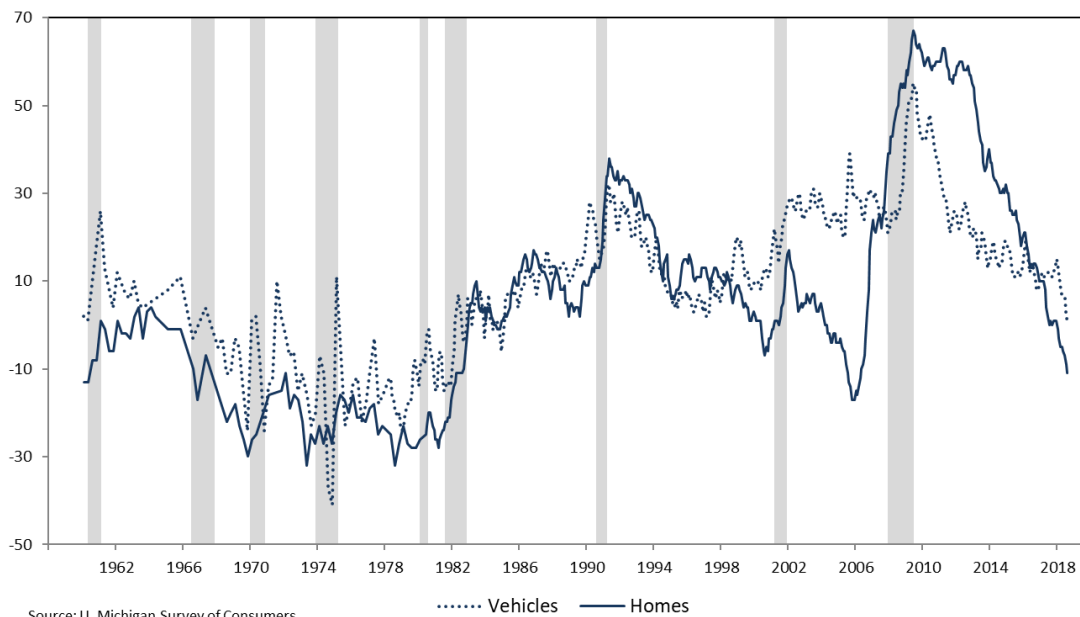
Commodities traded higher on Friday with all segments adding to gains. WTI gained 0.8% to \$65.97 per barrel as news of progress in U.S.-China trade talks was bullish for energy. While copper rallied 1.9% on the news as well, the report didn't hit the wire until just before the close for ag futures trading so soybeans were -0.5%. Wheat prices jumped 3.2% on global weather forecasts and rumors that Russia may curb exports of the grain.



MACRO OVERVIEW

The University of Michigan [surveys of consumers](#) showed that sentiment slipped to its lowest level since last September as the headline index fell to 95.3 in August. The index of current economic conditions declined to 107.8 from 114.4 in July, while the index of expectations held at 87.3. All three indices are lower on a year-over-year basis. According to chief economist Richard Curtin, the dominating weakness in this month's data was consumer assessments of buying conditions with perceptions of home and car buying conditions falling to 10-year and 4-year lows, respectively. He also noted that "the data suggest that consumers have become much more sensitive to even relatively low inflation rates than in past decades. As is usual at this stage in the business cycle, some price resistance has been neutralized by rising wages, although the falloff in favorable price perceptions has been much larger than ever before recorded. Overall, the data indicate that consumers have little tolerance for overshooting inflation targets, and to the benefit of the Fed, interest rates now play a more decisive role in purchase decisions."

Perceptions of Prices for Home and Vehicle Buying
(%Low Prices - % High Prices)



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