BANQUE INTERNATIONALE À LUXEMBOURG
1856

Weekly Market Snapshot

28th May 2019

News highlights

- Weak economic releases, renewed Brexit uncertainty, rising stress on global supply chains and weaker oil prices affected sentiment last week, driving markets into a risk-off mode.

- Investors seemed especially worried about the prospect of an emerging technological “cold war”. According to China’s Centre for International Economic Exchanges, China and the U.S. may be stuck in a cycle of "fighting and talking" until 2035, switching in between irrational confrontation to rational cooperation.

- Disappointing macro data and the continued search of safe-haven assets pushed the 10-year Treasury yield down to 2.31%, its lowest level since 2017 and back below the 3-month Treasury bill yield.

- UK Prime Minister Theresa May announced that she would resign on June 7th given her inability to get her Brexit deal approved by the British Parliament.

- Individual company risk also returned to the limelight with Rally filling for 6-month creditor protection and Thomas Cook’s rating cut to CCC+/Caa2.

EQUITIES *(local currency, price change)*

	Last Price	5 days	YTD		5 Years
US			Local	EUR	
S&P 500	2 826	-1.2%	12.7%	15.2%	48.7%
Nasdaq	7 637	-2.3%	15.1%	17.6%	82.5%
Dow Jones	25 586	-0.7%	9.7%	12.1%	54.1%
Europe					
Stoxx 50	3 351	-2.2%	11.6%	11.6%	4.6%
DAX	12 011	-1.9%	13.8%	13.8%	23.0%
CAC	5 317	-2.2%	12.4%	12.4%	18.3%
FTSE	7 278	-1.0%	8.2%	10.3%	6.8%
AEX	547	-1.9%	12.2%	12.2%	35.1%
BEL 20	3 472	-1.1%	7.1%	7.1%	10.9%
SMI	9 667	0.1%	14.7%	15.1%	11.1%
EM & Asia					
Nikkei 225	21 117	-0.6%	5.5%	8.7%	46.0%
Hang Seng	27 354	-2.1%	5.8%	7.9%	19.1%
India	39 435	4.0%	9.3%	12.2%	59.7%
Russia	2 619	1.6%	10.5%	21.7%	82.0%
Brazil	93 628	4.0%	6.5%	4.7%	77.9%

FIXED INCOME *(local currency, total return)*

	Yield	5 days	YTD	5 Years
US				
Government	2.28	0.4%	3.0%	10.9%
Investment Grade	3.49	0.2%	6.0%	18.2%
High Yield	6.36	-0.1%	8.1%	25.1%
Europe				
Government	0.45	0.2%	3.0%	16.8%
Investment Grade	0.82	-0.3%	3.6%	13.7%
High Yield	4.00	-0.1%	5.6%	21.4%
EM				
Global HC USD	4.89	0.2%	6.0%	24.0%

EUR VERSUS MAJOR CURRENCIES

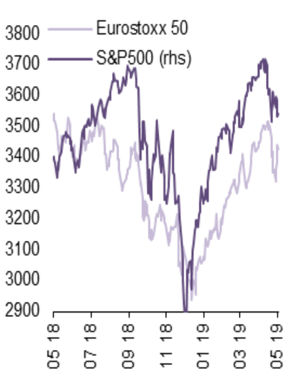
	Last	5 days	YTD	5 Years
USD	1.12	0.4%	-2.3%	-13.4%
JPY	122.46	-0.3%	-2.7%	21.6%
CHF	1.12	-0.5%	-0.3%	-7.2%
GBP	0.88	0.5%	-2.0%	10.5%

COMMODITIES

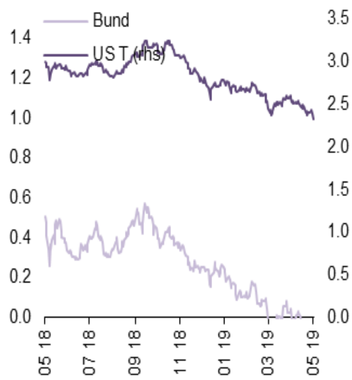
	Last	5 days	YTD		5 Years
			USD	EUR	
WTI	58.63	-6.6%	29.1%	32.0%	-36.2%
Gold	1 284.75	0.6%	0.2%	2.4%	-27.2%
Base Metals	178.87	-1.0%	0.6%	0.6%	-19.0%

Charts of the week

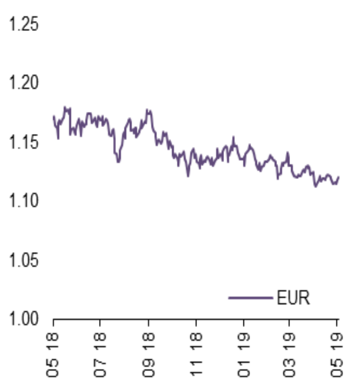
Equities (price, local currency)



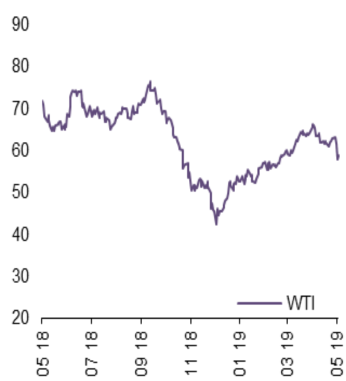
Bonds (Yield)



EUR vs. USD



Oil price (USD)



Source: Bloomberg, BIL, as at 24/05/19

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