

## News highlights

- Stocks finished the week higher, with the S&P 500 rallying more than 4%, the best weekly gain of the year, mostly supported by further hopes of a Fed rate cut and a weaker USD.
- Shares of major tech-oriented companies pulled back sharply early in the week following news that US antitrust officials were preparing investigations into Apple, Amazon, Facebook and Alphabet.
- ECB President Mario Draghi said that the bank would delay the timing of an interest rate increase until the middle of 2020 (6-month extension vs. previous forward guidance) and provided terms for the TLTRO3 refinancing operations.
- The European Commission recommended legal action against Italy on the lack of progress in debt reduction. The European Council will now consider whether to start an excessive deficit procedure against Rome.
- Germany's Bundesbank further cut its economic forecast to 0.6% GDP growth in 2019, down from 1.6% in December amid weak exports.
- Last Friday, president Trump announced an agreement with Mexico, ending his tariff threat.
- In M&A, the headline news was the end of merger talks between Fiat-Chrysler and Renault with the Italians blaming French government demands.

## EQUITIES (local currency, price change)

|            | Last Price | 5 days | YTD   |       | 5 Years |
|------------|------------|--------|-------|-------|---------|
| US         |            |        | Local | EUR   |         |
| S&P 500    | 2 873      | 4.4%   | 14.6% | 15.8% | 47.4%   |
| Nasdaq     | 7 742      | 3.9%   | 16.7% | 17.8% | 79.2%   |
| Dow Jones  | 25 984     | 4.7%   | 11.4% | 12.5% | 53.5%   |
| Europe     |            |        |       |       |         |
| Stoxx 50   | 3 378      | 3.0%   | 12.6% | 12.6% | 2.6%    |
| DAX        | 12 045     | 2.7%   | 14.1% | 14.1% | 20.6%   |
| CAC        | 5 364      | 3.0%   | 13.4% | 13.4% | 17.1%   |
| FTSE       | 7 332      | 2.4%   | 9.0%  | 10.1% | 6.9%    |
| AEX        | 550        | 1.8%   | 12.8% | 12.8% | 33.1%   |
| BEL 20     | 3 457      | 0.9%   | 6.6%  | 6.6%  | 9.0%    |
| SMI        | 9 749      | 2.4%   | 15.7% | 16.5% | 12.6%   |
| EM & Asia  |            |        |       |       |         |
| Nikkei 225 | 20 885     | 1.4%   | 4.3%  | 7.5%  | 38.5%   |
| Hang Seng  | 26 965     | 0.2%   | 4.3%  | 5.7%  | 17.5%   |
| India      | 39 530     | -0.2%  | 9.8%  | 11.5% | 56.0%   |
| Russia     | 2 730      | 2.4%   | 15.2% | 24.6% | 83.8%   |
| Brazil     | 97 821     | 0.8%   | 11.3% | 12.7% | 84.1%   |

## FIXED INCOME (local currency, total return)

|                  | Yield | 5 days | YTD  | 5 Years |
|------------------|-------|--------|------|---------|
| US               |       |        |      |         |
| Government       | 2.01  | 0.3%   | 4.6% | 12.9%   |
| Investment Grade | 3.28  | 0.5%   | 7.5% | 20.0%   |
| High Yield       | 6.24  | 0.9%   | 8.5% | 24.8%   |
| Europe           |       |        |      |         |
| Government       | 0.31  | 1.2%   | 4.7% | 17.4%   |
| Investment Grade | 0.73  | 0.4%   | 4.2% | 13.9%   |
| High Yield       | 4.03  | 0.5%   | 5.7% | 20.4%   |
| EM               |       |        |      |         |
| Global HC USD    | 4.73  | 0.9%   | 7.2% | 24.2%   |

## EUR VERSUS MAJOR CURRENCIES

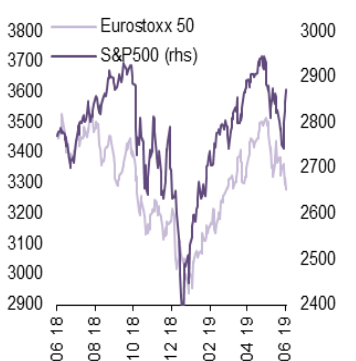
|     | Last   | 5 days | YTD   | 5 Years |
|-----|--------|--------|-------|---------|
| USD | 1.13   | 1.5%   | -1.2% | -12.4%  |
| JPY | 122.62 | 1.4%   | -2.6% | 21.8%   |
| CHF | 1.12   | 0.2%   | -0.5% | -7.5%   |
| GBP | 0.89   | 0.6%   | -1.0% | 11.6%   |

## COMMODITIES

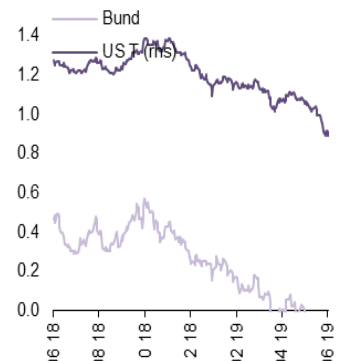
|             | Last     | 5 days | YTD   |       | 5 Years |
|-------------|----------|--------|-------|-------|---------|
|             |          |        | USD   | EUR   |         |
| WTI         | 53.99    | 0.9%   | 18.9% | 20.1% | -41.3%  |
| Gold        | 1 340.81 | 2.7%   | 4.6%  | 5.6%  | -24.0%  |
| Base Metals | 174.41   | -0.8%  | -1.9% | -1.9% | -21.1%  |

## Charts of the week

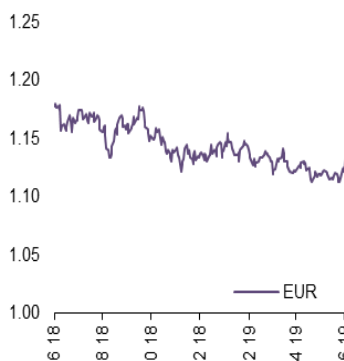
Equities (price, local currency)



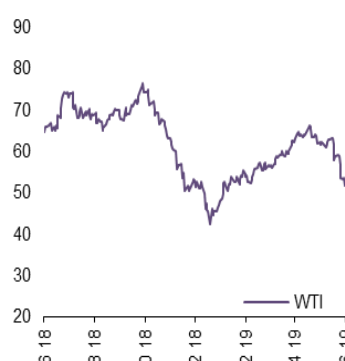
Bonds (Yield)



EUR vs. USD



Oil price (USD)



Source: Bloomberg, BIL, as at 07/06/19

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