



Weekly Brief

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Market Action

- Volatility continues to manifest in financial markets. Triple digit losses and large intra-day swings characterized much of the week as all sectors and major indices in the U.S. posted losses. Money continues to flow overseas, particularly Europe where low valuations and monetary policy remain supportive of equities in spite of poor economic conditions.

- Energy prices posted one of their largest percentage gains in years this past week. Reports of Saudi Arabia's intervention into Yemen lifted crude prices on fears supply in the Gulf of Aden could be disrupted.

- Poor PMI and inflation data was reported in Japan this week. Core inflation came in at 0%, renewing commentary on Abenomics effectiveness and whether or not the program's stated goals would be reached.

- The latest data out of Britain suggests the island economy is joining the theme of global weakness. Housing prices have been falling, unexpectedly, and Britain's yield curve has come down considerably in recent weeks, suggesting low demand.

- US Q4 GDP was reported at 2.2%. The figure comes in lower than previous estimates of 2.4%. Projections for Q1 of 2015 suggest a relative cooling for the economy.

- Data out of Europe continues to suggest an improved economic climate. Loan growth and money supply both accelerated according to reports this week while German consumer confidence also continues to rise.

- While data from Europe offers positive sentiment escalating tension between Greece and its creditors, especially Germany, continue to capture headlines. A Reuters investigation projects Athens to run out of cash by mid-April if no deal between Greece and the Brussels group is reached. Minister Stathakis of Greece stated he hopes for a deal next week but reports of Tsipras and Merkel each holding their ground has cast doubts on such optimism.

Returns				
<u>Equities</u>	Current	Weekly	Monthly	Year to Date
<u>U.S.</u>				
Dow Jones	17,712.66	-2.29%	-2.32%	-0.67%
S&P 500	2,061.02	-2.23%	-2.07%	0.14%
Nasdaq	4,891.22	-2.69%	-1.46%	3.48%
<u>Europe</u>				
FTSE	6,855.02	-2.38%	-1.32%	4.69%
DAX	11,868.33	-1.42%	4.09%	21.54%
<u>Asia</u>				
Nikkei	19,285.63	-1.40%	2.59%	10.51%
Shanghai	3,691.95	2.06%	11.53%	10.19%
<u>Currencies</u>				
EUR/\$	\$1.089	\$0.01	\$(0.03)	\$(0.11)
\$/Yen	¥119.10	¥1.18	¥0.62	¥1.10
UK/\$	£1.49	£0.00	£0.06	£0.05
<u>Bonds</u>				
10 Yr Treasury Yield	1.960	0.030	-0.040	-0.160
Moody's AAA	3.52	-0.06	-0.25	-0.150
<u>Commodities</u>				
WTI	\$48.87	\$3.00	\$(3.27)	
Brent	\$56.12	\$0.90	\$(7.03)	
Gold	\$1,195.75	\$12.65	\$(18.25)	\$23.75

Returns (%)			
Sector Name	1-Week	1-Month	YTD
Basic Materials	-1.26	-5.60	0.10
Communication Services	-1.92	-3.01	0.31
Consumer Staples	-0.47	-2.60	0.50
Consumer Discretionary	-2.42	-1.40	3.80
Energy	-0.66	-3.30	-3.50
Financial Services	-3.16	-1.70	-3.20
Healthcare	-2.48	1.10	6.80
Industrials	-2.75	-3.40	-1.80
Technology	-2.75	-4.00	0.10
Utilities	-2.45	-3.00	-7.10

Economic Calendar: March 30 – April 3

Date	Release	For	Est
03/30	Personal Income	Feb	0.3%
03/30	Consumer Spending	Feb	0.3%
03/30	Core Inflation	Feb	0.1%
03/30	Pending Home Sales	Feb	0.1%
03/31	Case-Shiller	Feb	NA
03/31	Consumer Confidence	Mar	96.4
04/01	ADP Employment	Mar	NA
04/01	Markit PMI	Mar	NA
04/01	ISM	Mar	53.0%
04/02	Weekly Jobless Claims	03/27	NA
04/03	Nonfarm Payrolls	Mar	251,000
04/03	Unemployment Rate	Mar	5.5%

Recommended Reads

[Debating China's Growth Prospects](#)

Michael Pettis and Eswar Prasad, BloombergBriefs

[Academic Economics: Strengths and Weaknesses](#)

Charlie Munger, Farnam Street

[QE Will Lower Living Standards In Long Run](#)

Scott Minerd, Financial Times

[A Bank Too Far?](#)

Robert Kahn, Council on Foreign Relations

[Bonds: How Firm A Foundation?](#)

Tracy Alloway and Michael Mackenzie, Financial Times

[What We Don't Talk About When We Talk About Shadow Banking](#)

Ryan Tracy, Wall St. Journal

Image of the Week: Household Balance Sheets Getting Healthier

