

Arlo Weekly Market Summary

16th December 2018

US MARKETS ERASE 2018 GAINS

With all but the Nasdaq Composite index in negative territory year-to-date, as investor confidence continues to be damaged by global trade and economic fears. Data released over the week showed that Chinese exports and industrial production slowed in November, whilst European car sales dropped for the third consecutive month. US-Sino trade tensions remained after the arrest of Huawei's CFO.

€2.5 TRILLION ECB STIMULUS ENDS

With the €30 billion a month bond-buying scheme finishing at the end of this month despite a recent slowdown in the eurozone's growth. The programme was started in 2015 in order to stimulate the bloc's economy and avoid deflation, with the ECB being the last of the major central banks to take action. The ECB also announced that they will keep interest rates at zero percent going into next year.

UK SHARES RISE ON LEADERSHIP CHALLENGE OUTCOME

With the FTSE 100 gaining almost a percent over the week, after Prime Theresa May survived a vote of no-confidence in her Conservative party. Although May received 200 votes from a possible 317, she no longer has the political strength to push through the current Brexit deal. European leaders added a further setback to May's leadership by refusing to negotiate the current deal.

JAPAN'S GDP CONTRACTS 2.5 PERCENT

Measured at an annualised rate over the third quarter, which is more than twice as much as originally estimated by the government. A number of weather-related disasters contributed to the contraction, with economists seeing growth returning in the current quarter. Japan and the EU ratified the Economic Partnership Agreement which will govern trade worth a third of the world's economy.

NATURAL GAS FUTURES FALL 14.7 PERCENT

The biggest weekly loss in three years, due to both weaker demand and higher production. Warmer-than-normal weather for December dampened demand at a time that gas production hits a record high. Meanwhile, oil prices dropped for the week on a stronger dollar and lower investor confidence in riskier assets, despite a fall in the Baker Hughes US oil rig count for a second consecutive week.

IN OTHER FINANCIAL NEWS :

- **Turkey's growth falls to 1.6 percent in Q3**, compared to 5.3 and 7.0 percent in the previous quarters, due to higher interest rates, a weaker lira and rising oil prices.
- **Indian stocks fall on surprise resignation**, with the Sensex index ending 0.8 percent lower, after the central bank governor Urjit Patel unexpectedly left his role.
- **Global debt reaches \$184 trillion**, which equates to approximately 225 percent of global GDP in 2017, with the US, China and Japan accounting for half of this figure.
- **Apple to build \$1 billion Texas base**, with another \$10 billion spent on data centres, as the tech giant sets out its 5-year investment plan that will create 20,000 US jobs.

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