

# Arlo Associates Weekly Market Summary

4th June 2017

## US INDICES CONTINUE TO REACH RECORD HIGHS

With the S&P 500, Dow Jones and Nasdaq benchmarks all hitting new records over the week. Although the US added a fewer-than-expected 138,000 in May and oil companies were impacted by falling prices, these negatives were offset by gains in transportation, chemicals and technology companies with the tech-heavy Nasdaq Composite up 16 percent year-to-date.

## THE FTSE 100 HIT AN INTRADAY HIGH ON FRIDAY

As equities continue to find support on the pound's weakness. Narrowing opinion polls between the ruling Conservative party and Labour for the June 8th general election has seen the pound weaken in recent weeks. PMI data for last month showed that British construction grew at the fastest rate in 18 months, as house-building picked up after a poor start to the year.

## GERMANY'S DAX 30 HITS A RECORD TRADING DAY HIGH

As car registrations in May rose 13 percent which drove car makers Volkswagen and BMW higher. Equities across the Eurozone have seen 10 consecutive weeks of inflows with cyclical sectors driving demand, although last week investors sold out of energy companies following Trump's anti-climate agreement stance.

## OIL PRICES FELL 4 PERCENT OVER THE WEEK

Driven lower by Donald Trump's decision to pull out of the Paris Climate Agreement - the US will now join Syria and Nicaragua as the only non-signatories of the pact. Fears are that abandoning the agreement will lead to increased US drilling and prolong the global supply glut. US drillers added another 11 rigs, which extends this latest record streak to 20 consecutive weeks of additions.

## IN OTHER FINANCIAL NEWS :

- **Middle East governments have raised \$38.5bn this year**, more than in all of 2016, as investors seek the high yields of emerging market sovereign debt.
- **Russia lifts Turkish sanctions**, imposed after Turkey shot down a Russian fighter in 2015; the market for Turkish imports was worth \$1.1bn before the sanctions.
- **Brazil has emerged from recession**, with a bumper soy harvest pushing growth in the first quarter to 1 percent, which follows eight consecutive quarters in recession.
- **Mexico has raised its growth forecast by 0.2 percent**, expecting expansion of the economy to be between 1.5 and 2.5 percent this year.

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