

Thursday 16th August

US

- US stocks sold off last night as concerns over a contagious sell-off from Turkey's currency crisis weighed on investors' confidence.
- **The Dow Jones Industrial Average ended the session down 0.54% at 25,162.41, the S&P 500 was off 0.76% at 2,818.37, and the Nasdaq 100 slid 1.24% to 7,354.66.**
- **Macy's dropped 16%** after the department store reported its revenue fell year-on-year even though its adjusted second-quarter earnings beat expectations. It also raised its full-year outlook for both profits and sales.
- **Tesla shares fell 2.6%** after Bloomberg News reported that Chief Executive Elon Musk hadn't officially tapped Goldman Sachs as its financial adviser when he revealed plans last week to take the car maker private and said he had secured funding for the deal.
- U.S.-listed shares of **Tencent dropped 6.7%** after the Chinese company reported second-quarter earnings and revenue that missed expectations.
- **GoDaddy fell 2.9%** after the domain-names management company priced a public offering of 10.4 million shares at \$75.75 a share, below its Tuesday closing price.
- MoviePass owner **Helios and Matheson Analytics** recovered much of its earlier losses of more than 21%, to close **down 3.9%** after it reported a wider loss for the second quarter.
- Economic data out of the US yesterday was generally good. Retail sales rose 0.5% in July, above expectations. Excluding auto sales, they were up 0.6%, which was also ahead of expectations.
- Separately, second-quarter productivity rose 2.9%, the highest rate in more than three years. Output in the second quarter was up 4.8%. The Empire State manufacturing index rose 3 points to 25.6 in August, topping expectations for a reading of 20 (according to Bloomberg survey data).
- Today is fairly packed in terms of economic data, with jobless claims, housing starts, building permits and the Bloomberg Consumer Comfort index all on the roster for the US today.

Europe

- UK stocks had a miserable day yesterday, finishing at their lowest level in over 3 months, as industrial and precious metals' stocks dragged the index down.
- European stocks were similarly poor, with **the Stoxx 600 down 1.36% or 5.22 points to 379.70, alongside a decline of 1.58% or 195.86 points to 12,163.01 for the German Dax and a fall of 1.82% or 98.19 points to 5,305.22 on the French Cac-40.**
- **The FTSE 100 lost 113.77 points and finished down 1.49% to 7,497.87, its lowest closing level since 26 April, with the FTSE 250 falling 0.92% to 20,320.35.**
- On the economic data front, UK inflation ticked up for the first time since November, with **CPI coming in at 2.5%** for July (from 2.4% previously).

- **Admiral topped the FTSE 100, rising by 3.2%**, as its first-half pre-tax profit beat expectations.
- **Hikma Pharmaceuticals rose by 5.95%** after lifting its full-year revenue forecasts for its top two businesses. It was the best performing stock in the FTSE 250.
- Mining shares, a heavy weighting in FTSE 100, suffered heavy losses on the back of US dollar strength and falling metals prices, with **Anglo American, Antofagasta, Glencore, BHP Billiton and Rio Tinto down 6.2%, 5.7%, 5.2% and 3.3% respectively.**
- **Fresnillo was the worst performing stock in the FTSE 100, down 7.8%.**
- **Kaz Minerals was the worst performing stock in the FTSE 250, down 10.64%.**
- UK retail sales data is out this morning at 0930.

Asia

- Asian shares slipped today, but pared some of the steeper losses seen earlier after China announced it was planning for a new round of trade talks with the United States. Beijing said it had accepted an invitation from the U.S. to take part in trade negotiations in late August. The country's vice commerce minister Wang Shouwen will lead the Chinese delegation in talks with U.S. officials.
- Greater China markets narrowed losses following the news, with **the Shanghai Composite last trading lower by 0.39%(having opened more than 1% down). The CSI 300 is down 0.22% and the Shenzhen Composite is down 0.6%. Hong Kong's Hang Seng Index is down 0.73%.**
- The **offshore yuan recovered following news of the latest U.S.-China trade developments, last trading at 6.8973 to the Dollar. That compared to the 6.95 touched overnight.**
- In Japan, the **TOPIX closed down 0.64%, with the Nikkei 225 closing down 0.05% and the Nikkei 400 closing down 0.47%.**
- The **Korean KOSPI closed down 0.8%, whilst the Taiwanese TAIEX closed down 0.3%.**
- In Australia, the **ASX 200 closed down 0.01%.**

Bonds

- **10yr and 30yr US treasuries** are currently trading at 2.88% and 3.04% respectively.
- **10yr UK gilts** closed with a yield of 1.22%.
- **German 10yr bund** yields closed at 0.31%.
- **10yr Italian and Spanish bond yields** closed at 3.12% and 1.43% respectively.

Commodities

- The **WTI crude oil** price is \$65.11
- **Brent crude** is \$71.08.
- The **gold price** is \$1,175.
- The **silver** price is \$14.57.
- The **COMEX copper price** is \$2.60.

Currency

- The **Yen** is trading at 110.85 against the **US dollar.**

- The **pound** is trading at 1.27 against the **US dollar**.
- The **pound** is trading at 1.12 against the **Euro**.

Kind Regards,

The Psigma Investment Team



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