

Thursday 23rd November

US

- US stocks were mixed ahead of today's Thanksgiving holiday. **The Dow Jones Industrial Average was down 0.27% at 23,526.18 and the S&P 500 fell 0.08% to 2,597.08, while the Nasdaq 100 finished the session 0.12% firmer** at 6,386.12. This marked a new record high for the NASDAQ, with the index logging its third daily gain in a row.
- The minutes from the Fed's recent meeting showed the central bank's officials have started to worry that market prices are getting out of hand and are posing a danger to the economy. **"In light of elevated asset valuations and low financial market volatility, several participants expressed concerns about a potential buildup of financial imbalances," the minutes stated. Bond futures markets are now pricing in a 93% chance of a rate hike at the December meeting.**
- **Hewlett Packard Enterprise was 7.57% weaker** after the company said late on Tuesday that chief executive Meg Whitman was leaving and issued a disappointing first-quarter outlook.
- **Qualcomm shares were up 2.2%** following a report that Broadcom is considering upping its offer to buy the chip maker.
- **Salesforce shares were 1.81% lower** - but just off their record highs - after the CRM specialist posted slightly stronger than forecast third quarter sales of \$2.68bn but alongside guidance for the following three months that fell short of expectations.
- **Deere & Company gained 4.32%** after the tractor-maker posted a 79% jump in profits for the fourth quarter.
- **Rockwell Automation was also in focus, dropping 1.04%** after it rejected an unsolicited buyout bid from Emerson.
- Today both US stock and bond markets are closed for the Thanksgiving holidays.

Europe

- UK markets posted small positive gains yesterday whilst most European markets struggled.
- The **FTSE 100 was up 0.1% at 7,419.02, whilst the FTSE mid cap index, the 250, was up 0.35% at 20,013.86.**
- European markets were mainly down, with the **Eurostoxx 50 down 0.47%, the German DAX down 1.16%, the French CAC 40 down 1.16% and the Italian FTSE MIB down 0.05%.**
- Philip Hammond's budget was the highlight of the day for UK markets, with the key points being: no stamp duty payable for first time buyers of properties worth up to £300,000, a 'freeze' on alcohol and fuel duties and an increase in the higher tax rate threshold to £46,350. These stimulative measures came alongside growth downgrades from the OBR, with the Office for Budget Responsibility downgrading the UK growth outlook for 2017 from 2% to 1.5% and that for 2018 from 1.6% to 1.4%.
- Broker commentary lent a helping hand in London, with **Kingfisher racking up healthy gains after**

upgrades from Jefferies and JPMorgan. Kingfisher was up 4.57% on the day and was the best performing stock in the FTSE 100.

- **Qinetiq was up 8.19%** after upgrades from Kepler Cheuvreux and Berenberg.
- Shares in housebuilders fell after the chancellor announced in his Budget a review of unused planning permissions. **Barratt Developments was the biggest faller in the FTSE 100, down 3.71%, while Berkeley Group dropped 2.6%. Persimmon was down 1.91% and Taylor Wimpey was down 1.83%.**
- **Thomas Cook dropped by 8.38%** and was the worst performer in the FTSE 250 after the travel company released its full-year results, which showed margins declined due to a more competitive market in holidays to Spain.
- Today sees the release of UK trade data as well as business investment data.

Asia

- Chinese stocks fell on Thursday, although other Asian markets were mostly subdued, taking the lead from a quiet overnight session on Wall Street as investors parsed through minutes from the U.S. central bank.
- The **Shanghai Composite closed down 2.29%**, with the technology, consumer non-cyclical and health-care sectors recording the steepest losses on the day. The Shenzhen Composite lost 2.92%. The blue-chip CSI 300 fell 2.96% by the end of the day.
- In Australia, the **S&P/ASX 200 closed flat at 5,986.2**. The energy and materials sub-indexes led gains in the broader market after commodity prices strengthened overnight. Those gains, however, were offset by losses in the utilities and consumer discretionary sub-indexes.
- **Korea's Kospi was down by -0.13%** and was little changed even as tourist-related stocks like Lotte Tour and Amorepacific erased this week's declines.
- Japanese markets were closed for a public holiday.
- **On the data front, Singapore's economy grew 8.8%** in the quarter ending in September compared to the quarter before due to strength in the manufacturing sector.
- Overnight sees the release of New Zealand trade data as well as Japanese asset buying data (bonds and stocks).

Bonds

- **10yr and 30yr US treasuries** are currently trading at 2.32% and 2.74% respectively.
- **10yr UK gilts** trade with a yield of 1.28%.
- **German 10yr bund** yields trade at 0.35%.
- **10yr Italian and Spanish bond yields** trade at 1.75% and 1.44% respectively.

Commodities

- The **WTI crude oil** price is \$57.89
- **Brent crude** is \$63.10
- The **gold price** is \$1,290
- The **silver price** is \$17.09
- The **COMEX copper price** is \$3.15

Currency

- The Yen is trading at 111.12 against the US dollar.
- The pound is trading at 1.33 against the US dollar.
- The pound is trading at 1.12 against the Euro.

Kind Regards,

The Psigma Investment Team

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