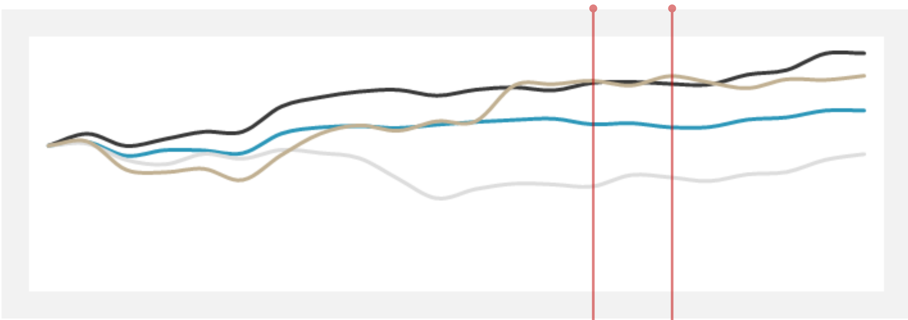
## MONTHLY DRIVERS

Stock markets went against historical trends showing September as their worst month of the year. Investors decided to ignore the rising geopolitical risks in South-East Asia or in Iran. Given the rising debt level globally, investors believe that central banks are more likely to care about the overall financial stability than about their inflation targets. The forthcoming corporate figures season will be a decisive factor for near future performance.

## KEY INDICES

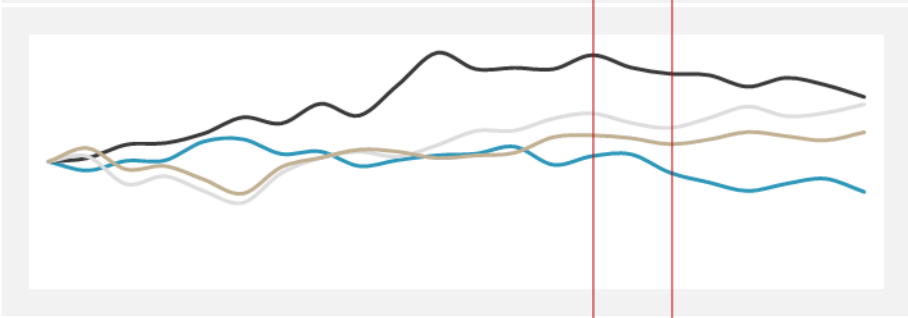
### EQUITIES

- **S&P 500**
- **EuroStoxx 50**
- **FTSE 100**
- **Nikkei 225**



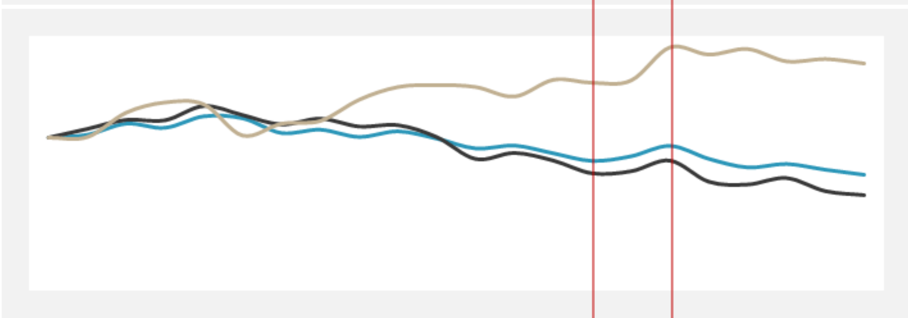
### FOREIGN EXCHANGE

- **EUR/USD**
- **GBP/USD**
- **USD/JPY**
- **USD/CHF**



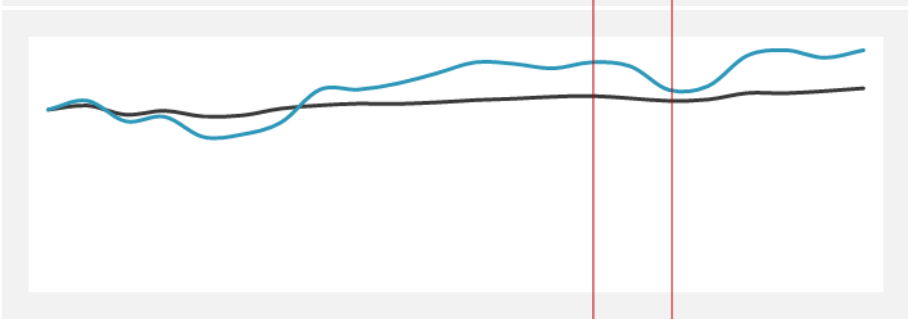
### COMMDOTIES

- **Gold**
- **Silver**
- **Oil**



### FIXED INCOME

- **US 10Y Yields**
- **EU 10Y Yields**



**September 24: German election results**

**September 20: FOMC meeting**

The Fed indicated that despite weak inflation, the FOMC will continue with gradual rate hikes with committing to decrease the size of their balance sheet. Geopolitical risk remains high, as North Korea's foreign minister said President Trump's comments constitute a "declaration of war," and threatened to shoot down U.S. warplanes operating outside North Korean airspace. Despite these headlines, markets remained buoyed driven by energy related stocks and as President Donald Trump's tax plan promises far-reaching tax cuts for companies and individuals. The German election results increased uncertainty in the Eurozone area as the Anti-Immigrants party won seats for the first time in their history. However traders remained bullish as Draghi indicated a very substantial degree of monetary accommodation is still needed for the upward inflation path to materialize.

## GLOBAL EQUITY BENCHMARK INDICES

| | Last Price | MTD % | YTD % | △30D Vol |
|---|---|---|---|---|
| World | 1190.17 | 1.77% | 15.43% | -1.26% |
| Developed | 2000.55 | 2.08% | 14.24% | -1.35% |
| Emerging | 1081.72 | -0.55% | 25.45% | -0.62% |
| Frontier | 2855.42 | 1.75% | 18.07% | -1.40% |
| Europe | 131.01 | 3.82% | 6.95% | -3.21% |
| Latin America | 2916.69 | 1.52% | 24.61% | 2.38% |
| Asia Pacific | 161.17 | 0.16% | 19.35% | -0.02% |

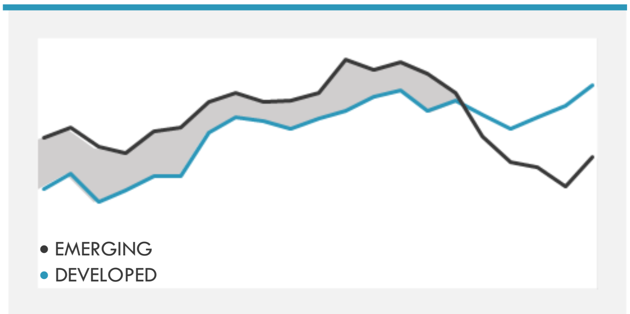
## INTERNATIONAL EQUITY INDICES

| | Last Price | MTD % | YTD % | △30D Vol |
|---|---|---|---|---|
| EuroStoxx 50 | 3594.85 | 5.07% | 9.25% | -3.26% |
| FTSE 100 | 7372.76 | -0.78% | 3.22% | -2.39% |
| CAC 40 | 5329.81 | 4.80% | 9.61% | -4.20% |
| DAX | 12828.86 | 6.41% | 11.74% | -2.71% |
| Swiss SMI | 9157.46 | 2.60% | 11.41% | -3.89% |
| Nikkei 225 | 20356.28 | 3.61% | 6.50% | 1.19% |
| CSI 300 | 3836.5 | 0.38% | 15.90% | -3.76% |

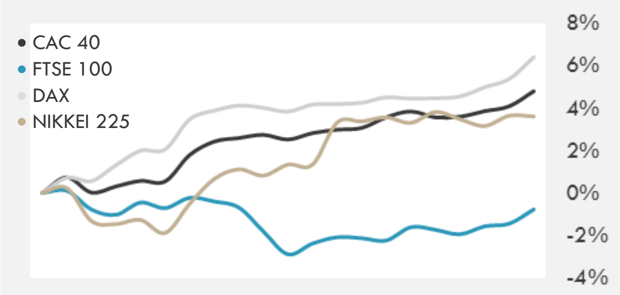
## S&P 500 IN FOCUS

| | Last Price | MTD % | YTD % | △30D Vol |
|---|---|---|---|---|
| **S&P Indices** | | | | |
| S&P 500 | 2519.36 | 1.93% | 12.53% | -2.52% |
| S&P Value | 1066.46 | 3.13% | 6.53% | -1.49% |
| S&P Growth | 1441.37 | 1.00% | 17.85% | -2.74% |
| **Sectors Indices** | | | | |
| Discretionary | 717.4718 | 0.75% | 10.75% | -2.73% |
| Staples | 555.39 | -1.14% | 4.44% | -0.35% |
| Energy | 506.72 | 9.77% | -8.62% | -1.68% |
| Financials | 429.08 | 5.05% | 11.01% | 1.40% |
| Healthcare | 946.31 | 0.86% | 18.75% | -1.17% |
| Industrials | 604.38 | 3.84% | 12.32% | -2.38% |
| IT | 1018.15 | 0.59% | 26.02% | -2.16% |
| Materials | 356.15 | 3.33% | 14.09% | -2.03% |
| Telecom | 162.37 | 3.52% | -8.06% | -5.57% |
| Utilities | 268.97 | -3.00% | 8.97% | 2.99% |
| Real Estate | 199.2 | -1.86% | 4.72% | -0.18% |

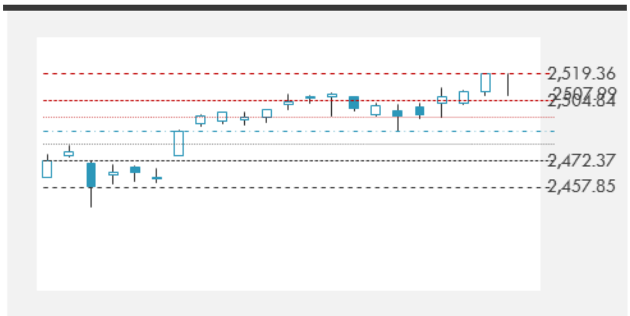
## DEVELOPED VS EMERGING - MONTH TO DATE



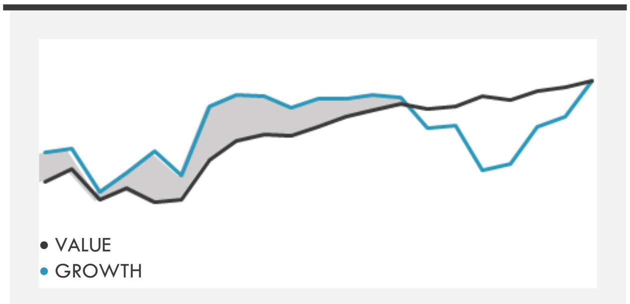

## INTERNATIONAL EQUITY - MONTH TO DATE




## S&P 500 SUPPORT & RESISTANCE




## S&P VALUE VS GROWTH

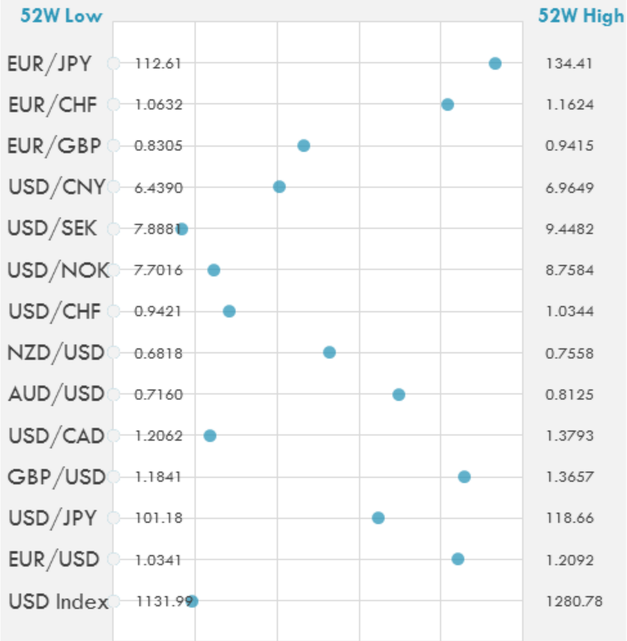


The rising tension with North Korea and the devastating effects of Hurricane Irma led investors to flee the dollar to safe haven currencies. But as repetitive tension's risk failed to materialize, traders refocused on the stronger than expected U.S inflation, boosted by a higher probability of a rate hike in December. Moreover, the unwinding of the FED's Balance Sheet created a positive USD sentiment in the market. The Japanese snap elections are accompanied by a shift to a more debt-financed fiscal policy and a dovish central bank deteriorating the outlook for the Japanese yen. The Euro regained some equilibrium following a report that ECB officials remain concerned over the impact of euro strength and are still divided over whether to set an end date for QE. But this equilibrium was breached as the German elections were worse than expected, increasing coalition talks uncertainty. Pound traders continue to face volatility as rounds of Brexit negotiation uncertainty continues.

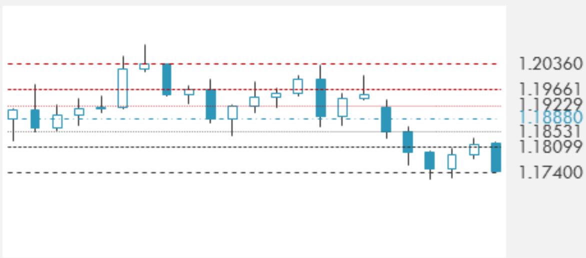
## FOREIGN EXCHANGE PERFORMANCE

| | Last Price | MTD % | △30D Vol | 25△RR |
|---|---|---|---|---|
| **Major Indices** | | | | |
| USD Index | 1160.43 | 0.65% | 0.08% | - |
| EUR/USD | 1.1814 | -0.81% | 0.11% | 0.233 |
| USD/JPY | 112.51 | 2.30% | -0.05% | -0.940 |
| GBP/USD | 1.3398 | 3.62% | -0.03% | 0.103 |
| USD/CAD | 1.2472 | -0.08% | 0.07% | -0.015 |
| AUD/USD | 0.7834 | -1.42% | 0.01% | -0.330 |
| NZD/USD | 0.7209 | 0.43% | -0.09% | -0.495 |
| USD/CHF | 0.9683 | 1.00% | -0.15% | -0.540 |
| USD/NOK | 7.9626 | 2.60% | 0.13% | 0.118 |
| USD/SEK | 8.1480 | 2.64% | 0.03% | 0.048 |
| USD/CNY | 6.6528 | 0.95% | 0.00% | 0.248 |
| **Major EUR Cross Rate** | | | | |
| EUR/GBP | 0.882 | -4.24% | -0.04% | -0.120 |
| EUR/CHF | 1.14399 | 0.19% | 0.03% | -0.148 |
| EUR/JPY | 132.92 | 1.48% | 0.07% | -0.673 |

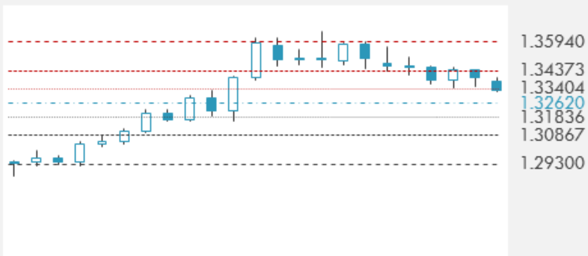
## DISTANCE FROM 52 WEEKS LOW/HIGH



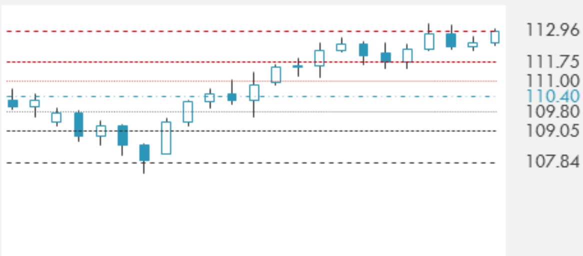

## EUR/USD 1 MONTH SUPPORT & RESISTANCE



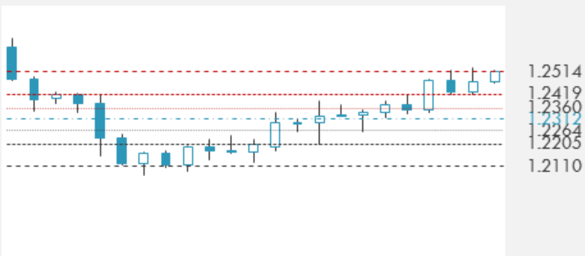

## GBP/USD 1 MONTH SUPPORT & RESISTANCE




## USD/JPY 1 MONTH SUPPORT & RESISTANCE




## USD/CAD 1 MONTH SUPPORT & RESISTANCE



The placidity of the markets could be unsettled as central banks turn towards balance sheet methods to normalization such as balance sheet reduction by the fed and tapering of quantitative easing efforts by the ECB. The yield spread between shorter and longer-dated U.S. Treasuries grew after release of a tax plan that raised concerns about faster growth in the federal deficit and borrowing. EU yields slipped after German Chancellor Angela Merkel won a fourth term but faced a fractured parliament as support for the far right surged. Conversely, yields in the EU peripherals rose. Emerging markets fundamentals continue to improve, and hard currency emerging market sovereign debt remain resilient. Key Risks to emerging market debt stems from decelerating Chinese economy as they pull back monetary stimulus.

## GLOBAL BOND INDICES

| | Yield | △Yield (in Bps) |
|---|---|---|
| **Benchmark Indices** | | |
| US 10 Years Benchmark | 2.3336 | 0.217 |
| EU 10 Years Benchmark | 0.464 | 0.103 |
| UK 10 Years Benchmark | 1.365 | 0.331 |
| **Sovereign Bonds** | | |
| US Treasury Bond | 1.938 | 0.174 |
| Eurozone Sovereign Bond | 0.631 | 0.049 |
| U.K. Sovereign Bond | 1.318 | 0.273 |
| Japan Sovereign Bond | 0.126 | 0.04 |
| USD Emerging Sovereign Bond | 4.376 | -0.019 |
| **Corporate Bonds** | | |
| US Investment Grade Bond | 3.166 | 0.09 |
| US High Yield Bond | 5.566 | -0.104 |
| EUR Investment Grade Bond | 0.657 | 0.051 |
| EUR High Yield Bond | 2.095 | 0.075 |
| USD Emerging Market IG & HY | 4.523 | 0.006 |

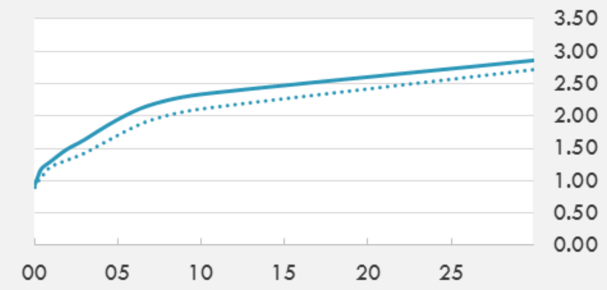
## OVERNIGHT RATES - SWAPS

| | Rate | △Rate (in Bps) |
|---|---|---|
| 3M USD LIBOR | 1.33389 | 0.0161 |
| 3M EUR EURIBOR | -0.329 | 0.0000 |
| 3M GBP LIBOR | 0.335 | 0.0576 |
| 3Y USD SWAP | 1.8578 | 0.2403 |
| 5Y USD SWAP | 2.0039 | 0.2424 |
| 10Y USD SWAP | 2.291 | 0.2241 |
| 30Y USD SWAP | 2.5334 | 0.1533 |

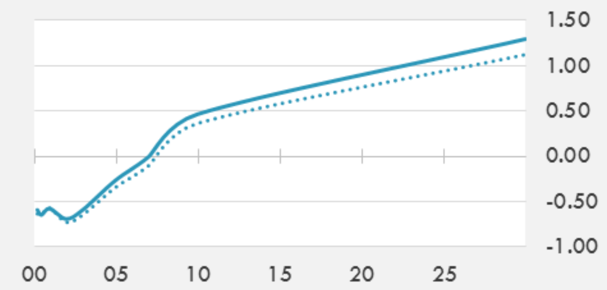
## FIXED INCOME SPREADS

| | Spread | △Spread (in Bps) |
|---|---|---|
| USD 3M vs 10Y Spread | 1.27522 | 0.1555 |
| USD 2Y vs 10Y Spread | 0.84489 | 0.0574 |
| USD IG Spread | 1.36 | (0.0600) |
| USD HY Spread | 3.12 | (0.3600) |
| EU vs US 10Y Spread | -1.8699 | (0.0934) |
| EU vs US 2Y Spread | -2.1749 | (0.1176) |
| EM vs Benchmark Spread | 2.281 | (0.1230) |

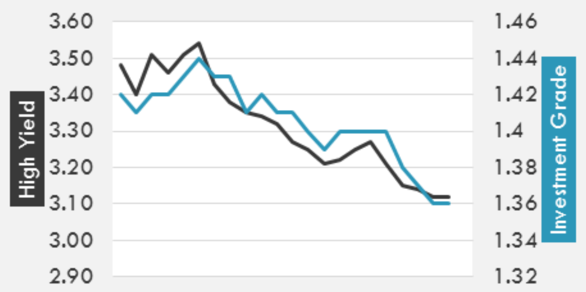
## US TREASURIES YIELD CURVE - 1 MONTH



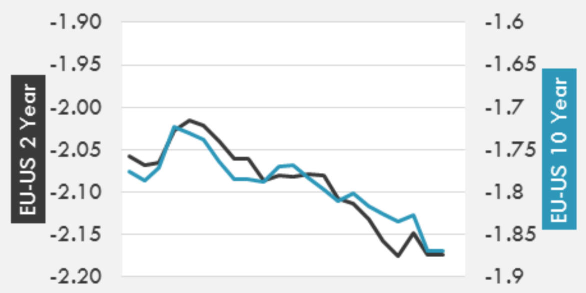

## EUR GENERIC YIELD CURVE - 1 MONTH




## USD CORPORATES - 1 MONTH SPREAD




## EU VS US - 1 MONTH SPREAD



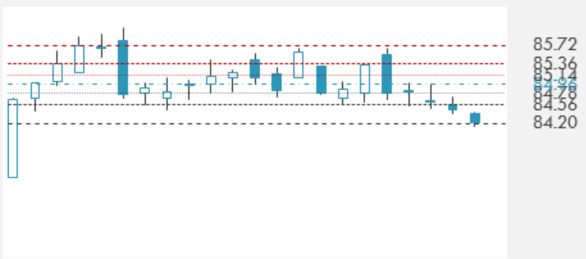
## GLOBAL COMMODITIES MARKET

| | Last Price | Daily % |
|---|---|---|
| Commodity Index | 84.46 | -0.23% |
| **Energy** | | |
| WTI Crude Future | 51.67 | 7.74% |
| Brent Crude Future | 56.79 | 7.48% |
| NYMEX Gasoline | 159.1 | -0.92% |
| NYMEX Heat Oil | 181 | 5.21% |
| ICE Gasoil | 533.75 | 8.93% |
| NYMEX Natural Gas | 3.007 | -3.06% |
| **Precious Metals** | | |
| Gold Spot $/Oz | 1279.75 | -3.15% |
| Silver Spot $/Oz | 16.655 | -5.26% |
| Platinum Spot $/Oz | 912.05 | -8.72% |
| Palladium Spot $/Oz | 937 | -0.15% |
| Gold Future | 1284.8 | -2.83% |
| Silver Future | 16.676 | -5.12% |
| Platinum Future | 915.5 | 0.00% |
| Palladium Future | 936.85 | 0.00% |
| **Base Metals** | | |
| LME Aluminum | 2102 | -0.71% |
| LME Copper | 6481 | -4.52% |
| LME Zinc | 3162 | 0.51% |
| LME Nickel | 10500 | -11.02% |
| LME Lead | 2485 | 3.80% |
| LME Tin | 20675 | 0.02% |
| **Agricultural** | | |
| Corn CBT | 355.25 | -0.70% |
| Wheat CBT | 448.25 | 3.16% |
| Soybeans CBT | 968.25 | 2.43% |
| Bean Meal CBT | 315.8 | 5.44% |
| Rough Rice CBT | 11.995 | -6.47% |
| MDE Palm Oil | 2695 | -0.41% |
| Soybean CBT | 32.82 | -6.39% |
| Coffee ICE | 128.05 | -1.01% |
| Sugar #11 ICE | 14.1 | -5.87% |
| Cotton #2 ICE | 68.45 | -3.50% |
| Cocoa ICE | 2043 | 6.07% |
| Ethanol CME | 1.486 | 3.05% |
| Lumber CME | 402.2 | 8.18% |
| Orange Juice ICE | 148.35 | 10.87% |
| Live Cattle CME | 115.25 | 5.64% |
| Feeder Cattle CME | 154 | 7.19% |
| Lean Hogs CME | 59.95 | 3.32% |

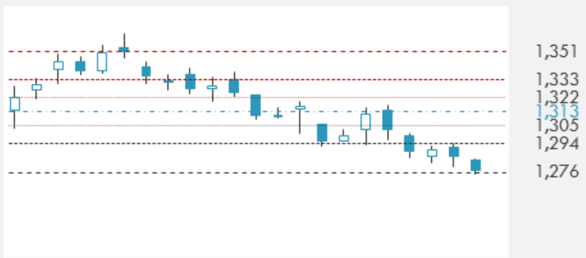
Tensions related to the Kurdish independence vote raise supply concerns and push oil prices to the highest level in more than two years. Oil price gains have also been supported by anticipated renewed demand from U.S. refiners that were resuming operations after shutdowns due to Hurricane Harvey.

Despite a stronger dollar and a hawkish tone from the US Federal Reserve, gold has been holding near high levels as it is reacting to geopolitical factors. Tensions between the US and North Korea have escalated significantly, with warnings of “devastating” military actions by US President Donald Trump. Other geopolitical developments that could create uncertainty in the market include the outcome of the recent Kurdistan referendum and the possibility of further US sanctions in Venezuela and Iran. Additionally, the new formation of a government in Germany as well as tensions from the Catalonian referendum could further increase uncertainty.

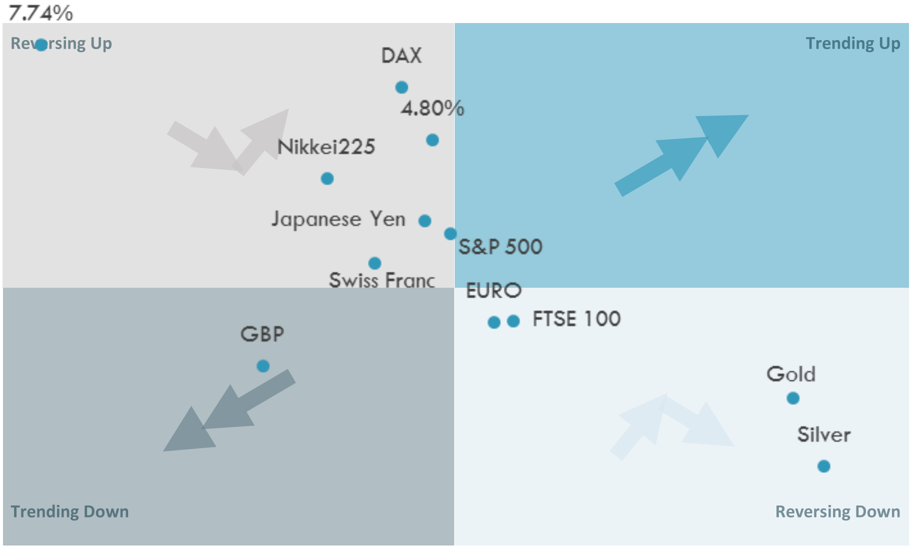
## COMMODITY INDEX SUPPORT & RESISTANCE




## GOLD 1 MONTH SUPPORT & RESISTANCE



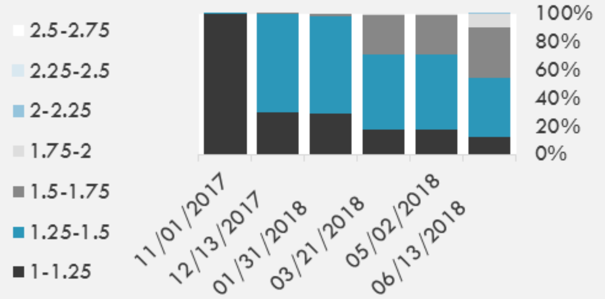
## KEY ASSETS TRENDS



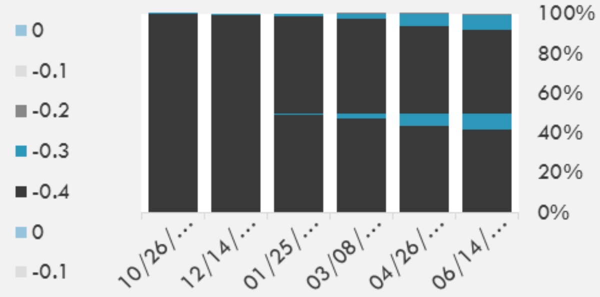

* *Monthly trends are calculated based on the last two-month period*

## CENTRAL BANKS WATCH - IMPLIED RATES PROBABILITIES

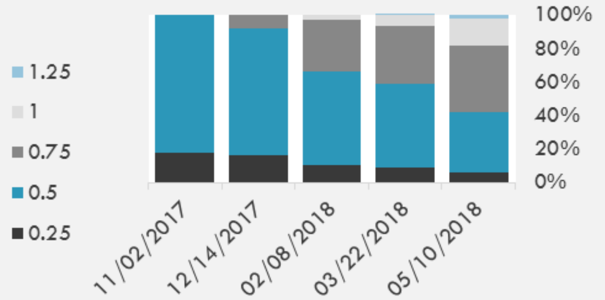
### FEDERAL RESERVES



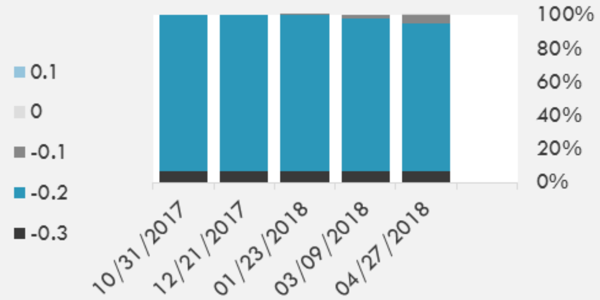

### EUROPEAN CENTRAL BANK




### BANK OF ENGLAND




### BANK OF JAPAN




## FEAR BAROMETERS

**LOW FEAR** **HIGH FEAR**

*The CS Fear Barometer measures investor sentiment for 3-month investment horizons by pricing a zero-cost collar. The higher the level, the greater the fear.*

**LOW VOLATILITY** **HIGH VOLATILITY**

*The Chicago Board Options Exchange Volatility Index reflects a market estimate of future volatility, based on the weighted average of the implied volatilities for a wide range of strikes.*

## KEY ECONOMIC INDICATORS

| Country | Event | Date |
|---|---|---|
| Canada | Bank of Canada Rate Decision | 10/25/17 17:00 |
| Canada | CPI YoY | 10/20/17 15:30 |
| China | CPI YoY | 10/16/17 04:30 |
| Eurozone | ECB Main Refinancing Rate | 10/26/17 14:45 |
| Eurozone | CPI YoY | 10/17/17 12:00 |
| France | CPI YoY | 10/12/2017 9:45 |
| France | CPI YoY | 10/31/17 09:45 |
| Germany | IFO Business Climate | 10/25/17 11:00 |
| Germany | ZEW Survey Expectations | 10/17/17 12:00 |
| Italy | Manufacturing Confidence | 10/26/17 11:00 |
| Japan | Industrial Production MoM | 10/16/17 07:30 |
| Japan | Industrial Production MoM | 10/31/17 01:50 |
| Japan | Jobless Rate | 10/31/17 01:30 |
| Japan | BoP Current Account Balance | 10/10/2017 2:50 |
| United Kingdom | GDP QoQ | 10/25/17 11:30 |
| United Kingdom | GDP YoY | 10/25/17 11:30 |
| United Kingdom | CPI YoY | 10/17/17 11:30 |
| United States | Change in Nonfarm Payrolls | 10/06/2017 15:30 |
| United States | Initial Jobless Claims | 10/05/2017 15:30 |
| United States | Initial Jobless Claims | 10/12/2017 15:30 |
| United States | Initial Jobless Claims | 10/19/17 15:30 |
| United States | Initial Jobless Claims | 10/26/17 15:30 |
| United States | GDP Annualized QoQ | 10/27/17 15:30 |
| United States | CPI MoM | 10/13/17 15:30 |
| United States | ISM Manufacturing | 10/02/2017 17:00 |

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