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MVweekly brief

A fast-track look at Global Macro space for the past week

Week ending 05 Dec 2014

(Published 07 December 2014)

The **MV** weekly stance

A very positive week for equities around the world, especially China and Japan.

Money-flow into US assets continues with a strengthening US dollar and new all time highs on the S&P500 and Dow Jones 30.

The strong US Dollar continues to hinder commodities on the whole, as they become more expensive in terms of other foreign currencies.

KEY HEADLINES FOR THE WEEK

The US economy added 321,000 jobs in November, while the unemployment rate stayed at 5.8%, official Labor Department figures show.

The number of jobs created was well above analysts' forecasts of about 225,000 new jobs in the month. US employers have added at least 200,000 jobs for 10 months in a row, the longest period of jobs growth since 1995.

The number of jobs created has averaged 241,000 a month this year.

The Labor Department added that 44,000 more jobs were created in September and October combined than the government had previously estimated.

But as in the UK, stronger job creation has yet to lead to a significant increase in salaries.

(source: <http://www.bbc.com/news/business-30343932>)

The European Central Bank (ECB) has "stepped up" plans for more stimulus measures aimed at revitalising the eurozone economy, bank president Mario Draghi has said.

His comments came after the ECB held interest rates at 0.05%.

Mr Draghi added the bank would assess the impact of its current stimulus measures early next year.

He also gave his strongest indication yet that the ECB was willing to buy government debt.

(source: <http://www.bbc.com/news/business-30327619>)

President Vladimir Putin has warned Russians of hard times ahead and urged self-reliance, in his annual state-of-the-nation address to parliament.

Russia has been hit hard by falling oil prices and by Western sanctions imposed in response to its interventions in the crisis in neighbouring Ukraine.

The rouble, once a symbol of stability under Mr Putin, suffered its biggest one-day decline since 1998 on Monday.

The government has warned that Russia will fall into recession next year. (source:

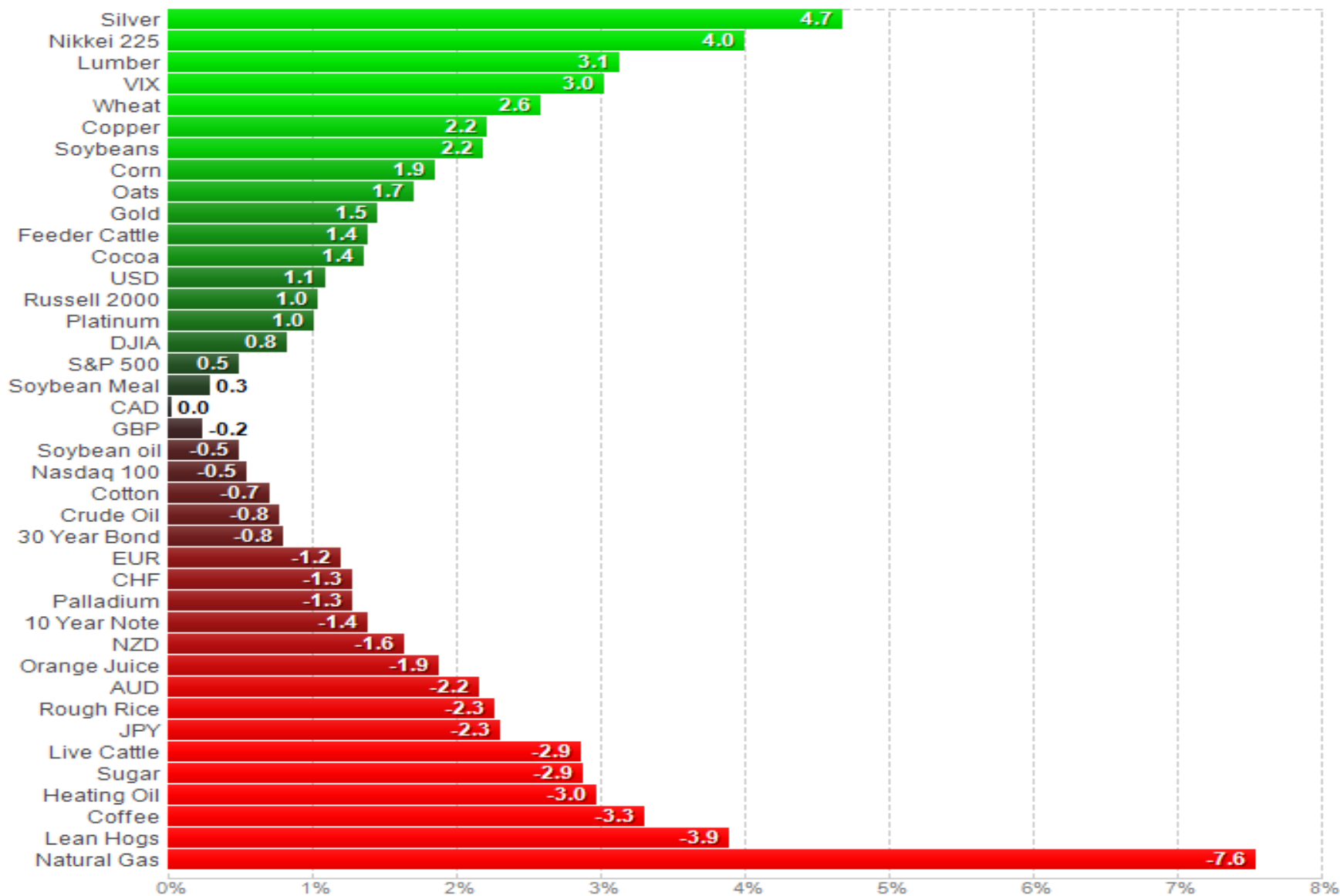
<http://www.bbc.com/news/world-europe-30322198>)

Futures - winners and losers for the week (source: finviz.com)

1 WEEK RELATIVE PERFORMANCE

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Key equity index returns for the past week – largely positive, with Shanghai-China being the outlier, closing a colossal 9.51% up on the week.

(source: Marketwatch.com)

	PRICE		5 DAY CHG
Dow	17,959	+131	0.73%
Nasdaq	4,781	-11	0.22%
S&P 500	2,075	+7	0.36%
GlobalDow	2,566	-5	0.21%
FTSE 100	6,743	+20	0.30%
DAX	10,087	+106	1.06%
CAC 40	4,419	+29	0.66%
FTSE MIB	20,087	+72	0.36%
IBEX 35	10,901	+130	1.21%
Stoxx 600	351	+4	1.08%
Asia Dow	3,084	-19	0.61%
Nikkei 225	17,920	+460	2.64%
Hang Seng	24,003	+16	0.06%
Shanghai	2,938	+255	9.51%
Sensex	28,458	-236	0.82%
Singapore	3,324	-27	0.79%

S&P1200 Global Index – Global equities as a whole still look positive as we wait to see if they can better their all time highs?



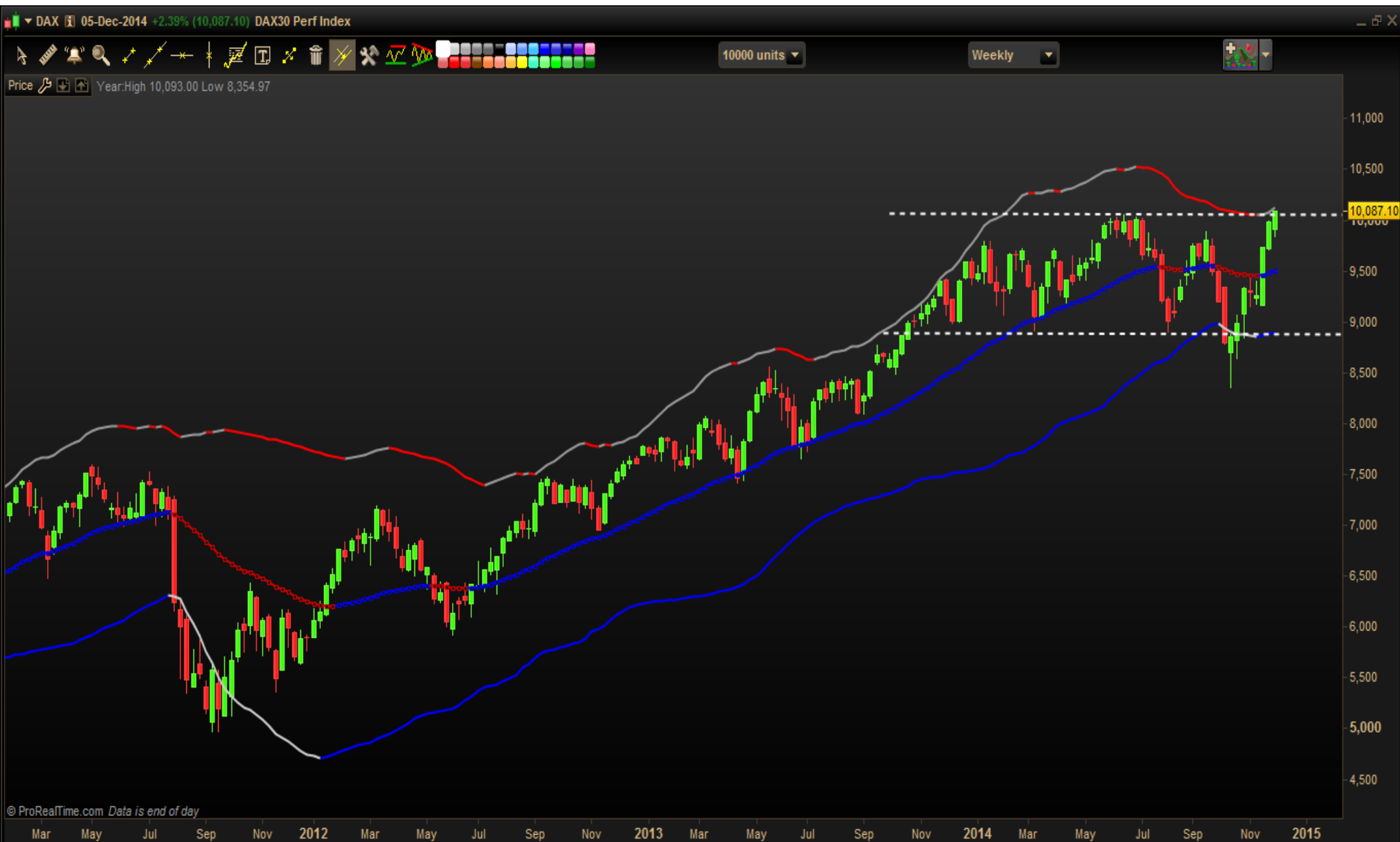
The four headline equity indices in the US: the DJ30 and S&P500 made all time new highs this past week, whilst the Nasdaq100 had an inside week and the Russell2000 put in a decent week, finding buyers in the lower tail area. (source: finviz.com – weekly data)



US equity market volatility as measured by the Volatility Index remains clam, ticking up slightly on the week to close at 15.30. (source: finviz.com wekkly data)



The German DAX – positive developments for the German stock market and possibly wider Europe, as the DAX pushes through the upper resistance level to close at an all time high. (MValpha weekly data)



China – a huge week for Chinese equities as they move up a massive 9.5% on the week. (MValpha weekly data – DJChina 88 as a proxy)



Nikkei 225 -Japanese equities also made new 2009-present rally highs.
(source: finviz.com weekly data)

Nikkei 225

DEC 05 2014 05:14 PM

O:17490.00 H:18205.00 L:17350.00 C:18170.00

+300.00 (1.68%)

finviz.com

















WEEKLY



Key Government Bond market data for the past week. (source: finviz.com)

Major		Actual	Weekly %
Australia	GACGB10	3.11	0.32 %
Brazil	GEBU10Y	12.11	2.45 %
Canada	GCAN10YR	1.89	-2.58 %
China	GCNY10YR	3.75	5.63 %
Euro Area	EUROAREAGI	0.21	16.67 %
France	GFRN10	1.03	6.19 %
Germany	GDBR10	0.78	11.43 %
India	GIND10YR	7.93	-1.86 %
Italy	GBTPGR10	1.94	-3.96 %
Japan	GJGB10	0.40	-4.76 %
Russia	RUGE10Y	12.03	13.38 %
United Kingdom	GUKG10	2.01	4.69 %
United States	USGG10YR	2.25	2.74 %

FX majors (source: Bloomberg.com)

	 USD	 EUR	 JPY	 GBP	 CHF	 CAD	 AUD	 HKD
 USD	–	1.2283	0.0082	1.5580	1.0219	0.8746	0.8316	0.1290
 EUR	0.8141	–	0.0067	1.2685	0.8316	0.7118	0.6775	0.1050
 JPY	121.4600	149.2300	–	189.2510	124.1070	106.2320	101.0450	15.6728
 GBP	0.6416	0.7884	0.0053	–	0.6558	0.5611	0.5340	0.0828
 CHF	0.9788	1.2023	0.0081	1.5249	–	0.8559	0.8144	0.1263
 CAD	1.1435	1.4047	0.0094	1.7815	1.1684	–	0.9511	0.1475
 AUD	1.2012	1.4767	0.0099	1.8733	1.2270	1.0505	–	0.1550
 HKD	7.7511	9.5220	0.0638	12.0760	7.9198	6.7785	6.4481	–

Weekly FX charts -the advancing US Dollar story continues with corresponding weakening elsewhere. Euro closing in on the 1.20 level. (source: finviz.com – weekly data)



ENERGY: Crude Oil closing negative again for the week - \$65.63. Heating Oil stair-stepping down again. Natural Gas a second lower weekly close. (source: finviz weekly data)

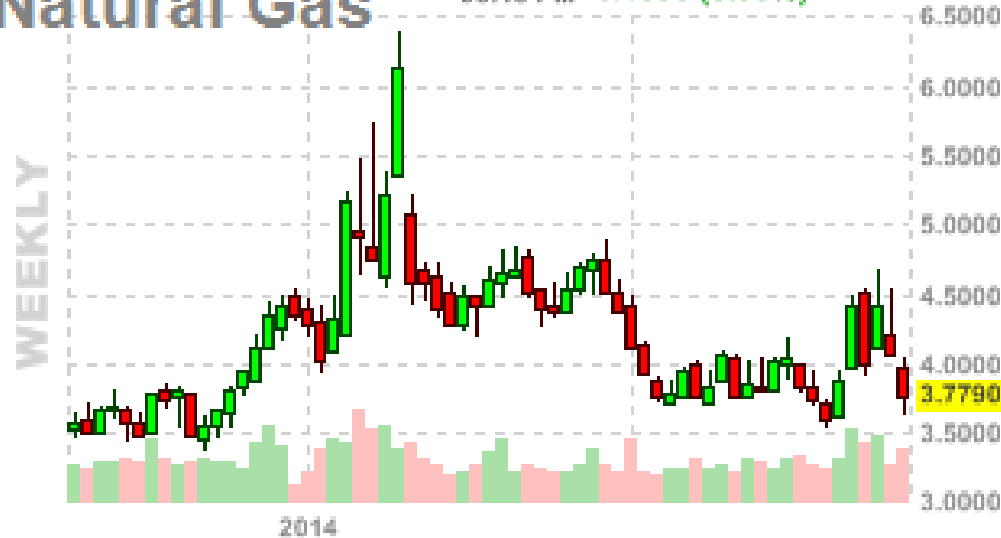
Crude Oil

05:15 PM -1.18 (1.77%) @ finviz.com



Natural Gas

05:15 PM +0.1300 (3.56%) @ finviz.com



Heating Oil

05:15 PM -0.0208 (0.98%) @ finviz.com



METALS – the important juncture for Metals continues with Gold and Platinum finding some tail buying, whilst silver dropped lower but closing up on the week, as did Copper. Palladium price action is looking more positive. (source: finviz weekly data)



Thank you for reading

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