



Global Market Overview

On Friday stocks fell to end another negative week following worse than expected January non-farm payrolls data. The S&P fell 1.85% with most of the sectors except Utilities falling. The Nasdaq fell 3.25% as worries about valuations of tech stocks came to the fore. Many Asian markets are closed because of the Chinese New Year but the Nikkei 225 is up 1.1%. European indices are opening flat while US futures are currently indicating a 0.3% increase for US indices later today.

Equities

Index	Close	Change
DOW	16204.97	-1.29%
NASDAQ	4363.144	-3.25%
S&P 500	1880.05	-1.85%
FTSE 100	5848.06	-0.86%
CAC 40	4200.67	-0.66%
DAX	9286.23	-1.14%
IBEX 35	8499.5	0.37%
S&P VIX	23.38	7.05%

The US non-farm payrolls saw the headline data number as + 151k compared with expectations of 190k. The unemployment rate fell to 4.9% (vs. expectations of 5%) while average earnings rose 0.5% compared to 0.3%. The latter can be explained by minimum wage hikes by some states. The low unemployment rate has to be treated with caution due to the well-known trend of a declining participation rate. The numbers are clearly weak and could be indicative of an impending slowdown in the US economy but, as ever, one cannot put too much weight on just one month's data.

US Federal Reserve.

In the last months, US short-term interest rates and 2 year Treasury yields have fallen and interest rate futures are now indicating that the market does not expect a Fed interest rate rise in the next year. Janet Yellen of the Fed is due to make a two day testimony to Congress this week and will emphasise the strength of the domestic economy but will also note increasing slowdown risks from abroad particularly China.



Commodities

	Close	Change (%)
GOLD	1165.24	0.84%
WTI OIL	31.12	-1.89%
BRENT OIL	34.31	-0.44%
COPPER	4630	-0.11%
IRON ORE	45.73	2.46%
CORN	365.75	-0.75%
WHEAT	466.75	-1.27%
INDEX	75.9032	-0.31%

Commodity prices fell with WTI at USD 31.1 per barrel but Gold which is up 15% since mid-December rose again.



Bonds

Bonds	Yield(%)	Change (bp)
2 YR US TSY	0.74	3.6
10 YR US TSY	1.86	2.0
2 YR GERMANY	-0.50	-0.6
10 YR GERMANY	0.30	-0.7
10 YR UK	1.56	-0.7
10 YR FRANCE	0.63	-0.1
10 YEAR ITALY	1.55	2.1
10 YEAR SPAIN	1.64	-0.2
10 YR PORTUGAL	3.12	10.1
10 YR GREECE	9.45	8.6
10 YR SWISS	-0.26	0.8
10 YR JAPAN	0.03	-3.0

Bond yields were unchanged in general but Portuguese and Greek Bond yields rose sharply. The yields have risen significantly in recent weeks suggesting that the European peripheral crisis may be affecting these two countries once again.



FX		
Currency	Value	Change (%)
USD DXY	97.050	0.60%
EURO USD	1.115	-0.56%
GBP USD	1.454	-0.35%
YEN USD	117.340	0.48%
CHF USD	0.993	0.00%
INR USD	67.824	0.38%
INR GBP	98.573	-0.34%
CNH USD	6.57	-0.05%
EMCI	65.023	-0.41%

The US dollar rebounded a little on Friday after its sharp fall earlier last week . The Yen continued to strengthen and is above the level it was when the BoJ announced it was implementing negative interest rates.

Outlook

Stockmarkets in Europe have fallen in early trading and are about 0.2% lower. There are few significant economic stakes due to be released today



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