



Weekly Market Recap

November 22, 2013

News of Past Week

- Bernanke's speech indicated that stimulus will continue.
- Eurozone's current account still positive but on a negative trend.
- Business Climate and PMIs are strong in Germany but decline in France.
- Japanese trade balance is not improving (-1,07 T)
- Rumors of early tapering become stronger. Expected between December and March 2014.

Coming Next Week

- US Pending Home Sales - expected 2.2% (25/11)
- Japanese Retail Sales y/y - expected 2.2% (26/11)
- BOE Governor Speech (28/11)
- Canadian GDP m/m - expected 0.1% (28/11)
- Chinese Manufacturing PMI - expected 51.2 (30/11)

Latest Indicators (vs expectations)

- ↓ **-1,07T** Japan Trade Balance
- ↓ **50,4** China Flash Man. PMI
- ↓ **47,8** French Flash Man. PMI
- ↑ **75,1B** US Federal Budget Bal.
- ↑ **54,3** U.S Flash Man. PMI

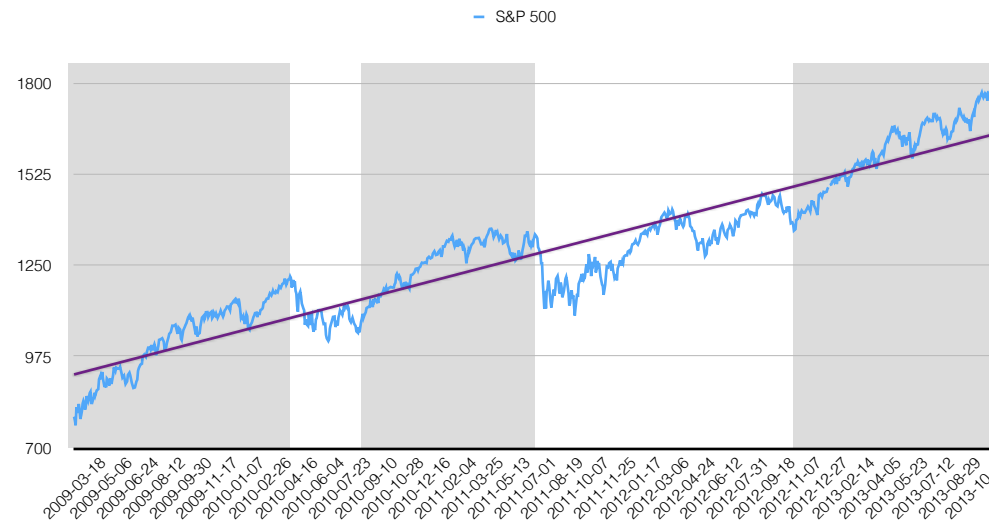
Weekly Data

Equities	Level	Index Return (%)		
		1 week	YTD	1 year
S&P 500	1 804,76	0,38	28,99	30,89
DOW JONES 30	16 064,77	0,65	25,39	26,64
FTSE 100	6 674,30	-0,29	17,72	19,47
DAX	9 219,04	0,55	21,11	26,13
MIB	18 822,31	0,72	19,41	24,33
CAC 40	4 278,53	-0,32	21,36	25,55
IBEX 35	9 677,70	-0,19	24,56	34,70
SMI	8 250,43	-0,92	23,70	25,68
STOXX 50	3 055,98	0,05	20,47	24,34
Nikkei 225	15 381,72	1,42	50,30	67,05
SSE	2 196,38	2,83	-0,23	11,67
Hang Seng	22 744,39	4,19	8,33	12,02
MICEX	1 493,79	0,70	6,10	10,73

Key Rates (%)

U.S. 2-yr	0,25	ITA 2-yr	1,19	ITA 10-yr	4,07
U.S. 10-yr	2,75	FRA 2-yr	0,26	FRA 10-yr	2,20
U.S. 30-yr	3,75	UK 2-yr	0,43	UK 10-yr	2,79
LIBOR 3-mo	0,24	SPA 2-yr	1,41	SPA 10-yr	4,10
EURIBOR 3-mo	0,22	GER 2-yr	0,14	GER 10-yr	1,74
Fixed Mortgage 30-yr	4,67	JAP 2-yr	0,09	JAP 10-yr	0,62
EFSF 10-yr	1,22	CHF 2-yr	-0,08	CHF 10-yr	0,92

Chart of the Week



Index Characteristics (%)		
P/E	P/B	Div. Yld
19,84	2,71	2,00
15,31	3,18	2,12
17,30	4,08	3,00

Currencies	Levels		
	22/11/13	6-mo	1-yr
USD per €	1,356	1,310	1,274
GBP per €	0,836	0,845	0,797
YEN per €	137,280	130,127	101,612
CHF per €	1,229	1,233	1,205
CAD per €	1,426	1,314	1,272
AUD per €	1,477	1,286	1,221
HKD per €	10,511	10,170	9,874

Commodities	Levels (\$)		
	22/11/13	6-mo	1-yr
Oil (WTI)	94,84	96,24	85,07
Natural Gas	3,77	3,86	3,45
Gold (oz)	1 243,8	1448,57	1715,91
Silver (oz)	19,90	24,03	31,72
Copper (oz)	3,21	3,34	3,48
Wheat*	657,00	706,00	902,50
Corn*	429,25	633,00	741,25

* CBOT 3-month futures

S&P 500 Vs QE

On this chart we can clearly identify the effect of the 3 QEs on the S&P 500 Index. Quantitative easings bring the index above what seems to be its long-term tendency since 2009.

What will be the level of the S&P 500 after tapering ? It is most likely to be lower than today's. If the index had grown at the same average rate as between Q2 and Q3, the S&P would be 7,7% lower at approximately 1670.