

### LAST WEEK IN 30 SECONDS...

Stock markets around the world suffered their largest weekly declines in several months as the prospect of higher interest rates in the US and an escalation of trade tensions spooked markets. With wages in the US rising at their fastest pace in 9 years according to the latest labour market report, the Federal Reserve is likely to raise interest rates later this month. Expectations of this rate hike along with more tariff threats from US President Donald Trump were enough to drive markets significantly lower over the week. The NASDAQ Index fell 2.55% in its biggest weekly decline since late March while in Europe, the FTSE Eurofirst 300 dropped 2.25% marking its worst week in 6 months.

The strong labour report from the US helped to drive the USD higher vs both the Euro & Yen while it also sent the 10 Year US Treasury yield 9bps higher to 2.94%. The US added 201,000 jobs in August, the unemployment rate stayed at 3.9% while average hourly earnings grew 2.9% compared with a year ago. The US economy certainly appears to be humming along nicely at the moment but it remains to be seen how long it will continue.

Finally, oil prices came under pressure last week from the stronger dollar and production cuts in the Gulf of Mexico caused by Hurricane Gordon. The price of WTI Crude fell 3.02% to \$67.73 per barrel.

### THIS WEEK IN 30 SECONDS...

Emerging market currency weakness has been one of the stories of the year. After last weeks attempt by Argentina to stabilise the Peso by hiking rates to 60%, central banks in Turkey & Russia will make key decisions on monetary policy this week to try to support their respective weak currencies.

Equities	Value	1 Wk Change	YTD
FTSE World €	598.68	-1.36%	4.17%
DJIA	25916.54	-0.19%	4.84%
NASDAQ Comp	7902.54	-2.55%	14.47%
S&P 500	2871.68	-1.03%	7.41%
FTSE EuroFirst 300	1460.67	-2.25%	-4.50%

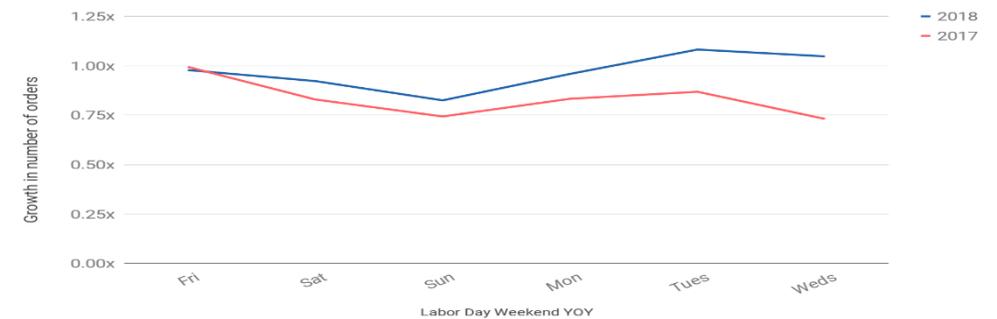
Forex	Value	1 Wk Change	YTD
EUR/USD	\$1.158	-0.44%	-3.54%
EUR/GBP	£0.894	-0.08%	0.77%
EUR/YEN	¥128.72	-0.23%	-4.85%
USD/YEN	¥111.12	0.21%	-1.36%

### CHART OF THE WEEK

I have spent the last few days reading "Shoe Dog", a book written by Phil Knight, the founder of Nike detailing the hurdles he faced trying to build the company. One of the features of the story was his desire to align the company with athletes that embodied the spirit of the company, the earliest being the American long-distance runner Steve Prefontaine. So I found last week's announcement of their newest athlete, Colin Kaepernick, particularly interesting. Kaepernick is currently an out of contract NFL player, but is more famous for kneeling during the national anthem in protest against racial inequality in USA. According to data from Edison Trends, Nike reported a 31% increase in online sales from 2017 following the announcement over the Labor Day Weekend.

Online Sales of Nike Products

Labor Day Weekend, 2018 vs 2017



Edison Trends

1x" means "1x the number of Nike product orders sold on August 1, 2017." Data collected from receipts from over 200 online vendors, using "Nike" as a search term.

Bonds 10 Yr	Value	1 Wk Change	YTD
Germany	0.39%	0.06	-0.03
Ireland	0.89%	0.03	0.22
UK	1.46%	0.03	0.27
Japan	0.11%	0.01	0.06
USA	2.94%	0.09	0.53

Commodities	Value	1 Wk Change	YTD
WTI Crude	\$67.73	-3.02%	12.02%
Brent Crude Oil	\$76.50	-1.49%	14.85%
Gold 100 oz	\$1,198.42	-0.37%	-8.06%
DJ USB Index	\$82.59	-1.37%	-6.33%