



Monday Morning Markets

The Saturday Economist Monday Morning Markets

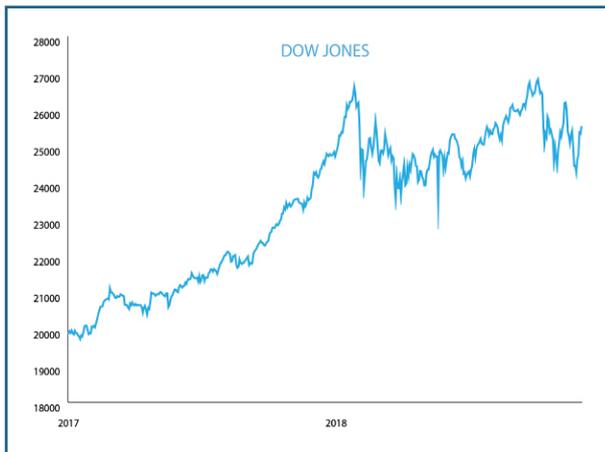
3rd December 2018

Markets rally as Fed offers softer line ... U.S. stocks lead the way ...

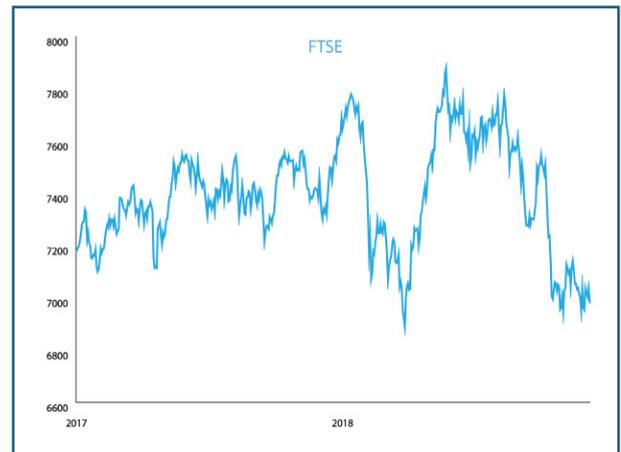
The Dow closed up 957 points this week at 25,315 (+3.9%). The FTSE closed up 27 points at 6,980 (0.3%). Our nine index eToro fund was up by 2.8% with big gains (5.5%) in U.S. stocks. Europe traded sideways, Asian stocks were up 2.8%.

NASDAQ closed up 4.5%. Our eToro "Empires of the Cloud" Fund was up by 7.5%. Big gains for Square, Paypal and Amazon this week. Our China pair BIDU and BABA were up by 5%. We expect a further rally in tech stocks this month following reports of a trade truce between US and China at G20 meeting ...

Dow Jones Industrial Average



FTSE 100 Index



The Week in Markets ...

1st December 2018

Friday Financials - Markets, Rates & Currencies																	
<p>FTSE</p> <p>6,980.24 ▲</p> <p>DOW</p> <p>25,314.98 ▲</p> <p>FTSE 250</p> <p>18,480.83 ▼</p>	<p>£ : \$</p> <p>\$1.2771 ▼</p> <p>£ : €</p> <p>€1.1280 ▼</p> <p>€ : \$</p> <p>\$1.1322 ▼</p>	<p>Bond Rates ...</p> <p>US ten year bond rates closed at 3.02 from 3.04. We still expect 3.25 to be within range in early 2019.</p> <p>UK ten year gilts closed down at 1.36 from 1.37. Brexit anxiety continues.</p> <p>Oil Brent Crude closed at \$58.75 from \$58.86. This could be the floor for 2018.</p> <p>Gold closed at \$1,227 up from \$1,223. The ancient relic long forgotten.</p> <p>Bitcoin closed down in the week at \$4,120 from \$4,033. Rally or dead cat bounce?</p>															
<p>NASDAQ</p> <p>7,279.45</p> <p>6,964.17 ▲</p> <p>S & P 500</p> <p>2,740.68</p> <p>2,639.76 ▲</p> <p>DAX</p> <p>11,257.24</p> <p>11,192.69 ▲</p>	<p>NIKKEI</p> <p>22,351.06</p> <p>21,646.55 ▲</p> <p>HANG SENG</p> <p>26,506.75</p> <p>25,927.68 ▲</p> <p>SHANGHAI</p> <p>2,588.19</p> <p>2,579.48 ▲</p>	<p>Ten Year Bond Yields</p> <table border="1"> <thead> <tr> <th></th> <th>This week</th> <th>Last Week</th> </tr> </thead> <tbody> <tr> <td>US</td> <td>3.02 ▼</td> <td>3.04</td> </tr> <tr> <td>UK</td> <td>1.36 ▼</td> <td>1.37</td> </tr> <tr> <td>Japan</td> <td>0.09 ▼</td> <td>0.10</td> </tr> <tr> <td>Europe</td> <td>0.31 ▼</td> <td>0.34</td> </tr> </tbody> </table> <p>Gold</p> <p>\$1,227 ▲</p> <p>Oil</p> <p>\$58.75 ▼</p>		This week	Last Week	US	3.02 ▼	3.04	UK	1.36 ▼	1.37	Japan	0.09 ▼	0.10	Europe	0.31 ▼	0.34
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Bond Rates ...

US ten year bond rates closed at 3.02 from 3.04. We still expect 3.25 to be within range in early 2019.

UK ten year gilts closed down at 1.36 from 1.37. Brexit anxiety continues.

Oil Brent Crude closed at \$58.75 from \$58.86. This could be the floor for 2018.

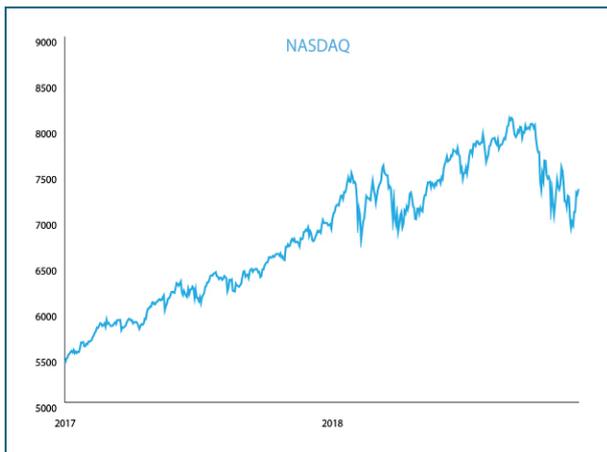
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Bitcoin closed down in the week at \$4,120 from \$4,033. Rally or dead cat bounce?

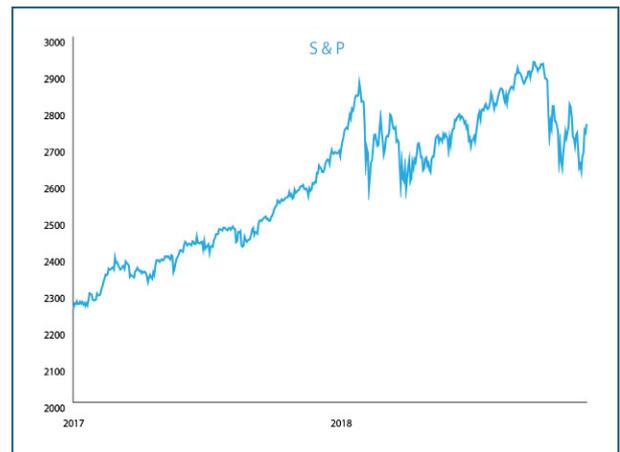
JKA

Markets...

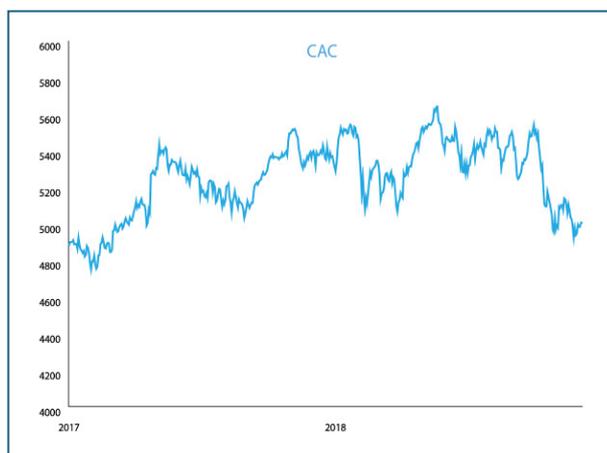
US stocks move higher on Fed minutes ...



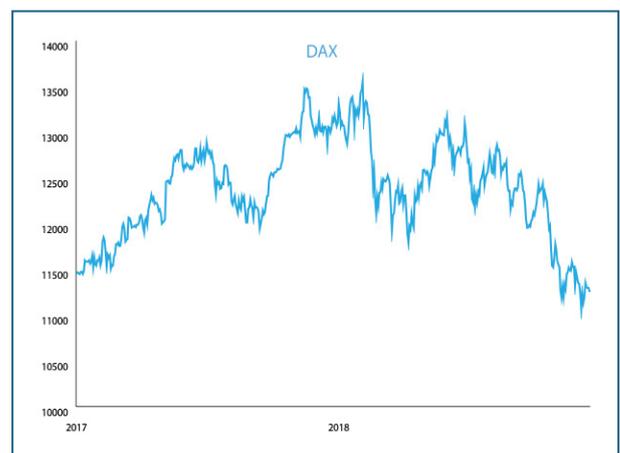
NASDAQ closed up in the week at 7,279 from 6,964 (+4.5%). We still expect a rally to 7,500 before end of year, ready to test 8,000 in the New Year ...



The S&P index closed up at 2,741 from 2,640. The index was up by 101 points (+3.8%). We expect a further move to 2,800 then 2,900 in the medium term ...



The CAC index closed up in the week at 5,004 from 4,947. Concerns over Brexit and Italian debt eased slightly, current levels should provide support to year end ...

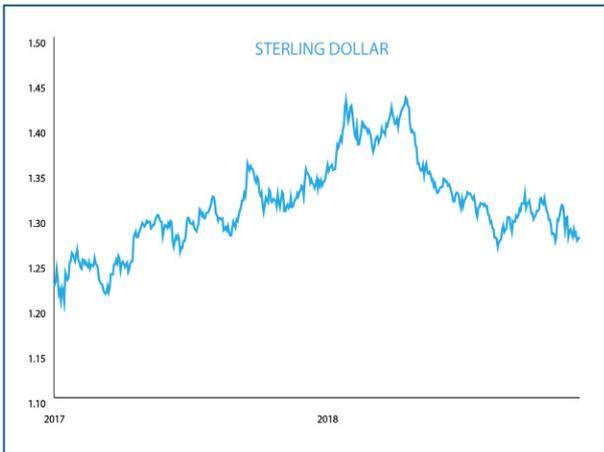


The DAX closed up at 11,247 from 11,193. Up just 50 points, 11,200 should provide support before a test of the 11,500 level in early 2019 ...

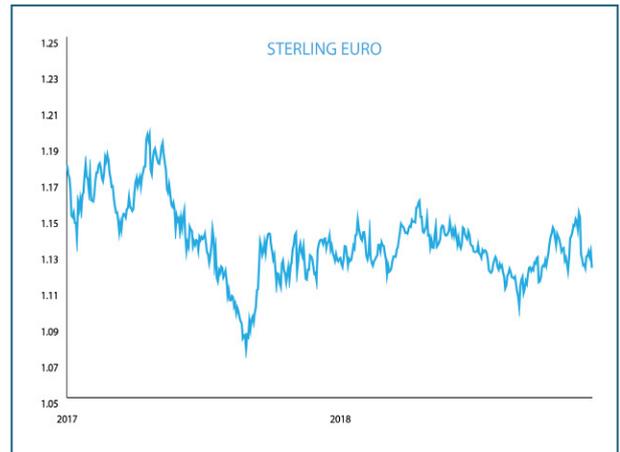
... European show weak rally.

Currencies...

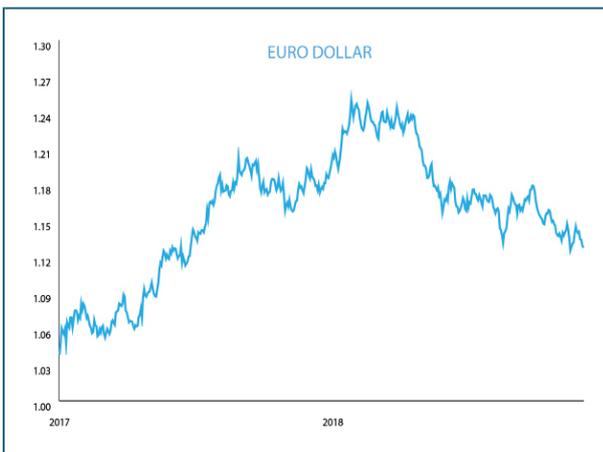
Sterling moves lower against the Dollar and the Euro ...



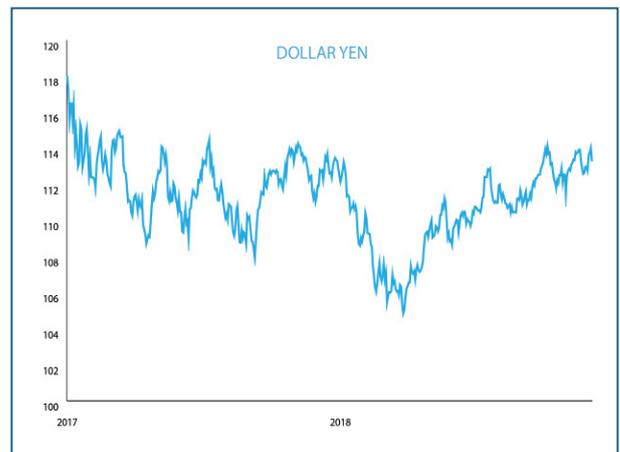
Sterling closed down in the week at \$1.2771 from \$1.2812. Floating on a Brexit breeze, May's EU deal faces a tough challenge in parliament ...



Sterling closed up against the Euro at €1.1280 from €1.304 ... we expect further pressure on Sterling ... as Brexit overhangs sentiment ...



The Euro moved down against the Dollar at €1.1322 from €1.1334 ... it really is all about Uncle Sam at the moment as Fed executes December rate increase ...



The Dollar closed up at 113.51 from 113.22. We still expect a further move higher in the short term ...

... Dollar moves up against the Yen.

Indices ▾		CHAN
DJ30	5.15%	(1250.10)
NSDQ100	6.43%	(419.30)
SPX500	4.87%	(128.14)
UK100	0.33%	(22.60)
FRA40	1.21%	(59.82)
GER30	0.73%	(82.02)
China50	1.11%	(121.25)
HKG50	2.08%	(539.00)
JPN225	3.62%	(780.50)

eToro our indices this week ...

We track nine indices in our portfolio, three in the USA, three in Europe, three in the USA and three in South East Asia. The overall fund was up 2.8% this week.

US markets were up by 5.5% as Fed hints at slower rates hikes in 2019. European stocks were steady up just 0.76%. eastern promise pushed Asian stocks higher by 2.3%.

Empires of the Cloud ▾		CHAN
AAPL Apple	3.65%	(6.29)
AMZN Amazon	12.52%	(188.11)
BABA Alibaba	7.00%	(10.53)
BIDU Baidu, Inc.	3.10%	(5.67)
FB Facebook	6.74%	(8.88)
GOOG Alphabet	6.89%	(70.55)
MSFT Microsoft	7.59%	(7.82)
PYPL PayPal Holdings	10.08%	(7.86)
SQ Square, Inc.	10.04%	(6.37)

eToro our Empires of the Cloud Fund ...

Here we monitor nine stocks in our "Empires of the Cloud" Fund. The fund was up 7.5% this week.

Big gains this week for AMZN, SQ and Paypal this week. Great reward for those who held on through November. We expect further rally in tech stocks this month.

For more information check out the Saturday Economist.com

About the Author

John Ashcroft is the author of The Saturday Economist, Monday Morning Markets and Dimensions of Strategy. Educated at the London School of Economics, London Business School and with a PhD in International economics, John has been writing about economics for a very long time!

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