



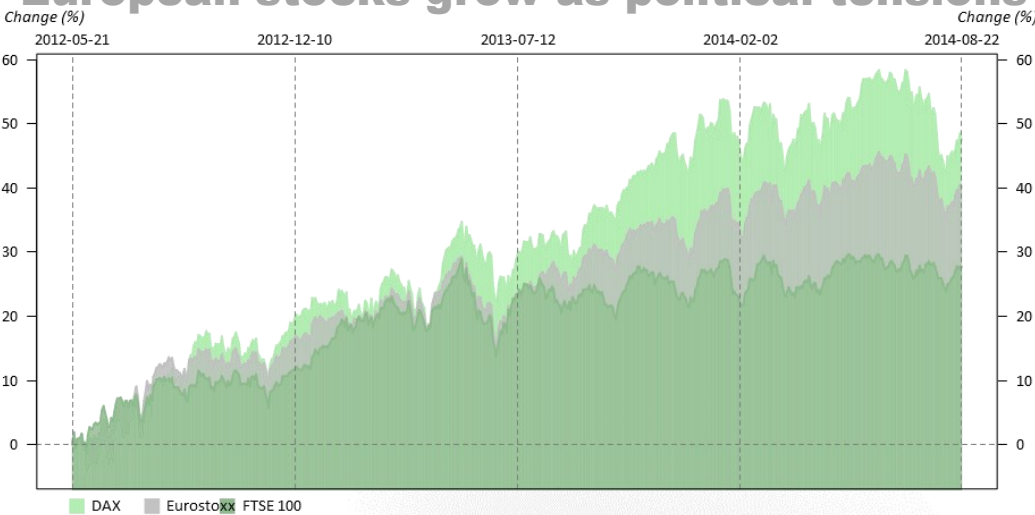
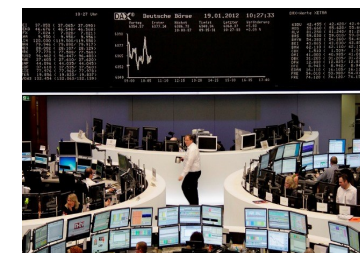
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25/08/2014



# **Weekly Global Stock Market Review**

# European stocks grow as political tensions over Ukraine decline



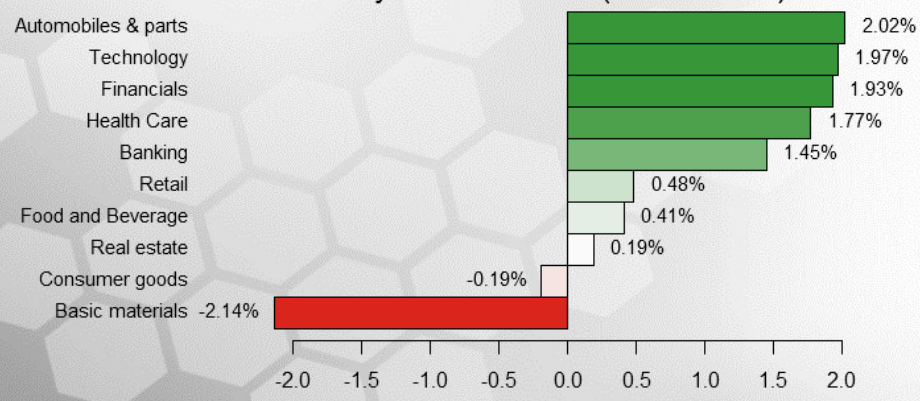
Equity market in Europe kept growing during the previous trading week, as all biggest markets posted a weekly increase in value. Companies' shares were strongly influenced by weakening manufacturing sector in the single currency area, while PMI Index in France dropped to 46.5 points. Services industry, however, remains stable with both Germany and France showing an advance in activity. Moreover, political tensions over Ukraine are likely to decline, as Russia and Ukraine presidents are planning to meet this week in Minsk, Belarus in order to negotiate de-escalation possibilities.

Last week, the major Eurostoxx 600 Index, which includes largest companies from the whole region, added 1% to 336.75 points and almost reached the highest point since the end of July. Among rising sectors, both automobiles and technology rose around 2%. Financial industry followed with a 1.9% rise. One of the major gainers was the National Bank of Greece, which added 9.2% in five trading days and closed at 2.59 euros per share on Friday, as investors see the current share price of the bank as strongly undervalued. Sydbank A/S, the biggest full service bank in Denmark, led overall gains during the previous week, as it surged 15% to 173 kronor on August 22 in Copenhagen.

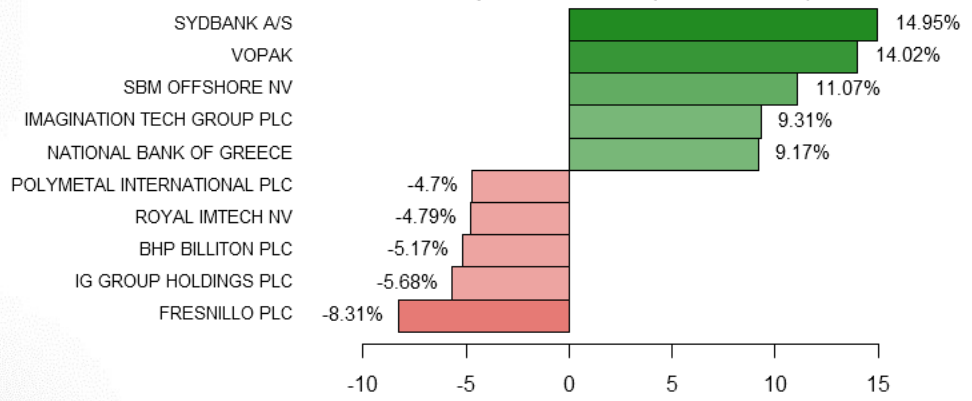
Other European market Indexes, including British FTSE 100 and German DAX, came along with its pan-European counterpart, with jumping 0.5% and 1% to 6,775.25 and 9,339.17 points, respectively.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Eurostoxx	0.94	-1.78	-1.47	0.2	12.02	10.94
DAX	1.01	-4.25	-4.39	-3.29	12.72	11.21
FTSE 100	0.5	-0.34	-0.59	-0.92	6.02	5.09

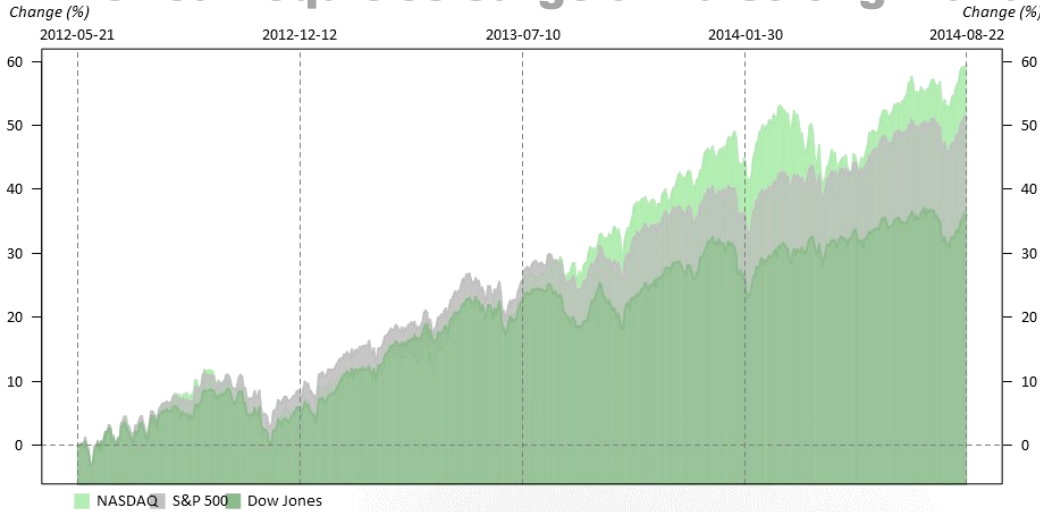
## Industry Performance (STOXX600)



## TOP performers (SXXP600)



# American equities surge amid strong manufacturing industry



Stock market in the United States behaved in line with its European counterparts, by posting a confident increase in value during the August 18-22 trading week. Stocks of largest local companies were actively driven by positive fundamental data, namely a rise in manufacturing PMI and rising home sales in the country.

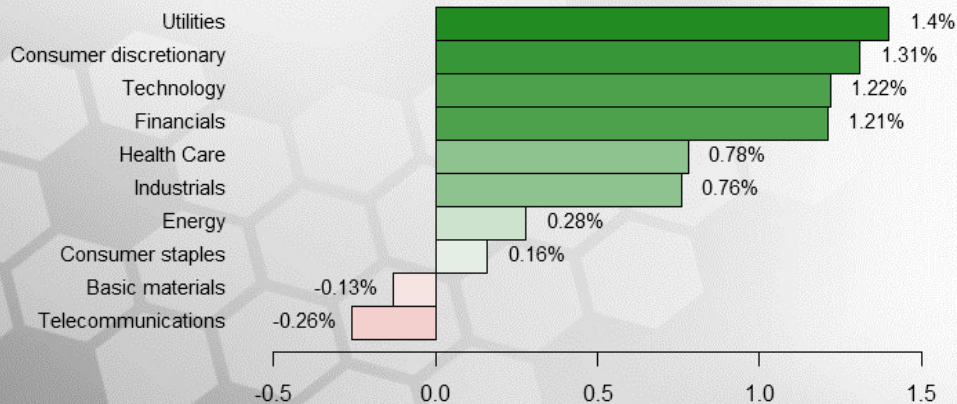
The benchmark S&P 500 Index advanced 0.8% to 1,988.40 at market closing time on Friday. All but two biggest industries included in the gauge showed a sharp climb, while utility and consumer discretionary ones jumped 1.4% and 1.3%, respectively. Among market leaders, Ross Stores Inc, the U.S. third off-price retailer by revenue, surged as much as 13.5% to \$74.37 per share, as the company revealed a 12% increase in its net profit for the second quarter. At the same time, Monster Beverage Corp. declined 7.6% to trade at \$86.37 on Friday, while the decline followed a considerable rise in share price a week before. The Coca-Cola Company has recently announced a commitment to buy a stake at the energy-drink producer.

Looking at other major market indicators, Dow Jones Industrial Average picked up 1% to cross the 17,000 mark and close at 17,001.22 points. Nasdaq added 0.7% to 4,538.55 points.

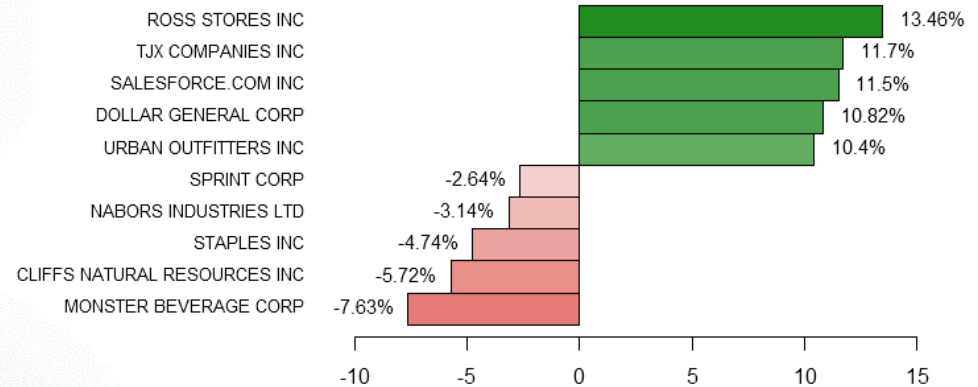
## Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
S&P 500	0.84	0.07	4.62	8.29	21.04	20
Dow Jones	0.96	-0.5	2.38	5.58	14.12	13.62
NASDAQ	0.67	1.45	8.43	6.45	26.08	24.73

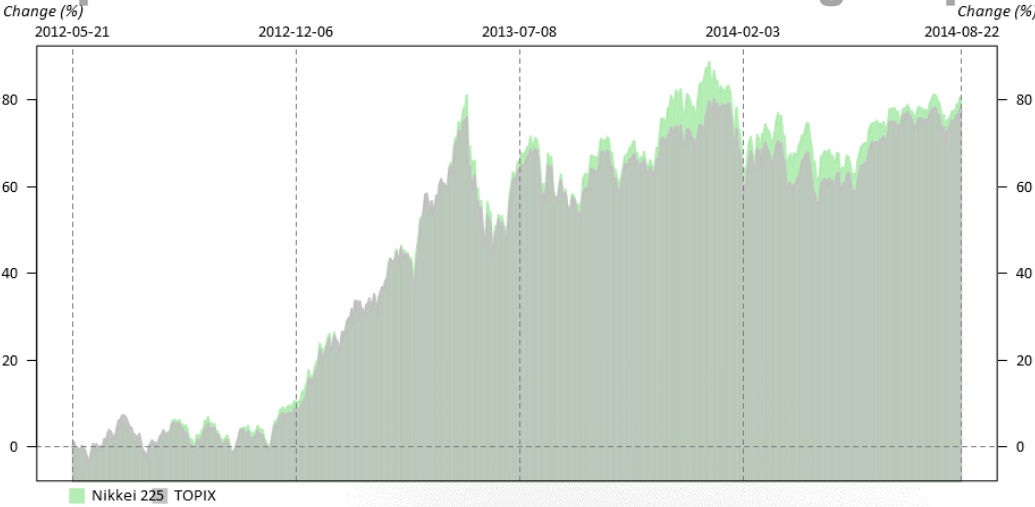
## Industry Performance (S&P 500)



## TOP performers (S&P 500)



# Japanese shares continue climbing despite widening trade gap



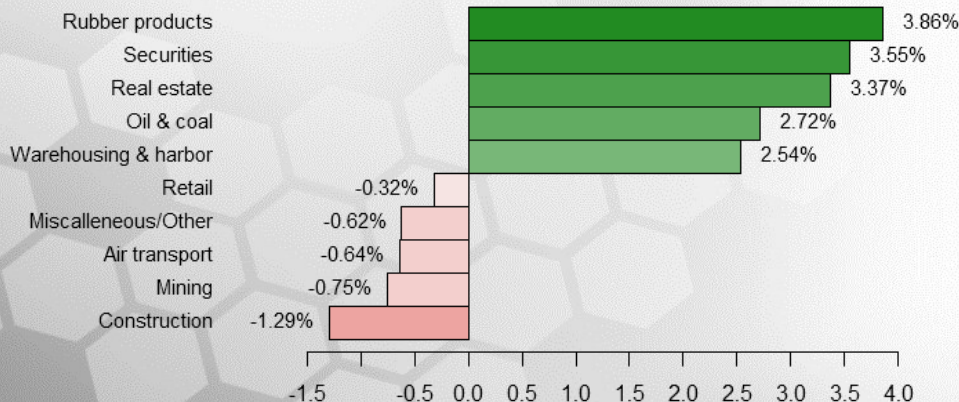
During the previous week, Japanese equity market showed the strongest increase in value among four largest capital markets across the globe. The strong performance has been mostly led by individual market participants, rather than fundamental data, the lack of which has not influenced the stock market a lot.

Value of the most popular Japanese benchmark, Topix, rose 1.1% to reach 1,286.07 points. The Index has been trading in the green zone since August 8, when the current uptrend has been initiated. Speaking about the previous week, rubber products and securities sectors have led the overall growth, as they rose 3.9% and 3.5%, respectively. On the other hand, construction and mining industries fell the most, losing as much as 1.3% and 0.8%, accordingly. Market leader was represented by Fukui Computer Holdings Inc, a developer of application software products, as its share price grew 30.9% to 1,569 yen. Yorozu Corp., in turn, has slipped the most by 12.1% to reach 1,710 yen on Friday.

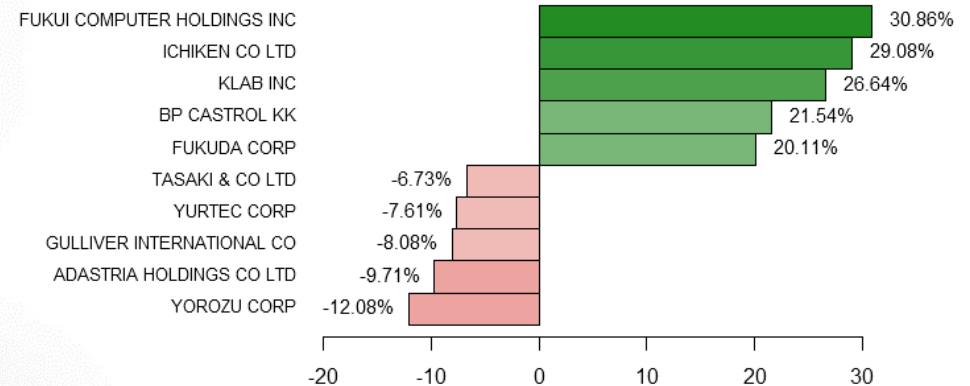
The second most important equity index of Japan, Nikkei 225, advanced 1.4% to 15,539.19 points, and pushed the monthly performance to the green zone.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Nikkei 225	1.41	1.37	7.45	4.53	15.75	16.27
TOPIX	1.16	1.08	8.95	5.22	14.65	14.87

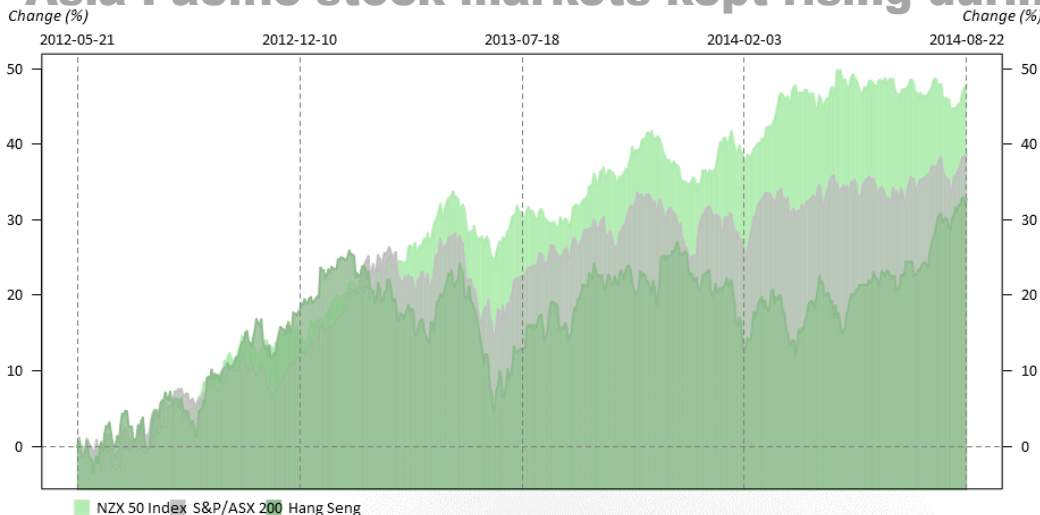
## Industry Performance (TOPIX)



## TOP performers (TOPIX)



# Asia Pacific stock markets kept rising during last week



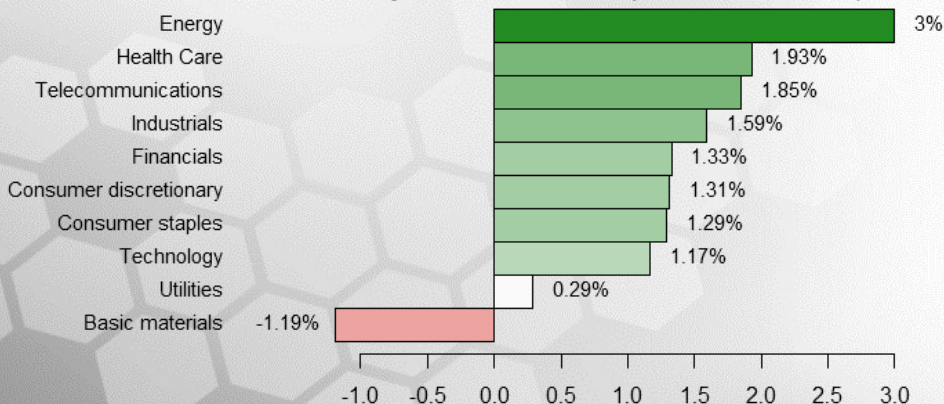
Almost no considerable difference in the global equity market trend has been shown by the Asia-Pacific region, as companies from Australia, New Zealand and China climbed along with its American and European competitors. The monetary policy meeting minutes from the RBA showed some concern about stability of economic growth in Australia, while on Friday governors of all major central banks started their annual meeting in Jackson Hole.

The S&P/ASX 200 Index went up 1% to close at 5,645.60 mark on August 22. All but one sector, which comprise the gauge, traded strongly to the upside, as energy companies have led gains with a 3% growth. Energy World Corp Ltd forced the overall industry performance to show much better results, as its share value added 17.6% over five trading days and reached A\$0.4350. Meanwhile, basic materials sector lost 1.2%, being the only one to decline last week. Mineral Deposits Ltd pushed the industry even more into the red zone, by dropping 15.4% to A\$1.6450 per share.

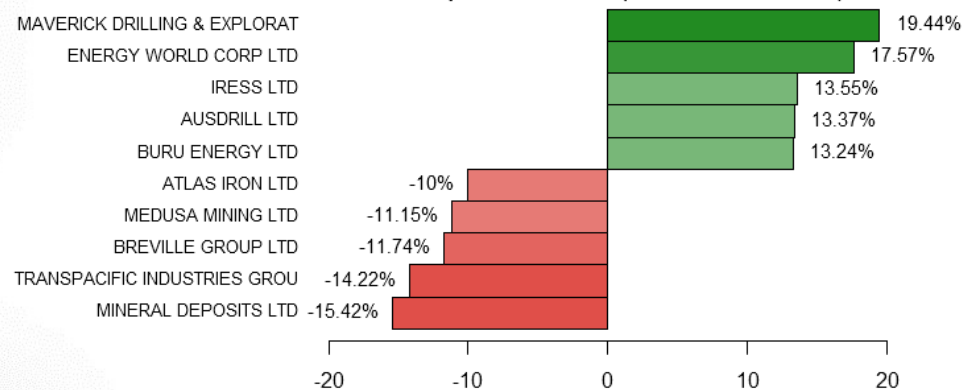
Among other market indicators, Hang Seng rose 0.6% to 25,112.23 points, while NZD 50 Index from New Zealand surged 1.9% to trade at 5,166.99 points last Friday.

Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
S&P/ASX 200	1.05	1.23	2.78	3.8	10.7	11.23
Hang Seng	0.63	4.76	9.35	11.27	15.1	14.69
NZX 50 Index	1.89	0.4	0.3	4.86	13.52	14.07

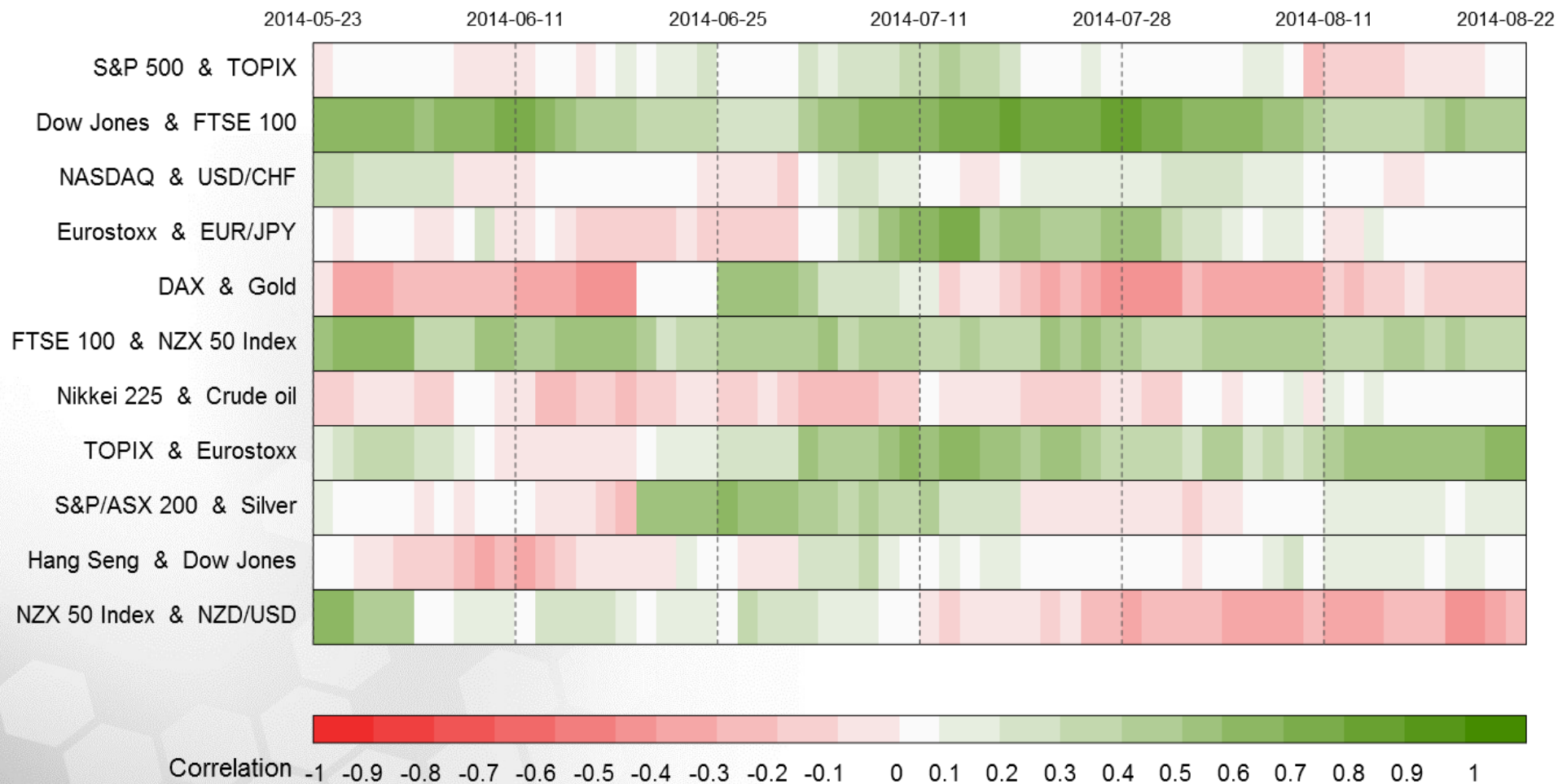
## Industry Performance (S&P/ASX 200)



## TOP performers (S&P/ASX 200)

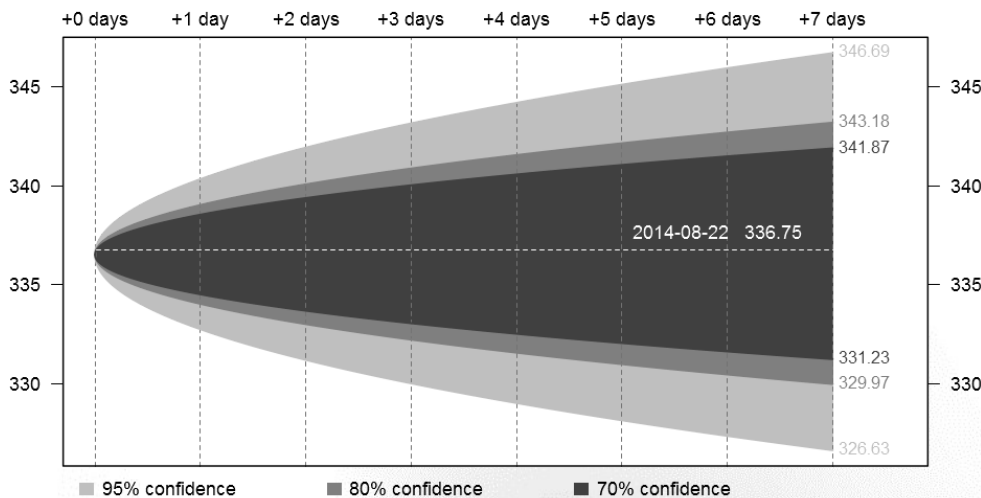


# Correlation Matrix

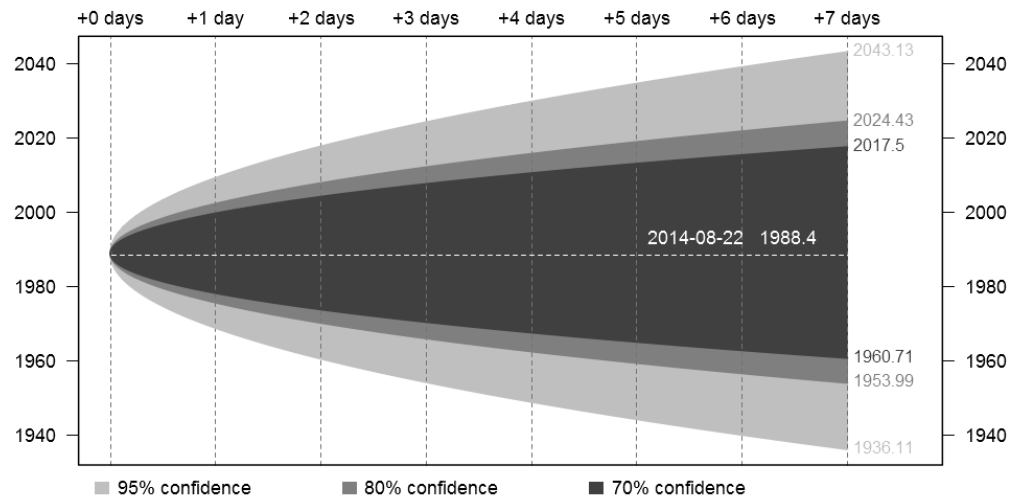


# Confidence Intervals

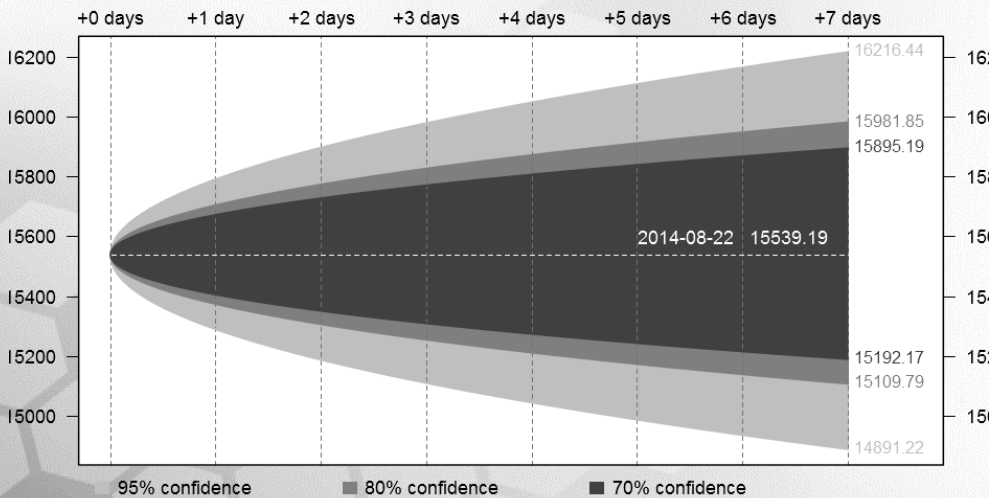
Eurostoxx Potential Rates



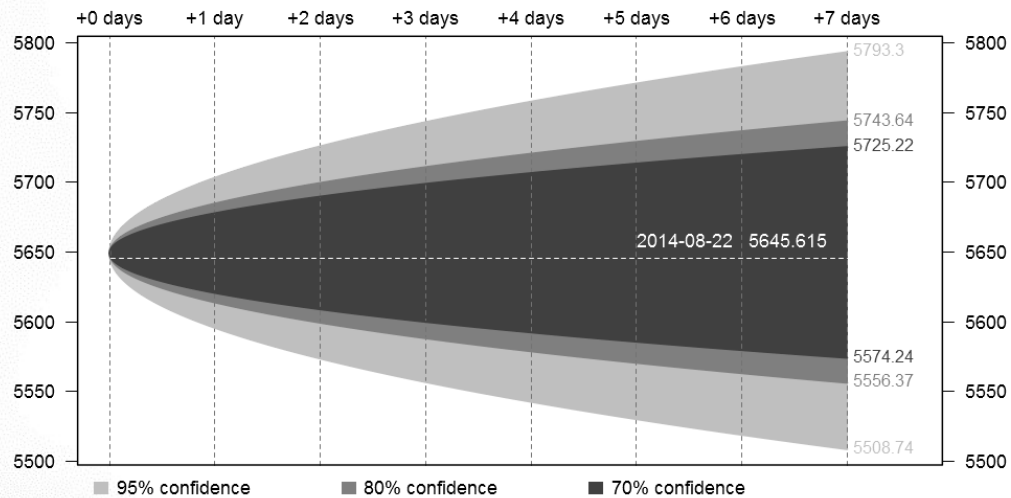
S&P 500 Potential Rates



Nikkei 225 Potential Rates



S&P/ASX 200 Potential Rates



## EXPLANATIONS

### Indexes

- **Standard & Poor's 500 Index (S&P 500) or (SPX)** - U.S. stock market index consisting of the 500 large-cap shares widely traded on the New York Stock Exchange and the NASDAQ.
- **Dow Jones Industrial Average Index (INDU)** - U.S. stock market index consisting of the 30 large publicly owned U.S. companies, primarily industrials
- **NASDAQ Composite Index** - U.S. stock market index representing all the stocks that are traded on the Nasdaq stock market, mostly technology and Internet-related
- **New Zealand Exchange 50 Gross Index (NZX 50)** - stock market index consisting of the top 50 companies listed on the New Zealand Stock exchange
- **S&P/ASX 200** - a market-capitalization weighted stock market index of stocks listed on the Australian Securities Exchange from Standard and Poor's
- **Hang Seng Index (HI)** - Hong Kong's stock market index consisting of 48 largest companies listed on the Hong Kong Exchange
- **Japan's Nikkei Stock Average (Nikkei 225 Index) or (NKY)** - Japanese stock market index consisting of the 225 largest companies listed on Tokyo Stock Exchange
- **FTSE 100 Index (UKX)** - U.K. stock market index consisting of the 100 most capitalized U.K. companies trading on the London Stock Exchange
- **DAX Index (DAX)** - German stock market index consisting of the 30 largest and most liquid German companies trading on the Frankfurt Stock Exchange
- **Eurostoxx 600** - stock market index, derived from the Stoxx Europe Total Market Index, consisting of 600 large, mid- and small-sized companies from 18 European countries

### Chart

- **Correlation** - statistical measure of the linear relationship between two random variables. It is defined as the covariance divided by the standard deviation of two variables.
- **Historical price changes** - chart reflecting the historical price changes of particular region's stock indices

### Indicators

- **Industry performance** - weekly performance of industries within the particular stock market index
- **Top performers** - companies within a particular stock market index showing the best or worst weekly performance
- **Performance** - relative historical change of stock market index value





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