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05/01/2015



# **Weekly Global Stock Market Review**

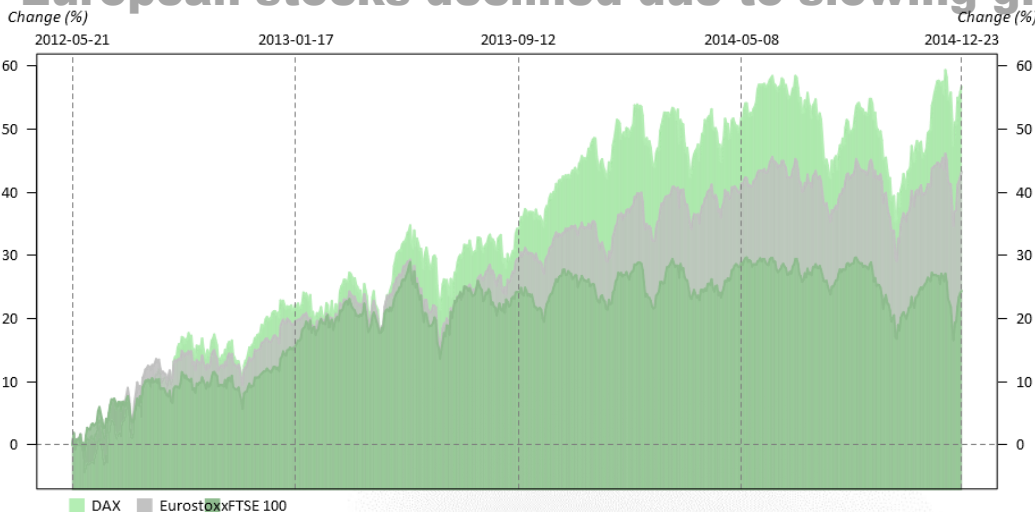
# European stocks declined due to slowing growth in Euro Zone



Shares of major European companies plunged significantly, pushing markets down during the previous trading week due to weak European manufacturing activity. The final manufacturing PMI for the Eurozone edged up to 50.6 points in December, from 50.1 in November. Therefore, the ECB is expected to take further stimulus action this month. However, the German manufacturing sector rose to 51.2 points during the final month of the 2014 from 49.5 seen in November. The improved manufacturing data followed positive signs from other indices released in December as German Business Climate Index improved to 105.5 points in December, staying in line with forecasts.

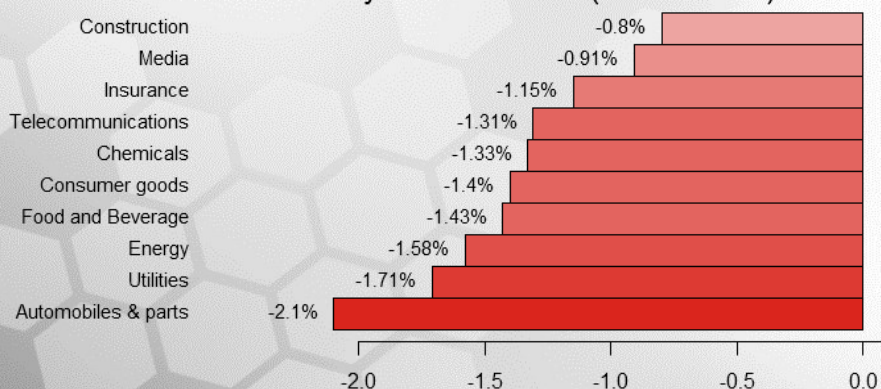
The Eurostoxx 600 gauge lost 0.85% to close at 341.33 points on Friday's evening. All the sectors included in the index declined in value, while automobiles & parts and utilities industries slipped the most by 2.1% and 1.7%, respectively. Among best-performing companies, Afren Plc, an oil and gas exploration and production company, soared 38.1% to 45.61 pence, after settling a dispute with former CEO and COO, who agreed to repay \$17.1 million, since they were dismissed for gross misconduct after receiving unauthorized payments. Subsea 7 SA, a seabed-to-surface engineering and services contractor, added 18.4% to 79.69 pence. Among biggest losers, Drax Group Plc, a British electrical power generation company, lost 13% to 454.50 pence.

Meanwhile, the German DAX dipped 1.6% to 9,768.50 points, while the British FTSE 100 Index slipped 1.2% to close at the 6,547.80 mark back on Friday.

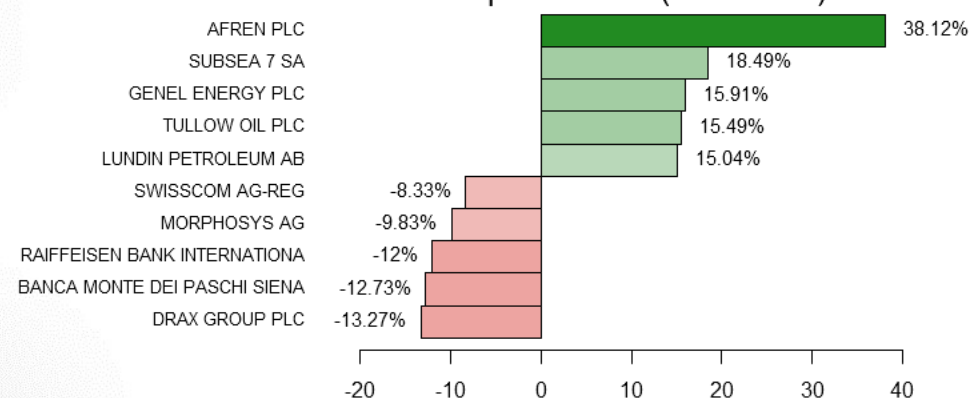


Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Eurostoxx	-0.85	-2.29	1.83	-1.9	3.98	4.76
DAX	-1.64	-2.08	6.19	-2.44	3.88	3.49
FTSE 100	-1.29	-2.51	0.3	-4.64	-2.98	-2.53

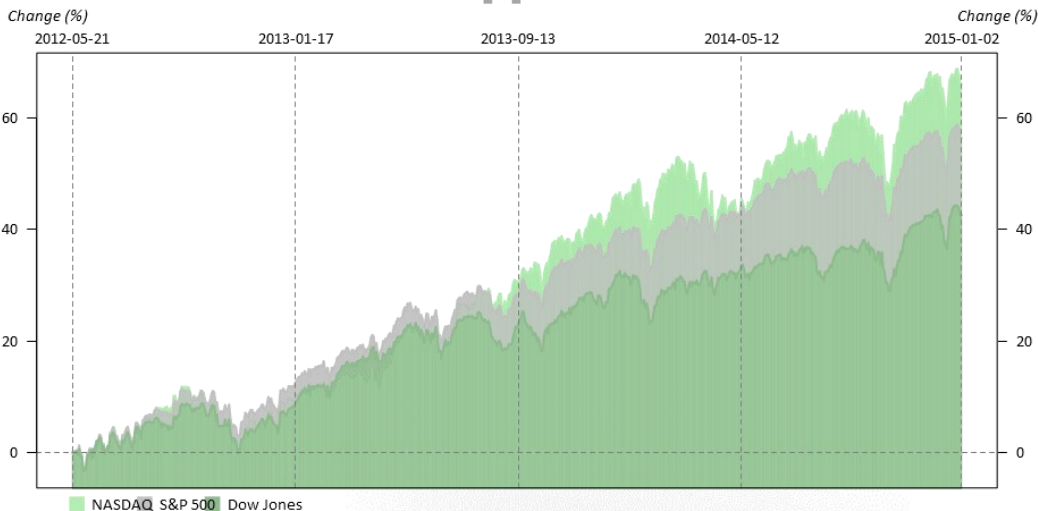
## Industry Performance (STOXX600)



## TOP performers (SXXP600)



# American stocks slipped due to weak economic data



In course of the previous working week, all major US indexes fell slightly. They were largely influenced by broad global weakness of different economic indicators in the US and tumbling oil prices. Consumer confidence rose to 92.6 points in December from an upwardly revised 91.0 in November, boosted by increasing labor market strength and improved economic perceptions. ISM manufacturing PMI, however, has unexpectedly dropped to 55.5 points in December from 58.7 in November, while Markit manufacturing PMI decreased to 53.9 points from 54.8 a month before. Moreover, initial claims for unemployment benefits rose 17,000 to reach 298,000 for the week ended December 28.



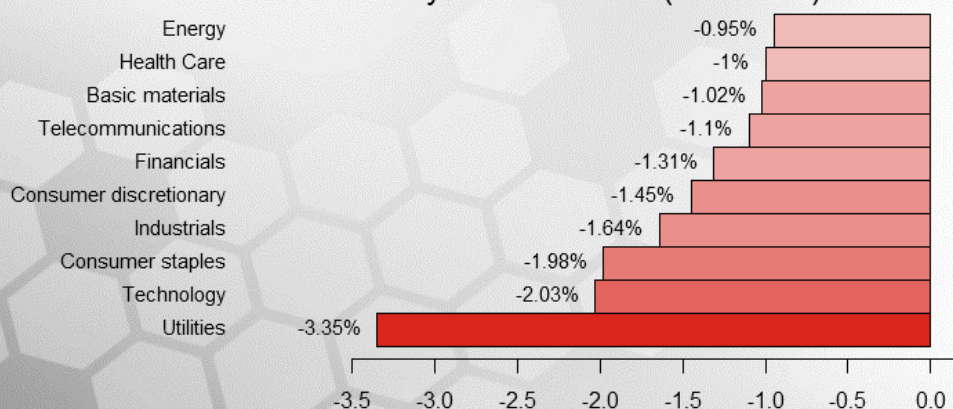
The largest S&P 500 Index, which colligates data for 500 biggest companies in the US, plunged 1.5% to 2,058.20 points by the end of the trading week. Similar to Europe, all the industries included in the gauge faced losses. The worst performance was showed by utilities, technology and consumer staples, as they lost value in the range from 1% to 3%. Vertex Pharmaceuticals Inc, an American biotechnology company, was among the leaders this week, gaining 6.8% and trading at \$123.07 per share on Friday, as US Food and Drug Administration approved its supplemental new cystic fibrosis drug. On the other hand, Southwestern Energy Co and Cimarex Energy Co plummeted as much as 4.53% and 4.52% to trade at \$27.17 and \$106.88, respectively, since price of Brent crude oil fell to a 5-year low or around \$56 per barrel.

Meanwhile, the Dow Jones Industrial Average decreased in 1.1% during the previous trading week to 17,832.99 points, while high-tech index NASDAQ dipped 1.6% to reach the 4,726.81 mark.

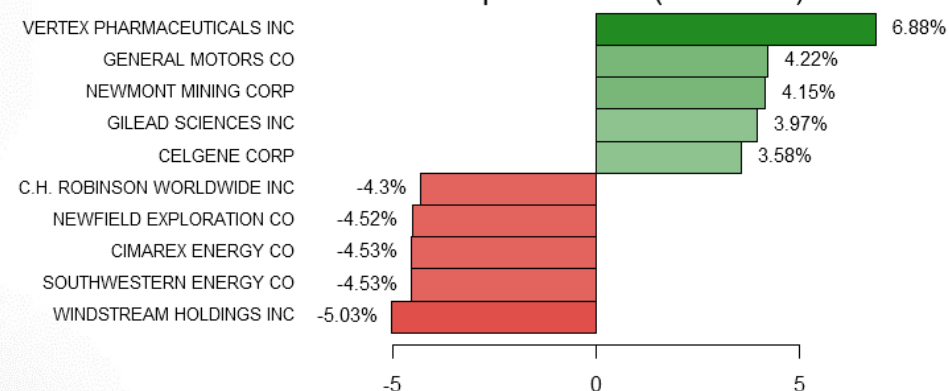
## Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
S&P 500	-1.55	-0.78	4.59	3.66	11.35	12.35
Dow Jones	-1.14	-0.44	4.84	4.48	7.58	8.46
NASDAQ	-1.67	-1	5.61	5.37	13.17	14.09

## Industry Performance (S&P 500)



## TOP performers (S&P 500)



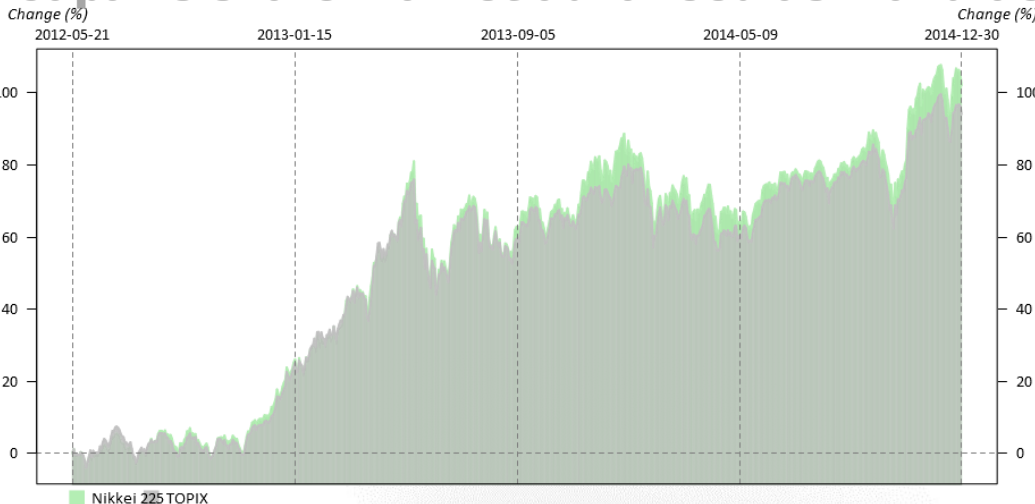
# Japan's share market advanced as manufacturing activity rose



Japanese shares performed in the most successful way among major financial markets during the last trading week. Rising manufacturing activity of the country showed a steady growth in December, reaffirming that domestic demand continues to recover, after the economy fell into a surprise recession last year. Meanwhile, Japan's government is planning to decrease corporate tax rates by around 2.5% in the fiscal year, which begins in April 2015. Officials hope that businesses will use tax savings to raise employees' wages, which could help to revive economic growth. Moreover, Prime Minister Shinzo Abe approved a \$29.2 billion stimulus package intended to stimulate consumer spending and regional economic activity.

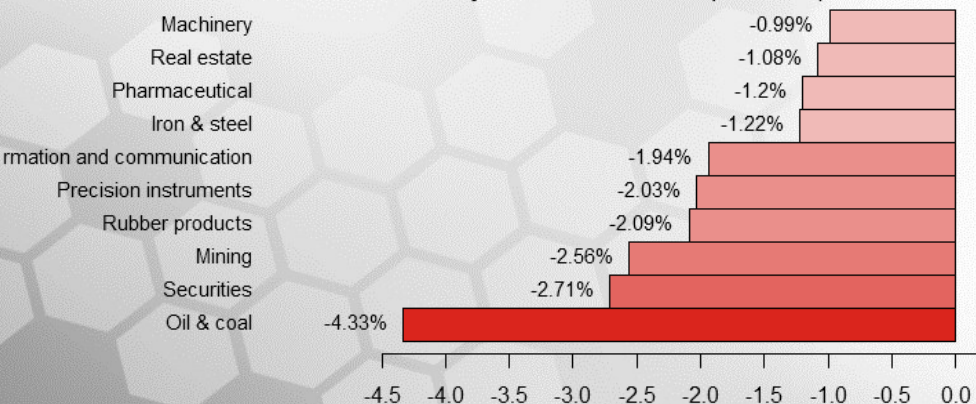
The benchmark Topix Index increased 1% to close at 1,407.51 points in the end of the last week. Almost all the industries included in the gauge went down in five trading days. The worst performance was showed by oil & coal, securities and mining industries, as they lost value in the range from 2% to 4%. Pixela Corp, a Japanese manufacturer of PC hardware, continued with the previous week's decline, as it plunged 21.1% to 97 yen per share, while Ishizuka Glass Co Ltd, engaged in production and sale of glass-made products, fell 20% to trade at 244 yen, despite previous week's gains. On the other hand, Jeans Mate Corp, a Japan based retailer of casual wear products, surged 32% to 275 yen per share, while Nippon Systemware Co Ltd followed with an increase of 16% to 906 yen.

The second-largest stock index of the country, Nikkei 225, advanced as much as 1% to 17,450.77 points, while on the basis of last three months the gauge is showing a strong 9.7% increase in value.

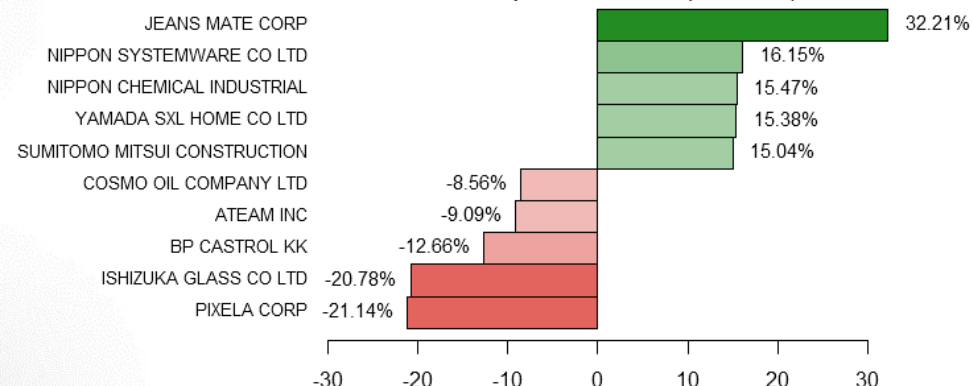


Price Changes (%)						
	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
Nikkei 225	1.04	2.5	9.79	18.05	11.3	10.17
TOPIX	1.02	1.5	7.17	13.91	13.46	11.58

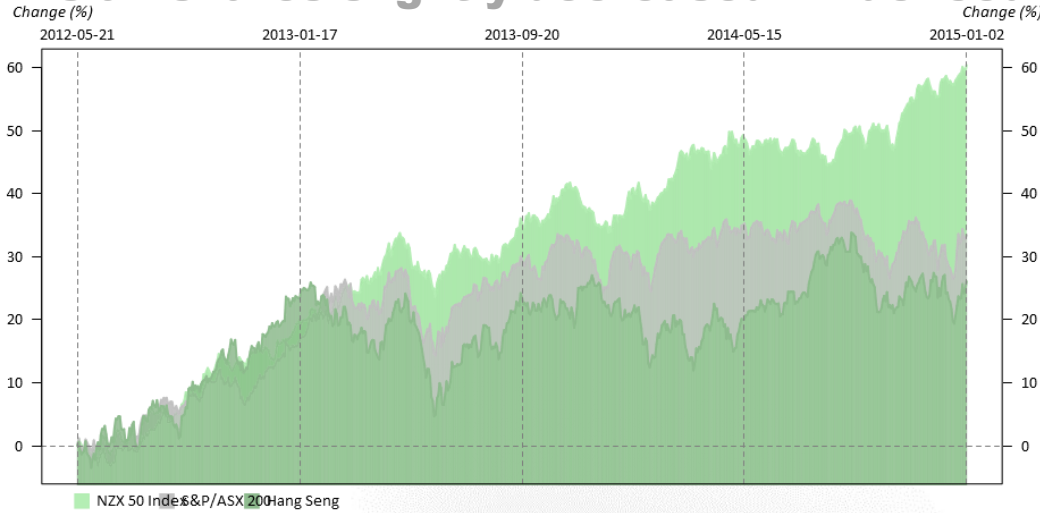
## Industry Performance (TOPIX)



## TOP performers (TOPIX)



# Asian shares slightly decreased influenced by economic news



Asia-Pacific equities were mixed last week, since economic data was generally negative, with indications of slowing growth in China. China's factory activity fell in December, underlining challenges that are facing country's manufacturers, as they fight rising costs and softening demand in a cooling economy. The leading indicator of manufacturing activity was down to the lowest level since June of 2013, namely 50.1 points in December, compared to 50 expected by market and the 50.3 reading in November. Meanwhile, the HSBC/Markit gauge fell to from 50 to 49.6 points. China is the world's second biggest oil consumer and any contraction in its factory sector may have a negative impact on demand and prices.



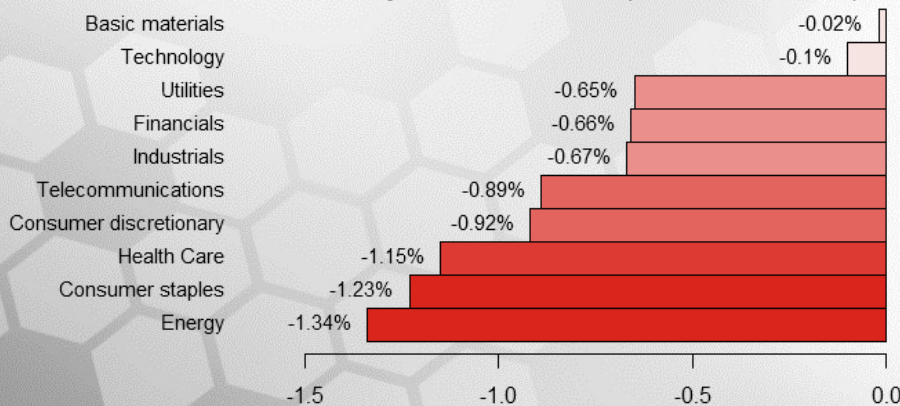
The benchmark S&P/ASX200 Index decreased 0.6% to 5,435.90 points last week, as all the industries included in the gauge posted a negative movement. Energy and consumer staples lost the most value of 1.3% and 1.2%, respectively. Among market movers, Atlas Iron Ltd, engaged in the exploration and mining of iron ore, soared 64% to A\$0.23 per share as iron ore price plunged to a fresh five-year low. Skilled Group Ltd, company which commits to developing skills in the workforce, jumped 42% to A\$1.695, after a proposal from a company-competitor Programmed Maintenance Services Limited about a potential merger. On the contrast, Duet Group, an asset management company, slipped 3.2% to A\$2.40, while shares of Charter Hall Group diminished 3.1% to trade at A\$4.57.

Meanwhile, the Hang Seng Index decreased slightly 0.3% to 23,857.82 points last week, while the NZX 50 gauge of New Zealand slipped 0.1% to close at 5,568.283 points back on January 2.

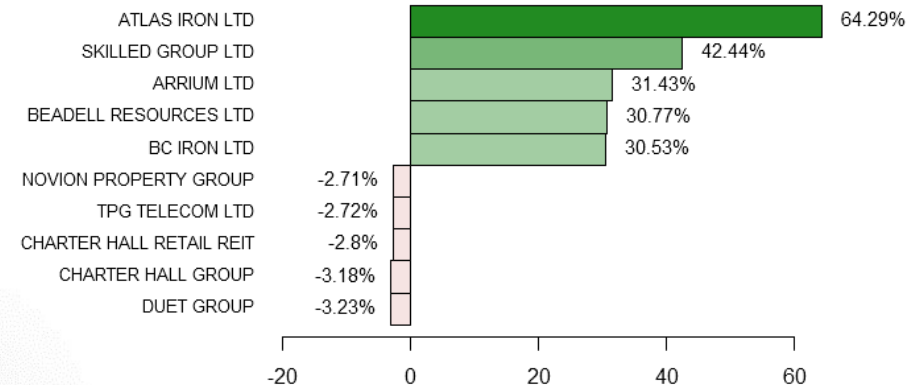
## Price Changes (%)

	Weekly	Monthly	3 Months	6 Months	12 Months	YTD
S&P/ASX 200	-0.69	2.14	2.21	-1.61	1.56	1.27
Hang Seng	0.36	1.83	3.44	1.35	2.37	2.22
NZX 50 Index	0.18	1.81	6.98	7.97	18.27	17.48

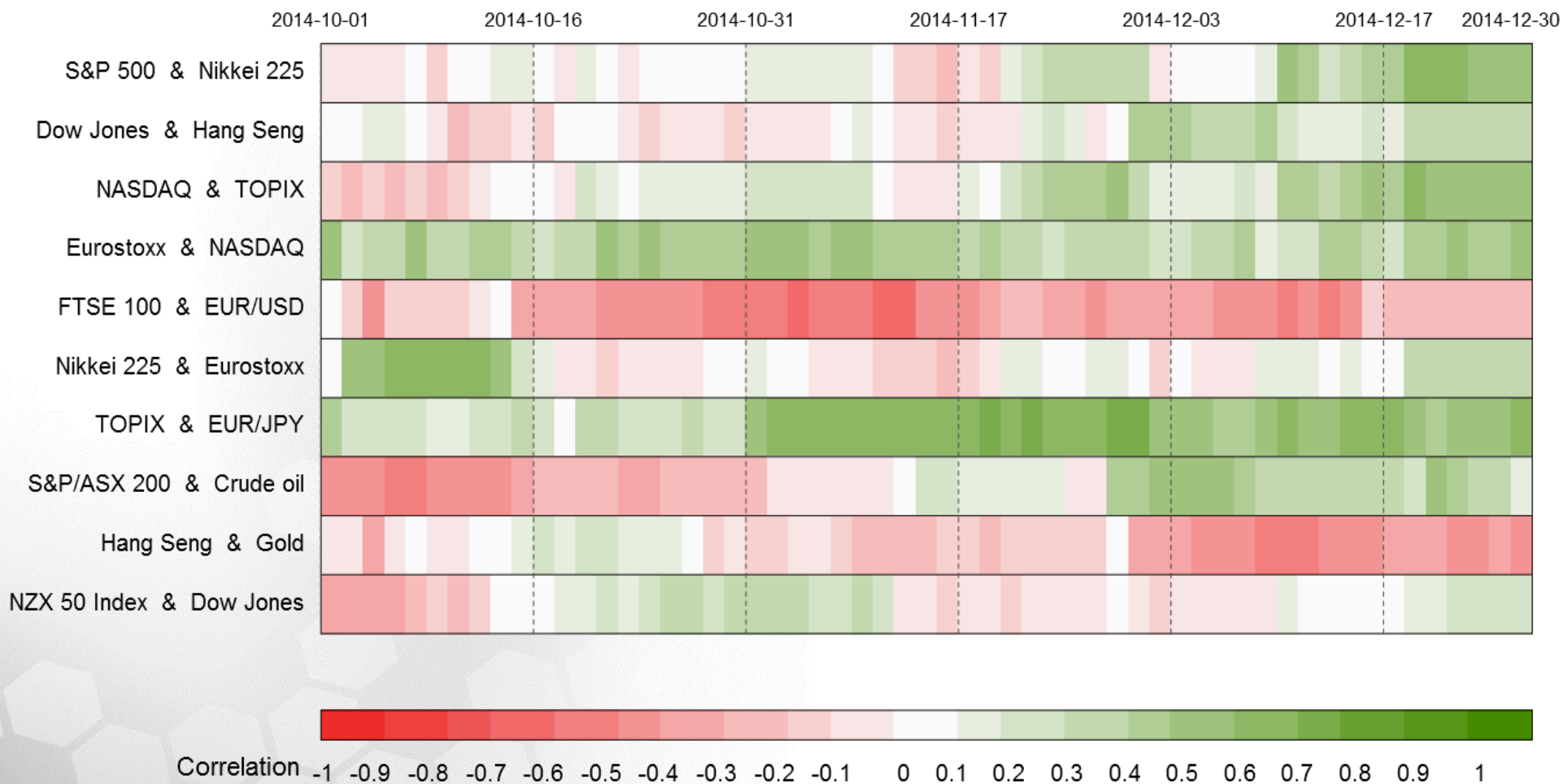
## Industry Performance (S&P/ASX 200)



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

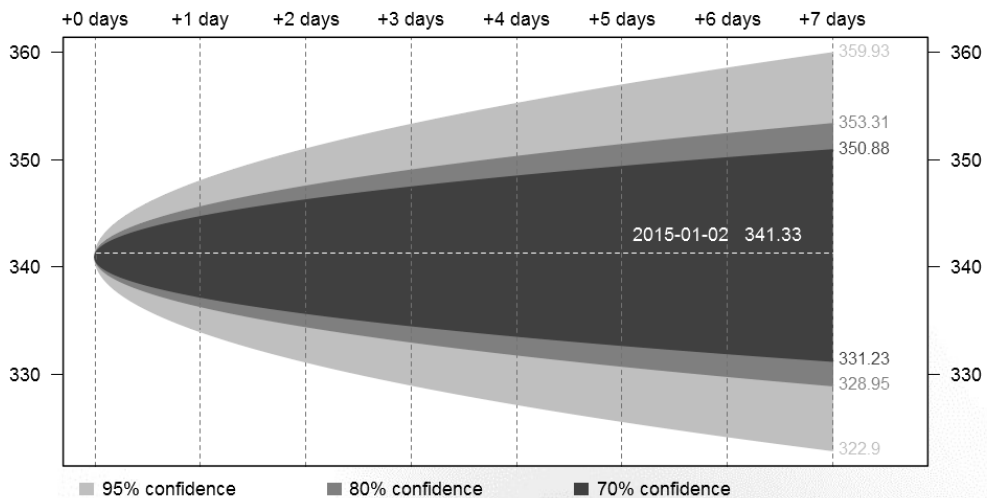


# Correlation Matrix

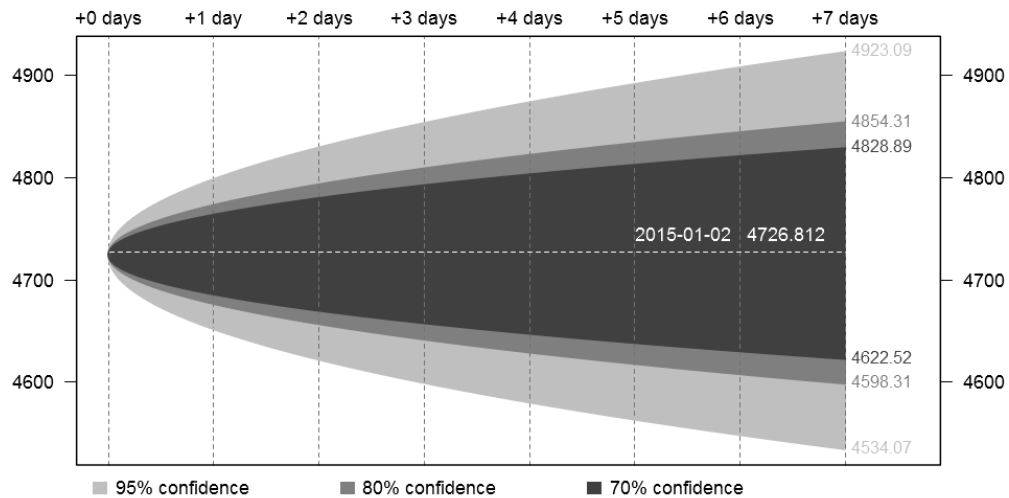


# Confidence Intervals

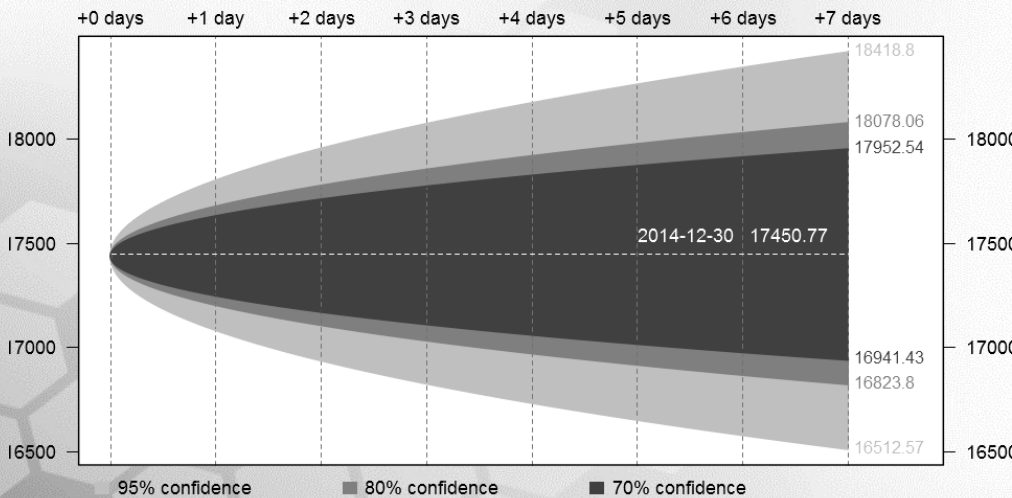
Eurostoxx Potential Rates



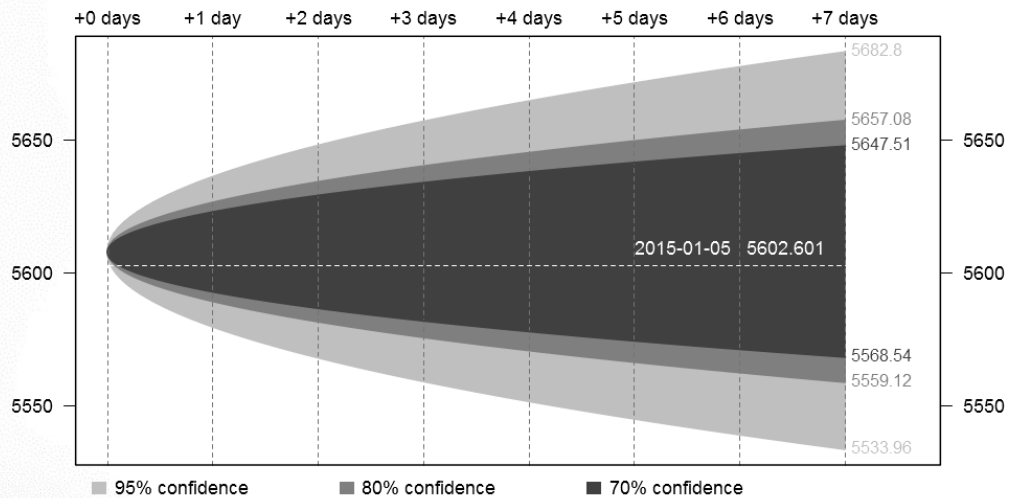
NASDAQ Potential Rates



Nikkei 225 Potential Rates



NZX 50 Index 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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