The S&P 500 lowered by 0.7%, but managed to end the week with a gain of 1.3%. The major indices spent the entire session in a steady retreat off their opening levels with industrials and materials falling.

Sellers stayed in control throughout the day despite disruptive headlines from Washington. The House of Representatives passed a resolution bill to fund the government through December 15, but a provision to defund Obamacare will probably vote down the bill in the Senate.

In addition, two Fed officials remarks reflected static on the Fed's open line of communication with the market. During a morning interview on Bloomberg TV, St. Louis Fed President James Bullard said the Fed could taper at its October meeting, but added that the central bank should not rush into its assessment of Quantitative Easing given the current low rates of inflation.

The dollar fell to its lowest level since February as markets were whipsawed by Federal Reserve communications on keeping monthly bond purchases unabated depending on the strength of the economy. The U.S. currency fell against the majority of its 16 most-traded peers for a third-straight week as the U.S. central bank announced Sept. 18 it kept $85 billion in monthly bond purchases unchanged, compared with a Bloomberg survey forecasting a $5 billion reduction.

The euro gained against the dollar after Angela Merkel won an overwhelming endorsement from German voters, putting the country’s first female chancellor on course for the biggest election tally since Helmut Kohl’s post-reunification victory of 1990. This election removes a level of uncertainty involving the euro and is another step to the euro getting back on track. The 17-nation currency rose 0.2 percent to $1.3551 at 6 a.m. in Sydney. It was advanced 0.1 percent to 134.48 yen. The euro has strengthened 2.7 percent this year against the greenback and 17 percent versus the yen. The dollar declined 0.2 percent to 99.19 yen, while advancing 0.3 percent to 93.69 U.S. cents per Australian dollar.
## Fixed Income

- Some bondholders in the Co-operative Bank are stepping up pressure on the lender to consider alternatives to a debt restructuring plan which will force them to take heavy losses.
- A group of rebel bondholders said this weekend that it was looking to set up a bondholder committee as it was “disappointed” with the mutual bank’s refusal to hold formal talks to discuss a “plan B”.
- High quality global journalism requires investment. The group, which also plans to suggest that the Association of British Insurers establish a separate bondholder committee for its members, is the latest to voice concerns over the Co-op’s £1.5bn debt restructuring plan.
- Demand for new Treasuries by their biggest owners is proving impervious to rising yields and the retreat of Wall Street dealers. Bids submitted by investors including mutual funds, foreign central banks, pension managers and insurance companies totaled 83 percent of Treasury debt auctioned this year, compared with 84 percent in 2012 and 37 percent in 2008 at the peak of the worst financial crisis since the Great Depression, according to data compiled by Bloomberg.

## Commodities

- Hedge funds cut bullish gold bets for a second week, reducing long contracts to the lowest since June, before prices rose the most in a month as the Federal Reserve unexpectedly decided not to taper stimulus.
- The net-long position held by speculators fell 17 percent to 70,113 futures and options in the week ended Sept. 17, U.S. Commodity Futures Trading Commission data show. Long wagers fell 6.8 percent to 109,217, the fewest since June 25, and short bets rose 21 percent. Net-bullish holdings across 18 U.S.-traded commodities dropped for a third week as investors turned bearish on copper and added to wagers on declining corn prices.
- Bullion is heading for the first annual loss since 2000 after some investors lost faith in the metal as a store of value amid evidence of faster economic growth. The Fed said Sept. 18 it needs to see more signs of sustained labor-market gains before reducing its $85 billion of monthly bond purchases. The move surprised analysts who had forecast a $5 billion cut and bolstered demand for gold as a hedge against inflation. Futures surged 4.7 percent the next day.

## M&A & CAPITAL MARKETS

- Vodafone Group, a UK based telecommunication giant has snatched control of German Internet and cable company Kabel Deutschland earlier on Sep.13th. On Sep. 20th, the last stumbling block that procrastinated the deal was removed by the European Commission when it confirmed that the merging of the parties were mainly complementary. Vodafone wants to use Kabel Deutschland’s fixed-line network to diversify its service and reduces the cost of using Deutsche Telekom’s network.
- Chrysler Group is gearing up for an IPO, which is the least preferred avenue that will be taken by the Chief Executive, who is trying hard to meld the Chrysler with Italy’s Fiat SpA. But the company’s sole minority shareholder, a health-care trust is demanding an IPO as part of a game of brinkmanship to set a price on the trust’s 41.5% stake in Chysler, forcing Chrysler to go public.

## Financial Term

- **OTC Pink**: The lowest tier of the three marketplaces for trading over-the-counter stocks provided and operated by the OTC Markets Group. The OTC Pink Marketplace offers trading in a wide range of equities through any broker, and includes companies in default or financial distress. Since it has no disclosure requirements, OTC Pink companies are categorized on the basis of information provided by them.