**Market Recap**

- Treasuries hold just off their session highs as equity markets press their lows.
- Action is likely to remain choppy over the next day and a half as traders await Wednesday’s FOMC meeting, which is expected to bring another $10 bln cut to the Fed’s asset purchase program.
- The euro is trading just below 1.3700 as markets prepare for a potential busy two weeks for the region. An EU meeting is set to kick off tomorrow. The outline for the November bank stress tests should dominate the focus with an announcement expected in the next few days. Treasuries hold just off their session highs as equity markets press their lows.

**Foreign Exchange**

- The greenback decreased against yen last Friday due to the concerns in emerging markets and the panic in global stock markets. Investors fear that emerging markets may develop in a lower rate in the future as weak Chinese data was released. So they ditched those high-yielding currencies and flocked to yen amid the stock-market selloff.
- Euro has been appreciating consistently since August last year, continuing the trend, the Euro rose against dollar the most in almost four weeks after the release of manufacturing data. The stunning high data broke the record in more than 21 years, boosting optimism within the region.
**Fixed Income**

- Treasuries experienced the longest stretch since April. Emerging-markets’ decline and U.S. slower economic growth led investors to seek safe assets. The benchmark 10-year yield reached the bottom since November as Chinese manufacturing showed decline, Argentina’s peso fell the most since 2002 and Turkey’s lira plunged to a record.

- In Germany, 10- and 30-year government bond yields fell to the lowest level since August. This is because the slowdown in emerging markets boosted demand for the safest fixed-income assets. Spanish and Italian 10-year bonds have been falling for four days as demand for higher-yielding assets lessened and French debt was below benchmark German bunds.

- The Federal Reserve meets next week to discuss treasuries’ long stretch. The Treasury will offer floating-rate two-year securities in an inaugural sale. Short-term bill rates rose, with four-week rates reaching the highest since Nov. 29.

**Commodities**

- Currently all the hedge funds are taking a bullish stance against benchmark US natural gas futures since at least 2006 after a freeze drove it to the highest point in three years.

- Benchmark gold prices may rise above $1280 an ounce if a slump in the emerging markets keep pushing investors towards the relatively safe commodity.

**M&A/Capital Market**

- Triangle Capital Corporation (TCAP), a company that provides capital to lower middle market companies, invested $8.5 million in Danville Materials, LLC composed of senior debt and equity.

- On Sunday, VMaware announced a $1.54 billion acquisition of AirWatch. AirWatch is a private mobile device management (MDM) provider with 2013 revenues around $85-$100 million and has been growing about 40% in the past quarter.

**Financial Term**

**Overhead:**

In accounting, overhead is expenses that do not include direct labor, direct materials, or receivables. Despite how well or poorly a business is operating, overhead must be paid for on an ongoing basis. For example, fixed overhead expenses may include rent, utilities, and insurance, as these do not relate directly to the product or service a business is offering. Overhead expenses can be fixed, meaning the expense costs the same each month, or can be variable and changing.