

FINANCIAL FRONTLINE NEWSLETTER

WEEK: Feb 11. To Feb 16

FINANCIAL.FRONTLINE.SOCIETY@GMAIL.COM

S&P 500



Market Recap

- Again, there is continual disappointment in the employment markets as the monthly employment report fell short of expectations. 113,000 jobs added in January were well below economist's predicted 185,000.
- Dow Jones is finally gaining back around 400 points today after a 326 point drop last Monday along with the previous three weeks declines.
- European Central Bank resisted calls for a rate cut to lift the troubled eurozone and ease the threat of deflation.

Foreign Exchange

- Last Friday, Ukraine government took capital control to prevent money flowing out of the country. Data shows that the country's foreign currency reserve has declined a lot in January. The government believes that the use of such macroeconomic policy is a way to stabilize the economy and prevent the hryvnia from further depreciation.
- After a period of decrease, the greenback finally gained power and bounced off after the release of new data. The data showed a lower than expected job added rate, but to see the data with decreasing employment rate infer a better than expected job market. This leads to a 0.2 % increase in Dollar against Yen.

Fixed Income

- Japanese investors overseeing \$47 billion say that the slowdown in China's manufacturing eclipses signs of strength in the South Pacific economy. Hence the Aussie's strongest rally in five months is a false dawn.
- Bank of England Governor Mark Carney faces a challenge on how to appropriately adjust the date for interest-rate increase under the stronger-than-expected growth. This is similar to the one face by the Federal Reserve:
- After U.S. employers added fewer jobs than forecast for a second month in January, treasuries ended a three-day losing streak, the longest this year. This furthers the concern that growth in the world's biggest economy is uneven.

Commodities

- oil future prices have risen to above \$100 per barrel on Monday, which is the highest this year so far. Traders waited for news on where the prices are headed from this week's economic data and monetary policy testimony from Yellen.
- Gold futures has maintain growth for the 4th consecutive session Monday to reach the highest level in more than two- and-a-half months as Chinese buyers have returned from their Chinese New Year break.

M&A/Capital Market

- LinkedIn announces Thursday that it bought Bight, a San Francisco-based data-driven job search star up for \$120 million. The team at Bright was expected to help improve job search features on LinkedIn. It is the company's largest acquisition so far.
- After Wednesday's market close, Coca-Cola announced it had acquired a 10% stake in Green Mountain Coffee. It was expected that Coke Stock would rise on the deal.

Brain Teaser

Answer for last week's question:1600