

Activist Crossing

GlobalNote Text – American Markets Close [Mon, 24 Sep 2018]

BreakingDeals: Eli Lilly spin-off Elanco is creating disruptive opportunities in animal health. Michael Kors nears deal to buy Versace for \$2 billion. SiriusXM buys Pandora in \$3.5 billion deal, creating world's largest audio entertainment company. Comcast beats Fox to \$40 billion Sky deal.

Global Macroeconomics: The U.S. intends to set up a \$60 billion agency to counter China's foray into the developing world. There are signs that foreign investment into the U.S. is slowing. London house prices have dropped most since 2009. China has raised tariffs on U.S. Goods and cancelled trade talks. A study has suggested the State of Iowa could see a \$1.6 billion hit from tariffs.

Banking: Former Invitation Homes CEO John Bartling to join Deutsche Bank. A Goldman Sachs advisor who managed \$1.4 billion intends to leave to open own firm. J.P. Morgan analysts tell investors to brace for the possibility of a major U.S.-China trade dispute miscalculation by the Trump administration. Bank of America Analysis suggests the Great Bull market is over due to slowing economic growth, rising rates, and excessive debt. Morgan Stanley has upgraded emerging market currencies as U.S. stocks outperform. American's credit scores have hit an all-time high.

American Business: Blackstone Group, the worlds largest alternative asset manager, has ambitions to manage \$1 trillion by 2026. The State of California will require all its electricity to come from clean sources by 2045. Walmart is said to start requiring suppliers to use Blockchain.

U.S. Politics: The presidents of South Korea and the United States met at the UN General Assembly where a new trade deal was secured. Deputy General Rod Rosenstein, who is considering quitting, will meet with the President this week. The Supreme Court nominee Brett Kavanaugh has defended himself against sexual misconduct allegations. The Trump administration wants to move to a merit based immigration system giving priority to those who speak English and are highly educated.

U.S. Equities: General Electric is down over 3.5% to a 9 year low after a gas turbine failure in Texas, Randgold resources is up 6.8% after agreeing to a tie-up with Barrick Gold. The Dow dropped 150 points. 9 of 11 S&P 500 sectors were down as tariffs of \$200 billion on Chinese Goods take effect. Shares of U.S. Homebuilders have dropped the most in a year since 2008.

Fixed Income: The U.S. 10 year yield is 3.07%. Treasury-Bund spread is at record high of 2.61%.

Currency Markets: The Turkish Lire soars 4% as political tensions between the U.S. and Turkish government ease. The U.S. Dollar is down ahead of the Federal Reserve policy meeting.

Commodities: Brent Oil jumped to its highest level since November 2014, over \$81/bbl, after OPEC agreed to no immediate supply boosts. Brent net long positioning increased.

Asia Markets: The Hong Kong HIBOR index has risen the most since the financial crisis.

GlobalNote Premium - Business, Finance, Economics, Politics, Technology, and Banking.

© 2018 Keith Carron. Factual Information is obtained from sources believed to be reliable and is provided without warranties of any kind.