



## Week Ahead: Greek Negotiations and US GDP in Focus

### Summary of key economic events

22 June	Australia	House Price Index
	Japan	Bank of Japan's Monthly Economic Report for June
		Markit PMI Mfg
	China	Markit PMI Mfg
	Eurozone	Consumer Confidence
	US	Existing Home Sales
23 June	Japan	PPI Services
	UK	CBI Trends
	Germany	Manufacturing PMI
		Services PMI
		Composite PMI
	Eurozone	Manufacturing PMI
		Services PMI
		Composite PMI
	US	Durable Goods Orders
		House Price Index
		Manufacturing PMI
		New Home Sales
24 June	UK	Loans for House Purchase
	US	MBA Mortgage Applications
		GDP Annualized
25 June	Japan	Jobless Rate
		Job-To-Applclicant Ratio
		CPI
	US	PCE Deflator
		Initial Jobless Claims
		Composite PMI
		Services PMI
26 June	Germany	Import Price Index
	Eurozone	M3 Money Supply

Source: Bloomberg

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## Performance of major stock market indices

		End	2015		Daily	Percent Change		
	Index	2014	Jun 18	Jun 19	Change	Daily	2015	Yr/Yr
<b>North America</b>								
United States	Dow	16576.7	18115.8	18014.2	-101.6	-0.6	1.1	6.3
	NASDAQ	4176.6	5133.0	5117.0	-15.9	-0.3	8.0	17.1
	S&P 500	1848.4	2121.2	2109.8	-11.5	-0.5	2.5	7.5
Canada	S&P/TSX Comp**	13621.6	14770.6	14653.1	-117.5	-0.8	0.1	-3.0
<b>Europe</b>								
UK	FTSE 100	6749.1	6707.9	6710.5	2.6	0.0	2.2	-1.7
France	CAC	4296.0	4803.5	4815.4	11.9	0.2	12.7	6.0
Germany	XETRA DAX	9552.2	11100.3	11040.1	-60.2	-0.5	12.6	10.5
Italy	MIB	18967.7	22460.0	22699.4	239.3	1.1	19.4	3.2
Spain	Ibex 35	9916.7	10871.9	10944.3	72.4	0.7	6.5	-1.9
Sweden	OMX Stockholm 30	1333.0	1562.4	*	*	*	*	*
Switzerland	SMI	8203.0	8880.3	8867.3	-13.0	-0.1	-1.3	1.9
<b>Asia/Pacific</b>								
Australia	All Ordinaries	5353.1	5522.7	5591.5	68.9	1.2	3.8	3.5
Japan	Nikkei 225	16291.3	19990.8	20174.2	183.4	0.9	15.6	31.4
Hong Kong	Hang Seng	23306.4	26694.7	26760.5	65.9	0.2	13.4	15.4
S. Korea	Kospi	2011.3	2041.9	2047.0	5.1	0.2	6.9	4.0
Singapore	STI	3167.4	3300.4	3301.0	0.5	0.0	-1.9	1.3
China	Shanghai Comp	2116.0	4785.4	4478.4	-307.0	-6.4	38.4	121.0
India	Sensex 30	21170.7	27115.8	27316.2	200.3	0.7	-0.7	8.8

Data Source — Haver Analytics

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## US markets

Stocks retreated Friday following Thursday's rally. Selling pressure remained relatively subdued, however, limiting the downside for the markets. The Dow Jones industrials were down 0.6%, the S&P declined 0.5% and the Nasdaq lost 0.3%. However, on the week, the indices gained 0.6%, 0.7% and 1.3% respectively.

The weakness was partly due to profit taking following recent gains, which lifted the tech-heavy Nasdaq to new record highs on Thursday. Concerns about the situation in Greece also weighed on the markets as the country remains at an impasse with its international creditors. A meeting of European finance ministers Thursday did not make any significant progress, and Eurozone leaders will be holding an emergency summit Monday to discuss the issue again. Greece has indicated that it will be unable to make a €1.5 billion payment to the International Monetary Fund at the end of the month without further aid.

Healthways declined sharply on the day after the wellness program provider cut its full year revenue guidance. Hershey also moved lower after forecasting full year earnings below analysts' estimates. The company also announced plans to cut about 300 jobs. KB Home moved notably higher after the homebuilder reported second quarter earnings that came in above estimates. Airline stocks turned in a strong performance with SkyWest and American Airlines posted notable gains. Steel, software and utilities stocks also came under pressure on the day, while most of the other major sectors showed more modest moves to the downside. ConAgra Foods' jumped after activist hedge fund Jana Partners took a stake in the company. ConAgra's peer Pinnacle Foods also rallied.

News about Greece continued to grab investors' attention. The European Central Bank on Friday raised emergency lending for Greek banks, reacting to a quickening pace of deposit withdrawals

## European markets

Most stock indices advanced Friday but retreated on the week. The gains Friday were fueled by investor optimism for a last minute deal on Greece. After Thursday's meeting of Eurozone finance ministers failed to yield an agreement, the Eurozone finance ministers will hold an extra meeting Monday, June 22 according to Eurogroup President Jeroen Dijsselbloem. The meeting, which will be held in Brussels, is seen crucial and could be the deciding one for Greece's future with euro. The FTSE was virtually unchanged while the CAC added 0.2%. The DAX lost 0.5% and the SMI slipped 0.1%. On the week, the FTSE was down 1.1%, the CAC and SMI both lost 1.7% and the DAX retreated 1.4%.

In some relief for Greece, the European Central Bank Governing Council Friday raised the emergency liquidity assistance, or ELA, for Greek banks by €3.3 billion, slightly less than what the Bank of Greece had reportedly sought. The bank had held an emergency conference call to review the funding assistance to Greek banks which are facing accelerated withdrawals. Deposit flight may force Greece to impose capital controls, becoming only the second country after the neighboring Cyprus to use the measure in the euro area.

ThyssenKrupp and Continental advanced. Deutsche Bank was down but Commerzbank gained. Valeo gained after it bought a 10.5% stake in LED-maker Aledia. Renault and Peugeot also were up. BNP Paribas, Crédit Agricole and Société Générale advanced. Colt Group surged after the company received an offer from Fidelity. The offer values the entire issued and to be issued share capital of Colt at £1.72 billion. Hikma Pharmaceuticals climbed on a broker upgrade as did Ashtead Group. Barclays, HSBC, Lloyds Banking Group and Royal Bank of Scotland were up.