

Morning Market Summary

Index	Close	Chg	% Chg
DJIA	24,448.69	-14.25	-0.06
S&P500	2,670.29	0.15	0.01
Nasdaq	7,128.60	-17.52	-0.25
FTSE100	7,398.87	30.70	0.42
DAX	12,572.39	31.89	0.25
CAC40	5,438.55	25.72	0.48
Nikkei225	22,088.04	-74.20	-0.33
Hang Seng	30,254.40	163.93	-0.54
Shanghai	3,068.01	-3.53	0.11
All Ords	5,976.00	11.60	0.19
ASX200	5,886.00	17.20	0.29
BSPC Average	926.54	-0.02	0.00

Commodities	Close	Chg	% Chg
Gold (USD/oz)	1,326.30	2.30	0.17
Silver (USD/oz)	16.62	0.03	0.20
Platinum (USD/t oz)	921.8	0.00	0.00
Palladium (USD/t oz)	983.32	1.22	0.12
Copper (USD/MT)	312.7	-0.45	-0.14
Oil (USD/bbl)	74.71	0.65	0.88
Cocoa (USD/MT)	2,726.00	-3.00	-0.11
Coffee (USD/lb)	118.95	1.25	1.06

PGK v	Buy	Sell	Mid
USD	0.315	0.300	0.308
AUD	0.405	0.390	0.398
EUR	0.256	0.241	0.248
JPY	33.680	32.180	32.930
NZD	0.432	0.417	0.425

Global Markets¹

U.S

U.S. stocks ended the session little changed Monday as investors grappled with rising bond yields and a mixed bag of earnings reports.

The Dow Jones Industrial Average **DJIA, -0.06%** ended 14.25 points, or less than 0.1%, lower at 24,448.69, closing with losses for a fourth straight session. The S&P 500 index **SPX, +0.01%** closed virtually unchanged at 2,670.29, with six of its 11 main sectors finishing in positive territory. The Nasdaq Composite Index **COMP, -0.25%** shed 17.52 points, or 0.3%, to 7,128.60.

Bond yields, which are reflecting a rise in inflation expectations, were on the march higher Monday, a continuation of gains logged last week. The 10-year Treasury note yield hovered around 2.9729%, the highest level since January 2014, but had moved above 2.995% at one point.

The advance in U.S. interest rates has come as traders increasingly start to price in four interest-rate hikes in 2018 from the Federal Reserve, rather than the three signaled by policy makers.

Europe

European stocks finished at their highest in more than 10 weeks Monday, with a turnaround in the market aided by gains for financial stocks as bond yields rose, moves that came ahead of this week's European Central Bank meeting.

The Stoxx Europe 600 index **SXXP, +0.35%** closed up 0.4% to 383.18, the best close since Feb. 2, according to FactSet data. In Frankfurt, the DAX 30 index **DAX, +0.25%** ended up by 0.3% to 12,572.39, and in Paris, the CAC 40 index **PX1, +0.48%** picked up 0.5% to finish at 5,438.75. Spain's IBEX 35 **IBEX, +0.38%** tacked on 0.4% to 9,922.00, and the U.K.'s FTSE 100 index **UKX, +0.42%** closed up 0.4% to 7,398.87.

Asia

Asia-Pacific stock markets generally saw modest declines Monday following a late-week pullback in U.S. equities.

Most in the region were down less than 0.3%, though benchmarks in Australia **XJO, +0.29%** and Singapore rose and continued recent outperformance. China's Shenzhen Composite Index **399106, -0.80%**, ended down 0.8%. Hong Kong's Hang Seng Index **HSI, -0.54%** fell 0.5% and Japan's Nikkei Average **NIK, -0.33%** lost 0.3%.

Shorter-term Treasuries have seen even faster price declines this year, resulting in yield spreads narrowing to levels not seen in a decade. Standard Chartered expects two-year yields to be at the same level as 10-years by the end of 2018; the gap is currently about one-half percentage point.

Port Moresby²

The local market closed mixed Monday with BSPC Average finished at 926.54 points. Bank South Pacific **BSP+0.10%** added a toea to close at K9.76 a share, an all time high, while Credit Corporation Limited **CCP-1.27%** dipped almost 1.3% at K1.56 a share. Others remained flat at the close.

¹ MarketWatch

² POMSx, Company, BSP Capital

Name	Bid Price	Offer Price	Ref Price	High	Low	Chge Price	Chge %	Daily Vol	Daily Val	Close Price	Last	Trades
BSP	9.77		9.75	9.76	9.76	0.01	0.10	2,800	27,328	9.76	9.76	2
CCP	1.50	1.56	1.58	1.56	1.56	-0.02	-1.27	1,282	1,999.92	1.56	1.56	1

On the dual listed front; New crest Mining Limited **NCM+2.80%** changed course, added almost 3% to close at A\$20.55 a share, while Oil Search Limited **OSH-0.64%** shed 5 cents at A\$7.79 a share.

Commodities³

Gold

Gold futures on Monday settled lower for a third session in a row, touching the lowest level in nearly five weeks, as the commodity has been buffeted by a strengthening dollar and gains in the benchmark Treasury note.

June gold was down \$14.30, or 1.1%, to \$1,324 an ounce, marking its lowest finish since March 21 and its worst daily drop since April 12, according to FactSet data.

The rise in U.S. interest rates has come as traders increasingly start to price in four interest-rate hikes in 2018 from the Federal Reserve, rather than the three signaled by policy makers.

Higher yields can dull the investment appeal of nonyielding bullion. It is also true that accelerating inflation can eventually lure investors into the shelter of fiat gold, meaning bond market moves tend to have mixed implications for the metal. So far, however, rising yields have driven gold lower.

Oil

Oil prices gave up earlier declines Monday to settle higher, as reports that a Saudi-led air strike killed the head of the Houthi rebels in Yemen raised the potential for disruptions to the flow of crude in the Middle East.

June West Texas Intermediate crude **CLM8, +0.47%** rose 24 cents, or nearly 0.4%, to settle at \$68.64 a barrel on Nymex, after trading as low as \$67.14. The expired May contract logged a 1.5% gain last week. June Brent crude **LCOM8, +1.30%** on Monday tacked on 65 cents, or 0.9%, to \$74.71 a barrel on ICE Futures Europe, reversing course after touching a low of \$73.13.

Traders also weighed the outlook for U.S. supply and production. Friday's data from Baker Hughes showed that the number of active U.S. rigs drilling for oil, a key metric of activity in the sector, rose for a third straight week.

The Energy Information Administration will provide its weekly update on U.S. crude supplies and production on Wednesday 25th April.

Disclaimer –

This Morning Market Summary comprises general market information and does not take account of your objectives, financial situation or needs. Before acting on this general advice, you should consider the appropriateness of the advice having regard to your situation. We recommend you obtain financial, legal and taxation advice before making any financial investment decision. This information has been prepared for the use of the clients of the BSP Capital Limited (BSPCL) and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient, you must not use or disclose this research in any way. If you received it in error, please tell us immediately by return e-mail and delete the document. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person. Nothing in this report shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. This report is based on information obtained from sources believed to be reliable, but BSPCL does not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. The BSPCL accepts no liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this research and/or further communication in relation to this research. BSP Capital Limited produces a variety of research products, recommendations contained in one type of research product may differ from recommendations contained in other types of research. BSPCL has established and implemented a conflicts policy at group level, which may be revised and updated from time to time, pursuant to regulatory requirements; which sets out how we must seek to identify and manage all material conflicts of interest. BSP Capital Limited, its officers and employees may have conflicting roles in the financial products referred to in this research and, as such, may effect transactions which are not consistent with the recommendations (if any) in this research. BSP Capital Limited may receive fees, brokerage or commissions for acting in those capacities and the reader should assume that this is the case. BSP Capital Limited employees or officers may provide oral or written opinions to its clients which are contrary to the opinions expressed in this report.