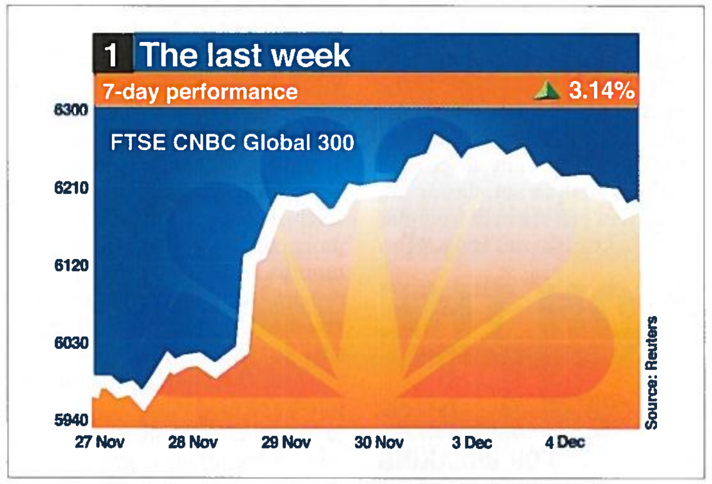
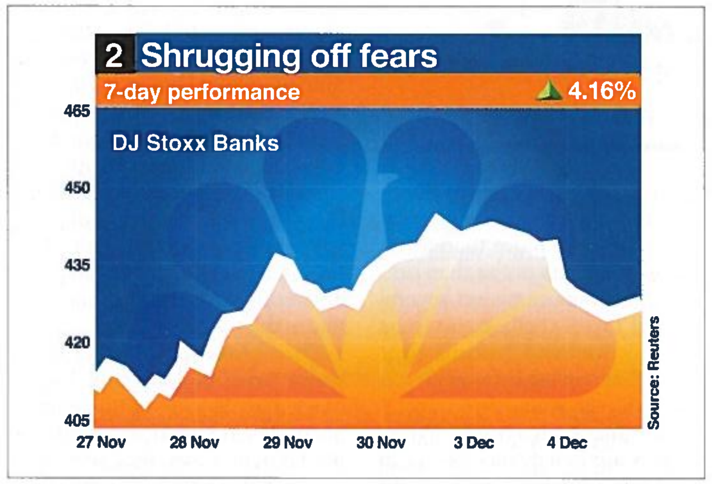
FTSE CNBC Global 300

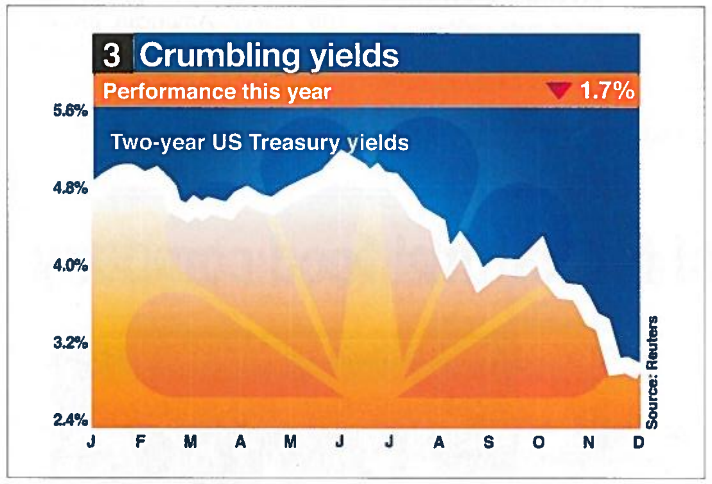
The performance of the world's largest companies over the past week

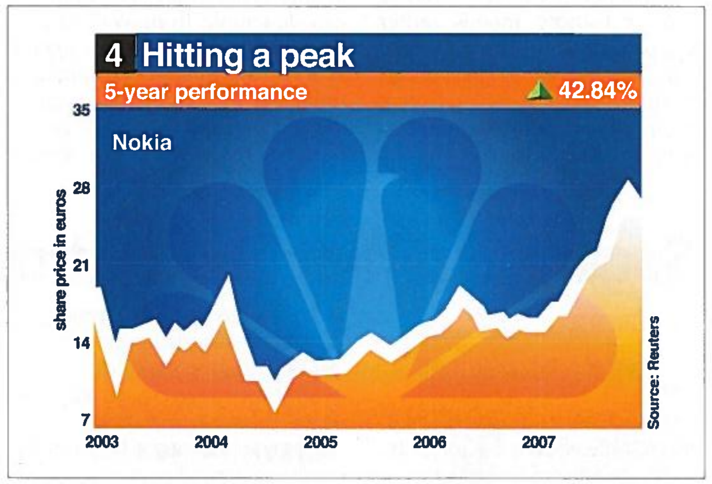
The FTSE CNBC Global 300 Index, calculated by FTSE Group, is featured in various CNBC TV news programmes. It is designed to show broad market performance world-wide across all industries, developed and emerging markets. The index comprises the largest 15 stocks by full market capitalisation from each of the 18 Industry Classification Benchmark Supersectors (using FTSE All Cap Developed Index), as well as the 30 largest stocks from the emerging markets (using FTSE Emerging All Cap Index). The index maintains a fixed number of constituents and stocks are free-float weighted to ensure that only the investable opportunity set is included within the index.

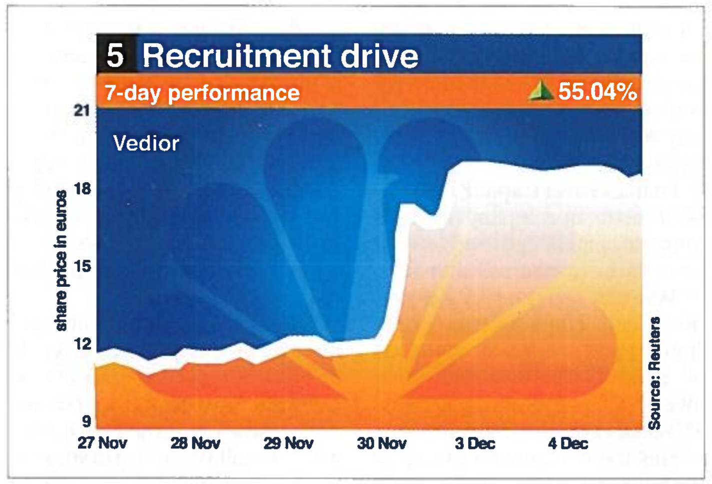
Redistribution of the data comprising the FTSE CNBC Global 300 is not permitted.

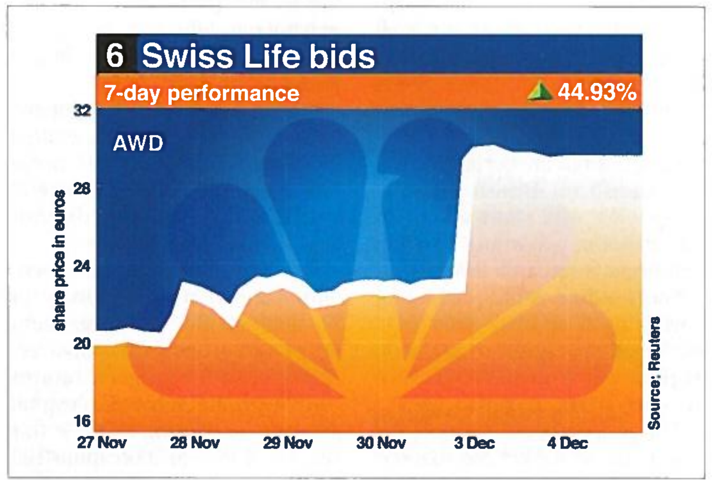












Main indices (7 days)

FTSE CNBC 300	6187.69	▲	3.14%
S&P 500	1467.76	▲	4.30%
Nikkei 225	15480.19	▲	2.28%
FTSEurofirst 100	4816.85	▲	2.30%
FTSE 100	6315.20	▲	2.18%

Winners of the week

Freddie Mac	31.16	▲	31.27%
Fannie Mae	35.40	▲	22.41%
Potash	126.47	▲	18.73%
Banco do Brasil	30.05	▲	18.31%
Itaubanco	49.40	▲	18.18%

Losers of the week

Walgreen	35.90	▼	8.44%
Dell	23.90	▼	7.04%
BSkyB	587.11	▼	6.73%
GMK Norilsk Nickel	272.40	▼	6.71%
Air France-KLM	22.90	▼	5.57%

Anna Martin
Presenter, CNBC Europe

GAME OF TWO HALVES

THE past seven days in the markets have been on the face of it quite strong (chart 1). But to use a football metaphor, there has been a distinct "game of two halves" feel to proceedings. The end of November was marked by a rally in which investors put aside concerns about a slowdown in the American economy and started to buy back into banks (chart 2) and basic resources stocks with gusto. But the end of November can be an odd time for markets as many banks face year-end and are keen to square positions and store liquidity, this year more than ever. December so far has been a little more subdued but investors are now looking ahead to central bank meetings over the next seven days.

CUTS ON THE HORIZON

The market, not content with the 0.75% cut in American rates made so far this year, is asking for more. Despite the Federal Reserve's attempts to draw a line in the sand after the past round of cuts, it still seems that the market is calling the shots. So much so that I received a note from one research outfit this week who said that whether the Fed cuts in December depends simply on whether the market expects it to. After some dovish comments from Ben Bernanke, the Fed chairman and his deputy, Donald Kohn, Janet Yellen, president of the San Francisco Fed, has now added her name to the dove roll-call with comments about a softening American economy. Yellen says she has an open mind as to the next rate decision. But the problem is, the market does not. As evidence, the two year Treasury is yielding less than 3% (chart 3).

HEDGING HIS BETS

Mervyn King, governor of the Bank of England, says there is a 50/50 chance of a recession in America. Closer to home, he is concentrating on the interest rates that banks charge each other. It was a tightening up in these inter-bank lending markets that got Northern Rock, Britain's mortgage lender, into trouble in the summer. But the most recent spike in inter-bank rates has been worse than in August. One month Libor jumped by 0.63% to record a post-1998 high on Monday. This comes in spite of moves by the Bank of England, the European Central Bank and the Fed to offer more generous year-end liquidity to the markets than usual. The market is waiting to see how quickly and severely this credit tightness will hit corporate lending.

NOT GOOD ENOUGH

Nokia, the Finnish mobile phone company, has had a relatively good year. Telecoms and technology stocks have been something of a safe haven away from the turmoil in banking and property. This, combined with Nokia's plans in the music arena, has helped to push the stock up more than 70% so far this year. The stock hit a peak and retreated slightly this week, however, as a 20% margin target for its mobile phone business failed to excite investors (chart 4).

THE SHOW GOES ON

Despite fears that higher inter-bank lending rates will hurt the corporate world, some parts of the European business engine are carrying on regardless. While the credit crisis quashed some deals over the summer, investment bankers have found some merger and acquisition deals to work on. Randstad, the Dutch recruiter, has agreed to buy its rival, Vedior, for €3.5bn (£2.527bn, €5.155bn), (chart 5). Swiss Life upset its investors by spending some of its cash pile on AWD, a relatively small German financial adviser (chart 6). Vivendi, the French entertainment and telecommunications company, is teaming up with Activision, the American video games business, to take on market leader Electronic Arts. And TomTom, maker of satellite navigation equipment, has managed to navigate its way to a deal with map maker Tele Atlas.

If the Fed and the M&A machine fail to give the markets sufficient boost as the end of the year approaches, then there is always Santa. I'm off to write my letter now.

The FTSE CNBC Global 300 Index is calculated by FTSE Group. All data from 6pm on 4 December 2007