

MARKET PULSE

The global luxury market confirmed its **low single-digit growth**, however the hard luxury sector recorded another negative month.

Holiday sales were mixed, as entry-price (< \$1,000) watches & jewelry performed better than previous months, brands benefitting from this trend were **value-for-money** companies such as Movado, Fossil, Dinh Van or Signet Jewelers.

High-End products (> \$3,000) did slightly better in Europe and absolute luxury items (> \$10,000) performed better in Asia, helped by **better domestic consumption in China**, which partially offset **lower tourism flow** to Europe during the period. Consumers gave momentum to **niche brands** like Richard Mille and **historical market leaders** like Cartier, Patek Philippe and Rolex.

2016 was a difficult year for the industry but the holiday season confirmed the **recovery for jewelry sales** but **watchmakers continued to struggle** due to a lacklustre environment in Asia, particularly in Hong-Kong. Watch distributors fear price war and currency volatility but remain **cautiously optimistic for 2017** after recent **signs of stabilisation, easier comp. basis**.

EUROPE

Except in UK where **favorable GBP rates boosted sales**, distributors reported **lower results than last year**, confirming the negative annual trend.

During this gifting period, **entry-price watches (< \$1,000) performed particularly well**. Brands like Dinh Van, Swatch and Fossil gained momentum. Rolex still dominates higher price points.

Outlook is cautious but optimistic for 2017.

TOP 5 PERFORMERS

1	HENGDELI	+34.52 %
2	MOVADO	+30.39 %
3	SEIKO	+20.35 %
4	CITIZEN	+18.27 %
5	SIGNET	+16.00 %

AMERICAS

US elections pushed the USD higher and ended uncertainties around the new president elect for consumers, positively impacting holiday sales.

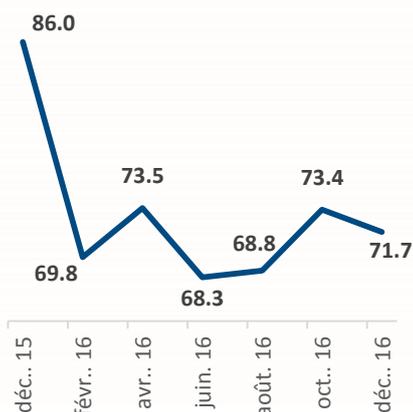
Again, **aspirational brands (< \$1,000)** topped the market, providing great value-for-money items to consumers.

While the market showed solid signs of recovery, we remain cautious, **waiting for new trade policies that will impact both US and international watchmakers jewelers**.

WORST 5 PERFORMERS

1	GITANJALI	-28.02 %
2	PC JEWELLER	-22.28 %
3	TIMEX	-15.39 %
4	TITAN	-13.30 %
5	ZHEJIANG MING	-11.27 %

MARKET INDEX*



*Composed of 24 W&J global stocks equally weighted

ASIA / PACIFIC - JAPAN

In Japan, the **stronger JPY negatively impacted sales**. In Hong-Kong and Taiwan distributors continue to struggle. Chinese consumer traveled less but **consumed more in Mainland China**.

Asian consumers were seeking absolute luxury brands (>\$10,000) with **legacy and reliability**. It boosted sales for Patek Philippe and Cartier.

Distributors do not see signs of a turnover and **forecast continued weakness in 2017**.

RAW MATERIALS

	DIAMOND	-1.3 %
	COPPER	+4.3 %
	GOLD	-10.1 %
	SILVER	-11.1 %
	PLATINUM	-5.1 %
	PALLADIUM	-9.3 %