Equities a mixed bag, as politics dominate European markets

Weekly Snapshot

World Equities

Copper

Gold

Corporate Bonds

Sovereign Bonds

Oil

Week in Review

- PMI data in the eurozone disappointed slightly, although the metrics remained above 50, indicating continuing economic expansionary. **Political tensions in Italy increased** over the weekend, as the President refused to ratify the new government's nomination for Finance Minister.
- **Oil paused for breath last week**, and closed under $70 per barrel as OPEC stated that it expected to increase supply towards the end of the year, a sentiment that was echoed by Russia.
- **US treasuries gained some ground** following recent losses, as the FOMC minutes where interpreted as dovish in tone whilst economic data was slightly subdued. Negotiations between the **US and North Korea** are ongoing and reports over the weekend suggest the Singapore Summit may still take place.

	1 Week Return 18.05.18 to 25.05.18		Year to Date Return 31.12.17 to 25.05.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.6%	0.6%	4.3%	4.3%
US	0.3%	1.4%	1.8%	4.9%
Europe	-1.2%	-1.2%	-0.6%	-0.6%
Ireland	1.1%	1.1%	1.9%	1.9%
UK	-0.6%	-0.8%	0.6%	2.1%
Japan	-2.4%	-0.1%	-2.5%	3.4%
Hong Kong	-1.5%	-0.9%	2.2%	5.0%
Bonds	0.3%	0.3%	0.4%	0.4%

The **global index** moved higher last week, with returns for Irish investors once again helped by a strengthening US dollar. Commodities had a mixed bag of returns with **gold** and **copper** both rising, whilst **oil** stumbled slightly and was down nearly 5% over the course of the week. However, it remains up over 12% year-to-date.

The **ten year US bond yield** finished the week at 2.93% from 3.06% as prices (which move inversely to yields) rose. The German equivalent was at 0.40%, from 0.58% as there was some 'flight to safety' given the political developments in Italy.

The **EUR/USD** rate finished at 1.17, whilst **EUR/GBP** was at 0.88.

The Week Ahead

Wednesday 30 May	Thursday 31 May	Friday 1 June
The second estimate of US GDP growth for Q118 goes to print, where quarter on quarter growth is expected to come in at 2.4%.	Eurozone unemployment figures for April are released, and are forecast to remain at 8.5%.	US non-farm payrolls for May are due where the consensus forecast is for a figure of 185,000 jobs added to the economy.

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