

Equities down slightly as markets pause for breath

Weekly Snapshot



Euro (€)
US Equities
Sovereign Bonds



World Equities



Oil
Japanese Equities

The **S&P 500** Index was the best performing of the major markets, posting a 1.8% return for the week. However currency fluctuations saw a negative return for Euro investors. The **global index** (in euro terms) fell slightly (-0.4%) last week, ending March on a negative note.

Eurozone equities finished down for the week, posting a -0.5% return

Week in Review

- Stocks were slightly down for the week as markets paused for breath in advance of Friday US Jobs data. **March's nonfarm payrolls growth came in at 215,000**, ahead of the consensus expectation of 205,000.
- Yellen's comments at the Economic Club in New York were **perceived as being dovish in tone**. The Fed Chair highlighted external risk factors and lower long run policy rate expectations at the Fed.
- Euro area **manufacturing PMIs were revised higher**, bringing the quarterly average to the highest since Q2 2015. However competitive pressures remain and the impact of a stronger Euro weighs on growth forecasts for 2016. Political risks also persist, in particular the looming Brexit vote.

| | Index | 1 Week Return 25.03.16 to 01.04.16 | | Year to Date Return 31.12.15 to 01.04.16 | |
|---------------|---------------------------|---------------------------------------|--------|---|--------|
| | | Local Currency % | Euro % | Local Currency % | Euro % |
| Global (euro) | FTSE World (total return) | -0.4% | -0.4% | -4.4% | -4.4% |
| US | S&P 500 | 1.8% | -0.2% | 1.4% | -3.3% |
| Europe | FT/S&P Europe Ex. U.K. | -0.5% | -0.5% | -8.3% | -8.3% |
| Ireland | ISEQ | 1.0% | 1.0% | -7.5% | -7.5% |
| UK | FTSE 100 | 0.7% | -0.7% | -1.5% | -9.4% |
| Japan | Topix | -4.7% | -5.4% | -15.9% | -13.1% |
| Hong Kong | Hang Seng | 0.8% | -1.2% | -6.5% | -10.8% |
| Bonds | Merrill Lynch Euro over 5 | 0.7% | 0.7% | 5.6% | 5.6% |

whilst Ireland finished the week in positive territory, with a 1.0% gain.

Commodities had a mixed week, with Oil, Copper and Silver all posting losses; however Gold was up 0.5% in local terms.

Eurozone **bond** prices were up 0.7% for the week, maintaining a strong start to the year on the back of the

continuing accommodative stance from the ECB.

The Euro strengthened against the dollar and sterling, with EUR/USD closing the week at 1.14, 5% higher than at the turn of the year. Sterling weakness may well persist in the run up to the Brexit vote in late June.

The Week Ahead

| Tuesday 5 April | Wednesday 6 April | Friday 8 April |
|--|---|--|
| There are a number of economic indicators due out in the US, including nonmanufacturing PMI and trade balance data. The consensus view is for positive, albeit modest, readings in both. | ECB and Fed minutes are released, which should help provide further context and detail on the respective recent policy decisions. | Chinese trade balance data is released, with forecasts indicating a significant widening of the surplus to over \$40b. |

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