

Equities higher as earnings continue to beat expectations

Weekly Snapshot



Oil

World Equities

Corporate Bonds

Gold

Sovereign Bonds



Industrial Metals

Week in Review

- **Stocks were higher** on the week as earnings season continued. Of the first 80 companies in the S&P 500 to report, over 75% have beaten earnings expectations by over 7%. Reaction to the earnings has been mostly upbeat and **encouraging GDP data out of China** helped global markets record a positive week.
- **US economic data was mixed** but there were some signs of continued housing sector strength as existing home sales were up and consumer prices posted their biggest year-on-year increase since October 2014.
- Global bond yields fell slightly during the week as the ECB rate decision meeting did not stoke fears of an end to the asset purchase programme. The benchmark refinancing and deposit rates were left unchanged, as expected. **President Draghi gave away very little in the subsequent press conference**, with markets now looking to the December meetings of the Federal Reserve and ECB as the next 'live' meetings.

	Index	1 Week Return 14.10.16 to 21.10.16		Year to Date Return 31.12.15 to 21.10.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	1.8%	1.8%	5.5%	5.5%
US	S&P 500	0.4%	1.2%	4.8%	4.7%
Europe	FTSE Europe Ex. U.K.	1.3%	1.3%	-4.5%	-4.5%
Ireland	ISEQ	2.2%	2.2%	-11.1%	-11.1%
UK	FTSE 100	0.1%	1.3%	12.5%	-6.7%
Japan	Topix	1.3%	2.6%	-11.8%	2.8%
Hong Kong	Hang Seng	0.6%	1.4%	6.7%	5.8%
Bonds	Merrill Lynch Euro over 5	0.5%	0.5%	8.5%	8.5%

The **global index** was up 1.8% with the majority of key exchanges posting positive returns, with Ireland climbing 2.2%. **Oil touched a 15 month high** as US inventories fell before finishing the week up 1%. Gold reversed its short term downward trend and was

up 1.2% in dollar terms. The **10 year German bond yield fell** on the back of the aforementioned lack of 'tapering talk' at the ECB meeting but remained in positive territory, closing the week with a yield of 0.01%. **The euro weakened** against the dollar,

yen and sterling which added to returns for Irish investors with holdings in these jurisdictions.

The Week Ahead

Tuesday 25 - Thursday 27 October	Thursday 27 October	Friday 28 October
Tech earnings dominate, with Alphabet (Google), Twitter, Amazon, LinkedIn and Apple all reporting.	The first reading of UK GDP growth for Q3 is released where growth is expected to slow to 1.5% from 2.1% (year-on-year).	The consensus is for Q3 US GDP growth to rise to 2.5% (year-on-year) from 1.4% last quarter.

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