

Markets slip slightly in quiet week of trading

Weekly Snapshot



European Sovereign Bonds
Gold
Oil
Corporate Bonds
Industrial Metals



World Equities

Week in Review

- Market **volumes were markedly lower** in a shortened week of trading, as the majority of stock exchanges were closed at some point for holidays. Major US indexes fell, but it is worth reflecting on this in the context of the strong rally seen over the previous seven weeks.
- There was little economic news to speak of but the US Conference Board's index of consumer confidence rose in December to its **highest reading since August 2001**, suggesting some of the post-election optimism found in stock markets is being passed through to households.

	Index	1 Week Return 23.12.16 to 31.12.16		Year to Date Return 31.12.15 to 31.12.16	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	-1.0%	-1.0%	11.9%	11.9%
US	S&P 500	-1.1%	-1.7%	9.5%	12.9%
Europe	FTSE Europe Ex. U.K.	0.2%	0.2%	-0.1%	-0.1%
Ireland	ISEQ	0.0%	0.0%	-4.0%	-4.0%
UK	FTSE 100	1.1%	0.8%	14.4%	-1.2%
Japan	Topix	-1.6%	-1.9%	-1.9%	5.0%
Hong Kong	Hang Seng	2.0%	1.4%	0.4%	3.4%
Bonds	Merrill Lynch Euro over 5	0.0%	0.0%	4.9%	4.9%

The **global index** produced a negative return for the week, posting a 1% loss (in euro terms), however equities returned just short of 12% for the year, outperforming bonds.

Commodities saw a positive week, as gold, silver, crude oil, and copper all delivered positive returns, and all provided double digit growth in euro

terms over the course of the calendar year.

The US 10 year bond finished the year at 2.44%, as positive price action (yield moves inversely to price) over the final ten days of the year pared some of the losses seen since the election of Donald Trump.

The euro was steady against the dollar over the week, with the EUR/USD rate closing the year at 1.05, from 1.09 at the end of 2015. Conversely the EUR/GBP rate finished the year at 0.85, from 0.74 a year ago.

The Week Ahead

Wednesday 4 January	Thursday 5 January	Friday 6 January
The Fed minutes from December's meeting, where rates were raised, are released. There are not too many insights expected, but further light may be shed on potential rate rises in 2017.	The key UK services PMI reading goes to print where it is expected to rise to 55.5, with a reading over 50 signifying a positive expansion.	US non-farm payroll data for December is released where the consensus is for a figure of 175,000 - down slightly from 178,000 in November. The unemployment rate is expected to rise to 4.7% from 4.6%.

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