

Equity markets open the year in positive fashion

Weekly Snapshot



World Equities

Gold

Oil

Corporate Bonds

Industrial Metals

European Corporate Bonds



European Sovereign Bonds

Week in Review

- **Stocks responded positively** to the release of the December FOMC meeting minutes, which outlined the committee's views on GDP growth, and the potential for fiscal stimulus. The US dollar Index and US treasuries rose towards the end of the week as the Federal Reserve minutes and Friday's wage growth data **increased the expectation of interest rate tightening in 2017**, but still finished the week in negative territory, as the Chinese Renminbi rallied hard early in the week.
- **In data released on Friday US non-farm payrolls rose by 156,000**, less than the consensus expectation, although readings from the previous two months were revised upwards. US wage growth was the big positive from the data, with average hourly earnings now **growing at an annual rate of 2.9%**, representing the **quickest pace of growth since 2009**.
- **Oil briefly hit a 12 month high** as the agreed OPEC production cuts started to filter through, and as US stockpiles declined more than expected.

| | Index | 1 Week Return 30.12.16 to 06.01.17 | | Year to Date Return 31.12.16 to 06.01.17 | |
|---------------|---------------------------|---------------------------------------|--------|---|--------|
| | | Local Currency % | Euro % | Local Currency % | Euro % |
| Global (euro) | FTSE World (total return) | 1.6% | 1.6% | 1.6% | 1.6% |
| US | S&P 500 | 1.7% | 1.6% | 1.7% | 1.7% |
| Europe | FTSE Europe Ex. U.K. | 1.4% | 1.4% | 1.4% | 1.4% |
| Ireland | ISEQ | 1.2% | 1.2% | 1.2% | 1.2% |
| UK | FTSE 100 | 0.9% | 0.5% | 0.9% | 0.6% |
| Japan | Topix | 2.3% | 2.1% | 2.3% | 2.1% |
| Hong Kong | Hang Seng | 2.3% | 2.2% | 2.3% | 2.2% |
| Bonds | Merrill Lynch Euro over 5 | -1.5% | -1.5% | -1.6% | -1.6% |

The **global index** enjoyed a positive start to the year, rising 1.6% in euro terms. **Commodities also saw a positive week**, as gold, silver, crude oil, and copper all posted gains, with silver the best performer at 3.5%.

The US 10 year bond price rose slightly over the course of the week, as the yield declined from 2.44% to 2.42%. The price on the equivalent German Bund fell during the week, as the yield moved from 0.20% to 0.30%.

The euro was steady against the dollar over the week, with the EUR/USD rate closing the week at 1.05.

The Week Ahead

| Tuesday 10 January | Thursday 12 January | Thursday 12 January |
|--|---|---|
| Chinese CPI (Consumer Price Index) figures for December go to print, where the year-on-year growth figure is expected at 2.3%, which represents no change from the November reading. | Eurozone industrial production data for November becomes available, where the consensus is for a month-on-month rise of 0.5%, from a previous reading of -0.1%. | The minutes of the last ECB rate decision meeting are released, where markets will look for further information on how the group arrived at their decision to extend the QE programme, and also look for clues on future policy developments. |

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