

Equities move higher on the back of US Rate Hike and Dutch election

Weekly Snapshot



World Equities

Gold

Industrial Metals

European Sovereign
Bonds

Oil



European Corporate
Bonds

Week in Review

- As expected, the **US Federal Reserve raised short term interest rates** last week by 25 basis points, to give a new target range of 0.75%-1.0%. The **vote of confidence in the US economy** was matched by further encouraging economic data, with the Conference Board's index of **leading economic indicators** now sitting at its **best level in over ten years**.
- European stocks performed well during the week, as the Fed's move higher was complemented by **Dutch voters' rejection of Far-Right candidate Geert Wilders**, in favour of current leader Mark Rutte.
- US treasury prices rose** during the week as comments from Chair Janet Yellen in the wake of the Fed announcement were seen as more hawkish. **Oil posted a slight gain** on the back of falling US stockpiles and comments from Saudi Arabia; committing to curtailing its production.

	Index	1 Week Return 10.03.17 to 17.03.17		Year to Date Return 31.12.16 to 17.03.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.4%	0.4%	5.4%	5.4%
US	S&P 500	0.2%	-0.4%	6.2%	4.3%
Europe	FTSE Europe Ex. U.K.	1.2%	1.2%	5.6%	5.6%
Ireland	ISEQ	0.5%	0.5%	3.0%	3.0%
UK	FTSE 100	1.1%	2.4%	4.0%	2.4%
Japan	Topix	-0.5%	0.7%	3.1%	4.8%
Hong Kong	Hang Seng	3.2%	2.6%	10.5%	8.4%
Bonds	Merrill Lynch Euro over 5	0.4%	0.4%	-3.7%	-3.7%

The **global index** moved higher by 0.4% over the course of the week, with stocks in Hong Kong leading the way, up over 3% in local terms. Gold moved higher by just over 2%, as both silver and copper also saw positive returns.

The **US 10 year bond** price moved higher, as Yellen's comments kept rate expectations for the year in check. The yield, which moves inversely to price, closed the week at 2.50%, from 2.57%. The equivalent German yield

also moved lower, from 0.48% to 0.43%.

The euro/dollar rate finished the week at 1.07, whilst euro/sterling was at 87 pence per euro.

The Week Ahead

Tuesday 21 March	Friday 24 March	Friday 24 March
UK inflation data goes to print, where the consensus expects a rise to 2.1% (year-on-year), from the last reading of 1.8%.	Eurozone Purchasing Managers Index information will be closely watched for signals of continued strength in the eurozone economy. The consensus is for a reading of 55.8 (last reading: 56.0).	US durable goods orders data is released, and the market expects a month-on-month increase of 1.1% (last reading: 2.0%).

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Warning: Benefits may be affected by changes in currency exchange rates.
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