

Equities decline as US healthcare vote takes centre stage

Weekly Snapshot



Gold
European Sovereign Bonds
European Corporate Bonds



Oil
Industrial Metals
World Equities

Week in Review

- US stocks were **on the defensive** last week as **markets shifted focus** to the prospects of the US administration implementing their economic plans. The S&P 500 declined 1.2% on 21 March, a modest drop by historical standards but the first time the index **lost 1% or more** in a single trading day **since 11 October 2016**.
- Concerns culminated in the **postponement of the Congress vote on the American Health Care Act**, in the face of opposition from the 'Freedom Caucus' in the Republican Party. The vote had been seen as an **early indicator on the new administration's ability to pass** through tax and regulation reform **legislation**.
- US treasuries yields fell during the week, as **investors gravitated towards safer assets**, and aforementioned policy implementation concerns came to the fore. **Oil was also lower** as the market grappled with the theory that OPEC cuts may prove ineffective in the face of **increased non-OPEC supply**.

	Index	1 Week Return 17.03.17 to 24.03.17		Year to Date Return 31.12.16 to 24.03.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	-1.4%	-1.4%	3.9%	3.9%
US	S&P 500	-1.4%	-2.0%	4.7%	2.2%
Europe	FTSE Europe Ex. U.K.	-0.4%	-0.4%	5.1%	5.1%
Ireland	ISEQ	-1.5%	-1.5%	1.5%	1.5%
UK	FTSE 100	-1.2%	-1.1%	2.7%	1.5%
Japan	Topix	-1.4%	-0.7%	1.7%	4.4%
Hong Kong	Hang Seng	0.2%	-0.4%	10.7%	7.9%
Bonds	Merrill Lynch Euro over 5	1.0%	1.0%	-2.7%	-2.7%

The **global index** was lower for the week dropping 1.4%, which pared the year to date gain to just under 4%. **Gold** moved higher by just over 1%. Both **copper** and **oil** fell, returning -2.3% and -1.7% respectively.

The **US 10 year bond** price went higher, as the yield moved from 2.50% to 2.41% over the course of the week. The **equivalent German yield** followed, finishing at 0.40% from 0.43% a week earlier.

The **euro/dollar** rate closed the week at 1.08, as the euro strengthened which lowered returns for Irish investors outside the eurozone.

The Week Ahead

Wednesday 29 March	Thursday 30 March	Friday 31 March
The UK government is expected to move to trigger Article 50 of the Lisbon Treaty, which will formerly begin the negotiations to exit the EU. Whilst the move has been well flagged, markets could still see a reaction.	The final US GDP data for Q416 goes to print, where the consensus expects economic growth to come in at 2% (quarter-on-quarter).	Eurozone inflation data for March is expected to be 1.8% (year-on-year), from 2% a month earlier.

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