Weekly Investment News
2 May 2017

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Europe leads the way in the wake of the French election

Weekly Snapshot

World Equities

European Sovereign Bonds

Industrial Metals

Corporate Bonds

Gold

Oil

Week in Review

- **Stocks moved higher** over the course of the week as investors were buoyed by the **French election results**. Political concerns were alleviated as the outcome of the vote was widely as expected. **European equities are seeing net inflows** once again, following large outflows during 2016.
- **US GDP data disappointed**, as the world's largest economy grew by a rate of only 0.7% for the first quarter. Markets however, took this in their stride and the **VIX,** the volatility index seen as a measure of fear on Wall Street, fell 9% to its **lowest level since February 2007.** The US administration announced tentative plans in respect of tax reform, but the market is likely to wait for further details.
- On the **earnings front**, just more than half of the S&P 500 have reported for Q1. Roughly **70% have beaten expectations** in relation to the bottom line, with **industrials and tech the best performing sectors.**

	Index	1 Week Return 21.04.17 to 28.04.17		Year to Date Return 31.12.16 to 28.04.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.2%	0.2%	5.2%	5.2%
US	S&P 500	1.5%	0.0%	6.5%	3.0%
Europe	FTSE Europe Ex. U.K.	3.1%	3.1%	8.7%	8.7%
Ireland	ISEQ	1.8%	1.8%	5.3%	5.3%
UK	FTSE 100	1.3%	0.8%	0.9%	2.4%
Japan	Topix	2.9%	-1.0%	0.9%	2.2%
Hong Kong	Hang Seng	2.4%	0.9%	11.9%	7.9%
Bonds	Merrill Lynch Euro over 5	0.1%	0.1%	-1.6%	-1.6%

The **global index** finished the week up 0.2%, led by a strong performance from Europe (+3.1%). **Gold** slipped by over 1% as a more 'risk-on' sentiment prevailed in the market.

Oil was down also, as US shale producers continued to ramp up supply. The **US ten year treasury** yield was little changed on the week, finishing at 2.28% from 2.25%.

The equivalent German yield moved from 0.25% to 0.32% as prices, which move inversely to yields, fell in the wake of the French election result. The **euro/USD** rate closed at 1.09, from 1.07 a week ago.

The Week Ahead

Wednesday 3 May	Friday 5 May	Sunday 7 May
No interest rate change is expected when the Fed's FOMC meets, although there may be some guidance on the likelihood of a June hike. Eurozone GDP data is also released, and is expected to tick up to 0.5% from 0.4% (quarter-on-quarter).	US non-farm payroll data for April goes to print. The consensus expectation is for a job creation figure of 193,000; up from 98,000 in the last reading.	Emmanuel Macron and Marine Le Pen will face off in the second round of the French Presidential election. Markets expect the centre-right Macron to win, as he currently has a double digit lead in the polls.

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
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