

Europe leads global stocks higher as political concerns weigh on US market

Weekly Snapshot



World Equities
Copper
Corporate Bonds



Sovereign Bonds
Gold
Oil

Week in Review

- Global stocks finished the week slightly higher despite increased uncertainty over the US administration's pro-business agenda, following the **dissolution of President Trump's manufacturing council**. The fallout from the response to the Charlottesville protest continued throughout the week, culminating with the news on Friday that Senior Advisor **Steve Bannon** was to leave the White House. The departure is the fourth from the White House inner circle this summer.
- With earnings season essentially wrapped up, the focus once again shifts to economic news. **Consumer sentiment** in the US beat expectations by hitting its **highest level since January**, whilst the Conference Board **gauge of leading economic indicators** rose for the **seventh consecutive month in July**.

	Index	1 Week Return 11.08.17 to 18.08.17		Year to Date Return 31.12.16 to 18.08.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.2%	0.2%	1.4%	1.4%
US	S&P 500	-0.7%	-0.1%	8.3%	-2.7%
Europe	FTSE Europe Ex. U.K.	0.9%	0.9%	6.8%	6.8%
Ireland	ISEQ	1.9%	1.9%	2.9%	2.9%
UK	FTSE 100	0.2%	-0.4%	2.5%	-4.1%
Japan	Topix	-1.2%	-0.7%	5.2%	0.6%
Hong Kong	Hang Seng	0.6%	1.0%	22.9%	9.4%
Bonds	Merrill Lynch Euro over 5	-0.2%	-0.2%	-0.1%	-0.1%

The **global index** moved higher last week, up 0.2% on the back of a strong performance from eurozone stocks.

Bonds had a negative week with the Merrill Lynch over 5 year index returning -0.2%, which means the

year-to-date return slips back into negative territory.

Gold slipped also during the week, falling 0.4%. **Oil** also saw a negative week, returning -0.6% to finish at \$48.50. Copper continued to move higher, returning 1%. The industrial metal is now up 17.6% year-to-date.

German 10 year bunds lost value as the yield (which moves inversely to price) moved from 0.38% to 0.41% over the course of the week.

The **EUR/USD** rate closed at \$1.18, whilst **EUR/GBP** was at £0.91.

The Week Ahead

Wednesday 23 August	Wednesday 23 August	Friday 25 August
Euro area PMI data is released with manufacturing expected to continue expanding, albeit at a weaker rate of 56.3 (last: 56.6) and services forecast to remain steady at 55.4.	Similar data is also released in the US, where manufacturing is expected to remain steady at 53.3, with services moving to 52.8 from a last reading of 54.7.	Japanese inflation data for July goes to print with a year-on-year figure of 0.4% and a month-on-month figure of 0.0% forecast.

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