

Equities take Fed tightening talk in their stride to move higher

Weekly Snapshot



World Equities
Oil



Sovereign Bonds
Gold
Copper
Corporate Bonds

Week in Review

- The dominate event during last week was the **US Federal Reserve** announcement that it was to begin **reducing its massive bond portfolio**, amassed since the financial crisis. The move had been well telegraphed, with the Fed reluctant to surprise markets. The world's most influential central bank also lowered its inflation forecasts somewhat, but **remained broadly positive** on the outlook for both **unemployment and economic growth**.
- It was a **choppy, but positive, week overall for equity** investors as US **President Trump** announced further sanctions against **North Korea**, whilst striking a less than conciliatory tone with his debut speech at the UN General Assembly. The North Korean authorities' response has led to a further escalation of tensions in the region.
- Global bonds had sold off** on the more **hawkish commentary** from a number of central banks over the past fortnight, but found **some support** over the last seven days on the back of **heightened geopolitical concerns**.

| | Index | 1 Week Return 15.09.17 to 22.09.17 | | Year to Date Return 31.12.16 to 22.09.17 | |
|---------------|---------------------------|---------------------------------------|--------|---|--------|
| | | Local Currency % | Euro % | Local Currency % | Euro % |
| Global (euro) | FTSE World (total return) | 0.3% | 0.3% | 3.1% | 3.1% |
| US | S&P 500 | 0.1% | 0.0% | 11.8% | -1.3% |
| Europe | FTSE Europe Ex. U.K. | 0.6% | 0.6% | 9.1% | 9.1% |
| Ireland | ISEQ | 0.4% | 0.4% | 2.8% | 2.8% |
| UK | FTSE 100 | 1.3% | 0.6% | 2.4% | -1.0% |
| Japan | Topix | 1.6% | 0.5% | 9.6% | 0.7% |
| Hong Kong | Hang Seng | 0.3% | 0.3% | 26.7% | 11.1% |
| Bonds | Merrill Lynch Euro over 5 | -0.9% | -0.9% | -0.5% | -0.5% |

The **global index** moved higher last week, returning a positive 0.3%. **Gold** and **Copper** both faltered, returning -1.7% and -0.2% respectively.

Oil continued its recent upward trend, returning 1.5% whilst closing above \$50 per barrel. The influential **US ten year bond yield** moved to 2.25%

from 2.20%, on the more hawkish sentiment from the Fed. The **German equivalent** stood at 0.45% from 0.43% a week ago.

The Week Ahead

| Thursday 28 September | Friday 29 September | Friday 29 September |
|---|---|---|
| The consensus expects the final US GDP figures for Q2 to be confirmed at 3.0% (quarter-on-quarter). | Eurozone 'flash' inflation data for September goes to print where the market expects a figure of 1.6% (year-on-year), up slightly from an August reading of 1.5%. | Final UK GDP figures for Q217 are also released, where the market forecasts no change from the previously released figure of 0.3% (quarter-on-quarter). |

Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.