

Global equities rise as currency strength reduces euro returns

Weekly Snapshot



World Equities

Oil

Gold

Copper



Sovereign Bonds

Corporate Bonds

Week in Review

- **US equities continued to hit record highs**, with incremental moves higher over the course of the week. **Retail Sales data saw a monthly increase** of 1.6% in September, which represents the biggest one month increase in over two years. The University of Michigan **consumer sentiment survey** also saw a solid gain, with the September reading **rising to a 13 year high**.
- **Macro factors remained supportive** this week with higher oil prices and no surprises from the latest Fed minutes contributing to a 'risk-on' attitude. The **euro currency also strengthened** following more reconciliatory tones emanating from Catalonia.
- **Eurozone growth saw a bullish upgrade** from the **IMF's latest World Economic Outlook**, with growth now expected to come in at over 2% for 2017. This was however, somewhat tempered by a **downgrade to UK prospects**, which it noted were 'a notable exception' to an improving global economic outlook.

	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)	0.0%	0.0%	6.2%	6.2%
US	S&P 500	0.2%	-0.6%	14.0%	1.7%
Europe	FTSE Europe Ex. U.K.	0.3%	0.3%	11.2%	11.2%
Ireland	ISEQ	-0.3%	-0.3%	4.9%	4.9%
UK	FTSE 100	0.2%	1.1%	5.5%	1.3%
Japan	Topix	1.3%	1.2%	12.5%	4.6%
Hong Kong	Hang Seng	0.1%	-0.8%	29.4%	14.6%
Bonds	Merrill Lynch Euro over 5	0.8%	0.8%	-0.3%	-0.3%

The **global index** in euro terms was flat last week, as a stronger euro weighed on Irish investors. **Gold** gained 2.2% over the period whilst copper was up an impressive 3.5%.

Oil continued its recent upward trend, returning 4.4% whilst closing above \$51 per barrel.

The influential **US ten year bond yield** moved to 2.27% from 2.25%,

as a 'risk on' environment prevailed. The **German equivalent** stood at 0.40% from 0.45% a week ago and the EUR/USD rate closed at 1.18.

The Week Ahead

Tuesday 17 October	Wednesday 18 October	Friday 20 October
Inflation figures for September for both the UK and Eurozone go to print, with the year-on-year readings expected at 3.0% and 1.5% respectively.	The big overnight focus on Wednesday will be the opening speech from President Xi at the opening of the 19 th Chinese Communist Party Conference.	Brexit talks will be firmly in focus as The European Council meets in Brussels.

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