

Earnings and tax talk help US stocks move higher

Weekly Snapshot



World Equities

Sovereign Bonds

Oil

Copper

Corporate Bonds



Gold

Week in Review

- Equity markets moved higher once more last week, with earnings and economics, the Fed Chair announcement, and talk of tax cuts in the US leading the agenda. The **US economy added 261,000 jobs** in October, which was below forecasts that had the number at over 300,000. However any negativity was offset by a **revision upwards of the previous two months figures** by 90,000.
- In the US the **Republican Party released further details of their tax plans**, which are centred on a call for a large corporate tax rate cut. However, this may need to be offset by changes on the individual side which are likely to be met by opposition on both sides of the aisle. The **naming of Jerome Powell** as Janet Yellen's replacement at the **Federal Reserve** did little to move markets, with most participants seeing it as a continuation of the current policy strategy.
- On the earnings front, nearly **80% of companies on the S&P 500** have reported since the end of Quarter 3, with a **broadly positive trend** materialising led by the tech, healthcare and materials sections.

	Index	1 Week Return 27.10.17 to 03.11.17		Year to Date Return 31.12.16 to 03.11.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	0.3%	0.3%	9.1%	9.1%
US	S&P 500	0.3%	0.3%	15.6%	5.1%
Europe	FTSE Europe Ex. U.K.	0.9%	0.9%	12.9%	12.9%
Ireland	ISEQ	1.2%	1.2%	7.2%	7.2%
UK	FTSE 100	0.7%	0.3%	5.9%	1.8%
Japan	Topix	1.3%	1.0%	18.1%	9.3%
Hong Kong	Hang Seng	0.6%	0.6%	30.0%	17.4%
Bonds	Merrill Lynch Euro over 5	0.8%	0.8%	1.0%	1.0%

The **global index** in euro terms was up 0.3% last week, led by Japan and Europe. **Oil** rose by over 3% and is now above \$55/barrel.

The **ten year US bond yield** closed the week at 2.33% with the **German equivalent** closing at 0.36%.

The **EUR/USD** rate closed at 1.16, from a rate of 1.05 at the start of the year.

The Week Ahead

Tuesday 7 November	Tuesday 7 November	Thursday 9 November
The Royal Bank of Australia makes its latest interest rate decision overnight, where no change is expected in the current rate or policy.	Eurozone retail sales for September go to print, with the consensus expecting a year-on-year growth figure of 1.9%.	Chinese inflation data for October is released and is forecast to edge up to 1.8% (year-on-year) from 1.6%.

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