

# Volatility the story as S&P loses ground for the week

## Weekly Snapshot



Corporate Bonds

Sovereign Bonds

Gold



World Equities

Oil

Copper

## Week in Review

- After treading water for the first two days of the week, the **S&P 500 Index fell 0.53%** on November 15, its first daily drop of more than 0.5%, or 50 basis points, in 50 trading sessions. Markets fretted about a wide range of issues, including uncertainty around **U.S. tax reform and cracks in the high-yield bond market**.
- But on November 16, the S&P 500 jumped 0.8%—its best single-day return since September 11—as the House passed its tax overhaul plan and several key companies announced encouraging third-quarter earnings results. The “risk-on” mood proved to be short-lived, though. U.S. equities stumbled the following day, ending the week with a 0.1% loss.
- On a more positive note, **‘soft’ economic data**—reports based on U.S. sentiment surveys—continued to strengthen. According to the NFIB index, **small business optimism** increased in October, extending its string of historically high readings that began after last November’s presidential election. More business owners expect a pickup in sales and believe now is a good time to expand.

	Index	1 Week Return 10.11.17 to 17.11.17		Year to Date Return 31.12.16 to 17.11.17	
		Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	FTSE World (total return)	-1.1%	-1.1%	7.1%	7.1%
US	S&P 500	-0.1%	-1.1%	15.2%	2.9%
Europe	FTSE Europe Ex. U.K.	-1.1%	-1.1%	9.2%	9.2%
Ireland	ISEQ	0.2%	0.2%	5.8%	5.8%
UK	FTSE 100	-0.7%	-1.6%	3.3%	-1.2%
Japan	Topix	-2.0%	-1.8%	16.1%	8.0%
Hong Kong	Hang Seng	0.2%	-0.8%	32.7%	17.7%
Bonds	Merrill Lynch Euro over5	0.4%	0.4%	0.9%	0.9%

The **global equity index** fell -1.1% on the back of a volatile week in the U.S. and in Europe, although YTD is still a healthy 7.1%.

**Oil** fell back from its recent upward trend, returning -0.3% but **Gold** remained positive returning 1.4%.

**Copper** faltered last week returning -0.1%.

## The Week Ahead

Monday 20 November	Wednesday 22 November	Wednesday 22 November
<p><b>Thanksgiving week</b> means that we have lots of US data crammed into the first three days, before Americans take Thursday off and enjoy a half day on Friday. Durable goods, and the Federal Open Market Committee (FOMC) minutes will be ones to watch.</p>	<p><b>UK budget statement:</b> Chancellor Philip Hammond will unveil the British government's spending plans for the year. Sterling could see some volatility if economic forecasts prove to be different from market expectations.</p>	<p><b>FOMC minutes:</b> no changes were made at the last meeting, but commentary on the economy and policy outlook will influence USD pairs.</p>

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