

Equities push higher on positive Central Bank tone

Weekly Snapshot



World Equities
Corporate Bonds
Copper
Gold



Sovereign Bonds
Oil

Week in Review

- Equities moved higher last week, albeit on lighter pre-Christmas trading volumes, **as the US raised interest rates by 0.25%** to a range of 1.25%-1.5%. US government debt was little changed as the market had already priced in the third rate hike of 2017, and the fifth in the current cycle.
- The influential S&P 500 index moved towards another record high, with the proposed **sale of 21st Century Fox to Disney** for over \$50 billion **grabbing the headlines**. US data was also positive with higher than expected retail sales whilst the 'Small Business Optimism' index hit a 34 year high.
- European stocks were more muted**, even as the ECB struck a more 'dovish' tone at their latest meeting. **Ryanair weighed on Irish stocks** as the impact of union recognition on the company's operating model remains to be seen.

	1 Week Return 08.12.17 to 15.12.17		Year to Date Return 31.12.16 to 15.12.17	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.5%	0.5%	9.9%	9.9%
US	0.9%	1.1%	19.5%	7.1%
Europe	-0.9%	-0.9%	8.2%	8.2%
Ireland	-2.1%	-2.1%	6.1%	6.1%
UK	1.3%	1.0%	4.9%	1.4%
Japan	-0.6%	0.4%	18.1%	9.6%
Hong Kong	0.7%	0.9%	31.1%	16.6%
Bonds	-0.4%	-0.4%	1.9%	1.9%

The **global index** in euro terms returned 0.5% last week, led by the US and UK.

Oil fell for a third week in a row, falling by just 0.1%, as the price pauses for breath following a large upward movement since the summer.

Copper regained some positive momentum, returning 5.2%, and is now up 24.5% during 2017.

The **ten year US bond yield** fell slightly to 2.35%, as markets were little changed following the expected interest rate rise. The **10 year**

German equivalent closed at 0.30%, with no change from a week previously.

The **EUR/USD** rate finished the period at 1.17, whilst **EUR/GBP** was at 0.88.

The Week Ahead

Thursday 21 December	Thursday 21 December	Friday 22 December
The Regional Catalan elections take place where markets will closely watch for any indications of heightened political tensions.	US Q3 GDP is expected to be confirmed at 3.3% (year-on-year).	Final UK Q3 GDP also goes to print where the median forecast is for an unrevised figure of 0.4% (quarter-on-quarter).

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