

Strong start to the year with record highs for equities

Weekly Snapshot



World Equities
Oil



Sovereign Bonds
Copper
Gold
Corporate Bonds

Week in Review

- The **Dow, S&P 500, and NASDAQ all hit record highs** last week, with the Dow crossing 25,000 points for the first time ever on Thursday as the impact of **higher economic growth** and **US tax cuts** continue to be digested.
- December **payroll data for the US disappointed**, with 148,000 jobs created versus an expectation of 193,000. The underwhelming data was attributed to lower than expected retail jobs over the festive period, as **online sales continue to take a grip on the market**.
- However, **markets took the miss in their stride** as participants remain positive on the economy. The **odds** of another **US rate rise** in March currently stands at close to **80%**, from just 10% four months ago. **US ten year yields rose** (yields move inversely to price) as the demand for lower risk assets declined throughout the week.

	1 Week Return 29.12.14 to 05.01.18		Year to Date Return 31.12.17 to 05.01.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	2.3%	2.3%	2.3%	2.3%
US	2.6%	2.4%	2.6%	2.4%
Europe	2.7%	2.7%	2.7%	2.7%
Ireland	1.9%	1.9%	1.9%	1.9%
UK	0.5%	0.7%	0.4%	0.6%
Japan	3.5%	2.9%	3.5%	2.7%
Hong Kong	3.0%	2.7%	3.0%	2.7%
Bonds	-0.5%	-0.5%	0.1%	0.1%

The **global index** in euro terms was up a solid 2.3% last week, in what was a strong start to the year. Japan led the way, up nearly 3% in euro terms. **Oil** continued its recent strength with another positive week, and is now above the \$60/barrel mark.

Copper closed down just over 2% for the week whilst gold was up 1.25%.

The **ten year US bond yield** finished the week at 2.48% as interest rate expectations ticketed up. The **10 year**

German equivalent was at 0.44% from 0.42%.

The **EUR/USD** rate closed the period at 1.20, whilst **EUR/GBP** was at 0.89.

The Week Ahead

Tuesday 9 January	Thursday 11 January	Friday 12 January
Eurozone unemployment data for November is released, where the rate is expected to tick up slightly to 8.9% from 8.8%.	The minutes from the latest ECB meeting are released. No changes to the current policy are envisaged but the text is always closely watched for indications of future policy.	US retail sales data for December goes to print where the consensus estimates a growth rate of 0.4% (month-on-month). Inflation data is also released, where a monthly increase of 0.1% is forecast.

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