

Equities continue to move forward on economics and earnings

Weekly Snapshot



World Equities

Oil

Gold



Sovereign Bonds

Copper

Corporate Bonds

Week in Review

- US **stocks marched to record highs once again**, with consumer stocks lifted by **strong retail sales** and energy stocks helped by a **higher oil price**. Financials were also helped by **solid earnings** from the likes of JP Morgan, BlackRock and Wells Fargo.
- A **number of high profile commentators**, including Bill Gross, made **bearish comments on government bond markets** as the solid economic backdrop and stronger inflation figures in the US led to a sell-off in global bond markets.
- The **Euro moved higher** and hit a three year high versus the dollar as **Angela Merkel announced a coalition deal**. The single currency was also helped by **hawkish comments from the ECB**.

| | 1 Week Return 05.01.18 to 12.01.18 | | Year to Date Return 31.12.17 to 12.01.18 | |
|------------------|---------------------------------------|-----------|---|-----------|
| | Local Currency % | Euro % | Local Currency % | Euro % |
| Global (euro) | 0.4% | 0.4% | 2.7% | 2.7% |
| US | 1.6% | 0.1% | 4.2% | 3.2% |
| Europe | 0.2% | 0.2% | 2.9% | 2.9% |
| Ireland | -1.4% | -1.4% | 0.5% | 0.5% |
| UK | 0.7% | 0.4% | 1.2% | 1.5% |
| Japan | -0.2% | 0.2% | 3.2% | 3.6% |
| Hong Kong | 1.9% | 0.5% | 5.0% | 3.9% |
| Bonds | -0.3% | -0.3% | -0.2% | -0.2% |

The **global index** in euro terms is up a solid 2.7% in what is a strong start to the year. Japan and Hong Kong lead the way up 3.6% and 3.9% respectively in euro terms.

Oil continued its recent strength with another strong week, and remains above the \$60/barrel mark. Copper closed down again for the week whilst gold was up 1.41%.

The **ten year US bond yield** finished the week at 2.55% as interest rate expectations ticked up. The **10 year German equivalent** was at 0.58% from 0.42%.

The Week Ahead

| Wednesday 17 January | Thursday 18 January | Friday 19 January |
|---|---|---|
| Eurozone CPI data for December goes to print where the consensus expects the final figure to be confirmed at 1.4% (year-on-year). | Chinese GDP data for the last quarter of 2017 is released where the forecasts are for a year-on-year figure of 6.8% | UK Retail Sales data for December published and is forecast to come in at 0.3% (year-on-year) and 0.4% (month-on-month) |

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