

Risk assets move higher, led by earnings and economic data

Weekly Snapshot



World Equities

Copper

Oil

Gold



Sovereign Bonds

Corporate Bonds

Week in Review

- **Earnings helped stocks move to record highs** once more last week, as better than expected results, led by financials, healthcare and industrial, drove equities higher. The bulk of earnings are still to come in over the next few weeks with **tech stocks dominating the reporting for the week ahead**.
- Global **sovereign yields** (which move inversely to price) **moved higher** throughout the week on the back of positive global PMI data, which was led by accelerating expansion in Europe. Less dovish than expected comments from the ECB also weighed on longer data bond yields. **Currencies saw a choppy week of trading** with numerous comments on both sides of the Atlantic influencing the key Euro/USD currency pair. The trade weighted dollar index is now at levels last seen in mid-2015.

	1 Week Return 19.01.18 to 26.01.18		Year to Date Return 31.12.17 to 26.01.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.3%	0.3%	3.4%	3.4%
US	2.2%	0.5%	7.5%	3.9%
Europe	0.0%	0.0%	3.7%	3.7%
Ireland	-0.8%	-0.8%	0.9%	0.9%
UK	-0.8%	-0.4%	-0.3%	1.1%
Japan	-0.6%	-0.2%	3.4%	3.7%
Hong Kong	2.8%	1.0%	10.8%	7.0%
Bonds	-0.2%	-0.2%	-0.1%	-0.1%

The **global index** in euro terms was up 0.4% last week, and has now gained 3.4% year-to-date. Asia Pacific equities continued their strong start, with Hong Kong now up 10.8% in 2018 in local terms.

Oil moved higher last week, up over 4% and is now trading at above

\$66/barrel. Copper moved higher also, but remains down over 3% year-to-date.

The **ten year US bond yield** finished the week at 2.66%, from 2.60% a week previously. The **German equivalent** was at 0.63%, moving higher from 0.57% a week ago.

The **EUR/USD** rate closed the period at 1.24, whilst **EUR/GBP** was at 0.88 having stabilised somewhat recently.

The Week Ahead

Wednesday 31 January	Wednesday 31 January	Friday 2 February
Eurozone inflation data goes to print where the consensus forecasts a figure of 1.3% (year-on-year) from 1.4%. Unemployment data for December is also released and is expected to be unchanged at 8.7%.	In what is Fed Chair Janet Yellen's final FOMC meeting, no changes are expected to the US interest rates or the current outlook for 2018.	In the US unemployment report for January the market expects 175,000 jobs to be created, with the unemployment rate remaining steady at 4.1%.

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