

Equity markets fall on trade war worries

Weekly Snapshot



Sovereign Bonds

Gold

Oil



World Equities

Corporate Bonds

Copper

Week in Review

- **Markets fell sharply last week**, as **trade war rhetoric** from President Trump manifested into action. Whilst the full details are still materialising, equities were down **on the expectation of retaliatory action from China**, which is the main target of the US proposals.
- The **Federal Reserve raised interest rates** by 25 basis points last week, in a widely expected move which evoked very little market reaction. In the accompanying statement, from new Chair Jerome Powell, the **Fed appeared more upbeat** about the economic outlook.
- **Fixed Income markets** also took the interest rate increase **in their stride**, as US treasuries had fully priced in the move and further benefited from the **'risk-off' sentiment** that was evident in markets.

	1 Week Return 16.03.18 to 23.03.18		Year to Date Return 31.12.17 to 23.03.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	-5.0%	-5.0%	-5.2%	-5.2%
US	-6.0%	-6.4%	-3.2%	-5.9%
Europe	-3.4%	-3.4%	-5.3%	-5.3%
Ireland	-2.7%	-2.7%	-7.4%	-7.4%
UK	-3.4%	-2.6%	-10.0%	-8.4%
Japan	-4.1%	-3.5%	-8.4%	-4.5%
Hong Kong	-3.8%	-3.2%	1.3%	-1.9%
Bonds	0.8%	0.8%	1.6%	1.6%

The **global index** had its worst week since 2016, falling 5%, with the US most affected on the aforementioned trade war worries, down over 6% in euro terms.

Oil moved higher last week, and closed just short of \$66/barrel. **Copper**

was down over 3.5% whilst **gold** finished 2.5% higher as risk appetite waned.

The **ten year US bond yield** finished the week at 2.81%, and has been in a tighter trading range in recent weeks

The **German equivalent** closed at 0.52%.

The **EUR/USD** rate closed the period at 1.24 and **EUR/GBP** was at 0.87.

The Week Ahead

Wednesday 28 March	Thursday 29 March	Thursday 29 March
The final estimate of Q417 GDP for the US goes to print, where the consensus expects the quarter-on-quarter rate to be confirmed at 2.7%.	Personal consumption data in the US will be closely watched for further indications of the impact of lower personal taxes, with further increases expected after January's strong data.	German unemployment data for March is released, where the headline rate is expected to tick down to 5.3% from 5.4%.

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML"), used with permission. BofAML PERMITS USE OF THE BofAML INDICES AND RELATED DATA ON AN "AS IS" BASIS, MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE BofAML INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THE USE OF THE FOREGOING, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES.

**Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.**