

Equities grind higher, with Irish investors helped by stronger dollar

Weekly Snapshot



World Equities
Oil
Corporate Bonds



Sovereign Bonds
Copper
Gold

Week in Review

- **Risk assets generally moved sideways** over the course of the week as trade talks between the U.S and China ebbed and flowed, affecting sentiment accordingly. Emerging Markets have come under some short term pressure, and have been hurt by a strengthening dollar. Within sectors, **momentum remains with Cyclicals versus Defensives**, as optimism around the global economic outlook remains intact.
- **Treasuries sold off sharply** last week, on the back of good economic data emanating from the US. Oil also moved higher over the course of the week, despite the US dollar strength, **as Iran sanctions and elections in Venezuela** remained to the forefront of investors' minds.
- The White House issued a joint statement with China stating that they were both taking **effective measures to reduce the US trade deficit**, whilst Treasury Secretary Munchin said on Sunday that the **trade war was put 'on hold'**.

	1 Week Return 11.05.18 to 18.05.18		Year to Date Return 31.12.17 to 18.05.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.9%	0.9%	3.7%	3.7%
US	-0.5%	0.9%	1.5%	3.5%
Europe	0.1%	0.1%	0.6%	0.6%
Ireland	1.9%	1.9%	0.8%	0.8%
UK	0.7%	1.6%	1.2%	2.9%
Japan	1.1%	1.3%	-0.1%	3.7%
Hong Kong	-0.2%	1.8%	3.8%	5.4%
Bonds	-1.2%	-1.2%	0.1%	0.1%

The **global index** was up just short of 1% in euro terms last week, helped by a strengthening US dollar. Commodities had a mixed bag of returns with **gold** and **copper** falling,

whilst **oil** rose once again to extend its winning streak. The **ten year US bond yield** finished the week at 3.06%, and looks to be holding above

the 3% level. The German equivalent was at 0.58%, from 0.56%.

The **EUR/USD** rate finished at 1.18, whilst **EUR/GBP** was at 0.87.

The Week Ahead

Wednesday 23 May	Wednesday 23 May	Friday 25 May
The minutes of the latest Federal Reserve interest rate meeting are released, which will be closely watched for any evolution in the FOMC's views on US inflation.	Flash eurozone PMIs for May go to print, where the composite figure is expected to decline slightly to 55.0 from 55.1.	In the UK the consensus forecast the second estimate of Q1 18 GDP to be confirmed at 0.1% (quarter-on-quarter).

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