

Fundamentals lead markets higher, despite political noise

Weekly Snapshot



World Equities

Copper

Gold



Sovereign Bonds

Corporate Bonds

Oil

Week in Review

- **Trade pressure remained** to the fore of investors' minds last week as Canada and Mexico confirmed retaliatory measures in response to the US administration's implementation of steel and aluminium tariffs. **Talks at the G7 summit in Quebec failed** to reduce the tensions, with President Trump firing off a number of inflammatory tweets over the weekend aimed at Canadian Prime Minister Justin Trudeau, provoking the ire of key allies on both sides of the Atlantic.
- **Bond yields** (which move inversely to price) **in general rose** last week reflecting **diminishing worries over Italy**, more hawkish commentary from the ECB, and **strong economic data** from the US – where personal and construction spending was stronger and job openings tighter. **US equities also proved to be resilient** in the face of the political talk, **focussing on** the underlying **fundamentals** to finish the week higher.

	1 Week Return 01.06.18 to 08.06.18		Year to Date Return 31.12.17 to 08.06.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.4%	0.4%	4.5%	4.5%
US	1.6%	0.7%	3.9%	6.1%
Europe	-0.4%	-0.4%	-2.3%	-2.3%
Ireland	-0.8%	-0.8%	1.3%	1.3%
UK	-0.3%	-0.7%	-0.1%	1.2%
Japan	1.8%	0.9%	-2.0%	2.9%
Hong Kong	1.5%	0.6%	3.5%	5.2%
Bonds	-1.3%	-1.3%	-1.1%	-1.1%

The **global index** rose during the week, bringing the year-to-date gain to 4.5%, **Europe** and **Ireland** lagged the market, whilst the **US** and **Japan** were strong performers. **Oil** was broadly flat, closing just short of \$65 per barrel, and has paused for breath

following a choppy few weeks of trading. **Gold** was higher, up 0.4% in dollar terms, and closed the week at roughly \$1,300 per troy ounce. **Copper** also gained value during the week, and is now flat year-to-date.

The **ten year US bond yield** finished the week at 2.95% from 2.90%. The **German equivalent** closed at 0.45%.

The **EUR/USD** rate finished at 1.18, whilst **EUR/GBP** was at 0.88.

The Week Ahead

Tuesday 12 June	Wednesday 13 June	Thursday 14 June – Friday 15 June
The long awaited US-North Korea summit takes place in Singapore, which will be closely watched for any progress towards North Korean nuclear disarmament.	The Federal Reserve meeting for their latest interest rate decision where the consensus expects the rate to rise to 2%.	The ECB and BoJ also meet this week for rate decisions, where no changes to the headline numbers are expected.

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