

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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