

Fed criticised in break with tradition

Weekly Snapshot



Corporate Bonds



Copper

Oil

Gold

Week in Review

- While Q2 reporting season heated up, stocks were relatively flat for the week as results helped offset immediate concerns over trade policy. In the US, data has generally been better than expected with prior revisions to retail sales and an uptick in industrial production signaling that activity is coming in quite strong in Q2.
- However, the biggest call in global economics right now is how far the trade “war” between the US and its major trading partners will go. The latest tariff proposals against China confirm the view that things have to get worse before they can get better: de-escalation will probably only start when there are visible signs of economic, market and/or political pain later this summer.
- Last week also saw President Trump break with tradition by criticising the Fed’s interest rate rise. Since the 1990’s, Presidents have avoided commenting on Fed decisions in order to emphasise the independence of the central bank, giving it room to implement politically unpopular policies. We wait to see how this progresses.

	1 Week Return 16.07.18 to 20.07.18		Year to Date Return 31.12.17 to 20.07.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	-0.1%	-0.1%	5.0%	5.0%
US	0.0%	-0.3%	4.8%	7.6%
Europe	0.6%	0.6%	-1.5%	-1.5%
Ireland	-1.6%	-1.6%	-1.5%	-1.5%
UK	0.2%	-0.8%	-0.1%	-0.5%
Japan	0.9%	1.4%	-4.0%	-0.6%
Hong Kong	-1.1%	-1.2%	-5.7%	-3.6%
Bonds	-0.3%	-0.3%	1.2%	1.2%

Global equities were broadly flat for the week, returning -0.1%. Europe and Japan led the way and were both in positive territory returning 0.6% and 0.9% respectively.

The overall picture for 2018 is still positive with global equities up 5% for the year and U.S. equities up 7.6% in euro terms.

Commodities endured a tougher week than other assets with **Oil** down -0.8%. **Gold** and **Copper** also saw falls of -0.8% and -0.7% for the week.

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