

Economics, earnings, and European trade lead equities higher

Weekly Snapshot



World Equities
Copper
Corporate Bonds



Sovereign Bonds
Gold
Oil

Week in Review

- Markets were higher last week as **trade tensions between the US and Europe de-escalated** following a meeting between President Trump and EC President Juncker. There were also some positive headlines from the ongoing NAFTA negotiations which were welcomed by the market.
- There was an **upside surprise for US GDP growth** with the Q2 figure coming in at **4.1% (YoY)** with growth also revised upwards for the previous year. President Trump cheered the news in a series of tweets, taking the figures as a sign of the success of the administration's policies.
- Earnings data** continues to pore in last week, with the Tech sector grabbing the headlines. Both **Facebook and Twitter fell** heavily in after-hours trading subsequent to posting results, as figures disappointed on sales and user growth. **However, earnings continue to be broadly positive**, with a slew of further results being released this week.

| | 1 Week Return 20.07.18 to 27.07.18 | | Year to Date Return 31.12.17 to 27.07.18 | |
|---------------|---------------------------------------|--------|---|--------|
| | Local Currency % | Euro % | Local Currency % | Euro % |
| Global (euro) | 1.4% | 1.4% | 6.5% | 6.5% |
| US | 0.6% | 1.2% | 5.4% | 8.7% |
| Europe | 1.9% | 1.9% | 0.4% | 0.4% |
| Ireland | -0.5% | -0.5% | -2.0% | -2.0% |
| UK | 0.3% | 0.7% | 0.2% | 0.2% |
| Japan | 1.8% | 2.7% | -2.3% | 2.3% |
| Hong Kong | 2.1% | 2.5% | -3.7% | -1.2% |
| Bonds | -0.4% | -0.4% | 0.8% | 0.8% |

The **global index** moved higher last week, finishing up 1.4% after being led by strong showings in both Europe and Asia.

Oil was lower and closed just short of \$69/barrel, whilst **gold** was down slightly, closing at \$1,223 per troy ounce.

The **ten year US bond yield** finished the week at 2.95%, as the US economy looks to remain on a strong footing. The **German equivalent** closed at 0.40%.

The Week Ahead

| Tuesday 31 July | Wednesday 1 August | Friday 3 August |
|---|---|--|
| In the eurozone, the consensus expects preliminary Q2 GDP growth to come in at 0.4% (YoY), whilst the flash headline inflation figure is expected to print at 2.1% (YoY). | The FOMC convenes for its latest interest rate meeting where the market does not expect any change to current policy, with two further rate rises forecast by the market this year. | The July non-farm payrolls report goes to print where the consensus expects continuing strong employment numbers of 190,000 (last: 213,000). |

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