

Markets grind higher, amid Turkish turmoil

Weekly Snapshot



World Equities
Sovereign Bonds
Corporate Bonds



Gold
Oil
Copper

Week in Review

- Earnings season draws to a close, as the mid-August lull is upon us. To date, approximately **90% of S&P 500 companies have reported** Q218 results with 71% of companies beating estimates on the top line and **84% of companies beating on the bottom line.**
- Political and Economic developments from Turkey came thick and fast last week, as the Lira lost over 20% of its value versus the US Dollar, as **President Erdogan** attempted to avert a full blown financial crisis. President Trump turned the screw further by announcing further trade sanctions on the embattled economy. **Contagion spread to some European financials** on fears regarding exposure to Turkish creditors.
- Elon Musk grabbed further headlines** with an audacious tweet claiming he has **'secured funding' to take Tesla private**, and off the stock market. It remains to be seen how this ends, with Tesla Bulls and Bears evident throughout the market.

	1 Week Return 03.07.18 to 10.08.18		Year to Date Return 31.12.17 to 10.08.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.6%	0.6%	7.6%	7.6%
US	-0.3%	1.1%	6.0%	11.7%
Europe	-1.2%	-1.2%	-1.4%	-1.4%
Ireland	-1.6%	-1.6%	-5.1%	-5.1%
UK	0.1%	-0.3%	-0.3%	-0.9%
Japan	-1.3%	0.4%	-5.4%	1.5%
Hong Kong	2.5%	3.9%	-5.2%	-0.5%
Bonds	0.5%	0.5%	0.7%	0.7%

The **global index** moved higher last week, finishing up 0.6%, with a positive move from the US offsetting weaker performances elsewhere.

Oil was lower and closed at \$67.50/barrel, whilst **gold** continued its recent weakness to close at \$1,212 per troy ounce.

The **ten year US bond yield** finished at 2.87%. The **German equivalent** closed at 0.32%, amid 'risk off' sentiment.

The Week Ahead

Tuesday 14 August	Wednesday 15 August	Friday 17 August
The second estimate for Q2 GDP in the eurozone goes to print, where the consensus forecasts a figure of 0.3% (QoQ).	UK CPI data is released, where an increase to 2.6% from 2.4% (YoY) is expected.	Eurozone inflation data also goes to market this week, with the core reading estimated to be 2.1% (YoY).

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("BofAML"), used with permission. BofAML PERMITS USE OF THE BofAML INDICES AND RELATED DATA ON AN "AS IS" BASIS, MAKES NO WARRANTIES REGARDING SAME, DOES NOT GUARANTEE THE SUITABILITY, QUALITY, ACCURACY, TIMELINESS, AND/OR COMPLETENESS OF THE BofAML INDICES OR ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM, ASSUMES NO LIABILITY IN CONNECTION WITH THE USE OF THE FOREGOING, AND DOES NOT SPONSOR, ENDORSE, OR RECOMMEND ZURICH LIFE ASSURANCE PLC, OR ANY OF ITS PRODUCTS OR SERVICES.

**Warning: Past performance is not a reliable guide to future performance.
Warning: The value of your investment may go down as well as up.
Warning: Benefits may be affected by changes in currency exchange rates.
Warning: If you invest in this product you may lose some or all of the money you invest.**