

# Equities hit record highs on new US-Mexico trade deal

## Weekly Snapshot



World Equities  
Oil



Sovereign Bonds  
Corporate Bonds  
Gold  
Copper

## Week in Review

- **Equity markets closed at new highs** as the US and Mexico announced a **new bilateral trade deal** on Monday. However, the rally faded somewhat towards the back end of the week as uncertainty surrounding Canada's participation in the agreement weighed on investor sentiment.
- A **positive revision** lifted the figure for **US Q2 GDP** growth to 4.2%, and **Chinese PMIs** also saw positive numbers whilst **inflation data in the eurozone** softened a touch.
- **US Treasuries lost some value**, as risk aversion waned on the back of positive trade sentiment. The **US dollar also had a mixed week** against its peers, whilst commodities saw broadly positive moves.

	1 Week Return 24.08.18 to 31.08.18		Year to Date Return 31.12.17 to 31.08.18	
	Local Currency %	Euro %	Local Currency %	Euro %
Global (euro)	0.6%	0.6%	7.5%	7.5%
US	0.9%	1.1%	8.5%	12.5%
Europe	-0.2%	-0.2%	-1.6%	-1.6%
Ireland	-0.3%	-0.3%	-3.8%	-3.8%
UK	-1.9%	-0.9%	-3.3%	-4.0%
Japan	1.5%	1.9%	-4.5%	0.3%
Hong Kong	0.8%	1.0%	-6.8%	-3.8%
Bonds	-0.4%	-0.4%	0.0%	0.0%

The **global index** was up 0.6% last week in euro terms, led by positive moves in the **US** and **Japan**, whilst the **UK** was the worst performing of the major markets.

**Oil** reversed its recent weak run, and closed at just short of \$70/barrel. **Gold** lost some ground and closed at

\$1,201 per troy ounce. **Copper** saw negative price movements once again last week, and remains down over 20% so far in 2018.

The **ten year US bond yield** finished at 2.86%, having started the week at 2.81%. The **German equivalent**

closed at 0.33%, in a broadly flat week of trading.

The **EUR/USD** rate finished the week at 1.16 with the **EUR/GBP** rate at 0.90.

## The Week Ahead

Monday 3 September	Friday 7 September	Friday 7 September
In the UK, the consensus is for the latest manufacturing PMI data to remain stable at 54.0, with the services figure expanding to 53.9 from 53.5.	The final eurozone composite PMI for August look set to be confirmed at 54.4.	The latest non-farm payrolls data goes to print in the US where the consensus forecast is a figure of 191,000, with the unemployment rate expected to tick down to 3.8%.

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