

Equities positive, as trade tensions dissipate

Weekly Snapshot



World Equities
Sovereign Bonds
Corporate Bonds
Oil
Copper



Gold

Week in Review

- Global markets were higher last week, **as tariffs** announced by the US and China **were lower than feared**. In a reversal of recent trends, Asian stocks led the global market higher, whilst the US, although still positive, lagged the global average.
- China's response to US tariffs was perceived as being measured, with **investors choosing to focus on the continued strength of the global economy**. The leading economic index in the US climbed once again in August and - whilst PMIs in Europe were not stellar- they were above the 50 mark, which signifies continuing expansion.
- **Brexit negotiations faltered in Salzburg**, as the EU broadly rejected the UK's Chequers proposal, with the **Northern Ireland border** remaining a key stumbling block to progress.

| | 1 Week Return 14.09.18 to 21.09.18 | | Year to Date Return 31.12.17 to 21.09.18 | |
|---------------|---------------------------------------|--------|---|--------|
| | Local Currency % | Euro % | Local Currency % | Euro % |
| Global (euro) | 1.4% | 0.9% | 6.7% | 7.7% |
| US | 0.8% | -0.2% | 9.6% | 12.0% |
| Europe | 1.7% | 1.7% | -0.9% | -0.9% |
| Ireland | 0.5% | 0.5% | -5.2% | -5.2% |
| UK | 2.5% | 1.6% | -2.6% | -3.6% |
| Japan | 4.4% | 2.8% | -0.7% | 1.5% |
| Hong Kong | 2.4% | 1.8% | -6.6% | -4.4% |
| Bonds | 0.2% | 0.2% | 0.4% | 0.4% |

The **global index** was up 0.9% last week in euro terms, as Asian markets led the index higher. A weaker dollar, reduced returns overall for a euro investor.

Oil was up over the course of the week, and closed at over \$70/barrel.

Gold lost some ground as a 'risk on' attitude was evident in markets and closed at \$1,199 per troy ounce.

The **ten year US bond yield** finished at 3.06%, having reached a level seen only three times since 2011. The

German equivalent also closed higher at 0.46%.

The **EUR/USD** rate finished the week at 1.175 with the **EUR/GBP** rate at 0.90.

The Week Ahead

| Wednesday 26 September | Thursday 27 September | Friday 28 September |
|---|---|--|
| The Federal Reserve meets for the latest US interest rate decision, where the market fully expects an increase to the 2%-2.25% range. | The final reading for Q2 US GDP goes to print where the consensus forecasts the growth figure to come in at 4.3% (QoQ). | Eurozone CPI data for September is released, with the core figure expected to come in at 1.2% (YoY) from 1.0%. |

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