

U.S. equities surge to record best week since December 2011

Weekly Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Gold
Oil



Sovereign Bonds
Copper

Week in Review

- Global equities advanced, with **U.S. equities recording their best weekly gain since December 2011**. In a reversal from the past month, higher-valuation growth shares outperformed, with the **health care** and **technology sectors notably strong**.
- Trade headlines had threatened to take centre stage but instead, it was **Fed Chairman Jerome Powell**. His **dovish comments** leading investors to conclude that rate hikes might not be as aggressive in 2019 as first thought.
- Economic data was mixed** during the week. Home sales dropping almost 9% with pending home sales and home prices also weaker than expected. On a positive note, both **personal spending and income rose at a steady pace in October**.

	1 Week Return 23.11.18 to 30.11.2018		Year to Date Return 31.12.17 to 30.11.2018	
	Local Currency %	Euro %	Local Currency %	Euro %
Global	3.4%	3.5%	0.4%	4.2%
US	4.8%	5.0%	3.2%	9.6%
Europe	1.4%	1.4%	-7.9%	-7.9%
Ireland	-1.8%	-1.8%	-17.3%	-17.3%
UK	0.4%	0.1%	-9.2%	-9.1%
Japan	2.4%	2.1%	-8.3%	-3.4%
Hong Kong	2.2%	2.4%	-11.4%	-6.1%
Bonds	0.8%	0.8%	0.4%	0.4%

The **global equity index** advanced 3.4%, erasing last week's decline. Large cap U.S. tech stocks were the primary drivers.

Oil prices remained under pressure, finishing the week at \$50.93 /barrel, although the price did rally over the

weekend as OPEC outlined that supply cuts are in the pipeline. **Gold** ended the week relatively unchanged at \$1,223 per troy ounce, while **Copper** declined to \$6,227 per metric tonne.

The weaker-than-expected economic data pushed the yield on the **10-year**

bond to 2.99%. The German equivalent also moved lower to 0.31%.

The **EUR/USD** rate ended the week at 1.132, with the **EUR/GBP** at 0.887.

The Week Ahead

Monday 3 December	Wednesday 5 December	Thursday 6 December
Last month's PMI Manufacturing in Europe was 52.0. The expectation for this month is 51.5 and 51.6 in Germany. The consensus range in the US is 55.2 to 55.4, while the ISM manufacturing index in the U.S. is forecast between 56.0 and 58.3.	Retail sales in Europe are forecast to increase 1.1% y-y. The expectation for the PMI Composite is 52.4, below the prior reading of 53.1. The Beige Book, used at FOMC meetings where the Fed sets interest rate policy, is also released today.	The consensus is for initial jobless claims in the US to fall to 225k, from the prior reading of 234k. The US International Trade deficit is expected between \$52.7 to 55.4 billion. Factory orders are forecast to decline 2% m-m, from the prior reading of 0.7%.

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