

Equities enjoy longest stretch of weekly gains since August 2018

Snapshot



World Equities
Sovereign Bonds
Corporate Bonds
Copper
Oil



Gold

Week Ahead

22
JAN

World Economic Forum Begins
U.S. Existing Home Sales

23
JAN

Bank of Japan Policy Briefing
Canadian Retail Sales Announced

24
JAN

ECB Interest Rates Decision
U.S. Jobless Claims Released

Stocks advanced for the fourth week in succession, marking the longest stretch of weekly gains since August 2018. The move came on the back of some large U.S. banks reporting better-than-expected earnings growth, which in turn saw the financial sector as a whole propel the market higher. Volatility, as measured by the VIX, declined and defensive sectors such as utilities and consumer staples lagged as the appetite for risk increased. From an economic perspective, trade negotiations between the U.S. and China are ongoing, with the markets still hopeful of a positive outcome. Meanwhile, the Federal Reserve continues to allay investor fears with their more dovish commentary. In Europe, German data showed GDP slowed to 1.5% in 2018, compared with 2.2% in 2017, the slowest rate of growth in five years. Uncertainty around Brexit is also weighing on sentiment. Growth in Asia has also been soft, forcing central banks to adoptive an accommodative approach to policy.

	1 Week Return 11.01.19 to 18.01.19		Year to Date Return 31.12.18 to 11.01.19	
	Local Currency	Euro	Local Currency	Euro
World	2.2%	3.2%	6.2%	6.8%
U.S.	2.9%	3.8%	6.7%	7.6%
Europe	2.2%	2.2%	5.6%	5.6%
Ireland	2.5%	2.5%	6.8%	6.8%
U.K.	0.7%	1.9%	3.5%	5.3%
Japan	1.7%	1.4%	4.5%	5.4%
Hong Kong	1.5%	2.4%	5.3%	6.0%
Sovereign Bonds	0.3%	0.3%	0.4%	0.4%
Corporate Bonds	0.5%	0.5%	0.4%	0.4%

Equities

- The MSCI World Index advanced 2.2%, with the U.S. (+2.9%) leading the move higher on the back of positive earnings.
- 59 companies from the S&P 500 will report fourth quarter earnings during the week ahead.

Fixed Income & FX

- The U.S. 10-year yield ticked higher to 2.78% with the German yield at 0.26% as the bid for safe-haven assets moderated.
- The EUR/USD weakened to 1.136 and the EUR/GBP declined to 0.883 on slowing growth concerns.

Commodities

- Oil prices continued to rebound with supply cuts and trade talk optimism taking centre stage, sending prices to \$53.80.
- Gold moved marginally lower to \$1,282 per troy ounce, while Copper prices ticked higher to \$6,030.

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