

Global markets reach four-month high as risk-on rally resumes

Snapshot



World Equities

Corporate Bonds

Oil, Gold, Copper



N/A

Week Ahead

20
MAR

U.K. CPI & PPI
Release
U.S. FOMC Meeting
Announcement

21
MAR

China & Japan CPI
Release
U.S. Jobless Claims
& Money Supply

22
MAR

Eurozone PMI
Composite
U.S. PMI Composite
& Home Sales

Global markets erased last week's declines to reach a four-month high. Gains were led by the U.S. technology sector, boosted by shares in Apple who are expected to announce a new streaming video service in the near future. After spiking last week, volatility (as measured by the VIX) retreated to a five-month low. Elsewhere, despite growth and Brexit concerns weighing, European and Asian markets advanced. Much of these gains can be attributed to the lack of accelerating inflation, which affords Central Banks the leeway to adopt ongoing accommodative policies. On Friday, Chinese Premier Li Keqiang said that Beijing was considering cutting some interest rates and banks' reserve requirements to bolster economic growth. The announcement came a day after industrial production rose at its slowest pace in January and February (+5.3%) since 2002.

	1 Week Return 08.03.19 to 15.03.19		Year to Date Return 31.12.18 to 15.03.19	
	Local Currency	Euro	Local Currency	Euro
World	2.8%	2.0%	11.9%	13.0%
U.S.	2.9%	2.1%	12.9%	14.3%
Europe	2.8%	2.8%	12.6%	12.6%
Ireland	2.9%	2.9%	14.1%	14.1%
U.K.	1.7%	3.0%	7.2%	13.0%
Japan	2.0%	0.9%	7.4%	7.1%
Hong Kong	1.6%	0.8%	13.4%	14.5%
Australia	-0.6%	-0.8%	8.2%	10.0%
Corporate Bonds	0.4%	0.4%	2.5%	2.5%

Equities

- The MSCI World Index advanced 2.8% in local currency terms with the U.S. and Europe leading the way.
- Tech shares outperformed but industrials lagged due to the sharp decline in the Boeing share price.

Fixed Income & FX

- The U.S. 10-year yield declined to 2.59% while the equivalent German yield moved to 0.08%.
- The Euro strengthened to 1.137 against the U.S. dollar but is still down 1.2% year-to-date.

Commodities

- The weaker U.S. dollar supported commodity prices with Gold rising to \$1,302 and Oil rising to \$58.52.
- With the Chinese government renewing their pledge to support the economy, Copper prices rose to \$6,446.

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