

Mixed returns as trade tariff tensions continue

Snapshot



World Equities
Corporate Bonds
Sovereign Bonds
Oil



Gold
Copper

Week Ahead

21
May

US existing home sales published

22
May

US FOMC minutes released, UK CPI numbers published.

23
May

Eurozone PMIs & European Parliament election voting begins.

Trade tensions between the U.S. and China continued to escalate last week, as China responded to the latest sanctions from the U.S with reciprocal tariffs on \$60bn worth of U.S exports. However, there are reports that President's Xi and Trump will meet at the upcoming G20 summit and that the U.S has also delayed implementation of proposed auto tariffs. Renewed optimism towards the end of the week helped to shave losses. Chinese data also disappointed as industrial production and retail sales both missed expectations to the downside. U.S data, including retail sales and manufacturing output, was also mixed and the week's events has stoked fears of a global economic slowdown. Treasury yields in general fell (price and yield hold an inverse relationship) on the concerns which also leads to growing expectations of a rate cut from the Federal Reserve.

	1 Week Return 10.05.19 to 17.05.19		Year to Date Return 31.12.18 to 17.05.19	
	Local Currency	Euro	Local Currency	Euro
World	-0.5%	0.3%	12.3%	15.1%
U.S.	-0.8%	-0.1%	14.3%	17.5%
Europe	1.4%	1.4%	13.2%	13.2%
Ireland	0.7%	0.7%	16.4%	16.4%
U.K.	2.1%	0.5%	8.7%	11.4%
Japan	0.3%	0.9%	4.6%	7.2%
Hong Kong	-1.7%	-1.1%	11.0%	13.7%
Corporate Bonds	0.3%	0.3%	3.6%	3.6%
Sovereign Bonds	0.7%	0.7%	4.5%	4.5%

Equities

- The MSCI World held steady, down slightly in local terms but up overall in euro terms.
- Europe and the U.K. were the best performers over the week delivering 1.2% and 0.5% respectively, and the influential US market was down slightly at -0.1% in euro terms.

Fixed Income & FX

- The U.S. 10-year yield ticked lower again during the week, moving to 2.39% from 2.47%. The German equivalent remained in negative territory at -0.1%.
- The Euro US Dollar exchange rate remained unchanged on the previous week at 1.12, whilst Euro/GBP was at 0.88.

Commodities

- Oil gained on the previous week, finishing the week higher at almost \$63 per barrel.
- Gold and Copper prices both fell, finishing the week at \$1,277 per troy ounce and \$6,033 per tonne respectively on the back of continued trade tension concerns.

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Zurich House, Frascati Road, Blackrock, Co. Dublin, Ireland.
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